

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

Albaraka Türk Katılım Bankası Anonim Şirketi

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

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

**Albaraka Türk Katılım Bankası Anonim Şirketi
Independent auditors' report
for the year ended December 31, 2009**

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

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

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

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

Disclosure for the responsibility of the authorized audit firm:

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

Independent Auditors' Opinion:

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

Other Issues

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

Additional Paragraph for Convenience Translation:

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

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

Metin Canoğulları, SMMM
Partner

February 26, 2010
Istanbul, Turkey

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

Address of the headquarter of the Bank : Büyükdere Caddesi No: 78 34394 Mecidiyeköy / Istanbul
Bank's phone number : 0 212 274 99 00 - 0 212 272 44 70
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The unconsolidated financial report for the twelve months designed by the Banking Regulation and Supervision Agency in line with Communiqué on "Financial Statements to be Publicly Announced and the Related Policies and Disclosures" consists of the sections listed below:

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

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

February 26, 2010

**Adnan Ahmed Yusuf
ABDULMALEK**
Chairman of the Board of Directors

Fahrettin YAHŞI
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 year ended December 31, 2009
(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 in 1984 based on the decision of the Council of Ministers numbered 83/7506 and dated December 16, 1983 regarding establishments of Special Finance Houses and obtained an operating permit from the Central Bank of Turkey by letter numbered 10912 and dated January 21, 1985. Special Finance Houses, operating in accordance with the Communiqués of Undersecretariat of Treasury and the Central Bank of Turkey based on the decision mentioned above, have been subjected to provisions of the Banking Law numbered 4389 by the change in law dated December 17, 1999 and numbered as Law 4491. According to the temporary clause 3 of the Law numbered 4491, an adaptation period of two years was provided to these institutions. However, "Decree on Establishment and Operations of Special Finance Houses" was published by the Banking Regulations and Supervision Agency (the BRSA) at the Official Gazette dated September 20, 2001 and numbered 24529, and according to the clause 44 of this decree all the clauses were decided to become valid at the date of the publication of the decree except for the clauses whose validity date have been declared separately. The name of the Bank was changed as "Albaraka Türk Katılım Bankası A.Ş." with the decision taken on the Extraordinary General Meeting dated December 21, 2005 in the framework of Banking Law numbered 5411 published at November 1, 2005 in the Official Gazette numbered 25983 and registered to trade registry records at December 22, 2005 and has been published in the Trade Registry Gazette numbered 6461 at December 27, 2005.

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

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

Albaraka Türk Katılım Bankası Anonim Şirketi

**Notes related to unconsolidated financial statements
for the year ended December 31, 2009 (continued)
(Currency - Thousand Turkish Lira)**

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

Title	Name	Administrative Function and Responsibility	Educational Degree	Ownership Percentage(%)
Chairman of the Board of Directors	Adnan Ahmed Yusuf ABDULMALEK	Chairman of the Board of Directors	Master	(*) 0,00
Members of Board of Directors	Yalçın ÖNER	Vice Chairman of the BOD	Master	0,0006
	Faisal A.M.A. ALZAMEL	Member of BOD	Master	(*) 0,00
	İbrahim Fayez Humaid ALSHAMSİ	Member of BOD	Bachelor	(*) 0,00
	Othman Ahmed SULIMAN	Member of BOD	Bachelor	(*) 0,00
	Osman AKYÜZ	Member of BOD	Bachelor	0,0220
	Prof.Dr. Ekrem PAKDEMİRLİ	Member of BOD	Doctorate	(*) 0,00
	Mitat AKTAŞ	Member of BOD	Master	(*) 0,00
	Hamad Abdulla A. EQAB	Member of BOD	Bachelor	(*) 0,00
	Fahad Abdulla A. ALRAJHI	Member of BOD	Bachelor	(*) 0,00
	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 SİMİTCİOĞLU(**)	Financial Affairs, Risk Follow up and Banking Services	Bachelor	-
	Melikşah UTKU(**)	Information Technologies, Project Management and Investor Relations	Master	-
Audit Committee	Othman Ahmed SULIMAN	Chairman of Audit Committee	Bachelor	(*) 0,00
	Hamad Abdulla A. EQAB	Member of Audit Committee	Bachelor	(*) 0,00
	Mitat AKTAŞ	Member of Audit Committee	Master	(*) 0,00
Auditors:	Seyfettin YENİDÜNYA	Auditor	Bachelor	-
	Prof. Dr. Arif Ateş VURAN	Auditor	Doctorate	-
	Memduh COŞKUNER	Auditor	Bachelor	-

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

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

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

IV. Information on the Bank's qualified shareholders:

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

Albaraka Türk Katılım Bankası Anonim Şirketi

**Notes related to unconsolidated financial statements
for the year ended December 31, 2009 (continued)
(Currency - Thousand Turkish Lira)**

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

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

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

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

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

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

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

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

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

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

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

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

Albaraka Türk Katılım Bankası Anonim Şirketi

**Notes related to unconsolidated financial statements
for the year ended December 31, 2009 (continued)
(Currency - Thousand Turkish Lira)**

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

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

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

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

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

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

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

Section two

The unconsolidated financial statements

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

Albaraka Türk Katılım Bankası Anonim Şirketi**Balance sheets (Statement of financial position) as of
December 31, 2009 and 2008
(Currency - Thousand Turkish Lira)****Assets**

	Note (5th Section)	Current period (31.12.2009)			Prior period (31.12.2008)		
		TL	FC	Total	TL	FC	Total
I. Cash and balances with the central bank	(I-1)	354.606	262.597	617.203	167.035	216.501	383.536
II. Financial assets at fair value through profit and loss, net	(I-2)	3.037	-	3.037	2.317	7.768	10.085
2.1 Trading financial assets		3.037	-	3.037	2.317	7.768	10.085
2.1.1 Public sector debt securities		-	-	-	-	-	-
2.1.2 Share certificates		3.037	-	3.037	2.317	-	2.317
2.1.3 Derivative financial assets held for trading		-	-	-	-	-	-
2.1.4 Other marketable securities		-	-	-	-	7.768	7.768
2.2 Financial assets at fair value through profit and loss		-	-	-	-	-	-
2.2.1 Public sector debt securities		-	-	-	-	-	-
2.2.2 Share certificates		-	-	-	-	-	-
2.2.3 Loans and receivables		-	-	-	-	-	-
2.2.4 Other marketable securities		-	-	-	-	-	-
III. Banks	(I-3)	244.421	363.520	607.941	320.822	221.937	542.759
IV. Money market placements		-	-	-	-	-	-
V. Financial assets-available for sale (net)	(I-4)	28.517	37	28.554	-	-	-
5.1 Share certificates		-	37	37	-	-	-
5.2 Public sector debt securities		28.517	-	28.517	-	-	-
5.3 Other marketable securities		-	-	-	-	-	-
VI. Loans and receivables	(I-5)	4.474.531	157.979	4.632.510	3.654.233	3.028	3.657.261
6.1 Loans and receivables		4.456.038	157.447	4.613.485	3.614.186	2.480	3.616.666
6.1.1 Loans to risk group of the Bank		32	82.034	82.066	22.994	-	22.994
6.1.2 Public sector debt securities		-	-	-	-	-	-
6.1.3 Other		4.456.006	75.413	4.531.419	3.591.192	2.480	3.593.672
6.2 Non-performing loans		162.883	7.204	170.087	97.636	8.183	105.819
6.3 Specific provisions (-)		(144.390)	(6.672)	(151.062)	(57.589)	(7.635)	(65.224)
VII. Investments held to maturity (net)	(I-6)	280.876	15.131	296.007	-	-	-
VIII. Investments in associates (net)	(I-7)	6.000	-	6.000	4.131	-	4.131
8.1 Accounted for under equity method		-	-	-	-	-	-
8.2 Unconsolidated associates		6.000	-	6.000	4.131	-	4.131
8.2.1 Financial associates		2.000	-	2.000	-	-	-
8.2.2 Non-financial associates		4.000	-	4.000	4.131	-	4.131
IX. Subsidiaries (net)	(I-8)	-	-	-	-	-	-
9.1 Unconsolidated financial subsidiaries		-	-	-	-	-	-
9.2 Unconsolidated non-financial subsidiaries		-	-	-	-	-	-
X. Joint ventures (net)	(I-9)	-	-	-	-	-	-
10.1 Accounted for under equity method		-	-	-	-	-	-
10.2 Unconsolidated		-	-	-	-	-	-
10.2.1 Financial subsidiaries		-	-	-	-	-	-
10.2.2 Non-financial subsidiaries		-	-	-	-	-	-
XI. Finance lease receivables (net)	(I-5), (I-10)	53.484	-	53.484	100.311	-	100.311
11.1 Finance lease receivables		62.132	-	62.132	116.610	-	116.610
11.2 Operating lease receivables		-	-	-	-	-	-
11.3 Other		-	-	-	-	-	-
11.4 Unearned income (-)		(8.648)	-	(8.648)	(16.299)	-	(16.299)
XII. Derivative financial assets for hedging purposes	(I-11)	-	-	-	-	-	-
12.1 Fair value hedge		-	-	-	-	-	-
12.2 Cash flow hedge		-	-	-	-	-	-
12.3 Hedge of net investment risks in foreign operations		-	-	-	-	-	-
XIII. Tangible assets (net)	(I-12)	140.054	-	140.054	51.625	-	51.625
XIV. Intangible assets (net)	(I-13)	1.577	-	1.577	1.488	-	1.488
14.1 Goodwill		-	-	-	-	-	-
14.2 Other		1.577	-	1.577	1.488	-	1.488
XV. Investment property (net)	(I-14)	-	-	-	-	-	-
XVI. Tax asset	(I-15)	7.789	-	7.789	2.915	-	2.915
16.1 Current tax asset		-	-	-	-	-	-
16.2 Deferred tax asset		7.789	-	7.789	2.915	-	2.915
XVII. Assets held for sale and discontinued operations (net)	(I-16)	4.902	-	4.902	5.958	-	5.958
17.1 Held for sale		4.902	-	4.902	5.958	-	5.958
17.2 Discontinued operations		-	-	-	-	-	-
XVIII. Other assets	(I-17)	15.671	185	15.856	5.024	24.015	29.039
Total assets		5.615.465	799.449	6.414.914	4.315.859	473.249	4.789.108

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

Albaraka Türk Katılım Bankası Anonim Şirketi**Balance sheets (Statement of financial position) as of
December 31, 2009 and 2008
(Currency - Thousand Turkish Lira)****Liabilities and equity**

