



2008

BRSA RESULTS

INVESTOR PRESENTATION

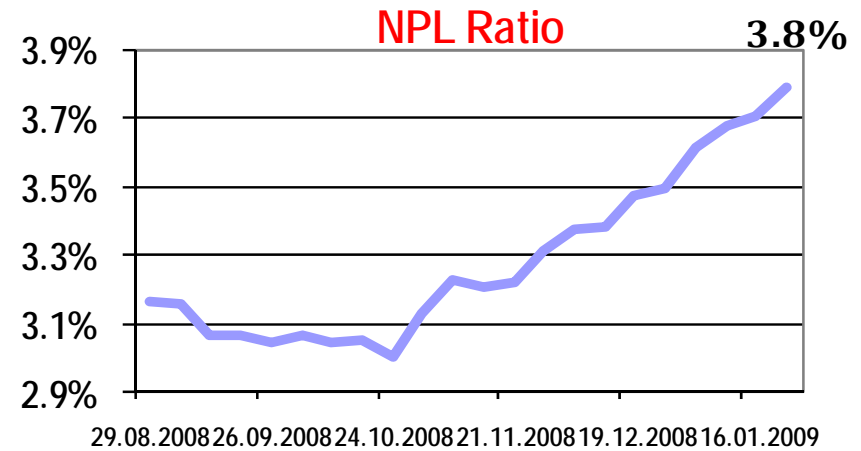
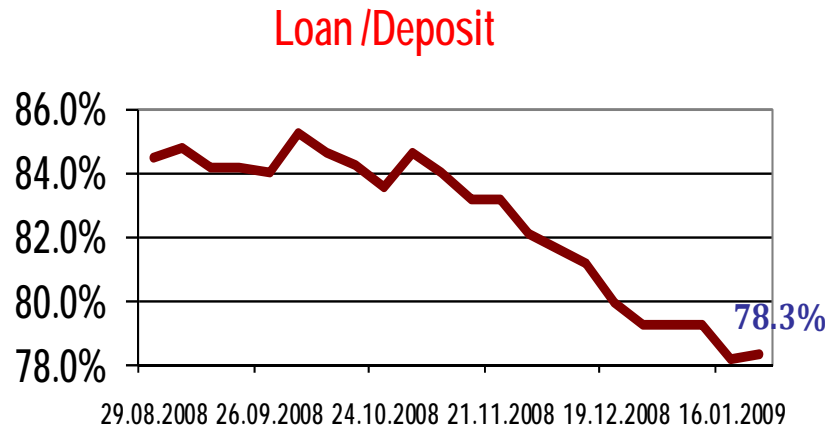


BANKING SECTOR

BANKING SECTOR vs TSKB

TSKB

Banking Sector



- In contrast to 2001 crisis, banking sector entered into the crisis with strong balance sheets and low risks.
- However, the impacts of the crisis began to be observed in the last quarter of 2008.
- While Loan/Deposit ratio waned, NPL ratio soared. In the last quarter, net revenue of the sector declined by 23%. By the end of 2009, NPL ratio is expected to be within 5-6% interval while in sub-items basis the highest NPL ratio is preceded to be 10% in credit cards.

Banking Sector

	2003	2008/09
Number of Banks	50	46
NPL Ratio	12%	3%
Corporate Loans/T.Loans	80%	67%
ROE (Banking sector)	13%	19%
TSKB's Assets Share	%0,65	%0,79
TSKB's Rank	20	16

BANKING SECTOR

BANKING SECTOR vs TSKB

TSKB

LIABILITIES

- **Sustainable Long-Term Funding Structure**

- * Average duration of liabilities is much longer compared to sector: Positive duration gap in liabilities
- * TSKB has access to long term funding through multinationals within the scope of country assistance programs. As such, TSKB does not compete with commercial banks in order to secure funding from the same multinationals because the terms and conditions under which TSKB is being funded are in contradistinction with other banks' terms and conditions.

- **High Capital Adequacy and Free Capital Ratio**

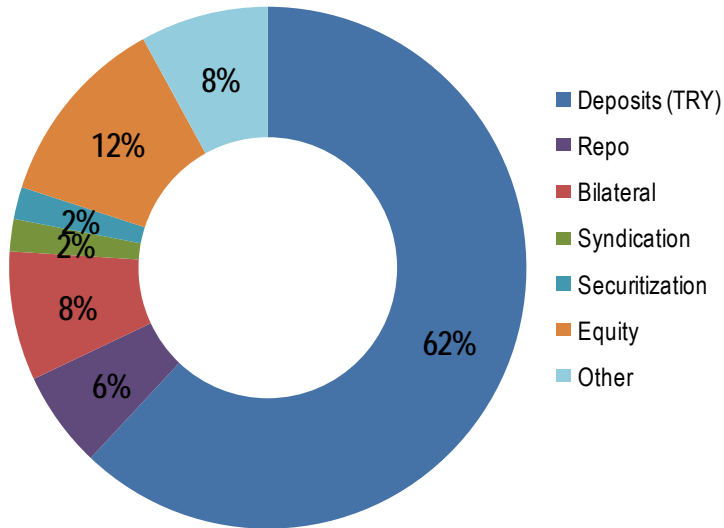
- * TSKB has the highest Capital Adequacy Ratio in the sector.
Sector average: %18, TSKB: %21
- * One of the highest Free Capital Ratios in the sector. The free equity funds only the liquid assets, and not the loans.

- **Sustainable Growth and Profitability**

- * Very low Cost/Income Ratio compared to sector.
- * Low and under-control operating expenses.

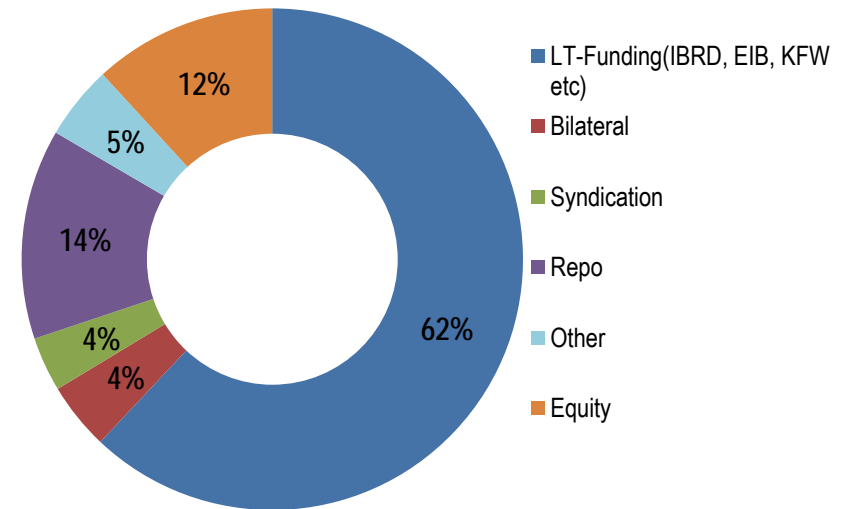
Funding Base Comparison

Banking Sector*



62% of Liabilities is Deposits
(Average maturity is less than 3 months)

TSKB



62% of Liabilities is Long-Term Funding
(Average maturity is 9 years)

*approximate as of 3Q08

ASSETS

Loans to total assets ratio: 63%.

