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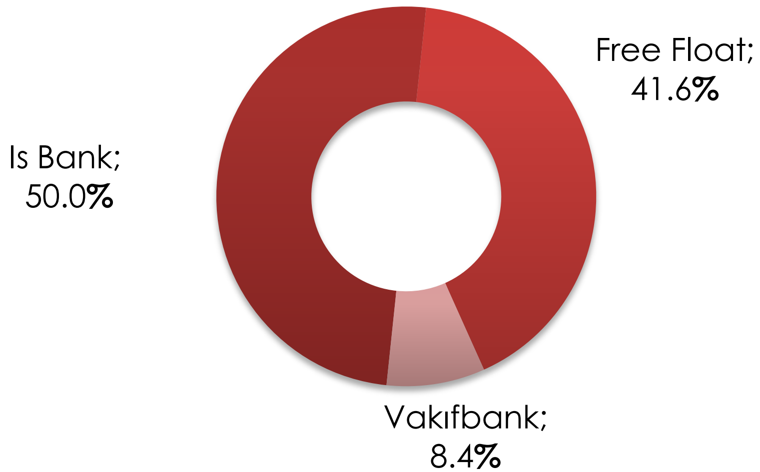
Investor Presentation

4Q2013 –BRSA
Bank only Results

TSKB

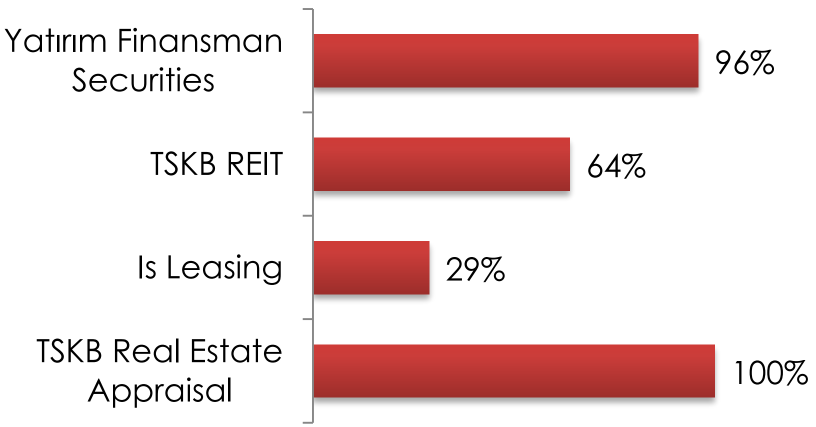
TSKB @ a Glance

Ownership Structure



- **TL 12.9 bn** asset size
- **314** employees, **2** branches
- **21st** bank in terms of Asset size
- **3.5%** 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)

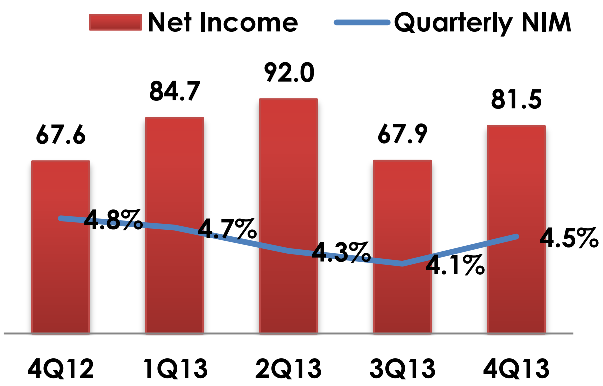
	TSKB	Turkey
Fitch LTFC	BBB-	BBB-
Moody's LTIR	Baa3	Ba1

Corporate Governance Rating

SAHA	9.40/10

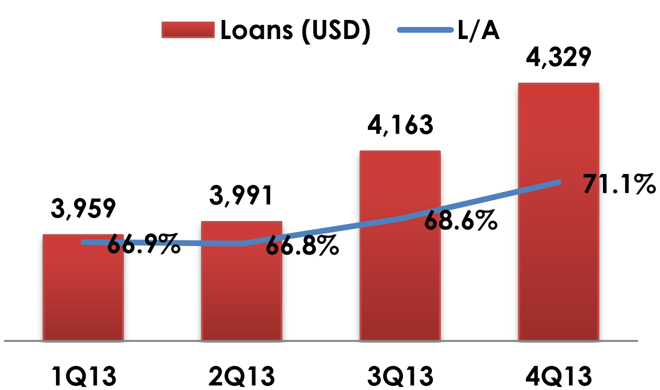
Sustainable Profitability - Stable Net Interest Margin

- 4Q13 profit **TL 81 mn**, 20% higher than 4Q12
- Yearly Net Profit **TL 326 mn**, 6% higher than 2012
- RoE @ **17.9%**, 5-years average @ 19%
- NIM@ **4.3%**
- C/I ratio @ **14.0%**

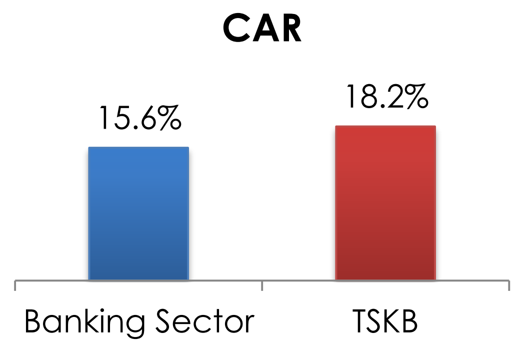


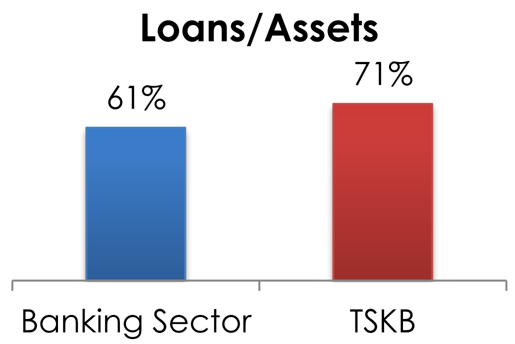
Robust Asset Quality - High Efficiency

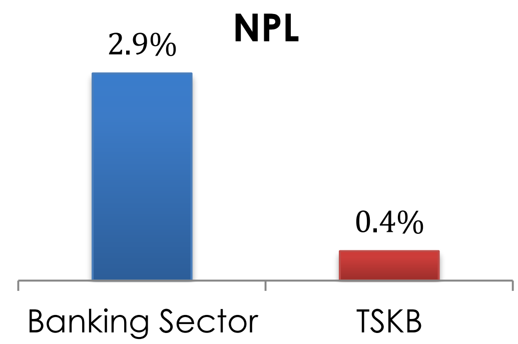
- Loan volume totaling **USD 4.3 bn**; up by **11%** yoy
- NPL ratio @ **0.4%**
- Cost of risk : **51 bps**
- CAR @ **18.2%** free capital @ **11.9%**
- Leverage ratio : **6.9X**

