



TEB

Q4'22 Earning Presentation

As a country, we experienced an earthquake disaster that occurred in Kahramanmaraş on February 6, 2023 and affected many of our provinces.

We express our deepest condolences to our citizens who lost their lives, our condolences to their relatives, and our wishes to the injured.

As TEB Group, we will continue to stand by and support our employees, customers and all our citizens, with the belief that we will overcome these difficult days with unity and solidarity.



Summary Balance Sheet

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

	31.12.2021	31.12.2022	YtD Chg
Cash & Cash Equivalents	47,430	60,455	27%
Marketable Securities	29,201	51,830	77%
Loans (net) ^(*)	108,464	151,922	40%
Other Assets	13,759	19,329	40%
Total Assets	198,854	283,536	43%
Deposit	131,583	200,350	52%
Funds Borrowed	19,799	17,605	-11%
Securities Issued	1,195	422	-65%
Repo	8,926	7,230	-19%
Subordinated Debt	7,239	9,708	34%
Other Liabilities	16,056	22,076	37%
Shareholders Equity	14,056	26,144	86%
Liab.&Shr.Equity	198,854	283,536	43%

^(*) including Factoring Receivables



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Summary Income Statement

TÜRK EKONOMİ BANKASI A.Ş.

Consolidated (in Mn TL, cumulative)

	31.12.2021	31.12.2022
Net Interest Income	7,066	20,728
Gains/Losses From Derivatives and FX position	(1,921)	2,014
Securities Trading Gain/ Loss	(66)	(60)
Net Fee&Commissions	1,590	2,608
Other Income	212	294
Net Banking Income	6,882	25,582
Cost of Risk	8	(1,806)
Net Operating Income	6,889	23,776
Other Operating Expense	(2,232)	(3,802)
Personnel Expenses	(1,936)	(4,189)
Other Provisions	(2)	(400)
Dividend Income	4	8
Tax Provisions	(643)	(3,819)
Net Profit	2,081	11,574



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Summary at Glance

As of 31 December 2022, TEB's total assets grew by 43% YtD, reaching TL 284 billion, mainly driven by increases in TL loans and CPI linked securities.

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 151.9 billion as of 31 December 2022 while the Bank's total deposits amounted to TL 200.4 billion.

Deposit growth of 52% YtD was contributed mainly by the 132% YtD rise in TL deposits.

TEB's shareholders' equity was TL 26.1 billion as of 31 December 2022 with 18.60% capital adequacy ratio which was well above the 12% targeted ratio.

TEB posted net of profit of TL 11.191 million while achieving 58.8% RoE and 4.8% RoA.

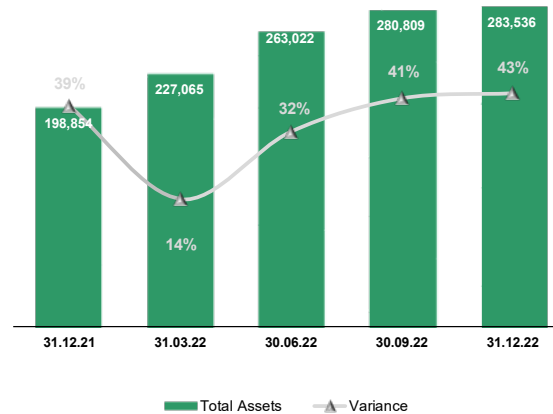
Continuing growth in digital customer acquisition, reaching approximately 2.6 million digital active customers in CEPTETEB.



Asset and Liability Composition

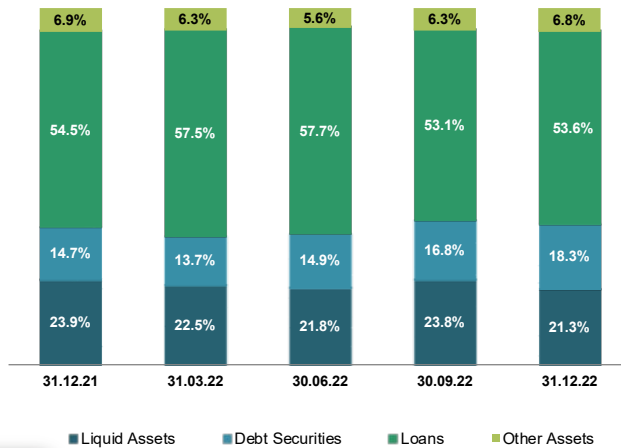
Total asset grew by 43% YtD with 54% loans share in total assets and 71% deposits share in total liabilities

