

TEB RETAIL AND PRIVATE BANKING GROUP

TEB PRIVATE BANKING

TEB Private Banking compliments more than 20 years of experience and a deeply rooted service quality meeting international standards with new and appropriate products in parallel with the development of the Turkish and global markets.

Special approaches for the future

The new approach developed by TEB in 2011 aims to understand the future potential needs of customers and their family members and provide consultancy in required areas, in addition to offering them the products and services that are necessary for the present. Specialized in their own fields, TEB Portfolio Managers conduct one-to-one meetings with customers and offer them detailed resolutions after conducting a special study.

Within this framework, TEB now offers customized consultancy services in the following areas, which had formerly been provided by BNP Paribas Wealth Management, to private banking customers worldwide: Art Consultancy, upper segment real estate consultancy as required in many European cities, philanthropy, viticulture and agricultural investments in France.

Moreover, with the advantage of BNP Paribas' global experience, TEB provides its customers with reports on the global economy and up-to-date information on the markets.

Offering Commercial Real Estate Consultancy services, a first in Turkey, TEB offers its customers complimentary access to the knowledge and experience of Jones Lang LaSalle, one of the world's leading real estate consultancy firms with respect to commercial real estate, an important area of investment.

With its Commercial Real Estate Loan Package , TEB Private Banking offers a solution package in the event that its customers require loans during their investments. Hence, TEB was the only bank in 2011 to consult its customers the luxurious on real estate investments.

The first private banking application on iPad: "TEB Özel" (TEB Private)

In 2011 TEB Private Banking launched the first private banking application on iPad for TEB Private Banking customers.

This application allows customers of the Bank to read special articles and comments on the markets from their mobile devices and to instantly access the headlines of daily developments in the world and in Turkey.

TEB plans to offer the private banking products and services, developed with the global expertise and experience of BNP Paribas, to the private banking world in coming years as well through various approaches, most of which will be firsts in Turkey.

TEB RETAIL BANKING

2011 was a year in which TEB made significant achievements in the area of retail banking.

Having further strengthened after the merger, TEB will continue to build on its achievements in retail banking in 2012 with its customer-oriented approach, ability to take action rapidly in response to varying dynamics and needs, its innovative range of products and services, continuously improving technological infrastructure and a highly qualified and good humored team of human resources, all specialized in their own fields.

TEB possesses just the right scale, delivery network and high-tech infrastructure to allow the Bank to offer its products and services to customers at the right time and in the right manner. Proper, planned and effective use of its retail banking capabilities have strengthened TEB's ambition and market share in the area of retail banking.

Having also maintained its significance in 2011 as well, the salary payment service is an important channel when gaining new customers and in becoming the primary bank for customers.

Within the framework of the salary payment service program that includes special privileges and exceptions for those customers who receive their salaries through TEB, special continuous campaigns were extended to customers, who were contacted on a regular basis every month throughout the service lifecycle.

In 2011 TEB began to provide special service to physicians and dentists by adding them as a new segment to its portfolio of retail customers. Within the framework of the efforts aimed at easing both banking transactions and the daily lives of physicians and dentists, the TEB Physicians Package and TEB Dentists Package, which is unique in Turkey, was offered to customers of the Bank in 2011. Meeting the needs of physicians and dentists in Turkey with BNP Paribas' expertise in the international healthcare sector, from 2012 TEB aims to be the bank of choice for physicians and dentists. With this package, TEB provides a

privileged service with its specially trained Customer Relations Directors, both through its branches and from its Physician Service Line at 444 90 50.

Through the TEB Physician Package and TEB Dentists Package, the following products were offered to physicians and dentists: MEDILEASE, a product originally developed by BNP Paribas Finansal Kiralama (Financial Leasing) AŞ; the Turkish Dental Association Group Pension Plan, a product originally developed by BNP Paribas Cardif Emeklilik AŞ; and Compulsory Financial Responsibility Insurance for Medical Maltreatment, a product originally developed by Zurich Sigorta AŞ.

TEB has a competent segment that offers an array of products and services to Bank customers aged 18-25 and university students.

TEB offers credit card services to the respective customer mass through the ÜniversiTEB Bonus Card and the TEB 18+ Worldcard. Working to a principle of standing by young people, TEB provides special advantages in banking transactions and private products and services to its customers using ÜniversiTEB.

