

TEKSTİLBANK

Earnings Presentation
March 31, 2010 / BRSA Consolidated

Focal points in 2009 were:

- Preserving capital
- Maintaining optimum liquidity
- Close cost monitoring

Highlights of Q1 2010:

- Margin focus rather than volume growth
 - Redemption of lower yielding loans
 - Avoiding the price competition on deposit side
- Increasing share of securities
- Strong capital adequacy ratio: 22%
- Significant improvement in cost of risk
 - No additional NPL in Q1 2010
- 13% YoY increase in consolidated net income in Q1 2010 despite shrinking balance sheet

Looking into 2010...

Macro

More encouraging macroeconomic environment:

- GDP Growth of 4.0%, following a shrinkage of 4.7% in 2009
- CBT expects to maintain low policy rates; yet with gradual rate hikes starting from Q42010
- Back to growth in global economy

Banking Sector

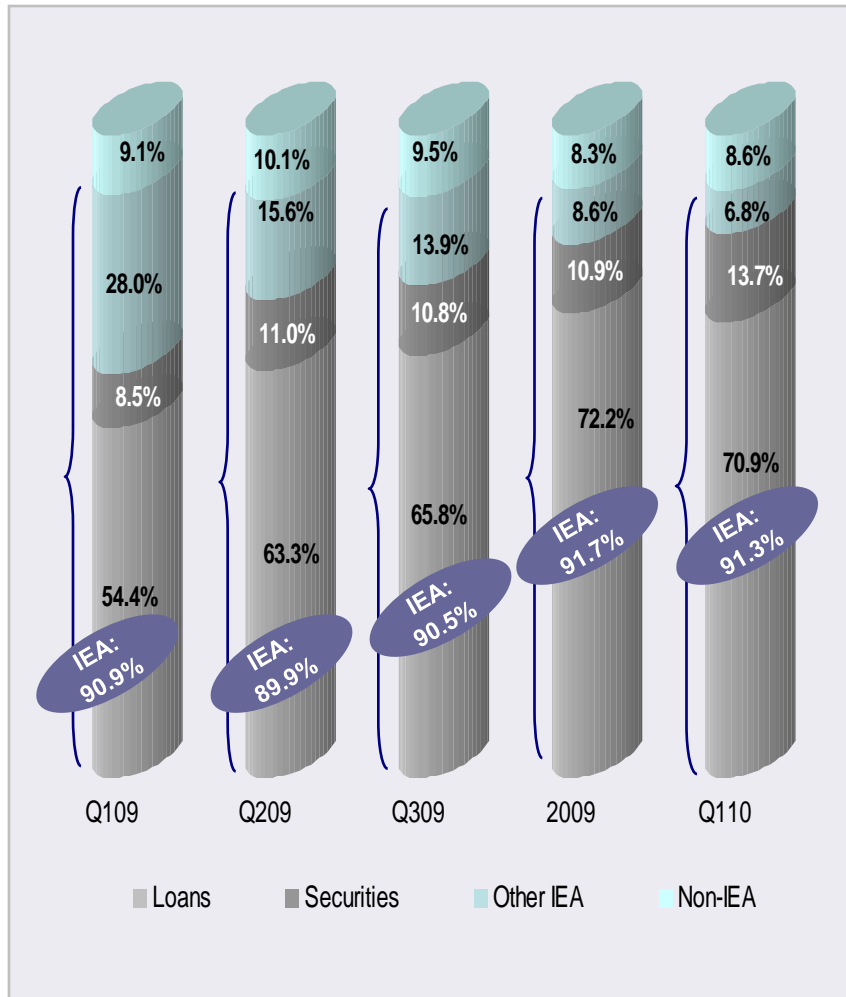
- Volume growth gaining pace:
 - 10-15% loan growth
 - 10-13% deposit growth
- Pressure on NIM with the end of CBT's easing cycle and increased competitive pressure
- Improvement in asset quality

Tekstilbank

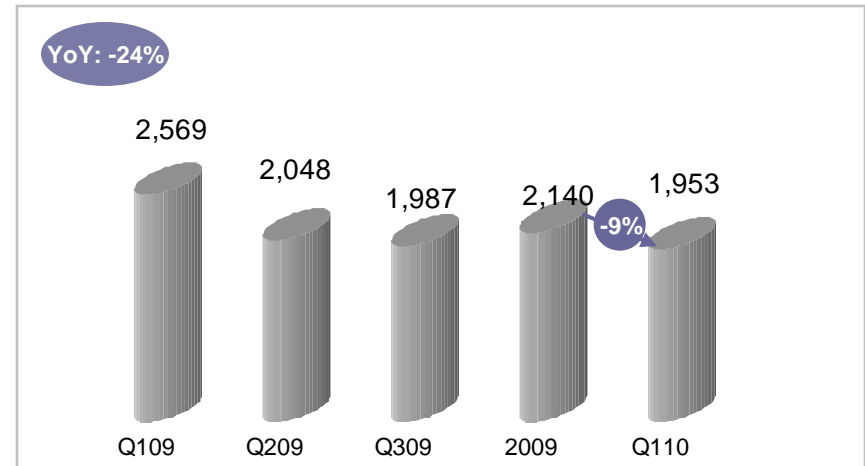
- Pressure on NIM in line with the sector
- Improvement in asset quality to continue
- Cost of risk to come down to pre-crisis levels (around 2%)
- Costs to continue to be under control

Increasing share of securities...

