



Türk Ekonomi Bankası A.Ş.

Earnings Presentation

June 30, 2009

Overview

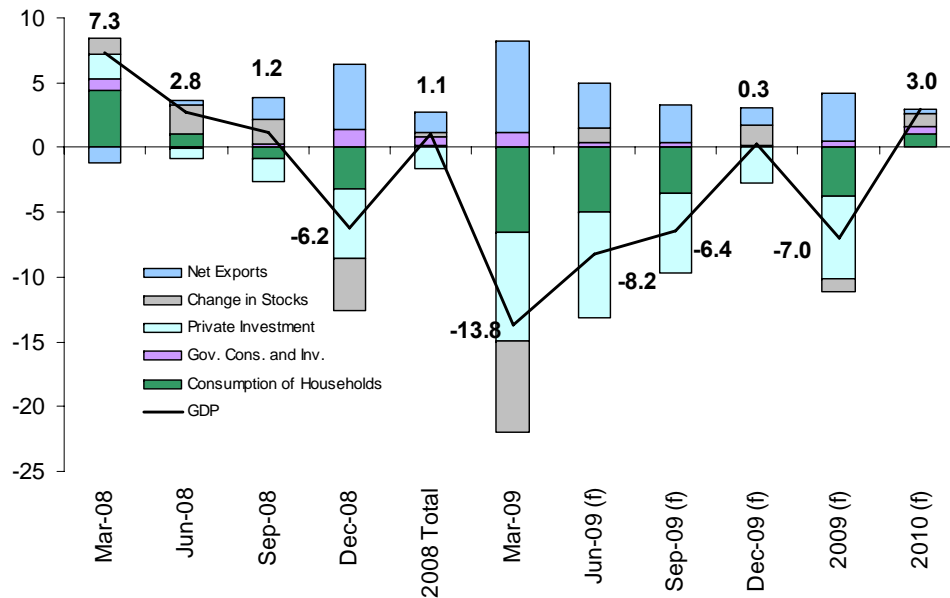
Makro Economic Environment and Banking Sector

2009 Macro Economic Developments

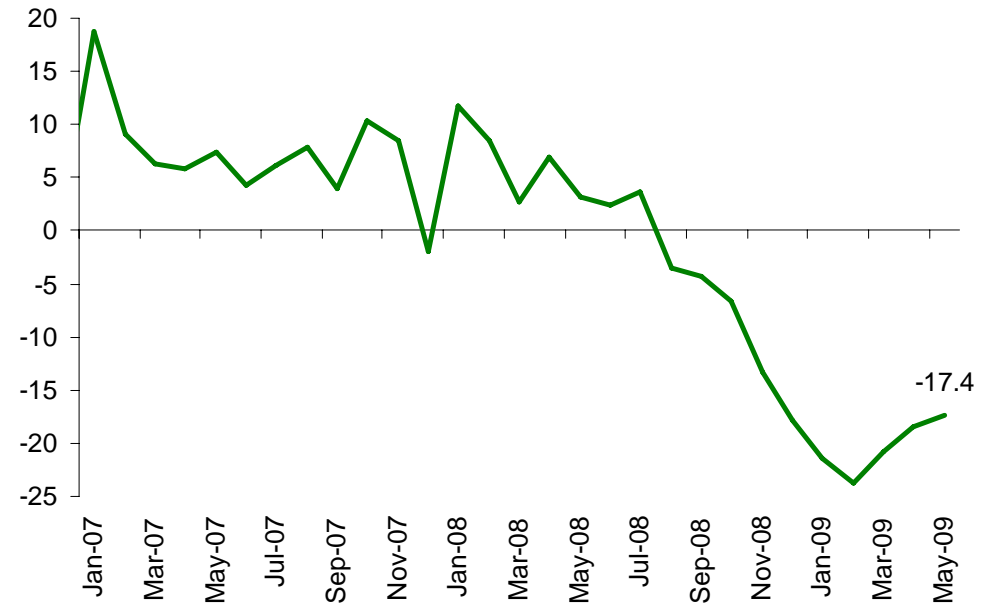
1st quarter	<p>GDP growth: 13.8 % contraction</p> <p>USD/TRY (eop): 1,6682 benchmark interest rate : %14.1</p> <p>In the first quarter of 2009 the contraction in the Turkish economy was very strong. Due to the decrease in demand and the falling oil and commodity prices in the world economy, the CPI inflation was 7.89 (y/y). The Central Bank surprised the markets with dramatic interest rate cuts, 450bps between December and March.</p> <p>Unemployment increased very rapidly and reached 15.5% in January.</p>
2nd quarter	<p>GDP growth: 8.2 % contraction (f)</p> <p>Although some green shoots emerged, we are expecting another quarter of serious contraction. The unemployment rate slightly improved due to seasonality and the industrial production increased a few points giving the impression that Feb 09 was the peak. Inflation came down to an all time low of indicating a undershooting of target levels. Thus, the central bank continued to ease the policy rates by another 400 bps.</p> <p>USD/TRY (eop): 1,5742 benchmark interest rate : %11.9</p>

Macro Economic Developments

GDP Growth (% yoy)



Industrial Production Index (yoy, %)

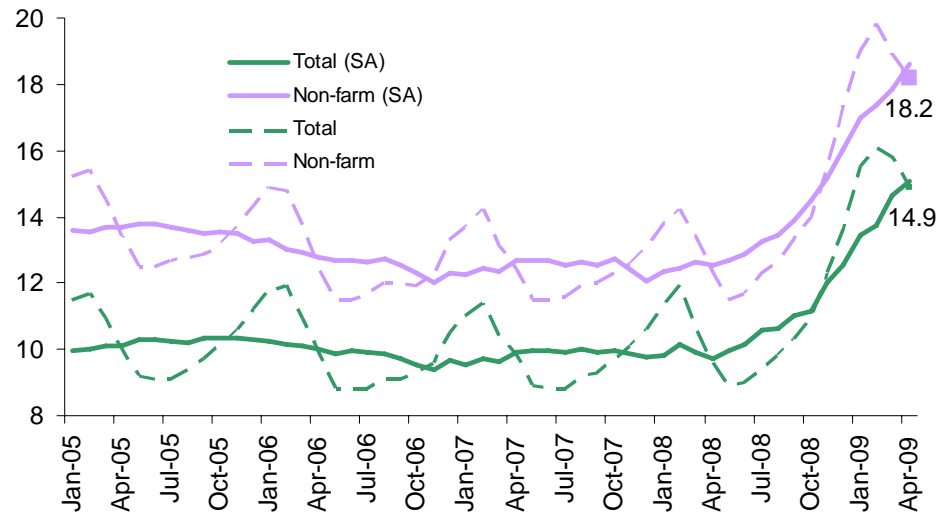


The slow-down that started in mid-2008 turned into a substantial contraction in the last quarter followed by a severe 13.8%, unseen since the WW2. Some green shoots emerge however recovery will likely be painstakingly slow

	Jan-09	Feb-09	Mar-09	Apr-09	May-09
Total industry	-21.3	-23.8	-20.8	-18.5	-17.4
Intermediate goods	-23.8	-24.4	-22.1	-20.0	-19.5
Durable consumer goods	-25.7	-25.5	-27.9	-15.4	-4.0
Undurable consumer goods	-10.2	-15.4	-8.6	-4.1	-8.0
Energy	-6.4	-11.0	-6.5	-6.9	-8.2
Capital goods	-45.1	-44.5	-42.0	-41.7	-35.8

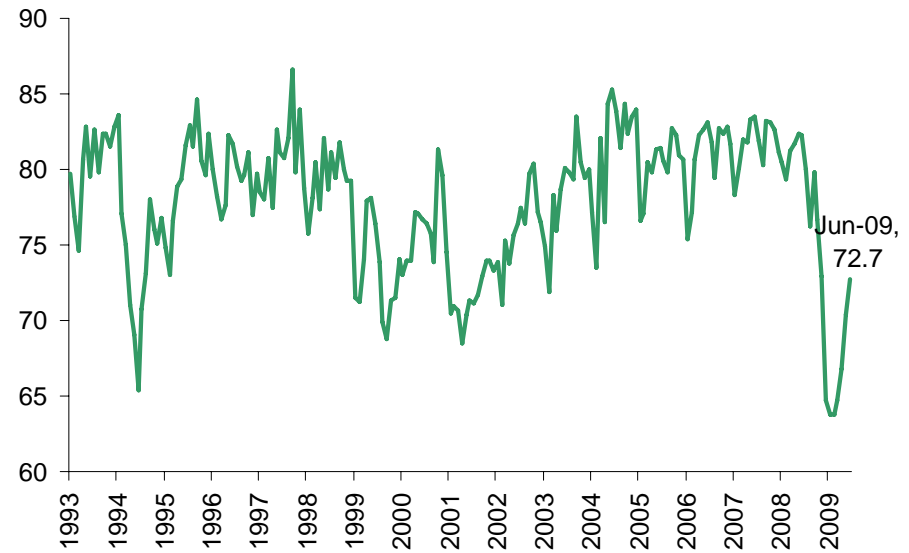
Macro Economic Developments

Unemployment (%)



Source: Turkstat; TEB.

