

Khush Aamdeed

WELCOME

SME Banking Conference

OUTLINE

TURKISH ECONOMY

TURKEY

TURKEY GDP GROWTH

OVERVIEW to TURKISH ECONOMY

BANKING SECTOR IN TURKEY

BNP & TEB

SME BANKING

SMEs in THE WORLD

WHAT IS SME?

SME DEFINITION – TURKEY

CHANGES in NUMBER of the FIRMS – TURKEY

SME LOAN DISTRIBUTION – TURKEY

WHAT do SMEs REQUIRE?

GOVERNMENT SME SUPPORT – TURKEY

SME BANKING in TURKEY

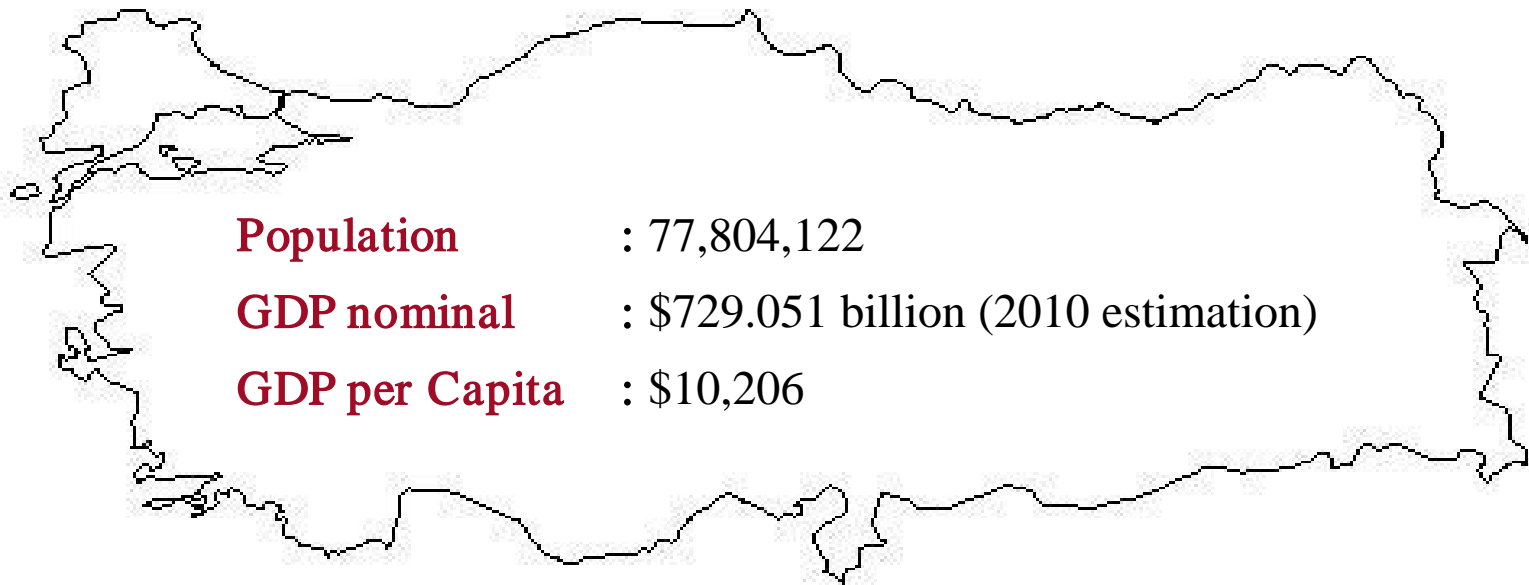
SME DEFINITION – TEB

DIFFERENTIATING Being a “Consultant Bank”

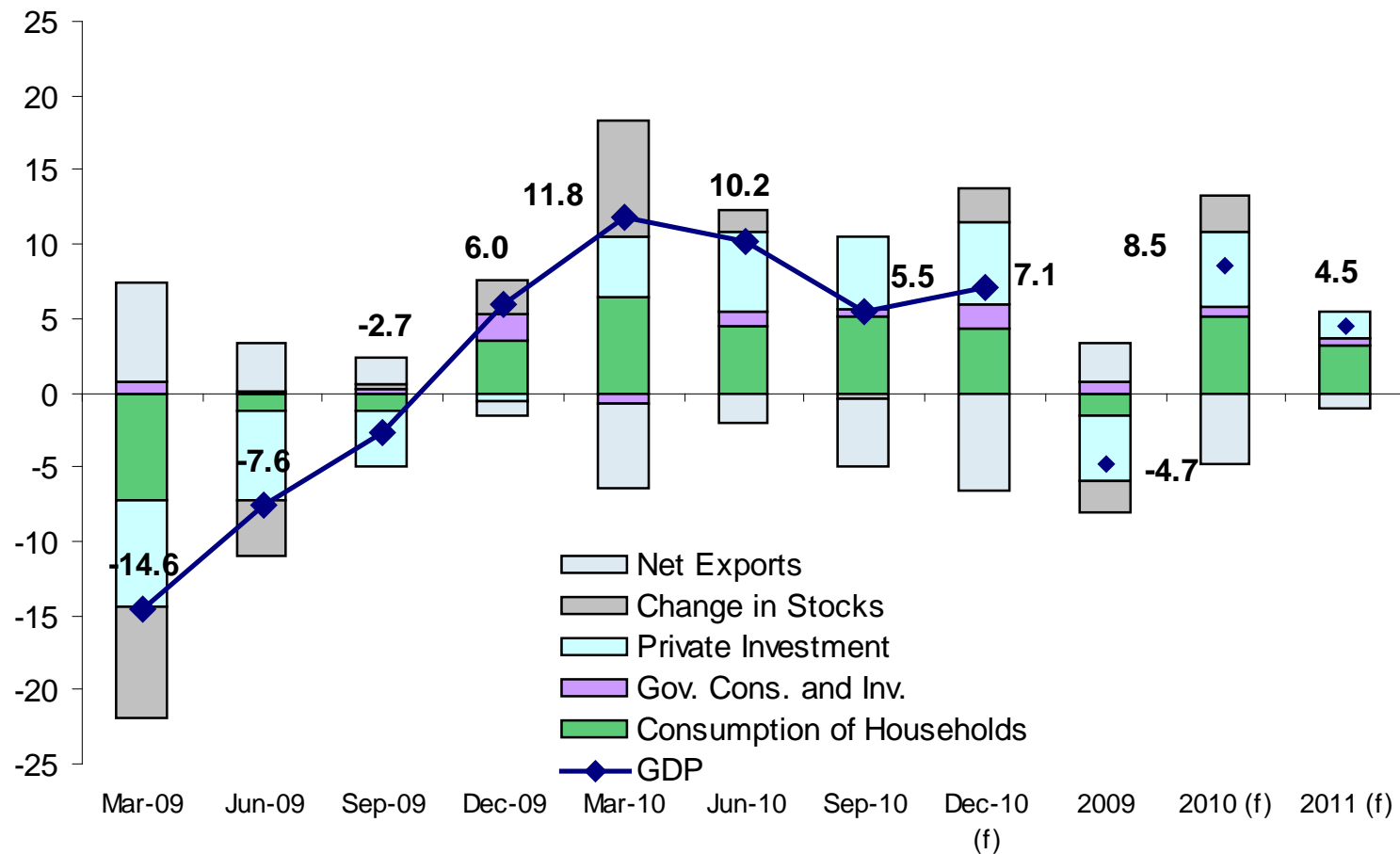
First Implementations at SME Banking - TEB

