

TEKSTILBANK

Earnings Presentation
September 30, 2010 / BRSA Bank-Only

Highlights of Q3 2010...

- Further expansion in balance sheet
 - A notable q/q loan growth of 10%, surpassing sector average of 5%
 - 5% q/q deposit growth, slightly exceeding sector average of 3%
- Strong capital adequacy ratio at 21%
- Continuing improvement in cost of risk
- Decline in net interest margin, hit by the income volatility of CPI-linkers

Looking into 2010...

Macro

- Moderate global growth, with lack of momentum in advance countries
- Hence, further quantitative easing from Fed, leading to accelerated S/T capital inflows to emerging markets
- Notable GDP growth expectation of 6.8%, following a shrinkage of 4.7% in 2009
- CBT postponed limited rate hikes to 4Q2011, due to suppressed external demand

Banking Sector

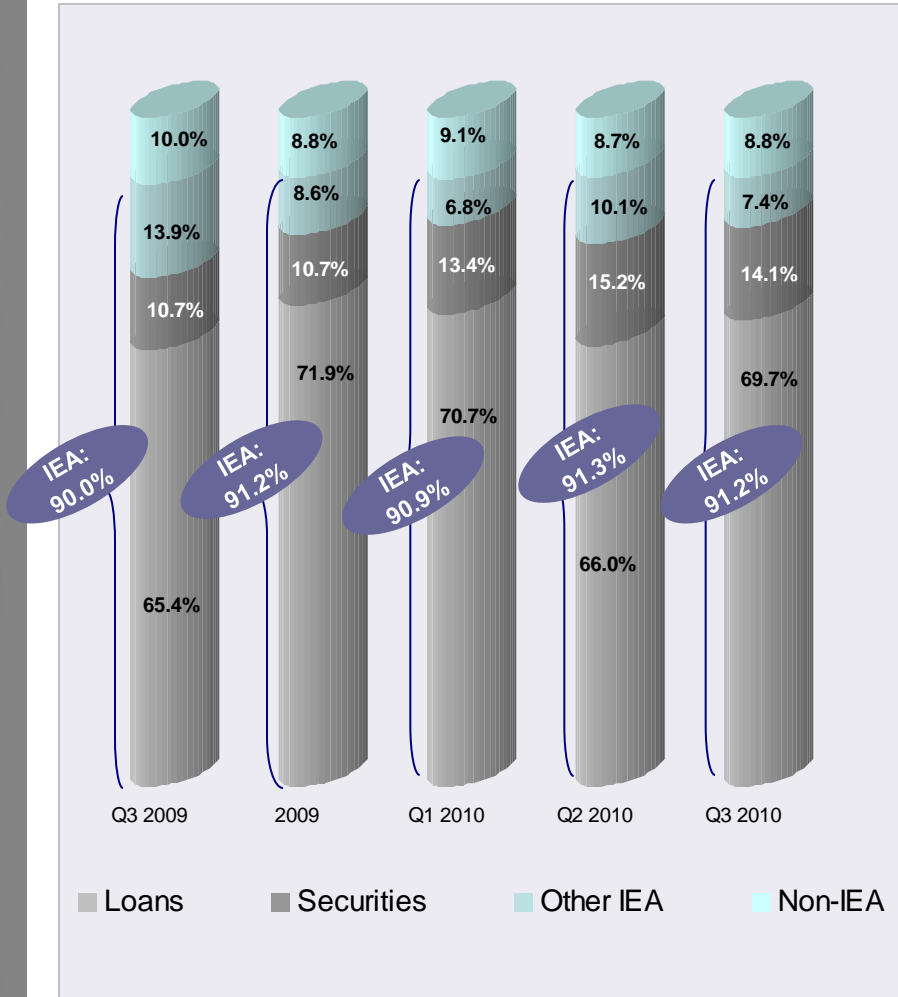
- Volume growth gaining pace:
 - 25-30% loan growth
 - 15-20% deposit growth
- Pressure on NIM with the end of CBT's easing cycle and higher competition
- Improvement in asset quality
- Strong NPL recovery

Tekstilbank

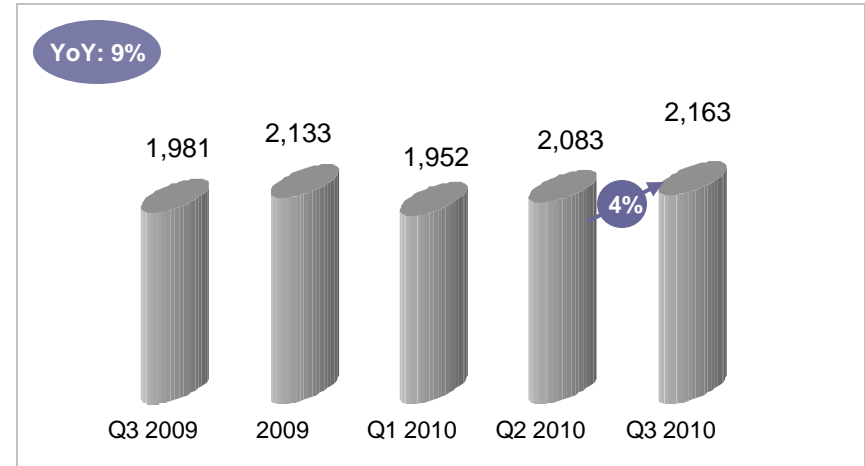
- Better collection performance
- Cost of risk to come down to pre-crisis levels (around 2%)
- Costs to continue to be under control

Expansion in balance sheet...

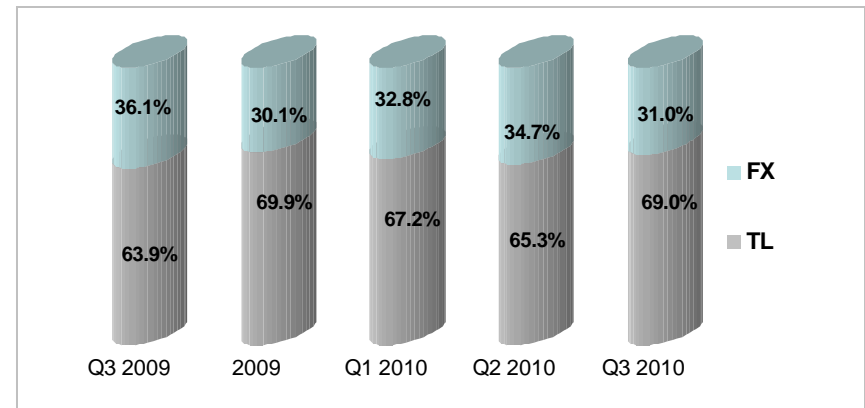
Composition of Assets



Total Assets (TRY mn)

