

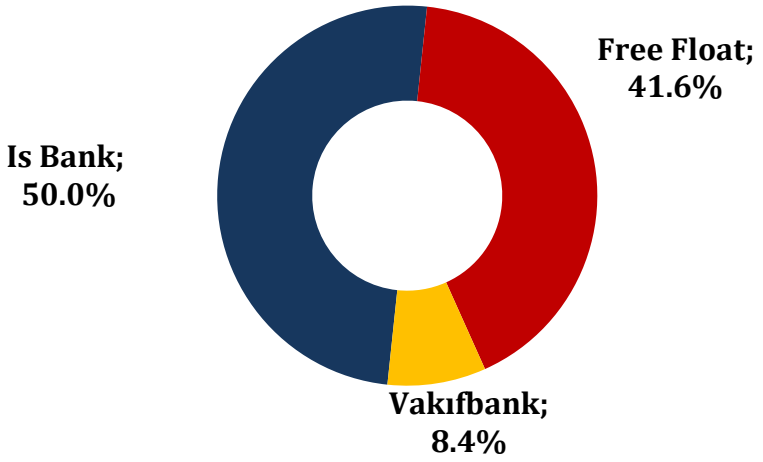
Investor Presentation

3Q2013 –BRSA

Bank only Results

TSKB @ a Glance

Ownership Structure

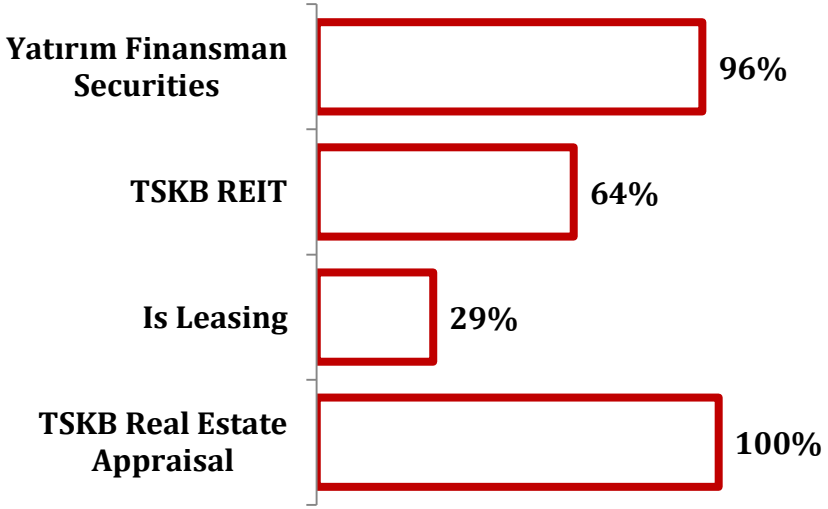


- **TL 12.2 bn** asset size
- **329** employees, **2** branches
- **21st** bank in terms of asset size,

3.8% market share in LTFC corporate loans

- **TL 2.3 bn** MCAP
- **56%** of free float belongs to **foreign funds**

Main Subsidiaries



TSKB Credit Ratings (Oct., 2013)

	TSKB	Turkey
Fitch LTFC	BBB-	BBB-
Moody's LTIR	Baa3	Ba1

Corporate Governance Rating

SAHA	9.40/10

Snapshots

	3Q-2013 (TL mn)	Change ytd (%)
Securities	2,934	**1.0%**
Loans	8,367	**21.4%**
Assets	12,207	**18.6%**
Funds Borrowed	8,351	**19.8%**
Equity	1,825	**4%**
Net Profit	**245**	**2.1%**

Loan Growth

- **6.8%** in USD terms
- **6.6%** in real terms

Funds Borrowed Growth

- **5.3%** in USD terms
- **4.0%** in real terms

Snapshots

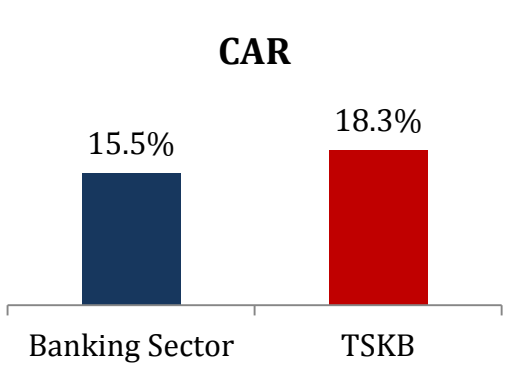
Sustainable Profitability; Stable Net Interest Margin

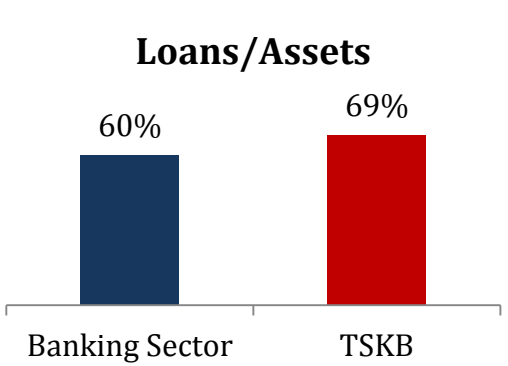
- 3Q13 profit **TL 68 mn**, 2% higher than the last year
- RoE @ **18.2%**, 5-years average@ 19%
- NIM@ **4.2%**
- C/I ratio @ **14.1%**

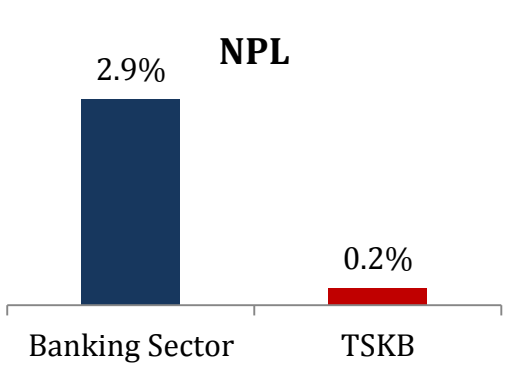
- Loan volume totaling **USD 4.2 bn**; up by **11%** yoy
- NPL ratio @ **0.2%**
- Cost of risk : **48 bps** (Effective CoR 38 bps)
- CAR @ **18.3%** free capital @ **11.9%**
- Leverage ratio : **6.7X**

