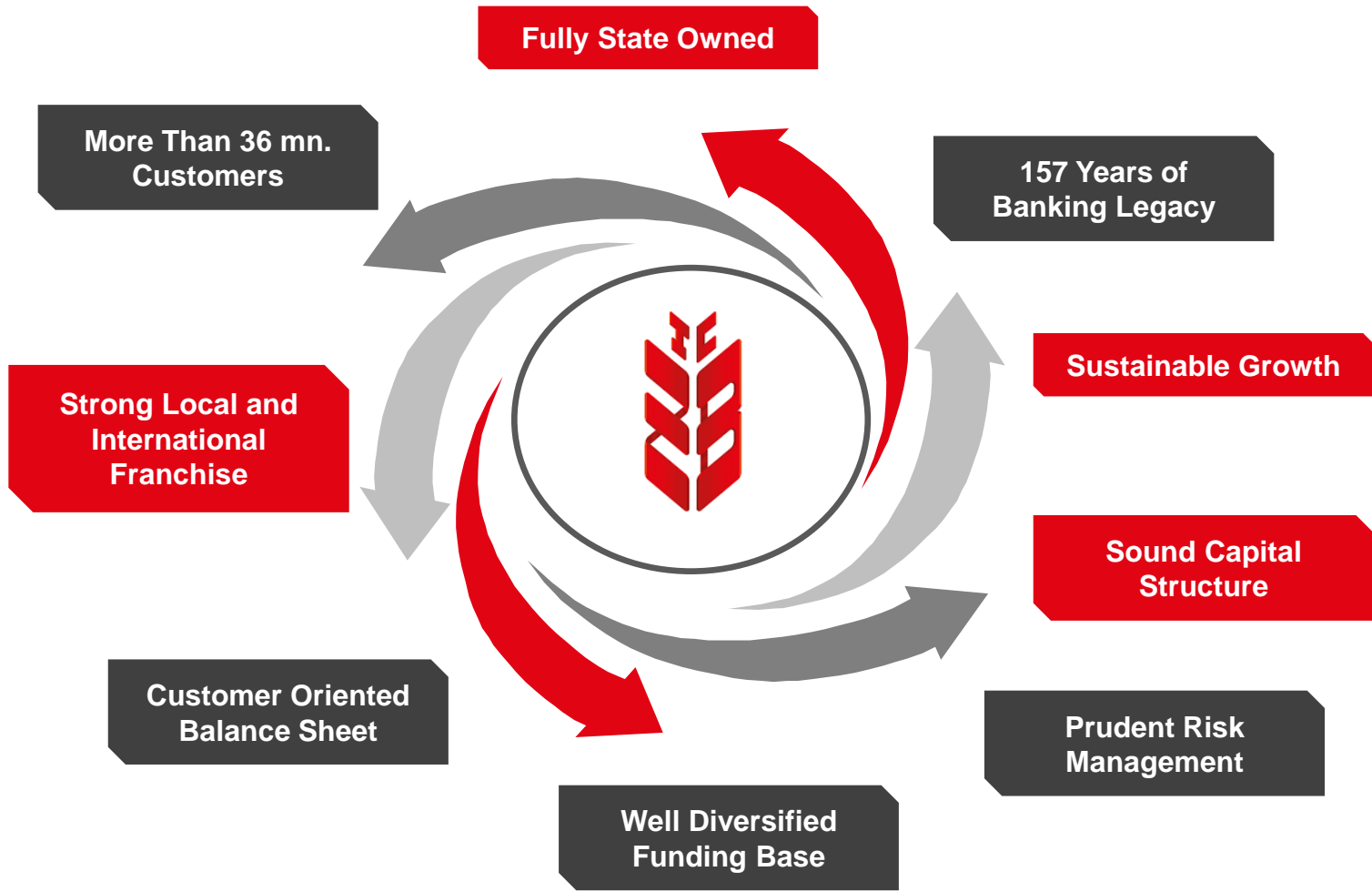


**Investor Presentation
October 2020**



Ziraat Bank

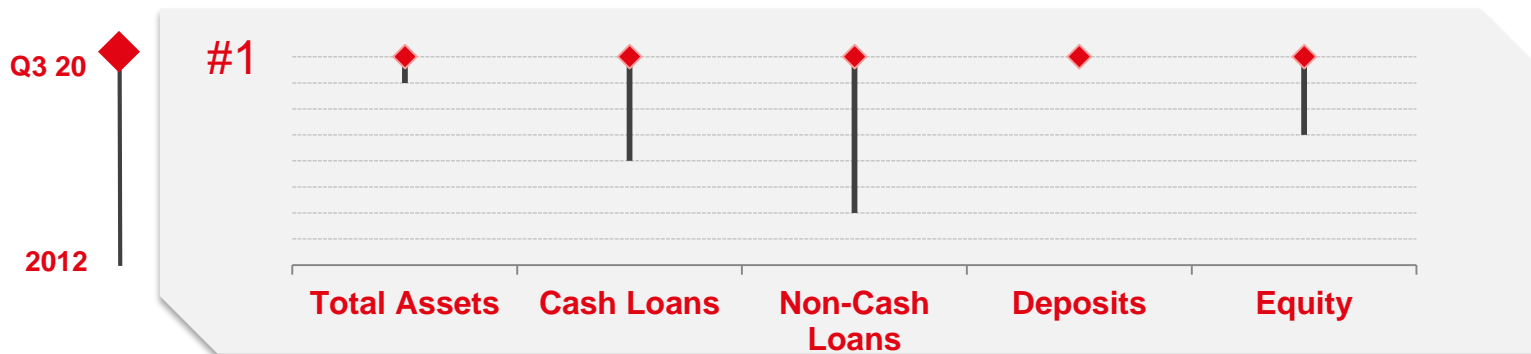
More than a bank



| <u>Turkish Economy</u> | 2018 | 2019 | 2020E ⁽¹⁾ |
|------------------------------|-------|-------|----------------------|
| GDP Growth (%) | 2.6 | 0.9 | 0.3 |
| GDP Nominal (USD bn) | 784 | 761 | 702 |
| Unemployment (Annual %) | 11.0 | 13.7 | 13.8 |
| CPI (Annual,%) | 20.3 | 11.8 | 10.5 |
| Current Acc. Balance/GDP (%) | (3.5) | 1.2 | (3.5) |
| Budget Balance /GDP (%) | (1.9) | (2.9) | (4.9) |

| <u>Turkish Banking Sector (Sept. 20)</u> | |
|--|-------|
| Total Assets | 6,004 |
| Cash Loans ⁽²⁾ | 3,703 |
| Securities | 1,048 |
| Total Deposits ⁽²⁾ | 3,592 |
| Shareholders' equity | 569 |
| Net Profit | 46 |
| ROAE | 12.3% |
| ROAA | 1.2% |
| Capital Adequacy Ratio | 19.5% |

