



Türk Ekonomi Bankası A.Ş.

Earnings Presentation

June 30, 2010

- It has been a trade off between growth and profitability for the banking sector.
- TEB managed to set a balance between the two, achieving a loan growth that is up to the sector average and profitability that is 16% higher on a q-on-q basis despite the shrinking margins.
- Improvement in the asset quality proved to be sustainable. Although part of the decline in the NPL ratio is due to the sales & write-offs as well as the loan growth, the cost of risk has been decreasing since the beginning of the year and it is down to 90bps as of June 30, 2010.
- Limited exposure to marketable securities decreased the volatility in the earnings and it was a blessing this time around limiting our NIM contraction to 20bps on a q-on-q basis.

TEB Consolidated Balance Sheet



BNP PARIBAS JOINT VENTURE

Consolidated Balance Sheet

TRY Million	Share	Reviewed 30.06.2010	Audited 31.12.2009	Change		Share	Reviewed 30.06.2010	Audited 31.12.2009	Change
Assets					Liabilities				
Cash & banks	13%	2,371	2,940	-19.4%	Deposits	59%	10,758	10,363	3.8%
M.sec + repos	14%	2,613	2,716	-3.8%	Repos	2%	333	1,072	-68.9%
Loans + Trade rec.	68%	12,221	10,647	14.8%	Funds Borrowed	19%	3,487	2,461	41.7%
Other Assets	4%	720	553	30.2%	Other Liab.	6%	1,136	826	37.5%
Non- IE Assets	1%	171	182	-6.0%	Total Liabilities	87%	15,714	14,722	6.7%
Total Assets	100%	18,096	17,038	6.2%	Subordinated Loans	3%	469	483	-2.9%
					<i>Sh. Equity</i>				
					Capital & Res.	10%	1,806	1,565	15.4%
					Income	1%	107	268	n.m.
					Total Sh. Equity	11%	1,913	1,833	4.4%
					Total Liab + Equity	100%	18,096	17,038	6.2%

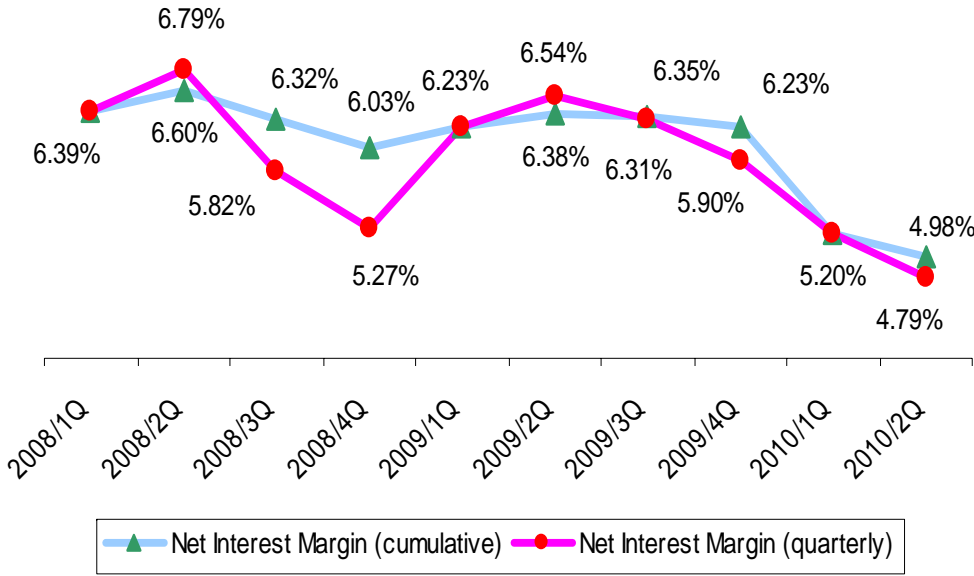
TEB Consolidated Income Statement (q-on-q)

Consolidated Quarterly Income Statement

<i>TRY Million</i>	Reviewed 30.06.10	Reviewed 31.03.10	Change
Net Interest Income	204.4	221.1	-8%
Marketable Securities Revaluation Differences	7.9	-14.1	-156%
Adjusted Net Interest Income	212.3	207.1	3%
FX Gains / (Losses)	87.2	54.2	61%
Derivatives Trading	-97.0	-63.8	52%
Securities Trading Income	6.7	13.7	-51%
Net Fees & Commissions Income	74.0	73.6	0%
Other Operating Income	15.1	13.3	14%
Net Banking Income	298.1	298.0	0.0%
Loan Loss Provisions	-24.2	-44.1	-45%
Net Operating Income	273.9	253.9	8%
Operating Expenses	-201.2	-194.5	3%
Provision for Taxes on Income	-15.1	-9.6	57%
Net Income / (Loss)	57.6	49.8	16%

