Turkey
Full Rating Report

Tekstil Bankasi A.S.

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)
Individual Rating	D
Support Rating	5
Support Rating Floor	NF
Sovereign Risk	
Foreign-Currency Long-Term IDR	BB+
Local-Currency Long-Term IDR	BB+
Country Ceiling	BBB–

Outlooks

Foreign-Currency Long-Term IDR	Stable
Local-Currency Long-Term IDR	Stable
National Long-Term Rating	Stable
Sovereign Foreign-Currency Long-Term IDR	Positive
Sovereign Local-Currency Long-Term IDR	Positive

Financial Data

Tekstil Bankasi A.S.

	30 Jun 10	31 Dec 09
Total assets (USDm)	1,319.9	1,435.0
Total assets (TRYm)	2,082.2	2,140.0
Total equity (TRYm)	473.9	462.8
Operating profit (TRYm)	17.0	21.7
Published net income (TRYm)	13.6	16.2
Fitch comprehensive income (TRYm)	11.1	21.3
Operating profit/ average total assets (%)	1.63	0.85
Operating profit/ average total equity (%)	7.34	4.80
Fitch eligible capital/ regulatory weighted risks (%)	22.23	20.64
Tier 1 regulatory capital ratio (%)	21.72	19.92

Analysts

Janine Dow, Paris
+33 1 4429 9138
janine.dow@fitchratings.com

Levent Topcu, Istanbul
+90 212 279 1065
levent.topcu@fitchratings.com

Related Research

Applicable Criteria

- *Global Financial Institutions Ratings Criteria (August 2010)*
- *Short-term Ratings Criteria for Corporate Finance (November 2010)*
- *National Ratings - Methodology Update (December 2006)*

Rating Rationale

- The ratings of Tekstil Bankasi A.S. (Tekstilbank), a small player in Turkey's financial system, are based on its standalone financial strength. Management has demonstrated its ability to react quickly to events, reining in risks during the recessionary 2009 and focusing on liquidity and capital preservation, while rationalising branches and staff. Capital ratios are among the sector's strongest, borrowings were repaid in Q310, and liquidity is comfortable.
- Despite a strong recovery in the operating environment, Tekstilbank's strategy is to continue to adopt a cautious approach to new lending. It is styling itself as a boutique bank serving its traditional wholesale customers. Performance indicators have suffered as a result of deleveraging, but the bank remains profitable and trends in 2010 are positive. Margins are being preserved, but competition is tough. Tekstilbank may find it difficult to maintain profitability as low interest rates are forcing down margins in Turkey. Overheads have already been significantly reduced.
- Corporate, commercial (middle-market) and SME clients now represent the bulk of Tekstilbank's business (83% of H110 loans). The bank is hoping to build up its retail business, focused mainly on housing loans. Historically, Tekstilbank has had good asset quality. The impaired loan ratio reached a high 6.7% in H110 (sector average: 4.4%), affected by loan book shrinkage, but the steep rise in impaired loans seen in 2009 has since stabilised. Efforts to focus on collections have paid off and loan recoveries were impressive in H110. Loan loss cover, including specific and general reserves, reached 68%, acceptable considering that 48% of impaired loans are secured by mortgages. There are some loan concentrations, notably to the construction sector (23% of total lending), while the top 20 borrowers at H110 represented 25% of loans.
- Deposits tend to be somewhat concentrated as the largest depositors are drawn from the corporate client base; customer deposits are deliberately being reduced but savings deposits represent 71% of total deposits at H110. Management's intention is to preserve the loans/deposits ratio at around the 110% mark. Unencumbered securities (TRY218.2m) can be used to access immediate liquidity. The bank's government securities book is modest compared with the sector (15% of total H110 assets).

Support

- In Fitch Ratings' opinion, sovereign support for Tekstilbank, although possible, cannot be relied upon, given its position within the Turkish banking system.

Key Rating Drivers

- Given poor global market conditions, plans to sell the bank were postponed in February 2009. Until a clearer outlook emerges for this bank, upside potential for its ratings is limited. A further squeeze in profitability or a sharp rise in impaired loans could put downside pressure on the ratings.

Profile

Tekstilbank, established in 1986, is 75.5% owned by GSD Holding AS (GSD Holding), a holding company with equity of TRY493m at H110 whose interests lie primarily in the financial sector. Tekstilbank operates out of 44 branches and controls a 0.32% share of Turkish banking system loans.