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

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

Albaraka Türk Katılım Bankası Anonim Şirketi**Statement of off-balance sheet contingencies and commitments
(Statement of financial position) as of December 31, 2009 and 2008
(Currency - Thousand Turkish Lira)**

	Note (5th Section)	Current period (31.12.2009)			Prior period (31.12.2008)		
		TL	FC	Total	TL	FC	Total
A. Off balance sheet commitments and contingencies (I+II+III)	(III-1)	2.466.660	1.404.610	3.871.270	1.838.615	1.149.423	2.988.038
I. Guarantees		2.187.726	1.402.986	3.590.712	1.599.797	1.149.423	2.749.220
1.1. Letters of guarantees		2.186.226	1.028.156	3.214.382	1.585.622	858.685	2.444.307
1.1.1. Guarantees subject to state tender law		181.442	26.397	207.839	86.441	9.040	95.481
1.1.2. Guarantees given for foreign trade operations		-	515.397	515.397	-	402.308	402.308
1.1.3. Other letters of guarantee		2.004.784	486.362	2.491.146	1.499.181	447.337	1.946.518
1.2. Bank loans		-	12.691	12.691	-	25.777	25.777
1.2.1. Import letter of acceptances		-	12.691	12.691	-	25.777	25.777
1.2.2. Other bank acceptances		-	-	-	-	-	-
1.3. Letter of credits		-	348.307	348.307	-	262.370	262.370
1.3.1. Documentary letter of credits		-	-	-	-	-	-
1.3.2. Other letter of credits		-	348.307	348.307	-	262.370	262.370
1.4. Prefinancing given as guarantee		-	-	-	-	-	-
1.5. Endorsements		-	-	-	-	-	-
1.5.1. Endorsements to the central bank of turkey		-	-	-	-	-	-
1.5.2. Other endorsements		-	-	-	-	-	-
1.6. Other guarantees		-	-	-	-	-	-
1.7. Other collaterals		1.500	13.832	15.332	14.175	2.591	16.766
II. Commitments		278.934	1.624	280.558	238.818	-	238.818
2.1. Irrevocable commitments		278.934	1.624	280.558	238.818	-	238.818
2.1.1. Forward asset purchase commitments		-	-	-	-	-	-
2.1.2. Share capital commitment to associates and subsidiaries		2.000	-	2.000	-	-	-
2.1.3. Loan granting commitments		6.687	1.475	8.162	4.929	-	4.929
2.1.4. Securities underwriting commitments		-	-	-	-	-	-
2.1.5. Commitments for reserve deposit requirements		-	-	-	-	-	-
2.1.6. Payment commitment for checks		190.434	-	190.434	168.664	-	168.664
2.1.7. Tax and fund liabilities from export commitments		219	-	219	234	-	234
2.1.8. Commitments for credit card expenditure limits		79.475	-	79.475	64.991	-	64.991
2.1.9. Commitments for promotions related with credit cards and banking activities		59	-	59	-	-	-
2.1.10. Receivables from short sale commitments		-	-	-	-	-	-
2.1.11. Payables for short sale commitments		-	-	-	-	-	-
2.1.12. Other irrevocable commitments		60	149	209	-	-	-
2.2. Revocable commitments		-	-	-	-	-	-
2.2.1. Revocable loan granting commitments		-	-	-	-	-	-
2.2.2. Other revocable commitments		-	-	-	-	-	-
III. Derivative financial instruments	(III-2)	-	-	-	-	-	-
3.1. Derivative financial instruments for hedging purposes		-	-	-	-	-	-
3.1.1. Fair value hedge		-	-	-	-	-	-
3.1.2. Cash flow hedge		-	-	-	-	-	-
3.1.3. Hedge of net investment in foreign operations		-	-	-	-	-	-
3.2. Held for trading transactions		-	-	-	-	-	-
3.2.1. Forward foreign currency buy/sell transactions		-	-	-	-	-	-
3.2.1.1. Forward foreign currency transactions-buy		-	-	-	-	-	-
3.2.1.2. Forward foreign currency transactions-sell		-	-	-	-	-	-
3.2.2. Other forward buy/sell transactions		-	-	-	-	-	-
3.3. Other		-	-	-	-	-	-
B. Custody and pledged items (IV+V+VI)		7.560.392	821.928	8.382.320	5.227.104	630.142	5.857.246
IV. Items held in custody		436.406	229.314	665.720	504.849	226.159	731.008
4.1. Assets under management		-	-	-	-	-	-
4.2. Investment securities held in custody		-	-	-	-	-	-
4.3. Checks received for collection		306.558	28.805	335.363	407.726	42.386	450.112
4.4. Commercial notes received for collection		126.771	20.105	146.876	93.154	22.245	115.399
4.5. Other assets received for collection		276	-	276	1.169	-	1.169
4.6. Assets received for public offering		-	-	-	-	-	-
4.7. Other items under custody		72	160.660	160.732	72	153.843	153.915
4.8. Custodians		2.729	19.744	22.473	2.728	7.685	10.413
V. Pledged items		7.123.986	592.614	7.716.600	4.722.255	403.983	5.126.238
5.1. Marketable securities		10.849	-	10.849	10.849	-	10.849
5.2. Guarantee notes		615.462	68.094	683.556	383.289	48.714	432.003
5.3. Commodity		218.121	78.770	296.891	206.390	68.289	274.679
5.4. Warranty		-	-	-	-	-	-
5.5. Properties		6.155.006	429.022	6.584.028	4.105.441	278.770	4.384.211
5.6. Other pledged items		105.721	4.198	109.919	1.396	2.046	3.442
5.7. Pledged items-depository		18.827	12.530	31.357	14.890	6.164	21.054
VI. Accepted independent guarantees and warranties		-	-	-	-	-	-
Total off balance sheet accounts (A+B)		10.027.052	2.226.538	12.253.590	7.065.719	1.779.565	8.845.284

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

Albaraka Türk Katılım Bankası Anonim Şirketi**Statements of income
for the years ended December 31, 2009 and 2008
(Currency - Thousand Turkish Lira)**

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

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

Albaraka Türk Katılım Bankası Anonim Şirketi

**Statements of income and expenses accounted under equity (Other comprehensive income)
for the years ended December 31, 2009 and 2008
(Currency - Thousand Turkish Lira)**

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

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

Albaraka Türk Katılım Bankası Anonim Şirketi

**Statements of changes in shareholders' equity
for the years ended December 31, 2009 and 2008 (continued)
(Currency - Thousand Turkish Lira)**

	Note (5 th Section)	Paid-in capital	Effect of inflation accounting on capital and other capital reserves	Share premium	Share certificate cancellation profits	Legal reserves	Statutory reserves	Extraordinary reserve	Other reserve	Current period net income / (loss)	Prior years net income / (loss)	Marketable securities revaluation reserve	Tangible and intangible assets revaluation fund	Bonus shares from investments	Risk aversion funds	Asset held or sale and disc.op. valuation fund	Total equity excluding minority interest	Minority interest	Total equity	
Current period (31.12.2009)																				
I.																				
I.	(V)	269.500	-	158.396	-	17.097	-	56.496	-	136.242	371	-	-	-	-	-	638.102	-	638.102	
II.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.		-	-	-	-	-	-	-	-	-	-	2.758	-	-	-	-	2.758	-	2.758	-
IV.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.1		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.2		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V.		-	-	-	-	-	-	-	-	-	-	-	13.478	-	-	-	13.478	-	13.478	-
VI.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XII.		269.500	-	(158.396)	-	-	-	(30.354)	-	-	(80.750)	-	-	-	-	-	-	-	-	-
12.1		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.2		269.500	-	(158.396)	-	-	-	(30.354)	-	-	(80.750)	-	-	-	-	-	-	-	-	-
XIII.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XV.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI.		-	-	-	-	-	-	-	-	-	34	(552)	(2.633)	-	-	-	(3.151)	-	(3.151)	-
XVII.		-	-	-	-	-	-	-	-	105.279	-	-	-	-	-	-	105.279	-	105.279	-
XVIII.		-	-	-	-	-	-	-	-	(136.242)	80.692	-	(313)	-	-	-	(45.800)	-	(45.800)	-
18.1		-	-	-	-	10.063	-	-	-	-	(45.800)	-	-	-	-	-	(45.800)	-	(45.800)	-
18.2		-	-	-	-	10.063	-	-	-	-	(10.063)	-	-	-	-	-	-	-	-	-
18.3		-	-	-	-	-	-	-	-	(136.242)	136.555	-	(313)	-	-	-	-	-	-	-
Closing balance (+I+II+...+XVI+XVII+XVIII)		539.000	-	-	-	27.160	-	26.142	-	105.279	347	2.206	10.532	-	-	-	710.666	-	710.666	

(*) This line consist of TL 34 due to the amendment on corporate tax provision for the year ended December 31, 2008, TL 552 is due to the deferred tax liability of marketable securities revaluation reserve and TL 2.633 is due to the deferred tax liability of real estate revaluation fund.