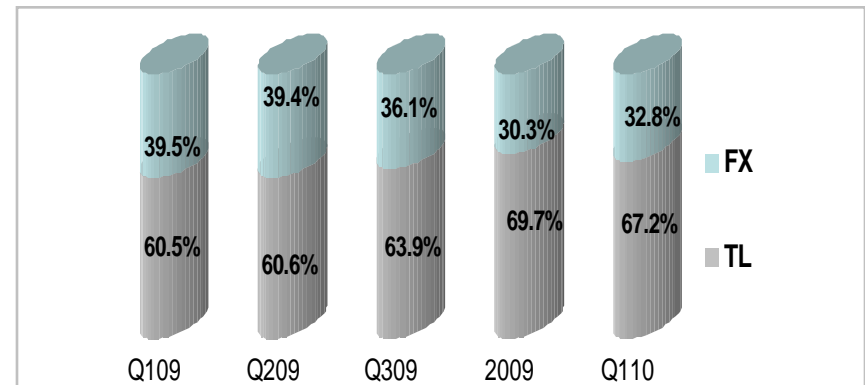
Composition of Assets



Total Assets (TRY mn)

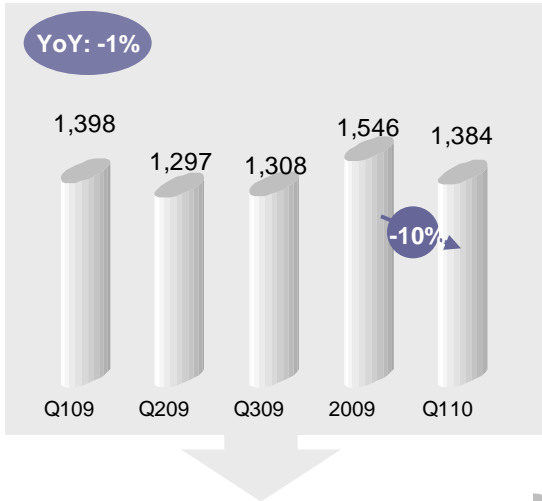


Currency Composition of Assets

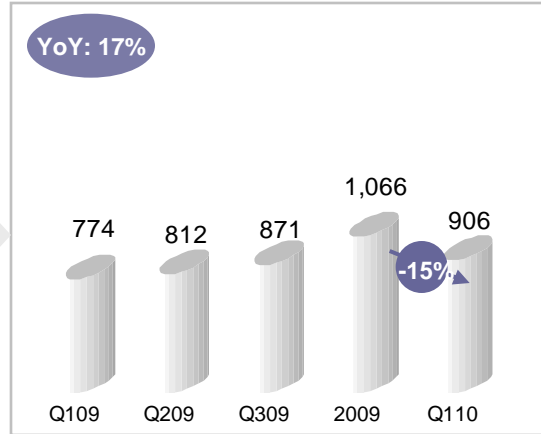


Margin focus intensifies: redemption of lower yielding loans...

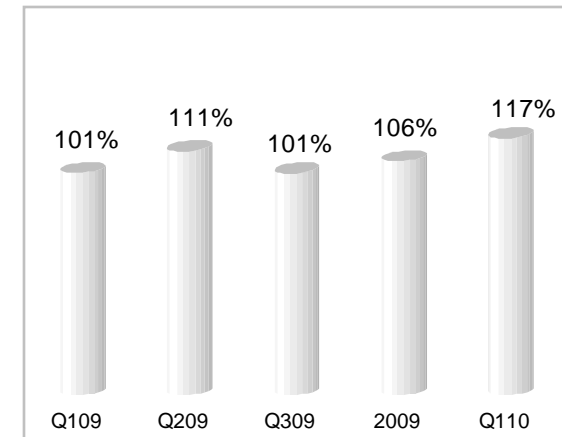
Total Cash Loans (TRY mn)



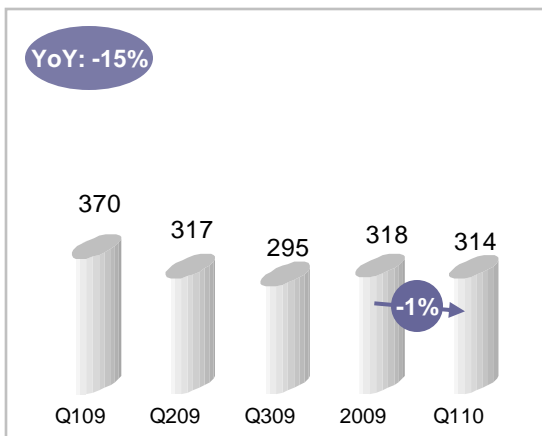
TL Cash Loans (TRY mn)



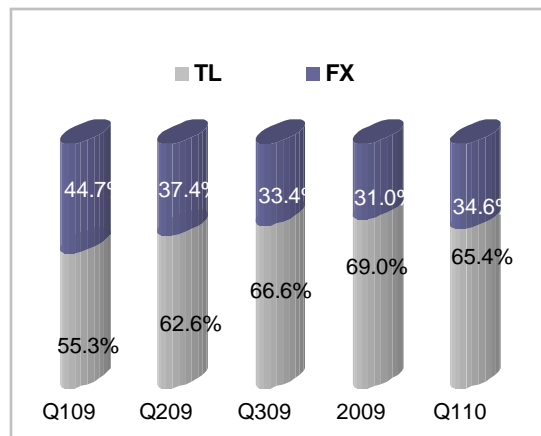
Loans / Customer Deposits



FX Cash Loans (US\$ mn)



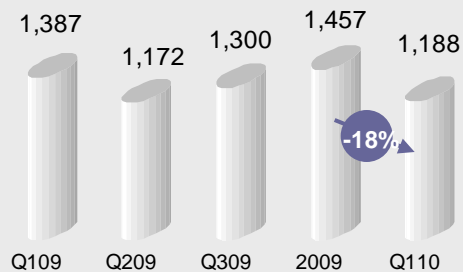
Currency Breakdown of Cash Loans



Accordingly, release of high cost deposits...

