



TEB

Q3'22 Earning Presentation



TEB
BNP PARIBAS ORTAKLIĞI

Summary Balance Sheet

TÜRK EKONOMİ BANKASI A.Ş.
Consolidated (in Mn TL)

| | 31.12.2021 | 30.09.2022 | YtD Chg |
|-----------------------------|----------------|----------------|------------|
| Cash & Cash Equivalents | 47,430 | 66,716 | 41% |
| Marketable Securities | 29,201 | 47,205 | 62% |
| Loans (net) ^(*) | 108,464 | 149,201 | 38% |
| Other Assets | 13,759 | 17,686 | 29% |
| Total Assets | 198,854 | 280,809 | 41% |
| Deposit | 131,583 | 197,512 | 50% |
| Funds Borrowed | 19,799 | 19,150 | -3% |
| Securities Issued | 1,195 | 0 | -100% |
| Repo | 8,926 | 7,520 | -16% |
| Subordinated Debt | 7,239 | 9,229 | 27% |
| Other Liabilities | 16,056 | 24,117 | 50% |
| Shareholders Equity | 14,056 | 23,281 | 66% |
| Liab.&Shr.Equity | 198,854 | 280,809 | 41% |

^(*) including Factoring Receivables



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Summary Income Statement

TÜRK EKONOMİ BANKASI A.Ş.

Consolidated (in Mn TL, cumulative)

| | 30.09.2021 | 30.09.2022 |
|---|--------------|---------------|
| Net Interest Income | 4,910 | 14,321 |
| Gains/Losses From Derivatives and FX position | (2,019) | 806 |
| Securities Trading Gain/ Loss | 70 | (97) |
| Net Fee&Commissions | 1,147 | 1,791 |
| Other Income | 147 | 167 |
| Net Banking Income | 4,255 | 16,989 |
| Cost of Risk | 226 | (720) |
| Net Operating Income | 4,481 | 16,268 |
| Other Operating Expense | (1,578) | (2,377) |
| Personnel Expenses | (1,403) | (2,707) |
| Other Provisions | (2) | 0 |
| Dividend Income | 3 | 7 |
| Tax Provisions | (336) | (2,668) |
| Net Profit | 1,164 | 8,524 |



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Summary at Glance

As of 30 September 2022, TEB's total assets grew by 41% YtD, reaching TL 281 billion, mainly driven by increases in TL loans and CPI linked securities.

Loans reaching 53% of the Bank's total asset as an indicator of TEB's continuous support for both its customers and the economy.

TEB's total lending realized as TL 149.2 billion as of 30 September 2022 while the Bank's total deposits amounted to TL 197.5 billion.

Deposit growth of 50% YtD was contributed mainly by the 90% YtD rise in TL deposits.

TEB's shareholders' equity was TL 23.3 billion as of 30 September 2022 with 17.63% capital adequacy ratio which was well above the 12% targeted ratio.

TEB posted net of profit of TL 8.524 million while achieving 62.3% RoE and 4.7% RoA.

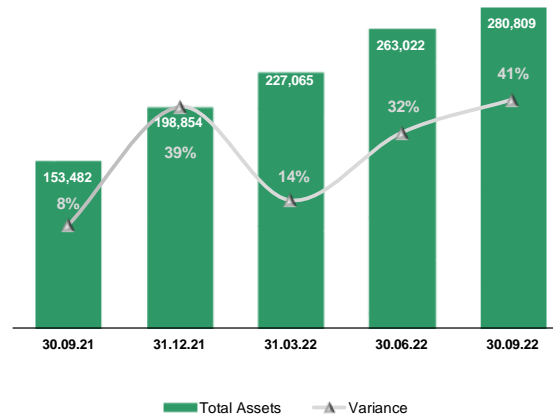
Continuing growth in digital customer acquisition, reaching approximately 2.5 million digital active customers in CEPTETEB.



Asset and Liability Composition

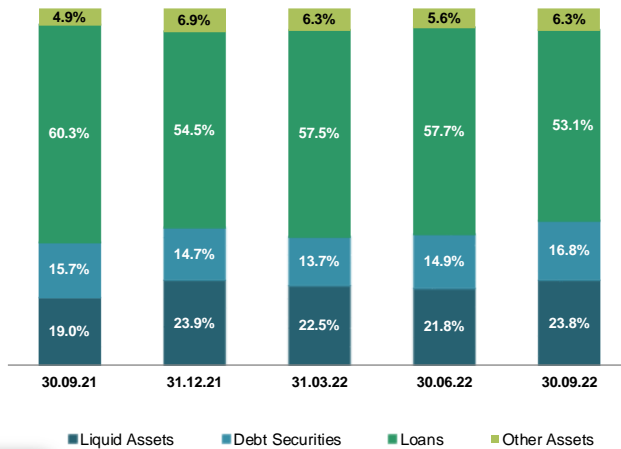
Total asset grew by 41% YtD with 53% loans share in total assets and 70% deposits share in total liabilities