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

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

Albaraka Türk Katılım Bankası Anonim Şirketi

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

	Note (5 th Section)	Paid-in capital	Effect of inflation accounting on capital and other capital reserves	Share premium	Share certificate cancellation profits	Legal reserves	Statutory reserves	Extraordinary reserve	Other reserve	Current period net income / (loss)	Prior years net income / (loss)	Marketable securities revaluation reserve	Tangible and intangible assets revaluation fund	Bonus shares from investments	Risk aversion funds	Asset held for sale and disc.op. valuation fund	Total equity excluding minority interest	Minority interest	Total equity
Prior period (31.12.2008)																			
I.	Beginning balance	(v) 269.500	-	158.396	-	10.905	-	10.000	-	84.979	-	-	-	-	-	-	533.780	-	533.780
	Changes in period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
II.	Increase/decrease related to merger	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.	Marketable securities revaluation differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
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 (*)	-	-	-	-	-	-	-	-	-	1.004	-	-	-	-	-	1.004	-	1.004
XVII.	Period net income/(loss)	-	-	-	-	-	-	-	-	136.242	-	-	-	-	-	-	136.242	-	136.242
XVIII.	Profit distribution	-	-	-	-	6.192	-	46.496	-	(84.979)	(633)	-	-	-	-	(32.924)	(32.924)	-	(32.924)
18.1	Dividends distributed	-	-	-	-	-	-	-	-	-	(32.291)	-	-	-	-	(32.291)	-	-	(32.291)
18.2	Transfers to reserves	-	-	-	-	6.131	-	46.496	-	-	(52.627)	-	-	-	-	-	-	-	-
18.3	Other (**)	-	-	-	-	61	-	-	-	(84.979)	84.285	-	-	-	-	(633)	-	-	(633)
Closing balance (I+II+III+...+XVI+XVII+XVIII)		269.500	-	158.396	-	17.097	-	56.496	-	136.242	371	-	-	-	-	-	638.102	-	638.102

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

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

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

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

Albaraka Türk Katılım Bankası Anonim Şirketi**Statements of cash flows
for the years ended December 31, 2009 and 2008
(Currency - Thousand Turkish Lira)**

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

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

Albaraka Türk Katılım Bankası Anonim Şirketi

**Statements of profit appropriation statement
for the years ended December 31, 2009 and 2008
(Currency - Thousand Turkish Lira)**

	Current period 31.12.2009 (*)	Prior period 31.12.2008
I. Distribution of current year income		
1.1. Current year income	131.757	171.436
1.2. Taxes and duties payable (-)	26.478	35.194
1.2.1. Corporate tax (Income tax)	34.537	36.704
1.2.2. Income withholding tax	-	-
1.2.3. Other taxes and duties (**)	(8.059)	(1.510)
A. Net income for the year (1.1-1.2) (Note V-I-17-c)	105.279	136.242
1.3. Prior year losses (-)	-	-
1.4. First legal reserves (-)	-	6.831
1.5. Other statutory reserves (-)	-	-
B. Distributable net period income [(A-(1.3+1.4+1.5))]	105.279	129.411
1.6. First dividend to shareholders (-)	-	45.800
1.6.1. To owners of ordinary shares	-	45.800
1.6.2. To owners of preferred stocks	-	-
1.6.3. To owners of preferred stocks (Preemptive rights)	-	-
1.6.4. To Profit sharing bonds	-	-
1.6.5. To owners of the profit /loss sharing certificates	-	-
1.7. Dividend to personnel (-)	-	-
1.8. Dividend to board of directors (-)	-	-
1.9. Second dividend to shareholders (-)	-	-
1.9.1. To owners of ordinary shares	-	-
1.9.2. To owners of preferred stocks	-	-
1.9.3. To owners of preferred Stocks (Preemptive rights)	-	-
1.9.4. To profit sharing bonds	-	-
1.9.5. To owners of the profit /loss sharing Certificates	-	-
1.10. Second legal reserve (-)	-	3.233
1.11. Status reserves (-)	-	-
1.12. Extraordinary reserves	-	-
1.13. Other reserves	-	-
1.14. Special funds	-	-
II. Distribution from reserves		
2.1. Distributed reserves	-	-
2.2. Second legal reserves (-)	-	-
2.3. Share to shareholders (-)	-	-
2.3.1. To owners of ordinary shares	-	-
2.3.2. To Owners of preferred stocks	-	-
2.3.3. To owners of preferred stocks (Preemptive rights)	-	-
2.3.4. To profit sharing bonds	-	-
2.3.5. To owners of the profit /loss sharing certificates	-	-
2.4. Share to personnel (-)	-	-
2.5. Share to board of directors (-)	-	-
III. Earnings per share		
3.1. To owners of stocks (***)	0,195	0,253
3.2. To owners of stocks (%)	%19,5	%25,3
3.3. To owners of preferred stocks	-	-
3.4. To owners of preferred stocks (%)	-	-
IV. Dividend per share		
4.1. To owners of stocks	-	45.800
4.2. To owners of stocks (%)	-	%17.0
4.3. To owners of preferred stocks	-	-
4.4. To owners of preferred stocks (%)	-	-

(*) General Assembly of the Bank is authorized body for the profit appropriation decisions. The Ordinary General Assembly Meeting has not been held as of the date of the preparation of these financial statements. The table above is the suggested profit distribution table which will be proposed by the BOD to the General Assembly.

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

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

Albaraka Türk Katılım Bankası Anonim Şirketi

**Notes related to unconsolidated financial statements
for the year ended December 31, 2009
(Currency - Thousand Turkish Lira)**

Section three

Accounting policies

I. Basis of presentation:

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

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

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

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

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

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

The accounting policies and valuation principles applied in the preparation of unconsolidated financial statements are determined and applied in accordance with TAS. These accounting policies and valuation principles are explained in Notes II and XXII below.

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

The financial statements of the Bank has been restated to reflect the changes in the general purchasing power of the Turkish Lira in accordance with Turkish Accounting Standard No: 29 "Financial Reporting in Hyperinflationary Economies" ("TAS29") until December 31, 2004. The BRSA explained with its decision numbered 1623 and dated April 21, 2005 and its circular dated April 28, 2005 that the conditions for applying inflation accounting was no longer applicable and accordingly inflation accounting has not been applied beginning from January 1, 2005.

Albaraka Türk Katılım Bankası Anonim Şirketi

**Notes related to unconsolidated financial statements
for the year ended December 31, 2009 (continued)
(Currency - Thousand Turkish Lira)**

I. Basis of presentation (continued)

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

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

d. Reclassification changes on financial statements:

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

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

Main funding source of the Bank is funds collected from customers. The Bank sustains its liquidity to cover matured liabilities by holding adequate level of cash and cash equivalents.

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

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

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

There are no foreign currency differences capitalized by the Bank.

Albaraka Türk Katılım Bankası Anonim Şirketi

**Notes related to unconsolidated financial statements
for the year ended December 31, 2009 (continued)
(Currency - Thousand Turkish Lira)**

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

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

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

IV. Explanations on profit share income and expense:

Profit share income

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

Profit share expense

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

V. Explanations on fees and commission income and expense:

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

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

VI. Explanations on financial assets

The Bank categorizes its financial assets as 'Fair value through profit/loss', 'Available for sale', 'Loans and receivables' or 'Held to maturity'. Sale and purchase transactions of the financial assets mentioned above are recognized at the 'Settlement dates'. The appropriate classification of financial assets of the Bank is determined at the time of purchase by the Bank management, taking into consideration the purpose of the investment.

Albaraka Türk Katılım Bankası Anonim Şirketi

**Notes related to unconsolidated financial statements
for the year ended December 31, 2009 (continued)
(Currency - Thousand Turkish Lira)**

VI. Explanations on financial assets (continued):

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

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

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

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

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

Financial assets available for sale: Available for sale financial assets are initially recognized at cost; which reflects the fair values; including the transaction costs. After the initial recognition, available for sale securities are measured at fair value and the unrealized gains or losses originating from the difference between the amortized cost and the fair value is recorded in "Marketable Securities Value Increase Fund" under the equity. In case of a disposal of available for sale financial assets, value increase/decrease which have been recorded in the securities value increase fund under the equity are transferred to income statement. Equity securities classified as available for sale financial assets which do not have a quoted market price in an active market and whose fair values cannot be reliably measured are carried at cost, less impairment, if any.

Loans and receivables: Loans and receivables are non-derivative financial assets whose payments are fixed or can be determined, are unlisted in an active market and held for purchase or sale, financial assets at the fair value through profit or loss or financial assets held for sale.

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

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

Held to maturity financial assets: Held to maturity financial assets are assets that are not classified under 'Loans and receivables' with fixed maturities and fixed or determinable payments where management has the intent and ability to hold the financial assets to maturity. Held to maturity financial assets are initially recognized at cost which reflects the fair value, and subsequently carried at 'Amortized Cost' using the 'Internal Rate of Return'. Profit share income from held to maturity financial assets is reflected in the income statement.

Albaraka Türk Katılım Bankası Anonim Şirketi

**Notes related to unconsolidated financial statements
for the year ended December 31, 2009 (continued)
(Currency - Thousand Turkish Lira)**

VII. Explanations on impairment of financial assets:

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

i) Loans and receivables:

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

If there is objective evidence that the loans might not be collected, the Bank reclassifies such loans to III., IV. and V. groups and provides impairment reserve in accordance with the Communiqué of "Principles and Procedures for the Determination of the Quality of Loans and Other Receivables and Reserves to be provided for these Loans" published on November 1, 2006 in the official Gazette numbered 26333 and "Communiqué for the amendment of the Communiqué of "Principles and Procedures for the Determination of the Quality of Loans and Other Receivables and Reserves to be provided for these Loans" published on January 23, 2009 in the Official Gazette numbered 27119.

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

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

The Bank provides general provision in accordance with the Communiqué of "Principles and Procedures for the Determination of the Quality of Loans and Other Receivables and Reserves to be provided for these Loans" published on November 1, 2006 in the Official Gazette numbered 26333 and Communiqué for the amendment of the Communiqué of "Principles and Procedures for the Determination of the Quality of Loans and Other Receivables and Reserves to be provided for these Loans" published on January 23, 2009 in the Official Gazette numbered 27119.

ii) Financial assets held to maturity:

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

iii) Financial assets available for sale:

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

Albaraka Türk Katılım Bankası Anonim Şirketi

**Notes related to unconsolidated financial statements
for the year ended December 31, 2009 (continued)
(Currency - Thousand Turkish Lira)**

VII. Explanations on impairment of financial assets (continued)

Impairment losses recognized in the income statement related to the investments in equity instruments classified as available for sale financial assets can not be reversed in the income statement. If there is objective evidence that an impairment loss on an unquoted equity instrument that is not carried at fair value because its fair value cannot be reliably measured, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such losses can not be reversed.

VIII. Explanations on offsetting of financial instruments

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

There are no such offsetted financial assets and liabilities.

IX. Explanations on repurchase and resale agreements and securities lending

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

X. Explanations on assets held for sale and discontinued operations

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

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

Assets held for sale are measured at the lower of the carrying amount of assets and fair value less any cost incurred for disposal. Assets held for sale are not amortized and presented in the financial statements separately. In order to classify an asset as held for sale, only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Highly saleable condition requires a plan by the management regarding the sale of the asset (or the group of assets), to be disposed of together with an active program for the determination of buyers as well as for the completion of the plan. Also the asset (or the group of assets) shall be actively marketed in conformity with its fair value. In addition, the sale is expected to be recognized as a completed sale within one year after the classification date and the necessary transactions and procedures to complete the plan should demonstrate the fact that there is remote possibility of making any significant changes in the plan or cancellation of the plan. Various events and conditions may extend the completion period of the disposal. If such delay arises from any events and conditions beyond the control of the entity and there is sufficient evidence that the entity has an ongoing disposal plan for these assets, such assets (or group of assets) can remain to be classified as assets (or group of assets) held for sale.

