

H1 2023 Earnings Presentation

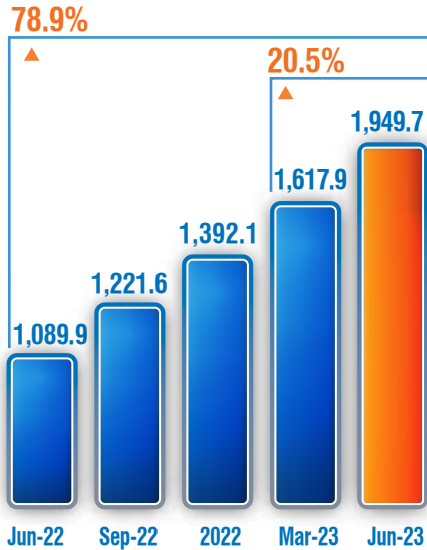
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PROFIT A BLE
RESI L IENT
RIS K CONSCIOUS
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Solid FX liquid assets backed by FX swaps

> FX LCR is at 276%, well above the regulatory limit of 80%.

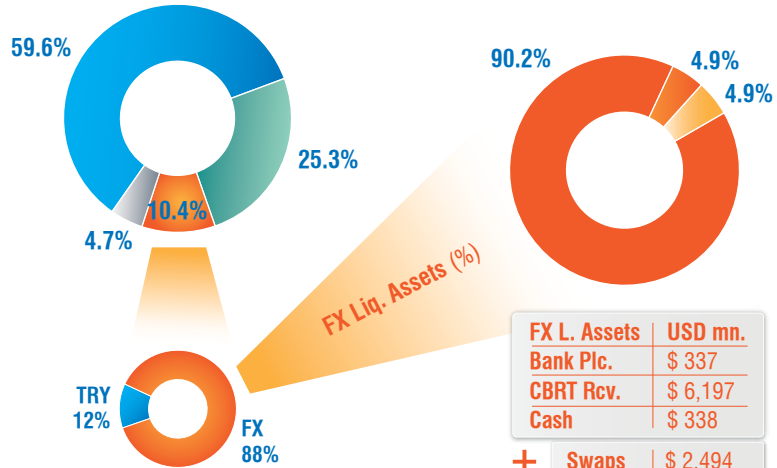
Asset Growth
 YoY **78.9%** QoQ **20.5%**

Total Asset Growth (TRY billion)



Asset Mix (%)

- Loans
- Securities
- Bank Placements
- CBRT Receivables
- Cash
- Liq. Assets
- Other Assets



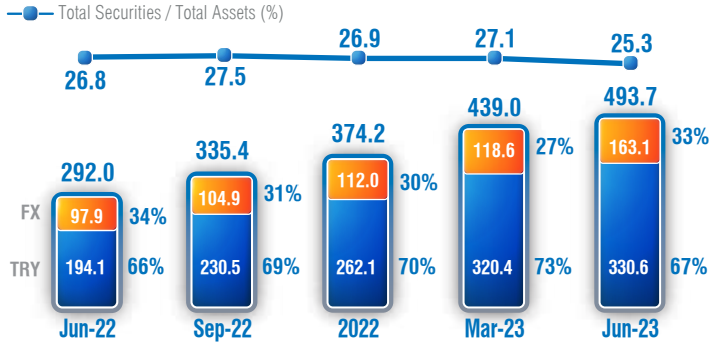
FX L. Assets	USD mn.
Bank Plc.	\$ 337
CBRT Rcv.	\$ 6,197
Cash	\$ 338

+ Swaps | \$ 2,494

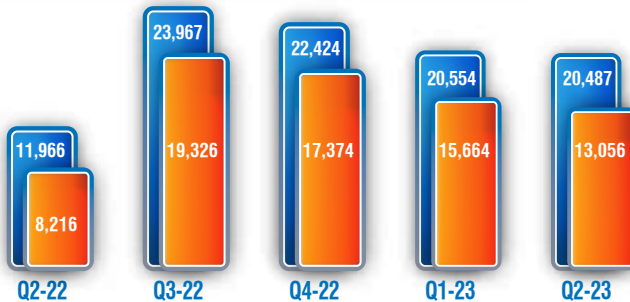
> FX wholesale funding (excluding bank deposits) due within 12 months = \$422 mn.

Notable gains on CPI-linkers

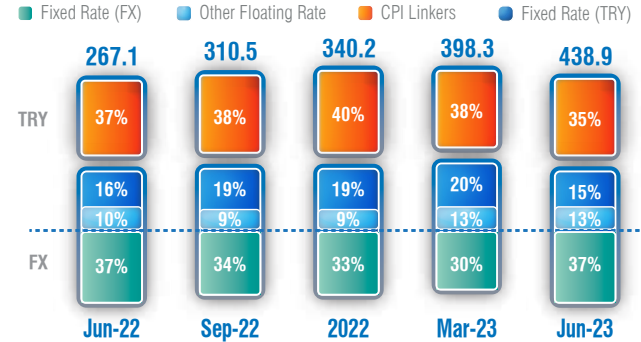
Total Securities Portfolio (TRY billion)



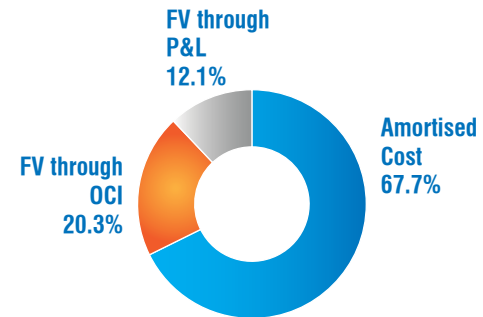
Interest Income on Securities (TRY million)



Securities Classification (TRY billion)^(*)



Securities Composition (%)



