

2011 Q3 Earnings Presentation



Contents

- *Macroeconomic / Banking Outlook*
- *2011 Q3 Financial Results*
- *Market Comparison*
- *Appendix*

Macroeconomic / Banking Outlook



Global economies: Seeking for debt stabilization

Advanced & developing economies: Are rescue plans a make-up or a comprehensive solution?

- *Uncertainties in global economies raising the possibility of a second global recession stemming from mainly the Euro area where a comprehensive solution has not been reached despite the decision of 50 per cent haircut for Greece debts and strengthening of European Financial Stability Fund.*
- *Euro zone countries, especially PIIGS, are struggling to cope with huge sovereign debt problems, which have reached historically record levels.*

Turkish economy is proceeding with its remarkable growth in the face of some constraints to be overcome

- *Turkish economy has grown by 11.6% in Q1 '11 and 8.8% in Q2 '11 and overall growth is being expected to be 7.2% for year-end 2011 which would be higher compared with growth of the developed countries.*
- *Unemployment rate (9.1% by July 2011) reached to its pre-crisis level and shows the capability of job creation in the Turkish economy.*
- *Turkey's healthy fiscal structure is being exemplified to other countries.*
 - *Borrowing costs are decreasing and maturity is lengthening thanks to the strong economy with fiscal discipline.*
 - *Central government budget recorded as TRL 233 million surplus in the first nine months.*
 - *Central government debt stock as % of GDP declined to 41.3%*
- *Deterioration in inflation due to new tax increases and depreciation of Turkish Lira against USD.*
 - *In September 2011 annual core inflation surpassed the headline inflation (6.15%) and recorded 6.96%.*
 - *CBRT announced that year-end inflation will be considerably higher than the target that is 6.9%.*

Macroeconomic constraints

- *Depreciation in Turkish Lira*
- *Historically highest current account deficit: Annualized current account deficit has reached to USD 75 billion which is expected to decrease by the end of 2011 thanks to depreciation in Turkish Lira and slowdown in economic activity.*
- *At the end of 2011 CA/GDP ratio might be 9.2%.*

CBRT proactively approaches to global conditions without leaving disciplinary policies

Banking sector is keenly observant of CBRT's regulations

- *CBRT has reacted to the second possible recession proactively by cutting policy rate 50 bps from 6.25% to 5.75%. This unexpected maneuver gave rise to accelerated TRL depreciation against USD.*
- *CBRT introduced some precautionary measures to cool down the FX market and to keep TRL depreciation under control (i.e. direct intervention, opening auctions, decreasing foreign currency deposit RRR, hiking short term lending rates etc.)*
- *Banking sector is maintaining alternative funding sources*
 - *Issuing domestic bonds*
 - *Extending the amount of syndication and securitization credits*
- *Foreign investors' interest in establishing a bank in Turkey.*

Participation banks diversifying and improving their funding base

- *Using short term borrowing facility provided by CBRT*
- *Accessing to wholesale funding sources (i.e. sukuk, murabaha syndication, etc.)*
- *Offering diversified products to expand the deposit base (i.e. gold deposit account)*
- *Concentrating on credits with higher yields*
- *Expanding the size of P/L sharing projects and retail-housing credits*
- *Continuing branch network expansion*
- *Seeking opportunities for branching and acquisitions abroad*

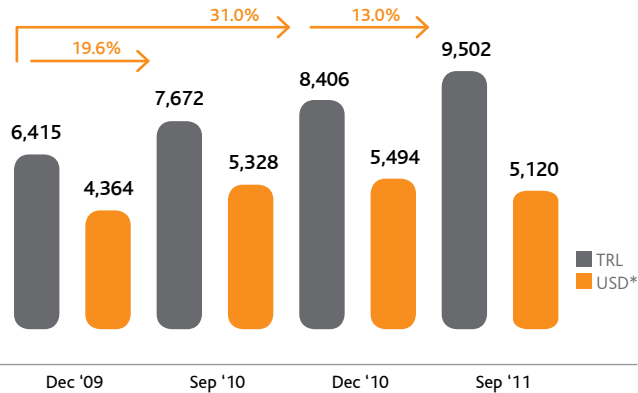
2011 Q3 Financial Results



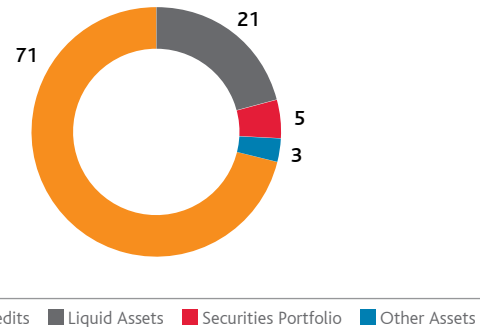
Growth back on track: YtD 13% total asset growth

