



Q3'2021 Investor Presentation

Albaraka Türk Participation Bank
9 Nov 2021

Agenda

1 Financial Highlights

2 Market Comparison

3 Appendix



Balance Sheet

| (Million TRL) | Q4'20 | Q3'21 | YtD (%) |
|----------------------------|--------|--------|---------|
| Total Assets | 69.316 | 83.732 | 20,80 |
| Total Funded Credits (Net) | 40.583 | 46.833 | 15,40 |
| Total NPLs | 2.045 | 2.763 | 35,09 |
| Deposits (incl. Interbank) | 51.613 | 66.783 | 29,30 |
| Shareholder's Equity | 4.044 | 4.061 | 0,41 |

Income Statement

| (Million TRL) | Q3'20 | Q3'21 | YoY (%) |
|--------------------------|-------|-------|---------|
| Net Profit Share Income | 1.236 | 944 | -23,60 |
| Net Fees & Commissions | 163 | 274 | 68,49 |
| Provisions for Loan Loss | 919 | 738 | -19,70 |
| Operating Expenses* | 945 | 1.077 | 13,96 |
| Net Profit | 138 | 51 | -62,66 |

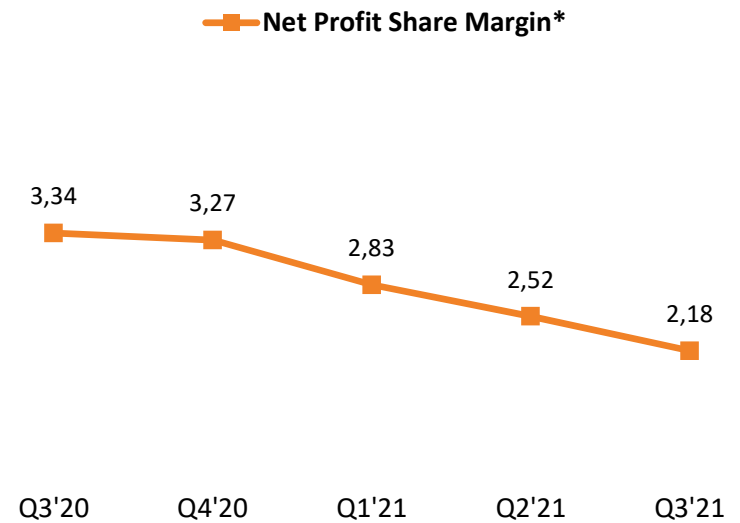
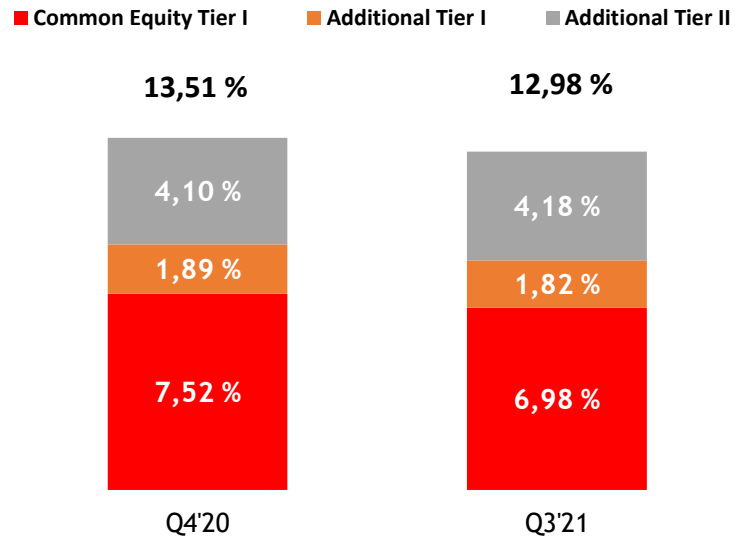
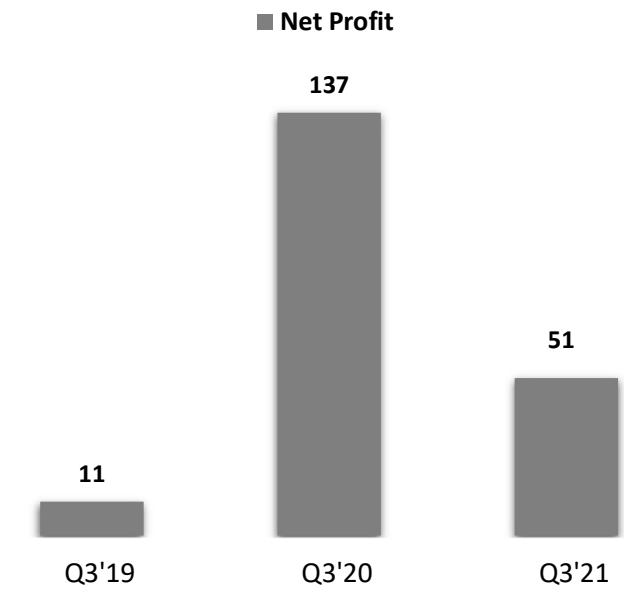
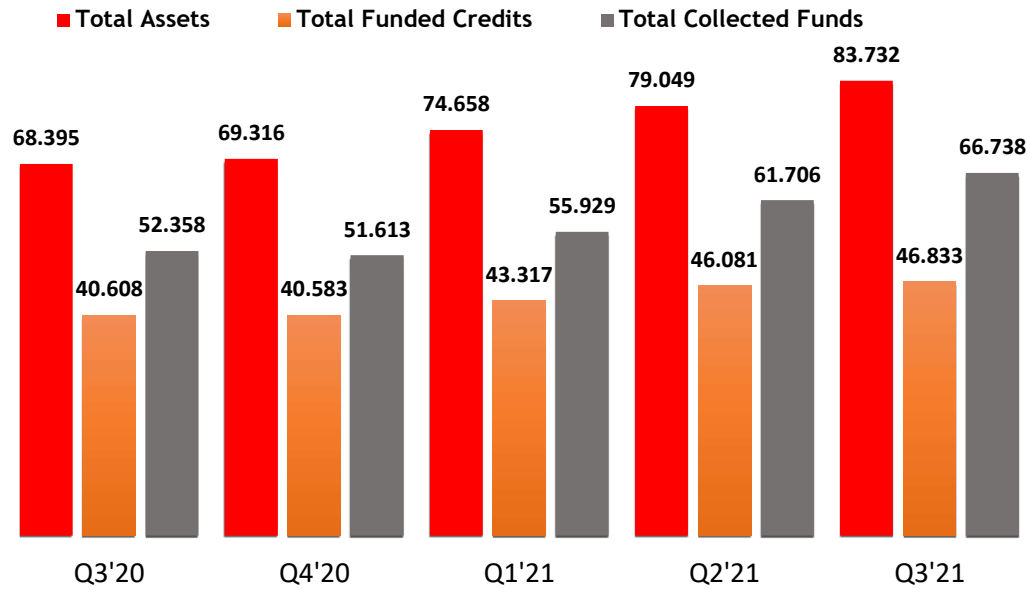
* including personnel expenses

