



**1H07 BRSA RESULTS**

**INVESTOR PRESENTATION**

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**TSKB**

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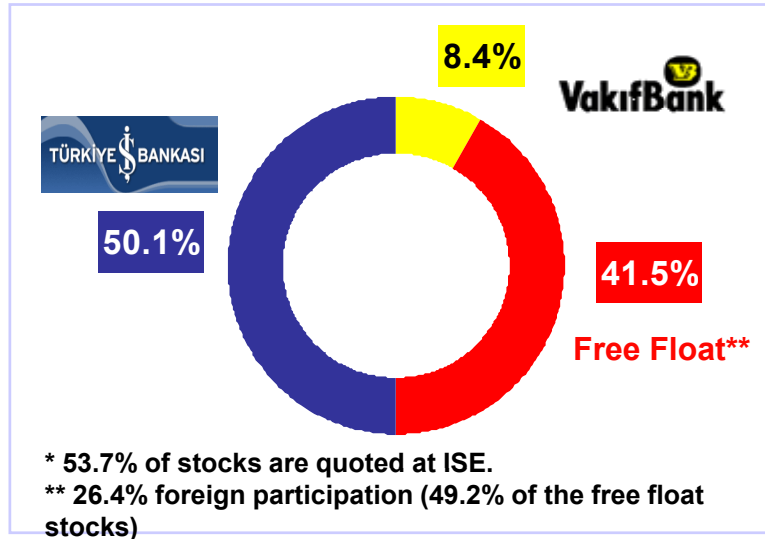
**TSKB**

**BANKING SECTOR vs TSKB**

**APPENDICES**

# TSKB at a Glance...

## Ownership Structure\*



## Credit Rating

**Moody's** B1

**Fitch Ratings** BB-

## Main Subsidiaries

Yatırım Finansman Securities

İş Leasing

TSKB Real Estate Appraisal

TSKB Real Estate Investment Trust

## Financial Summary (USD mn)

Assets	3,609
Loans	2,018
Equity	504
Net Income	43
Paid-in Capital	400 mn TRY

# Mission

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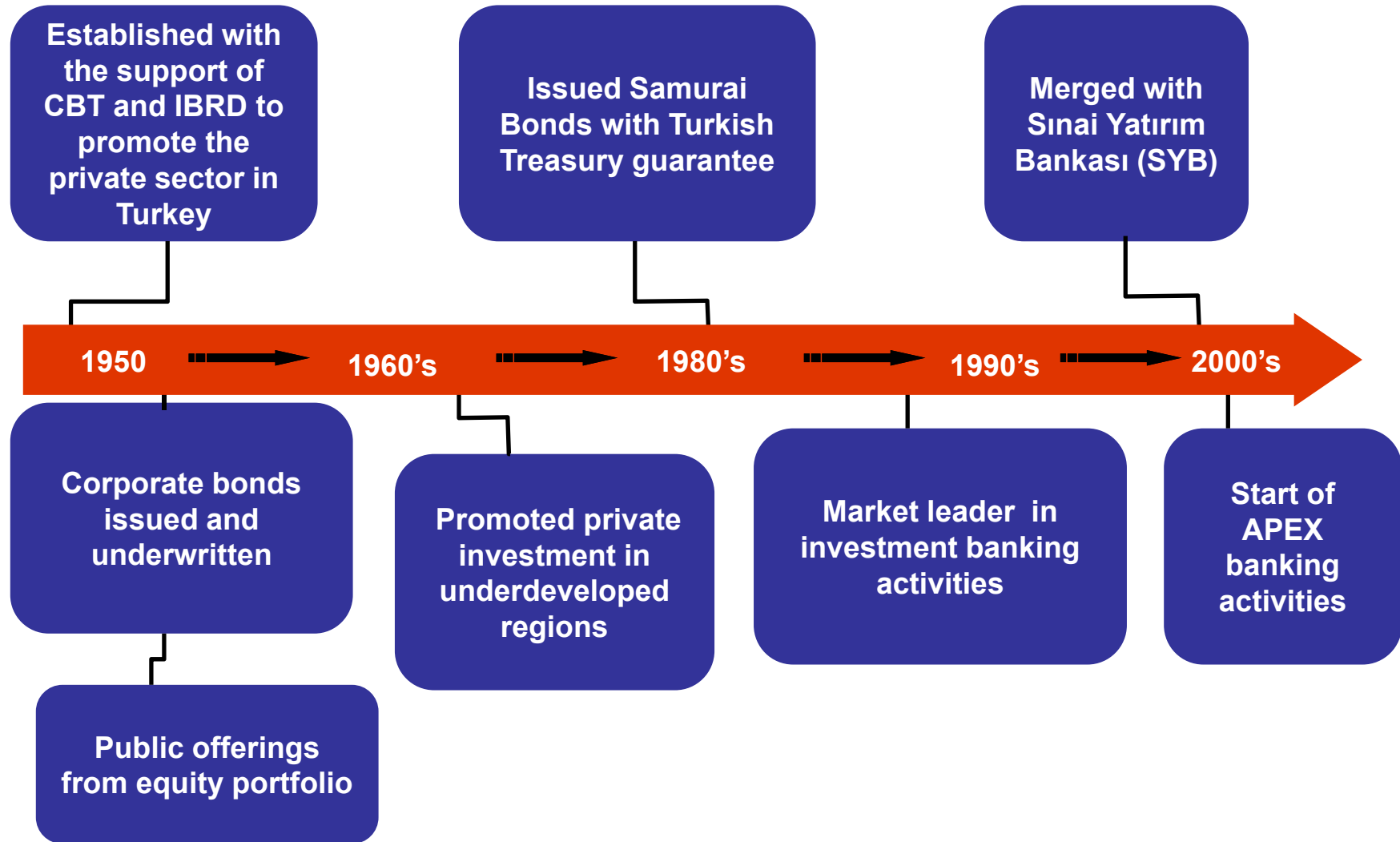
**MISSION**

