



TEB

Q2'23 Earning Presentation



TEB
BNP PARIBAS ORTAKLIĞI

Summary at Glance

As of 30 June 2023, TEB's total assets reached TL 333 billion, driven by increases in loans.

Loans reaching 50.4% 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 167.6 billion as of 30 June 2023 while the Bank's total deposits amounted to TL 235 billion.

TEB's shareholders' equity was TL 30.7 billion as of 30 June 2023 with 19.49% capital adequacy ratio which was well above the 12% targeted ratio.

TEB posted net of profit of TL 7.026 million while achieving 50.9% RoE and 4.6% 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 | 30.06.2023 | YtD Chg |
|-----------------------------|----------------|----------------|------------|
| Cash & Cash Equivalents | 60,371 | 102,095 | 69% |
| Marketable Securities | 51,829 | 41,356 | -20% |
| Loans (net) | 144,287 | 161,671 | 12% |
| Other Assets | 18,660 | 27,838 | 49% |
| Total Assets | 275,147 | 332,960 | 21% |
| Deposit | 200,391 | 234,925 | 17% |
| Funds Borrowed | 11,173 | 16,200 | 45% |
| Repo | 6,791 | 12,756 | 88% |
| Subordinated Debt | 9,708 | 13,683 | 41% |
| Other Liabilities | 21,743 | 24,673 | 13% |
| Shareholders Equity | 25,341 | 30,723 | 21% |
| Liab.&Shr.Equity | 275,147 | 332,960 | 21% |



Summary Income Statement

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

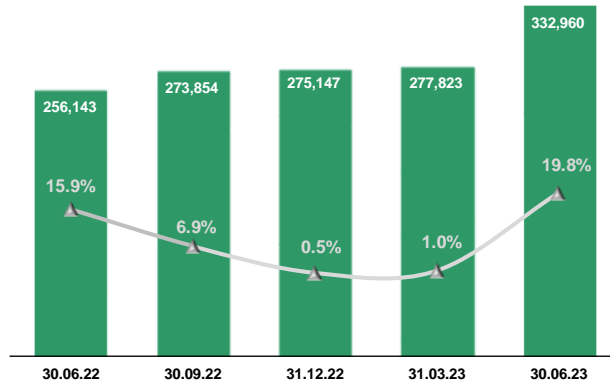
| | 30.06.2022 | 30.06.2023 | YoY Chg |
|---|--------------|---------------|---------------|
| Net Interest Income | 7,706 | 5,042 | -34.6% |
| Gains/Losses From Derivatives and FX position | 521 | 6,719 | |
| Securities Trading Gain/ Loss | (17) | 1,367 | |
| Net Fee&Commissions | 1,021 | 1,685 | 65.0% |
| Other Income | 118 | 530 | 348.2% |
| Net Banking Income | 9,349 | 15,341 | 64.1% |
| Cost of Risk | (339) | (508) | 49.6% |
| Net Operating Income | 9,010 | 14,834 | 64.6% |
| Other Operating Expense | (1,399) | (2,937) | 110.0% |
| Personnel Expenses | (1,515) | (2,878) | 89.9% |
| Other Provisions | 1 | (3) | |
| Dividend Income | 14 | 14 | -4.6% |
| Tax Provisions | (1,407) | (2,004) | 42.5% |
| Net Profit | 4,705 | 7,026 | 49.3% |



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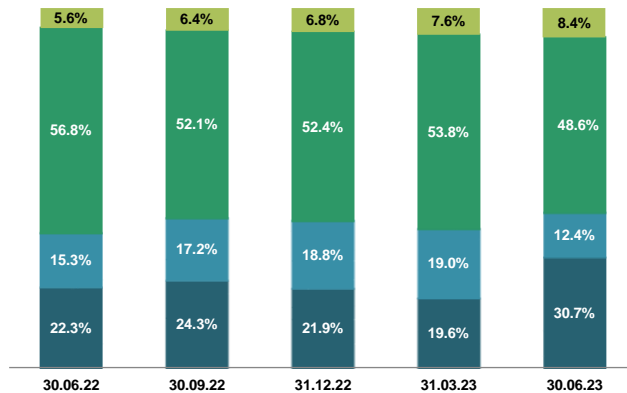
Sound & prudent balance sheet management

Balance Sheet Growth



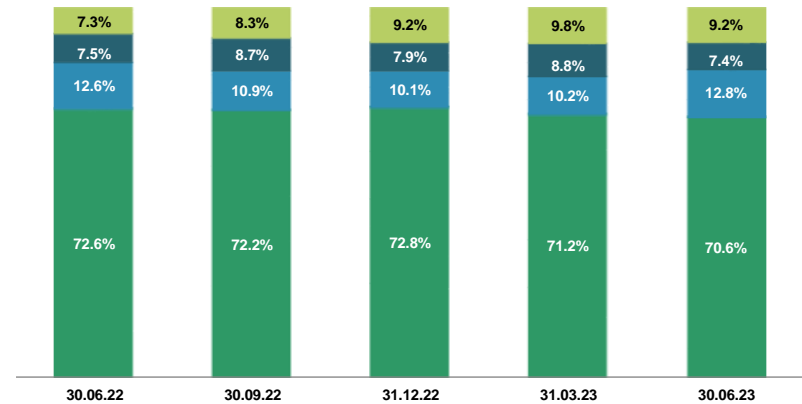
■ Total Assets ▲ Variance quarterly

Asset Compositions



■ Liquid Assets ■ Debt Securities ■ Loans ■ Other Assets

Liability Compositions



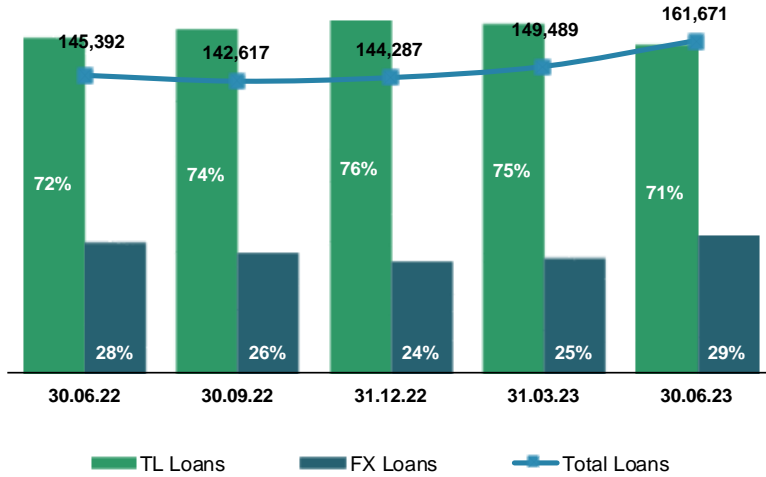
■ Deposit ■ Funds Borrowed ■ Other Liabilities ■ Shareholders Equity



