



**Türk Ekonomi Bankası**

# Q4'23 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			
September 22, 2023	FCY	TRY	Outlook
Long Term	B-	B	Stable
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 December 2023, TEB's total assets reached TL 407 billion.

Loans reaching 49.9% 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 203.2 billion as of 31 December 2023 while the Bank's total deposits amounted to TL 284.7 billion.

TEB's shareholders' equity was TL 35.0 billion as of 31 December 2023 with 16.82% capital adequacy ratio which was well above the 12% targeted ratio.

TEB posted net of profit of TL 11.727 million while achieving 39.4% RoE and 3.4% RoA.

Continuing growth in digital customer acquisition, reaching approximately 2.9 million digital active customers in CEPTETEB.



# Financials Summary Unconsolidated

## Summary Balance Sheet (TL mn)

	2022	2023	YtD Chg
Cash & Cash Equivalents	60,371	123,860	105%
Marketable Securities	51,829	57,612	11%
Loans (net)	144,287	203,167	41%
Other Assets	18,660	22,281	19%
<b>Total Assets</b>	<b>275,147</b>	<b>406,919</b>	<b>48%</b>
Deposit	200,391	284,746	42%
Funds Borrowed	11,173	19,940	78%
Repo	6,791	28,110	314%
Subordinated Debt	9,708	11,638	20%
Other Liabilities	21,743	27,441	26%
Shareholders Equity	25,341	35,045	38%
<b>Liab.&amp;Shr.Equity</b>	<b>275,147</b>	<b>406,919</b>	<b>48%</b>

## Summary Income Statement (TL mn)

	2022	2023	YoY Chg
<b>Net Interest Income</b>	<b>20,187</b>	<b>16,756</b>	<b>-17.0%</b>
Gains/Losses From Derivatives and FX position	2,002	8,678	333.4%
Securities Trading Gain/ Loss	(61)	1,507	
Net Fee & Commissions	2,251	4,918	118.4%
Other Income	302	502	66.3%
<b>Net Banking Income</b>	<b>24,682</b>	<b>32,360</b>	<b>31.1%</b>
Cost of Risk	(1,782)	(1,578)	-11.5%
<b>Net Operating Income</b>	<b>22,900</b>	<b>30,783</b>	<b>34.4%</b>
Other Operating Expense	(3,671)	(7,042)	91.8%
Personnel Expenses	(3,964)	(7,048)	77.8%
Other Provisions	(400)	(1,806)	351.5%
Dividend Income	16	26	63.3%
Tax Provisions	(3,690)	(3,187)	-13.7%
<b>Net Profit</b>	<b>11,191</b>	<b>11,727</b>	<b>4.8%</b>



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# Financials Summary Consolidated

## Summary Balance Sheet (TL mn)

	2022	2023	YtD Chg
Cash & Cash Equivalents	60,455	124,462	106%
Marketable Securities	51,830	57,613	11%
Loans (net)	151,922	216,440	42%
Other Assets	19,329	23,077	19%
<b>Total Assets</b>	<b>283,536</b>	<b>421,592</b>	<b>49%</b>
Deposit	200,350	284,567	42%
Funds Borrowed	17,605	29,594	68%
Securities Issued	422	1,512	258%
Repo	7,230	28,500	294%
Subordinated Debt	9,708	11,638	20%
Other Liabilities	22,076	28,496	29%
Shareholders Equity	26,144	37,284	43%
<b>Liab.&amp;Shr.Equity</b>	<b>283,536</b>	<b>421,592</b>	<b>49%</b>

## Summary Income Statement (TL mn)

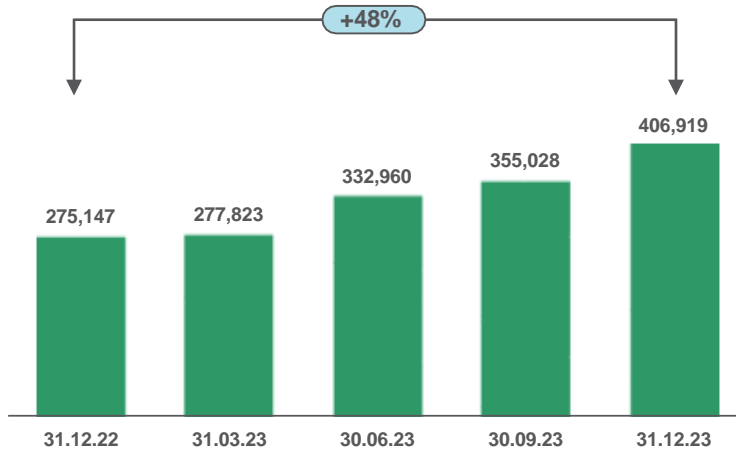
	2022	2023	YoY Chg
<b>Net Interest Income</b>	<b>20,728</b>	<b>18,811</b>	<b>-9.2%</b>
Gains/Losses From Derivatives and FX position	2,014	8,718	332.9%
Securities Trading Gain/ Loss	(60)	1,537	
Net Fee & Commissions	2,608	5,574	113.7%
Other Income	295	527	78.6%
<b>Net Banking Income</b>	<b>25,584</b>	<b>35,168</b>	<b>37.5%</b>
Cost of Risk	(1,806)	(1,647)	-8.8%
<b>Net Operating Income</b>	<b>23,778</b>	<b>33,520</b>	<b>41.0%</b>
Other Operating Expense	(3,802)	(7,375)	94.0%
Personnel Expenses	(4,189)	(7,586)	81.1%
Other Provisions	(401)	(1,806)	349.7%
Dividend Income	8	13	66.5%
Tax Provisions	(3,819)	(3,591)	-6.0%
<b>Net Profit</b>	<b>11,574</b>	<b>13,175</b>	<b>13.8%</b>





