LN 8242-TR  
TF 014580

Supplemental Letter No. 2(A)

**TÜRKİYE HALK BANKASI A.Ş.**

May 6, 2013

International Bank for Reconstruction  
and Development  
1818 H Street, N.W.  
Washington, D.C. 20433  
United States of America

Re: Loan No.8242-TR  
GEF Grant Agreement No. TF014580  
(Small and Medium Enterprises Energy Efficiency Project)  
Performance Monitoring Indicators

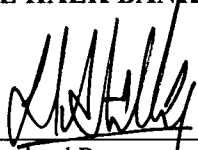
Dear Sirs and Mesdames:

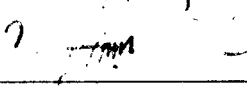
We refer to: (1) Section II.A of Schedule 2 to the Loan Agreement of even date herewith between the Türkiye Halk Bankasi A.Ş (the Borrower) and the International Bank for Reconstruction and Development (the Bank); and (2) Section II.A of Schedule 2 of the GEF Grant Agreement of even date herewith between the Türkiye Halk Bankasi A.Ş (the Recipient) and the Bank, acting as an Implementing Agency of the Global Environment Facility, all for the above-referenced Project.

We hereby confirm that the indicators set forth in the attachment to this letter shall serve as a basis for the Borrower/Recipient to monitor and evaluate the progress of the Project and the achievement of the objectives thereof.

Very truly yours,

**TÜRKİYE HALK BANKASI A.Ş.**

By:   
Authorized Representative

By:   
Authorized Representative

**Attachment to Supplemental Letter No. 2**

**Results Framework**

<b>Project Development Objective Indicators</b>											
Indicator Name	Core	Unit of Measure	Baseline	Cumulative Target Values					Frequency	Data Source/ Methodology	Responsibility for Data Collection
				YR1	YR2	YR3	YR4	YR5			
Estimated energy savings (from project investments)	<input checked="" type="checkbox"/>	GWh/Year	0	0	53	114.0	186.0	307.0	Semi-annual	Sub-Borrowers, Commissioning reports	Borrowers
Associated GHG reductions from project investments	<input type="checkbox"/>	Tons of CO <sub>2</sub> e/year	0	0	26.4	57.3	93.60	154.4	Semi-annual	Sub-Borrowers	Borrowers

<b>Intermediate Results Indicators</b>											
Indicator Name	Core	Unit of Measure	Baseline	Cumulative Target Values					Frequency	Data Source/ Methodology	Responsibility for Data Collection
				YR1	YR2	YR3	YR4	YR5			
Volume of bank funding: lines of credit - SME	<input type="checkbox"/>	Amount (USD million)	0	18.0	39.0	63.0	90.0	121.0	Semi-annual	Borrowers	Borrowers
Total value of EE investments	<input type="checkbox"/>	Amount (USD million)	0	34.9	75.7	123.7	204.1	292.6	semi-annual	Borrowers	Borrowers

Number of EE loans given	<input type="checkbox"/>	Number	0	30	65	105	150	200	Semi-annual	Borrowers	Borrowers
Number of loans given using alternative business models	<input type="checkbox"/>	Number	0	3	10	19	30	45	Semi-annual	Borrowers	Borrowers
No of active loan accounts - SME	<input checked="" type="checkbox"/>	Number	0	24	52	84	120	160	Semi-annual	Borrowers	Borrowers
Percentage of project-supported institutions that are reporting on this indicator	<input checked="" type="checkbox"/>	Percentage	0	100	100	100	100	100	Annual	Borrowers	Borrowers
Portfolio at Risk - SME	<input checked="" type="checkbox"/>	Percentage	0	0	0	1.0	2.0	2.0	semi-annual	Borrowers	Borrowers
Percentage of project-supported institutions that are reporting on this indicator	<input checked="" type="checkbox"/>	Percentage	0	100	100	100	100	100	Annual	Borrowers	Borrowers
Percentage of active loans to women-owned businesses	<input type="checkbox"/>	Percentage	0	15	20	25	25	25	Semi-annual	Borrowers	Borrowers
EE investments using the EE screening tool	<input type="checkbox"/>	Amount (USD million)	0	0	30	90	150	225	Midterm, at ICR Stage	Borrowers, Registered user survey	Borrowers, MENR GDRE

Policy and institutional amendments to improve EE programming	<input type="checkbox"/>	Text	n/a	n/a	Diagnostic assessment completed	Set of draft recommendations prepared	Final set of amendments submitted for approval/a doption	Final set of amendments submitted for approval/a doption	Semi-annual	MENR, GDRE, Consultant Reports	MENR, GDRE
Number of SMEs attending awareness raising activities	<input type="checkbox"/>	Number	0	600	1400	2400	3600	4000	Semi-annual	Borrowers, MENR GDRE, Consultant Reports	Borrowers, MENR GDRE

Notes: Estimated energy savings is currently not a Bank Core Indicator but has been proposed to OPCS as a core indicator for EE and is expected to be adopted shortly. Alternative business models would include energy efficient equipment leasing, ESCOs, and cash flow-based financing. Women-owned businesses would include all credit line sub-borrowers with at least 30% of the company shares owned by women.