Turk Eximbank was chartered by the Board of Ministers through Decision No. 87/11914, following the order of Law No. 3332 dated 31 March 1987 by maintaining the juridical and legal personality of the State Investment Bank. In effect, according to the charter, Turk Eximbank took over the State Investment Bank’s credit, funding, support, insurance, guarantees of goods and services, exports and imports, overseas contracting services, manufacturing and sales of domestic investment goods, and foreign investments, at the same time it was transformed into a joint stock company subject to the provisions of the Private Law of the State Investment Bank.
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Established in 1987, 32 years experience

Turk Eximbank was established in 1987 as the official export credit agency according to international classifications, and started to implement its programs at the beginning of 1988. Turk Eximbank continued to cede 60% of the commercial and political risks borne under the Short-Term Export Credit Insurance Program to overseas reinsurers during 2018 for the countries that are not members of the OECD.
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The first financial institution in Turkey to provide export credit insurance, Turk Eximbank fostered awareness of the concept and promoted its widespread adoption.

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Established in 1987, 32 years experience

Sole provider of the official support
Export credit insurance in Turkey in terms of volume
Export credit insurance in Turkey in terms of volume

$44 Billion
Total support in 2018; $26.9 Billion credit and 16.9 insurance
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One Stop Shop
Insurance/Guarantee and Direct Lending
1st
Export credit insurance in Turkey in terms of volume

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One Stop Shop
Insurance/Guarantee and Direct Lending

Domestic Network
16 Branches and 14 Liaison Offices
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Rating  BB-(Fitch), B1(Moody’s) Negative outlook
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Rating
BB-(Fitch),B1(Moody’s) Negative outlook

Paid-up Capital 1.14 Billion $
Turk Eximbank’s Position in the Turkish Banking Sector

<table>
<thead>
<tr>
<th>Category</th>
<th>Turk Eximbank</th>
<th>Turkish Banking Sector</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Assets (TL)</td>
<td>3,863 billion</td>
<td>1,139.4 billion</td>
</tr>
<tr>
<td>Total Loans (TL)</td>
<td>2,395 billion</td>
<td>1,294.5 billion</td>
</tr>
<tr>
<td>Loans/Asset (%)</td>
<td>62</td>
<td>91</td>
</tr>
<tr>
<td>NPL Ratio (%)</td>
<td>3.9%</td>
<td>0.3%</td>
</tr>
<tr>
<td>Shareholders’ Equity (TL)</td>
<td>1,421.2 billion</td>
<td>77.7 billion</td>
</tr>
<tr>
<td>Capital adequacy Ratio (%)</td>
<td>17.3%</td>
<td>18.4%</td>
</tr>
<tr>
<td>Net Profit (TL)</td>
<td>53.5 million</td>
<td>842 million</td>
</tr>
<tr>
<td>Return on Assets (%)</td>
<td>1.4%</td>
<td>0.4%</td>
</tr>
<tr>
<td>Return on Equity (%)</td>
<td>4.7%</td>
<td>12.4%</td>
</tr>
</tbody>
</table>

**18.6%**
Turk Eximbank’s capital adequacy ratio was 18.6%, a figure above that of the Turkish banking sector.

**0.3%**
Turk Eximbank’s NPL ratio was well below the average of the Turkish banking sector at 0.3%. 
The sector maintained a strong capital base, with a capital adequacy ratio in compliance with Basel III at 17.73% according to the BRSA as of June 2019.

Turkish banking sector has relatively high bank capital to assets ratio considering G20 countries.

(Source) BRSA Financial Reports, World Bank
RELATIONS WITH GOVERNMENT

MISSION

Increasing the volume of exports, Developing new export markets
Helping increase exporters’ competition by mitigating and eliminating risk
Promoting and supporting the production and sale of investment goods
Increasing the exporters’ share of international trade
Diversification of export goods and services
RELATIONS WITH GOVERNMENT

Board Members appointed by the sole shareholder

State Backed/Full Faith and Credit: Capital contributions and other financial support from Turkish Treasury

Country Limits
Regulation (1): Law No 4749 -Article 10-
The President shall approve the Country Limits List set down in the annual program for the officially supported cash and non-cash export credits by the Higher Advisory and Credit Steering Committee of the Turkish Export Credit Bank Incorporated and for insurance transactions of two-year or longer term.

