Bank of the Year 2021
The Banker

DenizBank

Results Presentation
Q4 2021

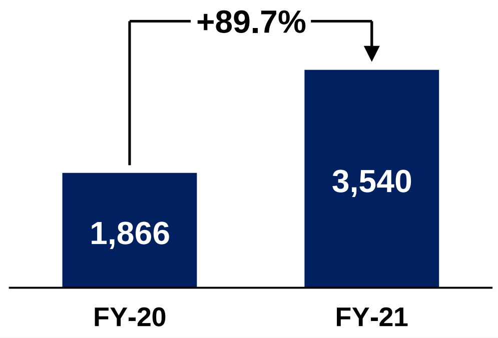
"CREATE OPPORTUNITIES TO PROSPER"

ENBD

DenizBank

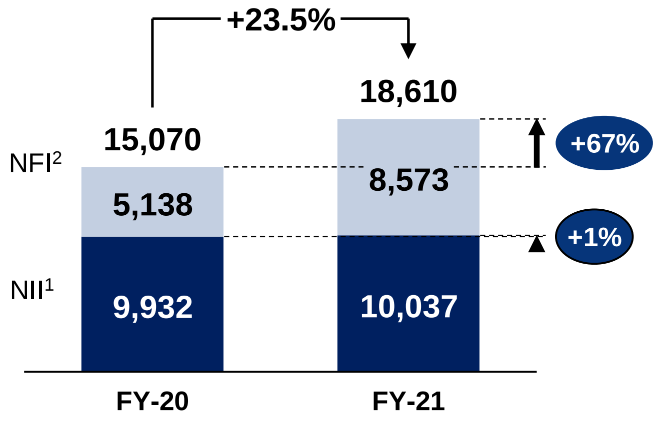
Net profit surged by 90% in 2021, with sustained prudence in provisioning

Net Profit (TL mn)



ROAE	8.9%	13.9%

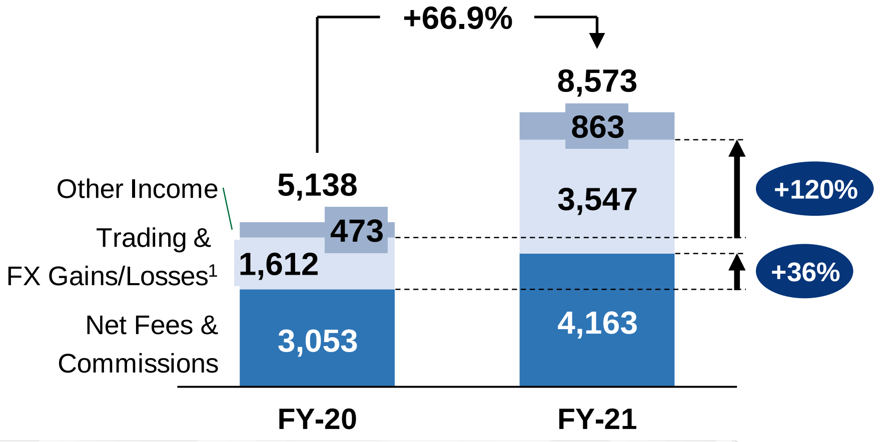
Total Income (TL mn)



NIM[1]	4.3%	3.5%

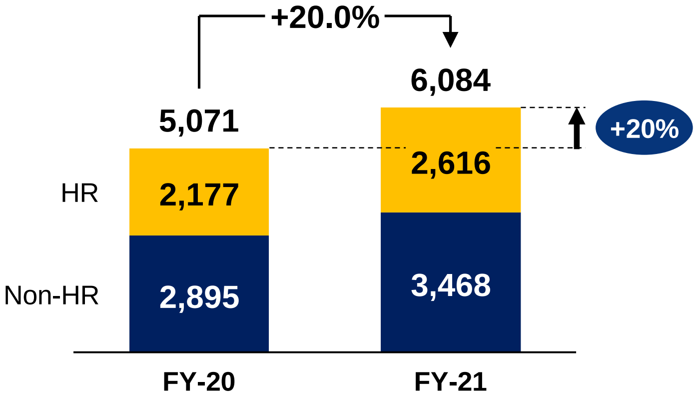
*** Includes TL 2.949 mn swap costs (FY-20: TL 1.041 mn)**

Non-Funded Income[2] (TL mn)



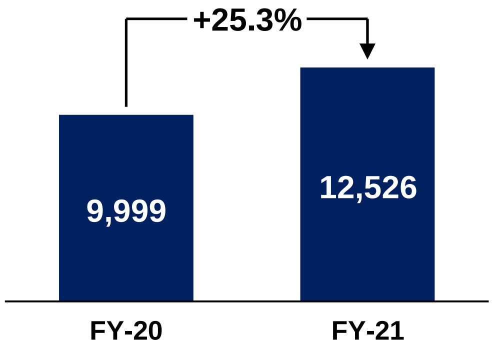
Fee & Comm / OPEX	60%	68%

Operating Expenses (TL mn)

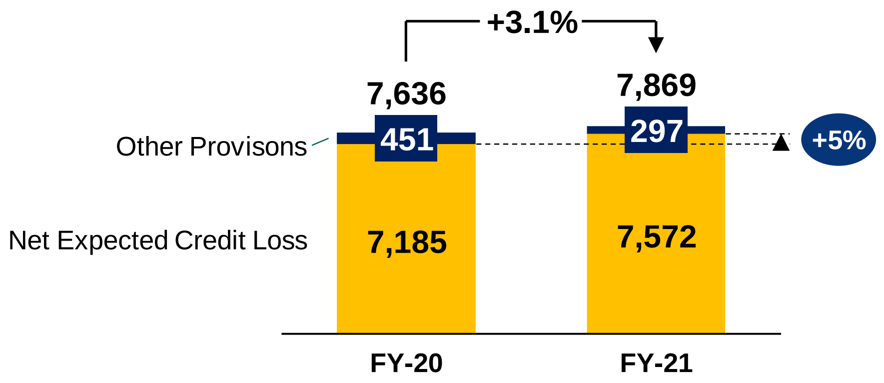


CIR	33.7%	32.7%

Pre-provision Operating Profit (TL mn)



Total Provisions (TL mn)



CoR[3]	4.1%	3.7%
Total Coverage[4]	9.4%	10.8%
Total NPL Coverage[5]	133.8%	163.7%

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

FY 2021 Financial Results Highlights

TL million	FY-21	FY-20	Better / (Worse)
Net interest income[1]	10,037	9,932	1.1%
Non-funded income	8,573	5,138	66.9%
Net Fees & Commissions	*4,163*	*3,053*	*36.4%*
Trading & FX Gains/Losses[1]	*3,547*	*1,612*	*120.0%*
Other Income	*863*	*473*	*82.5%*
Total income	**18,610**	**15,070**	**23.5%**
Operating expenses	(6,084)	(5,071)	(20.0%)
Pre-provision operating profit	**12,526**	**9,999**	**25.3%**
Total provisions	(7,869)	(7,636)	(3.1%)
Net expected credit loss	*(7,572)*	*(7,185)*	*(5.4%)*
Other provisions	*(297)*	*(451)*	*34.2%*
Operating profit	**4,657**	**2,363**	**97.1%**
Taxation charge	(1,117)	(497)	(124.7%)
Net profit	**3,540**	**1,866**	**89.7%**
Cost: income ratio	32.7%	33.7%	1.0%
Net interest margin[1]	3.5%	4.3%	(0.8%)

[1] Swap adjusted

- Superior FY-21 results with a 90% y-o-y hike in net profit
  - Operating profit jumped 97% y-o-y
- Net interest income[1] increased 1% due to elevated swap costs
- Net fees and commissions income grew 36% y-o-y,
  - thanks mainly to improved payment systems performance on the back of revived activity and higher interchange rates
- Boosted net derivative income was the main contributor to the 67% y-o-y growth in non-funded income, and the consequent 23% y-o-y rise in total income
- Successful expense-control yielded a slightly better C/I ratio of 33%, despite upward pressures on costs from inflation and TL's depreciation
- Ongoing CoR improvement lost pace in Q4, as a result of adverse economic conditions:
  - 5% y-o-y increase in net expected credit loss stems largely from provisioning on Stage 1 & 2 portfolios

Q4 2021 Financial Results Highlights

TL million	Q4-21	Q4-20	Better / (Worse)	Q3-21	Better / (Worse)
Net interest income[1]	3,230	2,301	40.4%	2,600	24.2%
Non-funded income	3,652	1,111	228.7%	1,379	164.9%
Net Fees & Commissions	1,174	730	60.9%	1,008	16.5%
Trading & FX Gains/Losses[1]	2,167	167	1198.7%	180	1100.9%
Other Income	311	215	45.0%	190	63.5%
Total income	**6,882**	**3,412**	**101.7%**	**3,979**	**73.0%**
Operating expenses	(1,812)	(1,468)	(23.5%)	(1,404)	(29.1%)
Pre-provision operating profit	**5,069**	**1,944**	**160.8%**	**2,575**	**96.8%**
Total provisions	(4,604)	(1,770)	(160.1%)	(1,068)	(331.0%)
Net expected credit loss	(4,448)	(1,583)	(180.9%)	(1,046)	(325.4%)
Other provisions	(156)	(187)	16.4%	(23)	(590.1%)
Operating profit	**465**	**174**	**167.7%**	**1,507**	**(69.2%)**
Taxation charge	(56)	82	167.5%	(399)	86.1%
Net profit	**409**	**256**	**59.9%**	**1,108**	**(63.1%)**
Cost: income ratio	26.3%	43.0%	16.7%	35.3%	8.9%
Net interest margin[2]	4.0%	3.7%	0.3%	3.7%	0.3%

[1] Swap adjusted

- Outstanding Q4-21 bottom-line performance with net profit increasing 60% y-o-y
  - Operating profit grew by a substantial 168% y-o-y
- Total income rose significantly, by 73% q-o-q, with contributions from both net interest income and non-funded income
- Better q-o-q performance in net interest income despite elevated swap costs was due to enhanced income generation from retail loans
- Net fees and commissions income augmented 61% y-o-y and 17% q-o-q,
  - owing largely to payment systems performance
- Q4-21 NIM advanced by 26 bps q-o-q
- Strong income generation coupled with effective cost management against both high inflation and substantial TL depreciation resulted in a significantly lower C/I ratio at 26%
- Q4-21 environment was challenging for CoR:
  - 153 bps q-o-q rise with the implementation of conservative provisioning policy on Stage 2 loans.

FY 2021 Financial Results Highlights

TL billion	Dec-21	Dec-20	%
Total Assets	**396**	**264**	**50.0%**
TL Assets	*137.4*	*109.4*	*25.7%*
FX Assets(USD bn)	*19.4*	*20.8*	*(6.9%)*
Gross loans[1]	**252**	**184**	**37.0%**
TL Loans[1]	*122.5*	*93.5*	*31.1%*
FX Loans(USD bn)[1]	*9.7*	*12.1*	*(20.3%)*
Deposits	**249**	**167**	**48.4%**
TL Deposits	*56.6*	*47.6*	*18.7%*
FX Deposits(USD bn)	*14.4*	*16.2*	*(10.8%)*
CET-1 (%)	11.6%	12.0%	(3.6%)
LDR (%)[2]	90.8%	99.9%	9.1%
NPL ratio (%)	6.6%	7.0%	0.4%
Total Coverage[3]	10.8%	9.4%	1.5%
Total NPL Coverage[4]	163.7%	133.3%	30.5%

[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

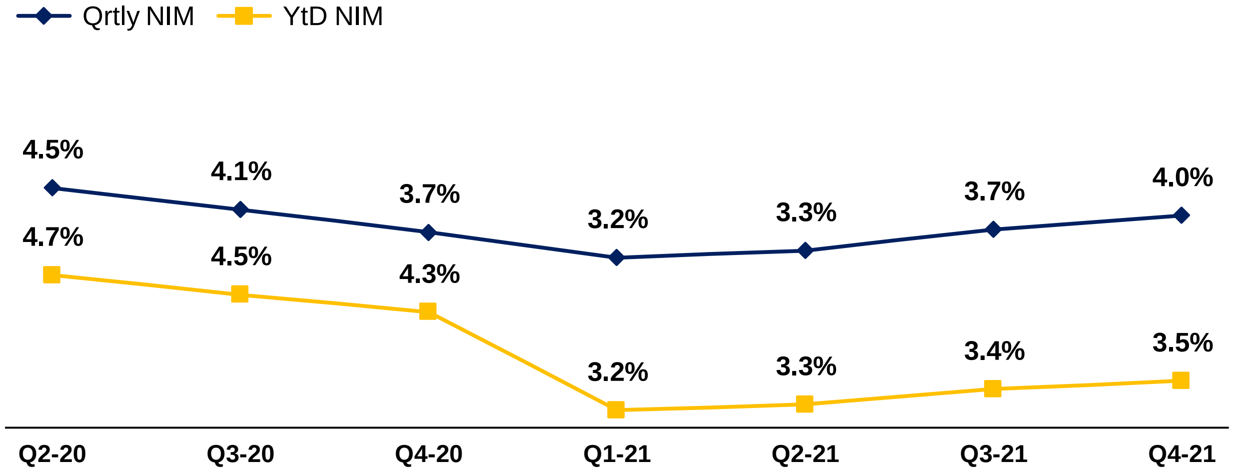
- Robust loan growth was driven by expanded TL-based retail lending
  - General Purpose Loans augmented 40% y-o-y
  - Credit card loans were up 63% y-o-y
- FY-21 NPL ratio declined to 6.6%,
  - with 41 bps y-o-y and 23 bps q-o-q improvements, owing to loan growth and higher recovery rates
  - Total NPL Coverage at 163.7% is above sector averages
- 80% y-o-y rise in demand deposits led to overall deposit growth of 48% y-o-y
- Solid solvency ratios: CAR @ 16.83% and CET 1 Ratio @ 11.61%
- LCR of 200% and LDR of 90.8% reflect maintained healthy liquidity levels

