

Financial Presentation

June 2024



- Moderate loan growth (mainly FX) in line with regulatory environment and macro-prudential measures
- Foreseen increase in NPL inflows and sound asset quality preserved with ongoing collections
- Increased FX liquidity access, supported by credit ratings and high investor confidence
- Continuing re-pricing of loans resulted in slight improvement in core spreads, NIM pressure anticipated to ease in H2 24
- Increasing net fee & commission income support to bottom line
- Capital ratios above regulatory minimums, Tier 2 issuance in April being supportive

Largest and oldest bank in Türkiye
USD 142 bn. asset size
 ~ **16%** market share
100% owned by public through TWF

Ongoing market leadership

- Assets
- Loans
- Deposits
- Equity

Sound capital ratios and profitability

- Sustainable profitability
- Disciplined cost management
- Prudent risk management strategy and buffers to support capitalization and sustainable growth
- USD 500 mn Tier 2 transaction to further support capital

Foremost provider of agricultural financing

- Only deposit bank authorised for government subsidized agro-lending
 - Sustainable agro financing strategy
 - **69%** agro loan market share

TL
4,548
bn

1,780

#1

42 mn

16.1%

1.1%

69%

USD
15
bn

Widest local and international geographic footprint with 1,780 branches

- Operating in **17** countries with **120** service points
- **26** Foreign Branches
- Only bank in **361** points in Türkiye
- Expanding global service network through foreign branches, rep offices and subsidiary banks

Broad customer base

- Serving more than **42 mn** retail, SME and corporate customers
- New segmentation model for increased efficiency and tailor made solutions to SME and retail customers
- Extensive customer acquisition through digital channels

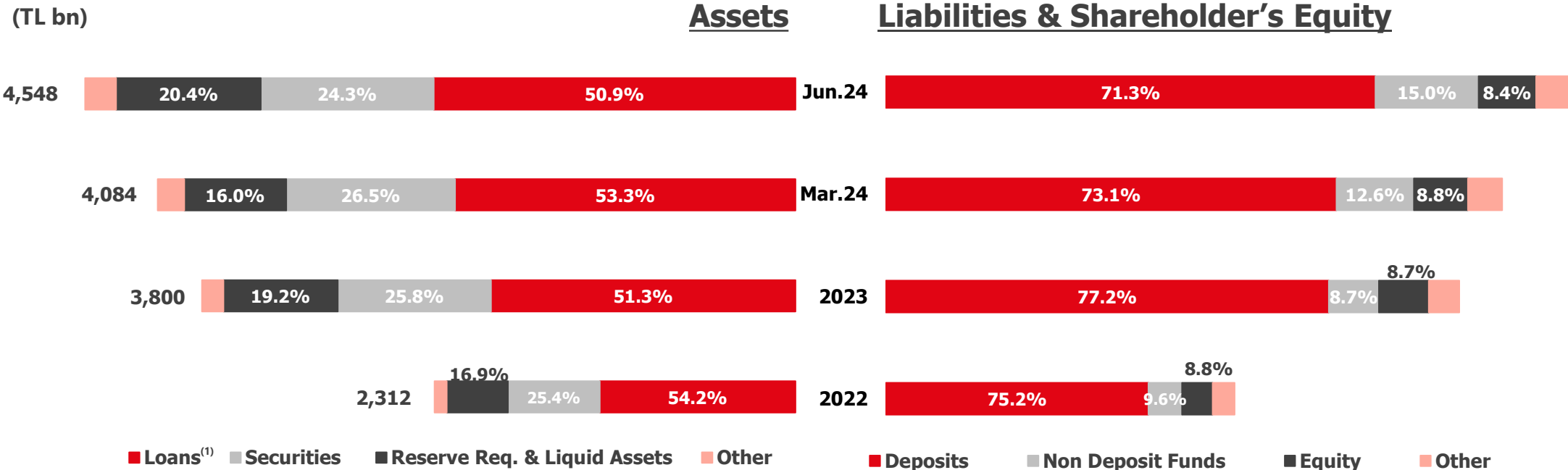
Robust asset quality

- Limited NPL formation
- Ongoing NPL collection
- Prudent provisioning approach with **73%** Stage 3 coverage ratio

Well managed domestic & international funding

- Granular and sticky deposit base
- Further access to international funds through new products

Ziraat Bank – Assets & Liabilities



Market Shares

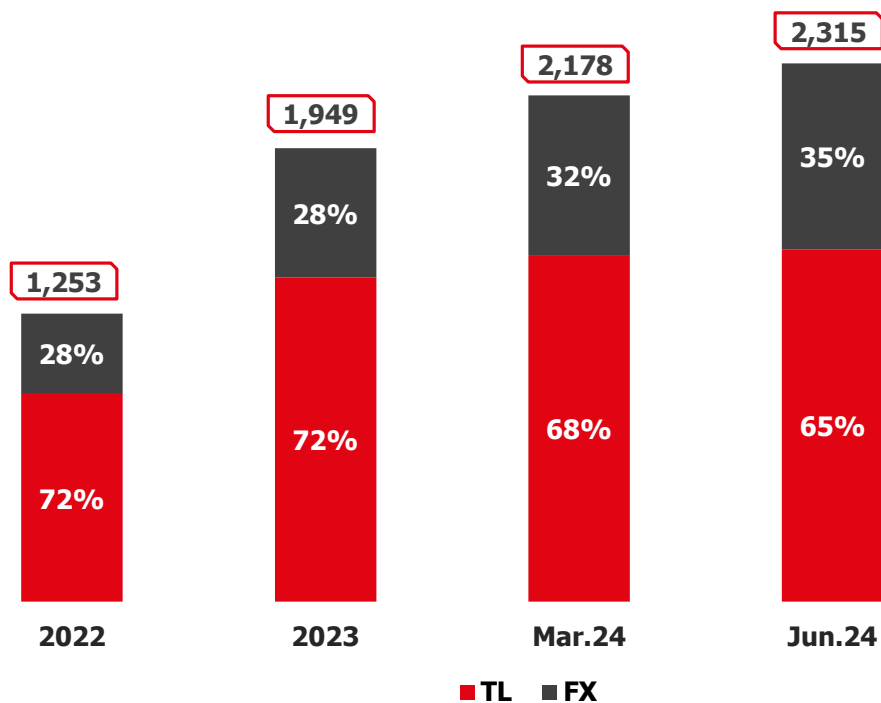


QoQ Δ	+43bps	-17bps	+23bps
YoY Δ	+40bps	-65bps	+41bps

(1) Performing loans

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

- Decelerating loan growth trend in line with macro prudential measures and selective lending policy
- Rebalancing of loan portfolio through increasing FX loan demand
- Corporate segment driven loan growth
- Continuation of agro and manufacturing loans contribution



■ TL ■ FX

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

Loan Growth

	QoQ Δ	YtD Δ	YoY Δ
Total Loans	6.3%	18.8%	35.0%
<i>Total Loans (FX adj.)</i>	6.2%	15.0%	25.5%
TL	1.6%	8.6%	21.4%
FX(\$)	16.0%	30.7%	36.4%
Corporate	9.6%	27.2%	41.1%
<i>Corp. (FX adj.)</i>	9.4%	18.9%	21.1%
SME⁽²⁾	4.2%	12.9%	31.4%
Retail	0.6%	10.9%	18.1%
Housing	-4.5%	-8.7%	-15.1%
GPL	-4.7%	-0.5%	-14.3%
Credit Card	2.5%	32.7%	92.8%

Agro Loans

TL 491 bn **69%** market share **0.18%** agro NPL
921k agro customers **91%** subsidized **0.08%** subsidized NPL

