

TEB FINANCIAL SERVICES GROUP

TEB FACTORING

As one of the 3 biggest companies in the sector, TEB Factoring continued to serve corporate and commercial firms and SMEs and increased its business volume in 2011 through a range of various export, import and domestic factoring products. The Company exceeded its annual profit target by 120%.

The most profitable factoring company in the sector

TEB Factoring recorded a 24% year-on-year increase in its turnover in TRY terms in 2011, while chalking up a return on equity of 45.48% and a return on assets of 1.11%. The Company closed 2011 with TRY 6 million in turnover. TEB Factoring boasts one of the highest productivity yields in the factoring sector.

TEB Factoring expanded its total client base to 11,000 in 2011, including companies in the SME and sub-SME segments, which it has been seeking to attract since 2007. The Company ended the year 2011 with 2,676 active customers, 8 branches and 97 employees.

TEB Factoring was awarded the “Best Export Factoring Company” in 2011 by the members (a total of 260 members from 69 countries) of Factors Chain International (FCI), the world’s largest and the most important factoring organization. TEB Factoring has won this prestigious award for 3 years in a row, while Mr. Çağatay Baydar, the Company’s CEO, was elected as the FCI Chairman.

In the coming years, it is expected that check-bond circulation will drop in parallel with developments in the trade world; instead, people’s interest in products such as irrevocable factoring, supplier finance and dealer finance will grow. In line with these developments, TEB Factoring has developed both its supplier finance and dealer finance products as special and boutique products, tailored to meet its corporate clients’ own dynamics. TEB Factoring aims to represent Turkey, placing Turkey one of the world’s leading countries in the factoring sector.

TEB ASSET MANAGEMENT

TEB Asset Management’s fundamental objective is to determine the investment vehicle compositions of investment portfolios based on the risk profiles of their individual and corporate clients and to manage those portfolios accordingly with optimum benefit.

TEB Asset Management is an asset management company with a wide external delivery channel. As of 2011 the company commanded a

- 4.9% market share in the overall mutual fund industry,
- 6% market share in actively managed mutual funds,
- 10% market share in Capital Guaranteed mutual funds,
- 7.6% market share in Private Asset Management,
- 3.9% market share and a volume of TRY 250 million in Corporate Asset Management Services,
- 3.2% market share and a volume of TRY 436 million in Pension Funds, and
- 15% market share and a volume of € 152 million in international mutual funds.

TEB Asset Management has been providing asset management services since June 2004. The Company also began to offer ‘Corporate Asset Management Services’ from the end of 2005. Founded to manage the assets of foundations, associations, corporations and legal entities, Corporate Asset Management Services are provided through TRY and foreign currency based models under 3 different categories; bonds, absolute income and stocks.

Having entered a mutually advantageous collaboration with its partner, BNP Paribas Asset Management - a leading name in the asset management business in the Eurozone - TEB Asset Management has steadfastly moved towards its goal of becoming a global player. Having already begun to see the benefits of this collaboration, TEB Asset Management had already succeeded in

establishing strategic cooperation with a number of international corporations.

TEB Asset Management attaches great importance to the design and production of new products.

Products offered by TEB in 2011 include Star Pro TI Asset Management products especially designed for Star Banking customers, Private Asset Management services designed for private banking customers and Strategic Mutual Funds with Absolute Income, designed for both Star and Private Banking customers.

In addition, as a leader of innovation in the asset management industry, TEB Asset Management established various versions of Capital Guarantee funds, hedge funds and foreign securities funds such as the BRIC fund, which includes various stocks traded on the stock exchanges of Brazil, Russia, India and China. Moreover, TEB Asset Management and TEB issued innovative Capital Guarantee Funds in 2011, offering an array of alternatives to investors. The Company realized the public offering of a total of 15 new capital guarantee funds in 2011 under the management of TEB Asset Management.

For the first time in Turkey, BNP IP carried out the public offering of the Capital Guarantee Fund based on the money index, which was set up for its assets in Turkey.

Another important development for TEB Asset Management in 2011 was the merger of TEB Asset Management and Fortis Asset Management under TEB Asset Management.

This merger further strengthened the synergy created with BNPP Asset Management, while TEB Asset Management has taken over the management of the BNPP L1 Turkey Equity Fund, an international fund investing in Turkish equities, and the SOMPO JAPAN - Turkish Equities Mother Fund. In addition to taking over the management, TEB Asset Management played an active role most especially in the distribution of the BNPP L1 Fund at international platforms.

TEB Asset Management also took over the management of the pension funds at the Cardiff Pension Company, expanding its activities in this area as well.

2012 will be a year of continued expansion for TEB Asset Management with new products and new strategies. With products jointly developed with the Bank such as Mevdufon and Fund Baskets, TEB Asset Management will be able to respond to investors' various investment preferences with distinct products.