



# **TEKSTİLBANK**

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*Earnings Presentation*  
*March 31, 2009 / BRSA Consolidated*

# Cautious and conservative approach continues as uncertainty in the environment remains...

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



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

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



*Highlights of Q1 2009:*

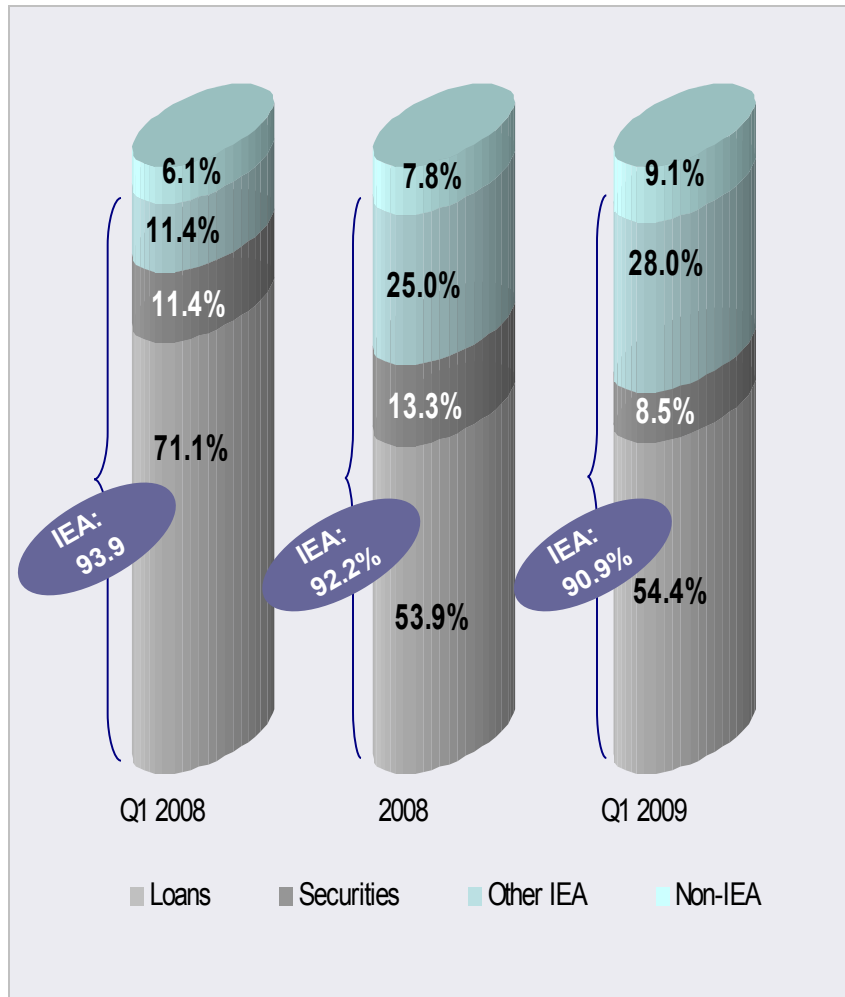
- Further shrinkage in the loanbook, accordingly, not an aggressive approach on the deposit side
- High capital adequacy
- Increase in NPLs mainly due to the shrinkage in the loanbook
- Margin improvement and trading gains due to easing in interest rates on deposits
- Strict cost measures starting to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



