Investor Presentation

1H’25

Albaraka Türk Participation Bank

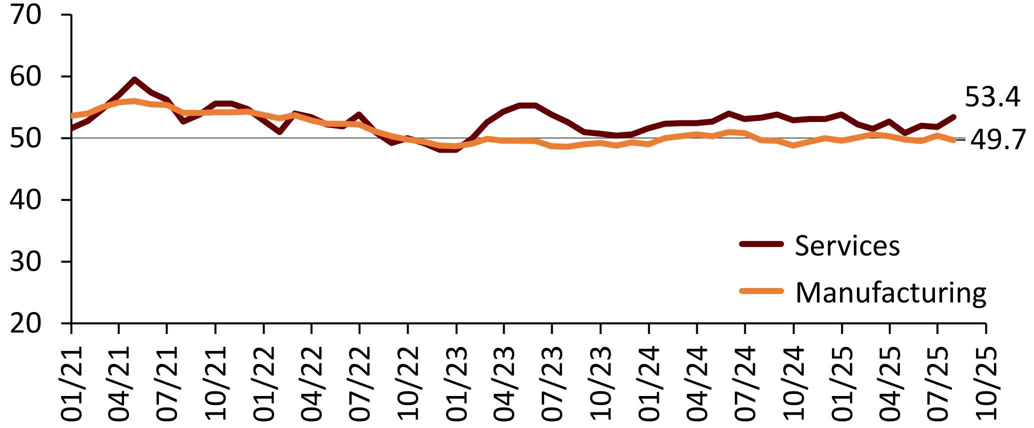
Macroeconomics / Banking Outlook

Macroeconomic Outlook: Headwinds for the global economy

In Türkiye, inflation continued to decline in the first half of the year, while the policy rate was reduced by 300 bp to 43% in July.

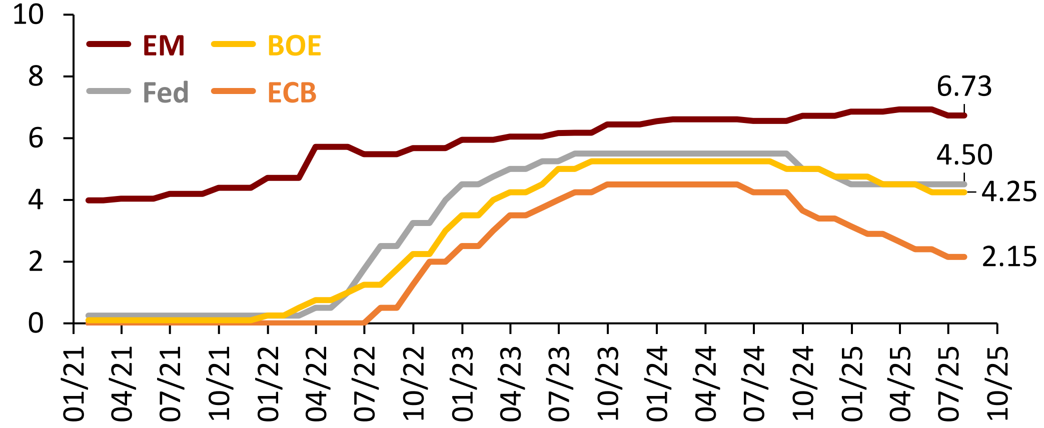
Global PMI

Index, 50 = no change, July 2025



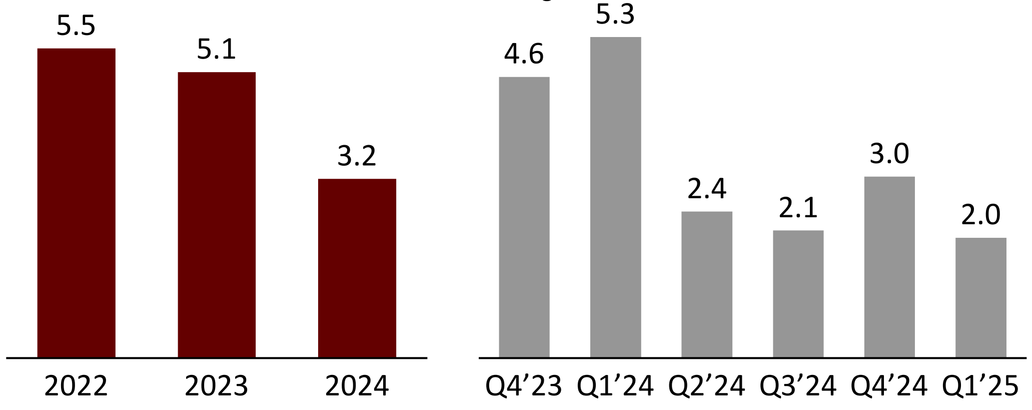
Central Banks Policy Rates

%, July 2025



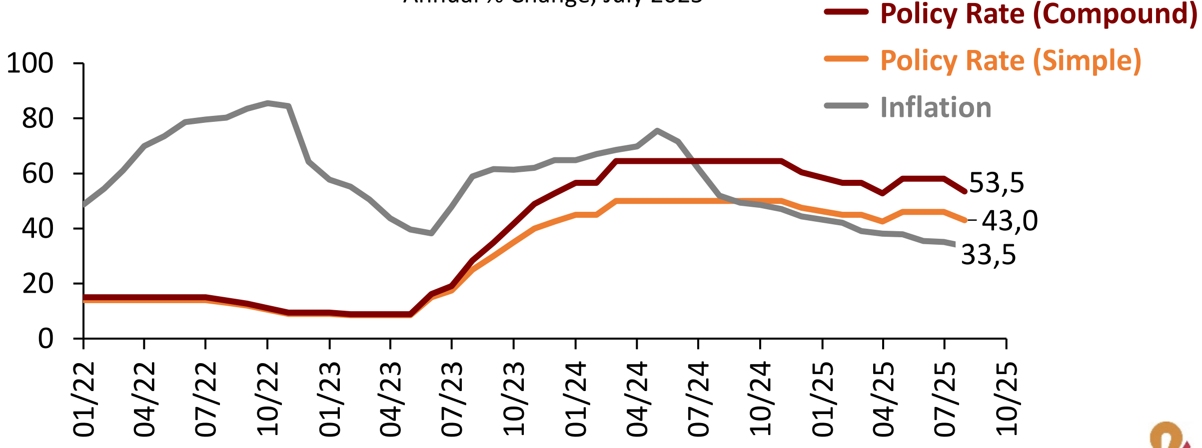
Türkiye: GDP Growth

Annual % Change



Türkiye: Inflation and Policy Rate

Annual % Change, July 2025



Source: Bloomberg. TURKSTAT

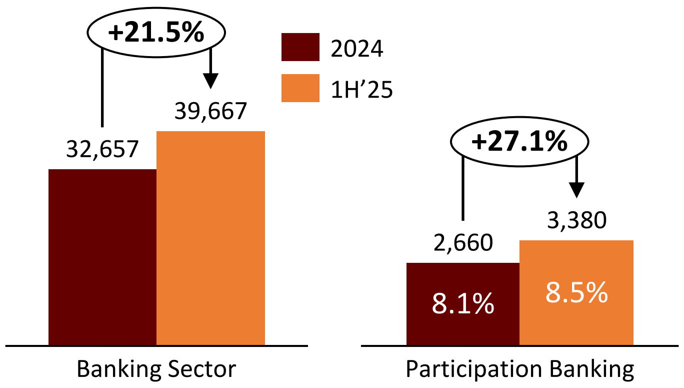
albaraka

Banking Sector Overview: Profitability remains steady amid deffered easing path

YoY net profit increased by 34.5% in the sector and 40.5% in participation banks; participation bank's share in the sector reached 8.5%.

