

Q2'2021 Investor Presentation

Albaraka Türk Participation Bank

10 Aug 2021

Agenda

1 Financial Highlights

2 Market Comparison

3 Appendix



Balance Sheet

(Million TRL)	Q4'20	Q2'21	YtD (%)
Total Assets	69.316	79.049	14,04
Total Funded Credits (Net)	40.583	46.081	13,55
Total NPLs	2.045	2.237	9,35
Deposits (incl. Interbank)	51.613	61.706	19,55
Shareholder's Equity	4.044	4.091	1,15

Income Statement

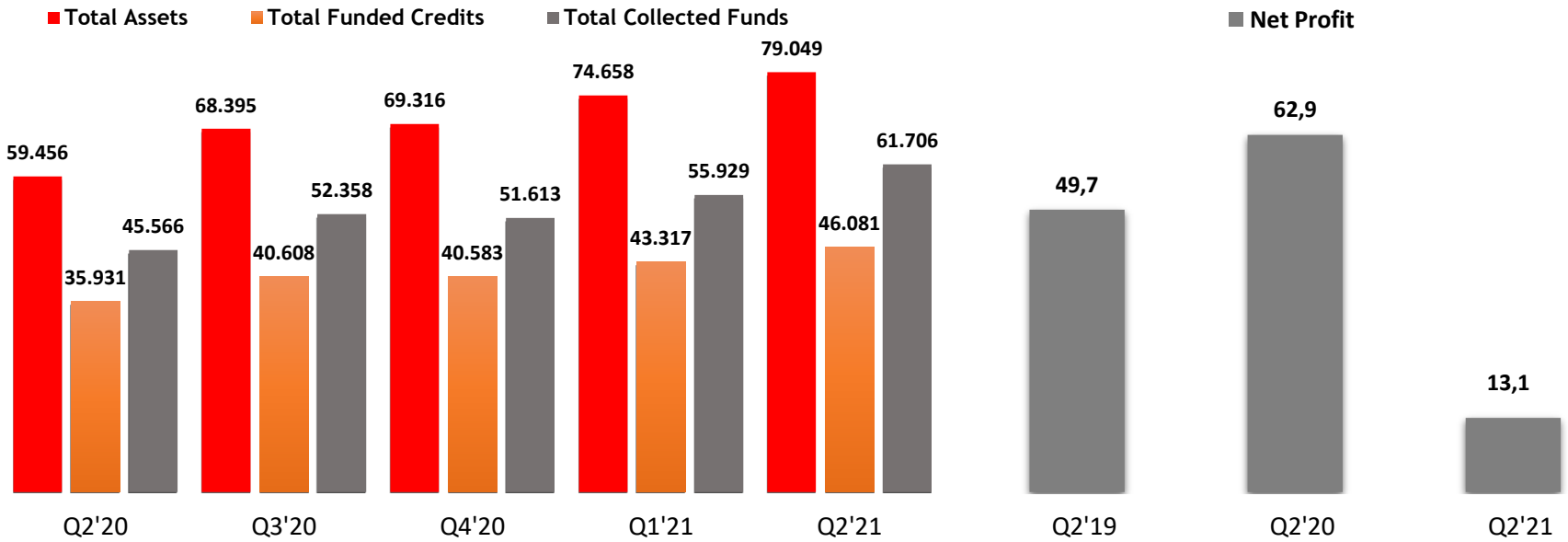
(Million TRL)	Q2'20	Q2'21	YoY (%)
Net Profit Share Income	768	594	-22,66
Net Fees & Commissions	100	170	70,23
Provisions for Loan Loss	384	520	35,63
Operating Expenses*	609	728	19,72
Net Profit	63	13	-79,22

* including personnel expenses

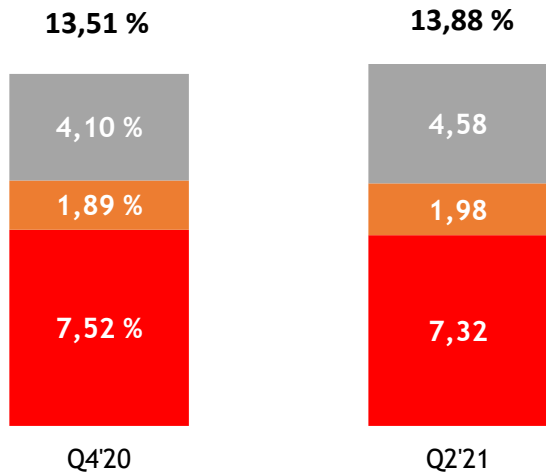
Key Ratios

%	Q4'20	Q2'21	YtD (bps)
CAR	13,51	13,88	37
Tier 1	9,41	9,30	-11
NPL	4,82	4,65	-17
Provisioning Stage III	61,02	61,50	48
Net Profit Share Margin	3,27	2,52	-75
Cost/Income	45,47	59,32	1.385

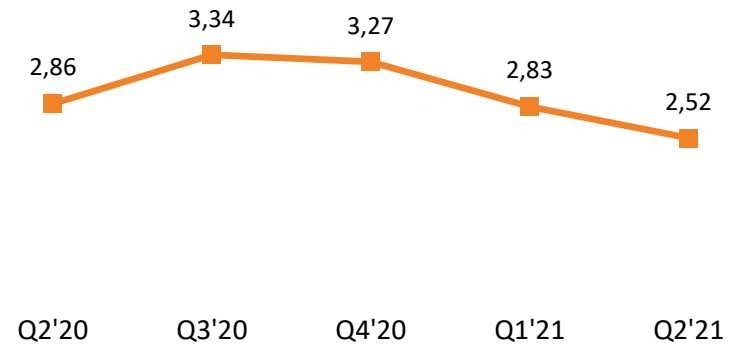
4 Q2'21 Main Highlights (Million TRL)



Common Equity Tier I (Red), **Additional Tier I** (Orange), **Additional Tier II** (Grey)