- * Loans are entirely directed to corporates, of which 62% is disbursed to mid-sized SMEs
- * We are financing exports and investments with Long-Term project financing loans.
- * Our credit portfolio's risk is concentrated on Finance sector(APEX) with 27%, followed by Energy(production+distribution) sector with 21%.

Quality of Assets

- * Lowest NPL Ratio in the sector : 0.7%
- * Highly qualified collateral base; 1st degree collaterals at a rate of 85% (excluding finance sector).
- * 98% of the loan book is FX-denominated. There is no currency mismatch with respect to funding, and there is no direct risk since TSKB's customers' revenues are in general FX-denominated also.

BANKING SECTOR

BANKING SECTOR vs TSKB

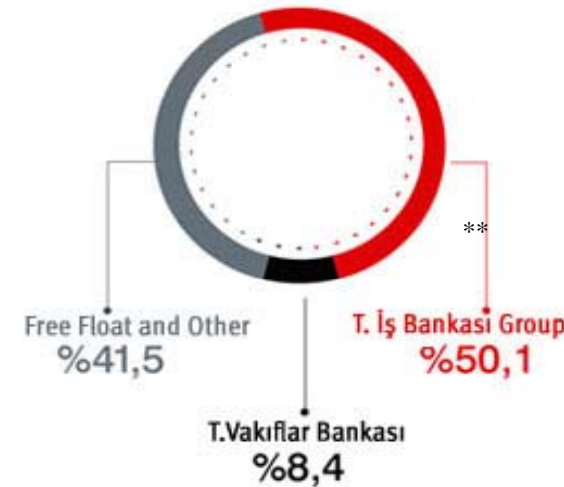
TSKB

TSKB at a Glance...

TSKB in Brief

- ✓ Established in 1950, with the initiation of the World Bank and CBRT.
- ✓ Merged with SYB in 2002.
- ✓ Largest private investment and development bank in Turkey.
- ✓ The 16th largest bank in Turkey with US\$ 4 billion asset size as of 2008.
- ✓ 331 employees, 1 wholesale branch in Bahrain, 2 domestic branches, 1 in Ankara and 1 in İzmir.

Ownership Structure*



* 53.8 % of stocks are quoted at ISE.

**22.3 % foreign participation (41.5 % of the free float stocks)

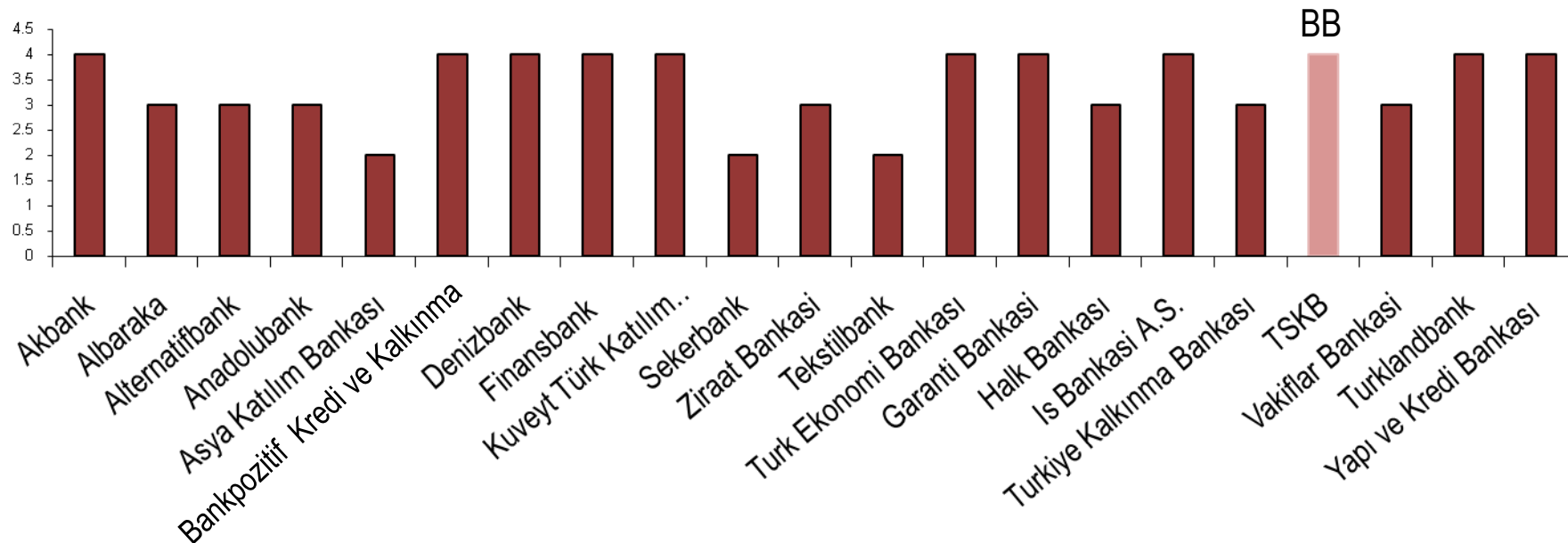
Financial Summary (USD mn)

Assets	4,095
Loans	2,562
Equity	495
Net Income	78
Paid-in Capital	500 mn TRY

Main Subsidiaries

- ✓ Yatırım Finansman Securities
- ✓ İş Leasing
- ✓ TSKB Real Estate Appraisal
- ✓ TSKB Real Estate Investment Trust

Rating



TSKB's LTFC rating has been upgraded 1 notch by Fitch

Moody's B1

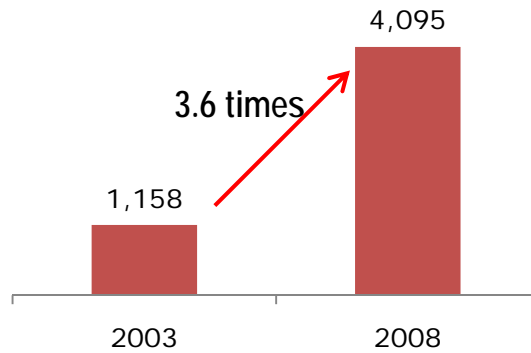
Fitch Ratings BB

In 2008, amongst other financial institutions in Turkey, Fitch has only upgraded TSKB's rating

