

**Financial Presentation
September 2022**



Ziraat Bank

More than a bank



Ziraat Bankası – Highlights

Largest bank in Turkey with
~ **USD 113 bn.** asset size
~ **16%** market share

**TL 2,074
bn**

Widest local and international geographic footprint with 1,756 branches

- Only bank in more than **360** points in Turkey
- Operating in **17** countries with **116** service points
- **25** Foreign Branches
- Ongoing process of opening new foreign branches

Broad customer base

- **1.6 mn** new customers in 2022
- Extensive customer acquisition through digital channels

39 mn

1,756

Uninterrupted market leadership

- Assets
- Loans
- Deposits
- Equity

Adequate capital ratios

- **TL 21.8 bn** capital increase in Q1 22
- Market conditions and high profit generation are supportive of CAR

15.6%

#1

Robust asset quality

- Limited NPL formation
- High NPL collection capacity
- Prudent provisioning approach including additional free provisions

1.2%

Foremost provider of agricultural financing

- Only bank authorised for government subsidized agro-lending
- Sustainable agro financing strategy with expanded loan facilities

67%

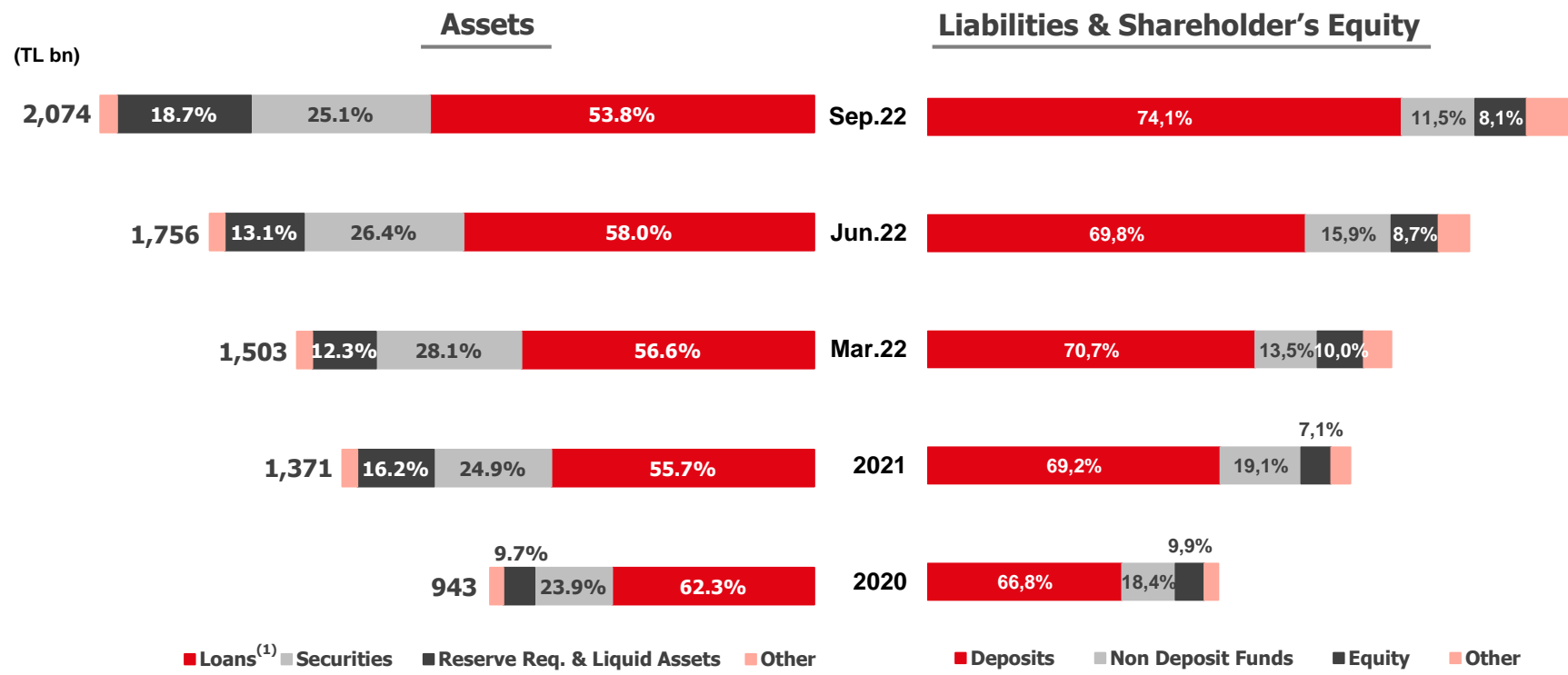
**TL 1,537
bn**

Granular and sticky deposit base

- Significant share of retail deposits in total deposits
- Core deposit ratio **95%**



Ziraat Bankası – Assets & Liabilities



Market Shares



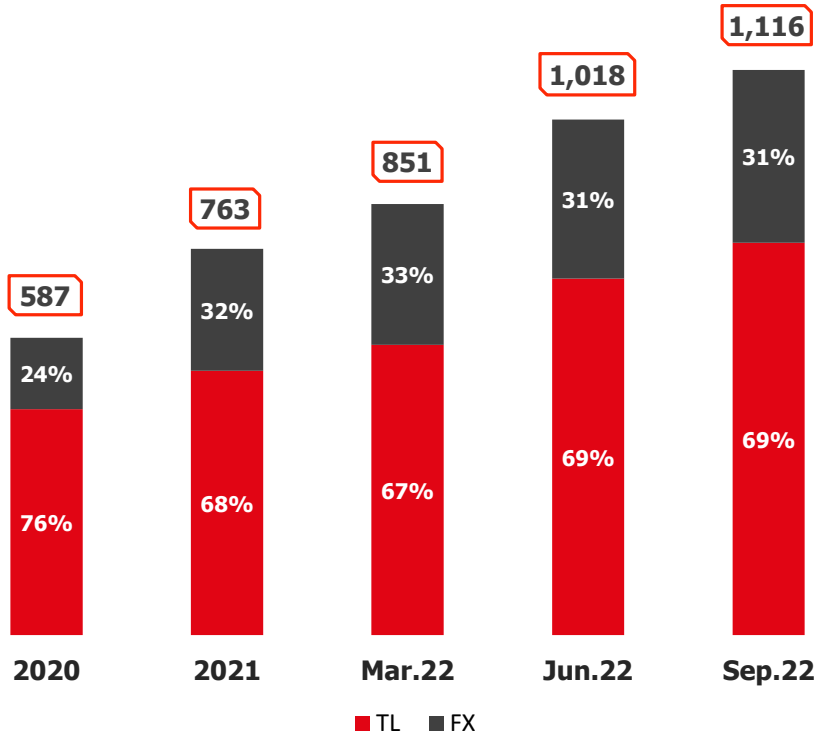
(1) Performing loans

Total Loans⁽¹⁾ (TL bn, % share in total)

Selective lending policy continued.

Commercial driven loan growth, with significant contribution from agro loans.

Less contribution from retail segment in line with lending strategy, with credit card being the main driver.



(1) Performing loans
 (2) Average rate for allocation in last four quarter
 (3) Credit cards turnover market share

Loan Growth

	QoQ Δ	YtD Δ
Total Loans	9.6%	46.2%
Total Loans (FX adj.)	6.3%	33.3%
TL	10.1%	48.4%
FX(\$)	-2.2%	0.6%
Retail	5.9%	24.7%
Housing	5.3%	32.0%
GPL	1.1%	1.6%
Credit Card	33.4%	45.2%
Commercial (inc. SME)	10.1%	63.7%
Corporate	10.6%	41.1%
Corp. (FX adj.)	4.9%	20.1%

Housing Loans

56% of retail loans
 32% Market Share
 44% LTV⁽²⁾
 0.1% NPL

GPL

28% of retail loans
 10% Market Share
 Pensioners account for
 39% of GPL portfolio