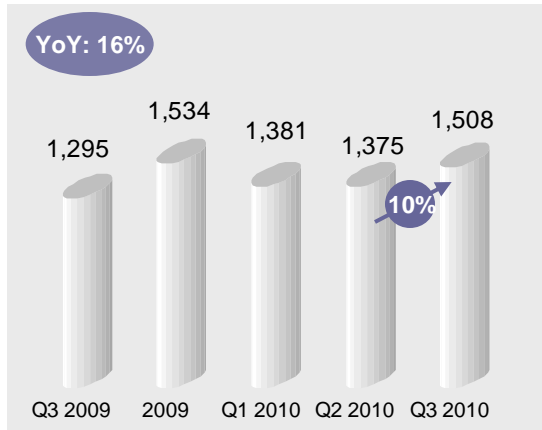


Currency Composition of Assets

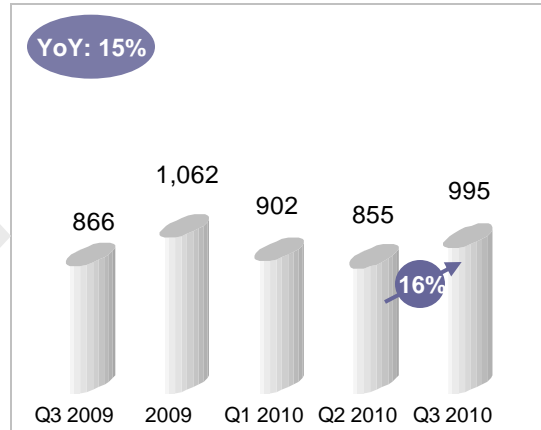


Higher loan portfolio, thanks to macroeconomic recovery...

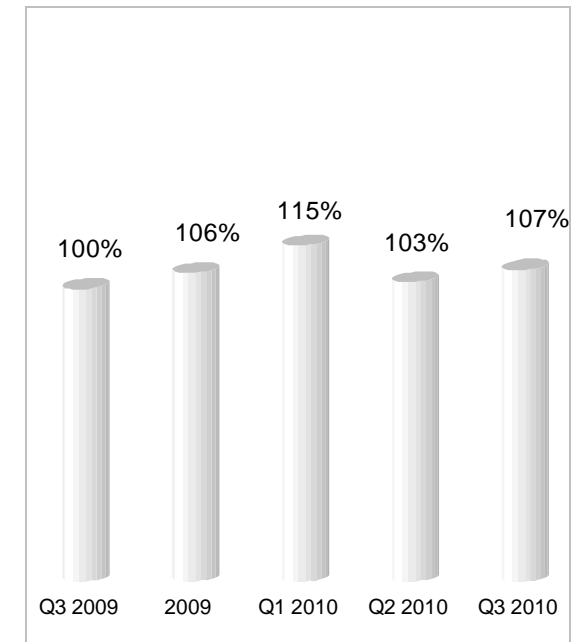
Total Cash Loans (TRY mn)



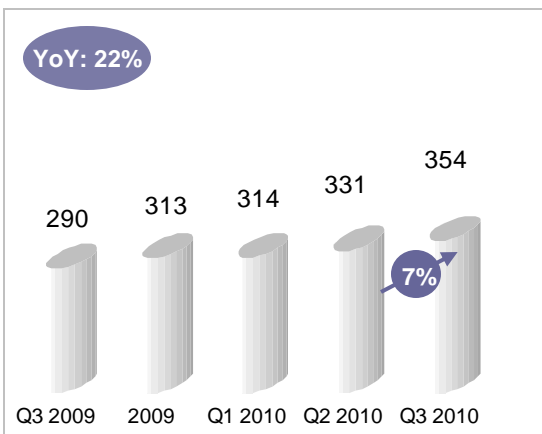
TL Cash Loans (TRY mn)



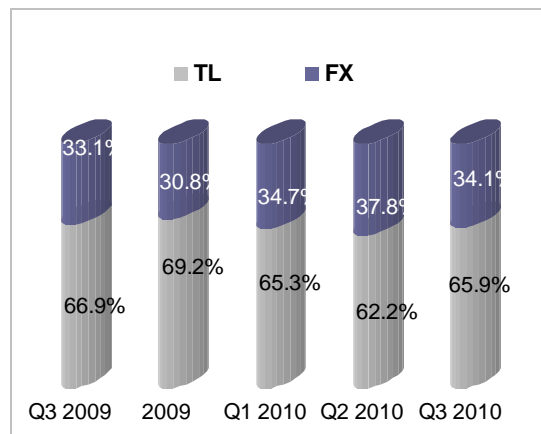
Loans / Customer Deposits



FX Cash Loans (US\$ mn)

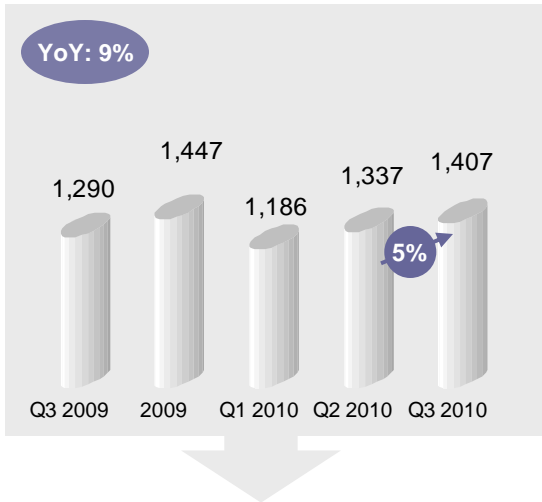


Currency Breakdown of Cash Loans

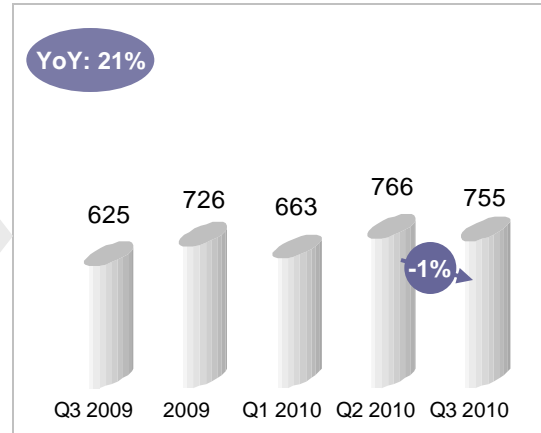


Elevated F/X deposits...

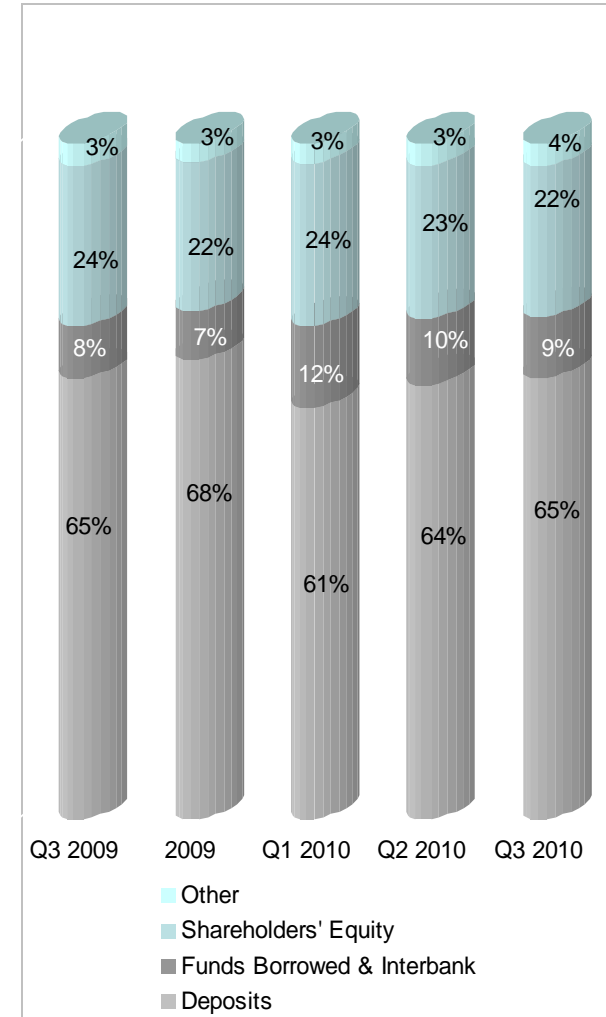
Total Deposits* (TRY mn)



