

# 2022 First Half Investor Presentation

*Albaraka Türk Participation Bank*

9 Aug 2022

## Agenda

**1** Financial Highlights

**2** Market Comparison

**3** Appendix



## Balance Sheet

(Million TRL)	Q4'21	Q2'22	YtD(%)
Total Assets	108.955	131.672	20,8
Total Funded Credits (Net)	56.937	64.805	13,8
Total NPLs	3.783	2.098	-44,5
Deposits (incl. Interbank)	91.237	107.909	18,3
Shareholder's Equity	4.627	7.210	55,8

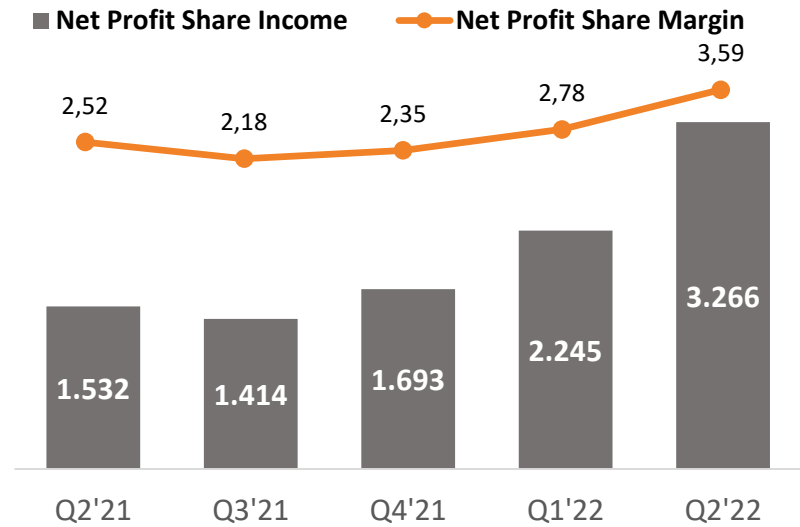
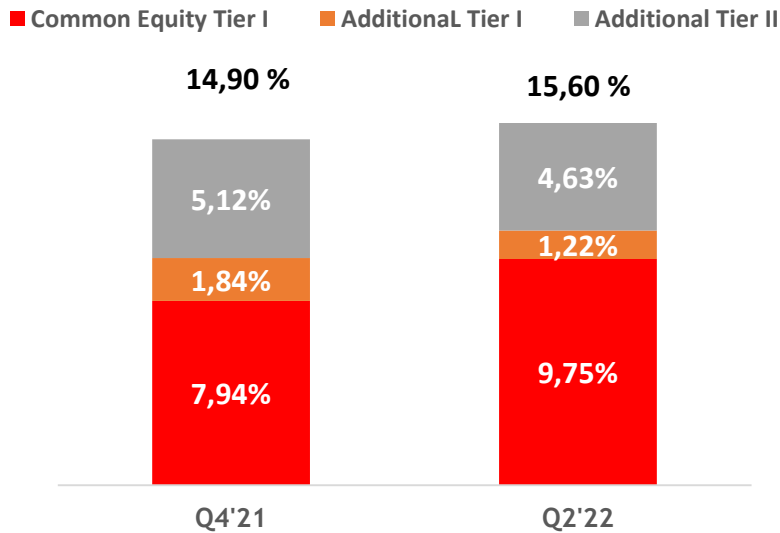
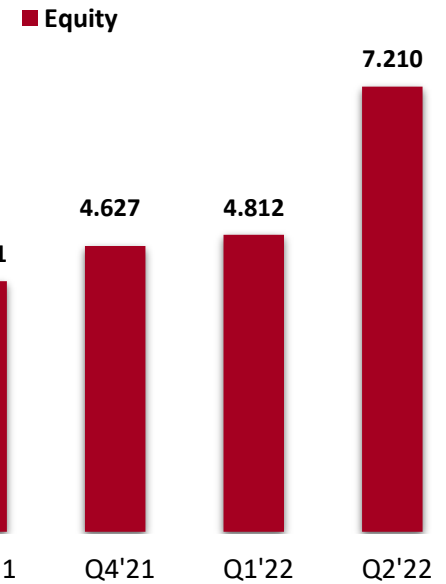
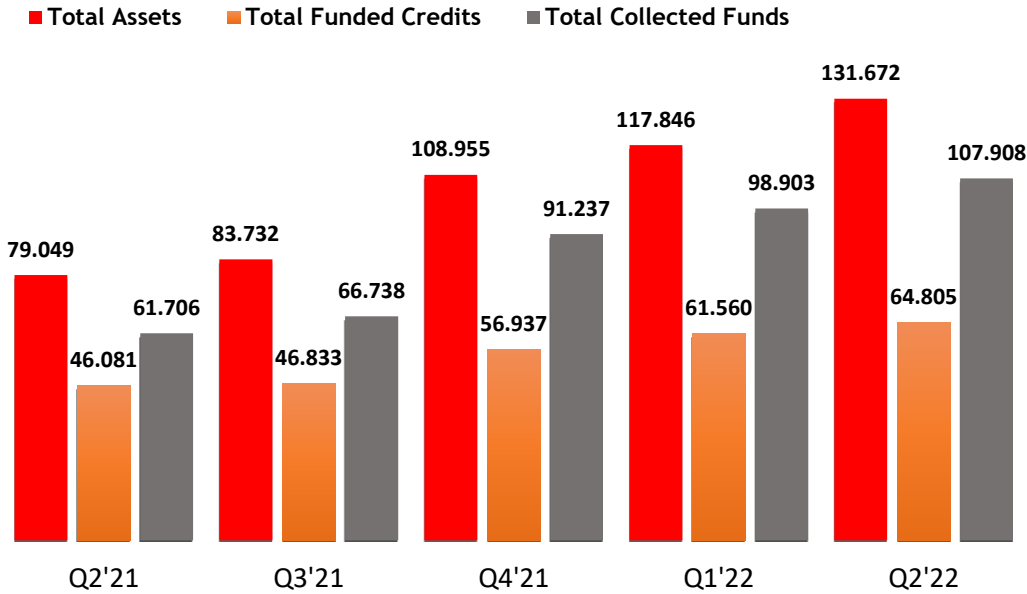
## Income Statement

(Million TRL)	Q2'21	Q2'22	YoY(%)
Net Profit Share Income	594	2.167	265
Net Fees & Commissions	170	350	105
Provisions	520	2.481	377
Personel Expenses	375	471	25,5
Operating Expenses	353	488	38,2
Net Profit	13	652	4.891