(*) Excluding borrowed securities

Strong loan growth on the selective segments, SME loans grew by 21.5% QoQ

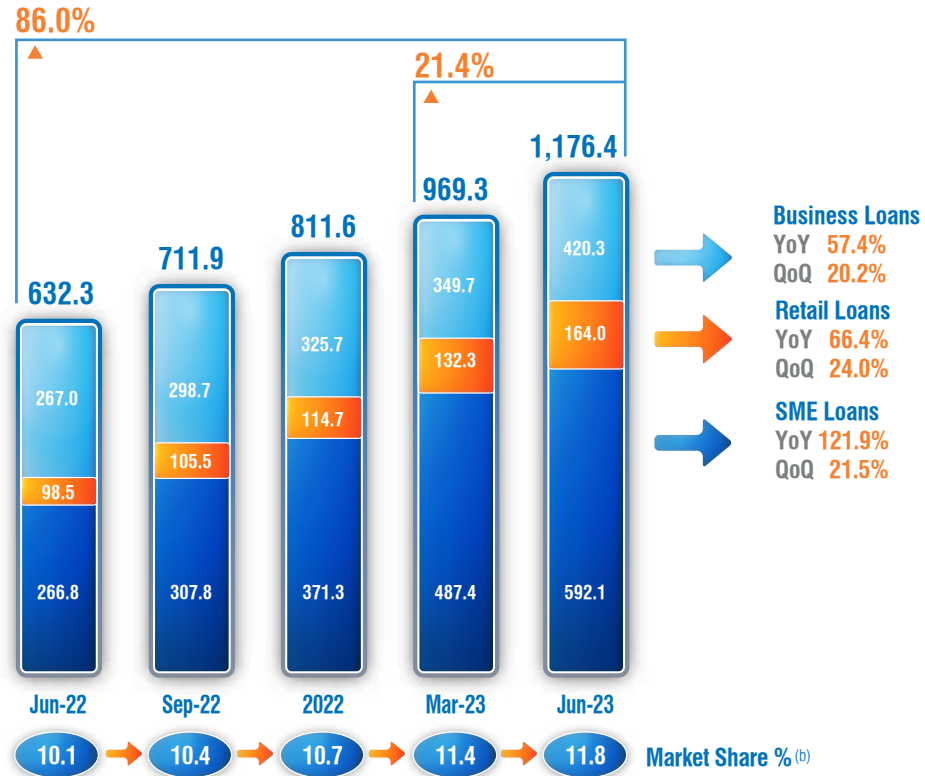
 (TRY billion)^(a)

CGF Utilisation (TRY bn)	Mar-23	Jun-23
Current loan amount	48.3	78.1

Total Loans	
HALKBANK	B. Sector^(b)
YoY	YoY
86.0%	59.4 %
QoQ	QoQ
21.4%	17.5 %

TRY Loans	
HALKBANK	B. Sector^(b)
YoY	YoY
100.1%	73.1 %
QoQ	QoQ
19.0%	11.6 %

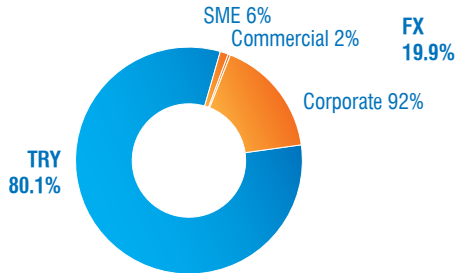
FX Loans	
HALKBANK	B. Sector^(b)
YoY	YoY
44.9%	37.5 %
QoQ	QoQ
31.9%	31.6 %
in USD terms	
YoY	YoY
-7.2%	-12.0 %
QoQ	QoQ
-2.8%	-3.0 %



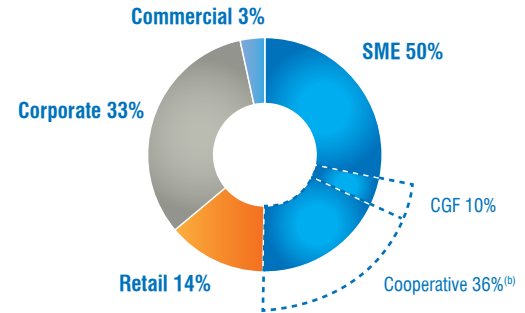
(a) Excluding interest accruals (b) BRSA monthly data as of Jun-23.

TRY and SME dominated loan portfolio

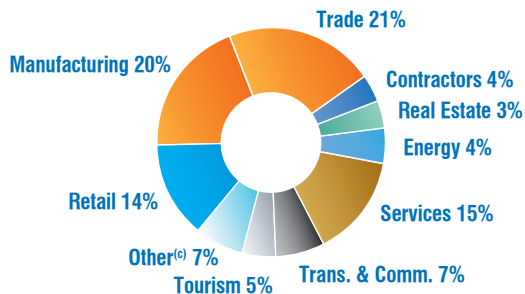
Loans by Currency (%)^(a)



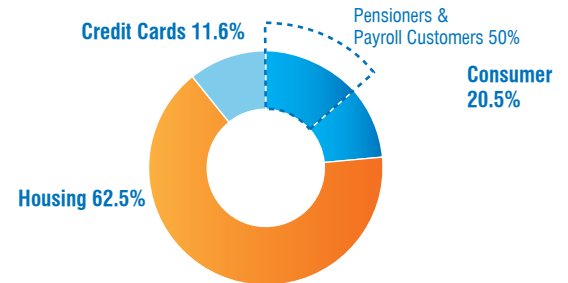
Loans by Customer Segmentation (%)^(a)



Sectoral Breakdown of Loans (%)



Retail Loans by Types (%)^(a)

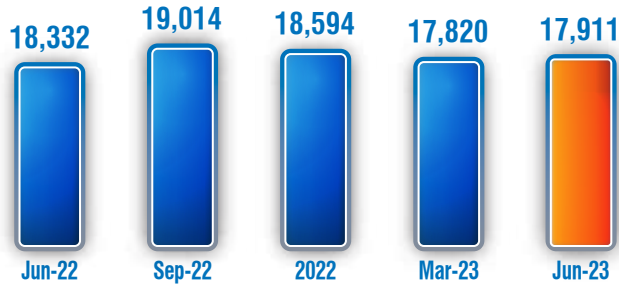


(Vehicle loans make up 5.4% of retail loans.)

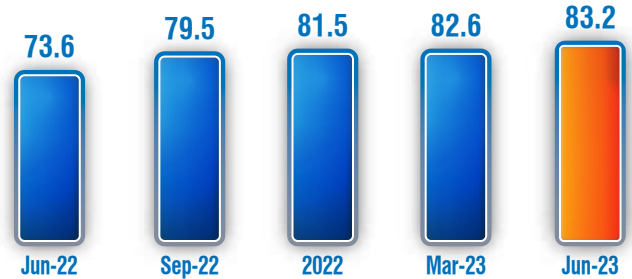
(a) Excluding interest accruals (b) Micro SMEs (c) Includes sectors below 3%.

