

(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' limited review report for the
interim period ended September 30, 2012**

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

Albaraka Türk Katılım Bankası Anonim Şirketi
Independent auditors' limited review report
for the interim period ended September 30, 2012

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

We have reviewed the accompanying unconsolidated balance sheet of Albaraka Türk Katılım Bankası A.Ş. ("the Bank") as of September 30, 2012 and the unconsolidated statements of income, unconsolidated statement of income and expense items accounted under equity, unconsolidated cash flows and unconsolidated changes in shareholders' equity for the period then ended. These financial statements are the responsibility of the Bank's management. As independent auditors, our responsibility is to issue a report based on the review performed on these financial statements.

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

Based on our review, nothing has come to our attention that causes us to believe that the accompanying unconsolidated financial statements do not give a true and fair view of the financial position of Albaraka Türk Katılım Bankası A.Ş. as of September 30, 2012 and the results of its operations and its cash flows for the period then ended in accordance with the prevailing accounting principles and standards set out as per the Article No: 37 of the Banking Act No: 5411, and other regulations, communiqués and circulars in respect of accounting and financial reporting and pronouncements made by the Banking Regulation and Supervision Agency.

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

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

Metin Canoğulları, SMMM
Engagement Partner

November 7, 2012
Istanbul, Turkey

**UNCONSOLIDATED INTERIM FINANCIAL REPORT OF ALBARAKA TÜRK KATILIM BANKASI A.Ş
AS OF AND FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2012**

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
- LIMITED REVIEW REPORT

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

07.11.2012

Adnan Ahmed Yusuf ABDULMALEK
Chairman of the Board of Directors

Fahrettin YAHŞI
General Manager

Turgut SİMİTÇİOĞLU
Assistant General Manager

Ahmet OCAK
Budget and Financial Reporting
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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Table of contents

	<u>Page</u>
Section one	
General information	
I. History of the Bank including its incorporation date, initial legal status and amendments to legal status	1
II. Shareholding structure, shareholders having direct or indirect, joint or individual control over the management of the Bank and disclosures on related changes in the current year, if any	1
III. Explanation on the chairman and members of board of directors, members of audit committee, general manager and assistant general managers and their shares in the Bank, if any	2
IV. Information on the Bank's qualified shareholders	3
V. Summary on the Bank's service activities and field of operations	3
VI. Differences between the Communiqué on Preparation of Consolidated Financial Statements of Banks and Turkish Accounting Standards and Short Explanation About the Institutions Subject to Line-by-Line Method or Proportional Consolidation and Institutions which are Deducted from Equity or not Included in These Three Methods	4
VII. The Existing or Potential, Actual or Legal Obstacles on the Transfer of Shareholder's Equity Between the Bank and Its Subsidiaries or the Reimbursement of Liabilities	4
Section two	
The unconsolidated financial statements	
I. Balance sheet (Statement of financial position)	5
II. Statement of off-balance sheet contingencies and commitments	7
III. Statement of income	8
IV. Statement of income and expense accounted under shareholders' equity	9
V. Statement of changes in shareholders' equity	10
VI. Statement of cash flows	12
Section three	
Accounting policies	
I. Explanations on basis of presentation	13
II. Explanations on strategy of using financial instruments and foreign currency transactions	14
III. Explanations on forward, option contracts and derivative instruments	15
IV. Explanations on profit share income and expenses	15
V. Explanations on fees, commission income and expenses	16
VI. Explanations on financial assets	16
VII. Explanations on impairment of financial assets	17
VIII. Explanations on offsetting of financial instruments	18
IX. Explanations on sale and repurchase agreements and lending of securities	18
X. Explanations on assets held for sale and discontinued operations and liabilities related to these assets	18
XI. Explanations on goodwill and other intangible assets	19
XII. Explanations on tangible assets	19
XIII. Explanations on leasing transactions	20
XIV. Explanations on provisions and contingent liabilities	20
XV. Explanations on liabilities regarding employee benefits	21
XVI. Explanations on taxation	21
XVII. Additional explanations on borrowings	23
XVIII. Explanations on issued share certificates	23
XIX. Explanations on acceptances and availed drafts	23
XX. Explanations on government grants	23
XXI. Explanations on segment reporting	23
XXII. Explanations on other matters	23
XXIII. Additional paragraph for convenience translation	23
Section four	
Information on financial structure and risk management	
I. Explanations on the capital adequacy standard ratio	24
II. Explanations on credit risk	28
III. Explanations on market risk	28
IV. Explanations on operational risk	28
V. Explanations on currency risk	29
VI. Explanations on Position risk of equity securities in banking book	31
VII. Explanations on liquidity risk	32
VIII. Explanations on Securitisation Positions	35
IX. Explanations on Credit risk mitigation techniques	35
X. Explanations on Risk Management Objectives and Policies	37
XI. Explanations on presentation of financial assets and liabilities at fair values	39
XII. Explanations regarding the activities carried out on behalf and account of other persons	39
XIII. Explanations on business segments	40

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

I.	Explanations and notes related to assets	41
II.	Explanations and notes related to liabilities	55
III.	Explanations and notes related to off-balance sheet commitments	65
IV.	Explanations and notes related to the statement of income	67
V.	Explanations and notes related to the statements of changes in shareholders' equity	72
VI.	Explanations and notes related to cash flows statement	72
VII.	Explanations related to the risk group of the Bank	73
VIII.	Explanations related to domestic, foreign, off-shore branches or investments and foreign representative offices	74
IX.	Explanations related to subsequent events	74

Section six**Other explanations**

I.	Other issues that have significant effect on the balance sheet or that ambiguous and/or open to interpretation and require clarification	75
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Section seven**Limited review report**

I.	Explanations on independent auditors' limited review report	75
II.	Other notes and explanations prepared by the independent auditors	75

Albaraka Türk Katılım Bankası Anonim Şirketi

Notes related to unconsolidated financial statements for the interim period ended September 30, 2012 (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 134 local branches and 1 foreign branch and with 2.707 staff as of September 30, 2012.

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 September 30, 2012, 54,06% of the Bank's shares are owned by Albaraka Banking Group located in Bahrain. 22,97% 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
for the interim period ended September 30, 2012
(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	-
	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 YAŞI	Member of BOD /General Manager	Master	-
Assistant General Managers	Mehmet Ali VERÇİN	Corporate Marketing, Commercial Marketing and Project management.	Bachelor	-
	Nihat BOZ	Legal Affairs	Bachelor	0,0048
	Temel HAZIROĞLU	Human Resources, Training and Organization Department, Performance and Career Management.	Bachelor	0,0342
	Bülent TABAN	Corporate Loans, Commercial Loans and Retail Loans, Credit Management & Monitoring Department	Master	-
	Turgut SİMİTÇİOĞLU	Risk Follow up, Administrative Affairs, Financial Affairs and Budget & Financial Reporting	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 Institutions, Fund Management, Retail Marketing	Bachelor	-
Audit Committee	Hamad Abdulla A. EQAB	Chairman of Audit Committee	Bachelor	(*) 0,0000
	Hood Hashem Ahmed HASHEM	Member of Audit Committee	Master	(*) 0,0000
	Mitat AKTAŞ	Member of Audit Committee	Master	(*) 0,0000
Auditors	Seyfettin YENİDÜNYA	Auditor	Bachelor	-
	Prof. Dr. Arif Ateş VURAN	Auditor	Doctorate	-
	Osman KARA	Auditor	Bachelor	-

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

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

Albaraka Türk Katılım Bankası Anonim Şirketi

**Notes related to unconsolidated financial statements
for the interim period ended September 30, 2012
(Currency - Thousand Turkish Lira)**

IV. Information on the Bank's qualified shareholders:

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

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

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

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

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

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

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

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

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

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

Albaraka Türk Katılım Bankası Anonim Şirketi

**Notes related to unconsolidated financial statements
for the interim period ended September 30, 2012
(Currency - Thousand Turkish Lira)**

VI. Differences between the Communiqué on Preparation of Consolidated Financial Statements of Banks and Turkish Accounting Standards and Short Explanation About the Institutions Subject to Line-by-Line Method or Proportional Consolidation and Institutions which are Deducted from Equity or not Included in These Three Methods

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

VII. The Existing or Potential, Actual or Legal Obstacles on the Transfer of Shareholder's Equity Between the Bank and Its Subsidiaries or the Reimbursement of Liabilities

Immediately transfer of the shareholder's equity between the Bank and its subsidiaries is not in question.

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

Section two

The unconsolidated financial statements

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

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

ASSETS	Notes	THOUSAND TURKISH LIRA					
		CURRENT PERIOD (30/09/2012)			PRIOR PERIOD (31/12/2011)		
		TL	FC	Total	TL	FC	Total
I. CASH AND BALANCES WITH THE CENTRAL BANK	(1)	270.057	969.136	1.239.193	292.927	758.273	1.051.200
II. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS (net)	(2)	4.768	-	4.768	4.802	-	4.802
2.1 Trading Financial Assets		4.768	-	4.768	4.802	-	4.802
2.1.1 Public Sector Debt Securities		-	-	-	-	-	-
2.1.2 Equity Securities		4.768	-	4.768	4.802	-	4.802
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)	783.726	463.209	1.246.935	409.667	897.805	1.307.472
IV. MONEY MARKET PLACEMENTS		-	-	-	-	-	-
V. FINANCIAL ASSETS-AVAILABLE FOR SALE (net)	(4)	34.443	47.546	81.989	84.540	1.340	85.880
5.1 Equity Securities		-	1.279	1.279	-	1.340	1.340
5.2 Public Sector Debt Securities		34.443	46.267	80.710	84.540	-	84.540
5.3 Other Marketable Securities		-	-	-	-	-	-
VI. LOANS AND RECEIVABLES	(5)	7.581.584	950.942	8.532.526	6.567.141	697.669	7.264.810
6.1 Loans and Receivables		7.561.156	950.942	8.512.098	6.554.087	697.669	7.251.756
6.1.1 Loans to Risk Group of The Bank		33.960	-	33.960	187	-	187
6.1.2 Public Sector Debt Securities		-	-	-	-	-	-
6.1.3 Other		7.527.196	950.942	8.478.138	6.553.900	697.669	7.251.569
6.2 Non performing loans		193.593	1.175	194.768	169.477	2.459	171.936
6.3 Specific Provisions (-)		173.165	1.175	174.340	156.423	2.459	158.882
VII. INVESTMENTS HELD TO MATURITY (net)	(6)	50.469	8.980	59.449	411.785	19.077	430.862
VIII. INVESTMENTS IN ASSOCIATES (net)	(7)	4.000	-	4.000	3.000	-	3.000
8.1 Accounted for under Equity Method		-	-	-	-	-	-
8.2 Unconsolidated Associates		4.000	-	4.000	3.000	-	3.000
8.2.1 Financial Associates		4.000	-	4.000	3.000	-	3.000
8.2.2 Non-Financial Associates		-	-	-	-	-	-
IX. SUBSIDIARIES (net)	(8)	50	-	50	50	-	50
9.1 Unconsolidated Financial Subsidiaries		50	-	50	50	-	50
9.2 Unconsolidated Non-Financial Subsidiaries		-	-	-	-	-	-
X. JOINT VENTURES (net)	(9)	-	-	-	-	-	-
10.1 Accounted for under Equity Method		-	-	-	-	-	-
10.2 Unconsolidated		-	-	-	-	-	-
10.2.1 Financial Joint Ventures		-	-	-	-	-	-
10.2.2 Non-Financial Joint Ventures		-	-	-	-	-	-
XI. LEASE RECEIVABLES (net)	(10)	42.843	-	42.843	22.150	-	22.150
11.1 Finance Lease Receivables		53.352	-	53.352	27.298	-	27.298
11.2 Operational Lease Receivables		-	-	-	-	-	-
11.3 Other		-	-	-	-	-	-
11.4 Unearned Income (-)		10.509	-	10.509	5.148	-	5.148
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)	251.529	2.141	253.670	229.071	2.078	231.149
XIV. INTANGIBLE ASSETS (net)	(13)	6.232	545	6.777	4.798	549	5.347
14.1 Goodwill		-	-	-	-	-	-
14.2 Other		6.232	545	6.777	4.798	549	5.347
XV. INVESTMENT PROPERTY (net)	(14)	-	-	-	-	-	-
XVI. TAX ASSET	(15)	13.746	-	13.746	9.865	-	9.865
16.1 Current Tax Asset		2.870	-	2.870	1.262	-	1.262
16.2 Deferred Tax Asset		10.876	-	10.876	8.603	-	8.603
XVII. ASSETS HELD FOR SALE AND ASSETS OF DISCONTINUED OPERATIONS (net)	(16)	21.297	-	21.297	25.372	-	25.372
17.1 Assets Held for Sale		21.297	-	21.297	25.372	-	25.372
17.2 Assets of Discontinued Operations		-	-	-	-	-	-
XVIII. OTHER ASSETS	(17)	34.448	774	35.222	18.276	650	18.926
TOTAL ASSETS		9.099.192	2.443.273	11.542.465	8.083.444	2.377.441	10.460.885

