



# TEB

## Q2'22 Earning Presentation



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BNP PARIBAS ORTAKLIĞI

# Summary Balance Sheet

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

	31.12.2021	30.06.2022	YtD Chg
Cash & Cash Equivalents	47,430	57,355	21%
Marketable Securities	29,201	39,126	34%
Loans (net) <sup>(*)</sup>	108,464	151,849	40%
Other Assets	13,759	14,692	7%
<b>Total Assets</b>	<b>198,854</b>	<b>263,022</b>	<b>32%</b>
Deposit	131,583	185,774	41%
Funds Borrowed	19,799	18,874	-5%
Securities Issued	1,195	3,130	162%
Repo	8,926	7,916	-11%
Subordinated Debt	7,239	8,542	18%
Other Liabilities	16,056	19,506	21%
Shareholders Equity	14,056	19,279	37%
<b>Liab.&amp;Shr.Equity</b>	<b>198,854</b>	<b>263,022</b>	<b>32%</b>

<sup>(\*)</sup> including Factoring Receivables



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# Summary Income Statement

TÜRK EKONOMİ BANKASI A.Ş.

Consolidated (in Mn TL, cumulative)

	30.06.2021	30.06.2022
<b>Net Interest Income</b>	<b>3,199</b>	<b>7,891</b>
Gains/Losses From Derivatives and FX position	(1,411)	527
Securities Trading Gain/ Loss	75	(17)
Net Fee&Commissions	714	1,137
Other Income	97	116
<b>Net Banking Income</b>	<b>2,673</b>	<b>9,654</b>
Cost of Risk	122	(351)
<b>Net Operating Income</b>	<b>2,795</b>	<b>9,302</b>
Other Operating Expense	(1,030)	(1,451)
Personnel Expenses	(936)	(1,599)
Other Provisions	(3)	1
Dividend Income	3	6
Tax Provisions	(165)	(1,445)
<b>Net Profit</b>	<b>664</b>	<b>4,814</b>



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# Summary at Glance

As of 30 June 2022, TEB's total assets grew by 32% YtD, reaching TL 263 billion, mainly driven by increases in TL loans and CPI linked securities.

Loans reaching 58% 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 152.9 billion as of 30 June 2022 while the Bank's total deposits amounted to TL 185.8 billion.

Deposit growth of 41% YtD was contributed mainly by the 60% YtD rise in TL deposits.

TEB's shareholders' equity was TL 19.3 billion as of 30 June 2022 with 15.32% capital adequacy ratio which was well above the 12% targeted ratio.

TEB posted net of profit of TL 4.814 million while achieving 59.3% RoE and 4.2% RoA.

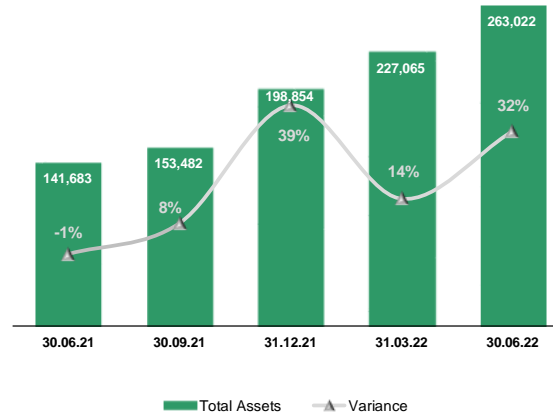
Continuing growth in digital customer acquisition, reaching approximately 2.4 million digital active customers in CEPTETEB.



# Asset and Liability Composition

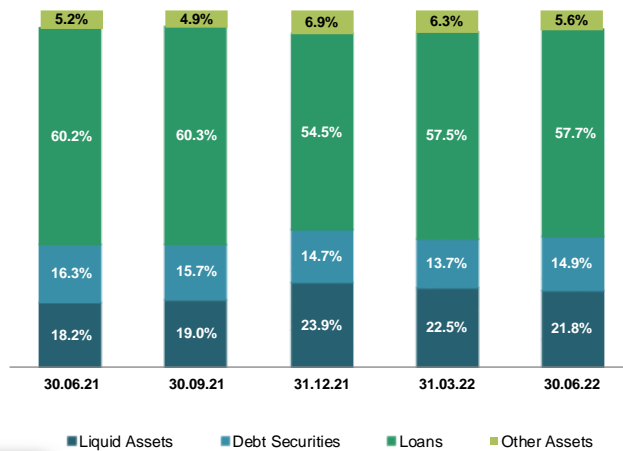
Total asset grew by 32% YtD with 58% loans share in total assets and 71% deposits share in total liabilities

