




TEKSTİLBANK

Earnings Presentation
December 31, 2008 / BRSA Bank-Only

Cautious and conservative approach to align to highly volatile environment

#1 priority: *To ensure financial flexibility through this economic downturn*



Focus shift in this new complex environment... Focal points in 2009:

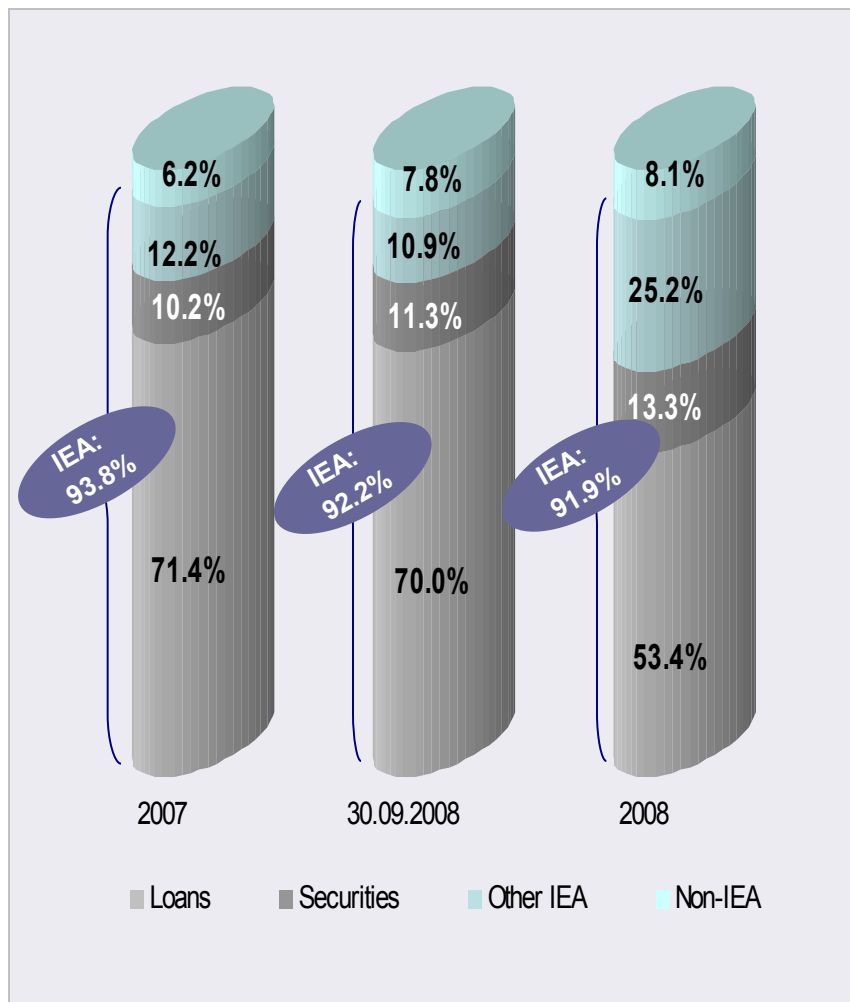
- Maintaining liquidity
 - Preserving capital
 - Close cost monitoring and execution of structural cost reduction
- 

Impact on Q4 2008:

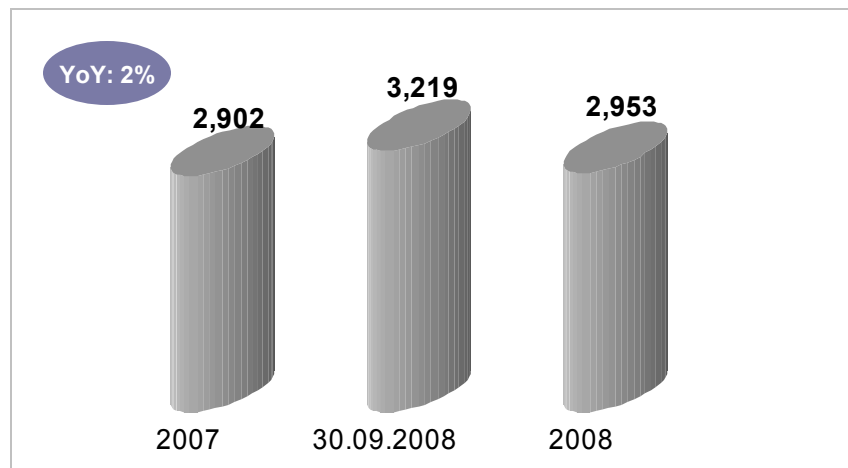
- Shrinkage in the loanbook, accordingly, some outflow and some release in high cost deposits
- High capital adequacy
- Increase in NPLs in line with the sector
- Pressure on costs and profitability

Focus shift to liquidity rather than growth in this difficult environment...

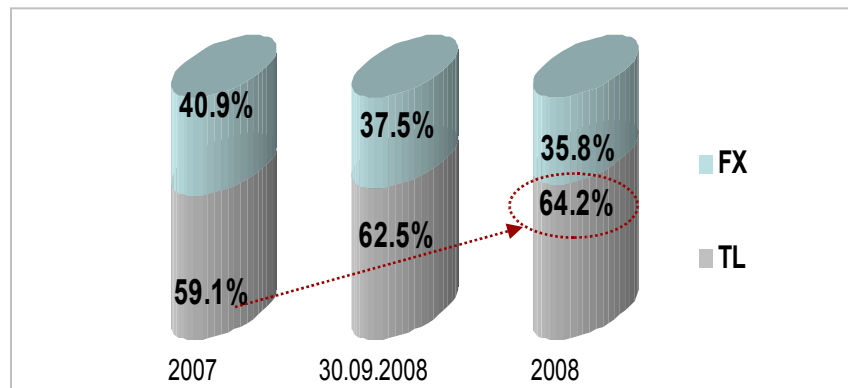
Composition of Assets



Total Assets (TRY mn)

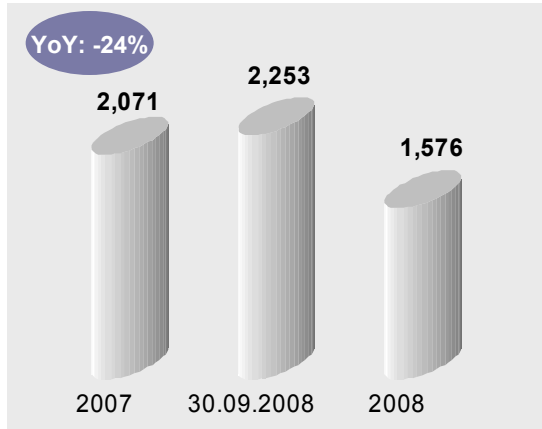


Currency Composition of Assets

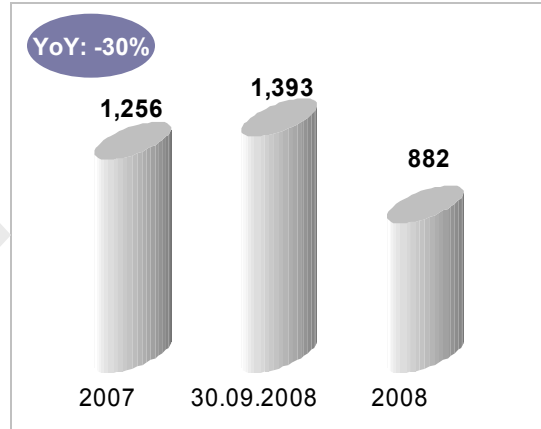


Shrinkage in the loanbook due to worsening market conditions...

