



Investor Presentation

2024 Q4

Albaraka Türk Participation Bank

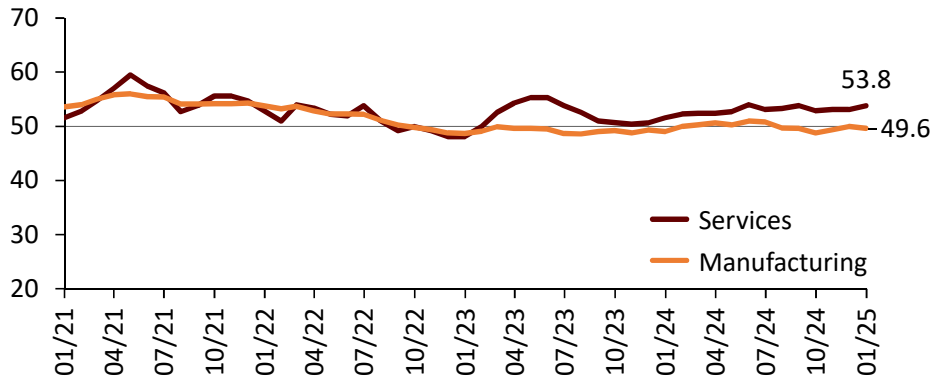
Macroeconomics / Banking Outlook

Macroeconomic Outlook: Gradual Rebalancing

The global economy maintains a stable outlook—despite the mild decrease compared to the previous periods—with the moderation of inflation and the interest rate cut cycles by major central banks. In Türkiye, tight monetary policy and financial conditions are limiting growth figures. We expect the inflation trend to ease and interest rate cuts to continue through 2025.

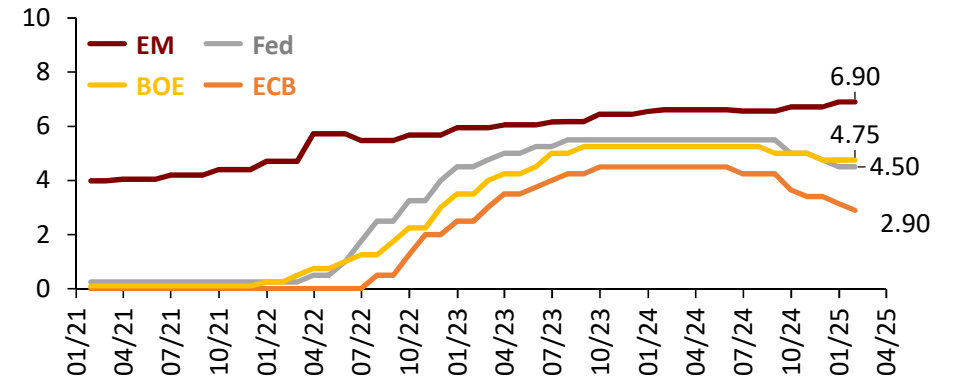
Global PMI

Index, 50 = no change, December 2024



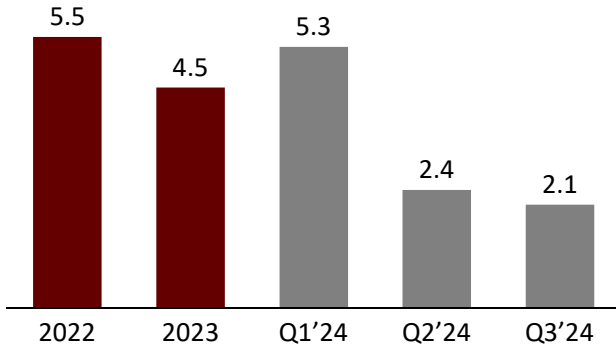
Central Banks Policy Rates

%, January 2025



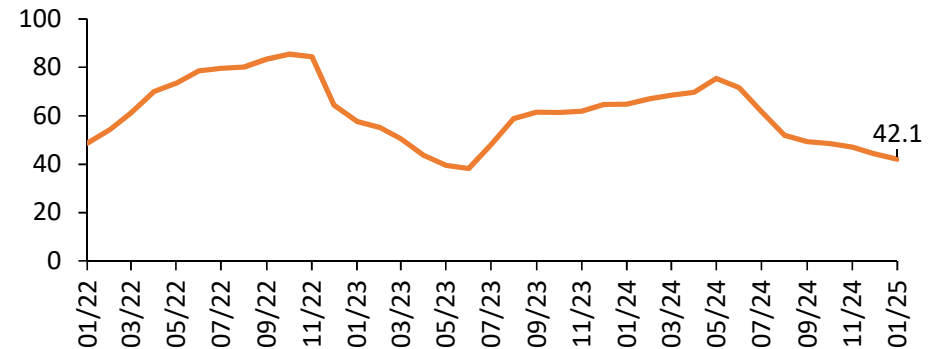
Türkiye: GDP Growth

Annual % Change



Türkiye: Inflation

Annual % Change, January 2025

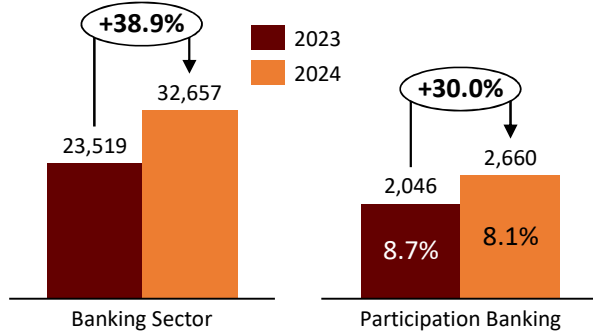


Banking Sector Overview: Tight monetary policy weighs down 2024's growth and earnings

As a result of the tight monetary policy, asset growth in both banking and participation banking sectors were moderate in 2024 while profitability ratios declined YoY.

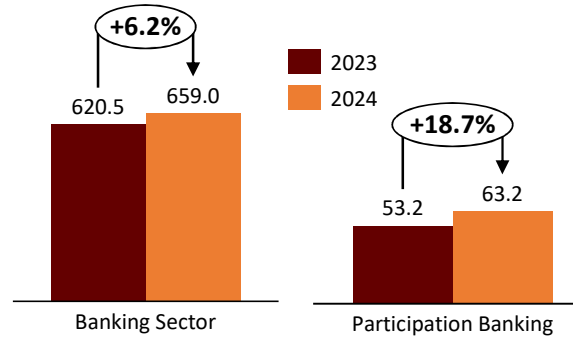
Total Assets*

TL Billion



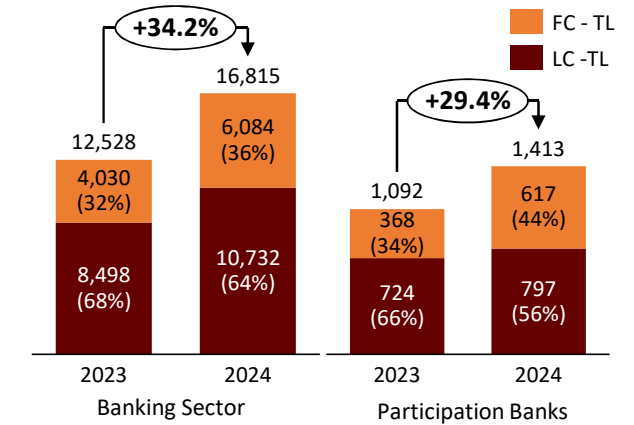
Net Profit

TL Billion



Funded Credits*

TL Billion

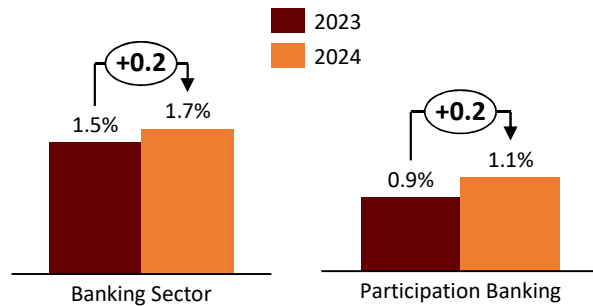


* Percentage figures indicate the share of participation banks in total banking sector