Rankings ⁽³⁾

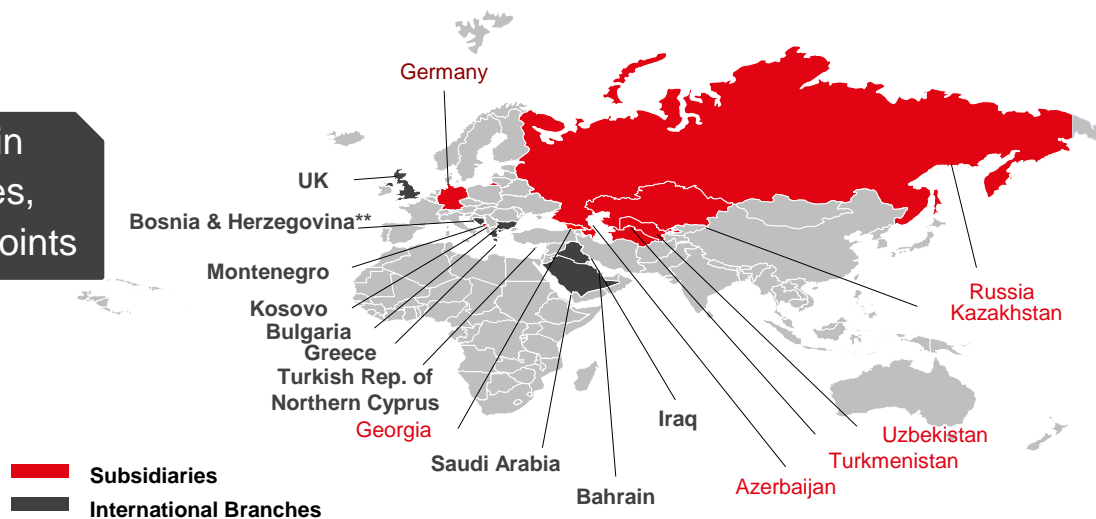


(1) New Economy Program 2020-2023 estimations

(2) Loans include accruals and the loans granted to banks, Deposits include accruals, and the banks' deposits, securities include accruals.

(3) Rankings are among top 7 Banks. The banks are determined as of unconsolidated assets for September 2020 and include: Ziraat Bank, İş Bank, Garanti Bank, Akbank, Yapı Kredi, Halkbank and Vakıfbank
Source: BRSA, Publicly available Earnings Reports for peer banks

Presence in
18 countries,
111 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)

Overseas Subsidiaries

- 🌾 Ziraat Bank Int. AG (Germany)
- 🌾 Ziraat Bank BH. (Bosnia)
- 🌾 Ziraat Bank Montenegro
- 🌾 Ziraat Bank Azerbaijan
- 🌾 Ziraat Bank Moscow
- 🌾 KZI Bank (Kazakhstan)
- 🌾 Turkmen Turk JSC Bank
- 🌾 UT Bank (Uzbekistan)
- 🌾 Ziraat Bank Georgia

Overseas Branches

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

| Ziraat Katılım | Ziraat Yatırım | Ziraat Portföy | Ziraat Teknoloji | Ziraat GYO | Ziraat GSYO |
|--|--|---|---|--|--|
| Participation Banking | Securities Brokerage | Asset Management | IT | Real Estate Investment Trust | Venture Capital Investment Trust |
| <p>Started operations in 2015</p> <p>TL 54 bn of asset size</p> <p>TL 36 bn of loan book</p> <p>101 branches</p> | <p>Started operations in 1997</p> <p>Bonds / bills sector share - rank:</p> <p>9% - #3</p> <p>Repo / reverse repo sector share - rank:</p> <p>24% - #1</p> | <p>Serving 4 pension companies, 3 major bank distribution channels</p> <p>The market leader, total volume of assets managed is TL 118 billion as of September 2020.</p> | <p>Established in 2001. 2nd largest domestic software developer in Turkey. Provides full scale IT solutions to Ziraat Bank and its domestic/foreign partnerships.</p> | <p>Founded in November 2016. Istanbul Finance Center premises in the portfolio. Total portfolio amount of TL 2.2 bn.</p> | <p>Founded in November 2018 with TL 750 mn capital with the aim of investing in enterprises with high growth potential.</p> <p>Asset size sector share - rank:</p> <p>16% - #2</p> |










| Description | The Bank's Risk Group Share (%) | Total Assets (TL mn) | Shareholders' Equity (TL mn) |
|-------------------------------------|---------------------------------|----------------------|------------------------------|
| Ziraat Katılım Bankası A.Ş. ** | 100 | 54.213 | 3.626 |
| Ziraat GYO | 100 | 4.848 | 4.081 |
| Ziraat GSYO | 100 | 911 | 909 |
| Ziraat Yatırım Menkul Değerler A.Ş. | 99.6 | 570 | 320 |
| Ziraat Portföy Yönetimi A.Ş.* | 99.8 | 131 | 120 |
| Ziraat Teknoloji A.Ş. | 100 | 79 | 16 |

*Ziraat Portföy Yönetimi A.S. purchased %100 shares of Halk Portfoy Yonetimi A.S. and Vakıf Portfoy Yonetimi A.S. as of 28/12/2018 and later, as of 31/01/2019 Halk Portfoy Yonetimi A.S. and Vakıf Portfoy Yonetimi A.S. merged as a single entity under the name of Ziraat Portfoy Yonetimi A.S.

** Ziraat Finansal Kiralama A.S. was merged with Ziraat Katılım A.S.

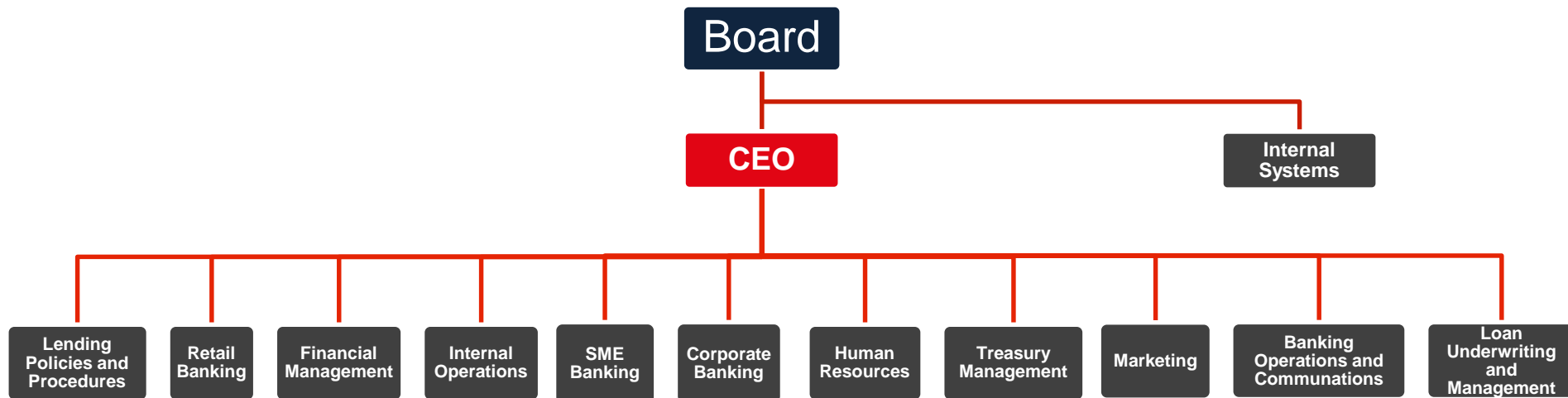
As of 22 April 2020, the Bank has sold its insurance subsidiary Ziraat Sigorta A.Ş. and pension subsidiary Ziraat Hayat ve Emeklilik A.Ş. to Turkey Wealth Fund.

