



# Providing Non-Financial Services to SMEs

Turgut BOZ  
Group Head of TEB SME Banking  
8 May 2013, Dubai

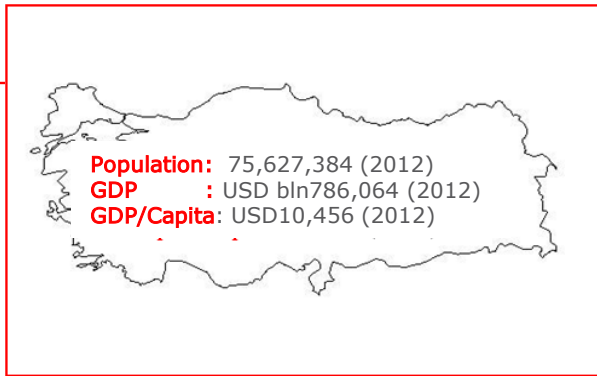
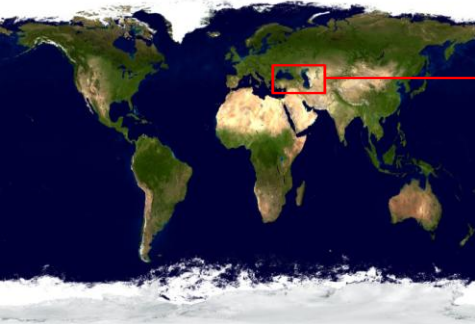


**TEB**  
BNP PARIBAS JOINT VENTURE

# Turkish Economy & Banking Sector



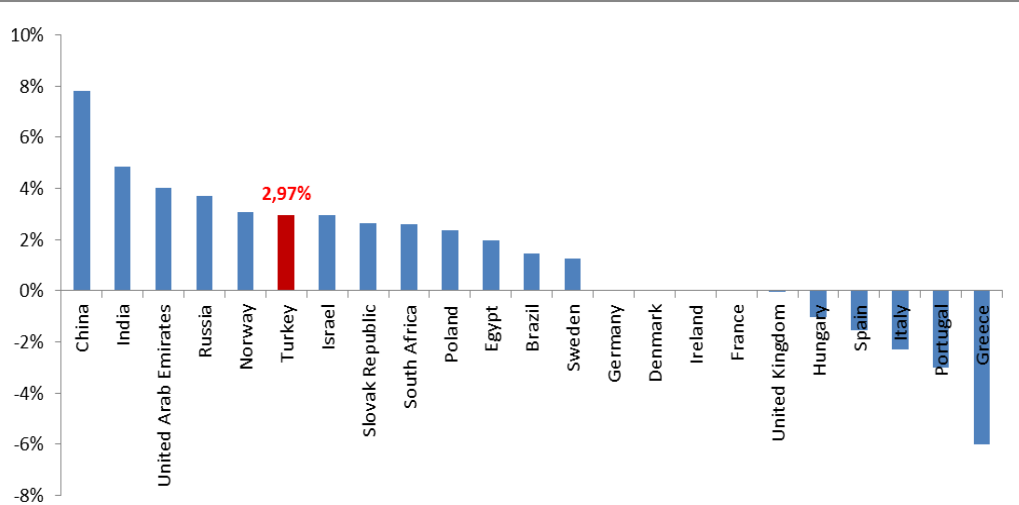
# Turkey, Turkish Economy and Banking Sector



## Banking Sector in Turkey (Dec.'12)

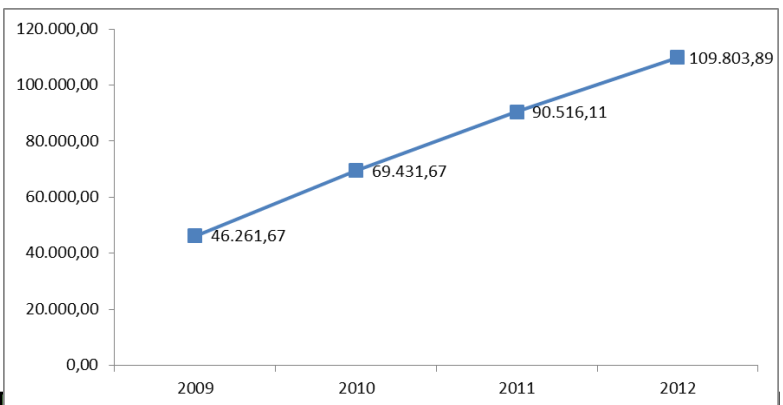
Number of Banks	49
Number of Employees	188,748
Total Net Profit	USD 13,068 mio
Number of Branches	10,381
Total Assets	USD 761,495 mio
Total Loans	USD 441,531 mio