**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**

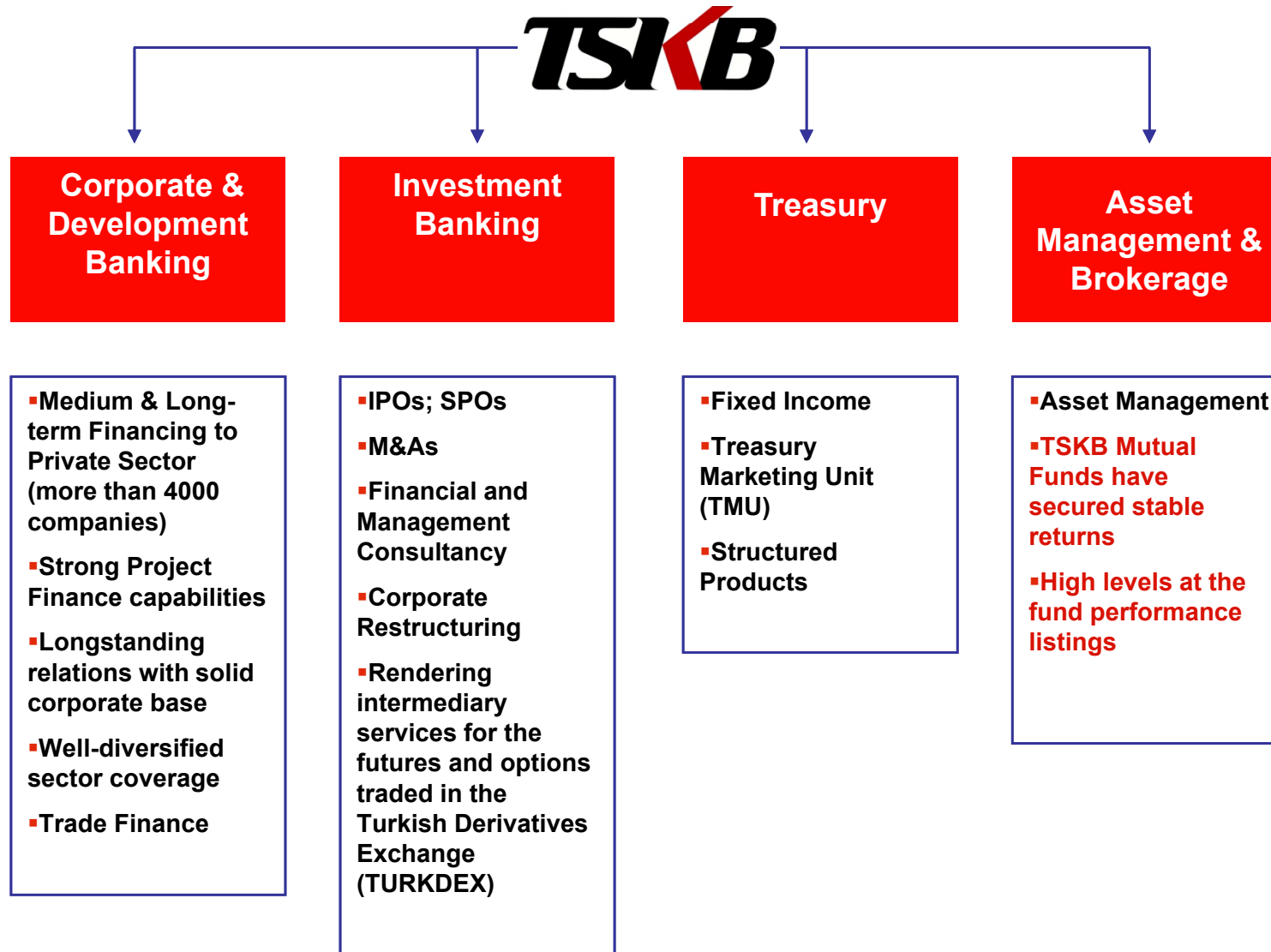
# History

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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	95.78%	11.7	Not listed
TSKB Real Estate Investment Trust	Financial	96.00%	10.0	Not listed
İş Leasing	Financial	28.56%	139.5	366.9
TSKB Investment Company Trust	Financial	29.75%	18.0	14.9
Yatırım Finansman Investment Company Trust	Financial	10.78%	10.0	8.6
İş Venture Capital Investment Trust	Financial	16.67%	23.4	77.5
İş Factoring	Financial	21.75%	16.0	Not listed
TSKB Real Estate Appraisal	Real Estate	80.00%	0.3	Not listed

\* as of August 03, 2007

Total book value of EIB Venture Capital Participations as of 06-2007 are 10 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)

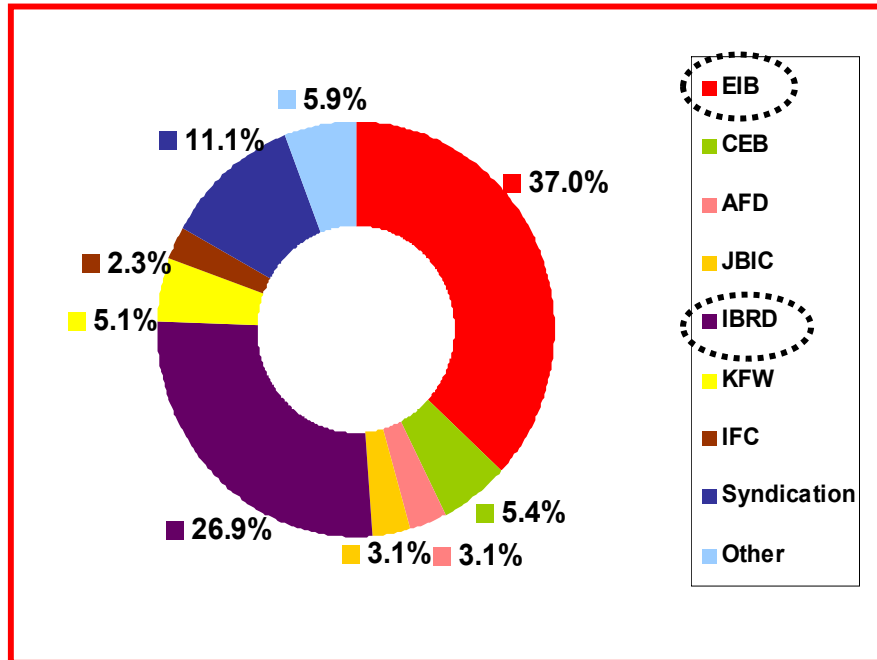
		<u>Amount (mn)</u>	<u>Tenor</u>	<u>Maturity</u>
 World Bank (IBRD)	Renewable Energy Project Loan ▶	US\$ 151	12 yrs	2016
	Export Finance Intermediary Loan (EFIL II) ▶	US\$ 303	16 yrs	2020
	Export Finance Intermediary Loan (EFIL III) 2005 ▶	US\$ 201 80	16 yrs 16 yrs	2021 2021
	SME Loan ▶	EUR 100	14 yrs	2021
 European Investment Bank (EIB)	Industrial Sector Global II Loan ▶	EUR 61	12 yrs	2013
	Industrial Sector Global III Loan ▶	EUR 130	12 yrs	2015
	Industrial Sector Global IV Loan ▶	EUR 69	12 yrs	2015
	Industrial Sector Global V Loan 2005 ▶	EUR 105	12 yrs	2017
	Industrial Pollution Abatement Facility ▶	EUR 55	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 60	16 yrs	2010
	TERRA 2B Industry GL ▶	EUR 28	16 yrs	2011
	APEX Global Loan II (SME II) ▶	EUR 50	15 yrs	2010
	Small Business APEX Global Loan ▶	EUR 150	12 yrs	2016
	SME Development Global Loan ▶	EUR 300	13 yrs	2020