Net Interest Income

Highlights

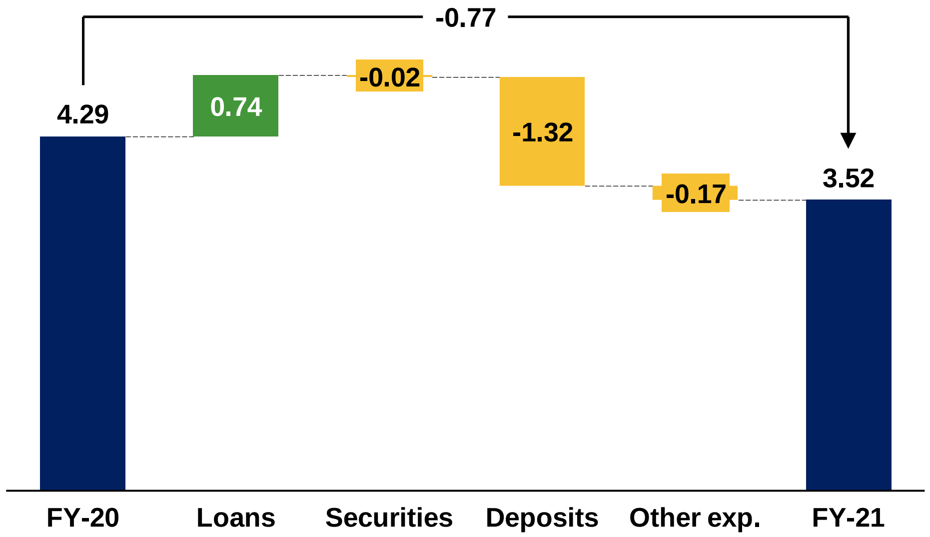
- FY-21 NIM receded to 3.5% from 4.3%, by 77 bps, upon faster repricing of funding, mainly TL deposits, in comparison with that of assets, namely TL loans.
- 26 bps q-o-q improvement in Q4-21 NIM was primarily attributable to higher contribution of lower deposit costs.

Net Interest Margin[1] (%)

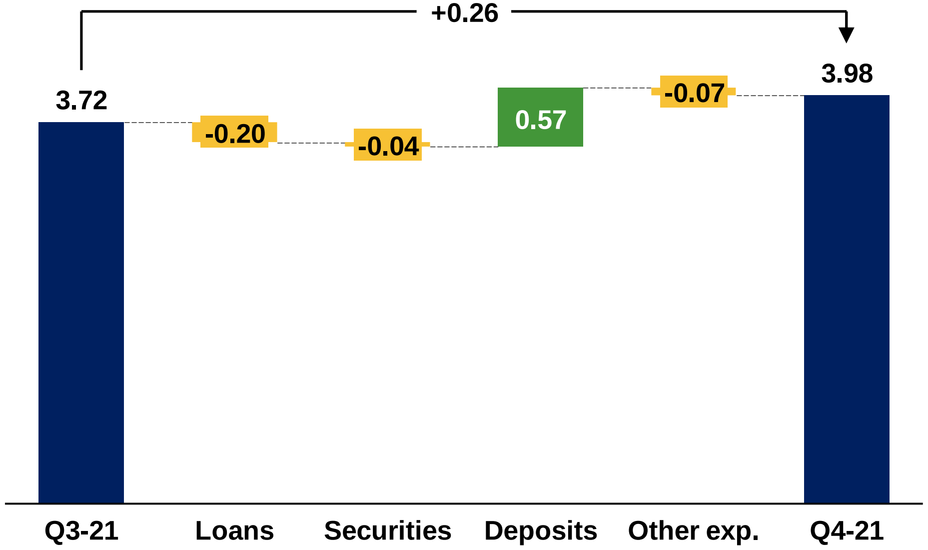


Net Interest Margin[1] Drivers (%)

FY-21 vs. FY-20



Q4-21 vs. Q3-21



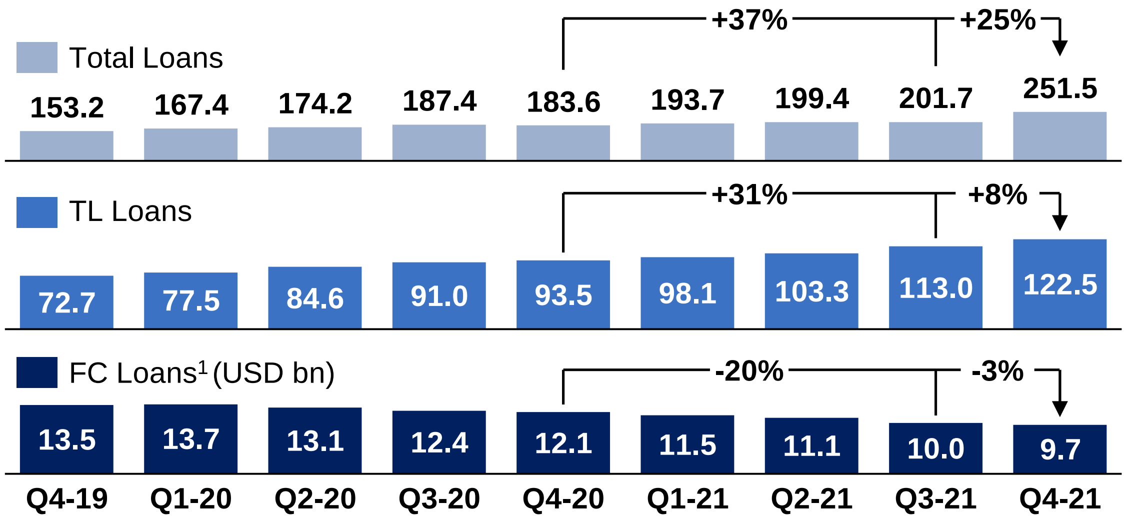
[1] Swap adjusted

Loan and Deposit Trends

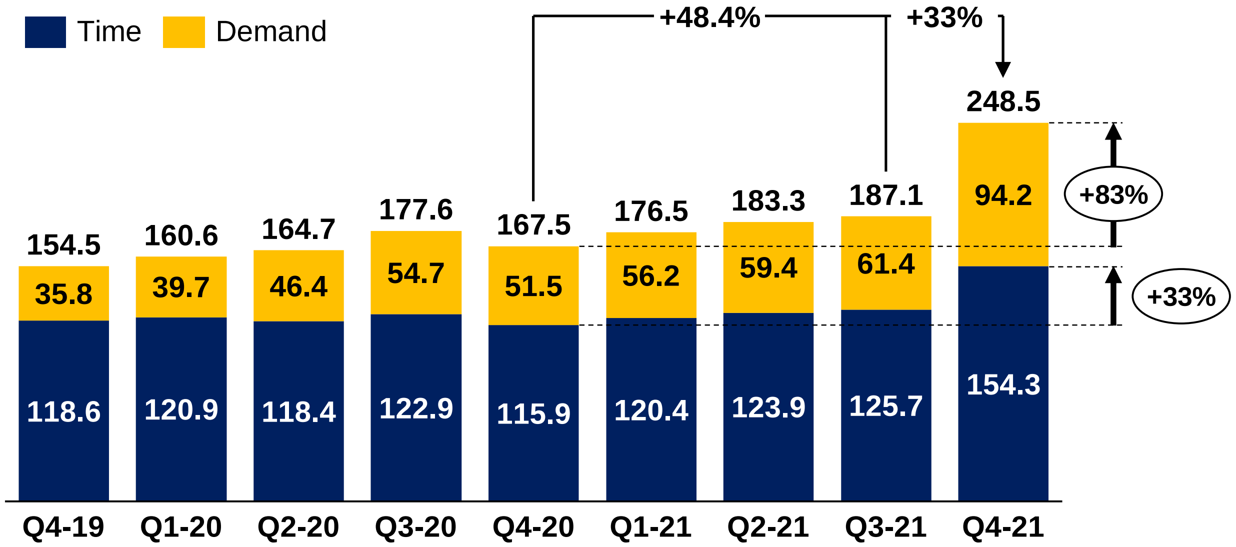
Highlights

- Gross TL loans expanded by 31.1% y-o-y and 8.4% q-o-q, mainly driven by growth in consumer and credit card loans.
- Gross FC loans (51% of total) conracted by 20.3% y-o-y and 3.2% q-o-q in USD terms, primarily due to shrinking corporate lending. On the other hand, when expressed in TL terms, FC Loans display 43.1% y-o-y and 45.4% q-o-q increases.
- TL customer deposits grew by 18.7% y-o-y, while contracting 5.8% q-o-q. FC customer deposits (77% of total) declined by 10.8% y-o-y, while increasing by 0.6% q-o-q in USD terms. On the other hand, when expressed in TL terms, FC deposits seem to have expanded by 60.2% y-o-y and 51.0% q-o-q.
- Demand deposits soared by 82.8% y-o-y and 53.5% q-o-q, largely backed by growth in FC demand deposits. The share of demand deposits in total rose to 38% from 31% as at Q4-20, contributing positively to the margins.
- Time deposits, making up 62% of total, increased by 33.1% y-o-y and 22.7% q-o-q.

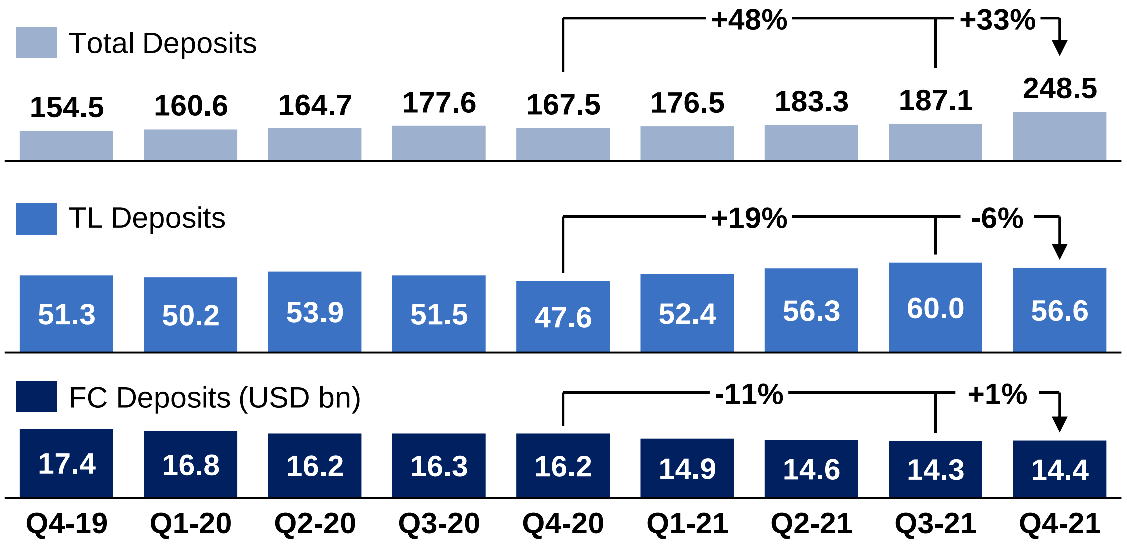
Trend in Gross Loans by Currency (TL bn)



Trend in Deposits by Maturity (TL bn)



Trend in Deposits by Currency (TL bn)