Key Ratios

| % | Q4'20 | Q3'21 | YtD (bps) |
|-------------------------|-------|-------|-----------|
| CAR | 13,51 | 12,98 | -53 |
| Tier 1 | 9,41 | 8,80 | -61 |
| NPL | 4,82 | 5,65 | 83 |
| Provisioning Stage III | 61,02 | 63,76 | 274 |
| Net Profit Share Margin | 3,27 | 2,18 | -109 |
| Cost/Income | 45,47 | 59,32 | 1.385 |

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Q3'21 Main Highlights (Million TRL)



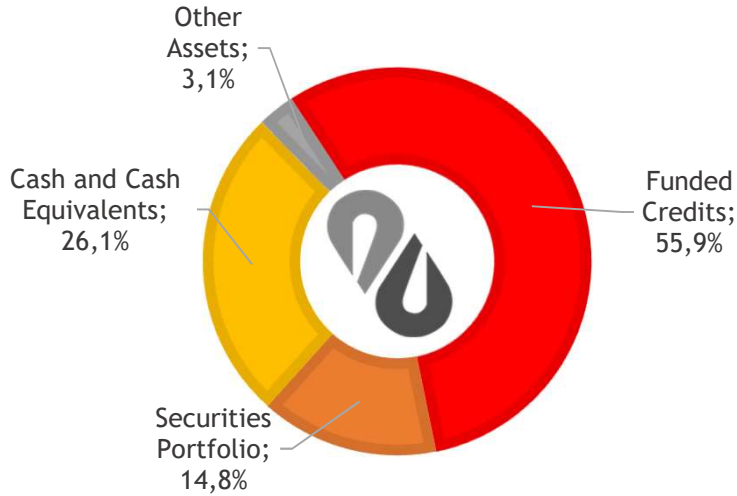
* Trailing for last 4 quarters

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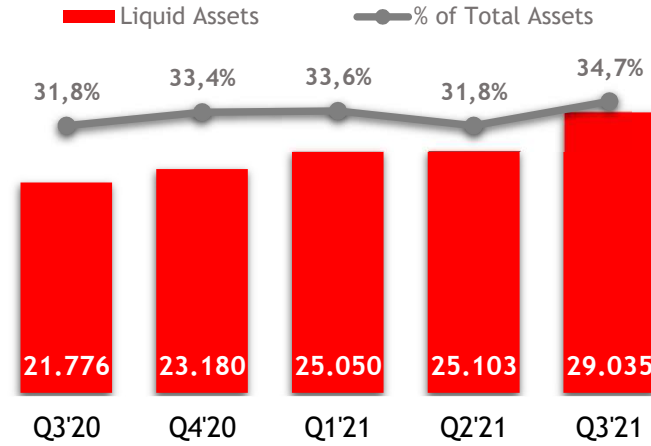
Asset Composition



Composition of Total Assets (Q3'21)

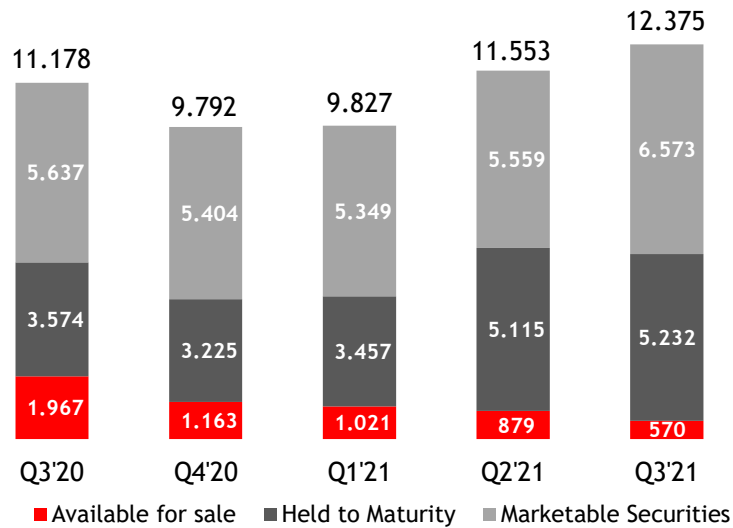


Liquid Assets (Million TRL)

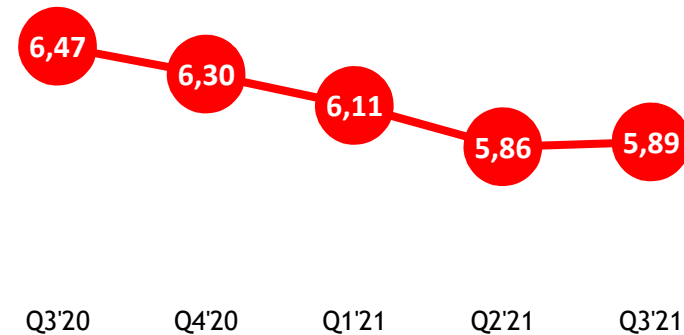


*Liquid Assets includes Cash and Cash Equivalents, Financial Assets Measured at Fair Value through Profit/Loss, Financial Assets Measured at Fair Value through Other Comprehensive Income.

