

Q1'24
Investor Presentation

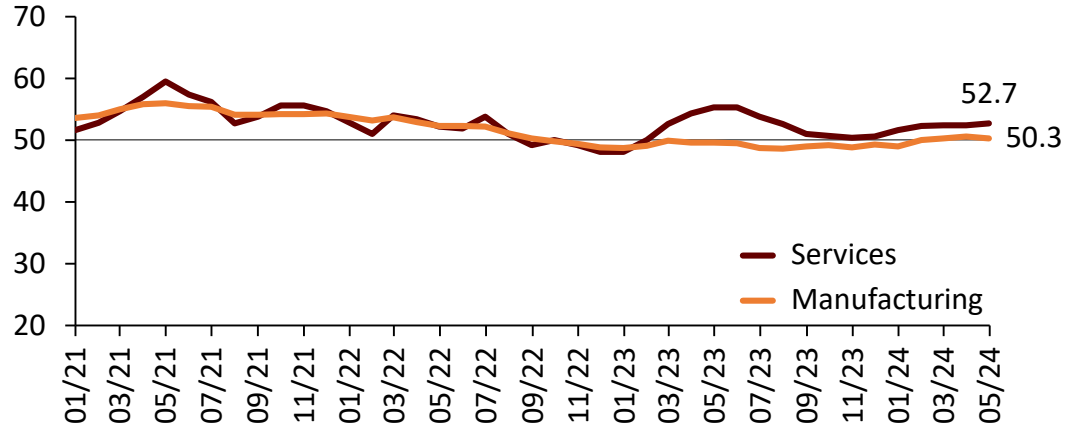
Albaraka Türk Participation Bank

Macroeconomic Outlook: Tackling high inflation is still first priority

Global policy rates staying higher for longer than had been expected as inflation pressures continue. In Turkey, the central bank took additional steps to tighten credit channels to achieve price stability and balancing in domestic demand.

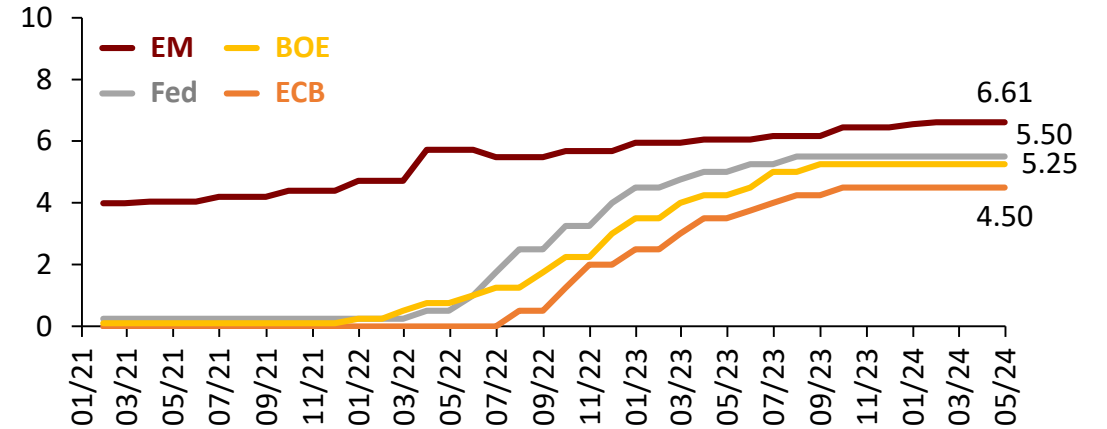
Global PMI

Index, 50 = no change, April 2024



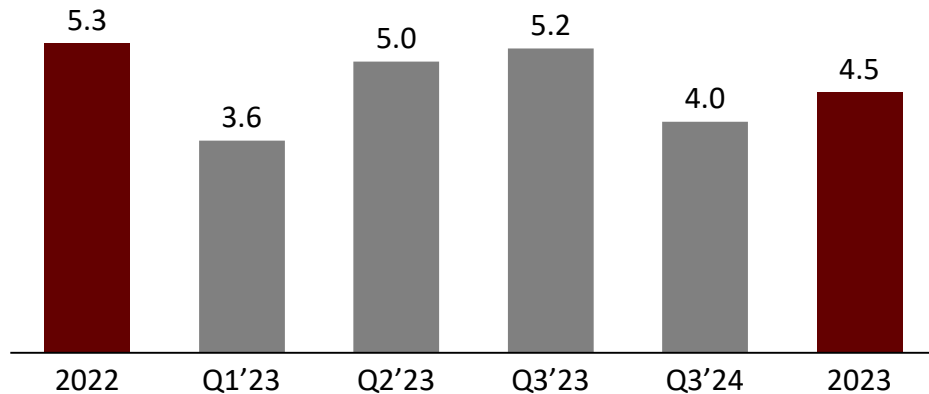
Central Banks Policy Rates

%, April 2024



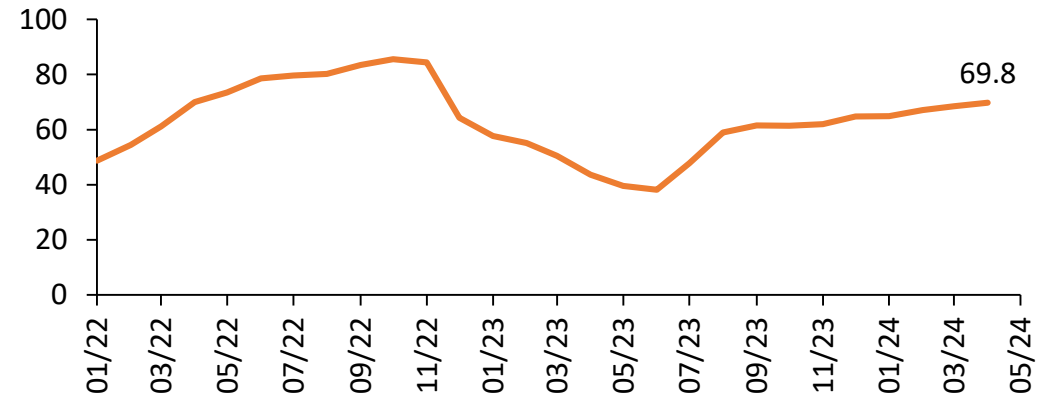
Türkiye: GDP Growth

Annual % Change



Türkiye: Inflation

Annual % Change, April 2024

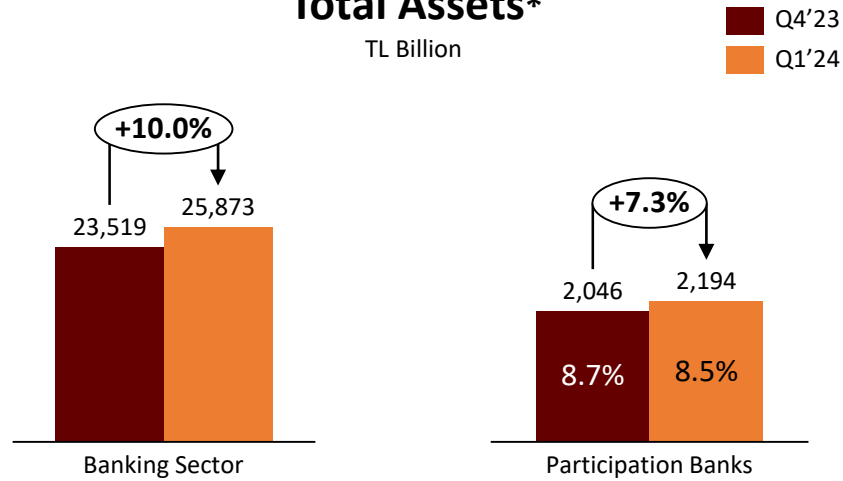


Banking Sector Overview: Remains sound and sustainable

Total assets growth for both Turkish Banking and Participation Banking sectors were moderate in Q1'24. Profitability of participation banks continued to be higher than the conventional banking sector.

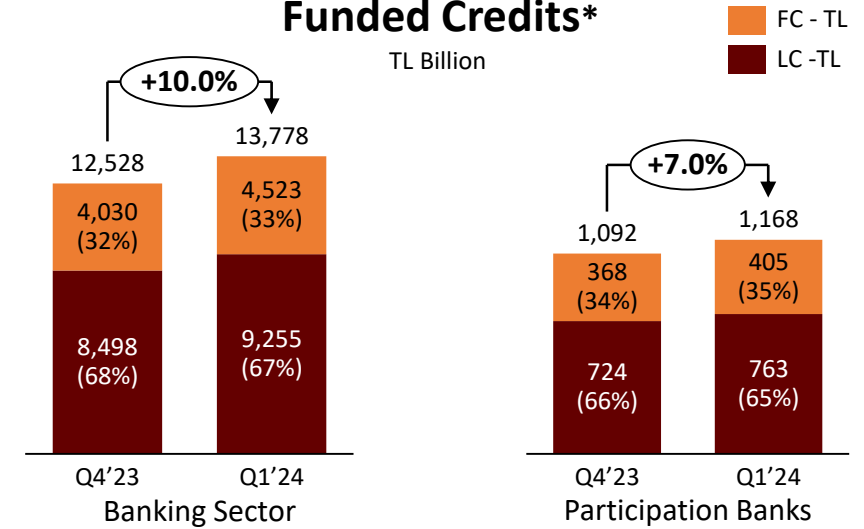
Total Assets*

TL Billion



Funded Credits*

TL Billion

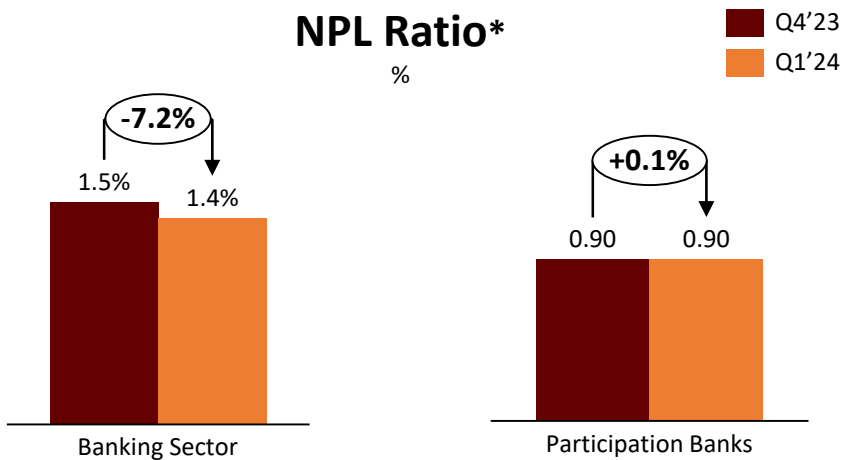


* Percentage figures indicate the share of participation banks in total banking sector

