

# **The Commercial Bank (P.S.Q.C.)**

## **Financial Results**

**For the year ended 31 December 2023**

## Forward Looking Statements

- This presentation and subsequent discussion may contain certain forward-looking statements with respect to certain plans and current goals and expectations of Commercial Bank and its associated companies relating to their future financial condition and performance. These forward-looking statements do not relate only to historical or current facts but also represent Commercial Bank's expectations and beliefs concerning future events. By their nature forward-looking statements involve known and unknown risks and uncertainty because they relate to future events and circumstances including a number of factors which are beyond Commercial Bank's control. As a result, Commercial Bank's actual future results or performance may differ materially from the plans, goals and expectations expressed or implied in such statements.
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- **ECONOMY AND FIVE YEAR PLAN TARGETS**
- CONSOLIDATED HIGHLIGHTS AND PERFORMANCE
- SUBSIDIARY PERFORMANCE

## Qatar Outlook economy well positioned for 2024 and beyond



- Qatar continues to be one of the **world's largest LNG exporter**.
- **Economic activity should continue** to be supported by investment related to the **North Field gas expansion and robust growth in logistics, manufacturing, and trade**.
- The North Field gas expansion plans to **increase Qatar's LNG output to 110 million tonnes per annum (mtpa) by 2025 and thereafter to 126 mtpa by 2027**.
- **Qatar's GDP growth** is projected at **2.2 percent** in 2024, International Monetary Fund (IMF) said in latest World Economic Outlook report issued in October 2023.
- **Qatar's non-hydrocarbon sector** is projected to grow by **2.4 percent** in revenue as compared to fiscal year 2023.
- Qatar approved its budget for the 2024 fiscal year, with particular **focus on health and education sectors**.
- Fitch Ratings has **revised the Outlook** on Qatar's Long-Term Foreign-Currency Issuer Default Rating (IDR) **to Positive from Stable** and affirmed the IDR at 'AA-'.
- Moody's had **raised the country's credit rating from (Aa3) to (Aa2)** with a stable outlook, while Standard & Poor's **had raised the country's credit rating from (AA-) to (AA)** with a stable outlook.
- The improvement in the country's credit rating confirms the **strength and flexibility of the local economy**, in addition to **the financial stability** witnessed by the country, which increases the country's **attractiveness to foreign investments** and contributes to **reducing the cost of borrowing** for the country and the institutions operating in it.
- Qatar has announced **additional infrastructure projects worth QR70 billion (\$19.2 billion)** in 2024 for **achieving sustainable development and the strengthening of the national economy**.

## Our progress to date and next five year plan targets

Strategic intent		2016	5 Year 2021 Targets	2021 Actual	5 Year 2026 Targets	2023 Guidance	2023 Actual	2024 Guidance
CET1	CET1 :	9.7%	11.0% - 11.5%	11.7%	13.0% - 14.0%	12.2% - 12.7%	10.6%	11.5% - 12.0%
	CAR :	15.2%	16.0% - 16.5%	18.1%	18.5% - 19.0%	16.5% - 17.0%	14.9%	16.5% - 17.0%
Risk Management	NPL :	5.0%	4.0% - 4.5%	4.7%	2.5%	5.0 – 5.7%	5.9%	5.4 – 5.9%
	CoR :	164 bps	50 bps	111bps	60 - 80 bps	120 – 135 bps	105 bps	120 – 135 bps
Reshape loan book	Gov/public sector:	10%	16%	18%	25%	15% - 18%	15%	18% - 20%
	Real estate :	28%	20%	19%	16%	18% - 20%	21%	18% - 20%
Cost to Income Ratio	Consolidated :	45.7%	35%	24.1%	< 20%	< 23%	26.2%	< 26%
	Domestic :	40.2%	30%	20.5%	< 17%	< 20%	22.2%	< 21%
Return on Equity (ROE)	ROE:	2.7%	10%	10%	13% - 15%	12.5% - 13.0%	12.3%	12.5% - 13.0%

- ECONOMY AND FIVE YEAR PLAN TARGETS
- **CONSOLIDATED HIGHLIGHTS AND PERFORMANCE**
- SUBSIDIARY PERFORMANCE

# Executive Summary

## Strategic Focus

## Progress

✓ <b>Results</b>	<ul style="list-style-type: none"><li>• Net profit of QAR 3,010.2 million, up by 7.1% compared to the same period in 2022.</li><li>• Operating income of QAR 5,489.5 million, up by 3.7%.</li><li>• Net interest margin (NIM) is improved to 2.8%, up by 10 basis points.</li><li>• Return on average assets (ROAA) has improved to 1.8% as compared to 1.7% in 2022.</li><li>• The Group reported a non-cash “net monetary loss” of QAR 335.0 million in 2023 as a result of application of hyperinflation accounting to Alternatif bank in accordance with International Accounting Standards (IAS) 29.</li><li>• Total assets of QAR 164.4 billion, down by 2.7%.</li><li>• “The Most Innovative Bank” award in the Middle East by World Finance.</li><li>• “The Fastest Growing Brokerage House” award in Qatar by International Finance.</li></ul>
✓ <b>Capital &amp; Funding</b>	<ul style="list-style-type: none"><li>• CET1, Tier 1 and Total Capital Ratios at 10.6%, 14.1% &amp; 14.9% respectively, as compared to 11.6%, 15.6% and 17.3% at 31 December 2022.</li><li>• Successful issuance of first-ever Qatari Riyal denominated international bond of a total size QAR 429 million.</li><li>• Low-cost deposits were 33.6% of total customer deposits compared with 36.4% in FY 2022.</li></ul>
✓ <b>Reshaping Loan Book</b>	<ul style="list-style-type: none"><li>• Consolidated loan book contracted by 6.7% to QAR 91.5 billion at 31 December 2023 compared with QAR 98.0 billion at 31 December 2022. The main reason for the decrease was Alternatif bank, whose loans decreased due to the Turkish lira depreciation. At domestic level, the decrease was partly due to government repayments of temporary overdrafts.</li><li>• Focus remains on re-shaping profile of the lending book.</li><li>• Continued diversification of risk across a range of sectors including increasing exposure to government and public sector.</li></ul>
✓ <b>Provisioning</b>	<ul style="list-style-type: none"><li>• Non-performing loan (NPL) ratio at 5.9% at 31 December 2023 compared with 4.9% at 31 December 2022.</li><li>• Loan coverage ratio (including ECL) decreased to 105.1% compared with 105.4% at 31 December 2022.</li><li>• Net cost of risk decreased to 105 bps compared to 121 bps in 2022.</li></ul>
✓ <b>Costs</b>	<ul style="list-style-type: none"><li>• Consolidated cost to income ratio increased to 26.2% in 2023 from 21.5% in 2022 mainly due to inflation related and one-off expenses in Turkey and the Bank’s continued digital investments.</li><li>• In Qatar, cost to income ratio increased to 22.2% in 2023 from 19.1% in 2022.</li></ul>
✓ <b>Subsidiary</b>	<ul style="list-style-type: none"><li>• Alternatif Bank reported net profit of TL 467.5 million (QAR 83.6 million) in 2023 compared to a net profit of TL 123.1 million (QAR 31.5 million) in 2022. The results were impacted by the hyperinflation accounting amounted to TL 2,349.0 million (QAR 335.0 million) in 2023 and TL 932.9 million (QAR 189.4 million) in 2022.</li></ul>