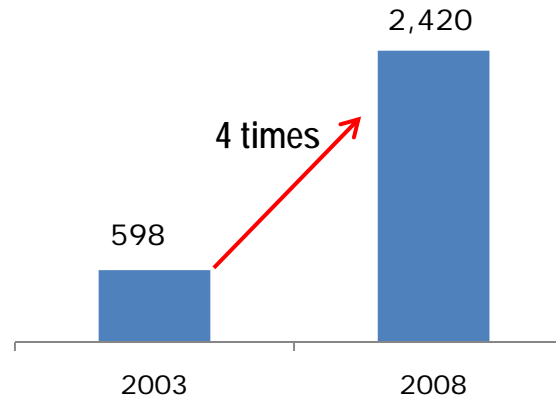
TSKB: from 2003 to 2008

(mn USD)

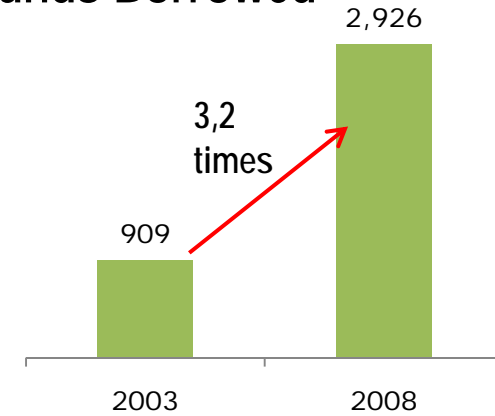
Assets



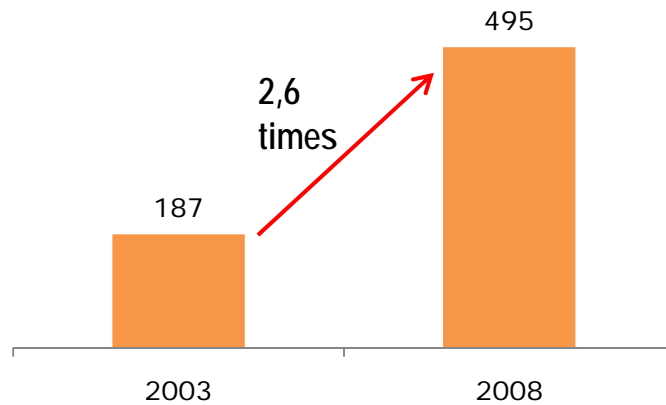
Loans



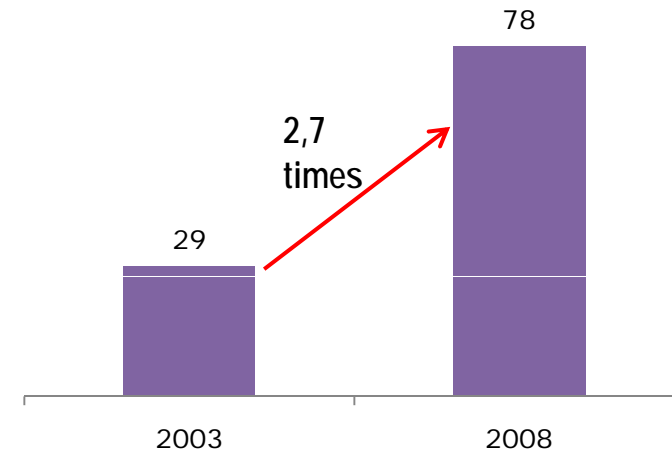
Funds Borrowed



Equity



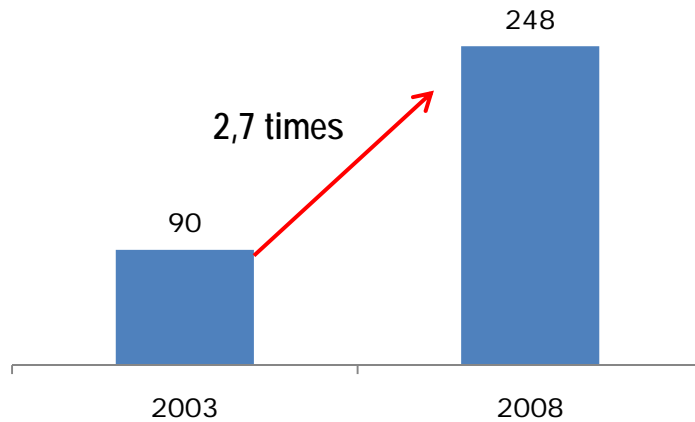
Net Profit



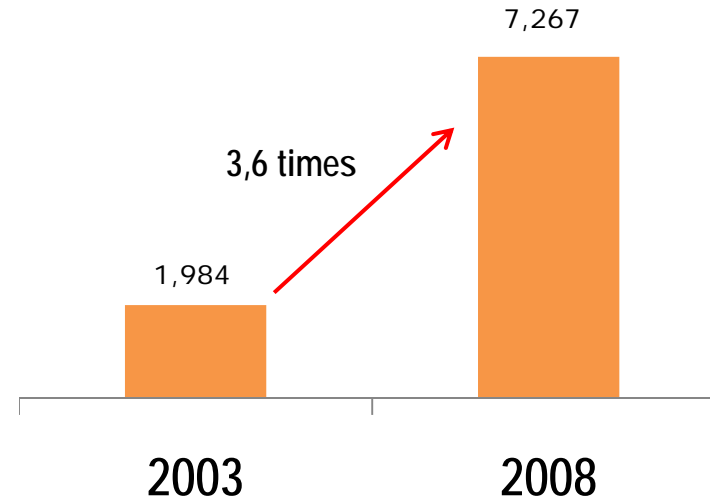
TSKB: from 2003 to 2008

(mn USD)