Total Securities Portfolio (Million TRL)



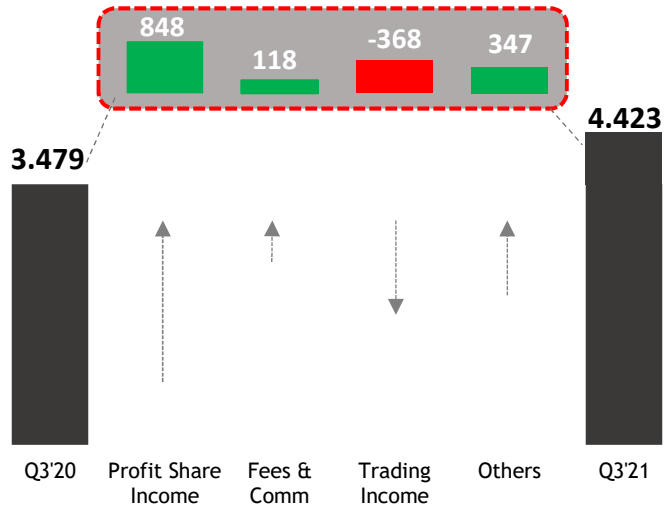
Securities Yield (%)



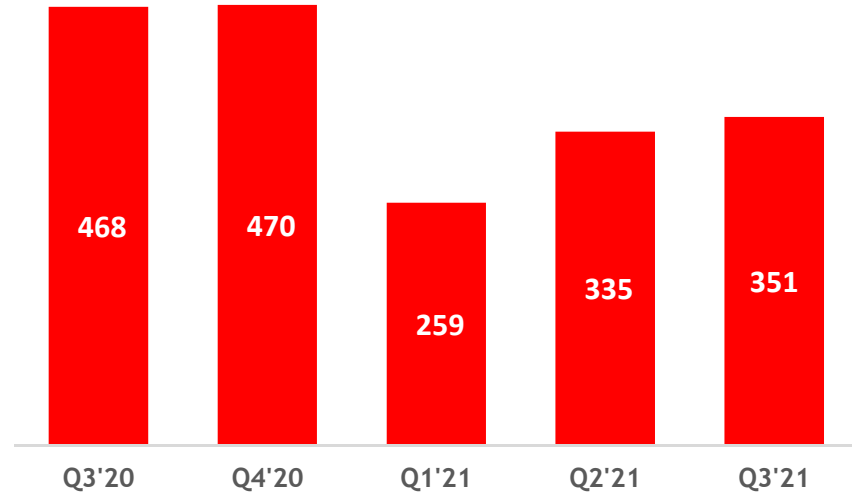
(*) Profit share income received from securities for the last 4Q/5Q average securities



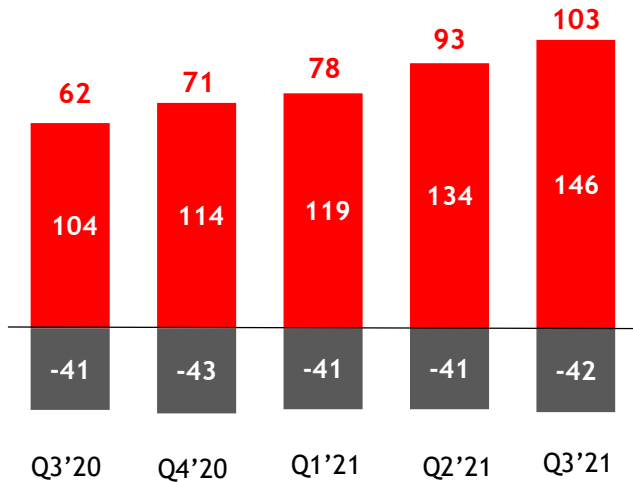
Key Movements in Income (Million TRL)



Net Profit Share Income (Quarterly, Million)

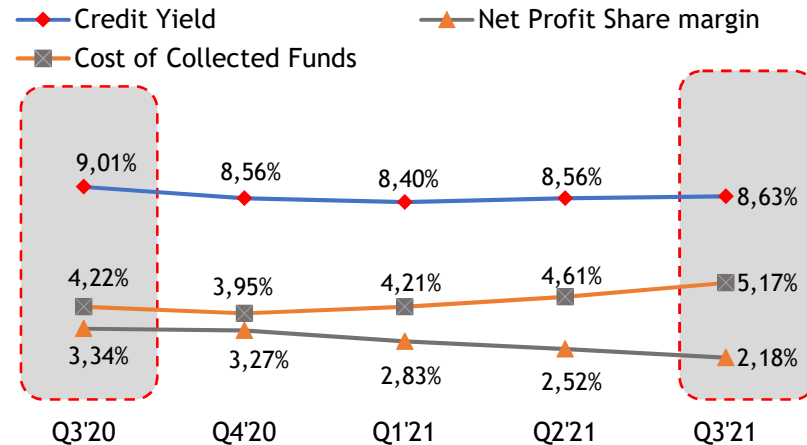


Net Fees and Commission Income (Quarterly, Million)



■ Fees and Commissions Received ■ Fees and Commissions Paid

Cost & Yield Movement (%)



7 Funded Credits Portfolio



Total Funded Credits (including financial leasing, million)

| | Q3'20 | Q4'20 | Q3'21 | YtD | YoY |
|--------------------------|---------------|---------------|---------------|---------------|---------------|
| TL Credits, TL | 19.679 | 21.231 | 22.539 | 6,2% | 14,5% |
| FC Credits, \$* | 2.459 | 2.465 | 2.676 | 8,5% | 8,8% |
| FC Indexed, \$* | 248 | 167 | 72 | -56,6% | -70,7% |
| Total Credits, TL | 40.608 | 40.583 | 46.833 | 15,4% | 15,3% |

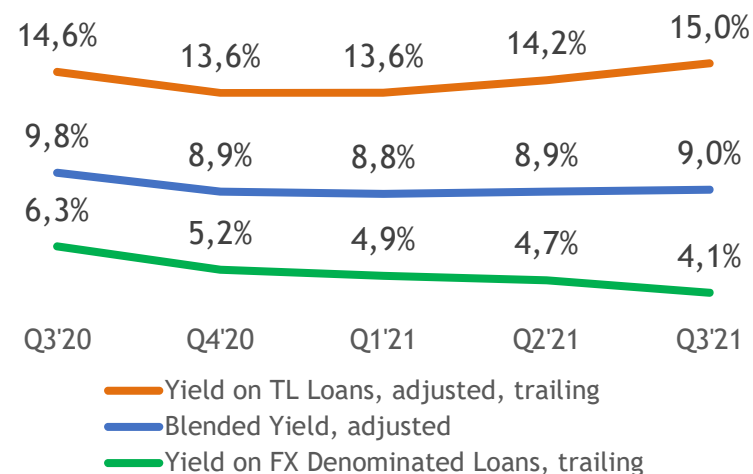
*USD equivalent

Composition of Total Funded Credits* (%)

| | Q3'20 | Q4'20 | Q1'21 | Q2'21 | Q3'21 |
|--------------------------|-------------|-------------|-------------|-------------|-------------|
| Corporate Credits | 60,1 | 60,4 | 65,2 | 65,3 | 66,0 |
| SME Credits | 30,4 | 29,9 | 25,3 | 26,1 | 24,3 |
| Retail Credits | 9,5 | 9,7 | 9,5 | 8,6 | 9,2 |