## Key Ratios

%	Q4'21	Q2'22	YtD (bps)
CAR	14,90	15,60	70
Tier 1	9,78	10,97	119
NPL	6,29	3,12	-317
Provisioning Stage III	70,26	70,96	70
Net Profit Share Margin	2,35	3,59	124
Cost/Income	43,28	21,30	-21.98

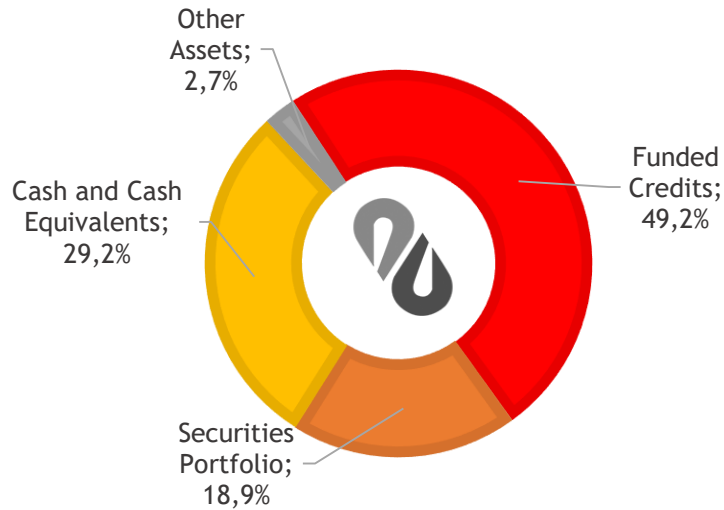
# 4 Q2'22 Main Highlights (Million TRL)



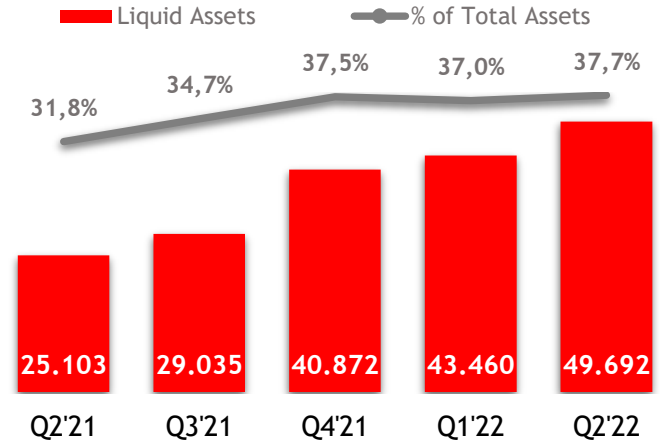
Trailing for last 4 quarters



## Composition of Total Assets (Q2'22)

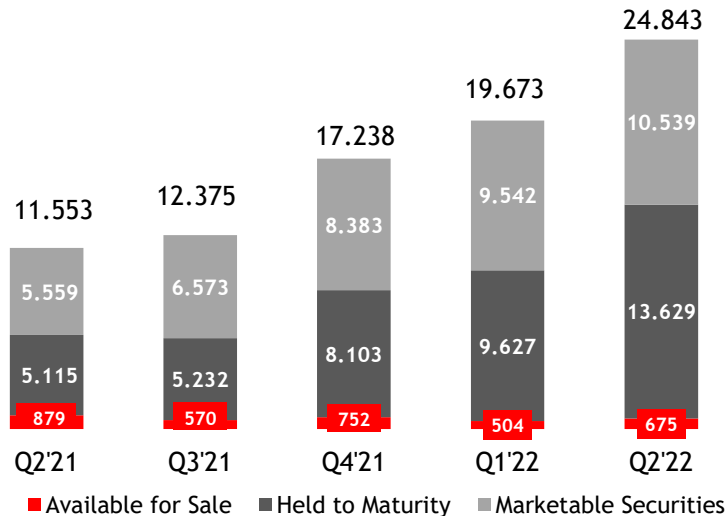


## Liquid Assets (Million TRL)

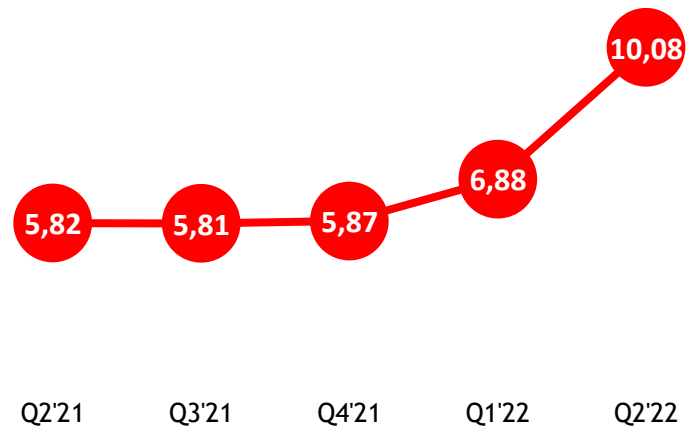


\*Liquid Assets includes Cash and Cash Equivalents, Financial Assets Measured at Fair Value through Profit/Loss, Financial Assets Measured at Fair Value through Other Comprehensive Income.

## Total Securities Portfolio (Million TRL)



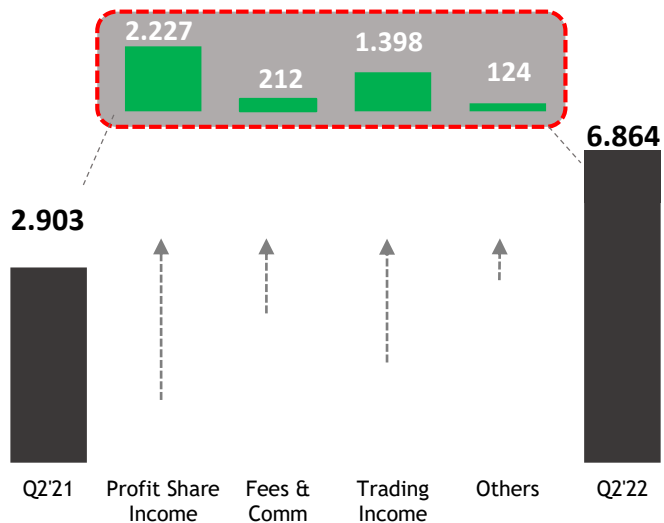
## Securities Yield (%)