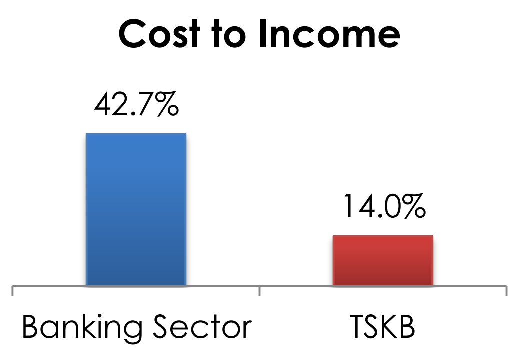


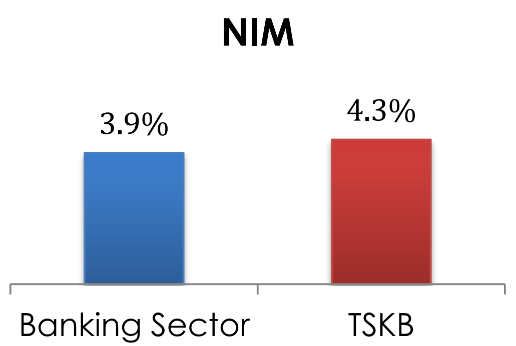
Banking Sector vs TSKB

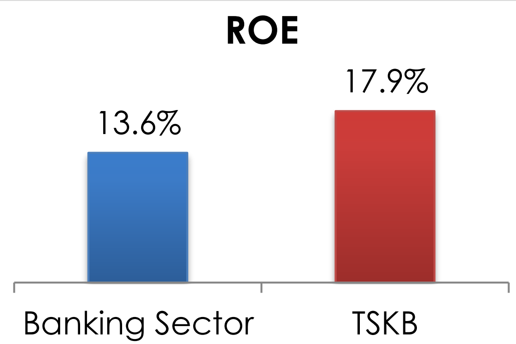




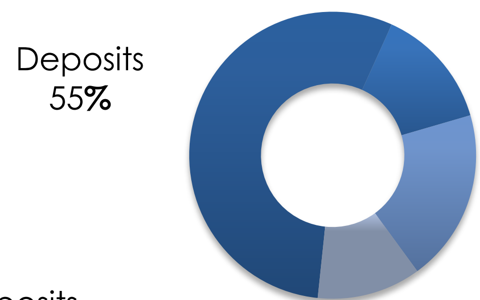








Banking Sector



Deposits
(Average maturity less than 3 months)

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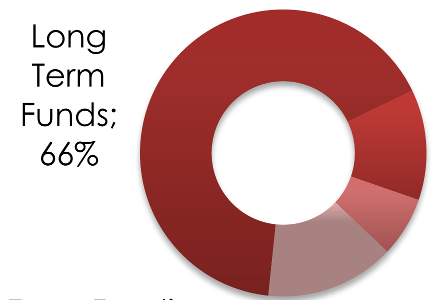
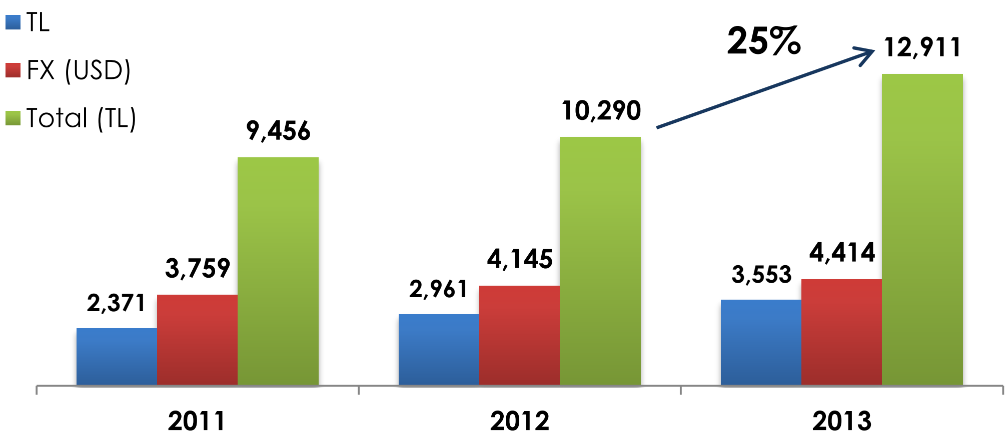


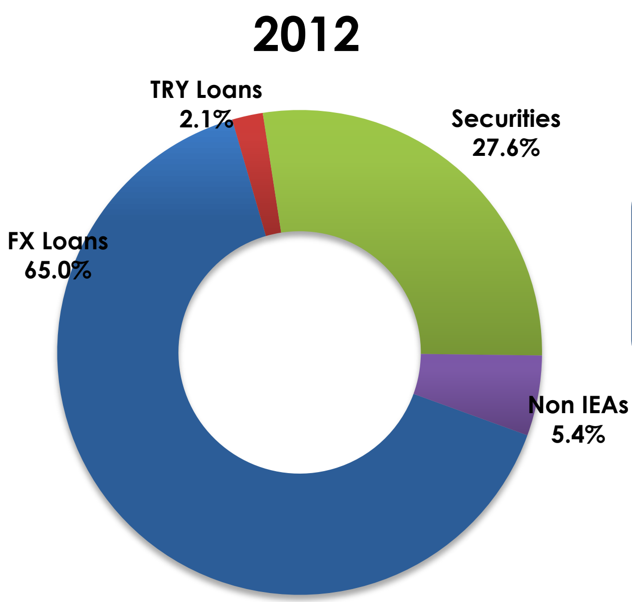
Long Term Funding
(12 years of average maturity)

Asset Composition

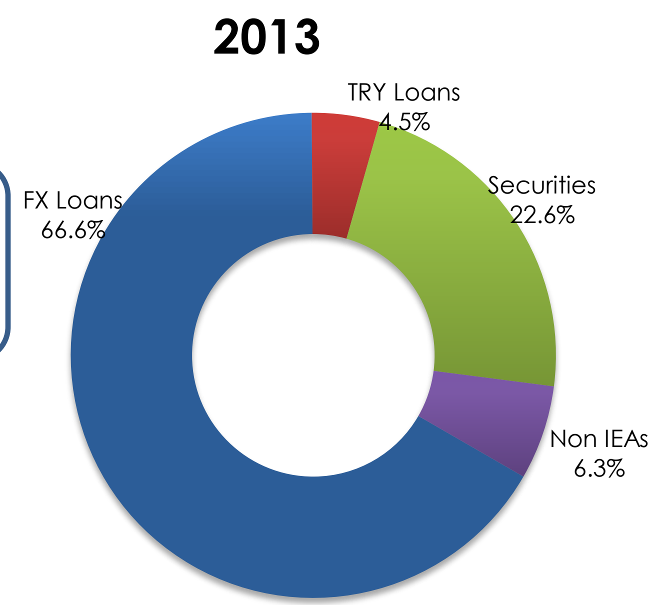


Growth

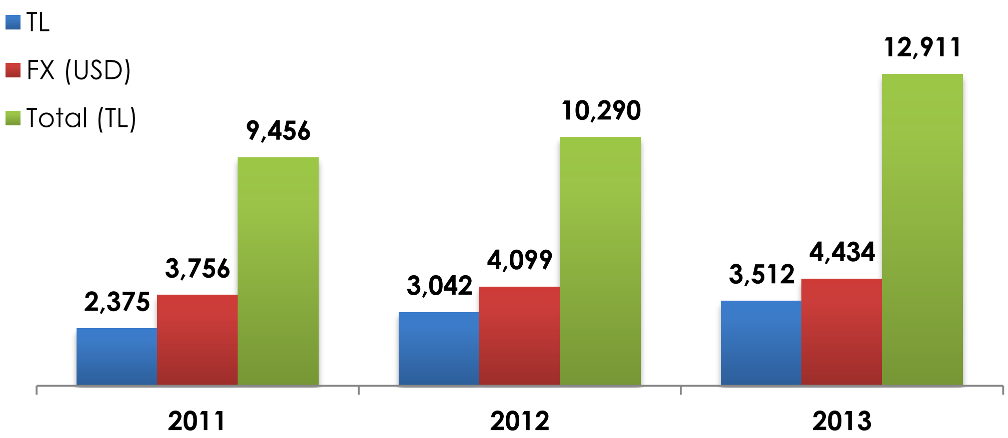
	YoY	QoQ
Loans (USD)	11%	4%
Securities	3%	2%