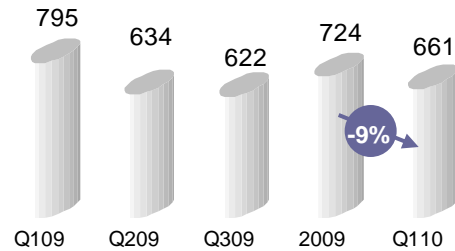
Total Deposits* (TRY mn)

YoY: -14%

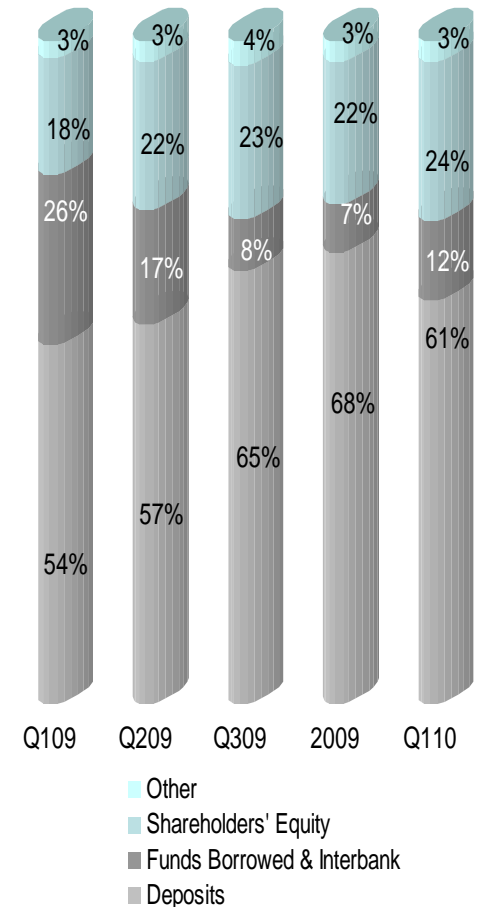


TL Deposits* (TRY mn)

YoY: -17%

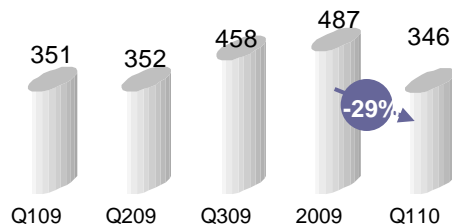


Composition of Liabilities & SHE

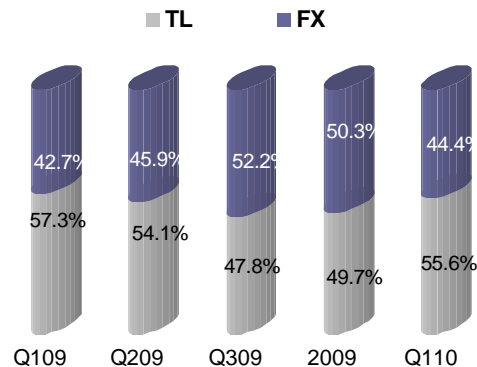


FX Deposits* (US\$ mn)

YoY: -1%



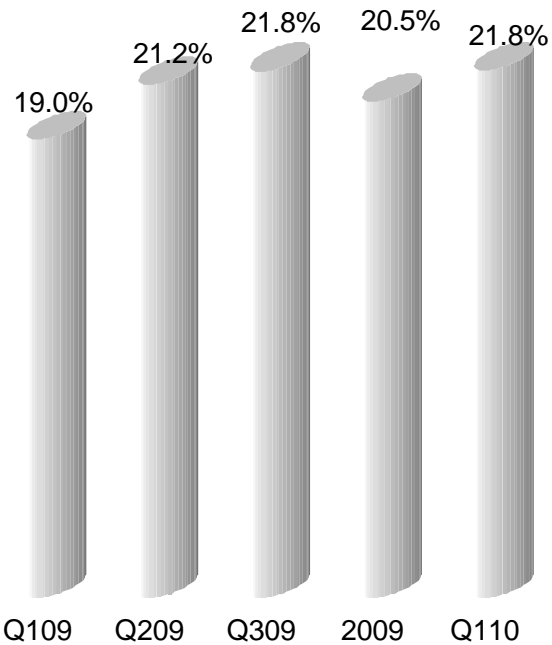
Currency Breakdown*



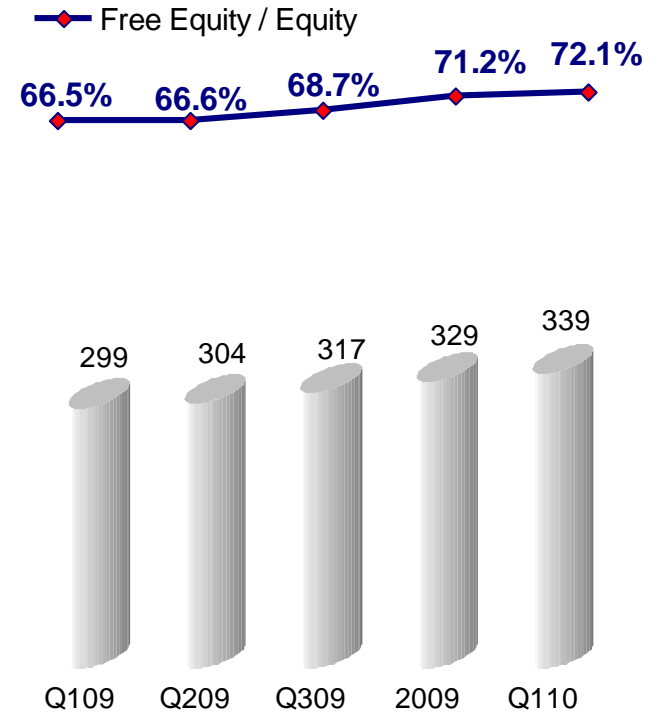
* Excluding bank deposits

Strong capital: Capital adequacy at 22%

Capital Adequacy Ratio (CAR)



