

# Tekstil Bankasi A.S.

## Full Rating Report

### Ratings

#### Foreign Currency

Long-Term IDR	B+
Short-Term IDR	B

#### Local Currency

Long-Term IDR	B+
Short-Term IDR	B

#### National

Long-Term Rating	A(tur)
Viability Rating	b+

Support Rating	5
Support Rating Floor	NF

#### Sovereign Risk

Foreign-Currency Long-Term IDR	BBB-
Local-Currency Long-Term IDR	BBB

#### Outlooks

Sovereign Foreign-Currency Long-Term IDR	Stable
Sovereign Local-Currency Long-Term IDR	Stable

### Watches

Foreign-Currency Long-Term IDR	Positive
Local-Currency Long-Term IDR	Positive
Foreign-Currency Short-Term IDR	Positive
Local-Currency Short-Term IDR	Positive
National Long-Term Rating	Positive
Support Rating	Positive

### Financial Data

#### Tekstil Bankasi A.S.

	30 Jun 14	31 Dec 13
Total assets (USDm)	1,692.6	1,804.4
Total assets (TRYm)	3,554.6	3,854.2
Total equity (TRYm)	625.4	604.3
Operating profit (TRYm)	14.9	5.0
Published net income (TRY)	12.3	45.3
Comprehensive income (TRYm)	21.1	29.4
Operating ROAA (%)	0.81	0.14
Operating ROAE (%)	4.91	0.85
Internal capital generation (%)	3.96	7.50
Fitch core capital/weighted risks (%)	18.59	16.92
Tier 1 regulatory capital ratio (%)	18.24	16.76
Net income/average total equity (%)	4.04	7.70

### Related Research

[Fitch Takes Various Rating Actions on 7 Small Turkish Banks \(July 2014\)](#)

[Turkey \(April 2014\)](#)

[Fitch Affirms Turkey at 'BBB-'; Stable Outlook \(April 2014\)](#)

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### Key Rating Drivers

**Support to Drive IDR:** The ratings of Tekstil Bankasi A.S. (Tekstilbank) are currently driven by the bank's standalone financial strength, measured by its Viability Rating (VR). Industrial and Commercial Bank of China's (ICBC; A/Stable) acquisition of Tekstilbank is likely to receive regulatory approval in 2H14, which would mean institutional support would drive the bank's Issuer Default Ratings (IDRs) and Long-term National Rating.

**Future Rating Levels:** Tekstilbank will probably see a multi-notch upgrade of its Long-Term IDRs, National and Support Ratings if the acquisition is successful. The bank's Long-Term foreign currency IDR will most likely be upgraded to 'BBB', Turkey's Country Ceiling.

**Niche Franchise:** Tekstilbank is a boutique bank, providing loans and services to select corporate and commercial customers. Tailor-made loans are prominent among its largest exposures. Its retail business is small (between 10% and 15% total loans). Overall loan growth has been negligible for several years because shareholders were keen to sell their stake.

**Underperforms Peers:** Operating results were weaker in 2013 due to margin compression and high impairment charges. The sale of the head office boosted bottom line performance. Fitch Ratings believes 2013's performance is not representative of Tekstilbank's potential; 1H14 results improved and are more in line with historic trends.

**Weaker Asset Quality:** Core customers are mid-sized companies (annual turnover below TRY35m) which represent around 35% of loans. The 5% impaired loans/total loans ratio at 1H14 is higher than the 2.7% sector average. Reserve coverage at 66% is reasonable considering that a high proportion of lending is secured. Exposures by customer group can be significant. At 1Q14, the 15 largest exposures represented 22% of global risks.

**Low Leverage:** Following several years of deleveraging and earnings retention, capital adequacy ratios are high. A fairly large capital buffer is required to absorb potential risks in light of the small absolute size of equity.

**Limited Market Risk:** Interest rate risk is low, helped by frequent repricing of a portfolio dominated by short-term loans. Foreign-currency risk is low as Tekstilbank makes efforts to match currency positions. Turkish government securities (about 12% of assets) are highly liquid in the domestic markets. Tekstilbank easily meets tough regulatory prudential liquidity ratios.

**Sovereign Support Uncertain:** In Fitch's opinion, sovereign support for the bank cannot be relied on.

### Rating Sensitivities

**Potential Ownership Change:** The ownership change would mean institutional support drives Tekstilbank's IDRs, Support Rating and National Ratings. Country ceiling constraints will apply.

**Upside VR Potential:** Upside potential for the VR will depend on what strategic changes are to be implemented under new ownership. Management suggests there is considerable business potential from trade finance and other opportunities with Turkish companies exporting to and importing from China. Fitch believes the bank's size and product range would have to develop if it is to compete and carve out a Chinese/Turkish niche for itself.

## Operating Environment

Turkey's operating environment is more volatile than that which could normally be expected for a sovereign rated at the current level. Although trends are unsteady, economic growth continues to be achieved. GDP grew 4.3% in 1Q14 and 2.8% in 2Q14. Fitch is expecting growth of around 2.7% for the year. January 2014's sharp hike in interest rates helped stabilise exchange rates, curbing further depreciation of the Turkish lira against major currencies. Interest rate policies are unsteady and there have been moderate reductions in 2Q14. Local (March 2014) and Presidential (August) elections are now out of the way, confirming continued support for the current ruling party. This should improve confidence although some political tensions persist.

Positive investor sentiment towards the emerging markets is essential if Turkey is to continue to fund its large current account deficit. The country relies on a high level of short-term inflows and maintaining confidence is key. Sustained internal political turmoil, combined with turbulence in neighbouring countries, could erode confidence but evidence of this is not yet apparent. Despite the volatilities, Turkey's banks continue to perform well but competition is steep for the smaller banks such as Tekstilbank. Credit demand has weakened in 1H14 (sector loans were up 7%, low compared with historic trends). Fitch forecasts loan growth of around 15% for the year.

## Company Profile

Tekstilbank was established in 1986, and in 2002 GSD Holding (GSD), a Turkish trade and financial services group with equity of around TRY800m, became the majority shareholder. Tekstilbank is by far the group's largest investment. GSD controls 75.5% of the bank and the remaining shares are quoted on the Istanbul Stock Exchange.

Tekstilbank controls a modest share of domestic deposits (below 0.5%). Operating out of 44 branches, present in many of Turkey's most developed centres, it aims to compete on service, good customer relationships and quick response time. The bank's core business is corporate and commercial lending, trade finance and modest treasury activities. Tekstilbank's relationships with around 9,000 clients are well established.

In May 2014, ICBC announced its intention to acquire GSD's stake. Fitch understands that an offer to buy out minority holders will be made in the future. China is an increasingly important trade partner for Turkey.