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

NPL Ratio*

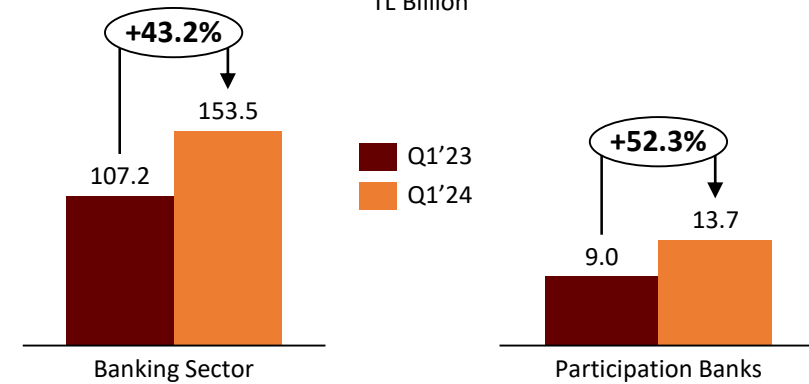
%



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

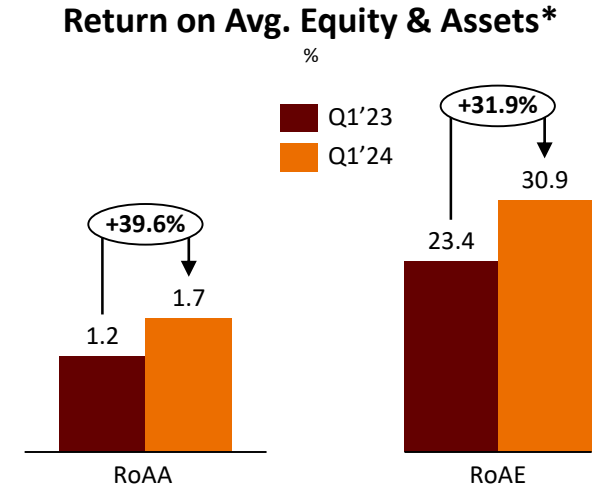
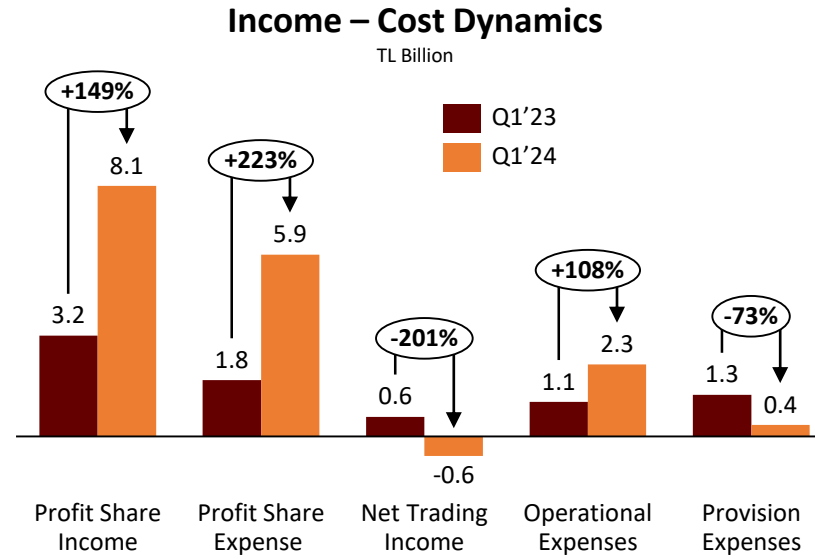
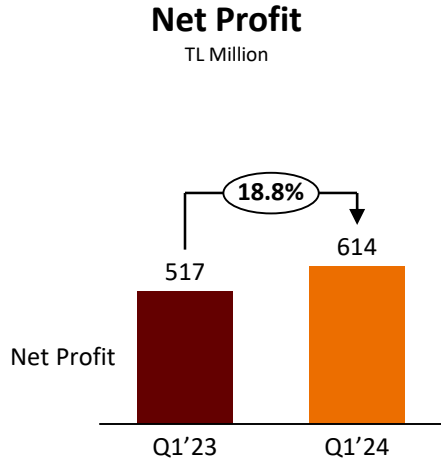
Net Profit

TL Billion

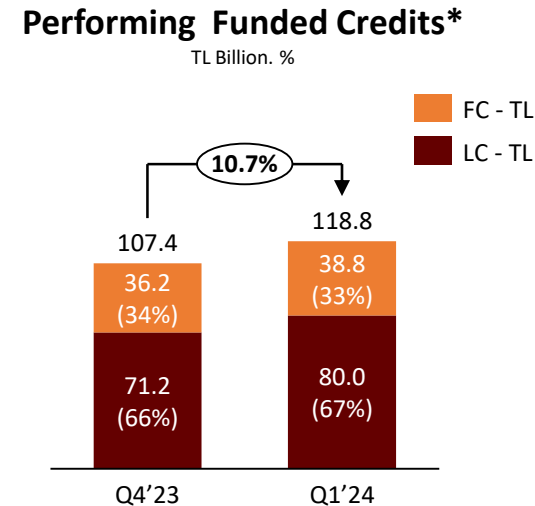
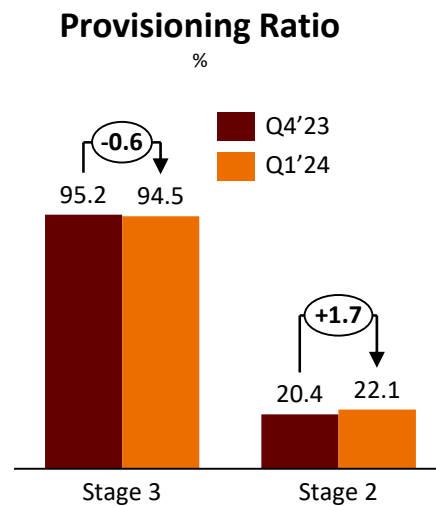
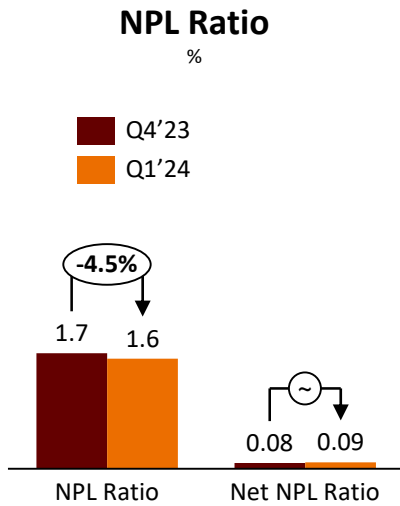


Albaraka Türk Snapshot: Financial strength remain sound

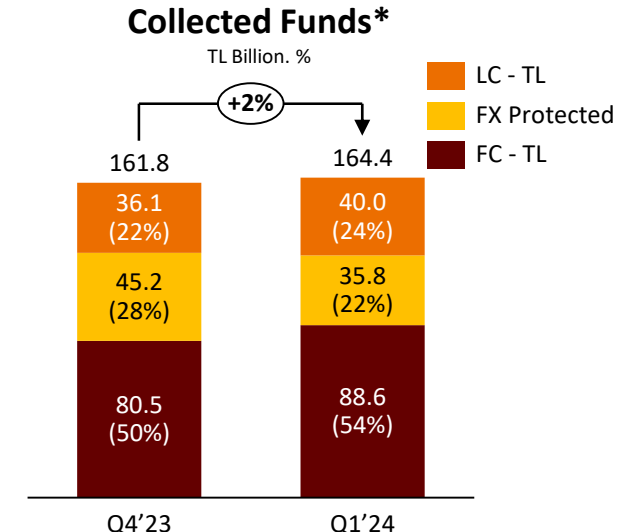
Net profit increased by 19% YoY while asset quality remain high.



* Annualized net profit/5Q average assets or equity



* Includes P/L projects and f. leasing (net)



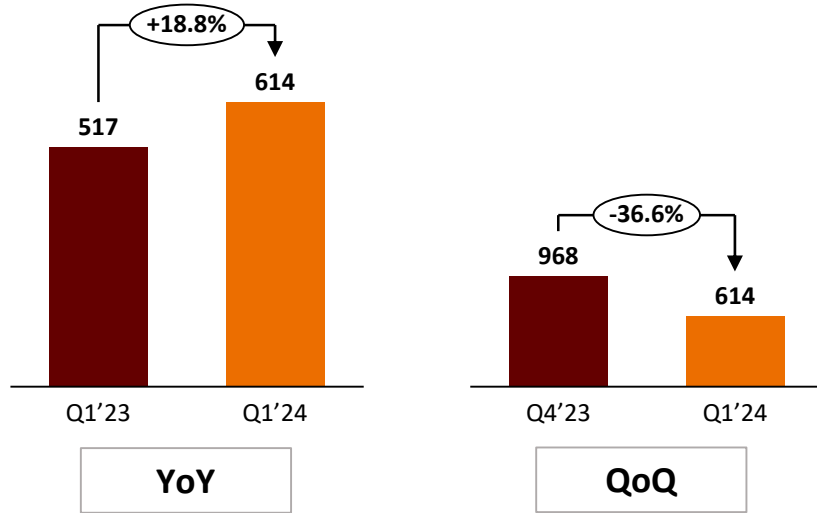
* Includes participation and current accounts.

Increased operational income keep support to bottomline

Despite high cost of funding and inflation, TL 614 million net profit achieved at Q1'24.