## GDP growth 2012\*



\*Source: IMF

## SME Cash Loans in Turkey (mio USD)



**SME Cash Loan share in commercial loans 38%**  
**SME Cash Loan share in total loans 25%**



**TEB**  
 BNP PARIBAS JOINT VENTURE

# SMEs in Turkey

SME Share in  
Employment 79%

SME Share in  
Production 58%

Enterprises	Annual Turnover or Total Assets (USD)	Number of Employees	Number of Firms	%
Micro	< 600.000	1 to 9	2.860.438	95,20%
Small	600.000 – 4.5 mio	10 to 49	120.967	4,00%
Medium Size	4.5 mio – 23 mio	50 to 249	18.408	0,60%
<b>TOTAL</b>			<b>2.999.813</b>	<b>99,80%</b>

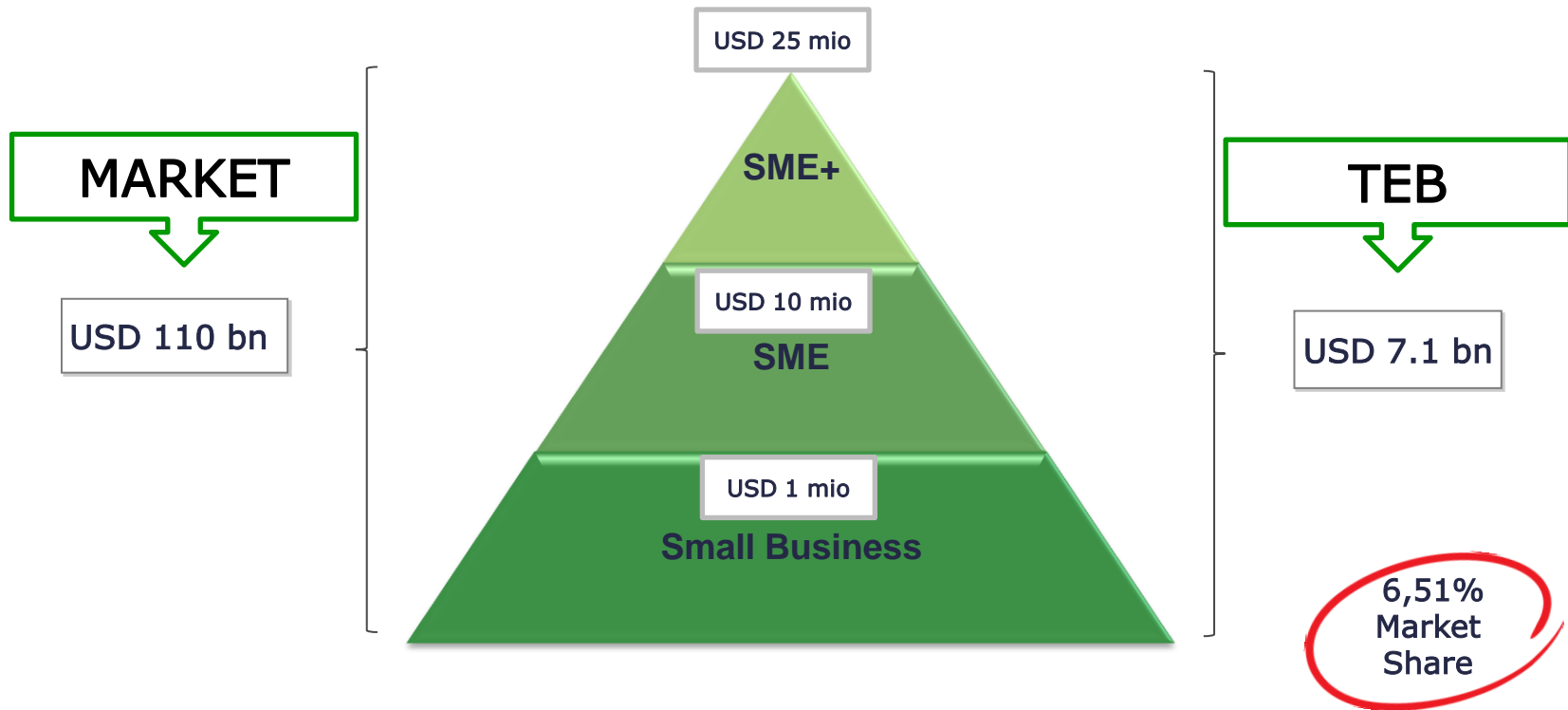
The average life of a company is  
13 years !  
50% of newly established firms are  
closed in 5 years !  
Most of the rest are staying small !