Balance Sheet Growth

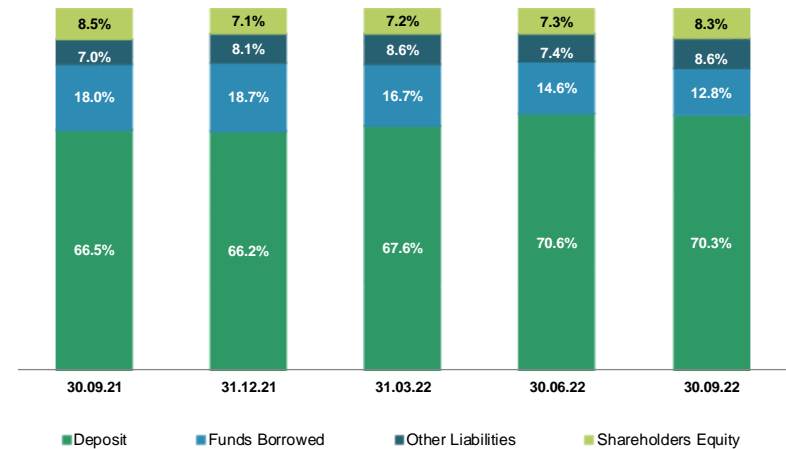


Sound and Prudent Balance Sheet Management

Asset Compositions



Liability Compositions

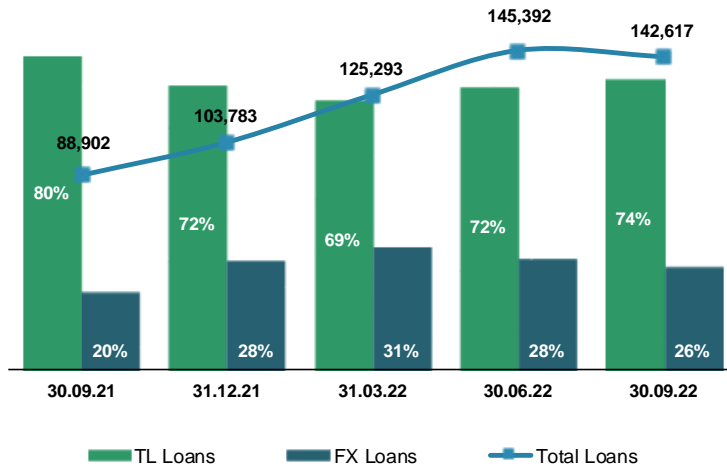


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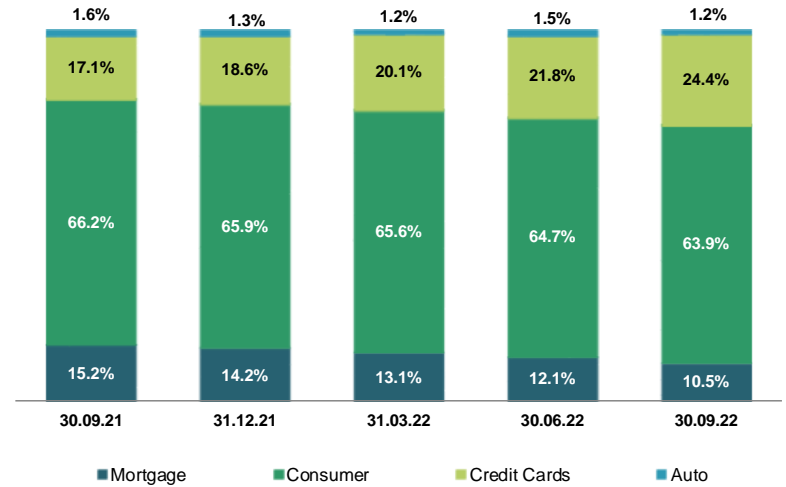
A Closer Look into Loans

Healthy loan portfolio composition

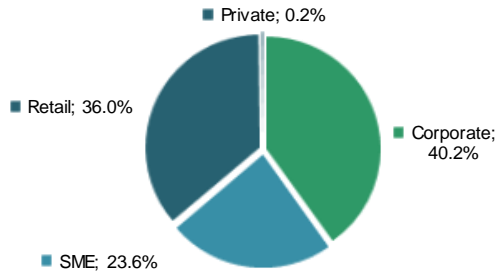
Loan Compositions



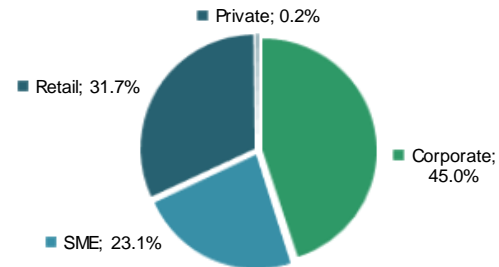
Breakdown of Retail Loans



Performing Loans - Dec'21



Performing Loans - Sep'22

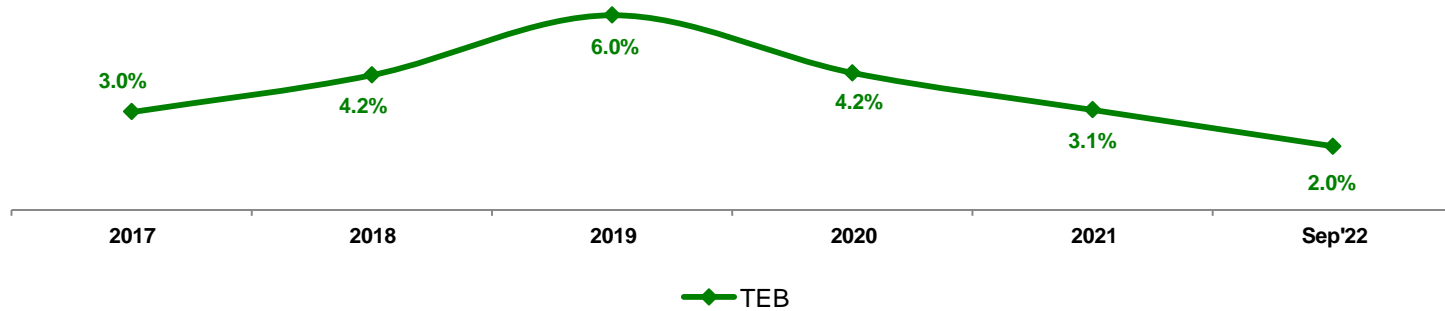


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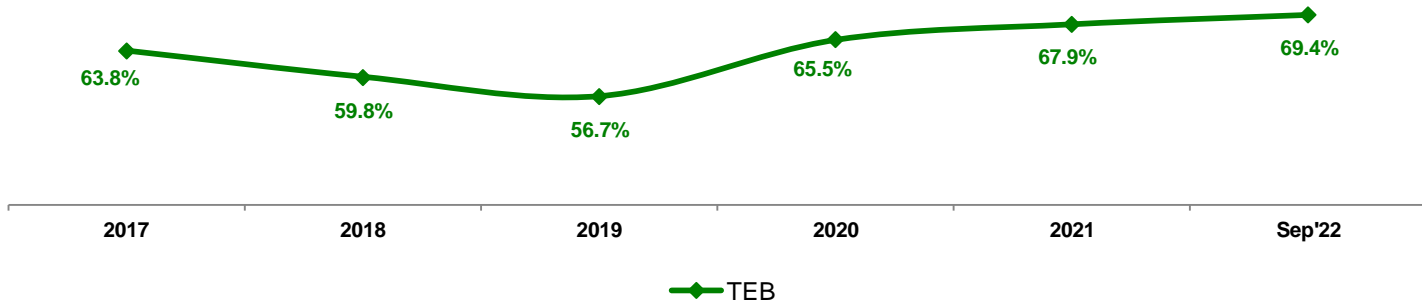
NPL and Coverage Ratios

