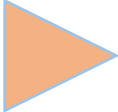
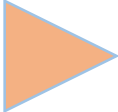
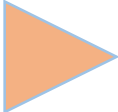
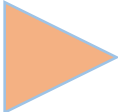
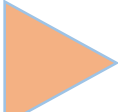




# INVESTOR PRESENTATION

DECEMBER 2019

# Contents

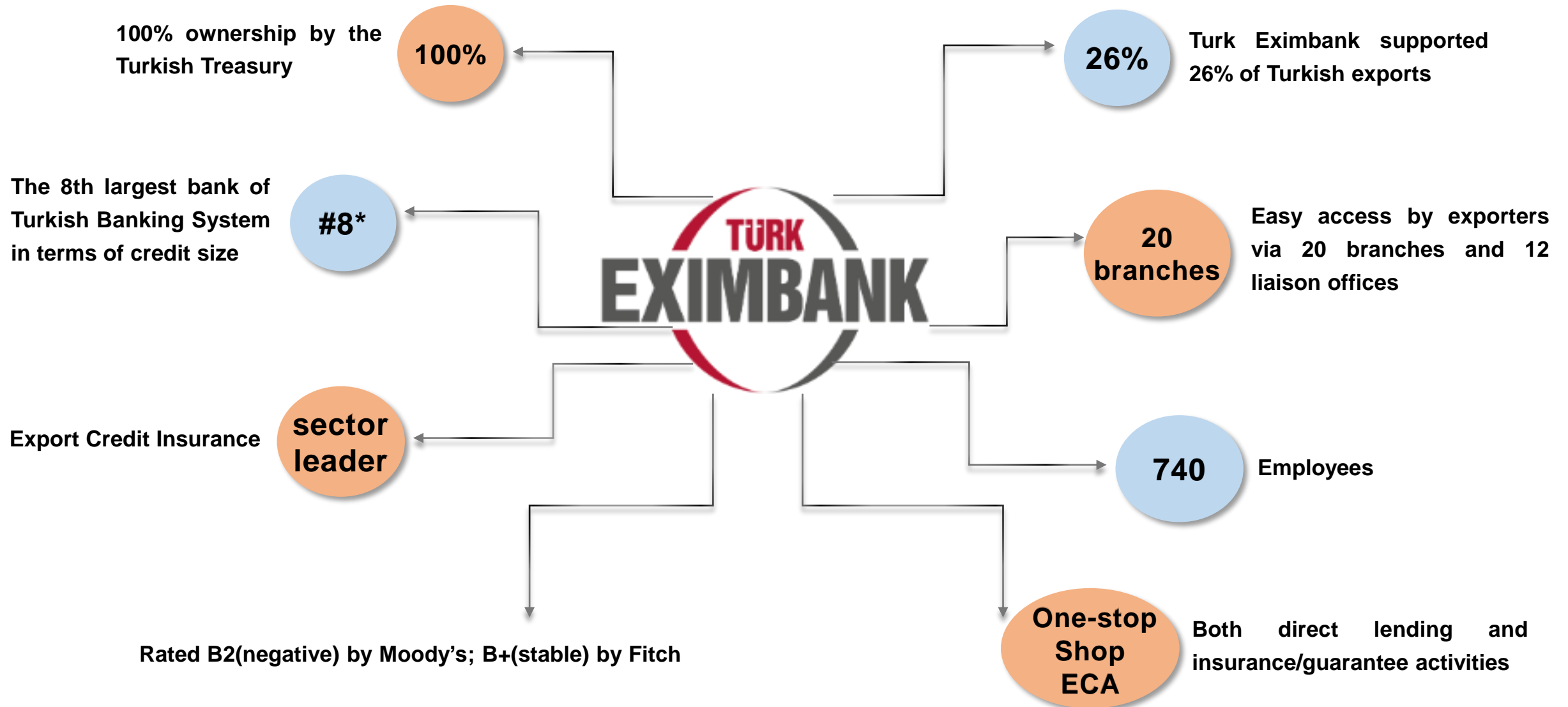
-  **Turk Eximbank Overview**
-  **Business Lines**
-  **Credit Risk Overview**
-  **Financial Highlights**
-  **Funding & Risk Management**

## Turk Eximbank Overview

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# Turk Eximbank Overview



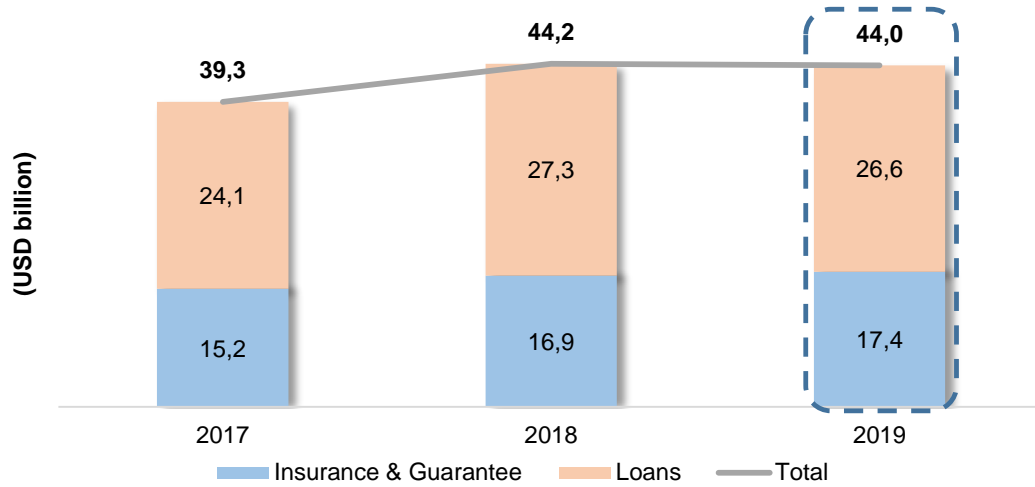
# Sovereign Support for Turk Eximbank

- Losses incurred by Turk Eximbank under the credit, guarantee and insurance programs due to political risk are covered by Turkish Treasury
- Exempt from Corporate Tax and Stamp Tax
- Exempt from reserve requirement ratio

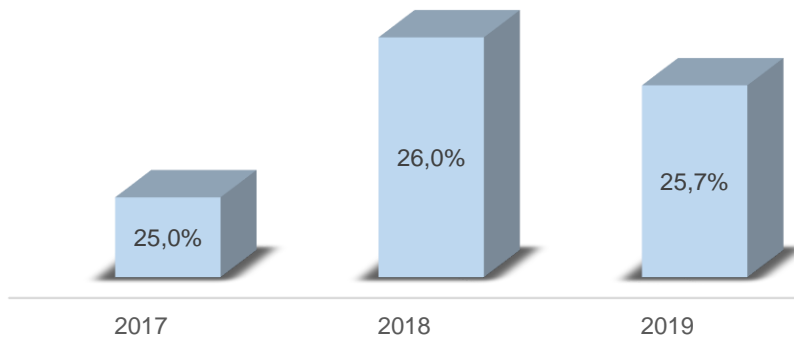
- Turkish Treasury guarantee for borrowings from supranational institutions such as World Bank, EIB, IDB and CEB
- Historical capital contributions and other financial support from Turkish Treasury (TL 4,76 billion capital contributions from the Treasury in last five years)
- All members of the Board (except General Manager) appointed by the General Assembly

