



**Türk Ekonomi Bankası**

# Q1'24 Earnings Presentation



**TEB**  
BNP PARIBAS ORTAKLIđI

## TEB Overview

- One of Türkiye's oldest financial institutions, TEB commenced banking operations in 1927 based in İzmit and began as a small-scale regional bank
- In 2005, BNP Paribas, one of the leading banks in the world and currently operating in 65 countries, acquired shares of TEB.
- TEB is now the 7th largest private bank in Türkiye and provides banking products to Corporates, SME, retail and private banking customers through a national wide network
- TEB and its subsidiaries also undertakes factoring, asset management, portfolio management, investment banking and insurance activities
- TEB continues to make an increasingly greater effort in order to provide multidimensional support that will nourish Türkiye's economic and also social added-value growth

## TEB Ratings

FitchRatings April 19, 2024			
	FCY	TRY	Outlook
Long Term	B	B	Positive
Short Term	B	B	
Shareholder Support Rating	b		
Moody's January 17, 2023			
	FCY	TRY	Outlook
Long Term	B2	B1	Positive
Short Term	NP	NP	
Adjusted BCA	b1		



## TEB Overview

As of 31 March 2024, TEB's total assets reached TL 454 billion.

Loans reaching 53.1% 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 241.2 billion as of 31 March 2024 while the Bank's total deposits amounted to TL 311.7 billion.

TEB's shareholders' equity was TL 36.7 billion as of 31 March 2024 with 17.67% capital adequacy ratio which was well above the 12% targeted ratio.

TEB posted net of profit of TL 3.005 million while achieving 33.9% RoE and 2.8% RoA.

Continuing growth in digital customer acquisition, reaching approximately 3.0 million digital active customers in CEPTETEB.



# Financials Summary Unconsolidated

## Summary Balance Sheet (TL mn)

	31.12.2023	31.03.2024	YtD Chg
Cash & Cash Equivalents	123,860	115,161	-7%
Marketable Securities	57,612	71,950	25%
Loans (net)	203,167	241,202	19%
Other Assets	22,281	25,903	16%
<b>Total Assets</b>	<b>406,919</b>	<b>454,216</b>	<b>12%</b>
Deposit	284,746	311,728	9%
Funds Borrowed	19,940	20,232	1%
Repo	28,110	26,315	-6%
Subordinated Debt	11,638	26,109	124%
Other Liabilities	27,441	33,155	21%
Shareholders Equity	35,045	36,677	5%
<b>Liab.&amp;Shr.Equity</b>	<b>406,919</b>	<b>454,216</b>	<b>12%</b>

## Summary Income Statement (TL mn)

	31.03.2023	31.03.2024	YoY Chg
<b>Net Interest Income</b>	<b>4,029</b>	<b>6,337</b>	<b>57.3%</b>
Gains/Losses From Derivatives and FX position	1,172	-786	-167.1%
Securities Trading Gain/ Loss	1,216	67	
Net Fee & Commissions	749	1,925	156.9%
Other Income	117	134	14.6%
<b>Net Banking Income</b>	<b>7,283</b>	<b>7,678</b>	<b>5.4%</b>
Cost of Risk	(192)	(488)	154.8%
<b>Net Operating Income</b>	<b>7,091</b>	<b>7,190</b>	<b>1.4%</b>
Other Operating Expense	(1,471)	(2,181)	48.3%
Personnel Expenses	(1,427)	(2,861)	100.4%
Other Provisions	(1)	1,249	
Dividend Income	13	1	-94.3%
Tax Provisions	(885)	(393)	-55.6%
<b>Net Profit</b>	<b>3,320</b>	<b>3,005</b>	<b>-9.5%</b>



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# Financials Summary Consolidated

## Summary Balance Sheet (TL mn)

	31.12.2023	31.03.2024	YtD Chg
Cash & Cash Equivalents	124,462	116,109	-7%
Marketable Securities	57,613	71,951	25%
Loans (net)	216,440	257,967	19%
Other Assets	23,077	26,667	16%
<b>Total Assets</b>	<b>421,592</b>	<b>472,695</b>	<b>12%</b>
Deposit	284,567	311,542	9%
Funds Borrowed	29,594	33,405	13%
Securities Issued	1,512	1,526	1%
Repo	28,500	26,789	-6%
Subordinated Debt	11,638	26,109	124%
Other Liabilities	28,496	34,071	20%
Shareholders Equity	37,284	39,253	5%
<b>Liab.&amp;Shr.Equity</b>	<b>421,592</b>	<b>472,695</b>	<b>12%</b>