The bank's core product is the extension of Turkish lira-denominated short-term, working capital loans. This is a fairly standard product and Tekstilbank's customers are price-sensitive, reducing the strength of its franchise. Should ownership change, we believe that this may result in an inflow of customers seeking specialised trade finance and other services linked with China. Management advises that some new approaches have already been received.

A breakdown of Tekstilbank's non-retail business, which represents around 85% of its total business, is provided in Figure 1 below. The retail portfolio (15% of total loans) is split 60% unsecured consumer loans, 34% mortgages and 6% auto loans. Retail deposits make up around two-thirds of customer deposits.

Figure 1

### Business Line Information – 1Q14 (%)

(% share)	Loans	Deposits	Active customers
Corporate customers (annual sales in excess of TRY35m)	66	30	24
Commercial customers (TRY4m – TRY35m)	34	58	57
Small business	-	12	20
Total (%)	100	100	100

Source: Tekstilbank

## Related Criteria

[Global Financial Institutions Rating Criteria \(January 2014\)](#)

## Management

Senior management is stable. Given the bank's size, responsibilities are somewhat concentrated among a small group of individuals. Should transfer of ownership be achieved, changes may follow.

Tekstilbank's shares are quoted and the bank complies with the required governance codes in Turkey. There is no reliance on shareholders for funding and related-party transactions are insignificant. There are six members of the board of directors, five of whom have no executive responsibilities at the bank. A separate corporate governance unit, comprising two independent directors, reports directly to the board. The audit committee, which in turn oversees risk management and internal control functions, reports directly to the board, which Fitch views favourably.

## Risk Appetite

Tekstilbank uses an eight-grade rating system for corporate and commercial customers in line with Basel II and a scoring system for its SME and retail customers. Since end-2012, around 45% of total loans have been classified in the highest internal risk categories. Migration has been down the scale, into the lower categories ('fair, closely monitored and limited collectability'), which represented 34.4% of total 1Q14 loans (end-2012: 29%). Between 30% and 35% of loans are regularly classified in the lowest four internal categories. At these levels, collateral requirements are fairly tough which provides some comfort.

Loan approvals are centralised, mostly undertaken at head office. Exposures to interest rate and foreign currency (FC) risks, which can be problematic in Turkey due to the volatile environment, are adequately controlled. Tekstilbank's off-balance sheet risks have traditionally made up around one-third of the bank's total risks. These have mainly comprised performance guarantees relating to construction risks; performance of this portfolio has been adequate. In 2013, a formal risk monitoring department was established with a view to ensuring closer follow up of watchlist and troubled loans. Retail loans are approved using scoring models.

Authorisation limits are low. All loans above TRY750,000 are reviewed by the bank's credit committee, while loans above TRY1.5m (representing around 50% of loans extended by the bank) require Board approval. Market risks are measured using value at risk (VaR) models; maximum exposures over the past years have been very low in relation to equity.

## Market Risk

Tekstilbank calculates VaR daily. The maximum VaR calculated using a 99% confidence level for a 10-day holding period during 1Q14 was equivalent to a low 0.5% of equity. Government securities have hovered between 10% and 12% of total assets for a number of years. Securities are denominated in Turkish lira and held in the available-for-sale portfolio, around 80% of which are either floating-rate or inflation-linked. The bank's FC position is hedged.

Interest rate risk is limited, mainly due to the short-term nature of the loans and floating-rate government securities, resulting in almost matched repricing periods. Around 45% of loans at 1H14 reprice within one month; saving and term deposits reprice more slowly. The interest rate hike in January 2014 squeezed lending margins but higher returns earned on the inflation-linked securities offset this, resulting in an overall improvement in margins during 1H14. Regulators require Turkish banks to stress all interest-bearing assets and liabilities for a 5% rise/4% decrease in Turkish lira positions and a 2% movement in FC positions; according to these tests, the impact on Tekstilbank's equity would reach around 10%, which is well within the 20% limit permitted.

Tekstilbank calculates its capital charge for operational risk using the basic indicator approach, like other Turkish banks. The bank has a disaster recovery and business continuity centre based in Istanbul. It has been collecting loss data since 2002.

## Financial Profile

### Asset Quality

Figure 2

#### Asset Quality Indicators

(%)	1H14	2013	2012	2011
Growth of gross loans	-9.24	7.37	7.25	33.31
Impaired loans/gross loans	5.04	6.06	4.89	4.16
Reserves for impaired loans/impaired loans	66.12	74.31	68.78	60.50
Impaired loans less reserves for impaired loans/Fitch core capital	7.38	7.67	7.39	8.20
Loan impairment charges/average gross loans	0.49	1.78	1.25	0.62

Source: Bank financial statements, Fitch

Tekstilbank's active customers are mainly small to medium-sized companies, as described above. Expansion of retail banking activities, under current ownership, has been on hold because achieving sufficient scale in this area requires additional investment. Approximately 70% of the bank's loans are extended in TRY; maturities are very short-term, with less than one-third of loans at 1H14 having final maturities in excess of one year.

Concentrations in the loan book can be high, as could be expected given the bank's niche and size. At end-March 2014, the 15 largest loans represented 22% of total loans. A review of these credits highlights a broad mixture of clients and exposure type. Included in the portfolio are leading Turkish corporates and conglomerate names, long established manufacturing and services companies well known to the bank, but also some new and less established names. The largest exposure, equivalent to a high 23% of regulatory capital, is extended to an established holding company operating in energy, mining and media, among other sectors, and well known to Tekstilbank. A further four exposures represent around 10% each of regulatory capital; we are informed that the exposures are performing well.

The construction sector accounted for around 20% of total on-and off-balance sheet exposures at end-March 2014. Five of the top 15 exposures are related to the construction sector; three of these exposures related to performance guarantees where all projects are progressing according to plan. Two such exposures are longer term and relate to residential housing developments, progressing according to schedule. Collateral appears to be of good quality. Other sector concentrations are not significant – a loose classification of loans to the commerce sector (around 7% of total on- and off-balance sheet exposures at 1Q14) is represented by a diversity of exposures to various sub-sectors in the wholesale and retail distribution segments.

Tekstilbank offers clients tailor-made products and specialised, structured loans figure among its major credits. Lower internal rating scores feature amongst the top names, but the majority indicate an adequate risk profile and many exposures benefit from tangible collateral.

