



TEB

Q1'23 Earning Presentation



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Summary at Glance

As of 31 March 2023, TEB's total assets reached TL 278 billion, mainly driven by increases in TL loans.

Loans reaching 54% 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 billion as of 31 March 2023 while the Bank's total deposits amounted to TL 198 billion.

TEB's shareholders' equity was TL 27.4 billion as of 31 March 2023 with 16.79% capital adequacy ratio which was well above the 12% targeted ratio.

TEB posted net of profit of TL 3.320 million while achieving 53.5% RoE and 5.0% RoA.

Continuing growth in digital customer acquisition, reaching approximately 2.7 million digital active customers in CEPTETEB.



Summary Balance Sheet

TÜRK EKONOMİ BANKASI A.Ş.
Bank only (in Mn TL)

	31.12.2022	31.03.2023	YtD Chg
Cash & Cash Equivalents	60,371	54,347	-10%
Marketable Securities	51,829	52,892	2%
Loans (net)	144,287	149,489	4%
Other Assets	18,660	21,095	13%
Total Assets	275,147	277,823	1%
Deposit	200,391	197,822	-1%
Funds Borrowed	11,173	10,269	-8%
Repo	6,791	7,819	15%
Subordinated Debt	9,708	10,283	6%
Other Liabilities	21,743	24,315	12%
Shareholders Equity	25,341	27,316	8%
Liab.&Shr.Equity	275,147	277,823	1%



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Summary Income Statement

TÜRK EKONOMİ BANKASI A.Ş.

Bank only (in Mn TL, cumulative)

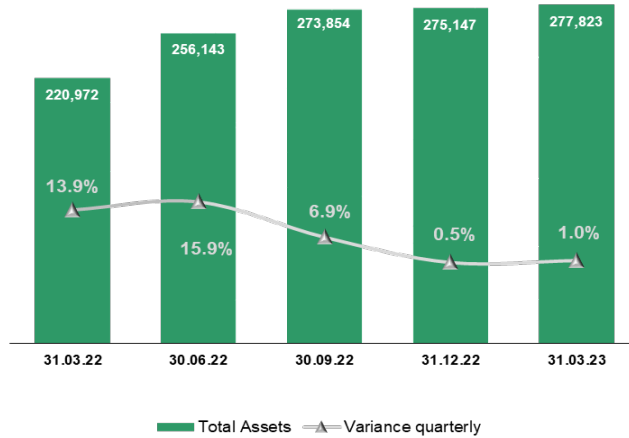
	31.03.2022	31.03.2023	YoY Chg
Net Interest Income	3,040	4,029	32.5%
Gains/Losses From Derivatives and FX position	201	1,172	
Securities Trading Gain/ Loss	5	1,216	
Net Fee&Commissions	466	749	60.7%
Other Income	46	117	154.5%
Net Banking Income	3,758	7,283	93.8%
Cost of Risk	(189)	(192)	1.5%
Net Operating Income	3,570	7,091	98.7%
Other Operating Expense	(655)	(1,471)	124.5%
Personnel Expenses	(677)	(1,427)	110.7%
Other Provisions	2	(1)	
Dividend Income	9	13	42.0%
Tax Provisions	(653)	(885)	35.5%
Net Profit	1,595	3,320	108.1%



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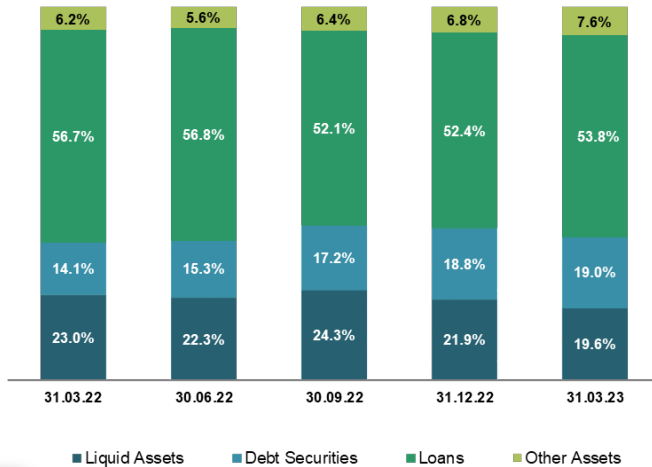
Asset and Liability Composition