NPL ratio is in decreasing trend with a prudent coverage ratio, reflecting the conservative provisioning policy - write-off & limited net inflow into Stage 3

NPL Ratio



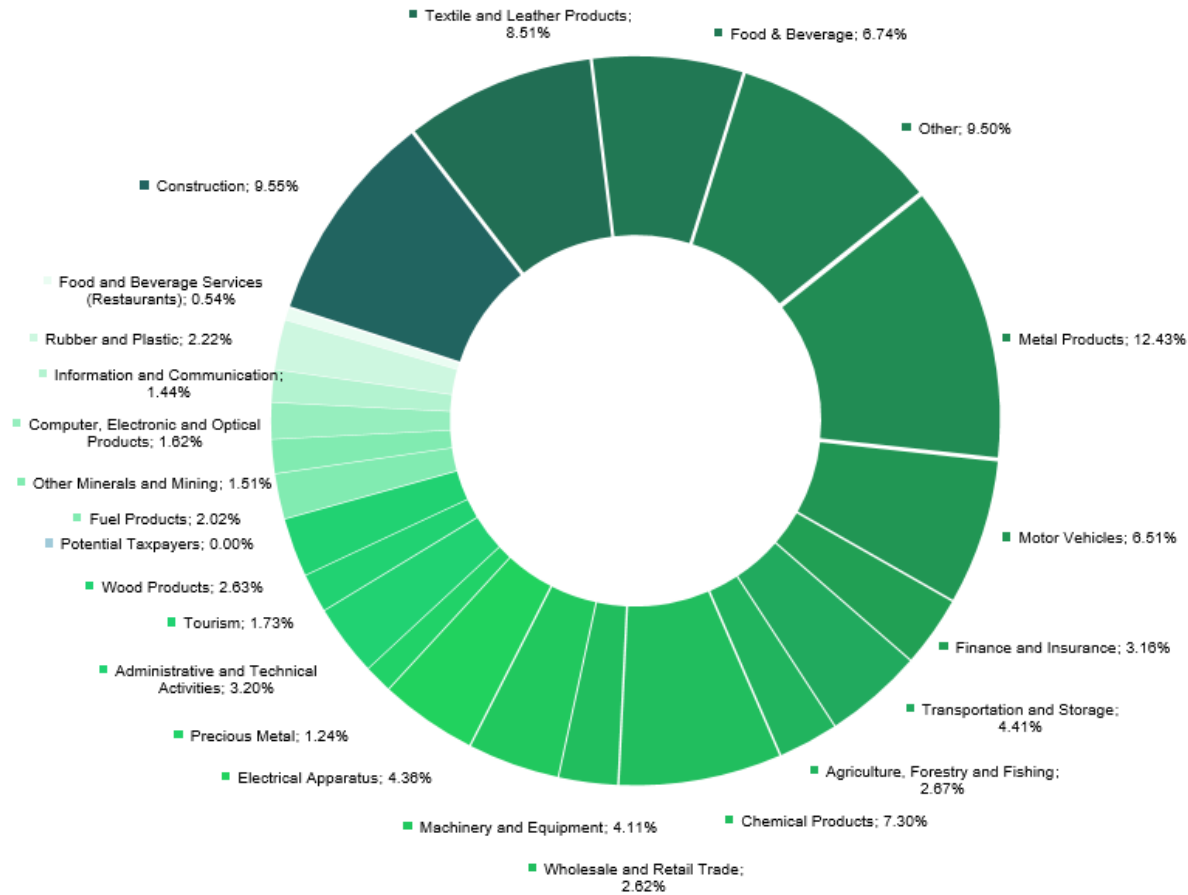
Coverage Ratio



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Sectoral Breakdown of Loan Portfolio(*)

Maintained well-diversified loan portfolio



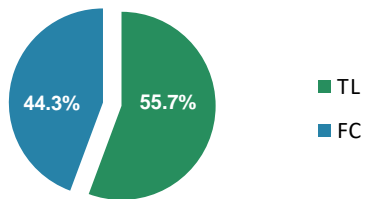
(*) incl. non-cash loans, excl. retail loans



