

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

Albaraka Türk Katılım Bankası Anonim Şirketi

**Unconsolidated financial statements including
independent auditors' limited review report for the
interim period ended March 31, 2010**

(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 March 31, 2010**

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

We have reviewed the accompanying balance sheet of Albaraka Türk Katılım Bankası A.Ş. ("the Bank") as of March 31, 2010 and the related statements of income, cash flows and 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, 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 financial statements do not give a true and fair view of the financial position of Albaraka Türk Katılım Bankası A.Ş. as of March 31, 2010 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

May 6, 2010
Istanbul, Türkiye

**UNCONSOLIDATED INTERIM FINANCIAL REPORT
AS OF AND FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2010**

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

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

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

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

Adnan Ahmed Yusuf ABDULMALEK
Chairman of the Board of Directors

Fahrettin YAŞI
General Manager

Turgut SİMİTÇİOĞLU
Assistant General Manager

Ahmet OCAK
Financial Affairs Senior Manager

Othman Ahmed SULIMAN
Chairman of the Audit Committee

Mitat AKTAŞ
Member of the Audit Committee

Hamad Abdulla A. EQAB
Member of the Audit Committee

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Albaraka Türk Katılım Bankası Anonim Şirketi

**Notes related to unconsolidated financial statements
for the interim period ended March 31, 2010
(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 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 Board of Directors' meeting dated December 21, 2005 and the title was changed as "Albaraka Türk Katılım Bankası A.Ş.". The change in the title was registered in trade registry records 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 İstanbul and is operating through 101 local branches and with 1.971 staff.

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

As of March 31, 2010, 54,06% of the Bank's shares are owned by Albaraka Banking Group located in Bahrain. 22,23% of the shares are publicly traded and quoted on the Istanbul Stock Exchange.

Albaraka Türk Katılım Bankası Anonim Şirketi

Notes related to unconsolidated financial statements for the interim period ended March 31, 2010 (Currency - Thousand Turkish Lira)

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

Title	Name and Surname	Administrative Responsibility	Function and	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
	Faisal A.M.A. ALZAMEL	Member of BOD		Master	(*) 0,0000
	İbrahim Fayez Humaid ALSHAMSI	Member of BOD		Bachelor	(*) 0,0000
	Othman Ahmed SULIMAN	Member of BOD		Bachelor	(*) 0,0000
	Osman AKYÜZ	Member of BOD		Bachelor	0,0220
	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
General Manager	Fahrettin YAŞI	Member of BOD /General Manager		Master	-
Assistant General Managers	M. Ali VERÇİN	Corporate and Retail Marketing		Bachelor	-
	Nihat BOZ	Legal Affairs		Bachelor	0,0048
	Temel HAZIROĞLU	Operations, Administrative Affairs, Human Resources		Bachelor	0,0342
	Bülent TABAN	Corporate and Commercial Loans, International Affairs		Master	-
	Turgut SİMİTÇİOĞLU	Financial Affairs, Risk Follow up and Banking Services		Bachelor	-
	Melikşah UTKU	Information Technologies, Project Management and Investor Relations		Master	-
Audit Committee	Othman Ahmed SULIMAN	Chairman of Audit Committee		Bachelor	(*) 0,0000
	Hamad Abdulla A. EQAB	Member of Audit Committee		Bachelor	(*) 0,0000
	Mitat AKTAŞ	Member of Audit Committee		Master	(*) 0,0000
Auditors:	Seyfettin YENİDÜNYA	Auditor		Bachelor	-
	Prof. Dr. Arif Ateş VURAN	Auditor		Doctorate	-
	Memduh COŞKUNER	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 0,0616% of the Bank's share capital (Prior Period – 0,0616%).

IV. Information on the Bank's qualified shareholders:

The Bank's paid in capital amounting TL 539.000 consists of 539.000.000 number of shares with a nominal value of TL 1 (full) for each share. TL 291.373 of the paid in capital is owned by qualified shareholders who are listed below.

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

Albaraka Türk Katılım Bankası Anonim Şirketi

**Notes related to unconsolidated financial statements
for the interim period ended March 31, 2010
(Currency - Thousand Turkish Lira)**

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 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 has two methods of collecting funds; "current and profit sharing accounts". 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 (one month, three months, six months and one year 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 and Aviva Sigorta 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 Industry and Trade since such applications are amendments in nature to the Article of Association. The application is included in the Article of Association after all necessary approvals are obtained.

Section two

The unconsolidated financial statements

- I. Balance sheet (Statement of financial position)
- II. Statement of off-balance sheet
- 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 (31/03/2010)			PRIOR PERIOD (31/12/2009)		
		TL	FC	Total	TL	FC	Total
I. CASH AND BALANCES WITH THE CENTRAL BANK	(1)	305.633	562.228	867.861	354.606	262.597	617.203
II. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS (net)	(2)	3.396	-	3.396	3.037	-	3.037
2.1 Trading Financial Assets		3.396	-	3.396	3.037	-	3.037
2.1.1 Public Sector Debt Securities		-	-	-	-	-	-
2.1.2 Share Certificates		3.396	-	3.396	3.037	-	3.037
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)	260.084	150.920	411.004	244.421	363.520	607.941
IV. MONEY MARKET PLACEMENTS		-	-	-	-	-	-
V. FINANCIAL ASSETS-AVAILABLE FOR SALE (net)	(4)	28.873	36	28.909	28.517	37	28.554
5.1 Equity Securities		-	36	36	-	37	37
5.2 Public Sector Debt Securities		28.873	-	28.873	28.517	-	28.517
5.3 Other Marketable Securities		-	-	-	-	-	-
VI. LOANS AND RECEIVABLES	(5)	4.578.461	178.144	4.756.605	4.474.531	157.979	4.632.510
6.1 Loans And Receivables		4.555.449	178.144	4.733.593	4.456.038	157.447	4.613.485
6.1.1 Loans to Risk Group of The Bank		19	82.530	82.549	32	82.034	82.066
6.1.2 Public Sector Debt Securities		-	-	-	-	-	-
6.1.3 Other		4.555.430	95.614	4.651.044	4.456.006	75.413	4.531.419
6.2 Non performing loans		181.064	6.712	187.776	162.883	7.204	170.087
6.3 Specific Provisions (-)		(158.052)	(6.712)	(164.764)	(144.390)	(6.672)	(151.062)
VII. INVESTMENTS HELD TO MATURITY (net)	(6)	487.991	15.239	503.230	280.876	15.131	296.007
VIII. INVESTMENTS IN ASSOCIATES (net)	(7)	6.000	-	6.000	6.000	-	6.000
8.1 Accounted For Under Equity Method		-	-	-	-	-	-
8.2 Unconsolidated Associates		6.000	-	6.000	6.000	-	6.000
8.2.1 Financial Associates		2.000	-	2.000	2.000	-	2.000
8.2.2 Non-Financial Associates		4.000	-	4.000	4.000	-	4.000
IX. SUBSIDIARIES (net)	(8)	-	-	-	-	-	-
9.1 Unconsolidated Financial Subsidiaries		-	-	-	-	-	-
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)	44.891	-	44.891	53.484	-	53.484
11.1 Finance Lease Receivables		51.974	-	51.974	62.132	-	62.132
11.2 Operational Lease Receivables		-	-	-	-	-	-
11.3 Other		-	-	-	-	-	-
11.4 Unearned Income (-)		(7.083)	-	(7.083)	(8.648)	-	(8.648)
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)	140.543	-	140.543	140.054	-	140.054
XIV. INTANGIBLE ASSETS (net)	(13)	2.023	-	2.023	1.577	-	1.577
14.1 Goodwill		-	-	-	-	-	-
14.2 Other		2.023	-	2.023	1.577	-	1.577
XV. INVESTMENT PROPERTY (net)	(14)	-	-	-	-	-	-
XVI. TAX ASSET	(15)	9.427	-	9.427	7.789	-	7.789
16.1 Current Tax Asset		-	-	-	-	-	-
16.2 Deferred Tax Asset		9.427	-	9.427	7.789	-	7.789
XVII. ASSETS HELD FOR SALE AND ASSETS OF DISCONTINUED OPERATIONS (net)	(16)	11.061	-	11.061	4.902	-	4.902
17.1 Assets Held for Sale		11.061	-	11.061	4.902	-	4.902
17.2 Assets of Discontinued Operations		-	-	-	-	-	-
XVIII. OTHER ASSETS	(17)	25.978	219	26.197	15.671	185	15.856
TOTAL ASSETS		5.904.361	906.786	6.811.147	5.615.465	799.449	6.414.914

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

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

LIABILITIES	Notes	THOUSAND TURKISH LIRA					
		CURRENT PERIOD (31/03/2010)			PRIOR PERIOD (31/12/2009)		
		TL	FC	Total	TL	FC	Total
I. FUNDS COLLECTED	(1)	3.586.372	2.227.828	5.814.200	3.290.809	2.173.836	464.645
1.1 Funds From Risk Group of The Bank		218.219	74.487	292.706	145.201	66.134	211.335
1.2 Other		3.368.153	2.153.341	5.521.494	3.145.608	2.107.702	253.310
II. DERIVATIVE FINANCIAL LIABILITIES HELD FOR TRADING	(2)	-	-	-	-	-	-
III. FUNDS BORROWED	(3)	-	-	-	-	-	-
IV. BORROWINGS FROM MONEY MARKETS		-	-	-	-	-	-
V. SECURITIES ISSUED (net)		-	-	-	-	-	-
VI. MISCELLANEOUS PAYABLES		151.750	20.573	172.323	140.008	13.099	153.107
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)	58.322	13.361	71.683	53.022	13.087	66.109
10.1 General Provisions		39.238	9.364	48.602	38.037	9.628	47.665
10.2 Restructuring Reserves		-	-	-	-	-	-
10.3 Reserve For Employee Benefits		9.329	-	9.329	8.301	-	8.301
10.4 Insurance Technical Reserves (net)		-	-	-	-	-	-
10.5 Other Provisions		9.755	3.997	13.752	6.684	3.459	10.143
XI. TAX LIABILITY	(8)	22.862	-	22.862	20.387	-	20.387
11.1 Current Tax Liability		22.862	-	22.862	20.387	-	20.387
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)	730.079	-	730.079	710.666	-	710.666
14.1 Paid-In Capital		539.000	-	539.000	539.000	-	539.000
14.2 Capital Reserves		12.910	-	12.910	12.738	-	12.738
14.2.1 Share Premium		-	-	-	-	-	-
14.2.2 Share Cancellation Profits		-	-	-	-	-	-
14.2.3 Marketable Securities Revaluation Reserve		2.462	-	2.462	2.206	-	2.206
14.2.4 Revaluation Reserve on Tangible Assets		10.448	-	10.448	10.532	-	10.532
14.2.5 Revaluation Reserve on Intangible Assets		-	-	-	-	-	-
14.2.6 Investment Property Revaluation Reserve		-	-	-	-	-	-
14.2.7 Bonus Shares From Associates, Subsidiaries And Jointly Controlled Entities		-	-	-	-	-	-
14.2.8 Hedging Funds (Effective Portion)		-	-	-	-	-	-
14.2.9 Revaluation Reserve On Assets Held For Sale and Assets of Discontinued Operations		-	-	-	-	-	-
14.2.10 Other Capital Reserves		-	-	-	-	-	-
14.3 Profit Reserves		148.147	-	148.147	53.302	-	53.302
14.3.1 Legal Reserves		32.441	-	32.441	27.160	-	27.160
14.3.2 Status Reserves		-	-	-	-	-	-
14.3.3 Extraordinary Reserves		115.706	-	115.706	26.142	-	26.142
14.3.4 Other Profit Reserves		-	-	-	-	-	-
14.4 Profit Or Loss		30.022	-	30.022	105.626	-	105.626
14.4.1 Prior Periods Profit / (Loss)		104	-	104	347	-	347
14.4.2 Current Period Profit / (Loss)		29.918	-	29.918	105.279	-	105.279
14.5 Minority Interest		-	-	-	-	-	-
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		4.549.385	2.261.762	6.811.147	4.214.892	2.200.022	414.914

