



# **TEKSTİLBANK**

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*Earnings Presentation*  
*June 30, 2009 / BRSA Consolidated*

# 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

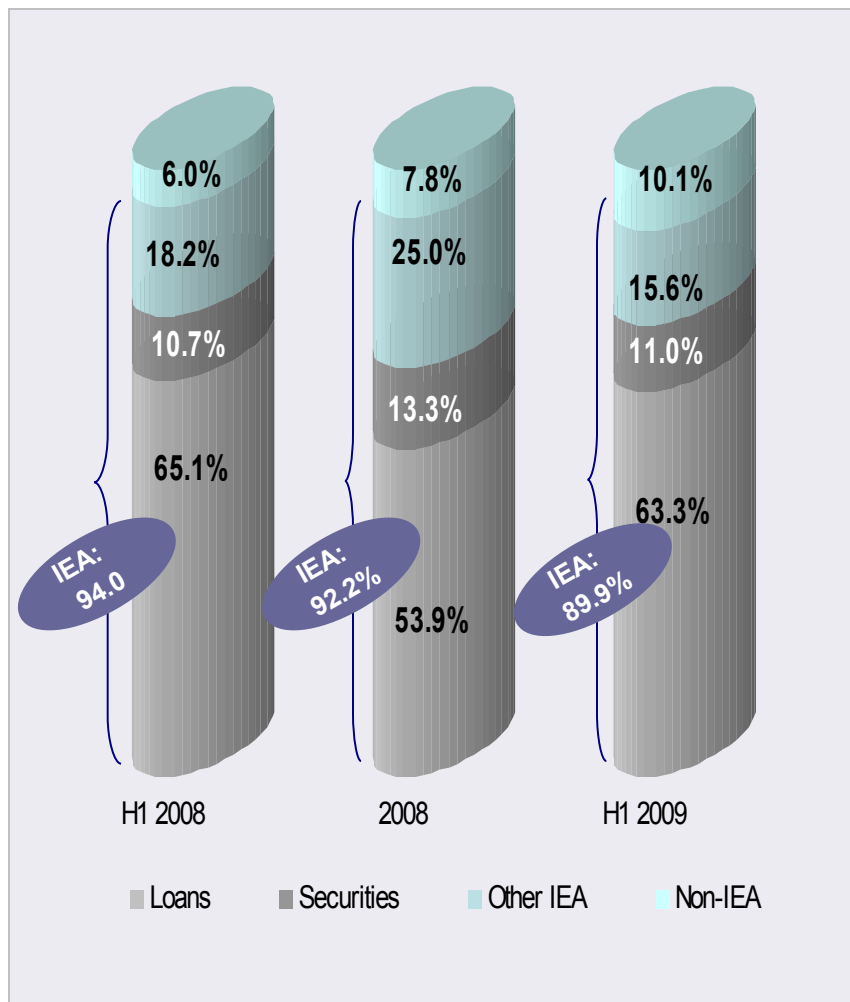


## ***Improved profitability in H109:***

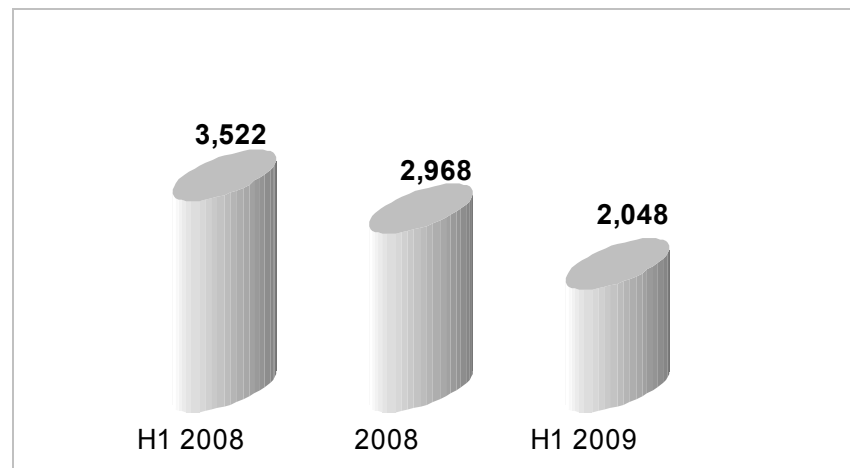
- ***225% YoY increase in consolidated net income...***

# Declining portion of liquid assets to 15.6% mainly due to release of high cost funding...

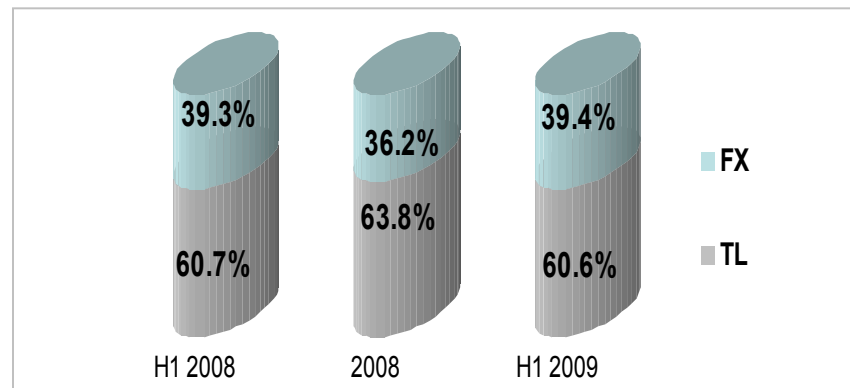
## Composition of Assets



## Total Assets (TRY mn)



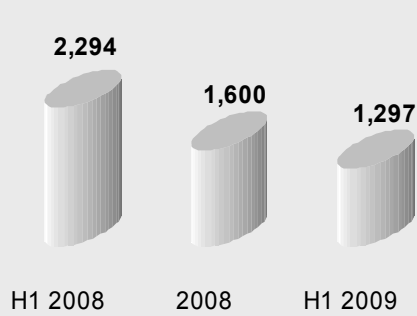
## Currency Composition of Assets



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

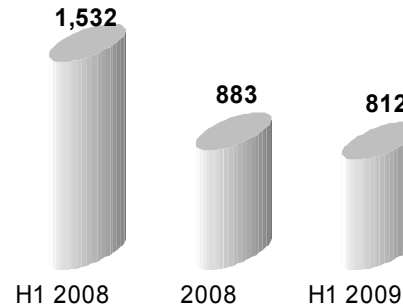
## Total Cash Loans (TRY mn)

