

Scaling Up Energy Efficiency: TSKB's Approach

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- TSKB at a Glance
- Turkey's Energy Efficiency Outlook
- TSKB Energy Efficiency and Renewable Energy
- TSKB's Sustainability Approach

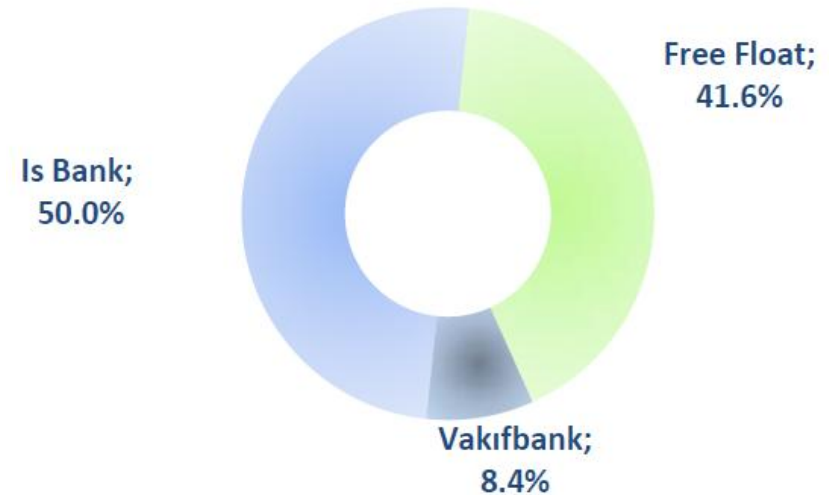


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TSKB at a Glance

- Established in **1950**, with the initiation of the World Bank and CBRT.
- Merged with SYB in 2002.
- Largest private investment and development bank in Turkey; in terms of asset size, **20th largest bank** in Turkey .
- 345 employees, 2 branches.



Financial Summary (USD mn - 31/12/2012)

Assets	5,820
Loans	3,900
Equity	993
Net Income	TRY 307 mn
Paid-in Capital	TRY 1,100 mn

TSKB Credit Ratings (Dec. 2012)

Fitch LTFC **BBB-**

Moody's LTIR **Baa3**

Corporate Governance Rating

SAHA **9.11/10.0**



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Energy Savings Potential in Turkey