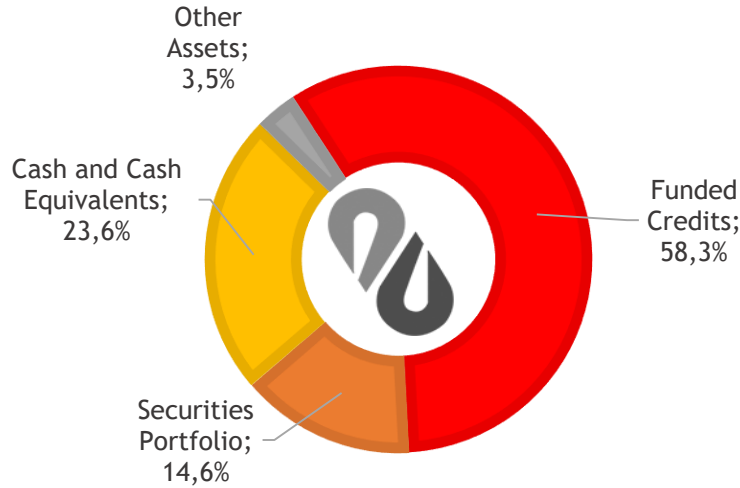
Net Profit Share Margin* (Orange line)



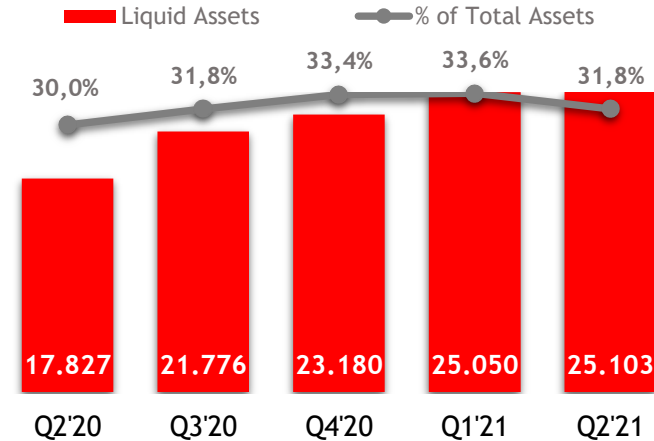
* Trailing for last 4 quarters



Composition of Total Assets (Q2'21)

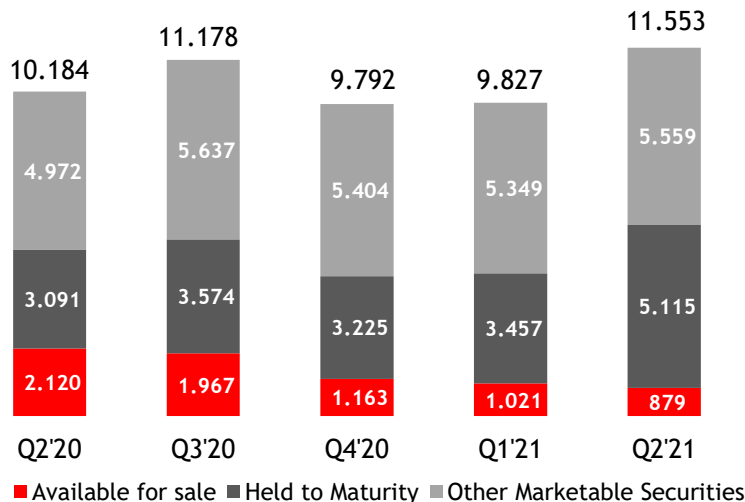


Liquid Assets (Million TRL)

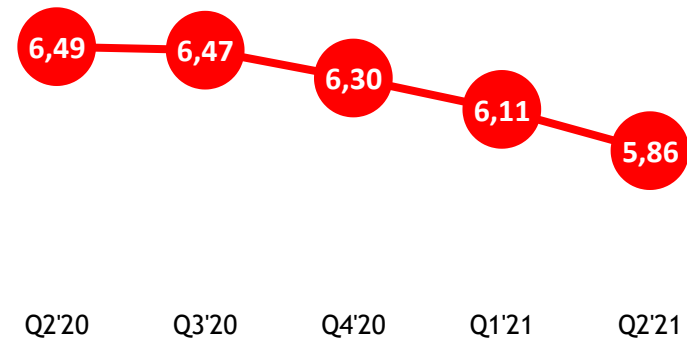


*Liquid Assets includes Cash and Cash Equivalents, Financial Assets Measured at Fair Value through Profit/Loss, Financial Assets Measured at Fair Value through Other Comprehensive Income.

Total Securities Portfolio (Million TRL)



Securities Yield (%)

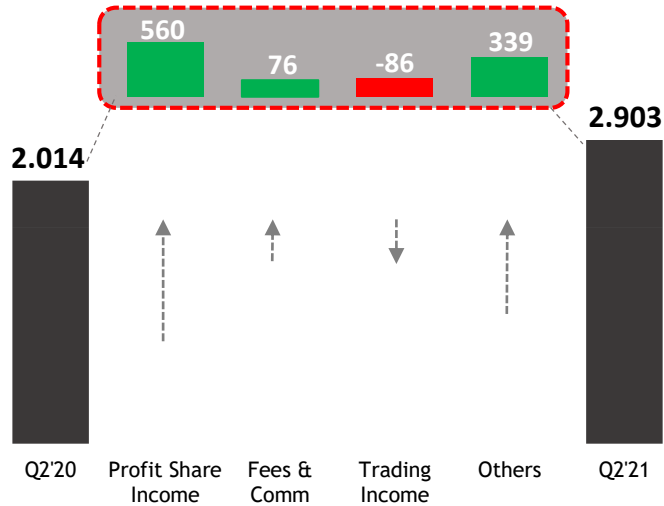


(*) Profit share income received from securities for the last 4Q/5Q average securities