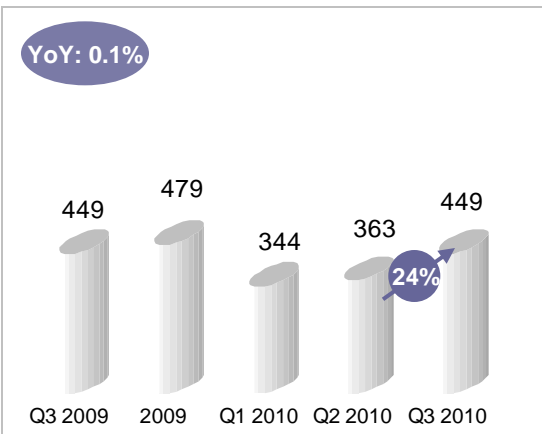
TL Deposits* (TRY mn)



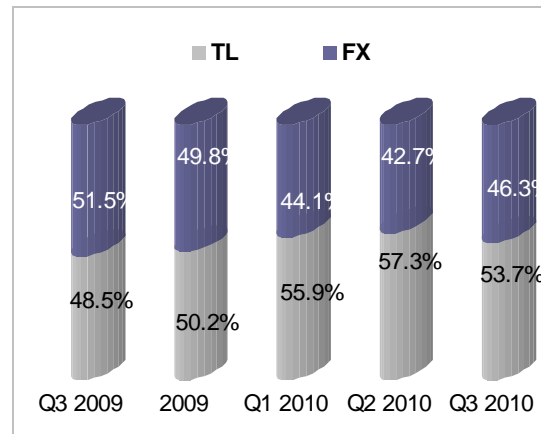
Composition of Liabilities & SHE



FX Deposits* (US\$ mn)



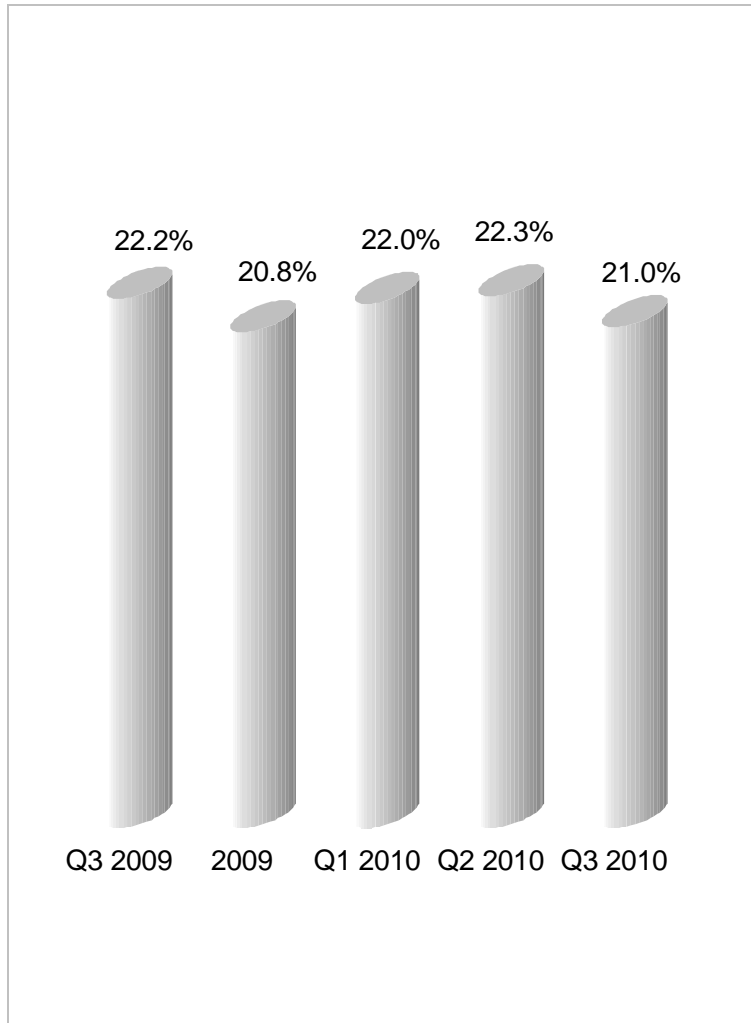
Currency Breakdown*



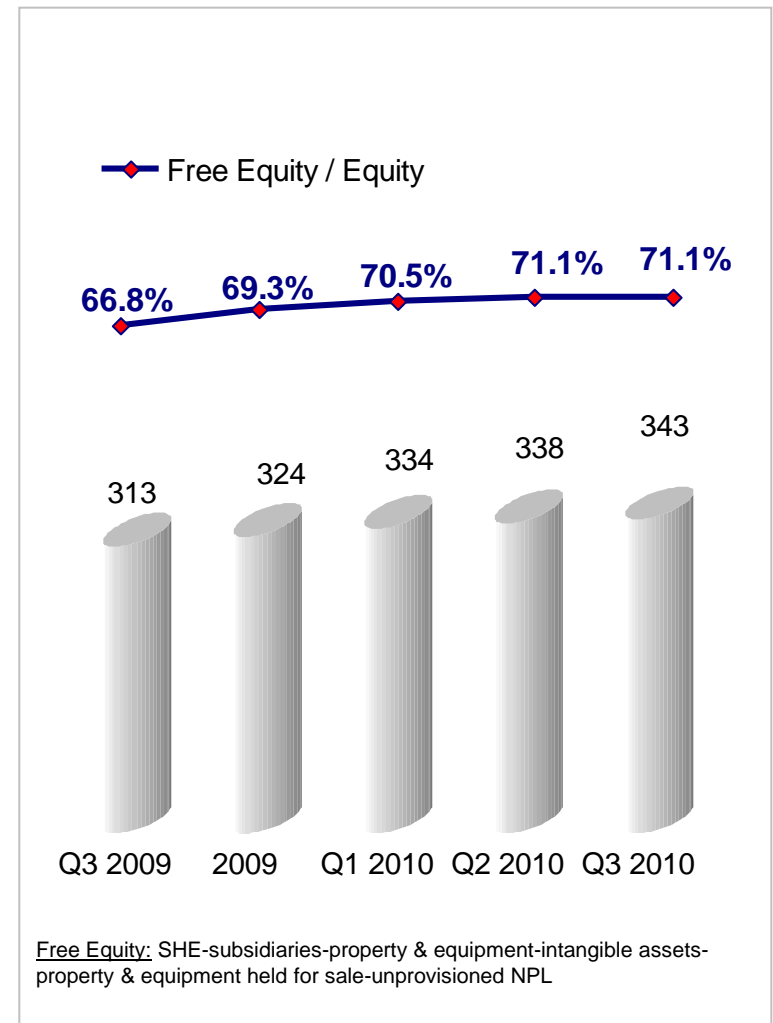
* Excluding bank deposits

Capital adequacy at 21%

Capital Adequacy Ratio (CAR)



