



Türk Ekonomi Bankası

Q1'25 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
March 21, 2025

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

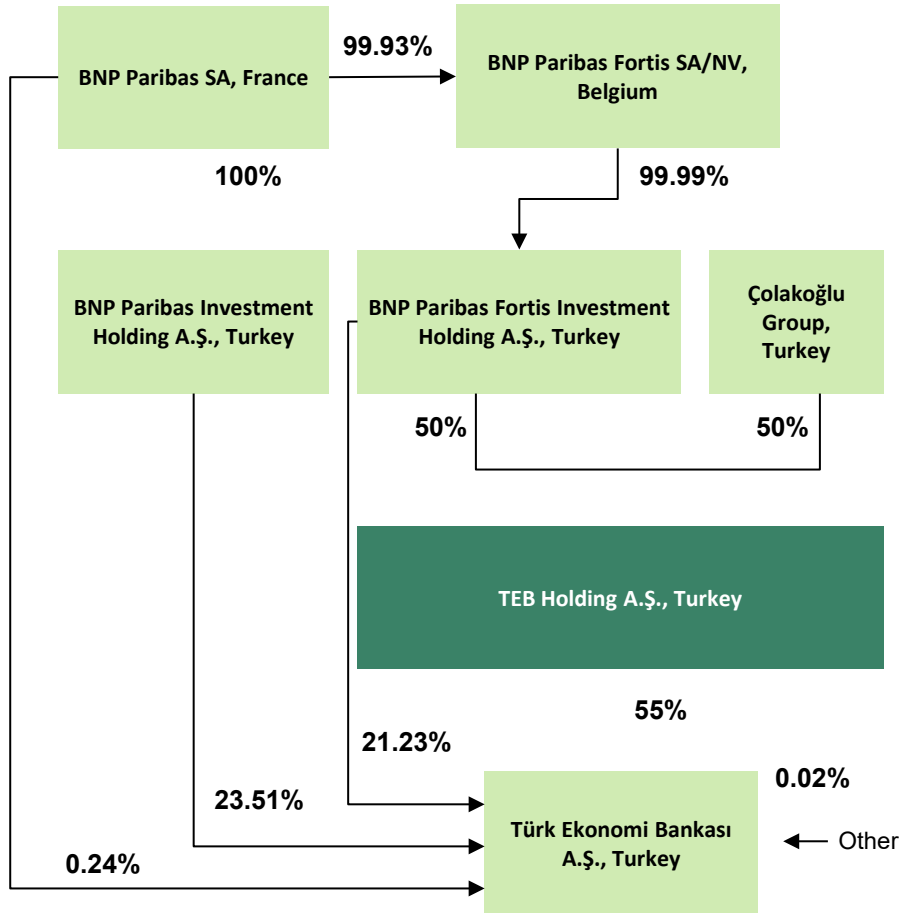
Moody's
July 23, 2024

	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 ⁽¹⁾	55.00%
BNP Paribas Yatırımlar Holding A.Ş.	23.51%
BNP Paribas Fortis Yatırımlar Holding A.Ş. (BNPP FY Holding) ⁽²⁾	21.23%
BNP Paribas	0.24%
Kocaeli Ticaret Odası	0.02%
TOTAL	100.00%
⁽¹⁾ TEB Holding A.Ş. is jointly owned by the Çolakoğlu Group and the BNPP Group of Companies.	
⁽¹⁾ 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.	
⁽²⁾ BNP Paribas Fortis Yatırımlar Holding A.Ş. is controlled by BNP Paribas Fortis NV/SA, which holds 100% of its shares.	
⁽²⁾ On the other hand, BNP Paribas S.A. fully controls the shares of BNPP Yatırımlar Holding A.Ş..	



TEB Overview

- As of 31 March 2025, TEB's total assets reached TL 688 billion with 21% increase YtD.
- Loans reaching 52.8% 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 364 billion as 31 March 2025 while the Bank's total deposits amounted to TL 475 billion. TEB's shareholders' equity was TL 45.7 billion as of 31 March 2025 with 17.14% capital adequacy ratio which was well above the 12% targeted ratio.
- TEB posted net of profit of TL 2.7 billion while achieving 19.7% 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 1.3% RoA.
- Fee and commission growth of 74.4% YoY thanks to higher transactions volumes as well as higher prices in payment systems in line with higher policy rates.
- NPL ratio stable at 1.4%, provisioning stance remained prudent at all stages, well positioned for anticipated asset quality erosion.
- Securities portfolio posted a robust growth of 6% in YtD boosted by the fixed rate securities which was 63% of total securities.
- Operating expenses remained main focus area due to inflation and material TL depreciation, OPEX grew by 60% YoY.
- Continuing growth in digital customer acquisition, reaching approximately 3.3 million digital active customers in CEPTETEB.



Financials Summary Unconsolidated

Summary Balance Sheet (TL mn)

	31.12.2024	31.03.2025	YtD Chg
Cash & Cash Equivalents	143,372	173,706	21%
Marketable Securities	100,203	106,385	6%
Loans (net)	326,201	363,801	12%
Other Assets	41,642	44,538	7%
Total Assets	611,418	688,431	13%
Deposit	405,610	475,447	17%
Funds Borrowed	25,762	29,225	13%
Repo	62,952	57,583	-9%
Subordinated Debt	28,244	30,130	7%
Other Liabilities	44,945	50,345	12%
Shareholders Equity	43,904	45,702	4%
Liab.&Shr.Equity	611,418	688,431	13%

Summary Income Statement (TL mn)

	31.03.2024	31.03.2025	YoY Chg
Net Interest Income	6,337	7,924	25.0%
Gains/Losses From Derivatives and FX position	(786)	2,099	
Securities Trading Gain/ Loss	67	(361)	
Net Fee & Commissions	1,920	3,347	74.4%
Other Income	134	198	46.9%
Net Banking Income	7,673	13,207	72.1%
Cost of Risk	(488)	(1,742)	256.7%
Net Operating Income	7,185	11,465	59.6%
Other Operating Expense	(2,181)	(3,909)	79.2%
Personnel Expenses	(2,856)	(4,137)	44.9%
Other Provisions	1,249	(7)	
Dividend Income	1	0	
Tax Provisions	(393)	(1,224)	211.2%
Net Profit	3,005	2,188	-27.2%



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Financials Summary Consolidated

Summary Balance Sheet (TL mn)

	31.12.2024	31.03.2025	YtD Chg
Cash & Cash Equivalents	144,297	174,800	21%
Marketable Securities	100,203	106,385	6%
Loans (net)	347,464	384,903	11%
Other Assets	43,819	46,570	6%
Total Assets	635,784	712,658	12%
Deposit	405,484	475,156	17%
Funds Borrowed	42,867	46,243	8%
Securities Issued	1,663	1,502	-10%
Repo	63,373	57,814	-9%
Subordinated Debt	28,244	30,130	7%
Other Liabilities	46,388	51,740	12%
Shareholders Equity	47,766	50,073	5%
Liab.&Shr.Equity	635,784	712,658	12%

Summary Income Statement (TL mn)

	31.03.2024	31.03.2025	YoY Chg
Net Interest Income	6,921	8,769	26.7%
Gains/Losses From Derivatives and FX position	(777)	2,109	
Securities Trading Gain/ Loss	83	(299)	
Net Fee & Commissions	2,126	3,715	74.7%
Other Income	142	214	51.0%
Net Banking Income	8,495	14,508	70.8%
Cost of Risk	(508)	(1,796)	253.8%
Net Operating Income	7,987	12,712	59.2%
Other Operating Expense	(2,296)	(4,085)	77.9%
Personnel Expenses	(3,068)	(4,482)	46.1%
Other Provisions	1,249	(7)	
Dividend Income	1	0	
Tax Provisions	(533)	(1,441)	
Net Profit	3,341	2,698	-19.3%



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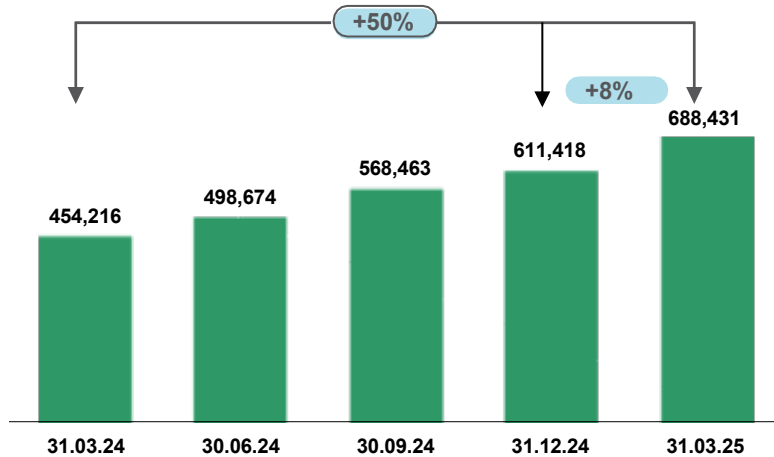
TEB is present in 70 cities in Türkiye and 4 are in Northern Cyprus.