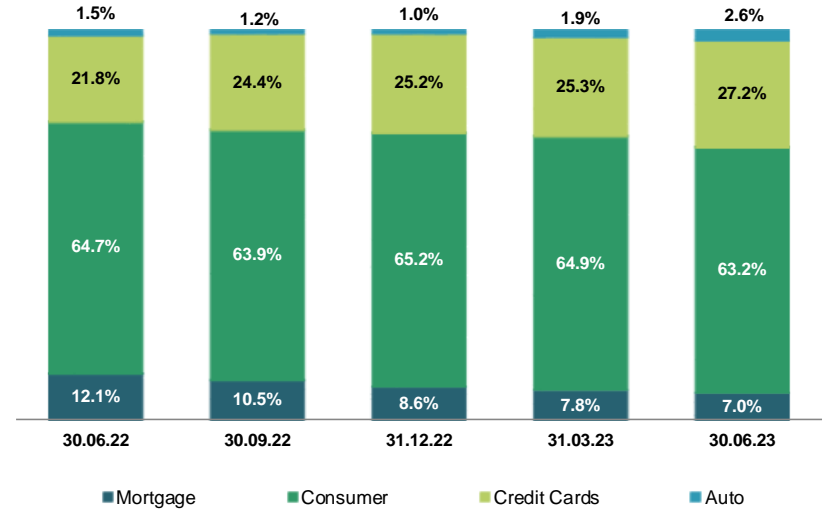
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Healthy loan portfolio composition

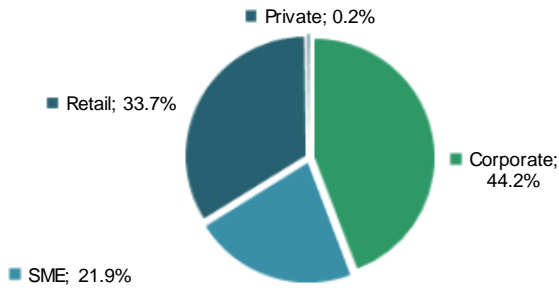
Loan Compositions



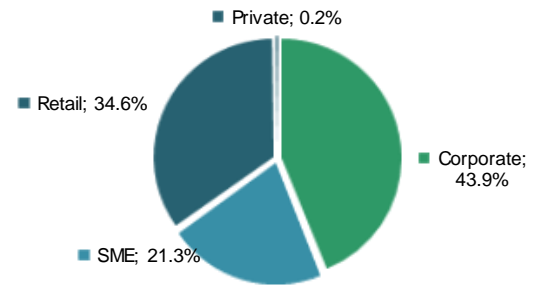
Breakdown of Retail Loans



Performing Loans - Dec'22



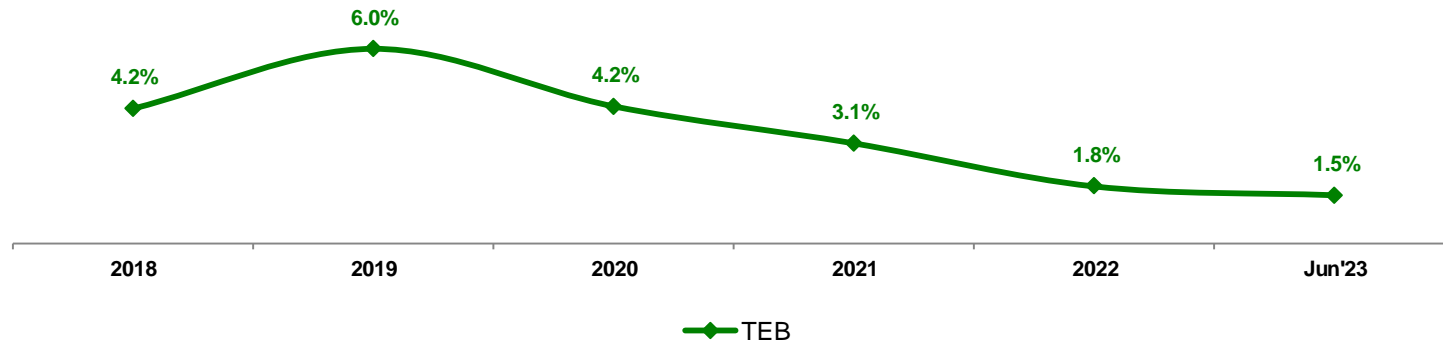
Performing Loans - Jun'23



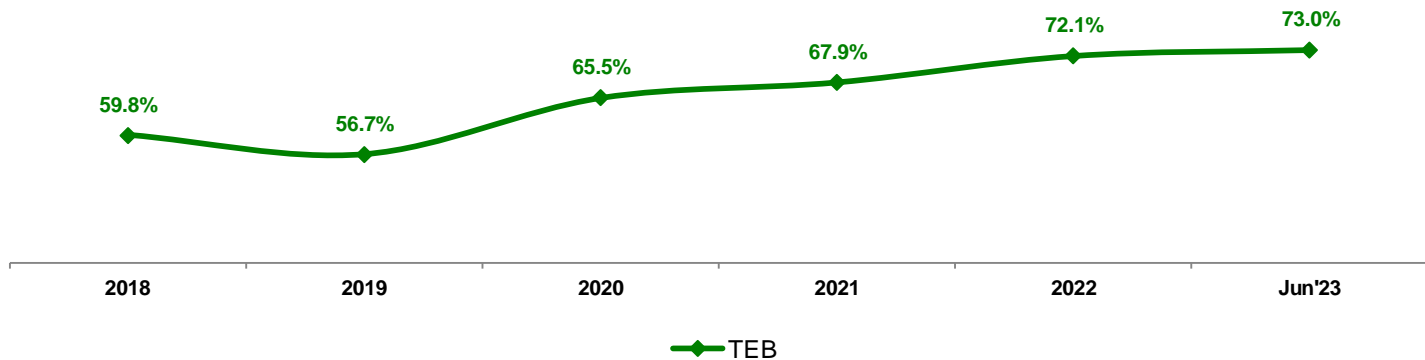
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Decreasing NPL trend & conservative provisioning policy