- Leverage Ratio: **6.9X from 5.9X**
- Loan to Asset Ratio: **71% from 67%**



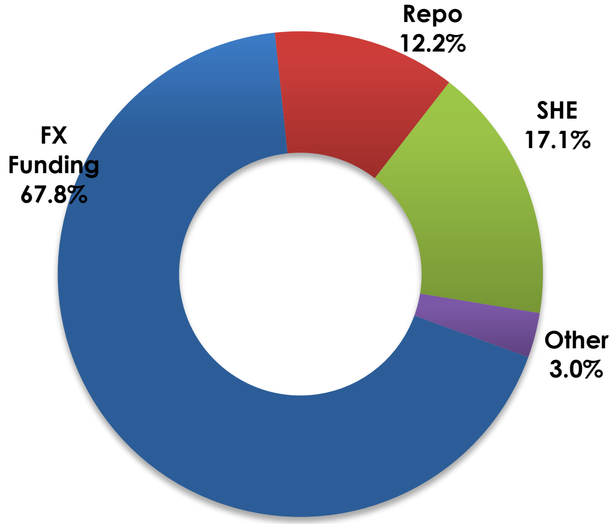
Liabilities Composition



Growth

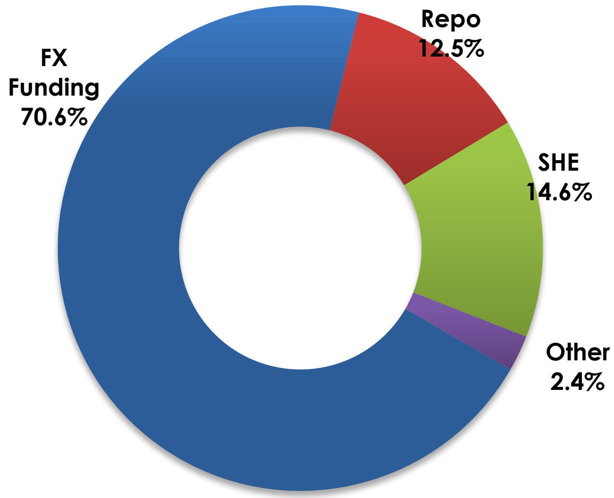
	YoY	QoQ
Funding (USD)	9%	3%
SHE	7%	3%

2012



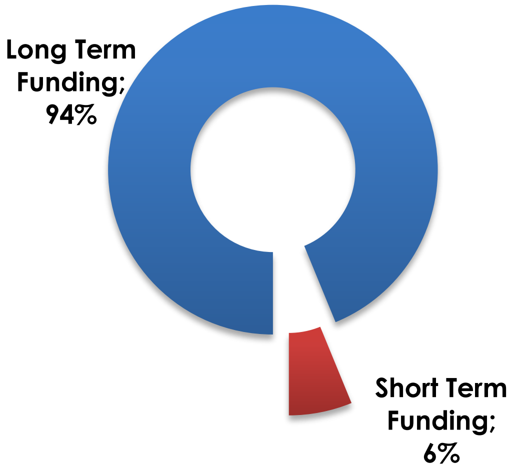
Duration:
Loans; 2.8Y, Funding 6.3Y

2013

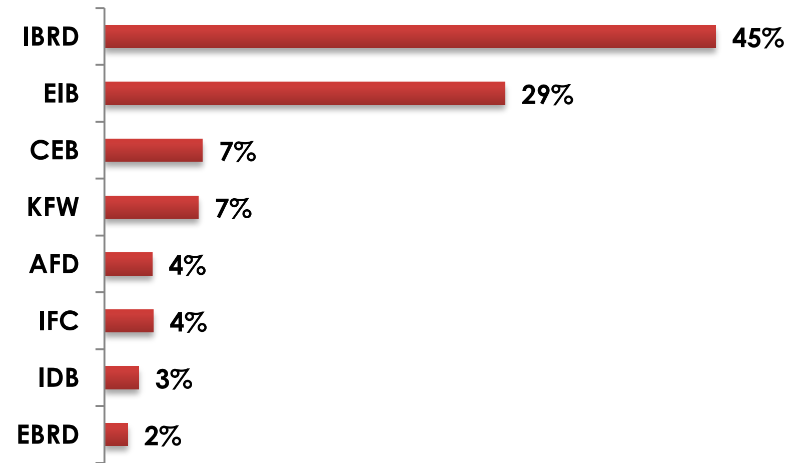


Liability Structure and Funding Base

Funding Structure



Outstanding Long Term Funding



- Total LT Funding : **USD 4,030 mn** ;
- In the last five years, signed agreements totaling: **USD 2,9 bn**
- LT funding average maturity: **12 years**
- **91%** of long term funds guaranteed by Turkish Treasury
- Short term funding: **6%** *(including syndication, P/N, Monet Market)*

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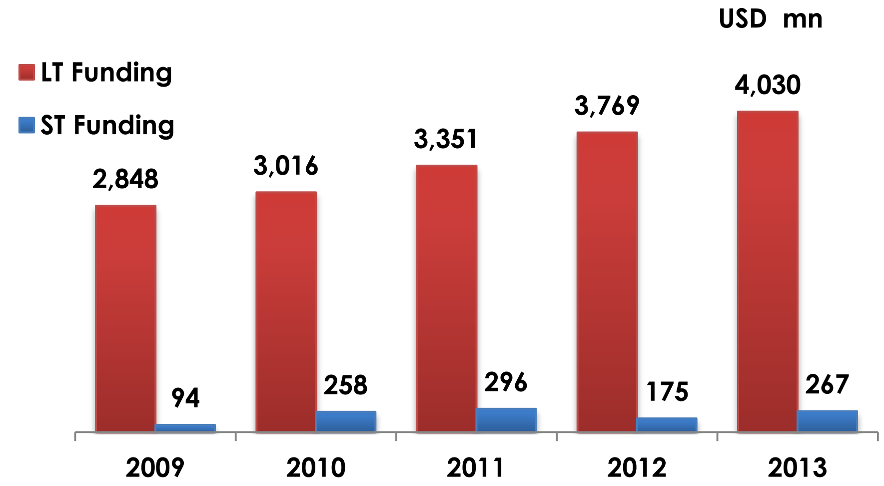
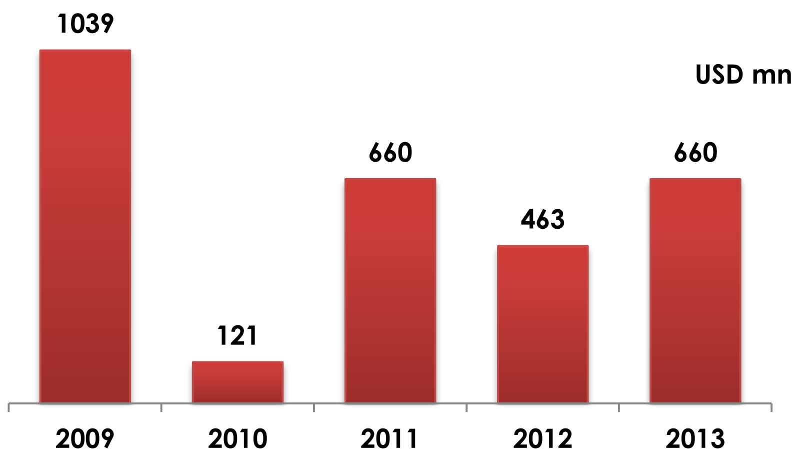
Outstanding Funding Base



