

AKBANK

3Q23 Consolidated
Financial Results

Demonstration of financial strength & operational resilience

CAR ⁽¹⁾
18.4%

Superior Capital Buffers

- Significant competitive advantage for sustainable & profitable growth
- 20.2% excl. temporary RW increases ⁽²⁾ applied by BRSA for certain consumer & commercial loans

TL loans
repricing in 6M
75%

Agile ALM & Active BS Hedging

- Strategic & timely positioning in securities
- 75% of TL loans will reprice / mature in the next 6 months bulk o/w is within the 3 months

Govt. bonds
for CBRT pledge
/ Assets
~3%

Proactive Compliance with Regulations

- Fixed rate bonds for CBRT pledge is at TL 46 bn as of Sep'23
- New purchases mostly due to eligibility criteria ⁽³⁾ with significantly higher rates

Sticky TL
deposits ⁽⁴⁾
65.0%

Solid Deposit Franchise

- +50 bps & +80 bps market share gains in widespread consumer-only TL time & TL demand deposits YtD (+180 bps & +140 bps vs 21YE)
- +110 bps market share gain in TL deposits under 1 mn YtD (+360 bps vs 21YE) ⁽⁵⁾

FX liquidity ⁽⁶⁾
\$10.0bn

Robust FX Liquidity Buffer

- More than 4x FX liquidity buffer vs ST FX debt
- Sound FX LCR is 227% despite proactive positioning in 3 months swaps (excl. from LCR calculation)

Stage 2+3
coverage
28.9%

Prudent Risk Management

- Optimized portfolio supported by AI based loan decision models for the mass segment & solid reserve built
- Stage 2+3 loans / Total is limited to 9.0%
- Coverage ratio for all stages increased YtD

(1) w/o forbearances: Fixing MtM losses of securities & FX rate for RWA calculation to 2022YE FX rate

(2) BRSA implemented higher RW for newly generated consumer CCs, GPLs (from 75% to 150%) & comm. loans excl. SME, export, investment (from 100% to 200%)

(3) Maturity should be 5 years or more & remaining maturity should be 4 years or more

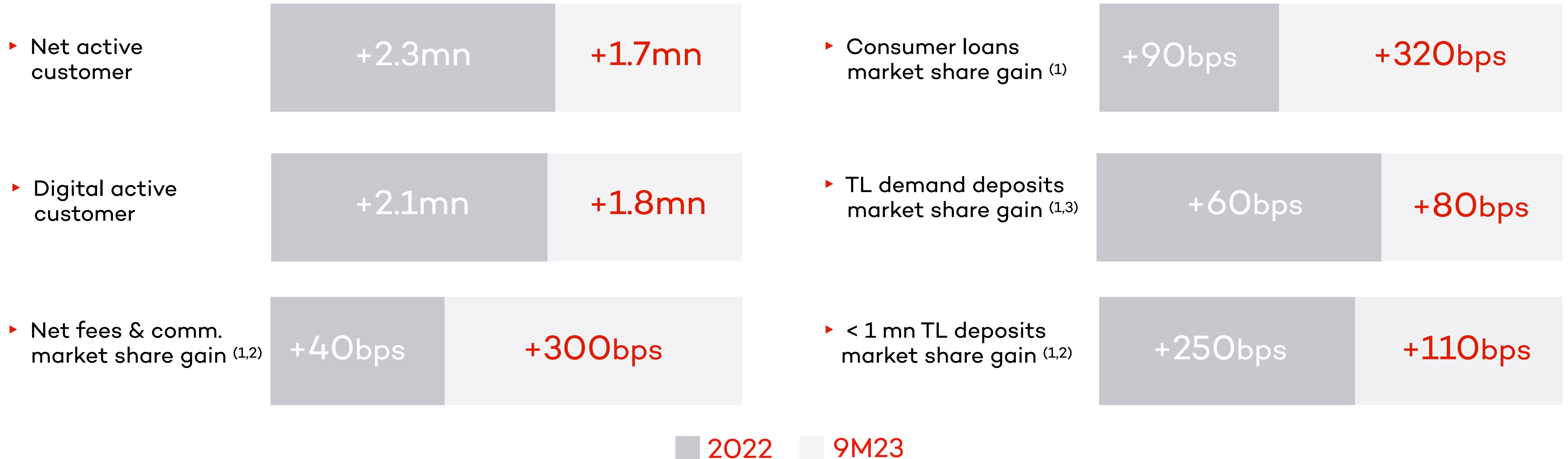
(4) Consumer & SME according to MIS segmentation

(5) Among private banks, based on BRSA monthly data as of Aug'23

(6) Consolidated FX liquidity buffer includes FX reserves under swaps, money market placements and CBRT eligible unencumbered securities

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Robust customer acquisition translated into core revenues



Solid customer acquisition leads to robust market share gains in consumer loans & broad based deposits, while boosting fee market share, leading to outstanding fee income

(1) Among private banks

(2) Based on bank only BRSA monthly data as of Aug'23

(3) Widespread consumer only

Strong customer acquisition & agile ALM boosted profitability

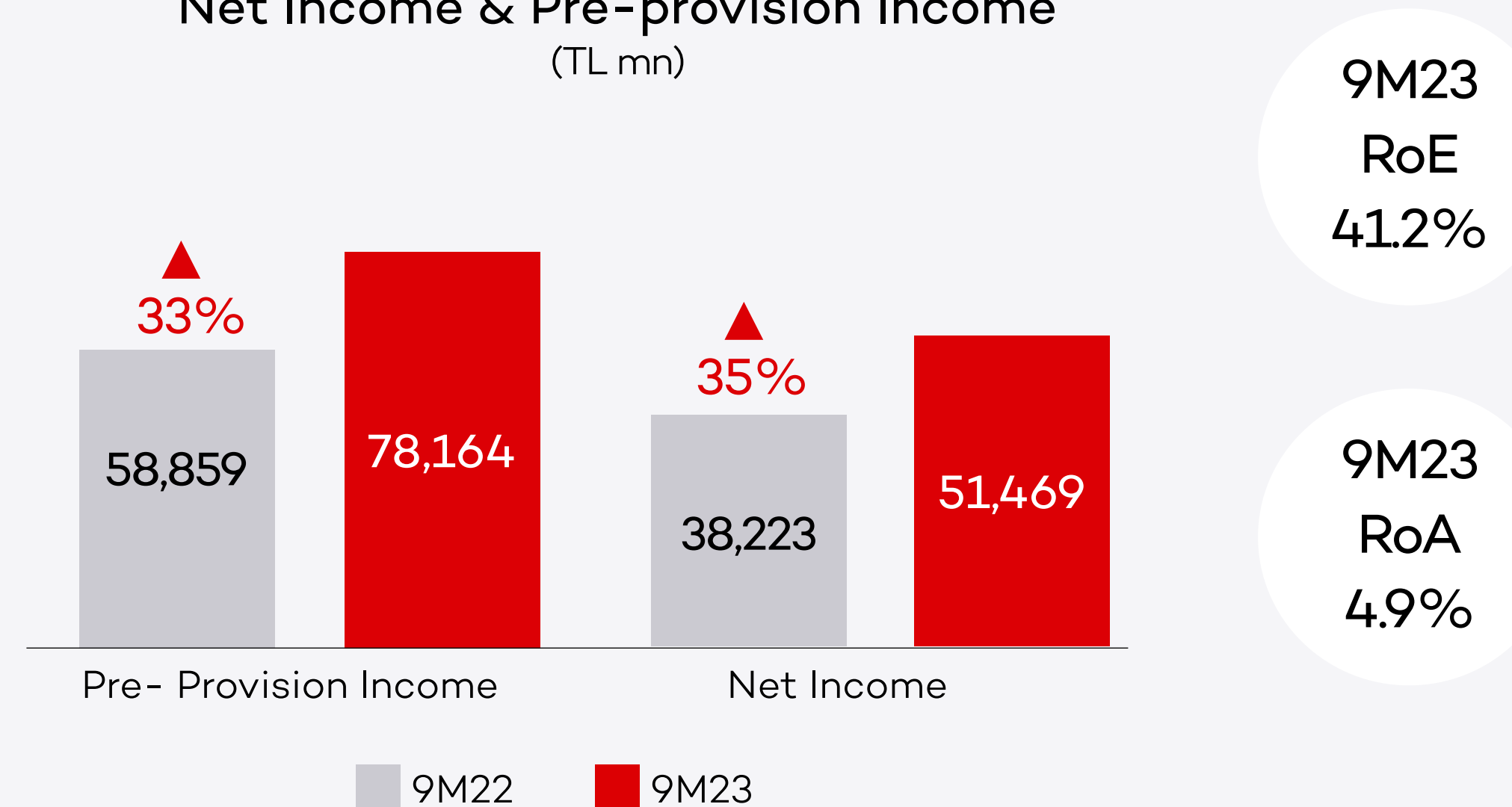
3Q23 Summary

- ▶ Maintained a solid profitability with Qly 5.0% RoA & 45.5% RoE thanks to enhanced customer based revenue & strategic security positioning
- ▶ Added 1.7 mn net active customers in 9M23 reaching a cumulative c. 50% increase in less than 2 yrs
- ▶ Gained additional market share across the board in consumer loans
- ▶ Accelerated outstanding fee performance
- ▶ Preserved strong trading line continued to be supportive for NI
- ▶ Continued agile & prudent ALM with maturity mismatch in focus
- ▶ Maintained robust solvency ratios (18.4% CAR & 15.5% Tier-1) ⁽¹⁾

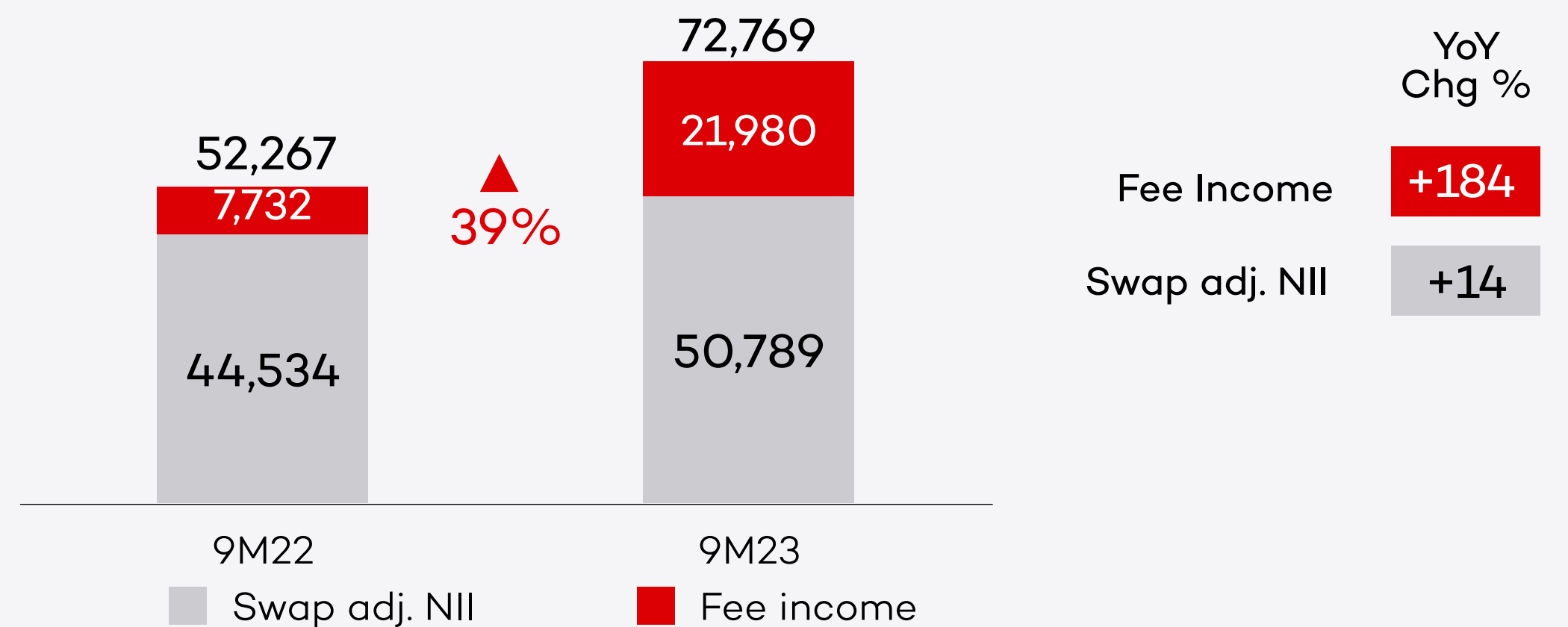
2023 Strategic Priorities

- ▶ Sustainable profitability in focus
- ▶ Retail-led market share gains & momentum in customer acquisition to continue
- ▶ Leveraging robust solvency ratios, low opex base, strong efficiency, advanced analytics & technology
- ▶ Non-stop investments in our people & future of work

Net Income & Pre-provision Income
(TL mn)



Revenue
(TL mn)



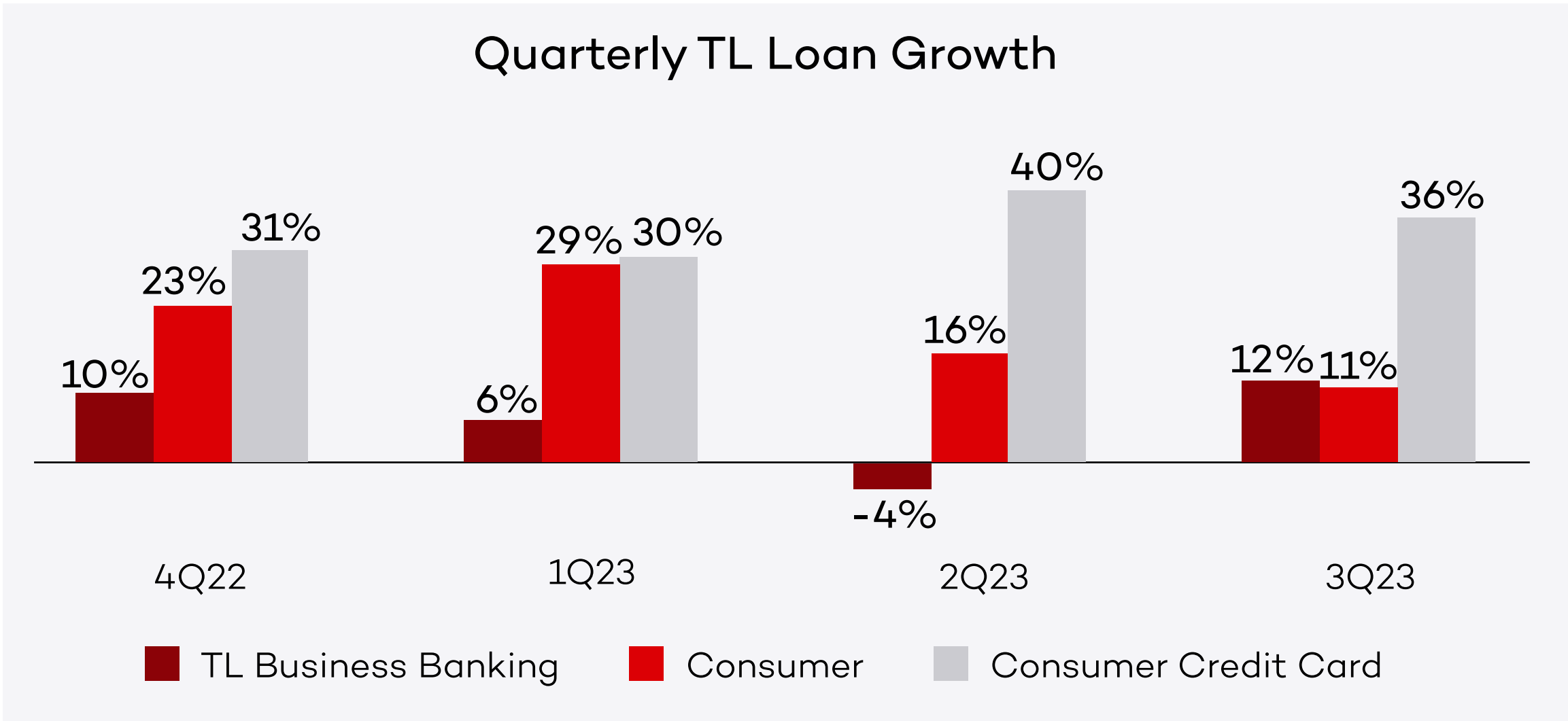
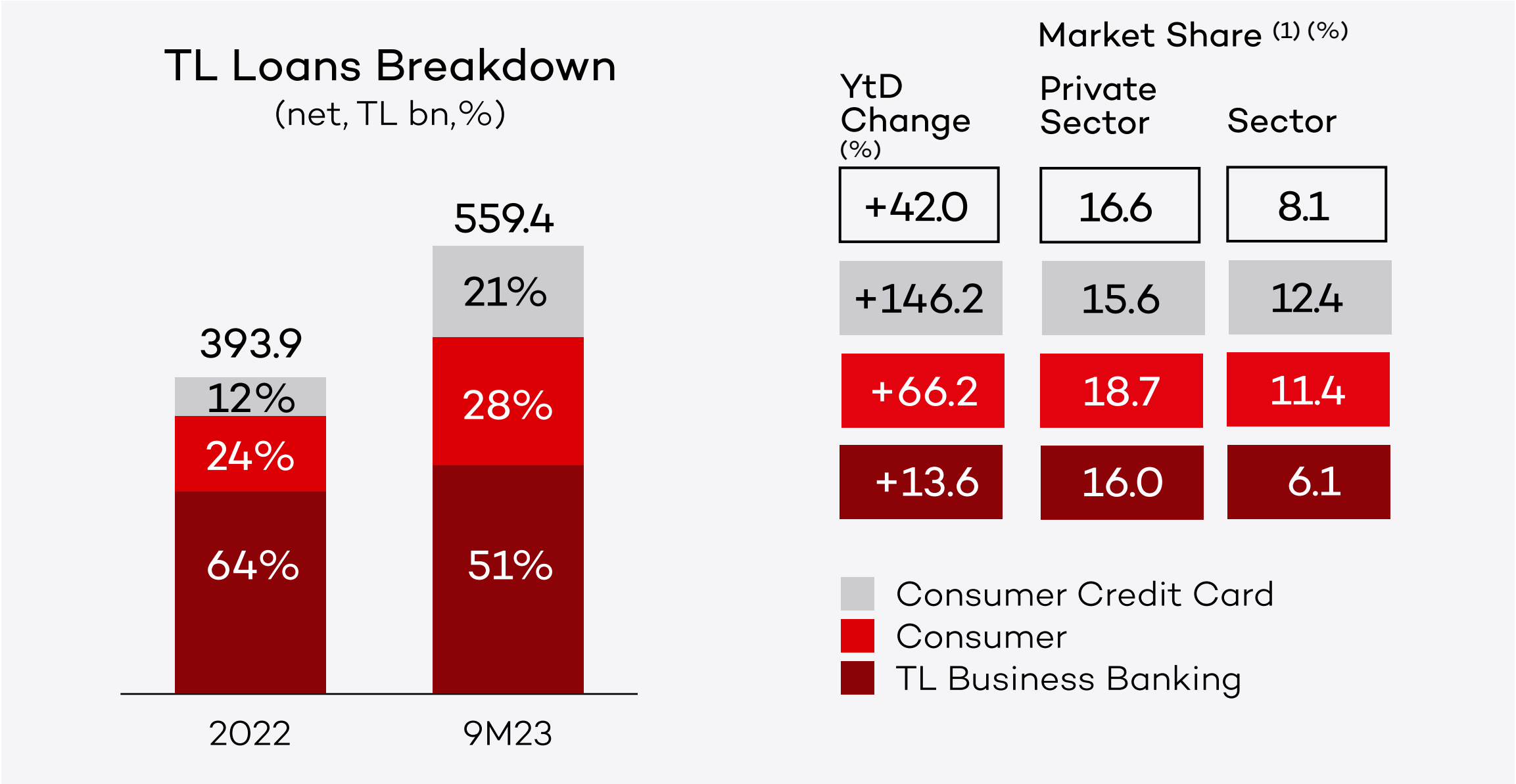
Maintained sound lending strategy with small tickets in focus

9M23

- ▶ Gained YtD market share in TL loans (+90 bps) ^(1,2) led by small tickets & higher yielding loans
 - +320 bps ^(1,2) across the board market share in consumer loans
 - +230 bps ^(1,2) in consumer credit card supported by strong customer acquisition & targeted marketing campaigns
- ▶ Excellence in AI based consumer credit decision systems
 - Almost 100% automated loan decision process
 - Maintained low probability of default while growing in retail loans ⁽³⁾
 - c. 80% GPLs ⁽⁴⁾ pre-approved & c. 30% are to salary customers

TL Loan Growth: ~ 40%

- ▶ Sustainable profitability and healthy market share gain in retail segment
 - 360° customer-oriented holistic organizational structure
 - Competitive products & digital solutions



2023
Guidance

5 (1) Market share data based on bank only BRSA weekly data as of September 29, 2023
(2) Among private banks
(3) Retail loans: consumer and SME loans
(4) General Purpose Loan