Balance Sheet Growth

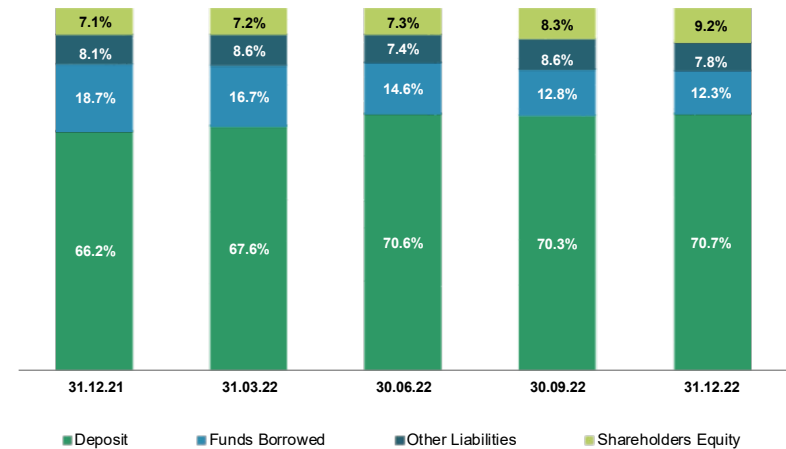


Sound and Prudent Balance Sheet Management

Asset Compositions



Liability Compositions

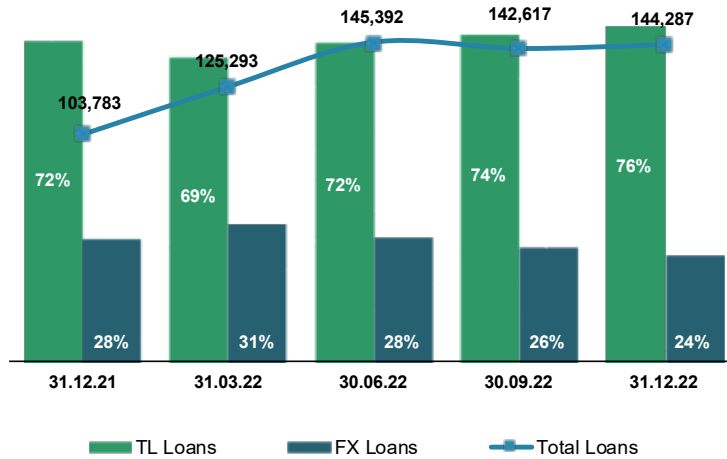


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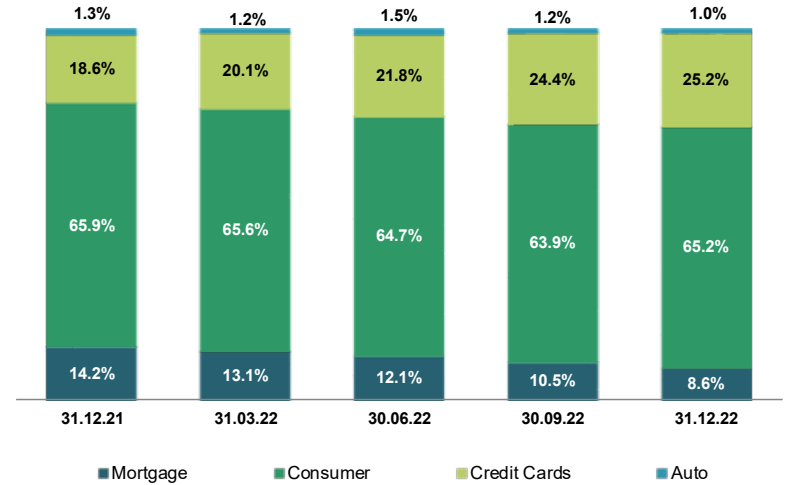
A Closer Look into Loans

Healthy loan portfolio composition

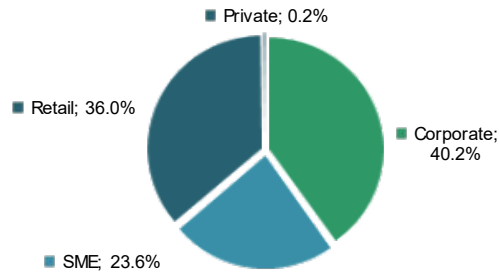
Loan Compositions



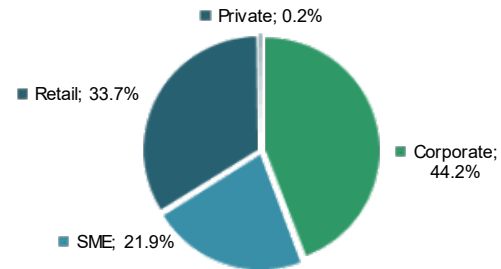
Breakdown of Retail Loans



Performing Loans - Dec'21



Performing Loans - Dec'22

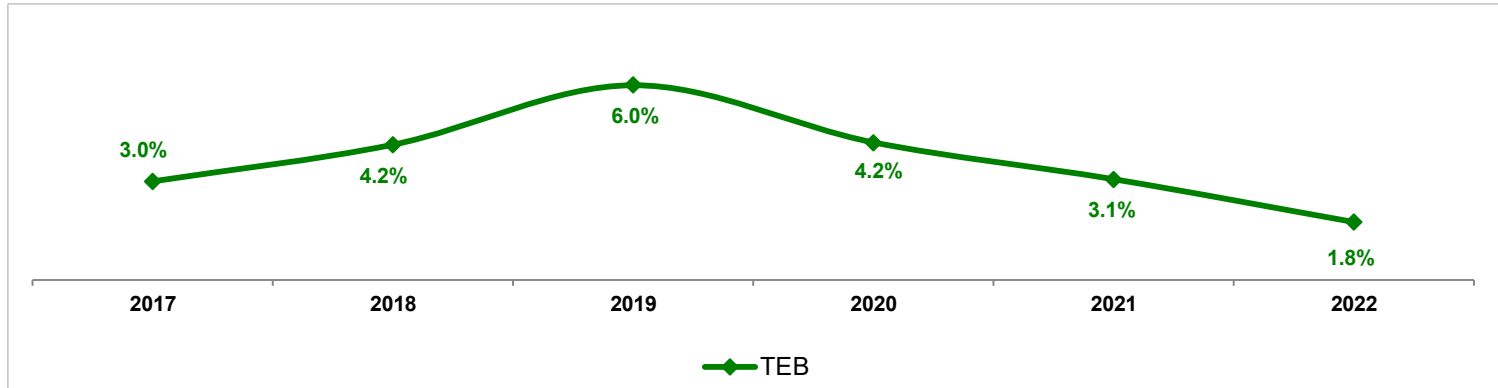


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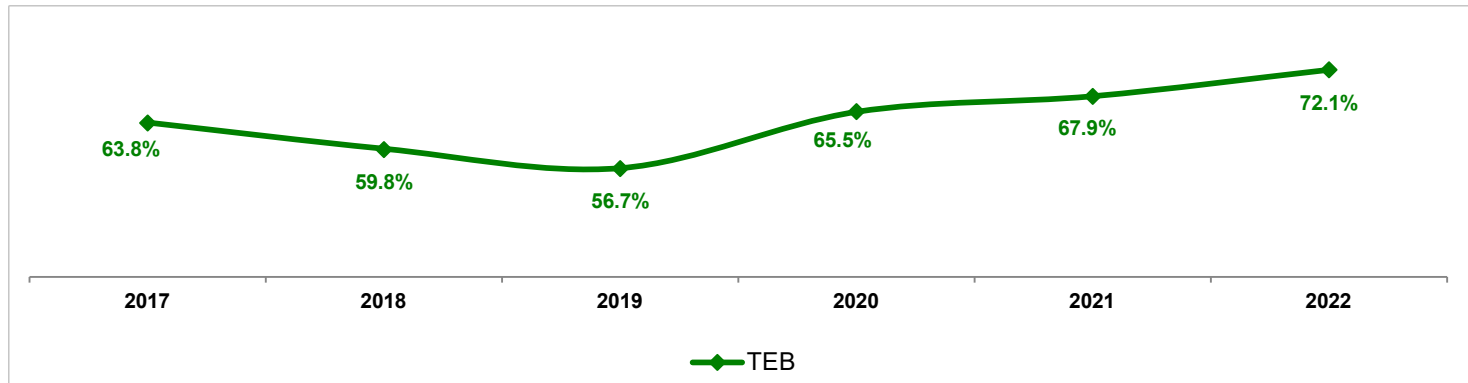
NPL and Coverage Ratios