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Sound & prudent balance sheet management

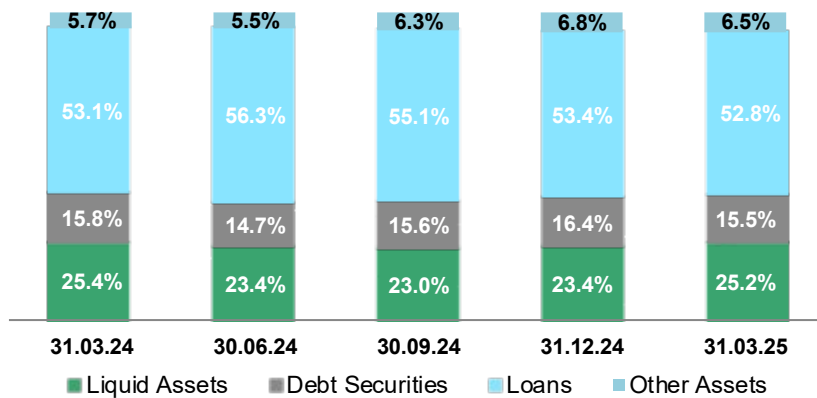
Balance Sheet Growth (TL mn)



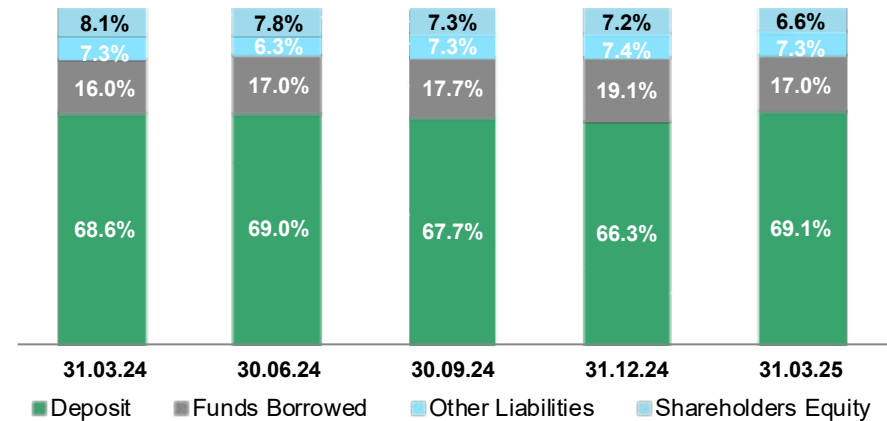
- Well balanced asset base grew :Assets growth continued through the expansion of loans and securities portfolios

- As of 31 March 2025, TEB had total loans of TL 364 bn, total deposits of TL 475 bn and total shareholders' equity of TL 45.7 bn.

Asset Compositions



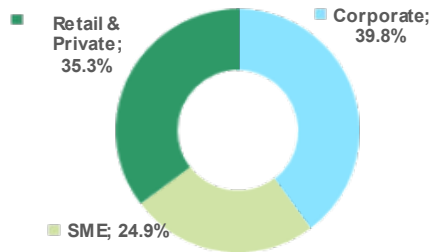
Liability Compositions



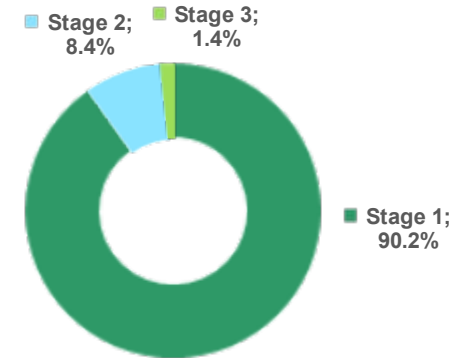
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Strong & balanced loan portfolio composition on the back of robust market share gains in loans despite tight monetary policy & regulations

