



Recent Developments and Financial Updates

Investor Presentation

March 2021

No

Agenda

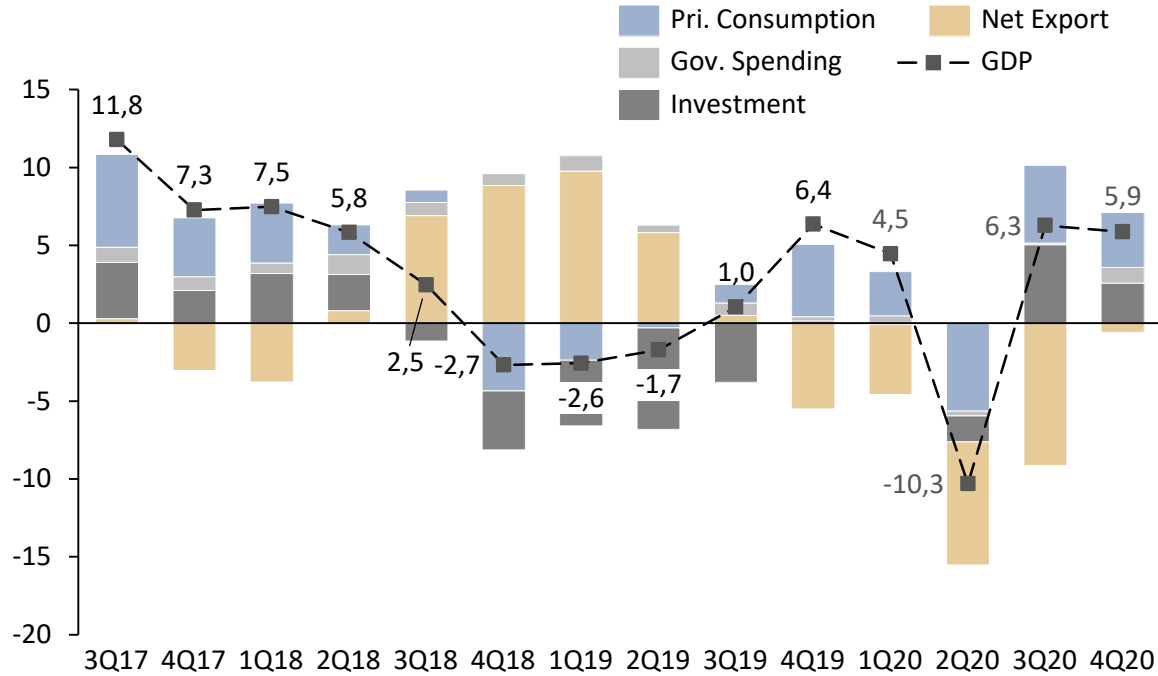
1 Economic Outlook

2 Financial Outlook

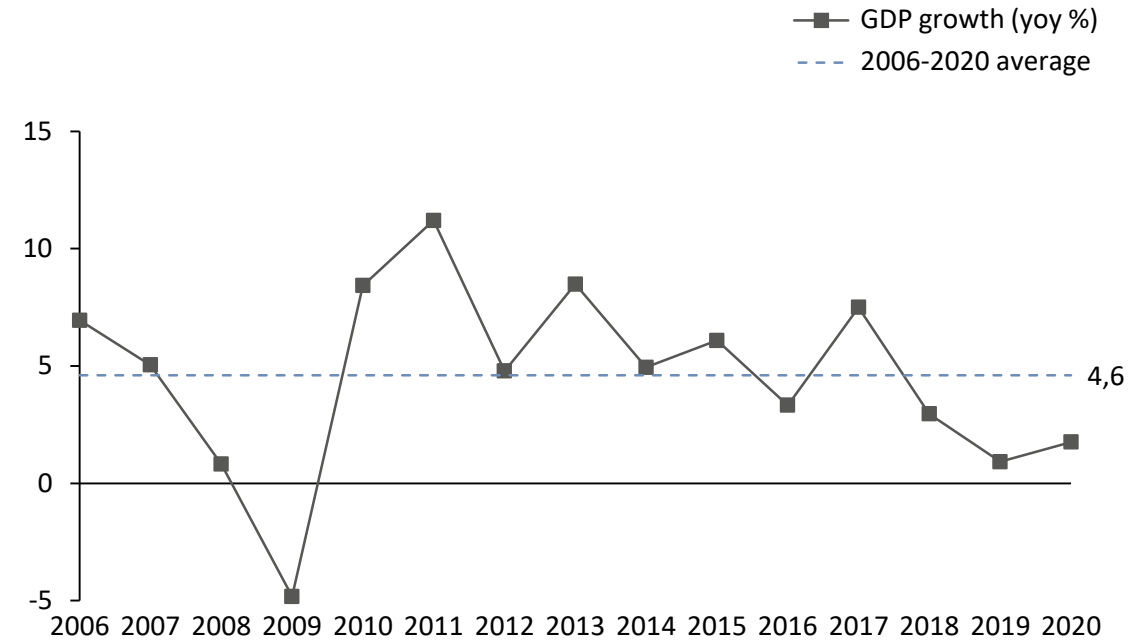
1 | Economic Outlook

Turkey's Economic Performance

Contribution to GDP Growth (pp)



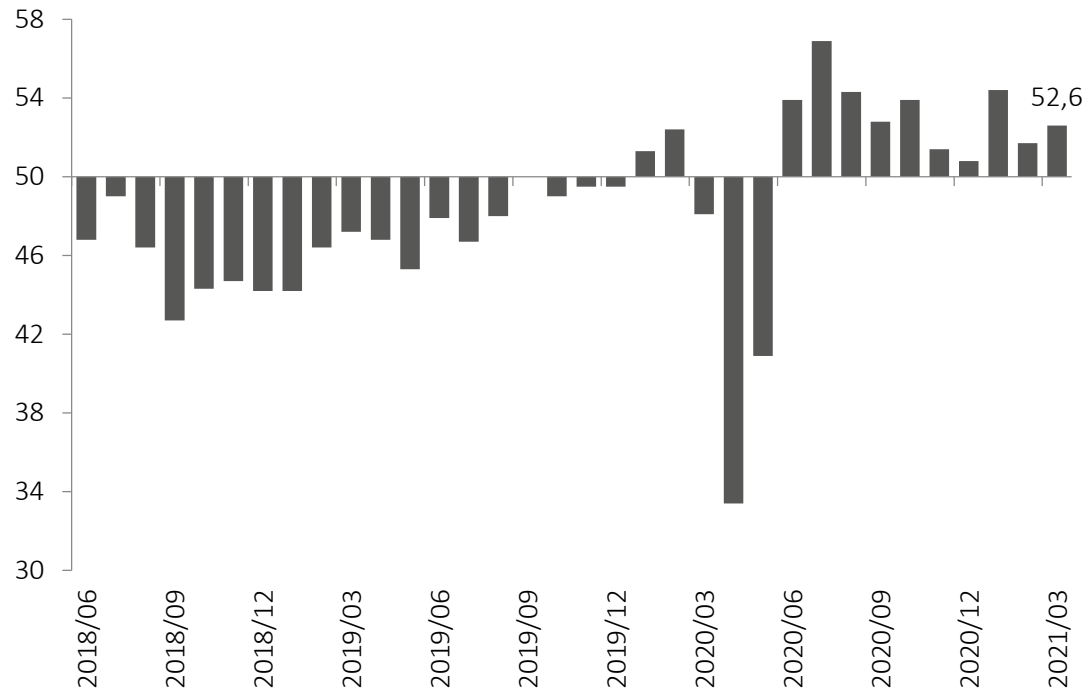
LT GDP Growth (pp)



- In 2020 GDP grew by 1,8%, lower than Turkey's long-run average (2006-2020). Growth was driven by private consumption by 4,7 pp.
- In the fourth quarter of 2020, Turkish economy grew by 5,9% because of increased economic activity.
- It is expected that Turkish economy record a positive growth in 2021.

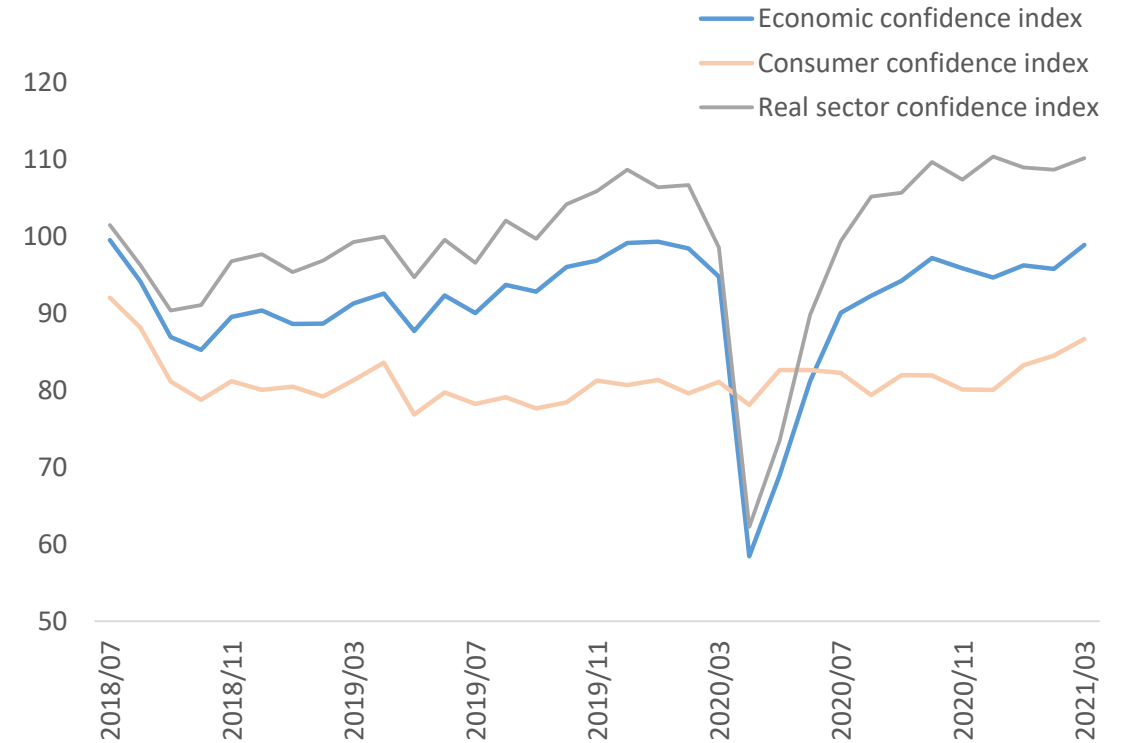
Leading Indicators

Manufacturing Purchasing Managers' Index



- In March 2021, the PMI for the manufacturing sector rose to 52,6 with increasing economic activity

