

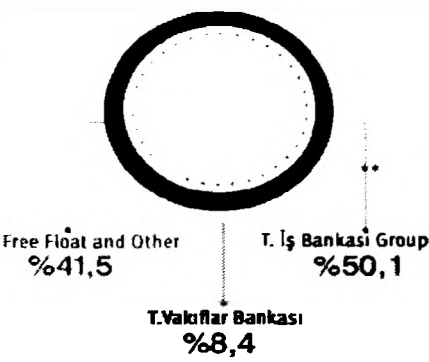
# FINANCING OF RENEWABLE ENERGY AND ENERGY EFFICIENCY PROJECTS

By **Halil EROGLU**  
CEO, President TSKB

## TSKB in Brief

- ✓ Established in 1950, with the initiation of the World Bank and CBRT.
- ✓ Merged with SYB in 2002.
- ✓ Largest private investment and development bank in Turkey.
- ✓ The 16th largest bank in Turkey with USD 4.6 billion asset size as of 2009/12.
- ✓ 314 employees, 1 wholesale branch in Bahrain, 2 domestic branches, 1 in Ankara and 1 in İzmir.

## Ownership Structure



## Financial Summary (USD mn-31/12/2009)

Assets	4,612
Loans	2,642
Equity	695
Net Income	117
Paid-in Capital	TRY 600 mn

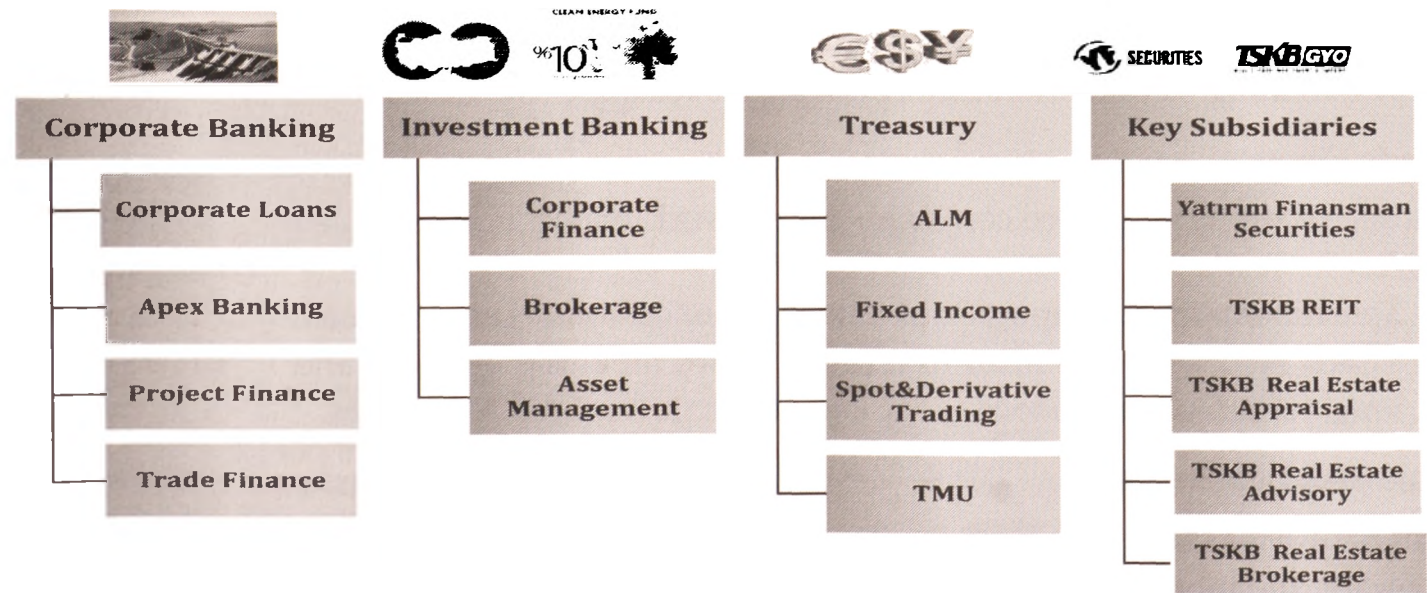
## TSKB Credit Ratings (Jan 2010)