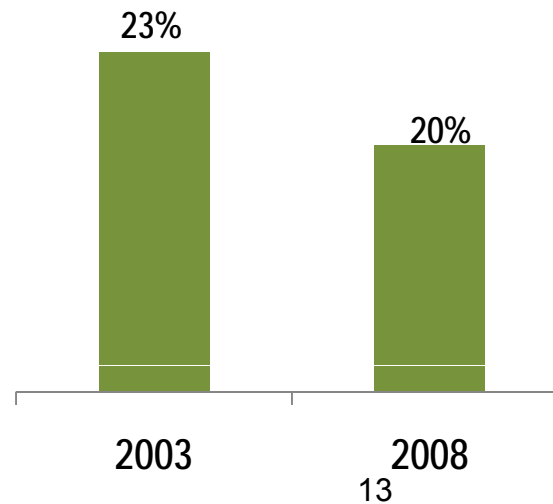
Profit per Employee



Loans per Employee

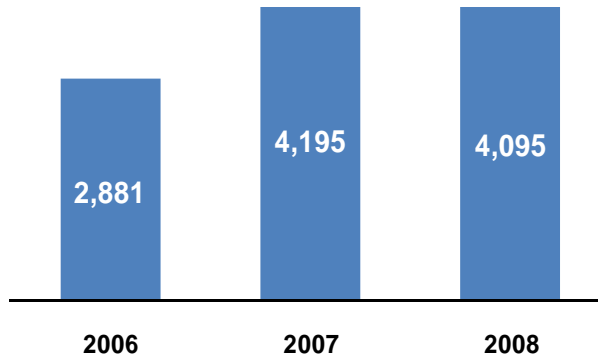


Cost / Income Ratio

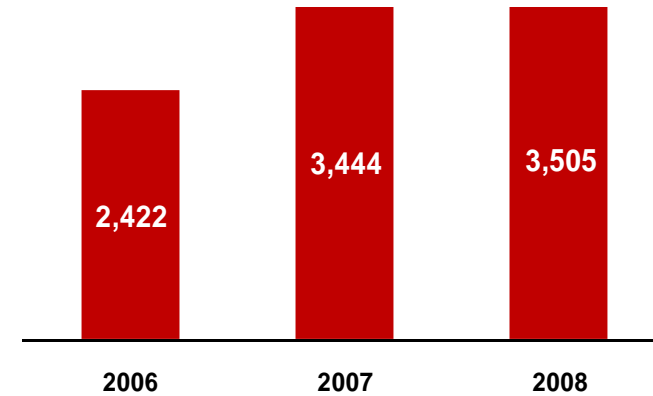


Sustainable Growth Over the Years

Total Assets (USD mn)

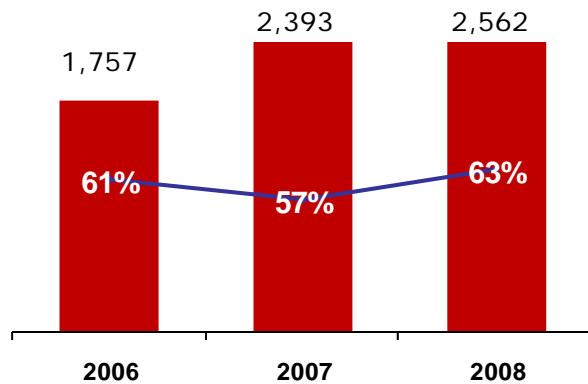


Funds Borrowed (USD mn)



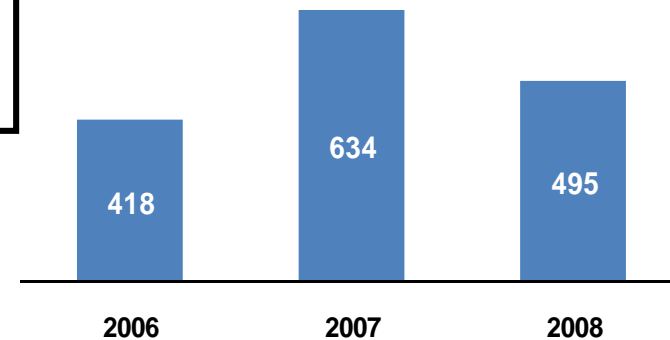
78% of the Long Term Funds borrowed are guaranteed by the Turkish Treasury.

Total Loans (USD mn)



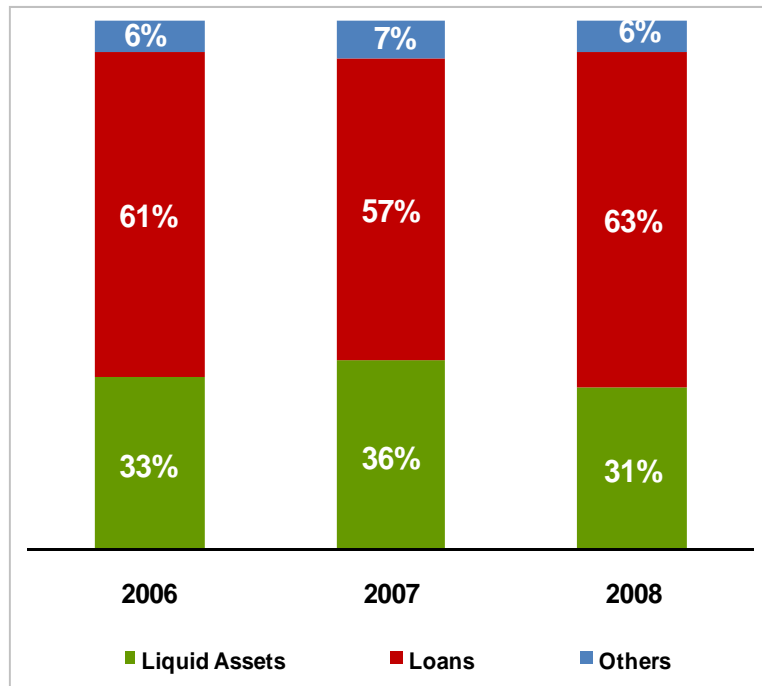
Loans/Assets is 63%, one of the highest ratio in the sector.

Shareholders' Equity (USD mn)