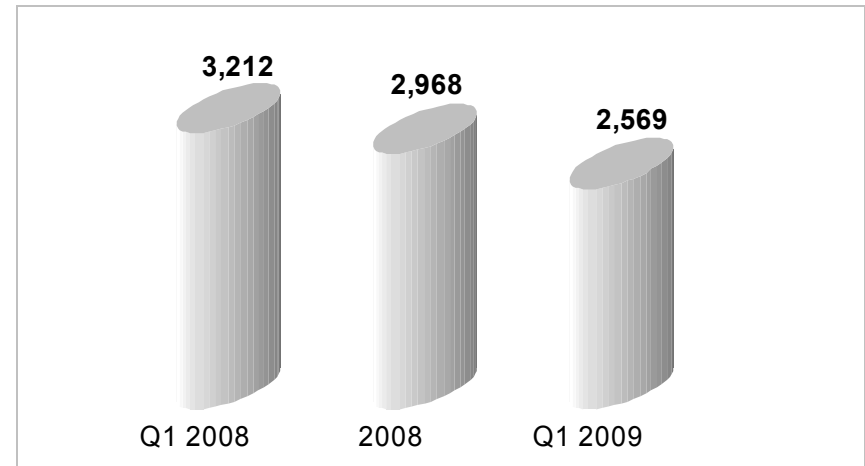
*Improved profitability...*

# Focus shift to liquidity rather than growth remains in this uncertain environment...

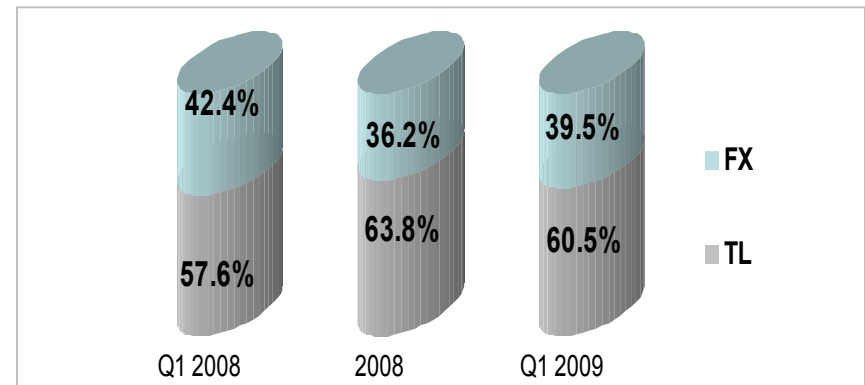
## Composition of Assets



## Total Assets (TRY mn)

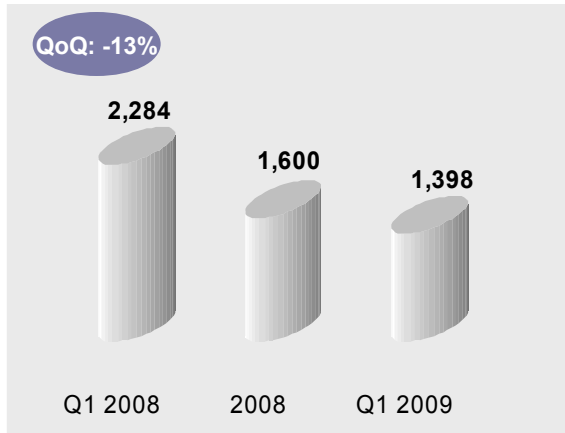


## Currency Composition of Assets

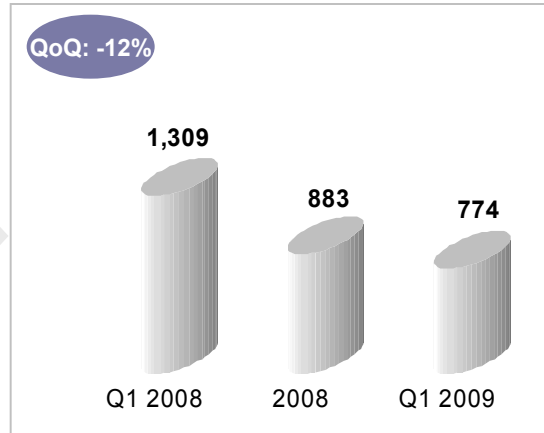


# Shrinkage in the loanbook continued in Q109 due to complex market conditions, yet at a slower pace...

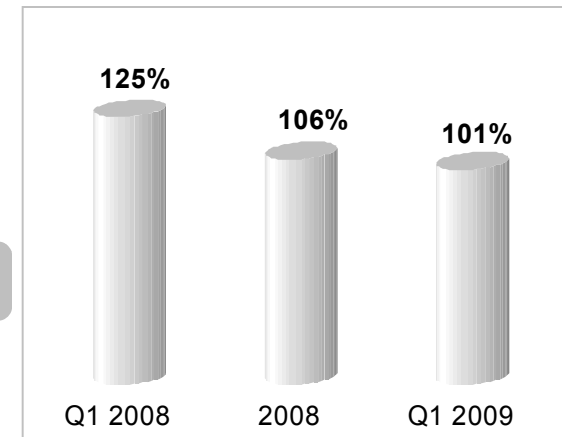
**Total Cash Loans** (TRY mn)



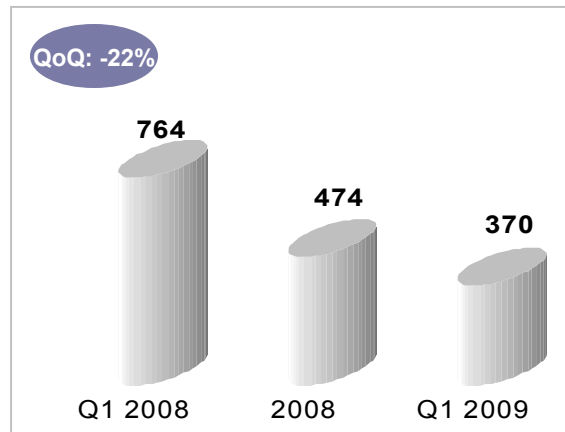
**TL Cash Loans** (TRY mn)



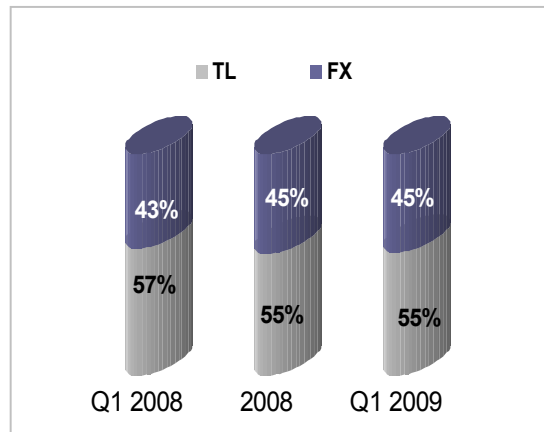
**Loans / Deposits**



**FX Cash Loans** (US\$ mn)



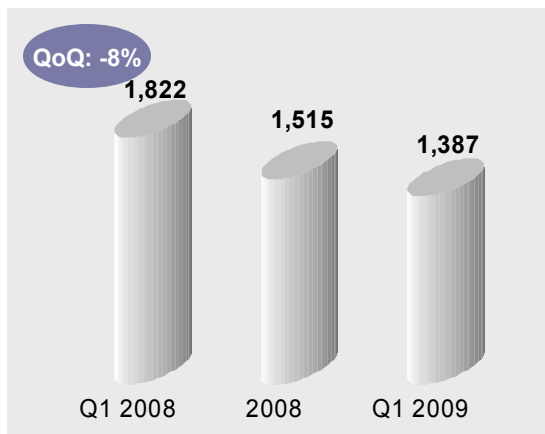
**Currency Breakdown of Cash Loans**



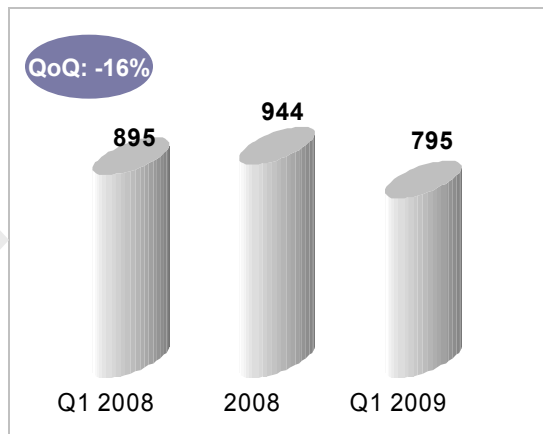
FX indexed cash loans are included in FX cash loans

# Declining loan volumes dragged down funding needs...

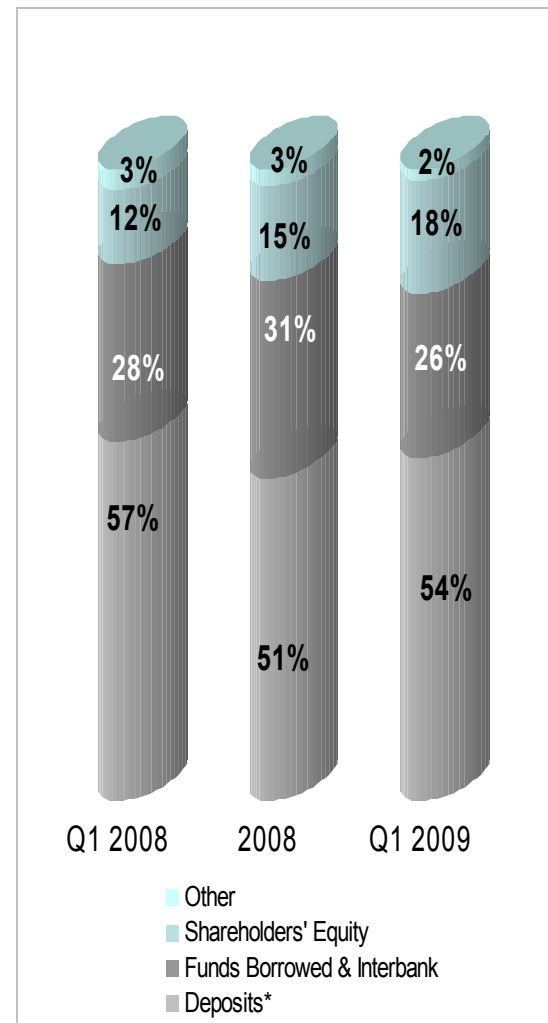
## Total Deposits\* (TRY mn)



