



**Türk Ekonomi Bankası**

# Q4'24 Earnings Presentation



**TEB**  
BNP PARIBAS ORTAKLIĞI

## 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**

September 17, 2024

	FCY	TRY	Outlook
Long Term	BB-	BB-	Stable
Short Term	B	B	
Shareholder Support Rating	bb-		

**Moody's**

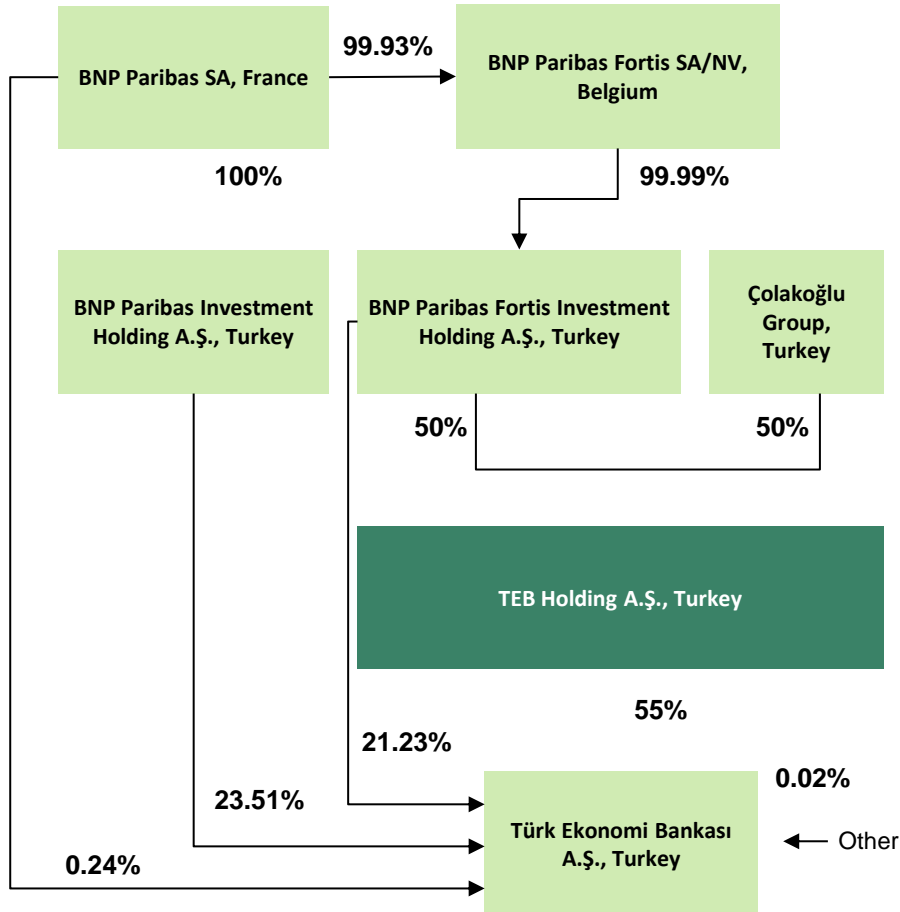
July 23, 2024

	FCY	TRY	Outlook
Long Term	Ba3	Ba3	Positive
Short Term	NP	NP	
Adjusted BCA	ba3		



# TEB Shareholding Structure

## TEB Group Structure



TEB is a subsidiary of BNP Paribas which **directly or indirectly owns and controls 72.48%** of the Bank's shares and consolidates the Bank into its consolidated financial statements

Shareholder's Name/Title	Share within Paid-up Capital of TL 2,204,390,000.00
TEB Holding <sup>(1)</sup>	55.00%
BNP Paribas Yatırımlar Holding A.Ş.	23.51%
BNP Paribas Fortis Yatırımlar Holding A.Ş. (BNPP FY Holding) <sup>(2)</sup>	21.23%
BNP Paribas	0.24%
Kocaeli Ticaret Odası	0.02%
TOTAL	100.00%
<sup>(1)</sup> TEB Holding A.Ş. is jointly owned by the Çolakoğlu Group and the BNPP Group of Companies.	
<sup>(1)</sup> A total of 50% of the shares in TEB Holding A.Ş. are controlled by BNP Paribas Fortis Yatırımlar Holding A.Ş., while the other 50% of the shares are controlled by the Çolakoğlu Group.	
<sup>(2)</sup> BNP Paribas Fortis Yatırımlar Holding A.Ş. is controlled by BNP Paribas Fortis NV/SA, which holds 100% of its shares.	
<sup>(2)</sup> On the other hand, BNP Paribas S.A. fully controls the shares of BNPP Yatırımlar Holding A.Ş..	

As of 30 June 2024



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## TEB Overview

- As of 31 December 2024, TEB's total assets reached TL 611 billion with 50% increase YtD.
- Loans reaching 53.4% 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 326 billion as 31 December 2024 while the Bank's total deposits amounted to TL 406 billion. TEB's shareholders' equity was TL 43.9 billion as of 31 December 2024 with 19.15% capital adequacy ratio which was well above the 12% targeted ratio.
- TEB posted net of profit of TL 10.9 billion while achieving 27.9% RoE in a challenging quarter mainly due to higher TL deposits costs and lower CPI linkers' contribution in line with lower CPI expectations and together with 2.1% RoA.
- Fee and commission growth of 48% QoQ (YoY growth 98.6%), thanks to higher transactions volumes as well as higher prices in payment systems in line with higher policy rates.
- NPL ratio stable at 1.3%, provisioning stance remained prudent at all stages, well positioned for anticipated asset quality erosion.
- Securities portfolio posted a robust growth of 74% in YtD boosted by the fixed rate securities which was 67% of total securities.
- Operating expenses remained main focus area due to inflation and material TL depreciation, OPEX grew by 39.7% QoQ and 61% YoY.
- Continuing growth in digital customer acquisition, reaching approximately 3.2 million digital active customers in CEPTETEB.



# Financials Summary Unconsolidated

## Summary Balance Sheet (TL mn)

	31.12.2023	31.12.2024	YtD Chg
Cash & Cash Equivalents	123,860	143,372	16%
Marketable Securities	57,612	100,203	74%
Loans (net)	203,167	326,201	61%
Other Assets	22,281	41,642	87%
<b>Total Assets</b>	<b>406,919</b>	<b>611,418</b>	<b>50%</b>
Deposit	284,746	405,610	42%
Funds Borrowed	19,940	25,762	29%
Repo	28,110	62,952	124%
Subordinated Debt	11,638	28,244	143%
Other Liabilities	27,441	44,945	64%
Shareholders Equity	35,045	43,904	25%
<b>Liab.&amp;Shr.Equity</b>	<b>406,919</b>	<b>611,418</b>	<b>50%</b>

## Summary Income Statement (TL mn)

	31.12.2023	31.12.2024	YoY Chg
<b>Net Interest Income</b>	<b>16,756</b>	<b>28,064</b>	<b>67.5%</b>
Gains/Losses From Derivatives and FX position	8,678	-1,498	-117.3%
Securities Trading Gain/ Loss	1,507	-56	
Net Fee & Commissions	4,902	9,736	98.6%
Other Income	502	865	72.4%
<b>Net Banking Income</b>	<b>32,344</b>	<b>37,111</b>	<b>14.7%</b>
Cost of Risk	(1,578)	(800)	-49.3%
<b>Net Operating Income</b>	<b>30,766</b>	<b>36,311</b>	<b>18.0%</b>
Other Operating Expense	(7,042)	(11,045)	56.8%
Personnel Expenses	(7,032)	(11,565)	64.5%
Other Provisions	(1,806)	667	
Dividend Income	26	26	-0.6%
Tax Provisions	(3,187)	(3,490)	9.5%
<b>Net Profit</b>	<b>11,727</b>	<b>10,904</b>	<b>-7.0%</b>



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# Financials Summary Consolidated

## Summary Balance Sheet (TL mn)

	31.12.2023	31.12.2024	YtD Chg
Cash & Cash Equivalents	124,462	144,297	16%
Marketable Securities	57,613	100,203	74%
Loans (net)	216,440	347,464	61%
Other Assets	23,077	43,819	90%
<b>Total Assets</b>	<b>421,592</b>	<b>635,784</b>	<b>51%</b>
Deposit	284,567	405,484	42%
Funds Borrowed	29,594	42,867	45%
Securities Issued	1,512	1,663	10%
Repo	28,500	63,373	122%
Subordinated Debt	11,638	28,244	143%
Other Liabilities	28,496	46,388	63%
Shareholders Equity	37,284	47,766	28%
<b>Liab.&amp; Shr.Equity</b>	<b>421,592</b>	<b>635,784</b>	<b>51%</b>