Total Assets*

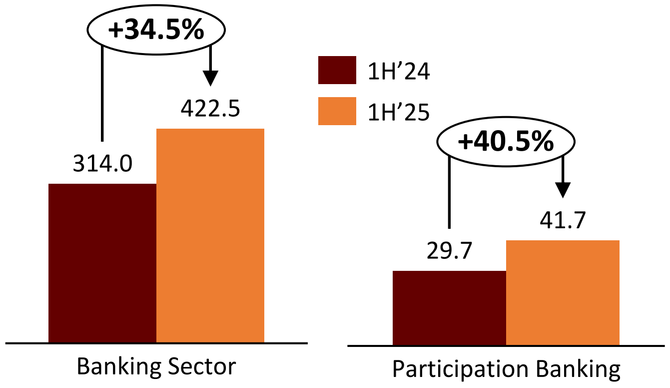
TL Billion



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

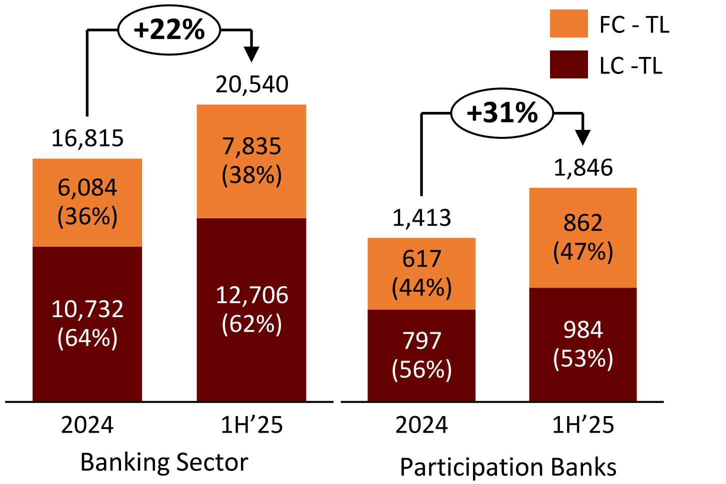
Net Profit

TL Billion



Funded Credits*

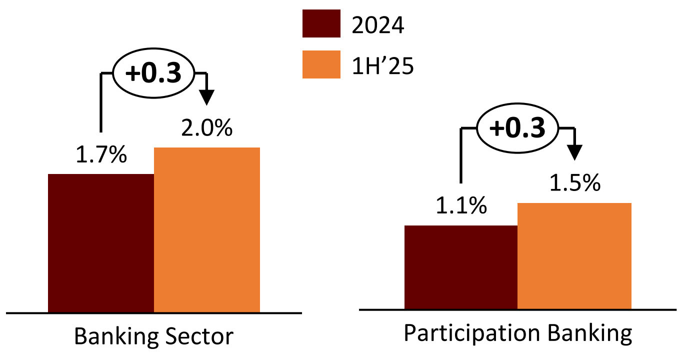
TL Billion



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

NPL Ratio*

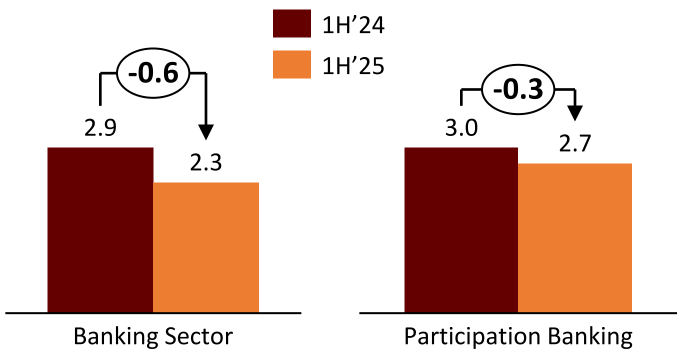
%



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

Return on Avg. Assets*

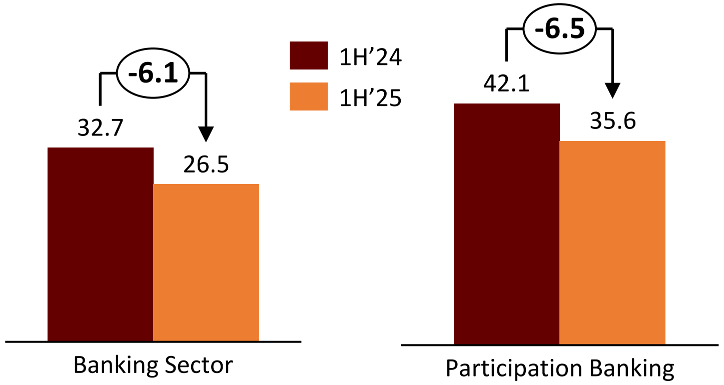
%



* Annualized net profit/5Q average assets

Return on Avg. Equity*

%



* Annualized net profit/5Q average equity

Source: BRSA

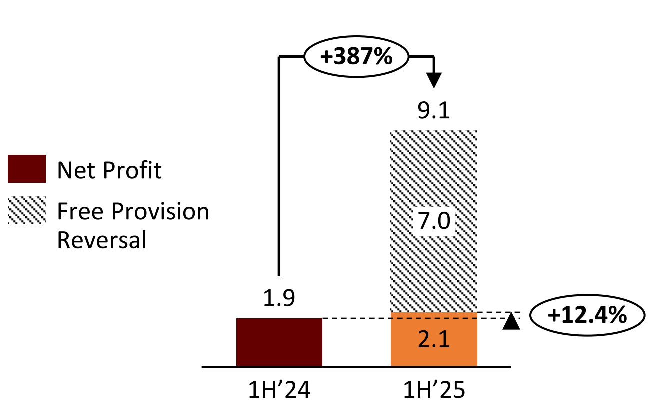
1H’25 Financial Results

Maintained solid profitability despite tight monetary conditions

Net profit significantly increased by 387% YoY. Additionally, TL 445 million free provisions set aside in Q2'25.