Star Banking

TEB Star Banking continued to provide its customers with primary and privileged services In 2011 through its experienced portfolio representatives, a diversified internet branch and a call center.

Star Pro

Designed in 2011 especially for TEB Star customers, "Star Pro" - a unique service in Turkey, offered product diversity to its customers by issuing the TEB Bond and 15 Capital-Guaranteed Funds.

Star Banking, which will be renewed in 2012, will continue to offer new products and services that designed with a customer-oriented approach and maintain a privileged service approach with competitive pricing support.

Product Development and Management

Having become a more important player in personal loans after the merger, TEB offers special payment plans to its customers and has thus gained prominence in the sector by implementing the flexible payment plans system in 2011.

Continued collaboration with real estate agencies and construction firms

Having activated the online dealer system in order to accept the applications from estate agents, the Bank has continued to stand by its customers whenever they need help. The “TEB Home Support Package”, launched in 2011, represented the first time a bank in Turkey offered a combination of an assistance package and a support package for official procedures to customers taking out housing loans. Under this package, TEB customers taking out housing loans assigned a firm to offer assistance, free-of-charge, to perform the official procedures that must be completed when purchasing a new home.

Payment plans and attractive campaigns prepared in line with customers' demand for consumer loans increased the number of TEB customers throughout 2011, becoming one of the most important ways for the Bank to acquire new customers interested in consumer loans.

With the TEB Handy Consumer Loan launched in September 2011, TEB began to instantly respond to its customers' applications for consumer loans with nothing other than their national identity card number through SMS text message, the internet branch, the web, IVR, Call Centers or ATMs.

The Western Union service offered to TEB customers in all our “Hybrid Banking” branches was integrated into TEB’s banking system in 2011. In 2011 TEB actively conducted field marketing work for Western Union throughout Turkey and TEB was handed the “Western Union “Yes” Campaign “Use of The Best Alternative Channel” Award.

Boasting one of the largest product portfolios in the market in deposit and investment products,

TEB launched the groundbreaking Skillful Saving Account in December 2011.

Designed to promote saving, the Skillful Account pays interest to Bank customers on a daily basis, offering them the flexibility to draw or deposit money without closing their time deposit accounts. Moreover, customers who used the Skillful Accounts for 6 months and maintained a specific average amount of money in these accounts were paid additional interest, a first in Turkey. TEB will continue to offer diverse products and services in 2012 in order to encourage its customers to save.

Multichannel customer relations management

TEB not only meets the needs of its customers in all of the segments that it operates in; it also conducts work supported by advanced analytical modeling and tendency analysis in order to offer customers the best customer experience. TEB aims to offer its customers the right product and service at the right time and through the communication channels preferred by the Bank.

Supported by the foundations laid down in early 2011, the “Campaign Desk” allowed TEB to effectively manage its relations with its customers and from a single point and to provide the right message to its customers.

During this period, such channels as branches, call center, internet banking, SMS and e-mail were integrated, while the Bank plans to complete the integration of ATM and IVR in 2012.

In order to ensure that our customers are informed about our products and services and able to effectively use them, TEB launched its efforts to specify a detailed communication strategy, which is planned to be fully implemented in 2012.

Card Payment Systems

2011 was a year in which the achievements of TEB Card Payment Systems were crowned with important awards. The website, Tebbonus.com, received the “Award of Excellence Standard in Financial Services” at the Web Awards in 2011,

while the TEB Screen Card won the BNP Paribas 2011 Award for Innovation.

After the merger, TEB began to manage two card programs – TEB Bonus and TEB World – in 2011. Besides Bonus and World campaigns, TEB also intensively undertook campaigns specific to TEB.

A total of 190,000 Total Cards were offered to customers under the cooperation with Total Oil AŞ, rendering it as one of Turkey's most successful co-branded card programs.

Debit cards were opened to e-commerce transactions in April 2011. The Bank achieved a 31% expansion in its debit card shopping volume during 2011.

TEB also continued to strengthen its position in member workplace activities in 2011 and the total number of terminals reached 131,000.

By improving its POS performance, the Bank was able to provide a faster and better service to both card users and member workplaces. As such, the number of banks with which TEB carries out joint POS work rose to five. In 2011, the practice known as "messaging between workplaces through POS", a first in the sector, was implemented.

Notifications were made to workplaces through POS devices.