*Includes credits, f. leasing (net), net NPL, accruals and rediscounts, credits extended to banks, expected credit loss

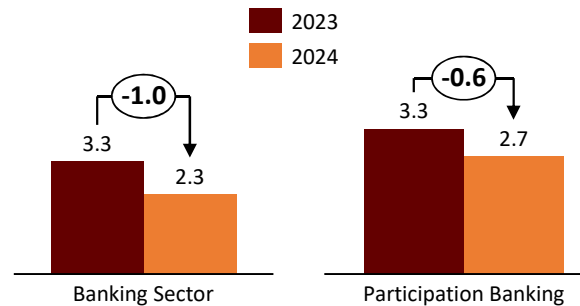
NPL Ratio*

%



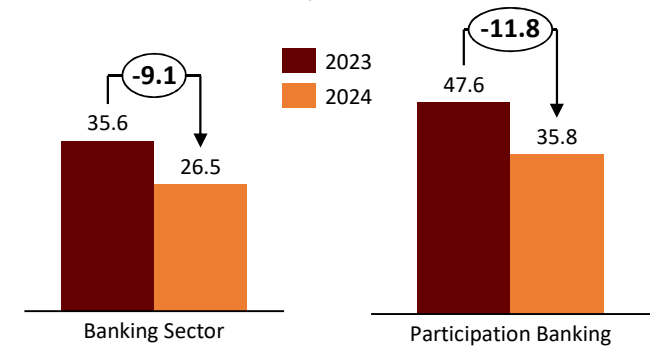
Return on Avg. Assets*

%



Return on Avg. Equity*

%



* NPL/ (credits, f. leasing (net), net NPL, accruals and rediscounts, credits extended to banks)

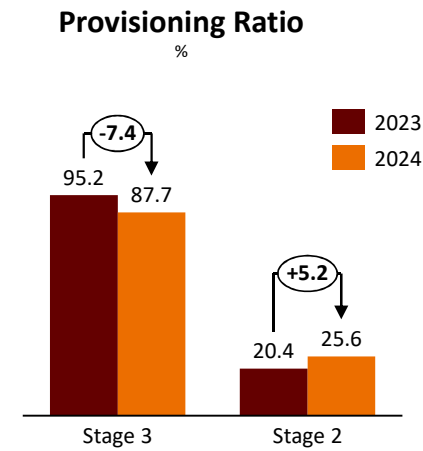
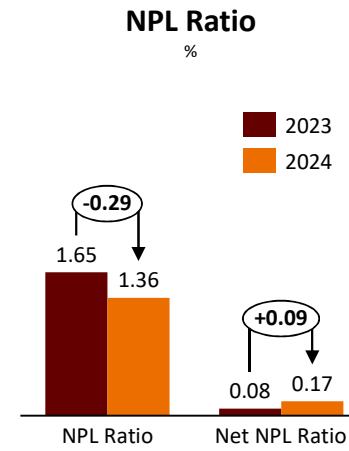
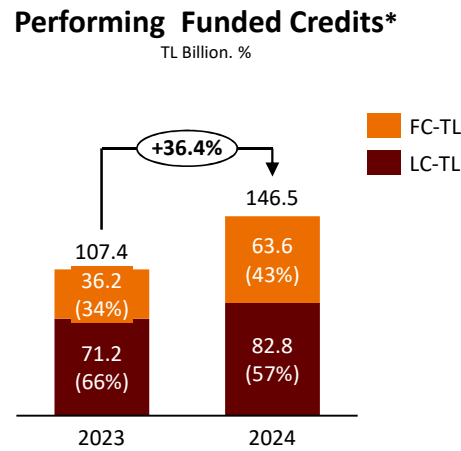
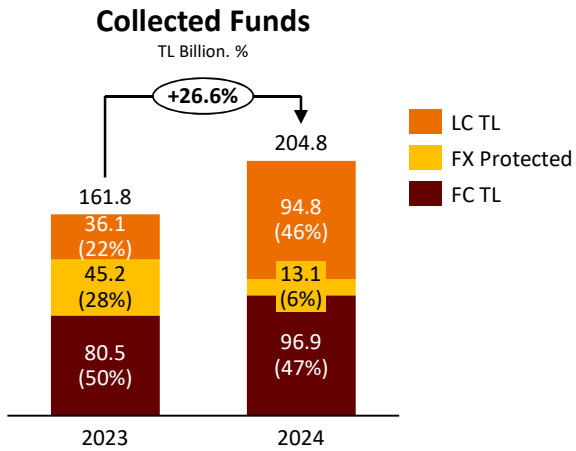
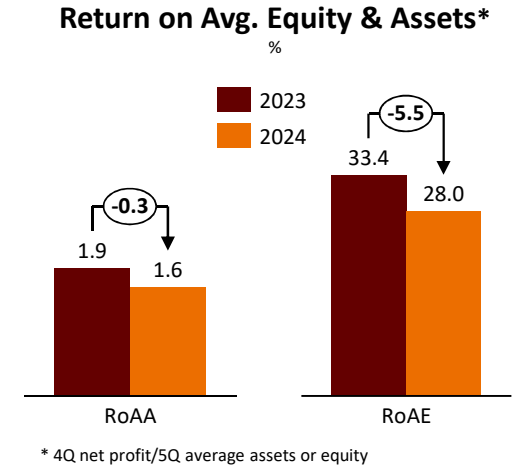
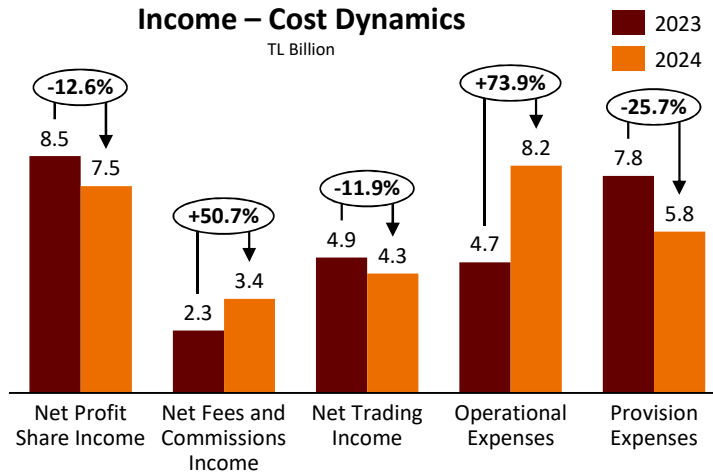
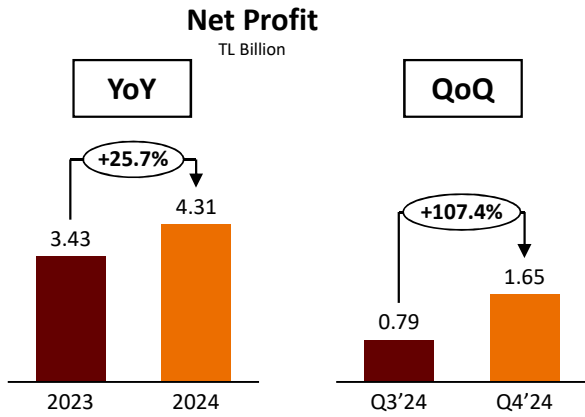
* Annualized net profit/5Q average assets