GPL

19% of retail loans **5%** market share **32%** pensioner

Credit Card

TL 148 bn outstanding **9.8%** market share⁽⁴⁾ **12 mn** customers

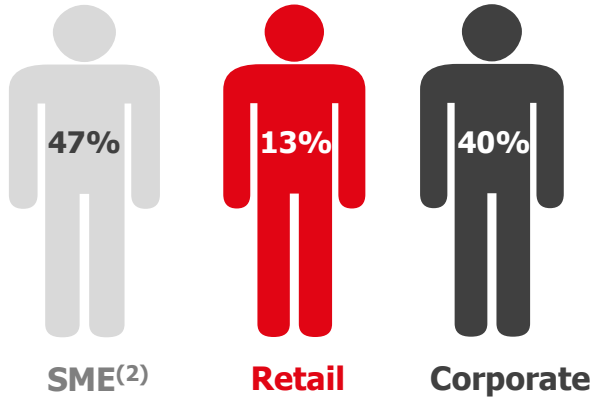
Housing Loans

29% of retail loans **22%** market share **25%** LTV⁽³⁾ **0.1%** NPL

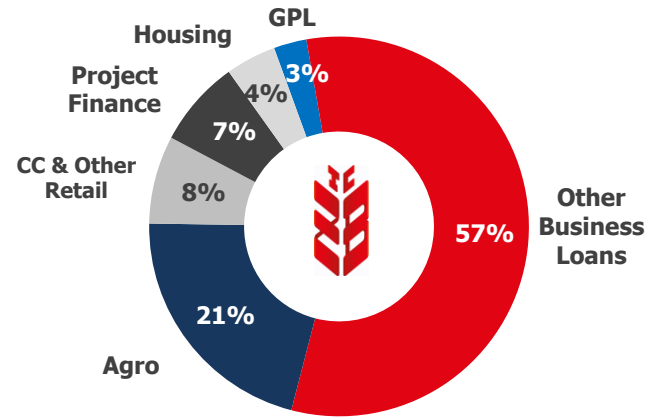
CGF Guaranteed Loans

TL 52 bn outstanding **2%** of cash loans **211k** customers

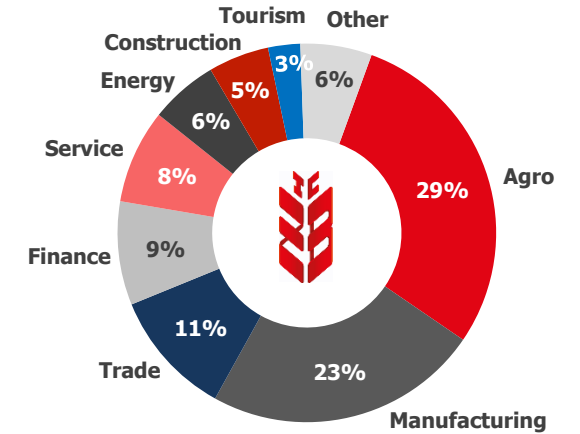
Cash Loans by Customer Segment⁽¹⁾



Cash Loans by Product



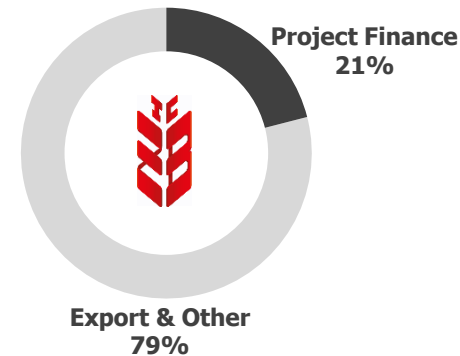
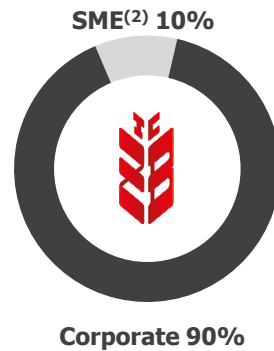
Sector Breakdown of Cash Business Loans⁽¹⁾



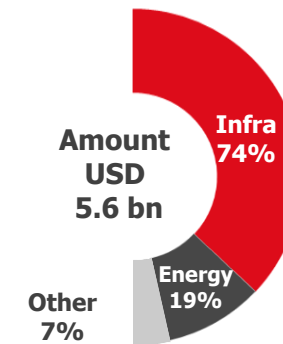
• Based on customer segmentation data, totals may differ from product classification

FX Loans

- FX Loans Outstanding USD **25.2 bn**
- FX Loans/Total Loans **35%** in line with sector⁽³⁾ average
- FX Loans NPL **1.2%**



Sector Breakdown of Project Finance Loans



• Share of infrastructure projects with debt assumption **83%**

• Share of renewables in energy loans: **44%**

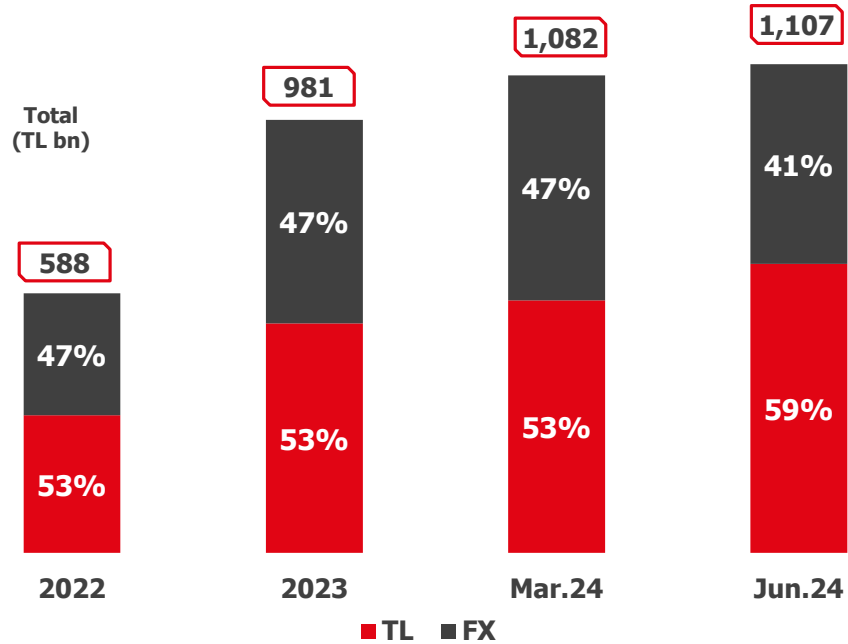
(1) Accruals and overseas branch lending are excluded from segment and/or sector distribution

(2) SME customers are classified under commercial segment

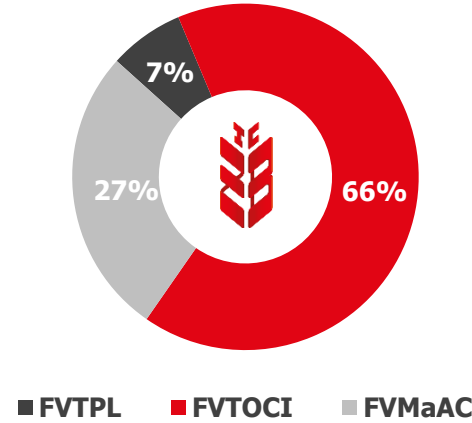
(3) Sector: Deposit banks

- Slight adjustment in securities portfolio mix in line with current interest rate environment and expectations
- Share of CPI linkers in total securities decreased which resulted in lower income contribution
- CPI estimate for valuation 35% in Q2 2024

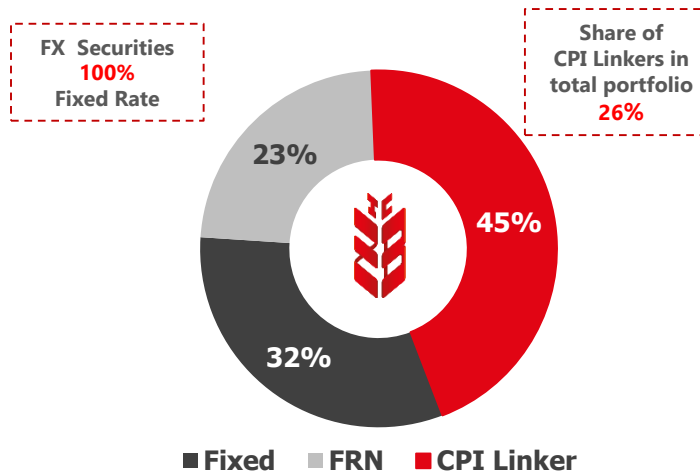
Total Securities (% share in total)



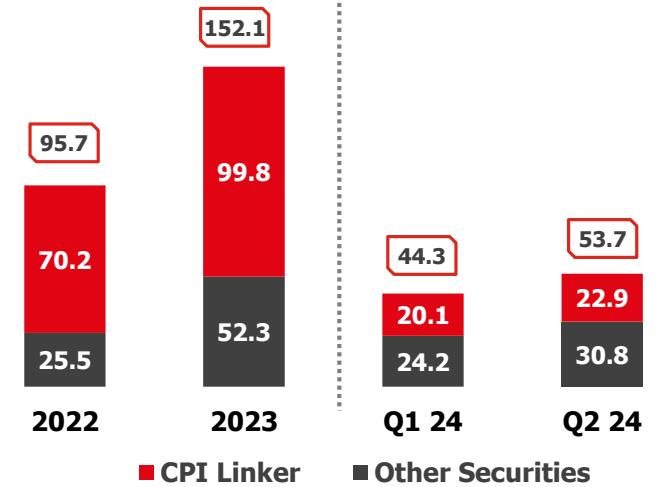
Breakdown of Total Securities (% share in total)



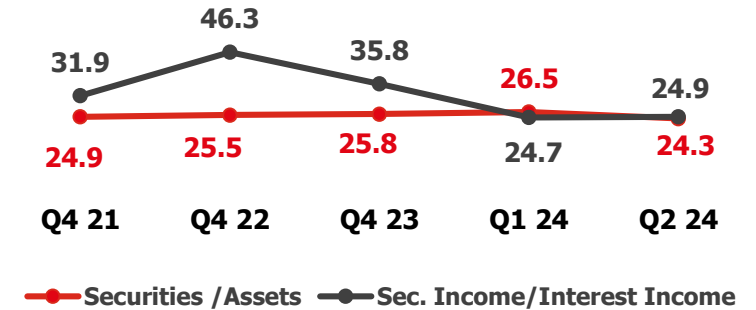
Breakdown of TL Securities⁽¹⁾ (% share in total)



Interest Income from Securities (TL bn)