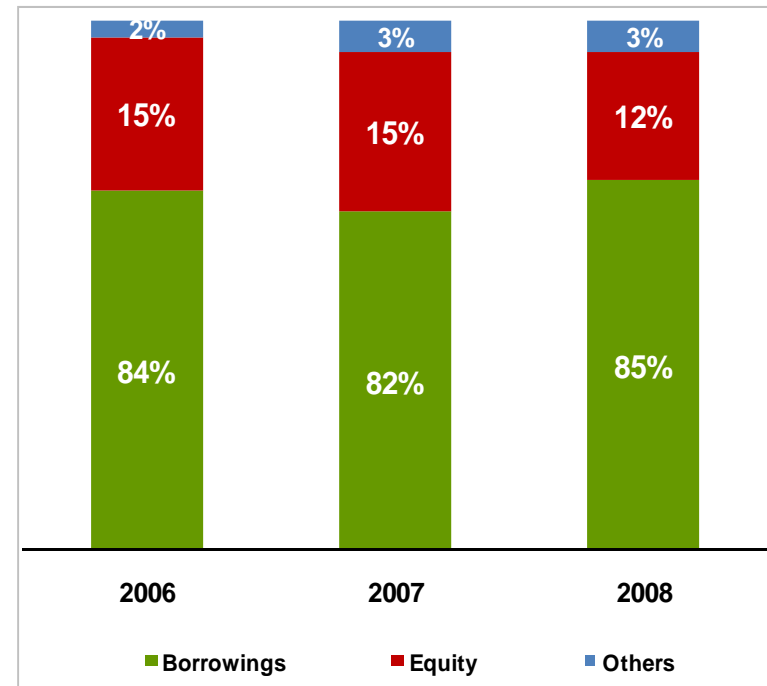


Balance Sheet Composition

Assets

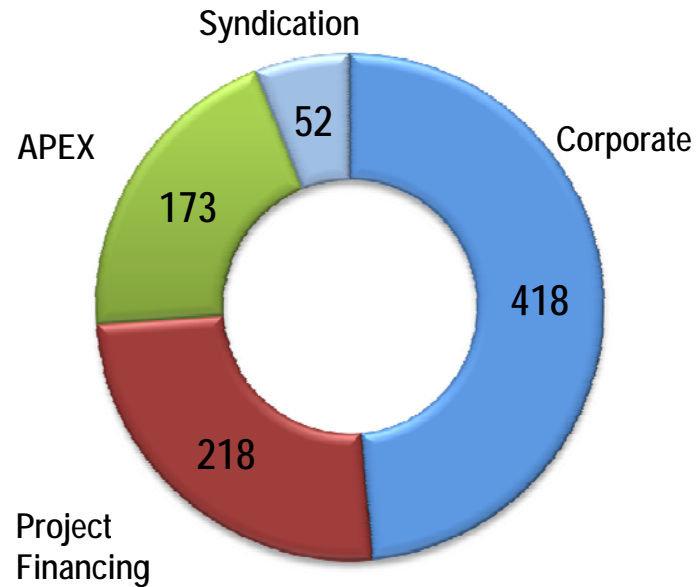


Liabilities



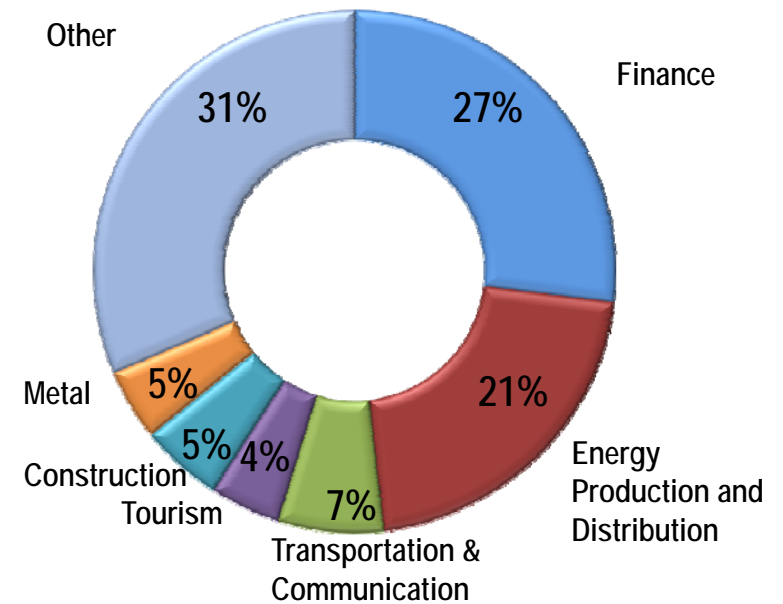
Loans

861 Million USD loan disbursement in 2008



Total Loan Portfolio 2.562 Million USD

Sectoral Breakdown



* TSKB is one of the key actors in Project Financing.

* Energy sector has a share of 30% in new disbursements.

* Average maturity of loan portfolio is 4.9 years.

* Almost all of the lending is in foreign currency.

*NPL ratio was 0.7% in year 2007, and in 2008 as well.

Renewable Energy Loans

Electricity Production

Totally 1.121 m USD loan amount is allocated for 2.255 MW capacity. In this respect 120 projects were analyzed.