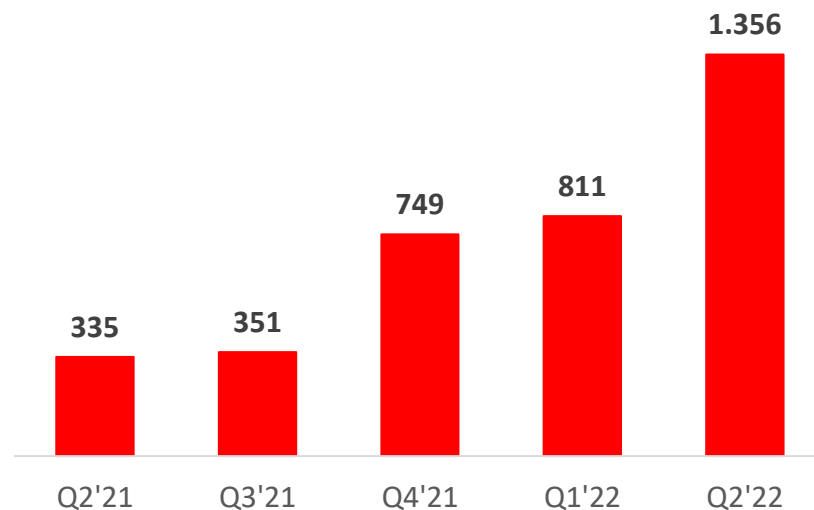
(\*) Profit share income received from securities for the last 4Q/5Q average securities



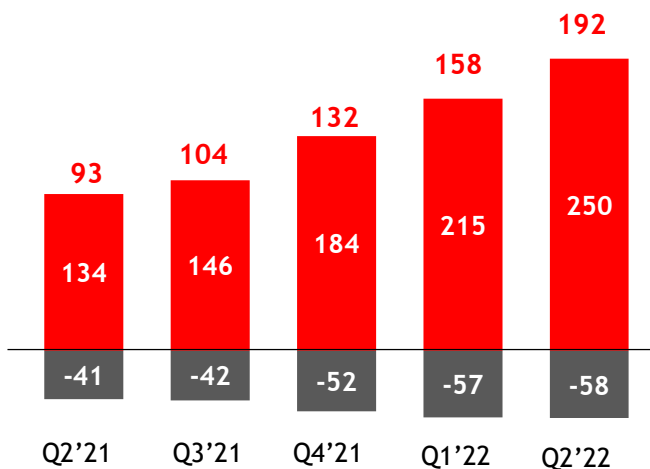
### Key Movements in Income (Million TRL)



### Net Profit Share Income (Quarterly, Million)

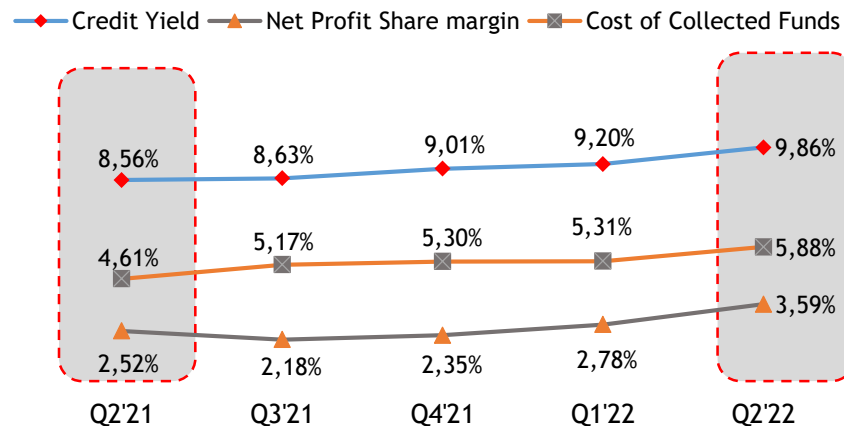


### Net Fees and Commission Income (Quarterly, Million)



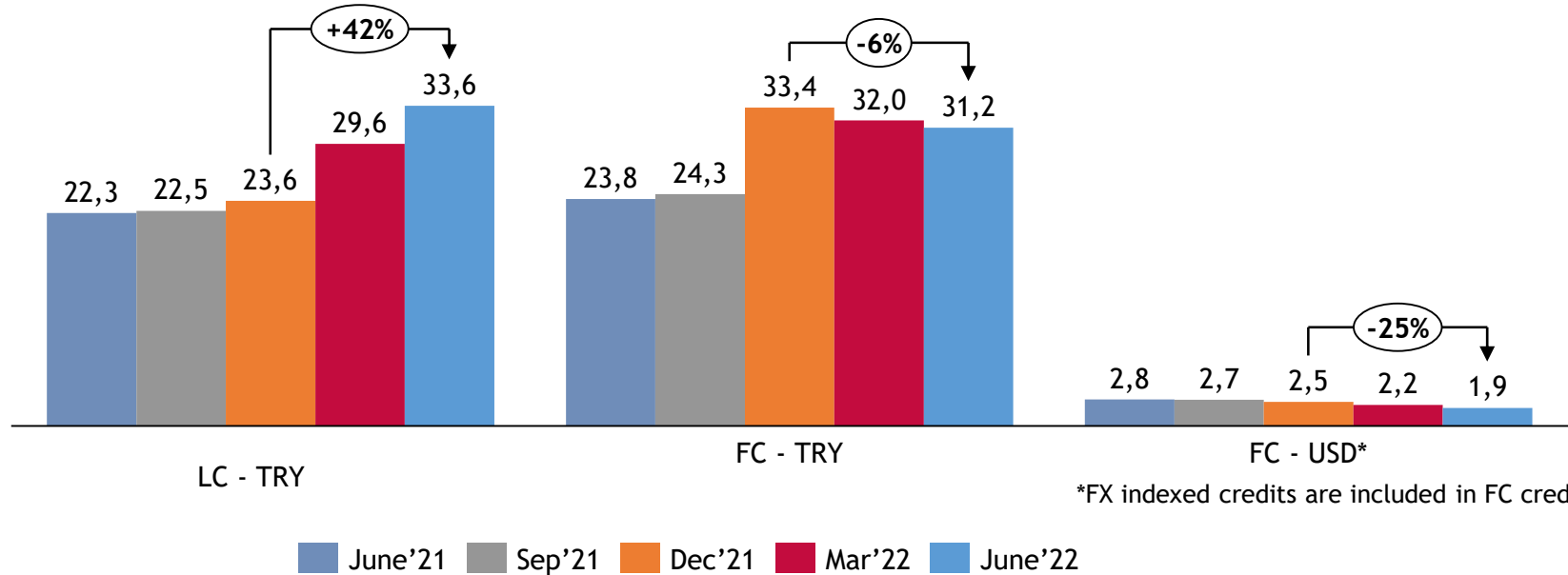
■ Fees and Commissions Received ■ Fees and Commissions Paid