Capacity Utilisation Rate (%)

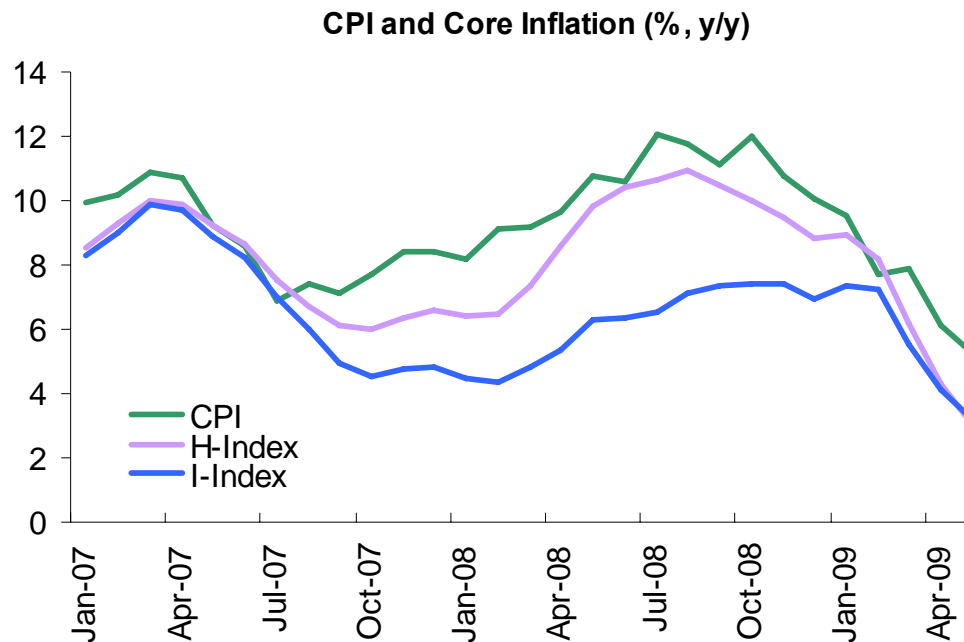


Source: Turkstat; TurkeyDataMonitor.

Unemployment rate continued its steep rise in 2009 placing Turkey in the 4th highest rank in the world. Although there is some improvement in capacity utilisation rate, the former carries a seasonality effect and the latter is partly due to a number of government incentives introduced in 2009.

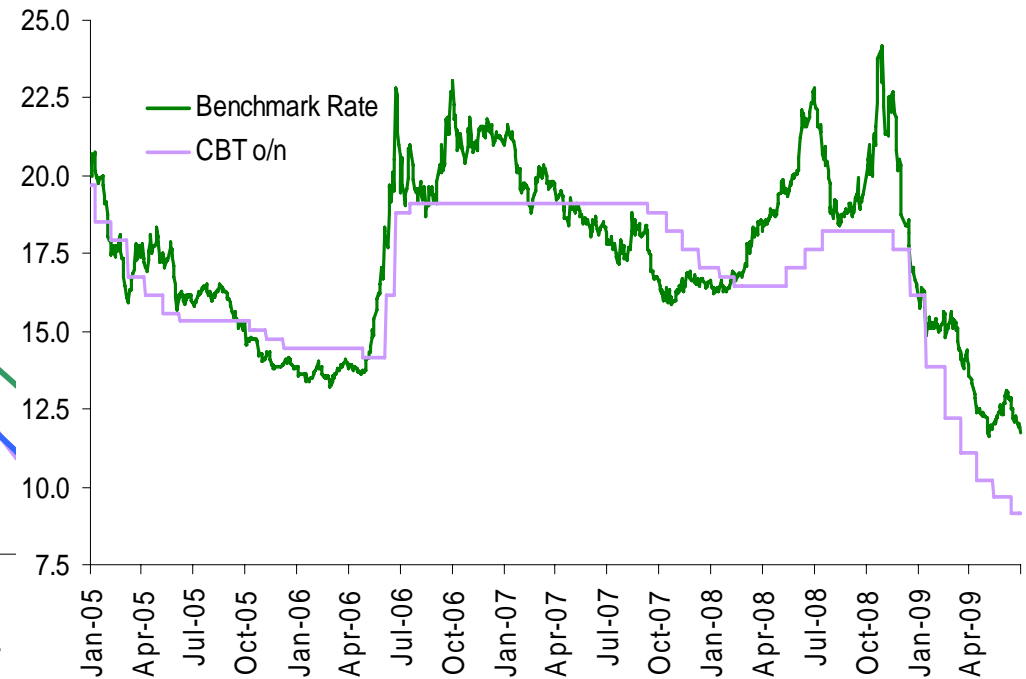
Macro Economic Developments

CPI Inflation and Core Inflation (% y/y)



Source: Turkstat.

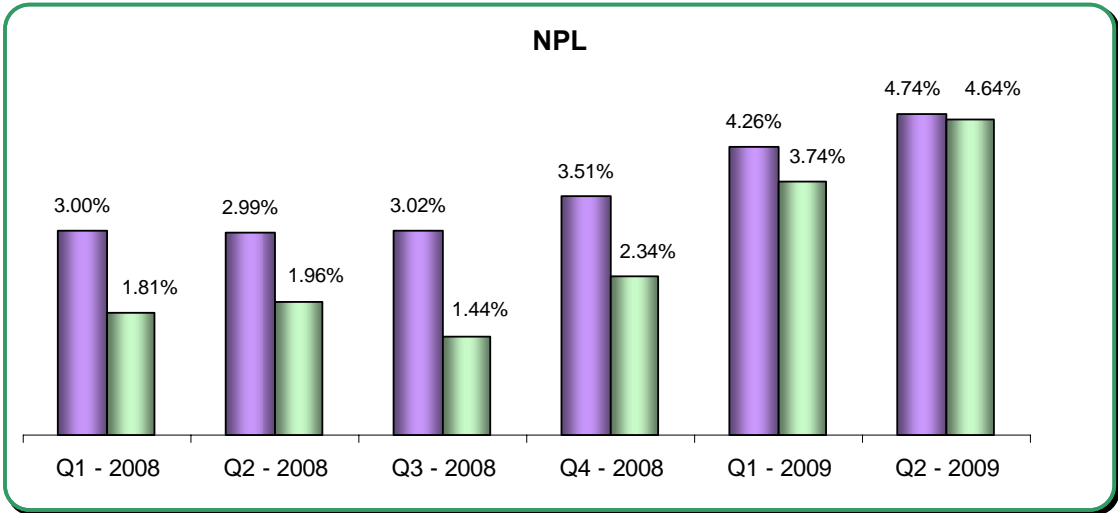
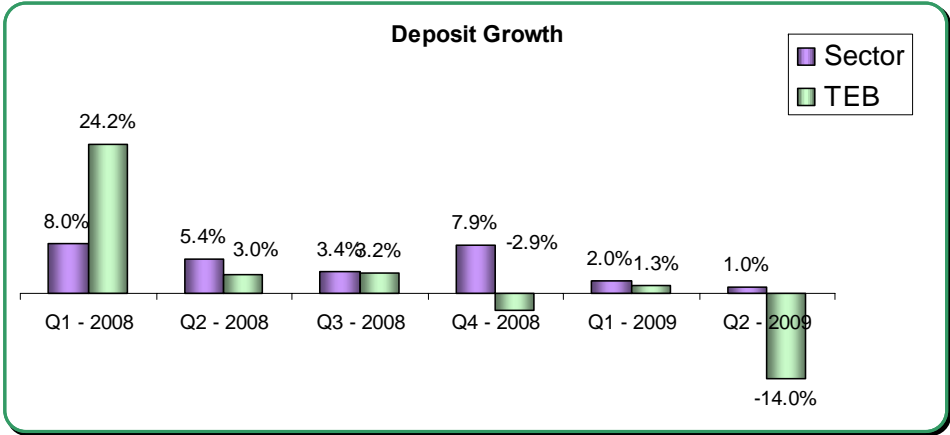
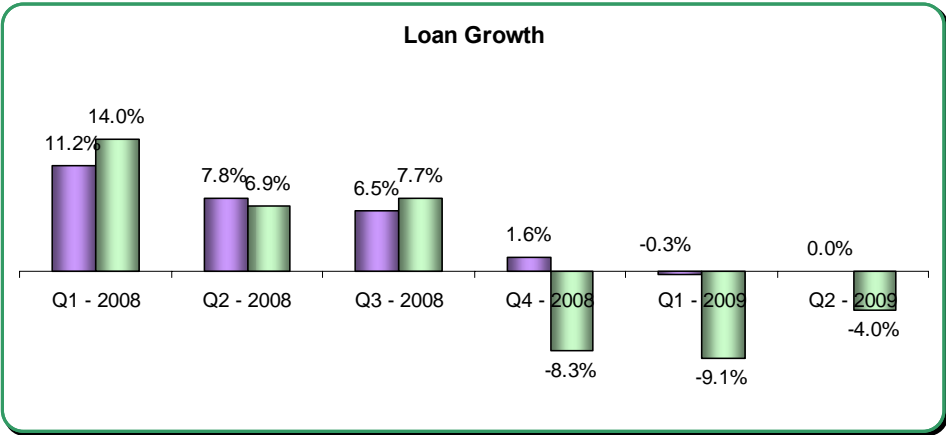
Benchmark Bond Yield vs. CBT Rates (Comp. Ann. %)