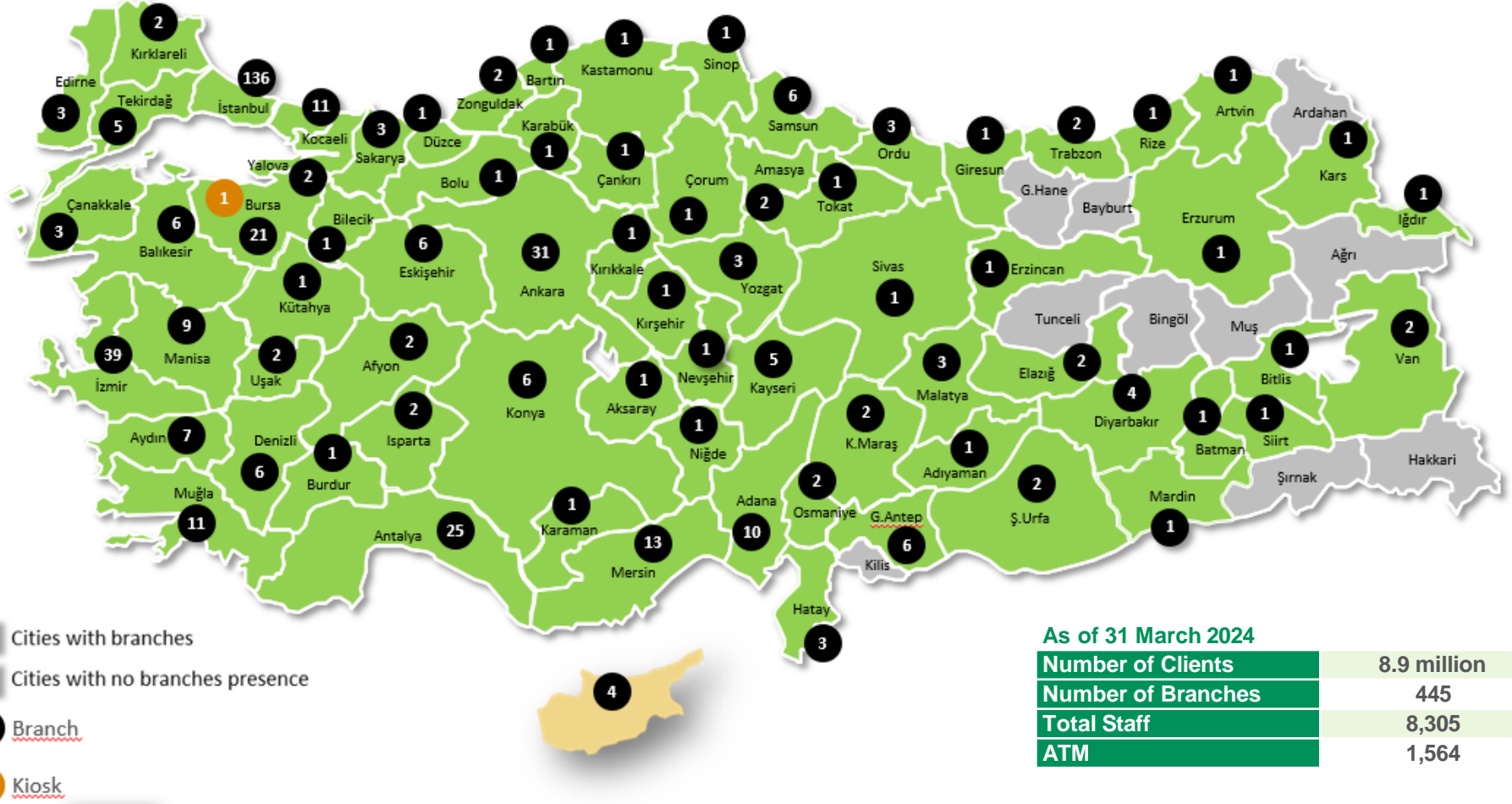
## Summary Income Statement (TL mn)

	31.03.2023	31.03.2024	YoY Chg
<b>Net Interest Income</b>	<b>4,399</b>	<b>6,921</b>	<b>57.3%</b>
Gains/Losses From Derivatives and FX position	1,174	-777	-166.2%
Securities Trading Gain/ Loss	1,220	83	-93.2%
Net Fee & Commissions	898	2,131	137.2%
Other Income	137	144	4.4%
<b>Net Banking Income</b>	<b>7,829</b>	<b>8,501</b>	<b>8.6%</b>
Cost of Risk	(195)	(508)	160.1%
<b>Net Operating Income</b>	<b>7,633</b>	<b>7,994</b>	<b>4.7%</b>
Other Operating Expense	(1,549)	(2,298)	48.3%
Personnel Expenses	(1,532)	(3,073)	100.6%
Other Provisions	(1)	1,249	
Dividend Income	0	1	95.1%
Tax Provisions	(961)	(533)	-44.6%
<b>Net Profit</b>	<b>3,590</b>	<b>3,341</b>	<b>-7.0%</b>



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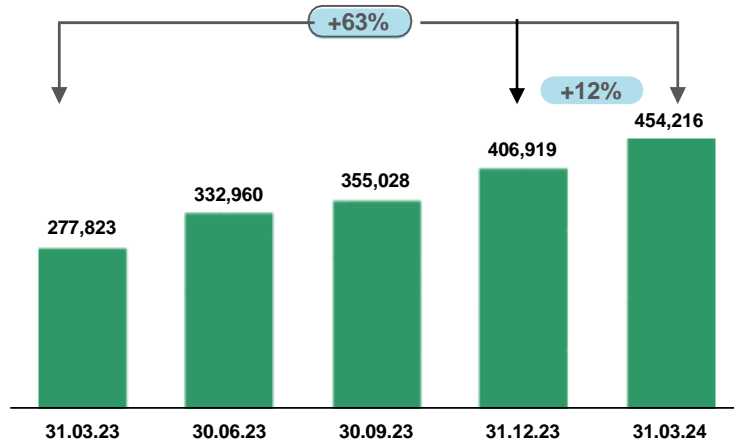
# TEB is present in 71 cities



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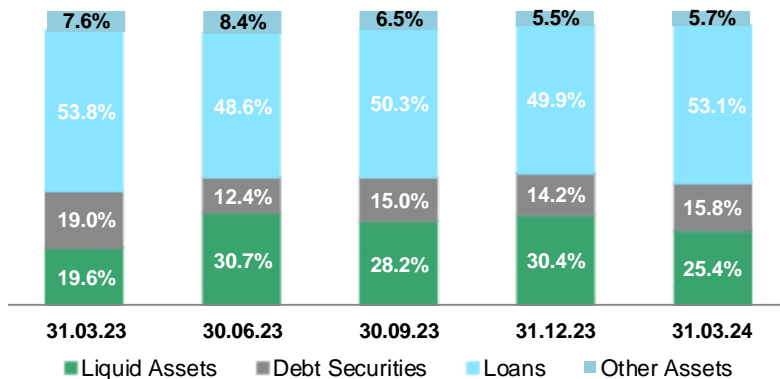
# Sound & prudent balance sheet management

## Balance Sheet Growth (TL mn)

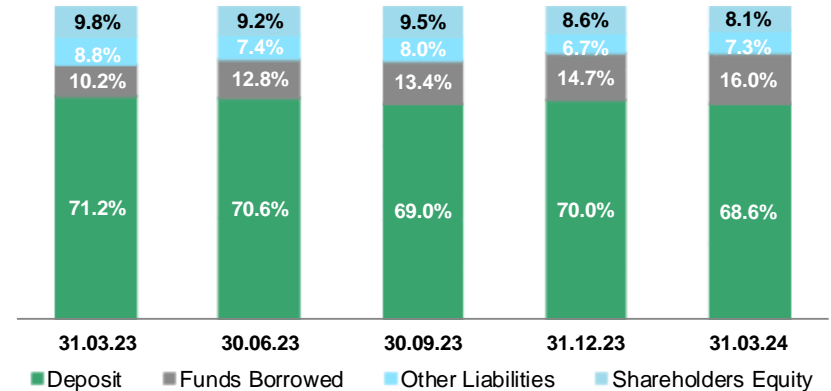


- Assets growth continued through the expansion of loans, securities portfolios and money market
- As of 31 March 2024, TEB had total loans of TL 241.2 bn, total deposits of TL 311.7 bn and total shareholders' equity of TL 36.7 bn.

