

EMRE TIMURKAN SPEECH TO TUYID – INVESTOR RELATIONS ASSOCIATION

ISTANBUL, TURKEY - 27 OCTOBER 2015

An honor to be here with you all today – so thank you for sparing the time to listen – and thank you Andreas for inviting me.

Introduction

This is not meant to be a how to guide but rather a series of observations of my own experiences.

- So Who am I ?

I am someone who graduated university 20 years ago, and have spent the last 2 decades working with international investors.

I've worked in Turkish institutions in the mid 90's selling products and services to international institutions.

Both of the banks I worked in during that time are no longer around. The polite word that is used for such events is 'consolidation.' I've also experienced consolidation in my own career, meaning I have the dubious honor of having actually being fired from a bank that went onto becoming bankrupt.

I've formed my own company selling services to Wall Street Banks during the height of the 2001 financial crisis. So I am living proof that there is no such concept of 'too small.' If I can service the needs of investors, big investors like Goldman Sachs, Citigroup, and Barclays Capital with a one man shop in the middle of a major financial crisis, then all of you with balance sheets and hundreds or thousands of employees can do it too.

I worked for the biggest bank in the world. Citigroup hired me full time from my one man shop and asked me to run their business in Turkey, Central Asia and the Caucasus, which I did for a lot of the last decade.

I've set up and ran a full service commercial bank in Azerbaijan for two years as Chairman and CEO.

Now for the last four years I've been running a multi-family office which carries my own name, working with high net with individuals, companies and large international institutions to serve their needs.

What does this mean?

It means I've experienced the full spectrum of experiences that dealing with international investors can bring.

I've gone through periods where I've earned so little money that I had to live with my parents just to get by.

I've also earned very serious money which can be considered as an achievement.

I've taken the overnight train to Ankara, as well as driving there, having to leave leaving Istanbul at 2am so as not to have to pay for a hotel room.

I've travelled by private planes and limousine convoys. I've pitched on investor trips, literally shaking from fear. I've been pitched by companies who have at times done incredible things just to appear credible.

I've done deal road shows and non-deal road shows. Here is a little well known secret - there is no such thing as a non-deal road show.

I've travelled with Associates/Managers/Deputy CEOs/ CEOs/ Ministers and Prime Ministers.

I've seen deals fail and succeed.

I've seen luck used as a jargon as well as an excuse.

When I was working in a corporate looking to sell, nothing angered me as much as 'Market Conditions' being given as an excuse for a failure .

When I worked on Wall Street I found great appreciation for the same excuse.

In short I feel I've seen and participated in enough to justify a hearing.

Emre's rules on Investor Relations

1. It's all about the relationship ... it's never about the money.

- Define your relationship and be very clear about it. Are you thinking 'this idiot bought my shares or bonds and now it's his problem 'or are you thinking 'how can I get him to buy more'

Have a connection. We as humans are hard wired for connectivity. Find a common point. When I was starting out in my career, the mere fact that I went to university in the US and that I spoke English was enough to start connecting.

It could be common hobbies, or family or pets. I am not suggesting you date the person as that never works out well. But find a way to connect. There's always a way.

The upside to this is a good relationship leads to a good response and the opposite holds the same truth.

It also leads to avoiding uncomfortable situations, like when in 1996 when a World Bank Mission arrived in a Post Soviet Country during the midst of a financial crisis. The Central Bank Governor and Finance Minister greeted the delegation with Beluga Caviar and Champagne leading the mission head who is

currently the Governor of the Central Bank of Mexico to say 'I thought you guys said there was a financial crisis'

Define the relationship.

2. Believe what you say

- If you think your company is great say it. Say it until people are bored of hearing and try to avoid you. Share the good news. New management line boom - tell everyone. If your institution is given a credible award or beats earnings estimates – shout from the rooftops. Belief shines through under any condition.

If you think your company sucks - and you may - try to see if it's transient. If you feel it is permanent, its time for some serious soul searching. Your position is untenable and unsustainable.

3. Own It!

-Own your successes.

-Own your failures.

There is nothing more off-putting, more discouraging than those who feel and act if successes are theirs and failures are bad luck

Who here like surprises? Put your hand up if you like surprises?