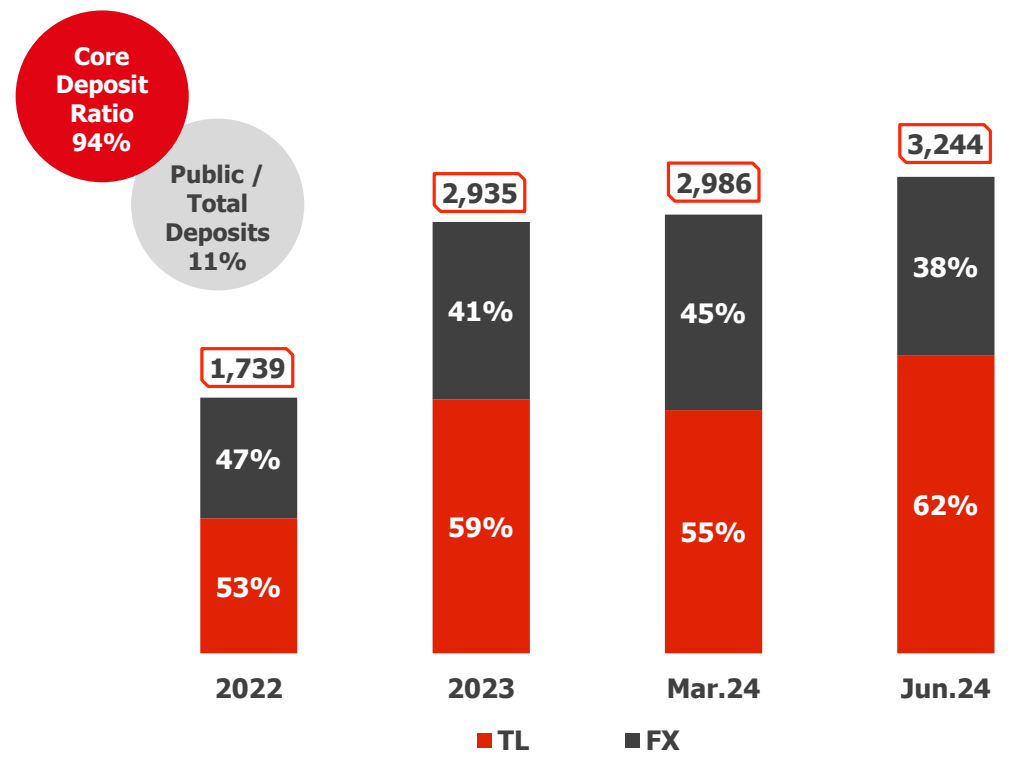
Contribution from Securities (%)



(1) Interest accruals included

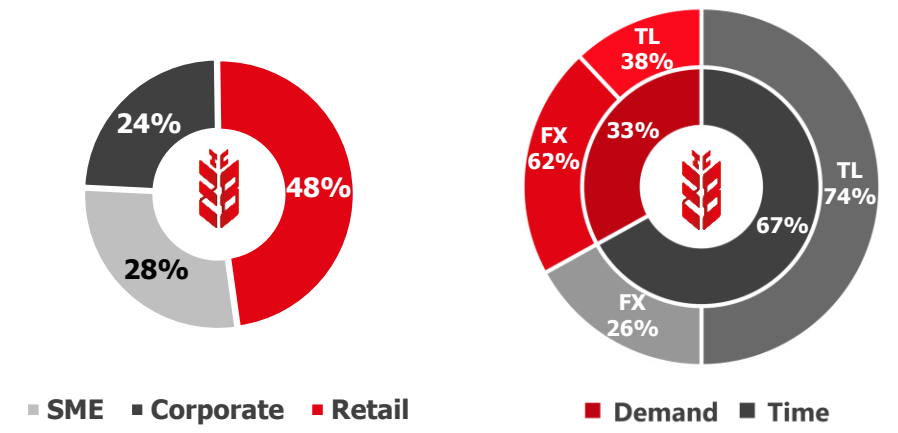
Total Deposits (TL bn, % share in total)

- **Granular and sticky deposit base**, structurally high share of widespread retail segment
- **De-dollarisation**: significant increase in share of TL Deposits
- **FX linked deposit share** in total deposit is %12
- **QoQ market share gain** both in demand and time deposit



Deposit Growth

	QoQ Δ	YtD Δ	YoY Δ
Total Deposits	8.6%	10.5%	46.8%
<i>Total Deposit (FX adj.)</i>	8.5%	6.7%	35.8%
TL	22.3%	17.3%	69.3%
FX(\$)	-8.7%	-8.5%	-3.8%
Customer Deposit	8.8%	10.4%	51.2%
Demand	3.9%	20.2%	35.5%
Time	11.2%	6.3%	53.2%



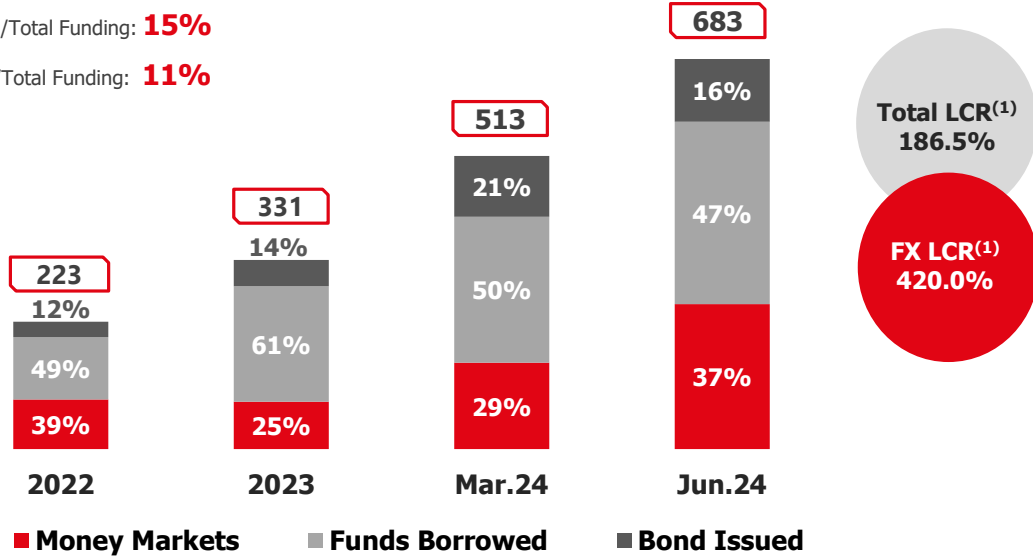
TL Deposit Market Shares



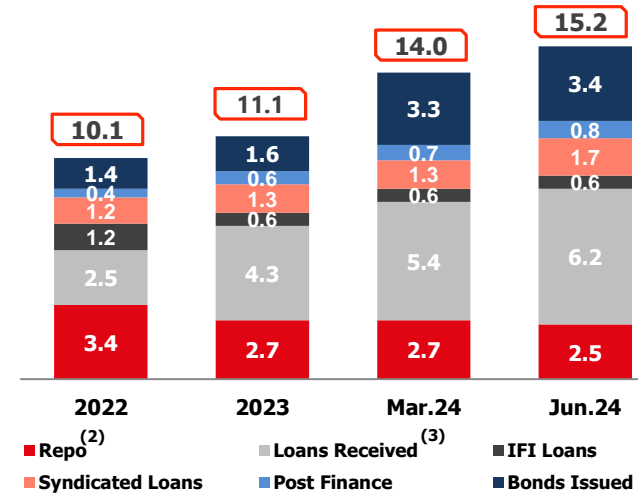
Non-Deposit Funds (TL bn,% share in total)

Non-deposit /Total Funding: **15%**

FX external /Total Funding: **11%**

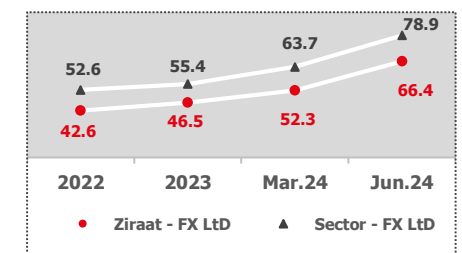
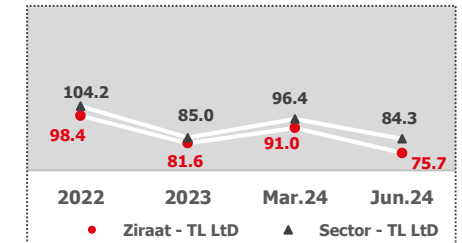
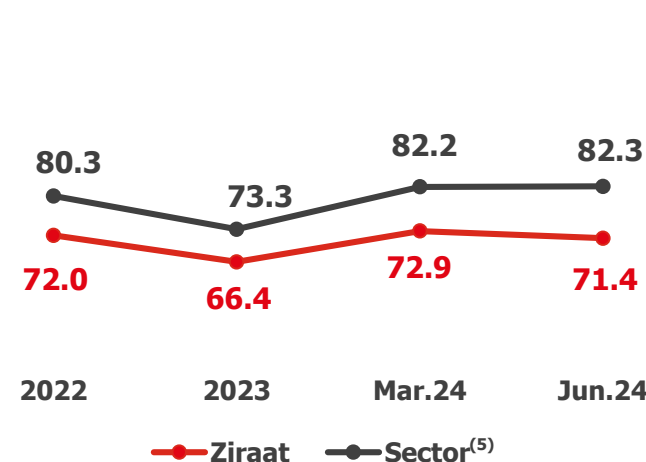


FX Non-Deposit Funding (USD bn)



FX Liquidity
~ USD 9 bn
3.8 bn cash & CBRT
3.4 bn FX swap
~2 bn unencumbered securities

Loan to Deposit⁽⁴⁾ (%)



Robust Non-Deposit Funding

USD 500 mn

5 Year Sustainable Eurobond Issuance Jan 24

USD 500 mn

10.25NC5.25 inaugural Tier 2 Issuance Apr 24

USD 1.7 bn

The largest sustainability themed single tranche Syndicated Loan received by a financial institution in Türkiye with a roll-over rate of 132% Apr 24