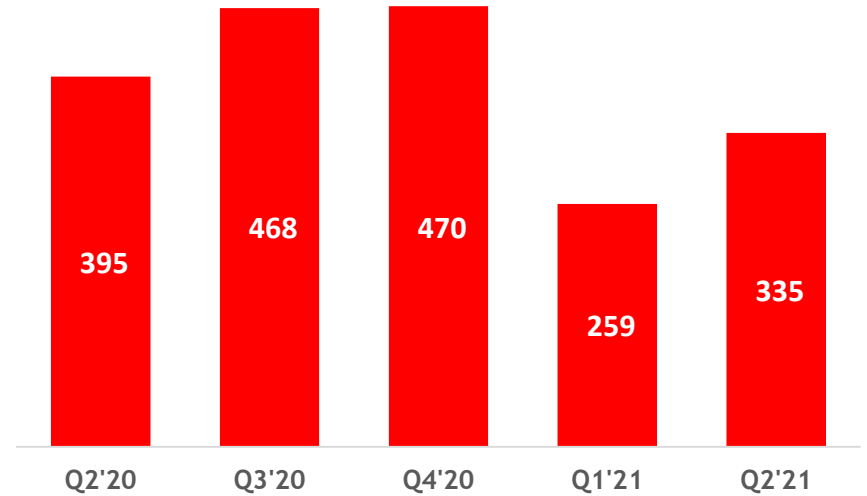
6 Operation Performance Breakdown



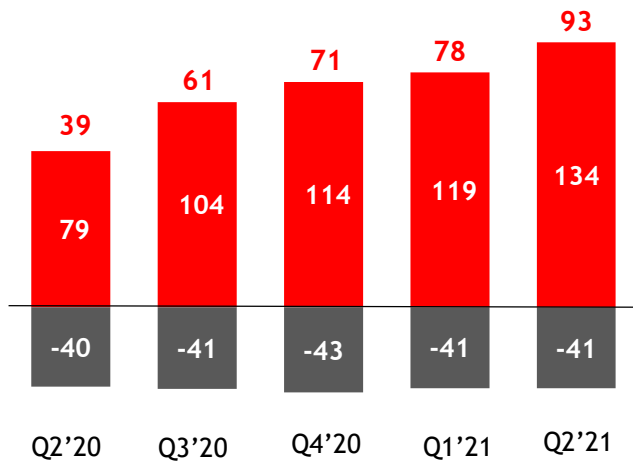
Key Movements in Income (Million TRL)



Net Profit Share Income (Quarterly, Million)

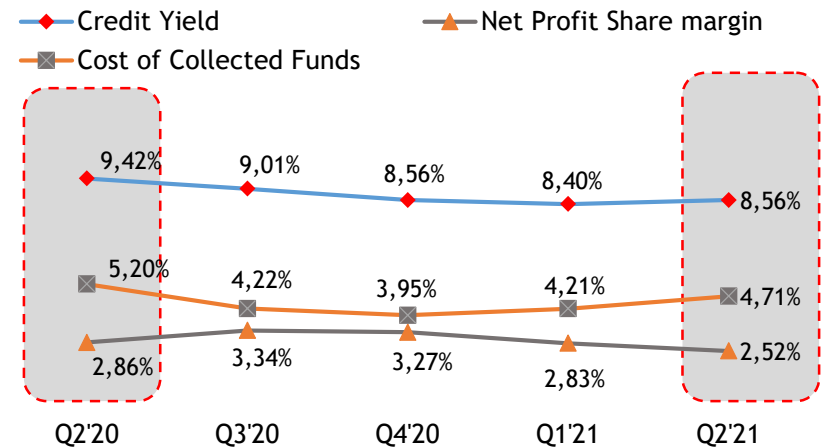


Net Fees and Commission Income (Quarterly, Million)



■ Fees and Commissions Received ■ Fees and Commissions Paid

Cost & Yield Movement (%)



7 Funded Credits Portfolio



Total Funded Credits (including financial leasing, million)

	Q2'20	Q4'20	Q2'21	YtD	YoY
TL Credits, TL	17.591	21.321	22.303	5,1%	26,8%
FC Credits, \$*	2.392	2.632	2.632	6,8%	10,1%
FC Indexed, \$*	290	167	119	-28,8%	-59,0%
Total Credits, TL	35.931	40.583	46.081	13,5%	28,2%

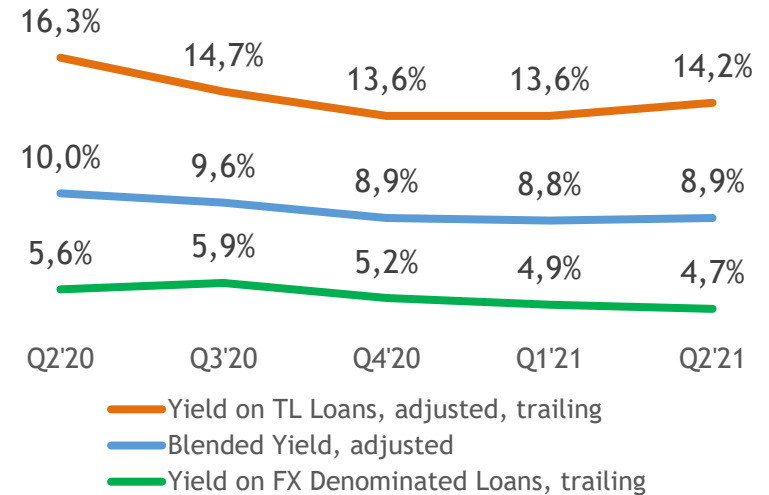
*USD equivalent

Composition of Total Funded Credits* (%)

	Q2'20	Q3'20	Q4'20	Q1'21	Q2'21
Corporate Credits	60,0	60,1	60,4	65,2	65,3
SME Credits	30,8	30,4	29,9	25,3	26,1
Retail Credits	9,3	9,5	9,7	9,5	8,6