Fitch LTFC	BB+
Moody LTFC	Ba3

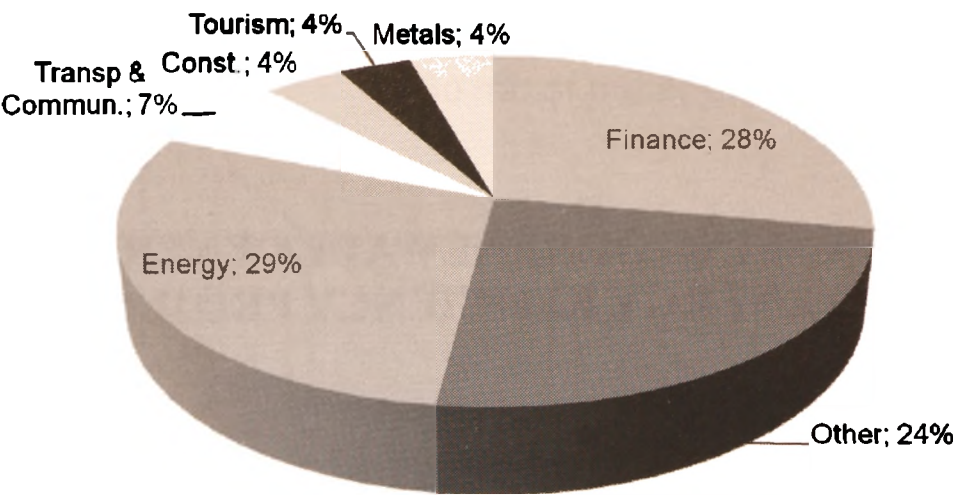
## Corporate Governance Rating

SAHA	8.77/10
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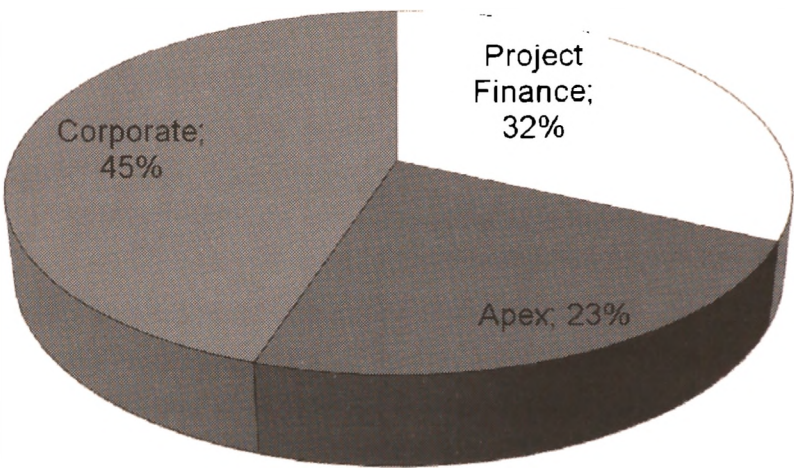
## Business Lines



Sectoral Breakdown of Loan Portfolio (31/12/09)



Breakdown of Loan Portfolio by Loan Type (31/12/09)



Corporate Loans

Corporate Lending and SME Loans

Specific funds to finance investment projects of mainly small and mid size **SMEs** operating in the manufacturing industry, agricultural industry, construction, tourism and services sectors.

**Specific funds** to promote Renewable Energy and Energy efficiency.

Leasing

As an investment and development bank, TSKB can finance investments through **leasing** without establishing a separate leasing company.

Trade Finance

Through a strong diversified correspondent network, mainly in Europe and USA,

- Specific **export** and **import** transactions of our customers are financed.
- TSKB Acts as a guarantor or a borrower to meet the medium and long- term financing needs of the customers through **ECA** facilities.

Non-cash Loans

TSKB, provides non-cash loans to its customers for their tenders held in domestic and international markets.