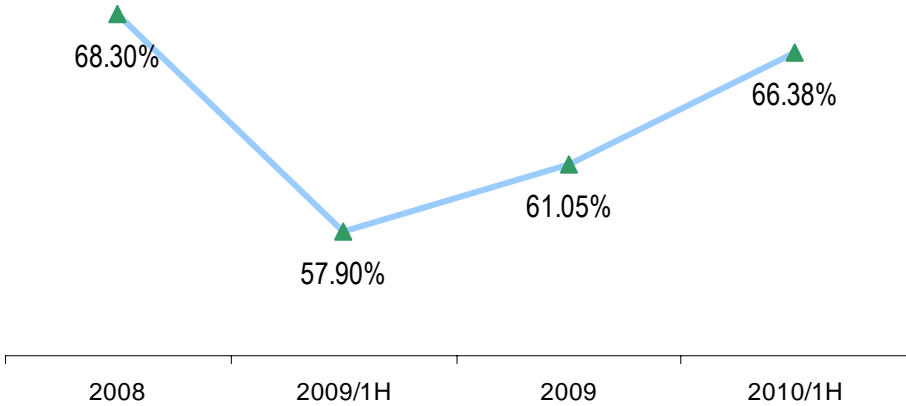
Evolution of NIM and Cost/Income Ratio

Net Interest Margin



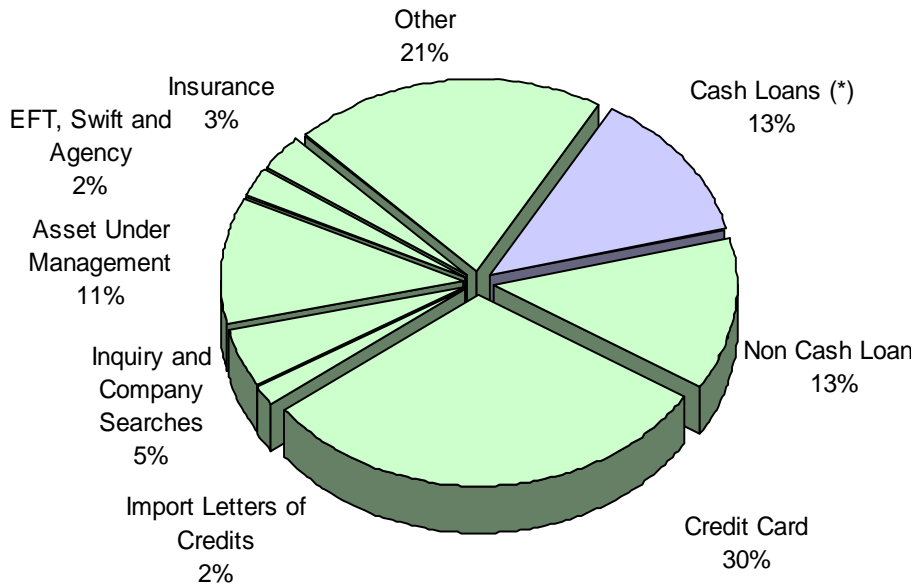
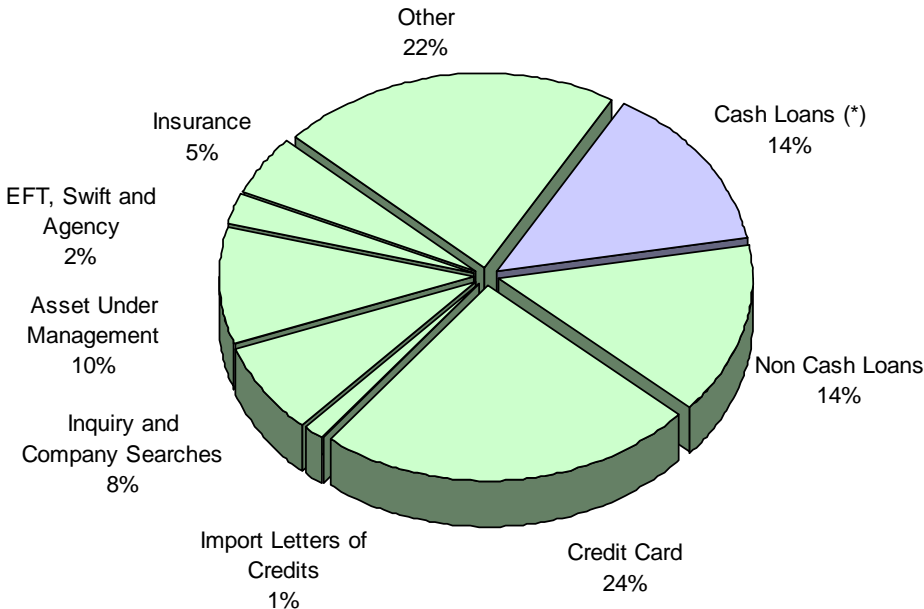
Net Interest Margin: (Net interest income+Net FX gains/losses+Derivative Gains)/ (Avg. Liquid Assets+Marketable Securities+Credits) (Bank-only)

Cost/Income Ratio



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

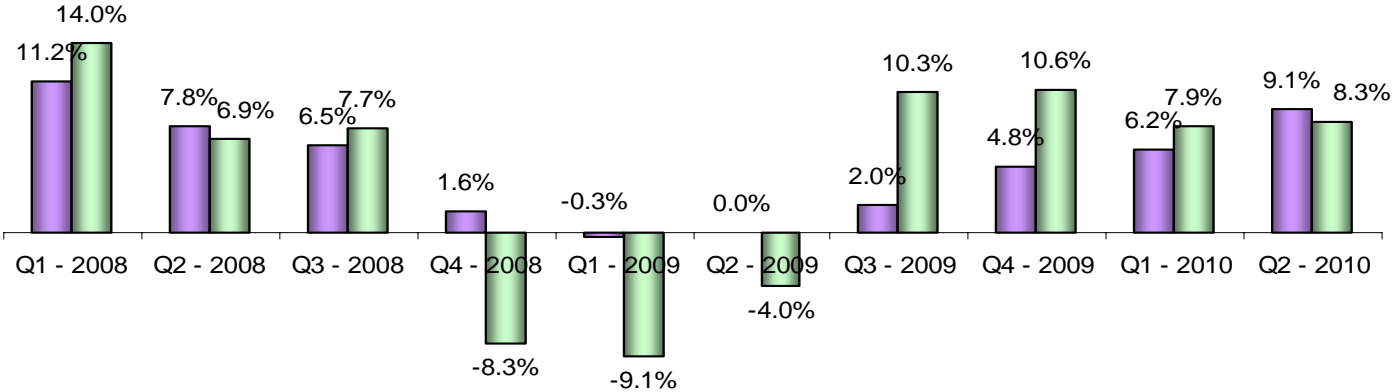
Breakdown of Fees and Commissions Income

Q2 09

Q2 10


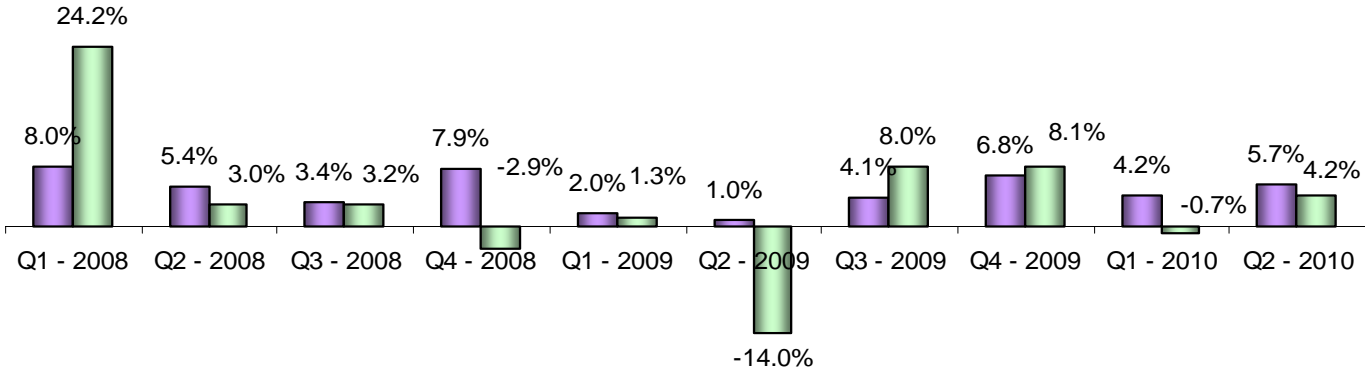
(*) Cash Loans are classified under Net Interest Income

