



TEKSTİLBANK

Earnings Presentation
June 30, 2009 / BRSA Bank-Only

Cautious and conservative approach continues...

Focal points in 2009:

- Preserving capital
- Maintaining optimum liquidity
- Close cost monitoring and execution of structural cost reduction



Highlights of Q2 2009:

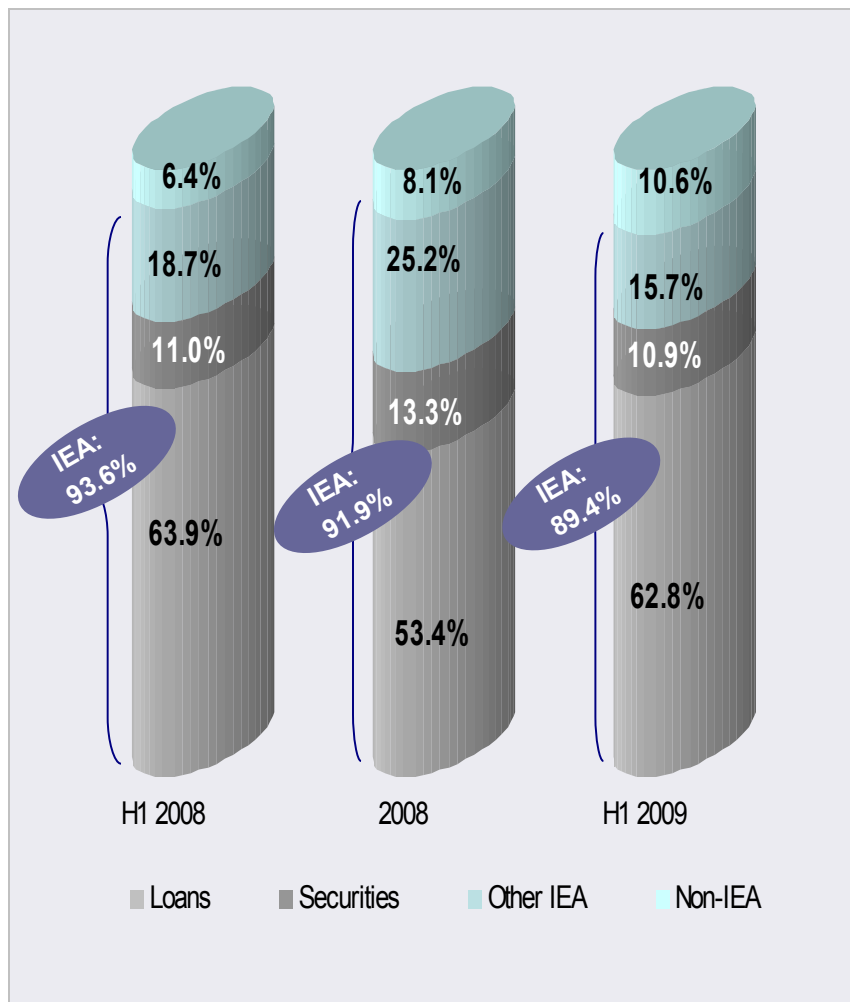
- Further shrinkage in the loanbook, accordingly, not an aggressive approach on the deposit side
- High capital adequacy
- Increase in NPLs mainly due to the shrinkage in the loanbook
- Margin improvement and trading gains due to further easing in interest rates on deposits
- Strict cost measures resulting into decline in operating expenses

Improved profitability in H109:

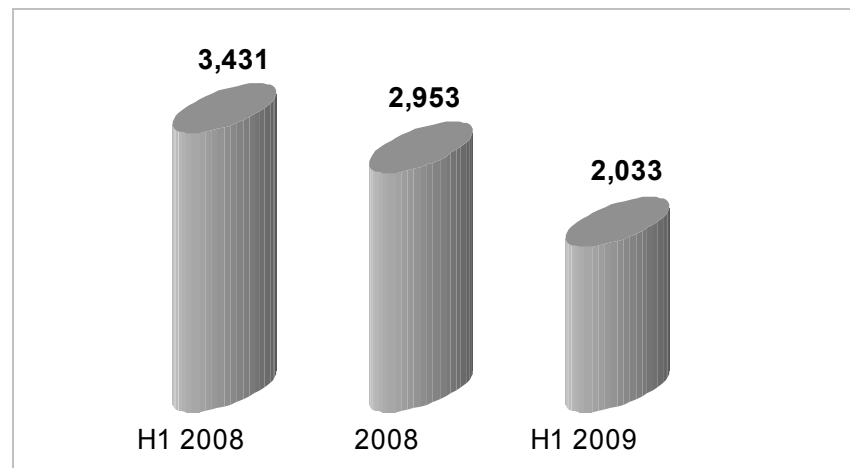
- **39% YoY increase in bank-only net income...**
- **225% YoY increase in consolidated net income...**

Declining portion of liquid assets to 15.7% mainly due to release of high cost funding...

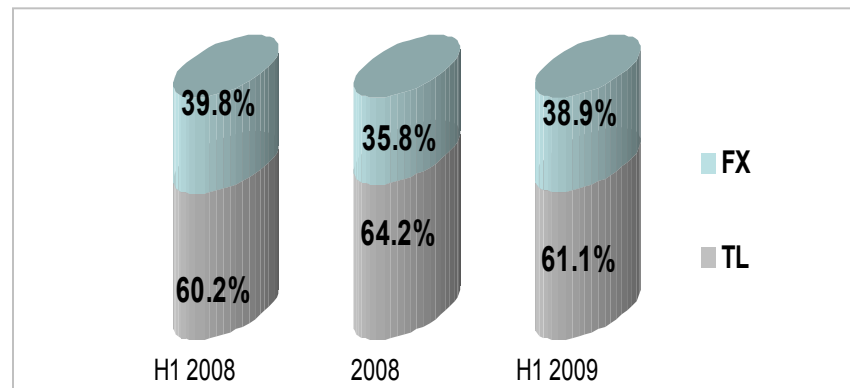
Composition of Assets



Total Assets (TRY mn)

