

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

# **Albaraka Türk Katılım Bankası Anonim Şirketi**

**Unconsolidated financial statements including independent auditors limited review report for the interim period ended March 31, 2009**

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

**Albaraka Türk Katılım Bankası Anonim Şirketi  
Independent auditors' limited review report  
for the interim period ended March 31, 2009**

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

We have reviewed the accompanying balance sheet of Albaraka Türk Katılım Bankası A.Ş. ("the Bank") as of March 31, 2009 and the related statements of income, cash flows and changes in shareholders' equity for the period then ended. These financial statements are the responsibility of the Bank's management. As independent auditors, our responsibility is to issue a report based on the review performed on these financial statements.

The financial statements of the Bank as of and for the year ended December 31, 2008 and as of and for the three months period ended March 31, 2008 were audited and reviewed, respectively, by another auditor in accordance with the standards declared at 37<sup>th</sup> paragraph of the Banking Act No: 5411. The auditor expressed an unqualified opinion in their report dated February 26, 2009 for the financial statements as of and for the year ended December 31, 2008 and unqualified review report in their report dated May 9, 2008 for the financial statements as of and for the three months period ended March 31, 2008 according to standards declared at 37<sup>th</sup> paragraph of the Banking Act No: 5411 and other communiqués published by the Banking Regulation and Supervision Agency ("BRSA") for the accounting and reporting standards.

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

Based on our review, nothing has come to our attention that causes us to believe that the accompanying financial statements do not give a true and fair view of the financial position of Albaraka Türk Katılım Bankası A.Ş. as of March 31, 2009 and the results of its operations and its cash flows for the period then ended in accordance with the prevailing accounting principles and standards set out as per the Article No: 37 of the Banking Act No: 5411, and other regulations, communiqués and circulars in respect of accounting and financial reporting and pronouncements made by the Banking Regulation and Supervision Agency.

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

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

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

Metin Canoğulları, SMMM  
Engagement Partner

May 13, 2009  
Istanbul, Türkiye

**THE UNCONSOLIDATED INTERIM FINANCIAL REPORT OF ALBARAKA TÜRK KATILIM BANKASI A.Ş. as of MARCH 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  
Bank's facsimile : 0 212 274 99 00  
Bank's website : www.albarakaturk.com.tr  
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The unconsolidated financial report for the three 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 STRUCTURE OF THE BANK
- EXPLANATORY DISCLOSURES AND FOOTNOTES ON UNCONSOLIDATED FINANCIAL STATEMENTS
- LIMITED REVIEW 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 reviewed and presented as attached.

May 13, 2009

<hr/> <b>Adnan Ahmed Yusuf ABDULMALEK</b> Chairman of the Board of Directors	<hr/> <b>Dr. Adnan BÜYÜKDENİZ</b> General Manager	
<hr/> <b>Fahrettin YAHŞİ</b> Executive Vice General Manager	<hr/> <b>Ahmet OCAK</b> Financial Affairs Head	
<hr/> <b>Othman Ahmed SULIMAN</b> Chairman of the Audit Committee	<hr/> <b>Mitat AKTAŞ</b> Member of the Audit Committee	<hr/> <b>Hamad Abdulla A. EQAB</b> Member of the Audit Committee

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

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**Albaraka Türk Katılım Bankası Anonim Şirketi**

**Notes related to unconsolidated financial statements  
for the interim period ended March 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 relying 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 publishment of the decree except for the clauses whose validity date have been declared separately. The name of the Bank changed as "Albaraka Türk Katılım Bankası A.Ş." with the decision taken on Extraordinary General Meeting dated December 21, 2005 in the framework of Banking Law numbered 5411 published at December 22, 2005 in the Official Gazette numbered 25983 and registered to trade registry records numbered 6461 on 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 March 31, 2009 and December 31, 2008, 54.06% of the Bank's shares are owned by Albaraka Banking Group located in Bahrain. 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 interim period ended March 31, 2009 (continued)  
(Currency - Thousand Turkish Lira)****III. The Chairman & Members of Board of Directors, Audit Committee, General Managers and Assistant General Managers and their Shares in the Bank:**

Title	Name	Administrative Function	Educational Degree	Ownership Percentage(%)
<b>Chairman of the Board of Directors</b>	Adnan Ahmed Yusuf ABDULMALEK	Chairman of the Board of Directors	Master	(*) 0.00
<b>Members of Board of Directors</b>	Yalçın ÖNER	Vice Chairman of the BOD	Master	0.0006
	Faisal A.M.A. ALZAMEL	Member of BOD	Master	(*) 0.00
	İbrahim Fayez Humaid ALSHAMSI	Member of BOD	Bachelor	(*) 0.00
	Othman Ahmed SULIMAN	Member of BOD	Bachelor	(*) 0.00
	Osman AKYÜZ	Member of BOD	Bachelor	0.0668
	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
	Dr. Adnan BÜYÜKDENİZ	Member of BOD / General Manager	Doctorate	0.0199
<b>Assistant General Managers</b>	Fahrettin YAHŞI	Vice Assistant General Manager	Master	0.0106
	Temel HAZIROĞLU	Assistant General Manager	Bachelor	0.0332
	Bülent TABAN	Assistant General Manager	Master	-
	M. Ali VERÇİN	Assistant General Manager	Bachelor	-
<b>Audit Committee</b>	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
<b>Auditors:</b>	Seyfettin YENİDÜNYA	Auditor	Bachelor	-
	Prof. Dr. Arif Ateş VURAN	Auditor	Doctorate	-
	Memduh COŞKUNER	Auditor	Bachelor	-

(\*) The share amounts of these persons are between 1-3 TL ( full).

Chairman and members of the Board of Directors, members of auditing committee, general manager and assistant general managers own 0.1311% 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	145,687	54.06 %	145,687	-

**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.

**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.

**Albaraka Türk Katılım Bankası Anonim Şirketi**

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

**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.

**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 law. 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.

**Albaraka Türk Katılım Bankası Anonim Şirketi**

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

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 March 31, 2009, Bank has 1,817 employee (December 31, 2008 – 1,796) and 100 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

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

	Note (5th Section)	Reviewed Current period (31.03.2009)			Audited Prior period (31.12.2008)		
		TL	FC	Total	TL	FC	Total
<b>I. Cash and balances with the central bank</b>	(I-1)	393,032	224,431	617,463	167,035	216,501	383,536
<b>II. Financial assets at fair value through profit and loss, net</b>	(I-2)	2,570	-	2,570	2,317	7,768	10,085
2.1 Trading financial assets		2,570	-	2,570	2,317	7,768	10,085
2.1.1 Public sector debt securities		-	-	-	-	-	-
2.1.2 Share certificates		-	-	-	-	-	-
2.1.3 Derivative financial assets held for trading		-	-	-	-	-	-
2.1.4 Other marketable securities		2,570	-	2,570	2,317	7,768	10,085
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		-	-	-	-	-	-
<b>III. Banks</b>	(I-3)	456,790	257,680	714,470	320,822	221,937	542,759
<b>IV. Money market placements</b>		-	-	-	-	-	-
<b>V. Financial assets-available for sale (net)</b>	(I-4)	26,066	-	26,066	-	-	-
5.1 Share certificates		-	-	-	-	-	-
5.2 Public sector debt securities		26,066	-	26,066	-	-	-
5.3 Other marketable securities		-	-	-	-	-	-
<b>VI. Loans and receivables</b>	(I-5)	3,689,591	14,074	3,703,665	3,654,233	3,028	3,657,261
6.1 Loans and receivables		3,610,802	13,482	3,624,284	3,614,186	2,480	3,616,666
6.1.1 Loans to risk group of the Bank		-	-	-	22,994	-	22,994
6.1.2 Public sector debt securities		-	-	-	-	-	-
6.1.3 Other		3,610,802	13,482	3,624,284	3,591,192	2,480	3,593,672
6.2 Non-performing loans		157,840	8,658	166,498	97,636	8,183	105,819
6.3 Specific provisions (-)		(79,051)	(8,066)	(87,117)	(57,589)	(7,635)	(65,224)
<b>VII. Investments held to maturity (net)</b>	(I-6)	76,879	16,692	93,571	-	-	-
<b>VIII. Investments in associates (net)</b>	(I-7)	4,461	-	4,461	4,131	-	4,131
8.1 Accounted for under equity method		-	-	-	-	-	-
8.2 Unconsolidated associates		4,461	-	4,461	4,131	-	4,131
8.2.1 Financial associates		-	-	-	-	-	-
8.2.2 Non-financial associates		4,461	-	4,461	4,131	-	4,131
<b>IX. Subsidiaries (net)</b>	(I-8)	-	-	-	-	-	-
9.1 Unconsolidated financial subsidiaries		-	-	-	-	-	-
9.2 Unconsolidated non-financial subsidiaries		-	-	-	-	-	-
<b>X. Joint ventures (net)</b>	(I-9)	-	-	-	-	-	-
10.1 Accounted for under equity method		-	-	-	-	-	-
10.2 Unconsolidated		-	-	-	-	-	-
10.2.1 Financial subsidiaries		-	-	-	-	-	-
10.2.2 Non-financial subsidiaries		-	-	-	-	-	-
<b>XI. Finance lease receivables (net)</b>	(I-10)	91,824	-	91,824	100,311	-	100,311
11.1 Finance lease receivables		106,104	-	106,104	116,610	-	116,610
11.2 Operating lease receivables		-	-	-	-	-	-
11.3 Other		-	-	-	-	-	-
11.4 Unearned income (-)		(14,280)	-	(14,280)	(16,299)	-	(16,299)
<b>XII. Derivative financial assets for hedging purposes</b>	(I-11)	-	-	-	-	-	-
12.1 Fair value hedge		-	-	-	-	-	-
12.2 Cash flow hedge		-	-	-	-	-	-
12.3 Hedge of net investment risks in foreign operations		-	-	-	-	-	-
<b>XIII. Tangible assets (net)</b>		66,118	-	66,118	51,625	-	51,625
<b>XIV. Intangible assets (net)</b>		1,607	-	1,607	1,488	-	1,488
14.1 Goodwill		-	-	-	-	-	-
14.2 Other		1,607	-	1,607	1,488	-	1,488
<b>XV. Investment property (net)</b>		-	-	-	-	-	-
<b>XVI. Tax asset</b>		1,328	-	1,328	2,915	-	2,915
16.1 Current tax asset		-	-	-	-	-	-
16.2 Deferred tax asset	(I-12)	1,328	-	1,328	2,915	-	2,915
<b>XVII. Assets held for sale and discontinued operations (net)</b>		4,879	-	4,879	5,958	-	5,958
17.1 Held for sale		4,879	-	4,879	5,958	-	5,958
17.2 Discontinued operations		-	-	-	-	-	-
<b>XVIII. Other assets</b>	(I-13)	14,168	26,664	40,832	5,024	24,015	29,039
<b>Total assets</b>		<b>4,829,313</b>	<b>539,541</b>	<b>5,368,854</b>	<b>4,315,859</b>	<b>473,249</b>	<b>4,789,108</b>