L/D ratio recorded at 97% as end of Q3 '11 whilst portion of funded credits in total assets came back to 71% from 75% in H1 '11. Additional USD 110 million from murabaha syndication roll over hadn't been utilized through credits as end of September 2011.

Total Assets (million)



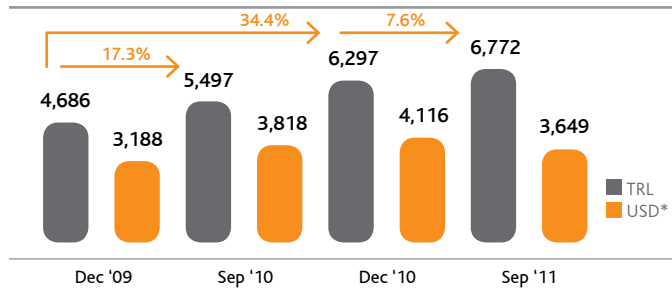
Composition of Total Assets (Q3 '11) (%)



*USD equivalent of total assets

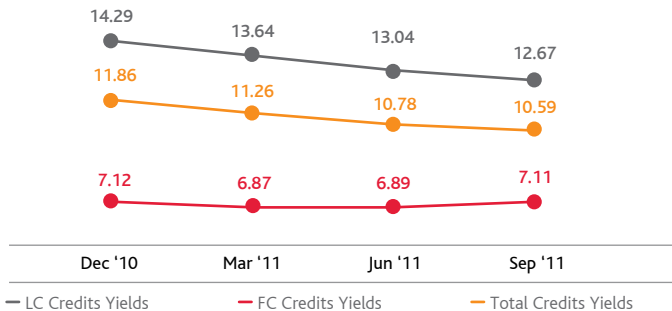
Expanded funding base led to grow funded credits portfolio in Q3 '11

Total Funded Credits (million)



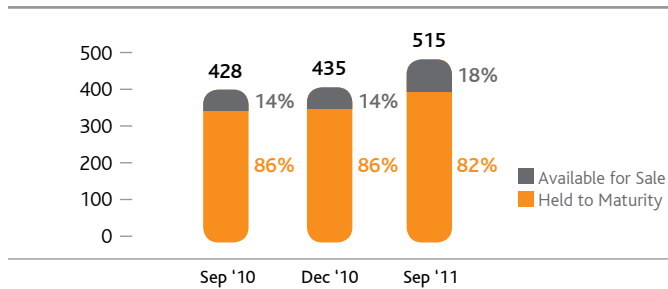
*USD equivalent of total funded credits

Credits Yields⁽¹⁾ (%)

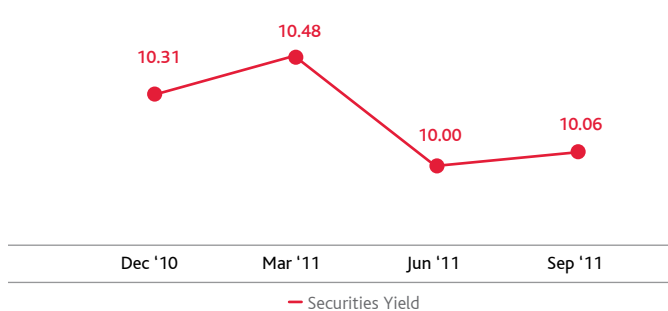


(1) Profit share income received from credits for the last 12M/12M average credits

Total Securities Portfolio (TRL million)



Securities Yield⁽²⁾ (%)



(2) Profit share income received from securities for the last 12M/12M average securities

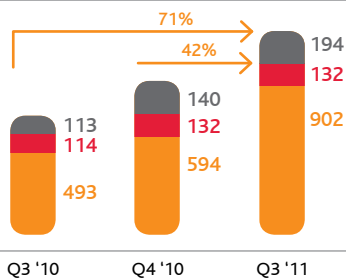
Restructuring funded credits portfolio: Emphasis on SMEs and retail credits

