



Q2'2020 Investor Presentation

Albaraka Türk Participation Bank
07 August 2020

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Balance Sheet

(Million TRL)	Q4'19	Q2'20	Q-Q (%)
Total Assets	51.392	59.456	15,69
Total Funded Credits (Net)	29.749	35.931	20,78
Total NPLs	2.222	2.394	7,76
Deposits (incl. Interbank)	39.769	45.566	14,58
Shareholder's Equity	3.822	3.921	2,58

Income Statement

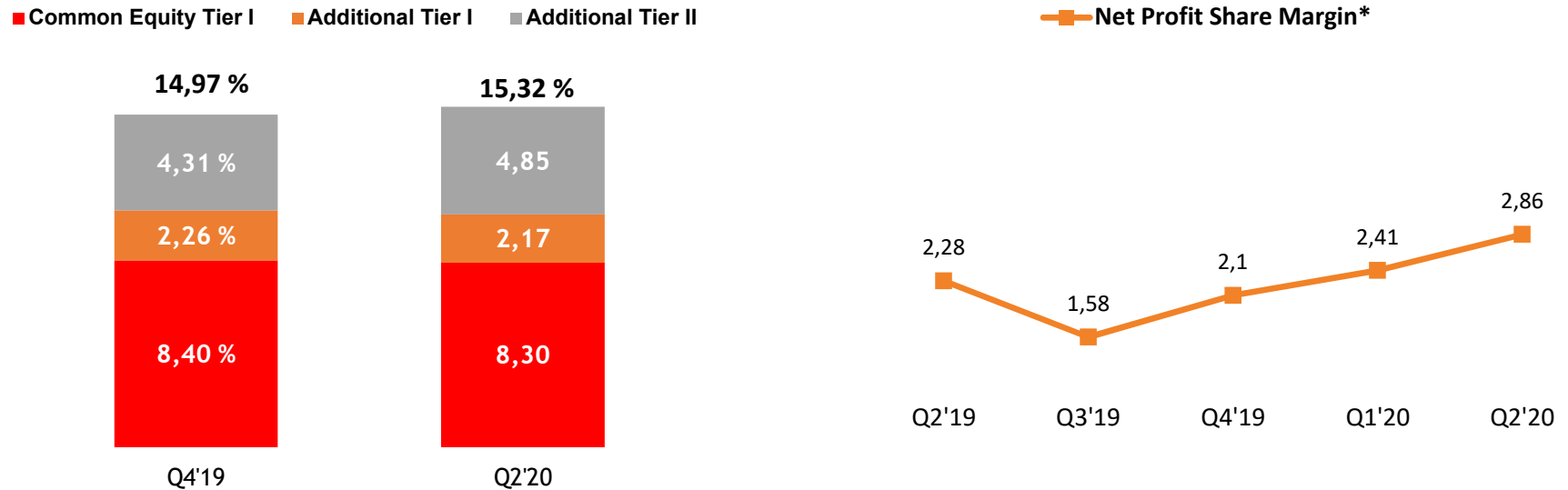
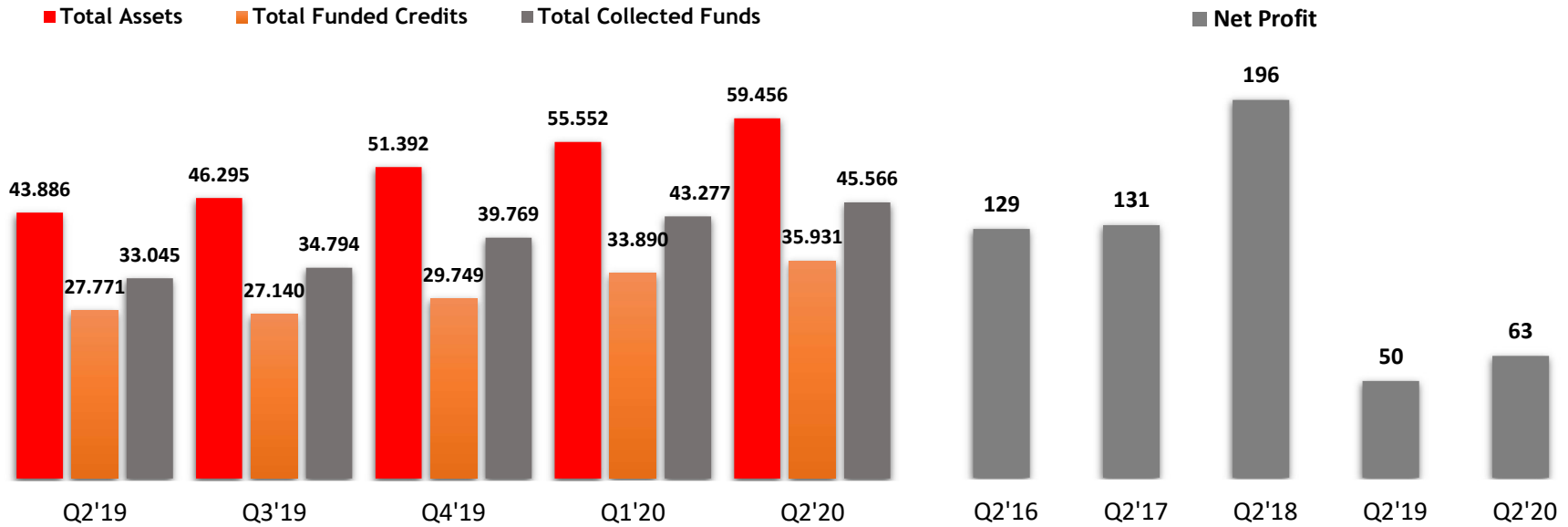
(Million TRL)	Q2'19	Q2'20	Y-Y (%)
Net Profit Share Income	340	768	125,37
Net Fees & Commissions	147	100	-32,00
Provisions for Loan Loss	410	384	-6.39
Operating Expenses*	538	609	13,15
Net Profit	50	63	25,62