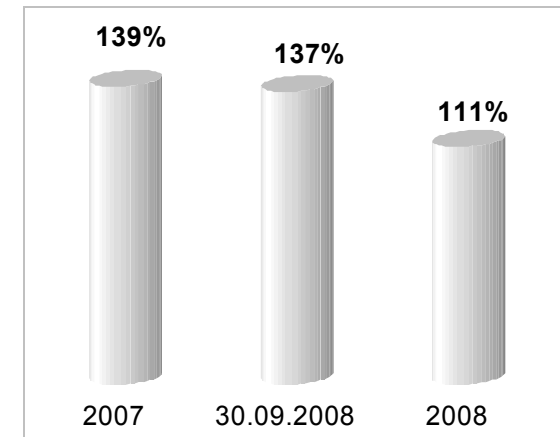
Total Cash Loans (TRY mn)



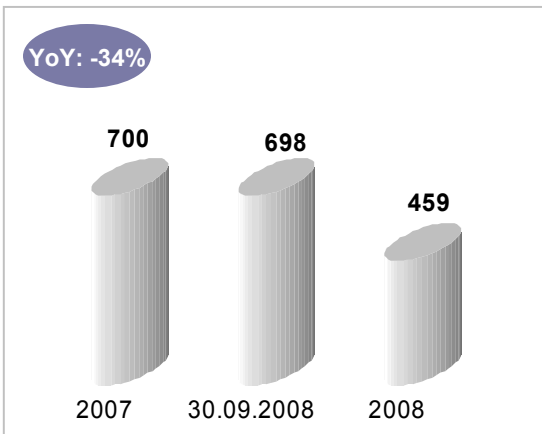
TL Cash Loans (TRY mn)



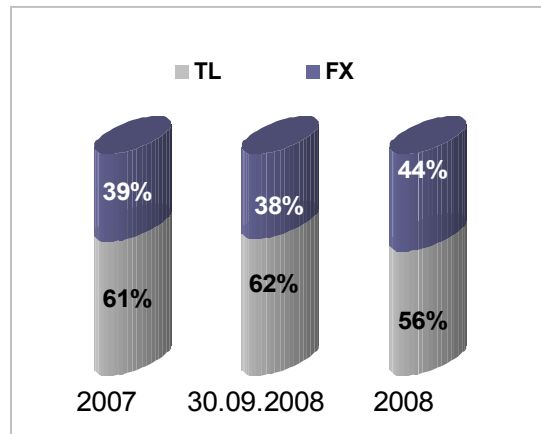
Loans / Deposits



FX Cash Loans (US\$ mn)



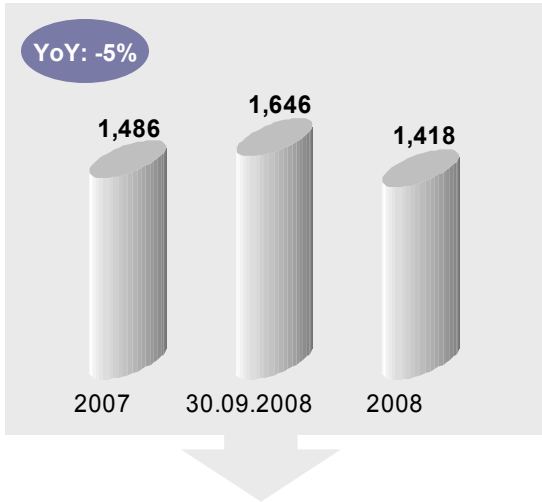
Currency Breakdown of Cash Loans



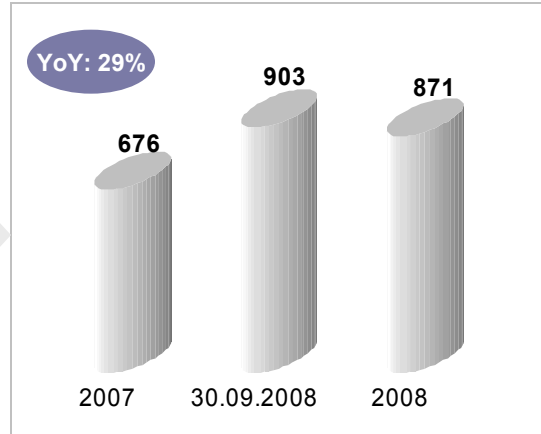
FX indexed cash loans are included in FX cash loans

...translating into a release in high-cost deposits

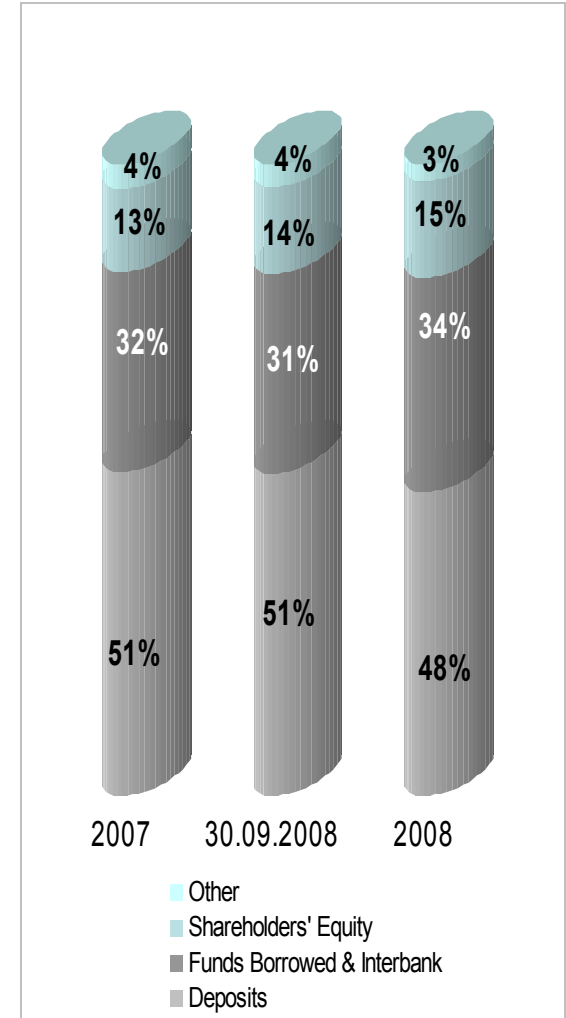
Total Deposits* (TRY mn)