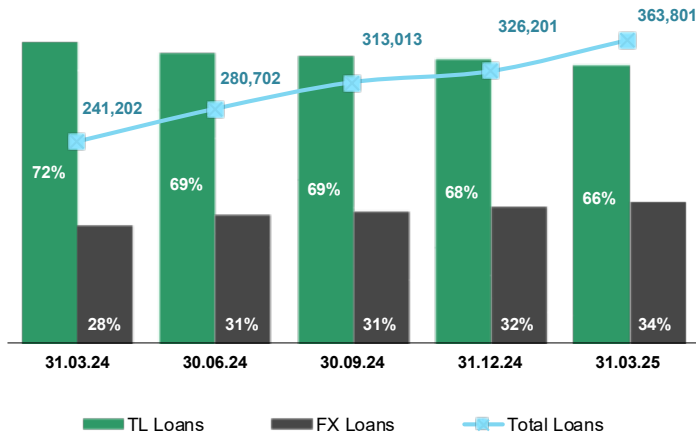
Performing Loans - Mar'25



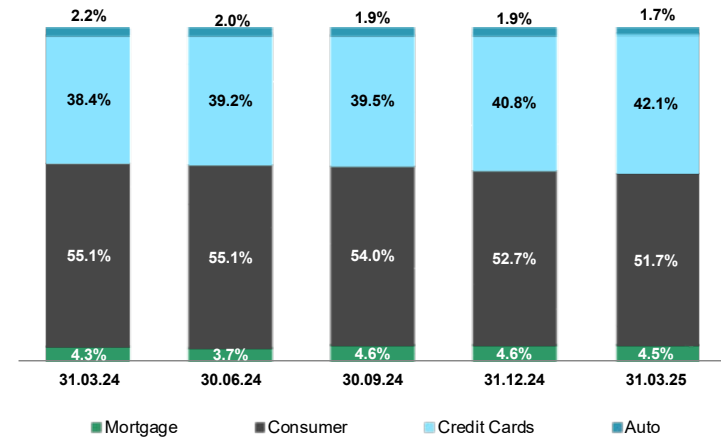
Loan Quality - Mar'25



Loan Composition by Currency



Breakdown of Retail Loans

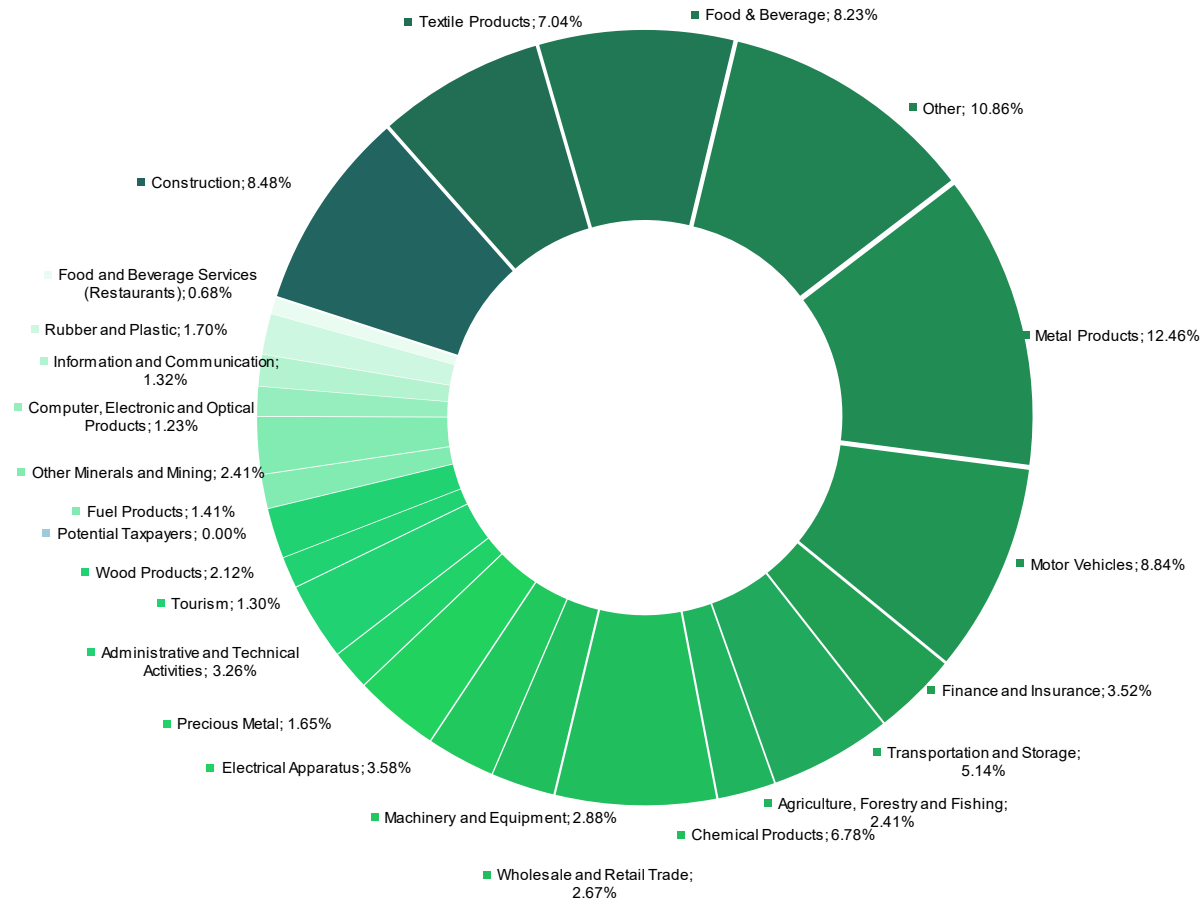


As of 31 March 2025, ESG cash loans constitute 5.9% of total cash loans of the Bank



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Maintained well-diversified loan portfolio(*)



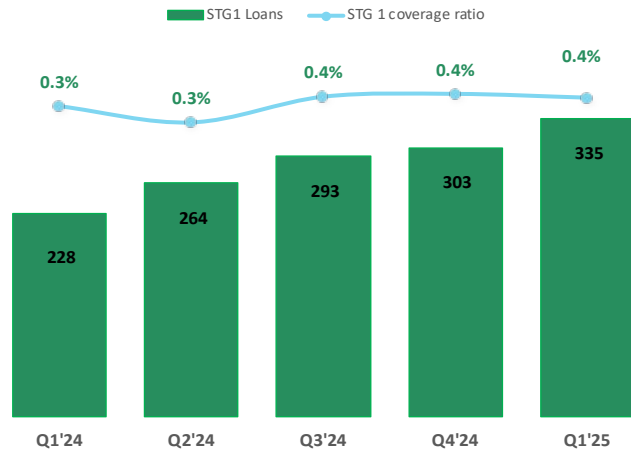
(*) incl. non-cash loans, excl. retail loans



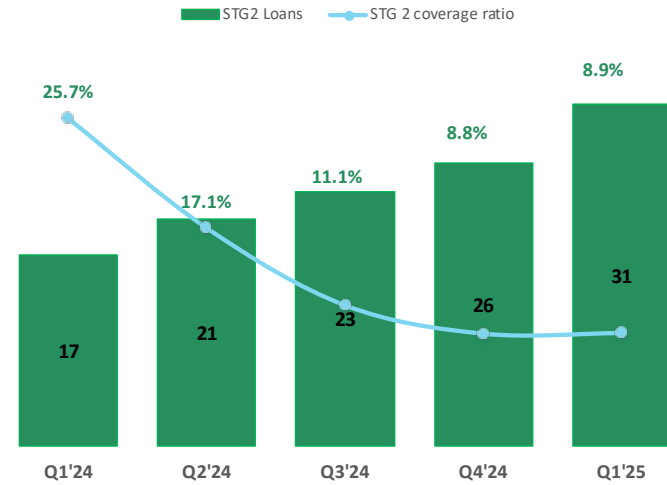
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Conservative provisioning stance and staging policies maintained

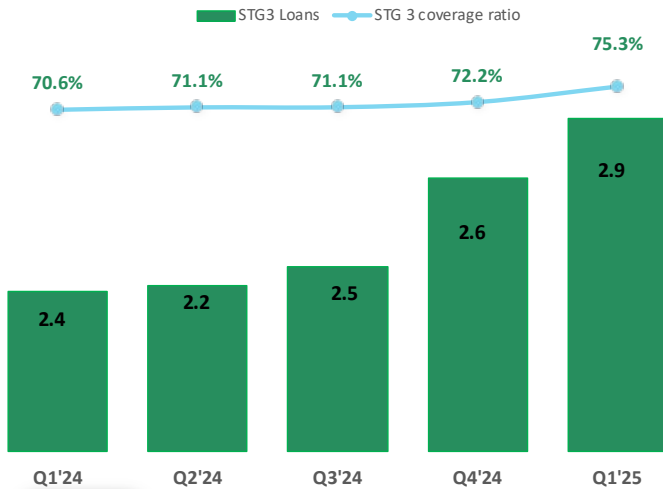
Stage 1 Loans & Coverage



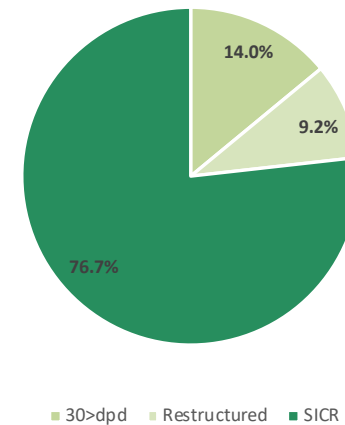
Stage 2 Loans & Coverage



Stage 3 Loans & Coverage



Stage 2 Composition



Loan Balance = 31.2 Mio TL



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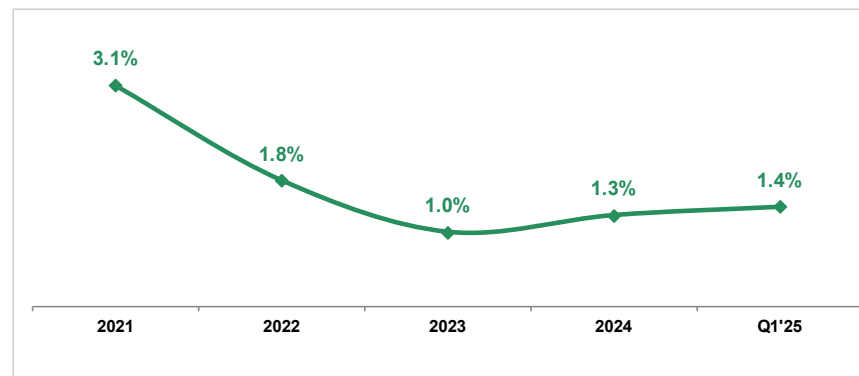
(*)exc. non-cash loans, presented in million TL

Improved asset quality on the back of a Prudent provisioning policy

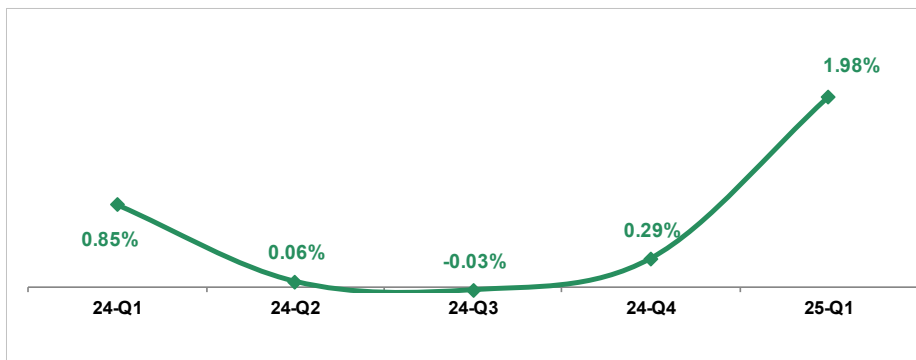
- **Conservative provisioning policy**

- NPL ratio has increased to 1.4% as at 2025-Q1 mainly on the back of growing NPL inflows in Retail (including cards); while having of 75.3% coverage as of 2025-Q1.
- 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