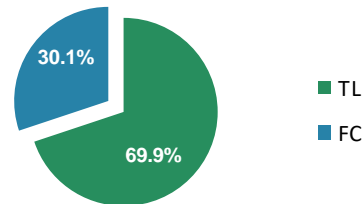
Composition of Marketable Securities

Total Securities Compositions

2021 Q4

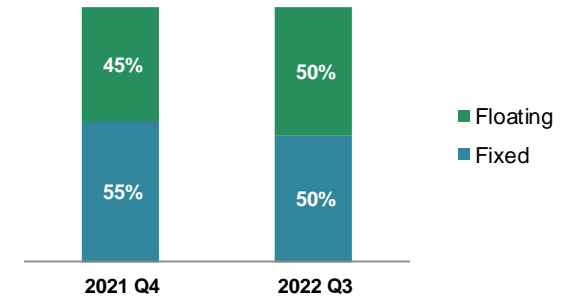


2022 Q3

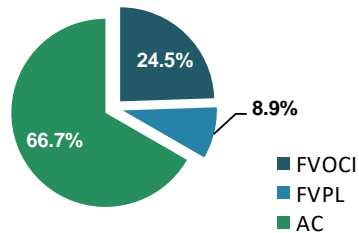


Interest Rate Compositions

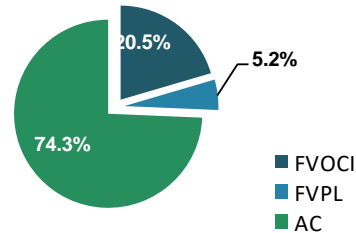
Total Securities



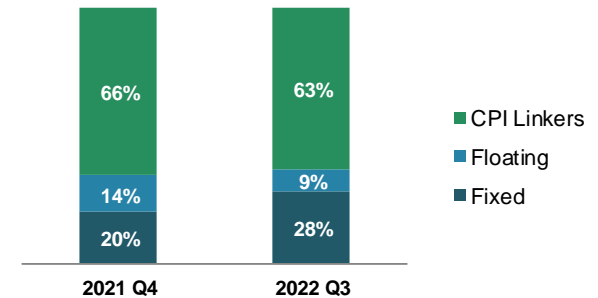
2021 Q4



2022 Q3



TL Portfolio

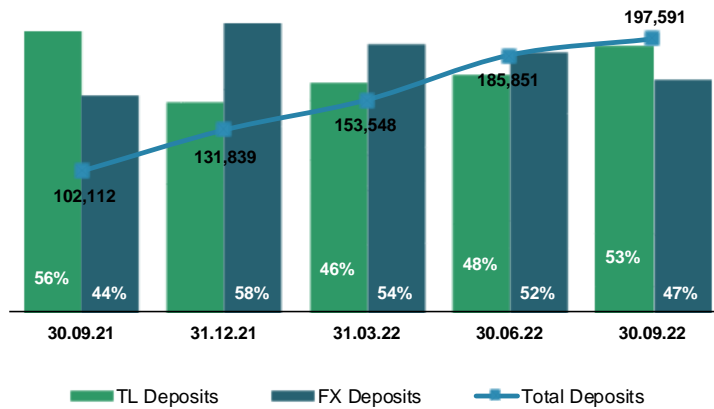


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A Closer Look into Deposits

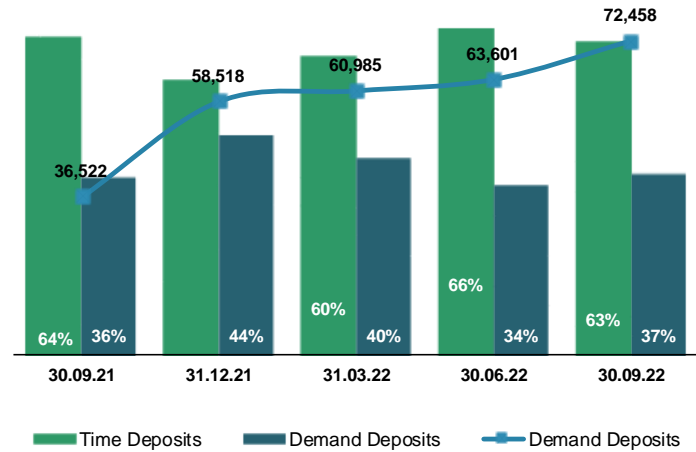
Robust growth in customer deposits

TL/FX Deposit Compositions

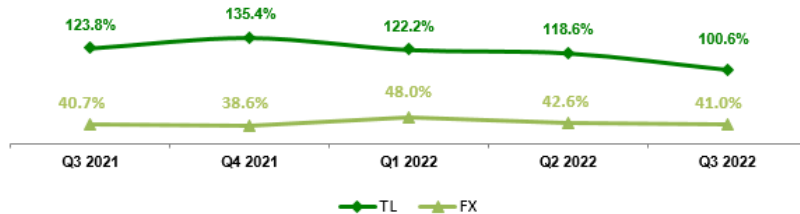


98% increase in TL time deposits as a result of the new FX protected TL deposit product, led to the YtD growth in TL deposits