Balance Sheet Growth

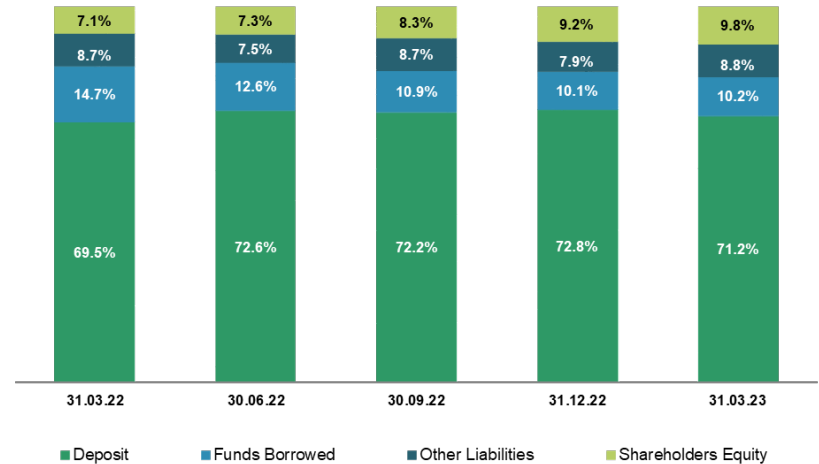


Sound and Prudent Balance Sheet Management

Asset Compositions



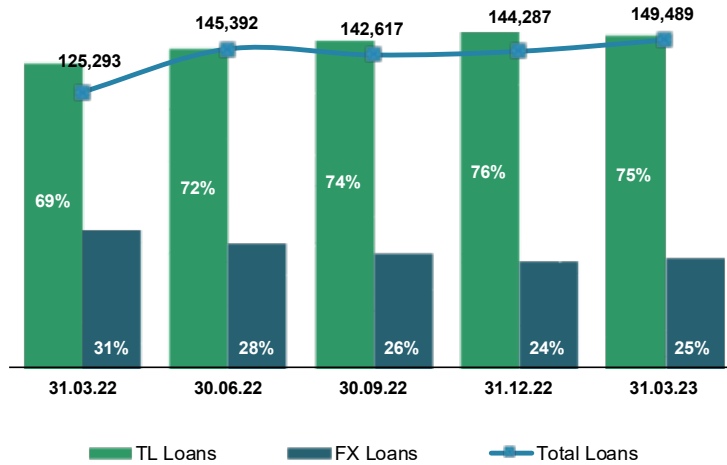
Liability Compositions



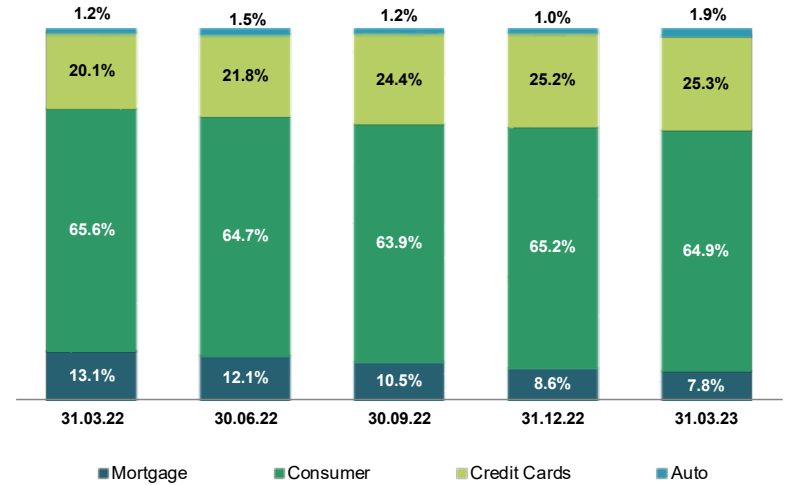
A Closer Look into Loans

Healthy loan portfolio composition

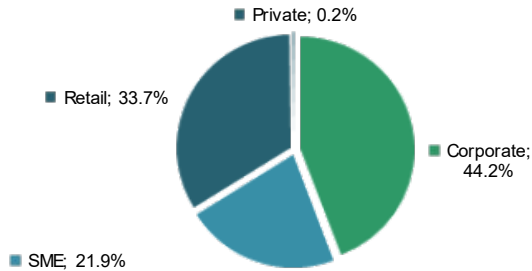
Loan Compositions



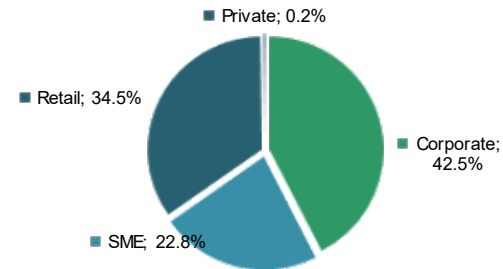
Breakdown of Retail Loans



Performing Loans - Dec'22



Performing Loans - Mar'23

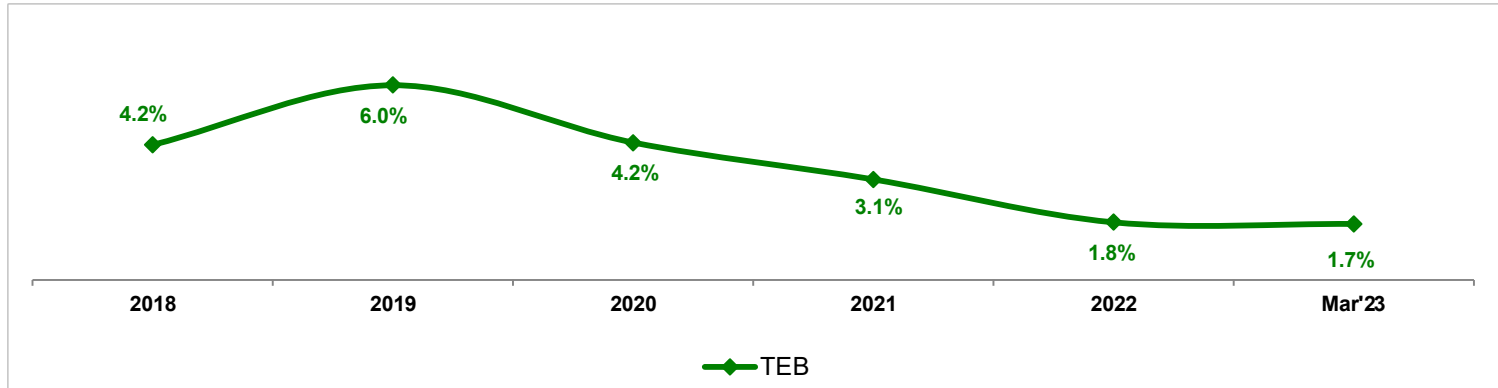