Composition of Total Funded Credits* (%)

	Q4 '09	Q4 '10	Q3 '11
Corporate Credits	50.70	54.14	45.48
SME Credits	42.33	37.37	42.17
Retail Credits	6.97	8.49	12.35
Total	100.00	100.00	100.00

*Excluding installment based commercial credits

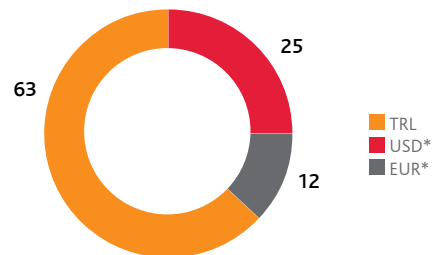
Total Retail Credits** (TRL million)



■ Consumer ■ Vehicle ■ Housing

**Including installment based commercial credits, excluding credit cards

Currency Composition of Total Funded Credits (Q3 '11) (%)

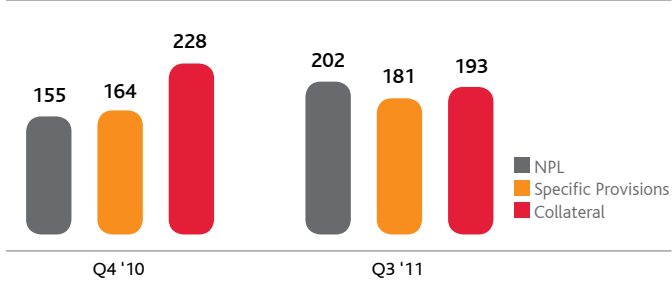


*Including USD & EUR indexed credits

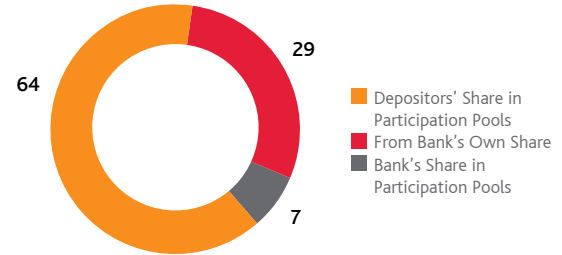
Retail credits (including installment based commercial credits but excluding credit cards) grew to TRL 1,228 million in Q3 2011 from TRL 866 million in Q4 2010.

Asset quality has always priority

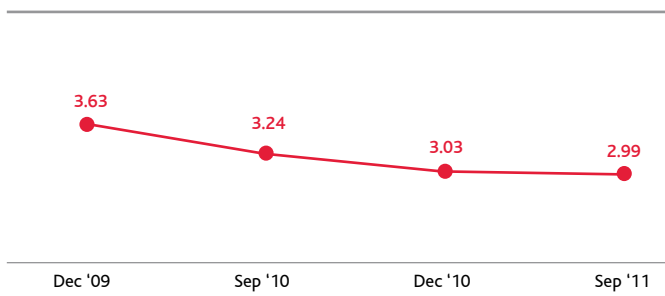
Non-performing Loans (TRL million)



Composition of NPL (Q3 '11) (%)

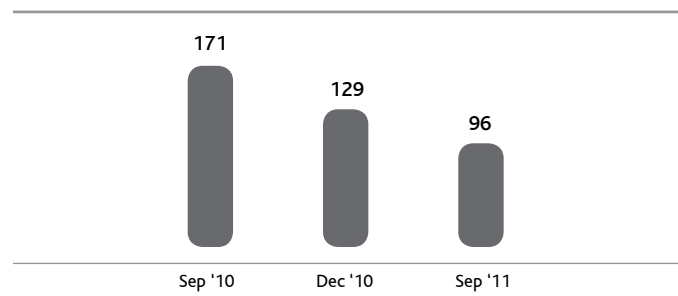


NPL Ratio* (%)



*Including financial leasings&accruals and rediscounts

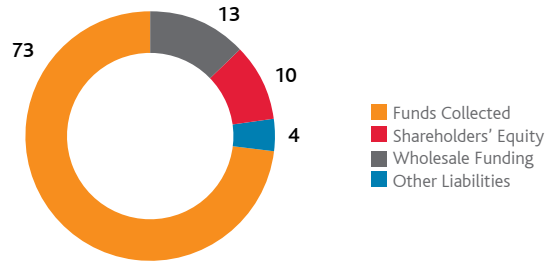
Cost of Risk** (bps)



