Results Presentation

Based on BRSA Consolidated Financials

FY 2022

ENBD

Beyond is Deniz ›

DenizBank

Solid income growth reflecting favorable performances in business activities

- **Continuous strong income growth**, supported by higher net interest income momentum and non-funded income generation.
- **NII growth and NIM improvement** driven by high yields and better performances especially in SME, credit card, and other TL-based loan volumes together with increases in both the share of CPI linked securities and their interest income generation.
- **Significant growth of non-funded income** is mainly contributed by income generation from fees and commissions and derivative transactions, together with TMU performance and FX income.
- **Strong income generation improved C/I ratio to well below of annual inflation averages**, despite an ongoing high inflationary environment.
- Focused on asset quality metrics and achieved a lower NPL ratio on higher recovery rates and solid loan growth, while maintaining the highest total coverage ratio in the sector. A **much better collection performance yielded CoR improvement** as well.
- As a result of continued with prudent provisioning approach, **TL 4.2 bn of free provisions was set aside** as of YE22.
- Expanded **already substantial deposit base, the main source of funding,** with longer terms owing to the FX-protected deposit scheme. Also concentrated on the **diversification of the wholesale funding mix** with longer maturities.
- Maintained **healthy liquidity levels and concrete solvency ratios**.

Net Profit

17.3
TL bn
(FY21: TL 3.5 bn)
(Free Prov. Adj: 21.5 TL bn)

▲ **389%**
y-o-y

Total Income

46.2
TL bn
(FY21: TL 18.6 bn)

▲ **149%**
y-o-y

Return on Average Equity

42.4%
(FY21: 13.9%)
(Free Prov. Adj: 50.8%)

Common Equity Tier 1

13.03%
(FY21: 11.61%)

Cost/Income

24.1%
(FY21: 32.7%)

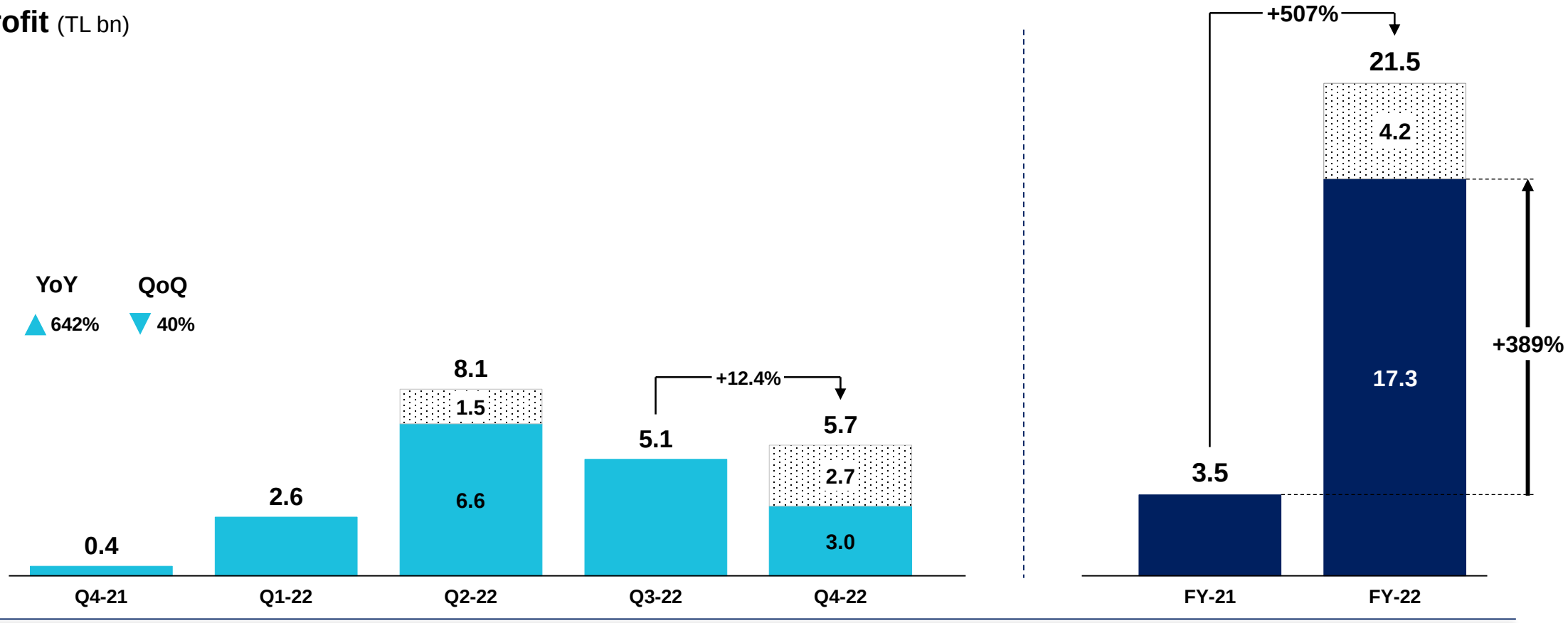
NIM
(Swap adj.)

6.3%
(FY21: 3.5%)

Robust net profit growth backed by higher net interest income momentum and non-funded income

- **4x up net profit supported by core income generation driven by healthy lending growth, better margins and high contribution from CPI linkers**

Net Profit (TL bn)

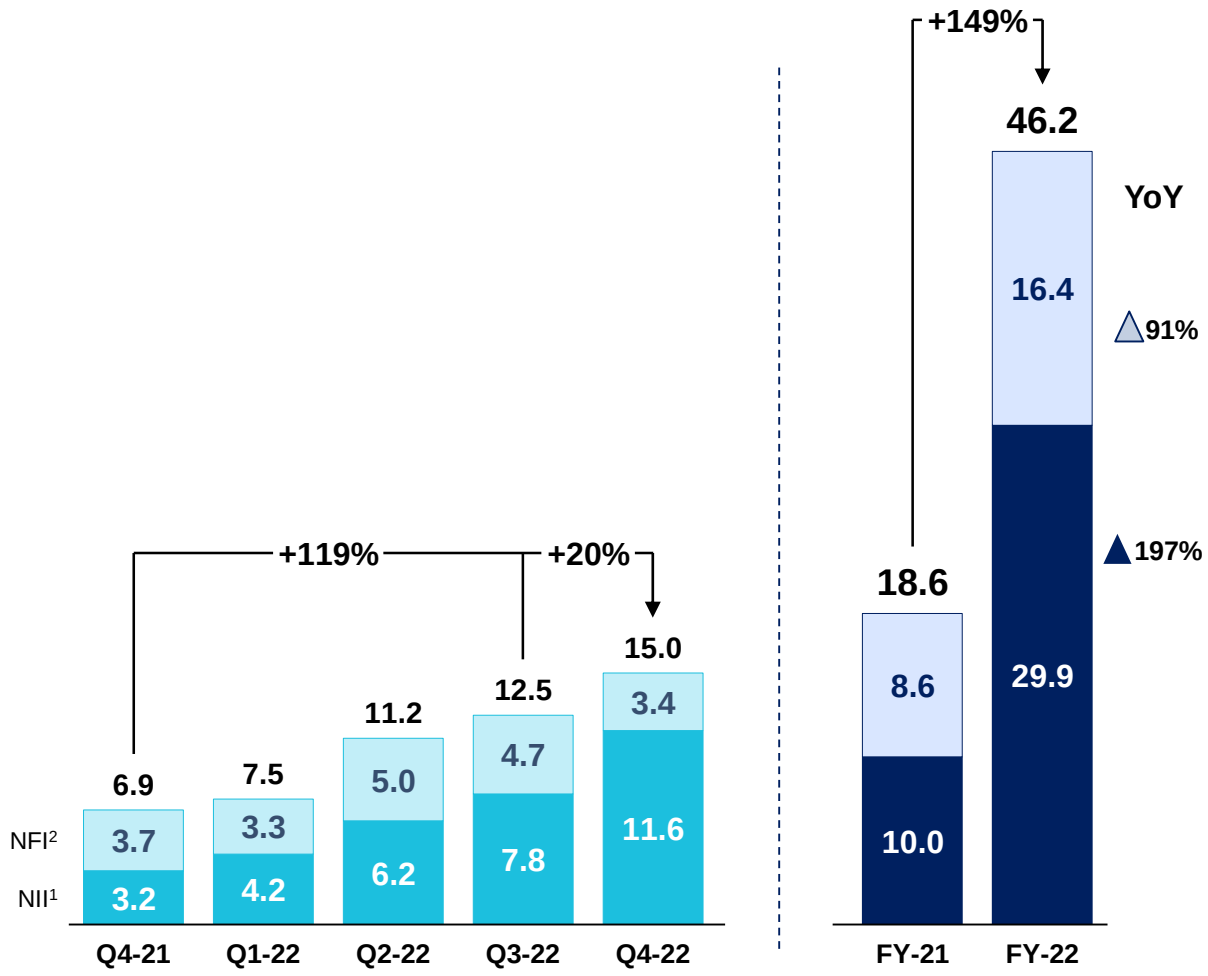


RoAE	13.9%	**42.4%**
RoAE[1]	13.9%	**50.8%**

[1] excludes TL 4.2 bn free provisions as of FY-22

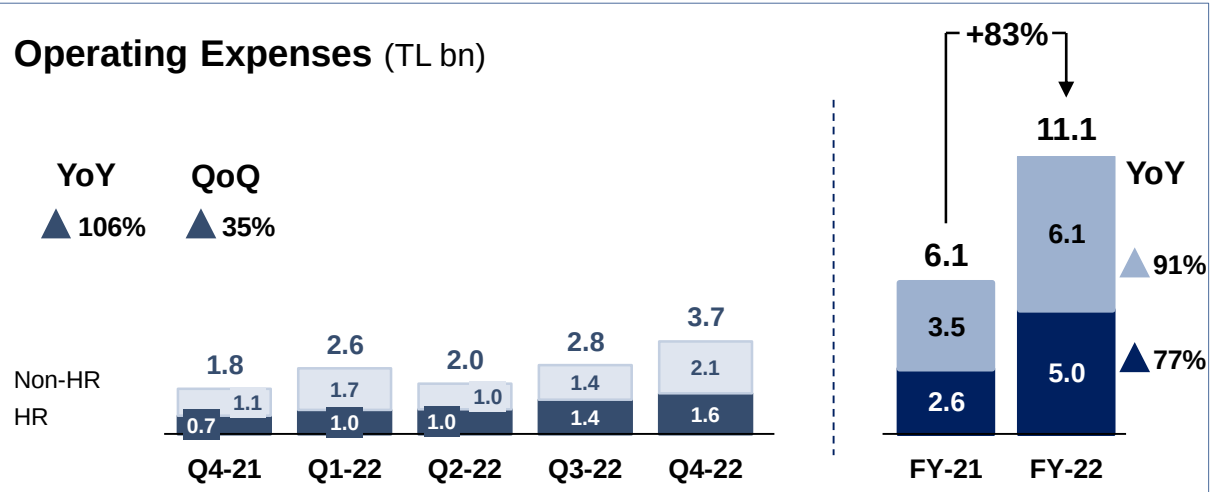
Strong income backed by increases in TL loan volume and rates, securities interest on CPI linkers and better NFI performance with higher TMU and MtM gains

Total Income (TL bn)



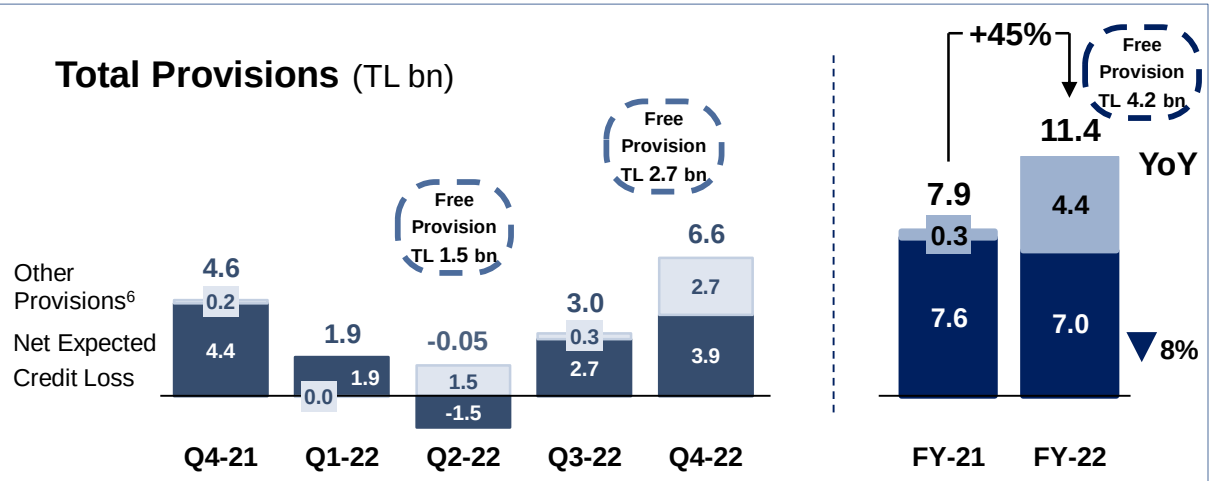
	Q4-21	Q1-22	Q2-22	Q3-22	Q4-22	FY-21	FY-22
NIM[1]	4.0%	4.5%	5.6%	6.0%	**8.1%**	3.5%	**6.3%**

Operating Expenses (TL bn)



	Q4-21	Q1-22	Q2-22	Q3-22	Q4-22	FY-21	FY-22
CIR	32.7%						**24.1%**

Total Provisions (TL bn)



	Q4-21	Q1-22	Q2-22	Q3-22	Q4-22	FY-21	FY-22
CoR[3]						3.7%	**2.2%**
Total Coverage[4]						10.8%	**9.2%**
Total NPL Coverage[5]						163.7%	**193.8%**

[1] Swap adjusted [2] Non-Funded Income: Includes net fees and commissions income, trading and FX gains/losses, other income, and excludes swap costs
[3] Net expected credit loss / Avg. Total Loans [4] Provisions for expected credit loss incl. non-cash provisions / Total loans incl. leasing and factoring receivables [5] Provisions for expected credit loss incl. non-cash provisions / NPL [6] Includes TL 4.2 bn free provisions as of FY-22

