

2011 Q4 Earnings Presentation



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Macroeconomic / Banking Outlook



More Liquidity Injection!

Uncertainties in global economies raising the possibility of a second global recession stemming from mainly the Euro area.

New monetary easing policies applied by major central banks are supporting risk appetite. However, it seems that it is not a comprehensive solution for crisis.

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

- *In the first three quarters of 2011, GDP growth reached 9.6%, which makes Turkey the second fastest growing country after China. Strong domestic demand is the main driving force of this growth rate.*
- *In the last quarter, the economy will lose its speed and by the end of 2011, the total growth rate is expected to be more than 8%.*
- *The latest data about the real sector (industrial production and capacity utilization) shows that a slowdown in the economy will be gradual and accomplish a "soft landing".*
- *TRL depreciation under controlled thanks to the increasing possibility and expectation about the new quantitative easing (QE) by FED.*

Macroeconomic forecast for 2012

GDP growth in 2012: 4.0-4.5%

Inflation: 7.0-7.5%

USD/TRY: 1.75-1.80

Benchmark bond interest rate: 9-10%

CBRT proactively approaches to global conditions without leaving disciplinary policies

Banking sector is keenly observant of CBRT's regulations

- *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

- *Accessing to wholesale funding sources (i.e. sukuk, murabaha syndication, etc.)*
- *Offering diversified products to expand the deposit base (i.e. gold deposit account)*
- *New regulation on financial leasing*
- *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*

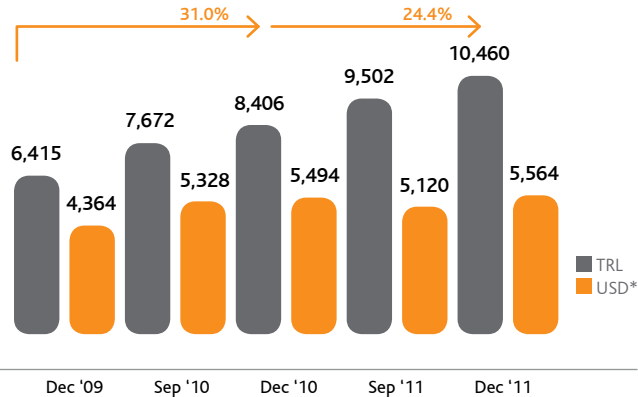
2011 Q4 Financial Results



Growth back on track: YtD 24.4% total asset growth

Total Assets (million)

Ytd Growth: 24.4% in TRL terms YoY Budget Target: 19% YtD Growth: 1.3% in USD terms

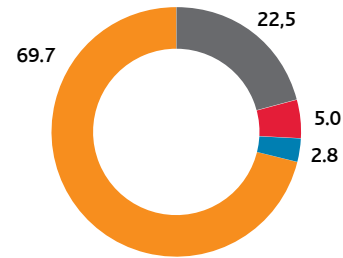


*USD equivalent of total assets

L/D (Q4) = 91%

Portion of funded credits in total assets is 69.7% in year end '11.

Composition of Total Assets (Q4 '11) (%)

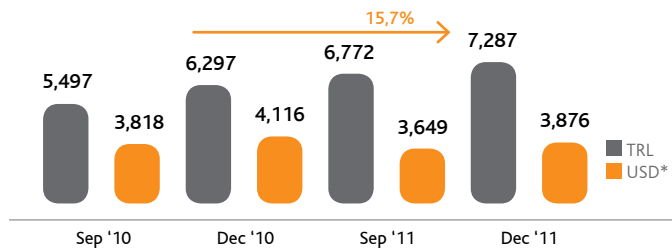


Funded Credits Liquid Assets Securities Portfolio Other Assets

Expanded funding base led to grow funded credits portfolio in Q4 '11

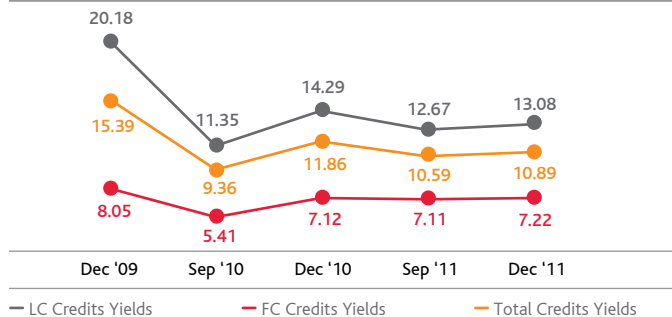
Total Funded Credits* (million)