Balance Sheet Growth

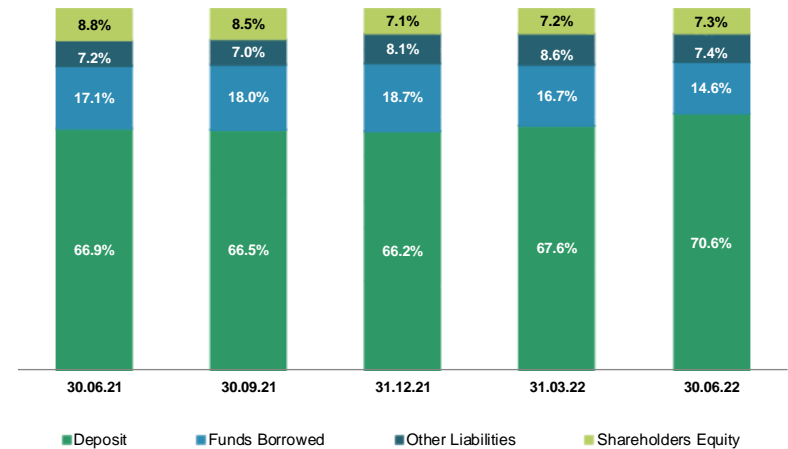


Sound and Prudent Balance Sheet Management

Asset Compositions



Liability Compositions

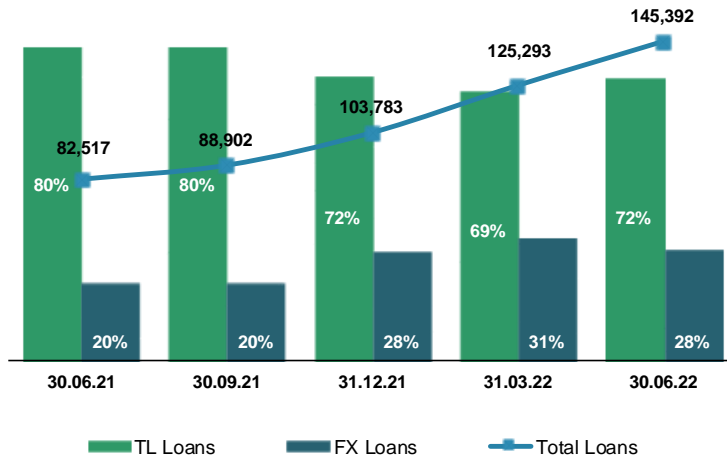


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# A Closer Look into Loans

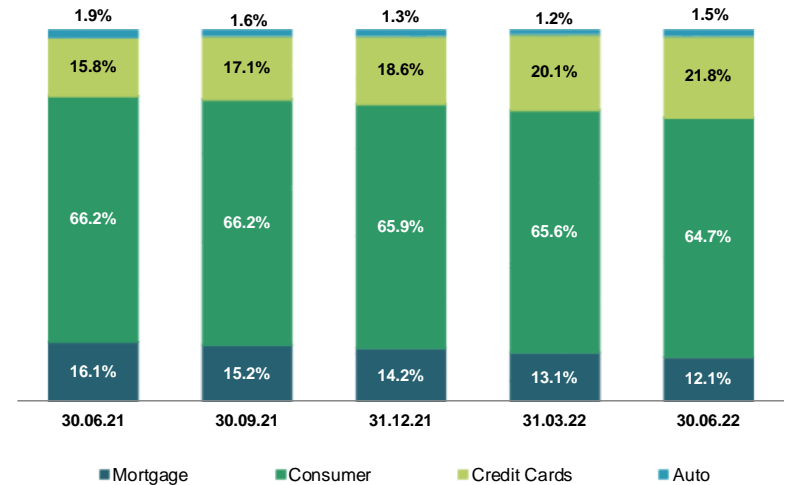
YtD loan growth of 40%

Loan Compositions

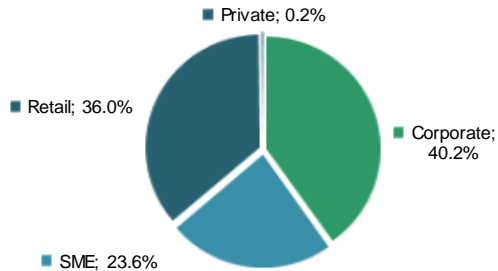


Focus on consumer loans delivered the growth in retail segment bringing market share in credit cards

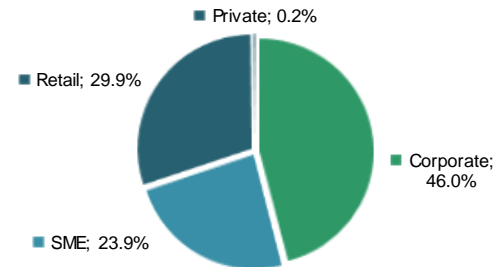
Breakdown of Retail Loans



Performing Loans - Dec'21



Performing Loans - Jun'22

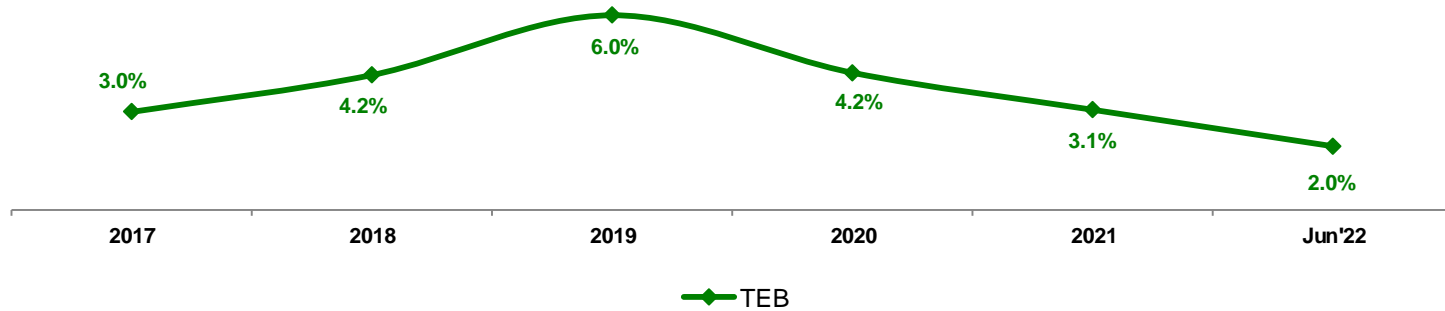


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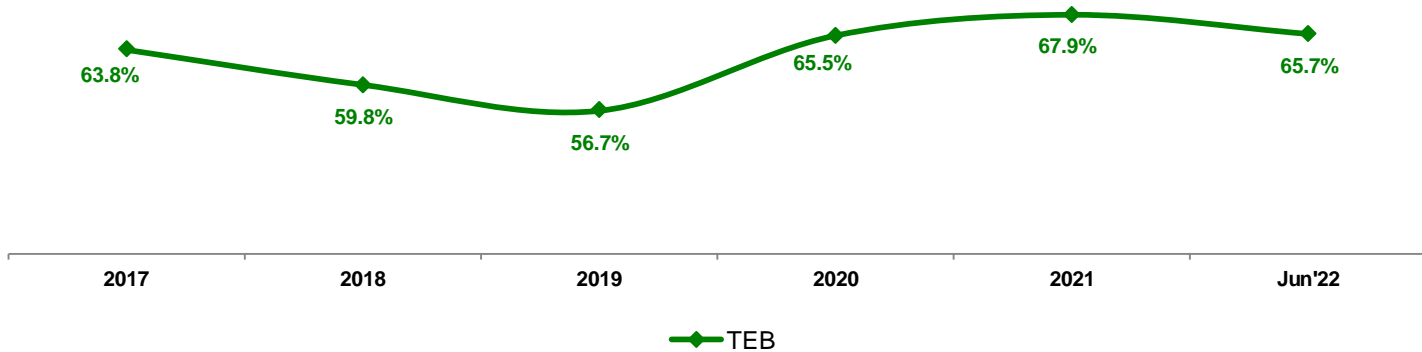
# NPL and Coverage Ratios

NPL ratio is in decreasing trend with a prudent coverage ratio, reflecting the conservative provisioning policy