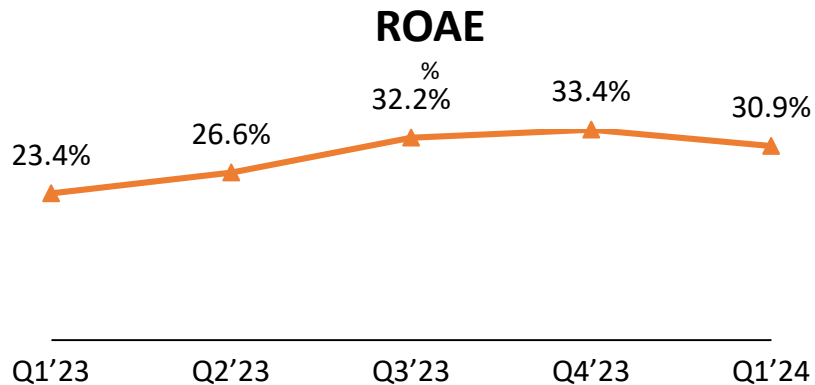
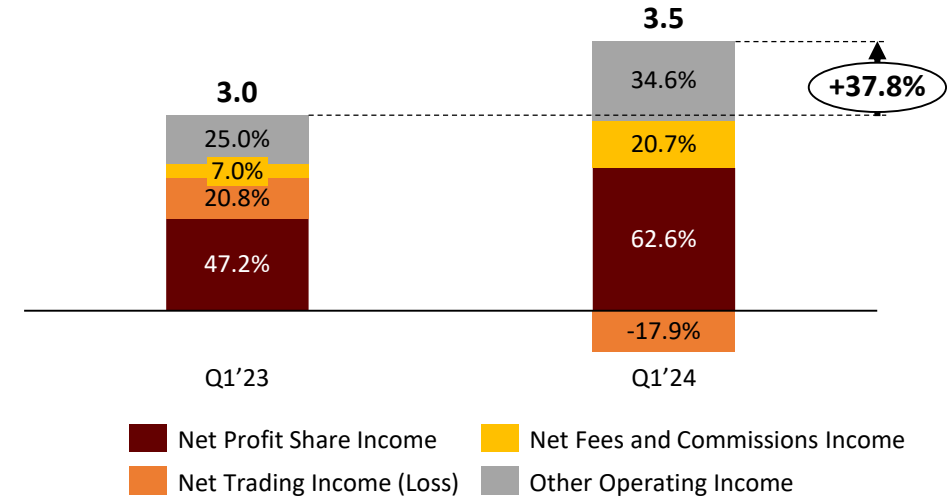
Net Profit

TL Million

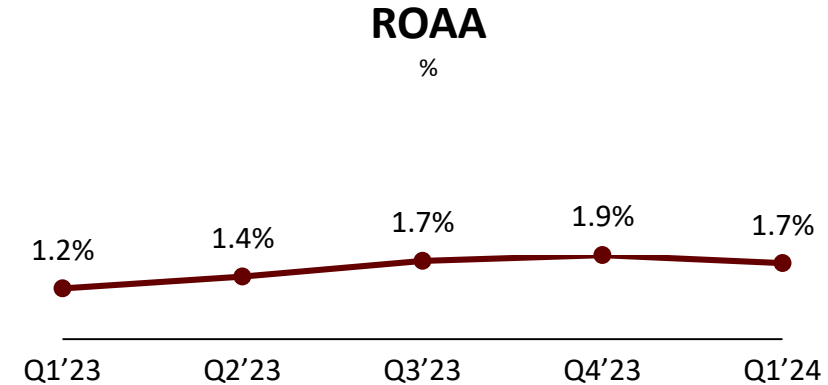


Total Operational Income

TL Billion



(*) Annualized net profit/5Q average equity



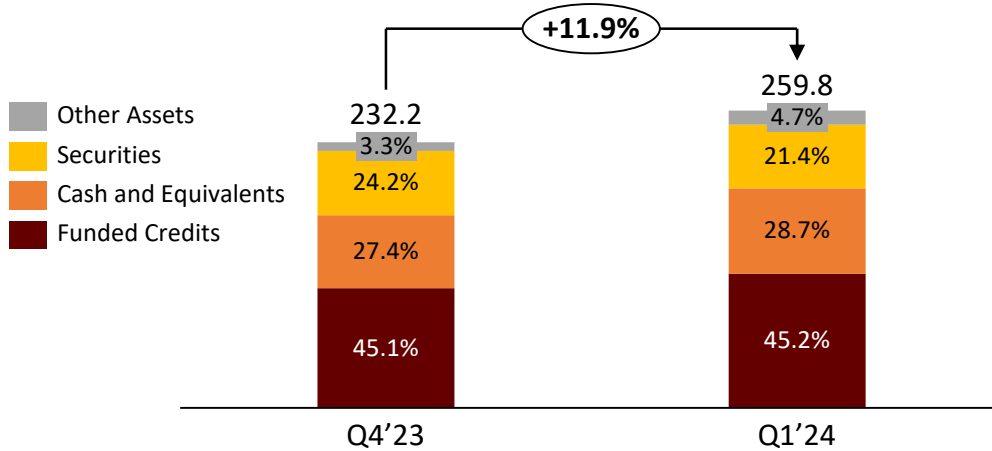
(*) Annualized net profit/5Q average assets

Moderate assets growth driven mainly by funded credits

Composition of total assets slightly changed at Q1'24 in terms of both assets classes and currency breakdown.

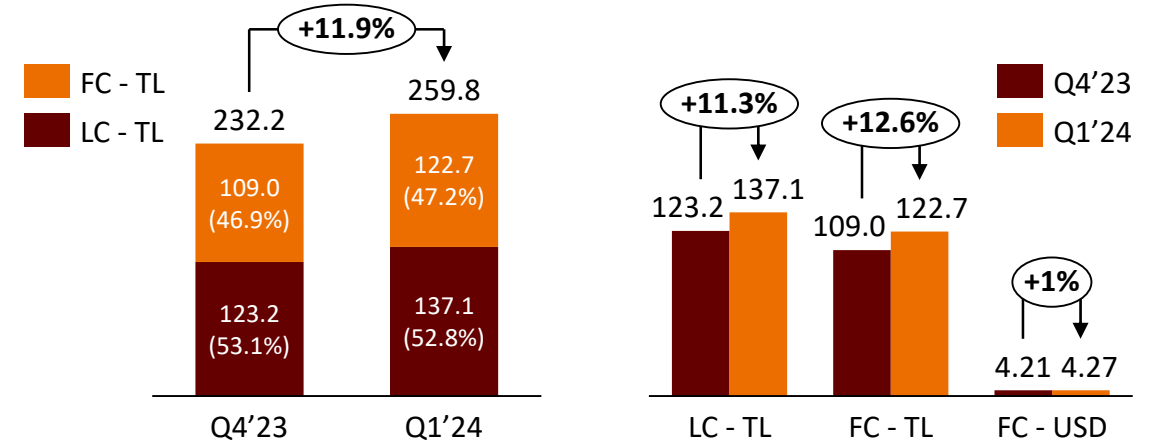
Composition of Total Assets

TL Billion, %

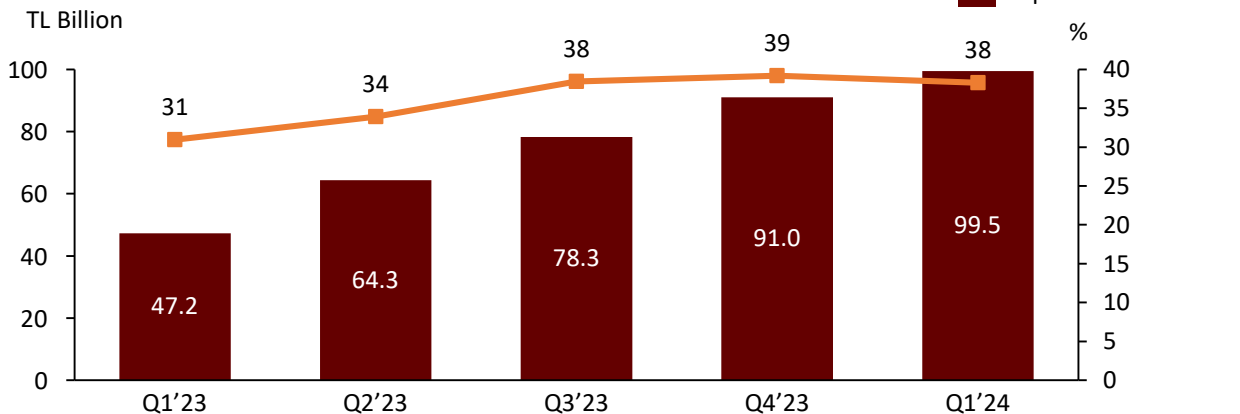


Currency Breakdown of Total Assets

TL/USD Billion, %



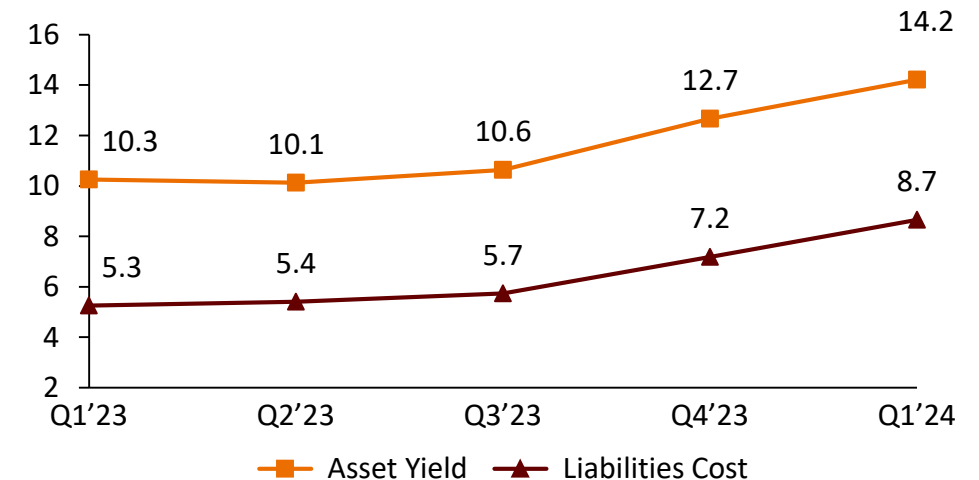
Liquid Assets



*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.