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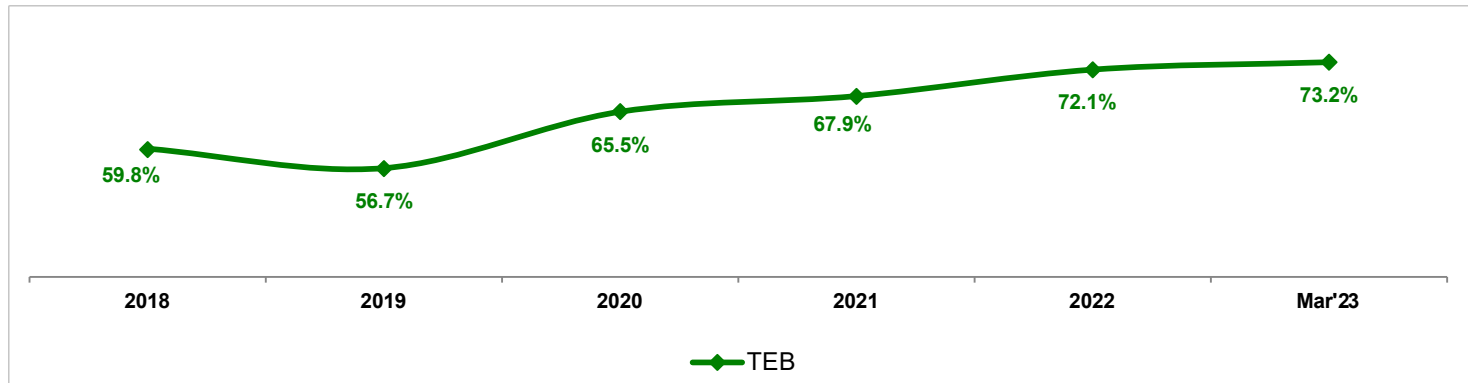
NPL and Coverage Ratios

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



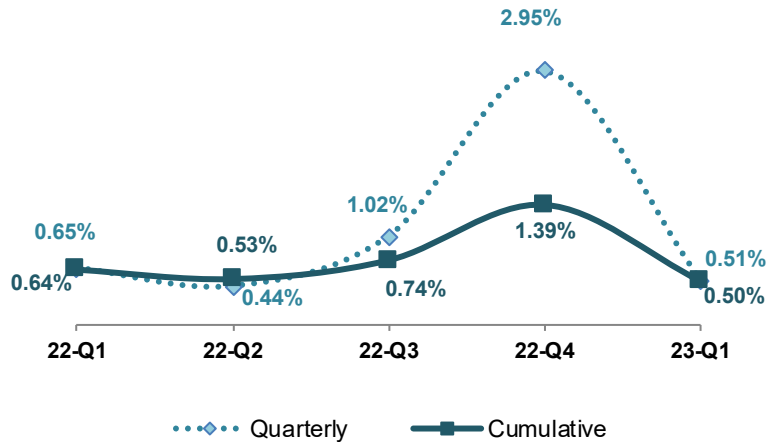
Coverage Ratio



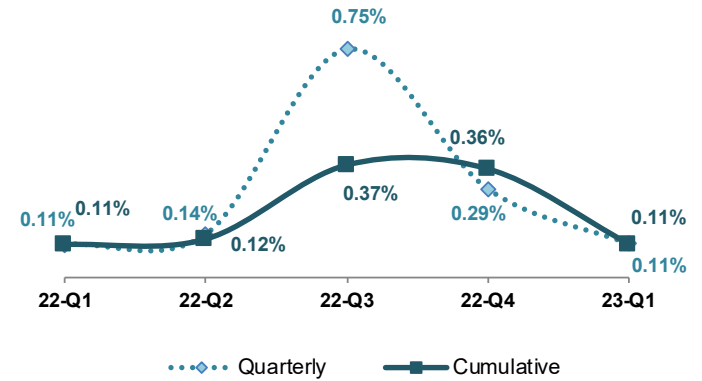
Evolution of Cost of Risk

Prudent, proactive and long-term risk management reflected as low cost of risk

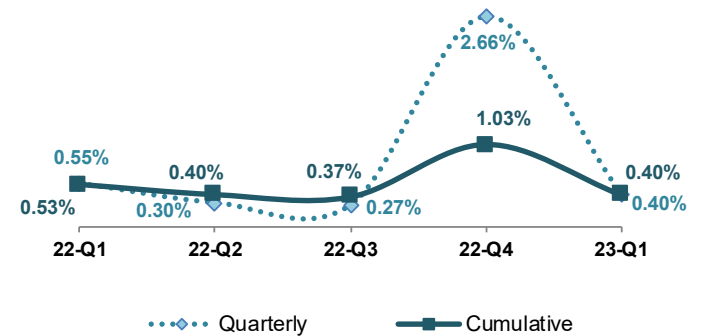
Cost of Risk



Cost of Risk (Stage 3)



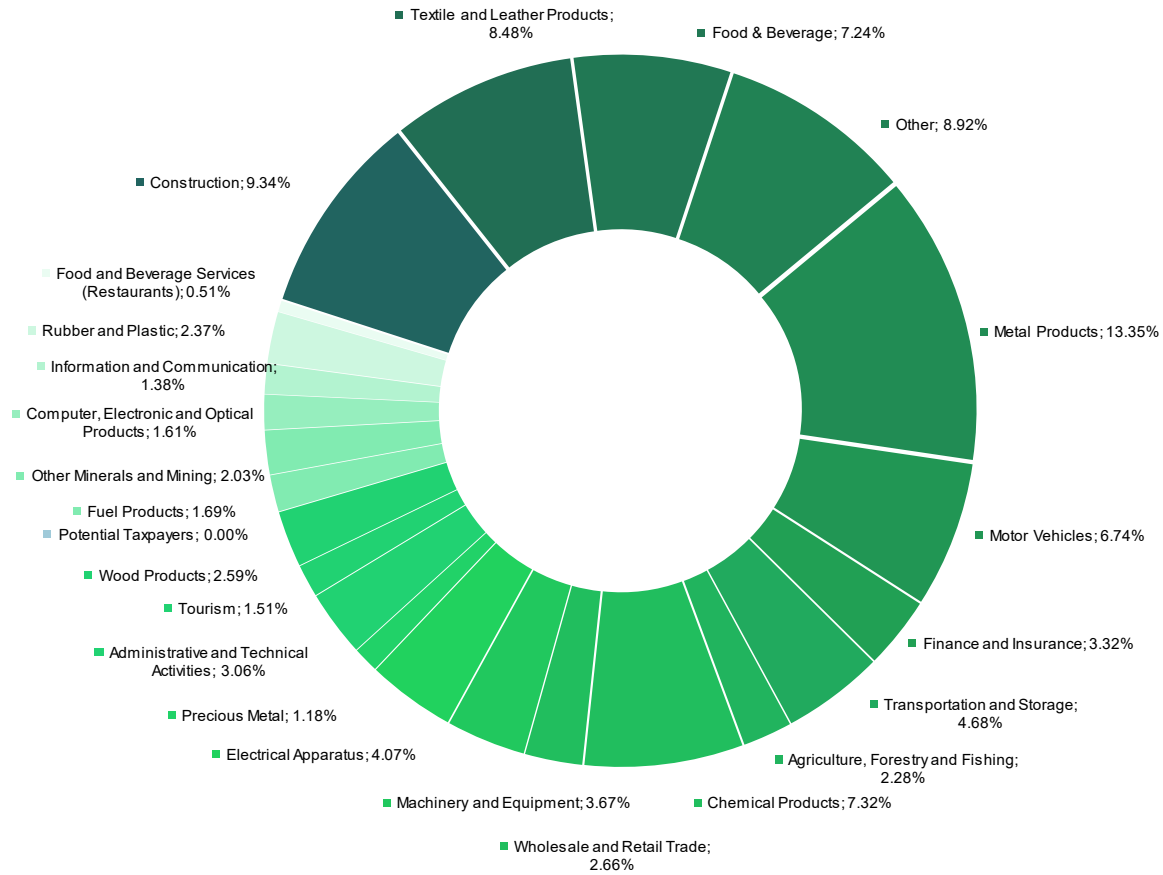
Cost of Risk (Stage 1 & 2)