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  
March 31, 2009 and December 31, 2008  
(Currency - Thousand Turkish Lira)****Liabilities and equity**

	Note (5th Section)	Reviewed Current period (31.03.2009)			Audited Prior period (31.12.2008)		
		TL	FC	Total	TL	FC	Total
<b>I. Funds collected</b>	(II-1)	<b>2,441,543</b>	<b>2,073,177</b>	<b>4,514,720</b>	<b>2,029,617</b>	<b>1,955,493</b>	<b>3,985,110</b>
1.1 Funds from risk group of the Bank		105,888	68,154	174,042	41,118	63,304	104,422
1.2 Other		2,335,655	2,005,023	4,340,678	1,988,499	1,892,189	3,880,688
<b>II. Derivative financial liabilities held for trading</b>	(II-2)	-	-	-	-	-	-
<b>III. Funds borrowed</b>	(II-3)	-	-	-	-	-	-
<b>IV. Debts to money markets</b>		-	-	-	-	-	-
<b>V. Marketable securities issued (net)</b>		-	-	-	-	-	-
<b>VI. Miscellaneous payables</b>		<b>91,286</b>	<b>12,169</b>	<b>103,455</b>	<b>90,332</b>	<b>7,309</b>	<b>97,641</b>
<b>VII. Other liabilities</b>	(II-4)	-	-	-	-	-	-
<b>VIII. Finance lease payables (net)</b>	(II-5)	-	-	-	-	-	-
8.1 Finance lease payables		-	-	-	-	-	-
8.2 Operating lease payables		-	-	-	-	-	-
8.3 Other		-	-	-	-	-	-
8.4 Deferred finance lease expenses ( - )		-	-	-	-	-	-
<b>IX. Hedging derivative financial liabilities</b>	(II-6)	-	-	-	-	-	-
9.1 Fair value hedge		-	-	-	-	-	-
9.2 Cash flow hedge		-	-	-	-	-	-
9.3 Hedge of net investment in foreign operations		-	-	-	-	-	-
<b>X. Provisions</b>	(II-7)	<b>83,853</b>	<b>10,927</b>	<b>94,780</b>	<b>33,779</b>	<b>9,826</b>	<b>43,605</b>
10.1 General loan loss provisions		28,219	10,257	38,476	26,355	9,632	35,987
10.2 Restructuring provisions		-	-	-	-	-	-
10.3 Reserve for employee benefits		6,862	-	6,862	5,716	-	5,716
10.4 Insurance technical reserves (net)		-	-	-	-	-	-
10.5 Other provisions		48,772	670	49,442	1,708	194	1,902
<b>XI. Tax liability</b>	(II-8)	<b>22,164</b>	-	<b>22,164</b>	<b>24,650</b>	-	<b>24,650</b>
11.1 Current tax liability		22,164	-	22,164	24,650	-	24,650
11.2 Deferred tax liability		-	-	-	-	-	-
<b>XII. Liabilities for the assets held for sale and discontinued operations (net)</b>		-	-	-	-	-	-
12.1 Held for sale		-	-	-	-	-	-
12.2 Discontinued operations		-	-	-	-	-	-
<b>XIII. Subordinated loans</b>		-	-	-	-	-	-
<b>XIV. Shareholders' equity</b>	(II-9)	<b>633,735</b>	-	<b>633,735</b>	<b>638,102</b>	-	<b>638,102</b>
14.1 Paid-in capital		269,500	-	269,500	269,500	-	269,500
14.2 Capital reserves		169,529	-	169,529	158,396	-	158,396
14.2.1 Share premium		158,396	-	158,396	158,396	-	158,396
14.2.2 Share cancellation profits		-	-	-	-	-	-
14.2.3 Marketable securities revaluation reserve		351	-	351	-	-	-
14.2.4 Tangible assets revaluation reserve		10,782	-	10,782	-	-	-
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		73,593	-	73,593	73,593	-	73,593
14.3.1 Legal reserves		17,097	-	17,097	17,097	-	17,097
14.3.2 Status reserves		-	-	-	-	-	-
14.3.3 Extraordinary reserves		56,496	-	56,496	56,496	-	56,496
14.3.4 Other profit reserves		-	-	-	-	-	-
<b>14.4 Profit or loss</b>		<b>121,113</b>	-	<b>121,113</b>	<b>136,613</b>	-	<b>136,613</b>
14.4.1 Prior year income / (losses)		90,813	-	90,813	371	-	371
14.4.2 Current period income / (losses)		30,300	-	30,300	136,242	-	136,242
14.5 Minority interest		-	-	-	-	-	-
<b>Total liabilities and equity</b>		<b>3,272,581</b>	<b>2,096,273</b>	<b>5,368,854</b>	<b>2,816,480</b>	<b>1,972,628</b>	<b>4,789,108</b>

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**

**Statement of off-balance sheet contingencies and commitments  
(Statement of financial position) as of March 31, 2009 and December 31, 2008  
(Currency - Thousand Turkish Lira)**

	Note (5th Section)	Reviewed Current period (31.03.2009)			Audited Prior period (31.12.2008)		
		TL	FC	Total	TL	FC	Total

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

<b>A.</b>	<b>Off balance sheet commitments and contingencies (I+II+III)</b>	(III-1)	<b>1,870,907</b>	<b>1,150,272</b>	<b>3,021,179</b>	<b>1,838,615</b>	<b>1,149,423</b>	<b>2,988,038</b>
<b>I.</b>	<b>Guarantees</b>		<b>1,627,310</b>	<b>1,150,272</b>	<b>2,777,582</b>	<b>1,599,797</b>	<b>1,149,423</b>	<b>2,749,220</b>
1.1.	Letters of guarantees		1,617,773	828,641	2,446,414	1,585,622	858,685	2,444,307
1.1.1.	Guarantees subject to state tender law		121,001	27,631	148,632	86,441	9,040	95,481
1.1.2.	Guarantees given for foreign trade operations		-	392,936	392,936	-	402,308	402,308
1.1.3.	Other letters of guarantee		1,496,772	408,074	1,904,846	1,499,181	447,337	1,946,518
1.2.	Bank loans		-	20,056	20,056	-	25,777	25,777
1.2.1.	Import letter of acceptances		-	20,056	20,056	-	25,777	25,777
1.2.2.	Other bank acceptances		-	-	-	-	-	-
1.3.	Letter of credits		-	286,372	286,372	-	262,370	262,370
1.3.1.	Documentary letter of credits		-	-	-	-	-	-
1.3.2.	Other letter of credits		-	286,372	286,372	-	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		9,537	15,203	24,740	14,175	2,591	16,766
<b>II.</b>	<b>Commitments</b>		<b>243,597</b>	<b>-</b>	<b>243,597</b>	<b>238,818</b>	<b>-</b>	<b>238,818</b>
2.1.	Irrevocable commitments		243,597	-	243,597	238,818	-	238,818
2.1.1.	Forward asset purchase commitments		-	-	-	-	-	-
2.1.2.	Share capital commitment to associates and subsidiaries		-	-	-	-	-	-
2.1.3.	Loan granting commitments		3,266	-	3,266	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		172,385	-	172,385	168,664	-	168,664
2.1.7.	Tax and fund liabilities from export commitments		240	-	240	234	-	234
2.1.8.	Commitments for credit card expenditure limits		67,706	-	67,706	64,991	-	64,991
2.1.9.	Commitments for promotions related with credit cards and banking activities		-	-	-	-	-	-
2.1.10.	Receivables from short sale commitments		-	-	-	-	-	-
2.1.11.	Payables for short sale commitments		-	-	-	-	-	-
2.1.12.	Other irrevocable commitments		-	-	-	-	-	-
2.2.	Revocable commitments		-	-	-	-	-	-
2.2.1.	Revocable loan granting commitments		-	-	-	-	-	-
2.2.2.	Other revocable commitments		-	-	-	-	-	-
<b>III.</b>	<b>Derivative financial instruments</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
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>B.</b>	<b>Custody and pledged items (IV+V+VI)</b>		<b>5,607,974</b>	<b>671,941</b>	<b>6,279,915</b>	<b>5,227,104</b>	<b>630,142</b>	<b>5,857,246</b>
<b>IV.</b>	<b>Items held in custody</b>		<b>428,022</b>	<b>223,922</b>	<b>651,944</b>	<b>504,849</b>	<b>226,159</b>	<b>731,008</b>
4.1.	Assets under management		-	-	-	-	-	-
4.2.	Investment securities held in custody		-	-	-	-	-	-
4.3.	Checks received for collection		314,032	30,990	345,022	407,726	42,386	450,112
4.4.	Commercial notes received for collection		110,170	22,674	132,844	93,154	22,245	115,399
4.5.	Other assets received for collection		1,020	-	1,020	1,169	-	1,169
4.6.	Assets received for public offering		-	-	-	-	-	-
4.7.	Other items under custody		72	161,958	162,030	72	153,843	153,915
4.8.	Custodians		2,728	8,300	11,028	2,728	7,685	10,413
<b>V.</b>	<b>Pledged items</b>		<b>5,179,952</b>	<b>448,019</b>	<b>5,627,971</b>	<b>4,722,255</b>	<b>403,983</b>	<b>5,126,238</b>
5.1.	Marketable securities		10,849	-	10,849	10,849	-	10,849
5.2.	Guarantee notes		507,828	60,011	567,839	383,289	48,714	432,003
5.3.	Commodity		189,345	73,041	262,386	206,390	68,289	274,679
5.4.	Warranty		-	-	-	-	-	-
5.5.	Properties		4,351,288	306,188	4,657,476	4,105,441	278,770	4,384,211
5.6.	Other pledged items		100,719	2,122	102,841	1,396	2,046	3,442
5.7.	Pledged items-depository		19,923	6,657	26,580	14,890	6,164	21,054
<b>VI.</b>	<b>Accepted independent guarantees and warranties</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total off balance sheet accounts (A+B)</b>			<b>7,478,881</b>	<b>1,822,213</b>	<b>9,301,094</b>	<b>7,065,719</b>	<b>1,779,565</b>	<b>8,845,284</b>