- Sale of Tekstilbank, though postponed, remains GSD Holding's intention over the medium term
- Primarily involved with corporate and commercial banking

Profile

Tekstilbank was established in 1986 by a major Turkish textile manufacturer. GSD Holding became the majority shareholder in 2002 and currently holds a 75.5% stake. The remaining shares are publicly traded on the Istanbul Stock Exchange. Established in 1996, GSD Holding is a publicly quoted company in Istanbul that coordinates the activities of the GSD group. These consist of a foreign trade company (GSD Foreign Trade Co, which ranks among Turkey's top 10 exporters), Tekstilbank, a small investment bank (GSD Bank) and several other financial subsidiaries engaged in brokerage, asset management, leasing, factoring and insurance. Tekstilbank dominates the group, representing 91% of its assets at H110.

Tekstilbank ranks 22nd out of a total of 45 banks operating in Turkey. Outside Turkey, it has a financial services branch in Berlin. It also has two fully owned and consolidated subsidiaries — Tekstil Yatirim Menkul Degerler AS, a securities brokerage house, and The Euro Tekstil International Banking Unit Ltd, located in Northern Cyprus, providing offshore services — which may be disposed of in the medium term. These subsidiaries accounted for 0.9% of consolidated assets at H110.

Note on Presentation of Accounts

Figures in the attached spreadsheets are based on the bank's consolidated financial statements prepared in accordance with Banking Regulation and Supervision Agency (BRSA) guidelines, broadly in line with IFRS.

Corporate, Commercial and SME Banking

This is the bank's core operating segment, representing 83% of loans at H110. Customer segmentation is in place (split by annual turnover figures: corporates TRY35m and over; commercial companies TRY5m-35m; and SMEs below TRY5m). In terms of value, "corporate" customers dominate the loan book, but by numbers of active clients, SMEs account for 43%, commercial borrowers for 38% and corporates for just 19%.

Retail Banking

Retail banking, originally a complementary business for Tekstilbank, became its focus of expansion in 2006. At H110, retail loans (mainly housing and unsecured general-purpose loans) represented 14% of total loans, split as follows: 54% housing loans; 42% consumer loans; and 4% auto loans. Tekstilbank's penetration into Turkey's retail banking sector is still very small. Since 2007, a credit-card partnership has been in place with HSBC's "Advantage" card programme.

- Tekstilbank is competing to retain customer loyalty while other banks embark on strong expansion strategies
- Shareholders remain focused on liquidity and capital preservation

Strategy

Tekstilbank's strategy since the onset of the global financial and economic crisis has been to prioritise liquidity and selectively reduce the size of the loan book, preserve capital and cut overheads. 15 branches (out of a total of 60) have been closed, and headcount has been reduced by a third. The bank is currently styling itself as a "boutique" bank, servicing a smaller number of well-known corporate, commercial and SME clients and aiming to compete on quality service and quick response time. In the retail segment, it is targeting the higher end of the market; the number of customers increased nearly 7% in the year to end-June 2010, and full-fledged internet banking is expected to be in place by end-2011. Management has demonstrated its ability to reduce risk positions and adopt a highly conservative approach to overall risk, in line with shareholders' objectives. Since GSD Holding's interest is to divest its stake in the bank, Fitch believes that Tekstilbank will, at least in the immediate future, continue to be managed in a conservative manner.

Performance

Operating Environment

Turkey is recovering strongly after suffering a sharp recession in the early phase of the global financial crisis, led by robust domestic demand. After dropping 14.6% in the 12 months to Q109, GDP rebounded. In Q210, GDP growth reached 10.2% yoy and a rapid 3.7% qoq (seasonally adjusted). Fitch forecasts GDP growth of 7% for 2010. However, Turkey faces challenges in securing balanced and sustainable growth, with inflation pressure (CPI at 9.2% yoy in September 2010), a widening current account deficit (to around 4.7% of GDP) and the need to reduce the budget deficit (around 4.7% of GDP).

