



TEB

Q3'23 Earning Presentation



TEB
BNP PARIBAS ORTAKLIĞI

Summary at Glance

As of 30 September 2023, TEB's total assets reached TL 355 billion.

Loans reaching 50.3% 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 184.4 billion as of 30 September 2023 while the Bank's total deposits amounted to TL 245.1 billion.

TEB's shareholders' equity was TL 33.8 billion as of 30 September 2023 with 19.23% capital adequacy ratio which was well above the 12% targeted ratio.

TEB posted net of profit of TL 9.983 million while achieving 45.6% RoE and 4.2% RoA.

Continuing growth in digital customer acquisition, reaching approximately 2.8 million digital active customers in CEPTETEB.



Summary Balance Sheet

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

	31.12.2022	30.09.2023	YtD Chg
Cash & Cash Equivalents	60,371	100,194	66%
Marketable Securities	51,829	53,111	2%
Loans (net)	144,287	178,643	24%
Other Assets	18,660	23,080	24%
Total Assets	275,147	355,028	29%
Deposit	200,391	245,101	22%
Funds Borrowed	11,173	17,692	58%
Repo	6,791	15,642	130%
Subordinated Debt	9,708	14,396	48%
Other Liabilities	21,743	28,373	30%
Shareholders Equity	25,341	33,824	33%
Liab.&Shr.Equity	275,147	355,028	29%



Summary Income Statement

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

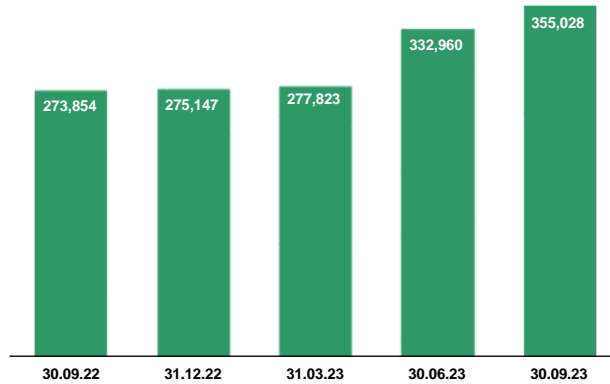
	30.09.2022	30.09.2023	YoY Chg
Net Interest Income	13,978	10,416	-25.5%
Gains/Losses From Derivatives and FX position	797	8,288	
Securities Trading Gain/ Loss	(97)	1,434	
Net Fee&Commissions	1,595	3,209	101.1%
Other Income	171	352	105.8%
Net Banking Income	16,445	23,699	44.1%
Cost of Risk	(711)	(515)	-27.6%
Net Operating Income	15,735	23,184	47.3%
Other Operating Expense	(2,291)	(4,592)	100.4%
Personnel Expenses	(2,564)	(4,804)	87.3%
Other Provisions	0	(253)	
Dividend Income	15	25	66.9%
Tax Provisions	(2,592)	(3,578)	38.0%
Net Profit	8,302	9,983	20.2%



TEB
BNP PARIBAS ORTAKLIĞI

Sound & prudent balance sheet management

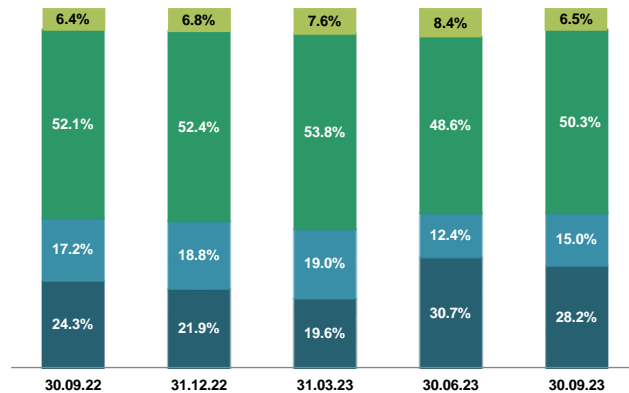
Balance Sheet Growth



Assets growth continued through the expansion of loans, securities portfolios and money market

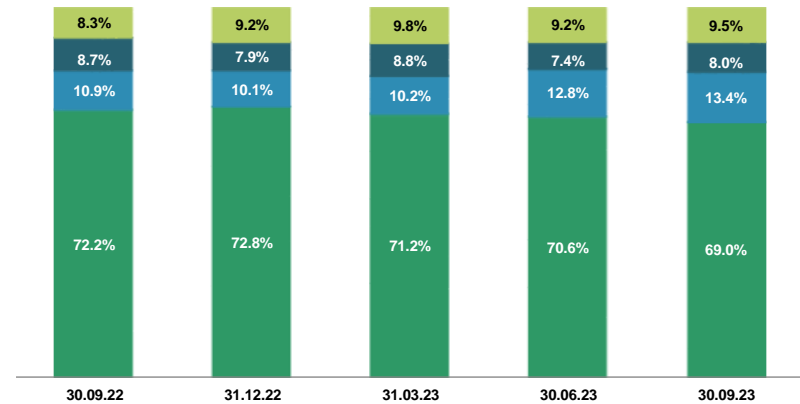
■ Total Assets

Asset Compositions



■ Liquid Assets ■ Debt Securities ■ Loans ■ Other Assets

Liability Compositions



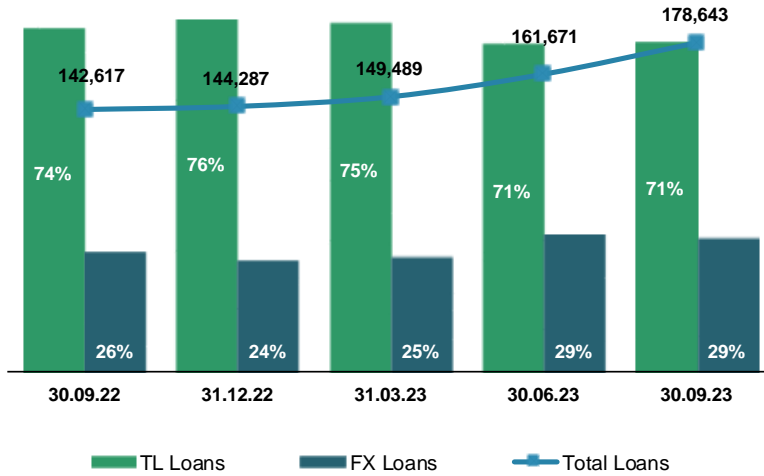
■ Deposit ■ Funds Borrowed ■ Other Liabilities ■ Shareholders Equity