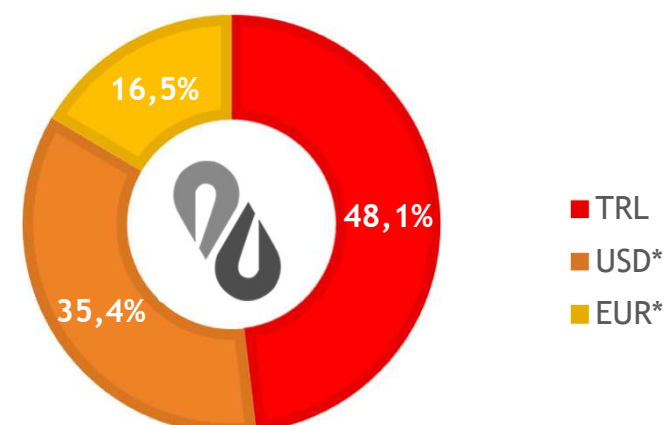
*According to BRSA definition

Yield on Performing Credits (%)



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

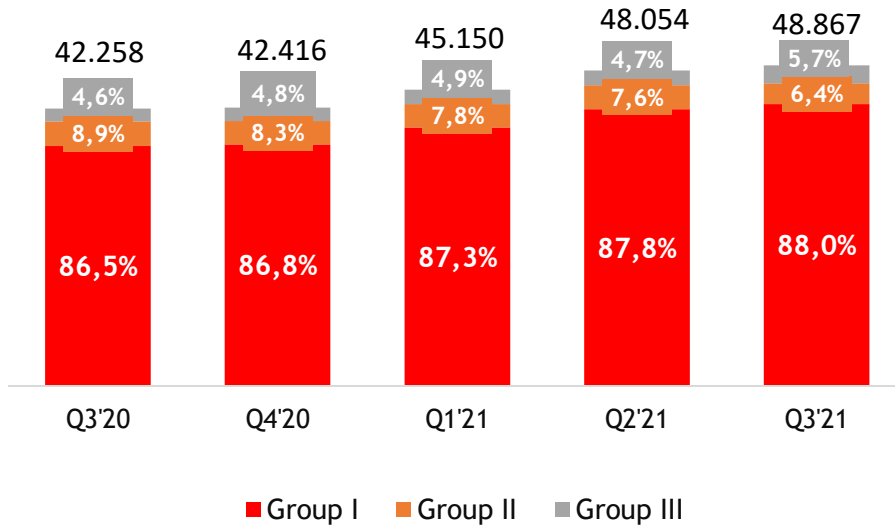
Currency Composition of Total Funded Credits (Q3'21)



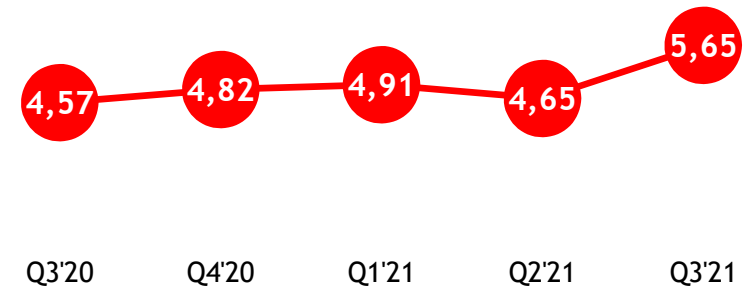
*Including USD & EUR indexed credits



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

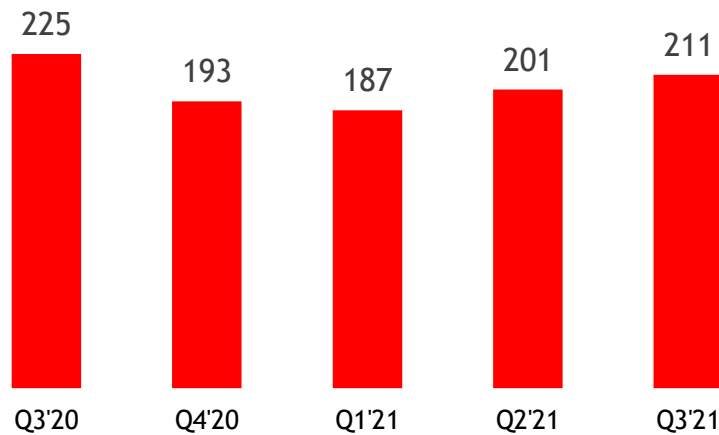


NPL Ratio (%)



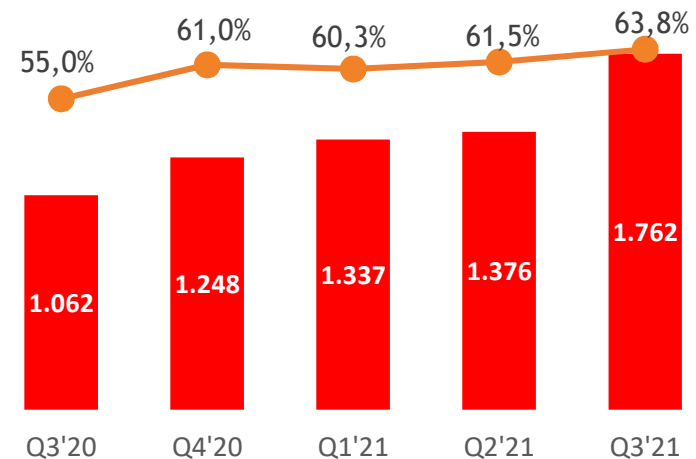
Including financial leasing & accruals and discounts

Cost of Risk (bps)