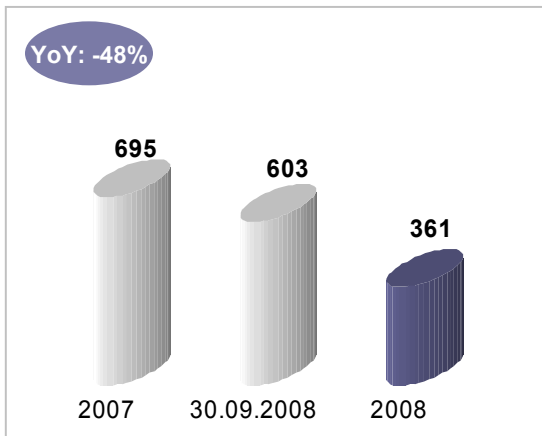
TL Deposits* (TRY mn)



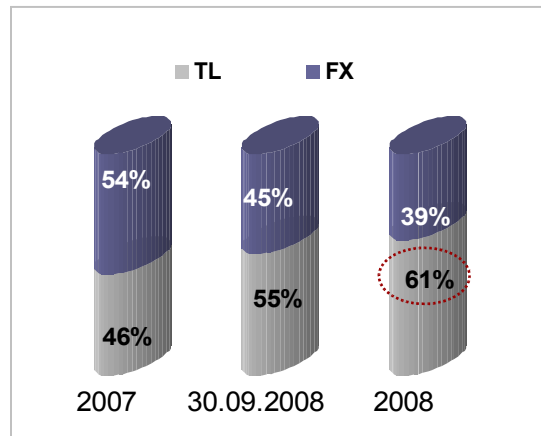
Composition of Liabilities & SHE



FX Deposits* (US\$ mn)



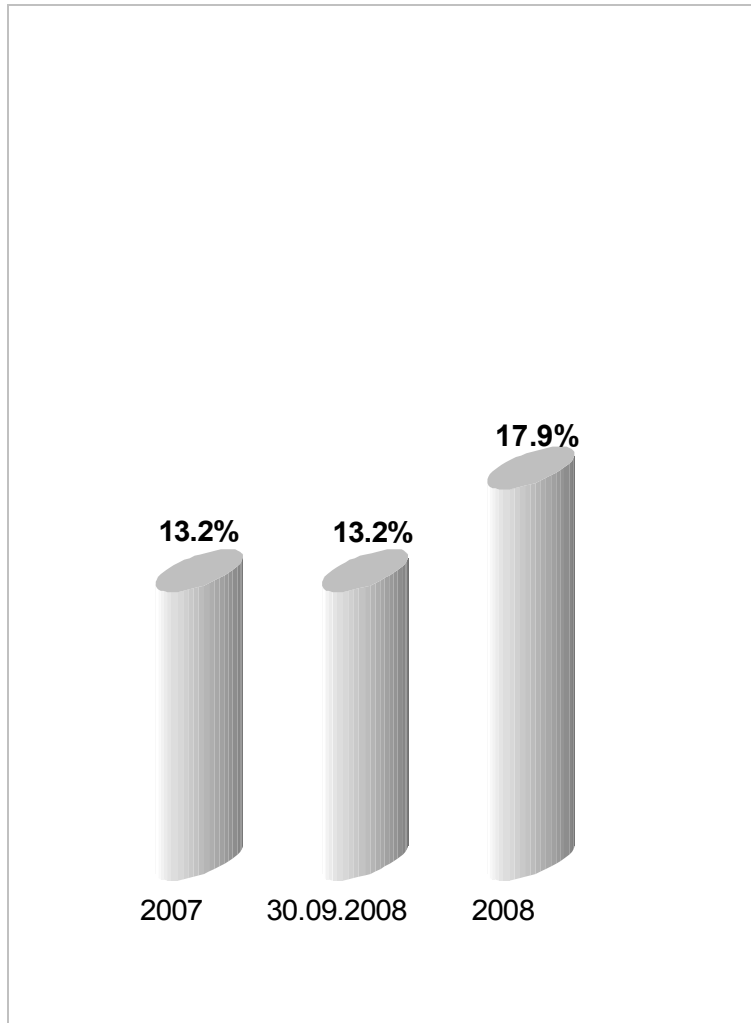
Currency Breakdown*



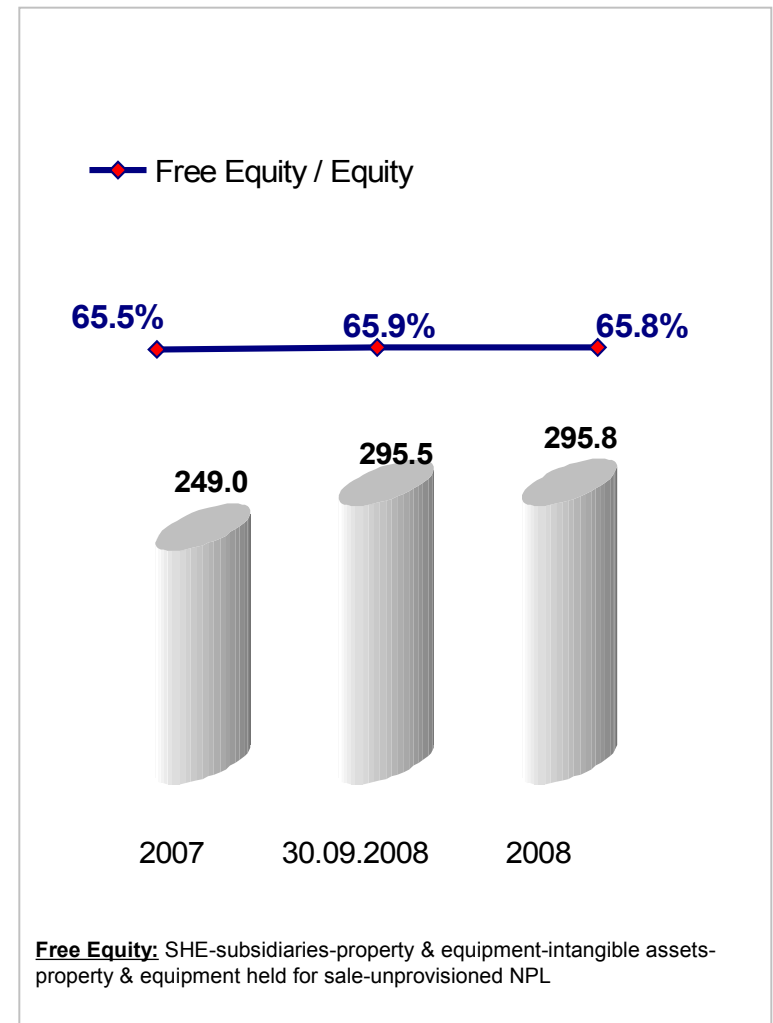
* Excluding bank deposits

Capital adequacy ratio reaching 18%...