Over the last 5 years, TSKB has financed almost half of the **USD 5 billion** SME investments and contributed to the creation of **13.000** new jobs.

APEX Banking



10 Commercial  
Banks

11 Leasing  
Companies

- ❖ 23% of lending through APEX scheme
- ❖ Placed through 21 intermediary financial institutions
- ❖ USD 1 bn APEX funds
- ❖ Reached 850 SMEs

SMEs & Exporters

Project Finance

Project finance activities are concentrated in energy production and distribution, logistics, construction, telecom and real estate sectors.

Energy

- Renewable energy investments reached USD 3.8 billion, of which USD 1.4 billion is underwritten by TSKB.
- 83 projects with total installed capacity of 2,259 MW in Hydro, Wind, Geothermal and Biomass.
- 45 of these projects are syndicated with other banks.

Natural Gas Distribution

- USD 180 mn of financing was provided to 17 regions.

Renewable Energy Projects Financed by TSKB

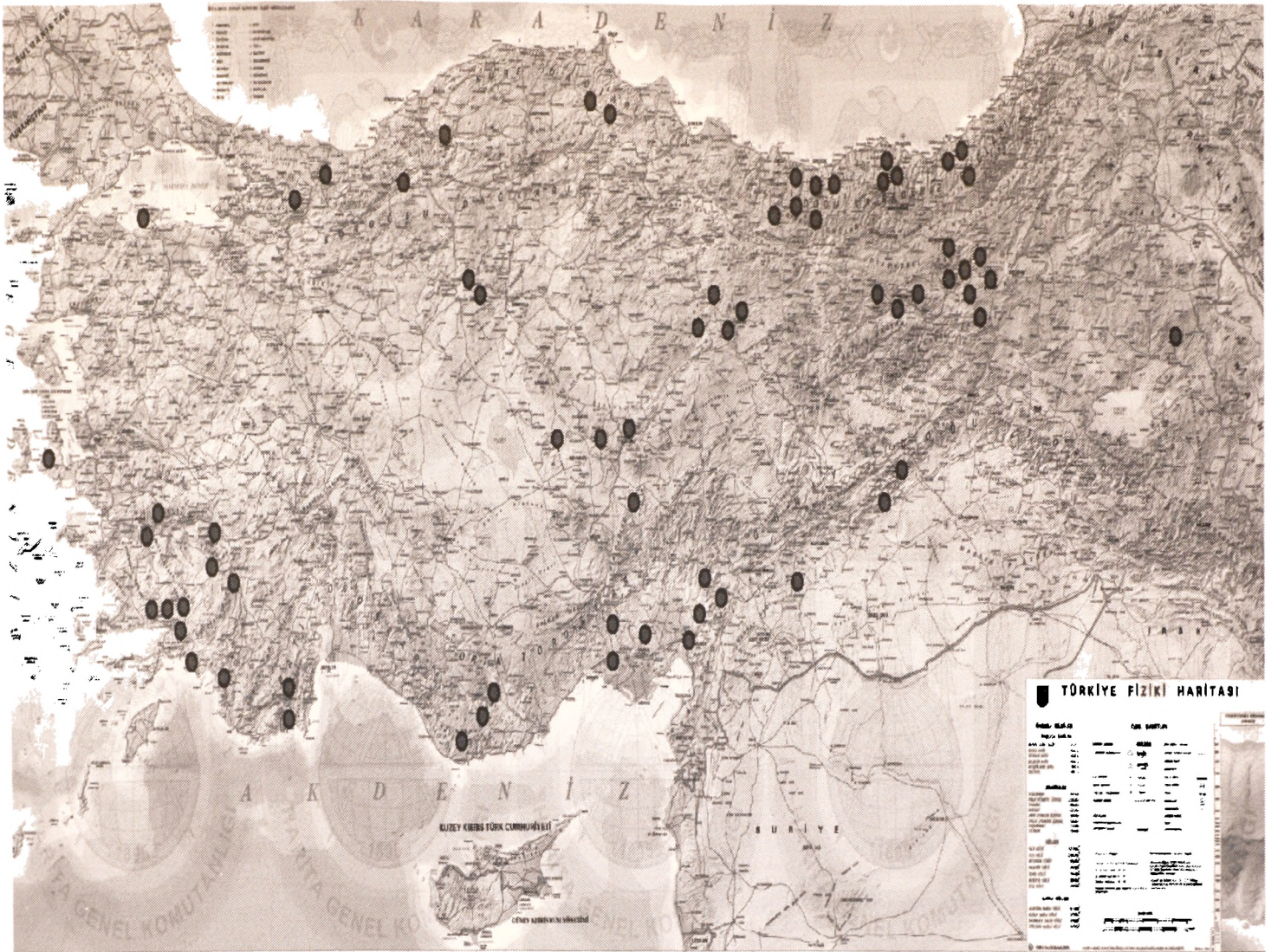
83 projects with a total installed capacity of 2,259 MW are being financed by TSKB