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

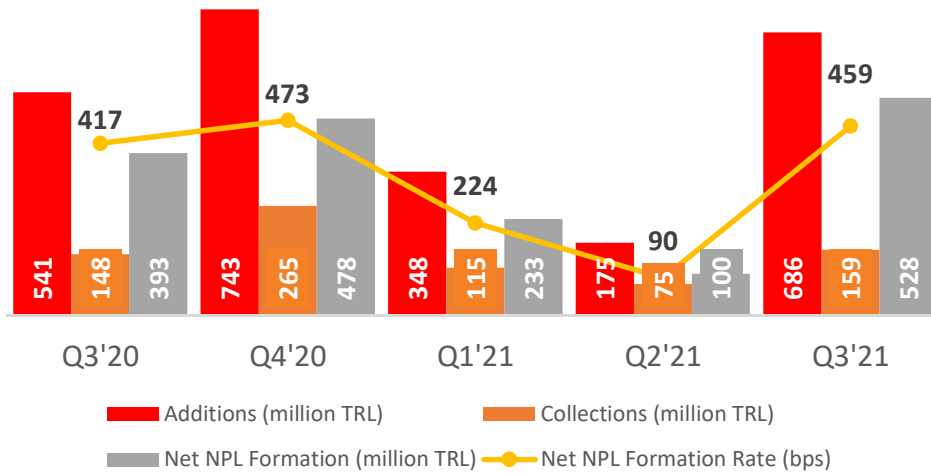
Provisioning (Stage III)



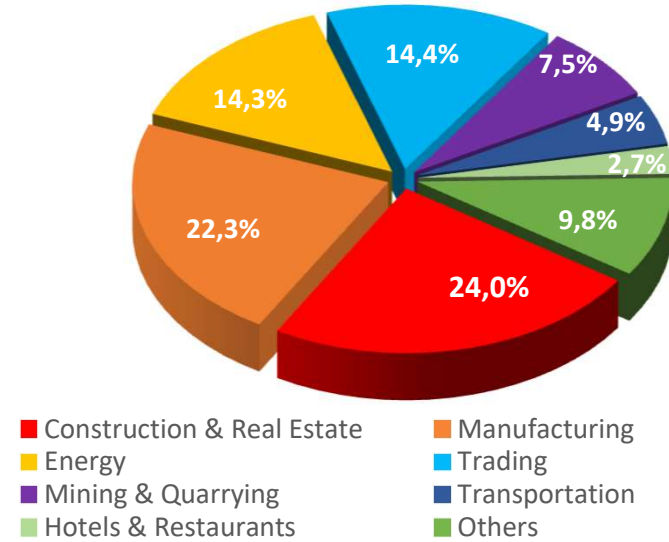
■ Lifetime ECL Impaired Credits (Stage 3) (Million TRL) ● Provisioning Ratio (%)



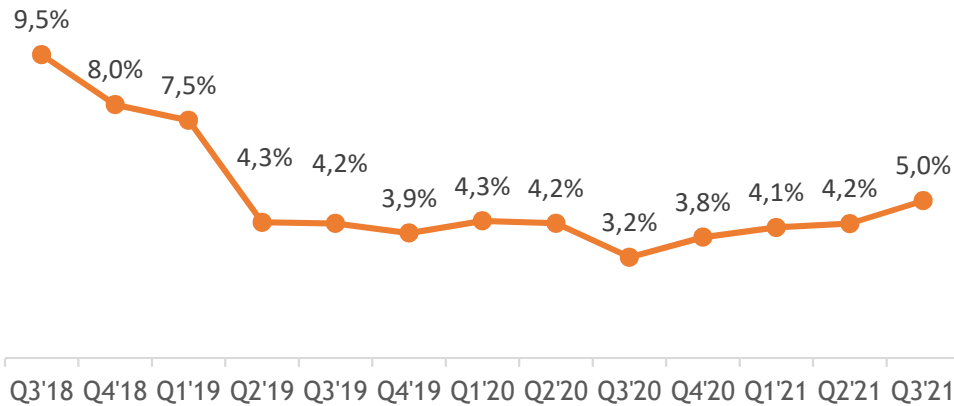
NPL Formation Trend (Quarterly)



NPL Sector Distribution (Q3'21)

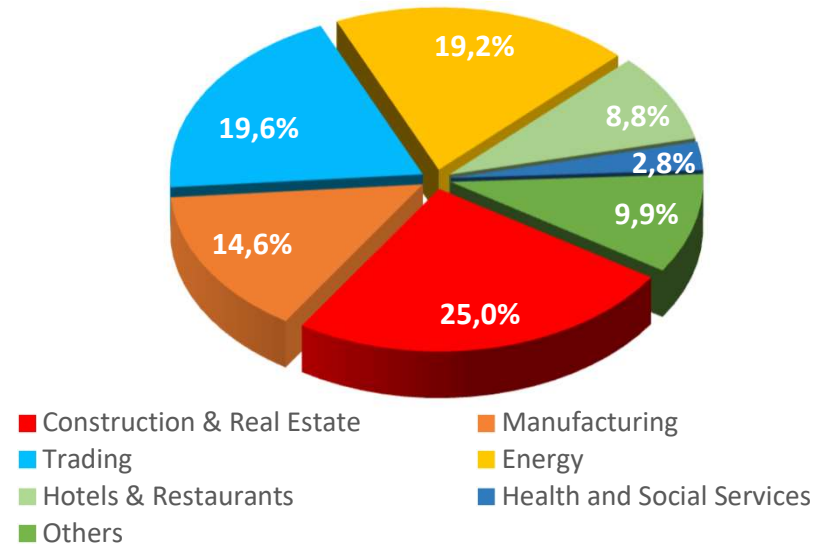


Bank's share in our customers' NPL to banking industry.



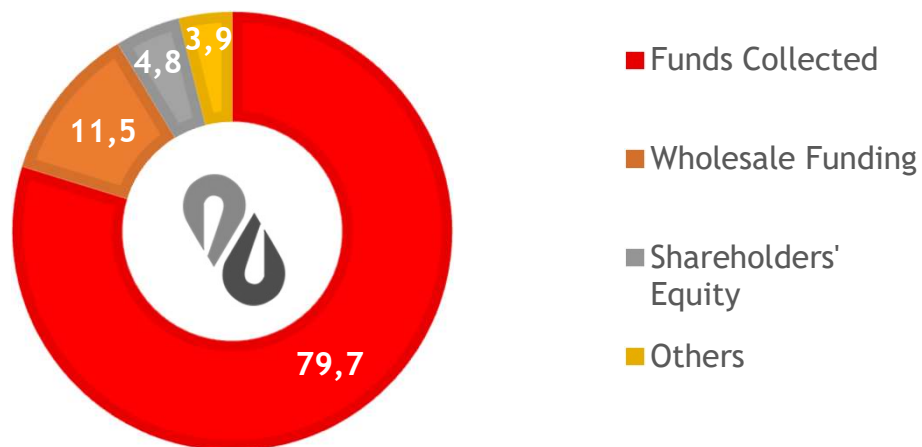
source: KKB

Stage II Credits Sector Distribution (Q3'21)