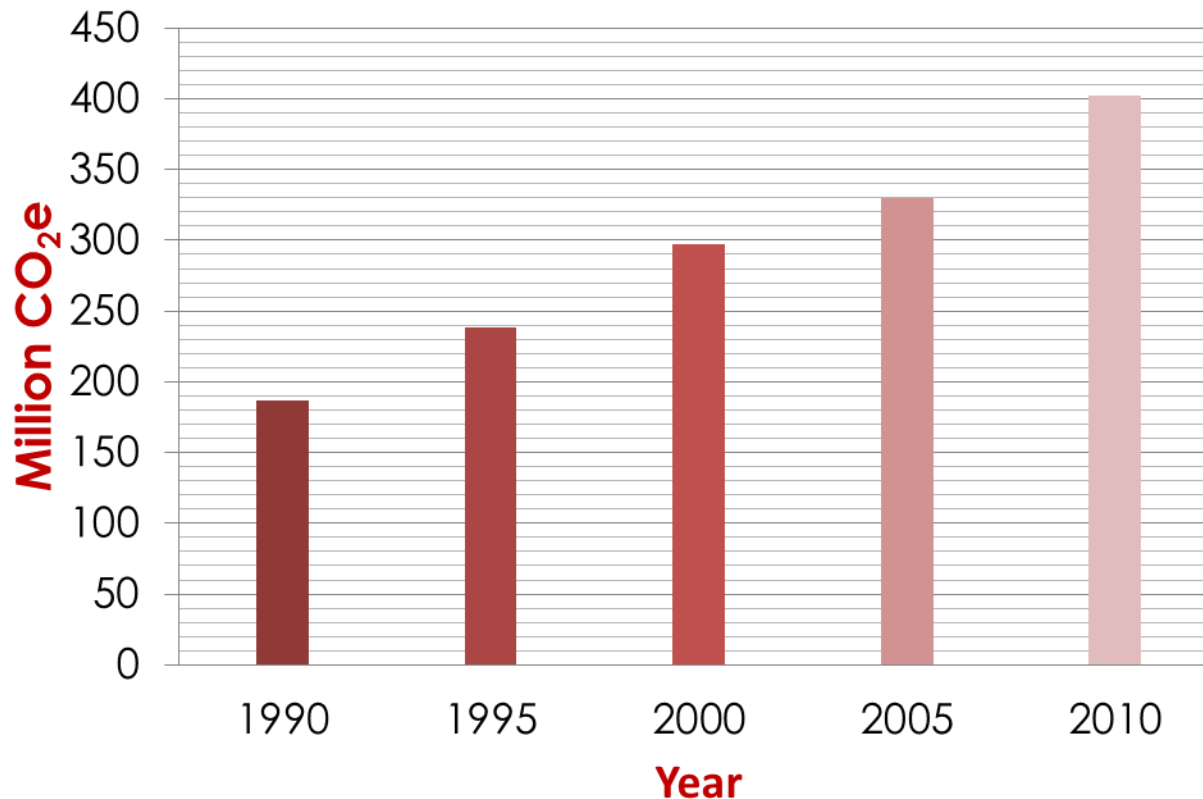
	Savings Potential(%)	
	Electricity	Fuel
Steel	21	19
Cement	25	29
Textile	57	30
Paper	22	21
Total Industry	25	
Housing Sector	29	46
Commercial+Public Buildings	29	20
Total Construction	30	
Total Industry+Buildings	27	