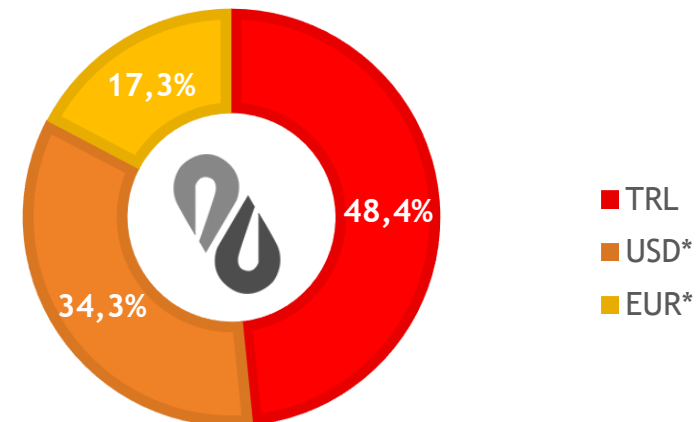
*According to BRSA definition

Yield on Performing Credits (%)



Profit share income received from credits for the last 4Q/5Q average credits

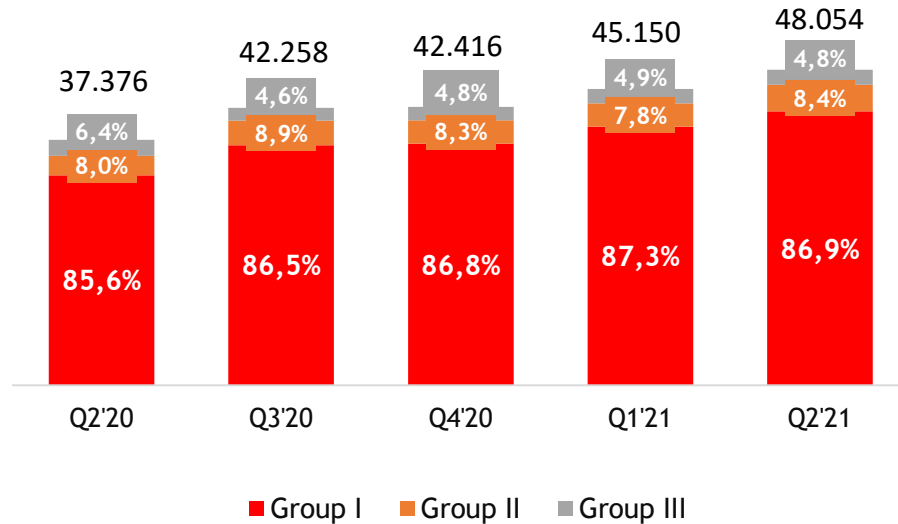
Currency Composition of Total Funded Credits* (Q2'21)



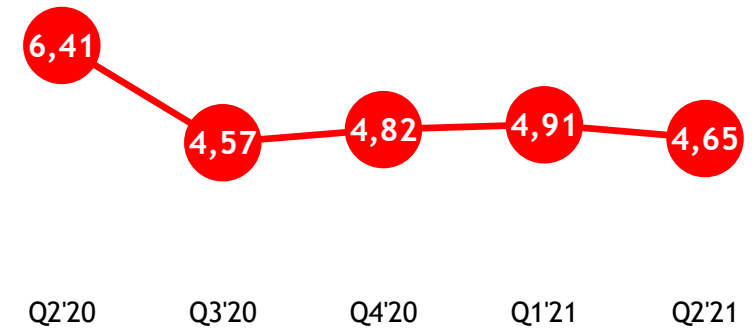
*Including USD & EUR indexed credits



Gross Funded Credits by Groups (including financial leasing, million)

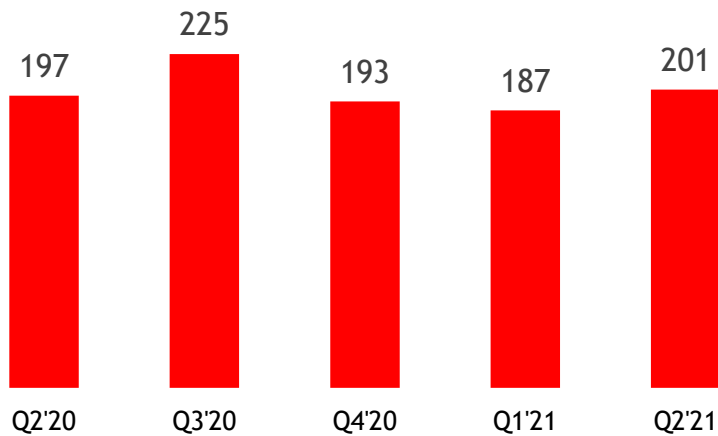


NPL Ratio (%)



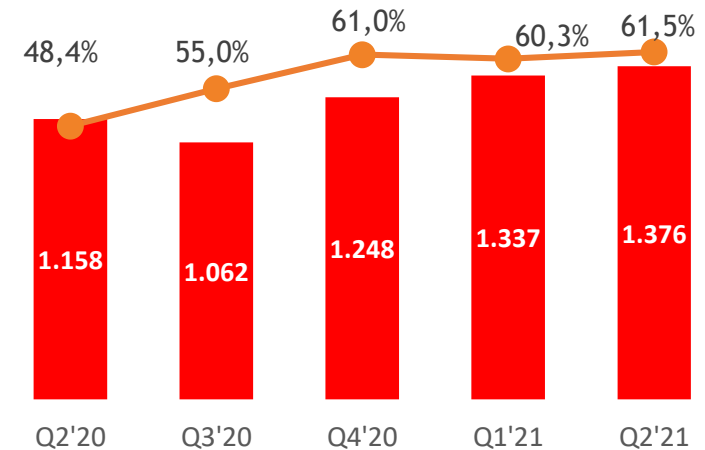
Including financial leasing & accruals and discounts

Cost of Risk (bps)