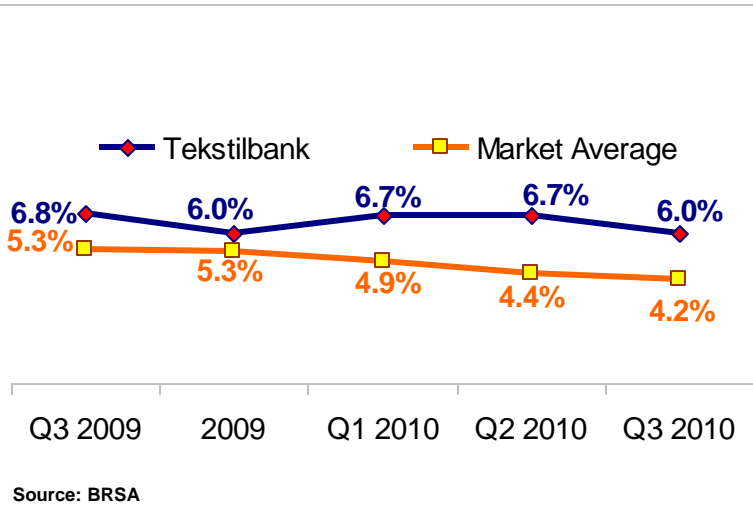
Free Equity (TRY mn)



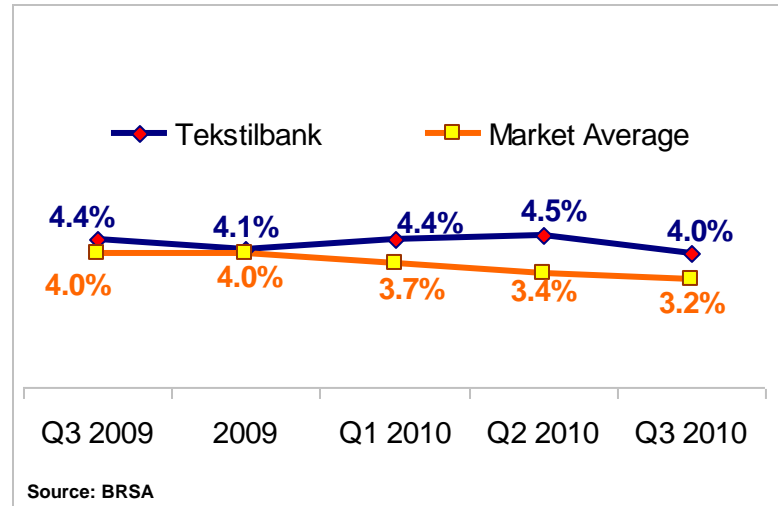
Free Equity: SHE-subsidaries-property & equipment-intangible assets-property & equipment held for sale-unprovisioned NPL

Improving NPL ratio...

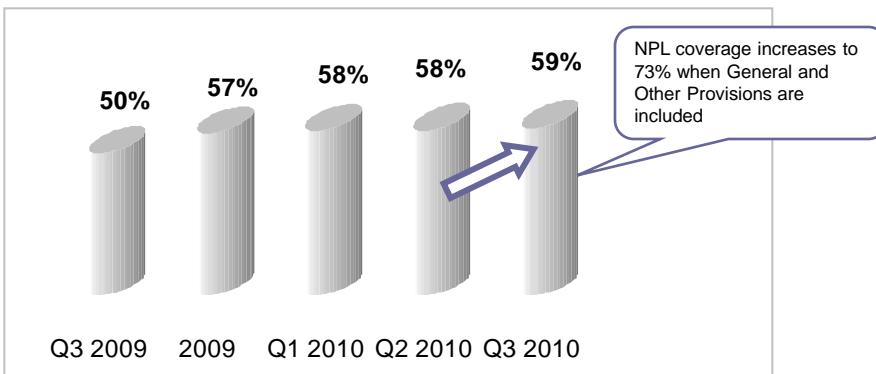
NPL Ratio



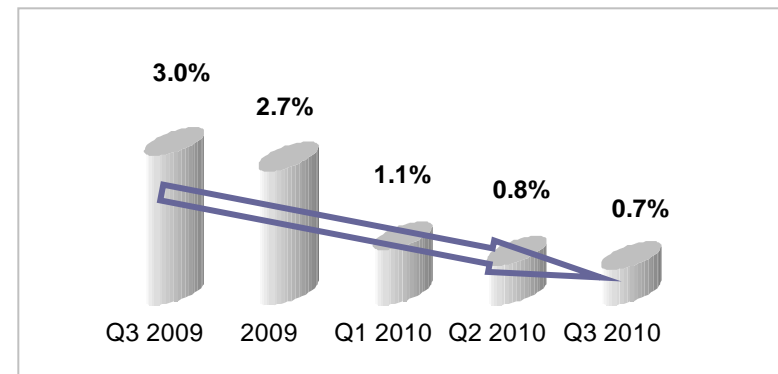
NPL Ratio (including non-cash loans)