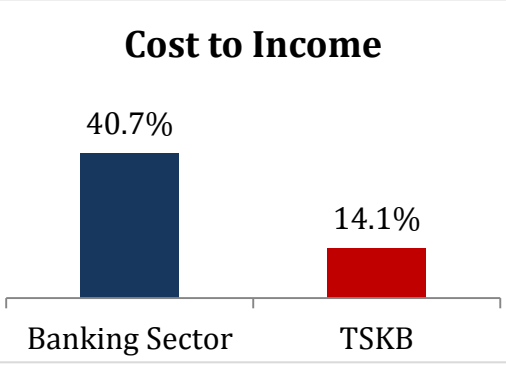
Robust Asset Quality; High Efficiency

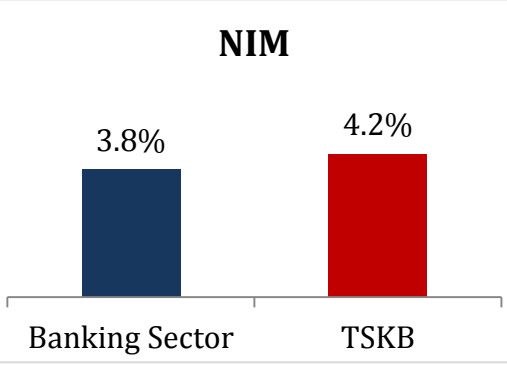
Banking Sector and TSKB

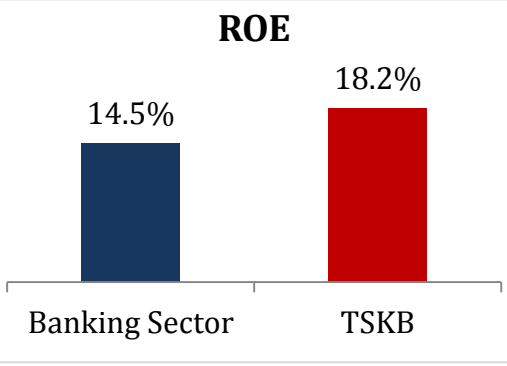








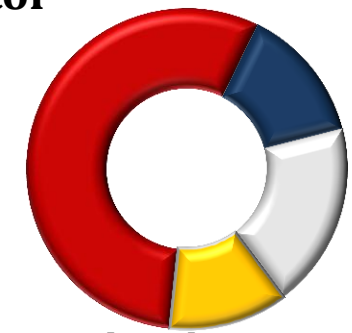




* Banking Sector data as of August 2013

Banking Sector

Deposits 56%



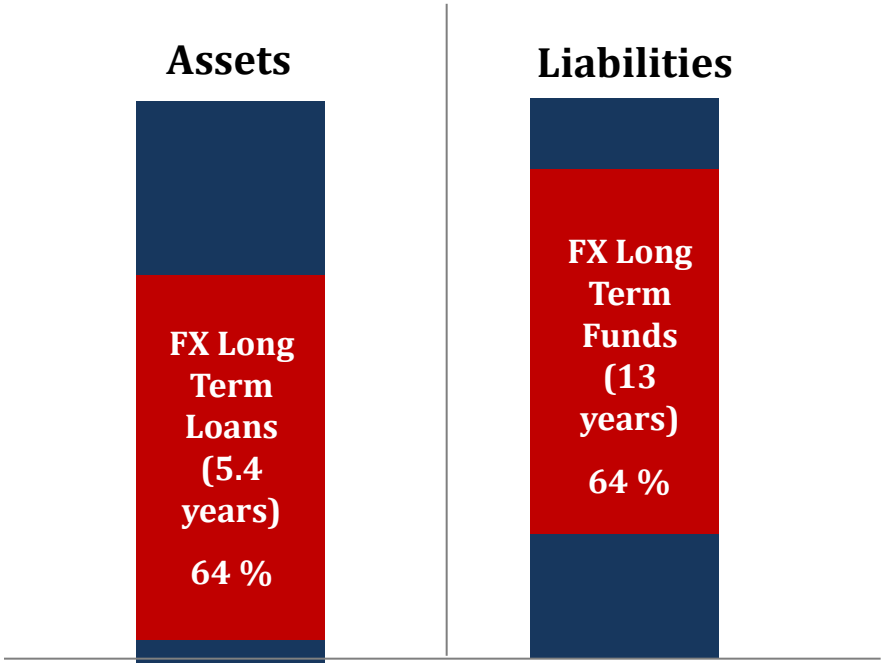
Deposits
(Average maturity less than 3 months)

TSKB

Long Term Funds; 64%

Long Term Funding
(13 years of average maturity)