Albaraka Türk Katılım Bankası Anonim Şirketi

**Notes related to unconsolidated financial statements
for the year ended December 31, 2009 (continued)
(Currency - Thousand Turkish Lira)**

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

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

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

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

XI. Explanations on goodwill and other intangible assets

There is no goodwill arising from associates.

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

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

XII. Explanations on tangible assets

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

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

	%
Buildings	2
Motor vehicles	20 – 25
Furniture, fixture and office equipment	4 – 33
Safe-deposit boxes	2 – 20
Leasehold improvements	Leasing period

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

Albaraka Türk Katılım Bankası Anonim Şirketi

**Notes related to unconsolidated financial statements
for the year ended December 31, 2009 (continued)
(Currency - Thousand Turkish Lira)**

XII. Explanations on tangible assets (continued)

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

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

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

XIII. Explanations on leasing transactions

Transactions as a lessee

Assets acquired under finance lease contracts are recorded both as an asset and a liability at the beginning date of the lease. The basis for the determination of these amounts is the lower of fair value of the leased asset or the present value of the lease payments. The direct costs incurred during a finance lease transaction are capitalized as additions to the cost of the leased asset. Lease payments include the financing costs incurred due to the leasing transaction and the principal amount of the leased asset for the current period.

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

Transactions as a lessor

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

XIV. Explanations on provisions and contingent liabilities

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

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

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

XV. Explanations on liabilities regarding employee benefits

i) Defined benefit plans:

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

Albaraka Türk Katılım Bankası Anonim Şirketi

**Notes related to unconsolidated financial statements
for the year ended December 31, 2009 (continued)
(Currency - Thousand Turkish Lira)**

XV. Explanations on liabilities regarding employee benefits (continued)

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

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

ii) Defined contribution plans:

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

iii) Short term benefits to employees:

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

XVI. Explanations on taxation

Current tax:

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

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

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

The prepaid taxes are calculated based on quarterly profits of the Bank using the corporate rate of 20% which must be announced by the 14th day and paid by the 17th day of the second month following the taxed period. The prepayments can be deducted from the annual corporate tax calculated for the whole year earnings. After the deduction, the excess value can also be deducted from the other taxes or can draw back.

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

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

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

Albaraka Türk Katılım Bankası Anonim Şirketi

**Notes related to unconsolidated financial statements
for the year ended December 31, 2009 (continued)
(Currency - Thousand Turkish Lira)**

XVI. Explanations on taxation (continued)

In accordance with the last paragraph of the first article of the law dated February 11, 1986 and numbered 3259 "Law related to granting tax exemption to Islamic Development Bank" dividends paid to Islamic Development Bank is exempt from corporate tax, and such dividends are not subject to income or corporate tax. Therefore, dividend distributed to Islamic Development Bank as a shareholder of the Bank is exempt from corporate tax and income tax withholding.

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

Deferred tax:

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

Deferred tax liabilities are calculated for all of the temporary differences whereas deferred tax assets resulting from temporary differences are recognized to the extent that it is probable that future taxable profit will be available against which the deferred tax assets can be utilized. Deferred tax asset is not provided over provisions for possible risks and general provisions according to the circular of BRSA numbered BRSA.DZM.2/13/1-a-3 and dated 8 December 2004.

XVII. Explanations on additional disclosures on borrowings

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

There are no debt securities issued by the Bank.

The Bank has not issued convertible bonds.

XVIII. Explanations on share certificate and share certificate issuance

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

Albaraka Türk Katılım Bankası Anonim Şirketi

**Notes related to unconsolidated financial statements
for the year ended December 31, 2009 (continued)
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XVIII. Explanations on share certificate and share certificate issuance (continued)

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

XIX. Explanations on acceptances and availed drafts

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

XX. Explanations on government grants

There are no government grants received by the Bank.

XXI. Explanations on segment reporting

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

Segment reporting is disclosed in Section Four, Note IX.

XXII. Explanations on other matters

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

XXIII. Additional paragraph for convenience translation

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

Albaraka Türk Katılım Bankası Anonim Şirketi**Notes related to unconsolidated financial statements
for the year ended December 31, 2009 (continued)
(Currency - Thousand Turkish Lira)****Section four****Information on financial position****I. Explanations on capital adequacy standard ratio**

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

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

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

Albaraka Türk Katılım Bankası Anonim Şirketi**Notes related to unconsolidated financial statements
for the year ended December 31, 2009 (continued)
(Currency - Thousand Turkish Lira)****I. Explanations on capital adequacy standard ratio (continued)****Summary information related to capital adequacy ratio**

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

Components of shareholders' equity:

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

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

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

Albaraka Türk Katılım Bankası Anonim Şirketi

**Notes related to unconsolidated financial statements
for the year ended December 31, 2009 (continued)
(Currency - Thousand Turkish Lira)**

II. Explanations on credit risk

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

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

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

The credibility of the debtors of loans and other receivables are monitored periodically in accordance with related legislation. The financial documents for loans are compiled as stated in the related legislation. Credit limits of customers are renewed periodically according to the Bank's credit limit renewal procedure.

The Bank obtains necessary collaterals for loans and other receivables by analyzing the worthiness of corporate and individual loans according to credit policy.

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

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

Albaraka Türk Katılım Bankası Anonim Şirketi**Notes related to unconsolidated financial statements
for the year ended December 31, 2009 (continued)
(Currency - Thousand Turkish Lira)****II. Explanations on credit risk (continued)**

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

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

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

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

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

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

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

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

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

Albaraka Türk Katılım Bankası Anonim Şirketi

**Notes related to unconsolidated financial statements
for the year ended December 31, 2009 (continued)
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II. Explanations on credit risk (continued)

Geographical concentration:

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

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

(*) Geographical distribution has not been performed.

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

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

Albaraka Türk Katılım Bankası Anonim Şirketi**Notes related to unconsolidated financial statements
for the year ended December 31, 2009 (continued)
(Currency - Thousand Turkish Lira)****II. Explanations on credit risk (continued)****Sectoral distribution of cash loans:**

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

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

	Current period	Prior period
The central bank of Turkish republic	506.938	315.381
Trading financial assets	-	7.768
Due from banks	607.941	542.759
Available-for-sale financial assets	28.517	-
Loans	4.632.510	3.657.261
Held to maturity investments	296.007	-
Finance lease receivables	53.484	100.311
Other assets	9.346	896
Total balance sheet items subject to credit risk	6.134.743	4.624.376
Contingent liabilities	3.590.712	2.749.220
Commitments	280.558	238.818
Total off-balance sheet items subject to credit risk	3.871.270	2.988.038
Total credit risk exposure	10.006.013	7.612.414

Explanations on credit rating system:

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

Albaraka Türk Katılım Bankası Anonim Şirketi

**Notes related to unconsolidated financial statements
for the year ended December 31, 2009 (continued)
(Currency - Thousand Turkish Lira)**

II. Explanations on credit risk (continued)

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

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

III. Explanations on market risk

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

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

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

a) Information related to market risk:

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

Albaraka Türk Katılım Bankası Anonim Şirketi

**Notes related to unconsolidated financial statements
for the year ended December 31, 2009 (continued)
(Currency - Thousand Turkish Lira)**

III. Explanations on market risk

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

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

IV. Explanations on operational risk

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

V. Explanations on currency risk

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

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

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

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

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

- c) Foreign currency risk management policy:

As a result of the uncertainty and volatility in the markets, foreign currency position is kept at a balance, and accordingly, no currency risk is anticipated. The Bank takes necessary measures to keep the currency risk at a minimum level. However, the currency risk that may arise has been calculated with the Standard Method on a monthly basis, and the results are reported to the regulatory bodies and the Bank's senior management. Currency risk is also taken into consideration as part of the market risk within the calculation of the capital adequacy ratio.

Albaraka Türk Katılım Bankası Anonim Şirketi**Notes related to unconsolidated financial statements
for the year ended December 31, 2009 (continued)
(Currency - Thousand Turkish Lira)****V. Explanations on foreign currency risk (continued)**

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

	USD	EUR
As of December 31, 2009 - Balance sheet evaluation rate	1,491	2,134
As of December 30, 2009	1,505	2,155
As of December 29, 2009	1,503	2,170
As of December 28, 2009	1,504	2,168
As of December 25, 2009	1,503	2,165
As of December 24, 2009	1,509	2,169

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

Currency risk of the Bank:

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

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

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

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

Albaraka Türk Katılım Bankası Anonim Şirketi

**Notes related to unconsolidated financial statements
for the year ended December 31, 2009 (continued)
(Currency - Thousand Turkish Lira)**

V. Explanations on foreign currency risk (continued)

Foreign currency sensitivity:

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

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

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

VI. Explanations on liquidity risk

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

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

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

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

The Bank does not have structural interest rate risk.

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

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

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

Albaraka Türk Katılım Bankası Anonim Şirketi**Notes related to unconsolidated financial statements
for the year ended December 31, 2009 (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	490.429	126.774	-	-	-	-	-	617.203
Banks	607.941	-	-	-	-	-	-	607.941
Financial Assets at Fair Value Through Profit and Loss	3.037	-	-	-	-	-	-	3.037
Money Market Placements	-	-	-	-	-	-	-	-
Available-For-Sale Financial Assets	37	-	3.517	-	25.000	-	-	28.554
Loans	3.018	490.780	671.481	1.748.419	1.696.970	56.301	-	4.666.969
Held-To-Maturity Investments	-	-	6.097	200.000	89.910	-	-	296.007
Other Assets (*)	-	522	86	8.704	35	-	185.856	195.203
Total Assets	1.104.462	618.076	681.181	1.957.123	1.811.915	56.301	185.856	6.414.914
Liabilities								
Current account and funds collected from banks via participation accounts	5.495	42.568	24.591	10.163	-	-	-	82.817
Current and profit sharing accounts	983.215	3.194.470	539.825	664.318	-	-	-	5.381.828
Funds provided from other financial institutions	-	-	-	-	-	-	-	-
Money Market Borrowings	-	-	-	-	-	-	-	-
Marketable securities issued	-	-	-	-	-	-	-	-
Miscellaneous payables	-	89.015	7.486	3.675	-	-	52.931	153.107
Other liabilities (*)	-	-	-	-	-	-	797.162	797.162
Total Liabilities	988.710	3.326.053	571.902	678.156	-	-	850.093	6.414.914
Net Liquidity Gap	115.752	(2.707.977)	109.279	1.278.967	1.811.915	56.301	(664.237)	-
Prior period								
Total Assets	752.091	875.918	596.310	1.188.707	1.195.783	45.444	134.855	4.789.108
Total Liabilities	635.849	1.856.195	259.960	1.233.104	2	-	803.998	4.789.108
Net Liquidity Gap	116.242	(980.277)	336.350	(44.397)	1.195.781	45.444	(669.143)	-