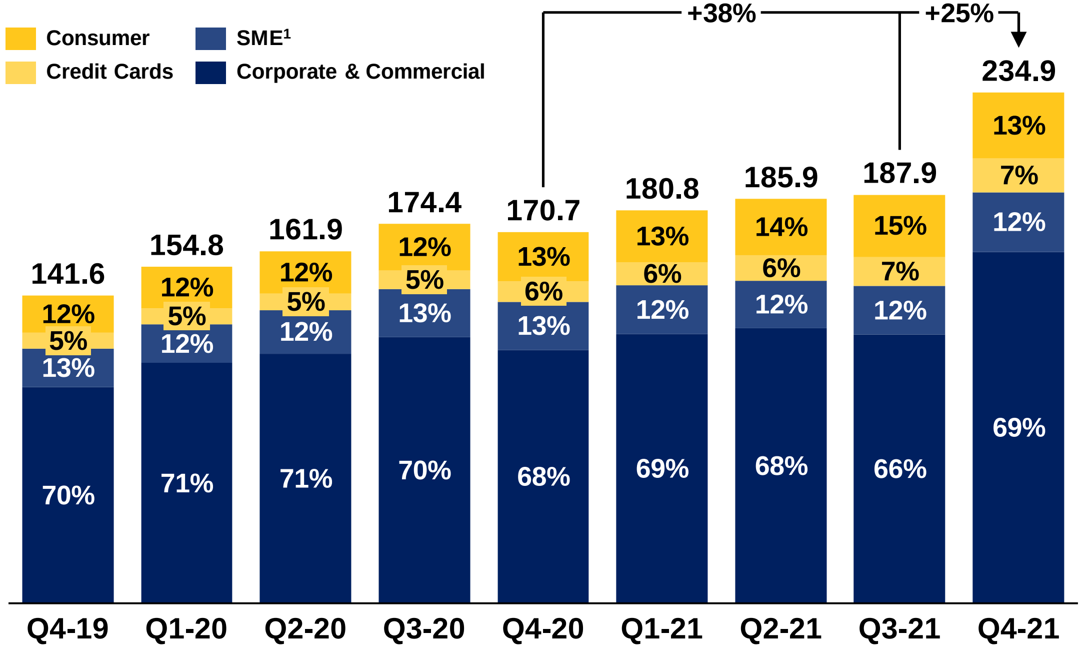


[1] Includes FC denominated loans

Performing Loans

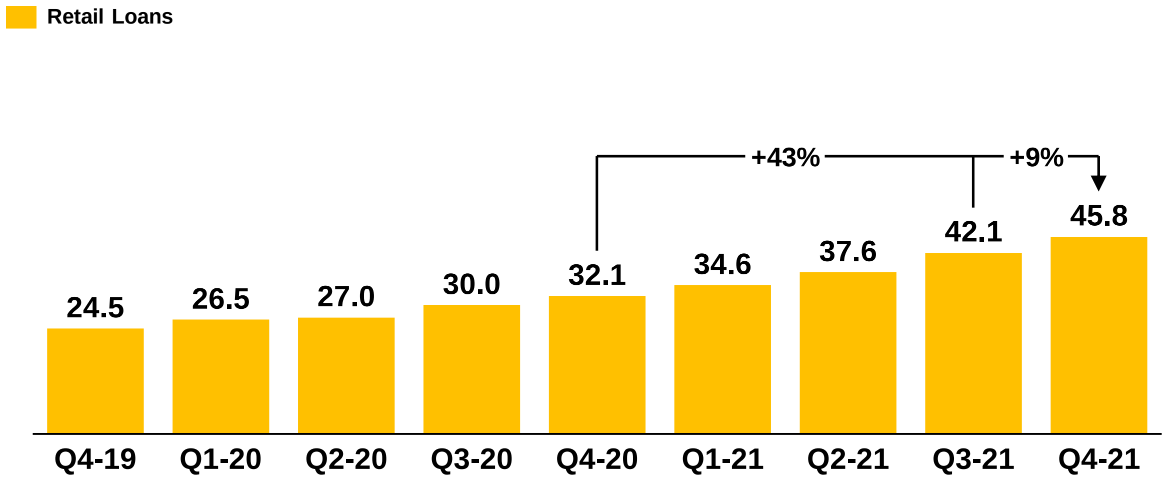
Highlights

- Y-o-Y performing loans growth of 37.6% was largely driven by retail loans growth.
- TL-denominated performing loans expanded by 26.7% y-o-y and 7.8% q-o-q.
- FX-denominated performing loans conracted by 17% y-o-y and 3% q-o-q in USD terms. When expressed in TL, they display 48.9% y-o-y and 45.5% q-o-q increases.

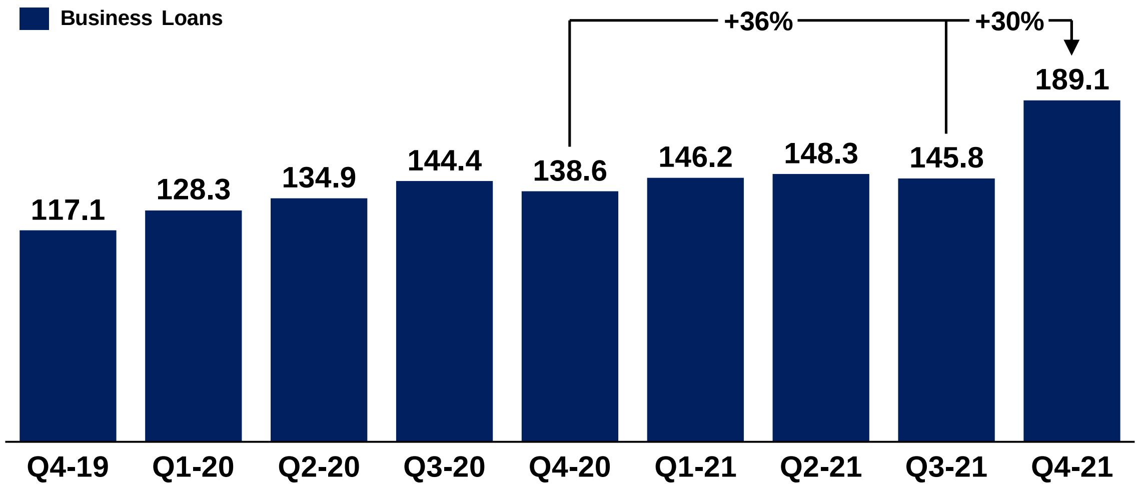


	Q4-19	Q1-20	Q2-20	Q3-20	Q4-20	Q1-21	Q2-21	Q3-21	Q4-21
% FX	54	55	52	52	49	49	48	46	53
% TL	46	45	48	48	51	51	52	54	47

Retail Loans[2] (TL bn)



Business Loans[2] (TL bn)

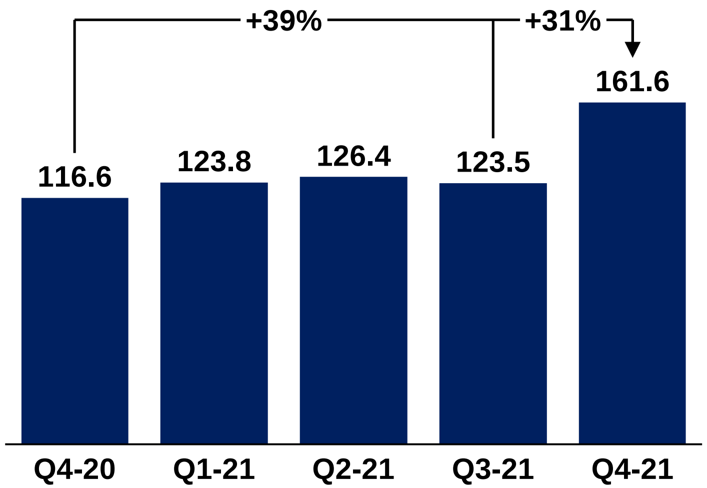


[1] BRSA SME definition: Companies with less than 200 employees and a turnover of less than TL 125 mn
[2] Retail Loans: Consumer + Credit Crad Loans   Business Loans: SME + Corporate & Commercial Loans

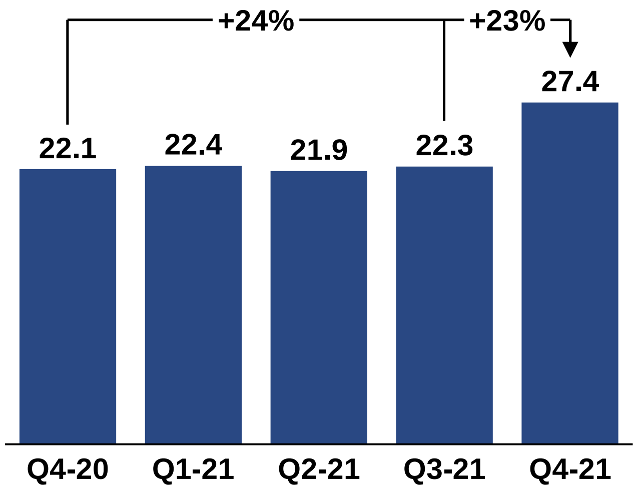
DenizBank

Performing Loans

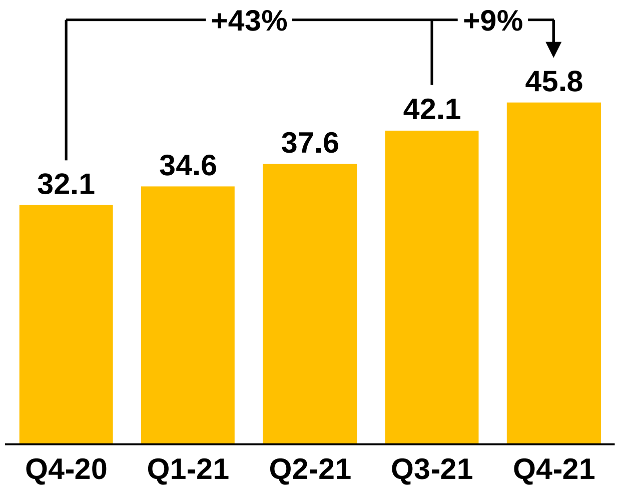
Corporate&Commercial Loans (TL bn)



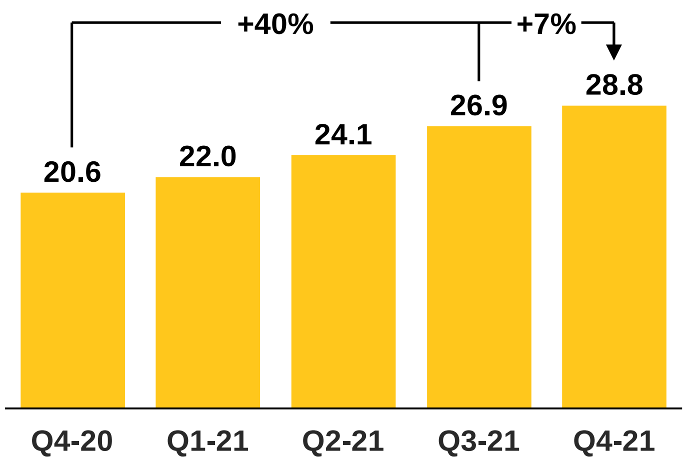
SME[1] Loans (TL bn)



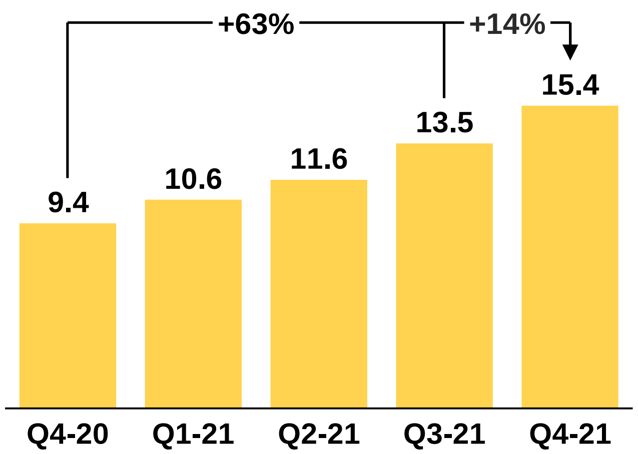
Retail Loans (TL bn)



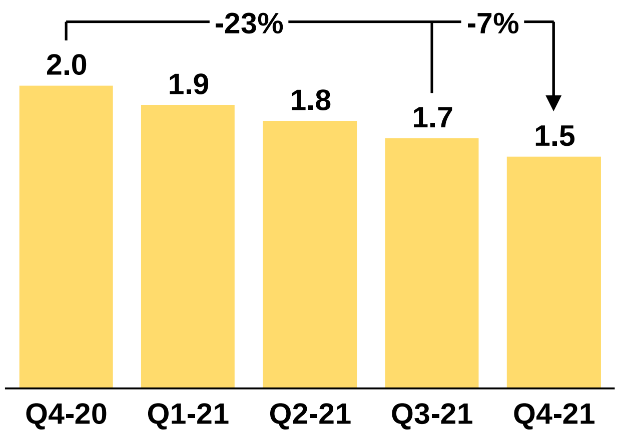
General Purpose Loans (TL bn)



Credit Card Loans (TL bn)



Mortgage Loans (TL bn)

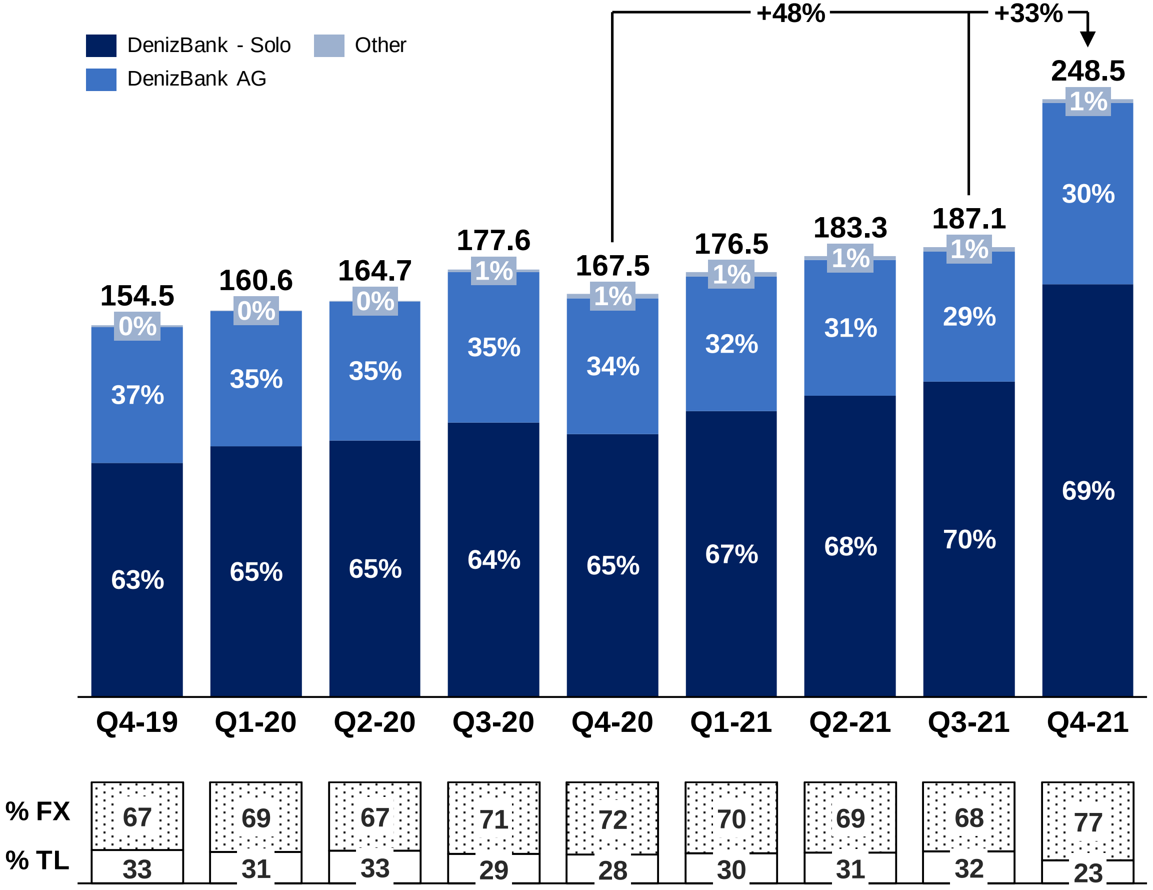


[1] BRSA SME definition: Companies with less than 200 employees and a turnover of less than TL 125 mn