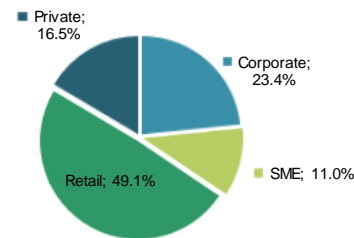
Time/Demand Deposit Compositions



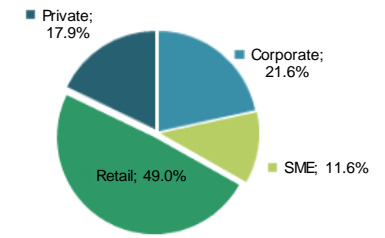
Loan / Deposit Ratio



Total Deposits - Dec'21



Total Deposits - Sep'22

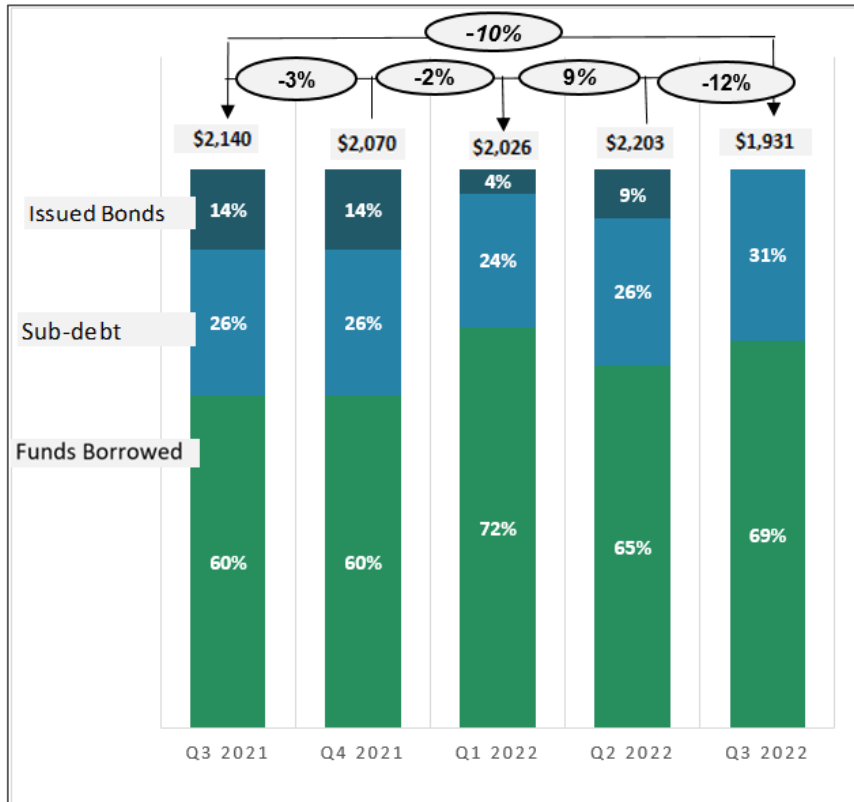


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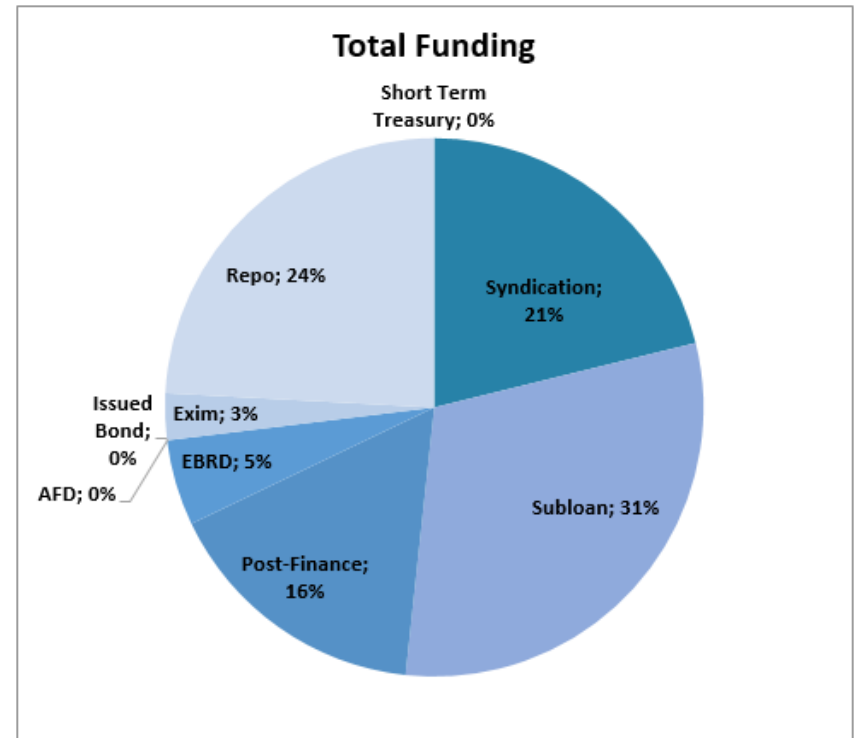
Wholesale Borrowings

Maintained disciplined funding mix

Wholesale Borrowings By Type



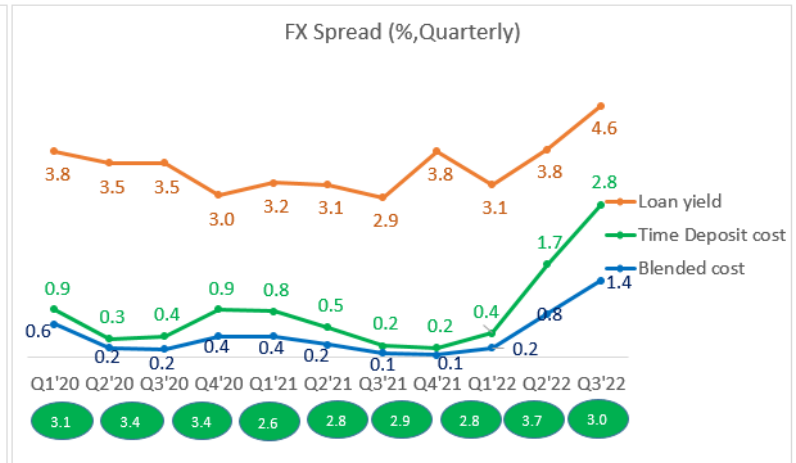
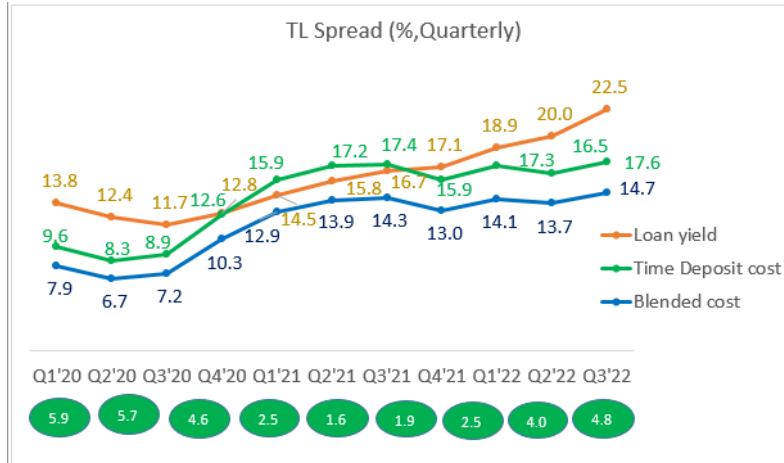
Wholesale Borrowings Breakdown



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Spreads & NIM

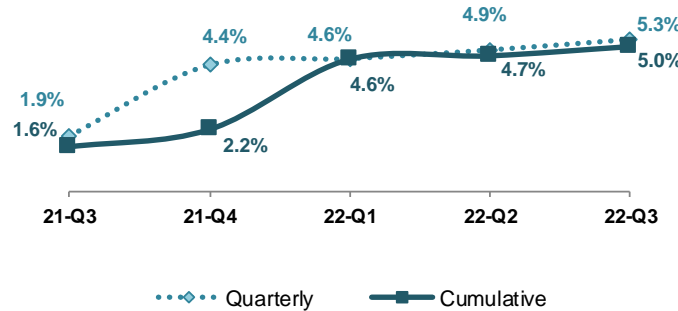
Steady improvement in TL spreads in Q3 2022



(*) Represents the MIS amounts

Significant income growth, based on increasing volumes and spread driven by CPI linkers supported NII performance

Net Interest Margin



- CPI linkers effect eliminated

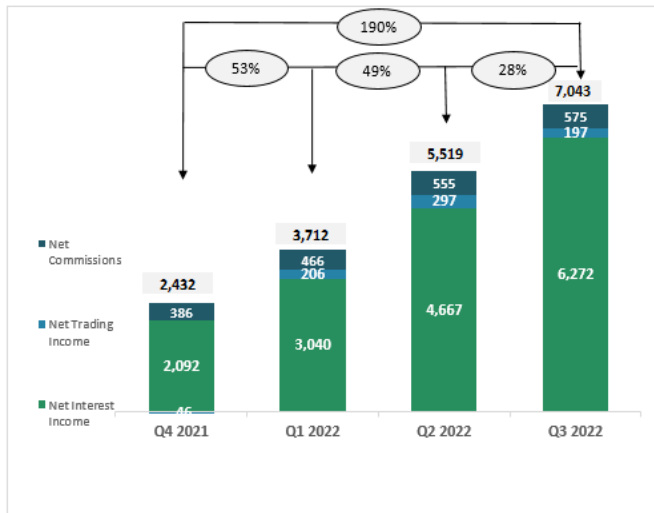
CPI linkers valued by 80% and supporting NIM improvement also provides hedge against higher inflationary environment