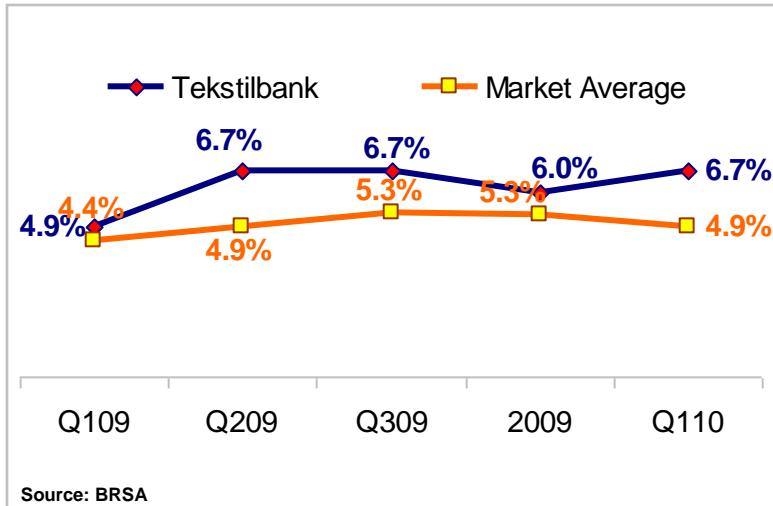
Free Equity (TRY mn)



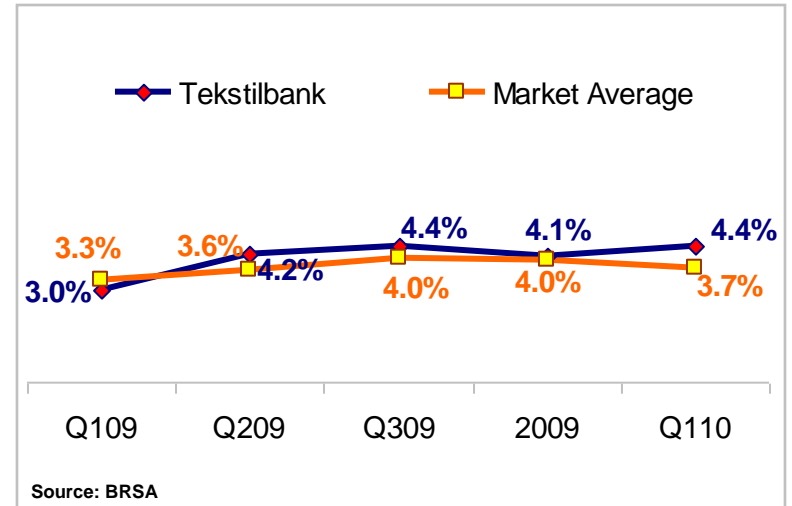
Free Equity: SHE-subsidaries-property & equipment-intangible assets-property & equipment held for sale-unprovisioned NPL

Significant improvement in asset quality, translating into a considerable decline in cost of risk...

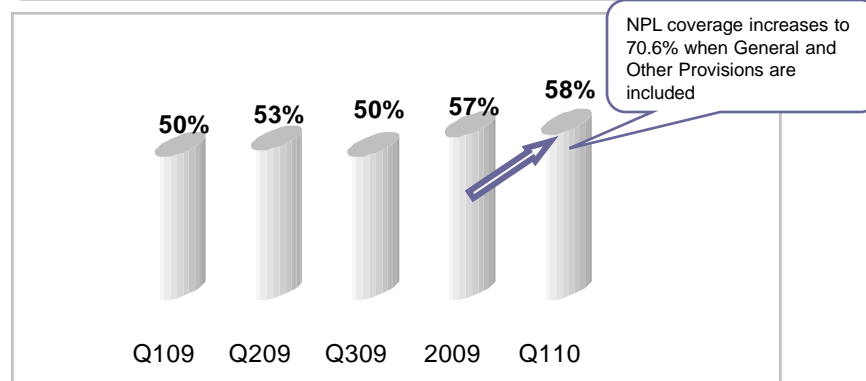
NPL Ratio



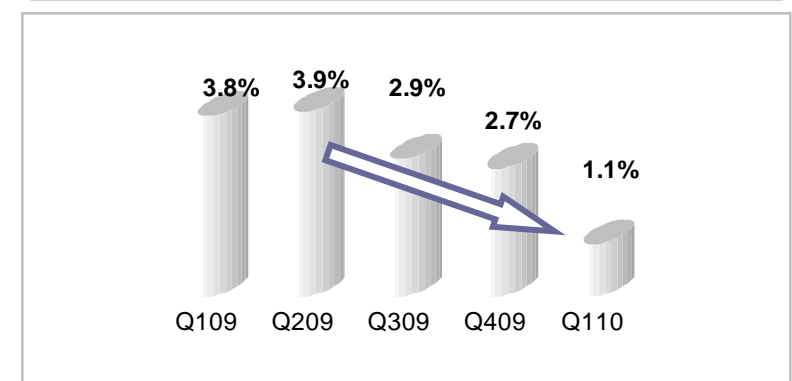
NPL Ratio (including non-cash loans)