NPL Ratio



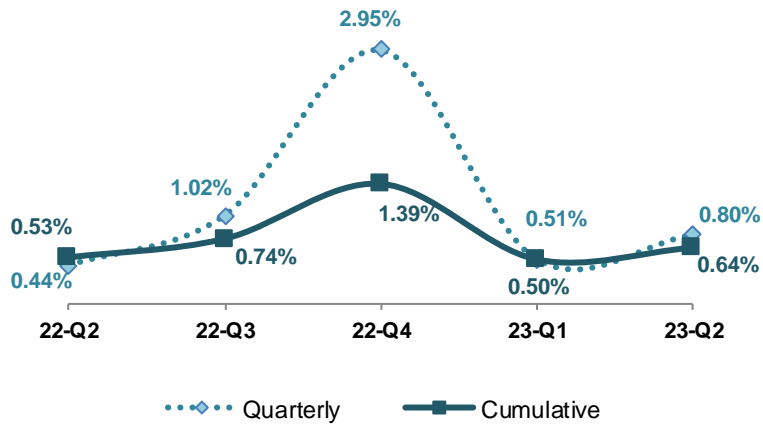
Coverage Ratio



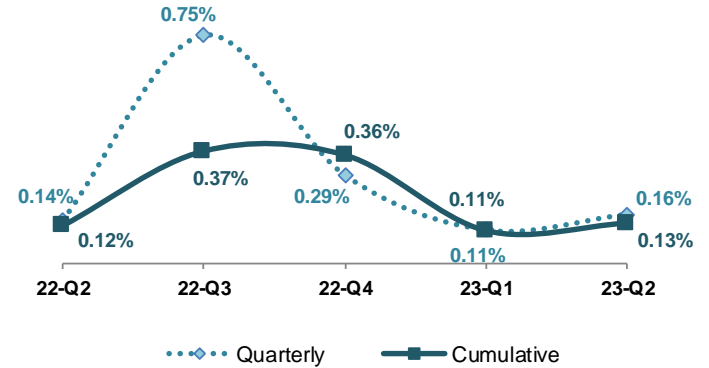
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Low cost of risk as a result of prudent & proactive risk management

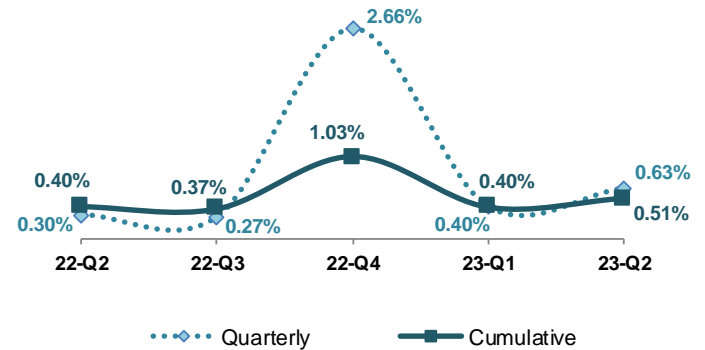
Cost of Risk



Cost of Risk (Stage 3)

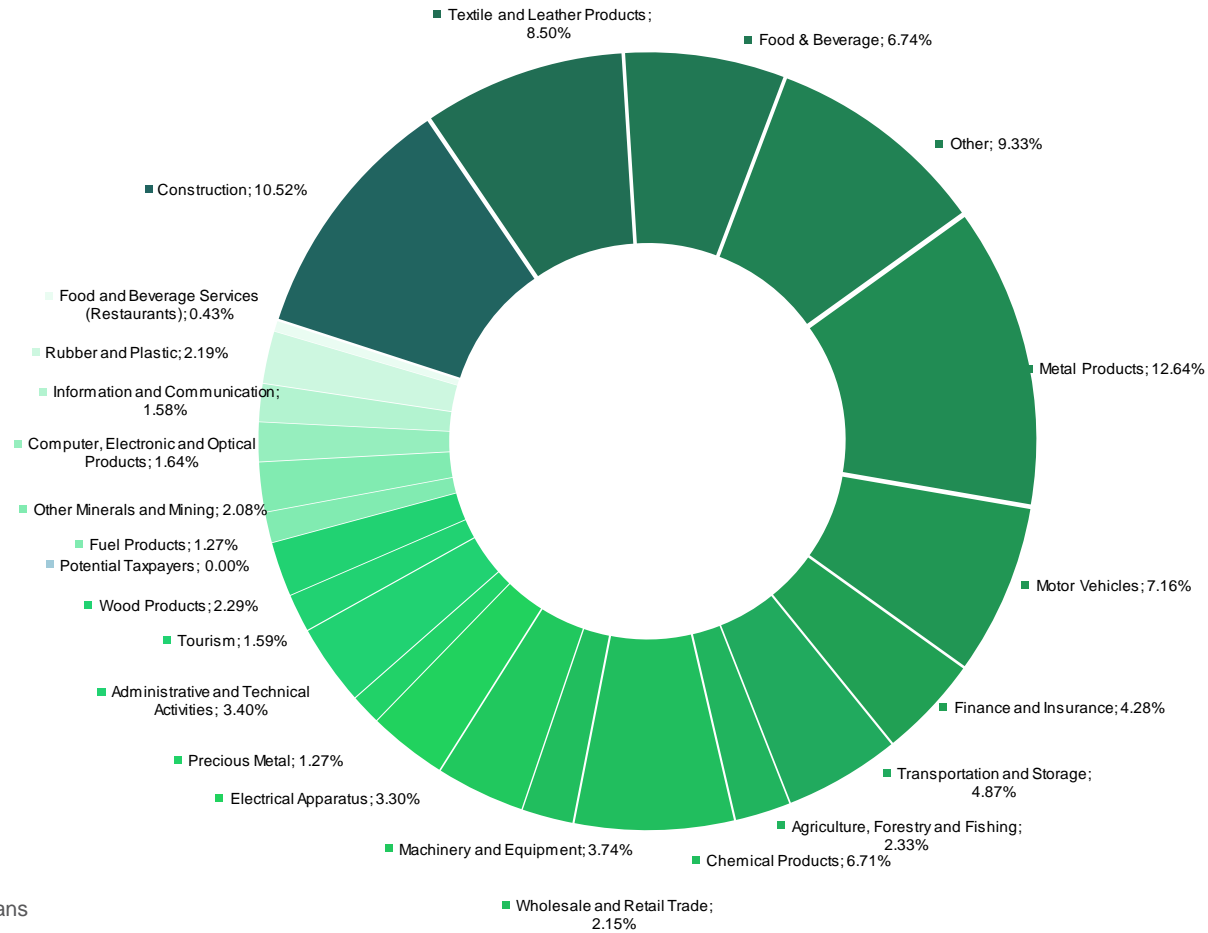


Cost of Risk (Stage 1 & 2)