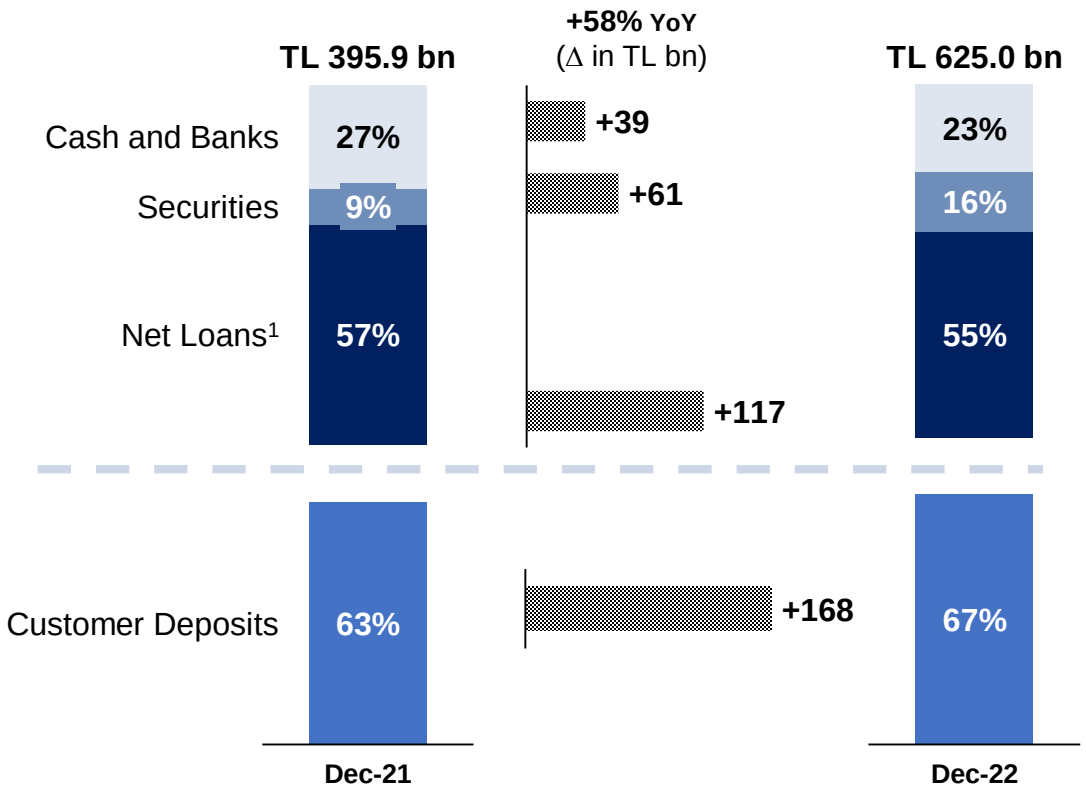
FY 2022 Financial Results Highlights – Balance Sheet

TL billion	Dec-22	Dec-21	%
Total Assets	**625.0**	**395.9**	**58%**
TL Assets	*286.2*	*137.4*	*108%*
FX Assets (USD bn)	*18.1*	*19.4*	*(6.6%)*
Securities	**98.4**	**37.4**	**163%**
TL Securities	*53.7*	*10.3*	*421%*
FX Securities (USD bn)	*2.4*	*2.0*	*17%*
Gross loans[1]	**374.2**	**251.5**	**49%**
TL Loans[1]	*208.9*	*122.5*	*70%*
FX Loans (USD bn)[1]	*8.8*	*9.7*	*(8.7%)*
Deposits	**417.0**	**248.5**	**68%**
TL Deposits	*166.1*	*56.6*	*194%*
FX Deposits (USD bn)	*13.4*	*14.4*	*(6.8%)*
CET-1 (%)	13.03%	11.61%	+1.4 pp
LDR (%)[2]	82.2%	90.8%	-8.6 pp
NPL ratio (%)	4.7%	6.6%	+1.9 pp
Total Coverage[3]	9.2%	10.8%	-1.6 pp
Total NPL Coverage[4]	193.8%	163.7%	+30.1 pp

[1] Includes leasing and factoring receivables
[2] Loan to Deposit Ratio
[3] Provisions for expected credit loss including non-cash loan provisions / Total loans inc. leasing and factoring receivables
[4] Provisions for expected credit loss including non-cash loan provisions / NPL
[5] According to the Bank's own segmentation gross loans

- Assets increased by 58% y-o-y mainly due to growth of TL loans and CPI linked security portfolios.
- Expansions in TL-based business loans and retail lending dominated y-o-y gross loan growth.
  - Credit card loans[5] grew by 103% y-o-y,
  - while a 82% y-o-y rise was recorded in SME loans[5].
- Loan growth and higher recovery rates resulted in a 187 bps y-o-y decreased in NPL ratio to 4.7%.
  - Total NPL Coverage at 193.8% still stands above sector averages.
- Total deposits increased by 68% y-o-y, due to 194% y-o-y growth in TL deposits.
  - TL time deposits were up by 217% y-o-y on the back of FX-protected TL deposits introduced in December 2021.
- CAR at 17.57% and CET1 at 13.03%, and LCR at 189.2% and LDR at 82.2%, indicating solid solvency and healthy liquidity levels, manifest the Bank's vigorous financial structure.

Assets growth continued through the expansion of loans and securities portfolios



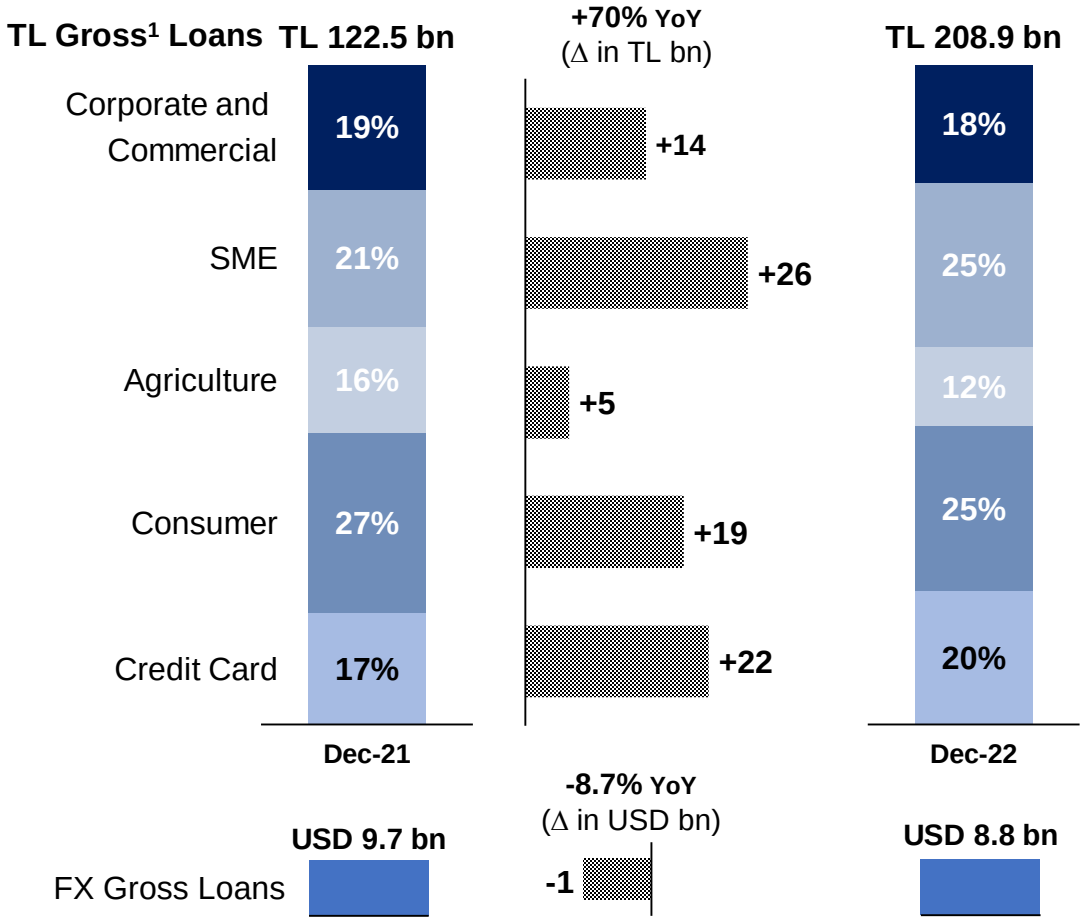
- Total assets grew by 58% y-o-y (+229 bn TL), led by TL loans and CPI linked and fixed rate securities.
- Net Loans increased by 52% y-o-y (+117 bn TL), mainly driven by the expansion in TL-based business loans and retail lending with higher yields.
- Customer deposits surged by 68% y-o-y (+168 bn TL), rising its share in total funding supported mainly by TL time deposits on the back of FX-protected deposit scheme.

in TL bn	Dec-22	QoQ%	YoY%	Quarterly trend (last 5 quarters)
Assets	**625.0**	+4	+58	395.9 437.7 515.7 598.1 **625.0**
Net Loans[1]	**342.8**	+5	+52	225.7 250.9 292.7 327.2 **342.8**
Securities	**98.4**	+17	+163	37.4 55.2 68.5 84.1 **98.4**
Customer Deposits	**417.0**	+5	+68	248.5 277.1 329.0 397.7 **417.0**
Equity	**54.9**	+16	+89	29.0 33.2 39.7 47.5 **54.9**
Risk Weighted Assets (RWAs)	**423.6**	+5	+68	251.4 273.4 361.7 403.4 **423.6**

%	Dec-22	QoQ (bps)	YoY (bps)	Quarterly trend (last 5 quarters)
CET1	**13.03%**	+76	+143	11.61% 12.28% 11.41% 12.27% **13.03%**
CAR	**17.57%**	+69	+74	16.83% 17.54% 16.06% 16.89% **17.57%**

[1] Includes leasing and factoring receivables

TL Gross[1] Loans growth led by SME loans and credit card loans performances



in TL bn	Dec-22	QoQ%	YoY%	Quarterly trend (last 5 quarters)				
Gross Loans	**374.2**	+5	+49	251.5	278.9	320.5	354.9	**374.2**
TL Gross Loans	**208.9**	+12	+70	122.5	135.1	162.3	186.5	**208.9**
Corporate and Commercial	**37.3**	+10	+61	23.2	25.2	28.5	34.0	**37.3**
SME	**52.0**	+7	+101	25.8	29.1	39.4	48.7	**52.0**
Agriculture	**25.0**	-0.1	+26	19.9	22.3	25.2	25.0	**25.0**
Consumer	**52.1**	+18	+55	33.5	35.5	40.2	44.2	**52.1**
Credit Card	**42.5**	+23	+103	21.0	24.0	29.0	34.5	**42.5**

in USD bn	Dec-22	QoQ%	YoY%	Quarterly trend (last 5 quarters)				
FX Gross Loans	**8.8**	-3	-9	9.7	9.8	9.5	9.1	**8.8**

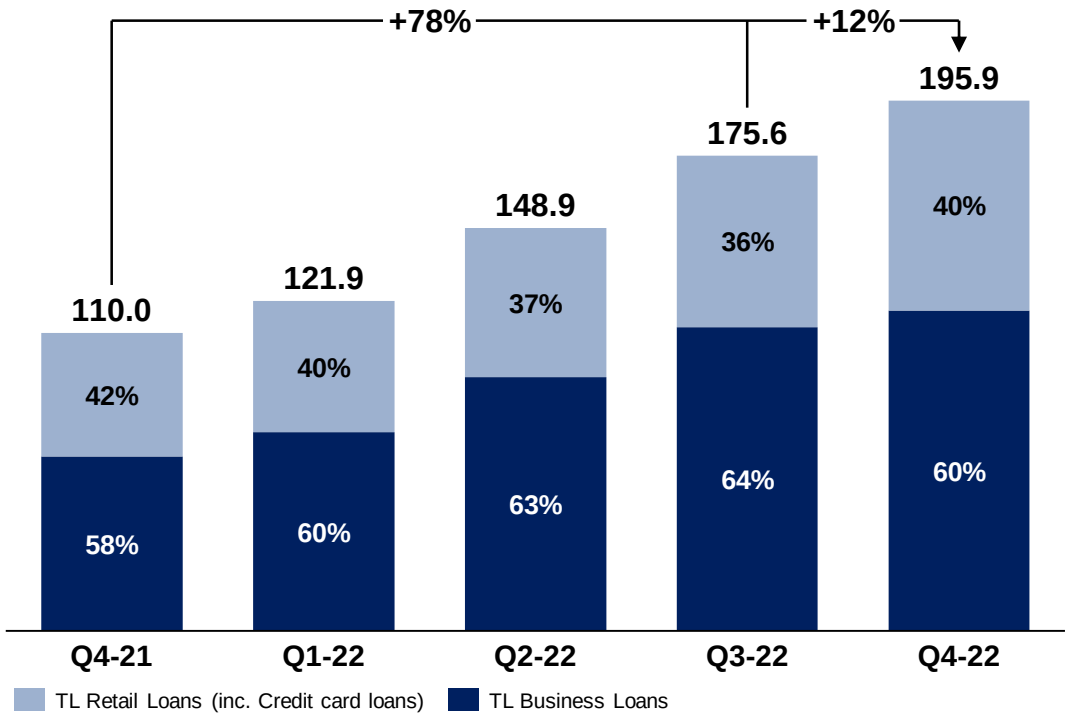
- TL Gross Loans increased by 70% y-o-y (+86 bn TL), mainly driven by the expansion in SME loans, credit card loans and consumer loans with higher yields.
- FX Gross Loans decreased by 8.7% (USD -1 bn), due to shrinkage in corporate lending.

[1] Gross loans Include leasing and factoring receivables and given according to the Bank's own segmentation, SME Banking scale: Annual turnover below TL 125 mn (TL 125 -250 mn common with Commercial Banking). Commercial Banking scale: Annual turnover between TL 125-250 mn. Corporate Banking scale: Annual turnover above TL 250 mn.

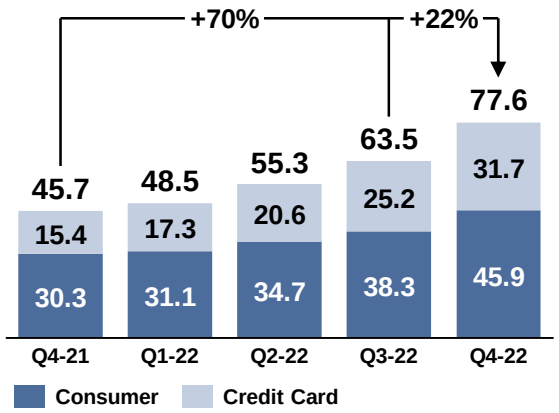
TL Performing Loans

Highlights

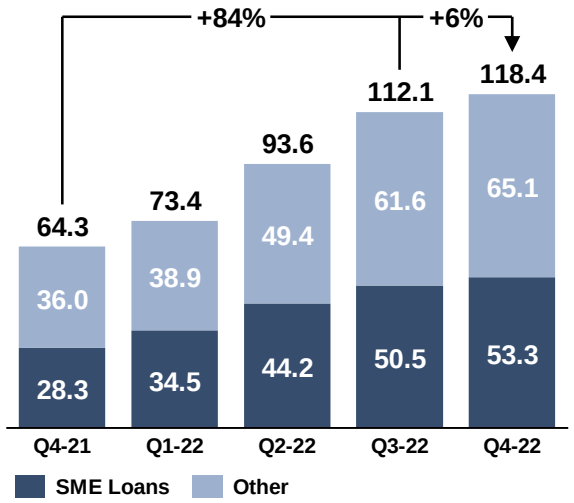
- Loans[1] increased by 52% y-o-y, mainly contributed by TL loans' expansion.
- TL loans growth of 78% y-o-y was largely driven by SME[1] loans, TL-based business loans, credit card loans and consumer loans growth.
- TL Retail loans were recorded 70% y-o-y growths owing to outstanding performance of credit card loans.
- TL Business loans surged by 84% y-o-y mainly driven by commercial and SME[2] loans and the share in total climbed to 60% from 58%.