Asset-Liabilities Spreads

%

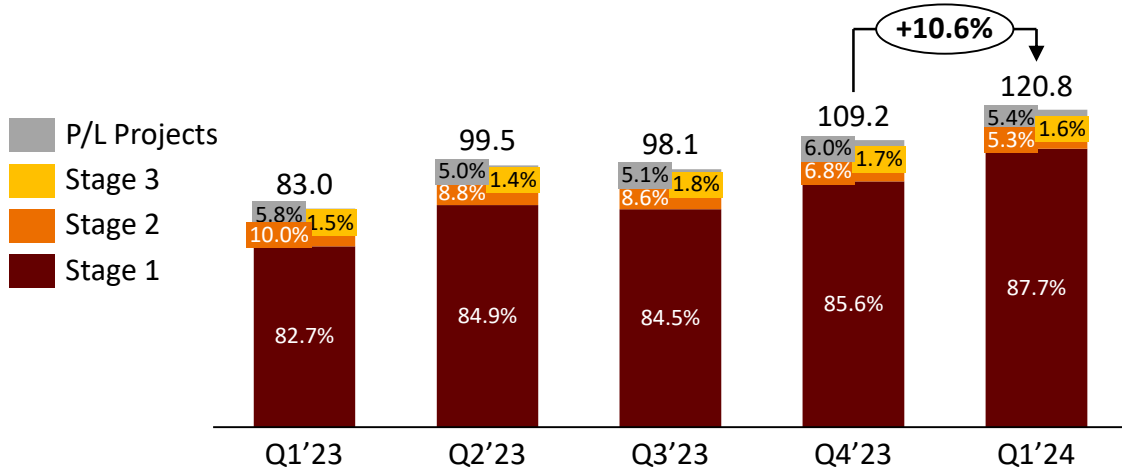


Growth in funded credits driven by TL performing credits

Healthy growth in funded credits continued, stage 1 credits reached to 88% in total funded credits as end of Q1'24.

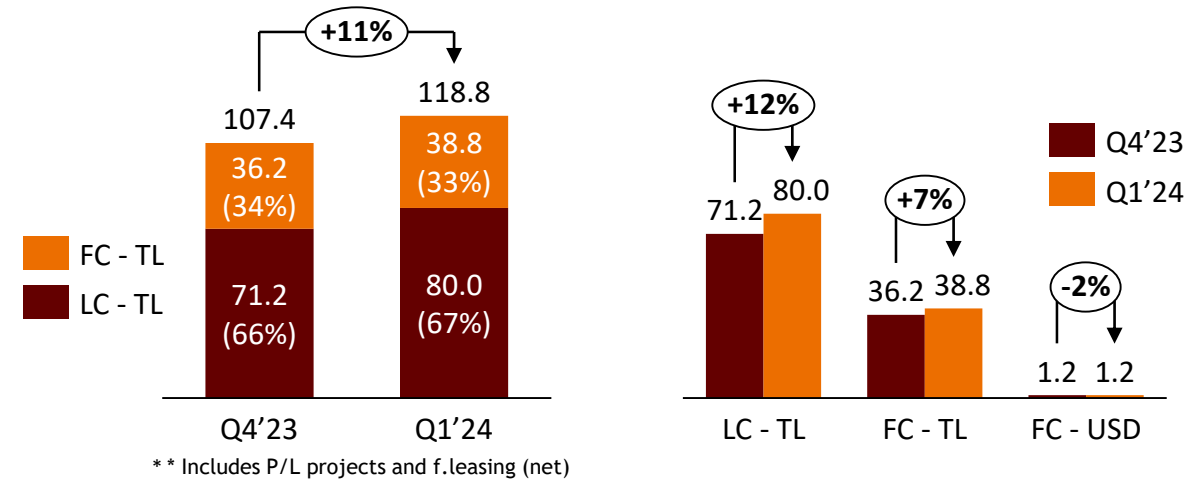
Total Funded Credits

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



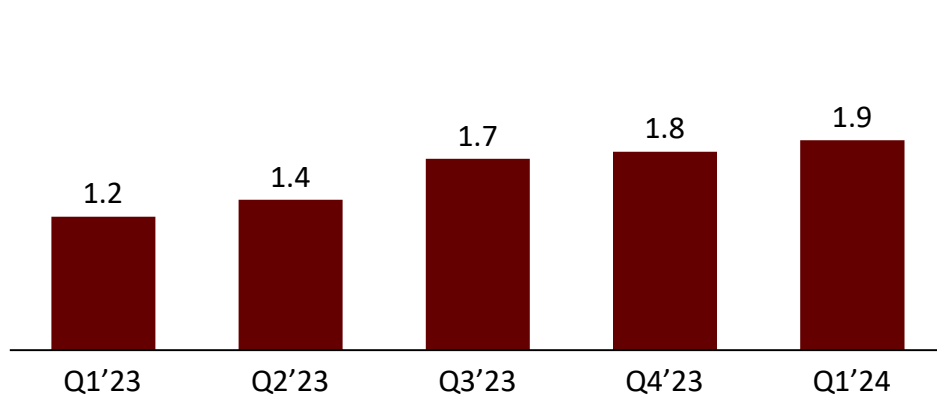
Currency Breakdown of Performing Credits*

TL Billion. %



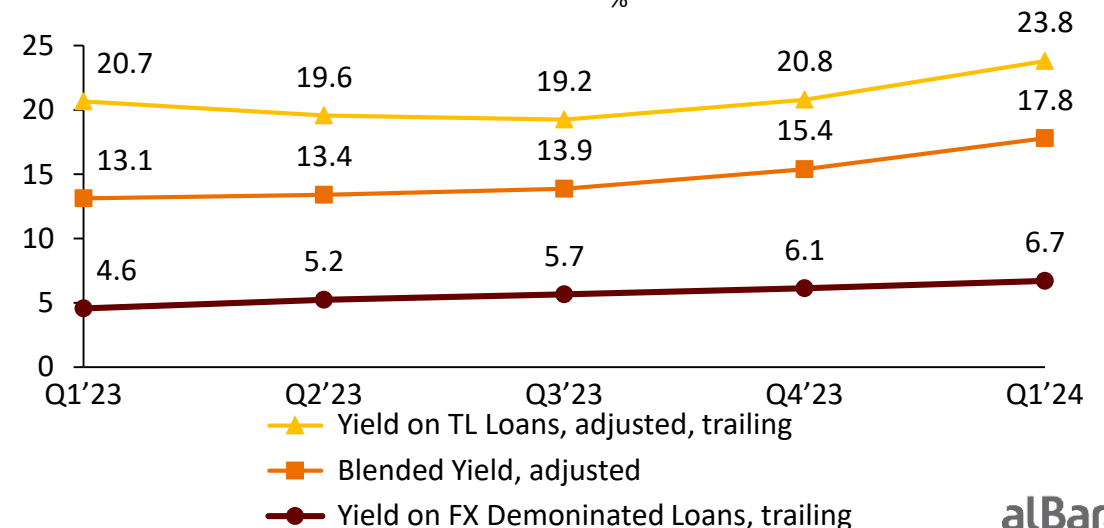
Total Non-Performing Credits

Billion TL



Funded Credits Yields

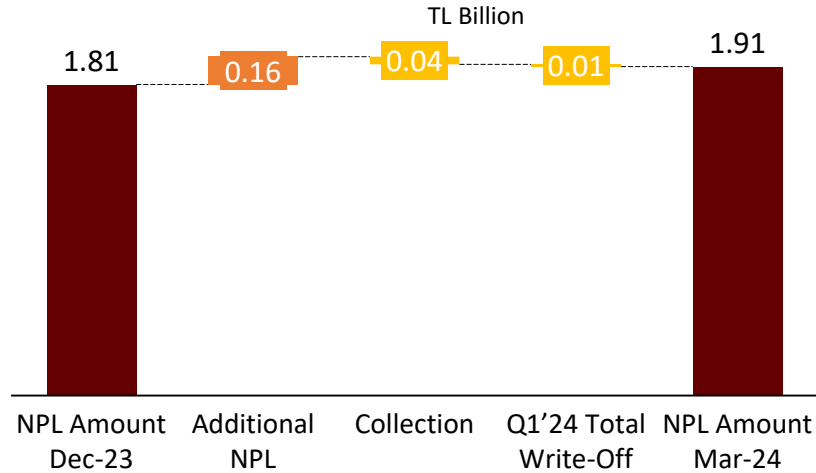
%



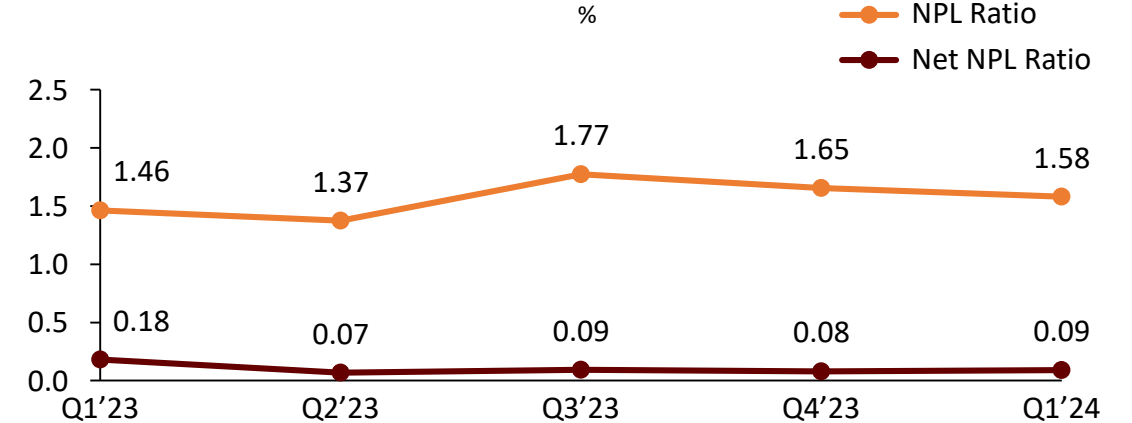
Cost of risk eased whilst asset quality remaining high

While provisioning ratios remained at high level, cost for risk came down at 3.3% at Q1'24 from 4.4% at Q1'23.