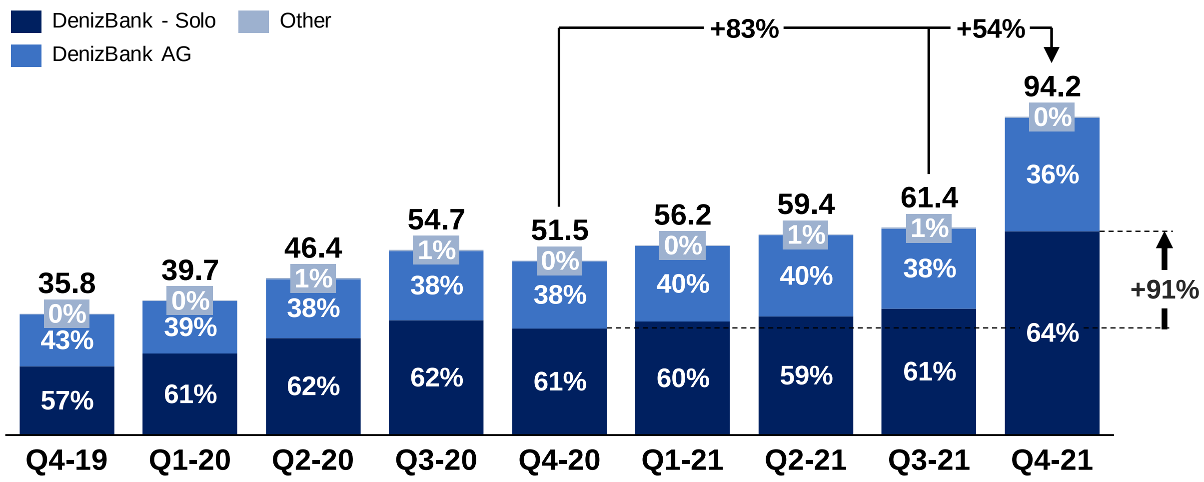
Deposit Trends

Highlights

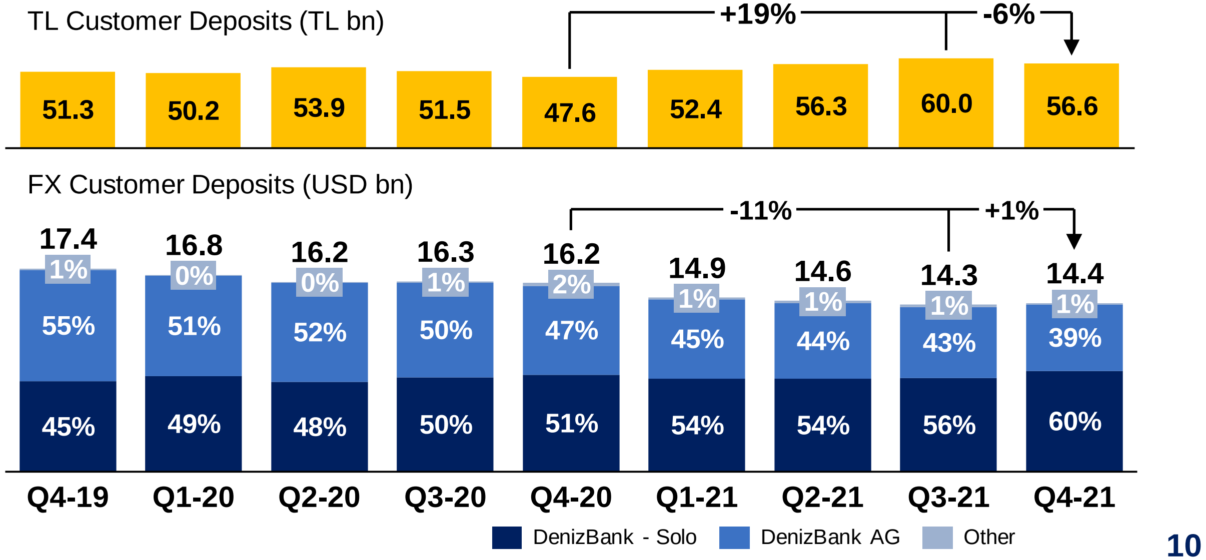
- DenizBank AG's shares in customer deposits and FC deposits are 30% and 39%, respectively.
- Demand deposits increased significantly by 82.8% y-o-y.
- DenizBank's standalone demand deposits hiked 91% y-o-y, with its share in total reaching 64%.



Trend in Demand Deposits by Entities (TL bn)



Trend in Deposits by Currency (TL bn)

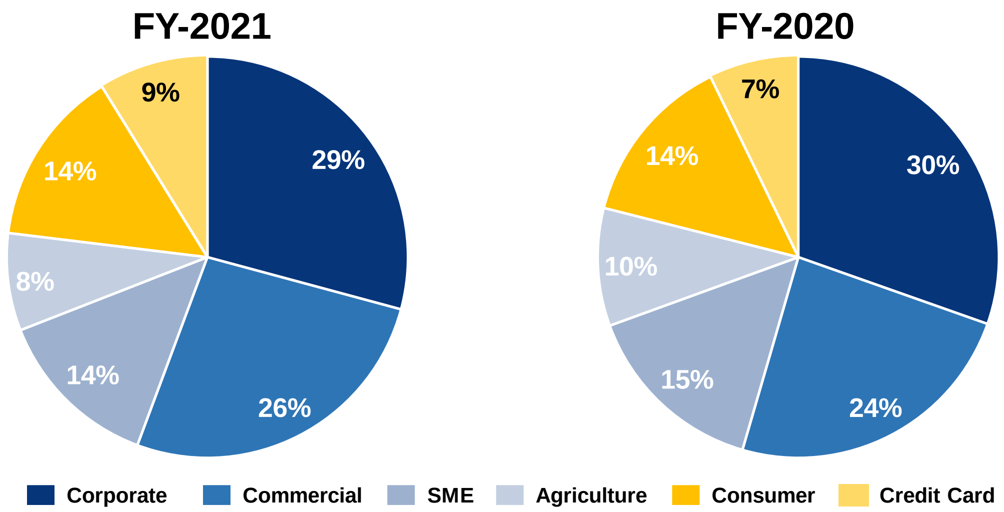


Loan Composition

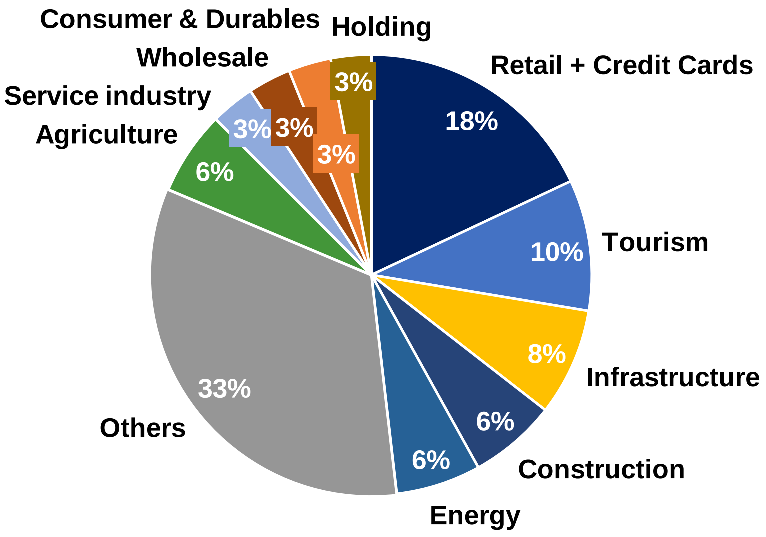
Highlights

- *According to the Bank's own segmentation*, wholesale loans, consisting of ***SME, agri, corporate, and commercial*** loans, soared by 31.5% y-o-y and 28.1% q-o-q. The share of wholesale loans in total is 76%.
- Retail loans, consisting of ***consumer and credit card*** loans, grew by 47.9% y-o-y and 11.6% q-o-q.
- Consumer loans augmented by 39.0% y-o-y and 9.0% q-o-q, mainly driven by General Purpose Loan growth.
- Credit Card loans increased by 65.0% y-o-y and 15.9% q-o-q.
- Agri loans recorded an 11.6% expansion y-o-y, but a 5.0% contraction q-o-q.
    - ***Whoesale*** *is consisting of SME, Agri, Corporate and Commercial Banking Segments. SME Banking scale: Annual turnover under TL 25 mn (TL 25-40 mn common with Commercial Banking). Commercial Banking scale: Annual turnover above TL 40 mn. Corporate Banking scale: Annual turnover above TL 200 mn.*
    - ***Retail*** *is consisting of Consumer Banking and Credit Card Segments.*

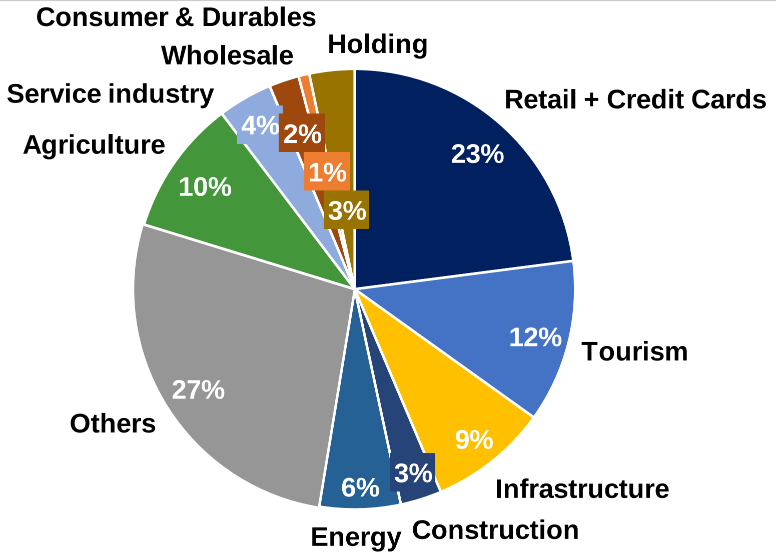
Net Loans by Segment FY-21 vs FY-20



Net Loans by Sector FY-21[1]



Net Loans by Sector FY-20[1]



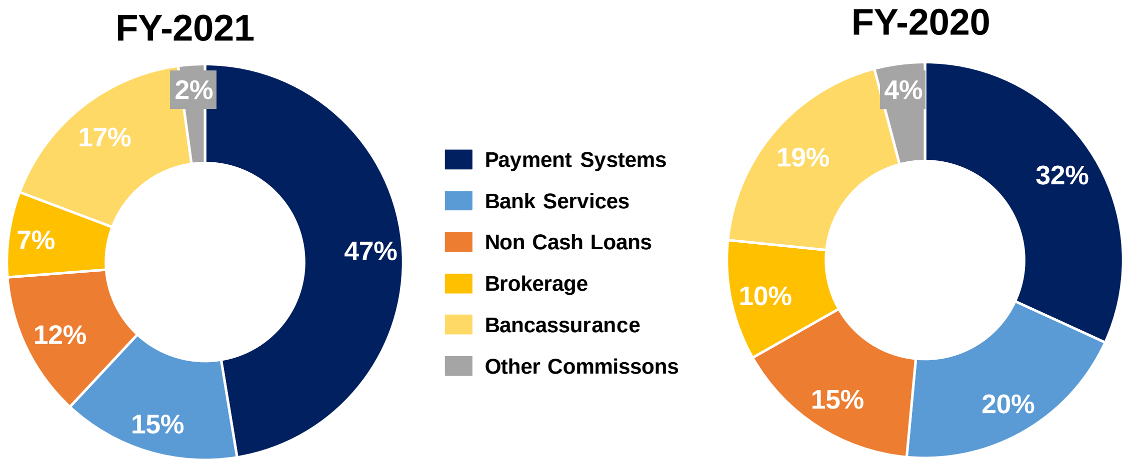
[1] *Based on DenizBank standalone and Deniz AG figures*