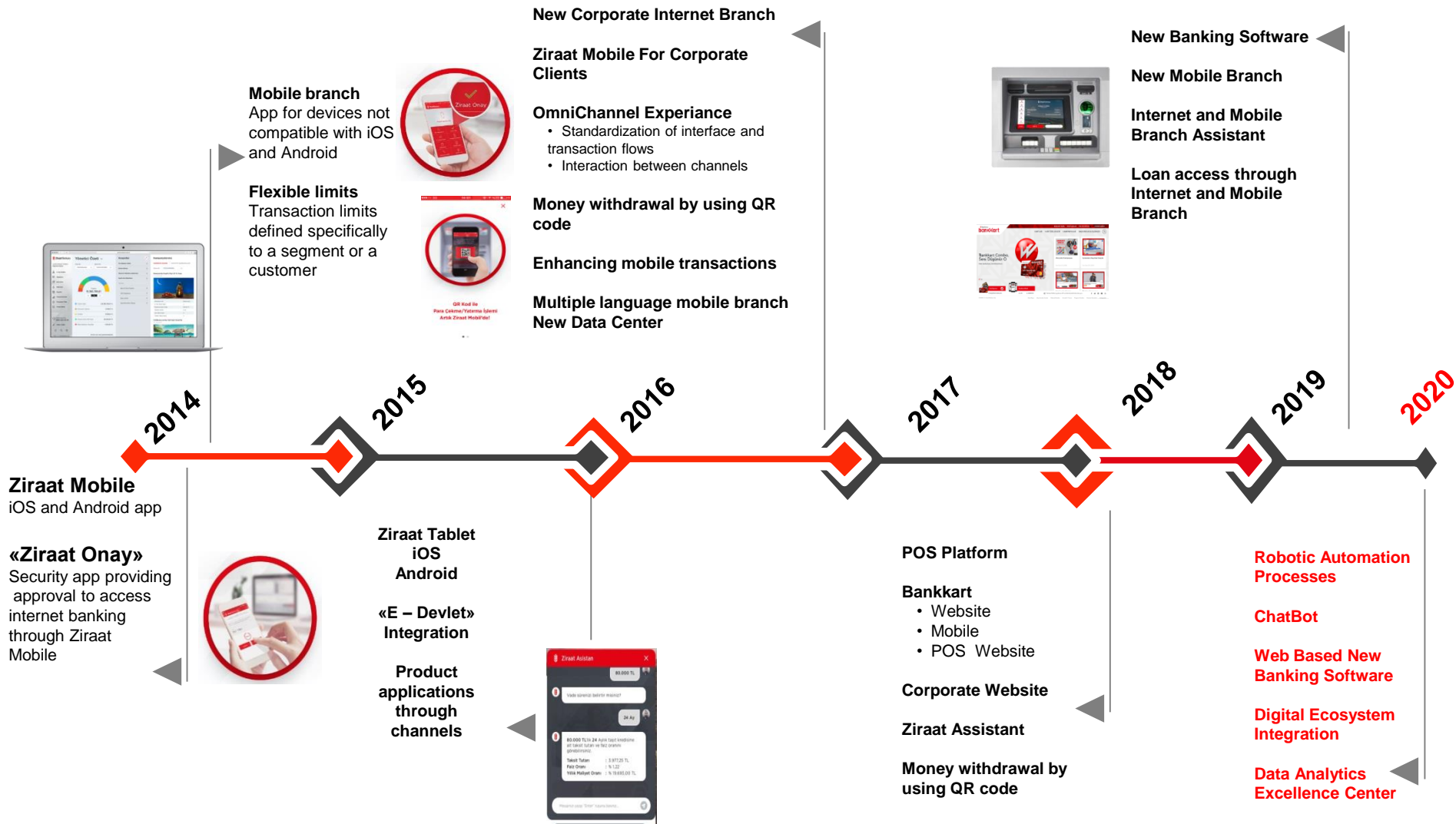
Ziraat Bank – Overseas Subsidiaries

|  Ziraat Bank Int. AG |  Ziraat Bank BH. |  Ziraat Bank Montenegro |  Ziraat Bank Azerbaijan |  Ziraat Bank Moscow |  KZI Bank |  Turkmen Turk JSC Bank |  Ziraat Bank Uzbekistan JSC |  Ziraat Bank Georgia |
|--|--|--|---|--|---|---|---|--|
| Active in Germany for fifty-six years, supplies an extensive array of retail and corporate banking products and services through seven branches. | Started operations in 1997. The first entirely foreign-owned bank in Bosnia-Herzegovina. Serves corporate, small-business, and retail customers through 32 branches/offices. | Opened its doors for business in 2015. Headquartered in Montenegro's capital Podgorica, the bank has three branches. | Commenced operations in 2015. Mainly serves the corporate banking segment, Ziraat Bank Azerbaijan ASC conducts its operations through its headquarters office in Baku and 3 branches. | Commenced operations in 1993, focusing primarily on the corporate banking segment. | The country's first foreign-owned financial institution in 1993. The bank serves retail and corporate customers through 7 branches. | Founded in 1993. Headquartered in Ashgabat, provides services from 6 offices and one exchange office. | Founded as Uzbekistan's first foreign capital bank in 1993. Branches in Operu, Yunusabad and Semerkand. Active in both retail and commercial banking. | Established in 2017 by transforming the branches in Georgia to a new subsidiary. Operates through 7 branches located in Batumi, Marneuli, Tbilisi, Tsereteli, Varketili, Gldani and Kutaisi. |