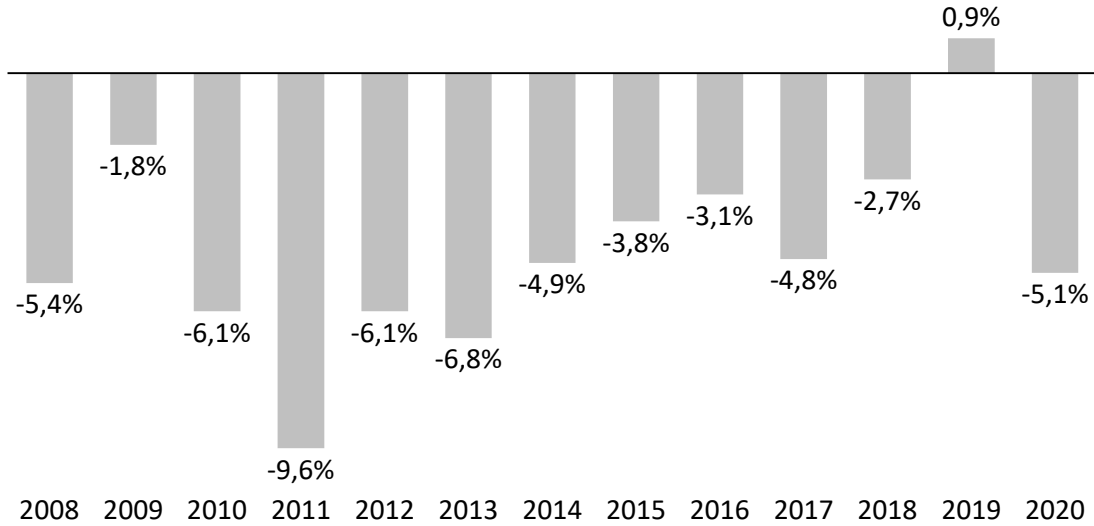
Confidence Indices



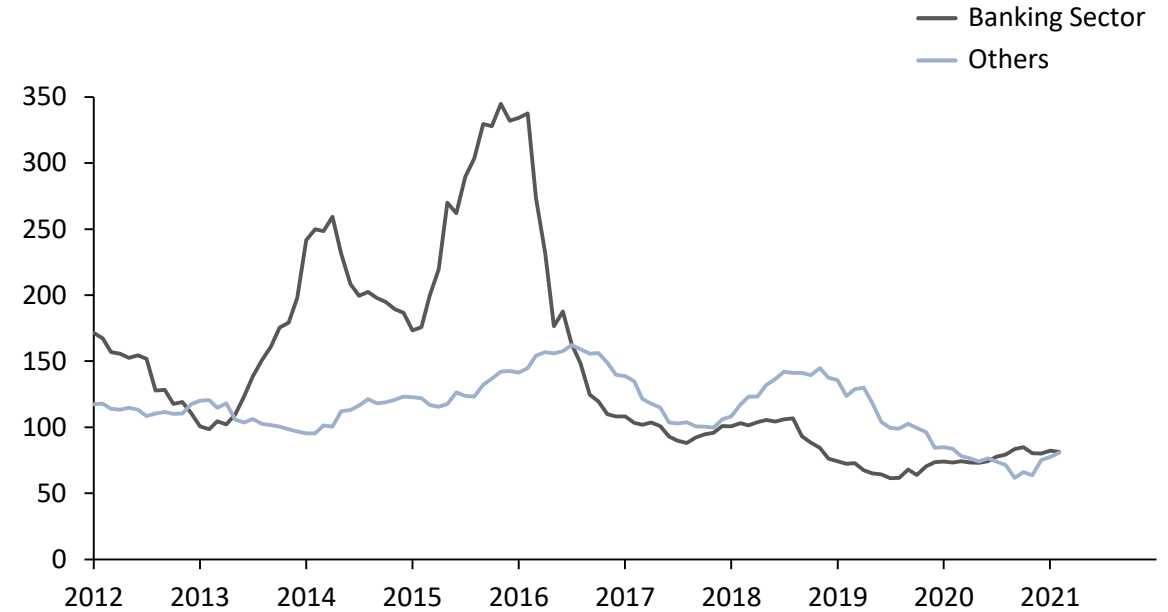
- Confidence indexes imply signs of recovery

Balance of Payments

Current Account Balance (% of GDP)



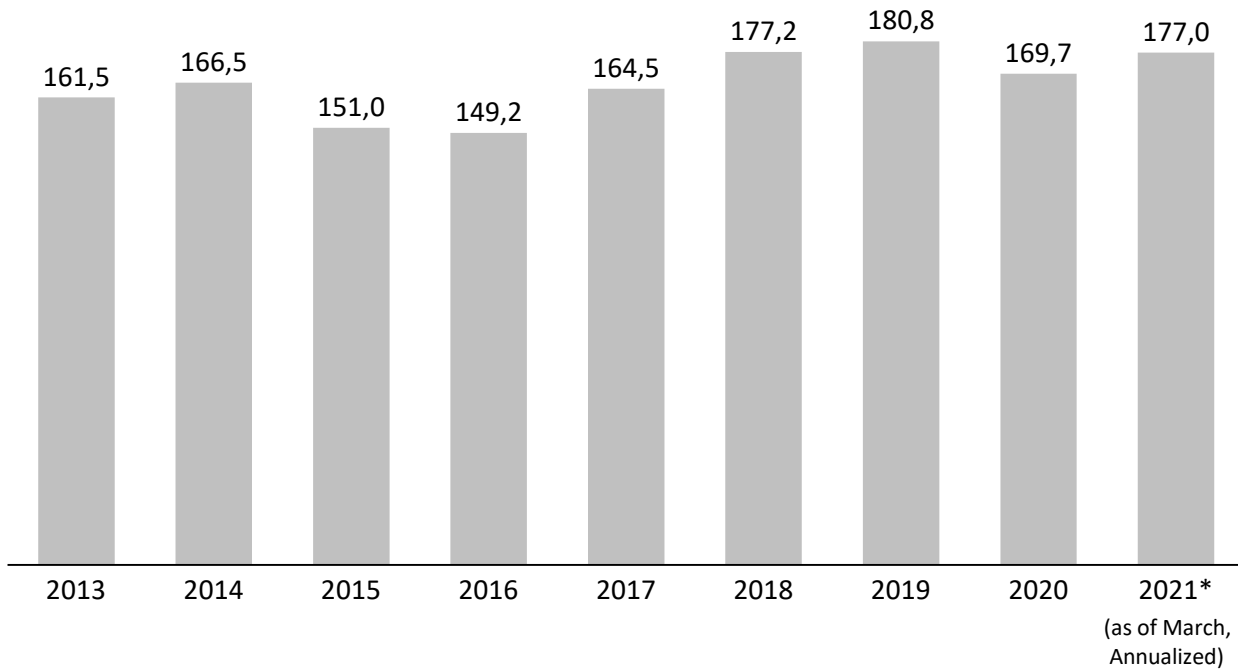
Long Term External Debt Roll-over Ratio (%)



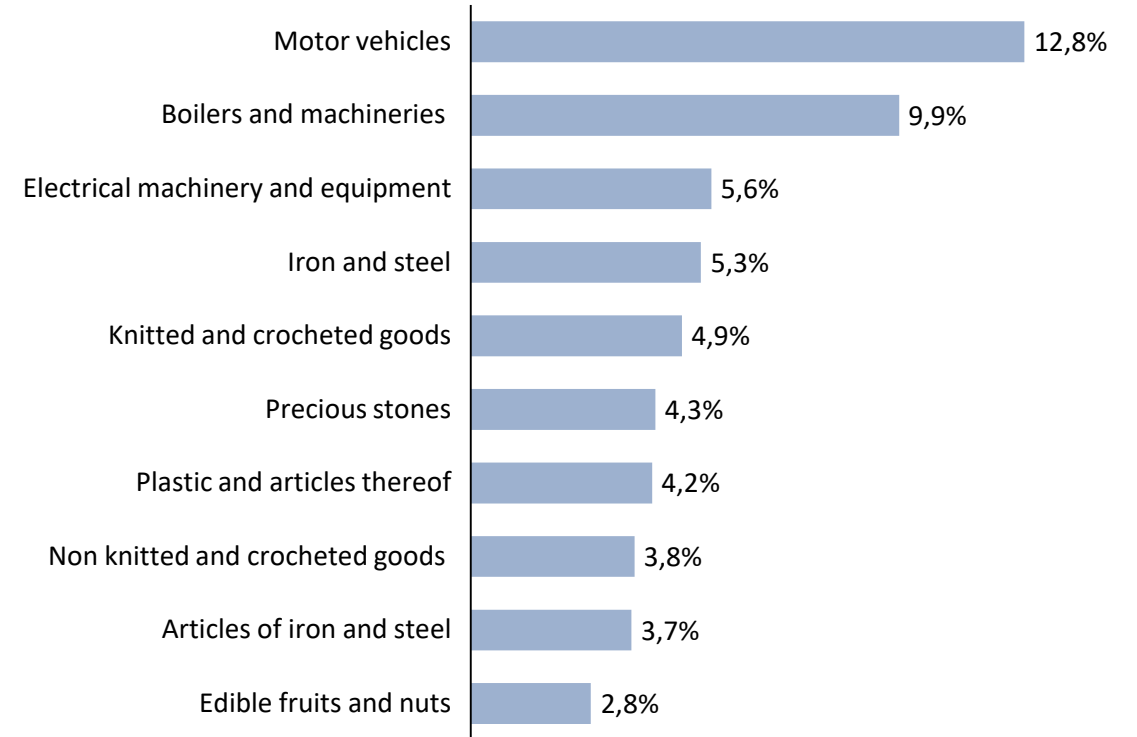
- Current account deficit to GDP was at 5,1% as of 2020.
- 12-month cumulative long-term roll-over ratio of the banking sector and other sectors is 81,4% and 80,9% respectively as of February 2021.

Foreign Trade

Exports (USD BN, GTS¹)



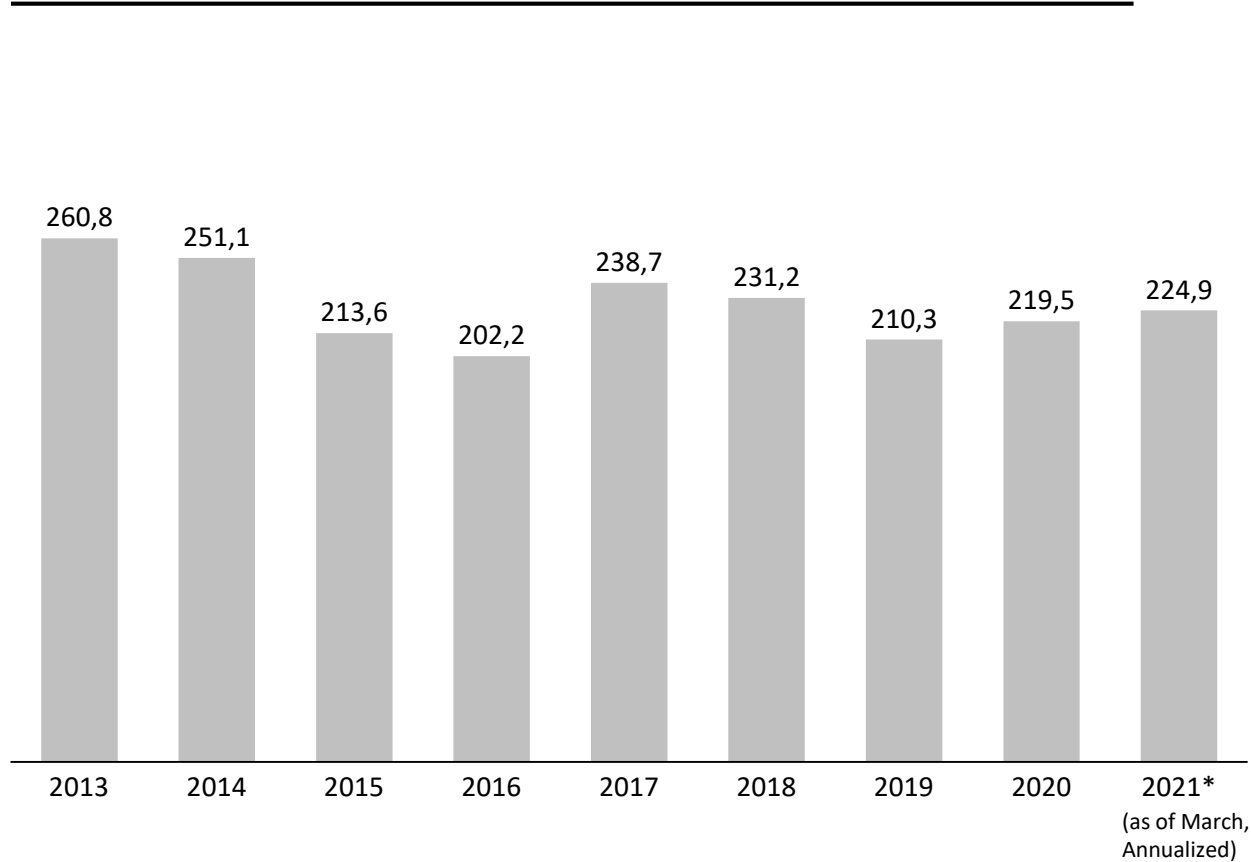
Export of Goods (as of March 2021, Annualized)