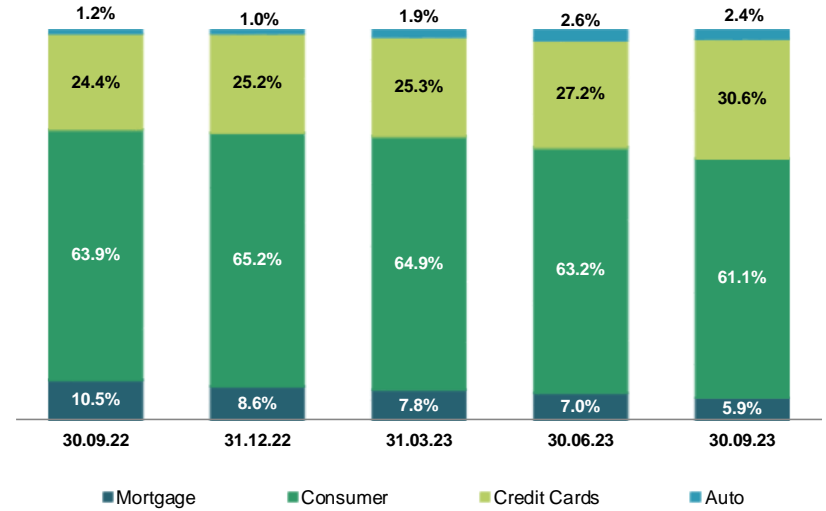
TEB
BNP PARIBAS ORTAKLIĞI

Healthy loan portfolio composition

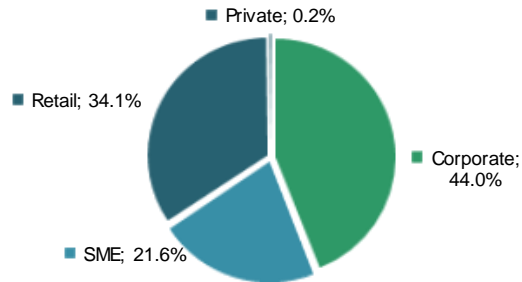
Loan Compositions



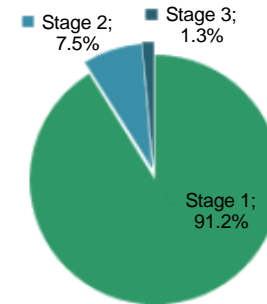
Breakdown of Retail Loans



Performing Loans - Sep'23



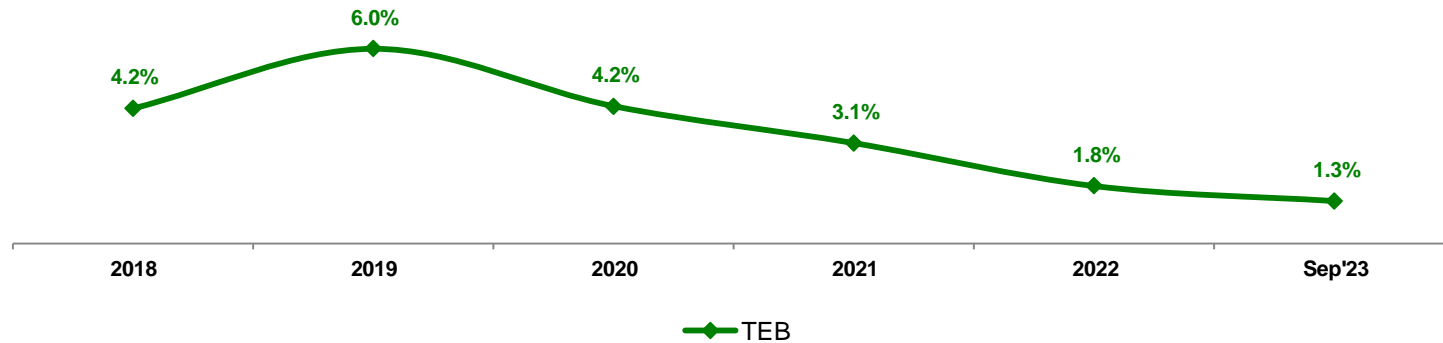
Loans - Sep'23



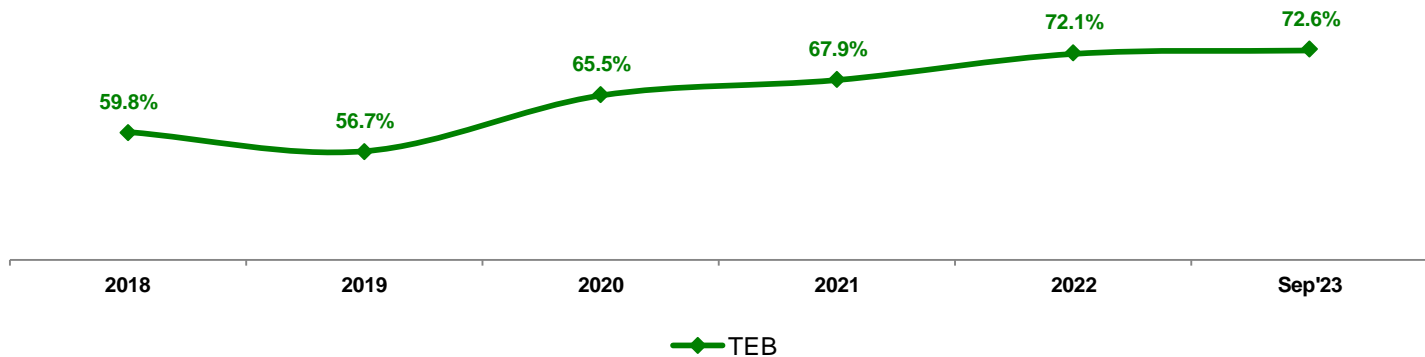
TEB
BNP PARIBAS ORTAKLIĞI

Decreasing NPL trend & conservative provisioning policy

NPL Ratio