TURKISH ECONOMY & BANKING SECTOR

TURKEY



TURKEY GDP Growth (y/y %)

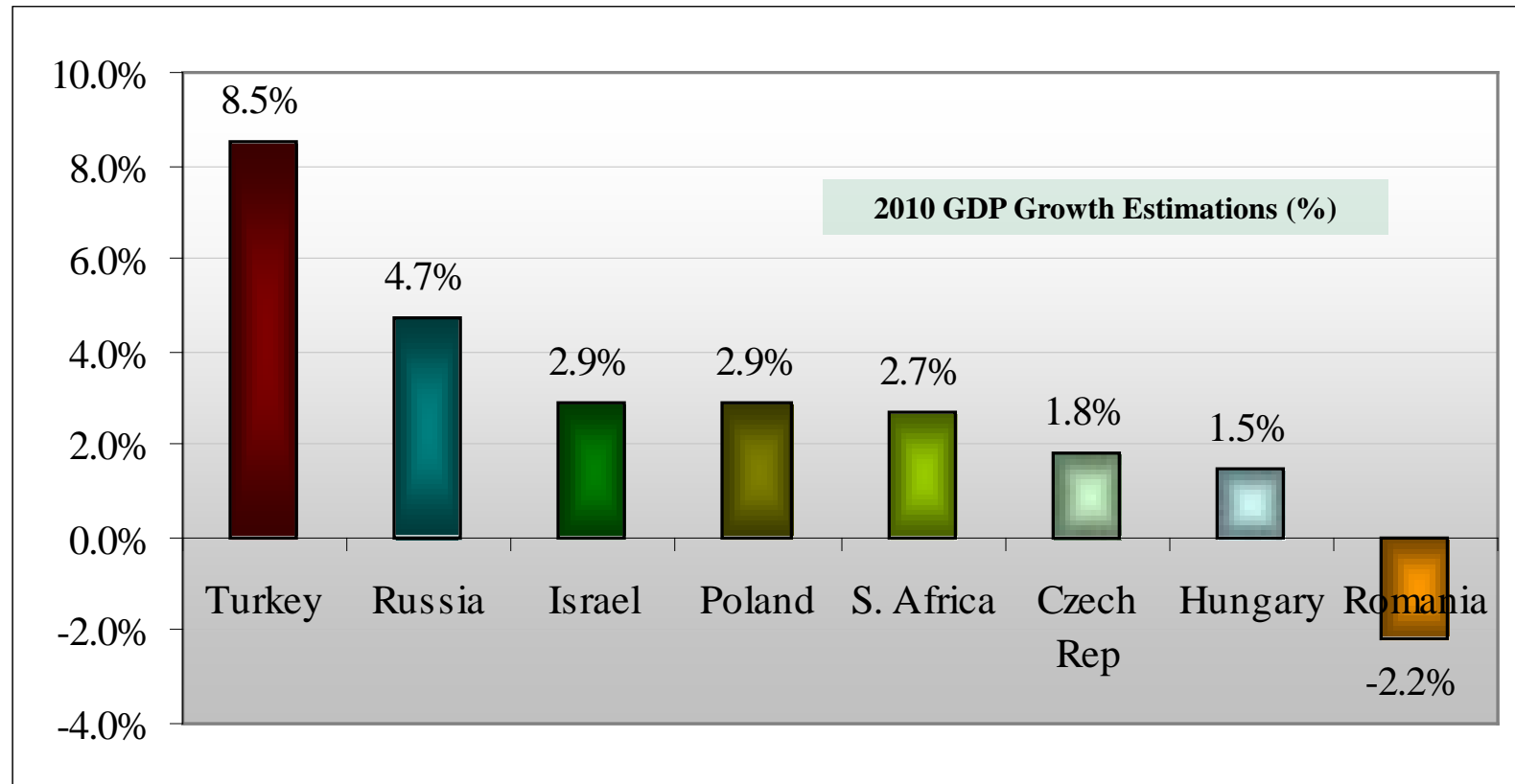


GDP growth is expected at 8.5% in 2010, driven by domestic demand.

Source: Reuters Ecowin Pro.

OVERVIEW to TURKISH ECONOMY

Turkey performs relatively well compared to its peers



BANKING SECTOR IN TURKEY

2010 December	
Number of Banks	48
Number of Employees	191,180
Number of Branches	10,066
Total Asset Size	669.15 billion \$
Total Loans	349.25 billion \$
Loan/Asset Size	52.2 %
Total Net Profit	14.564 million \$

TEB TURKISH ECONOMY BANK (BNPP Joint Venture)

TEB and Fortis Bank have been merged under TEB with;

- 6th biggest private bank with 18,29 \$ billion asset size
- over 600 branches
- more than 10,000 employees
- close to 1,000 ATMs
- over 3 million retail and 500,000 corporate customers



► is leader in Europe and sixth strongest banks in the world (Rated AA by Standard & Poor's).

