

CORPORATE GOVERNANCE RATING REPORT ALBARAKA TÜRK KATILIM BANKASI A.Ş.

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CORE BUSINESS:

PARTICIPATION BANKING

NEW:



UPDATE:



COMPANY PROFILE

ALBARAKA TÜRK KATILIM BANKASI A.Ş.

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CHAIRMAN: Housseem BEN HAJ AMOR

CHIEF EXECUTIVE OFFICER : Malek Khodr TEMSAH

INVESTOR RELATIONS & SUSTAINABILITY MANAGER:
Seyfullah DEMİRLEK

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Albaraka Türk Participation Bank (Albaraka Türk or the Bank), was established on November 5, 1984, under the name "Albaraka Türk Özel Finans Kurumu A.Ş." in accordance with the Council of Ministers Decree dated December 16, 1983 and numbered 83/7506. The Bank was authorized to carry out banking activities by the letter of the Central Bank of the Republic of Turkey dated January 21, 1985 and numbered 10912. Albaraka Türk continues its operations within the scope of the Banking Law No. 5411, published in the Official Gazette dated November 1, 2005 and numbered 25983

Headquartered in Istanbul, the Bank serves approximately 2.8 million customers as of December 31, 2024, through an extensive service network comprising 223 branches in Turkey, 2 branches abroad, 2,761 employees, and various alternative distribution channels. As of May 16, 2025, 45.09% of the Bank's shares are owned by Albaraka Group B.S.C. , 8.3% by Dallah Albaraka Holding Co B.S.C., 6.31% by various individual and institutional investors, and 40.29% are publicly traded shares listed on Borsa Istanbul (BIST). The Bank is included in the Borsa Istanbul Corporate Governance Index. The 1.72% stake acquired by Albaraka Group B.S.C. (C) is excluded.

With a paid-in capital of TRY 2,500 million, the Bank's total assets reached TRY 311 billion by the end of 2024, reflecting an annual increase of 34%. Cash loans extended amounted to TRY 148.5 billion (an annual increase of 36%), total funds collected reached TRY 205 billion, and shareholders' equity stood at TRY 18.4 billion (an annual increase of 38%). During the same period, the Bank recorded a net profit of TRY 4.3 billion. As of December 31, 2024, the Bank's solo capital adequacy ratio stood at 17.15%. This ratio is above the minimum requirements set by the Banking Regulation and Supervision Agency (BRSA), indicating the Bank's strong capital structure and effective risk management.

In 2024, the Bank was awarded the Bronze Prize in the Participation Banks category at the Brandverse Awards in the field of Social Media Management. It was also honored by the IFN Awards with the "Most Innovative Treasury Deal of the Year" award. Albaraka Türk, which reports on the LSEG (Refinitiv) platform, ranks among the top 100 out of 1,145 banks. Its "Adımbaş" advertising campaign received the Best Outdoor Work award in the Creativity category at the Sardis Awards. Additionally, the Bank received the "Diamond" award in the field of Participation Banking at the A.C.E Awards.

OVERALL RATING

9.45 *

9.31

Summary Commentary

SHAREHOLDERS

9.47

9.38

The Bank places special importance on the exercise of shareholder rights. Notifications made prior to the general assembly and the manner in which the assembly is conducted are in full compliance with the relevant legislation, the articles of association, and internal regulations. The general assembly meeting was held at the Bank's headquarters.

PUBLIC DISCLOSURE AND TRANSPARENCY

9.52

9.33

The Bank has a comprehensive and up-to-date corporate website. In particular, the Investor Relations section is designed to be user-friendly. The Integrated Annual Report complies with relevant regulations and is both comprehensive and informative. The Independent Audit Report dated 31.12.2024 expressed a qualified positive opinion.



STAKEHOLDERS	9.47 9.20	The Bank aims to strengthen its sustainable human resources and places great importance on training and certification processes for its employees. Social and community investments are also continuing to grow steadily.
BOARD OF DIRECTORS	9.37 9.30	The absence of female members on the board of directors has been identified as an area for improvement in terms of corporate governance. The Bank has a directors and officers liability insurance policy in place covering potential damages caused by board members in the course of their duties; however, the coverage does not exceed 25% of the Bank's capital.

*Previous ratings are at the right bottom of the cells.

DRC Rating Services A.Ş. has assigned a corporate governance compliance rating of 9.45 to Albaraka Türk Participation Bank A.Ş. (Albaraka Türk or the Bank). Based on evaluations conducted during the monitoring period since the public disclosure of the previous Corporate Governance Compliance Rating on May 17, 2024, improvements have been observed in the Bank's ratings related to shareholders, public disclosure and transparency, stakeholders and the board of directors sections.

Shareholders

Albaraka Türk Shareholder Structure (May 16, 2025)

	Partnership Share	%
Albaraka Banking Group B.S.C.	1,127,275,092.57	45.09
Dallah Al Baraka Holding Co B.S.C.	207,585,000.00	8.30
Public *	1,007,363,604.09	40.29
Other	157,776,303.34	6.32
Total	2.500.000.000,00	100.00

- The Bank's Investor Relations and Sustainability Department plays a significant and active role in ensuring the protection and effective exercise of shareholder rights, particularly the rights to information and examination. Shareholders are regularly informed through the Bank's corporate website, the Public Disclosure Platform (KAP), and the

Central Registry Agency.

- The Ordinary General Assembly (OGA) meeting of Albaraka Türk for the year 2024 was held on March 26, 2025.
- During the monitoring period, the adjustments made to Albaraka Türk's corporate website, especially in the Investor Relations section, as well as the 2024 Integrated Annual Report, highlight the importance placed on informing shareholders.

* The 1.72% stake acquired by Albaraka Group B.S.C. (C) is excluded.

Public Disclosure and Transparency

- The Bank's corporate website, www.albaraka.com.tr, is actively used to inform shareholders and the public, with the information on the site being regularly updated. Significant events and developments that need to be disclosed to the public are shared in a timely manner, in compliance with relevant legal regulations.
- The benefits provided to Board members and senior executives are disclosed as a total amount, not on an individual basis.
- The environmental consumption data and greenhouse gas emissions values published in the Integrated Annual Report are reported in full compliance with the reporting requirements of the Greenhouse Gas (GHG) Protocol, ISO 14064-1:2019 standard, and TSRS.

Stakeholders

- While continuing its operations in participation banking, Albaraka Türk aims to be a leading financial institution in the areas of sustainability and corporate responsibility. It is transforming its sustainability approach into concrete actions through projects such as carbon transparency, green buildings, and zero waste.
- The Bank places great importance on sustainable human resources.
- As Turkey's first participation bank, Albaraka Türk continues its operations as the only participation bank listed on Borsa Istanbul (BIST).
- For the first time since 2017, profit distribution was approved and carried out at the general assembly held this year.

Board of Directors

- The authority and responsibilities of the Bank's Chairman of the Board and the CEO/General Manager are clearly separated.
- The committees have demonstrated a positive performance in providing support to the board of directors.



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