Source: CBT, ISE

Continuing decline in core inflation has led the CB to lower its policy rates further down which resulted in a very dramatic rate cut of 850 pbs since Nov 2008. The CB announced some more cuts in 2009 and no increase in 2010 implying its firm belief in the lack of inflationary pressures in the economy.

Developments In Banking Sector



Source: BRSA, TEB Bank-Only BRSA Financials

2009 1H

TEB's Performance – Financial Results

TEB Highlights of the 2nd Quarter

- A solid net income growth,
- NIM expansion benefiting from decreasing funding costs in spite of the decline in the loan portfolio,
- Continuing profitability from management of securities portfolio,
- Positive results from cost cutting projects,
- Increasing fees and commission income due to investments in retail business,
- Continuing credit card expansion,
- One of the highest CARs in the sector as well as major world banks,
- Focus on asset quality, intentional reduction in the loan book, coverage up to 57% from 52%,
- New scoring systems and close monitoring adapted to face the new risky environment,

TEB Consolidated Balance Sheet



BNP PARIBAS JOINT VENTURE

<i>TL Million</i>	<i>Share</i>	Reviewed 30.06.2009	Audited 31.12.2008	<i>Change</i>		<i>Share</i>	Reviewed 30.06.2009	Audited 31.12.2008	<i>Change</i>
Assets					Liabilities				
Cash & banks	21%	3,197	4,025	-21%	Deposits	61%	9,274	10,496	-12%
M.sec + repos	14%	2,069	2,071	0%	Repos	4%	537	202	166%
Loans + Trade rec.	60%	9,072	10,269	-12%	Funds Borrowed	14%	2,165	3,470	-38%
Other Assets	4%	613	582	5%	Other Liab.	6%	949	926	2%
Non- IE Assets	1%	175	190	-8%	Total Liabilities	85%	12,925	15,094	-14%
Total Assets	100%	15,126	17,137	-12%	Subordinated Loans	3%	496	495	0%
					<i>Sh. Equity</i>				
					Capital & Res.	10%	1,558	1,361	14%
					Income	1%	147	187	<i>n.m.</i>
					Total Sh. Equity	11%	1,705	1,548	10%
					Total Liab + Equity	100%	15,126	17,137	-12%

TEB Consolidated Income Statement



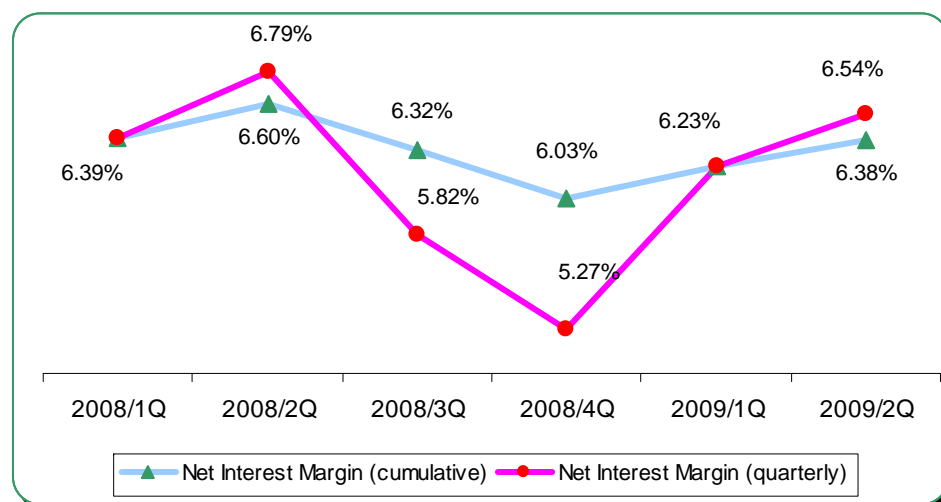
TEB

BNP PARIBAS JOINT VENTURE

<i>Million TL</i>	Reviewed 30.06.09	Reviewed 30.06.08	<i>Change</i>
Net Interest Income	417.5	395.1	6%
Marketable Securities Revaluation Differences	-2.2	-0.7	213%
Adjusted Net Interest Income	415.3	394.4	5%
FX Gains (Losses)	93.7	-0.7	<i>nm</i>
Derivatives Trading	-68.3	29.8	<i>nm</i>
Securities Trading Income	47.2	-13.8	<i>nm</i>
Net Fees and Commissions	140.6	110.7	27%
Other Income	16.5	64.7	-74%
Net Banking Income	645.1	585.1	10%
Loan Loss Provisions	-91.0	-48.9	86%
Net Operating Income	554.1	536.2	3%
Operating Expenses	-373.5	-384.4	-3%
Provision for Taxes on Income	-33.2	-28.9	15%
Net Income/ (Loss)	147.4	123.0	20%