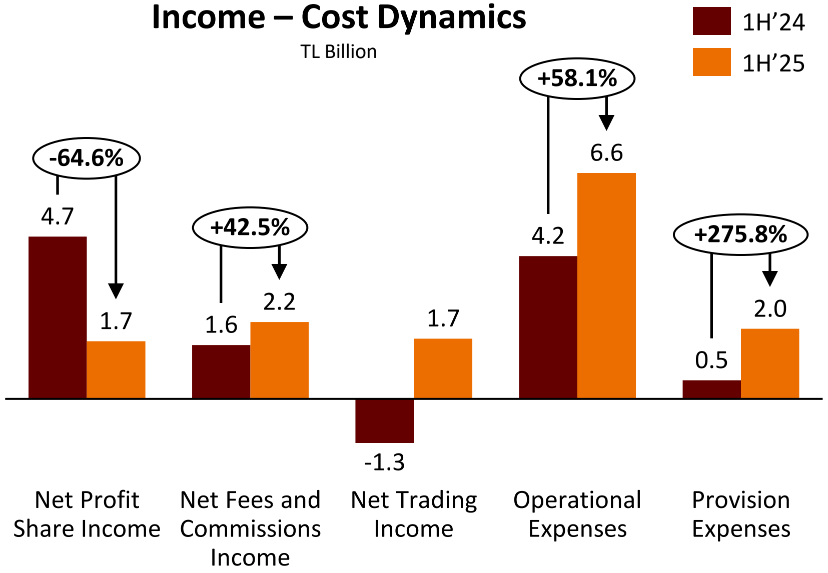
Net Profit

TL Billion



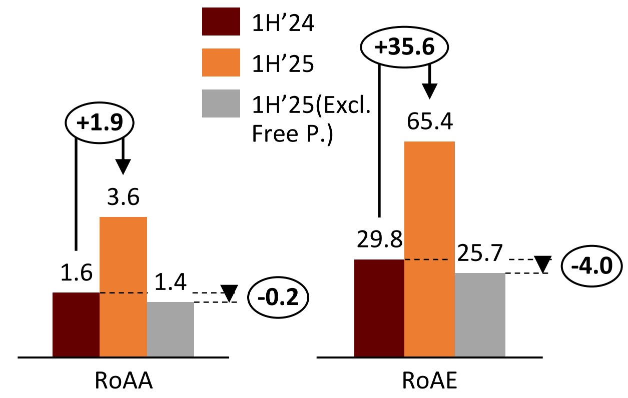
Income – Cost Dynamics

TL Billion



Return on Avg. Equity & Assets*

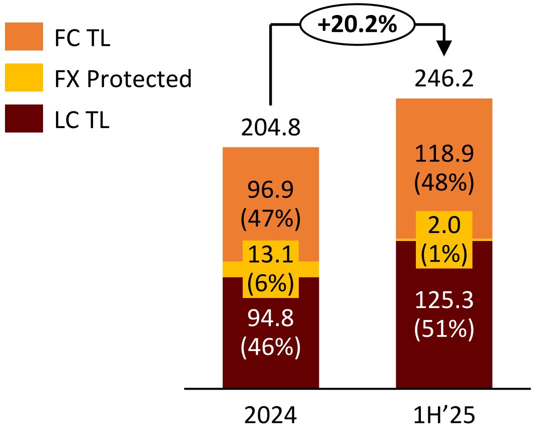
%



* 4Q net profit/5Q average assets or equity

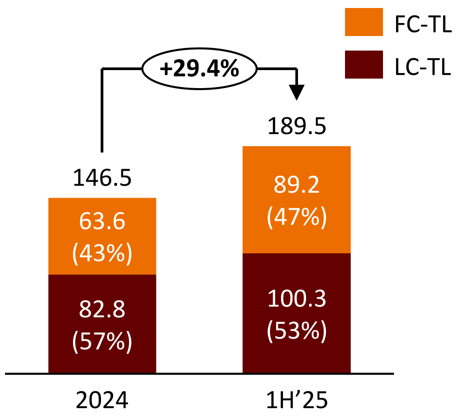
Collected Funds

TL Billion. %



Performing Funded Credits*

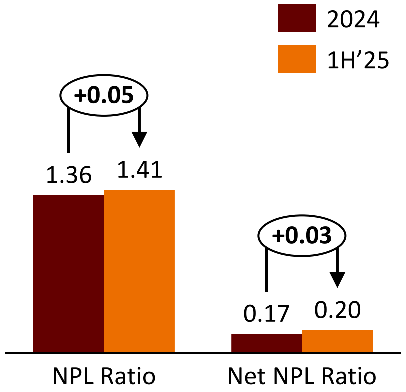
TL Billion. %



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

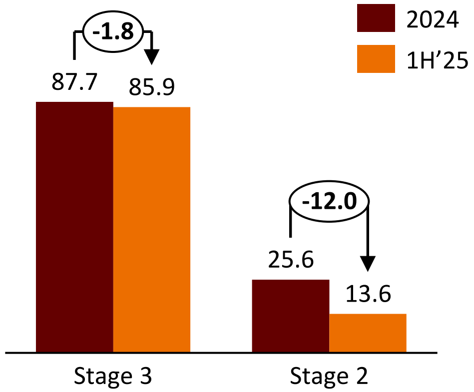
NPL Ratio

%



Provisioning Ratio

%



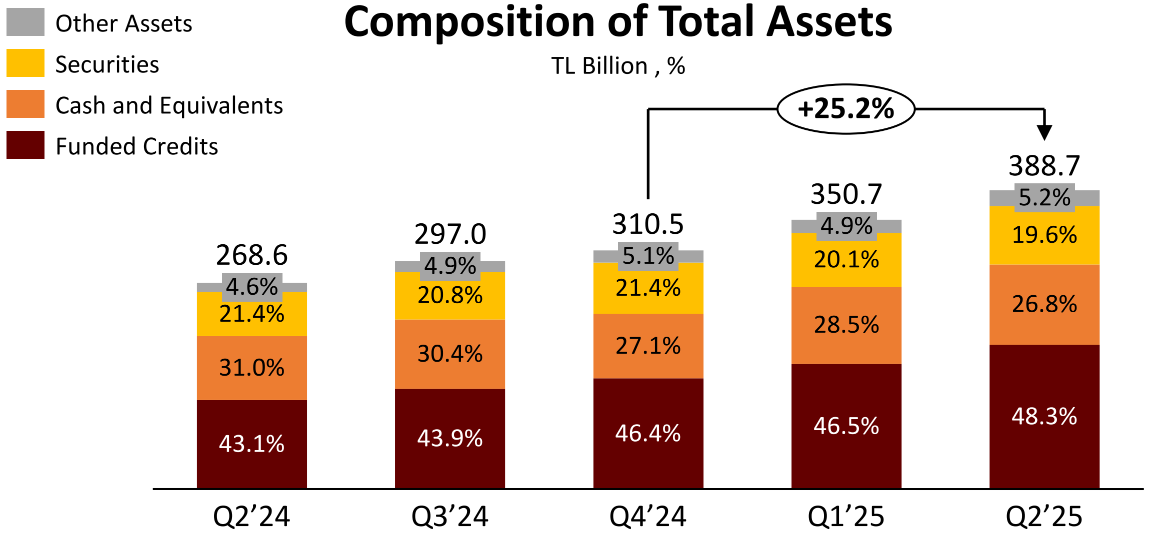
Source: Albaraka Turk Independent Audit Reports

Consistent growth in total assets, NPSM contraction continued

Total assets recorded a 25% YtD growth. NPSM contracted in 1H’25 due to market conditions.

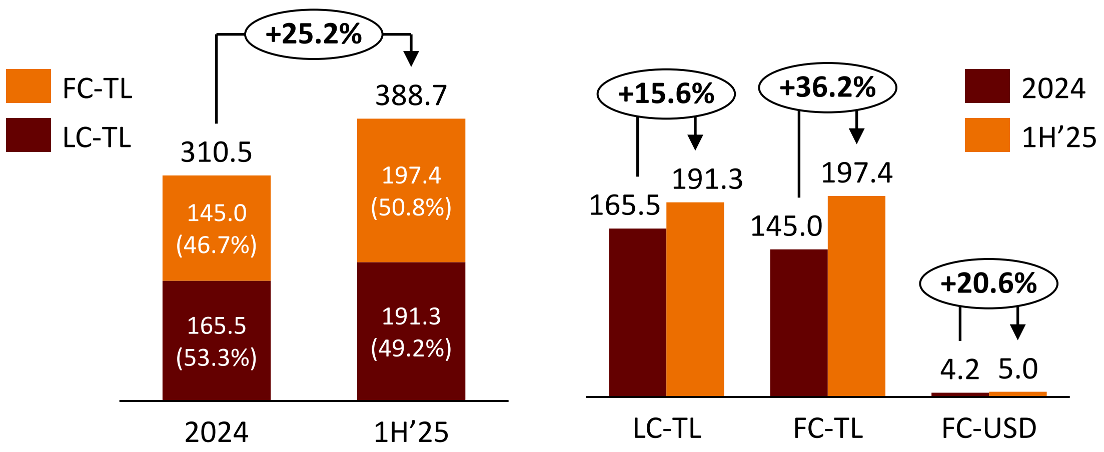
Composition of Total Assets

TL Billion , %

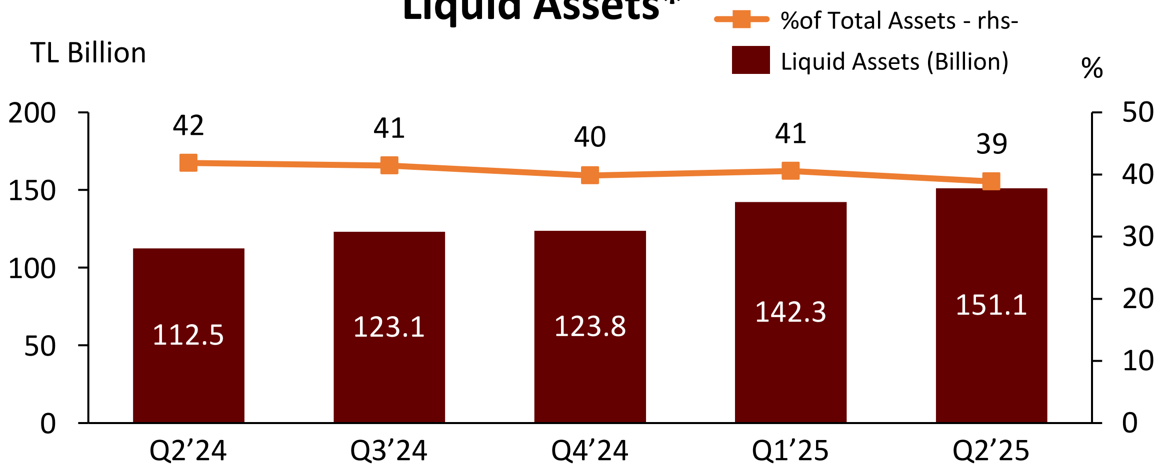


Currency Breakdown of Total Assets

TL/USD Billion, %

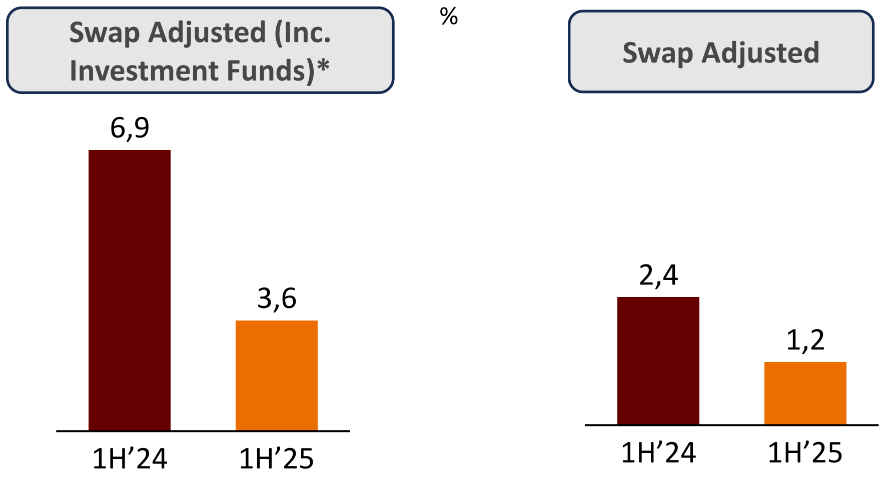


Liquid Assets*



**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.*

Net Profit Share Margin



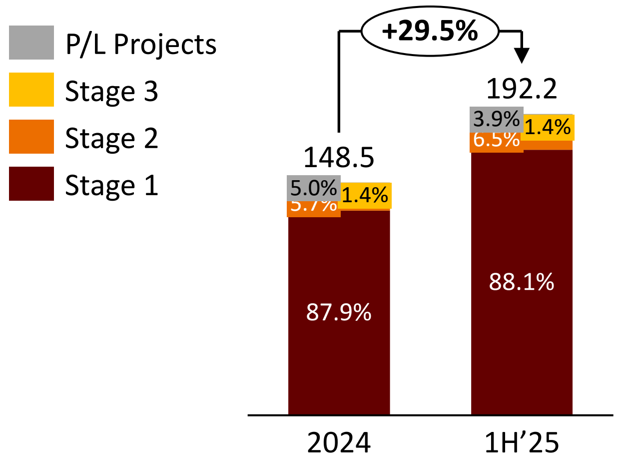
*4Q (net profit share income+income received from investment funds)/5Q average profit bearing assets

Resilient growth performance in credits despite restrictive environment

Tight regulatory environment was managed through selective credits lending, total funded credits up by 29.5% YtD.