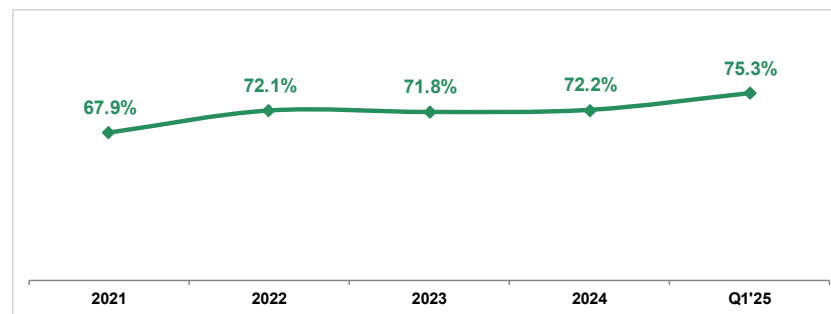
NPL Ratio



Cost of Risk



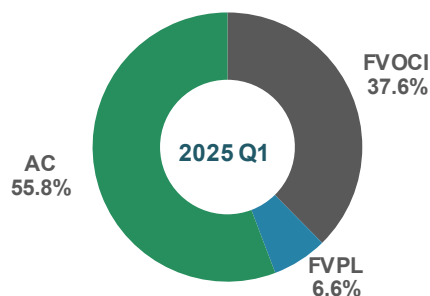
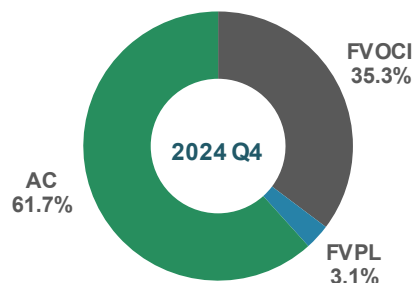
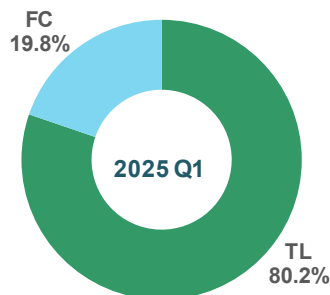
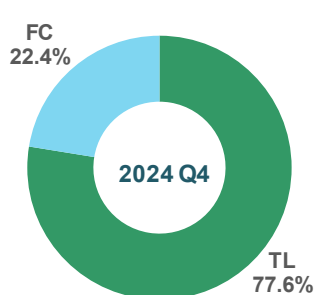
Coverage Ratio



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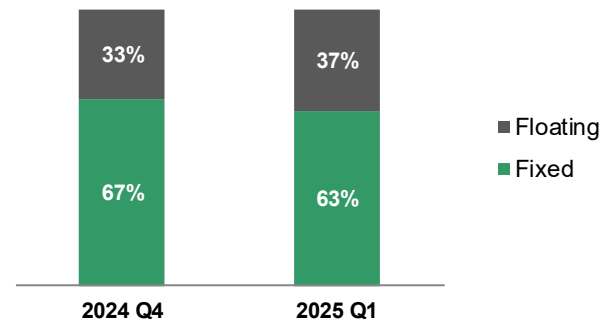
Relatively higher fixed rate securities in Marketable Securities portfolio

Total Securities Compositions

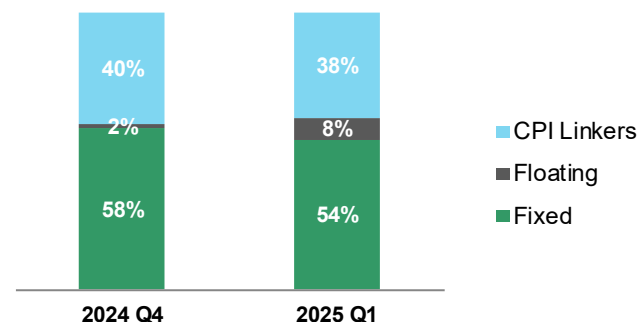


Interest Rate Compositions

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

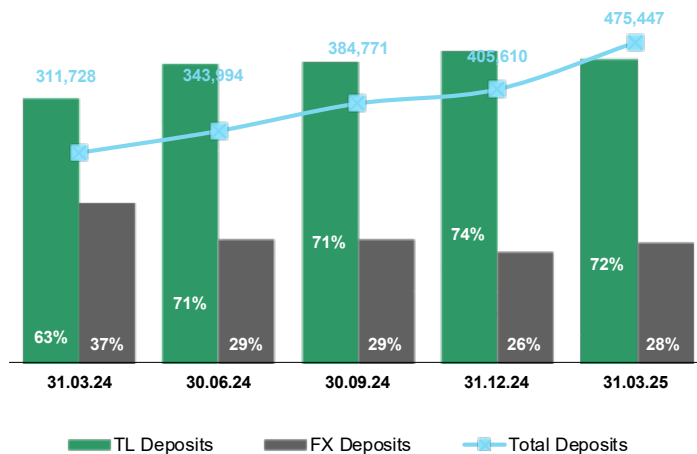


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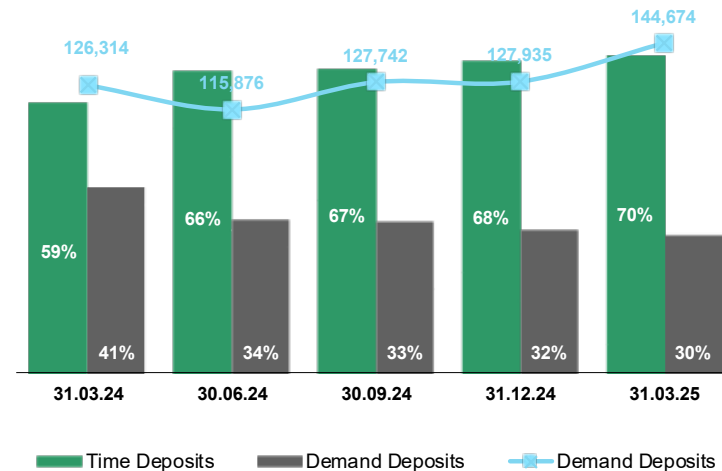
Strong growth in customer deposits

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

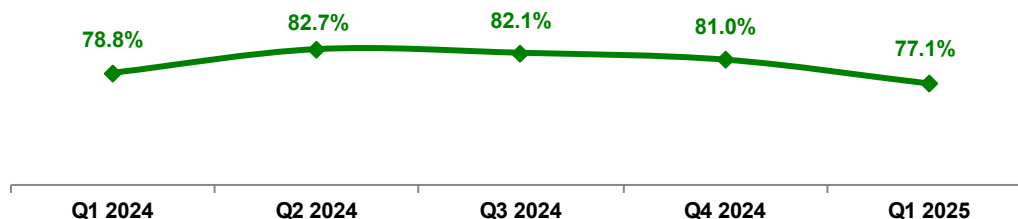
TL/FX Deposit Compositions



Time/Demand Deposit Compositions



Loan / Deposit Ratio



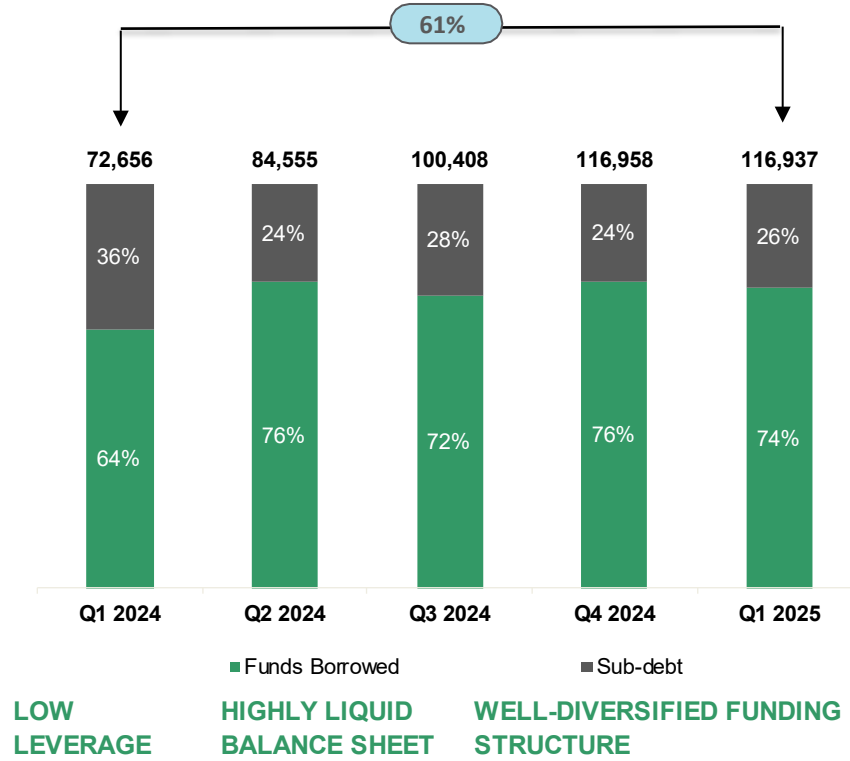
Low-level of LDR (77.1%) creates room for funding cost optimization & asset repricing.