Performance

- Deleveraging negatively affects results
- Significant cost-cutting measures and strong collections of impaired loans boosted bottom-line results in H110
- Margins stable as funding costs decline

Despite a harsh operating environment through much of 2009, Turkey's banks performed well, helped by the sharp decline in interest rates, which boosted margins through shorter repricing of deposits relative to loans and provided gains on fixed-income securities. Turkey's banks posted good results in H110, and loan growth has been strong (up 18% in the eight months to end-August).

Tekstilbank's strategic decision to reduce its balance sheet sets it apart from other growth-focused Turkish banks and makes meaningful comparisons with sector or peer group averages somewhat difficult. Net income, which collapsed in 2008 due largely to the impact of contracting volumes and steep impairment charges, has since improved, but performance indicators significantly lag those of its closest peers. As can be seen in Table 1, Tekstilbank's profitability ratios have lagged the peer average for some time, originally reflecting a lower share of higher-margin retail business but more recently affected by strong contraction at the bank.

There is, however, good news on two key fronts: first, Tekstilbank is successfully maintaining its margins in line with those of peers, all the more difficult given that interest rates have stabilised at historically low levels; and second, loan impairment charges, which consumed a high 83% of pre-impairment operating profit in 2008, have fallen steeply to just 5.4% in H110, aided by strong loan recoveries. Nevertheless, despite the implementation of various cost-cutting measures, the bank's core revenue generation is negatively impacted by loan contraction and this puts pressure on the cost/income ratio.

Table 1: Comparative Performance Indicators

	Tekstilbank			Peer group[a]		
(%)	H110	2009	2008	H110	2009	2008
Asset growth	-2.70	-27.90	-1.47	9.05	9.31	29.53
Loan growth	-10.20	-0.53	-25.51	13.91	17.23	25.14
Customer deposit growth	-8.5	-3.8	-7.8			
Net interest income/average earning assets	5.32	5.38	5.57	5.63	7.39	7.45
Interest income on loans/average gross loans	10.10	12.55	18.48	10.93	14.62	18.94
Interest expense on customer deposits/average customer deposits	5.37	7.23	13.77	5.51	6.97	10.56
Non-interest expense/gross revenues	73.20	60.34	75.60	65.16	53.31	61.46
Pre-impairment op. profit/average equity	7.76	14.98	10.38	18.47	31.85	27.27
Operating profit/average equity	7.34	4.80	1.72	15.88	21.28	19.71
Operating profit/average total assets	1.63	0.85	0.24	2.04	2.63	2.14
Equity/total assets	22.76	21.63	14.87	12.46	12.87	11.23

[a] Anadolubank, Alternatifbank, Sekerbank, Turk Ekonomi Bankasi
Source: Bank data adapted by Fitch

Note on Non-Operating Results

Tekstilbank is selling foreclosed real estate assets and recovering a variety of provisions, which are included in income statement line 28

As at its peers, net interest revenue, sourced largely from loans, is by far the largest contributor to Tekstilbank's overall revenues. Trading, dominated by the government securities business, is a marginal activity for the bank and contributions are volatile, reflecting the often sharp interest rate movements in Turkey. Fees are generated by traditional banking commissions; these have been falling — in line with lower business volumes. If annualised, overhead costs are now less than half the level reached in 2008, spurred by branch closures and personnel reduction (staff down nearly 40% from the 2008 peak). However, any improvements in efficiency ratios will, in Fitch's opinion, be dependent on the bank successfully boosting its credit activities, which the agency sees as unlikely in the short term.

Net loan impairment charges were very low in H110, reflecting both the steep fall in new charges taken (H110: TRY7.5m: H109: TRY28.6m) and an impressive recovery level (TRY6.5m), demonstrating the concentration of efforts on this area and the high level of security backing Tekstilbank's loans. At Tekstilbank, asset quality ratios are worse than the sector average, but the sharp contraction in the loan book is naturally affecting these (see *Loan Loss Experience and Reserves*).

Prospects

Tekstilbank will continue to adopt a conservative growth strategy as management wants to minimise risks. Efforts to make further inroads into the retail sector will be pursued. On the corporate/SME side, efforts will be made to retain customer loyalty; this is challenging given the increasingly competitive banking environment in Turkey. Excess liquidity will be invested in Turkish government securities, largely remunerated at floating rates in order to reduce interest rate mismatches. The shareholders' overall guidelines are that capital and liquidity must be preserved.