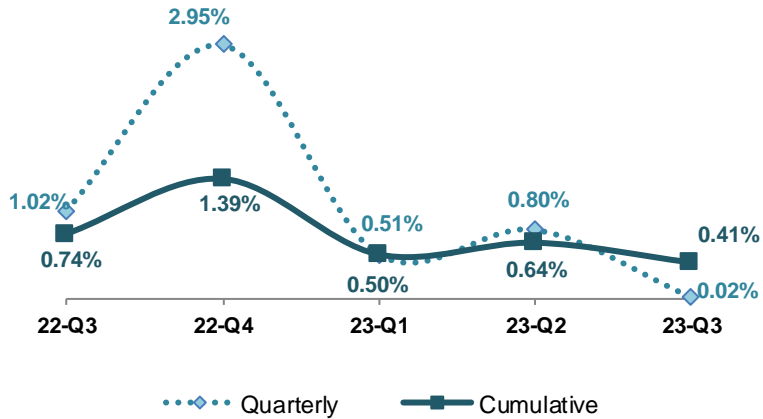
Coverage Ratio



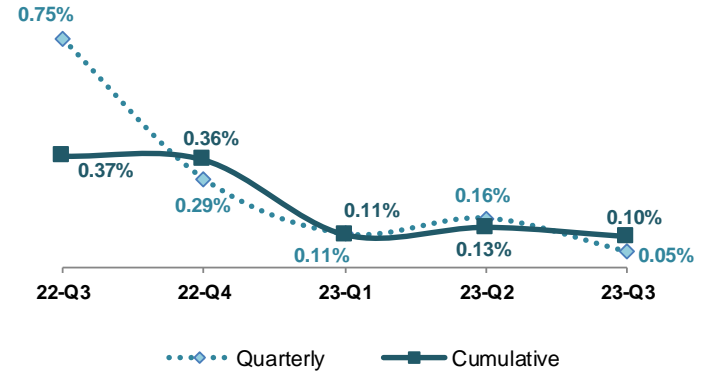
TEB
BNP PARIBAS ORTAKLIĞI

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

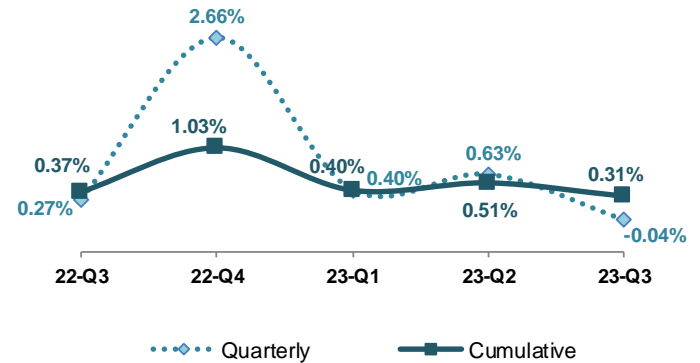
Cost of Risk



Cost of Risk (Stage 3)

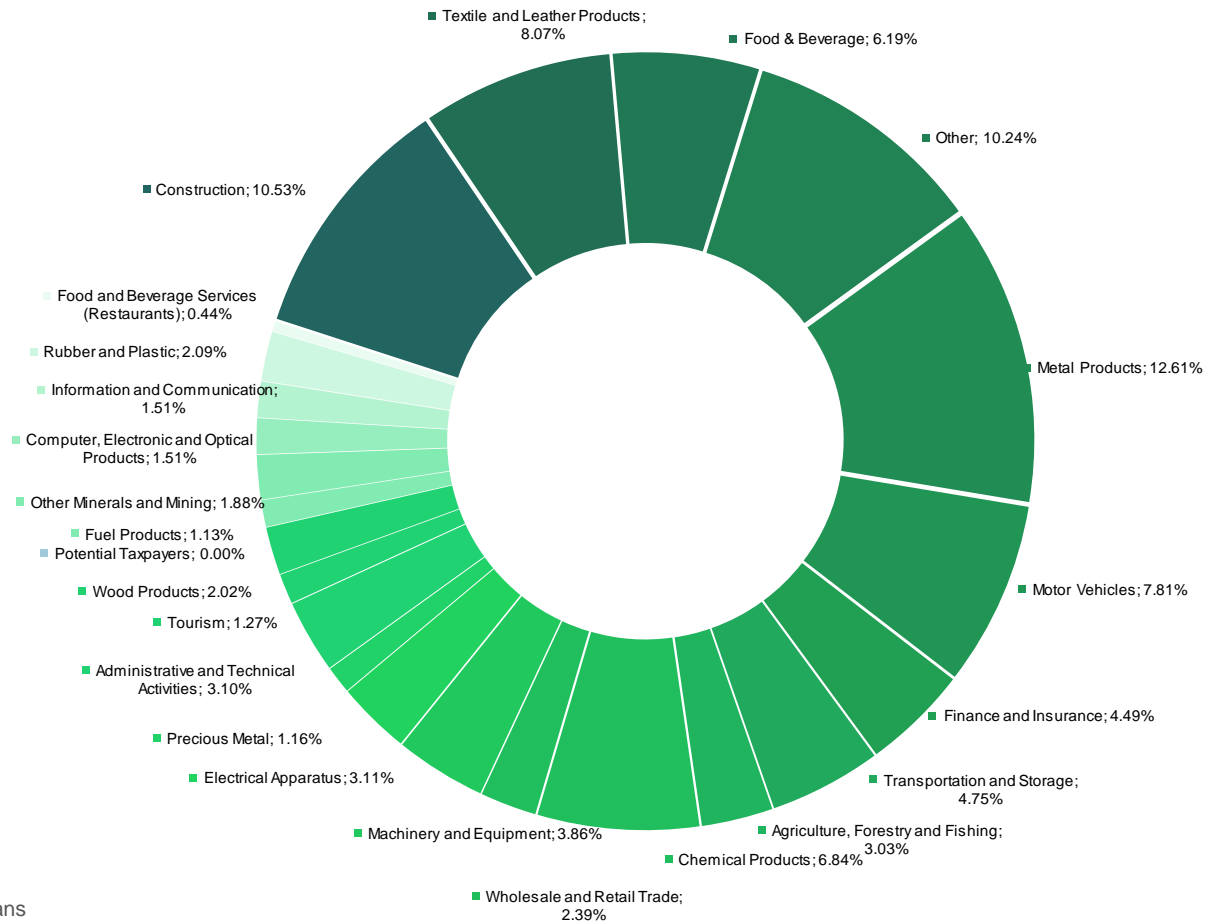


Cost of Risk (Stage 1 & 2)



TEB
BNP PARIBAS ORTAKLIĞI

Maintained well-diversified loan portfolio(*)



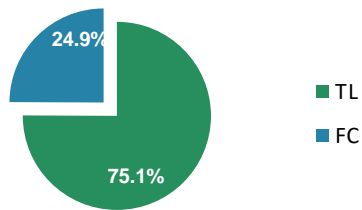
(*) incl. non-cash loans, excl. retail loans