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

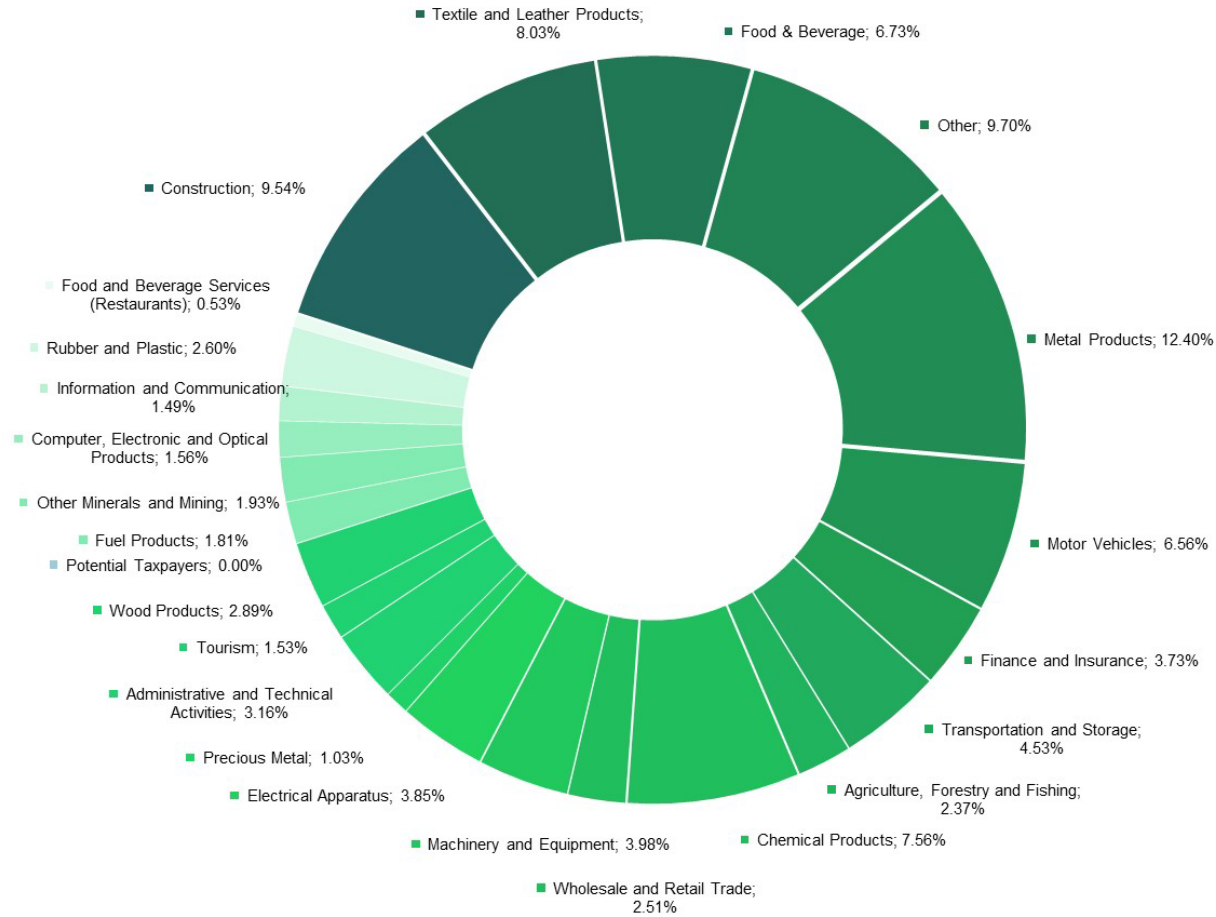


Coverage Ratio



Sectoral Breakdown of Loan Portfolio(*)

Maintained well-diversified loan portfolio



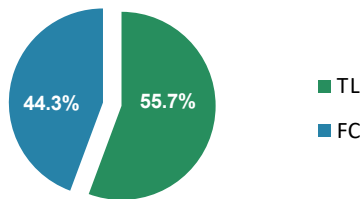
(*) incl. non-cash loans, excl. retail loans



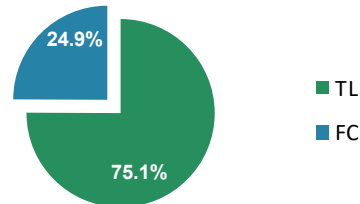
Composition of Marketable Securities

Total Securities Compositions

2021 Q4

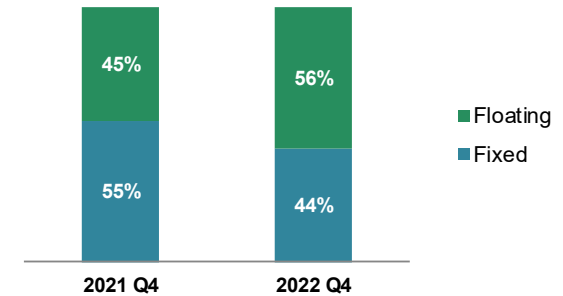


2022 Q4

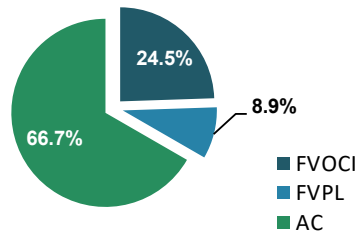


Interest Rate Compositions

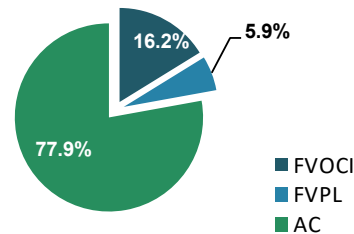
Total Securities



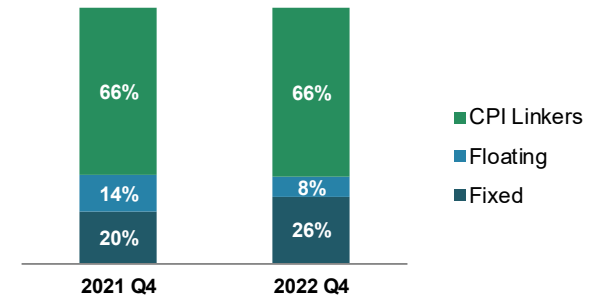
2021 Q4



2022 Q4



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



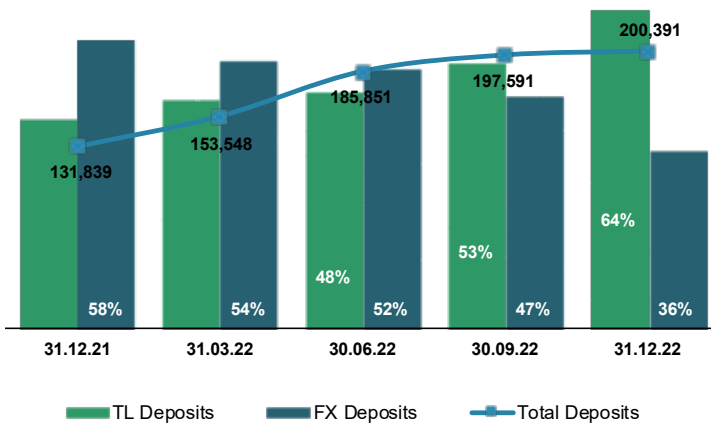
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A Closer Look into Deposits