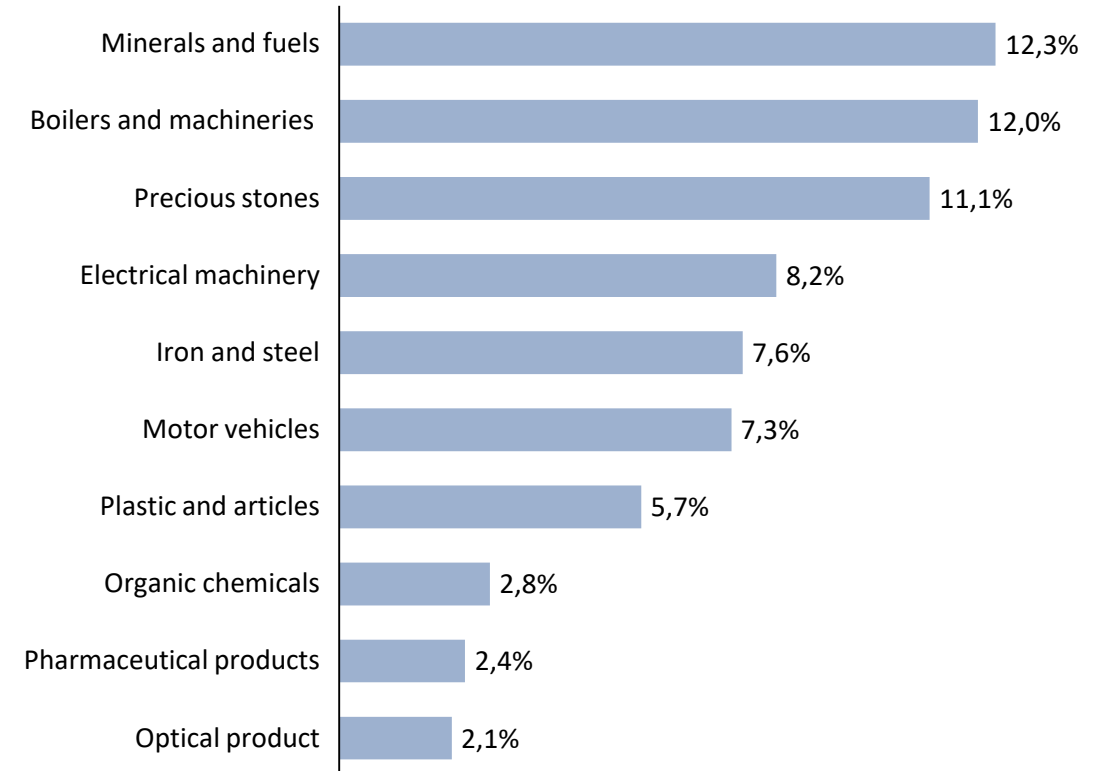
(1) General Trade System (GTS)

Foreign Trade

Imports (USD BN, GTS¹)



Import of Goods (as of March 2021, Annualized)

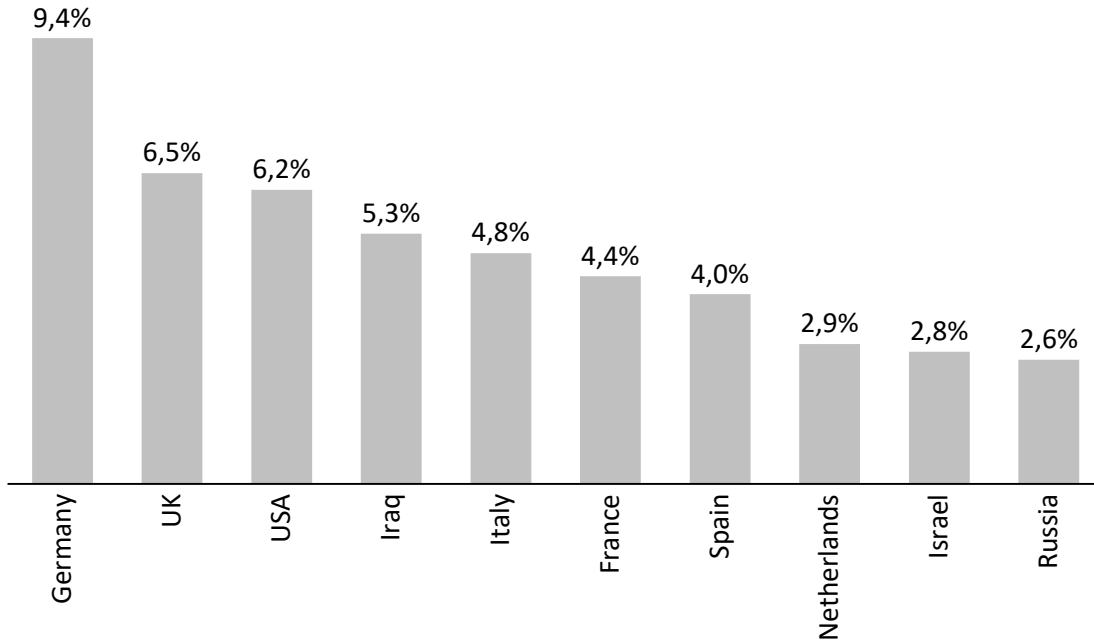


(1) General Trade System (GTS)

