



## **TEB continued to support Turkey's economy with a 20% rate of growth in TL lendings in the first half-year**

**Türk Ekonomi Bankası (TEB) has announced its 2020 midyear financial results. With total Turkish-lira lendings up by 20% in the first half-year, the bank continued to contribute to economic activity. Loans, the most important indicator of TEB's support for the economy and for its customers, made up 64% of the bank's total assets.**

In the six months to 30 June 2020, TEB's total assets grew by 16% and reached TL 124 billion while its net profit weighed in at TL 764.5 million. Loans, the most important indicator of TEB's support for the economy and its customers, made up 64% of its total assets.

Giving the same importance to risk management and asset quality as it always does, TEB's total lendings in the first half of the year amounted to TL 79.7 billion while its total deposits during the same period increased by 9.5% to TL 79 billion. Continuing to support solid growth with a strong capital structure, TEB's shareholders' equity as of midyear was TL 10.9 billion while at 17.93%, its capital adequacy ratio was significantly above the 12% target which the bank had set for itself.

### **All-out TEB support for the economy while making life easier for customers**

In the second quarter of the year, TEB continued to take measures to protect the health of its employees and customers while also contributing to economic activity in order to support efforts to deal with the effects of the COVID-19 pandemic from which our country and indeed the whole world is suffering. In March, TEB introduced its Economic Support Package to ease customers' loan repayments while continuing to provide uninterrupted 24/7 service through its branches, call center, CEPTETEB mobile app, CEPTETEB Internet branch and ATMs. Thanks to its CEPTETEB Mobile Authorization service, which allows instructions to be issued and banking business that does not involve cash to be taken care of without a physical presence at a branch, TEB stood by its customers through all its delivery channels and service points.

Encouraging its customers to favor digital channels such as its CEPTETEB and CEPTETEB İŞTE mobile banking apps that allow them to take care of their banking business quickly and conveniently, TEB also informed its customers about the use of digital channels. TEB likewise increased the ATM daily cash withdrawal limit and raised the contactless payment card limit to TL 250. TEB similarly introduced many conveniences in order to make it easier for its pensioner and 65+ customers to take care of their banking business needs. 65+ customers calling the TEB Call Center for example were given priority, while access to specific transactions was made easier without the need to move through preliminary menus. An option was also added to the Pension Account Campaign that allows a customer to sign up through the CEPTETEB Mobile Branch.

### **CEPTETEB İŞTE receives three international awards**

The success of CEPTETEB İŞTE, a TEB mobile app that supports SMEs and other businesses and makes it easier for them to take care of their day-to-day banking needs, was confirmed by three prestigious international awards. CEPTETEB İŞTE was granted a "Best Application" award by Global Business Excellence Awards and "Best Innovation" awards by Global Finance

Innovators 2020, which is organized by the highly-respected Global Finance monthly, and by the Best Business Awards, which is one of the UK's most esteemed business award programs.

### **Finance Coach feature added to TEB's CEPTETEB mobile app**

As of midyear 2020, 81% of TEB's customers were making use of at least one of its digital banking channels while the number of customers making active use of its online banking and mobile banking channels topped 1.8 million and 1.6 million respectively. TEB's investments in its CEPTETEB mobile app continued with no loss of momentum in the second half of the year as well. Seeking to provide customers with solutions that allow them to take care of their financial needs instantly and conveniently, TEB added a new feature called Finance Coach to CEPTETEB. This feature makes it possible for users to conveniently check their budgets by summarizing their income and expense details in a simple and understandable way. The bank expanded its merchant partner network so as to organize campaigns addressing customers' needs while also continuing to provide new benefits with the addition of next-generation capabilities to its digital banking structure.

### **TEB continues to support small businesses**

TEB Microbusiness Banking supported customers whose businesses were interrupted or shut down by the COVID-19 pandemic in their requests to defer their loan repayments. The bank provided loan customers with support under the KOSGEB (Small and Medium Enterprises Development Organization) which helps ease the burden of interest on borrowers and the KOSGEB SME Financing Support Credit Program, in which principal is supplied from banks' own resources. Working together with the Credit Guarantee Fund (KGF), TEB introduced two new support packages for its SME, corporate, and commercial customers: "Check Payment Support Credit" and "Economic Stability Shield Support Credit". Backed by KGF guarantees, both packages provide small trades in particular with additional funding for their check, rent, or commercial payments. Through two packages provided under the government's Economic Stability Shield Program, TEB helped businesses extend the terms of their check payments and operational expenses for up to twelve months with a three-month grace period.

### **Continuing to support entrepreneurs**

Through the TEB Startup Business Banking program, TEB continues to support entrepreneurs and to contribute to the strength of the country's entrepreneurial ecosystem. In line with this, the activities of TIM-TEB Startup Houses were also moved onto online platforms and a hundred new technology firms were included in their programs. Under these programs, new firms were brought into to the ecosystem by providing startups with more than four hundred hours of one-on-one consultancy/mentoring service. Under a series of web conferences in which technology firms taking part in TIM-TEB Startup House programs get a chance to interact with the ecosystem's leading names, 11 specialists in their field have been hosted to date and participants benefits from the experiences of speakers representing 300 technology firms.

With corporate firms increasingly on the lookout for innovative solutions, TIM-TEB Startup Houses are responding to such needs through their S2C (Startup/Scale Up to Corporate) programs. To date, many corporations have interacted with nearly a hundred technology companies in TIM-TEB online gatherings.

### **Online support for farmers through TEB Agricultural Banking**

In the agricultural banking business line, TEB is concentrating especially on supporting farmers in their need for working capital. Agricultural banking processes are being automated so that farmers too can have the benefit of banking services without having to come into a branch. As

a result of such changes, farmers sending just a single SMS can now apply for TEB Harman cards and agriculture loans and take care of their agricultural production financing needs. Through TEB's "Fast Loan Service", farmers can also take out a loan in just a few seconds to cover emergencies.

Under TEB Harman Card programs conducted jointly with leading firms, farmers can purchase the agricultural production inputs that they need from merchant partners on up to six-month, "zero-interest" repayment terms. Farmers can also use their TEB Harman cards to pay farm-related electricity and irrigation bills and to defer repayments until their harvests have come in. In addition to these TEB Harman Card programs, under TEB's ongoing production credit agreements, both agricultural produce buyers and thousands of producers working under contract with financial solutions at every stage from initial planting to harvesting and supply to consumers.

### **Selected Financial Results & Indicators as of 30 June 2020**

<b>Net profit:</b> TL 764.5 million	<b>Total deposits:</b> TL 79 billion
<b>Total assets:</b> TL 124 billion	<b>Total lendings (gross):</b> TL 79.7 billion
<b>Capital adequacy ratio:</b> 17.93%	<b>NPL ratio:</b> 5.14%