NPL Coverage

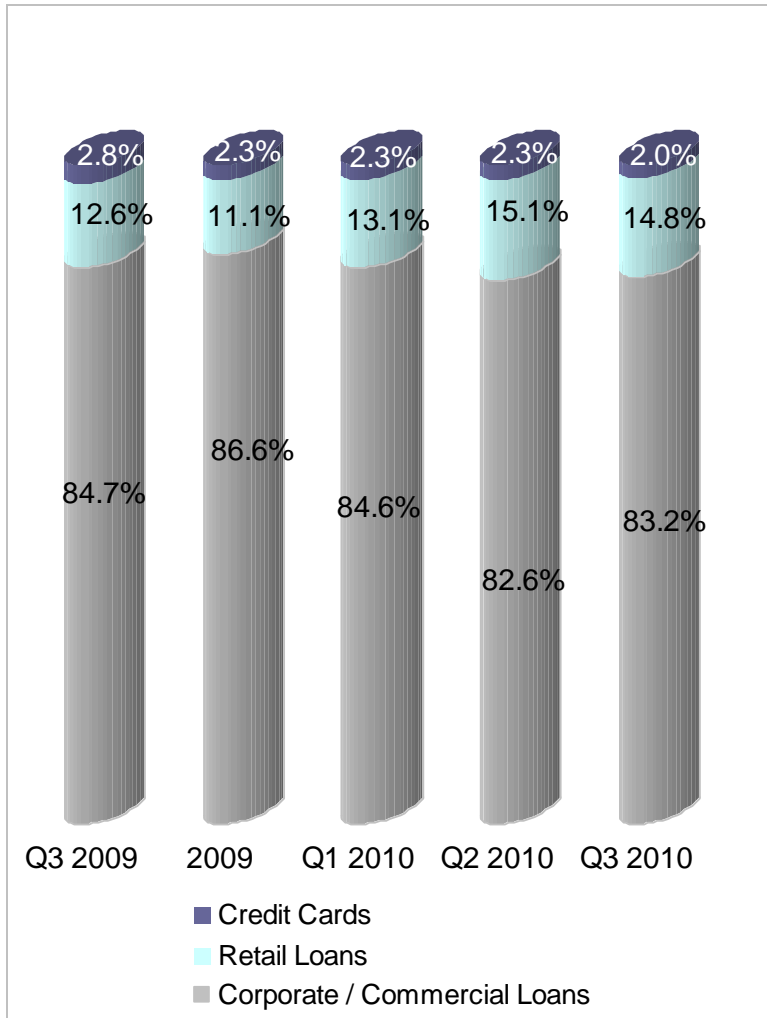


Cost of Risk

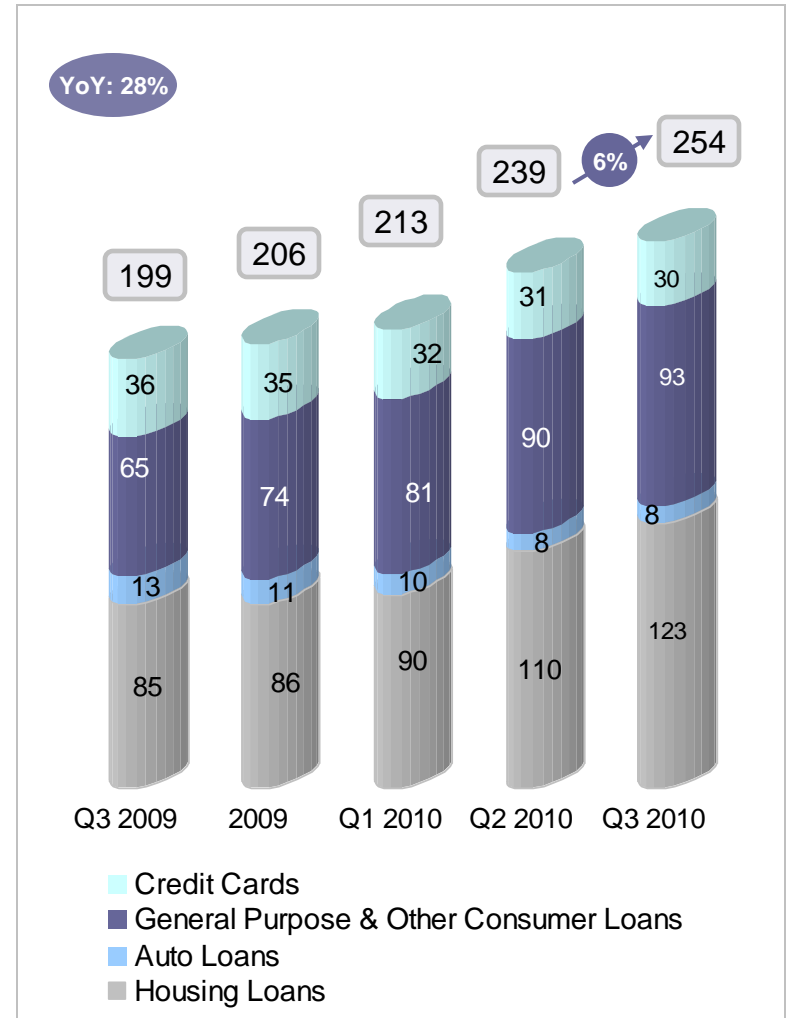


Retail loans continued to increase...

Breakdown of Loan Portfolio

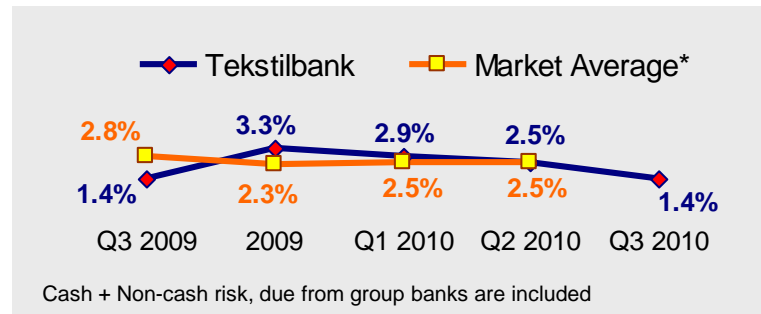


Breakdown of Retail Loans (TRY mn)

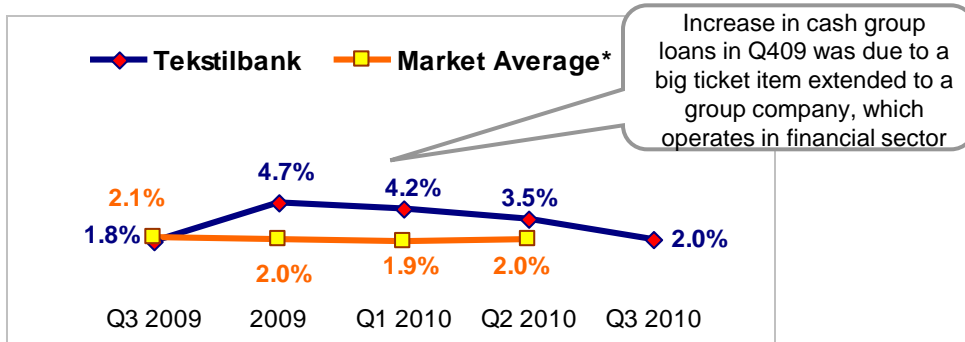


Low group exposure...