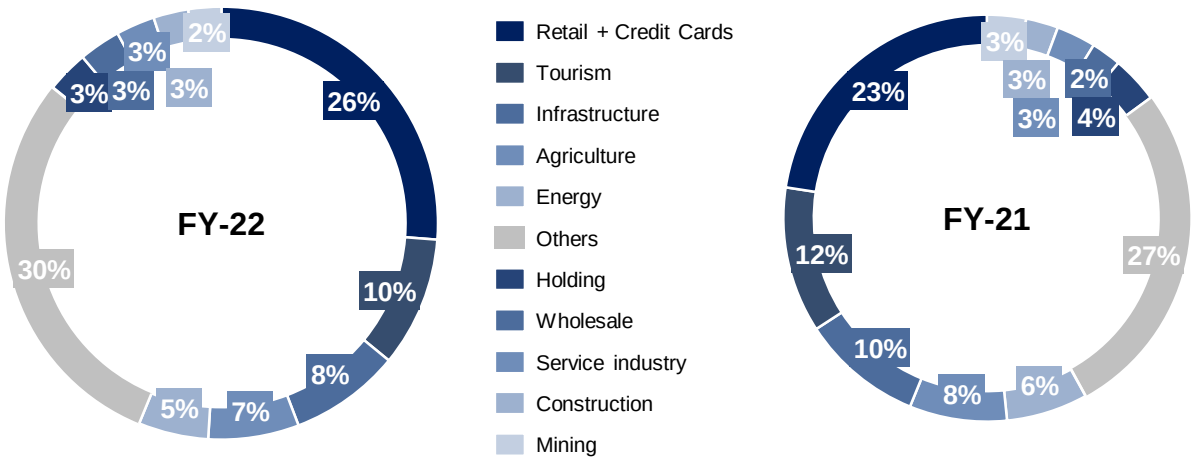
TL Retail Loans[3] (TL bn)



TL Business Loans[3] (TL bn)



Cash Loans[1] by Sector



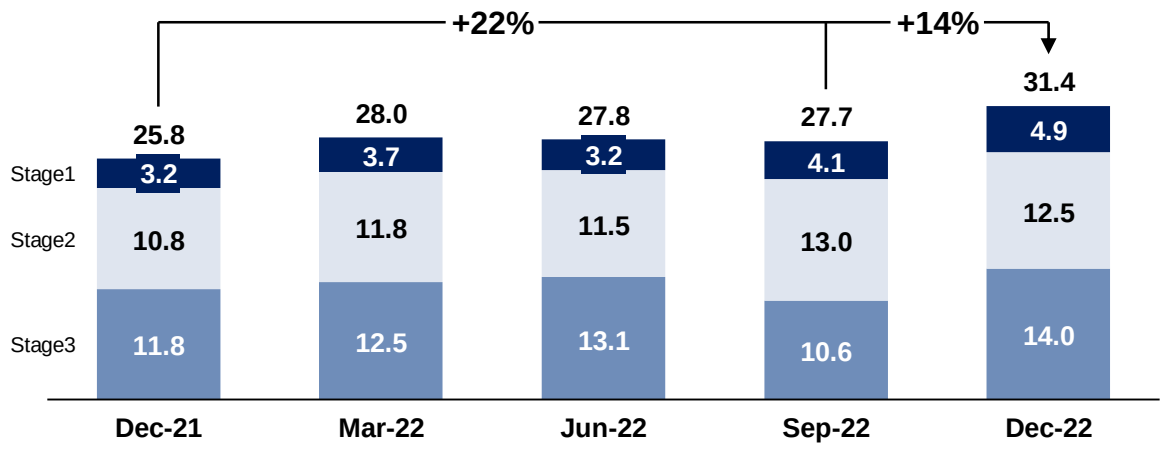
[1] Performing Loans [2] Dec-22 SME loans are given according to latest BRSA definition and previous quarters are adjusted according to this [3] Retail Loans: Consumer + Credit Crad Loans Business Loans: SME + Corporate and Commercial Loans

Healthy Loan Growth with an improvement in Stage 3 and 2 Loans, by continuing prudent provisioning

Highlights

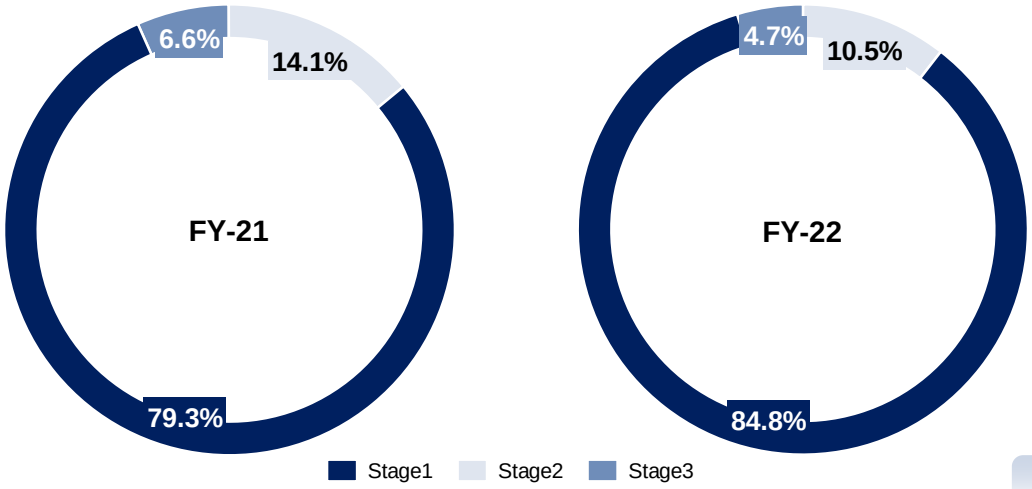
- Stage 1 coverage ratio rose to 1.6% from 1.4% as at 9M-22 and stayed at the same level of 1.6% in FY-21 on y-o-y basis.
- Stage 2 coverage ratio improved to 31.8% from 30.5% as at FY-21, due to our prudent approach despite limited net inflow.
- Stage 3 coverage ratio kept strong, realized at 78.9% from 71.0% as at FY-21.
- Despite the end of COVID-19, provisions for customers continue to be closely evaluated.
- Buffer for uncertainties in the international markets is kept.

Provisions for Expected Credit Loss (TL bn) and CoR (%)

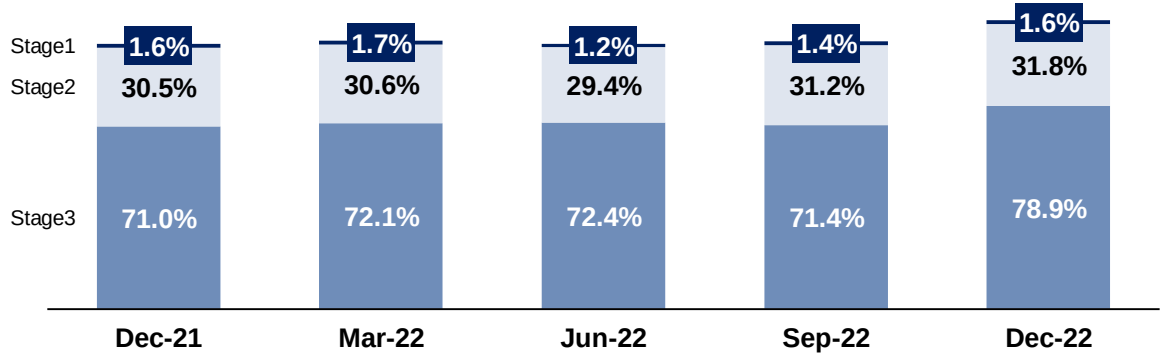


	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22
CoR	3.7%	2.9%	0.3%	1.4%	2.2%

Total Gross Loans (TL bn)



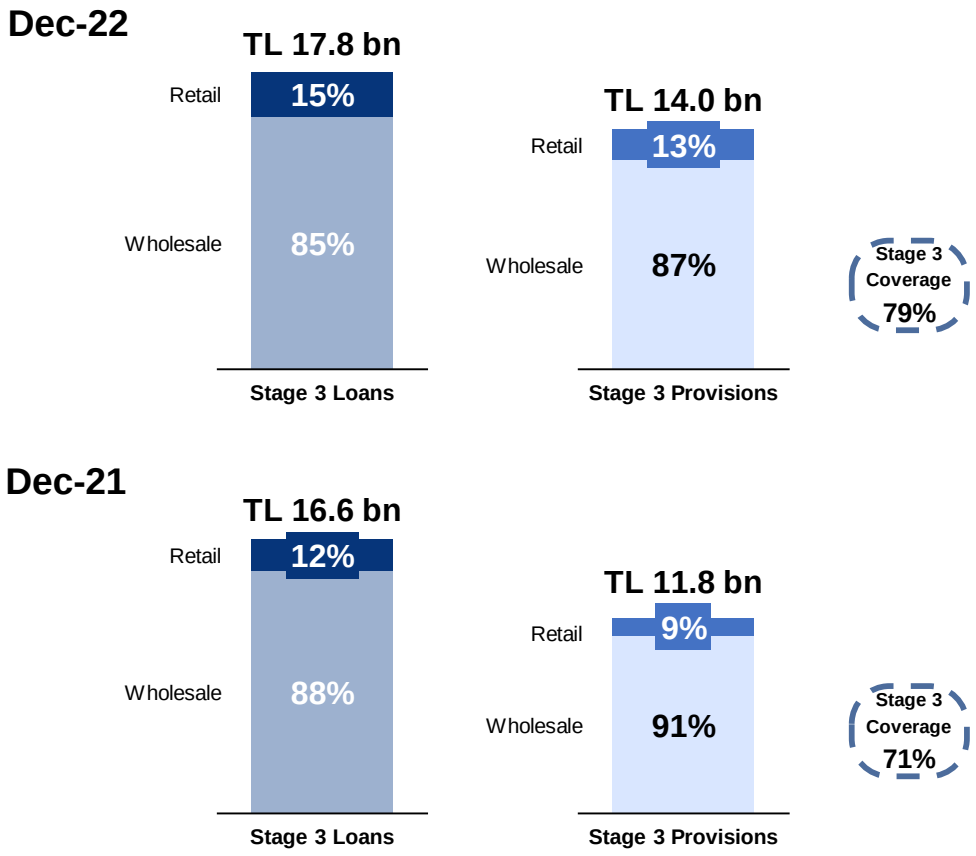
Coverages (%)



	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22
Total Coverage[1]	10.8%	10.7%	9.2%	8.6%	9.2%

[1] Provisions for expected credit loss including non-cash provisions/ Total Loans including factoring and leasing receivables

Focusing on Credit Quality resulted in a lower NPL ratio on higher recovery rates, maintaining the highest total coverage ratio in the sector



in TL bn - %	Dec-22	QoQ (% - bps)	YoY (% - bps)	Quarterly trend (last 5 quarters)
Stage 3 Ratio	**4.7%**	+56	-187	6.6% 6.2% 5.6% 4.2% **4.7%**
Stage 3 Loans	**17.8**	+20	+7	16.6 17.4 18.1 14.8 **17.8**
Stage 3 Provisions	**14.0**	+32	+19	11.8 12.5 13.1 10.6 **14.0**
Stage 3 Provisions / Total	**45%**	+627	-121	46% 45% 47% 38% **45%**

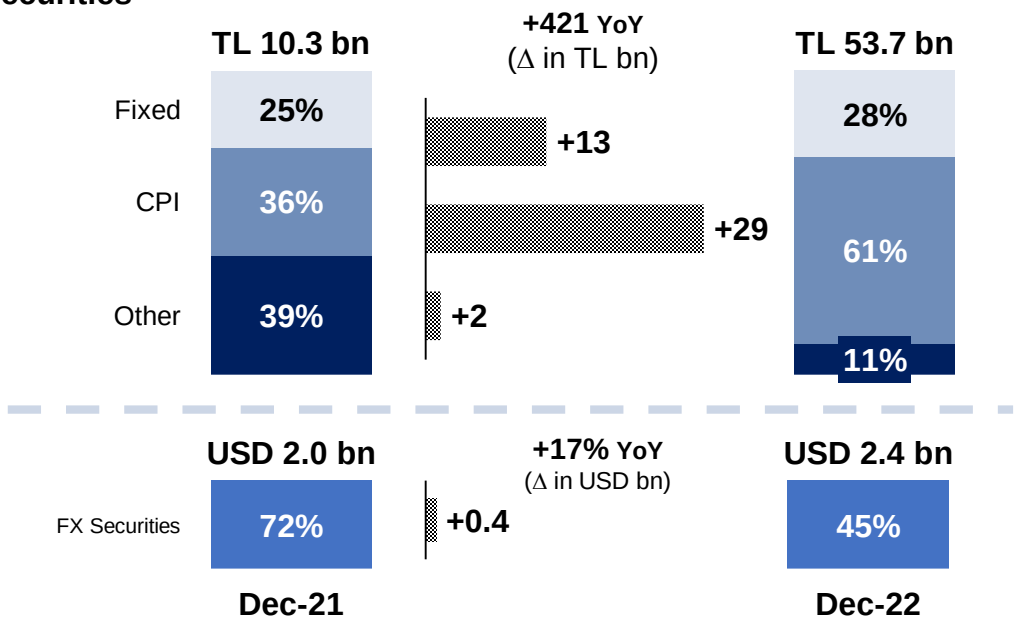
%	Dec-22	QoQ (pp)	YoY (pp)	Quarterly trend (last 5 quarters)
Stage 3 Coverage	**78.9%**	+8	+8	71.0% 72.1% 72.4% 71.4% **78.9%**
Stage 3 Coverage[1]	**89.9%**	+6	+15	74.9% 77.4% 77.6% 83.8% **89.9%**
Total NPL Coverage[2]	**193.8%**	-11	+30	163.7% 171.6% 163.6% 204.7% **193.8%**

- Stage 3 ratio receded to 4.7%, improving by 187 bps from 6.6% as at FY-21, due to loan growth, higher recovery rates and write-off of TL 4.1 bn in FY-22.
- Coverage ratios continued to be strong with our prudent provisioning approach; Stage 3 provisions increased by 19% y-o-y to TL 14.0 bn from TL 11.8 bn.
- Stage 3 coverage ratio (including non-cash provisions) realized at 89.9% higher than its 74.9% as at FY-21.