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Sectoral Breakdown of Loan Portfolio(*)

Maintained well-diversified loan portfolio



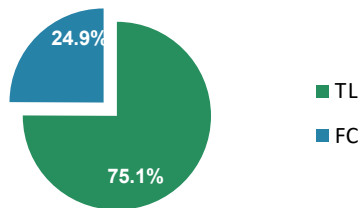
(*) incl. non-cash loans, excl. retail loans



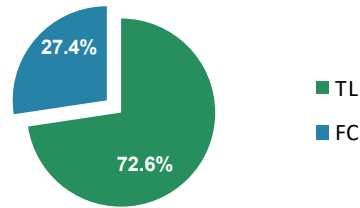
Composition of Marketable Securities

Total Securities Compositions

2022 Q4

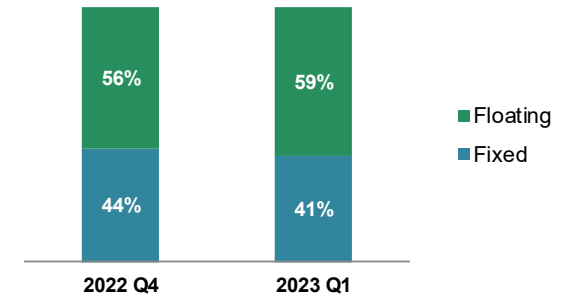


2023 Q1

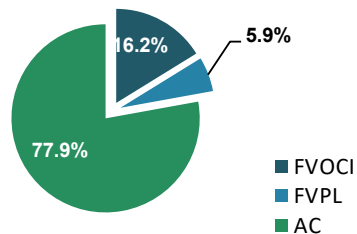


Interest Rate Compositions

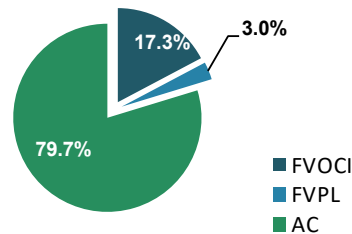
Total Securities



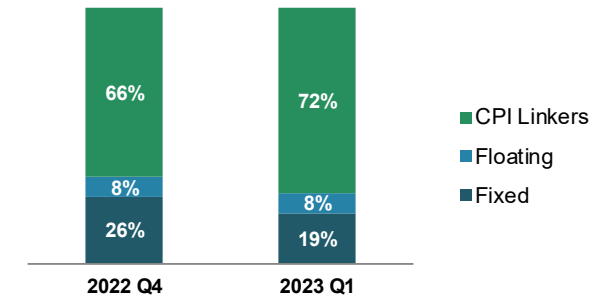
2022 Q4



2023 Q1



TL Portfolio



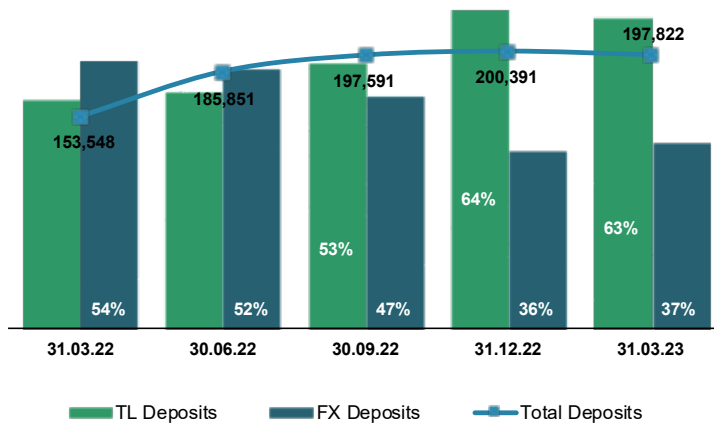
- FVOCI - Financial Assets at Fair Value Through Other Comprehensive Income
- FVPL - Financial Assets at Fair Value Through Profit or Loss
- AC - Financial Assets Measured at Amortised Cost



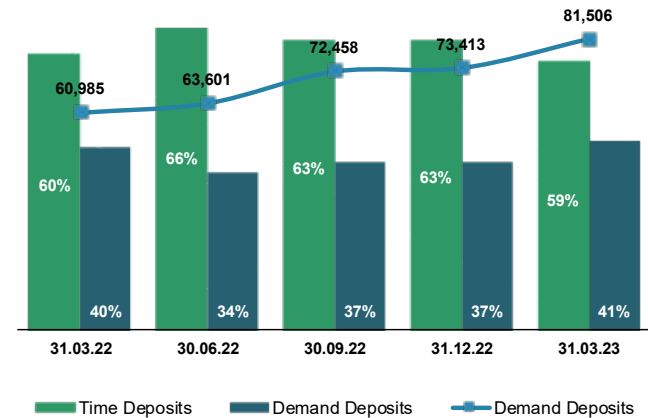
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A Closer Look into Deposits