### Cost & Yield Movement (%)





### Total Funded Credits (including financial leasing, billion)

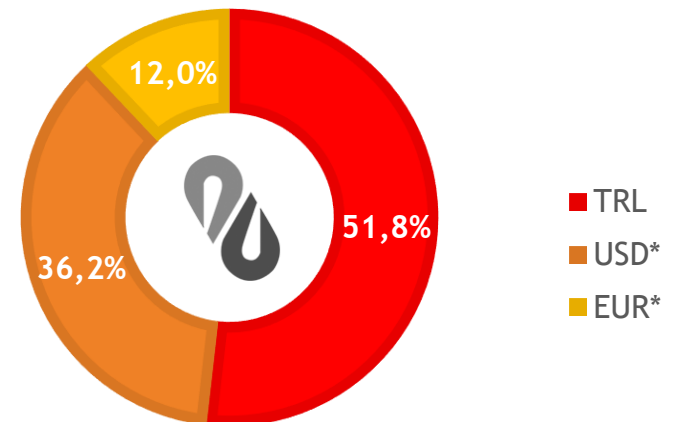


### Composition of Total Funded Credits\* (%)

	Q2'21	Q3'21	Q4'21	Q1'22	Q2'22
Corporate Credits	65,3	66,3	68,1	70,4	68,6
SME Credits	26,1	24,4	23,7	22,3	23,8
Retail Credits	8,6	9,3	8,2	7,3	7,6

\*According to BRSA definition

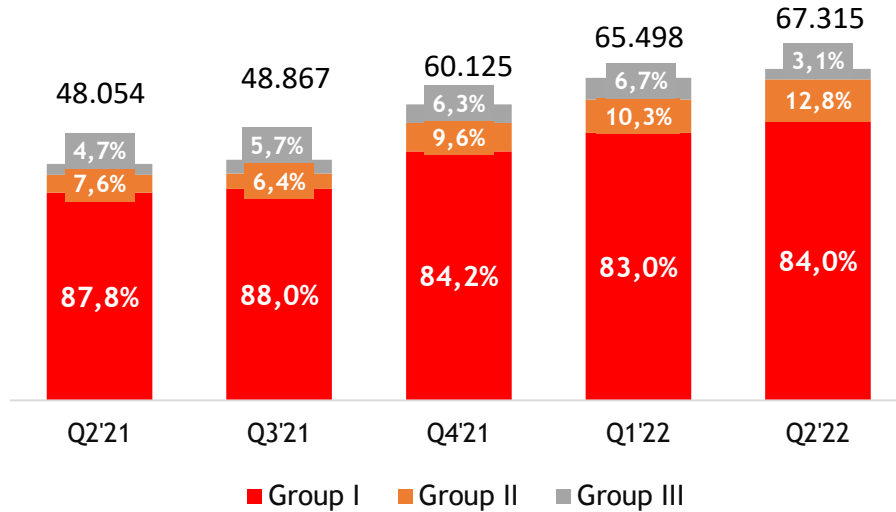
### Currency Composition of Total Funded Credits (Q2'22)



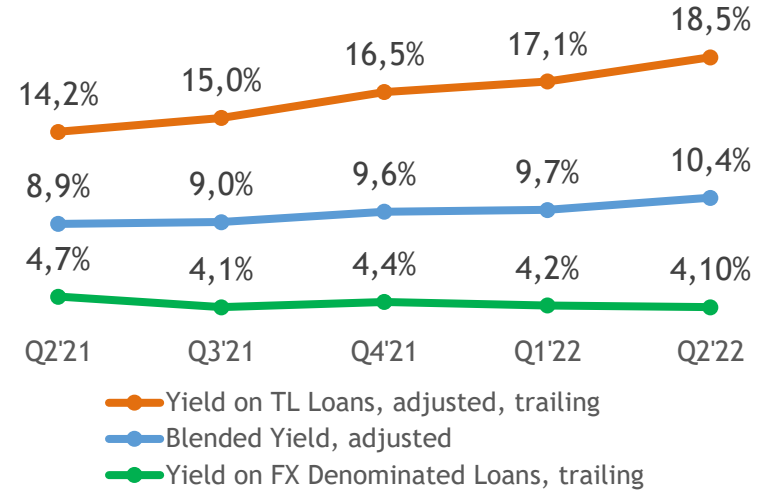
\*Including USD & EUR indexed credits



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

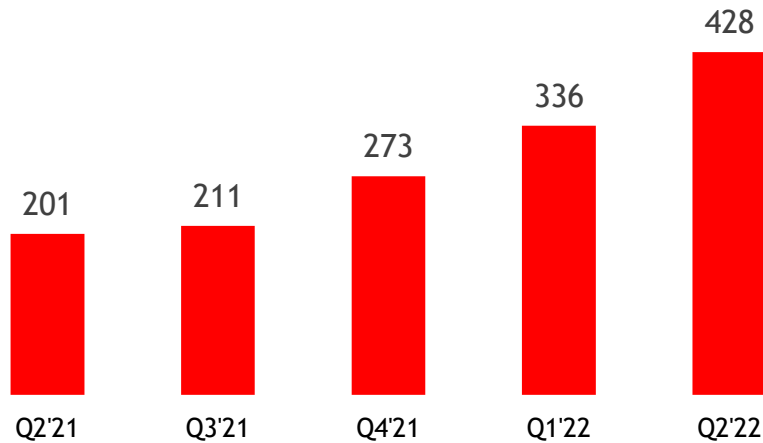


Yield on Performing Credits (%)



