

Financial Presentation
December 2022



Ziraat Bank

More than a bank



Ziraat Bankası – Highlights

Largest bank in Türkiye with
~ USD 124 bn. asset size
~ 16% market share

TL 2,312
bn

Broad customer base

- Extensive customer acquisition through digital channels

40 mn

1,758

Adequate capital ratios

- TL 21.8 bn capital increase in 2022
 - Market conditions and high profit generation are supportive of CAR
 - Further capital increase plan to support CAR in 2023

16.5%

#1

Foremost provider of agricultural financing

- Only bank authorised for government subsidized agro-lending
- Sustainable agro financing strategy with expanded loan facilities
- Selective lending policy with agro and manufacturing being main sectors to be financed

70%

TL 1,739
bn

Widest local and international geographic footprint with 1,758 branches

- Only bank in more than 370 points in Türkiye
- Operating in 17 countries with 119 service points
- 25 Foreign Branches
- Ongoing process of opening new foreign branches

Uninterrupted market leadership

- Assets
- Loans
- Deposits
- Equity

Robust asset quality

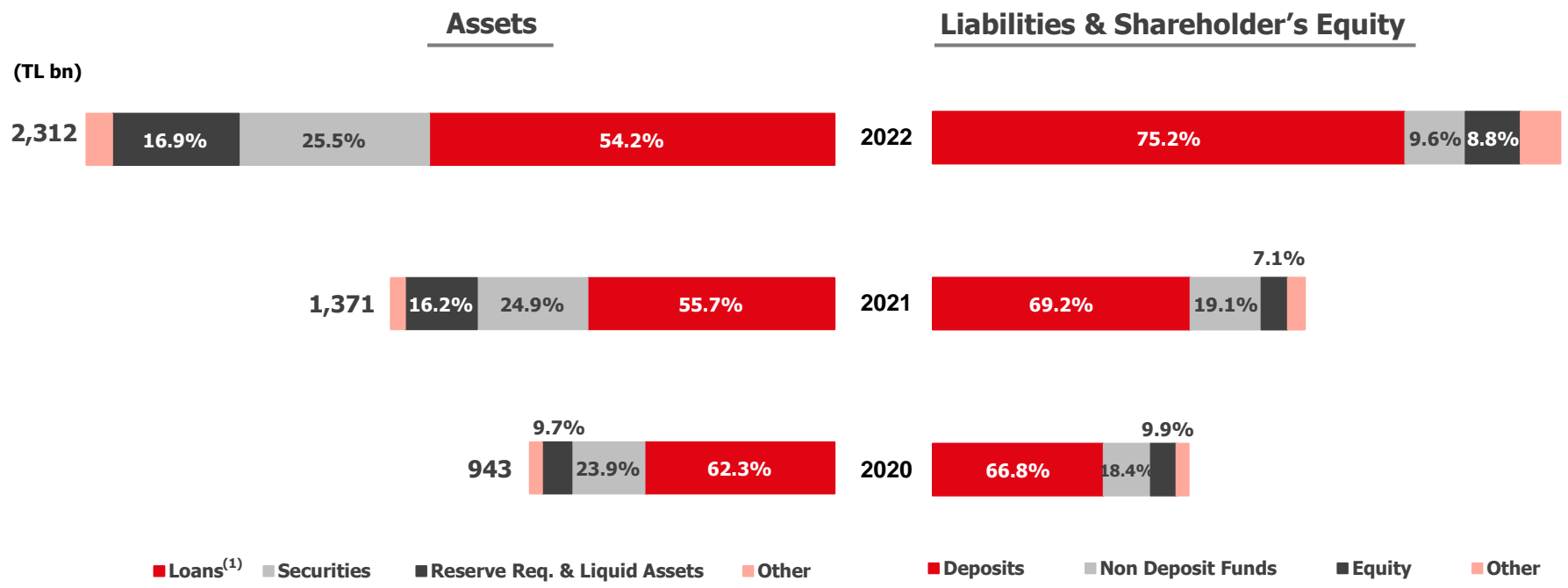
- Limited NPL formation
- High NPL collection capacity
- Prudent provisioning approach with 85% Stage 3 coverage ratio

Granular and sticky deposit base

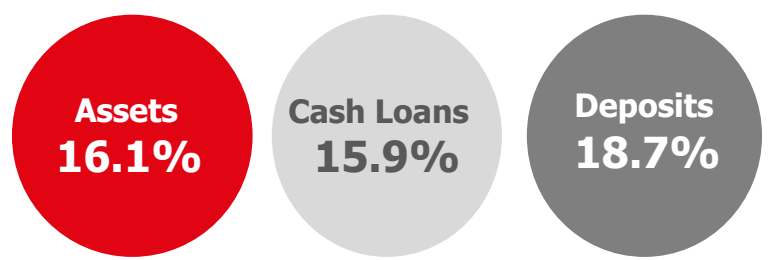
- Significant share of retail deposits in total deposits
- Core deposit ratio 95%



Ziraat Bankası – Assets & Liabilities



Market Shares



(1) Performing loans

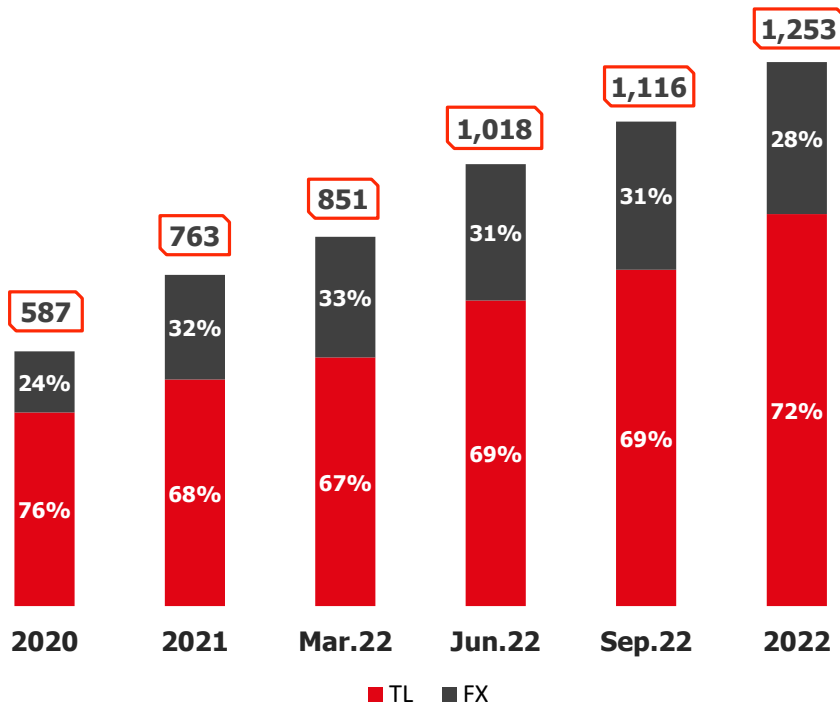


Total Loans⁽¹⁾ (TL bn, % share in total)

Selective lending policy continued.

SME 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.