Net Fees and Commissions

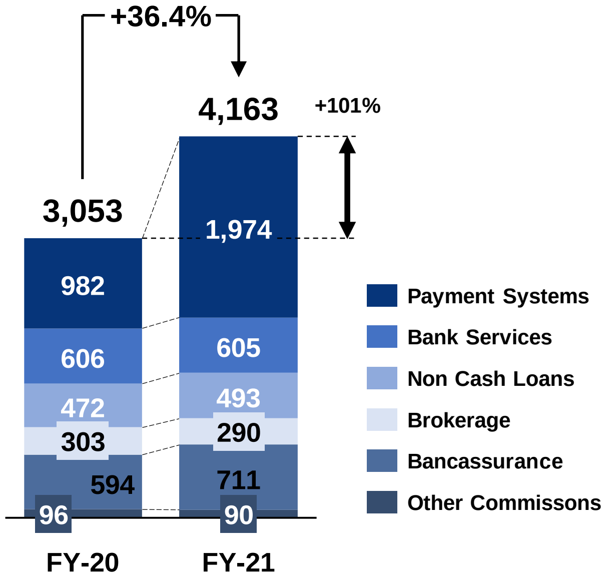
Highlights

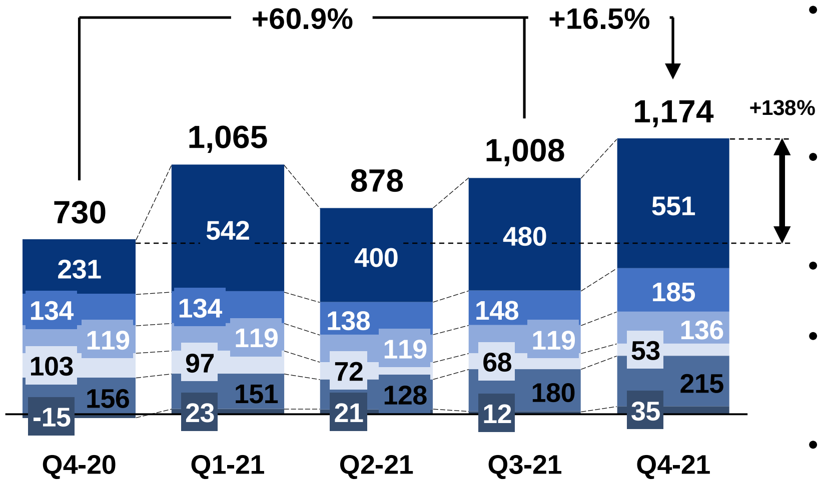
- FY-21 Net fees and commissions grew by 36.4% y-o-y, thanks to commissions from payment systems.
- Q4-21 Net fees and commissions soared by 60.9% y-o-y, again largely due to the payment systems performance on the back of higher turnover and interchange rates.
- Net commissions continue to be an important component of operating income, and take a 22% share from total income.

Breakdown of Net Fees and Commissions as of FY-21



Net Fees and Commissions Income (TL mn)





4Q-2021:

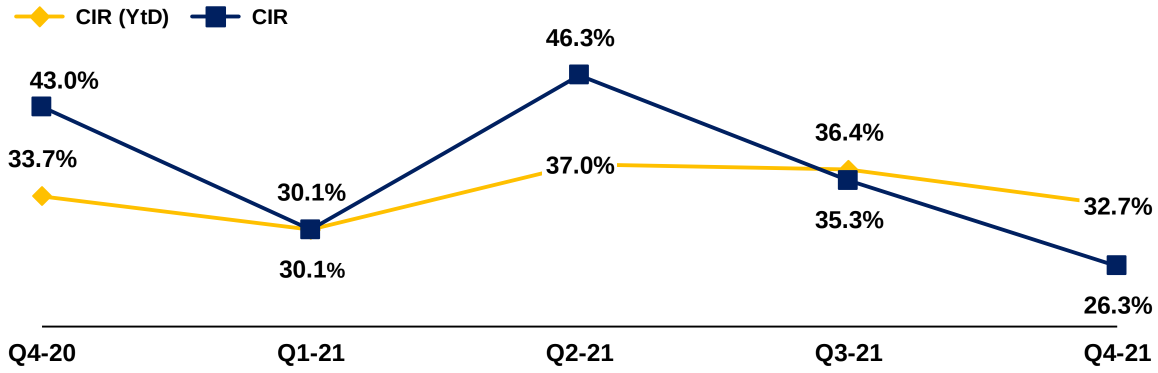
- Commissions from payment systems more than doubled y-o-y and increased 15% q-o-q, mainly due to higher interchange rates & transaction volumes.
- Banking service fees grew by 38% y-o-y and 25% q-o-q, following the recovery in economic activity.
- Brokerage fees declined by 49% y-o-y.
- Bancassurance commissions displayed 37% y-o-y and 19% q-o-q rises.
- Non-cash loan commissions recorded 14% y-o-y and q-o-q increases.

Operating Expenses

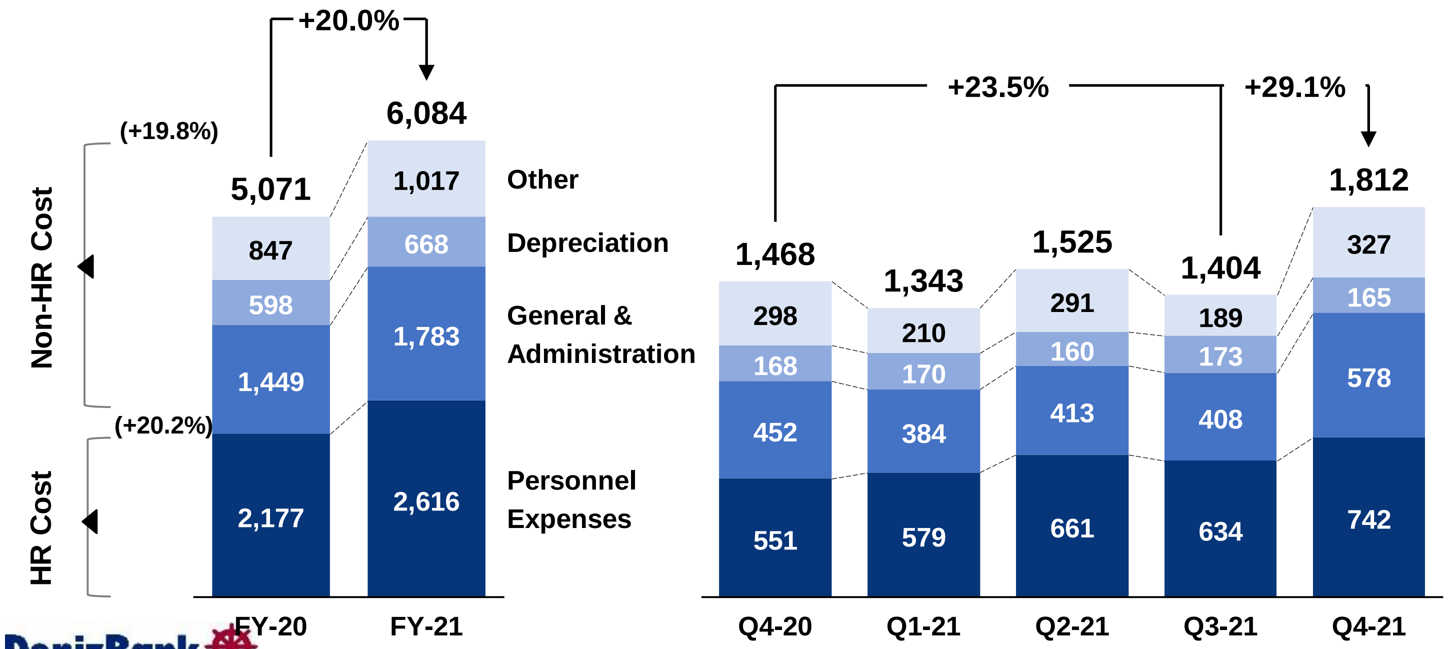
Highlights

- Effective cost management limited the rise in operating expenses to 20.0% y-o-y in FY-21, despite inflation and also the pressurizing impact of TL's substantial depreciation through FX-denominated costs.
- HR costs escalated by 20.2% y-o-y, while non-HR expenses were increasing by 19.8% y-o-y mainly due to TL's depreciation.
- Cost/Income ratio declined by 1.0 pp y-o-y to 32.7% thanks to stronger income growth.

Cost to Income Ratio (%)



Operating Expense Composition (TL mn)



- Q4-21 operating expenses displayed a 29.1% increase q-o-q, with 39.1% and 17.0% rises in non-HR and HR costs, respectively.
- Quarterly Cost/Income ratio improved significantly to 26.3% from 43.0% in Q4-20.
- DenizBank has 14,345 employees as of December 31st, 2021.
- DenizBank standalone has 687 branches in Turkey and Bahrain, and its subsidiary Deniz AG has 25 branches in Germany and Austria.

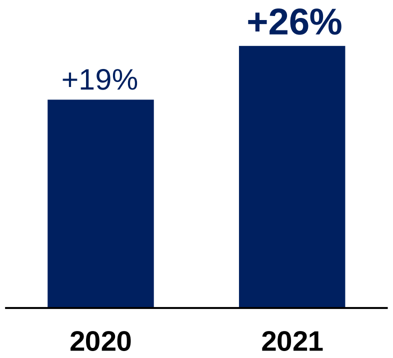
The journey to create efficiency by migrating services and everyday banking to digital now turned into sales driven digital experiences

Digital Active Customer

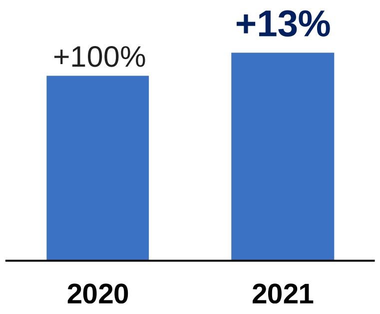
Digital Active customer number and login frequency per customer has increased

Digital active customer increase

= 3.6 mn

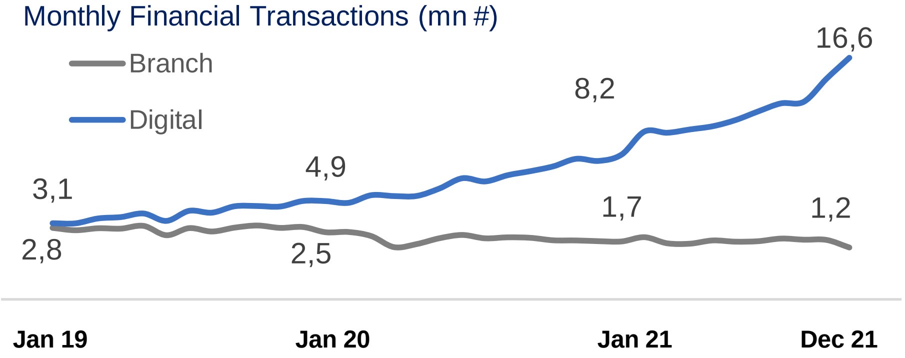


Login frequency per month increase



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

+102%



Digital Sales

		2020		2021
GPL	# of Product Sales Per 100K Login	42.3	2.1x →	89.2
	Digital % Among Total Sales	19.5%	2.1x →	41.5%
Retail Credit Cards	# of Product Sales Per 100K Login	29.7	1.2x →	35.8
	Digital % Among Total Sales	16.8%	1.3x →	21.5%

… and we are leapfrogging competition

GPL mobile banking market share increase in 2021 by volume

+51.6%

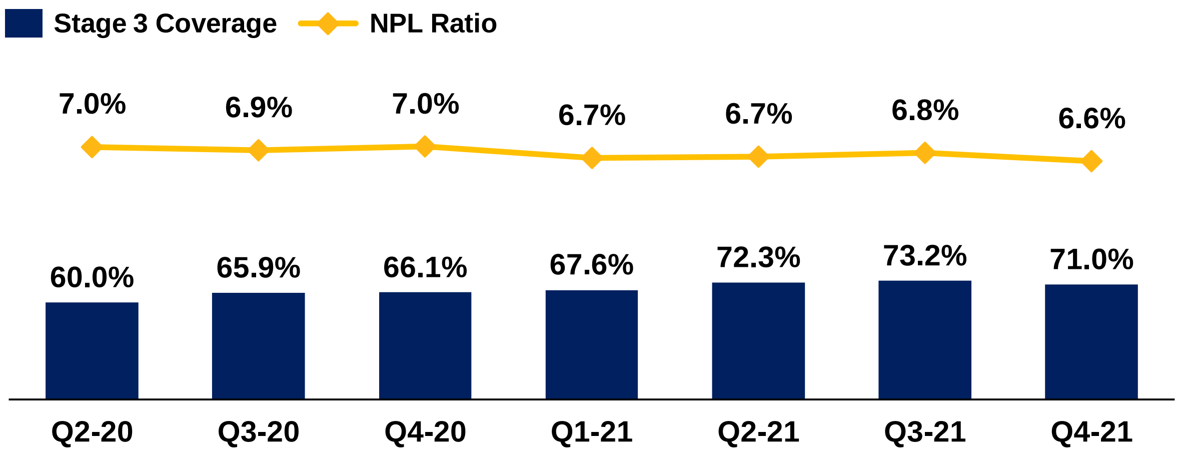
DenizBank

Credit Quality

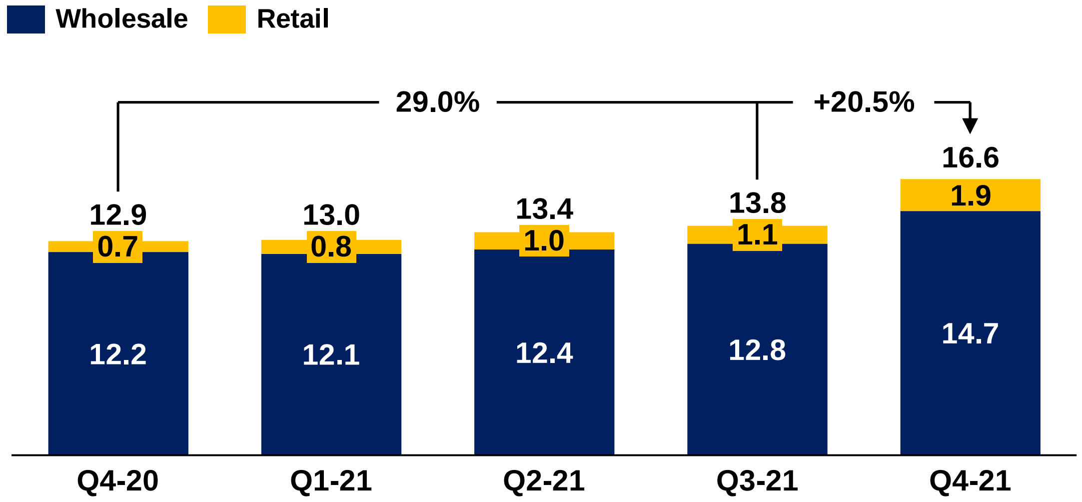
Highlights

- NPL ratio receded to 6.6%, improving by 41 bps and 23 bps from 7.0% and 6.8% as at FY-20 and 9M-21, respectively, due to loan growth and higher recovery rates.
- Provisions for expected credit loss grew by 58.2% y-o-y and 32.2% q-o-q.
- Coverage ratios were increased and were further strengthened with our prudent provisioning approach.
- Stage 3 coverage ratio reached 71.0%, up from 66.1% as at FY-20.