# Turk Eximbank Performance & Support

## Performance

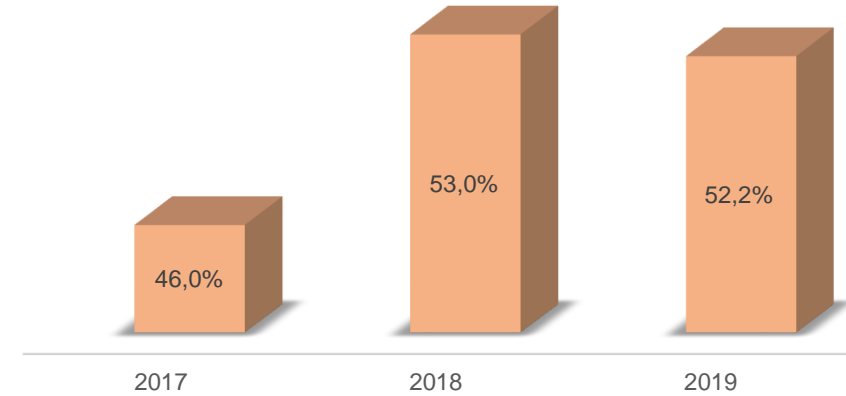


## Financial Support to Turkish Export

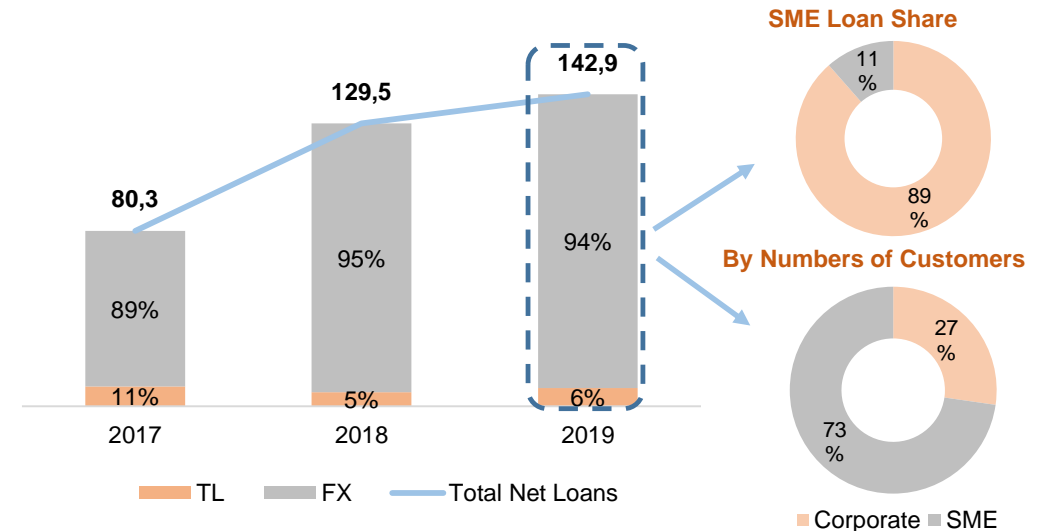


Support is calculated by consolidating loans, insurances and guarantees.

## Market Share in Total Export Loans



## Total Net Loans (% share in total, TL billion)



## Business Lines

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# Business Lines

## Credits (31.12.2019)

### Short-Term Credits USD 17,1 billion

- Accounting for **71%** of total loans.
- Central Bank's rediscount facility accounting for **64%** of total loans.
- Short-term indirect lending via **36** of Turkey's **53** banks.
- Direct short-term credits – collateralized by Turkish Banks and Credit Guarantee Fund.

### Medium & Long-Term Supplier Credits USD 6,8 billion

- Accounting for **25%** of total loans.
- Collateralized by Turkish Banks and Credit Guarantee Fund.

### Buyer's Credits USD 894 million

- 4%** of total loans is Buyer's Credits.
- Extended to the importing countries of Turkish goods and services.

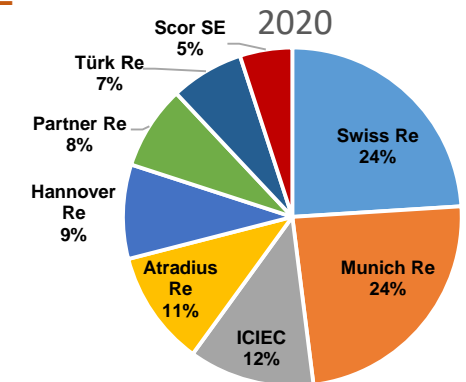
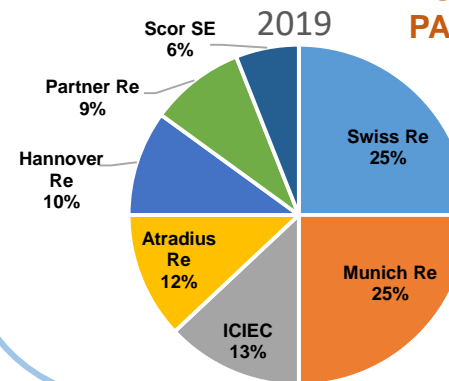
## Insurance & Guarantee (31.12.2019)

### Short-Term Credit Insurance (99%) USD 17,4 billion\*

- USD **15,5 billion\*** – **89%** for overseas receivables of exporters.
- USD **1,8 billion\*** – **10%** for domestic receivables of exporters.
- Holding **40%** of the commercial risks out of **90%** shipment coverage amounting to USD **1.833 million\*\***.