## Asset Compositions



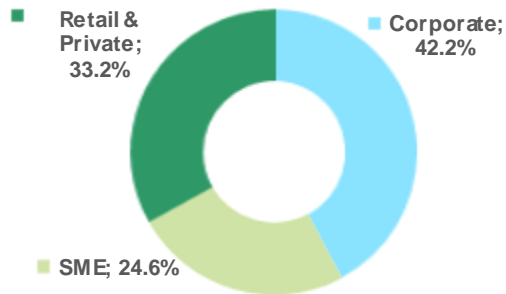
## Liability Compositions



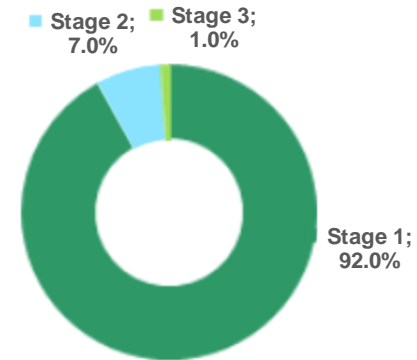
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# Strong & balanced loan portfolio composition

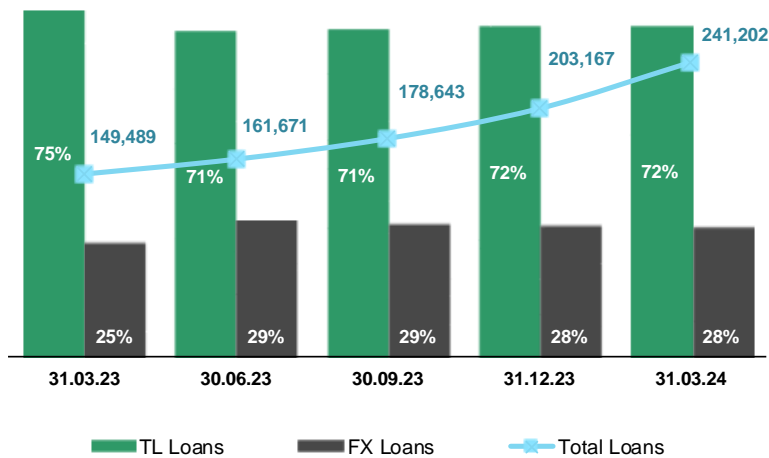
## Performing Loans - Mar'24



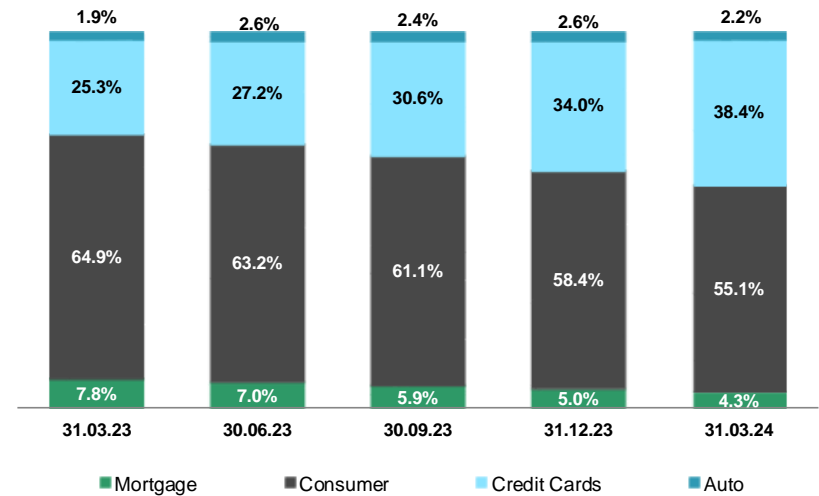
## Loan Quality - Mar'24



## Loan Composition by Currency



## Breakdown of Retail Loans



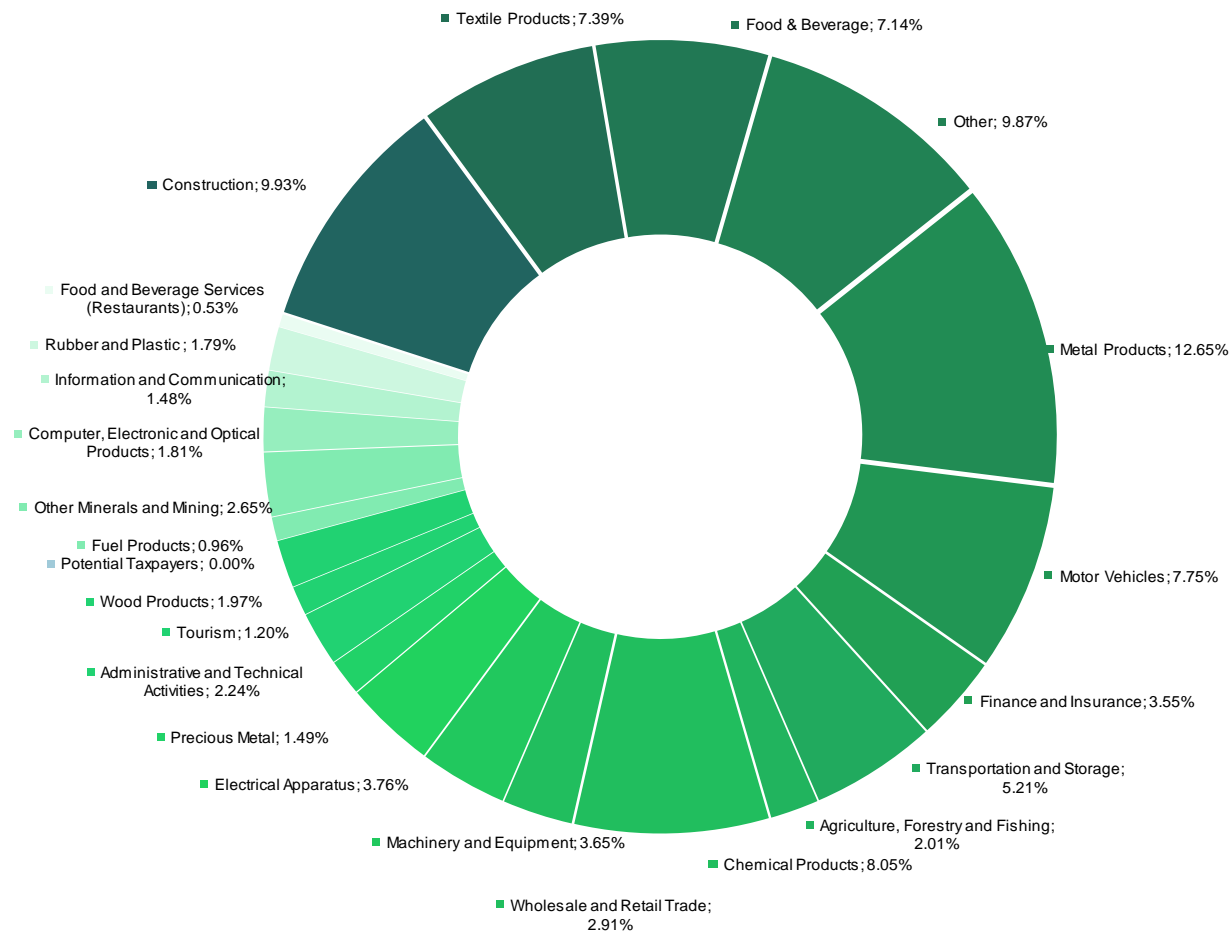
As of 31 March 2024, ESG cash loans constitute 3.07% of total cash loans of the Bank