Capital Adequacy Ratio (CAR)

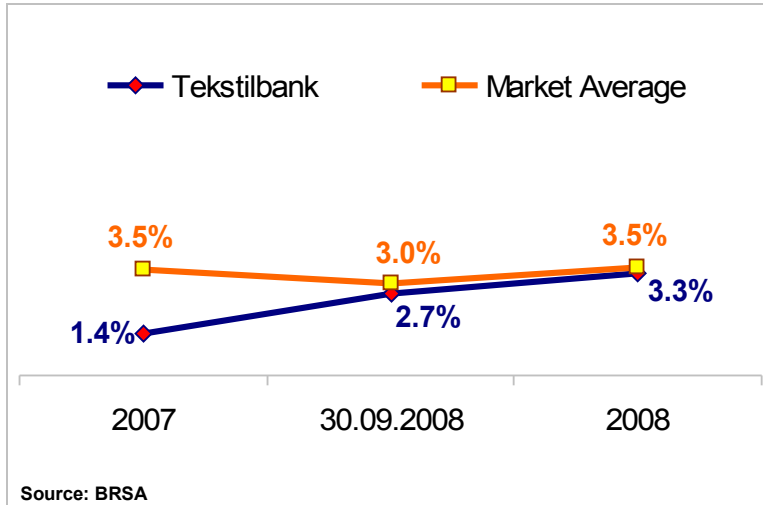


Free Equity (TRY mn)

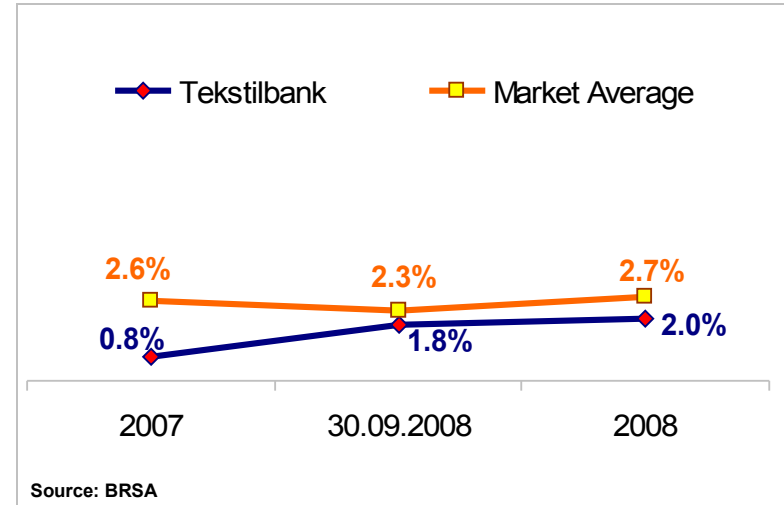


Increase in NPL ratio mainly due to the shrinkage in the loanbook... yet still below market average...

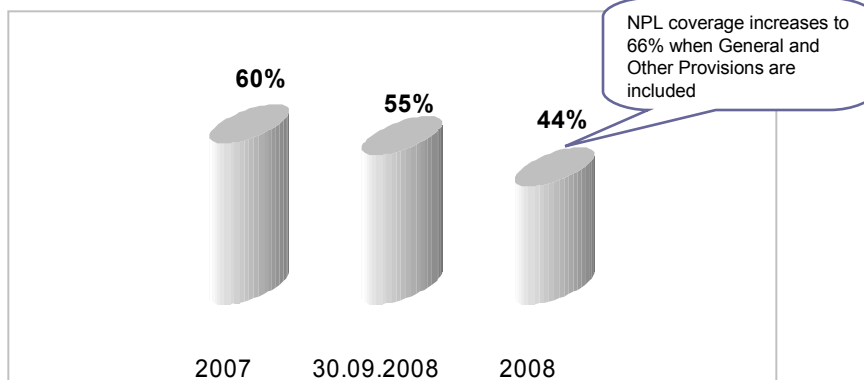
NPL Ratio



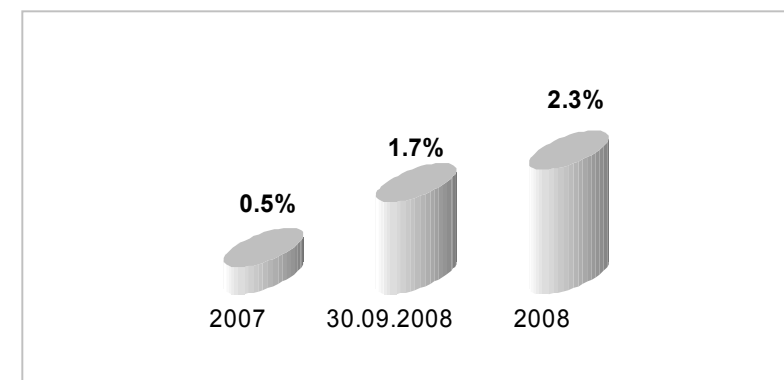
NPL Ratio (including non-cash loans)