### Medium –Long Term Export Credit Insurance (1%) USD 163 million\*

## REINSURANCE PANELS

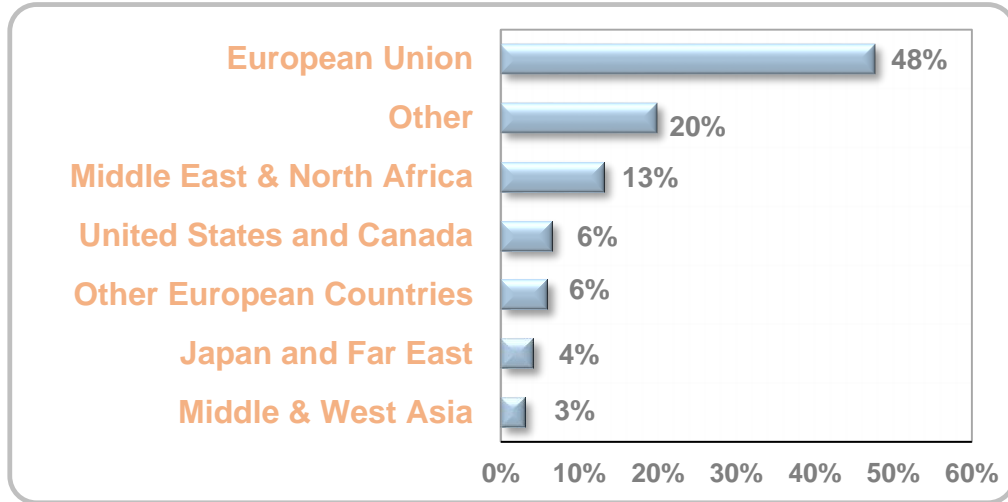




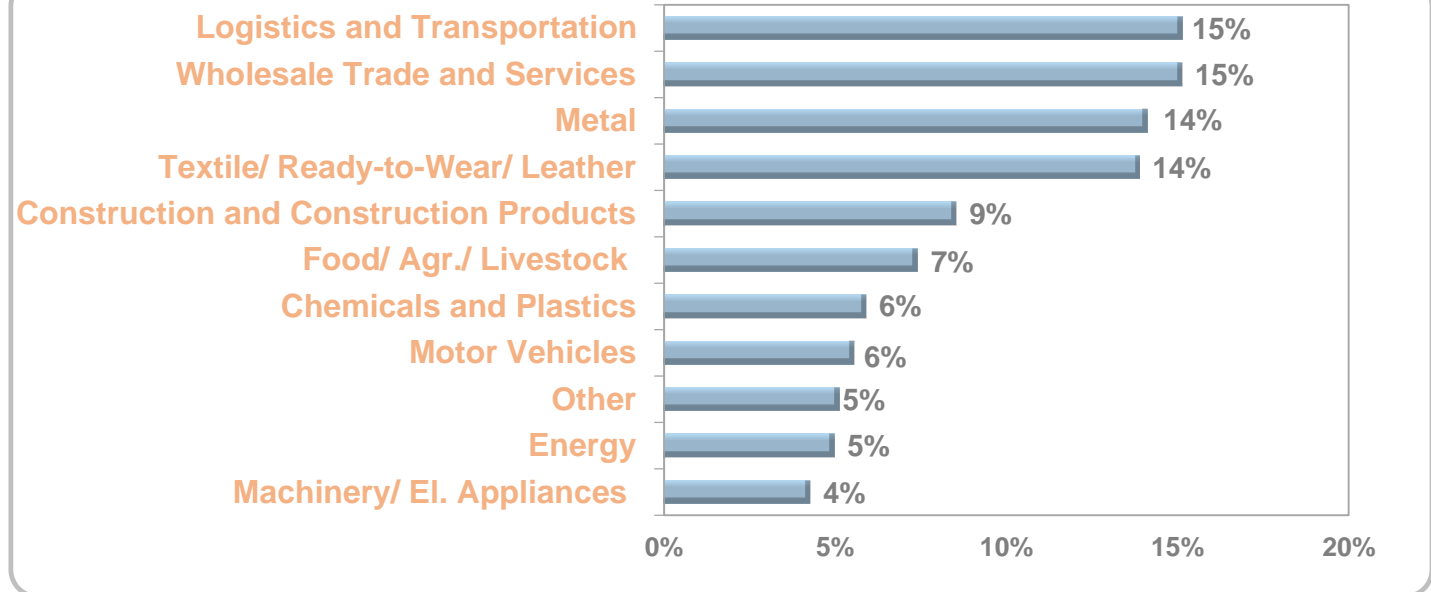
# Product and Country Diversification

(in Total Loan Volumes)

## By Destination



## By Sector



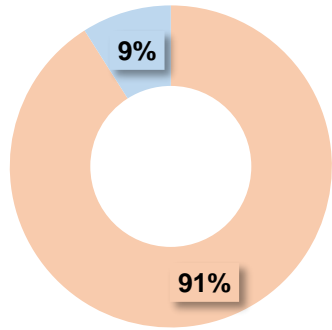
## Credit Risk Overview

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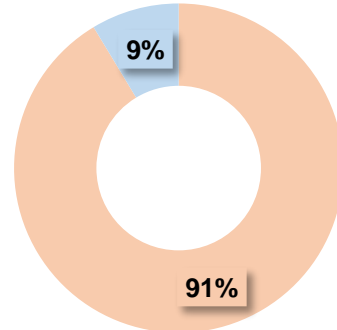
# Credit Risk Overview

## Loans by Customer Segment / Type

31 December 2018



31 December 2019



- Corporate Customers (Guaranteed by banks – Direct Lending)
- Domestic Financial Institutions (Indirect Lending)

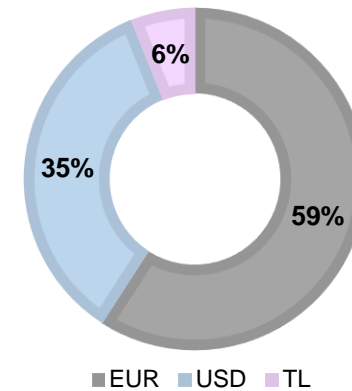
- Loans / Total Assets ratio is 88%.
- 20 largest clients represent 26% of the loan portfolio as of 31 December 2019 (24% as of 31 December 2018).
- Top 20 country risk exposures under export credit insurance programs constituted 68% of total insurance exposure as of 31 December 2019 (67% in 2018).



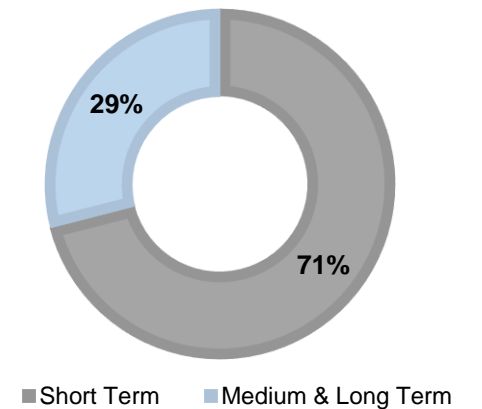
## Loans by Currency / Maturity (31 December 2019)

- 59% and 35% of total loans are denominated in EUR and USD respectively and also 6% of total loans are in TL.