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

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

	Notes	THOUSAND TURKISH LIRA					
		CURRENT PERIOD (31/03/2010)			PRIOR PERIOD (31/12/2009)		
		TL	FC	Total	TL	FC	Total
A. OFF BALANCE SHEET COMMITMENTS AND CONTINGENCIES (I+II+III)	(1),(3)	2.595.175	1.496.695	4.091.870	2.466.660	1.404.610	3.871.270
I. GUARANTEES AND SURETIES		2.312.676	1.495.758	3.808.434	2.187.726	1.402.986	3.590.712
1.1. Letters Of Guarantees		2.292.476	1.109.892	3.402.368	2.186.226	1.028.156	3.214.382
1.1.1. Guarantees Subject To State Tender Law		172.272	28.517	200.789	181.442	26.397	207.839
1.1.2. Guarantees Given For Foreign Trade Operations		-	522.446	522.446	-	515.397	515.397
1.1.3. Other Letters Of Guarantee		2.120.204	558.929	2.679.133	2.004.784	486.362	2.491.146
1.2. Bank Loans		-	18.985	18.985	-	12.691	12.691
1.2.1. Import Letter Of Acceptances		-	18.985	18.985	-	12.691	12.691
1.2.2. Other Bank Acceptances		-	-	-	-	-	-
1.3. Letter Of Credits		-	353.289	353.289	-	348.307	348.307
1.3.1. Documentary Letter Of Credits		-	-	-	-	-	-
1.3.2. Other Letter Of Credits		-	353.289	353.289	-	348.307	348.307
1.4. Prefinancing Given As Guarantee		-	-	-	-	-	-
1.5. Endorsements		-	-	-	-	-	-
1.5.1. Endorsements To The Central Bank Of Turkey		-	-	-	-	-	-
1.5.2. Other Endorsements		-	-	-	-	-	-
1.6. Other Guarantees		-	-	-	-	-	-
1.7. Other Collaterals		20.200	13.592	33.792	1.500	13.832	15.332
II. COMMITMENTS	(1),(3)	282.499	937	283.436	278.934	1.624	280.558
2.1. Irrevocable Commitments		282.499	937	283.436	278.934	1.624	280.558
2.1.1. Forward Asset Purchase Commitments		-	-	-	-	-	-
2.1.2. Share Capital Commitment To Associates And Subsidiaries		2.000	-	2.000	2.000	-	2.000
2.1.3. Loan Granting Commitments		4.211	785	4.996	6.687	1.475	8.162
2.1.4. Securities Underwriting Commitments		-	-	-	-	-	-
2.1.5. Commitments For Reserve Deposit Requirements		-	-	-	-	-	-
2.1.6. Payment Commitment For Checks		189.793	-	189.793	190.434	-	190.434
2.1.7. Tax And Fund Liabilities From Export Commitments		327	-	327	219	-	219
2.1.8. Commitments For Credit Card Expenditure Limits		86.004	-	86.004	79.475	-	79.475
2.1.9. Commitments For Promotions Related With Credit Cards And Banking Activities		104	-	104	59	-	59
2.1.10. Receivables From Short Sale Commitments		-	-	-	-	-	-
2.1.11. Payables For Short Sale Commitments		-	-	-	-	-	-
2.1.12. Other Irrevocable Commitments		60	152	212	60	149	209
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)		8.353.850	827.704	9.181.554	7.560.392	821.928	8.382.320
IV. ITEMS HELD IN CUSTODY		427.642	245.008	672.650	436.406	229.314	665.720
4.1. Assets Under Management		-	-	-	-	-	-
4.2. Investment Securities Held In Custody		-	-	-	-	-	-
4.3. Checks Received For Collection		287.998	28.681	316.679	306.558	28.805	335.363
4.4. Commercial Notes Received For Collection		136.634	19.113	155.747	126.771	20.105	146.876
4.5. Other Assets Received For Collection		210	-	210	276	-	276
4.6. Assets Received For Public Offering		-	-	-	-	-	-
4.7. Other Items Under Custody		72	173.763	173.835	72	160.660	160.732
4.8. Custodians		2.728	23.451	26.179	2.729	19.744	22.473
V. PLEDGED ITEMS		7.926.208	582.696	8.508.904	7.123.986	592.614	7.716.600
5.1. Marketable Securities		10.849	-	10.849	10.849	-	10.849
5.2. Guarantee Notes		647.447	71.763	719.210	615.462	68.094	683.556
5.3. Commodity		252.063	86.093	338.156	218.121	78.770	296.891
5.4. Warranty		-	-	-	-	-	-
5.5. Properties		6.889.056	406.525	7.295.581	6.155.006	429.022	6.584.028
5.6. Other Pledged Items		108.105	5.938	114.043	105.721	4.198	109.919
5.7. Pledged Items-Depository		18.688	12.377	31.065	18.827	12.530	31.357
VI. ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES		-	-	-	-	-	-
TOTAL OFF BALANCE SHEET ACCOUNTS (A+B)		10.949.025	2.324.399	13.273.424	10.027.052	2.226.538	12.253.590

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

ALBARAKA TÜRK KATILIM BANKASI A.Ş. STATEMENT OF INCOME

INCOME AND EXPENSE ITEMS	Notes	THOUSAND TURKISH LIRA	
		CURRENT PERIOD (31/03/2010)	PRIOR PERIOD (31/03/2009)
I. PROFIT SHARE INCOME	(1)	161.136	161.742
1.1 Profit Share on Loans		146.317	153.144
1.2 Income Received from Reserve Deposits		-	-
1.3 Income Received from Banks		2.132	3.294
1.4 Income Received from Money Market Placements		-	-
1.5 Income Received from Marketable Securities Portfolio		11.281	2.589
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		1.031	626
1.5.4 Investment-Held for Maturity		10.250	1.963
1.6 Finance Lease Income		1.406	2.715
1.7 Other Profit Share Income		-	-
II. PROFIT SHARE EXPENSE	(2)	83.262	90.611
2.1 Expense on Profit Sharing Accounts		83.262	90.611
2.2 Profit Share Expense on Funds Borrowed		-	-
2.3 Profit Share Expense on Money Market Borrowings		-	-
2.4 Expense on Securities Issued		-	-
2.5 Other Profit Share Expense		-	-
III. NET PROFIT SHARE INCOME (I – II)		77.874	71.131
IV. NET FEES AND COMMISSIONS INCOME/EXPENSES		18.575	19.573
4.1 Fees And Commissions Received		20.235	21.161
4.1.1 Non-Cash Loans		10.900	9.307
4.1.2 Other	(12)	9.335	11.854
4.2 Fees And Commissions Paid		1.660	1.588
4.2.1 Non-Cash Loans		48	35
4.2.2 Other	(12)	1.612	1.553
V. DIVIDEND INCOME	(3)	-	-
VI. TRADING INCOME/LOSS(net)	(4)	3.247	9.832
6.1 Capital Market Transaction Income / (Loss)		360	87
6.2 I Income/ (Loss) From Derivative Financial Instruments		-	-
6.3 Foreign Exchange Income / (Loss)		2.887	9.745
VII. OTHER OPERATING INCOME	(5)	14.895	5.494
VIII. TOTAL OPERATING INCOME (III+IV+V+VI+VII)		114.591	106.030
IX. PROVISION FOR LOAN LOSSES AND OTHER RECEIVABLES (-)	(6)	31.621	27.511
X. OTHER OPERATING EXPENSES (-)	(7)	45.891	40.472
XI. NET OPERATING INCOME/(LOSS) (VIII-IX-X)		37.079	38.047
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)	37.079	38.047
XVI. TAX PROVISION FOR CONTINUED OPERATIONS (±)	(9)	7.161	7.747
16.1 Provision For Current Taxes		8.842	8.943
16.2 Provision For Deferred Taxes		(1.681)	(1.196)
XVII. NET INCOME /(LOSS) FROM CONTINUED OPERATIONS (XV±XVI)	(10)	29.918	30.300
XVIII. INCOME ON DISCONTINUED OPERATIONS		-	-
18.1 Income on Assets Held For Sale		-	-
18.2 Income on Sale Of Associates, Subsidiaries And Jointly Controlled Entities (Joint Vent.)		-	-
18.3 Income on Other Discontinued Operations		-	-
XIX. LOSS FROM DISCONTINUED OPERATIONS (-)		-	-
19.1 Loss From Assets Held For Sale		-	-
19.2 Loss on Sale Of Associates, Subsidiaries And Jointly Controlled Entities (Joint Vent.)		-	-
19.3 Loss From Other Discontinued Operations		-	-
XX. INCOME / (LOSS) ON DISCONTINUED OPERATIONS BEFORE TAXES (XVIII-XIX)		-	-
XXI. TAX PROVISION FOR DISCONTINUED OPERATIONS (±)		-	-
21.1 Provision For Current Taxes		-	-
21.2 Provision For Deferred Taxes		-	-
XXII. NET INCOME/LOSS FROM DISCONTINUED OPERATIONS (XX±XXI)		-	-
XXIII. NET INCOME/LOSS (XVII+XXII)	(11)	29.918	30.300
23.1 Group's Income/Loss		29.918	30.300
23.2 Minority Interest		-	-
Earnings Per Share		0,056	0,112

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

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

STATEMENT OF INCOME AND EXPENSE ITEMS ACCOUNTED UNDER SHAREHOLDERS' EQUITY	THOUSAND TURKISH LIRA	
	CURRENT PERIOD (31/03/2010)	PRIOR PERIOD (31/03/2009)
I. ADDITIONS FROM MARKETABLE SECURITIES REVALUATION DIFFERENCES FOR AVAILABLE FOR SALE FINANCIAL ASSETS	320	439
II. TANGIBLE ASSETS REVALUATION DIFFERENCES	-	13.477
III. INTANGIBLE ASSETS REVALUATION DIFFERENCES	-	-
IV. FOREIGN EXCHANGE DIFFERENCES FOR FOREIGN CURRENCY TRANSACTIONS	-	-
V. PROFIT/LOSS FROM DERIVATIVE FINANCIAL INSTRUMENTS FOR CASH FLOW HEDGE PURPOSES (EFFECTIVE PORTION OF FAIR VALUE DIFFERENCES)	-	-
VI. PROFIT/LOSS FROM DERIVATIVE FINANCIAL INSTRUMENTS FOR HEDGE OF NET INVESTMENT IN FOREIGN OPERATIONS (EFFECTIVE PORTION OF FAIR VALUE DIFFERENCES)	-	-
VII. THE EFFECT OF CORRECTIONS OF ERRORS AND CHANGES IN ACCOUNTING POLICIES	-	-
VIII. OTHER PROFIT LOSS ITEMS ACCOUNTED UNDER EQUITY DUE TO TAS	-	-
IX. DEFERRED TAX ON VALUATION DIFFERENCES	(44)	(2.783)
X. TOTAL NET PROFIT/LOSS ACCOUNTED UNDER EQUITY (I+II+...+IX)	276	11.133
XI. PROFIT/LOSS	29.918	30.300
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	29.918	30.300
XII. TOTAL PROFIT/LOSS ACCOUNTED FOR THE PERIOD (X±XI)	30.194	41.433

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. STATEMENTS 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
PRIOR PERIOD																	
(31/03/2009)																	
I. Beginning balance	(v)	269.500	-	158.396	-	17.097	-	56.496	-	136.242	371	-	-	-	-	-	638.102
Changes in Period		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
II. Increase/Decrease Related to Merger		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. Marketable Securities Revaluation Differences		-	-	-	-	-	-	-	-	-	-	351	-	-	-	-	351
IV. Hedging Funds (Effective Portion)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.1 Cash-Flow Hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.2 Hedge of Net Investment in Foreign Operations		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V. Tangible Assets Revaluation Differences		-	-	-	-	-	-	-	-	-	-	-	10.782	-	-	-	10.782
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		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVII. Period Net Income/(Loss)		-	-	-	-	-	-	-	-	30.300	-	-	-	-	-	-	30.300
XVIII. Profit Distribution		-	-	-	-	-	-	-	-	(136.242)	90.442	-	-	-	-	-	(45.800)
18.1 Dividends Distributed		-	-	-	-	-	-	-	-	-	(45.800)	-	-	-	-	-	(45.800)
18.2 Transfers to Reserves		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18.3 Other		-	-	-	-	-	-	-	-	(136.242)	136.242	-	-	-	-	-	-
Closing Balance																	
(+I+II+III+...+XVI+XVII+XVIII)		269.500	-	158.396	-	17.097	-	56.496	-	30.300	90.813	351	10.782	-	-	-	633.735