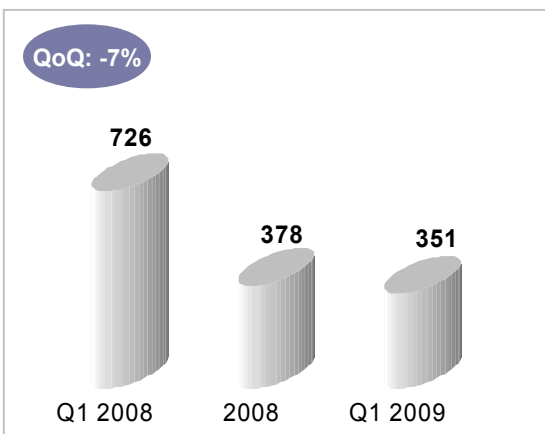
## TL Deposits\* (TRY mn)



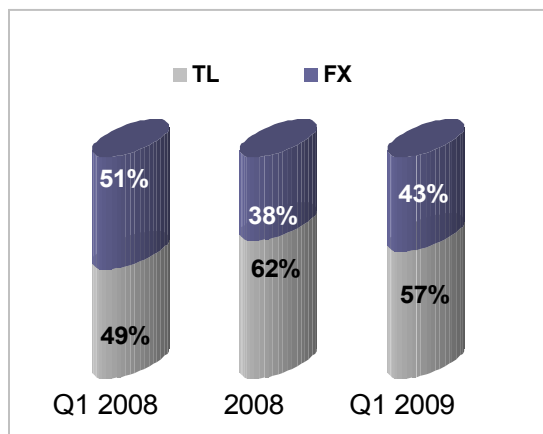
## Composition of Liabilities & SHE



## FX Deposits\* (US\$ mn)



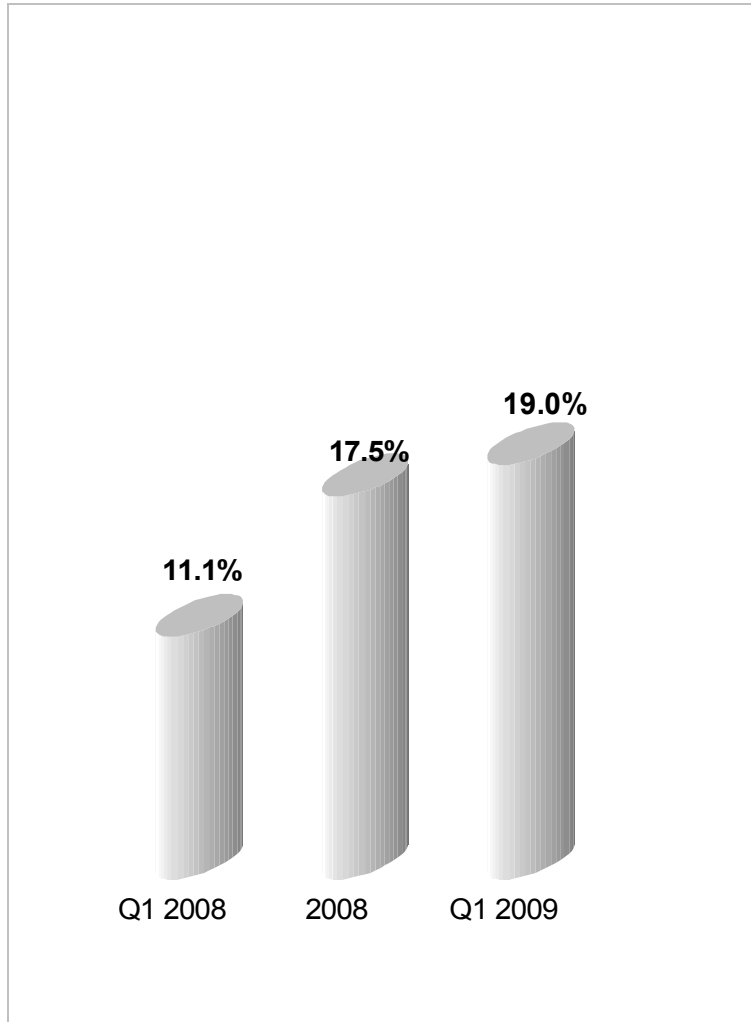
## Currency Breakdown\*



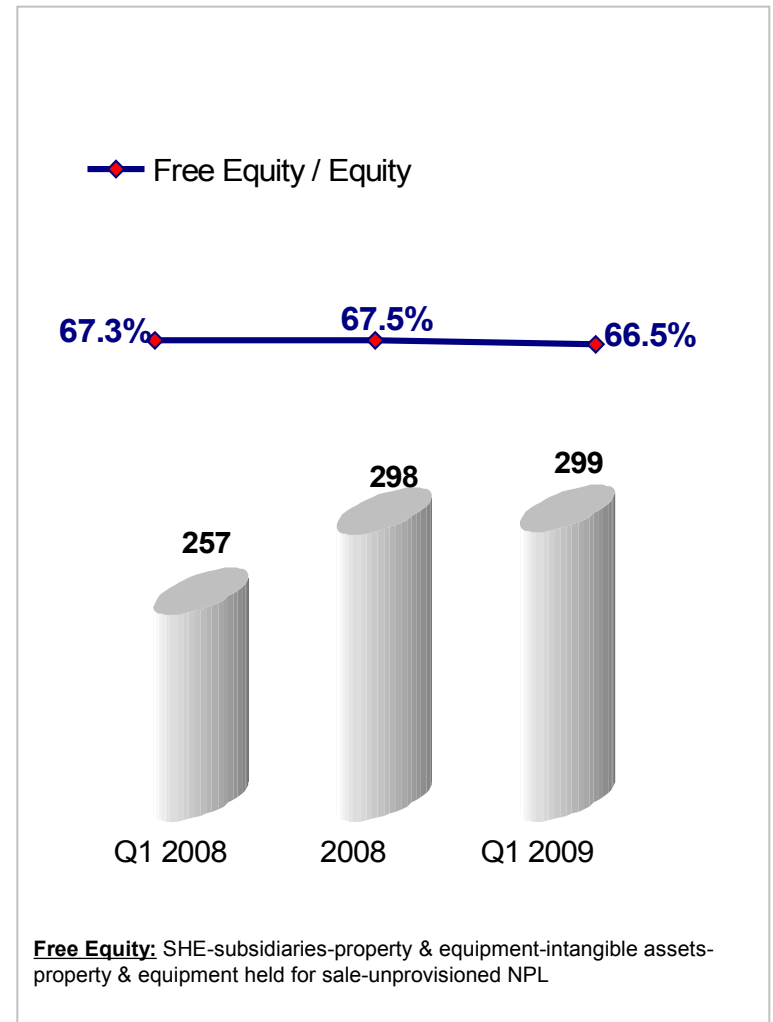
\* Excluding bank deposits

# Capital adequacy ratio reached 19%...

## Capital Adequacy Ratio (CAR)



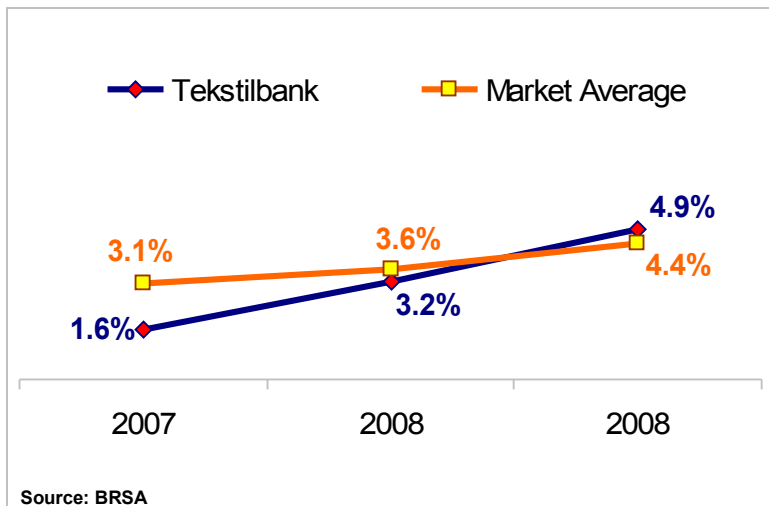
