

Concepts & Achievements: The Turkish Case



Sustainable
Development Banking



Industrial Development Bank of Turkey
www.tskb.com.tr

Who are we?

TSKB's Mission (since 1950):

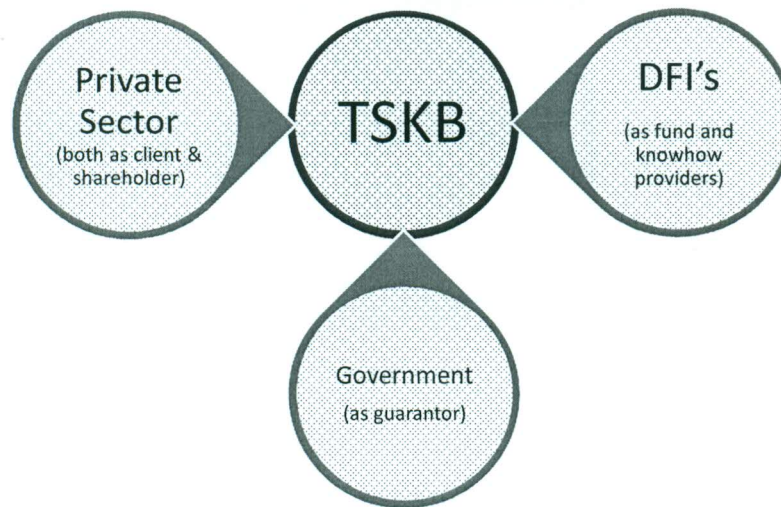
To promote investments of private initiative in the Turkish Industry

To assist the participation of domestic and foreign capital to companies

To contribute to the development of the Turkish capital markets



Privately Owned Development Bank with Public/Private Mission



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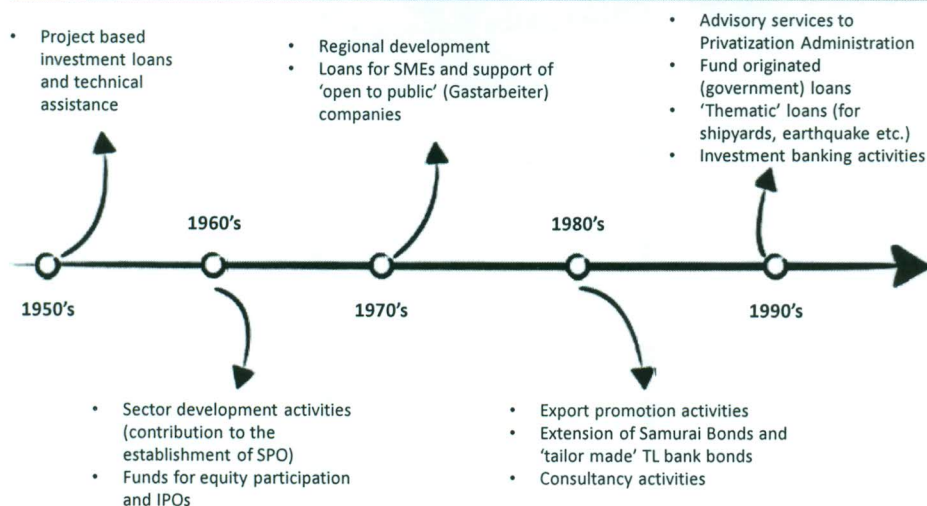
Approach Difference

Demand Based Banking: Main concern is meeting the demand of clients.

Supply Based Banking: DFI's try to identify and develop instruments to meet upcoming needs and problems in advance when there is virtually no demand.