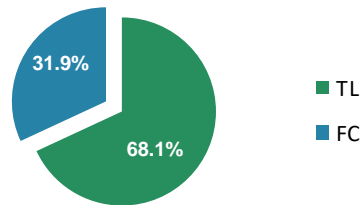
Relatively higher CPI linkers in MS portfolio

Total Securities Compositions

2022 Q4

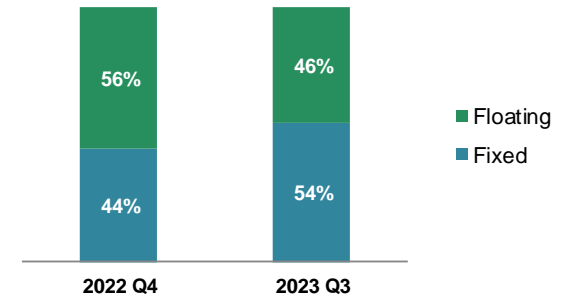


2023 Q2

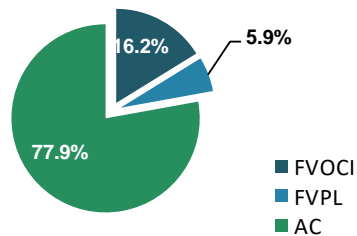


Interest Rate Compositions

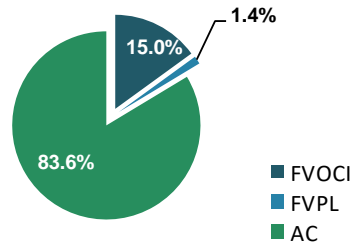
Total Securities



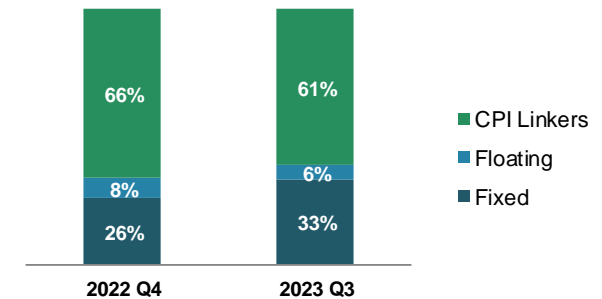
2022 Q4



2023 Q2



TL Portfolio



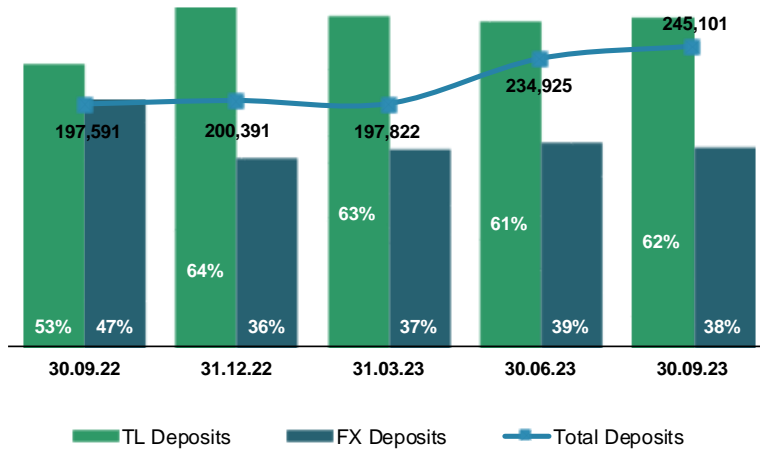
- FVOCI - Financial Assets at Fair Value Through Other Comprehensive Income
- FVPL - Financial Assets at Fair Value Through Profit or Loss
- AC - Financial Assets Measured at Amortised Cost



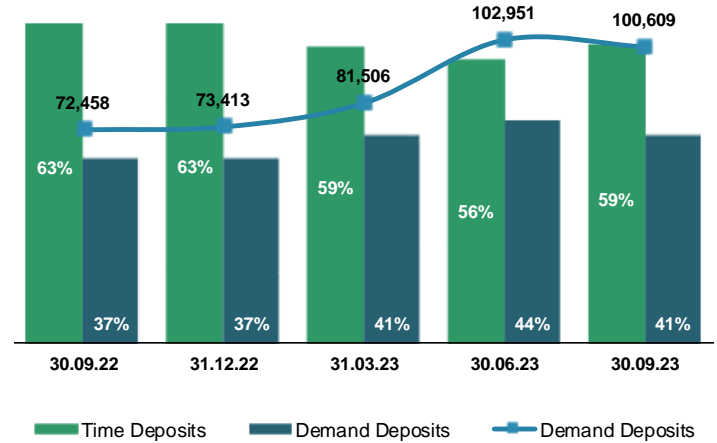
TEB
BNP PARIBAS ORTAKLIĞI

Strong growth in Customer Deposits' – focusing on TL deposits on the back of FC protected deposit conversion and demand deposits' contribution