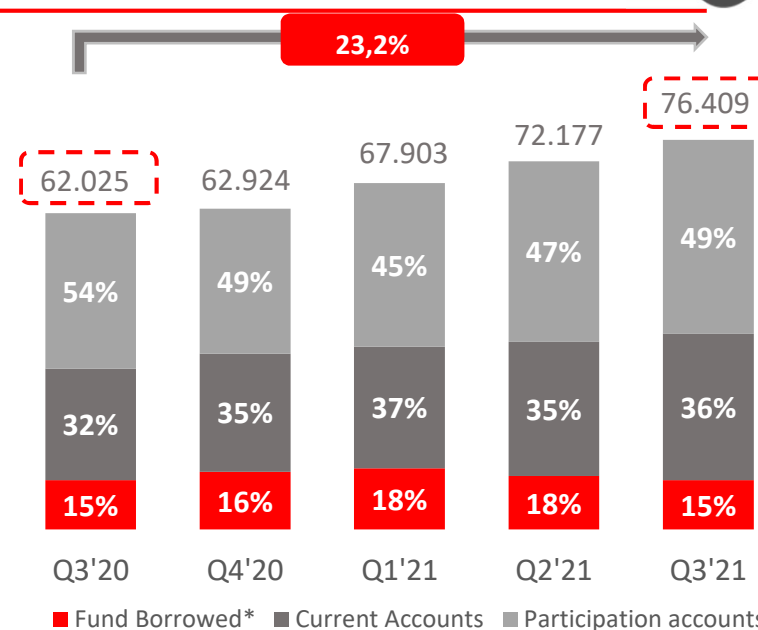
10 Funding Profile

Composition of Total Liabilities (Q3'21,%)



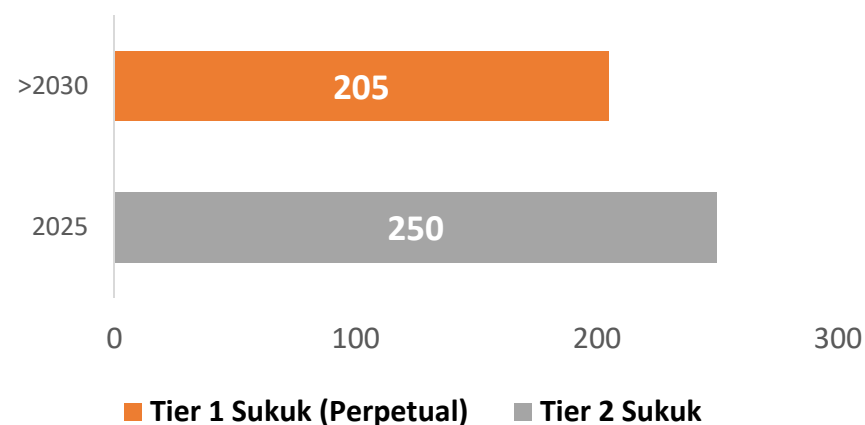
| (Million TRL) | Q4'20 | Q3'21 | YtD Growth % |
|--|---------------|---------------|---------------|
| Funds Collected (incl. Bank deposits) | 51.613 | 66.738 | 29,30 |
| Wholesale Funding | 11.311 | 9.671 | -14,50 |
| Funds Borrowed | 7.302 | 7.449 | 2,69 |
| Syndicated Loans | - | - | - |
| Wakala | 2.211 | 1.098 | -50,32 |
| Issued Lease Certificates & Sukuk | 4.243 | 5.629 | 32,69 |
| Other | 848 | 770 | -9,14 |
| Sub-Ordinated Debt (Tier 2) | 1.733 | 2.135 | 23,25 |
| Borrowings From Money Market | 2.276 | 37 | -98,38 |
| Shareholders' Equity | 4.044 | 4.061 | 0,41 |
| Paid in Capital | 1.350 | 1.350 | 0,00 |
| Other Liabilities | 2.348 | 3.263 | 38,99 |
| Total Liabilities | 68.395 | 83.732 | 20,80 |

Composition of Funding Base (Million TRL)



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

Maturity Profile of Liabilities (Million USD)



11 Funding Profile (Collected Funds)

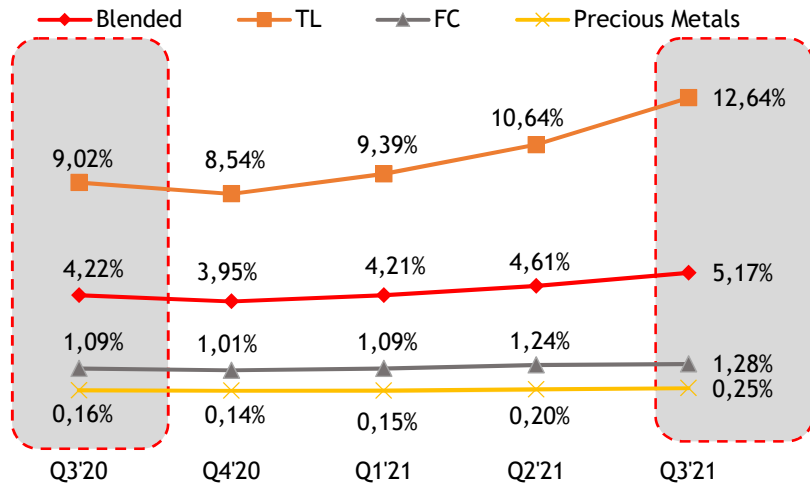


Total Funds Collected (Million TRL)

| | Q4'20 | Q3'21 | YtD |
|-------------------------------|---------------|---------------|--------------|
| Funds Collected | 51.613 | 66.738 | 29,3% |
| Current Accounts | 23.159 | 28.694 | 23,9% |
| Current Accounts TL | 4.635 | 6.486 | 40,0% |
| Current Accounts, FC, \$ | 2.520 | 2.512 | -0,3% |
| Participation Accounts | 28.454 | 38.044 | 33,7% |
| Participation Accounts TL | 10.830 | 12.616 | 16,5% |
| Participation Accounts FC, \$ | 2.397 | 2.876 | 20,0% |