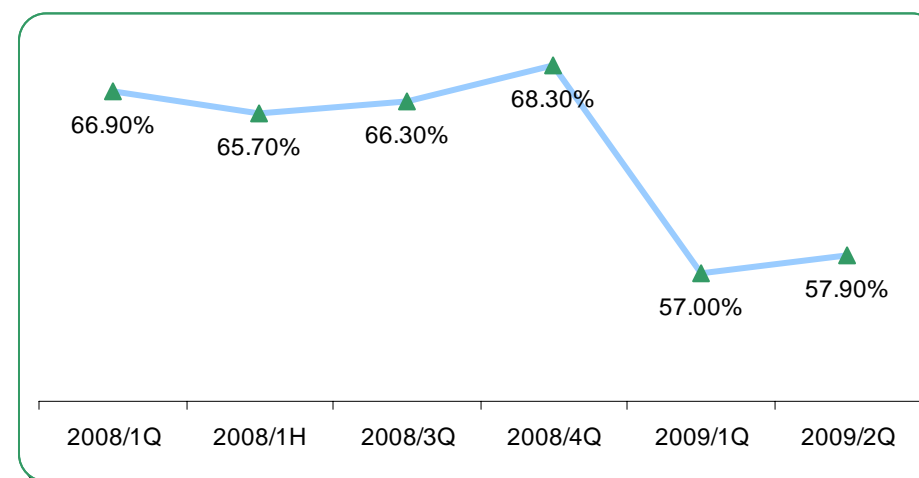
Improved NIM and Cost/Income Ratio

Net Interest Margin



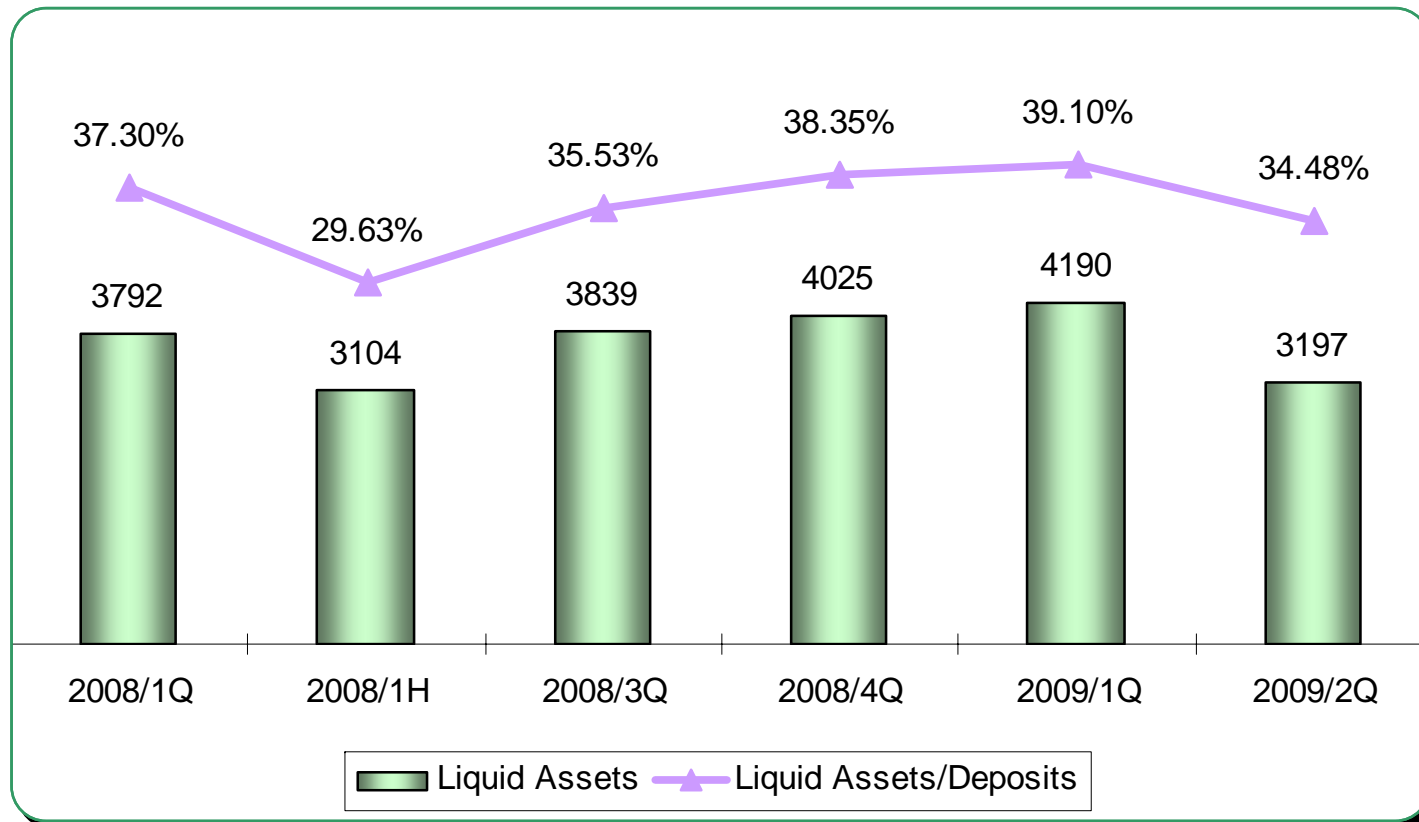
Net Interest Margin: (Net interest income+Net FX gains/losses+Derivative Gains)/ (Liquid Assets+Marketable Securities+Credits) (Bank-only)

Cost/Income Ratio



Cost/Income : Operating Expenses / Net Banking Income (Cumulative & consolidated)

Liquidity



Breakdown of Loans



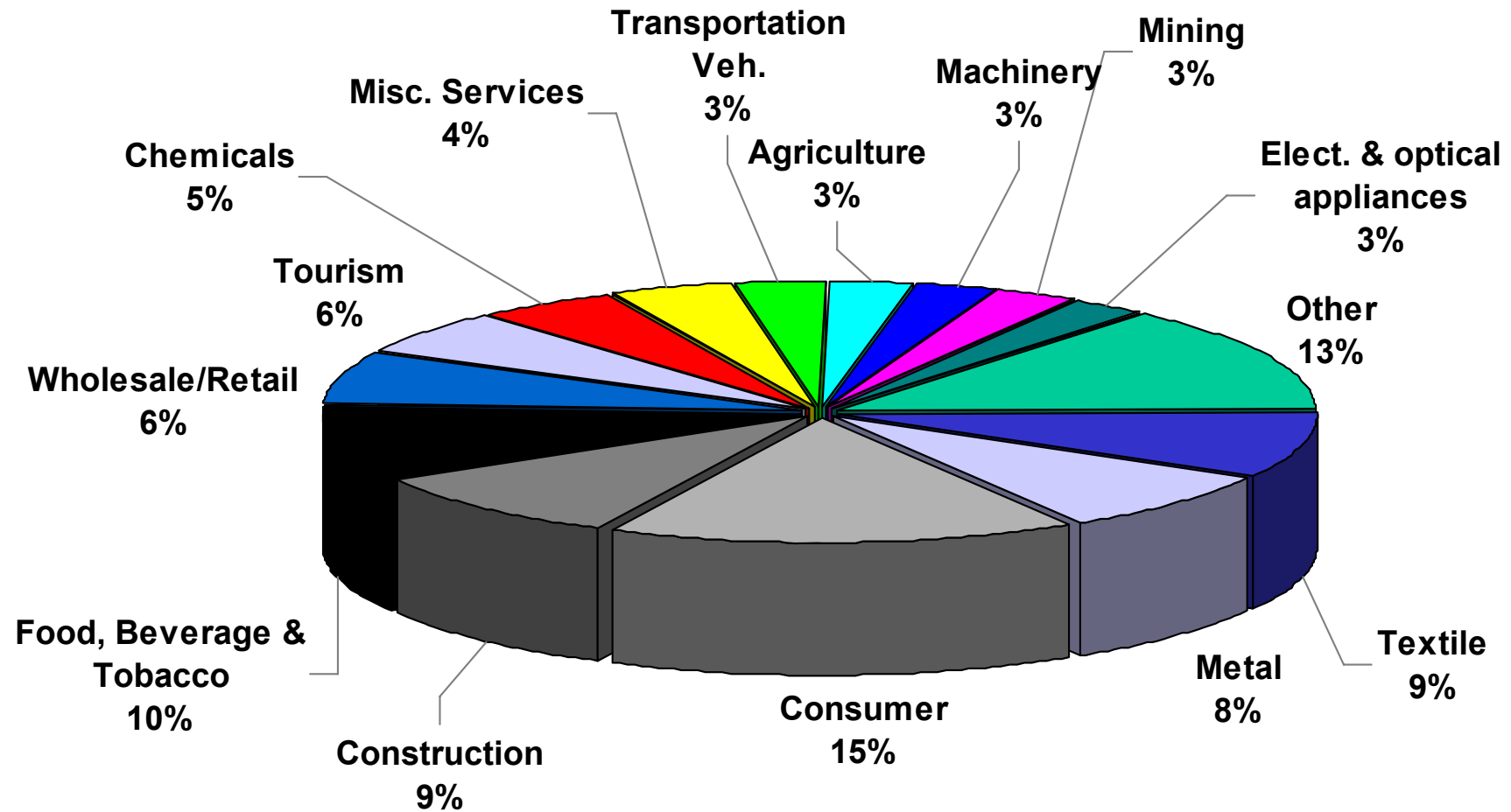
BNP PARIBAS JOINT VENTURE

Million TL	2009 2Q		2008		Δ Volume
Corporate	1,793.60	24.9%	2,135.46	25.4%	-16.0%
Commercial	2,885.10	40.0%	3,442.98	40.9%	-16.2%
Big Commercial	1,385.30	19.2%	1,680.84	20.0%	-17.6%
Medium Comm.	1,499.80	20.8%	1,762.14	20.9%	-14.9%
Small Business	990.34	13.7%	1,056.59	12.6%	-6.3%
Retail	1,366.79	18.9%	1,475.99	17.5%	-7.4%
Private	13.28	0.2%	19.16	0.2%	-30.7%

