



**3Q06 BRSA RESULTS**

**INVESTOR PRESENTATION**

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**TSKB**

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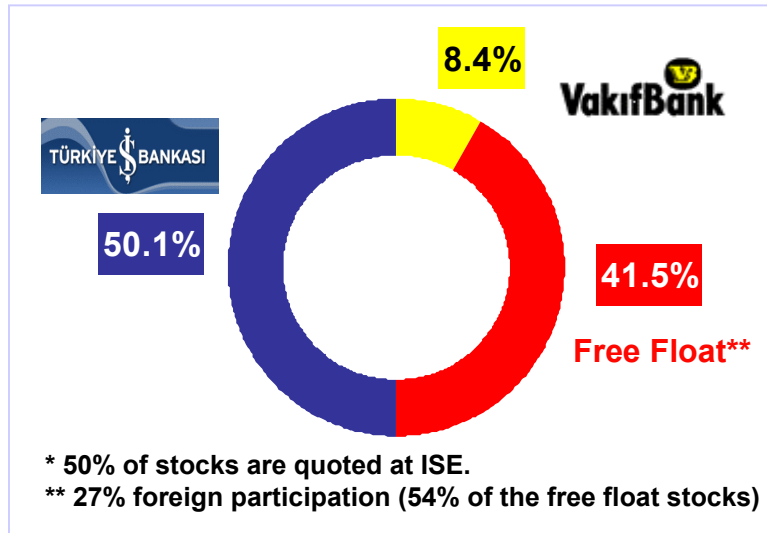
**TSKB**

**BANKING SECTOR vs TSKB**

**APPENDICES**

# TSKB at a Glance...

## Ownership Structure\*



## Credit Rating

**Moody's** B1

**FitchRatings** BB-

## Main Subsidiaries

Yatırım Finansman Securities

İş Leasing

TSKB Real Estate Appraisal

TSKB Real Estate Investment Trust

## Financial Summary (USD mn)

Assets	2,626
Loans	1,530
Equity	363
Net Income	49.6
Paid-in Capital	300 mn TRY

# Mission

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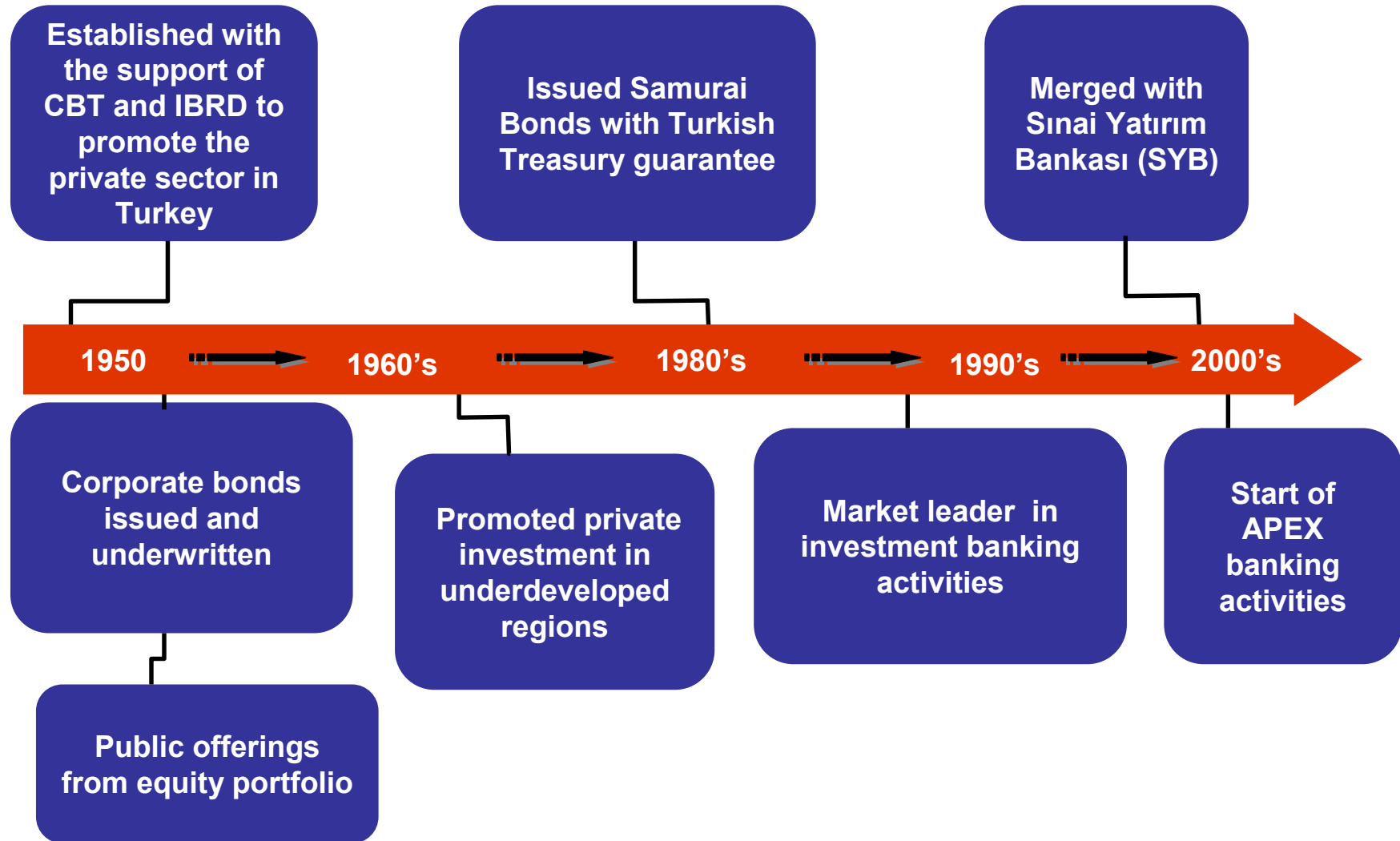
**MISSION**

**Coupling reliable, objective, customer oriented development banking with dynamic investment banking activities**

- ✓ **To promote the growth of private sector**
- ✓ **To encourage and assist local and foreign capital to participate in Turkish companies**
- ✓ **To contribute to the growth of capital markets in Turkey**

