



Tekstilbank HQ, Istanbul

GSD Holding HQ, Istanbul

Investor Presentation

April 2012



GSD Holding Highlights



- A 25 years old financial holding company with core investments in:
 - **Banking**: one deposit accepting commercial bank and one investment bank with combined assets of TL 3.6 billion.
 - **Financial services** a factoring company ranked in the top ten for years and one of the fastest growing stock broking company in Turkey.
 - **Foreign trade** first independent foreign trade house in Turkey with an exports volume of US\$ 1,074 billion in 2011.
 - **Shipping** new entry into the dry bulk ship management, with a vision to own a fleet of 4 handy size vessels in the medium term.
- A healthy balance sheet
 - Well-capitalised: Businesses funded by high level of equity
 - High asset quality
 - Strong funding and retail deposit base.
- 1,100 employees on average.

	2011
Total Assets*	3,796
Loans*	2,770
Deposits*	2,445
Equity*	540,5
Net earnings*	26.3
By-pass exports**	1,074

* TL million **US\$ million

GSD Holding History



- The foundations of GSD Group were laid down by the establishment of GSD Foreign Trade in 1986 as the first independent trading house in Turkey. The company soon evolved into Turkey's one of the leading exporters.
- Encouraged by its achievements in foreign trade, GSD Group decided to invest in other areas of potential growth and the finance sector was identified as a key target. Eventually the Group became a predominantly financial services group, through its banks, its leasing, factoring and brokerage companies.
- In addition to by-pass exports services via GSD Foreign Trade, the GSD Group is currently active in most financial services: Banking with Tekstilbank and GSD Bank, domestic and international factoring with Tekstil Factoring, investment banking and capital market brokerage services with Tekstil Invest and is expected to be active in dry bulk shipping management with GSD Marin.

GSD Holding History



- A major change occurred in our portfolio in August 2011, when changing business circumstances led us reassess our investment portfolio. Diminishing returns drove us stop our leasing business and enter into dry bulk ship management business by converting our leasing subsidiary into a shipping company we called GSD Marin.
- Increasing competition from banks and government's abolishment of exceptional Value Added Tax (VAT) rates for leasing companies had made leasing transactions unprofitable for some time. In search of new value investments, the real estate sector seemed attractive at first, however a deeper analysis revealed that the real estate prices in Turkey were still expensive to produce a profitable business. We believe that the prevailing diminished economic activity resulting from the global economic crisis made shipping business quite attractive at this stage, given the significantly reduced vessel prices and historically low freight charges that are expected to pick up as the global growth resumes.

GSD Holding Vision



- GSD Holding is the controlling shareholder in all these companies and is responsible for establishing major operational guidelines and setting the standards for enterprise risk management and corporate governance.
- The GSD Group's growth strategy is based on providing financial and other support services to commercial activity, rather than competing in industrial production. It has adopted a prudent management approach, giving priority to growth by equity rather than through borrowing. On solo basis, GSD Holding's leverage is minimal since all investments were funded by equity. Therefore, sustainable profitability is the main pillar of the Group's investment strategy.
- GSD Holding attaches priority to specialization over total diversification, thus allowing resources to be channeled into the businesses where strategic strength and expertise can be offered.
- Since inception, GSD Holding had been fully observing the principles of corporate governance, transparency and good conduct of business. These aims were even better served by the GSD Holding's quoting its shares on the the Istanbul Stock Exchange (ISE) in 1999. Tekstilbank's and GSD Marin's shares are also traded on the ISE.
- Aware of its social responsibilities, the GSD Group is also active in philanthropic activities through the **GSD Educational Foundation**. It has built 3 primary schools across the country and donated them to the ministry of education. The foundation keeps supporting these schools.