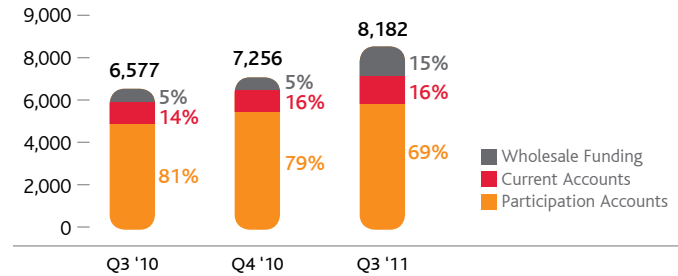
**Specific provisions for credits for last 12M/12M average credits

Further diversified funding sources boosted growth on the funding base

Composition of Total Liabilities (Q3 '11) (%)



Composition of Funding Base (TRL million)



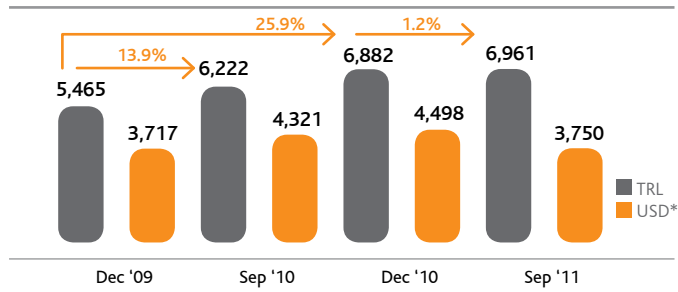
Achieved to raise funding;

- TRL 356 million from CBRT's short term borrowing facility
- TRL 230 million (equivalent of USD and EUR) from wakala funding
- Rolling over of murabaha syndication credit with additional USD 110 million

Collected funds slightly increased in Q3 '11

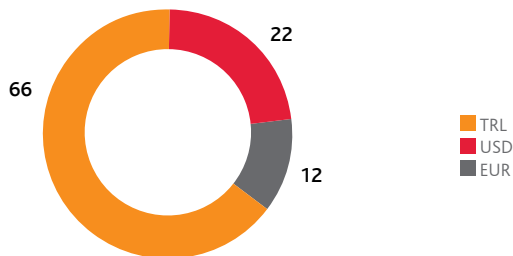
Expected acceleration in collected funds growth from Q4 '11 and onward as profit sharing ratio moves further in advantage of participation account holders.

Total Funds Collected (million)

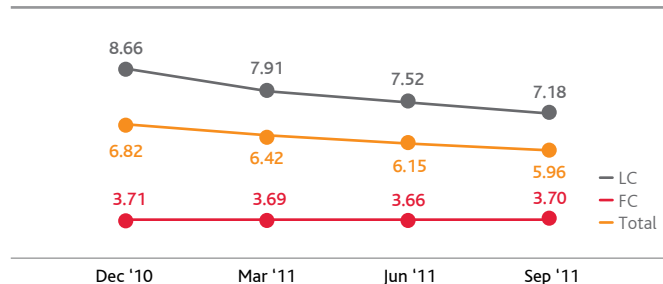


*USD equivalent of total funded credits

Currency Composition of Participation Accounts (Q3 '11) (%)

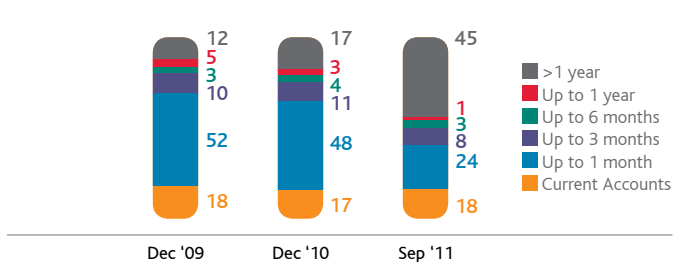


Cost of Funds Collected⁽¹⁾ (%)



(1) Profit share expense to depositors for the last 12M/12M average participation accounts

Maturity Composition of Funds Collected (%)