Disciplined FX lending policies support resilience

9M23

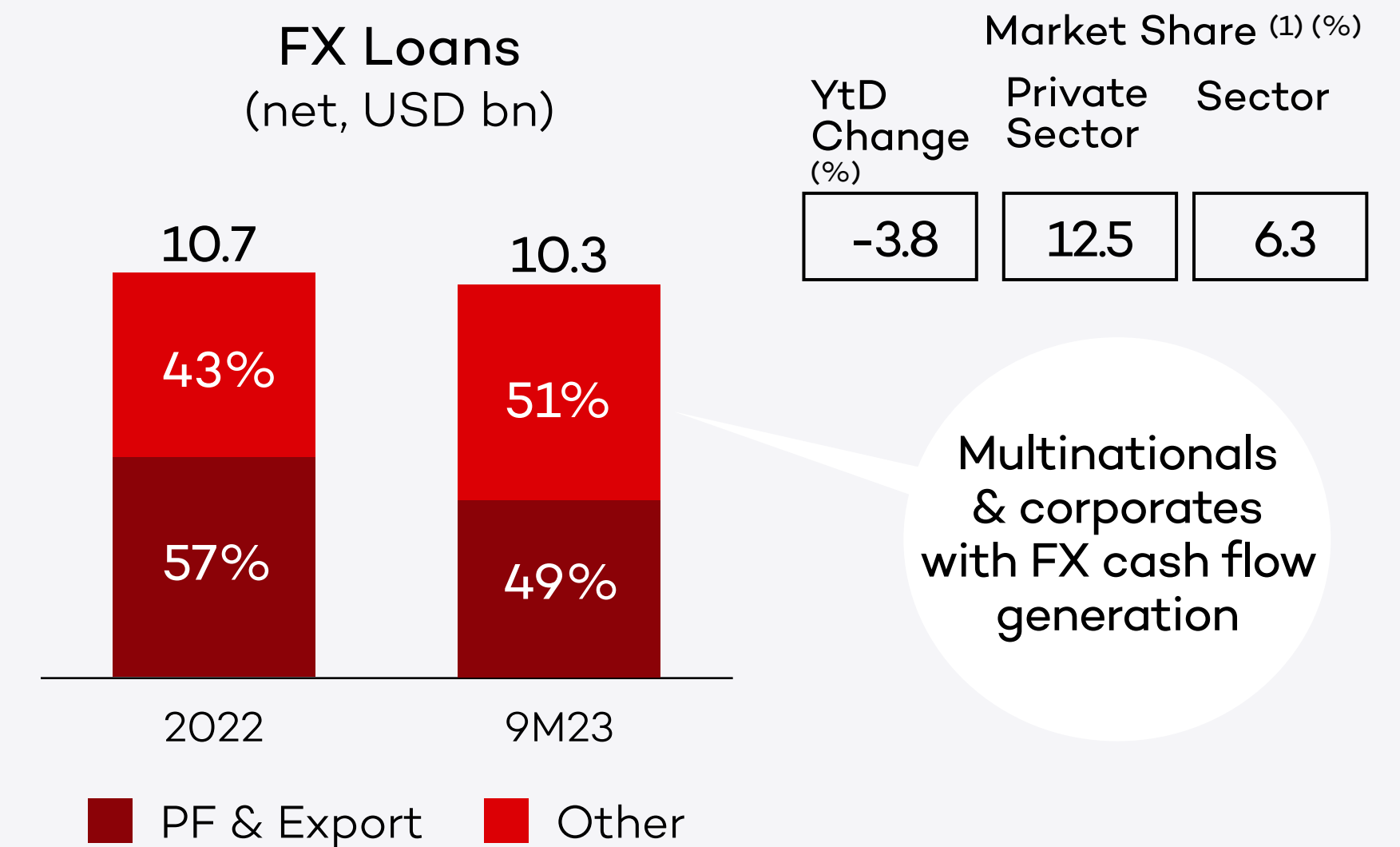
- ▶ Muted demand in FX loans continues
- ▶ FX lending limited to corporates with adequate FX revenue generation
- ▶ Significantly mitigated FX risk
 - ◉ FX loan book down from ~USD 22 bn to USD 10 bn since 2017
 - ◉ Stage 2 FX provisions are fully hedged

FX Loan Growth: Low-single digit

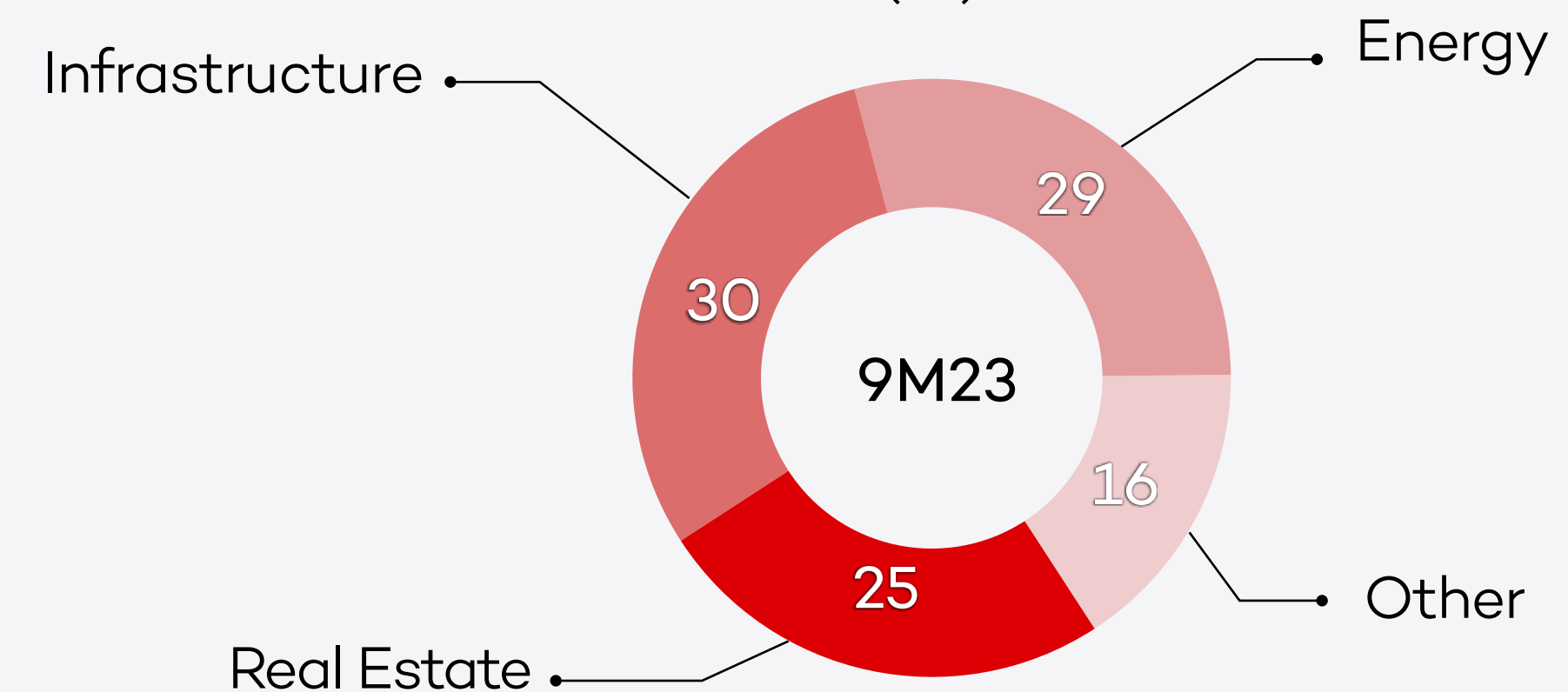
- ▶ Already deleveraged FX loan book
- ▶ Demand expected to be moderate

2023
Guidance

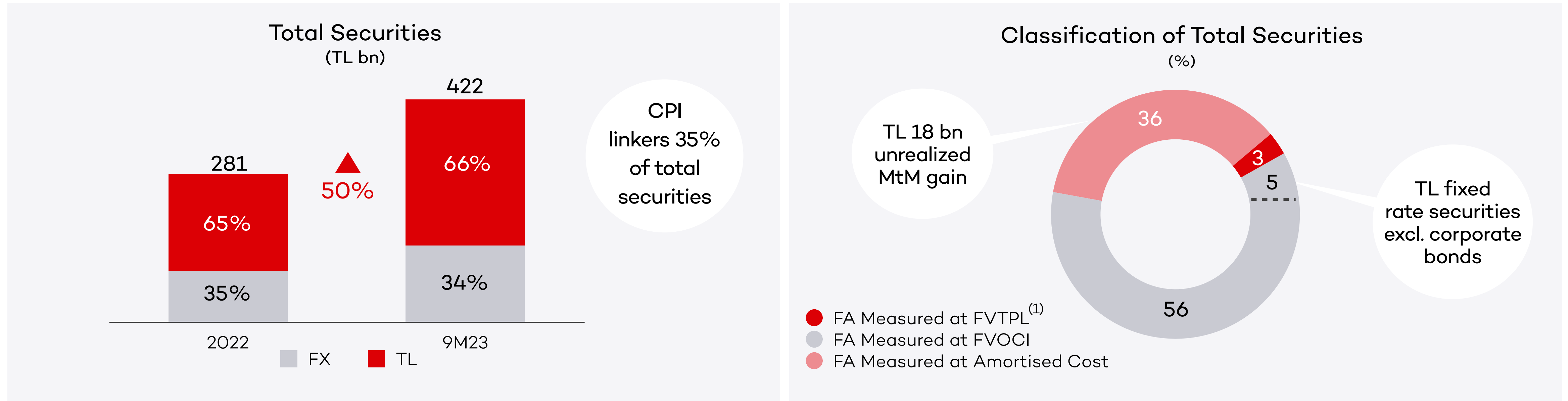
FX Loans
(net, USD bn)



Breakdown of PF Loans
(%)

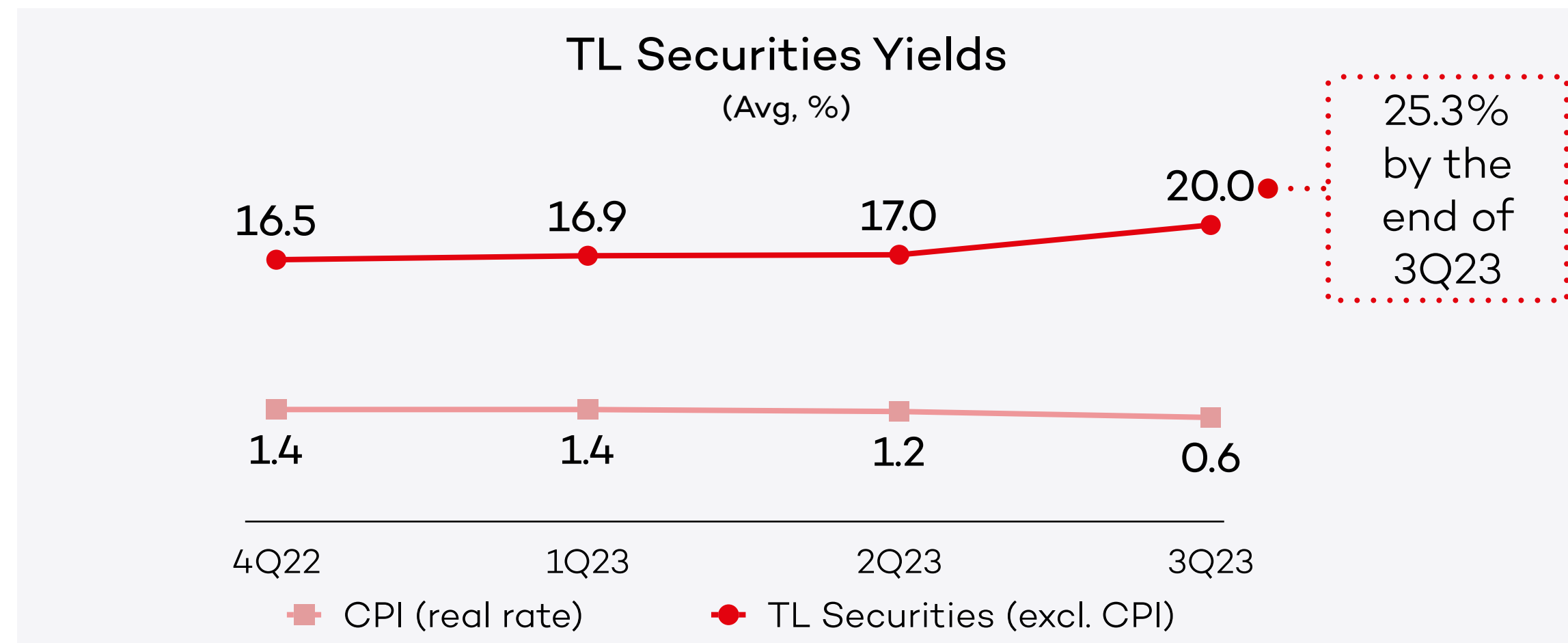
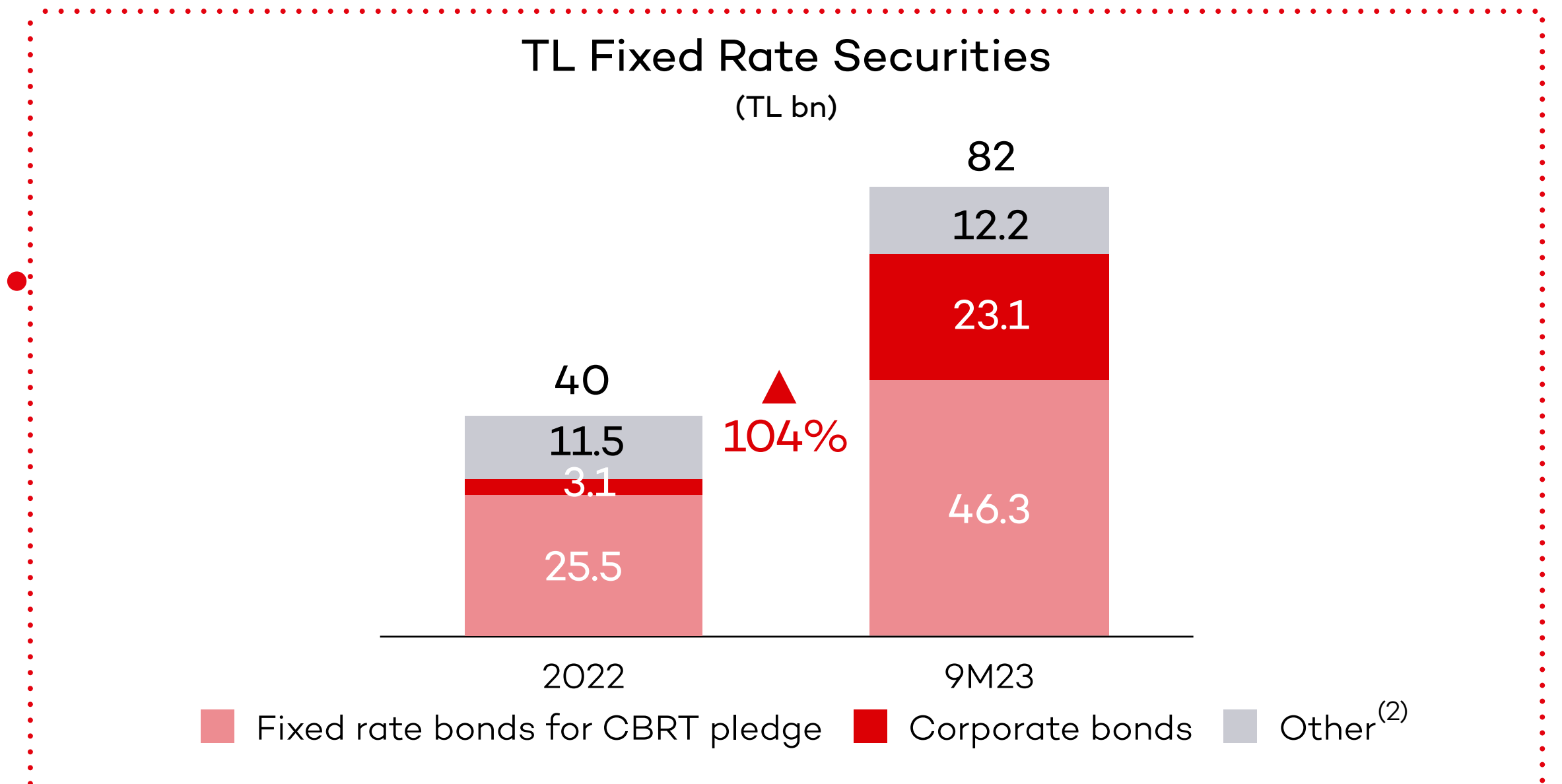
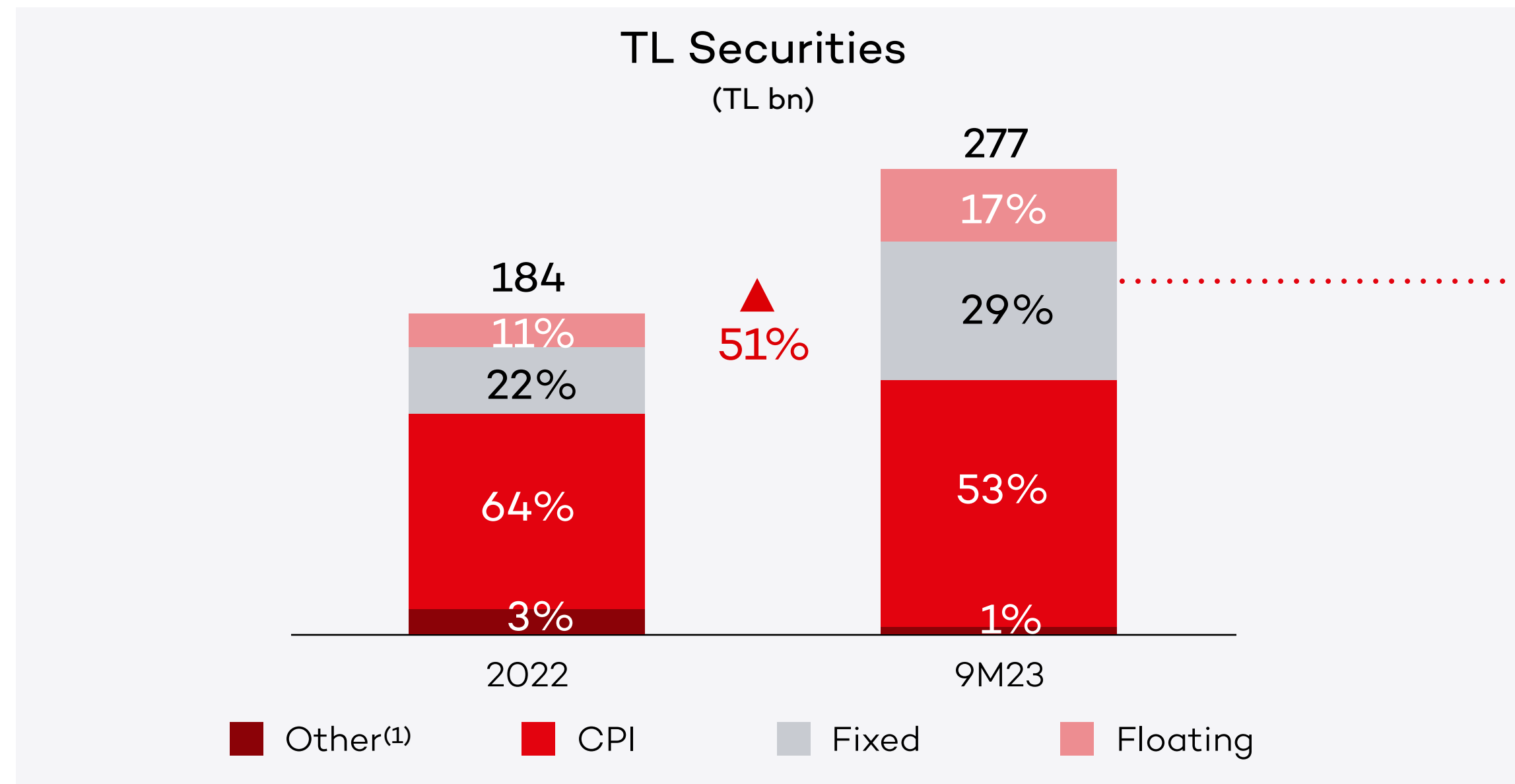


Proactively & timely built securities portfolio



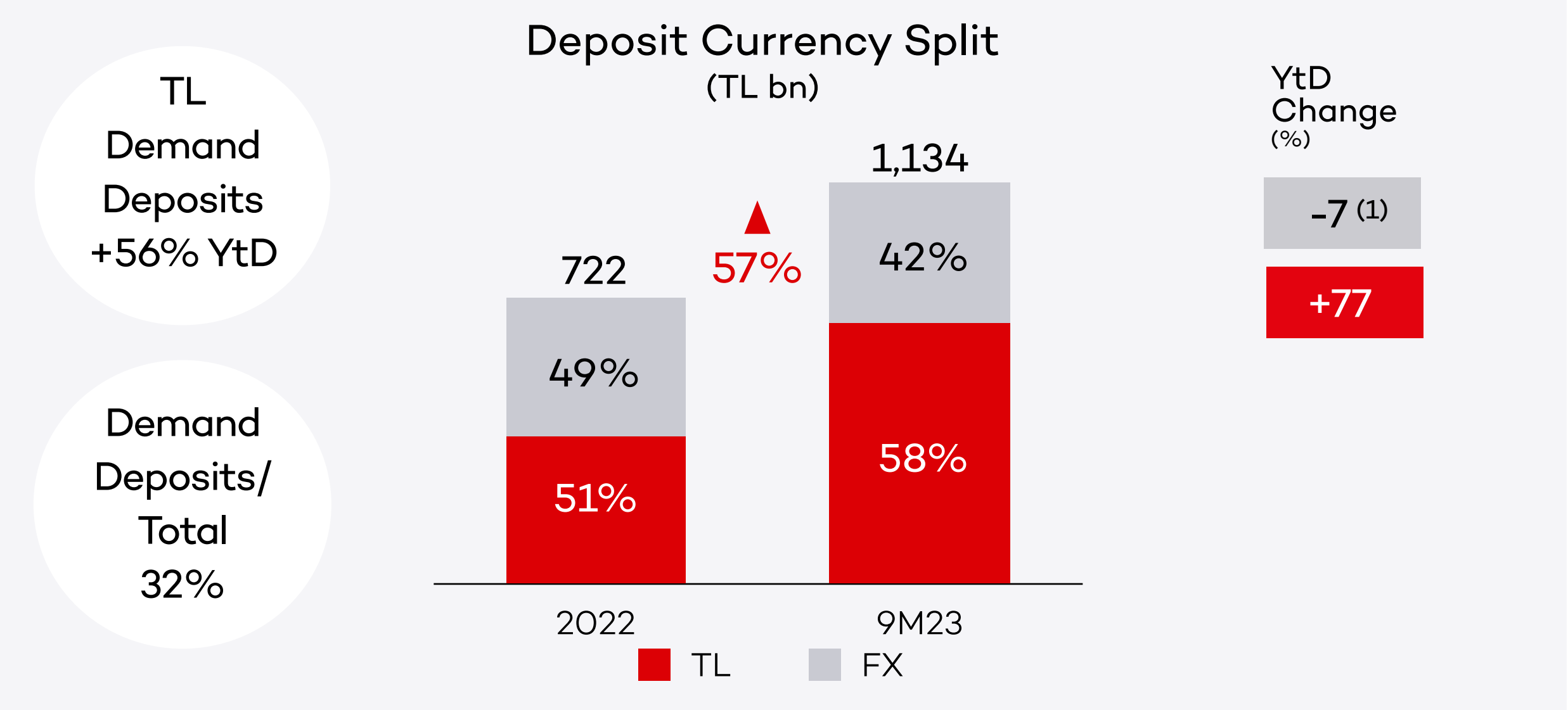
- ▶ ~1/2 of total securities are floating, including CPI linkers
- ▶ ~1/3 of total securities are FX & timely hedged against FED rate hikes
- ▶ TL fixed rate securities (excl. corporate bonds) classified as FVOCI is limited at 5% of total securities
- ▶ Positive real yielding CPI-linker portfolio (TL 147 bn & 77% of equity & 9% of total assets) is NIM supportive
 - Every +1% CPI has c. TL 650 mn NI and +7 bps NIM & +40 bps RoE impact