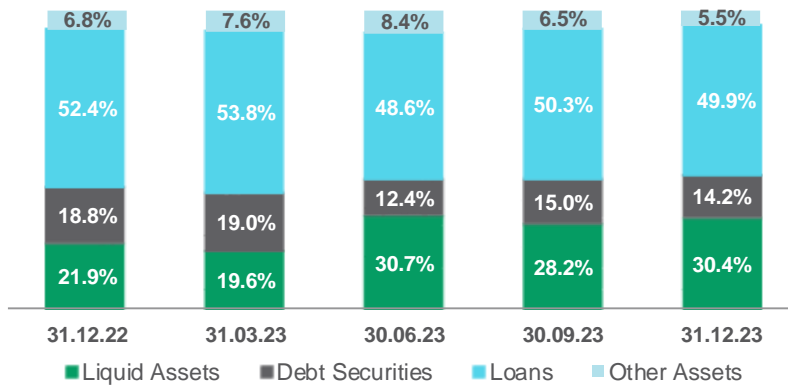
# Sound & prudent balance sheet management

## Balance Sheet Growth (TL mn)

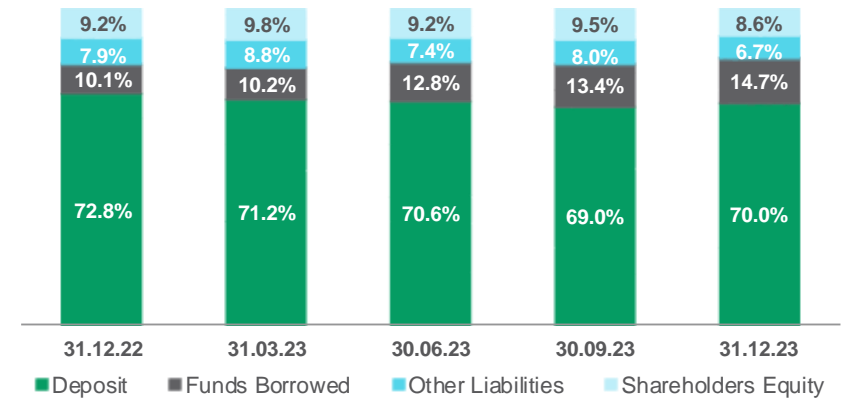


- **Assets growth continued through the expansion of loans, securities portfolios and money market**
- As of 31 December 2023, TEB had total loans of TL 203.2 bn, total deposits of TL 284.7 bn and total shareholders' equity of TL 35 bn.

## Asset Compositions



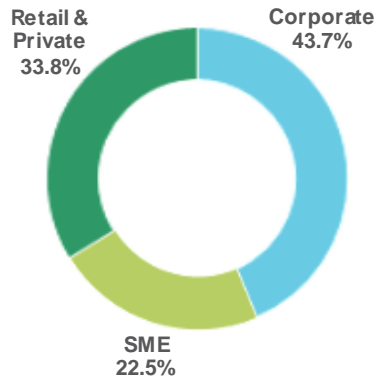
## Liability Compositions



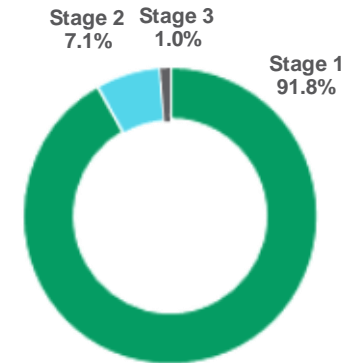
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# Strong & balanced loan portfolio composition