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# Maintained well-diversified loan portfolio(\*)



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

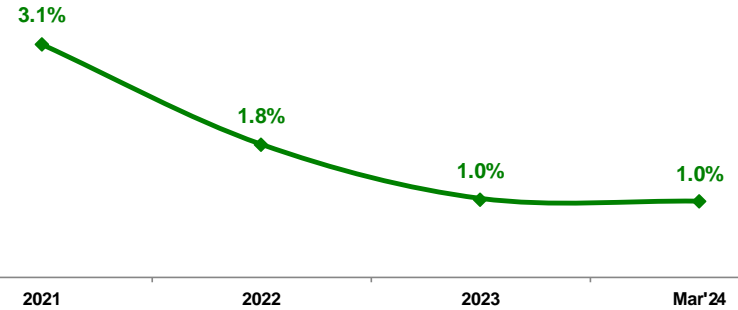


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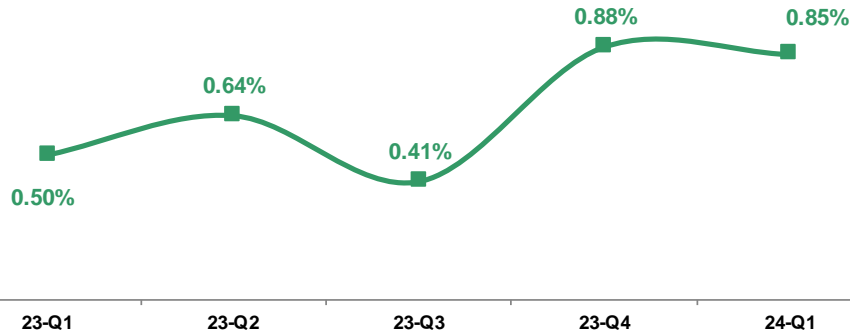
# Improved asset quality on the back of a Prudent provisioning policy

- Decreasing NPL trend & conservative provisioning policy
- Low cost of risk as a result of prudent & proactive risk management

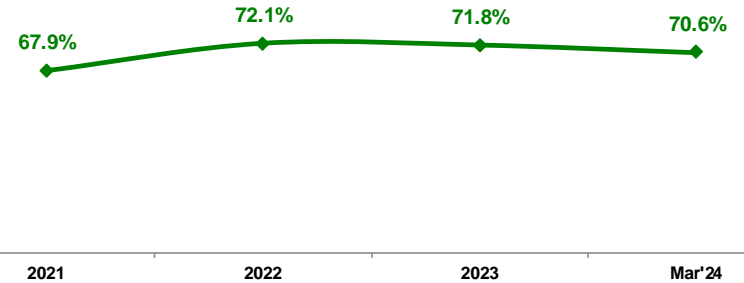
### NPL Ratio



### Cost of Risk



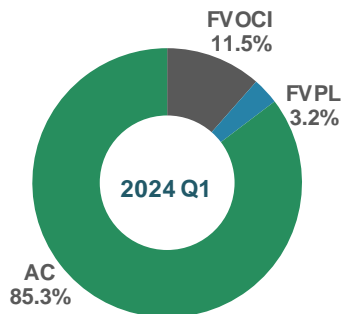
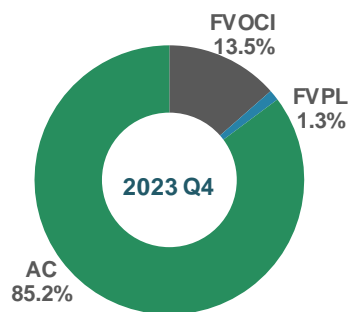
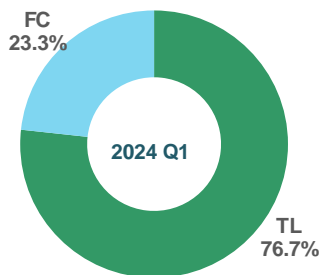
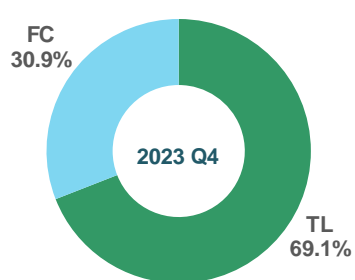
### Coverage Ratio



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# Relatively higher CPI linkers in MS portfolio