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. STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

THOUSAND TURKISH LIRA

CHANGES IN SHAREHOLDERS' EQUITY		Notes (Section Five)	Paid-in Capital	Effect of Inflation Accounting on Capital and Other Capital Reserves	Share Premium	Share Certificate Cancellation Profits	Legal Reserves	Status Reserves	Extraordinary Reserves	Other Reserves	Current Period Net Income / (loss)	Prior Years Net Income / (loss)	Marketable Securities Revaluation Reserve	Tangible and Intangible Assets Revaluation Fund	Bonus Shares from Investments	Hedging Reserves	Asset Held For Sale and Disc.op. Valuation Fund	Total Equity
CURRENT PERIOD																		
(31/03/2010)																		
I.	Beginning balance	(V)	539.000	-	-	-	27.160	-	26.142	-	105.279	347	2.206	10.532	-	-	-	710.666
	Changes In Period		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
II.	Increase/Decrease Related to Merger		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.	Marketable Securities Revaluation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Differences		-	-	-	-	-	-	-	-	-	-	320	-	-	-	-	320
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		-	-	-	-	-	-	-	-	-	104	(64)	(84)	-	-	-	(44)
XVII.	Period Net Income/(Loss)		-	-	-	-	-	-	-	29.918	-	-	-	-	-	-	-	29.918
XVIII.	Profit Distribution		-	-	-	-	5.281	-	89.564	(105.279)	(347)	-	-	-	-	-	-	(10.781)
18.1	Dividends Distributed		-	-	-	-	-	-	-	-	(10.781)	-	-	-	-	-	-	(10.781)
18.2	Transfers To Reserves		-	-	-	-	5.281	-	89.564	-	(94.845)	-	-	-	-	-	-	-
18.3	Other		-	-	-	-	-	-	-	(105.279)	105.279	-	-	-	-	-	-	-
Closing Balance																		
(I+II+III+...+XVI+XVII+XVIII)			539.000	-	-	-	32.441	-	115.706	-	29.918	104	2.462	10.448	-	-	-	730.079

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

ALBARAKA TÜRK KATILIM BANKASI A.Ş.

		THOUSAND TURKISH LIRA	
		Notes	
STATEMENT OF CASH FLOWS		CURRENT PERIOD (31/03/2010)	PRIOR PERIOD (31/03/2009)
A.	CASH FLOWS FROM BANKING OPERATIONS		
1.1	Operating Profit Before Changes In Operating Assets And Liabilities	67.661	(7.881)
1.1.1	Profit Share Income Received	169.744	155.625
1.1.2	Profit Share Expense Paid	(83.262)	(85.751)
1.1.3	Dividend Received	-	-
1.1.4	Fees and Commissions Received	18.575	19.573
1.1.5	Other Income	14.895	5.494
1.1.6	Collections From Previously Written Off Loans	14.888	4.169
1.1.7	Payments to Personnel and Service Suppliers	(27.628)	(24.075)
1.1.8	Taxes Paid	(10.711)	(12.977)
1.1.9	Others	(28.840)	(69.939)
1.2	Changes in operating assets and liabilities	202.526	491.508
1.2.1	Net (Increase) Decrease in Available For Sale Financial Assets	(359)	7.515
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	(7.076)	(11.164)
1.2.4	Net (Increase) Decrease in Loans	(152.500)	(29.120)
1.2.5	Net (Increase) Decrease in Other Assets	(13.927)	(12.123)
1.2.6	Net Increase (Decrease) in Funds Collected From Banks	-	-
1.2.7	Net Increase (Decrease) in Other Funds Collected	349.299	524.750
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	27.089	11.650
I.	Net Cash Provided From Banking Operations	270.187	483.627
B.	CASH FLOWS FROM INVESTING ACTIVITIES		
II.	Net cash provided from investing activities	(208.763)	(121.595)
2.1	Cash Paid for Purchase Jointly Controlled Operations, Associates and Subsidiaries	-	-
2.2	Cash Obtained from Sale of Jointly Controlled Operations, Associates And Subsidiaries	-	-
2.3	Fixed Assets Purchases	(8.763)	(2.397)
2.4	Fixed Assets Sales	-	-
2.5	Cash Paid For Purchase of Financial Assets Available For Sale	-	-
2.6	Cash Obtained From Sale of Financial Assets Available For Sale	-	-
2.7	Cash Paid For Purchase of Investment Securities	(200.000)	(119.198)
2.8	Cash Obtained From Sale of Investment Securities	-	-
2.9	Other	-	-
C.	CASH FLOWS FROM FINANCING ACTIVITIES		
III.	Net cash provided from financing activities	(10.781)	-
3.1	Cash Obtained From Funds Borrowed and Securities Issued	-	-
3.2	Cash Used For Repayment of Funds Borrowed and Securities Issued	-	-
3.3	Capital Increase	-	-
3.4	Dividends Paid	(10.781)	-
3.5	Payments For Finance Leases	-	-
3.6	Other	-	-
IV.	Effect Of Change in Foreign Exchange Rate on Cash and Cash Equivalents	(7.640)	33.087
V.	Net Increase in Cash and Cash Equivalents	43.003	395.119
VI.	Cash and Cash Equivalents at the Beginning of the Period	1.086.082	747.749
VII.	Cash and Cash Equivalents at the End of the Period	1.129.085	1.142.868

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 March 31, 2010
(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 the financial statements for the interim period are consistent with those adopted in the preparation of the financial statements as of December 31, 2009. The amended standards and interpretations of TAS/TFRS (*TFRS 2 "Share Based Payment-Group Cash-Settled Share-Based Payment Transactions"*, *TFRS 3 "Business Combinations"* and *TAS 27 "Consolidated and Separate Financial Statements"*, *TAS 39 "Financial Instruments: Recognition and Measurement"*, *IFRIC 17 "Distribution of Non-Cash Assets to Owners"* and amendments to *TFRS*) which are effective from January 1, 2010 do not have an impact on the Bank's accounting policies, financial position and performance of the Bank. The accounting policies and valuation principles used in the preparation of unconsolidated financial statements are explained in Notes II and XXII below.

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

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 are reviewed periodically and when adjustments are considered necessary they are reflected in the income statement.

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.

Albaraka Türk Katılım Bankası Anonim Şirketi

**Notes related to unconsolidated financial statements
for the interim period ended March 31, 2010 (continued)
(Currency - Thousand Turkish Lira)**

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

The Bank manages its strategies on financial instrument depending on the financing sources. The financing sources consist of current and profit sharing accounts. The Bank does not have any external sources other than current and profit sharing accounts. The Bank sustains its liquidity to cover matured liabilities by holding adequate level of cash and cash equivalents.

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

The portion of risk belonging to the profit sharing accounts for foreign currency non performing loans which were funded from these accounts are 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 non-performing loans and receivables originated from profit sharing accounts of which the risk belongs to the Bank in full, such loans and receivables are translated to Turkish Lira at the current exchange rates instead of exchange rates prevailing at the date of transfer of the balances to non-performing portfolio. Such implementation does not have a positive or negative impact on trading income/loss of the Bank.

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

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.

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.

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.

Albaraka Türk Katılım Bankası Anonim Şirketi

**Notes related to unconsolidated financial statements
for the interim period ended March 31, 2010 (continued)
(Currency - Thousand Turkish Lira)**

IV. Explanations on profit share income and expenses (continued):

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.

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 maturity 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 has been reflected to the income statement by using the internal rate of return and straight line method, 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.

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

Financial assets classified in this group are initially recognized at cost and 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 March 31, 2010 the Bank has no financial assets classified as financial assets at fair value through profit or loss except for trading financial assets.

Albaraka Türk Katılım Bankası Anonim Şirketi

**Notes related to unconsolidated financial statements
for the interim period ended March 31, 2010 (continued)
(Currency - Thousand Turkish Lira)**

VI. Explanations on financial assets (continued):

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.

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 and subsequently recognized at the amortized cost value using the internal rate of return method in accordance with TAS 32 "Financial Assets: Presentation" and TAS 39 "Financial Assets: Recognition and Measurement". Fees, transaction costs and other similar costs in connection with the guarantees of loans and receivables are paid by the customers and accordingly not included in expense items in the income statement.

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

Held to maturity financial assets:

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

VII. Explanations on impairment of financial assets:

At each balance sheet date, the Bank evaluates the carrying amounts of its financial asset 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 indication related to the occurrence (loss/damage event) of one or more than one event (or occurrence) subsequent to initial recognition of that asset or group of assets; and such loss event causes an impairment loss as a result of the effect on the reliable estimate of the expected future cash flows of the related financial asset and asset group. Any amounts attributable to expected losses arising from any future events is not recognized under no circumstances.

Albaraka Türk Katılım Bankası Anonim Şirketi

**Notes related to unconsolidated financial statements
for the interim period ended March 31, 2010 (continued)
(Currency - Thousand Turkish Lira)**

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

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

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

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

VIII. Explanations on offsetting of financial instruments:

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

There are no such offset financial assets and liabilities.

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

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

Albaraka Türk Katılım Bankası Anonim Şirketi

**Notes related to unconsolidated financial statements
for the interim period ended March 31, 2010 (continued)
(Currency - Thousand Turkish Lira)**

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.

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 31 December 2004 have been restated from the purchasing dates to 31 December 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 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.

Albaraka Türk Katılım Bankası Anonim Şirketi

**Notes related to unconsolidated financial statements
for the interim period ended March 31, 2010 (continued)
(Currency - Thousand Turkish Lira)**

XII. Explanations on tangible assets:

The cost of the tangible 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. 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 alternative 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. Regarding this revaluation, TL 10.448; net of deferred tax and depreciation, (Prior period – TL 10.532) has been accounted under the equity as a revaluation fund. 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 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 useful lives in equal amounts. The estimated 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 01.01.2010, in cases where leasing period is more than 5 years, the useful life is determined as 5 years.

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

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

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

Albaraka Türk Katılım Bankası Anonim Şirketi

**Notes related to unconsolidated financial statements
for the interim period ended March 31, 2010 (continued)
(Currency - Thousand Turkish Lira)**

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. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability.

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:

The 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".

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

In the financial statements, provision is booked for contingent liabilities originating 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.

XV. Explanations on liabilities regarding employee benefits:

i) Defined benefit plans:

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

The retirement pay provision recognized in the accompanying 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.

Albaraka Türk Katılım Bankası Anonim Şirketi

**Notes related to unconsolidated financial statements
for the interim period ended March 31, 2010 (continued)
(Currency - Thousand Turkish Lira)**

XV. Explanations on liabilities regarding employee benefits (continued):

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 prepayments can be deducted from the annual corporate tax calculated for the whole year earnings. The remaining prepaid tax, if any after deduction, can be refunded in cash or deducted from other financial liabilities to the government.

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

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

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

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

Albaraka Türk Katılım Bankası Anonim Şirketi

**Notes related to unconsolidated financial statements
for the interim period ended March 31, 2010 (continued)
(Currency - Thousand Turkish Lira)**

XVI. Explanations on taxation (continued):

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. Deferred tax asset is not calculated for provisions for possible risks and general provisions according to the circular of BRSA numbered BRSA.DZM.2/13/1-a-3 and dated December 8, 2004.

Transfer pricing:

The article No.13 of the Corporate Tax Law describes the issue of transfer pricing under the title of "Disguised profit distribution by way of transfer pricing. "The General Communiqué on Disguised Profit Distribution by Way of Transfer Pricing" published at 18 November 2007, explains the application related issues on this topic.

According to this communiqué, if the taxpayers conduct transactions like purchase and sale of goods or services with the related parties where the prices are not determined according to the arm's length principle, then it will be concluded that there is a disguised profit distribution by way of transfer pricing. Such disguised profit distributions will not be deducted from the corporate tax base for tax purposes.