High-yielding security positioning keeps balance sheet intact

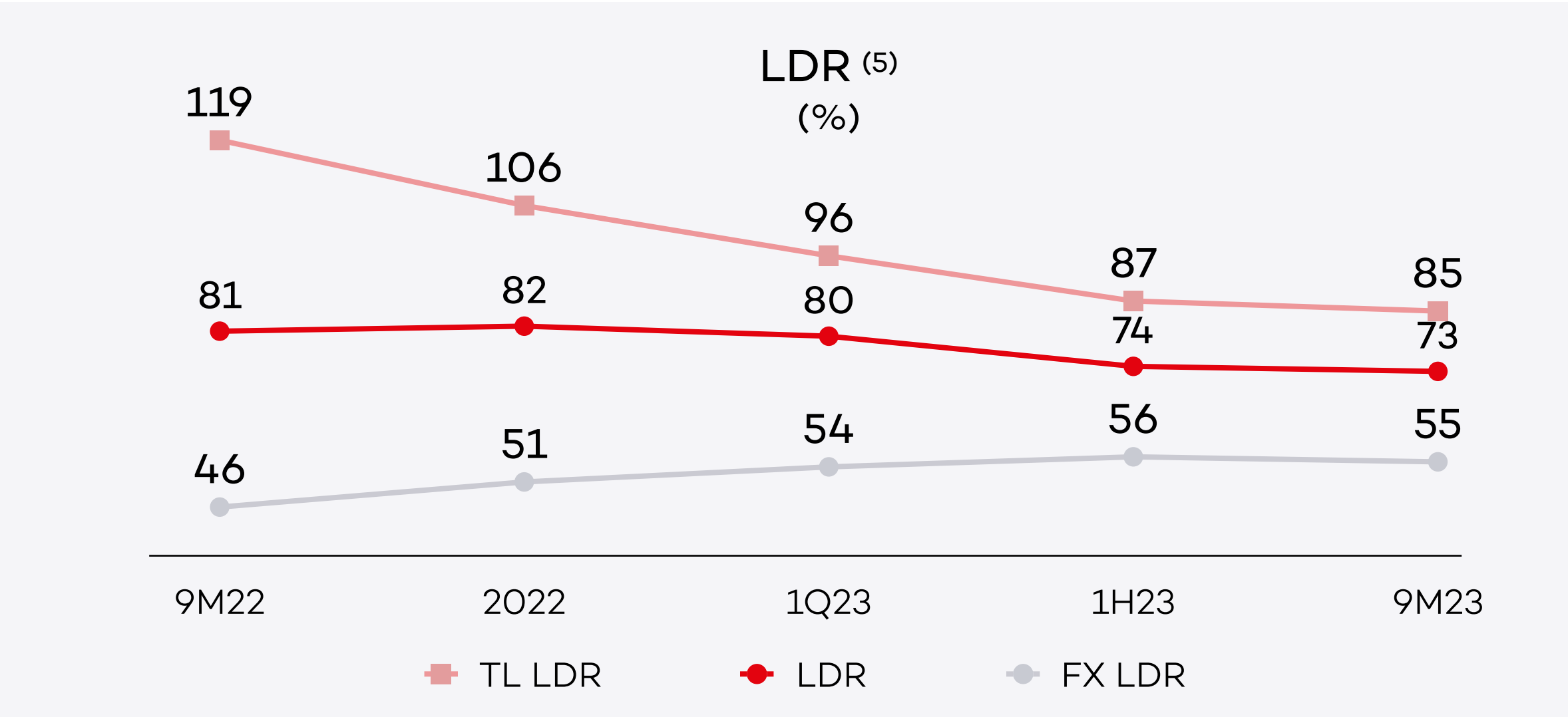
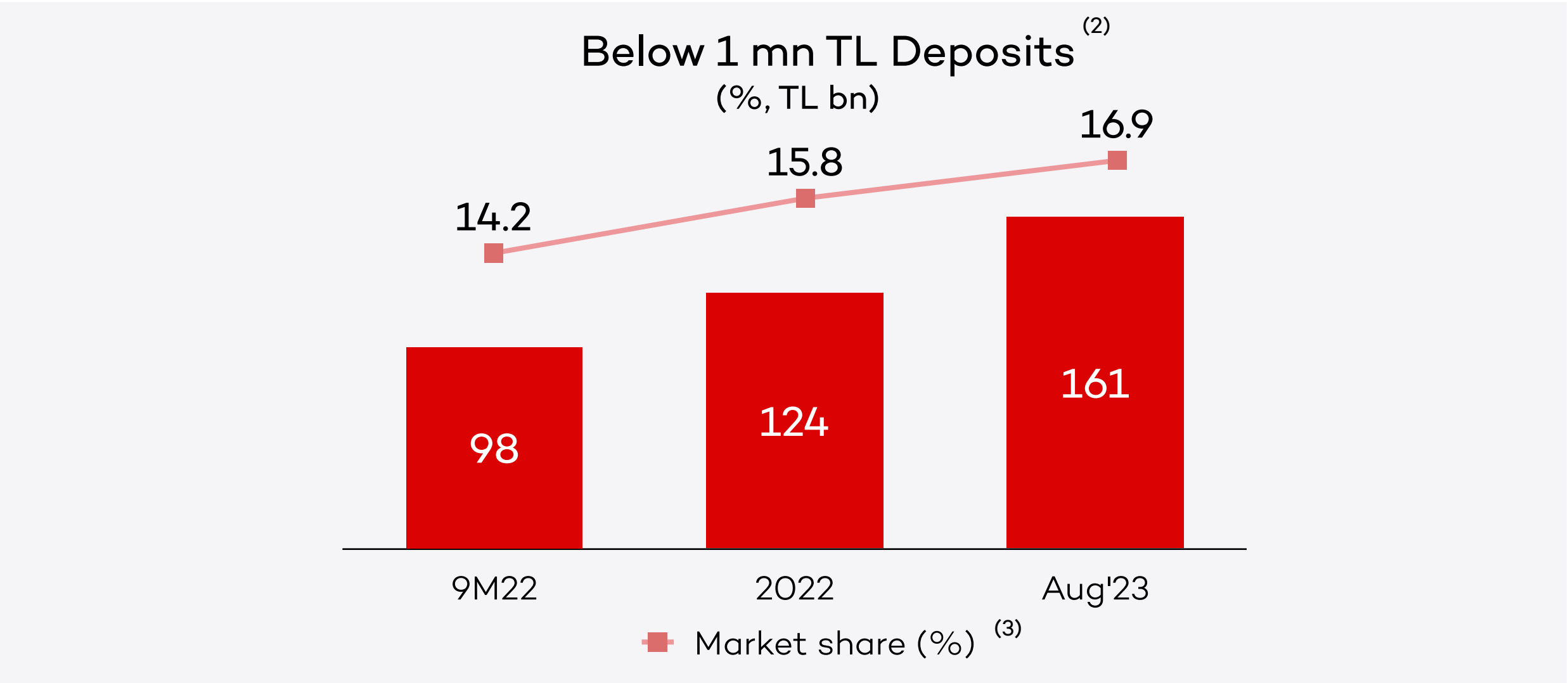


- ▶ Purchase of fixed rate bonds for CBRT pledge at more favorable rates
 - ◉ Fixed rate bonds for CBRT pledge is limited at TL 46 bn as of Sep'23 (3% of total assets)
- ▶ Leading positioning in corporate bonds in the sector
 - ◉ TL 26 bn (o/w TL 3 bn TLREF-indexed), with an avg yield of 40% & less than 1-yr maturity (1.5% of total assets)
- ▶ Strategically built TLREF-indexed bond portfolio
 - ◉ 2% of total assets

Growth funded by solid small ticket customer deposits



- ▶ 66% of assets funded by sound deposit base
- ▶ Significant market share gains among private banks in widespread consumer only TL deposits YtD
 - +50 bps in time deposits (+180 bps vs 21YE)
 - +80 bps in demand deposits (+140 bps vs 21YE)
- ▶ Sticky & low cost TL Time Deposits ⁽⁴⁾ up +80% YtD with share in total TL time deposit at 65%
- ▶ Commercial demand deposits market share among private banks increased with an eye-catching +360 bps YtD



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(1) In USD terms

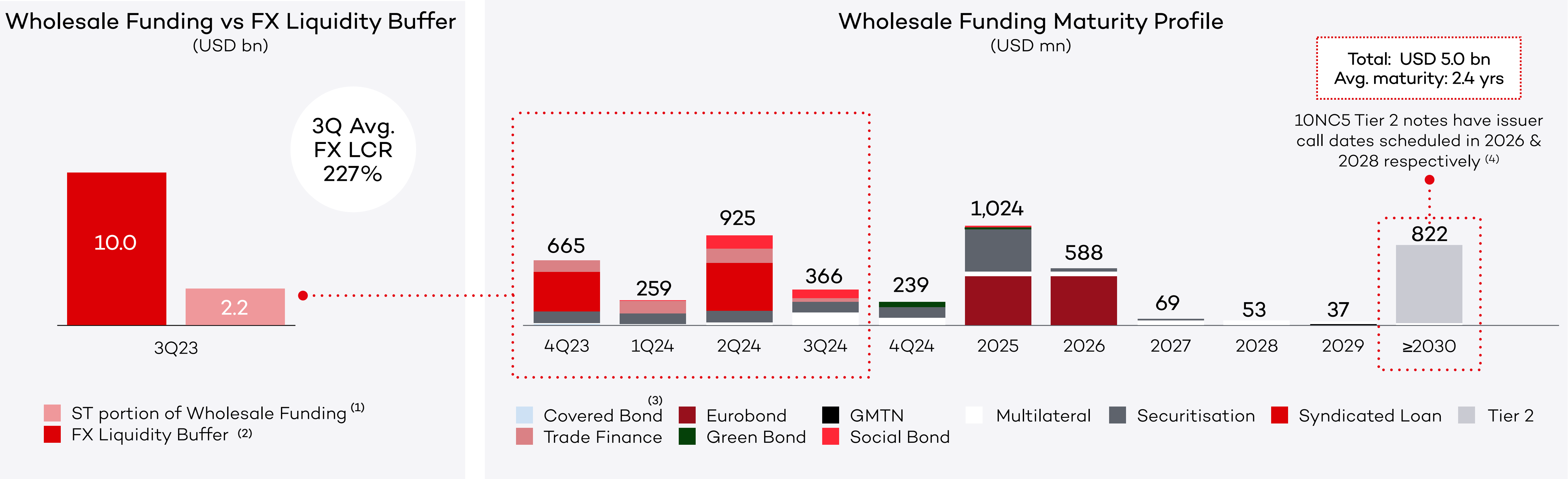
(2) Based on bank only BRSA monthly data

(3) Among private banks

(4) Consumer & SME according to MIS segmentation

(5) Bank-only TL LDR includes domestic TL bond issuances and merchant payables

ESG remains key priority in wholesale funding



- ▶ Sound FX LCR is 227% despite proactive positioning in 3 months swaps (excl. from LCR calculation)
- ▶ Issuance of Sustainable & Gender themed Tier 2, USD 300 mn, priced at 9.60% (10NC5, self-arranged issuance to AIIB, IFC & DFC) on July 25, 2023
- ▶ Total sustainable funding share in wholesale transactions is at 57%

As communicated regularly to our investors, we continuously evaluate opportunities as part of our prudent and diligent liquidity and capital management and to duly take the necessary actions. In this regard, we continuously monitor windows of opportunities to issue debt instruments in Turkish lira or foreign currency, domestically or abroad, including senior and/or Tier 2 issuances. We will promptly inform our investors on any developments accordingly.

Balances based on principal outstanding and bank-only MIS data

(1) ≤ 1 year tenor

(2) Consolidated FX liquidity buffer includes FX reserves under swaps, money market placements and CBRT eligible unencumbered securities

(3) USD equivalent of TL 1.4 bn Covered Bond issuances

(4) Call exercise in year 5 is subject to BRSA approval

Agile ALM with prudent & proactive maturity mismatch management

9M23

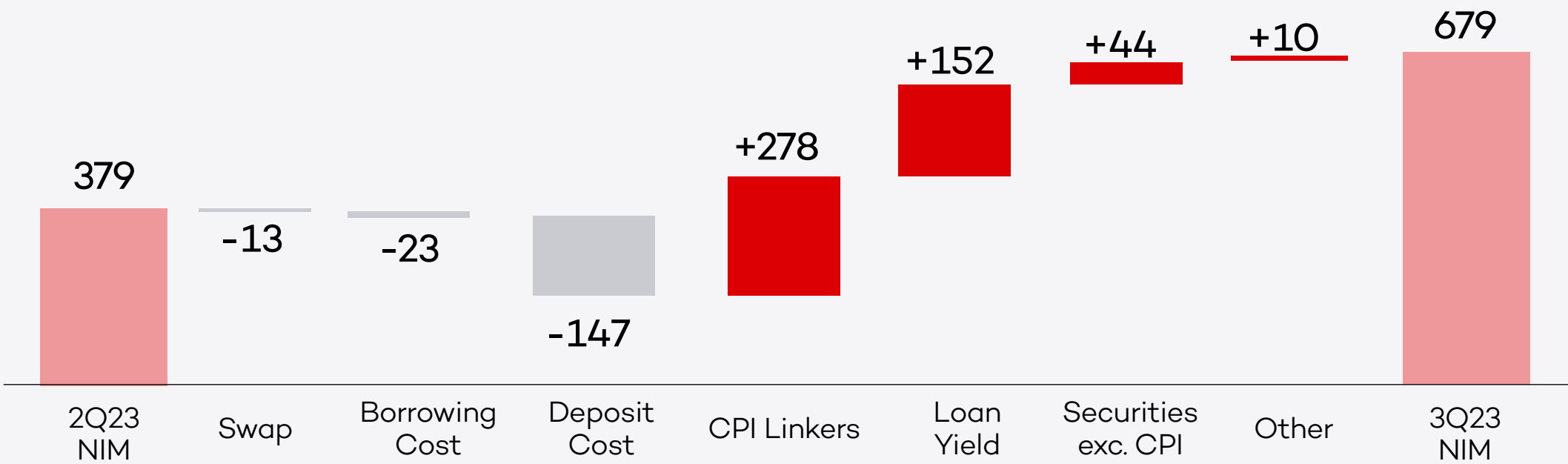
- ▶ 9M23 NIM at 5.3% above FY guidance
- ▶ Strategically designed & well-positioned BS for quick recovery in core spreads
 - ◉ 75% of TL loans will reprice / mature in the next 6 months bulk o/w is within the 3 months
 - ◉ Proactively built 3-month maturity swap book prior to each rate hike
- ▶ Timely built CPI-linker portfolio
 - ◉ Every +1% CPI has c. TL 650 mn NI and +7 bps NIM & +40 bps RoE impact
 - ◉ 2023 Oct-Oct CPI linker valuation estimate: 60%
- ▶ TL core spread on improving trend; regulatory & competitive environment will be critical for NIM evolution

NIM (Swap Adj.): 4-5%

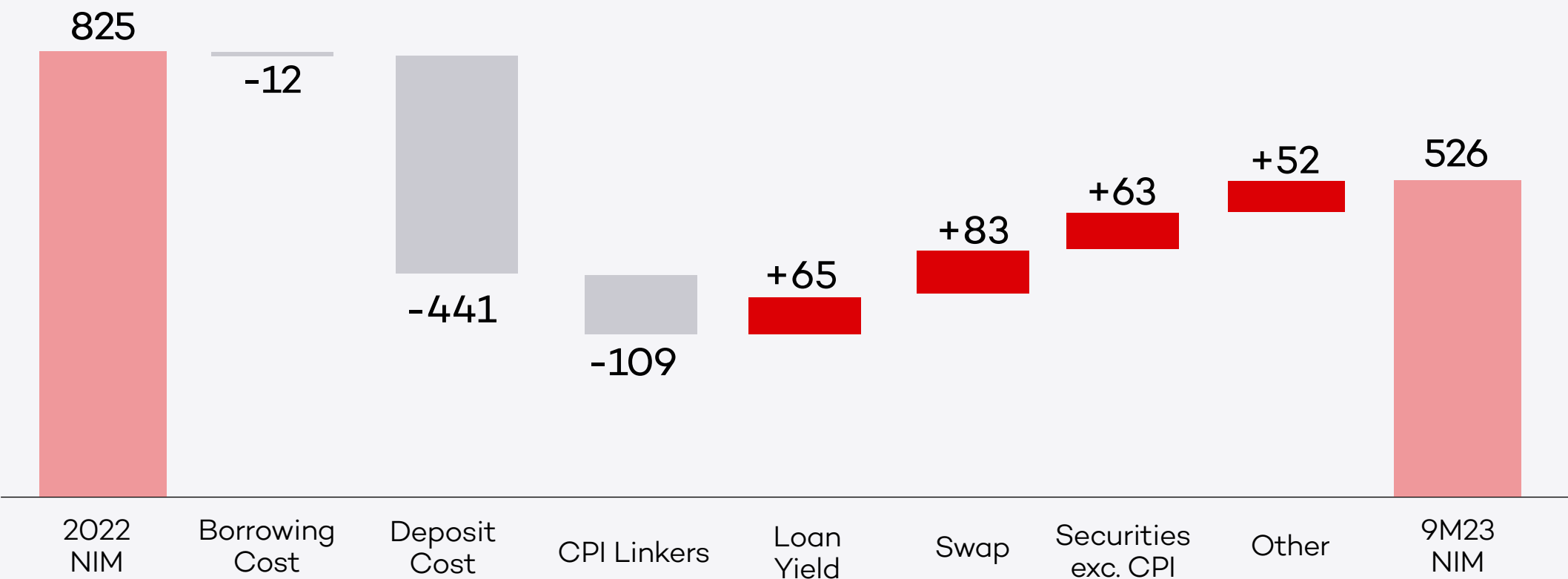
- ▶ Agile asset-liability management & proactive CPI linker positioning to be supportive for NIM evolution

2023
Guidance

Quarterly Swap Adj. NIM Waterfall (bps)

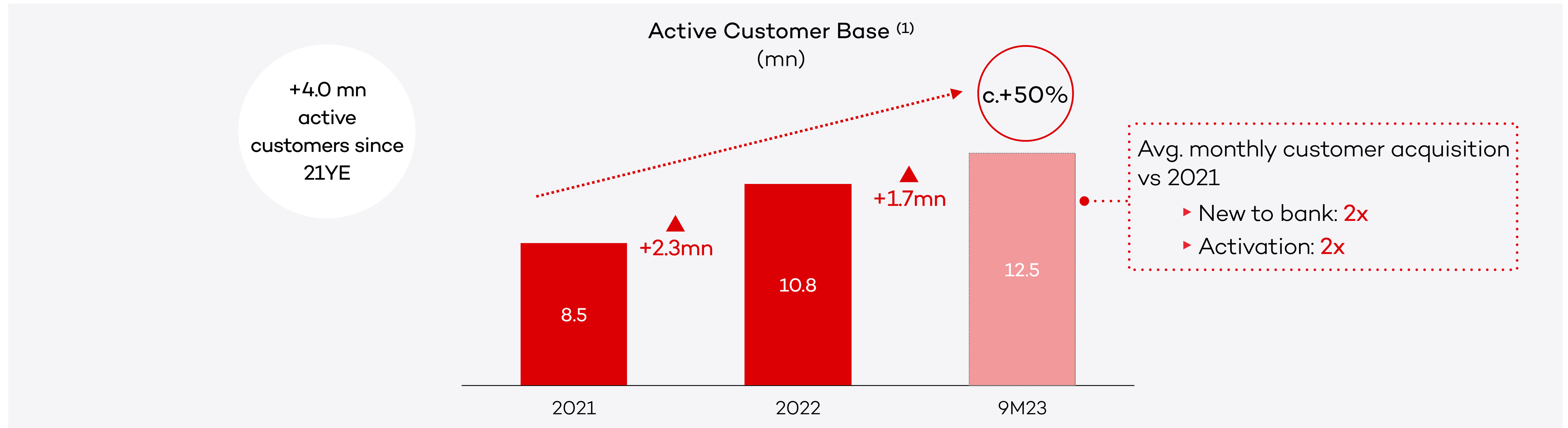


Cumulative Swap Adj. NIM Waterfall (bps)