### NPL Ratio



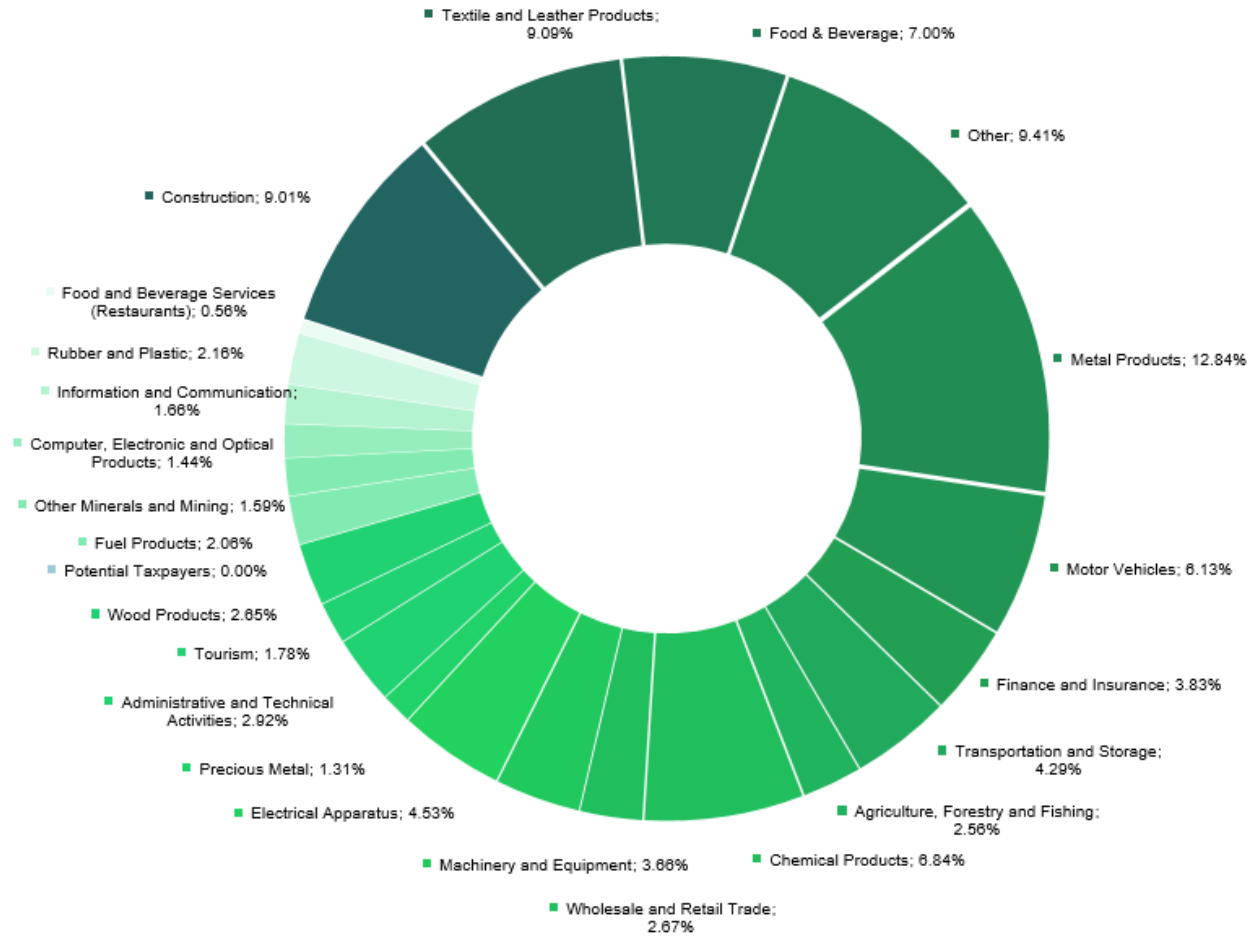
### Coverage Ratio



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# Sectoral Breakdown of Loan Portfolio(\*)