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 (30/09/2012)			PRIOR PERIOD (31/12/2011)		
		TL	FC	Total	TL	FC	Total
I. FUNDS COLLECTED	(1)	5.034.211	3.609.772	8.643.983	4.797.751	3.246.996	8.044.747
1.1 Funds from Risk Group of The Bank		89.833	91.035	180.868	242.951	109.056	352.007
1.2 Other		4.944.378	3.518.737	8.463.115	4.554.800	3.137.940	7.692.740
II. DERIVATIVE FINANCIAL LIABILITIES HELD FOR TRADING	(2)	-	-	-	-	-	-
III. FUNDS BORROWED	(3)	-	1.323.083	1.323.083	-	1.053.290	1.053.290
IV. BORROWINGS FROM MONEY MARKETS		-	-	-	-	-	-
V. SECURITIES ISSUED (net)		-	-	-	-	-	-
VI. MISCELLANEOUS PAYABLES		216.204	11.790	227.994	169.276	7.726	177.002
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)	112.635	44.891	157.526	104.193	42.000	146.193
10.1 General Provisions		71.602	21.321	92.923	61.164	11.774	72.938
10.2 Restructuring Reserves		-	-	-	-	-	-
10.3 Reserve for Employee Benefits		16.241	-	16.241	14.307	-	14.307
10.4 Insurance Technical Reserves (net)		-	-	-	-	-	-
10.5 Other Provisions		24.792	23.570	48.362	28.722	30.226	58.948
XI. TAX LIABILITY	(8)	35.010	4	35.014	35.401	1	35.402
11.1 Current Tax Liability		35.010	4	35.014	35.401	1	35.402
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)	1.154.865	-	1.154.865	1.004.251	-	1.004.251
14.1 Paid-In Capital		900.000	-	900.000	539.000	-	539.000
14.2 Capital Reserves		36.077	-	36.077	35.330	-	35.330
14.2.1 Share Premium		-	-	-	-	-	-
14.2.2 Share Cancellation Profits		-	-	-	-	-	-
14.2.3 Marketable Securities Revaluation Reserve		(249)	-	(249)	(1.438)	-	(1.438)
14.2.4 Revaluation Reserve on Tangible Assets		36.437	-	36.437	36.874	-	36.874
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		(111)	-	(111)	(64)	-	(64)
14.3 Profit Reserves		68.920	-	68.920	269.051	-	269.051
14.3.1 Legal Reserves		49.966	-	49.966	39.160	-	39.160
14.3.2 Status Reserves		-	-	-	-	-	-
14.3.3 Extraordinary Reserves		18.954	-	18.954	229.891	-	229.891
14.3.4 Other Profit Reserves		-	-	-	-	-	-
14.4 Profit or Loss		149.868	-	149.868	160.870	-	160.870
14.4.1 Prior Periods Profit / (Loss)		714	-	714	715	-	715
14.4.2 Current Period Profit / (Loss)		149.154	-	149.154	160.155	-	160.155
14.5 Minority Interest		-	-	-	-	-	-
TOTAL LIABILITIES		6.552.925	4.989.540	11.542.465	6.110.872	4.350.013	10.460.885

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 (30/09/2012)			PRIOR PERIOD (31/12/2011)		
			TL	FC	Total	TL	FC	Total
A.	OFF BALANCE SHEET COMMITMENTS (I+II+III)	(1),(3)	3.466.735	2.507.295	5.974.030	3.071.946	2.513.747	5.585.693
I.	GUARANTEES AND SURETIES		2.875.562	2.507.196	5.382.758	2.685.935	2.512.179	5.198.114
1.1.	Letters of Guarantees		2.866.862	1.776.734	4.643.596	2.676.710	1.857.501	4.534.211
1.1.1.	Guarantees Subject to State Tender Law		149.194	17.031	166.225	150.781	60.412	211.193
1.1.2.	Guarantees Given for Foreign Trade Operations		20	793.939	793.959	-	847.504	847.504
1.1.3.	Other Letters of Guarantee		2.717.648	965.764	3.683.412	2.525.929	949.585	3.475.514
1.2.	Bank Loans		-	21.072	21.072	-	43.986	43.986
1.2.1.	Import Letter of Acceptances		-	21.072	21.072	-	43.986	43.986
1.2.2.	Other Bank Acceptances		-	-	-	-	-	-
1.3.	Letter of Credits		-	536.598	536.598	-	506.178	506.178
1.3.1.	Documentary Letter of Credits		-	-	-	-	-	-
1.3.2.	Other Letter of Credits		-	536.598	536.598	-	506.178	506.178
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		-	154.461	154.461	225	83.488	83.713
1.7.	Other Collaterals		8.700	18.331	27.031	9.000	21.026	30.026
II.	COMMITMENTS	(1),(3)	591.173	99	591.272	386.011	1.568	387.579
2.1.	Irrevocable Commitments		591.173	99	591.272	386.011	1.568	387.579
2.1.1.	Forward Asset Purchase Commitments		-	-	-	-	-	-
2.1.2.	Share Capital Commitment to Associates and Subsidiaries		-	-	-	1.000	-	1.000
2.1.3.	Loan Granting Commitments		38.680	-	38.680	18.278	-	18.278
2.1.4.	Securities Underwriting Commitments		-	-	-	-	-	-
2.1.5.	Commitments for Reserve Deposit Requirements		-	-	-	-	-	-
2.1.6.	Payment Commitment for Checks		266.757	-	266.757	190.160	-	190.160
2.1.7.	Tax And Fund Liabilities from Export Commitments		954	-	954	576	-	576
2.1.8.	Commitments for Credit Card Expenditure Limits		281.104	-	281.104	173.723	-	173.723
2.1.9.	Commitments for Promotions Related with Credit Cards and Banking Activities		287	-	287	45	-	45
2.1.10.	Receivables From Short Sale Commitments		-	-	-	-	-	-
2.1.11.	Payables for Short Sale Commitments		-	-	-	-	-	-
2.1.12.	Other Irrevocable Commitments		3.391	99	3.490	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)		18.003.026	2.215.663	20.218.689	14.444.231	1.853.449	16.297.680
IV.	ITEMS HELD IN CUSTODY		888.207	667.449	1.555.656	1.130.822	659.393	1.790.215
4.1.	Assets Under Management		-	-	-	-	-	-
4.2.	Investment Securities Held in Custody		-	-	-	-	-	-
4.3.	Checks Received for Collection		544.196	51.852	596.048	397.679	42.873	440.552
4.4.	Commercial Notes Received for Collection		255.118	18.418	273.536	245.203	9.456	254.659
4.5.	Other Assets Received for Collection		105	-	105	105	-	105
4.6.	Assets Received for Public Offering		-	-	-	-	-	-
4.7.	Other Items Under Custody		72	273.204	273.276	72	262.032	262.104
4.8.	Custodians		88.716	323.975	412.691	487.763	345.032	832.795
V.	PLEDGED ITEMS		17.114.819	1.548.214	18.663.033	13.313.409	1.194.056	14.507.465
5.1.	Marketable Securities		360.241	42.179	402.420	231.595	35.609	267.204
5.2.	Guarantee Notes		1.216.859	168.315	1.385.174	976.112	156.319	1.132.431
5.3.	Commodity		491.418	250.115	741.533	427.087	251.412	678.499
5.4.	Warranty		-	-	-	-	-	-
5.5.	Properties		13.959.476	701.934	14.661.410	11.244.768	502.327	11.747.095
5.6.	Other Pledged Items		1.057.978	361.517	1.419.495	413.604	221.105	634.709
5.7.	Pledged Items-Depository		28.847	24.154	53.001	20.243	27.284	47.527
VI.	ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES		-	-	-	-	-	-
TOTAL OFF BALANCE SHEET ACCOUNTS (A+B)			21.469.761	4.722.958	26.192.719	17.516.177	4.367.196	21.883.373

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 (01/01-30/09/2012)	PRIOR PERIOD (01/01-30/09/2011)	CURRENT PERIOD (01/07-30/09/2012)	PRIOR PERIOD (01/07-30/09/2011)
I. PROFIT SHARE INCOME	(1)	732.904	549.490	267.245	192.647
1.1 Profit Share on Loans		712.593	510.751	262.642	178.740
1.2 Income Received from Reserve Deposits		-	-	-	-
1.3 Income Received from Banks		1.227	480	209	167
1.4 Income Received from Money Market Placements		-	-	-	-
1.5 Income Received from Marketable Securities Portfolio		16.185	36.497	3.276	13.278
1.5.1 Held-For-Trading Financial Assets		-	-	-	-
1.5.2 Financial Assets at Fair Value Through Profit and Loss		-	-	-	-
1.5.3 Available-For-Sale Financial Assets		3.952	5.047	1.092	1.903
1.5.4 Investment-Held for Maturity		12.233	31.450	2.184	11.375
1.6 Finance Lease Income		2.884	1.762	1.118	462
1.7 Other Profit Share Income		15	-	-	-
II. PROFIT SHARE EXPENSE	(2)	378.867	273.793	131.615	94.833
2.1 Expense on Profit Sharing Accounts		356.727	258.684	123.987	86.127
2.2 Profit Share Expense on Funds Borrowed		21.651	11.844	7.628	5.441
2.3 Profit Share Expense on Money Market Borrowings		489	3.265	-	3.265
2.4 Expense on Securities Issued		-	-	-	-
2.5 Other Profit Share Expense		-	-	-	-
III. NET PROFIT SHARE INCOME (I – II)		354.037	275.697	135.630	97.814
IV. NET FEES AND COMMISSIONS INCOME/EXPENSES		84.976	65.292	29.260	22.443
4.1 Fees and Commissions Received		100.341	80.033	35.038	26.914
4.1.1 Non-Cash Loans		57.807	42.980	19.722	14.412
4.1.2 Other	(12)	42.534	37.053	15.316	12.502
4.2 Fees and Commissions Paid		15.365	14.741	5.778	4.471
4.2.1 Non-Cash Loans		358	334	84	95
4.2.2 Other	(12)	15.007	14.407	5.694	4.376
V. DIVIDEND INCOME	(3)	788	-	-	-
VI. TRADING INCOME/LOSS(net)	(4)	15.023	11.853	6.951	3.481
6.1 Capital Market Transaction Income / (Loss)		(81)	986	(147)	(399)
6.2 Income / (Loss) from Derivative Financial Instruments		-	-	-	-
6.3 Foreign Exchange Income / (Loss)		15.104	10.867	7.098	3.880
VII. OTHER OPERATING INCOME	(5)	42.064	34.769	8.611	9.686
VIII. TOTAL OPERATING INCOME (III+IV+V+VI+VII)		496.888	387.611	180.452	133.424
IX. PROVISION FOR LOAN LOSSES AND OTHER RECEIVABLES (-)	(6)	64.882	70.120	19.080	22.174
X. OTHER OPERATING EXPENSES (-)	(7)	245.211	178.808	81.937	61.455
XI. NET OPERATING INCOME/(LOSS) (VIII-IX-X)		186.795	138.683	79.435	49.795
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)	186.795	138.683	79.435	49.795
XVI. TAX PROVISION FOR CONTINUED OPERATIONS (±)	(9)	(37.641)	(28.722)	(16.290)	(10.758)
16.1 Provision for Current Taxes		(40.212)	(28.513)	(16.810)	(11.516)
16.2 Provision for Deferred Taxes		2.571	(209)	520	758
XVII. NET INCOME / (LOSS) FROM CONTINUED OPERATIONS (XV±XVI)	(10)	149.154	109.961	63.145	39.037
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)	149.154	109.961	63.145	39.037
23.1 Group's Income/Loss		149.154	109.961	63.145	39.037
23.2 Minority Interest		-	-	-	-
Earnings Per Share (Full TL)		0,166	0,122	0,070	0,043