Loan Growth

	QoQ Δ	YoY Δ
Total Loans	12.2%	64.1%
Total Loans (FX adj.)	11.6%	50.3%
TL	16.5%	72.9%
FX(\$)	0.6%	1.2%
Retail	4.4%	30.2%
Housing	-0.8%	30.9%
GPL	-0.7%	0.9%
Credit Card	27.0%	84.4%
SME⁽²⁾	18.8%	94.5%
Corporate	11.3%	57.1%
Corp. (FX adj.)	10.2%	34.4%

Housing Loans

53% of retail loans
31% Market Share
42% LTV⁽³⁾
0.1% NPL

GPL

27% of retail loans
8% Market Share
Pensioners account for
38% of GPL portfolio

Credit Card

TL 32 bn
7.2% Market Share⁽⁴⁾
10 million customers

Agro Loans

TL 234 bn
70% Market share
~1 mn agro customers
87% Subsidized
0.4% Agro NPL

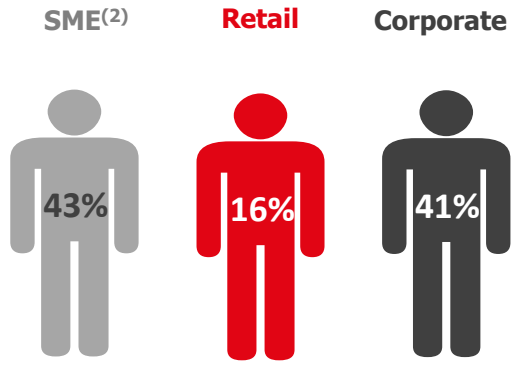
CGF Guaranteed Loans

TL 36 bn (-14% QoQ)
o/w TL 4 bn retail segment
~3 mn customers
3% of cash loans

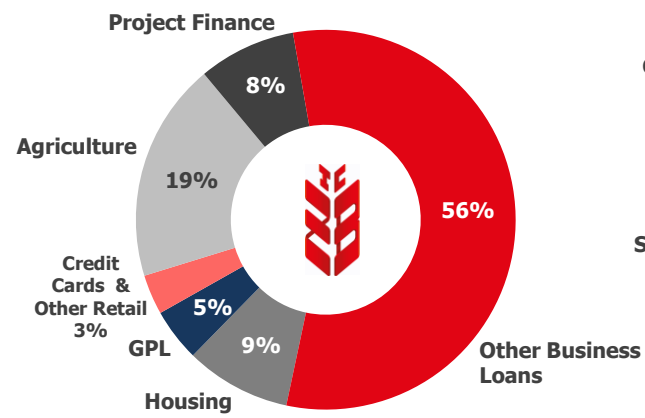
(1) Performing loans
(2) SME customers are classified under commercial segment.
(3) Average rate for allocation in last four quarter
(4) Credit cards turnover market share

Ziraat Bankası – Lending Mix

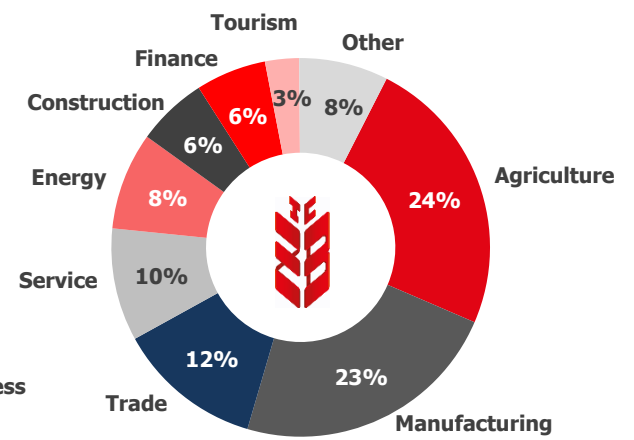
Cash Loans by Customer Segment⁽¹⁾



Cash Loans by Product



Sector Breakdown of Cash Business Loans⁽¹⁾



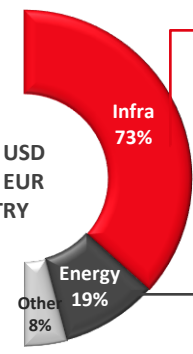
• Based on customer segmentation data, totals may differ from product classification

FX Loans

- FX Loans Outstanding USD **18.7 bn**
- FX Loans/Total Loans **28%** slightly below sector⁽³⁾ average
- FX Loans NPL **0.9%**



48% USD
49% EUR
3% TRY



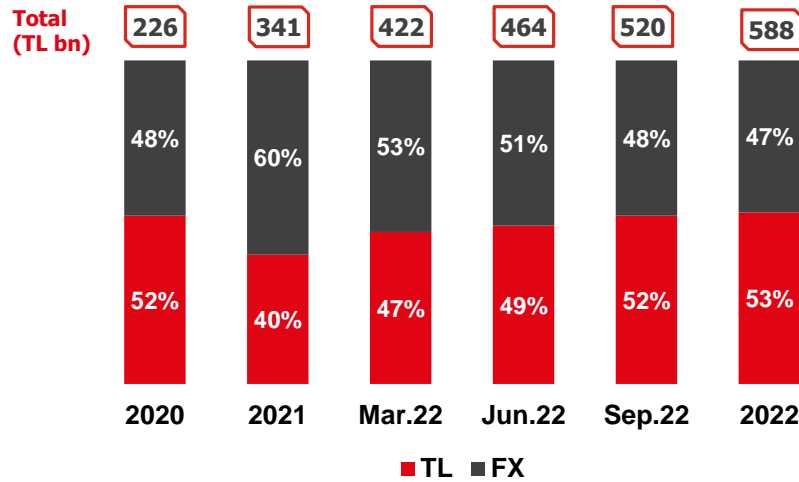
- Share of infrastructure projects with debt assumption **85%**
- Share of renewables in energy loans: **48%**
- Share of energy in stage II business loans: **6.7%**
- Share of energy loans in NPL: **1.8%**

(1) Accruals and overseas branch lending are excluded from segment distribution
 (2) SME customers are classified under commercial segment
 (3) Sector: Deposit banks

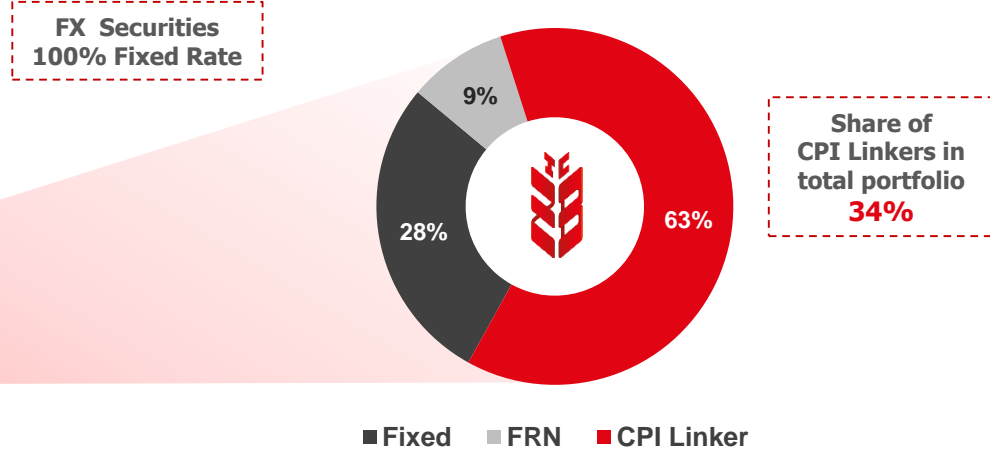


Ziraat Bankası – Securities Portfolio

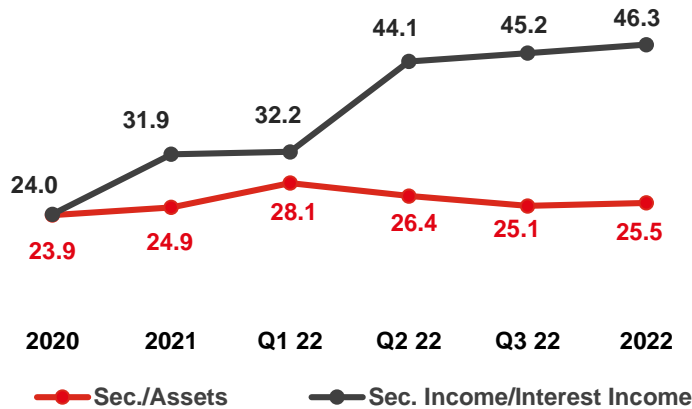
Total Securities (% share in total)