As stated in the "7.1 Annual Documentation" section of this Communiqué, the taxpayers are required to fill out the "Transfer Pricing, Controlled Foreign Entities and Thin Capitalization" form for the purchase and sale of goods or services conducted with their related parties in a taxation period, attach these forms to their corporate tax returns and submit to the tax offices.

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.

Albaraka Türk Katılım Bankası Anonim Şirketi

**Notes related to unconsolidated financial statements
for the interim period ended March 31, 2010 (continued)
(Currency - Thousand Turkish Lira)**

XVIII. Explanations on share certificate and issuance of share certificate:

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

XIX. Explanations on acceptances and availed drafts:

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

XX. Explanations on government grants:

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

XXI. Explanations on segment reporting:

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

Segment reporting is disclosed in Section Four, Note IX.

XXII. Explanations on other matters:

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

XXIII. Additional paragraph for convenience translation:

The effects of differences between accounting principles and standards set out by regulations in conformity with Article 37 of the Banking Act No: 5411 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 March 31, 2010 (continued)
(Currency - Thousand Turkish Lira)****Section four****Information on financial position****I. Explanations on capital adequacy standard ratio:**

The capital adequacy standard ratio is calculated in accordance with the Communiqué on “Measurement and Assessment of Capital Adequacy of Banks” and Communiqué on “Shareholders’ Equity of Banks”. In the calculation of capital adequacy standard ratio, data prepared in accordance with the legislation related to account and record plan is used. The Bank’s capital adequacy ratio is 14,73% (December 31, 2009 – 15,33%).

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

Information on capital adequacy standard ratio: Thousand TL, %

	Risk Weights			
	Bank			
	0%	20%	50%	100%
Amount Subject to Credit Risk				
Balance Sheet Items (Net)	1.615.417	427.144	1.793.405	1.654.578
Cash and Cash Equivalents	81.681	-	-	-
Matured Marketable Securities	-	-	-	-
The Central Bank of the Republic of Turkey	652.274	-	-	-
Domestic Banks, Foreign Banks, Foreign Head Offices and Branches	-	408.514	-	2.490
Money Market Placements	-	-	-	-
Receivables From Reverse Repurchase Transactions	-	-	-	-
Reserve Deposits	99.071	-	-	-
Loans	218.383	18.459	1.700.982	1.381.087
Non-performing Loans (Net)	-	-	-	22.122
Financial Lease Receivables	4	-	30.749	5.046
Available-for-Sale Financial Assets	25.000	-	-	36
Held to Maturity Investments	482.575	-	-	7.575
Receivables from Term Sales of Assets	-	-	-	9.666
Miscellaneous Receivables	-	-	-	268
Accrued Profit Share and Income Accruals	46.350	171	61.674	72.075
Investment in Associates, Subsidiaries and Joint Ventures (Business Partnerships) (net)	-	-	-	6.000
Tangible Assets	-	-	-	144.045
Other Assets	10.079	-	-	4.168
Off-Balance Sheet Items	67.416	7.009	524.861	1.336.558
Guarantees and Commitments	67.416	7.009	524.861	1.336.558
Derivative Financial Instruments	-	-	-	-
Non Risk Weighted Accounts	-	-	-	-
Total Risk-Weighted Assets	1.682.833	434.153	2.318.266	2.991.136

Albaraka Türk Katılım Bankası Anonim Şirketi**Notes related to unconsolidated financial statements
for the interim period ended March 31, 2010 (continued)
(Currency - Thousand Turkish Lira)****I. Explanations on capital adequacy standard ratio (continued):****Summary information related to capital adequacy ratio:**

	Current Period	Prior Period
Total Risk Weighted Assets (TRWA)	4.237.100	4.139.662
Amount Subject to Market Risk (ASMR)	29.975	32.288
Amount Subject to Operational Risk (ASOR)	617.328	462.299
Shareholders' Equity	719.306	710.216
Shareholders' Equity / (TRWA + ASMR + ASOR) *100	14,73	15,33

Components of shareholders' equity:

	Current Period	Prior Period
CORE CAPITAL		
Paid-in capital	539.000	539.000
Nominal Capital	539.000	539.000
Capital Commitments (-)	-	-
Paid-in Capital Inflation Indexation Difference	-	-
Share Premium	-	-
Share Cancellation Profits	-	-
Legal Reserves	32.441	27.160
First Legal Reserve (Turkish Commercial Code 466/1)	25.287	20.006
Second Legal Reserve (Turkish Commercial Code 466/2)	7.093	7.093
Other Legal Reserve Per Special Laws	61	61
Status Reserves	-	-
Extraordinary Reserves	115.706	26.142
Reserves Allocated by the General Assembly	115.706	26.142
Retained Earnings	-	-
Accumulated Losses	-	-
Foreign Currency Share Capital Exchange Difference	-	-
Inflation Adjustments to Legal, Status And Extraordinary Reserves	-	-
Profit	30.022	105.626
Current Period Net Profit	29.918	105.279
Prior Years' Profits	104	347
Provision for possible losses up to 25% of the core capital	84	84
Gains On Sale Of Associates And Subsidiaries And Properties To Be Added To Capital	-	-
Primary Subordinated Loans Up To 15% Of The Core Capital	-	-
Losses that cannot be Covered By Reserves (-)	-	-
Net Current Period Loss	-	-
Prior Years' Loss	-	-
Leasehold Improvements (-)	7.505	7.557
Prepaid Expenses (-)	11.443	2.204
Intangible Assets (-)	2.023	1.577
Deferred Tax Asset Exceeding 10% Of The Core Capital (-)	-	-
Excess Amount In The Article 56, Clause 3 Of The Banking Law (-)	-	-
Total Core Capital	696.282	686.674

Albaraka Türk Katılım Bankası Anonim Şirketi**Notes related to unconsolidated financial statements
for the interim period ended March 31, 2010 (continued)
(Currency - Thousand Turkish Lira)****I. Explanations on capital adequacy standard ratio (continued):**

	Current Period	Prior Period
SUPPLEMENTARY CAPITAL		
General Loan Loss Reserves	17.269	18.323
45% of The Revaluation Reserve for Movable Fixed Assets	-	-
45% of The of Revaluation Reserve for Properties	4.702	4.739
Bonus Shares of Investment in Associates, Subsidiaries and Joint Ventures	-	-
Primary Subordinated Loans Excluded in the Calculation of The Core Capital	-	-
Secondary Subordinated Loans	-	-
45% of Marketable Securities Value Increase Fund	1.108	993
Associates and Subsidiaries	-	-
Available for Sale Securities	1.108	993
Indexation Differences For Capital Reserves, Profit Reserves and Retained Earnings (Except Indexation Differences for Legal Reserves, Statutory Reserves and Extraordinary Reserves)	-	-
Total Supplementary Capital	23.079	24.055
TIER III CAPITAL		
	-	-
CAPITAL		
	719.361	710.729
DEDUCTIONS FROM THE CAPITAL		
	55	513
Shareholdings of Banks and Financial Institutions (Domestic, Foreign) from which The Bank Keeps Ten Percent or More of Capitals	-	-
Shareholdings of Unconsolidated Banks and Financial Institutions (Domestic, Foreign) from which the Bank Keeps Less than Ten Percent of Capitals which Exceed the Ten Percent Of Bank's Core and Supplementary Capital	-	-
Secondary Subordinated Loans Granted to Banks and Financial Institutions (Domestic, Foreign) or Qualified Shareholders and Placements that Possess the Nature of their Primary or Secondary Subordinated Debt	-	-
Loans Granted Being Non-Compliant with the Articles 50 and 51 of the Banking Law	-	-
The Net Book Value of Properties Exceeding Fifty Percent of Equity and Properties Held for Sale and Properties and Commodity to be Disposed, Acquired In Exchange of Loans and Receivables According to the Article 57 of the Banking Law and Have Not Been Disposed Yet After 5 Years After Foreclosure	55	513
Other	-	-
TOTAL SHAREHOLDERS' EQUITY	719.306	710.216

Albaraka Türk Katılım Bankası Anonim Şirketi

Notes related to unconsolidated financial statements for the interim period ended March 31, 2010 (continued) (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:

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

a) Information related to market risk:

	Amount
(I) Capital requirement to be employed for general market risk - standard method	272
(II) Capital requirement to be employed for specific risk - standard method	68
(III) Capital requirement to be employed for currency risk - standard method	2.058
(IV) Capital requirement to be employed for commodity risk - standard method	-
(V) Capital requirement to be employed for exchange risk - standard method	-
(VI) Capital requirement to be employed for market risk of options - standard method	-
(VII) Capital requirement to be employed for market risks of banks using risk measurement model	-
(VIII) Total capital requirement to be employed for market risk (I+II+III+IV+V+VI)	2.398
(IX) Amount subject to market risk (12,5 X VIII) or (12,5 x VII)	29.975

b) Monthly average values at market 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".

IV. Explanations on operational risk:

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

V. Explanations on currency risk:

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

- a) The Bank is exposed to currency risks as a market risk and tries to balance the currency risks by avoiding to keep any long or short positions. The currency risk of the Bank is monitored on a daily basis. Net foreign currency position / Shareholders' equity ratio is also controlled on a daily basis. All foreign currency assets, liabilities and foreign currency forward transactions are taken into consideration while capital requirement to be employed for foreign currency risk is calculated. Standard Method used in legal reporting and amount subject to risk is calculated on a monthly basis.
- b) The Bank does not have any derivative financial instruments held for hedging purposes.
- c) As a result of the uncertainty and volatility in the markets, foreign currency position is kept at a balance, and accordingly, no currency risk is anticipated. The Bank takes necessary measures to keep the currency risk at a minimum level.

Albaraka Türk Katılım Bankası Anonim Şirketi

**Notes related to unconsolidated financial statements
for the interim period ended March 31, 2010 (continued)
(Currency - Thousand Turkish Lira)**

V. Explanations on currency risk (continued):

- ç) Foreign exchange buying rates of the last five working days before the balance sheet date as publicly announced by the Bank are as follows:

	USD	EUR
As of March 31, 2010 - Balance sheet evaluation rate	1,515	2,050
As of March 30, 2010	1,524	2,047
As of March 29, 2010	1,526	2,054
As of March 26, 2010	1,529	2,052
As of March 25, 2010	1,533	2,047
As of March 24, 2010	1,536	2,052

- d) The simple arithmetical average of the major foreign exchange buying rates of the Bank for the thirty days before the balance sheet date is TL 1,524 for 1 USD (December 2009 – TL 1,496), 2,069 for 1 EURO (December 2009 – TL 2,182) and TL 1,675 for 100 JPY (December 2009 – TL 1,656).