Foreign Trade

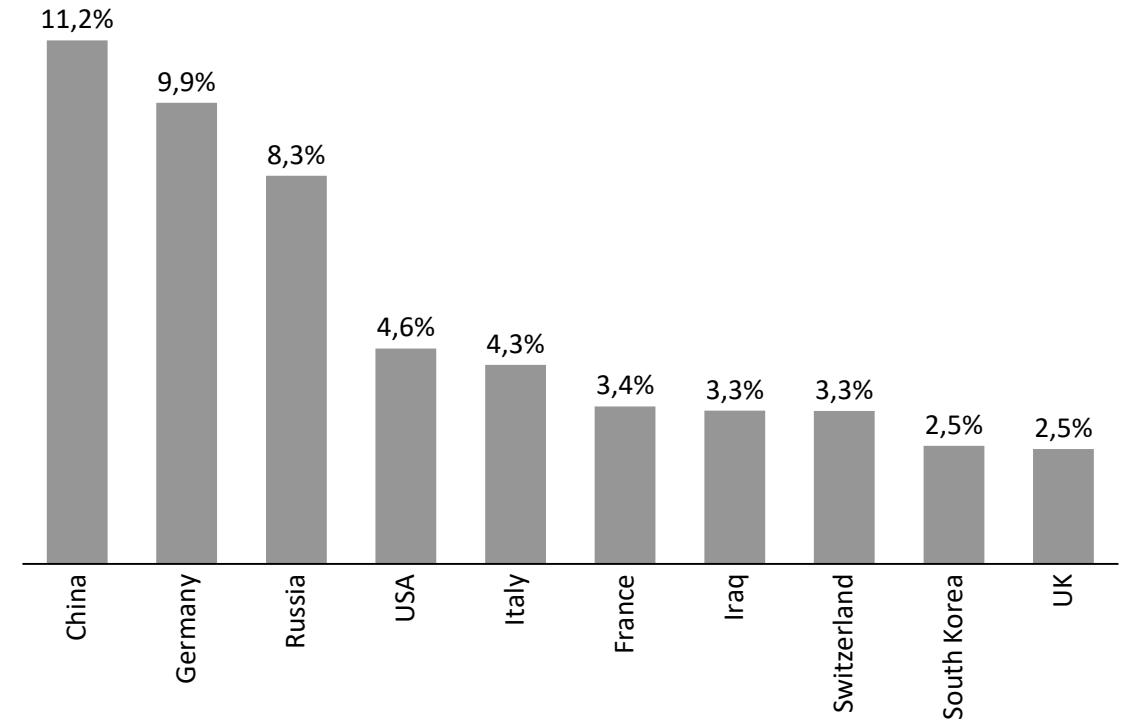
Export – Top 10 Markets

as of March 2021, Annualized - Share



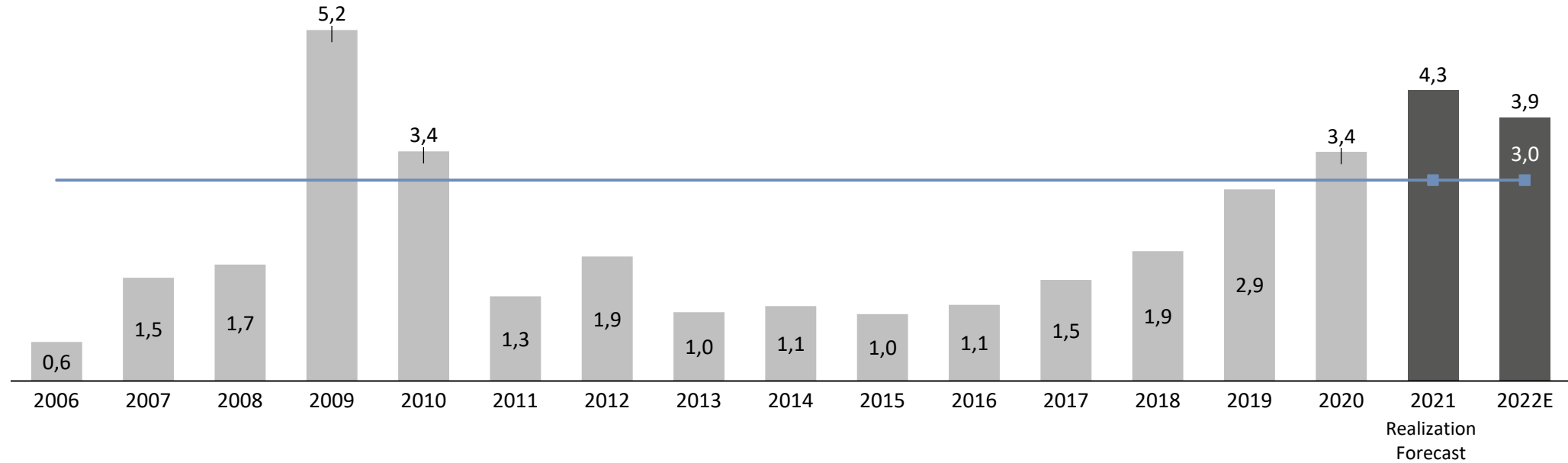
Import – Top 10 Markets

as of March 2021, Annualized - Share



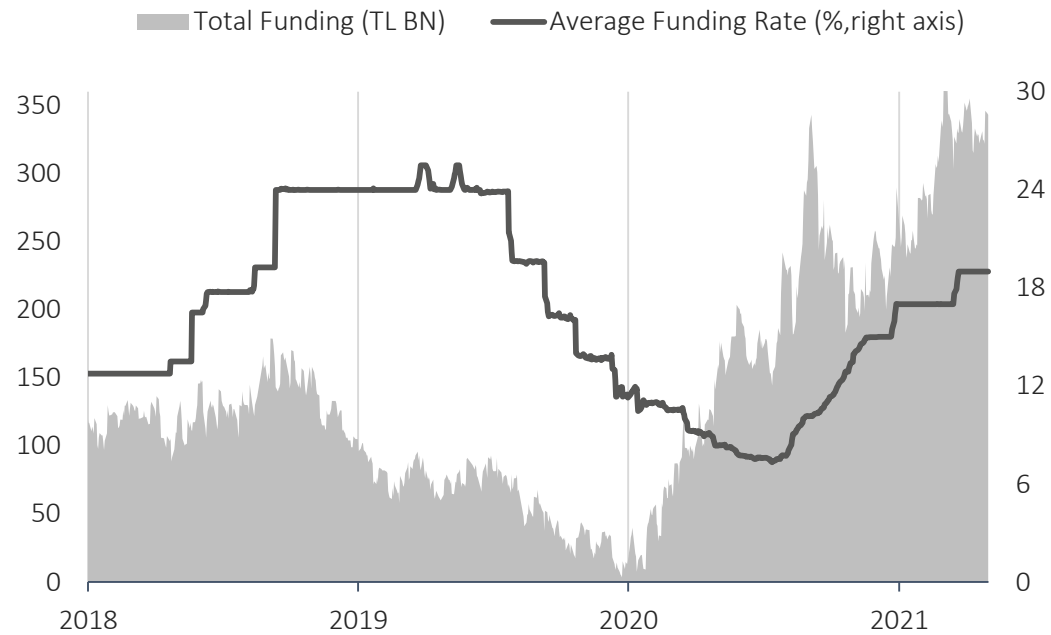
Central Government Budget Deficit (% of GDP)

Central Government Budget Deficit (% of GDP)
 NEP Forecast



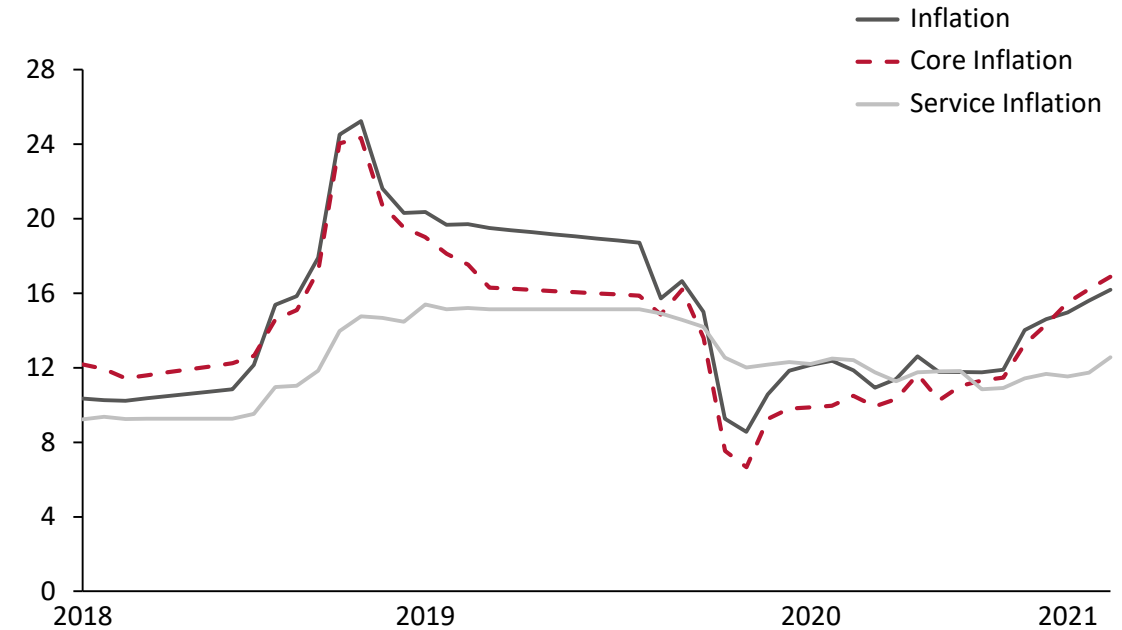
- In 2020, budget realizations were in line with the estimates of the New Economy Program (NEP).

CBRT Funding Amount and Avg. Funding Rate



- CBRT increased its policy rate (one-week repo auction rate) from 17 percent to 19 percent in March meeting.
- The weighted average funding rate occurred at 19 percent as of 4th May 2021.

Annual CPI Inflation (%)

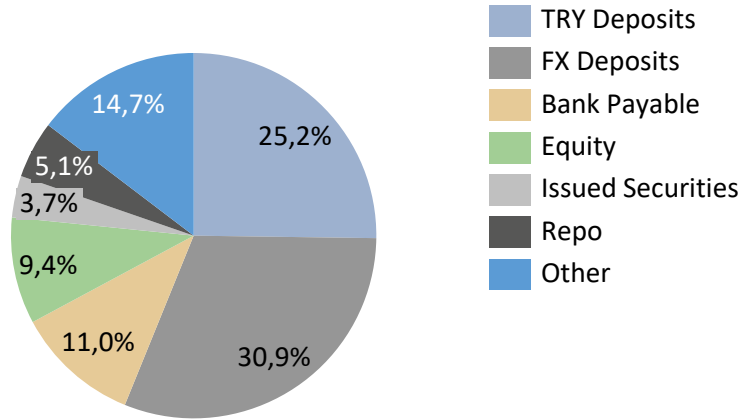


- Annual CPI inflation became 16,2% in March 2021.

Banking Sector

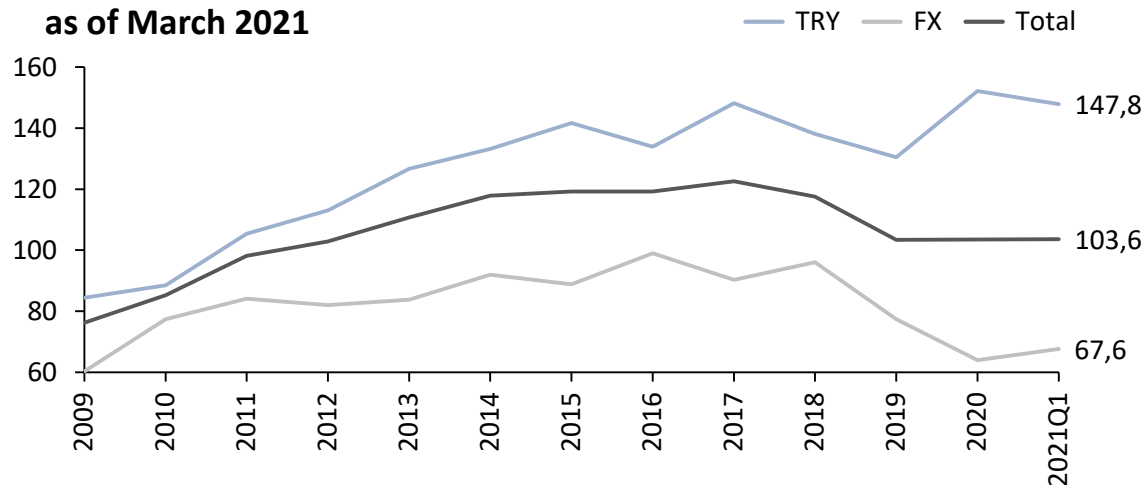
Composition of Banking System Liabilities

as of March 2021



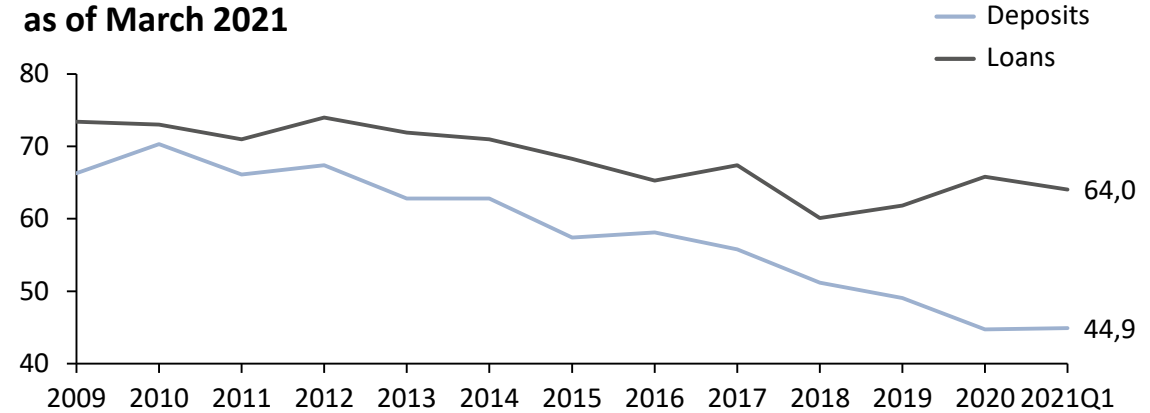
Loan to Deposit Ratio - LDR (%)

as of March 2021



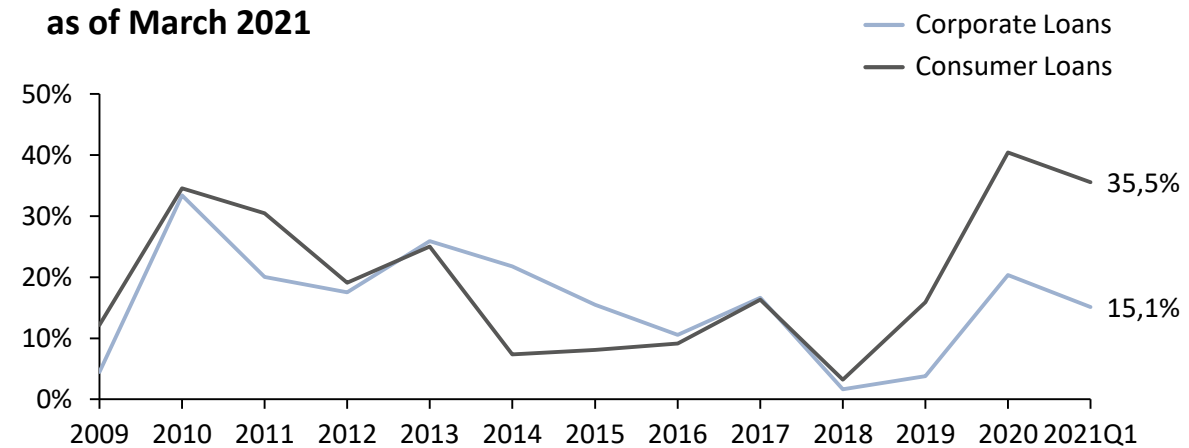
The Share of TRY in Loans and Deposits (%)