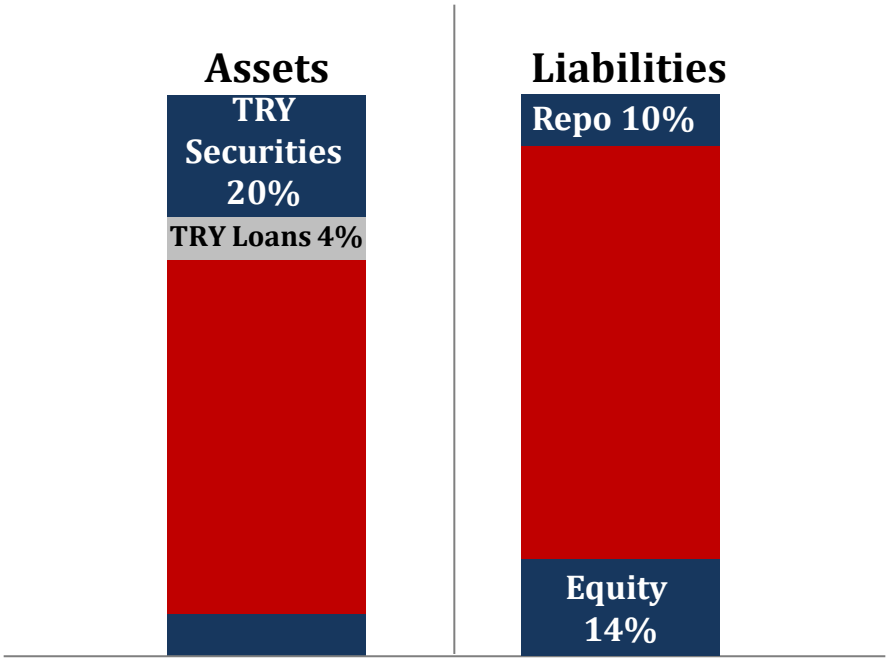
Financial Highlights



- **2.8 years of Loan Duration, 6.6 years of Funding Duration**

TRY

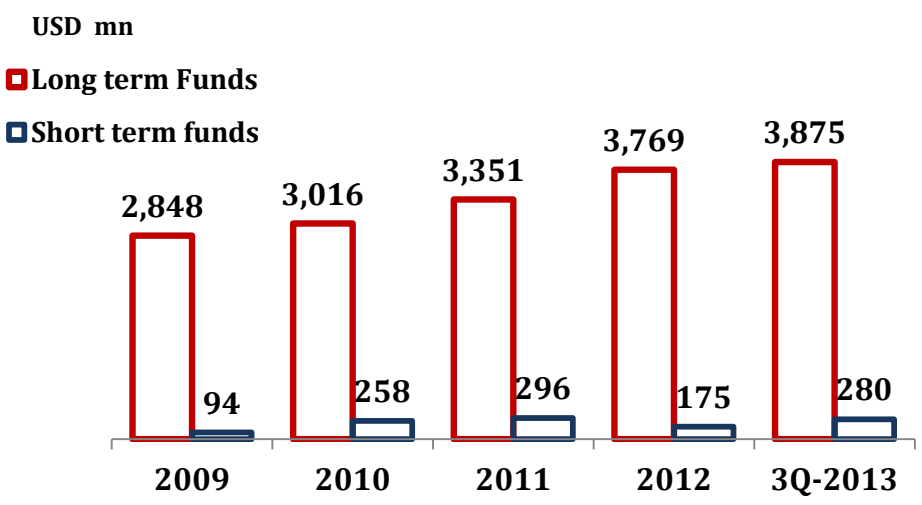
FX



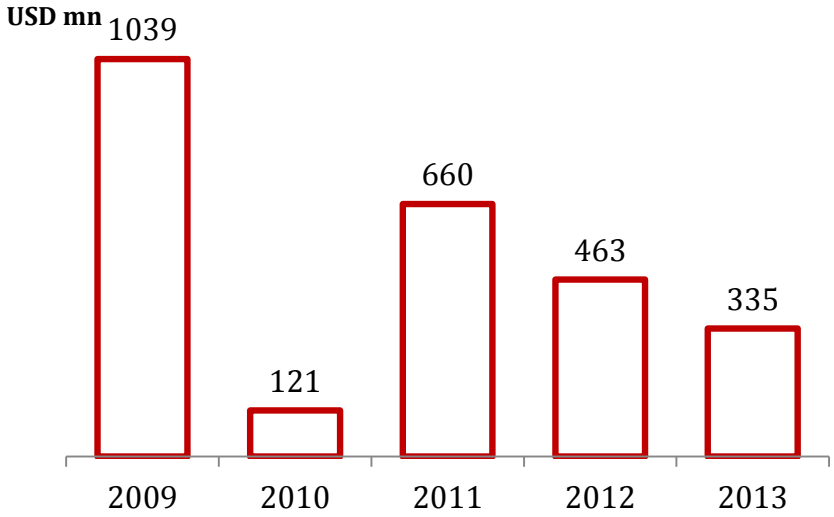
- **2.9 years of Securities Duration**

Funding Base

Outstanding Funding Base



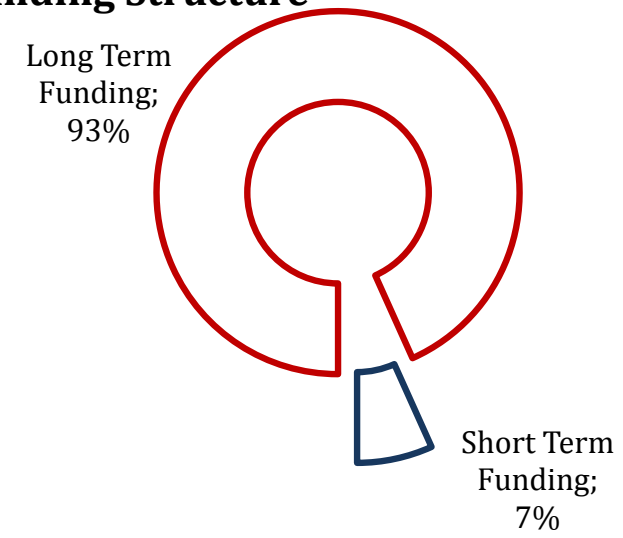
Multilateral Funding Agreements (Annually)



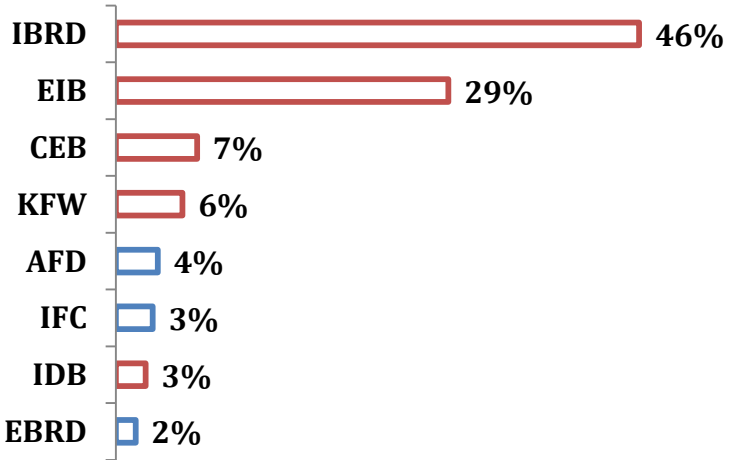
- World Bank (IBRD)
- Agence Française de Developpement (AFD)
- European Investment Bank (EIB)
- International Finance Corporation (IFC)
- Council of Europe Development Bank (CEB)
- European Bank for Reconstruction and Development (EBRD)
- Kreditanstalt für Wiederaufbau (KfW)
- Islamic Development Bank (IDB)