Currency Distribution

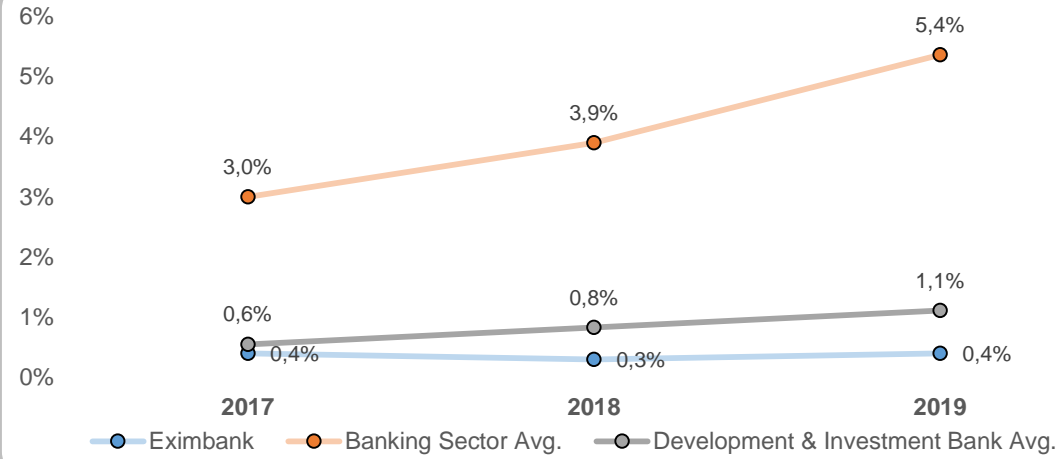


Maturity Distribution

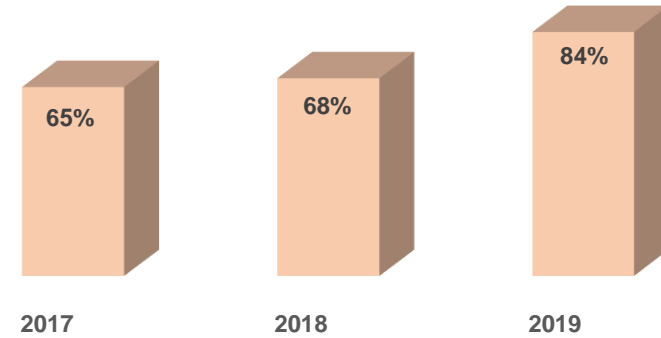


# Asset Quality

## NPL

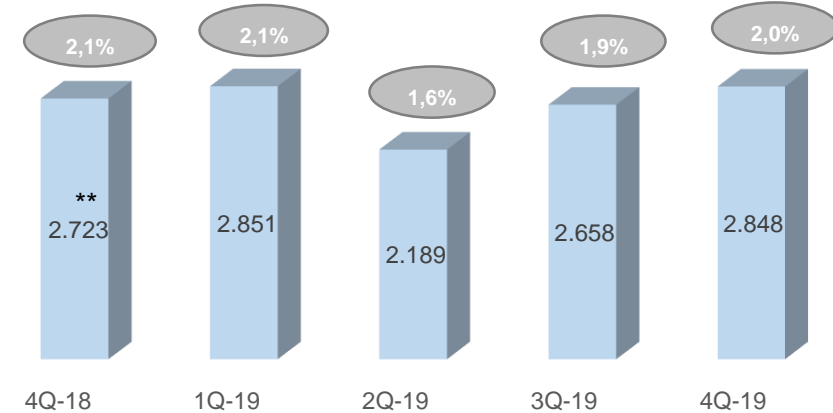


## NPL Coverage



## Stage II Loans (USD million)

### Share in Total Loans:



Classification of Loans (31.12.2019)	Gross Amount (TL million)	Share in Total	Coverage Ratio	Provisions(-) (TL thousand)
Stage I	140.007	97,7%	0,03%	39
Stage II	2.848	2,0%	0,2%	5
Stage III	505	0,4%	83,9%	423
<b>Gross Loans</b>	<b>143.360</b>	<b>100%</b>	<b>0,3%</b>	<b>467</b>

- Restructured Loans\*/Total Loans: **1,4%** (TL **2,0\*** billion).
  - Collateralized by Turkish Bank guarantees.
  - Weight of loan under CGF guarantee is **1,2%**.

IFRS 9 has been applied since the beginning of 2019, although not compulsory under the Banking Act of Turkey.

\*Restructured loans are under the Stage II loans.

\*\*Restructured loans are included in 4Q-18 figure.

## Financial Highlights

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# Assets and Liabilities Composition

## Assets

(USD billion)

## Liabilities

	December 2019	December 2018	Change
Cash and Cash Equivalents	1,7 (6%)	0,8 (3%)	110%
Securities Portfolio	1,2 (4%)	0,6 (2%)	94%
Loans	24,1 (88%)	24,6 (93%)	-2%
Other*	0,4 (2%)	0,4 (2%)	-2%
<b>Total Assets</b>	<b>27,4</b>	<b>26,4</b>	<b>4%</b>

	December 2019	December 2018	Change
Borrowing from Central Bank	15,1 (55%)	14,3 (54%)	6%
Loans Borrowed	6,4 (23%)	6,3 (24%)	1%
Debt Securities in Issued (Eurobonds)	3,2 (12%)	3,3 (12%)	-3%
Subordinated Debt	0,7 (2%)	0,6 (2%)	19%
Shareholders' Equity	1,5 (6%)	1,4 (6%)	5%
Other**	0,6 (2%)	0,5 (2%)	5%
<b>Total Liabilities</b>	<b>27,4</b>	<b>26,4</b>	<b>4%</b>

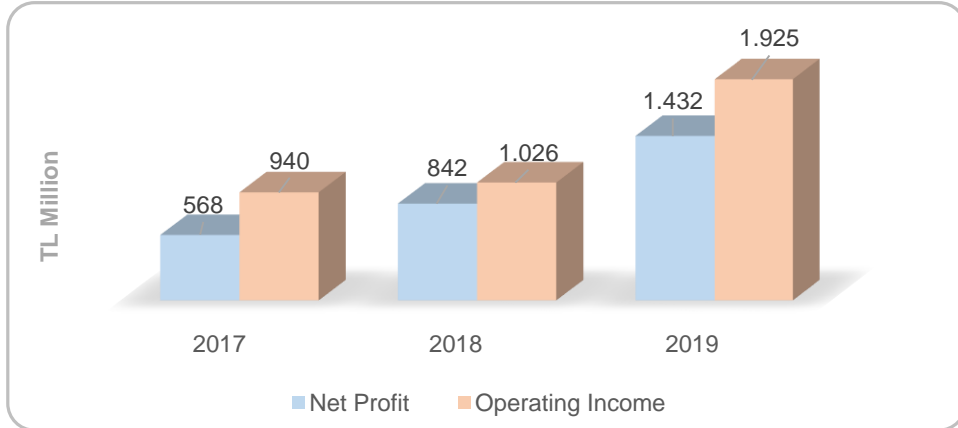
\*Tangible assets, intangible assets, prepaid expenses and given cash collateral, miscellaneous receivables

\*\* Money market funds, provisions, received cash collateral, prepaid income, miscellaneous payables

As of 31 December 2019, on TL basis, Total Assets, Loans, Loans Borrowed (excluding CBRT) and Shareholder's Equity increased by 17%, 11%, 14% and 19% respectively, since the end of 2018.