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Maintained well-diversified loan portfolio(*)



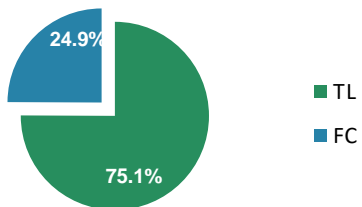
(*) incl. non-cash loans, excl. retail loans



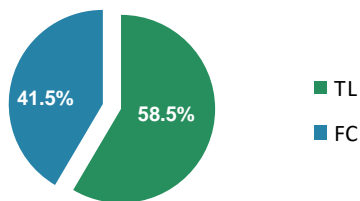
Relatively higher CPI linkers in MS portfolio

Total Securities Compositions

2022 Q4

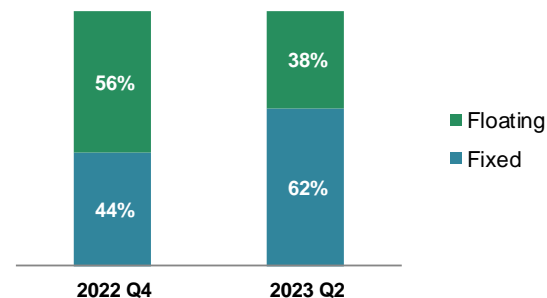


2023 Q2

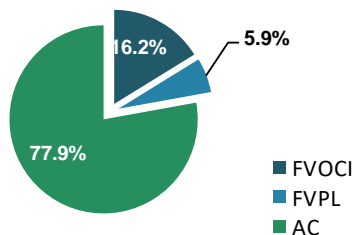


Interest Rate Compositions

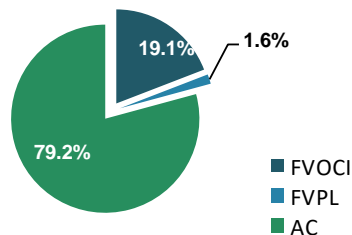
Total Securities



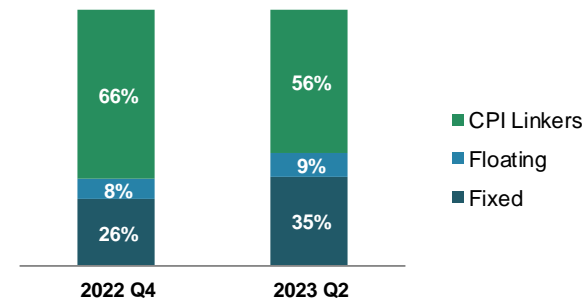
2022 Q4



2023 Q2



TL Portfolio



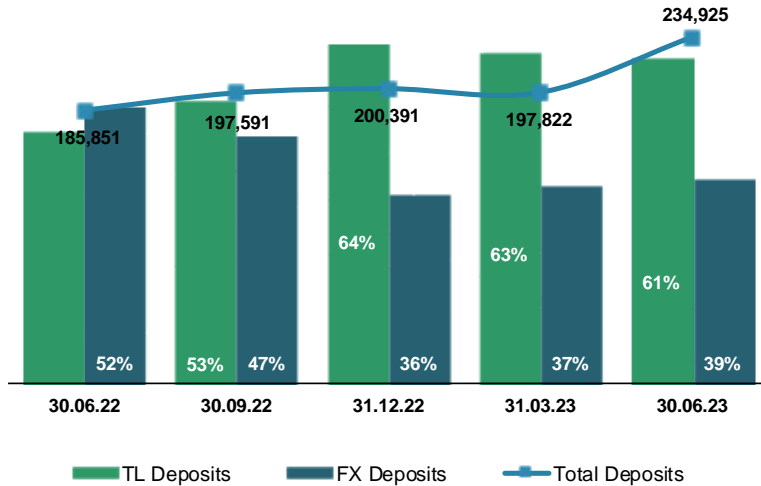
- FVOCI - Financial Assets at Fair Value Through Other Comprehensive Income
- FVPL - Financial Assets at Fair Value Through Profit or Loss
- AC - Financial Assets Measured at Amortised Cost



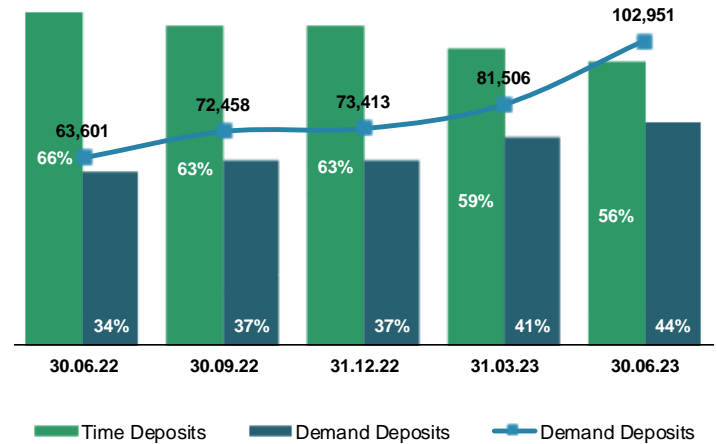
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Continuous increase in demand deposit