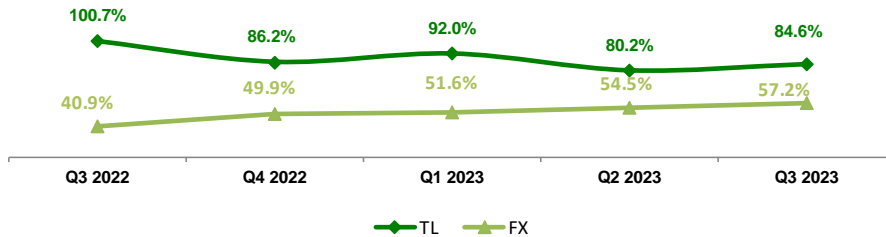
TL/FX Deposit Compositions



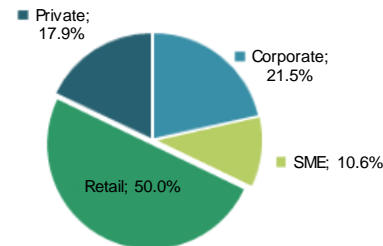
Time/Demand Deposit Compositions



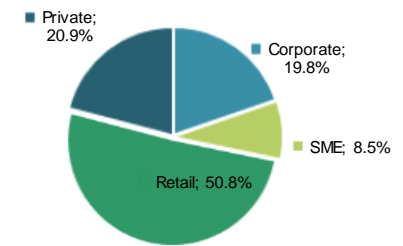
Loan / Deposit Ratio



Total Deposits - Dec'22



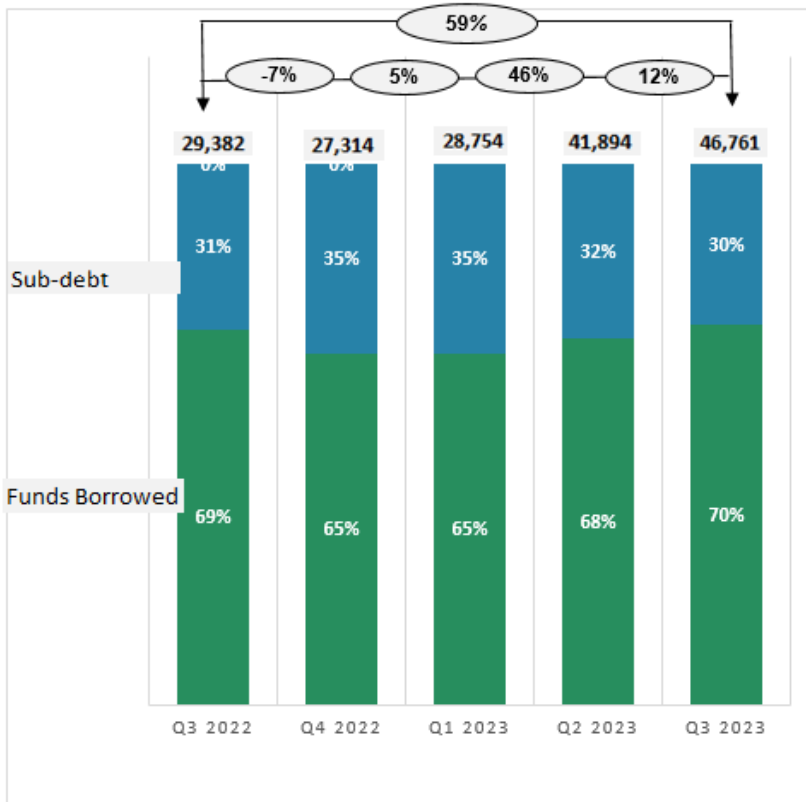
Total Deposits - Sep'23



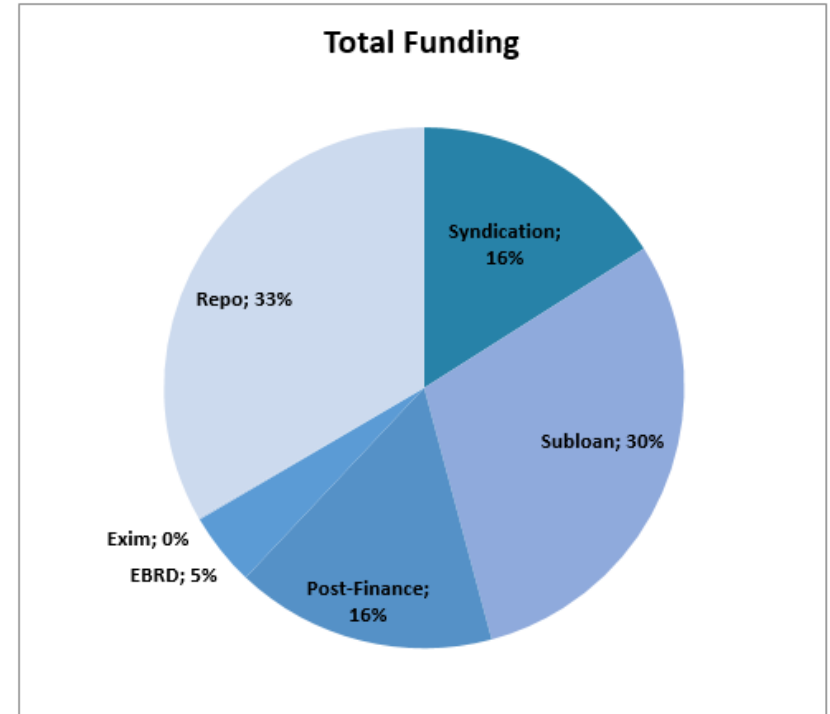
TEB
BNP PARIBAS ORTAKLIĞI

Maintained disciplined funding mix

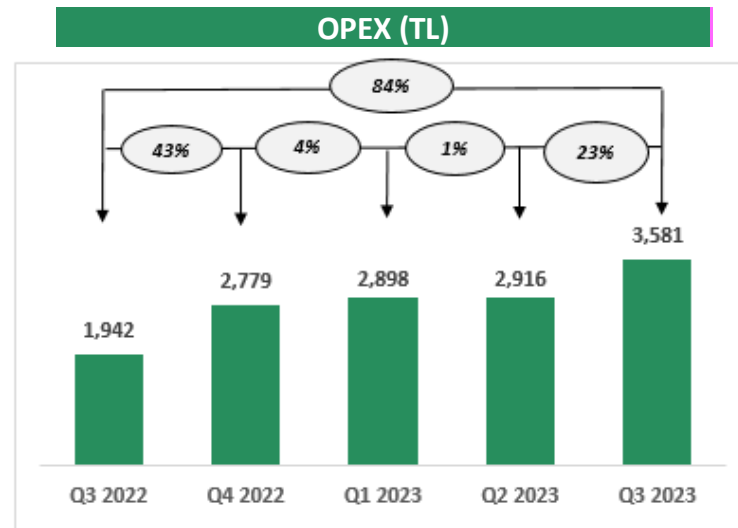
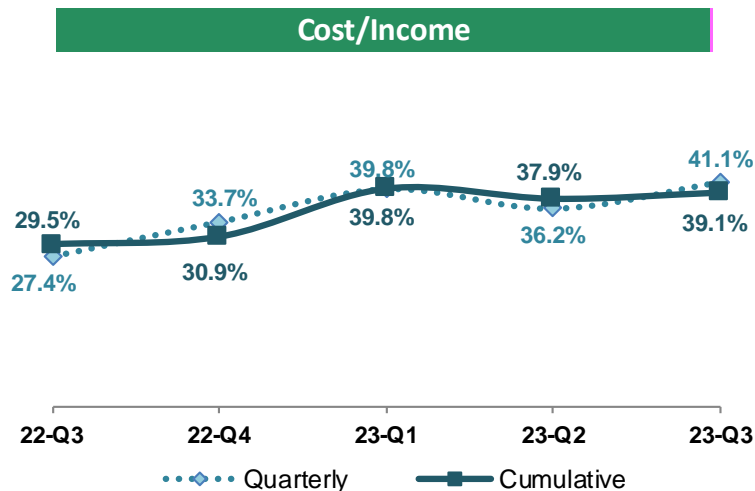
Wholesale Borrowings By Type