Ytd Growth: 16 %in TRL terms YoY Budget Target: 17% YtD Growth: -6% in USD terms



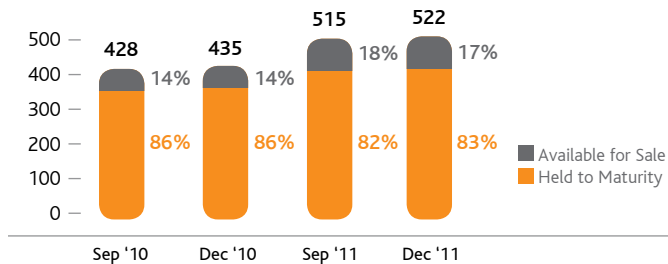
*USD equivalent of total funded credits

Credits Yields⁽¹⁾ (%)

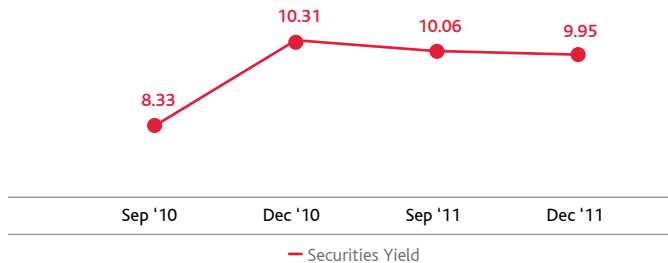


(1) Profit share income received from credits for the last 12M/12M average credits

Total Securities Portfolio (TRL million)



Securities Yield⁽²⁾ (%)



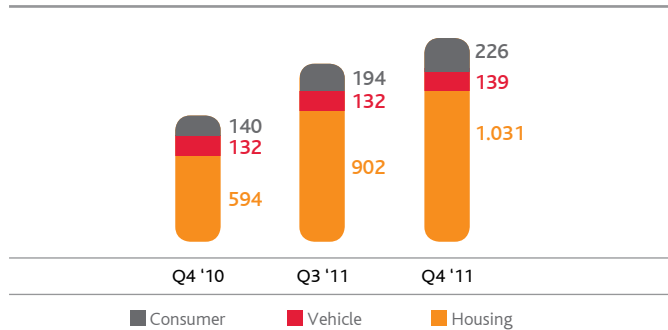
(2) Profit share income received from securities for the last 12M/12M average securities

Restructuring funded credits portfolio: Emphasis on SMEs and retail credits

Composition of Total Funded Credits (%)

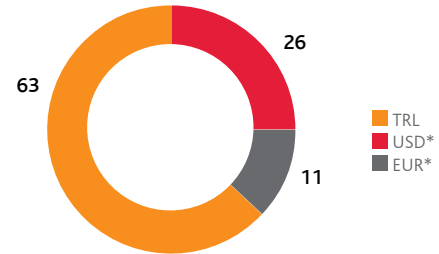
	Q4 '10	Q3 '11	Q4 '11
Corporate Credits	54.14	45.48	44.40
SME Credits	37.37	42.17	42.46
Retail Credits	8.49	12.35	13.14
Total	100.00	100.00	100.00

Total Retail Credits* (TRL million)



*Including installment based commercial credits, excluding credit cards

Currency Composition of Total Funded Credits (2011) (%)