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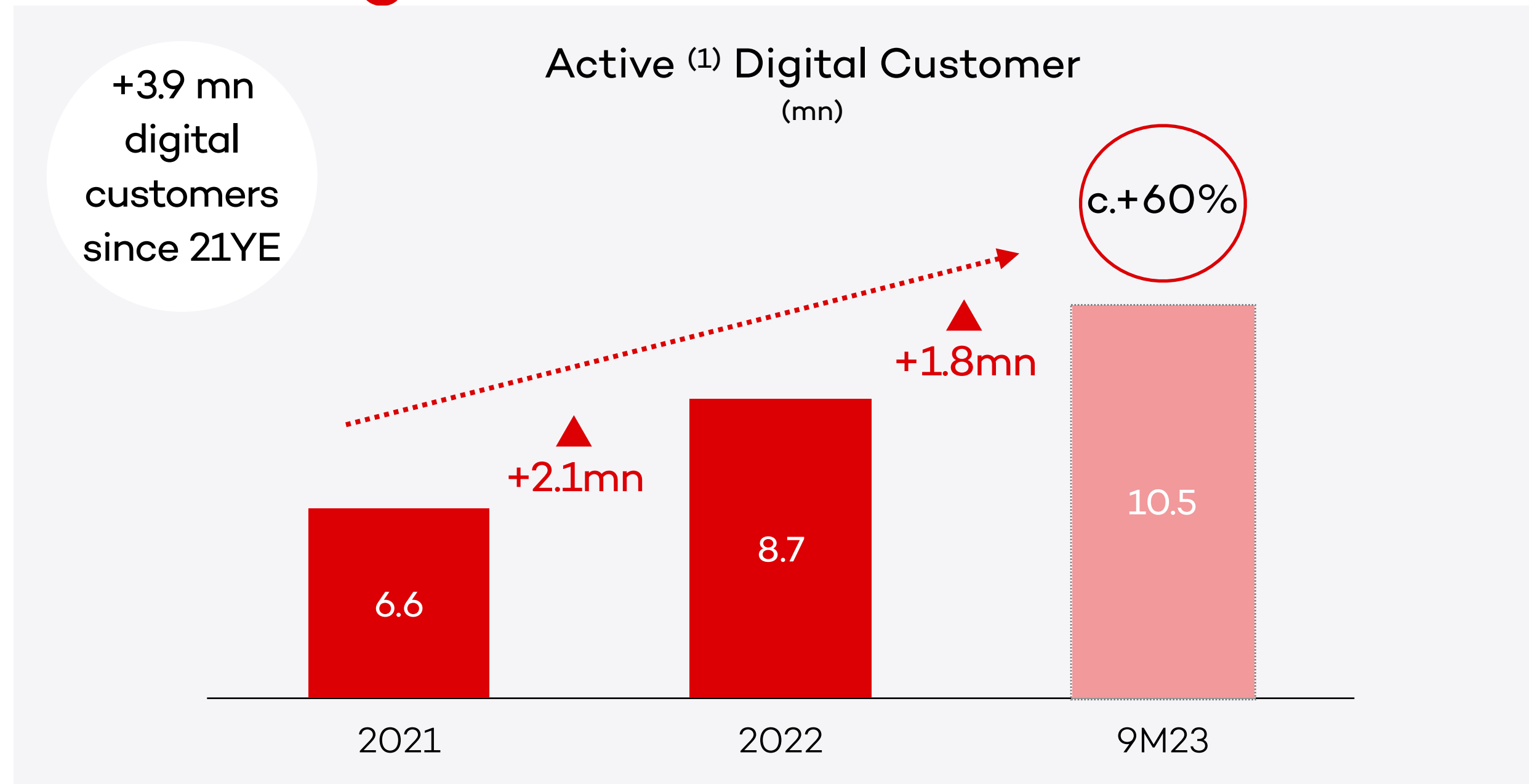
Accelerated momentum in customer acquisition & activation



- ▶ Strong momentum in digital customer acquisition via DoB ⁽²⁾
 - ◉ ~60% of new to bank customer acquisition (+20pp vs 2022)
 - ◉ ~2x monthly digital customer acquisition YoY
 - ◉ ~40% young customer acquisition (+16pp YtD)
- ▶ Further penetrated in demand deposits and daily cash flow by almost doubling salary & pension customers last 1.5 year

- ▶ Boosted customer acquisitions with innovative offerings
- ▶ Customer-based revenue generation solidified with active product portfolio⁽³⁾ +28% YoY, reaching all time high thanks to
 - ◉ Accelerated customer activation / acquisition
 - ◉ Continued improvement in x-sell
- ▶ Active young customer base (18-26) reached 1.4x YoY

Increased digital migration solidifies sustainable customer-based revenue growth



- ▶ Digital penetration increased by 6 pp since 21YE to c.85%
- ▶ Sustainable fee generation supported by
 - ⦿ Digital customer base & average traffic per active customer, which are both at their highest levels
- ▶ Our active digital customers log into Akbank Mobile application more than once a day enabling x-sell opportunities

In 3Q23

35x

Monthly avg mobile login frequency per customer

2x

Digital customer x-sell compared to non-digital

68%

Credit Cards sold through digital channels

80%

Bancassurance Products sold through digital channels

93%

GPLs sold through digital channels

96%

Digital channel migration of transactions ⁽²⁾

Extended across the board outstanding fee performance

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Payment Systems (+150% YoY)

- ▶ Strong customer acquisition & new product innovations

Business Loans (+193% YoY)

- ▶ Increased volume and effective pricing in both cash & non-cash loans

Wealth Management (+173% YoY)

- ▶ AK Asset Management #1 among peers with TAuM of TL 353 bn

Money Transfers (+219% YoY)

- ▶ Increased volume and effective pricing

Bancassurance (+139% YoY)

- ▶ #1 among peers in total insurance commission as of Jun'23

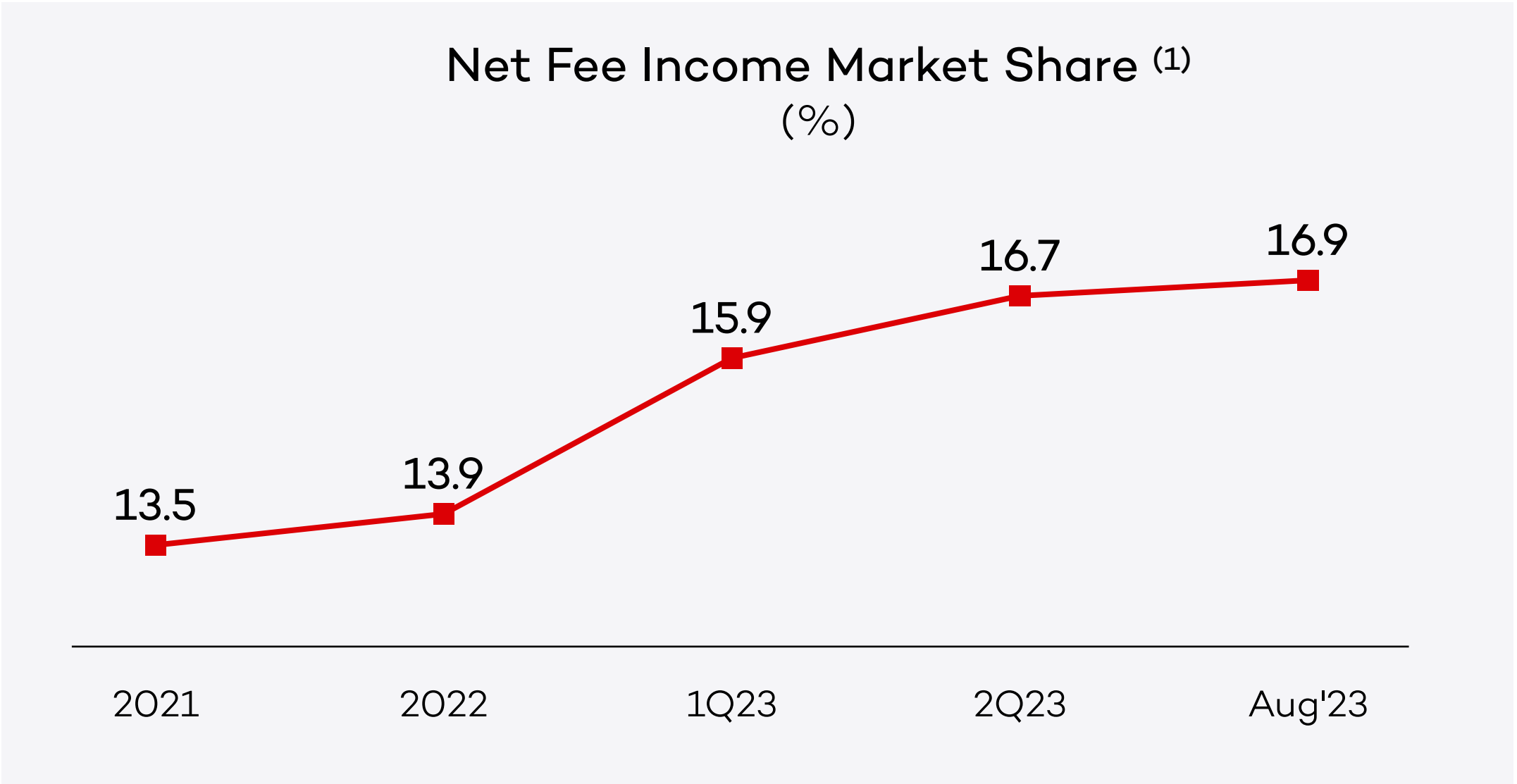
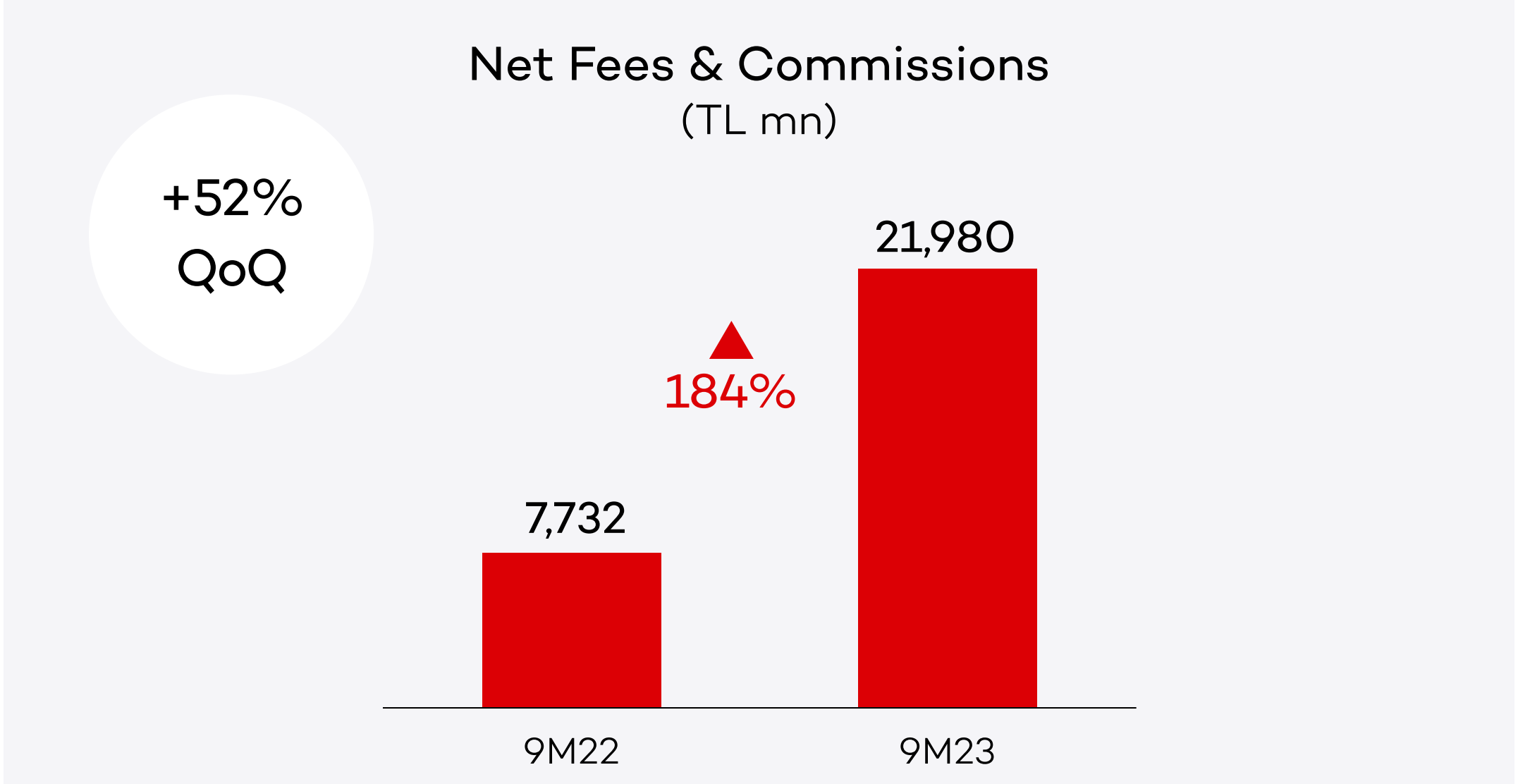
Consumer Loans (+190% YoY)

- ▶ Solid customer acquisition & market share gains

Net Fees & Comm. growth: ~ 60%

- ▶ Across all business lines & customer acquisition driven
- ▶ Diversified product offerings & digital solutions supported by our sophisticated AI capabilities

2023
Guidance



Fee/Opex excelled thanks to accelerated customer acquisition

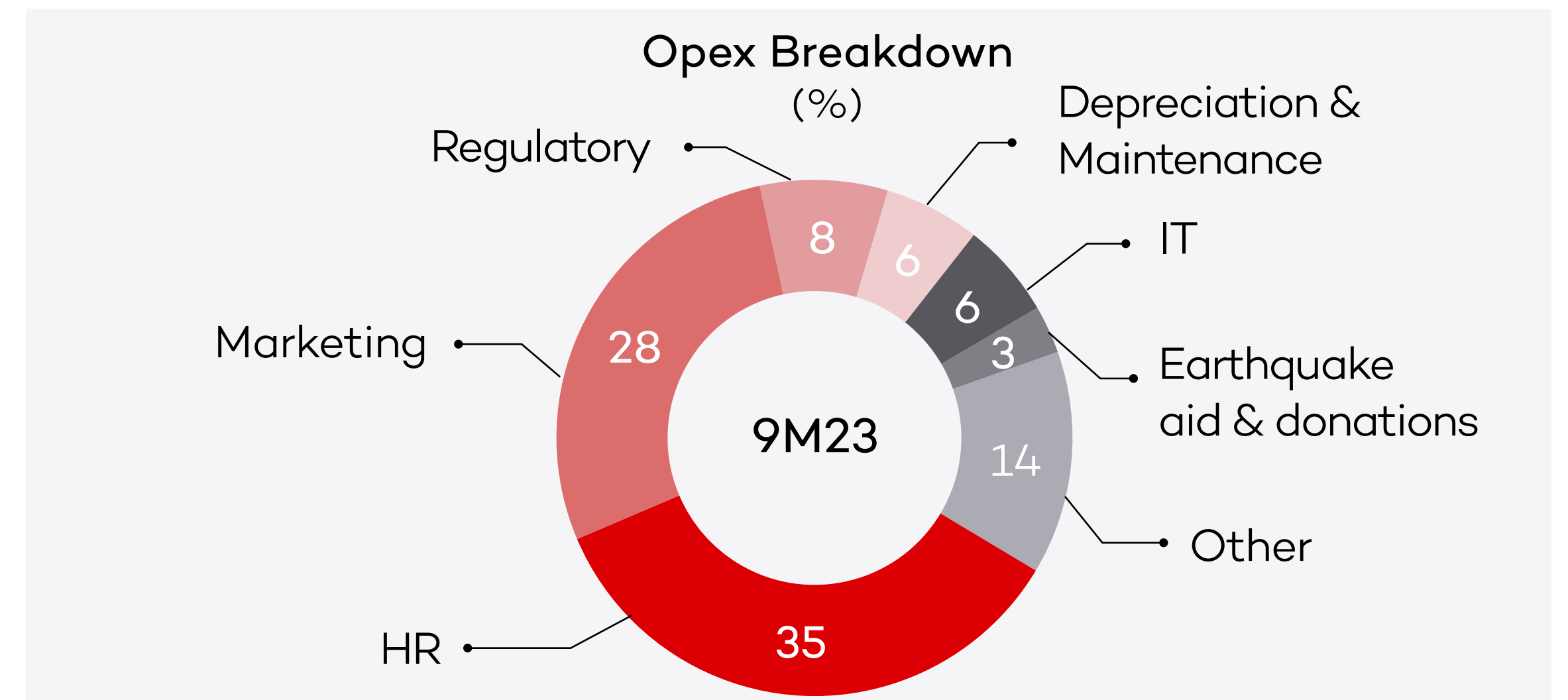
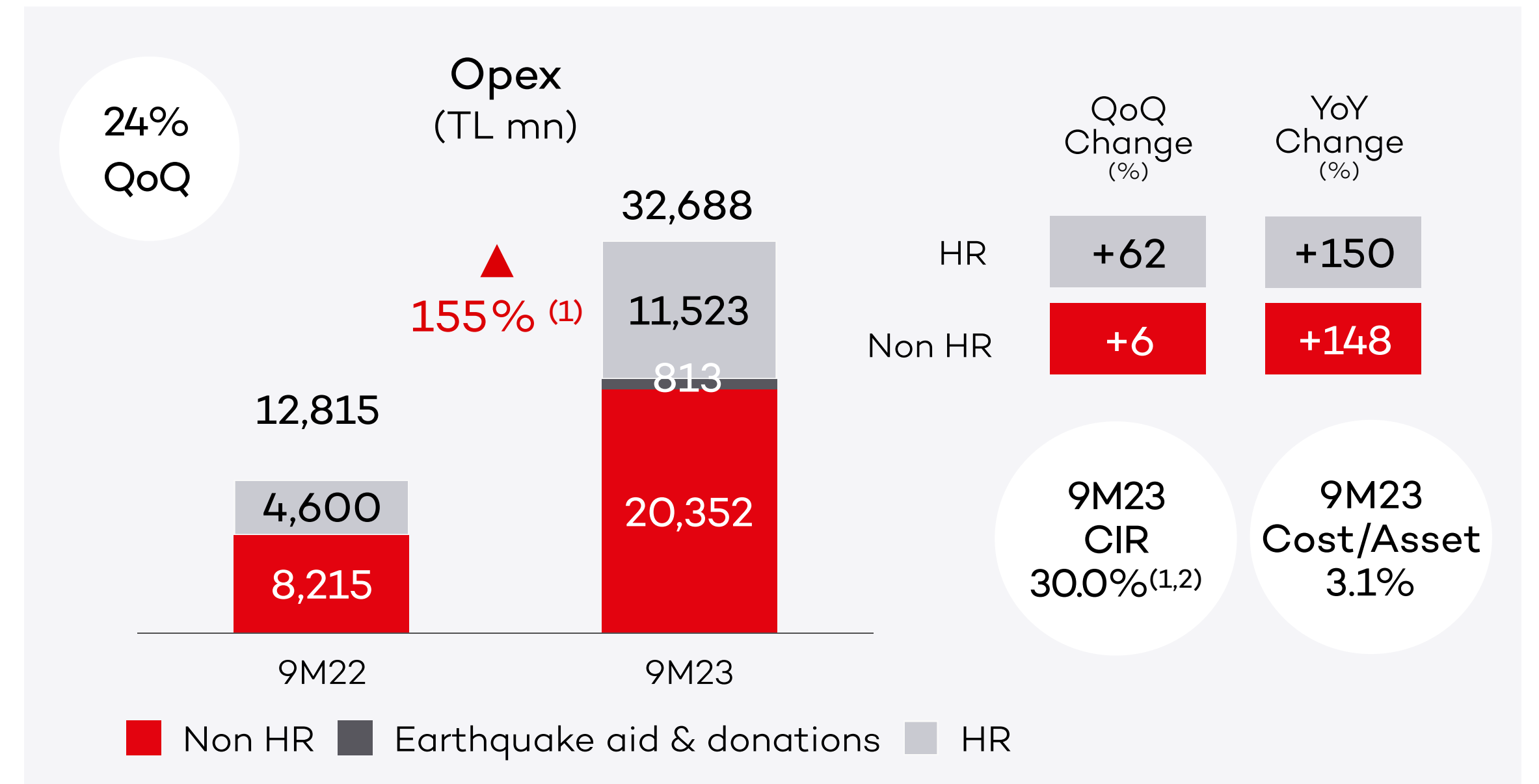
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- ▶ Low opex base provides a leverage in inflationary environment while robust customer acquisition leading to outstanding fee income
 - Opex increase lagged well behind fee income growth
 - Fee/Opex ratio reached 67% (up 9 pp YtD) on track with our 2025 targets (3Q23: 82%)
 - QoQ opex increase mainly driven by interim salary adjustments

2023
Guidance

Opex Increase: Improvement

- ▶ Cost discipline to remain in focus
- ## CIR: Low 30%'s
- ▶ Low opex base vs. peers creates notable advantage in high inflationary environment