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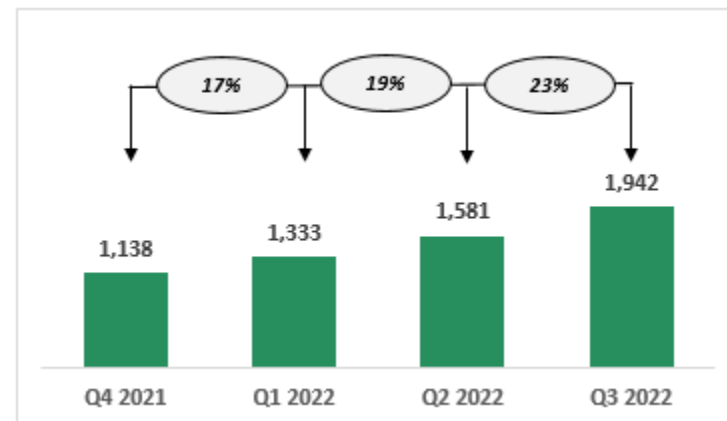
Profitability and Effective Cost Management

Total Operating Income

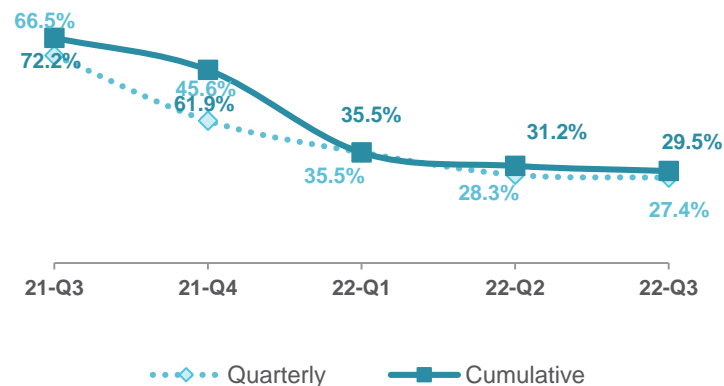


(*) Represents the MIS amounts

OPEX (TL)



Cost/Income



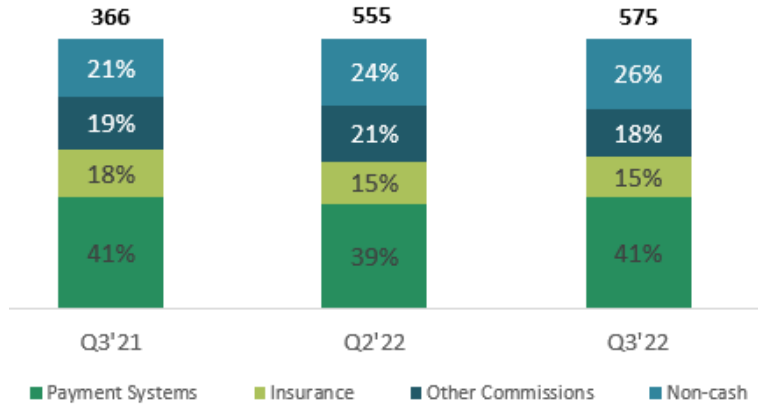
Successful income generation yielded a better C/I ratio at 29.5%, despite upward pressures on costs from inflation and TL's depreciation – «cost discipline to remain in focus»



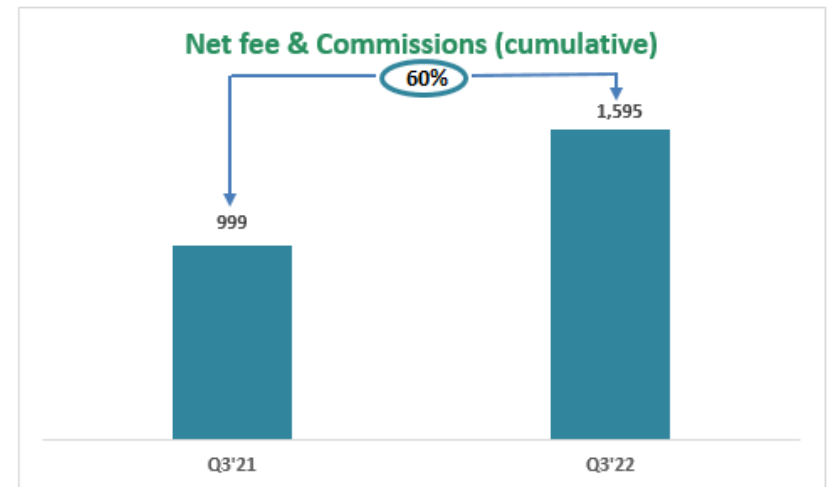
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Net fees & Commissions

Net Fees & Commissions

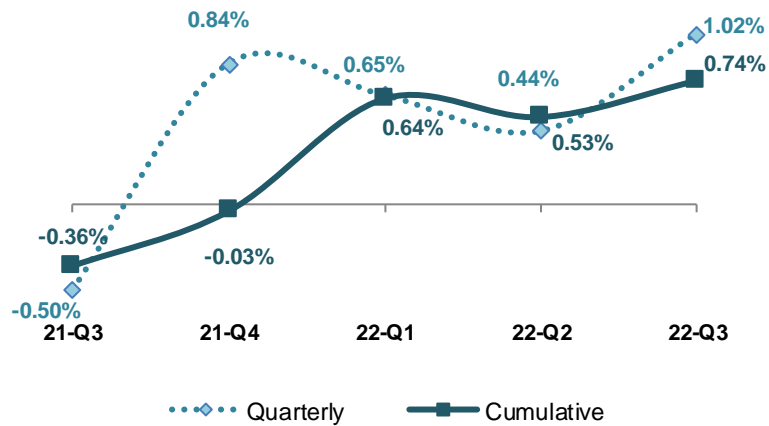


Net fees and commissions income increased by 57% YoY, – thanks to the strong performance in payment systems, improvement in banking services fees, bancassurance commissions and non-cash loan commissions.

