

Access to Risk Finance: New tools for funding SMEs Innovation



19 July 2017

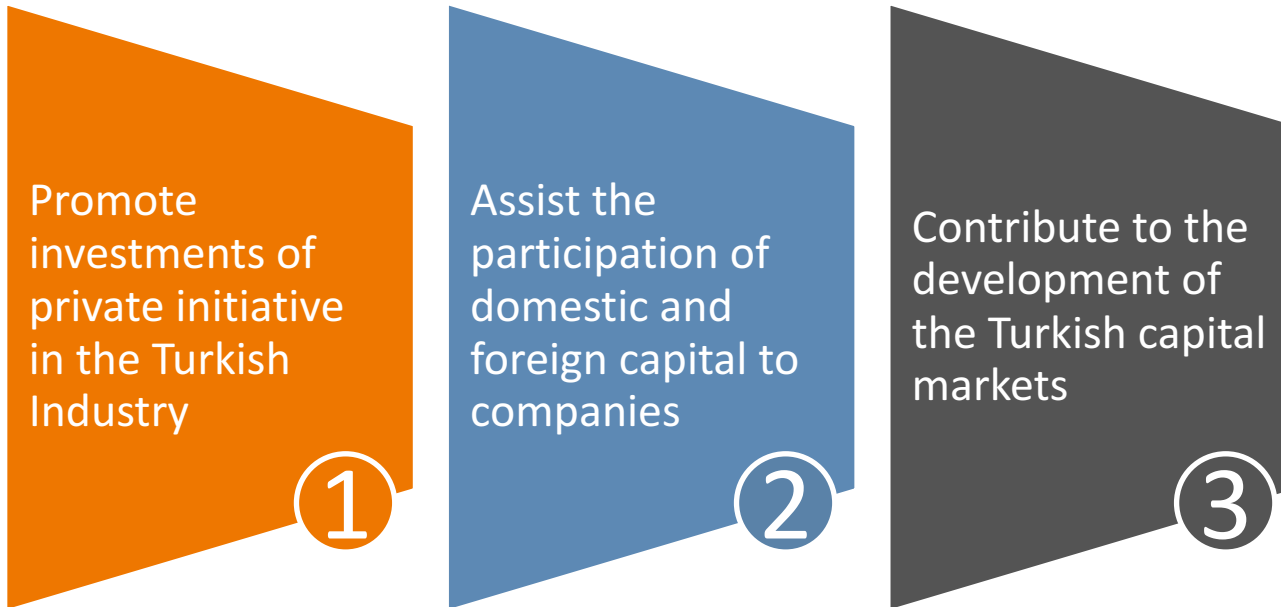


Türkiye Sınai Kalkınma Bankası

www.tskb.com.tr

TSKB at a Glance

Mission of TSKB

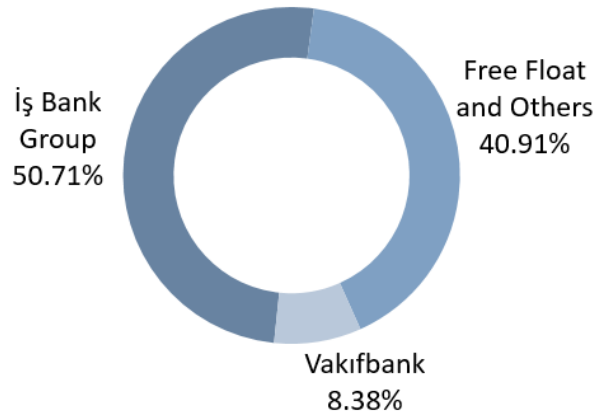


SMEs

TSKB is focused on “M” of the SMEs in direct lending and is providing APEX banking services for smaller-sized companies

TSKB @ a Glance I

Ownership Structure



- First Private Development Bank in Turkey
- **TRY 25.6 bn** asset size
- **362** employees, **2** branches
- **18th** bank in terms of Asset size
- **3.2%** market share in LTFC corporate loans
- **TRY 3.2 bn** MCAP*
- **56.8%** of free float belongs to **foreign funds**