Credit Card

TL 25 bn
 7.3% Market Share⁽³⁾
 (+7 bps QoQ)
 10 million customers

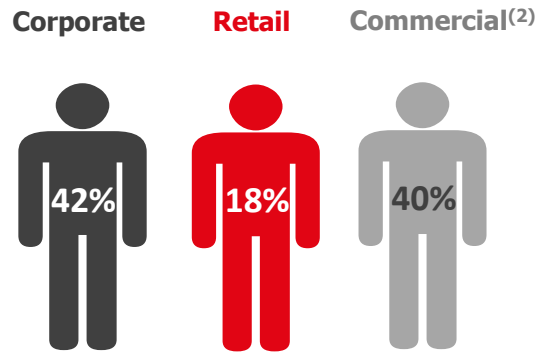
Agro Loans

TL 177 bn
 67% Market share
 > 750k agro customers
 86% Subsidized
 0.5% NPL

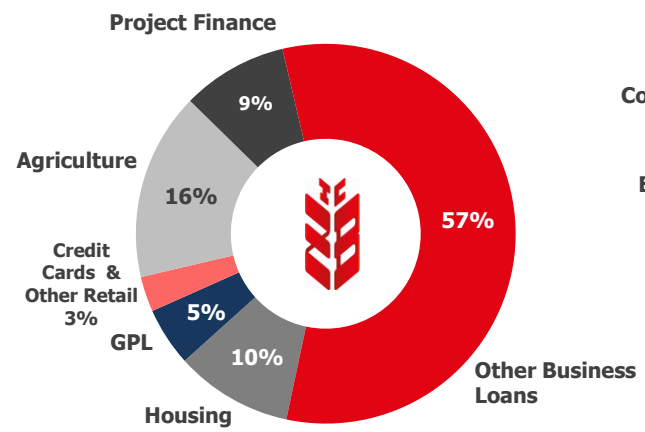
CGF Guaranteed Loans

TL 42 bn (-12% QoQ)
 o/w TL 6 bn retail segment
 ~3 mn customers
 4% of cash loans

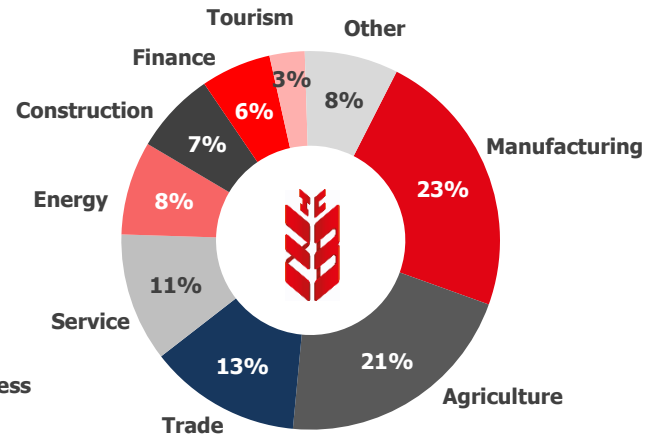
Cash Loans by Customer Segment⁽¹⁾



Cash Loans by Product



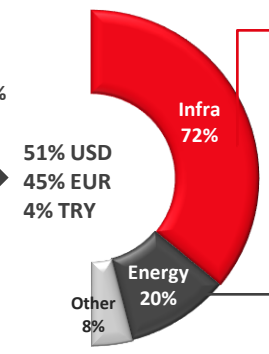
Sector Breakdown of Cash Business Loans⁽¹⁾



• Based on customer segmentation data, totals may differ from product classification

FX Loans

- FX Loans Outstanding USD **18.6 bn**
- FX Loans/Total Loans **31%** slightly below sector⁽³⁾ average
- FX Loans NPL **0.9%**



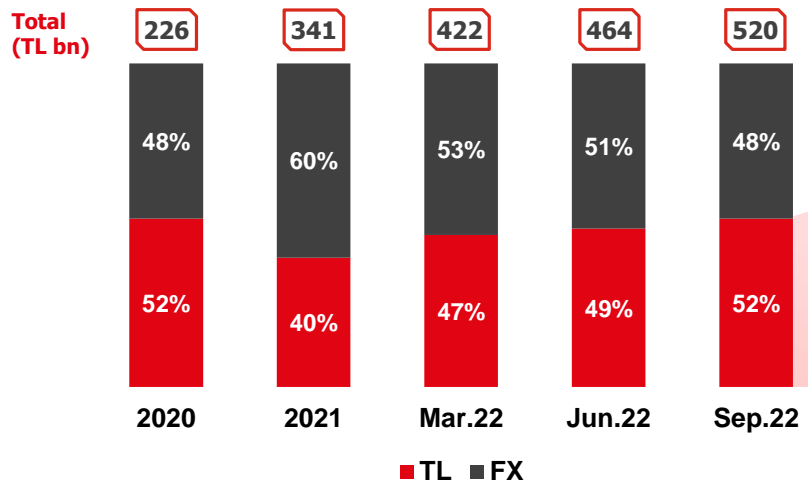
- Share of Infrastructure projects with debt assumption **87%**
- Share of Renewables in energy loans: **48%**
- Share of energy in stage II business loans: **7.8%**
- Share of energy loans in NPL: **1.8%**

(1) Accruals and overseas branch lending are excluded from segment distribution
 (2) Commercial Segment includes SME
 (3) Sector: Deposit banks

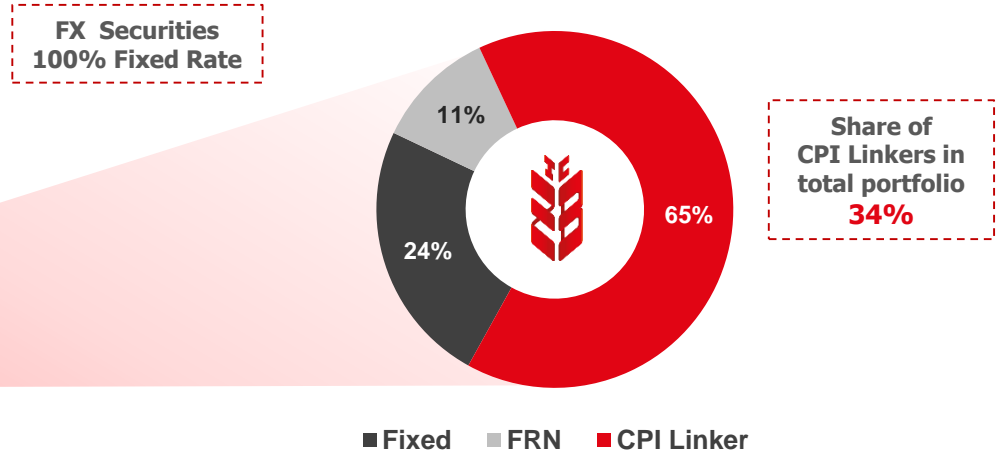


Ziraat Bankası – Securities Portfolio

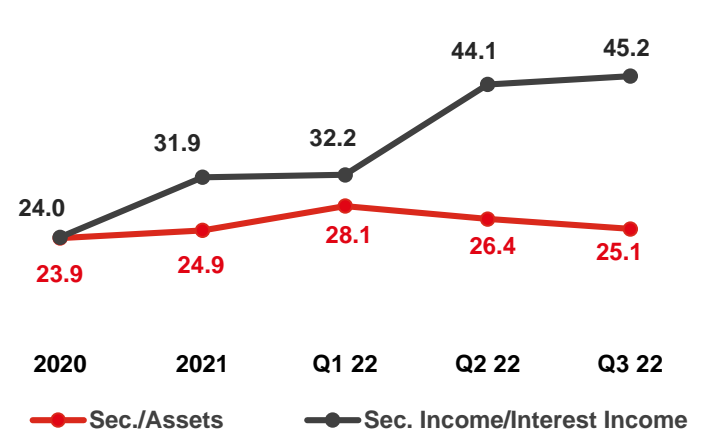
Total Securities (% share in total)



Breakdown of TL Securities⁽¹⁾ (% share in total)



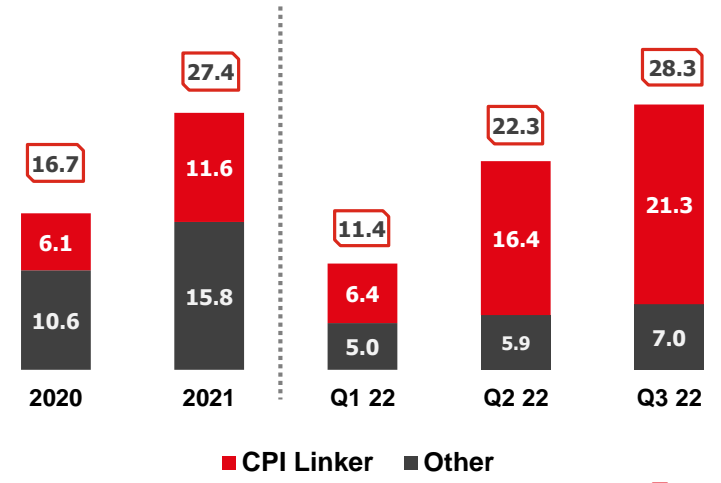
Contribution from Securities (%)