Bank-Only Loan Portfolio

Loan Portfolio by Industry 30.06.2009

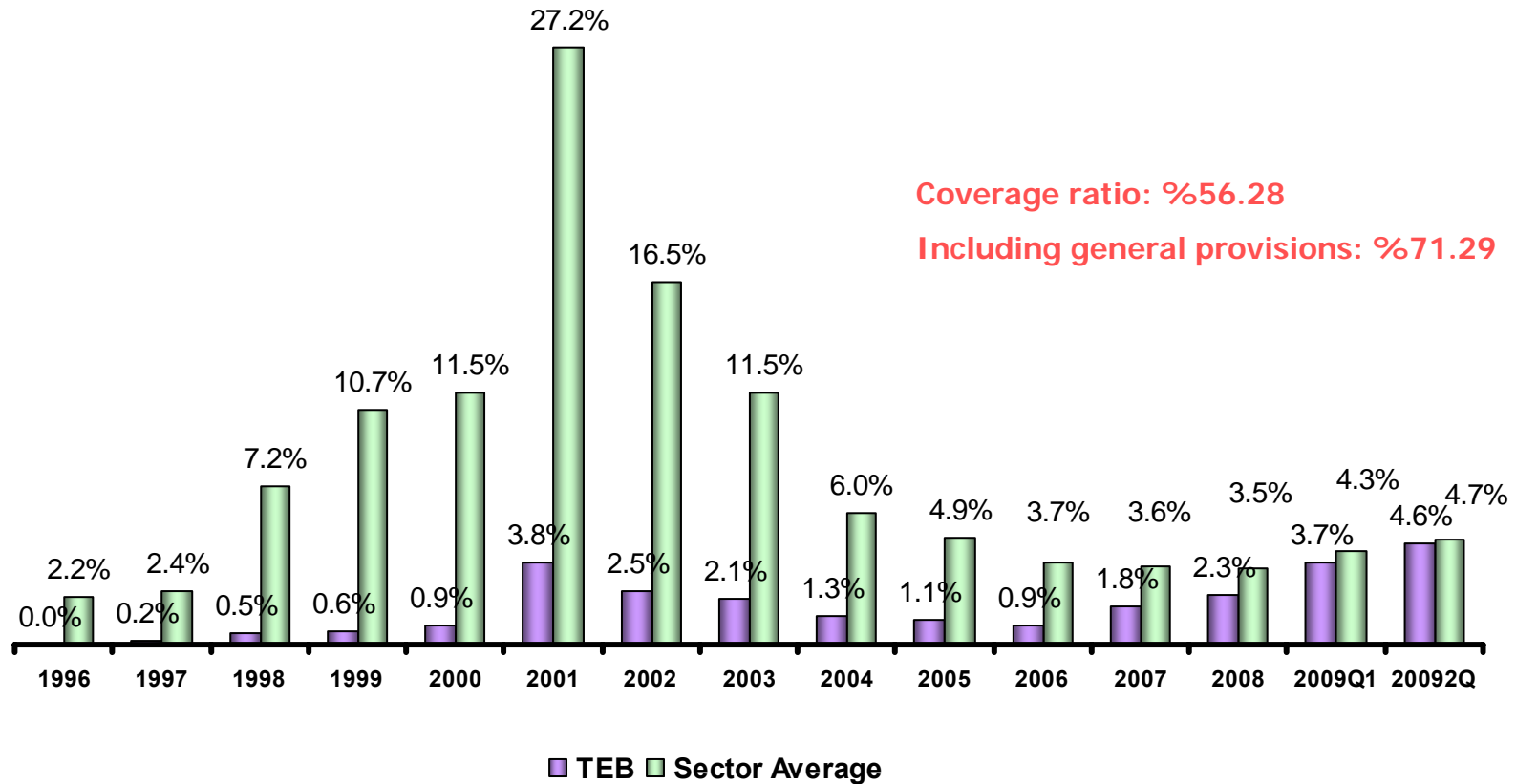
Well diversified loan portfolio



Source: TEB, BRSA Bank-Only Financials

Non Performing Loans

Non-Performing Loans as a % of Total Loans



Breakdown of Deposits

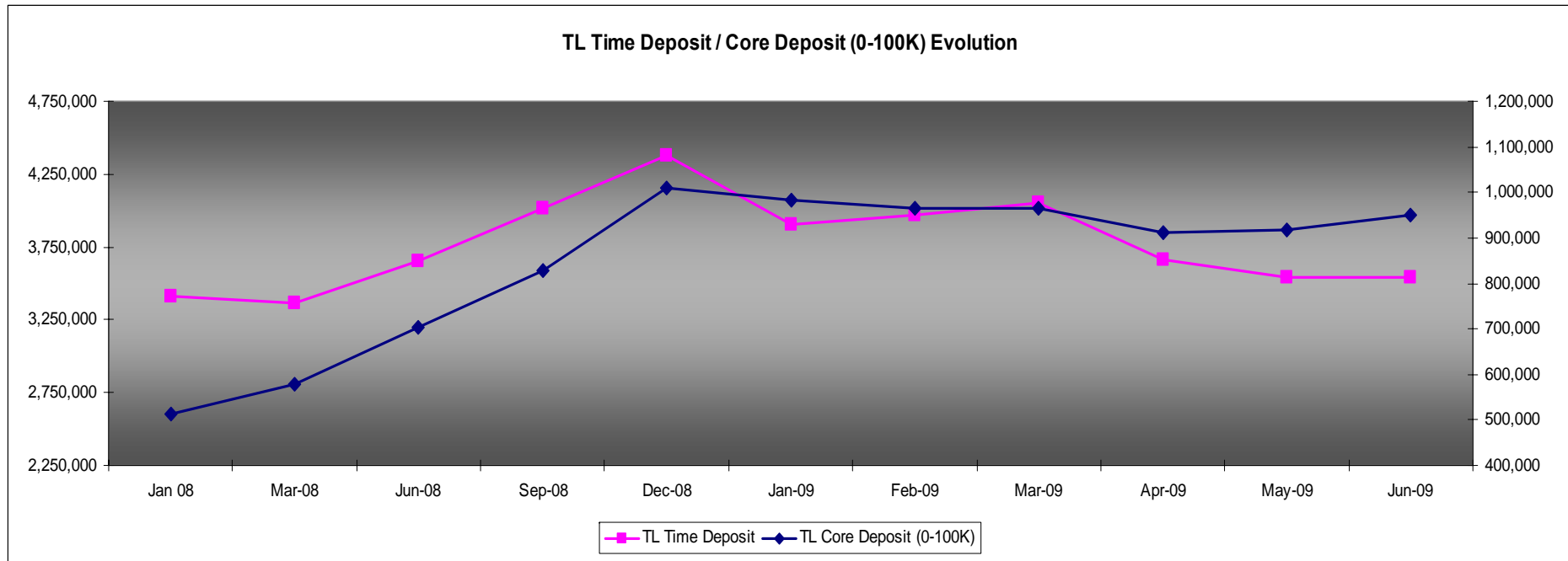


BNP PARIBAS JOINT VENTURE

Million TL	2009 2Q		2008		Δ Volume
Corporate	1,744	21.6%	2,223	23.9%	-21.5%
Commercial	1,093	13.5%	1,177	12.7%	-7.2%
Big Commercial	621	7.7%	644	6.9%	-3.6%
Medium Comm.	472	5.8%	533	5.7%	-11.5%
Small Business	652	8.1%	654	7.0%	-0.3%
Retail	3,184	39.5%	3,292	35.4%	-3.3%
Private	1,349	16.7%	1,950	21.0%	-30.8%