## Financial Progress

	Quarterly movement					Yearly movement		
	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Variance Q4 2023 v Q3 2023 (%)	FY 2023	FY 2022	Variance FY 2023 v FY 2022 (%)
Operating Income	1,465	1,432	1,325	1,267	-4.4%	5,489	5,294	3.7%
Costs	-440	-345	-294	-363	23.4%	-1,441	-1,138	26.6%
Operating Profit	1,026	1,087	1,031	905	-12.3%	4,049	4,156	-2.6%
Net Provisions*	-273	-302	-146	-196	34.3%	-917	-1,263	-27.4%
Share of Associates' Results	70	76	82	67	-17.8%	294	222	32.3%
Non-Cash Net Monetary Loss	-42	-51	-133	-109	-17.6%	-335	-189	76.9%
Tax	-29	-7	-23	-22	-6.8%	-80	-114	-29.8%
Net Profit	751	803	811	645	-20.5%	3,010	2,811	7.1%
Lending Volume	94,440	89,392	91,512	91,490	-0.02%	91,490	98,016	-6.7%
Deposit Volume	76,063	76,105	74,742	76,541	2.4%	76,541	83,167	-8.0%
NIM	2.8%	2.7%	2.7%	2.9%	0.2%	2.8%	2.7%	0.1%
C/I Ratio	30.0%	24.1%	22.2%	28.6%	6.4%	26.2%	21.5%	4.7%
COR (bps) – net	66	157	63	139	76	105	121	-16
NPL Ratio	5.0%	5.5%	5.3%	5.9%	0.6%	5.9%	4.9%	1.0%
Coverage Ratio*	115.9%	118.6%	120.2%	105.1%	-15.1%	105.1%	105.4%	-0.3%
CET 1	11.7%	11.9%	11.7%	10.6%	-1.1%	10.6%	11.6%	-1.0%
Tier 1	15.2%	15.1%	15.3%	14.1%	-1.2%	14.1%	15.6%	-1.5%
CAR	16.4%	16.1%	16.4%	14.9%	-1.5%	14.9%	17.3%	-2.4%

\*includes ECL



## Movement in Loans and Advances

Key Movements	Dec 31, 2023 (QAR m)	Dec 31, 2022 (QAR m)	Movement Dec 23 vs Dec 22 (QAR m)	Movement Dec 23 vs Dec 22 (%)
Acceptances	5,634	4,218	1,416	34%
Alternatifbank Net Lendings	4,292	7,078	(2,786)	(39%)
MoF Overdraft	10	1,088	(1,077)	(99%)
Retail	11,211	10,882	329	3%
Corporate & International	70,343	74,750	(4,407)	(6%)
<b>Net Loans &amp; Advances to customers</b>	<b>91,490</b>	<b>98,016</b>	<b>(6,526)</b>	<b>(7%)</b>

- We continue to focus and grow the retail book which is helping our NIM.
- In addition, due to the situation in Turkey, decrease in Alternatif Bank loans has positive impact on net interest margin.
- Some of the reduction is planned as it is part of the derisking strategy.

## Group Financial Performance – Year ended 31 December 2023

### Group Profitability

QAR Million	FY 2023	FY 2022	%
Net interest income	3,867	3,963	-2.4%
Non-interest income	1,622	1,331	21.9%
Total costs	(1,441)	(1,138)	-26.6%
Net provisions	(917)	(1,263)	27.4%
Share of associates' results	294	222	32.3%
Non-cash net monetary loss	(335)	(189)	-76.9%
Tax	(80)	(114)	-29.8%
<b>Net profit after tax</b>	<b>3,010</b>	<b>2,811</b>	<b>7.1%</b>

### Performance Ratios

	FY 2023	FY 2022
ROAE	12.4%	12.0%
ROAA	1.8%	1.7%
NIM	2.8%	2.7%

### Consolidated Balance Sheet

QAR Million	FY 2023	FY 2022	%
Total assets	164,376	168,902	-2.7%
Loans and advances	91,490	98,016	-6.7%
Investment Securities	30,762	29,835	3.1%
Customer Deposits	76,541	83,167	-8.0%
Total Equity	24,406	24,171	1.0%

### Capital

QAR Million	FY 2023	FY 2022
RWA (QAR million)	121,274	125,475
CET 1 ratio (Basel III)	10.6%	11.6%
Total Capital ratio (Basel III)	14.9%	17.3%