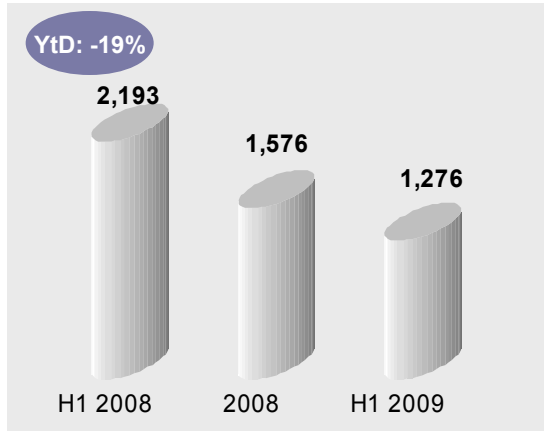


Currency Composition of Assets

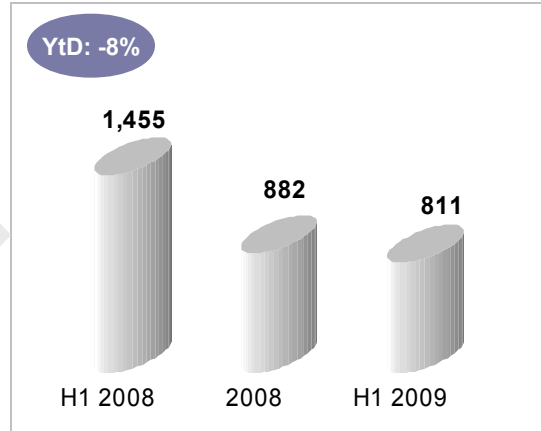


Shrinkage in the loanbook continued in Q209 due to selective lending strategy...

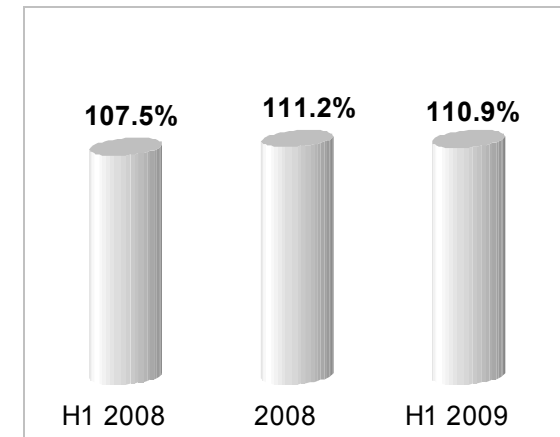
Total Cash Loans (TRY mn)



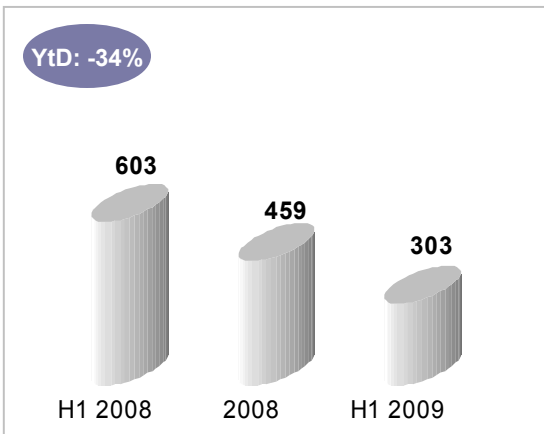
TL Cash Loans (TRY mn)



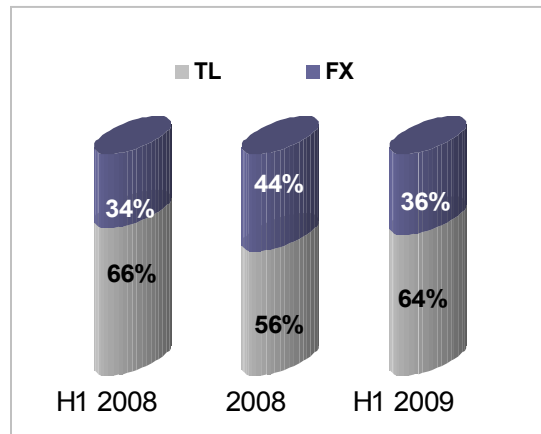
Loans / Customer Deposits



FX Cash Loans (US\$ mn)



Currency Breakdown of Cash Loans

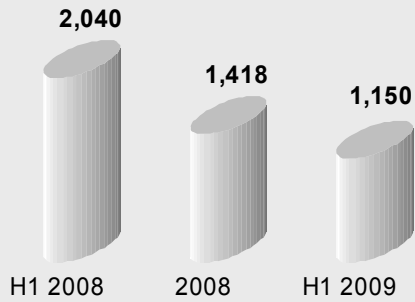


FX indexed cash loans are included in FX cash loans

Not an aggressive approach on the funding side in line with declining loan volumes...

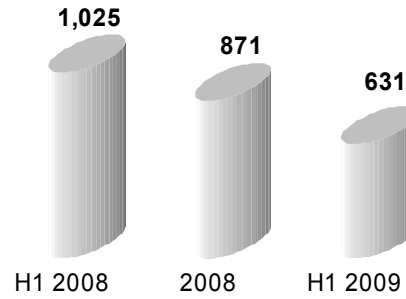
Total Deposits* (TRY mn)

YtD: -19%

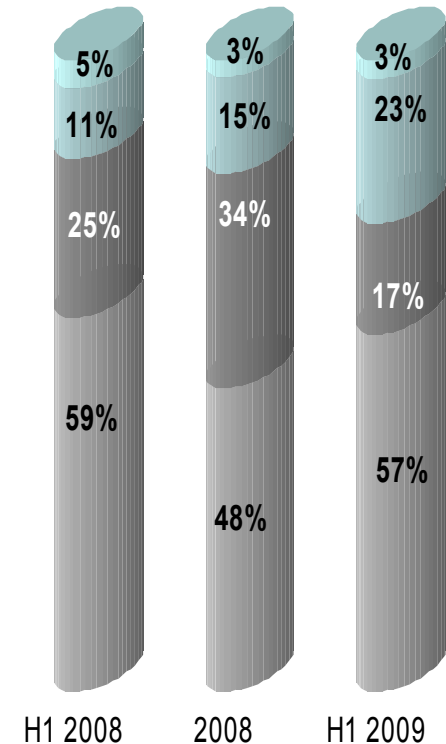


TL Deposits* (TRY mn)

YtD: -28%

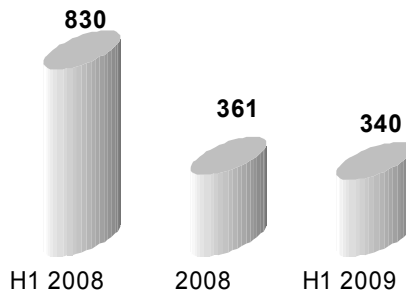


Composition of Liabilities & SHE

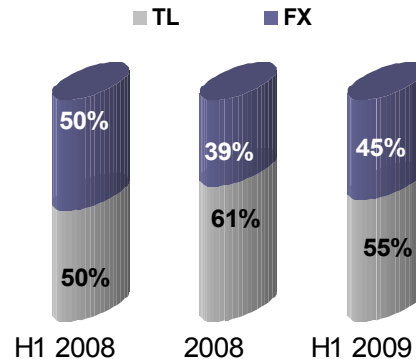


FX Deposits* (US\$ mn)