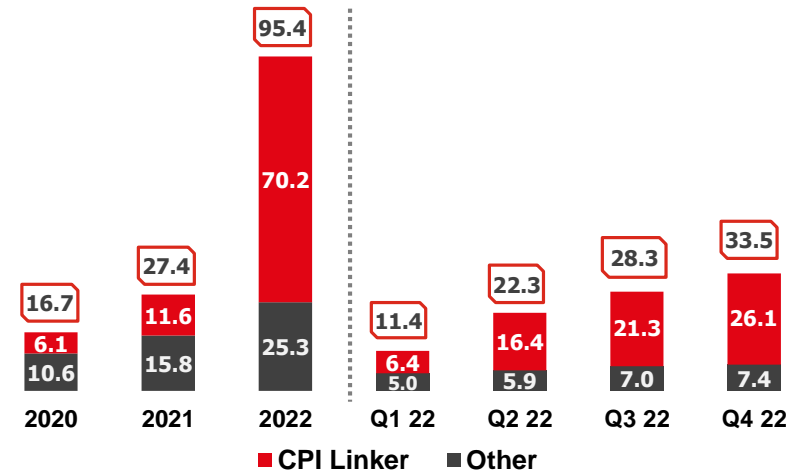
Breakdown of TL Securities⁽¹⁾ (% share in total)



Contribution from Securities (%)



Interest Income from Securities (TL bn)



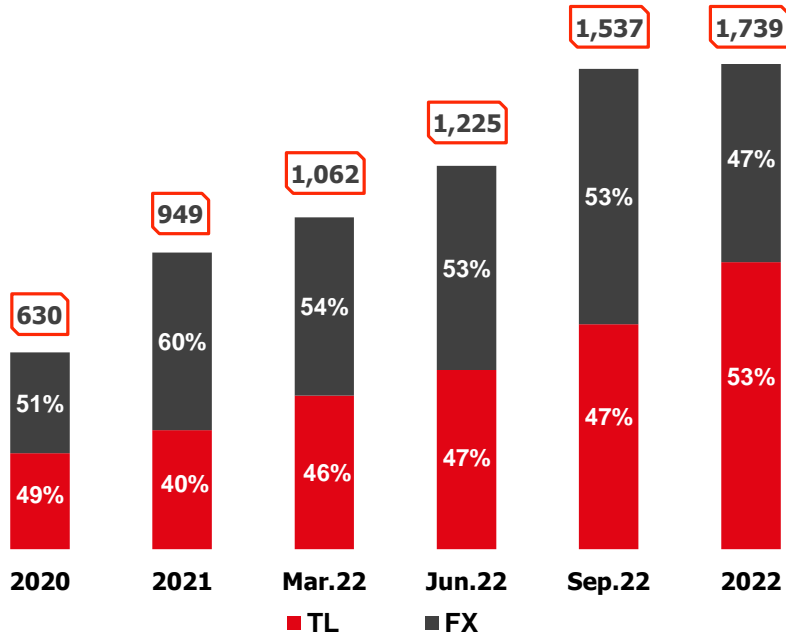
(1) Interest accruals included

Total Deposits (TL bn, % share in total)

Granular and sticky deposit base. Structurally high share of retail and SME segment deposits. Public deposits contribute to cost of funding.

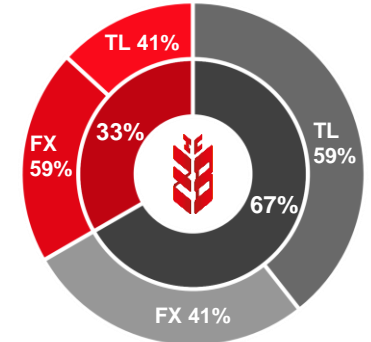
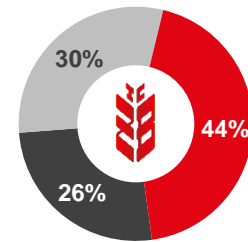
FX-Linked Deposit

FX-linked / Customer Deposit	Product Split ⁽¹⁾
13.0%	45% FX
	55% TL



Deposit Growth

	QoQ Δ	YoY Δ
Total Deposits	13.2%	83.3%
<i>Total Deposit (FX adj.)</i>	12.1%	57.1%
TL	27.4%	141.0%
FX(\$)	-1.4%	0.9%
Customer Deposit	13.7%	85.9%
Demand	16.8%	68.7%
Time	11.5%	91.5%



■ Corporate ■ SME ■ Retail ■ Demand ■ Time

Core Deposit Ratio **95%**

Public / Total Deposits **14%**

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

Retail deposits share in
demand deposits **52%**

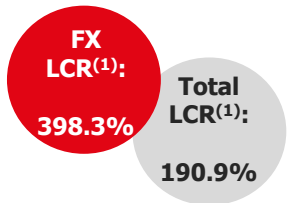
(1) TL portion shows deposits under Ministry of Treasury and Finance, FX portion shows deposit under CBRT compensation guarantee

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

Cost oriented, adaptive wholesale funding management under current global liquidity conditions.

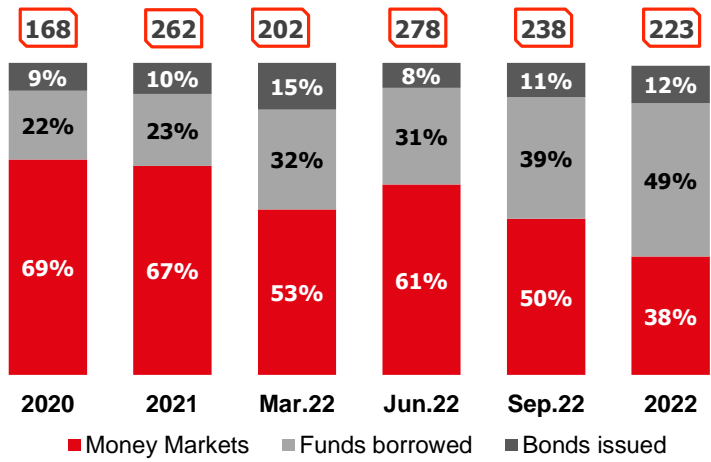
Adequate FX liquidity, which can cover FX wholesale redemptions.

Strategies to further diversify FX external funding for 2023. (DPR program, new bilateral agreements)



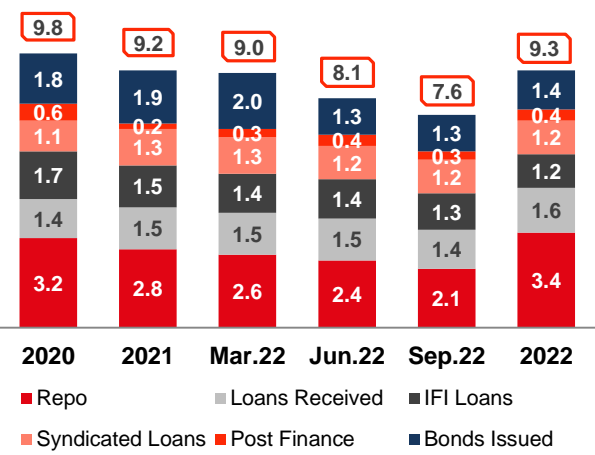
Non-deposit funding/
total funding: **11%**

FX external funding/
total funding: **8%**



(1) LCR regulatory minimums; Total: 100%, FX: 80%
 (2) Performing Loans/Total Deposit
 (3) Sector: Deposit banks

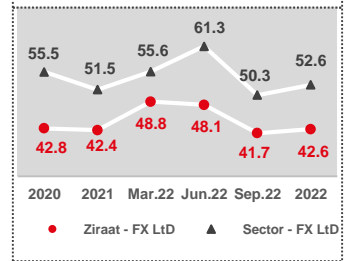
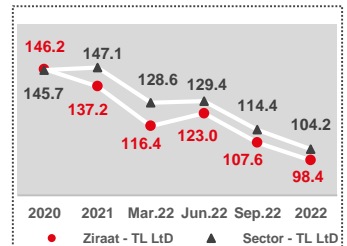
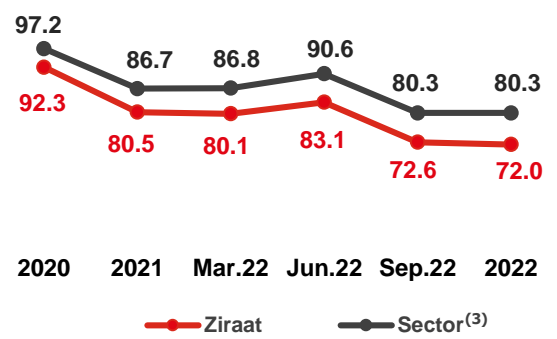
FX Non-Deposit Funding (USD bn)