► It has operations in 83 countries and 205,300 employees, including 162,200 in Europe, 15,100 in North America and 11,000 in Asia.

► Main financial data for 2010 as €million;

Total Assets	1,998,158
Net Banking Income	4,880
Net Income	7,843

SME's & BANKING SECTOR

SMEs in THE WORLD

In most economies, smaller enterprises are much greater in number;

- In **EU**, SMEs comprise approximately 99% of all firms and 40% to 50% of GDP
- There are currently more than 21.40 million SMEs in the **U.S.**, accounting for 99% of the nation's total number of enterprises. They employ 60% of the total employees and contribute 40% of the gross domestic product.
- By 2007 **China** had 42 million SMEs, which accounted for 99,7% of the total number of enterprises. SMEs also accounted for more than 68% of the China's exports and 75% of the new jobs created nationwide, while registering more than 65% of China's patents.
- SMEs constitute nearly 90% of all the enterprises in **Pakistan**; employ 80% of the non-agricultural labor force; and their share in the annual GDP is 40%, approximately..
- In **India**, it is estimated that in terms of value, Micro and Small Enterprises (MSEs) accounts for about 40% of manufacturing output and around 35% of the total export of the country.
- In **Latin America**, the vast majority (approximately 80-90%) of companies are micro enterprises
- Estimates of SME contribution to GDP are difficult to obtain for the **Middle East**, but typically the contribution is somewhere between 30% and 60% of GDP. They employ between 40% and 80% of the workforce

WHAT IS SME ?

COUNTRY	Headcount	Turnover	Balance sheet total	Fix asset / investment	Capital Size
USA	100 – 1.500	0.75 – 30 \$ million	-		
CHINA	< 2.000	< \$ 45 million	< \$ 60 million		
PAKISTAN	< 250	< Rs. 250 Million			< Rs. 25 Million
INDIA				< \$ 22 million	
JAPAN	< 300				< \$ 3.5 million
KOREA	< 300				
AUSTRALIA	< 100				

European Union SME definition;

Enterprise category	Headcount	Turnover	or	Balance sheet total
medium-sized	< 250	≤ €50 million		≤ €43 million
small	< 50	≤ €10 million		≤ €10 million
micro	< 10	≤ €2 million		≤ €2 million

SME DEFINITION - TURKEY

Turkish Ministry of Industry and Trade

Size	Annual Turnover / Total Assets (C) TL	No.of Workers	No.of Firms	%
Micro	C<1.000.000	0-19	2,428,210	98,16
Small sized	1.000.001 <C<5.000.000	20-49	30,011	1,21
Medium sized	5.000.001<C<25.000.000	50-249	12,962	0,52
Big sized	>25.000.000	> 250	2,658	0,11

Total 2,473,841*

Employment —————→ **79 % of the whole economy**

Production —————→ **58 % of the whole economy**

THE FIRM NUMBERS ARE INCREASING BUT ?

	Number of Firms 2002	Number of Firms 2006	Increase in Number of Firms 2002-2006	Total Employment 2006	1995-2002 Increase Ratio
Micro & Small	1,847,356	2,458,221	610,865	6,156,682	% 39
Medium	8,984	12,962	3,978	1,319,352	% 116
Big Sized	1,851	2,658	807	1,943,442	% 72
Total	1,858,191	2,473,841	615,650	9,419,476	% 52

Number of Small Sized Firms increases by developing, but Medium Sized Firms can not enter to the Big Sized Firms Group.

The average life of a company is 11 years !
% 80 of newly established firms are closed in 5 years !
Most of the rest are staying small !

WHY MOST OF THE SME'S CAN NOT GROW ?

Access to Finance ?

- ❖ Long Term Loans
- ❖ Low Interest Rates
- ❖ Easy collateral

STANDART BANKING OFFERS

- ✓ **Cash Loan for Working Capital**
- ✓ **Cash Loan for Investment**
- ✓ **Issuing L/C & LG**
- ✓ **Receivable Discount (including export)**
- ✓ **Import & Export Transactions**
- ✓ **Cash Management Solutions**
- ✓ **Time Deposits & Mutual Funds & Treasury Bills**
- ✓ **Supplementary Services: *Insurance, Factoring, Leasing etc.***

GOVERNMENT SME SUPPORT - TURKEY

Small & Medium Industry Development Organization

KOSGEB

- **Loan interest rate support**
- **SME Project Support Program**
- **Technical Project Support Program**
- **Cooperation Support Program**
- **R&G, Innovation and Industrial Application Support Program**
- **General Support Program**
- **Enterprise Support Program**