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 currency rate in %	Effect on profit / loss		Effect on equity	
		Current Period	Prior Period	Current Period	Prior Period
USD	10%	1.312	1.345	-	-
EUR	10%	286	318	-	-

Albaraka Türk Katılım Bankası Anonim Şirketi**Notes related to unconsolidated financial statements
for the interim period ended March 31, 2010 (continued)
(Currency - Thousand Turkish Lira)****V. Explanations on currency risk (continued):****Information on currency risk of the Bank: Foreign Currencies (Thousand TL)**

Current Period	EUR	USD	JPY	Other FC	Total
Assets					
Cash (cash in vault, effectives, money in transit, cheques purchased) and balances with the Central Bank of Republic of Turkey	272.637	273.654	-	15.937	562.228
Banks	50.833	95.560	161	4.366	150.920
Financial assets at fair value through profit and loss	-	-	-	-	-
Money market placements	-	-	-	-	-
Available-for-sale financial assets	36	-	-	-	36
Loans and financial lease receivables(*)	440.367	1.109.884	-	-	1.550.251
Subsidiaries, associates and joint ventures	-	-	-	-	-
Held-to-maturity investments	-	15.239	-	-	15.239
Derivative financial assets for hedging purposes	-	-	-	-	-
Tangible assets	-	-	-	-	-
Intangible assets	-	-	-	-	-
Other assets (**)	121	776	-	-	897
Total assets	763.994	1.495.113	161	20.303	2.279.571
Liabilities					
Current account and funds collected from Banks via participation accounts	32.461	144.686	-	11	177.158
Current and profit sharing accounts	723.075	1.309.081	2	18.512	2.050.670
Money market borrowings	-	-	-	-	-
Funds provided from other financial institutions	-	-	-	-	-
Marketable securities issued	-	-	-	-	-
Miscellaneous payables	2.349	18.111	11	102	20.573
Derivative financial liabilities for hedging purposes	-	-	-	-	-
Other liabilities	3.245	10.116	-	-	13.361
Total liabilities	761.130	1.481.994	13	18.625	2.261.762
Net balance sheet position	2.864	13.119	148	1.678	17.809
Net off balance sheet position	417.861	1.070.220	1.569	6.108	1.495.758
Derivative financial instruments assets	-	-	-	-	-
Derivative financial instruments liabilities	-	-	-	-	-
Non-cash loans (***)	417.861	1.070.220	1.569	6.108	1.495.758
Prior Period					
Total assets	734.773	1.467.771	263	15.387	2.218.194
Total liabilities	731.589	1.454.318	208	13.907	2.200.022
Net balance sheet position	3.184	13.453	55	1.480	18.172
Net off balance sheet position	437.745	960.699	478	4.064	1.402.986
Derivative financial instruments assets	-	-	-	-	-
Derivative financial instruments liabilities	-	-	-	-	-
Non-cash loans	437.745	960.699	478	4.064	1.402.986

(*) The balance includes foreign currency indexed loans and financial lease receivables of TL 1.372.107 (Prior Period – TL 1.418.072)

(**) Foreign currency indexed receivables from term sale of assets amounting to TL 654 (Prior Period – TL 649) and foreign currency indexed receivables from commission and fees of non-cash loans amounting to TL 24 (Prior Period – TL 24) is included in other assets.

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

Albaraka Türk Katılım Bankası Anonim Şirketi

**Notes related to unconsolidated financial statements
for the interim period ended March 31, 2010 (continued)
(Currency - Thousand Turkish Lira)**

VI. Explanations on liquidity risk:

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

The Bank collects funds through profit/loss sharing accounts for which the profit share rate is not predetermined and the depositors are not guaranteed to receive the balance they have deposited in case of losses of the projects funded from these accounts. Accordingly, the Bank's assets and liabilities are consistent with profit share ratios.

The Bank covers TL and FC liquidity needs mostly by the funds collected and takes notice to keep the assets in short term liquid assets to prolong average maturity of the liabilities.

As per the BRSA Communiqué "Measurement and Assessment of the Adequacy of Banks' Liquidity", starting from June 1, 2007 the weekly and monthly liquidity ratios for foreign currency assets/liabilities and total assets/liabilities should be minimum 80% and 100%, respectively. Liquidity ratios for the periods ending March 31, 2010 and December 31, 2009 are as follows:

Current Period	First Maturity Bracket (Weekly)		Second Maturity Bracket (Monthly)	
	FC	FC + TL	FC	FC + TL
Average (%)	260,91	251,86	117,95	124,05
Maximum (%)	295,33	298,73	127,13	133,48
Minimum (%)	218,13	208,38	107,66	116,73

Prior Period	First Maturity Bracket (Weekly)		Second Maturity Bracket (Monthly)	
	FC	FC + TL	FC	FC + TL
Average (%)	192,84	252,31	104,11	140,40
Maximum (%)	293,37	302,97	134,48	173,16
Minimum (%)	141,85	216,65	80,42	110,10

Albaraka Türk Katılım Bankası Anonim Şirketi**Notes related to unconsolidated financial statements
for the interim period ended March 31, 2010 (continued)
(Currency - Thousand Turkish Lira)****VI. Explanations on liquidity risk (continued):****Presentation of assets and liabilities according to their remaining maturities:**

	Demand	Up to 1 month	1-3 months	3-12 months	1-5 years	Over 5 years	Unallocated (*)	Total
Current Period								
Assets								
Cash (cash in vault, effectives, money in transit, cheques purchased) and balances with the Central Bank of Republic of Turkey	733.955	133.906	-	-	-	-	-	867.861
Banks	411.004	-	-	-	-	-	-	411.004
Financial Assets at Fair Value Through Profit and Loss	3.396	-	-	-	-	-	-	3.396
Money Market Placements	-	-	-	-	-	-	-	-
Available-For-Sale Financial Assets	36	-	3.873	-	25.000	-	-	28.909
Loans	1.551	498.666	678.777	1.801.169	1.750.648	47.673	-	4.778.484
Held-To-Maturity Investments	-	-	211.408	1.672	290.150	-	-	503.230
Other Assets	-	611	8.650	373	32	-	208.597	218.263
Total Assets	1.149.942	633.183	902.708	1.803.214	2.065.830	47.673	208.597	6.811.147
Liabilities								
Current account and funds collected from banks via participation accounts	35.371	88.437	29.311	27.381	-	-	-	180.500
Current and profit sharing accounts	802.378	3.644.035	477.393	709.078	816	-	-	5.633.700
Funds provided from other financial institutions	-	-	-	-	-	-	-	-
Money Market Borrowings	-	-	-	-	-	-	-	-
Marketable securities issued	-	-	-	-	-	-	-	-
Miscellaneous payables	-	89.778	8.267	-	-	-	74.278	172.323
Other liabilities	-	-	-	-	-	-	824.624	824.624
Total Liabilities	837.749	3.822.250	514.971	736.459	816	-	898.902	6.811.147
Net Liquidity Gap	312.193	(3.189.067)	387.737	1.066.755	2.065.014	47.673	(690.305)	-
Prior period								
Total Assets	1.104.462	618.076	681.181	1.957.123	1.811.915	56.301	185.856	6.414.914
Total Liabilities	988.710	3.326.053	571.902	678.156	-	-	850.093	6.414.914
Net Liquidity Gap	115.752	(2.707.977)	109.279	1.278.967	1.811.915	56.301	(664.237)	-

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

Albaraka Türk Katılım Bankası Anonim Şirketi**Notes related to unconsolidated financial statements
for the interim period ended March 31, 2010 (continued)
(Currency - Thousand Turkish Lira)****VI. 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 such liabilities calculated on the basis of account value per unit are included in the table below.

	Demand	Up to 1 Months	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Total
Current period							
Funds Collected	837.749	3.732.472	506.704	736.459	816	-	5.814.200
Funds Borrowed	-	-	-	-	-	-	-
Financial Lease Payments	-	-	-	-	-	-	-
Total	837.749	3.732.472	506.704	736.459	816	-	5.814.200
Prior period							
Funds Collected	988.710	3.237.038	564.416	674.481	-	-	5.464.645
Funds Borrowed	-	-	-	-	-	-	-
Financial Lease Payments	-	-	-	-	-	-	-
Total	988.710	3.237.038	564.416	674.481	-	-	5.464.645

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

	Demand	Up to 1 Months	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Unallocated	Total
Current Period								
Letters of guarantee	1.572.324	96.640	217.774	827.598	606.093	81.939	-	3.402.368
Bank acceptances	18.985	-	-	-	-	-	-	18.985
Letters of credit	341.597	6.171	104	4.367	1.050	-	-	353.289
Other commitments and contingencies	-	33.792	-	-	-	-	-	33.792
Total	1.932.906	136.603	217.878	831.965	607.143	81.939	-	3.808.434
Prior Period								
Letters of guarantee	1.500.776	102.538	181.002	743.940	626.113	60.013	-	3.214.382
Bank acceptances	12.691	-	-	-	-	-	-	12.691
Letters of credit	336.262	4.773	94	1.856	5.322	-	-	348.307
Other commitments and contingencies	-	15.332	-	-	-	-	-	15.332
Total	1.849.729	122.643	181.096	745.796	631.435	60.013	-	3.590.712

VII. 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".

Albaraka Türk Katılım Bankası Anonim Şirketi

**Notes related to unconsolidated financial statements
for the interim period ended March 31, 2010 (continued)
(Currency - Thousand Turkish Lira)**

VIII. 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".

IX. Explanations on business segments:

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

Current Period	Retail	Commercial and Corporate	Treasury	Undistributed	Total
Total assets	357.103	4.445.888	624.928	1.383.228	6.811.147
Total liabilities	4.095.415	1.707.694	190.994	817.044	6.811.147
Net profit share income/(expense)(*)(**)	(51.698)	113.978	15.594	-	77.874
Net fees and commissions income/(expense)	209	15.986	402	1.978	18.575
Other operating income/(expense)	(9)	(17.015)	104	(42.450)	(59.370)
Profit before tax	(51.498)	112.949	16.100	(40.472)	37.079
Provision for tax	-	-	-	(7.161)	(7.161)
Net profit for the period	(51.498)	112.949	16.100	(47.633)	29.918

Prior Period	Retail	Commercial and Corporate	Treasury	Undistributed	Total
Total assets	316.589	4.369.473	528.695	1.200.157	6.414.914
Total liabilities	3.776.748	1.767.327	86.655	784.184	6.414.914
Net profit share income/(expense)(*)(**)	(66.567)	125.416	12.282	-	71.131
Net fees and commissions income/(expense)	480	17.270	402	1.421	19.573
Other operating income/(expense)	26	(20.721)	71	(32.033)	(52.657)
Profit before tax	(66.061)	121.965	12.755	(30.612)	38.047
Provision for tax	-	-	-	(7.747)	(7.747)
Net profit for the period	(66.061)	121.965	12.755	(38.359)	30.300

(*) 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 loss is presented net.

Albaraka Türk Katılım Bankası Anonim Şirketi

**Notes related to unconsolidated financial statements
for the interim period ended March 31, 2010 (continued)
(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	30.860	34.947	38.688	59.289
CBRT	274.773	511.407	315.918	191.020
Other (*)	-	15.874	-	12.288
Total	305.633	562.228	354.606	262.597

(*) Includes precious metals amounting to TL 15.874 as of March 31, 2010 (Prior Period- TL 12.288).

b) Information related to CBRT:

	Current Period		Prior Period	
	TL	FC	TL	FC
Unrestricted demand deposit	272.641	379.633	313.842	66.322
Unrestricted time deposit	-	-	-	-
Restricted time deposit	2.132	131.774	2.076	124.698
Total	274.773	511.407	315.918	191.020

The banks operating in Turkey keep reserve deposits for Turkish currency and foreign currency liabilities in TL and USD or EUR at the rates of 5% and 9,5%, respectively as per the Communiqué No. 2005/1 "Reserve Deposits" of the Central Bank of Turkey.

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	260.084	82.797	244.421	181.320
Foreign	-	68.123	-	182.200
Foreign head offices and branches	-	-	-	-
Total	260.084	150.920	244.421	363.520

Albaraka Türk Katılım Bankası Anonim Şirketi

**Notes related to unconsolidated financial statements
for the interim period ended March 31, 2010 (continued)
(Currency - Thousand Turkish Lira)**

3. Information on Banks (continued):

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 transaction, given as a guarantee or blocked:

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

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

	Current Period	Prior Period
Debt securities	28.873	28.517
Quoted on a stock exchange	-	-
Unquoted(*)	28.873	28.517
Share certificates	36	37
Quoted on a stock exchange	-	-
Unquoted	36	37
Impairment provision (-)	-	-
Total	28.909	28.554

(*) Unquoted debt securities consist of value indexed bonds issued by secretarial of Treasury.