* including personnel expenses

Key Ratios

%	Q4'19	Q2'20	YtD (bps)
CAR	14,97	15,37	40
Tier 1	10,66	10,47	-19
NPL	7,19	6,41	-78
Provisioning Stage III	42,61	48,38	577
Net Profit Share Margin	2,10	2,86	76
Cost/Income	55,89	56,39	50

Q2'20 Main Highlights (Million TRL)

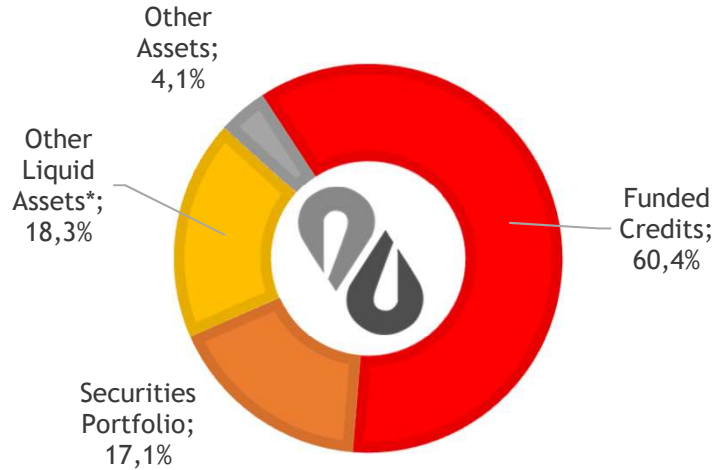


* Trailing for last 4 quarters

Asset Composition

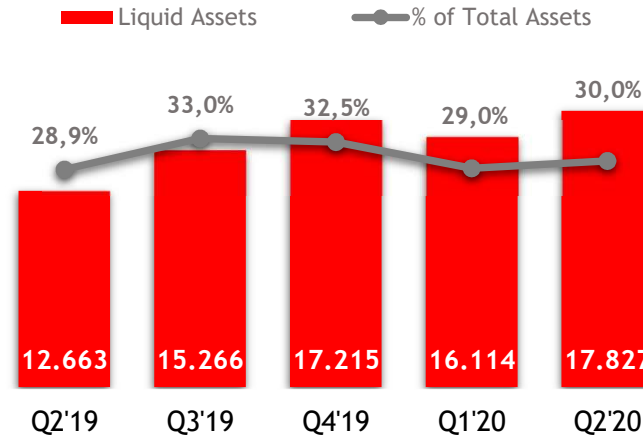


Composition of Total Assets (Q2'20)



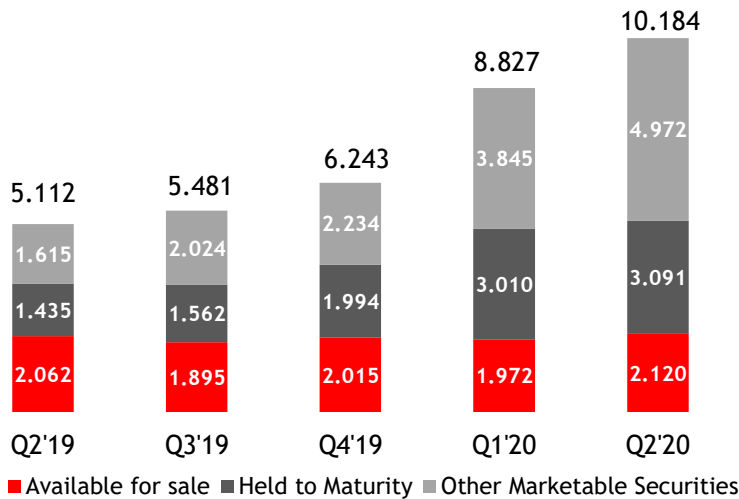
* Other Liquid Assets includes Cash and Cash Equivalents and Derivative Financial Assets

Liquid Assets (Million TRL)

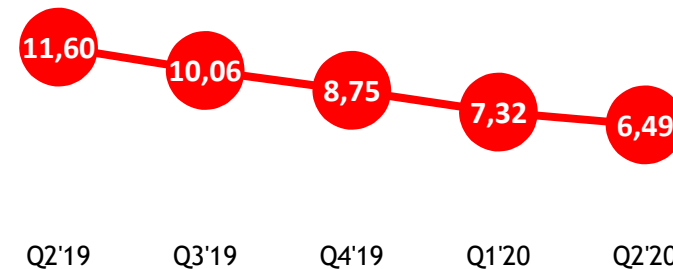


*Liquid Assets includes Cash and Cash Equivalents, Financial Assets Measured at Fair Value through Profit/Loss, Financial Assets Measured at Fair Value through Other Comprehensive Income.

Total Securities Portfolio (Million TRL)



Securities Yield (%)

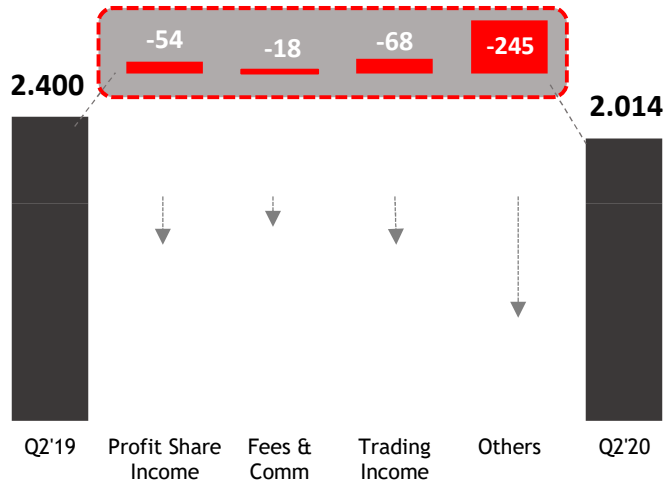


(*) Profit share income received from securities for the last 4Q/5Q average securities