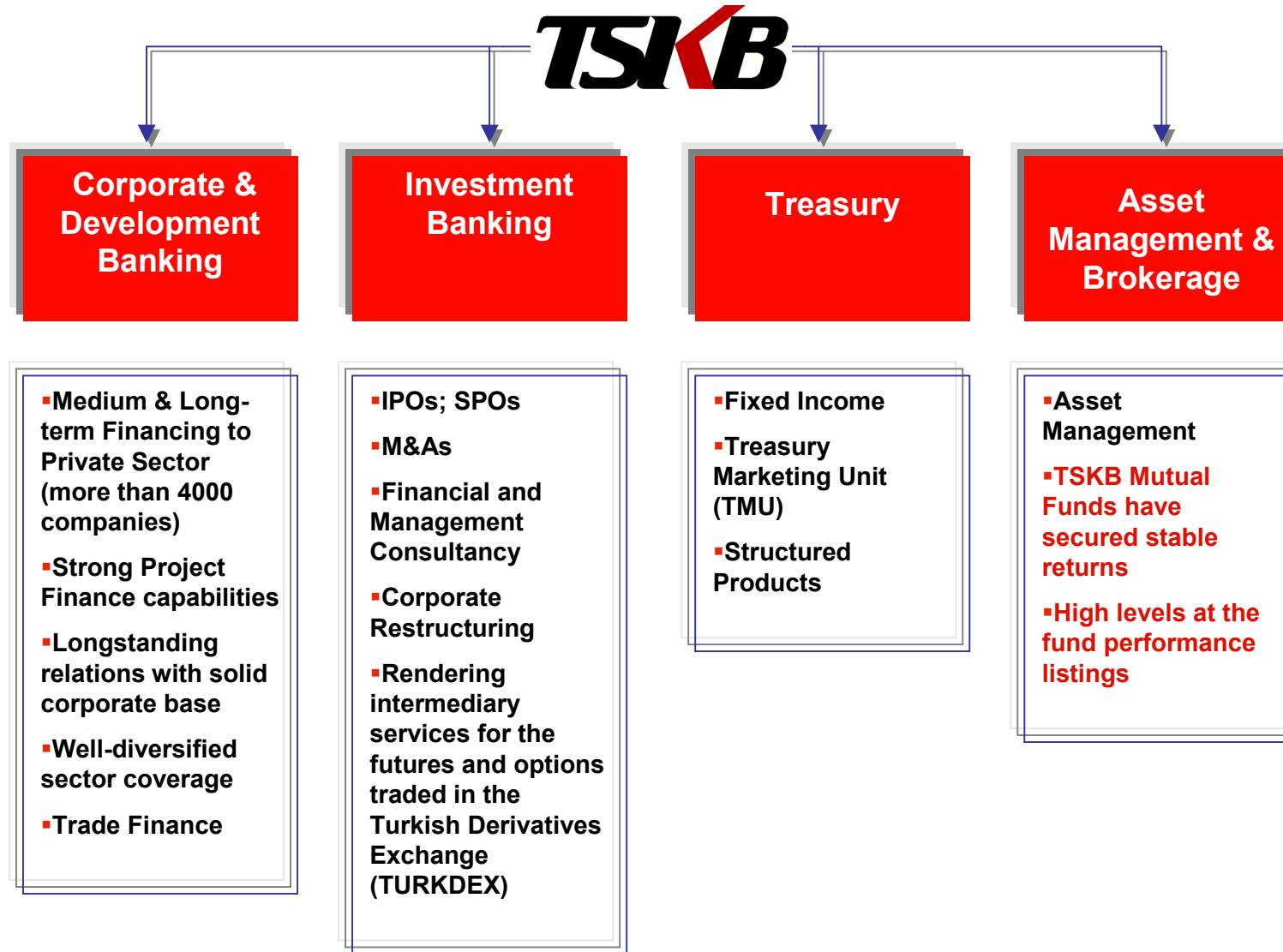
# History

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# Core Business Lines

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# Main Participations

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Entity	Sector	TSKB Ownership	Capital (mn TRY)	Market Price* (mn TRY)
Yatırım Finansman Securities	Financial	88.44%	10.0	Not listed
TSKB Real Estate Investment Trust	Financial	96.00%	10.0	Not listed
İş Leasing	Financial	28.56%	100.0	246.0
TSKB Investment Company Trust	Financial	29.75%	18.0	13.0
Yatırım Finansman Investment Company Trust	Financial	10.78%	10.0	7.9
İş Venture Capital Investment Trust	Financial	16.67%	22.5	92.7
İş Factoring	Financial	14.75%	16.0	Not listed
TSKB Real Estate Appraisal	Real Estate	80.00%	0.3	Not listed

\*, as of November 24, 2006

Total book value of EIB Venture Capital Participations as of 3Q06 are 11 USD mn

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# 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

# Funding Base (mn)

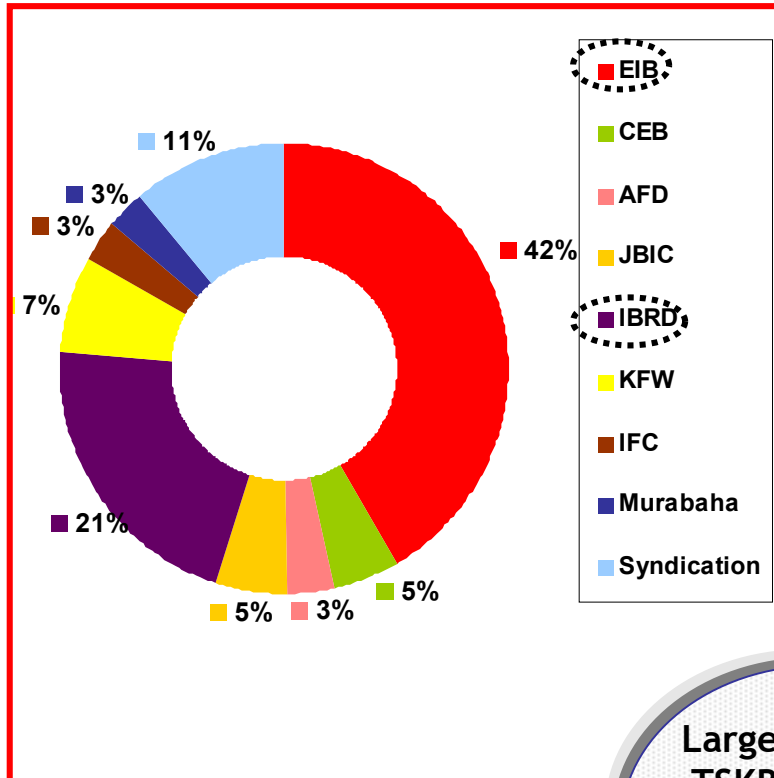
		<u>Amount</u>	<u>Tenor</u>	<u>Maturity</u>
 <b>World Bank (IBRD)</b>	Renewable Energy Project Loan ▶	US\$ 202	12 yrs	2016
	Export Finance Intermediary Loan (EFIL II) ▶	US\$ 303	16 yrs	2020
	Export Finance Intermediary Loan (EFIL III) 2005 ▶	US\$ 201 80	16 yrs 16 yrs	2021 2021
 <b>European Investment Bank (EIB)</b>	Industrial Sector Global II Loan ▶	EUR 125	12 yrs	2013
	Industrial Sector Global III Loan ▶	EUR 200	12 yrs	2015
	Industrial Sector Global IV Loan ▶	EUR 250	12 yrs	2015
	Industrial Sector Global V Loan 2005 ▶	EUR 250	12 yrs	2017
	Industrial Pollution Abatement Facility ▶	EUR 70	15 yrs	2013
	Industrial Heat & Power Autoproduction Global Loan ▶	EUR 40	15 yrs	2017
	Conditional Loan on Risk Capital Resources ▶	EUR 12	15 yrs	2014
	TERRA 2A Industry GL ▶	EUR 75	16 yrs	2010
	TERRA 2B Industry GL ▶	EUR 75	16 yrs	2011
	APEX Global Loan II (SME II) ▶	EUR 50	15 yrs	2010
Small Business APEX Global Loan ▶	EUR 150	12 yrs	2016	