*As of April, 24

Main Subsidiaries

- Yatırım Finansman Securities
- TSKB REIT
- İş Leasing
- İş Factoring
- TSKB Real Estate Appraisal
- Escarus
- EIF

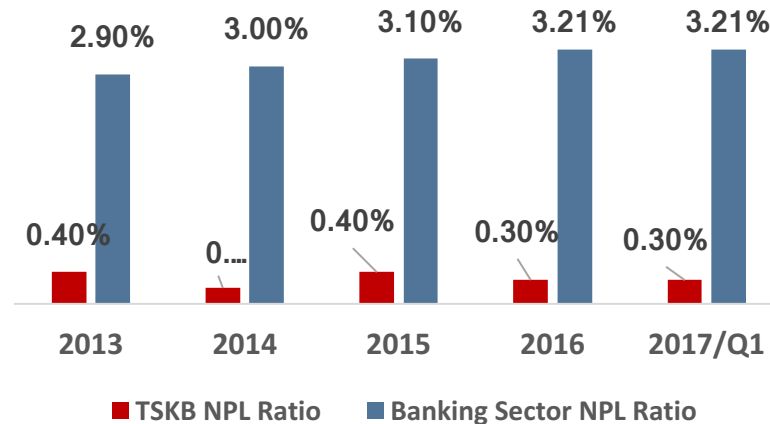
Ratings

	TSKB	Turkey
Fitch LTFC	BB+	BB+
Moody's LTIR	Ba1	Ba1
Corporate Governance Rating		
SAHA	9.53/10	

TSKB @ a Glance II

Summary Financials - TL Mn	Q1 17	YE 16	YE 15	YE 14
Total Assets	25,412	24,002	20,735	15,701
Loans	18,664	17,322	13,675	10,981
Funds Borrowed	17,296	15,841	13,445	9,996
Shareholders' Equity	2,991	2,928	2,489	2,288

Non – Performing Loans (2013 – 2017)



Main Activities



Corporate Banking

- Corporate Lending
- Project Finance
- Apex Banking (*11 commercial banks, 12 leasing companies, 3 factoring companies, 4 participation banks*)
- Leasing
- Foreign Trade Financing
- ECA Credits
- Working Capital



Investment Banking

- IPO
- Bond Issuance
- M&A
- Asset Purchase – Sale
- Money and Capital Markets Brokerage
- Portfolio Management
- Derivatives



Advisory

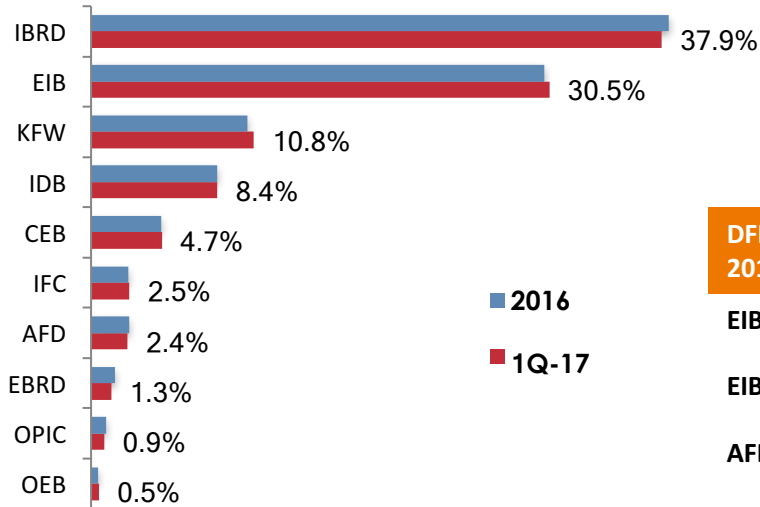
- Strategic Advisory
- Real Estate Appraisal
- Environment and Sustainability