TEB HAS STEADILY INCREASED ITS CORE DEPOSIT BASE

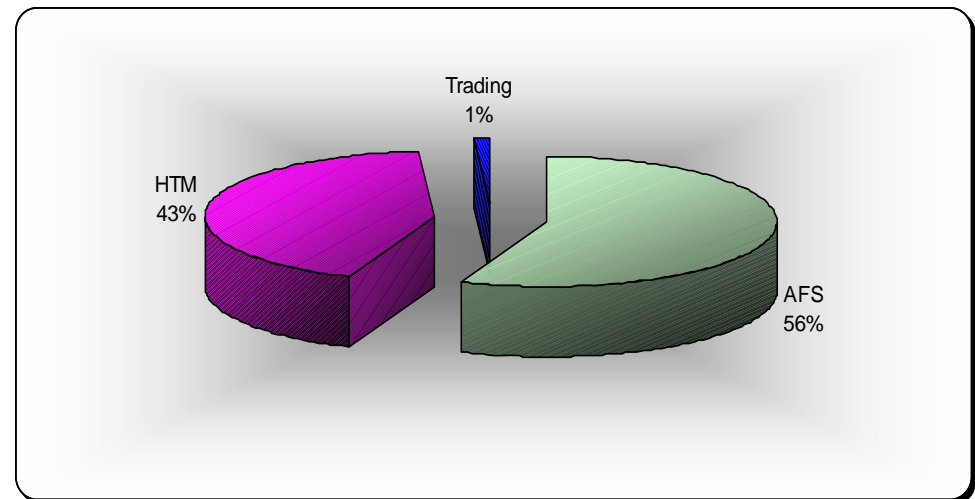
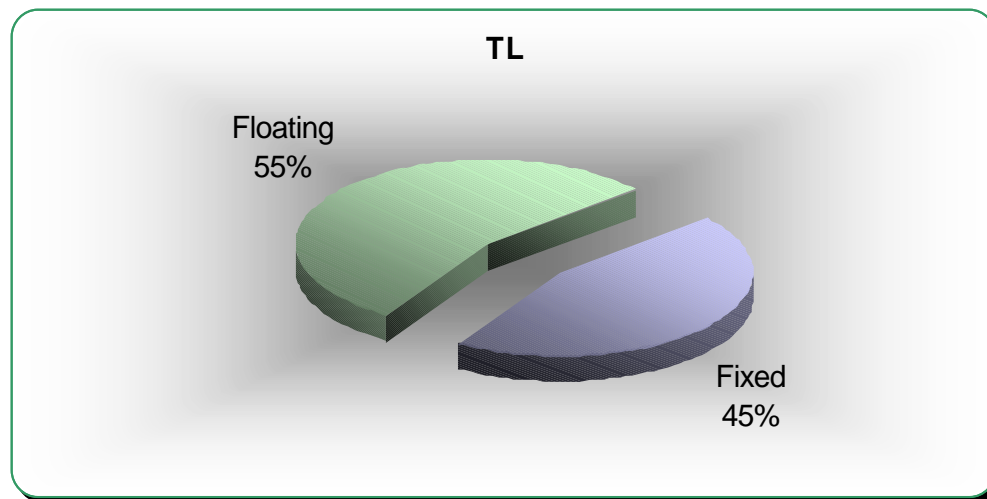
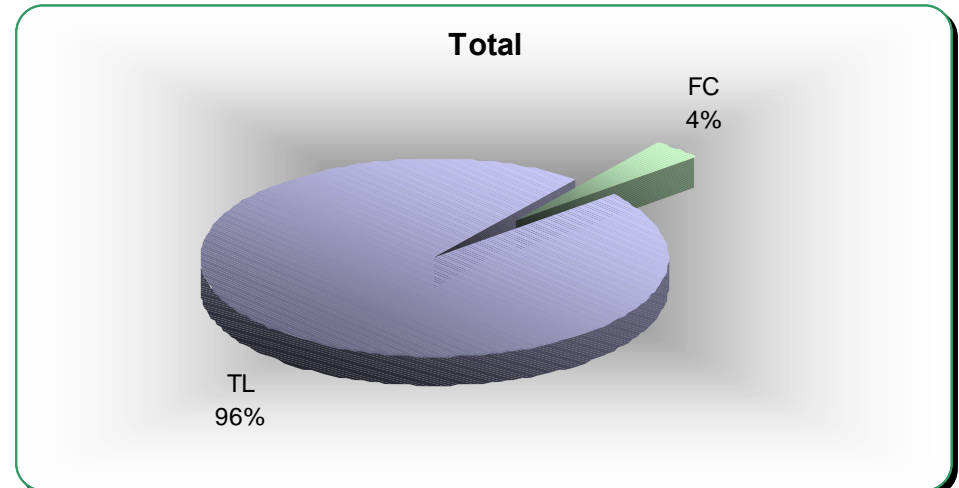
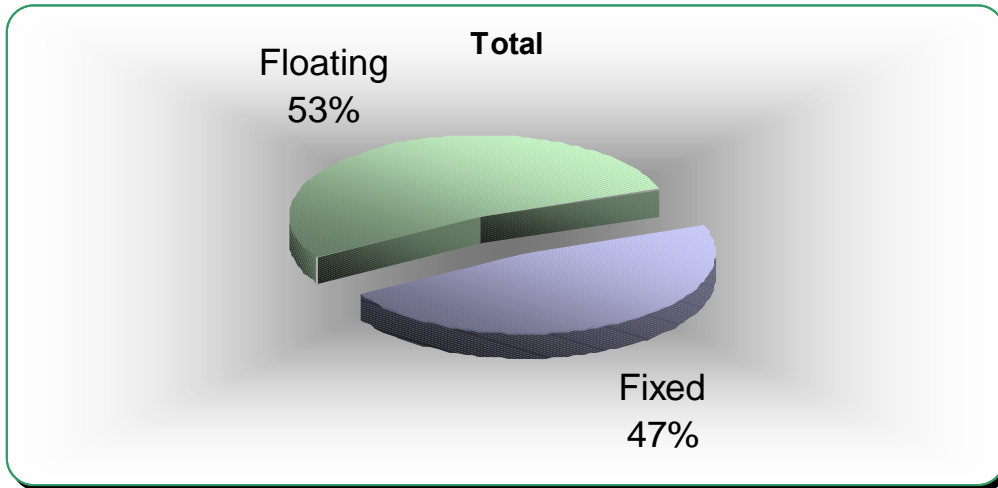
Total Term Deposits / Core Deposits (0-100K)



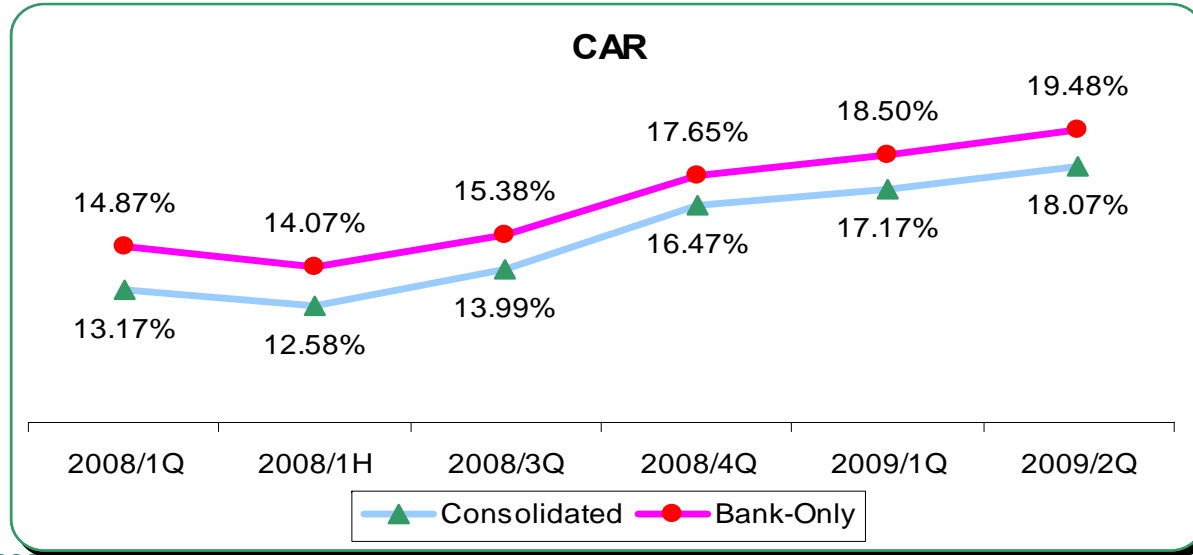
TL (1000 TL)	Jan 08	Mar-08	Jun-08	Sep-08	Dec-08	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Change
TL Time Deposit	3,409,087	3,366,102	3,650,190	4,017,723	4,374,869	3,899,826	3,970,607	4,053,295	3,664,050	3,540,549	3,542,070	4%
0-100K Deposit	513,159	578,685	701,985	828,405	1,009,007	983,128	965,343	965,343	912,896	918,678	949,751	85%
Share	15.05%	17.19%	19.23%	20.62%	23.06%	25.21%	24.31%	23.82%	24.91%	25.95%	26.81%	

Deposits between 0-100 thousand TL were 15% of total deposits while this rate increased to 26.8% by June 09.