Successive years of loan contraction has, over the years, impacted asset quality ratios negatively as impaired loans are measured against a total shrinking portfolio. Improved reported loan quality indicators at 1H14 are flattered by sale of TRY83.1m of impaired loans. This is the first time the bank sold impaired loans (peers do this more frequently). Restructured loans are not significant, at 1.1% of total loans at end-June 2014. Almost all of these are classified as requiring additional close monitoring, suggesting potential further deterioration. Loan impairment charges, net of recoveries, peaked at 1.2% of average gross loans in 2012, falling to a lower 0.5% in 1H14. These figures are not out of line with peer and sector averages and do not signal any undue concerns about asset quality.

The stock of impaired loans would have continued to rise had it not been for the sale in 2013. Around half of impaired loans are collateralised and Tekstilbank sees regular recoveries. Loan loss reserves cover around 65% of impaired loans at 1H14, rising to 82% if general credit reserves, held on the liabilities side of the balance sheet, are included. This is acceptable,

considering the amount of collateral in place. The most common form of security in Turkey is company, personal and corporate guarantees, pledged securities and pre-dated cheques. These make up the bulk of Tekstilbank's collateral; mortgages and cash collateral represented less than 20% of total on- and off- balance sheet exposures at 1Q14, well below the average for the sector. This reflects the nature of the bank's relationship with its clients, rarely acting a primary banker with access to the borrower's prime assets.

## Earnings and Profitability

Figure 3

### Key Performance Ratios

(%)	1H14	2013	2012	2011
Net interest income/average earning assets	5.97	4.59	5.12	4.17
Non-interest expense/gross revenues	75.31	67.68	63.51	70.46
Loans and securities impairment charges/ pre-impairment operating profit	33.31	90.91	51.98	32.91
Operating profit/average total assets	0.81	0.14	0.89	0.97
Net income/average equity	4.04	7.70	4.82	4.87

Source: Bank financial statements, Fitch

Operating conditions are becoming increasingly tough for Turkey's banks. Despite this, Fitch believes the operating environment still provides good opportunities for profitable growth. Smaller banks with limited franchises and no easily distinguishable products or services may find it more difficult to compete. This is the case for Tekstilbank whose operating performance measures are among the weakest in its peer group. A change of ownership at Tekstilbank could boost growth and bring some much needed specialisation to the bank.

Tekstilbank's 2013 operating performance was weak. Competition forced down margins, trading results were negatively impacted by exchange rate volatility and rising overheads all contributed to a very significant erosion of pre-impairment operating income. Impairment charges were reduced. Were it not for the sale of the bank's head office building, generating a one-off gain of TRY47.2m, the overall performance would have been very poor.

A recovery is appearing in 1H14 figures, with improved margins. This is positive, especially considering the sharp rise in interest rates in January 2014 which could have negatively impacted margins on lending because loans repriced more quickly than the bank's deposits. Rising inflation figures resulted in greater contributions from the inflation-linked bonds in the opening months of 2014; this helped to boost margins. Fitch is expecting additional volatility in 2014 and 1H14 figures may not be representative of trends for the full year.

## Capitalisation and Leverage

Figure 4

### Key Capitalisation Ratios

(%)	1H14	2013	2012	2011
Fitch core capital/weighted risks	18.59	16.92	16.61	15.72
Equity/assets	17.60	15.68	15.60	14.78
Internal capital generation	3.96	7.50	4.53	4.76

Source: Bank financial statements, Fitch

Tekstilbank's capital ratios are solid. The Fitch core capital (FCC)/weighted risks ratio provides a reasonable loss abortion buffer which is reassuring considering the risk profile. Fitch welcomes management's target to maintain capital ratios at fairly robust levels (the internal target is to maintain a total regulatory capital ratio of at least 14%). Should ownership change, it may be that ICBC's plans are to expand the bank, funded by additional capital injections.

## Funding and Liquidity

Figure 5

### Funding Profile

(%)	1Q14	2013	2012	2011
Loans/customer deposits	127.02	117.61	103.97	104.84
Customer deposits/total funding (excluding derivatives)	74.03	79.43	87.32	84.52

Source: Bank financial statements, Fitch

Tekstilbank is mainly funded by customer deposits, generally split roughly equally between TRY and FC. Deposit volumes can be volatile, reflecting both the concentrated nature of the customer base and strategic decisions concerning pricing. Tekstilbank's funding costs are generally higher than the sector average (by around 50bp – 70bp), reflecting competition and a deposit structure which includes very few cheap sight deposits. Repo funding is volatile, depending on pricing. Related-party funding is insignificant. Longer-term borrowings are low and obtained from international banks.

Tekstilbank comfortably complies with BRSA's tough prudential regulations concerning liquidity. Based on analysis of historical data, management estimates that around 75% of deposits are considered "core", showing considerable stability. The short-term nature of Tekstilbank's loan book also provides some comfort in liquidity management, with assets maturing in less than three months generally covering around two-thirds of liabilities maturing within the same period.

### Support

Fitch believes support from the state, although possible, cannot be relied upon, given Tekstilbank's size and position in Turkey's banking sector.

Peer Analysis

Figure 6 below provides comparative highlights for Tekstilbank and its peers.

Figure 6  
Peer Table

(%)	Sekerbank		Alternatifbank A.S.		Anadolubank A.S.		Tekstil Bankasi A.S.		Turkland Bank A.S.	
	1H14	2013	1H14	2013	1H14	2013	1H14	2013	1H14	2013
Total assets (TRYm)	20,875	19,676	11,337	10,990	10,594	9,023	3,555	3,854	4,458	4,111
Total equity (TRYm)	2,209	2,118	861	606	1,304	1,164	625	604	585	540
Risk adj. NIM	4.33	5.58	4.09	4.22	3.48	4.76	5.22	2.96	3.95	3.39
Cost/income	62.19	67.39	60.38	57.17	44.46	58.22	75.31	67.68	71.73	77.26
Cost avg. assets	3.96	4.54	2.80	3.00	3.11	3.46	3.72	3.12	3.36	3.43
LICs/pre-imp. profit	54.79	24.58	56.63	59.01	28.61	33.42	33.31	90.91	32.48	56.17
Op. ROAE	10.29	14.15	11.58	13.73	22.02	11.01	4.91	0.85	6.84	3.49
Op. ROAA	1.09	1.66	0.80	0.92	2.77	1.66	0.81	0.14	0.89	0.44
Op profit/RWA	1.13	1.49	1.01	1.00	2.76	1.58	0.90	0.14	1.03	0.44
FCC/RWA	10.74	10.77	9.02	6.33	13.22	13.89	18.59	16.92	15.27	14.95
Regulatory CAR	12.52	13.05	13.32	14.27	13.77	14.56	18.74	17.37	18.99	15.85
Internal capital generation	7.77	10.42	9.92	10.92	16.10	8.68	3.96	7.50	7.30	2.67
Tangible common equity/total assets	10.34	10.55	6.98	4.77	12.29	12.88	17.49	15.58	12.68	12.64
Loan growth	3.23	35.71	11.55	33.89	12.74	21.86	-9.24	7.37	12.66	31.78
NPL ratio	5.48	4.96	4.60	3.93	4.51	2.79	5.04	6.06	3.11	2.58
Reserves/NPLs	60.97	53.27	60.80	65.1	68.20	100	66.12	74.31	52.09	52.06
Net NPLs/FCC	15.22	16.63	18.30	18.85	7.93	0	7.38	7.67	8.03	6.48
LICs/gross loans	1.84	0.58	1.22	1.47	1.60	1.12	0.49	1.78	0.63	0.82
Loans/customer deposits	117.37	121.22	149.38	150.53	108.73	113.84	127.02	117.61	99.04	96.84
Customer deposits/total funding (excl. derivatives)	72.58	71.52	54.41	49.18	76.21	75.65	74.03	79.43	86.55	80.97
<b>IDR/Outlook</b>	<b>BB-/Negative</b>		<b>BBB/Stable</b>		<b>BB/Stable</b>		<b>B+/RWP</b>		<b>BB/Negative</b>	
<b>VR</b>	<b>bb-</b>		<b>b+</b>		<b>bb</b>		<b>b+</b>		<b>b+</b>	