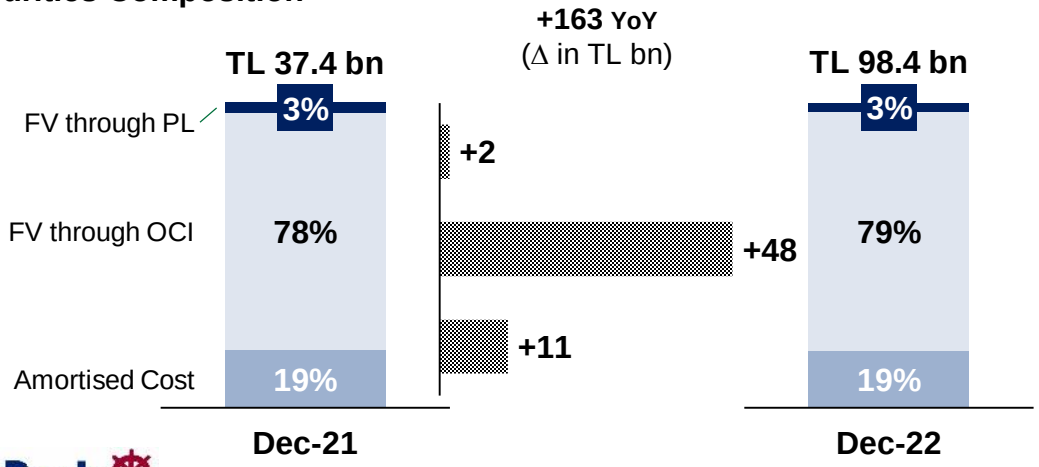
[1] including Stage 3 non-cash provisions [2] Provisions for expected credit loss including non-cash provisions/ Stage 3 Loans

Securities share in total assets 15.7% (vs 9.5% FY-21)

TL Securities



Securities Composition



in TL bn	Dec-22	QoQ%	YoY%	Quarterly trend (last 5 quarters)
Securities	**98.4**	+17	+163	37.4, 55.2, 68.5, 84.1, **98.4**
TL Securities	**53.7**	+21	+421	10.3, 19.3, 30.7, 44.6, **53.7**
Fixed	**15.3**	+31	+488	2.6, 2.0, 3.0, 11.7, **15.3**
CPI	**32.8**	+18	+796	3.7, 12.9, 22.9, 27.9, **32.8**
Other	**5.7**	+12	+40	4.1, 4.4, 4.8, 5.0, **5.7**

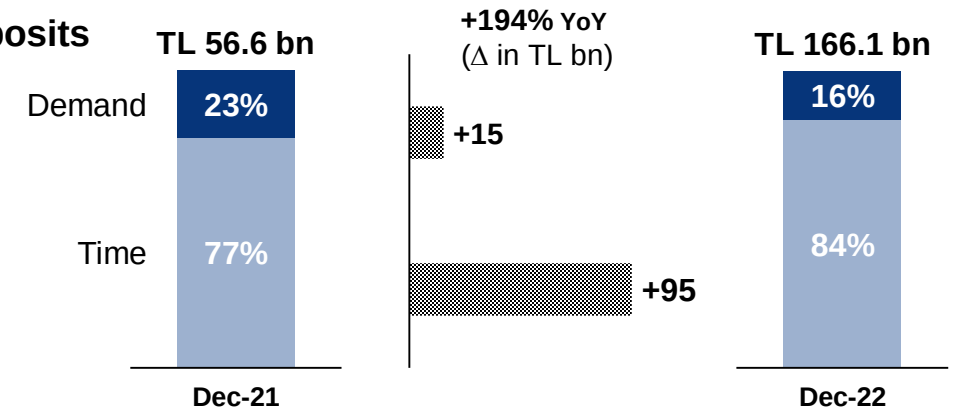
in USD bn	Dec-22	QoQ%	YoY%	Quarterly trend (last 5 quarters)
FX Securities	**2.4**	+12	+17	2.0, 2.5, 2.3, 2.1, **2.4**

%	Dec-22	QoQ (bps)	YoY (bps)	Quarterly trend (last 5 quarters)
Securities to Total Assets	**15.7%**	+168	+629	9.5%, 12.6%, 13.3%, 14.1%, **15.7%**

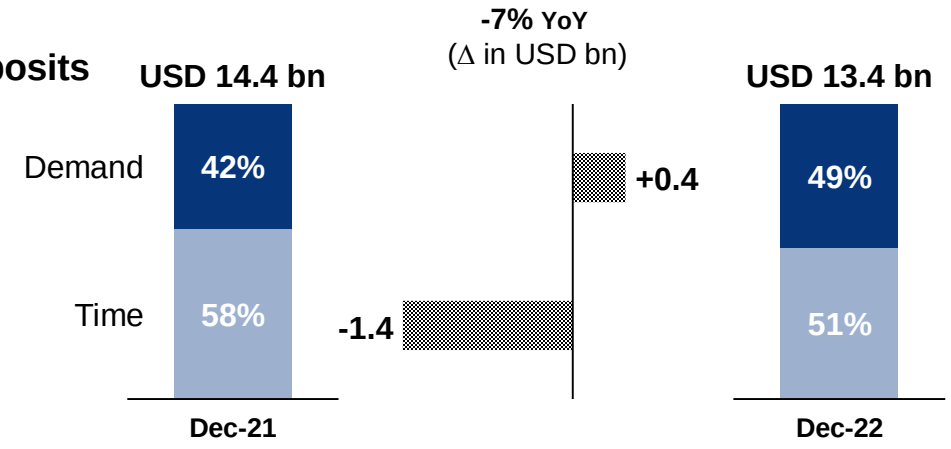
DenizBank

Customer Deposits' strong growth was stemmed from the surge in TL deposits with longer terms owing to the FX-protected deposit scheme

TL Deposits



FX Deposits



- TL Deposits increased by 194% y-o-y (+109 bn TL), mainly driven by TL time deposits (+217% y-o-y) on the back of FX-protected TL deposits introduced in December 2021.
- FX Deposits declined by 7% y-o-y (USD -1 bn) in line with the macro prudential policies.

in TL bn	Dec-22	QoQ%	YoY%	Quarterly trend (last 5 quarters)				
TL Deposits	**166.1**	+22	+194	56.6	78.1	105.1	135.9	**166.1**
TL Demand	**27.3**	+17	+113	12.8	15.4	19.3	23.4	**27.3**
TL Time	**138.8**	+23	+217	43.8	62.7	85.8	112.5	**138.8**
in USD bn	**Dec-22**	QoQ%	YoY%	Quarterly trend (last 5 quarters)				
FX Deposits	**13.4**	-5	-7	14.4	13.6	13.4	14.1	**13.4**
FX Demand[1]	**4.3**	+5	+21	3.6	3.5	3.6	4.1	**4.3**
FX Time[1]	**4.5**	-16	-10	5.1	4.8	4.8	5.4	**4.5**
Foreign Subsidiaries	**4.6**	-1	-21	5.8	5.3	5.1	4.6	**4.6**
%	**Dec-22**	QoQ (bps)	YoY (bps)	Quarterly trend (last 5 quarters)				
LDR	**82.2%**	-6	-862	90.8%	90.5%	89.0%	82.3%	**82.2%**

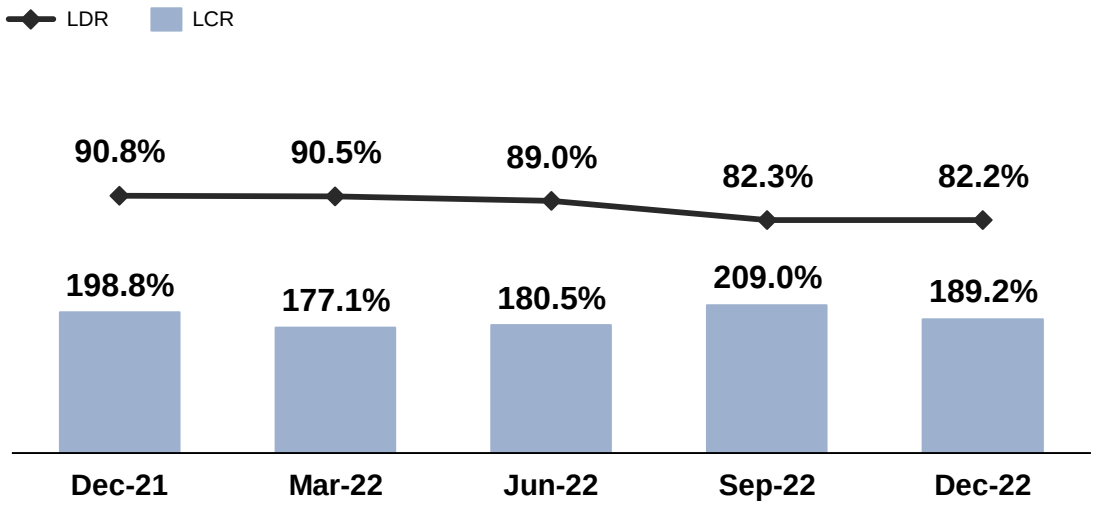
[1] FX Deposits are based on unconsolidated figures

Funding and Liquidity

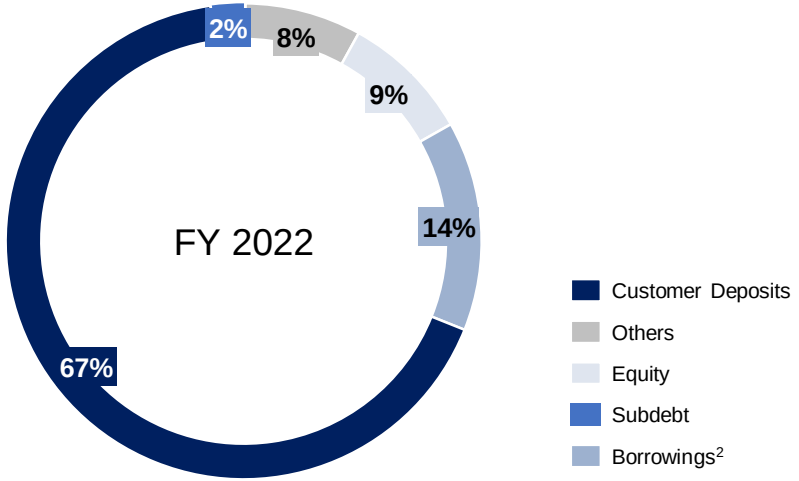
Highlights

- Consolidated LCR of 189.2%, unconsolidated LCR of 187.5% and Consolidated LDR of 82.2% reflect DenizBank's healthy liquidity.
- Liquid assets reached TL 145 bn, corresponding to 23% of total assets and 35% of customer deposits.
- As of Q4-22, TL 5.9 bn worth of securities with less than 1-year maturity were issued domestically.
- Deposit is the main source of funding and represents 67% of total liabilities.
- Borrowings share in total liabilities of 14%, in line with the sector average.

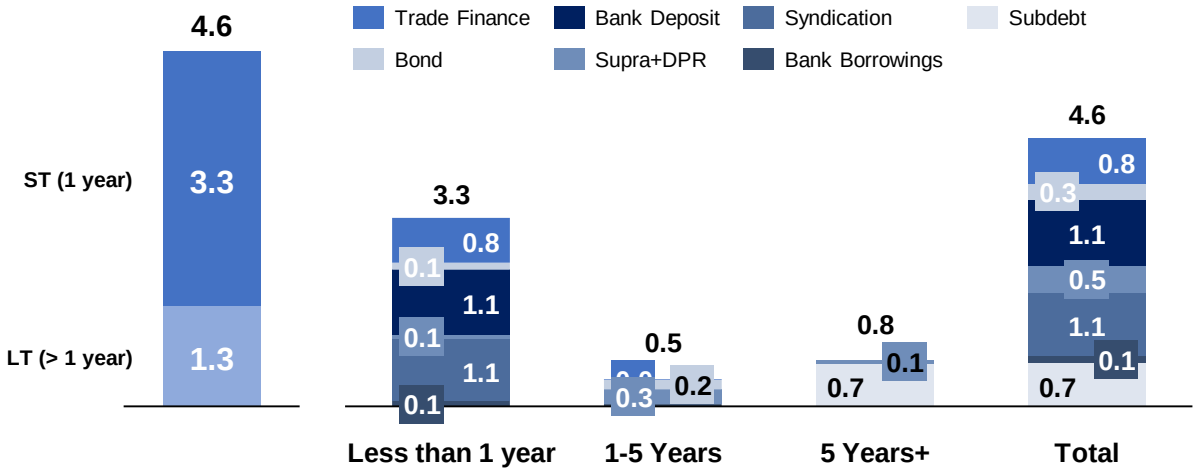
Loan to Deposit and Liquidity Coverage Ratio (%)



Composition of Liabilities (%)



Trend in Deposits by Currency (TL bn)



ST Debt	**USD 3.3 bn**
FX Liquidity Buffer[1]	**USD 5.1 bn**

[1] Money market placements + unencumberred securities + reserve requirements under ROM only + Swaps
[2] Excluding repo

Strategy is to diversify the wholesale funding mix and lengthen the maturity profile

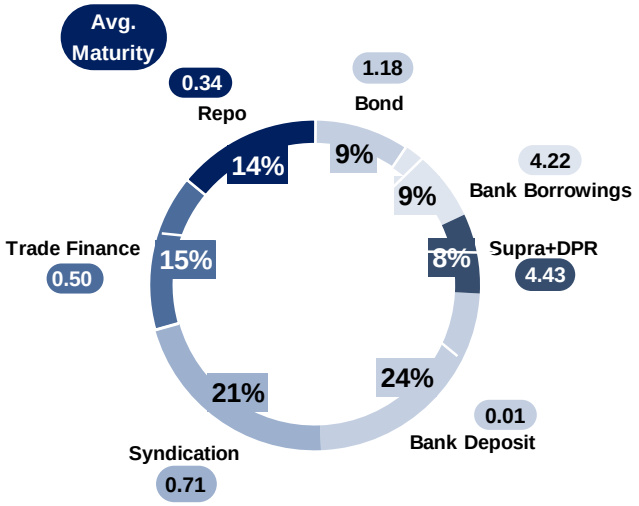
Breakdown of Wholesale Funding

Syndicated Loan Facilities:
- Successful come back in 2019 with the biggest fresh funding of the year.
- DenizBank's market share among the Turkish bank syndications has reached to **9.3%** as of 2022 YE.

Triple Currency Syndicated Loan Facility in Q2 2022:
- ESG linked facility signed with a 120% roll-over ratio, which is well above sector average of 105%, raising the total amount to USD 450 Million. 15 banks across 10 countries have participated. The transaction renews its triple currency syndicated term loan signed in June 2021 which was **awarded as the "Deal of the Year – Europe" by the Banker magazine** for being the first-ever syndicated loan to a Turkish bank to include a Renminbi tranche.

ESG-Linked Term Loan Facility in Q4 2022:
- Signed on November 7th, 2022. 78% roll-over ratio with a total amount of USD 625 mn, 36 participants across 17 countries. Within H2 2022 Turkish bank syndications, **the biggest deal in terms of amount and number of participants.**

Supranationals:
- Since the ownership change in July 2019, more than USD 760 mn fresh supra funding with up to 2-7 years of maturity secured from EBRD, EFSE, GGF, World Bank, IFC, Proparco which target financing SMEs, Municipalities, Farmers, Energy Efficiency and Renewable Energy projects and Women Empowerment



DPR Securitization:
- USD 435 mn issuance in Feb 2021 up to 7 years
- 13 participants out of supranationals, banks and institutional investors
- The dual-currency transaction (EUR and USD) in loan and bond formats under 9 series
- IFC and EBRD are the Anchor Investors with USD 150 mn and USD 100 mn, respectively with 5-year tenor.
- The transaction stands out with its strong ESG angle, as funding obtained from IFC is to be used for agri sector and EBRD funds will be used for energy efficiency and renewable energy projects and for supporting women entrepreneurs and women-led SMEs
- The deal was **recognized by The Banker Magazine as the "Deal of the Year"** and **by Bonds and Loans-Turkey Awards as the "Structured Finance Deal of the Year "**

Debt Capital Markets:
- Annual update of the EMTN programme completed in May 2022.
- Planning to establish ESG Framework under EMTN Program
- Active in Private Placements with maturities extending to 12 months
- Waiting for the right time for a debut issuance

DenizBank Sustainability Initiative

- **The Sustainability Management System (SMS)** established at DenizBank covers all **sustainability** processes of the bank.
- DenizBank first **Sustainability Committee chaired by CEO** was established in 2021.
- DenizBank **Sustainability policy and Exclusion list** (areas prohibited for financing) were **approved** by BoD and published at Bank's web site
- First ever **Sustainability Report** for DenizBank is published.
- DenizBank offers **specialized trainings** for employees that are directly involved in the sustainability management system

Sustainability Focal Points

People & Society

Human Capital
Human Rights, Fair Working Conditions, Diversity, Gender Equality, Equal Opportunities

Financial Inclusion
AGRI, WOMEN, SME

Community
Culture
Arts
Sports
Education

Climate Change

Direct Impacts
Operational Consumption, Maintenance and Control

Indirect Impacts
Assessing Loans from E&S Perspective

Green Projects
Encouraging Transition to Resource Efficiency Projects
Energy Efficiency, Renewable Energy

Digitalization & Innovation

Digitalisation
Pioneer in Digital Transformation
Reduce Dependency to Physical Channels

Intertech
State of the art IT platform
11 countries, 49 Institutional Customers

NEOHUB
Supporting start-ups in the Ecosystem
Deniz Akvaryum
Deniz Ventures

Consumer Financial Protection

Data Privacy & Security

Capital Adequacy

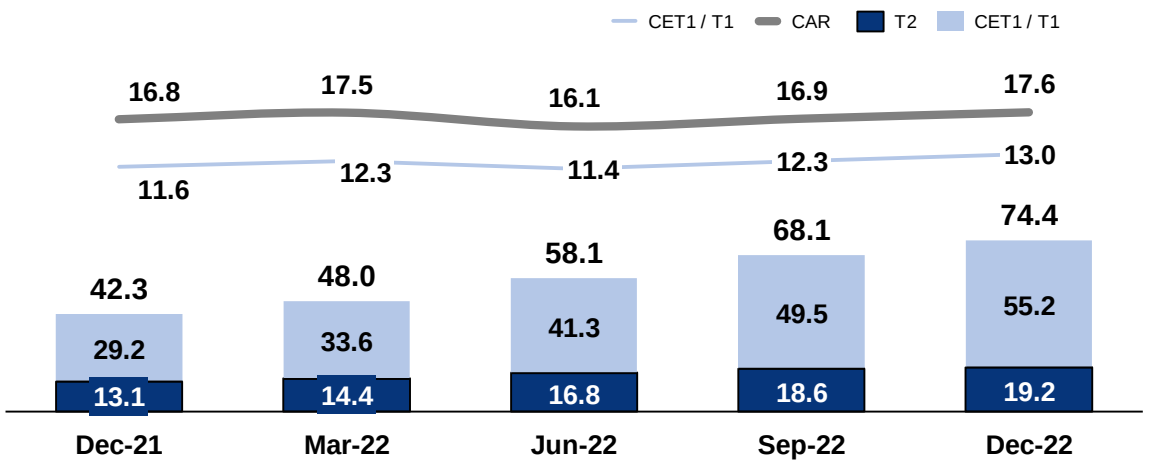
Highlights

- With the positive effect of the profit figures on the capital in the Q4-22, T1 and CAR increased by 76 and 68 basis points on a quarterly basis.