Maintained well-diversified loan portfolio



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

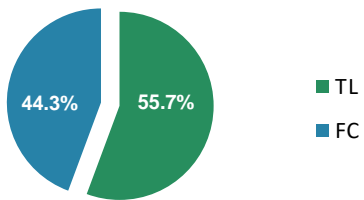




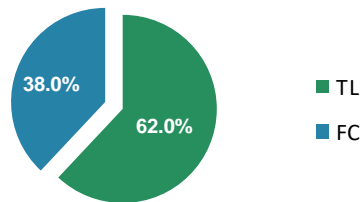
# Composition of Debt Securities

## Total Securities Compositions

2021 Q4

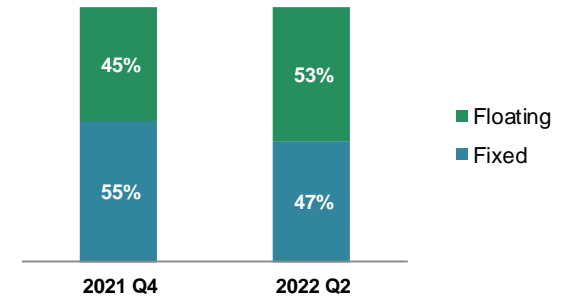


2022 Q2

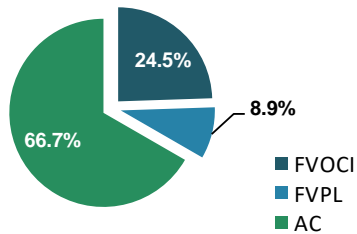


## Interest Rate Compositions

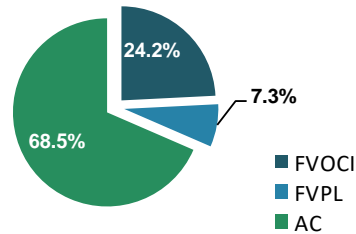
### Total Securities



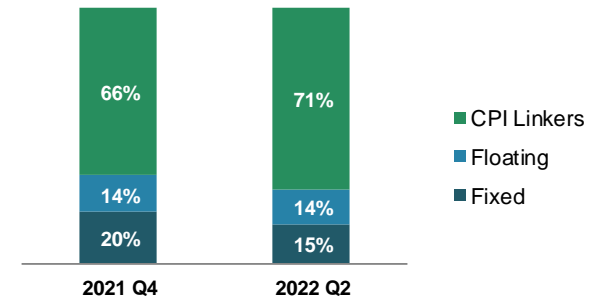
2021 Q4



2022 Q2



### TL Portfolio

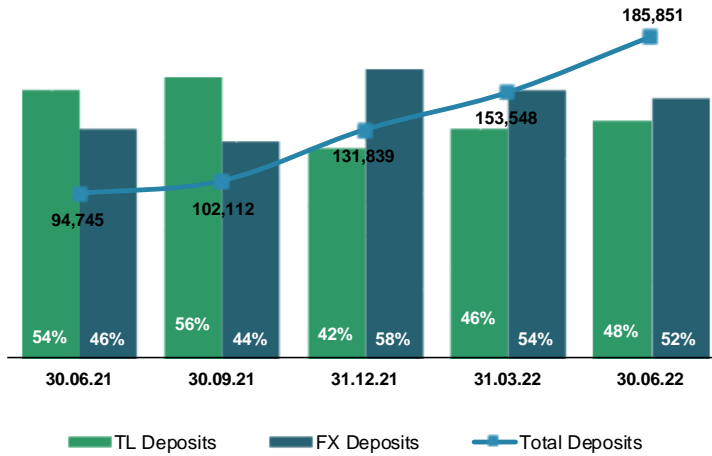


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# A Closer Look into Deposits

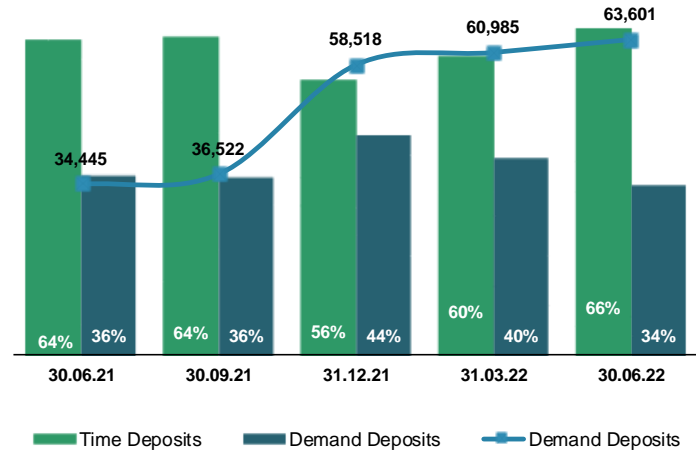
Robust growth in customer deposits

TL/FX Deposit Compositions

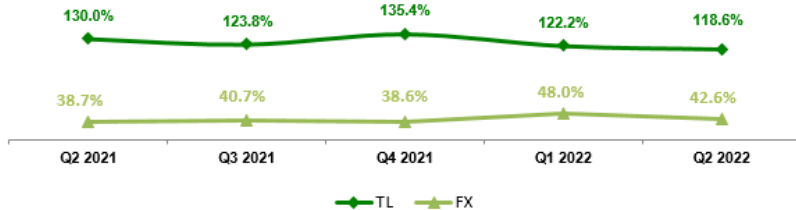


67% increase in TL time deposits as a result of the new FX protected TL deposit product, led to the YtD growth in TL deposits