Inflation forecast for CPI-linker valuation
70%

Impact of 1% increase in CPI on interest income
+TL 376 mn

Interest Income from Securities (TL bn)



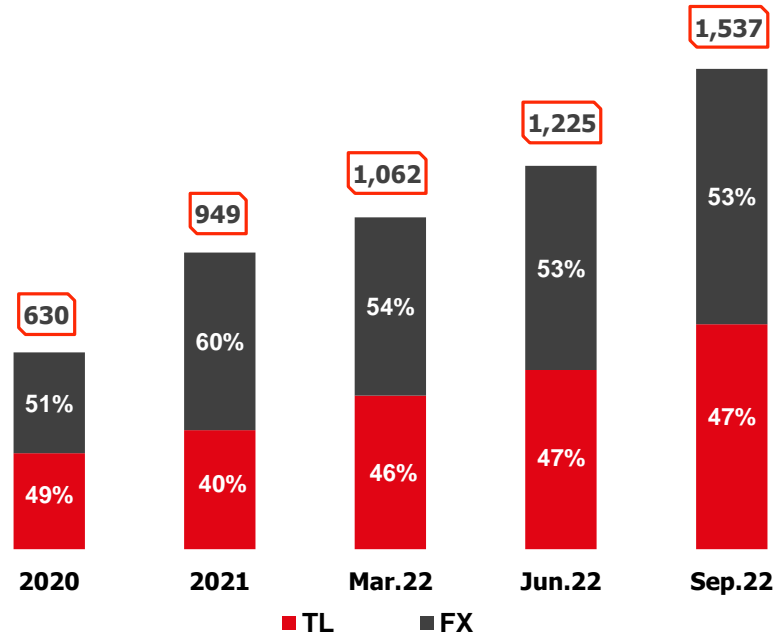
(1) Interest accruals included

Total Deposits (TL bn, % share in total)

Granular and sticky deposit base. Structurally high share of retail and commercial segment deposits.

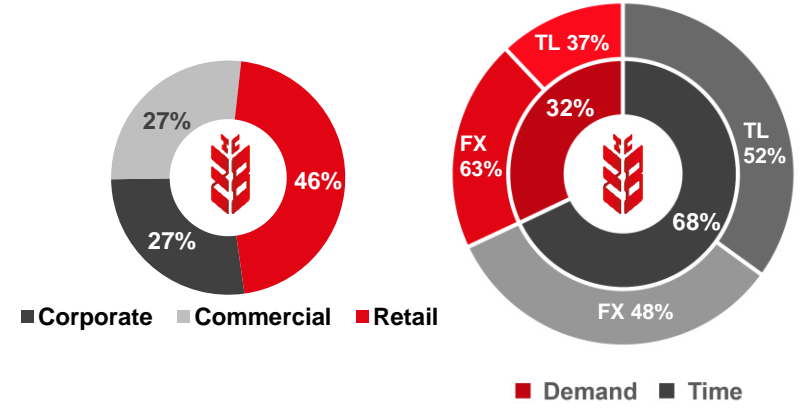
FX-Linked Deposit

FX-linked / customer deposit	Product Split ⁽¹⁾
13.5%	47% FX
	53% TL



Deposit Growth

	QoQ Δ	YtD Δ
Total Deposits	25.4%	62.0%
<i>Total Deposit (FX adj.)</i>	18.9%	37.2%
TL	25.8%	89.1%
FX(\$)	12.8%	2.3%
Customer Deposit	26.1%	63.5%
Demand	11.8%	44.4%
Time	33.0%	71.8%



Core Deposit Ratio **95%**

Public / Total Deposits **16%**

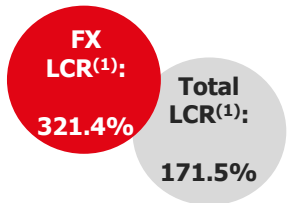
Banking Sector Demand / Total Deposits **35%**

Retail deposits share in demand deposits **55%**

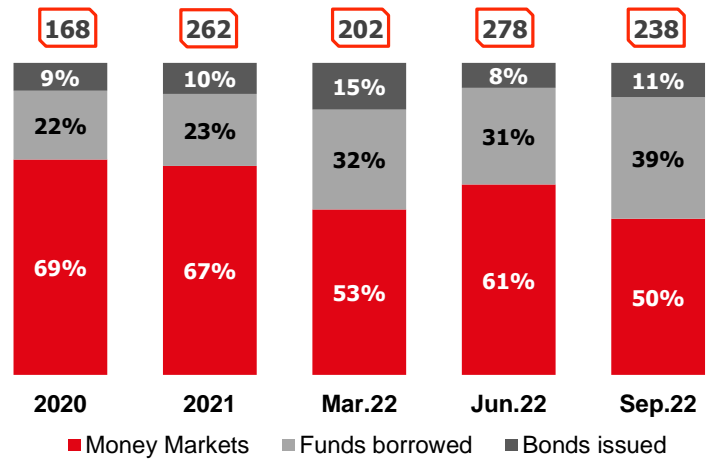
(1) TL portion shows deposits under Ministry of Treasury and Finance, FX portion shows deposit under CBRT compensation guarantee

Non-Deposit Funds (TL bn,% share in total)

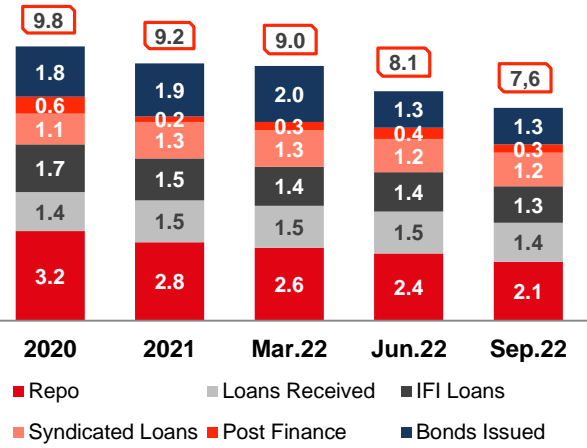
Cost oriented, adaptive wholesale funding management under current global liquidity conditions.
Adequate FX liquidity, which can cover FX wholesale redemptions.



Non-deposit funding/
total funding: **12%**
FX external funding/
total funding: **7%**



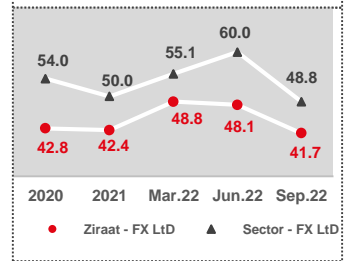
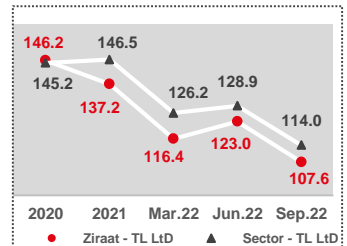
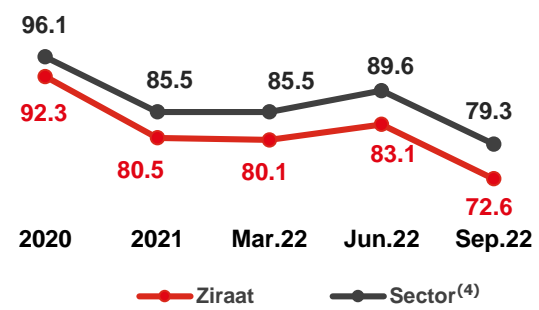
FX External Funding (USD bn)



~ USD 14 bn
FX Liquidity
2.9 bn cash & CBRT
3.5 bn FX swap
7.3 bn unencumbered securities

USD 600 mn
5yr eurobond
fully redeemed
in May

Loan to Deposit⁽³⁾ (%)



(1) LCR regulatory minimums; Total: 100%, FX: 80%
 (2) In EUR/USD adjusted terms
 (3) Performing Loans/Total Deposit, intermediated loans of public funds are excluded
 (4) Sector: Deposit banks