## Free Equity (TRY mn)



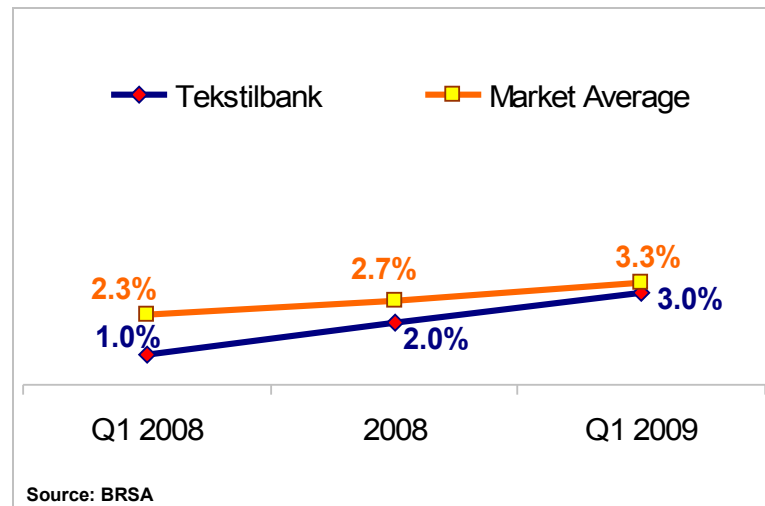
**Free Equity:** SHE-subsidaries-property & equipment-intangible assets-property & equipment held for sale-unprovisioned NPL

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

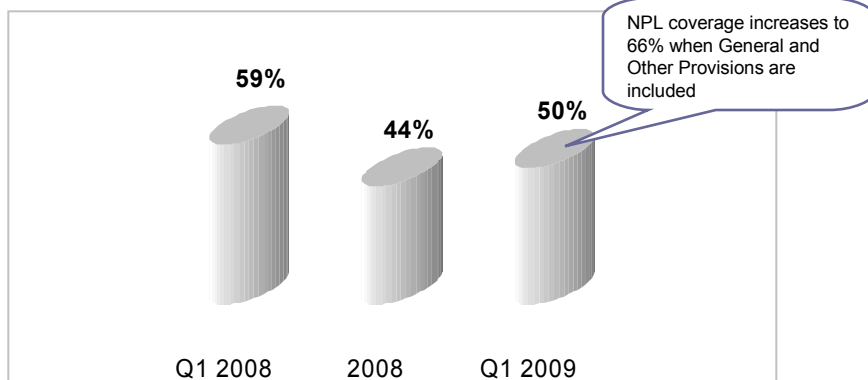
## NPL Ratio



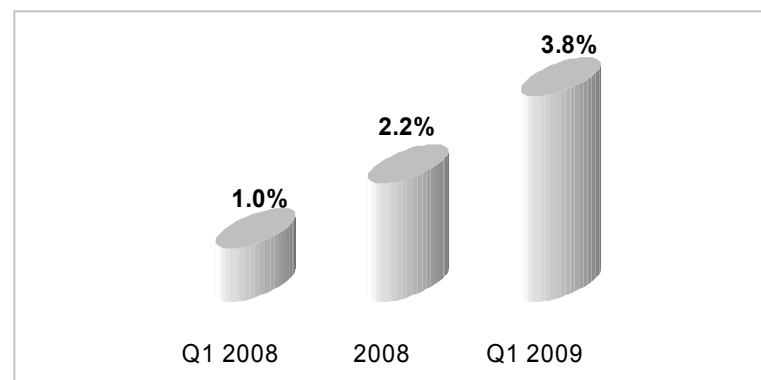
## NPL Ratio (including non-cash loans)