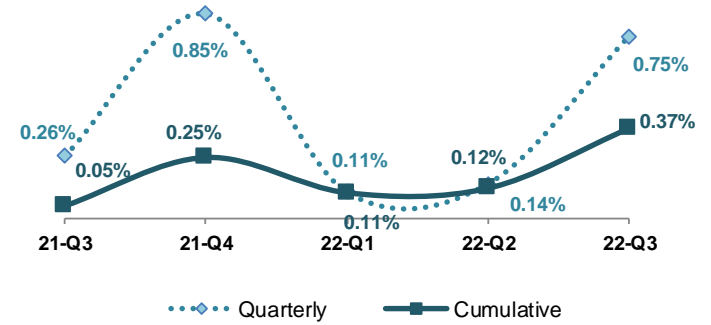


Evolution of Cost of Risk

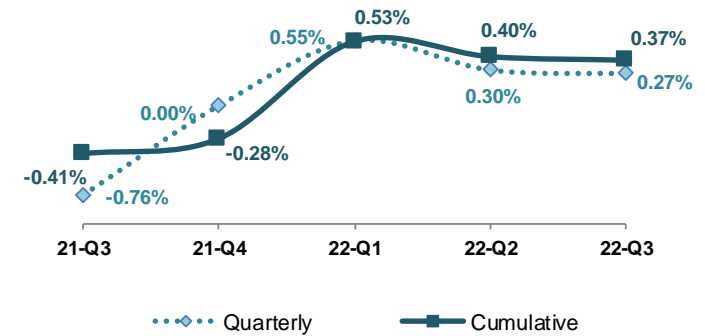
Cost of Risk



Cost of Risk (Stage 3)

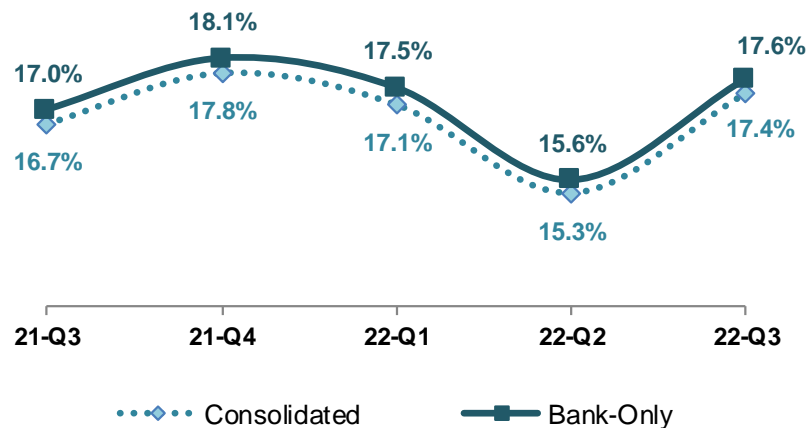


Cost of Risk (Stage 1 & 2)



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TEB: solid and well capitalised bank



Strong capital buffers well above regulatory limits



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APPENDIX



Ratings of TEB

FITCH (July 26, 2022)

| | Rating | Outlook |
|-------------------------------------|----------|----------|
| Long-Term FC Issuer Default Rating | B- | Negative |
| Short-Term FC Issuer Default Rating | B | - |
| Long-Term LC Issuer Default Rating | B | Negative |
| Short-Term LC Issuer Default Rating | B | - |
| Viability Rating | b- | - |
| National Long-Term Rating | AA (tur) | Stable |
| Shareholder Support Rating | b- | - |

MOODY'S (August 16, 2022)

| | Rating | Outlook |
|-------------------------------------|--------|---------|
| Long Term FC Bank Deposits | B3 | Stable |
| Short Term FC Bank Deposits | NP | - |
| Long Term LC Bank Deposits | B1 | Stable |
| Short Term LC Bank Deposits | NP | - |
| Baseline Credit Assessment | b3 | - |
| Adjusted Baseline Credit Assessment | b1 | - |
| Long Term FC Counterparty Risk | B3 | |



Sustainability

- While the concept of sustainability gains more importance day by day with the changing conditions around the world, TEB continued its activities with the aim of carrying the world to a better future by acting with a sense of responsibility. Supporting sustainable economic growth with its banking activities, TEB also carries out activities that create positive impact and benefit for the economy, environment and society with the understanding of "Good and Exemplary Bank".