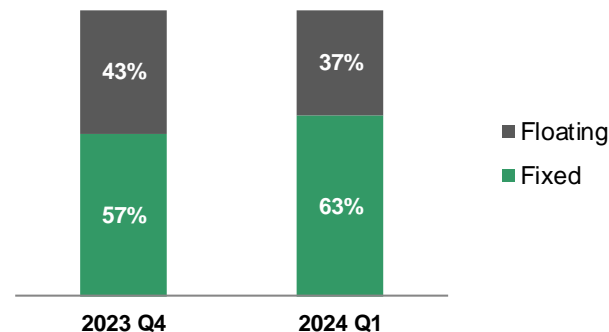
## Total Securities Compositions



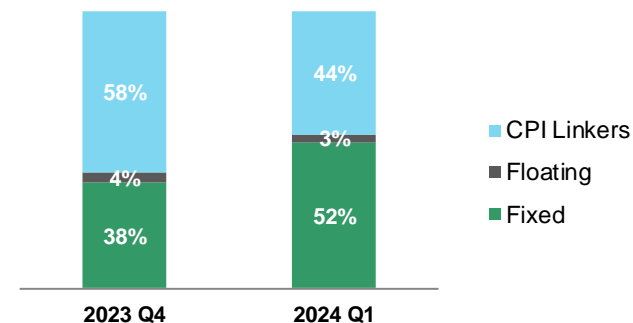
FVOCI: Financial Assets at Fair Value Through Other Comprehensive Income  
 FVPL: Financial Assets at Fair Value Through Profit or Loss excluding Equity Shares  
 AC: Financial Assets Measured at Amortised Cost

## Interest Rate Compositions

### Total Securities



### TL Portfolio

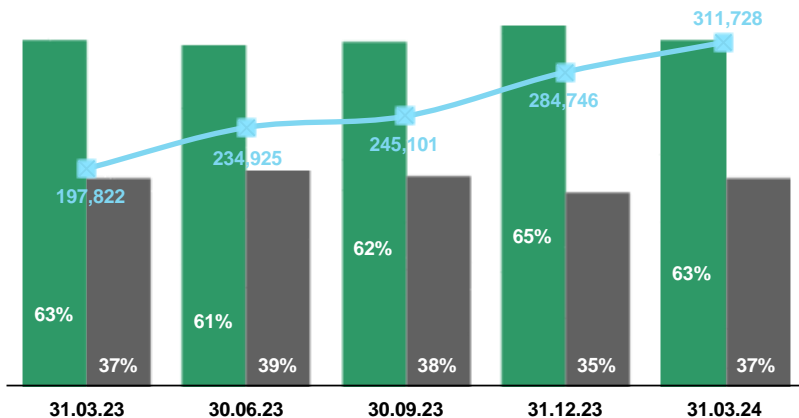


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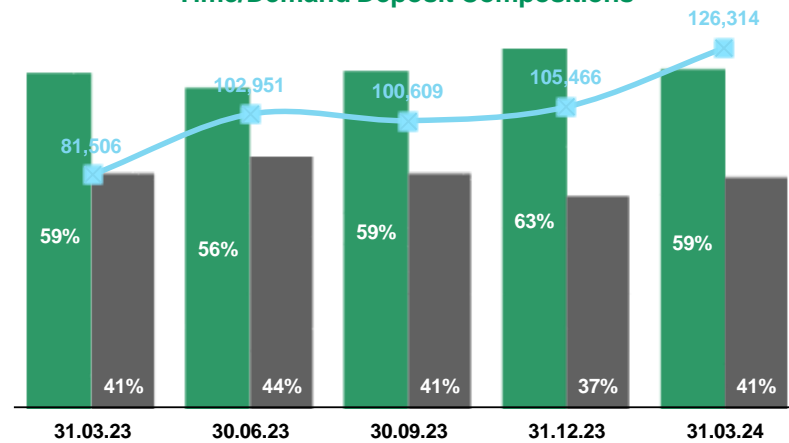
# Strong growth in customer deposits

Focusing on TL deposits on the back of FC protected deposit conversion and demand deposits' contribution

### TL/FX Deposit Compositions

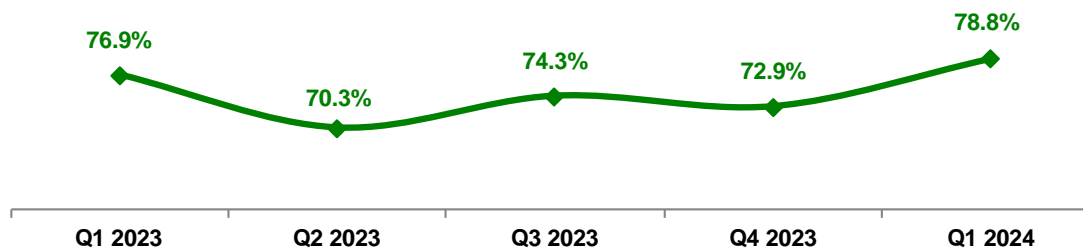


### Time/Demand Deposit Compositions



■ TL Deposits   
 ■ FX Deposits   
 —◆— Total Deposits   
 ■ Time Deposits   
 ■ Demand Deposits   
 —◆— Demand Deposits