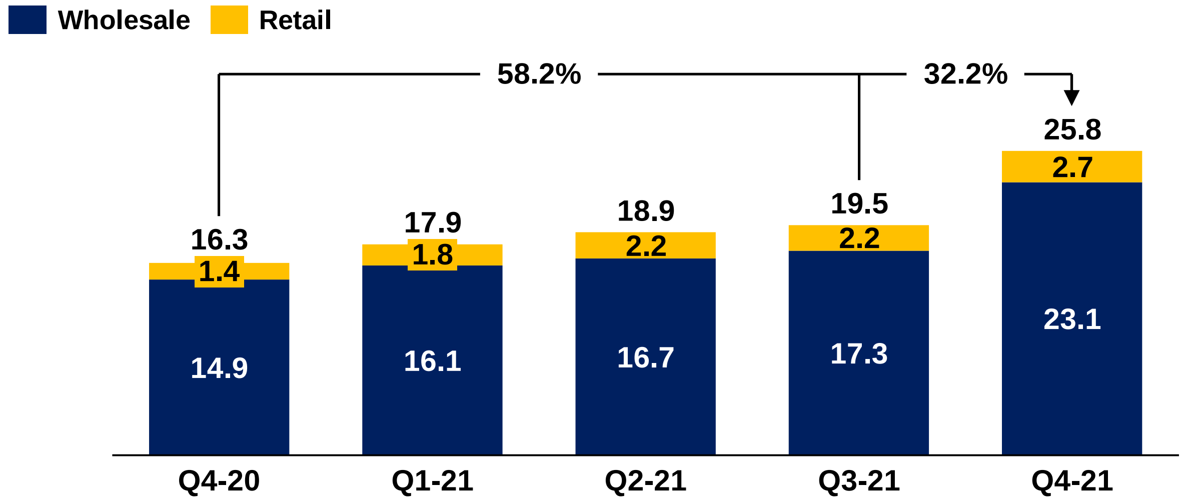
Impaired Loans and Coverage Ratios (%)



Impaired Loans (TL bn)



Provisions for Expected Credit Loss (TL bn)



Total Coverage[1]	9.4%	9.8%	10.0%	10.1%	10.8%

DenizBank

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

Provisions for Expected Credit Loss and Stage 1, 2 and 3 Coverages

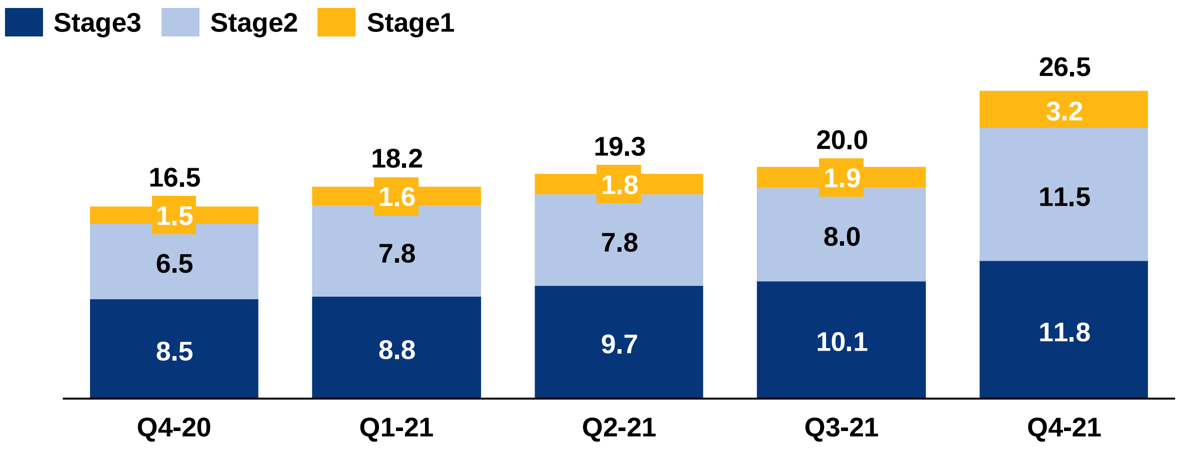
Highlights

- Provisions for expected credit loss (incl. LYY amounts) increased by 60.4% y-o-y to TL 26.5 bn from TL 16.5 bn.
- Stage 1 coverage ratio improved to 1.6% from 1.0% as at FY-20.
- Stage 2 coverage ratio (inc. LYY) improved to 31.3% from 21.2% as at FY-20.
- Stage 3 coverage ratio kept strong, improving to 71.0% from 66.1% as at FY-20.
- Customers continue to be assessed closely for provisioning, despite the reclassification according to the COVID-19 related measures. With the change in BRSA's default definition from 90 to 180 days, TL 1.2 bn of loans were classified as Stage 2, but precautionary provisions of TL 398 mn were recorded, corresponding to a 33% coverage.

COVID-19 Related Measures: *At the latest, with the Board resolution of BRSA dated and numbered 16.09.2021-9795.*

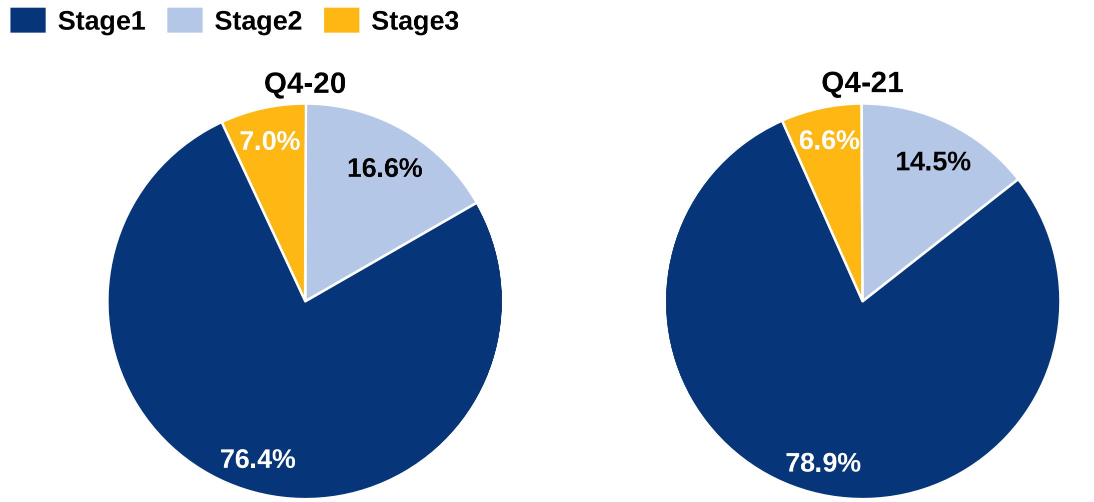
- ***NPL Delinquency Period:*** *The delinquency period for loans to be classified as non-performing has been extended from 90 days to 180 days from Mar. 17th, 2020 until Sep. 30th, 2021. The regulation has been terminated as of Sep. 30th, 2021, but from Oct. 1st, 2021 on, for loans with a delay period of more than 91 days and not exceeding 180 days, banks would continue the implementation in the same way.*
- ***Stage II Delay Period:*** *The 30-day delay resulting in loans to fall from Stage I to Stage II has been deemed to 90 days from Mar. 17th, 2020 until Sep. 30th, 2021. However, DenizBank has continued to apply 30 days rule for Stage II loans. The regulation has been terminated as of Sep. 30th, 2021, but from Oct. 1st, 2021 on, for loans with a delay period of more than 31 days and not exceeding 90 days, banks would continue the implementation in the same way.*

Provisions for Expected Credit Loss[2] (TL bn) & CoR (%)

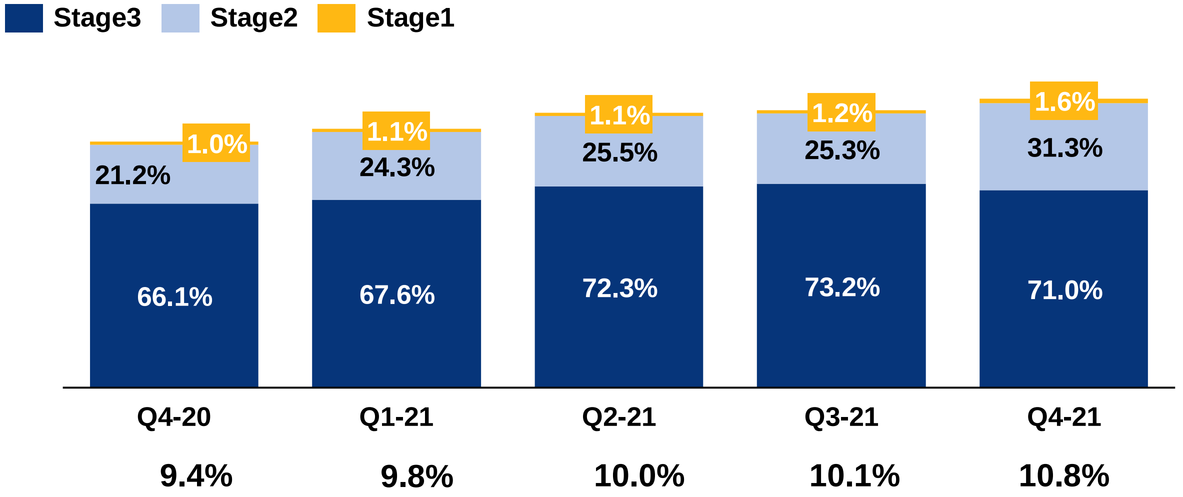


	Q4-20	Q1-21	Q2-21	Q3-21	Q4-21
CoR	4.1%	3.4%	2.2%	2.1%	3.7%

Total Gross Loans[2] (TL bn)



Coverages[2] (%)



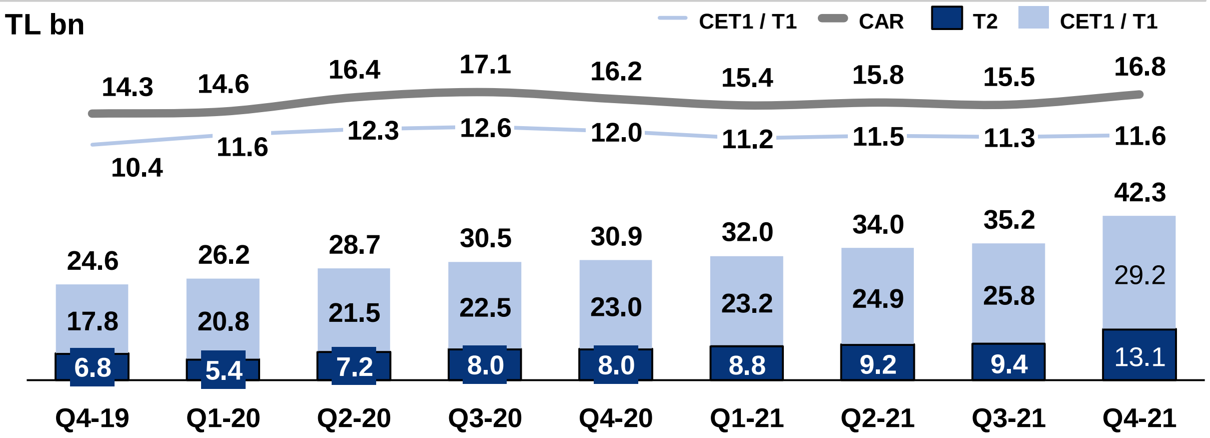
[2] Stage 2 includes LYY amounts

Capital Adequacy

Highlights

- In Q4-21, CAR improved by 51 bps y-o-y owing to the support of FC sub-loans, while Tier 1 ratio was receding by c.50 bps y-o-y, largely as a result of TL's substantial depreciation (considered within the forbearance rules), reaching almost 27% throughout the period.
- Besides, forbearance of BRSA against COVID-19 supported the capital adequacy: has respective positive impacts of 239 bps and 305 bps on Tier-I and CAR as at December 2021.