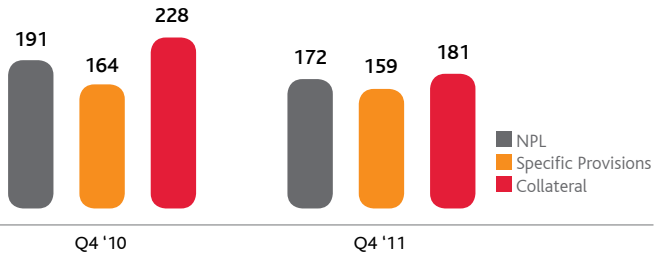


*Including USD & EUR indexed credits

Retail credits (including installment based commercial credits but excluding credit cards) grew to TRL 1,396 million in December 31, 2011 up from TRL 866 million in Q4 2010. Housing finance is the primary segment among retail credits.

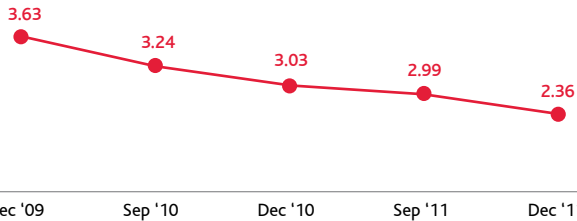
Asset quality has always priority

Non-performing Loans (TRL million)



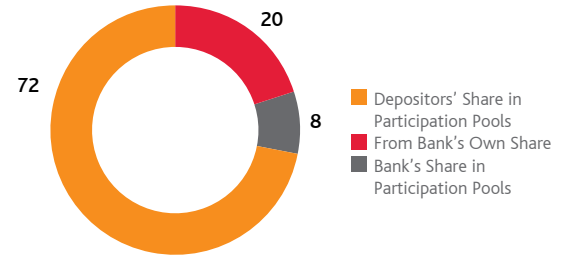
Write-off in 2011 is 37.2 million TRY

NPL Ratio* (%)

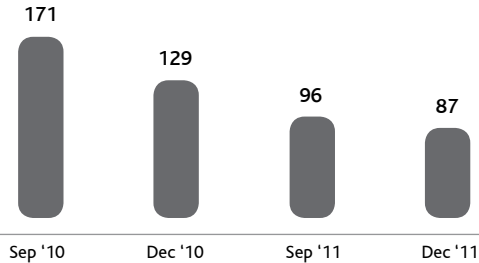


*Including financial leasings&accruals and rediscounts

Composition of NPL (Q4 '11) (%)



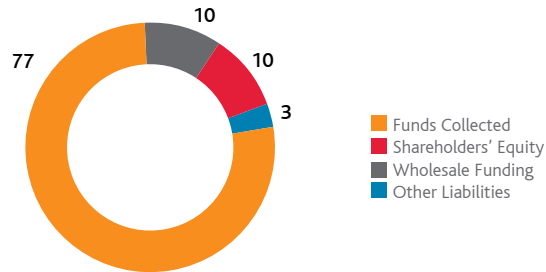
Cost of Risk** (bps)



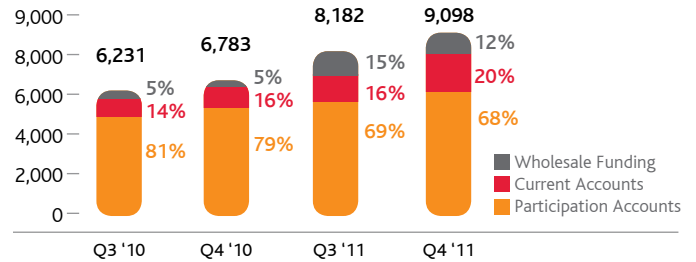
**Specific provisions for credits for last 12M/12M average credits

Further diversified funding sources boosted growth on the funding base

Composition of Total Liabilities (Q4 '11) (%)