Risk Management

- Bank focused on preserving liquidity and reducing credit risk
- The rapid build-up in impaired loans in 2009 appears to have stabilised; only credit cards continue to show high delinquency rates, but these represent only 3% of total loans

Tekstilbank's risk management department is responsible for measuring risk, and establishing and implementing risk policies. Since the onset of the retrenchment process, almost all loan approvals and allocations are centralised at head office. The bank's risk rating system comprises an eight-point internal scale. Should local regulators decide to introduce Basel II, Tekstilbank considers its credit tools well placed to meet such guidelines. At end-June 2010, 43% (H109: 34%) of performing loans were rated in the top three internal risk categories and 9.7% were classified as either on the watch list or having limited ability to perform (H109: 9.4%).

Investment in risk systems has taken place since 2005, and key risk and business development positions were filled by external appointments during 2006-2007. Internal principles govern credit policy limit sector concentrations so that no more than 10% of cash exposures and 25% of total exposures can be in one industry sector. Usage of internal rating scales and scoring systems underpinning all credit decisions and secured lending is preferred. Tekstilbank's credit track record is sound, with a low level of charge-offs.

Credit Risk

Tekstilbank's loan book is dominated by short-term loans (37% of loans at H110 matured within three months and a total of 69% matured within one year), extended mainly (63%) in TRY and 87% backed by tangible collateral (cash, mortgages and other pledges). Corporate, commercial and SME loans dominate the loan portfolio. Off-balance-sheet loan commitments (known locally as "non-cash loans") reached TRY734m at H110, equivalent to 35% of total assets. This is rather high and reflects Tekstilbank's focus on trade finance and fairly high exposures to the construction sector, where non-cash loans are committed and drawn down against performance bonds. In calculating regulatory capital adequacy ratios, the majority of off-balance sheet loans are risk weighted at 50%.

The shrinkage in the loan book has forced up some concentrations, notably to the construction sector, which, at end-June 2010, represented a high 23% of total on- and off-balance-sheet lending. Other concentrations are far lower, the only other notable concentrations being to the financial sector (11%) being mainly factoring and leasing companies working with the SME sector, followed by food industries and the services sector (each with 8%), manufacturing industries (5%) and energy (4%). Despite the bank's name, exposure to the textile sector, once core, is modest. The top 20 exposures represented 25% of consolidated on- and off-balance-sheet loans at H110. The largest exposure, to a construction company, was equivalent to 15% of equity. Related-party lending is insignificant.

Operational Risk

The bank's disaster recovery and business continuity centre, based in Istanbul, is capable of recovering data within 30 minutes. Since 2002, loss data relating to fraud, damage to physical assets, internal and external processes and other operational risks has been collected. Turkish banks calculate their operational risk capital charge using the basic indicator approach.

Loan Loss Experience and Reserves

The build-up in impaired loans (90 days overdue) appeared to have stabilised by end-June 2010, but the impaired loan ratio continues to worsen, reflecting overall loan book shrinkage. The bulk of impaired loans (76%) are held in the “corporate” loan book and new inflows are minimal, as is the case within the consumer portfolio. The one portfolio where impaired loans continue to rise, as can be seen in Table 2, is credit cards. Tekstilbank is a latecomer to the credit-card market and has not been able to select the best customers. Efforts to improve credit tools are being made. Management advise that cost of risk has already reverted to pre-recession levels and this is supported by the relatively low level of watch-listed (less than 90 days overdue) loans (TRY49.9m at H110, equivalent to 3.4% of gross loans at that date). Rescheduled loans represented less than 1% of total loans at end-June 2010.

Table 2: Impaired Loan Details

	H110	2009
Total corporate impaired loans (TRYm)	75.5	75.1
Corporate loans impaired ratio (%)	6.3	5.4
Total consumer impaired loans (TRYm)	15.1	15.9
Consumer loans impaired ratio (%)	6.8	8.5
Total credit cards impaired loans (TRYm)	8.1	7.4
Credit cards impaired ratio (%)	20.6	17.5

Source: Tekstilbank

Tekstilbank’s loan quality ratios look worse than both those reported by peers and the average for the Turkish banking sector at H110, negatively affected by the sharp reduction in lending. There was no increase in nominal volumes in H110. Loan loss coverage ratios are also low at Tekstilbank. However, 48% of impaired loans at H110 were secured by real estate mortgages, which is encouraging. Net impaired loans at H110 represented just below 9% of equity, which is not overly high. A small amount of general loan reserves (TRY9.4m at H110) are held on the liabilities side of the balance sheet. Taking these into account, loan loss cover improves to 68%.