Number of small sized firms  
increases but medium-sized  
firms cannot succeed to reach  
the big-sized firms group



# TEB Segmentation & Turkish SME Market

Loans & Customer Numbers *(As of 2012)*



+ Agri, Gold & Public Finance Banking  
These customers are served by dedicated  
RMs



---

*SMEs should double their sizes every 3 years' period.*

**But HOW**





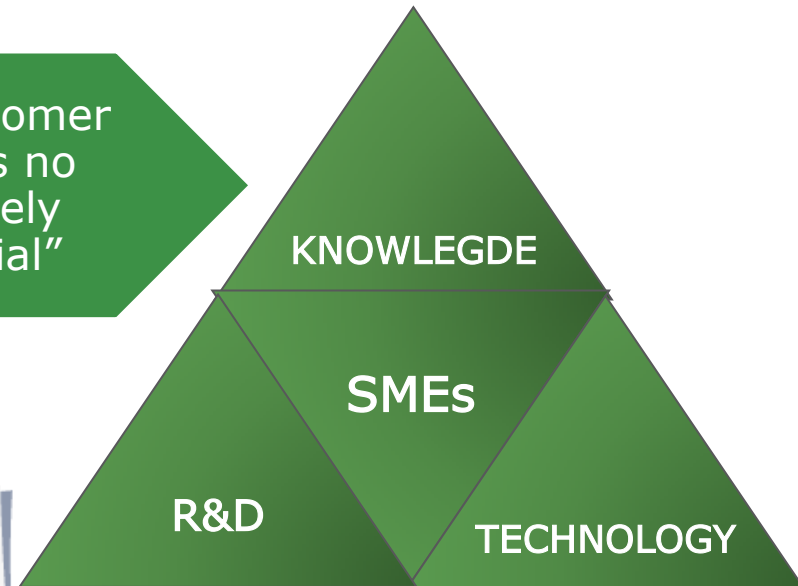
# How to Differentiate?



# Differentiation

Changes in SMEs' demands enhance new offers and solutions

"Bank – customer relation" is no longer purely "commercial"



TEB SME Banking aims to become the first to be remembered when SMEs are concerned by acting as a **"consultant bank"** rather than applying classical banking approaches.





# TEB SME Academy : A Consultive Solution for SMEs

TEB SME Academy aims to increase the competitive powers of SMEs in local and global markets by means of interactive workshops for "strategy, institutionalisation, marketing and growth scenarios" with the content :

- Opening Speeches
- TEB SME Banking Approach
- Lectures by PhDs
- Interactive Workshops

**65 Events**  
**39 Cities**  
**17,500 Businessmen&women**  
**Since 2005**



## BENEFITS for the Bank

- Enhancing customer loyalty
- Attracting our competitors' customers by differentiation
- Gaining 'prestige' by supporting the SME
- Training customers, reducing risk

## BENEFITS for SMEs

- Increase profitability
- Enhance professional management
- Increase market share



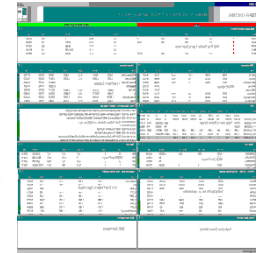
# TEB SME TV

[www.tebkobityv.com](http://www.tebkobityv.com)

aims to ease the way to access information about business

Members enjoy practical solutions for their daily business problems.