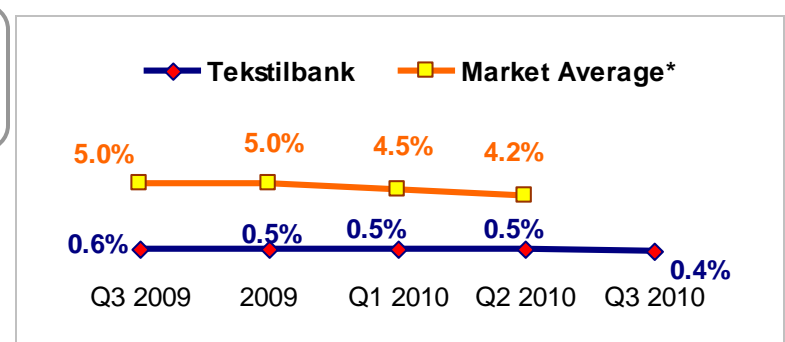
Group Total Risk / Total Risk



Group Cash Loans / Cash Loans



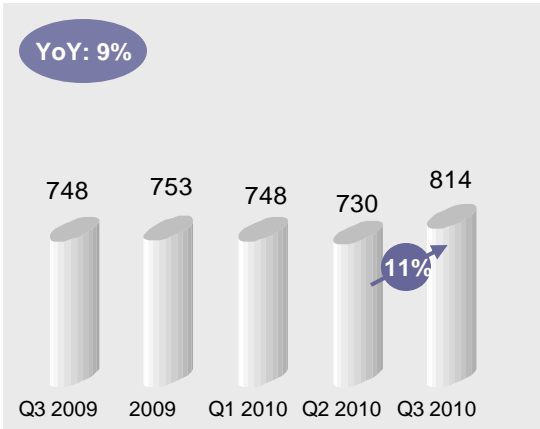
Group Non-Cash Loans / Non-Cash Loans



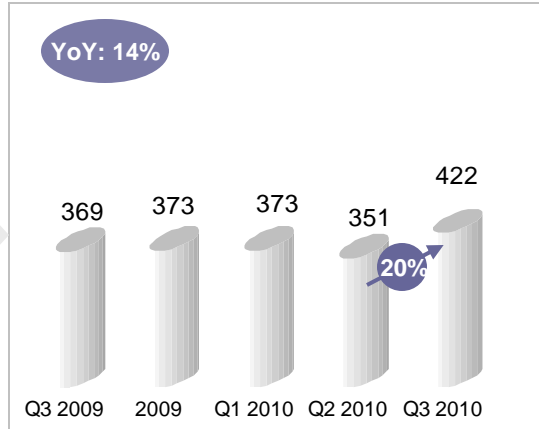
* Selected 22 banks' average for September 30 2010 is not available yet

Non-cash loans...

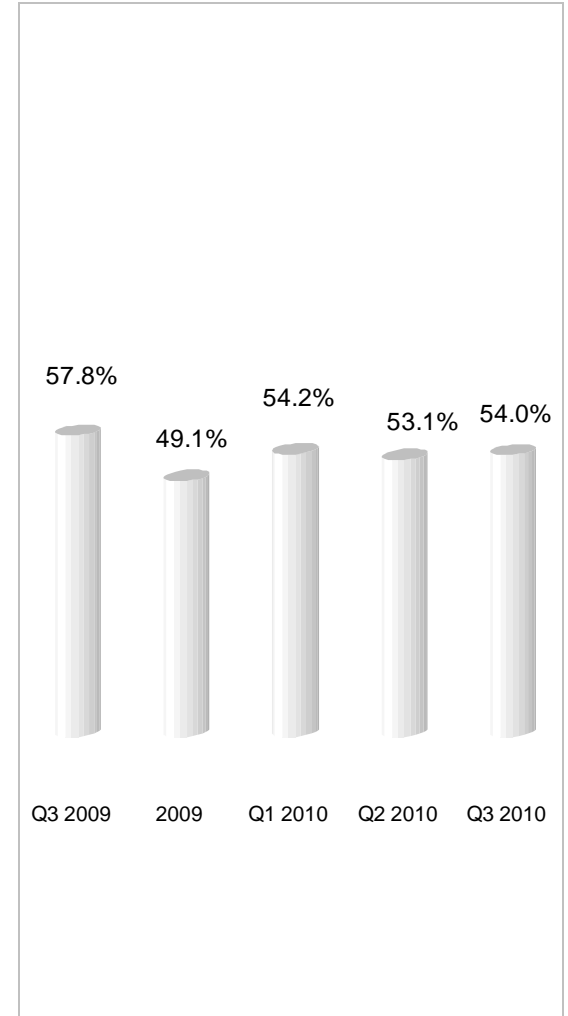
Total Non-Cash Loans (TRY mn)



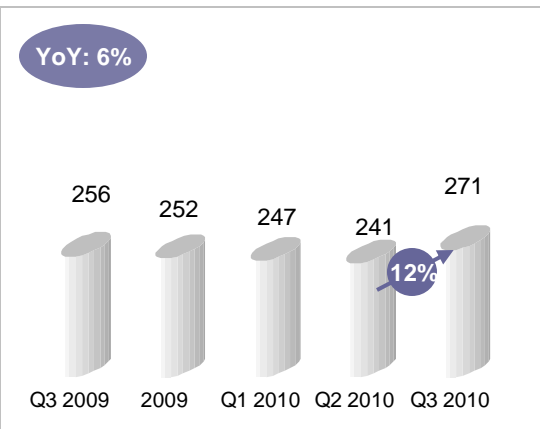
TL Non-Cash Loans (TRY mn)



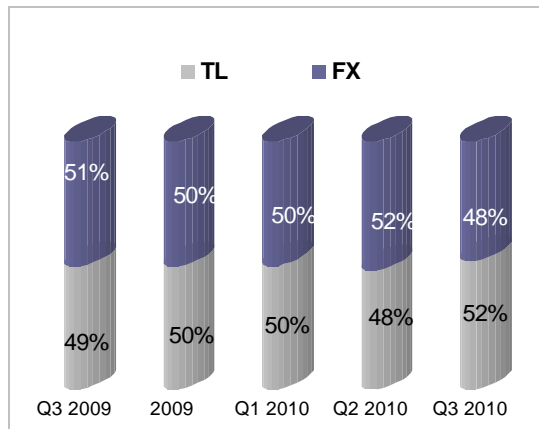
Non-Cash / Cash Loans



FX Non-Cash Loans (US\$ mn)

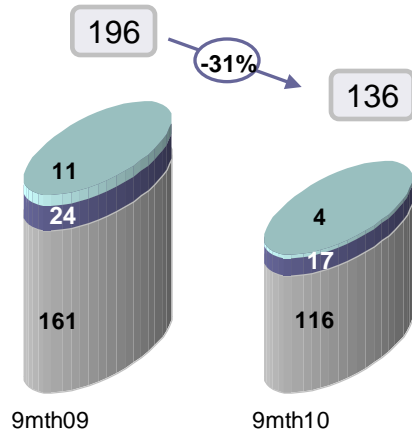


Currency Breakdown of Non-Cash Loans

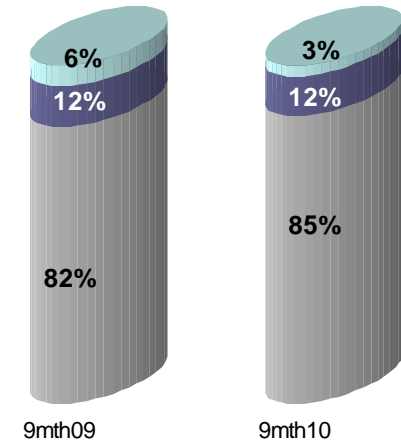


Lower interest income & expense, due to fall in yields...