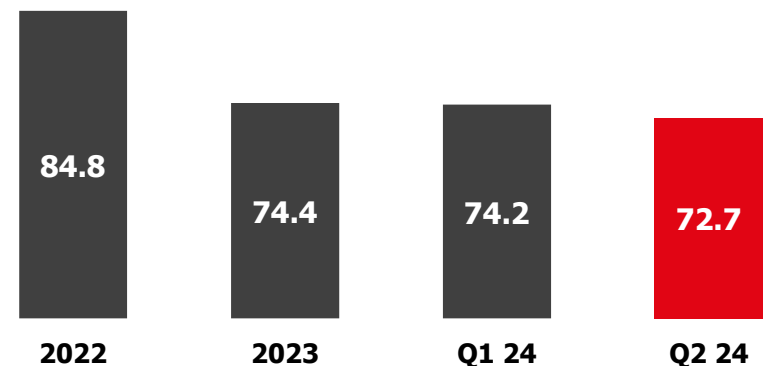
USD 250 mn

10 Year funding under DPR Programme Jun 24

(1) LCR regulatory minimums; Total: 100%, FX: 80%
(2) Including DPR
(3) Including DPR, Bilateral and Secured Finance from International Counterparties
(4) Performing Loan/Total Deposit
(5) Sector: Deposit banks

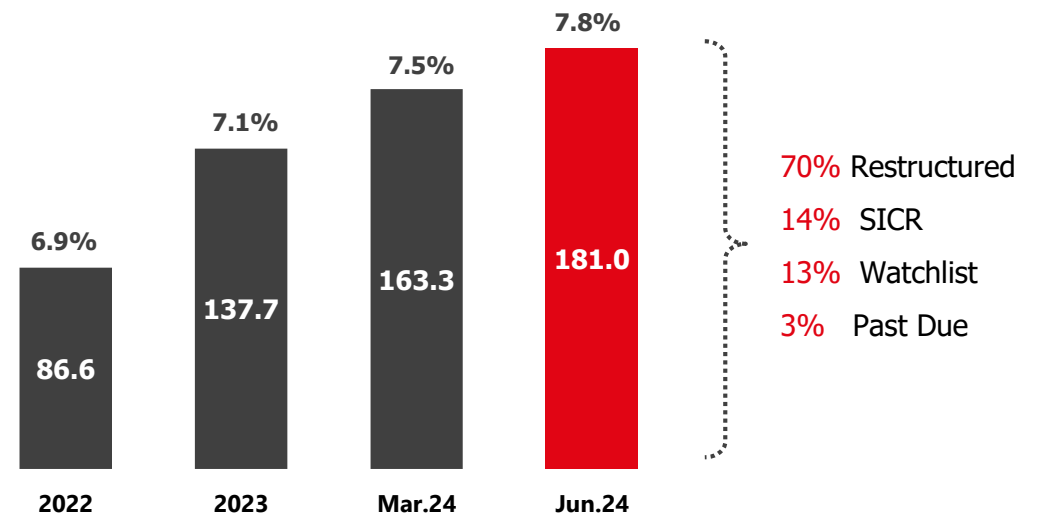
- Limited NPL formation and ongoing collections in Q2 24
- Structurally low NPL generation arising from loan book dynamics
- High provisioning strategy maintained in-line with prudent asset quality management strategy.

Stage III Coverage (%)

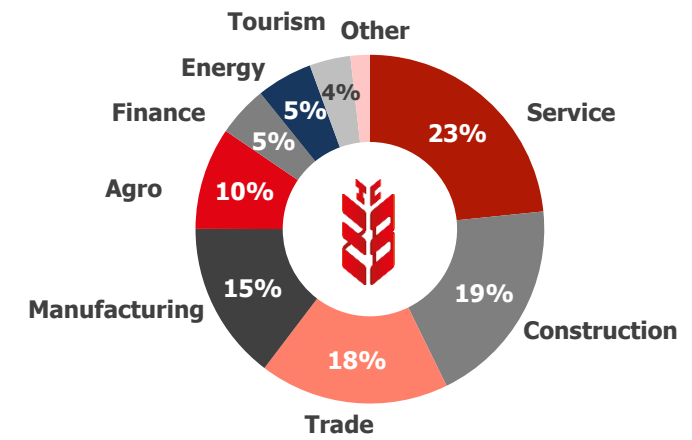


	Amount (TL bn)	Coverage	Change (QoQ)
Stage III	26.7	72.7%	-142 bps
Stage II	181.0	26.4%	-154 bps
Stage I	2,134	0.4%	-12 bps
TOTAL	2,342	3.2%	-11 bps

Stage II Loans (TL bn, % share in performing loan)

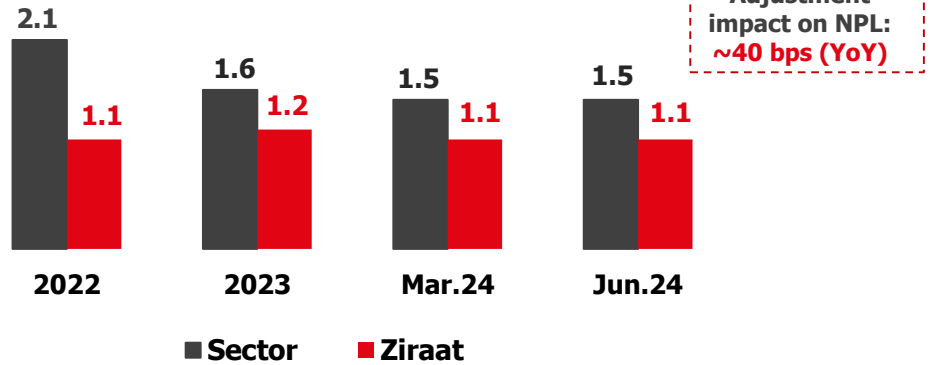


Sector Breakdown of Stage II Business Loans

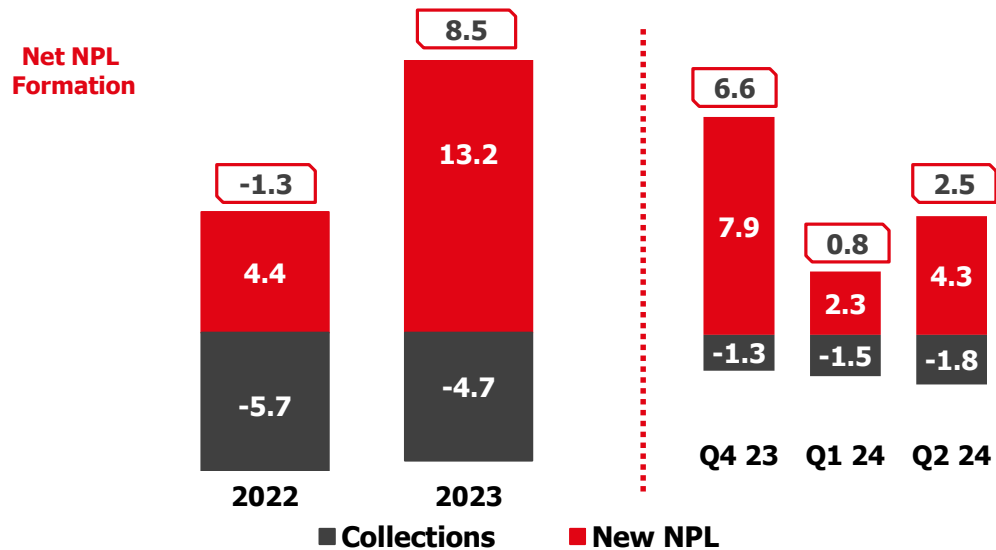


No Write-Off⁽¹⁾
or
NPL Sale

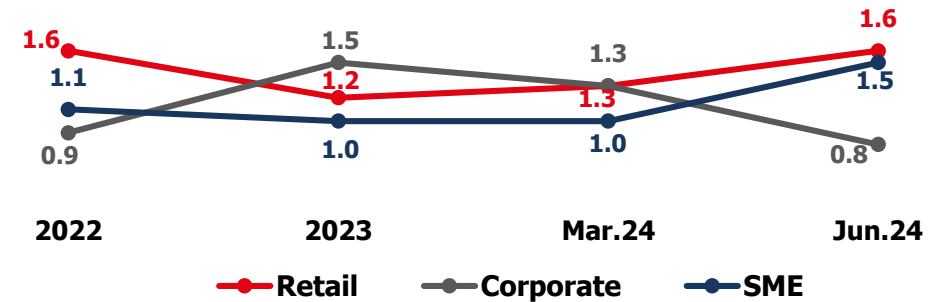
NPL Ratios (%)



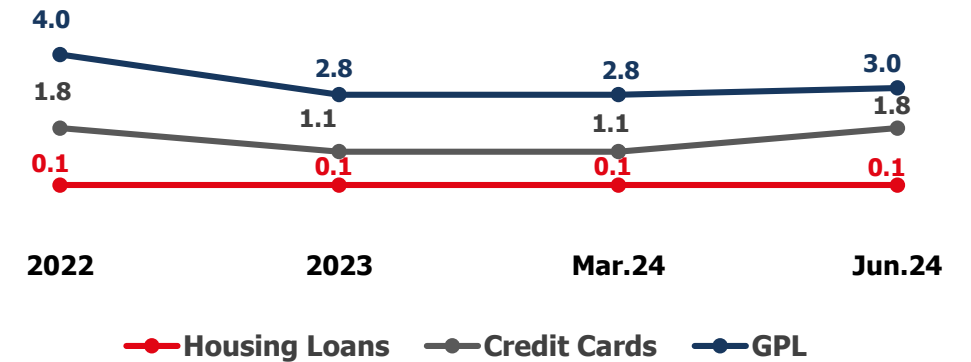
New NPL & Collections (TL bn)