# Funding Base (mn)

			<u>Amount</u>	<u>Tenor</u>	<u>Maturity</u>
	Council of European Development Bank (CEB)	CEB I ▶	EUR 65	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 9.7	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)	AFD I ▶	EUR 50	12 yrs	2017
		AFD II ▶	EUR 50	12 yrs	2018
	Instituto de Credito Oficial of the Kingdom of Spain ▶		EUR 30	13 yrs	2019
	Syndicated Term Loan Agreement 2007 ▶		US\$ 195	1 yrs	2008
	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)

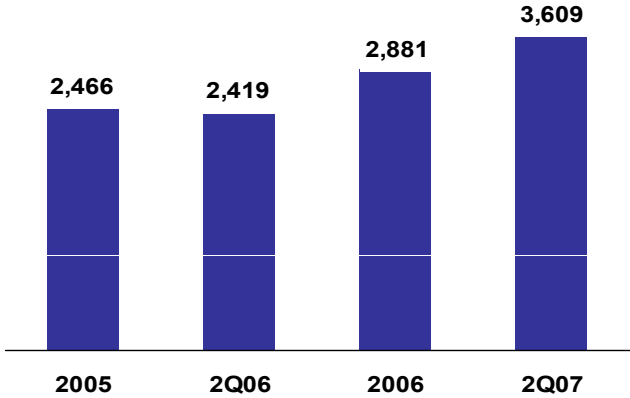
(mn USD)	USD	EUR	JPY	Total
Total Assets	1,268	1,104	62	2,434
Total Liabilities	1,361	1,114	68	2,543
Net On-Balance Sheet Position	-93	-10	-6	-109
Net Off-Balance Sheet Position	63	-5	7	66
<b>Net</b>	<b>-30</b>	<b>-15</b>	<b>1</b>	<b>-43</b>

67% of Total Assets and 70% of Total Liabilities are F/C denominated

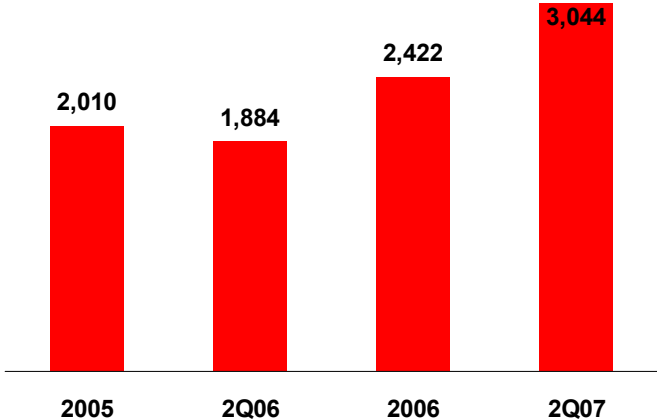
No currency  
No maturity  
No interest rate mismatches

# Sustainable Growth Over the Years

**Total Assets (USD mn)**

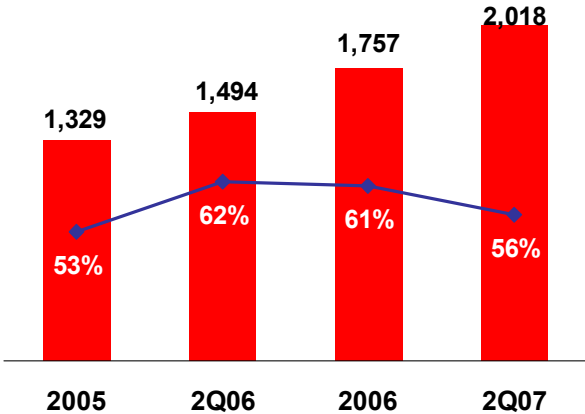


**Funds Borrowed (USD mn)**

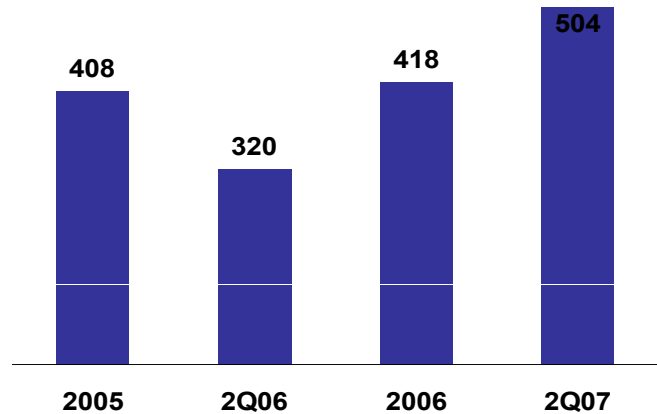


77% of the Long Term Funds borrowed are guaranteed by the Turkish Treasury.