* Annualized net profit/5Q average equity

2024 Financial Results

Strong performance despite the challenges posed by tight monetary policy

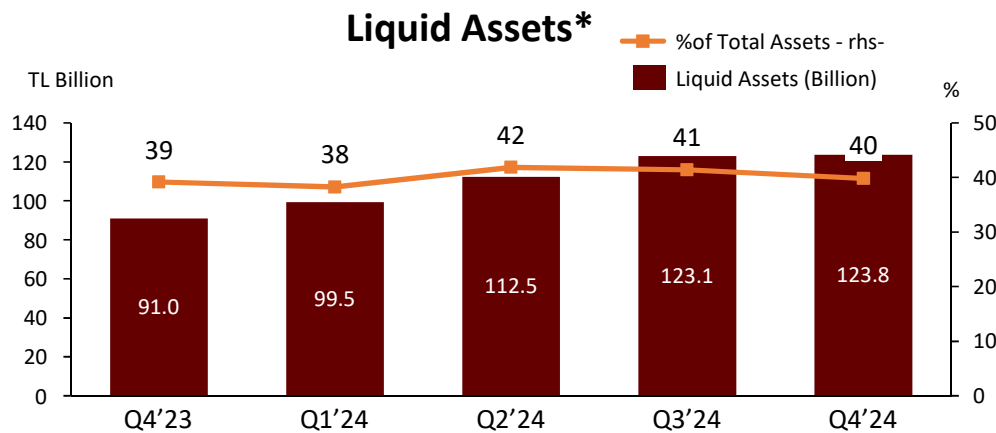
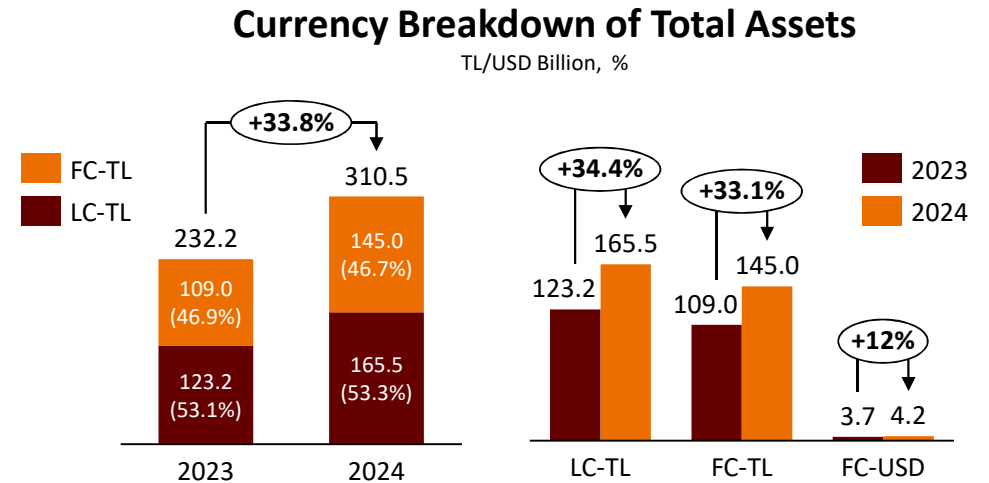
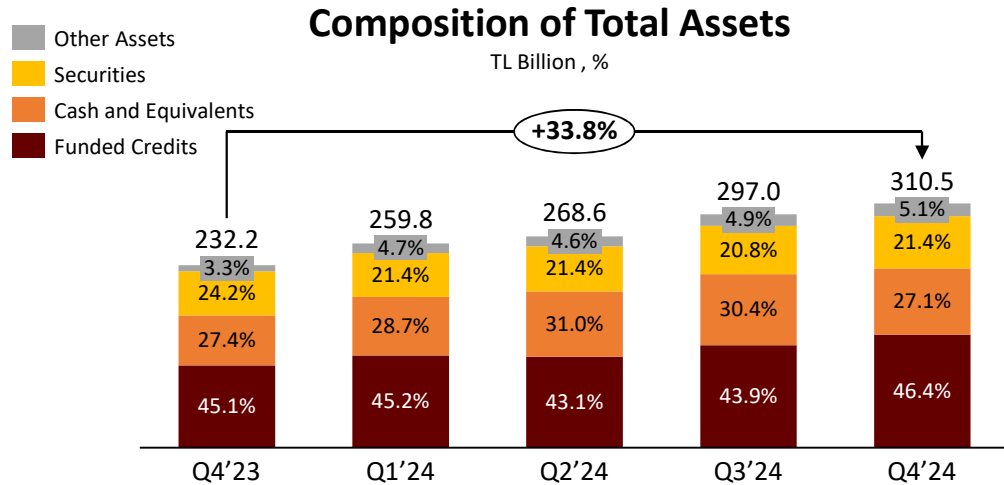
Positively differentiated from the sector with sound performance



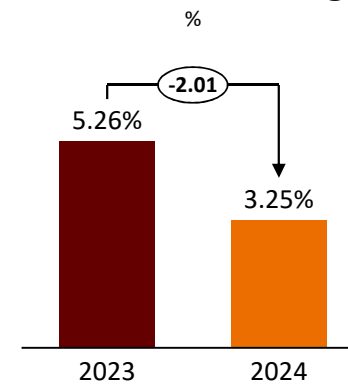
Source: Albaraka Turk Independent Audit Reports

Consistent growth in total assets alongside NPSM contraction

Asset growth limited by regulatory credit growth caps, with NPSM contraction deepening from Q3 to Q4'24.



Net Profit Share Margin**



*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.

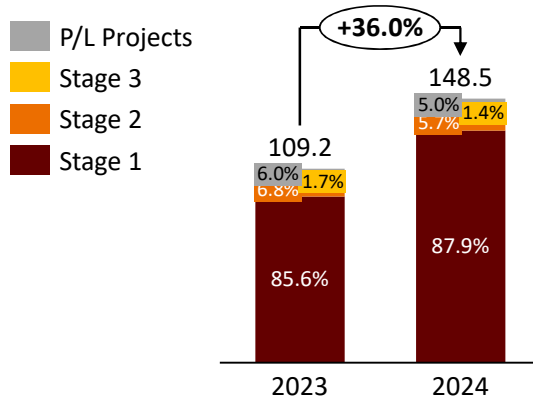
**4Q net profit share income/5Q average profit bearing assets

Solid funded credit growth achieved despite regulatory constraints

Total funded credit portfolio grew by 36% YtD, driven by the growth in the performing credits and the share of FC credits rising to 48%.