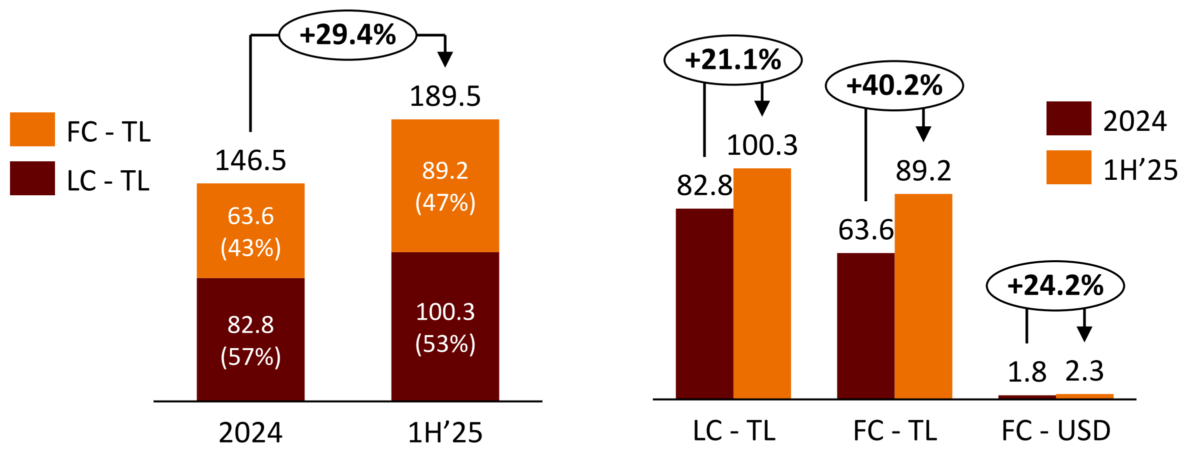
Total Funded Credits

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



Currency Breakdown of Performing Credits*

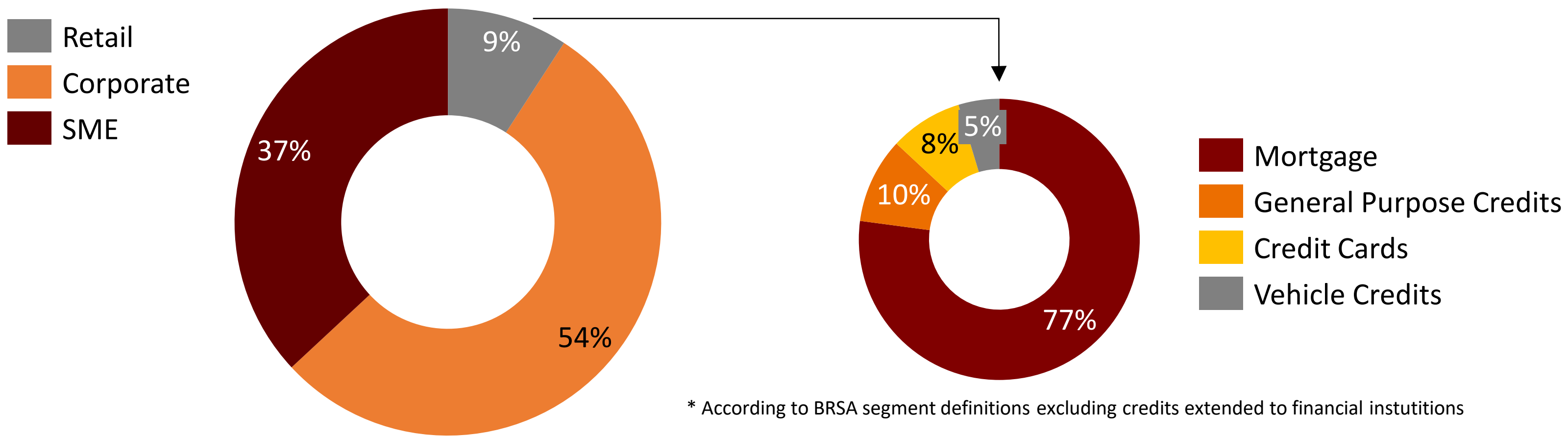
TL Billion. %



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

Segment Breakdown of Funded Credits*

%

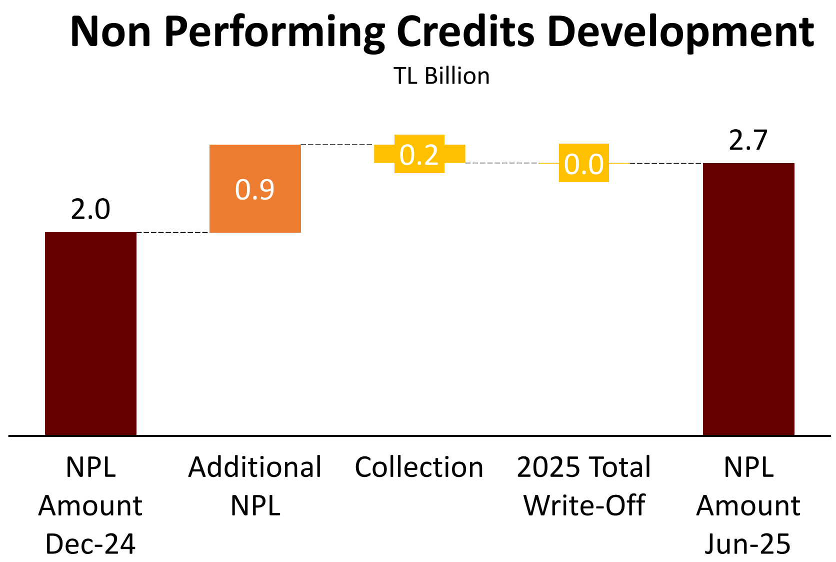


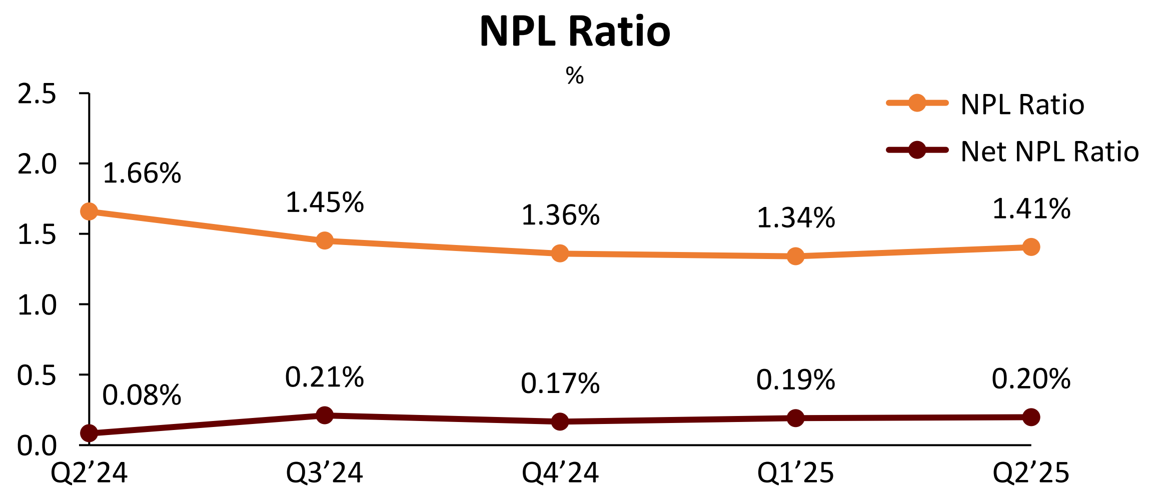
* According to BRSA segment definitions excluding credits extended to financial instutitions

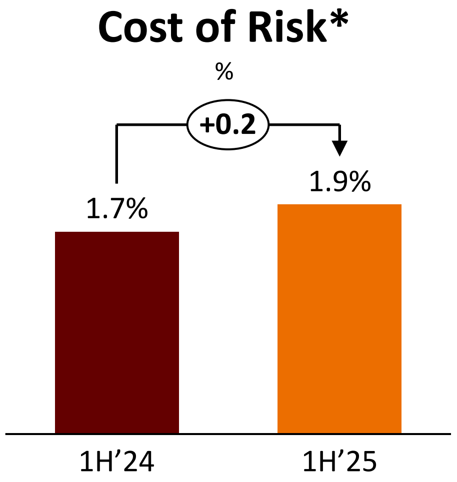
Source: Albaraka Turk Independent Audit Reports

Sound credit portfolio maintains low levels in NPL ratio

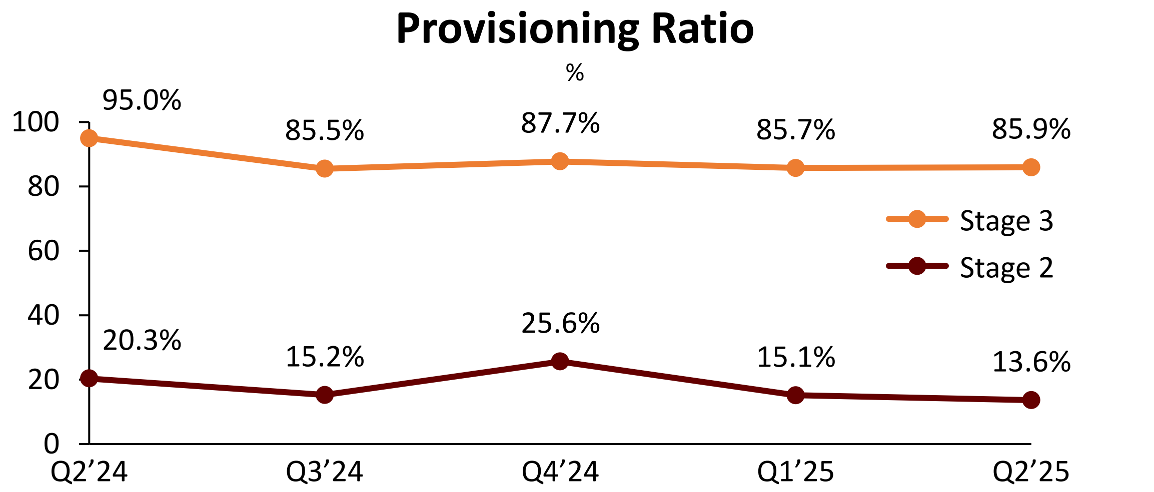
NPL ratio realized 1.4% as end of 1H'25, reflecting sound credit management.