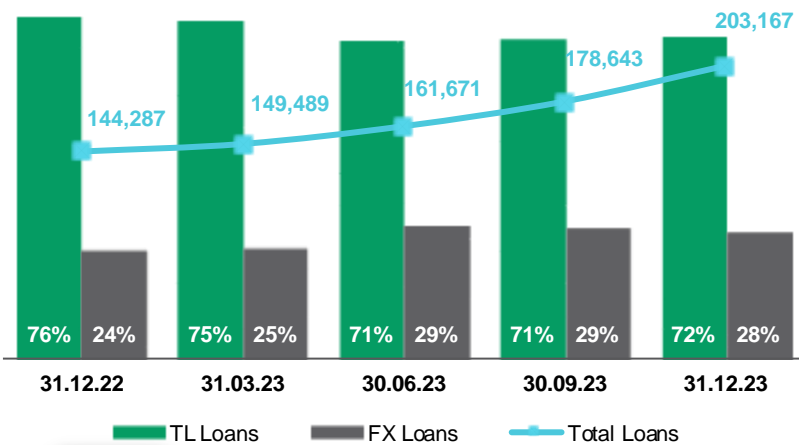
## Performing Loans - Dec'23



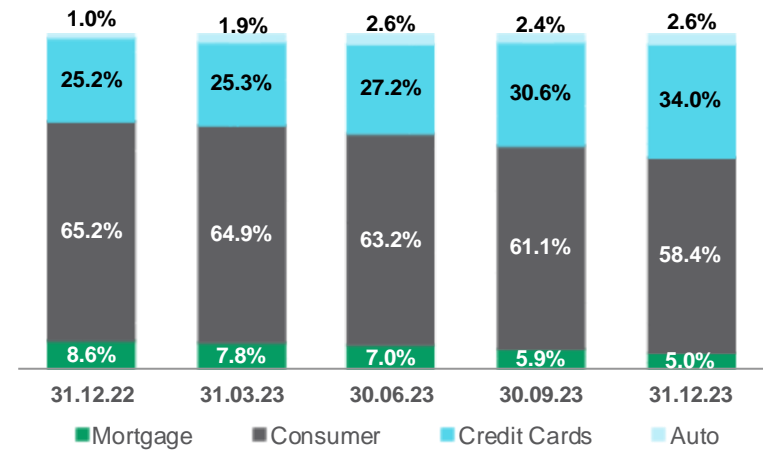
## Loan Quality - Dec'23



## Loan Composition by Currency



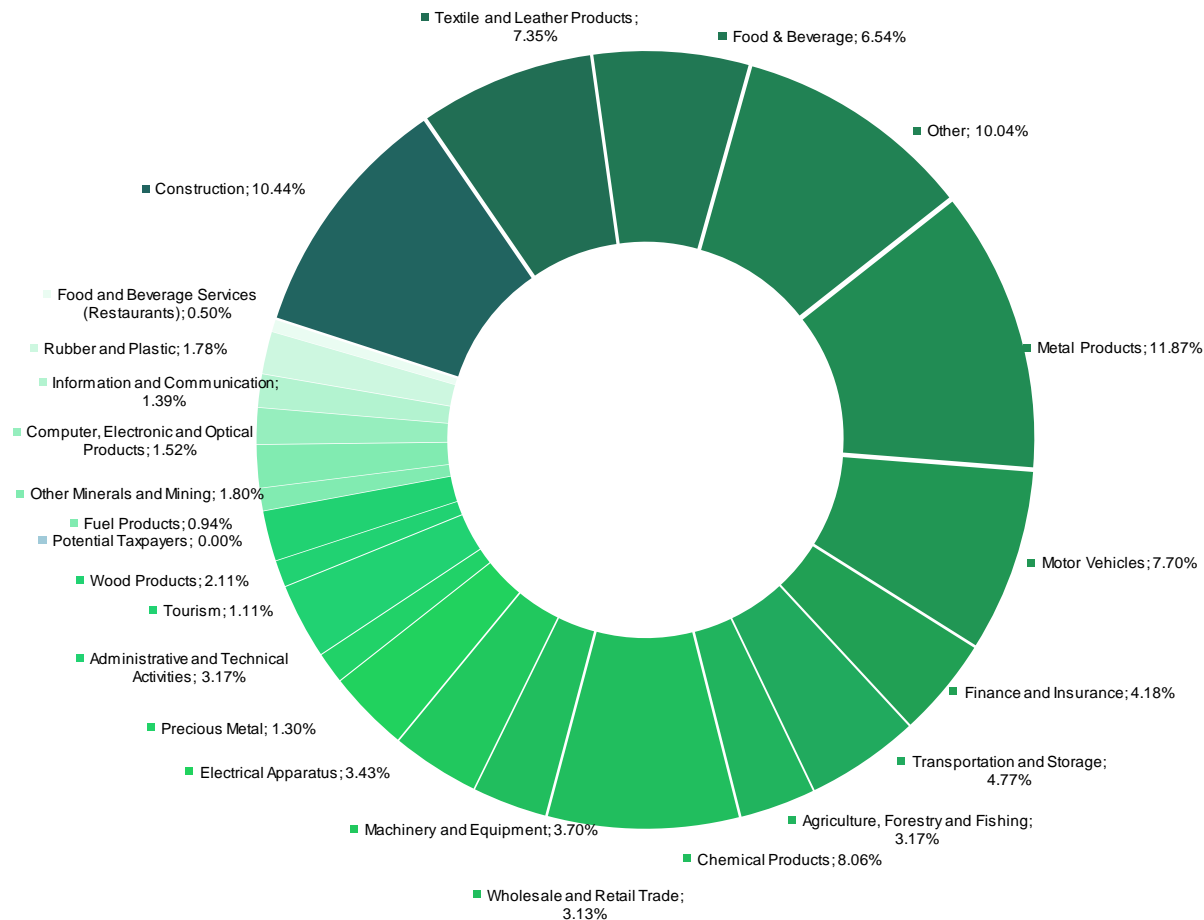
## Breakdown of Retail Loans



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# Maintained well-diversified loan portfolio(\*)



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

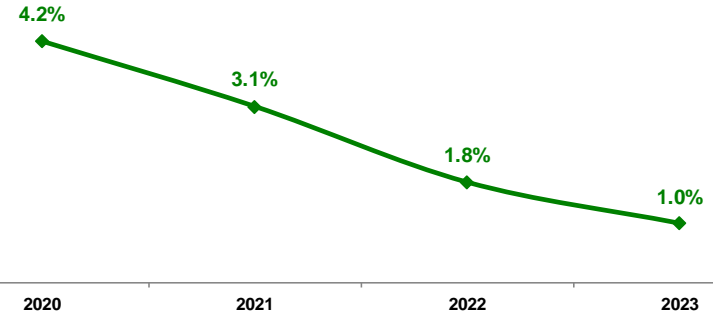


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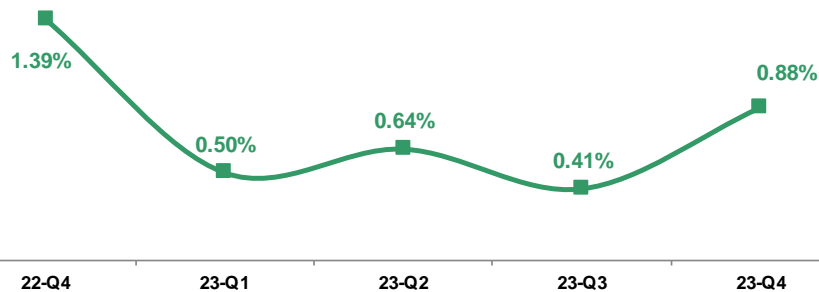
# Improved asset quality on the back of a Prudent provisioning policy

- **Decreasing NPL trend & conservative provisioning policy**
- NPL ratio has decreased by 0.8% between 2022 and 2023 while the provisions for loans increased to TL 6.7bn as of 31 December 2023 from TL 5.0bn as of 31 December 2022
- **Low cost of risk as a result of prudent & proactive risk management**