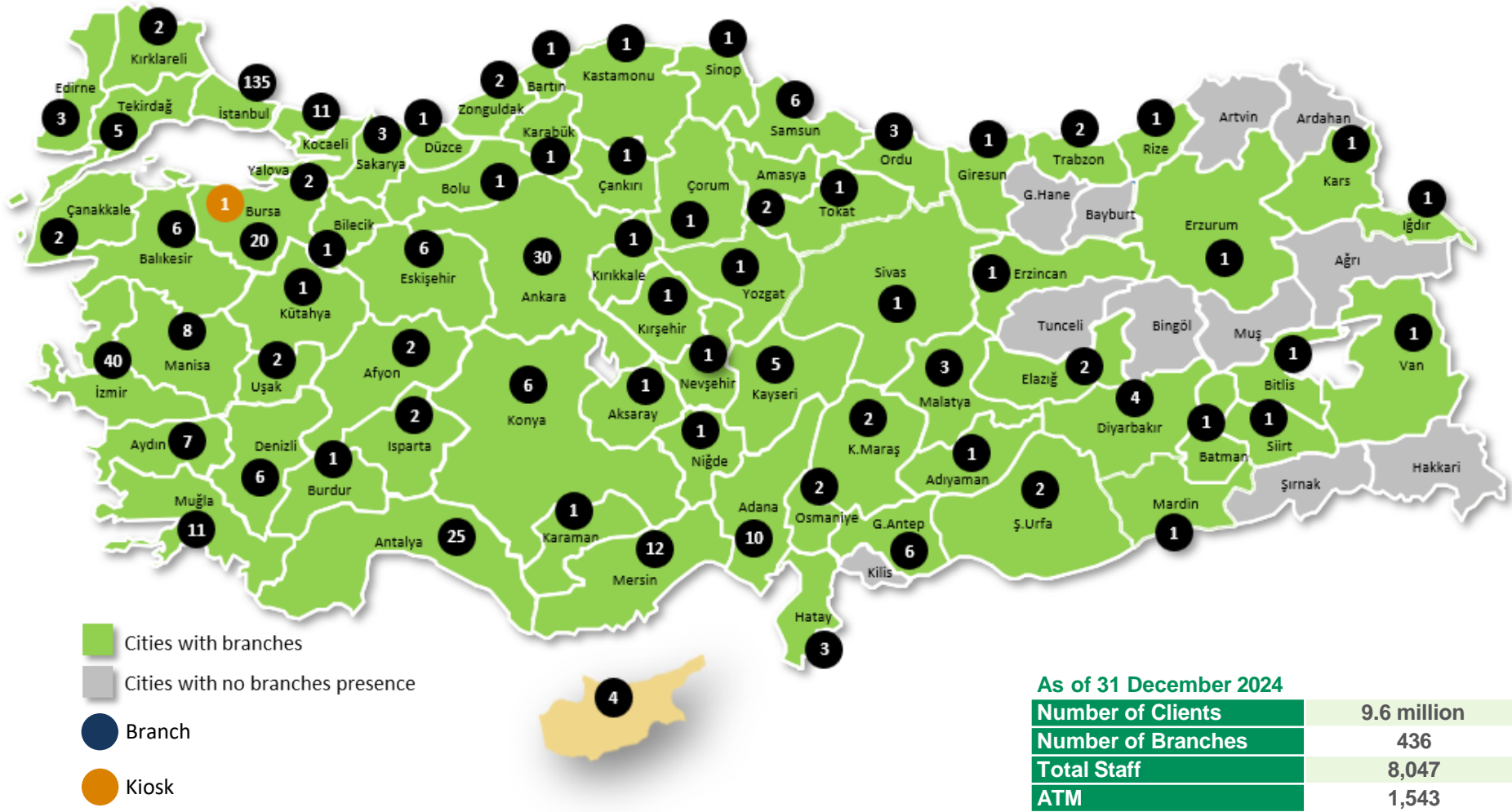
## Summary Income Statement (TL mn)

	31.12.2023	31.12.2024	YoY Chg
<b>Net Interest Income</b>	<b>18,811</b>	<b>30,795</b>	<b>63.7%</b>
Gains/Losses From Derivatives and FX position	8,718	-1,482	-117.0%
Securities Trading Gain/ Loss	1,537	71	-95.4%
Net Fee & Commissions	5,557	10,794	94.2%
Other Income	527	898	70.4%
<b>Net Banking Income</b>	<b>35,151</b>	<b>41,076</b>	<b>16.9%</b>
Cost of Risk	(1,647)	(926)	-43.8%
<b>Net Operating Income</b>	<b>33,503</b>	<b>40,151</b>	<b>19.8%</b>
Other Operating Expense	(7,371)	(11,589)	57.2%
Personnel Expenses	(7,574)	(12,556)	65.8%
Other Provisions	(1,806)	667	
Dividend Income	13	26	99.1%
Tax Provisions	(3,591)	(4,159)	15.8%
<b>Net Profit</b>	<b>13,175</b>	<b>12,538</b>	<b>-4.8%</b>



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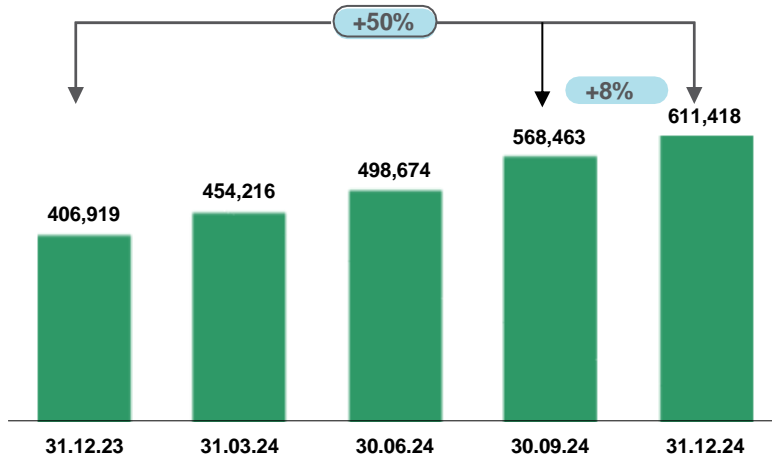
# TEB is present in 70 cities in Türkiye and 4 are in Northern Cyprus.



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# Sound & prudent balance sheet management

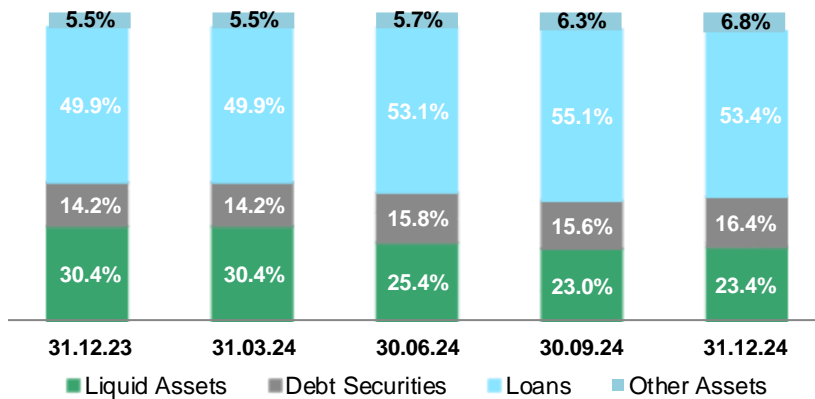
Balance Sheet Growth (TL mn)



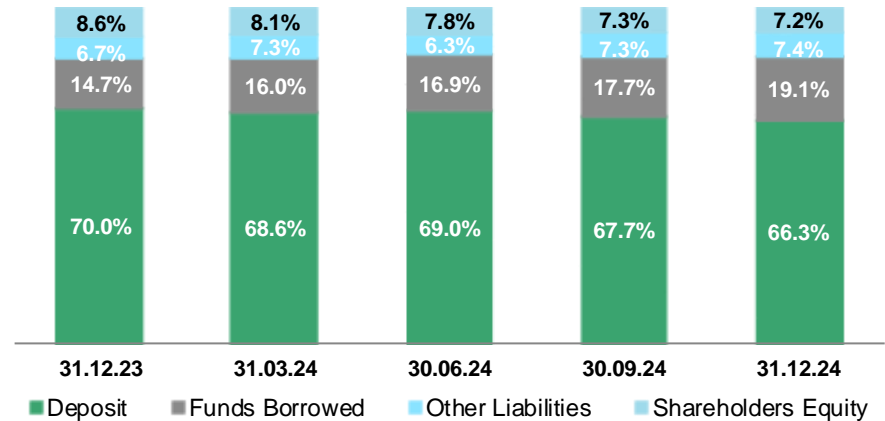
- Well balanced asset base grew :Assets growth continued through the expansion of loans and securities portfolios

- As of 31 December 2024, TEB had total loans of TL 326 bn, total deposits of TL 406 bn and total shareholders' equity of TL 43.9 bn.

Asset Compositions



Liability Compositions

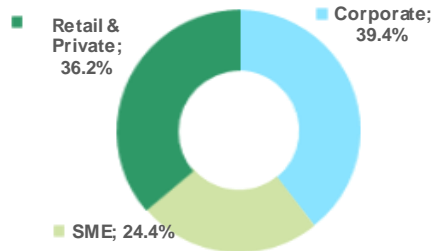


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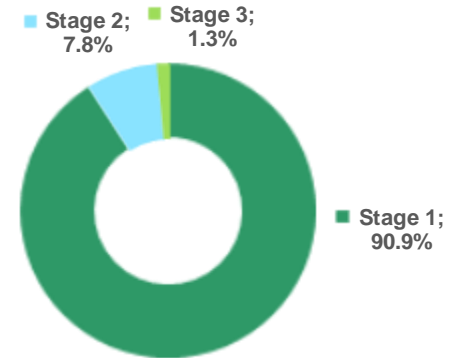


# Strong & balanced loan portfolio composition on the back of robust market share gains in loans despite tight monetary policy & regulations