Tekstilbank’s asset quality trends are illustrated in Table 3.

Table 3: Asset Quality Trends

	Tekstilbank		Peers[a]		Sector av.	
(%)	H110	Dec 09	H110	Dec 09	H110	Dec 09
Impaired loans/gross loans	6.69	5.98	4.59	5.20	4.41	5.27
Reserves for impaired loans/impaired loans	58.42	57.44	65.50	68.50	84.00	83.59
Loan impairment charges/av. gross loans	0.13	2.79	0.65	1.92	1.27	1.88

[a] Anadolubank, Alternatifbank, Turk Ekonomi Bankasi, Sekerbank
Source: Bank financial statements, adapted by Fitch; sector information derived from BRSA information

Stress tests run by management highlight that even if impaired loans were to rise very substantially (impaired loans ratio up to 20%), the bank’s total capital adequacy ratio would not fall below 12%.

Market Risk

Based on the securities portfolio at H110, the bank estimated that it would lose 3.7% of its equity under a worst-case stress scenario (with conditions similar to the February 2001 crisis). The assets and liabilities committee sets strategies for managing market risk. Tekstilbank calculates value at risk (VaR) on a daily basis under three different models, using a 99% confidence level for one day, and 10-day holding periods for the previous 250 trading days. Government securities represented around 15% of assets at H110 (half the sector average of around 30%), almost all held in the AFS portfolio. The build-up of the securities portfolio in 2010, partly funded by repos (TRY55.9m at H110), is deliberate, aimed at boosting profitability. The bank’s net FX position (including on- and off-balance-sheet hedging items) was long TRY11.4m (2.4% of equity), which is not material. Almost all government securities are floating-rate and a high proportion of the loan book is short-term, but the bank is still exposed to a fairly high level of interest rate risk, as liabilities generally reprice more quickly than assets. Stress tests assuming a 1% change in interest rates demonstrate that equity would be affected by around 0.5%.

Funding and Capital

Tekstilbank's customer deposits have been falling, reflecting the deliberate general retrenchment of the balance sheet. Concentrations are somewhat high, as many are drawn from the corporate customer base. At H110, the top 20 deposits represented 19% of total customer funding, but Tekstilbank's deposit base includes a high proportion of savings deposits which provides some additional stability. Savings deposits falling under the TRY50,000 threshold covered by the savings deposit insurance fund made up 39% of total savings deposits. Management would like to contain the loans/deposits ratio at around 110%. All syndicated loans and other borrowing facilities were repaid by August 2010. Should Tekstilbank identify that demand for housing loans is sufficiently strong, efforts may be made to access longer-term borrowing.

Corporate Governance

Tekstilbank complies with the guidelines on corporate governance issued by the Turkish Capital Markets Board (CMB). Its governance principles are published on its website. Tekstilbank has a corporate governance committee, reporting directly to the board of directors. There is no reliance on shareholders for funding, and related-party loans are very low

Liquidity

Management focuses on "net bank placements + net marketable securities" to determine its "real" liquid assets, and does not allow this amount to fall below 8% of total assets. The bank's reliance on interbank funding is low, but Tekstilbank has a structural assets/liabilities maturity mismatch, due to shorter-term deposits funding longer-term assets. This is a common feature for Turkish banks. The bank's deposit base is short-term (the bulk has contractual maturity of just one month), and this makes it more vulnerable to a liquidity squeeze. Nevertheless, the loan portfolio includes many short-term loans. Tekstilbank is a net placer in the interbank markets and is not dependent on borrowed funds. It comfortably meets all prudential liquidity requirements, but assets maturing within three months covered only 52% of liabilities with the same maturity at end-H110. Unencumbered government securities (TRY218.2m at H110) can readily be repoed with the central bank to obtain immediate liquidity.

- Customer deposits are deliberately being reduced as the bank continues to downsize
- Liquidity risk somewhat mitigated by short-term loans and ability to repo securities
- Capital ratios are strong, reflecting a deliberate strategy to reduce risk-weighted assets

Capital

Tekstilbank's capital adequacy ratios are among the highest in the sector, reflecting a policy of reducing risk-weighted assets. Dividend payments are on hold as shareholders wish to preserve capital. Given the bank's strategy, Fitch expects its capital ratios to remain strong in the immediate future

Income Statement - Tekstil Bankasi A.S.