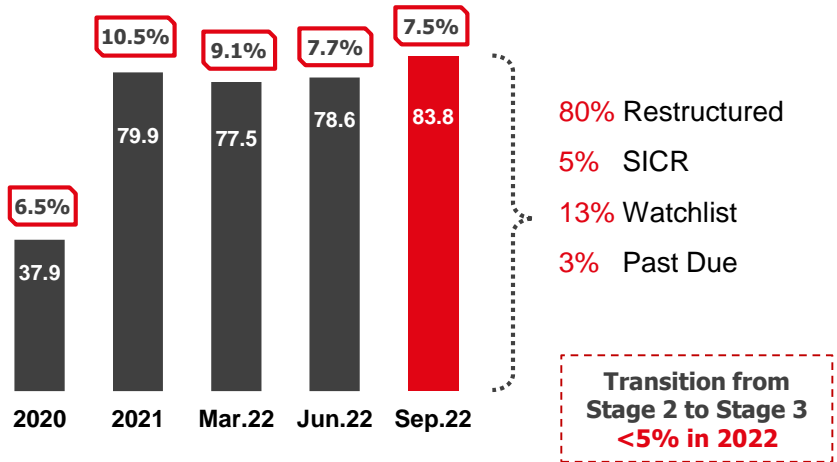
Ziraat Bankası – Asset Quality

Loan Classification

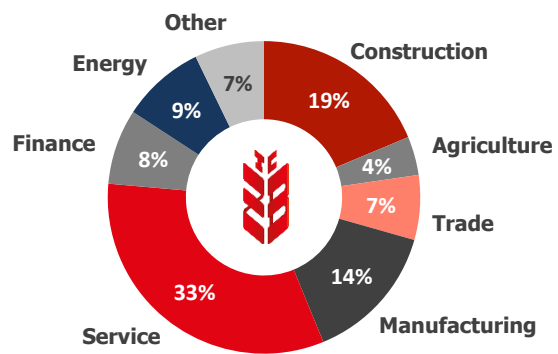
Structurally low NPL generation arising from loan book dynamics.
High provisioning strategy maintained in-line with prudent asset quality management strategy.

	Amount (TL bn.)	Coverage	Change (QoQ)
Stage III	13.6	83.3%	+85 bps
Stage II	83.8	25.8%	+324 bps
Stage I	1,033	0.3%	+4 bps
TOTAL	1,130	3.2%	+6 bps

Stage II Loans (TL bn)

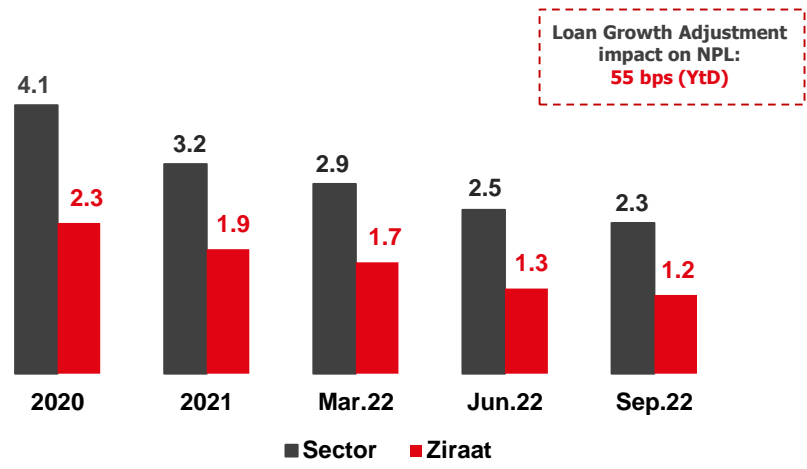


Sector Breakdown of Stage II Business Loans

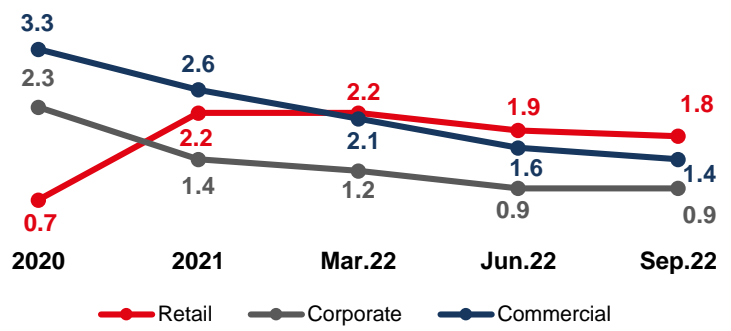


NPL Ratios (%)

No Write-Off or NPL Sale

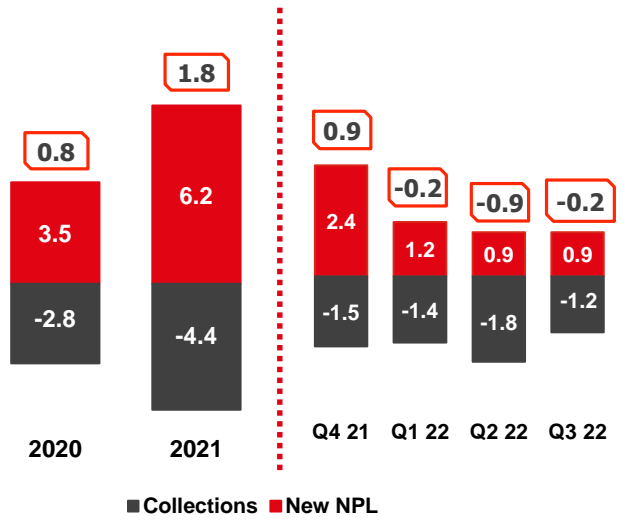


NPL Ratios by Segment (%)

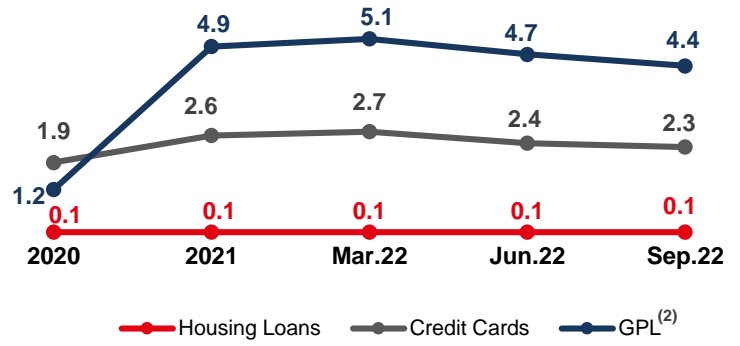


New NPL & Collections⁽¹⁾ (TL bn)

Net NPL Formation

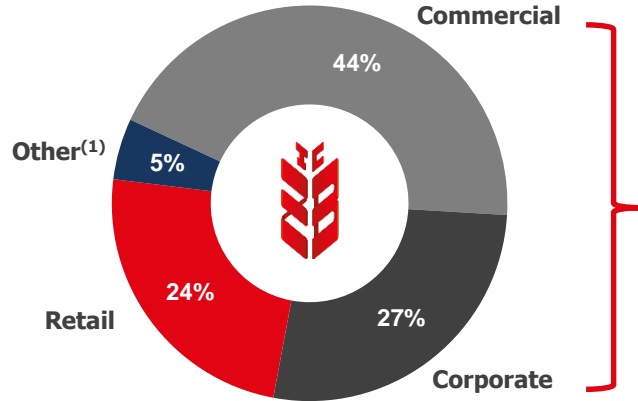


Retail NPL Ratios by Product (%)

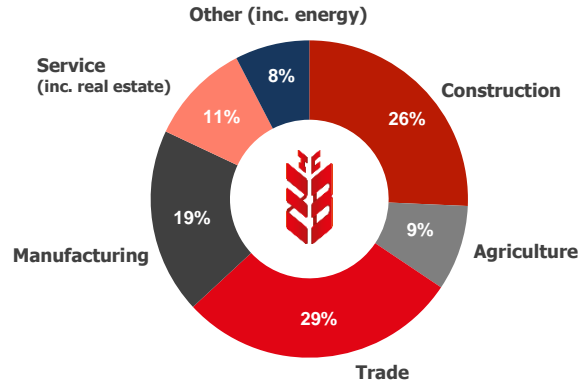


(1) Intermediated loans of public funds and other receivables are excluded
 (2) After 2020, General Purpose Loans' NPL figure includes Covid-19 related lending under CGF, which will be compensated by the Fund.