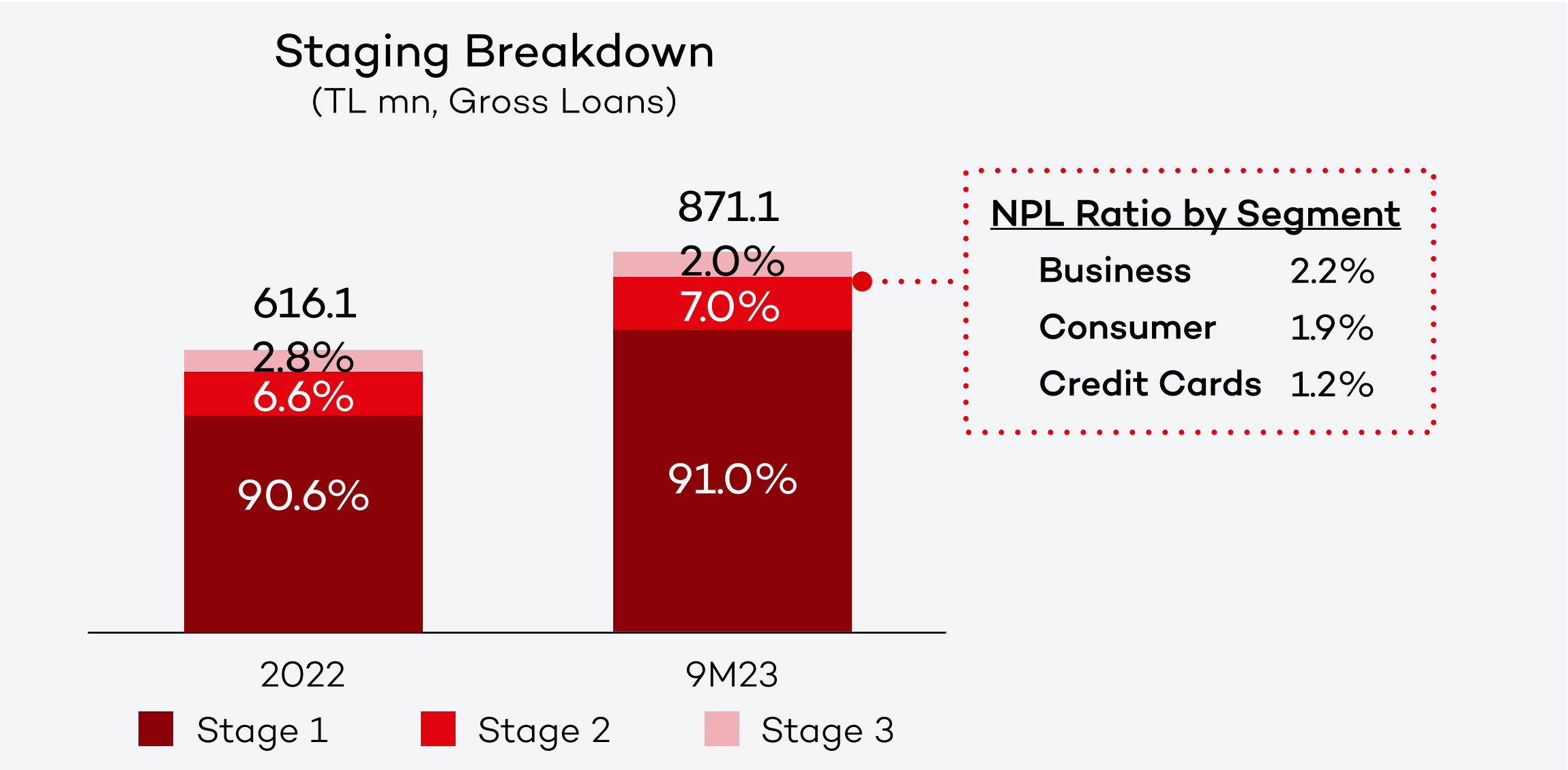


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Healthy loan portfolio thanks to prudent risk management

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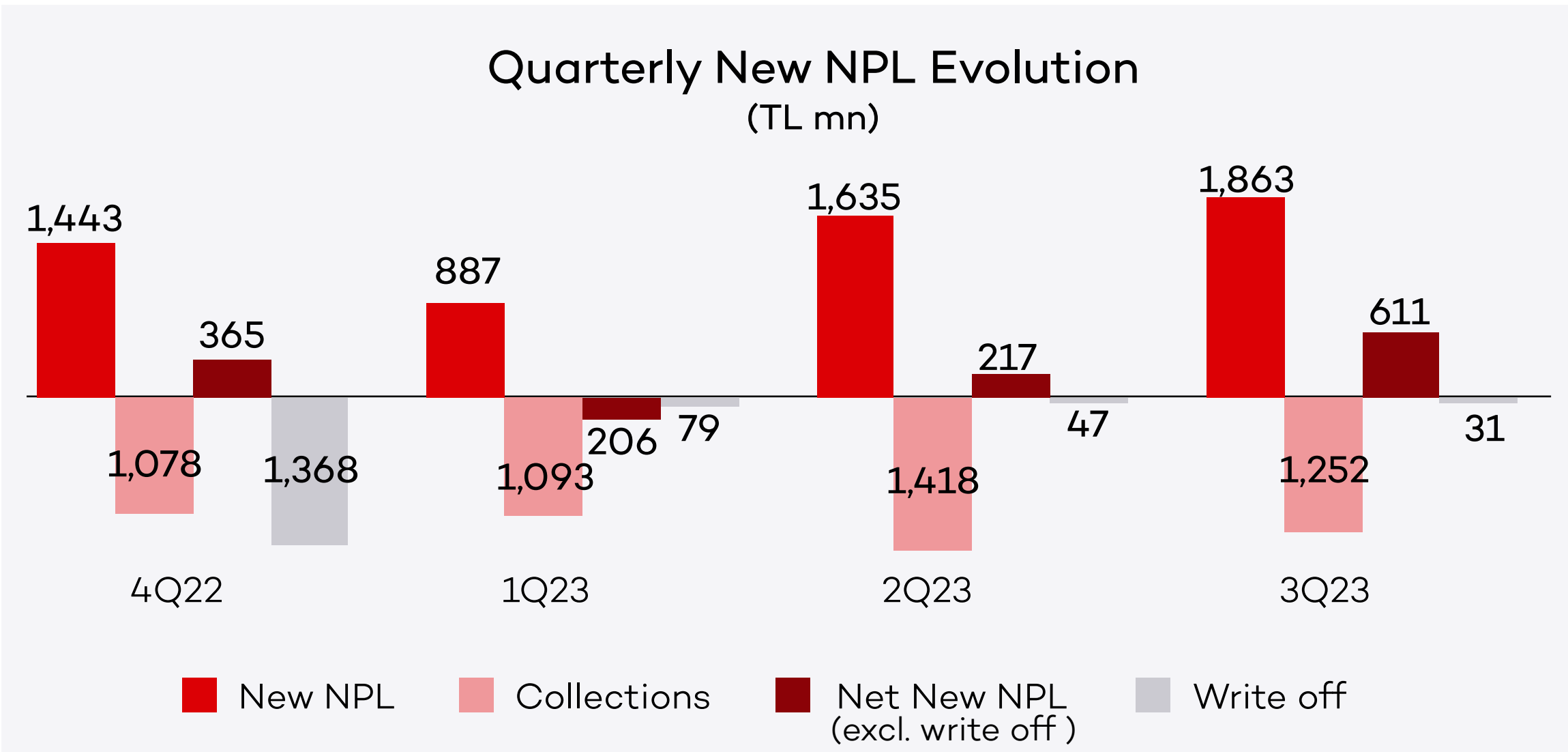
- ▶ Limited net NPL inflow due to broad-based robust collection performance & low migration into Stage 3
- ▶ Stage 2+3 loans / total is limited to 9.0% with strong coverage
- ▶ Leading indicators regarding asset quality evolution remain intact



2023
Guidance

2023 FY NPL ratio: < 3%

- ▶ We do not expect a material increase in NPL inflow



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Further provision build with robust coverages in all stages

9M23

- ▶ Increased coverage across all stages reaching total provisions of TL 29.6 bn excluding free provisions
- ▶ CoC performance underlines proactive provisioning & healthy loan composition
- ▶ Net total CoC (excl. ccy impact) at 107 bps
- ▶ FX provisions are hedged

2023 CoC (excl. currency): ~ 100 bps

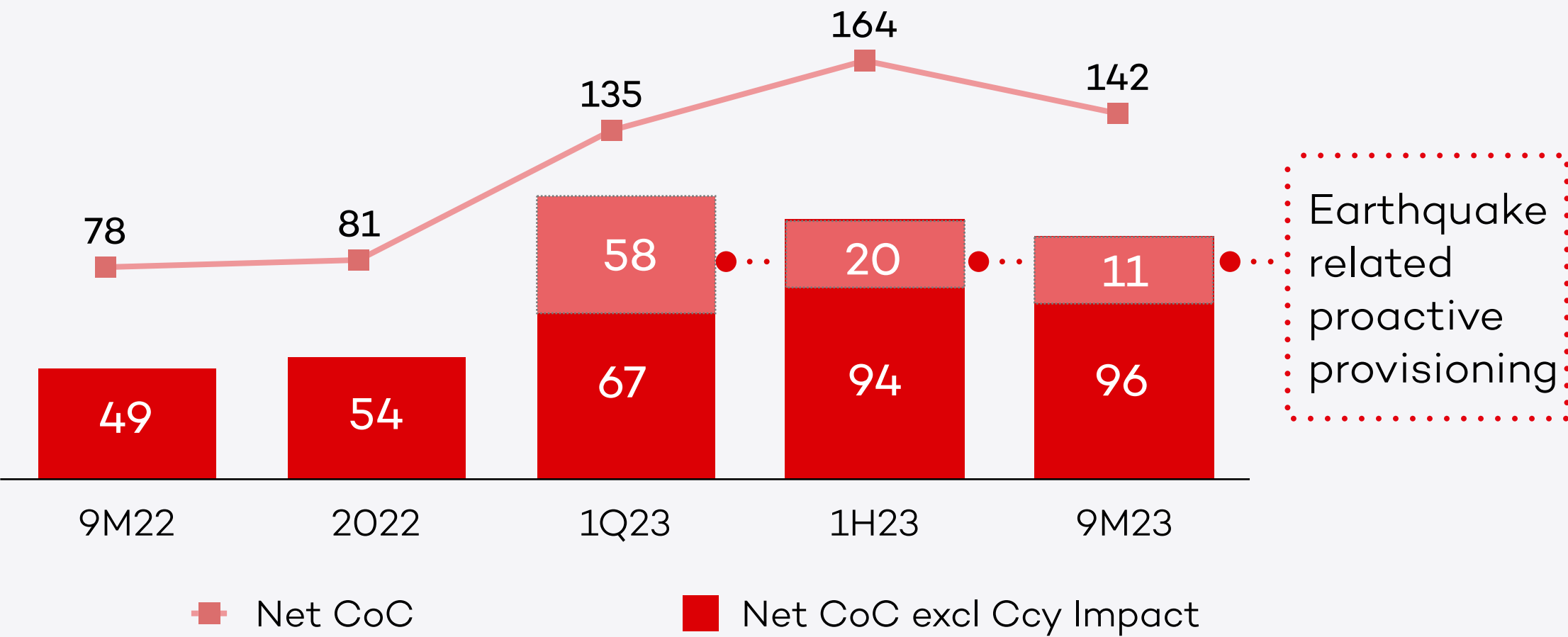
2023
Guidance

- ▶ Significant provision build & solid collateral values to limit additional provision need
- ▶ Already strong coverages

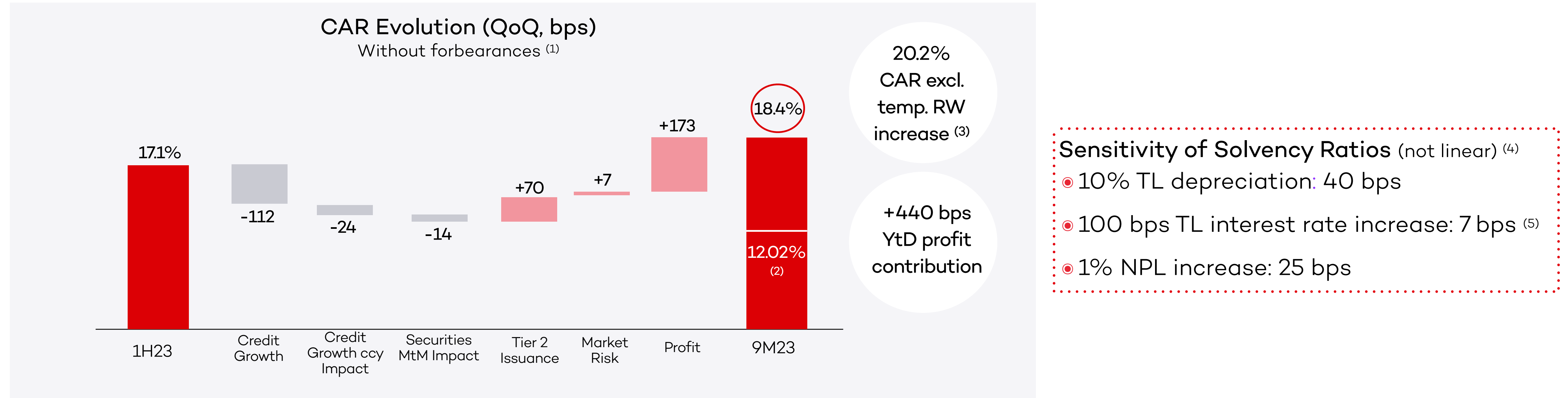
Provision Build & Coverages

(%)	2022	9M23
Stage 1 Coverage	0.7	0.9
Stage 2 Coverage	16.4	17.1
Stage 3 Coverage	67.6	70.7
Stage 2+3 Coverage	31.6	28.9
Total Provision Build ⁽¹⁾ (TL bn)	21.9	29.6
Free Provisions (TL mn)	1,400	1,400

Net Cumulative CoC Breakdown (bps)



Superior capital buffers remain as significant competitive advantage



(%, TL bn)	<u>CAR</u>	<u>Excess Capital ⁽⁶⁾</u>	<u>Tier 1</u>	<u>Excess Tier 1 ⁽⁶⁾</u>	<u>CET-1</u>	<u>Excess CET-1⁽⁶⁾</u>
<u>Without forbearances</u>	18.4%	75.3	15.5%	64.3	15.5%	82.0
<u>With forbearances ⁽¹⁾</u>	20.7%	91.4	17.6%	79.4	17.6%	95.2

(1) Fixing MtM losses of securities & FX rate for RWA calculation to 2022YE FX rate

(2) Min Basel III required: Including buffers (Capital Conservation Buffer: 2.50%, D-SIB Buffer: 1.50% Countercyclical Capital Buffer: 0.02%)

(3) BRSA implemented higher RW for newly generated consumer CCs, GPLs (from 75% to 150%) & comm. loans excl. SME, export, investment (from 100% to 200%)

(4) Diminishing sensitivity for higher amount of changes

(5) Sensitivity calculation includes 20 bps real rate change for CPI-linkers (FVOCI)

(6) Basel III min. requirements: CAR: 12.02%, Tier-1: 10.02%, CET-1 8.52%

Upside potential to 2023 profitability guidance

	2023 Guidance	9M23
TL Loan Growth	~ 40%	42.0%
FX Loan Growth (in USD)	Low-single digit	-3.8%
NIM (swap adj.)	4-5%	5.3%
Net fees & com. growth	~ 60%	184.0%
Opex increase	Improvement ⁽¹⁾	155.0%
Cost/ income ⁽²⁾	Low 30%'s	30.0%
NPL	< 3%	2.0%
Net total CoC (excl. ccy impact)	~ 100 bps	107 bps
ROE	~ 30%	41.2%

2023 Guidance Key Drivers

Momentum across all business lines & subsidiaries continue as we advance in innovative offerings, using AI & cutting-edge technology while investing in our people

- 1

Retail driven growth with sustainable profitability & healthy market share gains in focus
- 2

Boosting customer acquisition with disruptive new offerings
- 3

Leveraging robust solvency ratios & strong efficiency
- 4

Taking advantage of advanced analytics & cutting-edge technology
- 5

Non-stop investments in our people & future of work
- 6

Mitigating environmental footprint while increasing positive impact

19 (1) Indicates lower increase YoY compared to 2022
(2) CIR calculation excludes FX gain from hedge position related with stage 1&2 provisions

Sustainable finance for green & inclusive transformation

9M23

On track for long-term goals in sustainable finance

- ▶ Provided TL 87 bn in sustainable finance ⁽¹⁾
- ▶ Total ESG-themed funds AuM reached TL 1.5 bn, with 88K investors
- ▶ Published revised Sustainable Finance Framework with SPO in April

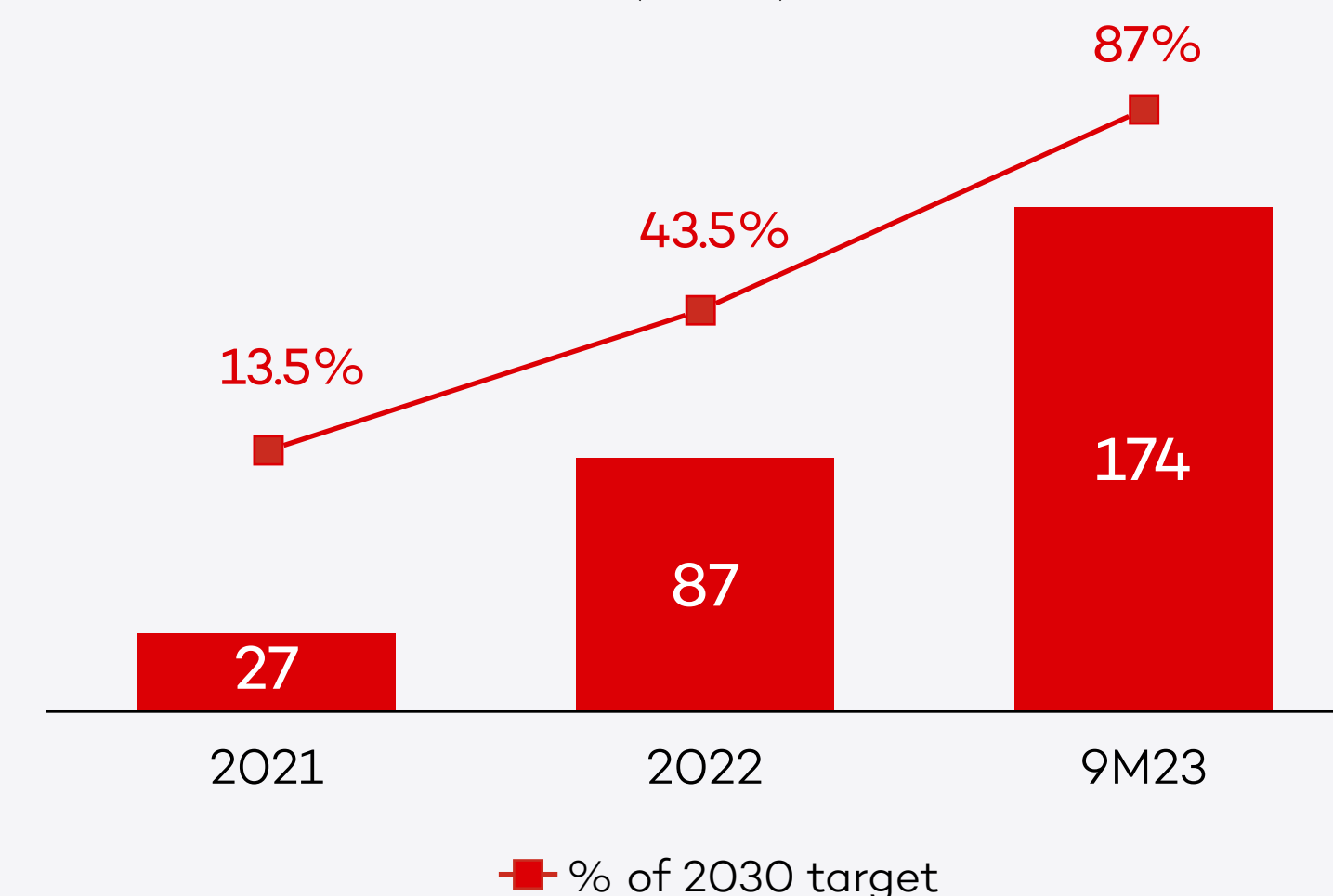
ESG share in total wholesale funding transactions reached 57%

- ▶ USD 300 mn Sustainability and Gender themed Tier-2 in July 2023, issued to AIIB, DFC and IFC (first gender Tier 2 globally)
- ▶ Turkey's first syndicated social loan in April 2023, providing USD 500 mn for trade finance transactions in the earthquake area
- ▶ Secured USD 65 mn under EBRD's DRF in support of regions impacted by the earthquakes

2023
Outlook

- ▶ Sustainable Finance Framework revised with recent trends, to be published with SPO
- ▶ Continue focus on ESG-linked funding
- ▶ Introduce Responsible Investment Policy
- ▶ Support decarbonization by engaging with customers and product innovation

Progress on 2030 Sustainable Finance Target of TL 200 bn (TL bn)



For more on
sustainable finance



Innovative products & services to enhance businesses and financial health

9M23

Set target for financial health and inclusion

- ▶ Achieving a growth rate of 10% per year on the number of women-led business customers to increase financial resilience and support sustainable business growth by 2025 under the scope of UN PRB financial health and inclusion commitment ⁽¹⁾

Empowered SMEs with Green Transformation Guarantee Support Package in October 2023

- ▶ First in industry: Special Financing Support backed by Export Development Cooperation – İGE
- ▶ Collateral solution to SME credit utilization while benefiting from Eco Transformation Package

Continued to foster sustainable entrepreneurship ecosystem

- ▶ Commenced the second term of Türkiye's 1st full time spin-off program Akbank+
- ▶ Kicked off Akbank Hackathon: DisasterTech in September 2023, with launching the open source «Disaster Technologies Ecosystem Map of Türkiye»
- ▶ Boost the Future, an accelerator program supporting entrepreneurs started in partnership with Endeavor Turkey (5th year)



- ▶ Continue to support green transformation journey of SMEs and women-owned SMEs
- ▶ Offer tailor-made programs to customers to enhance digital & financial literacy
- ▶ Further strengthen accessible banking through innovation