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

Analysis of financial liabilities based on the remaining contractual maturities:

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

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

Albaraka Türk Katılım Bankası Anonim Şirketi**Notes related to unconsolidated financial statements
for the year ended December 31, 2009 (continued)
(Currency - Thousand Turkish Lira)****VI. Explanations on liquidity risk (continued)****Breakdown of commitment and contingencies according to their remaining contractual maturities:**

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

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

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

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

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

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

	Book value		Fair value	
	Current period December 31, 2009	Prior period December 31, 2008	Current period December 31, 2009	Prior period December 31, 2008
Financial Assets				
Money market placements	-	-	-	-
Banks	1.114.879	858.140	1.114.879	858.140
Financial assets available for Sale	28.554	-	28.554	-
Held to maturity Investments	296.007	-	307.090	-
Loans and financial lease receivables	4.666.969	3.716.977	4.689.173	3.664.428
Financial Liabilities				
Current account and funds collected from banks via participation accounts	82.817	72.478	82.817	72.478
Other current and profit sharing accounts	5.381.828	3.912.632	5.381.828	3.912.632
Funds provided from other financial institutions	-	-	-	-
Marketable securities issued	-	-	-	-
Miscellaneous payables	153.107	97.641	153.107	97.641

Albaraka Türk Katılım Bankası Anonim Şirketi

**Notes related to unconsolidated financial statements
for the year ended December 31, 2009 (continued)
(Currency - Thousand Turkish Lira)**

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

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

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

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

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

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

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

Albaraka Türk Katılım Bankası Anonim Şirketi

**Notes related to unconsolidated financial statements
for the year ended December 31, 2009 (continued)
(Currency - Thousand Turkish Lira)**

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

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

IX. Explanations on business segments:

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

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

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

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

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

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

Albaraka Türk Katılım Bankası Anonim Şirketi

**Notes related to unconsolidated financial statements
for the year ended December 31, 2009 (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 CBRT:

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

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

b) Information related to CBRT:

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

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

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

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

b) Positive differences on trading derivative instruments table: None.

Albaraka Türk Katılım Bankası Anonim Şirketi

**Notes related to unconsolidated financial statements
for the year ended December 31, 2009 (continued)
(Currency - Thousand Turkish Lira)**

3. a) Information on Banks:

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

c) Information on foreign bank accounts:

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

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

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

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

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

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

Albaraka Türk Katılım Bankası Anonim Şirketi**Notes related to unconsolidated financial statements
for the year ended December 31, 2009 (continued)
(Currency - Thousand Turkish Lira)****5. Information on loans and receivables:**

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

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

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

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

- (*) Consists of net financial leasing receivable balances.

- c. Distribution based on the maturity structure:

	Standard Loans and Other Receivables		Loans and Other Receivables Under Close Monitoring	
	Loans and Other Receivables	Restructured or Rescheduled	Loans and Other Receivables	Restructured or Rescheduled
Cash Loans				
Short term loans and other receivables	1.624.548	50.336	16.722	56.632
Loans	1.624.548	50.336	16.722	56.632
Other receivables	-	-	-	-
Medium and long-term loans and other receivables(*)	2.718.754	76.208	39.084	84.685
Loans	2.683.951	63.475	36.349	81.472
Other receivables	34.803	12.733	2.735	3.213
Total	4.361.302	126.544	55.806	141.317

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

Albaraka Türk Katılım Bankası Anonim Şirketi**Notes related to unconsolidated financial statements
for the year ended December 31, 2009 (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	5.213	292.643	297.856
Housing loans	2.357	259.994	262.351
Vehicle loans	1.996	16.992	18.988
Consumer loans	412	2.654	3.066
Other	448	13.003	13.451
Consumer loans-FC indexed	217	14.511	14.728
Housing loans	-	11.993	11.993
Vehicle loans	173	915	1.088
Consumer loans	-	179	179
Other	44	1.424	1.468
Consumer loans-FC	-	-	-
Housing loans	-	-	-
Vehicle loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
Retail credit cards-TL	7.117	-	7.117
With installment	-	-	-
Without installment	7.117	-	7.117
Retail credit cards-FC	-	-	-
With installment	-	-	-
Without installment	-	-	-
Personnel loans-TL	980	389	1.369
Housing loans	-	15	15
Vehicle loans	14	268	282
Consumer loans	956	103	1.059
Other	10	3	13
Personnel loans-FC indexed	9	22	31
Housing loans	-	-	-
Vehicle loans	-	-	-
Consumer loans	9	22	31
Other	-	-	-
Personnel loans-FC	-	-	-
Housing loans	-	-	-
Vehicle loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
Personnel credit cards-TL	446	-	446
With installment	-	-	-
Without installment	446	-	446
Personnel credit cards-FC	-	-	-
Installment based	-	-	-
Without-installment	-	-	-
Overdraft account-TL(real person)	-	-	-
Overdraft account-FC(real person)	-	-	-
Total	13.982	307.565	321.547

Albaraka Türk Katılım Bankası Anonim Şirketi**Notes related to unconsolidated financial statements
for the year ended December 31, 2009 (continued)
(Currency - Thousand Turkish Lira)****5. Information on loans and receivables (continued):**

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

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

e) Loans according to types of borrowers:

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

f) Breakdown of domestic and foreign loans

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

g) Loans granted to subsidiaries and associates: None.

Albaraka Türk Katılım Bankası Anonim Şirketi**Notes related to unconsolidated financial statements
for the year ended December 31, 2009 (continued)
(Currency - Thousand Turkish Lira)****5. Information on loans and receivables (continued):**

ğ) Specific provisions provided for loans:

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

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

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

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

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

h.2. Movement of non-performing loans:

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

Albaraka Türk Katılım Bankası Anonim Şirketi**Notes related to unconsolidated financial statements
for the year ended December 31, 2009 (continued)
(Currency - Thousand Turkish Lira)****5. Information on loans and receivables (continued):**

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

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

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

h.4. Gross and net receivables under follow-up as per 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)	4.342	3.681	11.002
Loans to individuals and corporates (gross)	21.417	37.217	111.453
Specific provision (-)	(17.075)	(33.536)	(100.451)
Loans to individuals and corporates (net)	4.342	3.681	11.002
Banks (gross)	-	-	-
Specific provision (-)	-	-	-
Banks (net)	-	-	-
Other loans and receivables (gross)	-	-	-
Specific provision (-)	-	-	-
Other loans and receivables (net)	-	-	-
Prior period (net)	16.241	18.185	6.169
Loans to individuals and corporates (gross)	24.196	40.152	41.471
Specific provision (-)	(7.955)	(21.967)	(35.302)
Loans to individuals and corporates (net)	16.241	18.185	6.169
Banks (gross)	-	-	-
Specific provision (-)	-	-	-
Banks (net)	-	-	-
Other loans and receivables (gross)	-	-	-
Specific provision (-)	-	-	-
Other loans and receivables (net)	-	-	-

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

Albaraka Türk Katılım Bankası Anonim Şirketi

**Notes related to unconsolidated financial statements
for the year ended December 31, 2009 (continued)
(Currency - Thousand Turkish Lira)**

5. Information on loans and receivables (continued):

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

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

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

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

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

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

i. Information on "Write-off" policies:

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

Loans and other receivables, which have been deemed uncollectible according to the "Principles and Procedures for the Determination of the Quality of Loans and Other Receivables and Reserves to be provided for these Loans" published in the Official Gazette No. 26333 dated November 01, 2006, have been written-off per the decision of the Bank management. In 2009, non-performing loans amount to TL 6.709 were written-off (December 31, 2008 – TL 949).

Albaraka Türk Katılım Bankası Anonim Şirketi

**Notes related to unconsolidated financial statements
for the year ended December 31, 2009 (continued)
(Currency - Thousand Turkish Lira)**

6. Information on securities held-to-maturity:

6.1. There are no held-to-maturity investments subject to repurchase transaction, given as a guarantee or blocked (December 31, 2008 – None).

6.2. Information related to Government bonds classified as held to maturity investments:

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

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

6.3. Information on investments held-to-maturity:

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

6.4. Movement of Held-to-Maturity Investments:

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

Albaraka Türk Katılım Bankası Anonim Şirketi

Notes related to unconsolidated financial statements for the year ended December 31, 2009 (continued) (Currency - Thousand Turkish Lira)

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

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

7. Information on associates (net):

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

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

a.2. Information on the unconsolidated associates:

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

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

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

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

c. Information on the quoted associates: None.

8. Information on subsidiaries (net):

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

9. Investments in joint- ventures: None.

Albaraka Türk Katılım Bankası Anonim Şirketi

**Notes related to unconsolidated financial statements
for the year ended December 31, 2009 (continued)
(Currency - Thousand Turkish Lira)**

10. Information on finance lease receivables (net):

a) Investments in financial leases as to remaining maturity:

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

b) Information on net investments in finance lease receivables:

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

c) Information on finance lease contracts:

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

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

11. Information on derivative financial assets for hedging purposes:

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

Albaraka Türk Katılım Bankası Anonim Şirketi**Notes related to unconsolidated financial statements
for the year ended December 31, 2009 (continued)
(Currency - Thousand Turkish Lira)****12. Information on tangible assets: (Net)**