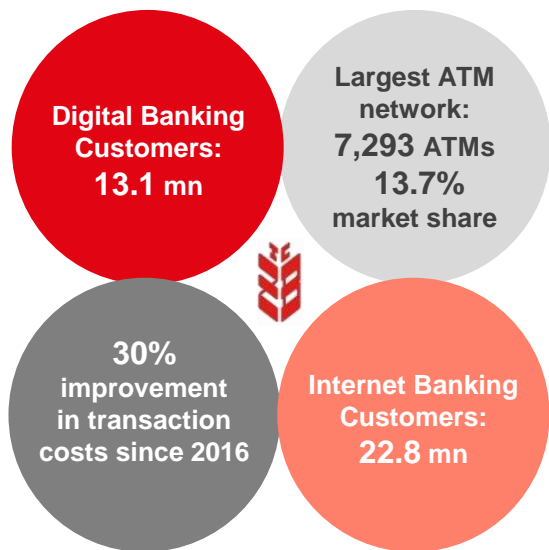
| Description | (City/ Country) | The Bank's Risk Group Share (%) | Total Assets (TL mn) | Shareholders' Equity (TL mn) |
|--------------------------------|-------------------------------|---------------------------------|----------------------|------------------------------|
| Ziraat Bank International A.G. | Frankfurt / GERMANY | 100 | 12,286 | 2,290 |
| Ziraat Bank BH d.d. | Sarajevo / BOSNIA HERZEGOVINA | 100 | 4,681 | 296 |
| Kazakhstan Ziraat Int. Bank | Almaty / KAZAKHSTAN | 99.6 | 2,007 | 603 |
| Ziraat Bank Azerbaijan ASC | Baku/ AZERBAIJAN | 100 | 1,260 | 322 |
| Ziraat Bank (Moscow) JSC | Moscow / RUSSIA | 99.9 | 880 | 332 |
| Ziraat Bank Uzbekistan JSC | Tashkent/ UZBEKISTAN | 100 | 736 | 238 |
| Ziraat Bank Montenegro AD | Podgorica / MONTENEGRO | 100 | 666 | 152 |
| Ziraat Bank Georgia | Tbilisi/ GEORGIA | 100 | 304 | 134 |

- Transformation of business model in 2011-2015
 - Segregation of sales and marketing functions
 - Centralized operations
 - Branch and customer segmentation
- Specialized departments for loan allocation process, management of loan portfolio and internal audit





Unique Service Delivery



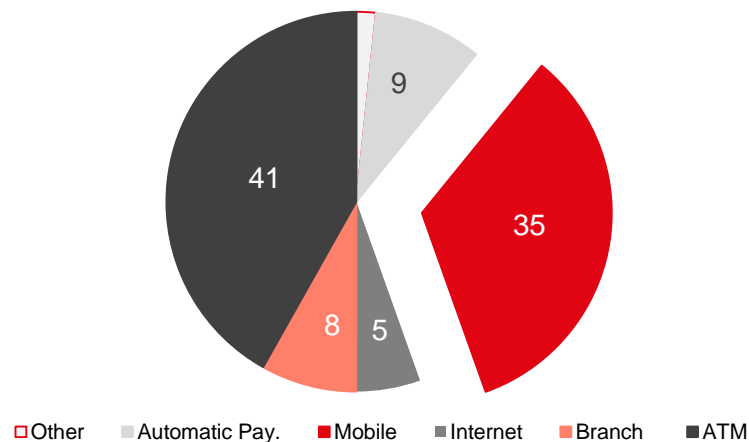
Full scale digital mobilization to ensure operational continuity during the Covid-19 outbreak

Mid to Long Term Strategy:
Gradual customer acquisition and credit card market share gain

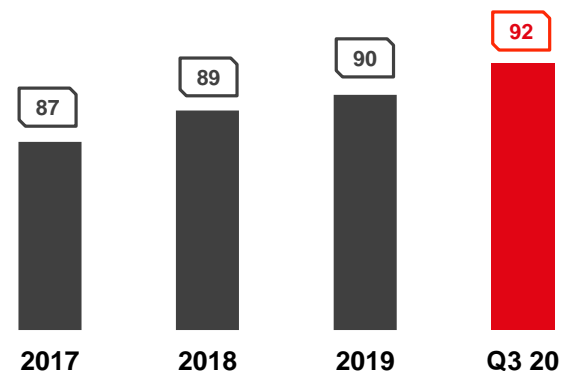
Increase in market share of credit card balance:
From 3.3% in 2016 to 6.3% in Q3 20

Increased transaction limits for ATM and non-branch channels
Mutual use of ATMs among public banks for cost efficiency

Banking Transaction Channel Distribution (%)



Non-Branch Channels Usage (%)



| September 2020 | TL mn | USD mn |
|-------------------------------|---------|---------|
| Total Assets | 923,689 | 121,003 |
| Loans⁽⁴⁾ | 590,691 | 77,380 |
| Securities | 220,129 | 28,837 |
| Deposits | 644,667 | 84,451 |
| Funds Borrowed | 37,688 | 4,937 |
| Interbank Money Market | 92,843 | 12,162 |
| Shareholder`s Equity | 84,678 | 11,093 |

| September 2020 | TL mn | USD mn |
|---------------------------------|--------|--------|
| Interest Income | 17,536 | 2,297 |
| Interest Expense | 7,650 | 1,002 |
| Net Interest Income | 9,886 | 1,295 |
| Net Fees&Commissions | 964 | 126 |
| OPEX⁽⁷⁾ | 3,009 | 394 |
| Net Operating Profit | 2,072 | 271 |
| Net Profit | 1,580 | 207 |

| September 2020 | |
|--|--------|
| ROAA⁽¹⁾ | 1.0 |
| ROAE⁽¹⁾ | 10.0 |
| Cost / Income Ratio⁽²⁾ | 35.2 |
| NIM (cum.)⁽³⁾ | 5.8 |
| Loans⁽⁴⁾⁽⁵⁾/Deposits | 90.7 |
| Loans/Assets | 63.9 |
| Securities/Assets | 23.8 |
| NPL | 2.1 |
| Stage III Coverage⁽⁵⁾ | 76.1 |
| CAR | 18.2 |
| # of | |
| Branches⁽⁶⁾ | 1,758 |
| Employees | 24,350 |
| ATMs | 7,293 |

(1) Average total assets and average shareholders' equity represent weekly averages

(2) Includes dividend income

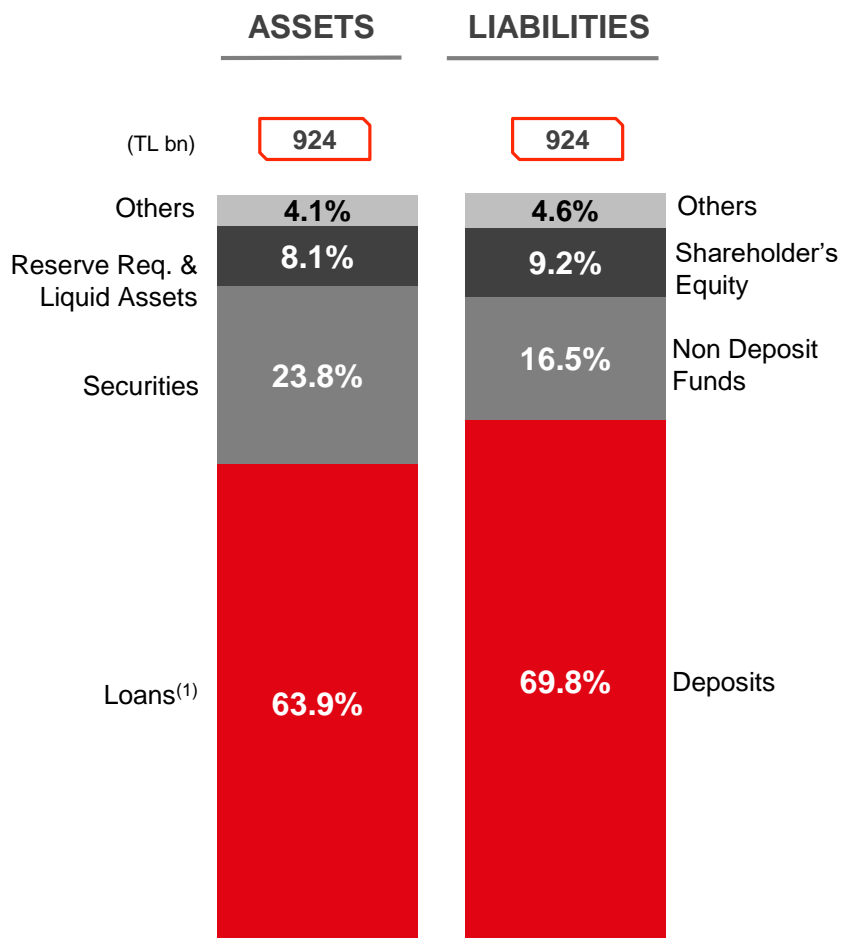
(3) Average interest earning assets represent weekly averages.