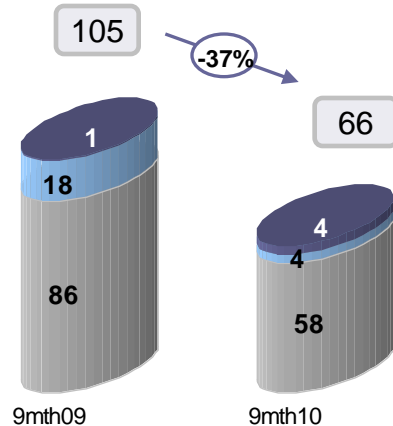
Interest Income (TRY mn)



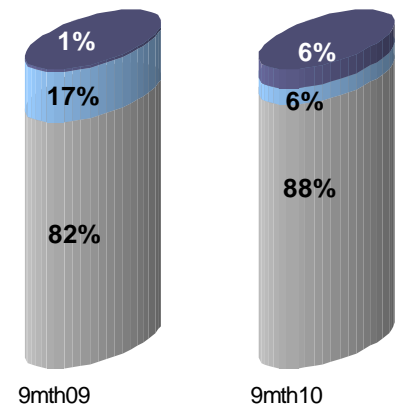
Composition of Interest Income



Interest Expense (TRY mn)

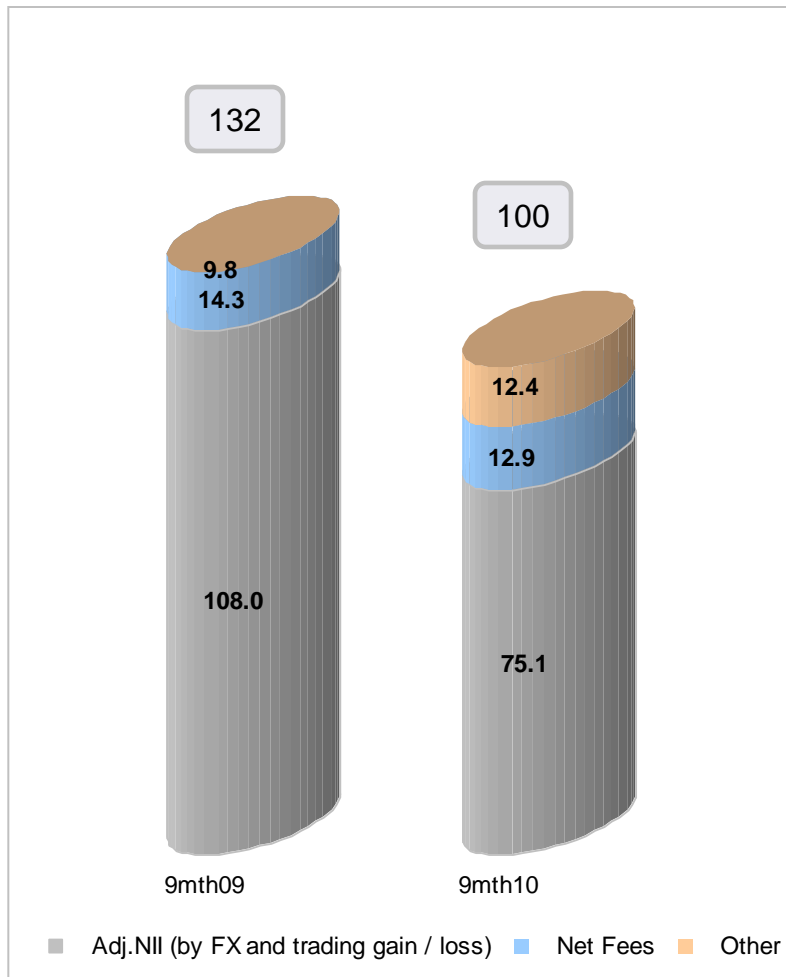


Composition of Interest Expense

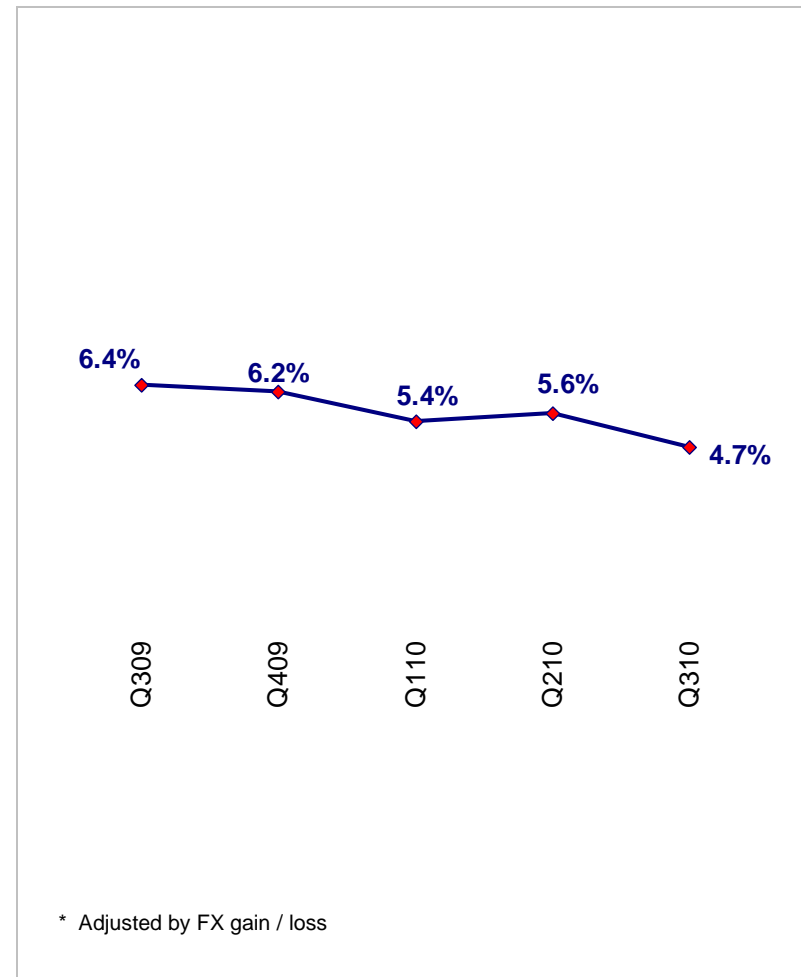


Lower NIM, attributable to income volatility of CPI-linkers...

Banking Income (TRY mn)