**Total Loans (USD mn)**



**Shareholders' Equity (USD mn)**

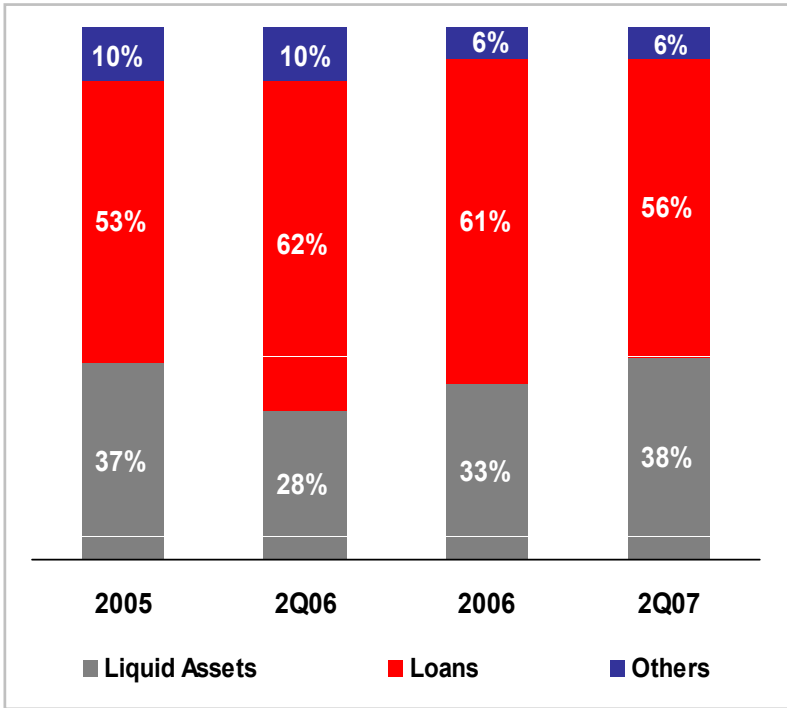


Loans/Assets is 56%, one of the highest ratio in the sector.