(4) Performing Loans

(5) Intermediated loans of public funds are excluded

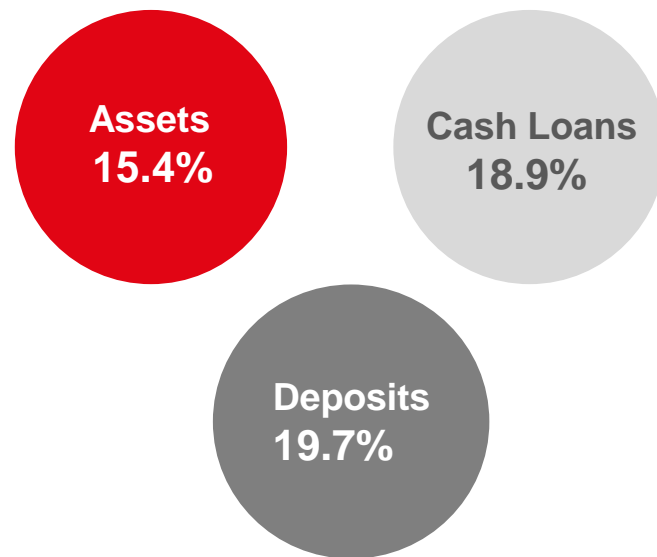
(6) Including foreign branches

(7) Including HR expenses



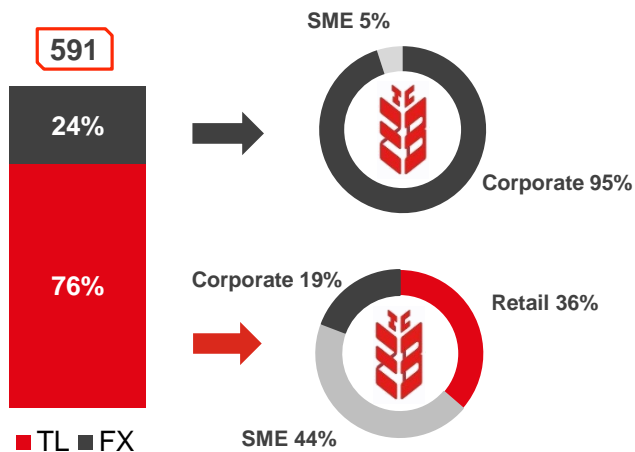
Asset Growth : 16.0% (QoQ), 32.8% (Ytd)
Loan Growth : 8.4% (QoQ), 35.7% (Ytd)
Deposit Growth : 14.2% (QoQ), 44.1% (Ytd)

Market Penetration

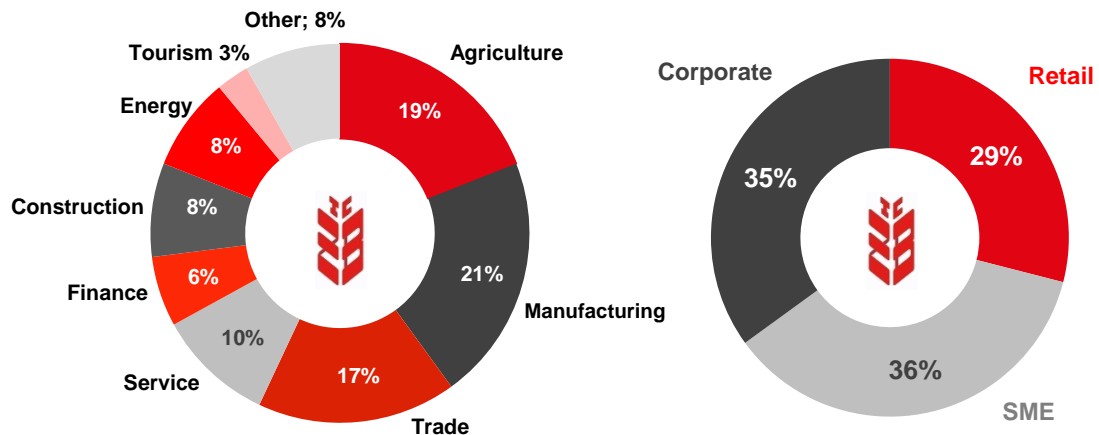


(1) Performing loans only

Total Loans⁽¹⁾ (TL bn.)



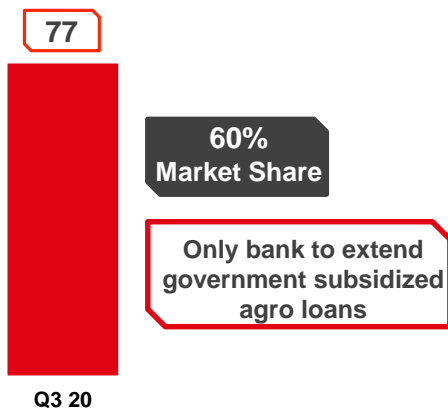
Breakdown of Cash Loans



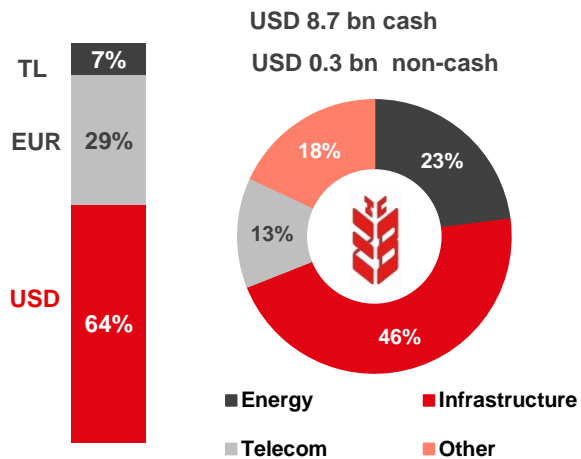
- Of business loans,
- Figures do not include loans extended through foreign branches

- Accruals, intermediated loans of public funds and foreign branch lending are excluded

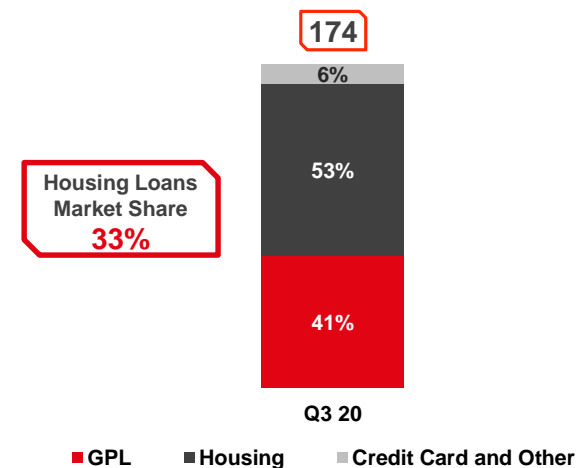
Agricultural Loans (TL bn.)