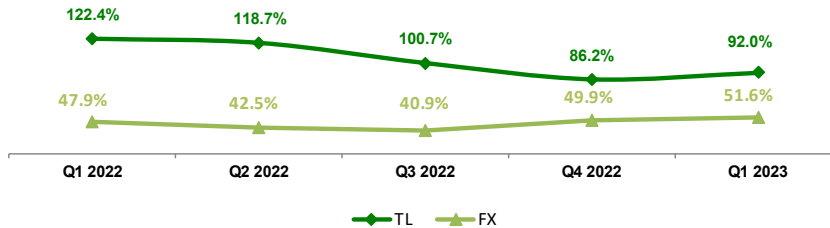
TL/FX Deposit Compositions



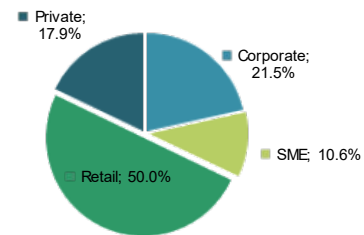
Time/Demand Deposit Compositions



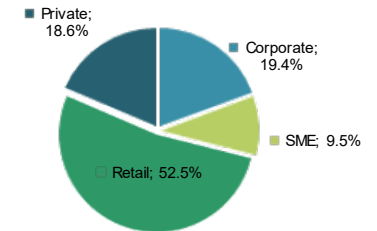
Loan / Deposit Ratio



Total Deposits - Dec'22



Total Deposits - Mar'23

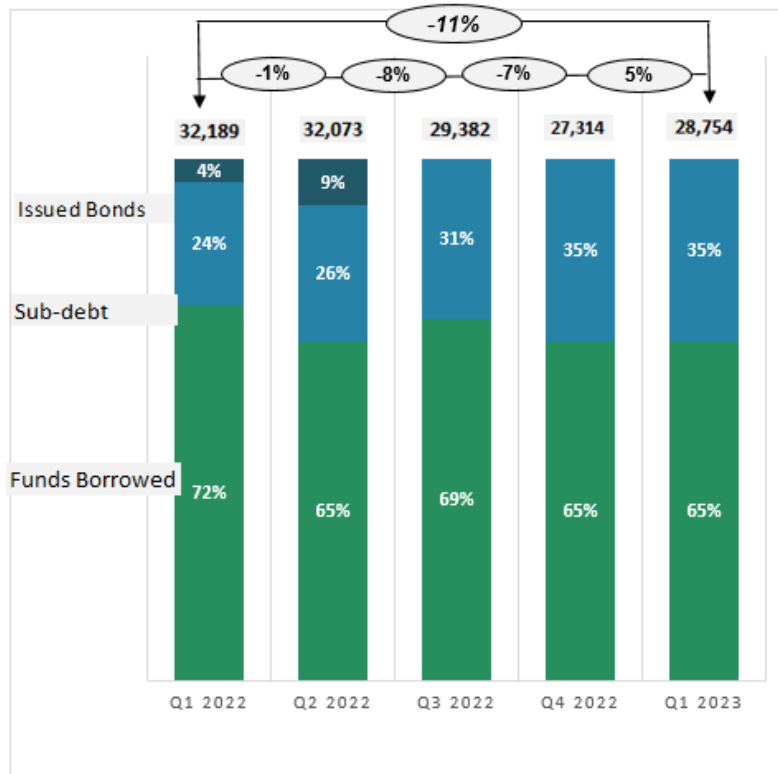


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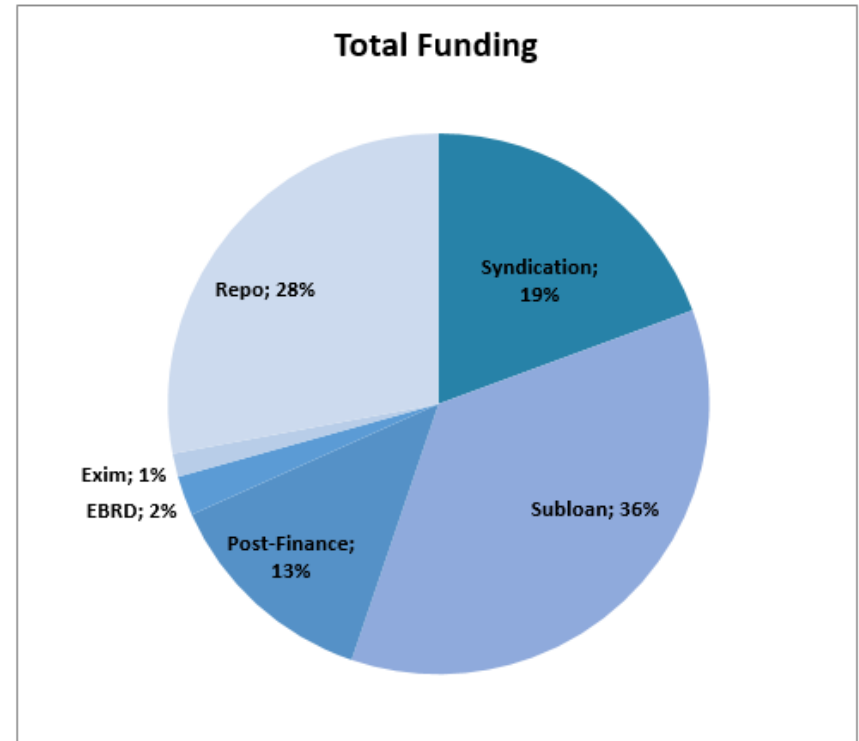
Wholesale Borrowings