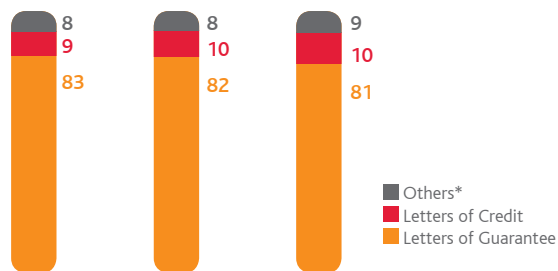


Average Maturity for Funds Collected (days)

TRL: 156 FX: 143 Total: 152

Off balance sheet has grown as projected

Off Balance Sheet Composition (%)

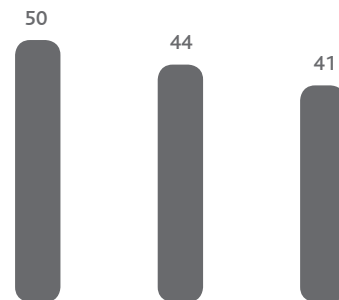


Dec '09

Dec '10

Sep '11

LGs-to-Total Assets (%)



Dec '09

Dec '10

Sep '11

Off Balance Sheet (TRL million)

	Dec '09	Dec '10	Sep '11
Letters of Guarantee	3,214	3,687	3,918
Letters of Credit	348	471	485
Others*	309	335	427
Total	3,871	4,493	4,829