# Leader in Digital Innovation Driving Customer Experience and Cost Benefits



## Corporate

- Best Cash Management Bank (2016 – 2021) from The Asian Banker
- Best Transaction Bank in Qatar (2018-2021) from The Asian Banker
- Best Trade Finance Service (2019 – 23) from Global Finance
- Best Mobile Banking App (2021-22) from Global Finance
- Best Bank for Corporate Banking in Qatar from Euromoney (2022)
- Best Integrated Corporate Banking Site from Global Finance (2022)
- Market Leader in Qatar in Corporate Banking from Euromoney Digital Rankings (2022)
- Best Leading Corporate for Investor Relations in Qatar from MEIRA Annual Conference & Awards (2022)
- The Most Innovative Mobile Trading App award in Qatar by International Finance (2023)
- The Fastest Growing Brokerage House award in Qatar by International Finance (2023)
- The Best Digital Bank for Trade Finance Services award in Qatar by Global Finance (2023)
- The Best Corporate Mobile Banking App award in the Middle East by Global Finance (2023)

## Retail

- The “Serving Business Owners” in Private Banking and Wealth Management in Qatar - Euromoney (2021 – 22)
- Best Mobile Banking App from Global Finance (2021)
- Best Mobile Banking App from International Finance (2023)
- Best in Social Media Marketing and Services from Global Finance (2021-22)
- Best Online Deposit, Card and Investment Product Offerings from Global Finance (2022)
- Best User Experience (UX) Design from Global Finance (2022)
- Best Open Banking APIs from Global Finance (2022)
- Best in Social Media Marketing and Consumer Services in the world from Global Finance (2021-22)
- Market Leader in Qatar in Digitals Solutions from Euromoney Digital Rankings (2022)
- The Best Consumer Mobile Banking App award in Qatar by Global Finance (2023)

## Innovation

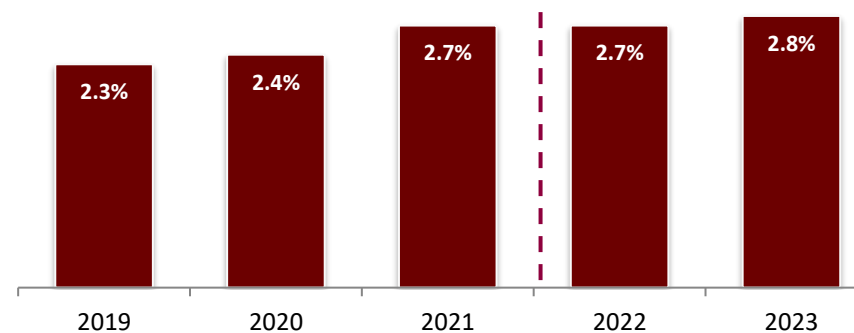
- The Most Outstanding Innovation in Fraud Detection award in the world from Global Finance (2022)
- Most Innovate Mobile Trading App from International Finance (2021-2022)
- Best Bank in Qatar from Global Finance (2019, 2021-22)
- Best in Social Media Engagement in the Middle East from The Asian Banker (2021)
- Bank of the Year in Qatar from The Banker (2022)
- Best Customer Service Initiative from International Finance (2023)
- Most Innovative Mobile Banking App in the world from Global Finance (2023)
- The Most Innovative Bank award in the Middle East by World Finance (2023)

# Earnings Performance – Year ended 31 December 2023

## Profitability

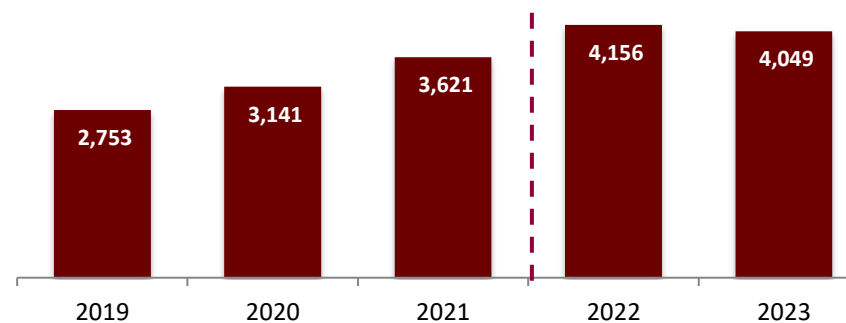
- ◆ Net interest income decreased by 2.4% to QAR 3,867.3 million in FY 2023 v FY 2022.
  - ◆ NIM improved to 2.8% in FY 2023.
- ◆ Non-interest income up by 21.9% to QAR 1,622.2 million in FY 2023 v FY 2022.
  - ◆ The overall increase in non-interest income was mainly due to the higher investment income which increased by QAR 247.0 million due to unrealized mark to market movement in investments.

## Net interest margin



Net interest income as a % of average interest earning assets, including (i) Loans and advances to customers (ii) bonds and (iii) loans to other credit institutions

## Operating Profit

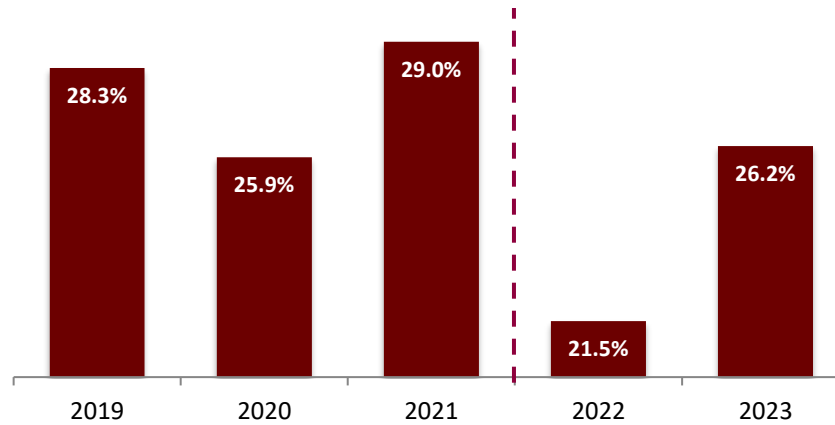


# Slight increase in cost income ratio due to increase in inflation related costs in Turkey as well as continued investment in digital and service proposition