as of March 2021



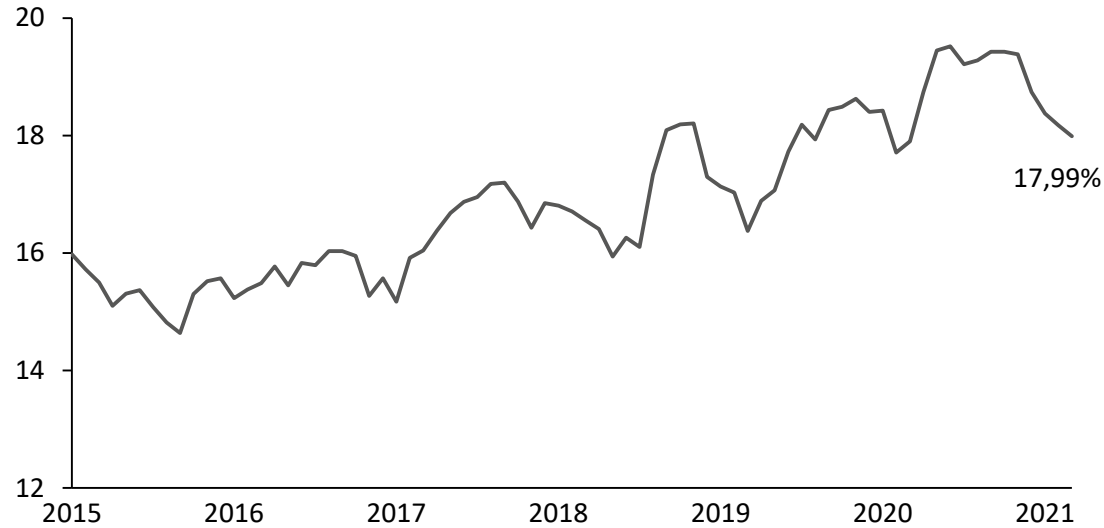
Loan Growth Rates (yoy %, excluding parity effect)

as of March 2021



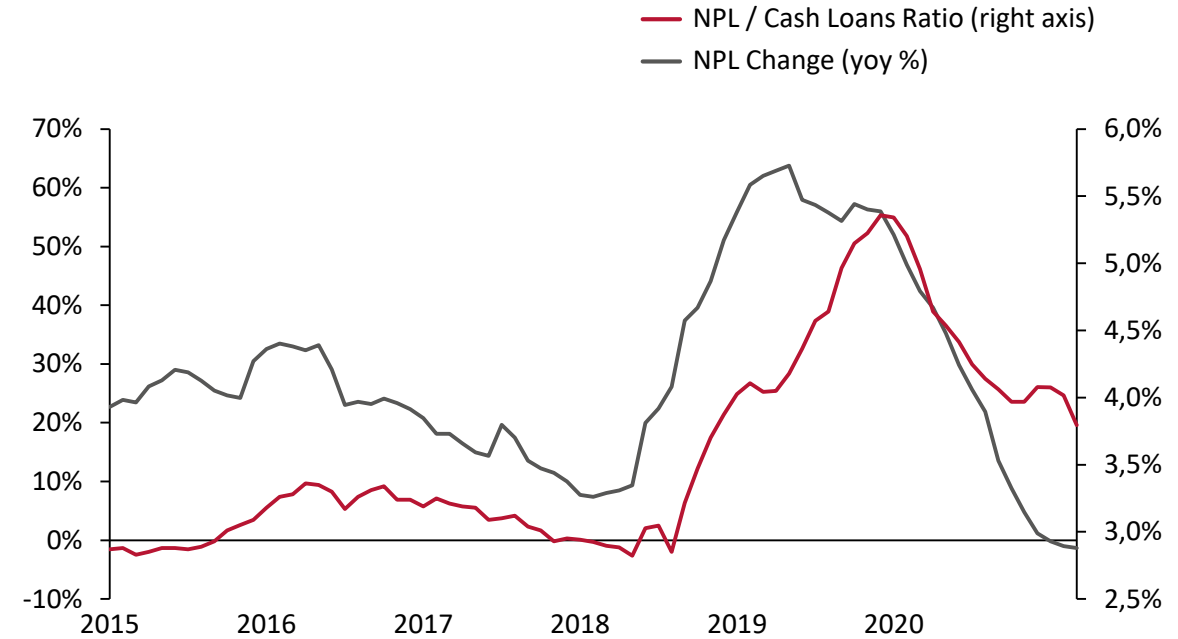
Banking Sector Capital

Capital Adequacy Ratio



- The sector maintained a strong capital base, with a capital adequacy ratio in compliance with Basel III at 17,99% according to the BRSA as of March 2021.

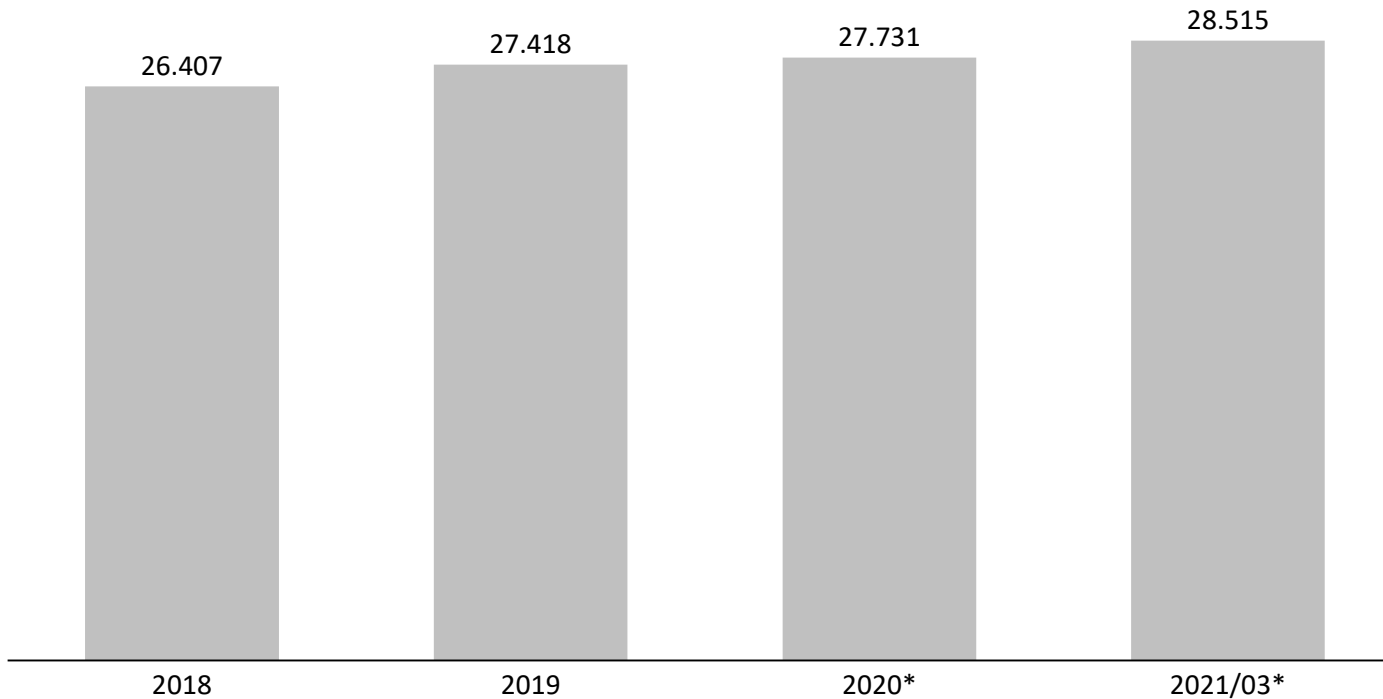
Non Performing Loans To Cash Loans Ratio



- NPL's have improved thanks to government actions.

2 | Financial Outlook

Total Asset Size of Türk Eximbank (USD M)



- The official Export Credit Agency of Turkey
- 100% ownership by the Ministry of Treasury & Finance
- Türk Eximbank supports the Turkish Economy as part of the government's export-led growth policy. In the first quarter of 2021, it supported 22,4% of Turkish exports
- Easy access to credit programs for exporters via 22 branches and 10 liaison offices in addition to headquarter in Istanbul and three regional directorates
- Involved in both direct lending and insurance/guarantee activities, Türk Eximbank aims to offer a “one-stop shop”

Note: Exchange rate: USD/TRY 8,3137 (2021/03), 7,3647 (2020/12), 5,9407 (2019/12), 5,2801 (2018/12)

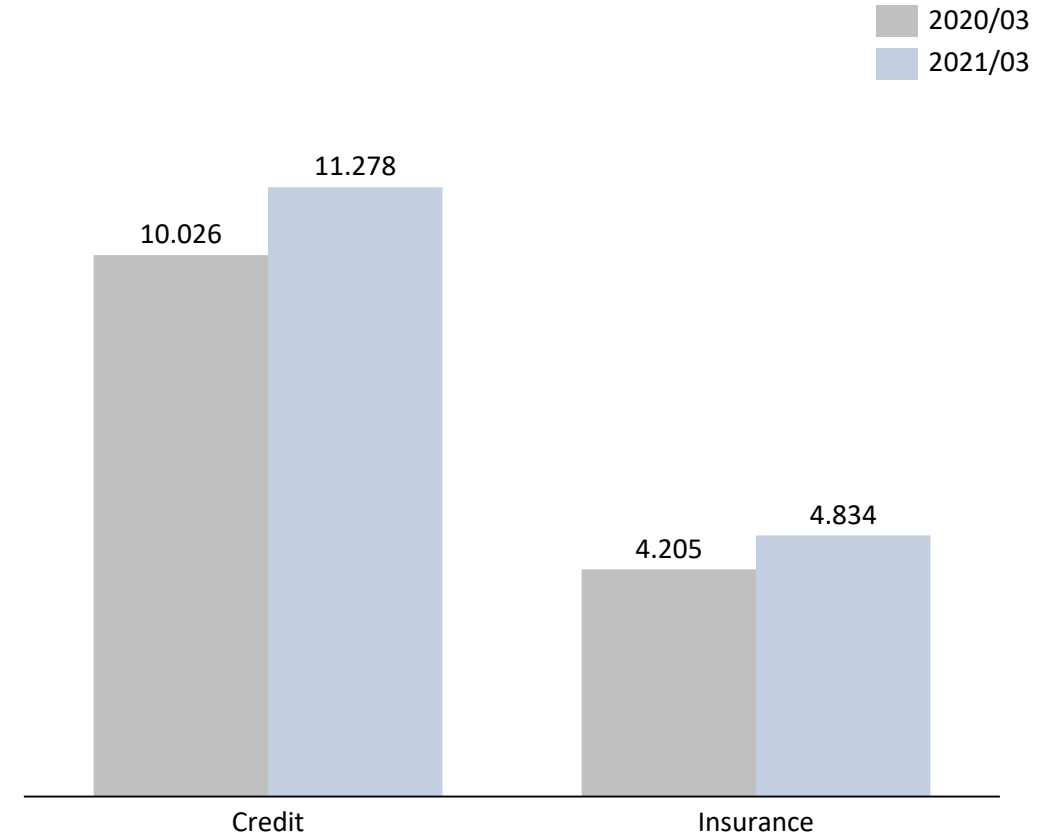
* Türk Eximbank Securities have been netted for the relevant periods.

Source: Türk Eximbank 2018/12, 2019/12, 2020/12, 2021/03 BRSA Financial Reports

Financial Support To Total Export



Number Of Companies



- Losses incurred by Türk Eximbank under the credit, guarantee and insurance programs due to political risk are covered by the Ministry of Treasury & Finance
- Exempt from Corporate Tax and Stamp Tax
- Exempt from reserve requirement ratio
- The Ministry of Treasury & Finance guarantee for borrowings from supranational institutions such as World Bank and EIB
- In December 2020, Türk Eximbank's paid-in capital has been increased with retained earnings (TRY1,360M) and cash injection (TRY750M) from TRY7,16BN to TRY9,27BN
- Rated* B2 (negative) by Moody's; B+ (stable) by Fitch

* Türk Eximbank's ratings were revised by Moody's on September 15, 2020 and by Fitch on February 26, 2021.