  On an y-o-y basis, the change was realized as 142 and 74 basis points positively for T1 and CAR, respectively.

- Forbearances of BRSA against COVID-19 supported the capital adequacy: has respective positive impacts of 176 bps and 211 bps on T1 and CAR as at Dec-22.

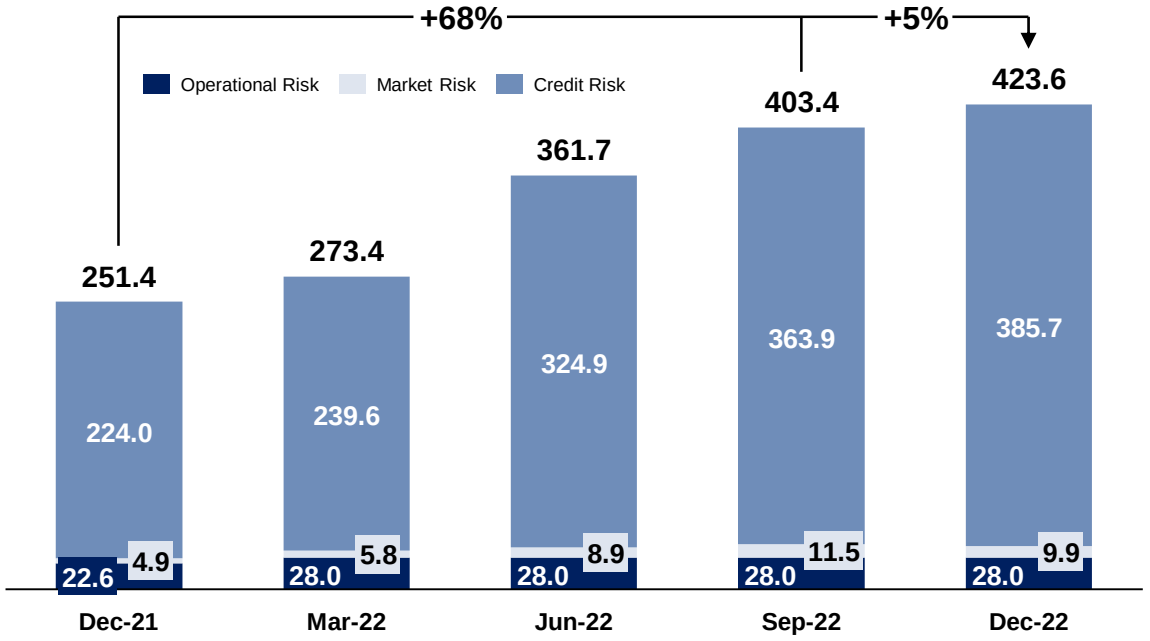
Capitalisation (TL bn)



Capital Movements Table

TL million	CET1 / Tier1	Tier2	TOTAL
Capital as at 31-Dec-2021	**29,190**	**13,122**	**42,312**
Net Profit	17,174		17,174
Additional credit risk effect		1,999	1,999
Additional, subdebt effect (currency difference)		4,048	4,048
Amortization, IFRS9 first time effect	(134)		(134)
Change in reserves	8,641		8,641
Other	339	49	388
Capital as at 31-Dec-2022	**55,210**	**19,218**	**74,428**

Risk Weighted Assets (TL bn)



FY 2022 Financial Results Highlights – Income Statement

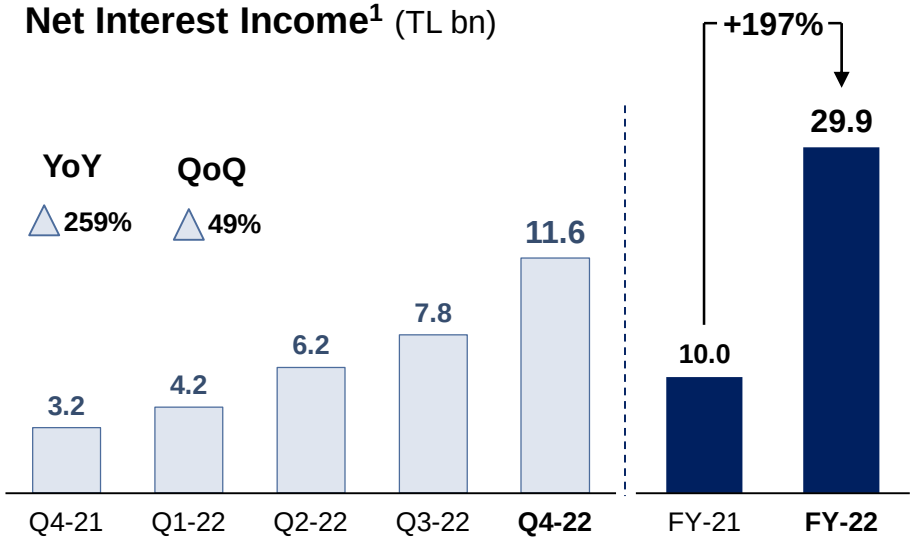
TL billion	FY-22	FY-21	Better / (Worse)
Net interest income[1]	29.9	10.0	197%
Non-funded income	16.4	8.6	91%
Net Fees and Commissions	*6.6*	*4.2*	*59%*
Trading and FX Gains/Losses [1]	*7.5*	*3.5*	*112%*
Other Income	*2.2*	*0.9*	*160%*
Total income	**46.2**	**18.6**	**149%**
Operating expenses	-11.1	-6.1	(83%)
Pre-provision operating profit	**35.1**	**12.5**	**180%**
Total provisions	-11.4	-7.9	(45%)
Net expected credit loss	*-7.0*	*-7.6*	*7.9%*
Other provisions	*-4.4*	*-0.3*	*n.m.*
Operating profit	**23.7**	**4.7**	**409%**
Taxation charge	(6.4)	(1.1)	(470%)
Net profit	**17.3**	**3.5**	**389%**
Cost: income ratio	24.1%	32.7%	+8.6 pp
Net interest margin[1]	6.3%	3.5%	+2.8 pp

[1] Swap adjusted

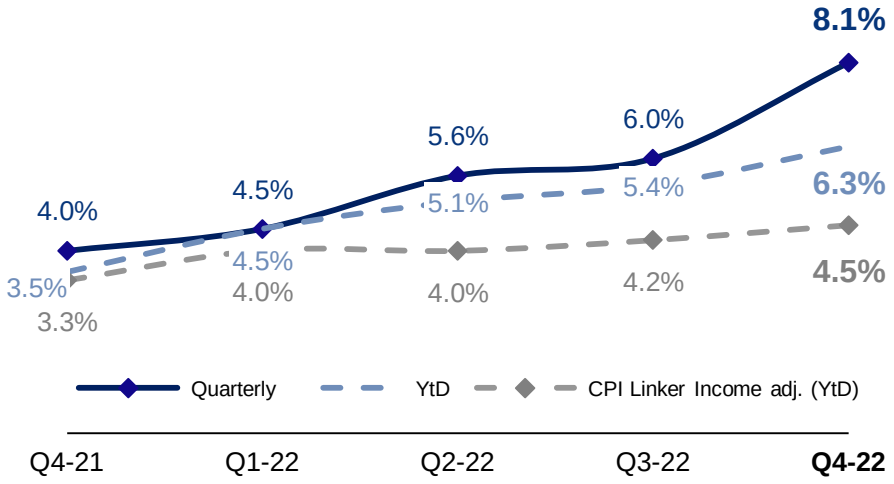
- FY-22 net profit increased by 389% y-o-y, mainly due to outstanding performances of both net interest income and non-funded income.
  - The operating profit showed a 409% y-o-y rise.
- Loans and securities with higher yields pushed net interest income[1] up materially.
  - NII increased and NIM advanced especially on the back of higher loan volume generation and increase of CPI linkers' portfolio and their interest income generation.
- Net fees and commissions income rose by 59% y-o-y,
  - mainly supported by the strong performance in payment systems and banking services fees and brokerage commissions.
- Solid performance of net derivatives income together with TMU performance and FX income became the main supporter of the 91% y-o-y growth in non-funded income in FY-22.
- Strong income generation led to a 8.6 pp y-o-y improvement in C/I ratio to 24% in FY-22, despite the distressing effects of inflation and TL's depreciation on costs.
- CoR was reduced considerably y-o-y, due to better performances in collections and NPL recoveries.

Net Interest Income[1] scaled up with the contribution of high yield securities and increase in loan volume

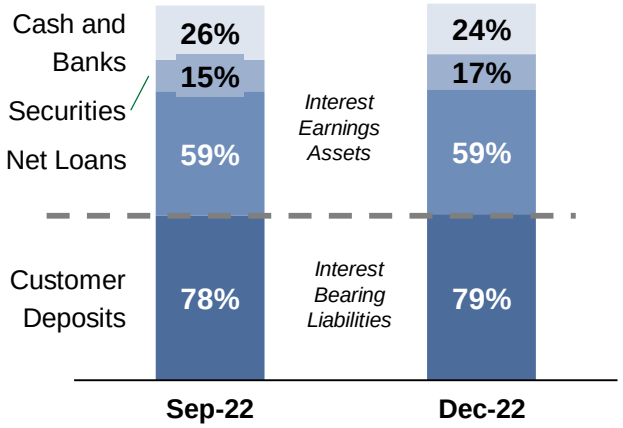
Net Interest Income[1] (TL bn)



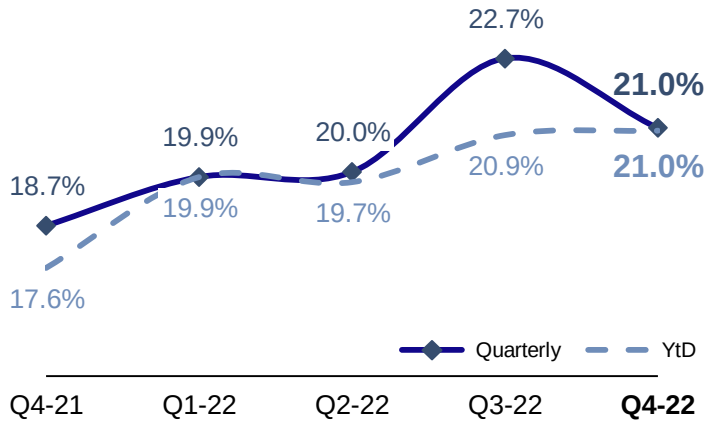
Net Interest Margin[1] (%)



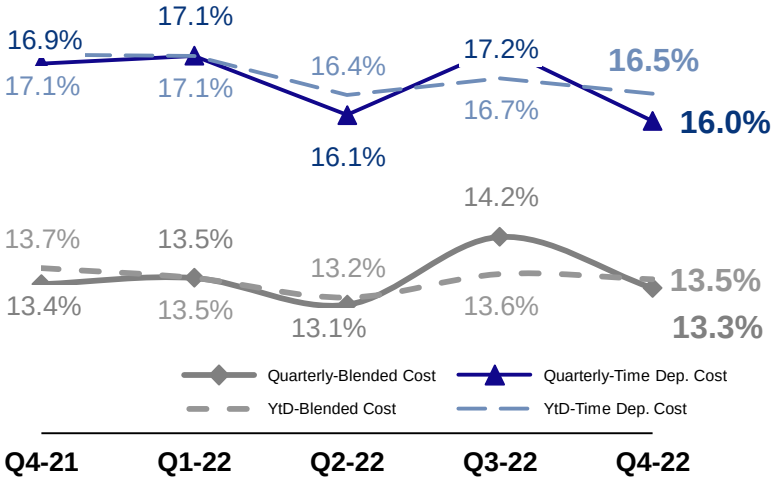
- NII[1] grew by 197% in FY-22; largely due to 1) higher-loan to deposit spreads supported with increased loan volumes and 2) CPI linkers' both valuation adjustment and share increase.
- FY-22 NIM[1] showed a 3pp y-o-y increase and reached to 6.3%.
- Securities increased by TL 14 bn q-o-q in Q4-22, while Cash and Banks decreased by TL 3 bn. Total CB represents 24% of Interest Earnings Assets as of Q4-22 vs. 26% as of Q3-22 and Securities represents 17% of Interest Earnings Assets as of Q4-22 vs. 15% as of Q3-22.



TL Loan Yields[2] (%)



Cost[2] of TL Customer Deposits (%)



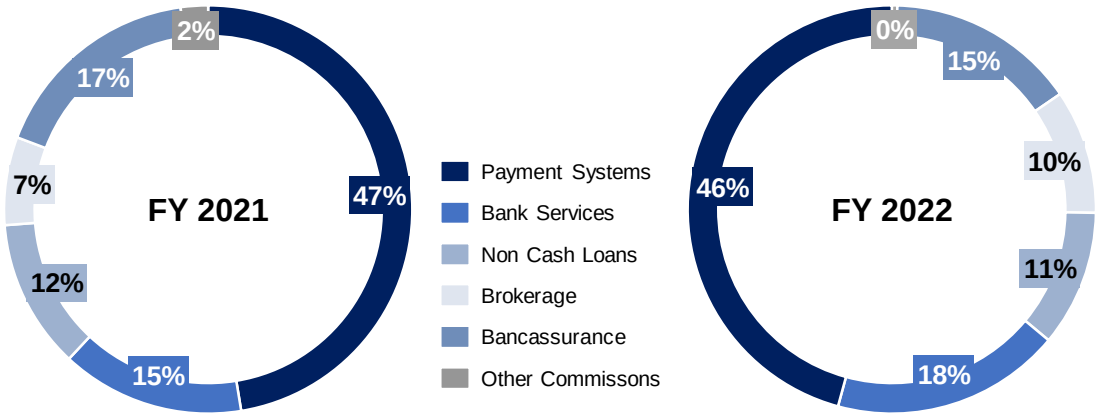
[1] Swap adjusted [2] Consolidated – Calculated with TL Performing Loans and TL Time Deposits

Net Fees and Commissions

Highlights

- Net fees and commissions grew by 59% y-o-y in FY-22, mainly due to improved payment systems and banking services fees, and brokerage commissions with 54%, 99% and 124% increases, respectively.
- Net commissions constituted 14% of total income, while covering 59% of operating expenses.