Projects Financed	
74 Hydro	– Total 2,075 MW
4 Wind	– Total 85 MW
2 Geothermal	– Total 58 MW
3 Landfill	– Total 41 MW

- The installed capacity of renewable energy projects financed by TSKB account for 15.5% of Turkey’s installed capacity in renewables as of the end of 2008 .
- TSKB has appraised over 150 projects in renewable energy.
- When these plants are operational the reduction in CO<sub>2</sub> emissions will be in the range of 4.7 million tons. This figure accounts for over 1% of Turkey’s yearly greenhouse gas emissions.



## Locations of Renewable Energy Projects Financed by TSKB



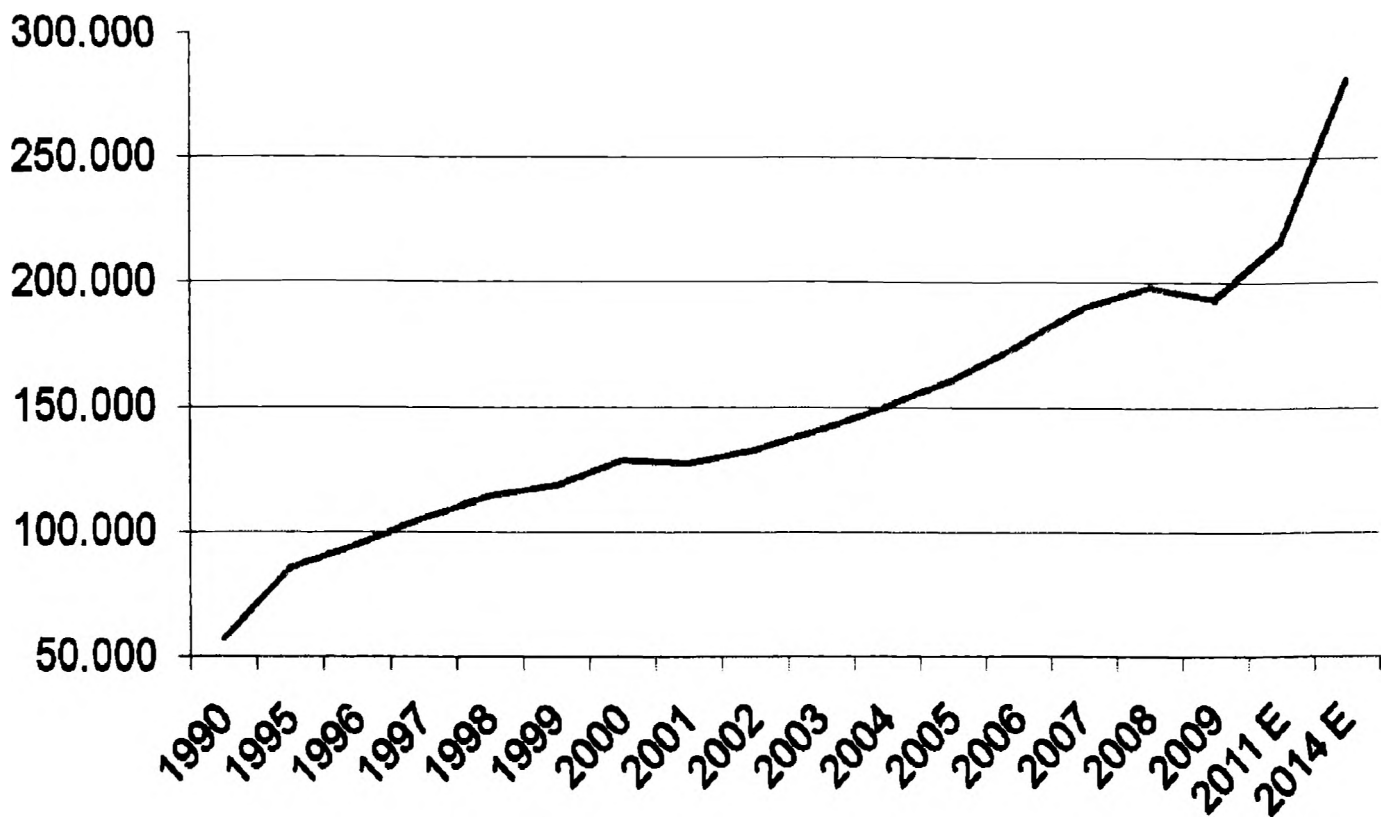
### TSKB - Priority on Sustainable Development