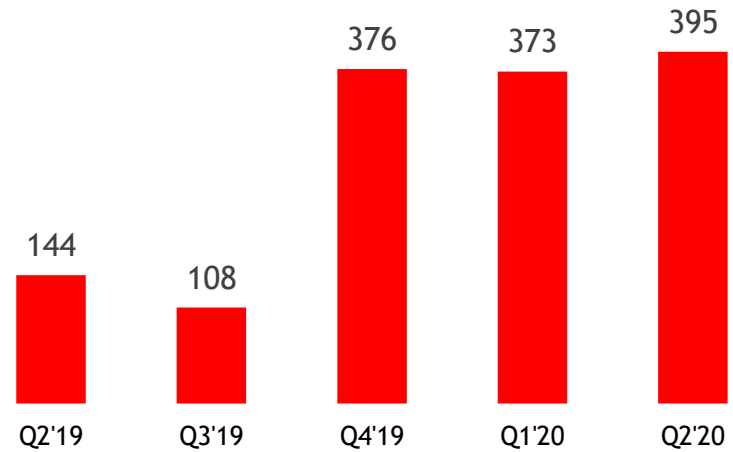
Operating Performance Breakdown



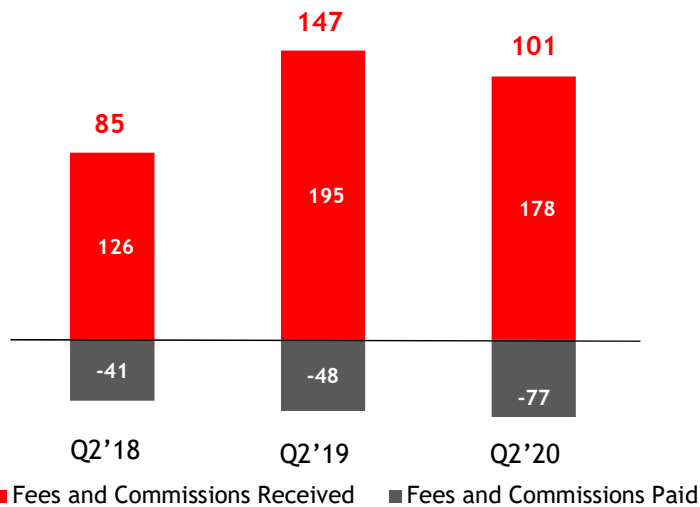
Key Movements in Income (Million TRL)



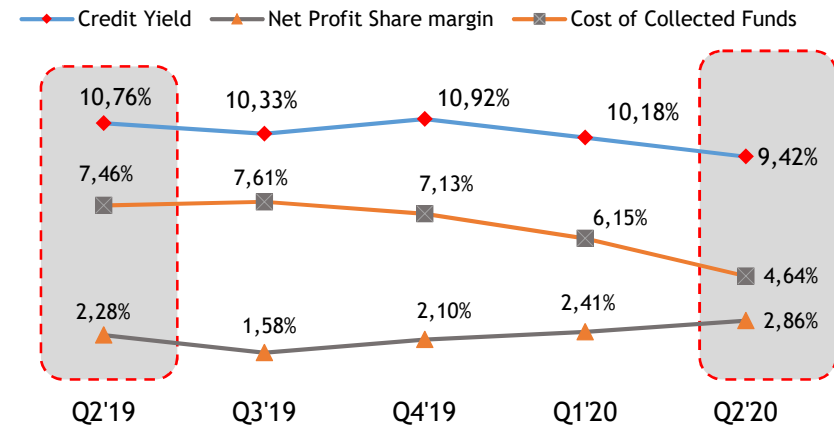
Net Profit Share Income (Quarterly) (Million)



Net Fees and Commission Income (Million)



Cost & Yield Movement (%)



Funded Credits Portfolio



Total Funded Credits (including financial leasing, million)

	Q2'19	Q4'19	Q2'20	YtD	Y-Y
TL Credits, TL	12.233	14.205	17.591	23,83%	43,80%
FC Credits, \$*	2.233	2.287	2.392	4,55%	7,11%
FC Indexed, \$*	460	335	290	-13,32%	-36,93%
Total Credits, TL	27.771	29.749	35.931	20,78%	29,38%

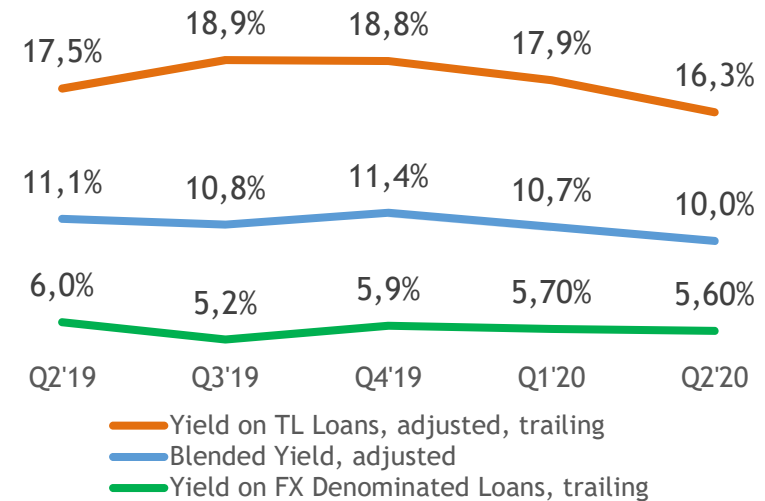
*USD equivalent

Composition of Total Funded Credits (%)

	Q2'19	Q3'19	Q4'19	Q1'20	Q2'20
Corporate Credits	46,4	47,5	48,9	58,3	60,0
SME Credits	44,8	43,9	42,1	32,7	30,8
Retail Credits	8,8	8,6	9,0	9,1	9,3