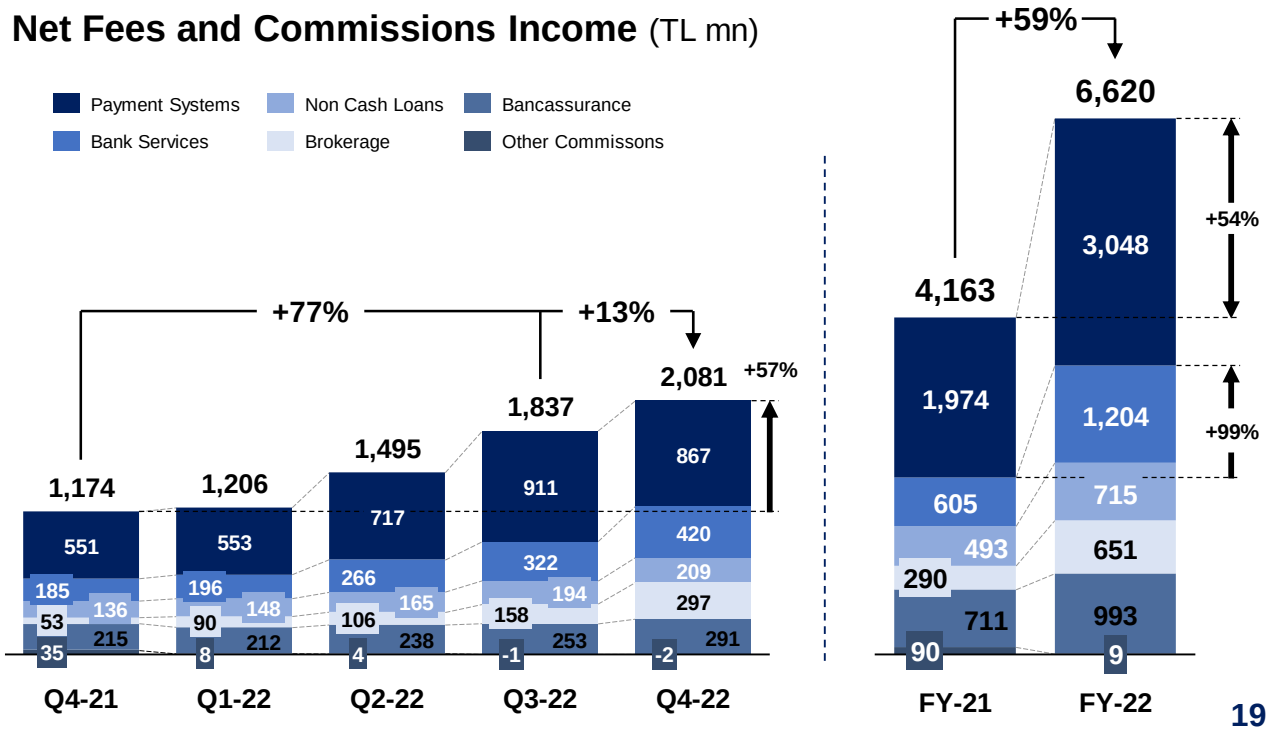
Breakdown of Net Fees and Commissions



QoQ Analysis:

- Net fees and commissions grew by 77% y-o-y and 13% q-o-q, mainly driven by payment systems and banking services fees.
- Payment systems fees increased by 57% y-o-y and decreased by 4.8% q-o-q.
- Banking services fees recorded 127% y-o-y and 30% q-o-q growth, following the recovery in economic activity.
- Brokerage commissions grew by 462% y-o-y and 87% q-o-q.
- Non-cash loans commissions grew by 53% y-o-y.

Net Fees and Commissions Income (TL mn)

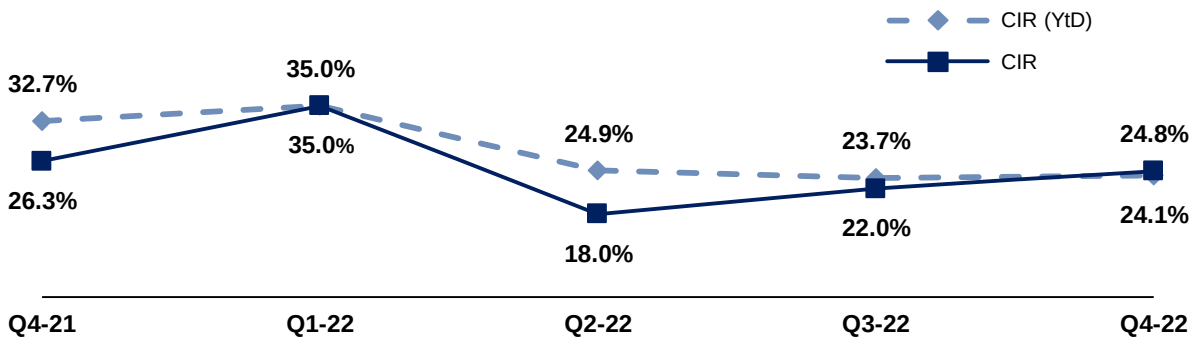


Operating Expenses

Highlights

- Operating expenses increased by 83% y-o-y in FY-22, as a consequence of high inflation and TL's substantial depreciation, which magnified FX-denominated costs.
- HR costs went up by 91% y-o-y and non-HR cost boosted by 77% y-o-y, mainly due to ongoing inflationary environment.
- Nevertheless, due to successful income generation, C/I ratio improved to 24.1%.

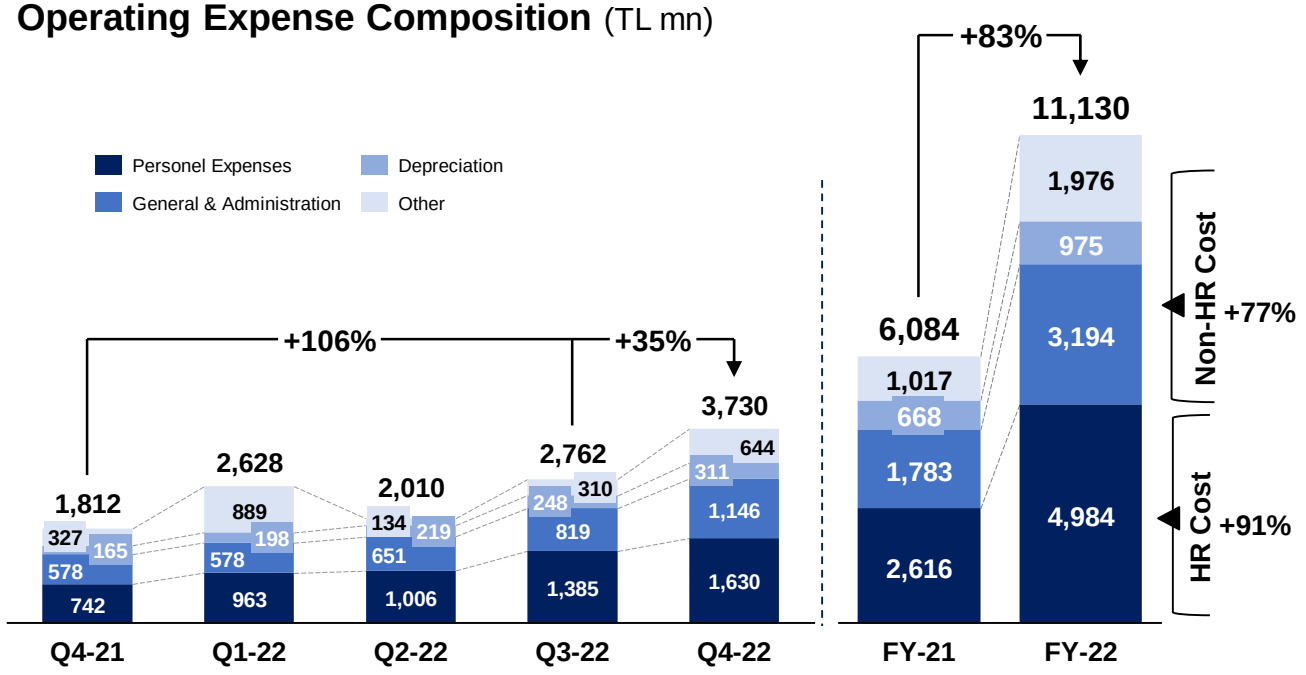
Cost to Income Ratio (%)



QoQ Analysis:

- Operating expenses increased by 106% y-o-y, with 120% and 96% rises in HR and non-HR costs, respectively.
- On these grounds, Cost/Income improved by 154 bps y-o-y to 24.8%, supported by strong income generation.
- DenizBank had 14,137 employees (FY-21:12,995; +1,142) on consolidated basis as of December 31st, 2022.
- DenizBank standalone has 671 branches (FY-21:687; -16) in Turkey and Bahrain, while its subsidiary Deniz AG is operating 20 branches (FY-21:25;-5) in Germany and Austria.

Operating Expense Composition (TL mn)



The journey to create efficiency by migrating services and everyday banking to digital now turned into sales driven digital experiences

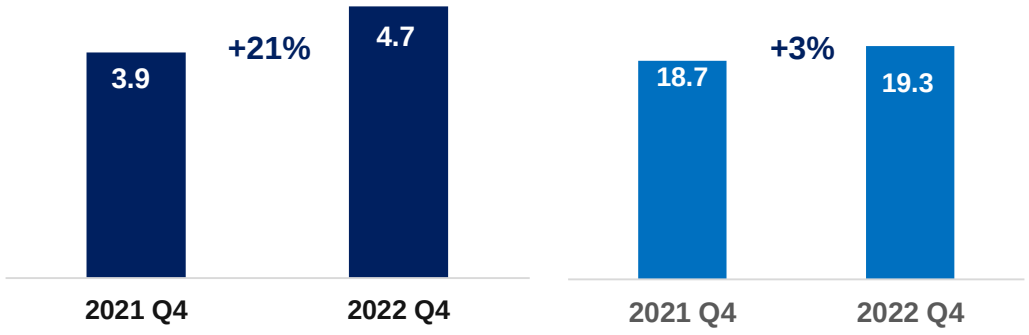
Digital Active Customer

Digital Active customer number and login frequency per customer have increased

Digital active customer increase

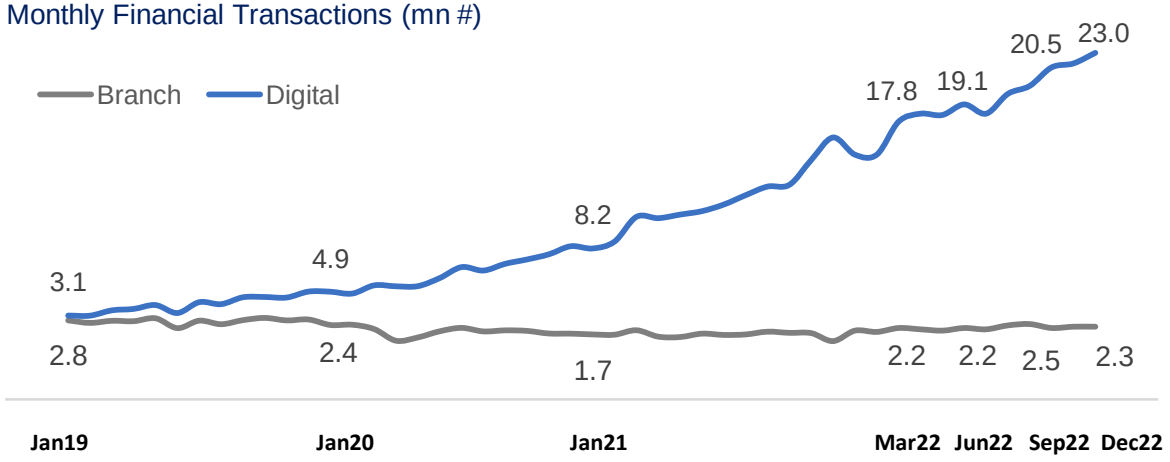
= 4.7 mn

Login frequency per month increase



95% Of all financial transactions held on non-branch channels

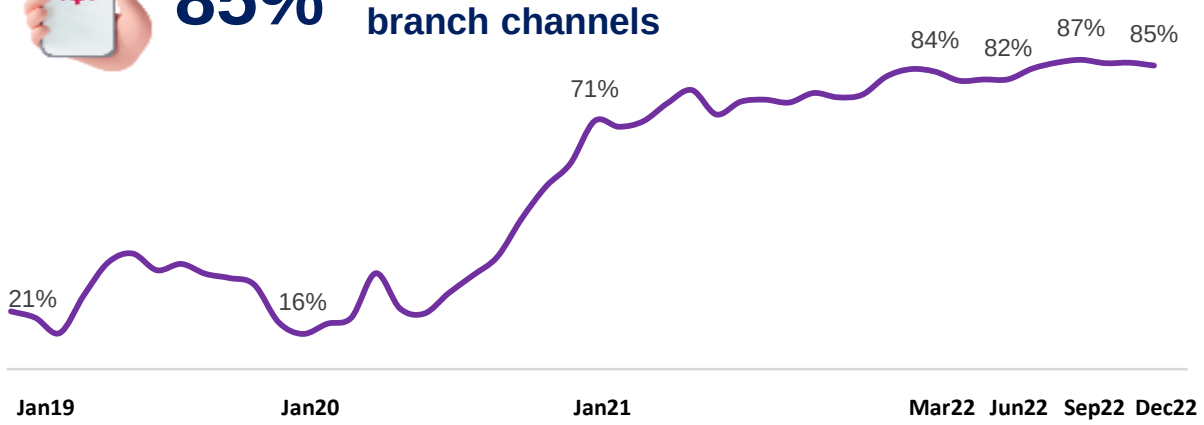
Monthly Financial Transactions (mn #)



Digital Sales

		2021 Q4		2022 Q4
GPL	# of Product Sales Per 100K Login	89.3	2.1x →	184.2
	Digital % Among Total Sales	38.6%	1.8x →	68.1%
Retail Credit Cards	# of Product Sales Per 100K Login	38.7	0.7x →	28.3
	# of Digital Total Sales	231 K	1.4x →	331 K