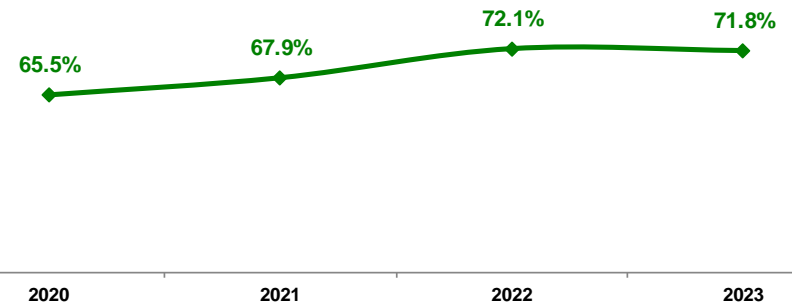
### NPL Ratio



### Cost of Risk



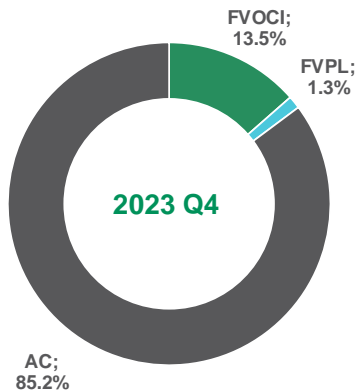
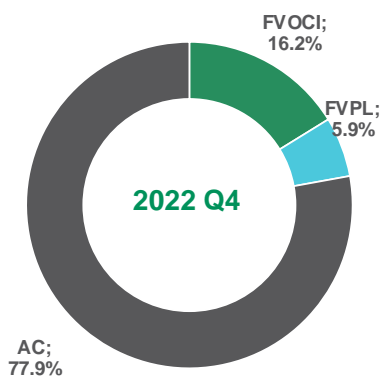
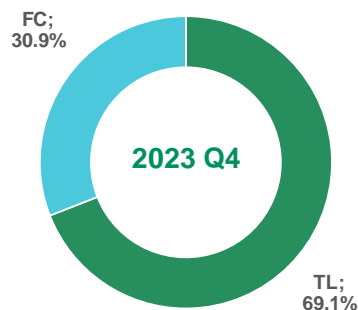
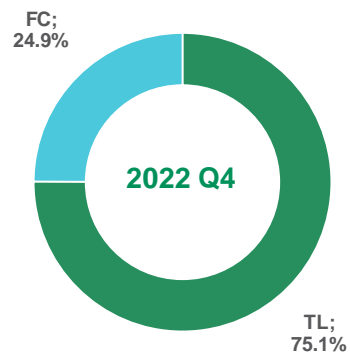
### Coverage Ratio



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# Relatively higher CPI linkers in MS portfolio

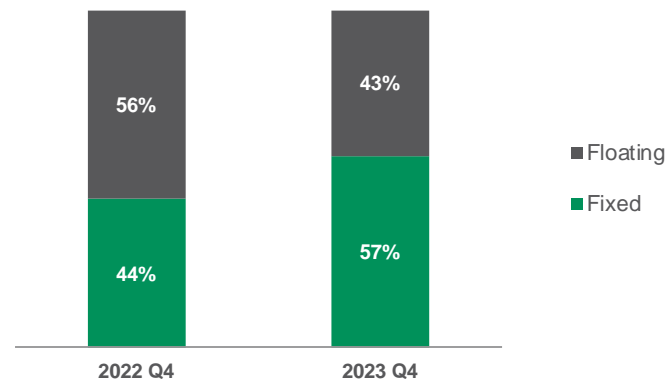
## Total Securities Compositions



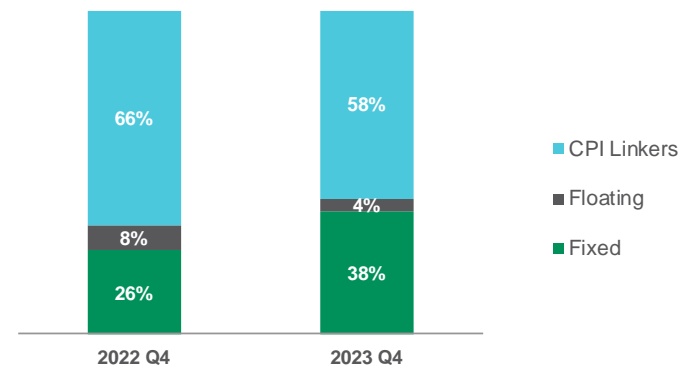
FVOCI: Financial Assets at Fair Value Through Other Comprehensive Income  
 FVPL: Financial Assets at Fair Value Through Profit or Loss excluding Equity Shares  
 AC: Financial Assets Measured at Amortised Cost

## Interest Rate Compositions

### Total Securities



### TL Portfolio

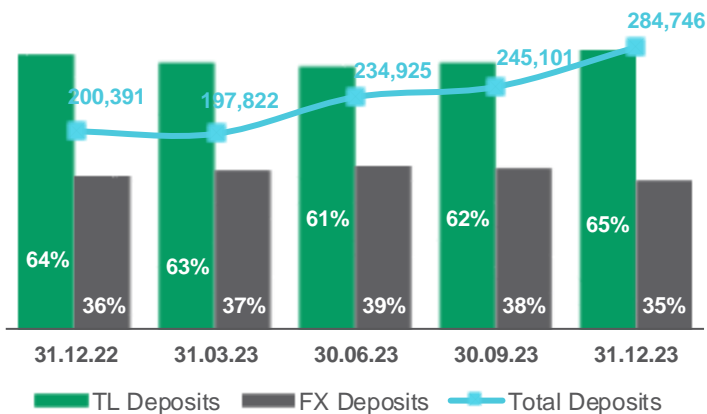


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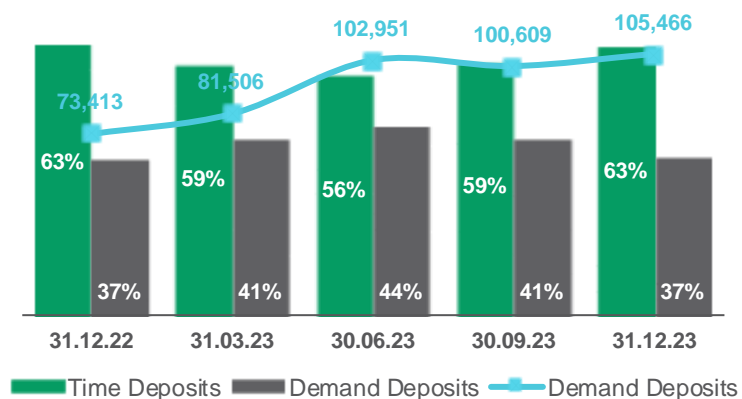
# Strong growth in customer deposits