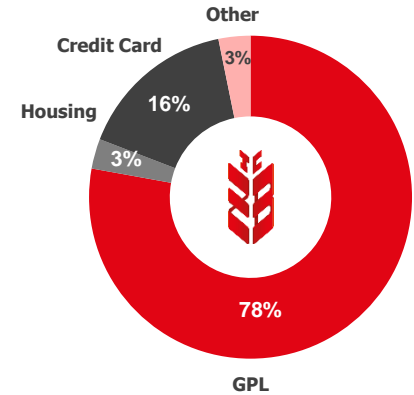
Total NPL by Segment



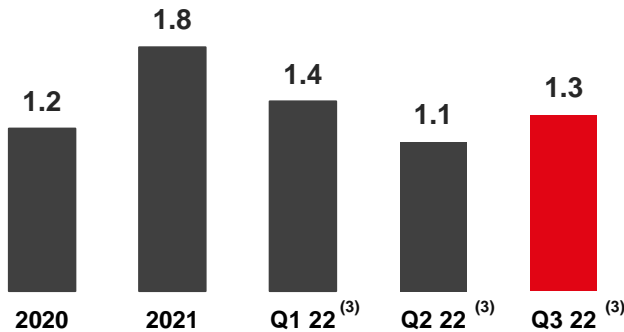
Business Loan NPL by Sector



Retail Loan NPL by Product



Cost of Risk⁽²⁾ (%)



Restructured Loans⁽⁴⁾
in Total Loans: **8.3%**

Total Coverage⁽⁵⁾ **266%**

TL 28.3 bn Total Free Provisions

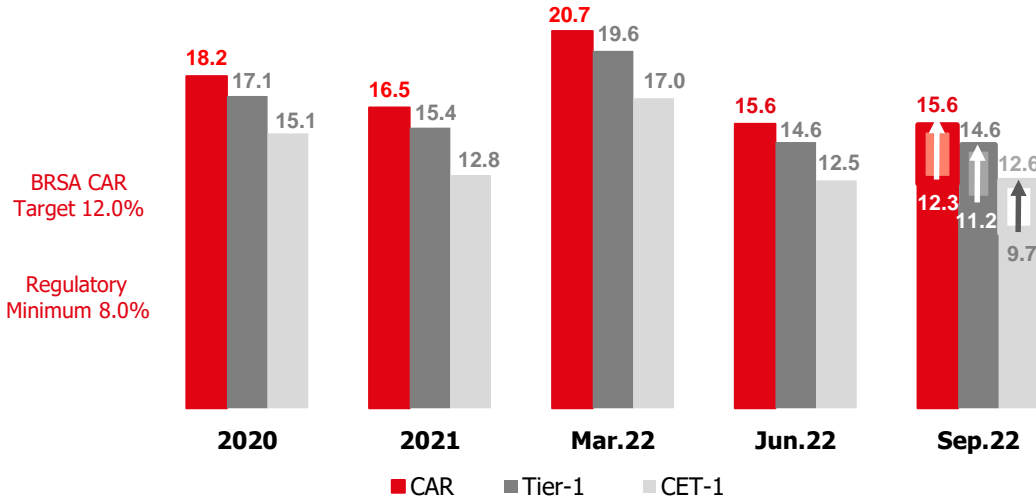
(TL 14.6 bn additional free
provision in Q3 2022)

(1) Includes loans excluded from segment classification
(2) CoR: Expected Credit Loss-Reversals / Average Loan Amount
(3) Annualized figure

(4) Includes deferrals during the COVID 19 outbreak.
(5) (S1 + S2 + S3 provisions) / NPL

Capital Ratios (%)

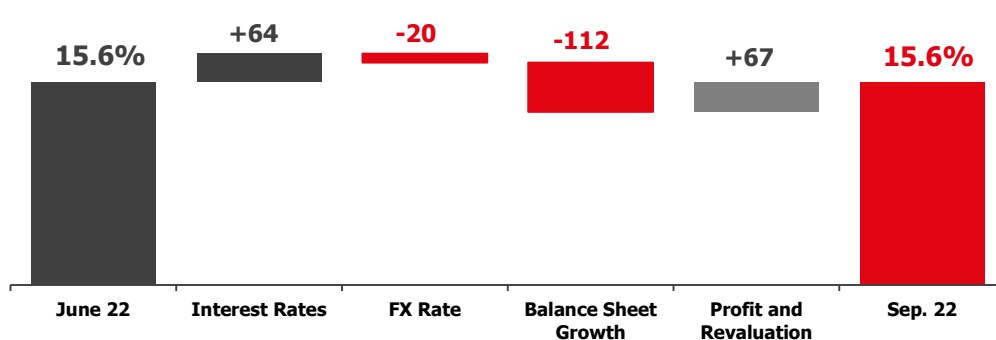
Forbearance Effect



Capital Ratio Requirements

	Solo	Cons.
CET1 Capital Ratio	4.5%	4.5%
Capital Conservation Buffer	2.5%	2.5%
D-SIB Buffer ⁽¹⁾	-	2.0%
Countercyclical Buffer ⁽²⁾	0.03%	0.03%
	7.0%	9.0%
Including AT1 and Tier2	10.5%	12.5%

Change in CAR (QoQ, bps)



Basel III
Leverage **7.3%** vs
regulatory min of **3.0%**

10% depreciation in TL
-65 bps impact on CAR

TL 5 bn
excess capital⁽³⁾

TL 21.8 bn
capital increase
in Q1

(1) D-SIB Buffer is applied only to consolidated ratios

(2) Based on solo figures

(3) Calculated over solo figures and 12.0% threshold without forbearance

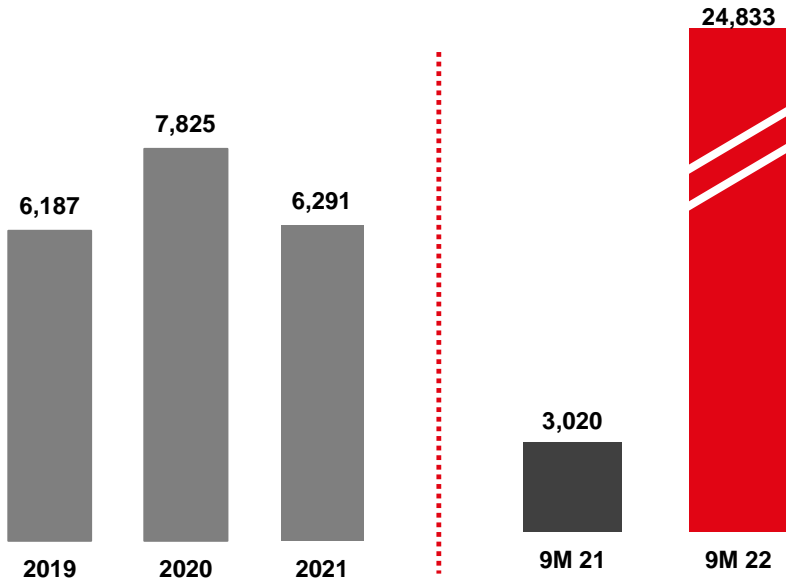


Ziraat Bankası – Profitability

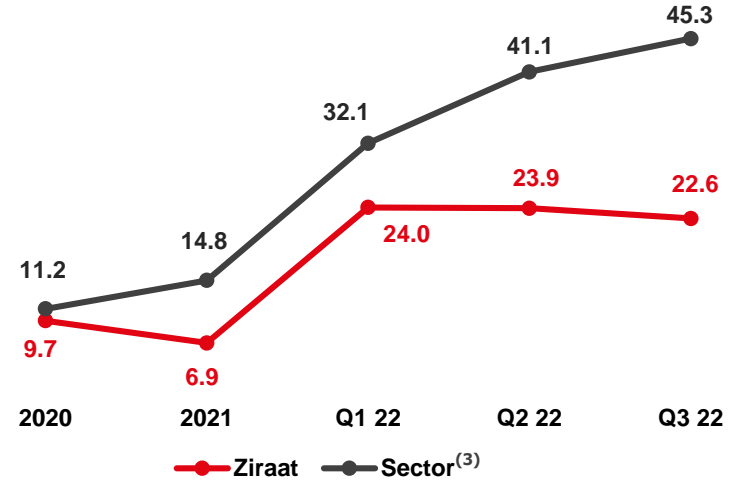
Net Profit (TL mn)

Above-trend profitability thanks to better margins and high contribution from CPI-linkers.
 C/I ratio performing at historic low levels in Sep. 22 (17.3%).
 Remarkable support to profitability from F&C income.