Multilateral Funding Agreements (Annually)

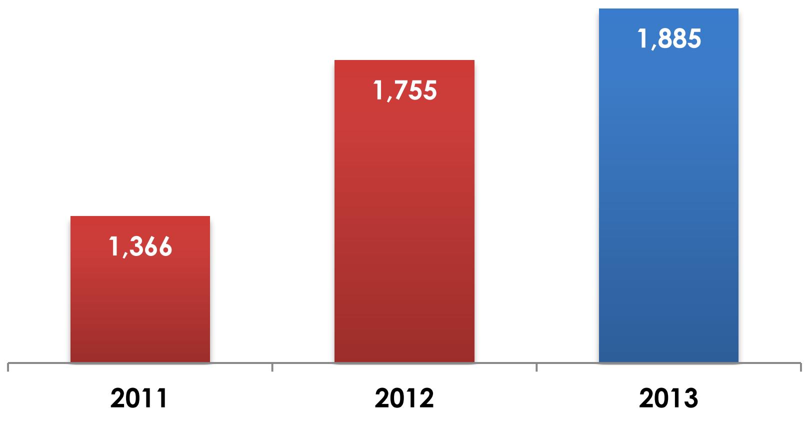


- World Bank (IBRD)
- European Investment Bank (EIB)
- Council of Europe Development Bank (CEB)
- Kreditanstalt für Wiederaufbau (KfW)
- Agence Française de Developpement (AFD)
- International Finance Corporation (IFC)
- European Bank for Reconstruction and Development (EBRD)
- Islamic Development Bank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