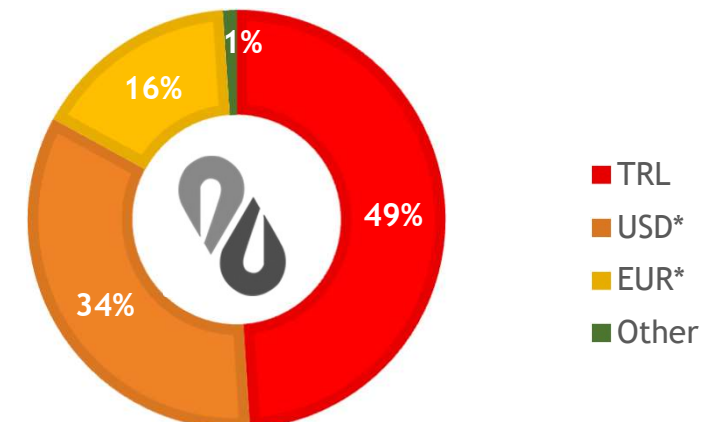
According to BRSA definition

Yield on Performing Credits (%)



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

Currency Composition of Total Funded Credits* (Q2'20)

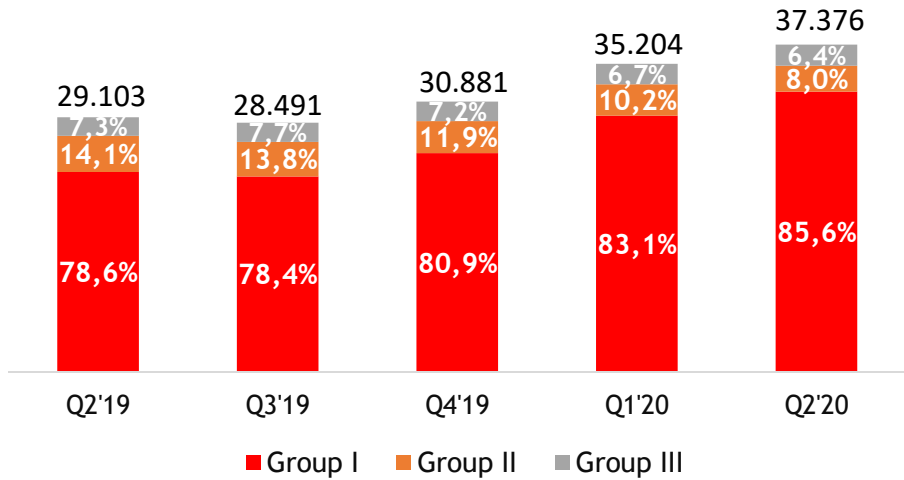


*Including USD & EUR indexed credits

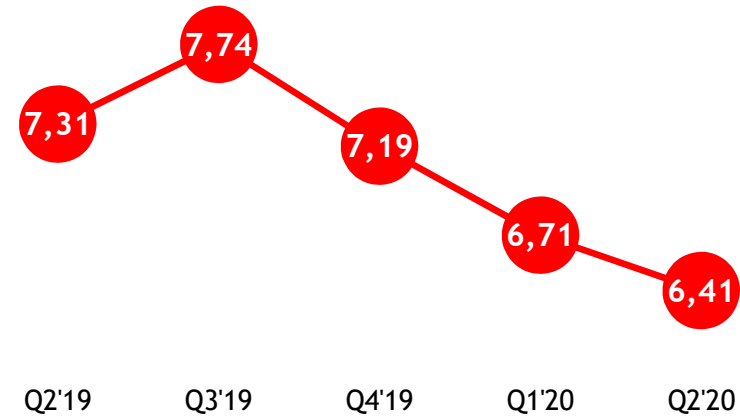
Asset Quality



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

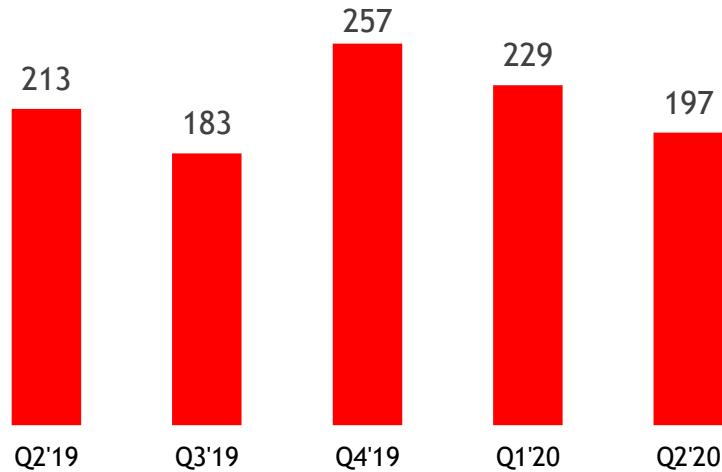


NPL Ratio (%)



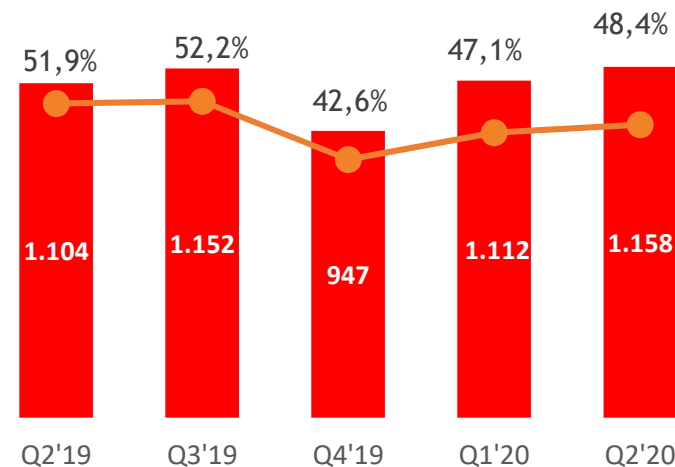
Including financial leasing & accruals and discounts