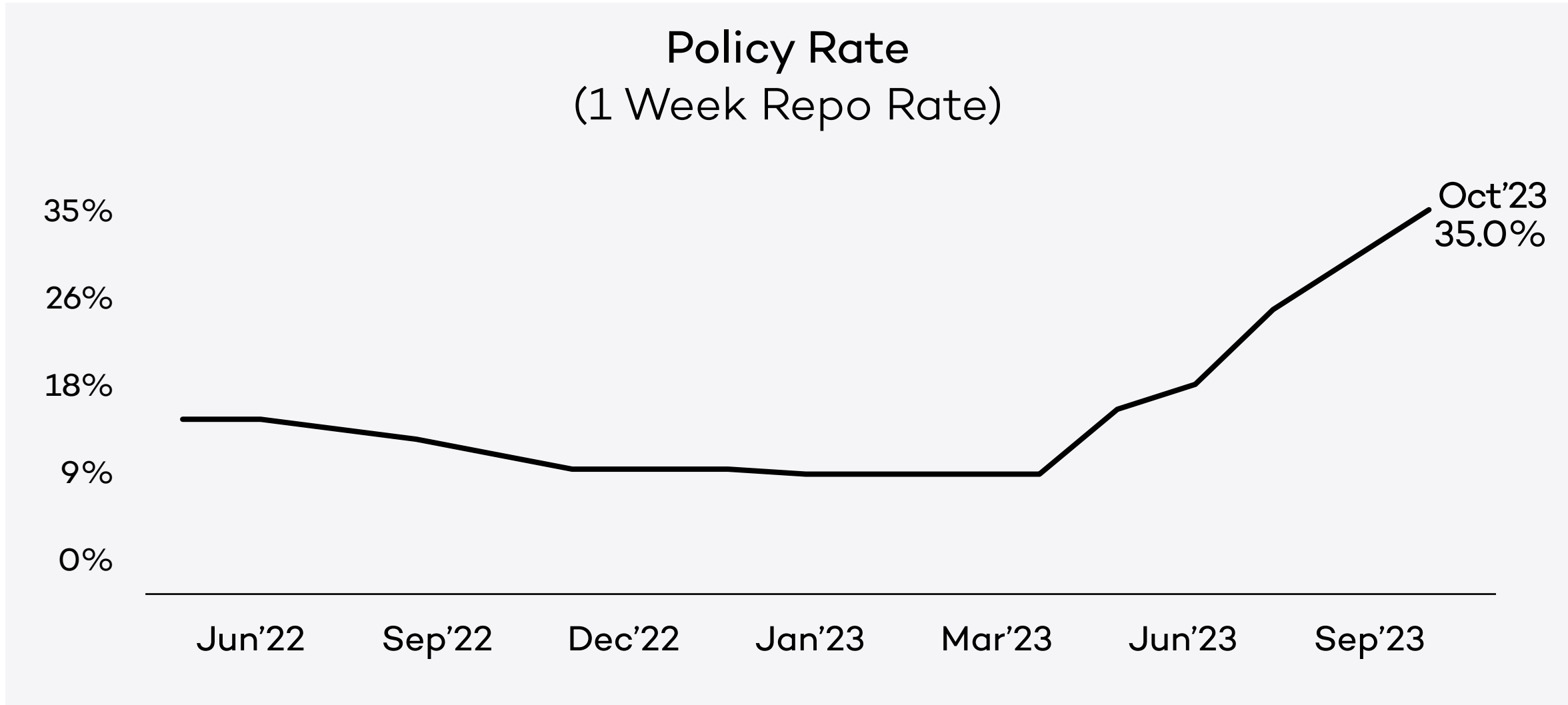
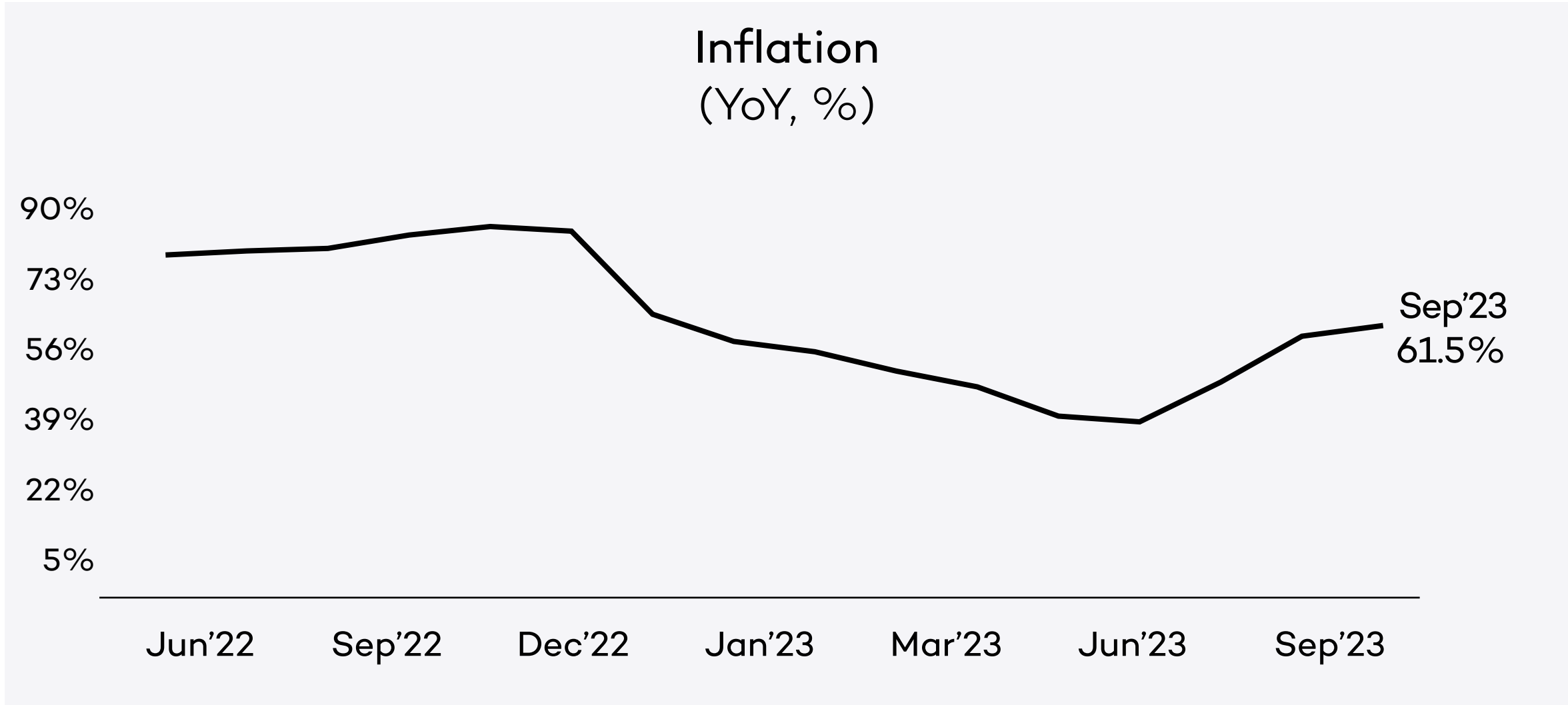
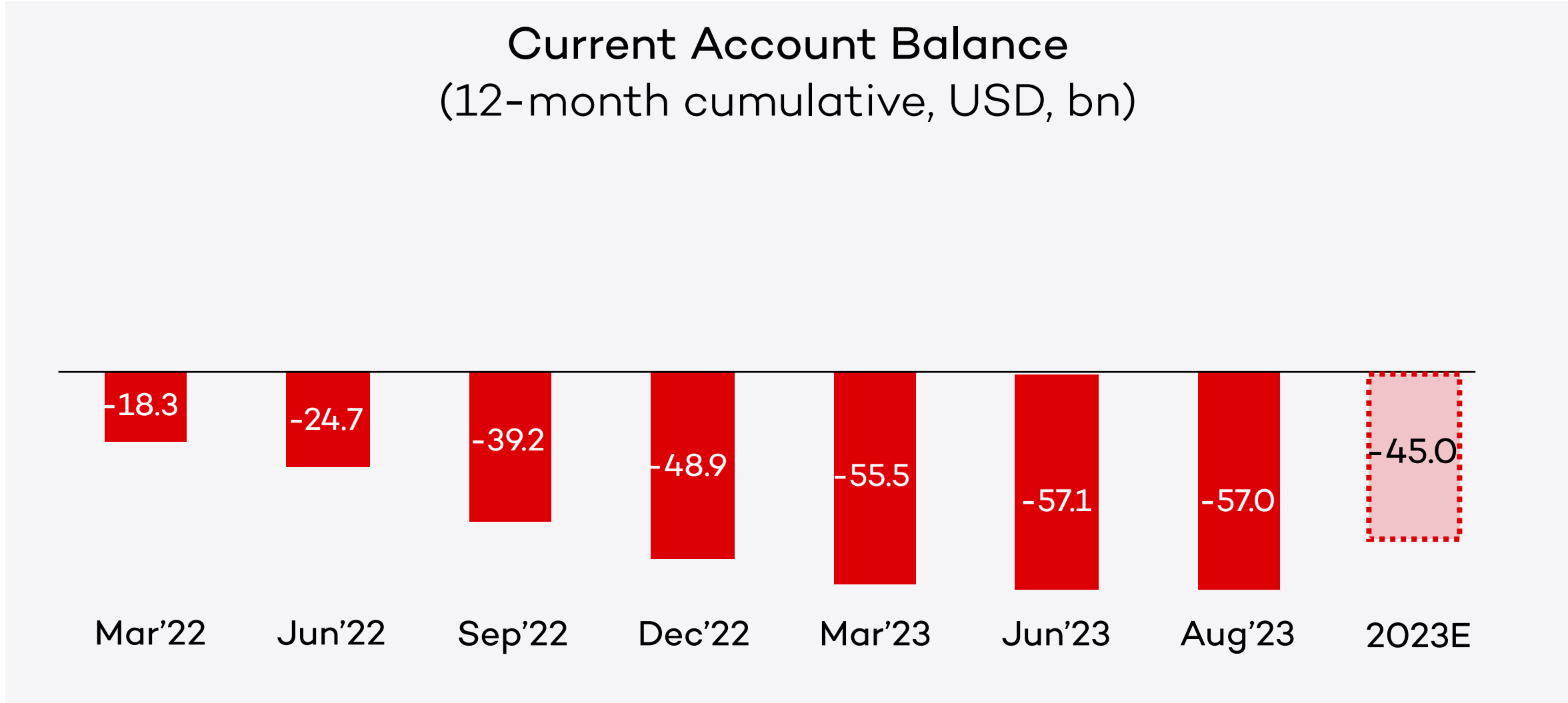
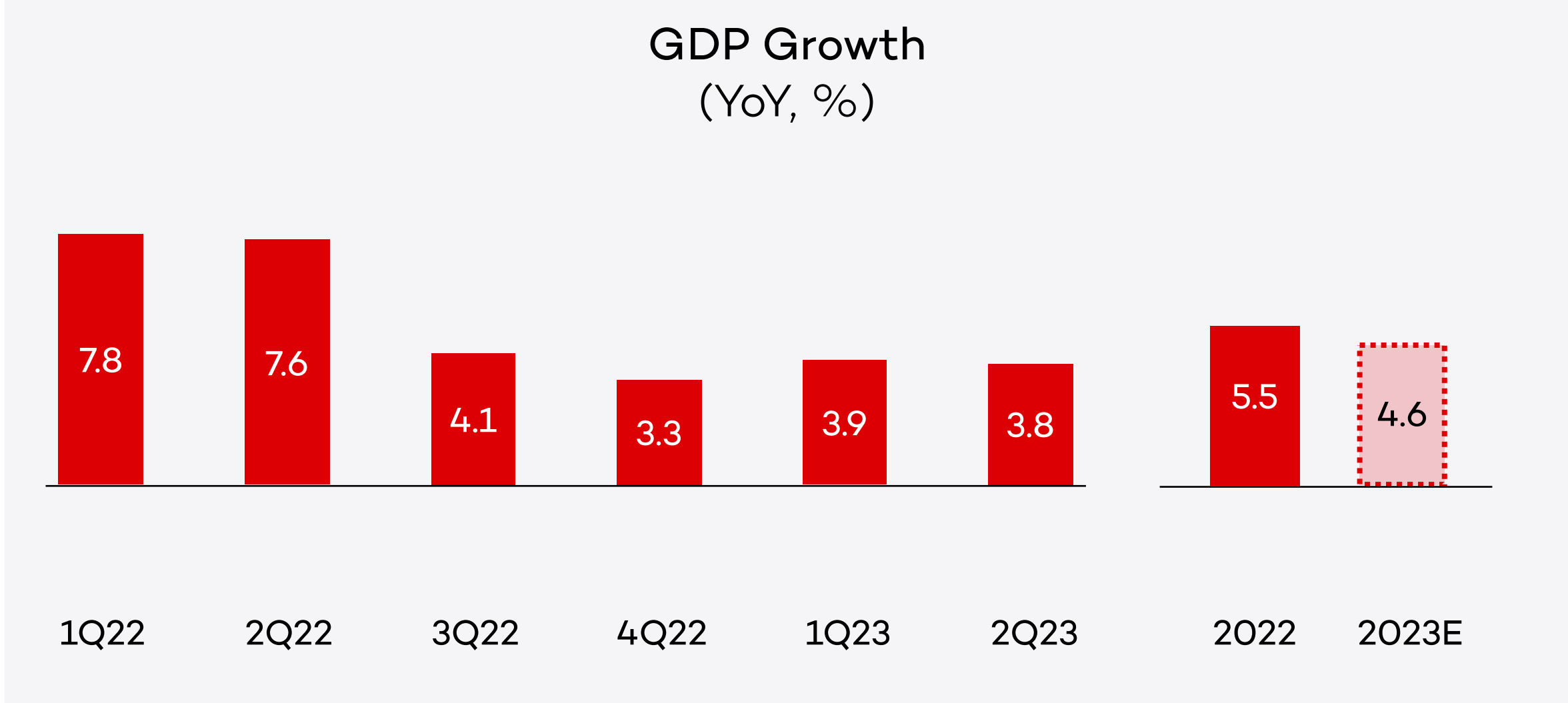
For more on how we empower SMEs



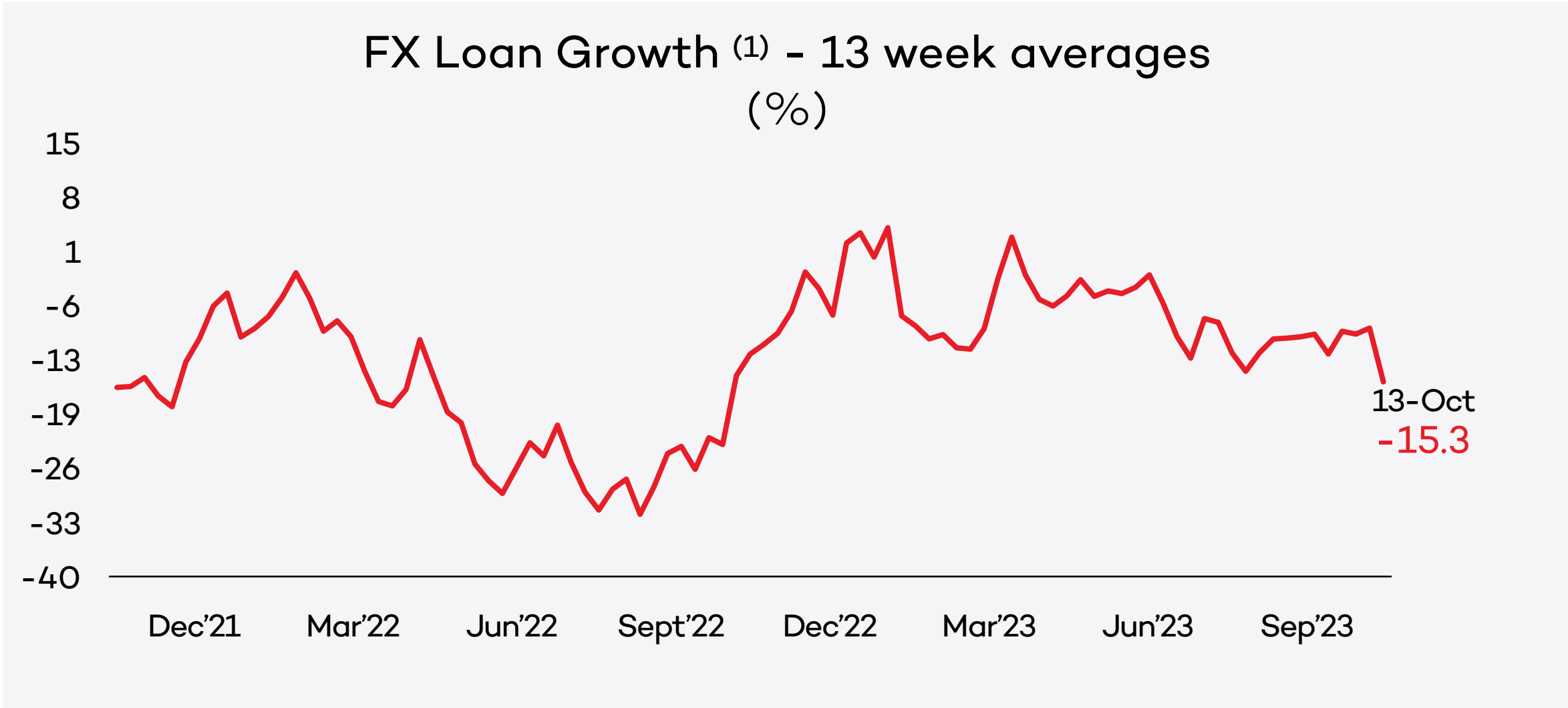
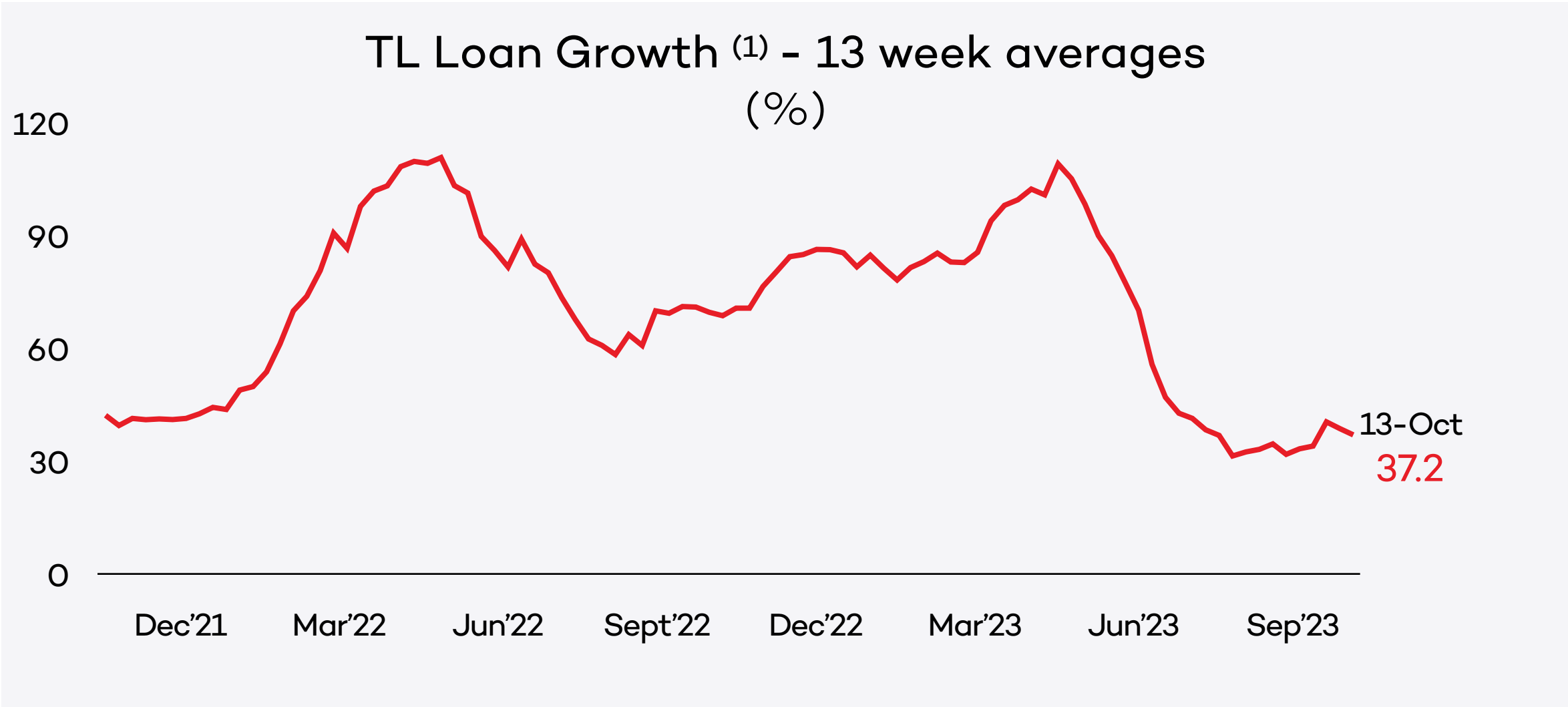
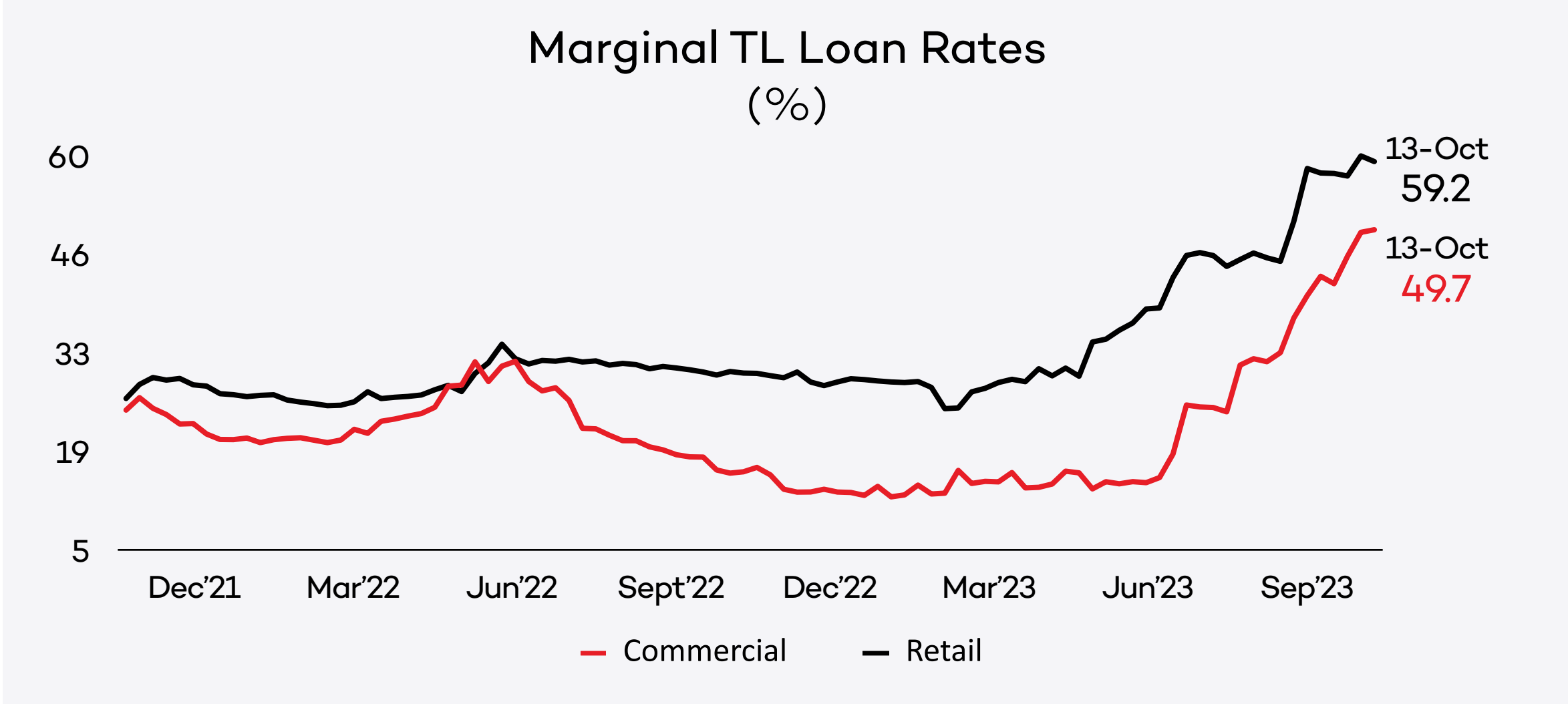
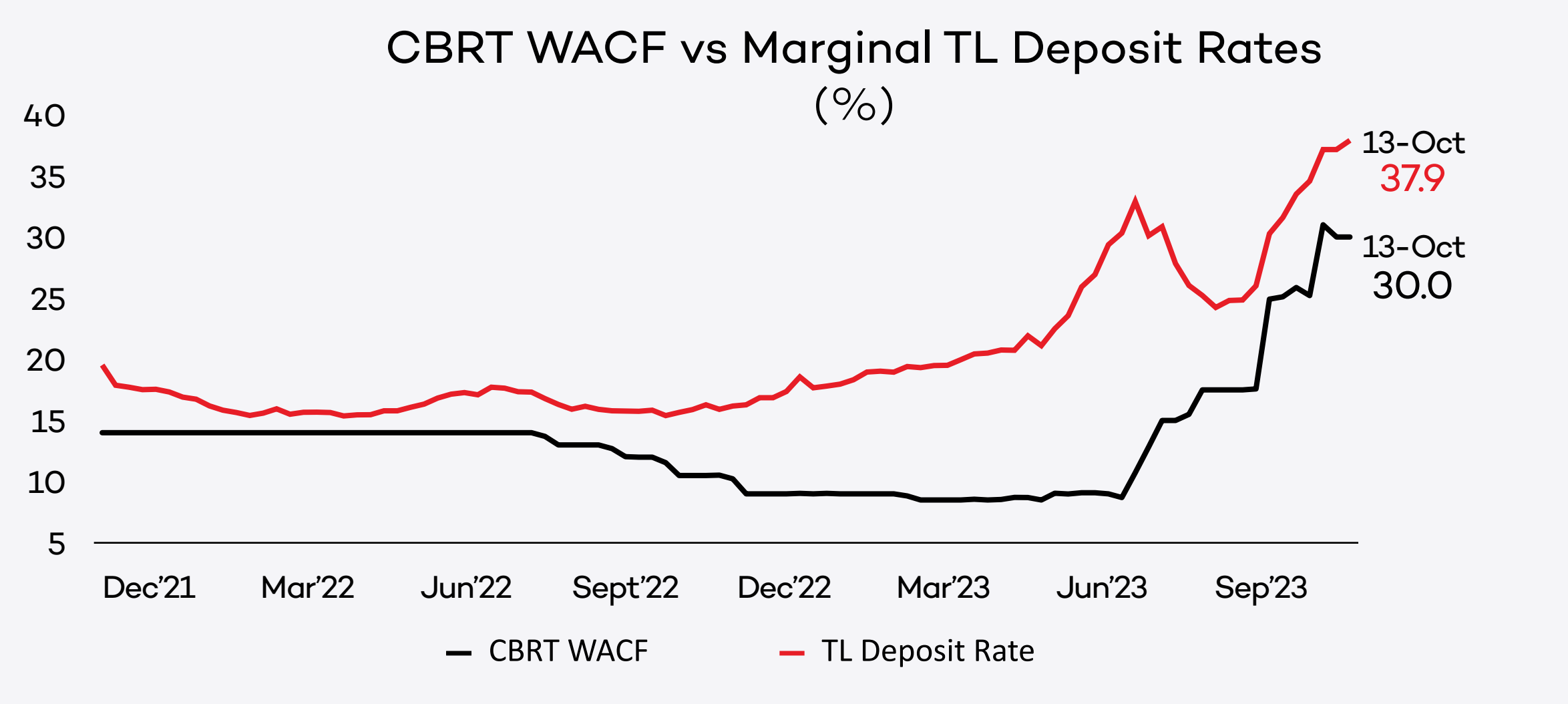
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01 Annex