NPL coverage reached up to 83.2% albeit limited NPL inflow

NPL Portfolio (TRY million)

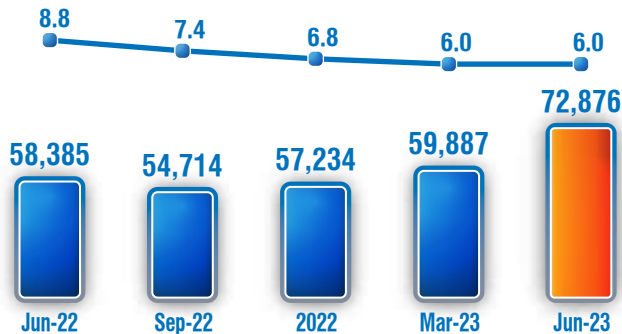


NPL Coverage (%)



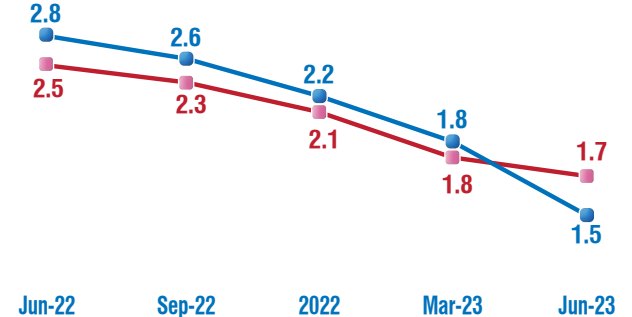
Loans under Close Watch (TRY million)

Loans under close watch/Loans (%)



NPL/Total Loans (%)

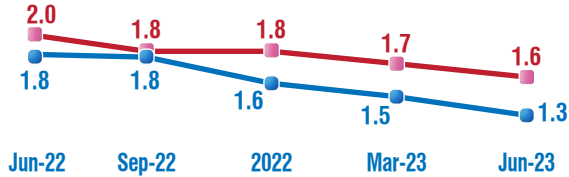
Halkbank Sector^(*)



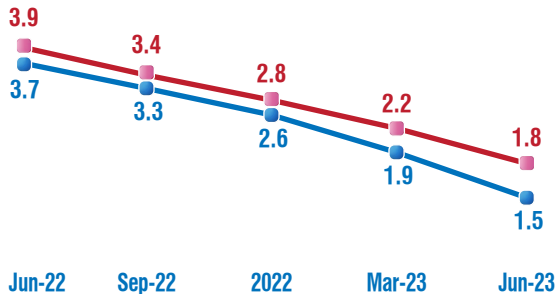
(*) BRSA monthly data as of Jun-23.

NPL ratio by segments

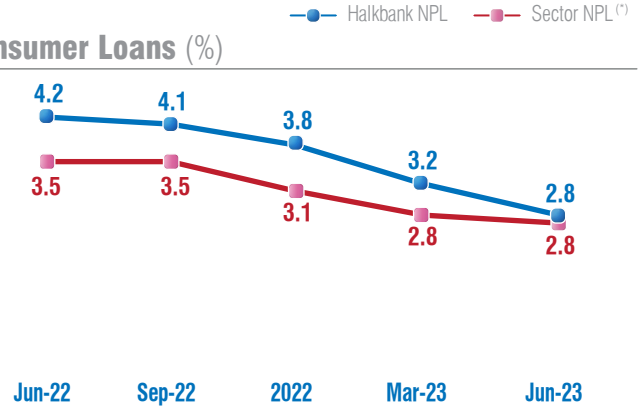
Corporate - Commercial (%)



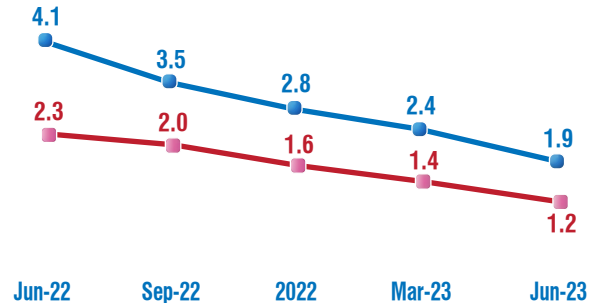
SME Loans (%)



Consumer Loans (%)



Credit Cards (%)



(*) BRSA monthly data as of Jun-23.

Total loan coverage stays at a comfortable level of 4.2%

Provisions and Reversals (TRY million)

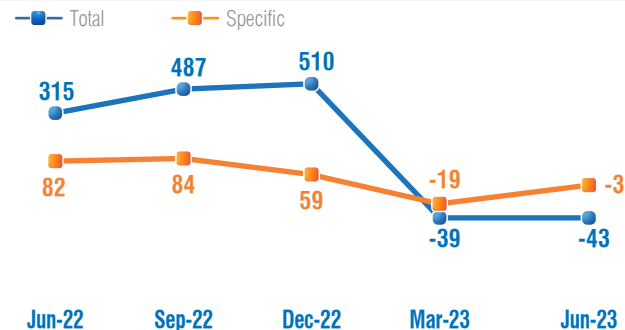
Quarterly

(TRY million)	Q2-22	Q3-22	Q4-22	Q1-23	Q2-23
S1 Provisions	2,154	6,404	3,217	323	-296
S2 Provisions	3,319	5,950	8,680	0	0
S3 Provisions	2,002	1,955	350	689	648
Total Reversals	437	347	304	1,894	1,667
Net Total CoR (bps)	453	789	598	-39	-48

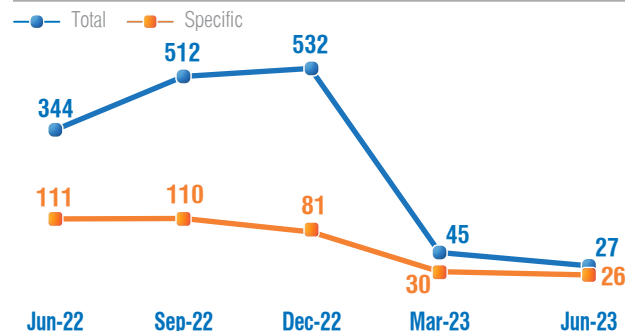
Coverage Ratios

	Jun-22	Sep-22	2022	Mar-23	Jun-23
Stage 1	0.66%	1.39%	1.58%	1.34%	1.06%
Stage 2	22.4%	32.0%	45.4%	42.4%	33.4%
Stage 3	73.6%	79.5%	81.5%	82.6%	83.2%
NPL (S1+S2+S3)	166.1%	220.6%	286.7%	294.9%	285.5%
Total Loans	4.60%	5.65%	6.33%	5.24%	4.22%

Net Cost of Risk (bps) (Cumulative)

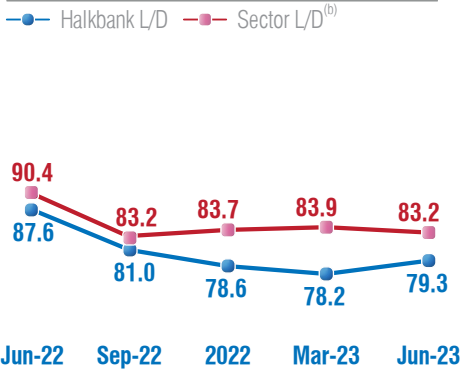


Gross Cost of Risk (bps) (Cumulative)