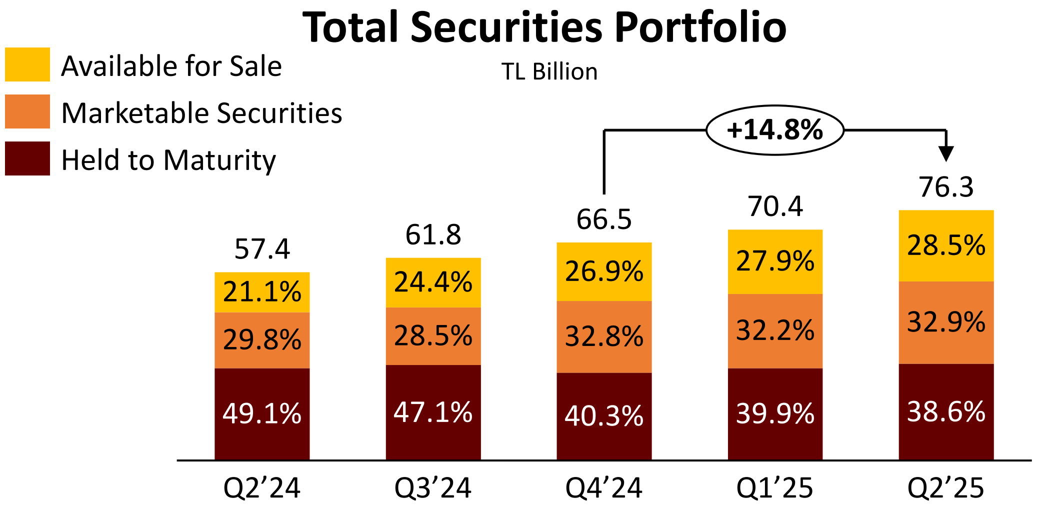


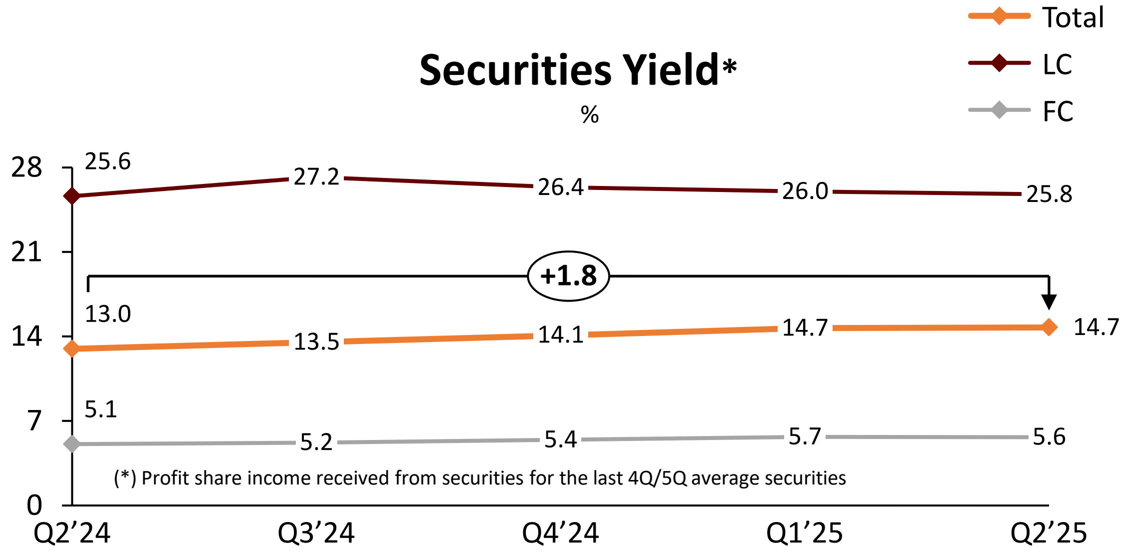
*Cost of risk: Annualized Expected Loss Provisions/5Q Average Funded Credits

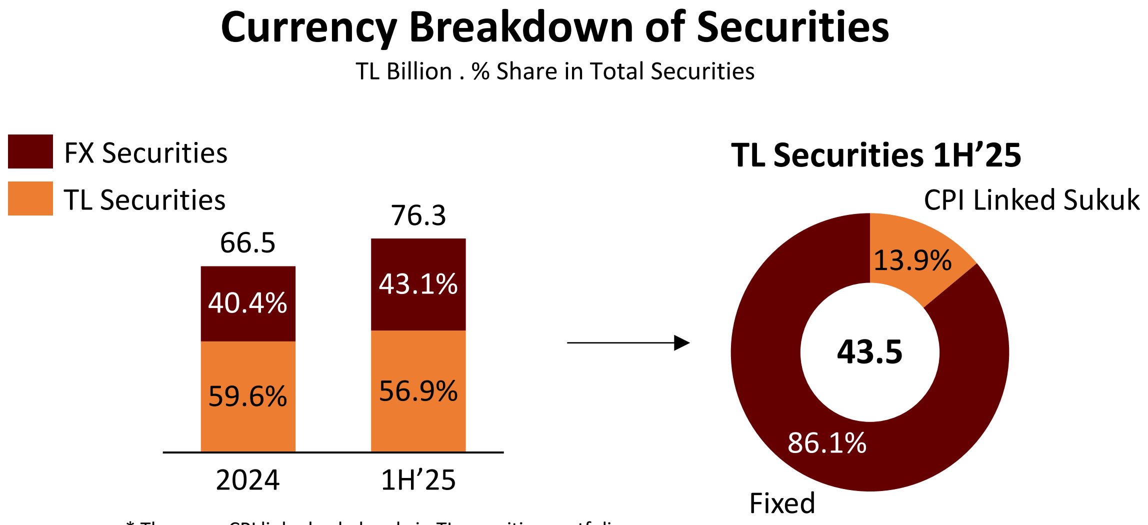


Moderate growth in securities portfolio, yield continues to support profitability

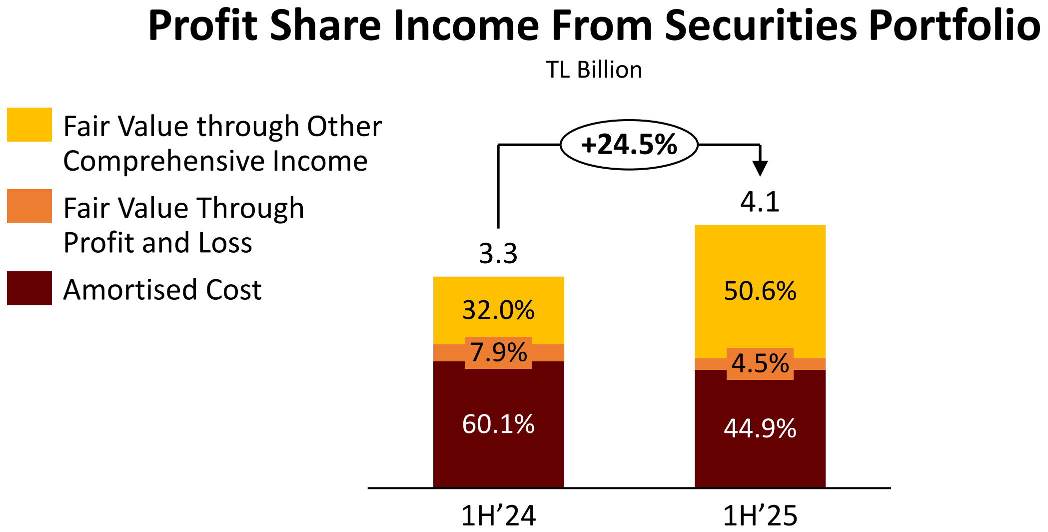
Securities yield up by 177 bps YoY, maintaining contribution to profitability.







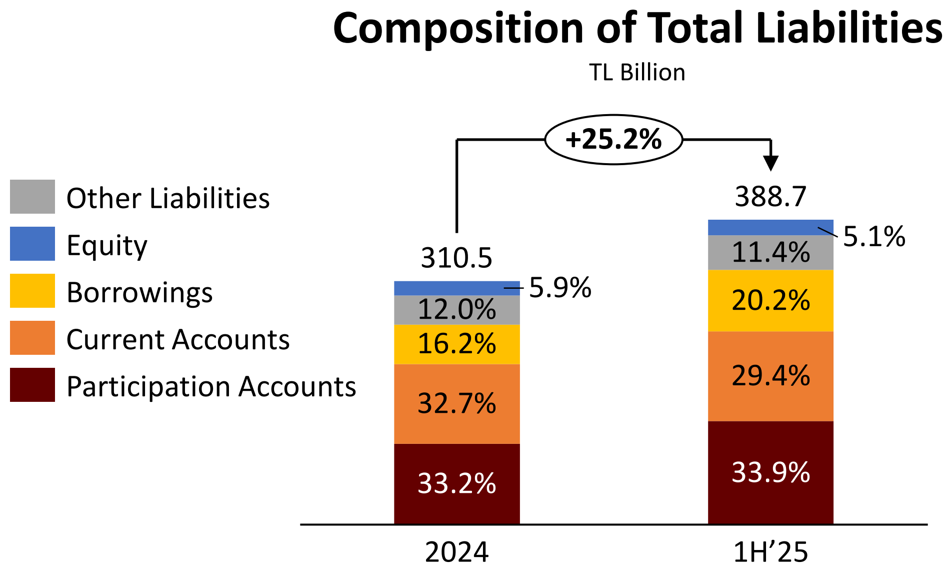
* There are CPI linked sukuk only in TL securities portfolio.