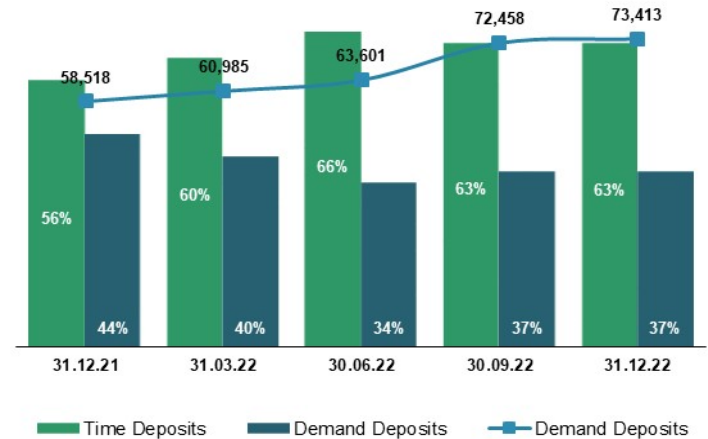
Robust growth in customer deposits

138% increase in TL time deposits as a result of the new FX protected TL deposit product, led to the YtD growth in TL deposits

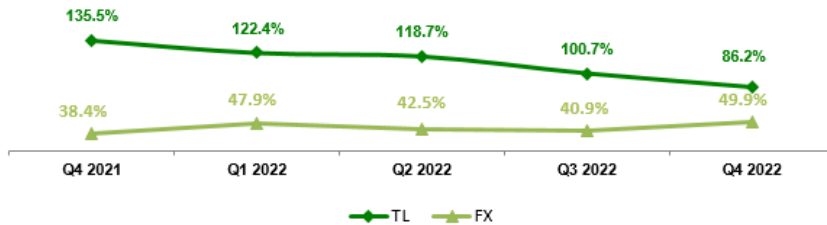
TL/FX Deposit Compositions



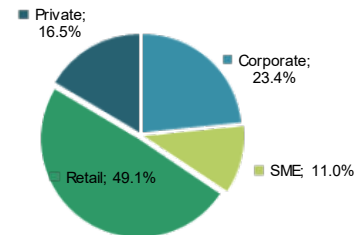
Time/Demand Deposit Compositions



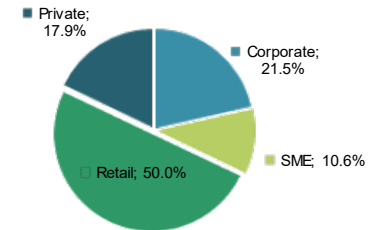
Loan / Deposit Ratio



Total Deposits - Dec'21



Total Deposits - Dec'22

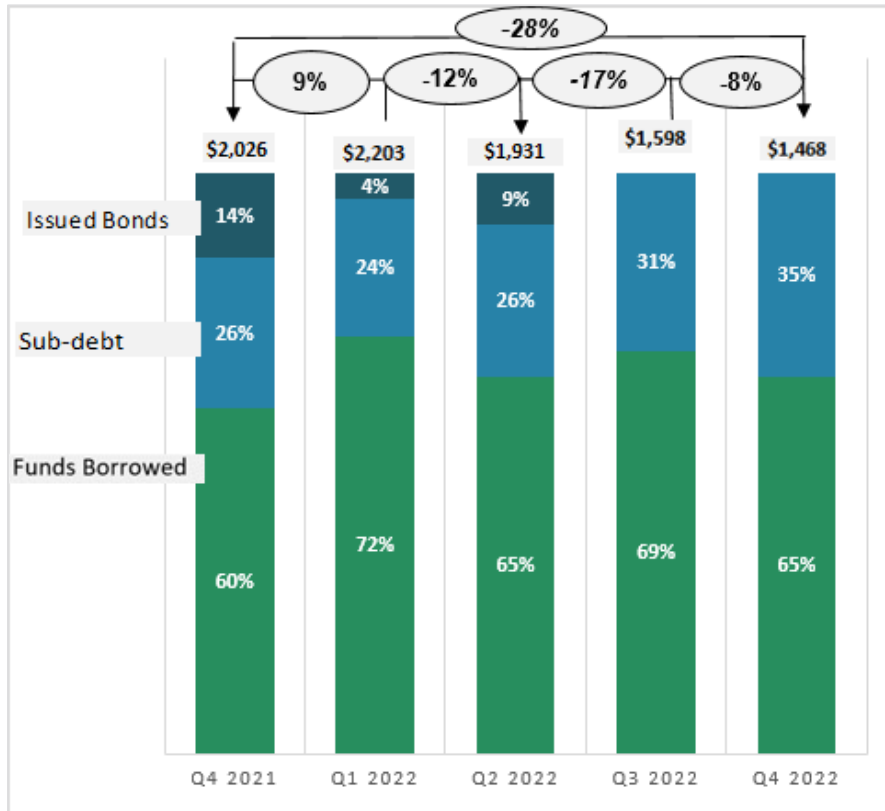


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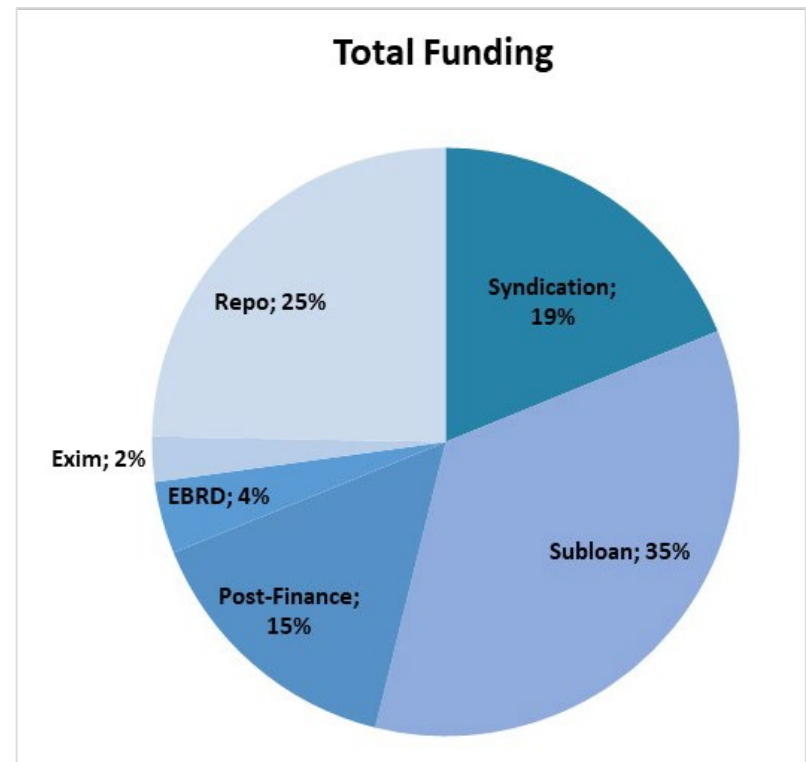
Wholesale Borrowings