Quarterly Growth in TEB vs. Banking Sector

Loan Growth

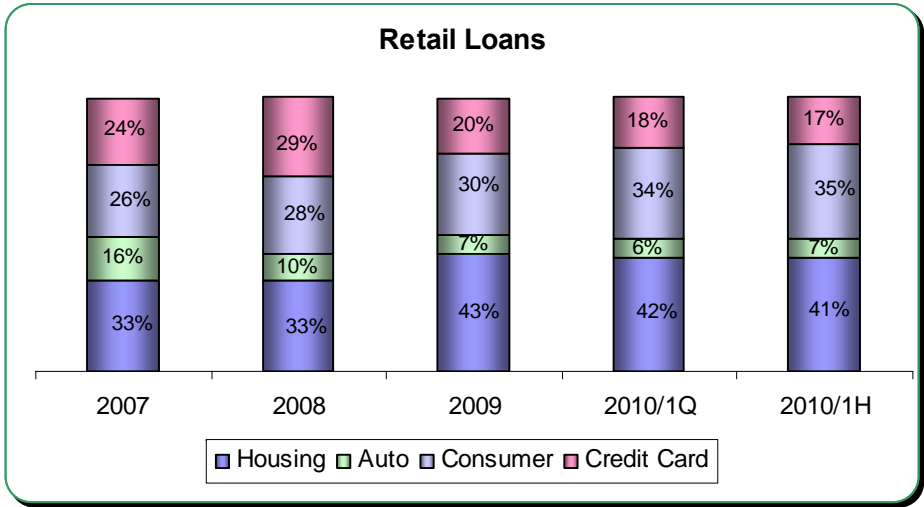
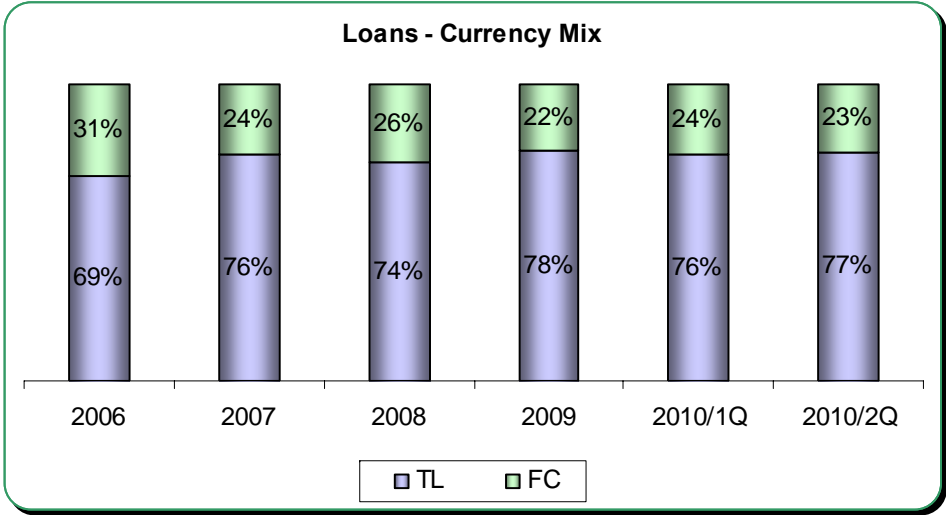
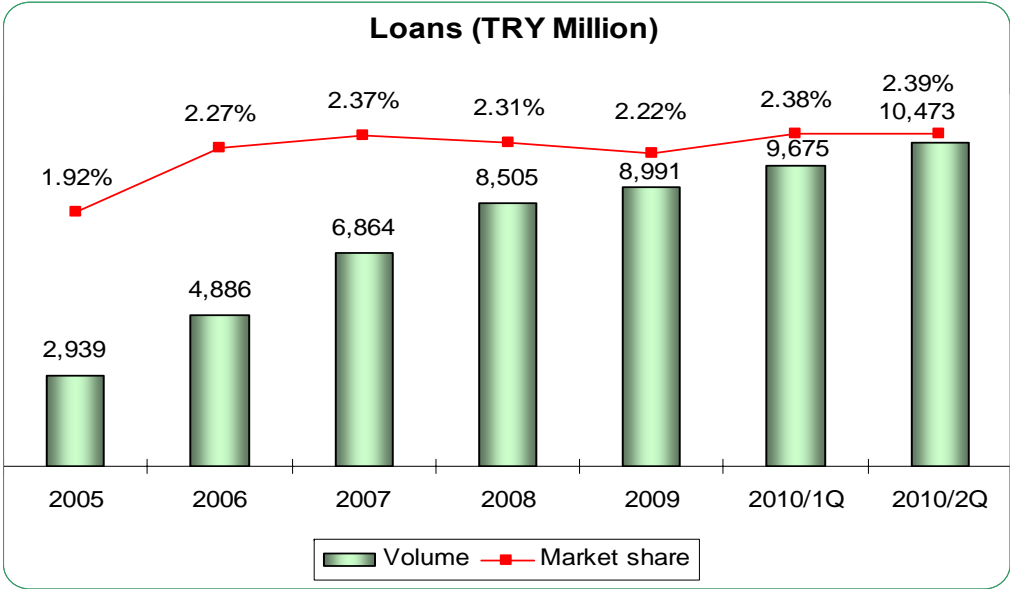


Deposit Growth



Source: BRSA, TEB Bank-Only BRSA Financials

Structure of Loans



Breakdown of Loans by LoB



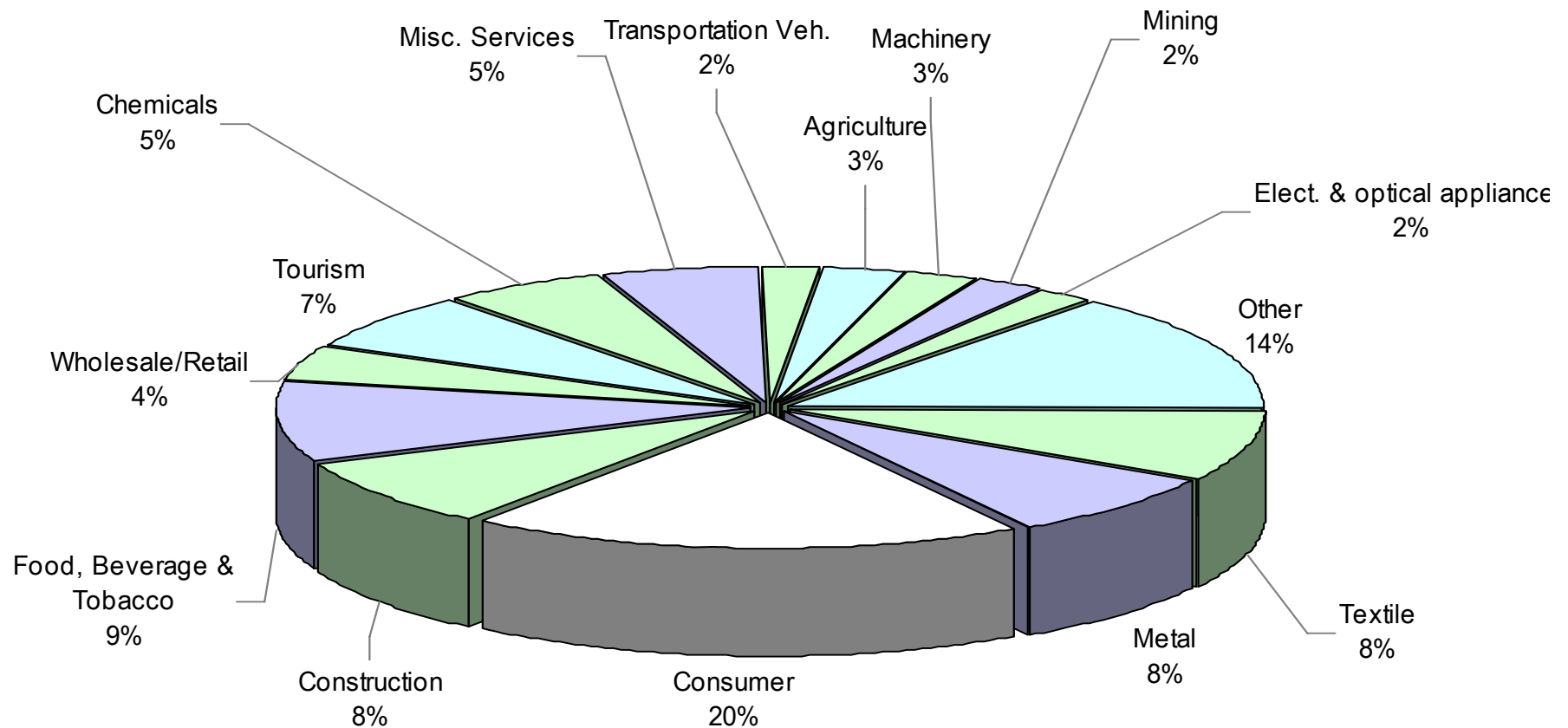
TEB

BNP PARIBAS JOINT VENTURE

Million TRY	2010/2Q		2009 YE		Δ Volume
Corporate	2,350.35	23.1%	2,187.70	25.3%	7.4%
Commercial	4,041.03	39.7%	3,464.19	40.0%	16.7%
Big Commercial	2,008.95	19.7%	1,777.61	20.5%	13.0%
Medium Comm.	2,032.08	19.9%	1,686.58	19.5%	20.5%
Small Business	1,504.10	14.8%	1,184.90	13.7%	26.9%
Retail	2,266.83	22.3%	1,806.16	20.8%	25.5%
Private	25.11	0.2%	21.02	0.2%	19.5%