# Funding Base (mn)

			<u>Amount</u>	<u>Tenor</u>	<u>Maturity</u>
	Council of European Development Bank (CEB)	CEB I ▶	EUR 200	11 yrs	2015
		CEB II ▶	EUR 100	11 yrs	2016
	International Finance Corporation (IFC) ▶		US\$ 50	7 yrs	2011
	Kreditanstalt für Wiederaufbau (KfW)	SME Credit Line ▶	EUR 21	30 yrs	2032
		Industrial Pollution Abatement Project Loan ▶	EUR 21	30 yrs	2032
		Loan Agreement (Industrialization Fund) ▶	EUR 77	30 yrs	2013
	Japan Bank for International Cooperation (JBIC) ▶		¥ 27,500	10 yrs	2010
	Agence Française de Développement (AFD) 2005 ▶		EUR 50	12 yrs	2017
	Instituto de Credito Oficial of the Kingdom of Spain ▶		EUR 30	13 yrs	2019
	Syndicated Term Loan Agreement 2006 ▶		US\$ 195	1 yrs	2007
	Syndicated Term Loan Agreement (Bahrain Branch) ▶		US\$ 50	1 yrs	2007

# Funding Base

## By Sources



Largest share in TSKB's funding base belongs to EIB, followed by IBRD

## Currency Risk Structure (USD mn)

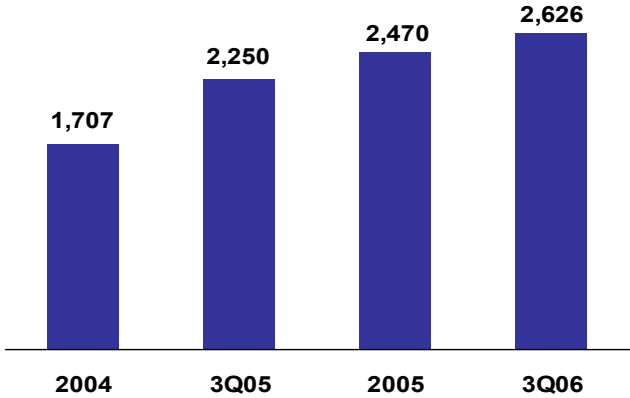
(mn USD)	USD	EUR	JPY	Total
Total Assets	909	951	67	1927
Total Liabilities	994	940	81	2015
Net On-Balance Sheet Position	-85	11	-14	-88
Net Off-Balance Sheet Position	94	-12	6	88
<b>Net</b>	<b>9</b>	<b>-1</b>	<b>-8</b>	<b>0</b>

73% of Total Assets and 77% of Total Liabilities are F/C denominated

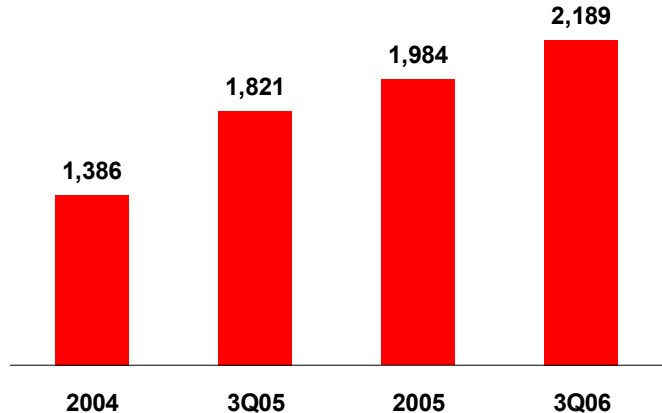
No currency  
No maturity  
No interest rate mismatches

# Sustainable Growth Over the Years

**Total Assets (USD mn)**

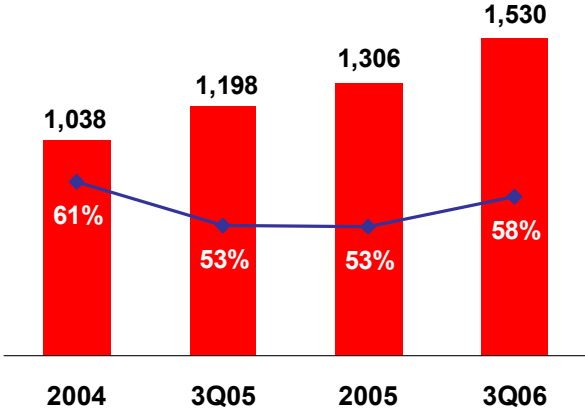


**Funds Borrowed (USD mn)**

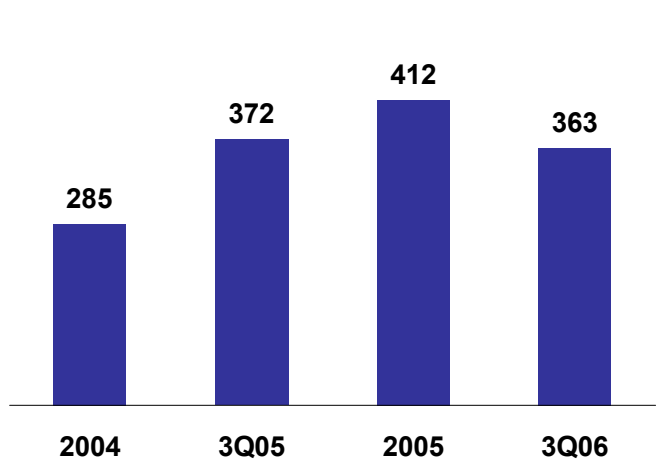


78% of the Long Term Funds borrowed are guaranteed by the Turkish Treasury.