Maintained disciplined funding mix

Wholesale Borrowings By Type



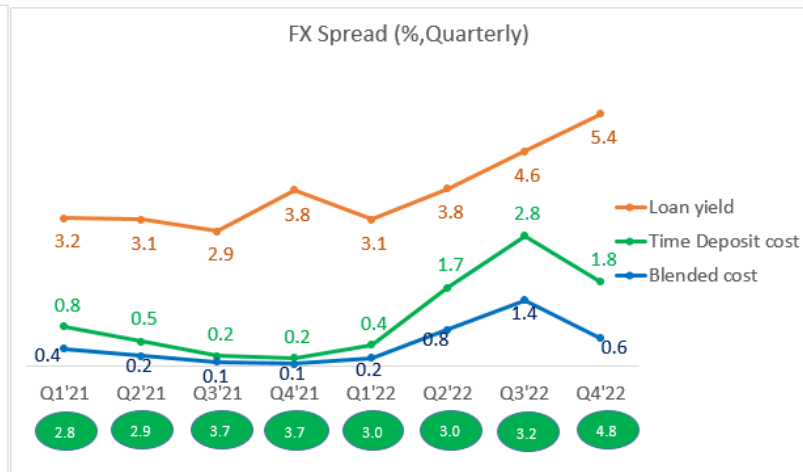
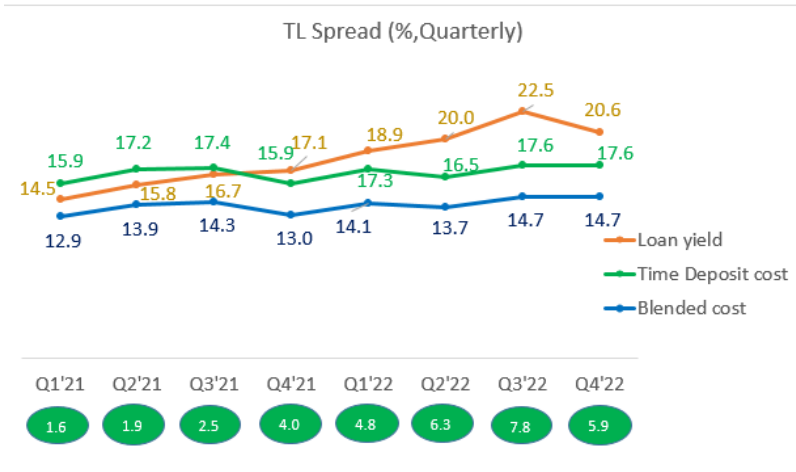
Wholesale Borrowings Breakdown



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Spreads & NIM

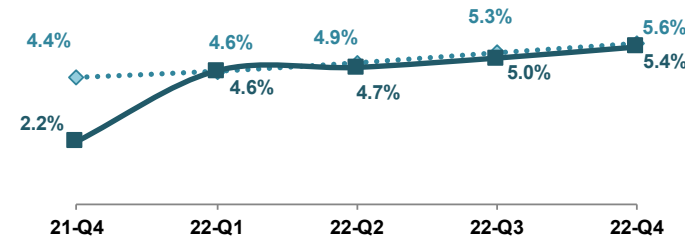
Better profitability supported by the contribution from CPI linkers



(*) Represents the MIS amounts

Significant income growth, based on increasing volumes and spread driven by CPI linkers supported NII performance and also provides hedge against higher inflationary environment

Net Interest Margin



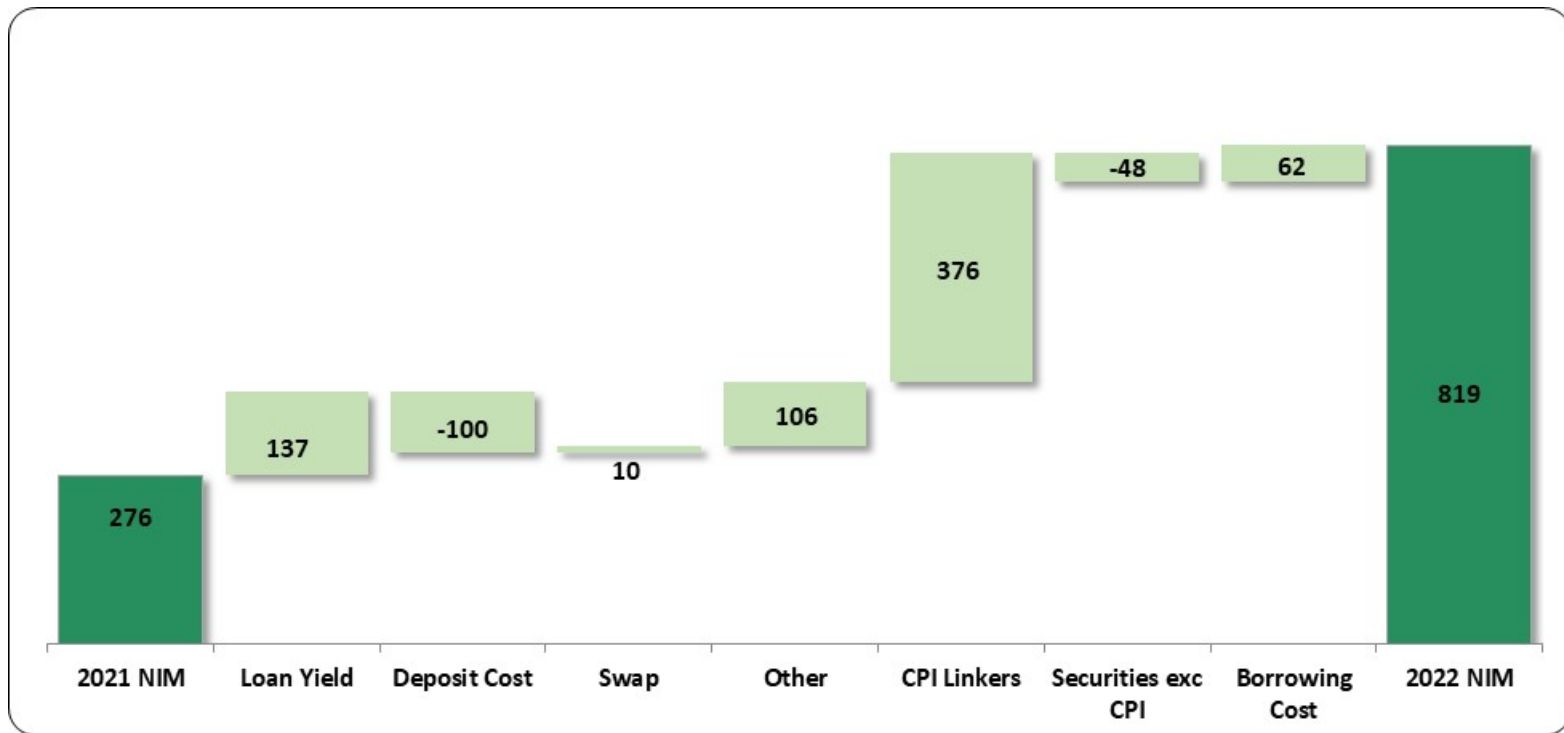
···◆··· Quarterly —■— Cumulative
- CPI linkers effect eliminated



