

**Credit Rating**

**Sub-Sovereign**

		Long-Term	Short-Term
International	Foreign currency	BB-	B
	Local currency	BB-	B
	Outlook	Stable	Stable
National	Local Rating	AA (Trk)	A-1+ (Trk)
	Outlook	Stable	Stable
Sponsored Support		I	
Stand-alone		A	
Sovereign*	Foreign currency	BB-	-
	Local currency	BB-	-
	Outlook	Stable	-

\*Assigned by Japan Credit Rating Agency, JCR on May 28, 2008

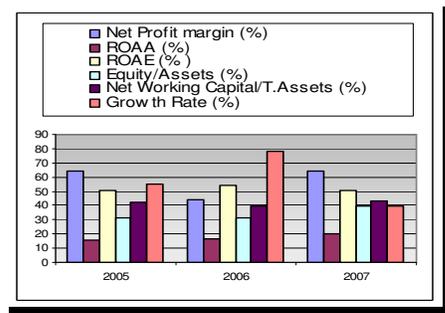
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TOKI - TOPLU KONUT İDARESİ			
Financial Data	2007*	2006*	2005*
Total Assets (mn USD)	12,260	7,267	4,272
Total Assets (mn TRY)	14,213	10,214	5,732
Equity (mn TRY)	5,599	3,154	1,812
Net income (mn TRY)	2,487	1,343	721
Net profit margin (%)	64.08	44.32	64.03
ROAA (%)	20.37	16.85	15.30
ROAE (%)	50.83	54.11	50.91
Equity/Assets (%)	39.39	30.88	31.61
Net Working Cap./Total Assets (%)	42.76	39.72	42.02
Growth Rate (%)	39.15	78.21	55.20

\*End of year

**Overview**

Housing Development Administration of Turkey (TOKI) was established under the ‘Mass Housing Law No. 2985’ in 1984; it is a self-governing state agency directly affiliated to the Turkish Prime Ministry.

The main objective of TOKI is to develop and construct social housing and other social facilities including hospitals and educational premises. In addition to this TOKI also provides housing loans to individual and housing developers. Transforming squatter areas, preserving and restoring historical and regional architecture are other authorized operating fields of the Administration. TOKI operates all over the country and is present in all provinces, even in regions which are not attractive to the private sector.

TOKI was authorized as the main institution to solve the acute housing problem faced by low and middle income groups within the country.

**Strengths**

- Self-governing and key state agency with superior legal authority to fulfill constitutional duties of the state
- Has the right to a share from the general budget besides its own budget
- High market share and major player in the overall Turkish macroeconomic scenario
- Has more than twice the amount of receivables as compared to its liquidity needs
- Has the authority to issue bonds underwritten by the government
- Has some important tax concessions
- Nearly 79 % of the liabilities constitute of accrued revenue and down payment of sales

**Constraints**

- Require increased funding sources at least till the end of year 2013 for completion of ongoing projects
- High number of lawsuits filed against the company
- Global stagnation in the construction sector
- Criticisms against the institution for being significantly active in construction instead of providing financing for construction
- Growth ratio is decreasing although still at acceptable levels
- Corporate governance area within the company needs to be strengthened
- Not utilizing any internationally recognized scoring system for selection of eligible contractor.

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**“Global Knowledge supported by Local Experience”**