- Total Saving Potential: **15,152,000 TOE/year**

Source: Turkey- Tapping the Potential for Energy Savings, IBRD,2010



Turkey's Greenhouse Gas Emissions

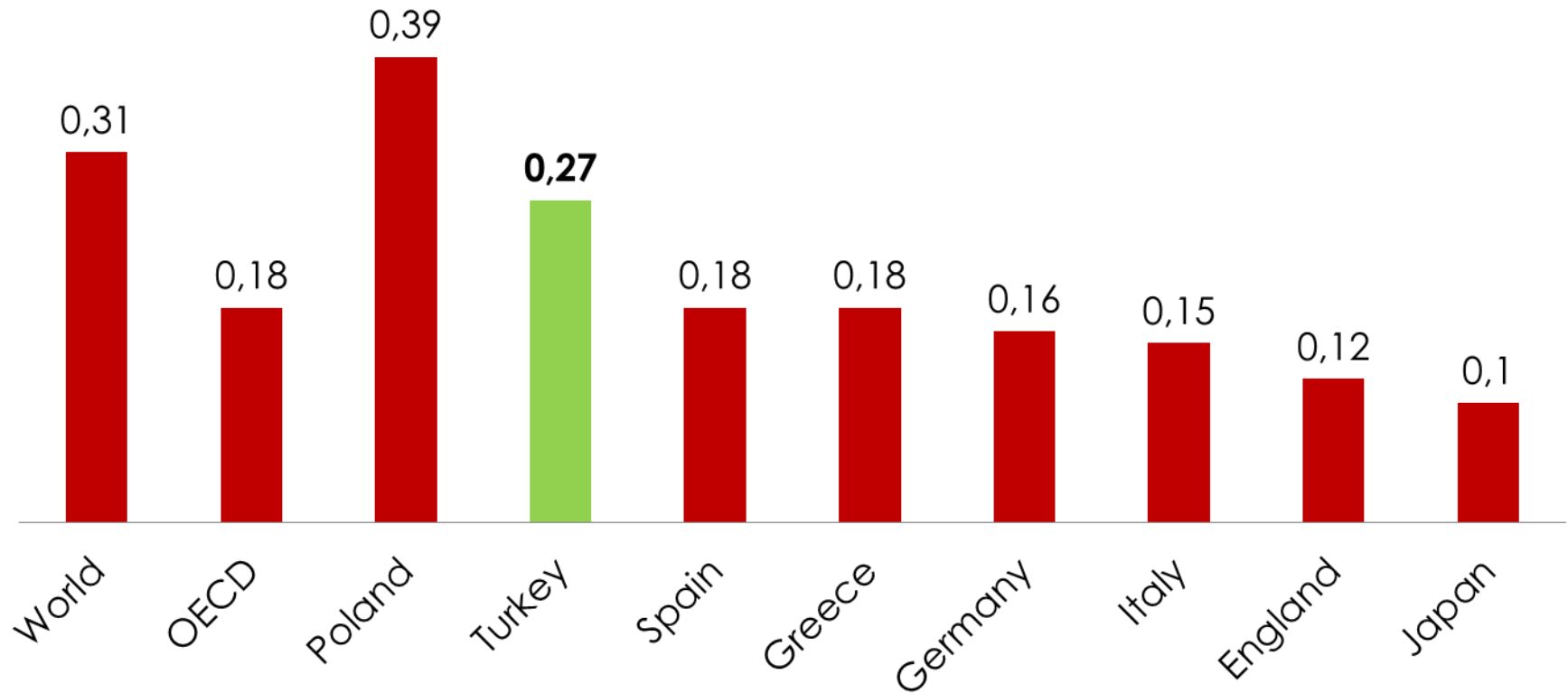


- Turkey's greenhouse gas emissions have gone up by **115% in the 1990-2010 period.**
- Energy production and consumption account for **71% of emissions.**



Turkey's Energy Intensity

Energy Intensity of Selected Countries (toe/000 2000 GDP in USD)



Source: IEA, 2009



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TSKB - Energy Efficiency and Renewable Energy

Loans by Sector

- TSKB finances renewable energy production and distribution.
- Energy efficiency investment are actively financed
- Renewable Energy and Energy Efficiency loans are **40.13%** of TSKB's Loan Portfolio.
- Energy Efficiency loans solely are **8.09%** of TSKB's Loan Portfolio.



World Bank



European Investment Bank



Council of European Development Bank



Kreditanstalt für Wiederaufbau (KfW)



Agence Française de Développement (AFD)



International Finance Corporation



European Bank
for Reconstruction and Development

European Bank of Reconstruction and Development



Islamic Development Bank



Renewable Energy Projects Financed by TSKB

98 Projects with total installed capacity of 3.495 MW were financed by TSKB

RE Financed Projects

80 Hydroelectric – Total 2957 MW

11 Wind – Total 401 MW

2 Geothermal – Total 58 MW

5 Others – Total 79 MW

- Renewable energy projects financed by TSKB make **17%** of Turkey's renewable energy based total installed capacity.
- TSKB evaluated approximately **270** renewable energy projects by this time.
- TSKB committed to finance approx. **1,9 billion USD** of the **6,3 billion USD** total investment cost for RE projects. Since 2003 total disbursement of TSKB for energy production sector is **1,7 billion USD**.
- Greenhouse gas emission of Turkey will be reduced **6 million tons** with realization of TSKB financed renewable energy projects.



TSKB Energy Efficiency Road Map

- **2009:** Energy Efficiency Implementation at TSKB
 - ✓ EE Marketing Collaboration: Checklist + Brochure + Company Visits + Project Development
 - ✓ Capacity Building in Engineering Department: Trainings + Site Visits in Germany (Engineering + Loans Department)
- **2009 Mayıs:** First EE Project approved by the Board
- **2010:** 1st EE Conference
- **2011:** Launching a web portal on Energy Efficiency
www.tskbenerjiverimliligi.com
- **2012:** 2nd EE Conference