~ USD 13 bn
FX Liquidity
 1.9 bn cash & CBRT
 4.3 bn FX swap
 6.4 bn unencumbered securities

USD 500 mn
 3.5yr eurobond
 issuance in
 January 2023

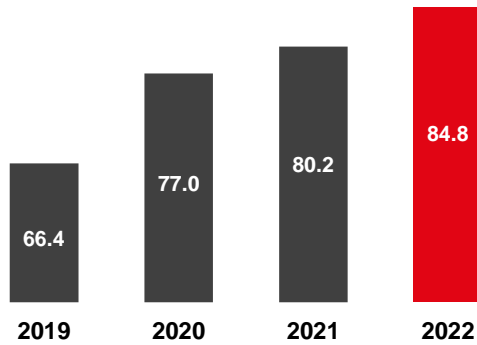
Loan to Deposit⁽²⁾ (%)



Loan Classification

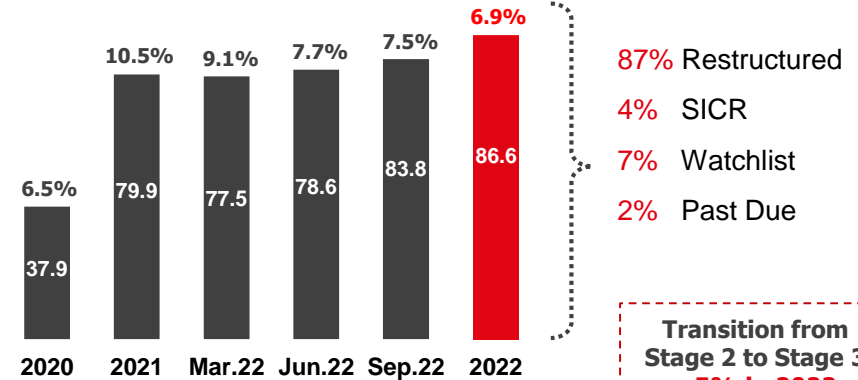
Structurally low NPL generation arising from loan book dynamics.
High provisioning strategy maintained in-line with prudent asset quality management strategy.

Stage III Coverage (%)



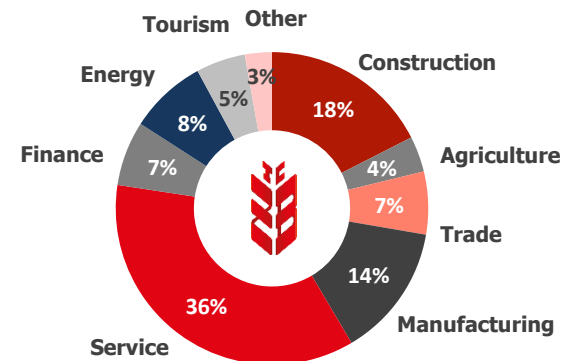
	Amount (TL bn)	Coverage	Change (QoQ)
Stage III	13.7	84.8%	+156 bps
Stage II	86.7	33.0%	+727 bps
Stage I	1,166	0.7%	+33 bps
TOTAL	1,266	3.8%	+58 bps

Stage II Loans (TL bn)

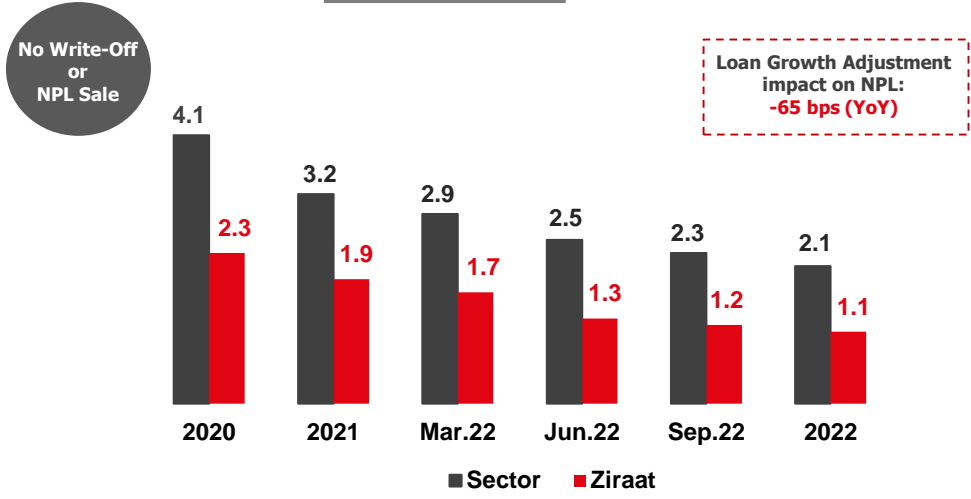


Transition from Stage 2 to Stage 3
<5% in 2022

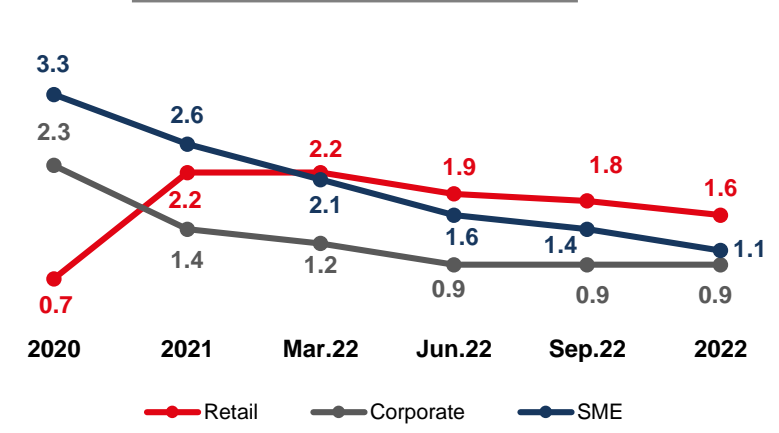
Sector Breakdown of Stage II Business Loans



NPL Ratios (%)

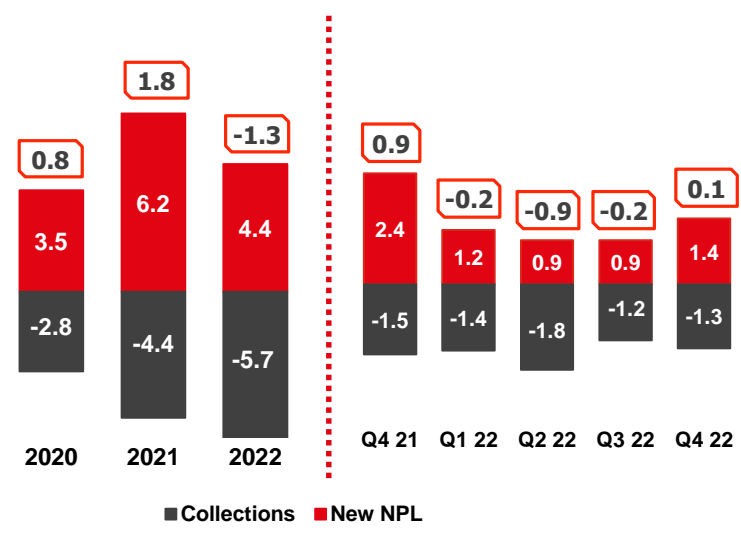


NPL Ratios by Segment (%)