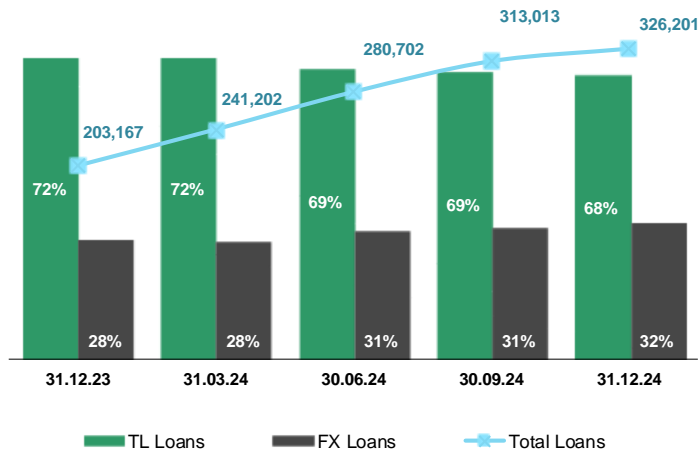
Performing Loans - Dec'24



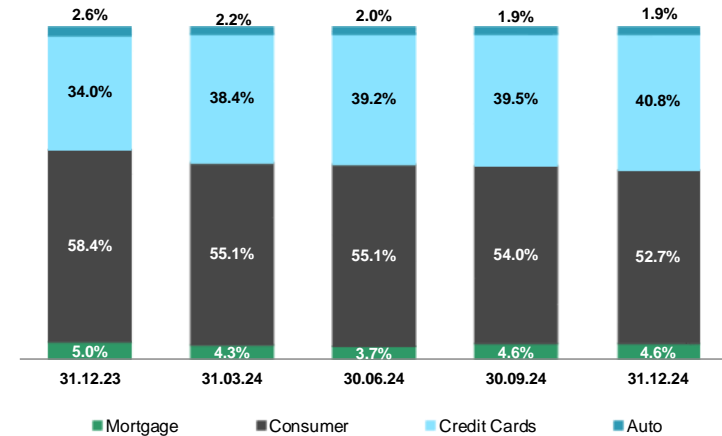
Loan Quality - Dec'24



Loan Composition by Currency



Breakdown of Retail Loans

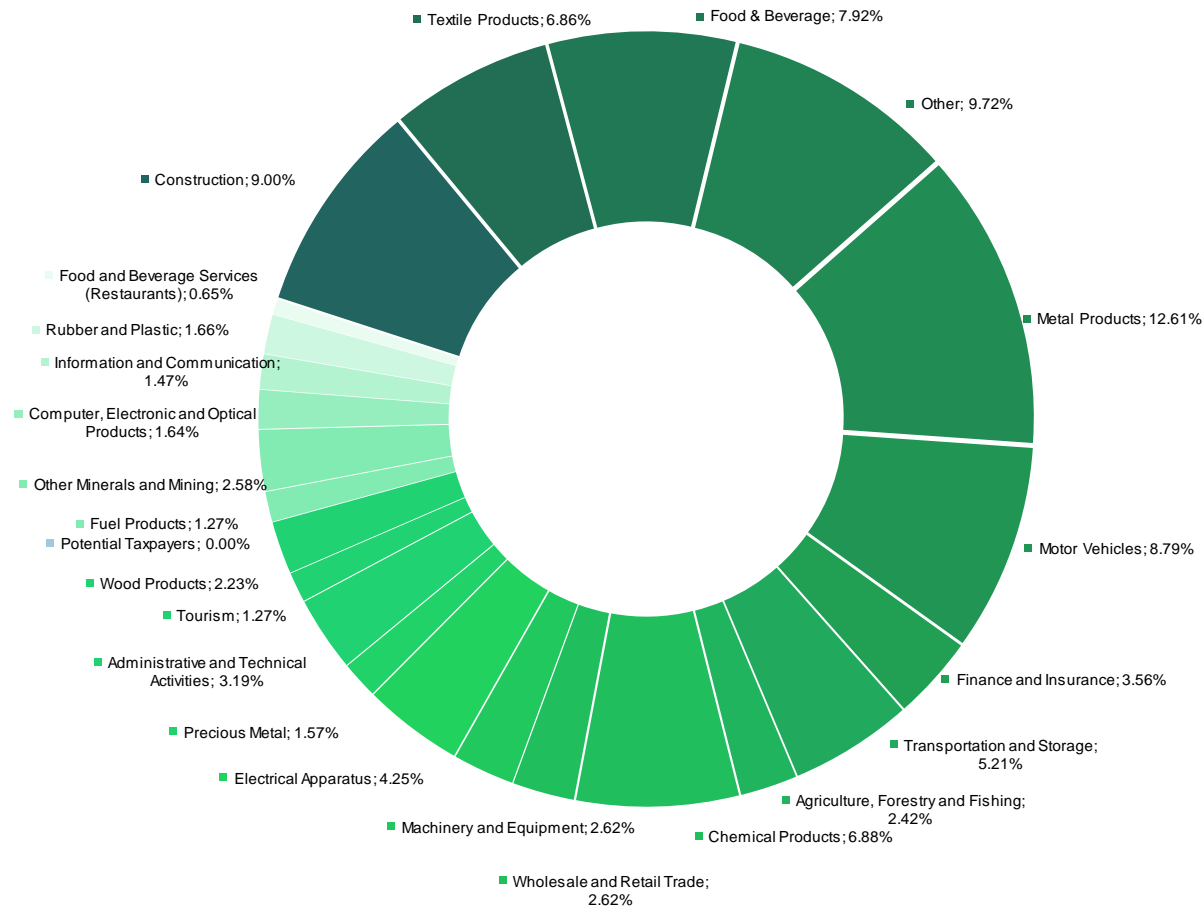


As of 31 December 2024, ESG cash loans constitute 3.7% of total cash loans of the Bank



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# Maintained well-diversified loan portfolio(\*)



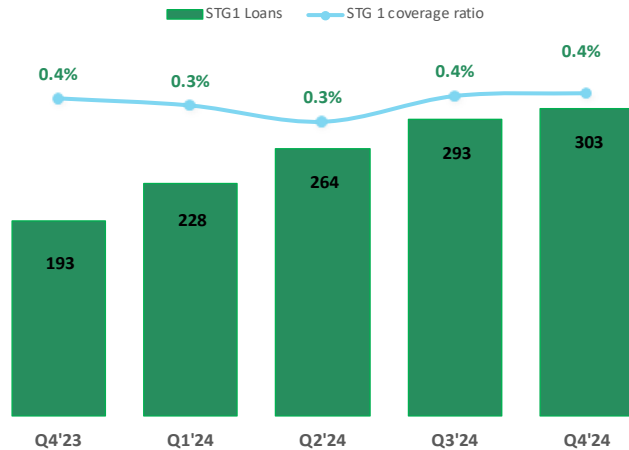
(\*) incl. non-cash loans, excl. retail loans



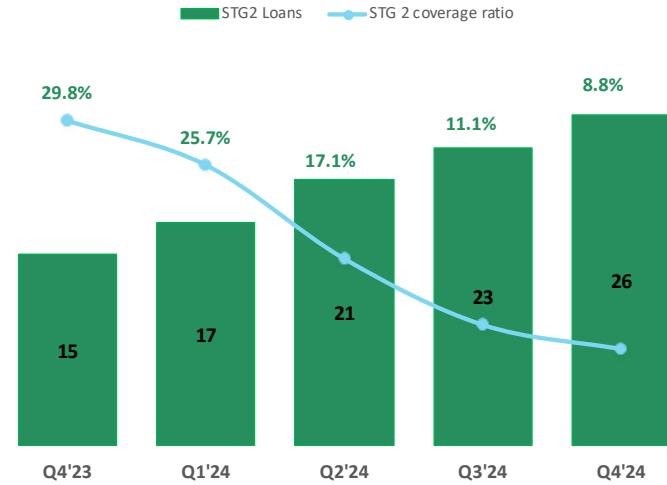
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# Conservative provisioning stance and staging policies maintained

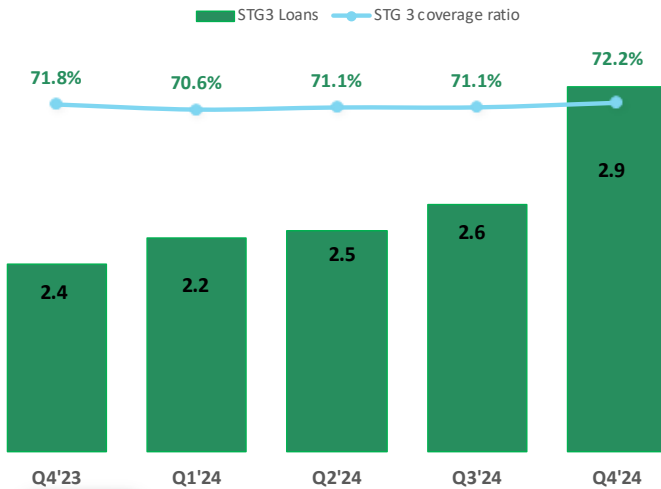
## Stage 1 Loans & Coverage



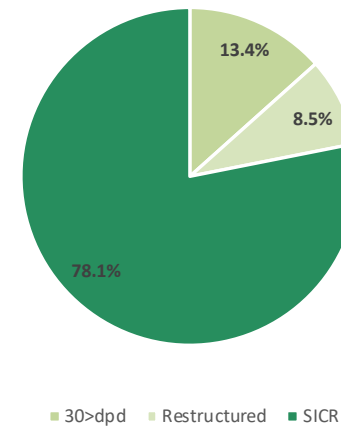
## Stage 2 Loans & Coverage



## Stage 3 Loans & Coverage



## Stage 2 Composition



Loan Balance =25.8 Mio TL



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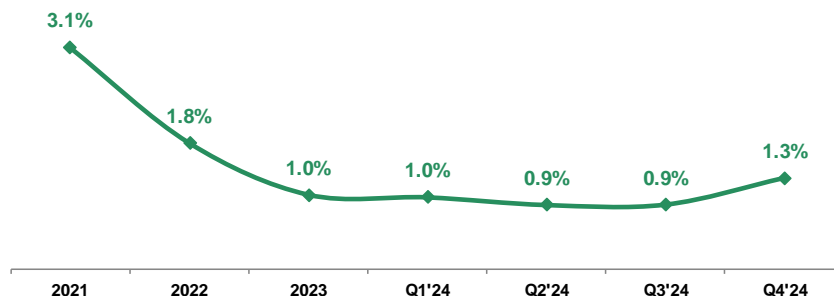
(\*)exc. non-cash loans, presented in million TL