Marketable Securities



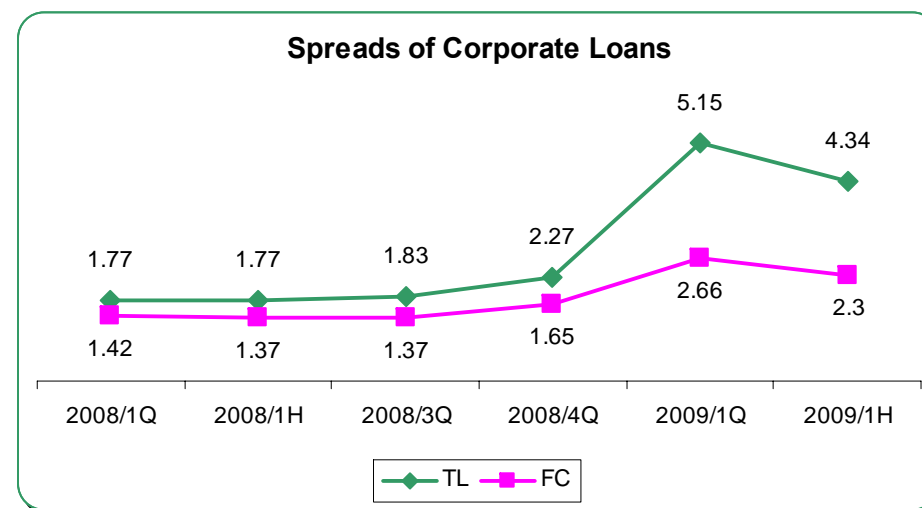
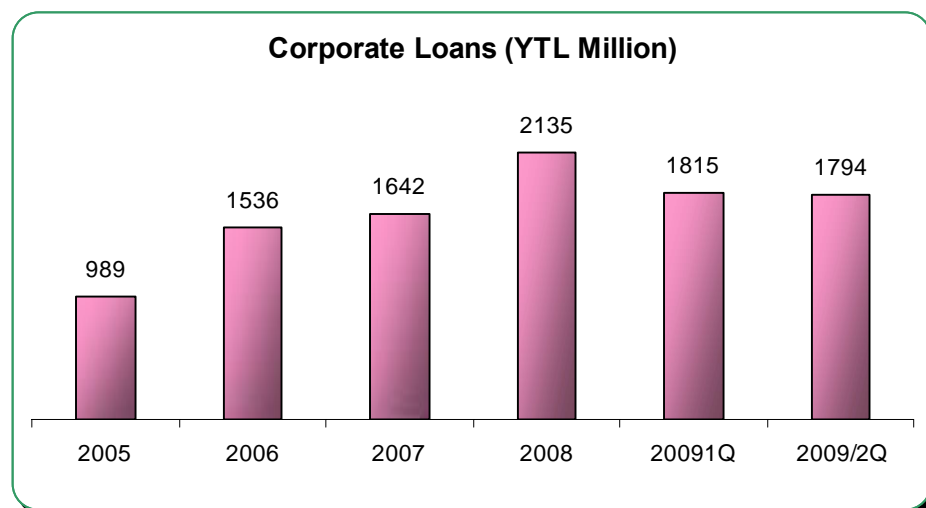
Capital Increases and CAR



Capital Increases (Thousand TL)

Year	2005	2006	06/2007	11/2007	2008
Bonus Issue	-	-	23,500	445,000	-
%	-	-	30.71%	445%	-
Rights Issue	-	18,700	-	210,000	345,000
%	-	32.35%	-	210%	45.69%
Previous Paid-in Capital	57,800	57,800	76,500	100,000	755,000
Current Paid-in Capital	57,800	76,500	100,000	755,000	1,100,00.00

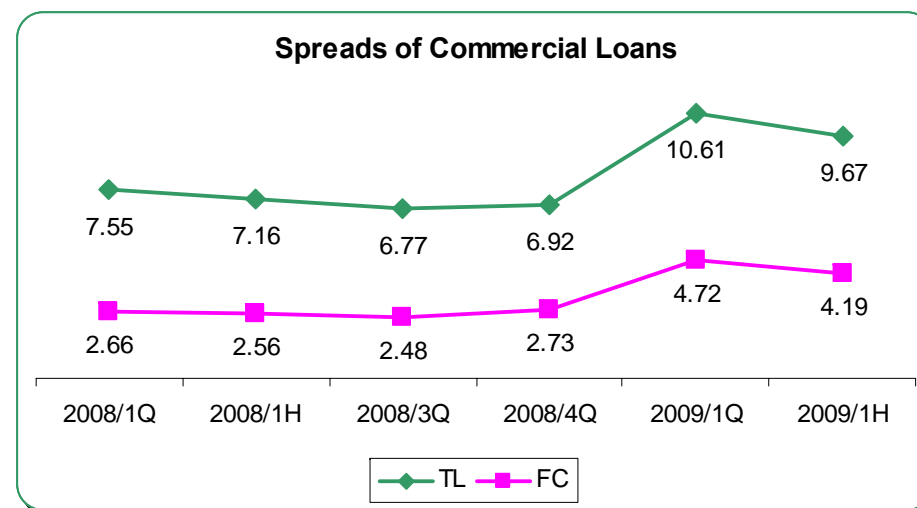
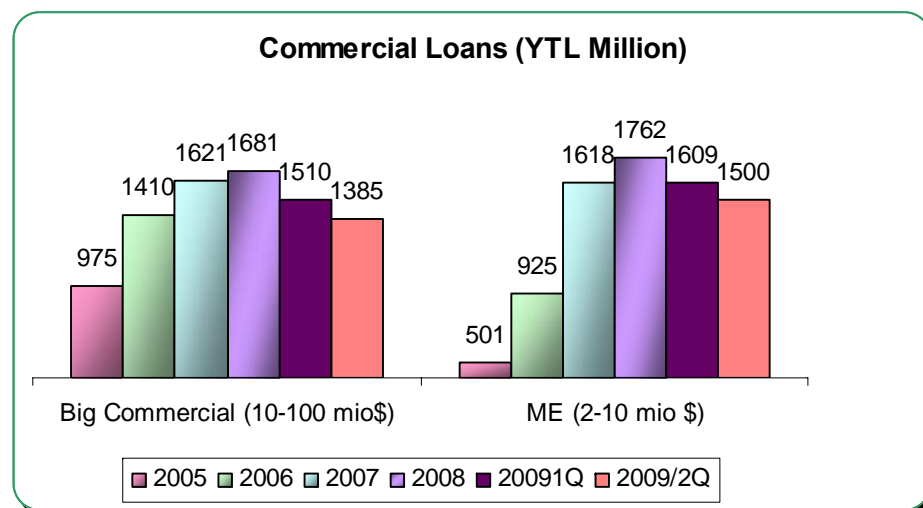
Business Lines- Corporate Banking



- Contribution to results (as of 09 2Q):
 - 24.9 % of loans
 - 21.6 % of deposits
 - 13.3 % of customer contribution