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 INCOME AND EXPENSE ITEMS ACCOUNTED UNDER SHAREHOLDERS' EQUITY

STATEMENT OF INCOME AND EXPENSE ITEMS ACCOUNTED UNDER SHAREHOLDERS' EQUITY	THOUSAND TURKISH LIRA			
	CURRENT PERIOD (01/01-30/09/2012)	PRIOR PERIOD (01/01-30/09/2011)	CURRENT PERIOD (01/07-30/09/2012)	PRIOR PERIOD (01/07-30/09/2011)
I. ADDITIONS FROM MARKETABLE SECURITIES REVALUATION DIFFERENCES FOR AVAILABLE FOR SALE FINANCIAL ASSETS	1.486	(2.680)	40	(673)
II. TANGIBLE ASSETS REVALUATION DIFFERENCES	-	-	-	-
III. INTANGIBLE ASSETS REVALUATION DIFFERENCES	-	-	-	-
IV. FOREIGN EXCHANGE DIFFERENCES FOR FOREIGN CURRENCY TRANSACTIONS	271	-	(21)	-
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	(297)	536	(8)	135
X. TOTAL NET PROFIT/LOSS ACCOUNTED UNDER EQUITY (I+II+...+IX)	1.460	(2.144)	11	(538)
XI. PROFIT/LOSS	149.154	109.961	63.145	39.037
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	149.154	109.961	63.145	39.037
XII. TOTAL PROFIT/LOSS ACCOUNTED FOR THE PERIOD (X±XI)	150.614	107.817	63.156	38.499

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 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 (30/09/2011)																	
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		-	-	-	-	-	-	-	-	-	-	(2.680)	-	-	-	-	(2.680)
IV. Hedging Funds (Effective Portion)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.1 Cash-Flow Hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.2 Hedge Of Net Investment in Foreign Operations		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V. Tangible Assets Revaluation Differences		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI. Intangible Assets Revaluation Differences		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII. Bonus Shares Obtained from Associates, Subsidiaries and Jointly Controlled Operations		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII. Foreign Exchange Differences		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX. Changes Related to the Disposal Of Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
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		-	-	-	-	-	-	-	-	-	520	536	(520)	-	-	-	536
XVII. Period Net Income/(Loss)		-	-	-	-	-	-	-	-	109.961	-	-	-	-	-	-	109.961
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	-	109.961	520	220	28.225	-	-	-	946.977

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 (30/09/2012)																	
I. Beginning balance	(V)	539.000	-	-	-	39.160	-	229.891	(382)	160.155	715	(1.438)	37.150	-	-	-	1.004.251
Changes In Period																	
II. Increase/Decrease Related to Merger		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. Marketable Securities Revaluation Differences		-	-	-	-	-	-	-	-	-	-	1.486	-	-	-	-	1.486
IV. Hedging Funds (Effective Portion)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.1 Cash-Flow Hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.2 Hedge Of Net Investment in Foreign Operations		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V. Tangible Assets Revaluation Differences		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI. Intangible Assets Revaluation Differences		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII. Bonus Shares Obtained from Associates, Subsidiaries and Jointly Controlled Operations		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII. Foreign Exchange Differences		-	-	-	-	-	-	-	271	-	-	-	-	-	-	-	271
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		361.000	-	-	-	(61)	-	(360.939)	-	-	-	-	-	-	-	-	-
12.1 Cash		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.2 Internal Sources		361.000	-	-	-	(61)	-	(360.939)	-	-	-	-	-	-	-	-	-
XIII. Share Issue Premium		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV. Share Cancellation Profits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XV. Inflation Adjustment to Paid-in Capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI. Other		-	-	-	-	2.824	-	(2.824)	-	-	713	(297)	(713)	-	-	-	(297)
XVII. Period Net Income/(Loss)		-	-	-	-	-	-	-	-	149.154	-	-	-	-	-	-	149.154
XVIII. Profit Distribution		-	-	-	-	8.043	-	152.826	-	(160.155)	(714)	-	-	-	-	-	-
18.1 Dividends Distributed		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18.2 Transfers To Reserves		-	-	-	-	8.043	-	152.826	-	-	(160.869)	-	-	-	-	-	-
18.3 Other		-	-	-	-	-	-	-	-	(160.155)	160.155	-	-	-	-	-	-
Closing Balance (+/-II+III+...+XVI+XVII+XVIII)		900.000	-	-	-	49.966	-	18.954	(111)	149.154	714	(249)	36.437	-	-	-	1.154.865

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	Notes	THOUSAND TURKISH LIRA	
		CURRENT PERIOD (30/09/2012)	PRIOR PERIOD (30/09/2011)
A. CASH FLOWS FROM BANKING OPERATIONS			
1.1 Operating Profit Before Changes In Operating Assets And Liabilities		383.638	214.404
1.1.1 Profit Share Income Received		689.988	514.499
1.1.2 Profit Share Expense Paid		(374.985)	(274.082)
1.1.3 Dividend Received		788	-
1.1.4 Fees and Commissions Received		161.273	113.662
1.1.5 Other Income		35.305	24.917
1.1.6 Collections from Previously Written Off Loans	(V-I-5,h2)	21.804	22.808
1.1.7 Payments to Personnel and Service Suppliers		(142.147)	(104.493)
1.1.8 Taxes Paid		(49.569)	(33.083)
1.1.9 Others		41.181	(49.824)
1.2 Changes in operating assets and liabilities		(1.068.535)	(605.809)
1.2.1 Net (Increase) Decrease in Available For Sale Financial Assets		34	(901)
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		(289.453)	(47.778)
1.2.4 Net (Increase) Decrease in Loans		(1.416.412)	(515.460)
1.2.5 Net (Increase) Decrease in Other Assets		92.064	(154.723)
1.2.6 Net Increase (Decrease) in Funds Collected From Banks		-	-
1.2.7 Net Increase (Decrease) in Other Funds Collected		553.297	77.867
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		(8.065)	35.186
I. Net Cash Flow From Banking Operations		(684.897)	(391.405)
B. CASH FLOWS FROM INVESTING ACTIVITIES			
II. Net cash flow from investing activities		350.005	(71.830)
2.1 Cash Paid for Purchase Jointly Controlled Operations, Associates and Subsidiaries		(1.000)	(1.000)
2.2 Cash Obtained from Sale of Jointly Controlled Operations, Associates and Subsidiaries		-	-
2.3 Fixed Assets Purchases		(40.801)	(43.668)
2.4 Fixed Assets Sales		5.047	15.957
2.5 Cash Paid for Purchase of Financial Assets Available for Sale		(46.462)	(30.000)
2.6 Cash Obtained from Sale of Financial Assets Available for Sale		50.000	-
2.7 Cash Paid for Purchase of Investment Securities	(V-I-6,4)	-	(50.000)
2.8 Cash Obtained from Sale of Investment Securities	(V-I-6,4)	383.221	36.881
2.9 Other		-	-
C. CASH FLOWS FROM FINANCING ACTIVITIES			
III. Net cash flow from financing activities		264.765	820.500
3.1 Cash Obtained from Funds Borrowed and Securities Issued		867.111	849.936
3.2 Cash Used for Repayment of Funds Borrowed and Securities Issued		(602.346)	(371.822)
3.3 Capital Increase		-	-
3.4 Dividends Paid		-	(13.475)
3.5 Payments for Finance Leases		-	-
3.6 Other		-	355.861
IV. Effect of Change in Foreign Exchange Rate on Cash and Cash Equivalents		18.097	(40.395)
V. Net (Decrease) / Increase in Cash and Cash Equivalents		(52.030)	316.870
VI. Cash and Cash Equivalents at the Beginning of the Period		1.765.991	1.142.913
VII. Cash and Cash Equivalents at the End of the Period		1.713.961	1.459.783

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

Albaraka Türk Katılım Bankası Anonim Şirketi

**Notes related to unconsolidated financial statements
for the interim period ended September 30, 2012
(Currency - Thousand Turkish Lira)**

Section three

Accounting policies

I. Explanations on basis of presentation:

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

The Bank prepares 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 these interim financial statements are consistent with those adopted in the preparation of the financial statements as of December 31, 2011. TAS/TFRS changes (IAS 12 "Income Taxes: Recovery of Underlying Assets (Amendment)", IFRS 7 "Financial Instruments: Disclosures - Enhanced Derecognition Disclosure Requirements (Amendment)") do not have an effect on the Bank's accounting policies, financial position or performance. The accounting policies and valuation principles used in the preparation of unconsolidated financial statements are explained in Notes II and XXII below.

"Communiqué related to Changes in Communiqué on Financial Statements and Related Disclosures and Footnotes to be announced to Public by Banks" published in the Official Gazette dated January 23, 2011 and numbered 27824 has set out the financial statement formats for the banks which selected to early adopt TFRS 9 "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 issued as of reporting date, are not expected to have a material impact on the accounting policies, financial condition and performance of the Bank. The Bank assesses the impact of TFRS 9 "Financial Instruments"

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

Albaraka Türk Katılım Bankası Anonim Şirketi

**Notes related to unconsolidated financial statements
for the interim period ended September 30, 2012
(Currency - Thousand Turkish Lira)**

I. Explanations on basis of presentation (continued):

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

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

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

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

The Bank 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 assets into Turkish Lira are included in the income statement.

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

Albaraka Türk Katılım Bankası Anonim Şirketi

**Notes related to unconsolidated financial statements
for the interim period ended September 30, 2012
(Currency - Thousand Turkish Lira)**

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

Precious metals (gold) accounted under assets and liabilities which do not have fixed maturity are translated into Turkish lira by 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.

Albaraka Türk Katılım Bankası Anonim Şirketi

**Notes related to unconsolidated financial statements
for the interim period ended September 30, 2012
(Currency - Thousand Turkish Lira)**

V. Explanations on fees and commission income and expenses:

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

In accordance with provisions of TAS, the portion of the commission and fees which are related to the reporting period and collected in advance for cash and non-cash loans granted is reflected to the income statement by using the internal rate of return method and straight line methods 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 September 30, 2012, 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.

Albaraka Türk Katılım Bankası Anonim Şirketi

**Notes related to unconsolidated financial statements
for the interim period ended September 30, 2012
(Currency - Thousand Turkish Lira)**

VI. Explanations on financial assets (continued):

Loans and receivables:

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

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

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

Held to maturity financial assets:

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

VII. Explanations on impairment of financial assets:

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

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

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

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

Albaraka Türk Katılım Bankası Anonim Şirketi

**Notes related to unconsolidated financial statements
for the interim period ended September 30, 2012
(Currency - Thousand Turkish Lira)**

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

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

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

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

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

The Bank has no securities lending transactions.

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

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

Albaraka Türk Katılım Bankası Anonim Şirketi

**Notes related to unconsolidated financial statements
for the interim period ended September 30, 2012
(Currency - Thousand Turkish Lira)**

XI. Explanations on goodwill and other intangible assets:

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

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

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

XII. Explanations on tangible assets:

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

As of March 31, 2009, the Bank 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.

Albaraka Türk Katılım Bankası Anonim Şirketi

**Notes related to unconsolidated financial statements
for the interim period ended September 30, 2012
(Currency - Thousand Turkish Lira)**

XII. Explanations on tangible assets (continued):

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

Albaraka Türk Katılım Bankası Anonim Şirketi

**Notes related to unconsolidated financial statements
for the interim period ended September 30, 2012
(Currency - Thousand Turkish Lira)**

XV. Explanations on liabilities regarding employee benefits:

i) *Defined benefit plans:*

In accordance with existing social legislation, the Bank is required to make severance pay to each employee who has completed over one year of service with the Bank and whose employment is terminated due to retirement or for reasons other than resignation or misconduct.

The retirement pay provision recognized in the financial statements, is calculated 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.

Albaraka Türk Katılım Bankası Anonim Şirketi

**Notes related to unconsolidated financial statements
for the interim period ended September 30, 2012
(Currency - Thousand Turkish Lira)**

XVI. Explanations on taxation (continued):

75% of the profits generated from the sale of properties and share certificates of which the Bank held possession for two years or more, are tax exempt if added to the capital or accounted under shareholders' equity as a special fund for 5 years according to the Corporate Tax Law.

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

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

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

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

Deferred tax:

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

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

Transfer pricing:

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

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

Albaraka Türk Katılım Bankası Anonim Şirketi

**Notes related to unconsolidated financial statements
for the interim period ended September 30, 2012
(Currency - Thousand Turkish Lira)**

XVII. Additional explanations on borrowings:

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

There are no debt securities issued by the Bank.

The Bank has not issued convertible bonds.

XVIII. Explanations on issued share certificates:

With the decision of Extraordinary General Meeting dated June 19 2012, the Bank increased the paid-in capital from 539.000 TL to 900.000 TL through internal resources (scrip issue).