2016 YE	% of Income	% of Assets
Corporate Banking	43%	69%
Investment Banking	47%	24%
Other Income, <u>mainly from Subsidiaries as dividends</u>	10%	7%

Funding Structure

Long Term DFI Funding

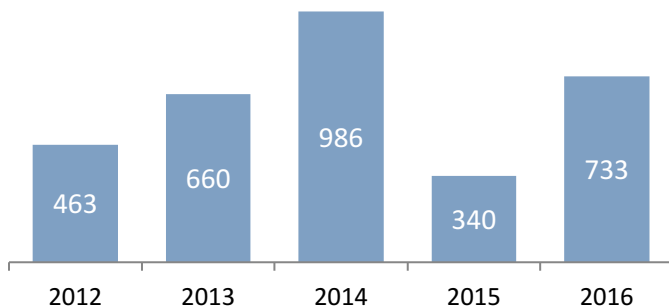
Outstanding Funding Base



87% of DFI Funding is long term

Yearly Multilateral Funding Agreements

USD mn



DFI Funding - 2016	Amount	Theme
EIB	100 mio EUR	SME and Midcap
EIB	100 mio EUR	Energy and Environment
AFD	100 mio EUR	Women Employment and Occupational Health&Safety
IBRD	150 mio USD	Geothermal Energy
CEB	100 mio EUR	APEX
KfW	150 mio EUR	Renewable Energy and Environment
TOTAL 2016	733 mio USD	



InnovFin SME Guarantee Facility agreement which has a maximum portfolio volume of EUR 20 million with European Investment Fund (EIF) to ease financial access of innovative SMEs and small Mid-caps