Source: Fitch

**Tekstil Bankasi A.S.  
Income Statement**

	30 Jun 2014			31 Dec 2013		31 Dec 2012		31 Dec 2011	
	6 Months - Interim	Months - Interim	As % of	Year End	As % of	Year End	As % of	Year End	As % of
	Unaudited	Unaudited							
	USDm	TRYth	Earning Assets	TRYth	Earning Assets	TRYth	Earning Assets	TRYth	Earning Assets
1. Interest Income on Loans	70.9	150,707.0	9.89	260,840.0	7.87	301,801.0	9.66	228,237.0	7.62
2. Other Interest Income	14.2	30,087.0	1.97	34,766.0	1.05	39,998.0	1.28	29,733.0	0.99
3. Dividend Income	n.a.	n.a.	-	0.0	0.00	2.0	0.00	5.0	0.00
<b>4. Gross Interest and Dividend Income</b>	<b>85.1</b>	<b>180,794.0</b>	<b>11.87</b>	<b>295,606.0</b>	<b>8.92</b>	<b>341,801.0</b>	<b>10.94</b>	<b>257,975.0</b>	<b>8.62</b>
5. Interest Expense on Customer Deposits	33.3	70,848.0	4.65	130,065.0	3.93	168,096.0	5.38	134,442.0	4.49
6. Other Interest Expense	7.3	15,584.0	1.02	21,874.0	0.66	20,100.0	0.64	16,335.0	0.55
<b>7. Total Interest Expense</b>	<b>40.7</b>	<b>86,432.0</b>	<b>5.67</b>	<b>151,939.0</b>	<b>4.59</b>	<b>188,196.0</b>	<b>6.02</b>	<b>150,777.0</b>	<b>5.04</b>
<b>8. Net Interest Income</b>	<b>44.4</b>	<b>94,362.0</b>	<b>6.19</b>	<b>143,667.0</b>	<b>4.34</b>	<b>153,605.0</b>	<b>4.92</b>	<b>107,198.0</b>	<b>3.58</b>
9. Net Gains (Losses) on Trading and Derivatives	(7.8)	(16,608.0)	(1.09)	(5,815.0)	(0.18)	14.0	0.00	14,451.0	0.48
10. Net Gains (Losses) on Other Securities	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
11. Net Gains (Losses) on Assets at FV through Income Statement	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
12. Net Insurance Income	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
13. Net Fees and Commissions	3.5	7,535.0	0.49	16,655.0	0.50	17,898.0	0.57	18,828.0	0.63
14. Other Operating Income	2.6	5,461.0	0.36	16,212.0	0.49	5,811.0	0.19	6,456.0	0.22
<b>15. Total Non-Interest Operating Income</b>	<b>(1.7)</b>	<b>(3,612.0)</b>	<b>(0.24)</b>	<b>27,052.0</b>	<b>0.82</b>	<b>23,723.0</b>	<b>0.76</b>	<b>39,735.0</b>	<b>1.33</b>
16. Personnel Expenses	19.2	40,809.0	2.68	72,802.0	2.20	69,743.0	2.23	63,653.0	2.13
17. Other Operating Expenses	13.0	27,535.0	1.81	42,733.0	1.29	42,870.0	1.37	39,869.0	1.33
<b>18. Total Non-Interest Expenses</b>	<b>32.2</b>	<b>68,344.0</b>	<b>4.49</b>	<b>115,535.0</b>	<b>3.49</b>	<b>112,613.0</b>	<b>3.60</b>	<b>103,522.0</b>	<b>3.46</b>
19. Equity-accounted Profit/ Loss - Operating	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
<b>20. Pre-Impairment Operating Profit</b>	<b>10.5</b>	<b>22,406.0</b>	<b>1.47</b>	<b>55,184.0</b>	<b>1.67</b>	<b>64,715.0</b>	<b>2.07</b>	<b>43,411.0</b>	<b>1.45</b>
21. Loan Impairment Charge	3.2	6,794.0	0.45	49,928.0	1.51	32,609.0	1.04	13,766.0	0.46
22. Securities and Other Credit Impairment Charges	0.3	669.0	0.04	238.0	0.01	1,027.0	0.03	519.0	0.02
<b>23. Operating Profit</b>	<b>7.0</b>	<b>14,943.0</b>	<b>0.98</b>	<b>5,018.0</b>	<b>0.15</b>	<b>31,079.0</b>	<b>0.99</b>	<b>29,126.0</b>	<b>0.97</b>
24. Equity-accounted Profit/ Loss - Non-operating	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
25. Non-recurring Income	0.0	0.0	0.00	47,168.0	1.42	3,111.0	0.10	2,406.0	0.08
26. Non-recurring Expense	0.0	0.0	0.00	3,095.0	0.09	786.0	0.03	839.0	0.03
27. Change in Fair Value of Own Debt	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
28. Other Non-operating Income and Expenses	(0.1)	(189.0)	(0.01)	0.0	0.00	0.0	0.00	0.0	0.00
<b>29. Pre-tax Profit</b>	<b>6.9</b>	<b>14,754.0</b>	<b>0.97</b>	<b>49,091.0</b>	<b>1.48</b>	<b>33,404.0</b>	<b>1.07</b>	<b>30,693.0</b>	<b>1.03</b>
30. Tax expense	1.2	2,467.0	0.16	3,775.0	0.11	7,346.0	0.24	6,067.0	0.20
31. Profit/Loss from Discontinued Operations	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
<b>32. Net Income</b>	<b>5.8</b>	<b>12,287.0</b>	<b>0.81</b>	<b>45,316.0</b>	<b>1.37</b>	<b>26,058.0</b>	<b>0.83</b>	<b>24,626.0</b>	<b>0.82</b>
33. Change in Value of AFS Investments	5.2	11,046.0	0.72	(21,081.0)	(0.64)	20,589.0	0.66	(9,530.0)	(0.32)
34. Revaluation of Fixed Assets	0.0	0.0	0.00	1,007.0	0.03	15,344.0	0.49	4,484.0	0.15
35. Currency Translation Differences	n.a.	n.a.	-	0.0	0.00	0.0	0.00	0.0	0.00
36. Remaining OCI Gains/(losses)	(1.0)	(2,208.0)	(0.14)	4,165.0	0.13	(4,880.0)	(0.16)	1,666.0	0.06
<b>37. Fitch Comprehensive Income</b>	<b>9.9</b>	<b>21,125.0</b>	<b>1.39</b>	<b>29,407.0</b>	<b>0.89</b>	<b>57,111.0</b>	<b>1.83</b>	<b>21,246.0</b>	<b>0.71</b>
38. Memo: Profit Allocation to Non-controlling Interests	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
39. Memo: Net Income after Allocation to Non-controlling Interests	5.8	12,287.0	0.81	45,316.0	1.37	26,058.0	0.83	24,626.0	0.82
40. Memo: Common Dividends Relating to the Period	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
41. Memo: Preferred Dividends Related to the Period	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00