XIX. Explanations on acceptances and availed drafts:

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

XX. Explanations on government grants:

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

XXI. Explanations on segment reporting:

Business segment is a component of the Bank that engages in business activities from which the Bank may earn revenues and incur expenses whose operating results are regularly reviewed by the Bank's chief operating decision makers to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment reporting is disclosed in Section Four, Note XIII.

XXII. Explanations on other matters:

None.

XXIII. Additional paragraph for convenience translation:

The effects of differences between accounting principles and standards set out by regulations in conformity with Article 37 of the Banking Act No: 5411 and the accounting principles generally accepted in countries in which the accompanying financial statements are to be distributed and International Financial Reporting Standards (IFRS) have not been quantified in the accompanying financial statements. Accordingly, the accompanying financial statements are not intended to present the financial position, results of operations and changes in financial position and cash flows in accordance with the accounting principles generally accepted in such countries and IFRS.

Albaraka Türk Katılım Bankası Anonim Şirketi

**Notes related to unconsolidated financial statements
for the interim period ended September 30, 2012
(Currency - Thousand Turkish Lira)**

Section four

Information on financial position

I. Explanations on capital adequacy standard ratio:

Capital adequacy ratio calculations are made in accordance with "Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks" (Regulation) published in the Official Gazette no.28337 dated June 28, 2012 starting from July 1, 2012. As of September 30, 2012, the Bank's unconsolidated capital adequacy ratio calculated in accordance with the "Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks" is 12,45 %. In accordance with "Communiqué on Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks" published in Official Gazette No.28337 dated June 28, 2012 the Bank has not re-calculated capital adequacy ratio of the previous period.

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

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

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

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

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

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

Albaraka Türk Katılım Bankası Anonim Şirketi**Notes related to unconsolidated financial statements
for the interim period ended September 30, 2012
(Currency - Thousand Turkish Lira)****I. Explanations on capital adequacy standard ratio (continued):****b) Information on capital adequacy standard ratio: Thousand TL, %**

Value at Credit Risk	Parent Bank Only							
	%0	%10	%20	%50	%75	%100	%150	%200
	1.497.970	-	521.905	3.999.930	1.320.020	5.150.487	6.037	707
Exposure Categories								
Conditional and unconditional receivables from central governments or central banks	1.024.654	-	8.975	-	-	5	-	-
Conditional and unconditional receivables from regional or local governments	-	-	1.753	-	-	23	-	-
Conditional and unconditional receivables from administrative units and non-commercial enterprises	-	-	-	-	-	-	-	-
Conditional and unconditional receivables from multilateral development banks	-	-	-	-	-	-	-	-
Conditional and unconditional receivables from international organisations	-	-	-	-	-	-	-	-
Conditional and unconditional receivables from banks and brokerage houses	1.814	-	510.586	540.108	-	398.912	-	-
Conditional and unconditional receivables from corporates	260.047	-	578	-	-	4.457.844	-	-
Conditional and unconditional retail receivables	76.785	-	13	-	1.320.020	-	-	-
Conditional and unconditional receivables secured by mortgages	-	-	-	3.459.822	-	-	-	-
Past due receivables	-	-	-	-	-	19.276	765	-
Receivables defined in high risk category by BRSA	430	-	-	-	-	-	5.272	707
Securities collateralized by mortgages	-	-	-	-	-	-	-	-
Securitization positions	-	-	-	-	-	-	-	-
Short-term receivables from banks, brokerage houses and corporates	-	-	-	-	-	-	-	-
Investments similar to collective investment funds	-	-	-	-	-	-	-	-
Other receivables	134.240	-	-	-	-	274.427	-	-

c) Summary information related to capital adequacy standard ratio:

	Current Period
A Capital Requirement for Credit Risk (Value at Credit Risk*0.08) (CRCR)	660.425
B Capital Requirement for Market Risk (MRCR)	6.055
C Capital Requirement for Operational Risk (ORCR)	66.816
Shareholders' Equity	1.141.236
Shareholders' Equity/((CRCR+MRCR+ORCR)*12.5)*100	12,45 %

Albaraka Türk Katılım Bankası Anonim Şirketi

**Notes related to unconsolidated financial statements
for the interim period ended September 30, 2012
(Currency - Thousand Turkish Lira)**

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

d) Details of shareholders' equity accounts:

	Current Period	Prior Period
CORE CAPITAL		
Paid-in Capital	900.000	539.000
Nominal Capital	900.000	539.000
Capital Commitments (-)	-	-
Inflation Adjustments to Paid-in Capital	-	-
Share Premium	-	-
Share Cancellation Profits	-	-
Reserves	68.809	268.987
Inflation Adjustments to Reserves	-	-
Profit	149.868	160.870
Current Period Net Profit	149.154	160.155
Prior Years' Profits	714	715
Provision for possible losses up to 25% of the core capital	106	2.976
Income on Sale of Equity Shares and Real Estates	-	-
Primary Subordinated Debts	-	-
Loss in excess of Reserves (-)	-	-
Current Period Net Loss	-	-
Prior Years' Loss	-	-
Leasehold Improvements on Operational Leases(-)	25.456	17.516
Intangible Assets (-)	6.777	5.388
Deferred Tax Asset Exceeding 10% of the Core Capital (-)	-	-
Amount in excess as per the 3rd Paragraph of the Article 56 of the Banking Law(-)	-	-
Total Core Capital	1.086.550	948.929

Albaraka Türk Katılım Bankası Anonim Şirketi

**Notes related to unconsolidated financial statements
for the interim period ended September 30, 2012
(Currency - Thousand Turkish Lira)**

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

	Current Period	Prior Period
SUPPLEMENTARY CAPITAL		
General Loan Loss Reserves	39.956	34.096
45% of the Revaluation Reserve for Movable Fixed Assets	-	(10)
45% of the Revaluation Reserve for Properties	16.397	16.718
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	(249)	(1.438)
Indexation Differences For Capital Reserves, Profit Reserves and Retained Earnings (Except Indexation Differences for Legal Reserves, Statutory Reserves and Extraordinary Reserves)	-	-
Total Supplementary Capital	56.104	49.366
CAPITAL	1.142.654	998.295
DEDUCTIONS FROM THE CAPITAL	1.418	513
Shareholdings of Unconsolidated Banks and Financial Institutions (Domestic, Foreign) from which the Bank Keeps Ten Percent or More of Capitals	50	-
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	386	224
Securitization Positions to be Deducted from Equity	-	-
Other	982	289
TOTAL SHAREHOLDERS' EQUITY	1.141.236	997.782

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

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

Albaraka Türk Katılım Bankası Anonim Şirketi

**Notes related to unconsolidated financial statements
for the interim period ended September 30, 2012
(Currency - Thousand Turkish Lira)**

II. Explanations on credit risk:

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

III. Explanations on market risk:

The Bank measures its market risk exposures within the framework of “Regulation On Measurement and Evaluation Of Capital Adequacy Of Banks” published in Official Journal No 28337 dated June 28, 2012 by using standardized approach and allocates capital On the other hand, internal model methods (VaR) are also used in the calculation process and the results are validated by back test analysis The VaR is calculated daily by using Variance, Covariance, EWMA, Monte Carlo and historical simulation methods and the results are reported to senior management.

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

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

a) Information related to market risk:

	Amount
(I) Capital requirement to be employed for general market risk - standard method	484
(II) Capital requirement to be employed for specific risk - standard method	242
Capital requirement against Specific Risks of Securitisation Positions– Standard Method	-
(III) Capital requirement to be employed for currency risk - standard method	5.329
(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 against Counterparty Credit Risks - Standard Method	-
(VIII) Capital requirement to be employed for market risks of banks using risk measurement model	-
(IX) Total capital requirement to be employed for market risk (I+II+III+IV+V+VI)	6.055
(X) Amount subject to market risk (12,5 X VIII) or (12,5 x VII)	75.688

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

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

IV. Explanations on operational risk:

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

Albaraka Türk Katılım Bankası Anonim Şirketi

**Notes related to unconsolidated financial statements
for the interim period ended September 30, 2012
(Currency - Thousand Turkish Lira)**

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 September 30, 2012 - Balance sheet evaluation rate	1,795	2,310
As of September 28, 2012	1,790	2,303
As of September 27, 2012	1,785	2,294
As of September 26, 2012	1,787	2,296
As of September 25, 2012	1,782	2,310
As of September 24, 2012	1,794	2,316

- 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 1,786 for 1 USD (December 2011 – full TL 1, 1,858), full TL 2,298 for 1 EURO (December 2011 – full TL 2,447) and full TL 2,283 for 100 JPY (December 2011 – full TL 2,430).

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	(867)	2.783	271	(382)
USD	10% decrease	867	(2.783)	(271)	382
EURO	10% increase	363	199	-	-
EURO	10% decrease	(363)	(199)	-	-

Albaraka Türk Katılım Bankası Anonim Şirketi

**Notes related to unconsolidated financial statements
for the interim period ended September 30, 2012
(Currency - Thousand Turkish Lira)**

V. Explanations on currency risk (continued):

Information on currency risk of the Bank:

Current Period	EUR	USD	Other FC(*)	Total
Assets				
Cash (cash in vault, foreign currency, money in transit, cheques purchased) and balances with the Central Bank of Republic of Turkey	314.007	489.261	165.868	969.136
Banks	96.880	235.265	131.064	463.209
Financial assets at fair value through profit and loss	-	-	-	-
Money market placements	-	-	-	-
Available-for-sale financial assets	40	47.506	-	47.546
Loans and financial lease receivables(**)	1.039.034	2.482.052	-	3.521.086
Subsidiaries, associates and joint ventures	-	-	-	-
Held-to-maturity investments	-	8.980	-	8.980
Derivative financial assets for hedging purposes	-	-	-	-
Tangible assets	-	-	2.141	2.141
Intangible assets	-	-	545	545
Other assets (***)	844	409	5	1.258
Total assets	1.450.805	3.263.473	299.623	5.013.901
Liabilities				
Current account and funds collected from banks via participation accounts	68.786	214.985	1.137	284.908
Other current and profit sharing accounts	882.991	2.172.871	269.002	3.324.864
Money market borrowings	-	-	-	-
Funds provided from other financial institutions	486.278	836.805	-	1.323.083
Marketable securities issued	-	-	-	-
Miscellaneous payables	3.051	8.696	43	11.790
Derivative financial liabilities for hedging purposes	-	-	-	-
Other liabilities	6.063	38.776	56	44.895
Total liabilities	1.447.169	3.272.133	270.238	4.989.540
Net balance sheet position	3.636	(8.660)	29.385	24.361
Net off balance sheet position	740.351	1.741.243	25.603	2.507.196
Derivative financial instruments assets	-	-	-	-
Derivative financial instruments liabilities	-	-	-	-
Non-cash loans (****)	740.351	1.741.243	25.603	2.507.196
Prior Period				
Total assets	1.407.285	2.645.611	335.590	4.388.486
Total liabilities	1.405.296	2.617.780	326.937	4.350.012
Net balance sheet position	1.989	27.831	8.653	38.474
Net off balance sheet position	703.997	1.799.721	8.461	2.512.179
Derivative financial instruments assets	-	-	-	-
Derivative financial instruments liabilities	-	-	-	-
Non-cash loans	703.997	1.799.721	8.461	2.512.179

(*) TL 165.770 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 101.318 of the balance in Banks in other FC column represent precious metals accounts with banks, TL 264.230 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 2.570.144 (Prior period- TL 2.008.849).

(***) Foreign currency indexed receivables from credit sale of assets (Current period- none, prior period- TL 2.068) and foreign currency indexed receivables from commission and fees of non-cash loans amounting to TL 484 (Prior period- TL 128) is included in other assets.

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

Albaraka Türk Katılım Bankası Anonim Şirketi

**Notes related to unconsolidated financial statements
for the interim period ended September 30, 2012
(Currency - Thousand Turkish Lira)**

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

	Equity Securities (shares)	Comparison		
		Carrying Value	Fair Value	Market Value
1	Financial Assets-Available for sale			
	Unquoted (*)	1.279	-	-

(*) The balance includes share certificate investments in the amount of TL 1.239 (International Islamic Trade Finance) and TL 40 (SWIFT) respectively.

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

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

Albaraka Türk Katılım Bankası Anonim Şirketi

**Notes related to unconsolidated financial statements
for the interim period ended September 30, 2012
(Currency - Thousand Turkish Lira)**

VII. Explanations on liquidity risk:

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

The Bank collects funds through profit/loss sharing accounts for which the profit share rate is not predetermined and 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 compatible 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.