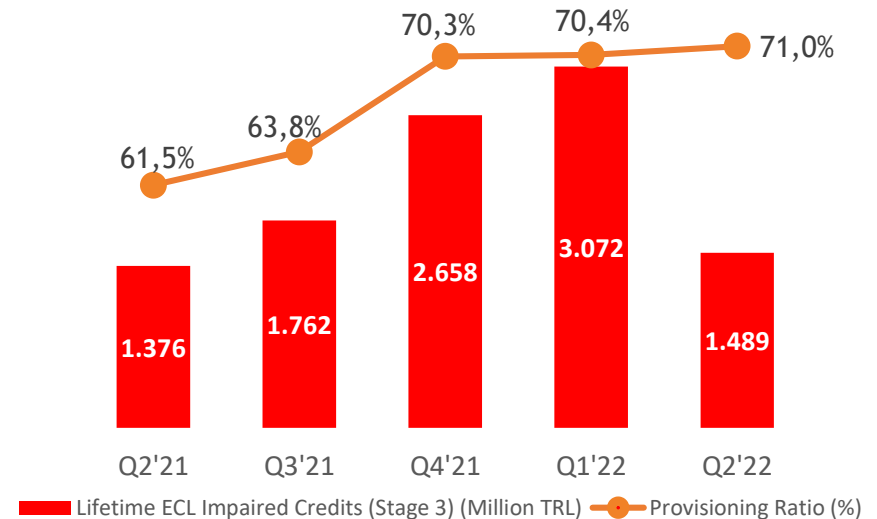
Profit share income received from credits for the last 4Q/5Q average credits.  
Excluding JV Projects

Cost of Risk (bps)



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

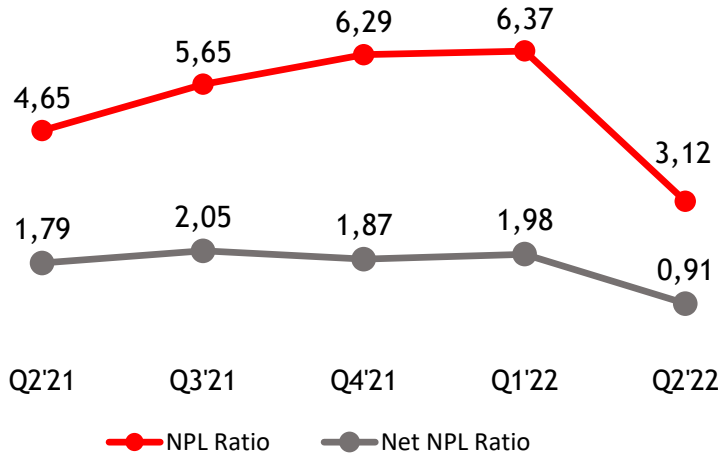
Provisioning (Stage III)





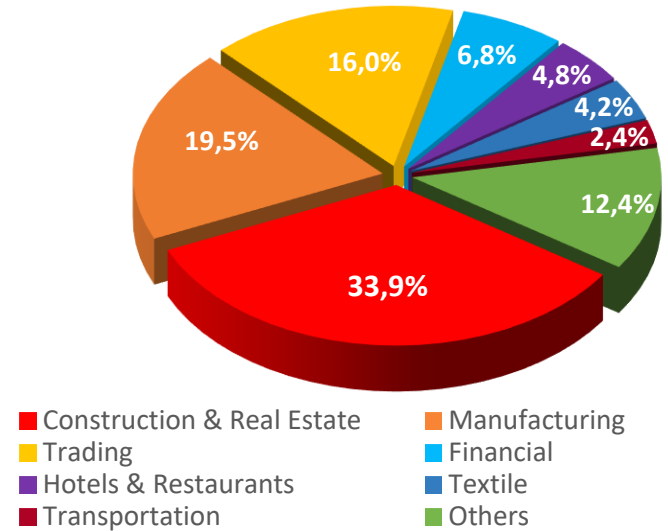


NPL Ratio (%)

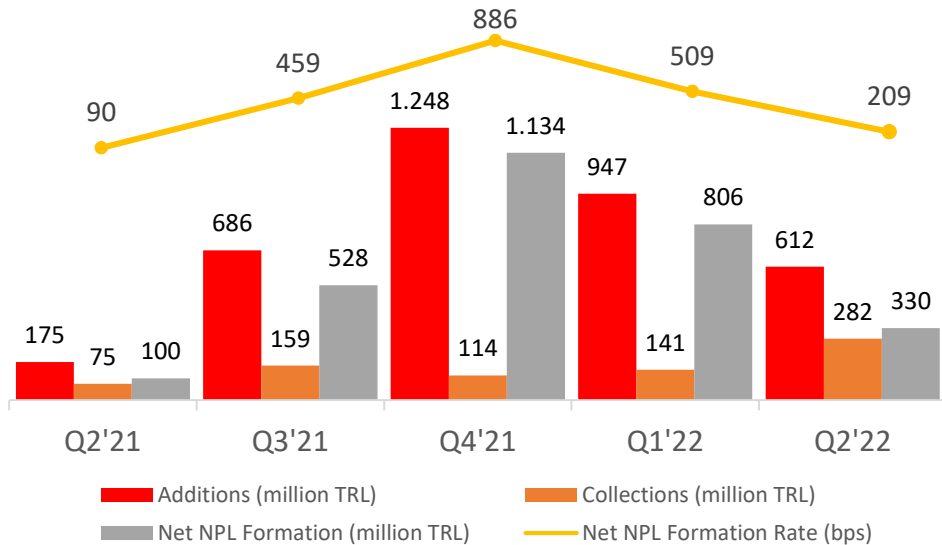


Including financial leasing & accruals and rediscunts

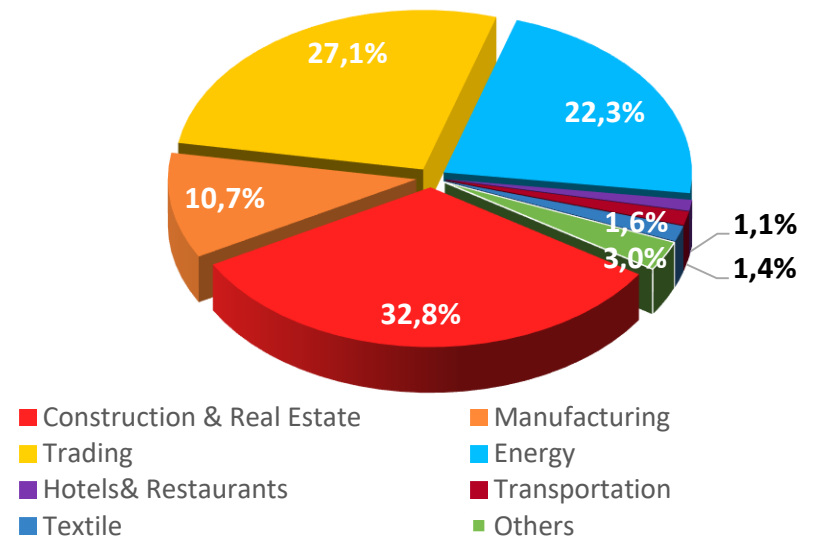
NPL Sector Distribution (Q2'22)



NPL Formation Trend (Quarterly)