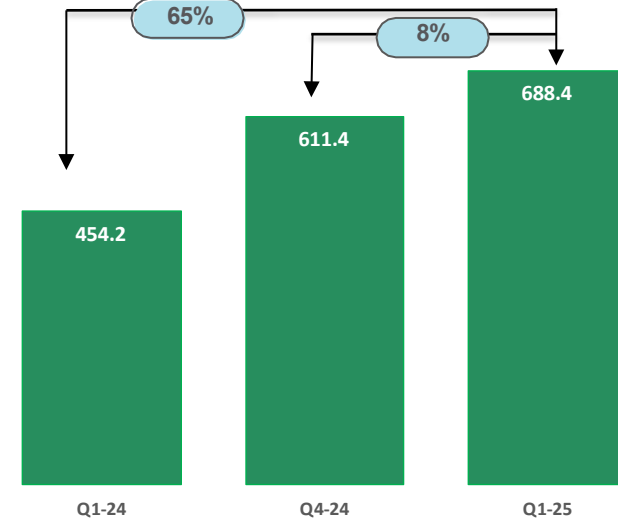
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Healthy funding mix

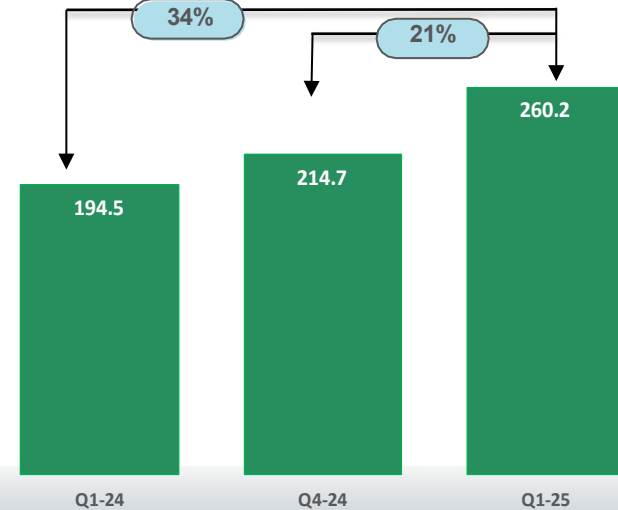
Wholesale Borrowing By Type



TL Liabilities (TL bn)



FC Liabilities (TL bn)



14x
Debt/Equity

\$626m
Short-term portion of
external debt

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

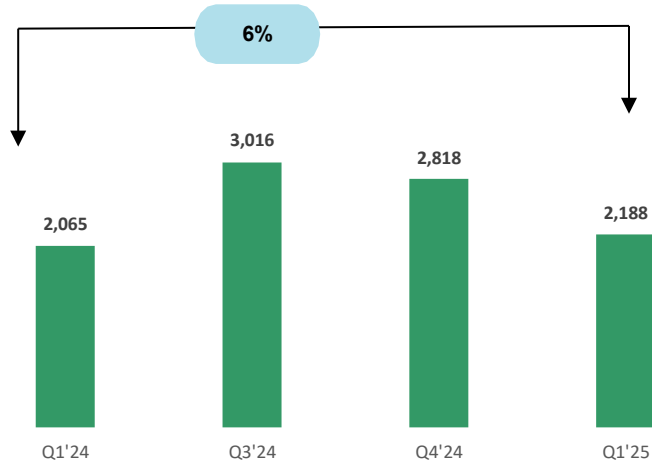
USD 400m 9.375%
EUR 100m (6mEuribor+%/3.70)
USD 300m 9.375%



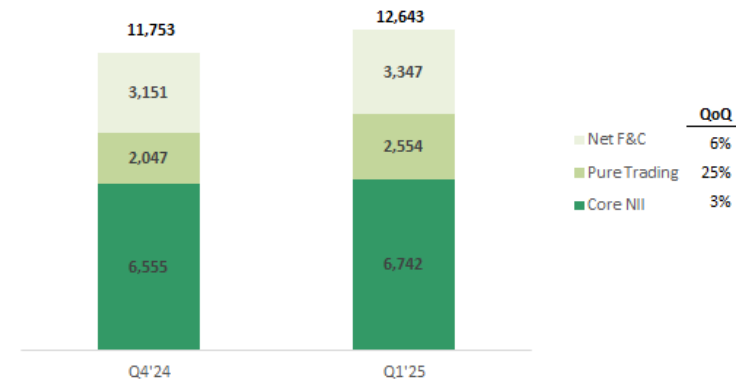
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Core Banking Revenue

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)

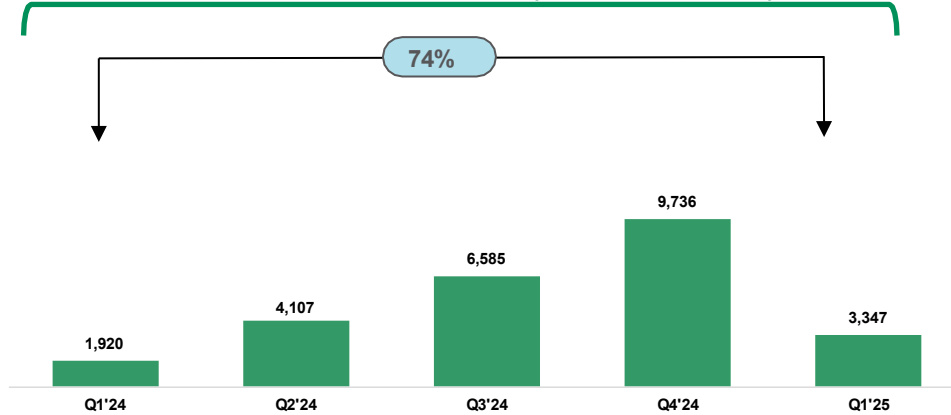
- Robust net fee income 6%(QoQ) increased thanks to improvement in payment systems and fee charged.
- Outstanding pure trading performance 25% (QoQ) increase; FX transaction gains remained strong, supporting trading.
- Despite pressure on spreads core NII increased 3% (QoQ) thanks to well-structured balance sheet.



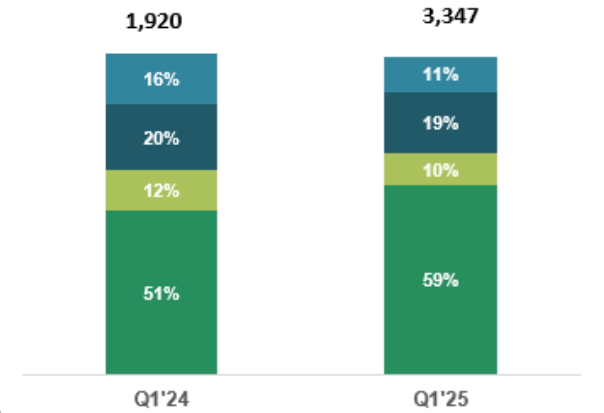
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Net Fees and Commissions

Net fee & Commissions (cumulative, TL mn)

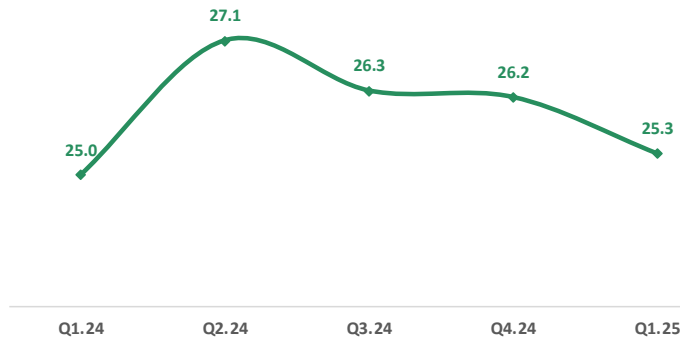


Net fee & Commissions (quarterly, TL mn)

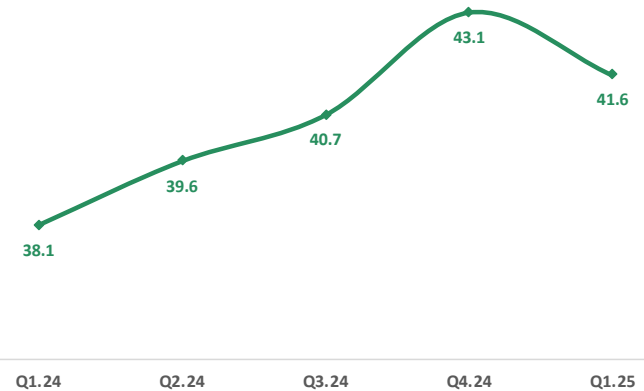


Outstanding performance on net fees and commissions and commissions led the growth on the back of higher transaction volumes and prices in banking and payment systems.