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	24.345	78.666	22.254	78.670
Corporate shareholders	24.104	78.666	21.888	78.670
Real person shareholders	241	-	366	-
Indirect loans granted to shareholders	82.533	17.980	82.034	9.840
Loans granted to employees	2.347	-	1.846	-
Total	109.225	96.646	106.134	88.510

Albaraka Türk Katılım Bankası Anonim Şirketi

**Notes related to unconsolidated financial statements
for the interim period ended March 31, 2010 (continued)
(Currency - Thousand Turkish Lira)**

5. Information on loans and receivables (continued):

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

	Standard loans and other receivables		Loans and other receivables under close monitoring	
	Loans and other receivables	Restructured or rescheduled	Loans and other receivables	Restructured or rescheduled
Cash loans				
Loans	4.423.818	95.447	81.834	132.494
Financing commodity against document	-	-	-	-
Export loans	68.420	1.473	297	619
Import loans	607.811	23.219	13.967	8.399
Business I loans	2.789.939	56.979	49.558	121.429
Consumer loans	337.149	4.459	12.835	402
Credit cards	24.257	-	103	-
Investments on profit/loss partnership	89.040	-	-	-
Precious metals loans	-	-	-	-
Loans given to financial sector	100.590	-	-	-
Loans given to abroad	8.315	-	-	-
Other	398.297	9.317	5.074	1.645
Other receivables	-	-	-	-
Total	4.423.818	95.447	81.834	132.494

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 March 31, 2010 (continued)
(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	4.832	336.145	340.977
Housing loans	2.100	281.383	283.483
Vehicle loans	1.593	20.250	21.843
Consumer loans	357	2.595	2.952
Other	782	31.917	32.699
Consumer loans-FC indexed	132	11.857	11.989
Housing loans	-	10.204	10.204
Vehicle loans	106	694	800
Consumer loans	-	118	118
Other	26	841	867
Consumer loans-FC	-	-	-
Housing loans	-	-	-
Vehicle loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
Retail credit cards-TL	7.061	-	7.061
With installment	-	-	-
Without installment	7.061	-	7.061
Retail credit cards-FC	-	-	-
With installment	-	-	-
Without installment	-	-	-
Personnel loans-TL	1.484	386	1.870
Housing loans	-	13	13
Vehicle loans	42	270	312
Consumer loans	1.434	95	1.529
Other	8	8	16
Personnel loans-FC indexed	-	9	9
Housing loans	-	-	-
Vehicle loans	-	-	-
Consumer loans	-	9	9
Other	-	-	-
Personnel loans-FC	-	-	-
Housing loans	-	-	-
Vehicle loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
Personnel credit cards-TL	468	-	468
With installment	-	-	-
Without installment	468	-	468
Personnel credit cards-FC	-	-	-
Installment based	-	-	-
Without-installment	-	-	-
Overdraft account-TL(real person)	-	-	-
Overdraft account-FC(real person)	-	-	-
Total	13.977	348.397	362.374

Albaraka Türk Katılım Bankası Anonim Şirketi

**Notes related to unconsolidated financial statements
for the interim period ended March 31, 2010 (continued)
(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	53.487	150.401	203.888
Business loans	23.297	89.654	112.951
Vehicle loans	6.390	54.924	61.314
Consumer loans	5	2	7
Other	23.795	5.821	29.616
Commercial installment loans-FC indexed	10.899	19.591	30.490
Business loans	7.798	8.256	16.054
Vehicle loans	627	8.255	8.882
Consumer loans	-	-	-
Other	2.474	3.080	5.554
Commercial installment Loans-FC	-	-	-
Business loans	-	-	-
Vehicle loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
Corporate credit cards-TL	16.831	-	16.831
With installment	-	-	-
Without installment	16.831	-	16.831
Corporate credit cards-FC	-	-	-
With installment	-	-	-
Without installment	-	-	-
Overdraft account-TL (legal entity)	-	-	-
Overdraft account-FC(legal entity)	-	-	-
Total	81.217	169.992	251.209

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	4.725.278	4.603.940
Foreign loans	8.315	9.545
Total	4.733.593	4.613.485

g) Loans granted to subsidiaries and associates:

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

Albaraka Türk Katılım Bankası Anonim Şirketi**Notes related to unconsolidated financial statements
for the interim period ended March 31, 2010 (continued)
(Currency - Thousand Turkish Lira)****5. Information on loans and receivables (continued):****ğ) Specific provisions for loans:**

	Current Period	Prior Period
Loans and receivables with limited collectibility	20.538	17.075
Loans and receivables with doubtful collectibility	21.479	29.652
Uncollectible loans and receivables	118.762	100.451
Total	160.779	147.178

In addition to specific provision for loans amounting TL 160.799, provision amounting to TL 3.985 (Prior period- TL 3.884) have been provided for fees and commissions and other receivables with doubtful collectibility, which sums up to total TL 164.764 (Prior period - TL 151.062). Specific provision for loans amounting to TL 118.886 (Prior period – TL 109.281) represents participation account share of specific provisions of loans provided from participation accounts.

h) Information on non-performing loans and receivables (net):**h.1. Non-performing loans and receivables which are restructured or rescheduled :**

	III. Group: Loans and receivables with limited collectibility	IV. Group: Loans and receivables with doubtful collectibility	V. Group Uncollectible loans and receivables
Current period			
(Gross amount before specific provisions)	-	-	605
Restructured loans and other receivables	-	-	207
Rescheduled loans and other receivables	-	-	398
Prior period	-	-	-
(Gross amounts before special provisions)	-	-	625
Restructured loans and other receivables	-	-	203
Rescheduled loans and other receivables	-	-	422

h.2. Movements in non-performing loans and other receivables:

	III. Group: Loans and receivables with limited collectibility	IV. Group: Loans and receivables with doubtful collectibility	V. Group Uncollectible loans and receivables
Closing balance of prior period	21.417	33.288	111.453
Additions in the current period (+)	29.392	98	441
Transfers from other categories of non-performing loans (+)	-	19.454	23.238
Transfers to other categories of non-performing loans (-)	19.454	23.238	-
Collections in the current period (-)	540	3.256	8.232
Write offs (-)	46	44	180
Corporate and commercial loans	-	13	97
Retail loans	46	31	10
Credit cards	-	-	73
Other	-	-	-
Closing balance of the current period	30.769	26.302	126.720
Specific provisions (-)	20.538	21.479	118.762
Net balance at the balance sheet	10.231	4.823	7.958

Albaraka Türk Katılım Bankası Anonim Şirketi**Notes related to unconsolidated financial statements
for the interim period ended March 31, 2010 (continued)
(Currency - Thousand Turkish Lira)****5. Information on loans and receivables (continued):**

Non-performing loans and receivables in the amount of TL 187.776 (Prior period – TL 170.087) comprise TL 122.575 (Prior period – TL 109.796) 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 3.985 (Prior period- TL 3.929). In the current period, collections from fees, commissions and other receivables with doubtful collectibility amount to TL 2.860.

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:			
Period end balance	-	-	6.712
Specific provision (-)	-	-	6.712
Net balance on balance sheet	-	-	-
Prior period:			
Period end balance	-	-	7.204
Specific provision (-)	-	-	6.672
Net balance on balance sheet	-	-	532

h.4. Gross and net non-performing loans and receivable as 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)	10.231	4.823	7.958
Loans to individuals and corporates (gross)	30.769	26.302	126.720
Specific provision (-)	20.538	21.479	118.762
Loans to individuals and corporates (net)	10.231	4.823	7.958
Banks (gross)	-	-	-
Specific provision (-)	-	-	-
Banks (net)	-	-	-
Other loans and receivables (gross)	-	-	-
Specific provision (-)	-	-	-
Other loans and receivables (net)	-	-	-
Prior period (net)	4.342	3.636	11.002
Loans to individuals and corporates (gross)	21.417	33.288	111.453
Specific provision (-)	17.075	29.652	100.451
Loans to individuals and corporates (net)	4.342	3.636	11.002
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 March 31, 2010 (continued)
(Currency - Thousand Turkish Lira)**

5. Information on loans and receivables (continued):

i. Liquidation policy for uncollectible loans and receivables:

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”.

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	392.082	110.266	61.498	-	563.846
Consumer Loans	46.594	10.449	3.455	-	60.498
Credit Cards	4.823	200	-	-	5.023
Total	443.499	120.915	64.953	-	629.367

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

6. Information on investments held-to-maturity:

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

There are no held-to-maturity investments subject to repurchase transaction, given as a guarantee or blocked (Prior period – None).

6.2. Information related to government securities held to maturity :

	Current Period	Prior Period
Government Bonds	-	-
Treasury Bills	-	-
Other Government Securities (*)	503.230	296.007
Total	503.230	296.007

(*) Consists of Sukook certificates issued by Central Bank of Bahrain amounting to TL 7.578 (Prior period- TL 7.486) and value indexed bonds issued by Secretariat of Treasury amounting to TL 495.652 (Prior period- TL 288.521).

Albaraka Türk Katılım Bankası Anonim Şirketi

**Notes related to unconsolidated financial statements
for the interim period ended March 31, 2010 (continued)
(Currency - Thousand Turkish Lira)**

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

6.3. Information on investments held-to-maturity:

	Current Period	Prior Period
Debt Securities	503.230	296.007
Quoted on a stock exchange	-	-
Unquoted	503.230	296.007
Impairment provision	-	-
Total	503.230	296.007

6.4. Movement of investments held-to-maturity:

	Current Period	Prior Period
Balances at beginning of period	296.007	-
Foreign currency differences on monetary assets	240	(1.300)
Purchases during period	206.983	297.307
Disposals through sales and redemptions	-	-
Impairment provision (-)	-	-
Closing balance	503.230	296.007

(*) Including income accrual of TL 6.983 (Prior period- 6.097). Prior period balance includes transfer from financial assets held for trading of TL 8.158.

7. Associates (net):

a) Information on unconsolidated associates:

For Komili Kağıt ve Kişisel Bakım Üretim A.Ş., the Bank has provided provision for impairment amounting to TL 844 in accordance with the independent valuation report dated January 29, 2010 and reflected the associate with net book value of TL 4.000 in the financial statements.

At the Board of Directors meeting held on July 17, 2009 it was decided to participate in Kredi Garanti Fonu A.Ş up to TL 4,000. Regarding the capital increase of Kredi Garanti Fonu AŞ on September 11, 2009 Bank has paid TL 2,000 of its capital commitment at October 15, 2009.

Since the Bank does not possess controlling power over these associates, they have not been consolidated.

Name	Address (City/ Country)	Bank's share percentage- If different voting percentage (%)	Bank's risk group share percentage (%)
1) Komili Kağıt ve Kişisel Bakım Üretim A.Ş	İstanbul / Turkey	12,50	12,50
2) Kredi Garanti Fonu A.Ş	Ankara / Turkey	1,67	1,67

Albaraka Türk Katılım Bankası Anonim Şirketi

**Notes related to unconsolidated financial statements
for the interim period ended March 31, 2010 (continued)
(Currency - Thousand Turkish Lira)**

7. Information on associates (net) continued:

The balances presented in the below table are obtained from the unaudited financial statements of the Komili Kağıt ve Kişisel Bakım Üretim A.Ş. prepared as of December 31, 2009.

	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
1)	97.926	(90.379)	20.064	-	-	(38.628)	(49.011)	-

b. Information about consolidated associates:

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

8. Information on subsidiaries (net):

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

9. Information on investments in joint- ventures:

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

10. Information on lease receivables (net):

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

	Current Period		Prior Period	
	Gross	Net	Gross	Net
Less than a year	30.403	25.691	34.762	29.137
1 to 4 years	21.184	18.831	27.080	24.069
Over 4 years	387	369	290	278
Total	51.974	44.891	62.132	53.484

b) Information on net investments through finance lease:

	Current Period	Prior Period
Gross finance lease receivables	51.974	62.132
Unearned finance lease receivable (-)	(7.083)	(8.648)
Net receivable from finance leases	44.891	53.484

Albaraka Türk Katılım Bankası Anonim Şirketi

**Notes related to unconsolidated financial statements
for the interim period ended March 31, 2010 (continued)
(Currency - Thousand Turkish Lira)**

10. Information on finance lease receivables (net) (continued):

c) General explanation on finance lease contracts:

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

	Standard loans and other receivables		Loans and other receivables under close monitoring	
	Loans and other receivables	Restructured or rescheduled	Loans and other receivables	Restructured or rescheduled
Finance leasing receivable (Net)	28.291	12.031	1.963	2.606
Total	28.291	12.031	1.963	2.606

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 March 31, 2010 (continued)
(Currency - Thousand Turkish Lira)**

15. Information related to deferred tax asset:

As of March, 2010 the Bank presented the deferred tax asset of TL 12.942 (Prior period: TL 11.121) and deferred tax liability of TL 3.515 (Prior period: TL 3.332) 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	894	902
Provisions for impairment	93	175
Provisions for retirement and vacation pay liabilities	1.866	1.660
Discount on profit share and deferred commission income	10.052	8.326
Other	37	58
Deferred tax asset	12.942	11.121
Revaluation reserve of buildings	2.613	2.633
Marketable securities revaluation reserve	615	552
Discount on profit share	190	122
Other	97	25
Deferred tax liability	3.515	3.332
Deferred tax asset (net)	9.427	7.789

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".