Cost of Risk (bps)



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

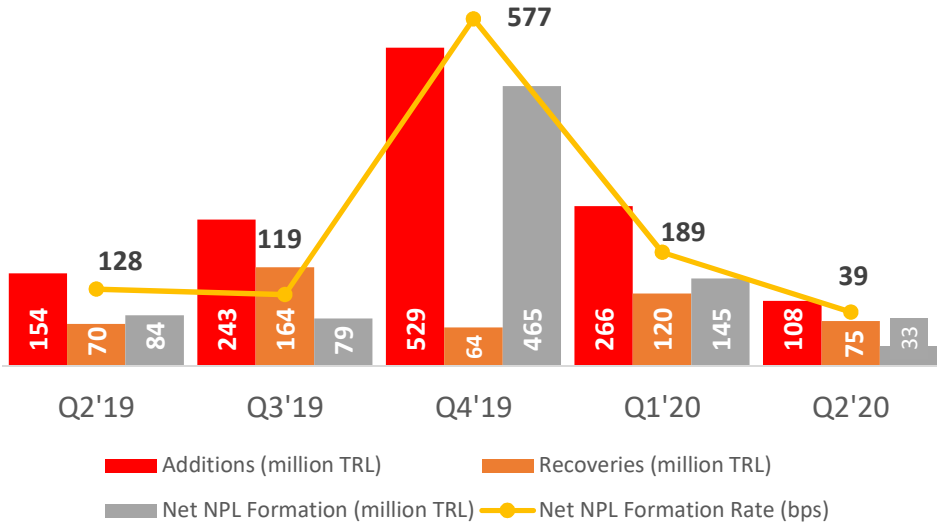
Provisioning (Stage III)



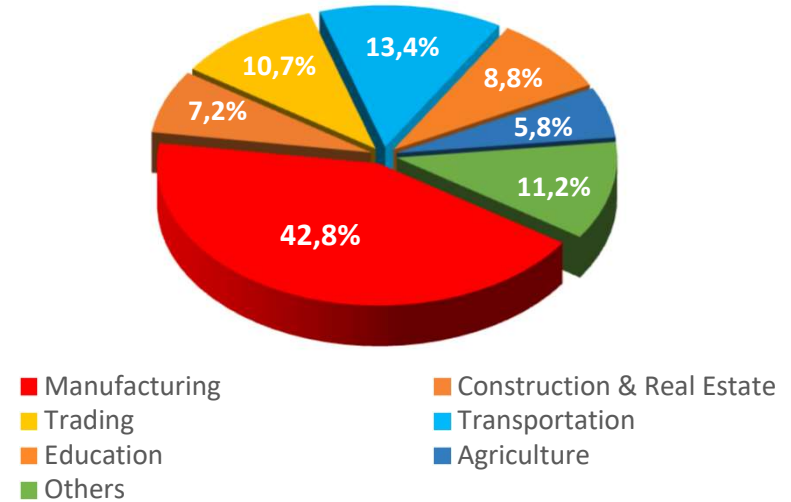
■ Lifetime ECL Impaired Credits (Stage 3) (Million TRL) ● Provisioning Ratio (%)



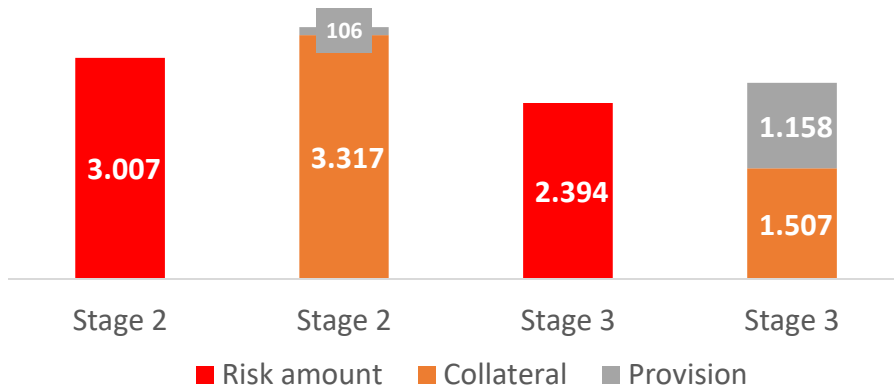
NPL Formation Trend (Quarterly)



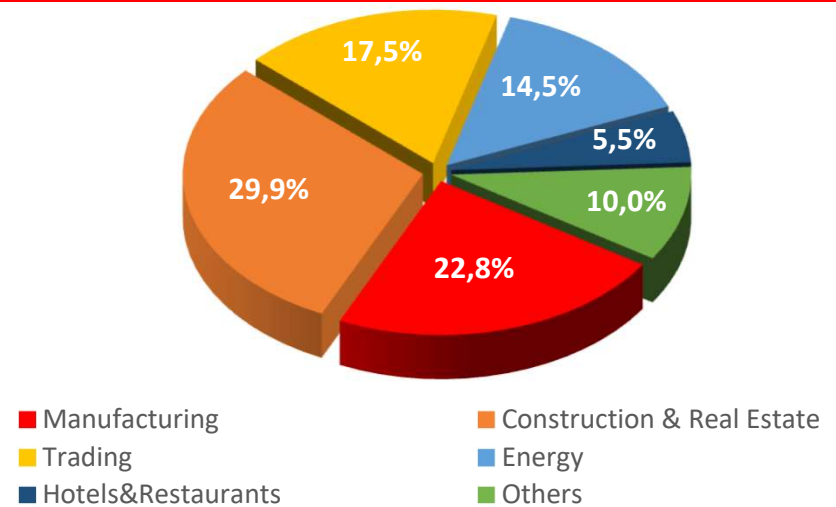
NPL Inflow Sector Distribution (Q2'20)