Fees / Total Income (%)



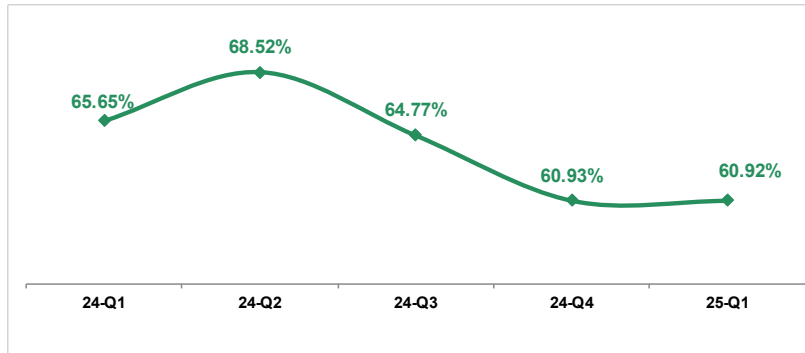
Fees / OpEx (%)



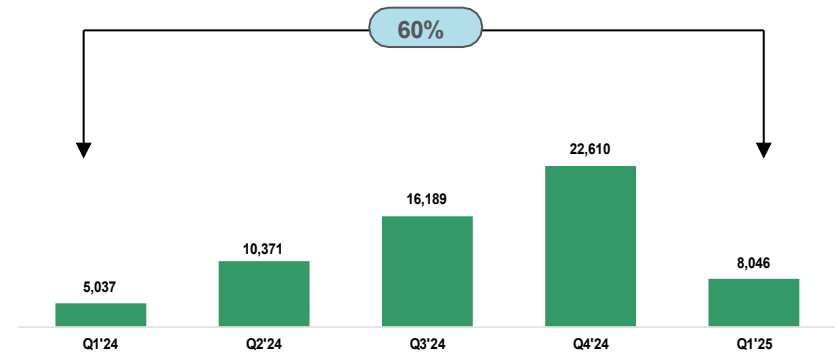
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Improved Cost Income due to higher NBI & OPEX management

Cost / Income



OPEX / TL (cumulative, TL mn)



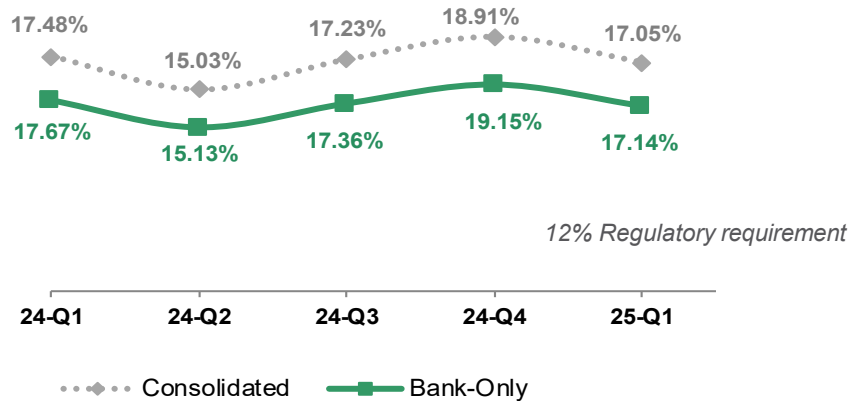
Successful cost control resulted in a good C/I ratio at 60.92%, despite upward pressures on costs from inflation and TL's depreciation.



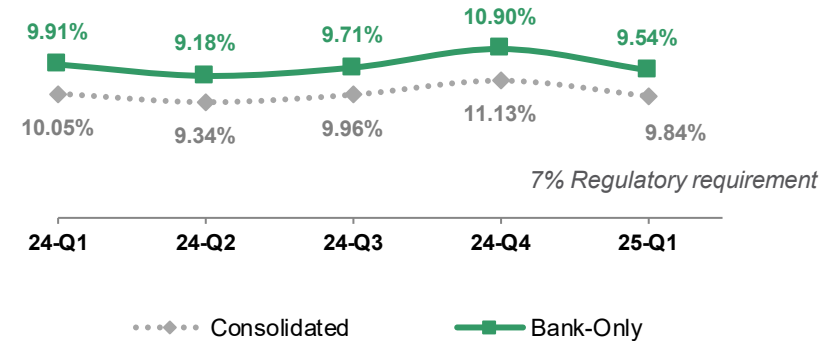
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Efficient capital management with regulatory capital in excess of minimum requirements

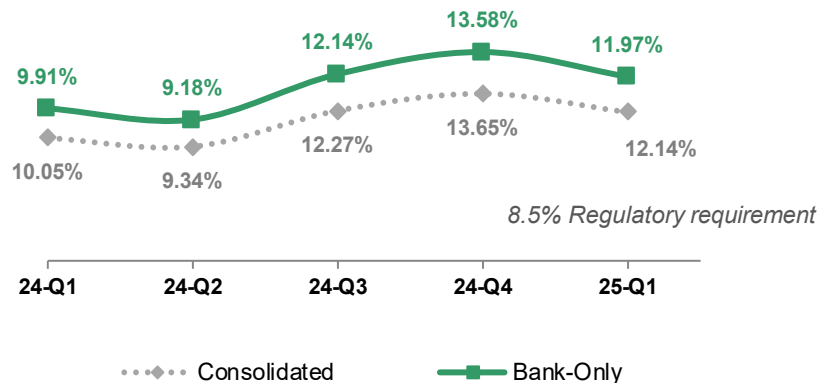
Capital Adequacy Ratio



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.



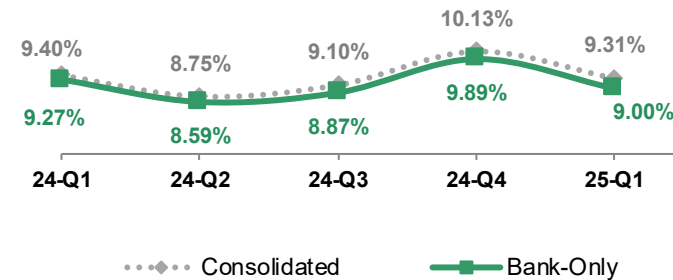
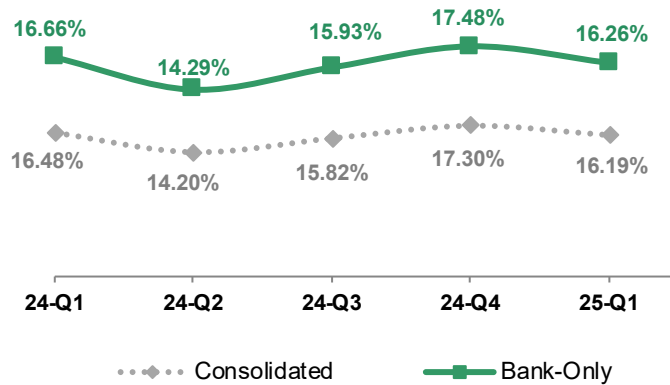
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Efficient capital management with regulatory capital in excess of minimum requirements