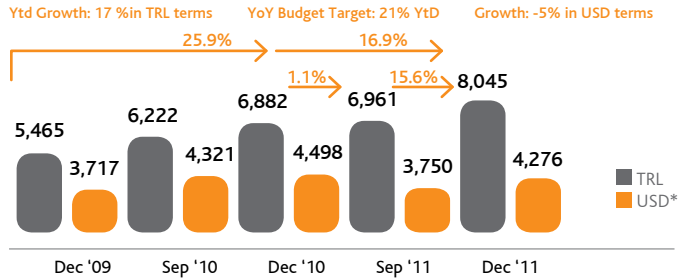


Composition of Funding Base (TRL million)



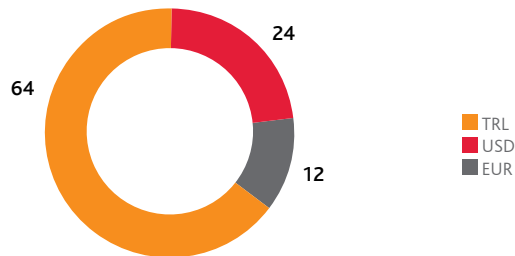
Total funds collected

Total Funds Collected (million)

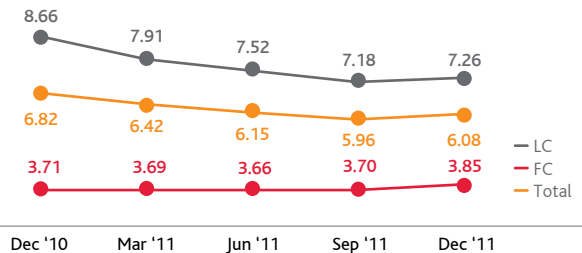


*USD equivalent of total funded credits

Currency Composition of Participation Accounts (Q4 '11) (%)

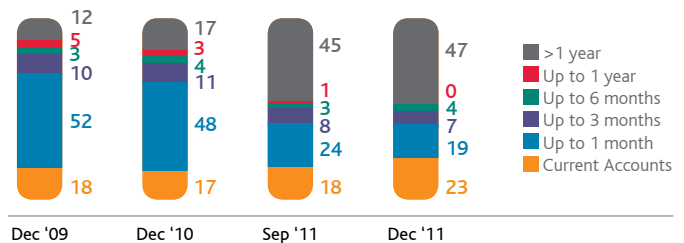


Cost of Funds Collected⁽¹⁾ (%)



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

Maturity Composition of Funds Collected* (%)



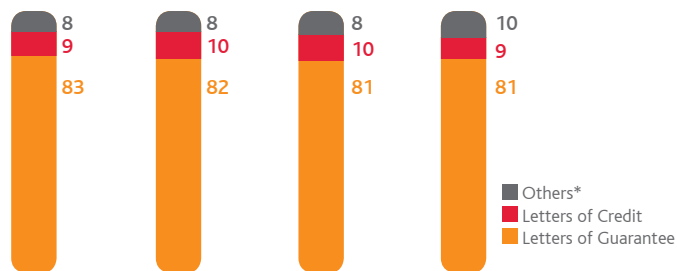
Average Maturity for Funds Collected (days)

TRL: 155 FX: 164 Total: 158

*Excluding accruals and rediscount

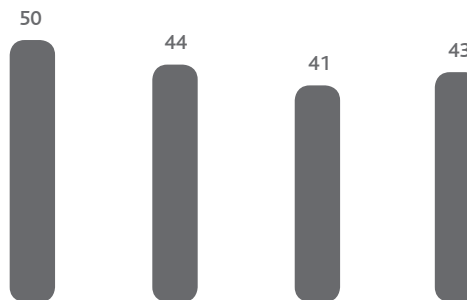
Off balance sheet

Off Balance Sheet Composition (%)



Dec '09 Dec '10 Sep '11 Dec '11

LGs-to-Total Assets (%)



Dec '09 Dec '10 Sep '11 Dec '11

Off Balance Sheet (TRL million)