NPL Coverage

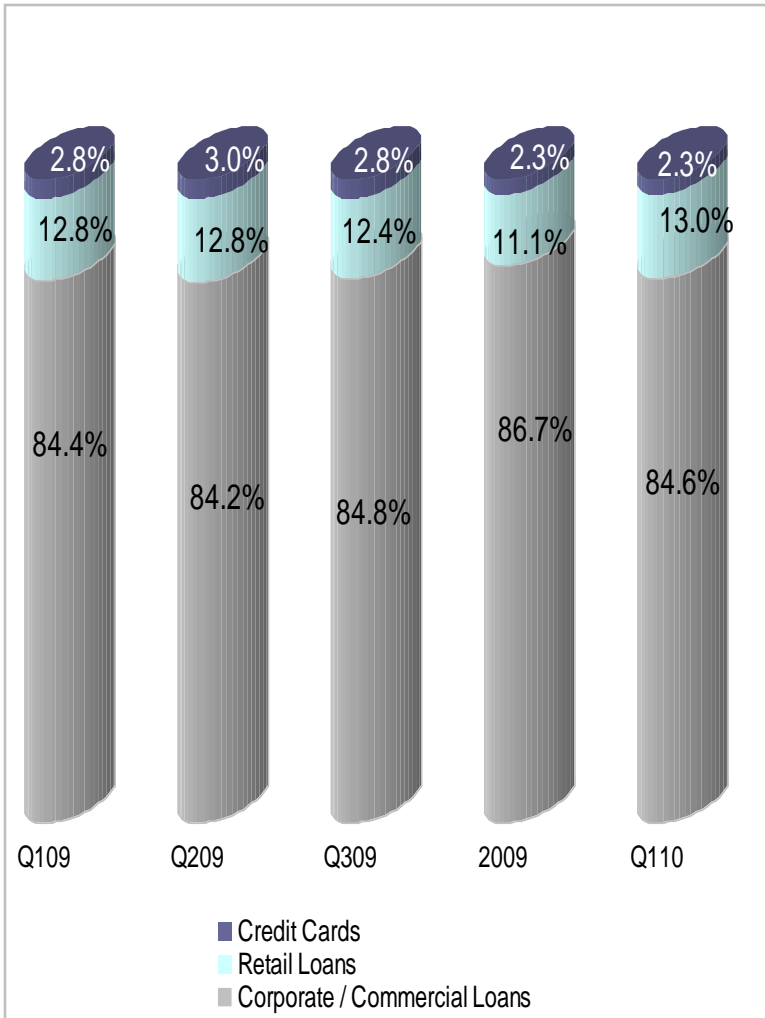


Cost of Risk

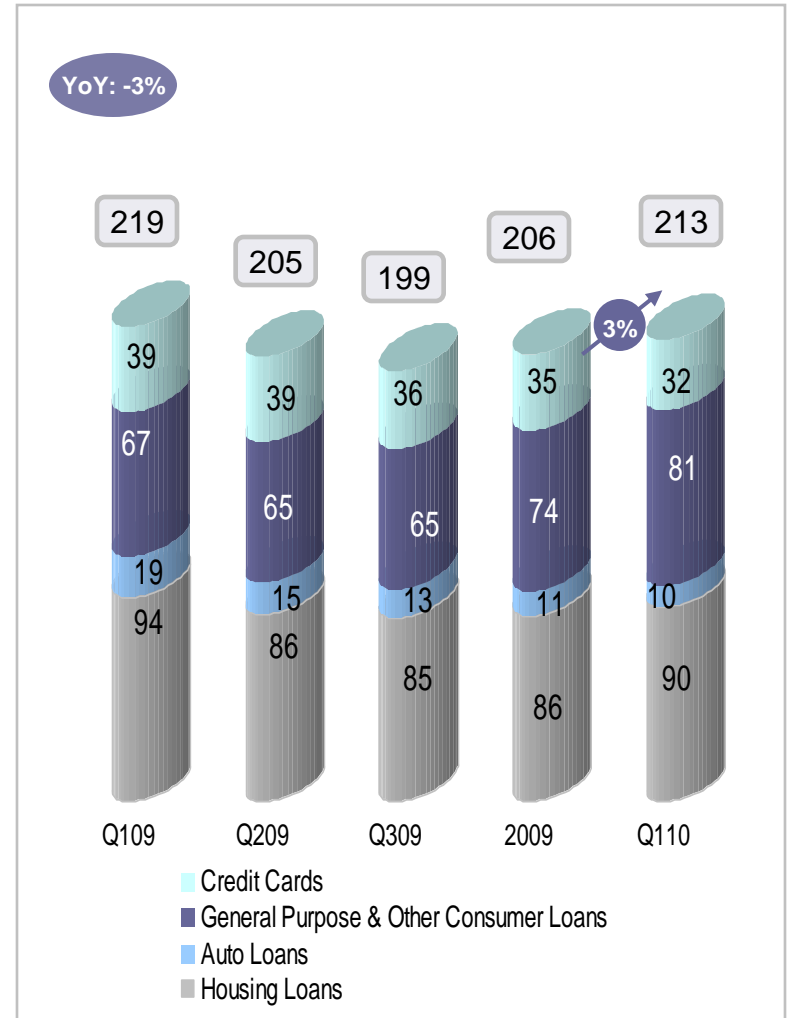


Retail banking...

Breakdown of Loan Portfolio



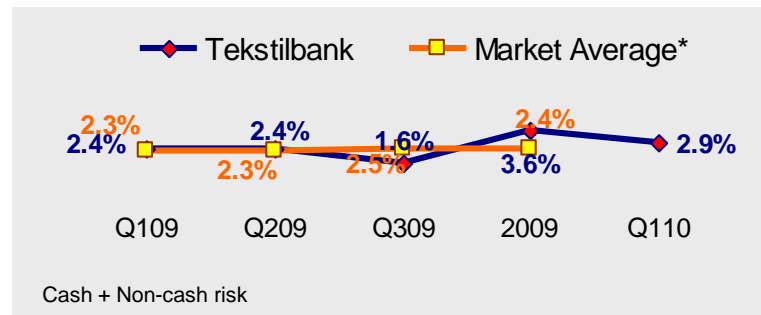
Breakdown of Retail Loans (TRY mn)



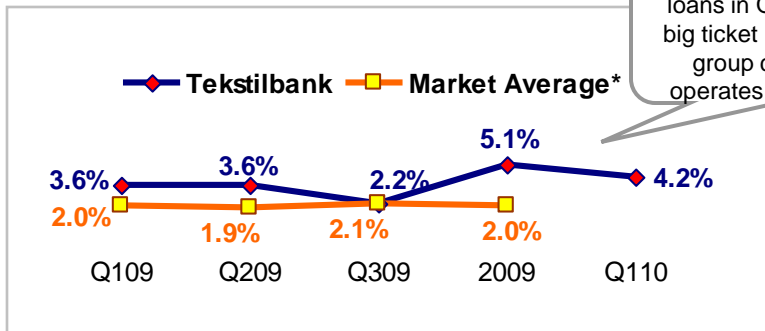
Group Loans...