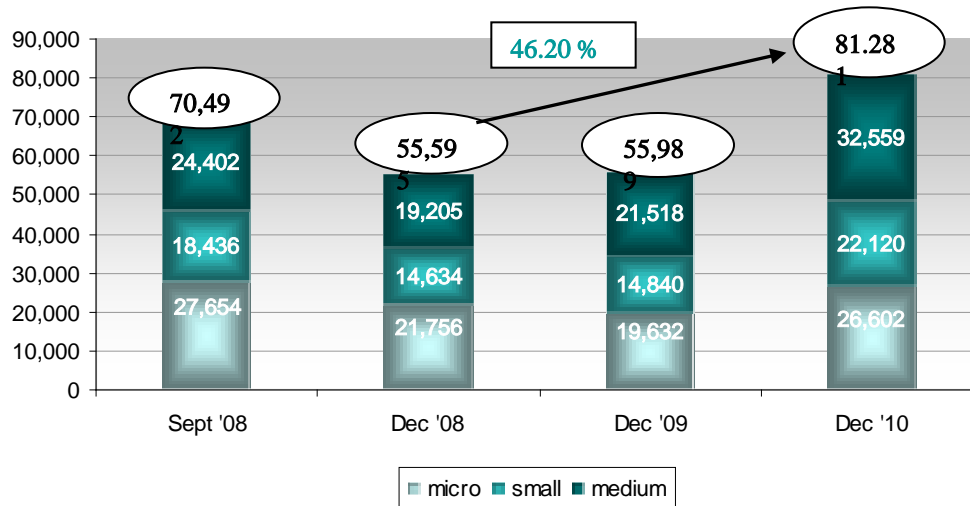
Credit Guarantee Fund

KGF

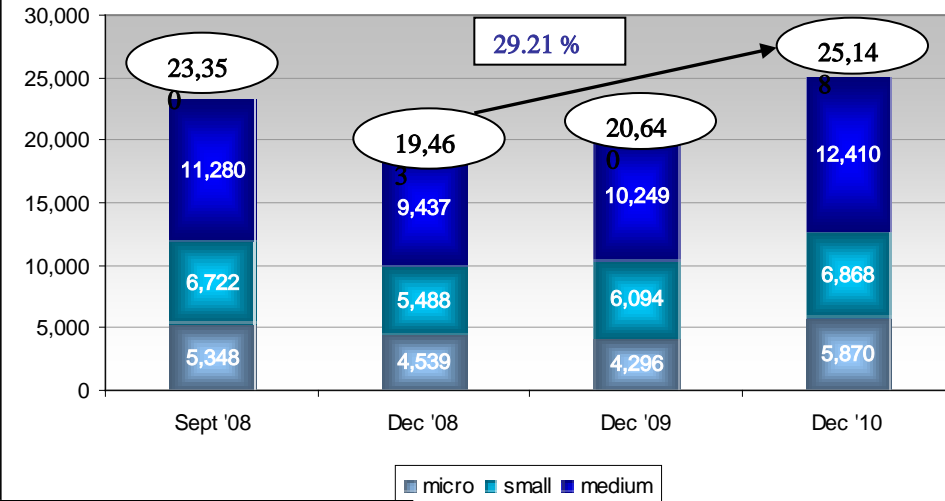
- **Supporting SME by providing a guarantee for their financing**
- **Consequently increasing the credit usage in general**
- **Increasing the number of customers for the banks**
- **Minimizing the banks' risks**