Specific provisions for credits for last 4Q/ 5Q average credits

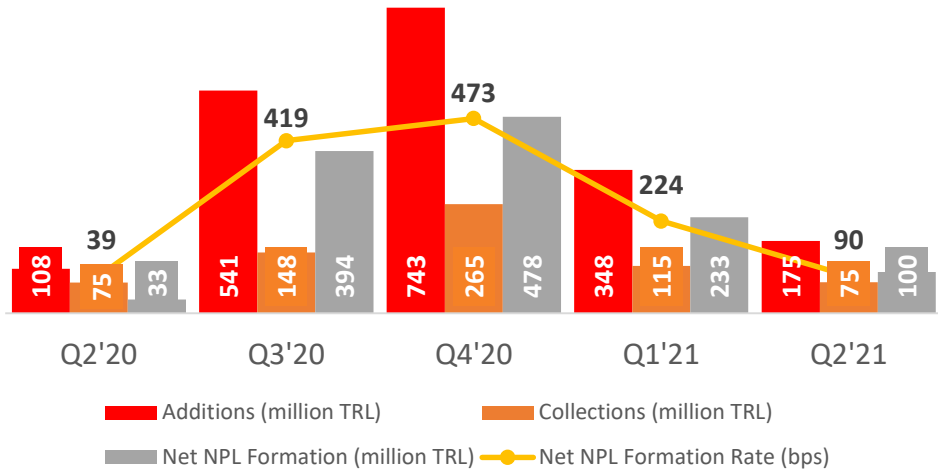
Provisioning (Stage III)



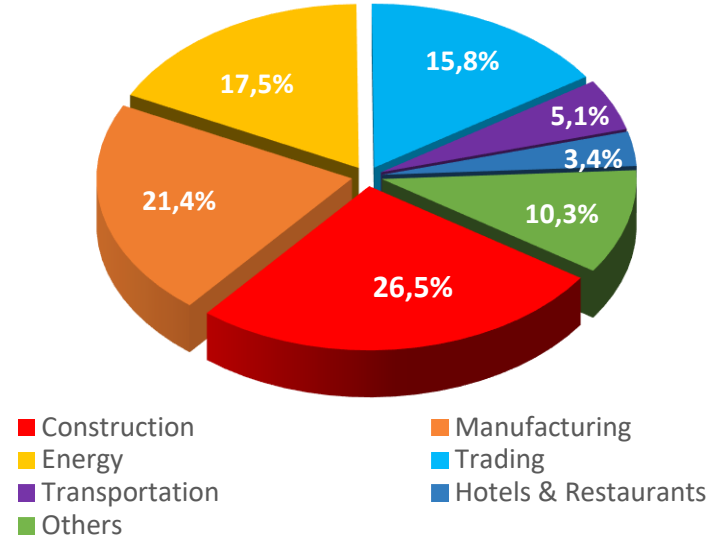
■ Lifetime ECL Impaired Credits (Stage 3) (Million TRL) ● Provisioning Ratio (%)



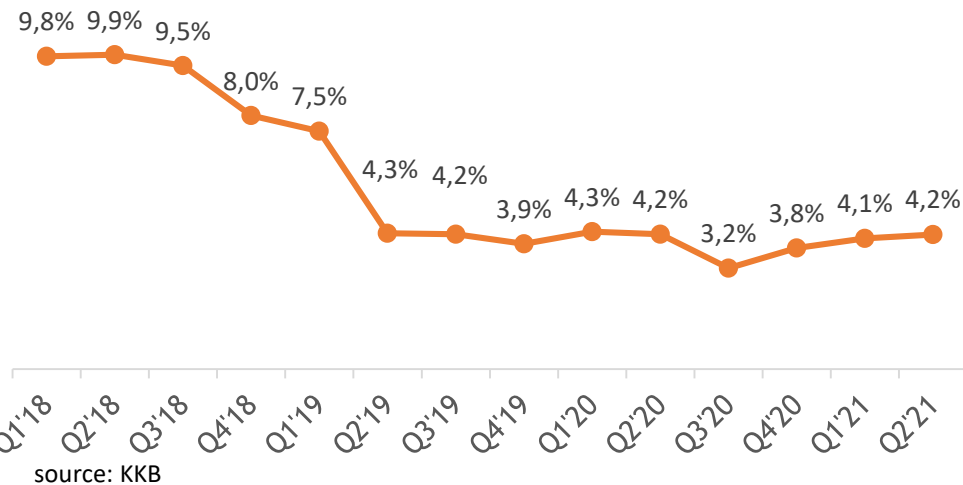
NPL Formation Trend (Quarterly)



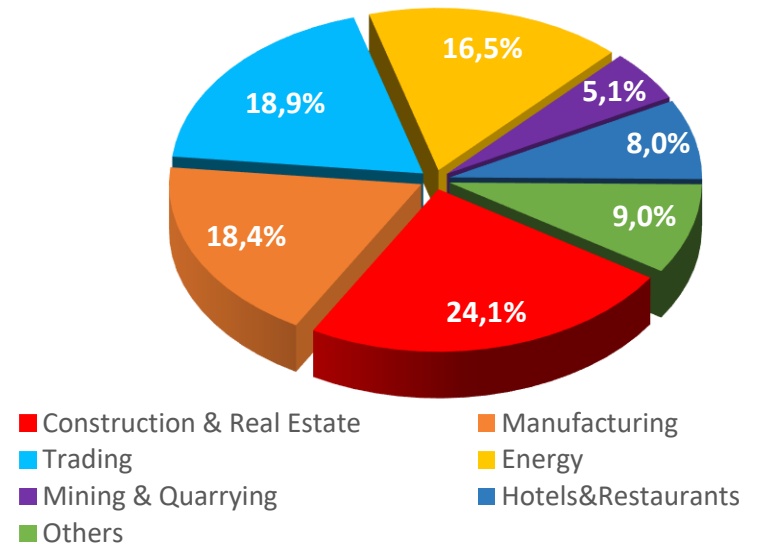
NPL Sector Distribution (Q2'21)



Bank's share in our customers' NPL to banking industry.