The Board of Directors of the Bank monitors both the BRSA and liquidity ratios defined in the liquidity contingency plans. The liquidity sources which will be utilized in case of a liquidity shortage are defined in the contingency plans.

As per the BRSA Communiqué "Measurement and Assessment of the Adequacy of Banks' Liquidity", starting from June 1, 2007 the weekly and monthly liquidity ratios for foreign currency assets/liabilities and total assets/liabilities should be minimum 80% and 100%, respectively. Liquidity ratios for the periods ending September 30, 2012 and December 31, 2011 are as follows:

Current Period	First Maturity Bracket (Weekly)		Second Maturity Bracket (Monthly)	
	FC	FC + TL	FC	FC + TL
Average (%)	252,06	241,52	177,98	181,75
Maximum (%)	345,05	280,37	238,14	213,75
Minimum (%)	171,74	201,14	127,58	155,78

Prior 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

Albaraka Türk Katılım Bankası Anonim Şirketi

**Notes related to unconsolidated financial statements
for the interim period ended September 30, 2012
(Currency - Thousand Turkish Lira)**

VII. Explanations on liquidity risk (continued):

Presentation of assets and liabilities according to their remaining maturities:

	Demand	Up to 1 month	1-3 months	3-12 months	1-5 years	Over 5 years	Unallocated (*)	Total
Current Period								
Assets								
Cash (cash in vault, foreign currency, money in transit, cheques purchased) and balances with the Central Bank of Republic of Turkey	487.042 1.234.32	752.151	-	-	-	-	-	1.239.193
Banks	8	6.675	5.932	-	-	-	-	1.246.935
Financial Assets at Fair Value Through Profit and Loss	4.768	-	-	-	-	-	-	4.768
Money Market Placements Available-For-Sale Financial Assets	-	-	-	-	-	-	-	-
Loans	1.279	-	-	34.443	-	46.267	-	81.989
Held-To-Maturity Investments	10.049	1.149.161	1.175.083	3.197.629	2.877.163	145.856	-	8.554.941
Other Assets	-	-	-	59.449	-	-	-	59.449
Other Assets	-	189	250	958	1.680	-	352.113	355.190
	1.737.466							
Total Assets	6	1.908.176	1.181.265	3.292.479	2.878.843	192.123	352.113	11.542.465
Liabilities								
Current account and funds collected from banks via participation accounts	77.600	109.394	37.830	75.891	-	-	-	300.715
Other current and profit sharing accounts	1.488.758	1.742.106	891.503	4.020.514	200.387	-	-	8.343.268
Funds provided from other financial institutions	-	261.251	183.077	878.755	-	-	-	1.323.083
Money Market Borrowings	-	-	-	-	-	-	-	-
Marketable securities issued	-	-	-	-	-	-	-	-
Miscellaneous payables	-	83.522	10.899	-	-	-	133.573	227.994
Other liabilities	-	18.204	16.810	-	-	-	1.312.391	1.347.405
	1.566.358							
Total Liabilities	8	2.214.477	1.140.119	4.975.160	200.387	-	1.445.964	11.542.465
Net Liquidity Gap	171.108	(306.301)	41.146	(1.682.681)	2.678.456	192.123	(1.093.851)	-
Prior period								
Total Assets	1.871.497	1.278.022	1.324.605	2.861.438	2.697.715	125.166	302.442	10.460.885
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)	-

(*) 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
for the interim period ended September 30, 2012
(Currency - Thousand Turkish Lira)**

VII. Explanations on liquidity risk (continued):

Analysis of financial liabilities based on the remaining contractual maturities:

The table below is prepared taking into consideration undiscounted 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	1.566.358	1.851.500	929.333	4.096.405	200.387	-	8.643.983
Funds Borrowed from Other Financial Institutions	-	261.570	188.554	883.550	-	-	1.333.674
Borrowings from Money Markets	-	-	-	-	-	-	-
Total	1.566.358	2.113.070	1.117.887	4.979.955	200.387	-	9.977.657
Prior 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

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 (*)	2.143.395	131.159	219.882	1.309.120	791.514	48.526	-	4.643.596
Bank acceptances	21.072	-	-	-	-	-	-	21.072
Letters of credit	525.675	8.293	1.247	1.151	232	-	-	536.598
Other commitments and contingencies	-	181.492	-	-	-	-	-	181.492
Total	2.690.142	320.944	221.129	1.310.271	791.746	48.526	-	5.382.758
Prior 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

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

Albaraka Türk Katılım Bankası Anonim Şirketi

**Notes related to unconsolidated financial statements
for the interim period ended September 30, 2012
(Currency - Thousand Turkish Lira)**

VIII. Securitisation Positions:

None.

IX. Credit risk mitigation techniques:

The Bank does not apply any netting process on balance sheet and off balance sheet items.

The risk mitigators that are used in credit process in compliance with Communiqué "The risk mitigation techniques" are stated below:

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

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

The value of the mortgages is being revalued during the credit period.

The revaluation of the mortgages whose value are more than 3.000 TL or 5% of Bank's shareholders' equity are being made by the firms authorized by BRSA or Capital Market Board.

The Banks' guarantees are taken into account as risk mitigator within the framework of BRSA regulations. Besides, the credibility of Banks is reviewed periodically.

The volatility of mortgage portfolio is monitored closely by the Bank and the market fluctuations are considered in credit activities.

The information related to amount of collaterals and type of collaterals which are applied in the calculation of risk weighted amount of risk categories regarding to Communiqué "The risk mitigation techniques".

Albaraka Türk Katılım Bankası Anonim Şirketi

**Notes related to unconsolidated financial statements
for the interim period ended September 30, 2012
(Currency - Thousand Turkish Lira)**

IX. Credit risk mitigation techniques (continued):

Collaterals in terms of Risk Categories:

Exposure Categories	Amount	Financial Collaterals	Other/Physical Collaterals	Guaranties and Credit Derivatives
Conditional and unconditional receivables from central governments or central banks	1.033.634	-	-	-
Conditional and unconditional receivables from regional or local governments	1.776	-	-	-
Conditional and unconditional receivables from administrative units and non-commercial enterprises	-	-	-	-
Conditional and unconditional receivables from multilateral development banks	-	-	-	-
Conditional and unconditional receivables from international	-	-	-	-
Conditional and unconditional receivables from banks and brokerage houses	1.451.420	1.814	-	-
Conditional and unconditional receivables from corporates	4.718.469	256.672	-	38.981
Conditional and unconditional retail receivables	1.396.818	75.898	-	1.982
Conditional and unconditional receivables secured by mortgages	3.459.822	-	-	-
Past due receivables	20.041	-	-	-
Receivables defined in high risk category by BRSA	6.409	430	-	-
Securities collateralized by mortgages	-	-	-	-
Securitization positions	-	-	-	-
Short-term receivables from banks, brokerage houses and corporates	-	-	-	-
Investments similar to collective investment funds	-	-	-	-
Other receivables	408.667	-	-	-

Albaraka Türk Katılım Bankası Anonim Şirketi

**Notes related to unconsolidated financial statements
for the interim period ended September 30, 2012
(Currency - Thousand Turkish Lira)**

X. Explanations on Risk Management Objectives and Policies:

The aim of the Bank's Risk management system is basically, monitoring, keeping under the control and determining policies intended to change, implementing procedures and through limits, defining the subjected risks, measuring, monitoring and procuring controlling the risk return structure of the future cash flows and accordingly characteristics and level of the operations.

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

Market Risk

Market Risk reflects the possibility of loss due to fluctuations in the price of marketable securities regarding the position of the marketable securities included in the trading books of the Bank and the possibility of loss due to fluctuations in foreign exchange rates due to foreign exchange assets and liabilities included in Balance Sheet and Off Balance Sheet.

Exchange rate risk or foreign currency risk included in market risk emerges when there are unexpected exchange rate movements in the foreign currency positions of the Bank included in its balance sheets. Security position risk is the negations in the bank's revenues and shareholders' equity, cash flows, asset quality and finally meeting the commitments arising from negative movements in security prices included in the Bank's purchase and sale accounts.

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

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

Albaraka Türk Katılım Bankası Anonim Şirketi

**Notes related to unconsolidated financial statements
for the interim period ended September 30, 2012
(Currency - Thousand Turkish Lira)**

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

Liquidity Risk

The liquidity risk is defined as shortage of cash at sufficient level, due to cash flows imbalances, in order to compensate due participation accounts and other obligations in case need arises.

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

Preventive and remedial precautions are taken against liquidity risk, for performing daily follow-up of the cash flow to meet obligations on time and in the required manner.

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

Credit Risk

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

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

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

Albaraka Türk Katılım Bankası Anonim Şirketi

**Notes related to unconsolidated financial statements
for the interim period ended September 30, 2012
(Currency - Thousand Turkish Lira)**

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

Operational Risk

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

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

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

Other risks

Other risks the Bank is exposed to are strategic risk and reputation risk. The Bank's risk management system monitors the issues regarding such risks to control or prevent the strategic risks in terms of the changes affecting directly the Bank's position and strategies within its operations in law, legislation etc. in economic, political and sociopolitical conditions.

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

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

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

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

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

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

Albaraka Türk Katılım Bankası Anonim Şirketi

**Notes related to unconsolidated financial statements
for the interim period ended September 30, 2012
(Currency - Thousand Turkish Lira)**

XIII. 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)(*)(**)	(167.747)	485.586	36.198	-	354.037
Net fees and commissions income/(expense)	2.355	78.505	(3.088)	7.204	84.976
Other operating income/(expense)	121	(19.737)	865	(233.467)	(252.218)
Profit before tax	(165.271)	544.354	33.975	(226.263)	186.795
Provision for tax	-	-	-	(37.641)	(37.641)
Net profit for the period	(165.271)	544.354	33.975	(263.904)	149.154

Prior Period	Retail	Commercial and Corporate	Treasury	Undistributed	Total
Net profit share income/(expense)(*)(**)	(134.702)	366.705	43.694	-	275.697
Net fees and commissions income/(expense)	820	63.667	(1.608)	2.413	65.292
Other operating income/(expense)	(333)	(31.633)	406	(170.746)	(202.306)
Profit before tax	(134.215)	398.739	42.492	(168.333)	138.683
Provision for tax	-	-	-	(28.722)	(28.722)
Net profit for the period	(134.215)	398.739	42.492	(197.055)	109.961

- (*) The distribution difference in the retail, commercial and corporate segments stems from fund allocation and fund collection methods of the Bank.
- (**) Since the management uses net profit share income/ (expense) as a performance measurement criteria, profit share income and expense is presented net.

Albaraka Türk Katılım Bankası Anonim Şirketi

**Notes related to unconsolidated financial statements
for the interim period ended September 30, 2012
(Currency - Thousand Turkish Lira)**

Section five

Explanations and notes on the unconsolidated financial statements

I. Explanations and notes related to assets:

1. a) Cash and balances with the Central Bank of Republic of Turkey (CBRT):

	Current Period		Prior Period	
	TL	FC	TL	FC
Cash/foreign currency	41.320	54.622	49.197	58.135
CBRT	228.737	894.498	243.730	570.155
Other (*)	-	20.016	-	129.983
Total	270.057	969.136	292.927	758.273

(*) Includes precious metals amounting to TL 20.016 as of September 30, 2012 (Prior period- TL 129.983).

b) Information related to CBRT:

	Current Period		Prior Period	
	TL	FC	TL	FC
Unrestricted demand deposit	228.737	142.347	243.730	107.457
Unrestricted time deposit	-	-	-	-
Restricted time deposit (*)	-	752.151	-	462.698
Total	228.737	894.498	243.730	570.155

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, USD and/or standard gold for TL liabilities and in USD, Euro and/or standard gold for foreign currency liabilities.

The reserve rates for TL liabilities vary between 5% and 11% for TL deposits and other liabilities according to their maturities as of 30 September 2012 (31 December 2011: TL liabilities vary between 5% and 11%). 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 30 September 2012 (31 December 2011: between 6% and 11% for all foreign currency liabilities).

(*) As of September 30, 2012, the reserve requirement held in standard gold is TL 145.754 (December 31, 2011: TL 96.627).

Albaraka Türk Katılım Bankası Anonim Şirketi

**Notes related to unconsolidated financial statements
for the interim period ended September 30, 2012
(Currency - Thousand Turkish Lira)**

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

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

b) Positive differences on trading derivative instruments table:

The Bank does not have trading derivative instruments.