NPL Ratios by Segment (%)

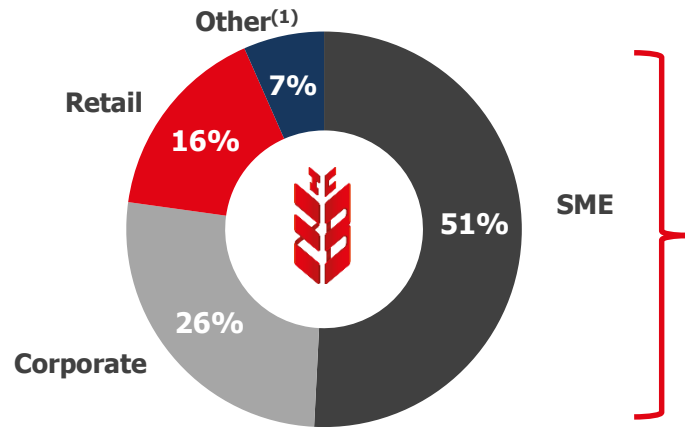


Retail NPL Ratios by Product (%)

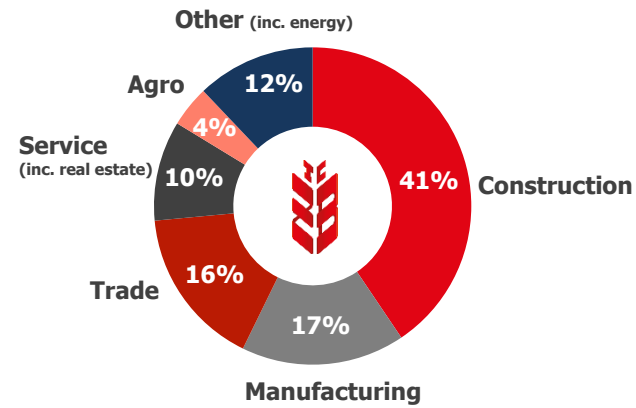


(1) Excluding earthquake related insignificant amounts

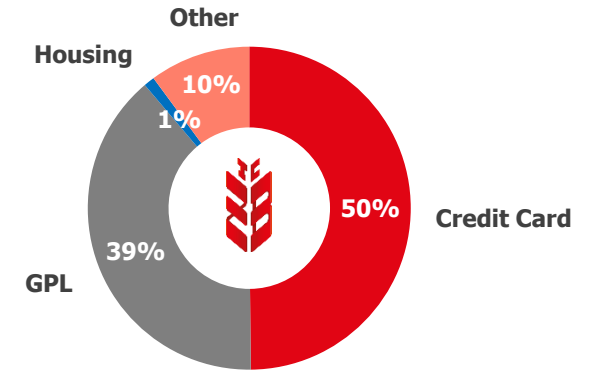
Total NPL by Segment



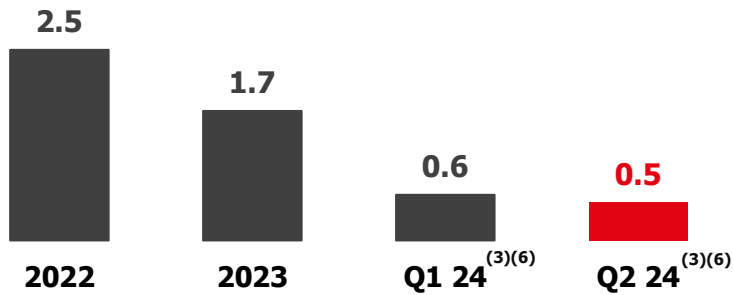
Business Loan NPL by Sector



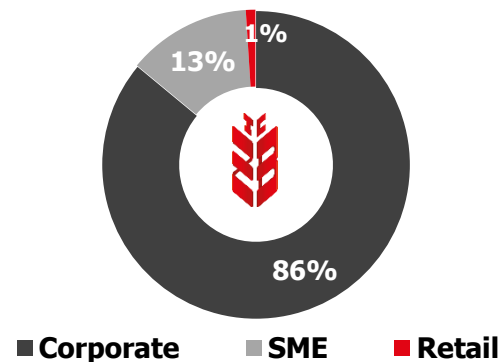
Retail Loan NPL by Product



Cost of Risk⁽²⁾ (%)



Restructured Loan by Segment



Restructured Loans⁽⁴⁾ in Total Loans: **5.2%** Total Coverage⁽⁵⁾ **284%**

TL 9 bn⁽⁷⁾ Total Free Provisions

(1) Includes loans excluded from segment classification

(2) CoR: Expected Credit Loss-Reversals / Average Loan Amount

(3) Annualized figure

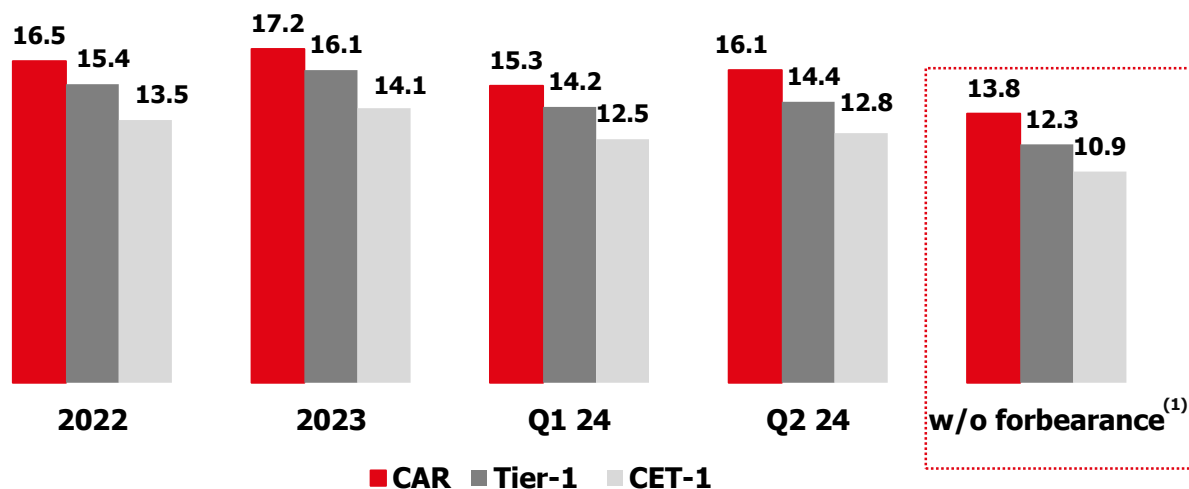
(4) Includes deferrals during the COVID 19 outbreak

(5) (S1 + S2 + S3 provisions) / NPL

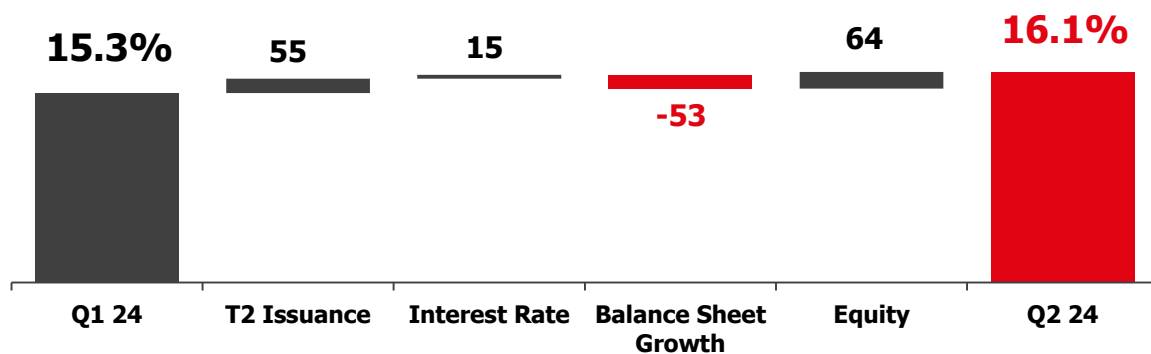
(6) CoR adjusted for individual assessment and change in IFRS model

(7) TL 4 bn of free provisions were reversed in Q2

Capital Ratios (%)



Change in CAR (QoQ, bps)



Capital Ratio Requirements

	Solo	Cons.
CET1 Capital Ratio	4.5%	4.5%
Capital Conservation Buffer	2.5%	2.5%
D-SIB Buffer ⁽²⁾	-	2.0%
Countercyclical Buffer	0.04%	0.06%
	7.0%	9.1%
Total CAR	10.5%	12.5%