NPL Coverage

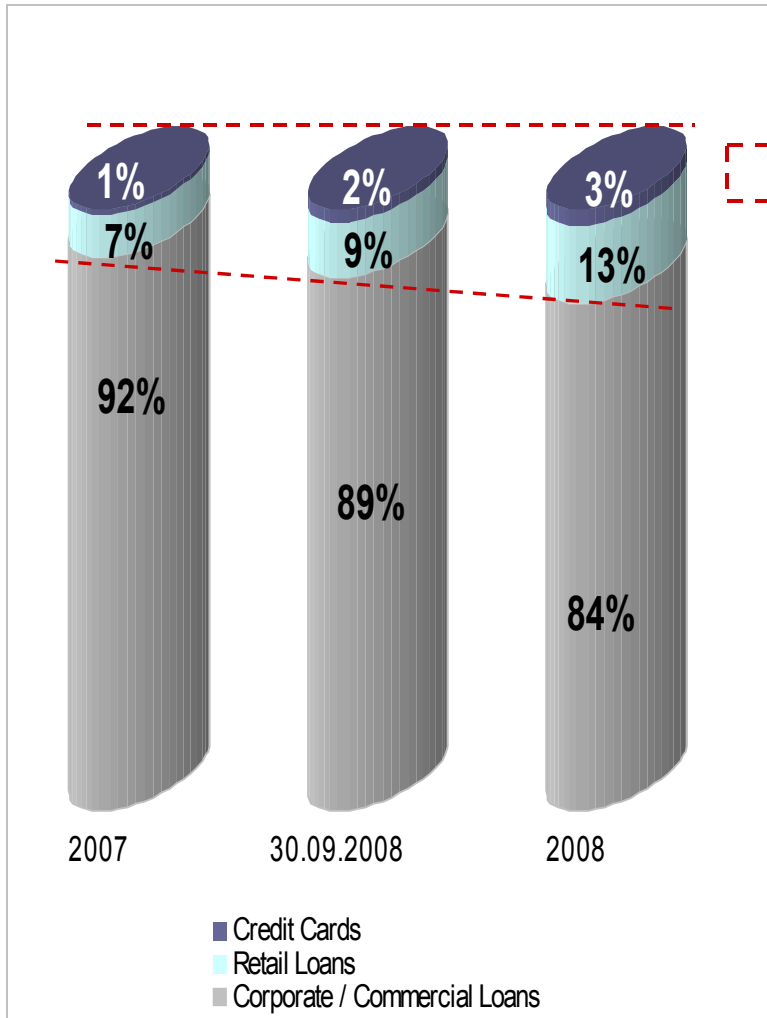


Cost of Risk

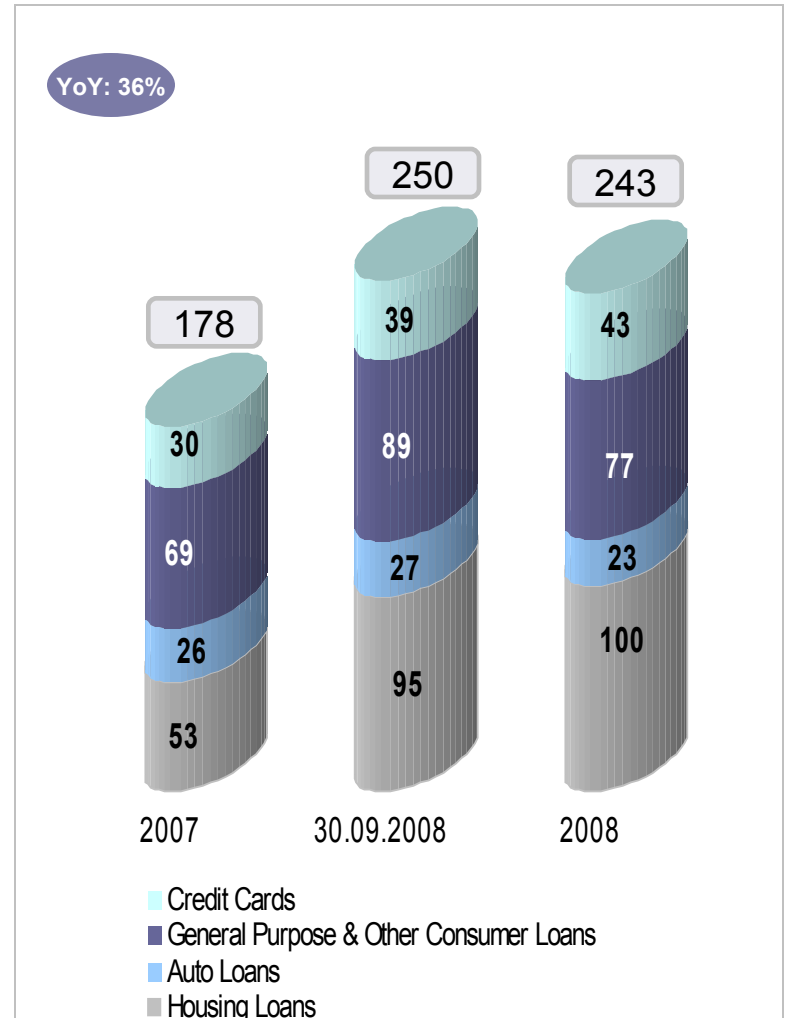


Retail banking...

Breakdown of Loan Portfolio



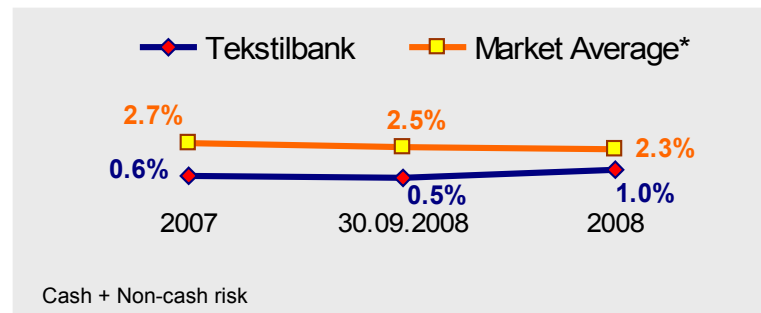
Breakdown of Retail Loans (TRY mn)



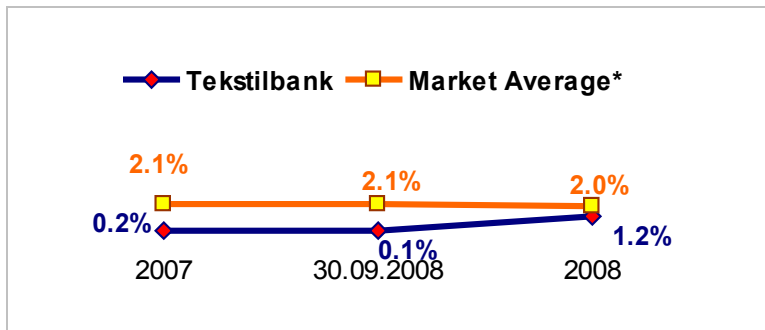
Clean balance sheet...