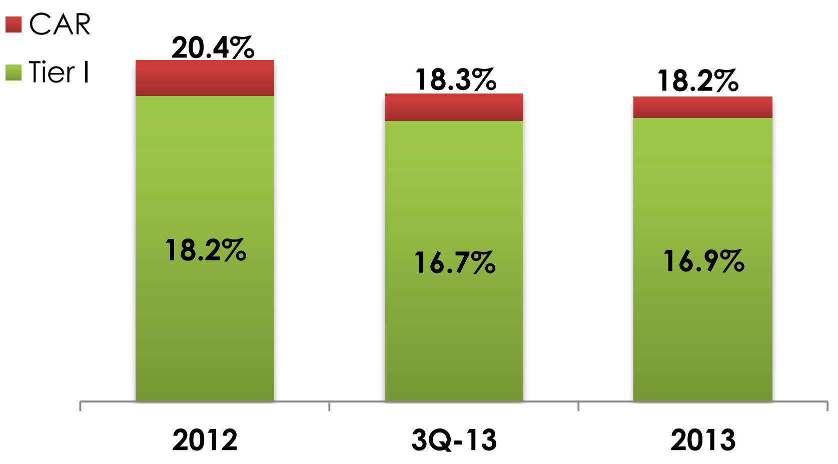
Shareholders' Equity

Equity

TRY mn

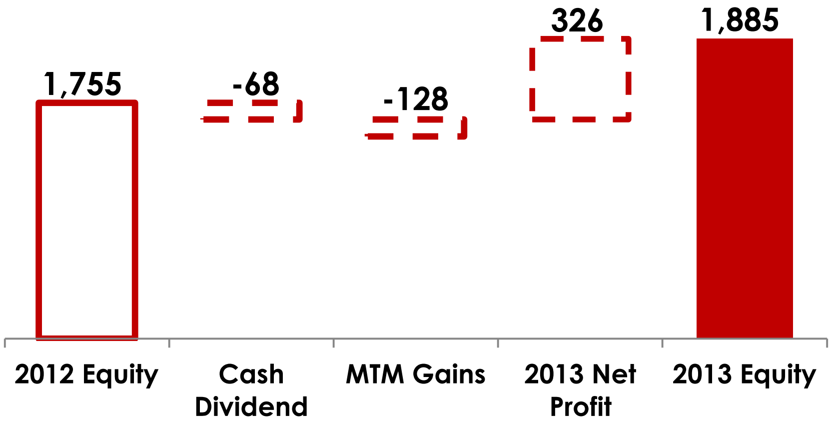


Capital Adequacy Ratio

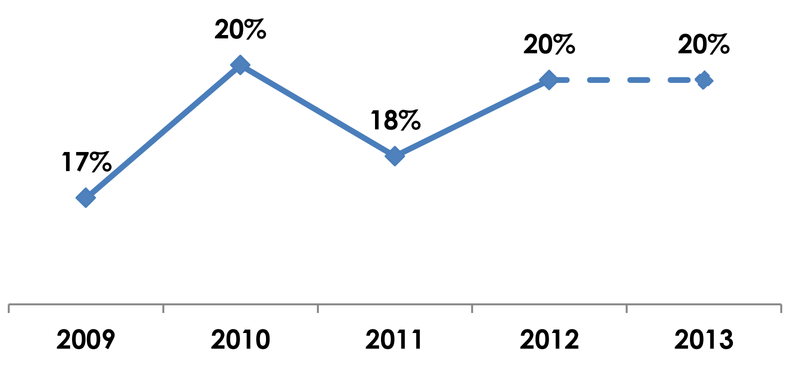


Equity Movement

TRY mn



Dividend Payout Ratio



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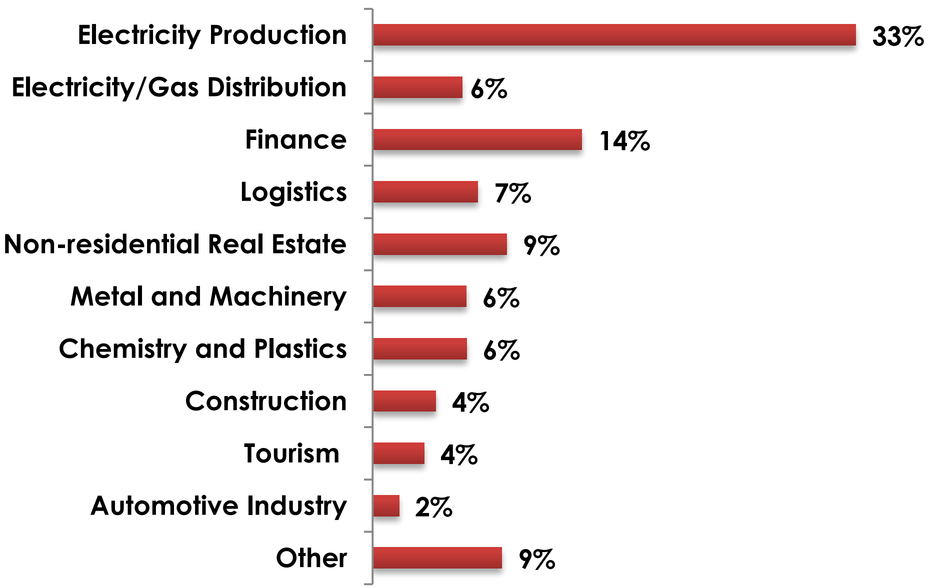
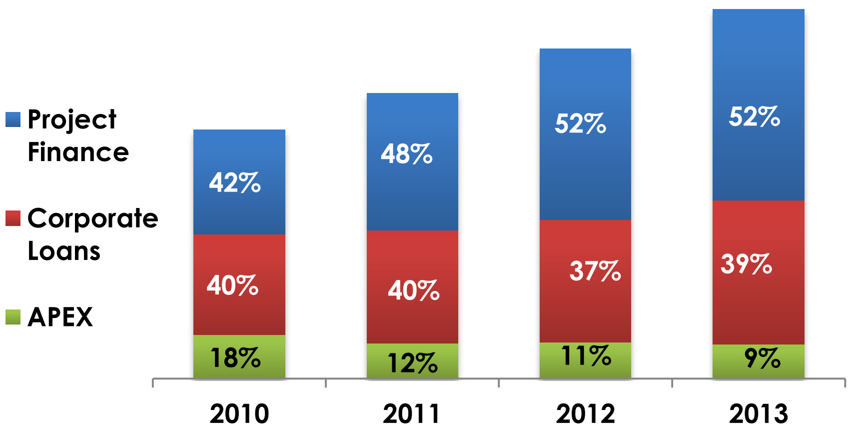
Healthy Loan Growth

Loans by Sector

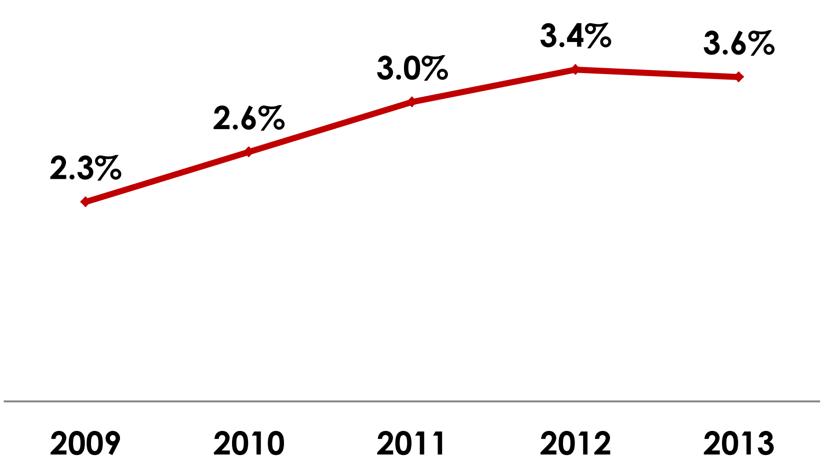


- **94%** foreign currency denominated
- No currency mismatch
- **40%** in Euros, **54%** in USD
- **5.5 years** of average maturity

Loans by Type



Net Loan Spread



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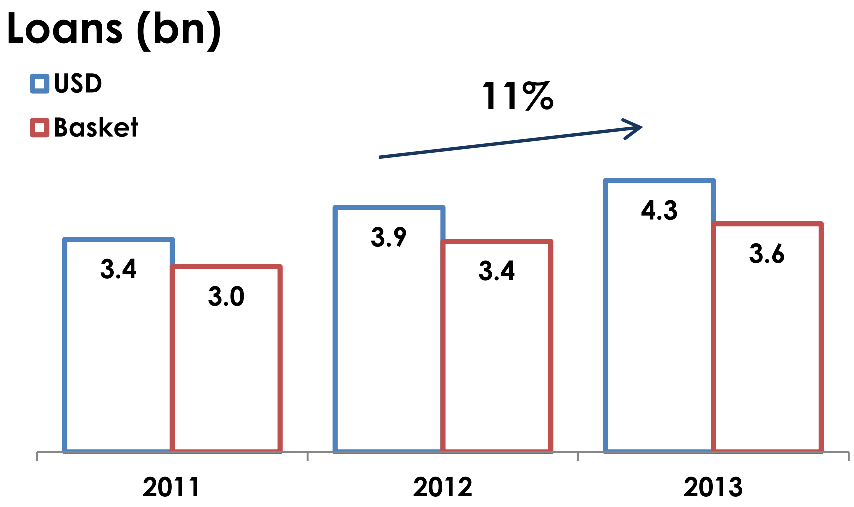
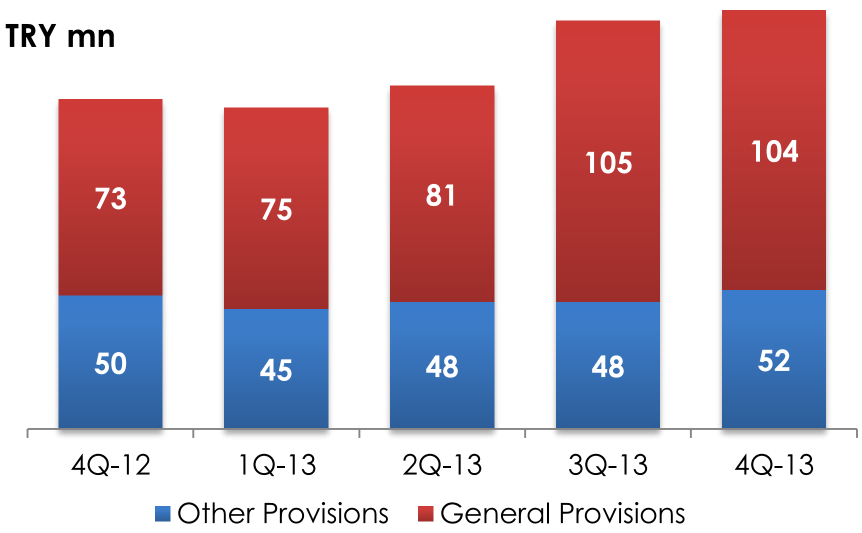
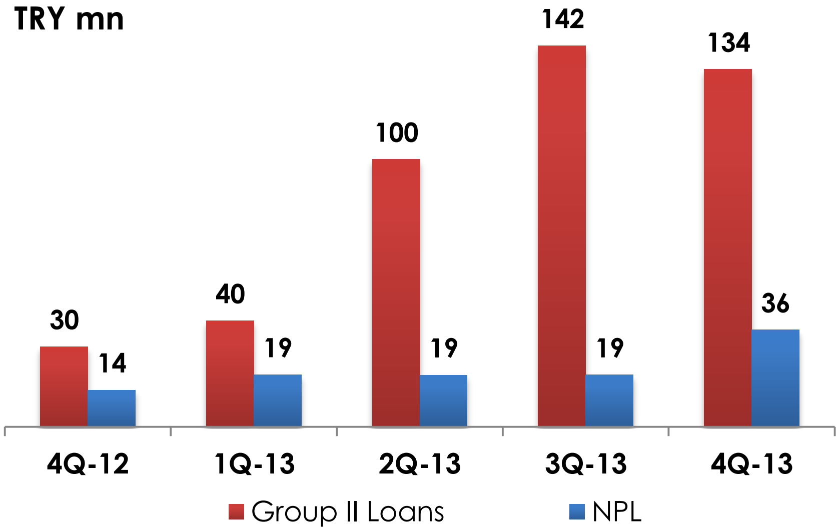
Robust Asset Quality