Basel III Leverage **6.5%** vs regulatory min of **3.0%**

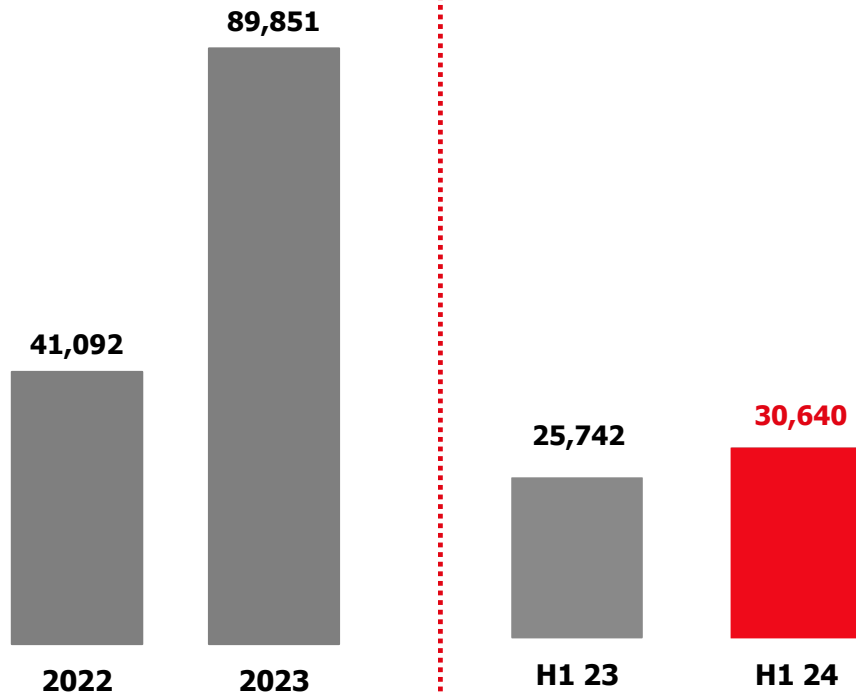
10% depreciation in TL **-47 bps** impact on CAR

100 bps increase in TL rate **-3 bps** impact on CAR

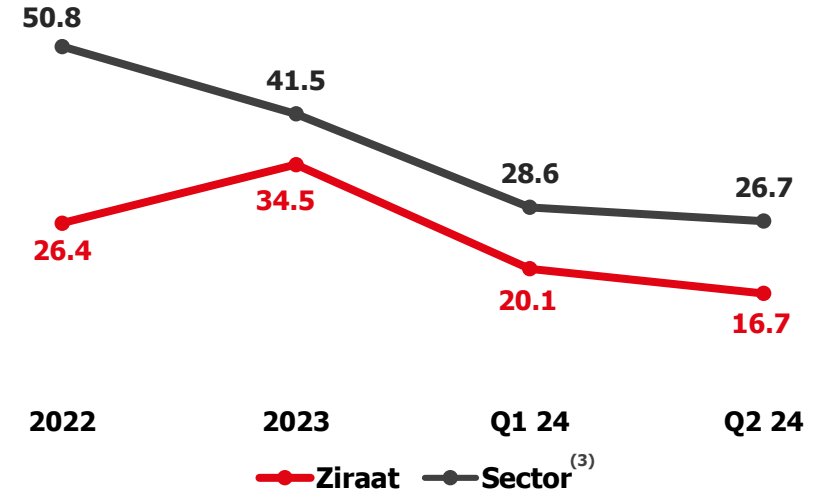
(1) BRSA forbearance measures are FX rate, MTM, 0% Risk Weighted, High Risk Weight for certain loans
 (2) D-SIB Buffer is applied only to consolidated ratios

Net Profit (TL mn)

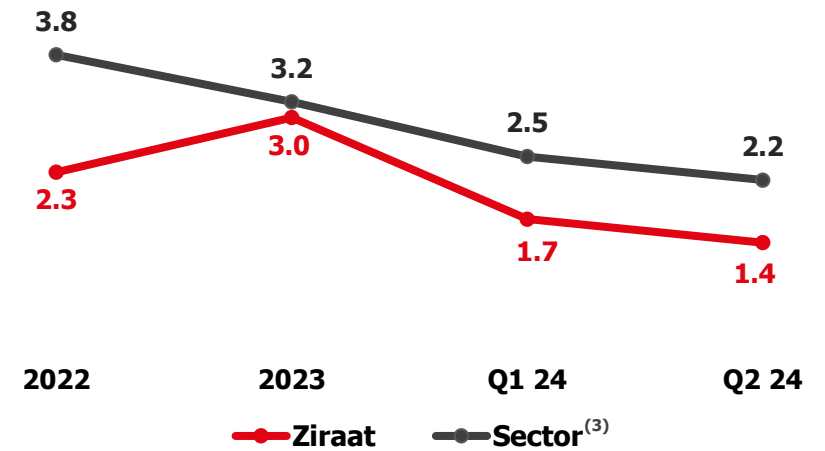
- Stabilized NIM and net interest income on quarterly basis
- Sustainable profitability supported by Fee and Commission income
- Well positioning for NIM recovery, which is expected to be seen in the second half of 2024



Return on Equity⁽¹⁾ (%)

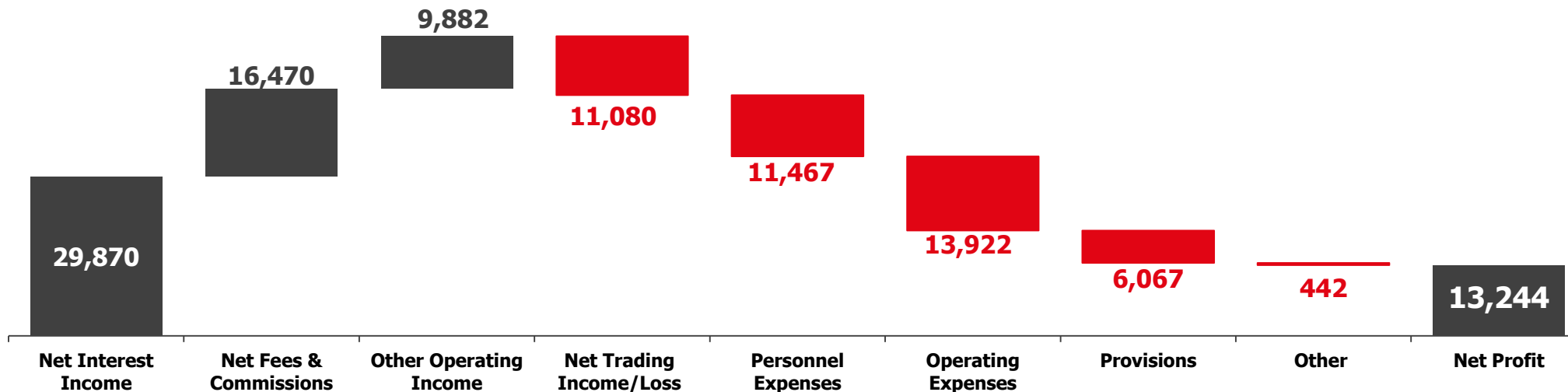


Return on Assets⁽²⁾ (%)

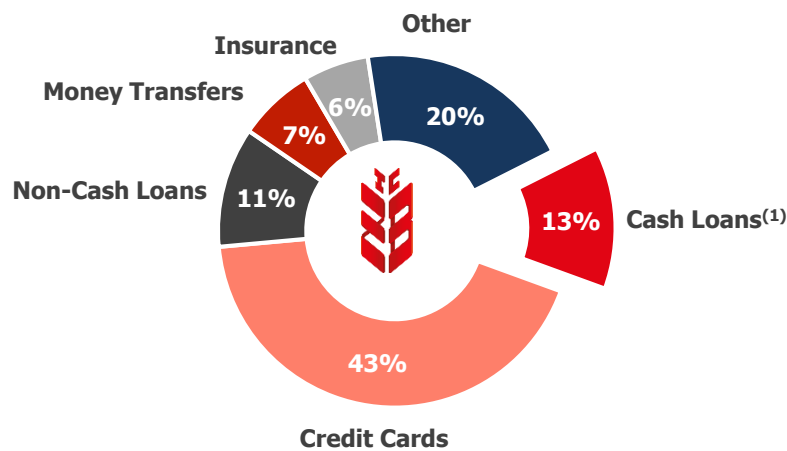


(1) Average shareholders' equity represents weekly averages
 (2) Average total assets represent weekly averages
 (3) Sector: Deposit Banks

P&L Breakdown Q2 24 (TL mn)



F&C Income Breakdown in H1 24



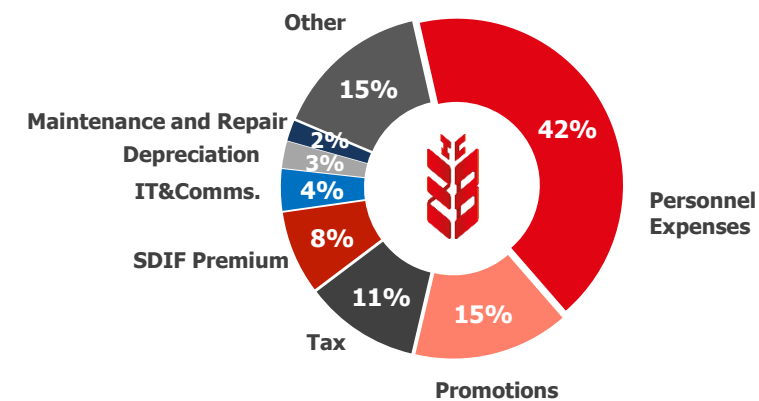
F&C Growth (YoY)

Credit Cards	404%
Money Transfers	66%
Non-Cash Loans	87%
Cash Loans	38%

OPEX Growth (YoY)