# Profitability & NIM

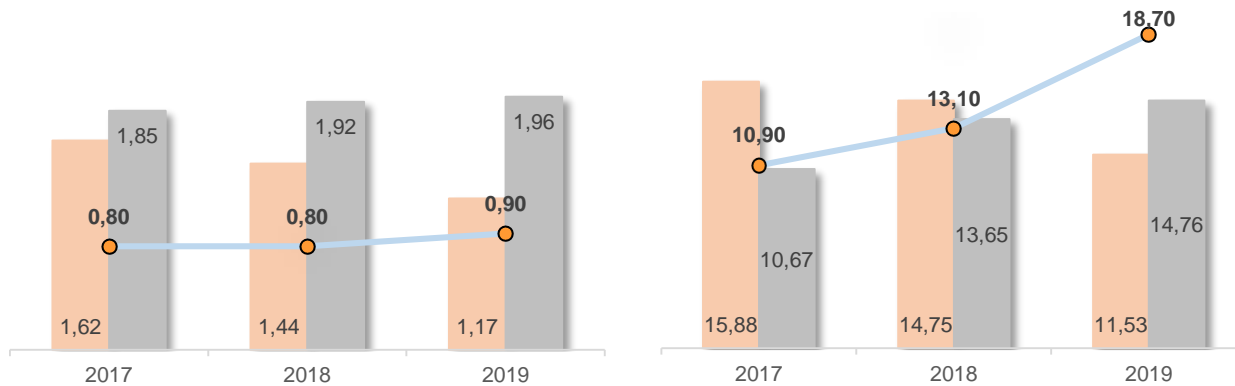
## Nominal Evolution of Profit



Net Profit TL 1,43 billion as of 31 December 2019 is increased by 70% compared to the same period of 2018.

## Return on Average Assets (ROAA) (%)\*\*

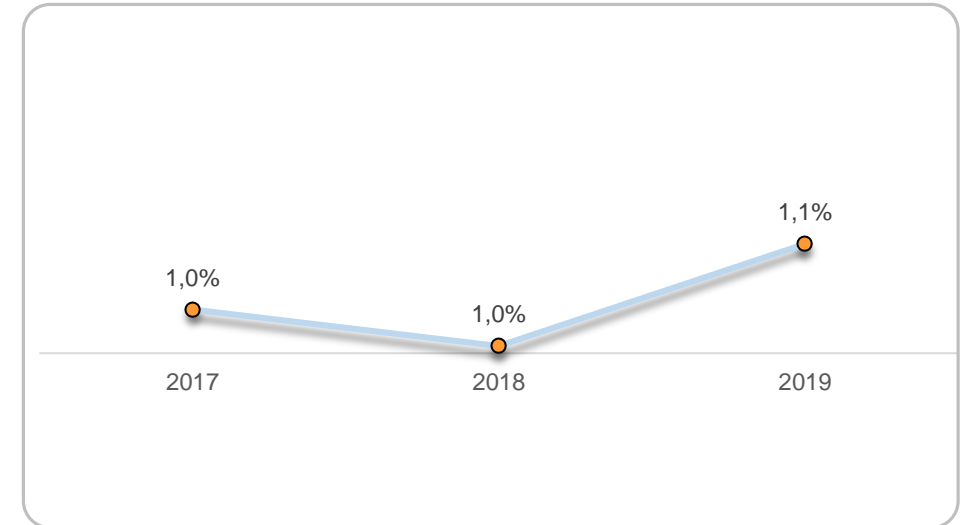
## Return on Average Equity (ROAE) (%)\*\*



Banking Sector Avg.    Development & Investment Banks Avg.    Eximbank

\*\* BRSA Data.

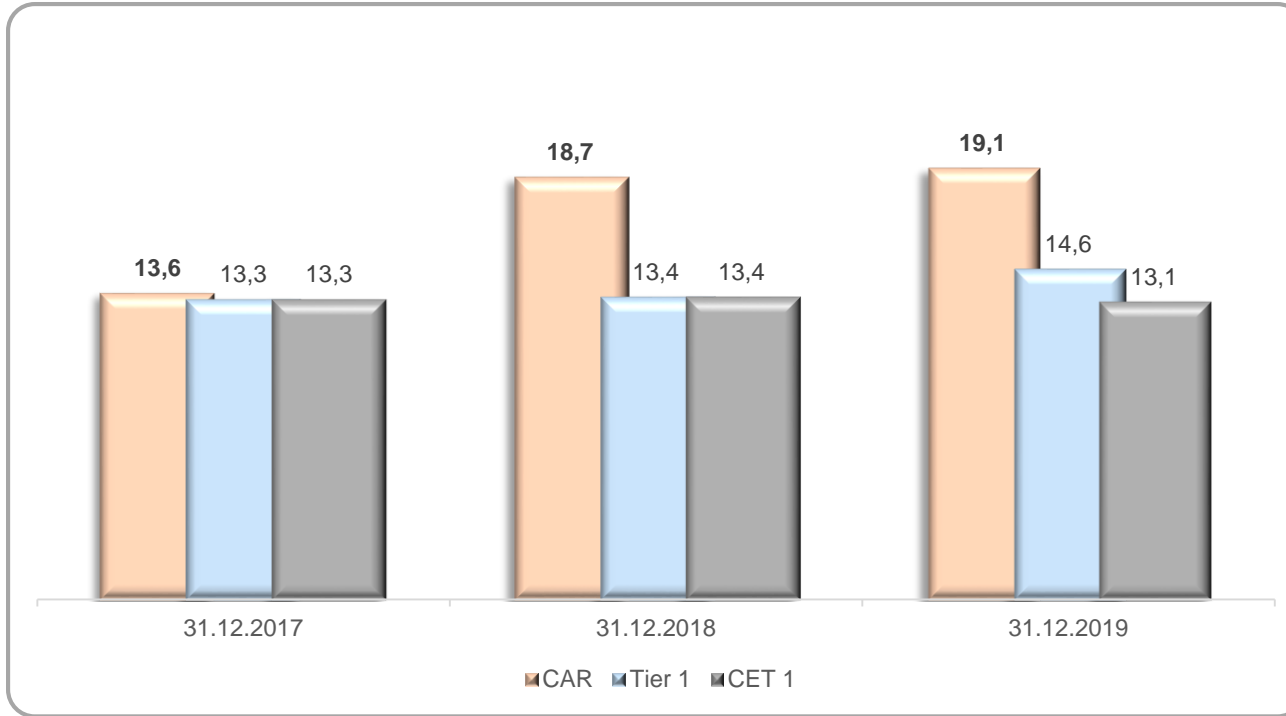
## Net Margin on Total Interest Earning Assets (NIM)\*\*



\*\* Bank's total of net interest income and trading profit / loss divided by the average balance of the Bank's total interest earning assets.