	30 Jun 2010			31 Dec 2009		31 Dec 2008		31 Dec 2007	
	6 Months - Interim	6 Months - Interim	As % of	Year End	As % of	Year End	As % of	Year End	As % of
	USDm	TRYth	Earning	TRYth	Earning	TRYth	Earning	TRYth	Earning
	Unqualified	Unqualified	Assets	Unqualified	Assets	Audited/Report not seen	Assets	Audited/Report not seen	Assets
1. Interest Income on Loans	49.5	78,160.0	8.09	206,863.0	10.32	357,844.0	12.93	309,816.0	10.86
2. Other Interest Income	10.2	16,060.0	1.66	45,180.0	2.25	77,752.0	2.81	72,588.0	2.54
3. Dividend Income	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
4. Gross Interest and Dividend Income	**59.7**	**94,220.0**	**9.75**	**252,043.0**	**12.57**	**435,596.0**	**15.73**	**382,404.0**	**13.40**
5. Interest Expense on Customer Deposits	23.6	37,165.0	3.85	107,464.0	5.36	217,514.0	7.86	149,650.0	5.24
6. Other Interest Expense	3.1	4,875.0	0.50	16,111.0	0.80	61,564.0	2.22	82,934.0	2.91
7. Total Interest Expense	**26.6**	**42,040.0**	**4.35**	**123,575.0**	**6.16**	**279,078.0**	**10.08**	**232,584.0**	**8.15**
8. Net Interest Income	**33.1**	**52,180.0**	**5.40**	**128,468.0**	**6.41**	**156,518.0**	**5.65**	**149,820.0**	**5.25**
9. Net Gains (Losses) on Trading and Derivatives	2.2	3,424.0	0.35	14,158.0	0.71	-15,588.0	-0.56	-6,135.0	-0.21
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	6.3	9,888.0	1.02	21,070.0	1.05	27,437.0	0.99	27,536.0	0.96
14. Other Operating Income	1.1	1,732.0	0.18	7,050.0	0.35	6,210.0	0.22	6,712.0	0.24
15. Total Non-Interest Operating Income	**9.5**	**15,044.0**	**1.56**	**42,278.0**	**2.11**	**18,059.0**	**0.65**	**28,113.0**	**0.99**
16. Personnel Expenses	18.8	29,648.0	3.07	63,940.0	3.19	85,731.0	3.10	65,422.0	2.29
17. Other Operating Expenses	12.4	19,562.0	2.02	39,089.0	1.95	46,247.0	1.67	47,889.0	1.68
18. Total Non-Interest Expenses	**31.2**	**49,210.0**	**5.09**	**103,029.0**	**5.14**	**131,978.0**	**4.77**	**113,311.0**	**3.97**
19. Equity-accounted Profit/ Loss - Operating	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
20. Pre-Impairment Operating Profit	**11.4**	**18,014.0**	**1.86**	**67,717.0**	**3.38**	**42,599.0**	**1.54**	**64,622.0**	**2.26**
21. Loan Impairment Charge	0.6	973.0	0.10	46,010.0	2.29	35,540.0	1.28	12,240.0	0.43
22. Securities and Other Credit Impairment Charges	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
23. Operating Profit	**10.8**	**17,041.0**	**1.76**	**21,707.0**	**1.08**	**7,059.0**	**0.25**	**52,382.0**	**1.84**
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	0.0	0.00	0.0	0.00	0.0	0.00
26. Non-recurring Expense	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
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	159.0	0.02	-2,143.0	-0.11	407.0	0.01	-58.0	0.00
29. Pre-tax Profit	**10.9**	**17,200.0**	**1.78**	**19,564.0**	**0.98**	**7,466.0**	**0.27**	**52,324.0**	**1.83**
30. Tax expense	2.3	3,554.0	0.37	3,405.0	0.17	2,200.0	0.08	10,381.0	0.36
31. Profit/Loss from Discontinued Operations	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
32. Net Income	**8.7**	**13,646.0**	**1.41**	**16,159.0**	**0.81**	**5,266.0**	**0.19**	**41,943.0**	**1.47**
33. Change in Value of AFS Investments	-1.4	-2,144.0	-0.22	5,045.0	0.25	-1,873.0	-0.07	82.0	0.00
34. Revaluation of Fixed Assets	0.0	0.0	0.00	131.0	0.01	-1,052.0	-0.04	5,948.0	0.21
35. Currency Translation Differences	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
36. Remaining OCI Gains/(losses)	-0.2	-394.0	-0.04	0.0	0.00	0.0	0.00	0.0	0.00
37. Fitch Comprehensive Income	**7.0**	**11,108.0**	**1.15**	**21,335.0**	**1.06**	**2,341.0**	**0.08**	**47,973.0**	**1.68**
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	8.7	13,646.0	1.41	16,159.0	0.81	5,266.0	0.19	41,943.0	1.47
40. Memo: Common Dividends Relating to the Period	0.0	0.0	0.00	n.a.	-	n.a.	-	n.a.	-
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 = TRY1.57750			USD1 = TRY1.49090		USD1 = TRY1.52545		USD1 = TRY1.16210	