Project Finance Loans

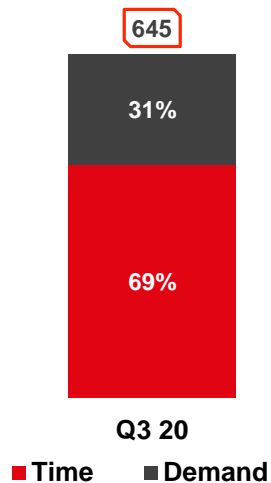


Breakdown of Retail Loans⁽²⁾ (TL bn.)

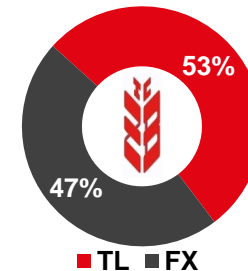
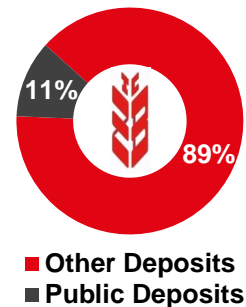
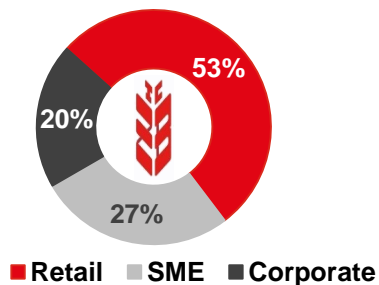


(1) Performing Loans
(2) Accruals are excluded

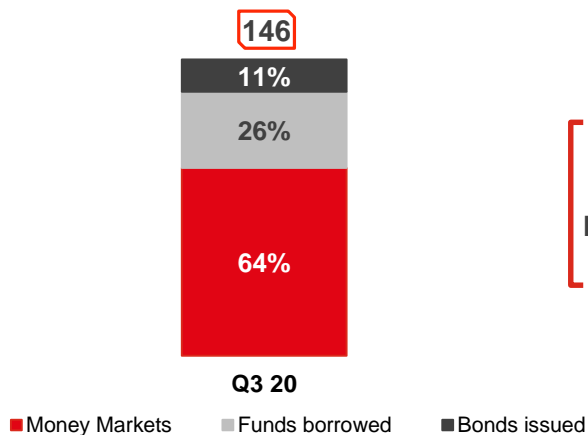
Total Deposits (TL bn.)



Breakdown of Deposits

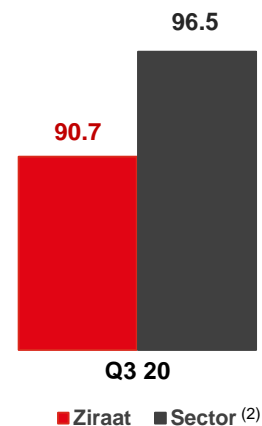


Non-Deposit Funds (TL bn.)



USD 9.8 bn
Total External Funding
Making up **51%** of Total
Non-Deposit Funds

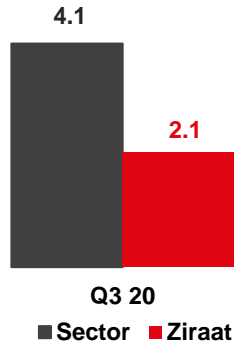
Loan to Deposit⁽¹⁾ (%)



(1) Performing Loans/Total Deposit
Intermediated loans of public funds are excluded

(2) Deposit banks

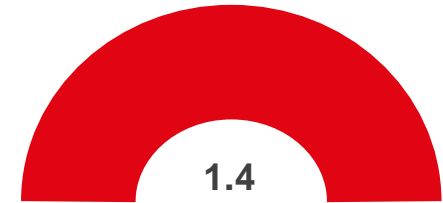
NPL (%)



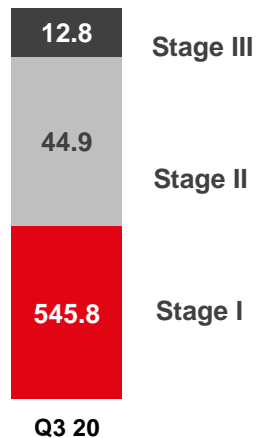
NPL Segment Distribution

| | |
|-----------|------|
| Corporate | 2.1% |
| SME | 3.3% |
| Retail | 0.7% |

Cost of Risk ⁽¹⁾ (%)



Loan Classification (TL bn)



Stage II Loans/Total Loans **7.6%**

Restructured Loans ⁽²⁾/Total Loans **8.0%**

TL 2.840 million Free Provisions serve as a buffer

Stage III Coverage **76.1%**

Total Coverage⁽⁵⁾ **146.1%**

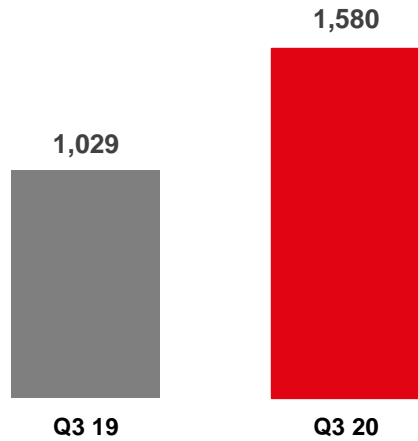
Cash Coverage⁽³⁾⁽⁴⁾ **168.7%**

(1) CoR: Expected Credit Loss-Reversals /Average Loan Amount
 (2) Includes payment holidays during the COVID 19 outbreak.
 (3) Excluding intermediated loans for public funds

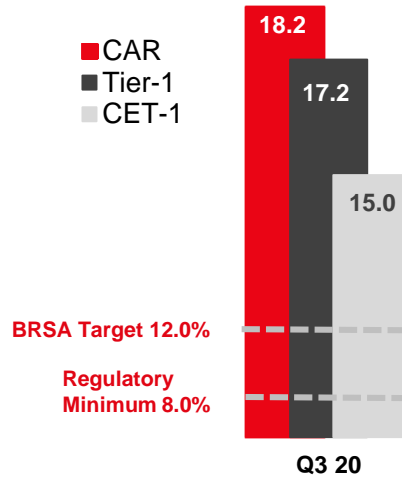
(4) (S1 + S2 + S3 provisions + free provisions)/ NPL
 (5) (S1 + S2 + S3 provisions)/ NPL