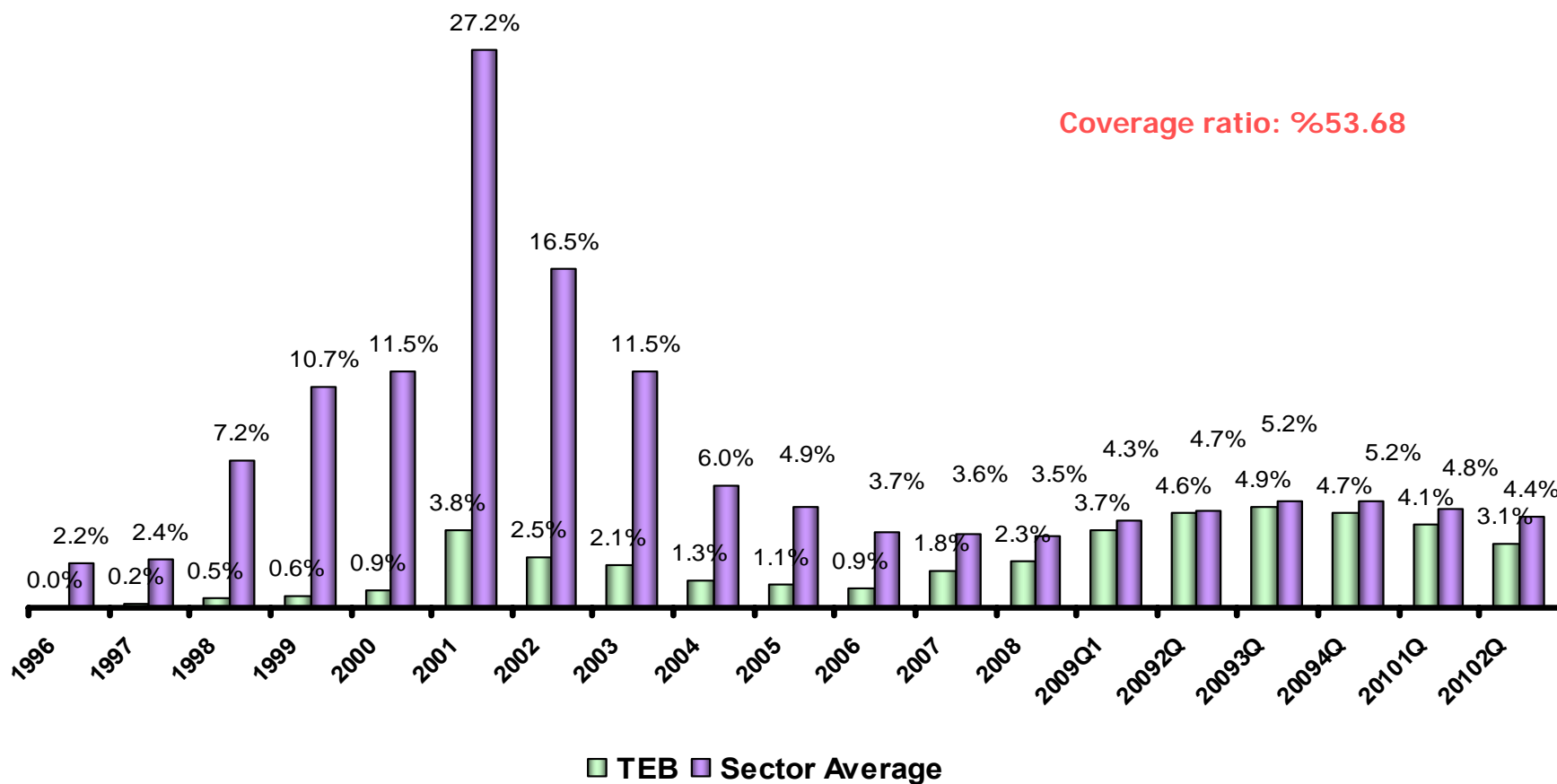
Bank-Only Loan Portfolio

Loan Portfolio by Industry 30.06.2010



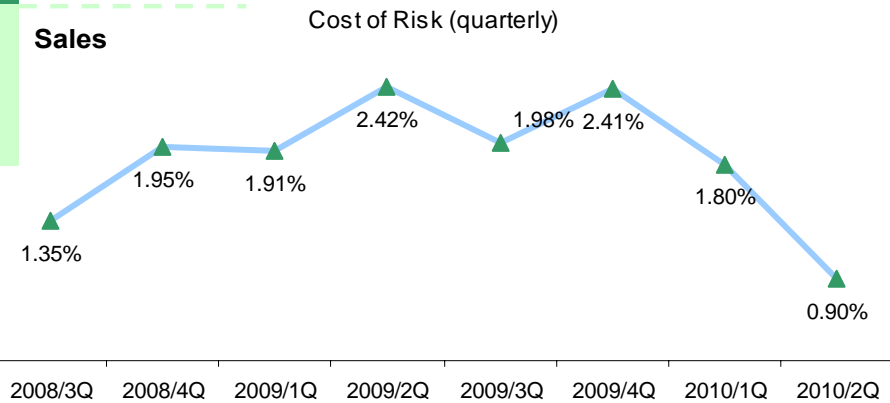
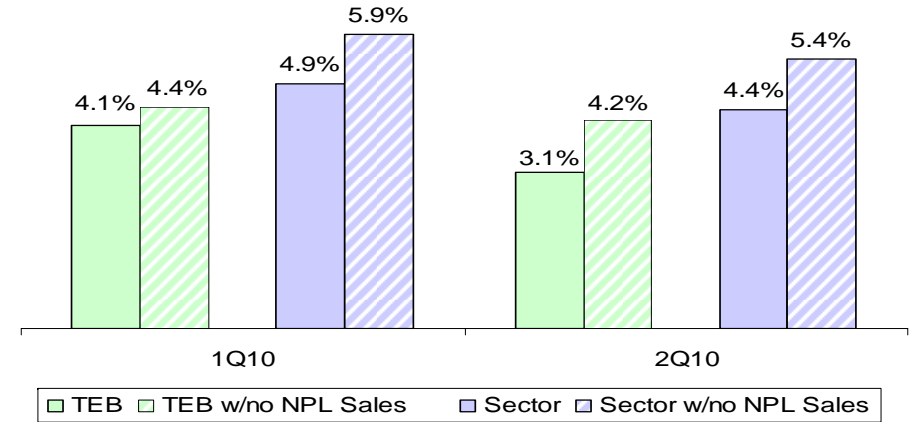
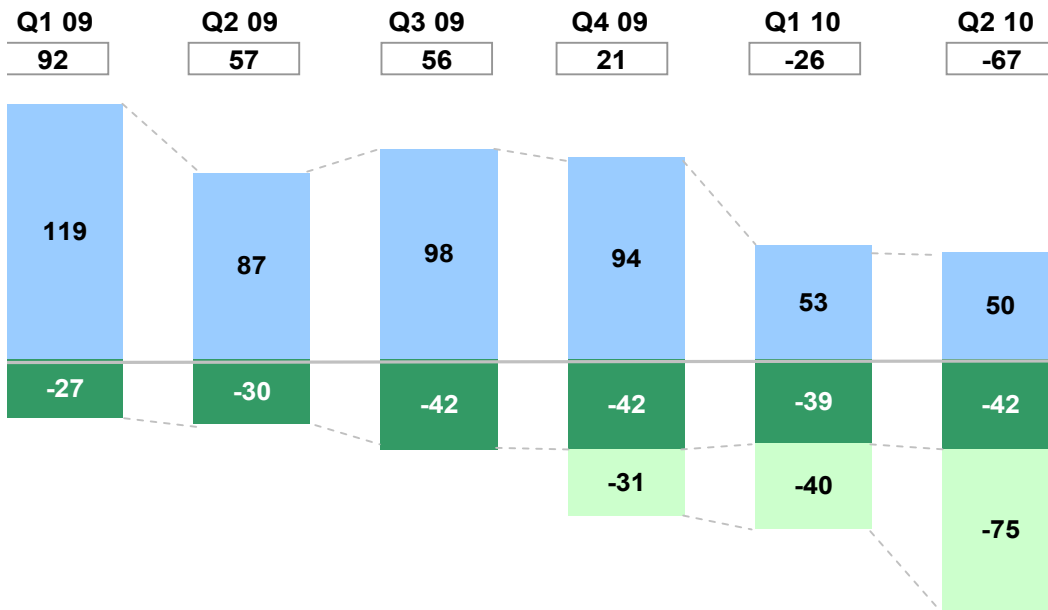
Non Performing Loans