## NPL Coverage



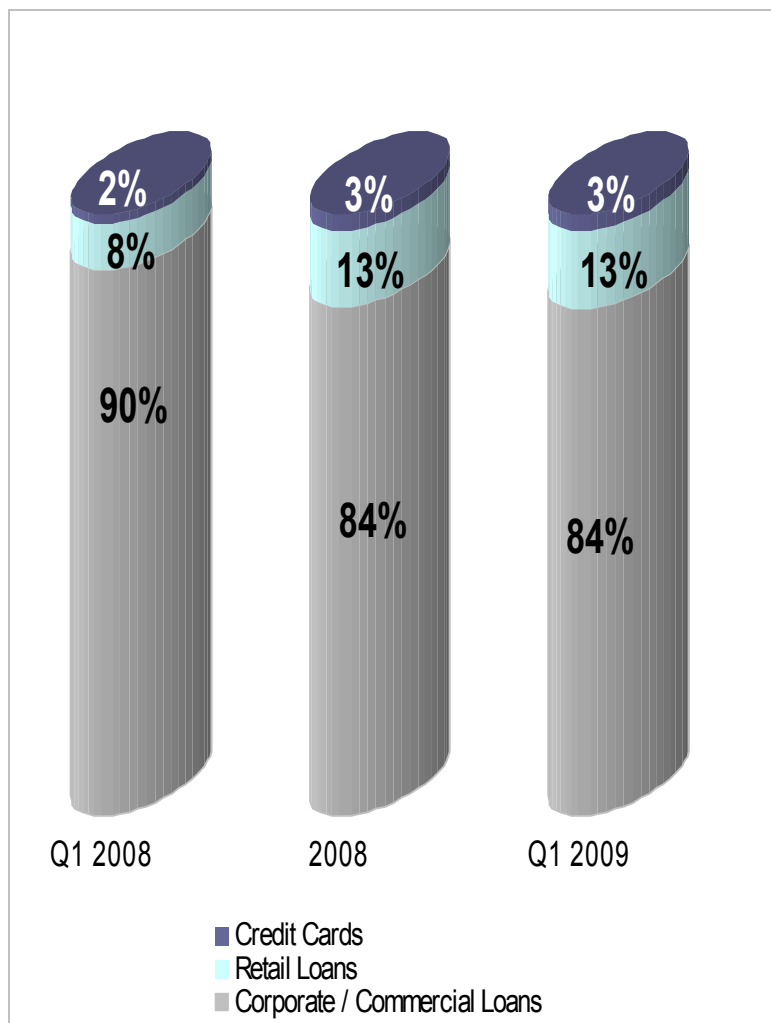
## Cost of Risk



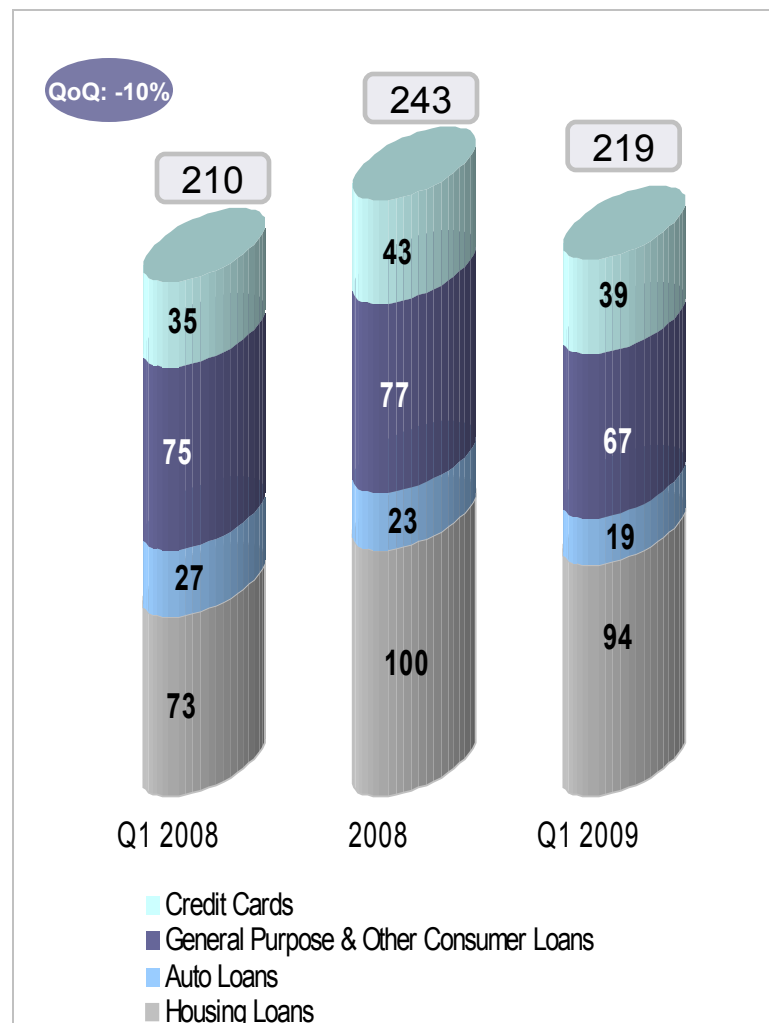
\*The decline in NPL ratio of the market is mainly due to the sale of a portion of NPLs of some banks.

# Retail banking...

## Breakdown of Loan Portfolio



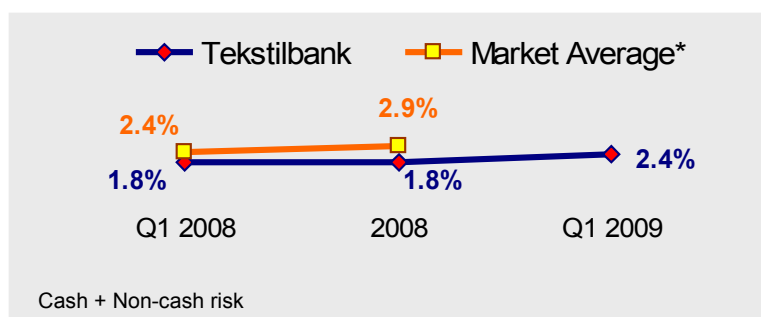
## Breakdown of Retail Loans (TRY mn)



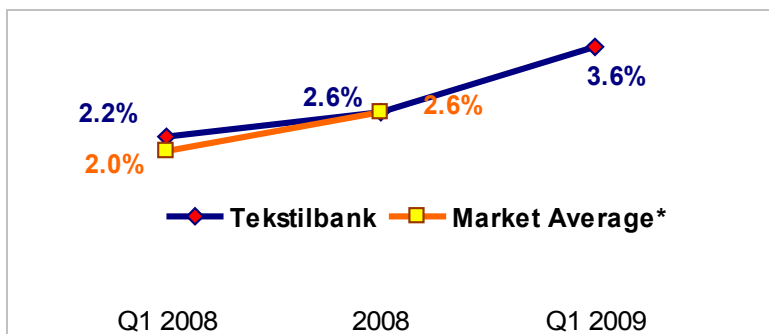
# Clean balance sheet...

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

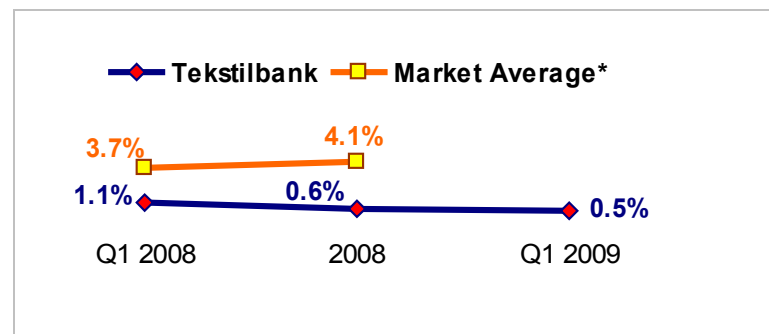
## Group Total Risk / Total Risk



## Group Cash Loans / Cash Loans



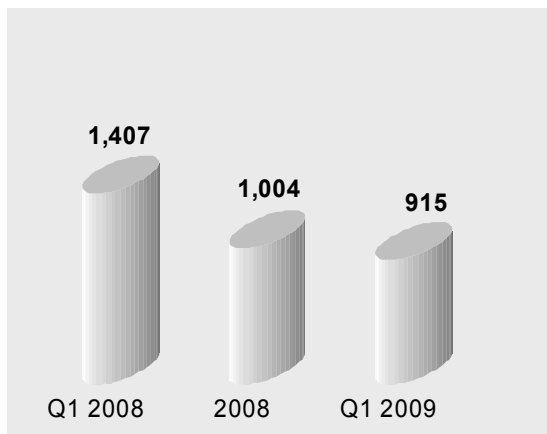
## Group Non-Cash Loans / Non-Cash Loans