Wholesale Borrowings Breakdown



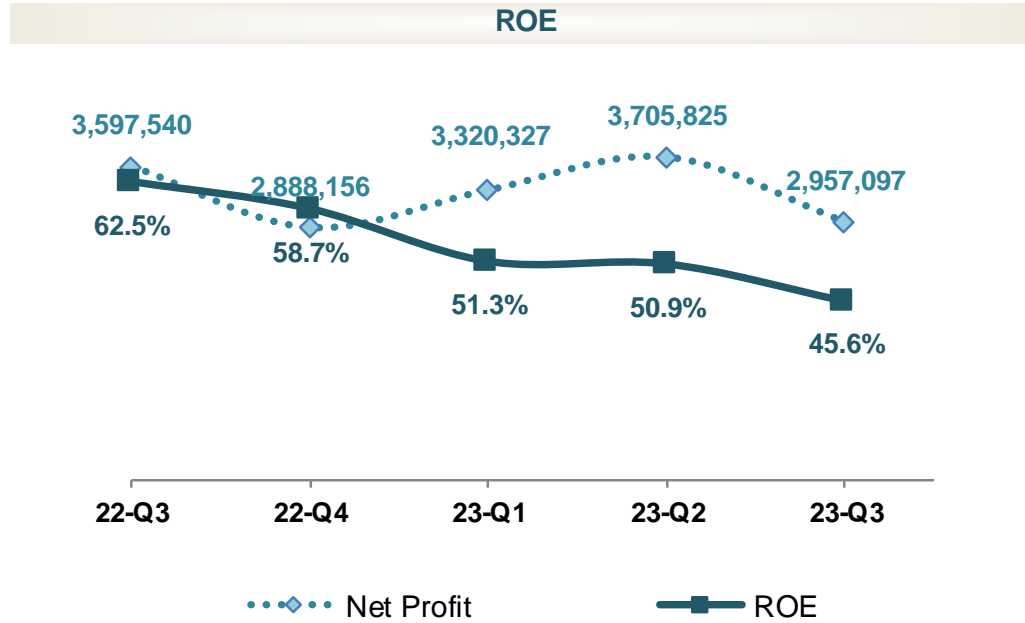
Thanks to increase in NBI & controlled OPEX management



Successful cost control resulted in a good C/I ratio at 41.1%, despite upward pressures on costs from inflation and TL's depreciation.

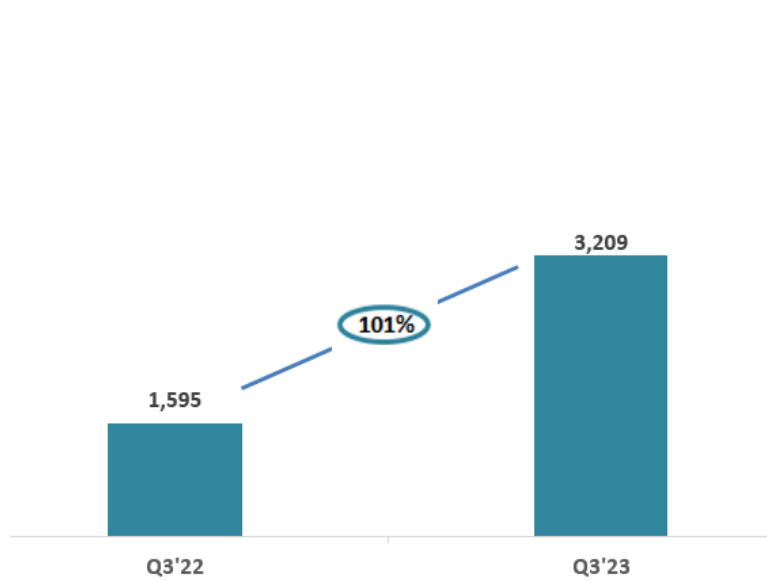


Return on Equity



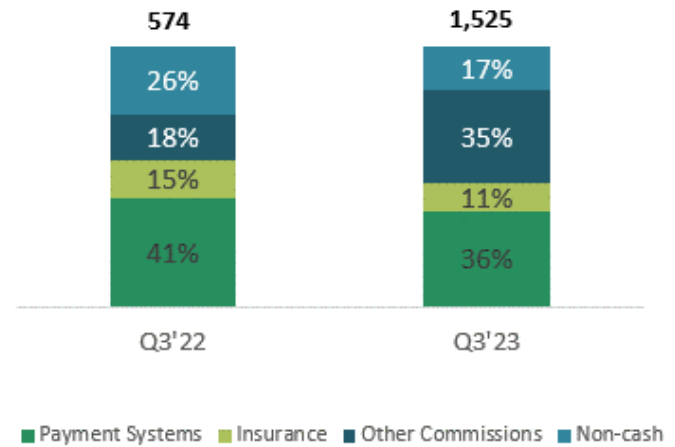
Continuous increase in net fees and commissions

Net fee & Commissions (cumulative)