Non-Performing Loans as a % of Total Loans



Improvement in the Asset Quality

Net NPL inflows (Quarterly)
TL Million



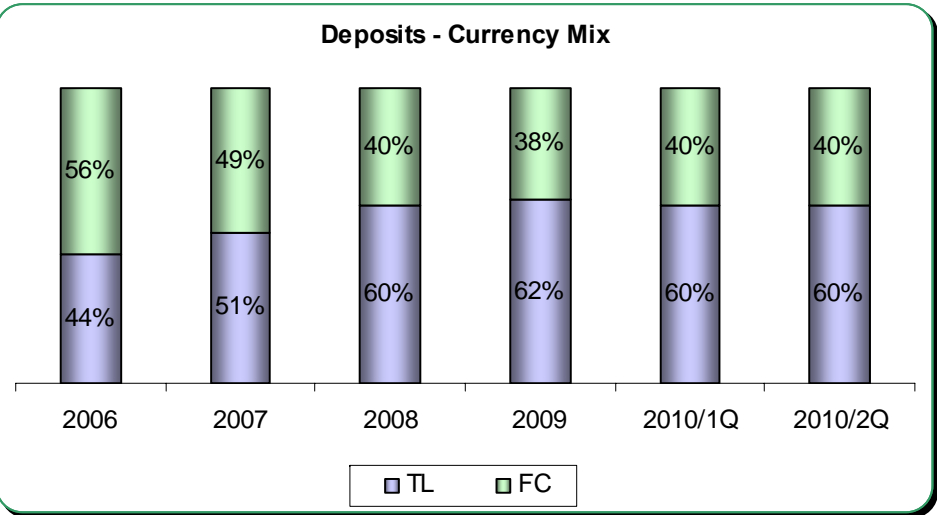
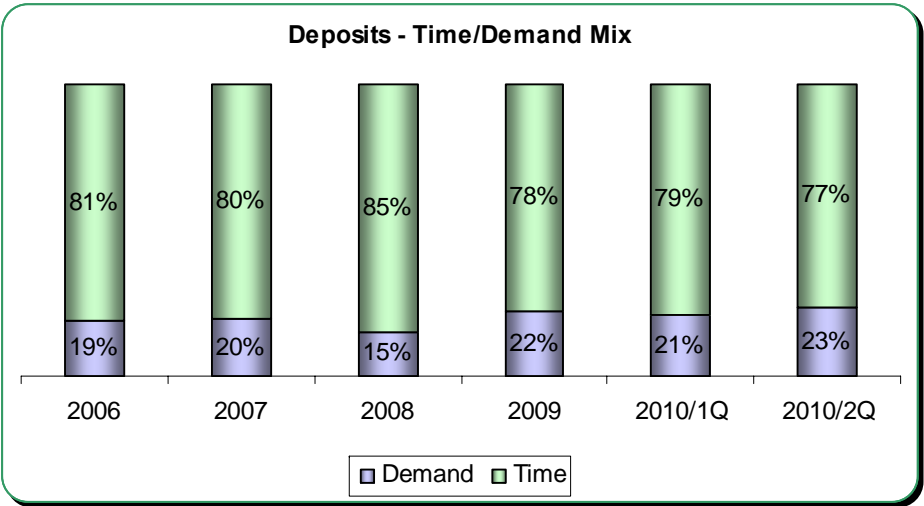
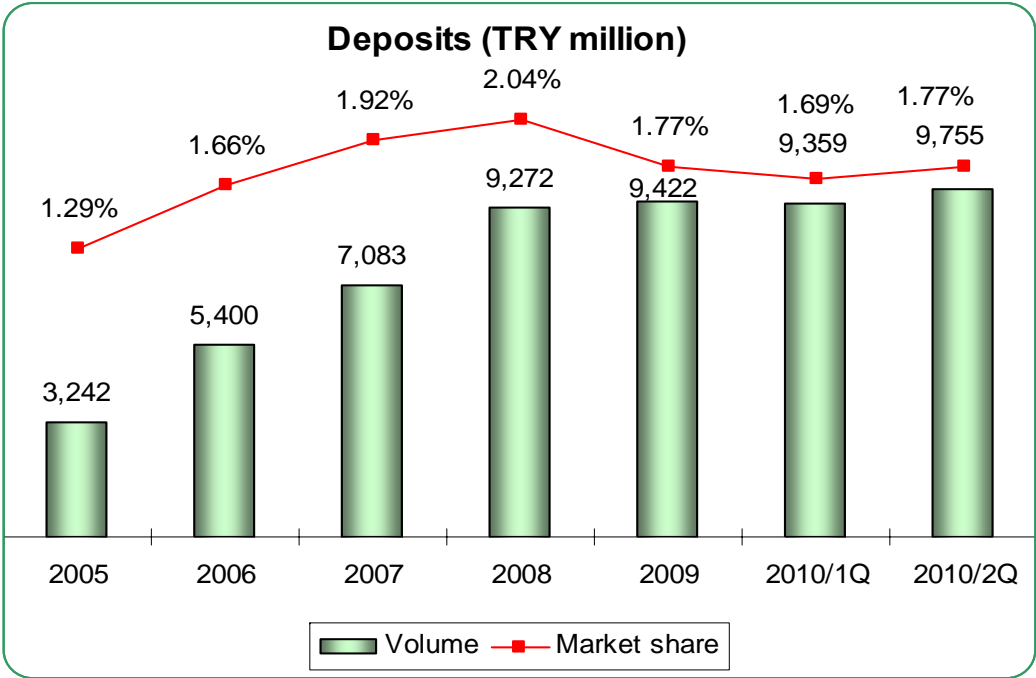
Breakdown of Deposits by LoB