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

Group Total Risk / Total Risk

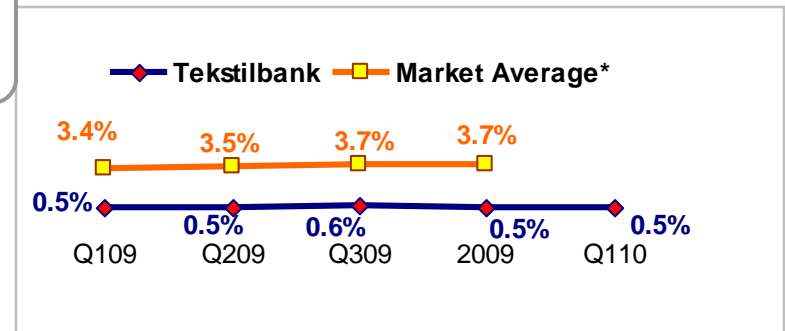


Group Cash Loans / Cash Loans



Increase in cash group loans in Q409 was due to a big ticket item extended to a group company, which operates in financial sector

Group Non-Cash Loans / Non-Cash Loans

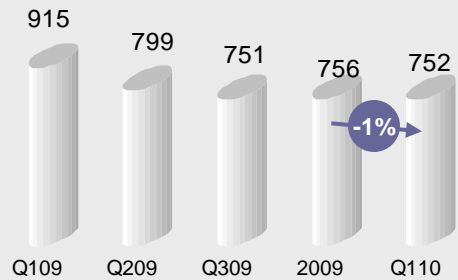


* Selected 20 banks' average (public banks are excluded) for December 31 2009 is not available yet

Non-cash loans...

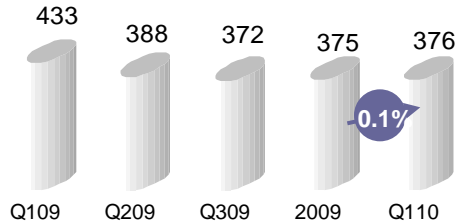
Total Non-Cash Loans (TRY mn)

YoY: -18%

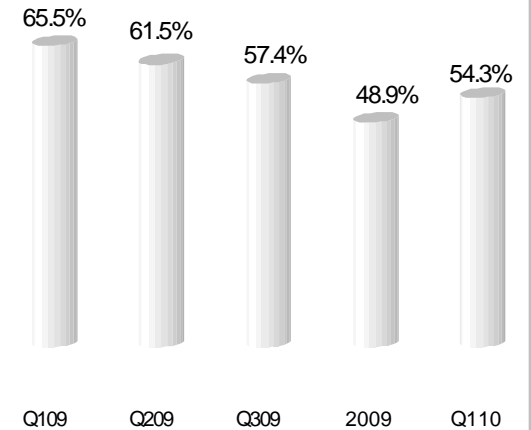


TL Non-Cash Loans (TRY mn)

YoY: -13%

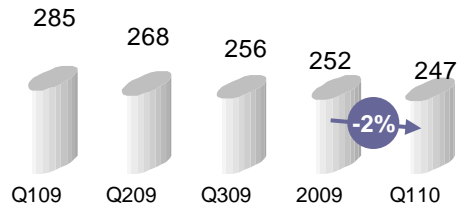


Non-Cash / Cash Loans

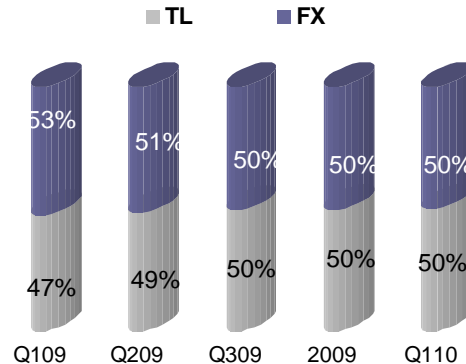


FX Non-Cash Loans (US\$ mn)

YoY: -13%

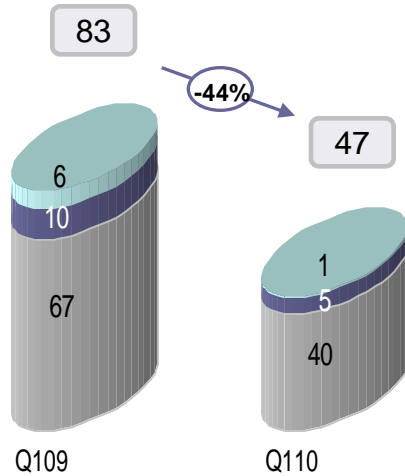


Currency Breakdown of Non-Cash Loans

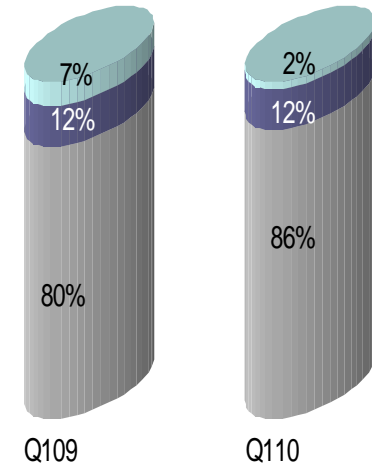


Interest Income & Expense...