YtD: -6%



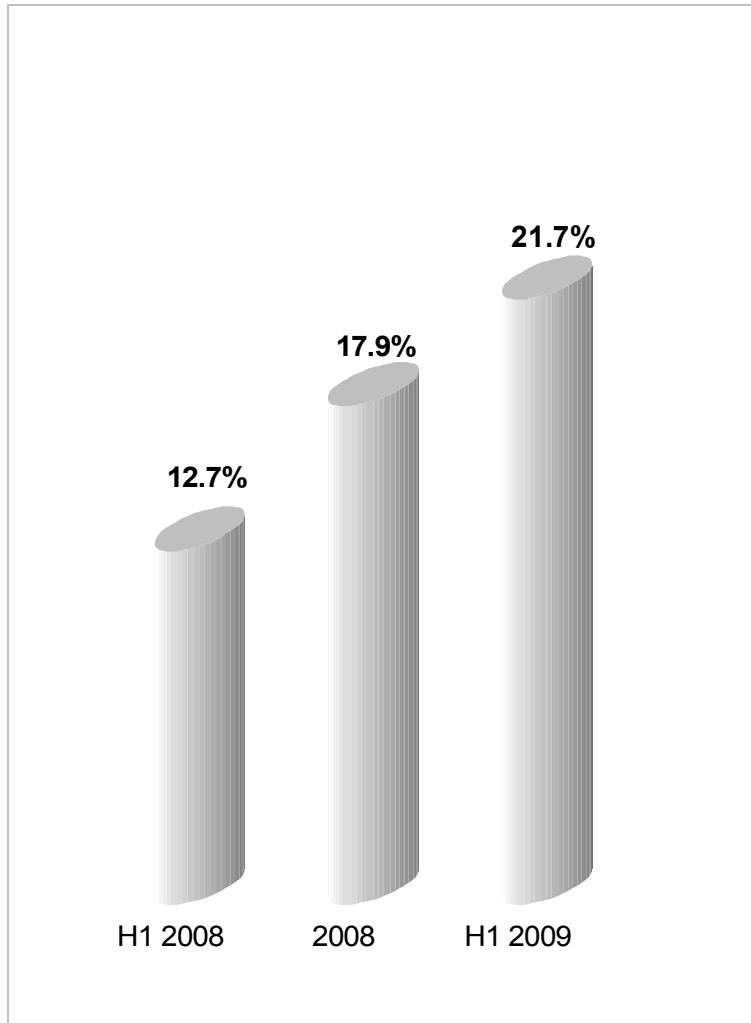
Currency Breakdown*



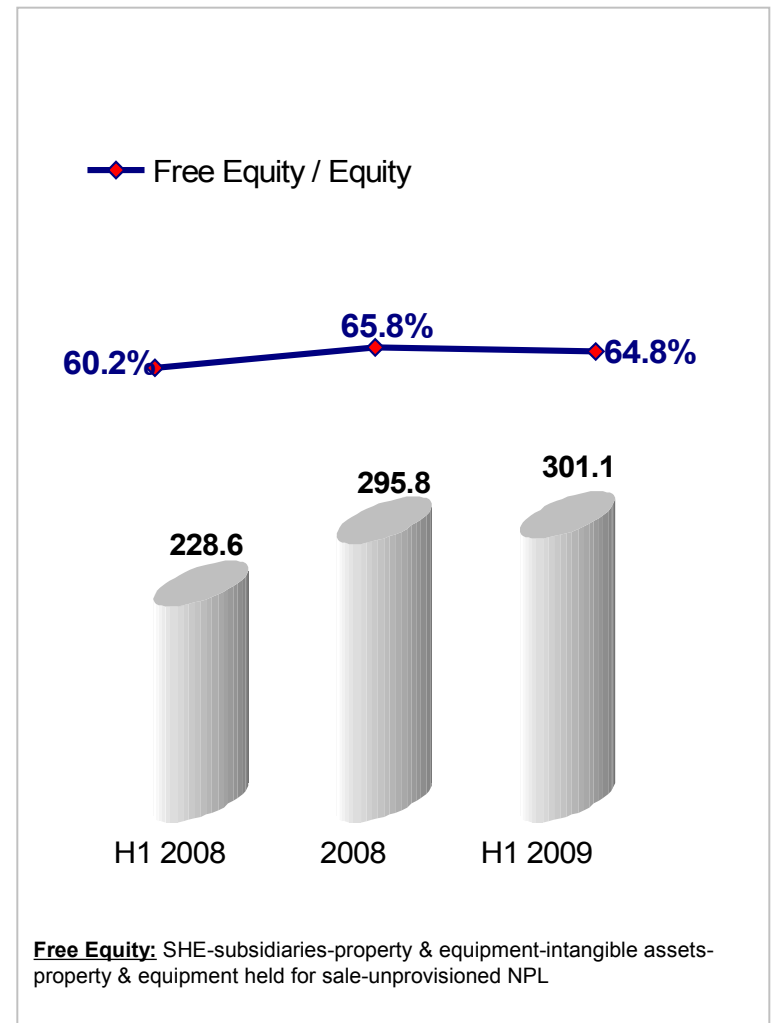
* Excluding bank deposits

Capital adequacy ratio reached 21.7%...