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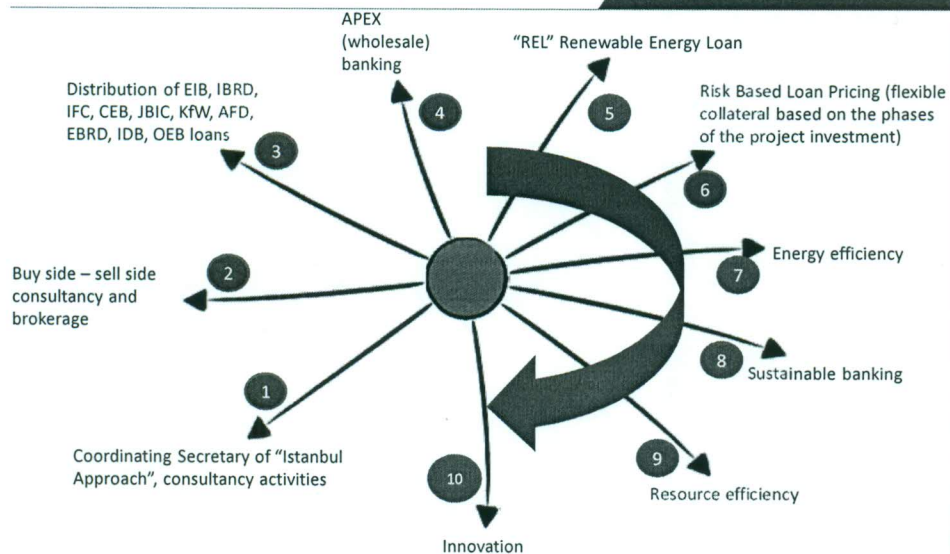
Evolving needs and evolving TSKB



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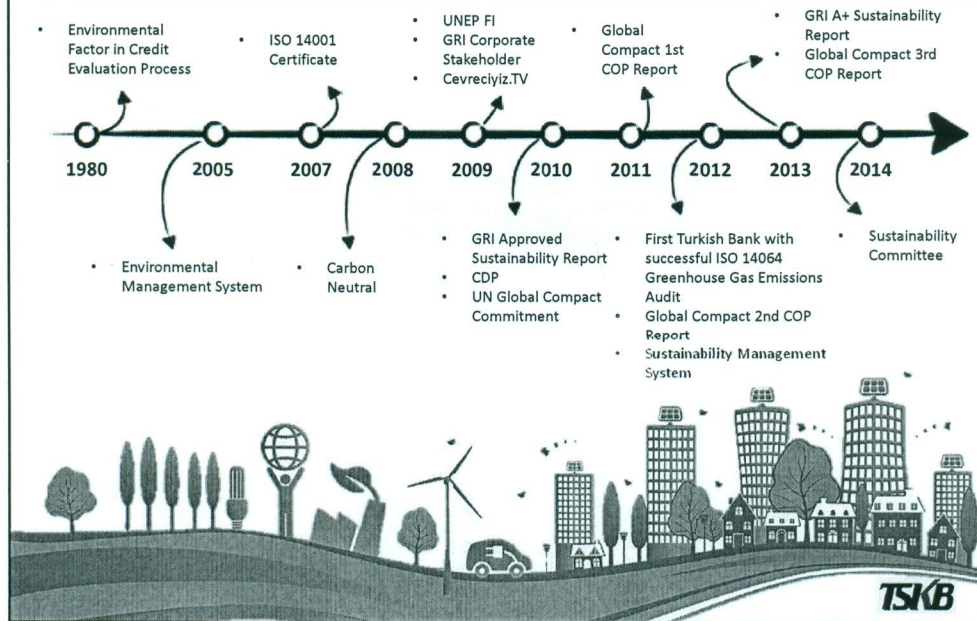
The needs in 21st century



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Sustainability Journey of TSKB



Management Structure of Sustainability



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ERET since 2006

- Environmental Risk Evaluation Tool (ERET): an environmental risk evaluation model which questions 36 subjects and rates the answers
- As a result of ERET rating model, an environmental-social risk category is assigned for both «existing activities of the client» and «proposed project»
- According to assigned environmental-social risk category, a pre-determined action plan is applied

Risk Category A : High risk Level
Risk Category B + : Middle Sensitive Risk Level
Risk Category B - : Middle Risk Level
Risk Category C : Low Risk Level

Environmental and Social Risk Evaluation (ERET) since 2006

ERET Results of 2014 (January – November)

Risk Category	Client Side	Project Side
A	1	0
B+	9	6
B-	19	21
C	27	29
Total	56	56

ERET Results of 2013 (January – December)