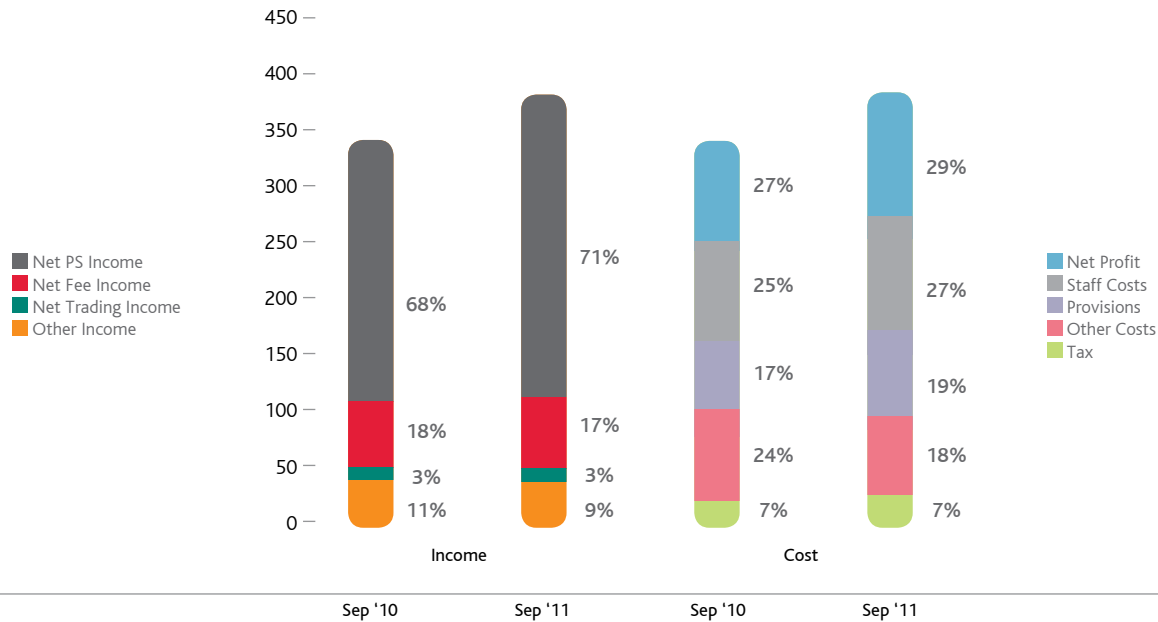
*Revocable credit limits not included

Income-cost dynamics sustained, rewarding profitability achieved

(TRL thousand)	Year on Year Change			Quarterly Change			Notes
	Sep '10	Sep '11	% Change	Q2 '11	Q3 '11	% Change	
Net Profit Share Income	232,062	275,697	19%	90,817	97,813	8%	Higher NPSI arises from higher credit yields and lower deposit costs. Average cost of funding in Q3 '11 is around 100 bps less than it was in Q3 '10.
Net Fee Income	60,493	65,292	8%	19,430	22,444	16%	Net fees & commissions (F&C) income increased by 16% QoQ since less F&C paid in Q3 '11.
Net Trading Income	12,195	11,852	-3%	3,691	3,480	-6%	FX trading income increased by 25% on QoQ basis. However, revaluation of some equities held offset increase in FX trading income.
Other Income	38,941	34,769	-11%	11,669	9,687	-17%	Deceleration in recollections resulted as less other income in Q3 '11. Besides, there hasn't been any "one-off income" in 2011.
Staff Costs	87,710	104,366	19%	34,628	35,314	2%	YoY 19% increase in staff cost is in line with our budget expectations.
Provisions	81,055	70,120	-13%	27,876	22,174	-20%	Specific provisions reduced significantly on QoQ basis due to slight increase in NPL portfolio.
Other Costs	59,569	74,441	25%	25,269	26,140	3%	YoY increase in other operational cost can be attributable to new branch openings.
Tax	23,883	28,722	20%	8,119	10,758	33%	-
Net Profits	91,472	109,961	20%	29,715	39,037	31%	-

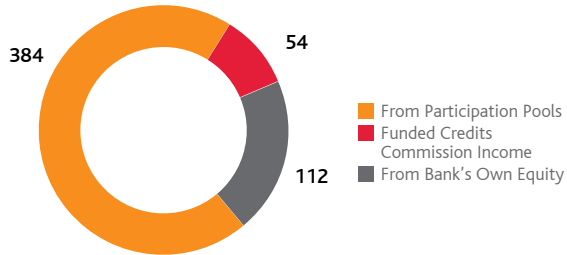
Income-cost dynamics sustained

(TRL million)

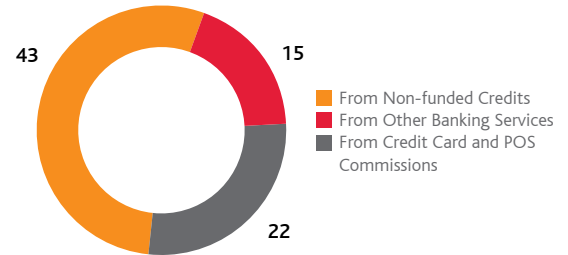


Breakdown of income for Q3 2011

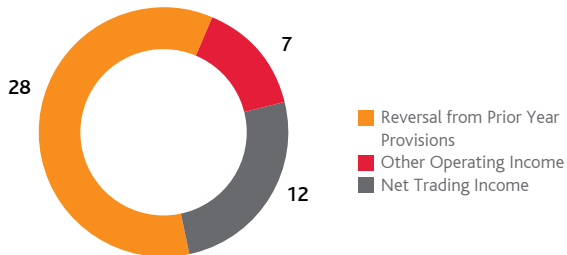
Breakdown of Profit Share Income (TRL million)



Breakdown of Fee&Commission Income (TRL million)

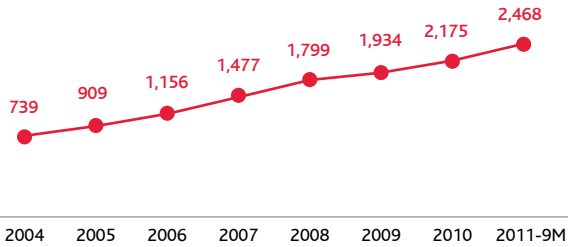


Breakdown of Other Income (TRL million)