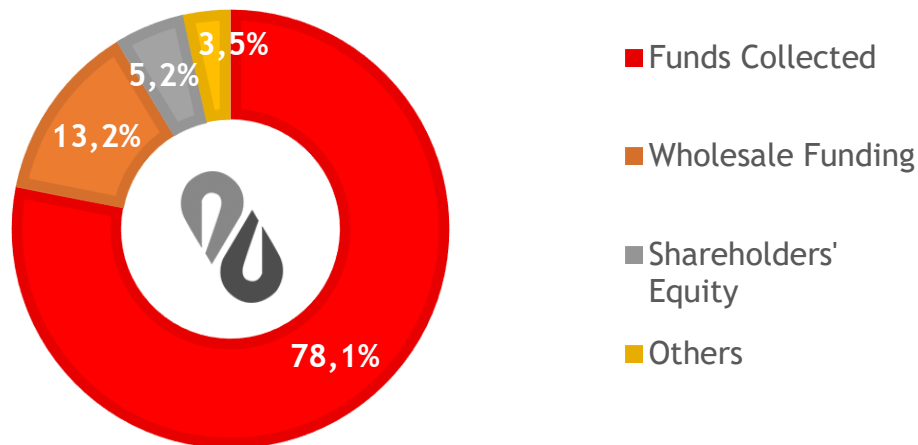
Stage II Credits Sector Distribution (Q2'21)



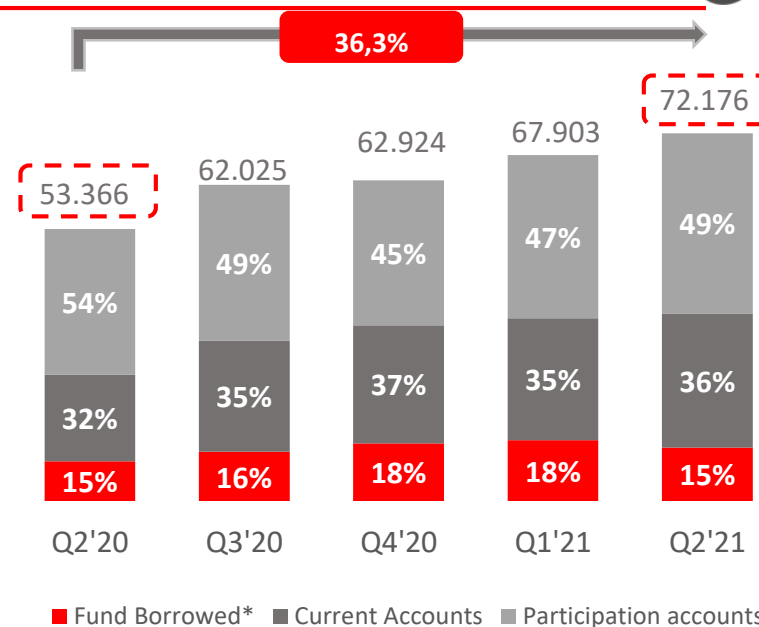
10 Funding Profile



Composition of Total Liabilities (Q2'21,%)



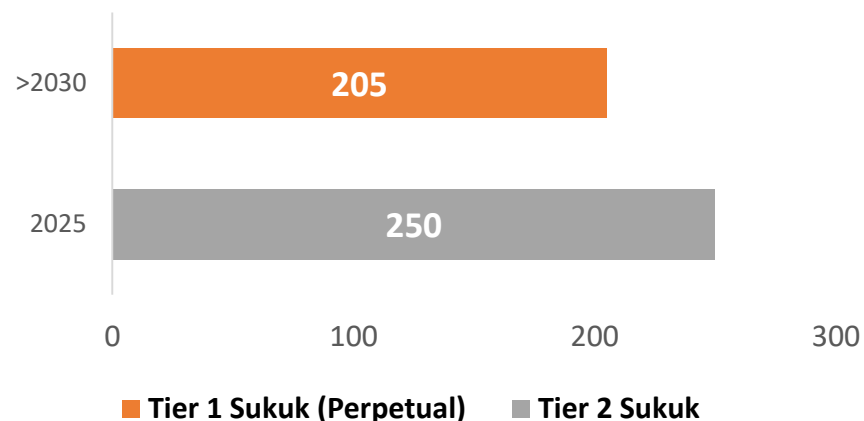
Composition of Funding Base (Million TRL)



*Fund Borrowed includes Funds Borrowed, Borrowings from Money Market and Subordinated Loans

(Million TRL)	Q4'20	Q2'21	YtD Growth %
Funds Collected (incl. Bank deposits)	51.613	61.701	19,55
Wholesale Funding	11.311	10.471	-7,42
Funds Borrowed	7.302	8.356	14,44
Syndicated Loans	-	-	-
Wakala	2.211	2.450	10,82
Issued Lease Certificates & Sukuk	4.243	5.119	20,65
Other	848	787	-7,20
Sub-Ordinated Debt (Tier 2)	1.733	2.039	17,69
Borrowings From Money Market	2.276	76	-96,66
Shareholders' Equity	4.044	4.091	1,15
Paid in Capital	1.350	1.350	0,0
Other Liabilities	2.348	2.782	18,05
Total Liabilities	68.395	79.049	14,04

Maturity Profile of Liabilities (Million USD)