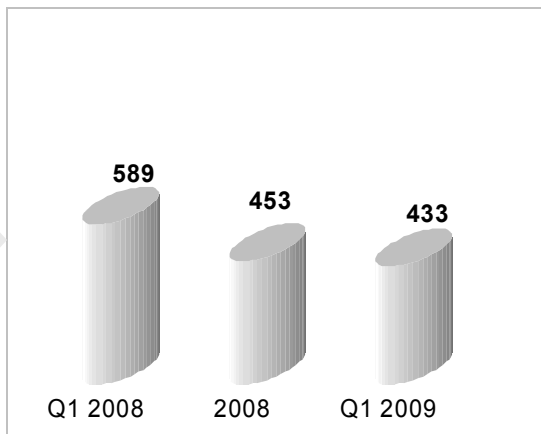
\* Selected 19 banks' average (public banks are excluded) for December 2008, March 2009 figures for the market are not available yet

# Decline in non-cash loans continued due to uncertain environment...

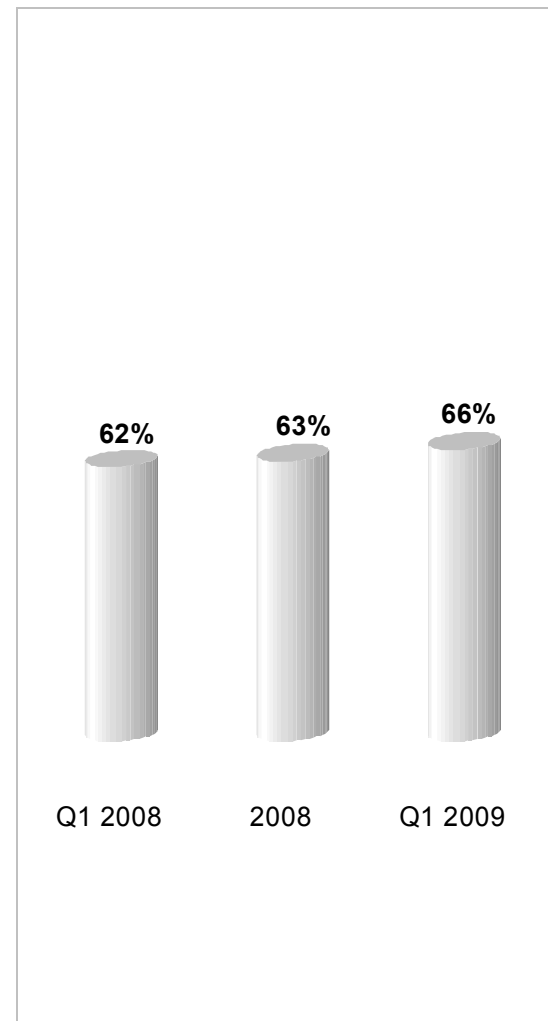
**Total Non-Cash Loans** (TRY mn)



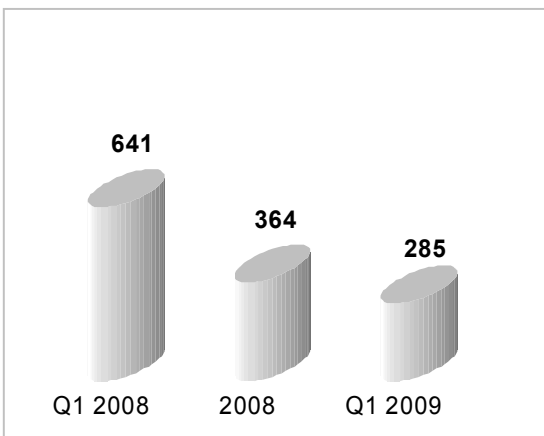
**TL Non-Cash Loans** (TRY mn)



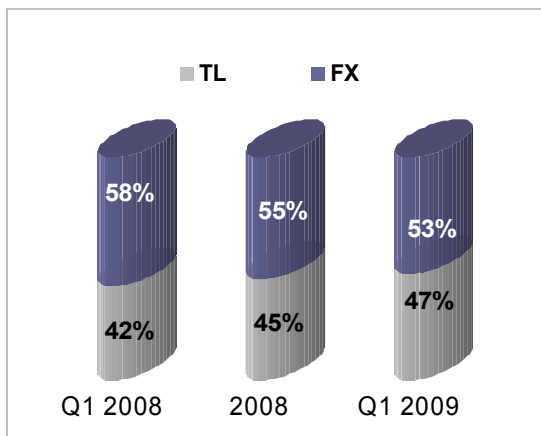
**Non-Cash / Cash Loans**



**FX Non-Cash Loans** (US\$ mn)

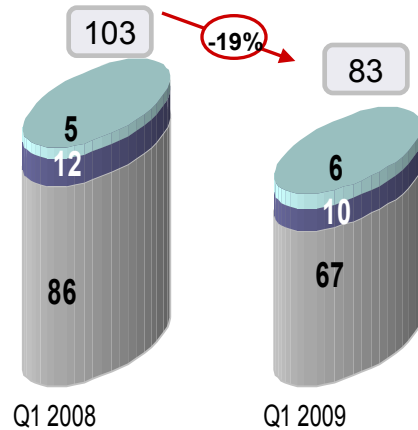


**Currency Breakdown of Non-Cash Loans**

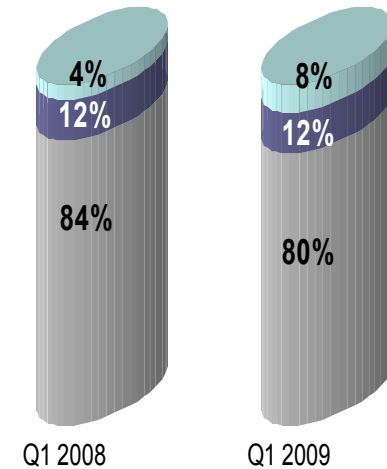


# Interest Income & Expense...

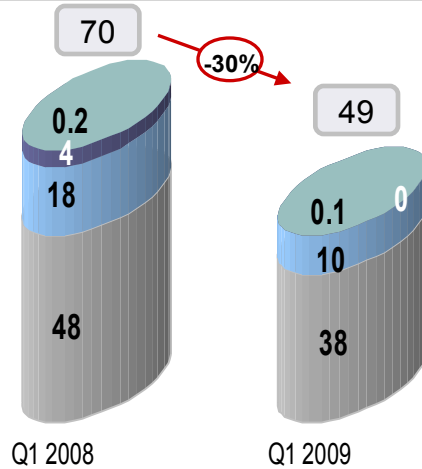
## Interest Income (TRY mn)