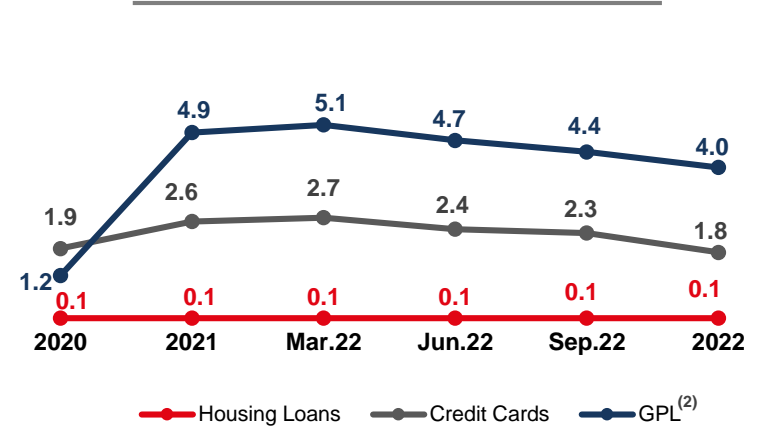


New NPL & Collections⁽¹⁾ (TL bn)

Net NPL Formation

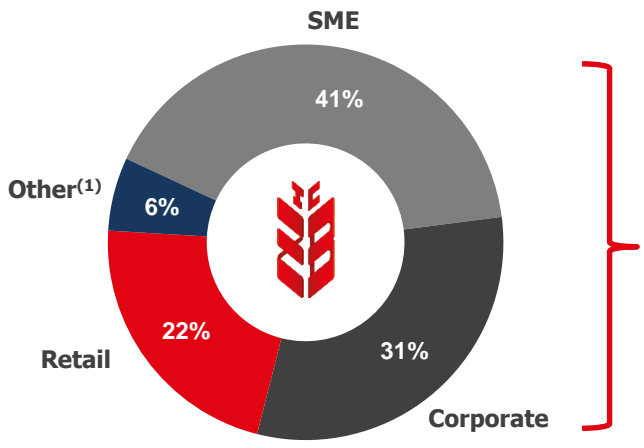


Retail NPL Ratios by Product (%)

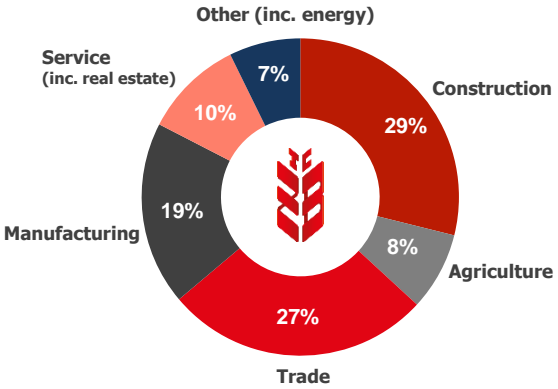


(1) Intermediated loans of public funds and other receivables are excluded
 (2) After 2020, General Purpose Loans' NPL figure includes Covid-19 related lending under CGF, which will be compensated by the Fund

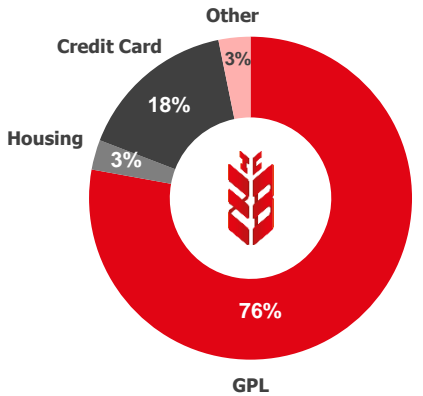
Total NPL by Segment



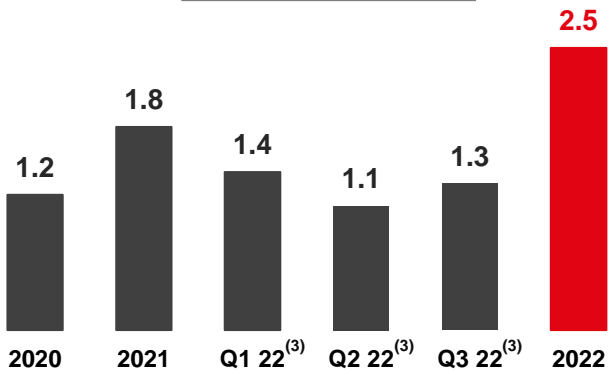
Business Loan NPL by Sector



Retail Loan NPL by Product



Cost of Risk⁽²⁾ (%)



Restructured Loans⁽⁴⁾
in Total Loans: **7.7%**

Total Coverage⁽⁵⁾ **350%**

TL 28.3 bn Total Free Provisions

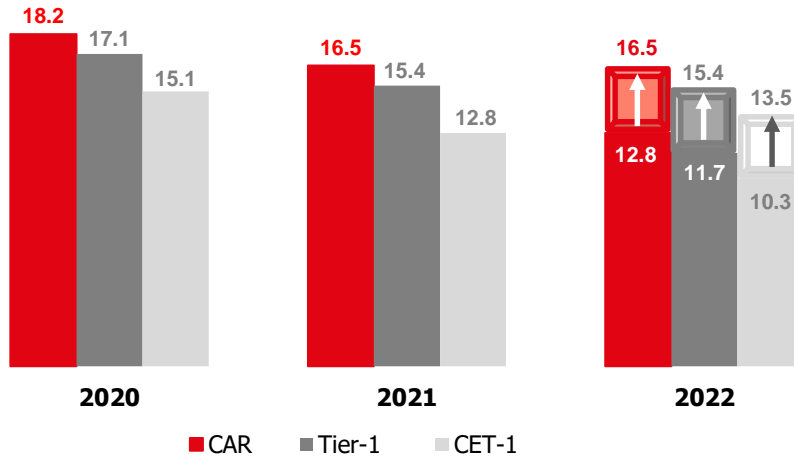
Q1	Q2	Q3	Q4
1.6	8.4	14.6	-

(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 (%)

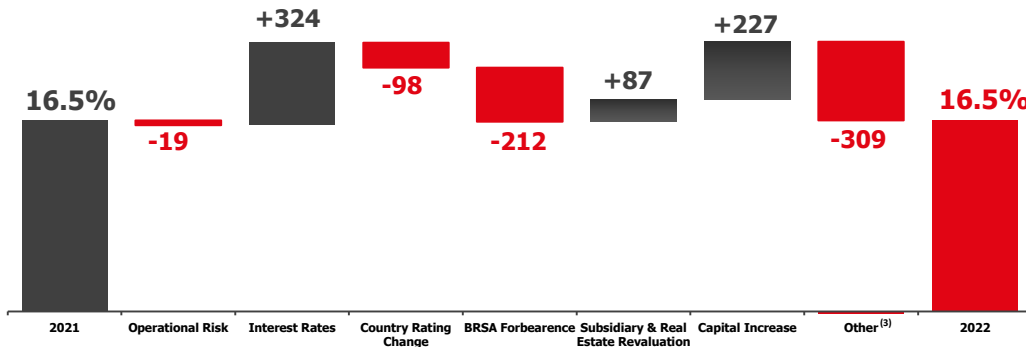
Forbearance Effect



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	0.03%	0.06%
	7.0%	9.0%
Including AT1 and Tier2	10.5%	12.5%

Change in CAR (YoY, bps)