*DFI: Development Finance Institutions

EIF InnovFin SME Guarantee Facility

InnovFin Product Overview

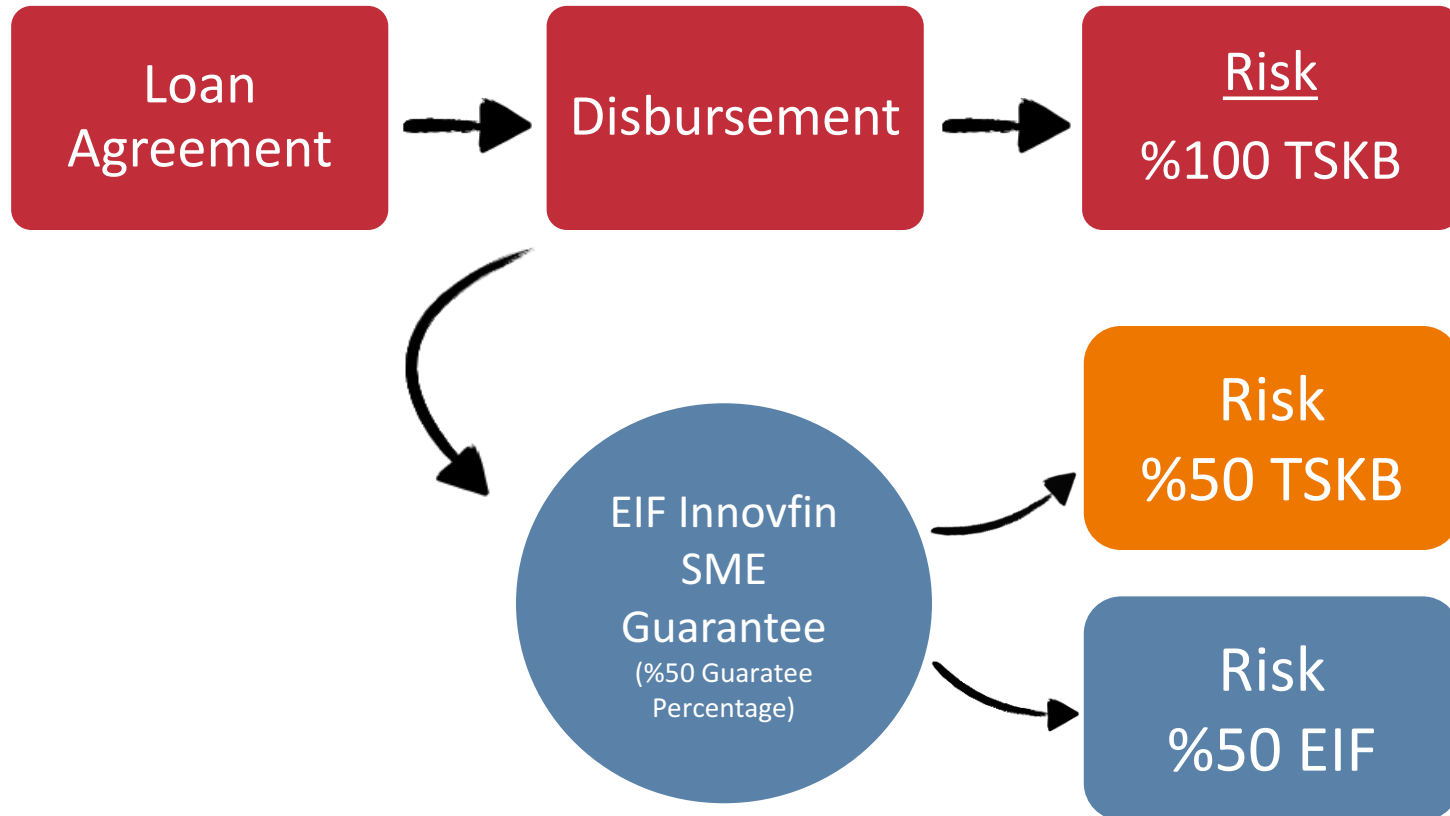


Early-Stage Enterprises	SMEs
InnovFin Technology Transfer	InnovFin SME Guarantee
InnovFin Business Angels	
InnovFin Venture Capital	
InnovFin Fund-of-Funds	
Early-Stage Enterprises, SMEs and Small Midcaps < 500 Employees	SMEs and Small Midcaps < 500 Employees
Intermediated Equity Financing	Intermediated Debt Financing

Midcaps	Large Caps	Thematic Finance	Advisory
InnovFin MidCap Guarantee	InnovFin Large Projects	InnovFin Energy Demo Projects	InnovFin Advisory
InnovFin MidCap Growth Finance		InnovFin Infectious Diseases	
Midcaps < 3 000 Employees	Large Caps Typically > 3 000 Employees	SPV, Midcaps and Large Caps	Public and Private Sector Promoters
Intermediated and/or Direct Corporate Lending	Direct Corporate Lending	Project Finance and/or Direct Corporate Lending	Financial Advisory

Direct products
 Indirect products

What is EIF Innovfin SME Guarantee?