- “Environmental Impact Assessment” in project appraisal is a top priority for TSKB, the Bank has included “Environmental Impact Assessment” as a part of its project appraisal since the early eighties.
- TSKB, is the First Turkish owned bank to set up an Environmental Management System and obtain ISO 14001 on the environment. TSKB has established its Environmental Policies in 2006. The bank has become the only Turkish owned institution to sign the UNEP FI Initiative in 2009.
- TSKB has been calculating its carbon emissions since 2006. Annual carbon emissions of the bank amounted to 1249 tons CO<sub>2</sub> equivalent. As of mid 2009 TSKB has purchased carbon emission certificates from the voluntary market and has become the first Turkish owned carbon free bank.
- TSKB has actively started to finance energy efficiency as well as renewable energy projects
- Starting from June 1st, 2009 TSKB has started to meet all of its power consumption from electricity produced from renewable sources and has undertaken to cut its energy consumption by 7% in 2 years.
- Turkey is the first recipient and TSKB is one of the first financial institutions to disburse the clean technology fund (CTF) in the world.

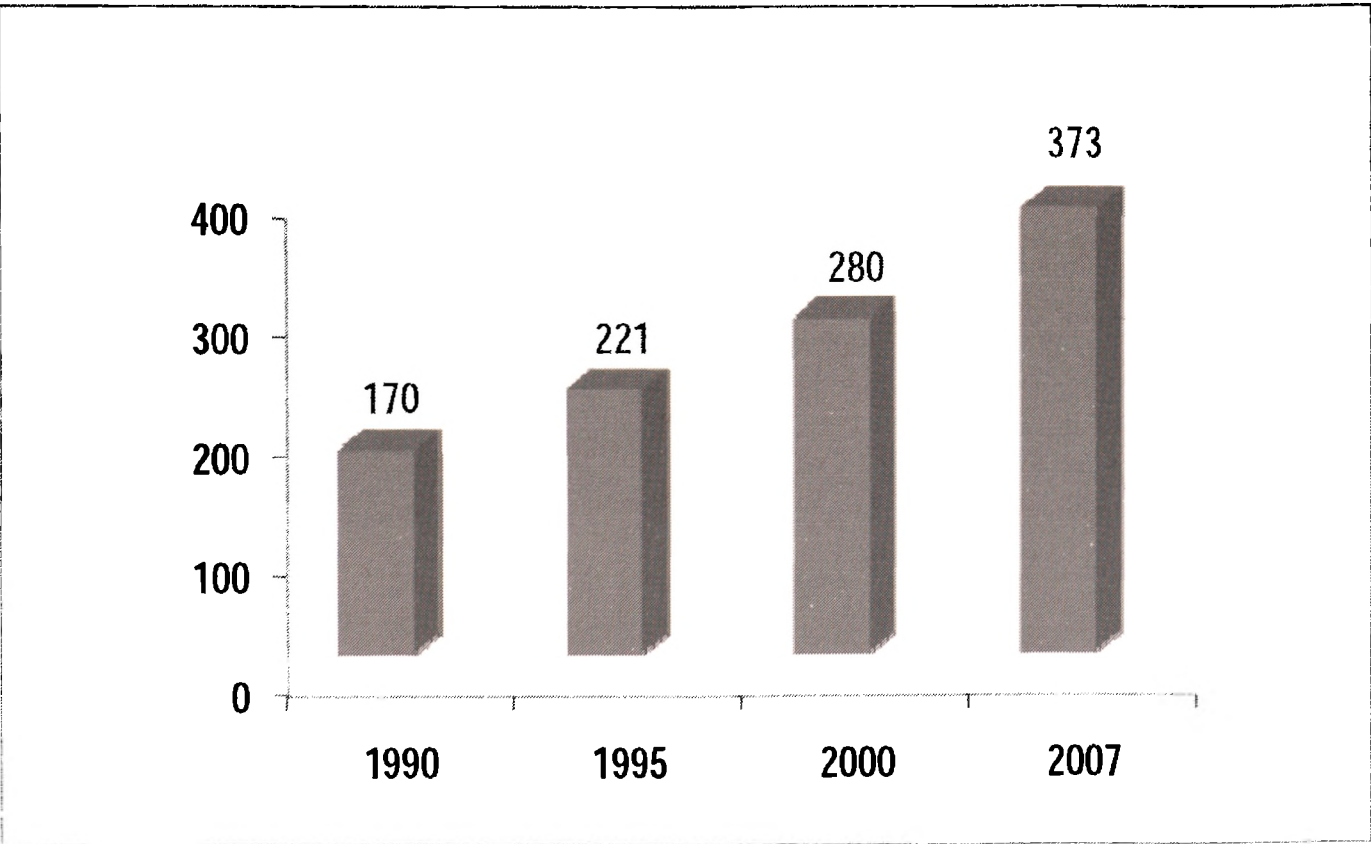


Turkey's Electricity Consumption (GWh)

Turkey's Electricity Consumption is Expected to Grow after the Fall in 2009



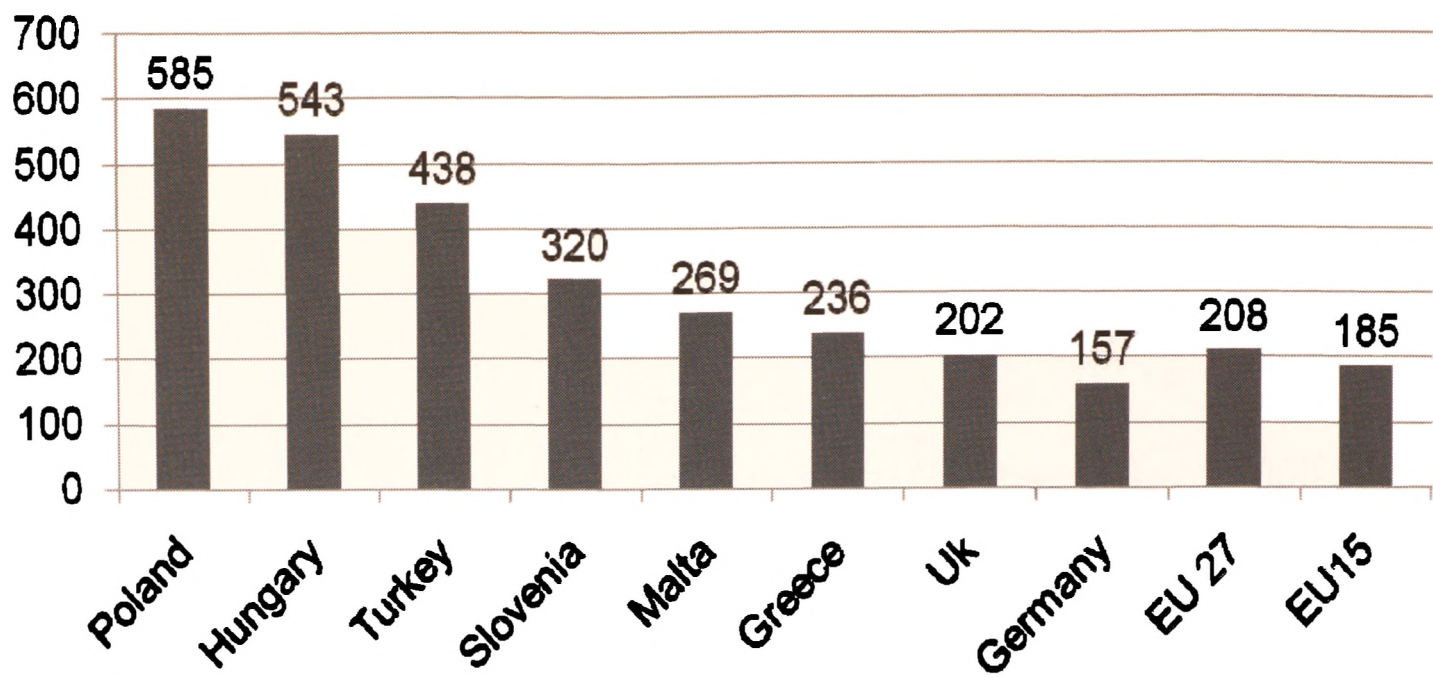
Turkey's Greenhouse Gas Emissions (million tons CO2 Equivalent)