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

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

		Note	Reviewed Current period (01.01 - 31.03.2009)	Reviewed Prior period (01.01-31.03.2008)
Statement of income		(5th Section)	Total	Total
<b>I.</b>	<b>Profit share income</b>	(IV-1)	<b>161,742</b>	<b>126,772</b>
1.1	Profit share on loans		153,144	114,399
1.2	Income received from reserve deposits		-	793
1.3	Income received from banks		3,294	6,361
1.4	Income received from money market placements		-	-
1.5	Income received from marketable securities portfolio		2,589	-
1.5.1	Held-for-trading financial assets		-	-
1.5.2	Financial assets at fair value through profit and loss		-	-
1.5.3	Available-for-sale financial assets		626	-
1.5.4	Investment-held for maturity		1,963	-
1.6	Finance lease income		2,715	5,219
1.7	Other profit share income		-	-
<b>II.</b>	<b>Profit share expense</b>	(IV-2)	<b>90,611</b>	<b>66,805</b>
2.1	Expense on profit sharing accounts		90,611	66,776
2.2	Profit share expense on funds borrowed		-	29
2.3	Profit share expense on money market borrowings		-	-
2.4	Expense on securities issued		-	-
2.5	Other profit share expense		-	-
<b>III.</b>	<b>Net profit share income (I - II)</b>		<b>71,131</b>	<b>59,967</b>
<b>IV.</b>	<b>Net fees and commissions income/expenses</b>		<b>19,573</b>	<b>11,173</b>
4.1	Fees and commissions received		21,161	12,622
4.1.1	Non-cash loans		9,307	5,164
4.1.2	Other		11,854	7,458
4.2	Fees and commissions paid		1,588	1,449
4.2.1	Non-cash loans		35	9
4.2.2	Other		1,553	1,440
<b>V.</b>	<b>Dividend income</b>		<b>-</b>	<b>-</b>
<b>VI.</b>	<b>Net trading income</b>	(IV-3)	<b>9,832</b>	<b>3,502</b>
6.1	Capital market transaction gains / (losses)		87	225
6.2	Gains/ (losses) from derivative financial instruments		-	-
6.3	Foreign exchange gains / (losses)		9,745	3,277
<b>VII.</b>	<b>Other operating income</b>	(IV-4)	<b>5,494</b>	<b>6,093</b>
<b>VIII.</b>	<b>Net operating income (III+IV+V+VI+VII)</b>		<b>106,030</b>	<b>80,735</b>
<b>IX.</b>	<b>Provision for loan losses and other receivables (-)</b>	(IV-5)	<b>27,511</b>	<b>12,148</b>
<b>X.</b>	<b>Other operating expenses (-)</b>	(IV-6)	<b>40,472</b>	<b>33,647</b>
<b>XI.</b>	<b>Net operating income/(loss) (VIII-IX-X)</b>		<b>38,047</b>	<b>34,940</b>
<b>XII.</b>	<b>Amount in excess recorded as gain after merger</b>		<b>-</b>	<b>-</b>
<b>XIII.</b>	<b>Gain / (loss) on equity method</b>		<b>-</b>	<b>-</b>
<b>XIV.</b>	<b>Gain / (loss) on net monetary position</b>		<b>-</b>	<b>-</b>
<b>XV.</b>	<b>Profit/(loss) from continued operations before taxes (XI+...+XIV)</b>	(IV-7)	<b>38,047</b>	<b>34,940</b>
<b>XVI.</b>	<b>Tax provision for continued operations (±)</b>	(IV-8)	<b>7,747</b>	<b>7,378</b>
16.1	Provision for current income taxes		8,943	7,692
16.2	Provision for deferred taxes		(1,196)	(314)
<b>XVII.</b>	<b>Net profit/(loss) from continued operations (XV±XVI)</b>	(IV-9)	<b>30,300</b>	<b>27,562</b>
<b>XVIII.</b>	<b>Income on discontinued operations</b>		<b>-</b>	<b>-</b>
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		-	-
<b>XIX.</b>	<b>Loss from discontinued operations (-)</b>		<b>-</b>	<b>-</b>
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		-	-
<b>XX.</b>	<b>Income / (loss) on discontinued operations before taxes (XVIII-XIX)</b>		<b>-</b>	<b>-</b>
<b>XXI.</b>	<b>Tax provision for discontinued operations (±)</b>		<b>-</b>	<b>-</b>
21.1	Provision for current income taxes		-	-
21.2	Provision for deferred taxes		-	-
<b>XXII.</b>	<b>Net income/loss from discontinued operations (XX±XXI)</b>		<b>-</b>	<b>-</b>
<b>XXIII.</b>	<b>Net income/loss (XVII+XXII)</b>	(IV-10)	<b>30,300</b>	<b>27,562</b>
23.1	Group's income/loss		30,300	27,562
23.2	Minority interest		-	-
	Earnings per share		0.112	0.102

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

**Albaraka Türk Katılım Bankası Anonim Şirketi**

**Statement of income and expenses accounted under equity (Other comprehensive income)  
for the interim periods ended March 31, 2009 and 2008  
(Currency - Thousand Turkish Lira)**

	Reviewed Current period	Reviewed Prior period
Statement of income and expenses accounted under equity	(01.01 - 31.03.2009)	(01.01-31.03.2008)
I. Additions from marketable securities revaluation differences for available for sale financial assets	351	-
II. Tangible assets revaluation differences	10,782	-
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 tax	-	-
IX. Deferred tax on valuation differences	-	-
X. Total net profit/loss accounted under equity (I+II+...+IX)	11,133	-
XI. Profit/loss	-	-
1.1 Change in fair value of marketable securities (transfer to profit/loss)	-	-
1.2 Reclassification and transfer of derivatives accounted for cash flow hedge purposes to income statement	-	-
1.3 Transfer of hedge of net investments in foreign operations to income statement	-	-
1.4 Other	-	-
XII. Total profit/loss accounted for the period (X±XI)	11,133	-

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

### Statement of changes in shareholder's equity for the interim periods ended March 31, 2009 and 2008 (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 period 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
<b>Reviewed current period (31.03.2009)</b>																			
I.	<b>Beginning balance</b>	269,500	-	158,396	-	17,097	-	56,496	-	136,242	371	-	-	-	-	-	638,102	-	638,102
	Changes in period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
II.	Increase/decrease related to merger	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.	Marketable securities revaluation differences	-	-	-	-	-	-	-	-	-	-	351	-	-	-	-	351	-	351
IV.	Hedging funds (effective portion)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.1	Cash-flow hedge	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.2	Hedge of net investment in foreign operations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V.	Tangible assets revaluation differences	-	-	-	-	-	-	-	-	-	-	-	10,782	-	-	-	10,782	-	10,782
VI.	Intangible assets revaluation differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII.	Bonus shares obtained from associates, subsidiaries and jointly controlled operations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII.	Foreign exchange differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX.	Changes related to the disposal of assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X.	Changes related to the reclassification of assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI.	The effect of change in associate's equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XII.	Capital increase	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.1	Cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.2	Internal sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIII.	Share issue premium	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV.	Share cancellation profits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XV.	Inflation adjustment to paid-in capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI.	Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVII.	Period net income/(loss)	-	-	-	-	-	-	-	-	30,300	-	-	-	-	-	-	30,300	-	30,300
XVIII.	Profit distribution	-	-	-	-	-	-	-	-	(136,242)	90,442	-	-	-	-	-	(45,800)	-	(45,800)
18.1	Dividends distributed	-	-	-	-	-	-	-	-	-	(45,800)	-	-	-	-	-	(45,800)	-	(45,800)
18.2	Transfers to reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18.3	Other	-	-	-	-	-	-	-	-	(136,242)	136,242	-	-	-	-	-	-	-	-
	<b>Closing balance (I+II+III+...+XVI+XVII+XVIII)</b>	<b>269,500</b>	<b>-</b>	<b>158,396</b>	<b>-</b>	<b>17,097</b>	<b>-</b>	<b>56,496</b>	<b>-</b>	<b>30,300</b>	<b>90,813</b>	<b>351</b>	<b>10,782</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>633,735</b>	<b>-</b>	<b>633,735</b>

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

### Statement of changes in shareholder's equity for the interim periods ended March 31, 2009 and 2008 (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 period 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
<b>Reviewed prior period (31.03.2008)</b>																			
I.	<b>Beginning balance</b>	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	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVII.	Period net income/(loss)	-	-	-	-	-	-	-	-	27,562	-	-	-	-	-	-	27,562	-	27,562
XVIII.	Profit distribution	-	-	-	-	6,131	-	46,557	-	(84,979)	-	-	-	-	-	-	(32,291)	-	(32,291)
18.1	Dividends distributed	-	-	-	-	-	-	-	-	-	(32,291)	-	-	-	-	-	(32,291)	-	(32,291)
18.2	Transfers to reserves	-	-	-	-	6,131	-	46,557	-	-	(52,688)	-	-	-	-	-	-	-	-
18.3	Other	-	-	-	-	-	-	-	-	(84,979)	84,979	-	-	-	-	-	-	-	-
<b>Closing balance (I+II+III+...+XVI+XVII+XVIII)</b>		<b>269,500</b>	<b>-</b>	<b>158,396</b>	<b>-</b>	<b>17,036</b>	<b>-</b>	<b>56,557</b>	<b>-</b>	<b>27,562</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>529,051</b>	<b>-</b>	<b>529,051</b>

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 interim periods ended March 31, 2009 and 2008  
(Currency - Thousand Turkish Lira)**

<b>Statement of cash flow</b>		<b>Reviewed Current period 01.01.2009 – 31.03.2009</b>	<b>Reviewed Prior period 01.01.2008 – 31.03.2008</b>
		<b>Note (5th Section)</b>	
<b>A.</b>	<b>Cash flows from banking operations</b>		
<b>1.1</b>	<b>Operating profit before changes in operating assets and liabilities</b>	<b>25,206</b>	<b>36,429</b>
1.1.1	Profit share income received	155,625	126,056
1.1.2	Profit share expense paid	(85,751)	(66,805)
1.1.3	Dividend received	-	-
1.1.4	Fees and commissions received	19,573	11,173
1.1.5	Other income	5,494	9,595
1.1.6	Collections from previously written off loans	4,169	716
1.1.7	Payments to personnel and service suppliers	(24,075)	(21,155)
1.1.8	Taxes paid	(12,977)	(931)
1.1.9	Others	(36,852)	(22,220)
<b>1.2</b>	<b>Changes in operating assets and liabilities</b>	<b>491,508</b>	<b>(70,725)</b>
1.2.1	Net (increase) decrease in available for sale financial assets	7,515	-
1.2.2	Net (increase) decrease in financial assets at fair value through profit or loss	-	(4,481)
1.2.3	Net (increase) decrease in due from banks and other financial institutions	(11,164)	(18,719)
1.2.4	Net (increase) decrease in loans	(29,120)	(572,503)
1.2.5	Net (increase) decrease in other assets	(12,123)	(6,369)
1.2.6	Net increase (decrease) in funds collected from banks	-	520,367
1.2.7	Net increase (decrease) in other funds collected	524,750	-
1.2.8	Net increase (decrease) in funds borrowed	-	-
1.2.9	Net increase (decrease) in due payables	-	-
1.2.10	Net increase (decrease) in other liabilities	11,650	10,980
<b>I.</b>	<b>Net cash provided from banking operations</b>	<b>516,714</b>	<b>(34,296)</b>
<b>B.</b>	<b>Cash flows from investing activities</b>		
<b>II.</b>	<b>Net cash provided from investing activities</b>	<b>(121,595)</b>	<b>(4,288)</b>
2.1	Cash paid for purchase jointly controlled operations, associates and subsidiaries	-	-
2.2	Cash obtained from sale of jointly controlled operations, associates and subsidiaries	-	-
2.3	Fixed assets purchases	(2,397)	(4,586)
2.4	Fixed assets sales	-	298
2.5	Cash paid for purchase of financial assets available for sale	-	-
2.6	Cash obtained from sale of financial assets available for sale	-	-
2.7	Cash paid for purchase of investment securities	(119,198)	-
2.8	Cash obtained from sale of investment securities	-	-
2.9	Other	-	-
<b>C.</b>	<b>Cash flows from financing activities</b>		
<b>III.</b>	<b>Net cash provided from financing activities</b>	<b>-</b>	<b>(32,291)</b>
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	-	(32,291)
3.5	Payments for finance leases	-	-
3.6	Other	-	-
<b>IV.</b>	<b>Effect of change in foreign exchange rate on cash and cash equivalents</b>	<b>-</b>	<b>-</b>
<b>V.</b>	<b>Net increase in cash and cash equivalents (I + II + III + IV)</b>	<b>395,119</b>	<b>(70,875)</b>
<b>VI.</b>	<b>Cash and cash equivalents at the beginning of the period</b>	<b>(V-1) 747,749</b>	<b>603,091</b>
<b>VII.</b>	<b>Cash and cash equivalents at the end of the period</b>	<b>(V-1) 1,142,868</b>	<b>532,216</b>

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

## **Albaraka Türk Katılım Bankası Anonim Şirketi**

### **Notes related to unconsolidated financial statements for the interim period ended March 31, 2009 (continued) (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 to the procedures and principles identified by the Banking Regulation and Supervision Agency (BRSA) by taking the international standards and opinions of the TASB and other associations of the banking sector into consideration; 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 revaluation of 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. Arrangement 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 interim period ended March 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 March 31, 2009 are in 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:**

None.