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

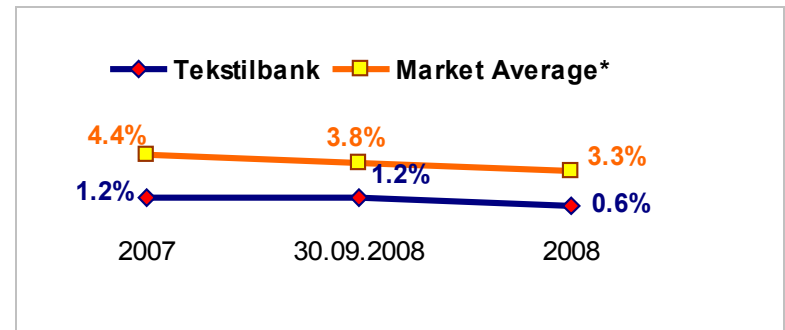
Group Total Risk / Total Risk



Group Cash Loans / Cash Loans



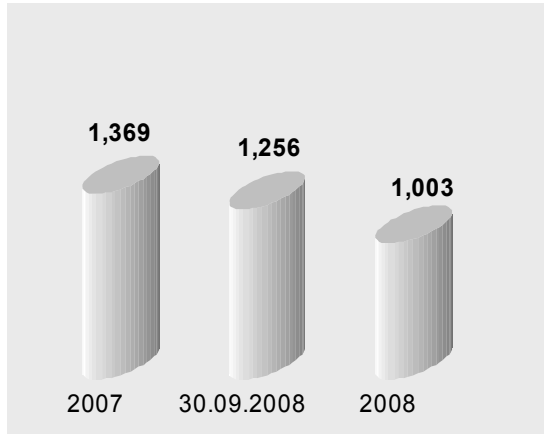
Group Non-Cash Loans / Non-Cash Loans



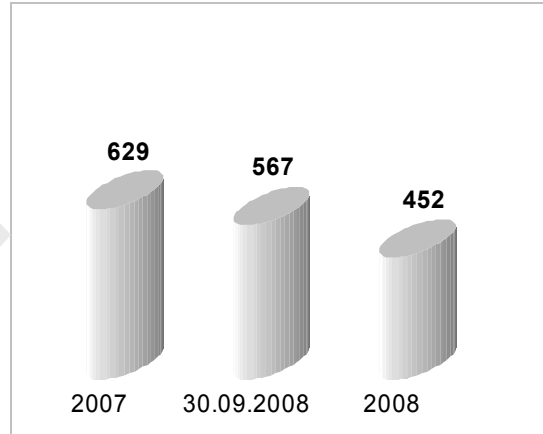
* Selected 19 banks' average (public banks are excluded) for September 2008, December 2008 figures for the market are not available yet

Decline in non-cash loans due to difficult environment...

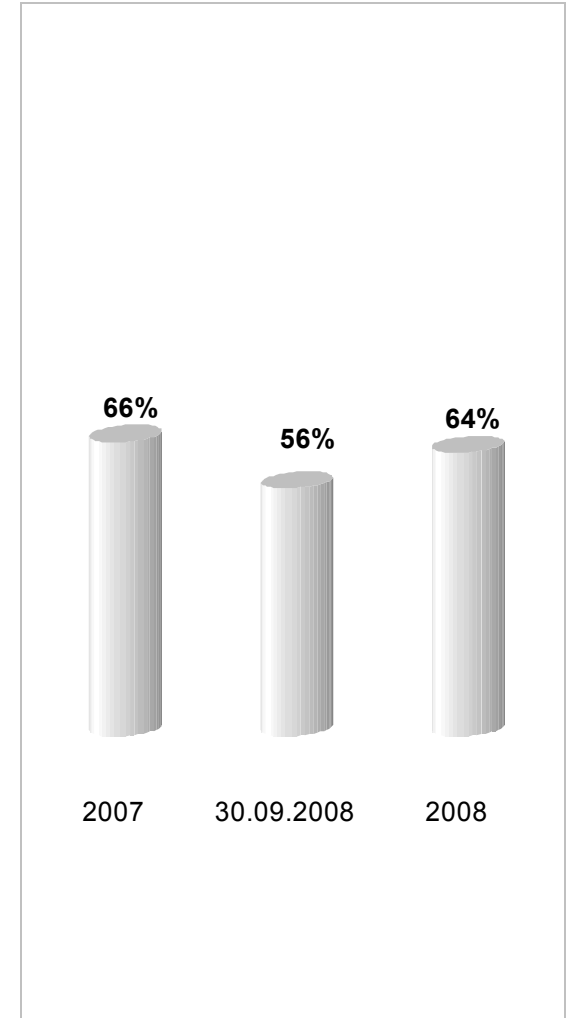
Total Non-Cash Loans (TRY mn)



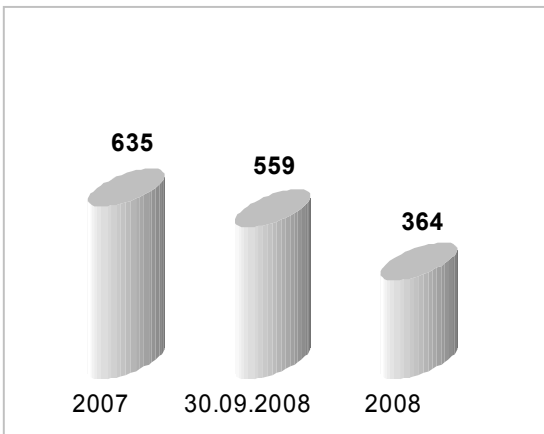
TL Non-Cash Loans (TRY mn)



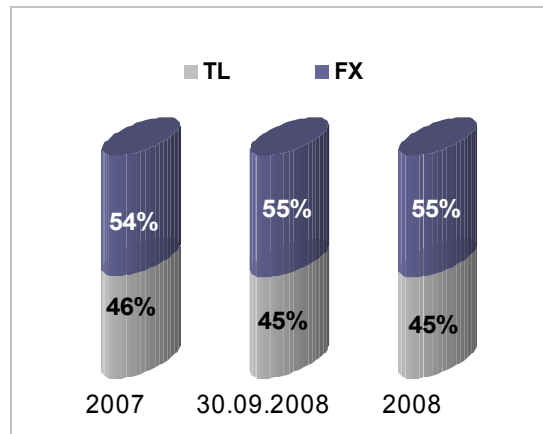
Non-Cash / Cash Loans



FX Non-Cash Loans (US\$ mn)

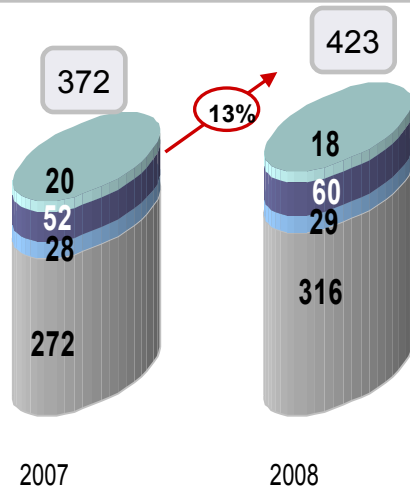


Currency Breakdown of Non-Cash Loans

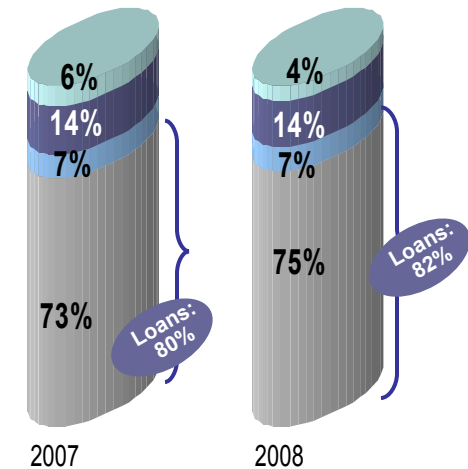


Interest Income & Expense...