Liability Structure and Funding Base

Funding Structure

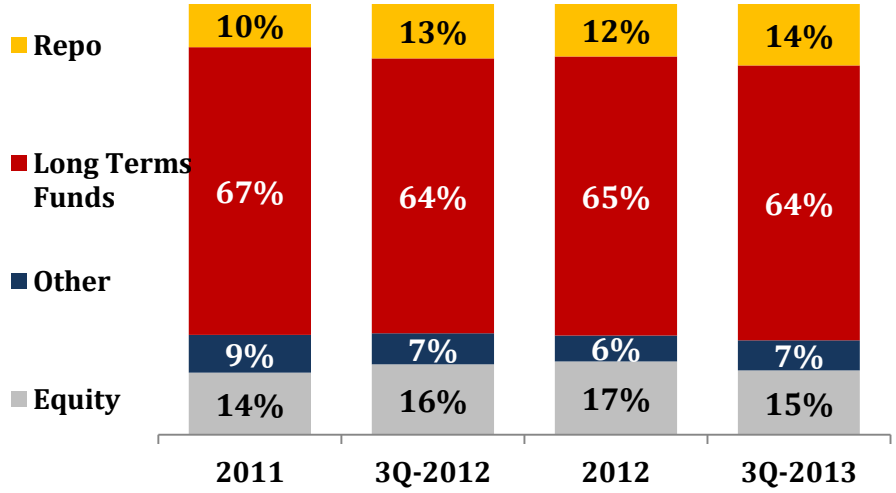


Outstanding Long Term Funds



- Total LT outstanding funds : **USD 3,875 mn** ;
- In the last five years, signed agreements totaling: **USD 2,6 bn**
- LT funding average maturity: **13 years**
- **91%** of long term funds guaranteed by Turkish Treasury
- Short term funding: **7%** *(including syndication, P/N, Monet Market)*