Short, Medium & Long Term Export Credits

Short Term Export Credits

- Central Bank's rediscount facility accounting for 66,7% of total loans as of 31 March 2021
- Short-term indirect lending via 31 of Turkey's 54 banks
- Direct short-term credits – collateralized by Turkish banks or Credit Guarantee Fund

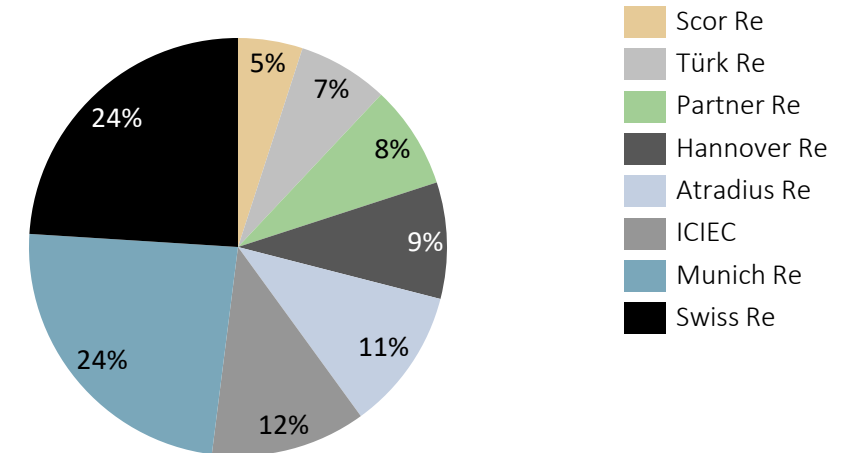
Medium and Long Term Export Credits

- Accounting for 28% of total loans as of 31 March 2021
- Buyers' Credits to the importing countries of Turkish goods and services comply with OECD Arrangement rules
- Fixed Capital Investment and Working Capital Loans

Insurance

- Export credit insurance against commercial and political risks
- Holding 40% of the commercial risks out of 90% shipment coverage amounting to USD1.572M¹ as of 31 March 2021

Reinsurance Panel 2021

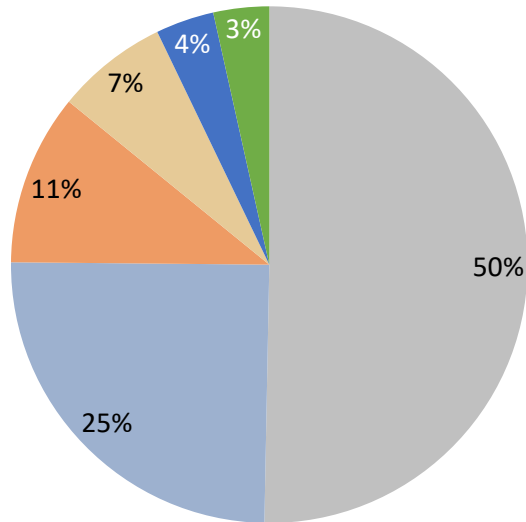


(1) "Other Guarantees" under off-balance sheet commitments (Exchange rate: USD/TL 8,3137)

Product and Country Diversification (in Total Loan Volumes)

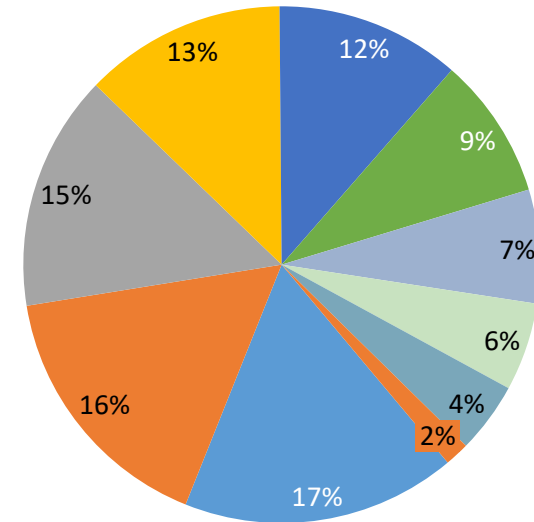
By Destination

- EU
- Other
- Middle East & North Africa
- United States and Canada
- Other European Countries
- Far East and Japan



By Sector

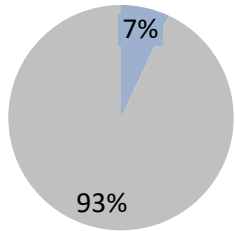
- Logistics and Transportation
- Metal
- Other
- Textile/ Ready-to-Wear/ Leather
- Wholesale Trade and Services
- Food/ Agr./ Livestock
- Motor Vehicles
- Construction and Construction Products
- Chemicals and Plastics
- Machinery / El. Appliances



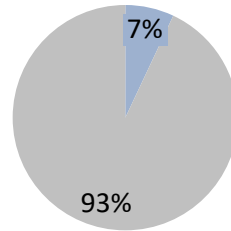
Credit Risk Overview

Loans by Customer Segment/Type

31 December 2020



31 March 2021

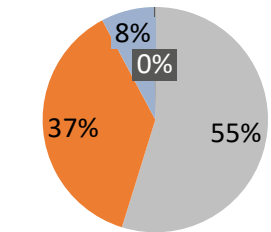


■ Domestic FIs ■ Corporate Customers other than FIs (Guaranteed by banks)

- 20 largest clients represent 26,5% of the loan portfolio as of 31 March 2021 (25,7% as of 31 December 2020)
- Top 20 country risk exposures under export credit insurance programs constituted 68% of total insurance exposure as of 31 March 2021 (69% in the same period of 2020)

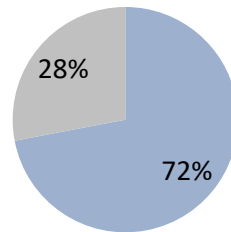
Loans by Currency / Maturity / Direct-Indirect Lending (31 March 2021)

Currency Distribution



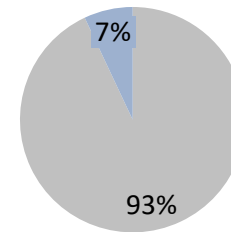
■ Euro ■ TL
■ USD ■ Other FC

Maturity Distribution¹



■ Short Term
■ Medium and Long Term

Direct/Indirect Lending



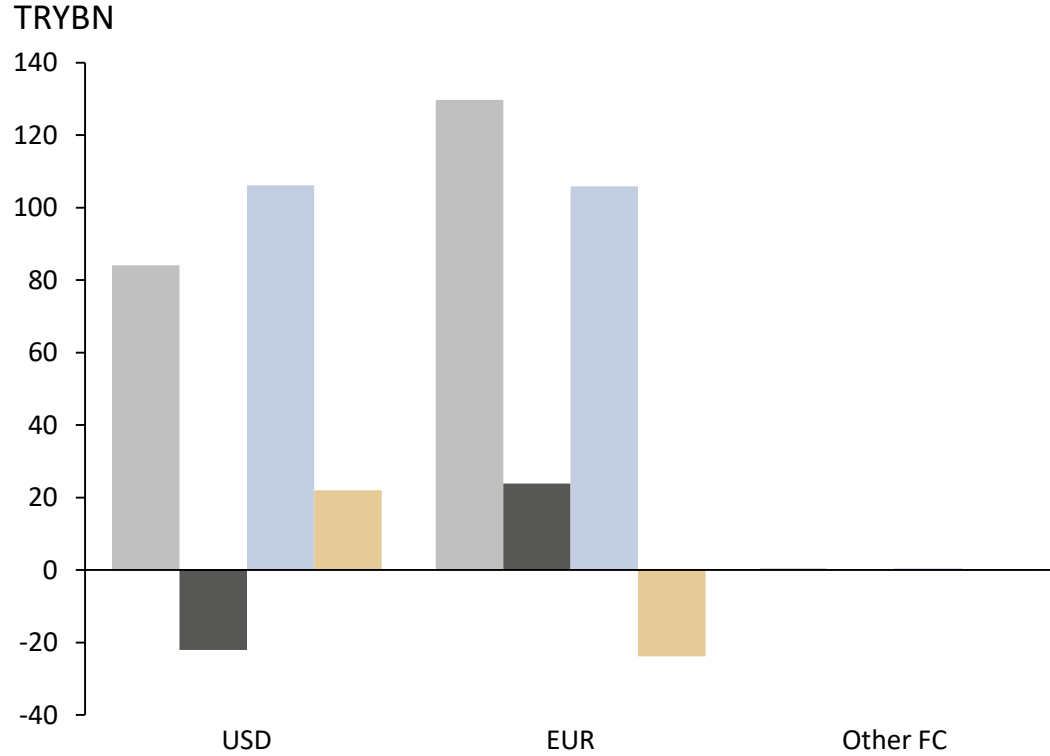
■ Direct Credits
■ Indirect credits

- 92% of loans are Foreign Currency denominated (8% TRY loans)
- 55% and 37% of total loans are denominated in EUR and USD respectively

(1) 0-12 months, Medium & Long Term: 1 year +

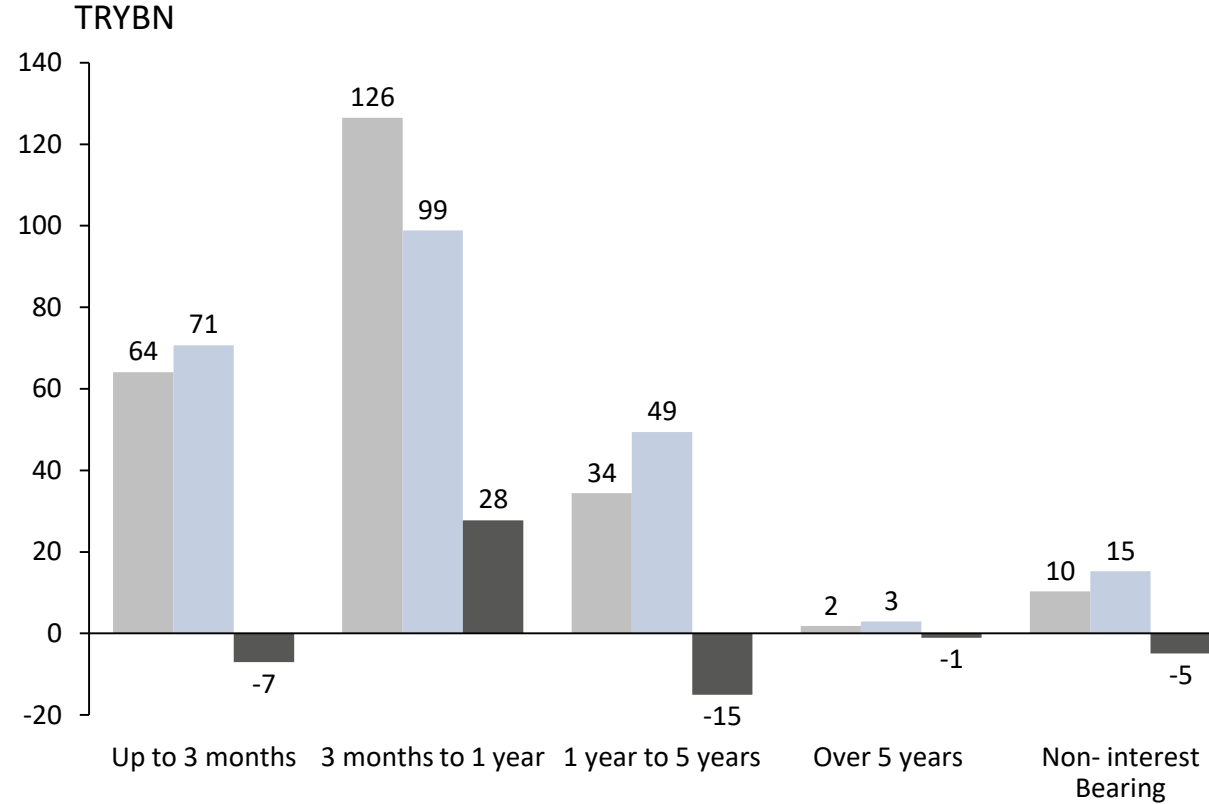
Currency and Interest Rate Risk

Currency Risk



Total Assets
 Total Liabilities
 Net Balance Sheet Position
 Net Off-Balance Sheet Position