**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 does not hold any equity instruments in foreign currency classified as available for sale.

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 interim period ended March 31, 2009 (continued)  
(Currency - Thousand Turkish Lira)**

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

The fair values of forward transactions are determined by comparing the foreign currency rates prevailing on the date of the financial statements to the discounted value of the transaction's forward exchange rates to financial statements date. 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.

*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 accounted on accrual basis.

**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 interim period ended March 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.

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:** Financial assets available for sale consist of revenue indexed bonds which are issued by The Undersecretariat of Turkish Treasury. After the initial recognition, the difference between the fair value and the rediscounted balance calculated with the guaranteed minimum rate of return is accounted under other comprehensive income statement, whereas the rediscounted income calculated with the guaranteed minimum rate is accounted at statement of income under profit share income from available for sale financial assets.

**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, 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 interim period ended March 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 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 was calculated by rediscounting the predetermined 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 transferred to the income statement as the related financial asset is removed from the equity.

**Albaraka Türk Katılım Bankası Anonim Şirketi**

**Notes related to unconsolidated financial statements  
for the interim period ended March 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.

**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 interim period ended March 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. The useful lives of these mentioned assets are determined as three to four 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 10,782; net of deferred tax, (December 31, 2008 – None) is accounted under the equity as a revaluation fund.

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 (5 to 10 years)

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.

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.

**Albaraka Türk Katılım Bankası Anonim Şirketi**

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

**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.

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.

**Albaraka Türk Katılım Bankası Anonim Şirketi**

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

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

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 are 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 interim period ended March 31, 2009 (continued)  
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**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 the granting 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 exempted 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 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.

**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  
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**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 provides a single product or service or a group of related products and services and that is subject to risks and returns that are different from those of other business segments.

The Bank operates in retail and commercial banking areas in line with its mission by means of profit/loss sharing methodology.

	<b>Retail</b>	<b>Commercial</b>	<b>Treasury</b>	<b>Undistributed</b>	<b>Total</b>
<b>Total Assets</b>	<b>208,220</b>	<b>3,593,621</b>	<b>284,470</b>	<b>1,282,543</b>	<b>5,368,854</b>
<b>Total Liabilities</b>	<b>3,121,702</b>	<b>1,411,503</b>	<b>91,659</b>	<b>743,990</b>	<b>5,368,854</b>
Net profit share income/(expense)	(66,567)	125,416	12,282	-	71,131
Net fees and commissions income/ (expense)	480	17,270	402	1,421	19,573
Other operating income /(expense)	26	(20,721)	71	(32,033)	(52,657)
Profit before tax	(66,061)	121,965	12,755	(30,612)	38,047
Provision for tax	-	-	-	(7,747)	(7,747)
<b>Net profit for the period</b>	<b>(66,061)</b>	<b>121,965</b>	<b>12,755</b>	<b>(38,359)</b>	<b>30,300</b>

**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 interim period ended March 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 17.00% (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				
<b>Balance sheet items (Net)</b>	<b>853,712</b>	<b>761,270</b>	<b>1,147,806</b>	<b>1,531,389</b>
Cash and cash equivalents	66,342	-	-	-
Matured marketable securities	-	-	-	-
The Central Bank of the Republic of Turkey	362,056	-	-	-
Domestic banks, foreign banks, foreign head offices and branches	-	705,656	-	8,814
Money market placements	-	-	-	-
Receivables from reverse repo transactions	-	-	-	-
Reverse deposits	137,779	-	-	-
Loans	161,805	55,398	1,003,190	1,172,474
Non-performing loans (Net)	-	-	-	66,188
Financial lease receivables	1,094	-	50,424	19,888
Available-for-sale financial assets(*)	-	-	-	-
Held to maturity investments	83,300	-	-	8,300
Receivables from installment sales of assets	-	-	-	958
Miscellaneous receivables	-	-	-	395
Accrued profit share and income accruals	39,680	216	94,192	160,494
Investment in associates, subsidiaries and joint ventures (Business partnerships) (net)	-	-	-	4,461
Tangible assets	-	-	-	61,567
Other assets	1,656	-	-	27,850
<b>Off-balance sheet items</b>	<b>72,674</b>	<b>-</b>	<b>237,646</b>	<b>1,064,518</b>
Guarantees and commitments	72,674	-	237,646	1,064,518
Derivative financial instruments	-	-	-	-
Non risk weighted accounts	-	-	-	-
<b>Total risk-weighted assets</b>	<b>926,386</b>	<b>761,270</b>	<b>1,385,452</b>	<b>2,595,907</b>

(\*) Since the total balance of financial assets held for sale exceeds 10% of the marketable securities recorded in the financial statements, this amount has been taken into consideration in calculating the market risk as mandated by the communiqué

**Albaraka Türk Katılım Bankası Anonim Şirketi****Notes related to unconsolidated financial statements  
for the interim period ended March 31, 2009 (continued)  
(Currency - Thousand Turkish Lira)****Summary information related to capital adequacy ratio**

	Current period 31.03.2009	Prior period 31.12.2008
Total risk weighted assets (TRWA)	3,440,887	3,090,745
Amount subject to market risk (ASMR)	15,275	135,625
Amount subject to operational risk (ASOR)	462,299	346,237
Shareholders' equity	666,289	647,219
Shareholders' equity / (TRWA + ASMR + ASOR) *100	17.00	18.12

**Components of shareholders' equity:**

	Current period 31.03.2009	Prior period 31.12.2008
<b>Core capital</b>		
Paid-in capital	269,500	269,500
Nominal capital	269,500	269,500
Capital commitments (-)	-	-
Paid-in capital inflation indexation difference	-	-
Share premium	158,396	158,396
Share cancellations profits	-	-
Legal reserves	17,097	17,097
First legal reserve (Turkish Commercial Code 466/1)	13,176	13,176
Second legal reserve (Turkish Commercial Code 466/2)	3,860	3,860
Other legal reserve per special legislation	61	61
Status reserves	-	-
Extraordinary reserves	56,496	56,496
Reserves allocated by the General Assembly	56,496	56,496
Retained earnings	-	-
Accumulated losses	-	-
Foreign currency share capital exchange difference	-	-
Inflation adjustments to legal, statutory and extraordinary reserves	-	-
Profit	121,113	136,613
Current period net profit	30,300	136,242
Prior years' profits	90,813	371
Provision for possible losses up to 25% of the core capital	45,884	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 (-)(*)(**)	(8,900)	-
Prepaid expenses (-)(**)	(11,301)	(3,450)
Intangible assets (-)(**)	(1,607)	(1,488)
Deferred tax asset exceeding 10% of the Core Capital (-)(**)	-	-
Excess amount in the Article 56, Clause 3 of the Banking Law (-)(**)	-	-
<b>Total core capital</b>	<b>646,678</b>	<b>633,234</b>
<b>Supplementary capital</b>		
General loan loss reserves	15,131	14,696
45% of the revaluation reserve for movable fixed assets	-	-
45% of the revaluation reserve for properties	4,852	-
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	158	-
Associates and subsidiaries	-	-
Available for sale securities	158	-
Indexation differences for capital reserves, profit reserves and retained earnings (Except indexation differences for legal reserves, statutory reserves and extraordinary reserves)	-	-
<b>Total supplementary capital</b>	<b>20,141</b>	<b>14,696</b>
<b>TIER III capital</b>	<b>-</b>	<b>-</b>
<b>Capital</b>	<b>666,819</b>	<b>647,930</b>
<b>Deductions from the capital</b>	<b>530</b>	<b>711</b>
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	530	711
Other	-	-
<b>Total shareholder's equity</b>	<b>666,289</b>	<b>647,219</b>

(\*) Leasehold Improvements, amounting to TL 8,900 as of March 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, considered as a deduction from the capital up to January 1, 2009. As of March 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 interim period ended March 31, 2009 (continued) (Currency - Thousand Turkish Lira)

#### II. 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 March 31, 2009, the details of marketing risk calculated in accordance with the mentioned method are as follows:

##### a) Information related to market risk:

	<b>Amount</b>
(I) Capital requirement to be employed for general market risk - standard method	258
(II) Capital requirement to be employed for specific risk - standard method	51
(III) Capital requirement to be employed for currency risk - standard method	913
(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)	1,222
(IX) Amount subject to market risk (12,5 X VIII)	15,275

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

This section has not been prepared in accordance with the Article 25 of the communiqué on Banks' Publicly Disclosed Financial Statements and Relevant Explanations and Footnotes.

#### III. Explanations on foreign 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.

**Albaraka Türk Katılım Bankası Anonim Şirketi**

**Notes related to unconsolidated financial statements  
for the interim period ended March 31, 2009 (continued)  
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**III. Explanations on foreign currency risk (continued)**

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.

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

	<b>USD</b>	<b>EUR</b>
As of March 31, 2009 - Balance sheet evaluation rate	1.660	2.208
As of March 30, 2009	1.692	2.223
As of March 27, 2009	1.658	2.203
As of March 26, 2009	1.653	2.243
As of March 25, 2009	1.650	2.236
As of March 24, 2009	1.652	2.239

e) The simple arithmetical average of the major foreign exchange buying rates of the Bank for the thirty one days before the balance sheet date is TL 1.694 for 1 USD (December 2008 – TL 1.522), 2.21 for 1 EURO (December 2008 – TL 2.0615) and TL 1.728 for 100 JPY (December 2008 – TL 1.671).