TSKB Energy Efficiency Projects Criteria

- **Projects that fulfill the conditions of**
 - ✓ a) at least **20% reduction in energy consumption,**
 - or**
 - ✓ b) at least **50% of incremental benefits** from the project will come from **cost savings in energy consumption,**
- Projects that meet **all environmental laws and regulations,**
- Generation of a **financial rate of return of at least 8%.**



Energy Efficiency Projects Financed by TSKB

Btw. 06/2009-3/2013
56 projects (29 companies)
were financed

Sectoral Distribution of TSKB's EE Projects

Steel	10
Automotive	3
Plastics	3
Cement	4
Others (petrochem., paper, etc.)	9

- Total emission will be 1.086.983 ton CO₂ equivalent reduced by means of realized 56 projects listed,
- **8.09 %** of TSKB loan portfolio,
- **1.902.361.311 mega calories/year** energy will be saved. This amount corresponds to approx. **200.000 household heat energy consumption/year**. The total amount of committed disbursement amount is 341 million USD.



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Sustainability exists in our DNA

2005

- **Environment Management System (EMS)** was established.

2006

- **Environmental Policy** was publicly announced to all stakeholders.

2007

- TSKB's Environment Management System was awarded **ISO 14001** Certification.
- **www.cevreciyiz.com** launched.
- introduction of the **Environmental Risk Evaluation Tool (ERET)** as part of the Bank's project assessment model.

2008

- **"Sustainable Bank of the Year Award"** in the "Eastern Europe"

2009

- Joined **UNEP FI**
- Joined the **Global Reporting Initiative** as an organizational stakeholder.
- **"Sustainable Bank of the Year Award"** in the "Eastern Europe"

2010

- Participation to the **Carbon Disclosure Project**
- TSKB signed the **UN Global Compact**.
- **1st Sustainability Report**
- **"Sustainable Bank of the Year Award"** in the "Eastern Europe"

2011

- TSKB announced its support of the **Water Disclosure Project**.
- **2nd Sustainability Report**
- **"Sustainable Banking Awards"** -Short listed as one of the best three banks in "European Region"
- **2nd highest corporate governance rating** assigned under the First Corporate Governance Awards

2012

- First Turkish bank that acquired **ISO 14064 Greenhouse Gas Certification** successfully.
- **"Highest Corporate Governance Rating"** by Turkish Corporate Governance Association's
- **"Astrid Awards Bronz"**