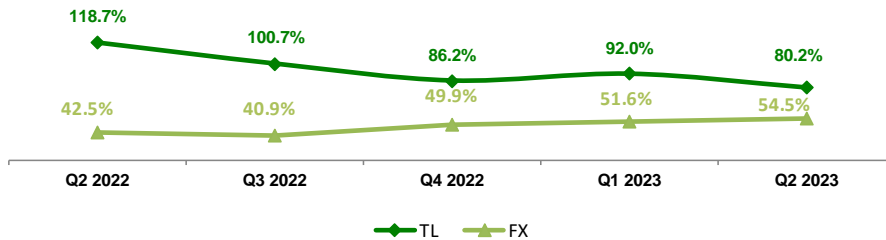
TL/FX Deposit Compositions



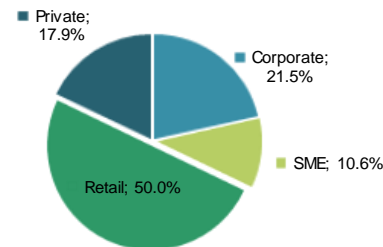
Time/Demand Deposit Compositions



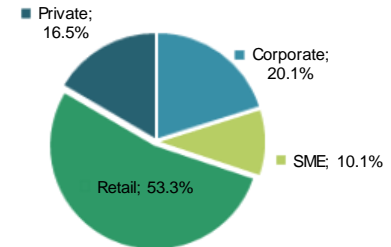
Loan / Deposit Ratio



Total Deposits - Dec'22



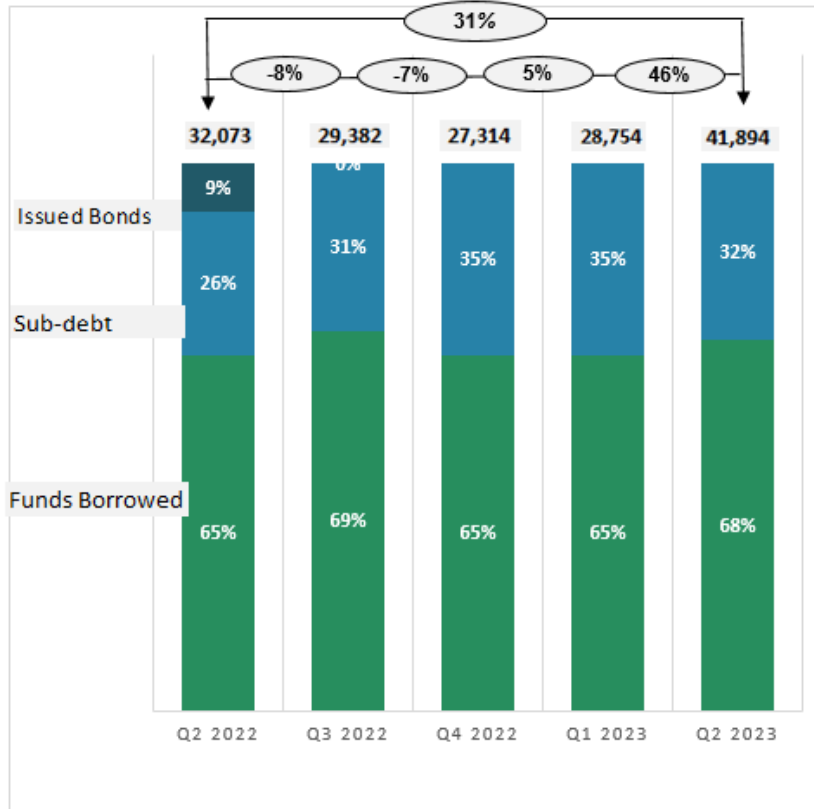
Total Deposits - Jun'23



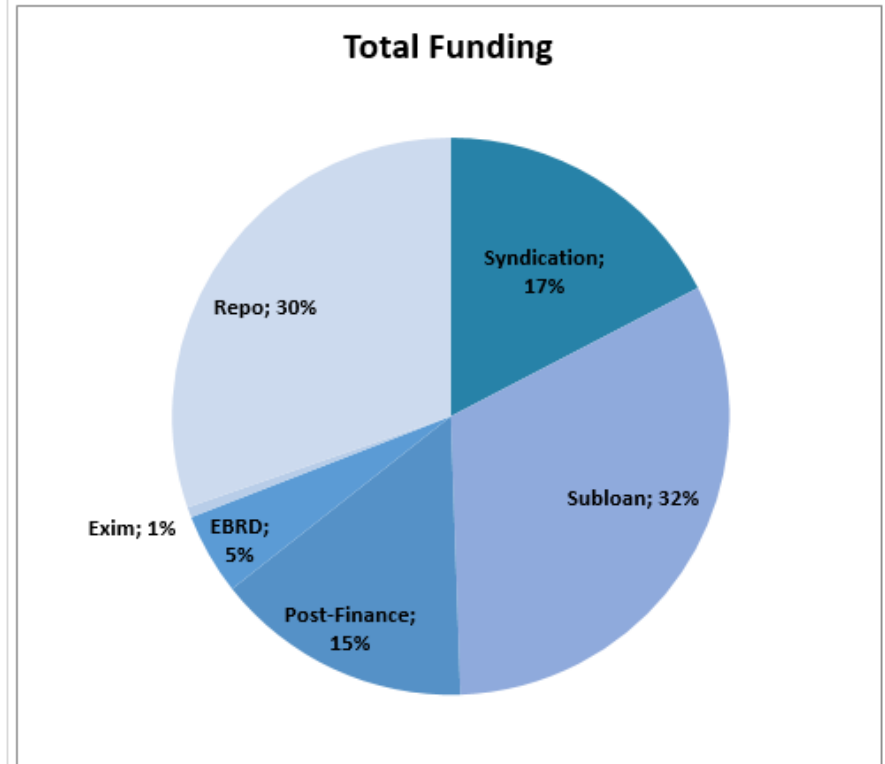
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Maintained disciplined funding mix

Wholesale Borrowings By Type

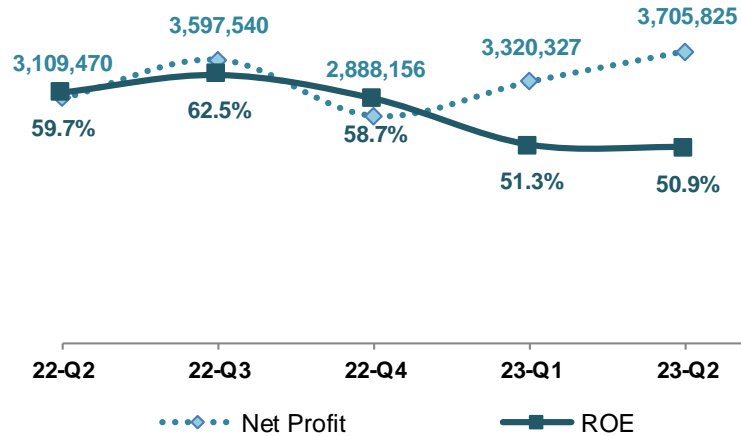


Wholesale Borrowings Breakdown

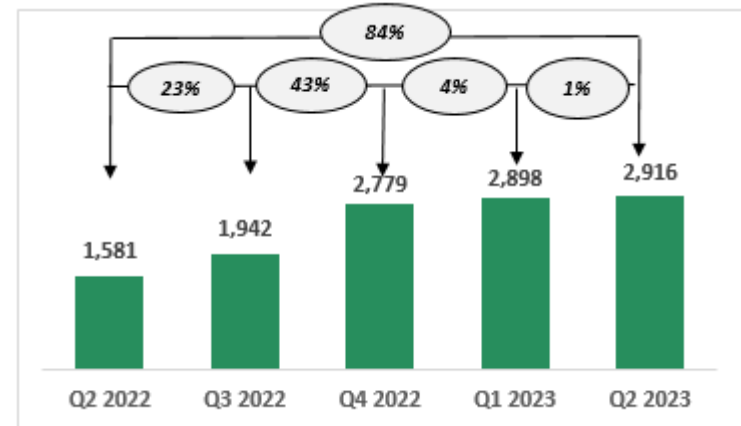


Thanks to trading income & controlled OPEX management

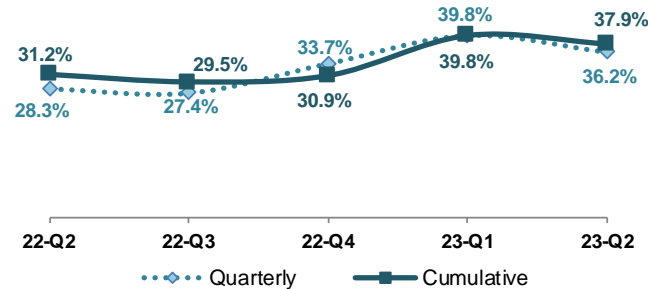
ROE



OPEX (TL)