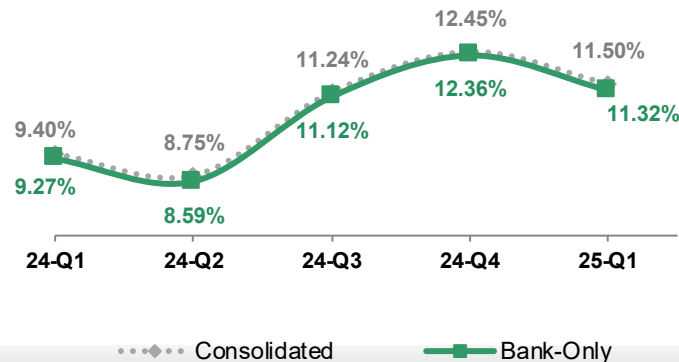
CAR w/o Forbearance

CET1 w/o Forbearance

Strong capital buffers well above regulatory limits even without forbearance



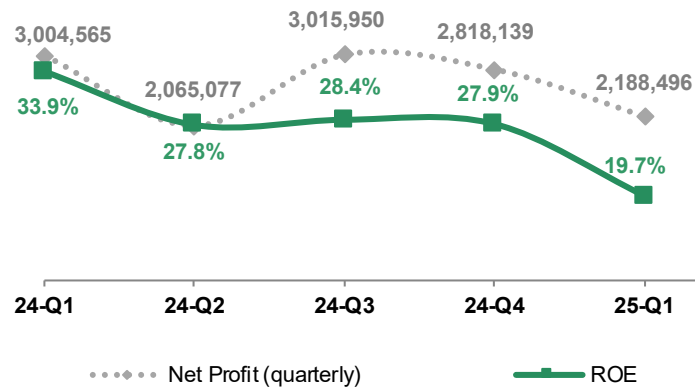
Tier 1 w/o Forbearance



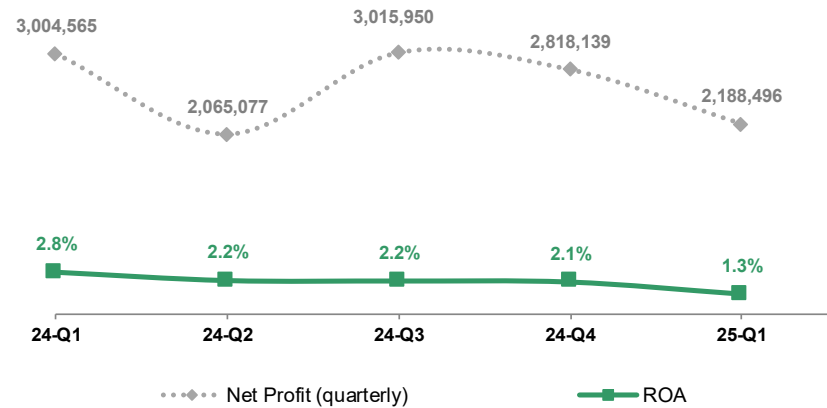
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Return On Equity / Asset

ROE



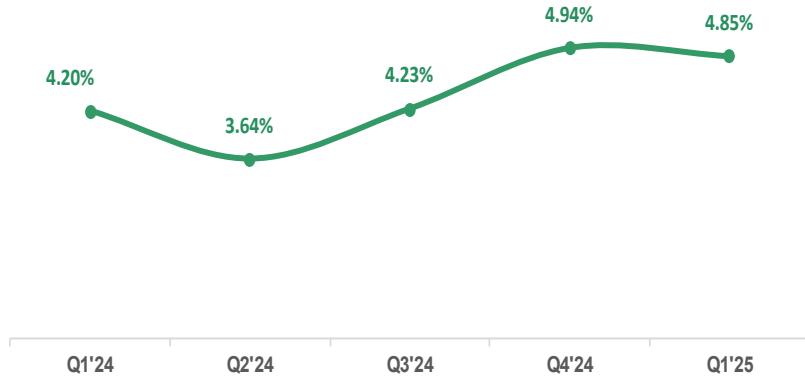
ROA



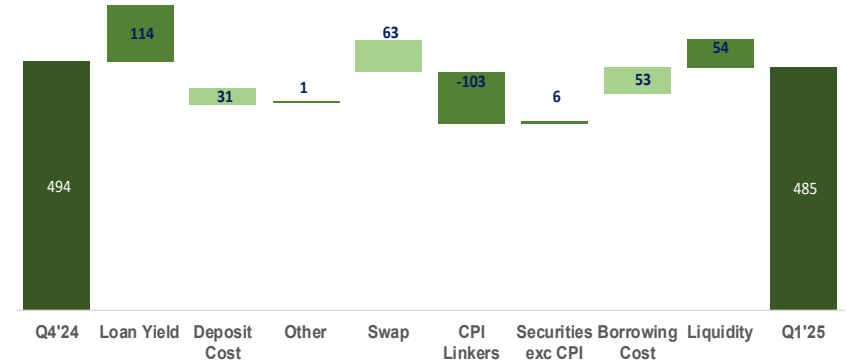
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NIM & Spreads

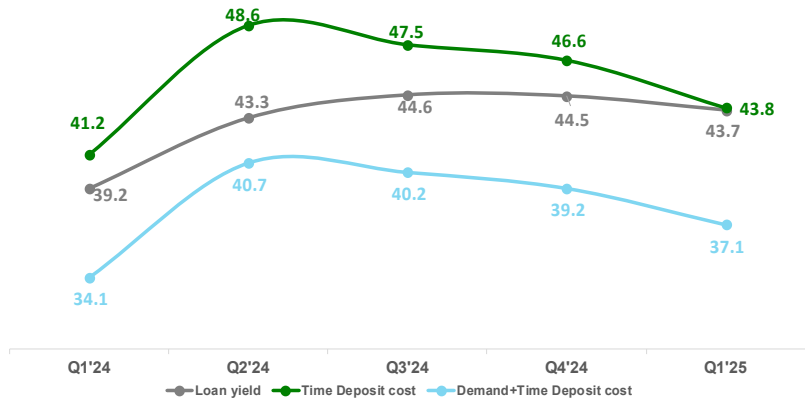
NIM



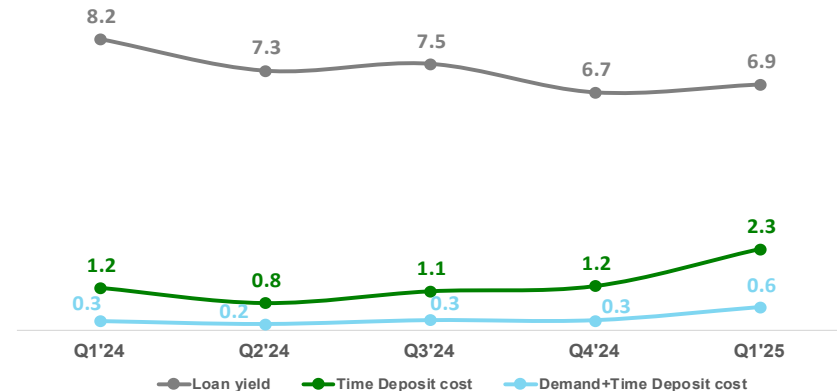
Spread WF



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 2025-Q1

Client Base

11% YOY increase in active mobile clients, **3.226 million mobile active** clients

19 monthly **mobile logins per customer**

55% of bank's new customers acquired through **digital onboarding**

Migration Ratio

93% of all financial transactions over Digital Channels

76% personal loan sold through digital channels

28% of credit cards sold through digital channels

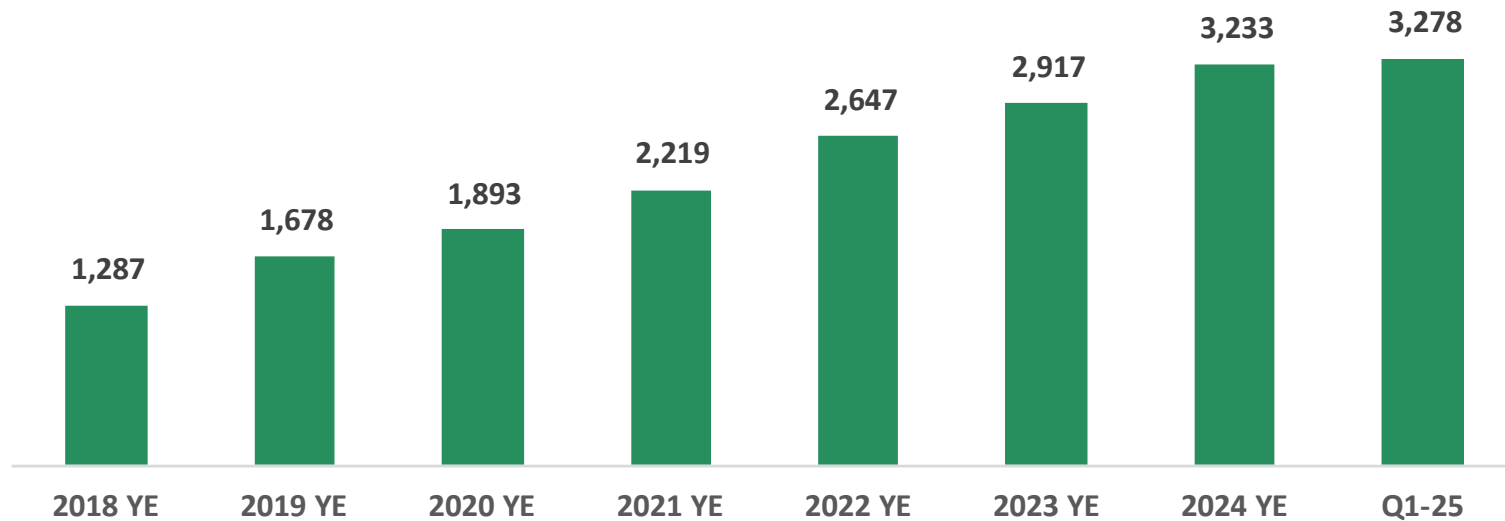
ATM Network

of ATM **1,532 with 2,79%** market share



Digital Banking in 2025-Q1

of Active Online Banking Clients* (000s)



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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

Established KPIs aligned with performance metrics across 12 material topics*

(*) Material topics identified according to needs and expectations of stakeholders



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:



ESRM – Excluded Goods and Activities

TEB is not involved in funding, investments or operations that present the highest risks of impact on human health and safety, protected species or the environment in general

The production or trade in controversial weapons within the scope of the “Defense and Security CSR (Corporate Social Responsibility) Sector Policy”

The production, trade or use of drift nets over 2.5 kilometers in length

The production of asbestos fibers

The production or trade in products containing PCBs* (polychlorinated biphenyls)

The trade in any plant or animal species or products governed by the Convention on International Trade in Endangered Species of Wild Fauna or Flora (CITES) which are not authorized by a CITES permit**

Activities mainly related to tobacco (e.g. cigarette manufacturers – wholesalers, tobacco growers – processors)

Greenfield projects and projects seeking capacity increase or lifetime expansion for existing coal fired power plants, infrastructure projects (e.g. harbor, railways) dedicated to thermal coal. Latest before 2030, companies active in coal fired power generation sector will be exited

They are mostly formed on the basis of internationally recognized treaties, local laws, regulations and BNP Paribas Group decisions

* PCBs: Polychlorinated biphenyls—a group of highly toxic chemicals. PCBs are likely to be found in oil-filled electrical transformers, capacitors and switchgear dating from 1950-1985.