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

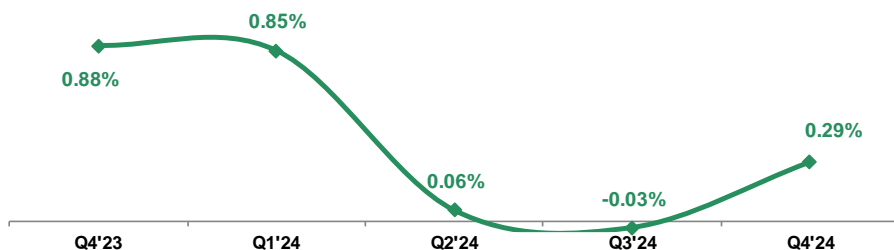
## • Conservative provisioning policy

- NPL ratio has increased to 1.3% as at 2024-Q4 mainly on the back of growing NPL inflows in Retail (including cards); while having of 72.2% coverage as of 2024-Q4.
- Favorable government policies with respect to export-oriented businesses and infrastructure projects offer strong growth potential for the corporate banking sector which has a relatively low NPL risk when compared to other segments
- Low cost of risk as a result of prudent & proactive risk management

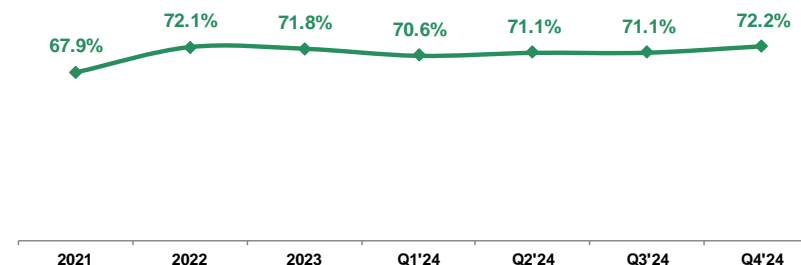
## NPL Ratio



## Cost of Risk



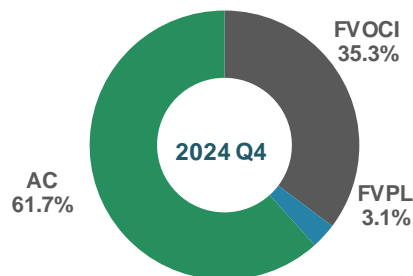
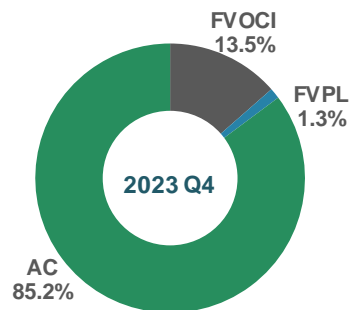
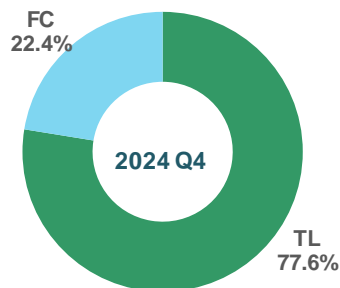
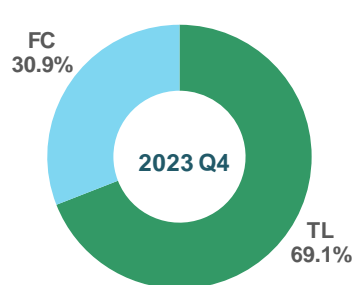
## Coverage Ratio



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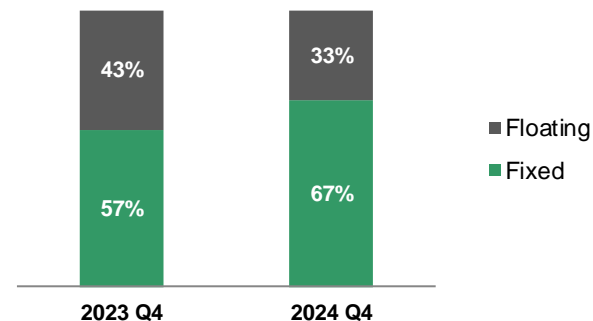
# Relatively higher fixed rate securities in Marketable Securities portfolio

## Total Securities Compositions

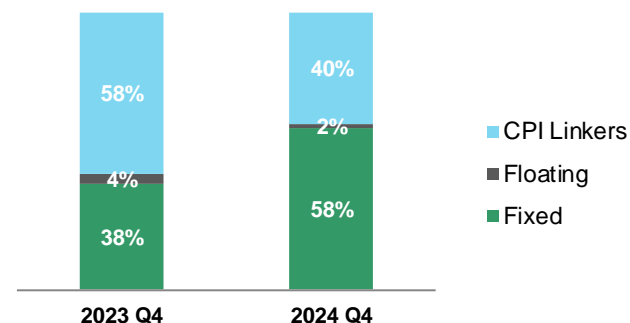


## Interest Rate Compositions

### Total Securities



### TL Portfolio



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

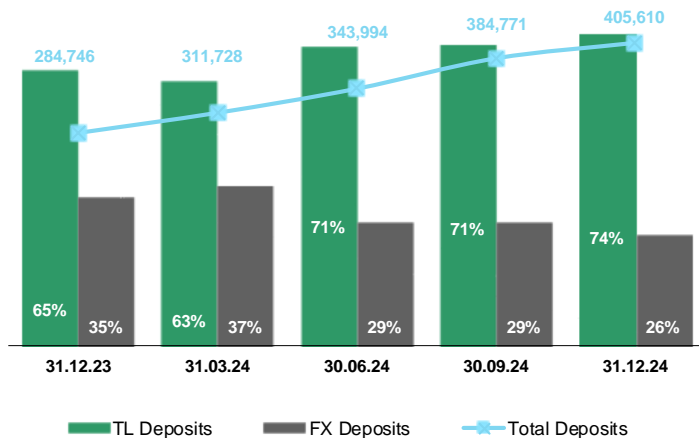


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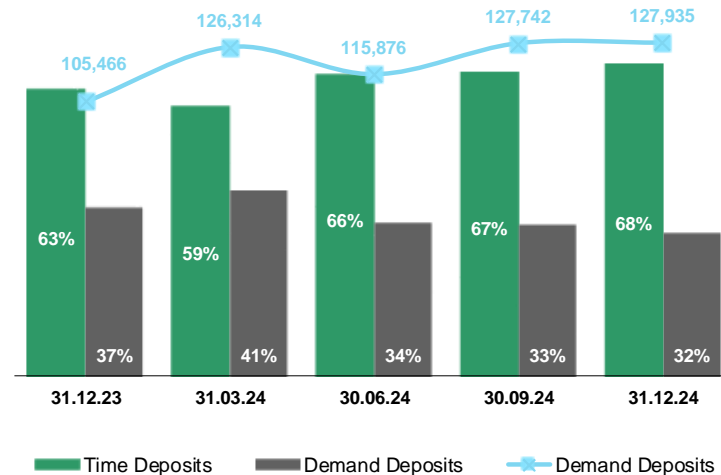
# Strong growth in customer deposits

Focusing on and growth in TL deposits and with a solid TL demand deposits' base supports margin performance

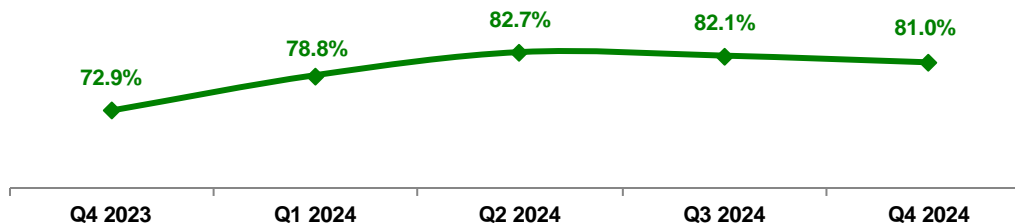
## TL/FX Deposit Compositions



## Time/Demand Deposit Compositions



## Loan / Deposit Ratio



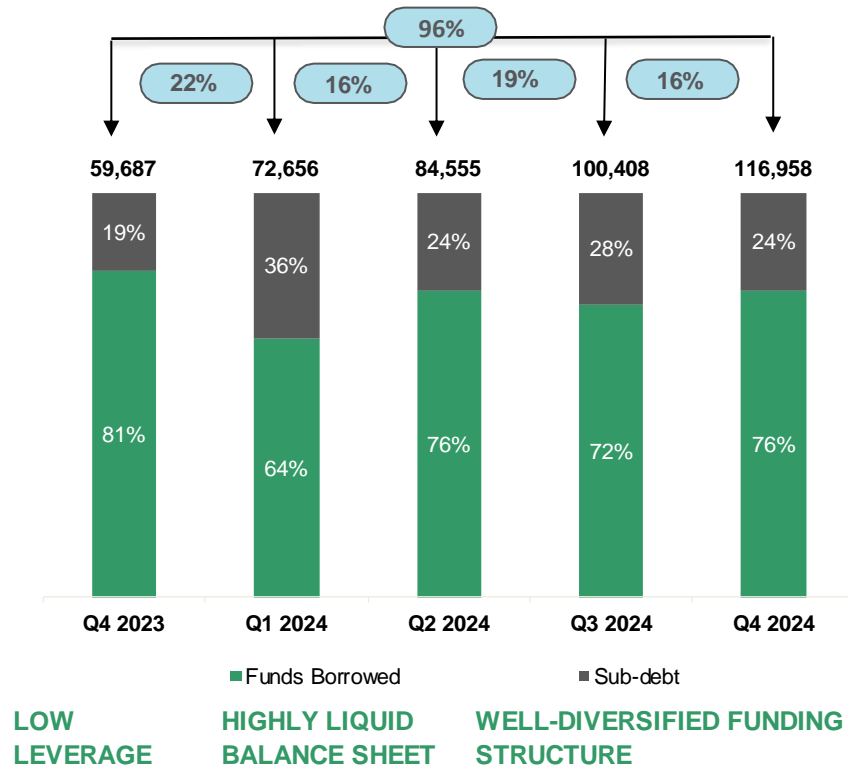
Low-level of LDR (81%) creates room for funding cost optimization & asset repricing.