**Total Loans (USD mn)**



**Shareholders' Equity (USD mn)**



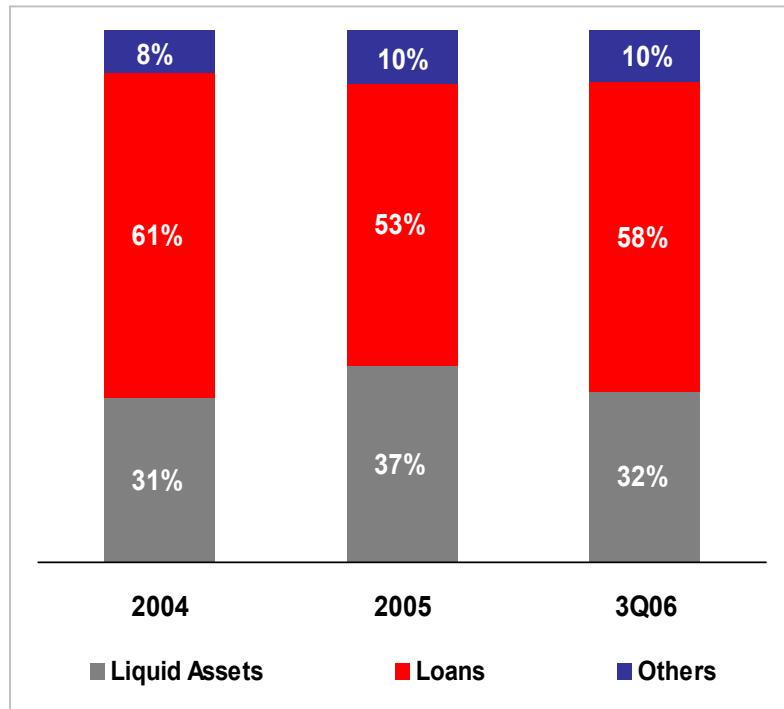
Loans/Assets is 58%, one of the highest ratio in the sector.

Loans (red bar)    Loans / T. Assets (blue line with diamond)