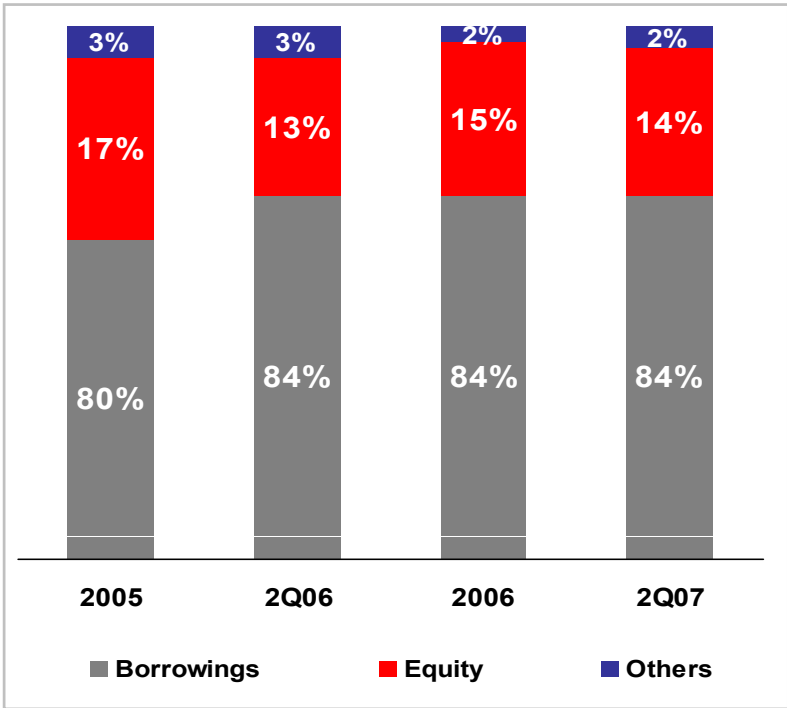
■ Loans ◆ Loans / T. Assets

# Balance Sheet Composition

**Assets**

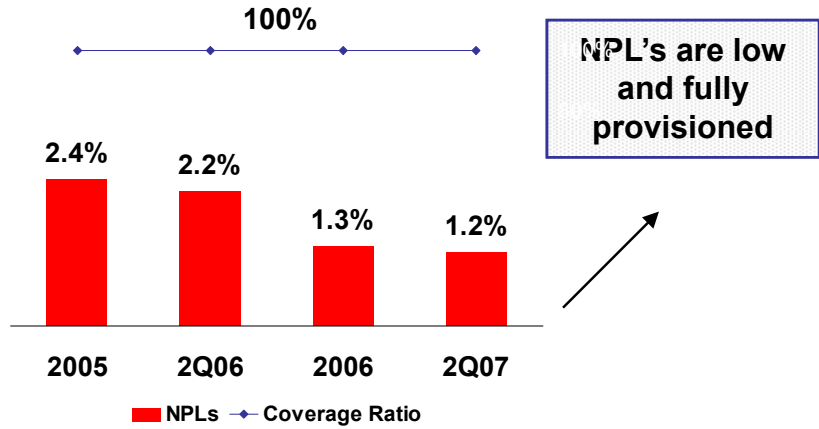


**Liabilities and Equity**

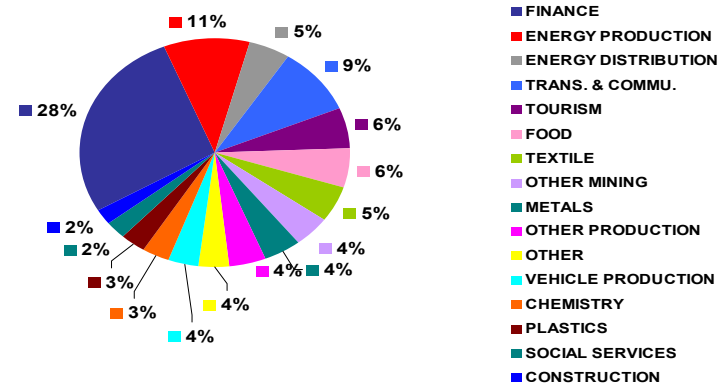


# Loan Book

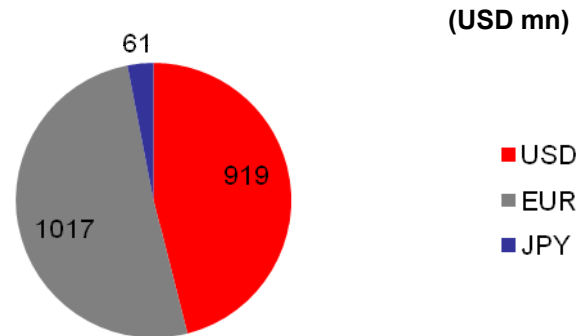
## NPL Ratio vs. Coverage Ratio



## Well Diversified Loan Portfolio



## FX Composition of the Loan Book



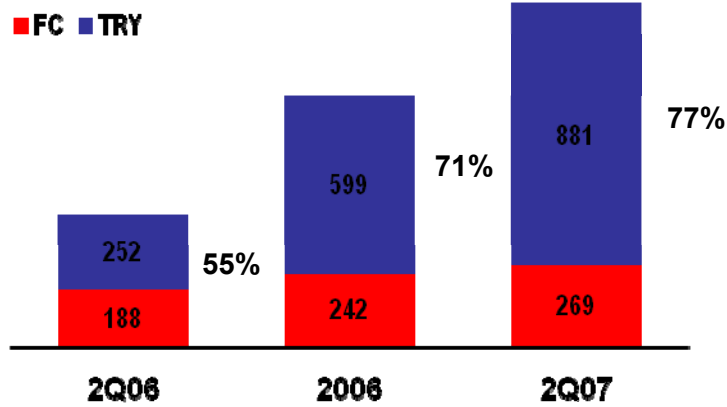
# Syndicated Loans

BORROWER	SIGNING DATE	TOTAL SYNDICATION AMOUNT	TSKB Ticket Size	TITLE	MATURITY
<b>Non-Cash Loans</b>					
Oyak (Ataer)	January 2006	USD 1,465,000,000	USD 100,000,000	-	January 2011
OJER	November 2006	USD 1,425,000,000	USD 50,000,000	-	November 2008
DOĞUŞ OTOMOTİV	December 2006	EUR 350,000,000	EUR 13,500,000	Arranger	June 2009
<b>Cash Loans</b>					
YKB MOSCOW	September 2006	USD 25,000,000	USD 2,500,000	Arranger	September 2007
FFK LEASİNG	November 2006	USD 31,000,000	USD 5,000,000	Co-arranger	January 2008
KTF	November 2005	USD 110,000,000	USD 20,000,000	Lead Arranger	May-07
Ojer Telecommunications (OTAŞ)	July 2007	USD 4,500,000,000	USD 125,000,000	Senior Lead Arrangers	July 2015
TAV	July 2005	EUR 660,000,000	EUR 25,000,000	Lead Arranger	July 2013
MARTINI TERM LOAN REVOLVING	February 2007	USD 213,000,000 YTL 33,000,000	USD 50,000,000 YTL 7,018,182	Lead Manager	March 2013
YILDIZ HOLDİNG/ÜLKER	December 2006	USD 100,000,000	USD 10,000,000	Lead Arranger	December 2009
METEKSAN	May-07	USD 35,000,000	USD 4,500,000	Lead Manager	May-08
MERSİN PORT	May-07	USD 600,000,000	USD 100,000,000	Mandated Lead Arrangers	May-21

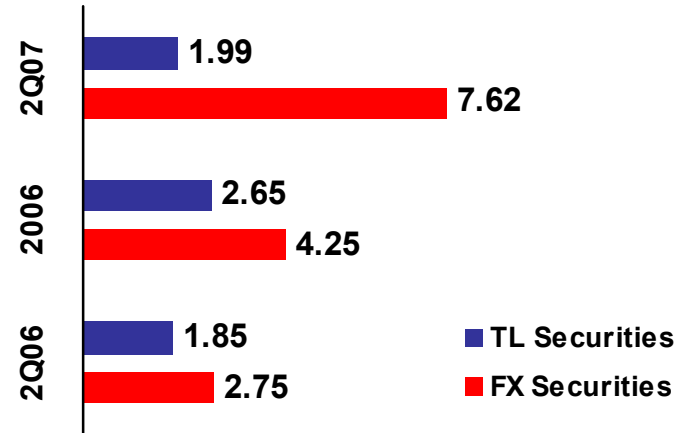


# Securities Portfolio

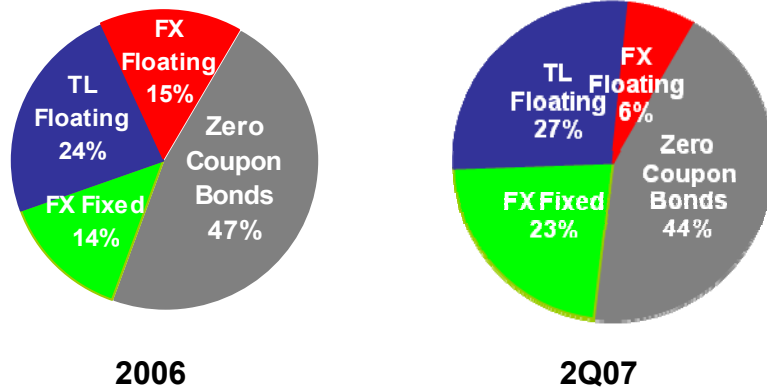
Securities Portfolio (USD mn)



Average Maturity (Years)



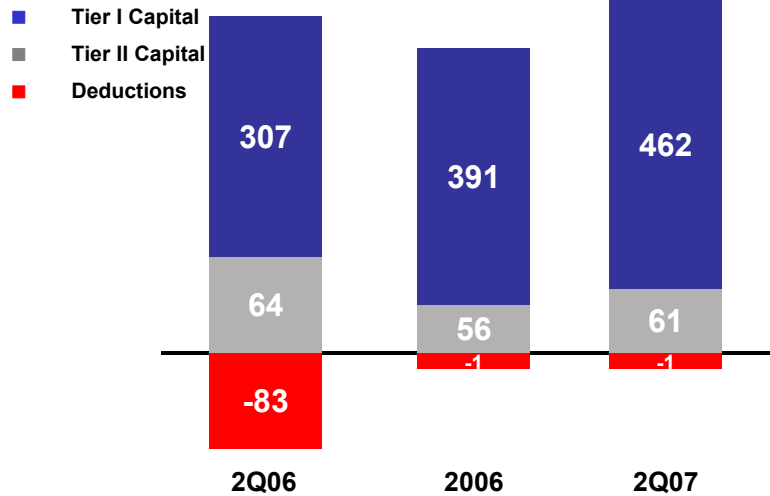
Breakdown of Securities Portfolio



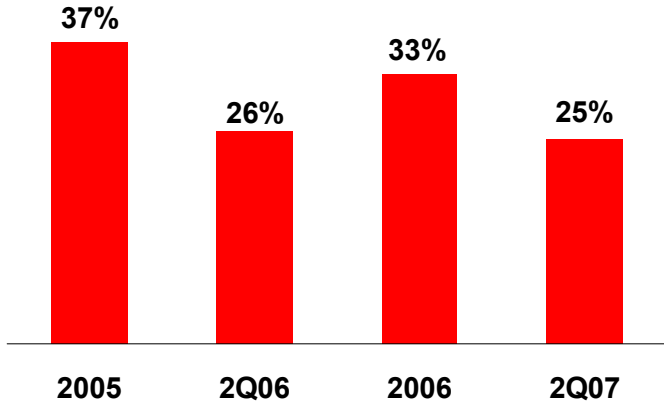
Total Securities Portfolio is classified as 'Available for Sale'