85% Of GPLs were allocated via non-branch channels



GPLs and card loans are included

Appendix

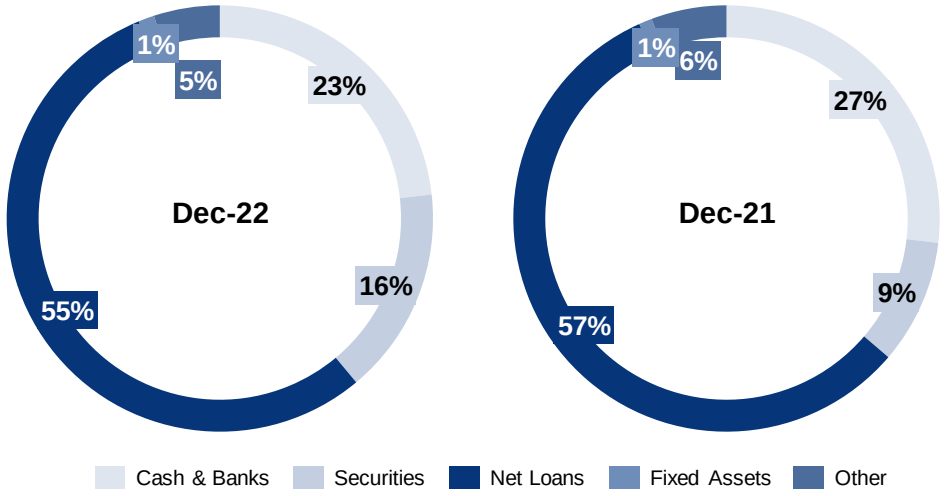
Consolidated BRSA balance sheet

Assets (TL mn)	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Share	ΔYoY
Cash & Banks	**106,173**	**107,576**	**123,263**	**147,913**	**145,042**	**23.2%**	**37%**
Securities	**37,438**	**55,194**	**68,479**	**84,091**	**98,397**	**15.7%**	**163%**
TL	10,317	19,302	30,678	44,580	53,749	8.6%	421%
FX (USD mn)	2,035	2,452	2,269	2,134	2,388	7.1%	17%
Net Loans[1]	**225,726**	**250,873**	**292,680**	**327,212**	**342,781**	**54.8%**	**52%**
TL	104,842	116,481	143,825	168,430	192,367	30.8%	83%
FX (USD mn)	9,069	9,182	8,934	8,574	8,044	24.1%	-11%
Gross Loans[1]	***251,519***	***278,911***	***320,490***	***354,862***	***374,190***	***59.9%***	***49%***
TL	*122,543*	*135,100*	*162,291*	*186,513*	*208,927*	*33.4%*	*70%*
FX (USD mn)	*9,676*	*9,825*	*9,495*	*9,091*	*8,838*	*26.4%*	*-9%*
Loan Loss Provision	***25,793***	***28,039***	***27,809***	***27,650***	***31,409***	***5.0%***	***22%***
Fixed Assets	**2,741**	**2,989**	**3,155**	**3,788**	**4,358**	**0.7%**	**59%**
Other	**23,805**	**21,081**	**28,110**	**35,110**	**34,424**	**5.5%**	**45%**
Total Assets	**395,884**	**437,713**	**515,688**	**598,113**	**625,001**	**100.0%**	**58%**

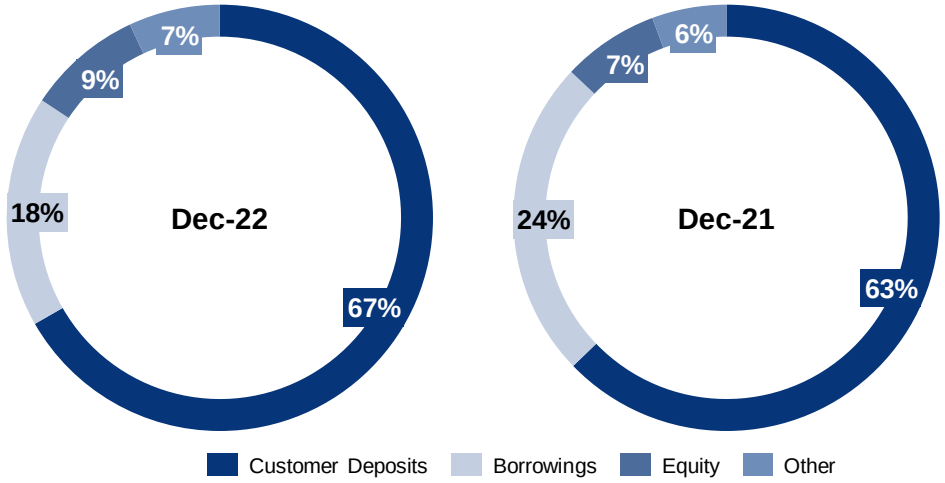
Liabilities & Equity (TL mn)	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Share	ΔYoY
Customer Deposits	**248,509**	**277,069**	**329,017**	**397,722**	**416,969**	**66.7%**	**68%**
TL	56,561	78,076	105,139	135,909	166,057	26.6%	194%
FX (USD mn)	14,401	13,595	13,437	14,138	13,419	40.1%	-7%
Demand Deposits	***94,216***	***102,006***	***121,043***	***143,658***	***149,818***	***35.9%***	***59%***
TL	*12,792*	*15,403*	*19,309*	*23,365*	*27,298*	*16.4%*	*113%*
FX (USD mn)	*6,109*	*5,917*	*6,106*	*6,496*	*6,552*	*48.8%*	*7%*
Time Deposits	***154,293***	***175,063***	***207,973***	***254,064***	***267,151***	***64.1%***	***73%***
TL	*43,770*	*62,672*	*85,830*	*112,545*	*138,759*	*83.6%*	*217%*
FX (USD mn)	*8,292*	*7,678*	*7,331*	*7,642*	*6,866*	*51.2%*	*-17%*
Borrowings	**95,940**	**101,955**	**111,150**	**110,435**	**109,862**	**17.6%**	**15%**
Securities Issued	*10,394*	*8,871*	*7,405*	*7,904*	*8,799*	*1.4%*	*-15%*
Funds Borrowed	*48,856*	*50,178*	*53,338*	*52,584*	*50,582*	*8.1%*	*4%*
Repo	*8,048*	*11,802*	*16,520*	*12,778*	*13,482*	*2.2%*	*68%*
Sub Debt	*10,485*	*11,474*	*12,931*	*14,240*	*14,561*	*2.3%*	*39%*
Bank Deposits	*18,157*	*19,630*	*20,956*	*22,930*	*22,438*	*3.6%*	*24%*
Other	**22,387**	**25,474**	**35,777**	**42,462**	**43,308**	**6.9%**	**93%**
Equity	**29,048**	**33,215**	**39,745**	**47,494**	**54,863**	**8.8%**	**89%**
Total Liabilities & Equity	**395,884**	**437,713**	**515,688**	**598,113**	**625,001**	**100.0%**	**58%**

[1] Includes leasing and factoring receivables, FX indexed loans are included in FX loans

Share in Total Assets, %



Share in Total Liabilities and Equity, %



Consolidated BRSA income statement

Income Statements (TL mn)	Q4-21	Q1-22	Q2-22	Q3-22	Q4-22	∆QoQ	∆YoY	FY-21	FY-22	∆YoY
Net Interest Income[1]	3,230	4,239	6,203	7,809	11,607	**49%**	**259%**	10,037	29,857	**197%**
Non-funded Income	3,652	3,264	4,951	4,740	3,437	**-27%**	**-6%**	8,573	16,392	**91%**
Net Fees and Commissions	*1,174*	*1,206*	*1,495*	*1,837*	*2,081*	***13%***	***77%***	*4,163*	*6,620*	***59%***
Trading and FX Gains/Losses [1]	*2,167*	*1,828*	*2,697*	*2,519*	*487*	***-81%***	***-78%***	*3,547*	*7,530*	***112%***
Other Income	*311*	*230*	*759*	*384*	*869*	***126%***	***179%***	*863*	*2,242*	***160%***
Total Operating Income	**6,882**	**7,503**	**11,154**	**12,549**	**15,044**	**20%**	**119%**	**18,610**	**46,249**	**149%**
Operating Expenses	-1,812	-2,628	-2,010	-2,762	-3,730	**35%**	**106%**	-6,084	-11,130	**83%**
HR Expenses	*-742*	*-963*	*-1,006*	*-1,385*	*-1,630*	**18%**	**120%**	*-2,616*	*-4,984*	***91%***
Non-HR Expenses	*-1,071*	*-1,665*	*-1,004*	*-1,377*	*-2,100*	***53%***	***96%***	*-3,468*	-6,146	***77%***
Pre-provision operating profit	**5,069**	**4,875**	**9,144**	**9,787**	**11,313**	**16%**	**123%**	**12,526**	**35,119**	**180%**
Net expected credit loss	-4,448	-1,868	1,515	-2,725	-3,899	**43%**	**-12%**	-7,572	-6,976	**-8%**
Stage 1	*-1,145*	*-503*	*639*	*-730*	*-658*	***-10%***	***-43%***	*-1,512*	-1,252	***-17%***
Stage 2	*-2,086*	*-630*	*1,642*	*-1,448*	*973*	***-167%***	***-147%***	*-3,258*	536	***-116%***
Stage 3	*-1,218*	*-734*	*-766*	*-546*	*-4,214*	***672%***	***246%***	*-2,803*	-6,260	***123%***
Other Provisions	-156	16	-1,466	-273	-2,725	***898%***	***1646%***	-297	-4,447	**1397%**
Net Operating Profit	**465**	**3,024**	**9,193**	**6,789**	**4,689**	**-31%**	**909%**	**4,657**	**23,696**	**409%**
Tax	-56	-464	-2,544	-1,709	-1,652	**-3%**	**2873%**	-1,117	-6,370	**470%**
Net Profit	**409**	**2,560**	**6,649**	**5,080**	**3,037**	**-40%**	**642%**	**3,540**	**17,326**	**389%**

[1] Swap adjusted

Consolidated BRSA key financial ratios

Asset Quality	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	∆QoQ	∆YoY
NPL Ratio	6.6%	6.2%	5.6%	4.2%	4.7%	**+0.6 pp**	**-1.9 pp**
NPL Coverage	71.0%	72.1%	72.4%	71.4%	78.9%	**+7.5 pp**	**+7.9 pp**
Total NPL Coverage[1]	163.7%	171.6%	163.6%	204.7%	193.8%	**-10.9 pp**	**+30.1 pp**
Stage 2 Coverage	30.5%	30.6%	29.4%	31.2%	31.8%	**+0.6 pp**	**+1.4 pp**
Total Coverage[2]	10.8%	10.7%	9.2%	8.6%	9.2%	**+0.6 pp**	**-1.6 pp**
Cost of Risk[3]	3.7%	2.9%	0.3%	1.4%	2.2%	**+0.8 pp**	**-1.5 pp**

Profitability - YtD	Q4-21	Q1-22	Q2-22	Q3-22	Q4-22	∆QoQ	∆YoY
NIM[4] - Quarterly	4.0%	4.5%	5.6%	6.0%	8.1%	**+2.1 pp**	**+4.1 pp**
Cost / Income	32.7%	35.0%	24.9%	23.7%	24.1%	**+0.4 pp**	**-8.6 pp**
RoAA	1.2%	2.5%	4.1%	3.9%	3.4%	**-0.6 pp**	**+2.2 pp**
RoAE	13.9%	33.3%	54.6%	51.1%	42.4%	**-8.7 pp**	**+28.5 pp**

Capital	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	∆QoQ	∆YoY
CET 1 Ratio	11.61%	12.28%	11.41%	12.27%	13.03%	**+0.76 pp**	**+1.43 pp**
CAR	16.83%	17.54%	16.06%	16.89%	17.57%	**+0.69 pp**	**+0.74 pp**

Funding and Liquidity	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	∆QoQ	∆YoY
Loans/ Customer Deposits	90.8%	90.5%	89.0%	82.3%	82.2%	**-0.1 pp**	**-8.6 pp**
TL Loans/ TL Customer Deposits	185.4%	149.2%	136.8%	123.9%	115.8%	**-8.1 pp**	**-69.5 pp**
FX Loans/ FX Customer Deposits	63.0%	67.5%	66.5%	60.6%	59.9%	**-0.7 pp**	**-3.0 pp**
Cust. Deposits / Total Funding	72.1%	73.1%	74.7%	78.3%	79.1%	**+0.9 pp**	**+7.0 pp**

[1] Provisions for expected credit loss including non-cash loan provisions / NPL

[2] Provisions for expected credit loss including non-cash loan provisions / Total loans including leasing and factoring receivables

[3] Net Expected Credit Loss / Avg. Total Loans

[4] Swap adjusted

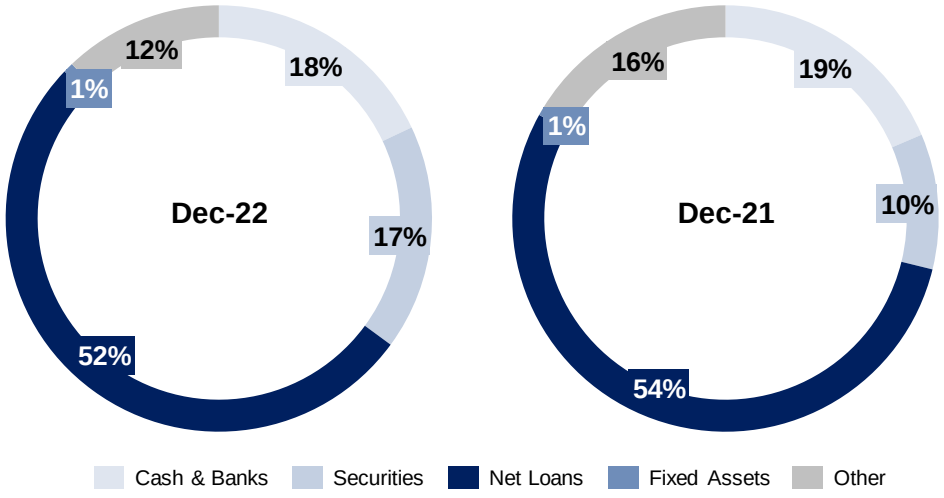
Standalone BRSA balance sheet

Assets (TL mn)	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Share	ΔYoY
Cash & Banks	**57,339**	**63,541**	**72,065**	**101,248**	**94,602**	**18.0%**	**65%**
Securities	**31,699**	**49,829**	**61,667**	**76,304**	**90,035**	**17.1%**	**184%**
TL	10,264	19,365	30,838	44,040	52,780	10.0%	414%
FX (USD mn)	1,608	2,081	1,850	1,742	1,992	7.1%	24%
Net Loans[1]	**167,433**	**189,280**	**227,515**	**259,426**	**273,839**	**52.0%**	**64%**
TL	104,291	112,998	140,368	166,149	186,384	35.4%	79%
FX (USD mn)	4,737	5,212	5,230	5,037	4,677	16.6%	-1%
Gross Loans[1]	***189,321***	***212,650***	***251,470***	***282,835***	***301,068***	***57.2%***	***59%***
TL	*121,514*	*131,159*	*158,367*	*183,774*	*202,503*	*38.5%*	*67%*
FX (USD mn)	*5,087*	*5,567*	*5,588*	*5,349*	*5,271*	*18.7%*	*4%*
Loan Loss Provision	***21,888***	***23,370***	***23,955***	***23,409***	***27,229***	***5.2%***	***24%***
Fixed Assets	**1,145**	**1,137**	**1,160**	**1,179**	**1,469**	**0.3%**	**28%**
Other	**51,103**	**44,973**	**56,524**	**64,819**	**66,350**	**12.6%**	**30%**
Total Assets	**308,719**	**348,760**	**418,931**	**502,976**	**526,295**	**100.0%**	**70%**