Turkish Economy Overview

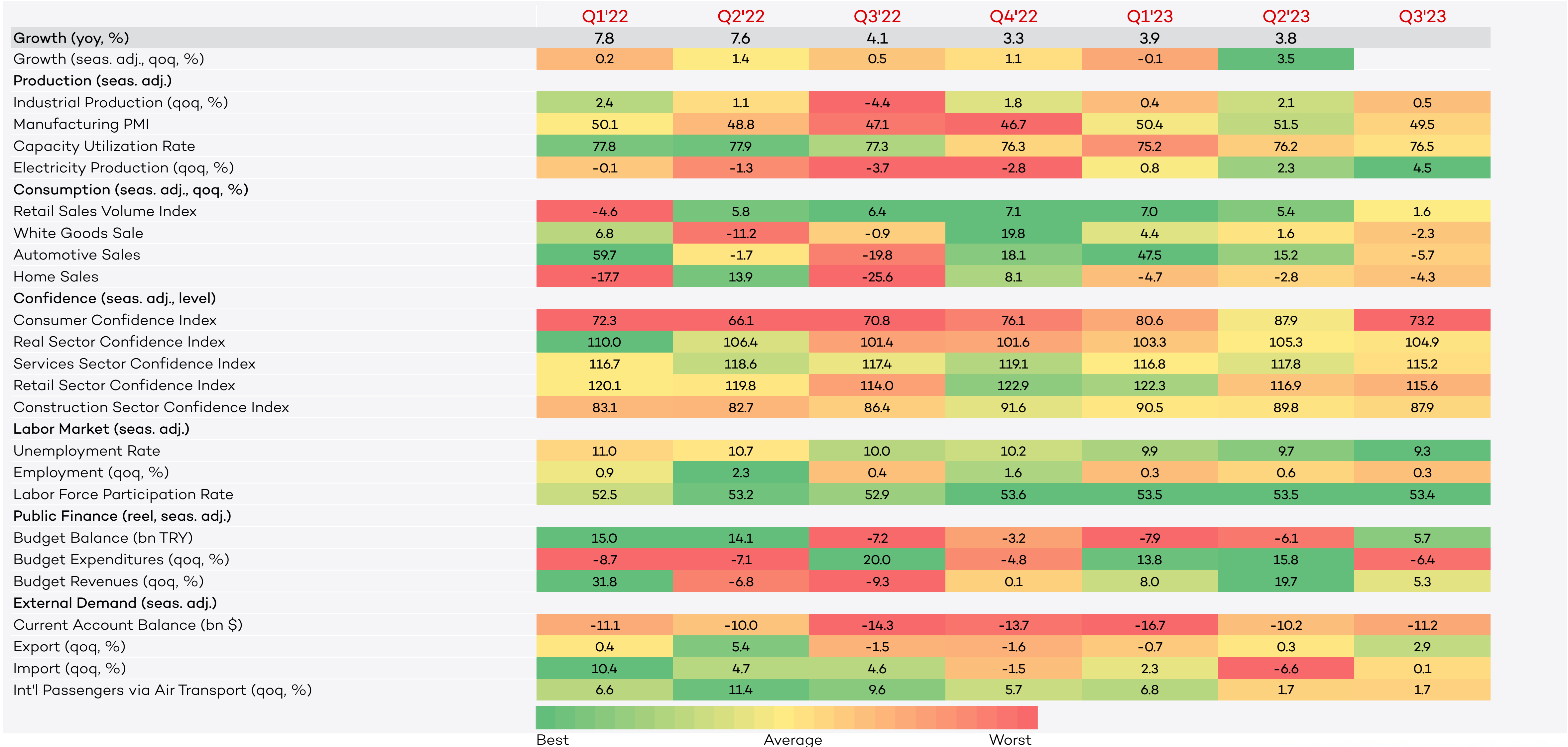


Banking Sector: Key indicators

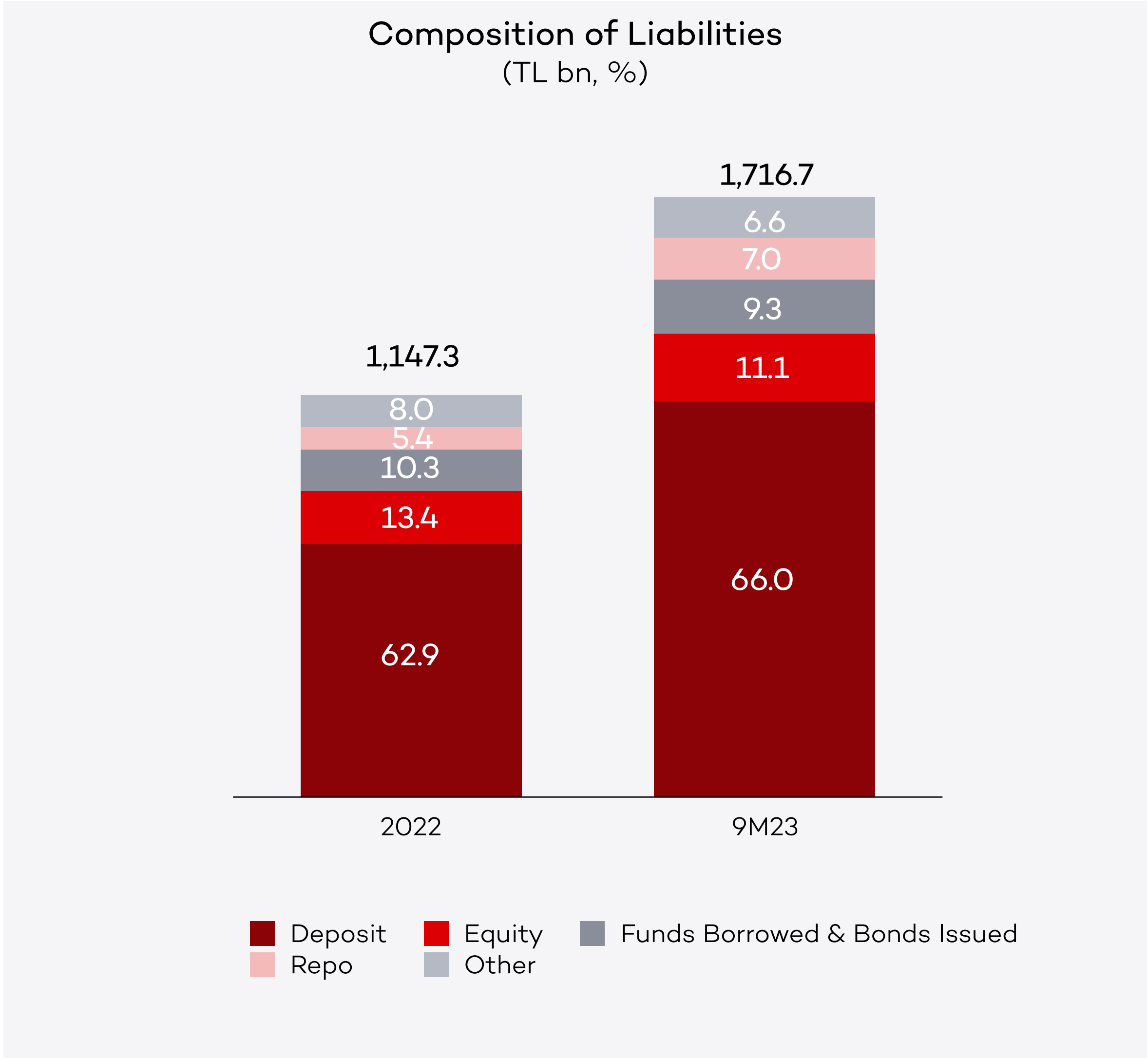
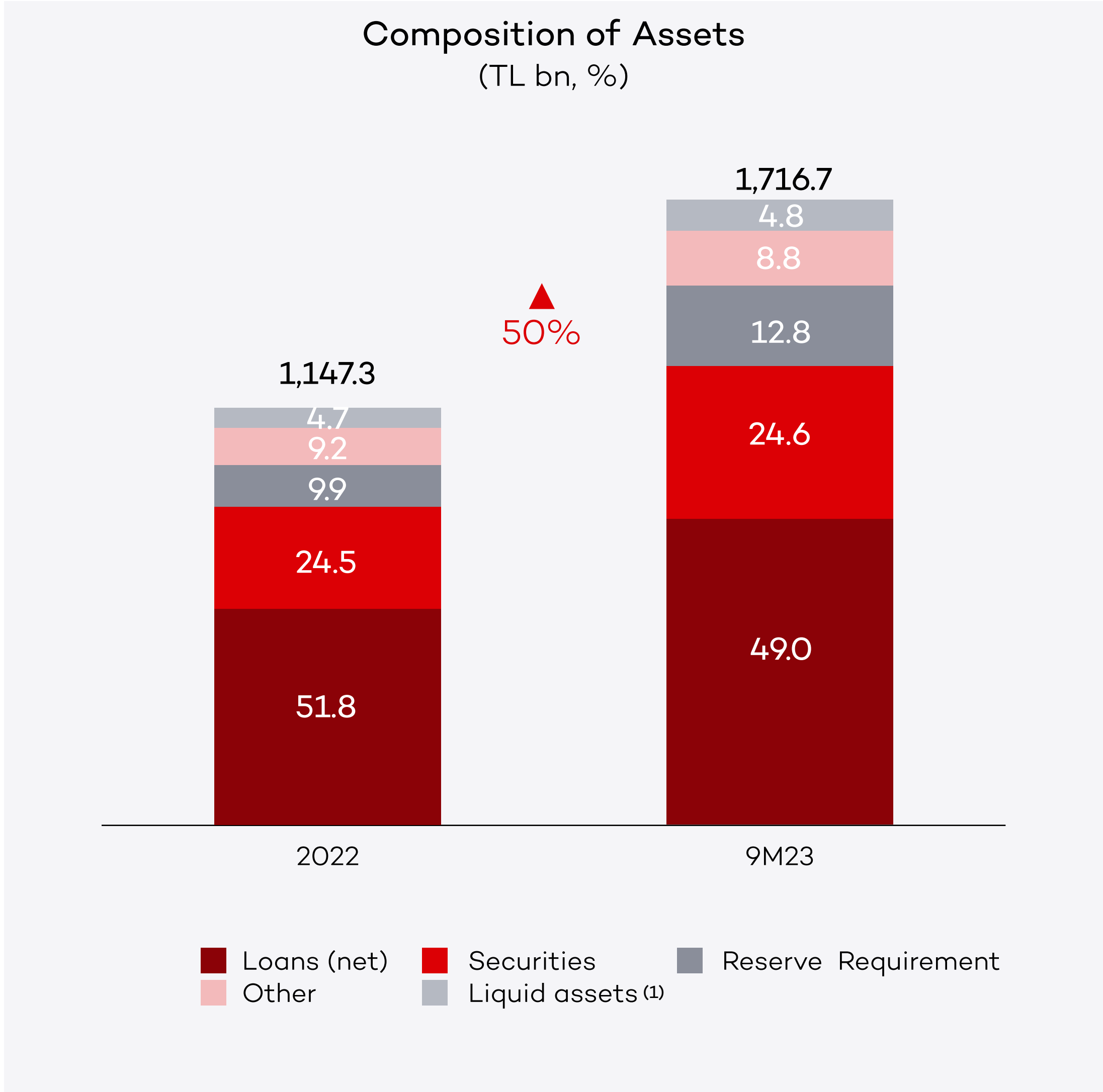


Sources: BRSA & CBRT weekly data
24 (1) Excluding participation banks

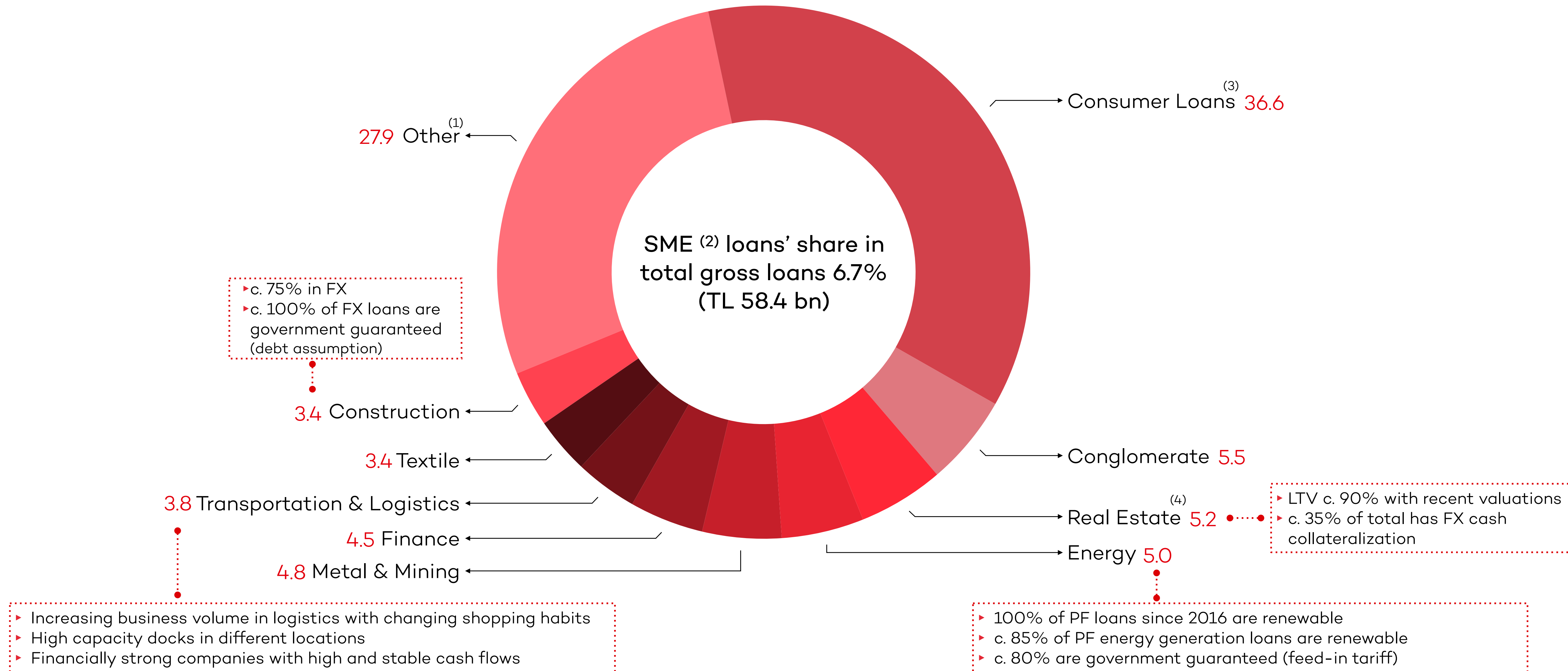
Economic activity heat map



Balanced asset allocation drives sustainable long-term shareholder value



Gross Loan Sector Breakdown



Consists of consolidated performing and non-performing cash loans & excludes leasing receivables

