

Halkbank's Total Loans Exceed 1 Trillion TRY

Halkbank's total loans rose by 70 percent year-on-year to exceed 1 trillion Turkish lira by the end of the third quarter. During the same period, the Bank's asset size increased by 68.7 percent and surpassed 1.2 trillion Turkish lira. The share of SME loans in the cash loans, excluding retail loans, reached 51 percent. Therefore, the Bank achieved an 18-percent share in the SME loans market. Halkbank CEO Osman Arslan noted that they aim to help build upon the steady economic progress achieved throughout the third quarter, which extends over the summer, well into the final quarter of the year, and continued: "Our greatest desire is for our country to begin the new century of our Republic with boosted competitive power for existing businesses and to see promising new enterprises blooming in an environment conducive to growth."

Halkbank grew its total loans by 70 percent on a year-on-year basis, exceeding 1 trillion Turkish lira at the end of the first nine months of the year while increasing its total deposits by 69.4 percent to 906 billion Turkish lira. During the same period, the Bank's asset size surpassed 1.2 trillion Turkish lira. As the world faces extraordinary times especially with the Russo-Ukrainian War, **Halkbank CEO Osman Arslan** said they aim to help maintain the stability of the national economy throughout the final quarter of the year, adding:

"While the financial costs impacted by the increasing global interest rates have negative implications for investors, the Turkish banking system experienced a productive 10 months and continues to improve loan facilities each day for the private sector. Given the current energy crisis, many European countries dread the winter months. However, our country has no concerns on the matter. Our greatest desire is for our country to begin the new century of our Republic with boosted competitive power for existing businesses and to see promising new enterprises blooming in an environment conducive to growth. We continue to create an environment for 2023 where the national economy develops, inflation declines significantly, and investments persist at the current rate. The government's guiding steps in the upcoming period will rebrand the Century of Türkiye as a new approach in economic development on a global level."

"The Treasury-Backed Loan Package of 100 billion TRY with Interest Rate Support Is Now Available"

Arslan affirmed that Halkbank continues to support small and medium enterprises with a 51-percent share of SME loans in cash loans, excluding retail loans, and added: **"Our Bank has an 18-percent market share here, and we contributed to maintain the production and employment power of enterprises by means of our continuous financial support."**

Arslan also noted their acknowledgement of artisans and tradespeople as the key components to render development permanent:

"Our country's 2 million artisans and tradespeople ensure the continuity of economic vigor and the positive cash flow effects within every segment of society. By the end of the third quarter, our Bank's total loan amount for tradespeople reached 97.5 billion Turkish lira while the number of tradespeople using loans showed a 42-percent increase during the first nine months compared to

the same period in the previous year. Furthermore, upon Presidential decision, we launched the Treasury-Backed Loan Package of 100 billion Turkish lira with Interest Rate Support, which will be available through our Bank on a 60-month term and with a 7.5-percent interest rate. Our Bank will continue to support artisans and tradespeople with the same determination.”

“Halkbank Focuses on Supporting Entrepreneurs”

Arslan stated that Halkbank launched the Women Entrepreneurs Loan Package last year and reached 147,000 women entrepreneurs across Türkiye since the beginning of the program, and added:

“Our Bank aims to contribute to the development of women entrepreneurs and women’s cooperatives. Our related loan volume has already reached 19.1 billion Turkish lira. We continued our Productive Women Meetings with entrepreneurs in Diyarbakır, Kocaeli, Rize, and Erzurum during the third quarter of the year and completed the preliminary preparations for the second Productive Women Competition. The awards ceremony for the competition, which was announced in October, will be organized on March 8, 2023, International Women’s Day. We provided financial support to 47 cooperatives around Türkiye as part of our Women’s Cooperatives Support Package. We will continue to fulfill all the needs of women’s cooperatives from cash to banking services and contribute to their branding efforts through our Productive Women’s Academy.”

Highlighting that Halkbank focuses on supporting entrepreneurs, **Arslan** provided the following information on their activities in the third quarter:

“We continue our support of young university-graduate entrepreneurs who have no experience in their related fields but are interested in launching their own business or have already started their business in their respective fields. With this wide range of products, our Bank has enabled 64,000 entrepreneurs to benefit from a support of 12.3 billion Turkish lira.