YtD: -19%

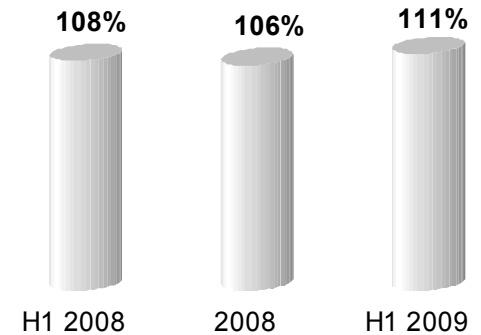


## TL Cash Loans (TRY mn)

YtD: -8%

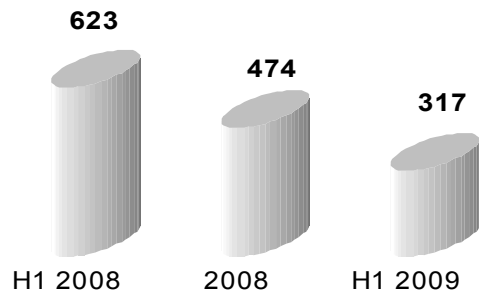


## Loans / Deposits

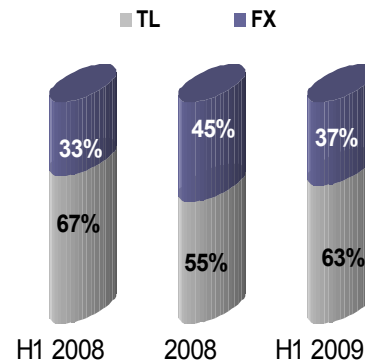


## FX Cash Loans (US\$ mn)

YtD: -33%



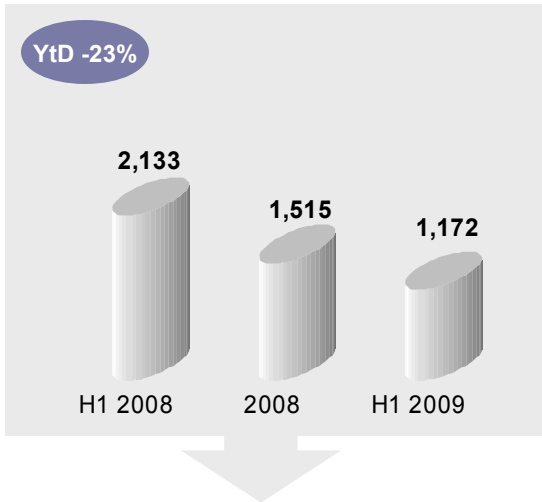
## Currency Breakdown of Cash Loans



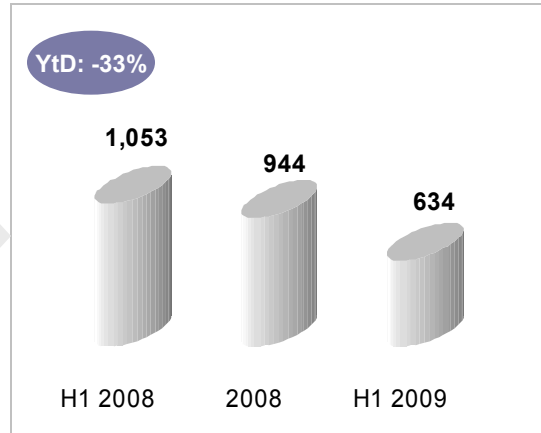
FX indexed cash loans are included in FX cash loans

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

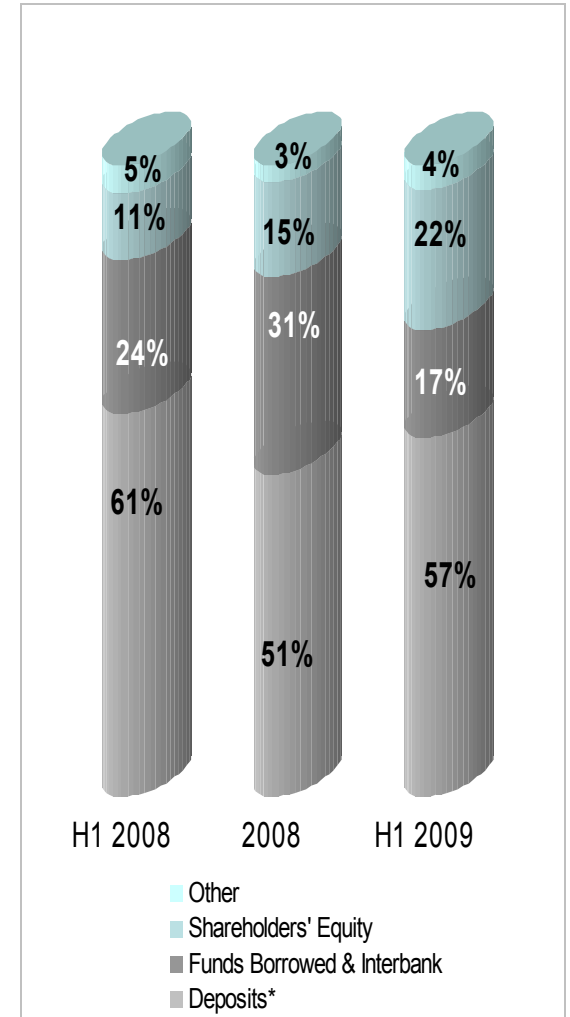
## Total Deposits\* (TRY mn)



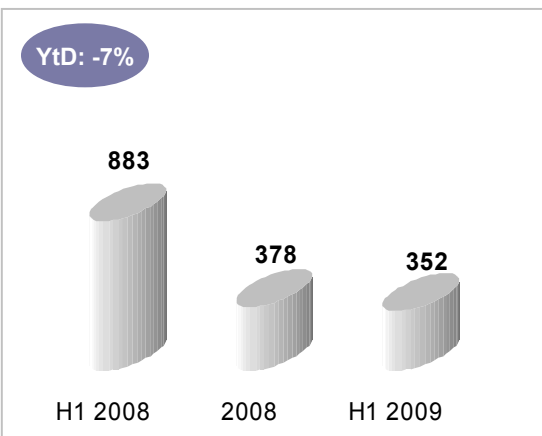
## TL Deposits\* (TRY mn)