# Sufficient Capitalisation

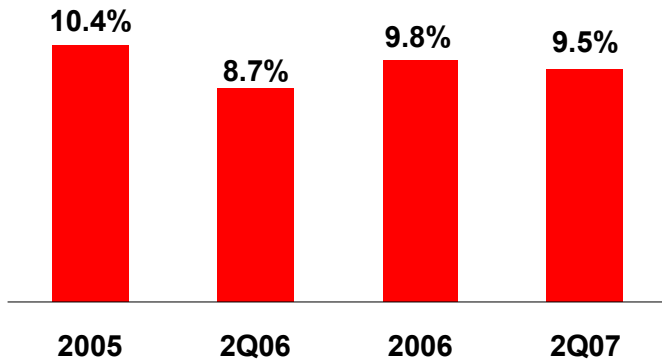
**Capital Base (USD mn)**



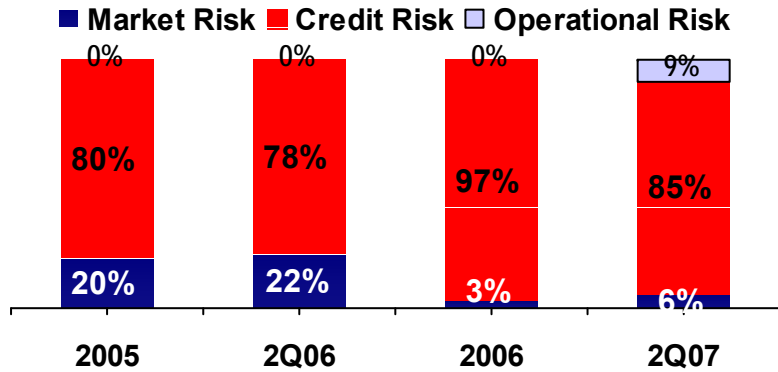
**Capital Adequacy Ratio**



**Free Capital**

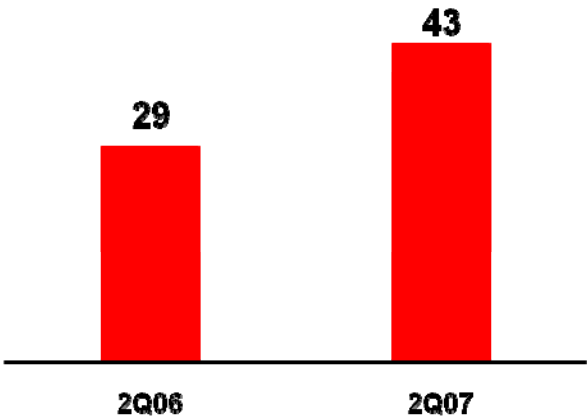


**Risk Weighted Assets**

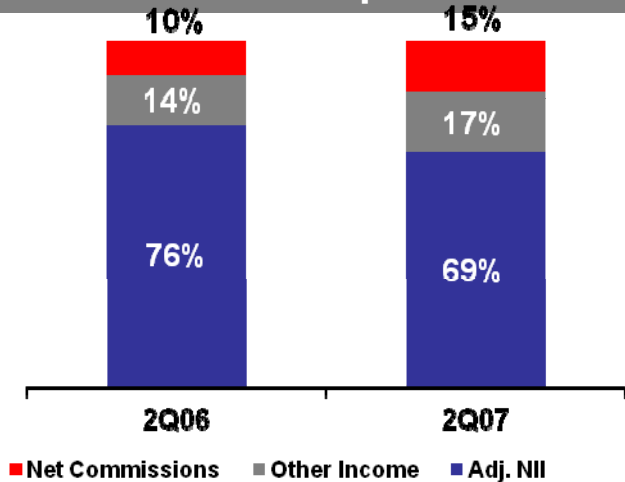


# Income Statement

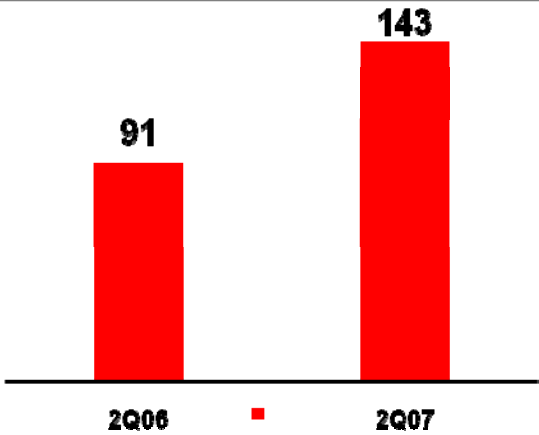
**Net Profit (USD mn)**



**Income Composition**

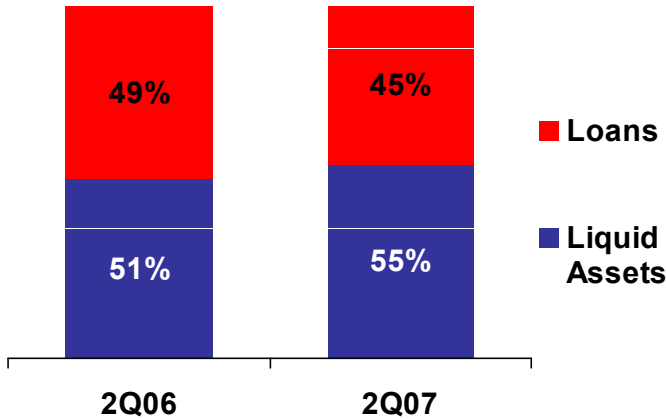


**Interest Income (USD mn)**



Share of IEA in TA is 94%

**Breakdown of Interest Income**



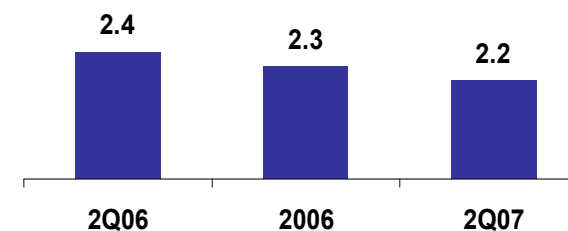
# Financial Summary

## Income Statement

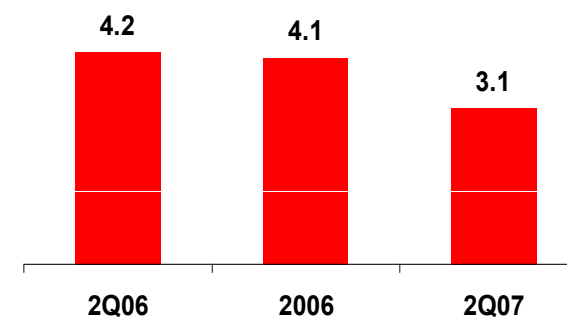
<i>(000 USD)</i>	1H06	1H07	Change
<b>Adj. Net Interest Income</b>	42,808	48,072	12%
Net Commissions	5,881	10,224	74%
Released Provisions	4,313	1,090	-75%
Other Operating Income	4,113	10,363	152%
<b>Net Banking Income</b>	<b>57,114</b>	<b>69,749</b>	22%
Personnel Expenses	7,135	9,305	30%
Adm. Expenses	1,903	2,394	26%
Other Op. Expenses	7,323	4,348	-41%