“Paraf Livened Up with A New Face”

Osman Arslan noted that Paraf, which is celebrating its 10th anniversary this year, has livened up with a new face:

“Having already reached almost 5 million users, this year, Paraf added Paraf Premium to its extensive portfolio, which addresses the special needs of our clients in all segments. Exclusively developed for large-deposit holders, Paraf Premium is part of our solutions formulated through the analysis of client behaviors and habits via new technological methods. We also thoroughly analyzed the consumption habits of the youth in the same period and launched the Genç Kart to help young people aged 18–26 throughout their higher education. We will continue to develop tailored solutions for young people through our next-generation banking services.”

Noting that preliminary preparations are launched for Halkbank on Campus, **Arslan** explained, “Our Bank will accompany thousands of young people on their career journey through its Halkbank on Campus mobile application. Young people who download the Halkbank on Campus app will receive professional support during their career choices to prepare them for business life. Establishing warm and sincere communication with young people will always be a priority.”



Halkbank Launches Its First Metaverse Banking Branch in Its Local Universe

Osman Arslan emphasized that Halkbank has recently established a Metaverse Department, which helps better utilize its digital knowledge in banking operations, as well as a Metaverse Branch and an activity center, and continued:

“The banking industry has always been a leader in technological transformation in Türkiye. Many innovations concerning digitalization began in this industry. At Halkbank, our doors are open to the digital world. We will be organizing fairs, concerts, and training programs at the Halkbank Activity Center adjacent to our Metaverse Branch. We will maintain our efforts to accelerate our bank’s adoption of new technologies and to make our presence in the metaverse permanent.”

“We Adopt a Science-Based Approach to Combat Global Climate Change”

Highlighting that successful financial results bring significant responsibilities, **Osman Arslan** concluded:

“At Halkbank, we assume a pioneering role in the Turkish banking industry and remain determined to introduce exemplary practices. Our Bank has committed to harmonizing all its operations with net-zero emission targets by 2050 in line with the Paris Climate Agreement and has joined the Net-Zero Banking Alliance convened by the United Nations Environment Programme Finance Initiative. As a step forward in this direction, Halkbank became the first Turkish bank to commit to becoming “Net Zero” both in its direct operations and for its portfolio emissions as part of the Science Based Targets Initiative (SBTI), which was launched in partnership with the United Nations Global Compact for companies to declare their science-based carbon emission reduction targets.

Halkbank Once Again Named Bank of the Year

Continuing the success it saw in 2021, Halkbank again received the Gold Stevie Award and was named “Company of the Year” both in banking and financial services at the “International Business Awards,” the largest awards program of the Stevie Awards, a leading global award program that is known as the Oscars of the business world. Halkbank received 8 Gold, 11 Silver, and 10 Bronze Stevie Awards at the 19th year of the ceremony and became one of the highest award winners globally with a total of 29 awards. Additionally, Halkbank CEO Osman Arslan became the Gold Stevie Winner in the “Executive of the Year - Banking” category for his leadership and contributions to the success of his organization.



HALKBANK SUMMARY FINANCIAL STATEMENT

Million TRY

| | Sep. 21 | 2021 | Sep. 22 | Sep. 22–Sep. 21 | |
|----------------------------------|----------------|----------------|------------------|-----------------|----------------|
| | | | | YoY Change | YoY Change (%) |
| Total Assets | 724.242 | 901.217 | 1.221.622 | 497.380 | 68,7 |
| Securities | 173.880 | 223.301 | 335.373 | 161.494 | 92,9 |
| Cash Loans | 462.950 | 539.588 | 742.360 | 279.410 | 60,4 |
| Non-Cash Loans | 140.128 | 190.941 | 283.096 | 142.968 | 102,0 |
| Total Loans | 603.078 | 730.529 | 1.025.456 | 422.377 | 70,0 |
| Deposits | 534.754 | 625.904 | 905.706 | 370.952 | 69,4 |
| Shareholders' Equity | 42.227 | 43.500 | 75.122 | 32.895 | 77,9 |
| Net Income for the Period | 215 | 1.508 | 8.905 | 8.690 | - |

Rediscounts included.

Rediscounts and gross non-performing loans are included in cash loans.