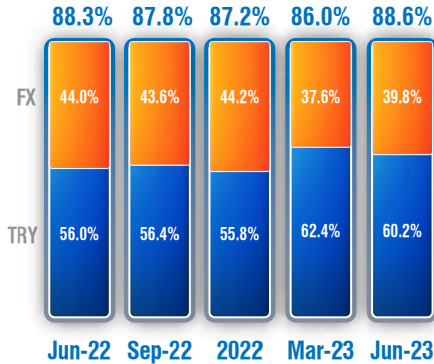


Loan to deposit ratio maintains a comfortable level of 79.3%

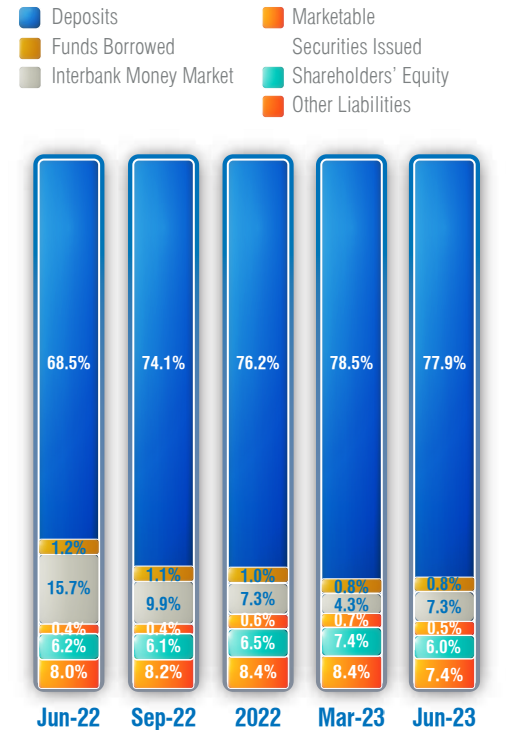
Loan to Deposit (%)



Composition of IBLs^(a)

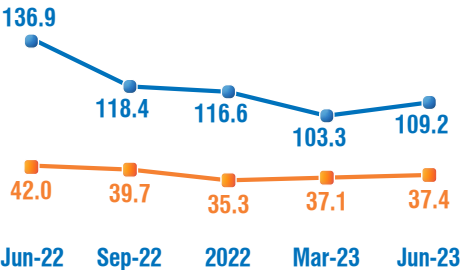


Liabilities Mix (%)



> FX wholesale funding makes up 3.2% of total liabilities vs sector average^(b) of 15.7%.

TRY L/D FX L/D



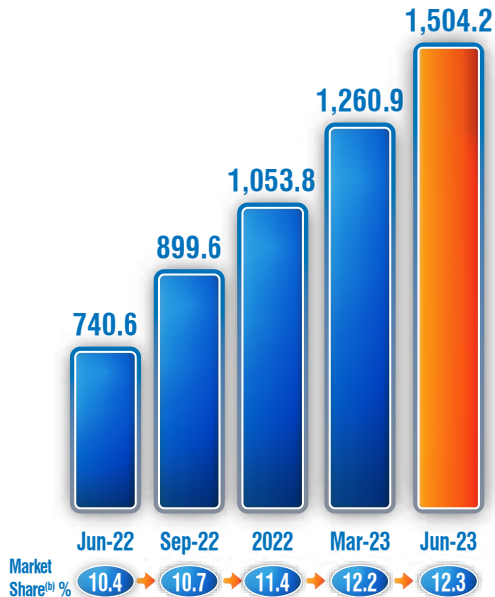
(a) Including interest accruals and excluding funds. Excluding demand deposits, the share of IBL is 66.8% in Jun-23.

(b) BRSA monthly data as of Jun-23, gross loans and including interbank deposits.

Solid TRY deposit growth, up by 12.3% QoQ

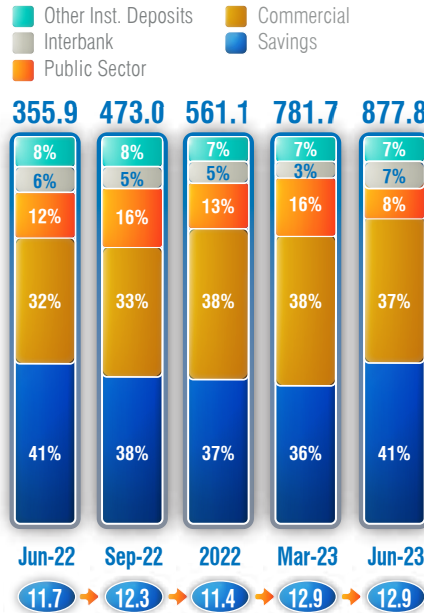
	HALKBANK	B. Sector ^(b)
YoY	103.1%	71.7 %
QoQ	19.3%	18.2 %

Total Deposits (TRY billion)^(a)



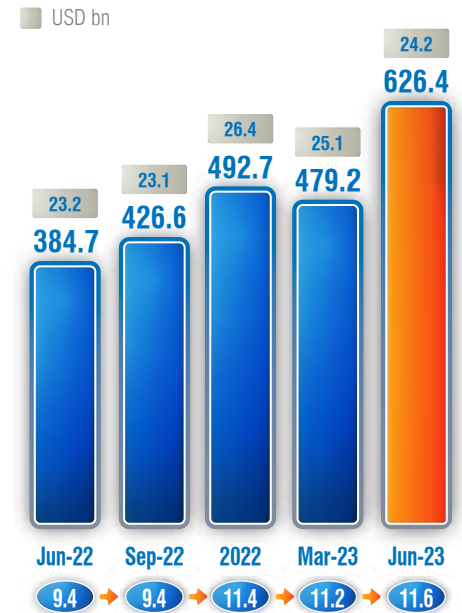
	HALKBANK	B. Sector ^(b)
YoY	146.6%	124.7 %
QoQ	12.3%	12.9 %

TRY Deposits (TRY billion)^(a)



	HALKBANK	B. Sector ^(b)
YoY	62.8%	32.3 %
QoQ	30.7%	25.8 %
in USD terms	YoY 4.2%	-15.3 %
	QoQ -3.6%	-7.3 %

FX Deposits (TRY billion)^(a)



(a) Excluding interest accruals. (b) BRSA monthly data as of Jun-23, including interbank deposits.