	Dec '09	Dec '10	Sep '11	Dec '11	Growth (%)	
					Q-Q	YoY
Letters of Guarantee	3,214	3,687	3,918	4,534	15.7	23.0
Letters of Credit	348	471	485	506	4.3	7.4
Others*	309	335	427	545	12.4	62.7
Total	3,871	4,493	4,829	5,586	15.7	24.3

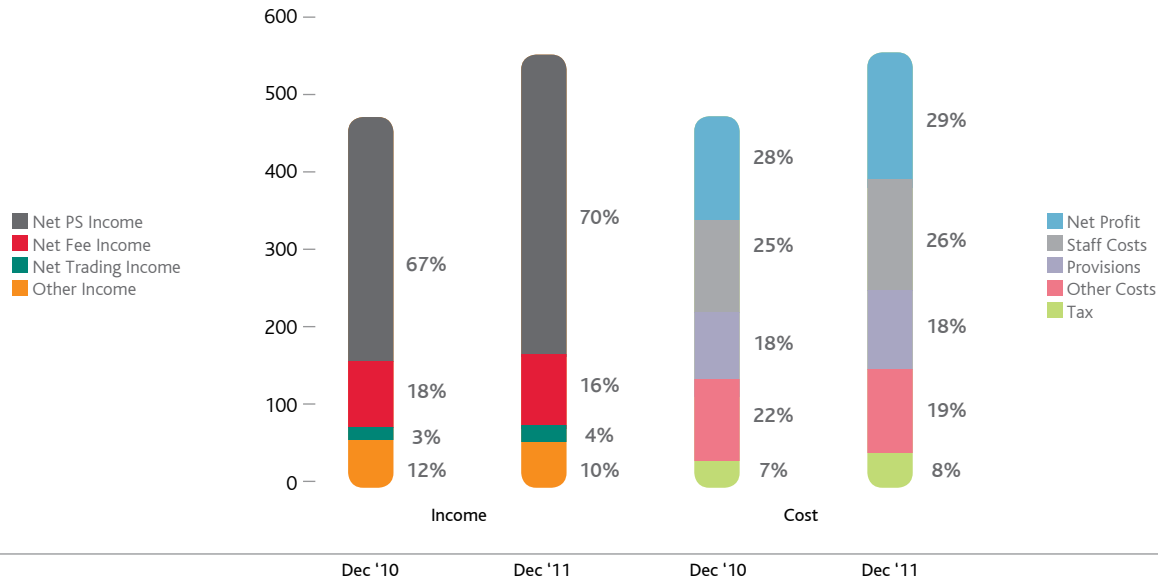
*Revocable credit limits not included

Income-cost dynamics sustained

(TRL thousand)	Year on Year Change			Quarterly Change			Notes
	Dec '10	Dec '11	% Change	Q3 '11	Q4 '11	% Change	
Net Profit Share Income	316,158	385,648	22%	97,813	109,951	12%	Higher NPSI arises from higher credit yields
Net Fee Income	82,916	90,332	9%	22,444	25,040	12%	Net fee revenues increased 11% thanks to solid loan growth (cash&non cash) in Q4
Net Trading Income	16,016	21,224	33%	3,480	9,372	169%	Higher FX trading income was earned on QoQ basis. And revaluation of some equities held
Other Income	56,861	55,460	-2%	9,687	20,691	114%	Recollections resulted as more other income in Q4
Staff Costs	117,292	141,882	21%	35,314	37,516	6%	YoY 21% increase in staff costs is in line with our budget expectations
Provisions	105,106	106,341	1%	22,174	36,220	63%	The specific provisions hiked in the Q4. NPL ratio improved.
Other Costs	84,035	102,278	22%	26,140	27,837	6%	YoY costs increase was mainly due to new branch openings and head office relocation expenditures
Tax	31,632	42,008	33%	10,758	13,286	23%	-
Net Profits	134,044	160,155	19%	39,037	50,194	29%	-