BNP PARIBAS JOINT VENTURE

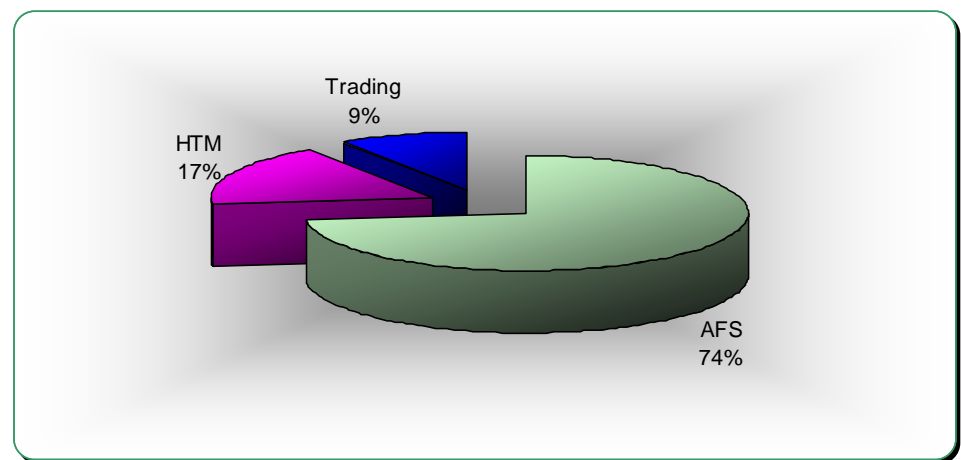
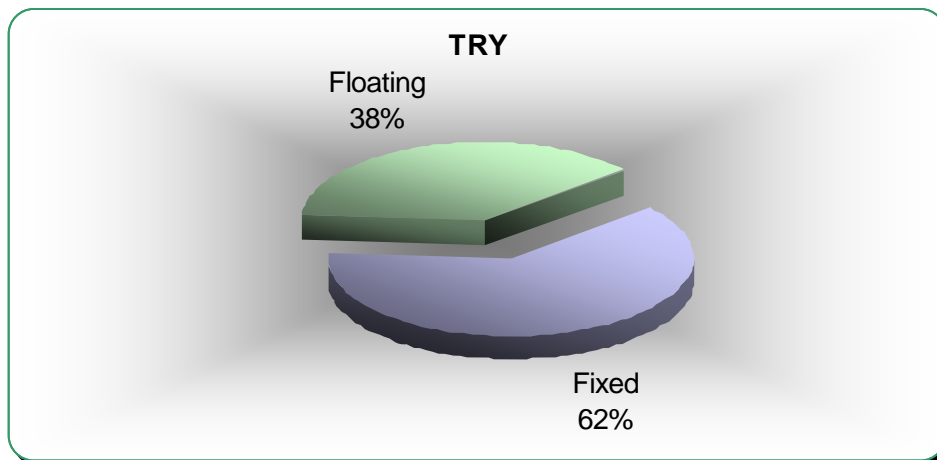
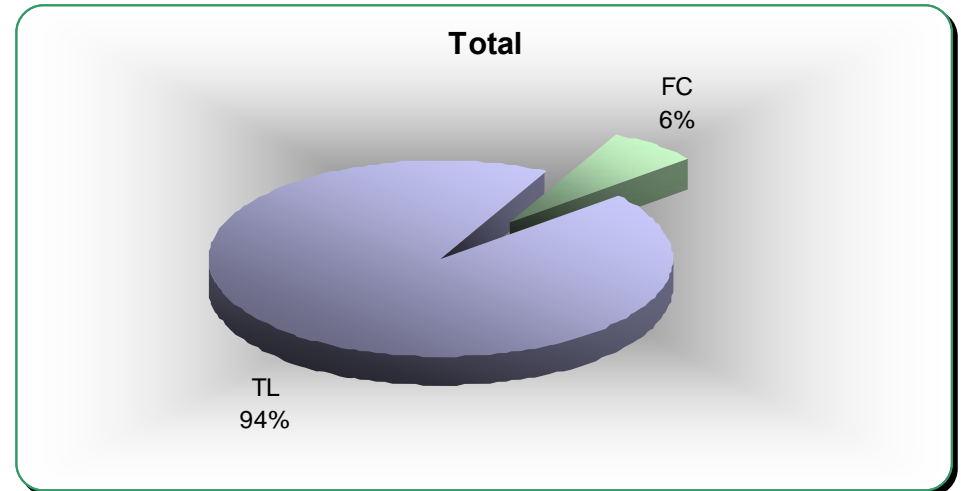
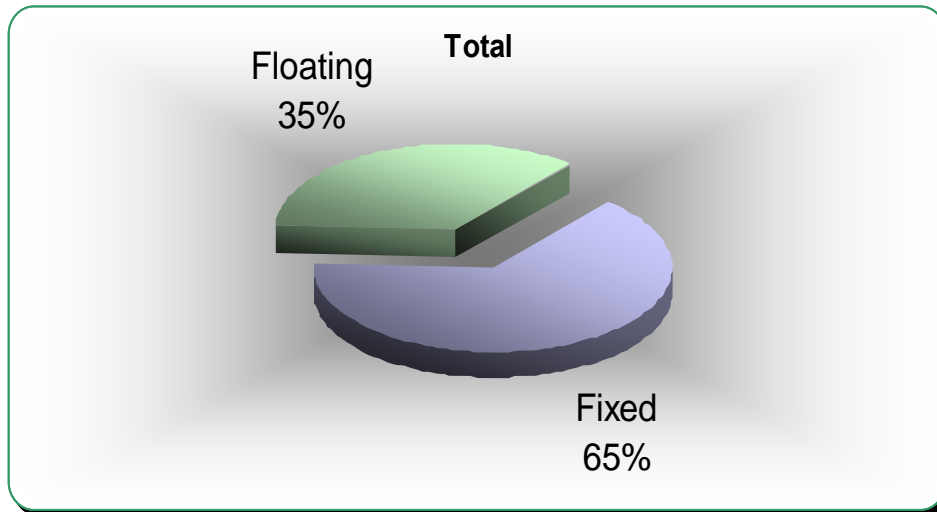
Million TRY	2010/2Q		2009 YE		Δ Volume
Corporate	2,551.02	26.3%	1,964.91	20.9%	29.8%
Commercial	1,617.25	16.6%	1,536.00	16.3%	5.3%
Big Commercial	985.50	10.1%	837.24	8.9%	17.7%
Medium Comm.	631.75	6.5%	698.76	7.4%	-9.6%
Small Business	891.21	9.2%	821.16	8.7%	8.5%
Retail	3,379.34	34.8%	3,504.79	37.3%	-3.6%
Private	1,278.42	13.2%	1,567.87	16.7%	-18.5%