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# Healthy funding mix

## Wholesale Borrowing By Type



13x Debt/Equity

\$588m Short-term portion of external debt

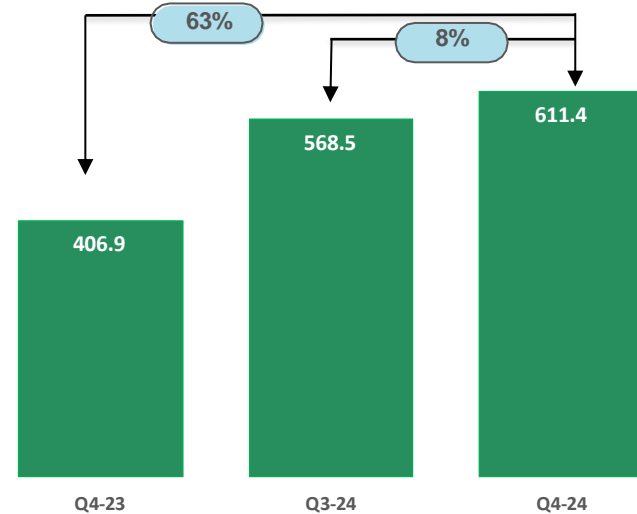
Cost-effective Tier-2 issuance  
Additional Tier 1 – AT1

USD 400m 9.375%  
EUR 100m (6mEuribor+%/3.70)  
USD 300m 9.375%

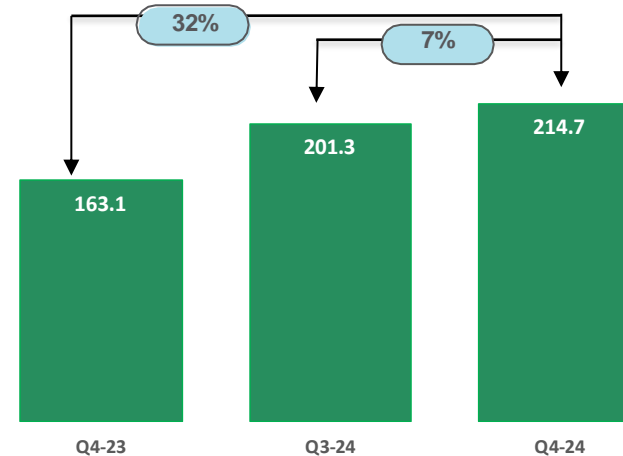


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## TL Liabilities (TL bn)

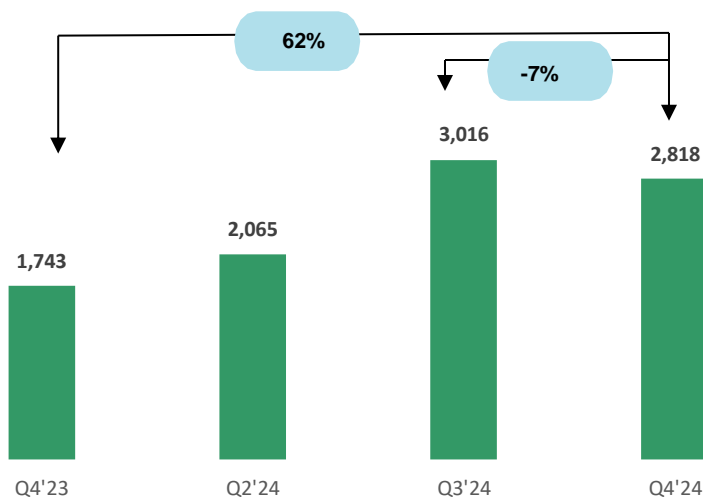


## FC Liabilities (TL bn)

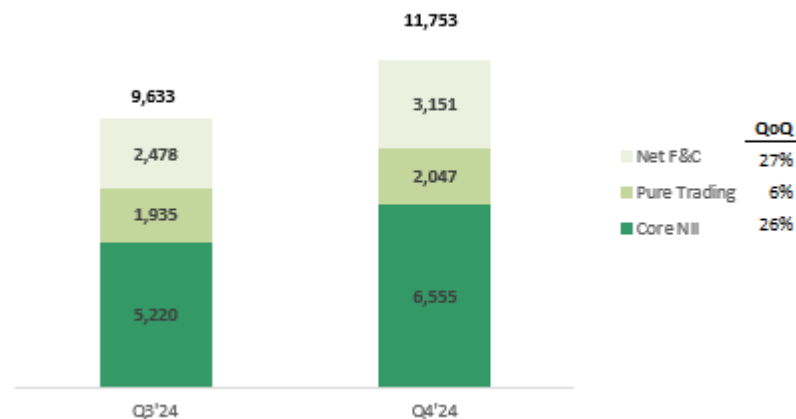


# Core Banking Revenue

NET INCOME (Quarterly) (TL bn)



CORE BANKING REVENUE (Quarterly) (TL bn)



Pure trading: Trading income excl. Swap cost & currency impact  
Core NII: NII – CPI linkers' income + swap costs  
NII and pure trading based on MIS results (adjusted)

- Robust net fee income 27%(QoQ) increased thanks to improvement in payment systems and fee charged.
- Outstanding pure trading performance 6% (QoQ) increase; FX transaction gains remained strong, supporting trading.
- Despite pressure on spreads core NII increased 26% (QoQ) thanks to well-structured balance sheet.

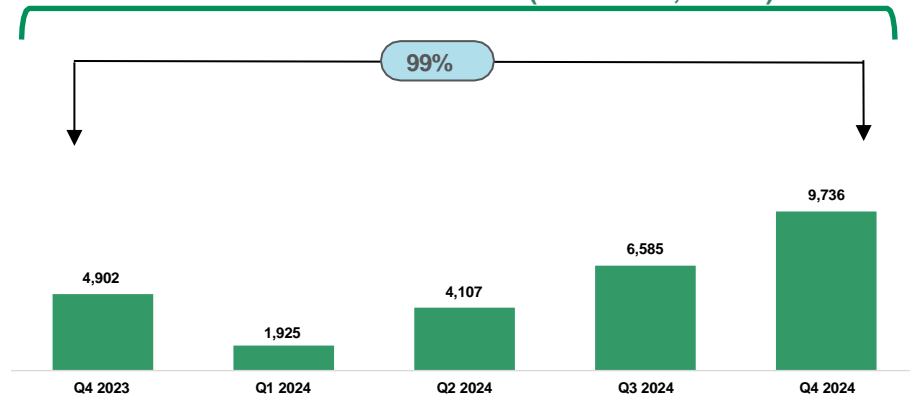


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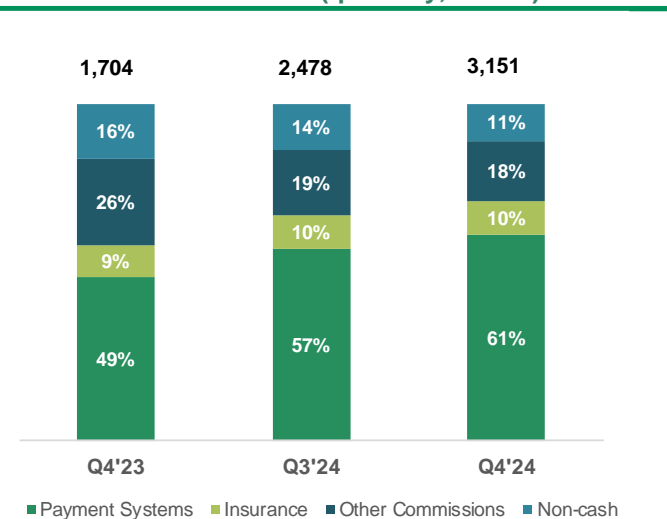


# Net Fees and Commissions

Net fee & Commissions (cumulative, TL mn)

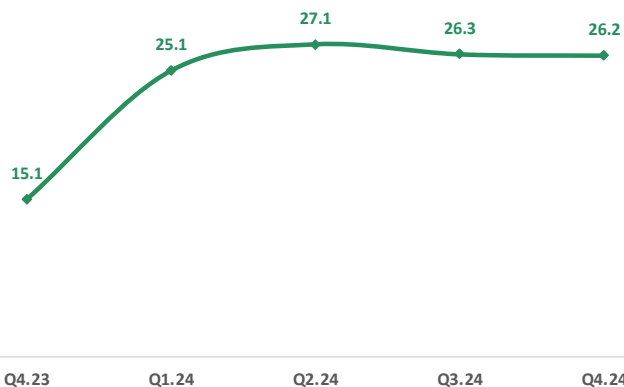


Net fee & Commissions (quarterly, TL mn)

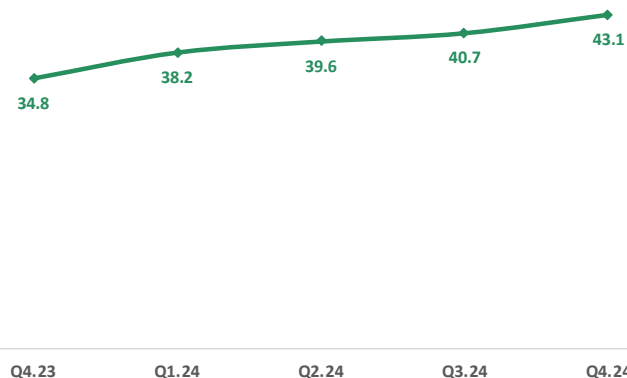


Outstanding performance on net fees and commissions and commissions led the growth on the back of higher transaction volumes and prices in banking and payment systems.