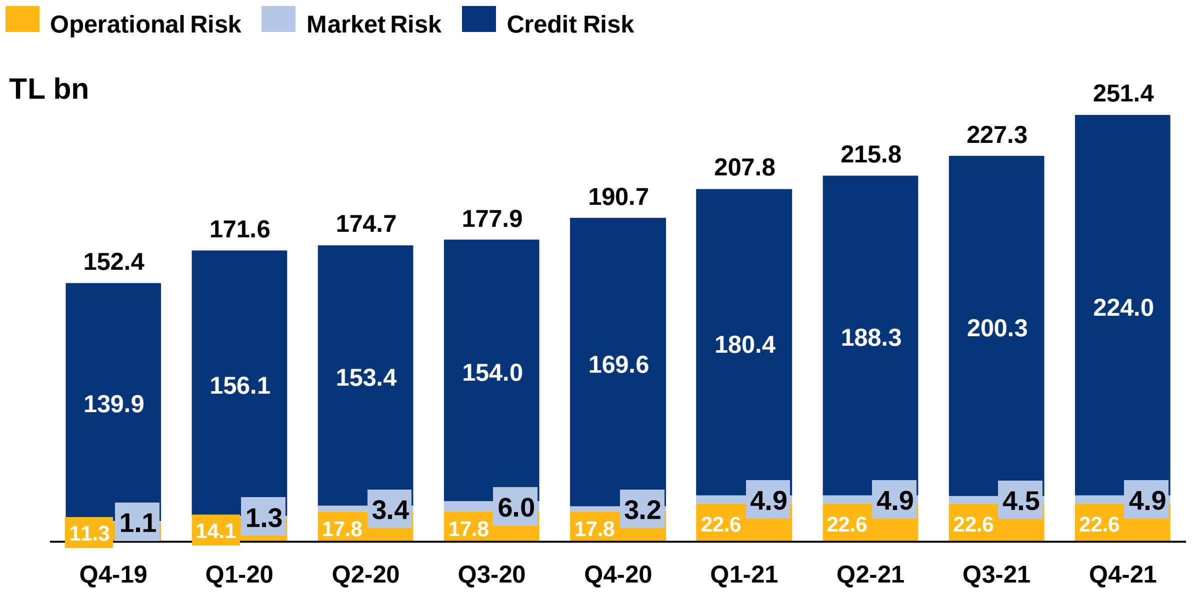
Capitalisation



Capital Movements Table

TL million	CET1 / Tier1	Tier2	TOTAL
Capital as at 31-Dec-2020	**22,972**	**7,972**	**30,944**
Paid in Capital	-	-	-
Net Profit	3,507	-	3,507
Additional credit risk effect	-	1,183	1,183
Additional, subdebt effect (currency difference)	-	4,528	4,528
Amortization, IFRS9 first time effect	(134)	-	(134)
Change in reserves	2,513	-	2,513
COVID-19 effect	1,198	(503)	695
Other	(866)	(58)	(924)
Capital as at 31-Dec-2021	**29,190**	**13,122**	**42,312**

Risk Weighted Assets

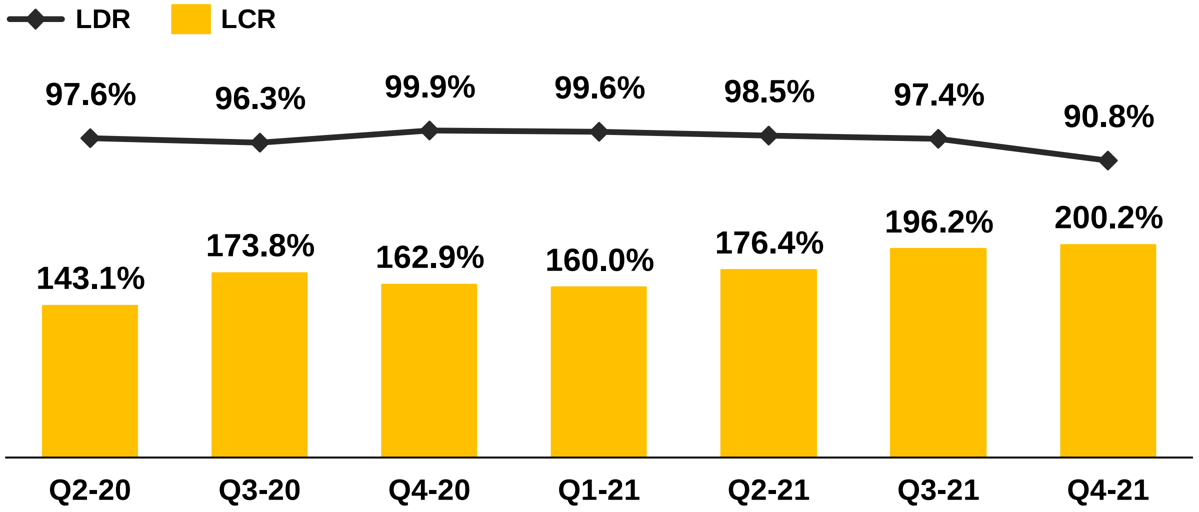


Funding and Liquidity

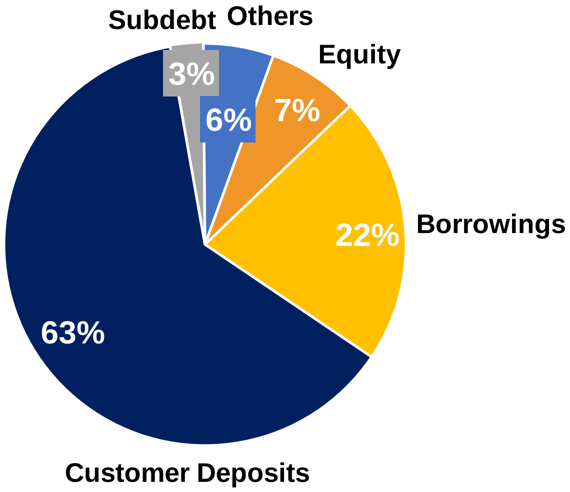
Highlights

- Consolidated LCR of 200%, unconsolidated LCR of 146% and Consolidated LDR of 90.8% reflect DenizBank's healthy liquidity.
- Liquid assets reached TL 96 bn, corresponding to 24% of total assets and 39% of customer deposits.
- As of Q4-21, 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 63% of total liabilities.
- The share of borrowings in total liabilities is 22%, below the sector average of 25%.

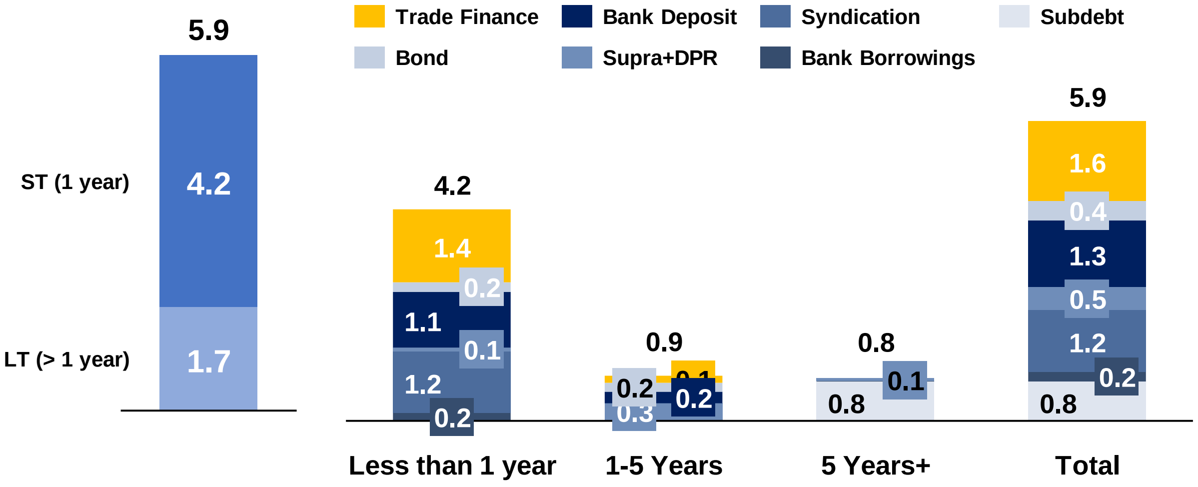
Loan to Deposit and Liquidity Coverage Ratio (%)



Composition of Liabilities (%)



Maturity Profile of FX Borrowings (USD bn)



ST Debt	USD 4.2 bn
FC Liquidity Buffer[1]	USD 6.3 bn

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

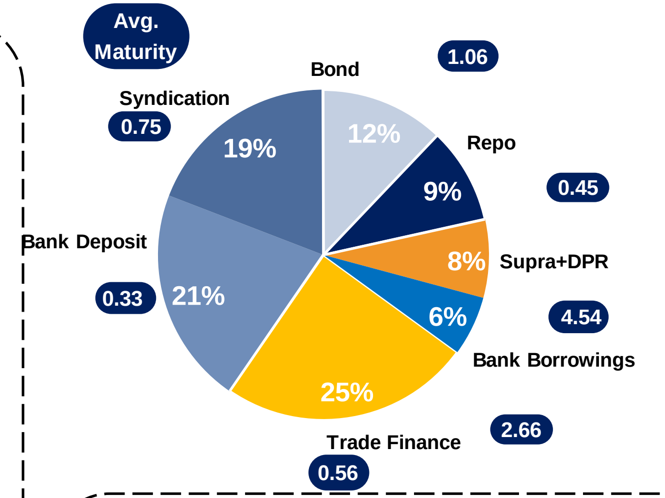
Strategy is to diversify the wholesale funding mix and to lengthen the maturity profile

Breakdown of Wholesale Funding

Syndicated Loan Facilities:
- Successful come back to international loan markets in 2019
- Biggest fresh funding of 2019 with USD 1,082 mn demand raised for 1&2 year tranches
- 30% scale back done with 45 participants from 22 countries and 15 MLAs

New Syndicated Loan Facility in Q2 2021:
- Brand new syndicated loan facility for DenizBank had been signed & disbursed in June 21 with the total amount of USD 410 mn for 1-year tenor.
- The first syndicated loan facility in Turkey having an RMB tranche
- EmCap & ADCB are the coordinators for USD & Euro tranches, and ICBC is the coordinator for RMB tranche.
- 16 banks participated – 5 are MLAs

ESG-Linked Term Loan Facility in Q4 2021:
- Signed on October 28th, 2021, and disbursed on November 17th, 2021
- Roll-over ratio of 110% with a total amount of USD 840 mn, above 106% sector average
- 49 participants, biggest in the sector in the last two years
- USD 1.2 bn outstanding syndication amount, representing a 10% market share



Debt Capital Markets:
- Renewed EMTN Program in May 2021. Planning to establish ESG Framework under EMTN Program
- Active in Private Placements with maturities of 3-6 months
- Waiting for the right time for a debut issuance
- In discussions with IFIs for the issuance of PP-format Sustainable Bond, which requires ESG framework establishment under the EMTN Program.

Supranationals:
- One of the market leaders in supranational funding with a 16% market share & USD 2 bn back in 2014 due to well-diversified loan book, which has gradually diminished under sanctions
- Targeting to retrieve all supra relations
- Since the ownership change in July 2019, more than USD 654 mn fresh supra funding with up to 2-6 years of maturity secured from EBRD, EFSE, GGF, World Bank, and IFC (including supra DPR investments) to be utilized in financing Municipalities, SMEs engaged in agriculture, energy efficiency & renewable energy projects, and in supporting women entrepreneurship.

DPR Securitization:
- New outright 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&USD) in loan & 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 & renewable energy projects, and for supporting women entrepreneurs & 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 ”.

DenizBank Sustainability Initiative

- DenizBank Sustainability Management System to go operational in 2022: Sustainability Management System (SMS) Project was initiated in December 2020 and was completed at the end of 2021.
- The Bank's first Sustainability Committee chaired by the CEO was established and the first meeting was held on December 1st, 2021.
- The Bank's Sustainability Policy and Exclusion List (areas prohibited for financing) were approved by the committee and the Board of Directors, and will be available on the company website soon.
- DenizBank's debut Sustainability Report is to be available as of 2021 year-end.
- Sustainability Initiative is to be implemented by the working group, composed of 65 members from 25 different divisions of the Bank – on site muscles of DenizBank's sustainability projects.

DenizBank Sustainability Roadmap - 2022

Sustainability in DenizBank: Top to Bottom Approach

Board of Directors
Meets Sustainability Committee at least once a year

↓

Sustainability Committee
8 members, Chaired by the CEO
Meets at least twice a year

↓

Sustainability Coordination Department
Financial Institutions Group

Environmental and Social Risk Evaluation Specialist
Project Finance Group

↓

Sustainability Working Group
65 employees / 25 departments

Direct Environmental Impact

We minimize our environmental impact

- LEED Gold certification for HQ
- Use electricity generated from renewable sources
- Grey water for landscape watering, garden watering and car washing
- Hybrid corporate vehicles
- Tech waste sold to disposable companies
- Responsible paper consumption

People & Culture

We value diversity and investment in our people

- 54% female employees
- 316 employees with disabilities
- 49 hours of education and training per employee annually

Digital Banking

We believe in benefits of digitalisation

- 500,000 active users under Turkey's first Digital Wallet "Fastpay"
- 94% of the Bank's banking services handled through alternative distribution, non-branch channels
- 3.9 million of Digital Active customers
- 21% of deposit placements were made trough digital channels

Social Responsibility

We value importance of arts, sports, education and social responsibility

> 15 years of providing donations and assistance to >20 for institutions in

- social responsibility,
- culture,
- arts,
- education and sports

Agri Banking

We proudly call ourselves a Farmer's Bank

- Substantial market share in agri-loans: 13% including state-missioned Ziraat Bank and 43% among private banks
- Serves around 1 million farmers out of total 2.2 million registered in Turkey
- Innovative branch network, disruptive service distribution model, and unique credit methodologies, all based on the legacy of Tarişbank, acquired in 2003.