Current period	Land and buildings	Leased tangible assets	Vehicles	Other	Assets held for sale	Total
Cost						
Opening balance-January 1, 2009	31.656	2.178	4.085	55.720	1.815	95.454
Additions	69.247	-	345	4.339	6.788	80.719
Revaluation funds	13.478	-	-	-	-	13.478
Disposals	-	-	(383)	(2.090)	(1.308)	(3.781)
Impairment losses(-)/Reversal of impairment losses	16	-	-	-	(512)	(496)
Transfers	-	(714)	-	714	5.051	5.051
Ending balance-December 31, 2009	114.397	1.464	4.047	58.683	11.834	190.425
Accumulated depreciation(-)						
Opening balance-January 1, 2009	8.835	762	2.163	32.033	36	43.829
Depreciation expense	984	379	689	6.352	197	8.601
Reversal of depreciation of the disposal	-	-	(354)	(1.699)	(6)	(2.059)
Tangible assets held for resale	-	(457)	-	457	-	-
Ending balance-December 31, 2009	9.819	684	2.498	37.143	227	50.371
Total cost at the end of the year	114.397	1.464	4.047	58.683	11.834	190.425
Total accumulated depreciation at the end of the year	(9.819)	(684)	(2.498)	(37.143)	(227)	(50.371)
Net book value	104.578	780	1.549	21.540	11.607	140.054
Prior period						
Cost						
Opening balance-January 1, 2009	30.848	2.384	4.426	44.904	1.483	84.045
Additions	240	-	539	11.307	364	12.450
Revaluation funds	-	-	-	-	-	-
Disposals	-	(206)	(880)	(490)	(79)	(1.655)
Impairment losses(-)/Reversal of impairment losses	568	-	-	-	47	615
Transfers	-	-	-	-	-	-
Ending balance-December 31, 2009	31.656	2.178	4.085	55.721	1.815	95.455
Accumulated depreciation(-)						
Opening balance-January 1, 2009	8.165	414	2.172	26.392	23	37.166
Depreciation expense	670	425	742	6.027	16	7.880
Reversal of depreciation of the disposal	-	(77)	(751)	(385)	(3)	(1.216)
Tangible assets held for resale	-	-	-	-	-	-
Ending balance-December 31, 2009	8.835	762	2.163	32.034	36	43.830
Total cost at the end of the year	31.656	2.178	4.085	55.721	1.815	95.455
Total accumulated depreciation at the end of the year	(8.835)	(762)	(2.163)	(32.034)	(36)	(43.829)
Net book value	22.821	1.416	1.922	23.687	1.779	51.625

Albaraka Türk Katılım Bankası Anonim Şirketi

**Notes related to unconsolidated financial statements
for the year ended December 31, 2009 (continued)
(Currency - Thousand Turkish Lira)**

13. Information on intangible assets:

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

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

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

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

14. Information on the investment property:

The Bank does not have any investment property.

15. Information related to deferred tax asset

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

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

Albaraka Türk Katılım Bankası Anonim Şirketi

**Notes related to unconsolidated financial statements
for the year ended December 31, 2009 (continued)
(Currency - Thousand Turkish Lira)**

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

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

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

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

17. Information on other assets:

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

Albaraka Türk Katılım Bankası Anonim Şirketi**Notes related to unconsolidated financial statements
for the year ended December 31, 2009 (continued)
(Currency - Thousand Turkish Lira)****II. Explanations and footnotes on liabilities:****1. Information on funds collected:**

a) Information of maturity structure of funds collected:

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

	Demand	Up to 1 month	Up to 3 months	Up to 6 months	Up to 9 months	Up to 1 year	Over 1 year	Accumulating participation accounts	Total
I. Real Persons Current Accounts Non-Trade TL	152.292	-	-	-	-	-	-	-	152.292
II. Real Persons Participation Accounts Non-Trade TL	-	1.565.327	257.201	45.383	-	78.208	222.081	-	2.168.200
III. Current Account. other-TL	432.851	-	-	-	-	-	-	-	432.851
Public sector	9.118	-	-	-	-	-	-	-	9.118
Commercial institutions	419.740	-	-	-	-	-	-	-	419.740
Other institutions	3.634	-	-	-	-	-	-	-	3.634
Commercial and Other institutions	164	-	-	-	-	-	-	-	164
Banks and Participation Banks	195	-	-	-	-	-	-	-	195
Central Bank of Turkey	-	-	-	-	-	-	-	-	-
Domestic Banks	-	-	-	-	-	-	-	-	-
Foreign Banks	-	-	-	-	-	-	-	-	-
Participation Banks	195	-	-	-	-	-	-	-	195
Other	-	-	-	-	-	-	-	-	-
IV. Participation Accounts-TL	-	347.209	112.086	2.152	-	21.238	54.781	-	537.466
Public sector	-	-	-	-	-	-	-	-	-
Commercial institutions	-	339.456	77.233	2.007	-	18.225	51.262	-	488.183
Other institutions	-	7.753	33.751	145	-	199	3.519	-	45.367
Commercial and Other institutions	-	-	1.102	-	-	-	-	-	1.102
Banks and Participation Banks	-	-	-	-	-	2.814	-	-	2.814
V. Real Persons Current Accounts Non-Trade FC	166.743	-	-	-	-	-	-	-	166.743
VI. Real Persons Participation Accounts Non-Trade FC	-	718.149	160.455	36.874	-	123.532	215.018	-	1.254.028
VII. Other Current Accounts FC	224.570	-	-	-	-	-	-	-	224.570
Residents in Turkey-corporate	196.477	-	-	-	-	-	-	-	196.477
Residents abroad-corporate	22.793	-	-	-	-	-	-	-	22.793
Banks and Participation Banks	5.300	-	-	-	-	-	-	-	5.300
Central Bank of Turkey	-	-	-	-	-	-	-	-	-
Domestic Banks	1	-	-	-	-	-	-	-	1
Foreign Banks	4.335	-	-	-	-	-	-	-	4.335
Participation Banks	964	-	-	-	-	-	-	-	964
Other	-	-	-	-	-	-	-	-	-
VIII. Participation Accounts, other- FC	-	187.496	42.998	102.510	-	46.228	137.009	-	516.241
Public sector	-	-	-	-	-	-	-	-	-
Commercial institutions	-	150.093	18.785	63.064	-	35.814	131.436	-	399.192
Other institutions	-	2.977	6.880	22.527	-	20	2.669	-	35.073
Commercial and Other institutions	-	2.356	1.688	-	-	519	2.904	-	7.467
Banks and Participation Banks	-	32.070	15.645	16.919	-	9.875	0	-	74.509
IX. Precious metals deposits	12.254	-	-	-	-	-	-	-	12.254
X. Participation accounts special fund pools TL	-	-	-	-	-	-	-	-	-
Residents in Turkey	-	-	-	-	-	-	-	-	-
Residents abroad	-	-	-	-	-	-	-	-	-
XI. Participation accounts special fund pools – FC	-	-	-	-	-	-	-	-	-
Residents in Turkey	-	-	-	-	-	-	-	-	-
Residents abroad	-	-	-	-	-	-	-	-	-
Total	988.710	2.818.181	572.740	186.919	-	269.206	628.889	-	5.464.645

Albaraka Türk Katılım Bankası Anonim Şirketi**Notes related to unconsolidated financial statements
for the year ended December 31, 2009 (continued)
(Currency - Thousand Turkish Lira)****1. Information on funds collected (continued):****a.2. Prior period (December 31, 2008)**

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

Albaraka Türk Katılım Bankası Anonim Şirketi

**Notes related to unconsolidated financial statements
for the year ended December 31, 2009 (continued)
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1. Information on funds collected (continued):

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

b.1 Exceeding the limit of Insurance Fund:

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

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

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

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

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

	Current period 31.12.2009	Prior period 31.12.2008
Foreign Branches' Deposits and other accounts	-	-
Saving deposits and other accounts of Controlling Shareholders and deposits of their Mother, Father, Spouse, and Children in care.	-	-
Saving deposits and other accounts of president and members of Board of directors, CEO and vice presidents and deposits of their mother, father spouse, and children in care.	2.489	2.438
Saving deposits and other accounts in scope of the property holdings derived from crime defined in article 282 of Turkish criminal law no:5237 dated 26.09.2004	-	-
Saving deposits in deposit bank which established in Turkey in order to engage in off-shore banking activities solely.	-	-

2. Information on derivative financial liabilities held for trading:

None.

Albaraka Türk Katılım Bankası Anonim Şirketi

**Notes related to unconsolidated financial statements
for the year ended December 31, 2009 (continued)
(Currency - Thousand Turkish Lira)**

3. There are no funds borrowed.

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

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

5. Finance lease obligations:

a. Information on financial lease obligations:

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

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

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

d. Explanations on operational leases:

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

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

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

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

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

e. There are no sale and lease back transactions.

6. Information on hedging derivative financial liabilities: None.

Albaraka Türk Katılım Bankası Anonim Şirketi

**Notes related to unconsolidated financial statements
for the year ended December 31, 2009 (continued)
(Currency - Thousand Turkish Lira)**

7. Information on provisions:

a) Information on general provisions:

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

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

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

ç) Information on other provisions:

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

d) Information on provisions for employee rights:

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

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

Albaraka Türk Katılım Bankası Anonim Şirketi

**Notes related to unconsolidated financial statements
for the year ended December 31, 2009 (continued)
(Currency - Thousand Turkish Lira)**

7. Information on provisions (continued):

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

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

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

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

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

8. Information on taxes payable

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

a.2. Information on taxes payable:

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

Albaraka Türk Katılım Bankası Anonim Şirketi

**Notes related to unconsolidated financial statements
for the year ended December 31, 2009 (continued)
(Currency - Thousand Turkish Lira)**

8. Information on taxes payable (continued)

a.3) Information on premiums:

	Current period 31.12.2009	Prior period 31.12.2008
Social security premiums-employee	662	793
Social security premiums-employer	718	856
Bank pension fund premium- employees	-	-
Bank pension fund premium- employer	-	-
Pension fund membership fees and provisions- employees	-	-
Pension fund membership fees and provisions- employer	-	-
Unemployment insurance-employee	46	56
Unemployment insurance-employer	92	111
Other	-	-
Total	1.518	1.816

b) The Bank has no deferred tax liability.

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

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

11. Information on shareholder's equity:

a. Presentation of paid-in capital

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

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

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

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

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

Albaraka Türk Katılım Bankası Anonim Şirketi

**Notes related to unconsolidated financial statements
for the year ended December 31, 2009 (continued)
(Currency - Thousand Turkish Lira)**

11. Information on shareholders' equity:

- ç. Information on share capital increases from capital reserves during the current period: TL 158.396 of the share capital increase amounting to TL 269.500 has been supplied from the share issue premiums (2008 – None).
- d. Information on capital commitments, the purpose and the sources until the end of the fiscal year and the subsequent interim period: There is no capital commitment.
- e. The effects of anticipations based on the financial figures for prior periods regarding the Bank's income, profitability and liquidity, and the anticipations regarding the uncertainty of these indicators on the shareholders' equity :
- The Bank collects large amount of funds, uses these funds to give domestic loans and continues to realize profit possibilities. In the forthcoming periods, the management foresees that the Bank will include the profits realized in the shareholders' equity, which will have a positive impact on the shareholders' equity.
- f. Summary of privileges given to shares representing the capital: None.
- g. Information on marketable securities value increase fund (December 31, 2008: None):

	Current period		Prior period	
	31.12.2009		31.12.2008	
	TL	FC	TL	FC
From investments in associates, subsidiaries, and joint ventures	-	-	-	-
Valuation difference (*)	2.206	-	-	-
Foreign exchange difference	-	-	-	-
Total	2.206	-	-	-

(*) Deferred tax liability is netted off.