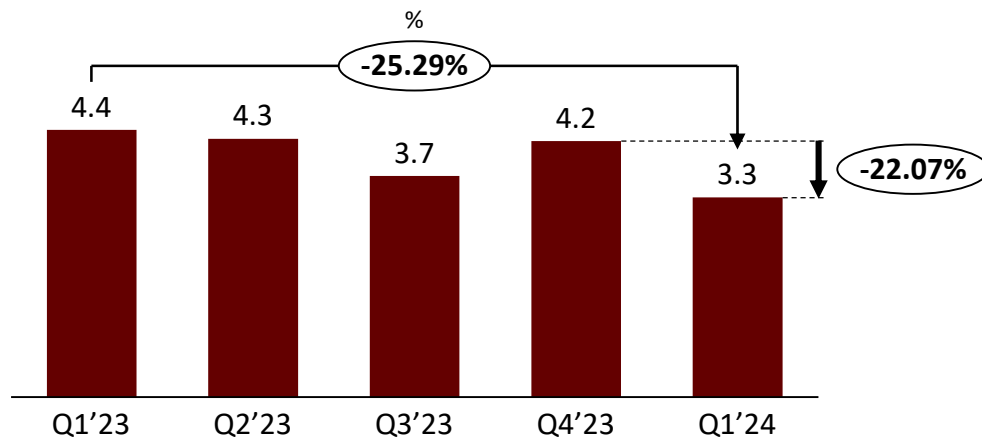
Non Performing Credits Development



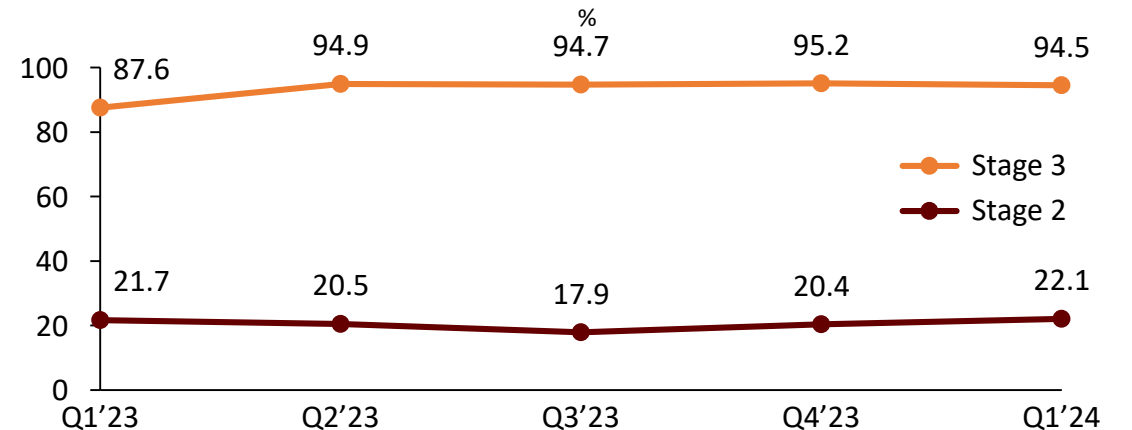
NPL Ratio



Cost of Risk*



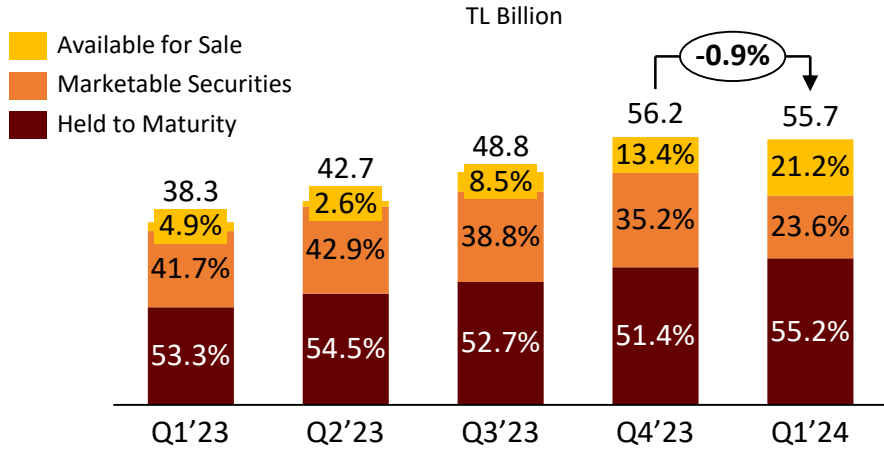
Provisioning Ratio



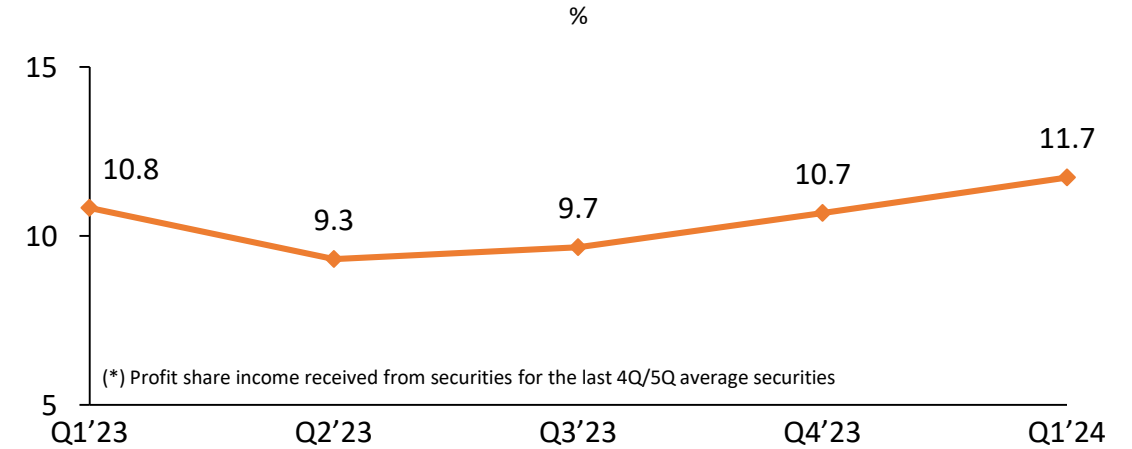
Securities portfolio continues to support profitability

Although growth in total securities realised almost flattish YtD at Q1'24, the portfolio income increased by 94% YoY.

Total Securities Portfolio

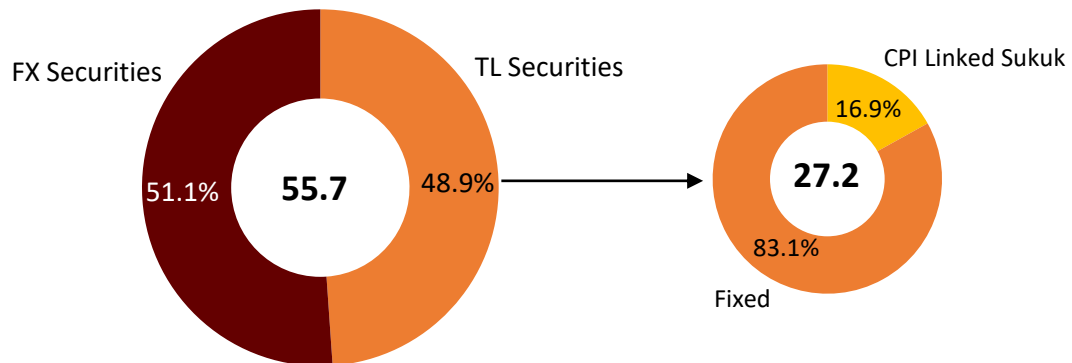


Securities Yield*



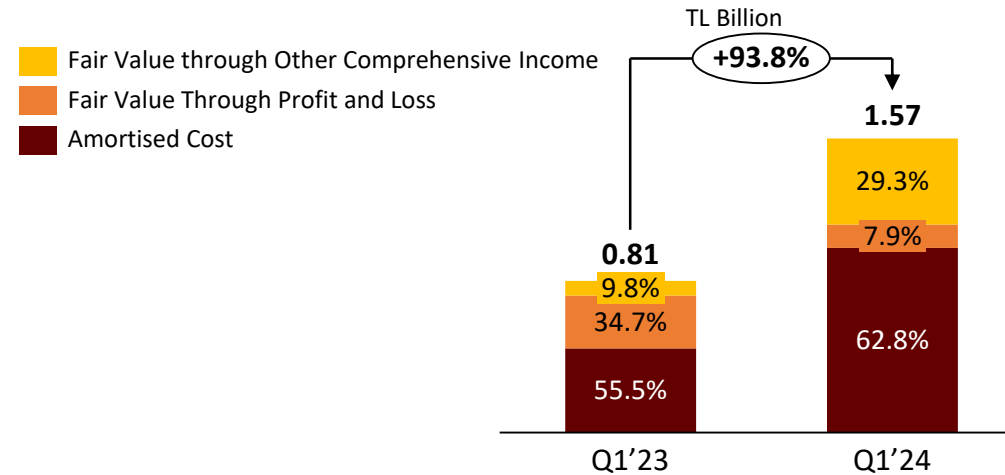
Breakdown of TL & FX Securities (Q1'24)

TL Billion . % Share in Total Securities



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

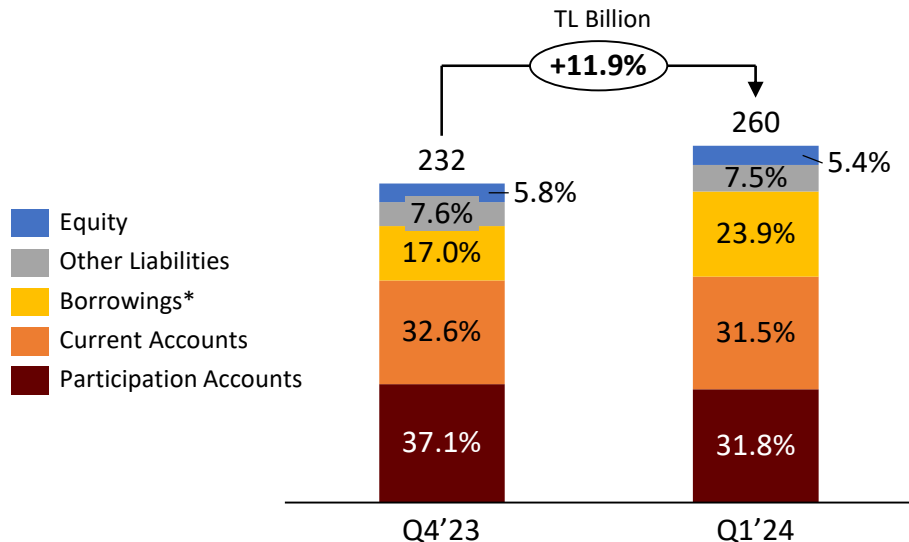
Profit Share Income From Securities Portfolio