As of 31 December 2011

(together with each subsidiary's equity and GSD Holding's total direct and indirect ownership)

BANKING	FINANCIAL SERVICES	SHIPPING	FOREIGN TRADE	OTHERS
Tekstilbank TL 522 m 76.5%	Tekstil Factoring TL34 m 89.1%	GSD Marin TL62m 54.5%	GSD Foreign Trade TL 18 m 100%	GSD Real Estate TL 0.03 m 100%
GSD Bank TL 75 m 100%	Tekstil Securities TL 16 m 76.5%			GSD Advert. & PR TL 0.2 m
				GSD Plan & Project TL 0.03m

GSD Holding

Shareholder's Structure



SHAREHOLDER NAME	OWNERSHIP (%)
Mr. Turgut Yılmaz	14,7 %
Delta Land Development	4,5 %
GSD Foreign Trade	4,5 %
GSD Marin	0,2 %
Free Float	76,1 %

GSD Foreign Trade

Precursor of the GSD Group

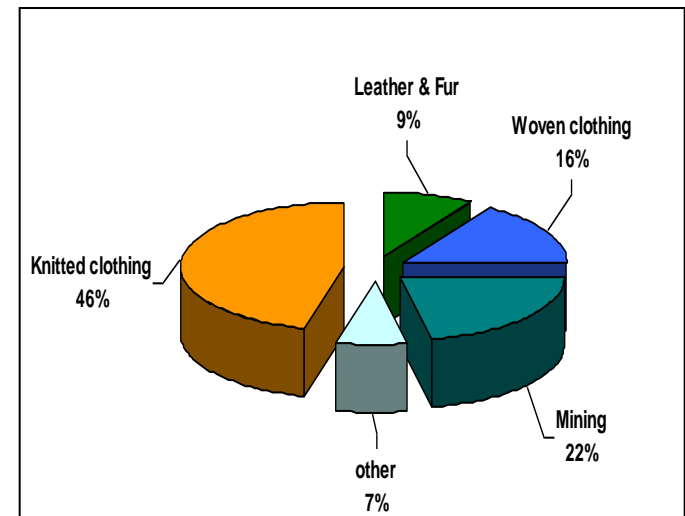
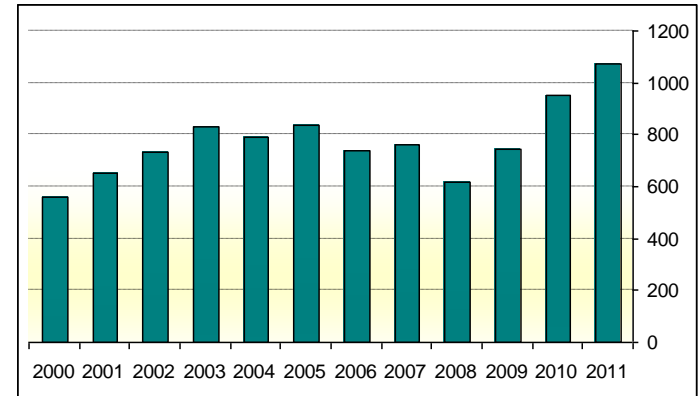


- Established in 1986 as the first specialized Turkish foreign trade company, ***GSD Foreign Trade*** set a unique model of business cooperation by combining the strengths and business volumes of individual ready-to-wear manufacturers and exporters to create economies of scale which would benefit all participants.
- GSD Foreign Trade itself is not engaged in manufacturing, however, it acts as an intermediary for exports on behalf of manufacturers.
- Its core activity is collection and payment of VAT to exporter customers in a prompt and efficient way. Due to its high volume, it is able to benefit from certain financial, commercial, and administrative advantages which it passes along to participating companies.
- Cooperating with GSD Holding's financial subsidiaries and affiliates, GSD Foreign Trade offers integrated foreign trade services to its customers encompassing a range of financial services as well. This is a major advantage over competitors.
- Most customers have been working for more than 10 years with GSD Foreign Trade. This close and reliable cooperation will serve to maintain GSD Foreign Trade's lead over the competition in the coming years.
- GSD Holding has a reputable place among textile exporters and manufacturers as a highly reliable, selective, and prudent strategic partner who enables them to excel in their endeavors.

Export Volume, destination and mix (2011)



- GSD Foreign Trade realized a combined exports volume of US\$ 17 billion in its 26 years of existence. The average volume for the last 10 years amounted to US\$ 807 million. (Above graph depicts exports volumes in US\$ million).
- GSD Foreign Trade's exports reached US\$ 1.073 billion in 2011, commanding an 0.8% share in Turkey's overall exports. GSD Foreign Trade ranked in the top 10 Turkish exporters many times since 1986.
- While GSD Foreign Trade exports to almost all parts of the world, the EU countries get the lion's share. In 2011, Germany was the largest export destination with a 18% share, while Britain and Spain followed with 16% and 15%, respectively.
- Mining products that were introduced to the export mix in 2009, boosted export volume considerably since then and reached 22% of overall exports by December 2011.
- In 2011, we broke the US\$ 1 billion treshold for the first time since inception.