SME LOAN DISTRIBUTION (\$)- TURKEY

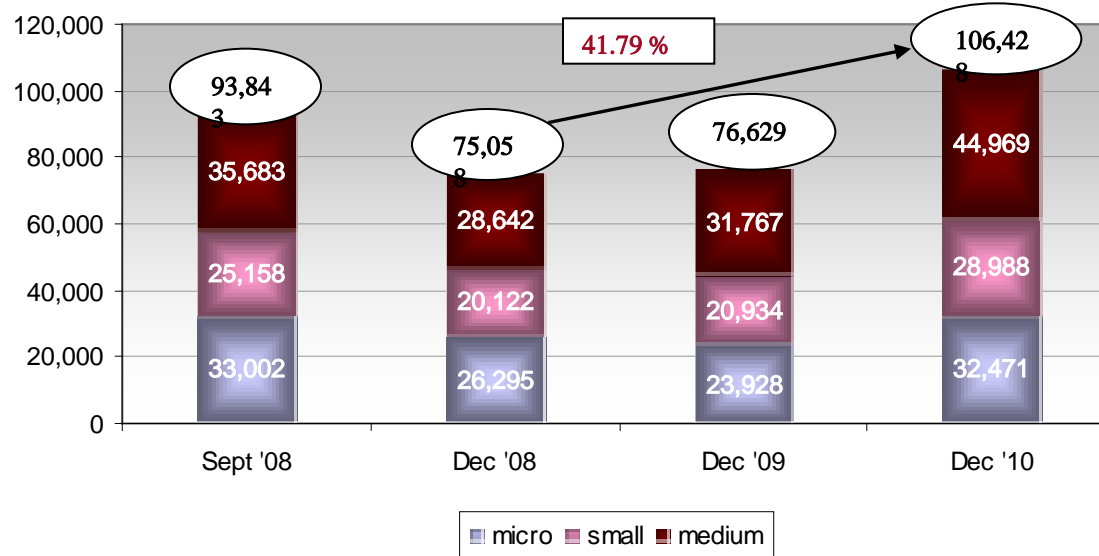
Total Cash Loans



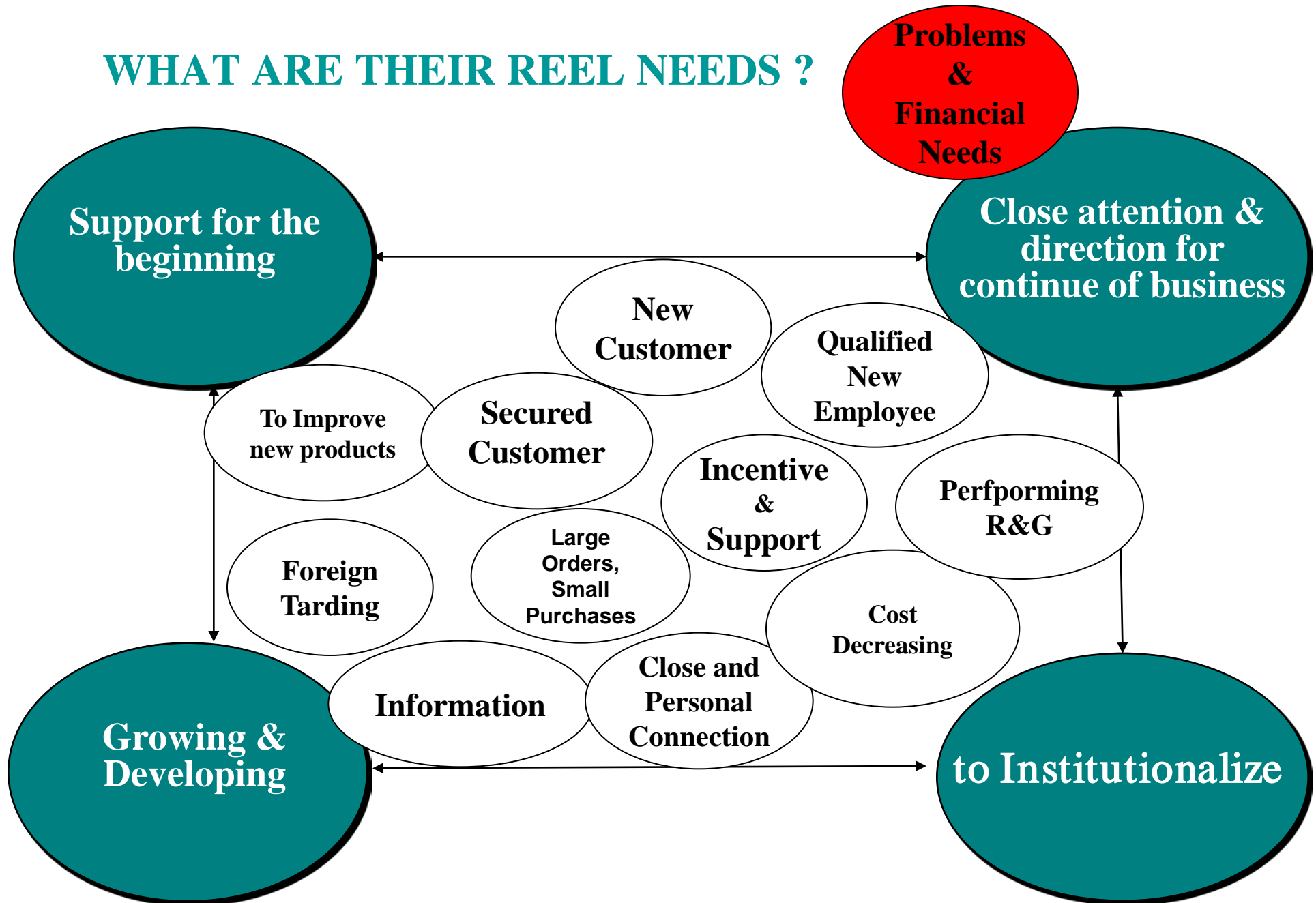
Total Non Cash Loans



Total Loans



WHAT ARE THEIR REEL NEEDS ?