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

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

(3) Other includes mainly FX rate, profit & balance sheet growth net impact

Basel III
Leverage **7.6%** vs
regulatory min of **3.0%**

10% depreciation in TL
-50 bps impact on CAR

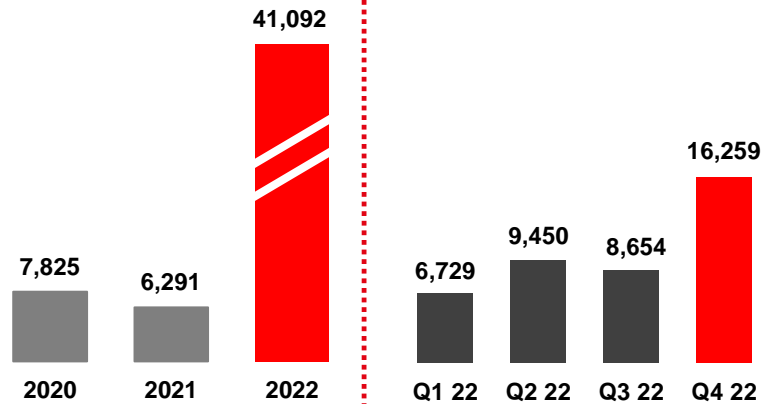
TL 16 bn
excess capital⁽²⁾

Capital increase
plans to support
CAR in 2023

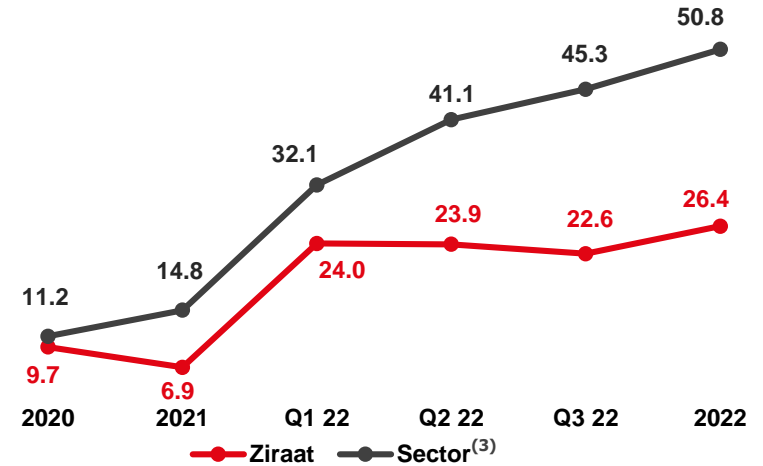
Net Profit (TL mn)

Above-trend profitability thanks to better margins and high contribution from CPI-linkers.
 C/I ratio performing at historic low levels in 2022 (17.3%).
 Remarkable support to profitability from F&C income.

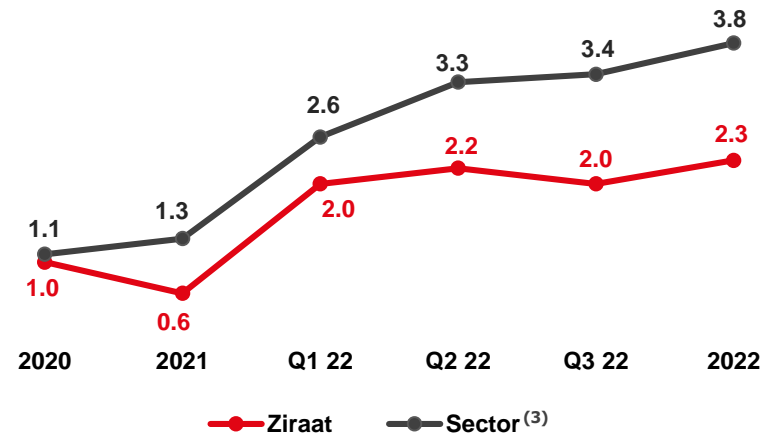
- F&C increase 30% QoQ
- Fee/OPEX coverage 53% in 2022
- ROE and ROA in line with sector when free provision adjusted



Return on Equity⁽¹⁾ (%)



Return on Assets⁽²⁾ (%)

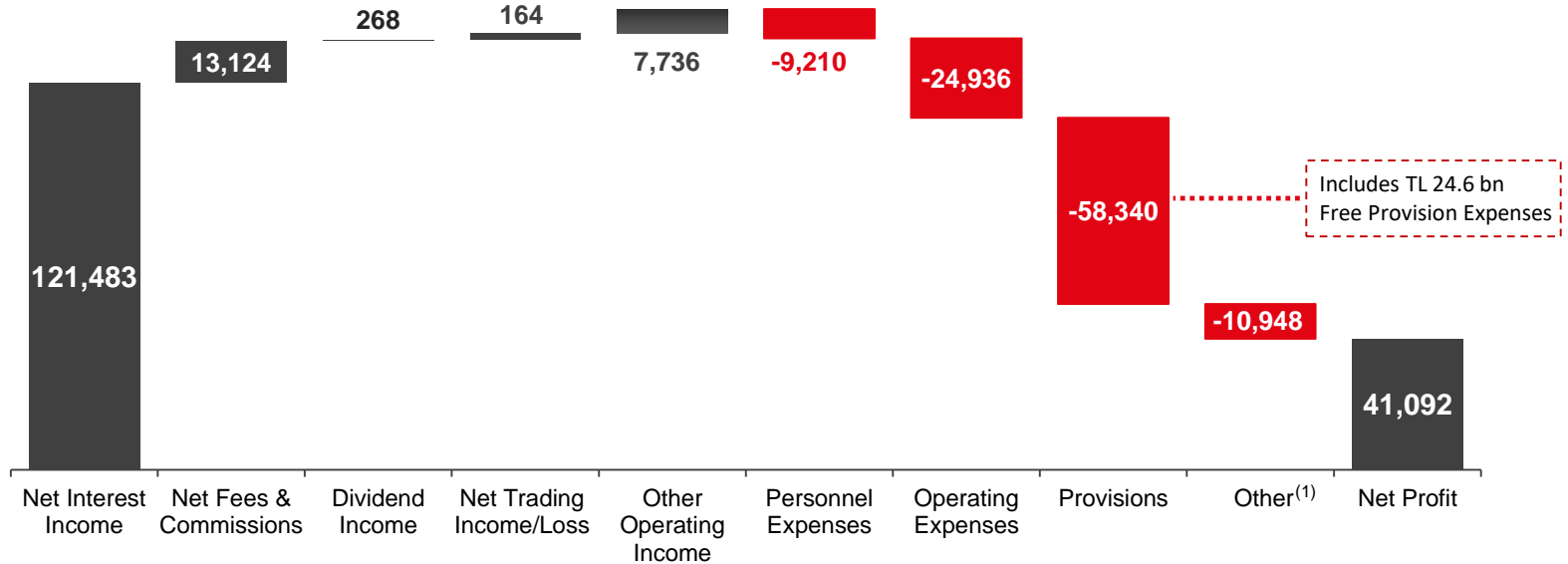


(1) Average shareholders' equity represent weekly averages
 (2) Average total assets represent weekly averages
 (3) Sector: Deposit Banks

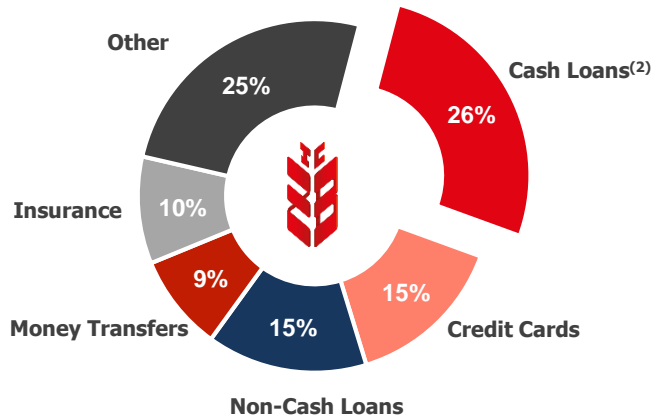


Ziraat Bankası – Profitability

P&L Breakdown 2022 (TL mn)



F&C Income Breakdown in 2022



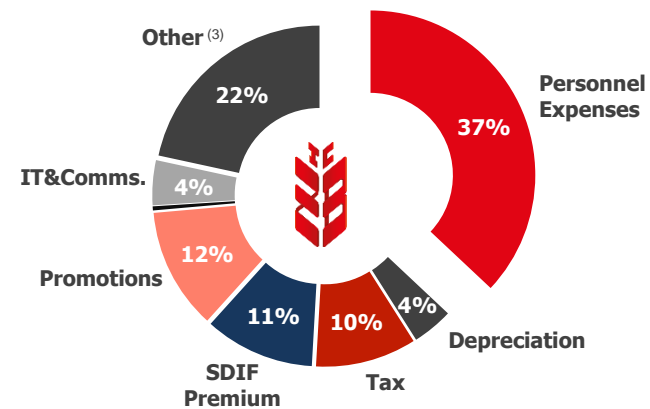
F&C Growth (YoY)

