

## CORPORATE BANKING GROUP

### INTERNATIONAL BUSINESS AND TRADE FINANCE

**Aiming to provide its customers with the most effective and flawless service in the fastest manner, TEB increased its contributions to our country's foreign trade through the presence of BNP Paribas - the world's 3<sup>rd</sup> largest bank and Europe's largest bank - in more than 80 countries, as well as with the support of BNP Paribas' network of Trade Centers that operate in 100 locations in 64 countries.**

TEB took steps to allow its customers to reach markets in Asia, the Middle East and Africa, where Turkey has recently developed commercial relations with; and was able to offer high quality and rapid services even in troubled regions.

Operational solutions like the Foreign Trade Legislations Consultancy Line and Letter of Credit Preparation Services were offered to customers.

TEB, in cooperation with more than 2,000 correspondent banks, develops new relations in line with its customers' needs. In 2011 TEB raised its market shares in various areas and strengthened its collaboration with international institutions. With its customer-oriented approach, the Bank continued to produce different solutions for various needs in international trade.

#### **In 2011 TEB succeeded in providing viable solutions for a number of exporters.**

TEB is today able to confirm the letters of credit of more than 100 banks in 13 countries in Middle East and a total of 164 banks in 44 countries in Africa, including some of the world's riskiest countries. The Bank also provides letters of guarantee against counter guarantees, discounts export receivables and offers factoring services.

According to the analysis conducted by the Society for Worldwide Interbank Financial Telecommunication (S.W.I.F.T SCRL), TEB holds a 9.04% market share in the number of letters of credit issued to Turkish companies and an 8.30% market share in the number of counter guarantees and Stand-By L/Cs given to Turkish companies (on the basis of the number of transactions).

**In 2011 TEB continued to be one of the leading banks in terms of providing long-term resources required by the Turkish business world, thanks to the relations it has built with international banks and financial institutions.**

Despite a sharp contraction in the volume of funding facilities abroad, TEB has continued to finance its customers' long-term investments at competitive costs, thanks to its close and long established relations with banks, as well as its cooperation with BNP Paribas.

#### **TEB commands a significant market share in foreign trade with its high-quality services.**

According to the data provided by the Society for Worldwide Interbank Financial Telecommunication (S.W.I.F.T SCRL), TEB holds a 16% market share in the number of letters of credit issued by Turkish companies and an 11% market share in the number of letters of guarantee and Stand-By L/Cs given by Turkish companies, on the basis of the number of transactions.

In 2011 TEB maintained its position among the top banks operating internationally with its flawless transfer rate.

Thanks to the 'Intraturkey' agreements that TEB entered into with its Euro and US\$ correspondents, special prices are applied to FX transfers within Turkey. As such, the transactions of TEB customers transferring money in € or US\$ terms within Turkey, are completed on the same day as the value date and in a cost-efficient way.

#### **Transferring money to more than 180 countries, TEB produces solutions in line with its customers' various needs.**

In order to meet its customers' money transfer needs in local currency because in connection with their investments in different countries, TEB offers the opportunity to send money to foreign countries in 135 different currencies through its correspondent banks.

### **TEB was the first bank in Turkey to perform financial transactions with the Chinese Yuan.**

Following the agreement reached by high level authorities with respect to the execution of trade relations with China through Turkish Lira and Yuan (Renminbi) , TEB signed an agreement with Bank of China (Hong Kong) Limited and became the first bank in Turkey to perform financial transactions with the Chinese Yuan. With this agreement, TEB offered its customers the opportunity to send and receive money from China through their Yuan accounts and carry out foreign trade transactions in Yuan terms.

According to data provided by the Society for Worldwide Interbank Financial Telecommunication (S.W.I.F.T SCRL), TEB holds a 9.28% market share in the number of money transfers from Turkey and a 4.24% market share in the number of money transfers to Turkey in terms of the number of transactions,.

The instability of global financial markets which flared up in 2008, and which still extends its negative impacts, caused borrowing levels to fall. In response to these developments, TEB renewed the syndication loan, which matured in 2011. Using this loan to support exporters, TEB this time received a syndication loan twice as large as the previous loan but at a lower interest cost. The renewal of the syndication loan at such favorable conditions once again reaffirmed market trust in the Bank.