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

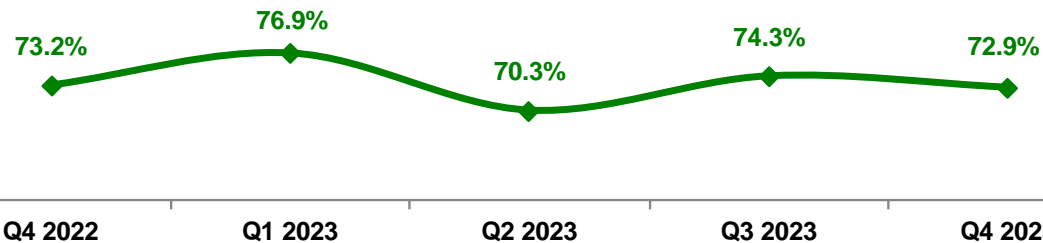
### TL/FX Deposit Compositions



### Time/Demand Deposit Compositions



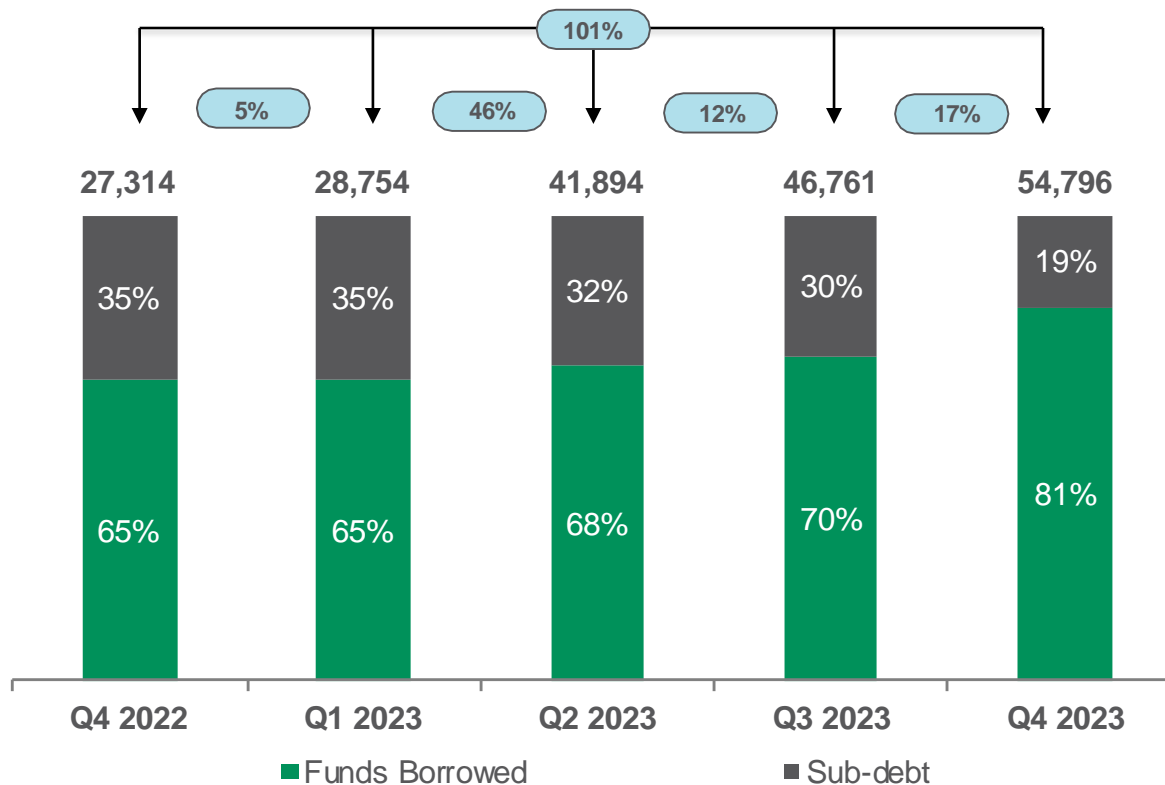
### Loan / Deposit Ratio



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# Healthy funding mix

Wholesale Borrowing By Type

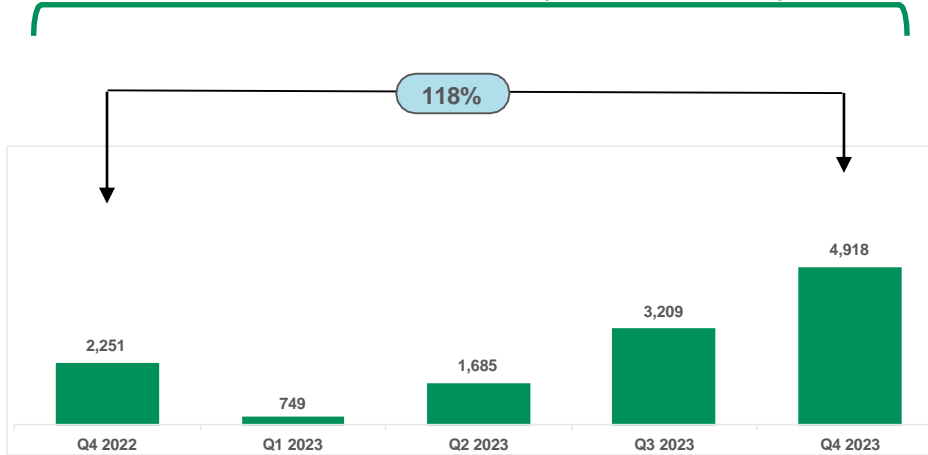


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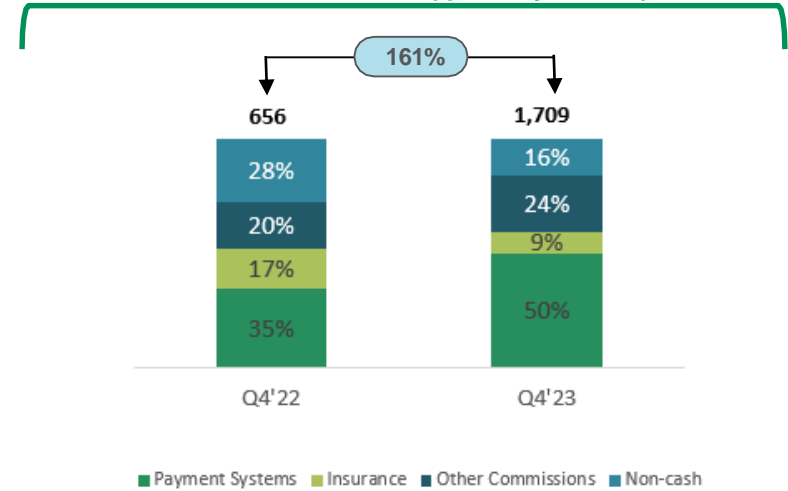
# Improved Cost Income due to higher NBI & OPEX management