3. a) Information on banks:

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks				
Domestic	783.726	282.621	409.667	662.939
Abroad	-	180.588	-	234.866
Foreign head offices and branches	-	-	-	-
Total	783.726	463.209	409.667	897.805

b) Information on foreign bank accounts:

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

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

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

None (Prior period- None).

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

	Current Period	Prior Period
Debt securities	81.113	85.226
Quoted on a stock exchange(*)	81.113	85.226
Unquoted	-	-
Share certificates	1.279	1.340
Quoted on a stock exchange	-	-
Unquoted	1.279	1.340
Impairment provision (-)	403	686
Total	81.989	85.880

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

Albaraka Türk Katılım Bankası Anonim Şirketi

**Notes related to unconsolidated financial statements
for the interim period ended September 30, 2012
(Currency - Thousand Turkish Lira)**

5. Information on loans and receivables:

a) Information on all types of loans and advances given to shareholders and employees of the Bank:

	Current Period		Prior Period	
	Cash	Non-cash	Cash	Non-cash
Direct loans granted to shareholders	17.822	77.811	13.341	41.215
Corporate shareholders	16.334	77.811	11.914	41.215
Real person shareholders	1.488	-	1.427	-
Indirect loans granted to shareholders	33.844	16.852	118	38.037
Loans granted to employees	5.560	-	3.743	-
Total	57.226	94.663	17.202	79.252

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

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		
		Extension of Repayment Plan	Other		Extension of Repayment Plan	Other
Loans	7.979.875	43.317	365	432.477	48.064	8.000
Export loans	165.450	-	-	170	-	-
Import loans	1.071.867	869	-	79.935	3.836	127
Business loans	4.423.674	40.687	-	290.251	30.821	5.167
Consumer loans	999.829	893	156	17.487	662	289
Credit cards	120.681	-	-	1.289	-	-
Loans given to financial sector	17.408	-	-	-	-	-
Other (*)	1.180.966	868	209	43.345	12.745	2.417
Other receivables	-	-	-	-	-	-
Total	7.979.875	43.317	365	432.477	48.064	8.000

(*)Details of other loans are provided below:

Commercial loans with installments	519.608
Other Investment Credits	210.337
Loans given to abroad	206.990
Profit and loss sharing investments (**)	127.658
Loan to purchase security for customer	163.556
Other	12.401
Total	1.240.550

Albaraka Türk Katılım Bankası Anonim Şirketi

**Notes related to unconsolidated financial statements
for the interim period ended September 30, 2012
(Currency - Thousand Turkish Lira)**

5. Information on loans and receivables (continued):

(**)The related balance represents of 9 profit and loss sharing investment projects which are real estate development projects in various regions of Istanbul and Ankara. Revenue sharing of profit and loss sharing investment projects is done within the framework of the signed contract between the Bank and the counterparty after the cost of the projects is clarified and net profit of projects is determined once the project / stages of the project are completed. In case the transaction subject to the profit and loss sharing investment project results in a loss, the Bank's share of loss is limited with the funds invested in the project by the Bank. The amount of 13.266 TL (Prior Period - None) represents as income in the attached financial statements regarding to related credits.

	Extension of Repayment Plan	
	Standard loans and Other receivables	Loans and other receivables under close monitoring
1 or 2 times	43.317	48.064
3, 4 or 5 times	-	-
Over 5 times	-	-

Extension Periods	Standard loans and Other receivables	Loans and other receivables under close monitoring
0 - 6 months	28.919	4.802
6 - 12 months	7.604	14.960
1 - 2 years	1.339	7.620
2 - 5 year	5.455	20.664
5 years and over	-	18

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 September 30, 2012, the Bank does not have any loan receivables arising from rescheduled loans within the scope of related Communiqué.

c) Maturity analysis of cash loans:

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

Albaraka Türk Katılım Bankası Anonim Şirketi

**Notes related to unconsolidated financial statements
for the interim period ended September 30, 2012
(Currency - Thousand Turkish Lira)**

5. Information on loans and receivables (continued):

ç) Information on consumer loans, retail credit cards, loans given to personnel and personnel credit cards:

	Short-term	Medium and long-term	Total
Consumer loans-TL	12.328	1.002.950	1.015.278
Housing loans	2.022	879.687	881.709
Vehicle loans	2.491	39.173	41.664
Consumer loans	1.297	1.792	3.089
Other	6.518	82.298	88.816
Consumer loans-FC indexed	-	1.691	1.691
Housing loans	-	1.375	1.375
Vehicle loans	-	8	8
Consumer loans	-	-	-
Other	-	308	308
Consumer loans-FC	-	-	-
Housing loans	-	-	-
Vehicle loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
Retail credit cards-TL	34.990	3.400	38.390
With installment	13.131	3.141	16.272
Without installment	21.859	259	22.118
Retail credit cards-FC	-	-	-
With installment	-	-	-
Without installment	-	-	-
Personnel loans-TL	1.551	796	2.347
Housing loans	-	351	351
Vehicle loans	30	383	413
Consumer loans	1.521	56	1.577
Other	-	6	6
Personnel loans-FC indexed	-	-	-
Housing loans	-	-	-
Vehicle loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
Personnel loans-FC	-	-	-
Housing loans	-	-	-
Vehicle loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
Personnel credit cards-TL	2.890	323	3.213
With installment	1.165	287	1.452
Without installment	1.725	36	1.761
Personnel credit cards-FC	-	-	-
Installment based	-	-	-
Without-installment	-	-	-
Overdraft account-TL(real person)	-	-	-
Overdraft account-FC(real person)	-	-	-
Total	51.759	1.009.160	1.060.919

Albaraka Türk Katılım Bankası Anonim Şirketi

**Notes related to unconsolidated financial statements
for the interim period ended September 30, 2012
(Currency - Thousand Turkish Lira)**

5. Information on loans and receivables (continued):

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

	Short-term	Medium and long-term	Total
Commercial installment loans-TL	311.951	47.771	359.722
Business loans	66.180	17.843	84.023
Vehicle loans	72.712	18.629	91.341
Consumer loans	312	-	312
Other	172.747	11.299	184.046
Commercial installment loans-FC indexed	145.520	14.366	159.886
Business loans	41.361	8.203	49.564
Vehicle loans	17.629	931	18.560
Consumer loans	64	-	64
Other	86.466	5.232	91.698
Commercial installment Loans-FC	-	-	-
Business loans	-	-	-
Vehicle loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
Corporate credit cards-TL	76.356	4.011	80.367
With installment	20.300	3.697	23.997
Without installment	56.056	314	56.370
Corporate credit cards-FC	-	-	-
With installment	-	-	-
Without installment	-	-	-
Overdraft account-TL (legal entity)	-	-	-
Overdraft account-FC(legal entity)	-	-	-
Total	533.827	66.148	599.975

e) Allocation of loans by customers:

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

f) Breakdown of domestic and foreign loans:

	Current Period	Prior Period
Domestic loans	8.305.108	6.997.519
Foreign loans	206.990	254.237
Total	8.512.098	7.251.756

Albaraka Türk Katılım Bankası Anonim Şirketi

**Notes related to unconsolidated financial statements
for the interim period ended September 30, 2012
(Currency - Thousand Turkish Lira)**

5. Information on loans and receivables (continued):

g) Loans granted to subsidiaries and associates:

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 collectability	11.344	15.253
Loans and receivables with doubtful collectability	18.282	16.133
Uncollectible loans and receivables	138.982	122.722
Total	168.608	154.108

In addition to specific provision for loans amounting TL 168.608 (Prior period – TL 154.108), provision amounting to TL 5.732 (Prior period – TL 4.774) have been provided for fees and commissions and other receivables with doubtful collectability which sums up to total TL 174.340 (Prior period- TL 158.882). Specific provision for loans amounting to TL 125.890 (Prior period- TL 121.865) represents participation account share of specific provisions of loans provided from participation accounts.

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

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

	III. Group	IV. Group	V. Group
	Loans and receivables with limited collectability	Loans and receivables with doubtful collectability	Uncollectible loans and receivables
Current period			
(Gross amount before specific provisions)	-	-	89
Restructured loans and other receivables	-	-	89
Rescheduled loans and other receivables	-	-	-
Prior period			
(Gross amounts before special provisions)	-	-	252
Restructured loans and other receivables	-	-	252
Rescheduled loans and other receivables	-	-	-

h.2) Movements of non-performing loans:

	III. Group	IV. Group	V. Group
	Loans and receivables with limited collectability	Loans and receivables with doubtful collectability	Uncollectible loans and receivables
Closing balance of prior period	16.753	21.532	128.877
Additions in the current period (+)	39.028	2.056	2.305
Transfers from other categories of non-performing loans (+)	-	33.123	30.930
Transfers to other categories of non-performing loans (-)	33.123	30.930	-
Collections in the current period (-)	3.405	1.898	14.644
Write offs (-)	6	11	1.551
Corporate and commercial loans	2	2	1.012
Retail loans	4	9	430
Credit cards	-	-	109
Other	-	-	-
Closing balance of the current period	19.247	23.872	145.917
Specific provisions (-)	11.344	18.282	138.982
Net balance at the balance sheet	7.903	5.590	6.935

Albaraka Türk Katılım Bankası Anonim Şirketi

**Notes related to unconsolidated financial statements
for the interim period ended September 30, 2012
(Currency - Thousand Turkish Lira)**

5. Information on loans and receivables (continued):

Non-performing loans and receivables in the amount of TL 189.036 (Prior period- TL 167.162) comprise TL 127.180 (Prior period- TL 123.621) 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 5.732 (Prior period- TL 4.774). In the current period, collections from fees, commissions and other receivables with doubtful collectibility amounted to TL 1.857.

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

	III. Group	IV. Group	V. Group
	Loans and receivables with limited collectibility	Loans and receivables with doubtful collectibility	Uncollectible loans and receivables
Current period(net):			
Period end balance	-	-	1.175
Specific provision (-)	-	-	1.175
Net balance on balance sheet	-	-	-
Prior period:			
Period end balance	-	-	2.459
Specific provision (-)	-	-	2.459
Net balance on balance sheet	-	-	-

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

	III. Group	IV. Group	V. Group
	Loans and receivables with limited collectibility	Loans and receivables with doubtful collectibility	Uncollectible loans and receivables
Current period (net)	7.903	5.590	6.935
Loans to individuals and corporates (gross)	19.247	23.872	145.917
Specific provision (-)	11.344	18.282	138.982
Loans to individuals and corporates (net)	7.903	5.590	6.935
Banks (gross)	-	-	-
Specific provision (-)	-	-	-
Banks (net)	-	-	-
Other loans and receivables (gross)	-	-	-
Specific provision (-)	-	-	-
Other loans and receivables (net)	-	-	-
Prior 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)	-	-	-

Albaraka Türk Katılım Bankası Anonim Şirketi

**Notes related to unconsolidated financial statements
for the interim period ended September 30, 2012
(Currency - Thousand Turkish Lira)**

5. Information on loans and receivables (continued):

i. Liquidation policy for uncollectible loans and receivables:

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

i. Information on "Write-off" policies:

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

j. Other explanations on loans and receivables:

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

Current Period	Less than 30 days	31-60 days	61-90 days	More than 91 days	Total
Loans and Receivables					
Corporate Loans	240.699	164.144	127.546	-	532.389
Consumer Loans	72.881	6.549	7.621	-	87.051
Credit Cards	6.138	1.042	798	-	7.978
Total	319.718	171.735	135.965	-	627.418
Prior 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

6. Information on held-to-maturity investments:

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

None (Prior period- None)

6.2. Information related to government securities held to maturity :

	Current Period	Prior Period
Government Bonds	-	-
Treasury Bills	-	-
Other Government Securities (*)	59.449	430.862
Total	59.449	430.862

(*) Consists of Sukook certificates issued by the Central Bank of Bahrain amounting to TL 8.980 (Prior period- TL 9.435) and income indexed bonds issued by the Undersecretariat of Treasury of Turkey amounting to TL 50.469 (Prior period- TL 421.427).

Albaraka Türk Katılım Bankası Anonim Şirketi

**Notes related to unconsolidated financial statements
for the interim period ended September 30, 2012
(Currency - Thousand Turkish Lira)**

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

6.3. Information on held-to-maturity investments:

	Current Period	Prior Period
Debt Securities	59.449	430.862
Quoted on a stock exchange(*)	50.469	421.427
Unquoted	8.980	9.435
Impairment provision(-)	-	-
Total	59.449	430.862

(*) 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	430.862	376.204
Foreign currency differences on monetary assets	(425)	3.500
Purchases during period	-	50.000
Disposals through sales and redemptions	(383.221)	(40.180)
Impairment provision (-)	-	-
Income accruals	12.233	41.338
Closing balance	59.449	430.862

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. and has fulfilled its capital commitment.