Stage II-III Coverage Q2'20 (Million TRL)



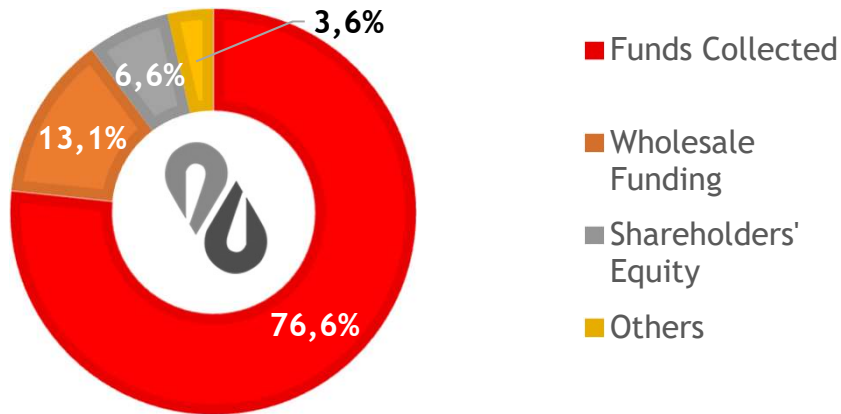
Stage II Credits Sector Distribution (Q2'20)



*Includes construction of power plant projects

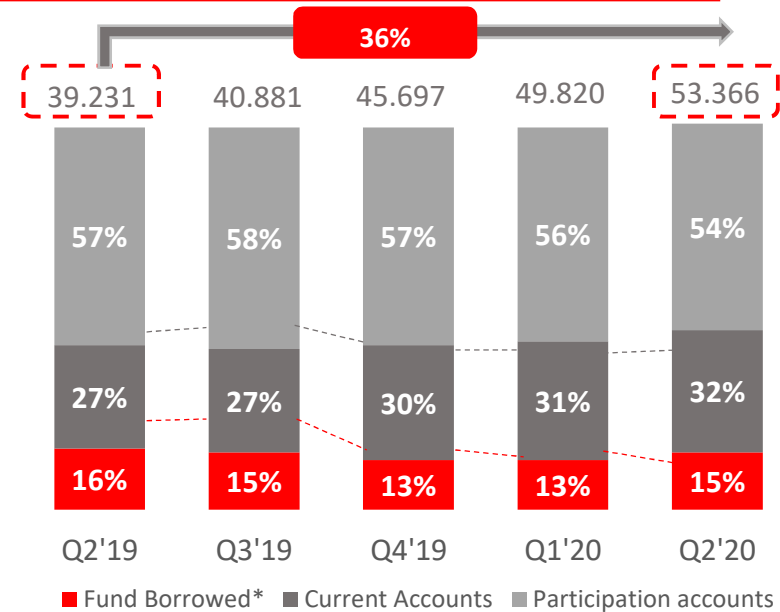
Funding Profile

Composition of Total Liabilities (Q2'20,%)



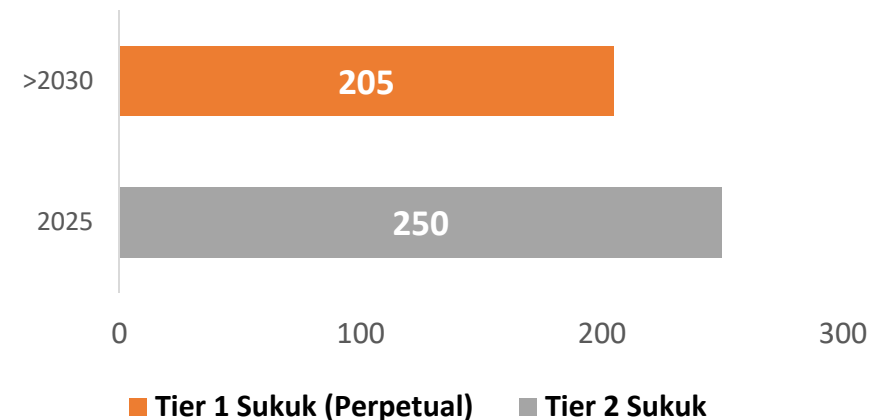
(Million TRL)	Q4'19	Q2'20	YtD Growth %
Funds Collected (incl. Bank deposits)	39.769	45.566	14,6
Wholesale Funding	5.928	7.800	31,6
Funds Borrowed	4.535	5.866	29,4
Syndicated Loans	-	-	-
Wakala	979	2.085	113,0
Issued Lease Certificates & Sukuk	2.743	2.986	8,9
Other	813	795	-2,2
Sub-Ordinated Debt (Tier 2)	1.375	1.597	16,1
Borrowings From Money Market	18	337	1748
Shareholders' Equity	3.822	3.921	2,6
Paid in Capital	900	1.350	50,0
Other Liabilities	1.873	2.169	15,8
Total Liabilities	51.392	59.456	15,7

Composition of Funding Base (Million TRL)



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

Maturity Profile of Liabilities (Million USD)



Funding Profile (Collected Funds)

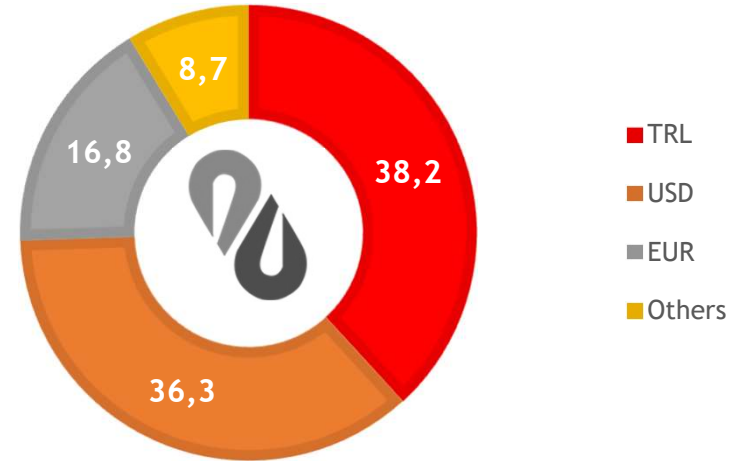


Total Funds Collected (Million TRL)