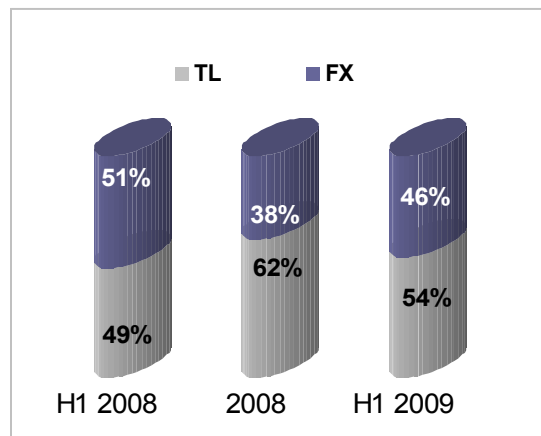
## Composition of Liabilities & SHE



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



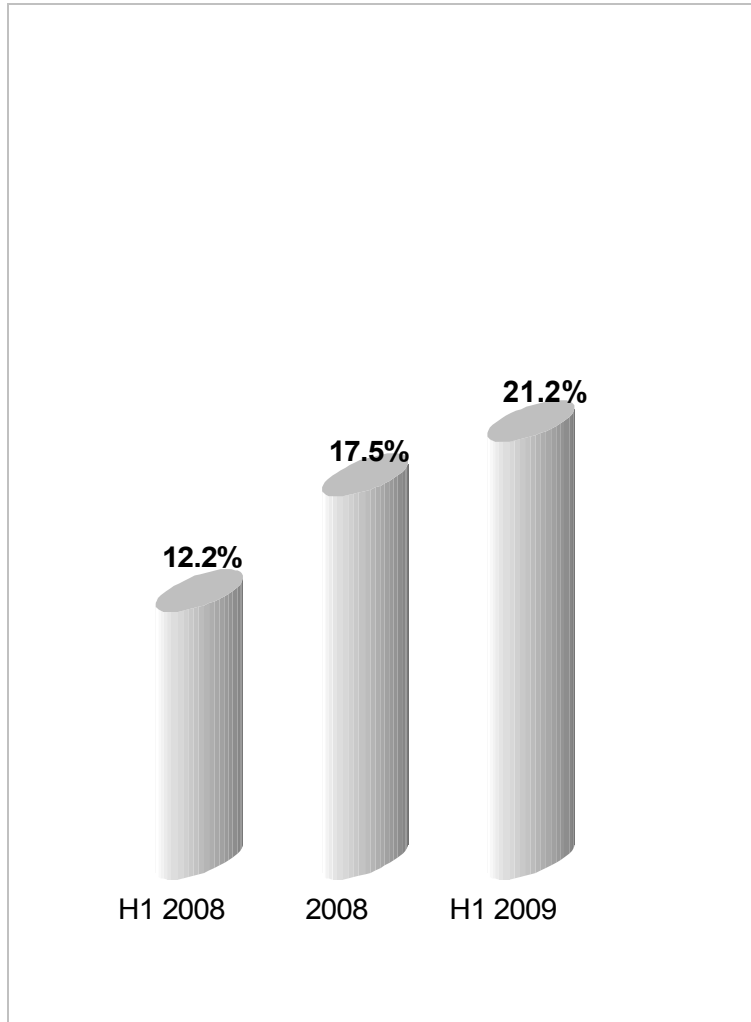
## Currency Breakdown\*



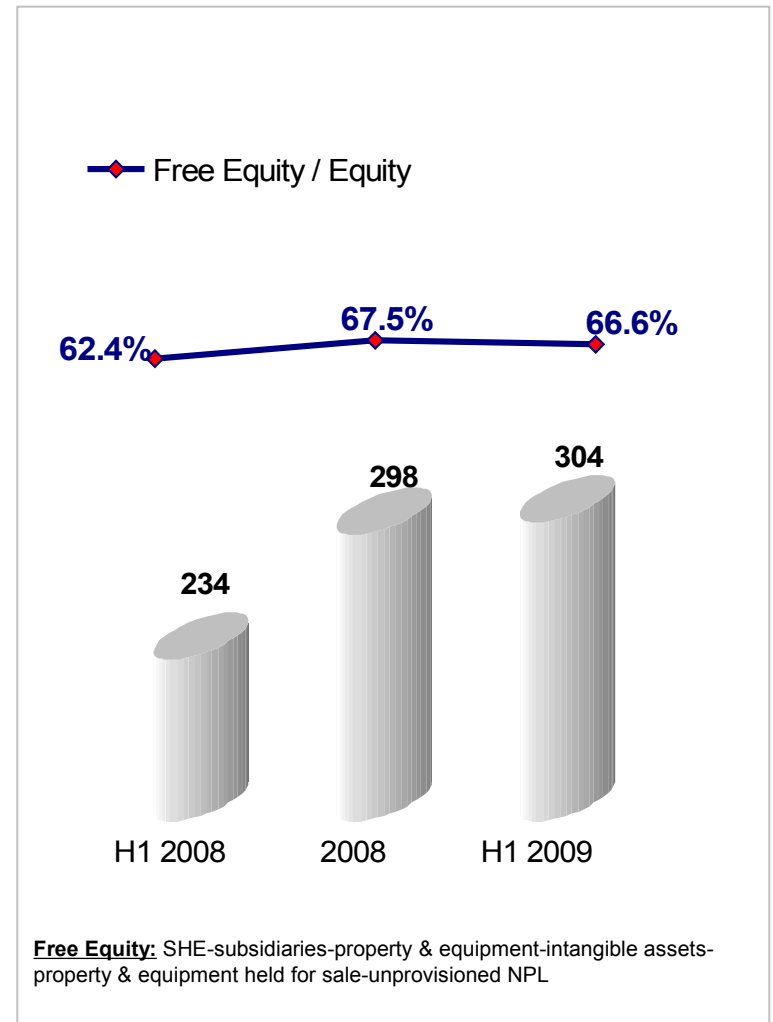
\* Excluding bank deposits

# Capital adequacy ratio reached 21.2%...

## Capital Adequacy Ratio (CAR)



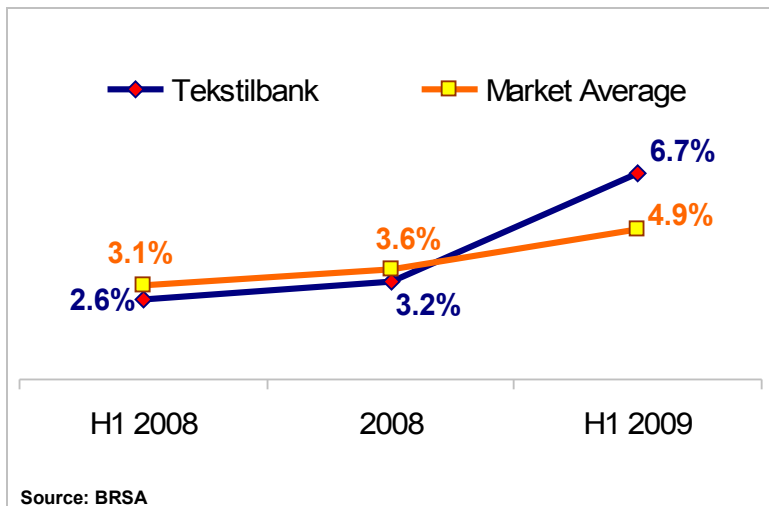