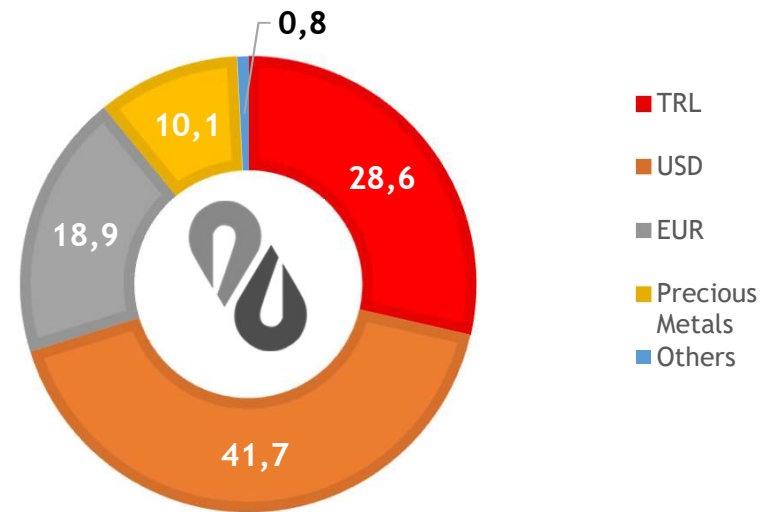
*USD equivalent of FC accounts

Cost of Funds Collected*

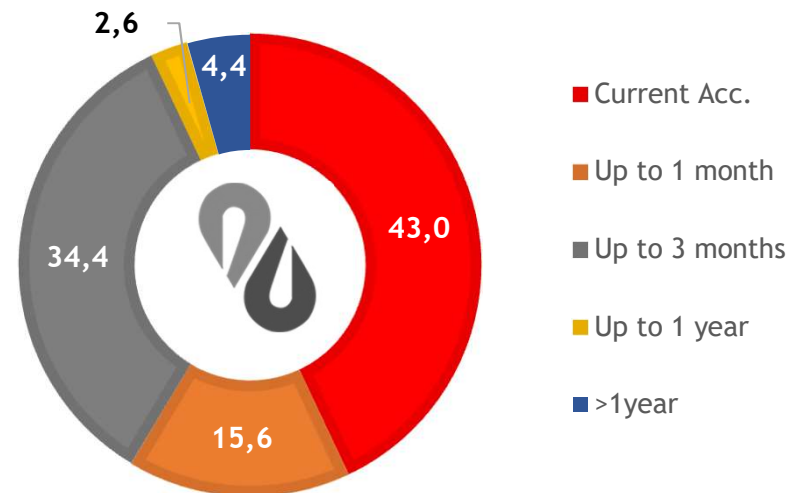


*Profit share expense to depositors for the last 4Q/5Q average participation accounts

Currency Composition of Funds Collected (Q3'21,%)



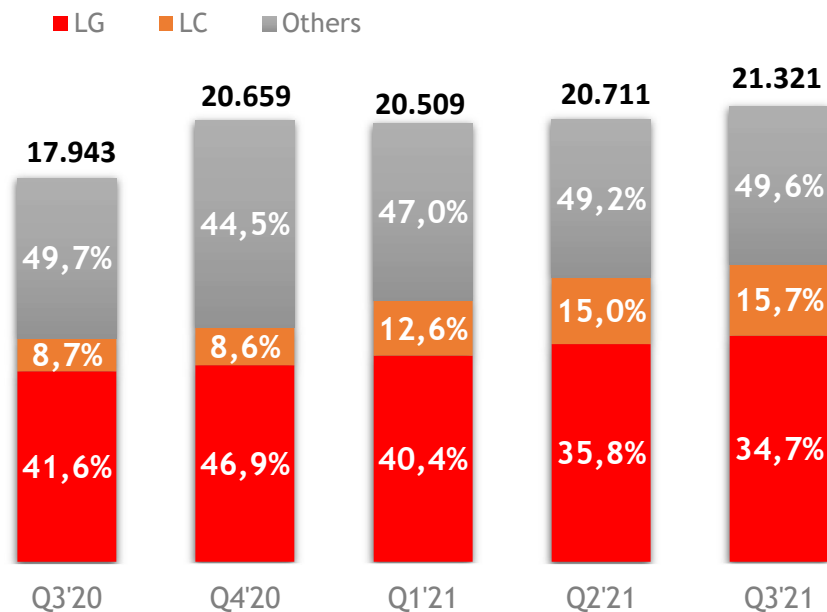
Maturity Composition of Funds Collected (Q3'21,%)



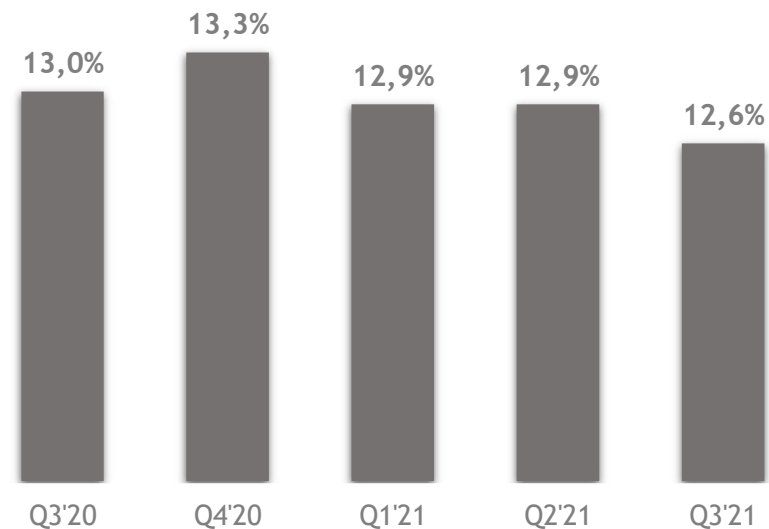
12 Off Balance Sheet Growth



Off Balance Sheet Composition (%)



LGs-to-Total Assets



Guarantees & Sureties (TRL million)

| | Q3'20 | Q4'20 | Q1'21 | Q2'21 | Q3'21 | Growth (%) | |
|---------------------|---------------|---------------|---------------|---------------|---------------|-------------|-------------|
| | | | | | | YtD | YoY |
| Letter of Guarantee | 8.918 | 9.203 | 9.645 | 10.184 | 10.582 | 15,0 | 18,7 |
| Letter of Credit | 1.554 | 1.771 | 2.577 | 3.111 | 3.344 | 88,8 | 115,2 |
| Others* | 119 | 148 | 114 | 163 | 159 | 7,2 | 33,2 |
| Total: | 10.592 | 11.122 | 12.336 | 13.457 | 14.084 | 26,6 | 33,0 |

*Revocable credit limits not included.