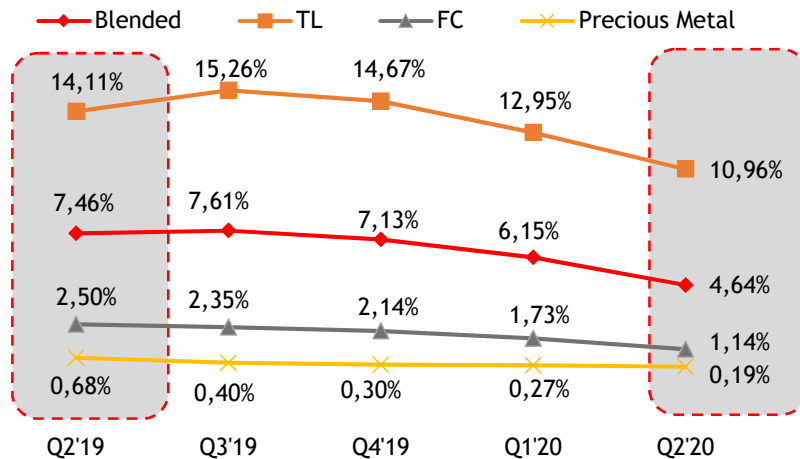
	Q4'19	Q2'20	YtD
Funds Collected	39.769	45.566	14,6%
Current Accounts	13.902	17.001	22,3%
Current Accounts TL	4.199	5.355	27,5%
Current Accounts, FC, \$	1.637	1.703	4,0%
Participation Accounts	25.867	28.566	10,4%
Participation Accounts TL	10.497	12.065	14,9%
Participation Accounts FC, \$	2.593	2.413	-6,9%

*USD equivalent of FC accounts

Currency Composition of Funds Collected (Q2'20,%)

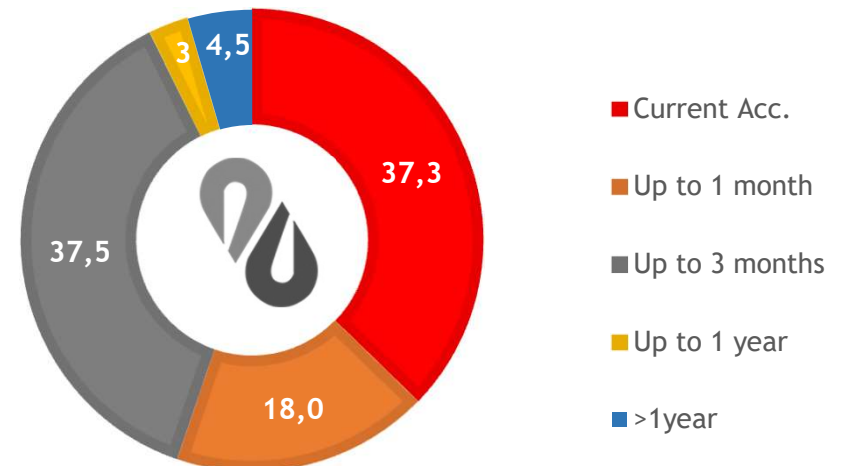


Cost of Funds Collected*



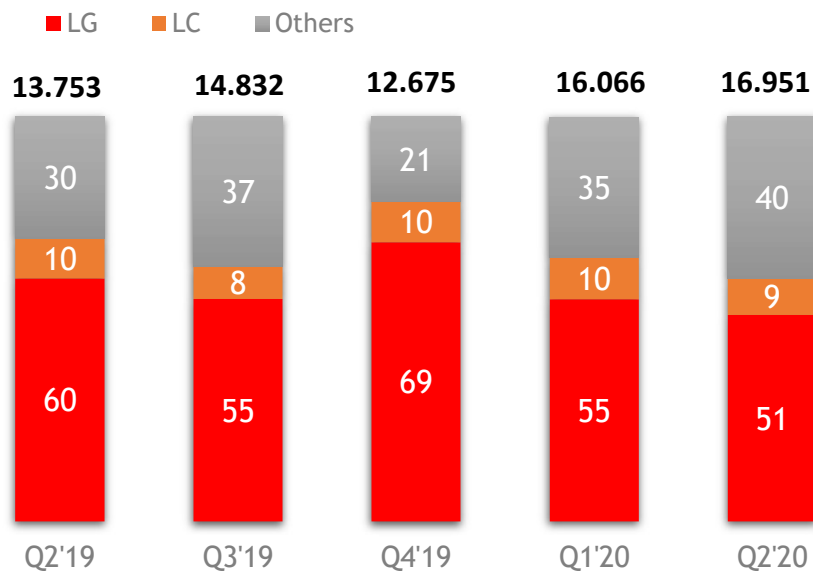
*Profit share expense to depositors for the last 4Q/5Q average participation accounts

Maturity Composition of Funds Collected (Q2'20,%)