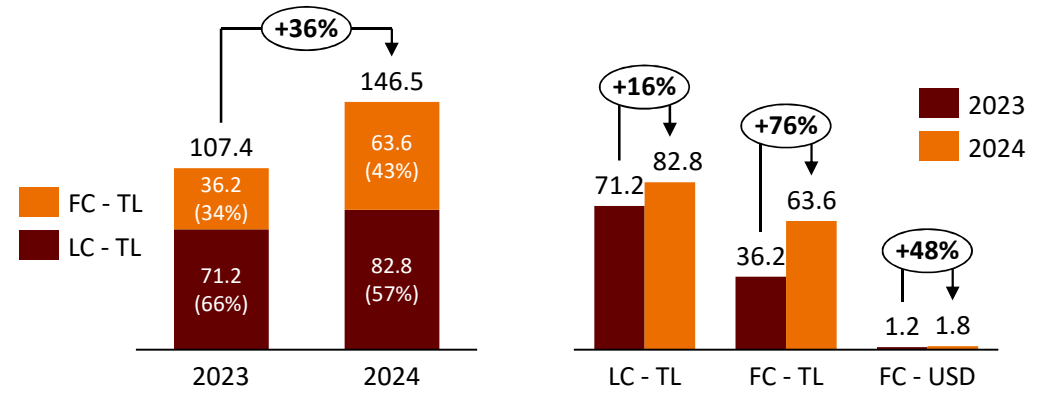
Total Funded Credits

TL Billion - Inc. f.Leasing. TL million . excl. expected credit losses(provisions)

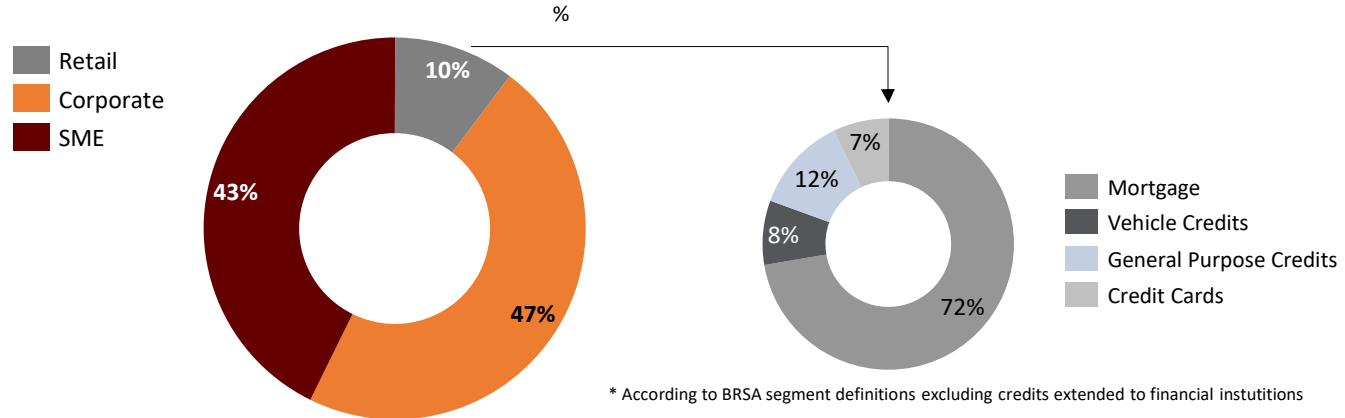


Currency Breakdown of Performing Credits*

TL Billion. %



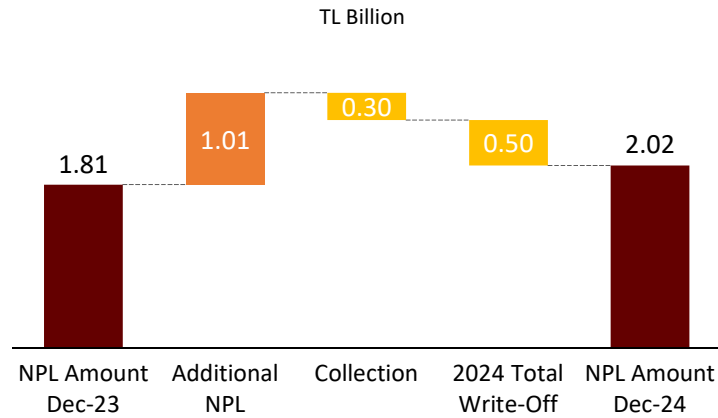
Segment Breakdown of Funded Credits*



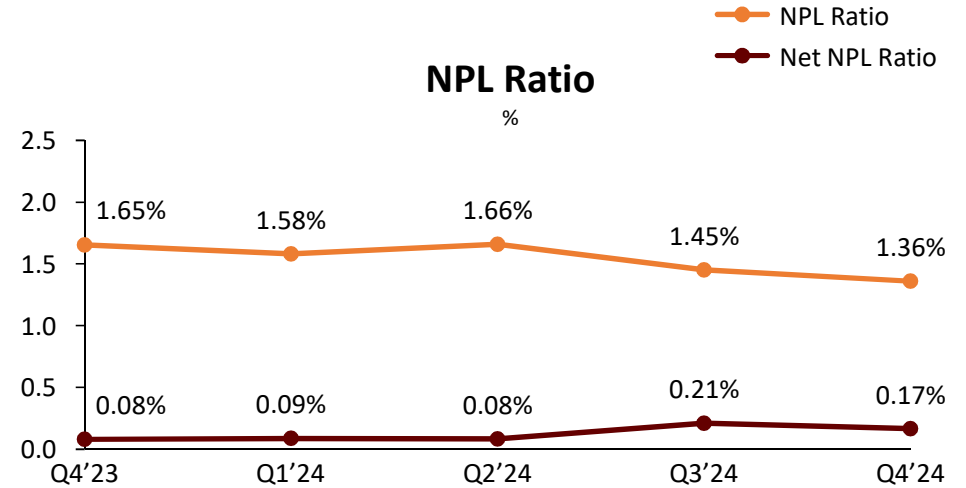
Prudent approach maintained, additional TL 2.1 billion in free provisions was allocated in 2024

NPL ratio decreased to 1.36%, stage 2 coverage ratio increased to 25.6% in Q4'24.