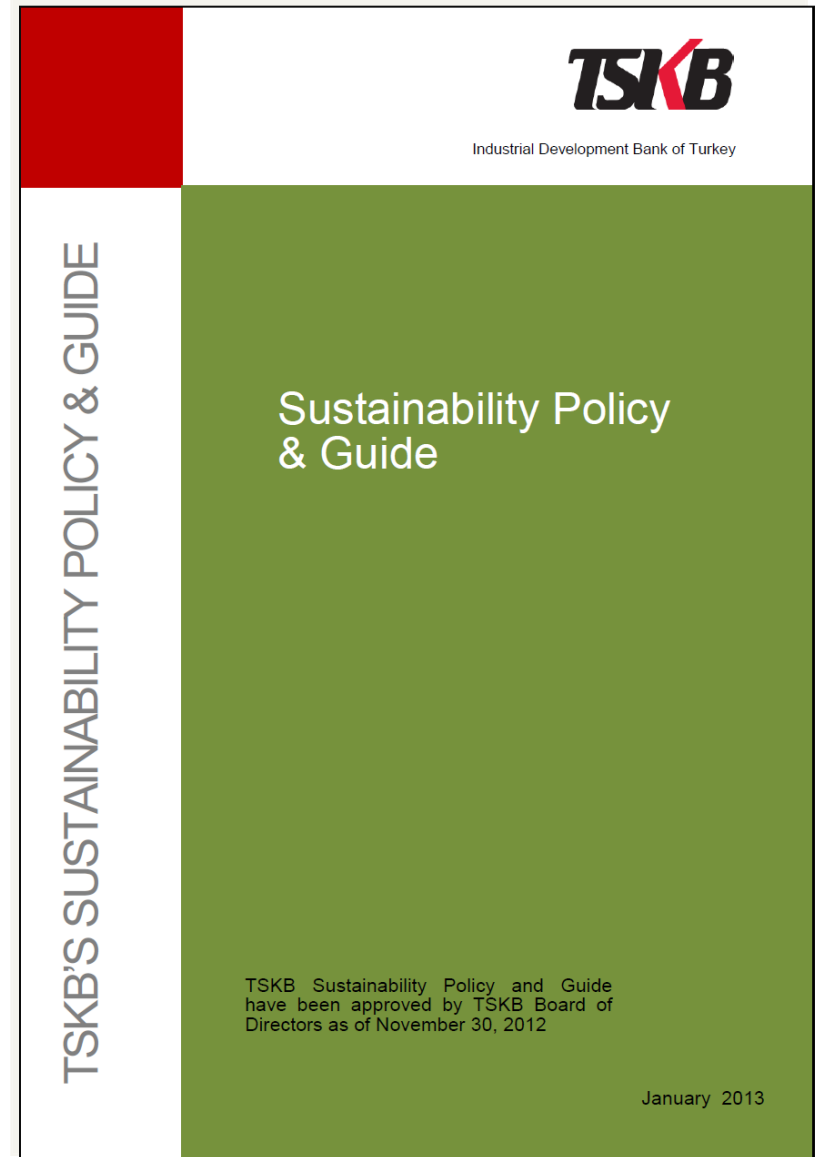


Sustainability Management System – ISO 14001 & ISO 14064

2012

TSKB Environmental Management System' **evolution** to Sustainability Management System:

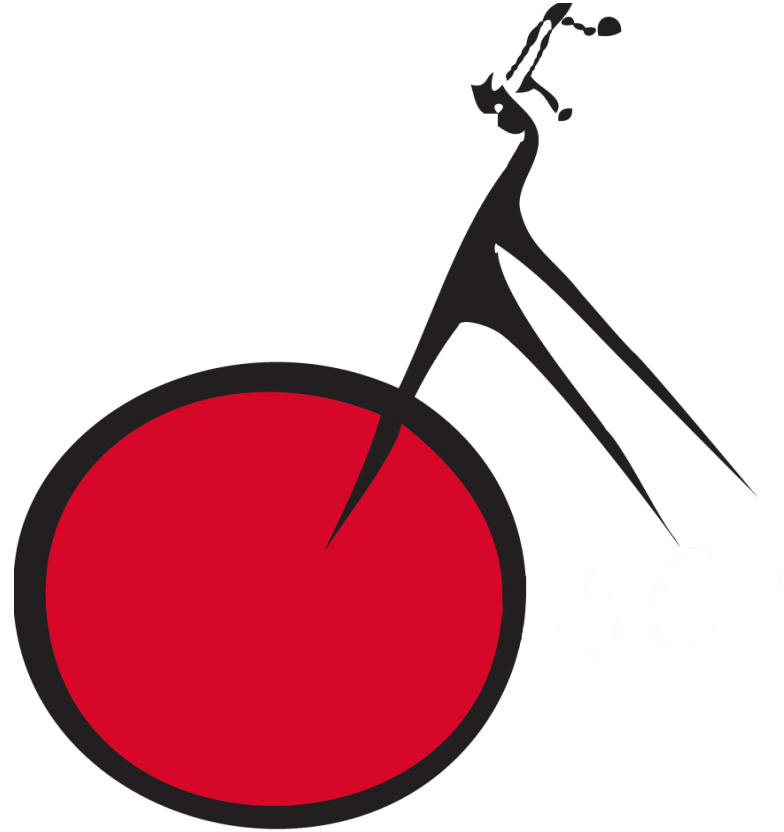
- TSKB **Sustainability Policy**
- TSKB **Sustainability Manual**
- TSKB **Environmental and Social Evaluation Tool** (ERET)
- **Exclusion List**



Thank
you...

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TSKB

Industrial Development Bank of Turkey