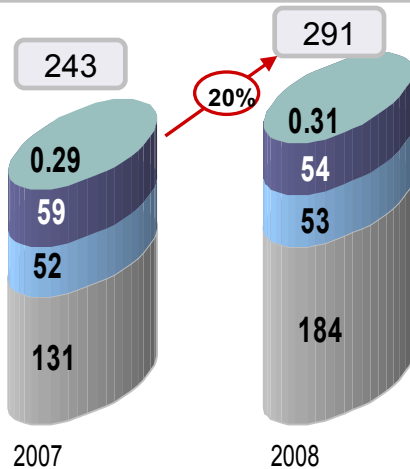
Interest Income (TRY mn)



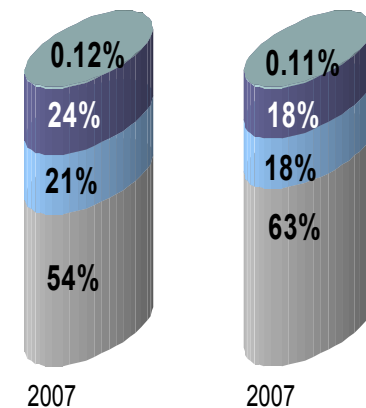
Composition of Interest Income



Interest Expense (TRY mn)

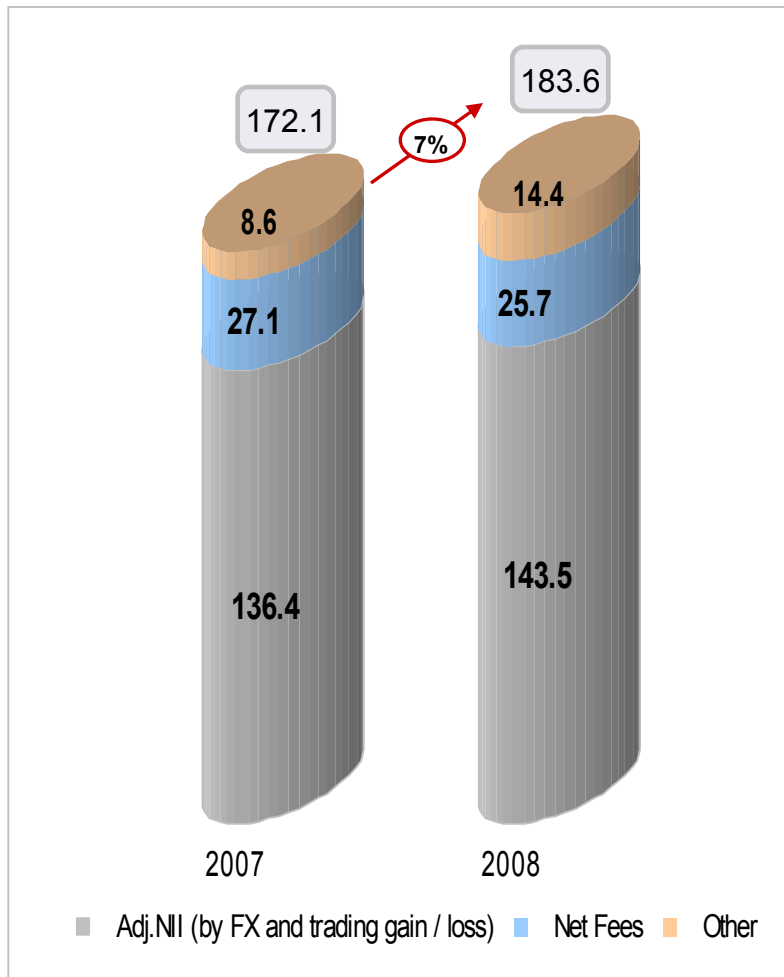


Composition of Interest Expense

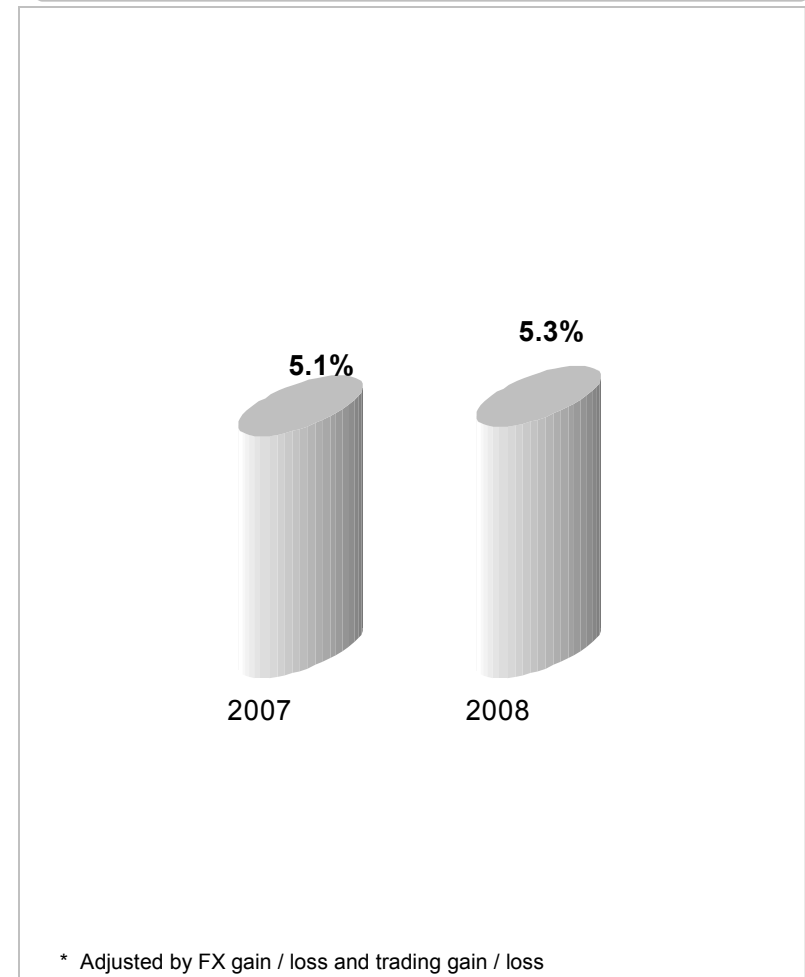


Banking Income...

Banking Income (TRY mn)