Capital Adequacy Ratio (CAR)



Free Equity (TRY mn)

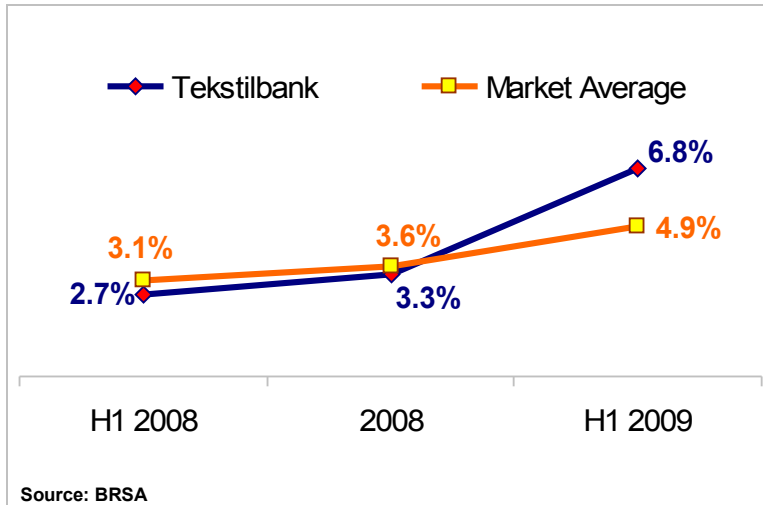


Free Equity: SHE-subsidaries-property & equipment-intangible assets-property & equipment held for sale-unprovisioned NPL

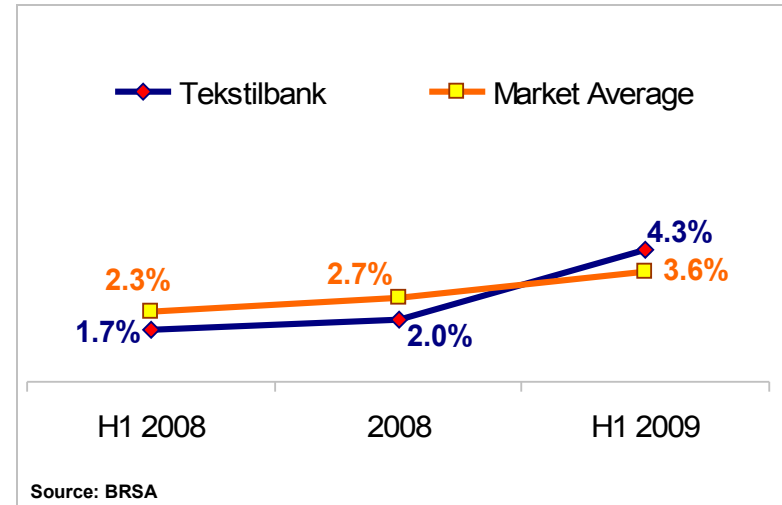
* Market average is as of February 2009

Increase in NPL ratio mainly due to the shrinkage in the loanbook...

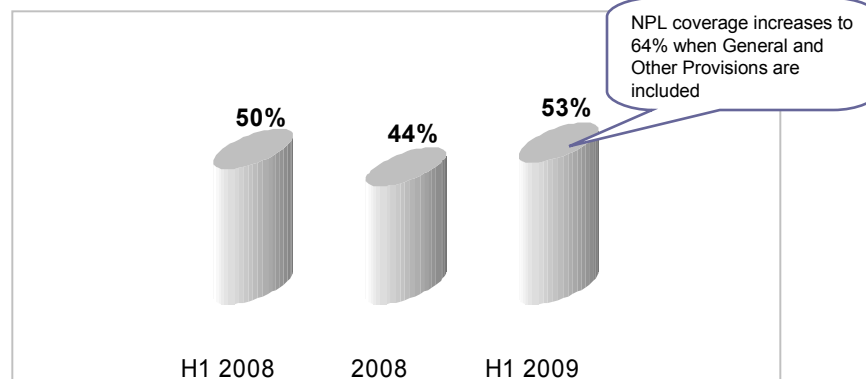
NPL Ratio



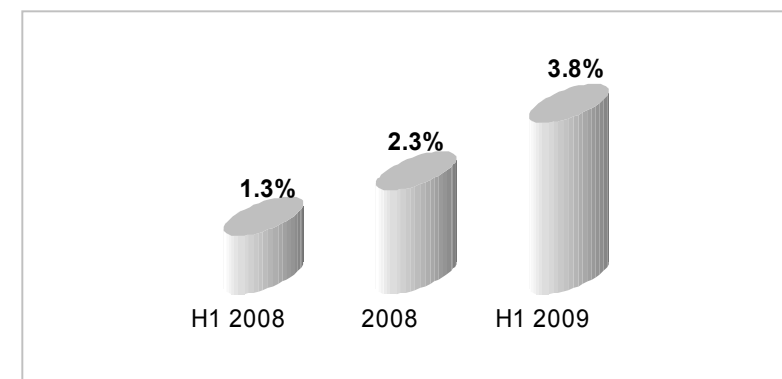
NPL Ratio (including non-cash loans)