<b>Operating Profit</b>	<b>40,753</b>	<b>53,703</b>	32%
Provision Charges	- 4,127	- 2,167	-47%
Tax Provision	- 8,236	- 8,781	7%
<b>Net Profit</b>	<b>28,390</b>	<b>42,754</b>	<b>51%</b>

Exchange Rate (USD/YTL)    1.5725                      1.3025

## Loan Spread



## Net Interest Margin



# Financial Highlights

## Ratios

	2Q06	2006	2Q07
<b>CAR</b>	25.8%	32.9 %	25.0 %
<b>Free Capital</b>	8.7%	9.8 %	9.5 %
<b>Cost to income</b>	27.8%	25.7 %	23.0%
<b>NIM</b>	4.2%	4.1%	3.1%
<b>ROAE</b>	17.1%	18.7 %	17.9%
<b>ROAA</b>	2.5%	2.9 %	2.6%

## Financials

(USD mn)	2Q06	2006	2Q07
<b>Assets</b>	2,419	2,881	3,609
<b>Liquid Assets</b>	672	946	1,385
<b>Loans</b>	1,494	1,757	2,018
<b>Partic.</b>	85	106	128
<b>Funds borrowed</b>	2,035	2,423	3,044
<b>Equity</b>	320	417	504

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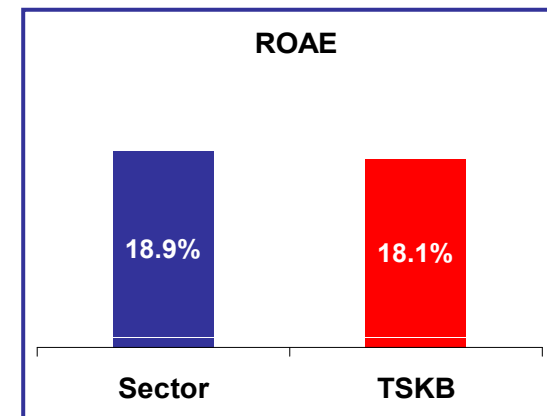
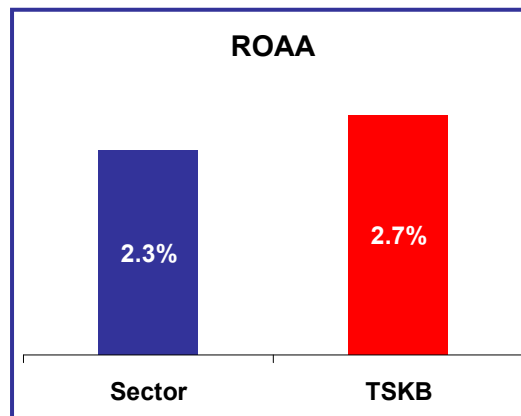
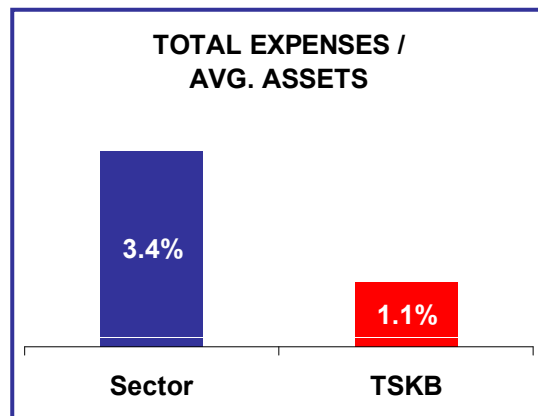
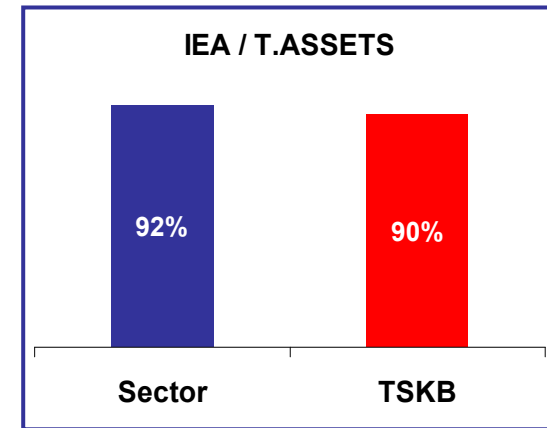
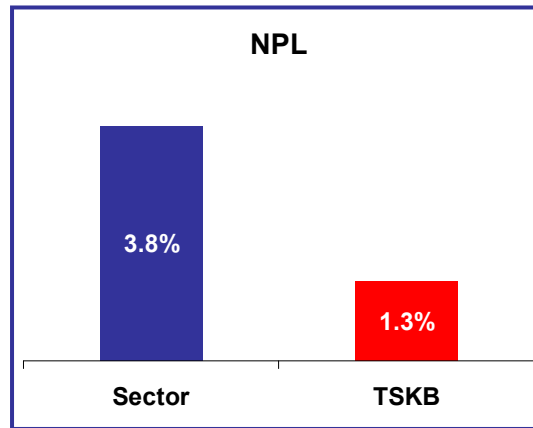
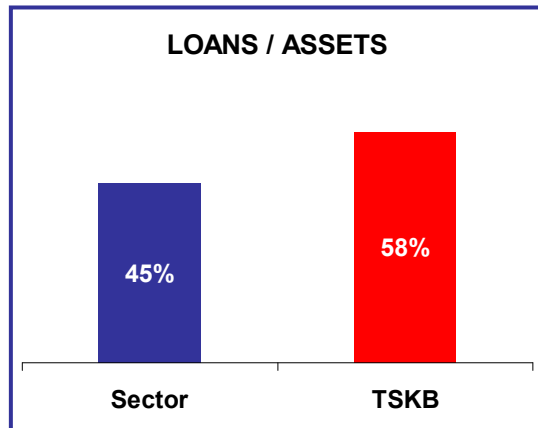
TSKB

**BANKING SECTOR vs TSKB**

APPENDICES

# Banking Sector vs TSKB as of 2006

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TSKB

BANKING SECTOR vs TSKB

**APPENDICES**



# Ratings

## FitchRatings

### TSKB's Fitch Ratings (May 2007)

<u>Foreign and Local Currency</u>	
Long Term Foreign Currency	BB-
Long Term Local Currency	BB
Short Term	B
Outlook	Stable
<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	Stable	4	C
Vakıfbank	BB-	Stable	4	C/D

## Moody's

### TSKB's Moody's Ratings (April 2007)

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

### Turkey: Sovereign Rates

S&P	Jun 28, 2006	BB-	Stable
Moody's	Dec 14, 2006	Ba3	Stable
Fitch	May 10, 2007	BB-	Stable

# Participations as of 2007

Entity	Sector	Ownership	Capital (TRY)
Yatırım Finansman Menkul Değerler A.Ş. (Yatırım Finansman Securities)	Financial	95.78%	11,675,000
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%	139,500,000
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%	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%	15,000,000
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.*		7.97%	13,600,000

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

# Awards

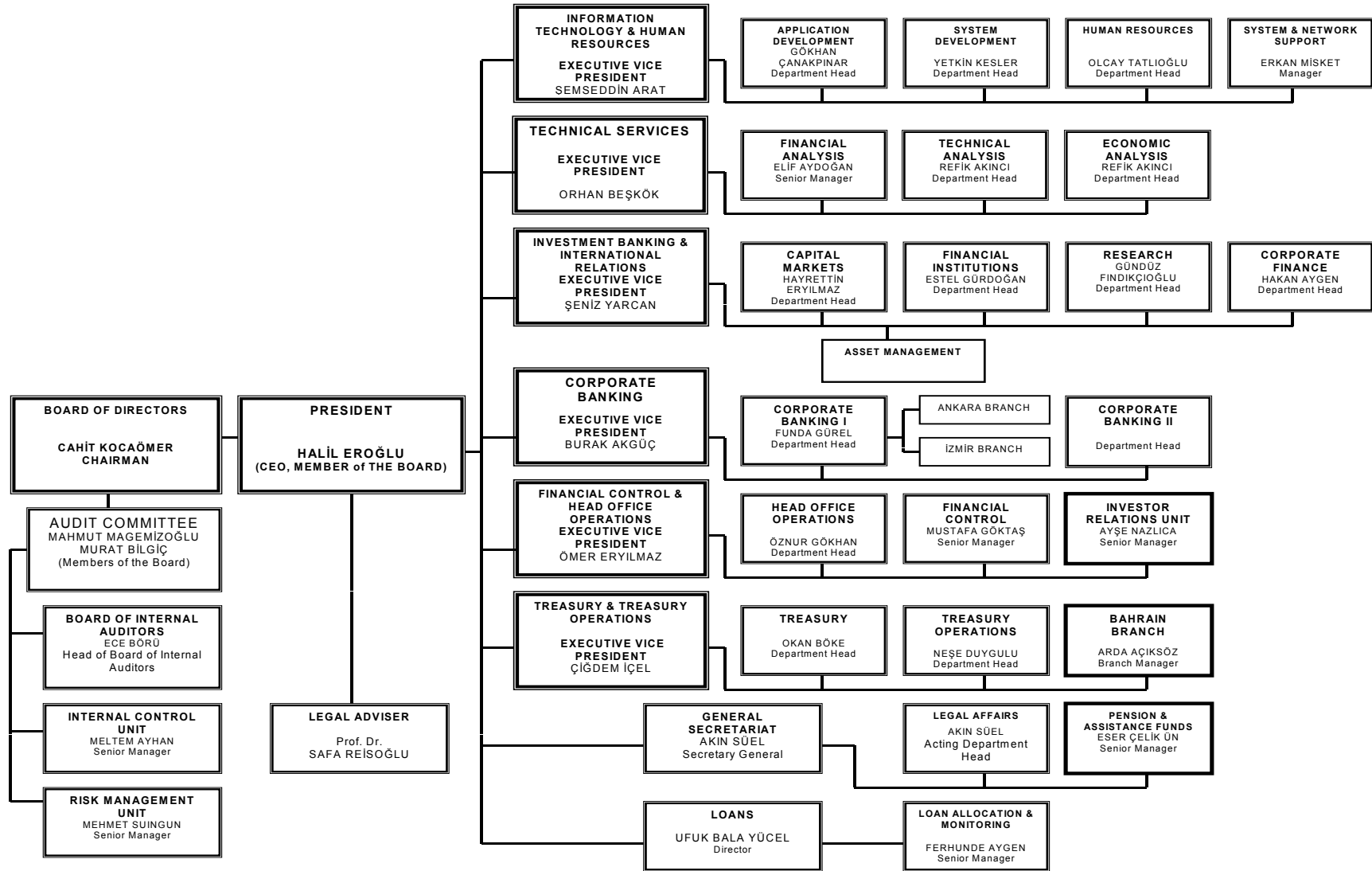


- ❖ “Best Real Estate Advisor” in Turkey – 2005
- ❖ “Best M&A House” in Turkey by Euromoney – 2005
- ❖ “Best Local Partner” by Euromoney Awards for Excellence – 2004
- ❖ “Best Securities Firm” by Euromoney – 1997, 1998 and 1999
- ❖ “Best Credit Rating among Banks in Emerging Markets” – 1998 and 1999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

# Certificate



# Organization Chart 2007



# Contacts

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# Disclaimer

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