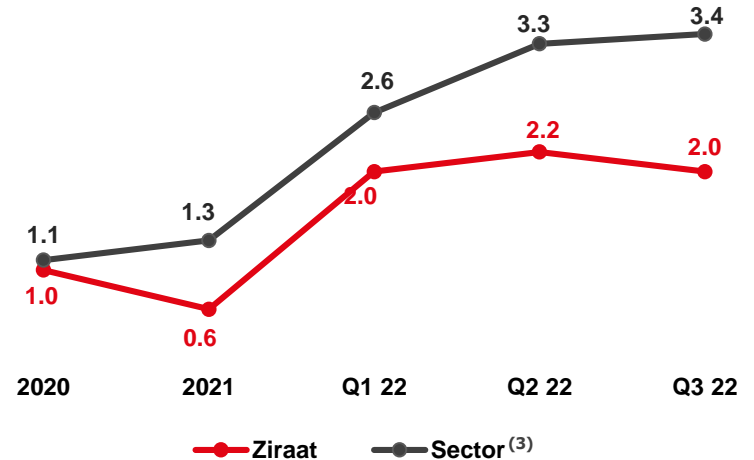
- F&C increase 8% QoQ
- Fee/OPEX coverage 52% in Q3 22



Return on Equity⁽¹⁾ (%)



Return on Assets⁽²⁾ (%)

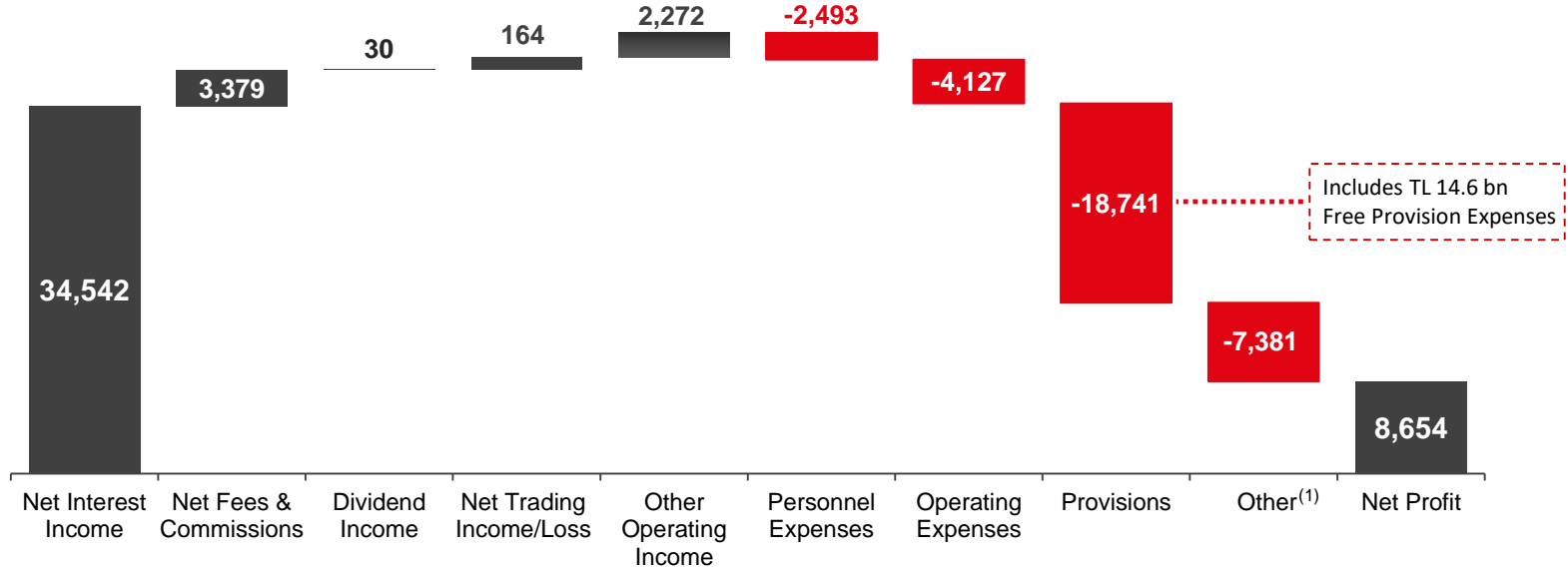


(1) Average shareholders' equity represent weekly averages
 (2) Average total assets represent weekly averages
 (3) Sector: Deposit Banks

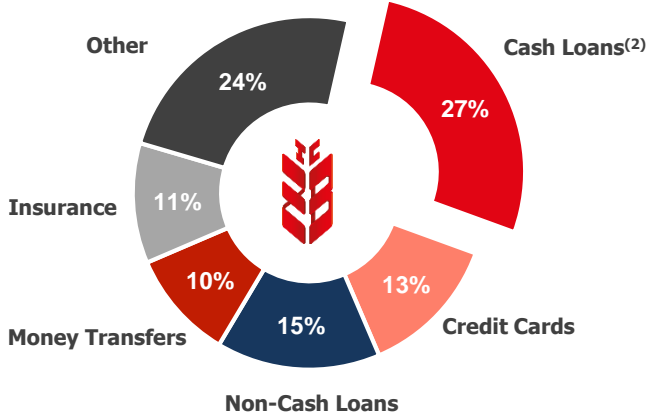


Ziraat Bankası – Profitability

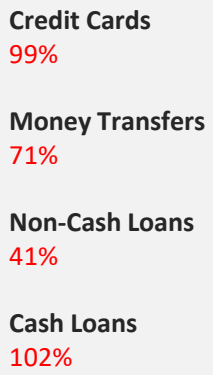
P&L Breakdown Q3 22 (TL mn)



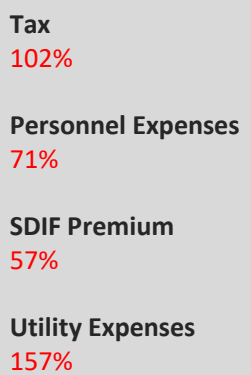
F&C Income Breakdown in 9M 22



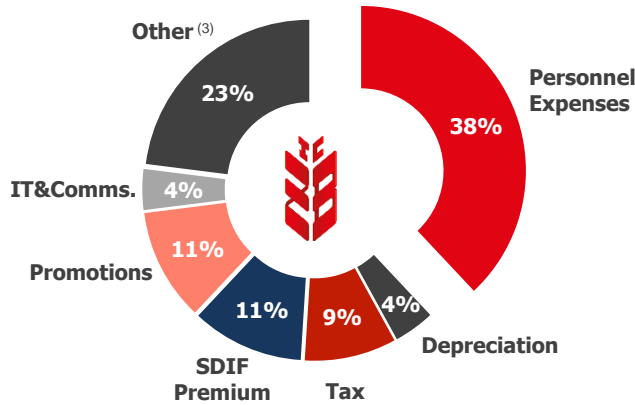
F&C Growth (YoY)



OPEX Growth (YoY)