Alternative funding resources become supportive due to competitive returns in the market

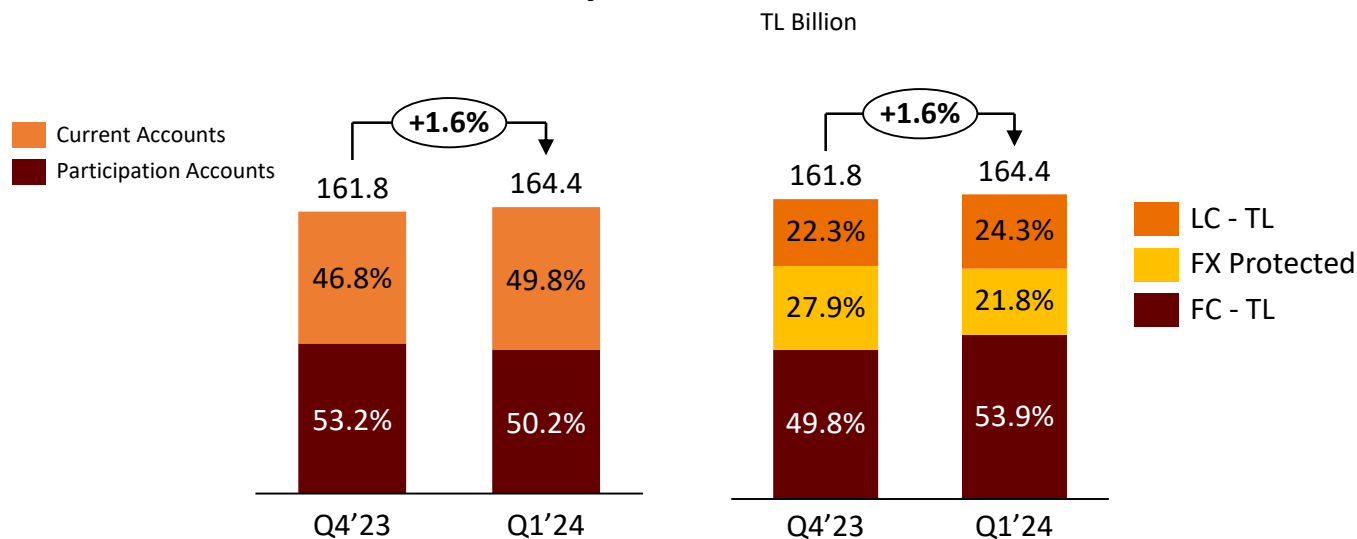
Composition of total liabilities changed at Q1'24 due to increased weight of borrowings in funding base. Growth in borrowings reached to 49% YtD.

Composition of Total Liabilities

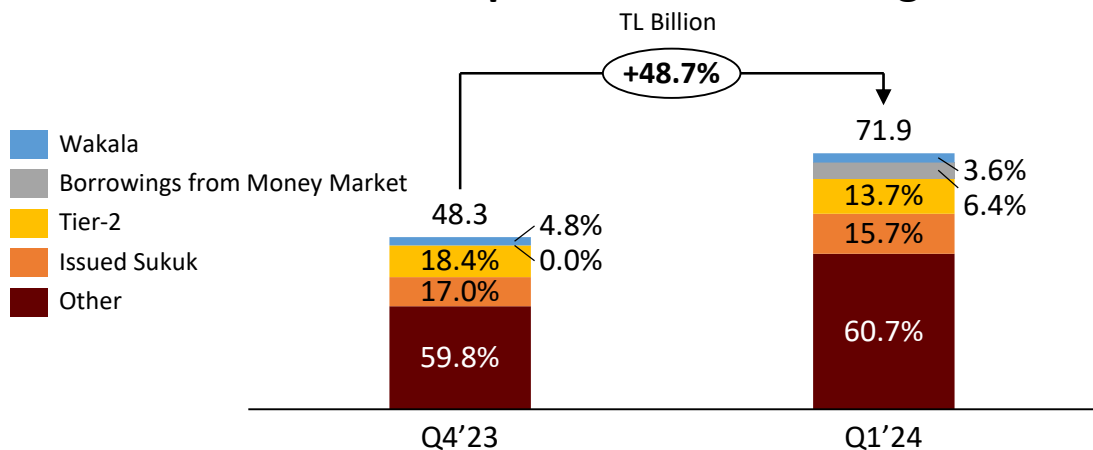


*Includes Tier-2 and borrowings from Money market.

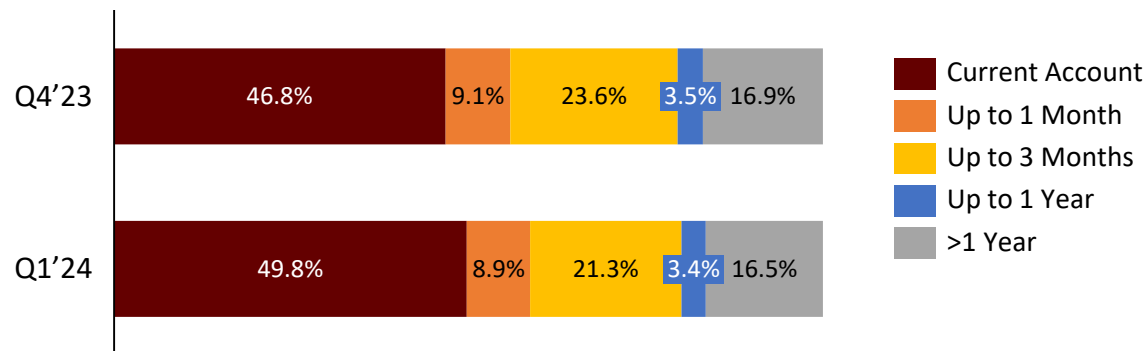
Composition of Collected Funds



Composition of Borrowings



Maturity Composition of Funds Collected (%)

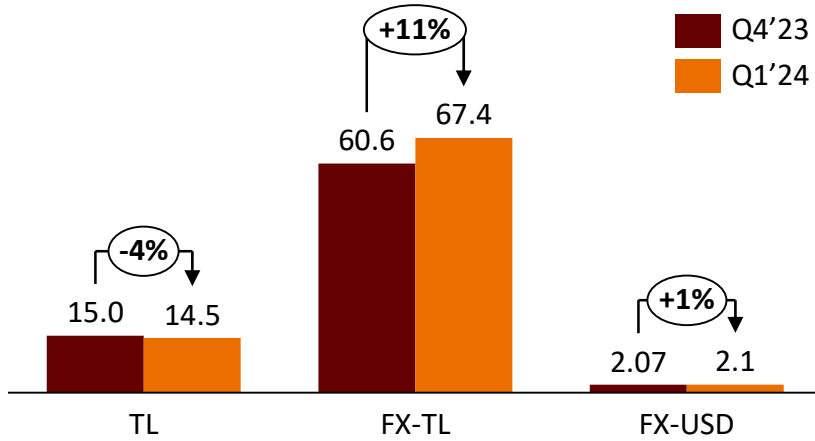


Growth in customer deposits driven by FX funds after a long period

CA/Total Funds Collection stood at 49% as end of Q1'24 which helps reduce cost of funding.