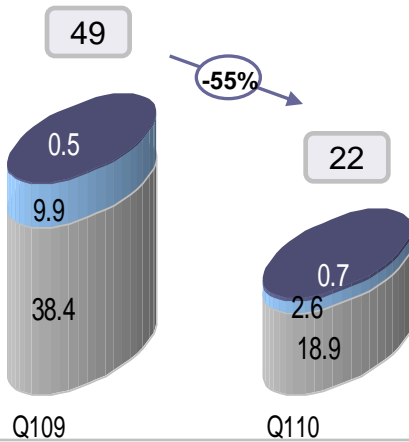
Interest Income (TRY mn)



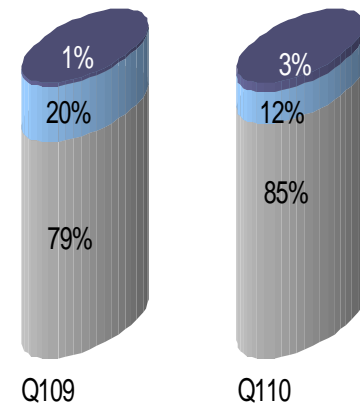
Composition of Interest Income



Interest Expense (TRY mn)

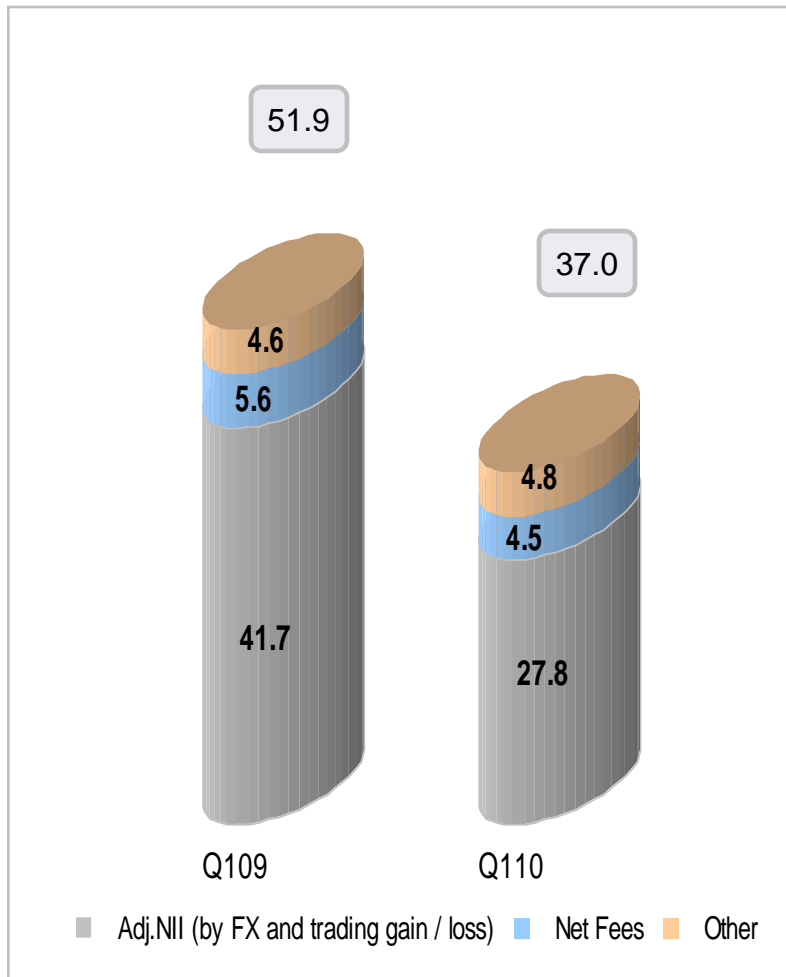


Composition of Interest Expense

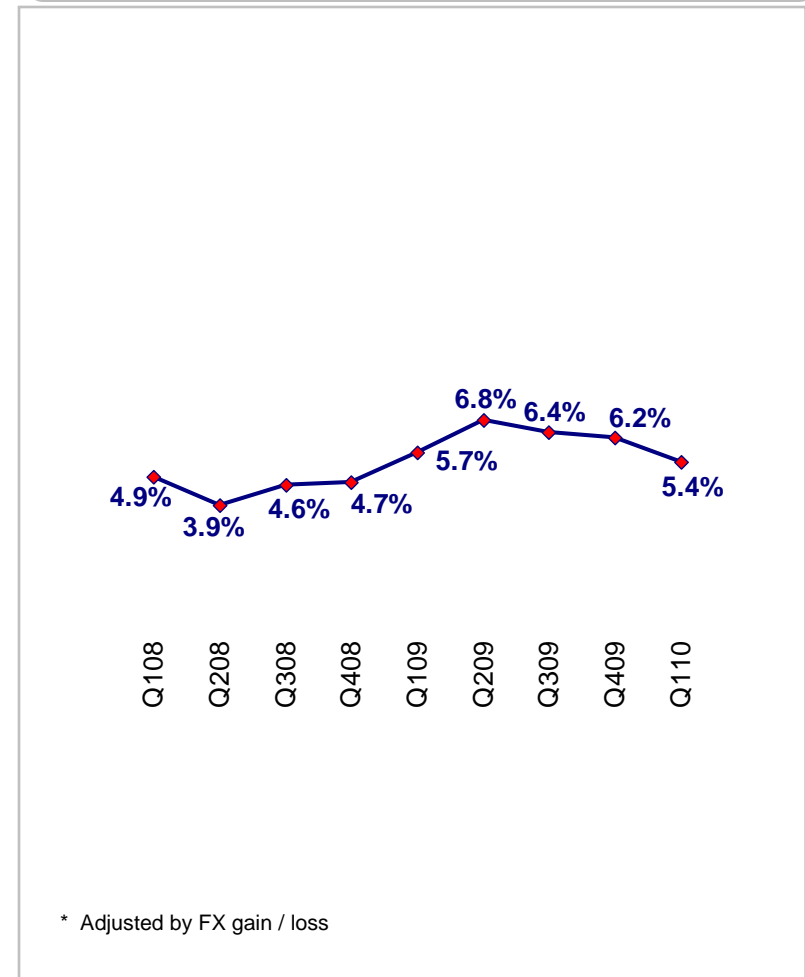


Margin pressure continues...