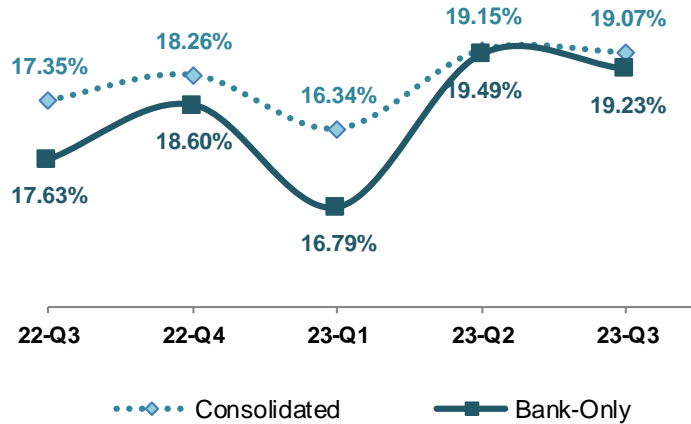
Fee growth accelerated further in Q3

Net Fees & Commissions



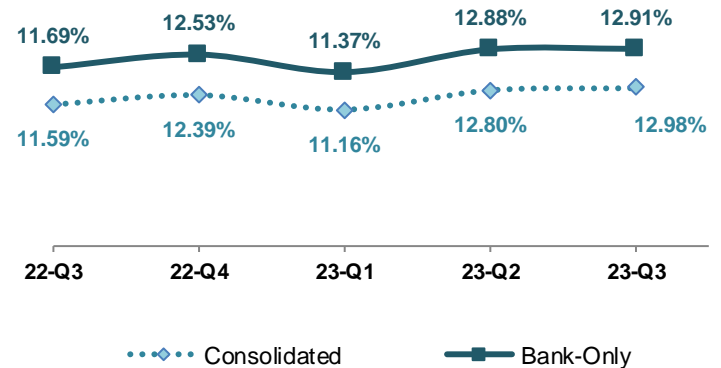
TEB: solid and well capitalised bank

Capital Adequacy Ratio



Strong capital buffers well above regulatory limits

CET1 Ratio



TEB
BNP PARIBAS ORTAKLIĞI

APPENDIX



Summary Balance Sheet

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

	31.12.2022	30.09.2023	YtD Chg
Cash & Cash Equivalents	60,455	101,279	68%
Marketable Securities	51,830	53,112	2%
Loans (net) ^(*)	151,922	189,166	25%
Other Assets	19,329	23,946	24%
Total Assets	283,536	367,502	30%
Deposit	200,350	244,956	22%
Funds Borrowed	17,605	26,016	48%
Repo	7,230	16,580	129%
Subordinated Debt	9,708	14,396	48%
Other Liabilities	22,076	28,995	31%
Shareholders Equity	26,144	35,626	36%
Liab.&Shr.Equity	283,536	367,502	30%

^(*) including Factoring Receivables



TEB
BNP PARIBAS ORTAKLIĞI

Summary Income Statement

TÜRK EKONOMİ BANKASI A.Ş.

Consolidated (in Mn TL, cumulative)

	30.09.2022	30.09.2023
Net Interest Income	14,321	11,794
Gains/Losses From Derivatives and FX position	806	8,317
Securities Trading Gain/ Loss	(97)	1,453
Net Fee&Commissions	1,791	3,690
Other Income	167	363
Net Banking Income	16,989	25,617
Cost of Risk	(720)	(539)
Net Operating Income	16,268	25,078
Other Operating Expense	(2,377)	(4,820)
Personnel Expenses	(2,707)	(5,169)
Other Provisions	0	(253)
Dividend Income	7	12
Tax Provisions	(2,668)	(3,867)
Net Profit	8,524	10,981



TEB
BNP PARIBAS ORTAKLIĞI

Ratings of TEB

FITCH (September 22, 2023)

	Rating	Outlook
Long-Term FC Issuer Default Rating	B-	Stable
Short-Term FC Issuer Default Rating	B	-
Long-Term LC Issuer Default Rating	B	Stable
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



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



Positive Impact

We have initiated numerous positive impact projects in collaboration with both internal and external stakeholders