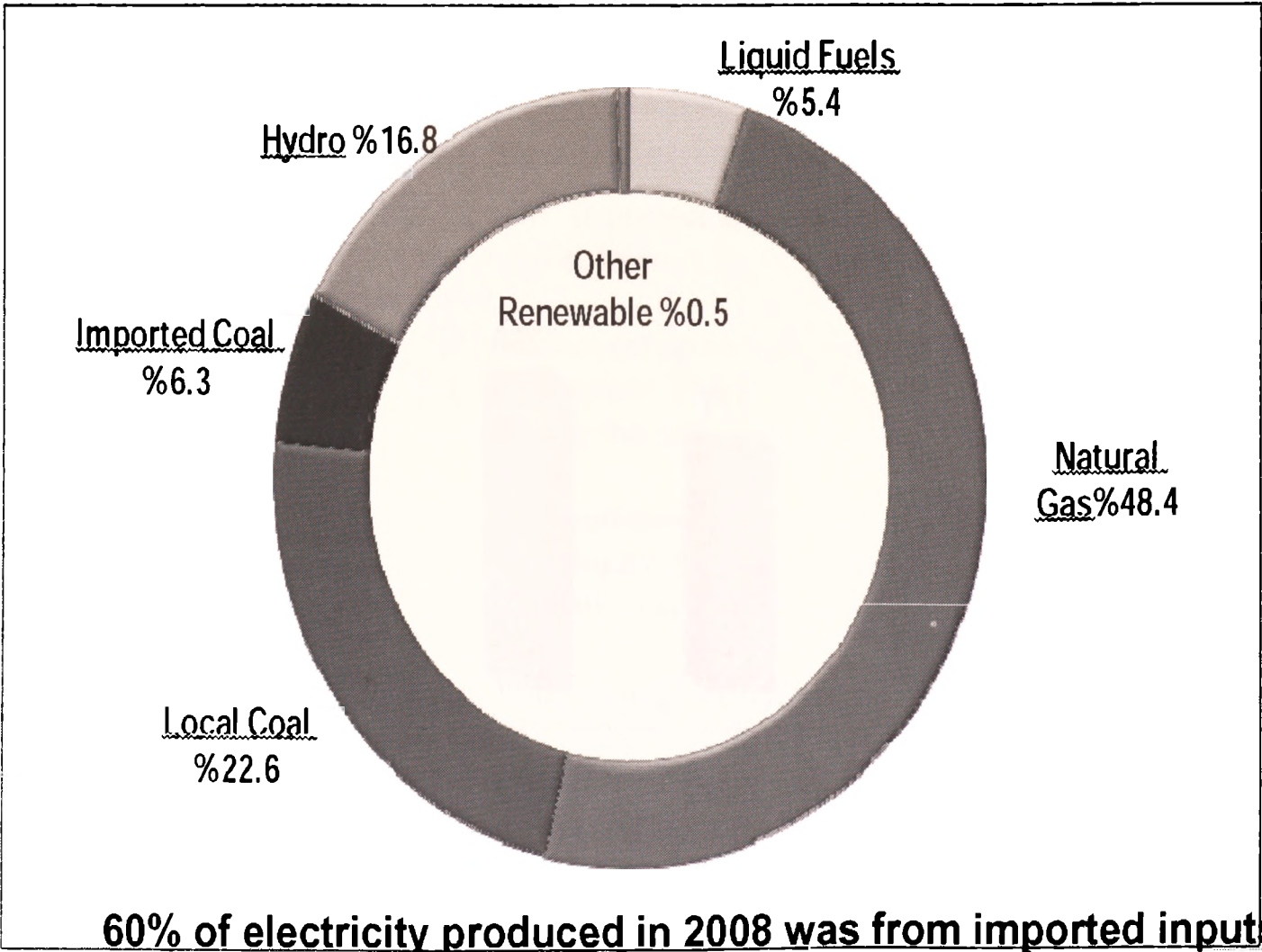
Greenhouse gas emissions have gone up by 119% in the 1990 – 2007 period. Energy accounts for 77% of total emissions