Exchange rate

USD1 = TRY2.12530

USD1 = TRY2.13620

USD1 = TRY1.78190

USD1 = TRY1.91110



**Tekstil Bankasi A.S.**  
**Balance Sheet**

	30 Jun 2014		As % of Assets	31 Dec 2013		As % of Assets	31 Dec 2012		As % of Assets	31 Dec 2011		As % of Assets
	6 Months - Interim	Interim - Interim USDm		Year End TRYth	Year End TRYth		Year End TRYth	Year End TRYth				
<b>Assets</b>												
<b>A. Loans</b>												
1. Residential Mortgage Loans	56.5	120,045.0	3.38	136,072.0	3.53	159,106.0	4.32	165,688.0	4.73			
2. Other Mortgage Loans	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-			
3. Other Consumer/ Retail Loans	100.3	213,212.0	6.00	232,060.0	6.02	196,976.0	5.35	170,091.0	4.86			
4. Corporate & Commercial Loans	1,045.9	2,222,746.0	62.53	2,417,849.0	62.73	2,270,832.0	61.63	2,132,363.0	60.87			
5. Other Loans	63.9	135,739.0	3.82	179,800.0	4.66	135,173.0	3.67	107,171.0	3.06			
6. Less: Reserves for Impaired Loans	42.2	89,755.0	2.53	133,617.0	3.47	92,969.0	2.52	64,838.0	1.85			
<b>7. Net Loans</b>	<b>1,224.3</b>	<b>2,601,987.0</b>	<b>73.20</b>	<b>2,832,164.0</b>	<b>73.48</b>	<b>2,669,118.0</b>	<b>72.44</b>	<b>2,510,475.0</b>	<b>71.66</b>			
<b>8. Gross Loans</b>	<b>1,266.5</b>	<b>2,691,742.0</b>	<b>75.73</b>	<b>2,965,781.0</b>	<b>76.95</b>	<b>2,762,087.0</b>	<b>74.97</b>	<b>2,575,313.0</b>	<b>73.52</b>			
9. Memo: Impaired Loans included above	63.9	135,739.0	3.82	179,800.0	4.66	135,173.0	3.67	107,171.0	3.06			
10. Memo: Loans at Fair Value included above	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00			
<b>B. Other Earning Assets</b>												
1. Loans and Advances to Banks	24.4	51,884.0	1.46	76,403.0	1.98	117,536.0	3.19	107,542.0	3.07			
2. Reverse Repos and Cash Collateral	n.a.	n.a.	-	0.0	0.00	3,000.0	0.08	0.0	0.00			
3. Trading Securities and at FV through Income	1.0	2,087.0	0.06	1,481.0	0.04	2,045.0	0.06	1,413.0	0.04			
4. Derivatives	0.9	1,978.0	0.06	14,369.0	0.37	3,670.0	0.10	24,412.0	0.70			
5. Available for Sale Securities	195.1	414,693.0	11.67	388,948.0	10.09	329,402.0	8.94	350,218.0	10.00			
6. Held to Maturity Securities	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00			
7. Equity Investments in Associates	0.0	0.0	0.00	0.0	0.00	0.0	0.00	42.0	0.00			
8. Other Securities	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00			
<b>9. Total Securities</b>	<b>197.0</b>	<b>418,758.0</b>	<b>11.78</b>	<b>404,798.0</b>	<b>10.50</b>	<b>338,117.0</b>	<b>9.18</b>	<b>376,085.0</b>	<b>10.74</b>			
10. Memo: Government Securities included Above	192.0	408,142.0	11.48	381,807.0	9.91	321,421.0	8.72	333,036.0	9.51			
11. Memo: Total Securities Pledged	95.9	203,828.0	5.73	287,247.0	7.45	20,718.0	0.56	168,288.0	4.80			
12. Investments in Property	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00			
13. Insurance Assets	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00			
14. Other Earning Assets	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00			
<b>15. Total Earning Assets</b>	<b>1,445.7</b>	<b>3,072,629.0</b>	<b>86.44</b>	<b>3,313,365.0</b>	<b>85.97</b>	<b>3,124,771.0</b>	<b>84.81</b>	<b>2,994,102.0</b>	<b>85.47</b>			
<b>C. Non-Earning Assets</b>												
1. Cash and Due From Banks	170.3	361,975.0	10.18	450,273.0	11.68	362,834.0	9.85	303,741.0	8.67			
2. Memo: Mandatory Reserves included above	117.3	249,196.0	7.01	315,408.0	8.18	n.a.	-	n.a.	-			
3. Foreclosed Real Estate	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00			
4. Fixed Assets	12.4	26,272.0	0.74	16,445.0	0.43	94,216.0	2.56	80,013.0	2.28			
5. Goodwill	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00			
6. Other Intangibles	1.0	2,088.0	0.06	1,902.0	0.05	1,625.0	0.04	1,532.0	0.04			
7. Current Tax Assets	0.0	0.0	0.00	3,134.0	0.08	0.0	0.00	0.0	0.00			
8. Deferred Tax Assets	1.2	2,531.0	0.07	2,695.0	0.07	1,869.0	0.05	4,718.0	0.13			
9. Discontinued Operations	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00			
10. Other Assets	41.9	89,069.0	2.51	66,440.0	1.72	99,134.0	2.69	119,005.0	3.40			
<b>11. Total Assets</b>	<b>1,672.5</b>	<b>3,554,564.0</b>	<b>100.00</b>	<b>3,854,254.0</b>	<b>100.00</b>	<b>3,684,449.0</b>	<b>100.00</b>	<b>3,503,111.0</b>	<b>100.00</b>			