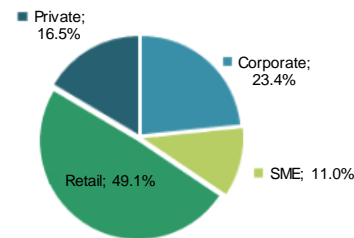
Time/Demand Deposit Compositions



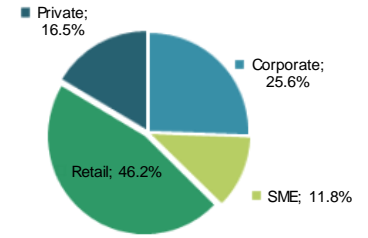
Loan / Deposit Ratio



Total Deposits - Dec'21



Total Deposits - Jun'22

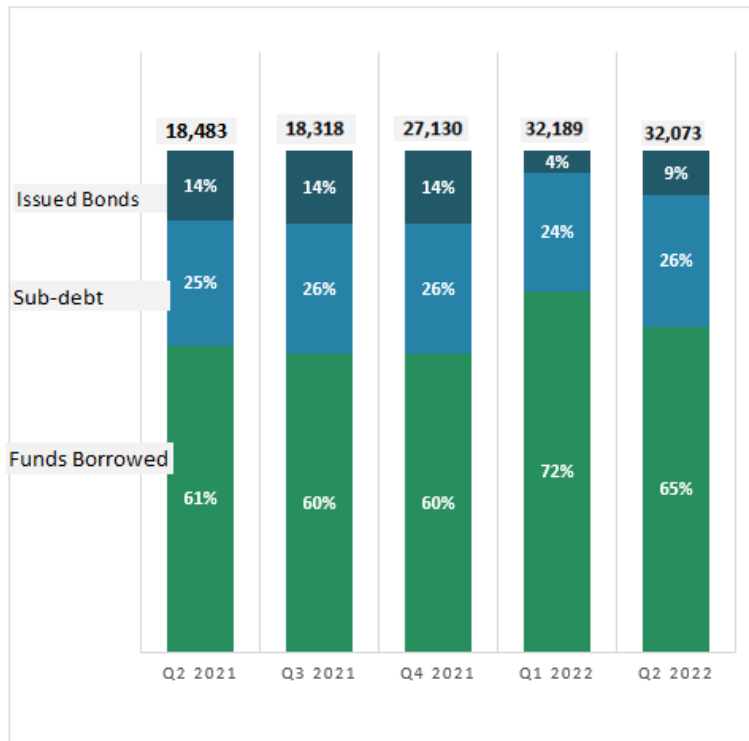


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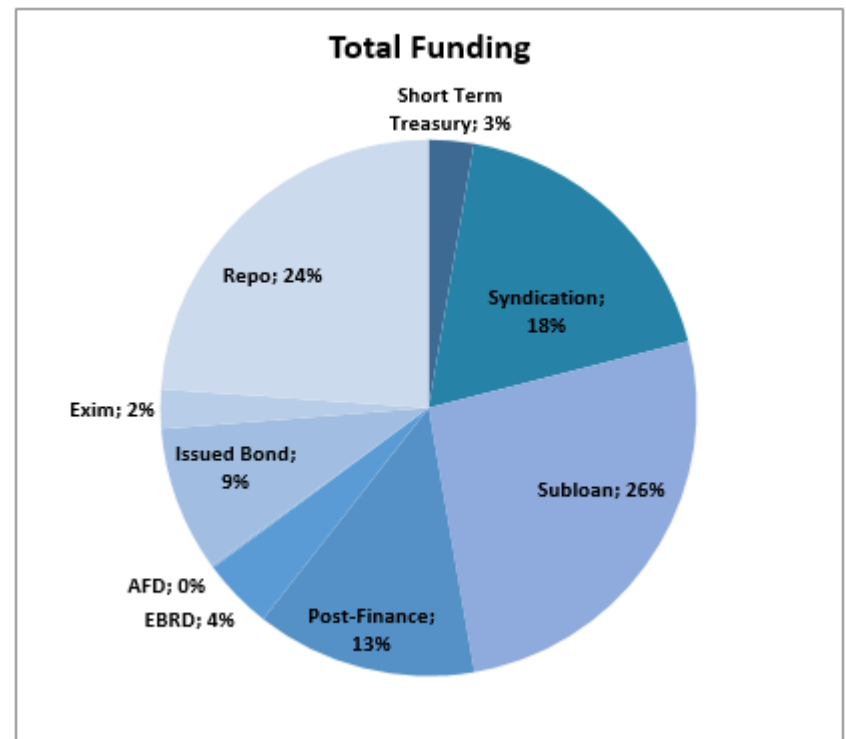
# Wholesale Borrowings

Maintained disciplined funding mix

Wholesale Borrowings By Type



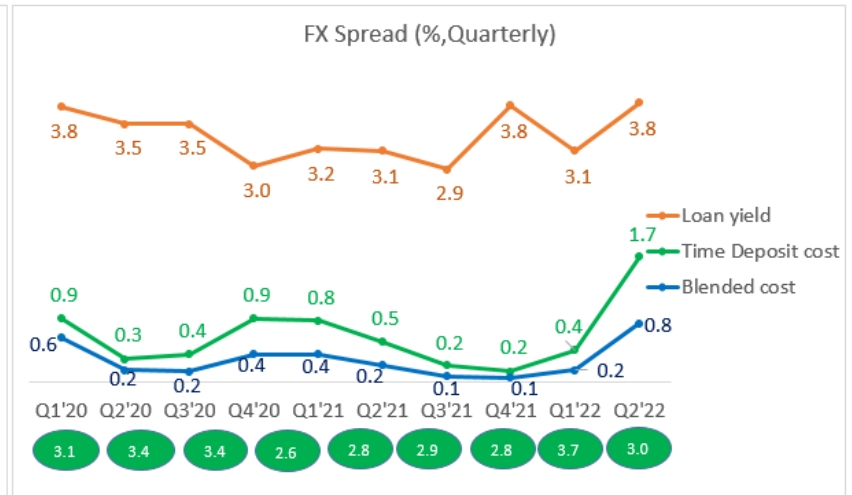
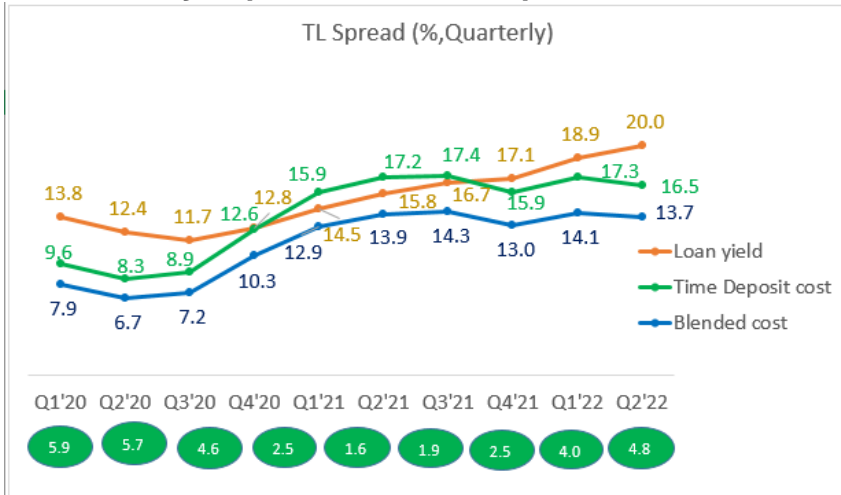
Wholesale Borrowings Breakdown



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# Spreads & NIM

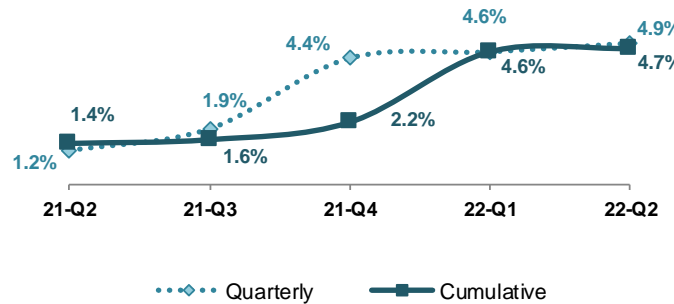
## Steady improvement in TL spreads in Q2 2022



(\*) Represents the MIS amounts

Significant income growth, on both volume and spread driven by CPI linkers supported NII performance

### Net Interest Margin



- CPI linkers effect eliminated

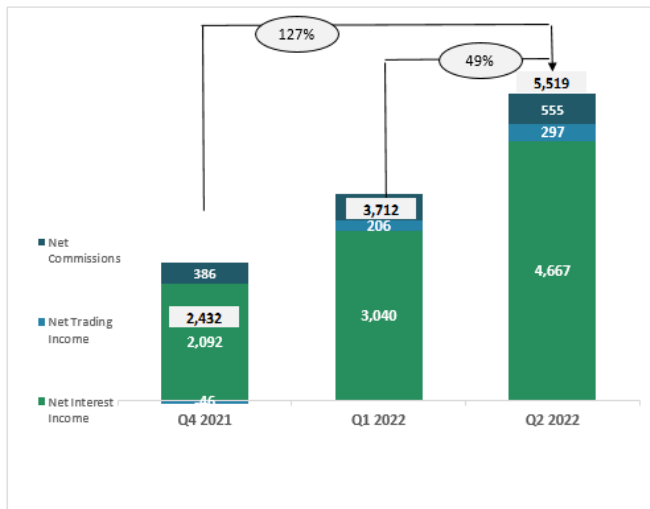
CPI linkers valued by 70% and supporting NIM improvement also provides hedge against higher inflationary environment