In 2011, TEB issued bonds to international markets through BNP Paribas in order to raise its capital adequacy ratio. Totaling € 175 million, these bonds have a 12-year maturity and TEB has an early repayment option at the end of a 7 year period.

### **TEB Trade Centers**

TEB Trade Centers are located in Istanbul, Izmir, Adana, Ankara and Bursa, which account for almost 70% of Turkish foreign trade volume, and serve nearby cities from these central locations.

The Trade Centers in Istanbul are located in the Bank's Relations Department and Commodity Finance Department at the Head Office. Coordination and cooperation are provided

between the related departments regarding foreign trade and commodity finance, depending on the customer.

With the new structuring, TEB introduced the concept of the key trade client. Within the framework of this concept, specialized directors of TEB Trade Centers regularly visit their active and potential clients, who are in constant need of funds for foreign trade and trade finance transactions. Creative foreign trade finance models to best fit customers' needs are developed through the expertise and wide correspondent network of TEB and BNPP in the field of foreign trade finance.

In addition to the protocol signed with Türk Eximbank, short-term export receivables, as well as mid- and long-term export receivables are provided as loans and discounted within the framework of the Eximbank insurance.

Thanks to receivables finance, supply finance and stock solutions, which are the Supply Chain Finance products developed by BNP Paribas, customizable models are developed in line with the operating capital and balance sheet management needs of those customers with a high trade volume.

In addition to providing finance to hazel nut and tobacco producers, an area where the Bank is traditionally strong, solutions aimed at financing commodities such as grain, vegetable oil, synthetic rubber, plastic raw material, concentrated fruit and chrome ore are being developed.

Through its Foreign Trade Training programs, TEB provides its foreign trade customers with the basic foreign trade information required by these customers in executing their business reliably, as well as information on primary risks and technical data. These programs are organized in a customer-centric manner or with the participation of a number of customers.

## CORPORATE BANKING

Following the merger between TEB and Fortis in 2011, information pertaining to more than 8,000 corporate banking clients was transferred in a trouble-free manner, and innovations to increase the effectiveness of TEB's corporate segment were carried out.

TEB serves those of its customers with annual turnover equal to or exceeding TRY 30 million through a total of 20 Corporate Centers, 10 of which are located in Istanbul. TEB also offers its customers use of TEB's and BNP Paribas' products and services at the highest level.

Since 2008, when the economic crisis broke out, markets have become risk-sensitive. For this reason, TEB has focused on products that protect its customers against these risks. The Bank determined commodity, FX and interest derivatives as its primary products, in parallel with the risk perception that flared up in markets in 2011.

## CASH MANAGEMENT

Founded in 1997 to provide products and services that assist the Bank's corporate customers in making their payments and collections, the Cash Management Unit was repeatedly commended in international contests with the innovative products that it continually develops.

Having received an array of awards in various organizations in recognition of its products such as Quick Import Transfer Supplier Finance, Online DBS, Mobile DBS, MobiliteB and Mobil-Ink, the Cash Management Unit expanded its customer portfolio and further raised its capabilities with projects such as DBS and Tkart, which were added to the unit's product range this year.

**In parallel with developments in the mobile world, MobiliteB - a world first - was added to the product range of collection and payment systems offered to TEB customers.**

Developed with TEB's expertise and experience in cash management, MobiliteB was deemed worthy of the high honor award at the Florin Transaction Services Innovation Awards' award ceremony held in Amsterdam in April 2011. As the only bank in Turkey to offer cash management services on a mobile platform, TEB aims to maintain its leadership in innovative mobile products. Having built its leadership in this area, initially with Mobile DBS and MobiliteB, TEB is preparing to offer CEPPOS and Mobile Corporate Banking in 2012.

2012 is expected to be a year in which risks are kept under control and opportunities utilized with a proactive approach. The Cash Management Unit aims to raise its service quality through solution-oriented and innovative products that will be developed for domestic and multinational companies.