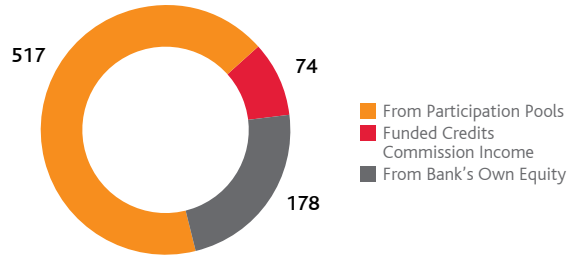
Income-cost dynamics sustained

(TRL million)

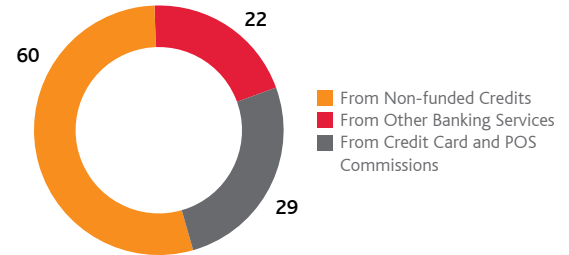


Breakdown of income for Q4 2011

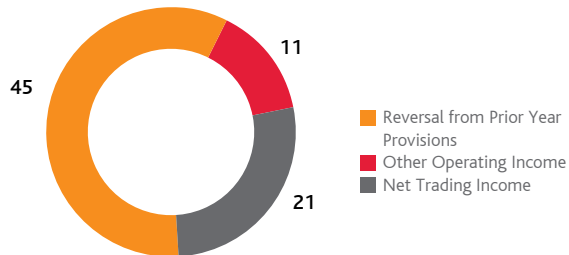
Breakdown of Profit Share Income (TRL million)



Breakdown of Fee&Commission Income (TRL million)

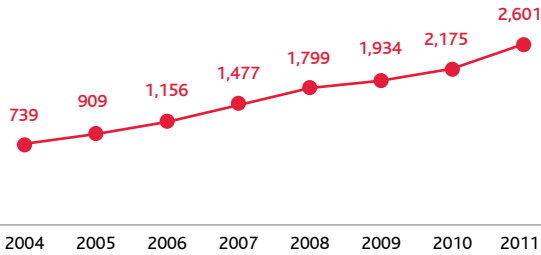


Breakdown of Other Income (TRL million)

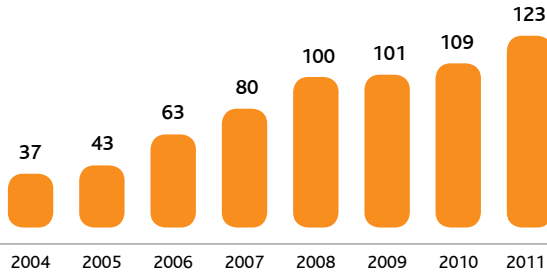


Expanding branch network

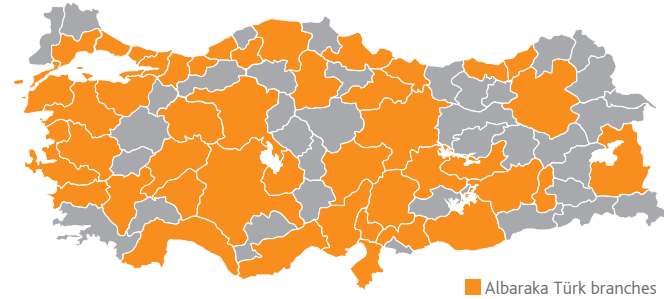
Total Number of Personnel



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

*1 branch in Erbil, Iraq

Market Comparison



Total growth

Percent	2010 (12 Months)			2011 (12 Months)		
	Albaraka Türk	Participation Banks	Banking Sector	Albaraka Türk	Participation Banks	Banking Sector
Asset Size	31.04	28.88	20.75	24.38	29.57	20.92
Total Credits*	35.96	28.94	33.43	14.01	25.76	29.83
Deposits*	26.07	23.88	19.9	16.82	18.53	12.72