12. Information on minority interest: None (December 31, 2008 – None).

Albaraka Türk Katılım Bankası Anonim Şirketi

**Notes related to unconsolidated financial statements
for the year ended December 31, 2009 (continued)
(Currency - Thousand Turkish Lira)**

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

1. Explanations on contingencies and commitments:

a. Type and amount of irrevocable commitments:

The Bank has commitments for credit card limits amounting to TL 79.475 (2008 – TL 64.991) payment commitments for checks, amounting to TL 190.434 (2008 – TL 168.664), tax and funds liabilities arising from exporting commitments amounting to TL 219 (2008 – TL 234), commitments for promotions related with credit cards and banking activities amounting to TL 59 (2008 – None), share capital commitment to associates and subsidiaries amounting to TL 2.000 (2008 – None), other irrevocable commitments amounting to TL 209 (2008 – None) and loan granting commitments TL 8.162 (2008 – TL 4.929), totaling to TL 280.558 (2008 – TL 238.818) of irrevocable loan commitments as of December 31, 2009 .

b. Type and amount of probable losses and obligations arising from off-balance sheet items:

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

As of the balance sheet date, total letters of credit amounts to TL 348.307 (2008 – TL 262.370) and acceptances amounts to TL 12.691 (2008 – TL 25.777).

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

As of the balance sheet date, total letters of guarantees amounts to TL 3.214.382 (2008 – TL 2.444.307). As of the balance sheet date, sureties provided by the Bank amount to TL 15.332 (2008 – TL 16.766).

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

	Current period 31.12.2009	Prior period 31.12.2008
Non-cash loans given against cash loans	124.538	-
With original maturity of 1 year or less	58.820	-
With original maturity of more than 1 year	65.718	-
Other non-cash loans	3.466.174	2.749.220
Total	3.590.712	2.749.220

Albaraka Türk Katılım Bankası Anonim Şirketi**Notes related to unconsolidated financial statements
for the year ended December 31, 2009 (continued)
(Currency - Thousand Turkish Lira)**

c.2.) Information on sectoral risk concentrations of non-cash loans:

	Current period				Prior period			
	TP	(%)	FC	(%)	TP	(%)	FC	(%)
Agricultural	84.150	3,84	17.305	1,24	44.723	2,79	18.171	1,58
Farming and Raising livestock	24.385	1,11	2.742	0,20	7.430	0,46	5.508	0,48
Forestry	59.695	2,73	14.429	1,03	37.246	2,33	12.663	1,10
Fishing	70	0,00	134	0,01	47	-	-	-
Manufacturing	650.198	29,71	609.493	43,44	550.519	34,40	559.543	48,68
Mining	9.274	0,42	4.650	0,33	4.559	0,28	10.163	0,88
Production	573.690	26,22	518.210	36,94	499.966	31,25	508.971	44,28
Electric, gas and water	67.234	3,07	86.633	6,17	45.994	2,87	40.409	3,52
Construction	993.370	45,41	500.410	35,67	704.043	44,01	432.250	37,61
Services	407.019	18,61	215.173	15,33	211.471	13,23	126.986	11,05
Wholesale and retail trade	141.855	6,48	121.236	8,64	59.555	3,72	32.519	2,83
Hotel, food and beverage services	33.590	1,54	34.219	2,44	13.372	0,84	4.018	0,35
Transportation and telecommunication	57.353	2,62	26.698	1,90	67.585	4,22	63.600	5,53
Financial Institutions	56.463	2,58	2.800	0,20	2.506	0,16	2	-
Real estate and renting services	10.436	0,48	19.413	1,38	8.102	0,51	18.238	1,59
Self-employment services	32.158	1,47	171	0,01	9.387	0,59	138	0,01
Education services	12.161	0,56	2.541	0,18	13.875	0,87	3.525	0,31
Health and social services	63.003	2,88	8.095	0,58	37.089	2,32	4.946	0,43
Other	52.989	2,43	60.605	4,32	89.041	5,57	12.473	1,08
Total	2.187.726	100,00	1.402.986	100,00	1.599.797	100,00	1.149.423	100,00

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

	I st Group		II nd Group	
	TL	FC	TL	FC
Non-cash loans	2.153.244	1.391.169	34.482	11.817
Letters of guarantee	2.151.744	1.016.339	34.482	11.817
Bank acceptances	-	12.691	-	-
Letters of credit	-	348.307	-	-
Endorsements	-	-	-	-
Underwriting commitments	-	-	-	-
Factoring commitments	-	-	-	-
Other commitments and contingencies	1.500	13.832	-	-

2. Explanations on derivative transactions:

The Bank does not have any derivative financial instruments

3. Explanations on contingent assets and liabilities:

Explanations about provisions have been disclosed in Note 7.d.

4. Explanations on custodian and intermediary services:

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

Albaraka Türk Katılım Bankası Anonim Şirketi

**Notes related to unconsolidated financial statements
for the year ended December 31, 2009 (continued)
(Currency - Thousand Turkish Lira)**

IV. Explanations and footnotes related to the statement of income

1. Explanations on profit share income:

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

	Current period		Prior period	
	01.01.2009 – 31.12.2009	01.01.2008 – 31.12.2008	01.01.2008 – 31.12.2008	01.01.2008 – 31.12.2008
	TL	FC	TL	FC
Profit share on loans (*)	600.675	5.933	531.926	2.436
Short term loans	276.233	2.034	279.580	2.432
Medium and long term loans	319.870	3.899	249.179	4
Profit share on non-performing loans	4.572	-	3.167	-
Premiums received from resource utilization support fund	-	-	-	-

(*) Profit share on loans includes commission income on cash loans.

b) Information on profit share income from banks:

b.1) Information on profit share received from banks:

	Current period		Prior period	
	01.01.2009 – 31.12.2009	01.01.2008 – 31.12.2008	01.01.2008 – 31.12.2008	01.01.2008 – 31.12.2008
	TL	FC	TL	FC
The Central Bank of the Republic of Turkey	10.730	-	13.074	-
Domestic banks	-	-	3.429	-
Foreign banks	-	-	-	-
Branches and head office abroad	-	-	-	-
Total	10.730	-	16.503	-

b.2) Information on profit share income received from marketable securities:

	Current period		Prior period	
	01.01.2009 – 31.12.2009	01.01.2008 – 31.12.2008	01.01.2008 – 31.12.2008	01.01.2008 – 31.12.2008
	TL	FC	TL	FC
From financial assets held for trading	-	-	-	-
From financial assets at fair value through profit or loss	-	-	-	-
From financial assets available-for-sale	3.545	-	-	-
From held-to-maturity investments	25.331	621	-	-
Total	28.876	621	-	-

c) Information on profit share income received from associates and subsidiaries: None

Albaraka Türk Katılım Bankası Anonim Şirketi**Notes related to unconsolidated financial statements
for the year ended December 31, 2009 (continued)
(Currency - Thousand Turkish Lira)****2. Explanations on profit share expenses:**

2. a) Information on profit share expense given to funds borrowed:

	Current period		Prior period	
	01.01.2009 – 31.12.2009		01.01.2008 – 31.12.2008	
	TL	FC	TL	FC
Banks	-	-	-	-
The Central Bank of the Republic of Turkey	-	-	-	-
Domestic banks	-	-	-	-
Foreign banks	-	-	-	-
Branches and head offices abroad	-	-	-	-
Other institutions (financial leasing)	-	-	48	-
Total	-	-	48	-

b) Profit share expense given to associates and subsidiaries: None.

c) Profit share expenses to marketable securities issued: None.

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

Account name	Profit sharing accounts							Total
	Up to 1 month	Up to 3 month	Up to 6 month	Up to 9 month	Up to 1 year	More than 1 year	Accumulated profit share account	
TL								
Collected funds from banks through current and profit share accounts	-	-	-	-	359	-	-	359
Real person's non-trading profit sharing account	153.033	21.146	3.945	-	51.367	-	-	229.491
Public sector profit sharing account	-	-	-	-	-	-	-	-
Commercial sector profit sharing account	22.675	1.274	2.233	-	11.362	-	-	37.544
Other institutions profit sharing account	1.096	2.512	169	-	2.339	-	-	6.116
Total	176.804	24.932	6.347	-	65.427	-	-	273.510
FC								
Collected funds from banks through current and profit share accounts	1.144	1.097	66	-	639	-	-	2.946
Real person's non-trading profit sharing account	22.831	5.347	1.204	-	16.767	-	-	46.149
Public sector profit sharing account	-	-	-	-	-	-	-	-
Commercial sector profit sharing account	3.620	232	2.099	-	17.292	-	-	23.243
Other institutions profit sharing account	317	425	314	-	1.610	-	-	2.666
Collected funds from banks through current and profit share accounts	-	-	-	-	-	-	-	-
Total	27.912	7.101	3.683	-	36.308	-	-	75.004
Grand total	204.716	32.033	10.030	-	101.735	-	-	348.514

Albaraka Türk Katılım Bankası Anonim Şirketi

**Notes related to unconsolidated financial statements
for the year ended December 31, 2009 (continued)
(Currency - Thousand Turkish Lira)**

3. Explanations on dividend income:

	Current period		Prior period	
	01.01.2009 – 31.12.2009		01.01.2008 – 31.12.2008	
	TP	YP	TP	YP
From trading financial assets	284	-	-	-
From financial assets at fair value through profit and loss	-	-	-	-
From available for sale financial assets	-	-	-	-
Other	-	-	-	-
Total	284	-	-	-

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

	Current period		Prior period	
	01.01.2009 – 31.12.2009		01.01.2008 – 31.12.2008	
Income	1.924.509		2.350.286	
Profit on capital market transactions	127		409	
Profit on derivative financial instruments	-		-	
Foreign exchange gains	1.924.382		2.349.877	
Losses (-)	(1.899.461)		(2.333.576)	
Losses on capital market transactions	-		-	
Losses on derivative financial instruments	-		-	
Foreign exchange losses	(1.899.461)		(2.333.576)	
Trading profit/loss	25.048		16.710	

5. Explanations related to operating income:

	Current period		Prior period	
	01.01.2009 – 31.12.2009		01.01.2008 – 31.12.2008	
Communication expense provisions	1.096		910	
Extracts expense provisions	772		449	
Provision income from prior years	17.843		13.404	
Income from sale of assets	5.642		2.891	
Checks income	1.157		1.183	
Leasing income	-		60	
Other income	802		516	
Total	27.312		19.413	

Albaraka Türk Katılım Bankası Anonim Şirketi**Notes related to unconsolidated financial statements
for the year ended December 31, 2009 (continued)
(Currency - Thousand Turkish Lira)****6. Provisions for loan losses and other receivables of the Bank:**

	Current period 01.01.2009 – 31.12.2009	Prior period 01.01.2008 – 31.12.2008
Specific provisions for loans and other receivables	109.360	37.726
III. Group	45.468	22.674
IV. Group	38.686	9.157
V. Group	22.435	4.787
Doubtful commission, fee and other receivables	2.771	1.108
General provision expenses	12.494	12.396
Provision expenses for possible losses	14	15
Marketable securities impairment losses	-	593
Financial assets at fair value through profit and loss	-	593
Investment securities available for sale	-	-
Impairment provision expense	130	382
Associates	130	382
Subsidiaries	-	-
Joint ventures	-	-
Held to maturity investments	-	-
Other	9.771	1.225
Total	131.769	52.337

TL 109.360 (December 31, 2008 - TL 37.726) of the total specific provisions provided for loan and other receivables amounting to TL 74.906 (December 31, 2008 – TL 31.427) is the specific provision provided for loans and other receivables funded from participation accounts.