Natural Gas Pipeline

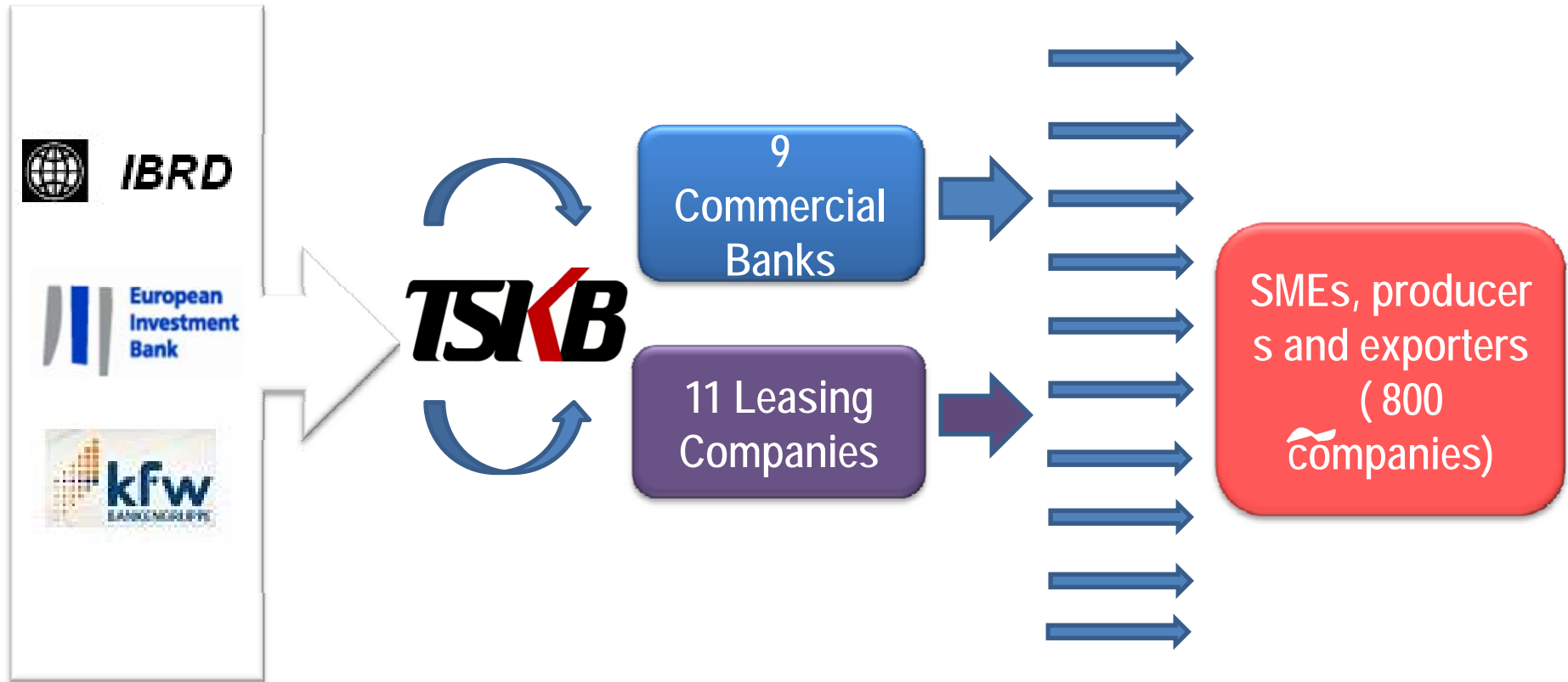
66 HEPPs – Total 2.133 MW

2 WPPs – Total 53 MW

2 GPPs – Total 58 MW

Others- Total 11 MW

Natural Gas Distribution of 17 regions- 150 mn \$

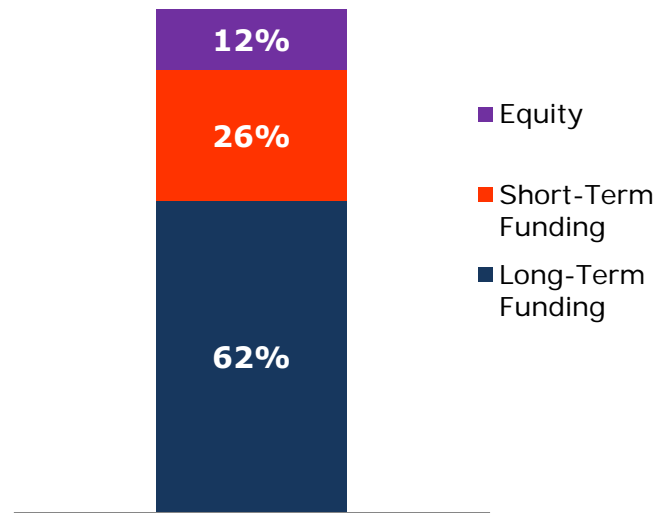


Through Banks and Leasing Firms **880 Million USD** of funds, which are borrowed;

- * USD 680 mn from World Bank for Export Finance
- * USD 190 mn from European Investment Bank for SME Development
- * USD 10 mn from KfW for SME Development

have been disbursed to private sector.

LIABILITIES

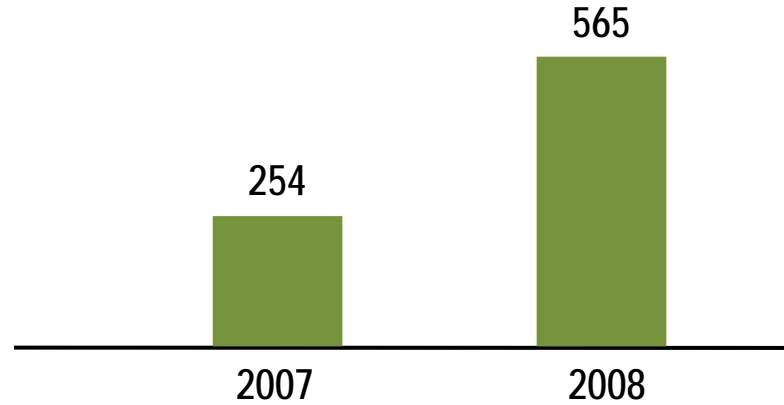


- Total borrowings amounting to 3 Billion USD, with an average maturity of 8,4 years.
- 85% of total fundings are long-term.
- The longest borrowing maturity is 30 years.

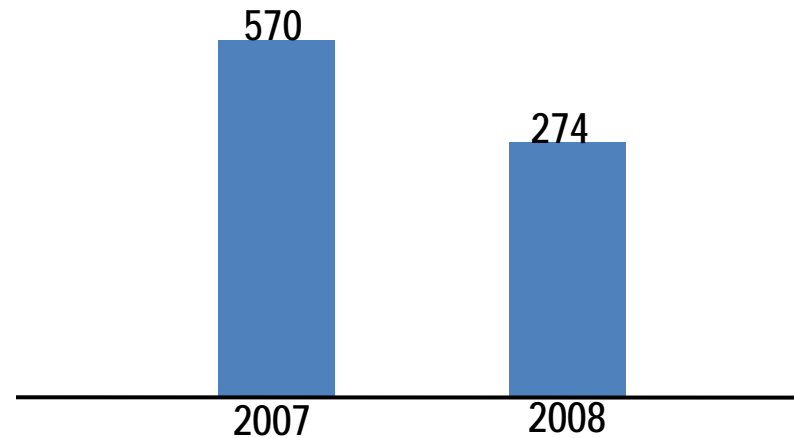
Foreign Fundings

Long-Term Borrowings from Multilaterals

(mn,USD)



Short-Term Borrowings from International Markets



TSKB's long-lasting and time-honoured relationships and contracts with multilaterals has secured access to long-term funding despite the global credit crunch both in 2008 and 2009.

Medium & Long Term Funds by Multilateral Agencies



European Investment Bank (EIB)



World Bank (IBRD)



Japan Bank for International Cooperation (JBIC)



Kreditanstalt für Wiederaufbau (KfW)



Council of Europe Development Bank (CEB)



International Finance Corporation (IFC)

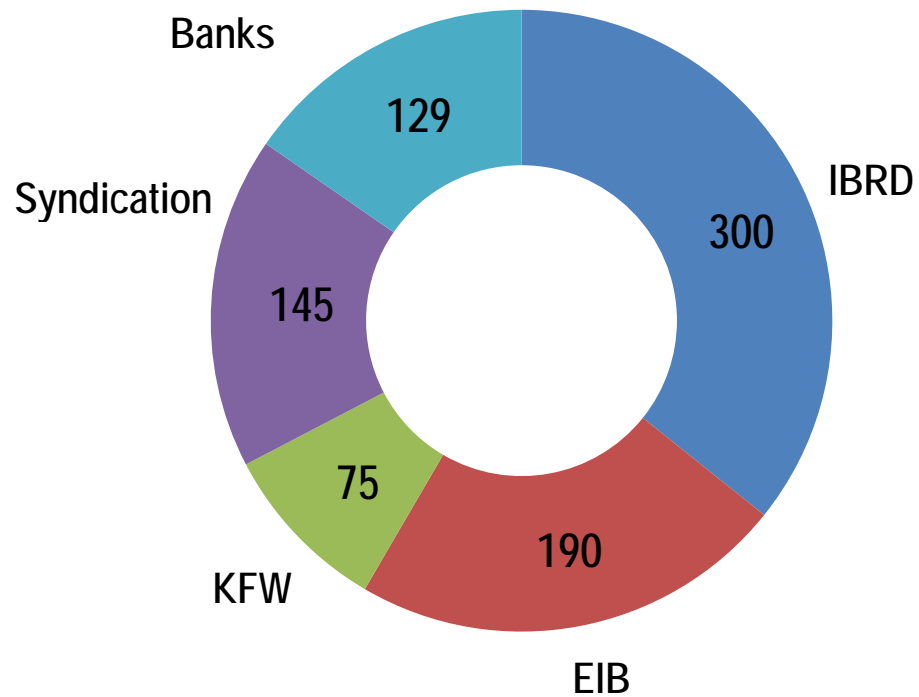


Agence Française de Développement (AFD)