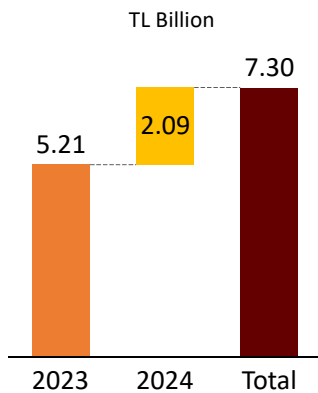
Non Performing Credits Development



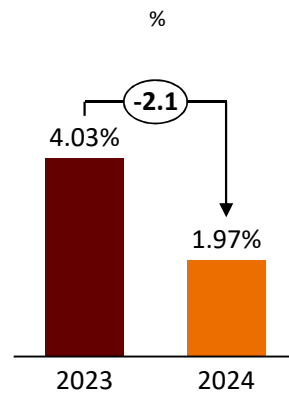
NPL Ratio



Free Provisions

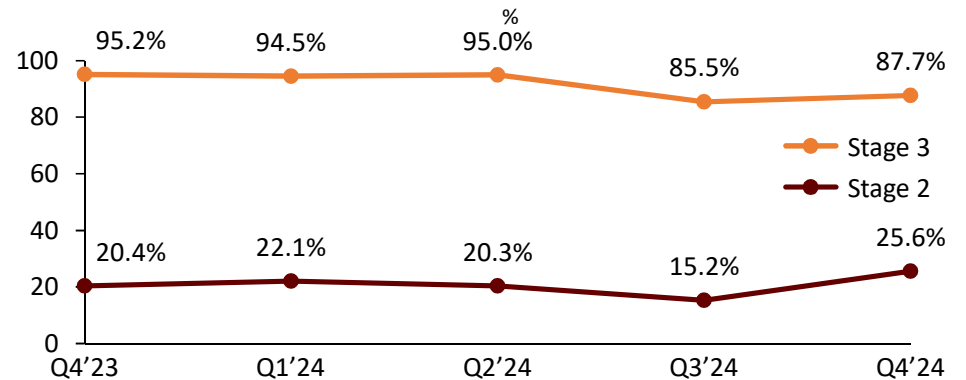


Cost of Risk*



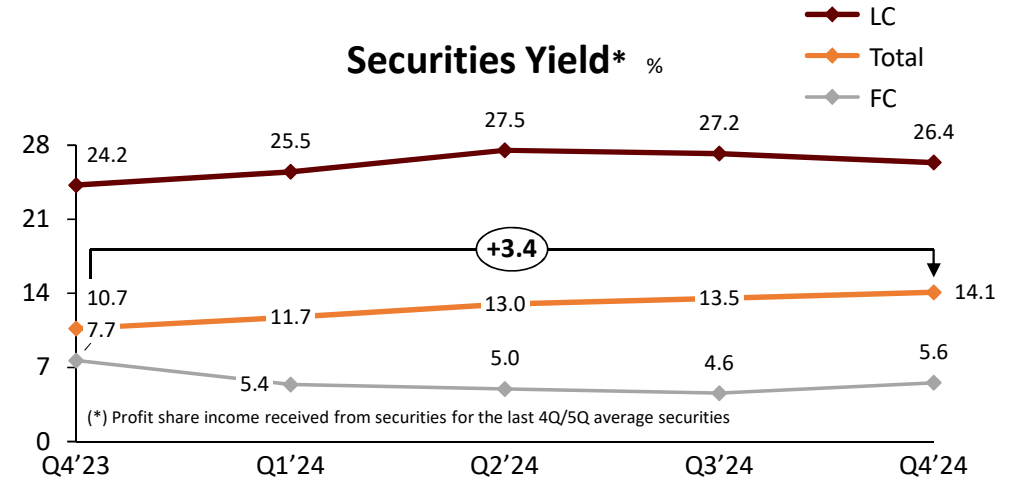
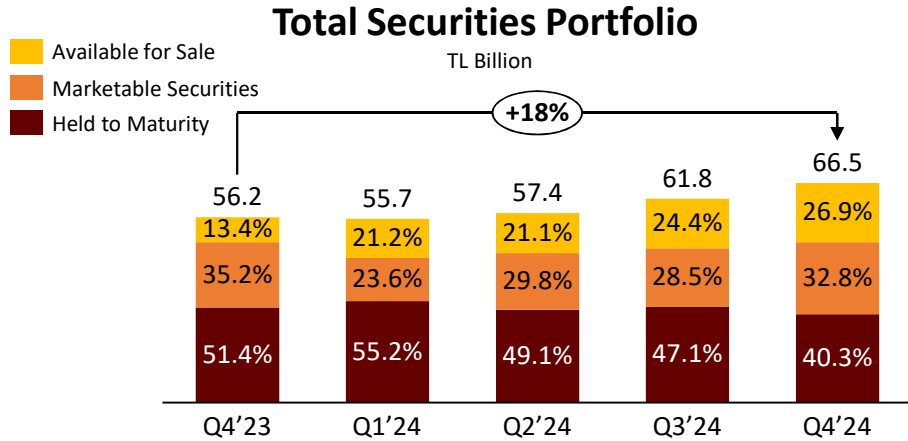
*Cost of risk: Annualized Expected Loss Provisions/Average Funded Credits

Provisioning Ratio



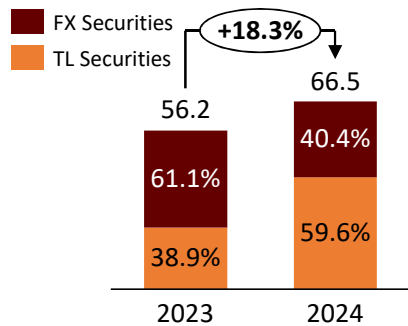
Moderate growth in total securities, yield continues to support profitability

Securities yield up by 340 bps YoY, maintaining contribution to profitability.

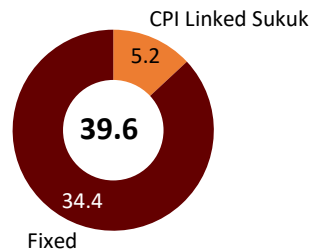


Breakdown of TL & FX Securities

TL Billion . % Share in Total Securities



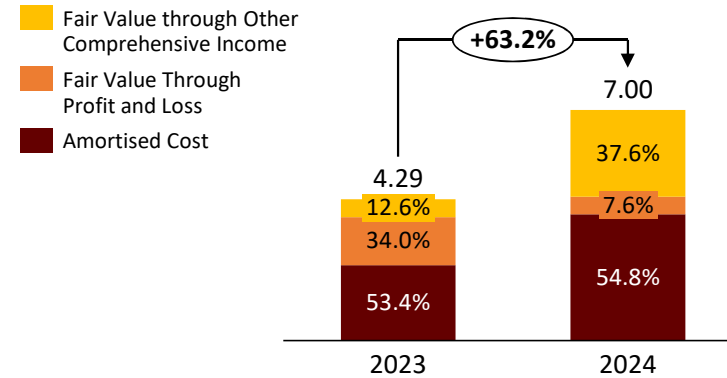
TL Securities 2024



* There are CPI linked sukuk only in TL securities portfolio.

Profit Share Income From Securities Portfolio

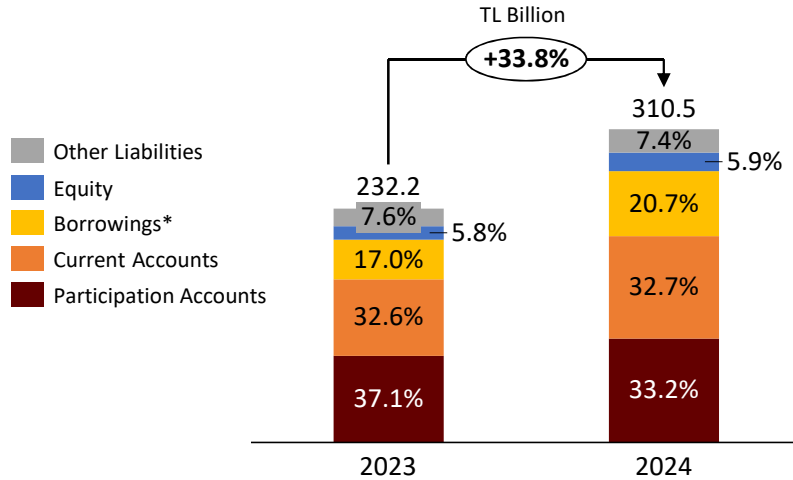
TL Billion



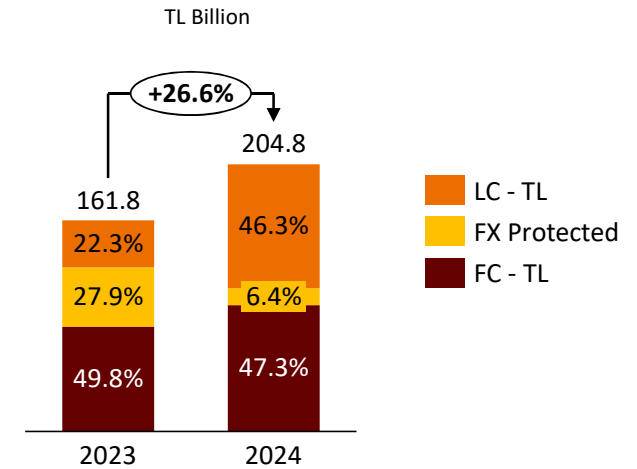
Despite increased importance of alternative products, collected funds remain primary source

While collected funds remain key, the significance of alternative funding sources expected to decline with market return declines.