Maintained disciplined funding mix

Wholesale Borrowings By Type

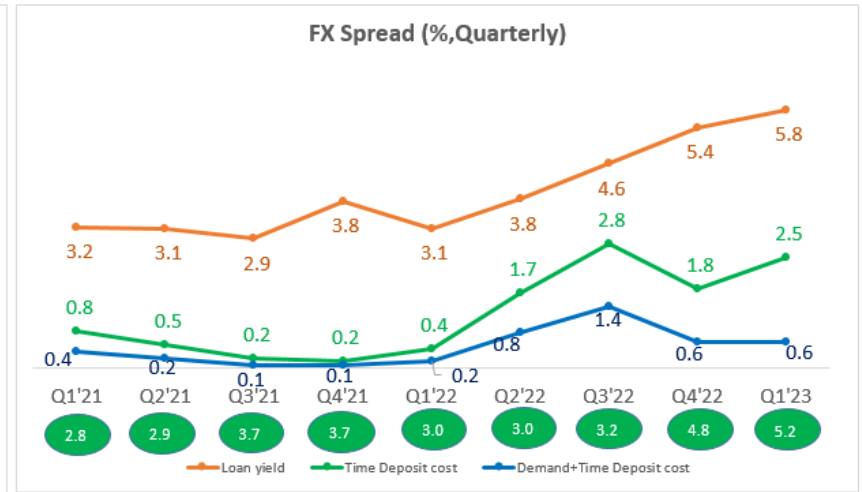
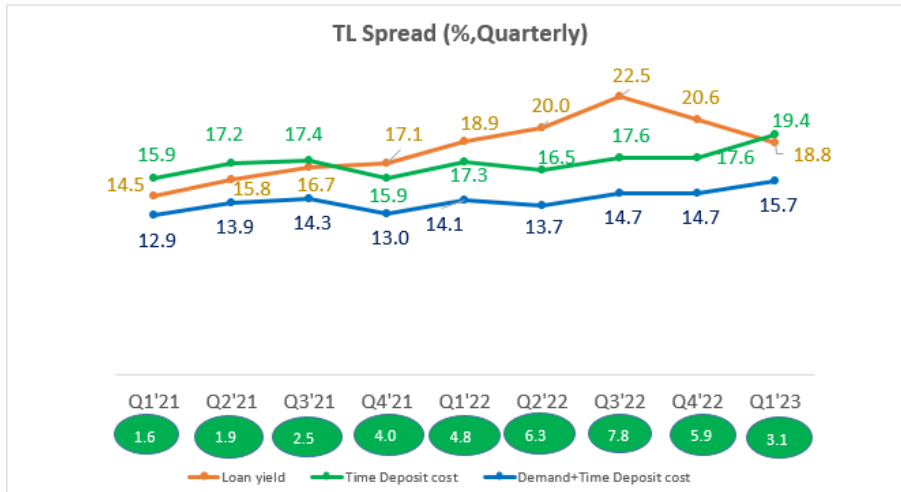


Wholesale Borrowings Breakdown



Spreads & NIM

Better profitability supported by increase in TL denominated loan margins



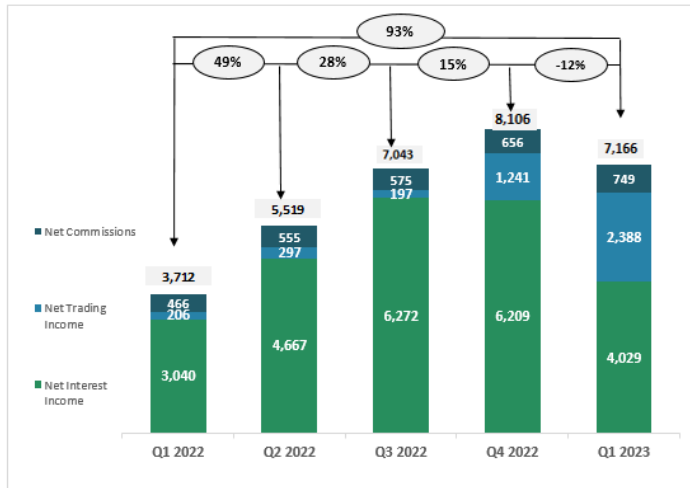
(*) Represents the MIS amounts



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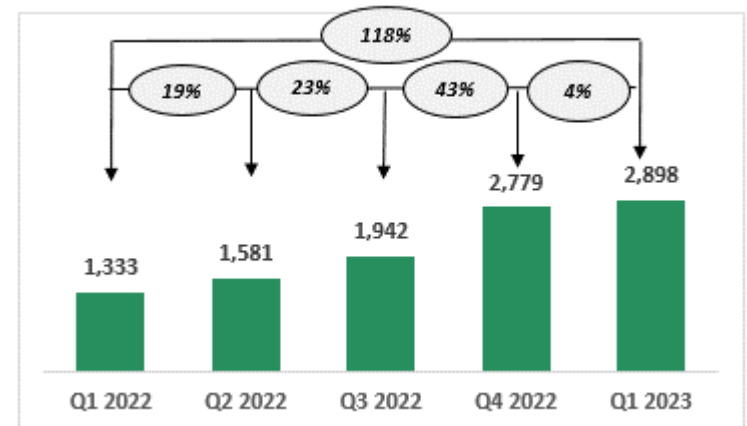
Profitability and Effective Cost Management

Total Operating Income

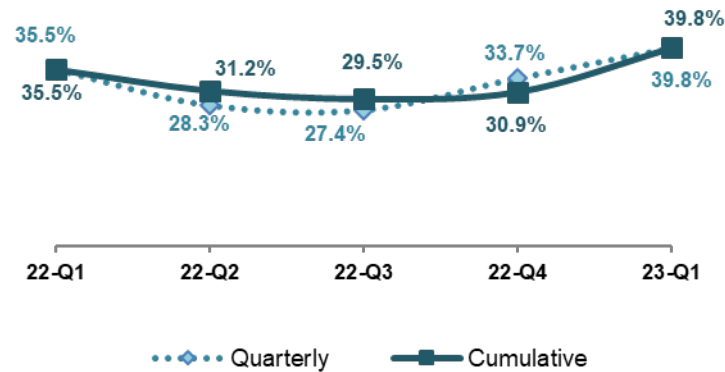


(*) Represents the MIS amounts

OPEX (TL)