(1) Loan concentration below 3%

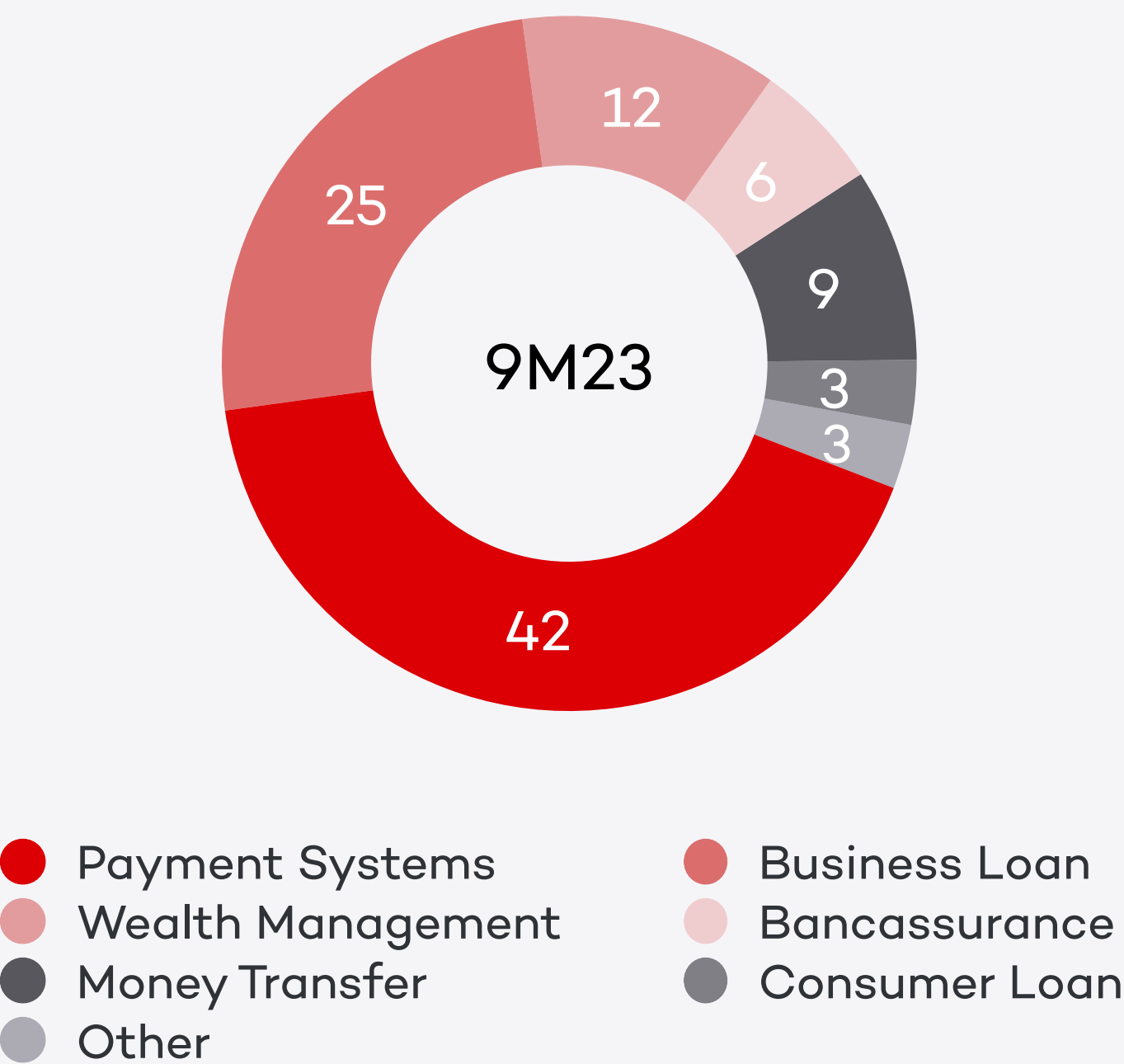
(2) According to MIS segmentation

(3) Including credit cards

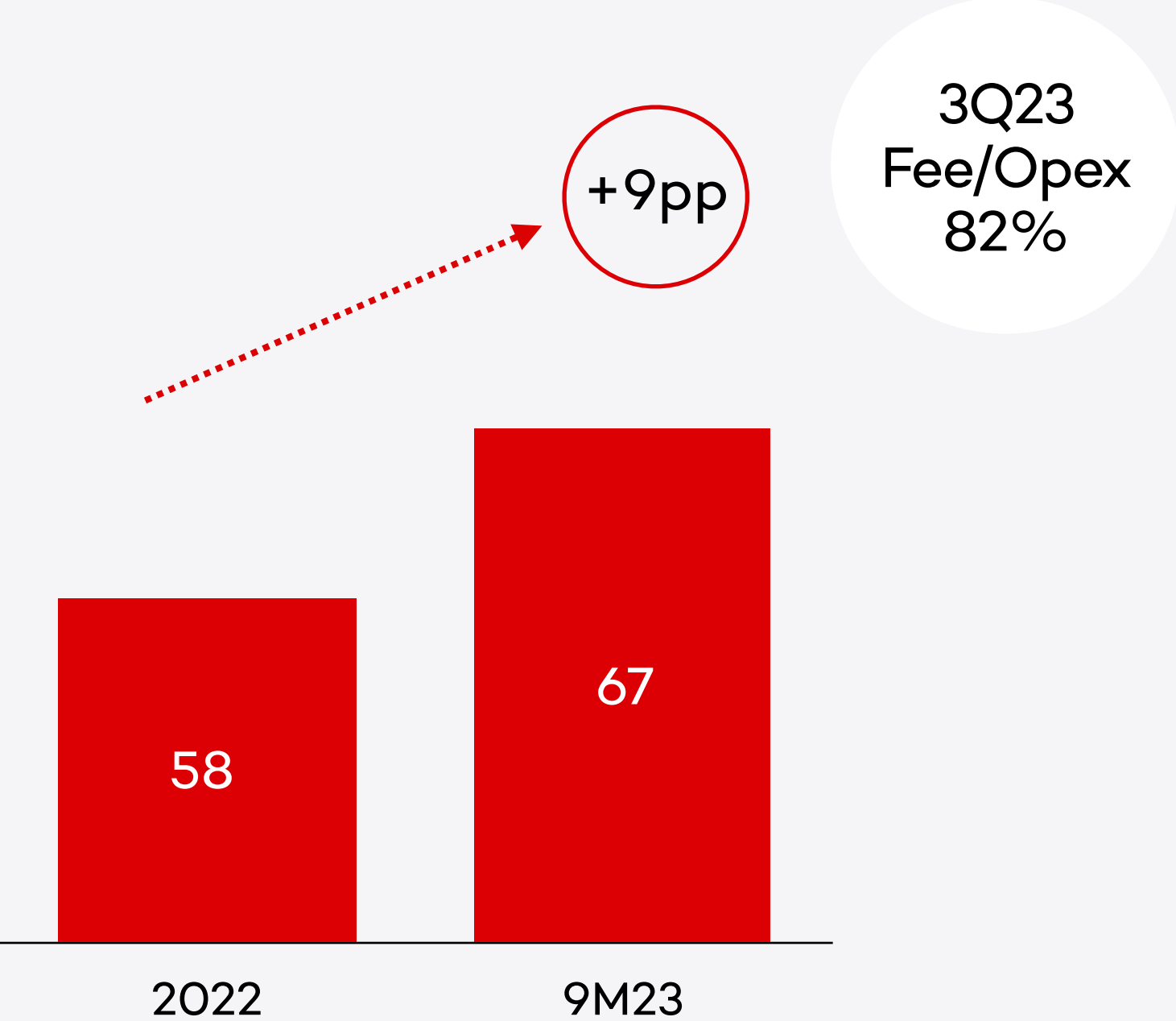
(4) Assuming Decree 32 to be implemented perpetually

Leveraging diversified fee income base

Fees & Commissions Income by Segments (%)



Fee/Opex (%)



Successful Wholesale Borrowings

Syndicated Loans

- ▶ April 2023 Syndicated Loan ~ USD 500 mn
 - ◉ USD 245.5 mn, 367 days tranche @ Sofr+4.25% & EUR 233 mn, 367 days tranche @ Euribor+4.00%
 - ◉ 1st syndicated social loan in Türkiye which will be used to support the trade finance transactions of our customers affected by the earthquake
- ▶ October 2022 Syndicated Loan ~ USD 400 mn
 - ◉ USD 225 mn, 367 days tranche @ Sofr+4.25% & EUR 177.5 mn, 367 days tranche @ Euribor+4.00%
 - ◉ Akbank's fourth ESG-linked loan with performance criteria similar to April'22 facility

IFI Loans 1H23

- ▶ Proparco Loan, USD 50 mn
 - ◉ 7 year maturity
 - ◉ SMEs for green projects (renewable energy & energy efficiency) & women entrepreneurship
- ▶ EBRD Disaster Relief Framework Loan, USD 65 mn
 - ◉ 1 year maturity
 - ◉ To be utilized in regions affected by the earthquakes

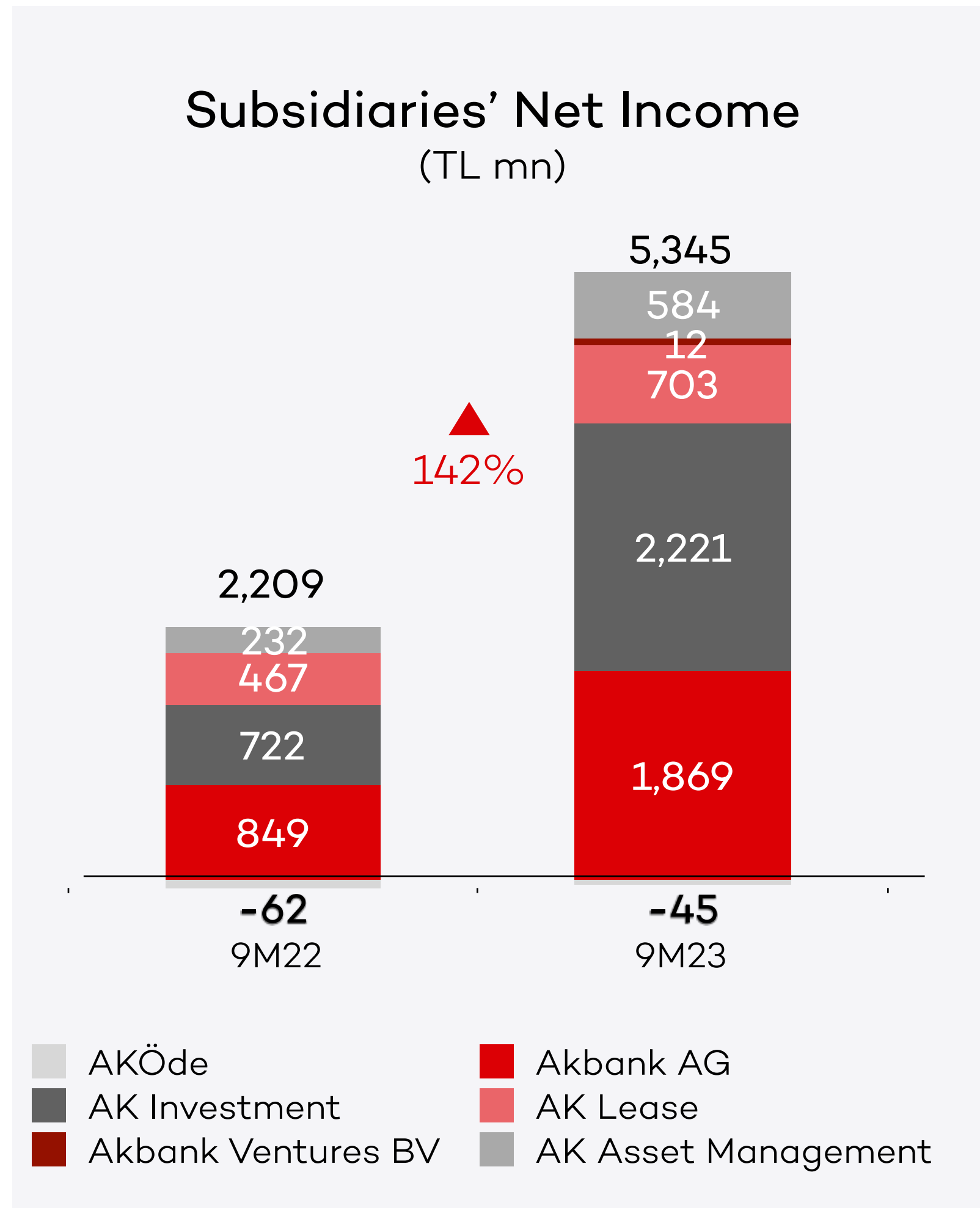
Bonds 3Q23

- ▶ RegS Senior Unsecured Social Bonds, USD 235,2 mn
 - ◉ 1 year maturity
 - ◉ 8 Self-arranged issuances

Tier 2 July'23

- ▶ Sustainable & Gender themed Tier 2, USD 300 mn
 - ◉ 10NC5
 - ◉ Self-arranged issuance to AIIB, IFC and DFC
 - ◉ First gender Tier 2 globally

Strong presence in financial industry



AKBANK AG / Banking 100%

- ▶ Flagship of Akbank Group in Europe
- ▶ Total assets of EUR 3,946 mn and equity of EUR 1,016 mn
- ▶ Contribution to net income stands at 6% in 9M23

AKLease / Leasing 100%

- ▶ Net lease receivables market share of 12.4% ⁽¹⁾

AKYatırım / Brokerage 100%

- ▶ Leader in corporate bond issuances ⁽²⁾ with 48% market share in 3Q23
- ▶ One of the leading intermediary institutions in equity public offerings ⁽³⁾ with USD 1.8 bn transaction size btw 2011-3Q23
- ▶ Top 2 in equity margin trading with 12% market share in 2Q23

AKPortföy / Asset Management 100%

- ▶ Leader in:
 - Total AuM with TL 353 bn ⁽⁴⁾
 - Pension fund management with TL 114 bn AuM, 17.0% market share
 - Mutual fund management with TL 178 bn AuM, 11.9% market share
 - DPM with TL 57.7 bn AuM

AKÖde / E-Money 100%

- ▶ Tosla, first mobile application of AKÖde was launched at Sep'19
- ▶ AKÖde POS, virtual POS & Link Payment products for consumers & merchants
 - User friendly product without rent cost, transaction fee & turnover commitment

AKBANK VENTURES / Corporate Venture Capital 100%

- ▶ Established in Apr'23 in Netherlands, Akbank Ventures BV is targeting next generation businesses with high growth potential to support Akbank's strategic investments

(1) As of Aug'23

(2) Excluding issuances of banks and affiliated companies. All data are based on BIST

(3) Excluding privatization transactions

(4) Among private institutions

Empowering our people and communities

9M23

Bright Tomorrows Movement

- ▶ A long term collaboration with Community Volunteers Foundation in earthquake-affected cities
- ▶ Supporting young people to heal and prepare for the future through art, technology and science

Continue efforts for a more diverse & inclusive workplace

- ▶ Mentoring program under Role Model Akbank
- ▶ Continued to Competency Development Programs
- ▶ Cooperated with ES Kariyer for accessibility projects within Akbank

Akbank Academy reached 43K young people

For more on
D&I



2023
Outlook

- ▶ Continue efforts for a more diverse & inclusive workplace with a focus on women, youth, vulnerable groups
 - Flagship projects include “Strong Women in Technology”, “Role Model Akbank”, and “Accessible Akbank”
- ▶ Support our youth with leading education and financial literacy programs

AKBANK

Advance efforts to mitigate environmental footprint & manage climate risk

9M23

Spatial climate risk analysis for PF portfolio

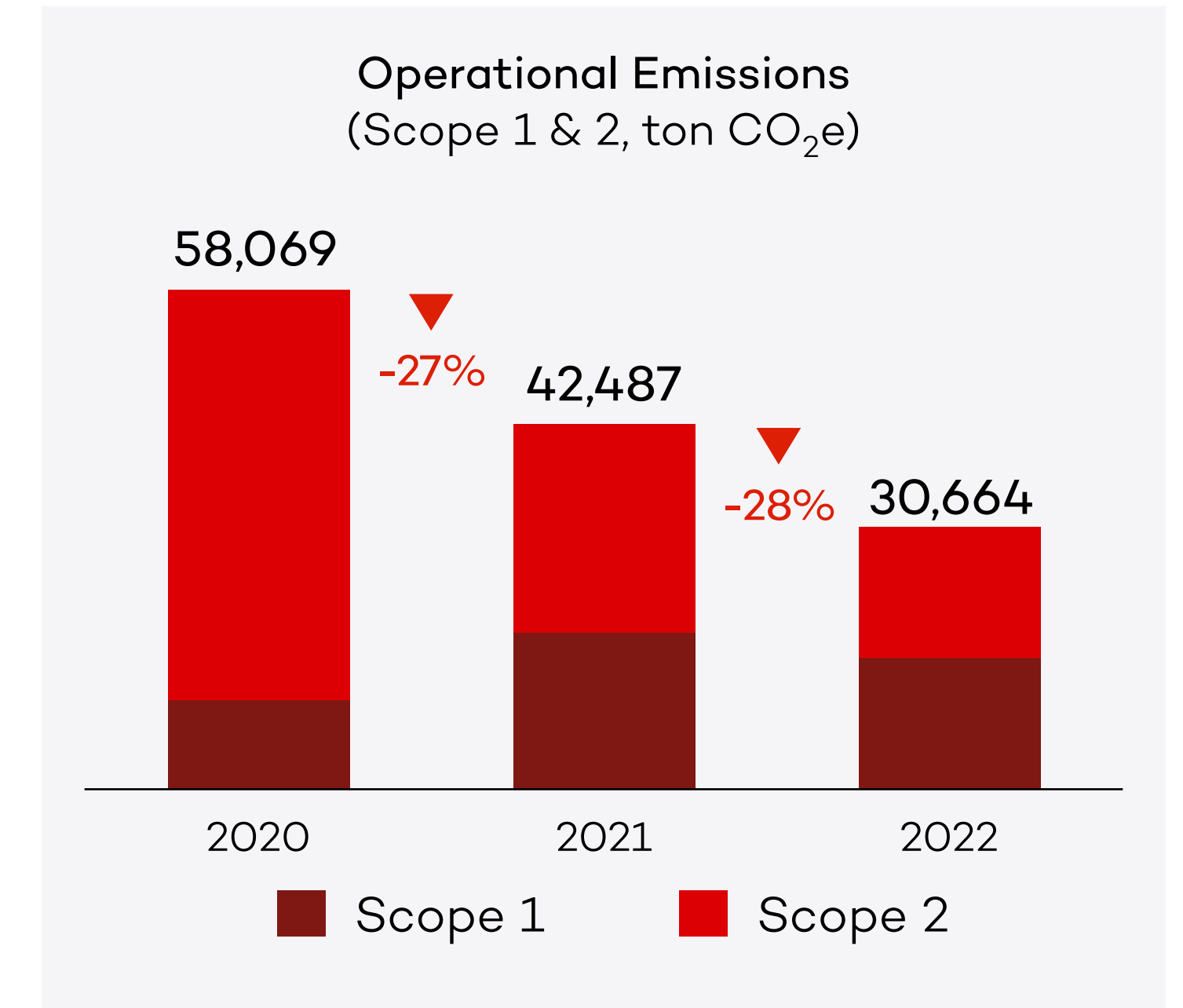
- ▶ Addressing location and sector-specific climate risks for all PF loans

On track to become carbon-neutral in operational emissions by 2025

- ▶ Capacity building in energy efficiency and waste management
 - ISO 50001 (Energy Management) & 14001 (Environmental Management) trainings completed in 175 branches in 3Q23 (+400 branches in total)
- ▶ 100% of bank's electricity sourced from renewable resources since the beginning of 2023



- ▶ Launch decarbonization roadmap for portfolio and operations, with interim targets to reach net zero by 2050
- ▶ Expand ISO 50001 & 14001 certificates to include to more branches
- ▶ Increase electricity sourcing from renewable resources
- ▶ Publish 1st TCFD report



For more, please see
our integrated report



AKBANK

Snapshot of Results

	1H22	9M22	2022	1H23	9M23
Profitability (%)					
ROE	47.1	51.5	54.7	39.0	41.2
ROE, Quarterly	54.2	59.6	62.3	50.3	45.5
ROA	4.9	5.6	6.2	4.7	4.9
ROA, Quarterly	5.7	6.7	7.9	5.8	5.0
Swap Adj. NIM	6.2	7.1	8.2	4.3	5.3
Swap Adj. NIM, Quarterly	7.2	8.6	11.1	3.8	6.8
CIR ⁽¹⁾	18.4	18.2	19.0	32.0	30.0
CIR, Quarterly	16.4	18.0	19.4	26.4	27.3
(%)					
Total LDR ⁽²⁾	80	81	82	74	73
TL ⁽²⁾	122	119	106	87	85
FX	47	46	51	56	55
Leverage (x)	9.6	8.5	7.5	9.0	9.0
Asset Quality (%)					
NPL Ratio	3.5	3.3	2.8	2.1	2.0
Stage 3 Coverage	68.2	68.8	67.6	70.1	70.7
Stage 2/ Total Gross Loans	7.8	7.5	6.6	6.6	7.0
Stage 2 Coverage	15.5	15.5	16.4	18.5	17.1
Net CoC	0.85	0.78	0.81	1.64	1.42
Net CoC, Quarterly	0.65	0.66	0.89	1.91	1.06
Net CoC (excl. Currency)	0.51	0.49	0.54	1.14	1.07
Net CoC(excl. Currency), Quarterly	0.32	0.45	0.66	1.05	0.94
Solvency ⁽³⁾ (%)					
CAR	18.0	19.3	20.9	17.1	18.4
CET-1	14.7	16.1	17.9	14.9	15.5
Tier-1	14.7	16.1	17.9	14.9	15.5

(1) CIR calculation excludes FX gain from hedge position related with stage 1&2 provisions

33 (2) Bank-only, TL LDR includes domestic TL bond issuances and merchant payables

(3) w/o forbearances: Fixing MtM losses of securities & FX rate for RWA calculation to 2021YE FX rate for 1H22, 9M22 and 2022; fixing MtM losses of securities & FX rate for RWA calculation to 2022YE FX rate for 1H23 and 9M23

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Balance Sheet Highlights






	2022	9M23	YtD (%)
Consolidated (TL mn)			
Cash and due from Banks	167,376	303,350	81
Securities	280,542	421,867	50
TL	183,659	277,265	51
FX (USD)	5,181	5,282	2
Loans (net)	594,203	841,499	42
TL	393,861	559,398	42
FX (USD)	10,714	10,304	(4)
Other	105,173	149,956	43
Total Assets	1,147,294	1,716,672	50
Deposits	721,562	1,133,736	57
TL	370,274	653,652	77
FX (USD)	18,787	17,536	(7)
Funds Borrowed and Bonds Issued	117,681	158,708	35
Repo	62,524	120,361	93
Other	91,920	113,829	24
Equity	153,606	190,039	24
Total Liabilities and S/H Equity	1,147,294	1,716,672	50

Income Statement Highlights

Consolidated (TL mn)	2Q23	3Q23	QoQ(%)	9M22	9M23	YoY(%)
Net Interest Income incl. swap cost	11,997	25,036	109	44,534	50,789	14
NII	11,375	24,731	117	50,183	49,846	(1)
o/w CPI-linker income	11,925	24,131	102	29,399	45,848	56
Swap Cost	622	305	(51)	(5,649)	943	(117)
Fees and Commissions (Net)	6,738	10,209	52	7,732	21,980	184
Net Trading Gain (Loss)	20,557	10,116	(51)	18,420	37,137	102
LYY hedge gain/ (loss)	-	-	-	3,462	-	-
ECL hedge gain/ (loss)	1,559	240	(85)	1,030	1,965	91
Other	18,998	9,875	(48)	13,928	35,171	153
Other Income	216	307	42	987	946	(4)
Operating Expense	(10,027)	(12,394)	24	(12,815)	(32,688)	155
Pre- Provision Income	29,480	33,272	13	58,859	78,164	33
Provision for Loan Losses, net of collections	(3,471)	(2,190)	(37)	(2,774)	(7,833)	182
Stage 1+2 (net)	(1,687)	(1,523)	(10)	(976)	(5,095)	422
Stage 3	(929)	(921)	(1)	(2,660)	(3,001)	13
Stage 3 Recoveries	704	494	(30)	1,892	2,228	18
Currency Impact (fully hedged)	(1,559)	(240)	(85)	(1,030)	(1,965)	91
Other Provisions	(289)	(308)	6	(4,737)	(751)	(84)
LYY MtM gain/ (loss)	-	-	-	(3,464)	-	-
Free Provisions	-	-	-	-	-	-
Other	(289)	(308)	6	(1,273)	(751)	(41)
Income Before Tax	25,723	30,778	20	51,348	69,588	36
Tax	(5,416)	(10,328)	91	(13,125)	(18,119)	38
Net Income	20,307	20,450	1	38,223	51,469	35

Transparent & holistic approach validated in our ratings

Ratings

	BBB
	A
	16.1 (Low Risk)
	78.01
	B (Climate change & Water security)

Initiatives



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