<b>Liabilities and Equity</b>												
<b>D. Interest-Bearing Liabilities</b>												
1. Customer Deposits - Current	69.3	147,353.0	4.15	180,665.0	4.69	252,147.0	6.84	154,868.0	4.42			
2. Customer Deposits - Savings	412.8	877,401.0	24.68	840,179.0	21.80	959,115.0	26.03	825,825.0	23.57			
3. Customer Deposits - Term	514.9	1,094,393.0	30.79	1,500,950.0	38.94	1,445,247.0	39.23	1,475,690.0	42.13			
<b>4. Total Customer Deposits</b>	<b>997.1</b>	<b>2,119,147.0</b>	<b>59.62</b>	<b>2,521,794.0</b>	<b>65.43</b>	<b>2,656,509.0</b>	<b>72.10</b>	<b>2,456,383.0</b>	<b>70.12</b>			
5. Deposits from Banks	45.4	96,566.0	2.72	19.0	0.00	53,569.0	1.45	172.0	0.00			
6. Repos and Cash Collateral	88.4	187,964.0	5.29	258,597.0	6.71	11,156.0	0.30	126,255.0	3.60			
7. Other Deposits and Short-term Borrowings	160.5	341,094.0	9.60	320,069.0	8.30	235,903.0	6.40	166,233.0	4.75			
<b>8. Total Deposits, Money Market and Short-term Funding</b>	<b>1,291.5</b>	<b>2,744,771.0</b>	<b>77.22</b>	<b>3,100,479.0</b>	<b>80.44</b>	<b>2,957,137.0</b>	<b>80.26</b>	<b>2,749,043.0</b>	<b>78.47</b>			
9. Senior Debt Maturing after 1 Year	15.2	32,394.0	0.91	20,931.0	0.54	13,198.0	0.36	75,506.0	2.16			
10. Subordinated Borrowing	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00			
11. Other Funding	40.2	85,439.0	2.40	53,319.0	1.38	72,048.0	1.96	81,886.0	2.34			
<b>12. Total Long Term Funding</b>	<b>55.4</b>	<b>117,833.0</b>	<b>3.31</b>	<b>74,250.0</b>	<b>1.93</b>	<b>85,246.0</b>	<b>2.31</b>	<b>157,392.0</b>	<b>4.49</b>			
13. Derivatives	2.7	5,647.0	0.16	6,119.0	0.16	2,488.0	0.07	26,773.0	0.76			
14. Trading Liabilities	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00			
<b>15. Total Funding</b>	<b>1,349.6</b>	<b>2,868,251.0</b>	<b>80.69</b>	<b>3,180,848.0</b>	<b>82.53</b>	<b>3,044,871.0</b>	<b>82.64</b>	<b>2,933,208.0</b>	<b>83.73</b>			
<b>E. Non-Interest Bearing Liabilities</b>												
1. Fair Value Portion of Debt	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00			
2. Credit impairment reserves	10.2	21,615.0	0.61	23,736.0	0.62	24,590.0	0.67	20,191.0	0.58			
3. Reserves for Pensions and Other	9.1	19,393.0	0.55	24,274.0	0.63	15,637.0	0.42	11,856.0	0.34			
4. Current Tax Liabilities	4.0	8,554.0	0.24	6,945.0	0.18	10,325.0	0.28	11,440.0	0.33			
5. Deferred Tax Liabilities	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00			
6. Other Deferred Liabilities	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00			
7. Discontinued Operations	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00			
8. Insurance Liabilities	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00			
9. Other Liabilities	5.3	11,318.0	0.32	14,143.0	0.37	14,125.0	0.38	8,626.0	0.25			
<b>10. Total Liabilities</b>	<b>1,378.2</b>	<b>2,929,131.0</b>	<b>82.40</b>	<b>3,249,946.0</b>	<b>84.32</b>	<b>3,109,548.0</b>	<b>84.40</b>	<b>2,985,321.0</b>	<b>85.22</b>			
<b>F. Hybrid Capital</b>												
1. Pref. Shares and Hybrid Capital accounted for as Debt	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00			
2. Pref. Shares and Hybrid Capital accounted for as Equity	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00			
<b>G. Equity</b>												
1. Common Equity	287.7	611,528.0	17.20	569,744.0	14.78	524,428.0	14.23	498,370.0	14.23			
2. Non-controlling Interest	n.a.	n.a.	-	0.0	0.00	0.0	0.00	0.0	0.00			
3. Securities Revaluation Reserves	4.2	9,029.0	0.25	191.0	0.00	17,057.0	0.46	581.0	0.02			
4. Foreign Exchange Revaluation Reserves	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00			
5. Fixed Asset Revaluations and Other Accumulated OCI	2.3	4,876.0	0.14	34,373.0	0.89	33,416.0	0.91	18,839.0	0.54			
<b>6. Total Equity</b>	<b>294.3</b>	<b>625,433.0</b>	<b>17.60</b>	<b>604,308.0</b>	<b>15.68</b>	<b>574,901.0</b>	<b>15.60</b>	<b>517,790.0</b>	<b>14.78</b>			
<b>7. Total Liabilities and Equity</b>	<b>1,672.5</b>	<b>3,554,564.0</b>	<b>100.00</b>	<b>3,854,254.0</b>	<b>100.00</b>	<b>3,684,449.0</b>	<b>100.00</b>	<b>3,503,111.0</b>	<b>100.00</b>			
8. Memo: Fitch Core Capital	293.3	623,345.0	17.54	602,406.0	15.63	571,407.0	15.51	516,258.0	14.74			
9. Memo: Fitch Eligible Capital	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-			