# Capitalization

## Capital Ratios (%)

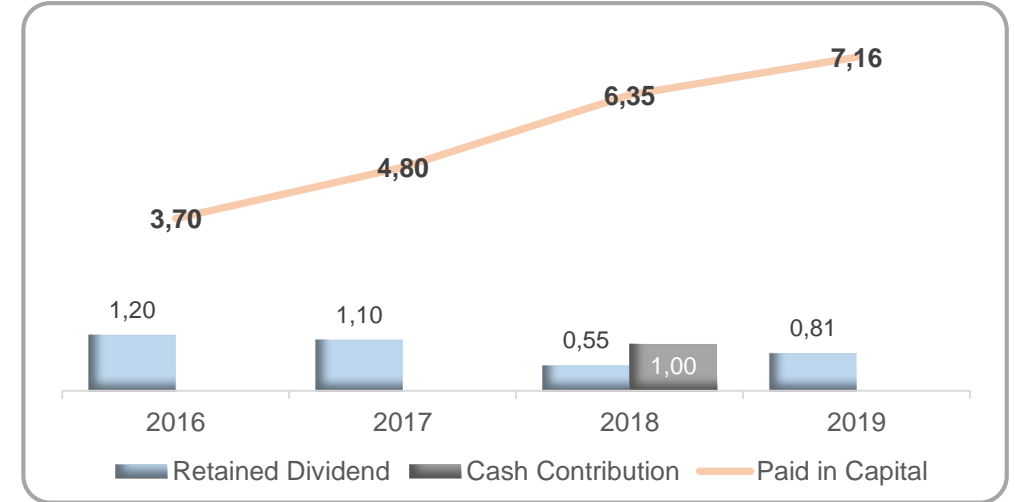


- TL 2,9 billion Tier 2 10NC5 domestic issuance in September 2018.
- EUR 150 million AT1 Subordinated Perpetual Loan in April 2019.

- High level of Tier 1 : **14,6%**  
 - **77%** of Total Bank Capital is Tier 1 Capital

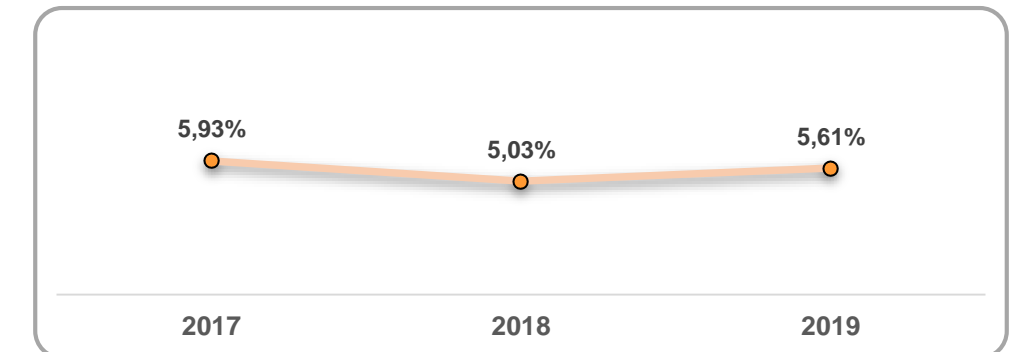


## Capital Contributions (TL billion)



- As of January 12, 2017, registered capital of Turk Eximbank has been increased up to TL 10 billion to be realized until the end of 2021.

## Leverage Ratio (%)



Above the BRSA and Basel standard ratio of 3%.



## Risk Management & Funding Structure

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# Strong Risk Management Culture

## Market Risk

- TL assets (excluding Rediscount TL 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% threshold regarding the ratio of floating / fixed interest-bearing assets and liabilities mismatches.

## Credit Risk

- Short-term export credits - collateralized by Turkish banks or Credit Guarantee Fund.
- 100% of political risk loss indemnification by Turkish Treasury 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.

## Liquidity Risk

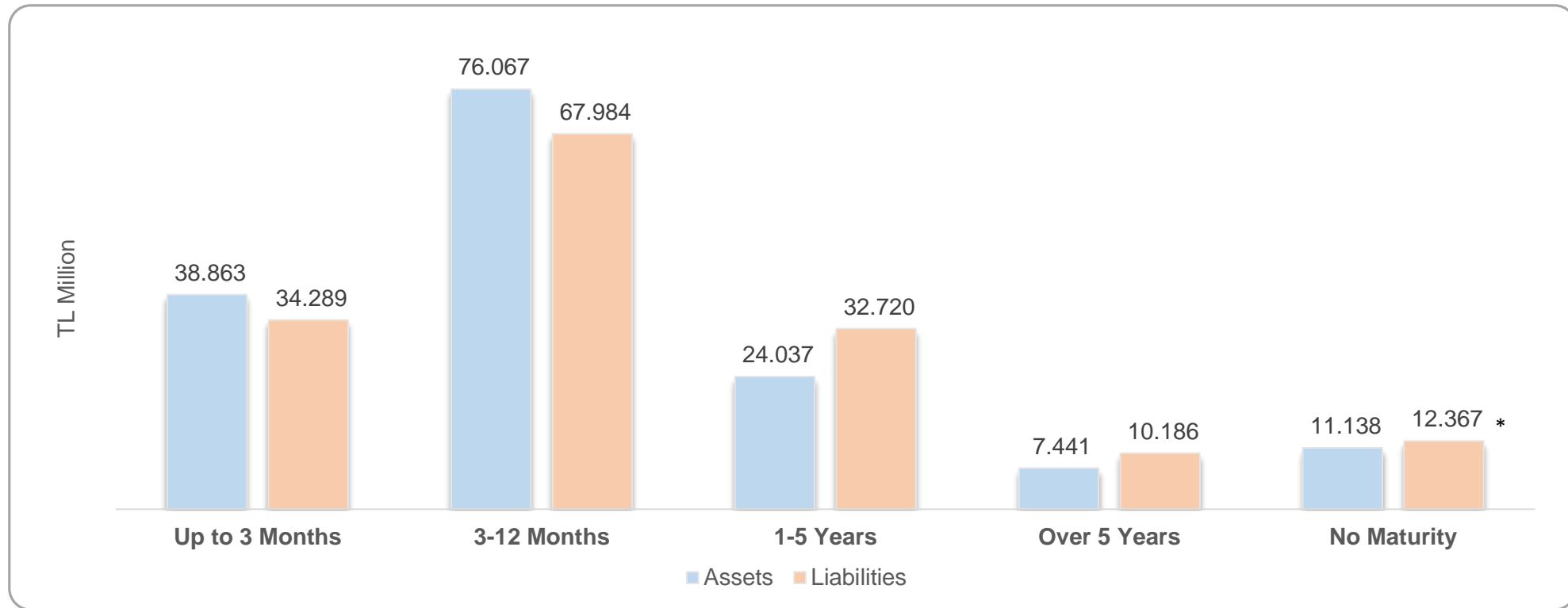
- Liquidity cushion – liquidity ratio regularly reported to BRSA.
- Short-term nature of receivables and even distribution of the receivables within a year.

## Operational and Legal Risks

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

# Strong Liquidity Risk Management

30 September 2019



- Limited maturity mismatch.
- Average remaining maturity of interest bearing assets: 363 days as of 31 December 2019.
- Average remaining maturity of interest bearing liabilities: 557 days as of 31 December 2019.