Instituto de Crédito Oficial of the Kingdom of Spain

USD 840 mn funds raised (2008)

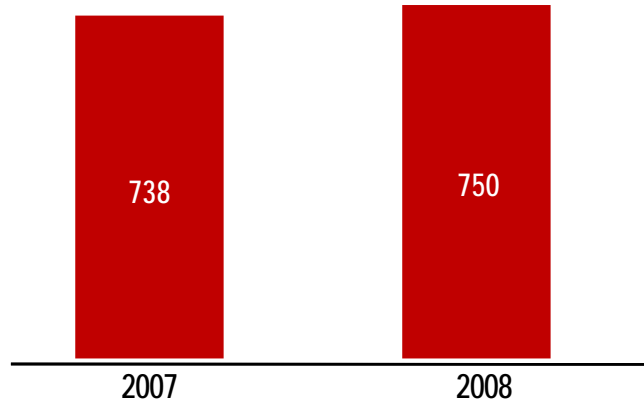


LT funding agreements in 2008

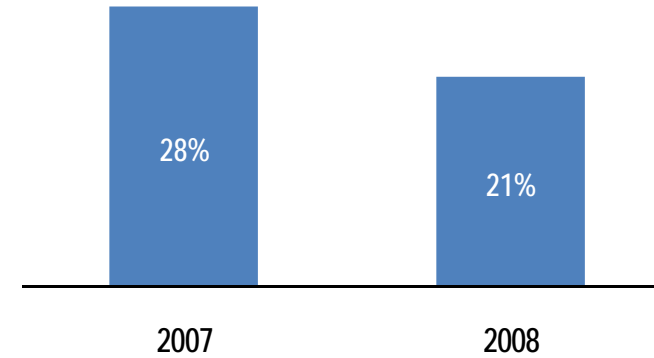
INSTITUTION	LOAN	AMOUNT	MATURITY
IBRD	EFIL IV	USD 300	28 YRS
EIB	ENVMNT& ENERGY	EUR 150	15 YRS
KFW	ENVMNT& ENERGY	USD 75	12 YRS

Strong Capital Structure

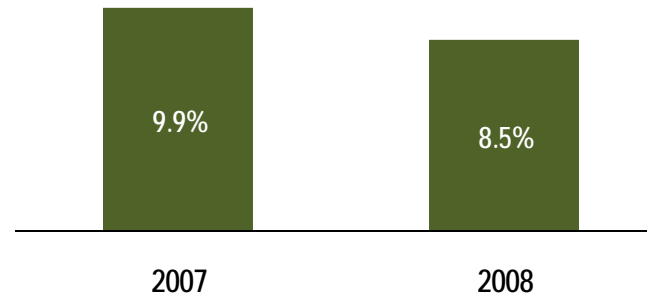
Equity (mn TRY)



Capital Adequacy Ratio



Free Capital Ratio



Financial Summary

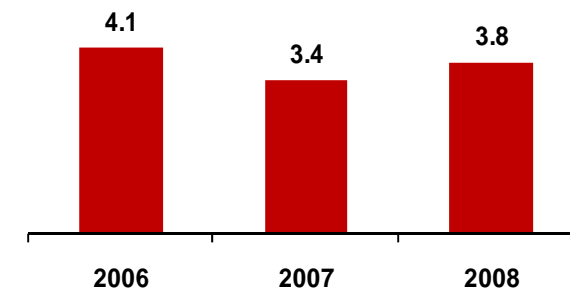
Income Statement

(000 USD)	2007	2008	Change
Adj. Net Interest Income	118,154	140,894	19%
Net Commissions	5,920	3,104	-48%
Released Provisions	13,154	3,864	-71%
Other Operating Income	57,485	18,621	-68%
Net Banking Income	194,712	166,484	-14%
Personnel Expenses	22,674	20,275	-11%
Adm. Expenses	7,069	8,638	22%
Other Op. Expenses	7,278	5,329	-27%
Operating Profit	157,691	132,242	-16%
Provisions	- 30,989	- 53,759	73%
Net Profit	126,702	78,484	-38%

Loan Spread



Net Interest Margin



Exchange Rate (USD/TRY) 1,164 1,516

Financial Summary

Income Statement

<i>(million TRY)</i>	2007	2008	Change
Adj. Net Interest Income	138	214	55%
Net Commissions	7	5	-32%
Released Provisions	15	6	-62%
Other Operating Income	67	28	-58%
Net Banking Income	227	253	11%
Personnel Expenses	26	31	16%
Adm. Expenses	8	13	59%
Other Op. Expenses	8	8	-5%
Operating Profit	184	201	9%
Provisions	-36	-81	125%
Net Profit	148	119	-19%

Financial Highlights

Ratios

















	2006	2007	2008
CAR	32.9 %	27.6 %	21.1 %
Free Capital	9.8 %	9.9 %	8.5 %
Cost to income	25.7 %	18.9 %	20.5 %
NIM	4.1 %	3.4%	3.8 %
ROAE	18.7 %	22.2 %	16.0 %
ROAA	2.9 %	3.3 %	2.1 %

Financials

(USD mn)	2006	2007	2008
Assets	2,881	4,195	4,095
Liquid Assets	946	1,530	1,279
Loans	1,757	2,393	2,562
Partic.	106	181	124
Funds borrowed	2,423	3,444	3,505
Equity	417	634	495

Investment Banking

Corporate Finance – Scope of Business

Privatization	Privatization of Turkish Highways&Bridges	Privatization of İskenderun TCDD Port	Meram Electric Distribution	Privatization of Mersin, Derince Samsun, İzmir, Bandırma Ports
	 Sell-Side Adviser  Advices Private Administration of Republic of Turkey Continues	 Sell-Side Adviser  Advices Private Administration of Republic of Turkey Continues	 Buy-Side Adviser   Advised İttifak Holding acquisition of the right of operating September 2008	 Sell-Side Adviser  Advised Private Administration of Republic of Turkey April 2008
	AKSA Power Generation Public Offering	TSKB GYO Public Offering	Arkas GYO Public Offering	C Faktoring Bond Issuing
Public Offering&Bond Issue	 Lead Manager-Bookrunner Initial public offering Continues	 Lead Manager-Bookrunner Initial public offering Continues	Lead Manager-Bookrunner Initial public offering  Continues	 Bookrunner FRN due June 2010 June 2008
	A Logistic Company	A Food Company	VARYAP Real Estate Strategic Consultancy	Sabiha Gökçen International Airport
Advisory	Sell-Side Adviser Advices a logistic company to build a partnership with a strategic or financial investor Continues	Sell-Side Adviser Advices a food company to build a partnership with a strategic or financial investor Continues	Strategic Adviser Strategical advisory services on the Company's real-estate operations  Continues	Buy-Side Adviser  Advised Limak Holding on the acquisition of the right of operating  July 2007