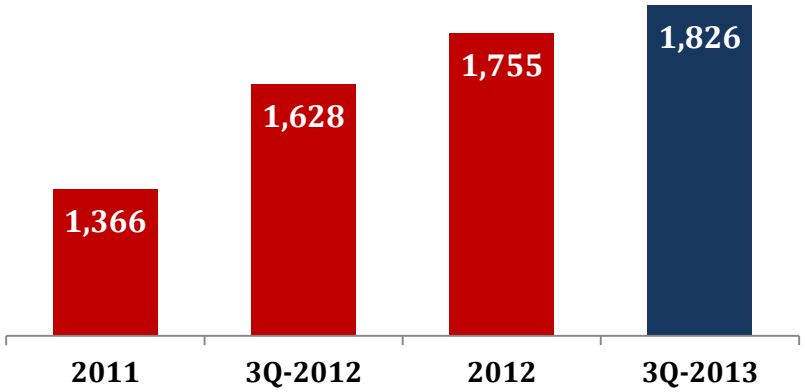
Liabilities



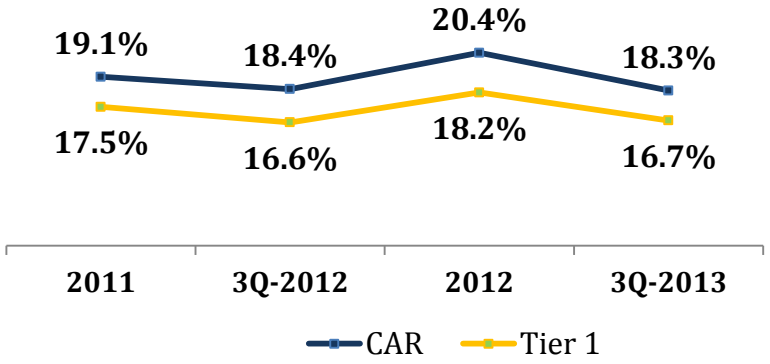
Shareholders' Equity

Equity

TRY mn

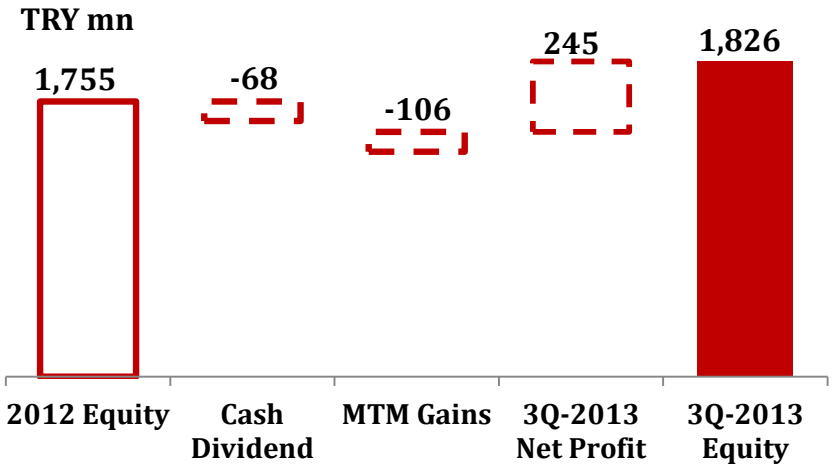


Capital Adequacy Ratio

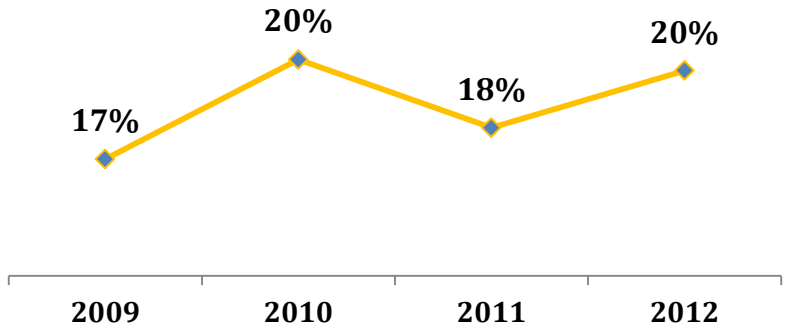


Equity Movement

TRY mn

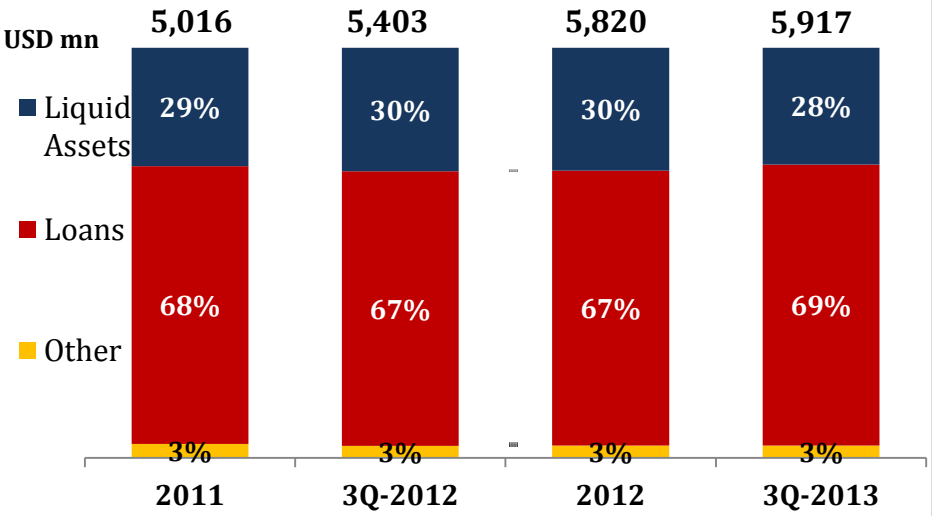


Dividend Payout Ratio

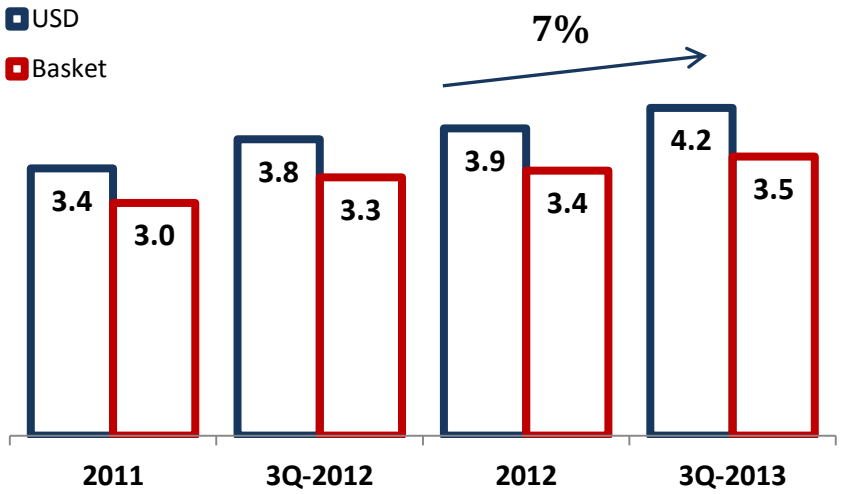


Loan Book

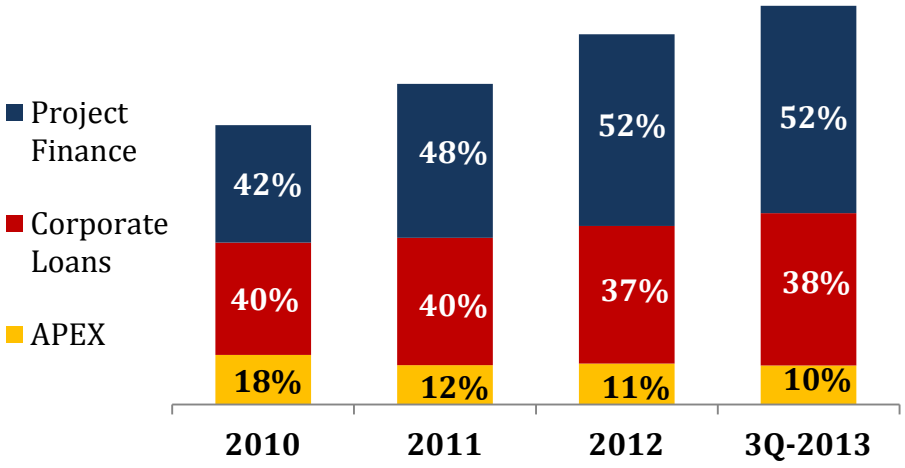
Assets



Loans (bn)



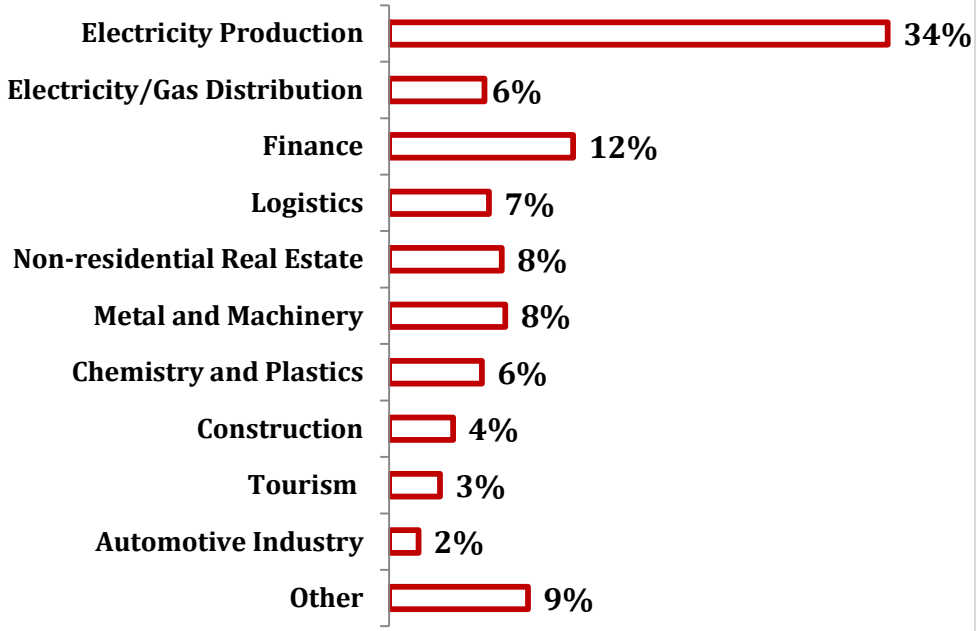
Loans by Type



- **95%** foreign currency denominated
- No currency mismatch
- **40%** in Euros, **55%** in USD
- **5.4 years** of average maturity

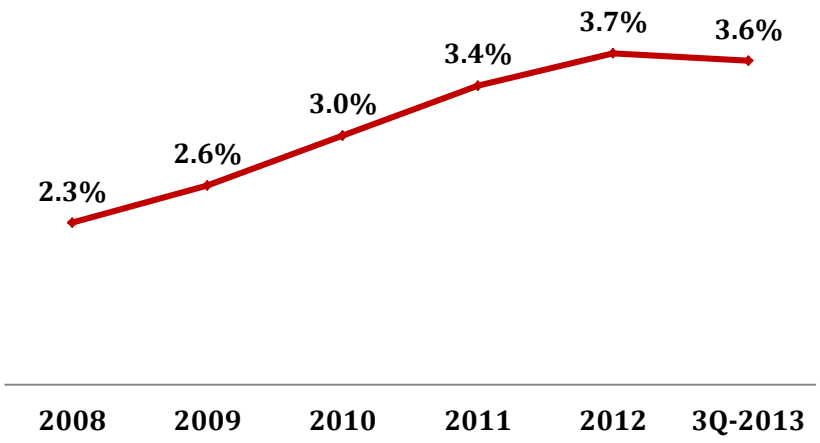
Healthy Loan Growth and Robust Asset Quality