**Albaraka Türk Katılım Bankası Anonim Şirketi****Notes related to unconsolidated financial statements  
for the interim period ended March 31, 2009 (continued)  
(Currency - Thousand Turkish Lira)****Currency risk of the Bank:**

	EUR	USD	JPY	Other FC	Total
<b>Assets</b>					
Cash (cash in vault, effectives, money in transit, cheques purchased) and balances with the Central Bank of Republic of Turkey	79,206	145,207	-	18	224,431
Banks	109,710	142,714	218	5,038	257,680
Financial assets at fair value through profit and loss	-	-	-	-	-
Money market placements	-	-	-	-	-
Available-for-sale financial assets	-	-	-	-	-
Loans and financial lease receivables(*)	455,926	1,125,177	-	-	1,581,103
Subsidiaries, associates and joint ventures	-	-	-	-	-
Held-to-maturity investments	-	16,692	-	-	16,692
Derivative financial assets for hedging purposes	-	-	-	-	-
Tangible assets	-	-	-	-	-
Intangible assets	-	-	-	-	-
Other assets (**)	6	27,419	-	-	27,425
<b>Total assets</b>	<b>644,848</b>	<b>1,457,209</b>	<b>218</b>	<b>5,056</b>	<b>2,107,331</b>
<b>Liabilities</b>					
Current account and funds collected from Banks via participation accounts	20,373	75,791	-	148	96,312
Current and profit sharing accounts	616,195	1,357,432	1	3,237	1,976,865
Money market borrowings	-	-	-	-	-
Funds provided from other financial institutions	-	-	-	-	-
Marketable securities issued	-	-	-	-	-
Miscellaneous payables	1,879	10,256	-	34	12,169
Derivative financial liabilities for hedging purposes	-	-	-	-	-
Other liabilities	2,997	7,930	-	-	10,927
<b>Total liabilities</b>	<b>641,444</b>	<b>1,451,409</b>	<b>1</b>	<b>3,419</b>	<b>2,096,273</b>
<b>Net balance sheet position</b>	<b>3,404</b>	<b>5,800</b>	<b>217</b>	<b>1,637</b>	<b>11,058</b>
<b>Net off balance sheet position</b>	<b>350,350</b>	<b>790,923</b>	<b>5,822</b>	<b>3,177</b>	<b>1,150,272</b>
Derivative financial instruments assets	-	-	-	-	-
Derivative financial instruments liabilities	-	-	-	-	-
<b>Non-cash loans (***)</b>	<b>350,350</b>	<b>790,923</b>	<b>5,822</b>	<b>3,177</b>	<b>1,150,272</b>
<b>Prior period</b>					
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
<b>Net off-balance sheet position</b>	<b>(2,876)</b>	<b>115,048</b>	<b>359</b>	<b>1,806</b>	<b>114,337</b>
<b>Net off balance sheet position</b>	<b>326,786</b>	<b>814,685</b>	<b>4,633</b>	<b>3,319</b>	<b>1,149,423</b>
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 1,235,349 (2008 – TL 1,314,049) and profit share income accrual of TL 331,681 (2008 – TL 298,972).

(\*\*) Receivables from sale of assets with payment plan amounting to TL 761 (2008 – TL 695) is included in other assets.

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

**Albaraka Türk Katılım Bankası Anonim Şirketi**

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

**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
		31.03.2009	31.12.2008	31.03.2009	31.12.2008
USD	10%	580	11,505	-	-
EUR	10%	340	(288)	-	-

**IV. 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 has 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 interim period ended March 31, 2009 (continued)  
(Currency - Thousand Turkish Lira)****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
<b>Current period</b>								
<b>Assets</b>								
Cash (cash in vault, effectives, money in transit, cheques purchased) and Balances with the Central Bank of Republic of Turkey	428,398	189,065	-	-	-	-	-	617,463
Banks	714,470	-	-	-	-	-	-	714,470
Financial Assets at Fair Value Through Profit and Loss	2,570	-	-	-	-	-	-	2,570
Money Market Placements	-	-	-	-	-	-	-	-
Available-For-Sale Financial Assets	-	-	1,066	-	25,000	-	-	26,066
Loans	5,109	545,853	569,244	1,291,095	1,261,819	42,988	-	3,716,108
Held-To-Maturity Investments	-	-	1,879	92	91,600	-	-	93,571
Other Assets (*)	-	299	181	406	72	-	197,648	198,606
<b>Total Assets</b>	<b>1,150,547</b>	<b>735,217</b>	<b>572,370</b>	<b>1,291,593</b>	<b>1,378,491</b>	<b>42,988</b>	<b>197,648</b>	<b>5,368,854</b>
<b>Liabilities</b>								
Current account and funds collected from banks via participation accounts	26,273	28,429	31,512	13,262	-	-	-	99,476
Current and profit sharing accounts	532,982	2,233,546	454,987	1,193,729	-	-	-	4,415,244
Funds provided from other financial institutions	-	-	-	-	-	-	-	-
Money Market Borrowings	-	-	-	-	-	-	-	-
Marketable securities issued	-	-	-	-	-	-	-	-
Miscellaneous payables	-	-	-	-	-	-	103,455	103,455
Other liabilities (*)	-	45,800	-	-	-	-	704,879	750,679
<b>Total Liabilities</b>	<b>559,255</b>	<b>2,307,775</b>	<b>486,499</b>	<b>1,206,991</b>	<b>-</b>	<b>-</b>	<b>808,334</b>	<b>5,368,854</b>
<b>Net Liquidity Gap</b>	<b>591,292</b>	<b>(1,572,558)</b>	<b>85,871</b>	<b>84,602</b>	<b>1,378,491</b>	<b>42,988</b>	<b>(610,686)</b>	<b>-</b>
<b>Prior period</b>								
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
<b>Net Liquidity Gap</b>	<b>116,242</b>	<b>(980,277)</b>	<b>336,350</b>	<b>(44,397)</b>	<b>1,195,781</b>	<b>45,444</b>	<b>(669,143)</b>	<b>-</b>

(\*) 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.

**Albaraka Türk Katılım Bankası Anonim Şirketi**

**Notes related to unconsolidated financial statements  
for the interim period ended March 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 - 31.03.2009		Prior period - 31.12.2008	
	TL	FC	TL	FC
Cash/foreign currency	28,354	37,988	27,891	40,264
The CBRT	364,678	186,443	139,144	176,237
Other	-	-	-	-
<b>Total</b>	<b>393,032</b>	<b>224,431</b>	<b>167,035</b>	<b>216,501</b>

**b) Information related to CBRT:**

	Current period - 31.03.2009		Prior period - 31.12.2008	
	TL	FC	TL	FC
Unrestricted demand deposit	361,384	672	135,509	1,326
Unrestricted time deposit	-	-	-	-
Restricted time deposit	3,294	185,771	3,635	174,911
<b>Total</b>	<b>364,678</b>	<b>186,443</b>	<b>139,144</b>	<b>176,237</b>

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 6% 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 a collateral or blocked.

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

**3. a) Information on Banks:**

	Current period - 31.03.2009		Prior period - 31.12.2008	
	TL	FC	TL	FC
Banks	<b>456,790</b>	<b>257,680</b>	<b>320,822</b>	<b>221,937</b>
Domestic	456,790	93,584	320,822	93,144
Foreign	-	164,096	-	128,793
Branches and head office abroad	-	-	-	-
<b>Total</b>	<b>456,790</b>	<b>257,680</b>	<b>320,822</b>	<b>221,937</b>

**Albaraka Türk Katılım Bankası Anonim Şirketi**

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

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

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

		<b>Current period 31.03.2009</b>	<b>Prior period 31.12.2008</b>
Debt Securities		-	-
	Quoted on a stock exchange	-	-
	Not quoted	26,066	-
Share Certificates		-	-
	Quoted on a stock exchange	-	-
	Not quoted	-	-
Impairment provision (-)		-	-
<b>Total</b>		<b>26,066</b>	<b>-</b>

**5. Information on loans and receivables:**

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

	<b>Current period - 31.03.2009</b>		<b>Prior period – 31.12.2008</b>	
	<b>Cash</b>	<b>Non-cash</b>	<b>Cash</b>	<b>Non-cash</b>
Direct loans granted to shareholders	-	-	-	-
Corporate shareholders	-	-	-	-
Real person shareholders	-	-	-	-
Indirect loans granted to shareholders	188	10,262	23,316	8,603
Loans granted to employees	1,742	-	1,700	-
<b>Total</b>	<b>1,930</b>	<b>10,262</b>	<b>25,016</b>	<b>8,603</b>

**Albaraka Türk Katılım Bankası Anonim Şirketi**

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

**5. Information on loans and receivables (continued):**

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

	Standard loans and other receivables		Loans and other receivables under close monitoring	
	Loans and other receivables	Restructured or rescheduled	Loans and other receivables	Restructured or rescheduled
Cash Loans				
Loans	3,238,685	54,441	229,162	101,996
Financing of documents on goods	-	-	-	-
Export loans	27,420	-	-	-
Import loans	443,161	277	-	-
Business l loans	1,858,417	53,950	190,623	99,672
Consumer loans	160,215	148	32,103	1,836
Credit cards	19,923	-	-	-
Investments on profit/loss partnership	30,000	-	-	-
Precious metals loans	-	-	-	-
Loans given to financial sector	72,218	-	-	-
Loans given to abroad	1,077	-	-	-
Other	237,324	66	6,436	488
Foreign exchange loss provision on FC indexed loans	(2,183)	-	-	-
Profit share income and accrual	391,113	-	-	-
Other receivables (*)	67,203	3,321	3,684	17,616
<b>Total</b>	<b>3,305,888</b>	<b>57,762</b>	<b>232,846</b>	<b>119,612</b>

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

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

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

	Short-term	Medium and long-term	Profit share and income receivable and accruals	Total
<b>Consumer loans-TL</b>	<b>2,211</b>	<b>173,352</b>	<b>1,681</b>	<b>177,244</b>
Housing loans	863	159,028	1,457	161,348
Vehicle loans	816	8,232	122	9,170
Consumer loans	424	986	37	1,447
Other	108	5,106	65	5,279
<b>Consumer loans-FC indexed</b>	<b>180</b>	<b>17,276</b>	<b>4,449</b>	<b>21,905</b>
Housing loans	49	14,301	3,832	18,182
Vehicle loans	101	1,186	231	1,518
Consumer loans	-	495	92	587
Other	30	1,294	294	1,618
<b>Consumer loans-FC</b>	-	-	-	-
Housing loans	-	-	-	-
Vehicle loans	-	-	-	-
Consumer loans	-	-	-	-
Other	-	-	-	-
<b>Retail credit cards-TL</b>	<b>7,282</b>	-	-	<b>7,282</b>
With installment	-	-	-	-
Without installment	7,282	-	-	7,282
<b>Retail credit cards-FC</b>	-	-	-	-
With installment	-	-	-	-
Without installment	-	-	-	-
<b>Personnel loans-TL</b>	<b>18</b>	<b>196</b>	<b>3</b>	<b>217</b>
Housing loans	-	-	-	-
Vehicle loans	13	158	2	173
Consumer loans	5	35	1	41
Other	-	3	-	3
<b>Personnel loans-FC indexed</b>	<b>1,069</b>	-	<b>78</b>	<b>1,147</b>
Housing loans	-	-	-	-
Vehicle loans	-	-	-	-
Consumer loans	1,069	-	78	1,147
Other	-	-	-	-
<b>Personnel loans-FC</b>	-	-	-	-
Housing loans	-	-	-	-
Vehicle loans	-	-	-	-
Consumer loans	-	-	-	-
Other	-	-	-	-
<b>Personnel credit cards-TL</b>	<b>387</b>	-	-	<b>387</b>
With installment	-	-	-	-
Without installment	387	-	-	387
<b>Personnel credit cards-FC</b>	-	-	-	-
Installment based	-	-	-	-
Without-installment	-	-	-	-
<b>Overdraft account-TL(real person)</b>	-	-	-	-
<b>Overdraft account-FC(real person)</b>	-	-	-	-
<b>Total</b>	<b>11,147</b>	<b>190,824</b>	<b>6,211</b>	<b>208,182</b>