Tax	93%
Personnel Expenses	92%
SDIF Premium	53%
Utility Expenses	32%

OPEX Breakdown in H1 24

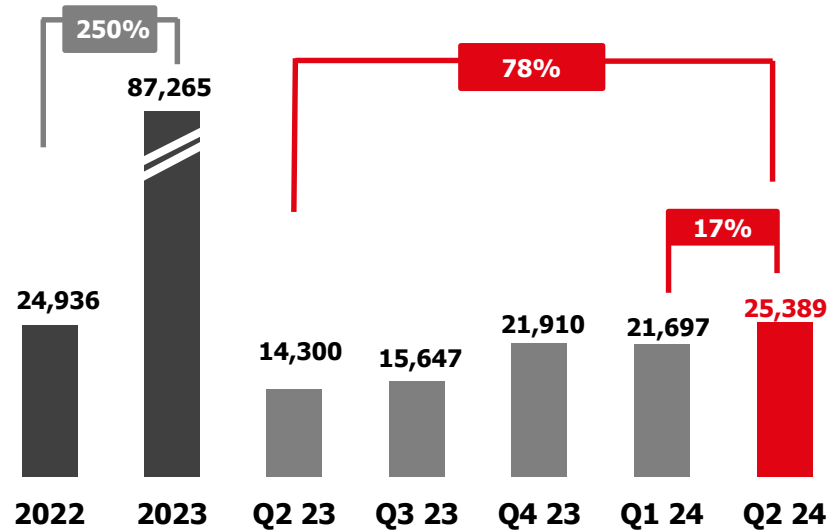


(1) Due to BRSA regulation, Fees & Commissions from cash loans are categorized under interest income

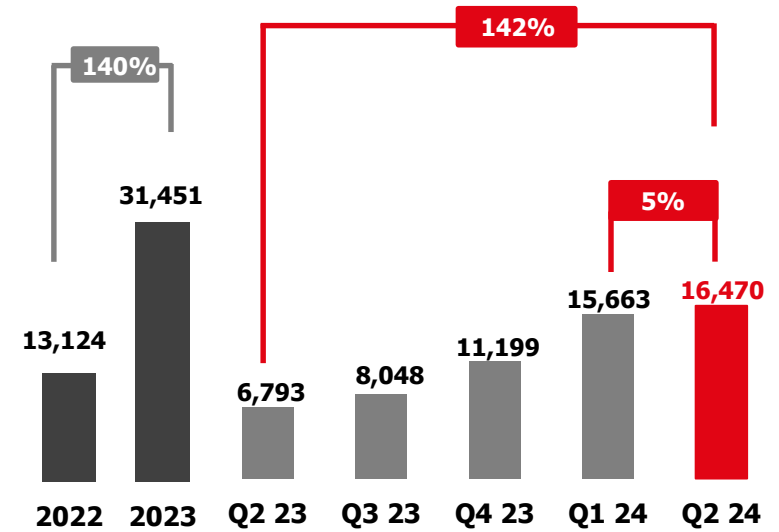


Ziraat Bank – Profitability & Cost Management

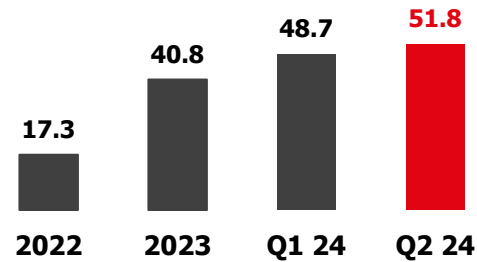
OPEX⁽¹⁾ (TL mn)



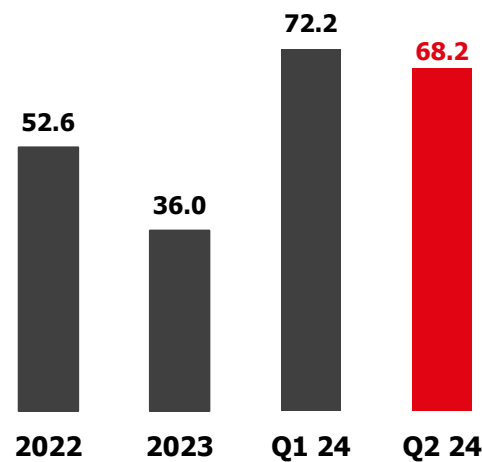
Net F&C (TL mn)



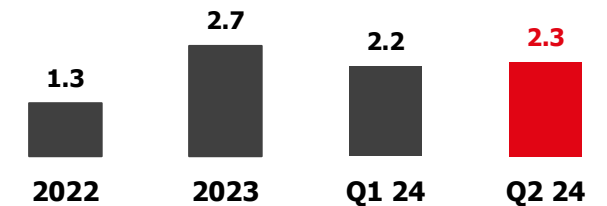
Cost/Income (%)



Fee/OPEX (%)



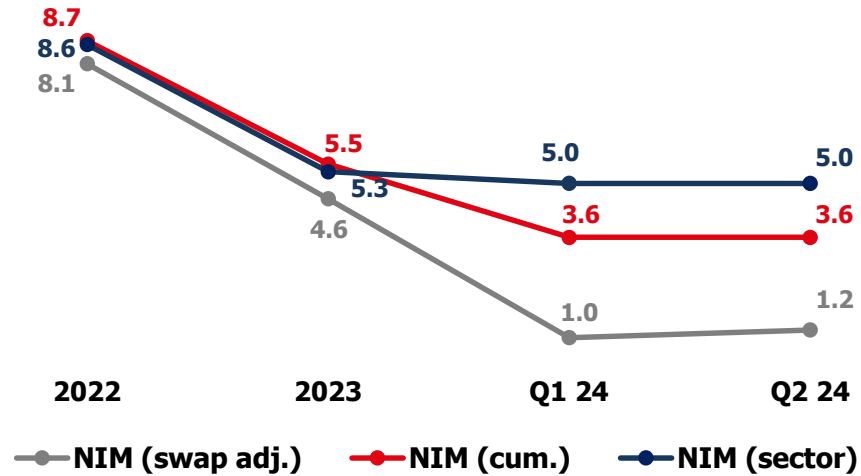
Cost/Avg. Assets (%)



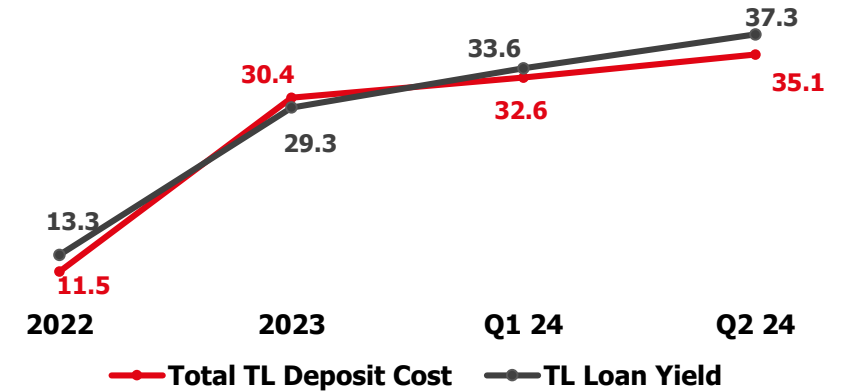
(1) Includes personnel expenses and other provision expenses

Swap Cost
TL 18.1 bn
in Q2 24

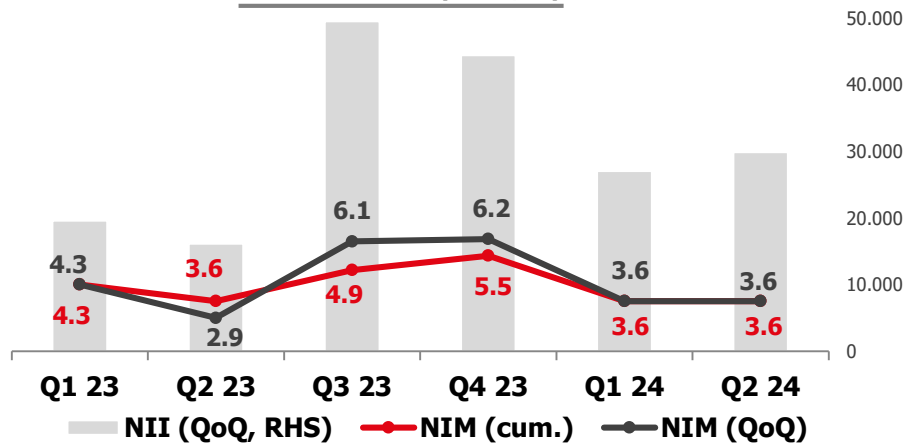
Net Interest Margin (%) ⁽¹⁾⁽²⁾



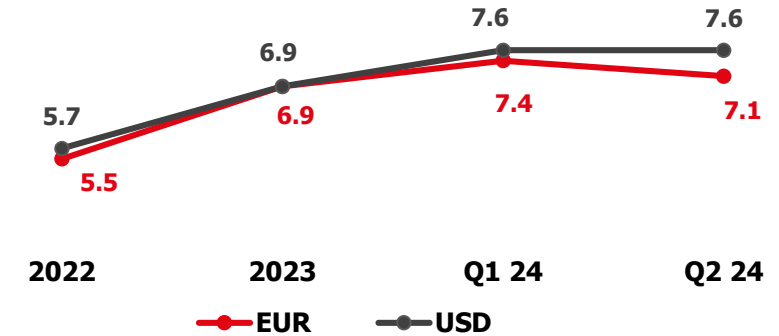
TL Loan Yield and Deposit Costs (%)



NII vs NIM (TL mn, %)



FX Core Spreads⁽³⁾ (%)