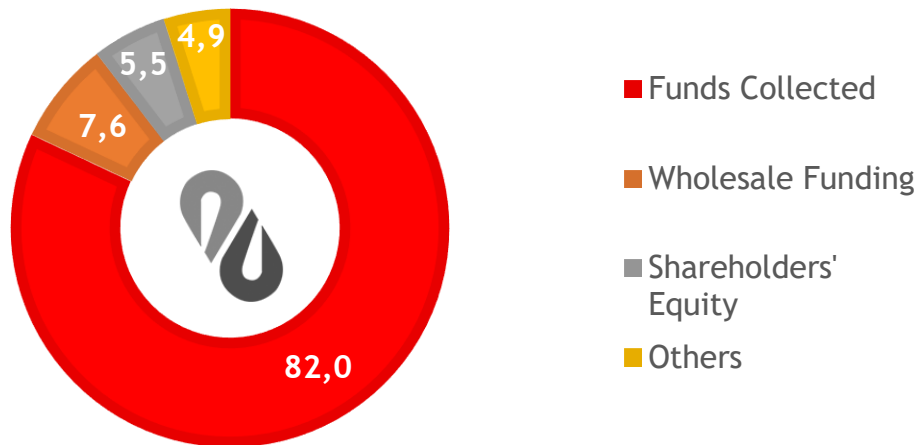
Stage II Credits Sector Distribution (Q2'22)



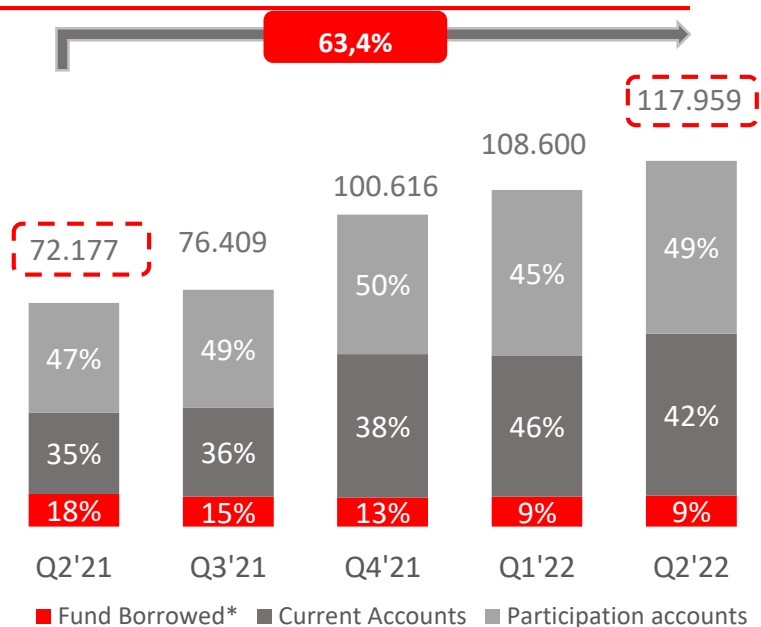
# 10 Funding Profile



## Composition of Total Liabilities (Q2'22,%)



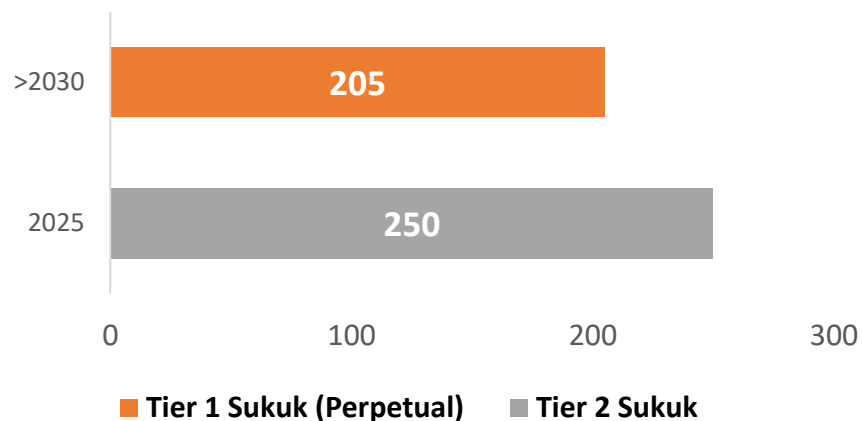
## Composition of Funding Base (Million TRL)



(Million TRL)	Q4'21	Q2'22	YtD Growth %
<b>Funds Collected (incl. Bank deposits)</b>	<b>91.237</b>	<b>107.908</b>	<b>18,3</b>
<b>Wholesale Funding</b>	<b>9.380</b>	<b>10.051</b>	<b>7,2</b>
Funds Borrowed	6.259	5.982	-4,4
Syndicated Loans	-	-	-
Wakala	1.249	2.923	134
Issued Lease Certificates & Sukuk	4.110	2.305	-43,9
Other	900	754	-16,2
Sub-Ordinated Debt (Tier 2)	3.119	4.070	30,5
Borrowings From Money Market	1	0	
<b>Shareholders' Equity</b>	<b>4.627</b>	<b>7.210</b>	<b>55,8</b>
Paid in Capital	1.350	2.500	85,2
<b>Other Liabilities</b>	<b>3.711</b>	<b>6.503</b>	<b>75,2</b>
<b>Total Liabilities</b>	<b>108.955</b>	<b>131.672</b>	<b>20,8</b>

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

## Maturity Profile of Subordinated Loans (Million USD)



# 11 Funding Profile (Collected Funds)

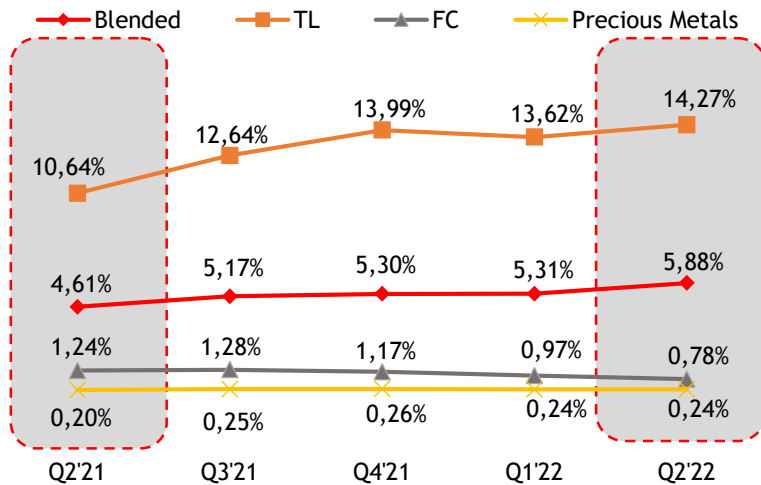


## Total Funds Collected (Million TRL)

	Q4'21	Q2'22	YtD
<b>Funds Collected</b>	<b>91.237</b>	<b>107.908</b>	<b>18,3%</b>
<b>Current Accounts</b>	<b>46.282</b>	<b>52.174</b>	<b>12,7%</b>
Current Accounts TL	7.715	8.667	12,3%
Current Accounts, FC, \$	2.917	2.627	-10,0%
<b>Participation Accounts</b>	<b>44.954</b>	<b>55.734</b>	<b>24,0%</b>
Participation Accounts TL	12.485	26.682	113,7%
Participation Accounts FC, \$	2.456	1.754	-28,6%