NPL Coverage

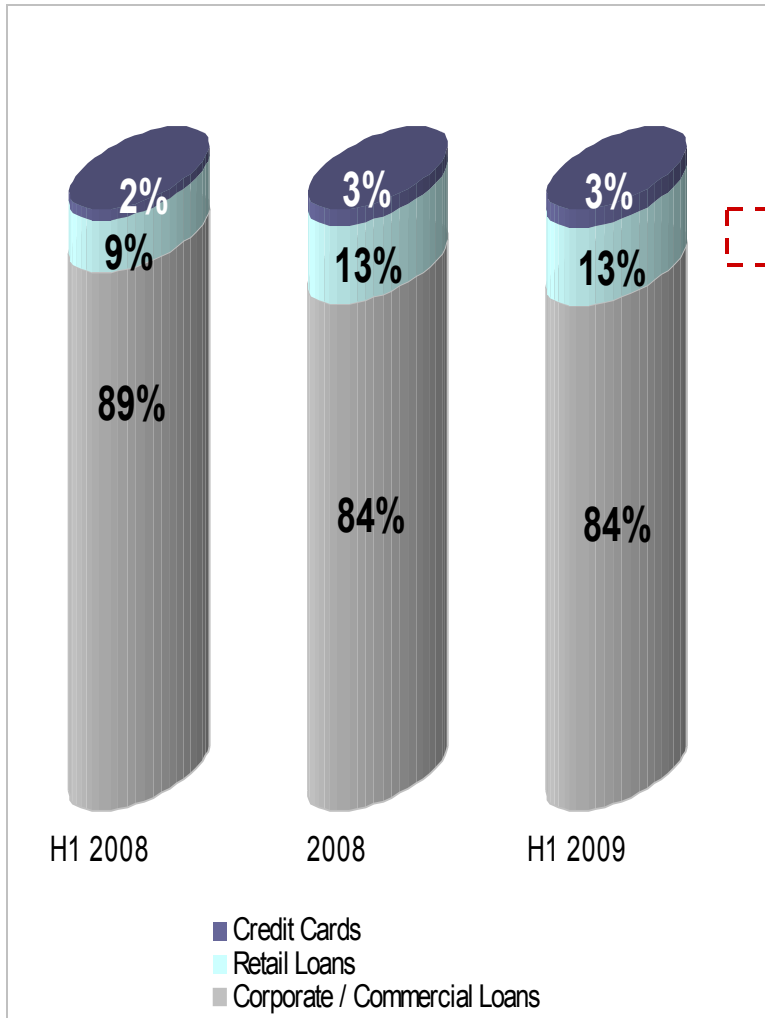


Cost of Risk

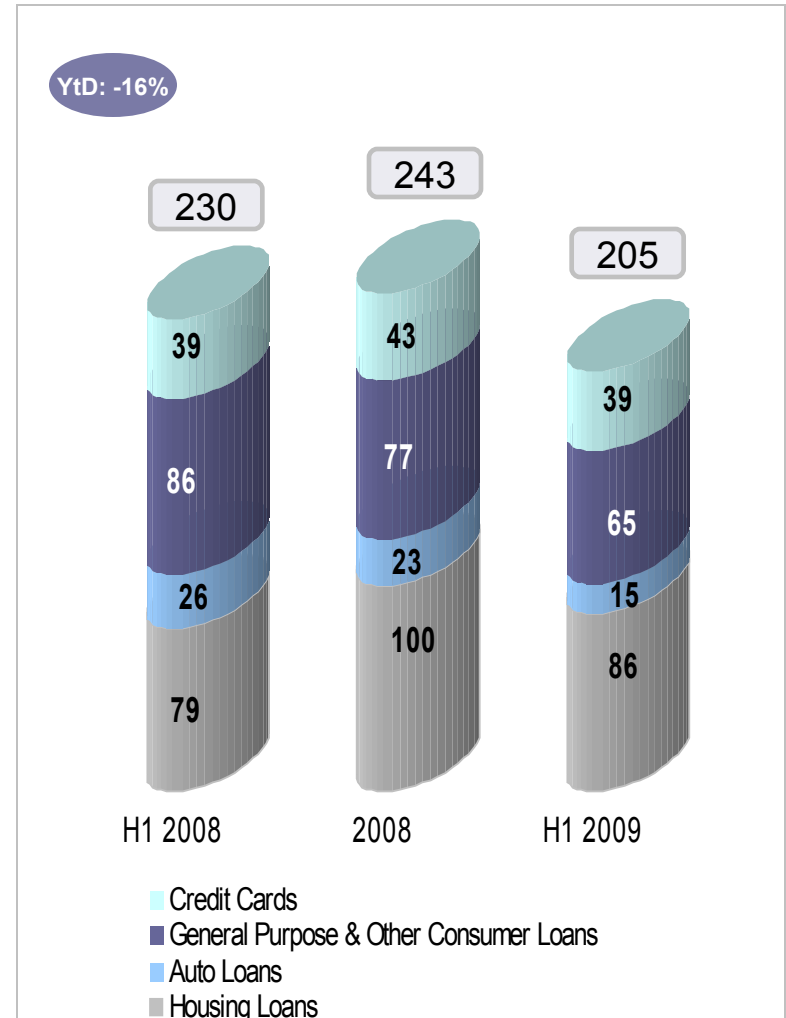


Retail banking...

Breakdown of Loan Portfolio



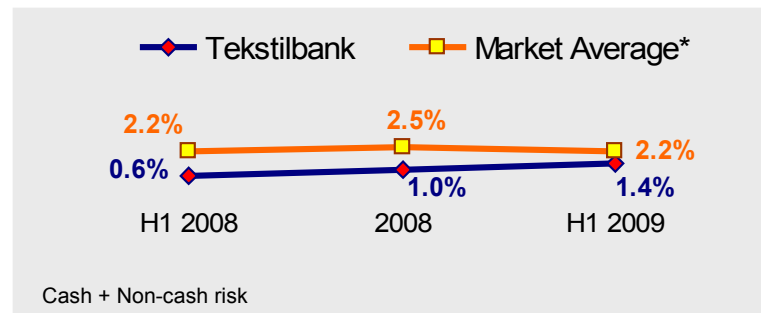
Breakdown of Retail Loans (TRY mn)



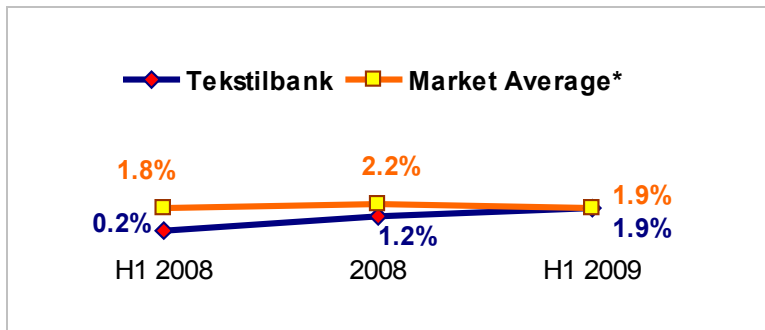
Clean balance sheet...

Related party exposure has been historically below market average...

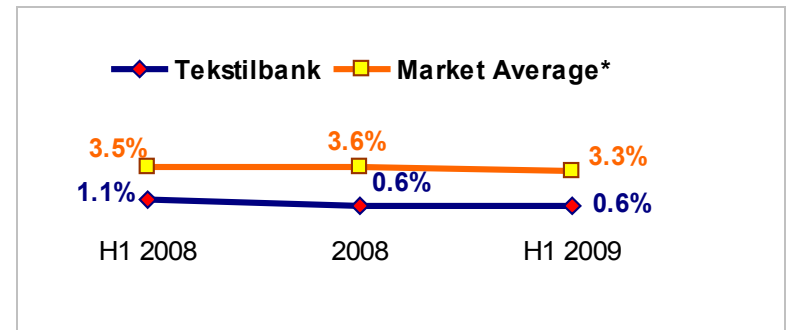
Group Total Risk / Total Risk



Group Cash Loans / Cash Loans



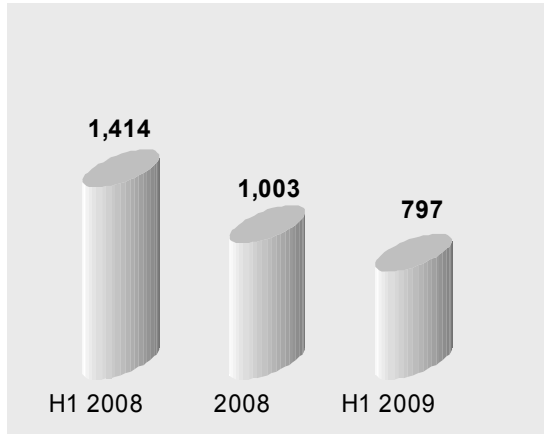
Group Non-Cash Loans / Non-Cash Loans



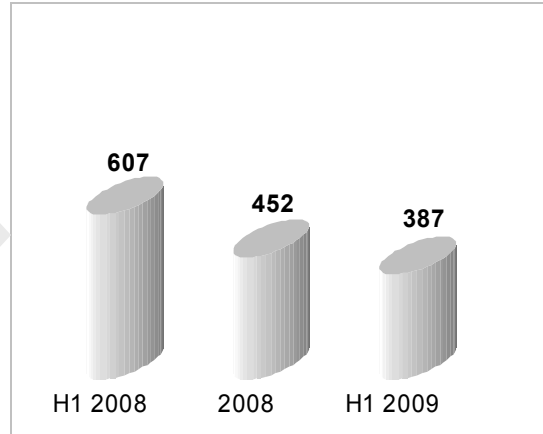
* Selected 21 banks' average (public banks are excluded) for March 2008, June 2009 figures for the market are not available yet

Decline in non-cash loans continued parallel to cash loans...