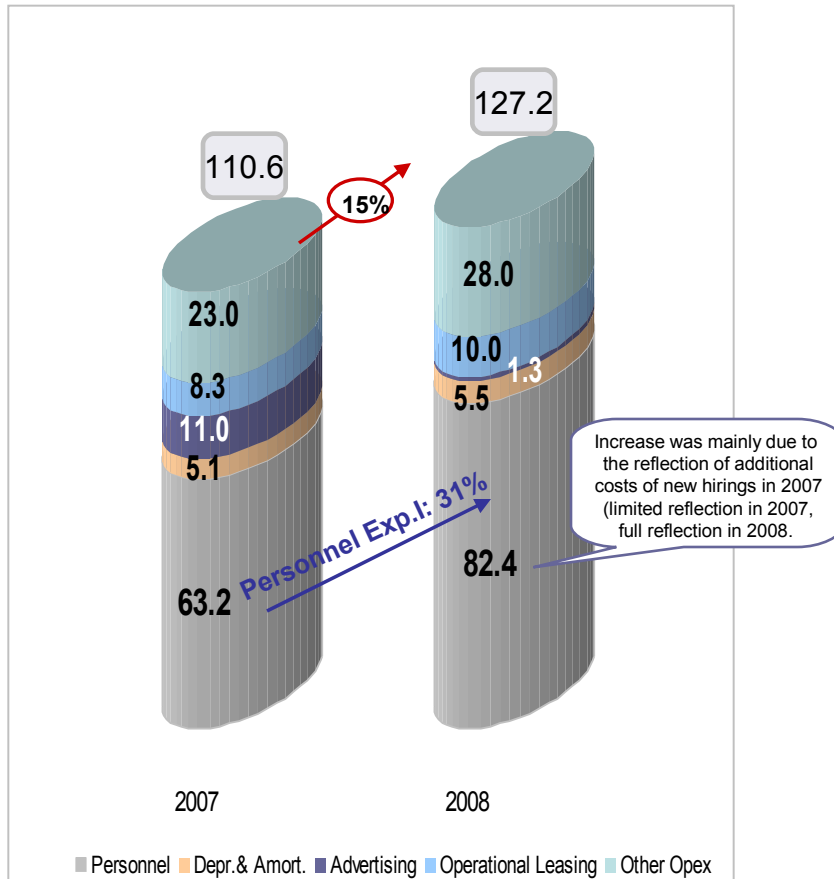


Adjusted Net Interest Margin*

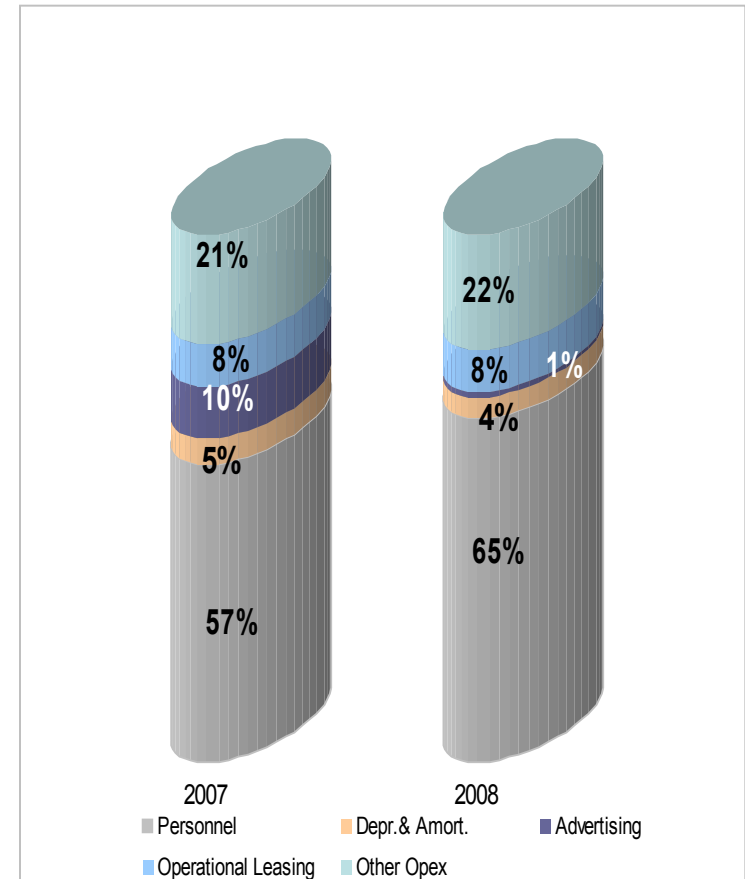


Strict cost management since the crisis to cope with the challenging environment...

Operating Expenses (TRY mn)



Composition of Operating Expenses



Pressure on profitability due to unfavorable market conditions, in line with the sector...

TEKSTILBANK	2007	2008/09	2008	2008/09 – 2008 Change
ROAE	11.9%	3.6%	3.0%	-60 bps
ROAA	1.5%	0.5%	0.4%	-10 bps
Cost / Average Assets	3.9%	4.1%	4.3%	20 bps
Cost / Income	64.2%	66.4%	68.6%	220bps

SECTOR	2007	2008/09	2008	2008/09 – 2008 Change
ROAE	22.0%	18.6%	16.4%	-220bps
ROAA	2.7%	2.3%	2.0%	-30 bps
Cost / Average Assets	3.2%	3.2%	3.2%	-
Cost / Income	49.3%	52.3%	55.9%	360 bps

Summary Balance Sheet...

TRY mn	2007	30.09.2008	2008
Cash & Banks	373	368	764
Total Securities	297	365	394
Total Cash Loans	2,071	2,253	1,576
Fixed Assets & Subsidiaries	120	125	124
Other	41	108	95
Total Assets	2,902	3,219	2,953
Deposits*	1,486	1,646	1,418
Interbank Money Market*	210	249	223
Borrowings	713	761	778
Other	113	115	84
SHE	380	448	450
Total Liabilities & SHE	2,902	3,219	2,953

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

Summary Income Statement...

TRY mn	2007	2008
Interest Income	372.4	422.6
<i>Loans</i>	300.3	344.9
<i>Securities</i>	51.7	59.5
<i>Other</i>	20.4	18.2
Interest Expense	242.7	291.0
<i>Deposits</i>	131.3	183.7
<i>Funds Borrowed</i>	52.0	53.3
<i>Interbank & Other</i>	59.4	54.0
Net Interest Income	129.8	131.6
<i>Net FX Gain (Loss)*</i>	4.4	10.9
Adj. Net Interest Income	134.1	142.5
<i>Net Trading Income (Loss)*</i>	2.2	1.0
<i>Net Fees & Commissions</i>	27.1	25.7
<i>Other Operating Income</i>	8.6	14.4
Total Operating Income	172.1	183.7
<i>Provisions</i>	9.4	43.3
<i>Opex</i>	110.7	127.1
<i>Profit from Subsidiaries</i>	0.8	1.6
Profit Before Tax	52.8	14.8
<i>Tax</i>	10.4	2.2
Net Income	42.5	12.6

Q1 2008	Q2 2008	Q3 2008	Q4 2008
99.2	105.5	113.0	104.9
82.5	86.3	91.6	84.5
12.4	14.8	15.9	16.5
4.3	4.4	5.5	3.9
66.7	77.9	80.0	66.6
39.2	46.4	51.5	46.6
15.7	12.4	12.0	13.2
11.7	19.0	16.5	6.7
32.6	27.6	33.0	38.4
4.4	5.0	2.3	(0.9)
37.0	32.6	35.4	37.5
0.3	0.2	0.0	0.4
6.2	6.6	6.3	6.6
1.2	2.0	5.4	5.8
44.8	41.5	47.1	50.3
5.6	9.7	12.2	15.8
30.3	31.6	31.2	34.1
0.0	1.6	0.0	0.0
8.9	1.8	3.7	0.4
2.2	0.2	0.7	(0.9)
6.7	1.6	2.9	1.3

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

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