Successful cost control resulted in a good C/I ratio at 43.54%, despite upward pressures on costs from inflation and TL's depreciation

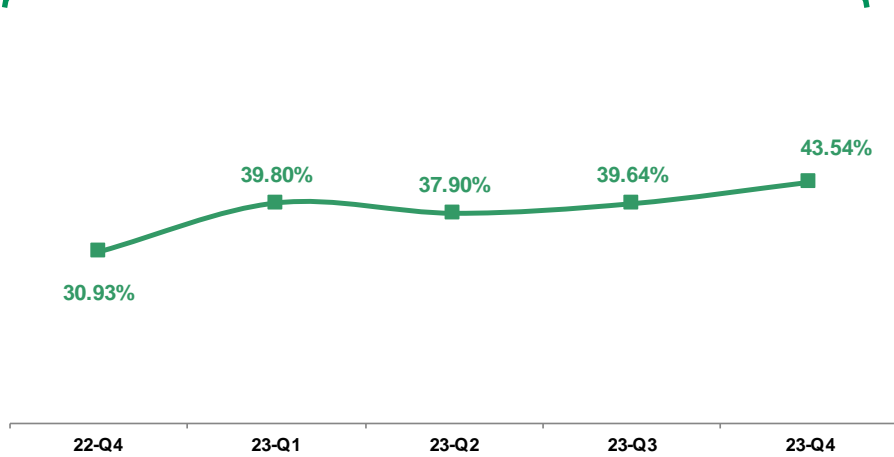
Net fee & Commissions (cumulative, TL mn)



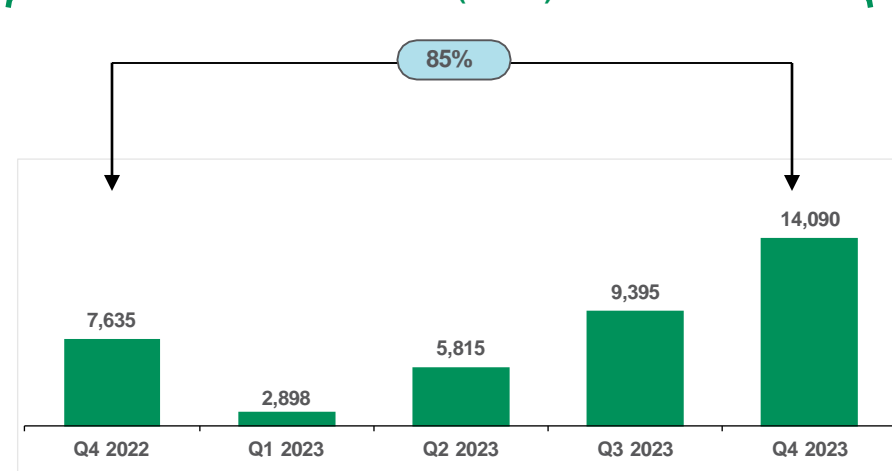
Net fee & Commissions (quarterly, TL mn)



Cost / Income



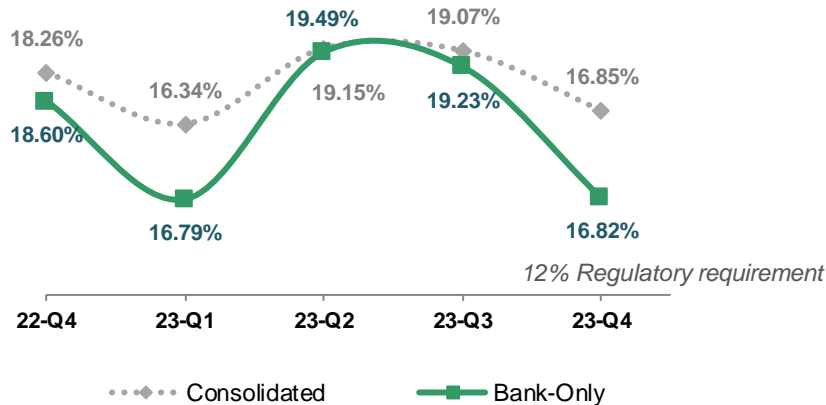
OPEX / TL (TL mn)



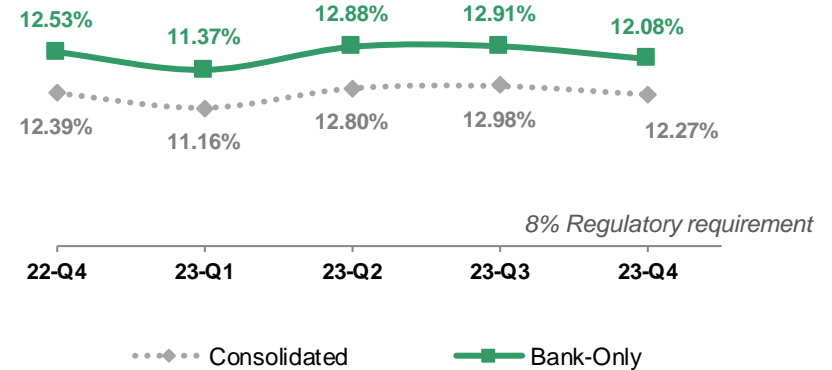
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# Strong Capitalisation with regulatory capital in excess of minimum requirements