Credit Cards	238%
Money Transfers	147%
Non-Cash Loans	109%
Cash Loans	112%

OPEX Growth (YoY)

Tax	98%
Personnel Expenses	77%
SDIF Premium	50%
Utility Expenses	176%

OPEX Breakdown in 2022



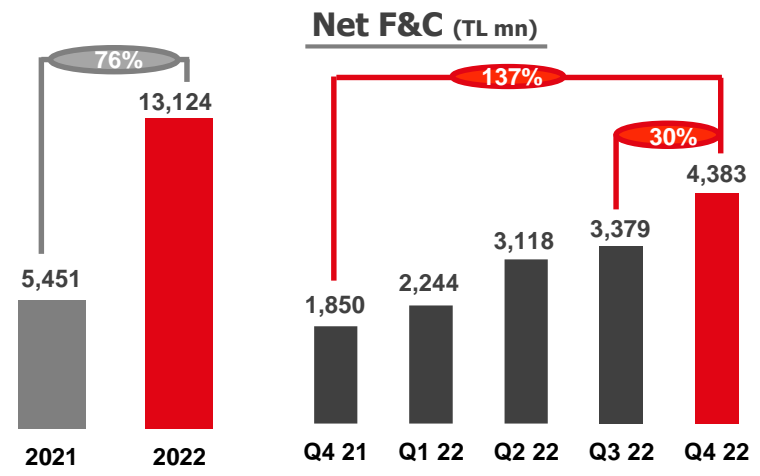
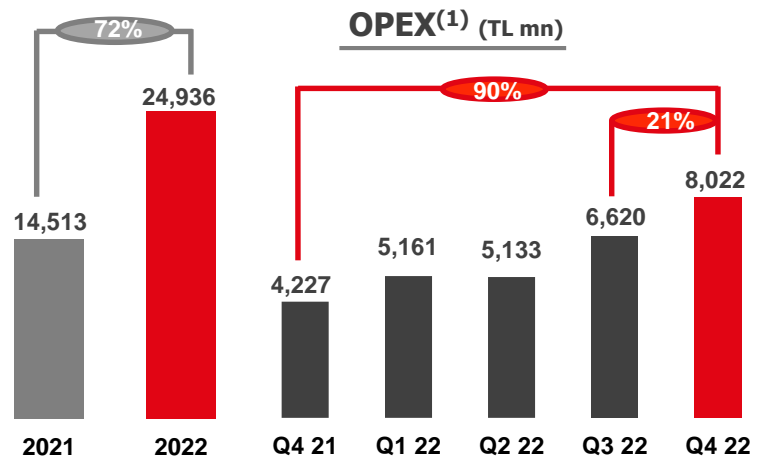
(1) Other item mainly includes tax provisions

(2) Due to BRSA regulation, Fees & Commissions from cash loans are categorized under interest income

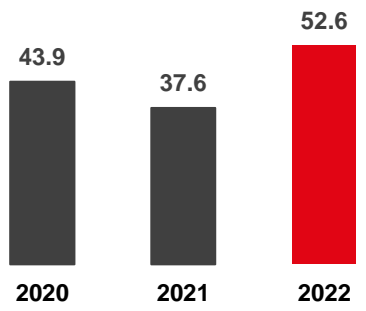
(3) Utilities and Maintenance Expenses are classified under Other item



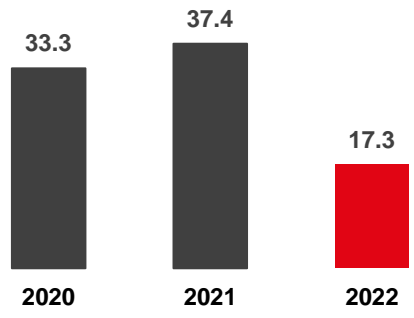
Ziraat Bankası – Profitability & Cost Management



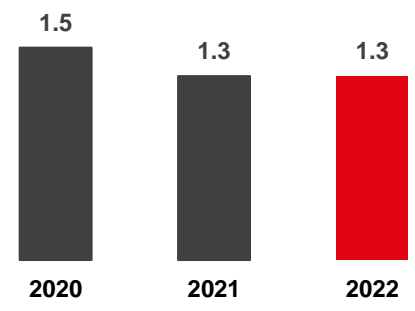
Fee/OPEX (%)



Cost/Income (%)



Cost/Avg. Assets (%)

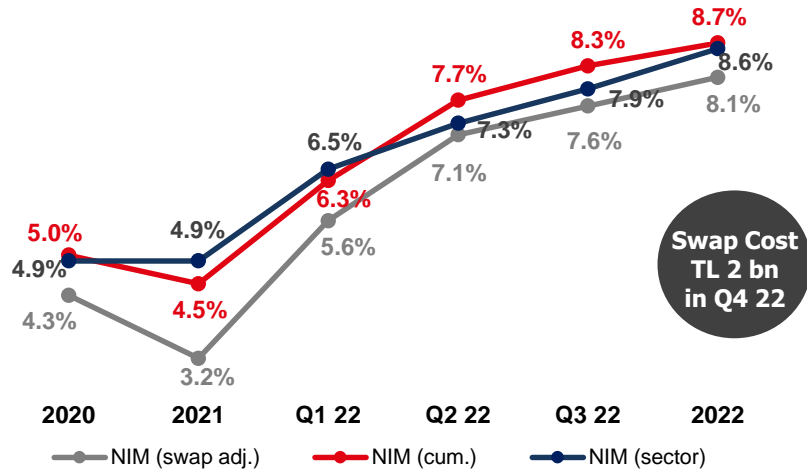


(1) Includes personnel expenses and other provision expenses



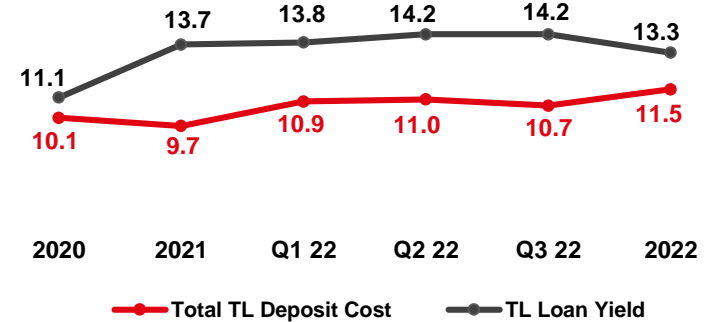
Ziraat Bankası – NIM & Spreads

Net Interest Margin⁽¹⁾⁽²⁾

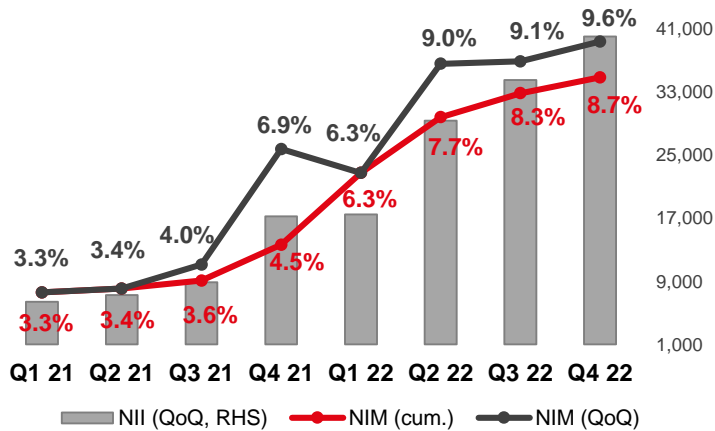


High NIM driven by lower funding costs supported by low policy interest rates, repricing of loans and additional CPI-linker securities income.