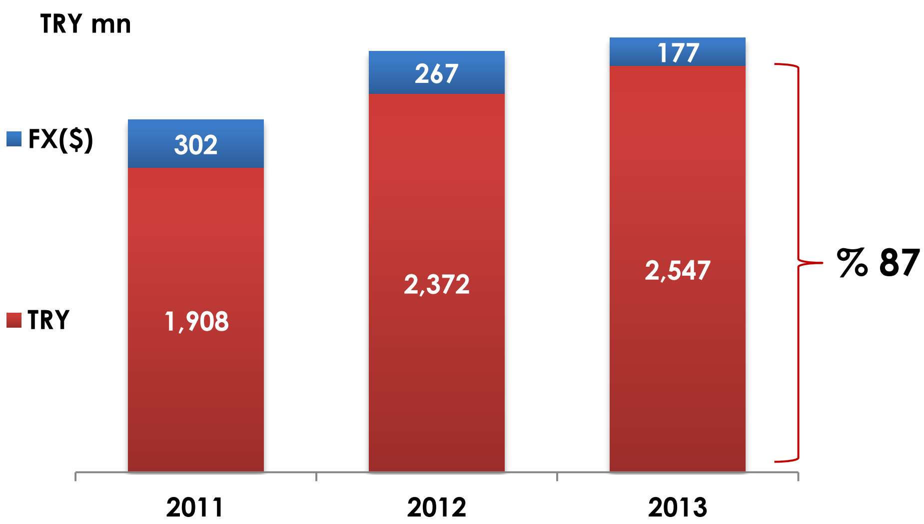


- NPL Ratio: **0.4%**
- **100% provisioning policy**
- Collection Ratio: **100%**
- Coverage Ratio: **113%** (including 2nd group)
- No correlation between NPL and Group II Loans





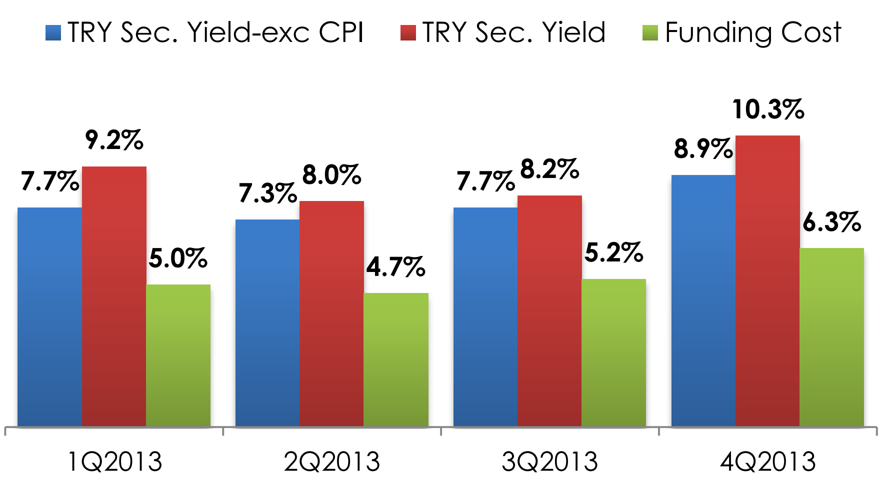
Securities Portfolio

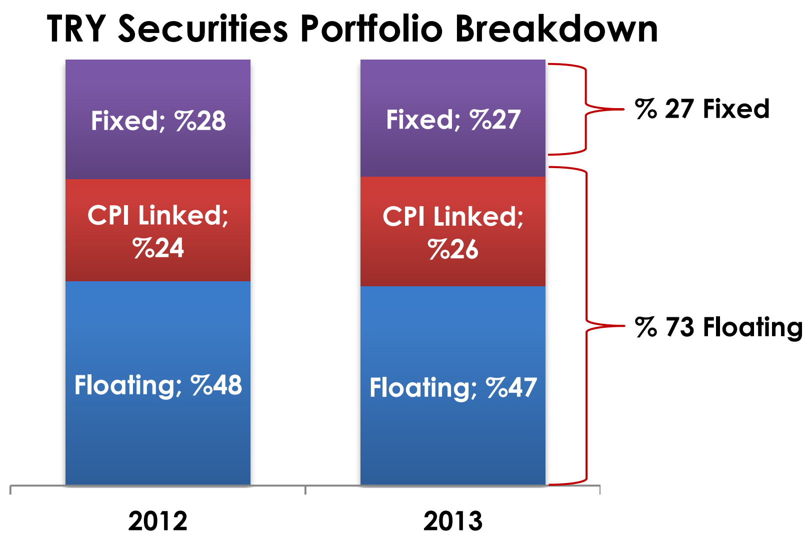


- Duration is **1.4 yrs** in Zero Coupon bonds, **3.6 yrs** in FRNs.
- **99%** is in AFS potfolio.
- **33%** of TRY portfolio funded by repo
- Private sector bonds: **16%** of total portfolio

TRY Securities / Assets

20%





Income Breakdown

(TRY mn)	2012	2013	YoY Change
Adj. Net Interest Income	**430.7**	**470.9**	**9%**
Net Commisions	13.1	11.4	-13%
Dividend Income	27.7	30.3	9%
Other Operating Income	16.8	7.8	-54%
Net Banking Income	**488.4**	**520.5**	**7%**
Personnel Expenses	44.7	47.5	6%
Adm. Expenses	15.9	16.5	4%
Other Op. Expenses	11.9	9.2	-23%
Operating Profit	**415.9**	**447.3**	**8%**
Provisions(+/-)	-33.1	-46.4	40%
Profit Before Tax	**382.8**	**400.9**	**5%**
Tax Provisions	-75.5	-74.8	-1%
Net Profit	**307.3**	**326.1**	**6%**