11 Funding Profile (Collected Funds)

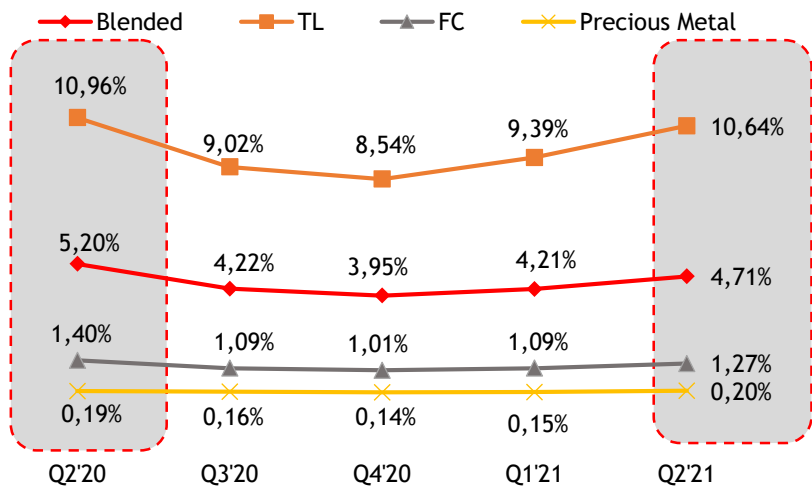


Total Funds Collected (Million TRL)

	Q4'20	Q2'21	YtD
Funds Collected	51.613	61.706	19,6%
Current Accounts	23.159	26.310	13,6%
Current Accounts TL	4.635	5.849	26,2%
Current Accounts, FC, \$	2.520	2.367	-6,1%
Participation Accounts	28.454	35.396	24,4%
Participation Accounts TL	10.830	11.797	8,9%
Participation Accounts FC, \$	2.397	2.730	13,9%

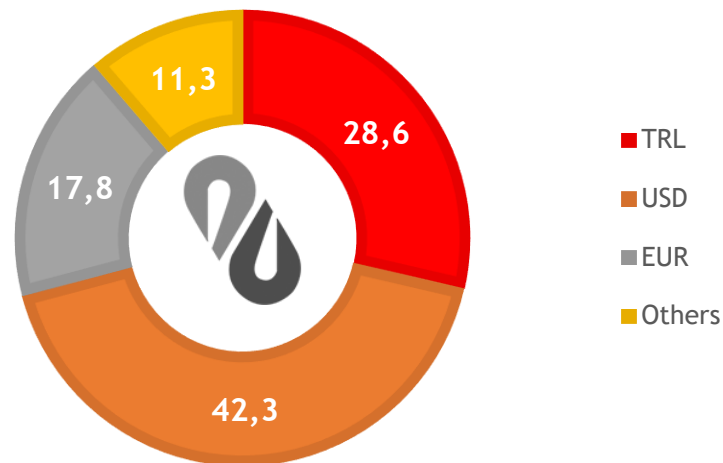
*USD equivalent of FC accounts

Cost of Funds Collected*

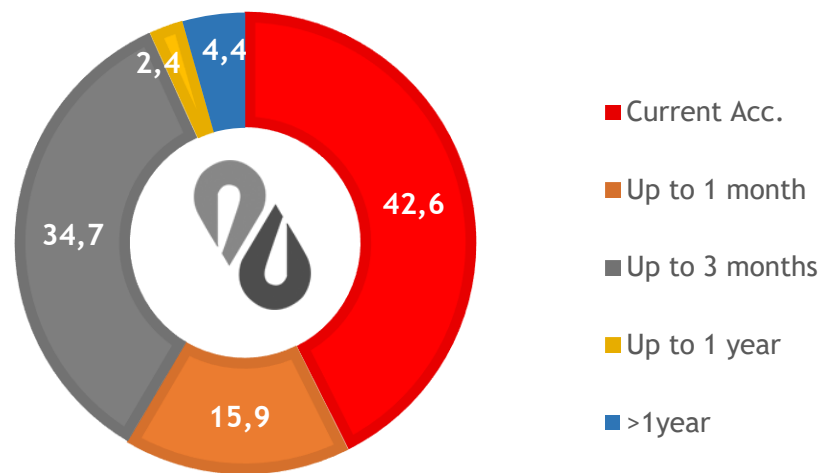


*Profit share expense to depositors for the last 4Q/5Q average participation accounts

Currency Composition of Funds Collected (Q2'21,%)

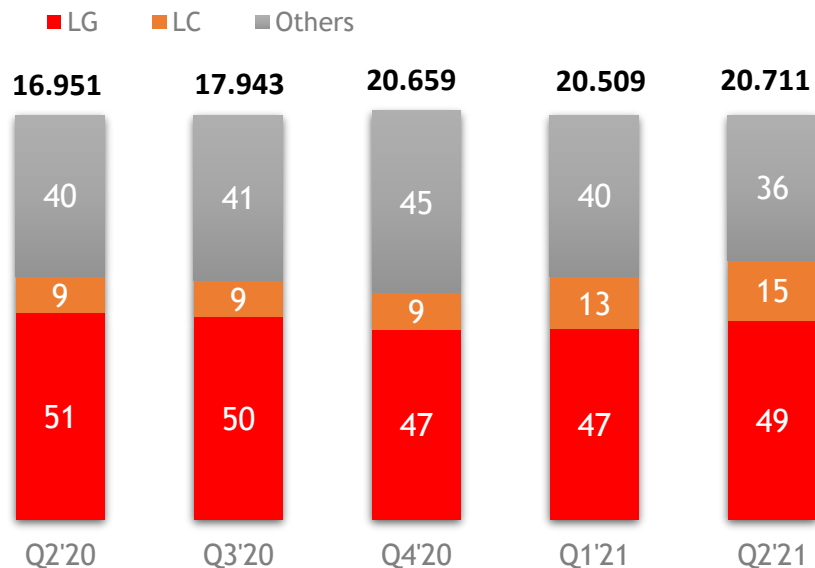


Maturity Composition of Funds Collected (Q2'21,%)