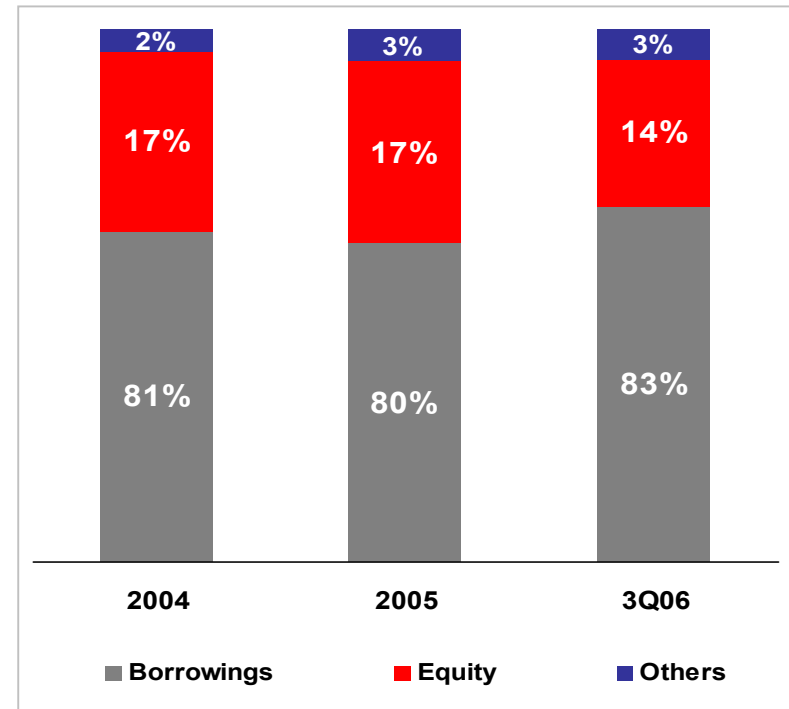
# Balance Sheet Composition

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## Assets

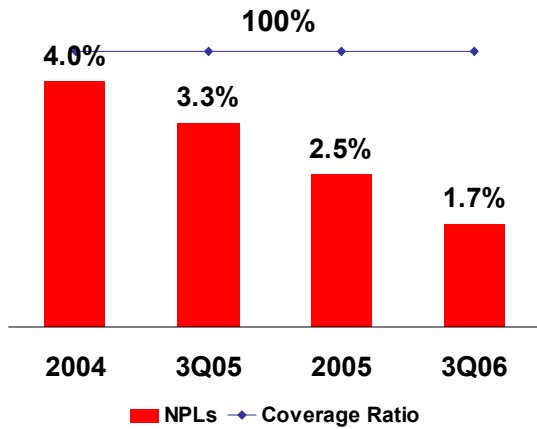


## Liabilities and Equity



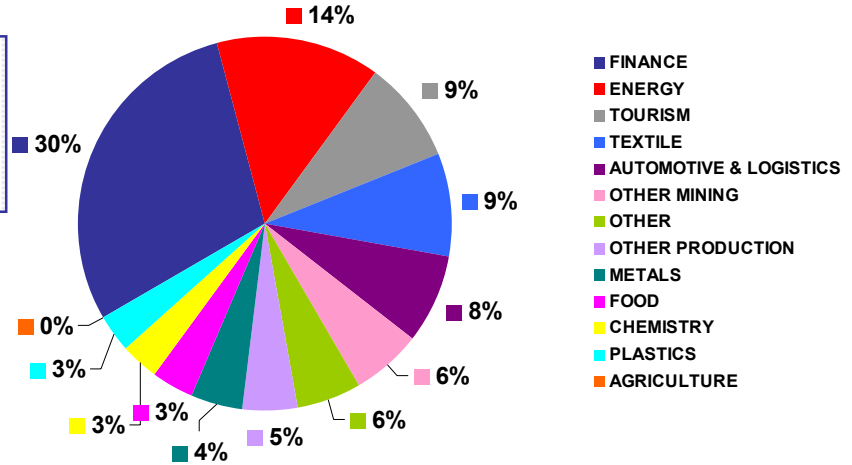
# Loan Book

## NPL Ratio vs. Coverage Ratio

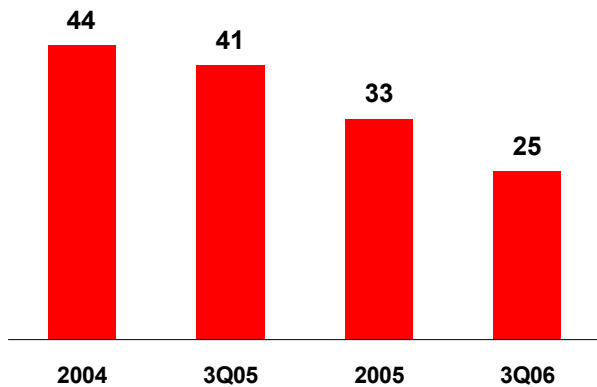


NPL's are low and fully provisioned

## Well Diversified Loan Portfolio

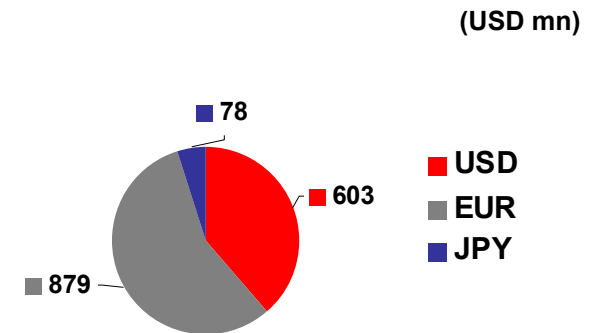


## NPLs (USD mn)



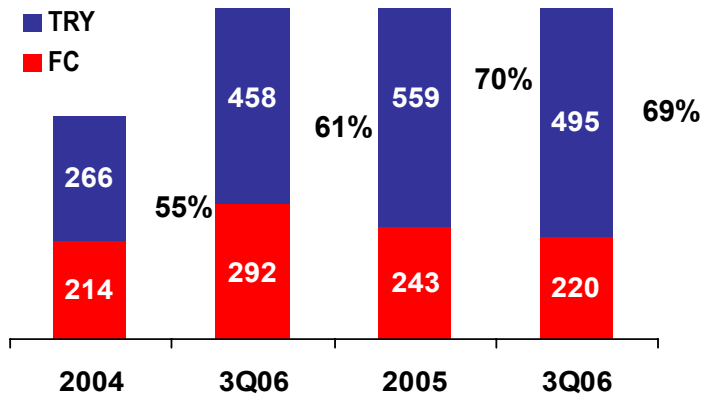
NPL amount declined by 39% yoy

## FX Composition of the Loan Book

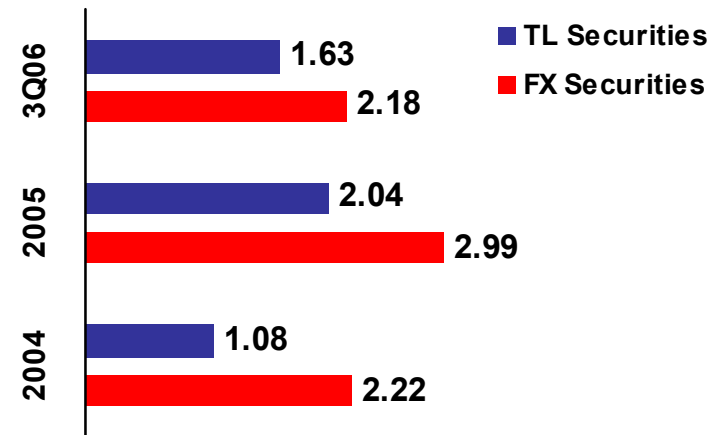


# Securities Portfolio

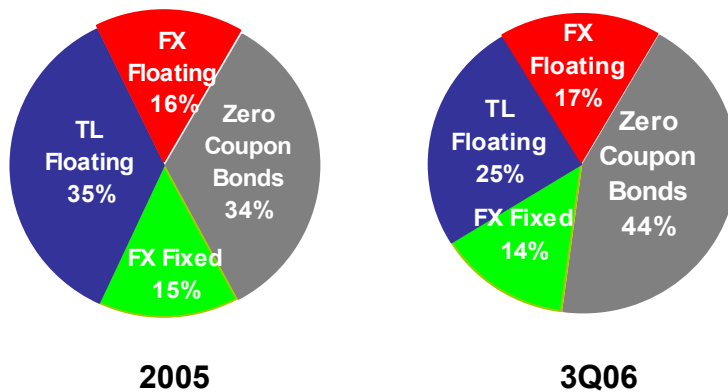
Securities Portfolio (USD mn)



Average Maturity (Years)



Breakdown of Securities Portfolio

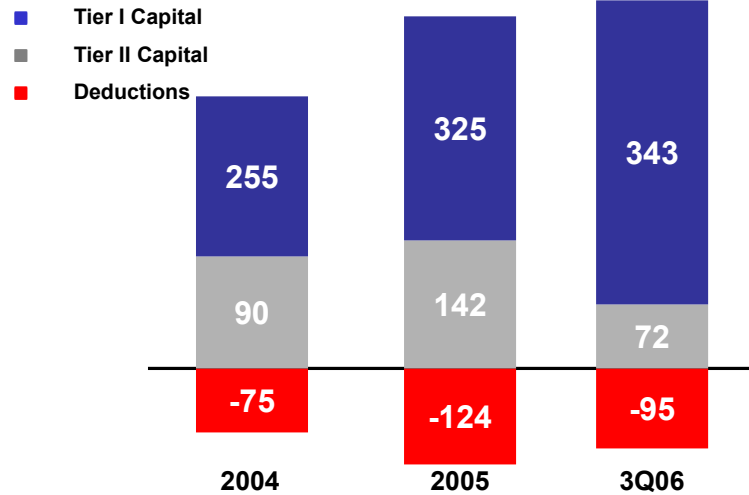


Total Securities Portfolio is classified as 'Available for Sale'

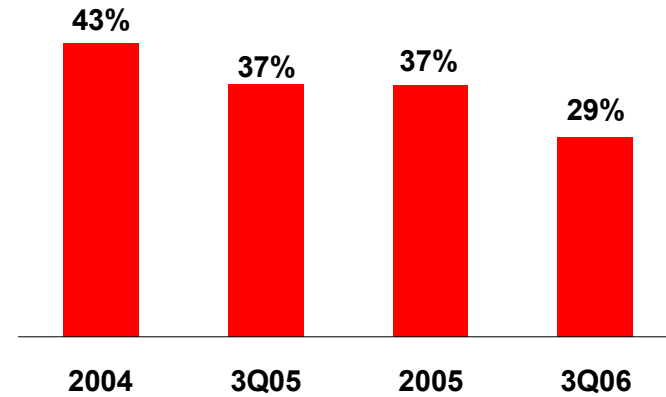


# Sufficient Capitalisation

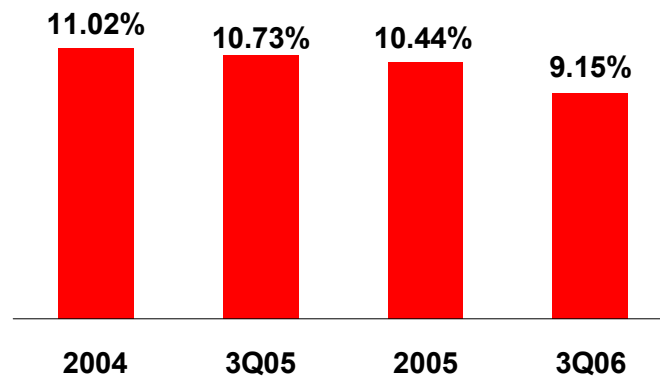
## Capital Base (USD mn)