Net Interest Income

9%

Net Banking Income

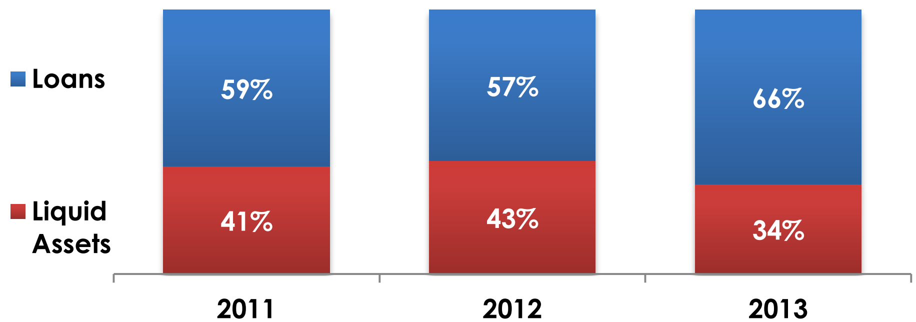
7%

Pers. & Adm. Expenses

6%

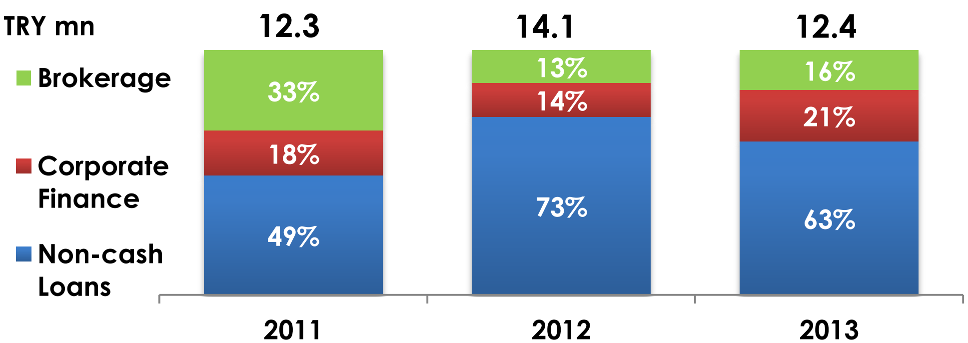
Income Breakdown

Net Interest Income Breakdown



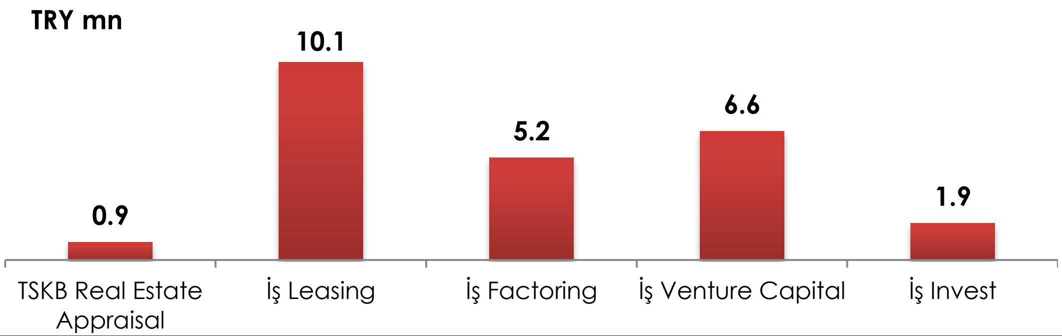
Net Interest Income	
2011	84.1%
2012	88.2%
2013	90.5%

Commission Income Breakdown-Gross



Net Commissions	
2011	2.7%
2012	2.7%
2013	2.2%

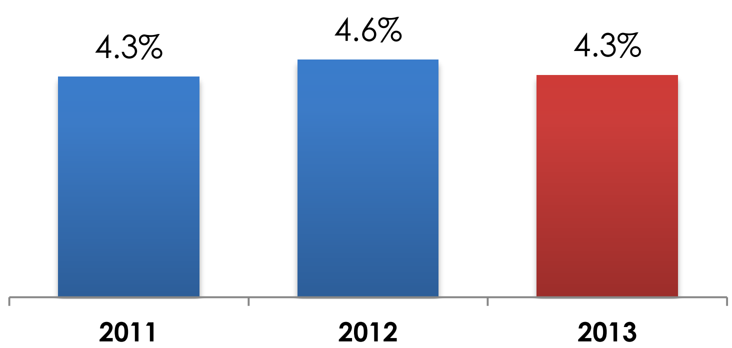
Dividen Income



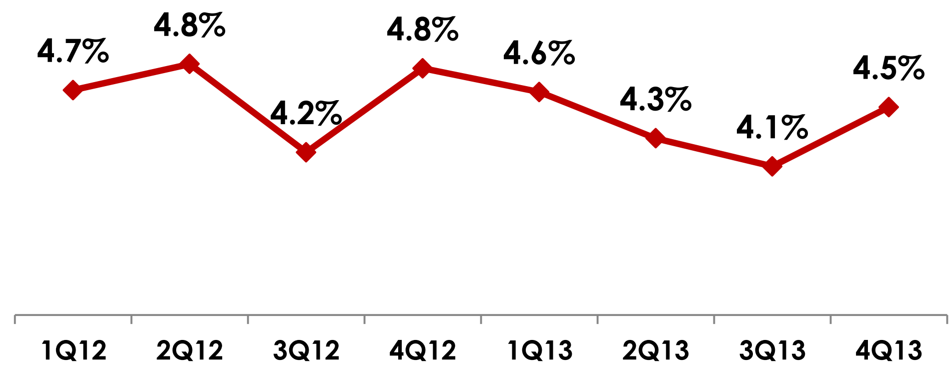
Dividend Income	
2011	6.2%
2012	5.7%
2013	5.8%