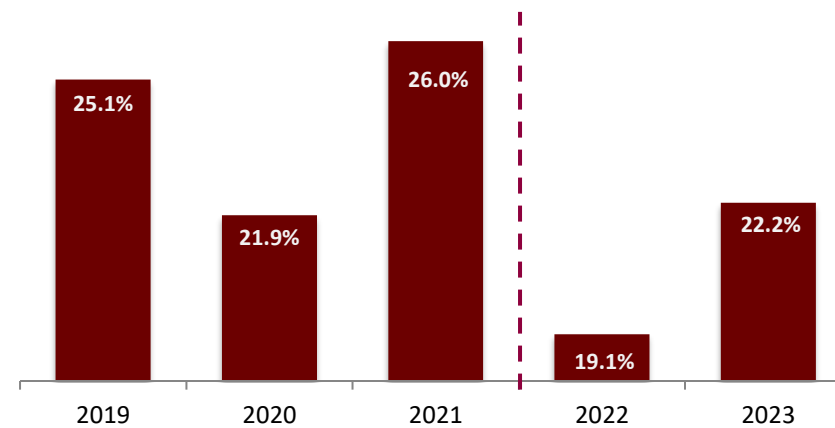
## Operating Expenses

- ◆ Cost to income ratio increased to 26.2% in FY 2023 from 21.5% in FY 2022.
- ◆ The cost increase is mainly on account of Turkey inflation related and one-off expenses and the Bank's continued digital investments.
- ◆ Of the cost increase, QAR 141.0 million pertains to cost increase in Alternatif Bank.
- ◆ In Qatar, cost to income ratio increased to 22.2% in FY 2023 from 19.1% in FY 2022.
- ◆ Continued focus on digital processes and tight expense management.

## Cost to Income Ratio Consolidated



## Cost to Income Ratio Domestic

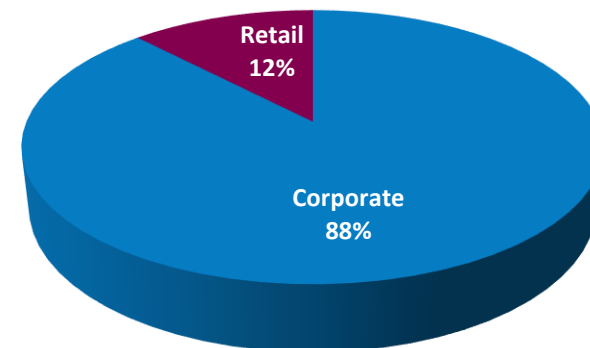


# Improved loan book structure

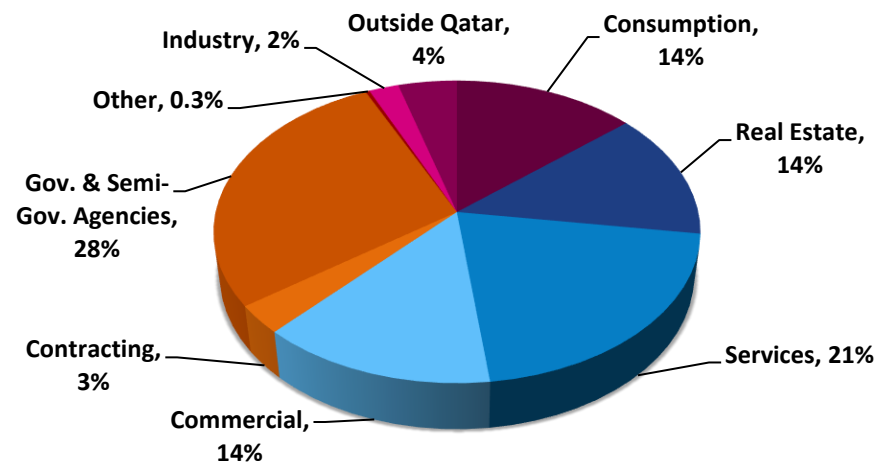
## Summary

- ◆ Loans to customers decreased by 6.7% to QAR 91.5 billion.
- ◆ The reason for the decrease was Alternatif bank, whose loans decreased due to the Turkish lira depreciation. At domestic level, the decrease was partly due to government repayments of temporary overdrafts.
- ◆ Focus continues on diversifying loans and improving market share in Government and Public sector.

## Loan book breakdown by division – December 2023



## Qatari banks credit facilities breakdown by sector – November 2023



Source: QCB

## Loan book breakdown by sector – December 2023

Sector	Dec 2023	Dec 2022
Govt and Public Sector	15%	15%
Industry	7%	8%
Commercial	17%	17%
Services	26%	28%
Contracting	3%	4%
Real Estate	21%	21%
Consumption	9%	5%
Others*	2%	2%
	<b>100%</b>	<b>100%</b>