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

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

	Short-term	Medium and long-term	Profit share and income receivable and accruals	Total
<b>Commercial installment loans-TL</b>	<b>2,736</b>	<b>90,572</b>	<b>1,190</b>	<b>94,498</b>
Business loans	765	59,265	761	60,791
Vehicle loans	1,971	27,724	412	30,107
Consumer loans	-	-	-	-
Other	-	3,583	17	3,600
<b>Commercial installment loans-FC indexed</b>	<b>271</b>	<b>14,860</b>	<b>3,137</b>	<b>18,268</b>
Business loans	-	7,908	1,894	9,802
Vehicle loans	271	5,572	970	6,813
Consumer loans	-	-	-	-
Other	-	1,380	273	1,653
<b>Commercial installment Loans-FC</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Business loans	-	-	-	-
Vehicle loans	-	-	-	-
Consumer loans	-	-	-	-
Other	-	-	-	-
<b>Corporate credit cards-TL</b>	<b>12,254</b>	<b>-</b>	<b>16</b>	<b>12,270</b>
With installment	-	-	-	-
Without installment	12,254	-	16	12,270
<b>Corporate credit cards-FC</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
With installment	-	-	-	-
Without installment	-	-	-	-
<b>Overdraft account-TL (legal entity)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Overdraft account-FC(legal entity)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>15,261</b>	<b>105,432</b>	<b>4,343</b>	<b>125,036</b>

e) Breakdown of domestic and foreign loans

	Current period- 31.03.2009	Prior period- 31.12.2008
Domestic loans	3,232,094	3,126,914
Foreign loans	1,077	133,498
Profit share income and accrual	391,113	356,254
<b>Total</b>	<b>3,624,284</b>	<b>3,616,666</b>

f) Loans granted to subsidiaries and associates: None.

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

g) Specific provisions provided for loans:

Specific provisions	Current period- 31.03.2009	Prior period- 31.12.2008
Loans and receivables with limited collectability	16,704	7,955
Loans and receivables with doubtful collectability	24,986	21,967
Uncollectible loans and receivables	45,427	35,302
<b>Total</b>	<b>87,117</b>	<b>65,224</b>

Out of the specific provisions totaling to TL 87,117 (2008 – TL 65,224), TL 66,865 (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 4,769 and classified as uncollectible loans and receivables:

	III. Group: Loans and receivables with limited collectability	IV. Group: Loans and receivables with doubtful collectability	V. Group Uncollectible loans and receivables
Current period			
(Gross amount before specific provisions)	-	-	-
Restructured loans and other receivables	-	-	676
Rescheduled loans and other receivables	-	-	4,093
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 collectability	IV. Group: Loans and receivables with doubtful collectability	V. Group Uncollectible loans and receivables
Ending balance of prior period	24,196	40,152	41,471
Additions in the current period (+)	62,043	1,342	1,503
Transfers from other categories of non-performing loans (+)	-	16,645	15,610
Transfers to other categories of non-performing loans (-)	(16,645)	(15,610)	-
Collections in the current period (-)	(3,263)	(906)	-
Write offs (-)	(13)	(22)	(5)
Corporate and commercial loans	(1)	(3)	-
Retail loans	(12)	(19)	(3)
Credit cards	-	-	(2)
Other	-	-	-
Ending balance of the current period	66,318	41,601	58,579
Specific provisions (-)	(16,704)	(24,986)	(45,427)
<b>Net balance at the balance sheet</b>	<b>49,614</b>	<b>16,615</b>	<b>13,152</b>

Non-performing loans and receivables in the amount of TL 166,498 (2008 – TL 105,819) comprise TL 110,841 (2008 – TL 73,811) of participation account share of loans and receivables provided from participation accounts.

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

## 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	-	-	8,658
Specific provision (-)	-	-	(8,066)
<b>Net balance on balance sheet</b>	<b>-</b>	<b>-</b>	<b>592</b>
Prior period:			
Period end balance	-	-	8,183
Specific provision (-)	-	-	(7,635)
<b>Net balance on balance sheet</b>	<b>-</b>	<b>-</b>	<b>548</b>

## 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
<b>Current period (net)</b>	<b>49,614</b>	<b>16,615</b>	<b>13,152</b>
Loans to individuals and corporates (gross)	66,318	41,601	58,579
Specific provision (-)	(16,704)	(24,986)	(45,427)
Loans to individuals and corporates (net)	49,614	16,615	13,152
Banks (gross)	-	-	-
Specific provision (-)	-	-	-
Banks (net)	-	-	-
Other loans and receivables (gross)	-	-	-
Specific provision (-)	-	-	-
Other loans and receivables (net)	-	-	-
<b>Prior period (net)</b>	<b>16,241</b>	<b>18,185</b>	<b>6,169</b>
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)	-	-	-

As the domicile of the main shareholder of the Bank is a foreign country, the Bank is awaiting for the necessary permissions from the related regulatory bodies related to the properties; which are related to the non-performing loans; purchased from the bailiff although the sale of the property has been finalized. When the necessary permissions are obtained, TL 6,935 will be classified from non-performing loans to asset held for sale account.

**Albaraka Türk Katılım Bankası Anonim Şirketi**

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

**5. Information on loans and receivables (continued):**

- i. Main guidelines for liquidation policies for the uncollectible loans and other receivables:

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

- j. Information on "Write-off" policies :

The Bank's policy is to write-off receivables that are recognized as unable to be collected during legal follow up.

**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:

	<b>Current period 31.03.2009</b>	<b>Prior period 31.12.2008</b>
Bond	-	-
Treasury Bill	-	-
Other Securities (*)	93,571	-
<b>Total</b>	<b>93,571</b>	<b>-</b>

- (\*) Consists of Sukook certificates issued by Central Bank of Bahrain amounting to TL 8,308 and value indexed bonds issued by Secretariat of Treasury amounting to TL 85,263.

- 6.3. Information on investments held-to-maturity:

	<b>Current period 31.03.2009</b>	<b>Prior period 31.12.2008</b>
Debt Securities	-	-
Quoted on a stock exchange	-	-
Not quoted	93,571	-
Impairment provision	-	-
<b>Total</b>	<b>93,571</b>	<b>-</b>

**Albaraka Türk Katılım Bankası Anonim Şirketi**

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

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

6.4. Movement of Held-to-Maturity Investments:

	<b>Current period 31.03.2009</b>	<b>Prior period 31.12.2008</b>
Beginning balance	-	-
Foreign currency differences on monetary assets	150	-
Transfers from financial assets held for trading	8,158	-
Purchases during period	85,263	-
Disposals through sales and redemptions	-	-
Impairment provision (-)	-	-
<b>Closing balance</b>	<b>93,571</b>	<b>-</b>

In accordance with "Communique for the Amendment of the Communique related to Turkish Accounting Standard Financial Instruments: Recognition and Measurement (TAS 39)" published in the Official Gazete 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 having the fair value of USD 5,000,000 as held to maturity financial assets which were classified as financial assets held for trading before. Had this financial asset not been classified, valuation gain or loss that would have been recognised could not have been determined since, the fair value of reclassified investment could not be determined reliably as of balance sheet date. However, due to the fact that the certificates have been issued by Central Bank of Bahrain, the management of the Bank believes that there will be no material difference between the fair value and the carried 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 383 in accordance with the independent valuation report dated January 12, 2009 and reflected the associate with net book value of TL 4,461.

**Albaraka Türk Katılım Bankası Anonim Şirketi**

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

**7. Information on associates (net) (continued):**

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 / Türkiye	12.5	12.5

The balances presented in the below table are obtained from the unaudited financial statements of the Rozi Kağıt ve Temizlik Ürünleri San ve Tic A.Ş. prepared as of December 31, 2008.

	Total assets	Shareholders deficit	Total fixed assets	Dividend or profit share income	Income from marketable securities	Current period 31.12.2008 profit/loss	Prior period 31.12.2007 profit/loss	Fair value
1)	91,858	(51,751)	23,922	-	-	(49,012)	(11,066)	-

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):**

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

**9. Investments in joint- ventures: None.**

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

a) Investments in financial leases as to remaining maturity:

	Current period 31.03.2009		Prior period 31.12.2008	
	Gross	Net	Gross	Net
Less than a year	51,427	43,194	57,423	48,541
1 to 4 years	54,247	48,229	58,709	51,327
Over 4 years	430	401	478	443
<b>Total</b>	<b>106,104</b>	<b>91,824</b>	<b>116,610</b>	<b>100,311</b>

b) Information on net investments in finance lease receivables:

	Current period 31.03.2009	Prior period 31.12.2008
Gross finance lease receivable	106,104	116,610
Unearned financial lease receivable (-)	(14,280)	(16,299)
Cancelled lease amounts (-)	-	-
<b>Net receivable from finance leases</b>	<b>91,824</b>	<b>100,311</b>

**Albaraka Türk Katılım Bankası Anonim Şirketi**

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

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

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 restructuring 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 is 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:** None.

**12. Information related to deferred tax asset**

In accordance with the related regulations deferred tax asset as of March 31, 2009 is TL 4,111 (December 31, 2008 – TL 2,915) and deferred tax liability is TL 2,783 (December 31, 2008 – TL Nil).

	<b>Current period 31.03.2009</b>	<b>Prior period 31.12.2008</b>
Difference of carrying value and taxable value of tangible assets	685	599
Provisions for impairments	188	215
Provisions for retirement and vacation pay liabilities	1,372	1,143
Profit share discounts	1,849	945
Other	17	13
<b>Deferred tax asset</b>	<b>4,111</b>	<b>2,915</b>
Deferred tax effect of revaluation of buildings	(2,695)	-
Financial leases correction effects	(88)	-
<b>Deferred tax liability</b>	<b>(2,783)</b>	<b>-</b>
<b>Deferred tax asset, net</b>	<b>1,328</b>	<b>2,915</b>

**13. Information on other assets:**

The Bank signed an agreement with a contractor amounting to USD 41,000,000 in order to build a new head quarter at Umraniye/Istanbul, which is going to be used in the future periods. The Bank made an advance payment amounting to USD 15,600,000 up to March 31, 2009. The balance has been included in "Other Assets" in the accompanying financial statements.