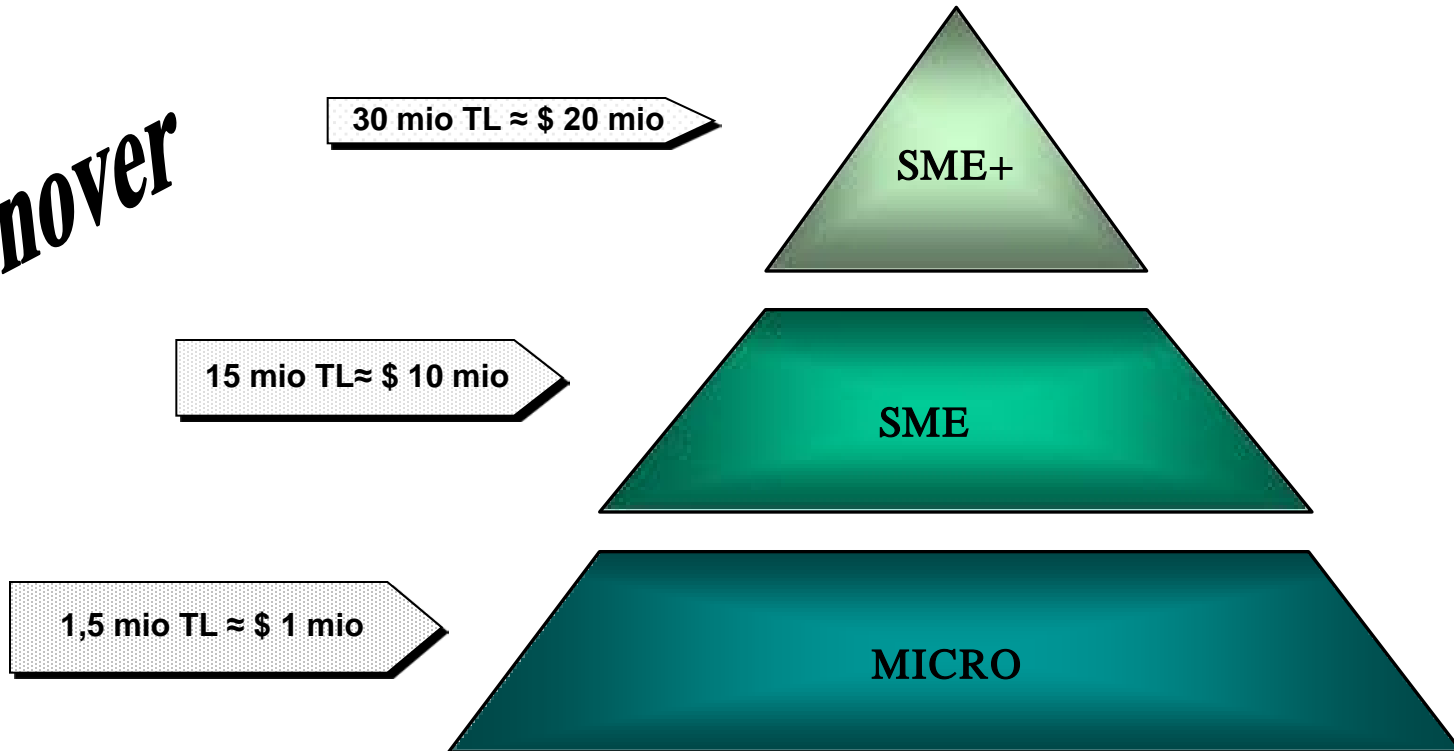
SME BANKING

in

TEB

SME DEFINITION - TEB

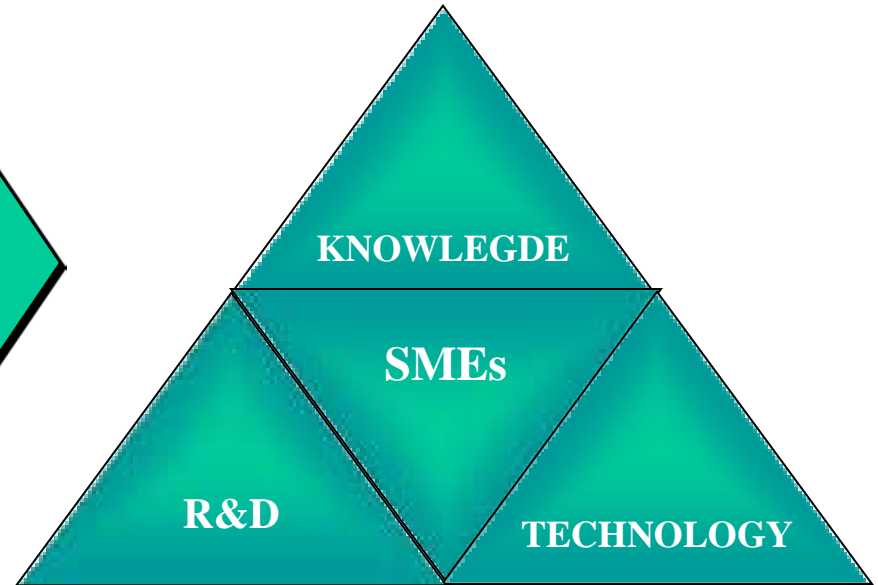
Turnover



DIFFERENTIATING

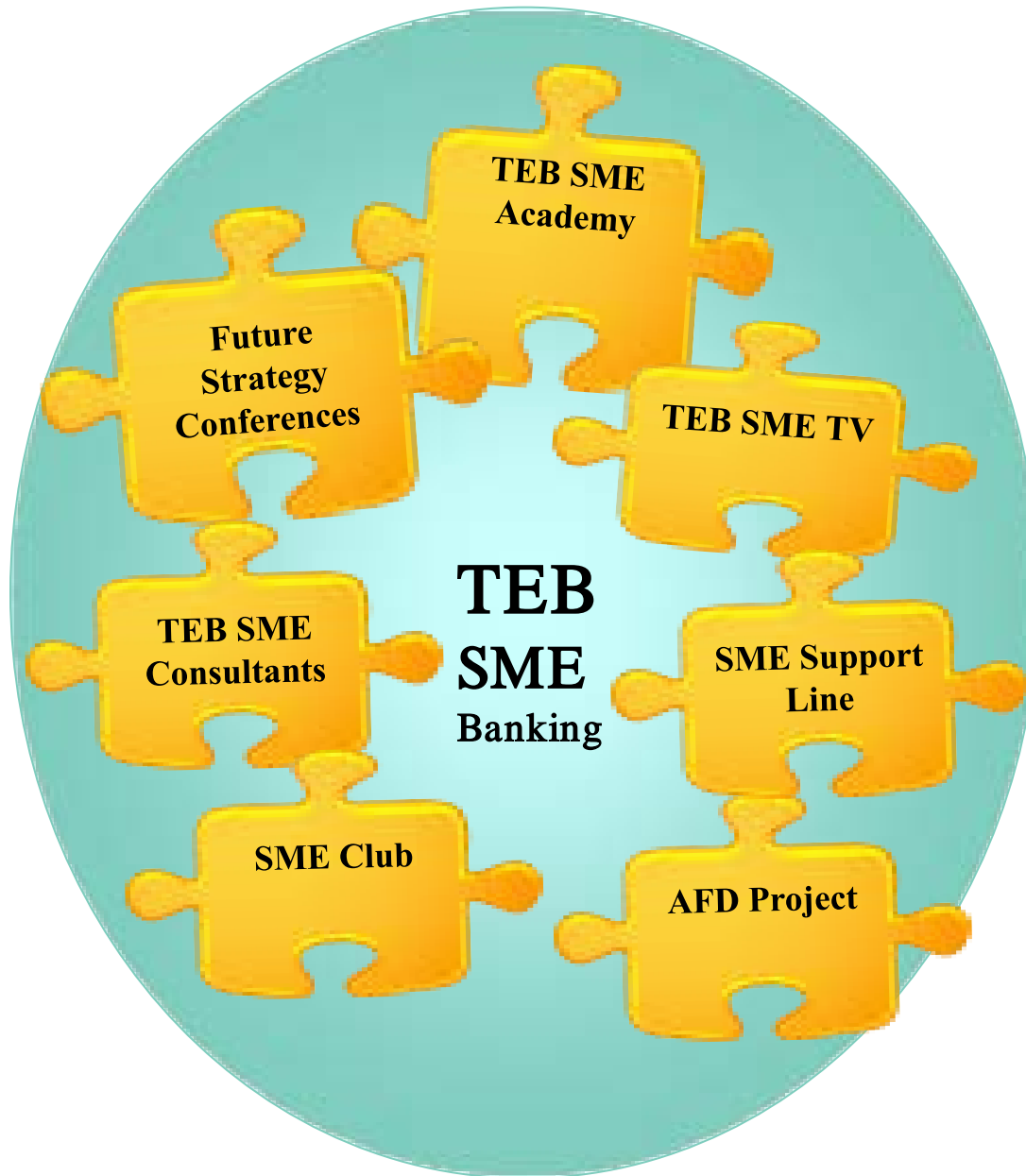


being a “*Counsultant Bank*”



Becoming the first to be remembered when
SMEs are concerned by acting
as a “*consultant bank*” rather than
applying classical banking approaches