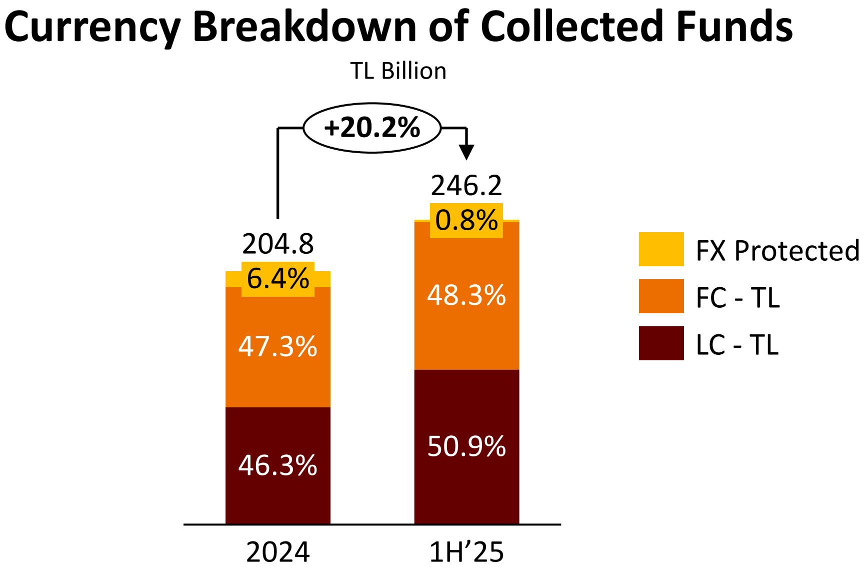


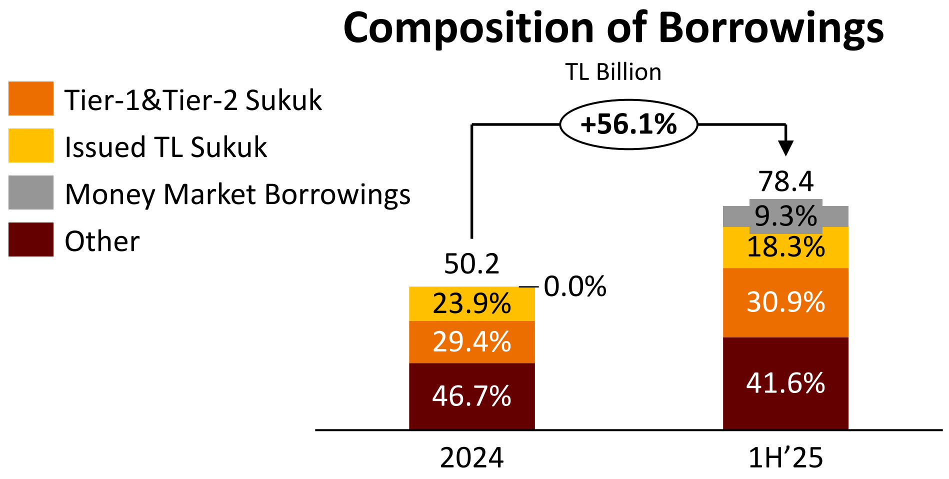
Source: Albaraka Turk Independent Audit Reports

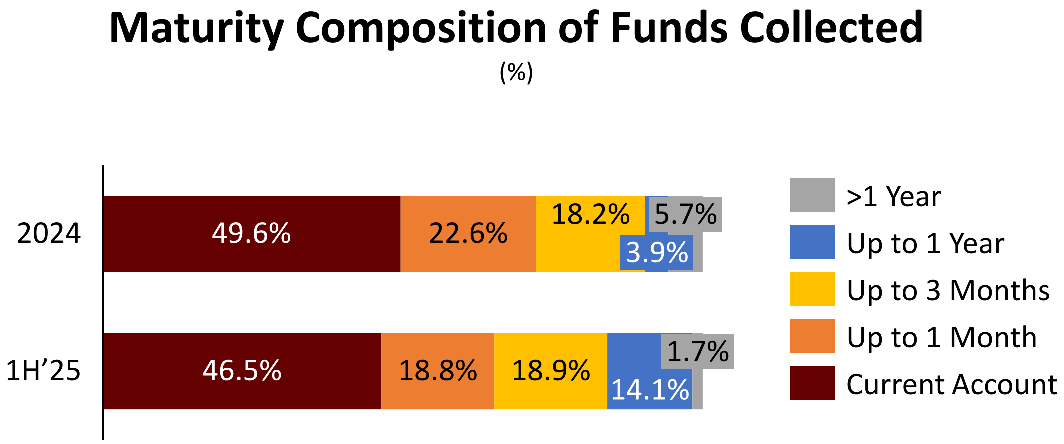
Rising funding costs elevated the importance of alternative funding sources

Composition of total liabilities changed at 1H'25 due to increase weight of borrowings in funding base.



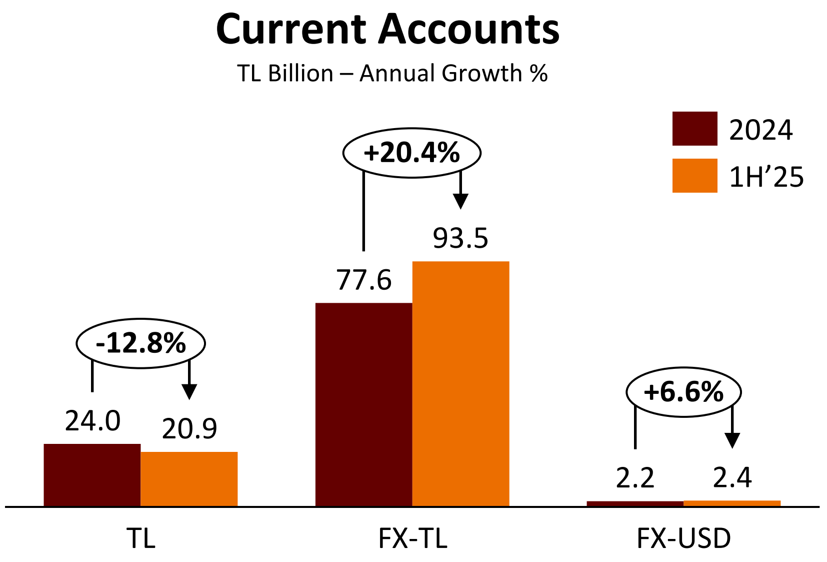


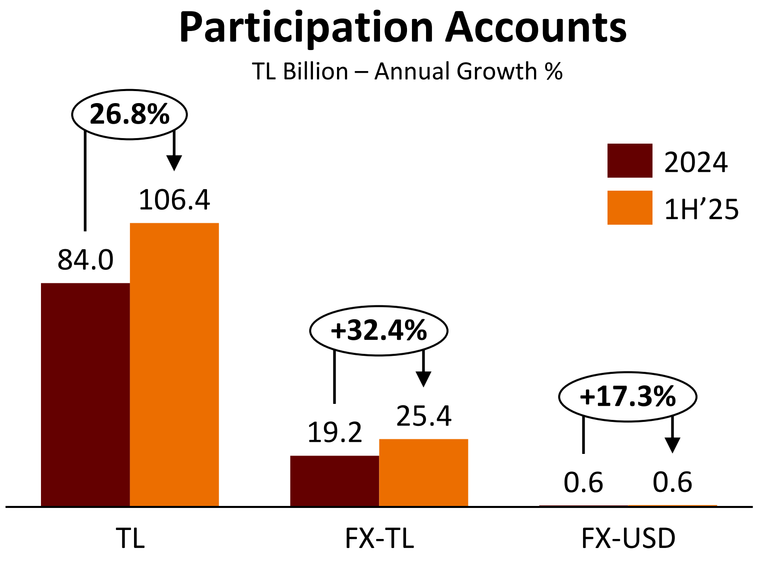


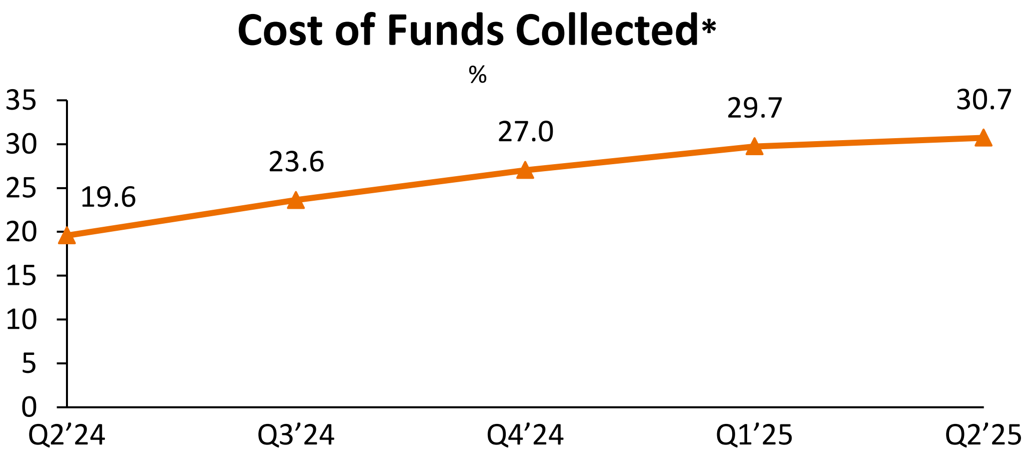


Well-managed FX-protected accounts exit reflected in TL participation accounts growth

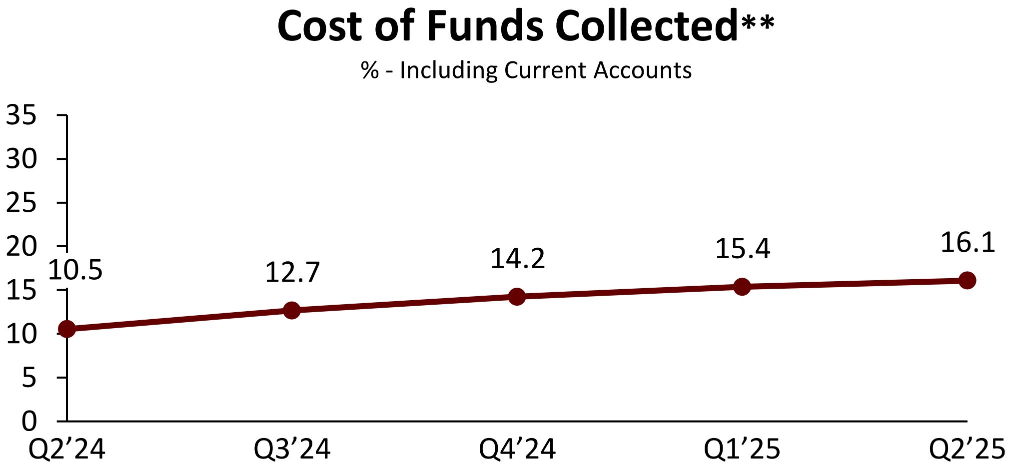
TL participation funds grew by 27%, FX participation funds expanded by 32% YtD, notable increase in cost of funds.