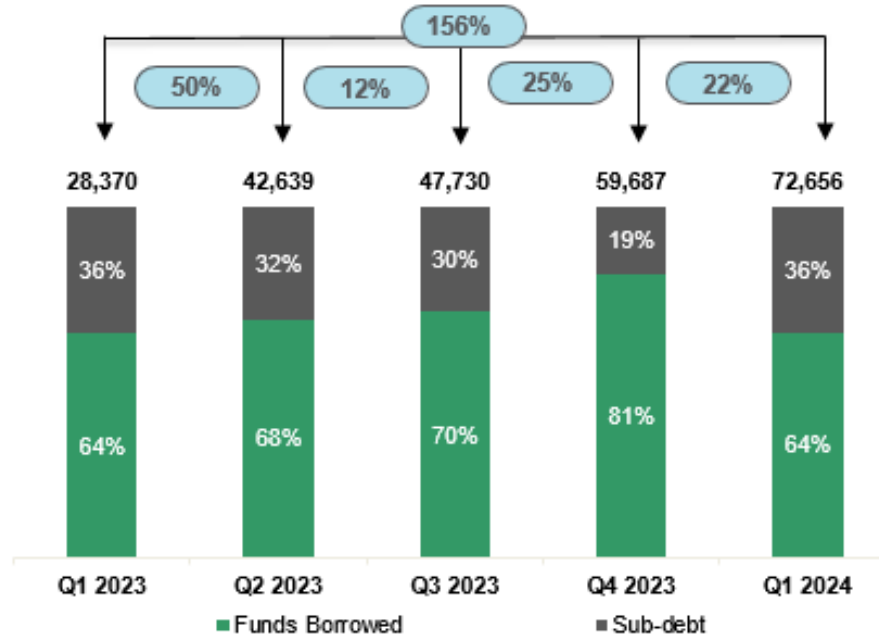
### Loan / Deposit Ratio



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# Healthy funding mix

## Wholesale Borrowing By Type

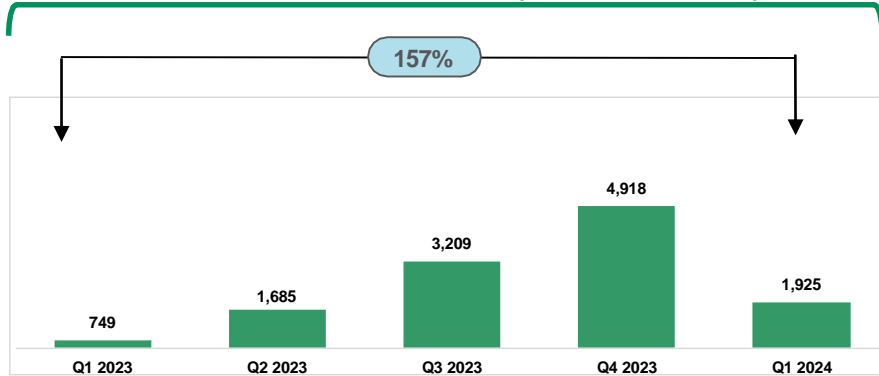


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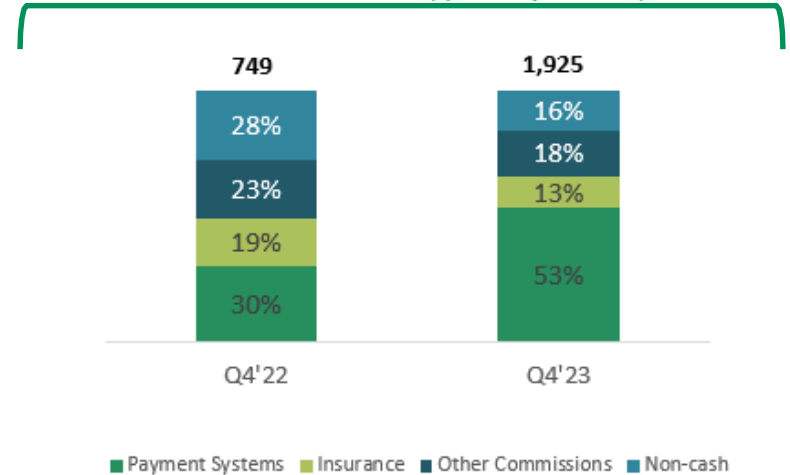
# Improved Cost Income due to higher NBI & OPEX management

Successful cost control resulted in a good C/I ratio at 65.67%, despite upward pressures on costs from inflation and TL's depreciation

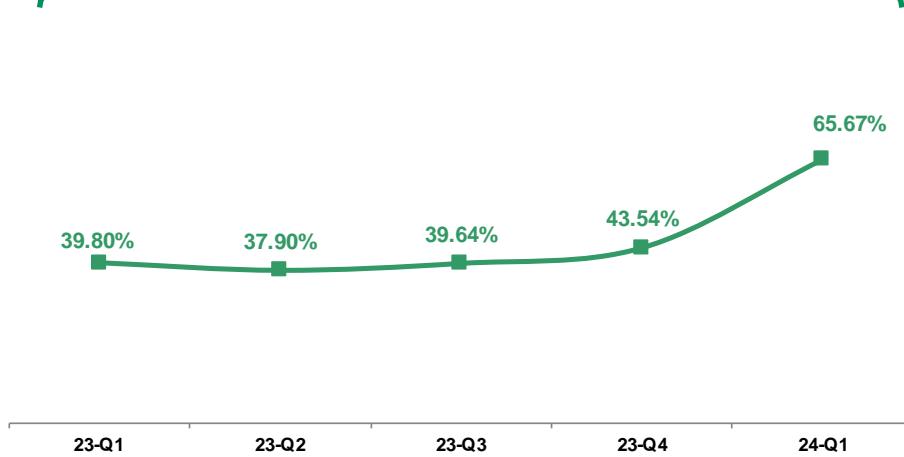
Net fee & Commissions (cumulative, TL mn)



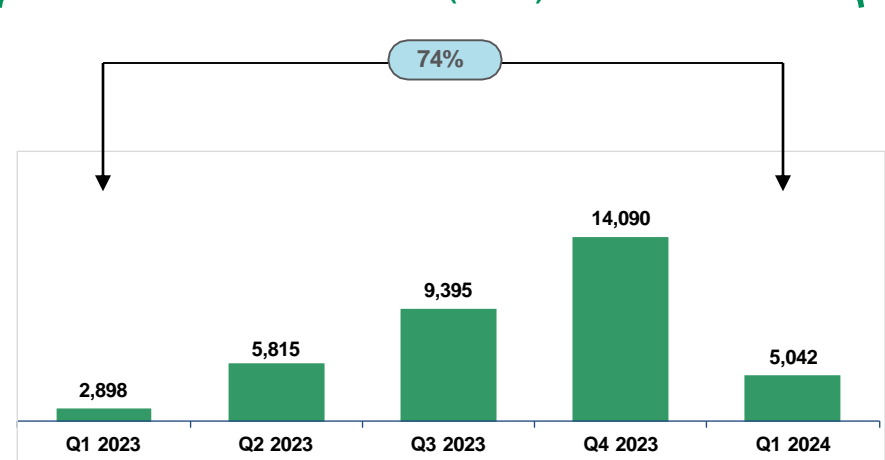
Net fee & Commissions (quarterly, TL mn)



Cost / Income



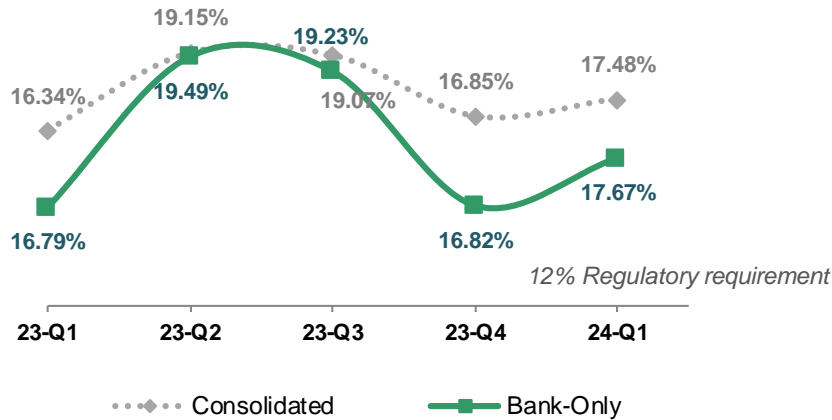
OPEX / TL (TL mn)