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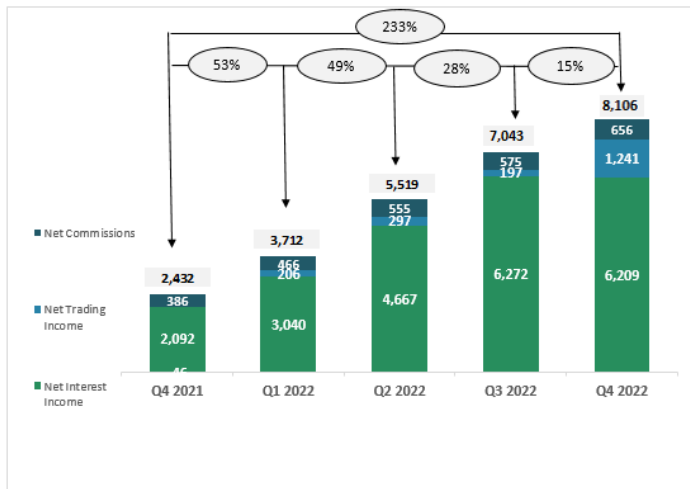
Spreads & NIM

- Extra contribution from CPI linkers led to outstanding NIM performance
- October - October inflation used in the valuation of CPI linkers realized at 85.51%
- Prudent & proactive maturity mismatch management

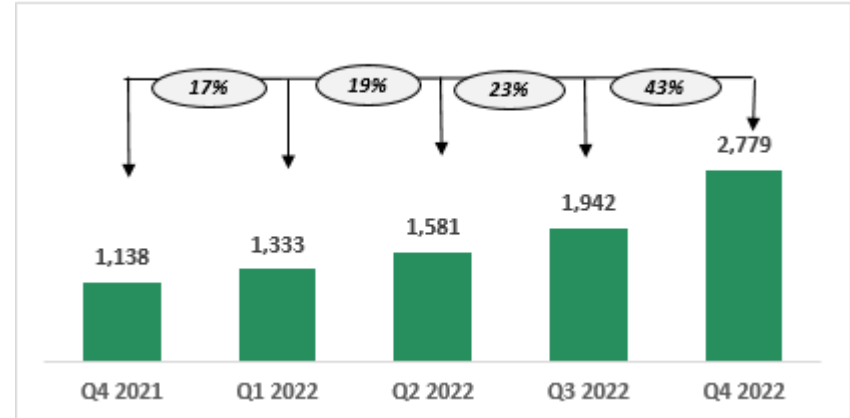


Profitability and Effective Cost Management

Total Operating Income

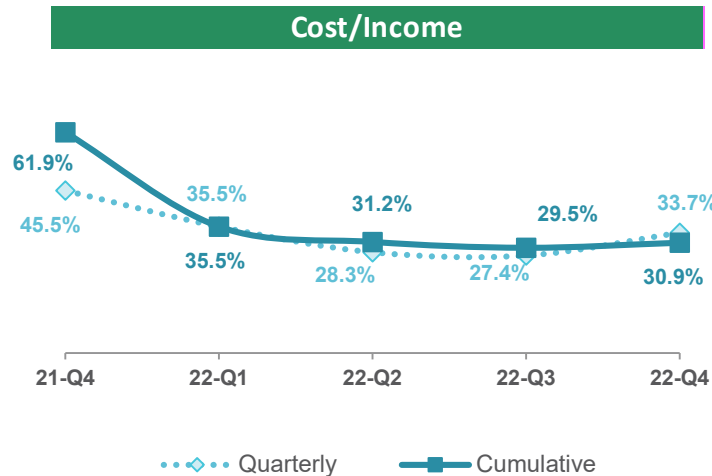


OPEX (TL)



(*) Represents the MIS amounts

Cost/Income



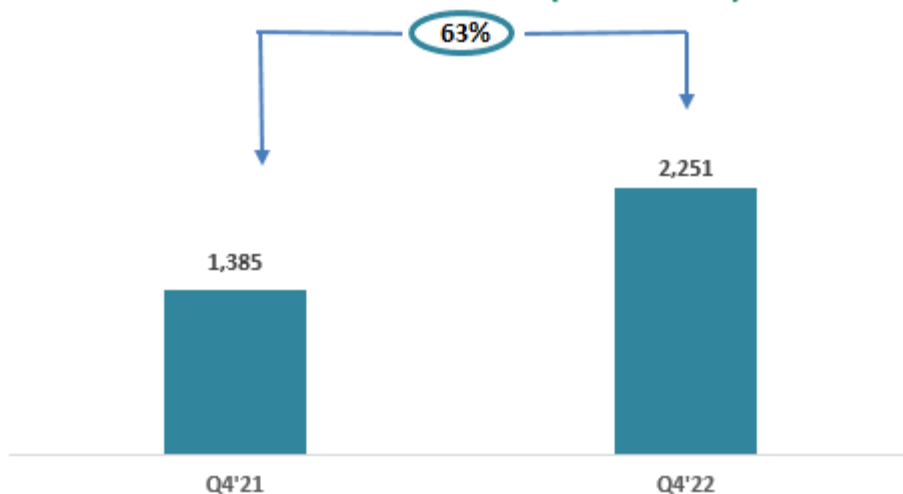
Successful income generation yielded a better C/I ratio at 30.9%, despite upward pressures on costs from inflation and TL's depreciation – «cost discipline to remain in focus»