Fees / Total Income (%)



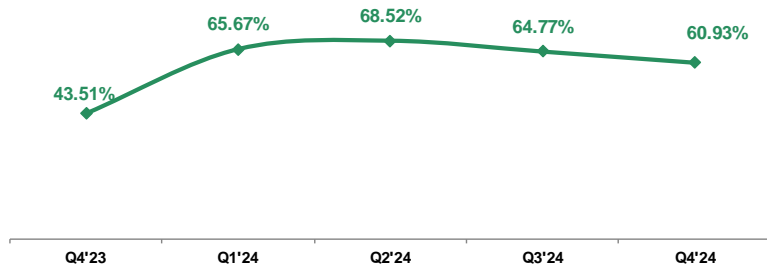
Fees / OpEx (%)



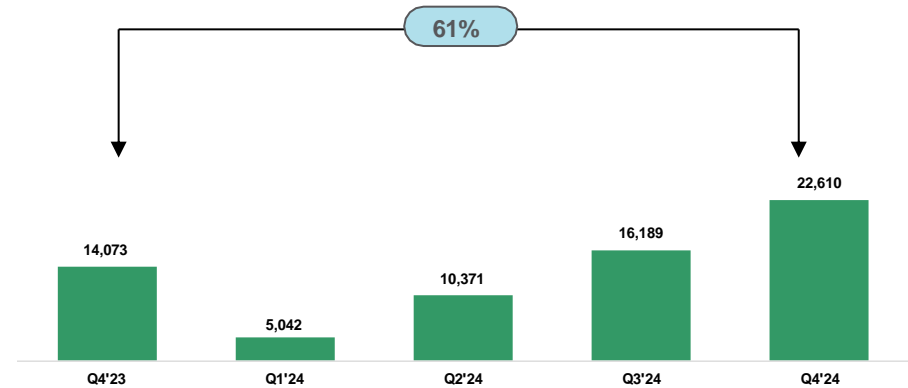
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# Improved Cost Income due to higher NBI & OPEX management

Cost / Income



OPEX / TL (cumulative, TL mn)



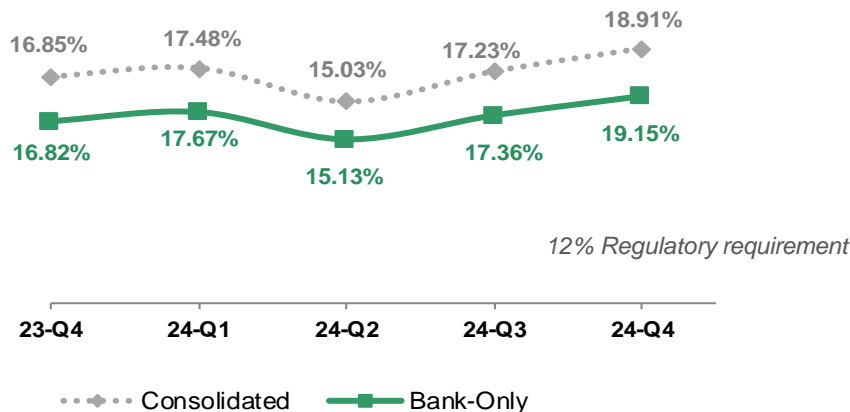
Successful cost control resulted in a good C/I ratio at 60.9%, despite upward pressures on costs from inflation and TL's depreciation.



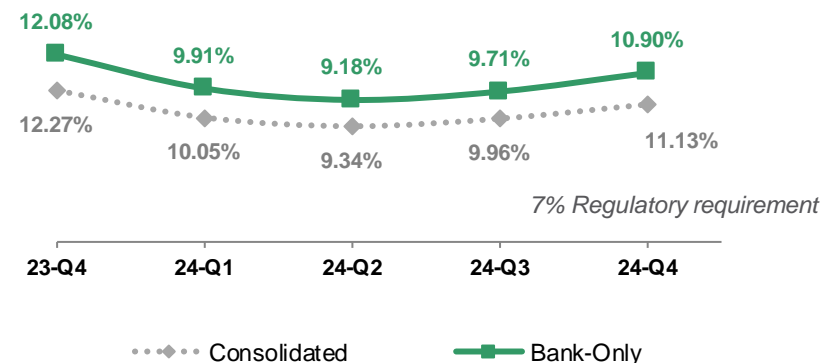
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# Efficient capital management with regulatory capital in excess of minimum requirements

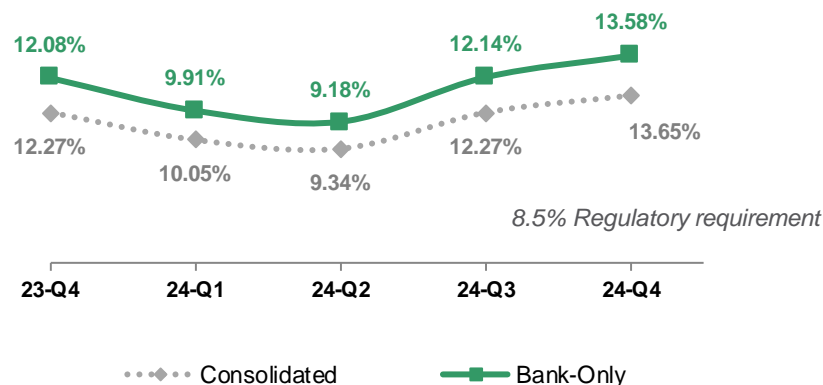
## Capital Adequacy Ratio



## CET1 Ratio



## Tier 1 Ratio



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

On 17th 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.

## Issue of EUR 100 m Tier 2 Notes due 2034

On 8th of May 2024, the Bank issued EUR 100m Basel-III Compliant Tier-2 bond subscribed to International Finance Corporation (IFC) with 10-year maturity, callable at the 5th year.

## Issue of USD 300 m Additional Tier 1 (AT1) Perpetual Notes

On 11th of September 2024, TEB issued USD 300m Additional Tier 1 (AT1) Perpetual Notes in the international capital markets. The yield rate of the perpetual bond with early redemption feature in 5.5 years was realized at 9.375 percent.

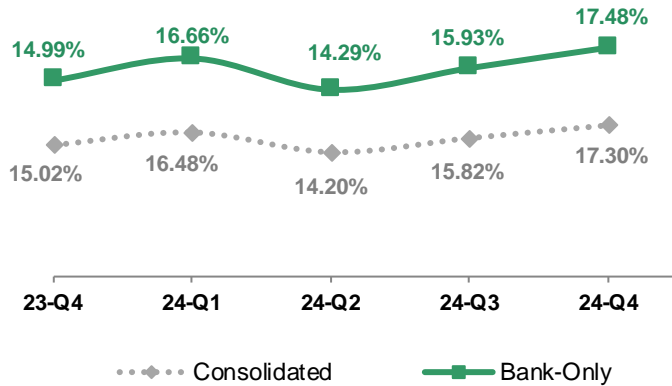


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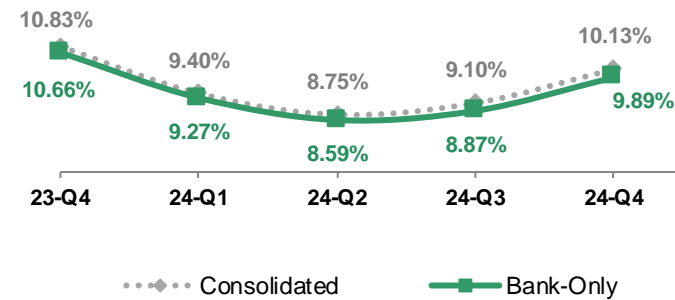
# Efficient capital management with regulatory capital in excess of minimum requirements

## CAR w/o Forbearance

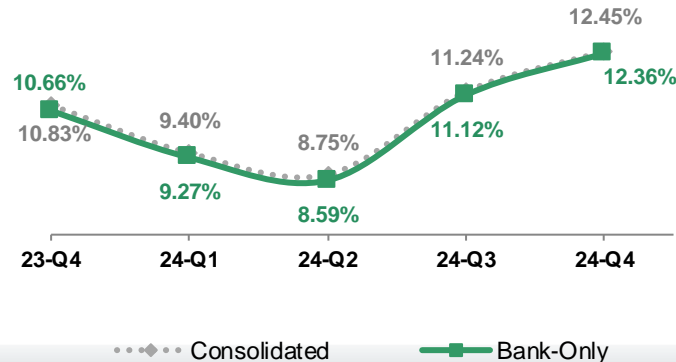
Strong capital buffers well above regulatory limits even without forbearance