\*Others include non-banking financial institutions

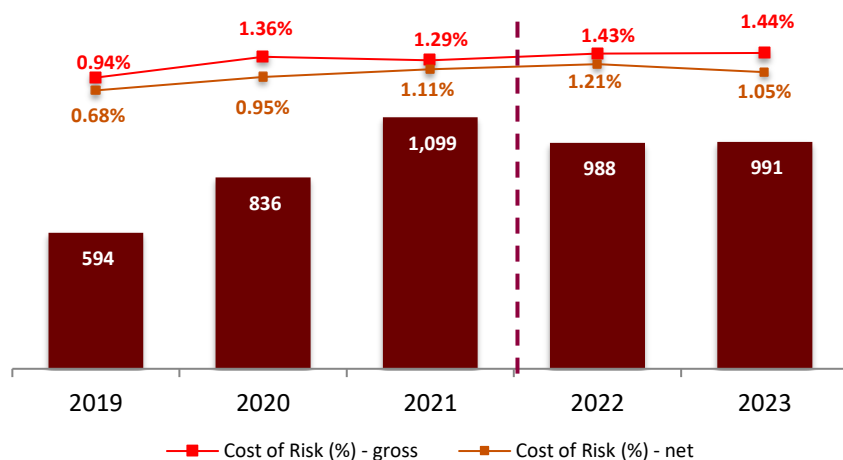


# Asset Quality – 31 December 2023: Continued Prudent Approach on Provisioning

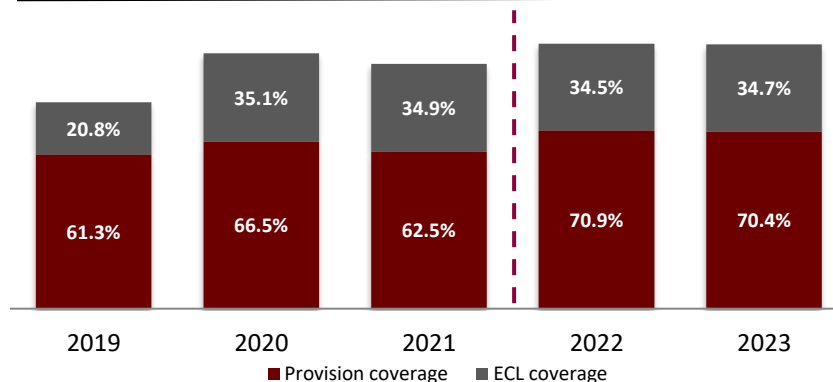
## Summary

- ◆ Net provision charge for loans and NPLs of QAR 990.7 million vs QAR 987.6 million in FY 2022.
  - ◆ QAR 912.8 million for Corporate
  - ◆ QAR 108.9 million for Retail
  - ◆ QAR 31.0 million provision reversal for Alternatif Bank
- ◆ NPL ratio increased to 5.9% as at 31 December 2023 from 4.9% as at 31 December 2022.
- ◆ Net Cost of Risk decreased to 105 bps in 2023 Vs 121 bps in 2022.
- ◆ Loan coverage decreased to 105.1% from 105.4% in December 2022.
- ◆ Risk reserve maintained at 2.5% of total loans and advances in addition to credit impairment losses and interest in suspense. Risk reserve stands at QAR 2.3 billion as at 31 December 2023.

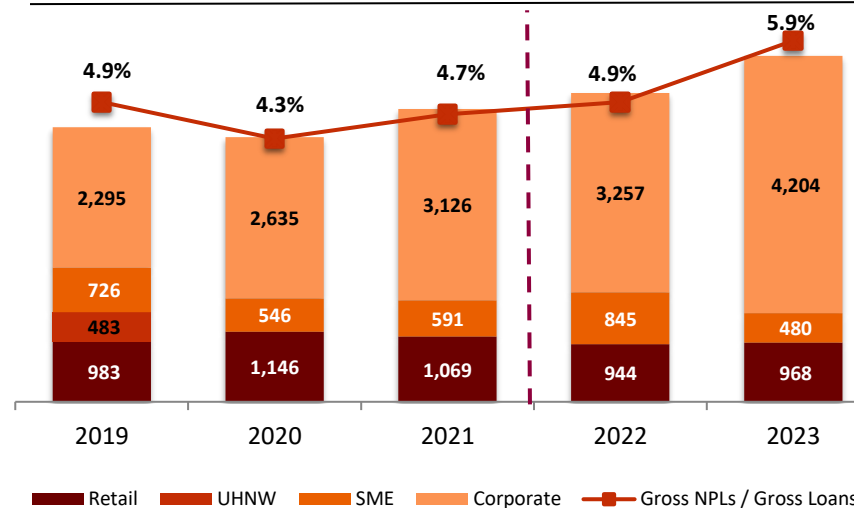
## Net Provision Charge for Loans and NPLs (QAR million)



## Loan coverage ratio



## Non-performing loan ('NPL') ratio (90 day basis)



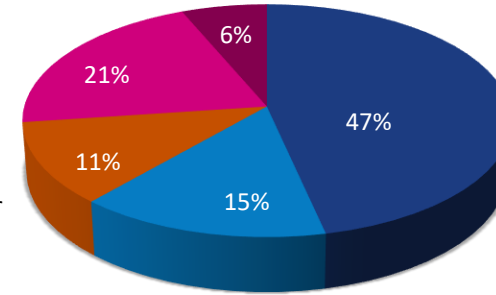
# Funding : Continue to build up diverse sources of funding

## Summary

- ◆ Customers' deposits at QAR 76.5 billion, down by 8.0% vs December 2022 representing 46.6% of the total balance sheet.
- ◆ Well diversified funding mix
- ◆ Total equity represents 14.8% of funding mix.

## Total funding mix – 31 December 2023

- Customers' Deposits
- Total Shareholders' Equity
- Due to Banks and Financial Institutions
- Debt Securities & Other borrowings
- Other Liabilities



## Debt issued and other borrowed funds

Issuance Type (QARm)	Dec-23	Dec-22
Subordinated Notes	731	731
EMTN	6,948	9,872
Senior Notes	48	112
Other loans (including CPs)	26,439	17,105
<b>Total</b>	<b>34,166</b>	<b>27,820</b>

## Commercial Bank credit ratings

Rating Agency	Foreign Ccy Deposits/IDR		Bank Strength	Outlook	Date
	LT	ST			
Moody's	A2	P-1	ba1	Stable	Dec 23
Fitch	A-	F2	bb+	Positive	Jul 23
S&P	A-	A-2	bbb-	Stable	Oct 23