Cost/Income

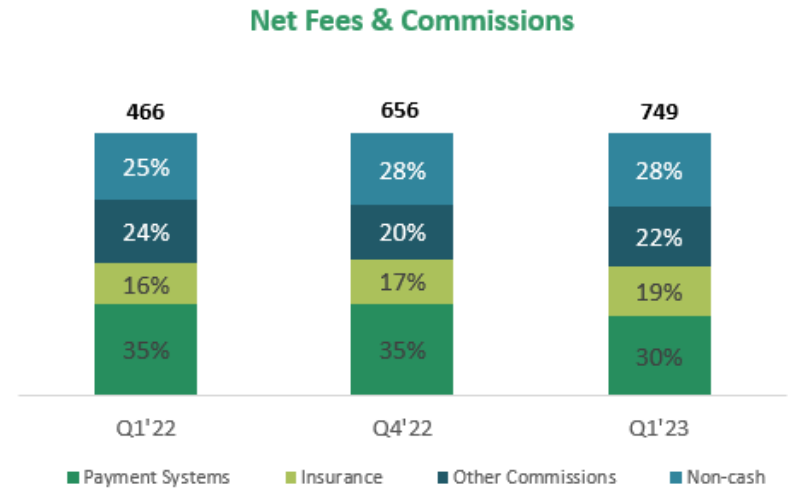
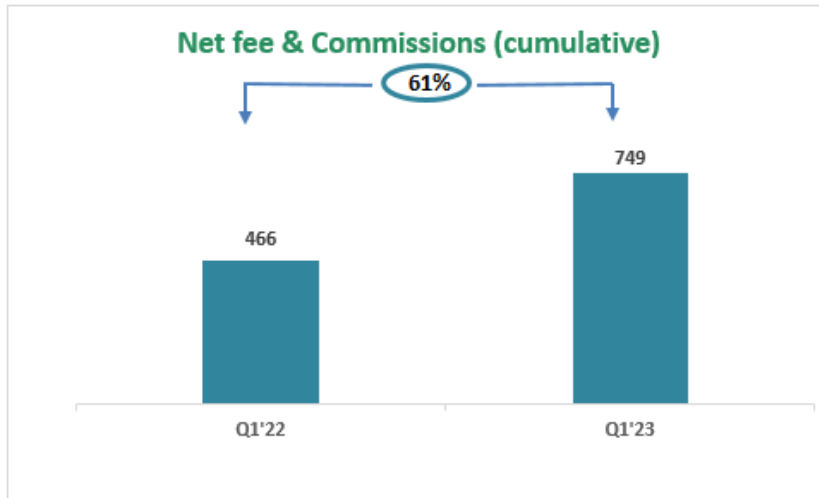


Successful cost control resulted in a good C/I ratio at 39.8%, despite upward pressures on costs from inflation and TL's depreciation.



Net fees & Commissions

Continuous increase in net fees and commissions

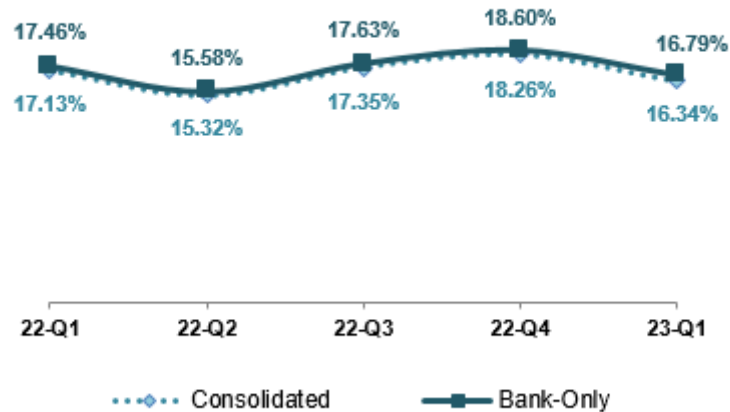


Net fees and commissions income increased by 61% YoY, – thanks to the strong performance in payment systems, improvement in banking services fees, bancassurance commissions and non-cash loan commissions.



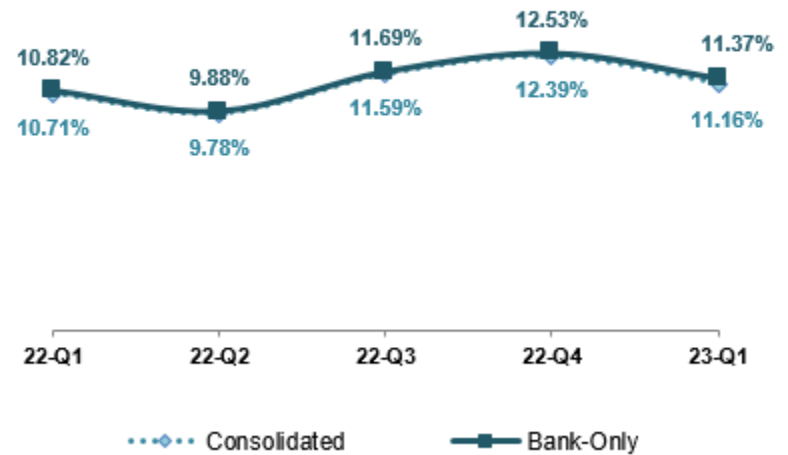
TEB: solid and well capitalised bank

Capital Adequacy Ratio



Strong capital buffers well above regulatory limits

CET1 Ratio



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APPENDIX



Summary Balance Sheet

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

	31.12.2022	31.03.2023	YtD Chg
Cash & Cash Equivalents	60,455	55,316	-9%
Marketable Securities	51,830	52,893	2%
Loans (net) ^(*)	151,922	158,950	5%
Other Assets	19,329	21,834	13%
Total Assets	283,536	288,994	2%
Deposit	200,350	197,588	-1%
Funds Borrowed	17,605	18,088	3%
Repo	7,230	8,397	16%
Subordinated Debt	9,708	10,283	6%
Other Liabilities	22,076	25,150	14%
Shareholders Equity	26,144	28,389	9%
Liab.&Shr.Equity	283,536	288,994	2%

^(*) including Factoring Receivables



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Summary Income Statement

TÜRK EKONOMİ BANKASI A.Ş.