Structure of Deposits

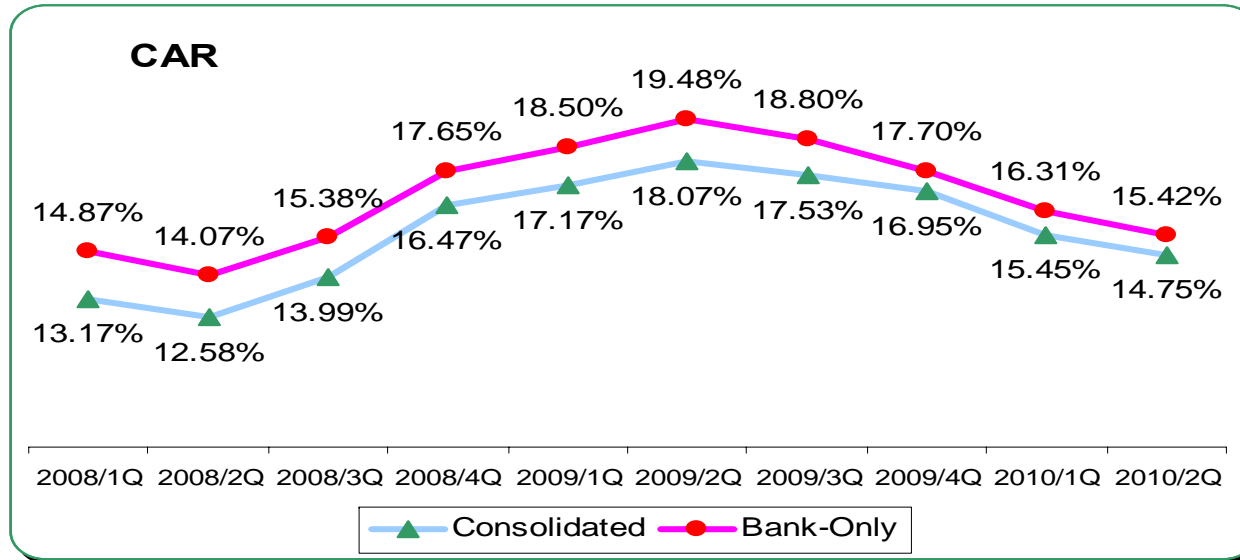


Source: TEB BRSA Bank-Only Financials

Marketable Securities



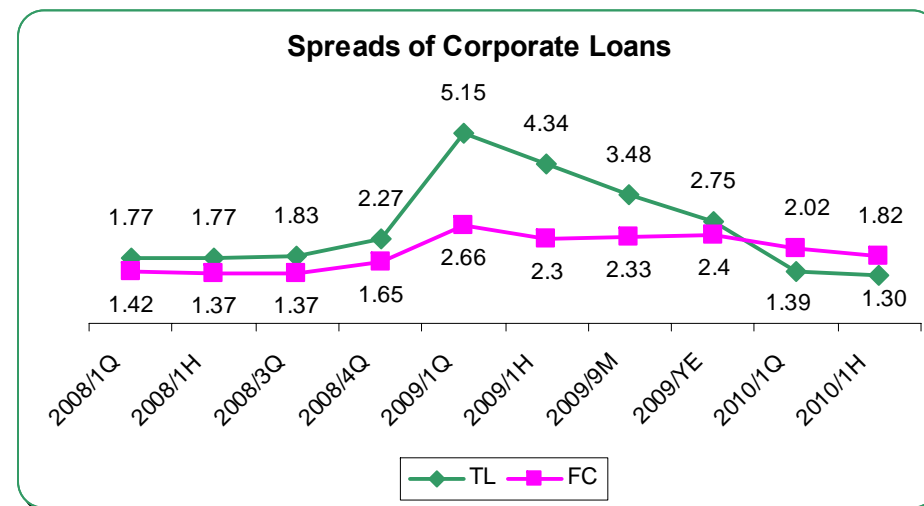
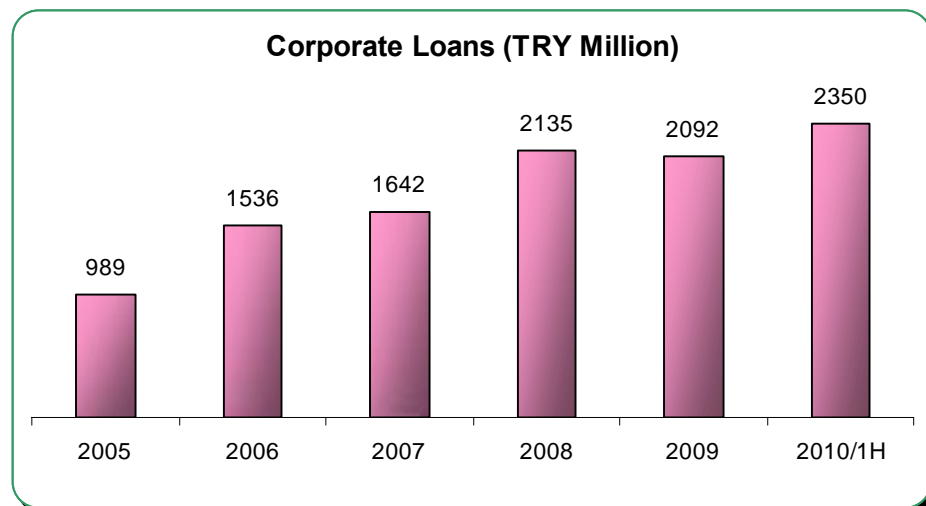
Capital Increases and CAR



Capital Increases (Thousand TL)

Year	2005	2006	06/2007	11/2007	2008	2009
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	1,100,00.00
Current Paid-in Capital	57,800	76,500	100,000	755,000	1,100,00.00	1,100,00.00

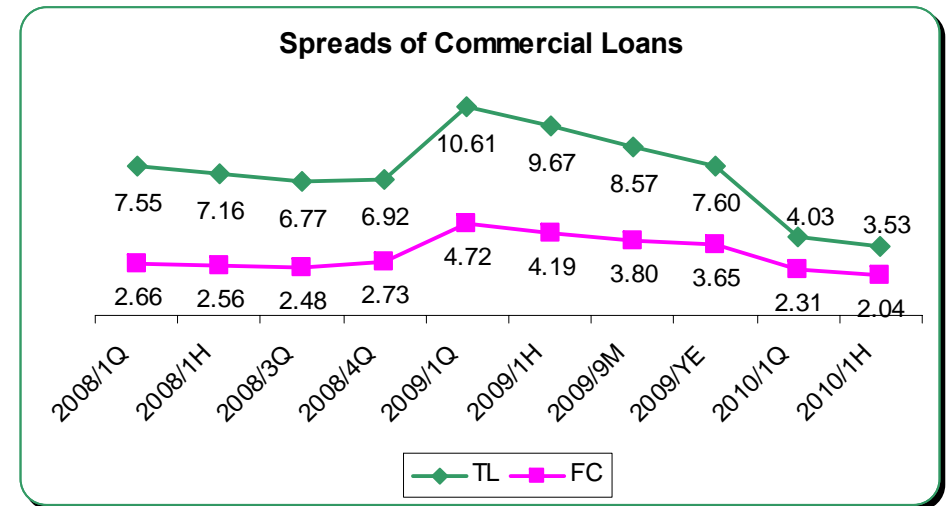
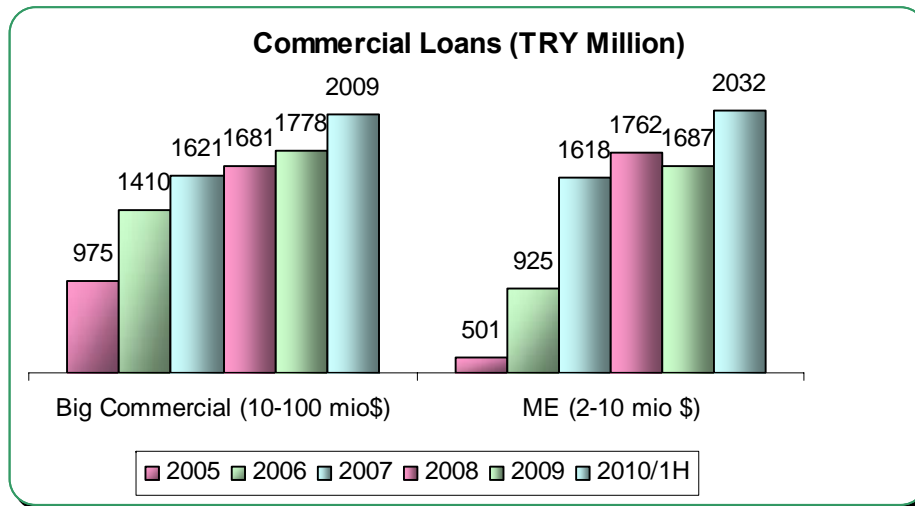
Business Lines- Corporate Banking



- Contribution to results (as of 2010 1H):
 - 23.1 % of loans
 - 28.2 % of deposits
 - 13.1 % of customer contribution