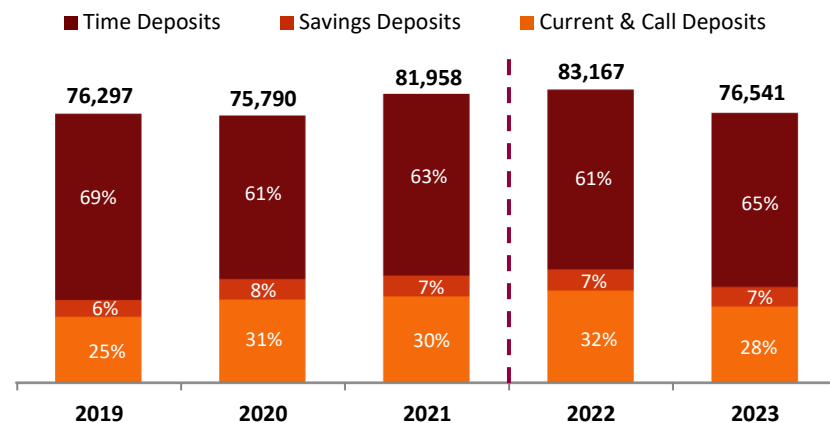


# Well diversified deposit portfolio

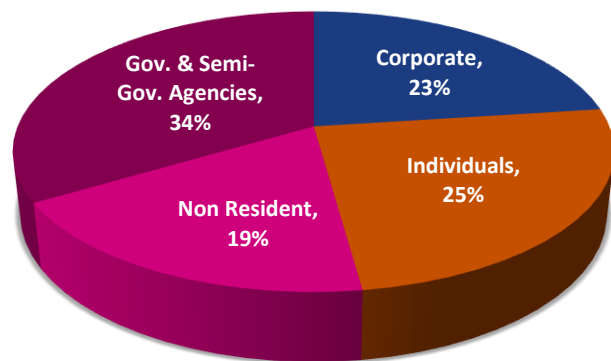
## Summary

- ◆ Diversified deposit mix with Government and Semi-Government at 31% , corporate at 28% and individuals at 29%
- ◆ Current and Savings accounts deposit composition at 35% of the deposit base.
- ◆ The mix of Qatar non-resident deposit is 11%.

## Customer deposits (QAR million)

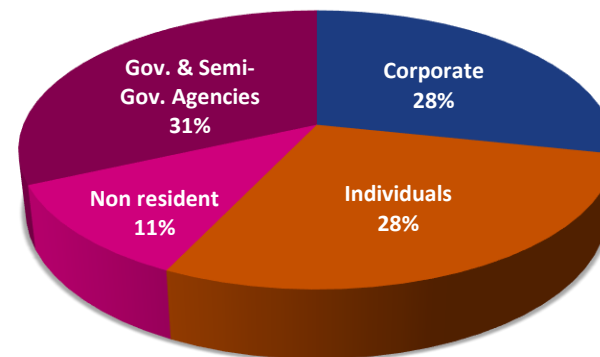


## Qatari banks deposits breakdown by sector – November 2023



Source: QCB

## Deposits by customer type – December 2023

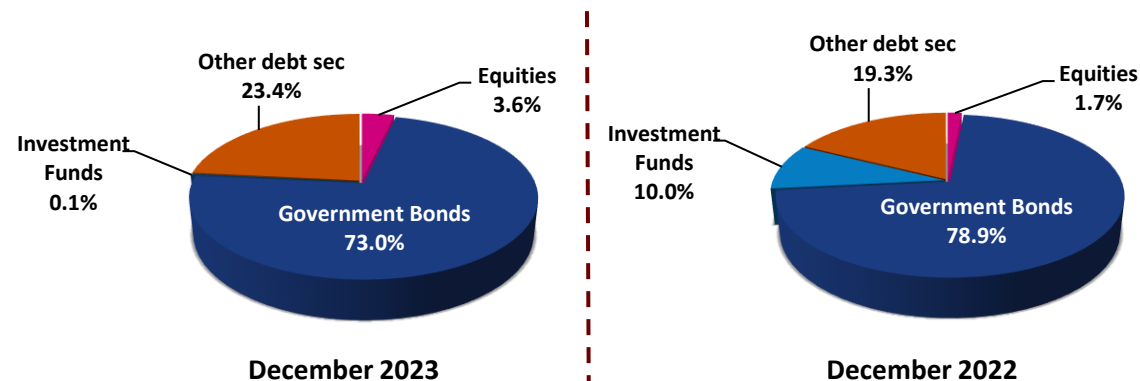


# Investment Portfolio – 31 December 2023: High asset quality with 73% of the portfolio invested in HQLA Government Bonds

## Summary

- ◆ Investment portfolio at QAR 30.8 billion at December 2023, was similar level to QAR 29.8 billion at December 2022.
  - ◆ Investments in highly rated Sovereign Bonds provides stability to the portfolio and makes it less volatile.
- ◆ 73.0% Government Bonds.
- ◆ 82.0% AAA+ to A- rated securities.

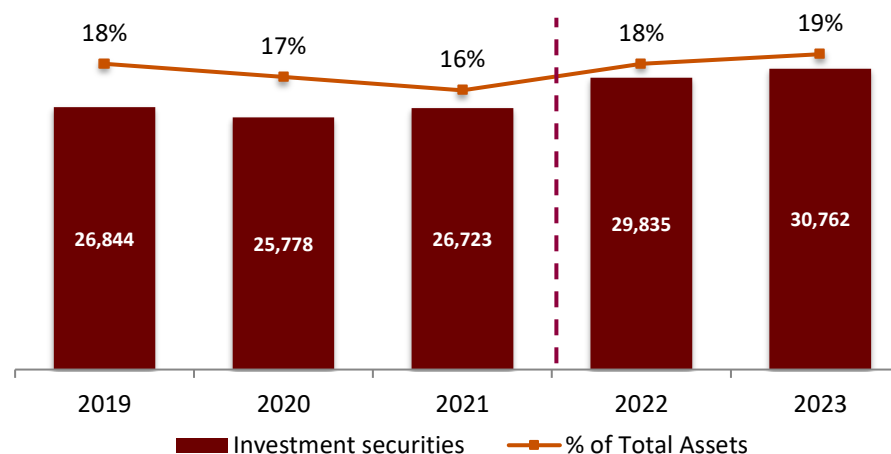
## Investment portfolio – 31 Dec 2023 vs 31 Dec 2022