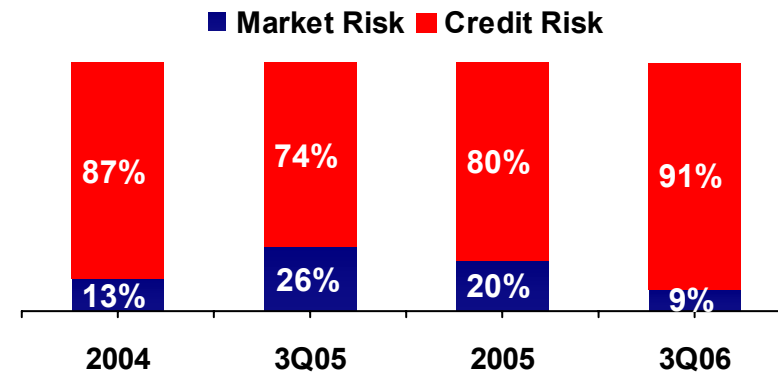
## Capital Adequacy Ratio



## Free Capital

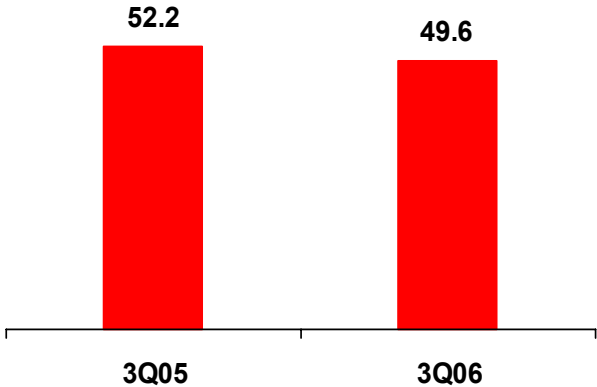


## Risk Weighted Assets

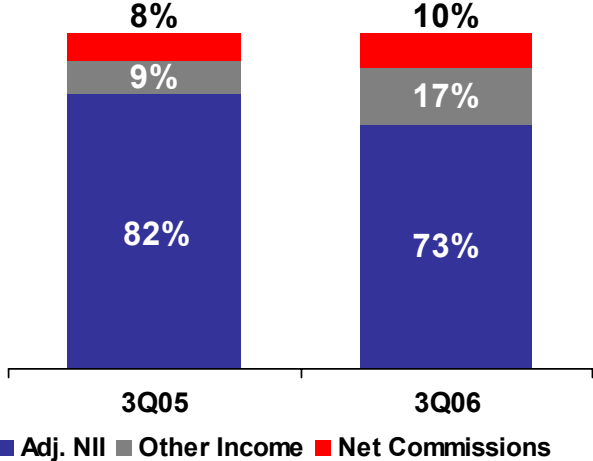


# Income Statement

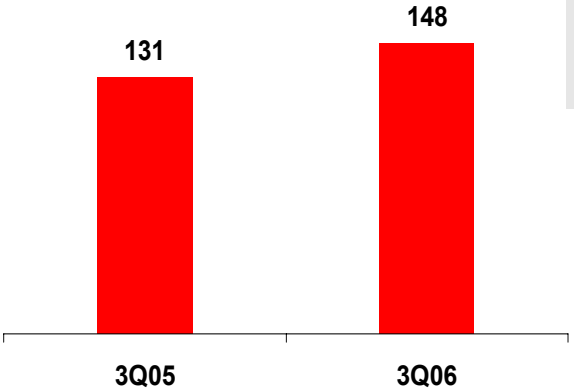
**Net Profit (USD mn)**



**Income Composition**

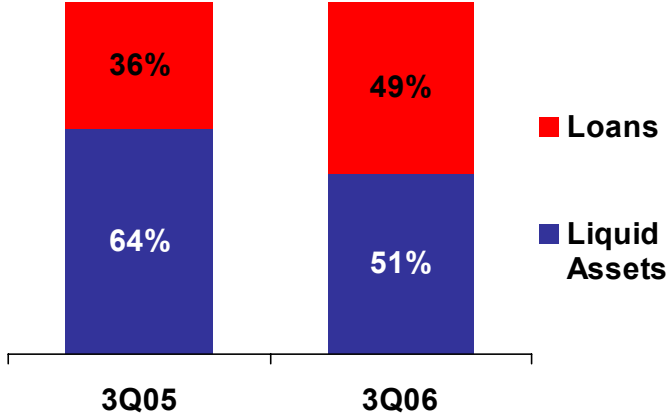


**Interest Income (USD mn)**



Share of IEA in TA is 90%

**Breakdown of Interest Income**

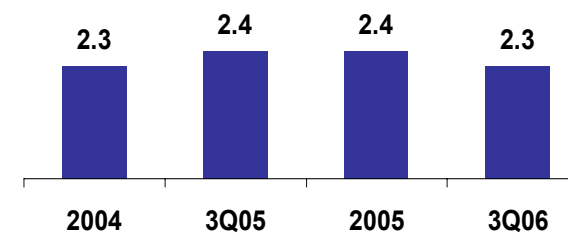


# Financial Summary

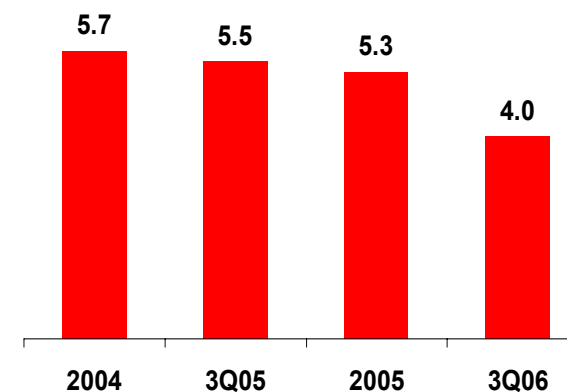
## Income Statement

<i>(000 USD)</i>	3Q05	3Q06	Change
<b>Adj. Net Interest Income</b>	70,188	63,786	-9%
Net Commissions	7,627	8,738	15%
Released Provisions	3,931	4,638	18%
Other Operating Income	3,604	9,868	174%
<b>Net Banking Income</b>	<b>85,350</b>	<b>87,030</b>	2%
Personnel Expenses	11,514	11,210	-3%
Adm. Expenses	3,435	2,965	-14%
Other Op. Expenses	3,590	7,464	108%
<b>Operating Profit</b>	<b>66,812</b>	<b>65,391</b>	-2%
Provision Charges	- 2,680	- 5,714	113%
Tax Provision	- 12,051	- 10,043	-17%
<b>Net Profit</b>	<b>52,081</b>	<b>49,633</b>	<b>-5%</b>