## Free Equity (TRY mn)



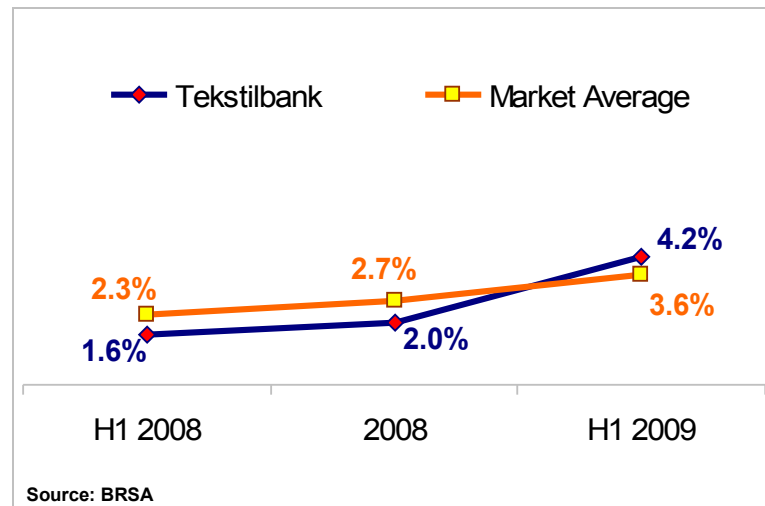
**Free Equity:** SHE-subsiaries-property & equipment-intangible assets-property & equipment held for sale-unprovisioned NPL

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

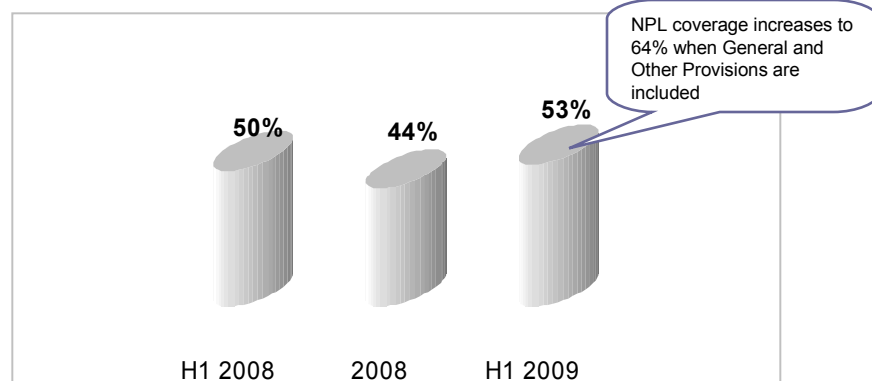
## NPL Ratio



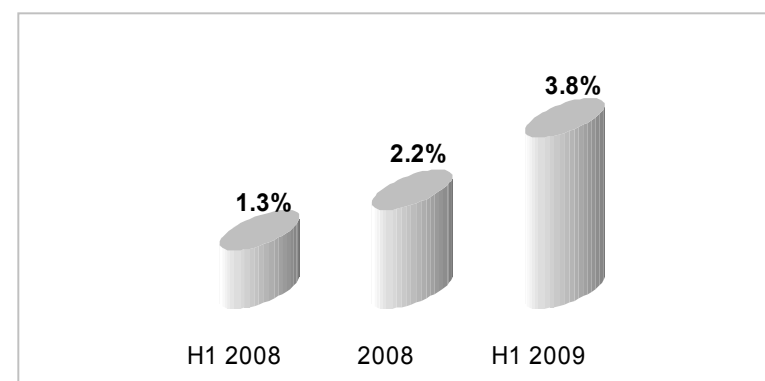
## NPL Ratio (including non-cash loans)