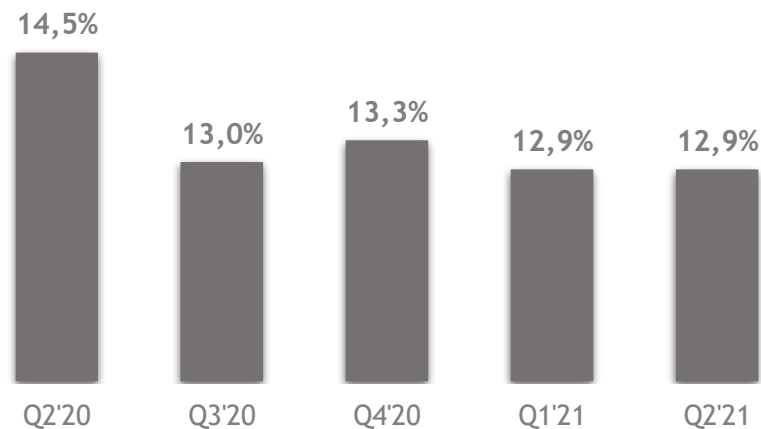


Off Balance Sheet Composition (%)



LGs*-to-Total Assets

*Below 20% of LGs to Total Assets is targeted



Guarantees & Sureties (TRL million)

	Q2'20	Q3'20	Q4'20	Q1'21	Q2'21	Growth (%)	
						YtD	YoY
Letter of Guarantee	8.636	8.918	9.203	9.645	10.184	10,7%	17,9%
Letter of Credit	1.519	1.554	1.771	2.577	3.111	75,7%	104,7%
Others*	283	119	148	114	163	9,9%	-42,4%
Total:	10.438	10.592	11.122	12.336	13.457	21,0%	28,9%

*Revocable credit limits not included.



(Million TRL)	Yearly			Notes
	Q2'20	Q2'21	%	
Net Profit Share Income	768	594	-22,7	Profit Share income increased by 34,5 % while Expenses on Profit Sharing Accounts jumped 55,4 % and Expenses on Funds Borrowed more than doubled with 143,8 %. Upward cost of funding led to weaker Net Profit Share Income.
Net Fee Income	100	170	70,2	The suspension of CBRT commissions on required reserves had a positive impact on Net Fee Income.
Net Trading Income	69	-17	n.a	Due to sales of investment fund participation certificates
Other Income	142	481	238,2	With the support of strong collections performance from Stage III loans, reversal of prior year provisions bumped up by 249%, and income from sales of assets increased this item.
Provisioning	384	520	35,6	Stage 3 Coverage Ratio has been remained above 60%
Personnel Expenses	350	375	7,4	Below CPI which is 17,53 % in June
Other Costs	259	353	36,4	Mostly stemming from impairment expenses of assets held for sale and legal dues (Taxes, Duties, Charges etc.)
Net Profit	63	13	-79,2	

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Percent %	Q4'20			Q2'21		
	Albaraka Türk	Participation Banks	Banking Sector	Albaraka Türk	Participation Banks	Banking Sector
CAR	13,51	17,79	18,76	13,88	16,55	17,75
NPL Ratio	4,82	3,51	4,03	4,65	3,41	3,61
Provisioning Ratio (Stage 3)	61,02	82,91	74,82	61,50	83,36	76,88
Loan/Deposits	78,63	75,56	104,05	74,68	73,80	102,46
Asset Yield	6,87	7,31	8,64	6,82	7,48	8,89
Asset Spread	3,45	3,81	4,12	2,71	3,07	3,26
Net Profit Share Margin	3,27	4,14	4,46	2,52	3,46	3,68
Op Costs / Avg. Assets	2,07	1,80	1,79	1,96	1,64	1,63
Cost/Income*	45,47	34,56	34,22	59,32	37,51	37,18
Credits / Branches (000'TRL)	176,449	197.961	337.123	200.354	220.004	370.585
Staff / Branches	14,74	13,43	18,16	14,42	13,42	18,10
CA / Deposits	44,87	45,22	32,60	42,69	43,24	33,13

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(Million TRL)	Q4'20	Q2'21	Growth (%)
Cash and Balances with Central Bank	13.235	15.305	15,6
Banks	3.413	3.396	-0,5
Financial Assets	9.792	11.553	18,0
Funded Credits	40.583	46.081	13,5
<i>Cash Credits</i>	40.011	45.322	13,3
<i>NPL</i>	2.045	2.237	9,4
<i>Provisions (Stage III)</i>	1.248	1.376	10,2
<i>Net Financial Leasing Receivables</i>	360	495	37,4
Associates	43	43	0,0
Fixed Assets	1.429	1.417	-0,9
Assets Held For Sale and Investment	131	156	19,1
Other Assets (inc. Tax Assets)	710	1.008	49,4
Total Assets	69.317	79.049	14,0
Funds Collected	51.613	61.706	19,6
Funds Borrowed	7.302	8.356	14,4
Debts	4.423	2.650	-40,1
Provisions (inc. Taxes)	201	208	3,3
Tier II Sukuk	1.733	2.039	17,7
Shareholders' Equity	4.044	4.091	1,1
<i>Capital</i>	1.350	1.350	0,0
<i>Capital Reserves (inc. Premium)</i>	961	1.021	6,3
<i>Profit Reserves</i>	1.493	1.744	16,8
Total Liabilities	69.317	79.049	14,0



(Million TRL)	Q2'20	Q2'21	Growth (%)
Profit Share Income	1.625	2.186	34,5
Profit Share Expense	858	1.592	85,6
Net Profit Share Income	768	564	-22,7
Net Fees and Commissions Income	100	170	70,2
<i>Fees and Commissions Received</i>	177	253	42,6
<i>Fees and Commissions Paid</i>	77	82	6,8
Net Trading Income	69	-17	n.a.
Other Operating Income	142	481	238,2
Total Operating Profit	729	853	16,9
Provisions for Loan Losses and Other Receivables	384	520	35,6
Personnel Expenses	350	375	7,4
Other Operating Expenses	259	353	36,4
Operating Profit Before Tax	87	-21	n.a.
Tax Provision	24	-34	n.a.
Net Profit	63	13	-79,2

THANK YOU

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