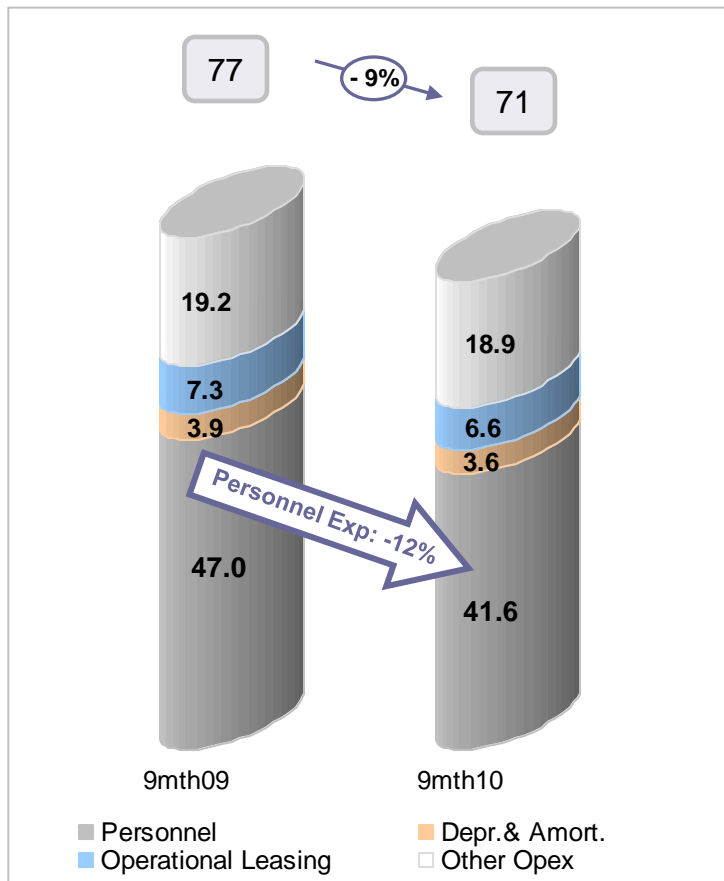


Adjusted Net Interest Margin*

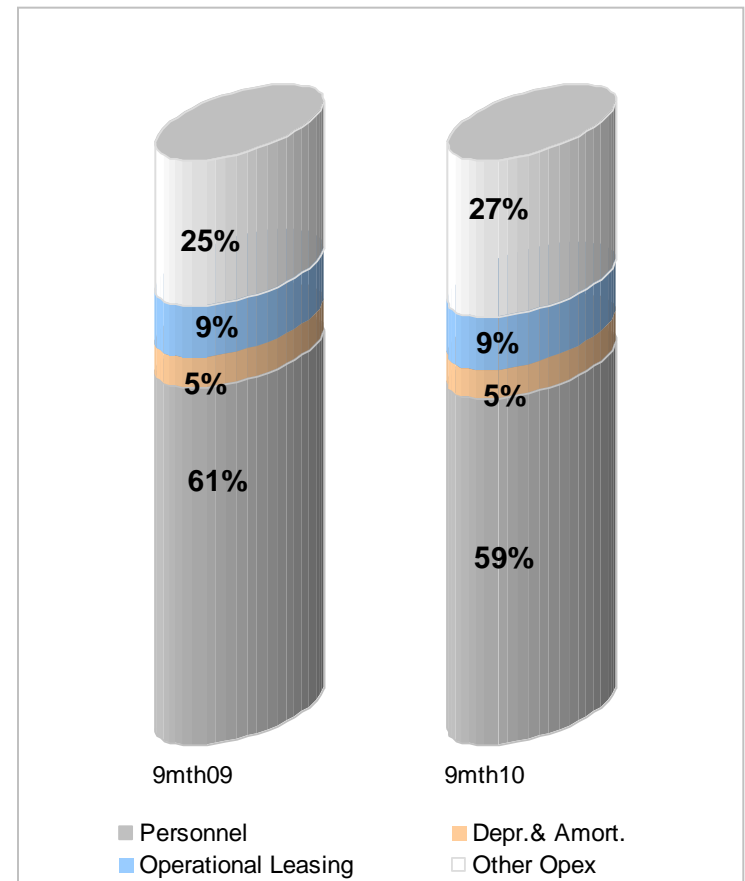


Strict cost measures continues...

Operating Expenses (TRY mn)



Composition of Operating Expenses



Summary Balance Sheet...

TRY mn	Sep 2009	Dec 2009	Jun 2010	Sep 2010
Cash & Banks	293	201	226	179
Total Securities	212	229	317	305
Total Cash Loans	1,295	1,534	1,375	1,508
Fixed Assets & Subsidiaries	108	102	97	100
Other	73	67	68	71
Total Assets	1,981	2,133	2,083	2,163
Deposits*	1,290	1,447	1,337	1,407
Interbank Money Market*	7	9	59	145
Borrowings	148	146	142	52
Other	68	63	69	77
SHE	468	468	476	482
Total Liabilities & SHE	1,981	2,133	2,083	2,163

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

Summary Income Statement...

TRY mn

	Q1 2010	Q2 2010	Q3 2010	9mth09	9mth10
Interest Income	46.2	46.1	43.9	196.2	136.2
Loans	40.0	37.9	38.2	161.1	116.1
Securities	5.3	7.0	4.3	24.1	16.6
Other	0.9	1.2	1.4	11.0	3.5
Interest Expense	22.2	21.6	22.1	104.8	65.9
Deposits	18.9	18.3	21.0	86.1	58.2
Funds Borrowed	2.6	1.4	-0.4	17.7	3.6
Interbank & Other	0.7	1.9	1.5	1.0	4.1
Net Interest Income	24.0	24.5	21.8	91.4	70.3
Net FX Gain (Loss)*	1.0	1.1	0.9	9.2	3.0
Adj. Net Interest Income	25.0	25.6	22.7	100.6	73.3
Net Trading Income (Loss)*	0.8	0.7	0.3	7.4	1.8
Net Fees & Commissions	3.8	4.6	4.5	14.3	12.9
Other Operating Income	4.9	4.0	3.5	9.8	12.4
Total Operating Income	34.5	34.9	31.0	132.1	100.4
Provisions	5.8	3.7	4.2	38.8	13.7
Opex	22.5	24.2	24.0	77.4	70.7
Profit from Subsidiaries	0.2	0.0	0.0	0.0	0.2
Profit Before Tax	6.4	7.0	2.8	15.9	16.2
Tax	1.5	1.6	2.2	2.7	5.3
Net Income	4.9	5.4	0.6	13.2	10.9

Summary Income Statement (Consolidated)...

TRY mn	Q1 2010	Q2 2010	Q3 2010	9mth09	9mth10
Interest Income	46.6	46.4	44.0	198.4	137.0
Loans	40.2	38.0	38.3	163.0	116.5
Securities	5.4	7.2	4.3	24.4	16.9
Other	1.0	1.2	1.4	11.0	3.6
Interest Expense	22.2	21.6	22.0	106.6	65.8
Deposits	18.8	18.3	21.0	88.6	58.1
Funds Borrowed	2.6	1.4	-0.4	17.0	3.6
Interbank & Other	0.8	1.9	1.4	1.0	4.1
Net Interest Income	24.4	24.8	22.0	91.8	71.2
Net FX Gain (Loss)*	1.0	1.1	0.9	9.1	3.0
Adj. Net Interest Income	25.4	25.9	22.9	100.9	74.2
Net Trading Income (Loss)*	2.4	1.9	1.2	10.5	5.5
Net Fees & Commissions	4.5	5.4	5.1	16.1	15.0
Other Operating Income	4.7	4.0	3.5	9.6	12.2
Total Operating Income	37.0	37.2	32.7	137.1	106.9
Provisions	4.4	3.1	2.6	38.8	10.1
Opex	23.6	25.8	25.6	80.4	75.0
Profit from Subsidiaries	0.0	0.0	0.0	0.0	0.0
Profit Before Tax	9.0	8.3	4.5	17.9	21.8
Tax	1.8	1.8	2.2	2.8	5.8
Net Income	7.2	6.5	2.3	15.1	16.0

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For further information please contact:

Investor Relations

Phone: +90-212-335-5159

investorrelations@tekstilbank.com.tr

[**www.tekstilbank.com.tr**](http://www.tekstilbank.com.tr)