Consolidated (in Mn TL, cumulative)

	31.03.2022	31.03.2023
Net Interest Income	3,124	4,399
Gains/Losses From Derivatives and FX position	204	1,174
Securities Trading Gain/ Loss	5	1,220
Net Fee&Commissions	516	898
Other Income	45	137
Net Banking Income	3,893	7,829
Cost of Risk	(193)	(195)
Net Operating Income	3,700	7,633
Other Operating Expense	(678)	(1,549)
Personnel Expenses	(715)	(1,532)
Other Provisions	2	(1)
Dividend Income	1	0
Tax Provisions	(669)	(961)
Net Profit	1,640	3,590



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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

TEB is committed to promoting higher environmental and social standards in its business operations

TEB has launched its Environmental and Social Risk Management Policies as a result of Bank's social, economic, and environmental responsibility, reducing its impact to the environment and affected people and raising environmental and social awareness of the communities and its employees. It includes:

- “Excluded Goods and Activities”,
- Selective approach to «High» and «Sensitive Sectors»
- Compliance with national and internationally acceptable environmental and social laws and regulations
- Equator principles for project finance.



Stakeholder Engagement

In different ways, TEB communicates its performance by aiming at increasing awareness of among all stakeholders

External

TEB Positive Banking Campaign

TEB launched a campaign in 2022 to increase awareness on sustainability, highlighting TEB's positive banking positioning and engagement projects. Key actors, children, are explaining the meaning of sustainability from their own perspective.

ESG Deployment

TEB is actively participating at task groups with BRSA to work on e.g. regulations including green taxonomy and impact assessment of EU Carbon Border Tax.

Sustainability Reporting

TEB shares its Sustainability performance with its stakeholders in GRI standards since 2012



Sustainability Manifesto

TEB declared its approach to sustainability in a public Manifesto and committed itself to ethical and responsible practices across all its activities and policies

Internal

Sustainability Dashboard

TEB developed a Sustainability Dashboard for economic, environmental, social and civic material topics. It serves for internal communication of strategic targets to align the activities of all employees and departments.

SASECOM Bulletin

The internal bulletin covers the major activities, initiatives and decisions made by the Sustainability and Stakeholder Committee to inform TEB employees and to contribute to the awareness on the topic.

Environmental Campaigns

Announcements and events to raise awareness of all employees, including:

- World Water Day
- Earth Hour
- Blue Cap Campaign



TEB is present in 71 cities



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Digital Banking in 2023

Client Base

%20 YOY increase in active mobile clients, **2.6million mobile active** clients
19 monthly **mobile logins per customer**
%38 of bank's new customers acquired through **digital onboarding**

Migration Ratio

%92 of all financial transactions over Digital Channels
%87 personal loan sold through digital channels
%27 of credit cards sold through digital channels

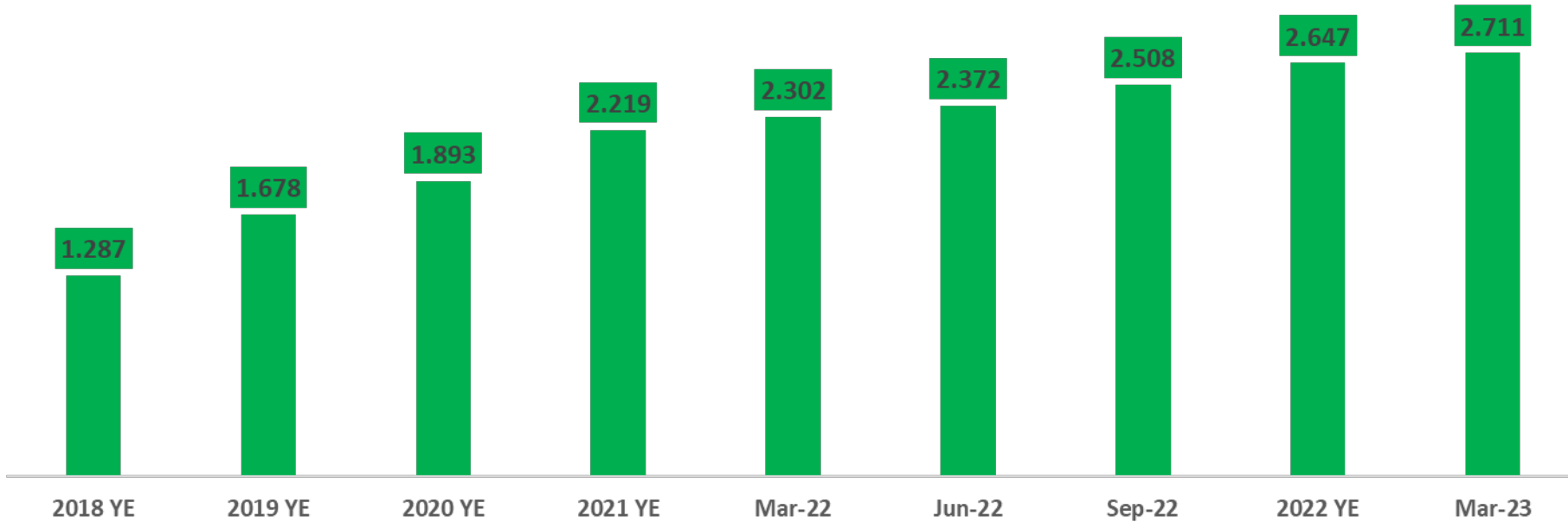
ATM Network

of ATM **1.573** ve **%3,06** market share



Digital Banking in 2023

of Active Online Banking Clients (*)



Presented in thousands

(*) Active definition: Login at least once in the last 90 days



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