** International Conventions adopted by Türkiye



ESG Assessments

- Review and analysis of publicly available ESG information
- Review client performance on ESG (Group Level)
- Engaging with clients to improve client performance
- Controversy Assessment

CBAM Analysis

- Sectors included in the scope; Cement, Iron and Steel, Aluminium, Fertilizer, Electricity, Hydrogen
- CBAM Sector Clients are identified and CBAM analysis conducted for relevant clients

NZBA Analysis

- Member banks commit to aligning their portfolios with a net-zero emissions pathway by 2050
- Sectors covered: Cement, Iron and Steel, Aluminium, Fertilizer, Power Generation, Oil & Gas, Automotive
- Client engagement and detailed analysis for NZBA Sector Clients

Equator Principles

- In line with TEB's E&S Policy
- For Large PF & Corporate Loans
- Risk categorization & monitoring needs identification

Credit Committee Minutes

- Integration and evaluation of ESG results CBAM and NZBA Assessment results into decision-making processes
- CIB Follow-up items
- Detailed ESG issues, additional ESG A questionnaires

ESG/Green Purpose Loan

SF Product

- Only applies to green investments
- Internal monitoring process
- Provide documents to prove the ESG purpose

Green Loan

SF Product

- Only applies to green investments
- Third party audit
- Green clauses specified in the contract

Sustainability Linked Loan

SF Product

- Applies to any investment
- Sustainability KPIs are set
- Third party audit
- Financial impact of the sustainability performance

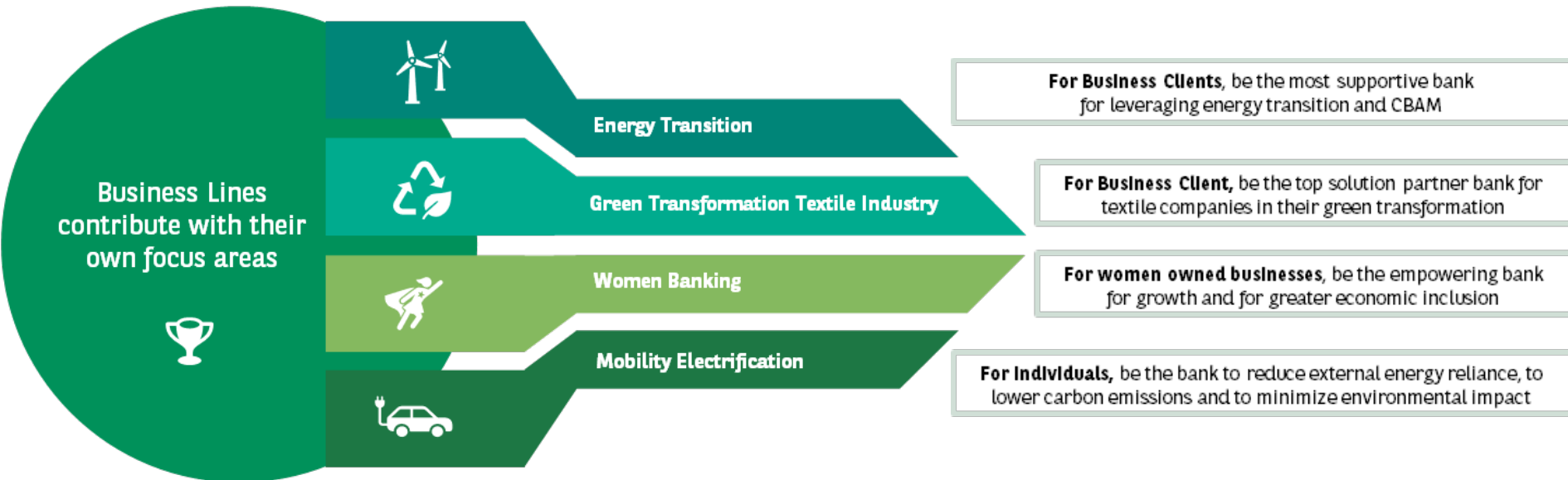
Pure Player

Client Type

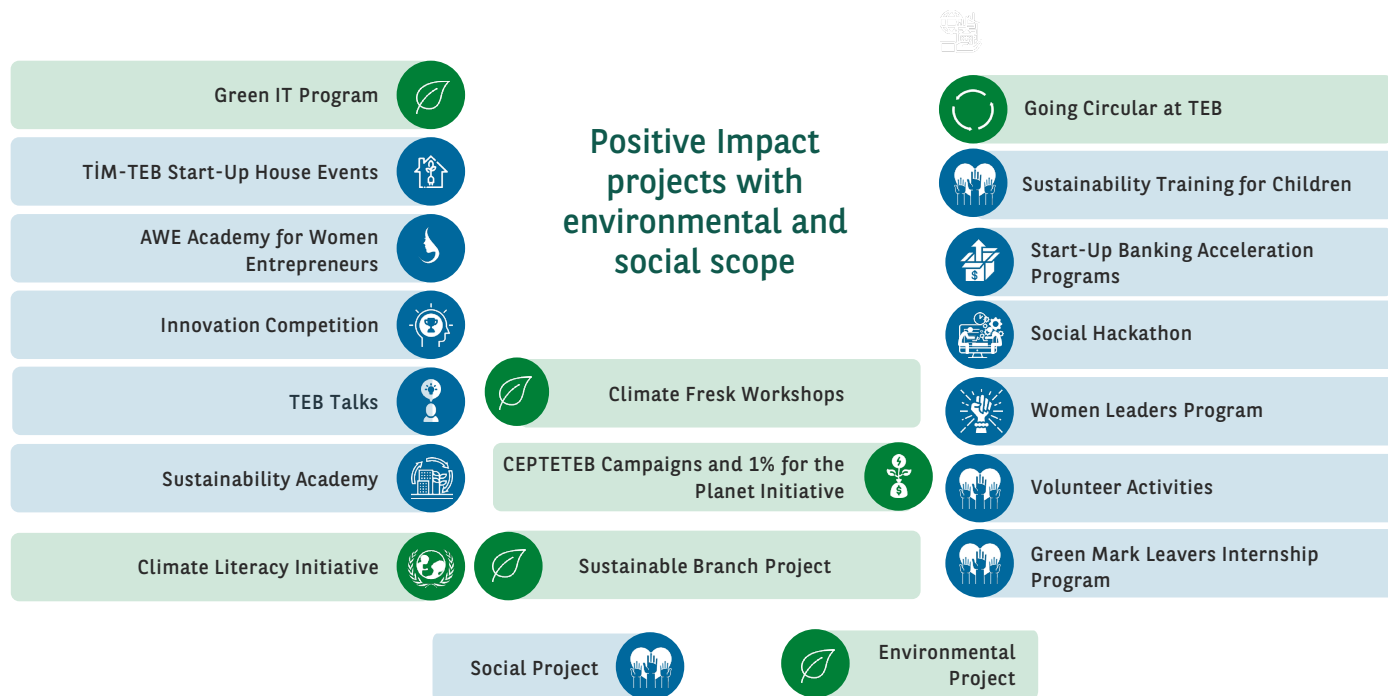
- Applies to any investment / loan utilization
- «Naturally green and social» clients identified prior to loan utilization



Sustainable Finance Focus Areas



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



Reducing environmental footprint is among our key priorities

Decrease in Consumption per FTE in 2018-24 (Q4)



Environmental Projects