**Albaraka Türk Katılım Bankası Anonim Şirketi****Notes related to unconsolidated financial statements  
for the interim period ended March 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 (March 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
<b>I. Real Persons Current Accounts Non-Trade TL</b>	<b>97,523</b>	-	-	-	-	-	-	-	<b>97,523</b>
<b>II. Real Persons Participation Accounts Non-Trade TL</b>	-	<b>1,235,258</b>	<b>152,941</b>	<b>30,463</b>	-	<b>56,094</b>	<b>358,606</b>	-	<b>1,833,362</b>
<b>III. Current Account. other-TL</b>	<b>184,376</b>	-	-	-	-	-	-	-	<b>184,376</b>
Public sector	10,473	-	-	-	-	-	-	-	10,473
Commercial institutions	169,021	-	-	-	-	-	-	-	169,021
Other institutions	4,543	-	-	-	-	-	-	-	4,543
Commercial and Other institutions	39	-	-	-	-	-	-	-	39
Banks and Participation Banks	300	-	-	-	-	-	-	-	300
Central Bank of Turkey	-	-	-	-	-	-	-	-	-
Domestic Banks	1	-	-	-	-	-	-	-	1
Foreign Banks	-	-	-	-	-	-	-	-	-
Participation Banks	299	-	-	-	-	-	-	-	299
Other	-	-	-	-	-	-	-	-	-
<b>IV. Participation Accounts-TL</b>	-	<b>145,506</b>	<b>3,002</b>	<b>27,742</b>	-	<b>2,874</b>	<b>147,158</b>	-	<b>326,282</b>
Public sector	-	-	-	-	-	-	-	-	-
Commercial institutions	-	136,888	1,333	27,567	-	223	113,568	-	279,579
Other institutions	-	8,618	471	175	-	34	33,590	-	42,888
Commercial and Other institutions	-	-	1,198	-	-	-	-	-	1,198
Banks and Participation Banks	-	-	-	-	-	2,617	-	-	2,617
<b>V. Real Persons Current Accounts Non- Trade FC</b>	<b>93,029</b>	-	-	-	-	-	-	-	<b>93,029</b>
<b>VI. Real Persons Participation Accounts Non-Trade FC</b>	-	<b>499,439</b>	<b>131,928</b>	<b>30,245</b>	-	<b>98,004</b>	<b>318,490</b>	-	<b>1,078,106</b>
<b>VII. Other Current Accounts FC</b>	<b>184,327</b>	-	-	-	-	-	-	-	<b>184,327</b>
Residents in Turkey-corporate	156,401	-	-	-	-	-	-	-	156,401
Residents abroad-corporate	1,953	-	-	-	-	-	-	-	1,953
Banks and Participation Banks	25,973	-	-	-	-	-	-	-	25,973
Central Bank of Turkey	-	-	-	-	-	-	-	-	-
Domestic Banks	52	-	-	-	-	-	-	-	52
Foreign Banks	11,696	-	-	-	-	-	-	-	11,696
Participation Banks	14,225	-	-	-	-	-	-	-	14,225
Other	-	-	-	-	-	-	-	-	-
<b>VIII. Participation Accounts, other- FC</b>	-	<b>95,251</b>	<b>41,833</b>	<b>402</b>	-	<b>328,059</b>	<b>252,170</b>	-	<b>717,715</b>
Public sector	-	-	-	-	-	-	-	-	-
Commercial institutions	-	65,297	859	144	-	316,870	200,704	-	583,874
Other institutions	-	1,727	1,154	258	-	20	28,866	-	32,025
Commercial and Other institutions	-	4,840	3,265	-	-	525	22,600	-	31,230
Banks and Participation Banks	-	23,387	36,555	-	-	10,644	-	-	70,586
<b>IX. Precious metals deposits</b>	-	-	-	-	-	-	-	-	-
<b>X. Participation accounts special fund pools TL</b>	-	-	-	-	-	-	-	-	-
Residents in Turkey	-	-	-	-	-	-	-	-	-
Residents abroad	-	-	-	-	-	-	-	-	-
<b>XI. Participation accounts special fund pools – FC</b>	-	-	-	-	-	-	-	-	-
Residents in Turkey	-	-	-	-	-	-	-	-	-
Residents abroad	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>559,255</b>	<b>1,975,454</b>	<b>329,704</b>	<b>88,852</b>	-	<b>485,031</b>	<b>1,076,424</b>	-	<b>4,514,720</b>

**Albaraka Türk Katılım Bankası Anonim Şirketi****Notes related to unconsolidated financial statements  
for the interim period ended March 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
<b>I. Real Persons Current Accounts</b>									
<b>Non-Trade TL</b>	94,854	-	-	-	-	-	-	-	94,854
<b>II. Real Persons Participation Accounts</b>									
<b>Non-Trade TL</b>	-	1,028,871	131,973	29,402	-	55,085	309,338	-	1,554,669
<b>III. Current Account. other-TL</b>	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	-	-	-	-	-	-	-	-	-
<b>IV. Participation Accounts-TL</b>	-	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
<b>V. Real Persons Current Accounts</b>									
<b>Non-Trade FC</b>	104,003	-	-	-	-	-	-	-	104,003
<b>VI Real Persons Participation Accounts</b>									
<b>Non-Trade FC</b>	-	487,257	131,560	29,450	-	87,744	287,631	-	1,023,642
<b>VII. Other Current Accounts FC</b>	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	-	-	-	-	-	-	-	-	-
<b>VIII. Participation Accounts, other- FC</b>	-	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
<b>IX. Precious metals deposits</b>	-	-	-	-	-	-	-	-	-
<b>X. Participation accounts special fund pools TL</b>	-	-	-	-	-	-	-	-	-
Residents in Turkey	-	-	-	-	-	-	-	-	-
Residents abroad	-	-	-	-	-	-	-	-	-
<b>XI. Participation accounts special fund pools -FC</b>	-	-	-	-	-	-	-	-	-
Residents in Turkey	-	-	-	-	-	-	-	-	-
Residents abroad	-	-	-	-	-	-	-	-	-
Profit Share and Expense Discounts	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>635,849</b>	<b>1,626,710</b>	<b>284,906</b>	<b>67,575</b>	<b>-</b>	<b>428,944</b>	<b>941,126</b>	<b>-</b>	<b>3,985,110</b>

**Albaraka Türk Katılım Bankası Anonim Şirketi**

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

**1. Information on funds collected (continued):**

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

b.1 Exceeding the limit of Insurance Fund:

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

<b>Funds Collected</b>	Under the Guarantee of Insurance		Exceeding the Guarantee of Insurance	
	Current period 31.03.2009	Prior period 31.12.2008	Current period 31.03.2009	Prior period 31.12.2008
Real persons current and participation accounts not subject to trading transactions				
Turkish Lira accounts	1,147,038	1,027,771	781,835	620,192
Foreign currency accounts	412,356	420,435	769,745	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 31.03.2009	Prior period 31.12.2008
Foreign Branches' Deposits and other accounts	-	-
SSaving 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.	3,676	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.	-	-

**Albaraka Türk Katılım Bankası Anonim Şirketi**

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

**2. Information on derivative financial liabilities held for trading:**

None.

**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:**

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:

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:

	Current period 31.03.2009		Prior period 31.12.2008	
	Gross	Net	Gross	Net
Less than a year	-	-	-	-
1 to 4 years	-	-	-	-
Over 4 years	-	-	-	-
<b>Total</b>	-	-	-	-

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.

**Albaraka Türk Katılım Bankası Anonim Şirketi**

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

**5. Finance lease obligations (continued):**

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

	<b>Current period 31.03.2009</b>	<b>Prior period 31.12.2008</b>
Less than a year	8,990	8,259
1 to 4 years	25,597	24,378
Over 4 years	27,397	27,879
<b>Total</b>	<b>61,984</b>	<b>60,516</b>

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.**

**7. Information on provisions:**

a) Information on general provisions:

	<b>Current period 31.03.2009</b>	<b>Prior period 31.12.2008</b>
General provision	38,476	35,987
I. Group loans and receivables	25,916	27,000
Participation Account's Share	17,850	18,535
Bank's Share	8,066	8,465
Others	-	-
II. Group loans and receivables	7,050	3,671
Participation Account's Share	5,495	2,756
Bank's Share	1,555	915
Others	-	-
Provisions for non-cash loans	5,510	5,316
Others	-	-

b) Information on foreign exchange losses on foreign currency indexed loans and financial-lease receivables : As of March 31, 2009, for loans TL 2,183 (December 31, 2008 – TL 1,145) is offset with the accounts of loans.

c) Information on other provisions:

	<b>Current period 31.03.2009</b>	<b>Prior period 31.12.2008</b>
Provisions for possible losses	45,884	70

**Albaraka Türk Katılım Bankası Anonim Şirketi**

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

**7. Information on provisions (continued):**

In the ordinary general meeting of the Bank dated March 31, 2009, it is decided to distribute TL 45,800; including legal liabilities; dividend from the profit of year 2008, starting from April 08, 2009.

d) Information on provisions for employee rights:

Provisions for employee benefits consist of reserve for employee termination benefits amounting to TL 6,862 (December 31, 2008 – TL 5,716) and vacation pay liability amounting to TL 1,703 (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.

The amount payable consists of one month's salary limited to a maximum of TL 2,260 full amount (December 31, 2008 – TL 2,173 full amount) 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.

	<b>Current period 31.03.2009</b>	<b>Prior period 31.12.2008</b>
Discount Rate (%)	12	12
Estimated increase rate of salary ceiling (%)	5.4	5.4

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

	<b>Current period 31.03.2009</b>	<b>Prior period 31.12.2008</b>
Balance at the beginning of the period	5,716	5,053
Provisions recognized during the period	1,359	1,089
Paid during the period	(213)	(426)
<b>Balances at the end of the period</b>	<b>6,862</b>	<b>5,716</b>

**Albaraka Türk Katılım Bankası Anonim Şirketi**

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

**8. Information on taxes payable**

a.1. The amount of the corporate tax of the Bank in current period is TL 8,943, constituting the 2009 corporate tax provisions.

a.2. Information on taxes payable:

	<b>Current period 31.03.2009</b>	<b>Prior period 31.12.2008</b>
Corporate taxes payable	8,943	11,891
Taxation of marketable securities	4,605	4,178
Property tax	138	102
Banking insurance transaction tax (BITT)	4,195	4,544
Foreign exchange transaction tax	-	-
Value added tax payable	140	148
Other	2,071	1,971
<b>Total</b>	<b>20,092</b>	<b>22,834</b>

a.3) Information on premiums:

	<b>Current period 31.03.2009</b>	<b>Prior period 31.12.2008</b>
Social security premiums-employee	906	793
Social security premiums-employer	976	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	63	56
Unemployment insurance-employer	127	111
Other	-	-
<b>Total</b>	<b>2,072</b>	<b>1,816</b>

a) The bank has no deferred tax liabilities

**Albaraka Türk Katılım Bankası Anonim Şirketi**

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

**9. Information on shareholder's equity:**

- a. Presentation of paid-in capital

	<b>Current period 31.03.2009</b>	<b>Prior period 31.12.2008</b>
Common Stock	269,500	269,500
Preffered 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: None (December 31, 2008 – None).
- d. Information on share capital increases from capital reserves during the current period: None (December 31, 2008 – None).
- e. 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.
- f. 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.
- g. Summary of privileges given to shares representing the capital: None.
- h. Information on marketable securities value increase fund (December 31, 2008: None) :

	<b>Current period 31.03.2009</b>		<b>Prior period 31.12.2008</b>	
	<b>TL</b>	<b>FC</b>	<b>TL</b>	<b>FC</b>
From Investments in Associates, Subsidiaries, and Joint Ventures	-	-	-	-
Valuation difference	351	-	-	-
Foreing exchange difference	-	-	-	-
<b>Total</b>	<b>351</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Albaraka Türk Katılım Bankası Anonim Şirketi**

**Notes related to unconsolidated financial statements  
for the interim period ended March 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 67,706 (2008 – TL 64,991) payment commitments for checks, amounting to TL 172,385 (2008 – TL 168,664), tax and funds liabilities arising from exporting commitments amounting to TL 240 (2008 – TL 234) and loan granting commitments TL 3,266 (2008 – TL 4,929) totaling to TL 243,597 (2008 – TL 238,818) of irrevocable loan commitments as of March 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 286,372 (2008 – TL 262,370) and acceptances amounts to TL 20,056 (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 2,446,414 (2008 – TL 2,444,307). As of the balance sheet date, sureties provided by the Bank amount to TL 24,740 (2008 – TL 16,766).