- Cross-sell ratio : 5.69x
- NPL ratio : 0.41 %

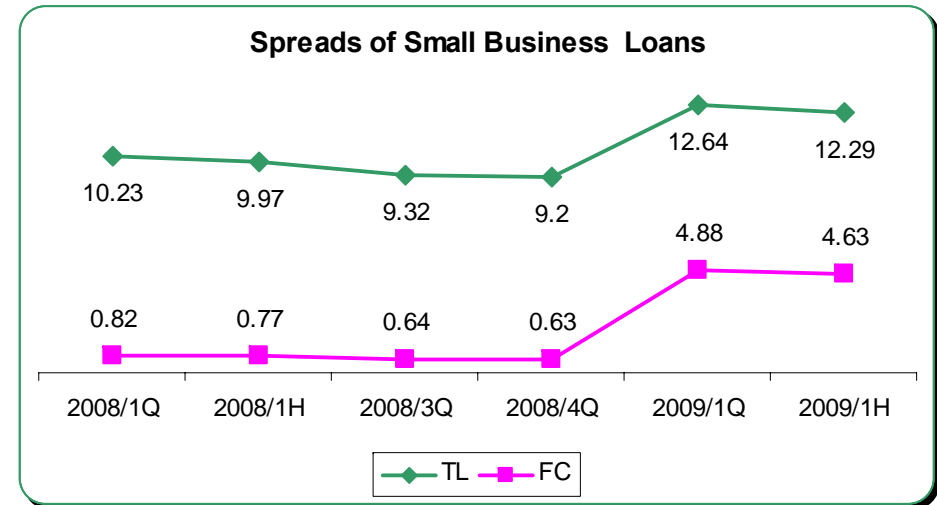
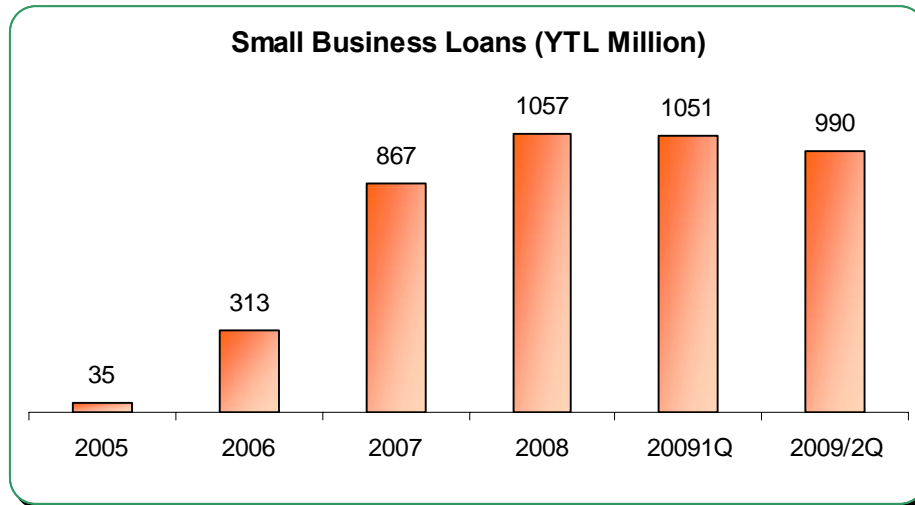
Business Lines- Commercial Banking



- Contribution to results (as of 092Q) :
 - 40.0 % of loans
 - 13.5 % of deposits
 - 49.1 % of customer contribution

- Cross-sell ratio : 6.54x
- NPL ratio : 3.65 %

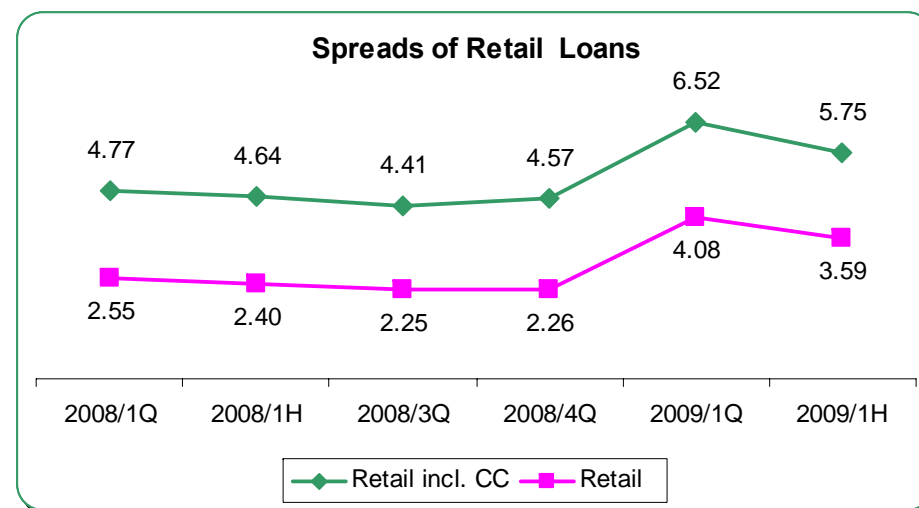
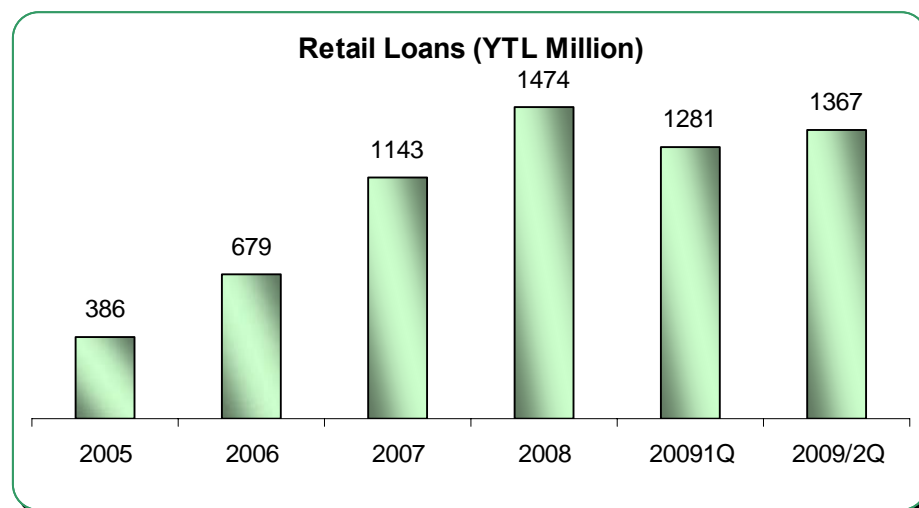
Business Lines- Small Business



- Contribution to results (as of 09/2Q):
 - 13.7 % of loans
 - 8.1 % of deposits
 - 24.2 % of customer contribution

- Cross-sell ratio : 3.78x
- NPL ratio : 9.38 %

Business Lines- Retail Banking

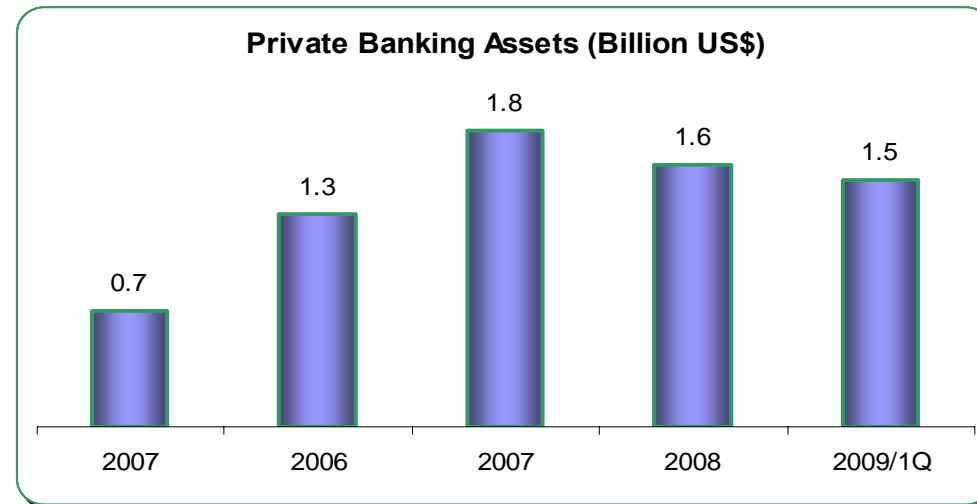


CC: Credit card loans

FC loans are negligible in amount

- Contribution to results (as of 09/2Q):
 - 18.9 % of loans
 - 39.5 % of deposits
 - 17.6 % of customer contribution

- Cross-sell ratio : 3.75x
- NPL ratio : 3.22 %



- Contribution to results (as of 092Q):
 - 0.2 % of loans
 - 16.7 % of deposits
 - 1.8 % of customer contribution
 - Cross-sell ratio : 4.43x
 - NPL ratio : -

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