13 Income- Cost Dynamics



| (Million TRL) | Yearly | | | Notes |
|-------------------------|------------|-----------|--------------|--|
| | Q3'20 | Q3'21 | % | |
| Net Profit Share Income | 1.236 | 944 | -23,6 | Profit Share income increased by 33,2 % while Expenses on Profit Sharing Accounts jumped 86,5 % and Expenses on Funds Borrowed more than doubled with 137,5 %. Upward cost of funding led to weaker Net Profit Share Income. |
| Net Fee Income | 163 | 274 | 68,5 | The suspension of CBRT commissions on required reserves had a positive impact on Net Fee Income. |
| Net Trading Income | 173 | -195 | -212,5 | Due to sales of investment fund participation certificates and swap transactions. |
| Other Income | 471 | 818 | 73,5 | With the support of strong collections performance from Stage III loans, reversal of prior year provisions raised by 70,6%, and income from sales of assets increased this item. |
| Provisioning | 919 | 738 | -19,7 | Stage 3 Coverage Ratio has been remained above 60% |
| Personnel Expenses | 540 | 576 | 6,7 | Below CPI which is 19,58 % in September |
| Other Costs | 405 | 501 | 23,7 | Mostly stemming from impairment expenses of assets held for sale and legal dues (Saving Deposit Insurance Fund, Taxes, Duties, Charges etc.) |
| Net Profit | 138 | 51 | -62,7 | |

Agenda

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16 Financial Ratios - Sector Comparison



| Percent (%) | Q4'20 | | | Q3'21 | | |
|------------------------------|---------------|---------------------|----------------|---------------|---------------------|----------------|
| | Albaraka Türk | Participation Banks | Banking Sector | Albaraka Türk | Participation Banks | Banking Sector |
| CAR | 13,51 | 17,79 | 18,73 | 12,98 | 17,57 | 17,30 |
| NPL Ratio | 4,82 | 3,51 | 4,04 | 5,65 | 3,30 | 3,49 |
| Provisioning Ratio (Stage 3) | 61,02 | 82,91 | 74,94 | 63,76 | 85,07 | 78,08 |
| Loan/Deposits | 78,63 | 75,56 | 104,04 | 70,18 | 71,88 | 99,13 |
| Asset Yield | 6,87 | 7,31 | 8,64 | 6,82 | 7,67 | 9,40 |
| Asset Spread | 3,45 | 3,81 | 4,12 | 2,40 | 2,75 | 3,17 |
| Net Profit Share Margin | 3,27 | 4,14 | 4,46 | 2,18 | 3,16 | 3,62 |
| Op Costs / Avg. Assets | 2,07 | 1,80 | 1,78 | 1,85 | 1,61 | 1,66 |
| Cost/Income* | 45,47 | 34,56 | 34,22 | 58,52 | 38,38 | 37,25 |
| Credits / Branches (000'TRL) | 176,449 | 197.961 | 337.085 | 203.623 | 223.754 | 382,116 |
| Staff / Branches | 14,74 | 13,43 | 18,16 | 14,05 | 13,29 | 18,08 |
| CA / Deposits | 44,87 | 45,22 | 32,60 | 42,99 | 42,92 | 33,49 |

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

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18 Summary Balance Sheet

| (Million TRL) | Q4'20 | Q3'21 | Growth (%) |
|--|---------------|---------------|-------------|
| Cash and Balances with Central Bank | 13.235 | 18.538 | 40,1 |
| Banks | 3.413 | 3.388 | -0,7 |
| Financial Assets | 9.792 | 12.375 | 26,4 |
| Funded Credits | 40.583 | 46.833 | 15,4 |
| <i>Cash Credits</i> | 40.011 | 45.536 | 13,8 |
| <i>NPL</i> | 2.045 | 2.763 | 35,1 |
| <i>Provisions (Stage III)</i> | 1.248 | 1.762 | 41,2 |
| <i>Net Financial Leasing Receivables</i> | 360 | 568 | 57,7 |
| Associates | 43 | 43 | 0,0 |
| Fixed Assets | 1.429 | 1.390 | -2,7 |
| Assets Held For Sale and Investment | 131 | 141 | 7,1 |
| Other Assets (inc. Tax Assets) | 710 | 1.030 | 45,0 |
| Total Assets | 69.316 | 83.732 | 20,8 |
| Funds Collected | 51.613 | 66.738 | 29,3 |
| Funds Borrowed | 7.302 | 7.499 | 2,7 |
| Debts | 4.423 | 3.094 | -30,0 |
| Provisions (inc. Taxes) | 201 | 206 | 2,3 |
| Tier II Sukuk | 1.733 | 2.135 | 23,3 |
| Shareholders' Equity | 4.044 | 4.061 | 0,4 |
| <i>Capital</i> | 1.350 | 1.350 | 0,0 |
| <i>Capital Reserves (inc. Premium)</i> | 961 | 1.029 | 7,1 |
| <i>Profit Reserves</i> | 1.493 | 1.744 | 16,8 |
| Total Liabilities | 69.316 | 83.732 | 20,8 |

19 Summary Income Statement



| (Million TRL) | Q3'20 | Q3'21 | Growth (%) |
|--|------------|-----------|--------------|
| Profit Share Income | 2.554 | 3.402 | 33,2 |
| Profit Share Expense | 1.318 | 2.458 | 86,5 |
| Net Profit Share Income | 1.236 | 944 | -23,6 |
| Net Fees and Commissions Income | 163 | 274 | 68,5 |
| <i>Fees and Commissions Received</i> | 281 | 399 | 41,9 |
| <i>Fees and Commissions Paid</i> | 118 | 125 | 5,3 |
| Net Trading Income | 173 | -195 | -212,5 |
| Other Operating Income | 471 | 818 | 73,5 |
| Total Operating Profit | 1.503 | 1.265 | -15,8 |
| Provisions for Loan Losses and Other Receivables | 919 | 738 | -19,7 |
| Personnel Expenses | 540 | 576 | 6,7 |
| Other Operating Expenses | 405 | 501 | 23,7 |
| Operating Profit Before Tax | 178 | 25 | -85,7 |
| Tax Provision | 41 | -26 | -163,9 |
| Net Profit | 138 | 51 | -62,7 |

THANK YOU

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