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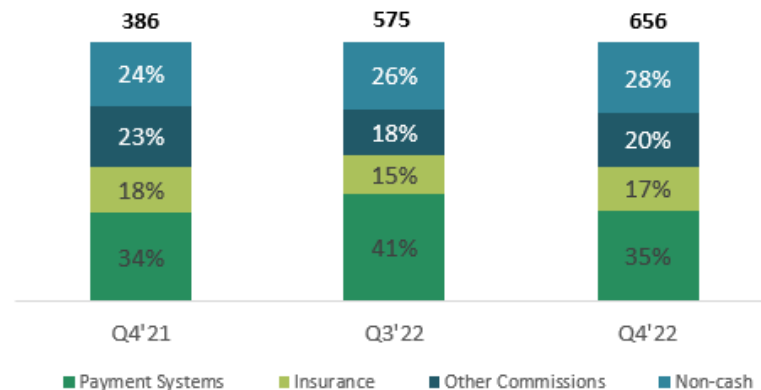
Net fees & Commissions

Net fee & Commissions (cumulative)



Net fees and commissions income increased by 63% YoY, – thanks to the strong performance in payment systems, improvement in banking services fees, bancassurance commissions and non-cash loan commissions.

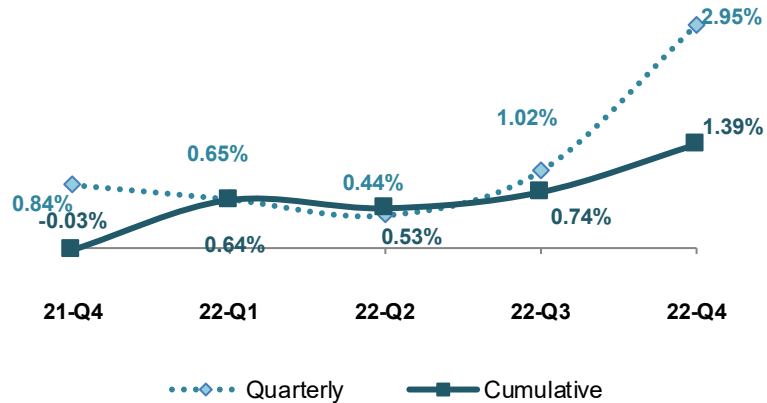
Net Fees & Commissions



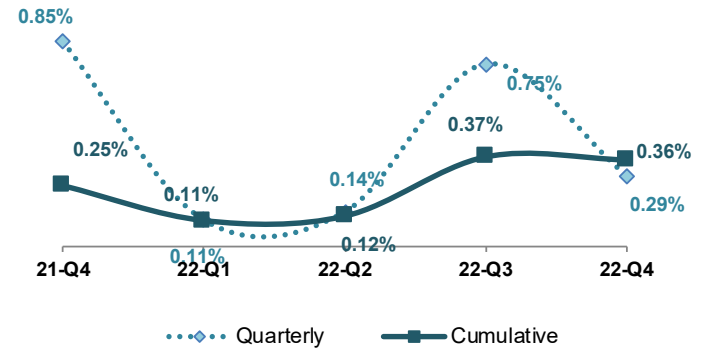
Evolution of Cost of Risk

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

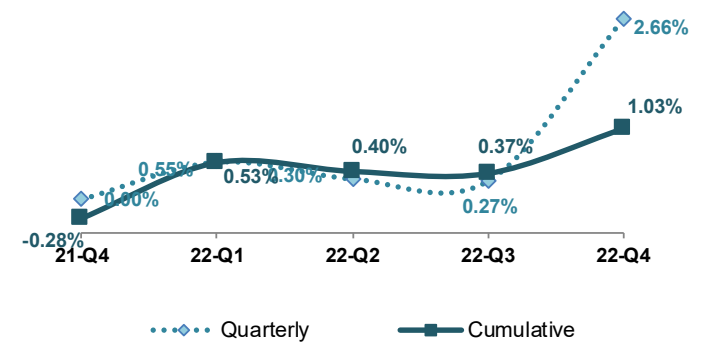
Cost of Risk



Cost of Risk (Stage 3)

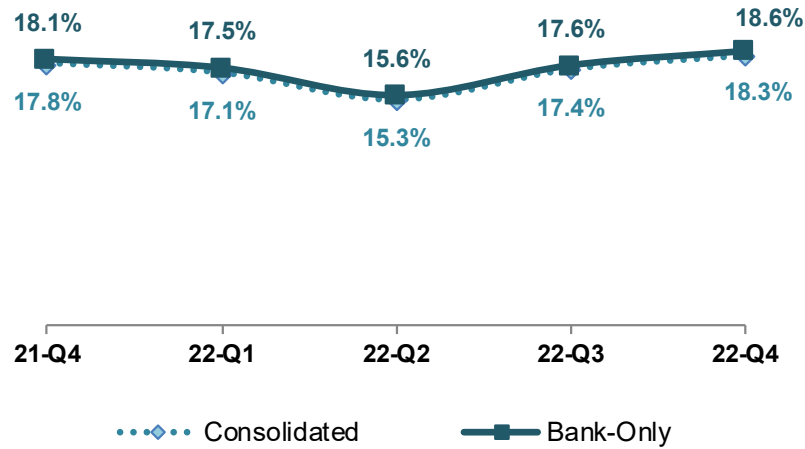


Cost of Risk (Stage 1 & 2)



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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

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.