Net Interest Margin

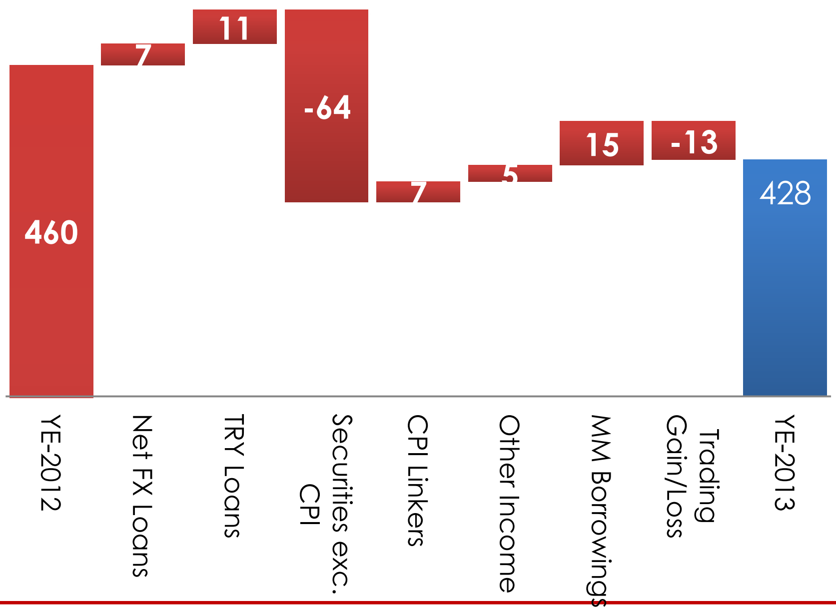
Annnual NIM



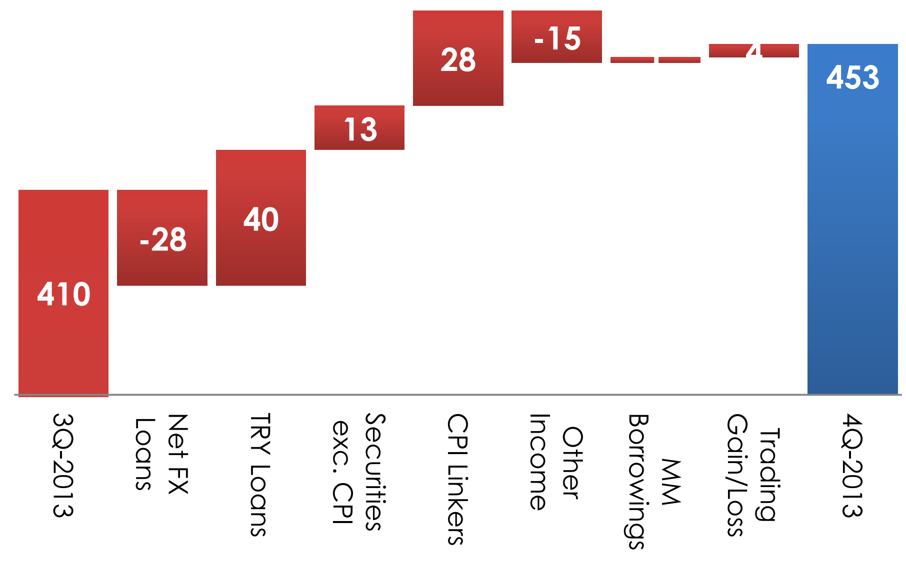
Quarterly NIM



NIM Evolution Cumulative



NIM Evolution Quarterly



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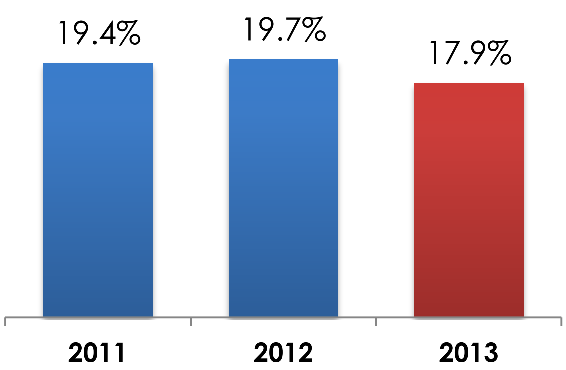
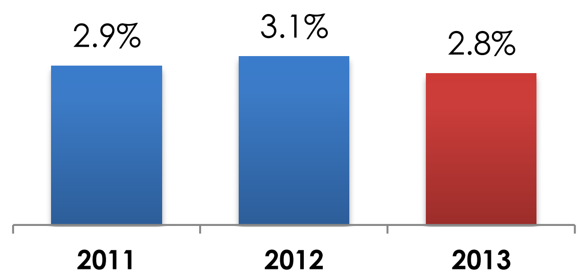
Key Performance Indicators

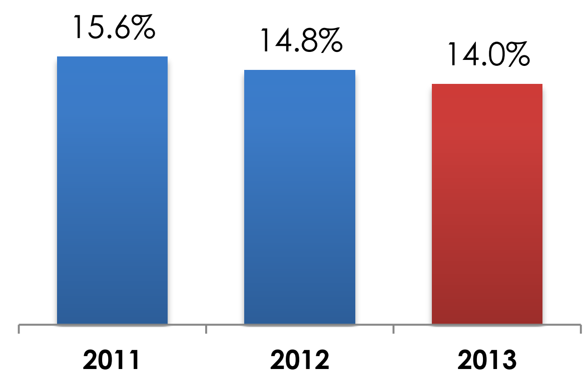
ROAE



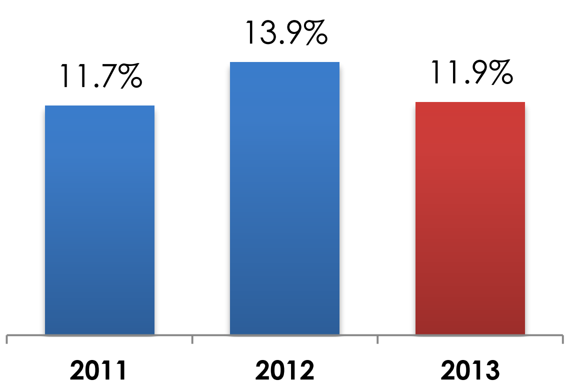
ROAA



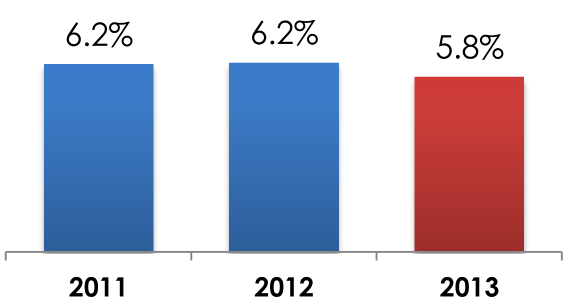
Cost to Income



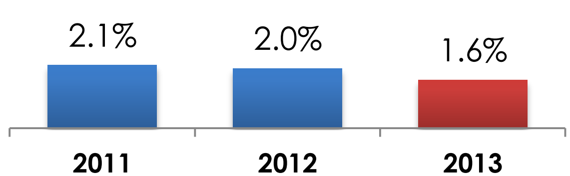
Free Capital



Interest Income/AIEA



Interest Expense/AIBL



Quarterly Income Breakdown

(TRY mn)	1Q12	2Q12	3Q12	4Q12	1Q13	2Q13	3Q13	4Q13	Change QoQ	Change YoY
Adj. Net Interest Income	**105**	**111**	**99**	**116**	**115**	**111**	**114**	**132**	**16%**	**14%**
Net Commisions	3	3	5	3	2	2	4	3	-2%	36%
Dividend Income	7	20	0	0	5	24	0	2	-	-
Other Operating Income	2	12	2	1	4	1	0	2	-	-
Net Banking Income	**117**	**146**	**107**	**118**	**126**	**138**	**117**	**139**	**19%**	**18%**
Personnel Expenses	11	13	11	11	12	12	12	12	-2%	3%
Adm. Expenses	4	4	4	5	4	4	4	4	2%	-5%
Other Op. Expenses	2	3	2	4	3	3	1	2	36%	-57%
Operating Profit	**100**	**127**	**90**	**98**	**107**	**119**	**100**	**122**	**22%**	**24%**
Provisions(+/-)	-0	-13	-6	-13	-2	-10	-12	-22	82%	77%
Profit Before Tax	100	114	84	86	105	109	88	99	13%	16%
Tax Provisions	-19	-22	-17	-18	-20	-17	-20	-18	-11%	-2%
Net Profit	**81**	**92**	**67**	**68**	**85**	**92**	**68**	**82**	**20%**	**20%**

Balance Sheet

(TRY mn)	31/12/2012			31/12/2013		
	TRY	FX	TOTAL	TRY	FX	TOTAL
Cash and Banks	28	142	170	43	310	352
Securities	2,372	472	2,844	2,547	375	2,922
Loans	211	6,684	6,895	578	8,599	9,177
Subsidiaries	311	3	314	329	3	331
Other	33	33	66	49	80	129
Total	**2,955**	**7,334**	**10,290**	**3,545**	**9,366**	**12,911**
ST Funds	237	288	525	598	565	1,163
LT Funds	-	6,664	6,664	-	8,548	8,548
Repo*	802	237	1,039	761	246	1,007
Other	247	59	306	263	45	308
Equity	1,686	69	1,755	1,869	16	1,885
Total	**2,972**	**7,318**	**10,290**	**3,491**	**9,420**	**12,911**

* TRY security funding only

TSKB

TSKB Investor Relations

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