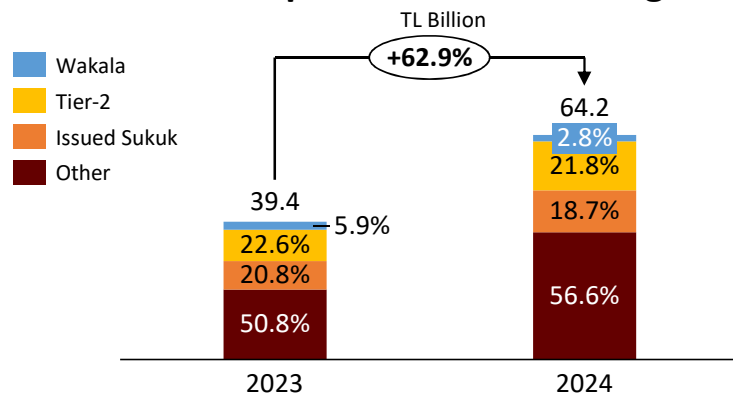
Composition of Total Liabilities



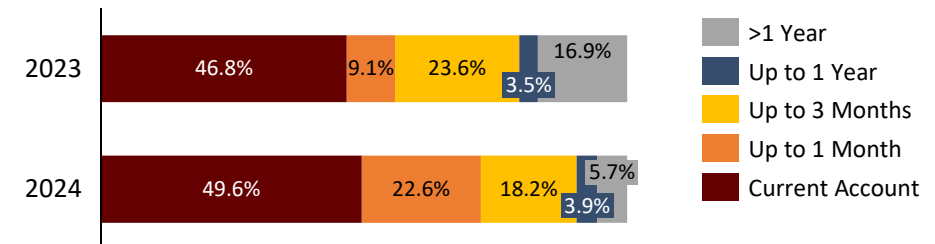
Currency Composition of Collected Funds



Composition of Borrowings



Maturity Composition of Funds Collected (%)

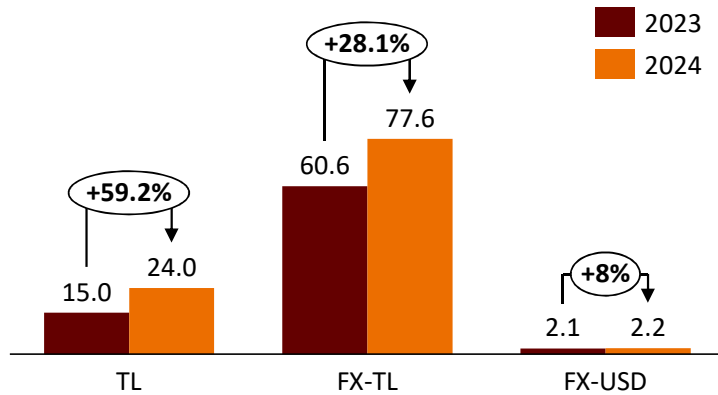


Share of TL funds grows in collected funds, with accelerated exit from FX-protected accounts

Rapid growth in TL funds due to high yields in 2024, more than doubling funding costs YoY.

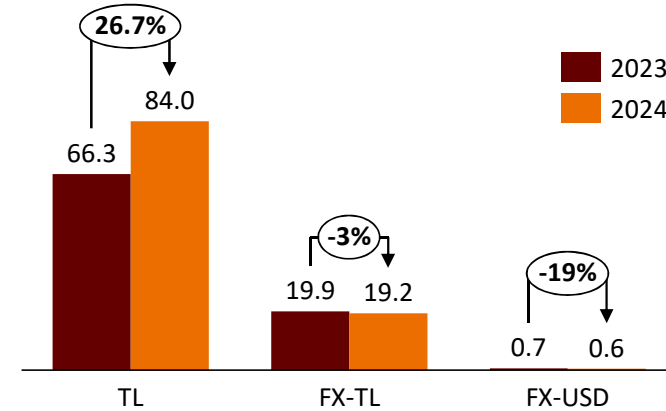
Current Accounts

TL Billion – Annual Growth %



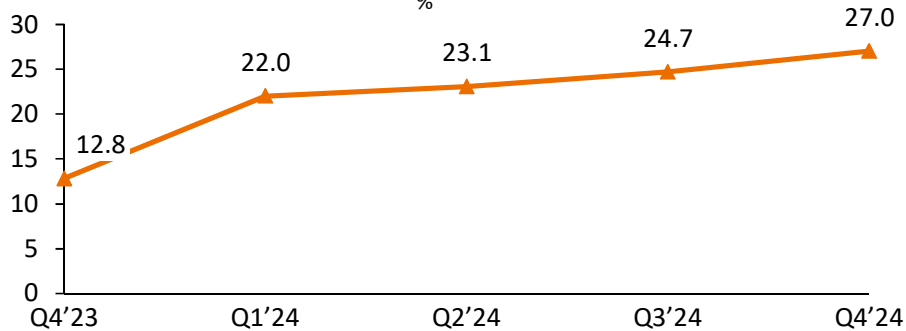
Participation Accounts

TL Billion – Annual Growth %



Cost of Funds Collected*

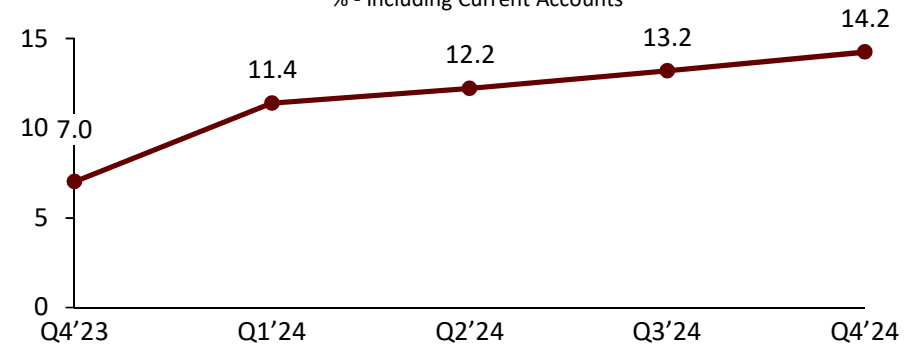
%



*Annualized profit share expense by extending the relevant quarter to the year / average participation accounts