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



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

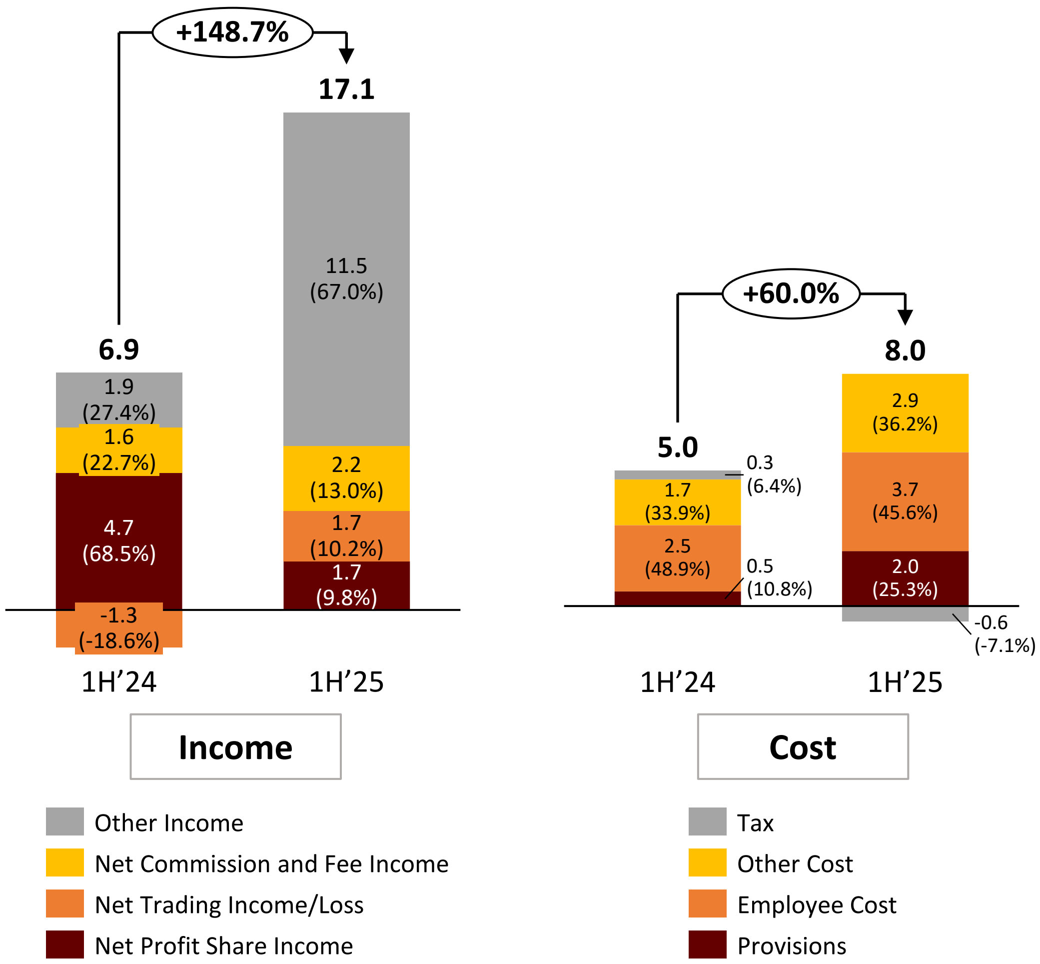
Source: Albaraka Turk Independent Audit Reports

Effective cost management maintained the balanced cost income structure

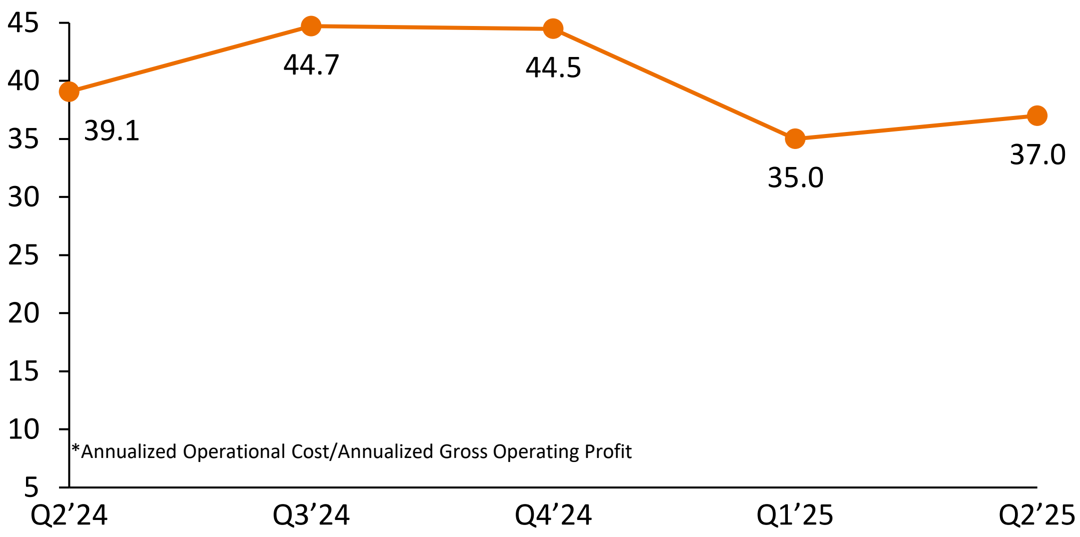
Free provision reversal in Q1’25 lifted operational income up 508% YoY, total income up by 148%, and total cost up by 60%.

Income-Cost Dynamics

TL Billion



Cost - Income*



Source: Albaraka Turk Independent Audit Reports

Navigating challenges of operational environment with sustained profitability

(TL Million)	1H'24	YoY 1H'25	%	Q1'25	QoQ Q2'25	%	Notes
Net Profit Share Income	**4,715**	**1,671**	-65%	**1,102**	**569**	-48%	Due to the tight monetary policy environment, net profit share margin remained under pressure.
Net Fees & Commission Income	**1,565**	**2,231**	43%	**1,044**	**1,186**	14%	Fee and commission income remained resilient, supported by POS revenues and card transaction commissions.
Net Trading Income	**-1,282**	**1,747**	NA	**638**	**1,109**	74%	Net trading income improved significantly in the first half of 2025 primarily driven by revenues on capital market transactions and reduced swap costs.
Other Income	**1,887**	**11,480**	508%	**9,399**	**2,081**	-78%	Other income increased by 508% YoY, mainly driven by the TL 7 billion free provision reversal and income received from asset sales.
Provisioning (inc. free provisions)	**541**	**2,034**	276%	**589**	**1,445**	145%	In 1H'25, TL 915 million ECL, in Q2'25, TL 445 million free provisions set aside.
Personnel Expenses	**2,452**	**3,658**	49%	**2,062**	**1,596**	-23%	23% QoQ decline in personnel expenses is mainly attributable to employee bonus payments made in Q1'25, which did not recur in the second quarter.
Other Costs	**1,699**	**2,905**	71%	**1,531**	**1,374**	-10%	Operational expenses increased by 71% YoY, due to the high inflationary environment. However, OPEX shrunk by 10% QoQ.
Net Profit	**1,870**	**9,102**	387%	**7,846**	**1,256**	-84%	

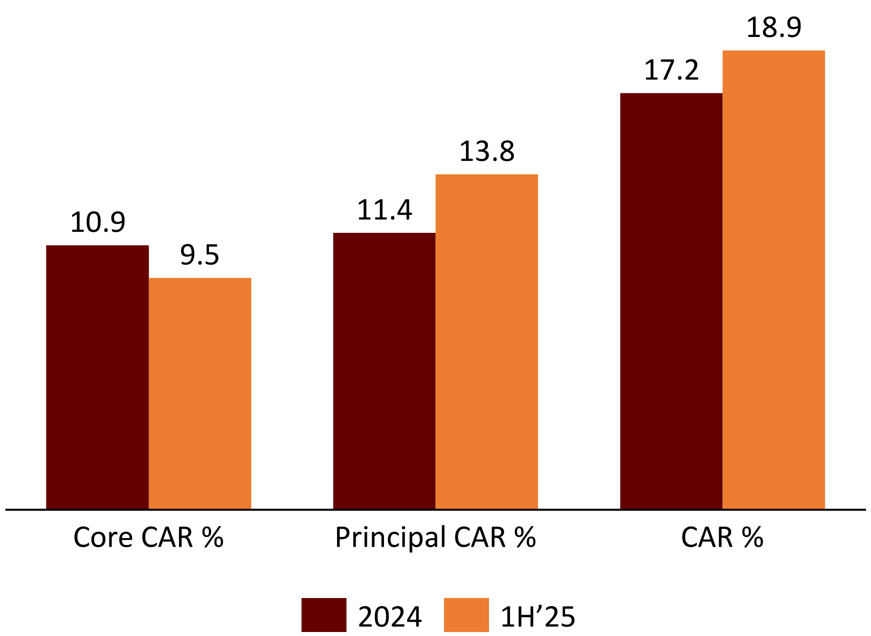
Source: Albaraka Turk Independent Audit Reports

Capital base strengthened by Tier 1 adjustment, CAR realized as 19%

CAR improved by support of Tier 1 and Tier 2 capital, increasing by 477 bps and 149 bps, respectively, in 1H’25 .