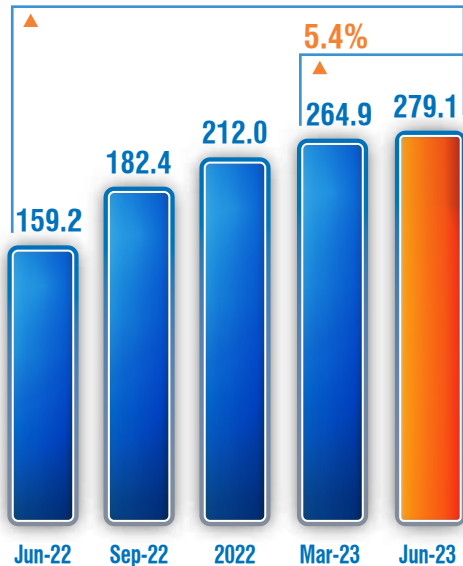
TRY deposits protected a 58% share within the total deposits

Demand Deposits (TRY billion)^(a)

—●— Demand Deposits/Total Deposits (%)

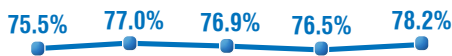


75.3%

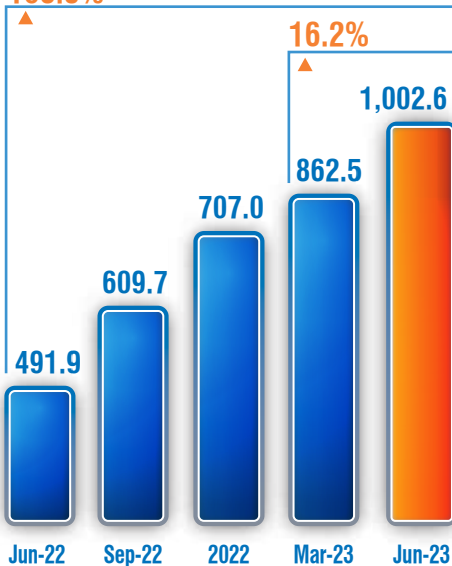


Time Deposits (TRY billion)^(a)

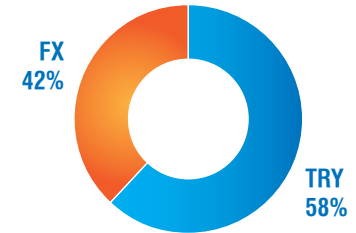
—●— Time Deposits/Total Deposits (%)



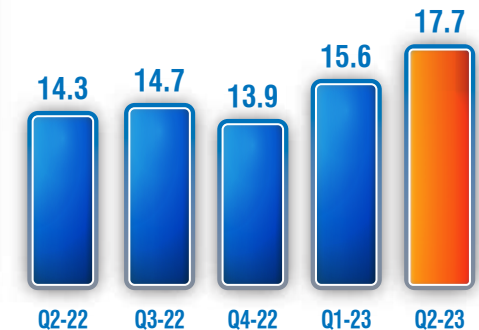
103.8%



Deposits by Currency (%)^(b)



Cost of TRY Deposits (%)^(c)

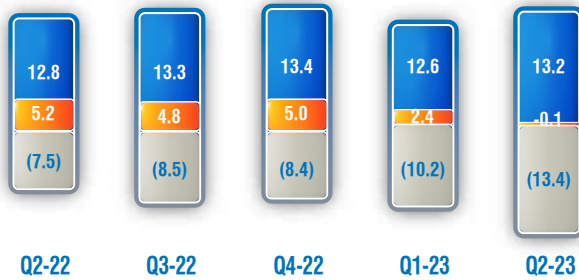


(a) Excluding interest accruals and interbank. (b) Excluding interest accruals. (c) Time & demand blended.

Cost – Yield – Spread

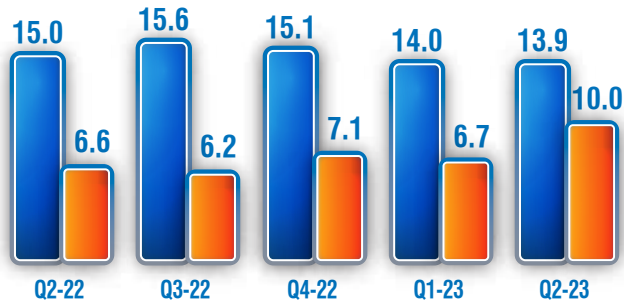
Blended Cost - Yield - Spread (%)

■ Yield on Loans
 ■ Cost of Deposits^(*)
 ■ Spread



Yield on Loans (%)

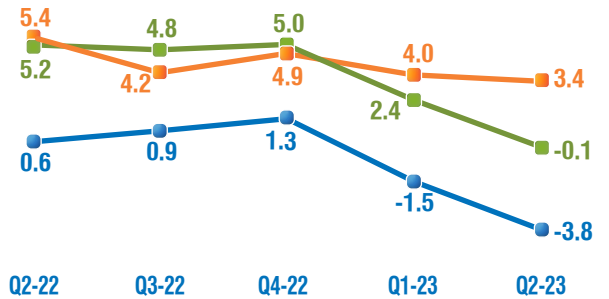
■ TRY
 ■ FX



(*) Time & demand blended.

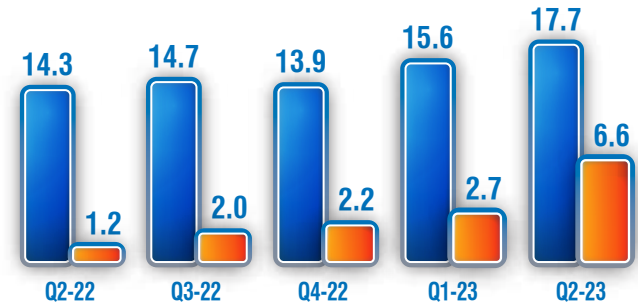
Spreads (%)

— TRY Core
 — FX Core
 — Blended Core



Cost of Deposits (%)^(*)

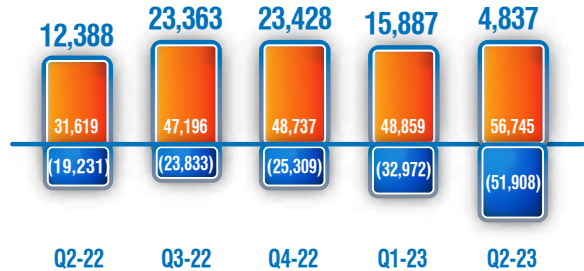
■ TRY
 ■ FX



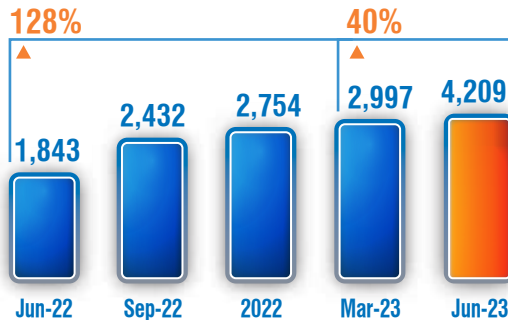
Significant performance in F&C, up by 128% YoY