Approval for $20m
Regulation (2): Cabinet Decree No:2009/15198, Decree Date14 July 2009 -Article 4-
The authority of formulating the principles and financial provisions for cash and non-cash loans and insurances to be made available by the Bank to countries included in the List of Country Limits, or to banks and other organizations established therein in connection with two-year and longer-term good and/or service sales contracts or other financial leases equivalent to such contracts, and for two-year and longer-term insurance subsidies, shall:
a) be vested in the Bank’s Board of Directors for each transaction up to 20 million US Dollars or equivalent,
b) be vested in the Minister for each transaction exceeding 20 million US Dollars or equivalent,
RELATIONS WITH GOVERNMENT

Political Risks covered by the Treasury

Regulation (1): Law No 4749 -Article 10-
Losses that may be incurred by the Turkish Export Credit Bank Incorporated arising from loan, guarantee and insurance transactions due to political risks shall be covered by the Treasury. The President shall lay down the procedures and principles for the Treasury to cover the revenue losses due to favored, officially supported cash and non-cash export credits and losses arising from loan, guarantee and insurance transactions due to political risks incurred by the Bank.

Regulation (2): Cabinet Decree No: 2009/15198, Decree Date 14 July 2009 -Article 6-
Losses suffered by the Bank due to the below-listed political risks (not stated in this slide) arising from the loan, insurance and guarantee operations of the Bank shall be compensated by the Treasury.
PRODUCT RANGE

CREDITS
- Short Term
- Medium and Long Term
- Foreign Exchange Earning Services

INSURANCE / GUARANTEE
- Short Term
- Medium and Long Term
- Working Capital Guarantee Loan

DIRECT LENDING
- Buyer’s credit
  - International Trade Finance
  - Project Loans

DERIVATIVES
- Forward
- Option
- Interest rate swap

NEW PRODUCTS
- Buyer’s Credit Insurance
- Surety Bond
- Letter of Guarantee for Overseas Contractors
- Investment Insurance
- Letter of Confirmation Insurance
**SHORT TERM**
- Shipments up to 360 days
- Issuance of Policy
- Buyer’s Limit Application
- Notification of Shipments by the Insured
- Notification of past due receipt
- Percentage of cover %90

**MEDIUM AND LONG TERM**
- Pre-Shipments
  - To insure the expenses in the production phase of investment goods to be exported, against the risk of cancelation of the order by the buyer.
- Post Shipments
  - To insure the receivables of the exporter resulting from his/her exports, against commercial and political risks, which are assessed based on a single sales contract and with a maximum maturity limit parallel to the OECD arrangements.

**WORKING CAPITAL GUARANTEE LOAN**
- Protocol has been signed with one Turkish Conventional Bank. No transaction has been covered.

**INSURANCE/GUARANTEE**
Expert team

8 of Turk Eximbank's employees have PhD, 214 master's degrees, 346 bachelor's degrees, and 30 associate degrees; 266 of them are proficient in at least one foreign language.
We are the leader supporter of exports

Our financing support for Turkish exporters in 2018, USD 44.2 billion in value, accounted for the 26% of Turkey’s total exports.
Access to safe financing

By providing 53% of all the export credits in the banking sector alone, we proved that we play a crucial role in exporters' access to safe financing.
INTERNATIONAL COOPERATION
ANY QUESTIONS?

NO?

THANK YOU

Özge TOSUN

Legal Counsel-Export Credit Bank of TURKEY

otosun@eximbank.gov.tr

Office : +90 216 666 55 18 – Mobile : + 90 553 352 12 39