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

	Current Period	Prior Period
Opening balance	4.902	5.958
Additions	7.546	4.083
Disposals	(1.229)	(193)
Transfers (*)	(84)	(5.051)
Impairment Provision(-)/Reversal of Impairment Provision	(74)	105
Net closing balance	11.061	4.902

(*) The balance is transferred to assets held for sale included in tangible assets.

17. Information on other assets:

As of balance sheet date, the Bank's other assets balance is TL 26.197 (Prior period- TL 15.856) 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 March 31, 2010 (continued)
(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	Accumulating participation accounts	Total
I. Real Persons Current									
Accounts Non-Trade TL	150.002	-	-	-	-	-	-	-	150.002
II. Real Persons Participation									
Accounts Non-Trade TL	-	1.736.909	291.531	50.701	-	94.050	234.780	-	2.407.971
III. Current Account other-TL	263.310	-	-	-	-	-	-	-	263.310
Public Sector	13.016	-	-	-	-	-	-	-	13.016
Commercial Institutions	245.525	-	-	-	-	-	-	-	245.525
Other Institutions	4.547	-	-	-	-	-	-	-	4.547
Commercial and Other Institutions	132	-	-	-	-	-	-	-	132
Banks and Participation Banks	90	-	-	-	-	-	-	-	90
Central Bank of Turkey	-	-	-	-	-	-	-	-	-
Domestic Banks	1	-	-	-	-	-	-	-	1
Foreign Banks	-	-	-	-	-	-	-	-	-
Participation Banks	89	-	-	-	-	-	-	-	89
Other	-	-	-	-	-	-	-	-	-
IV. Participation Accounts-TL	-	540.775	109.563	41.772	-	24.036	48.945	-	765.091
Public Sector	-	-	-	-	-	-	-	-	-
Commercial Institutions	-	533.045	103.418	859	-	20.815	46.134	-	704.271
Other Institutions	-	7.730	5.021	40.913	-	343	2.577	-	56.584
Commercial and Other Institutions	-	-	1.124	-	-	-	234	-	1.358
Banks and Participation Banks	-	-	-	-	-	2.878	-	-	2.878
V. Real Persons Current Accounts Non- Trade FC	189.941	-	-	-	-	-	-	-	189.941
VI. Real Persons Participation Accounts Non-Trade FC	-	786.327	162.266	45.725	-	133.658	175.925	-	1.303.901
VII. Other Current Accounts FC	218.639	-	-	-	-	-	-	-	218.639
Residents in Turkey-Corporate	167.456	-	-	-	-	-	-	-	167.456
Residents Abroad-Corporate	15.902	-	-	-	-	-	-	-	15.902
Banks and Participation Banks	35.281	-	-	-	-	-	-	-	35.281
Central Bank of Turkey	-	-	-	-	-	-	-	-	-
Domestic Banks	43	-	-	-	-	-	-	-	43
Foreign Banks	33.611	-	-	-	-	-	-	-	33.611
Participation Banks	1.627	-	-	-	-	-	-	-	1.627
Other	-	-	-	-	-	-	-	-	-
VIII. Participation Accounts, other- FC	-	209.855	106.460	39.982	-	10.629	132.563	-	499.489
Public sector	-	-	-	-	-	-	-	-	-
Commercial institutions	-	141.153	41.236	2.957	-	21	127.614	-	312.981
Other institutions	-	6.108	30.103	59	-	20	1.972	-	38.262
Commercial and Other Institutions	-	1.561	956	-	-	503	2.977	-	5.997
Banks and Participation Banks	-	61.033	34.165	36.966	-	10.085	-	-	142.249
IX. Precious Metals Deposits	15.856	-	-	-	-	-	-	-	15.856
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	837.748	3.273.866	669.820	178.180	-	262.373	592.213	-	5.814.200

Albaraka Türk Katılım Bankası Anonim Şirketi**Notes related to unconsolidated financial statements
for the interim period ended March 31, 2010 (continued)
(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	Accumulating participation accounts	Total
I. Real Persons Current									
Accounts Non-Trade TL	152.292	-	-	-	-	-	-	-	152.292
II. Real Persons Participation									
Accounts Non-Trade TL	-	1.565.327	257.201	45.383	-	78.208	222.081	-	2.168.200
III. Current Account other-TL	432.851	-	-	-	-	-	-	-	432.851
Public Sector	9.118	-	-	-	-	-	-	-	9.118
Commercial Institutions	419.740	-	-	-	-	-	-	-	419.740
Other Institutions	3.634	-	-	-	-	-	-	-	3.634
Commercial and Other Institutions	164	-	-	-	-	-	-	-	164
Banks and Participation Banks	195	-	-	-	-	-	-	-	195
Central Bank of Turkey	-	-	-	-	-	-	-	-	-
Domestic Banks	-	-	-	-	-	-	-	-	-
Foreign Banks	-	-	-	-	-	-	-	-	-
Participation Banks	195	-	-	-	-	-	-	-	195
Other	-	-	-	-	-	-	-	-	-
IV. Participation Accounts-TL	-	347.209	112.086	2.152	-	21.238	54.781	-	537.466
Public Sector	-	-	-	-	-	-	-	-	-
Commercial Institutions	-	339.456	77.233	2.007	-	18.225	51.262	-	488.183
Other Institutions	-	7.753	33.751	145	-	199	3.519	-	45.367
Commercial and Other Institutions	-	-	1.102	-	-	-	-	-	1.102
Banks and Participation Banks	-	-	-	-	-	2.814	-	-	2.814
V. Real Persons Current									
Accounts Non- Trade FC	166.743	-	-	-	-	-	-	-	166.743
VI. Real Persons Participation									
Accounts Non-Trade FC	-	718.149	160.455	36.874	-	123.532	215.018	-	1.254.028
VII. Other Current Accounts FC	224.570	-	-	-	-	-	-	-	224.570
Residents in Turkey-Corporate	196.477	-	-	-	-	-	-	-	196.477
Residents abroad-Corporate	22.793	-	-	-	-	-	-	-	22.793
Banks and Participation Banks	5.300	-	-	-	-	-	-	-	5.300
Central Bank of Turkey	-	-	-	-	-	-	-	-	-
Domestic Banks	1	-	-	-	-	-	-	-	1
Foreign Banks	4.335	-	-	-	-	-	-	-	4.335
Participation Banks	964	-	-	-	-	-	-	-	964
Other	-	-	-	-	-	-	-	-	-
VIII. Participation Accounts, other- FC	-	187.496	42.998	102.510	-	46.228	137.009	-	516.241
Public Sector	-	-	-	-	-	-	-	-	-
Commercial Institutions	-	150.093	18.785	63.064	-	35.814	131.436	-	399.192
Other Institutions	-	2.977	6.880	22.527	-	20	2.669	-	35.073
Commercial and Other Institutions	-	2.356	1.688	-	-	519	2.904	-	7.467
Banks and Participation Banks	-	32.070	15.645	16.919	-	9.875	-	-	74.509
IX. Precious Metals Deposits	12.254	-	-	-	-	-	-	-	12.254
X. Participation Accounts									
Special Fund Pools TL	-	-	-	-	-	-	-	-	-
Residents in Turkey	-	-	-	-	-	-	-	-	-
Residents abroad	-	-	-	-	-	-	-	-	-
XI. Participation Accounts									
Special Fund Pools –FC	-	-	-	-	-	-	-	-	-
Residents in Turkey	-	-	-	-	-	-	-	-	-
Residents abroad	-	-	-	-	-	-	-	-	-
Total	988.710	2.818.181	572.740	186.919	-	269.206	628.889	-	5.464.645

Albaraka Türk Katılım Bankası Anonim Şirketi

**Notes related to unconsolidated financial statements
for the interim period ended March 31, 2010 (continued)
(Currency - Thousand Turkish Lira)**

1. Information on funds collected (continued):

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

b.1 Exceeding the limit of Insurance Fund:

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

Funds Collected	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	1.417.640	1.336.620	1.138.840	982.098
Foreign currency accounts	456.530	459.469	1.054.480	983.569
Foreign branches' deposits under foreign authorities insurance	-	-	-	-
Off-shore deposits under foreign authorities' insurance	-	-	-	-

Funds collected by Participation Banks (except foreign branches) from current and participation accounts 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' Deposits and other accounts	-	-
Saving deposits and other accounts of Controlling Shareholders and deposits of their Mother, Father, Spouse, and Children in care.	-	-
Saving deposits and other accounts of president and members of Board of directors, CEO and vice presidents and deposits of their mother, father spouse, and children in care.	1.933	2.489
Saving deposits and other accounts in scope of the property holdings derived from crime defined in article 282 of Turkish criminal law no:5237 dated 26.09.2004	-	-
Saving deposits in deposit bank which established in Turkey in order to engage in off-shore banking activities solely.	-	-

2. Information on derivative financial liabilities held for trading:

The Bank has no derivative financial liabilities held for trading.

Albaraka Türk Katılım Bankası Anonim Şirketi

**Notes related to unconsolidated financial statements
for the interim period ended March 31, 2010 (continued)
(Currency - Thousand Turkish Lira)**

3. Information on Borrowings:

a) Information on Banks and Other Financial Institutions:

The Bank does not have funds borrowed from banks and other financial institutions.

b) Maturity Analysis of Funds Borrowed:

The Bank has no funds borrowed.

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.

b. Explanations on operational leases:

The Bank has rented some part of the Head Office, some branches, warehouses, storage and some of the administrative vehicle through operational lease agreements. The Bank does not have any commitments arising on the existing operational lease agreements.

6. Information on hedging derivative financial liabilities:

The Bank does not have hedging derivative financial liabilities.

Albaraka Türk Katılım Bankası Anonim Şirketi

**Notes related to unconsolidated financial statements
for the interim period ended March 31, 2010 (continued)
(Currency - Thousand Turkish Lira)**

7. Information on provisions:

a) Information on general provisions:

	Current Period	Prior Period
General provision for	48.602	47.665
I. Group loans and receivables	36.651	36.696
Participation Accounts' Share	27.853	26.216
Bank's Share	8.798	10.480
Others	-	-
II. Group loans and receivables	4.384	3.957
Participation Accounts' Share	3.480	3.126
Bank's Share	904	831
Others	-	-
Non-cash loans	7.567	7.012
Others	-	-

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

As of March 31, 2010, provision for foreign currency indexed loans amounting to TL 14.632 (Prior Period – TL 12.420) has been offset with the loans included in the assets of the balance sheet.

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

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) Other provisions:

ç.1) Information on General reserves for Possible Losses:

	Current Period	Prior Period
General Reserves for Possible Losses	84	84
Total	84	84

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	5.556	5.139
Payment commitments for checks	1.840	1.630
Provisions allocated from profit shares to be distributed to profit sharing accounts	6.172	3.216
Provision for credit cards and promotion of banking services	100	74
General reserves for possible losses	84	84
Total	13.752	10.143

Albaraka Türk Katılım Bankası Anonim Şirketi

**Notes related to unconsolidated financial statements
for the interim period ended March 31, 2010 (continued)
(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 6.867 (Prior Period – TL 6.449) and vacation pay liability amounting to TL 2.462 (Prior Period – TL 1.852), totaling to TL 9.329 (Prior Period- TL 8.301). 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 (%)	11,0	11,0
Estimated increase rate of salary ceiling (%)	4,8	4,8

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

	Current Period	Prior Period
Prior period ending balance	6.449	4.770
Provisions charged in the period	847	3.374
Actuarial gain/(loss)	(275)	(1.165)
Paid during the period	(154)	(530)
Balances at the end of the period	6.867	6.449

8. Information on taxes payable

a) Explanations on current tax liability:

a.1) As of March 31, 2010 the Bank's corporate tax payable is TL 8.842 (Prior Period - TL 8.665) after offsetting prepaid corporate tax.

a.2) Information on taxes payable:

	Current Period	Prior Period
Corporate taxes payable	8.842	8.665
Taxation on securities income	4.442	4.434
Taxation on real estate income	175	187
Banking insurance transaction tax	3.253	3.813
Foreign exchange transaction tax	-	-
Value added tax payable	155	183
Other	3.495	1.587
Total	20.362	18.869

Albaraka Türk Katılım Bankası Anonim Şirketi

**Notes related to unconsolidated financial statements
for the interim period ended March 31, 2010 (continued)
(Currency - Thousand Turkish Lira)**

8. Information on taxes payable (continued):

a.3) Information on premiums:

	Current Period	Prior Period
Social security premiums-employee	1.094	662
Social security premiums-employer	1.176	718
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	77	46
Unemployment insurance-employer	153	92
Other	-	-
Total	2.500	1.518

b) Information on deferred tax liability:

The Bank has no deferred tax liability as of the balance sheet date.