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 unaudited financial statements as of September 30, 2012.

Total assets	Shareholders' equity	Total fixed assets	Dividend or profit share income	Income from marketable securities	Current period income/loss	Prior period income/loss	Fair value
247.800	242.307	3.113	8.322	1	6.695	8.579	-

Albaraka Türk Katılım Bankası Anonim Şirketi

**Notes related to unconsolidated financial statements
for the interim period ended September 30, 2012
(Currency - Thousand Turkish Lira)**

7. Associates (net) (continued):

b) Information on consolidated associates:

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

8. Information on subsidiaries (net):

a) Information on unconsolidated subsidiaries:

The Bank has founded Bereket Varlık Kiralama A.Ş. on 14.10.2011, the purpose of which is to obtain rental income by taking over the assets of the source institution and leasing them back to the source institution, issue rent certificates based on said rental income and pass on the related assets to source institution by the end of the rental period. Bereket Varlık Kiralama A.Ş. has been founded to operate according to rulings of Turkish Trade Law about foundations of incorporations and complying with Communiqué on "Principles Related to Rent Certificates and Asset Leasing Companies" dated 01.04.2010 and numbered 27539 serial : 3 no: 43 published in Official Gazette by Capital Market Board of Turkey and other related regulations, upon BRSA's opinion dated 22.09.2011, numbered B.02,1.BDK.0.13.00.0-91.11-20564 and permission of Capital Market Board of Turkey dated 06.10.2011 numbered 32/923. The capital of the Company is TL 50 comprising 50.000 (full TL) shares with the nominal value of TL 1 (full TL).

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

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

The balances of Bereket Varlık Kiralama A.Ş. presented in the table below have been obtained from the unaudited financial statements as of June 30, 2012

Total assets	Shareholders' equity	Total fixed assets	Dividend or profit share income	Income from marketable securities	Current period income/loss	Prior period income/loss	Fair value
51	50	-	-	-	-	-	-

b) Information on consolidated subsidiaries:

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

9. Information on investments in joint- ventures:

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

Albaraka Türk Katılım Bankası Anonim Şirketi

**Notes related to unconsolidated financial statements
for the interim period ended September 30, 2012
(Currency - Thousand Turkish Lira)**

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	23.631	17.924	18.260	15.256
1 to 4 years	28.234	23.539	8.921	6.793
More than 4 years	1.487	1.380	117	101
Total	53.352	42.843	27.298	22.150

b) Information on net investments through finance lease:

	Current Period	Prior Period
Gross finance lease receivables	53.352	27.298
Unearned finance lease receivable (-)	10.509	5.148
Net receivable from finance leases	42.843	22.150

c) General explanation on finance lease contracts:

Finance lease contracts are realized in accordance with the related articles of Finance Lease Act numbered 3226. 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		Other	-
	Loans and other receivables	Restructured or rescheduled	Loans and other receivables	Restructured or rescheduled		
		Extention of Repayment Plan		Extention of Repayment Plan		
Finance lease receivables Net)	41.434	-	-	1.409	-	-

11. Information on derivative financial assets for hedging purposes:

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

12. Information on tangible assets:

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

13. Information on intangible assets:

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

14. Information on investment property:

The Bank does not have investment property.

Albaraka Türk Katılım Bankası Anonim Şirketi

**Notes related to unconsolidated financial statements
for the interim period ended September 30, 2012
(Currency - Thousand Turkish Lira)**

15. Information related to deferred tax asset:

As of September 30, 2012, the Bank presented the deferred tax asset of TL 20.422 (Prior period- TL 18.573) and deferred tax liability of TL 9.546 (Prior period- TL 9.970) 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	557	369
Provisions for impairment	112	144
Provisions for retirement and vacation pay liabilities	3.248	2.861
Discount on profit share and deferred commission income	16.410	14.062
Marketable securities revaluation reserve	62	360
General reserves for possible losses	21	595
Other	12	182
Deferred tax asset	20.422	18.573
Revaluation reserve of buildings	9.108	9.287
Discount on profit share	24	325
Other	414	358
Deferred tax liability	9.546	9.970
Deferred tax asset (net)	10.876	8.603

Albaraka Türk Katılım Bankası Anonim Şirketi

**Notes related to unconsolidated financial statements
for the interim period ended September 30, 2012
(Currency - Thousand Turkish Lira)**

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

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

	Current Period	Prior Period
Opening balance	25.372	18.070
Additions	11.043	31.731
Disposals	(5.047)	(9.334)
Transfers (*)	(10.027)	(15.321)
Impairment Provision(-)/Reversal of Impairment Provision	(44)	226
Net closing balance	21.297	25.372

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

Albaraka Türk Katılım Bankası Anonim Şirketi

**Notes related to unconsolidated financial statements
for the interim period ended September 30, 2012
(Currency - Thousand Turkish Lira)**

II. Explanations and notes related to liabilities:

1. Information on funds collected:

a. Information on maturity structure of funds collected:

Current Period	Demand	Up to 1 month	Up to 3 months	Up to 6 months	Up to 9 months	Up to 1 year	Over 1 year	Accumulated participation accounts	Total
I. Real Persons Current Accounts Non-Trade TL	260.296	-	-	-	-	-	-	-	260.296
II. Real Persons Participation Accounts Non-Trade TL	-	709.938	160.343	30.522	-	1.475	2.404.335	-	3.306.613
III. Current Account other-TL	487.075	-	-	-	-	-	-	-	487.075
Public Sector	7.612	-	-	-	-	-	-	-	7.612
Commercial Institutions	447.387	-	-	-	-	-	-	-	447.387
Other Institutions	16.806	-	-	-	-	-	-	-	16.806
Commercial and Other Institutions	117	-	-	-	-	-	-	-	117
Banks and Participation Banks	15.153	-	-	-	-	-	-	-	15.153
Central Bank of Turkey	-	-	-	-	-	-	-	-	-
Domestic Banks	14.570	-	-	-	-	-	-	-	14.570
Foreign Banks	167	-	-	-	-	-	-	-	167
Participation Banks	416	-	-	-	-	-	-	-	416
Other	-	-	-	-	-	-	-	-	-
IV. Participation Accounts-TL	-	70.574	193.657	41.857	-	174	673.965	-	980.227
Public Sector	-	14	5.024	-	-	-	16.047	-	21.085
Commercial Institutions	-	63.363	165.919	41.818	-	172	620.309	-	891.581
Other Institutions	-	7.197	21.695	39	-	2	34.147	-	63.080
Commercial and Other Institutions	-	-	1.019	-	-	-	-	-	1.019
Banks and Participation Banks	-	-	-	-	-	-	3.462	-	3.462
V. Real Persons Current Accounts Non-Trade FC	194.964	-	-	-	-	-	-	-	194.964
VI. Real Persons Participation Accounts Non-Trade FC	-	323.910	129.151	23.783	-	3.579	1.151.166	-	1.631.589
VII. Other Current Accounts FC	359.793	-	-	-	-	-	-	-	359.793
Residents in Turkey-Corporate	292.716	-	-	-	-	-	-	-	292.716
Residents Abroad-Corporate	9.762	-	-	-	-	-	-	-	9.762
Banks and Participation Banks	57.315	-	-	-	-	-	-	-	57.315
Central Bank of Turkey	-	-	-	-	-	-	-	-	-
Domestic Banks	24.532	-	-	-	-	-	-	-	24.532
Foreign Banks	27.546	-	-	-	-	-	-	-	27.546
Participation Banks	5.237	-	-	-	-	-	-	-	5.237
Other	-	-	-	-	-	-	-	-	-
VIII. Participation Accounts other-FC	-	69.703	342.226	47.538	-	159.394	540.335	-	1.159.196
Public sector	-	-	-	-	-	-	-	-	-
Commercial institutions	-	20.012	242.035	32	-	118.994	367.412	-	748.485
Other institutions	-	349	29.462	3	-	-	116.938	-	146.752
Commercial and Other Institutions	-	1.311	146	-	-	-	42.850	-	44.307
Banks and Participation Banks	-	48.031	70.583	47.503	-	40.400	13.135	-	219.652
IX. Precious Metals Deposits	264.230	-	-	-	-	-	-	-	264.230
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)	1.566.358	1.174.125	825.377	143.700	-	164.622	4.769.801	-	8.643.983

Albaraka Türk Katılım Bankası Anonim Şirketi

**Notes related to unconsolidated financial statements
for the interim period ended September 30, 2012
(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	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
for the interim period ended September 30, 2012
(Currency - Thousand Turkish Lira)**

1. Information on funds collected (continued):

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

b.1) Exceeding the limit of Insurance Fund:

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

	Under the guarantee of Insurance		Exceeding the guarantee of Insurance	
	Current Period	Prior Period	Current Period	Prior Period
Real persons' current and participation accounts not subject to trading transactions	-	-	-	-
Turkish Lira accounts	1.651.124	1.556.243	1.912.077	1.701.920
Foreign currency accounts	602.935	598.409	1.466.784	1.326.994
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	4.662	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	4.409	5.673
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
for the interim period ended September 30, 2012
(Currency - Thousand Turkish Lira)**

2. Information on derivative financial liabilities held for trading:

The Bank has no derivative financial liabilities held for trading.

3. Information on borrowings:

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

As of September 30, 2012, the Bank has wakala borrowings in the amount of USD 172.376.803 and EUR 85.756.000 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	-	-	-	17.235
Loans from foreign banks, institutions and funds	-	1.323.083	-	1.036.055
Total	-	1.323.083	-	1.053.290

b) Maturity analysis of funds borrowed:

	Current Period		Prior Period	
	TL	FC	TL	FC
Short-Term	-	1.323.083	-	1.053.290
Medium and Long-Term	-	-	-	-
Total	-	1.323.083	-	1.053.290

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
for the interim period ended September 30, 2012
(Currency - Thousand Turkish Lira)**

5. Lease payables (continued):

b) Explanations on operational leases:

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

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

	Current Period	Prior Period
Less than a year	264.872	14.406
1 to 4 years	860.197	41.865
Over 4 years	1.283.617	39.233
Total	2.408.686	95.504

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	92.923	72.938
I. Group loans and receivables (Total)	72.688	57.181
Participation Accounts' Share	46.558	34.711
Bank's Share	26.130	22.470
Others	-	-
Additional provision for loans and receivables with extended maturities for loans and receivables in Group I	1.843	663
Participation Accounts' Share	1.563	565
Bank's Share	280	98
Others	-	-
II. Group loans and receivables (Total)	9.190	5.559
Participation Accounts' Share	6.409	4.131
Bank's Share	2.781	1.428
Others	-	-
Additional provision for loans and receivables with extended maturities for loans and receivables in Group II	2.622	210
Participation Accounts' Share	1.585	131
Bank's Share	1.037	79
Others	-	-
Non-cash loans	11.045	10.198
Others	-	-

Albaraka Türk Katılım Bankası Anonim Şirketi

**Notes related to unconsolidated financial statements
for the interim period ended September 30, 2012
(Currency - Thousand Turkish Lira)**

7. Information on provisions (continued):

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

As of September 30, 2012, provision for foreign exchange losses on foreign currency indexed loans amounting to TL 20.438 (Prior period- TL 5.644) 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 and converted into cash:

As of September 30, 2012, the Bank has provided specific provisions amounting to TL 11.915 non-cash loans that are not indemnified and converted into cash (Prior period – TL 9.880).