*Accruals and rediscounts excluded

Market share

Percent	2010 (12 Months)			2011 (12 Months)		
	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	18.62	0.86	4.61
Total Credits*	19.30	1.15	5.90	17.53	1.01	5.74
Deposits*	20.70	1.11	5.40	20.42	1.15	5.64

*Accruals and rediscounts excluded

Ratios

Percent	2010 (12 Months)			2011 (12 Months)		
	Albaraka Türk	Participation Banks	Banking Sector	Albaraka Türk	Participation Banks	Banking Sector
CAR	14.05	15.07	18.96	12.53	14.05	16.46
NPL Ratio*	3.14	3.56	3.77	2.48	3.15	2.76
Provisioning Ratio	85.68	70.67	84.03	92.41	65.43	79.42
ROAA (IBT)	2.29	2.51	3.03	2.21	2.04	2.22
ROAE (NI)	17.4	15.46	18.08	17.32	13.80	14.26
Yield	10.34	10.68	9.46	9.16	9.19	8.60
Spread	4.68	5.21	4.17	4.27	4.52	3.42
Net Profit Share Margin	5.3	5.92	4.92	4.58	4.85	3.95
Net Fee Income / Avg. Assets	1.99	1.25	1.37	1.81	1.72	1.27
Op Costs / Avg. Assets	3.1	3.87	2.98	2.97	3.19	2.38
Cost/Income**	43.8	49.8	43.6	46.09	50.32	47.02
Credits / Branches (000 'TRL)	55,187	51,884	52,941	59,244	60,621	66,628
Staff / Branches	20	21	19	21	20	19
CA / Deposits*	17.01	19.31	15.92	23.13	25.39	17.42

*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	Dec '11	Growth (%)
Cash and Banks	1,431,948	2,358,672	64.7
Financial Assets	59,141	90,682	53.3
Funds Utilized	6,296,815	7,286,960	15.7
Cash Credits	6,017,335	7,251,756	20.5
NPL	190,850	171,937	-9.9
Provisions	-163,520	-158,882	-2.8
Net Financial Leasing Receivables	25,920	22,150	-14.5
Investments Held To Maturity (Net)	376,204	430,862	14.5
Associates	2,000	3,050	52.5
Fixed Assets	194,497	236,496	21.6
Assets Held For Sale and Investment	18,070	25,373	40.4
Other Assets (inc, Tax Assets)	27,626	28,791	4.2
Total Assets	8,406,301	10,460,885	24.4
Funds Collected	6,881,590	8,044,747	16.9
Funds Borrowed	374,807	1,053,291	181.0
Debts (inc, Taxes)	195,511	212,403	8.6
Provisions	101,758	146,193	43.7
Shareholders' Equity	852,634	1,004,251	17.8
Capital	539,000	539,000	-
Capital Reserves (inc, Premium)	31,109	35,330	-
Profit Reserves	148,147	269,050	-
Profits	134,378	160,870	-
Past Periods	335	715	-
Current Year	134,044	160,155	-
Total Liabilities	8,406,301	10,460,885	24.4

Summary income statement

(TRL thousand)	Dec '10	Dec '11	Growth (%)
Profit Share Income	666,507	769,727	15.5
Profit Share Expense	350,349	384,079	9.6
Net Profit Share Income	316,158	385,648	22.0
Net Fees and Commissions Income	82,916	90,332	8.9
Fees and Commissions Received	92,930	110,625	19.0
Fees and Commissions Paid	10,014	20,293	102.6
Net Trading Income	16,016	21,224	32.5
Other Operating Income	56,861	55,460	-2.5
Total Operating Profit	472,253	552,664	17.0
Provisions for Loan Losses	105,106	106,341	1.2
Other Operating Expenses	201,471	244,160	21.2
Net Operating Profit	165,676	202,163	22.0
Tax Provision	31,632	42,008	32.8
Net Profits	134,044	160,155	19.5

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