9. Liabilities for assets held for sale 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".

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

11. Information on shareholders' equity:

a) Presentation of paid-in capital:

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

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

Registered capital system is not applied at the Bank.

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

Albaraka Türk Katılım Bankası Anonim Şirketi

**Notes related to unconsolidated financial statements
for the interim period ended March 31, 2010 (continued)
(Currency - Thousand Turkish Lira)**

11. Information on shareholder's equity (continued):

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

There is no capital increase in the current period.

Prior period; In accordance with the board of directors decision on March 1,2009 the Bank has increased its share capital TL 269.500 to TL 539.000 from internal sources on April 15, 2009. TL 80.750 of the increase was transferred from profit for the year 2008, TL 158.396 of the increase was transferred from the share premium account and TL 30.354 of increase was transferred from the extraordinary reserves. Bonus shares of the share certificates traded in İstanbul Stock Exchange were transferred to the safekeeping accounts at Merkezi Kayıt Kuruluşu A.Ş.

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:

The Bank does not have 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 large amount of the periods' profits are kept in shareholders' equity through capital increase or transfer to reserves. Moreover, the Bank's shareholders' equity is utilized in liquid and profitable assets.

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

There is no privilege given to stocks representing the capital.

g) Information on marketable securities revaluation reserve:

	Current Period		Prior Period	
	TL	FC	TL	FC
From investments in associates, subsidiaries, and joint ventures	-	-	-	-
Valuation difference (*)	2.462	-	2.206	-
Foreign exchange difference	-	-	-	-
Total	2.462	-	2.206	-

(*) Deferred tax liability is netted off.

Albaraka Türk Katılım Bankası Anonim Şirketi

**Notes related to unconsolidated financial statements
for the interim period ended March 31, 2010 (continued)
(Currency - Thousand Turkish Lira)**

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

1. Explanations on off balance sheet commitments:

a. Type and amount of irrevocable loan commitments:

	Current Period	Prior Period
Asset Purchase-Sale Commitments	-	-
Time Deposit Purchase-Sale Commitments	-	-
Share capital commitment to associates and subsidiaries	2.000	2.000
Loan granting commitments	4.996	8.162
Commitments for credit card limits	86.004	79.475
Commitments for promotions related with credit cards and banking activities	104	59
Payment commitments for checks	189.793	190.434
Tax and funds liabilities arising from exporting commitments	327	219
Other irrevocable commitments	212	209
Total	283.436	280.558

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

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

	Current Period	Prior Period
Guarantees	3.402.368	3.214.382
Acceptances	18.985	12.691
Letters of credit	353.289	348.307
Other guarantees	33.792	15.332
Total	3.808.434	3.590.712

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

	Current Period	Prior Period
Letters of guarantees	3.402.368	3.214.382
Long standing letters of guarantees	2.546.525	2.421.735
Temporary letters of guarantees	376.527	327.433
Advance letters of guarantees	312.217	296.860
Letters of guarantees Given to Duties	167.099	168.354
Sureties And Similar Transactions	33.792	15.332
Total	3.436.160	3.229.714

Albaraka Türk Katılım Bankası Anonim Şirketi

**Notes related to unconsolidated financial statements
for the interim period ended March 31, 2010 (continued)
(Currency - Thousand Turkish Lira)**

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

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

	Current Period	Prior Period
Guarantees given for obtaining cash loans	139.466	124.538
With original maturity of 1 year or less	71.925	58.820
With original maturity of more than 1 year	67.541	65.718
Other non-cash loans	3.668.968	3.466.174
Total	3.808.434	3.590.712

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:

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. 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:

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 March 31, 2010 (continued)
(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 (*)	142.734	3.583	153.019	125
Short Term Loans	55.003	1.544	82.519	109
Medium and Long Term Loans	85.576	1.981	69.713	16
Loans under follow up	2.155	58	787	-
Premiums received from resource utilization support fund	-	-	-	-

(*) Profit share on loans 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	2.132	-	3.294	-
Domestic Banks	-	-	-	-
Foreign Banks	-	-	-	-
Head Offices and Branches Abroad	-	-	-	-
Total	2.132	-	3.294	-

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.

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	-	-	-	-
The Central Bank of the Republic of Turkey	-	-	-	-
Domestic banks	-	-	-	-
Foreign banks	-	-	-	-
Head offices and branches abroad	-	-	-	-
Other institutions	-	-	-	-
Total	-	-	-	-

Albaraka Türk Katılım Bankası Anonim Şirketi

**Notes related to unconsolidated financial statements
for the interim period ended March 31, 2010 (continued)
(Currency - Thousand Turkish Lira)**

2. Explanations on profit share expenses (continued):

b) Profit share expense paid to associates and subsidiaries:

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

c) Profit share expenses paid to marketable securities issued:

There is no profit share expenses to marketable securities issued.

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".

h) Explanations on trading income/loss (net):

	Current Period	Prior Period
Income	391.067	563.208
Income from capital market transactions	360	87
Income from derivative financial instruments	-	-
Foreign exchange income	390.707	563.121
Loss (-)	387.820	553.376
Loss on capital market transactions	-	-
Loss on derivative financial instruments	-	-
Foreign exchange losses	387.820	553.376
Trading income/loss (net)	3.247	9.832

5. Explanations related to other operating income:

	Current Period	Prior Period
Provisions for communication expenses	246	221
Provisions for bank statement expenses	212	191
Reversal of prior year provisions	13.034	4.421
Income from sale of assets	1.122	305
Cheque book charges	190	272
Other income	91	84
Total	14.895	5.494

Albaraka Türk Katılım Bankası Anonim Şirketi**Notes related to unconsolidated financial statements
for the interim period ended March 31, 2010 (continued)
(Currency - Thousand Turkish Lira)****6. Provisions for loan losses and other receivables of the Bank:**

	Current Period	Prior Period
Specific provisions for loans and other receivables	23.852	22.531
Loans and receivables in III. Group	19.602	14.677
Loans and receivables in IV. Group	563	3.672
Loans and receivables in V. Group	2.638	3.247
Doubtful commission, fee and other receivables	1.049	935
General provision expenses	2.561	2.454
Provision expenses for possible losses	-	14
Impairment losses on marketable securities	-	340
Financial assets at fair value through profit and loss	-	340
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	5.208	2.172
Total	31.621	27.511

TL 18.521 (Prior Period- TL 15.033) of the total specific provisions provided for loan and other receivables amounting to TL 23.852 (Prior Period- TL 22.531) is the participation accounts portion of specific provision provided for loans and other receivables.

TL 2.255 (Prior Period – TL 1.627) of the total general loan loss provisions provided for loan and other receivables amounting to TL 2.561 (Prior Period- TL 2.454) is the participation accounts portion of general loan loss provision provided for loans and other receivables.

7. Information on other operating expenses:

	Current Period	Prior Period
Personnel expenses	27.444	24.075
Provision for retirement pay liability	601	1.359
Deficit provision for pension fund	-	-
Impairment expenses of tangible assets	-	-
Depreciation expenses of tangible assets	2.090	2.070
Impairment expenses of intangible assets	-	-
Impairment expense of goodwill	-	-
Amortization expenses of intangible assets	272	202
Impairment provision for investments accounted for under equity method	-	-
Impairment expenses of assets to be disposed	-	134
Depreciation expenses of assets to be disposed	50	70
Impairment expenses of assets held for sale and assets of discontinued operations	61	-
Other operating expenses	8.973	8.631
Financial leasing expense	3.643	3.346
Maintenance expense	344	399
Advertisement expense	636	468
Other expenses	4.350	4.418
Loss on sale of assets	379	4
Other	6.021	3.927
Total	45.891	40.472

Albaraka Türk Katılım Bankası Anonim Şirketi

**Notes related to unconsolidated financial statements
for the interim period ended March 31, 2010 (continued)
(Currency - Thousand Turkish Lira)**

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 operations:

Tax provision for continued operations:

	Current period	Prior period
Income before taxes	37.078	38.047
Tax calculated with tax rate of 20%	7.416	7.609
Effect of disallowable expenses and other additions	2.370	2.154
Effect of deductions	(944)	(820)
Provision for current tax	8.842	8.943

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 operations:

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

11. Explanations on net income/ loss:

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

None.

- b. **The effect of the change in accounting estimates to the net income/loss; including the effects on the future period:** None.

- c. **Income / loss of minority interest:** None.

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	4.798	7.523
Commissions on money orders	1.076	835
Credit cards commissions and fees	11	21
Other	3.450	3.475
Total	9.335	11.854

Other Fees and Commissions Given	Current Period	Prior Period
Member firm-POS	874	846
Credit cards commissions and fees	415	410
Other	323	297
Total	1.612	1.553

Albaraka Türk Katılım Bankası Anonim Şirketi

**Notes related to unconsolidated financial statements
for the interim period ended March 31, 2010 (continued)
(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 cash flow statement:

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

	Current Period	Prior Period
Cash	478.141	204.990
Cash in TL/foreign currency	97.977	68.155
Cash in transit	-	-
CBRT	380.164	136.835
Cash equivalents	607.941	542.759
Domestic banks	425.741	413.966
Foreign banks	182.200	128.793
Total cash and cash equivalents	1.086.082	747.749

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

	Current Period	Prior Period
Cash	718.081	428.398
Cash in TL/foreign currency	65.807	66.342
Cash in transit	-	-
CBRT	652.274	362.056
Cash equivalents	411.004	714.470
Domestic banks	342.881	550.374
Foreign banks	68.123	164.096
Total cash and cash equivalents	1.129.085	1.142.868

Albaraka Türk Katılım Bankası Anonim Şirketi**Notes related to unconsolidated financial statements
for the interim period ended March 31, 2010 (continued)
(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	-	-	3	-	82.063	9.840
Balance at the end of the period	-	-	4	-	82.545	17.980
Profit share and commission income received	-	-	-	-	59	14

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	-	-	-	-	23.316	8.603
Balance at end of period	-	-	3	-	82.063	9.840
Profit share and commission income received	-	-	-	-	603	-

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	-	-	1.180	30.966	210.155	73.456
Balance at the end of period	-	-	1.226	1.180	291.480	210.155
Profit share expense	-	-	23	2.953	4.579	-

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.

For the three month period ended March 31, 2010, the Bank has paid TL 930 (Prior period – TL 849) to top management.

Albaraka Türk Katılım Bankası Anonim Şirketi

**Notes related to unconsolidated financial statements
for the interim period ended March 31, 2010 (continued)
(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:

In accordance with the "Communiqué related to change in the Communiqué on Reserve Deposits" published in Official Gazette dated April 26, 2010 and numbered 27563; reserve requirement ratios have been determined as 5% for Turkish Lira obligations and 9,5% for foreign currency obligations.

Albaraka Türk Katılım Bankası Anonim Şirketi

**Notes related to unconsolidated financial statements
for the interim period ended March 31, 2010 (continued)
(Currency - Thousand Turkish Lira)**

Section six

Independent auditors' report

I. Explanations on the independent auditors' limited review report:

The Bank's unconsolidated financial statements as of and for the year ended March 31, 2010 are 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 May 6, 2010 is presented at the beginning of the financial statements and related notes.

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

None.