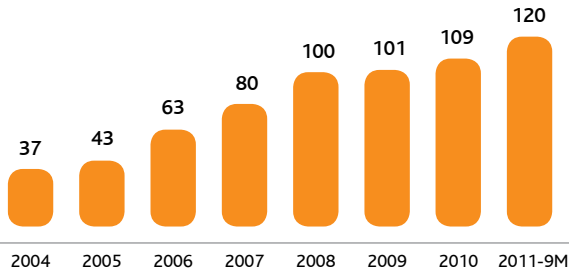


Expanding branch network

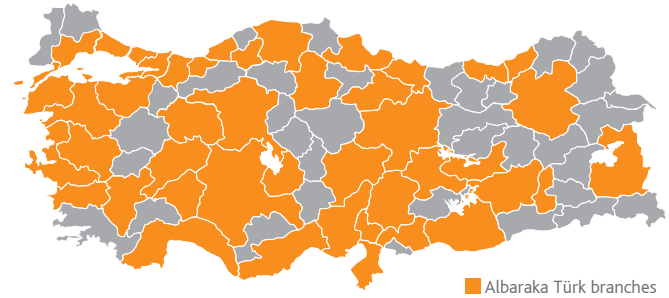
Total Number of Personnel



Total Number of Branches



Albaraka Türk Branches



Current Branches

İstanbul	48	Diyarbakır	2	Denizli	1	Kastamonu	1	Sivas	1
Ankara	12	Gaziantep	2	Düzce	1	Malatya	1	Şanlıurfa	1
İzmir	4	Afyon	1	Elazığ	1	Manisa	1	Tekirdağ	1
Konya	4	Aksaray	1	Erzurum	1	Maraş	1	Tokat	1
Adana	3	Aydın	1	Eskişehir	1	Ordu	1	Trabzon	1
Bursa	3	Balıkesir	1	Hatay	1	Osmaniye	1	Van	1
Kayseri	3	Batman	1	Isparta	1	Rize	1	Yalova	1
Kocaeli	3	Çanakkale	1	İçel	1	Sakarya	1	Zonguldak	1
Antalya	2	Çorum	1	Karabük	1	Samsun	1	Erbil*	1

Branches that will be opened soon

İstanbul	4	Bolu	1
----------	---	------	---

*1 branch in Erbil, Iraq

Market Comparison



Total growth

Percent	2010 (12 Months)			2011 (9 Months) as of 30 September		
	Albaraka Türk	Participation Banks	Banking Sector	Albaraka Türk	Participation Banks	Banking Sector
Asset Size	31.04	28.88	20.75	13.03	23.61	20.52
Total Credits*	35.96	28.94	33.43	4.36	17.53	25.63
Deposits*	26.07	23.88	19.90	1.13	11.60	10.80

*Accruals and rediscounts excluded

Market share

Percent	2010 (12 Months)			2011 (9 Months) as of 30 September		
	Albaraka Türk/ Participation Banks	Albaraka Türk/ Banking Sector	Participation Banks/ Banking Sector	Albaraka Türk/ Participation Banks	Albaraka Türk/ Banking Sector	Participation Banks/ Banking Sector
Asset Size	19.40	0.83	4.30	17.74	0.78	4.41
Total Credits*	19.34	1.15	5.93	17.17	0.95	5.55
Deposits*	20.72	1.11	5.36	18.77	1.01	5.40

*Accruals and rediscounts excluded

Ratios

Percent	2010 (12 Months)			2011 (9 Months) as of 30 September		
	Albaraka Türk	Participation Banks	Banking Sector	Albaraka Türk	Participation Banks	Banking Sector
CAR	14.05	15.07	18.96	13.56	14.38	16.42
NPL Ratio*	3.14	3.56	3.77	3.19	3.10	2.77
Provisioning Ratio	85.68	70.67	84.03	89.36	69.35	81.42
ROAA (IBT)	2.29	2.51	3.03	2.18	2.15	2.32
ROAE (NI)	17.40	15.46	18.08	17.29	14.15	14.60
Yield	10.34	10.68	9.46	9.01	9.14	8.52
Spread	4.68	5.21	4.17	4.12	4.47	3.44
Net Profit Share Margin	5.30	5.92	4.92	4.47	4.87	4.00
Net Fee Income / Avg. Assets	1.99	1.25	1.37	1.83	1.80	1.32
Op Costs / Avg. Assets	3.10	3.87	2.98	2.94	3.27	2.43
Cost/Income**	43.8	49.8	43.6	48.10	51.23	47.21
Credits / Branches (000 'TRL)	55,187	51,884	52,941	56,437	59,053	64,704
Staff / Branches	20	21	19	21	20	19
CA / Deposits*	17.01	19.31	15.92	18.42	23.65	16.78