- Cross-sell ratio : 5.50x
- NPL ratio : 0.92 %

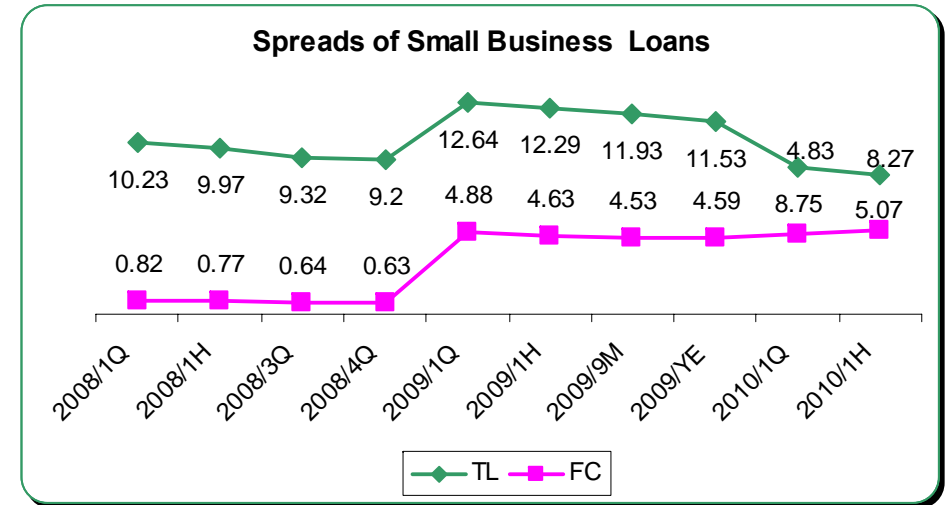
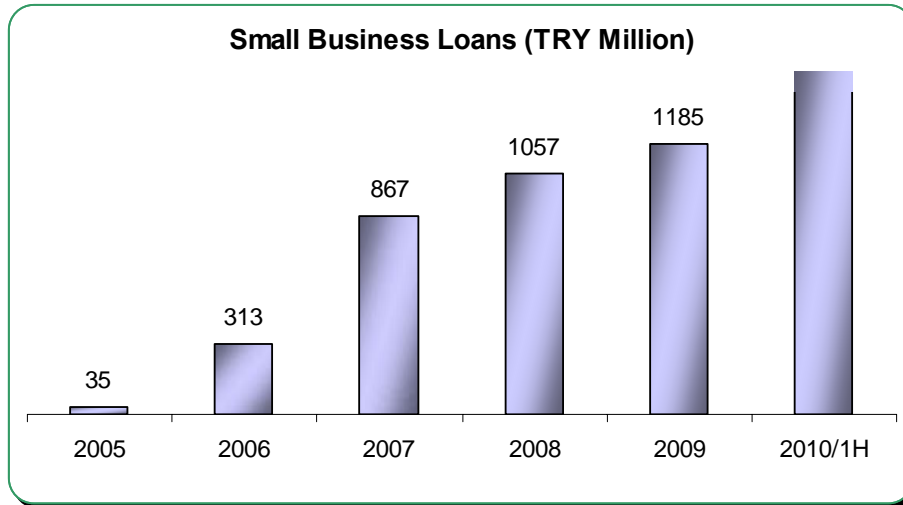
Business Lines- Commercial Banking



- Contribution to results (as of 2010 1H) :
 - 39.7 % of loans
 - 14.7 % of deposits
 - 36.5 % of customer contribution (14.0% + 22.5%)

- Cross-sell ratio : 6.16x and 6.12x
- NPL ratio : 3.77 % and 4.46%

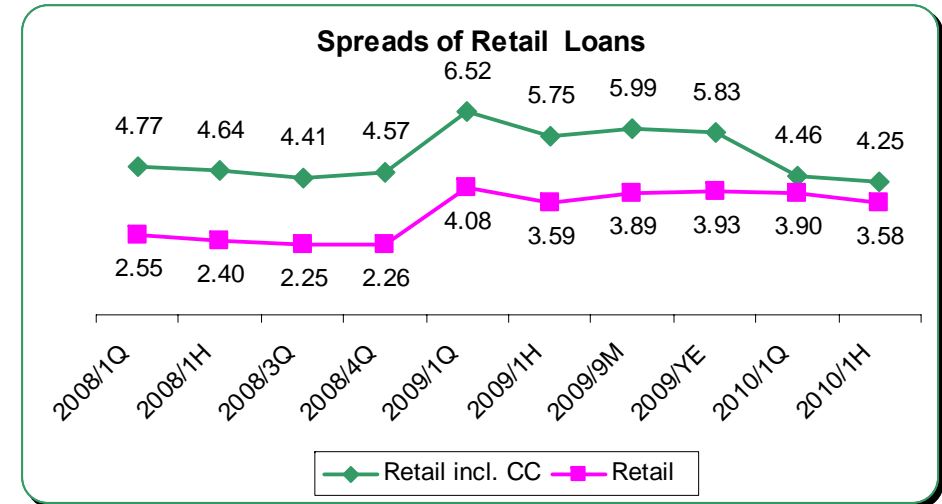
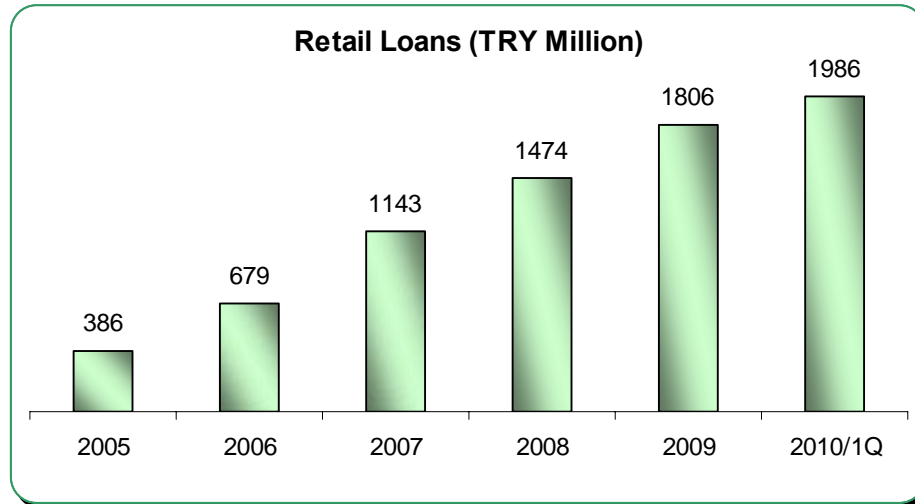
Business Lines- Small Business



- Contribution to results (as of 2010 1H):
 - 14.8 % of loans
 - 9.2 % of deposits
 - 27.1% of customer contribution

- Cross-sell ratio : 3.73x
- NPL ratio : 4.65 %

Business Lines- Retail Banking

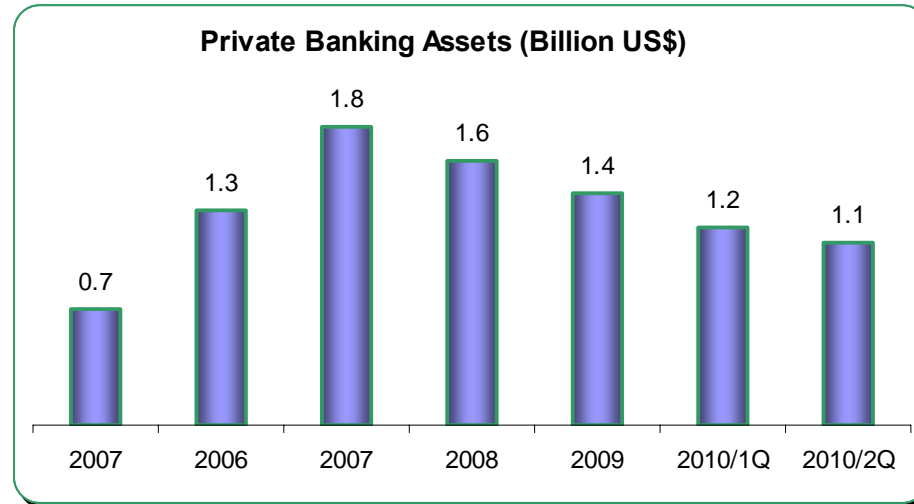


- Contribution to results (as of 2010 1H):
 - 22.3 % of loans
 - 34.8 % of deposits
 - 21.3 % of customer contribution

CC: Credit card loans

FC loans are negligible in amount

- Cross-sell ratio : 3.77x
- NPL ratio : 1.24 %



- Contribution to results (as of 20101H):
 - 0.2 % of loans
 - 13.2 % of deposits
 - 2.0 % of customer contribution
 - Cross-sell ratio : 4.17x
 - NPL ratio : -

Contact Details

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