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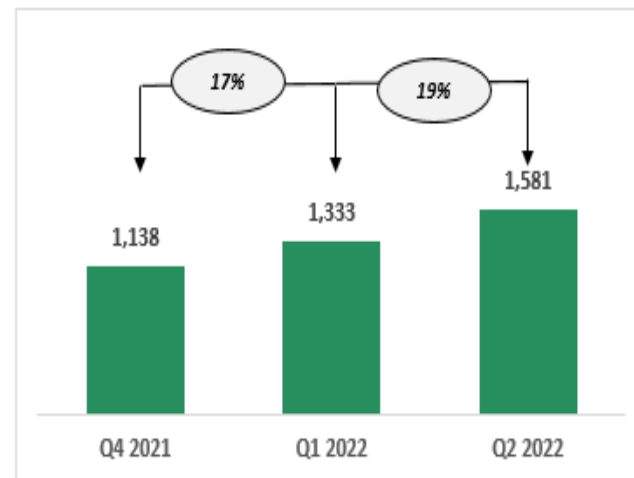
# Profitability and Effective Cost Management

## Total Operating Income

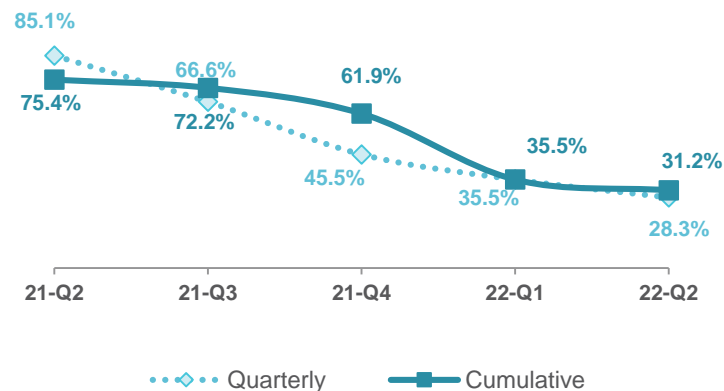


(\*) Represents the MIS amounts

## OPEX (TL)



## Cost/Income



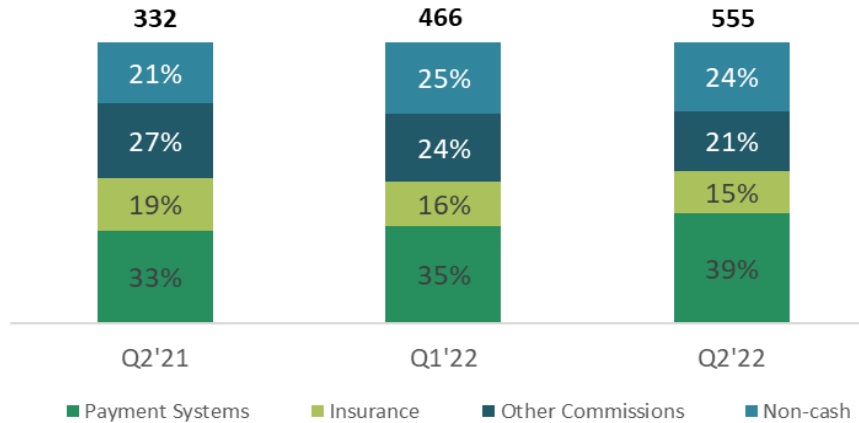
Successful income generation yielded a better C/I ratio at 31 %, despite upward pressures on costs from inflation and TL's depreciation



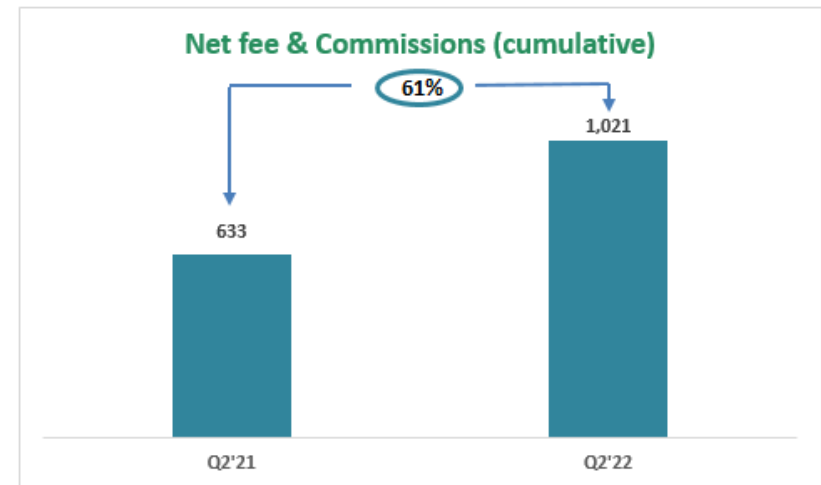
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# Net fees & Commissions