EIF Innovfin SME Guarantee Main Terms

Inclusion Period: 2 Years

Portfolio Volume: 20 million Euro

Guarantee Rate: %50

Guaranteed Amount: up to 10 million Euro

**Guarantee Fees: SME – 50 bps per annum
Small Midcaps – 80 bps per annum**

Eligible Loans: Investment and Working Capital Loans

Loan Size: up to 5 million Euro

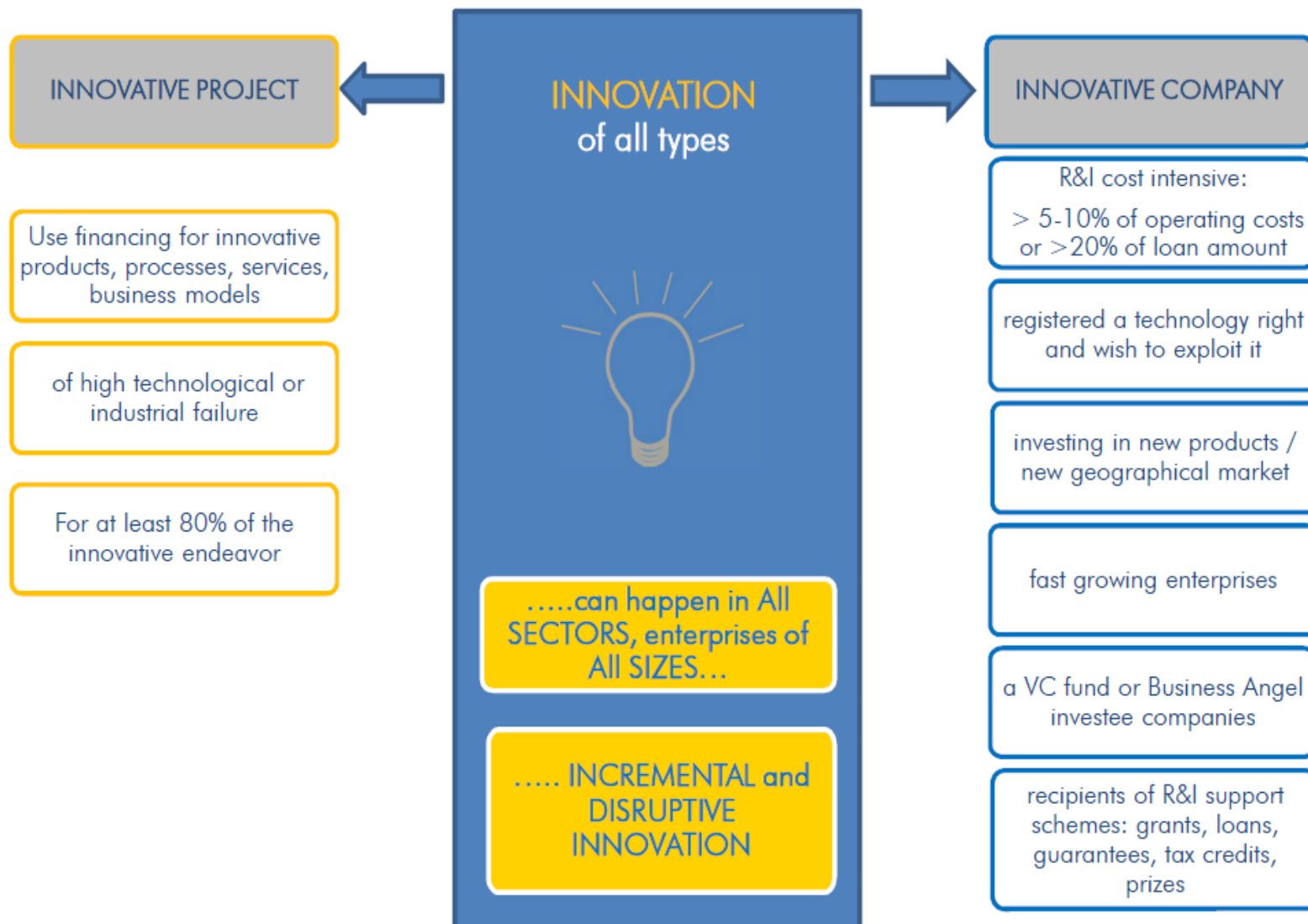
Tenor: 1 year – 10 years



InnovFin
SME Guarantee

InnovFin SME Guarantee

Innovation Logic



SME and Small-Midcap Definition

SME Definition

Company category	Staff headcount	Turnover	or	Balance sheet total
Medium-sized	< 250	≤ € 50 m		≤ € 43 m
Small	< 50	≤ € 10 m		≤ € 10 m
Micro	< 10	≤ € 2 m		≤ € 2 m

Small-Midcap Definition

- Has up to 499 employees calculated in accordance with EU Commission Recommendation
- Is not an SME

Guarantee Agreement Results

5 Projects Financed

Robotic Technology

Portfolio
Volume
EUR 4,2 mio

Lighting Industry

Automotive Industry

Electricity Distribution

Health Sector

Guaranteed
Amount
EUR 2,1
mio



Development Finance Institutions Department

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Thank You



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