Exchange rate

USD1 = TRY2.12530

USD1 = TRY2.13620

USD1 = TRY1.78190

USD1 = TRY1.91110

**Tekstil Bankasi A.S.**  
**Summary Analytics**

	30 Jun 2014 6 Months - Interim	31 Dec 2013 Year End	31 Dec 2012 Year End	31 Dec 2011 Year End
<b>A. Interest Ratios</b>				
1. Interest Income on Loans/ Average Gross Loans	10.74	9.30	11.61	10.29
2. Interest Expense on Customer Deposits/ Average Customer Deposits	6.28	5.35	6.99	6.44
3. Interest Income/ Average Earning Assets	11.43	9.43	11.39	10.03
4. Interest Expense/ Average Interest-bearing Liabilities	5.81	5.05	6.56	6.34
5. Net Interest Income/ Average Earning Assets	5.97	4.59	5.12	4.17
6. Net Int. Inc Less Loan Impairment Charges/ Av. Earning Assets	5.54	2.99	4.03	3.63
7. Net Interest Inc Less Preferred Stock Dividend/ Average Earning Assets	5.97	4.59	5.12	4.17
<b>B. Other Operating Profitability Ratios</b>				
1. Non-Interest Income/ Gross Revenues	(3.98)	15.85	13.38	27.04
2. Non-Interest Expense/ Gross Revenues	75.31	67.68	63.51	70.46
3. Non-Interest Expense/ Average Assets	3.72	3.12	3.21	3.46
4. Pre-impairment Op. Profit/ Average Equity	7.36	9.37	11.97	8.58
5. Pre-impairment Op. Profit/ Average Total Assets	1.22	1.49	1.84	1.45
6. Loans and securities impairment charges/ Pre-impairment Op. Profit	33.31	90.91	51.98	32.91
7. Operating Profit/ Average Equity	4.91	0.85	5.75	5.76
8. Operating Profit/ Average Total Assets	0.81	0.14	0.89	0.97
9. Taxes/ Pre-tax Profit	16.72	7.69	21.99	19.77
10. Pre-Impairment Operating Profit / Risk Weighted Assets	1.35	1.55	1.88	1.32
11. Operating Profit / Risk Weighted Assets	0.90	0.14	0.90	0.89
<b>C. Other Profitability Ratios</b>				
1. Net Income/ Average Total Equity	4.04	7.70	4.82	4.87
2. Net Income/ Average Total Assets	0.67	1.22	0.74	0.82
3. Fitch Comprehensive Income/ Average Total Equity	6.94	5.00	10.56	4.20
4. Fitch Comprehensive Income/ Average Total Assets	1.15	0.79	1.63	0.71
5. Net Income/ Av. Total Assets plus Av. Managed Securitized Assets	0.67	1.22	0.74	0.82
6. Net Income/ Risk Weighted Assets	0.74	1.27	0.76	0.75
7. Fitch Comprehensive Income/ Risk Weighted Assets	1.27	0.83	1.66	0.65
<b>D. Capitalization</b>				
1. Fitch Core Capital/ Risk Weighted Assets	18.59	16.92	16.61	15.72
2. Fitch Eligible Capital/ Risk Weighted Assets	n.a.	n.a.	n.a.	n.a.
3. Tangible Common Equity/ Tangible Assets	17.49	15.58	15.52	14.74
4. Tier 1 Regulatory Capital Ratio	18.24	16.76	15.18	15.11
5. Total Regulatory Capital Ratio	18.74	17.37	16.47	15.93
6. Core Tier 1 Regulatory Capital Ratio	n.a.	n.a.	n.a.	n.a.
7. Equity/ Total Assets	17.60	15.68	15.60	14.78
8. Cash Dividends Paid & Declared/ Net Income	0.00	0.00	0.00	0.00
9. Cash Dividend Paid & Declared/ Fitch Comprehensive Income	0.00	0.00	0.00	0.00
10. Cash Dividends & Share Repurchase/Net Income	n.a.	n.a.	n.a.	n.a.
11. Internal Capital Generation	3.96	7.50	4.53	4.76
<b>E. Loan Quality</b>				
1. Growth of Total Assets	(7.78)	4.61	5.18	36.23
2. Growth of Gross Loans	(9.24)	7.37	7.25	33.31
3. Impaired Loans/ Gross Loans	5.04	6.06	4.89	4.16
4. Reserves for Impaired Loans/ Gross Loans	3.33	4.51	3.37	2.52
5. Reserves for Impaired Loans/ Impaired Loans	66.12	74.31	68.78	60.50
6. Impaired loans less Reserves for Impaired Loans/ Fitch Core Capital	7.38	7.67	7.39	8.20
7. Impaired Loans less Reserves for Impaired Loans/ Equity	7.35	7.64	7.34	8.18
8. Loan Impairment Charges/ Average Gross Loans	0.49	1.78	1.25	0.62
9. Net Charge-offs/ Average Gross Loans	2.73	0.01	0.00	0.00
10. Impaired Loans + Foreclosed Assets/ Gross Loans + Foreclosed Asset	5.04	6.06	4.89	4.16
<b>F. Funding</b>				
1. Loans/ Customer Deposits	127.02	117.61	103.97	104.84
2. Interbank Assets/ Interbank Liabilities	53.73	402,121.05	219.41	62,524.42
3. Customer Deposits/ Total Funding (excluding derivatives)	74.03	79.43	87.32	84.52