Net Fees & Commissions

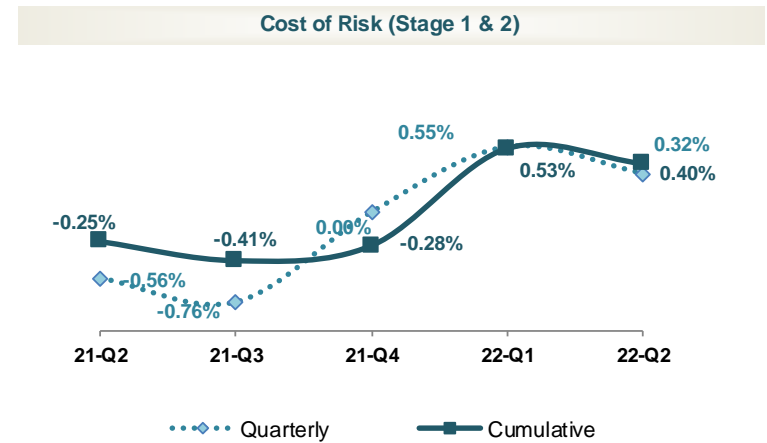
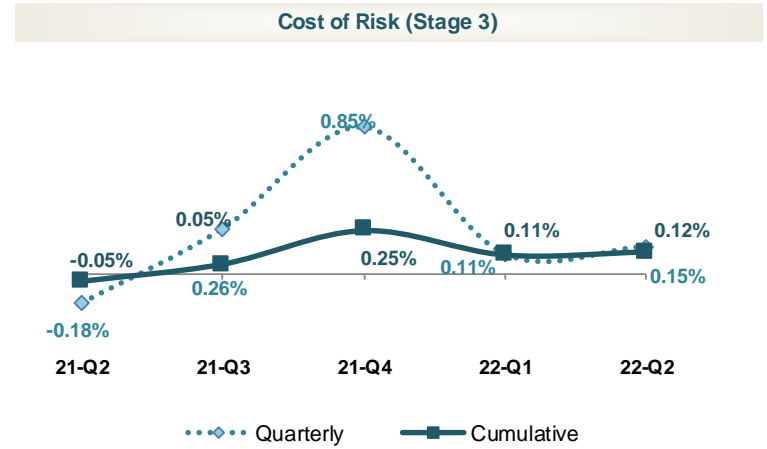
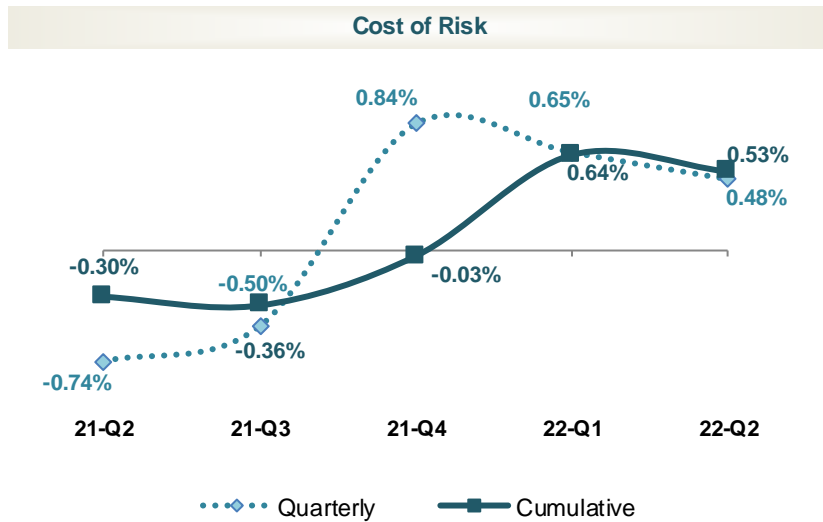


Net fees and commissions income increased by 61 % YoY, – thanks to the strong performance in payment systems, improvement in banking services fees, bancassurance commissions and non-cash loan commissions.



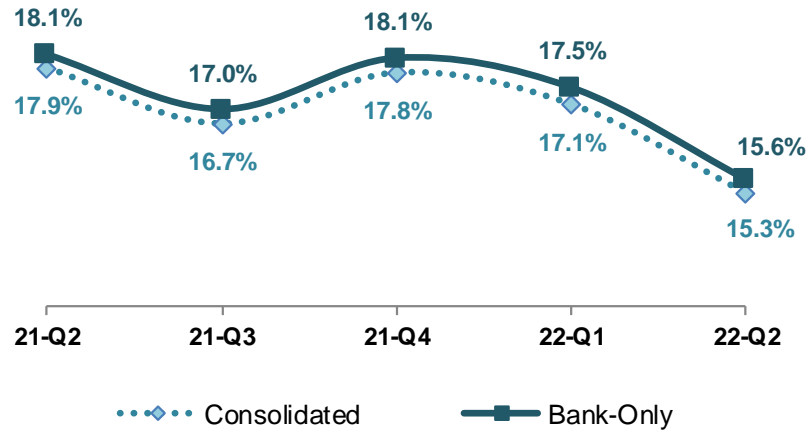
# Evolution of Cost of Risk

Total cost of risk at the negative territory



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# TEB: solid and well capitalised bank



Strong capital buffers well above regulatory limits



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# APPENDIX



# Ratings of TEB

## FITCH (July 26, 2022)

	Rating	Outlook
Long-Term FC Issuer Default Rating	B-	Negative
Short-Term FC Issuer Default Rating	B	-
Long-Term LC Issuer Default Rating	B	Negative
Short-Term LC Issuer Default Rating	B	-
Viability Rating	b-	-
National Long-Term Rating	AA (tur)	Stable
Shareholder Support Rating	b-	-

## MOODY'S (December 10, 2020)

	Rating	Outlook
Long Term FC Bank Deposits	B2	Negative
Short Term FC Bank Deposits	NP	-
Long Term LC Bank Deposits	B1	Negative
Short Term LC Bank Deposits	NP	-
Baseline Credit Assessment	b3	-
Adjusted Baseline Credit Assessment	b1	-
Long Term FC Counterparty Risk	B2	