Ziraat Bank – Profitability & Capitalization

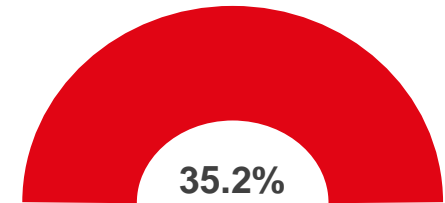
Net Profit (TL mn)



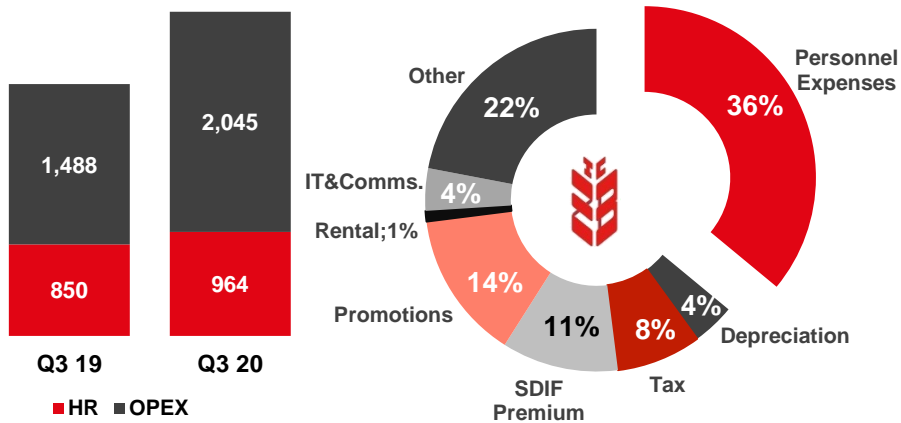
Capital Ratios (%)



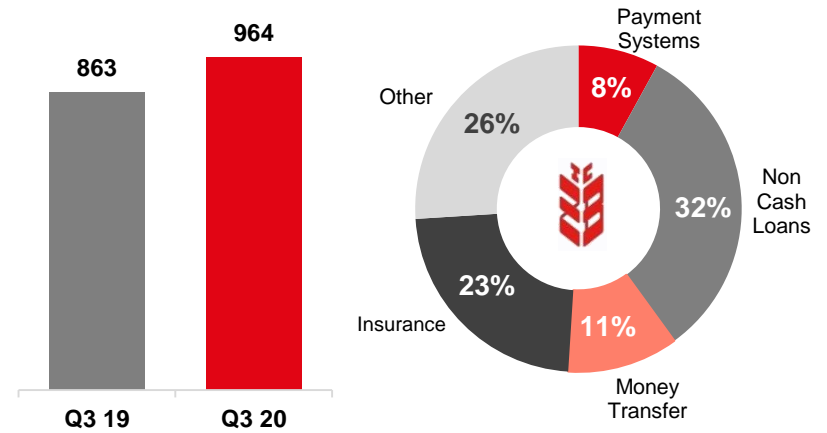
Cost/Income Ratio⁽¹⁾ (%)



OPEX⁽²⁾ (TL mn)



Net Fees&Commissions⁽³⁾ (TL mn)



(1) Includes dividend income
 (2) OPEX breakdown as for 9M 2020

(3) Net Fees&Commissions breakdown as for 9M 2020

APPENDIX



Ziraat Bank – Balance Sheet Summary

| IFRS9 | | | | | | | |
|---------------------------|----------------|----------------|----------------|----------------|----------------|--------------|--------------|
| TL mn | 2017 | 2018 | 2019 | Q2 20 | Q3 20 | % Change QoQ | % Change Ytd |
| CASH AND CASH EQUIVALENTS | 48,571 | 46,238 | 57,389 | 46,692 | 75,216 | 61.1% | 31.1% |
| SECURITIES | 70,628 | 95,374 | 130,335 | 169,955 | 220,129 | 29.5% | 68.9% |
| LOANS | 298,033 | 371,871 | 435,917 | 557,913 | 603,518 | 8.2% | 34.7% |
| -Gross NPL | 4,774 | 7,460 | 12,690 | 12,999 | 12,827 | -1.3% | 1.1% |
| -Expected Credit Loss (-) | 4,211 | 8,385 | 13,011 | 16,777 | 18,377 | 9.5% | 41.2% |
| OTHERS | 17,364 | 23,673 | 26,435 | 22,009 | 24,826 | 12.8% | -6.1% |
| TOTAL ASSETS | 434,596 | 537,156 | 649,756 | 796,569 | 923,689 | 16.0% | 42.2% |
| DEPOSITS | 266,384 | 331,066 | 447,251 | 564,333 | 644,667 | 14.2% | 44.1% |
| FUNDS BORROWED | 29,065 | 34,172 | 34,528 | 32,843 | 37,688 | 14.8% | 9.2% |
| INTERBANK MONEY MARKET | 56,258 | 68,351 | 49,275 | 52,889 | 92,843 | 75.5% | 88.4% |
| PROVISIONS | 3,283 | 2,832 | 3,819 | 5,829 | 6,078 | 4.3% | 59.2% |
| SHAREHOLDERS' EQUITY | 52,531 | 57,401 | 70,065 | 85,686 | 84,678 | -1.2% | 20.9% |
| OTHERS | 27,075 | 43,334 | 44,818 | 54,989 | 57,735 | 5.0% | 28.8% |



Ziraat Bank – Income Statement Summary

| TL mn | 2017 | 2018 | 2019 | Q3 19 | Q2 20 | Q3 20 | % Chg. QoQ | % Chg. YoY |
|------------------------|--------|--------|--------|--------|--------|--------|------------|------------|
| INTEREST INCOME | 35,463 | 53,054 | 65,602 | 16,309 | 16,182 | 17,536 | 8.4% | 7.5% |
| -From Loans | 28,357 | 41,028 | 52,764 | 13,747 | 12,497 | 13,442 | 7.6% | -2.2% |
| -From Securities | 6,193 | 10,977 | 11,966 | 2,353 | 3,624 | 4,008 | 10.6% | 70.3% |
| INTEREST EXPENSE | 18,561 | 31,138 | 40,290 | 10,603 | 6,538 | 7,650 | 17.0% | -27.9% |
| -On Deposits | 12,249 | 19,675 | 27,989 | 7,418 | 4,682 | 5,382 | 15.0% | -27.4% |
| NET INTEREST INCOME | 16,902 | 21,916 | 25,312 | 5,706 | 9,644 | 9,886 | 2.5% | 73.3% |
| NET FEES & COMMISSIONS | 2,217 | 2,638 | 3,590 | 863 | 345 | 964 | 179.4% | 11.7% |
| OTHER OPERATING INCOME | 1,378 | 1,434 | 1,614 | 308 | 854 | 645 | -24.5% | 109.4% |
| OPEX ⁽¹⁾ | 6,490 | 7,691 | 9,797 | 2,338 | 3,429 | 3,009 | -12.2% | 28.7% |
| NET OPERATING PROFIT | 10,287 | 10,034 | 7,648 | 1,348 | 3,514 | 2,072 | -41.0% | 53.7% |
| NET PROFIT | 7,940 | 7,961 | 6,187 | 1,029 | 2,638 | 1,580 | -40.1% | 53.5% |