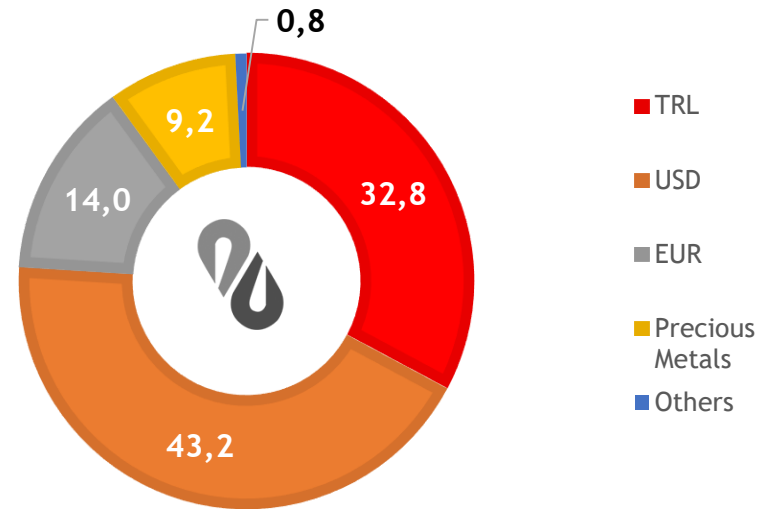
\*USD equivalent of FC accounts

## Cost of Funds Collected\*

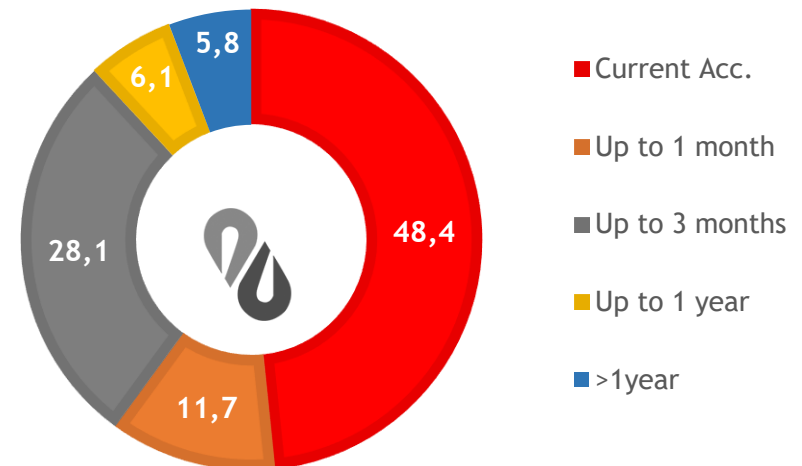


\*Profit share expense to depositors for the last 4Q/5Q average participation accounts

## Currency Composition of Funds Collected (Q2'22,%)

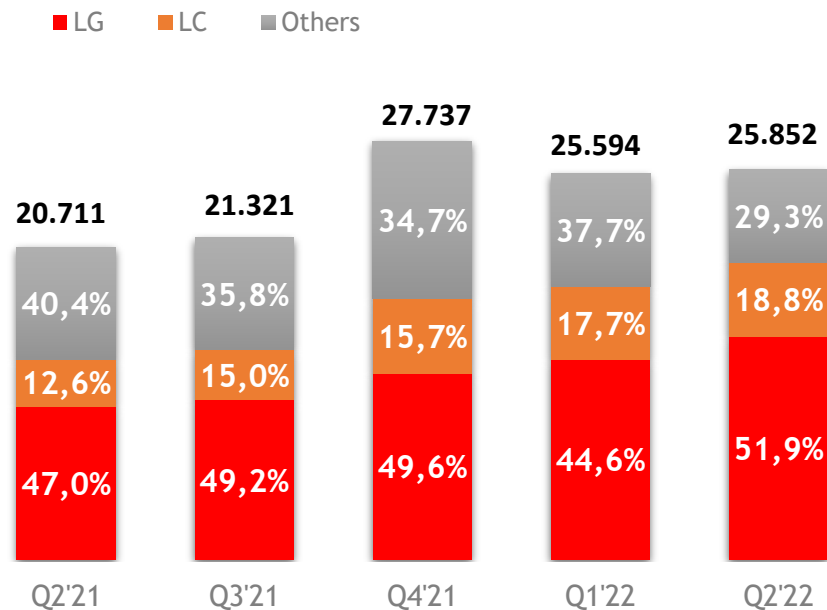


## Maturity Composition of Funds Collected (Q2'22,%)

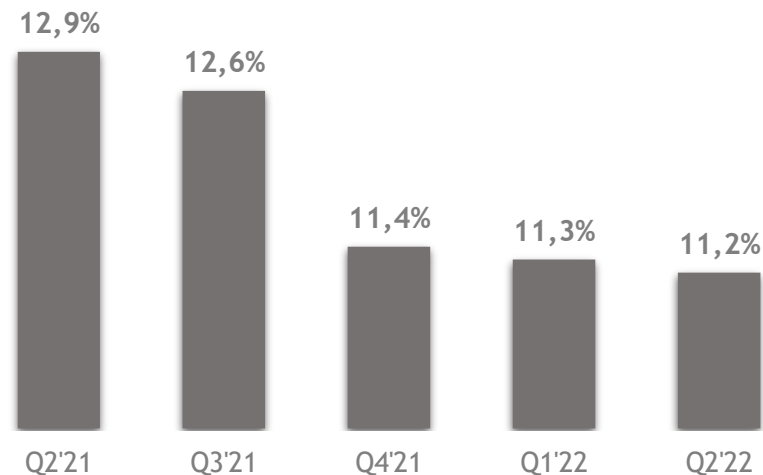




## Off Balance Sheet Composition (%)



## LGs-to-Total Assets



## Guarantees &amp; Sureties (TRL million)

	Q2'21	Q3'21	Q4'21	Q1'22	Q2'22	Growth (%)	
						QoQ	YoY
Letter of Guarantee	10.184	10.582	12.371	13.237	14.808	11,9%	45,4%
Letter of Credit	3.111	3.344	4.898	4.820	4.910	1,9%	57,8%
Others*	163	159	134	70	47	-32,9%	-71,2%
<b>Total:</b>	<b>13.457</b>	<b>14.084</b>	<b>17.403</b>	<b>18.162</b>	<b>19.766</b>	<b>8,8%</b>	<b>46,9%</b>

\*Revocable credit limits not included.