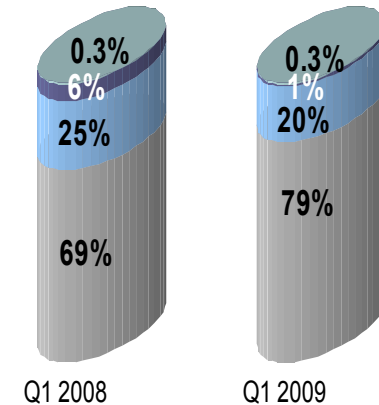
## Composition of Interest Income\*



## Interest Expense (TRY mn)

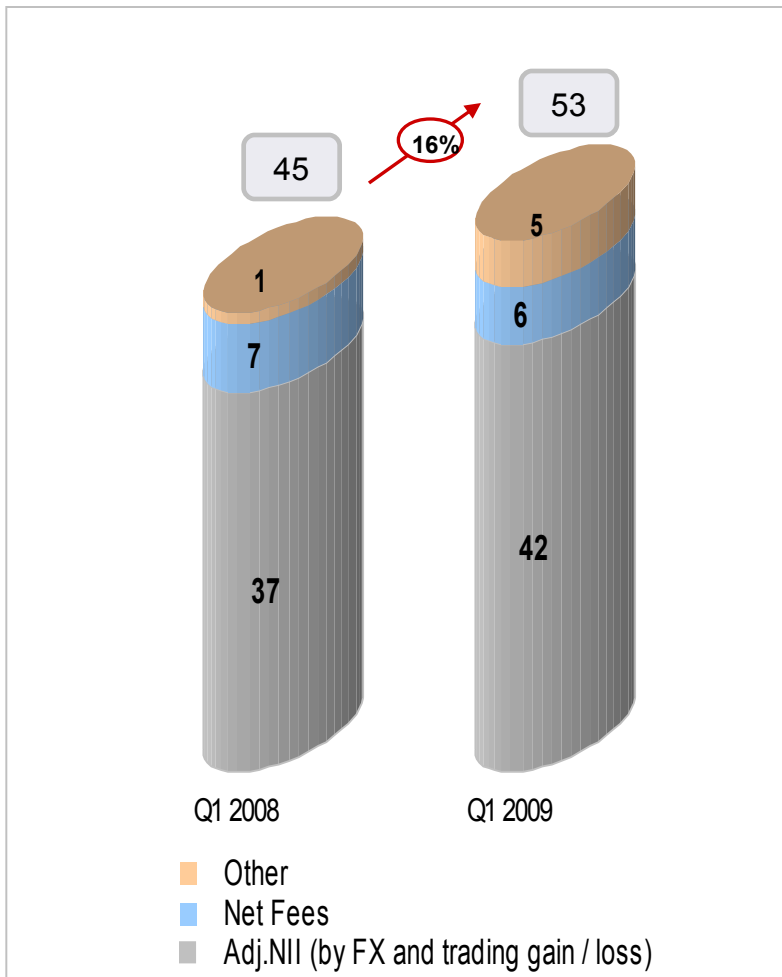


## Composition of Interest Expense

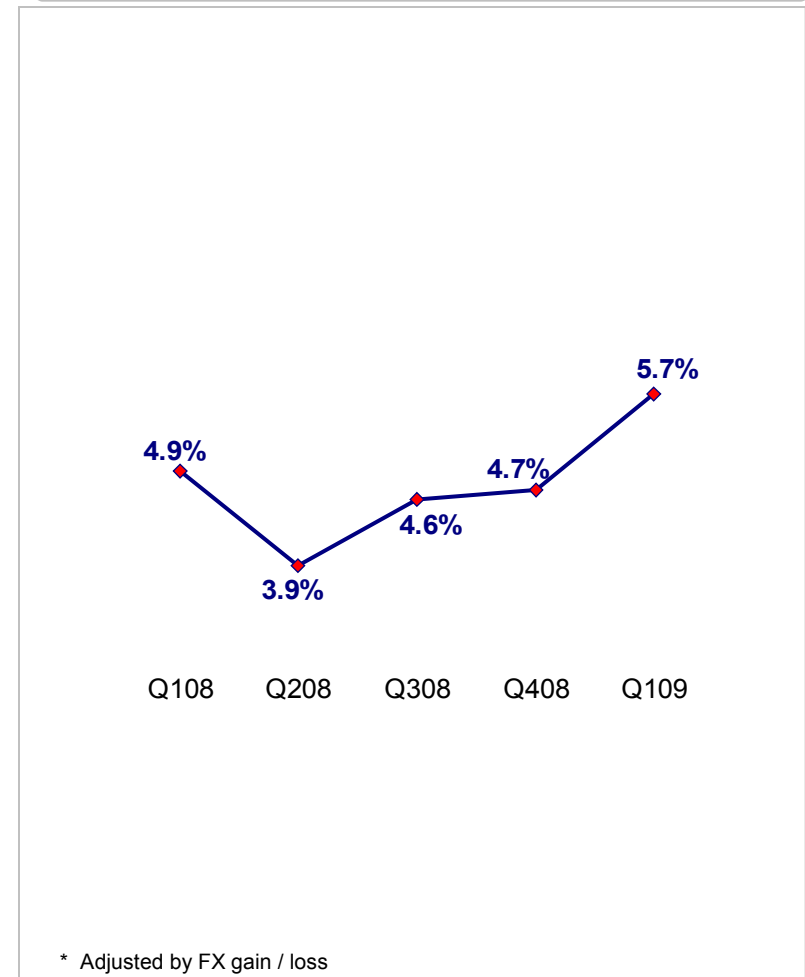


# Margin improvement thanks to decline in interest rates on deposits...

## Banking Income (TRY mn)

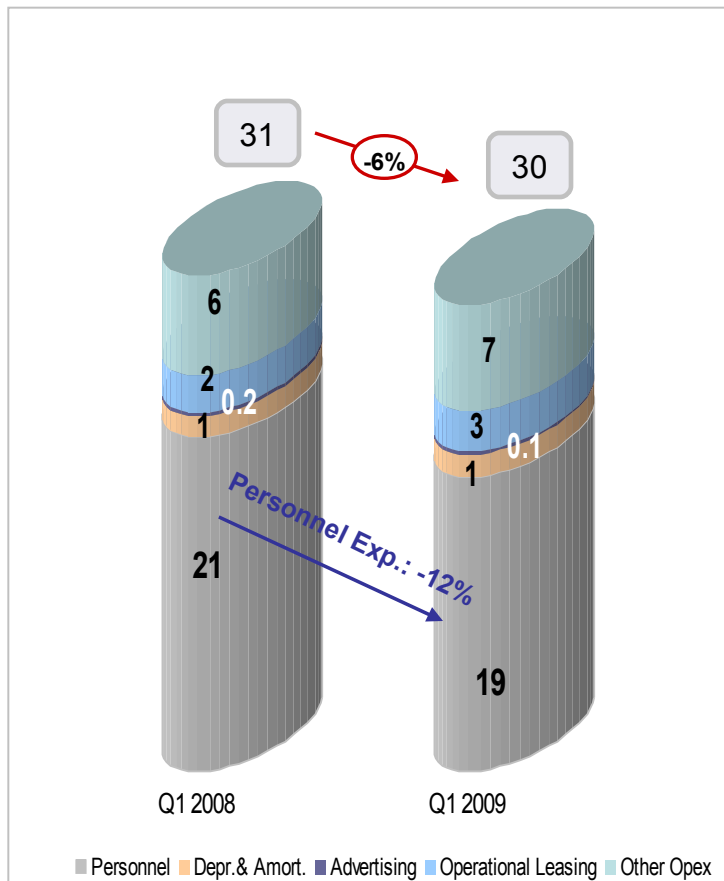


## Adjusted Net Interest Margin\*

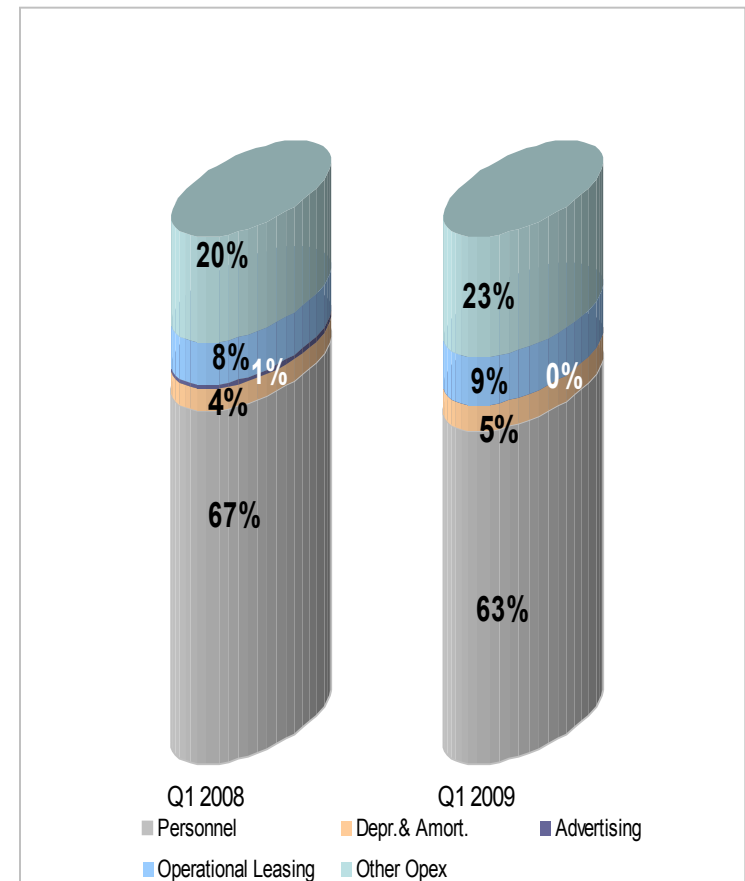


# Strict cost measures started to be effective in Q109...

## Operating Expenses (TRY mn)



## Composition of Operating Expenses



# Summary Balance Sheet...

TRY mn	Q1 2008	2008	Q1 2009
<b>Cash &amp; Banks</b>	394	764	739
<b>Total Securities</b>	365	395	218
<b>Total Cash Loans</b>	2,284	1,600	1,398
<b>Fixed Assets &amp; Subsidiaries</b>	109	113	115
<b>Other</b>	60	96	99
<b>Total Assets</b>	<b>3,212</b>	<b>2,968</b>	<b>2,569</b>
<b>Deposits</b>	1,822	1,515	1,387
<b>Interbank Money Market</b>	246	224	4
<b>Borrowings</b>	657	703	663
<b>Other</b>	106	84	66
<b>SHE</b>	381	442	450
<b>Total Liabilities &amp; SHE</b>	<b>3,212</b>	<b>2,968</b>	<b>2,569</b>

# Summary Income Statement...

TRY mn	Q1 2008	Q2 2008	Q3 2008	Q4 2008	Q1 2009
<b>Interest Income</b>	<b>102.8</b>	<b>109.2</b>	<b>115.5</b>	<b>107.8</b>	<b>82.8</b>