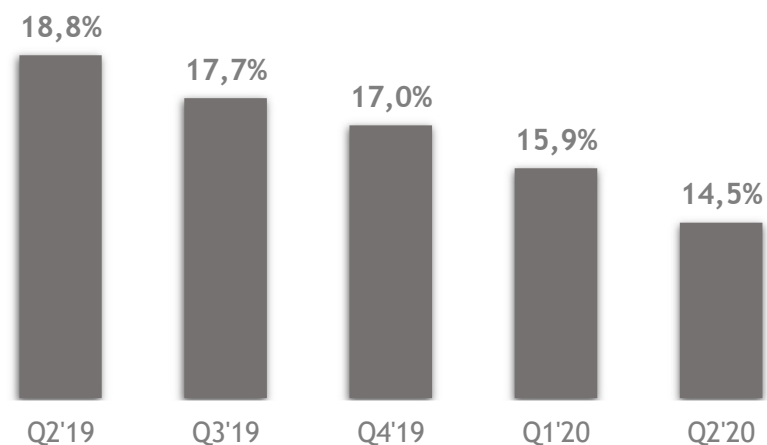


Off Balance Sheet Composition (%)



LGs*-to-Total Assets

*Below 20% of LGs to Total Assets is targeted



Guarantees & Sureties (TRL million)

	Q2'19	Q3'19	Q4'19	Q1'20	Q2'20	Growth (%)	
						YtD	Y-Y
Letter of Guarantee	8.251	8.192	8.718	8.826	8.636	-0,9%	7,7%
Letter of Credit	1.328	1.180	1.330	1.662	1.519	14,2%	14,4%
Others*	409	347	383	369	283	-26,1%	-30,8%
Total:	9.998	9.722	10.431	10.857	10.438	0,1%	4,4%

*Revocable credit limits not included.



Income- Cost Dynamics

(Million TRL)	Y-Y			Notes
	Q2'19	Q2'20	%	
Net Profit Share Income	340	768	125,7%	Profit Share income decreased by 3,2% While Profit share Expenses decreased by 36,0% YoY. Downward cost of funding leading stronger Net Profit Share Income.
Net Fee Income	147	100	-32,0%	Circa 32,0 % Y-o-Y contraction in this line item is mostly stemming from new CBRT commissions on required reserves for FC deposits.
Net Trading Income	138	69	-49,7%	The FX gains has declined due to the decrease in demand caused by FX tax and USD 205 Million tier1 issuance changed to square position.
Other Income	384	142	-63,0%	Less Provision reversals led to other operating income being below last year.
Provisioning	410	384	-6,4%	Provisioning expenses decreased due to less NPL Inflow.
Personnel Expenses	326	350	7,2%	Below CPI which is 12,62%
Other Costs	212	259	22,4%	Increase in other expenses, which is above CPI, is stemming from legal dues (Taxes, Duties, Charges etc.)
Net Profits	50	63	26,5	



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Percent %	Q4'19			Q2'20		
	Albaraka Türk	Participation Banks	Banking Sector	Albaraka Türk	Participation Banks	Banking Sector
CAR	14,97	18,04	18,43	15,32	19,08	19,52
NPL Ratio	7,19	4,53	5,27	6,41	3,83	4,38
Provisioning Ratio (Stage 3)	42,61	63,88	65,17	48,38	72,75	71,33
Loan/Deposits	74,80	78,21	106,00	78,85	79,21	108,27
Asset Yield	8,53	10,14	11,11	7,52	8,51	9,84
Asset Spread	2,33	3,49	3,80	3,07	3,12	3,69
Net Profit Share Margin	2,10	3,99	4,41	2,86	4,31	4,88
Op Costs / Avg. Assets	2,43	2,11	1,99	2,31	2,07	2,02
Cost/Income*	55,89	35,84	36,65	56,39	34,81	33,27
Credits / Branches (000'TRL)	129,344	145,358	250,464	156,905	181,833	304,454
Staff / Branches	16,48	13,60	17,99	16,07	13,74	17,99
CA / Deposits	34,96	33,53	24,71	37,31	40,42	31,73

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

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Summary Balance Sheet



(Million TRL)	Q4'19	Q2'20	Growth
Cash and Balances with Central Bank	8.796	7.254	-17,5%
Banks	4.187	3.514	-16,1%
Financial Assets	6.226	10.156	63,1%
Funded Credits	29.749	35.931	20,8%
<i>Cash Credits</i>	28.415	34.719	22,2%
<i>NPL</i>	2.222	2.394	7,8%
<i>Provisions (Stage III)</i>	947	1.158	22,4%
<i>Net Financial Leasing Receivables</i>	244	263	7,9%
Associates	70	65	-7,0%
Fixed Assets	1.547	1.553	0,4%
Assets Held For Sale and Investment	124	120	-3,2%
Other Assets (inc. Tax Assets)	692	862	24,5%
Total Assets	51.392	59.456	15,7%
Funds Collected	39.769	45.566	14,6%
Funds Borrowed	4.535	5.866	29,4%
Debts	1.756	1.826	33,0%
Provisions (inc. Taxes)	135	170	26,3%
Tier II Sukuk	1.375	1.601	16,4%
Shareholders' Equity	3.822	3.780	2,6%
<i>Capital</i>	900	1.350	50,0%
<i>Capital Reserves (inc. Premium)</i>	1.345	924	-29,3%
<i>Profit Reserves</i>	1.430	1.493	4,4%
Total Liabilities	51.392	59.456	15,7%

Summary Income Statement



(Million TRL)	Q2'19	Q2'20	Growth
Profit Share Income	1.680	1.625	-3,2%
Profit Share Expense	1.340	858	-36,0%
Net Profit Share Income	340	768	125,7%
Net Fees and Commissions Income	147	100	-32,0%
<i>Fees and Commissions Received</i>	195	177	-9,2%
<i>Fees and Commissions Paid</i>	47	77	61,1%
Net Trading Income	138	69	-49,7%
Other Operating Income	384	142	-63,0%
Total Operating Profit	686	729	6,4%
Provisions for Loan Losses and Other Receivables	410	384	-6,4%
Personnel Expenses	326	350	7,2%
Other Operating Expenses	212	259	22,4%
Operating Profit Before Tax	64	87	35,1%
Tax Provision	15	24	64,2%
Net Profit	50	63	26,5%



THANK YOU

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