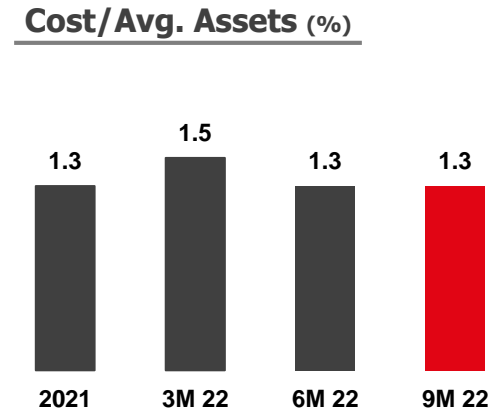
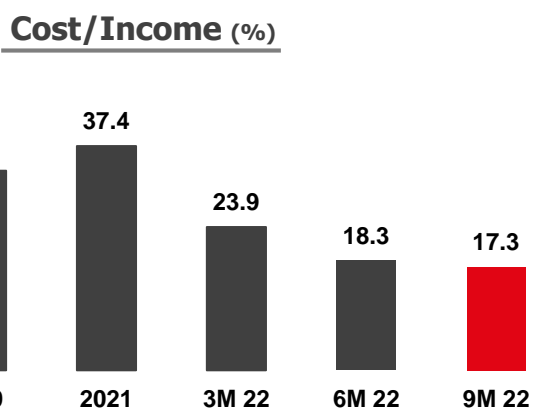
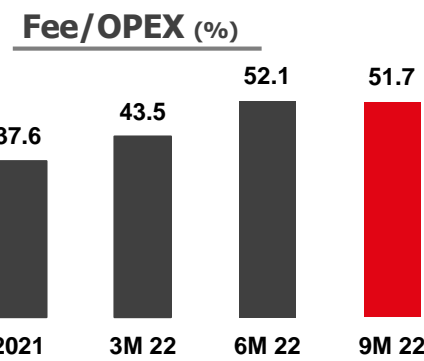
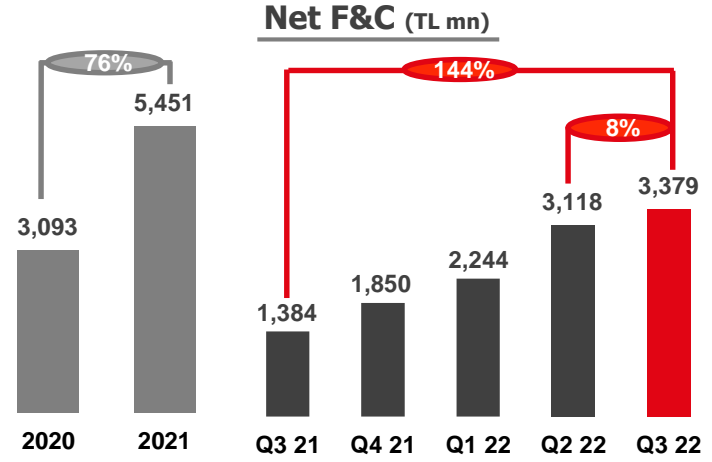
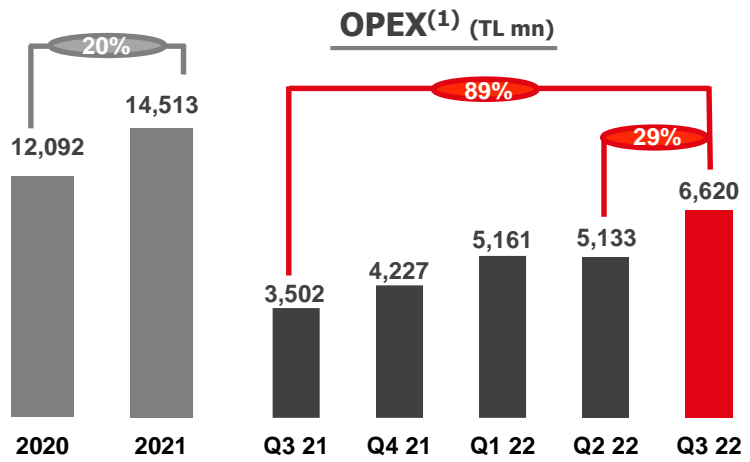
OPEX Breakdown in 9M 22



(1) Other item mainly includes tax provisions.
 (2) Due to BRSA regulation, Fees & Commissions from cash loans are categorized under interest income.
 (3) Utilities and Maintenance Expenses are classified under Other item.



Ziraat Bankası – Profitability & Cost Management

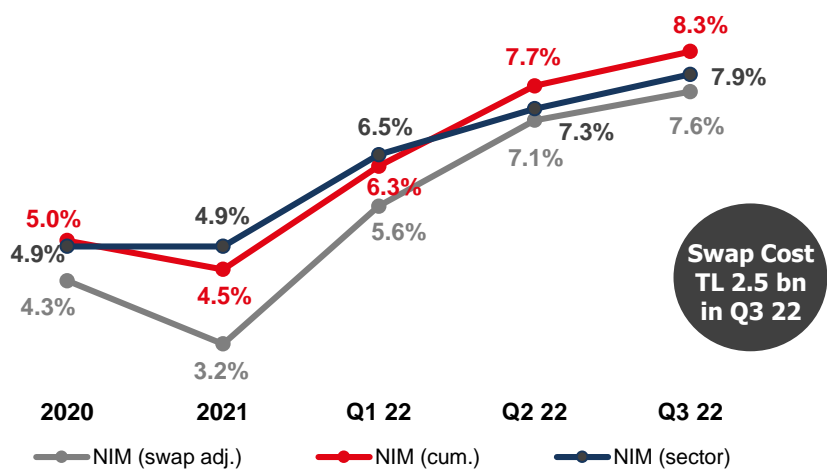


(1) Includes personnel expenses and other provision expenses



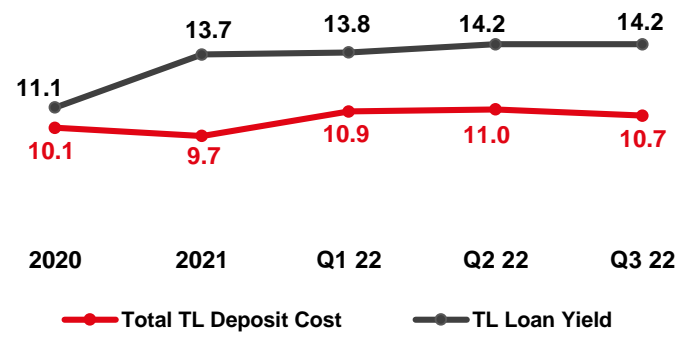
Ziraat Bankası – NIM & Spreads

Net Interest Margin⁽¹⁾⁽²⁾

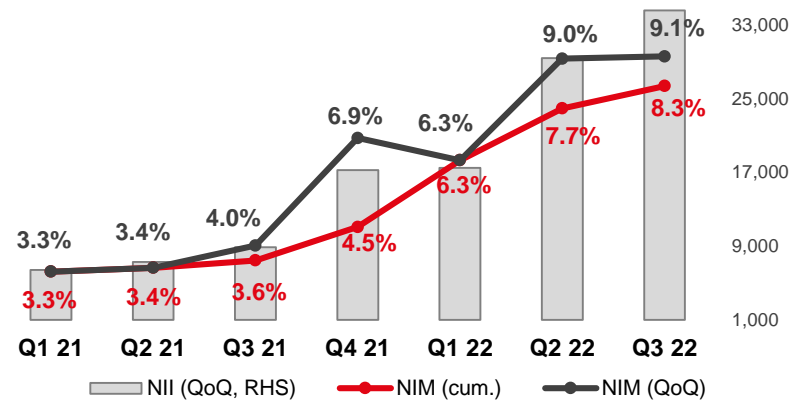


Increasing trend in NIM driven by lower funding costs supported by low policy interest rates, repricing of loans and additional CPI-linker securities income.

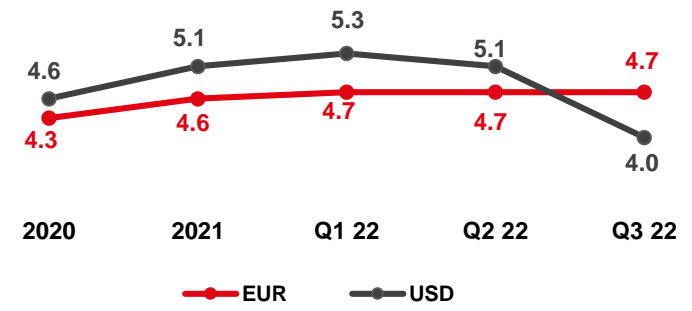
TL Loan Yield and Deposit Costs (%)



NII vs NIM (TL mn, %)



FX Core Spreads⁽³⁾ (%)



(1) Sector: Deposit banks
 (2) NIM = Net Interest Earnings / Av. IEA
 (3) FX Loan - FX Deposits (Total)



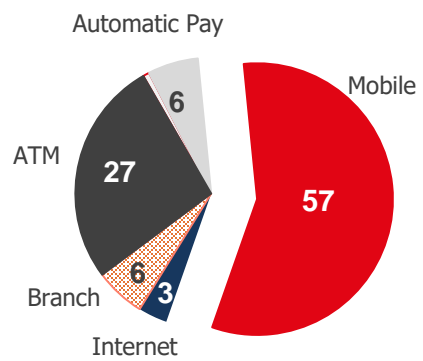
APPENDIX

- Digitalization & Efficiency
- Sustainability
- Balance Sheet Summary
- Income Statements Summary
- Key Financial Ratios