<i>Loans</i>	86.1	90.0	94.1	87.6	66.5
<i>Securities</i>	12.4	14.8	15.9	16.2	10.2
<i>Other</i>	4.3	4.4	5.5	4.0	6.1
<b>Interest Expense</b>	<b>69.9</b>	<b>81.7</b>	<b>82.8</b>	<b>73.6</b>	<b>48.8</b>
<i>Deposits</i>	48.4	54.3	59.0	55.8	38.4
<i>Funds Borrowed</i>	17.5	21.3	13.9	12.7	9.9
<i>Interbank &amp; Other</i>	4.0	6.1	10.0	5.0	0.5
<b>Net Interest Income</b>	<b>32.8</b>	<b>27.5</b>	<b>32.7</b>	<b>34.3</b>	<b>34.0</b>
<i>Net FX Gain (Loss)*</i>	3.3	3.5	3.5	(0.1)	2.0
<b>Adj. Net Interest Income</b>	<b>36.2</b>	<b>30.9</b>	<b>36.2</b>	<b>34.2</b>	<b>36.0</b>
<i>Net Trading Income (Loss)*</i>	0.9	0.7	0.6	0.9	5.8
<i>Net Fees &amp; Commissions</i>	6.6	7.0	6.8	7.0	5.6
<i>Other Operating Income</i>	1.1	2.0	5.3	5.7	4.6
<b>Total Operating Income</b>	<b>44.8</b>	<b>40.6</b>	<b>49.0</b>	<b>47.7</b>	<b>51.9</b>
<i>Provisions</i>	5.6	9.7	12.2	15.5	14.7
<i>Opex</i>	31.3	32.7	32.3	35.3	29.5
<b>Profit Before Tax</b>	<b>7.9</b>	<b>(1.8)</b>	<b>4.4</b>	<b>(3.0)</b>	<b>7.7</b>
<i>Tax</i>	(2.2)	(0.2)	(0.7)	0.9	(1.4)
<b>Net Income</b>	<b>5.7</b>	<b>(2.0)</b>	<b>3.7</b>	<b>(2.1)</b>	<b>6.3</b>

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

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