Cost/Income

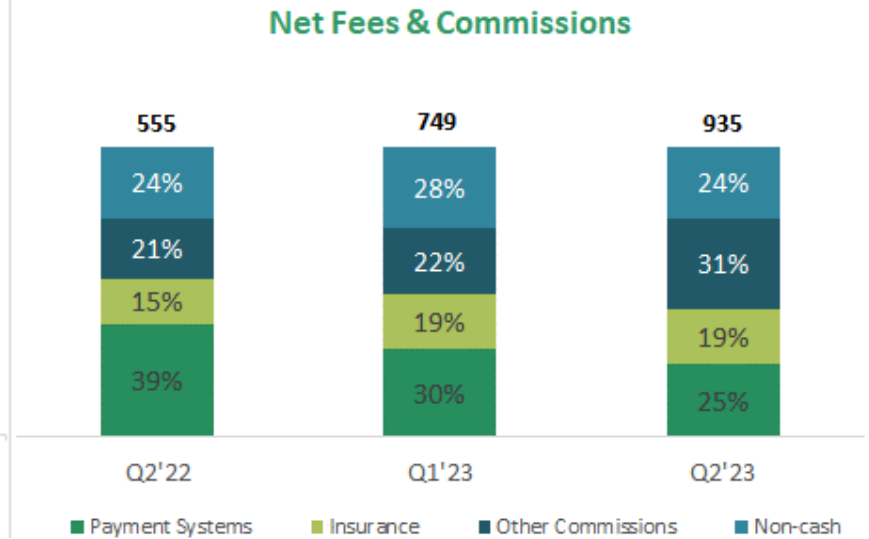
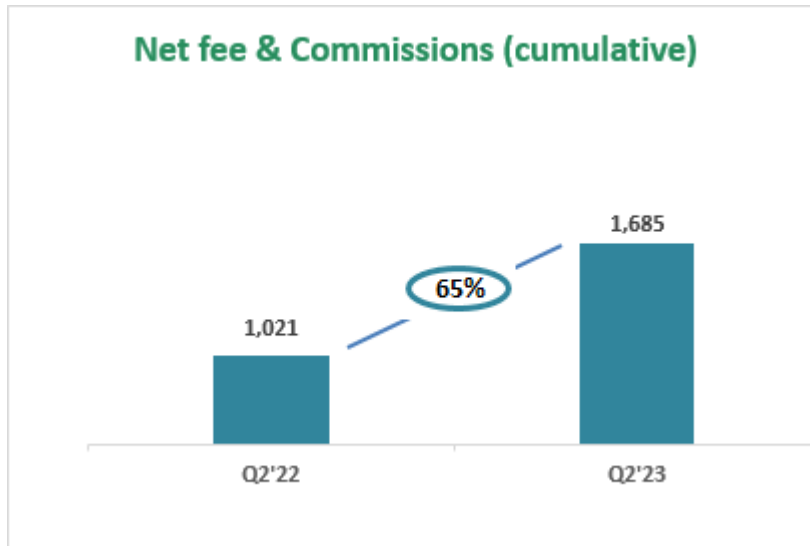


Successful cost control resulted in a good C/I ratio at 37.9%, despite upward pressures on costs from inflation and TL's depreciation.



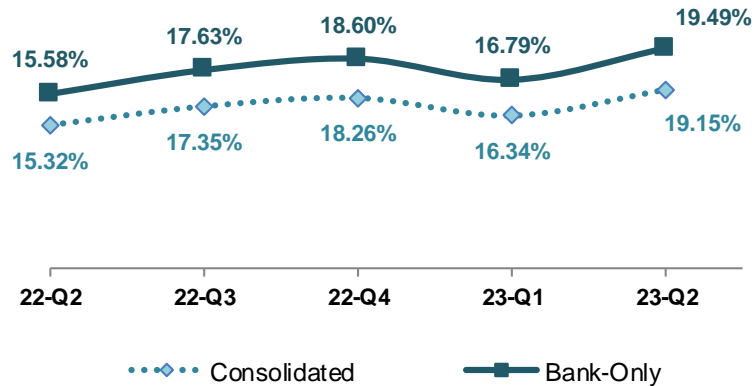
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Continuous increase in net fees and commissions

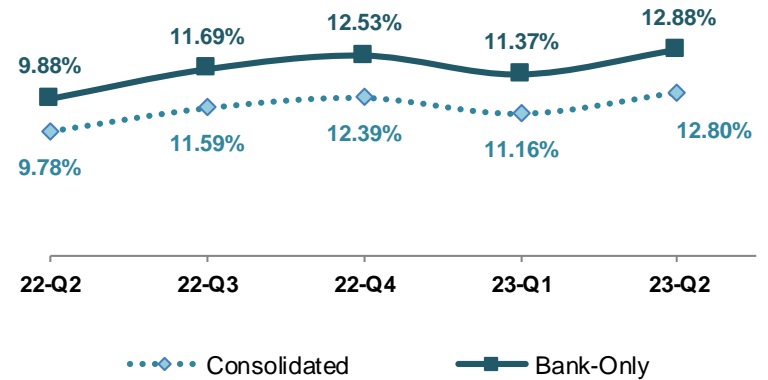


TEB: solid and well capitalised bank

Capital Adequacy Ratio



CET1 Ratio



Strong capital buffers well above regulatory limits



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APPENDIX



Summary Balance Sheet

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

| | 31.12.2022 | 30.06.2023 | YtD Chg |
|-----------------------------|----------------|----------------|------------|
| Cash & Cash Equivalents | 60,455 | 103,783 | 72% |
| Marketable Securities | 51,830 | 41,357 | -20% |
| Loans (net) ^(*) | 151,922 | 171,391 | 13% |
| Other Assets | 19,329 | 28,468 | 47% |
| Total Assets | 283,536 | 345,000 | 22% |
| Deposit | 200,350 | 234,661 | 17% |
| Funds Borrowed | 17,605 | 24,615 | 40% |
| Repo | 7,230 | 13,655 | 89% |
| Subordinated Debt | 9,708 | 13,683 | 41% |
| Other Liabilities | 22,076 | 25,294 | 15% |
| Shareholders Equity | 26,144 | 32,129 | 23% |
| Liab.&Shr.Equity | 283,536 | 345,000 | 22% |

^(*) including Factoring Receivables



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Summary Income Statement

TÜRK EKONOMİ BANKASI A.Ş.