Turkey's Energy Intensity is High

Energy Intensity of European Countries in terms of koe per 1000 Euro Income



Turkey's Electricity Production by Sources (2008)



Sources of Funds



**European Investment Bank (EIB)**



**The World Bank (IBRD)**



**Council of Europe Development Bank (CEB)**



**Agence Française de Développement (AFD)**



**KfW**



**Japan Bank for International Cooperation (JBIC)**



**International Finance Corporation (IFC)**

Funds Currently Used to Finance RE and EE Projects

EIB Energy and Environment Framework Loan Amount: 150,000,000 EUR Scope: RE, EE, Pollution Abatement Projects
EIB SME Loan Amount: 165,000,000 EUR Scope: RE, EE and Environment Related Projects and Other Fixed Asset Investments
World Bank Renewable Energy and Energy Efficiency Loan Amount: 350,000,000 USD Scope: RE and EE Projects
Clean Technology Fund Amount: 70,000,000 USD Scope: RE and EE Projects
KfW Climate Protection Loan Amount : 75,000,000 USD Scope: RE and EE projects
AFD Renewable Energy and Energy Efficiency Loan Amount : 50,000,000 EUR Scope: RE and EE Projects
Council of Europe Development Bank SME Loan Amount: 100,000,000 EUR Scope : EE projects and Other Fixed Asset Investments



Δρ Βασιλική Δ. ΔΕΛΗΘΕΟΥ

**ΤΟ ΝΟΜΙΚΟ ΚΑΘΕΣΤΩΣ  
ΠΡΟΣΤΑΣΙΑΣ ΞΕΝΩΝ ΚΕΦΑΛΑΙΩΝ  
ΚΑΙ ΕΠΕΝΔΥΣΕΩΝ  
ΑΝΑΠΤΥΞΙΑΚΟΥ ΧΑΡΑΚΤΗΡΑ  
ΣΤΗΝ ΕΛΛΑΔΑ**

Αθήναι, 1996

Funds Already Utilized to Finance RE and EE projects

EIB Energy and Environment Framework Loan

Amount: 150,000,000 Euro

Scope: RE, EE, Pollution Abatement Projects

World Bank Renewable Energy Loan

Amount: 202 Million USD

Scope: Renewable Energy Projects

**Sustainable Banking**

✓ In 2008 and 2009 TSKB in recognition of the sustainable development policies pursued, was awarded the “Sustainable Bank of The Year Award- Eastern Europe” jointly given by IFC and the Financial Times.