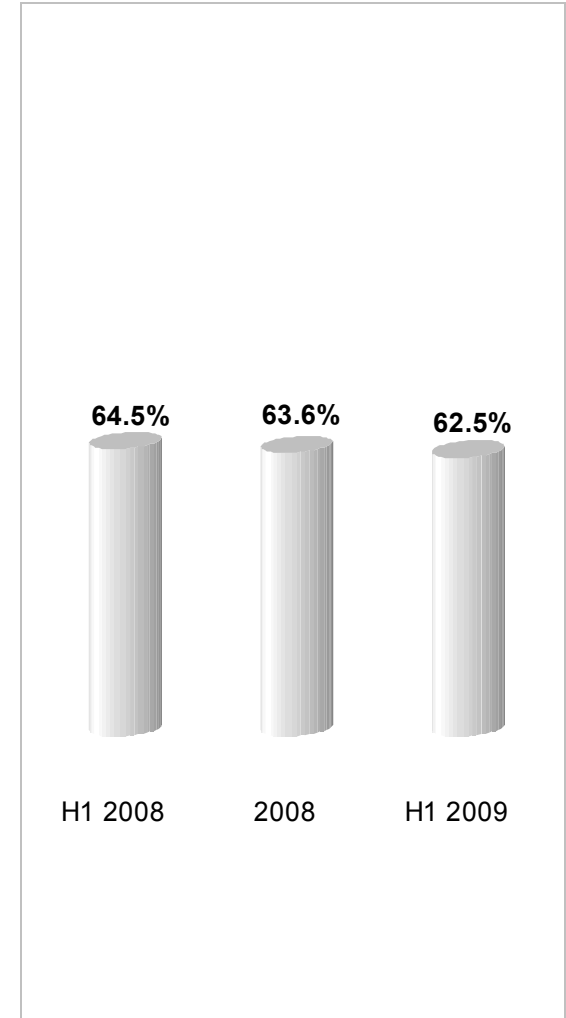
Total Non-Cash Loans (TRY mn)



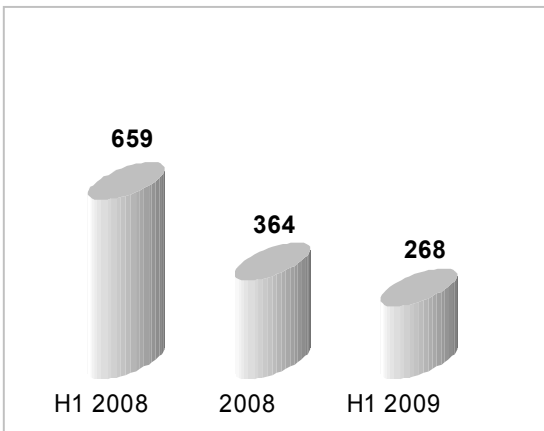
TL Non-Cash Loans (TRY mn)



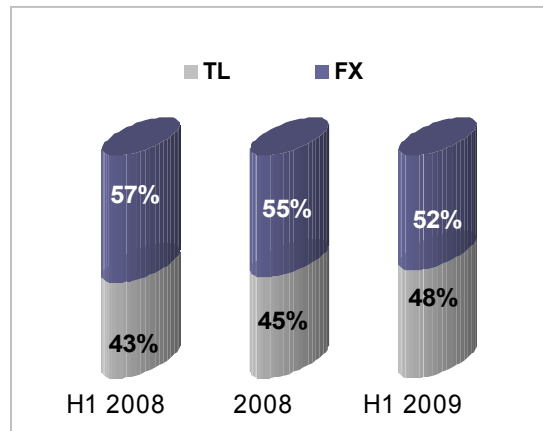
Non-Cash / Cash Loans



FX Non-Cash Loans (US\$ mn)

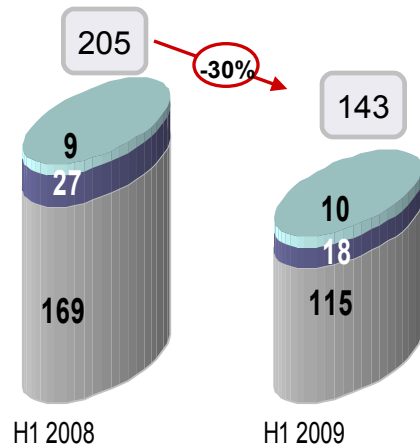


Currency Breakdown of Non-Cash Loans

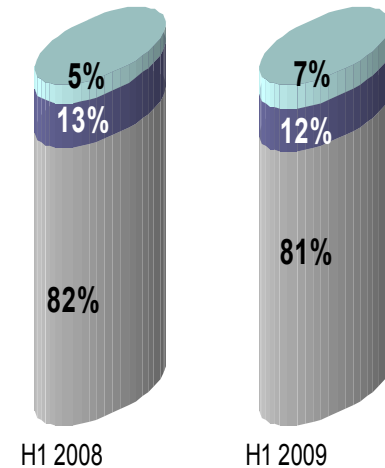


Interest Income & Expense...