Loans by Sector



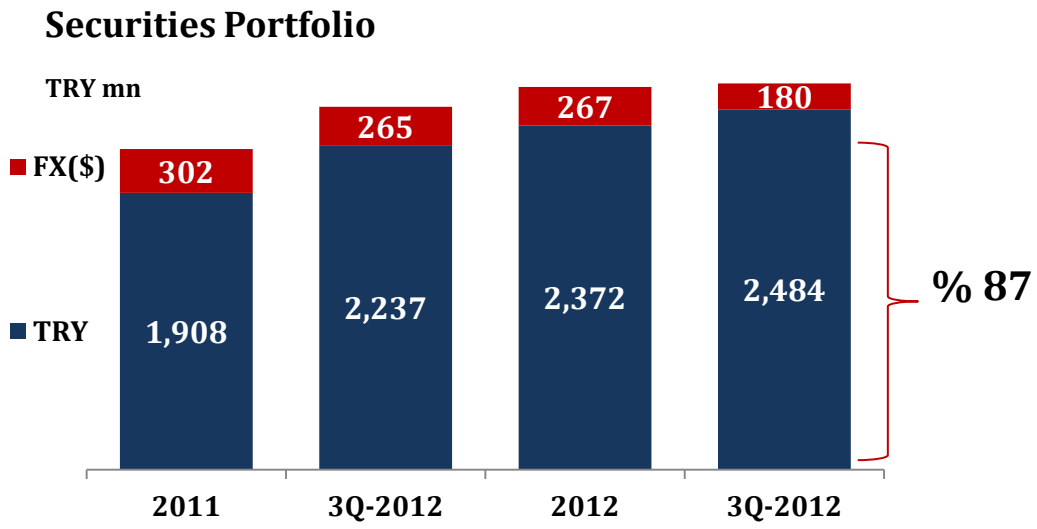
- Well diversified sectoral breakdown
- **98** projects with total installed capacity of **3,488 MW in Hydro, Wind, Geothermal and Biomass**
- **30** energy efficiency projects constitute **7%** of total loan book
- Infrastructure, non-residential real estate, tourism, PPP projects, energy efficiency sectors are on the agenda

Net Loan Spread

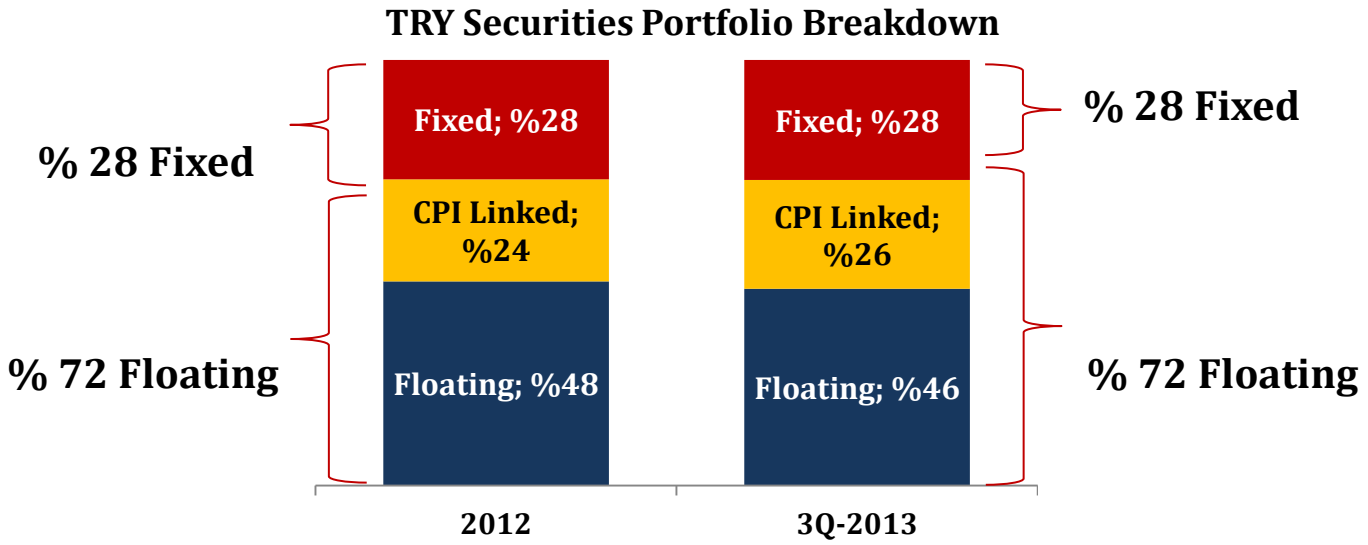


- NPL Ratio: **0.3%**
- Collection Ratio: **99%**
- Coverage Ratio: **77%** (including 2nd group)

Securities Portfolio



- Duration is **1.1 yrs** in Zero Coupon bonds, **3.9 yrs** in FRNs.
- **99%** is in AFS potfolio.
- **35%** of TRY portfolio funded by repo
- Private sector bonds: **17%** of total portfolio



Income Breakdown

(TRY mn)	3Q-2012	3Q-2013	Change
Adj. Net Interest Income	**315.3**	**339.4**	**8%**
Net Commisions	10.6	8.0	-24%
Dividend Income	27.7	28.1	1%
Other Operating Income	16.4	5.5	-66%
Net Banking Income	**369.9**	**381.1**	**3%**
Personnel Expenses	33.4	35.9	7%
Adm. Expenses	11.3	12.1	7%
Other Op. Expenses	7.4	7.2	-2%
Operating Profit	**317.7**	**325.8**	**3%**
Provisions(+/-)	-20.5	-24.0	17%
Profit Before Tax	**297.3**	**301.8**	**2%**
Tax Provisions	-57.7	-57.2	-1%
Net Profit	**239.6**	**244.6**	**2%**