## NPL Coverage



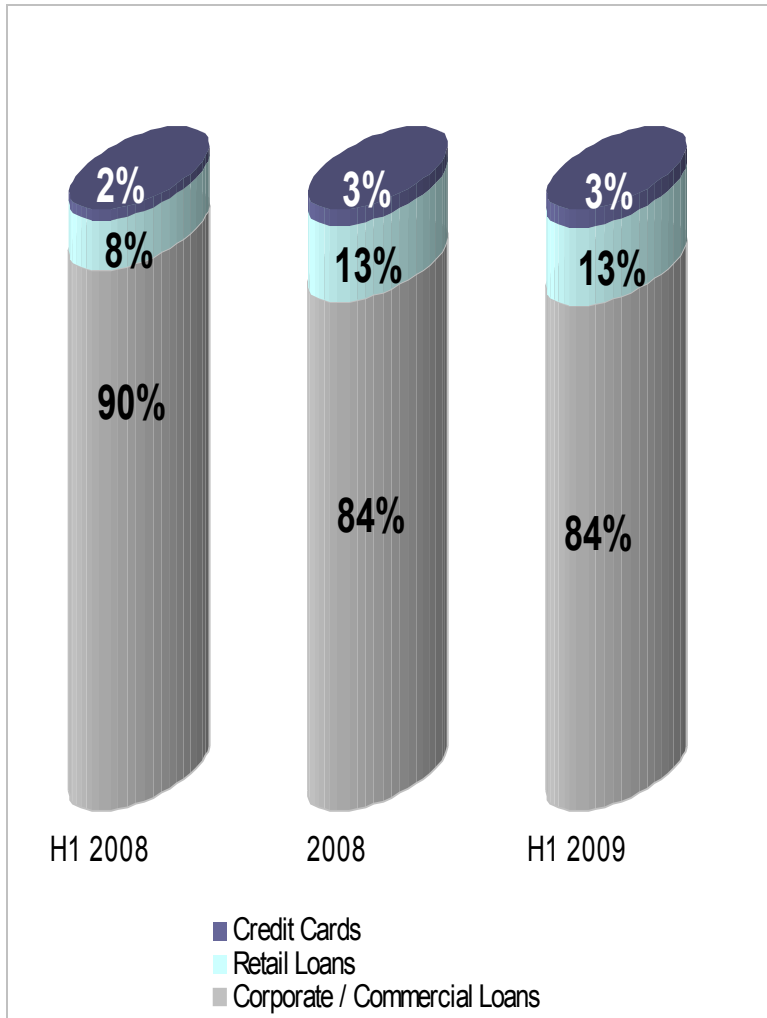
## Cost of Risk



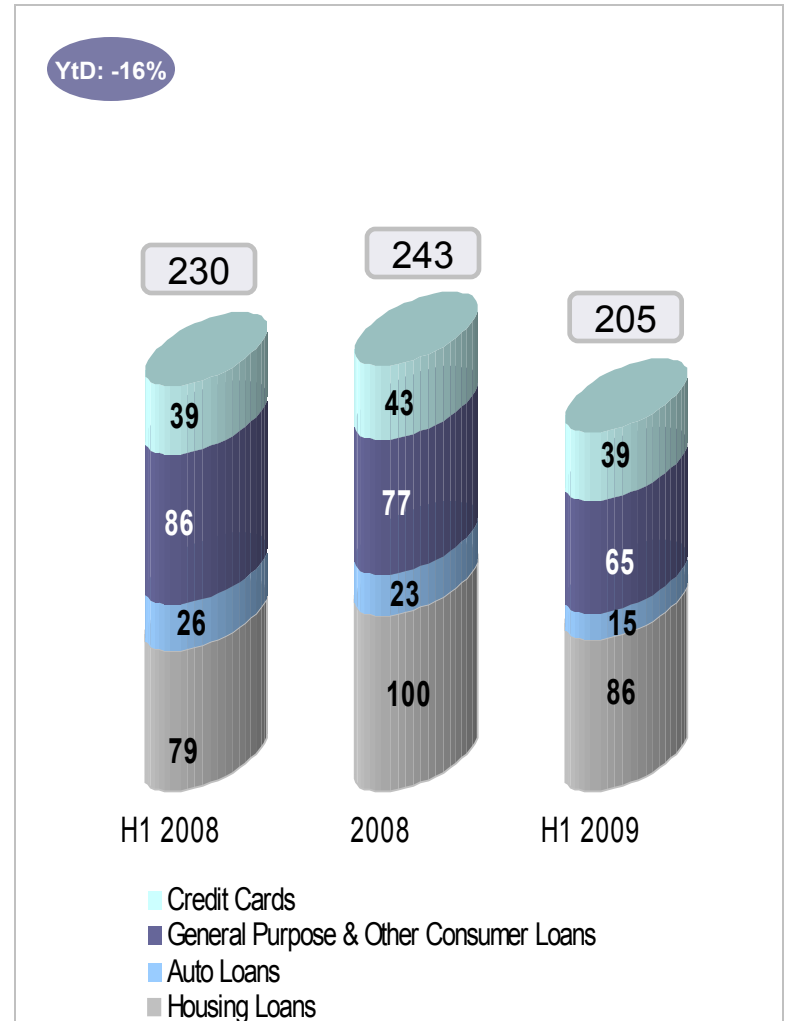
\*The decline in NPL ratio of the market is mainly due to the sale of a portion of NPLs of some banks.