Net Interest Income (TRY million)

Interest Income Interest Expenses

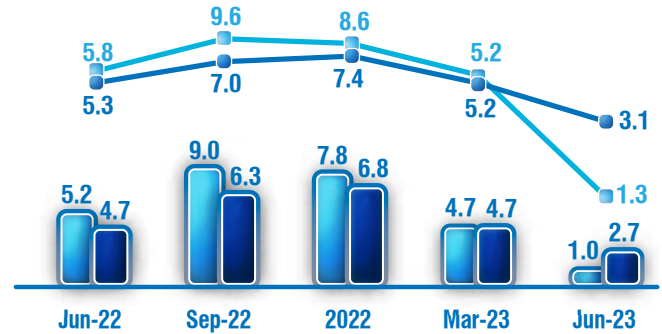


Net Fees & Commissions Income (TRY million)

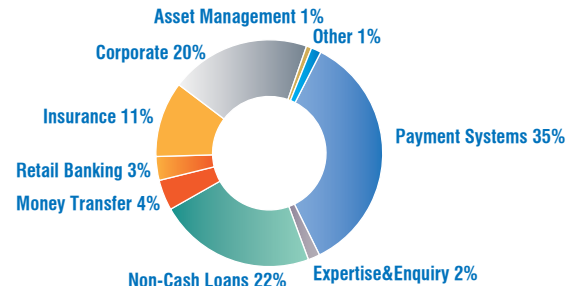


NIM (%)

YtD Quarterly Swap adj. (QoQ) Swap adj. (YtD)

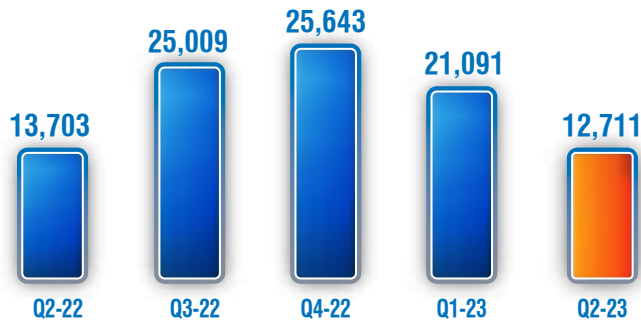


Breakdown of Fees & Commissions (%) (Cumulative)

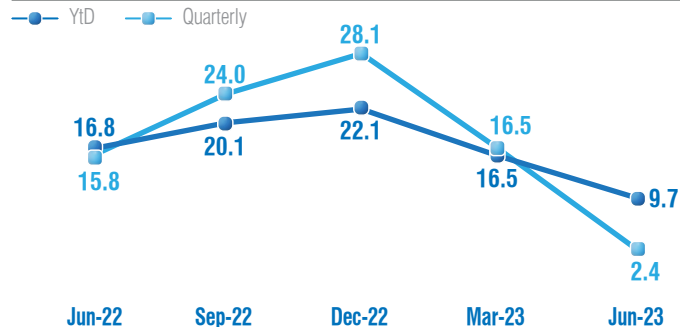


Details of profitability metrics

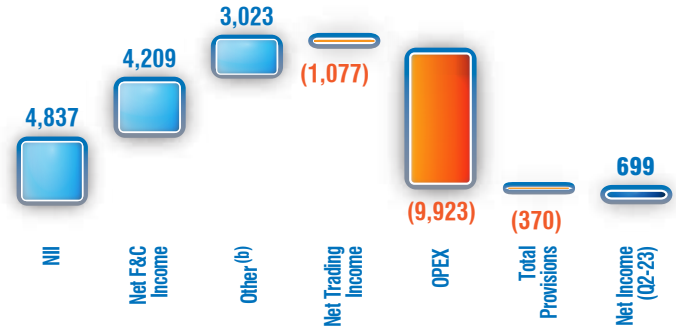
Total Operating Revenues (TRY million)^(a)



RoE (%)



Q2-23 Revenue Walk (TRY million)



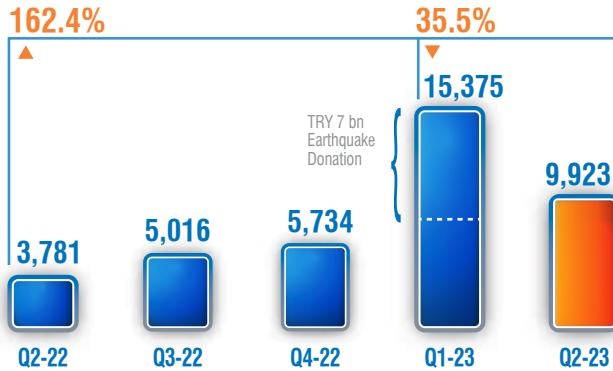
RoA (%)



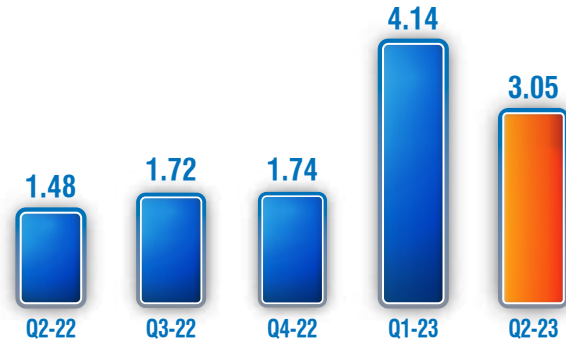
(a) Net Interest Income + Net Fees & Commissions + Net Trading Income + Other Operating Income (b) Other Operating Income + Tax Provisions + Dividend

Disciplined OPEX management, down by 35.5% QoQ

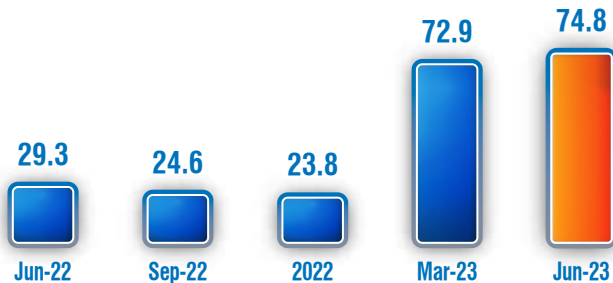
Operating Expenses (TRY million)