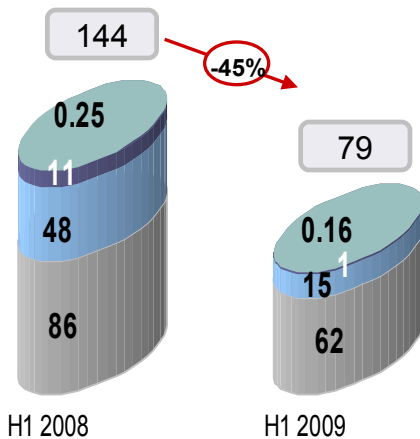
Interest Income (TRY mn)



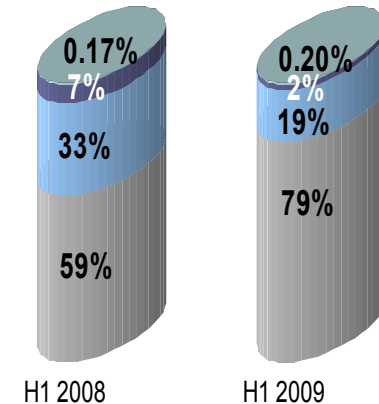
Composition of Interest Income



Interest Expense (TRY mn)

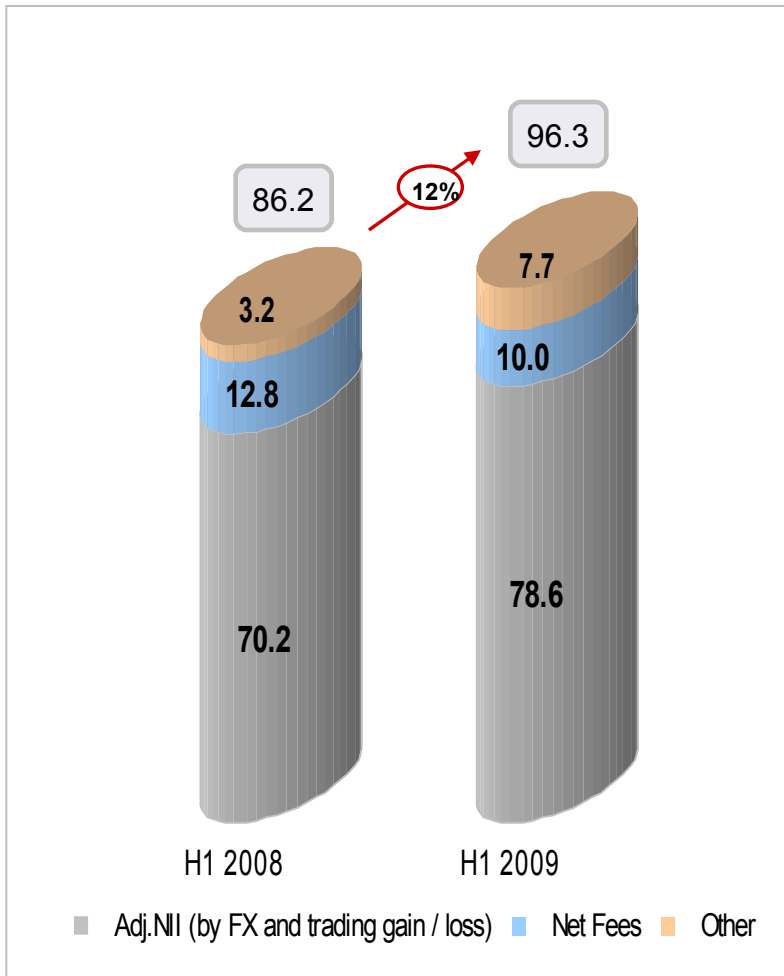


Composition of Interest Expense

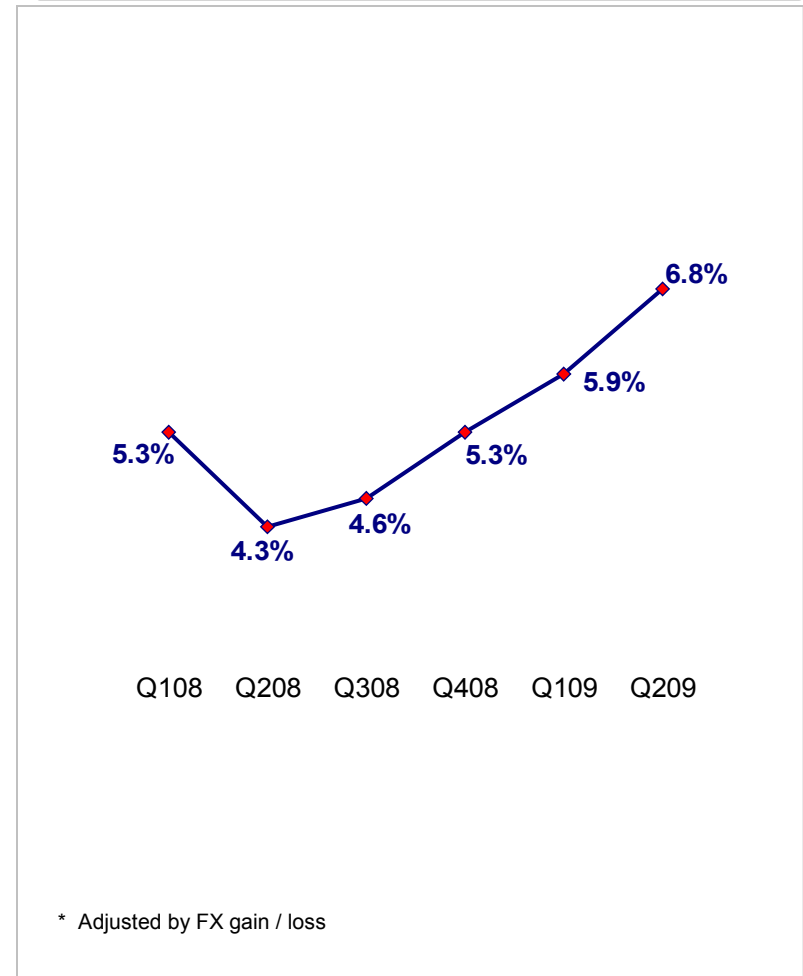


Margin improvement thanks to further decline in interest rates on deposits...