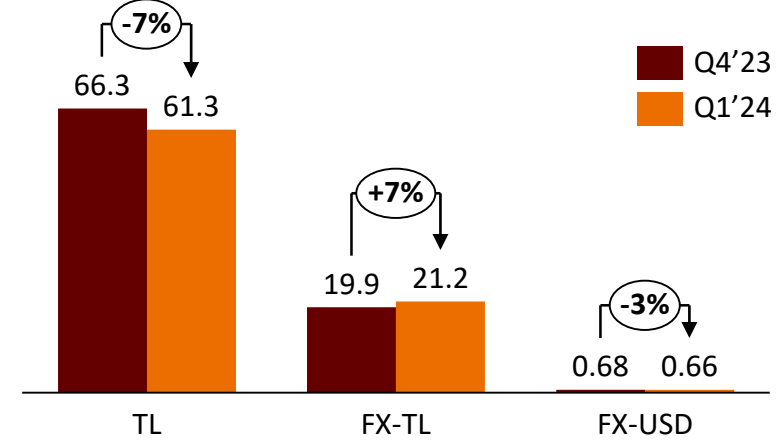
Current Accounts

TL Billion – Annual Growth %



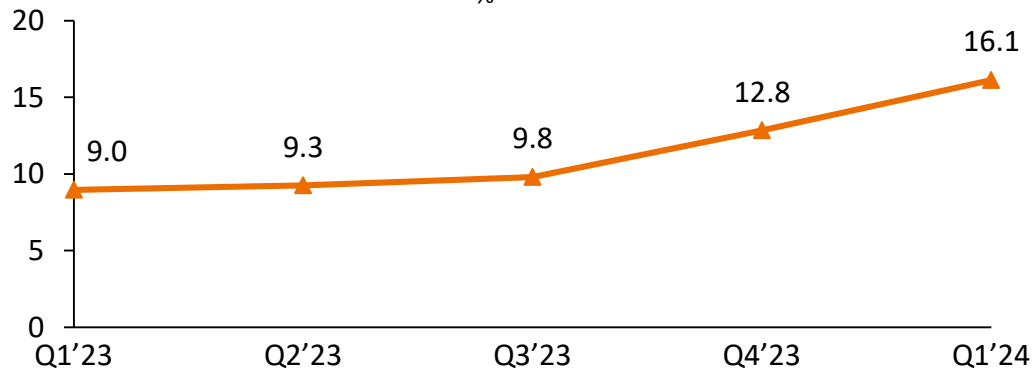
Participation Accounts

TL Billion – Annual Growth %



Cost of Funds Collected*

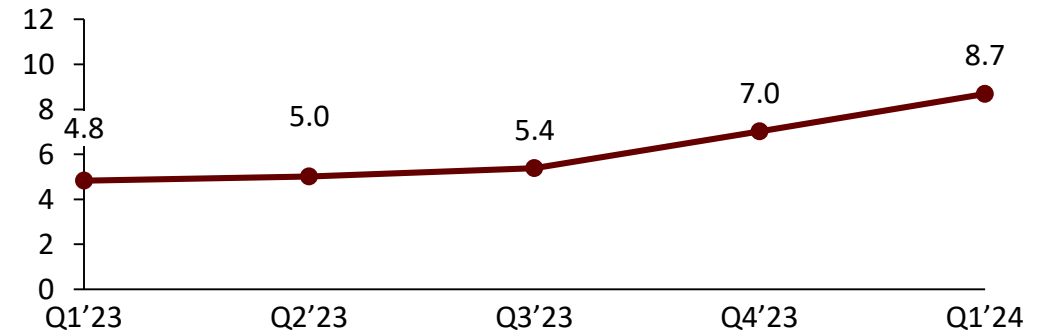
%



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

Cost of Funds Collected**

% - Including Current Accounts



**Profit share expense to depositors for the last 4Q/5Q average participation funds (incl. current acct.)

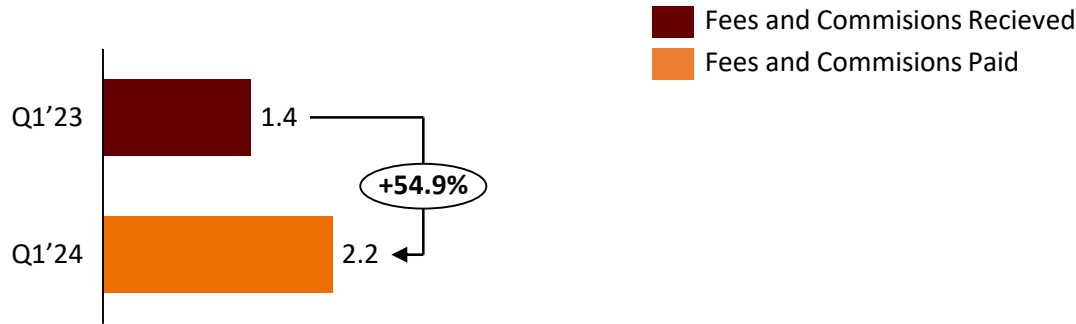
Net profit share and fees income increased despite high cost of funding

Despite rising cost of funding, net profit share income and fees & commission income increased by 55% and 245% YoY respectively.

Net Profit Share Income

TL Billion

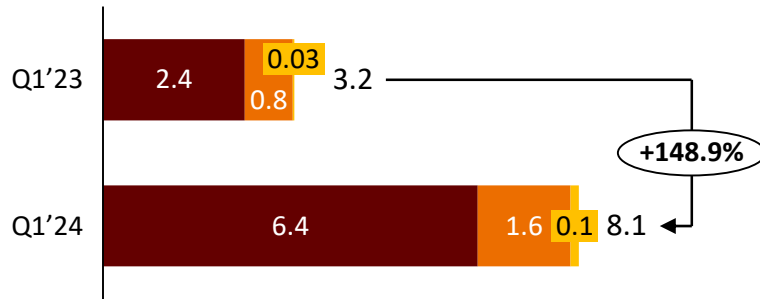
- P.S. Income from Credit
- P.S. Income from Securities
- Other P.S. Income



Profit Share Income

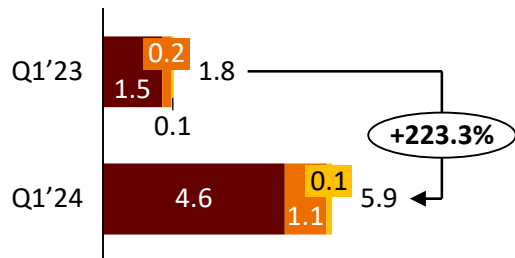
TL Billion

- P.S. Expense on Participation Accnts.
- P.S. Expense on Borrowings
- Other P.S. Expenses



Profit Share Expense

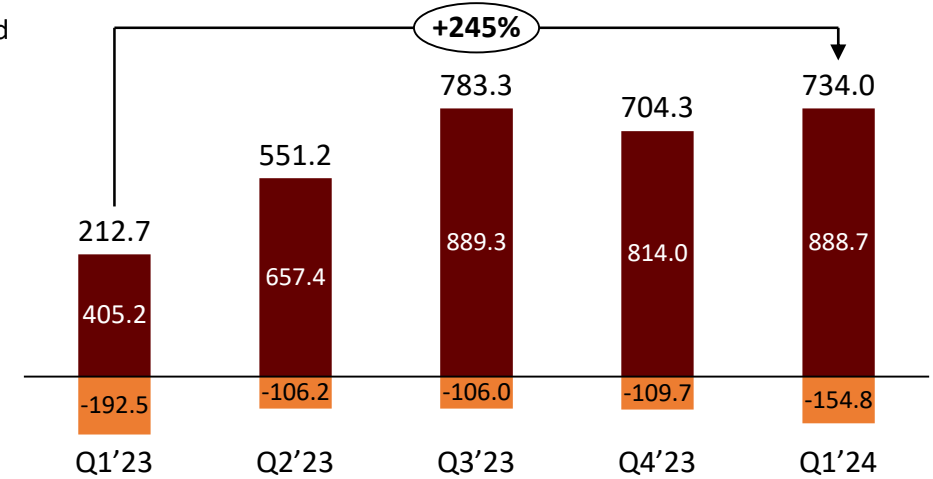
TL Billion



Quarterly Net Fees and Commission Income

TL Million

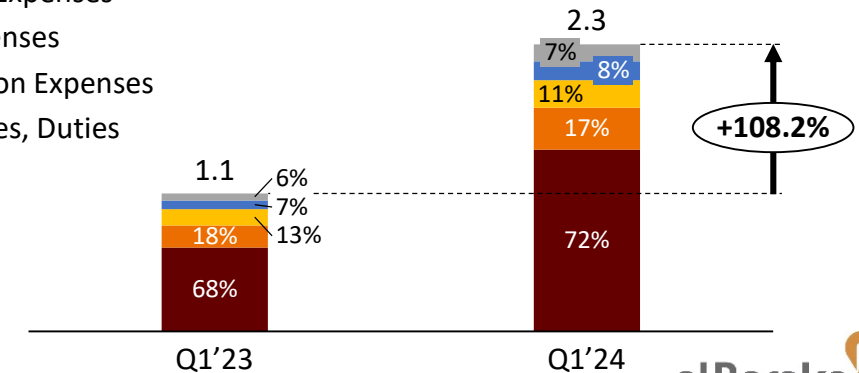
- Fees and Commissions Received
- Fees and Commissions Paid



Operational Expenses

TL Billion

- Personnel Expenses
- Other Op. Expenses
- Other Expenses
- Amortisation Expenses
- Taxes, Levies, Duties

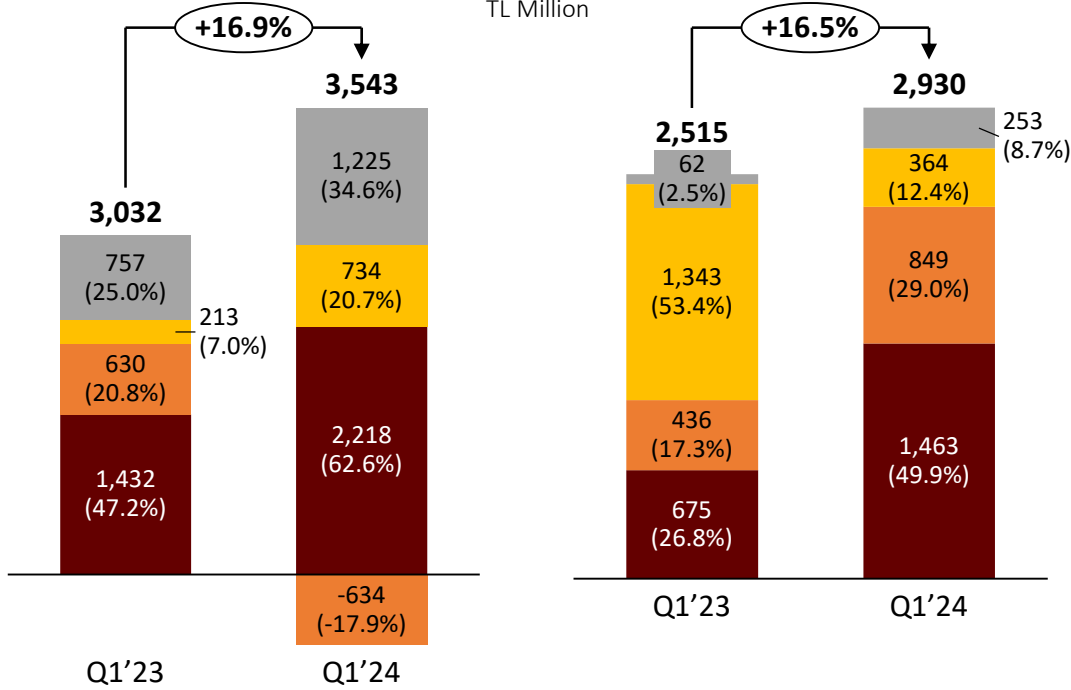


Sound income-cost dynamics impacted by high cost of funding & high inflation

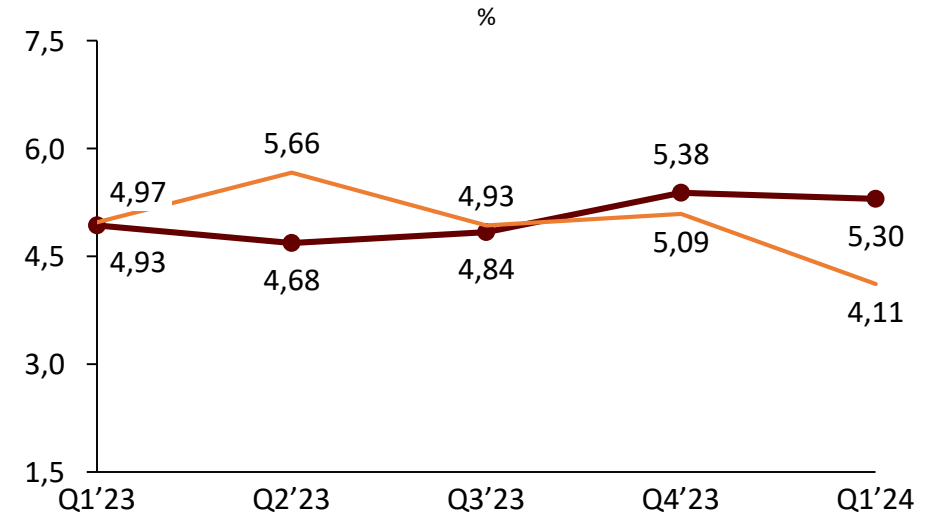
Operational income increased by 17% despite net trading loss, efficient cost management achieved with help of low risk cost.