**Social
Responsibility**

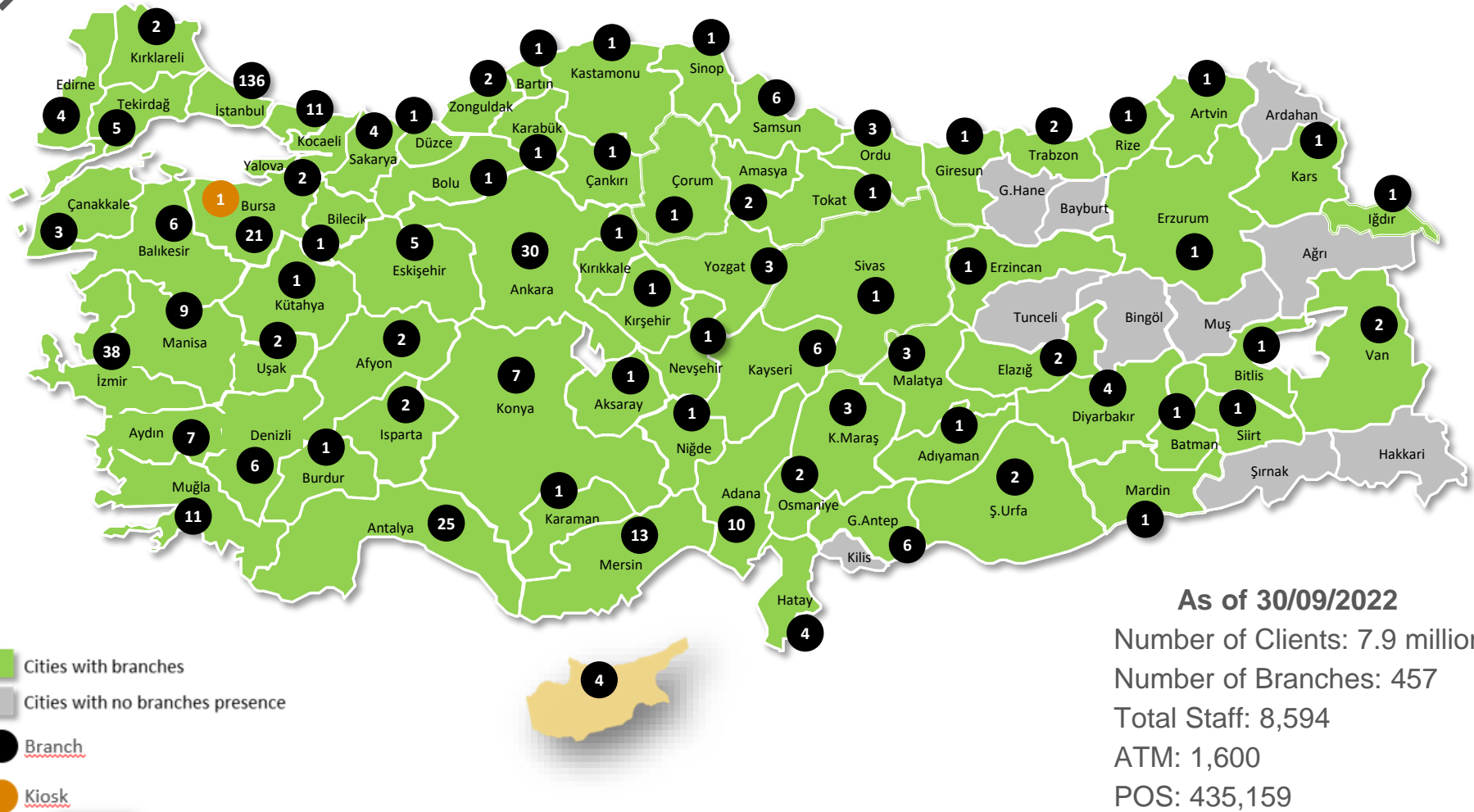
**Economic
Responsibility**

**Environmental
Responsibility**

**Civic
Responsibility**



TEB is present in 71 cities



- Cities with branches
- Cities with no branches presence
- Branch
- Kiosk



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Digital Banking in 2022

Client Base

2.5 million active digital clients in online banking

Migration Ratio

95% of six main transactions over Digital Channels
(Cash Withdrawal, Cash Deposit, Credit Card payments, Loan payments, Invoice Payments and Money Transfers)

%86 personal loan sold through digital channels

%70 deposit account opened through digital channels

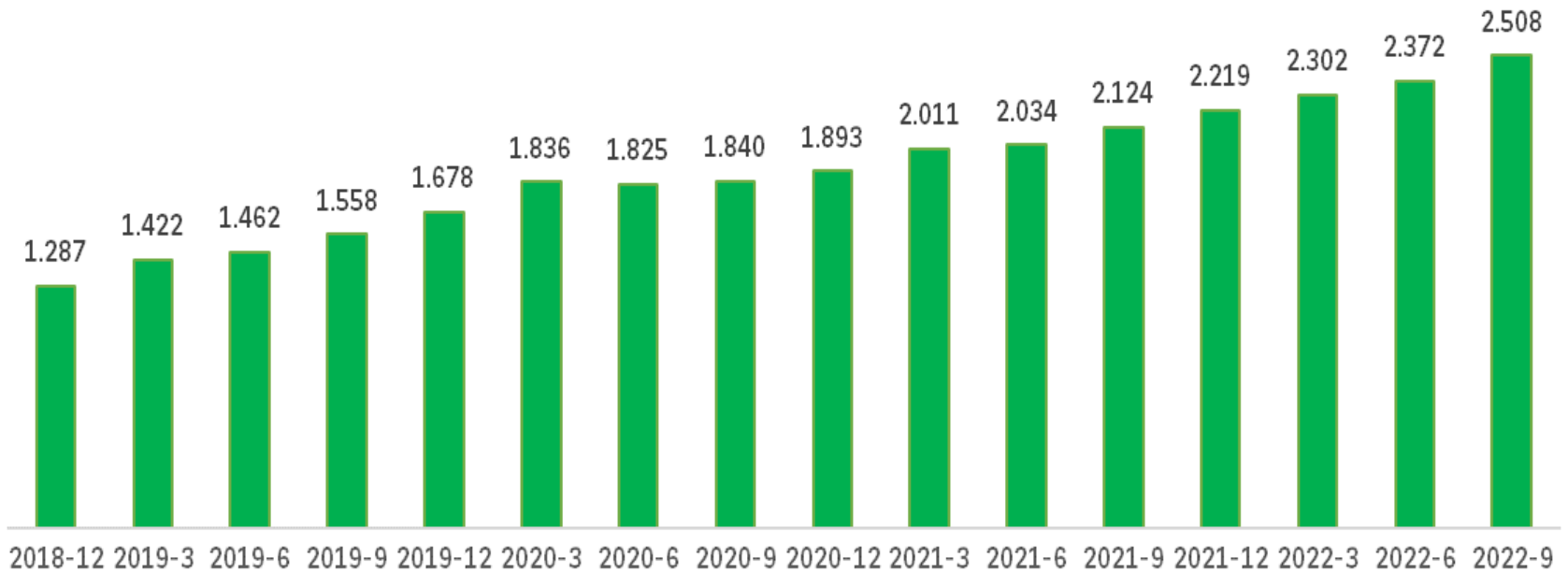
ATM Network

of ATM **1.600** ve **%3,08** market share



Digital Banking in 2022

of Active Online Banking Clients (*)



(*) Active definition: At least login once in the last 90 days



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| Securities Trading Gain/ Loss | 70 | (97) |
| Net Fee&Commissions | 999 | 1,595 |
| Other Income | 152 | 171 |
| Net Banking Income | 3,960 | 16,445 |
| Cost of Risk | 236 | (711) |
| Net Operating Income | 4,196 | 15,735 |
| Other Operating Expense | (1,534) | (2,291) |
| Personnel Expenses | (1,324) | (2,564) |
| Other Provisions | (2) | 0 |
| Dividend Income | 6 | 15 |
| Tax Provisions | (298) | (2,592) |
| Net Profit | 1,044 | 8,302 |



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