(Million TRL)	Yearly			Notes
	Q2'21	Q2'22	%	
Net Profit Share Income	594	2.167	265	Net Profit Share Income increased by 265% due to PSI growth (102%) outpacing PSE growth (41%) YoY basis. Increase in PSI was driven from growing securities income and re-priced credit portfolio. PSE went up in a moderate manner (28 % QoQ basis) due to raising participation account costs in the sector.
Net Fee Income	170	350	105	Strong fee income generation from banking services continued in the Q2'22. Fee income generated from banking services and off-balance sheet credits increased by 92% and 65% respectively while paid fees and commissions only increase by 40% YoY basis.
Net Trading Income	-17	1.382	n.m.	Strong trading income growth was kept in Q2'22 on the back of inflation linked securities and investment fund participation certificates.
Other Income	481	604	25,7	Reversal of prior year provisions raised by 20%, and income generated from sales of assets increased by 31 YoY basis
Provisioning (inc. free provisions)	520	2.481	377	Stage 3 Coverage Ratio has been remained above 70%. Free provisions increased to TL 500 mn.
Personnel Expenses	375	471	25,5	Increase in personnel expenses remained below CPI thanks to workforce optimization initiatives. Staff per branch was 11,7 which is below both the Turkish Banking and Participation Banking sectors' averages.
Other Costs	353	488	38,2	Gross Operational Expenses were tightly managed in 1H2022 (32% increase compared to 1H2021).
Net Profit	13	652	4.891	Bottom line income generation picking up both QoQ and YoY basis.

## Agenda

1 Financial Highlights

2 Market Comparison

3 Appendix



Percent (%)	Q4'21			Q2'22		
	Albaraka Türk	Participation Banks	Banking Sector	Albaraka Türk	Participation Banks	Banking Sector
CAR	14,90	18,91	18,34	15,60	19,81	18,05
NPL Ratio	6,29	2,93	3,09	3,12	1,85	2,44
Provisioning Ratio (Stage 3)	70,26	87,90	79,66	70,96	92,62	81,46
Loan/Deposits	62,41	67,73	93,33	60,06	68,63	92,02
Asset Yield	6,97	7,98	10,13	7,96	10,11	11,37
Asset Spread	2,59	2,99	3,87	3,78	5,07	5,42
Net Profit Share Margin	2,35	3,34	4,28	3,59	5,35	5,79
Op Costs / Avg. Assets	1,76	1,54	1,64	1,62	1,47	1,72
Cost/Income*	43,28	31,31	30,25	21,30	17,89	21,14
Credits / Branches (Million TRL)	246	292	466	287	388	595
Staff / Branches	12,63	13,08	18,21	11,70	12,80	18,27
CA / Deposits	50,73	46,83	38,67	48,35	41,82	37,14

\*Cost: Operating Costs, Income: NPSI, Net Fees and Commissions Income, Other Income Net Trading Income

## Agenda

1 Financial Highlights

2 Market Comparison

3 Appendix





(Million TRL)	Q4'21	Q2'22	Growth (%)
Cash and Balances with Central Bank	26.499	30.513	15,1
Banks	5.296	8.031	51,6
Financial Assets	17.238	24.843	44,1
Funded Credits (net)	56.937	64.805	13,8
<i>Cash Credits</i>	55.522	64.228	15,7
<i>NPL</i>	3.783	2.098	-44,5
<i>Provisions (Stage III)</i>	2.658	1.489	-44,0
<i>Net Financial Leasing Receivables</i>	821	988	20,3
Associates	43	89	107,0
Fixed Assets	1.592	2.057	29,2
Assets Held For Sale and Investment	119	69	-42,0
Other Assets (inc. Tax Assets)	1.200	1.299	8,3
<b>Total Assets</b>	<b>108.955</b>	<b>131.672</b>	<b>20,8</b>
Funds Collected	91.237	107.908	18,3
Funds Borrowed	6.259	5.982	-4,4
Debts	3.401	5.752	69,1
Provisions (inc. Taxes)	312	750	140,4
Tier II Sukuk	3.119	4.070	30,5
Shareholders' Equity	4.627	7.210	55,8
<i>Capital</i>	1.350	2.500	85,2
<i>Capital Reserves (inc. Premium)</i>	1.209	1.501	24,2
<i>Profit Reserves</i>	1.744	1.832	5,0
<b>Total Liabilities</b>	<b>108.955</b>	<b>131.672</b>	<b>20,8</b>



(Million TRL)	Q2'21	Q2'22	Growth (%)
Profit Share Income	2.186	4.412	102
Profit Share Expense	1.592	2.246	41,0
Net Profit Share Income	594	2.167	265
Net Fees and Commissions Income	170	350	105
<i>Fees and Commissions Received</i>	253	465	84,0
<i>Fees and Commissions Paid</i>	82	115	39,8
Net Trading Income	-17	1.382	n.m.
Other Operating Income	481	604	25,7
Total Operating Profit	853	4.032	373
Provisions (including free provisions)	520	2.481	377
Personnel Expenses	375	471	25,5
Other Operating Expenses	353	488	38,2
Operating Profit Before Tax	-21	1.064	n.m.
Tax Provision	-34	411	n.m.
<b>Net Profit</b>	<b>13</b>	<b>652</b>	<b>4.891</b>

**THANK YOU**



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 realised.

## Contact Us

### Investor Relations

**Address** : Saray Mahallesi Dr.Adnan Büyükdeniz  
Caddesi No:6 34768 Ümraniye/ İSTANBUL

**E-mail** : [yim@albarakaturk.com.tr](mailto:yim@albarakaturk.com.tr)

**Tel** : +90 216 666 03 03

**Fax** : +90 216 666 16 20

**website** : [www.albaraka.com.tr](http://www.albaraka.com.tr)