## Loan Spread



## Net Interest Margin



# Financial Highlights

## Ratios

	2004	3Q05	2005	3Q06
<b>CAR</b>	42.8 %	36.9 %	36.8 %	29.3 %
<b>Free Capital</b>	11.0 %	10.7 %	10.4 %	9.2 %
<b>Cost to income</b>	28.0 %	22.8 %	29.0 %	26.6 %
<b>NIM</b>	5.7 %	5.5 %	5.3 %	4.0%
<b>ROAE</b>	13.3 %	21.2 %	21.4 %	18.1 %
<b>ROAA</b>	2.2 %	3.5 %	3.5 %	2.7 %

## Financials

(USD mn)	2004	3Q05	2005	3Q06
<b>Assets</b>	1,707	2,250	2,470	2,626
<b>Liquid Assets</b>	481	853	921	842
<b>Loans</b>	1,038	1,198	1,306	1,530
<b>Partic.</b>	76	111	126	95
<b>Funds borrowed</b>	1,386	1,821	1,984	2,189
<b>Equity</b>	285	372	412	363

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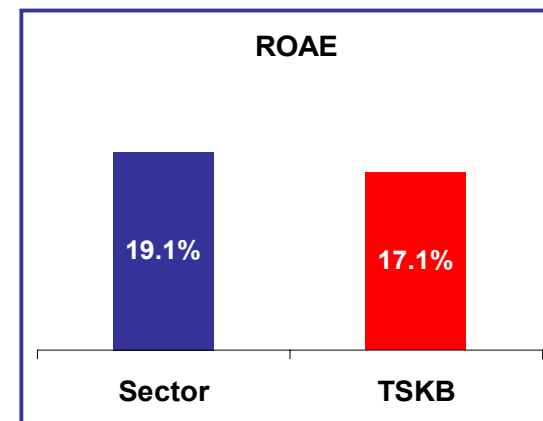
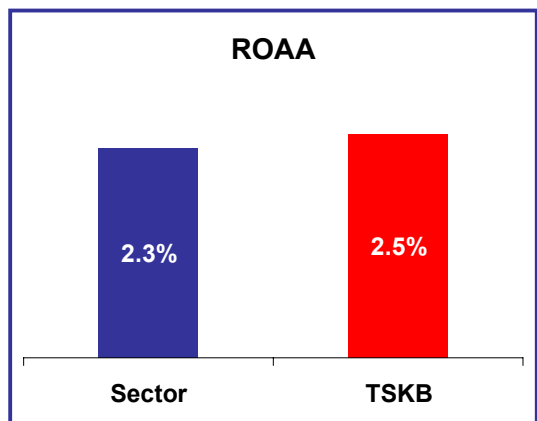
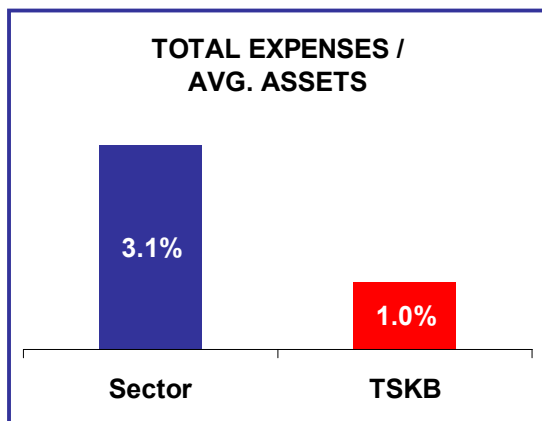
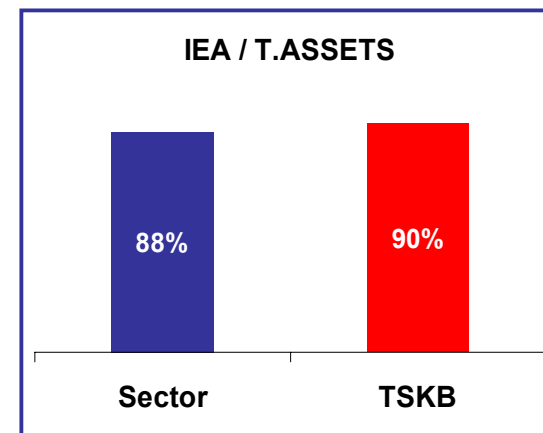
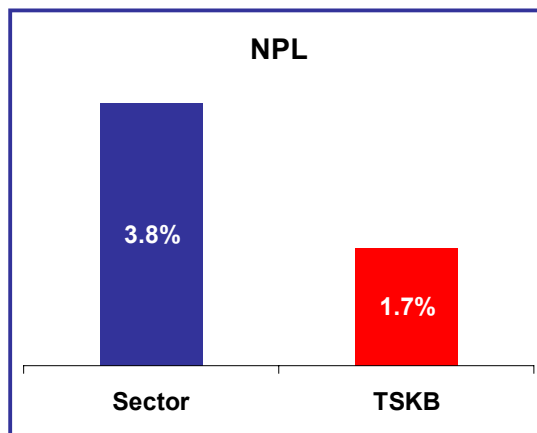
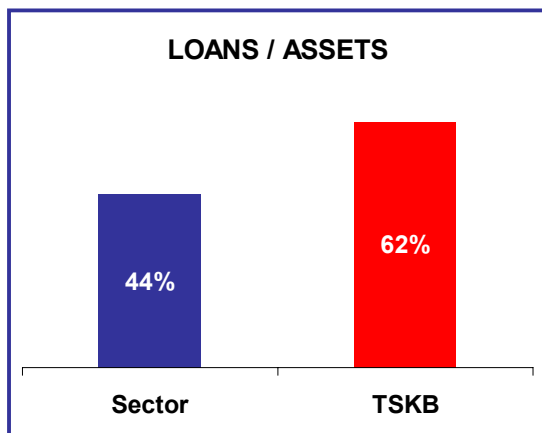
TSKB