## Investment portfolio by credit rating

Credit Rating	Portfolio Weight
AAA+ to A-	82.0%
BBB+ to BB-	4.3%
B+ to B-	5.5%
Unrated	8.2%

## Investment portfolio evolution (QAR million)



# Capitalization Levels – 31 December 2023

## Summary

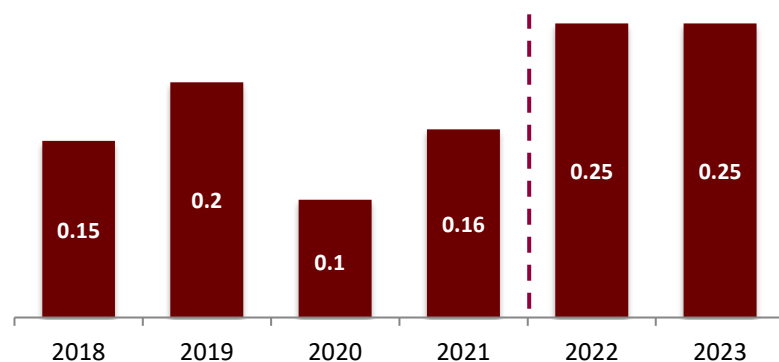
◆ During the year, movement in CAR is as follows:

<b>Opening CAR</b>	<b>17.3%</b>
<i>Movements:</i>	
Employee incentive phantom scheme shares	-1.1%
Fair value reserve and other reserves	-0.2%
Investment in AT1	-0.8%
Others	-0.3%

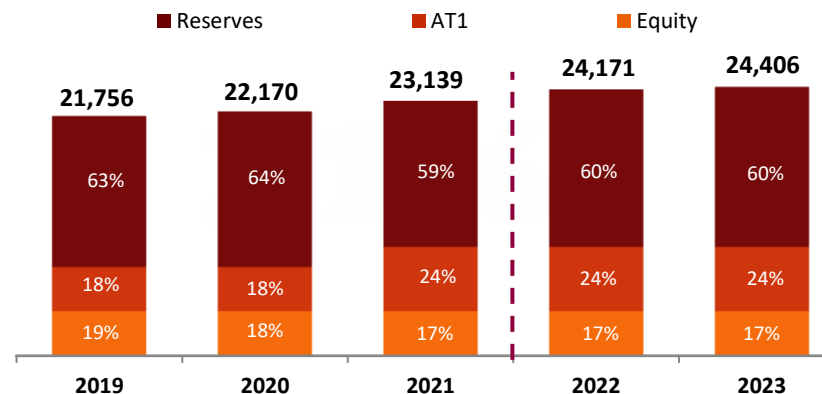
**Closing CAR** **14.9%**

◆ The directors have declared dividend of QAR 0.25 per share for approval at AGM.

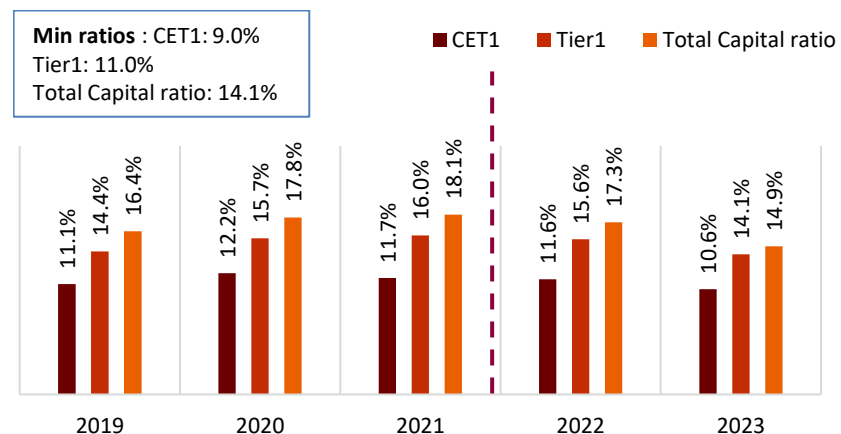
## Dividend distribution per share (QAR)



## Total Equity (QAR million)



## Capital Adequacy Ratio (Basel III)



## Commercial Bank Financial Performance – Year ended 31 December 2023 (CB Domestic)

### Profitability

QAR Million	FY 2023	FY 2022	%
Net interest income	3,528	3,547	-0.5%
Non-interest income	1,289	1,192	8.1%
Total costs	(1,069)	(907)	-17.8%
Net provisions	(886)	(1,227)	-27.7%
Net profit	2,860	2,604	9.8%

### Performance Ratios

	FY 2023	FY 2022
ROAA	1.8%	1.6%
NIM	2.7%	2.7%
Cost to income	22.2%	19.1%

### Balance Sheet

QAR Million	FY 2023	FY 2022	Var %
Total assets	158,393	159,870	-0.9%
Loans and advances	87,199	90,938	-4.1%
Investment securities	30,678	29,540	3.9%
Customer deposits	73,550	76,998	-4.5%
Total equity	25,363	26,421	-4.0%

### Capital

QAR Million	FY 2023	FY 2022
RWA (QAR million)	110,241	111,697
CET 1 ratio (Basel III)	10.6%	11.6%
Total Capital ratio (Basel III)	14.9%	17.3%

# Commercial Bank is committed to enhancing its Environmental, Social and Governance practices

## Selected ESG highlights

- Inaugural Sustainable Finance Framework launched December 2023
- Formal sustainability governance: Management-level Sustainability Committee with Board-level oversight
- ESG risk assessment criteria on lending and investment
- Remuneration linked to ESG
- First bank in Qatar to introduce deferred bonuses for Executive Management with provisions for malus and clawback
- Mandatory bonus deferrals for Executive Management in performance rights
- Signatory to UN Global Compact