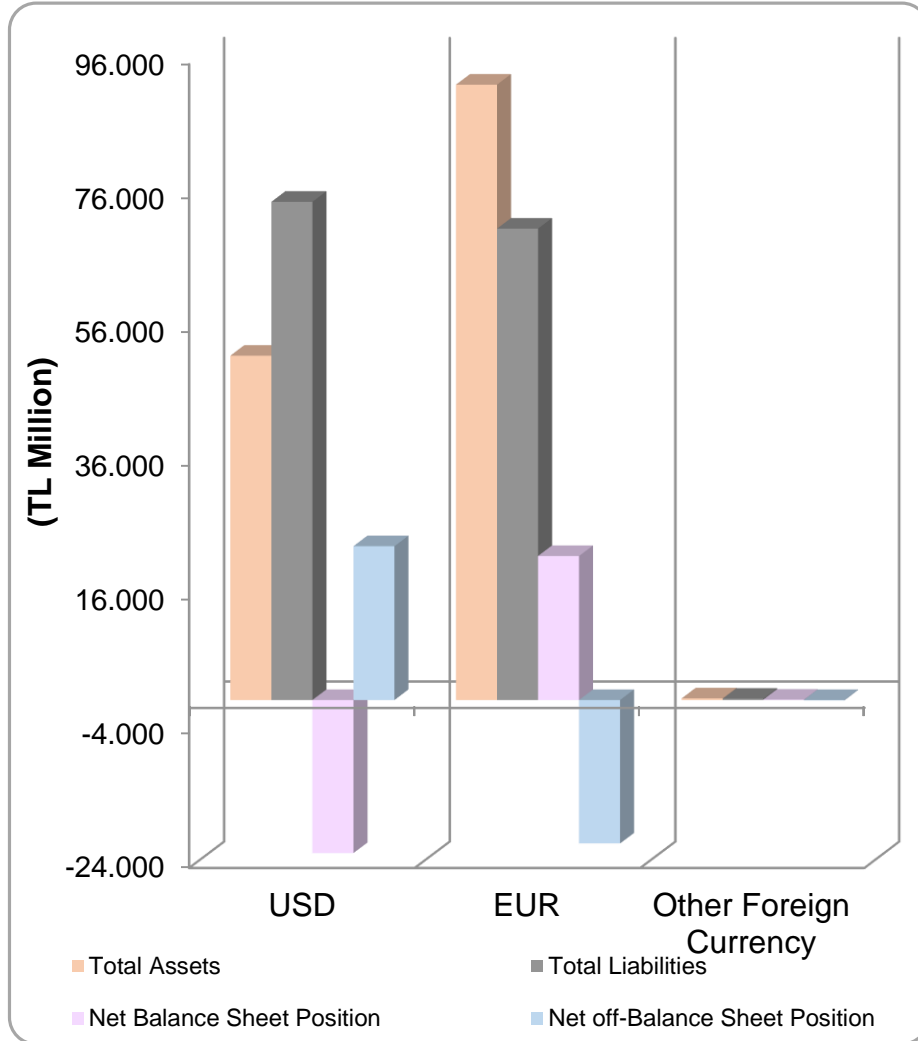


(Source) Turk Eximbank 2019.09 BRSA Financial Report.  
\* Include the shareholders' equity amounting to TL 8.696 million.

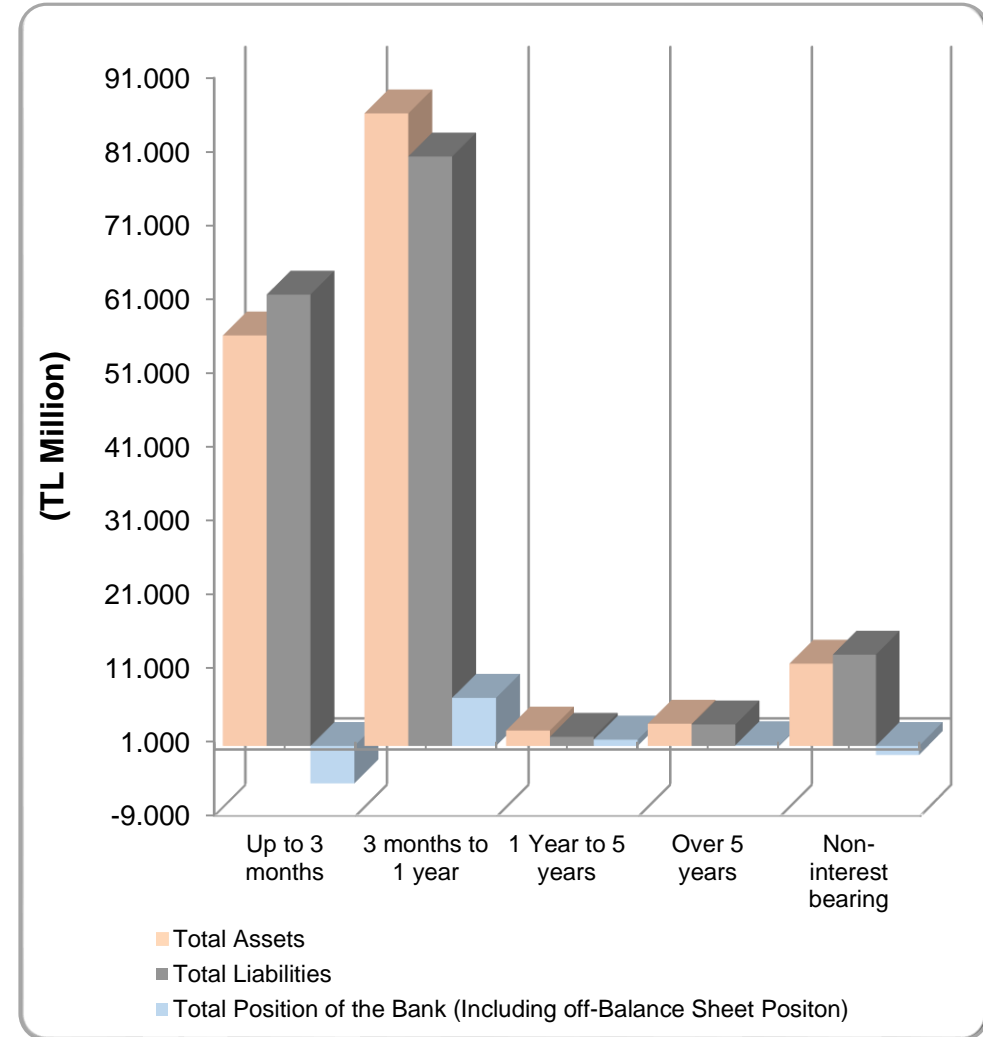
# Currency & Interest Rate Risk

(30 September 2019)