TL 12.494 (December 31, 2008 - TL 12.396) of the total general loan loss provisions provided for loan and other receivables amounting to TL 8.475 (December 31, 2008 – TL 6.568) is the general loan loss provision provided for loans and other receivables funded from participation accounts.

7. Information on other operating expenses:

	Current period 01.01.2009 – 31.12.2009	Prior period 01.01.2008 – 31.12.2008
Personnel expenses	105.945	82.582
Provision for retirement pay liability	2.209	663
Bank social aid provision fund deficit provision	-	-
Impairment expenses of fixed assets	-	10
Depreciation expenses of fixed assets	8.405	7.863
Impairment expenses of intangible assets	-	-
Impairment expense of goodwill	-	-
Amortization expenses of intangible assets	840	645
Impairment expenses of assets held for resale	407	104
Depreciation expenses of assets held for resale	196	17
Impairment expenses of assets held for sale	-	-
Other operating Expenses	40.378	30.083
Rent expense	13.648	10.418
Maintenance expense	1.718	1.412
Advertisement expense	7.905	3.411
Other expenses	17.107	14.842
Loss on sale of asset	419	186
Other	18.539	14.997
Total	177.338	137.150

Albaraka Türk Katılım Bankası Anonim Şirketi

**Notes related to unconsolidated financial statements
for the year ended December 31, 2009 (continued)
(Currency - Thousand Turkish Lira)**

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

As the Bank does not have any discontinued operations, there is no income or loss related to discontinued operation in net operating income after tax.

The Bank's profit decreased by 23,1 % compared to prior period and is realized as TL 131.757. Profit before taxes comprises net profit share income in the amount of TL 307.502 and fees and commission income in the amount of TL 80.718. Total other operating expenses amount to TL 177.338.

	Current period	Prior period
	01.01.2009 –	01.01.2008 –
	31.12.2009	31.12.2009
Profit before taxes	131.757	171.436
Tax calculated with tax rate of 20%	26.351	34.287
Other additions and expenses not considered by law	11.736	5.844
Deductions	(3.550)	(3.427)
Tax calculated	34.537	36.704

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

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

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

As of December 31, 2009, the Bank's current tax expense is TL 34.537 and deferred tax income is TL 8.059.

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

The Bank has no discontinued operations. Net income for the period has been realized as 105.279 (December 31, 2008 – TL 136.242) by deducting tax provision expense amounting to TL 26.478 (December 31, 2008 – TL 35.194) from profit from continued operations amounting to TL 131.757 (December 31, 2008 – TL 171.436).

11. Explanations on net income/loss.

- The nature and amount of certain income and expense items from ordinary operations are disclosed if the disclosure for nature, amount and repetition rate of such items is required for a complete understanding of the Bank's performance for the period: None.
- The effect of the change in accounting estimates to the net profit/loss; including the effects on the future period: None.
- Income / loss of minority interest: None.

Albaraka Türk Katılım Bankası Anonim Şirketi

**Notes related to unconsolidated financial statements
for the year ended December 31, 2009 (continued)
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12. Components of other items in income statement, as each sub-account exceeding 20% of the total separately, exceeding 10% of total income statement.

Other fees and commissions received is TL 43.596 (December 31, 2009 – TL 40.906) included in the statement of income included fees and commissions of pos machines from member companies in the amount of TL 25.536. (December 31, 2008 – TL 24.017)

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

- a) There are no disclosed dividend amounts subsequent to the balance sheet date, prior to the presentation of the financial statements.

Decision on the dividend distribution will be made in the General Assembly. However, the General Assembly has not been held as of the date when the accompanying financial statements are finalized.

- b) In current year, the Bank has realized dividend payments amounting to TL 45.800 to its shareholders.
- c) "Unrealized gains and losses" arising from changes in the fair value of securities classified as available-for-sale are not recognized in current year income statements; they are recognized in the "Marketable securities value increase fund" account under equity, until the financial assets are sold, disposed of or impaired.
- d) Tangible assets revaluation funds are accounted under equity at increases in tangible and intangible assets revaluation funds account.

Albaraka Türk Katılım Bankası Anonim Şirketi

**Notes related to unconsolidated financial statements
for the year ended December 31, 2009 (continued)
(Currency - Thousand Turkish Lira)**

VI. Explanations and notes related to cash flow statement:

1. Information on cash and cash equivalents:

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

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

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

	Current period 31.12.2009	Prior period 31.12.2008
Cash	204.990	164.782
Cash in TL/foreign currency	68.155	62.004
Money in Transit	-	-
Money at the CBRT	136.835	102.778
Cash equivalents	542.759	438.309
Domestic banks	413.966	367.536
Foreign banks	128.793	70.773
Total	747.749	603.091

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

	Current period 31.12.2009	Prior period 31.12.2008
Cash	478.141	204.990
Cash in TL/foreign currency	97.977	68.155
Money in Transit	-	-
Money at the CBRT	380.164	136.835
Cash equivalents	607.941	542.759
Domestic banks	425.741	413.966
Foreign banks	182.200	128.793
Total	1.086.082	747.749

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

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

Albaraka Türk Katılım Bankası Anonim Şirketi

**Notes related to unconsolidated financial statements
for the year ended December 31, 2009 (continued)
(Currency - Thousand Turkish Lira)**

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

The "Other" item under "Operating profits before changes in operating assets and liabilities" amounting to TL 64.089 (December 31, 2008- TL (-) 127.526) consists mainly foreign currency evaluation difference of foreign currency indexed loans and other operating expenses and losses.

The "Net increase/decrease in other liabilities" item under "Changes in operating assets and liabilities" amounting to TL 14.538 (December 31, 2008- TL 2.987) consists mainly of changes in miscellaneous payables, other liabilities and taxes and other duties payable.

Effect of the changes in foreign currency rates on cash and cash equivalents has been calculated approximately TL (1.701) as of December 31, 2009 (December 31, 2008 – TL 32.259).

Albaraka Türk Katılım Bankası Anonim Şirketi

**Notes related to unconsolidated financial statements
for the year ended December 31, 2009 (continued)
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VII. Explanations and notes related to risk group of the Bank:

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

a. Current period (31.12.2009):

Risk Group of the Bank	Investment in associates, subsidiaries and joint ventures (business partnerships)		Direct and indirect shareholders of the bank		Other real or legal persons included in the risk group	
	Cash	Non-cash	Cash	Non-cash	Cash	Non-cash
Loans and other receivables						
Balance at the beginning of period	-	-	-	-	23.316	8.603
Balance at end of period	-	-	3	-	82.063	9.840
Profit share and commission income received	-	-	-	-	622	33

b. Prior period: (31.12.2008):

Risk Group of the Bank	Investment in associates, subsidiaries and joint ventures (business partnerships)		Direct and indirect shareholders of the bank		Other real or legal persons included in the risk group	
	Cash	Non-cash	Cash	Non-cash	Cash	Non-cash
Loans and other receivables						
Balance at the beginning of period	-	-	-	-	678	15.041
Balance at end of period	-	-	-	-	23.316	8.603
Profit share and commission expense	-	-	-	-	3.722	-

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

Risk Group of the Bank	Investment in associates, subsidiaries and joint ventures (business partnerships)		Direct and indirect Shareholders of the bank		Other real or legal persons included in the risk group	
	Current period	Prior period	Current		Current period	Prior period
			31.12.2009	31.12.2008		
Current and profit sharing accounts						
Balance at the beginning of period	-	-	30.966	11	73.456	62.825
Balance at the end of period	-	-	1.180	30.966	210.155	73.456
Profit share expense	-	-	587	622	14.672	13.707

c.2. Information on forward and option agreements and other similar agreements with related parties: None

2. As of December 31, 2009, the Bank has paid TL 4.584 (December 31, 2008 – TL 2.568) to top management.

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

Albaraka Türk Katılım Bankası Anonim Şirketi

**Notes related to unconsolidated financial statements
for the year ended December 31, 2009 (continued)
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VIII. Explanations and notes related to domestic branches, agencies and abroad branches and off-shore branches of the bank:

	Number	Number of Personnel			
Domestic Branches	101	1.935			
			Country		
Foreign Representation Office	-	-	-		
				Total Assets	Statutory Share Capital
Foreign Branches	-	-	-	-	-
			-		
Off-Shore Branches	-	-	-	-	-

IX. Explanations and notes related to subsequent events: None

Albaraka Türk Katılım Bankası Anonim Şirketi

**Notes related to unconsolidated financial statements
for the year ended December 31, 2009 (continued)
(Currency - Thousand Turkish Lira)**

Section six

Other explanations

- I. Other explanations, matters required to be disclosed due to having a significant effect on the financial statements or for the purpose of clarification of the balance sheet: None.**

Section seven

Independent auditors' report

- I. Explanations on the independent auditors' report:**

The unconsolidated financial statements as of and for the year ended December 31, 2009 were audited by Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (A Member Firm of Ernst & Young Global Limited) and the auditors' report dated February 26, 2010 is presented prior to the financial statements.

- II. Notes and disclosures related to independent auditors' report: None.**