“First” Implementations at SME Banking

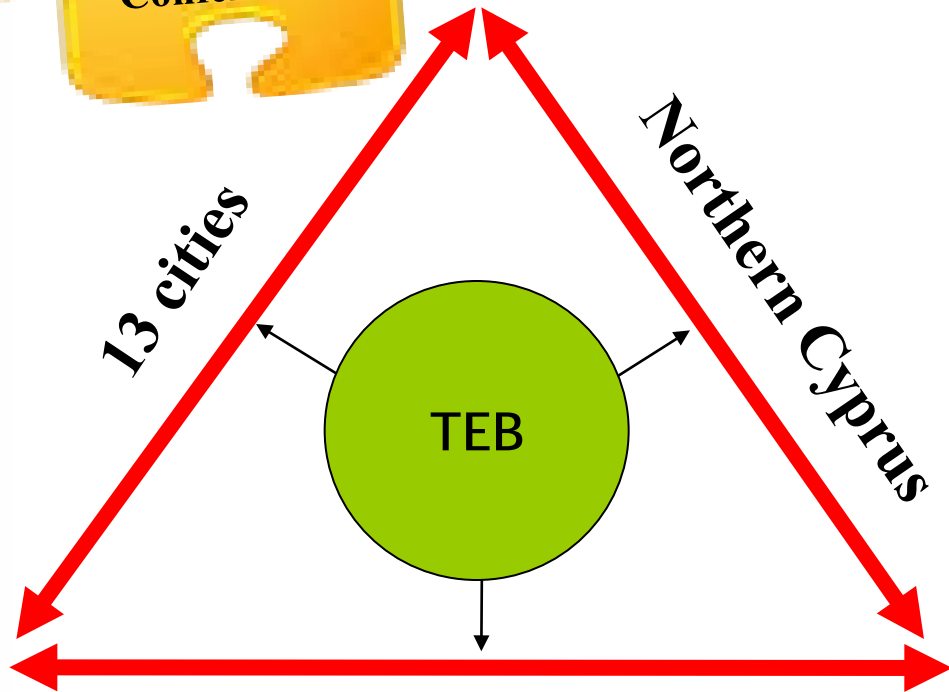




TEB SME Academy aims to increase the competitive powers of SMEs in local and global markets by executing workshops for “strategy; institutionalisation; marketing; growth scenarios”



6,500 firms
31 cities
7,500 businessmen



**2 Sectors
Automotive
Jewelry**



Prominent figures of the cities/countries/sectors aim to bring out “strategies” in order to shape their futures.



A screenshot of the TEB KOBİ TV website. The header features the TEB KOBİ TV logo, a search bar, and navigation links for "Haberler", "Görüntüler", "Eğitim", and "Yararlan". Below the header is a menu with categories: "AMASYA", "UZMANLIK", "KOBİ HAYATKACI", "Bölgesel", "Dış Ticaret", "Eğitim", "Finans", "Girişimcilik", "İş Yaşamı", "KOBİ Destekleri", "Pazarlama & Satış", "Sektörel", "Üretim", "Vergi & Hukuk", and "Yönetim". The main content area includes a list of video topics on the left, a central video player with a network diagram and an "izle!" button, and a sidebar on the right titled "SİZ SORUN UZMANLAR YANITLASIN" featuring Prof. Dr. Şükrü Kızılot, a tax expert, and a "SORU SOR" button. The footer displays various financial and economic indicators.



www.tebkobitv.com

NaklenFinans

Experts

SİZ SORUN UZMANLAR YANITLASIN



Prof. Dr.
Şükrü Kızılot
Vergi Uzmanı

SORU SOR >

İki Evi Olan Emekliler Emlak Vergisi
Öder mi?



SMELingo





Information Services

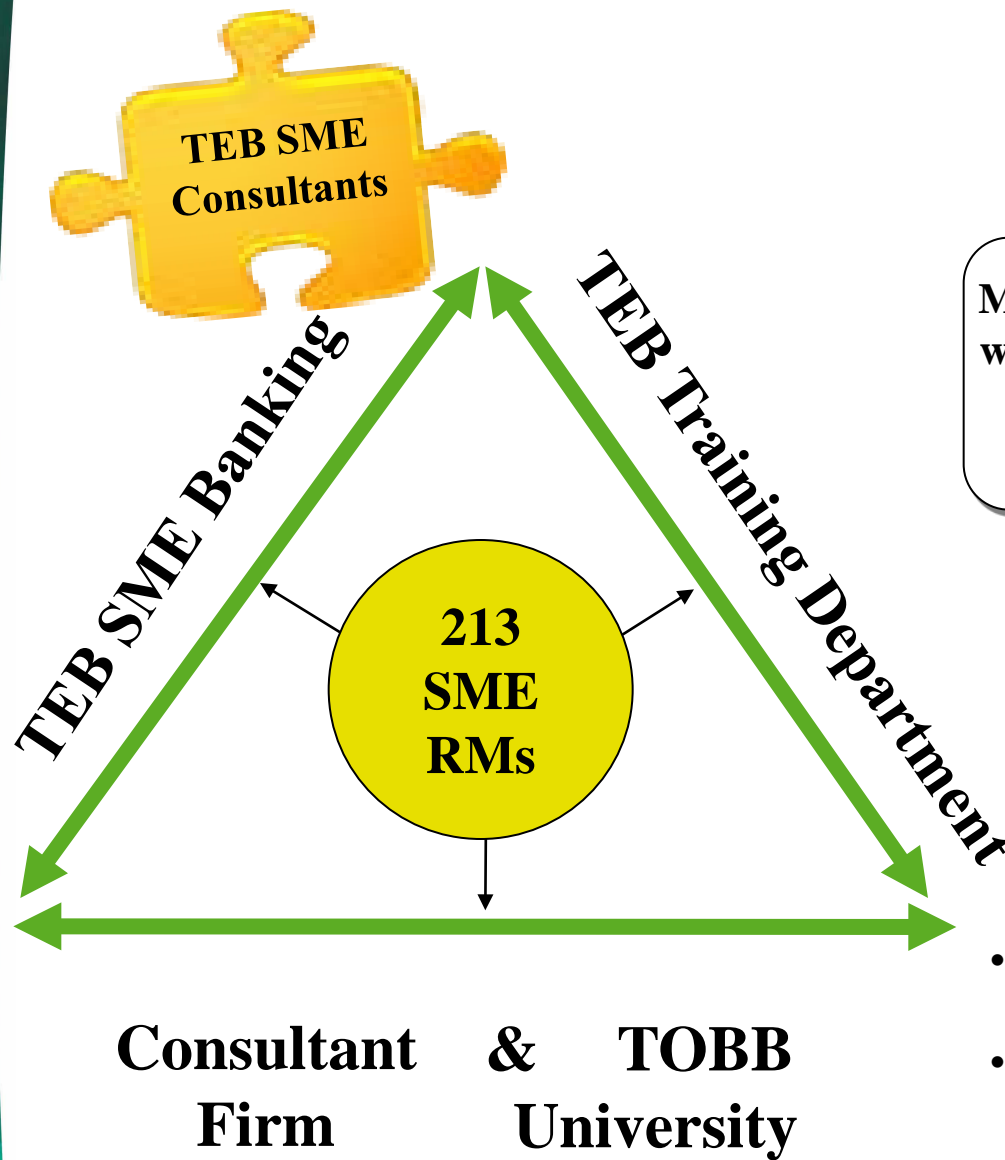
- Line for Legislation on Foreign Trade
- Line for Customs Legislation
- Line for EU Funds
- Line for tax and audit
- Line for Quality
- Line for Gold
- Line for Employers
- Line for national & international fairs
- Line for trainings for SMEs
- Line for Leasing
- Line for Factoring
- Line for Assurance