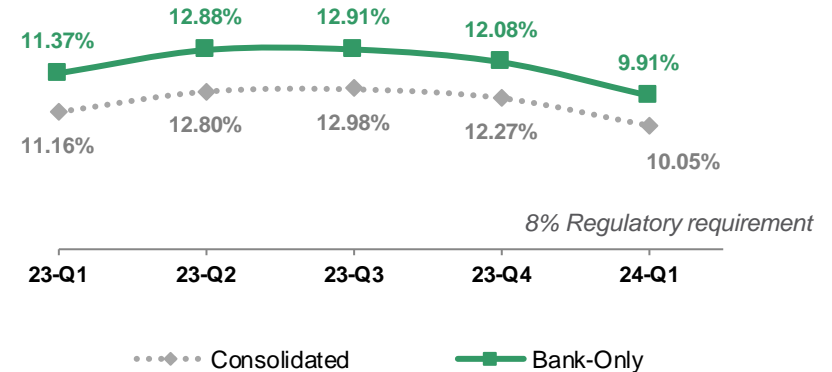
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# Strong Capitalisation with regulatory capital in excess of minimum requirements

## Capital Adequacy Ratio



## CET1 Ratio



## USD 400m 9.375% Inaugural 10NC5 Tier II Notes

On 10th of January 2024, TEB came to international Debt Capital Markets for the first time with an extraordinarily successful USD 400m 9.375% RegS-only Tier II offering.



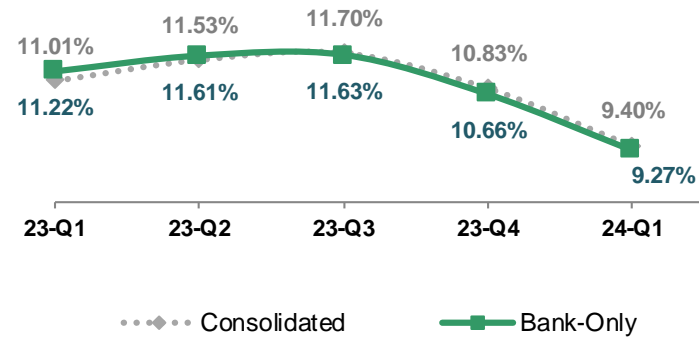
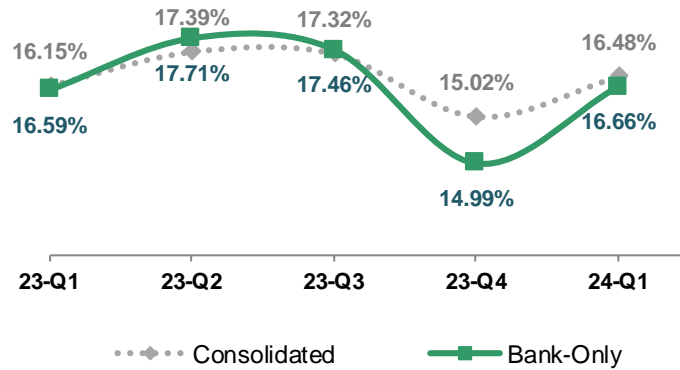
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# Strong Capitalisation with regulatory capital in excess of minimum requirements

## CAR w/o Forbearance

## CET1 w/o Forbearance

Strong capital buffers well above regulatory limits even without forbearance

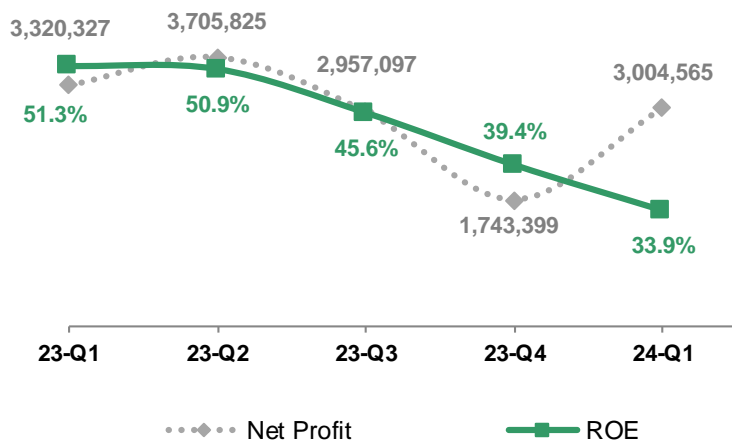


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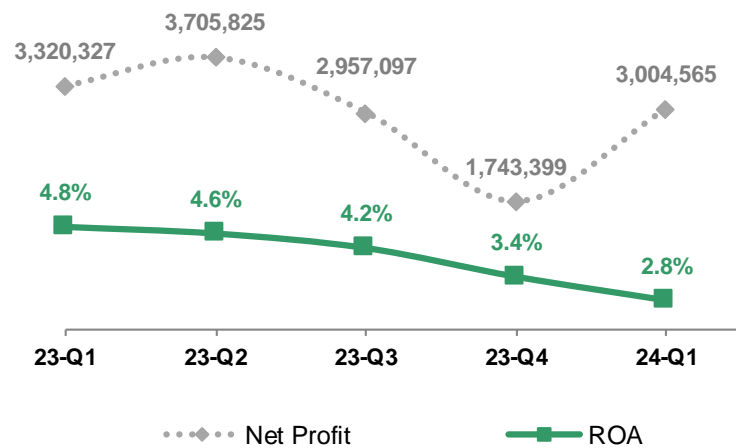