Banking Income (TRY mn)

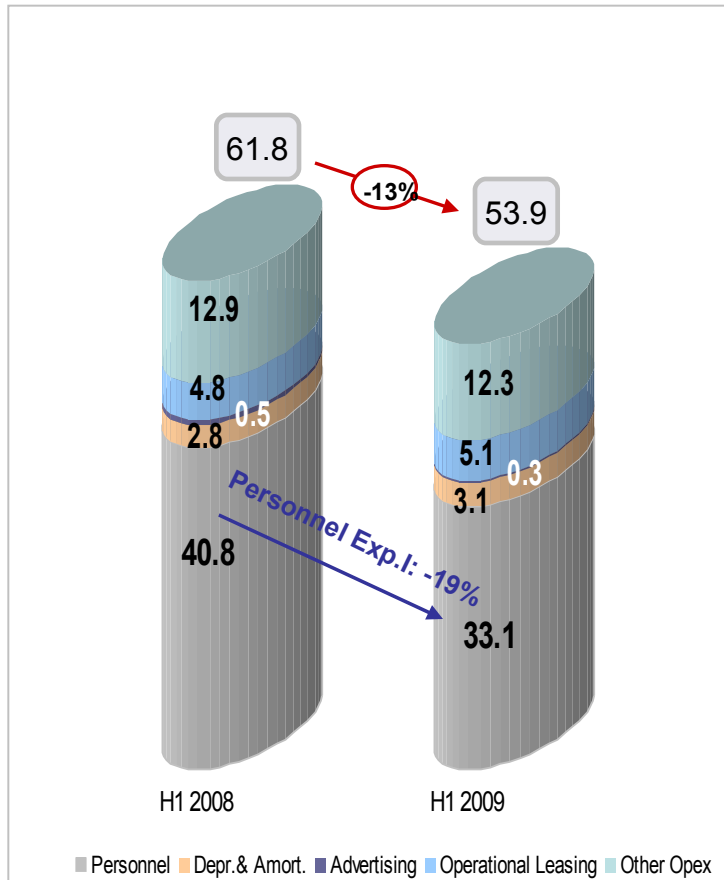


Adjusted Net Interest Margin*

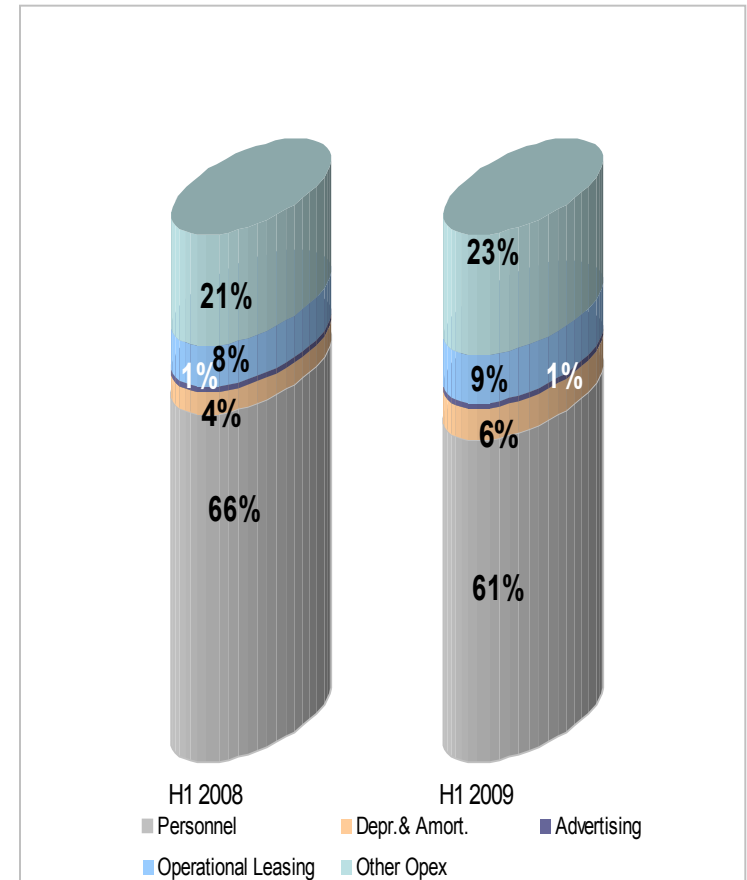


Strict cost measures started to pay off...

Operating Expenses (TRY mn)



Composition of Operating Expenses



Summary Balance Sheet...

TRY mn	H1 2008	2008	H1 2009
Cash & Banks	666	764	335
Total Securities	377	394	221
Total Cash Loans	2,193	1,576	1,276
Fixed Assets & Subsidiaries	121	124	119
Other	74	95	82
Total Assets	3,431	2,953	2,033
Deposits*	2,040	1,418	1,150
Interbank Money Market*	96	223	9
Borrowings	758	778	346
Other	157	84	64
SHE	380	450	464
Total Liabilities & SHE	3,431	2,953	2,033

* Bank deposits are included in Interbank & Money Market rather than Deposits

Summary Income Statement...

TRY mn	H1 2008	H1 2009
Interest Income	204.7	142.9
<i>Loans</i>	168.8	115.4
<i>Securities</i>	27.2	17.7
<i>Other</i>	8.7	9.8
Interest Expense	144.5	78.7
<i>Deposits</i>	85.6	62.2
<i>Funds Borrowed</i>	48.7	15.7
<i>Interbank & Other</i>	10.2	0.8
Net Interest Income	60.2	64.2
<i>Net FX Gain (Loss)*</i>	9.4	7.6
Adj. Net Interest Income	69.6	71.8
<i>Net Trading Income (Loss)*</i>	0.6	6.8
<i>Net Fees & Commissions</i>	12.8	10.0
<i>Other Operating Income</i>	3.2	7.7
Total Operating Income	86.2	96.3
<i>Provisions</i>	15.3	28.6
<i>Opex</i>	61.8	53.9
<i>Profit from Subsidiaries</i>	1.6	0.0
Profit Before Tax	10.7	13.8
<i>Tax</i>	2.4	2.3
Net Income	8.3	11.5

* Foreign exchange gain / loss resulted from derivatives are included in FX Gain (loss), not in Net Trading Income (Loss)

Summary Income Statement (Consolidated)...

TRY mn	H1 2008	H1 2009
Interest Income	212.0	144.7
<i>Loans</i>	176.1	117.0
<i>Securities</i>	27.2	18.0
<i>Other</i>	8.7	9.7
Interest Expense	151.7	80.4
<i>Deposits</i>	102.7	64.5
<i>Funds Borrowed</i>	38.9	15.1
<i>Interbank & Other</i>	10.1	0.8
Net Interest Income	60.3	64.3
<i>Net FX Gain (Loss)*</i>	6.8	7.3
Adj. Net Interest Income	67.1	71.6
<i>Net Trading Income (Loss)*</i>	1.6	8.6
<i>Net Fees & Commissions</i>	13.6	11.1
<i>Other Operating Income</i>	3.1	7.6
Total Operating Income	85.4	98.9
<i>Provisions</i>	15.3	28.6
<i>Opex</i>	64.0	55.9
Profit Before Tax	6.1	14.4
<i>Tax</i>	(2.4)	(2.3)
Net Income	3.7	12.1

* Foreign exchange gain / loss resulted from derivatives are included in FX Gain (loss), not in Net Trading Income (Loss)

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