444 0 667

A free-of-charge line that provides
information and assistance services to SMEs
24/7

Assistance Services

- Translation Services
- International Travel Organisations
- Office Management Assistant
- Supplying Temporary Office Materials (Laptop, projection machine, etc.)



Management consultancy service for SMEs where SME RMs offer diversified solutions for SMEs as a result of a 2 year training program.

SME RMs

- will have 360° approach when assessing SMEs
- will be able to analyse & suggest about
firm strategy, long term plans
production
marketing & sales
HR



SME GUIDES

are trained for helping SMEs in growth period

determining the existing problems of SMEs

strategic management, growth management and [enterprise analyzes](#)
(training lasts for 5 months)



SME EXPERTS

can guide SMEs with their expert knowledge about some business functions

Expertises:

1. Domestic Sales & Marketing
2. Foreign Trade
3. Production Management
4. Finance Management

This phase of the program is being certificated by TOBB University.
(training lasts for 5 months)

SME CONSULTANTS

will consult SMEs in different sizes and sectors with their broad knowledge and solution experiences

Consultancy:

1. Sales - Marketing
2. Re-construction
3. Investment Management

SME Consultancy is a level that can be reached at the end of 24 months.



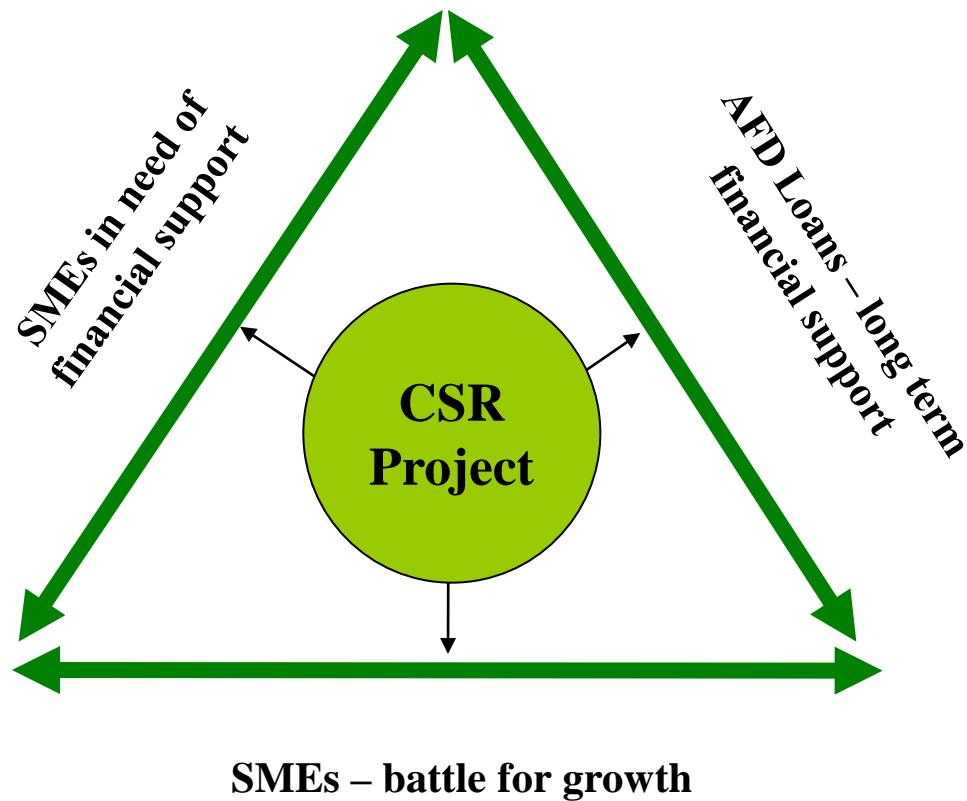
*15,500 members
45 brands*

SME Club is a platform bridging SMEs and corporate firms at the time and point of purchase with remarkable discounts up to 50 %.





AFD Loan... WIN-WIN Project



40,000,000EUR Loan for the purpose of SME Finance



AFD Loan & CSR Project



93
firms

40,000,000 EUR loan

CSR Awareness Trainings

CSR Check-Ups

CSR Questionnaires

CSR Conferences

CSR Contests

**CSR e-learning for TEB
staff**

- Corporate Social Responsibility (CSR) is a rising concept in global markets, especially for EU and US. AFD CSR Project includes a 4 year action plan of CSR activities and policies which is embedded by a long term credit facility –up to 8 years- for SMEs.

Bahut Bahut Shukriya

THANKS