Net Interest Income

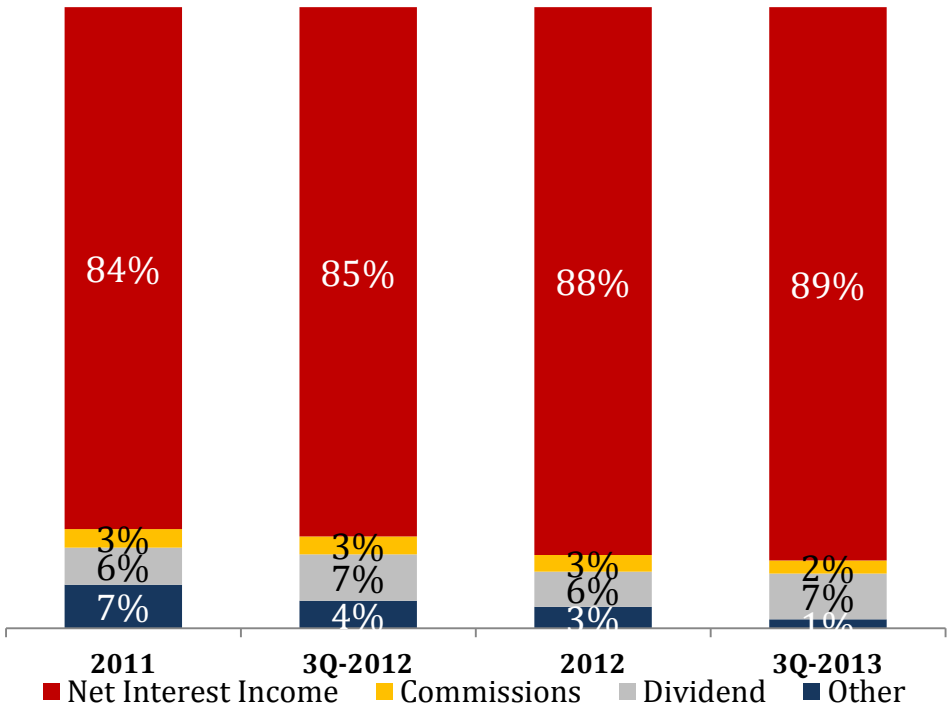
8%

OPEX

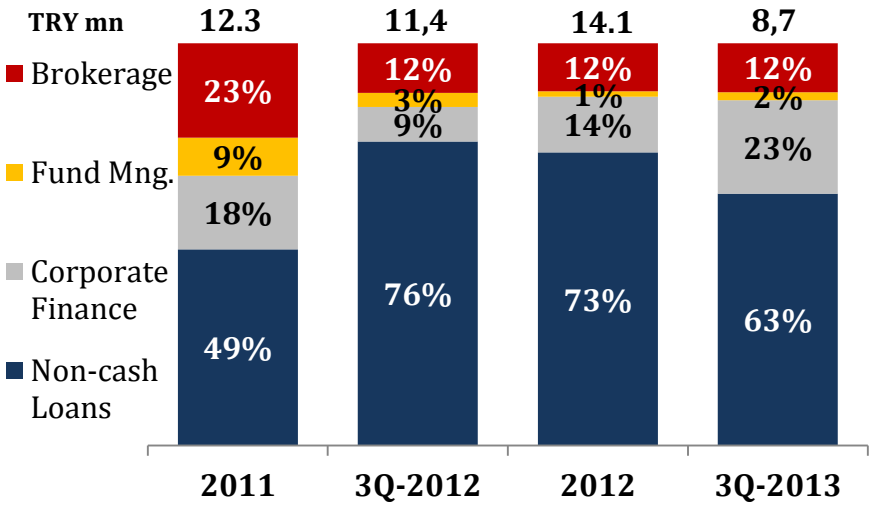
6%

Income Breakdown

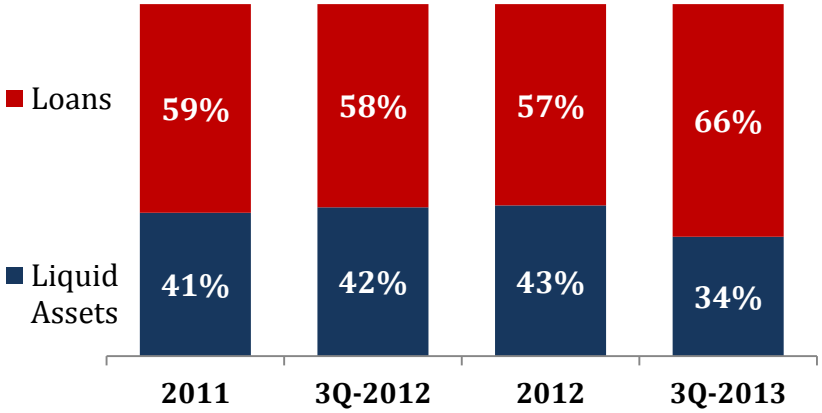
Income Breakdown



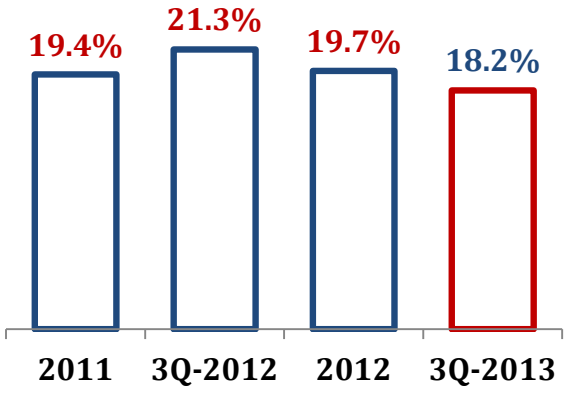
Commission Income Breakdown-Gross

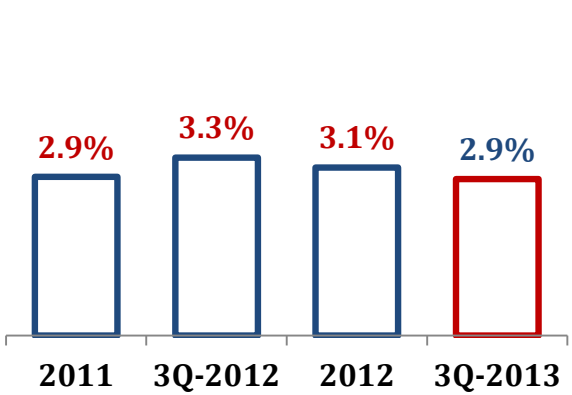


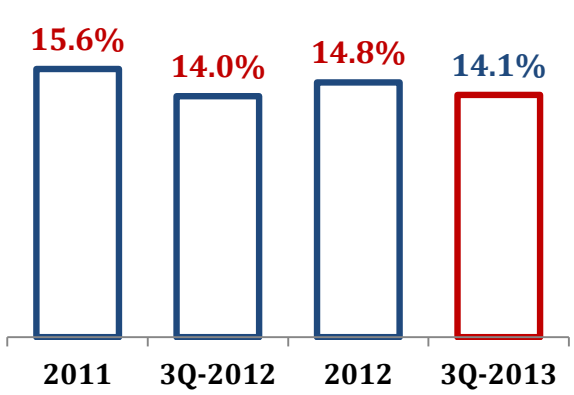
Net Interest Income Breakdown

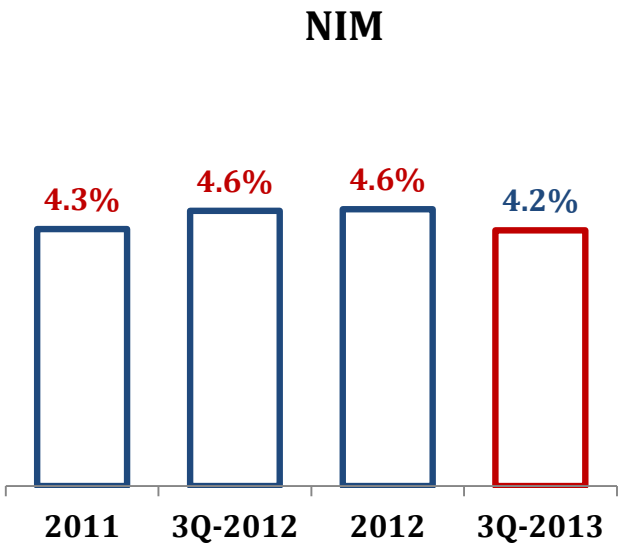


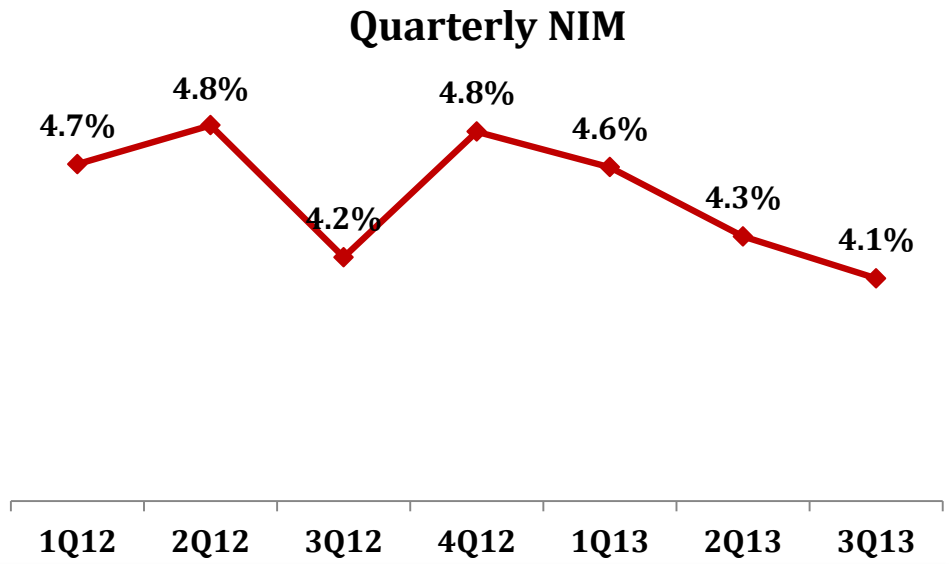
Key Performance Indicators











Quarterly Income Breakdown

(TRY mn)	1Q12	2Q12	3Q12	4Q12	1Q13	2Q13	3Q13	Change QoQ	Change YoY
Adj. Net Interest Income	**105**	**111**	**99**	**116**	**115**	**111**	**114**	**2%**	**14%**
Net Commisions	3	3	5	3	2	2	4	44%	-24%
Dividend Income	7	20	0	0	5	24	0	-100%	-100%
Other Operating Income	2	12	2	1	4	1	0	-39%	-81%
Net Banking Income	**117**	**146**	**107**	**118**	**126**	**138**	**117**	**-15%**	**10%**
Personnel Expenses	11	13	11	11	12	12	12	-4%	8%
Adm. Expenses	4	4	4	5	4	4	4	10%	19%
Other Op. Expenses	2	3	2	4	3	3	1	-48%	-32%
Operating Profit	**100**	**127**	**90**	**98**	**107**	**119**	**100**	**-16%**	**11%**