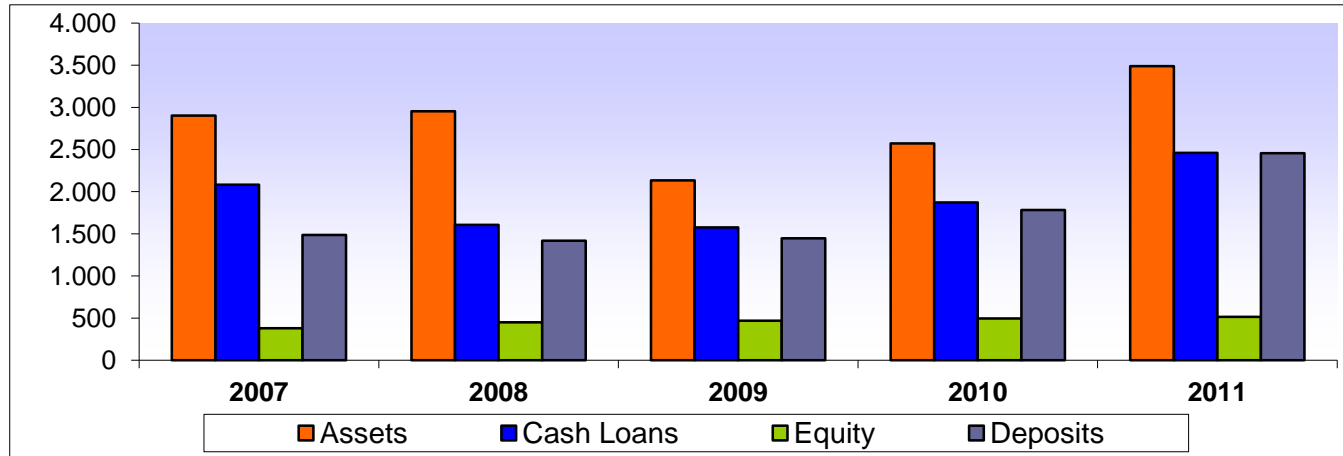
- Banking is our core business since banking assets and earnings generated from banking activities constitute 95% and 86% of GSD Holding's consolidated financial accounts, respectively, as of the end of 2011.
- The assets and loans size of our banking businesses is TL 3.6 billion and TL 2.6 billion, respectively for the same period.
- We conduct banking activities through **Tekstilbank**, a mid-sized commercial bank and **GSD Bank**, a small investment bank specialised in trade finance.
- Both banks have ample growth opportunities since they use little leverage and therefore have high capital adequacy ratios. (15,9% for Tekstilbank and 34.1% for GSD Bank in 2011)



- Founded in 1986, **Tekstilbank** is engaged in corporate, commercial, SME and retail banking activities, providing a wide range of financial products and services to its customers.
- GSD Holding is the majority shareholder with 76.5% stake directly and indirectly in total, while the remaining shares are publicly traded on the Istanbul Stock Exchange (ISE).
- As of the end of 2011, Tekstilbank's total assets, loans, deposits and equity stood at TL3.5 billion, TL 2.5billion TL 2.5 billion, and TL 515 million, respectively according to BRSA (Banking Regulation and Supervision Agency) unconsolidated financials.
- In November 2010, Fitch Ratings upgraded Tekstilbank's Long-Term Local Currency as well as Foreign Currency Issuer Default Ratings to "B+" from "B" and the National Long-Term Rating to "A-"(tur) from "BBB+"(tur). The Short-Term Local Currency and Foreign Currency Issuer Default Ratings was affirmed as "B", Individual Rating as "D", Support Rating as "5", "No Floor". The Outlook for the Long Term Ratings was Stable.
- Today, Tekstilbank operates through 44 branches as well as alternative delivery channels; internet banking, ATMs and call centre, providing continuous service to its customers.