## CET1 w/o Forbearance



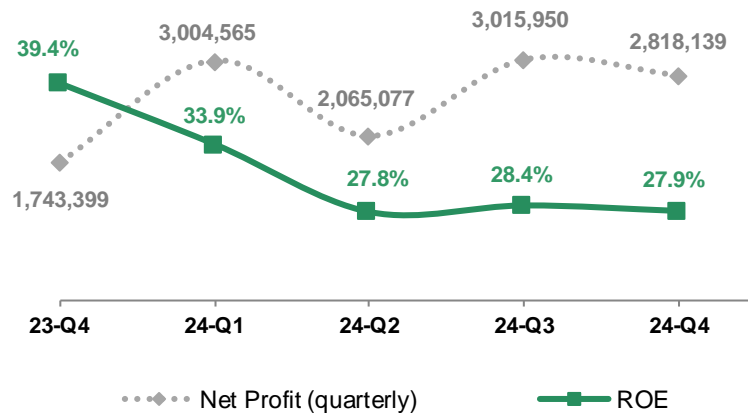
## Tier 1 w/o Forbearance



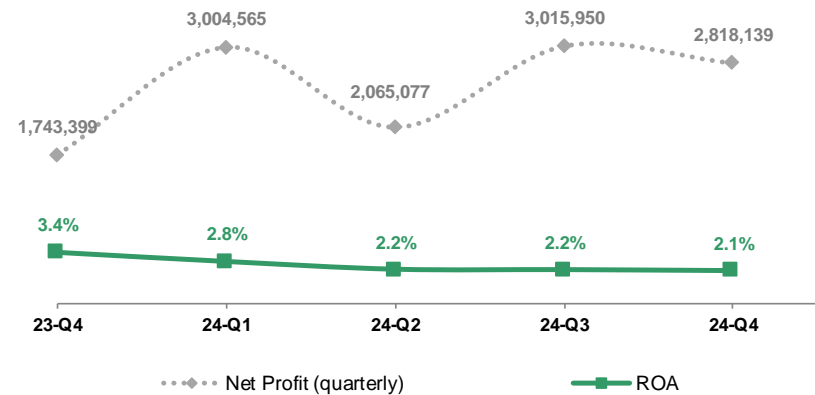
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# Return On Equity / Asset

## ROE



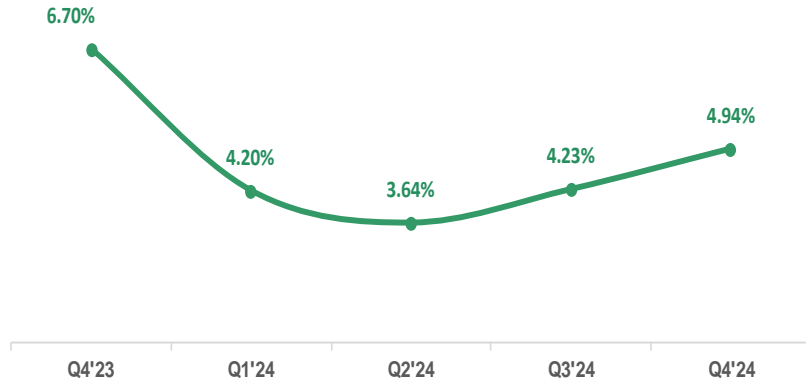
## ROA



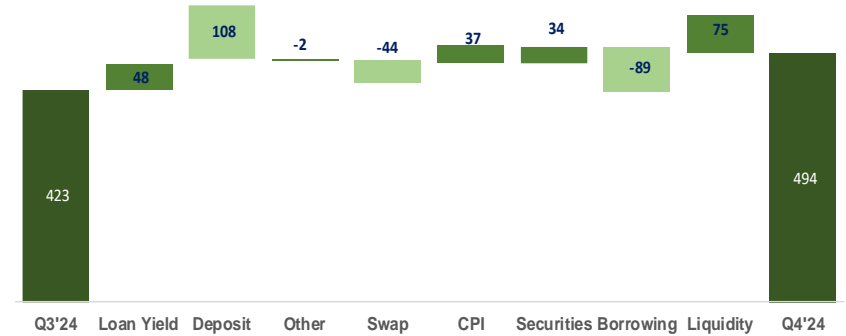
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# NIM & Spreads

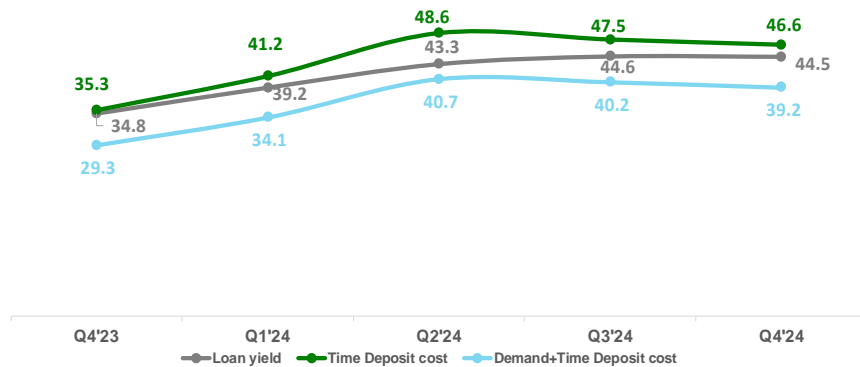
## NIM



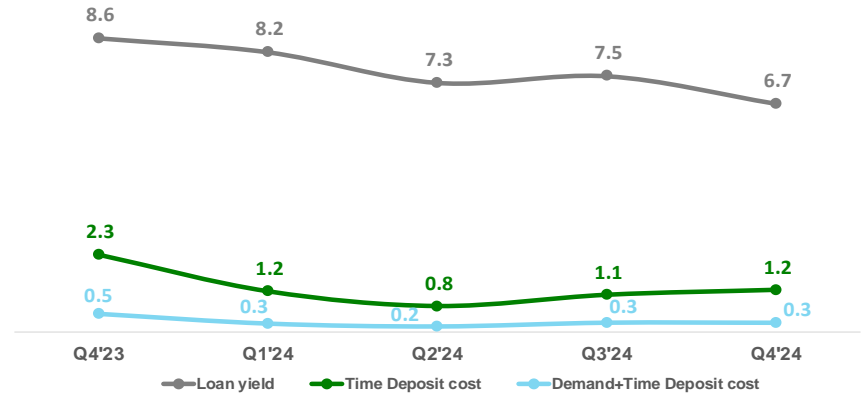
## Spread WF



## TL Interest Rates (% Quarterly)



## FX Interest Rates (% Quarterly)



Declining spreads due to Central Bank's tightening monetary policy and impact of ongoing regulations especially higher reserve requirements.



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# Digital Banking in 2024-Q4