*Accruals and discounts excluded

** Cost: Operating Costs, Income: NIII/NPSI, Net Fees and Commissions Income, Other Income

Appendix



Summary balance sheet

(TRL thousand)	Dec '10	Sep '11	Growth
Cash and Banks	1,431,948	1,946,435	35.9%
Financial Assets	59,141	91,061	54.0%
Funds Utilized	6,296,815	6,772,405	7.6%
Cash Credits	6,017,335	6,301,101	4.7%
NPL	190,850	202,334	6.0%
Provisions	-163,520	-180,798	10.6%
Net Financial Leasing Receivables	25,920	12,663	-51.1%
Investments Held To Maturity (Net)	376,204	424,033	12.7%
Associates	2,000	3,000	50.0%
Fixed Assets	194,497	214,820	10.4%
Assets Held For Sale and Investment	18,070	17,721	-1.9%
Other Assets (inc. Tax Assets)	27,626	32,463	17.5%
Total Assets	8,406,301	9,501,938	13.0%
Funds Collected	6,881,590	6,961,028	1.2%
Syndicated & Other Loans	374,807	1,220,501	225.6%
Debts (inc. Taxes)	195,511	240,082	22.8%
Provisions	101,758	133,350	31.0%
Shareholders' Equity	852,634	946,977	11.1%
Capital	539,000	539,000	-
Capital Reserves (inc. Premium)	31,109	28,445	-
Profit Reserves	148,147	269,050	-
Profits	134,378	110,481	-
Past Periods	335	520	-
Current Year	134,044	109,961	-
Total Liabilities	8,406,301	9,501,938	13.0%

Summary income statement

(TRL thousand)	Sep '10	Sep '11	Growth
Profit Share Income	491,008	549,489	11.9%
Profit Share Expense	258,946	273,792	5.7%
Net Profit Share Income	232,062	275,697	18.8%
Net Fees and Commissions Income	60,493	65,292	7.9%
Fees and Commissions Received	66,755	80,033	19.9%
Fees and Commissions Paid	6,263	14,741	135.4%
Net Trading Income	12,195	11,852	-2.8%
Other Operating Income	38,941	34,769	-10.7%
Total Operating Profit	343,690	387,610	12.8%
Provisions for Loan Losses	81,055	70,120	-13.5%
Other Operating Expenses	147,279	178,807	21.4%
Net Operating Profit	115,355	138,683	20.2%
Tax Provision	23,883	28,722	20.3%
Net Profits	91,472	109,961	20.2%

Notes

DISCLAIMER

THIS PRESENTATION AND THE INFORMATION CONTAINED HEREIN IS CONFIDENTIAL AND MAY NOT BE REPRODUCED, CIRCULATED, DISTRIBUTED OR PUBLISHED (IN WHOLE OR IN PART) OR DISCLOSED BY RECIPIENTS TO ANY OTHER PARTY. BY VIEWING THIS PRESENTATION, YOU AGREE TO BE BOUND BY THE FOREGOING LIMITATIONS.

This presentation does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to purchase any securities of Albaraka Türk Katılım Bankası A.Ş., nor shall any part of it form part of or be relied on in connection with any contract or investment decision relating thereto, nor does it constitute a recommendation regarding the securities of the Bank. The information contained in this document is published for the assistance of recipients, but is not to be relied upon authoritative or taken in substitution for the exercise of judgment by any recipient. The Bank does not accept any liability whatsoever for any direct or consequential loss arising from any use of this document or its content. Any purchase of shares of the Bank should be made solely on the basis of sound financial analysis on the part of the investor, with no liabilities arising against the Bank.

The information used in preparing these materials was obtained from or through the Bank or the Bank's representatives or from public sources. Although prepared in good faith and from sources believed to be reliable, no reliance may be placed for any purposes whatsoever on the information contained in this presentation or on its accuracy, completeness or fairness. The information in this presentation is subject to verification, completion and change.

The projections, forecasts and estimates of the Bank contained herein are for illustrative purposes only and are based on management's current views and assumptions. Such projections, forecasts and estimates involve known and unknown risks and uncertainties that may cause actual results, performance or events to differ materially from those anticipated in this presentation. The Bank expressly disclaims any obligation or undertaking to update or revise any projections, forecasts or estimates contained in this presentation to reflect any change in events, conditions, assumptions or circumstances on which any such statements are based unless so required by applicable law. Investors should note many different risk factors could adversely affect the outcome and financial effects of the plans and projections described herein. As a result, you are cautioned not to place undue reliance on any forward-looking statements. The Bank, its advisers and each of their respective members, directors, officers and employees disclaim any liability in case projections and plans given in this document are not realized.

Albaraka Türk Participation Bank Investor Relations

Saray Mah. Dr. Adnan Büyükdeniz Cad.
No: 6 Ümraniye / İstanbul

Tel: +90 (216) 666 03 03
Fax: +90 (216) 666 16 20
E-mail: ir@albarakaturk.com.tr
Web page: www.albarakaturk.com.tr