# Return On Equity / Asset

## ROE



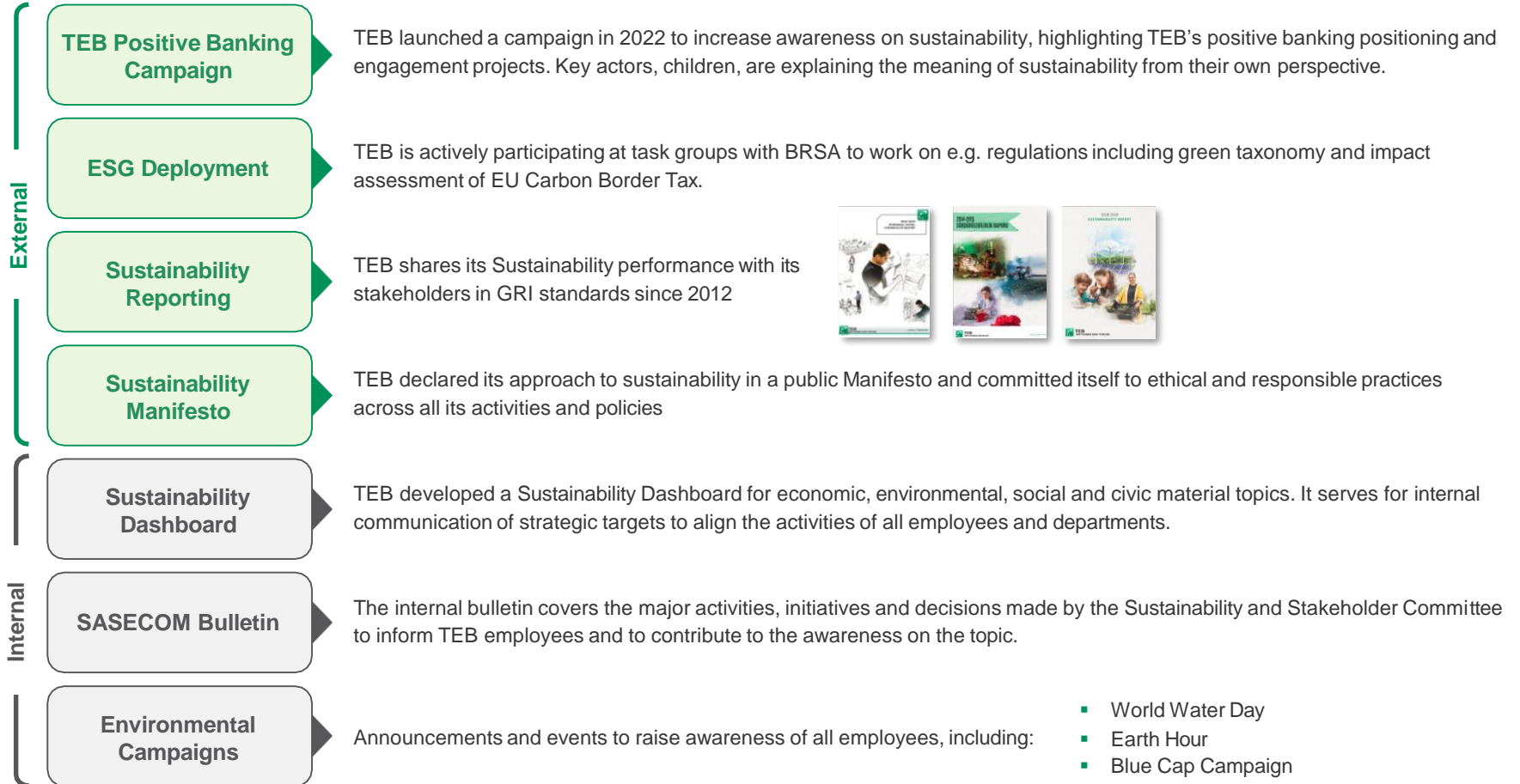
## ROA



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# Stakeholder Engagement

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



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



# Digital Banking in 2024-Q1

## Client Base

**12% YOY increase** in active mobile clients, **2.91 million mobile active** clients

**19** monthly **mobile logins per customer**

**46%** of bank's new customers acquired through **digital onboarding**

## Migration Ratio

**93%** of all financial transactions over Digital Channels

**84%** personal loan sold through digital channels

**25%** of credit cards sold through digital channels

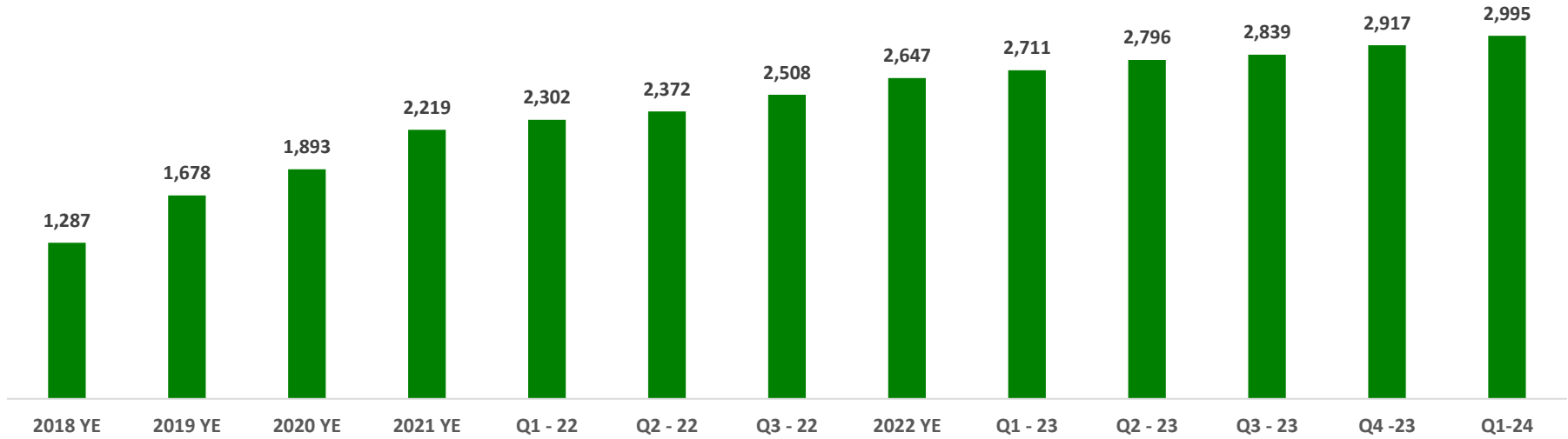
## ATM Network

# of ATM **1,569** with **2,96%** market share



# Digital Banking in 2024-Q1

# of Active Online Banking Clients\* (000s)



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