Banking Income (TRY mn)

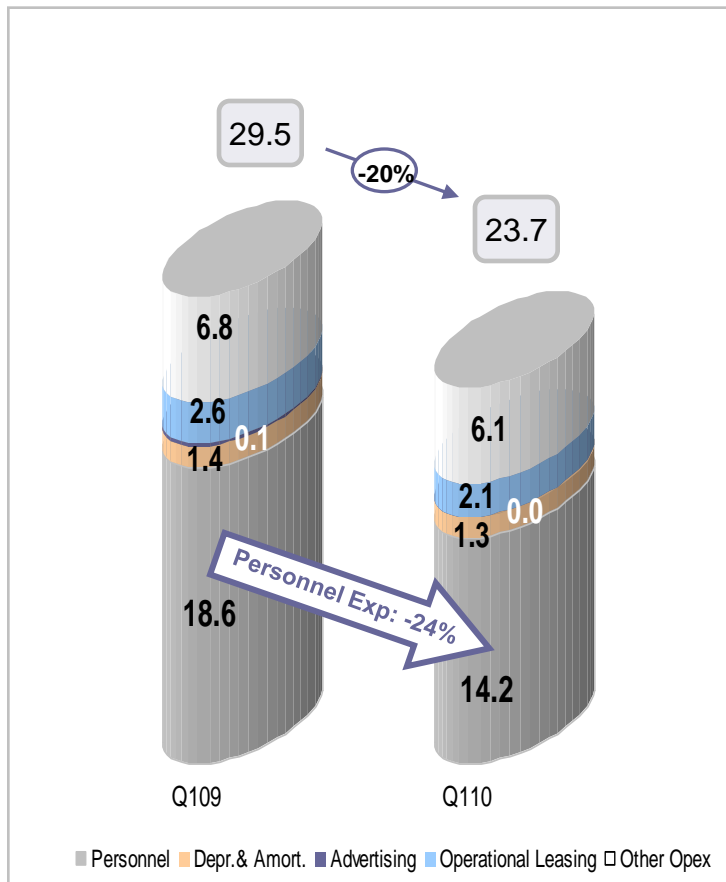


Adjusted Net Interest Margin*

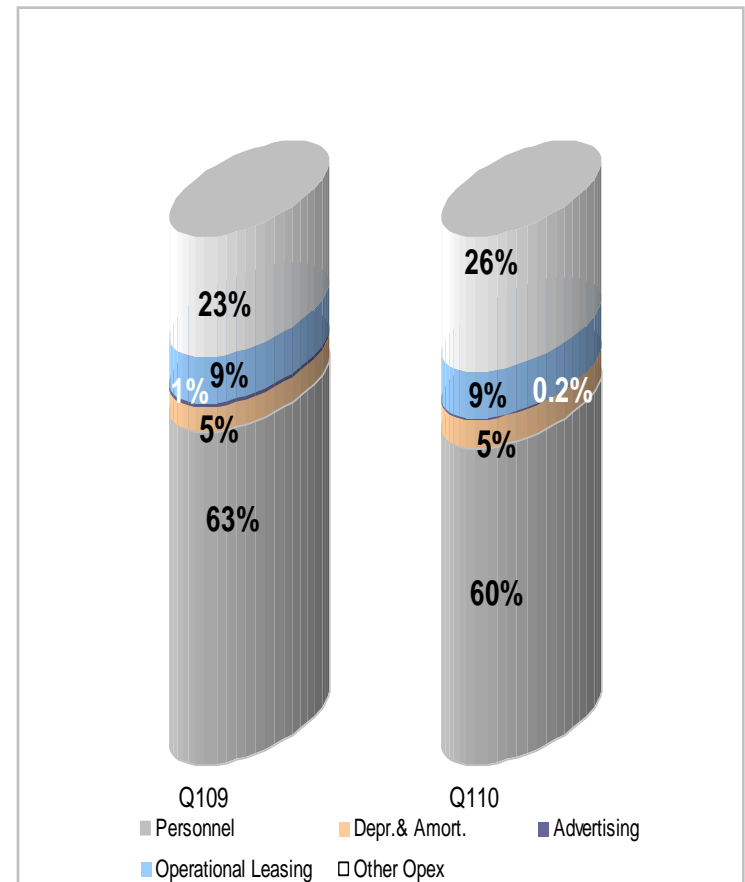


Strict cost measures paid off...

Operating Expenses (TRY mn)



Composition of Operating Expenses



Summary Balance Sheet...

TRY mn	Q109	2009	Q110
Cash & Banks	739	201	148
Total Securities	218	234	267
Total Cash Loans	1,398	1,546	1,384
Fixed Assets & Subsidiaries	115	92	90
Other	99	68	64
Total Assets	2,569	2,140	1,953
Deposits*	1,387	1,457	1,188
Interbank Money Market*	4	9	85
Borrowings	663	146	149
Other	65	65	61
SHE	450	463	470
Total Liabilities & SHE	2,569	2,140	1,953

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

Summary Income Statement...

TRY mn

	Q109	Q110
Interest Income	82.8	46.6
Loans	66.5	40.2
Securities	10.2	5.4
Other	6.1	1.0
Interest Expense	48.8	22.2
Deposits	38.4	18.9
Funds Borrowed	9.9	2.6
Interbank & Other	0.5	0.7
Net Interest Income	34.0	24.4
Net FX Gain (Loss)*	2.0	1.0
Adj. Net Interest Income	36.0	25.4
Net Trading Income (Loss)*	5.8	2.4
Net Fees & Commissions	5.6	4.5
Other Operating Income	4.6	4.8
Total Operating Income	51.9	37.0
Provisions	14.7	4.4
Opex	29.5	23.7
Profit from Subsidiaries	0.0	0.0
Profit Before Tax	7.7	8.9
Tax	-1.4	-1.8
Net Income	6.3	7.1

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

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