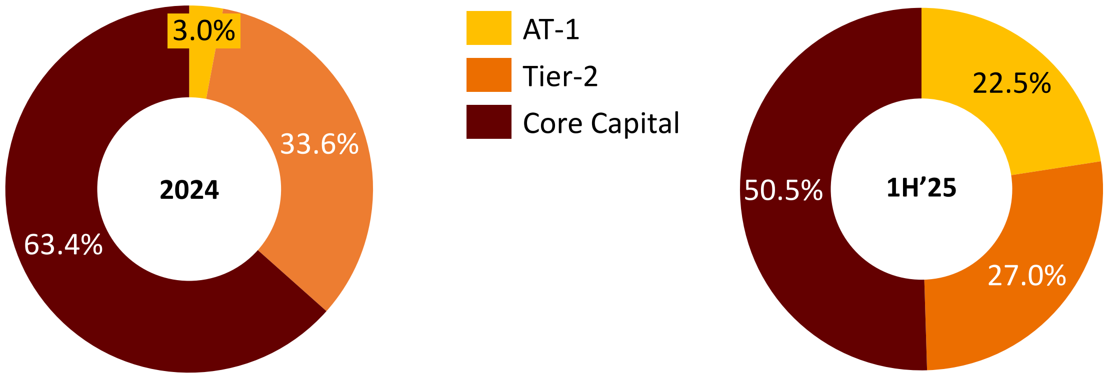
Capital Adequacy Ratio

%



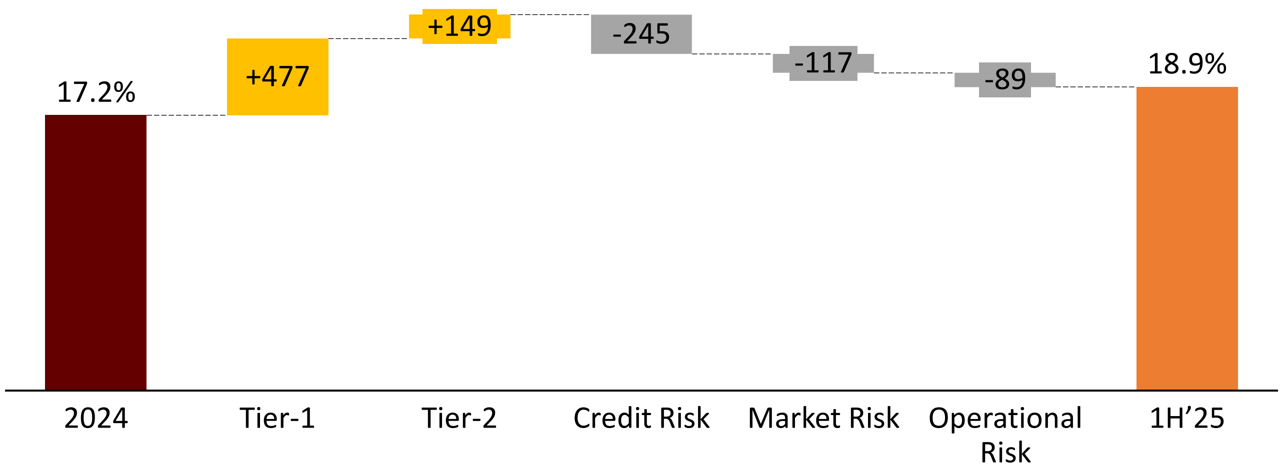
Capital Breakdown

%



CAR Development

Bps, %



Source: Albaraka Turk Independent Audit Reports

2025 Guidance

Indicators	Previous 2025E	1H'25	Revised 2025E	Explanation
Credit Growth	~35%	30%	~50%	Strong credit growth driven by utilization in selective sectors
Non-Performing Credits Ratio	2%	1.4%	<2%	Better results expected with effective credit management
Special Provisioning Ratio	85%	85.9%	~85%	-
Net Profit Share Margin (Inc.swap costs)	2.5%	1.2%	2.5%	Second-half dynamics, including CBRT rate cuts and P/L project credits valuation gains, expected to support achievement of the year-end target
Return on Equity	25-30%	25.7% *65.4%	25-30%	-

*Including free provisions reversal.

Appendix

Summary Balance Sheet

(TL Million)	2024	1H'25	Growth (%)
Cash and Balances with Central Bank	**60,893**	**82,648**	**36%**
Banks	**22,072**	**21,632**	**-2%**
Money Market Placements	**-**	**-**	
Financial Assets	**66,182**	**76,148**	**15%**
Funded Credits (net)	**144,019**	**187,853**	**30%**
Cash Credits	141,248	174,521	24%
Net Financial Leasing Receivables	5,217	15,024	188%
NPL	2,020	2,702	34%
Expected Credit Losses	4,465	4,394	-2%
Associates	**93**	**115**	**24%**
Fixed Assets	**6,948**	**5,897**	**-15%**
Assets Held For Sale and Investment	**4,245**	**504**	**-88%**
Other Assets (inc. Tax Assets)	**4,990**	**13,952**	**180%**
Total Assets	**310,548**	**388,749**	**25%**

(TL Million)	2024	1H'25	Growth (%)
Funds Collected	**204,767**	**246,219**	**20%**
Funds Borrowed	**50,237**	**71,164**	**42%**
Borrowings from Money Markets	**-**	**7,257**	
Debts (inc. Taxes)	**13,689**	**17,830**	**30%**
Provisions	**9,419**	**2,209**	**-77%**
Tier II Sukuk	**14,007**	**24,193**	**73%**
Shareholders' Equity	**18,429**	**19,878**	**8%**
Capital	2,500	2,500	0%
Capital Reserves (inc. Premium)	4,422	43	-99%
Profit Reserves	4,947	10,545	113%
Profit/Loss	2,748	2,469	-10%
Total Liabilities	**310,548**	**388,749**	**25%**

Source: Albaraka Turk Independent Audit Reports

Summary Income Statement

(TL Million)	Q2'24	Q2'25	Growth (%)
Profit Share Income	**18,265**	**27,024**	**48%**
Profit Share Expense	**13,549**	**25,354**	**87%**
Net Profit Share Income	**4,715**	**1,671**	**-65%**
Net Fees and Commissions Income	**1,565**	**2,231**	**43%**
Fees and Commissions Received	1,871	2,646	41%
Fees and Commissions Paid (-)	306	415	36%
Net Trading Income	**1,282**	**1,747**	**-236%**
Other Operating Income	**1,887**	**11,480**	**508%**
Total Operating Profit	**4,434**	**13,470**	**204%**
Provisions (including free provisions)	**541**	**2,034**	**276%**
Personnel Expenses	**2,452**	**3,658**	**49%**
Other Operating Expenses	**1,699**	**2,905**	**71%**
Operating Profit Before Tax	**2,194**	**8,531**	**289%**
Tax Provision	**323**	**-571**	**-277%**
Net Profit	**1,870**	**9,102**	**387%**

Source: Albaraka Turk Independent Audit Reports

THANK YOU…

DISCLAIMER

THIS PRESENTATION AND THE INFORMATION CONTAINED HEREIN IS CONFIDENTIAL AND MAY NOT BE REPRODUCED. CIRCULATED. DISTRIBUTED OR PUBLISHED (IN WHOLE OR IN PART) OR DISCLOSED BY RECIPIENTS TO ANY OTHER PARTY. BY VIEWING THIS PRESENTATION. YOU AGREE TO BE BOUND BY THE FOREGOING LIMITATIONS.

This presentation does not constitute or form part of any offer or invitation to sell or issue. or any solicitation of any offer to purchase any securities of Albaraka Türk Katılım Bankası A.Ş.. nor shall any part of it form part of or be relied on in connection with any contract or investment decision relating thereto. nor does it constitute a recommendation regarding the securities of the Bank. The information contained in this document is published for the assistance of recipients. but is not to be relied upon authoritative or taken in substitution for the exercise of judgment by any recipient. The Bank does not accept any liability whatsoever for any direct or consequential loss arising from any use of this document or its content. Any purchase of shares of the Bank should be made solely on the basis of sound financial analysis on the part of the investor. with no liabilities arising against the Bank.

The information used in preparing these materials was obtained from or through the Bank or the Bank's representatives or from public sources. Although prepared in good faith and from sources believed to be reliable. no reliance may be placed for any purposes whatsoever on the information contained in this presentation or on its accuracy. completeness or fairness. The information in this presentation is subject to verification. completion and change.

The projections. forecasts and estimates of the Bank contained herein are for illustrative purposes only and are based on management's current views and assumptions. Such projections. forecasts and estimates involve known and unknown risks and uncertainties that may cause actual results. performance or events to differ materially from those anticipated in this presentation. The Bank expressly disclaims any obligation or undertaking to update or revise any projections. forecasts or estimates contained in this presentation to reflect any change in events. conditions. assumptions or circumstances on which any such statements are based unless so required by applicable law. Investors should note many different risk factors could adversely affect the outcome and financial effects of the plans and projections described herein. As a result. you are cautioned not to place undue reliance on any forward-looking statements. The Bank. its advisers and each of their respective members. directors. officers and employees disclaim any liability in case projections and plans given in this document are not realised.

Contact Us

Investor Relations

Address : İnkılap Mah. Dr. Adnan Büyükdeniz Cad. Albaraka Türk Sitesi 1. Blok No:6 İç Kapı No:1 Ümraniye/İstanbul
E-mail : yim@albarakaturk.com.tr
Tel : +90 216 666 03 03
Fax : +90 216 666 16 20
website : www.albaraka.com.tr