Alternative Delivery Channels

TEB positions its alternative delivery channels as a branch-complementing channel that provides an opportunity to establish contact with customers.

The Bank hereby aims to raise its cross-sales and net commission incomes and reduce its operating costs.

Serving with the motto, "A Bank That Makes Life Easier", the Bank employs the latest technology, providing its customers with innovative and high-quality services through all channels.

TEB's alternative delivery channels are as follows:

- TEB Internet Branch
- CEPTETEB Wap Banking
- TEB ATMs

These are the primary non-branch channels through which TEB serves various customer categories with comprehensive transaction options.

The Bank is focused on interactivity, which will shape the future and evolution of internet banking, designing its internet branch functions under this point of view. The "Online Help" practice, which works on a web chat basis in order to ensure that customers instantly receive support, was integrated into the TEB Corporate Internet Branch, allowing customers to receive assistance from customer representatives whenever they need help in any topic while using the internet branch.

In 2012, the Bank integrated its "Online Help" practice into a video chat infrastructure, aiming to ensure that TEB customers submit their banking requests to the Bank through audio and video communication. This was part of the "Personal Finance Management" practice, which will assist customers in their financial decisions while offering mobile banking applications for widely used mobile platforms.

TEB announced its priority in ATM Banking for 2011 in a bid to raise customer satisfaction and the utilization rate of this channel, by investing in these areas.

At the end of 2011, TEB began to offer customers the money deposit function at its ATMs in all of its branches. This rollout involved the replacement of ATMs at about 200 branches. Moreover, ATMs were installed in nearly 170 non-branch locations to meet customers' needs and expectations.

Considered an important channel in communication with customers, TEB made intensive use of ATMs in 2011 for one-to-one campaign management. Accordingly, ATMs were used for customer-specific campaigns for many of the Bank's products. These campaigns produced successful results.

TEB ranked 2nd among all the banks in terms of the volume of ATM utilization by foreign card users.

By taking advantage of its partnership with BNP Paribas, the Bank meets the banking

requirements of not only its customers in Turkey, but also foreign card users. Under the DCC (Dynamic Currency Conversion) practice launched in late 2011, the Bank aims to increase its revenues in this area.

The most important three targets for the ATM channel in 2012 are:

- To reduce crowding at ATM machines and increase the efficiency of the ATM channel by installing ATMs with an instant money deposit function at all branches;
- To utilize the potential of the ATM channel in generating revenue by increasing the number of such practices; and
- To develop procedural practices that improve user experience.

Insurance

TEB Bancassurance

TEB offers life-elementary insurance policies and private pension plans to its customers through its branches and call center, as well as the insurance companies that it works with.

TEB offers its customers

- Life, debt protection and unemployment insurance policies and private pension plans through BNP Paribas Cardif Emeklilik AŞ; and
- Personal accident and elementary (non-life) insurance products through Zurich Sigorta AŞ.

The Bank has been working with these two companies over the fully integrated bancassurance model since the beginning of 2011. In 2011, the TEB Bancassurance produced innovative products that will make a difference to its customers' lives. TEB will continue to expand the guarantees and scope of these products in 2012, while offering new products to its customers.

TEB offers life and non-life insurance products that provide collateral against risks which could be encountered by Bank customers, while also developing the right products for the right customers by customizing long-term savings products and private pension plans according to the segment and needs of its customers.

Understanding that different customers may require different products, TEB offers innovative insurance products that make a difference. The Bank keeps a close view of developments as well as new products and services both at home and abroad, seeking to put the best innovations into practice in Turkey, while supporting them with the experience of strong global insurance companies.

Alternative Sale Channels

In 2011 TEB increased the number of its personnel commissioned in its Call Center and Mobile Direct Sales teams, in order to provide a better service to its customers and promote the Bank products and services to its customers on a face-to-face basis.

Under this approach, the Bank contributed to employment and took concrete step towards raising young and dynamic bankers for the sector.

In order to better serve its customers in 2012, TEB will undertake efforts to

- increase the number of services provided through Interactive Voice Response and by customer representatives through the web chat infrastructure;
- ensure the Interactive Voice Response is more customer-oriented;
- continue to invest in technology, thus ensuring that Bank customers feel that TEB is always supporting them; and
- promote products and services offered by TEB through Direct Sales Teams which are on duty in all regions of Turkey.