## 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.



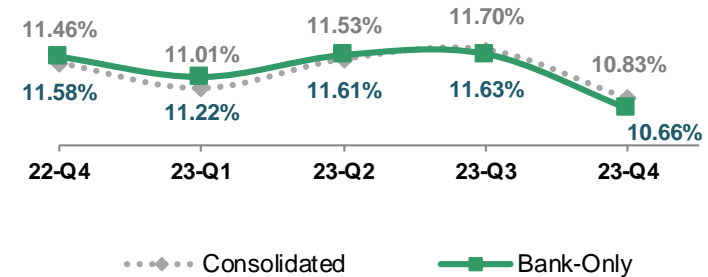
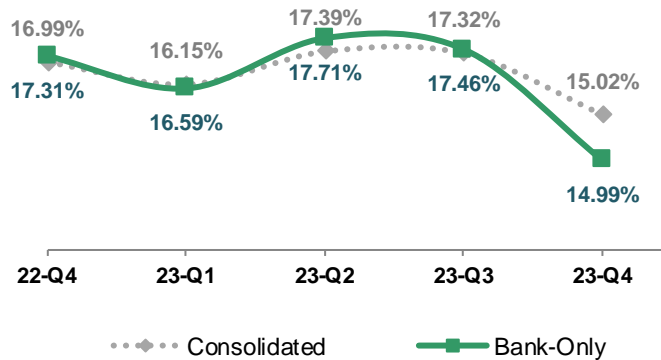
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# Strong Capitalisation with regulatory capital in excess of minimum requirements

## CAR w/o Forbearance

## CET1 w/o Forbearance

Strong capital buffers well above regulatory limits even without forbearance

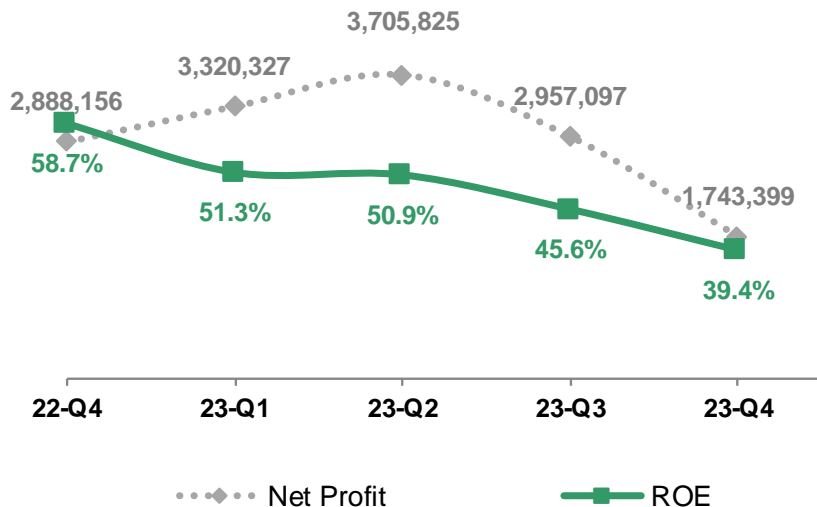


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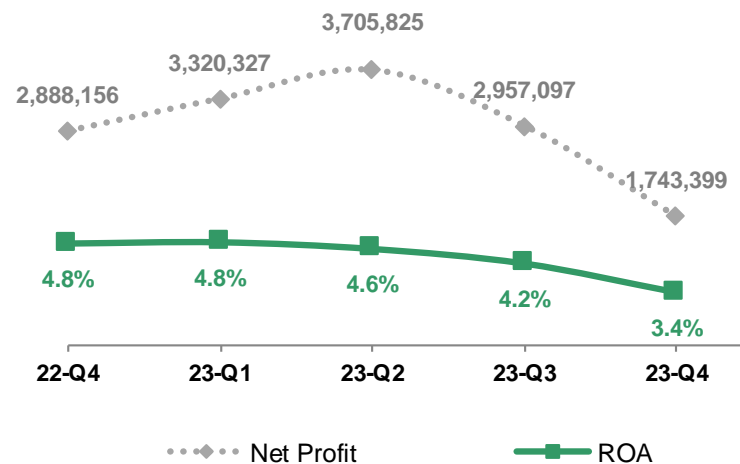