TEBLiveFinance



SME TV Experts

SİZ SORUN UZMANLAR YANITLASIN



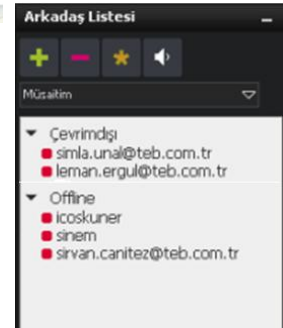
Prof. Dr.  
Şükrü Kızılot  
Vergi Uzmanı

SORU SOR >

İki Evi Olan Emekliler Emlak Vergisi Öder mi?



SMELingo



Statüs	İsim	E-posta
Çevrimdışı	simla.unal	simla.unal@teb.com.tr
Çevrimdışı	leman.ergul	leman.ergul@teb.com.tr
Offline	icoskuner	
Offline	sinem	
Offline	sirvan.canitez	sirvan.canitez@teb.com.tr

More than 6,000 videos

20,000 daily / 4.5 mn annual visitors

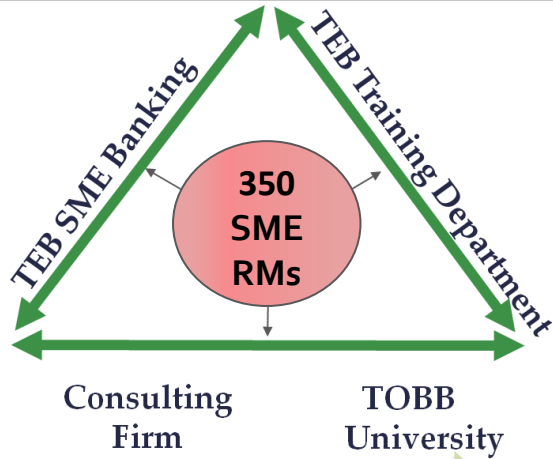
More than 127,000 members



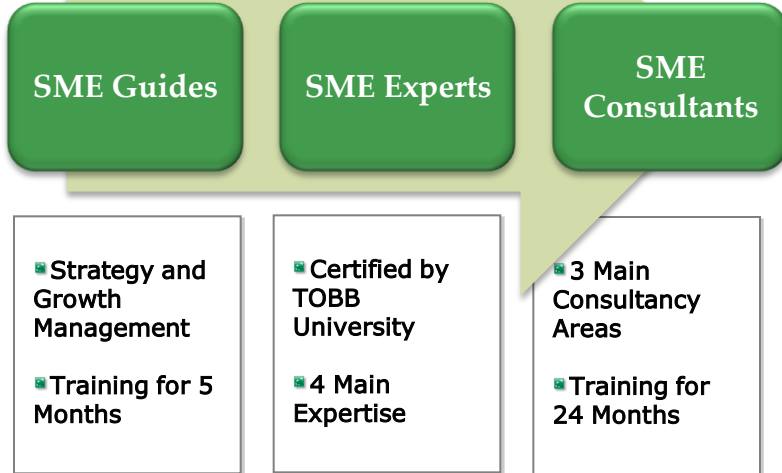
**TEB**  
BNP PARIBAS JOINT VENTURE



# TEB SME Consultants



TEB SME Consultants is a 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 and be able to analyse & suggest about

- firm strategy, long term projects
- production
- marketing & sales
- HR



# SME Club

15,600 Members  
49 Global & Local  
Partners

A platform bridging SMEs and corporate firms at the point of purchase with remarkable discounts.

- Cost management support for SMEs and attractive discounts up to 50% from the most reputable companies
- An SME can save EUR15,000 average/year.
- Corporate firms get the advantage of selling to SMEs.
- Loyalty club for TEB SME clients
- 120\$ Yearly membership fee is an additional non-interest income source for TEB.



# SME Support Line

## Information Services

- Line for Legislation on Foreign Trade
- Line for Customs Legislation
- Line for EU Funds
- Line for Tax and Audit
- Line for Corporate Social Responsibility
- Line for Quality
- Line for Gold
- Line for Agriculture
- 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  
24/7 information and assistance services  
to TEB SME Clients

150-200 calls /month

## Assistance Services

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



Are They Replicable in Other Markets?