Interest Rate Risk (Repricing Analysis)¹



Total Assets
 Total Liabilities
 Total Position of the Bank (Including Off-Balance Sheet Position)

(1) Amounts of the Bank's assets and liabilities, classified in terms of periods remaining to contractual repricing dates

Strong Risk Management Culture

Market Risk

- TRY assets (excluding Rediscount TRY credits) funded by equity
- Maintaining conservative net foreign exchange position ratio (close to square FX position)
- Assets and liabilities matching via cross-currency swaps, interest rate swaps or currency swaps
- Maximum 20% restriction regarding the ratio of floating / fixed interest-bearing assets and liabilities mismatches

Liquidity Risk

- Liquidity cushion – liquidity ratio regularly reported to BRSA
- Short-term nature of receivables and even distribution of the receivables within a year

Credit Risk

- Short-term export credits - collateralized by Turkish banks or Credit Guarantee Fund
- 100% of political risk loss indemnification by the Ministry of Treasury & Finance for Buyer's Credits under sovereign guarantee
- 60% of commercial risk of export credit insurance transferred to reinsurers
- As per guaranteeing policy, since credits are mostly extended based on the risk of the domestic bank, the Bank can undertake risk of up to 20% of the cash and non-cash total credit risk amount for a single bank

Operational and Legal Risk

- Effective internal audit systems and IT system and independent external audit of these systems
- Legal risk minimised by using standard forms of documentation

TRY M	2018	2019	2020	2021/03
Total Assets	139.429	162.883	204.227	237.062
Loans And Advances	129.497	142.893	178.255	212.244
Total Equity	7.654	9.080	11.413	12.022
CAR	18,66%	19,06%	20,02%	19,59%
Av. Liquid Assets / Av. Total Assets ¹	4,2%	6,2%	7,0%	5,6%
Net Profit	842	1.432	1.511	643
Net Margin On Total Interest Earning Assets ²⁻⁵	0,78%	0,74%	0,65%	0,97%
Return On Average Assets (ROAA) ³⁻⁵	0,8%	0,9%	0,8%	1,2%
Return On Average Equity (ROAE) ³⁻⁵	13,1%	18,7%	16,5%	22,6%
NPL / Gross Loans ⁴	0,3%	0,4%	0,3%	0,2%

Employees: 712 (as of 31 March 2021)

(1) Liquid assets consist of cash and due from banks, money market placements, financial assets at fair value through profit/loss and financial assets measured at fair value through other comprehensive income.

(2) Net margin on total interest earning assets is calculated as net interest income for the period, divided by total interest earning assets for the relevant period.

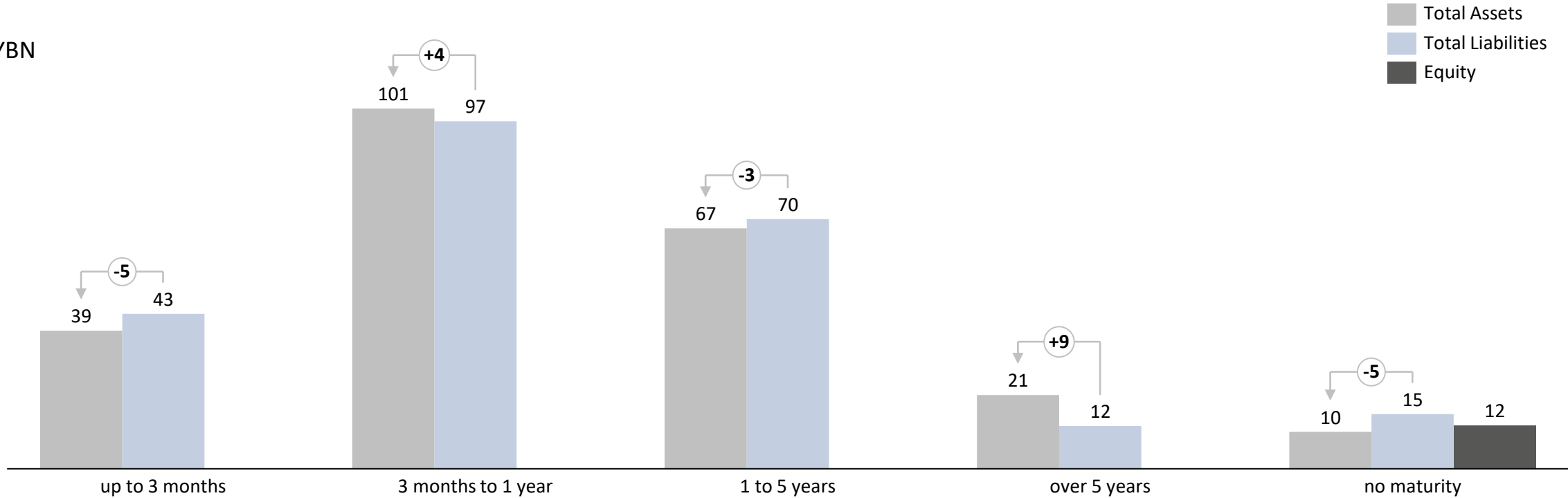
(3) ROAA and ROAE are calculated as net profit for the period divided by average total assets and average equity for the period, respectively.

(4) Ratio is calculated as non-performing receivables (also expressed as loans under follow-up) divided by loans (net) as at the relevant date.

(5) ROAA, ROAE and Net Margin on Total Interest Earning Assets figures are annualized as of 31 March 2021.

Strong Liquidity Risk Management Policy Limited Maturity Mismatch

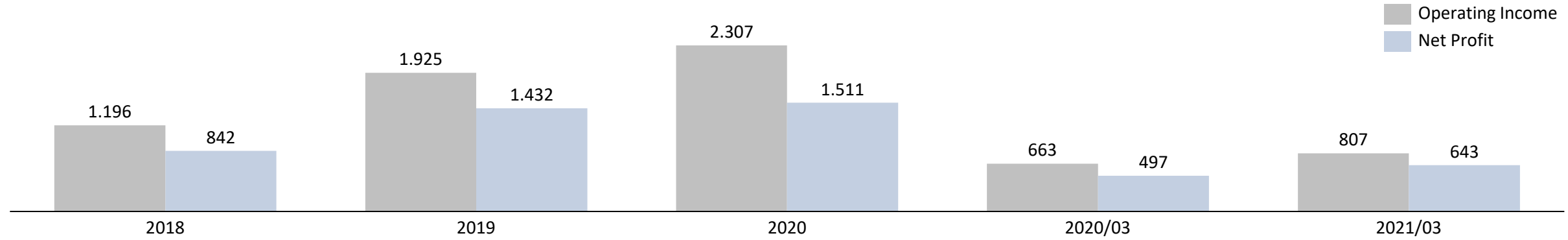
TRYBN



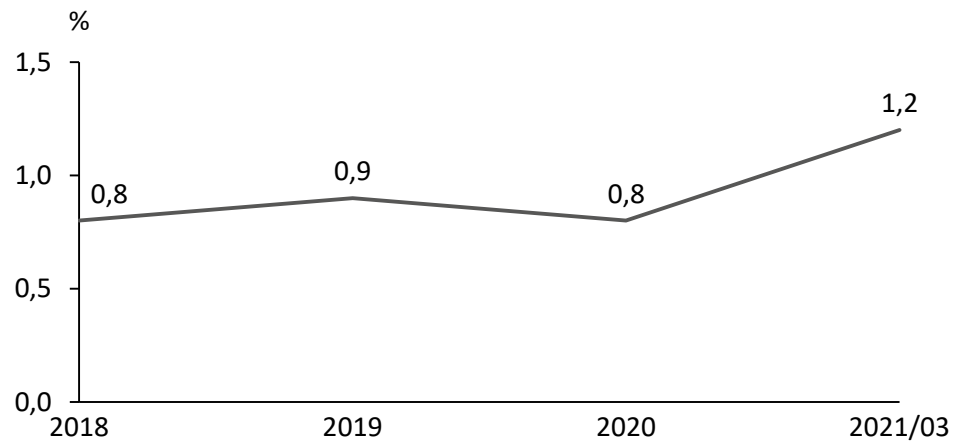
- Limited maturity mismatch
- Average Remaining Maturity of Total Loans: 363 days as of 31 March 2021
- Average Remaining Maturity of Interest Bearing Liabilities: 494 days as of 31 March 2021

Solid Profitability Despite Policy Objectives

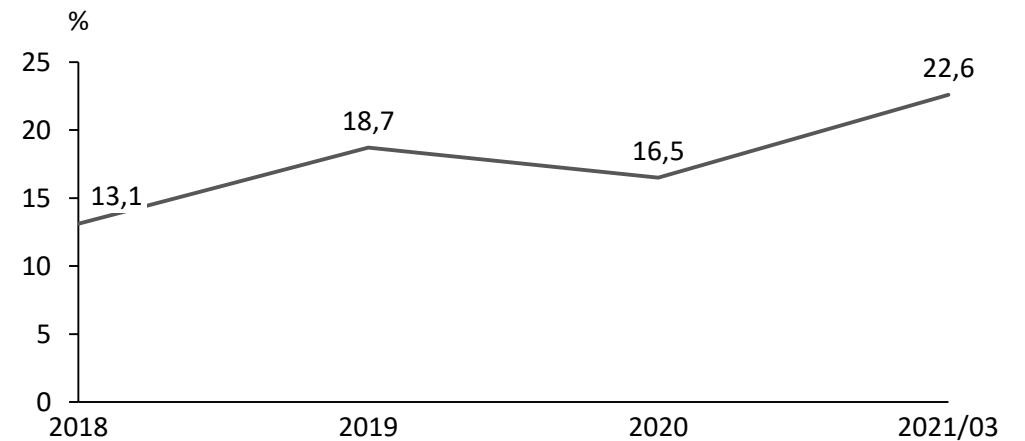
Profit Evaluation (TRY M)