# Retail banking...

## Breakdown of Loan Portfolio

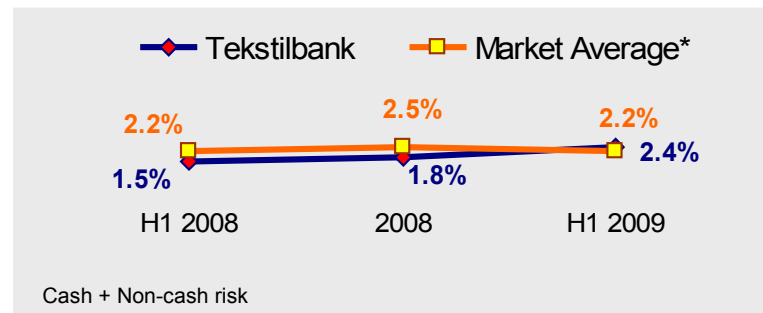


## Breakdown of Retail Loans (TRY mn)

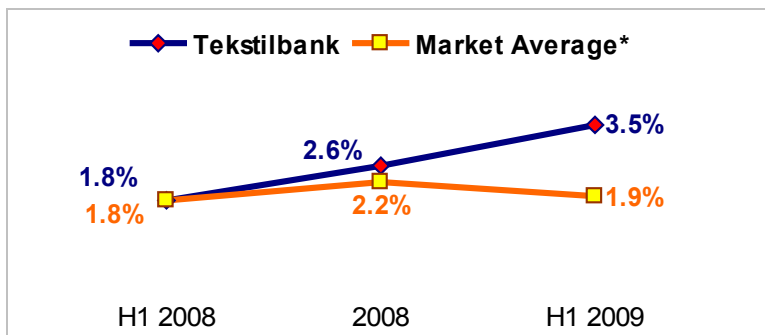


# Group risks...

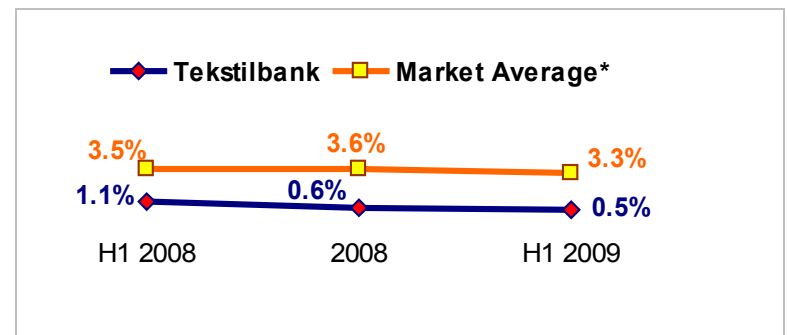
## Group Total Risk / Total Risk



## Group Cash Loans / Cash Loans



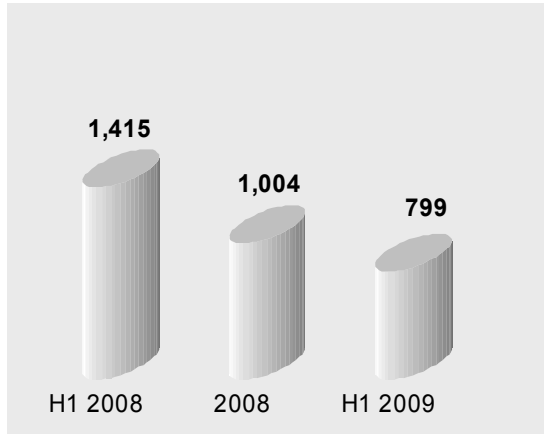
## Group Non-Cash Loans / Non-Cash Loans



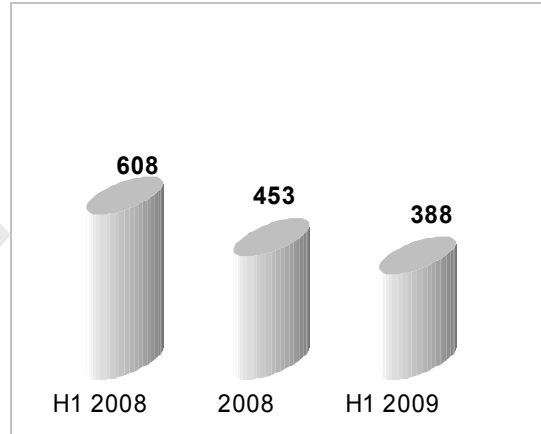
\* Selected 21 banks' average (public banks are excluded) for March 2008, June 2009 figures for the market are not available yet

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

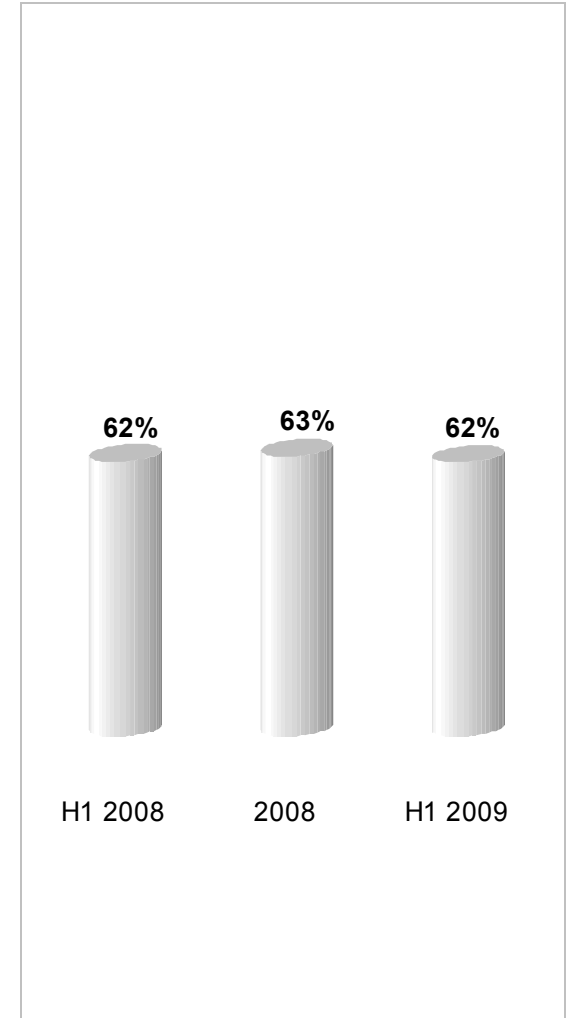
**Total Non-Cash Loans** (TRY mn)



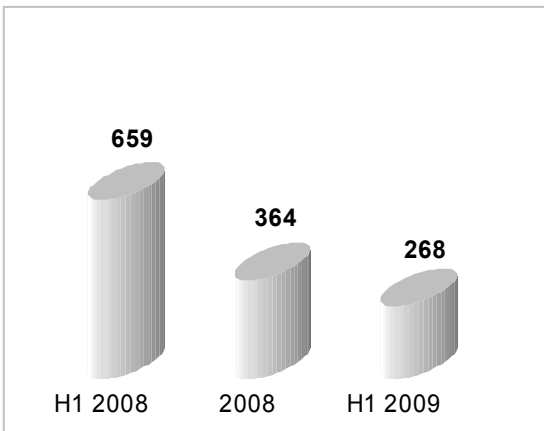
**TL Non-Cash Loans** (TRY mn)



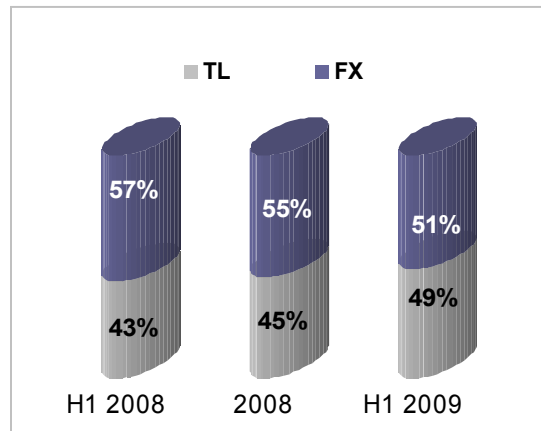
**Non-Cash / Cash Loans**



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

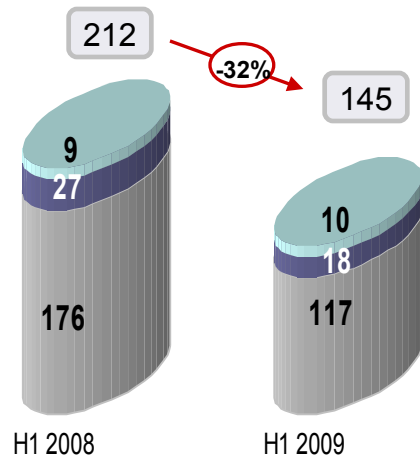


**Currency Breakdown of Non-Cash Loans**



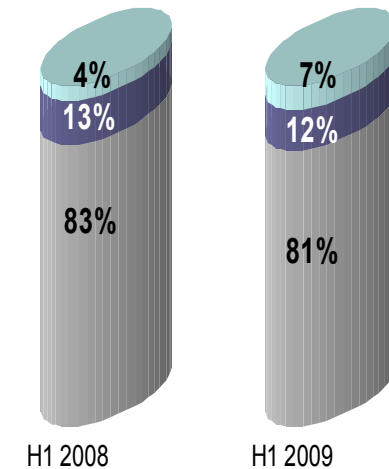
# Interest Income & Expense...