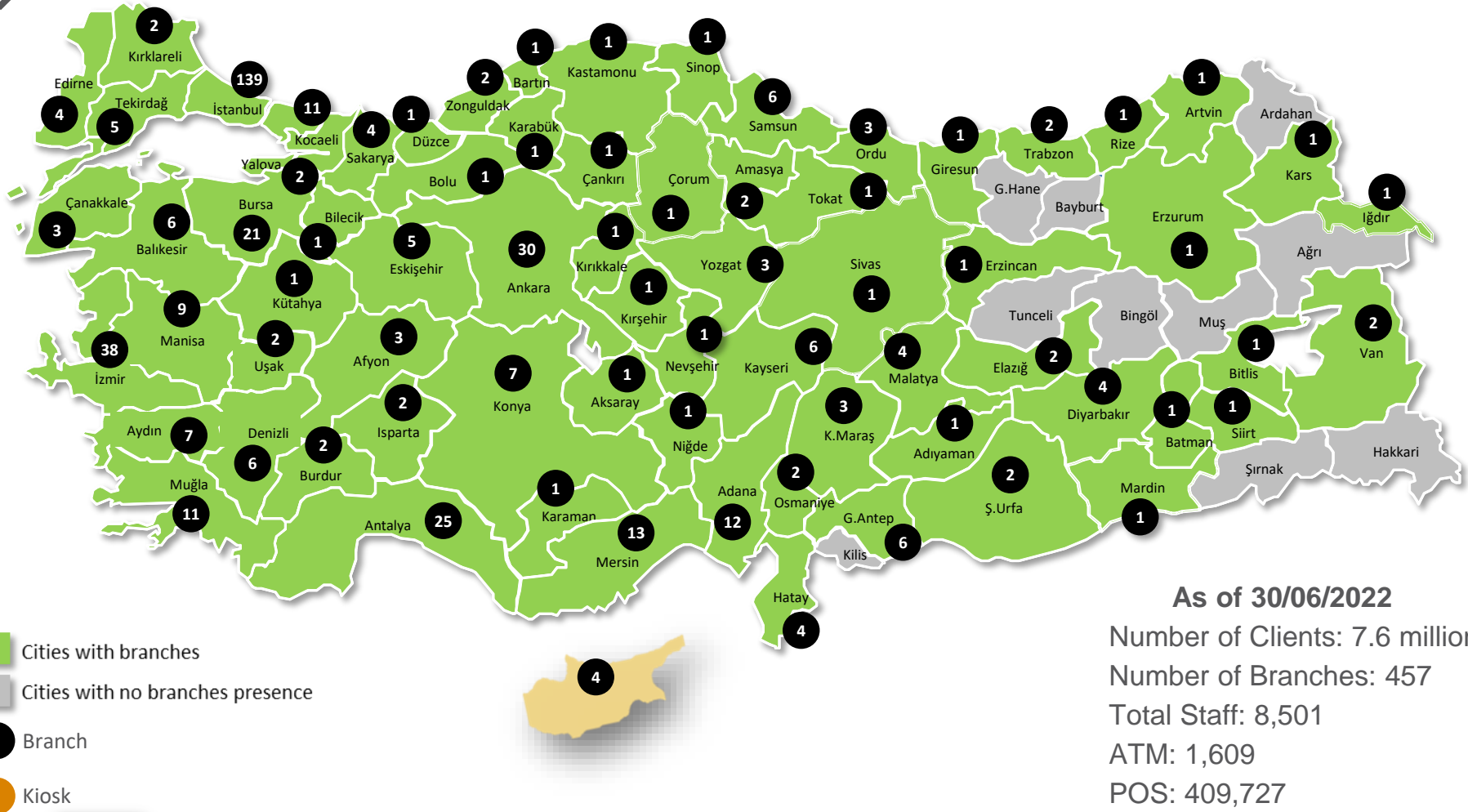


# Sustainability

- While the concept of sustainability gains more importance day by day with the changing conditions around the world, TEB continued its activities with the aim of carrying the world to a better future by acting with a sense of responsibility. Supporting sustainable economic growth with its banking activities, TEB also carries out activities that create positive impact and benefit for the economy, environment and society with the understanding of "Good and Exemplary Bank".
- In the first half of the year, TEB launched a new advertising campaign to draw attention to the importance of sustainability and to raise awareness on this issue. In the movie, in which children representing our future and sharing their unique messages about sustainability, the positive impact projects implemented by TEB within the scope of sustainability were also explained. TEB develops many projects that have a positive impact on society, from encouraging women's participation in the workforce to supporting entrepreneurs, from raising awareness of financial literacy throughout the society, to popularizing social entrepreneurship.



# TEB is present in 71 cities



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# Digital Banking in 2022

## Client Base

**2.4 million** active digital clients in online banking - **77%** penetration ratio  
**%87** of mobile banking active clients use only CEPTETEB Mobil Application

## Migration Ratio

**96%** of six main transactions over Digital Channels  
(Cash Withdrawal, Cash Deposit, Credit Card payments, Loan payments, Invoice Payments and Money Transfers)

**%84** personal loan sold through digital channels  
**%67** deposit account opened through digital channels

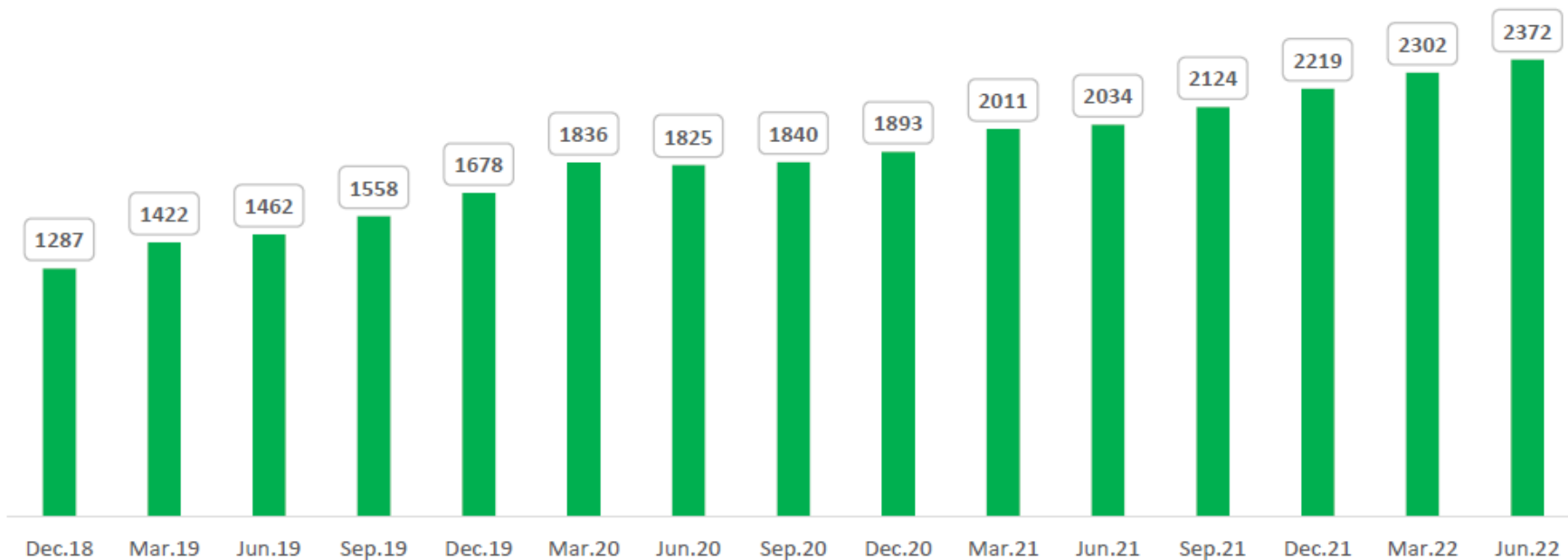
## ATM Network

# of ATM **1.609** ve **%3,09** market share



# Digital Banking in 2022

# of Active Online Banking Clients (\*)



(\*) Active definition: At least login once in the last 90 days



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Net Fee&Commissions	633	1,021
Other Income	100	118
<b>Net Banking Income</b>	<b>2,502</b>	<b>9,349</b>
Cost of Risk	127	(339)
<b>Net Operating Income</b>	<b>2,629</b>	<b>9,010</b>
Other Operating Expense	(1,002)	(1,399)
Personnel Expenses	(885)	(1,515)
Other Provisions	(3)	1
Dividend Income	6	14
Tax Provisions	(146)	(1,407)
<b>Net Profit</b>	<b>598</b>	<b>4,705</b>



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