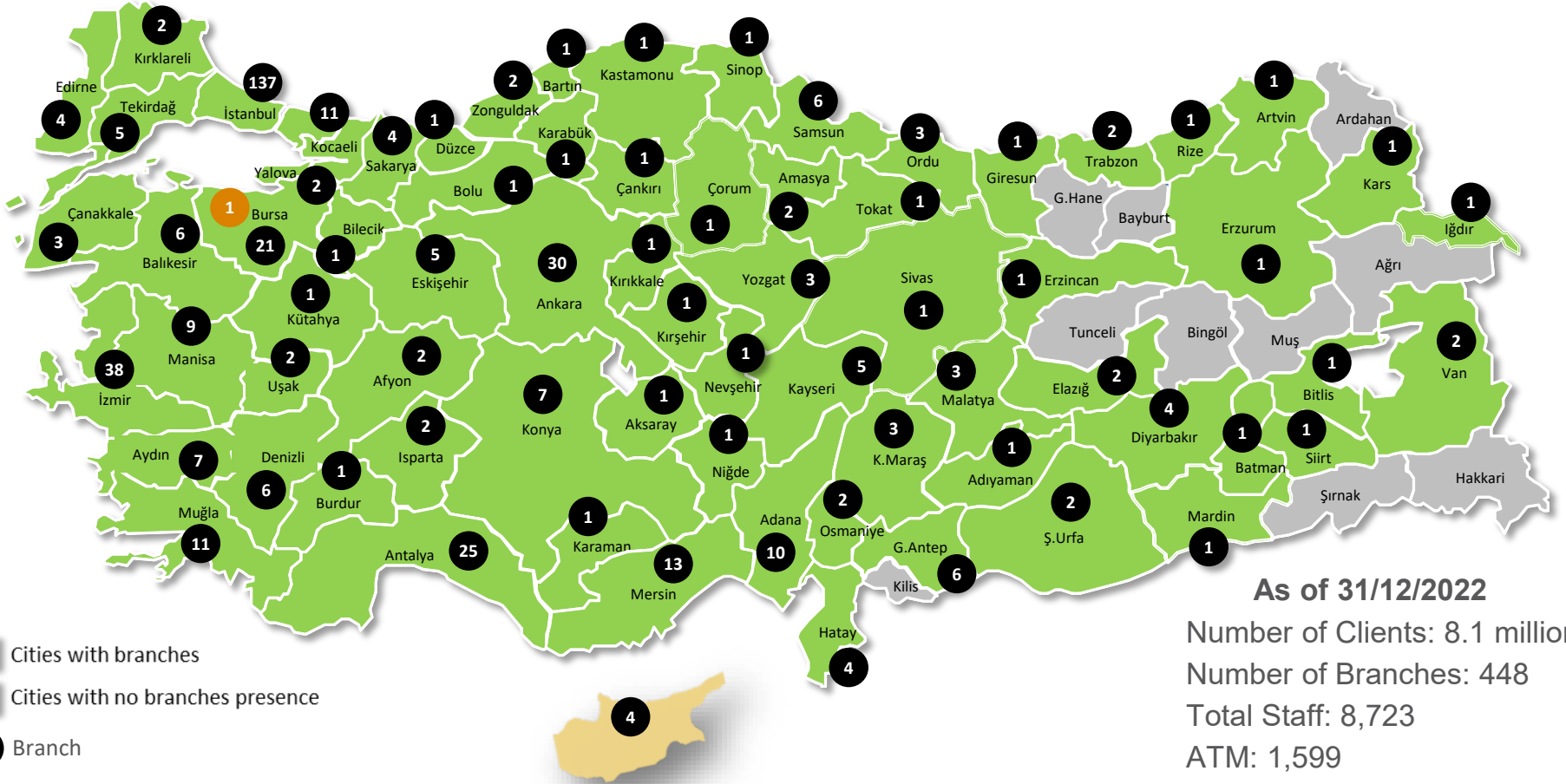
Environmental Campaigns

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

- World Water Day
- Earth Hour
- Blue Cap Campaign



TEB is present in 71 cities



As of 31/12/2022

Number of Clients: 8.1 million

Number of Branches: 448

Total Staff: 8,723

ATM: 1,599

POS: 478,433

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



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Digital Banking in 2022

Client Base

%21 YOY increase in active mobile clients, **2.5 million mobile active** clients
19 monthly **mobile logins per customer**
%28 of bank's new customers acquired through **digital onboarding**

Migration Ratio

%93 of all financial transactions over Digital Channels
%87 personal loan sold through digital channels
%66 time deposit account opened through digital channels

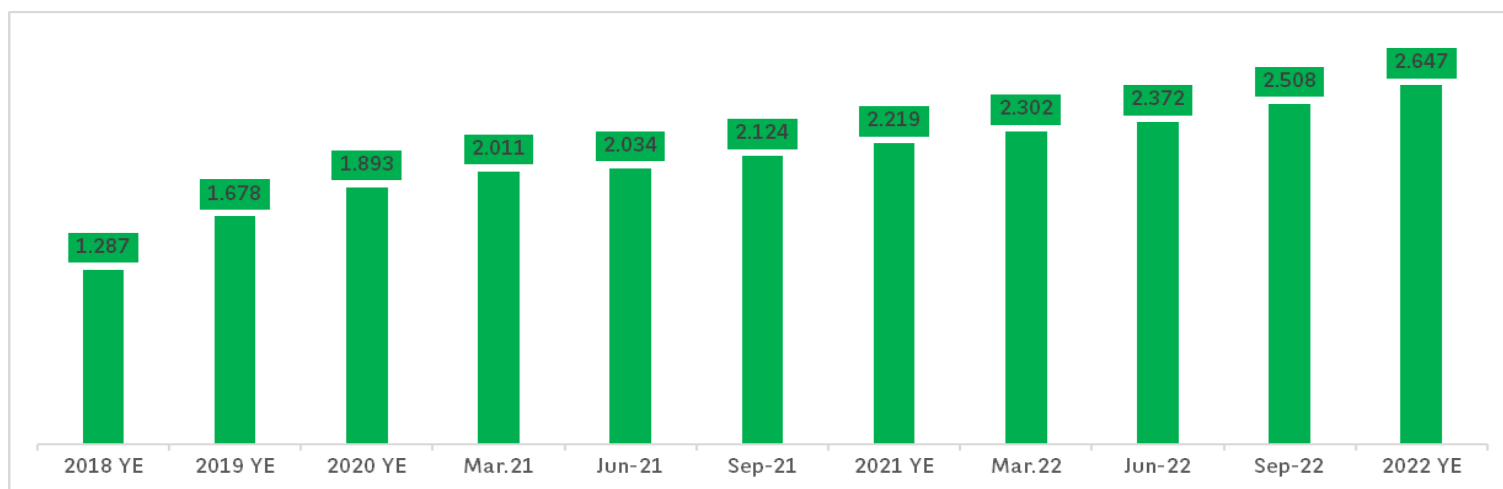
ATM Network

of ATM **1.599** ve **%3,06** market share



Digital Banking in 2022

of Active Online Banking Clients (*)



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



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Net Fee&Commissions	1,385	2,251
Other Income	219	302
Net Banking Income	6,458	24,682
Cost of Risk	31	(1,782)
Net Operating Income	6,489	22,900
Other Operating Expense	(2,167)	(3,671)
Personnel Expenses	(1,828)	(3,964)
Other Provisions	(2)	(400)
Dividend Income	6	16
Tax Provisions	(586)	(3,690)
Net Profit	1,913	11,191



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