**Tekstil Bankasi A.S.**

**Reference Data**

	30 Jun 2014		31 Dec 2013		31 Dec 2012		31 Dec 2011		
	6 Months - Interim USDm	Interim - Interim TRYth	As % of Assets	Year End TRYth	As % of Assets	Year End TRYth	As % of Assets	Year End TRYth	As % of Assets
<b>A. Off-Balance Sheet Items</b>									
1. Managed Securitized Assets Reported Off-Balance Sheet	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
2. Other off-balance sheet exposure to securitizations	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
3. Guarantees	373.0	792,770.0	22.30	933,402.0	24.22	1,001,751.0	27.19	887,708.0	25.34
4. Acceptances and documentary credits reported off-balance sheet	122.9	261,141.0	7.35	277,558.0	7.20	246,360.0	6.69	337,440.0	9.63
5. Committed Credit Lines	124.9	265,401.0	7.47	301,927.0	7.83	367,702.0	9.98	382,334.0	10.91
6. Other Contingent Liabilities	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
7. Total Business Volume	2,293.3	4,873,876.0	137.12	5,367,141.0	139.25	5,300,262.0	143.85	5,110,593.0	145.89
8. Memo: Risk Weighted Assets	1,578.1	3,353,887.5	94.35	3,561,024.7	92.39	3,439,551.0	93.35	3,284,542.0	93.76
9. Fitch Adjustments to Risk Weighted Assets	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
10. Fitch Adjusted Risk Weighted Assets	1,578.1	3,353,887.5	94.35	3,561,024.7	92.39	3,439,551.0	93.35	3,284,542.0	93.76
<b>B. Average Balance Sheet</b>									
Average Loans	1,320.9	2,807,212.0	78.97	2,804,141.8	72.75	2,598,578.0	70.53	2,218,446.0	63.33
Average Earning Assets	1,500.8	3,189,650.7	89.73	3,133,339.8	81.30	3,001,648.0	81.47	2,571,697.0	73.41
Average Assets	1,743.0	3,704,417.0	104.22	3,706,790.0	96.17	3,511,052.0	95.29	2,994,524.0	85.48
Average Managed Securitized Assets (OBS)	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
Average Interest-Bearing Liabilities	1,411.6	3,000,008.0	84.40	3,005,841.4	77.99	2,870,442.0	77.91	2,379,003.0	67.91
Average Common equity	280.8	596,737.7	16.79	546,914.4	14.19	512,166.0	13.90	485,720.0	13.87
Average Equity	288.9	614,065.0	17.28	588,633.0	15.27	540,810.0	14.68	505,750.0	14.44
Average Customer Deposits	1,071.1	2,276,356.7	64.04	2,431,451.2	63.08	2,403,933.0	65.25	2,089,044.0	59.63
<b>C. Maturities</b>									
<b>Asset Maturities:</b>									
Loans & Advances < 3 months	365.8	777,346.0	21.87	864,478.0	22.43	927,078.0	25.16	911,045.0	26.01
Loans & Advances 3 - 12 Months	499.4	1,061,277.0	29.86	991,932.0	25.74	951,643.0	25.83	903,133.0	25.78
Loans & Advances 1 - 5 Years	293.7	624,292.0	17.56	779,085.0	20.21	581,750.0	15.79	533,325.0	15.22
Loans & Advances > 5 years	65.4	139,072.0	3.91	196,669.0	5.10	208,647.0	5.66	162,972.0	4.65
Debt Securities < 3 Months	3.0	6,412.0	0.18	56,274.0	1.46	12,994.0	0.35	51,455.0	1.47
Debt Securities 3 - 12 Months	101.6	215,971.0	6.08	105,460.0	2.74	16,948.0	0.46	39,491.0	1.13
Debt Securities 1 - 5 Years	48.5	103,095.0	2.90	167,315.0	4.34	199,948.0	5.43	236,406.0	6.75
Debt Securities > 5 Years	43.9	93,280.0	2.62	75,749.0	1.97	105,227.0	2.86	48,691.0	1.39
Loans & Advances to Banks < 3 Months	24.4	51,884.0	1.46	77,403.0	2.01	117,536.0	3.19	n.a.	-
Loans & Advances to Banks 3 - 12 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Loans & Advances to Banks 1 - 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Loans & Advances to Banks > 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
<b>Liability Maturities:</b>									
Retail Deposits < 3 months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Retail Deposits 3 - 12 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Retail Deposits 1 - 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Retail Deposits > 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Other Deposits < 3 Months	988.3	2,100,345.0	59.09	2,497,579.0	64.80	2,489,228.0	67.56	2,066,041.0	58.98
Other Deposits 3 - 12 Months	8.8	18,783.0	0.53	24,199.0	0.63	162,223.0	4.40	307,693.0	8.78
Other Deposits 1 - 5 Years	0.0	19.0	0.00	16.0	0.00	5,058.0	0.14	82,649.0	2.36
Other Deposits > 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Deposits from Banks < 3 Months	45.4	96,566.0	2.72	19.0	0.00	53,569.0	1.45	172.0	0.00
Deposits from Banks 3 - 12 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Deposits from Banks 1 - 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Deposits from Banks > 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Senior Debt Maturing < 3 months	82.1	174,458.0	4.91	120,572.0	3.13	n.a.	-	n.a.	-
Senior Debt Maturing 3-12 Months	93.6	199,030.0	5.60	216,688.0	5.62	n.a.	-	n.a.	-
Senior Debt Maturing 1- 5 Years	n.a.	n.a.	-	3,740.0	0.10	n.a.	-	n.a.	-
Senior Debt Maturing > 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Total Senior Debt on Balance Sheet	175.7	373,488.0	10.51	341,000.0	8.85	n.a.	-	n.a.	-
Fair Value Portion of Senior Debt	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Covered Bonds	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Subordinated Debt Maturing < 3 months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Subordinated Debt Maturing 3-12 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Subordinated Debt Maturing 1- 5 Year	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Subordinated Debt Maturing > 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Total Subordinated Debt on Balance Sheet	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
Fair Value Portion of Subordinated Debt	n.a.	n.a.	-	n.a.	-	n.a.	-	0.0	0.00
<b>D. Equity Reconciliation</b>									
1. Equity	294.3	625,433.0	17.60	604,308.0	15.68	574,901.0	15.60	517,790.0	14.78
2. Add: Pref. Shares and Hybrid Capital accounted for as Equity	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
3. Add: Other Adjustments	n.a.	n.a.	-	0.0	0.00	n.a.	-	n.a.	-
4. Published Equity	294.3	625,433.0	17.60	604,308.0	15.68	574,901.0	15.60	517,790.0	14.78
<b>E. Fitch Eligible Capital Reconciliation</b>									
1. Total Equity as reported (including non-controlling interests)	294.3	625,433.0	17.60	604,308.0	15.68	574,901.0	15.60	517,790.0	14.78
2. Fair value effect incl in own debt/borrowings at fv on the B/S- CC only	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
3. Non-loss-absorbing non-controlling interests	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
4. Goodwill	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
5. Other intangibles	1.0	2,088.0	0.06	1,902.0	0.05	1,625.0	0.04	1,532.0	0.04
6. Deferred tax assets deduction	0.0	0.0	0.00	0.0	0.00	1,869.0	0.05	0.0	0.00
7. Net asset value of insurance subsidiaries	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
8. First loss tranches of off-balance sheet securitizations	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
<b>9. Fitch Core Capital</b>	<b>293.3</b>	<b>623,345.0</b>	<b>17.54</b>	<b>602,406.0</b>	<b>15.63</b>	<b>571,407.0</b>	<b>15.51</b>	<b>516,258.0</b>	<b>14.74</b>
10. Eligible weighted Hybrid capital	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
11. Government held Hybrid Capital	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
<b>12. Fitch Eligible Capital</b>	<b>n.a.</b>	<b>n.a.</b>	<b>-</b>	<b>n.a.</b>	<b>-</b>	<b>n.a.</b>	<b>-</b>	<b>n.a.</b>	<b>-</b>

Exchange Rate

USD1 = TRY2.12530

USD1 = TRY2.13620

USD1 = TRY1.78190

USD1 = TRY1.91110

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