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

	<b>Current period 31.03.2009</b>	<b>Prior period 31.12.2008</b>
Non-cash loans given against cash loans	-	-
With original maturity of 1 year or less	-	-
With original maturity of more than 1 year	-	-
Other non-cash loans	2,777,582	2,749,220
<b>Total</b>	<b>2,777,582</b>	<b>2,749,220</b>

c.2. Information on the non-cash loans classified in Group I and Group II:

	<b>I st Group</b>		<b>II nd Group</b>	
	<b>TL</b>	<b>FC</b>	<b>TL</b>	<b>FC</b>
<b>Non-cash loans</b>	<b>1,566,628</b>	<b>1,096,185</b>	<b>60,682</b>	<b>54,087</b>
Letters of guarantee	1,557,091	779,610	60,682	49,031
Bank acceptances	-	18,427	-	1,628
Letters of credit	-	283,330	-	3,042
Endorsements	-	-	-	-
Underwriting commitments	-	-	-	-
Factoring commitments	-	-	-	-
Other commitments and contingencies	9,537	14,818	-	386

**2. Explanations on contingent assets and liabilities:**

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

**Albaraka Türk Katılım Bankası Anonim Şirketi****Notes related to unconsolidated financial statements  
for the interim period ended March 31, 2009 (continued)  
(Currency - Thousand Turkish Lira)****IV. Explanations and footnotes related to the statement of income**

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

	Current period		Prior period	
	01.01.2009 – 31.03.2009		01.01.2008 – 31.03.2008	
	TL	FC	TL	FC
Profit share on loans (*)	153,019	125	113,691	708
Short term loans	82,519	109	71,927	708
Medium and long term loans	69,713	16	41,048	-
Profit share on non-performing loans	787	-	716	-
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:

	Current period		Prior period	
	01.01.2009 – 31.03.2009		01.01.2008 – 31.03.2008	
	TL	FC	TL	FC
The Central Bank of the Republic of Turkey	3,294	-	2,932	-
Domestic banks	-	-	3,429	-
Foreign banks	-	-	-	-
Branches and head office abroad	-	-	-	-
<b>Total</b>	<b>3,294</b>		<b>6,361</b>	

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

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

	Current period		Prior period	
	01.01.2009 – 31.03.2009		01.01.2008 – 31.03.2008	
	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)	-	-	29	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>29</b>	<b>-</b>

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

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

**Albaraka Türk Katılım Bankası Anonim Şirketi**

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

**3. Explanations on trading income/loss (Net):**

	Current period 01.01.2009 – 31.03.2009	Prior period 01.01.2008 – 31.03.2008
<b>Income</b>	<b>563,208</b>	<b>194,964</b>
Profit on capital market transactions	87	225
Profit on derivative financial instruments	-	-
Foreign exchange gains	563,121	194,739
<b>Losses (-)</b>	<b>(553,376)</b>	<b>(191,462)</b>
Losses on capital market transactions	-	-
Losses on derivative financial instruments	-	-
Foreign exchange losses	(553,376)	(191,462)
<b>Trading Profit/Loss</b>	<b>9,832</b>	<b>3,502</b>

**4. Explanations related to operating income:**

	Current period 01.01.2009 – 31.03.2009	Prior period 01.01.2008 – 31.03.2008
Communication expense provisions	221	219
Extracts expense provisions	191	94
Provision income from prior years	4,421	3,991
Income from sale of assets	305	1,439
Checks income	272	259
Leasing income	-	2
Other income	84	89
<b>Total</b>	<b>5,494</b>	<b>6,093</b>

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

	Reviewed Current period 01.01.2009 – 31.03.2009	Reviewed Prior period 01.01.2008 – 31.03.2008
Specific provisions for loans and other receivables	22,531	4,796
III. Group	14,677	3,373
IV. Group	3,672	972
V. Group	3,247	188
Doubtful commission, fee and other receivables	935	263
General provision expenses	2,454	6,565
Provision expenses for possible losses	14	-
Marketable securities impairment losses	340	-
Financial assets at fair value through profit and loss	340	-
Investment securities available for sale	-	-
Impairment provision expense	-	-
Associates	-	-
Subsidiaries	-	-
Joint ventures	-	-
Held to maturity investments	-	-
Other	2,172	787
<b>Total</b>	<b>27,511</b>	<b>12,148</b>

**Albaraka Türk Katılım Bankası Anonim Şirketi**

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

**6. Information on other operating expenses:**

	<b>Current period</b>	<b>Prior period</b>
	<b>01.01.2009 – 31.03.2009</b>	<b>01.01.2008 – 31.03.2008</b>
Personnel expenses	24,075	21,155
Provision for retirement pay liability	1,359	369
Bank social aid provision fund deficit provision	-	-
Impairment expenses of fixed assets	-	-
Depreciation expenses of fixed assets	2,070	1,862
Impairment expenses of intangible assets	-	-
Impairment expense of goodwill	-	-
Amortization expenses of intangible assets	202	152
Impairment expenses of assets held for resale	134	7
Depreciation expenses of assets held for resale	70	4
Impairment expenses of assets held for sale	-	-
Other operating Expenses	8,631	6,389
Rent Expense	3,346	2,102
Maintenance Expense	399	375
Advertisement expense	468	522
Other Expenses	4,418	3,390
Loss on sale of asset	4	15
Other	3,927	3,694
<b>Toplam</b>	<b>40,472</b>	<b>33,647</b>

**7. 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 increased by 8.9% compared to prior period and is realized as TL 38,047. profit before taxes comprises net profit share income in the amount of TL 71,131 and fees and commission income in the amount of TL 19,573. Total other operating expenses amount to TL 40,472.

**8. 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 March 31, 2009, the Bank's current tax expense amounts to TL 8,943 and deferred tax expense amounted to TL 1,196.

**Albaraka Türk Katılım Bankası Anonim Şirketi**

**Notes related to unconsolidated financial statements  
for the interim period ended March 31, 2009 (continued)  
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**9. Explanations on net income/loss from continued and discontinued operations:**

The Bank has no discontinued operations.

The Bank's profit before taxes on continuing operations amounts to TL 38,047 (March 31, 2008 – TL 34,940), after deducting tax provision expense amounting to TL 7,747 (March 31, 2008 – TL 7,378): the Bank has a net profit of TL 30,300 (March 31, 2008 - TL 27,562) for the period.

**10. Explanations on net income/loss.**

- a. 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.
- b. The effect of the change in accounting estimates to the net profit/loss; including the effects on the future period: None.
- c. Income / loss of minority interest: None.

**11. 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 11,854 (March 31, 2008 – TL 7,458) included in the statement of income included fees and commissions of pos machines from member companies in the amount of TL 7,523 (March 31, 2008 – TL 3,674)

**V. Explanations and notes related to cash flow statement:**

**1. Information on cash and cash equivalents:**

- a) "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 period:

	Current period 31.12.2008	Prior period 31.12.2007
<b>Cash</b>	<b>204,990</b>	<b>164,782</b>
Cash in TL/foreign currency	68,155	62,004
Money in Transit	-	-
Money at the CBRT	136,835	102,778
<b>Cash equivalents</b>	<b>542,759</b>	<b>438,309</b>
Domestic banks	413,966	367,536
Foreign banks	128,793	70,773
<b>Total</b>	<b>747,749</b>	<b>603,091</b>

**Albaraka Türk Katılım Bankası Anonim Şirketi****Notes related to unconsolidated financial statements  
for the interim period ended March 31, 2009 (continued)  
(Currency - Thousand Turkish Lira)****1. Information on cash and cash equivalents (continued):**

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

	Current period 31.03.2009	Prior period 31.03.2008
<b>Cash</b>	<b>428,398</b>	<b>172,562</b>
Cash in TL/foreign currency	66,342	65,686
Money in Transit	-	-
Money at the CBRT	362,056	106,876
<b>Cash Equivalents</b>	<b>714,470</b>	<b>359,654</b>
Domestic banks	550,374	250,884
Foreign banks	164,096	108,770
<b>Total</b>	<b>1,142,868</b>	<b>532,216</b>

2. Cash and cash equivalent items which are restricted for the usage of the Bank by legal or other limitations: None.

**VI. 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 (31.03.2009):

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 (*)	-	-	188	10,262	-	-
Profit share and commission income received	-	-	603	-	-	-

(\*) Indirect loans granted to shareholders amounting to TL 188 (December 31, 2009 – TL 321) are made up of finance lease receivables.

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	-	-	-

**Albaraka Türk Katılım Bankası Anonim Şirketi**

**Notes related to unconsolidated financial statements  
for the interim period ended March 31, 2009 (continued)  
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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 31.03.2009	Prior period 31.12.2008	Current period 31.03.2009	Prior period 31.12.2008	Current period 31.03.2009	Prior period 31.12.2008
Current and profit sharing accounts						
Balance at the beginning of period	-	-	104,422	-	-	-
Balance at the end of period	-	-	174,042	-	-	-
Profit share expense	-	-	2,953	-	-	-

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

2. As of March 31, 2009, the Bank has paid TL 849 (March 31, 2008 – TL 582) to top management.

**VII. Explanations and notes related to subsequent events**

The paid in capital of the Bank was decided to be increased from TL 269,500 to TL 539,000 with the BOD decision dated March 1, 2009. TL 158,396 portion will be transferred from of share-premiums, TL 80,750 portion from prior year profits and TL 30,354 portion from extraordinary reserves.

**Albaraka Türk Katılım Bankası Anonim Şirketi**

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

**Section six**

**Limited review report**

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

The unconsolidated interim financial statements of the Bank as of and for the period ended March 31, 2009 shared with the public have been reviewed by Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (A Member Firm of Ernst & Young Global Limited) and the independent auditors' limited review report dated May 13, 2009 is presented preceding the financial statements.

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