## Sustainability strategy integrated with the corporate 5Cs

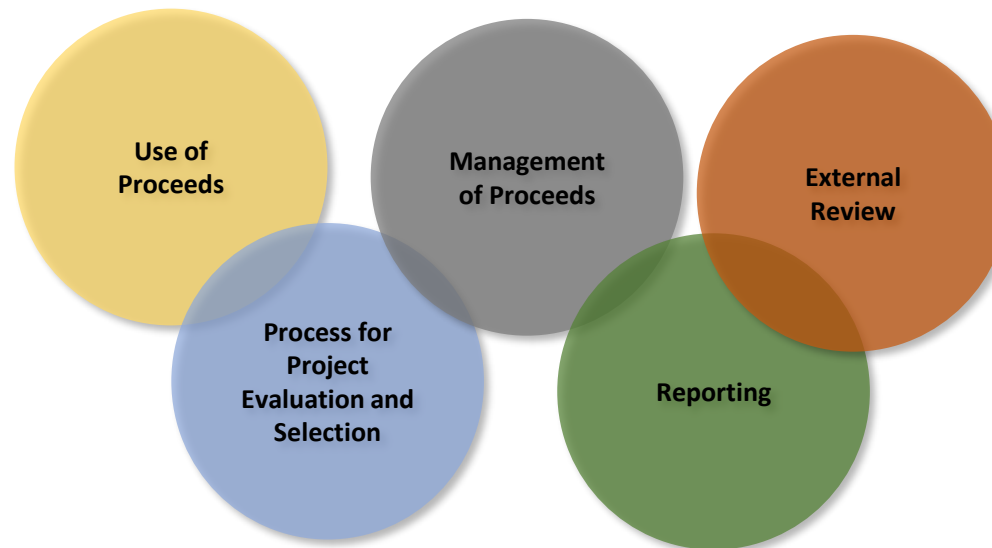


# Commercial Bank's Sustainable Finance Framework

## Purpose & Use

- To support the National Vision 2030 and Qatar's National Environment and Climate Change Strategy through enabling business growth and supporting our clients in their transition towards to sustainability.
- To use this Framework as the basis to issue Green, Social or Sustainability Bonds, Loans or other debt instruments ("Sustainable Financing Instruments").
- The relevant standards to be complied with are Green Bond Principles (GBPs), Social Bond Principles (SBPs), Sustainability Bond Guidelines (SBGs) from the International Capital Market Association (ICMA). Green Loan Principles (GLPs), Social Loan Principles (SLPs) from the Loan Market Association/Asia Pacific Loan Market Association (LMA/APLMA).

## Framework Process



- Commercial Bank appointed Sustainalytics as the Second Party Opinion (SPO) provider to assess the Sustainable Finance Framework and its alignment with the GBPs, SBPs, SBGs, GLPs and SLPs and provided with their confirmation.
- Further the Bank will engage a third party reviewer to provide an annual assessment on the alignment of the allocation of funds with the Framework's criteria to provide timely and transparent information.

# Commercial Bank's Sustainable Finance Framework

## Eligible Categories

### Eligible Green Categories

-  Renewable Energy
-  Clean Transportation
-  Green Buildings
-  Energy Efficiency
-  Sustainable Water and Wastewater Management
-  Pollution Prevention and Control



### Eligible Social Categories

-  Employment Generation, and Programs Designed to Prevent and/or Alleviate Unemployment Stemming from Socio-economic Crises
-  Food Security and Sustainable Food Systems
-  Access to Essential Services (Healthcare and Education)
-  Affordable Basic Infrastructure



- ECONOMY AND FIVE YEAR PLAN TARGETS
- CONSOLIDATED HIGHLIGHTS AND PERFORMANCE
- **SUBSIDIARY PERFORMANCE**



## Alternatifbank Results – Full year ended 31 December 2023

### Balance Sheet

TL million	12M 22	12M 23	%
<b>Assets</b>			
Cash and Balances with Central Bank	6,935	9,900	<b>43%</b>
Due from Banks	2,911	3,086	<b>6%</b>
Loans and Advances	36,379	34,758	<b>-4%</b>
Investment Securities	11,201	16,521	<b>47%</b>
All Other Assets	3,991	6,535	<b>64%</b>
<b>Total Assets</b>	<b>61,417</b>	<b>70,799</b>	<b>15%</b>
<b>Liabilities &amp; Equity</b>			
Due to banks	3,348	6,037	<b>80%</b>
Customer deposits	31,711	24,229	<b>-24%</b>
Other Borrowed Funds	18,595	28,852	<b>55%</b>
Other Liabilities	2,726	3,593	<b>32%</b>
<b>Shareholders Equity</b>	<b>5,037</b>	<b>8,090</b>	<b>61%</b>
<b>Total Liabilities and Equity</b>	<b>61,417</b>	<b>70,799</b>	<b>15%</b>

### Profitability

TL million	12M 22	12M 23	%
Operating Income	2,546	5,580	<b>119%</b>
Operating Expense	-844	-2,170	<b>157%</b>
Provisions	-112	-111	<b>-1%</b>
Profit Before Tax	1,591	3,300	<b>107%</b>
Income Tax Expense	-535	-483	<b>-10%</b>
Net Monetary Loss	-933	-2,349	<b>152%</b>
<b>Net Attributable Profit</b>	<b>123</b>	<b>467</b>	<b>280%</b>

### Alternatifbank of Turkey

- ◆ Operating income is at **5.6 billion TL** with **119%** YoY increase .
- ◆ Opex increase related with sticky inflation and indexation of expenses, 2023 YoY CPI at **64%** (2022: 65%).
- ◆ Profit before tax increase at **107%**.
- ◆ **Net Monetary Loss** increase at **1.4 billion TL** mainly due to increase in equity (appr. 3bn TL) and monthly CPI rates especially in Q3 23.
- ◆ 12M 23 **Net Attributable Profit** at **TL 467 million TL** with **280%** increase.

# Q&A