Cost of Funds Collected**

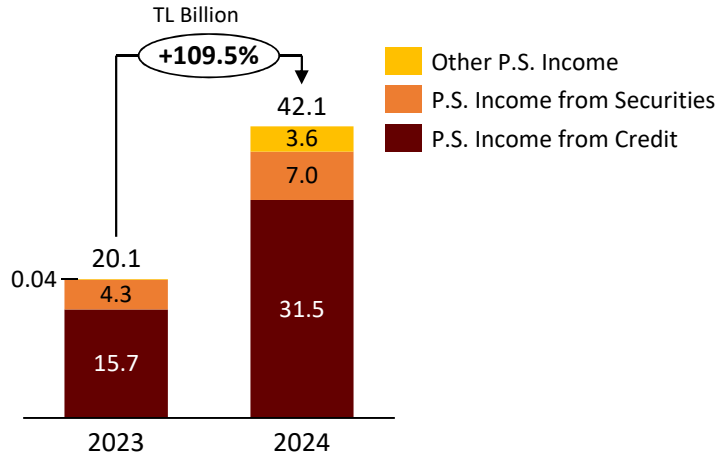
% - Including Current Accounts



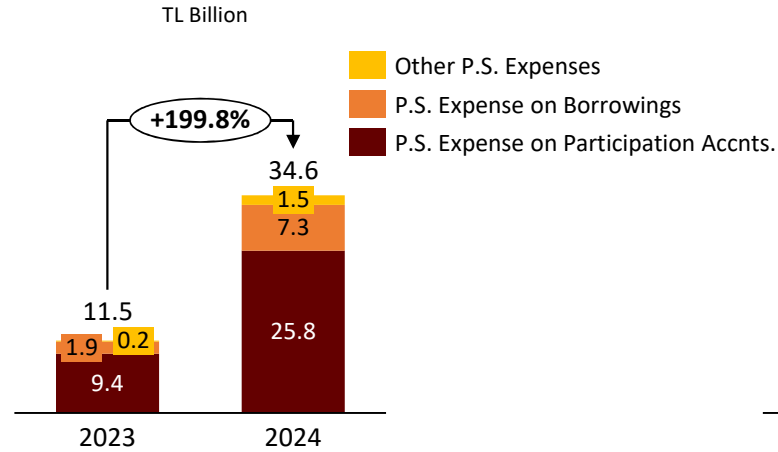
*Annualized profit share expense by extending the relevant quarter to the year / average collected funds

Profitability sustained through effective management of costs, risk, and market conditions
 High funding costs coupled with swap costs impacted core banking revenue in 2024, but swap costs eased in H2 with securitized assets revaluation gains boosting Q4 profitability.

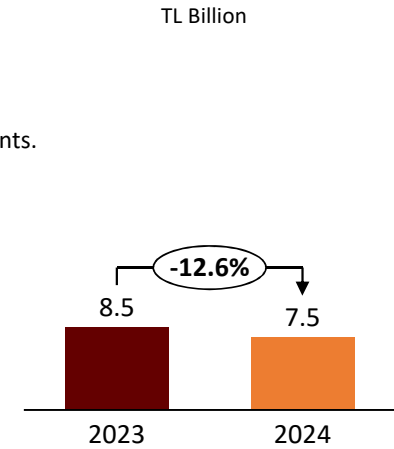
Profit Share Income



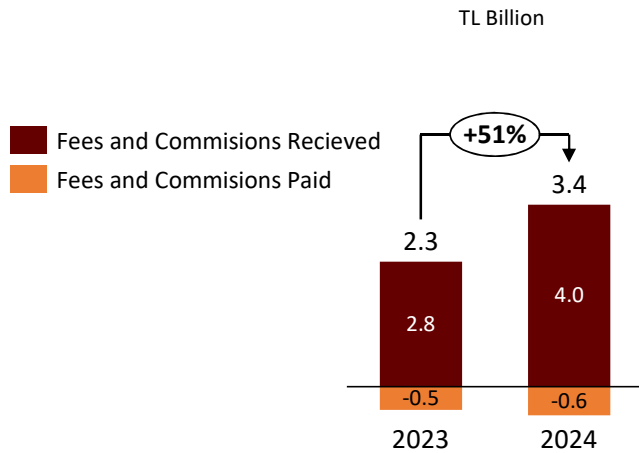
Profit Share Expense



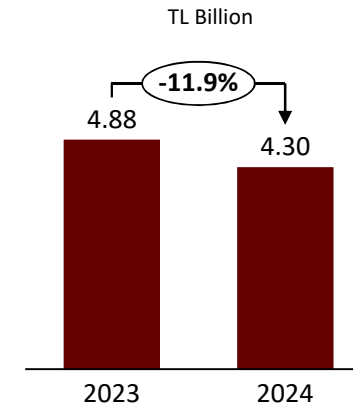
Net Profit Share Income



Net Fees and Commission Income



Net Trading Income/Loss

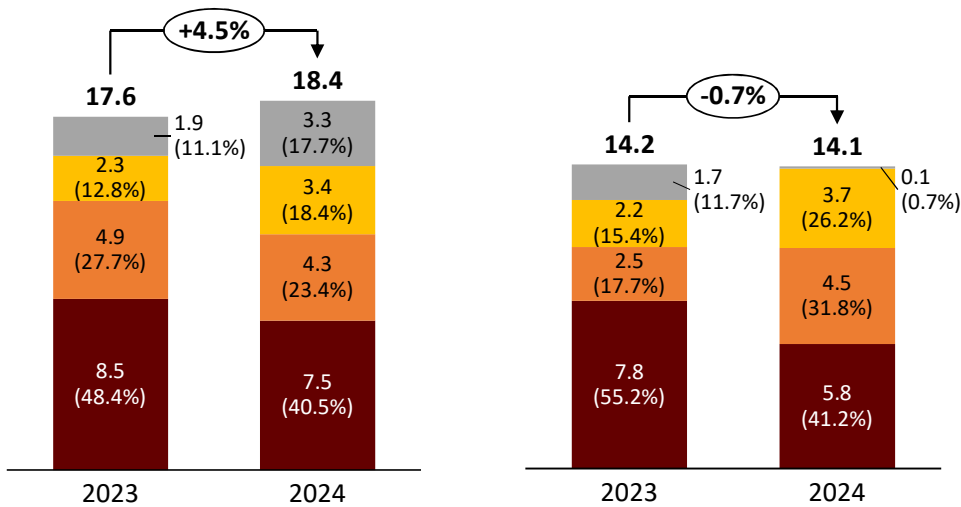


Sound cost-income dynamics despite tight monetary policy and regulatory constraints

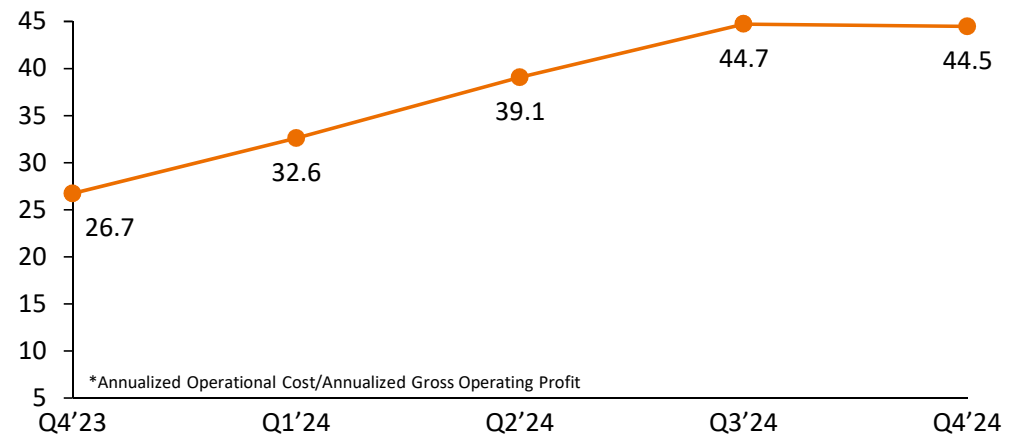
Despite YoY contraction in core banking income due to high funding costs, efficient cost management and low staff-per-branch ratio helped contain expenses.