Income-Cost Dynamics

TL Million

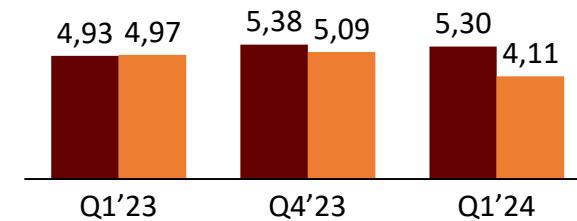


Net Profit Share Margin*



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

● Net Profit Share Margin
 ● Net Profit Share Margin (Swap Adjusted)



■ Net Profit Share Margin
 ■ Net Profit Share Margin (Swap Adjusted)

Other Income
 Net Commission and Fee Income
 Net Trading Income
 Net Profit Share Income

Tax
 Provisions
 Other Costs
 Employee Cost

Sound performance on income items as well as efficient cost management

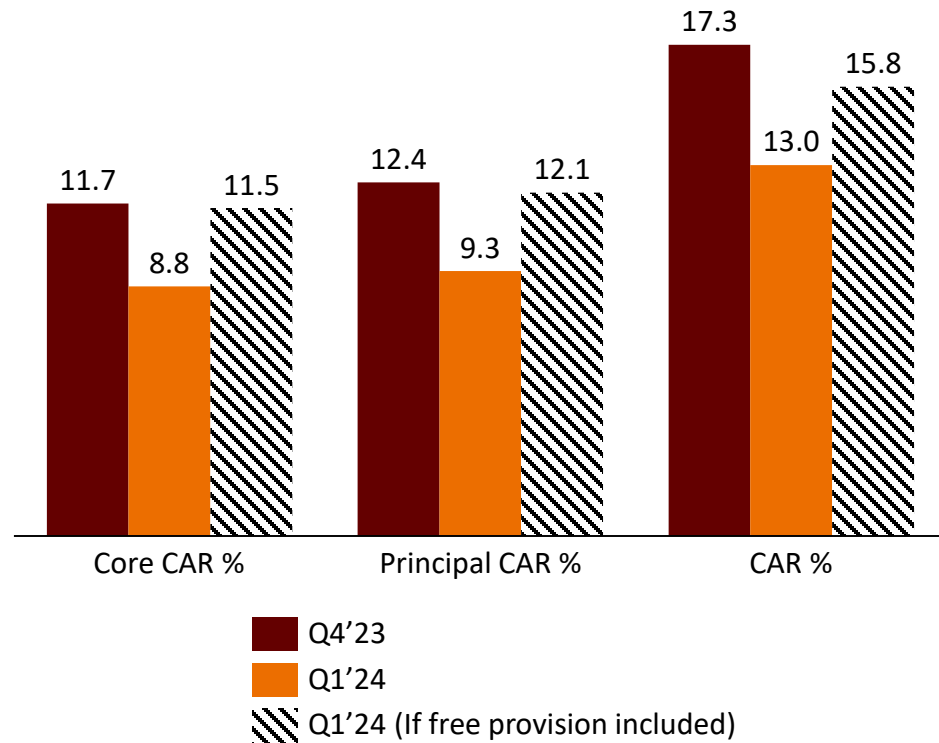
(TL Million)	YoY			Notes
	Q1'23	Q1'24	%	
Net Profit Share Income	1,432	2,218	55%	NPSI continued to increase due to higher credits and securities yields.
Net Fees & Commission Income	213	734	245%	Net fees and commissions increased significantly by 245% YoY thanks to strong POS and card transaction commissions.
Net Trading Income	630	-634	-201%	Swap costs caused net trading loss off TL 634 million at Q1'24.
Other Income	757	1,225	62%	Apart from reversal of provisions due to collections from stage 3 credits and assets sales, reversal of provisions set aside in 2023 for bonus payment to the employees at Q1'24 increased this item.
Provisioning (inc. free provisions)	1,343	364	-73%	Provisions for expected credit loss reduced by % 77YoY since assets quality has remained high.
Personnel Expenses	675	1,463	117%	Personnel expenses increased by 117% YoY due to increasing salary expenses in line with inflation and bonus payment to the employees at Q1'24.
Other Costs	436	849	95%	Operational expenses increased by 95% YoY due to the high inflation.
Net Profit	517	614	19%	

Capital levels adequate to maintain CAR

CAR is at a sustainable level by moderate growth and sustainable internal capital generation.

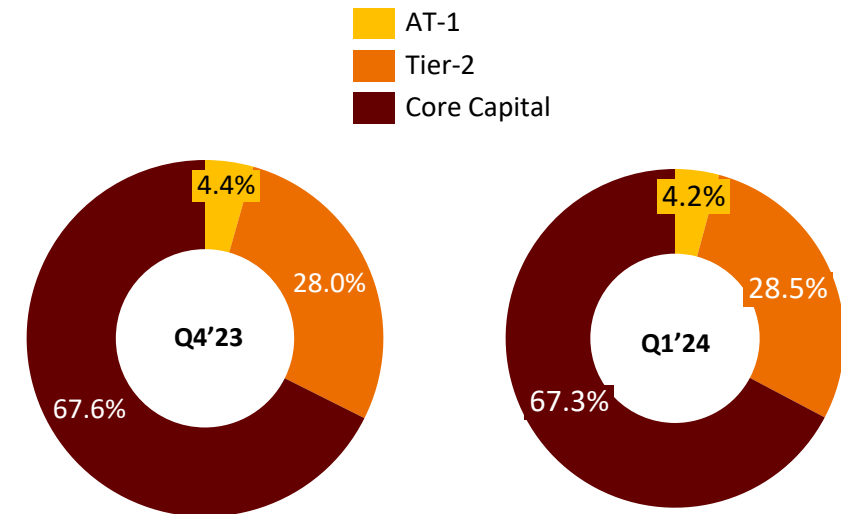
Capital Adequacy Ratio

%



Capital Breakdown

%



Financial Ratios – Sector Comparison

Percent (%)	Q4'23			Q1'24		
	Albaraka Turk	Participation Banks	Banking Sector	Albaraka Turk	Participation Banks	Banking Sector
CAR	17.3	21.4	18.8	13.0	17.9	17.0
NPL Ratio	1.7	0.9	1.5	1.6	0.9	1.4
Provisioning Ratio (Stage 3)*	98.5	99.8	82.0	98.1	96.8	81.8
Loan/Deposits	64.7	68.1	76.5	71.4	73.3	81.2
Asset Yield	12.7	14.2	17.5	14.2	15.8	19.6
Asset Spread	5.5	4.5	4.9	5.5	3.8	4.7
Net Profit Share Margin	5.4	4.9	4.9	5.3	4.7	4.7
Op Costs / Avg. Assets	2.5	2.1	2.5	1.7	2.2	2.6
Cost/Income	26.7	37.8	31.9	32.6	42.2	33.7
Credits / Branches (TL Million)	465.5	620.8	1,066.5	521.5	668.5	1,180.5
Staff / Branches	12.1	13.5	19.1	12	13.8	19.2
CA / Deposits **	46.8	38.4	33.2	49.8	42.1	36.8

*Figures are based on BRSA monthly bulletin.

**Deposits (Participation Funds) Collected from Banks.

Summary Balance Sheet

(TL Million)	Q4'23	Q1'24	Growth (%)
Cash and Balances with Central Bank	49,084	56,444	15.0%
Banks	14,585	18,058	23.8%
Money Market Placements	0	0	-
Financial Assets	55,852	55,405	-0.8%
Funded Credits (net)	104,738	117,356	12.0%
<i>Cash Credits</i>	102,814	113,770	10.7%
<i>Net Financial Leasing Receivables</i>	4,549	5,074	11.5%
<i>NPL</i>	1,806	1,910	5.8%
<i>Expected Credit Losses</i>	4,431	3,398	-23.3%
Associates	112	134	19.6%
Fixed Assets	4,871	5,071	4.1%
Assets Held For Sale and Investment	642	4,521	-99.3%
Other Assets (inc. Tax Assets)	2,285	2,826	23.7%
Total Assets	232,169	259,816	11.9%

(TL Million)	Q4'23	Q1'24	Growth (%)
Funds Collected	161,806	164,394	1.6%
Funds Borrowed	30,536	47,654	56.1%
Borrowings from Money Markets	0	4,592	-
Debts (inc. Taxes)	10,975	13,346	21.6%
Provisions	6,569	6,043	-8.0%
Tier II Sukuk	8,897	9,822	10.4%
Shareholders' Equity	13,387	13,965	4.3%
<i>Capital</i>	2,500	2,500	-
<i>Capital Reserves (inc. Premium)</i>	4,080	4,269	4.6%
<i>Profit Reserves</i>	1,533	4,947	222.7%
<i>Profit/Loss</i>	2,316	-787	-134.0%
Total Liabilities	232,169	259,816	11.9%

Summary Income Statement

(TL Million)	Q1'23	Q1'24	Growth (%)
Profit Share Income	3,241	8,069	148.9%
Profit Share Expense	1,809	5,850	223.4%
Net Profit Share Income	1,060	2,218	109.2%
Net Fees and Commissions Income	213	734	244.6%
<i>Fees and Commissions Received</i>	405	889	119.5%
<i>Fees and Commissions Paid</i>	192	155	-19.3%
Net Trading Income	630	-634	-200.5%
Other Operating Income	757	2,284	201.7%
Total Operating Profit	2,358	3,139	33.1%
Provisions (including free provisions)	1,343	364	-72.9%
Personnel Expenses	675	1,463	116.8%
Other Operating Expenses	436	849	94.8%
Operating Profit Before Tax	579	867	49.7%
Tax Provision	62	253	308.1%
Net Profit	517	614	18.8%

THANK YOU...

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