Renewable Energy

We lead clean energy financing in Turkey

- DenizBank leads and supports Turkey's power generation capacity expansion, assisting in commissioning approx. 7,800 MW of installed capacity over the last fifteen years.
- As of FY 2021, the renewable energy portfolio exposure at USD 467 mn
- A portfolio of 876MW total installed power

DenizBank

Appendix

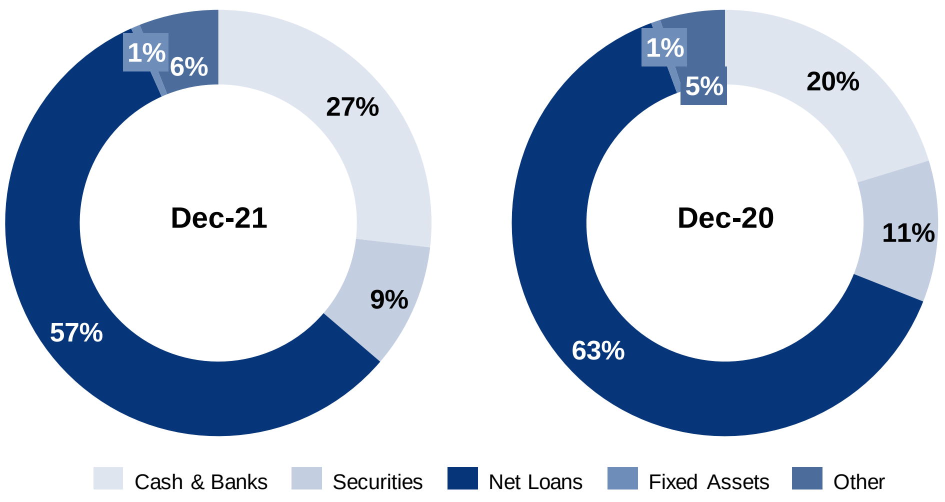
Consolidated BRSA balance sheet

Assets (TL mn)	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Share	∆QoQ	∆YoY
Cash & Banks	**53,505**	**62,827**	**69,873**	**74,244**	**106,173**	**26.8%**	**43%**	**98%**
Securities	**28,317**	**24,061**	**27,805**	**28,207**	**37,438**	**9.5%**	**32.7%**	**32%**
TL	10,287	9,015	9,252	9,346	10,317	2.6%	10%	0%
FX (USD mn)	2,430	1,807	2,137	2,124	2,035	6.9%	-4%	-16%
Net Loans[1]	**167,283**	**175,844**	**180,471**	**182,231**	**225,726**	**57.0%**	**24%**	**35%**
TL	83,037	86,774	91,469	97,780	104,674	26.4%	7%	26%
FX (USD mn)	11,355	10,698	10,253	9,512	9,069	30.5%	-5%	-20%
Gross Loans[1]	***183,586***	***193,743***	***199,379***	***201,739***	***251,519***	***63.5%***	***25%***	***37%***
TL	*93,464*	*98,095*	*103,313*	*113,021*	*122,543*	*31.0%*	*8%*	*31%*
FX (USD mn)	*12,147*	*11,488*	*11,067*	*9,993*	*9,676*	*32.6%*	*-3%*	*-20%*
Loan Loss Provision	***16,304***	***17,898***	***18,909***	***19,509***	***25,793***	***6.5%***	***32%***	***58%***
Fixed Assets	**1,882**	**2,032**	**2,060**	**2,052**	**2,741**	**0.7%**	**34%**	**46%**
Other	**12,974**	**16,689**	**15,201**	**14,383**	**23,805**	**6.0%**	**66%**	**83%**
Total Assets	**263,961**	**281,454**	**295,410**	**301,116**	**395,884**	**100.0%**	**31%**	**50%**

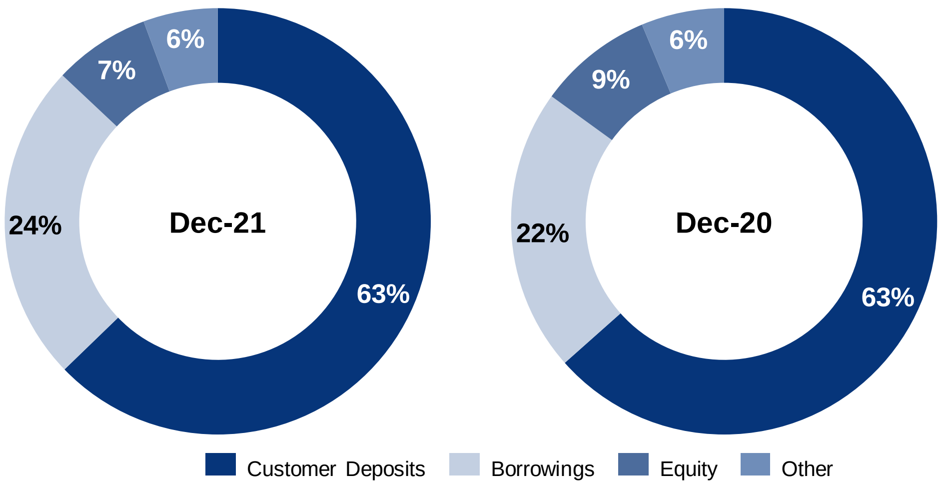
Liabilities & Equity (TL mn)	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Share	∆QoQ	∆YoY
Customer Deposits	**167,467**	**176,529**	**183,303**	**187,122**	**248,509**	**62.8%**	**33%**	**48%**
TL	47,642	52,414	56,337	60,019	56,561	14.3%	-6%	19%
FX (USD mn)	16,150	14,907	14,627	14,316	14,401	48.5%	1%	-11%
Demand Deposits	***51,550***	***56,150***	***59,364***	***61,376***	***94,216***	***37.9%***	***54%***	***83%***
TL	*9,015*	*10,276*	*11,225*	*11,686*	*12,792*	*22.6%*	*9%*	*42%*
FX (USD mn)	*5,733*	*5,510*	*5,546*	*5,597*	*6,109*	*42.4%*	*9%*	*7%*
Time Deposits	***115,918***	***120,379***	***123,939***	***125,746***	***154,293***	***62.1%***	***23%***	***33%***
TL	*38,627*	*42,138*	*45,112*	*48,333*	*43,770*	*77.4%*	*-9%*	*13%*
FX (USD mn)	*10,417*	*9,397*	*9,081*	*8,719*	*8,292*	*57.6%*	*-5%*	*-20%*
Borrowings	**56,837**	**62,924**	**69,703**	**70,005**	**95,940**	**24.2%**	**37%**	**69%**
Securities Issued	*3,169*	*7,181*	*8,029*	*8,588*	*10,394*	*2.6%*	*21%*	*228%*
Funds Borrowed	*25,986*	*28,111*	*33,376*	*34,093*	*48,856*	*12.3%*	*43%*	*88%*
Repo	*4,513*	*6,031*	*6,965*	*6,188*	*8,048*	*2.0%*	*30%*	*78%*
Sub Debt	*5,917*	*6,586*	*6,882*	*7,010*	*10,485*	*2.6%*	*50%*	*77%*
Bank Deposits	*17,252*	*15,015*	*14,451*	*14,125*	*18,157*	*4.6%*	*29%*	*5%*
Other	**16,630**	**18,574**	**17,152**	**17,817**	**22,387**	**5.7%**	**26%**	**35%**
Equity	**23,027**	**23,427**	**25,253**	**26,174**	**29,048**	**7.3%**	**11%**	**26%**
Total Liabilities & Equity	**263,961**	**281,454**	**295,410**	**301,116**	**395,884**	**100.0%**	**31%**	**50%**

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

Share in Total Assets, %



Share in Total Liabilities & Equity, %



DenizBank

Consolidated BRSA income statement

Income Statements (TL mn)	Q4-20	Q1-21	Q2-21	Q3-21	Q4-21	∆QoQ	∆YoY	FY-20	FY21	∆YoY
Net Interest Income[1]	2,301	1,996	2,211	2,600	3,230	**24%**	**40%**	9,932	10,037	**1%**
Non-funded Income	1,111	2,462	1,081	1,379	3,652	**165%**	**229%**	5,138	8,573	**67%**
Net Fees & Commissions	*730*	*1,065*	*916*	*1,008*	*1,174*	***17%***	***61%***	*3,053*	*4,163*	***36%***
Trading & FX Gains/Losses [1]	*167*	*1,277*	*-77*	*180*	*2,167*	***1101%***	***1199%***	*1,612*	*3,547*	***120%***
Other Income	*215*	*119*	*242*	*190*	*311*	***63%***	***45%***	*473*	*863*	***83%***
Total Operating Income	**3,412**	**4,458**	**3,292**	**3,979**	**6,882**	**73%**	**102%**	**15,070**	**18,610**	**23%**
Operating Expenses	-1,468	-1,343	-1,525	-1,404	-1,812	**29%**	**23%**	-5,071	-6,084	**20%**
Pre-provision operating profit	**1,944**	**3,115**	**1,767**	**2,575**	**5,069**	**97%**	**161%**	**9,999**	**12,526**	**25%**
Net expected credit loss	-1,583	-1,589	-490	-1,046	-4,448	**325%**	**181%**	-7,185	-7,572	**5%**
Stage 1	*270*	*-148*	*-118*	*-102*	*-1,145*	***1026%***	***-524%***	*-206*	-1,512	***636%***
Stage 2	*-462*	*-1,260*	*213*	*-125*	*-2,086*	***1572%***	***351%***	*-2,799*	-3,258	***16%***
Stage 3	*-1,391*	*-180*	*-585*	*-819*	*-1,218*	***49%***	***-12%***	*-4,180*	-2,803	***-33%***
Other Provisions	-187	-108	-11	-23	-156	**590%**	**-16%**	-451	-297	**-34%**
Net Operating Profit	**174**	**1,419**	**1,266**	**1,507**	**465**	**-69%**	**168%**	**2,363**	**4,657**	**97%**
Tax	82	-348	-314	-399	-56	**-86%**	**-168%**	-497	-1,117	**125%**
Net Profit	**256**	**1,071**	**952**	**1,108**	**409**	**-63%**	**60%**	**1,866**	**3,540**	**90%**

[1] Swap adjusted

Consolidated BRSA key financial ratios

Asset Quality	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	ΔQoQ	ΔYoY
NPL Ratio	7.0%	6.7%	6.7%	6.8%	6.6%	-0.2 pp	-0.4 pp
NPL Coverage	66.1%	67.6%	72.3%	73.2%	71.0%	-2.2 pp	+4.9 pp
Total NPL Coverage[1]	133.3%	146.9%	147.7%	147.7%	163.7%	+16.1 pp	+30.5 pp
Stage 2 Coverage[4]	21.2%	24.3%	25.5%	25.3%	31.3%	+6.0 pp	+10.1 pp
Total Coverage[2]	9.4%	9.8%	10.0%	10.1%	10.8%	+0.7 pp	+1.5 pp
Cost of Risk[3]	4.1%	3.4%	2.2%	2.1%	3.7%	+1.53 pp	-0.5 pp

Profitability - YtD	Q4-20	Q1-21	Q2-21	Q3-21	Q4-21	ΔQoQ	ΔYoY
NIM[5] - Quarterly	3.7%	3.2%	3.3%	3.7%	4.0%	+0.3 pp	+0.3 pp
Cost / Income	33.7%	30.1%	37.0%	36.4%	32.7%	-3.7 pp	-1.0 pp
RoAA	0.8%	1.6%	1.5%	1.5%	1.2%	-0.32 pp	+0.4 pp
RoAE	8.9%	18.7%	17.1%	17.1%	13.9%	-3.16 pp	+5.1 pp

Capital	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	ΔQoQ	ΔYoY
CET 1 Ratio	12.05%	11.17%	11.52%	11.34%	11.61%	+0.3 pp	-0.4 pp
CAR	16.23%	15.40%	15.77%	15.49%	16.83%	+1.3 pp	+0.6 pp

Funding and Liquidity	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	ΔQoQ	ΔYoY
Loans/ Customer Deposits	99.9%	99.6%	98.5%	97.4%	90.8%	-6.6 pp	-9.1 pp
TL Loans/ TL Customer Deposits	174.3%	165.6%	162.4%	162.9%	185.1%	+22.2 pp	+10.8 pp
FC Loans/ FC Customer Deposits	70.3%	71.8%	70.1%	66.4%	63.0%	-3.5 pp	-7.3 pp
Cust. Deposits / Total Funding	74.7%	73.7%	72.5%	72.8%	72.1%	-0.6 pp	-2.5 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 Includes LYY amounts   5 Swap adjusted.

"CREATE OPPORTUNITIES TO PROSPER"

Get in touch.

INVESTOR RELATIONS

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