Income-Cost Dynamics

TL Billion



Cost Income*



Income

- Other Income
- Net Commission and Fee Income
- Net Trading Income/Loss
- Net Profit Share Income

Cost

- Tax
- Other Cost
- Employee Cost
- Provisions

Navigating challenges of operational environment with sustained profitability

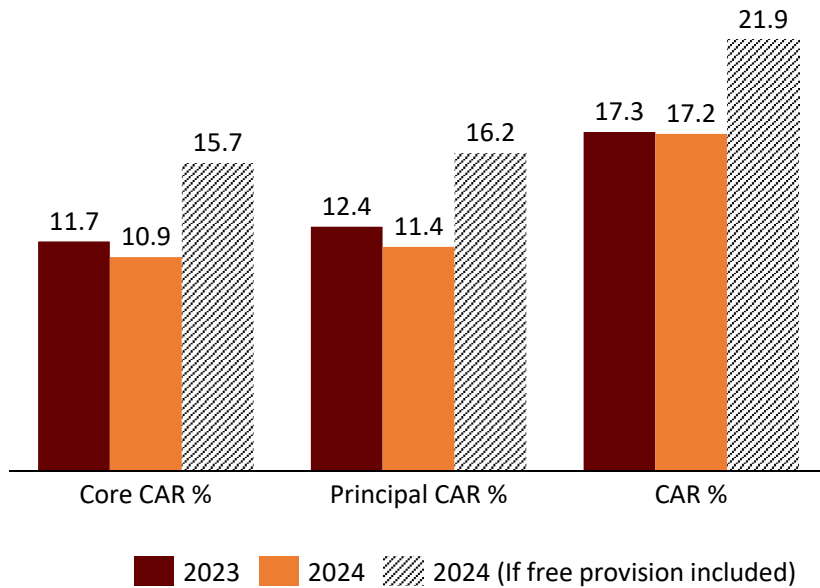
(TL Million)	YoY		%	QoQ		%	Notes
	2023	2024		Q3'24	Q4'24		
Net Profit Share Income	8,530	7,451	-13%	745	1,991	167%	Due to the tight monetary policy environment, net profit share margin remained under pressure.
Net Fees & Commission Income	2,251	3,392	51%	856	972	14%	Fee and commission income remained resilient, supported by POS revenues and card transaction commissions.
Net Trading Income	4,883	4,299	-12%	1,034	4,547	340%	Swap costs, which were a significant cost in the first half of the year, reduced its burden on net trading income in the second half of the year.
Other Income	1,949	3,258	67%	744	627	-16%	Reversal of prior year provisions and income from asset sales increased other income by 67% YoY.
Provisioning (inc. free provisions)	7,824	5,810	-26%	422	4,847	1049%	Although around TL 2.1 billion of free provisions and TL 1.3 billion of other provisions were set aside in the last quarter, provisions declined by 26% YoY.
Personnel Expenses	2,515	4,487	78%	1,012	1,024	1%	Limited increase in personnel costs compared to the sector as there was no mid-term increase. Personnel expenses increased by 1% QoQ and 78% YoY, respectively.
Other Costs	2,191	3,698	69%	943	1,055	12%	Operational expenses increased by 69% YoY due to the high inflationary environment.
Net Profit	3,429	4,310	26%	794	1,646	107%	

Capital adequacy ratio remains stable and sufficient to support growth

CAR rises to 17.2% with \$120 million of Tier 2 support issued in Q4'24 and further support is expected to be improved in 2025.

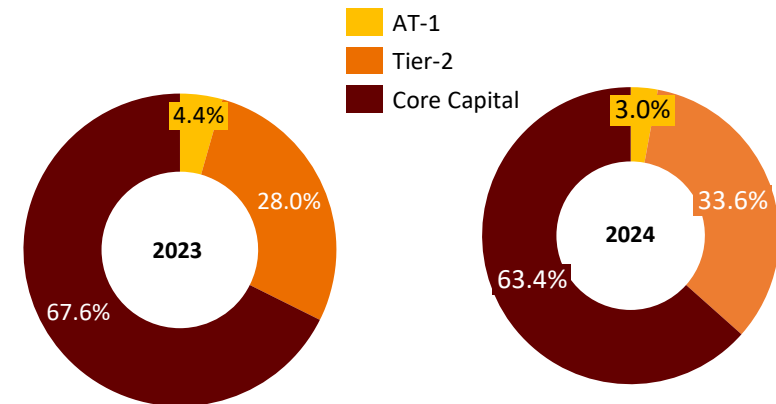
Capital Adequacy Ratio

%



Capital Breakdown

%



2024 Realization

2024 YE performance is successfully aligned with our guidance with sound asset quality and enhanced provisioning cushion

	2024 Guidance	2024
TL Loan Growth	~20%	16.3%
FC Loan Growth	~30%	48%
NPL Ratio	1.6-1.8%	1.4%
Provisioning Ratio	85-90%	87.8%
Net Profit Share Margin	~2.5-2.8% ~3.2-3.5% (incl. P/L projects)	2.8% 3.3% (incl. P/L projects)
Return on Equity	~25-30%	28%

Appendix

Summary Balance Sheet

(TL Million)	2023	2024	Growth (%)
Cash and Balances with Central Bank	49,084	61,261	24.8%
Banks	14,585	22,810	56.4%
Money Market Placements	-	-	-
Financial Assets	55,852	66,182	18.5%
Funded Credits (net)	104,738	144,018	37.5%
<i>Cash Credits</i>	102,814	127,489	24.0%
<i>Net Financial Leasing Receivables</i>	4,549	5,217	14.7%
<i>NPL</i>	1,806	2,020	11.9%
<i>Expected Credit Losses</i>	4,431	4,465	0.8%
Associates	112	93	-17.2%
Fixed Assets	4,871	6,948	42.6%
Assets Held For Sale and Investment	642	4,245	561.7%
Other Assets (inc. Tax Assets)	2,285	4,990	118.4%
Total Assets	232,169	310,548	33.8%

(TL Million)	2023	2024	Growth (%)
Funds Collected	161,806	204,767	26.6%
Funds Borrowed	30,536	50,237	64.5%
Borrowings from Money Markets	-	-	-
Debts (inc. Taxes)	10,975	13,689	24.7%
Provisions	6,569	9,419	43.4%
Tier II Sukuk	8,897	14,007	57.4%
Shareholders' Equity	13,387	18,429	37.7%
<i>Capital</i>	2,500	2,500	0.0%
<i>Capital Reserves (inc. Premium)</i>	4,080	4,422	8.4%
<i>Profit Reserves</i>	1,533	4,947	222.6%
<i>Profit/Loss</i>	2,316	2,748	18.7%
Total Liabilities	232,169	310,548	33.8%

Summary Income Statement

(TL Million)	2023	2024	Growth (%)
Profit Share Income	20,074	42,060	110%
Profit Share Expense	11,544	34,609	200%
Net Profit Share Income	8,530	7,451	-13%
Net Fees and Commissions Income	2,251	3,392	51%
<i>Fees and Commissions Received</i>	2,766	4,023	45%
<i>Fees and Commissions Paid</i>	514	631	23%
Net Trading Income	4,883	4,299	-12%
Other Operating Income	1,950	3,261	67%
Total Operating Profit	15,099	13,916	-8%
Provisions (including free provisions)	7,824	5,810	-26%
Personnel Expenses	2,515	4,487	78%
Other Operating Expenses	2,191	3,698	69%
Operating Profit Before Tax	5,084	4,408	-13%
Tax Provision	1,655	98	-94%
Net Profit	3,429	4,310	26%

Source: Albaraka Turk Independent Audit Reports

The image features two large, stylized letters, 'W' and 'U', rendered in a soft, rounded font. The 'W' is colored in a light orange or peach hue, while the 'U' is a light pink. They are positioned on the left side of the frame, with the 'U' partially overlapping the 'W'. The text 'THANK YOU...' is centered between the two letters in a bold, black, sans-serif font.

THANK YOU...

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