## Currency Risk



## Interest Rate Risk (Repricing Analysis)\*

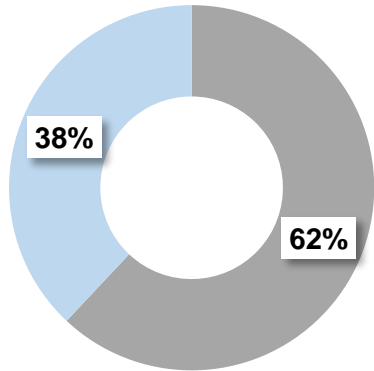


\* Amounts of the Bank's assets and liabilities, classified in terms of periods remaining to contractual repricing dates  
Source: Turk Eximbank 2019.09 BRSA Financial Report

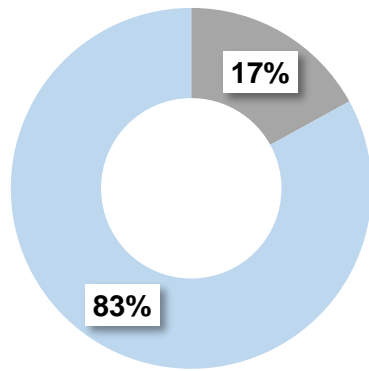
# Funding

## International Borrowings

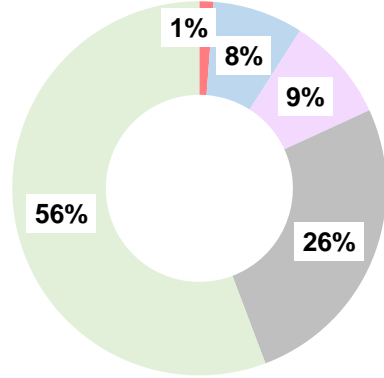
### Currency Distribution



### Maturity Distribution



### Regional Distribution

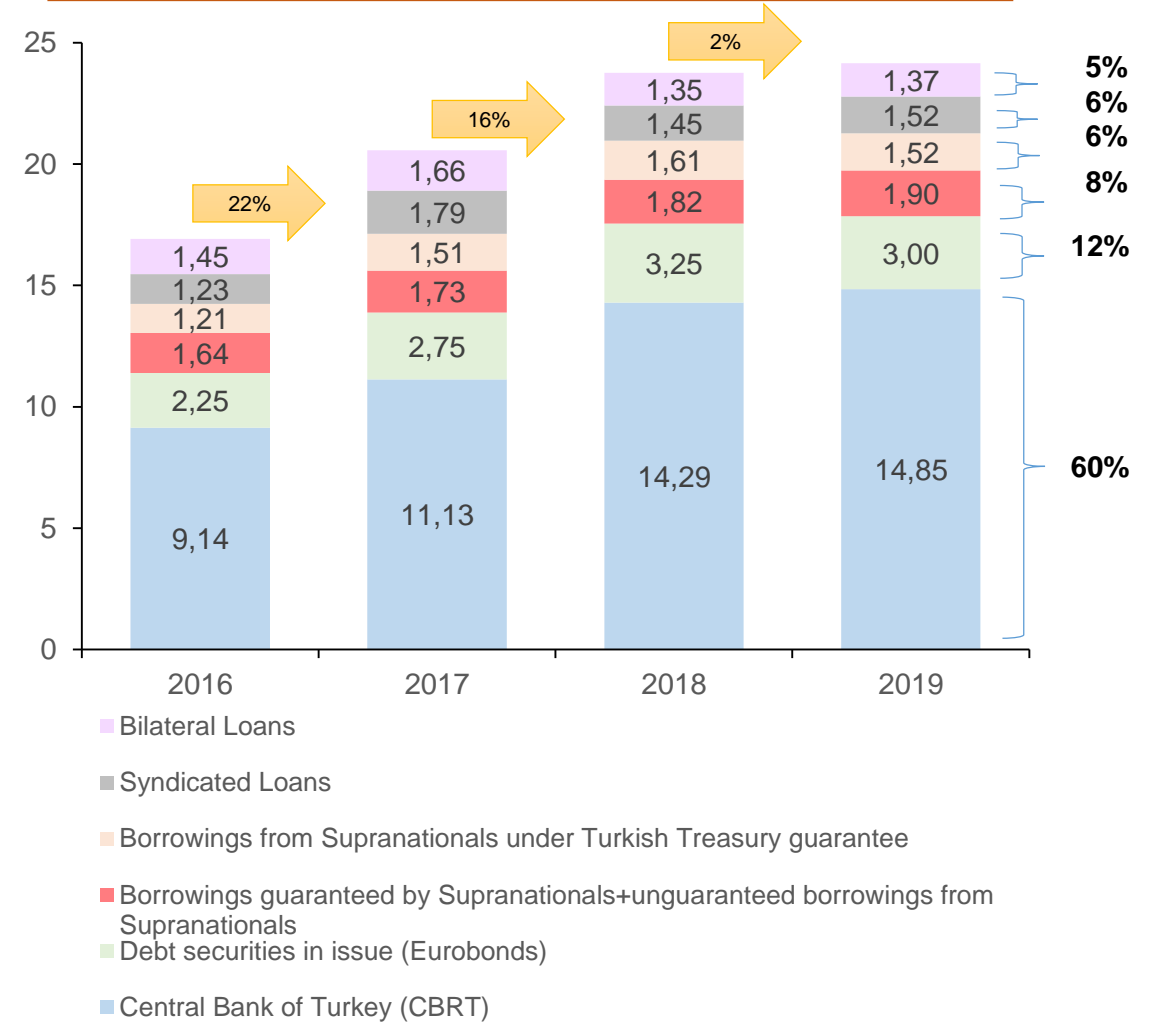


- USD
- EUR
- Short Term
- Medium & Long Term
- Other
- Middle East
- Asia
- North America
- Europe

## Funding Highlights

- Managing a total of USD 24,9 billion debt stock of which USD 15 billion is from CBRT.
- Borrowings from and under the guarantee of supranational institutions such as ITFC, IDB, EIB, IBRD, BSTDB, CEB, MIGA and ICIEC.
- Turkish Treasury guaranteed USD 1,52 billion.
- Diversification in different products.
- Good relationship with the international commercial banks (Top 15 Banks – ICBC, ING Bank NV, Standard Chartered Bank, Societe Generale, Citibank, MUFG, Sumitomo Mitsui Banking Corporation, China Development Bank, Mizuho Bank Ltd., BNP Paribas, Intesa Sanpaolo, National Commercial Bank of Saudi Arabia, HSBC Bank Plc., DZ Bank AG, Norddeutsche Landesbank G.)

## Sources of Funding (USD billion)



- In addition, Tier 2 TL 2.902 million, Subordinated Loan EUR 150 million. (3%)
- Turk Eximbank's period-end buying exchange rates are used: USD/TL 5,9407 (2019.12), 5,2801 (2018.12), 3,775 (2017.12), 3,5208 (2016.12)



For further information please contact  
[investorrelations@eximbank.gov.tr](mailto:investorrelations@eximbank.gov.tr)  
[www.eximbank.gov.tr/en](http://www.eximbank.gov.tr/en)