No. You like surprises only if they are the type you want.

Life doesn't only give you those selectively. When I was at Citi, I had the CEO of a bank come in after we had lent them money to tell me that their share holding structure was not quite the way it had been reported. A corporation which had previously been declared was not really a 56% shareholder and that it was the actually daughter of the President of the country. You can imagine the flurry of problems internally following such a declaration and when I asked the CEO privately 'how could this be? What happened' he answered "I don't know.'

You have to own it, and by it I mean everything.

4. Never ever lie knowingly ...

-It will come out.

-You will lose your most important asset! Your credibility

Ladies and Gentleman have no doubt that credibility is your number one asset. Everything else is secondary.

It's never the original act that gets you in trouble, it's what you say or do to cover up that act that does .

One bank CEO came through London pitching his institution. It was a debut Eurobond, debut meaning first ever.

To sum up his presentation, he basically said the secret of success for his bank was due to his owner playing tennis with the President of his country twice a week. He even had photos to prove it. Two old fat men in white t-shirts and shorts holding tennis racquets on a court.

You know what? He raised the \$100mn he was looking for. The %10 coupon didn't hurt either. However honesty isn't the best option, it's the only option.

6. You are all effectively CEO's

-Play the part ... with pride and humility .

Your CEO cannot be everywhere. That's why he or she has you. You are a CEO by proxy.

I was once flying from London to Istanbul in the fall of 2008. I mean it's like the worst possible time. The markets are crashing. We are firing thousands of people. I am not sure if I am solvent or bankrupt. It's a rough time to say the least. A man sits next to me smiling from ear to ear. He is so happy its incredible. I could not stop myself asking him, 'Why are you so friggin happy?' He smiled and said 'I have the best job in the world.' I automatically think 'This bastard works at Goldman' so I asked, 'What do you do?' 'I am a courier' he said as he shipped his champagne. I thought I misheard him. A What? 'A courier, people actually pay me to travel all over the world to take make urgent deliveries. And if there are no seats in economy they pay for me to fly in business class. I have the best job in the world. I work for the best company in the world he said. Now that is a CEO in my eyes, and so are you all.

7. Constantly look to improve, individually and as a company

Learn market trends from your travels. See what others are doing, how they are presenting, what they are presenting.

Report back, share. Not just with people that are more senior but anyone and everyone that can benefit. Even if they don't ask for it.

Just back from a bank conference in NY, London, Moscow ?

Share everything, send countless emails. Official and unofficial.

Sure you may get snide remarks like 'good job if you can get it ' or 'it's not real work, it's just wining and dining'.

In fact nothing, nothing gets me fired up more than when someone who thinks they are technical dismiss this work as 'wining and dining.'

I've seen the fates of companies decided over a dinner table, I've witnessed defaults and restructurings decided at a luncheon.

I even witnessed the owner of a company who defaulted on its Eurobond before making the first coupon payment host a celebration dinner at Nobu but that's a different story all together.

8. Hit the road

Travel often. Travel everywhere. Travel when people don't expect you to travel. Don't just do victory laps and chest beating 'I am a superstar, look at me ' travel. Travel when people don't expect it. When the results are bad, when the economy is bad, when the story is bad. People recognize and value the effort in light of the vulnerability.

When the US Government capitalized the banking sector following the crash of 2008 during the subprime mortgage crisis, Citigroup received \$25bn. Like every other bank on the street it effectively became nationalized. It was awfully embarrassing situation. So I grabbed the head of the local Citibank office, Steve Bideshi and we visited the CEO's of all of our clients to talk them through our balance sheet, our problems and action plan. I believe it created a lot of goodwill too, as it was also a clear sign of respect and equality.

The funniest moment on that trip was following the presentation a CEO said 'Ok that's great, forget Citi you will be fine. What are you hearing about us?'

9. Trust in Credibility

- In doing the right thing.

- Despite anything !

10. Hold yourself up to a higher standard .

Don't just look at who you are today. Look at who you want to be. Live that you want to see. Seeing is not believing. The magic lies in - believing is seeing.

Believe and live. And enjoy the journey. It's exciting, it's wonderful and it's yours!

Observations: Hand out cards / to everyone go everywhere you are invited if time permits.