# TEB SME Academy

## Emerging Markets

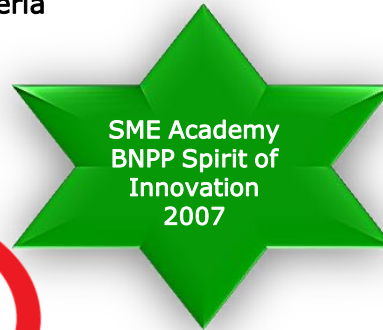


Egypt    Algeria

## Developed Markets



Italy    Belgium



SME Academy  
BNPP Spirit of  
Innovation  
2007

10 SME Academies took place in BNPP Algeria since 2007 with the participation of Ministry of Economy and 300 participants & 2 SME Academies took place in Egypt since 2011

PILOT STUDIES IN BELGIUM AND ITALY WILL BE LAUNCHED IN MID-YEAR



---

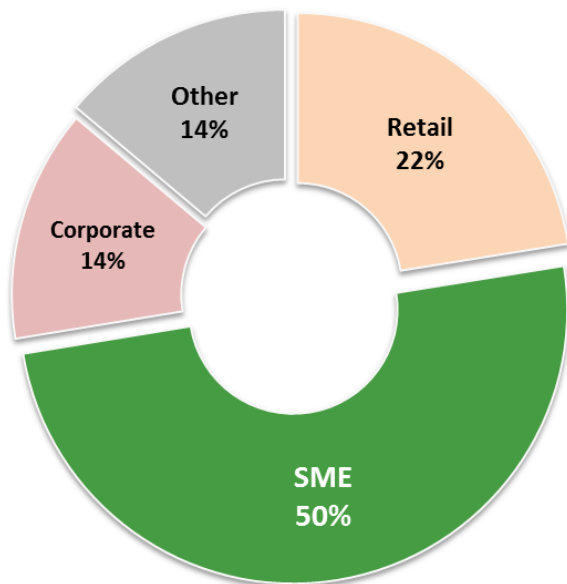
**How do non-financial  
services contribute to  
business results**