Asset Management and Securities

- TSKB Trading Platform (TTP) and two branches to enhance brokerage activities
- New thematic fund other than 5 conventional funds



Clean Energy Funds

- Capital + 10% return guaranteed fund
- Innovative investment fund which invests in Renewable Energy, Energy Efficiency and Waste Management sectors ,being the first in Turkey



2008 Awards

- **TSKB Sustainable Bank of the Year** | FT-IFC Emerging Countries – Eastern European Category
- **Geothermal Energy Project Financing of the Year in Europe- Gürmat** | Euromoney
- **Project Finance Deal of the Year– Mersin** | Euromoney
- **Best Infrastructure Project Financing of the Year in Europe– Mersin** | PFI



Sustainable Banking

Sustainable Banking

Overview

TSKB&Sustainable
Banking
EMS (Environmental
Management System)
TSKB Environmental
Policy

Environmental Risk
Evaluation
Environmental
Procedures
Corporate Social
Responsibility
Presentations



In year 2006 ISO 14001 Environment Management certificate is obtained.

The scope of the Certificate:

- Environmental Risk Valuation has been made for 87 projects that went into the Credit Committee and these valuations is posted on TSKB's web site.
- Through media and conferances on environment and renewable energy, TSKB's image of environmentalist bank is introduced.
- Water consumption in TSKB buildings has decreased % 30. In year 2009 reduction in electricity and paper consumption is projected.



APPENDICES

FitchRatings

TSKB's Fitch Ratings (Sep 2008)

<u>Foreign and Local Currency</u>	
Long Term Foreign Currency	BB
Long Term Local Currency	BB +
Short Term	B
Outlook	Stable
<u>National</u>	AA+ (Tur)
Outlook	Stable
<u>Individual</u>	C/D
<u>Support</u>	3

TSKB's Main Shareholders' Fitch Ratings

	LTFC	Outlook	Support	Individual
İş Bank	BB	Stable	4	C
Vakıfbank	BB-	Stable	4	C/D

Moody's

TSKB's Moody's Ratings (Jan 2008)

<u>Financial Strength Rating</u>	D+
Outlook (FSR)	Stable
Long Term Foreign Currency	B1/NP
Local Currency Deposit	Baa1/P2

Turkey: Sovereign Rates (LTFC)

S&P	Nov 14, 2008	BB-	Negative
Moody's	July 08, 2008	Ba3	Stable
Fitch	Jan 14, 2009	BB-	Stable

Participations as of Dec, 2008

Entity	Sector	Ownership	Capital (TRY)
Yatırım Finansman Menkul Değerler A.Ş. (Yat. Fin. Securities)	Financial	95.78%	38,500,000
TSKB Gayrimenkul Yatırım Ortaklığı A.Ş. (TSKB Real Estate Investment Trust)	Financial	96.00%	75,000,000
Entity	Sector	Ownership	Capital (TRY)
İş Finansal Kiralama A.Ş. (İş Leasing)	Financial	28.56%	185,000,000
TSKB Yatırım Ortaklığı A.Ş. (TSKB Investment Company)	Financial	29.75%	18,000,000
Yatırım Finansman Yatırım Ortaklığı (Yat.Fin. Investment Company Trust)	Financial	10.78%	10,000,000
Entity	Sector	Ownership	Capital (TRY)
İş Girişim Sermayesi Yatırım Ortaklığı (İş Venture Capital Investment Trust)	Financial	16.67%	23,400,000
İMKB Takas Saklama A.Ş. (ISE Clearing House)	Financial	5.00%	60,000,000
Vadeli İşlem ve Opsiyon Borsası A.Ş. (Derivatives Clearing House)	Financial	1.00%	9,000,000
Gelişen İşletmeler Piyasaları A.Ş. (Emerging Enterprises Market)		1.00%	10,000,000
İş Factoring Finansman Hizmetleri A.Ş. (İş Factoring)	Financial	21.75%	16,000,000
Cam Elyaf Sanayi A.Ş.	Glass	1.18%	36,121,000
Terme Metal Sanayi ve Tic. A.Ş.	Metal	17.83%	1,757,500
TSKB Gayrimenkul Değerleme A.Ş. (TSKB Real Estate Appraisal)	Real Estate	80.00%	300,000
İş Portföy Yönetimi A.Ş. (İş Asset Management)	Financial	5.00%	21,000,000
Gözlük Sanayi A.Ş.	Glass	21.71%	531,196
Ünsa Ambalaj San. Ve Tic. Ltd. Şti.*		12.00%	21,927,400
Senapa-Stampa Plastik Ambalaj San. A.Ş.*		6.95%	15,600,000

*These subsidiaries are TSKB's participations via the EIB Venture Capital Fund Scheme



Meclisi Mebusan Caddesi, No:81, 34427 Fındıklı
İstanbul/TURKEY

INVESTOR RELATIONS

Tel: +90 212 334 5152

Fax: +90 212 334 5234

E-mail: ir@tskb.com.tr

www.tskb.com

Disclaimer

The information in this document has been obtained by Türkiye Sınai Kalkınma Bankası A.S. (“TSKB”) from sources believed to be reliable, however, TSKB cannot guarantee the accuracy, completeness, or correctness of such information. This document has been issued for information purposes only. The financial reports and statements announced by TSKB to the public and the relevant corporations are accepted to be the sole material. TSKB does not accept any liability whatsoever for any direct or consequential loss arising from any use of this document or its contents due to the misleading information in this document. All estimations contained in this document are the opinions of TSKB and can be subject to change without notice. This document can not be interpreted as an advice, offer to sell, or an invitation to subscribe for or purchase, any of the shares in any jurisdiction to any person or to the investors and TSKB can not be held responsible for the results of investment decisions made on account of this document. This document has been issued specially to the person, whom the document is concerned and may not be reproduced, distributed or shared with third parties for any purpose. The distribution of this document in certain jurisdictions may be restricted by law. Persons into whose possession this document comes are required by TSKB and the managers to inform themselves about and to observe any such restrictions. No persons has been authorized to give any information or to make any representation. In making an investment decision, investors must rely on their own examination of TSKB, including the merits and risks involved. This document is personal to whom it is delivered by the managers.