Source: Unconsolidated Financial Statements

(1) OPEX includes personnel expenses and other provision expenses



Ziraat Bank – Key Financial Ratios

| (%) | 2017 | 2018 | 2019 |
|------------------------------------|--------|--------|--------|
| ROAA ⁽¹⁾ | 2.0 | 1.6 | 1.1 |
| ROAE ⁽²⁾ | 18.4 | 15.2 | 10.1 |
| Cost / Income Ratio ⁽³⁾ | 32.5 | 34.3 | 40.8 |
| NIM (cum.) ⁽⁴⁾ | 4.8 | 5.0 | 5.0 |
| Loans ⁽⁵⁾⁽⁶⁾ /Deposits | 109.7 | 110.6 | 96.0 |
| Loans/Assets | 68.7 | 68.9 | 67.1 |
| Securities/Assets | 16.3 | 17.8 | 20.1 |
| NPL | 1.6 | 2.0 | 2.8 |
| Stage III Coverage ⁽⁶⁾ | 100 | 73.9 | 66.4 |
| CoR | 0.7 | 1.2 | 1.3 |
| CAR | 15.2 | 14.8 | 17.0 |
| Leverage ⁽⁷⁾ | 8.2 | 8.4 | 8.3 |
| # of | | | |
| Branches ⁽⁸⁾ | 1,781 | 1,773 | 1,758 |
| Employees | 24,554 | 24,647 | 24,563 |
| ATMs | 7,085 | 7,155 | 7,239 |

| Q3 19 | Q4 19 | Q1 20 | Q2 20 | Q3 20 |
|--------|--------|--------|--------|--------|
| 0.8 | 1.1 | 1.1 | 1.1 | 1.0 |
| 8.1 | 10.1 | 10.5 | 10.8 | 10.0 |
| 47.0 | 40.8 | 36.5 | 33.0 | 35.2 |
| 4.4 | 5.0 | 6.4 | 6.1 | 5.8 |
| 103.2 | 96.0 | 94.3 | 95.5 | 90.7 |
| 68.3 | 67.1 | 67.3 | 68.4 | 63.9 |
| 19.7 | 20.1 | 21.3 | 21.3 | 23.8 |
| 2.3 | 2.8 | 2.7 | 2.3 | 2.1 |
| 69.2 | 66.4 | 69.7 | 72.9 | 76.1 |
| - | - | - | - | - |
| 16.9 | 17.0 | 16.4 | 18.5 | 18.2 |
| 8.5 | 8.3 | 9.3 | 8.3 | 9.9 |
| 1,737 | 1,758 | 1,757 | 1,758 | 1,758 |
| 24,380 | 24,563 | 24,642 | 24,480 | 24,350 |
| 7,230 | 7,239 | 7,253 | 7,257 | 7,293 |

(1) Average total assets represent monthly averages until 2017 and weekly averages since Q1 18
(2) Average shareholders' equity represent monthly averages until 2017 and weekly averages since Q1 18
(3) Includes dividend income
(4) Average interest earning assets represent weekly averages.

(5) Performing Loans
(6) Intermediated loans of public funds are excluded
(7) Leverage = (Assets/Shareholders' Equity)-1
(8) Including foreign branches

Syndication

April 2020; USD 415 mn & EUR 597 mn; LIBOR+ 225 & EURIBOR+ 200 bps p.a.; 367 days of maturity,

IFIs

- IBRD loans; 2010&2013; USD 200 mn, USD 67 mn and USD 300 mn
- EIB loans; 2012-2017; 7 loans; each EUR 100 mn and IPARD EUR 100 mn
- KfW loan; 2014; EUR 150 mn
- AFD loan; 2014; EUR 100 mn
- CEB loan; 2014; EUR 100 mn

FC Bonds/Bills

- **USD 1.6 bn Eurobonds outstanding**
 - April 2016; USD 500 mn RegS/144A; 4.75% coupon rate; 5y
 - April 2017; USD 600 mn RegS/144A; 5.125% coupon rate; 5y
 - September 2017; USD 500 mn RegS/144A; 5.125% coupon rate; 6y
- **USD 200 mn 5y securitised funding under GMTN Programme**
- **April 2019; EUR 1.4 bn AT-1 issuance under GMTN Programme**

Ziraat Bank conducts enduring social responsibility projects whose aims are to protect cultural values, to contribute to the communal heritage, and to uphold traditions and customs.

Ziraat Bank Banking Museum

Established in 1981. Turkey's first museum devoted to banking. Occupying the ceremonial hall of the Bank's original headquarters building in Ankara, the museum provides a look at the Bank's 157-year history.



Ziraat Bank Young Farmers Academy

Launched in 2018. To increase interest in agriculture among youth, teach agricultural production and investment, train educated and conscious young farmers, give young people an entrepreneurial awareness in the field of agriculture

Ziraat Bank the Turkish Cup name sponsor

Both in keeping with its efforts to support sports in general and in recognition of their contributions both to social wellbeing and the Bank's public face, Ziraat Bank served as the Turkish Cup name sponsor.

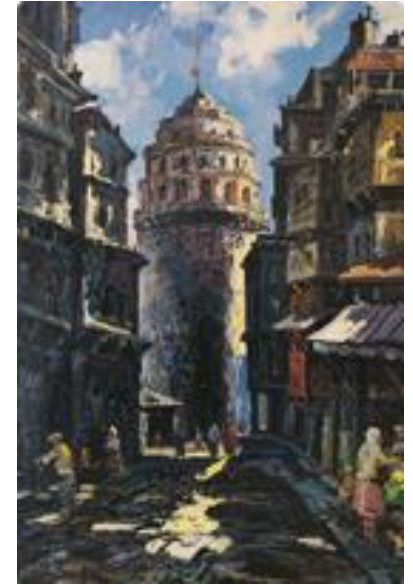


Ziraat Bank Sports Club

Ziraat Bank has been supporting volleyball through the Ziraat Bank Sports Club. The club has launched a campaign to make the sport appealing to children all over the country. Ziraat Bank has set its eye on the goal of nurturing volleyball players who are talented enough to wear the national colors through its "Ten National Athletes in Ten Provinces" project.

The Ziraat Bank Art Collection

The Ziraat Bank art collection consists of more than 2,500 works, the majority of which are oil paintings but which also include watercolors, gouaches, pastels, prints, ceramics, and sculptures.



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 **Ziraat Bank**

More than a bank