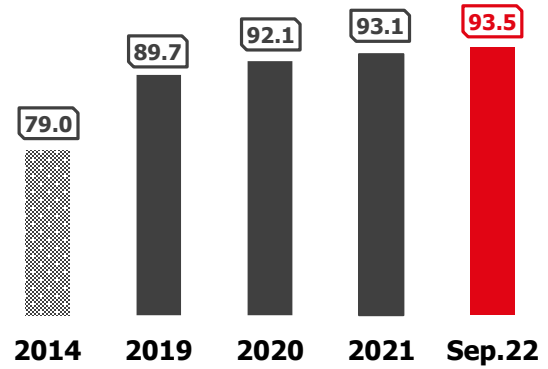


Ziraat Bankası – Digitalization & Efficiency

Banking Transaction Channel Distribution (%)



Non-Branch Channels Usage (%)



Unique Service Delivery

- 19m** Active digital banking customers
- 30m** Internet banking customers
- 7,256** ATMs **13.9%** market share
- 9%** Improvement in unit transaction costs in 2021

Key Digitalization Achievements

- Digital Onboarding Process
- AI supported virtual assistant
- Digitalized credit processes for corporate customers
- New digital solutions to reduce branch usage
- Virtual debit card/HCE contactless payment

Digitalization Plans

- New payment system "Ziraat Pay"
- Open Banking Services
- New digital customer segment and behavior analysis
- Integration of investment functions into the Ziraat Mobile
- Financial technologies support program "FİDE" for fintech ideas
- Ziraat Electronic Money Institution

Strategy

Ziraat adopted its Sustainability Policy in 2014 and has a sustainability structure in place to guide the Policy's implementation.

The policy is focused on providing environmentally and socially impactful financing based on the following four pillars:

- 1) long-term environmental and social perspectives;
- 2) financing climate change action and the transition to a low carbon economy;
- 3) approach decision-making considering environmental and social issues and associated potential risks; and
- 4) continuous development and integration of universally-accepted sustainability principles into the Bank's business model.

The largest Sustainability themed single tranche syndicated loan received by a financial institution in Türkiye⁽¹⁾

**The first Sustainability Bond was issued in January 2021;
USD 600 mn Amount
5Y Maturity
5.375% Coupon**

Ziraat's Sustainability-linked loan products

- Individual / corporate energy efficiency loans
- Energy efficiency management loans
- Green mortgage
- Green car loan
- Renewable energy loans
- Wastewater treatment and recovery loans
- Modern pressurized irrigation loans
- Solar powered irrigation Loan
- Young Farmer Loan
- Woman Farmer Loan
- Golden Hive Loan
- Rooftop Solar Energy Loan

**2 Platinum Awards
2 Gold Awards
at LACP 2021 Vision Awards
for our
2021 Integrated Annual Report**



(1) The syndicated loan renewed in April 2022 amounting USD 1.2 bn.



Ziraat Bankası – Balance Sheet Summary

TL bn	2019	2020	2021	Jun.22	Sep.22	% Change QoQ	% Change YtD
CASH AND CASH EQUIVALENTS	57.4	91.0	222.1	229.3	388.5	69.4%	74.9%
SECURITIES	130.3	225.6	341.4	464.3	520.4	12.1%	52.4%
LOANS	448.0	600.7	778.4	1,032.4	1,129.6	9.4%	45.1%
-Gross NPL	12.7	13.9	15.1	13.9	13.6	-1.9%	-10.0%
-Expected Credit Loss (-)	13.0	18.8	29.1	32.6	36.3	11.3%	24.9%
OTHERS	26.4	29.8	29.0	30.4	35.6	16.9%	22.6%
TOTAL ASSETS	649.8	942.6	1,370.9	1,756.3	2,074.0	18.1%	51.3%
DEPOSITS	447.3	629.9	948.7	1,225.2	1,536.7	25.4%	62.0%
FUNDS BORROWED	34.5	37.0	59.3	86.4	94.0	8.8%	58.5%
INTERBANK MONEY MARKETS	49.3	116.4	176.7	168.6	118.8	-29.6%	-32.8%
PROVISIONS	3.8	7.1	9.1	21.1	36.4	73.0%	301.9%
OTHERS	44.8	59.0	80.0	102.0	120.6	18.2%	50.7%
TOTAL LIABILITIES	579.7	849.3	1,273.8	1,603.3	1,906.4	18.9%	49.7%
SHAREHOLDERS' EQUITY	70.1	93.3	97.1	153.0	167.6	9.5%	72.6%



Ziraat Bankası – Income Statement Summary

TL mn	2019	2020	2021	Q3 21	Q2 22	Q3 22	% Chg QoQ	% Chg YoY
INTEREST INCOME	65,602	69,476	101,998	24,948	50,466	62,650	24.1%	151.1%
-From Loans	52,764	52,330	72,794	18,255	27,909	33,420	19.7%	83.1%
-From Securities	11,966	16,696	27,440	6,173	22,266	28,315	27.2%	358.7%
INTEREST EXPENSE	40,290	34,862	62,230	16,069	21,070	28,108	33.4%	74.9%
-On Deposits	27,989	22,812	41,199	11,135	15,848	20,632	30.2%	85.3%
NET INTEREST INCOME	25,312	34,615	39,768	8,879	20,397	34,542	69.3%	289.0%
NET FEES & COMMISSIONS	3,590	3,093	5,451	1,384	3,118	3,379	8.4%	144.1%
OTHER OPERATING INCOME	1,614	5,182	4,444	1,343	2,155	2,272	5.4%	69.2%
EXPECTED CREDIT LOSS	6,313	10,691	14,956	3,108	3,716	5,618	51.2%	80.8%
-Stage 1 Provisions	594	1,340	199	-162	796	31	-96.1%	NM
-Stage 2 Provisions	1,298	5,505	9,861	2,041	2,042	4,403	115.6%	115.7%
-Stage 3 Provisions	4,421	3,846	4,896	1,229	878	1,183	34.7%	-3.7%
OTHER PROVISION EXPENSES	112	2,648	374	-13	12,404	13,122	5.8%	NM
OPEX ⁽¹⁾	9,685	12,092	14,513	3,502	5,134	6,620	28.9%	89.0%
NET OPERATING PROFIT	7,648	10,834	8,913	1,833	13,330	16,005	20.1%	773.2%
NET PROFIT	6,187	7,825	6,291	1,280	9,450	8,654	-8.4%	576.1%

(1) OPEX includes personnel expenses and other provision expenses
Source: Unconsolidated Financial Statements
NM: Not meaningful



Ziraat Bankası – Key Financial Ratios

(%)	2019	2020	2021	Q1 22	Q2 22	Q3 22
ROAA ⁽¹⁾	1.1	1.0	0.6	2.0	2.2	2.0
ROAE ⁽²⁾	10.1	9.7	6.9	24.0	23.9	22.6
Cost / Income ⁽³⁾	40.8	33.3	37.4	23.9	18.3	17.3
Fee / OPEX ⁽⁴⁾	37.1	25.6	37.6	43.5	52.1	51.7
NIM (cum.) ⁽⁵⁾	5.0	5.0	4.5	6.3	7.7	8.3
Loans ⁽⁶⁾ /Deposits	96.0	92.3	80.5	80.1	83.1	72.6
Loans/Assets	67.1	62.2	55.7	56.6	58.0	53.8
Securities/Assets	20.1	23.9	24.9	28.1	26.4	25.1
NPL	2.8	2.3	1.9	1.7	1.3	1.2
Stage III Coverage	66.4	77.0	80.2	81.2	82.4	83.2
CoR	1.3	1.2	1.8	1.4 ⁽⁷⁾	1.1 ⁽⁷⁾	1.3 ⁽⁷⁾
CAR	17.0	18.2	16.5	20.7	15.6	15.6
Leverage ⁽⁸⁾	8.3	9.1	13.1	9.0	10.5	11.4
# of						
Branches ⁽⁹⁾	1,758	1,752	1,752	1,751	1,752	1,756
Employees	24,563	24,673	24,607	24,423	24,579	24,531
ATMs ⁽⁹⁾	7,239	7,274	7,269	7,215	7,236	7,256

(1) Average total assets represent weekly averages

(2) Average shareholders' equity represent weekly averages

(3) Includes dividend income

(4) Includes Personnel Expenses

(5) Average interest earning assets represent weekly averages

(6) Performing Loans

(7) Annualized figure

(8) Leverage = (Assets/Shareholders' Equity)-1

(9) Including foreign branches



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