Risk Category	Client Side	Project Side
A	2	1
B+	9	3
B-	15	24
C	24	22
Total	50	50

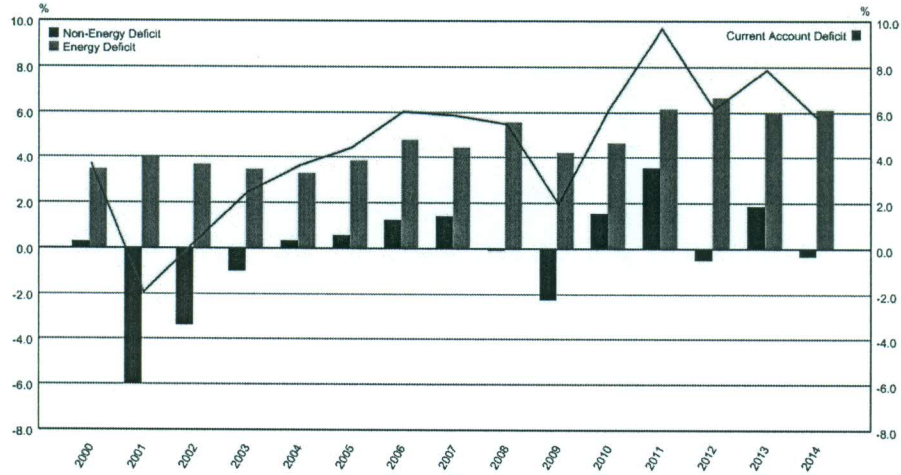
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WHY ARE SUSTAINABLE INVESTMENTS
IMPORTANT FOR TURKEY?

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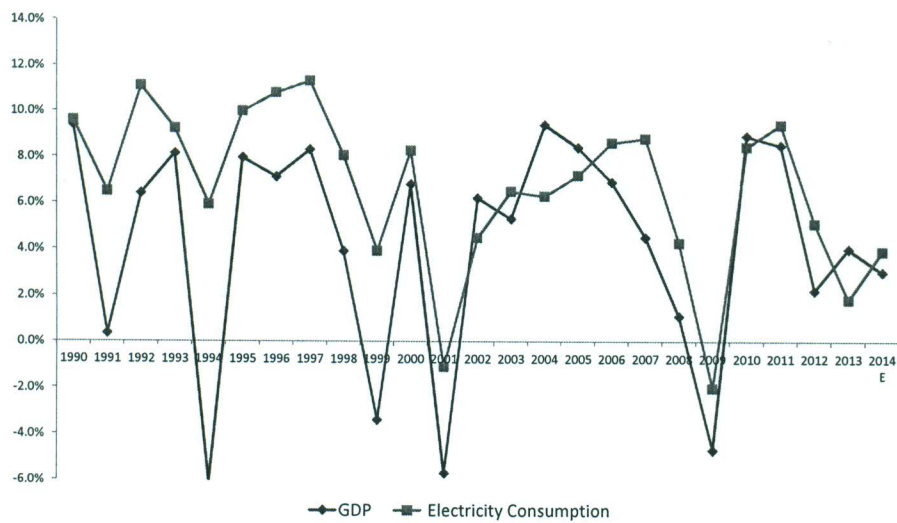
Current Account Deficit Problem

Current Account Deficit: Energy and Non-Energy (as % of GDP)



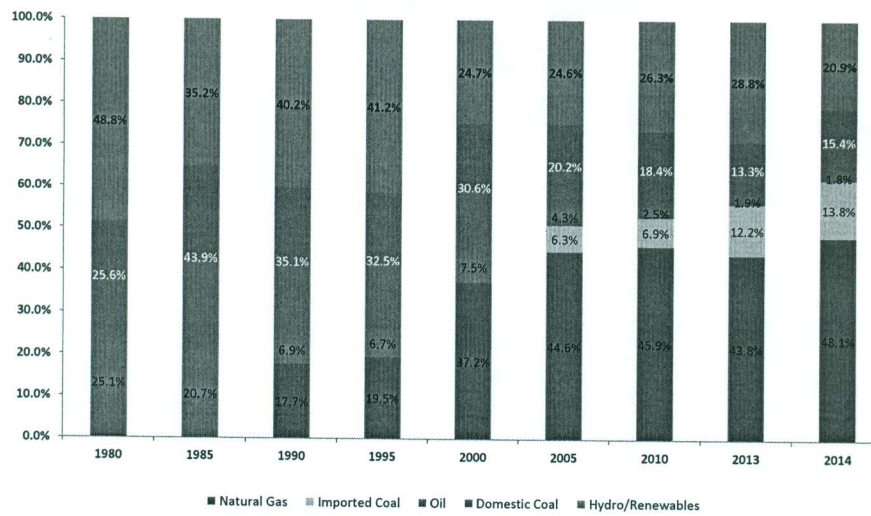
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GDP and Electricity Consumption Growth