## Interest Income (TRY mn)

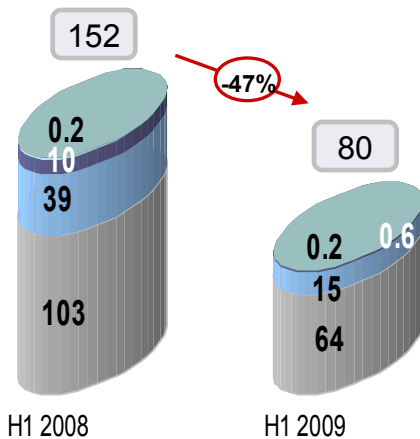


- Other
- Securities
- Loans

## Composition of Interest Income\*

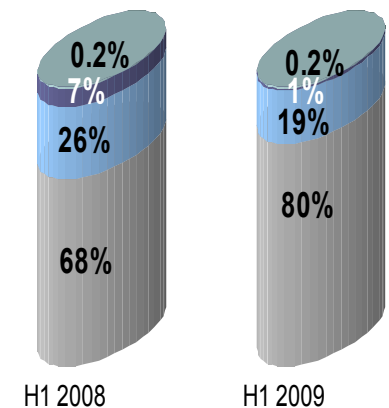


## Interest Expense (TRY mn)



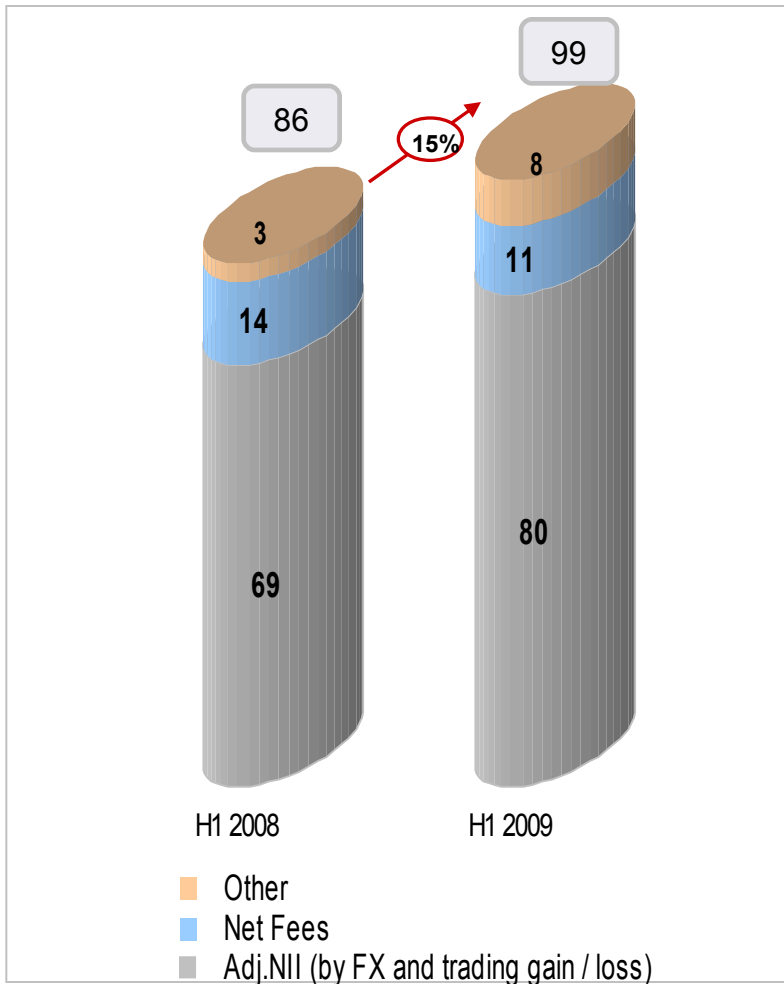
- Other
- Interbank
- Funds Borrowed
- Deposits