Return on Average Assets

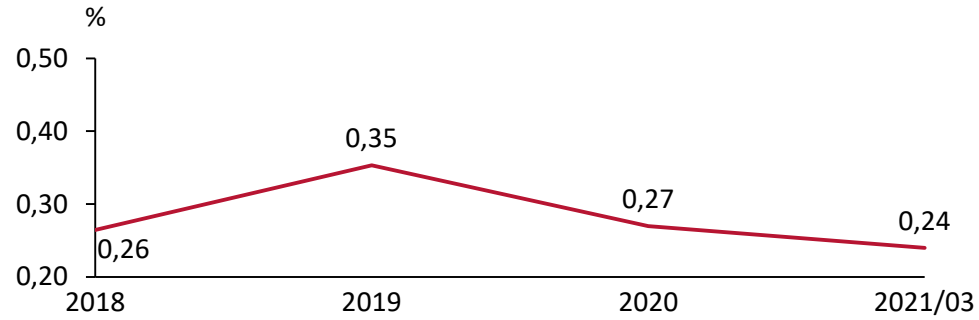


Return on Average Equity

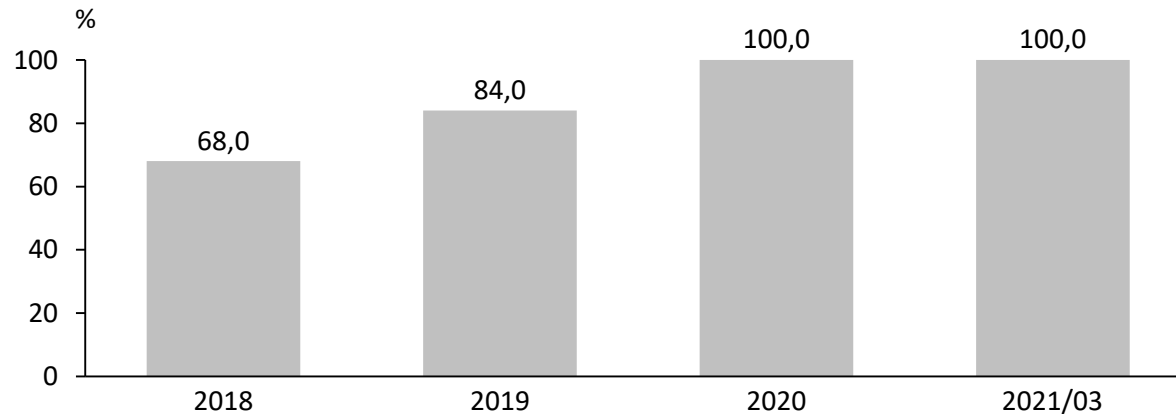


High Credit Quality and Sound Lending Portfolio

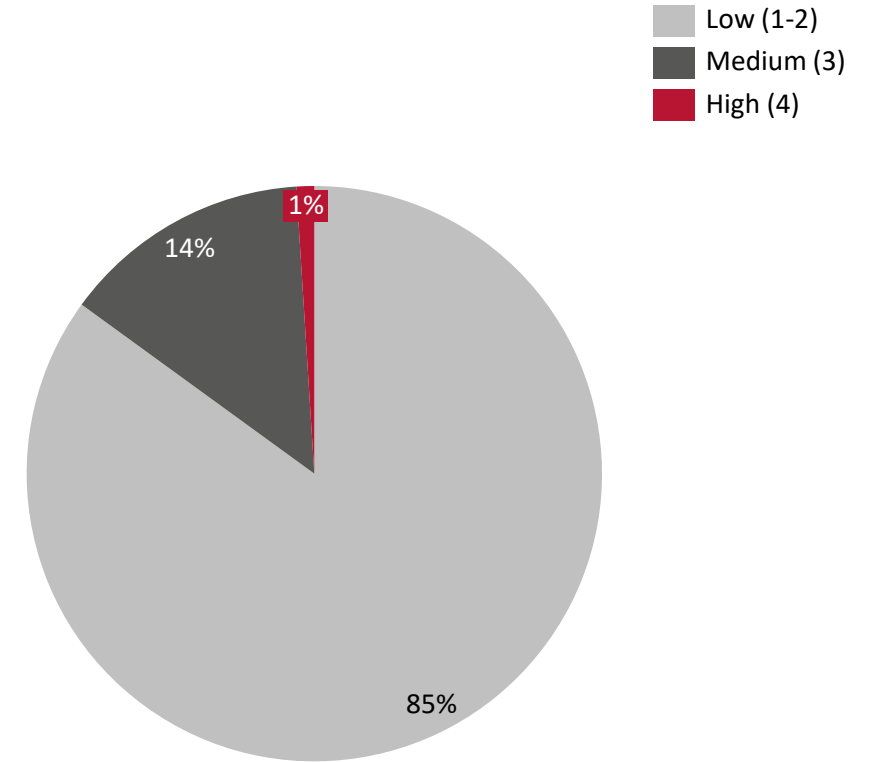
NPLs/Total Loans



NPL Coverage Ratio



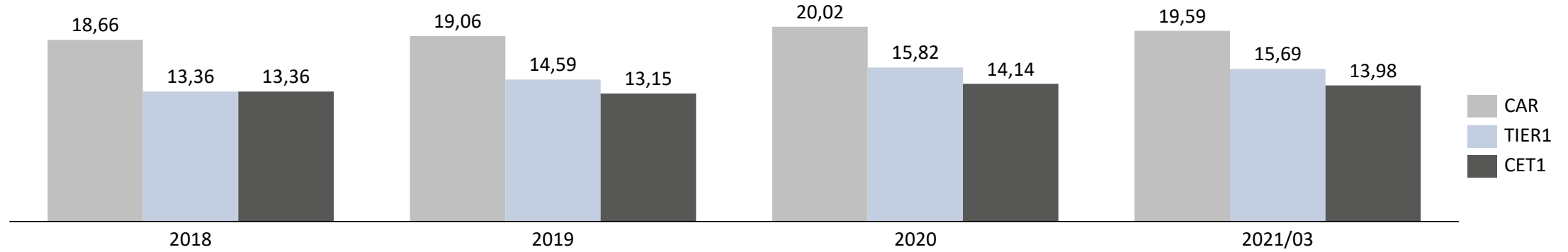
Indirect Lending Portfolio by Int. Risk Rating ¹



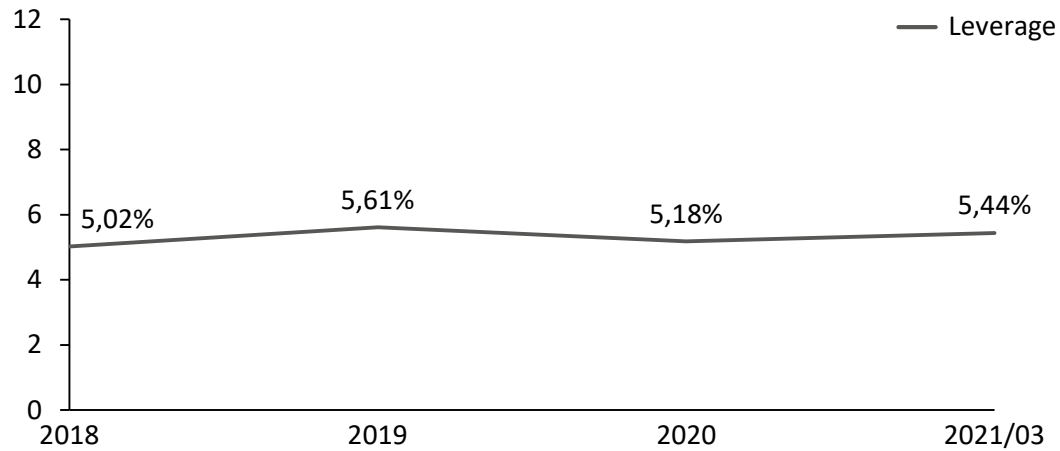
- Low (1-2)
- Medium (3)
- High (4)

(1) In accordance with standard ratios. Group grade 1 consists of the lowest and 4 of the highest risk profile banks and financial institutions

Capital Ratios (%)



Leverage (%)¹

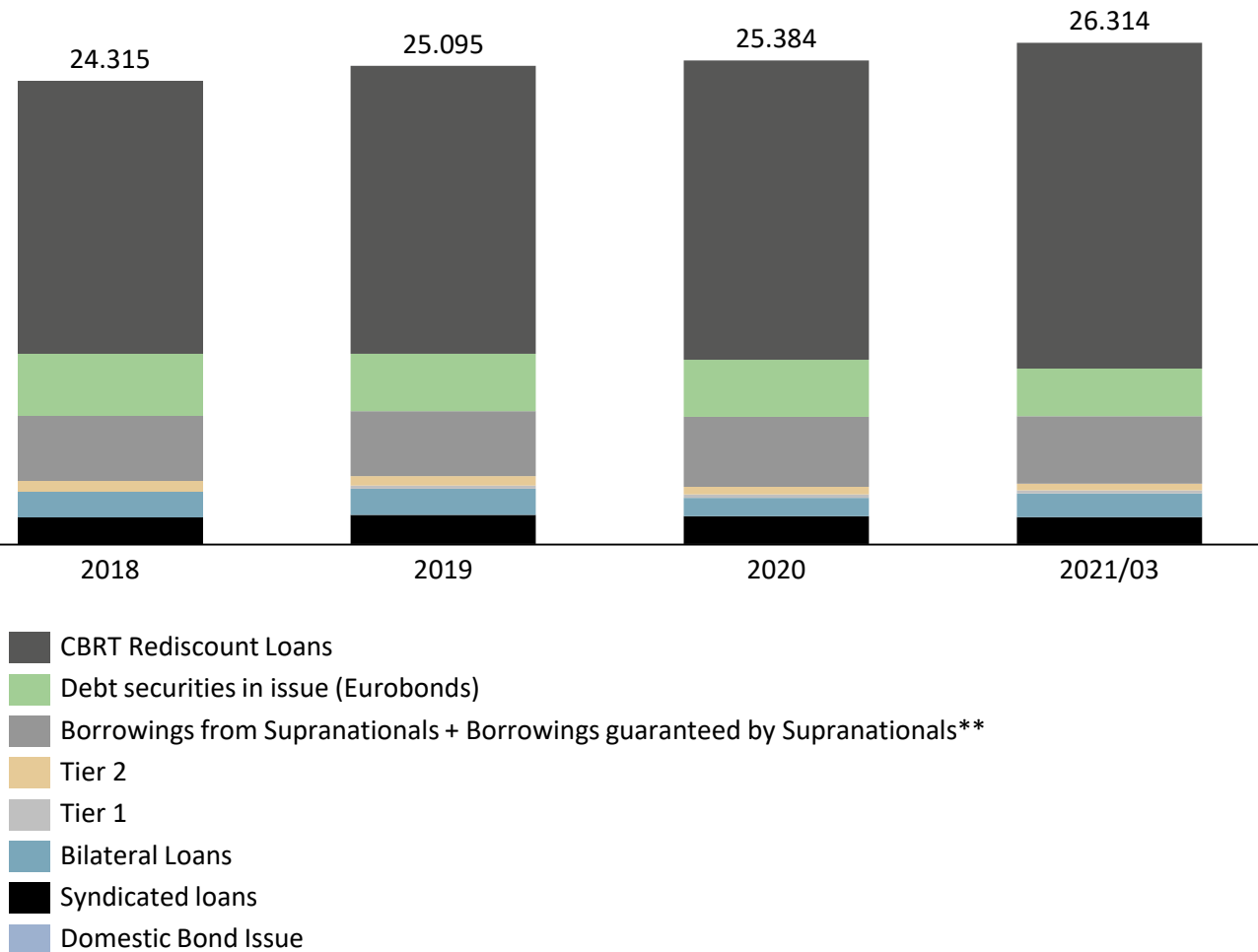


(1) Leverage Ratio

Source: Türk Eximbank 2018/12, 2019/12, 2020/12 and 2021/03 BRSA Financial Reports.

Funding Structure & Objectives

Sources of Funding (USD M)*



Funding Objectives

- Increase average tenor of funding to match tenor of assets
- Diversify the funding sources in order to further optimize funding mix
- Further develop an liquid international bond yield curve

Funding Objectives

- As of the end of March 2021 debt stock consisted of:
 - CBRT Loans: USD17,1BN
 - Other Loans: USD9,2BN
- TRY2,9BN Tier 2 domestic issuance in 2018
- EUR150M Tier I domestic loan
- Ongoing support from supranational

* Türk Eximbank's period-end buying exchange rates are used: USD/TL 8,3137 (2021/03), 7,3647 (2020/12), 5,9407 (2019/12), 5,2801 (2018/12)

**Includes borrowings from supranational institutions such as ITFC, IDB, EIB, IBRD, BSTDB, WB, CEB and guaranteed borrowings from MIGA, ICIEC

A light gray world map is centered in the background of the image. The map shows the outlines of continents and oceans.

TÜRK
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