**BANKING SECTOR vs TSKB**

APPENDICES

# Banking Sector vs TSKB as of 1H06

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TSKB

BANKING SECTOR vs TSKB

**APPENDICES**

# Ratings

## Fitch Ratings

### TSKB's Fitch Ratings (November 2006)

<u>Foreign and Local Currency</u>	
Long Term Foreign Currency	BB-
Long Term Local Currency	BB
Short Term	B
Outlook	Positive
<u>National</u>	A+
Outlook	Stable
<u>Individual</u>	C/D
<u>Support</u>	3

### TSKB's Main Shareholders' Fitch Ratings

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

## Moody's

### TSKB's Moody's Ratings (December 2005)

<u>Financial Strenght Rating</u>	D+
Outlook (FSR)	Stable
Long Term Foreign Currency	B1
Foreign Currency Outlook	Positive

### Turkey: Sovereign Rates

S&P	Jan 23, 2006	BB-	Positive
Moody's	Dec 14, 2005	Ba3	Stable
Fitch	Dec 6, 2005	BB-	Positive



# Participations as of 1H06

Entity	Sector	Ownership	Capital (TRY)
Yatırım Finansman Menkul Değerler A.Ş. (Yatırım Finansman Securities)	Financial	88.44%	10,000,000
TSKB Menkul Değerler A.Ş. (TSKB Securities)	Financial	91.79%	1,675,000
TSKB Gayrimenkul Yatırım Ortaklığı A.Ş. (TSKB Real Estate Investment Trust)	Financial	96.00%	10,000,000

Entity	Sector	Ownership	Capital (TRY)
İş Finansal Kiralama A.Ş. (İş Leasing)	Financial	28.56%	100,000,000
TSKB Yatırım Ortaklığı A.Ş. (TSKB Investment Company)	Financial	29.75%	18,000,000
Yatırım Finansman Yatırım Ortaklığı (Yatırım Finansman 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%	22,500,000
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	14.75%	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%	10,000,000
Gözlük Sanayi A.Ş.	Glass	21.71%	531,196
Servus Bilgisayar A.Ş.*		7.14%	10,450,000
Ünsa Ambalaj San. Ve Tic. Ltd. Şti.*		12.00%	21,927,400
Senapa-Stampa Plastik Ambalaj San. A.Ş.*		10.41%	7,250,000

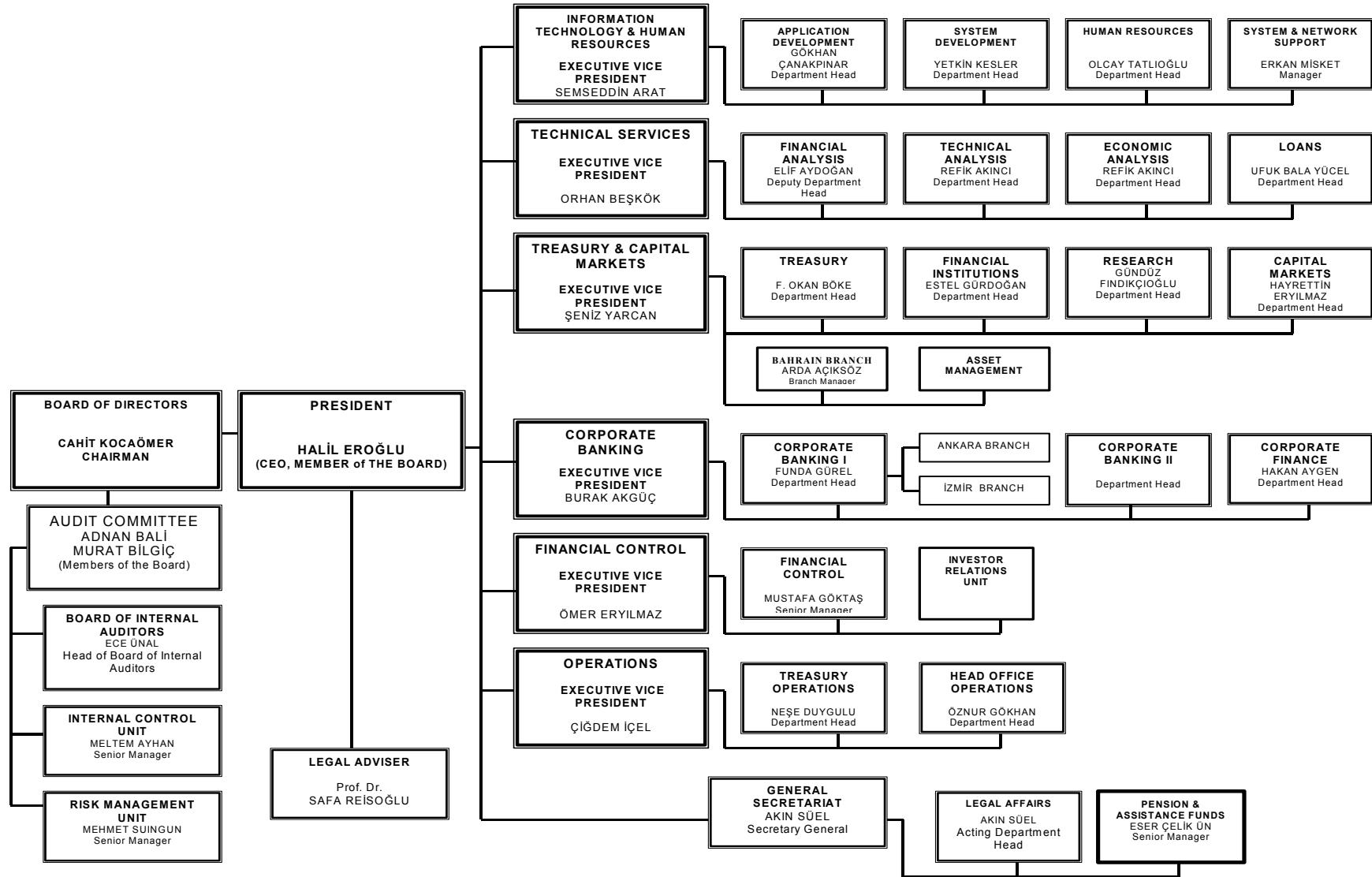
\*These subsidiaries are TSKB's participations via the EIB Venture Capital Fund Scheme

# Awards



- ❖ “Best Real Estate Advisor” in Turkey – 2005
- ❖ “Best M&A House” in Turkey by Euromoney – 2005
- ❖ “Best Local Partner” by Euromoney Awards for Excellence – 2004
- ❖ “Best Securities Firm” by Euromoney – 1997, 1998 and 1999
- ❖ “Best Credit Rating among Banks in Emerging Markets” – 1998 and 1999 by Thomson Bankwatch
- ❖ “Best Equity Research” – 1997 by the Emerging Markets Investor Magazine

# Organization Chart 2006



# Contacts

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