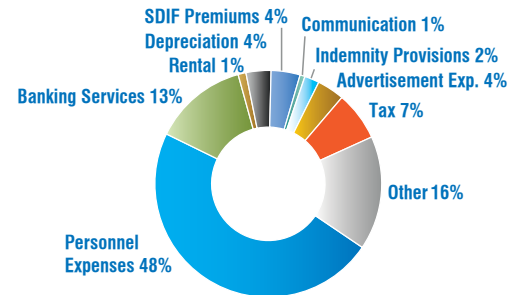
Operating Expenses / Average Assets (%)



Cost/Income (%)



Breakdown of Operating Expenses (%)



Solvency Ratios

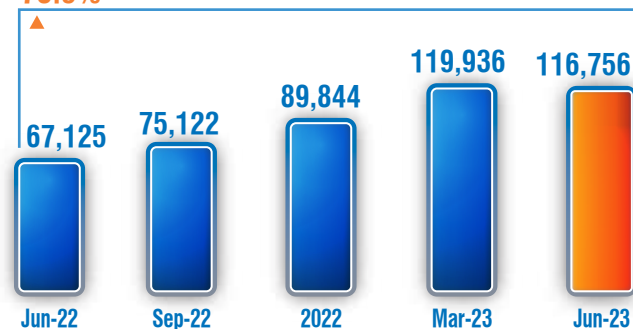
CAR (%)

● Tier-I ● CAR



SHE (TRY million)

73.9%



Details on Capital Ratio

Details on Capital Ratio (TRY mn)

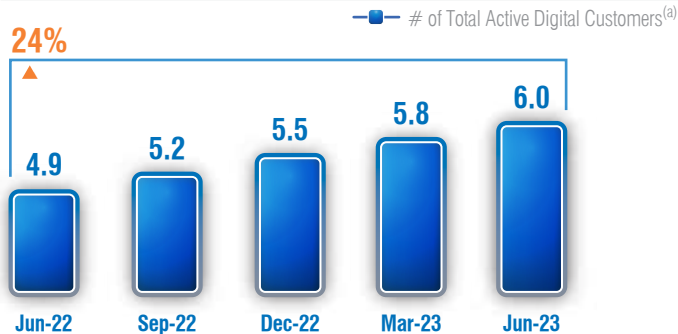
	Cons. Basel III Jun-23	Uncons. Basel III Jun-23
Credit Risk Base Amount (CRBA)	1,092,254	1,055,541
Market Risk Base Amount (MRBA)	44,463	43,088
Operational Risk Base Amount (ORBA)	69,046	66,028
Total Risk Weighted Assets (RWAs)	1,205,763	1,164,656
Regulatory Capital	160,941	159,457
CAR (%)	13.35	13.69
Tier-I (%)	11.78	12.11
Common Equity Tier-I (%)	9.66	9.92

Basel III Capital Requirements	Minimum	Capital Conservation Buffer	Counter Cyclical Buffer*	SIFI Buffer	Consolidated Regulatory Requirements
CAR (%)	8.00	2.50	0.05	1.00	11.55
Tier-I (%)	6.00	2.50	0.05	1.00	9.55
CET-I (%)	4.50	2.50	0.05	1.00	8.05

(*) Countercyclical Capital Buffer is 0.01% on an unconsolidated basis.

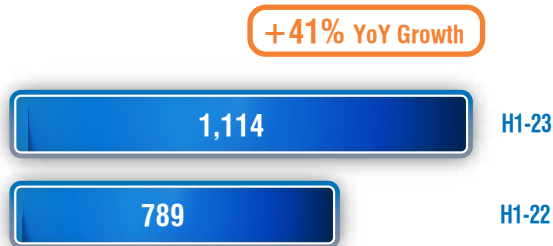
Consecutive increase on the total number of Active Digital Customers, up by 24% YoY

Active Digital Customers by Types (Million)

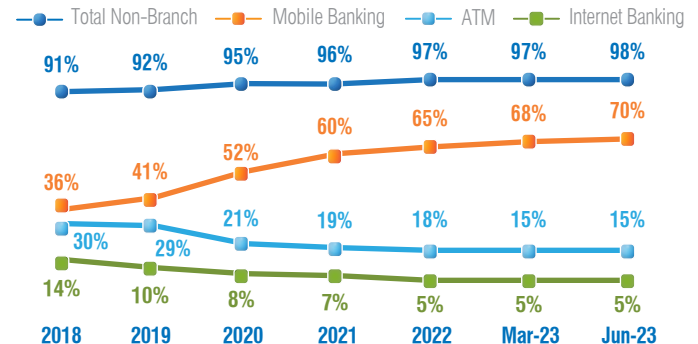


of active digital banking customers increased 24% YoY and reached 6 million

Digital Transactions Growth (Cumulative) (Million)^(b)



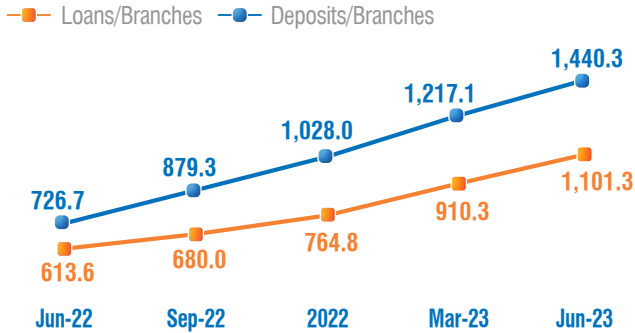
Evolution of Transactions per Channel (% Share)



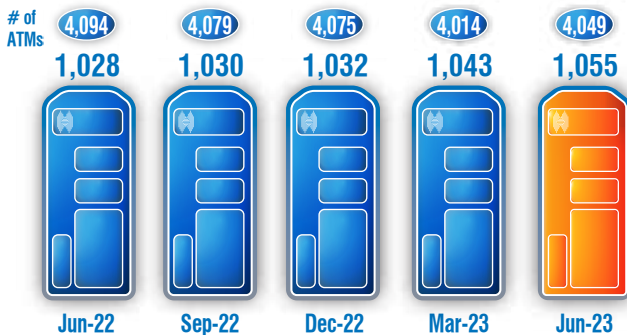
(a) Internet-only customers + Mobile-only customers + Those customers who use both internet and mobile (b) Total number of digital transactions (mobile and internet) on a 6-month cumulative basis

Branch Network – Human Resources

Loans and Deposits per Branch (TRY million)

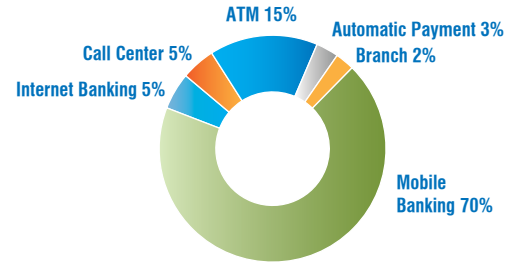


Branches^(*)