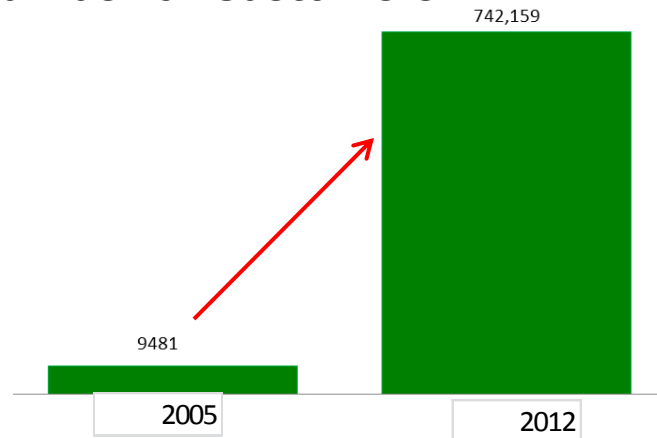
# TEB SME Banking *(as of 2012)*

## NET Banking Income

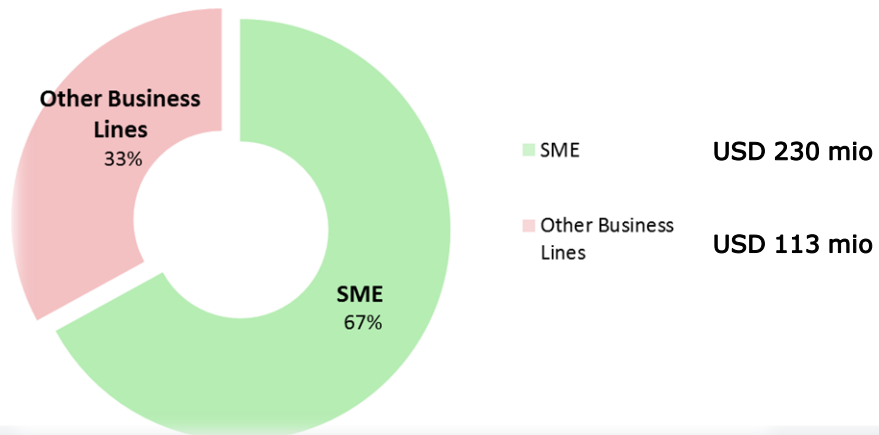


<span style="color: orange;">■</span> Retail	USD 285 mio
<span style="color: green;">■</span> SME	USD 634 mio
<span style="color: pink;">■</span> Corporate	USD 174 mio
<span style="color: grey;">■</span> Other	USD 176 mio

## Number of Customers



## Income before tax (after HOEA)



# IFC announces a Turkish bank as a “Success Story” for the first time...



IFC has adopted TEB as a success story for both bank and clients while studying over the non-financial services provided to SME clients.

- Developing an SME Banking Strategy & Value Proposition to SMEs
- Designing and Rolling Out New Non-Financial Services (TEB SME Academy, TEB SME Consultants etc)
- Measuring Return on Investment & Benefits to TEB and SME Clients
- Conclusion and Looking Ahead



**TEB**  
BNP PARIBAS JOINT VENTURE

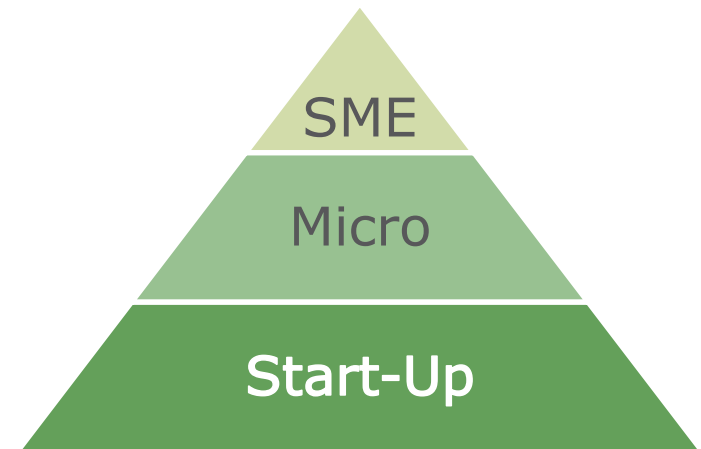
# New Ideas?

## Entrepreneurship Banking



# The Market?

Size	Number of Establishment		*Capital Need (USD)	Total Capital Need USD(mio)
Micro	120.000	94%	60.000	7.000
Small	6.950	5%	300.000	2.000
Medium and Big	1.050	1%	1.200.000	1.200
	128.000			10.200



Objective

The pioneer bank of Start-Up Business Banking

The first bank after the government institutions supporting entrepreneurship and technology



# Target Group

## First

- \* University graduates
- \* Projects with high-value added potential
- \* Franchise entrepreneurs who want to get high brand value company

### Prioritization

- Technoentrepreneurs
- Projects which have received grants from the state
- Entrepreneurs having projects on Energy Efficiency and/or environment
- Women Entrepreneurs

## Second

- \* The entrepreneurs who want to establish (grocery, green grocer or restaurants etc.)
- \* The entrepreneurs who have no business idea or high value-added projects



# The Offer



## TEB Entrepreneurship Banking

### Financial Service Package

#### TEB Start-Up Center

- Incubation Centre
- Business Management Consulting
- Start-Up Trainings

#### University

- METU
- Özyeğin Hacettepe

#### TEB Branches

Micro Business Consultants

#### Regional

Start-Up Trainings

### Non Financial Services





# Thank You

**Turgut BOZ**  
Group Head of TEB SME Banking  
+902166352232  
turgut.boz@teb.com.tr

## For more information

**Devrim Z.Tavil**  
TEB SME Banking Segment Management &  
Business Development Director  
+902166352241  
devrim.tavil@teb.com.tr

**Simla Unal**  
TEB SME Banking Synergy & Business Development  
Senior Manager  
+902166352245  
simla.unal@teb.com.tr



**TEB**  
BNP PARIBAS JOINT VENTURE