Climate Literacy Initiative with UNICEF 

Going Green at TEB 

TİM-TEB Start-Up House Events 

AWE Academy for Women Entrepreneurs 

Innovation Competition 

Innovation Talks/ TEB Talks 

Sustainability Academy 

CEPTETEB Campaigns and 1% for the Planet Initiative 

Sustainable Branch Project 

Going Circular at TEB 

Start-Up Banking Acceleration Programs 

French Tech İstanbul 

Social Hackathon 

Women Leaders Program 

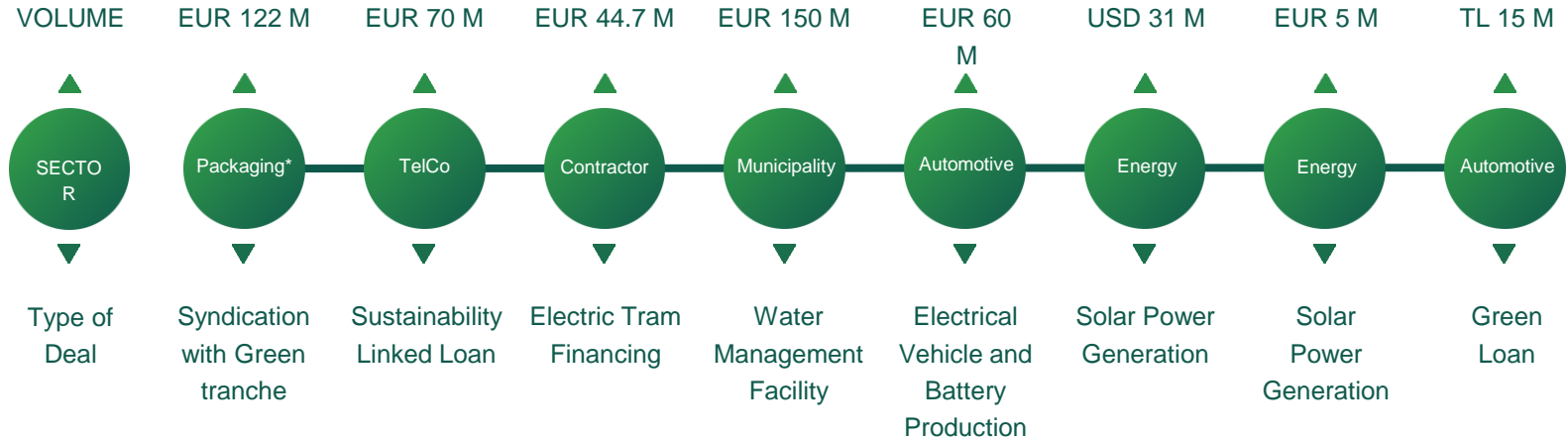
Volunteer Activities 

Positive Impact projects with environmental and social scope



Products and Services – Sustainable Finance

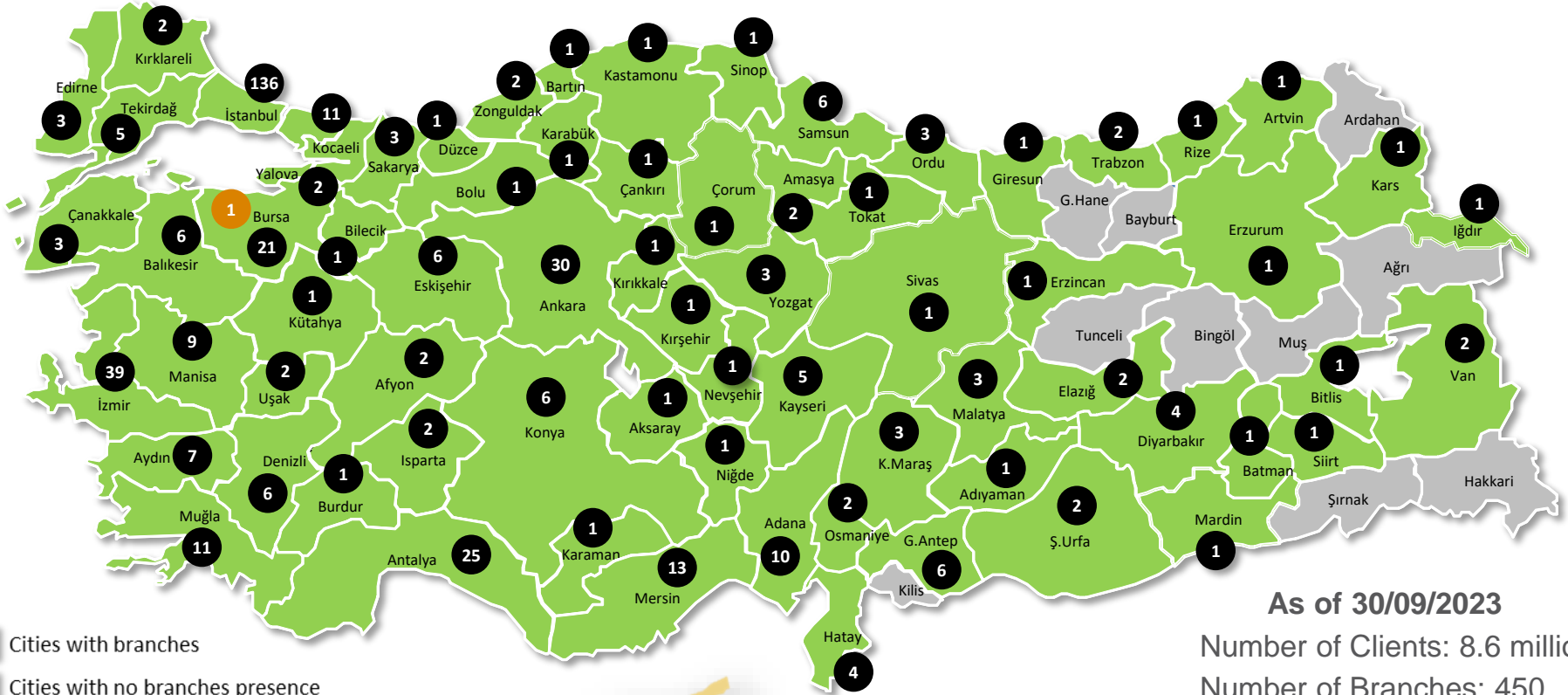
TEB provides sustainable finance solutions to support clients' transition towards a sustainable & low-carbon economy



(*) Green Coordinator Role



TEB is present in 71 cities



As of 30/09/2023

Number of Clients: 8.6 million

Number of Branches: 450

Total Staff: 8,239

ATM: 1,581

POS: 582,580



TEB
BNP PARIBAS ORTAKLIĞI

Digital Banking in 2023-Q3

Client Base

15% YOY increase in active mobile clients, **2.75 million mobile active** clients
20 monthly **mobile logins per customer**
45% of bank's new customers acquired through **digital onboarding**

Migration Ratio

92% of all financial transactions over Digital Channels
85% personal loan sold through digital channels
32% of credit cards sold through digital channels

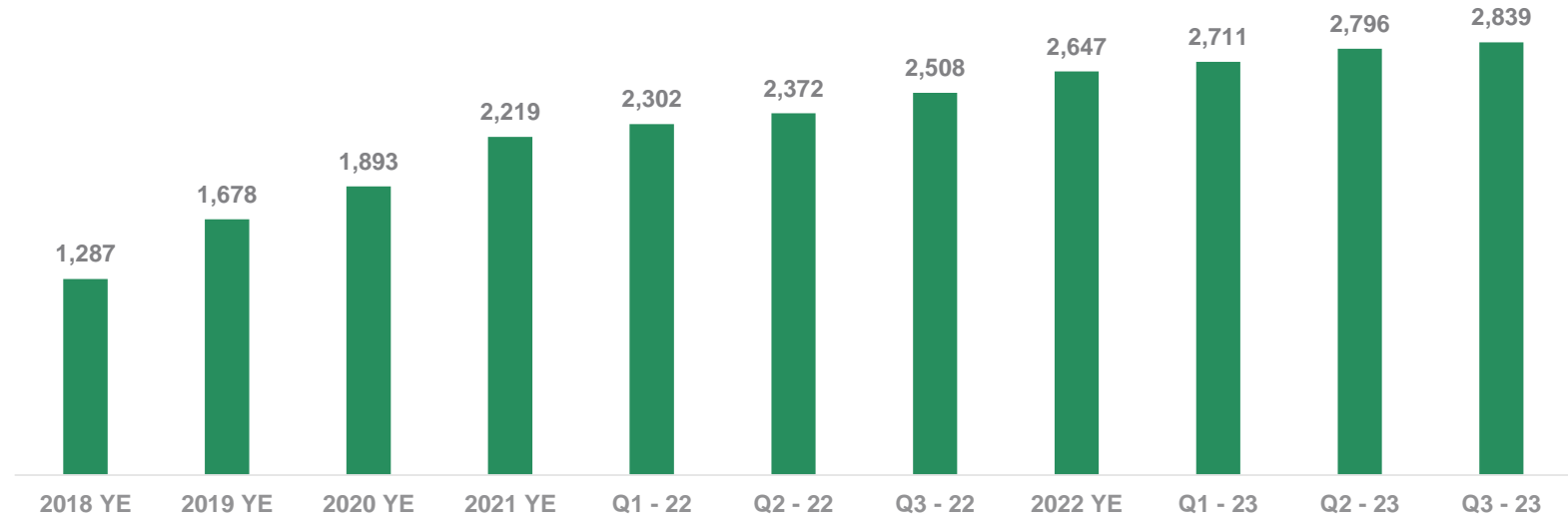
ATM Network

of ATM **1.569** ve **3,01%** market share



Digital Banking in 2023-Q3

of Active Online Banking Clients (*)



Presented in thousands

(*) Active definition: Login to TEB digital channels at least once in the last 90 days



Disclaimer

The information and opinions obtained in this document have been compiled or arrived at by TEB from sources believed to be reliable, but no representation or warranty is made as to their accuracy, completeness or correctness. All opinions and estimates contained in this document constitute TEB's judgement as of the date of this document and are subject to change without notice. This document is published for the assistance of the recipients, but is not to be relied upon as authoritative or taken in substitution for the exercise of judgement by any recipient. TEB does not accept any liability for any direct or consequential loss arising from any use of this document or its contents. This document is strictly confidential and may not be reproduced, distributed or published for any purpose.