ç) Other provisions:

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

	Current Period	Prior Period
General Reserves for Possible Losses	106	2.976
Total	106	2.976

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	11.915	9.880
Payment commitments for checks	2.352	1.970
Provisions allocated from profit shares to be distributed to profit sharing accounts(*)	33.897	43.998
Provision for promotions related with credit cards and promotion of banking services	92	124
General reserves for possible losses	106	2.976
Total	48.362	58.948

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

Albaraka Türk Katılım Bankası Anonim Şirketi

**Notes related to unconsolidated financial statements
for the interim period ended September 30, 2012
(Currency - Thousand Turkish Lira)**

7. Information on provisions (continued):

d) Information on provisions for employee rights:

Provisions for employee benefits consist of reserve for employee termination benefits amounting to TL 12.376 (Prior period- TL 10.602) and vacation pay liability amounting to TL 3.865 (Prior period- TL 3.705), totaling to TL 16.241 (Prior period- TL 14.307). 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 (*)	75,9	77,3

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

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

	Current Period	Prior Period
Prior period ending balance	10.602	8.856
Provisions charged in the period	4.317	3.729
Actuarial gain/(loss)	(982)	(639)
Paid during the period	(1.561)	(1.344)
Balance at the end of the period	12.376	10.602

Albaraka Türk Katılım Bankası Anonim Şirketi

**Notes related to unconsolidated financial statements
for the interim period ended September 30, 2012
(Currency - Thousand Turkish Lira)**

8. Information on taxes payable:

a) Explanations on current tax liability:

a.1) As of September 30, 2012, the Bank's corporate tax payable is TL 16.810 (Prior period- TL 15.750) after offsetting prepaid corporate tax.

a.2) Information on taxes payable:

	Current Period	Prior Period
Corporate taxes payable	16.810	15.750
Taxation on securities income	5.633	5.082
Taxation on real estate income	331	260
Banking insurance transaction tax	4.894	5.783
Foreign exchange transaction tax	-	-
Value added tax payable	358	310
Other	2.016	3.709
Total	30.042	30.894

a.3) Information on premiums:

	Current Period	Prior Period
Social security premiums-employee	2.233	2.007
Social security premiums-employer	2.268	2.077
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	157	141
Unemployment insurance-employer	314	282
Other	-	-
Total	4.972	4.507

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.

Albaraka Türk Katılım Bankası Anonim Şirketi

**Notes related to unconsolidated financial statements
for the interim period ended September 30, 2012
(Currency - Thousand Turkish Lira)**

11. Information on shareholders' equity:

a) Presentation of paid-in capital:

	Current Period	Prior Period
Common stock	900.000	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	900.000	-

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

Increasing Date	Increasing Amount	Cash	Profit reserves for subject to Increase	Capital reserves for subject to Increase
27.06.2012	361.000	-	361.000	-

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.

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.

Albaraka Türk Katılım Bankası Anonim Şirketi

**Notes related to unconsolidated financial statements
for the interim period ended September 30, 2012
(Currency - Thousand Turkish Lira)**

11. Information on shareholders' equity (continued):

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

There is no privilege given to stocks representing the capital.

e) Information on marketable securities revaluation reserve:

	Current Period		Prior Period	
	TL	FC	TL	FC
From investments in associates, subsidiaries, and joint ventures	-	-	-	-
Valuation difference (*)	(249)	-	(1.438)	-
Foreign exchange difference	-	-	-	-
Total	(249)	-	(1.438)	-

(*) Deferred tax liability is netted off.

Albaraka Türk Katılım Bankası Anonim Şirketi

**Notes related to unconsolidated financial statements
for the interim period ended September 30, 2012
(Currency - Thousand Turkish Lira)**

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

1. Explanations on off balance sheet commitments:

a) Type and amount of irrevocable loan commitments:

	Current Period	Prior Period
Share capital commitment to associates and subsidiaries	-	1.000
Loan granting commitments	38.680	18.278
Payment commitments for checks	266.757	190.160
Tax and funds liabilities arising from exporting commitments	954	576
Commitments for credit card limits	281.104	173.723
Commitments for promotions related with credit cards and banking activities	287	45
Other irrevocable commitments	3.490	3.797
Total	591.272	387.579

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	4.643.596	4.534.211
Acceptances	21.072	43.986
Letters of credit	536.598	506.178
Other guarantees	181.492	113.739
Total	5.382.758	5.198.114

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

	Current Period	Prior Period
Letters of guarantees	4.643.596	4.534.211
Long standing letters of guarantees	2.912.798	2.866.374
Temporary letters of guarantees	516.598	514.815
Advance letters of guarantees	312.486	316.178
Letters of guarantees given to customs	182.969	191.214
Letters of guarantees given for obtaining cash loans	718.745	645.630
Sureties and similar transactions	181.492	113.739
Total	4.825.088	4.647.950

Albaraka Türk Katılım Bankası Anonim Şirketi

**Notes related to unconsolidated financial statements
for the interim period ended September 30, 2012
(Currency - Thousand Turkish Lira)**

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

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

	Current Period	Prior Period
Guarantees given for obtaining cash loans	718.745	645.630
With original maturity of 1 year or less	437.337	420.991
With original maturity of more than 1 year	281.408	224.639
Other non-cash loans	4.664.013	4.552.484
Total	5.382.758	5.198.114

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

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

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

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

2. Explanations on derivative transactions:

The Bank does not have any derivative financial instruments.

3. Explanations on contingent assets and liabilities:

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

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

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

Albaraka Türk Katılım Bankası Anonim Şirketi

**Notes related to unconsolidated financial statements
for the interim period ended September 30, 2012
(Currency - Thousand Turkish Lira)**

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 (*)	667.648	44.945	481.651	29.100
Short Term Loans	289.277	6.962	183.007	6.580
Medium and Long Term Loans	373.851	37.806	293.300	22.327
Loans Under Follow up	4.520	177	5.344	193
Premiums Received from Resource Utilization Support Fund	-	-	-	-

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

b) Information on profit share income received from banks:

	Current Period		Prior Period	
	TL	FC	TL	FC
CBRT	-	-	-	-
Domestic Banks	1.199	-	480	-
Foreign Banks	-	28	-	-
Head Offices and Branches Abroad	-	-	-	-
Total	1.199	28	480	-

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

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

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

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

Albaraka Türk Katılım Bankası Anonim Şirketi

**Notes related to unconsolidated financial statements
for the interim period ended September 30, 2012
(Currency - Thousand Turkish Lira)**

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

2. Explanations on profit share expenses:

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks	-	21.651	-	11.844
CBRT	-	-	-	-
Domestic banks	-	218	-	-
Foreign banks	-	21.433	-	11.844
Head offices and branches abroad	-	-	-	-
Other institutions	-	-	-	-
Total	-	21.651	-	11.844

b) Profit share expense paid to associates and subsidiaries:

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

c) Profit share expenses paid to marketable securities issued:

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

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

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

3. Information on dividend income:

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

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

	Current Period	Prior Period
Income	1.600.695	1.988.089
Income from capital market transactions	93	986
Income from derivative financial instruments	-	-
Foreign exchange income	1.600.602	1.987.103
Loss (-)	1.585.672	1.976.236
Loss on capital market transactions	174	-
Loss on derivative financial instruments	-	-
Foreign exchange losses	1.585.498	1.976.236
Trading income/loss (net)	15.023	11.853

Albaraka Türk Katılım Bankası Anonim Şirketi

**Notes related to unconsolidated financial statements
for the interim period ended September 30, 2012
(Currency - Thousand Turkish Lira)**

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

5. Explanations related to other operating income:

	Current Period	Prior Period
Provision for communication expenses	1.317	673
Provision for bank statement expenses	985	879
Reversal of prior year provisions	34.507	28.064
Income from sale of assets	3.855	3.942
Cheque book charges	478	492
Other income	922	719
Total	42.064	34.769

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

	Current Period	Prior Period
Specific provisions for loans and other receivables	35.181	35.719
Loans and receivables in III. Group	26.344	21.230
Loans and receivables in IV. Group	959	7.727
Loans and receivables in V. Group	5.642	4.914
Doubtful commission, fee and other receivables	2.236	1.848
General provision expenses	20.488	9.108
Provision expenses for possible losses	-	24
Impairment losses on marketable securities	-	164
Financial assets at fair value through profit and loss	-	164
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	9.213	25.105
Total	64.882	70.120

TL 21.008 (Prior period- TL 24.366) of the total specific provisions provided for loan and other receivables amounting to TL 35.181 (Prior period- TL 35.719) is the participation accounts portion of specific provision provided for loans and other receivables.

TL 14.629 (Prior Period- 882 TL) of the total general loan loss provisions provided for loan and other receivables amounting to TL 20.488 (Prior Period-9.108 TL) is the participation accounts portion of general loan loss provision provided for loans and other receivables.

Albaraka Türk Katılım Bankası Anonim Şirketi

**Notes related to unconsolidated financial statements
for the interim period ended September 30, 2012
(Currency - Thousand Turkish Lira)**

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

7. Information on other operating expenses:

	Current Period	Prior Period
Personnel expenses	142.147	104.493
Provision for retirement pay liability	1.774	1.571
Deficit provision for pension fund	-	-
Impairment expenses of tangible assets	-	-
Depreciation expenses of tangible assets	13.253	9.696
Impairment expenses of intangible assets	-	-
Impairment expense of goodwill	-	-
Amortization expenses of intangible assets	2.200	1.128
Impairment provision for investments accounted for under equity method	-	-
Impairment expenses of assets to be disposed	78	163
Depreciation expenses of assets to be disposed	425	154
Impairment expenses of assets held for sale and assets of discontinued operations	70	25
Other operating expenses	48.139	38.190
Operating lease expenses	19.376	14.269
Maintenance expenses	2.625	2.185
Advertisement expenses	5.041	4.675
Other expenses	21.097	17.061
Loss on sale of assets	33	261
Other	37.092	23.127
Total	245.211	178.808

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

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

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

Tax provision for continued operations:

	Current Period	Prior Period
Income before tax	186.795	138.683
Tax calculated with tax rate of 20%	37.359	27.737
Other additions and disallowable expenses	2.431	2.466
Deductions	(2.149)	(1.481)
Tax calculated	37.641	28.722

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

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

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

Albaraka Türk Katılım Bankası Anonim Şirketi

**Notes related to unconsolidated financial statements
for the interim period ended September 30, 2012
(Currency - Thousand Turkish Lira)**

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

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.

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	22.463	21.512
Commissions on money orders	4.155	3.105
Credit cards commissions and fees	3	37
Other	15.913	12.399
Total	42.534	37.053

Other Fees and Commissions Paid	Current Period	Prior Period
Clearing room	58	4.519
Funds borrowed	4.977	3.277
Member firm-POS	4.167	3.429
Credit cards commissions and fees	2.954	1.591
Other	2.851	1.591
Total	15.007	14.407

Albaraka Türk Katılım Bankası Anonim Şirketi

**Notes related to unconsolidated financial statements
for the interim period ended September 30, 2012
(Currency - Thousand Turkish Lira)**

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

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

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

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

Albaraka Türk Katılım Bankası Anonim Şirketi

**Notes related to unconsolidated financial statements
for the interim period ended September 30, 2012
(Currency - Thousand Turkish Lira)**

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

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

a. Current period:

Risk Group of the Bank	Investment in associates, subsidiaries and joint ventures (business partnerships)		Direct and indirect shareholders of the Bank		Other real or legal persons included in the risk group	
	Cash	Non-cash	Cash	Non-cash	Cash	Non-cash
Loans and other receivables						
Balance at the beginning of the period	-	-	8	-	179	38.037
Balance at the end of the period	-	-	11	-	33.949	16.852
Profit share and commission income received	-	-	-	-	235	191

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	-	-	5	-	99	27.442
Balance at end of period	-	-	8	-	179	38.037
Profit share and commission income received	-	-	-	-	25	75

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	-	-	1.360	775	350.647	367.085
Balance at the end of period	40	41	1.366	1.360	179.502	350.647
Profit share expense	-	-	189	36	7.252	15.184

(*) As of September 30, 2012 wakala borrowings obtained from risk group of the Bank through investment purpose wakala contracts amount to USD 123.376.803 and EURO 80.756.000 (Prior Period-104.534.953 USD and 70.538.802 EURO). The profit share expense relating to such borrowings for the period between January 1, 2012 – September 30, 2012 is TL 7.848 (Prior period-756 TL).

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

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

As of end of September 30, 2012; the Bank has paid TL 6.387 (Prior period- TL 4.649) to top management.

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

Albaraka Türk Katılım Bankası Anonim Şirketi

**Notes related to unconsolidated financial statements
for the interim period ended September 30, 2012
(Currency - Thousand Turkish Lira)**

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

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

IX. Explanations related to subsequent events:

None.

Albaraka Türk Katılım Bankası Anonim Şirketi

**Notes related to unconsolidated financial statements
for the interim period ended September 30, 2012
(Currency - Thousand Turkish Lira)**

Section six

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

None.

Section seven

Independent auditors' limited review report

I. Explanations on independent auditors' limited review report:

The Bank's unconsolidated financial statements as of and for the period ended September 30, 2012 have been reviewed by Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (a Member Firm of Ernst & Young Global Limited) and the independent auditors' limited review report dated November 7, 2012 is presented at the beginning of the financial statements and related notes.

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

None.