



## **Albaraka Türk's Net Profit in Q3 of 2023 was TRY 2.46 Billion**

**Albaraka Türk, the very first participation bank of Turkey, increased its profits by 171% comparing to the same quarter in previous year and achieved a profit of TRY 2.46 billion in Q3 of 2023.**

### **Albaraka Türk Continues to Support the Real Economy, the Size of its Assets Reached Above TRY 200 Billion**

Albaraka Türk, the pioneer participation bank of Turkey, submitted and announced its financial results for the first three quarters of 2023 to Public Disclosure Platform. Increasing its pecuniary financing support for the real sector by TRY 98.1 billion, the Bank's size of assets reached above TRY 200 billion. In line with the "liraization" strategy, the Bank increased the share of TRY in its total assets from 45% (end of the year 2022) to 52%. The Bank increased its net profit-sharing yield by 50% comparing to the same period in the previous year and reached to TRY 4.9 billion, obtaining a net profit of TRY 2.46 billion. Thus, Albaraka increased its net profit by 171% in Q3 comparing to the same period in the previous year.

### **Increasing Profitability Strengthened the Capital Adequacy Ratio**

"In Q3, the collected funds increased by 30% and reached TRY 146.8 billion comparing to the end of the year, and the share of these funds in liabilities was 72%. Acting in accordance with the vision of sustainable profitability, Albaraka Türk's increasing profit-making capacity and firm budgeting policy drove continuous strengthening of equities, which led to a capital adequacy ratio of 16.1% in September 2023.

### **Asset Quality Remains to be a Priority**

Seeing the level of 1.94% by the end of 2022, Albaraka Türk's non-performing loans (NPL) decreased to 1.77% in September 2023; while the provision for the non-performing loans increased from 89% (end of the year 2022) to 95% in September 2023. The Bank continues to take firm steps towards strengthening the policy of asset quality, which was implemented in 2022.

**“We will keep up our successful operations by maintaining the balance between growth and profitability”**

Expressing his opinions regarding the financial results, **Albaraka Türk General Director and Board Member Malek Temsah** stated that they observed the positive impacts of the steps towards sustainable revenue growth and further strengthening of financial structure, and obtained a net profit of TRY 2.461 billion in Q3 of 2023, which means an increase of 171% comparing the same period in the previous year. He reported that the increase in profit-sharing yield, as well as the developments in other revenue items strongly contributed to the success in the increase in net profit. In addition to this, **Temsah** stated that they continued to successfully implement their strategy in harmony with the liraization policy, and increased participation funds by approximately 59% in Q3 comparing to the end of 2022. **Temsah** also reported that the non-performing loans, which was at the level of 1.94% at the end of 2022, decreased to 1.77% by Q3 of 2023; which indicated the positive results of budget consolidation activities. **Nevertheless, Temsah** stated that the provision for the non-performing loans was 94.7%, and total free provisions was increased to TRY 2.8 billion in Q3. “We will keep up our successful operations by maintaining the balance between growth and profitability”, **Temsah** said.

**“We continue to take firm steps towards becoming a bank that leads the future with our digitalization and sustainability activities.”**

**Temsah** stated that they achieved a growth of approximately 44% in TRY loans in Q3 of 2023 comparing to the end of 2022 and said, “We act towards the goal of meeting the financial needs of our society with our strengthening financial structure, and keep on enhancing our operations to provide the best customer experience with our solution-

oriented banking approach. We continue to take firm steps towards becoming a bank that leads the future with our digitalization and sustainability activities.”