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



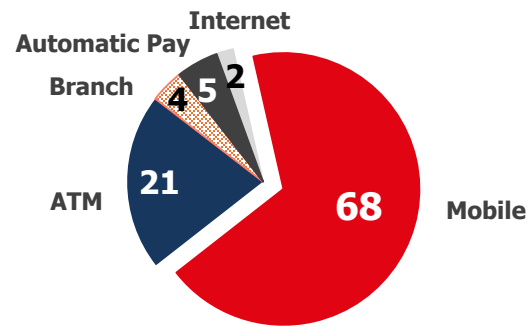
APPENDIX

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

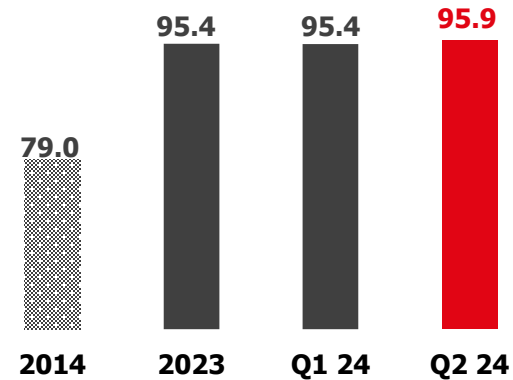


Ziraat Bank – Digitalization & Efficiency

Banking Transaction Channel Distribution (%)



Non-Branch Channels Usage (%)



Unique Service Delivery

22m Active digital banking customers

36m Internet banking customers

7,612 ATMs **14%** market share

Key Digitalization Achievements

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

Digitalization Plans

- New Digital Bank "Ziraat Dinamik"**
- New Payment System "Ziraat Pay"
- Metaverse Branch
- Service Banking



Ziraat Bank – Sustainability

Strategy

Aware of the responsibility of being "More Than a Bank" Ziraat assumes key roles in the country's sustainable development process.

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

Ziraat Bank has updated its Sustainability Policy in 2023 in order to contribute to **Türkiye's 2053 Net-Zero emission target, Nationally Determined Contribution**, and the global goal of keeping the increase in the global temperature below 2°C - or limit to 1.5°C if possible - as set out in the **Paris Climate Agreement**, which Türkiye is a stakeholder of.

This policy is shaped around Ziraat Bank's obligations to the environment, its customers and the community, and its duties as an employer, with the following pillars:

- (1) determining and implementing the Bank's targets in economic sustainability from a **short, medium and long-term ESG perspective**;
- (2) focus on sustainability, **banking products and services to all customers in practical, understandable, accessible and digitally focused format**;
- (3) providing finance to **address the pressures and challenges of tackling the climate change crisis and the transition to a low carbon economy**;
- (4) approach decision-making considering environmental and social issues and associated **potential risks and opportunities**;
- (5) continuous development and **integration of universally-accepted sustainability principles** into the Bank's business model and processes (i.e.: UN SDGs).

Sustainability Bond issuances



Jan 21: 600m USD, 5Y, 5.375% coupon

Jan 24: 500m USD, 5Y, 8.0 % coupon

The Largest Sustainability Themed* Single Tranche Syndicated Loan

(April 2024, USD 1.7 bn)

received by a financial institution in Türkiye.



*Increasing the volume of sustainable agriculture finance is the KPI of the syndicated loan.

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
- Heat insulation loan
- Earthquake relief loan package
- Digital transformation & tech-support loan

Environmental and Social Impact Management Policy in Lending Activities adopted in 2020 and the policy model became fully operational in 2022.

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



Ziraat Towers Project in Istanbul Finance Center awarded **LEED Platinum Certificate** with its environmentally friendly design, environmental sustainability mission and pioneering approach to smart applications with advanced technology. It also achieved a great success by winning the "**Excellence in Construction**" award from **CTBUH** (Council on Tall Buildings and Urban Habitat), which is a non-profit global organization targeting to create more sustainable and healthy cities.



Ziraat is planning to build a **solar power plant** in order to meet its electricity consumption from renewable energy sources. The facility will have an installed capacity of 53 MW_e and is planned to be built in Kayseri.



Ziraat Bank – Ziraat Finance Group

Presence in **17** countries,
120 service points



Local Subsidiaries

-  Ziraat Katılım Bankası (Participation Banking)
-  Ziraat Yatırım (Securities Brokerage & Investment House)
-  Ziraat Portföy (Asset Management)
-  Ziraat GYO (Real Estate Investment Trust)
-  Ziraat Teknoloji (IT)
-  Ziraat GSYO (Venture Capital Investment Trust)
-  Ziraat PAY (Electronic Money)

Overseas Subsidiaries

-  Ziraat Bank Int. AG (Germany)
-  ZiraatBank BH d.d. (Bosnia)
-  Ziraat Bank Montenegro AD
-  Ziraat Bank Azerbaijan ASC
-  Ziraat Bank Moscow JSC
-  KZI Bank (Kazakhstan)
-  Turkmen Turkish JSC Bank
-  Ziraat Bank Uzbekistan JSC
-  JSC Ziraat Bank Georgia

Overseas Branches

-  United Kingdom
-  Greece
-  Bulgaria
-  Iraq
-  Saudi Arabia
-  Kosovo
-  Bahrain
-  Turkish Republic of Northern Cyprus



Ziraat Bank – Balance Sheet Summary

TL bn	2022	2023	Mar.24	Jun.24	% Change QoQ	% Change YtD
CASH AND CASH EQUIVALENTS	391.2	731.3	653.2	926.0	42	27
SECURITIES	588.3	981.2	1,081.9	1,107.4	2	13
LOANS	1,266.4	1,971.6	2,202.1	2,341.8	6	19
-Gross NPL	13.7	22.9	23.8	26.7	12	16
-Expected Credit Loss (-)	48.0	67.9	73.5	75.8	3	12
OTHERS	65.8	116.3	146.4	173.0	18	49
TOTAL ASSETS	2,311.7	3,800.4	4,083.6	4,548.2	11	20
DEPOSITS	1,739.3	2,935.3	2,986.2	3,244.4	9	11
FUNDS BORROWED	110.2	200.2	255.5	319.5	25	60
INTERBANK MONEY MARKETS	85.1	83.4	151.3	253.6	68	204
PROVISIONS	48.7	35.1	32.4	28.5	-12	-19
OTHERS	125.9	215.2	299.9	321.2	7	49
TOTAL LIABILITIES	2,109.2	3,800.4	4,083.6	4,548.2	11	20
SHAREHOLDERS' EQUITY	202.5	331.2	358.3	381.0	6	15



Ziraat Bank – Income Statement Summary

TL mn	2022	2023	Q2 23	Q1 24	Q2 24	% Change QoQ	% Change YoY
INTEREST INCOME	220,630	427,255	73,647	179,218	215,563	20	193
-From Loans	121,726	264,247	49,026	126,353	147,646	17	201
-From Securities	95,410	152,125	23,802	44,265	53,721	21	126
INTEREST EXPENSE	99,147	297,658	57,525	152,180	185,693	22	223
-On Deposits	73,694	265,808	45,012	141,189	163,031	15	262
NET INTEREST INCOME	121,483	129,597	16,122	27,038	29,870	10	85
NET FEES & COMMISSIONS	13,124	31,451	6,793	15,663	16,470	5	142
OTHER OPERATING INCOME	7,736	33,258	4,122	10,442	9,882	-5	140
EXPECTED CREDIT LOSS	29,545	30,670	10,317	5,095	6,067	19	-41
-Stage 1 Provisions	9,798	3,120	2,357	1,861	-457	-125	-119
-Stage 2 Provisions	15,326	15,369	5,439	924	3,550	284	-35
-Stage 3 Provisions	4,421	12,181	2,520	2,310	2,974	29	18
OTHER PROVISION EXPENSES	28,794	124	1,354	219	1,761	NM	30
OPEX⁽¹⁾	24,936	87,266	14,300	21,697	25,389	17	78
NET OPERATING PROFIT	61,251	95,568	21,349	17,565	13,031	-26	-39
NET PROFIT	41,092	89,851	19,195	17,396	13,244	-24	-31

(1) OPEX includes personnel expenses

Source: Unconsolidated Financial Statements NM: Not meaningful



Ziraat Bank – Key Financial Ratios

(%)	2022	2023	Q1 24	Q2 24
ROA ⁽¹⁾	2.3	3.0	1.7	1.4
ROE ⁽²⁾	26.4	34.5	20.1	16.7
Cost / Income ⁽³⁾	17.3	40.8	48.7	51.8
Fee / OPEX ⁽⁴⁾	52.6	36.0	72.2	68.2
NIM (cum.) ⁽⁵⁾	8.7	5.5	3.6	3.6
Loans ⁽⁶⁾ /Deposits	72.0	66.4	72.9	71.4
Loans/Assets	54.2	51.3	53.3	50.9
Securities/Assets	25.5	25.8	26.5	24.3
NPL	1.1	1.2	1.1	1.1
Stage III Coverage	84.8	74.4	74.2	72.7
CoR ⁽⁷⁾	2.5	2.2	0.6	0.5
CAR	16.5	17.2	15.3	16.1
Leverage ⁽⁸⁾ (x)	10.4	10.5	10.4	10.9
# of				
Branches ⁽⁹⁾	1,758	1,769	1,778	1,780
Employees	24,484	25,904	25,792	25,527
ATMs	7,276	7,487	7,555	7,612

(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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Ziraat Bank

More than a bank