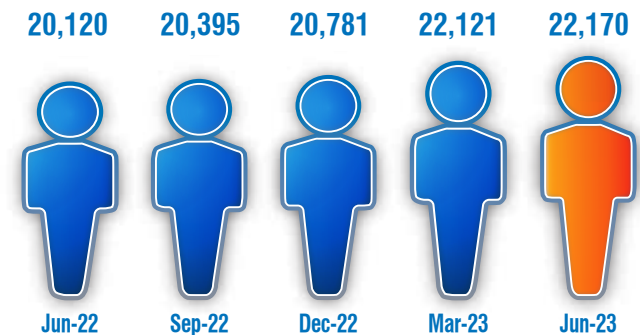


(*) Domestic branches

Breakdown of Banking Transactions (%)



Headcount



Annex

Halkbank	TRY Million	Market Share (%)
Total Assets	1,949,743	10.2
Loans ^(a)	1,176,376	11.8
TRY Loans	942,115	14.1
FC Loans	234,261	7.1
SME Loans	592,111	20.9
Corp. + Comml. L.	420,252	8.4
Retail Loans	164,013	7.5
Housing	102,453	23.4
GPLs	33,659	3.9
Credit Cards	19,103	2.4
Auto	8,798	10.6

(a) Excluding interest accruals.

Banking Sector Metrics ^(b)	H1-22	H1-23
Loan Growth (YtD, %)	28.1	32.0
Deposit Growth ^(c) (YtD, %)	28.8	32.1
LDR (%)	90.4	83.2
NPL (%)	2.5	1.7
CoR ^(d) (bps)	161	72
Macroeconomic Indicators	H1-22	Current
GDP Growth (%)	7.8	4.0 ^(e)
CPI (%)	78.6	47.8 ^(f)
Unemployment (%)	10.4	9.5 ^(g)
CBT Policy Interest Rate (%)	14.00	17.50

(b) BRSA monthly data as of Dec-22 and Jun-23.

(c) Including interbank deposits.

(d) S3 Provisions/Av. Gross Loans

(e) Turkish Statistical Institute (TSI), 2023/1.

(f) TSI, Jul-23.

(g) TSI, May-23.

Balance Sheet

In TRY million	H1-22	2022	Mar-23	H1-23	QoQ (%)	YtD (%)	YoY (%)
Cash and Balances Held with the Central Bank ^(a)	122,063	158,994	153,081	192,165	25.5	20.9	57.4
Banks & Money Market ^(b)	9,147	7,177	8,393	11,065	31.8	54.2	21.0
Securities ^(b)	291,989	374,181	439,032	493,729	12.5	31.9	69.1
Net Loans ^(b)	630,753	789,308	949,486	1,161,900	22.4	47.2	84.2
Gross NPL	18,332	18,594	17,820	17,911	0.5	(3.7)	(2.3)
NPL Net	2,972	1,675	1,402	1,349	(3.7)	(19.4)	(54.6)
Property and Equipment	8,478	12,643	12,089	15,962	32.0	26.2	88.3
Other Assets	27,476	49,836	55,841	74,924	34.2	50.3	172.7
Total Assets	1,089,907	1,392,140	1,617,922	1,949,743	20.5	40.1	78.9
Deposits ^(b)	747,073	1,060,923	1,269,386	1,519,498	19.7	43.2	103.4
Funds Borrowed ^(b)	13,548	13,422	12,685	15,882	25.2	18.3	17.2
Interbank Money Market ^(b)	170,734	102,159	69,638	143,293	105.8	40.3	(16.1)
Marketable Securities Issued	4,125	8,976	10,858	10,056	(7.4)	12.0	143.8
Funds	14	238	23	24	6.2	(89.9)	73.2
Other Liabilities	82,900	107,862	127,454	135,210	6.1	25.4	63.1
Provisions	4,387	8,717	7,942	9,025	13.6	3.5	105.7
Shareholders' Equity	67,125	89,844	119,936	116,756	(2.7)	30.0	73.9
Total Liabilities	1,089,907	1,392,140	1,617,922	1,949,743	20.5	40.1	78.9

(a) Reserve deposits monitored in balance with Central Bank

(b) Including interest accruals

Income Statement

In TRY million	H1-22	H1-23	YoY (%)	Q2-22	Q1-23	Q2-23	QoQ (%)	YoY (%)
Interest Income	58,041	105,604	81.9	31,619	48,859	56,745	16.1	79.5
On Loans	36,286	63,935	76.2	19,410	27,966	35,968	28.6	85.3
On Securities	21,152	41,040	94.0	11,966	20,554	20,487	(0.3)	71.2
Interest Expense	36,586	84,880	132.0	19,231	32,972	51,908	57.4	169.9
On Deposits	25,612	75,089	193.2	13,560	29,617	45,472	53.5	235.3
Net Interest Income	21,455	20,723	(3.4)	12,388	15,887	4,837	(69.6)	(61.0)
Net Fees and Commissions	3,277	7,206	119.9	1,843	2,997	4,209	40.4	128.4
Net Trading Income	(2,559)	(1,392)	(45.6)	(1,543)	(315)	(1,077)	241.6	(30.2)
Swap Cost	(2,451)	(2,568)	4.8	(1,351)	(1,420)	(1,148)	(19.1)	(15.0)
Other Operating Income	1,580	7,264	359.7	1,015	2,522	4,742	88.0	367.1
Reversal of Loan Loss Provisions	854	1,495	75.2	437	1,115	380	(65.9)	(13.0)
Total Operating Revenues	23,753	33,802	42.3	13,703	21,091	12,711	(39.7)	(7.2)
Operating Expenses	6,966	25,298	263.2	3,781	15,375	9,923	(35.5)	162.5
Net Operating Income	16,787	8,503	(49.3)	9,922	5,716	2,788	(51.2)	(71.9)
Provision for Loan Losses and Other Receivables	10,536	1,401	(86.7)	7,487	1,031	370	(64.1)	(95.1)
Stage 3 Provisions	3,296	1,337	(59.4)	2,002	689	648	(6.0)	(67.6)
Profit/(Losses) from Associates	381	44	(88.4)	381	1	43	N/A	(88.7)
Income Before Taxes	6,631	7,146	7.8	2,816	4,685	2,461	(47.5)	(12.6)
Provision for Tax	2,031	2,191	7.9	241	429	1,762	310.4	630.8
Net Income	4,600	4,955	7.7	2,575	4,256	699	(83.6)	(72.9)

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