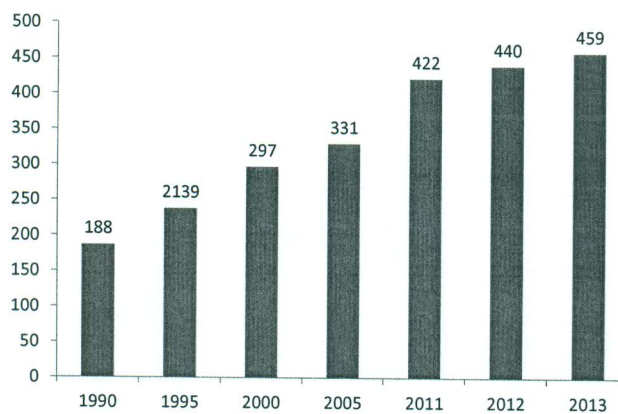
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Electricity Generation by Type of Fuel



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Turkey's Greenhouse Gas Emissions (Million CO₂ Equivalent Tons)



- Turkey's greenhouse gas emissions have gone up by 110% CO₂ equivalent between 1990-2013.
- Energy production and consumption account for 70% of emissions.

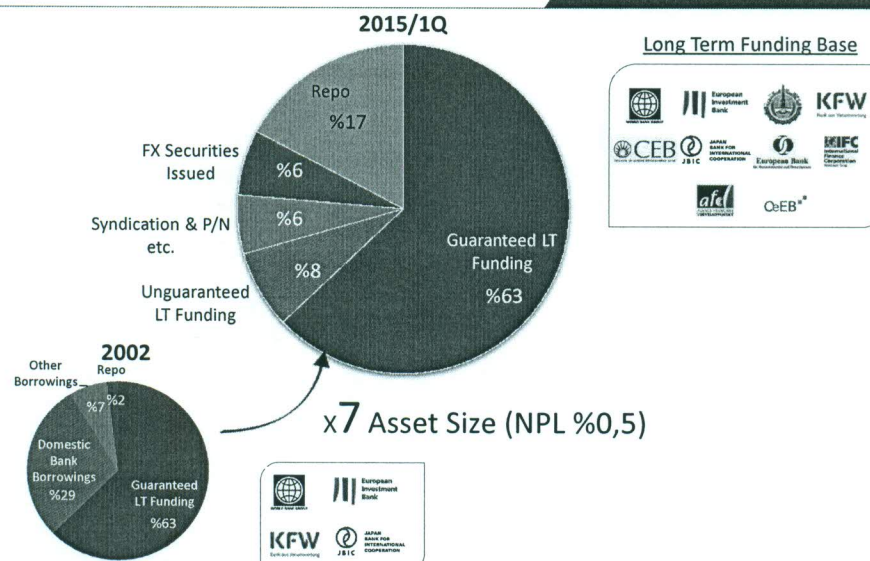
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Projects Financed by TSKB

Renewable Energy	Energy Efficiency	Resource Efficiency
 <p>107 renewable energy projects were financed. (2003 - 2014)</p> <ul style="list-style-type: none"> Total installed capacity: 3,885 MW TSKB evaluated more than 300 RE projects Total investment cost of RE projects reached to USD 7.6 billion. Funds committed to these projects by TSKB is USD 2.3 billion. 	 <p>56 energy efficiency projects financed. (2009 - 2014)</p> <ul style="list-style-type: none"> Total emission will be reduced by 1,2 million ton CO₂ equivalent 2 billion mega calories of energy will be saved. This amount corresponds to approx. 212,000 households heat energy consumption per annum Share of energy efficiency finance in total outstanding loans is around 8.2% 	 <p>7 resource efficiency projects were financed. (2013 - 2014)</p> <ul style="list-style-type: none"> Financing "Resource Efficiency" since November 2013 Chemical, steel, salt and automotive sectors were financed Total emission will be reduced by 77,350 tons CO₂

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Diversified funding structure



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Awards

- Highest Corporate Report Transparency rating given to a bank by Transparency International (2015)
- Low Carbon Hero Award – Sustainable Production and Consumption Association,SPCA (2015)
- Corporate Governance Association of Turkey (TKYD) – Highest Corporate Governance Rating (2012,2014,2015)
- "Climate Change Leaders" awards – CDP Turkey (2013)



Sustainable Bank of the year: TSKB

We are awarded as "Sustainable Bank of the Year" for the East Europe by FT and IFC in 2008, 2009 and 2010.

In 2011 and 2013 we were in the short list (one of the final three) for the whole Europe.

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