# Return On Equity / Asset

## ROE



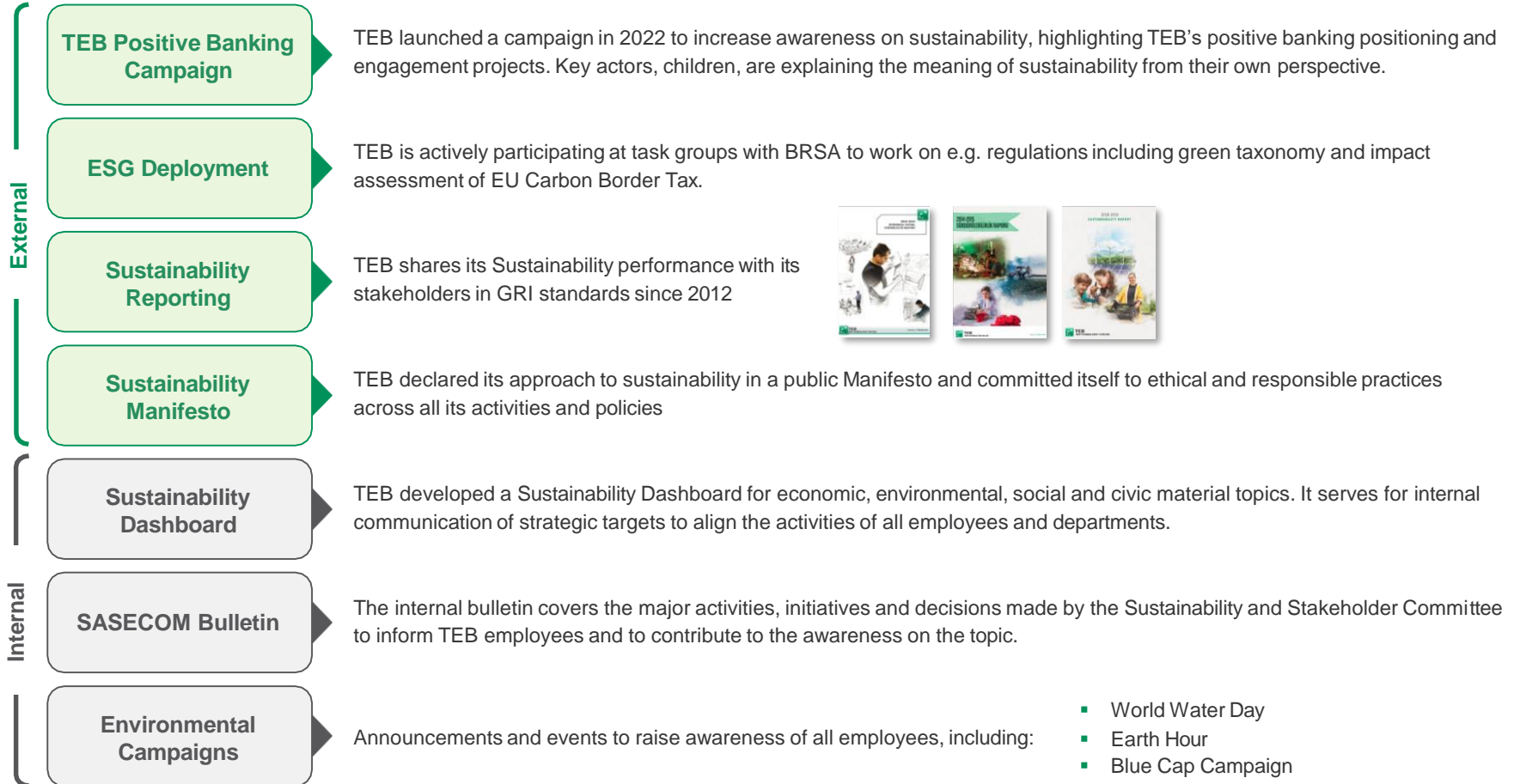
## ROA



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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 2023-Q4

## Client Base

**11% YOY increase** in active mobile clients, **2.82 million mobile active** clients

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

**47%** of bank's new customers acquired through **digital onboarding**

## Migration Ratio

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

**87%** personal loan sold through digital channels

**28%** of credit cards sold through digital channels

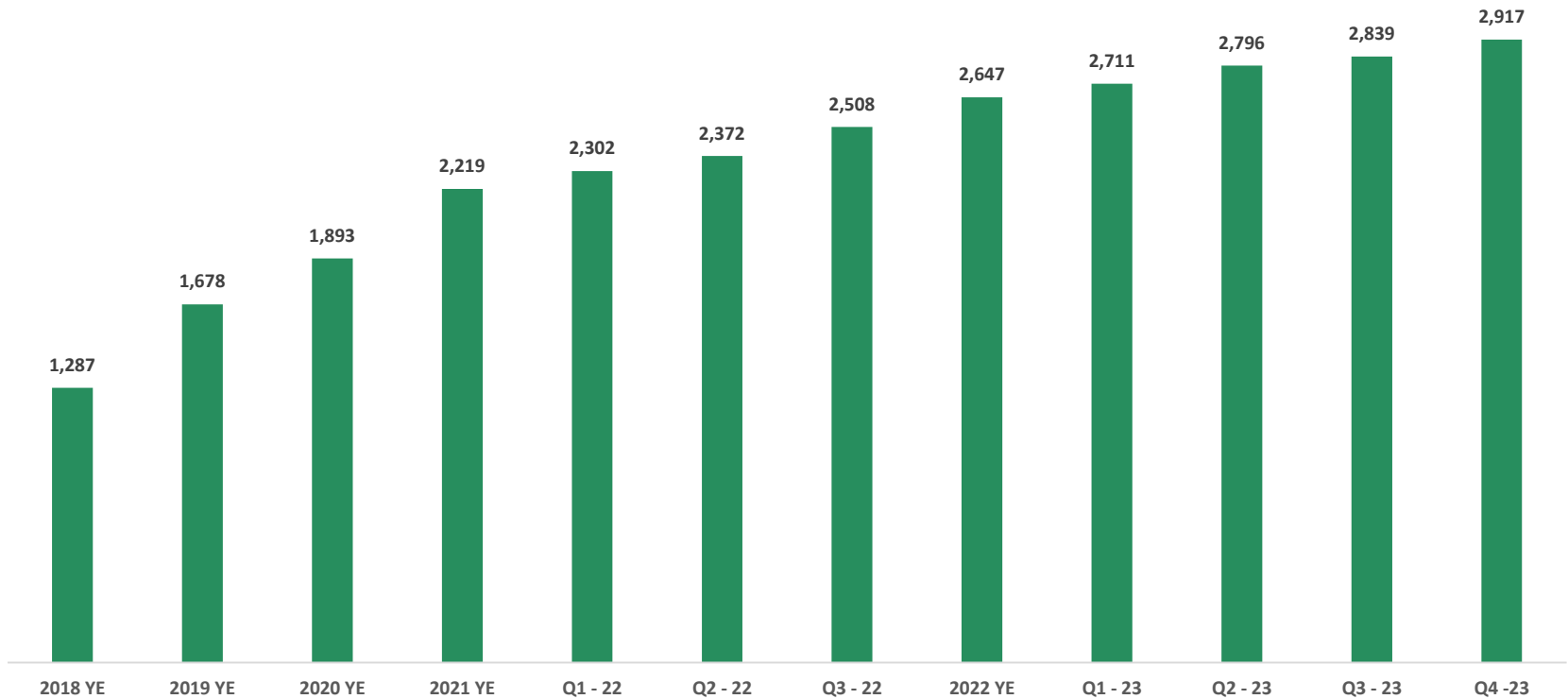
## ATM Network

# of ATM **1,577** with **2,98%** market share



# Digital Banking in 2023-Q4

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



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