Provisions(+/-)	-0	-13	-6	-13	-2	-10	-12	28%	96%
Profit Before Tax	**100**	**114**	**84**	**86**	**105**	**109**	**88**	**-20%**	**5%**
Tax Provisions	-19	-22	-17	-18	-20	-17	-20	15%	16%
Net Profit	**81**	**92**	**67**	**68**	**85**	**92**	**68**	**-26%**	**2%**

Balance Sheet

(TRY mn)	30/09/2012			31/12/2012			30/09/2013		
	TRY	FX	TOTAL	TRY	FX	TOTAL	TRY	FX	TOTAL
Cash and Banks	81	128	209	28	142	170	282	255	537
Securities	2,237	480	2,717	2,372	472	2,844	2,484	375	2,858
Loans	209	6,436	6,645	211	6,684	6,895	443	7,924	8,368
Subsidiaries	292	3	295	311	3	314	343	3	346
Other	31	32	63	33	33	66	42	56	98
Total	**2,850**	**7,079**	**9,929**	**2,955**	**7,334**	**10,290**	**3,594**	**8,613**	**12,207**
ST Funds	-	455	455	22	288	310	26	538	563
LT Funds	-	6,334	6,334	-	6,664	6,664	-	7,789	7,789
Repo*	803	216	1,019	802	237	1,039	829	238	1,067
Other	463	30	493	462	59	521	918	43	961
Equity	1,571	58	1,628	1,686	69	1,755	1,800	26	1,826
Total	**2,837**	**7,093**	**9,929**	**2,972**	**7,318**	**10,290**	**3,573**	**8,634**	**12,207**

* TRY security funding only

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