## Client Base

**12% YOY increase** in active mobile clients, **3.171 million mobile active** clients

**20** monthly **mobile logins per customer**

**63%** of bank's new customers acquired through **digital onboarding**

## Migration Ratio

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

**74%** personal loan sold through digital channels

**32%** of credit cards sold through digital channels

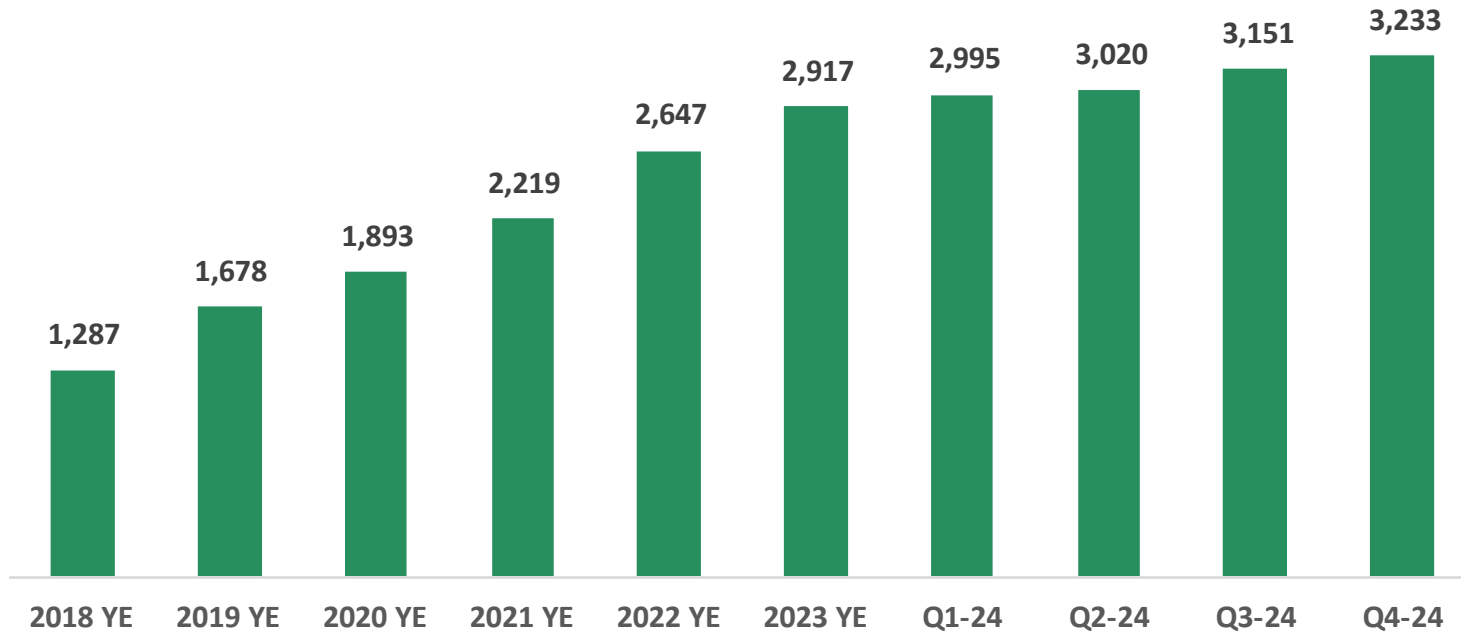
## ATM Network

# of ATM **1,543 with 2,83%** market share



# Digital Banking in 2024-Q4

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

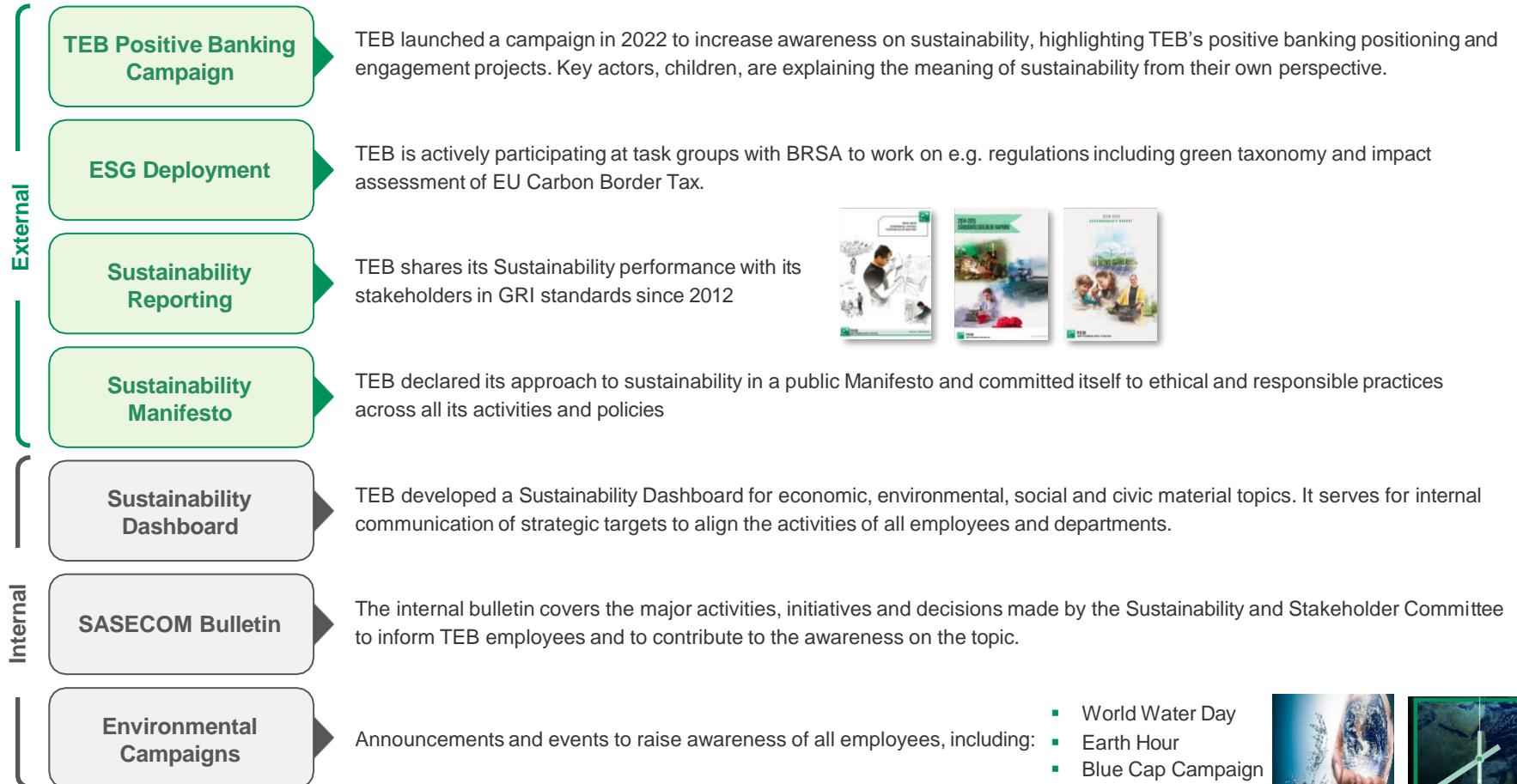


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# Stakeholder Engagement

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



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## 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 economic, social, civic 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

1

“Excluded Goods  
and Activities”

2

Selective approach  
to «High» and  
«Sensitive Sectors»

3

ESG Assessment  
of Clients

4

Compliance with  
nationally and  
internationally  
acceptable  
environmental and  
social laws and  
regulations

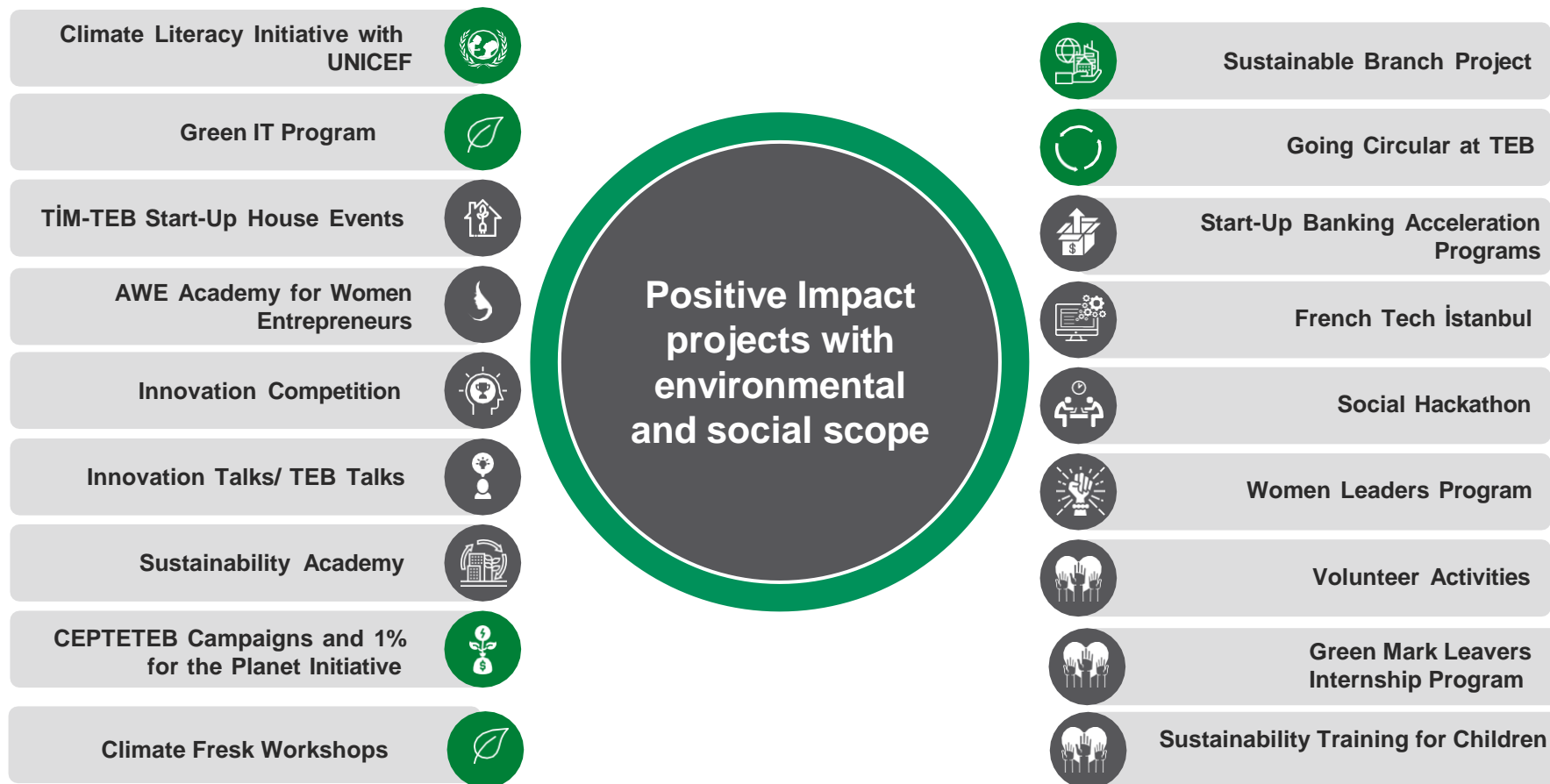
5

Equator Principles  
for project finance



# Positive Impact

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



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**2024: First Bank being partner with IHKIB for “Textile Industry Green Transformation Digital Guidebooks”**

**2024 : Launch green transformation finance package**

**2025 : Completion of ESG Risk Assessments**

**2025: Kick-off Sustainability Academy**

**2026 : Reviewing and evaluating assessment results, position TEB SME Banking as a solution partner and trusted companion.**

**2026: Expand sectoral transformation model to other potential sectors.**

**2026: Improvement in NPS regarding perception of clients in TEB SME sustainability financing**