## Composition of Interest Expense

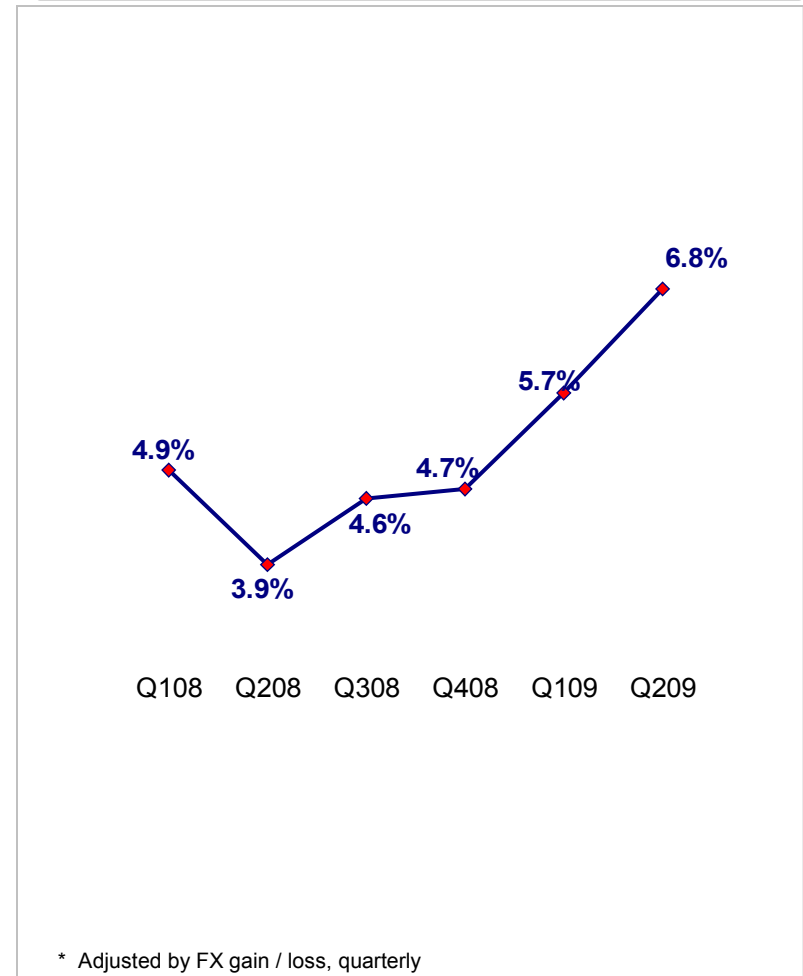


# Margin improvement thanks to further decline in interest rates on deposits...

**Banking Income** (TRY mn)

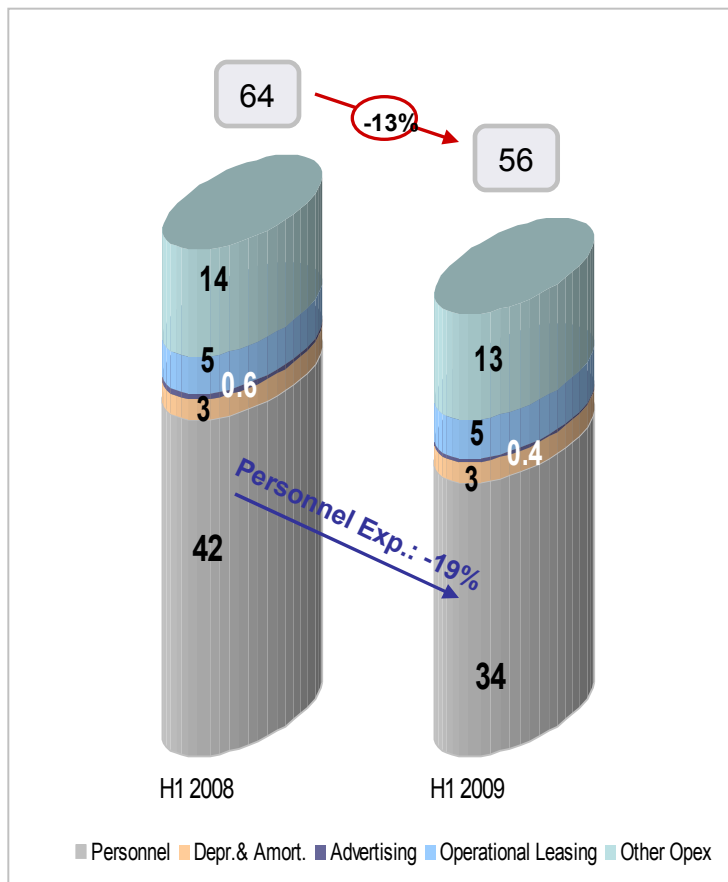


**Adjusted Net Interest Margin\***

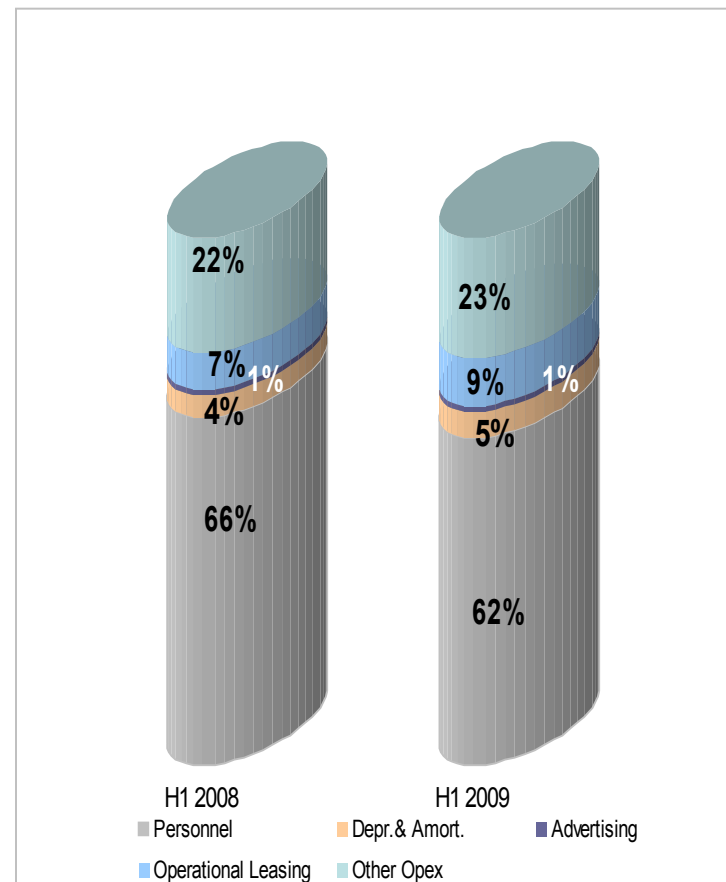


# Strict cost measures started to pay off...

## Operating Expenses (TRY mn)



## Composition of Operating Expenses



# Summary Balance Sheet...

TRY mn	Q2 2008	2008	Q2 2009
<b>Cash &amp; Banks</b>	666	764	335
<b>Total Securities</b>	378	395	225
<b>Total Cash Loans</b>	2,294	1,600	1,297
<b>Fixed Assets &amp; Subsidiaries</b>	110	113	109
<b>Other</b>	74	96	82
<b>Total Assets</b>	<b>3,522</b>	<b>2,968</b>	<b>2,048</b>
<b>Deposits</b>	2,133	1,515	1,172
<b>Interbank Money Market</b>	194	224	9
<b>Borrowings</b>	664	703	346
<b>Other</b>	157	84	64
<b>SHE</b>	374	442	457
<b>Total Liabilities &amp; SHE</b>	<b>3,522</b>	<b>2,968</b>	<b>2,048</b>

# Summary Income Statement...

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

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

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