Consolidated (in Mn TL, cumulative)

| | 30.06.2022 | 30.06.2023 |
|---|--------------|---------------|
| Net Interest Income | 7,891 | 5,869 |
| Gains/Losses From Derivatives and FX position | 527 | 6,744 |
| Securities Trading Gain/ Loss | (17) | 1,377 |
| Net Fee&Commissions | 1,137 | 1,945 |
| Other Income | 116 | 546 |
| Net Banking Income | 9,654 | 16,483 |
| Cost of Risk | (351) | (519) |
| Net Operating Income | 9,302 | 15,964 |
| Other Operating Expense | (1,451) | (3,079) |
| Personnel Expenses | (1,599) | (3,102) |
| Other Provisions | 1 | (3) |
| Dividend Income | 6 | 1 |
| Tax Provisions | (1,445) | (2,152) |
| Net Profit | 4,814 | 7,629 |



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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»
- ESG Assessment of Clients
- Compliance with national and internationally acceptable environmental and social laws and regulations
- Equator principles for project finance.



Sustainability Management

Management focuses primarily on Material Topics in a structured way, contributing to UN SDGs as well.

Economic Responsibility

Investments and Financing with Positive Impact



Ethics of the Highest Standard



Systematic Integration of Environmental, Social and Governance Risks



Social Responsibility

Responsibility in Access to Products and Services



Human Rights



Community Engagements Activities



Civic Responsibility

Diversity and Equal Rights in the Workplace



A Good Place to Work and Responsible Employment Management



Continuous Development and Dynamic Career Management



Environmental Responsibility

Promoting Client Business Models Respectful of the Environment



Reducing the Environmental Impact of Operations



Advancing Environmental Awareness



Sustainable Finance

TEB's financial activities are structured by its sustainability agenda.

Sustainability Linked Syndication Loan

- Terms of syndicated loan in 2022 based on performances in three economic, social and environmental topics:
 - Empowering Women-owned enterprises
 - Barrier-free banking
 - Renewable electricity

Women Banking

- For women-led businesses, TEB facilitates their access to finance and provides them non-financial support as well
 - EBRD agreement closed in 2023, for Euro 50m, to promote women entrepreneurship and women participation in business.

ESG Deals

- Various financing activities across sectors, both green deals and/or sustainability linked, for public and private sector.

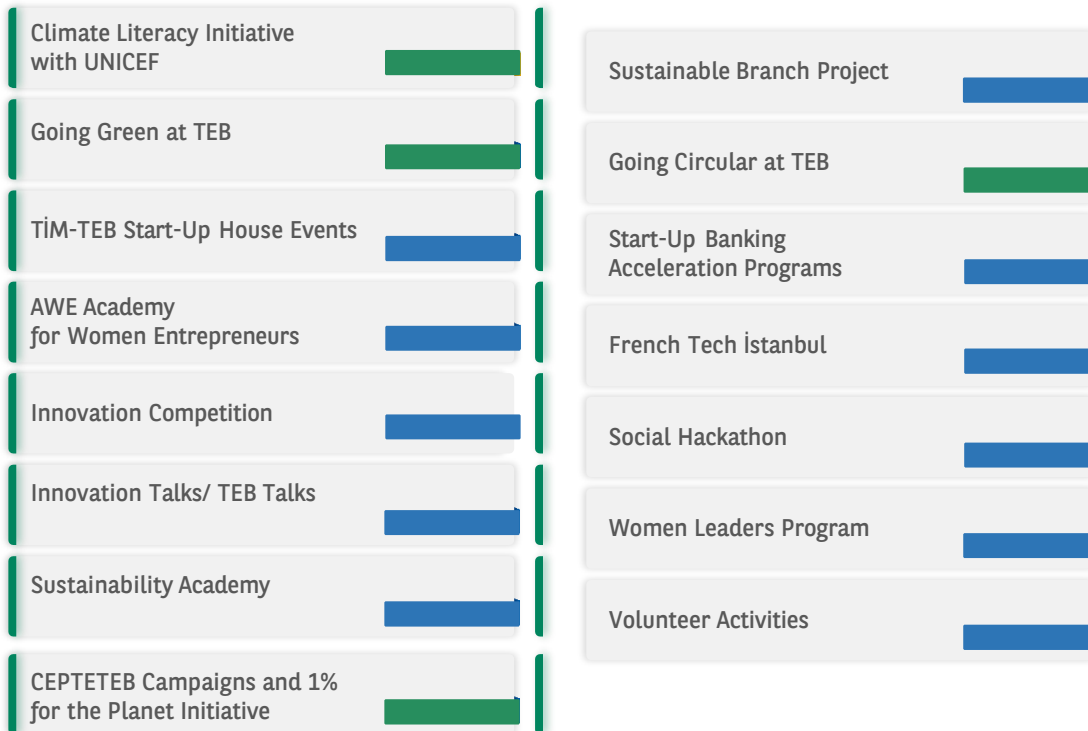
GreenUp Program

- Vertical Acceleration program of TEB to support start-ups in the field of Green Technology and Clean Technologies.
- Main aim is to ensure commercial sustainability for green businesses



Positive Impact Projects

Several Projects have been launched with and for internal and external stakeholders



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.