Tekstilbank

Key Indicators (TL million)



	2007	2008	2009	2010	2011
Adjusted Net Interest Margin*	5.0%	5.3%	6.2%	4.5%	5.1%
ROAA	1.5%	0.4%	0.5%	0.6%	0.7%
ROAE	11.9%	3.0%	2.8%	2.9%	4,5%
Capital Adequacy Ratio	13.2%	17.9%	20.8%	19.4%	15,9%
Loans/Assets	72%	54%	72%	71%	71%
Deposits/Liabilities	51%	48%	68%	86%	83%
NPL/ Cash Loans	1.4%	3.3%	6.0%	4.9%	4,2%
Noncash/Cash Loans	66%	64%	49%	48%	50%

* Adjusted by fx and trading gains/losses

Banking

GSD Bank



	2007	2008	2009	2010	2011
Total Assets	161	76	103	105	149
Equity	59	59	67	71	75
Net earnings	8.2	9.3	2.7	4.7	4.1
Cash Loans	127	39	79	91	142
Capital Adequacy Ratio	30.6%	49.2%	42.8%	41.5%	34.1%

(TL, million)

- Established in 1998, *GSD Bank* is one of the most highly rated private sector investment banks in Turkey.
- As a non-deposit accepting bank, it maintains a high level of equity. With a capital adequacy ratio of 34.1 % in 2011 on solo basis, GSD Bank ranks among top Turkish banks with lowest leverage.
- As a result of its continued focus on placing commercial loans to institutions, the loan portfolio has always taken a major share in GSD Bank's assets, while revenues generated from those constituted the major income item for years. GSD Bank will continue to pursue growth by focusing on trade finance.



Factoring

Tekstil Factoring

	2007	2008	2009	2010	2011
Total Assets	106	34	159	125	182
Equity	21	27	32	30	33
Net earnings	5.9	5.2	5.2	4.8	4,0
Domestic Factoring turnover	490	416	466	593	750

(TL, million)

- Established in 1994 as the Group's factoring arm, Tekstil Factoring provided credit risk protection and short-term financing to a wide range of clients against their short-term domestic or foreign trade receivables.
- Tekstil Factoring has a stable place among the top ten factoring companies in Turkey in terms of business volume, service quality, number of customers, and product diversity.
- Tekstil Factoring stresses the service content of factoring by providing collection-only services to its clients in Turkey and abroad. In addition, Tekstil Factoring provides its export clients credit investigation services on their foreign customers to reduce their risks in foreign markets as well as to expand sales.
- The Company has been a member of the Brussels-based International Factors Group (IFG) since 1996. In addition, Tekstil Factoring works closely with members of Factors Chain International (FCI) via bilateral agreements.

Stock Broking Tekstil Invest



- Established in 1996 as one of the first brokerage houses in Istanbul, Tekstil Invest offers brokerage for securities, warrants and derivative markets. It also provides research, asset management and corporate finance services.
- Tekstil Invest commands market shares of 1.99% in the stock market on the ISE, as of December 2011. This places Tekstil Invest as the 18th largest brokerage house in terms of transaction volume in Turkey.
- Tekstil Invest manages 5 mutual funds with varying proportions of stocks and fixed instruments devised in accordance with risk preferences of clients. The NAV of funds under management amounted to TL 61 million as of 30 March 2012.
- Fully owned by Tekstilbank, Tekstil Invest efficiently makes use of Tekstilbank branches as brokers, with substantial marketing and sales capabilities. Tekstil Invest has 29 branches across Turkey.
- Trusted by over 20,000 clients globally, Tekstil Invest provides high quality investment advice and unmatched customer service to institutional and high net worth clients.

Shipping

GSD Marin



- Our most recent investment has been dry bulk ship management.
- We think the current lowered economic activity resulting from the global economic crisis took a heavy toll on shipping businesses as evident in significantly reduced vessel prices and historically low freight charges.
- We believe the circumstances present a unique investment opportunity in entering ship management business with a long term perspective. After all, the current downward trend should reverse as the global economic activity later picks up.
- We positioned ourselves in the dry bulk handy size ship management since it is more resilient to fluctuations stemming from business cycles.
- We recently signed the shipbuilding contract for two 39,000 DWT class bulk carriers with Hyundai Mipo Dockyard, our next target is to add two more to own a fleet of four in the midterm.



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