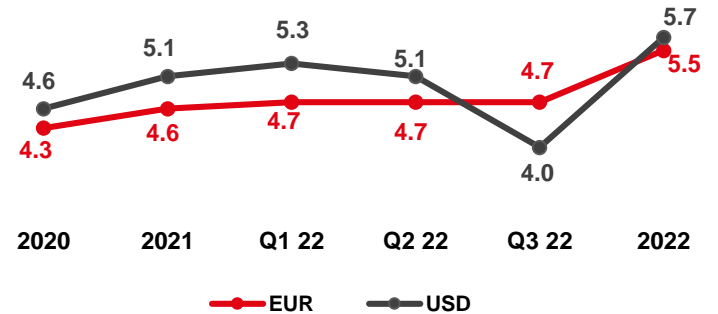
TL Loan Yield and Deposit Costs (%)



NII vs NIM (TL mn, %)



FX Core Spreads⁽³⁾ (%)



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



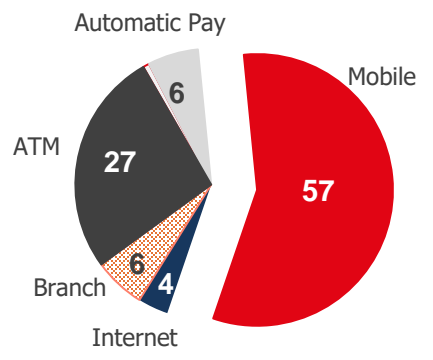
APPENDIX

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

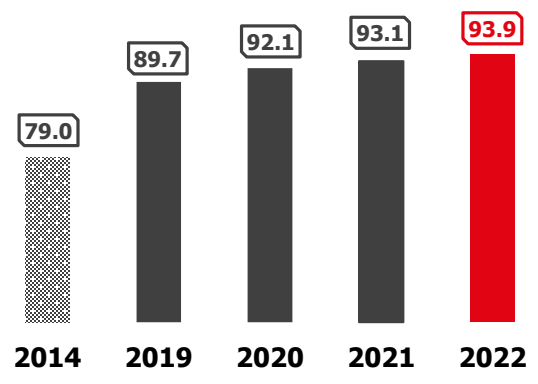


Ziraat Bankası – Digitalization & Efficiency

Banking Transaction Channel Distribution (%)



Non-Branch Channels Usage (%)



Unique Service Delivery

- 19m** Active digital banking customers
- 31m** Internet banking customers
- 7,276** ATMs **14.0%** market share
- Channel optimisation and improvement in unit transaction cost.

Key Digitalization Achievements

- Digital Onboarding Process
- AI supported virtual assistant
- Digitalized credit processes for corporate customers
- New digital solutions to reduce branch usage
- Open Banking Services

Digitalization Plans

- New payment system "Ziraat Pay"
- 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 Turkiye⁽¹⁾

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

Environmental and Social Impact Management Policy in Lending Activities adopted in 2020.

- Activities that will not be financed by the Bank have been determined
- Investment loan requests above a certain amount have been reviewed by environmental specialists



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

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
- Agricultural SME Loan

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



Ziraat Bankası – Balance Sheet Summary

TL bn	2020	2021	Sep.22	2022	% Change QoQ	% Change YoY
CASH AND CASH EQUIVALENTS	91.0	222.1	388.5	391.2	0.7%	76.2%
SECURITIES	225.6	341.4	520.4	588.3	13.1%	72.3%
LOANS	600.7	778.4	1,129.6	1,266.4	12.1%	62.7%
-Gross NPL	13.9	15.1	13.6	13.7	0.5%	-9.5%
-Expected Credit Loss (-)	18.8	29.1	36.3	48.0	32.1%	65.1%
OTHERS	29.8	29.0	35.6	65.8	84.8%	126.6%
TOTAL ASSETS	942.6	1,370.9	2,074.0	2,311.7	11.5%	68.6%
DEPOSITS	629.9	948.7	1,536.7	1,739.3	13.2%	83.3%
FUNDS BORROWED	37.0	59.3	94.0	110.2	17.2%	85.8%
INTERBANK MONEY MARKETS	116.4	176.7	118.8	85.1	-28.4%	-51.9%
PROVISIONS	7.1	9.1	36.4	48.7	33.8%	438.0%
OTHERS	59.0	80.0	120.6	125.9	4.4%	57.4%
TOTAL LIABILITIES	849.3	1,273.8	1,906.4	2,109.2	10.6%	65.6%
SHAREHOLDERS' EQUITY	93.3	97.1	167.6	202.5	20.8%	108.5%



Ziraat Bankası – Income Statement Summary

TL mn	2020	2021	2022	Q4 21	Q3 22	Q4 22	% Chg QoQ	% Chg YoY
INTEREST INCOME	69,476	101,998	220,630	33,392	62,650	72,264	15.3%	116.4%
-From Loans	52,330	72,794	121,726	22,182	33,420	37,066	10.9%	67.1%
-From Securities	16,696	27,440	95,410	10,659	28,315	61,833	118.4%	480.1%
INTEREST EXPENSE	34,862	62,230	99,147	16,152	28,108	32,211	14.6%	99.4%
-On Deposits	22,812	41,199	73,694	10,695	20,632	24,563	19.1%	129.7%
NET INTEREST INCOME	34,615	39,768	121,483	17,240	34,542	40,052	16.0%	132.3%
NET FEES & COMMISSIONS	3,093	5,451	13,124	1,850	3,379	4,383	29.7%	136.9%
OTHER OPERATING INCOME	5,182	4,444	7,736	994	2,272	1,611	-29.1%	62.1%
EXPECTED CREDIT LOSS	10,691	14,956	29,545	8,311	5,618	16,359	191.2%	96.8%
-Stage 1 Provisions	1,340	199	9,798	187	31	8,265	NM	NM
-Stage 2 Provisions	5,505	9,861	15,326	6,238	4,403	6,833	55.2%	9.5%
-Stage 3 Provisions	3,846	4,896	4,421	1,887	1,183	749	-36.7%	-60.3%
OTHER PROVISION EXPENSES	2,648	374	28,794	274	13,122	1,291	-90.2%	371.2%
OPEX ⁽¹⁾	12,092	14,513	24,936	4,227	6,620	8,022	21.2%	89.8%
NET OPERATING PROFIT	10,834	8,913	61,251	4,559	16,005	21,306	33.1%	367.3%
NET PROFIT	7,825	6,291	41,092	3,271	8,654	16,259	87.9%	397.1%

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



Ziraat Bankası – Key Financial Ratios

(%)	2020	2021	Q1 22	Q2 22	Q3 22	2022
ROAA ⁽¹⁾	1.0	0.6	2.0	2.2	2.0	2.3
ROAE ⁽²⁾	9.7	6.9	24.0	23.9	22.6	26.4
Cost / Income ⁽³⁾	33.3	37.4	23.9	18.3	17.3	17.3
Fee / OPEX ⁽⁴⁾	25.6	37.6	43.5	52.1	51.7	52.6
NIM (cum.) ⁽⁵⁾	5.0	4.5	6.3	7.7	8.3	8.7
Loans ⁽⁶⁾ /Deposits	92.3	80.5	80.1	83.1	72.6	72.0
Loans/Assets	62.2	55.7	56.6	58.0	53.8	54.2
Securities/Assets	23.9	24.9	28.1	26.4	25.1	25.5
NPL	2.3	1.9	1.7	1.3	1.2	1.1
Stage III Coverage	77.0	80.2	81.2	82.4	83.2	84.8
CoR	1.2	1.8	1.4 ⁽⁷⁾	1.1 ⁽⁷⁾	1.3 ⁽⁷⁾	2.5
CAR	18.2	16.5	20.7	15.6	15.6	16.5
Leverage ⁽⁸⁾	9.1	13.1	9.0	10.5	11.4	10.4
# of						
Branches ⁽⁹⁾	1,752	1,752	1,751	1,752	1,756	1,758
Employees	24,673	24,607	24,423	24,579	24,531	24,484
ATMs	7,274	7,269	7,215	7,236	7,256	7,276

(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



For further information please contact

Financial Institutions and Investor Relations Department

Eski Büyükdere Cad. No: 39 B Blok, 6. Kat Maslak-İstanbul/Türkiye

Phone: (+90) 212 363 11 91

E-mail: investorrelations@ziraatbank.com.tr

www.ziraatbank.com.tr



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