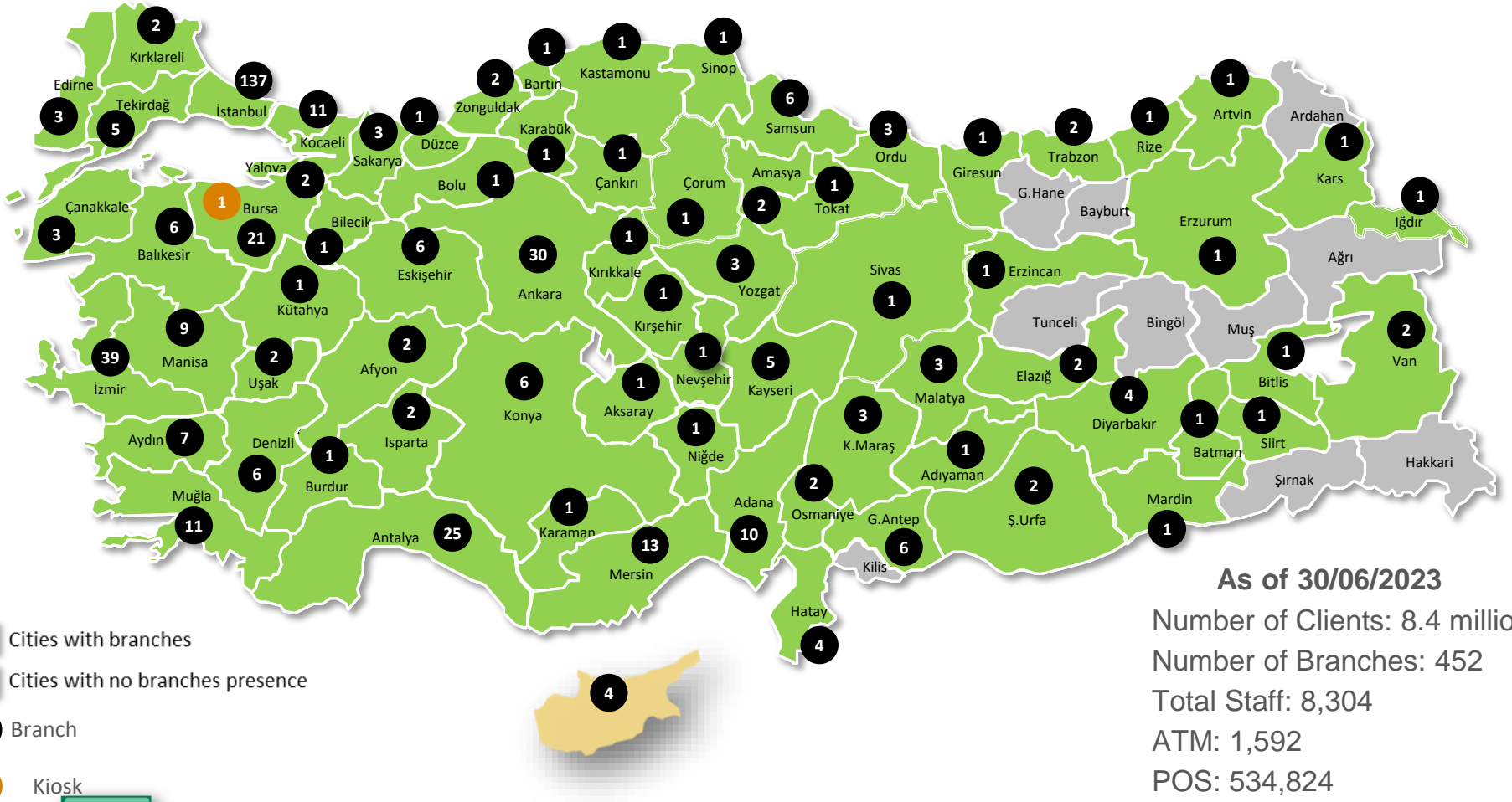
Environmental Campaigns

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 30/06/2023

Number of Clients: 8.4 million

Number of Branches: 452

Total Staff: 8,304

ATM: 1,592

POS: 534,824



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Digital Banking in 2023

Client Base

%19 YOY increase in active mobile clients, **2.7million mobile active** clients
20 monthly mobile logins per customer
%42 of bank's new customers acquired through **digital onboarding**

Migration Ratio

%93 of all financial transactions over Digital Channels
%85 personal loan sold through digital channels
%31 of credit cards sold through digital channels

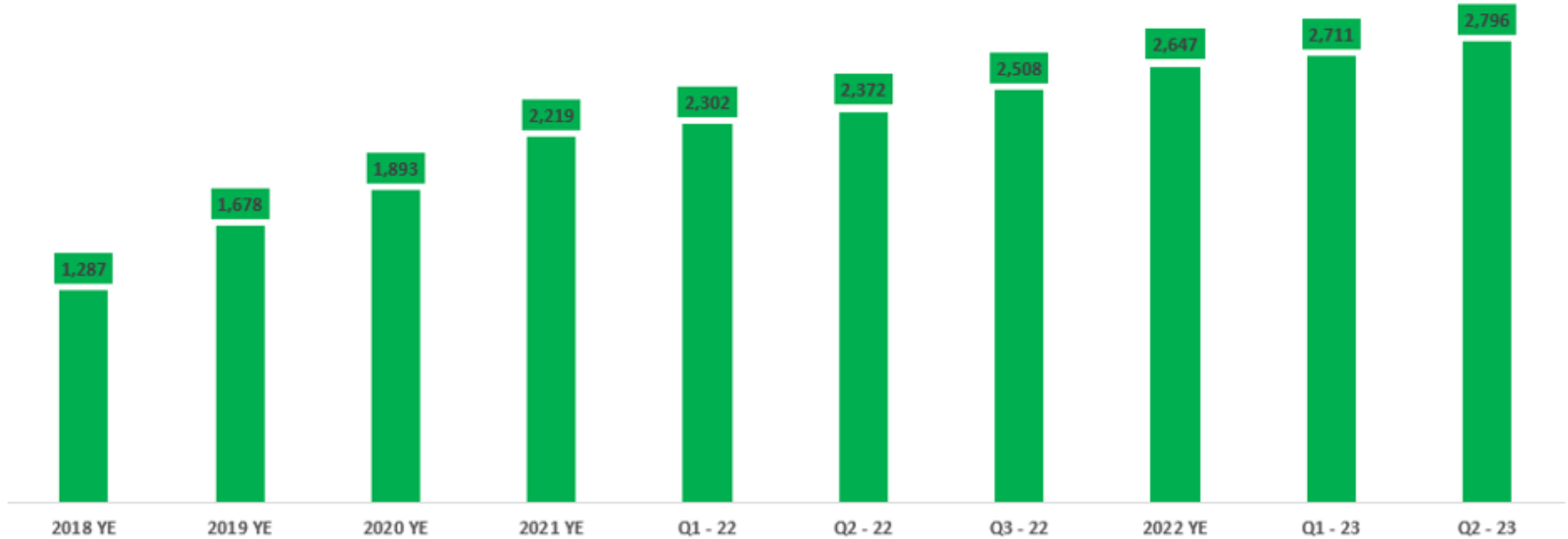
ATM Network

of ATM **1.572** ve **%3,03** 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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