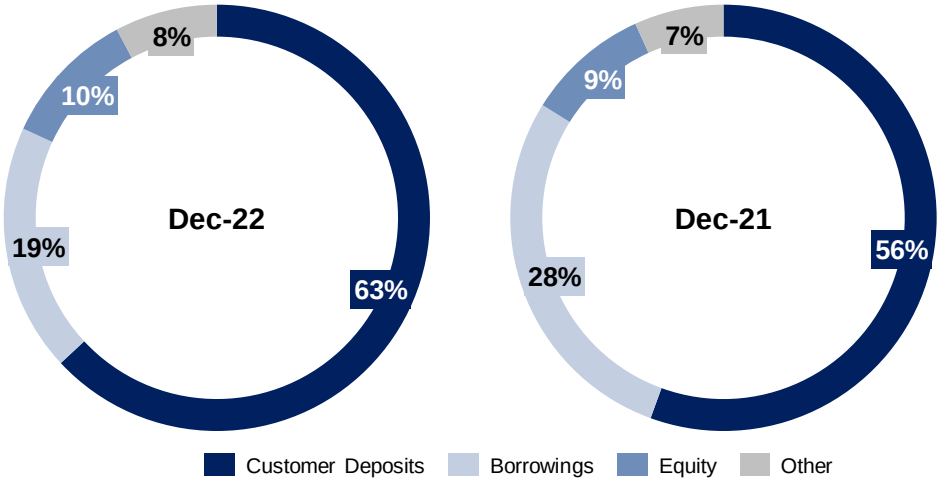
Liabilities and Equity (TL mn)	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Share	ΔYoY
Customer Deposits	**171,514**	**199,618**	**244,322**	**312,816**	**331,937**	**63.1%**	**94%**
TL	56,470	78,160	105,224	135,999	166,227	31.6%	194%
FX (USD mn)	8,631	8,298	8,349	9,548	8,862	31.5%	3%
Demand Deposits	***60,286***	***66,485***	***78,634***	***99,901***	***108,209***	***32.6%***	***79%***
TL	*12,757*	*15,430*	*19,311*	*23,366*	*27,318*	*16.4%*	*114%*
FX (USD mn)	*3,566*	*3,488*	*3,561*	*4,133*	*4,326*	*48.8%*	*21%*
Time Deposits	***111,228***	***133,133***	***165,688***	***212,915***	***223,727***	***67.4%***	***101%***
TL	*43,714*	*62,730*	*85,913*	*112,633*	*138,909*	*83.6%*	*218%*
FX (USD mn)	*5,065*	*4,810*	*4,788*	*5,415*	*4,536*	*51.2%*	*-10%*
Borrowings	**87,410**	**92,816**	**103,017**	**104,129**	**98,961**	**18.8%**	**13%**
Securities Issued	*6,589*	*4,764*	*3,093*	*2,173*	*2,241*	*0.4%*	*-66%*
Funds Borrowed	*47,228*	*48,200*	*52,206*	*51,805*	*47,977*	*9.1%*	*2%*
Repo	*7,781*	*11,419*	*15,600*	*11,947*	*12,517*	*2.4%*	*61%*
Sub Debt	*10,485*	*11,474*	*12,931*	*14,240*	*14,561*	*2.8%*	*39%*
Bank Deposits	*15,328*	*16,960*	*19,188*	*23,963*	*21,664*	*4.1%*	*41%*
Other	**20,939**	**23,314**	**32,064**	**38,790**	**40,887**	**7.8%**	**95%**
Equity	**28,857**	**33,013**	**39,528**	**47,242**	**54,511**	**10.4%**	**89%**
Total Liabilities and Equity	**308,719**	**348,760**	**418,931**	**502,976**	**526,295**	**100.0%**	**70%**

[1] FX indexed loans are included in FX loans

Share in Total Assets, %



Share in Total Liabilities and Equity, %



Standalone BRSA income statement

Income Statements (TL mn)	Q4-21	Q1-22	Q2-22	Q3-22	Q4-22	∆QoQ	∆YoY	FY-21	FY-22	∆YoY
Net Interest Income[1]	2,663	3,534	5,509	6,988	10,403	**49%**	**291%**	8,073	26,433	**227%**
Non-funded Income	3,316	2,831	4,106	3,902	2,321	**-41%**	**-30%**	7,481	13,160	**76%**
Net Fees and Commissions	*1,073*	*1,105*	*1,373*	*1,644*	*1,736*	***6%***	***62%***	*3,805*	*5,857*	***54%***
Trading and FX Gains/Losses [1]	*2,047*	*1,635*	*2,226*	*2,116*	*333*	***-84%***	***-84%***	*3,275*	*6,310*	***93%***
Other Income	*195*	*91*	*507*	*142*	*253*	***78%***	***30%***	*401*	*993*	***148%***
Total Operating Income	**5,979**	**6,365**	**9,614**	**10,890**	**12,724**	**17%**	**113%**	**15,553**	**39,593**	**155%**
Operating Expenses	-1,542	-2,158	-1,814	-2,375	-3,376	**42%**	**119%**	-5,141	-9,723	**89%**
HR Expenses	*-600*	*-792*	*-827*	*-1,164*	*-1,383*	**19%**	**130%**	*-2,153*	*-4,166*	***93%***
Non-HR Expenses	*-942*	*-1,366*	*-987*	*-1,211*	*-1,992*	***65%***	***111%***	*-2,987*	-5,556	***86%***
Pre-provision operating profit	**4,436**	**4,207**	**7,800**	**8,515**	**9,348**	**10%**	**111%**	**10,413**	**29,871**	**187%**
Net expected credit loss	-3,671	-1,348	583	-2,493	-3,463	**39%**	**-6%**	-6,784	-6,721	**-1%**
Stage 1	*-774*	*-316*	*189*	*-528*	*-236*	***-55%***	***-69%***	*-1,357*	-891	***-34%***
Stage 2	*-1,746*	*-305*	*1,283*	*-1,389*	*1,043*	***-175%***	***-160%***	*-2,859*	632	***-122%***
Stage 3	*-1,151*	*-727*	*-889*	*-576*	*-4,270*	***642%***	***271%***	*-2,568*	-6,462	***152%***
Other Provisions	-153	34	-1,463	-290	-2,719	***837%***	***1679%***	-287	-4,440	**1449%**
Net Operating Profit	**612**	**2,893**	**6,920**	**5,732**	**3,166**	**-45%**	**417%**	**3,342**	**18,710**	**460%**
Tax	-115	-312	-2,123	-1,491	-1,501	**1%**	**1209%**	-868	-5,427	**525%**
Net Profit	**416**	**2,550**	**6,638**	**5,045**	**2,940**	**-42%**	**607%**	**3,547**	**17,173**	**384%**

[1] Swap adjusted

Standalone BRSA key financial ratios

Asset Quality	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	∆QoQ	∆YoY
NPL Ratio	8.0%	7.5%	6.7%	4.8%	5.5%	**+0.7 pp**	**-2.5 pp**
NPL Coverage	71.0%	72.1%	72.4%	71.3%	79.9%	**+8.6 pp**	**+8.9 pp**
Total NPL Coverage[1]	153.5%	158.4%	152.5%	192.0%	181.3%	**-10.7 pp**	**+27.8 pp**
Stage 2 Coverage	28.9%	28.9%	28.2%	30.1%	29.6%	**-0.4 pp**	**+0.8 pp**
Total Coverage[2]	12.3%	11.9%	10.2%	9.2%	10.0%	**+0.8 pp**	**-2.3 pp**
Cost of Risk[3]	4.4%	2.7%	0.7%	1.9%	2.7%	**+0.9 pp**	**-1.7 pp**

Profitability - YtD	Q4-21	Q1-22	Q2-22	Q3-22	Q4-22	∆QoQ	∆YoY
NIM[4] - Quarterly	4.7%	5.2%	6.8%	7.0%	9.3%	**+2.3 pp**	**+4.7 pp**
Cost / Income	33.1%	33.9%	24.9%	23.6%	24.6%	**+0.9 pp**	**-8.5 pp**
RoAA	1.5%	3.1%	5.2%	4.8%	4.1%	**-0.7 pp**	**+2.6 pp**
RoAE	14.1%	33.4%	54.8%	51.2%	42.3%	**-8.9 pp**	**+28.2 pp**

Capital	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	∆QoQ	∆YoY
CET 1 Ratio	12.52%	13.43%	12.64%	13.31%	14.12%	**+0.81 pp**	**+1.60 pp**
CAR	17.88%	18.88%	17.50%	18.21%	18.94%	**+0.73 pp**	**+1.06 pp**

Funding and Liquidity	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	∆QoQ	∆YoY
Loans/ Customer Deposits	97.6%	94.8%	93.1%	82.9%	82.5%	**-0.4 pp**	**-15.1 pp**
TL Loans/ TL Customer Deposits	184.7%	144.6%	133.4%	122.2%	112.1%	**-10.0 pp**	**-72.6 pp**
FX Loans/ FX Customer Deposits	54.9%	62.8%	62.7%	52.8%	52.8%	**+0.0 pp**	**-2.1 pp**
Cust. Deposits / Total Funding	66.2%	68.3%	70.3%	75.0%	77.0%	**+2.0 pp**	**+10.8 pp**

[1] Provisions for expected credit loss including non-cash loan provisions / NPL

[2] Provisions for expected credit loss including non-cash loan provisions / Total loans

[3] Net Expected Credit Loss / Avg. Total Loans

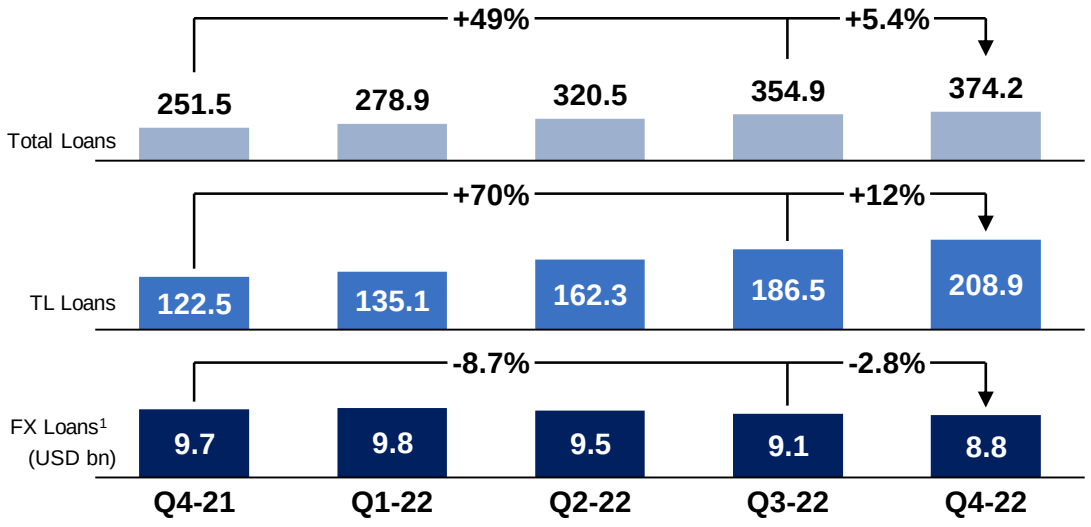
[4] Swap adjusted

Loan and Deposit Trends

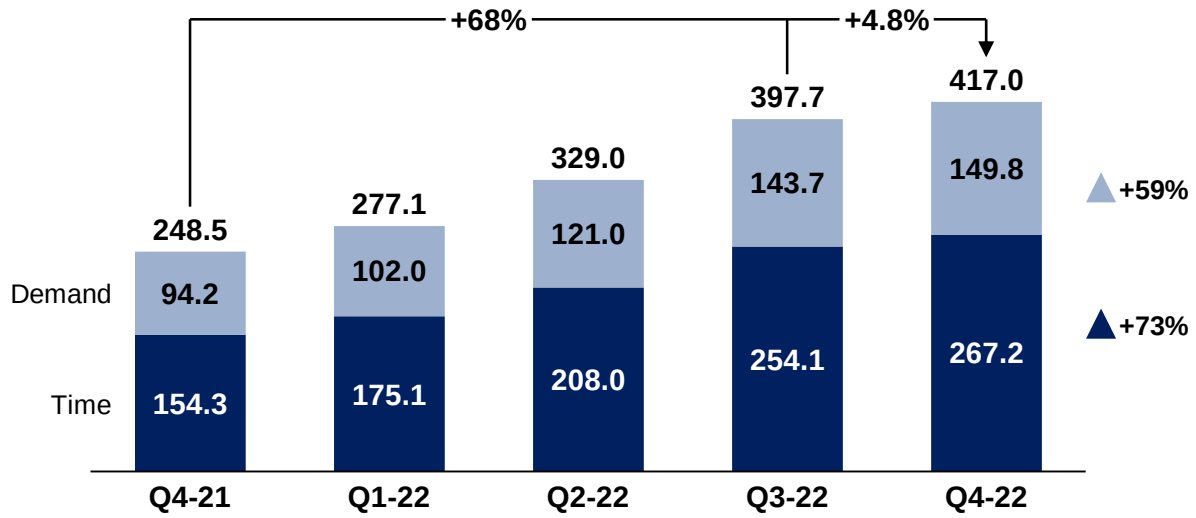
Highlights

- Gross TL loans expanded by 70% y-o-y, mainly driven by growth in SME, credit card, consumer and other TL-based loans.
- Gross FX loans (44% of total) contracted by 8.7% y-o-y in USD terms, due to shrinkage in corporate lending. When expressed in TL terms, FX Loans display 28% y-o-y increases.
- Having also been affected by the introduction of FX-protected TL deposit scheme, TL customer deposits grew by 194% y-o-y, reaching its share to 40% from 23% in total deposits at FY-21, while FX customer deposits (60% of total) were declining by 6.8% y-o-y in USD terms.
- Demand deposits soared by 59% y-o-y, largely backed by TL demand deposit.
- Time deposits, making up 64% of total deposits, grew by 73% y-o-y.

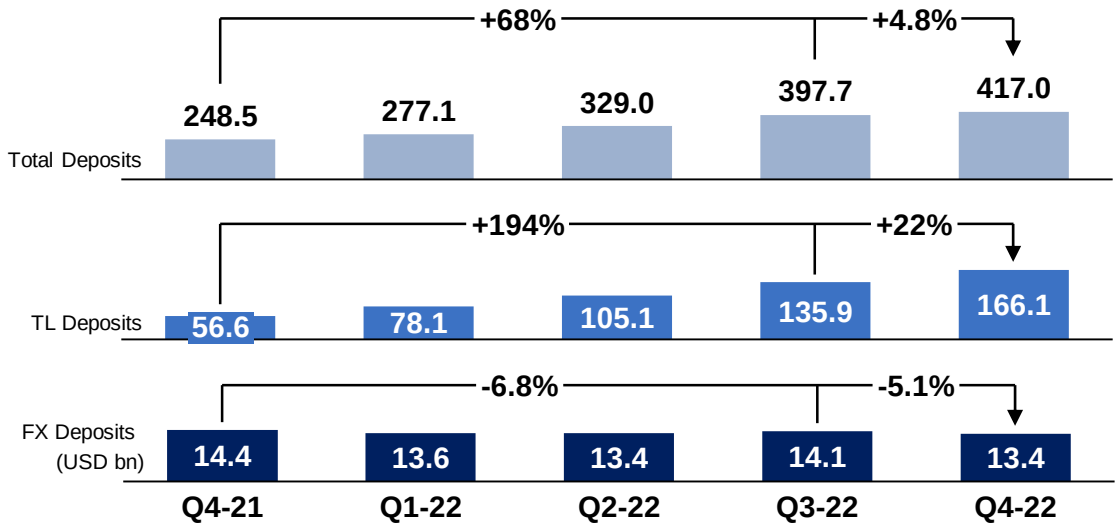
Trend in Gross Loans by Currency (TL bn)



Trend in Deposits by Maturity (TL bn)



Trend in Deposits by Currency (TL bn)



"CREATE OPPORTUNITIES TO PROSPER"

Get in touch.

INVESTOR RELATIONS

DenizBank A.Ş. Head Office

Buyukdere Cad. No:141 PO Box 34394

Istanbul , TURKEY

investorrelations@denizbank.com

Tel: +90 212 348 20 20

For visiting our website,
please follow the QR code: