

DEVELOPMENT INVESTMENT BANK OF TURKEY

A “new” bank with 45 years banking history

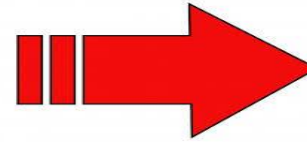


**DEVELOPMENT
INVESTMENT
BANK OF TURKEY**

Some Facts

-  1975 : Founded in Ankara
-  2018 : Got investment banking license
-  2019 : Relocated to Istanbul from Ankara

Owned by Turkish Ministry of Treasury and Finance



Shareholder Structure

99,08%
Turkish Ministry of Treasury and Finance



0,92%
Listed on BIST since 1991

Member of



TKYB History

- Established as the State Industry and Laborer Investment Bank (DESIYAB) in 1975

- The Bank's charter act was enacted
- The Bank's IPO in 1991 was realized

- The Bank focused on expanding its relations and cooperation with development finance institutions
- Loans were obtained from DFIs & extended as financing support for country's development

1970s



1980s



1990s



2000s



2010s



2018-...



- The bank was renamed in 1988 as Development Bank of Turkey (TKB) (*Intermediary role for allocation of government subsidized loans to manufacturing and tourism sectors*)
- The Tourism Bank was merged with TKB in 1989 (*The first financial institution supporting the tourism sector and the first Tourism Credit*)

- The bank's total assets exceeded US\$ 1 billion

- The Bank was restructured and renamed as The Development & Investment Bank of Turkey
- Head Office was relocated from Ankara to Istanbul
- The Bank's capital was supported to reach TRY 850 million
- First Asset Backed Securities was issued in the domestic market
- "Climate Friendly Institution" certificate was obtained
- One of the Founding Signatories of UNEP FI Principles for Responsible Banking

Vision, Mission & Values

Our Vision

To always stand by our customers who invest in sustainable development

Our Mission

To contribute to the structural transformation and fair capital distribution in our country in accordance with sustainable development priorities by meeting the financial and advisory needs of investing customers; to add value to employees and all other stakeholders with its dynamic, innovative, environmentally and socially responsive banking approach

Our Values



**COMMITMENT TO
SUSTAINABLE DEVELOPMENT**



BEING RELIABLE



**BEING A SOLUTION
PROVIDER**



**VALUING ITS
EMPLOYEES &
STAKEHOLDERS**



BEING INNOVATIVE



TKYB Credit Rating

(Fitch Ratings 2019)

	RATING
FOREIGN CURRENCY	
Long Term	BB-
Short Term	B
LOCAL CURRENCY	
Long Term	BB-
Short Term	B
NATIONAL	
Long Term	AAA (TUR)
Support Rating	3
Support Rating Floor	BB-

Our Ranking in the Turkish Banking System (As of 2019Q3)

#	Bank	Year of Establishment	Total Assets
1	Türkiye Cumhuriyeti Ziraat Bankası A.Ş.	1863	618.228
2	Türkiye Halk Bankası A.Ş.	1938	443.499
3	Türkiye İş Bankası A.Ş.	1924	434.745
4	Türkiye Vakıflar Bankası T.A.O.	1954	386.845
5	Türkiye Garanti Bankası A.Ş.	1946	374.335
6	Yapı ve Kredi Bankası A.Ş.	1944	373.283
7	Akbank T.A.Ş.	1948	351.448
8	QNB Finansbank A.Ş.	1987	174.192
9	Türk Eximbank	1987	157.546
10	Denizbank A.Ş.	1997	148.280
11	Türk Ekonomi Bankası A.Ş.	1927	102.451
12	ING Bank A.Ş.	1984	56.716
13	Türkiye Sınai Kalkınma Bankası A.Ş.	1950	40.273
14	İller Bankası A.Ş.	1933	35.087
15	HSBC Bank A.Ş.	1990	33.069
16	Odea Bank A.Ş.	2011	31.742
17	Şekerbank T.A.Ş.	1953	29.745
18	Alternatifbank A.Ş.	1991	28.182
19	Fibabanka A.Ş.	1984	21.545
20	Burgan Bank A.Ş.	1991	18.697
21	Türkiye Kalkınma ve Yatırım Bankası A.Ş.	1975	18.469
22	ICBC Turkey Bank A.Ş.	1986	17.168
23	Anadolubank A.Ş.	1996	16.366
24	Aktif Yatırım Bankası A.Ş.	1998	16.165
25	İstanbul Takas ve Saklama Bankası A.Ş.	1995	14.878
26	MUFG Bank Turkey A.Ş.	2012	13.590
27	Intesa Sanpaolo S.p.A.	2013	12.941
28	Citibank A.Ş.	1981	12.498
29	Arap Türk Bankası A.Ş.	1977	4.600
30	Deutsche Bank A.Ş.	1988	3.779
31	Turkland Bank A.Ş.	1991	3.769
32	Birleşik Fon Bankası A.Ş.	1958	3.419
33	Nurol Yatırım Bankası A.Ş.	1998	3.143
34	Bank of China Turkey A.Ş.	2017	1.742
35	Rabobank A.Ş.	2013	1.670
36	Pasha Yatırım Bankası A.Ş.	1987	1.605
37	Turkish Bank A.Ş.	1981	1.257
38	Bank Mellat	1984	1.009
39	BankPozitif Kredi ve Kalkınma Bankası A.Ş.	1998	893
40	JPMorgan Chase Bank N.A.	1984	749
41	Merrill Lynch Yatırım Bank A.Ş.	1992	567
42	GSD Yatırım Bankası A.Ş.	1998	302
43	Habib Bank Limited	1982	242
44	Diler Yatırım Bankası A.Ş.	1998	175
45	Société Générale (SA)	1989	155
46	Standard Chartered Yatırım Bankası Türk A.Ş.	1990	103
47	Adabank A.Ş.	1984	60



TKYB is 21st among all banks



TKYB is 4th among all development & investment banks

#	Ownership	Bank	Total Assets
1	□	Türk Eximbank	157.546
2	•	Türkiye Sınai Kalkınma Bankası A.Ş.	40.273
3	□	İller Bankası A.Ş.	35.087
4	□	Türkiye Kalkınma ve Yatırım Bankası A.Ş.	18.469
5	•	Aktif Yatırım Bankası A.Ş.	16.165
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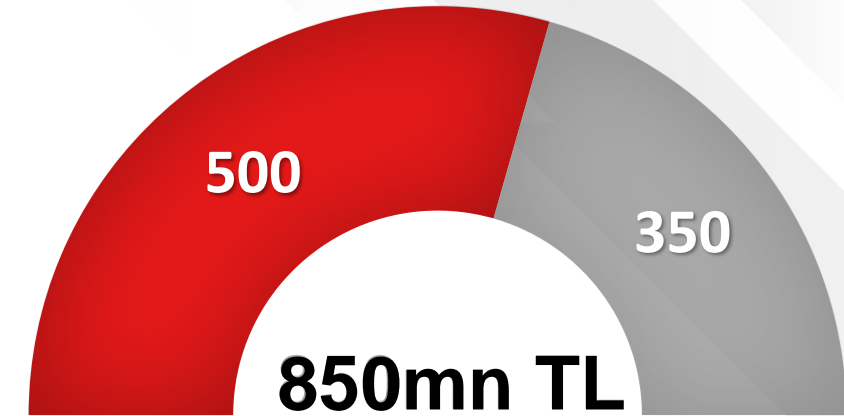
□ State owned Development & Investment Banks • Public & Privately owned Development & Investment Banks ▶ Foreign owned Development & Investment Banks



Financial Highlights

	2017 mn TRY	2018 mn TRY	2019Q3 mn TRY	2019Q3 mn USD
Total Assets	8,983	15,715	18,469	3,218
Loans	6,929	13,642	14,676	2,557
Funds Borrowed	7,585	13,589	14,715	2,564
Shareholder's Equity	1,256	1,417	2,259	393
Net Profit	128	160	360	63

Paid in Capital




*350mn TL capital injection in 2019 fully paid in cash



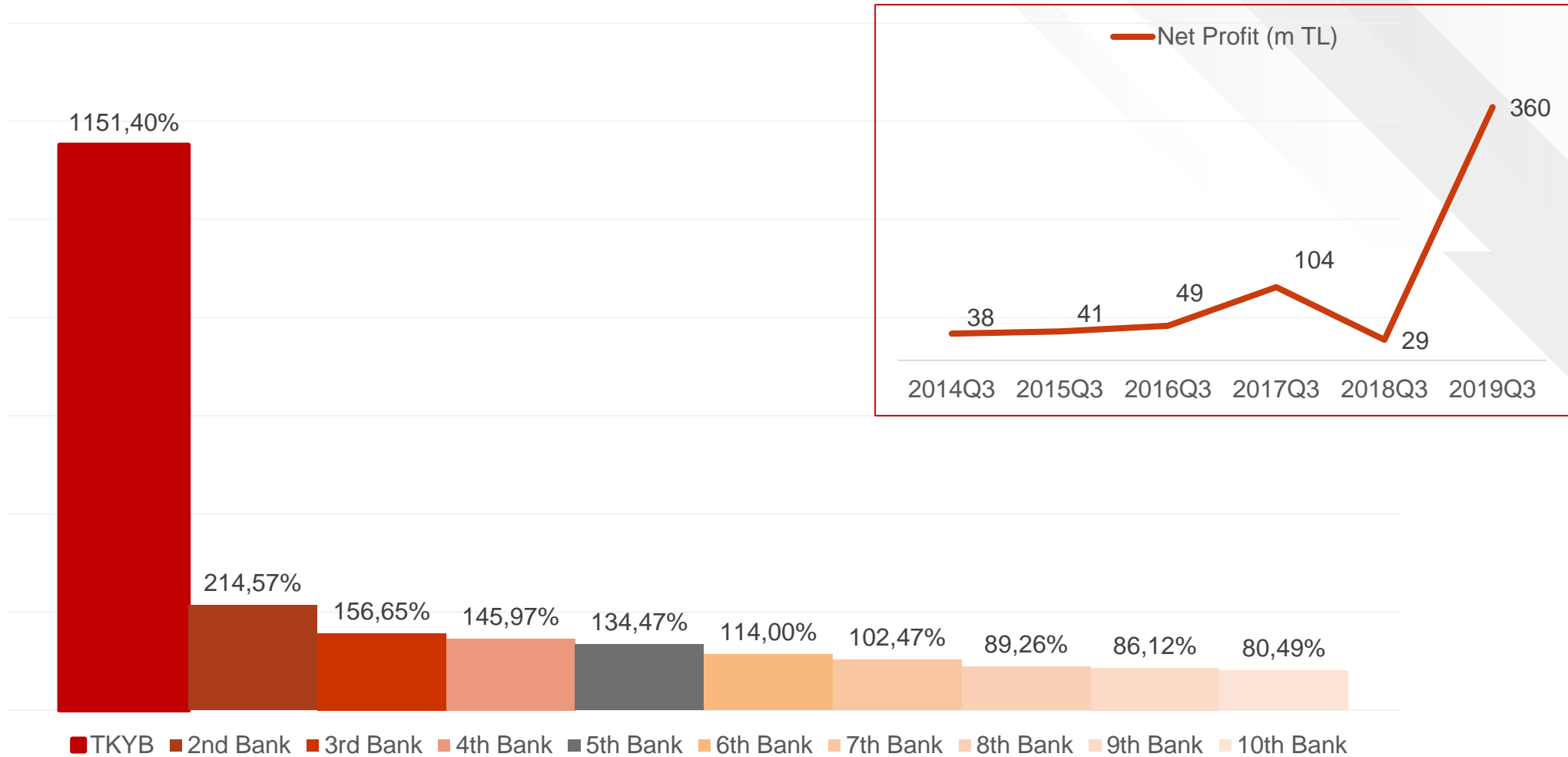
Key Indicators

	2017	2018	2019Q3
Total Loans/Assets	77,13%	86,81%	79,45%
Equity/Assets	13,98%	9,02%	12,22%
ROA	1,64%	1,27%	1,94%
ROE	11,03%	12,40%	15,90%
CAR	16,73%	14,18%	22,36%
NIM	3,16%	2,94%	4,17%
NPL	1,76%	0,90%	0,81%



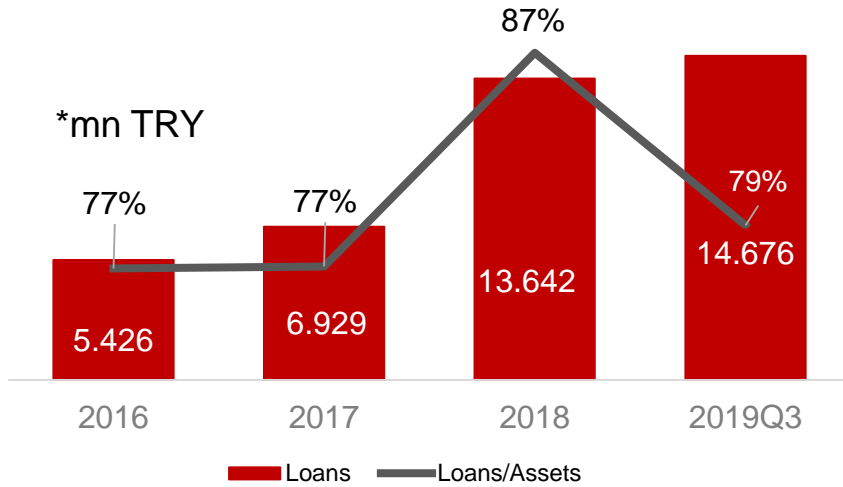
% Change	2018Q3 to 2019Q3
TOTAL ASSETS	13% ↑
LOANS (NET)	3% ↑
EQUITY	74% ↑
NET PROFIT	1153% ↑
NPL	-5% ↓

Profit Growth

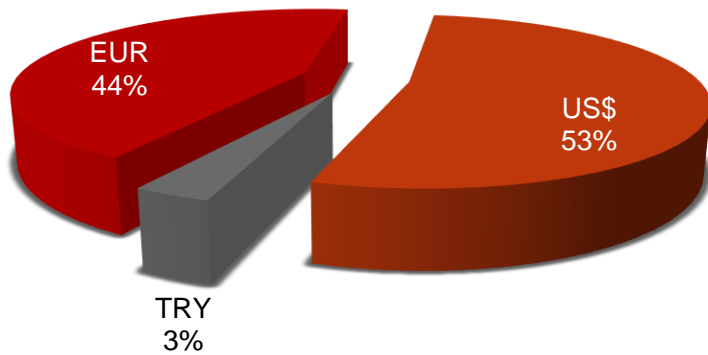


* 10 banks in terms of Net Profit increase (%) for 2018Q3 - 2019Q3 period

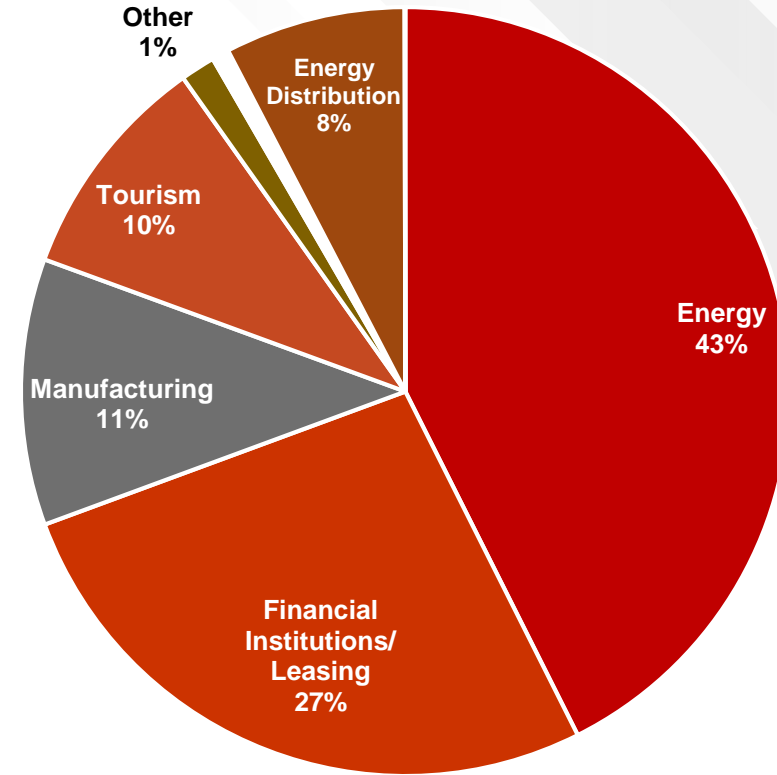
Loan Portfolio



Currency Distribution of Loans



Sectoral Distribution of Loans



**Excluding loans given to state owned financial institutions for APEX lending, loans are extended only to the privately owned companies*



Funding Sources and Purposes (As of Sept'19)

US\$ 2.670 mn in total



THE WORLD BANK



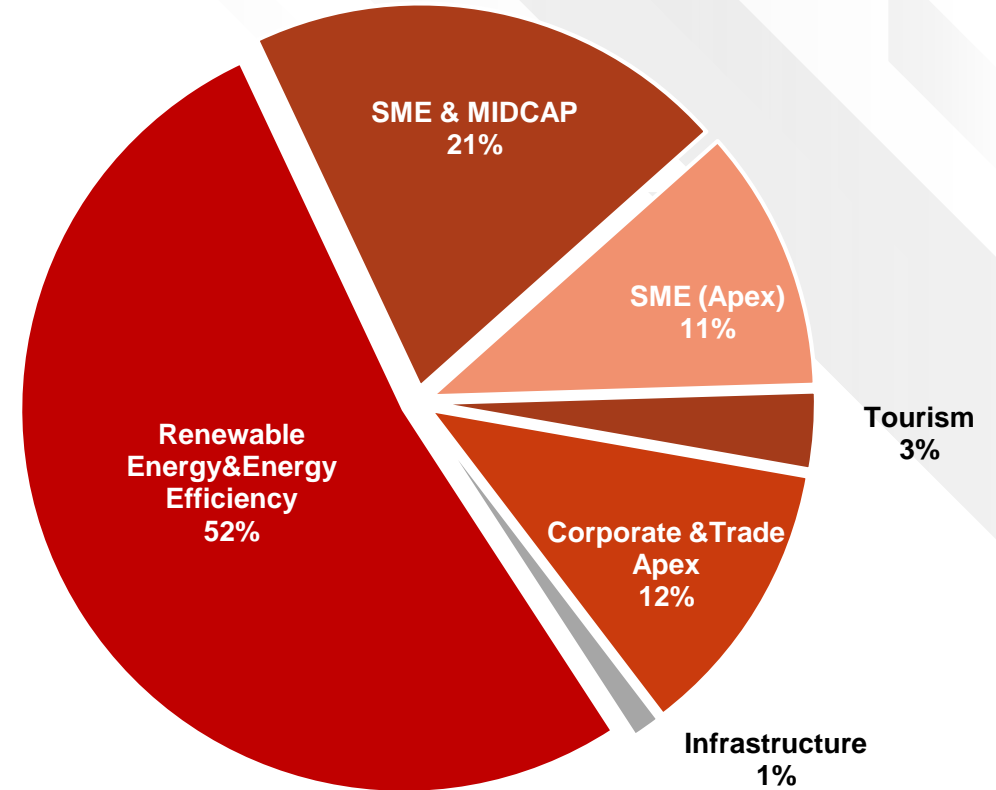
US\$
1.388mn



EUR
1.165mn



Purpose

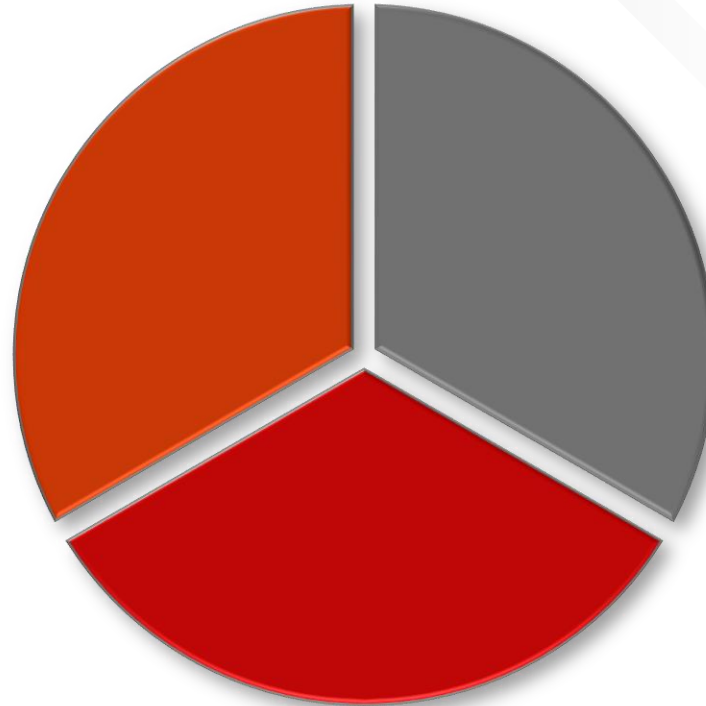


DEVELOPMENT
INVESTMENT
BANK OF TURKEY

What We Mainly Focus On

Project Finance and Corporate Loans

- Industrial Investments
- Renewable Energy Investments
- Energy & Resource Efficiency
- Environmental Investments
- Tourism Investments
- Education and Health Investments
- Wholesale Banking (APEX)



Investment Banking Activities

- Capital Markets Advisory
- Financial Advisory
- Debt Restructuring Advisory
- M&A

Turkey Development Fund

- Support development of tech-focused startup ecosystem and growth-oriented industries with Private Equity and Venture Capital Investments



Turkey Development Fund



Turkey Development Fund, and its sub-funds, aims at playing a major role in sustainable growth of Turkey by supporting strategically important sectors whilst boosting development of the start-up ecosystem through investing in new generation start-ups



TDF supports development of the country with direct/indirect investments made through its funds managed by investment professionals with significant market experience and works toward more efficient utilization of the public funds in line with global benchmarks and best practices

Current Investments



EUR 10mn invested to Turkey's first fund of funds structure (10 funds, 74 Companies, 10% Net IRR)

 10mn €



EUR 3mn commitment to 212 VC Fund (212 Regional Fund II)

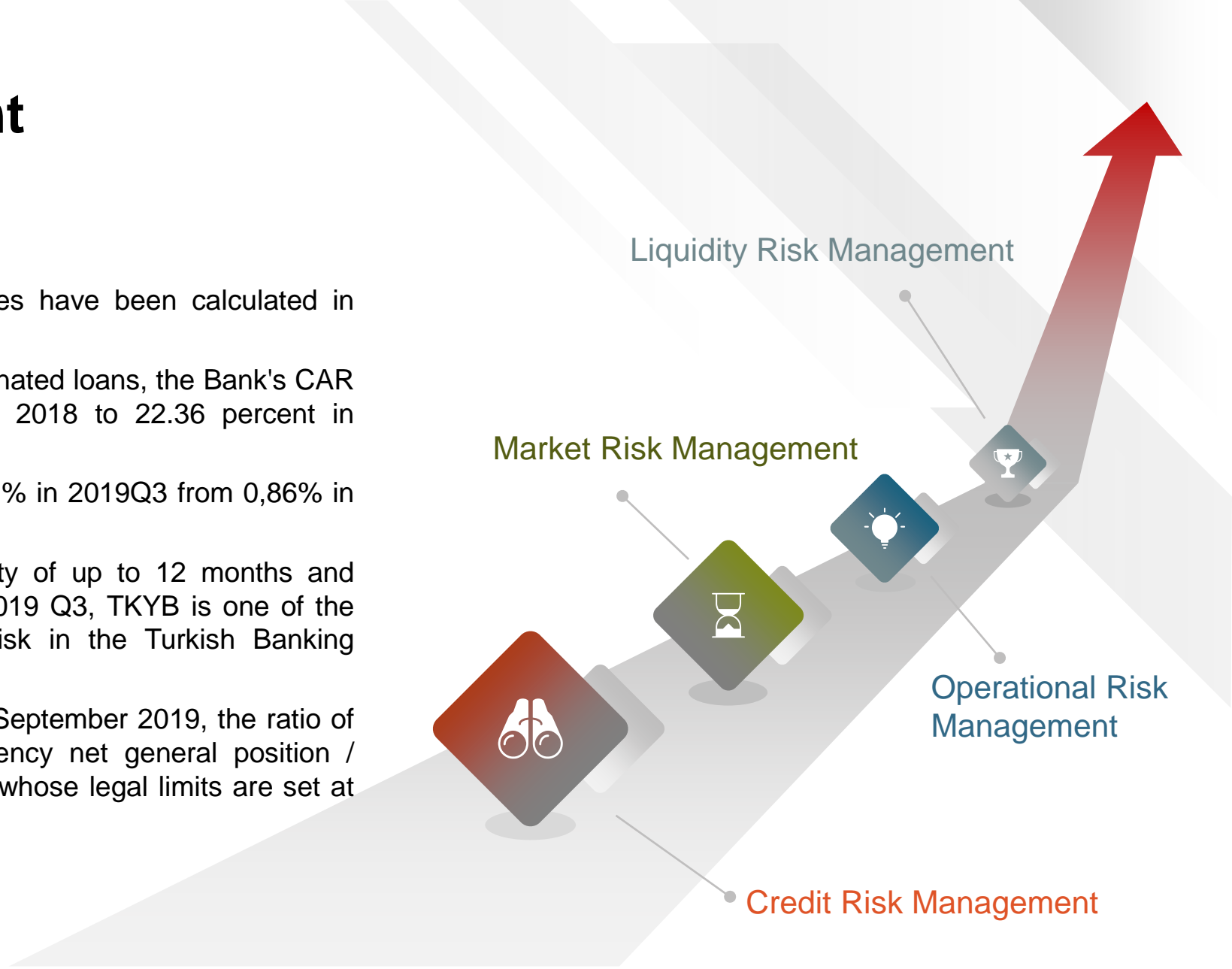
 3mn €

Planned Funds

Area of Interest	Investment Fund	Investment Strategy	Investment Focus
Venture Capital (VC)	Technology and Innovation Fund	• Direct investments: Co-investing with VCs	• Technology centric, high growth bearing new generation startups
		• Fund of Funds (FoF): Investing in VCs	• Venture capital funds with proven investment strategies and successful track records
Private Equity (PE)	Regional Development Fund	• Growth Equity: Growth-oriented investments in prioritized strategic sectors for development	SMEs/Mid-cap companies • Manufacturing, professional services, IT, pharma/healthcare, consumer goods
		• Regional Support: Prioritized sectors with regional development and job creation angle	

Strong Risk Management

- As of the beginning of 2019, provision figures have been calculated in accordance with IFRS 9.
- Due to capital inflows and increases in subordinated loans, the Bank's CAR increased from 12.79 percent in September 2018 to 22.36 percent in September 2019.
- The NPL / Total Loans ratio decreased to 0.81% in 2019Q3 from 0,86% in 2018Q2 and 0.90% in 2018.
- With a liquidity ratio of 252,5% for a maturity of up to 12 months and 349,3% for a maturity of up to 3 months in 2019 Q3, TKYB is one of the best positioned bank in terms of liquidity risk in the Turkish Banking System.
- Our Bank does not carry currency risk. As of September 2019, the ratio of the foreign currency risk ratio (Foreign currency net general position / capital base) reported to the BRSA as 1,82% whose legal limits are set at +/- 20%. +



Environmental Policy

We Became One of the Founding Signatories of UNEP FI Principles for Responsible Banking

We are committed to reducing negative environmental impact, resource utilization and waste production by our activities while increasing positive environmental impacts; to continuously improving our system, complying with applicable legal requirements where transferring the environmental awareness to our stakeholders

6 PRINCIPLES SHAPING OUR FUTURE



PRINCIPLES FOR
RESPONSIBLE
BANKING



Alignment



Impact



Clients &
customers



Stakeholders



Governance &
target setting



Transparency &
accountability



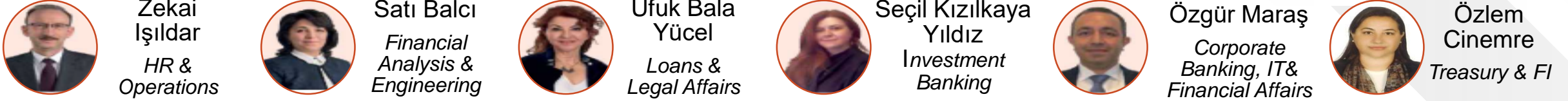
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Professional Management Team



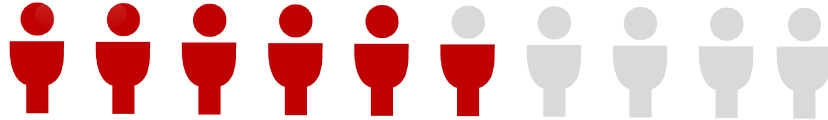
İbrahim Halil Öztop
CEO & Board Member

Executive Vice Presidents



Average Experience
29 Years

Gender



57% Female

43% Male

Education



%40 Master's

%60 Bachelor's

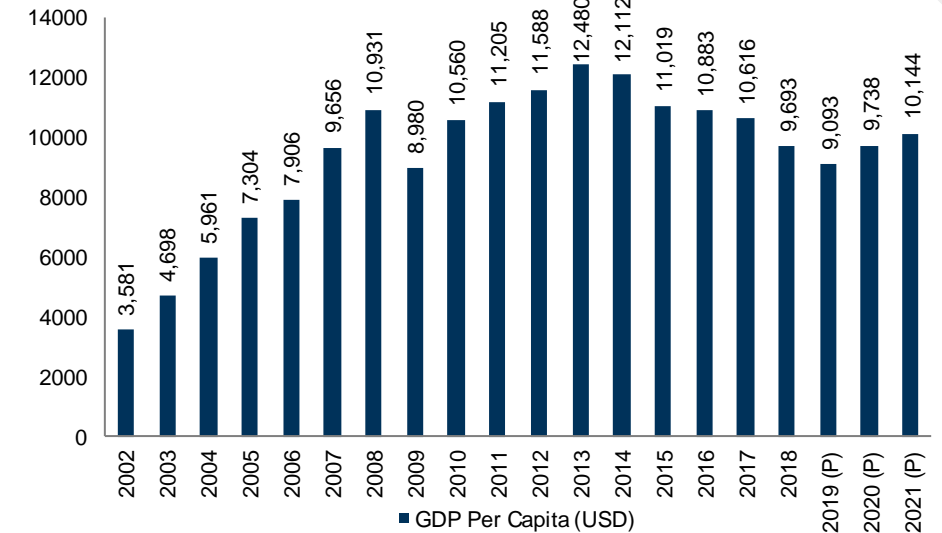
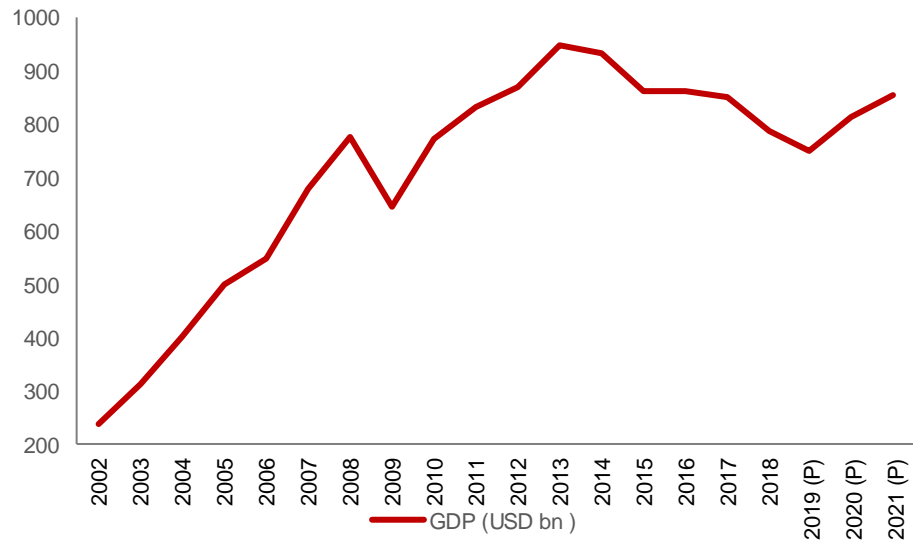
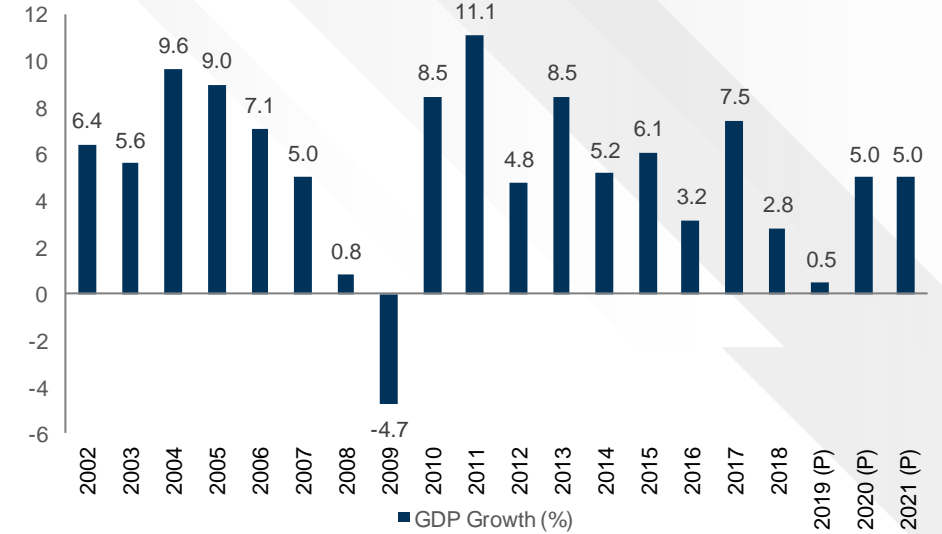
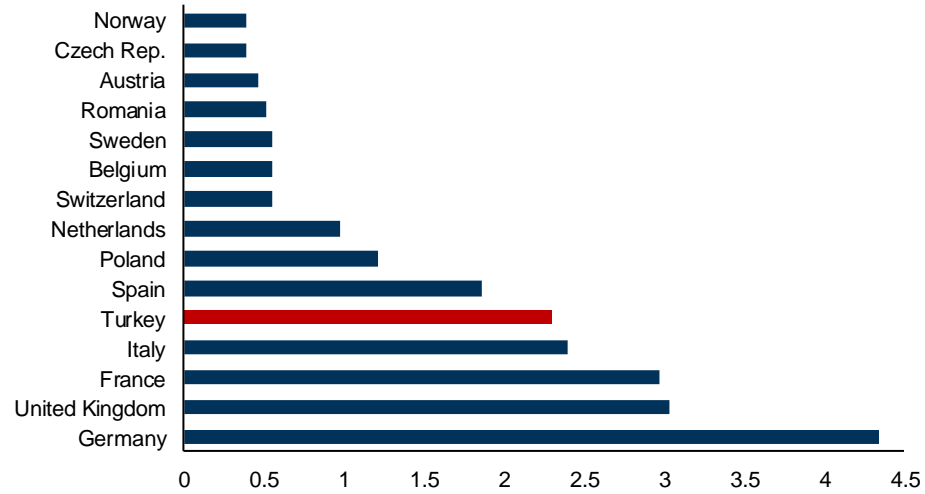




TURKEY AT A GLANCE

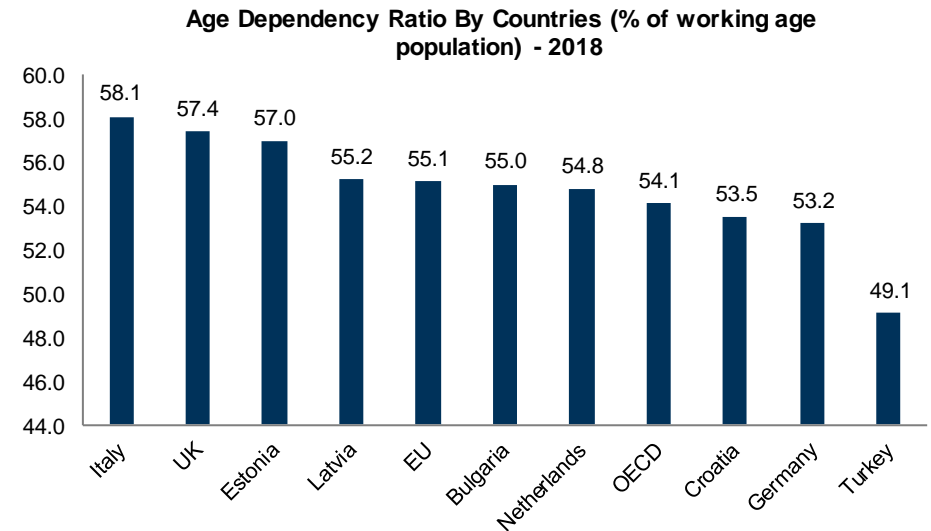
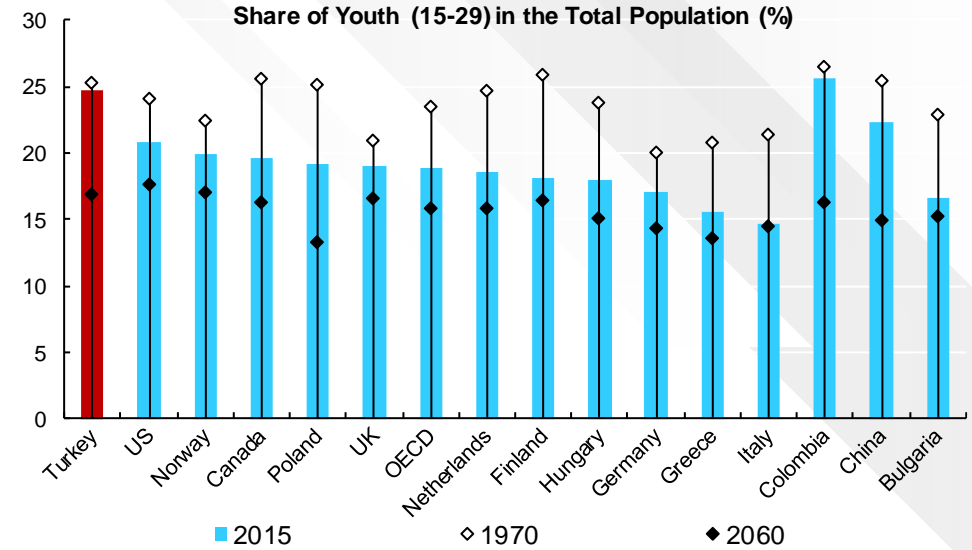
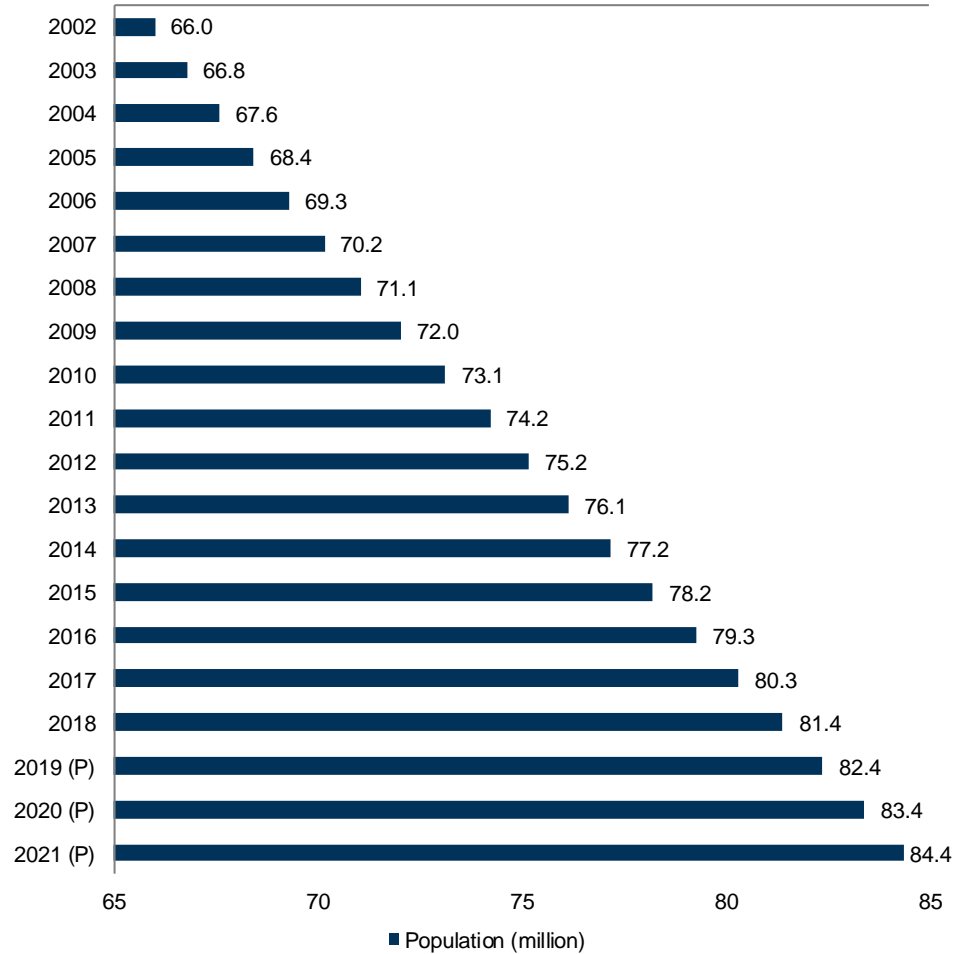
Turkey is One of the Biggest Economy in Europe

GDP Based on Purchasing Power Parity, Trillion Dollar, 2018



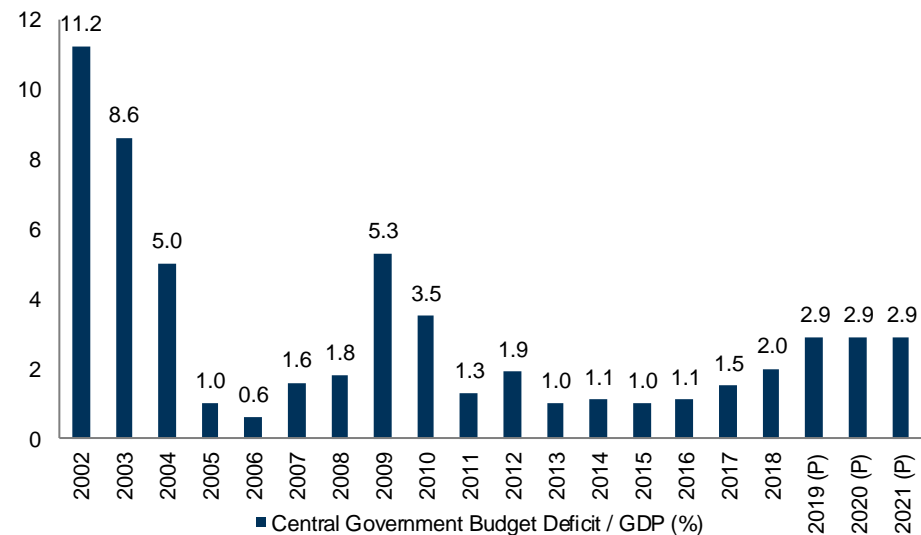
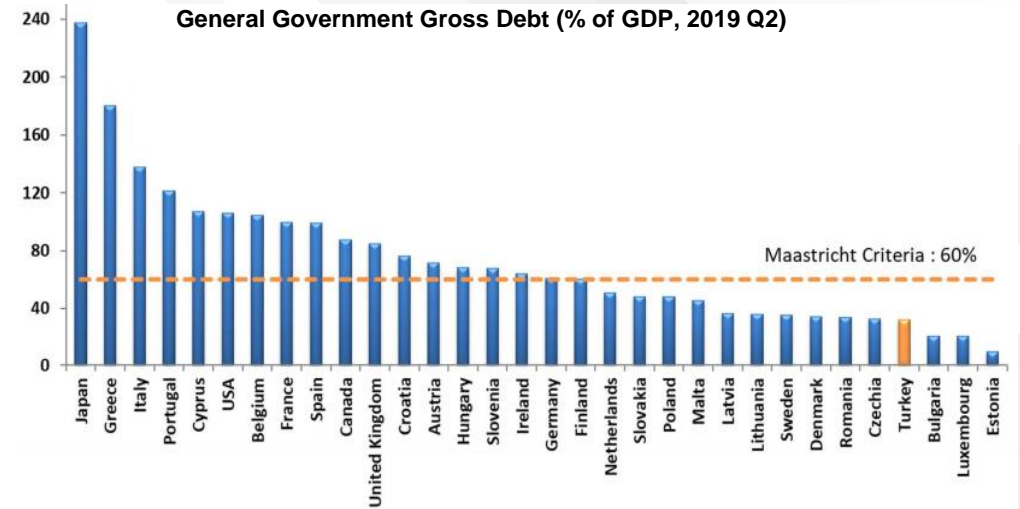
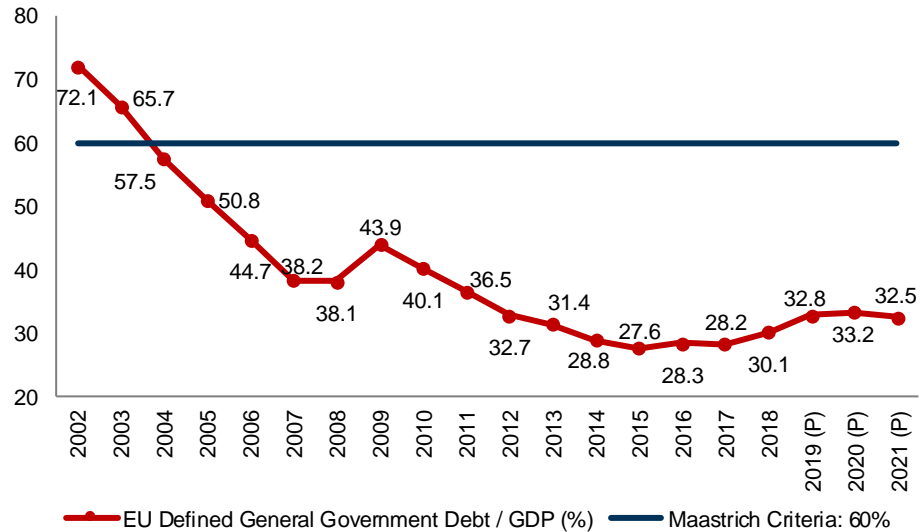
Source: IMF, WEO Economic Outlook October 2019, TURKSTAT, New Economy Program, TKYB Economic Research

Favorable Demographics is One of the Key Strengths



Source: UN, OECD, TKYB Economic Research

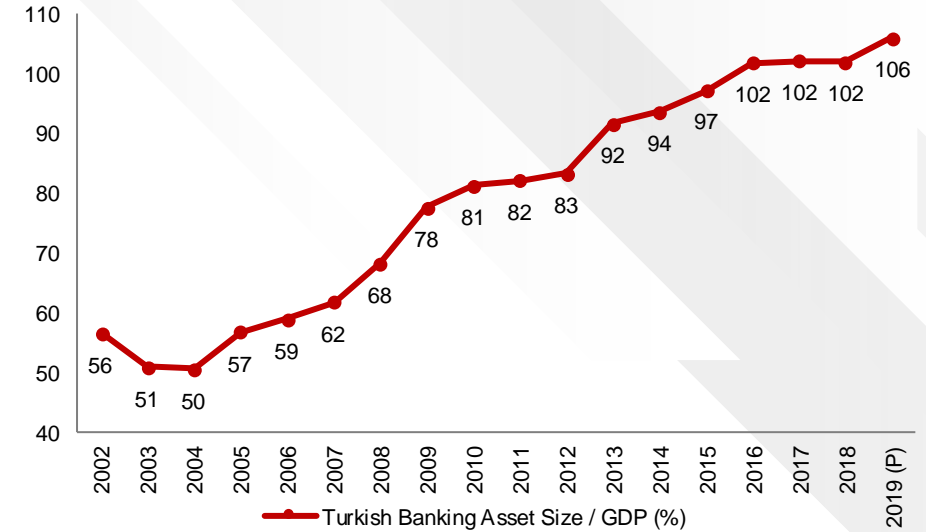
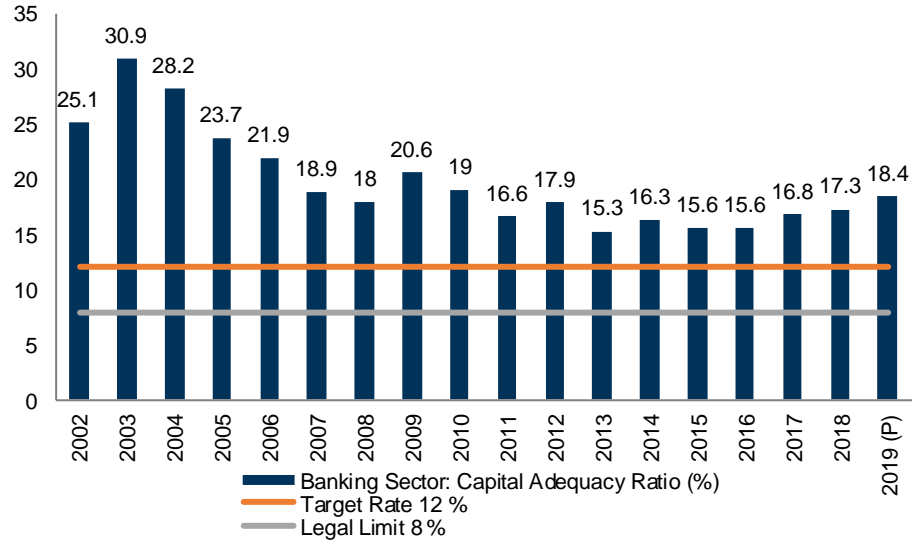
Public Debt Has Diminished Thanks to Fiscal Discipline



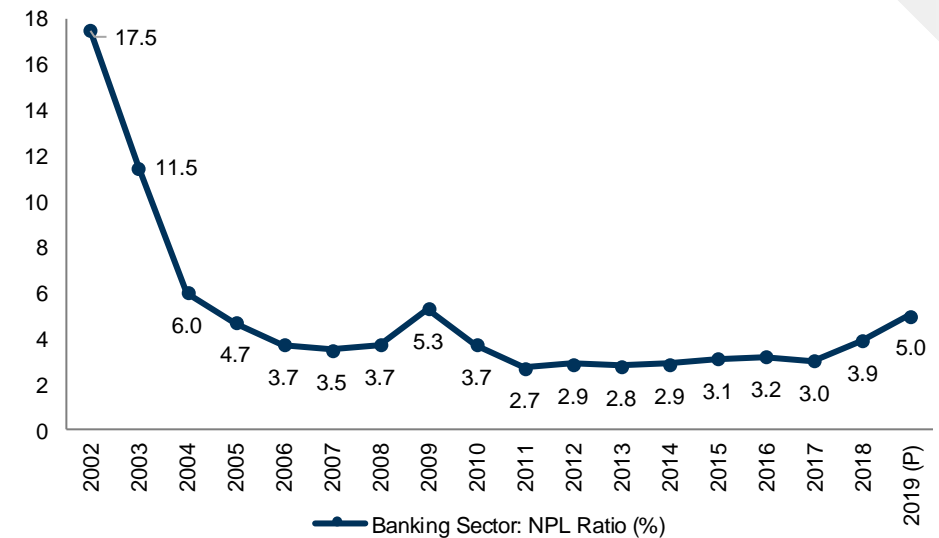
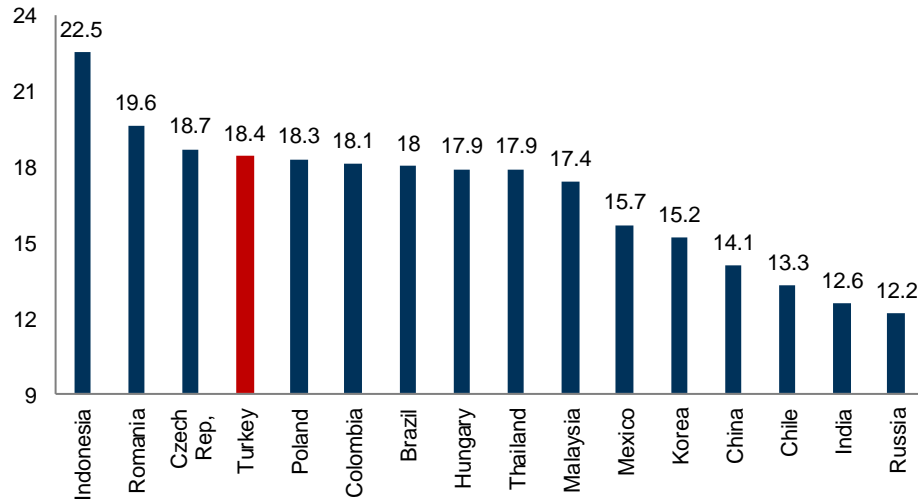
	2011	2012	2013	2014	2015	2016	2017	2018	2019 Q2
EU (28 Countries)	81.6	84.0	85.8	86.6	84.6	83.4	81.7	80.0	80.5
Euro Area (EU-19)	86.9	89.9	91.8	92.0	90.1	89.2	87.1	85.1	86.4
Greece	172.1	159.6	177.4	178.9	175.9	178.5	176.2	181.1	180.2
Italy	116.5	123.4	129.0	131.8	131.6	131.4	131.4	132.2	138.0
Portugal	111.4	126.2	129.0	130.6	128.8	129.2	124.8	121.5	121.2
Belgium	102.6	104.3	105.5	107.5	106.4	106.1	103.4	102.0	104.7
France	87.8	90.6	93.4	94.9	95.6	98.0	98.4	98.4	99.6
Spain	69.5	85.7	95.5	100.4	99.3	99.0	98.1	97.1	98.9
United Kingdom	80.8	84.1	85.2	87.0	87.9	87.9	87.1	86.8	85.0
Austria	82.4	81.9	81.3	84.0	84.7	83.0	78.2	73.8	71.8
Hungary	80.5	78.4	77.2	76.7	76.7	76.0	73.4	70.8	68.2
Germany	79.4	80.7	78.2	75.3	71.6	68.5	64.5	60.9	61.2
Netherlands	61.7	66.2	67.7	67.9	64.6	61.9	57.0	52.4	50.9
Turkey	36.5	32.7	31.4	28.8	27.6	28.3	28.2	30.1	32.2

Source: Ministry of Treasury and Finance, Eurostat, TKYB Economic Research

Sound and Solid Banking System with a Significant Potential for Growth

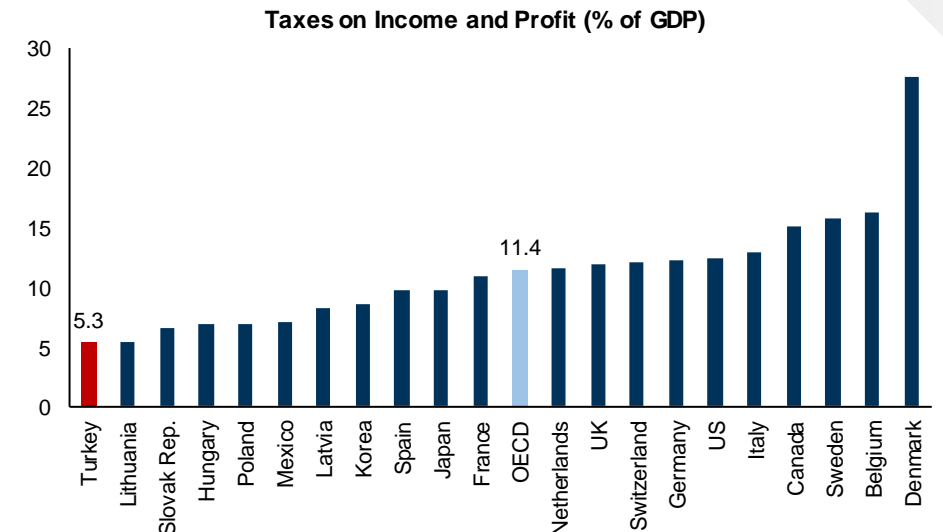
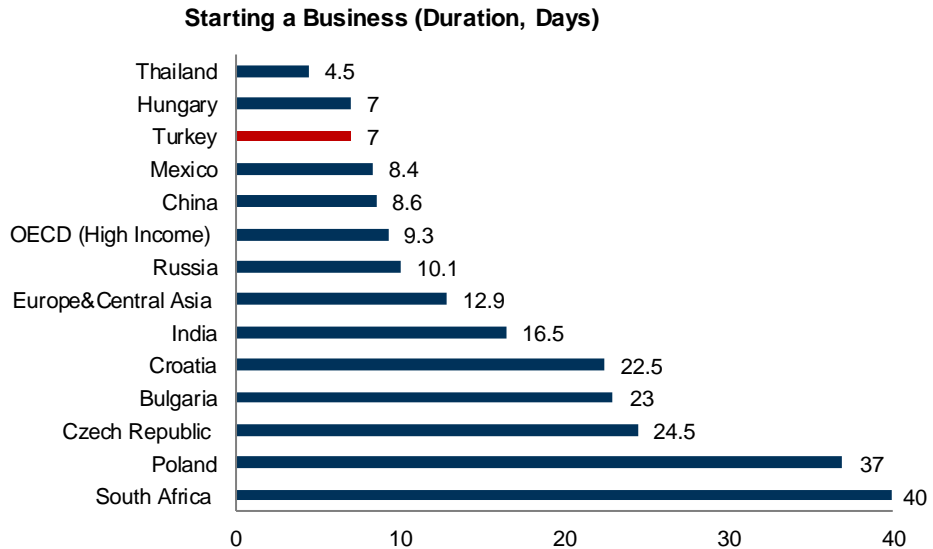
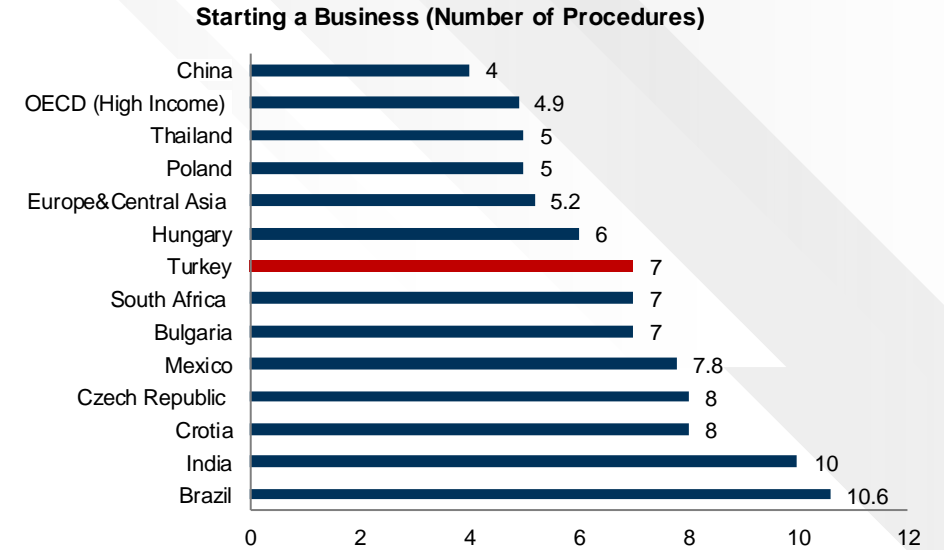


Capital Adequacy Ratio in Selected EM's (% Sep 2019)



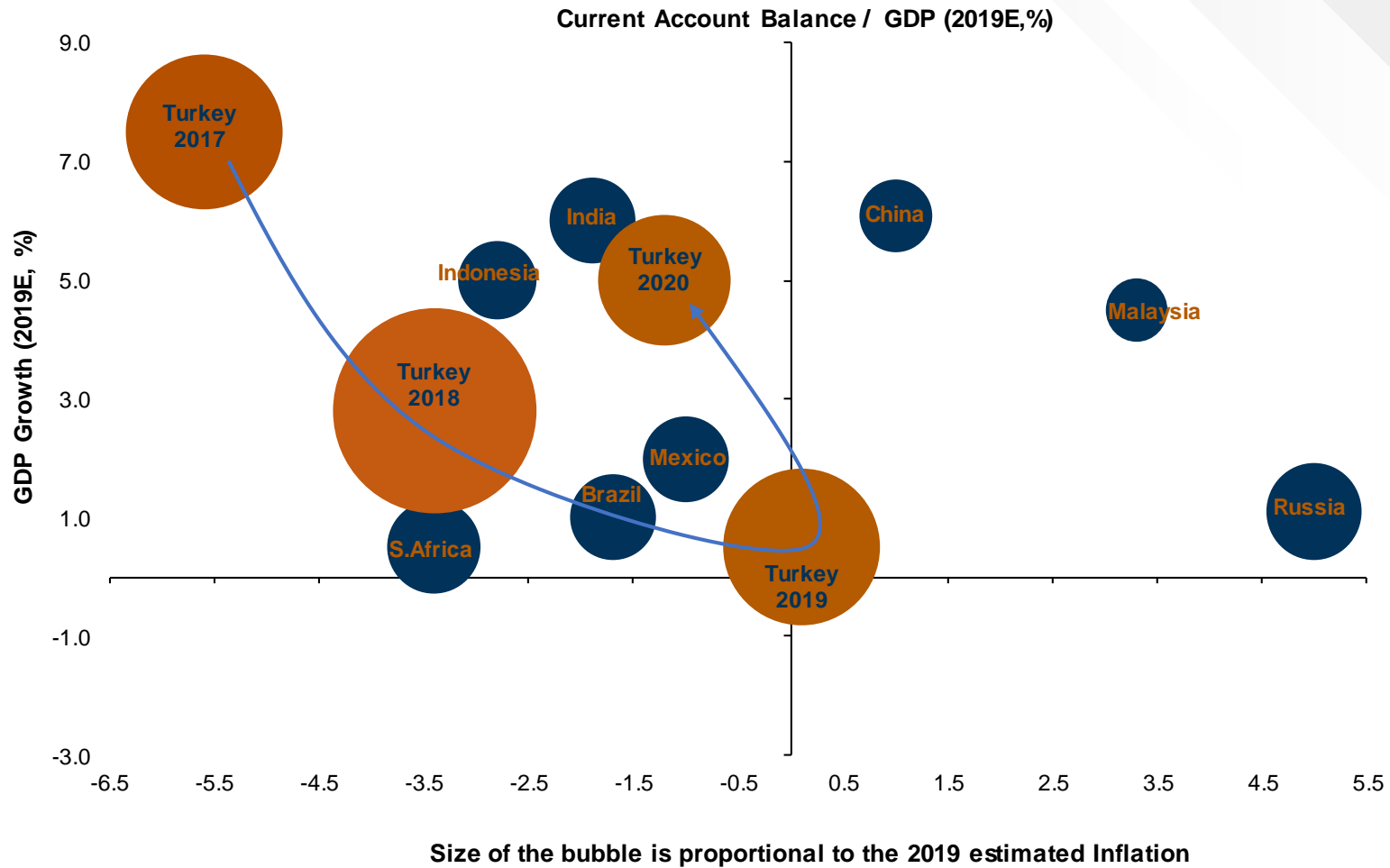
Source: BRSA, TURKSTAT, IMF-FSI, TKYB Economic Research

Continuously Improving Investment Environment



Source: World Bank, OECD, TKYB Economic Research

Strong Recovery is Expected in 2020 Following the Rebalancing



Source: New Economy Program, Bloomberg, TKYB Economic Research

Disclaimer Statement

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