Balance Sheet - Tekstil Bankasi A.S.

	30 Jun 2010			31 Dec 2009		31 Dec 2008		31 Dec 2007	
	6 Months - Interim USDm	6 Months - Interim TRYth	As % of Assets	Year End TRYth	As % of Assets	Year End TRYth	As % of Assets	Year End TRYth	As % of Assets
Assets									
A. Loans									
1. Residential Mortgage Loans	69.7	109,981.0	5.28	85,703.0	4.00	100,151.0	3.37	52,725.0	1.75
2. Other Mortgage Loans	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
3. Other Consumer/ Retail Loans	81.0	127,766.0	6.14	118,464.0	5.54	141,092.0	4.75	124,534.0	4.13
4. Corporate & Commercial Loans	722.6	1,139,905.0	54.75	1,341,518.0	62.69	1,358,290.0	45.76	2,012,815.0	66.82
5. Other Loans	62.6	98,727.0	4.74	98,390.0	4.60	53,365.0	1.80	28,892.0	0.96
6. Less: Reserves for Impaired Loans/ NPLs	36.6	57,675.0	2.77	56,512.0	2.64	23,242.0	0.78	17,250.0	0.57
7. Net Loans	**899.3**	**1,418,704.0**	**68.14**	**1,587,563.0**	**74.18**	**1,629,656.0**	**54.90**	**2,201,716.0**	**73.09**
8. Gross Loans	**935.9**	**1,476,379.0**	**70.91**	**1,644,075.0**	**76.83**	**1,652,898.0**	**55.69**	**2,218,966.0**	**73.66**
9. Memo: Impaired Loans included above	62.6	98,727.0	4.74	98,390.0	4.60	53,365.0	1.80	28,892.0	0.96
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. Other Earning Assets									
1. Loans and Advances to Banks	132.8	209,543.0	10.06	183,150.0	8.56	743,178.0	25.04	352,931.0	11.72
2. Trading Securities and at FV through Income	0.6	939.0	0.05	706.0	0.03	964.0	0.03	118,495.0	3.93
3. Derivatives	1.8	2,803.0	0.13	3,095.0	0.14	7,430.0	0.25	2,345.0	0.08
4. Available for Sale Securities	200.9	316,914.0	15.22	230,442.0	10.77	22,977.0	0.77	178,184.0	5.91
5. Held to Maturity Securities	0.0	0.0	0.00	0.0	0.00	364,068.0	12.27	0.0	0.00
6. At-equity Investments in Associates	0.1	98.0	0.00	104.0	0.00	105.0	0.00	157.0	0.01
7. Other Securities	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
8. Total Securities	**203.3**	**320,754.0**	**15.40**	**234,347.0**	**10.95**	**395,544.0**	**13.33**	**299,181.0**	**9.93**
9. Memo: Government Securities included Above	194.1	306,261.0	14.71	220,506.0	10.30	375,812.0	12.66	279,221.0	9.27
10. Investments in Property	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
11. Insurance Assets	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
12. Other Earning Assets	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
13. Total Earning Assets	**1,235.5**	**1,949,001.0**	**93.60**	**2,005,060.0**	**93.69**	**2,768,378.0**	**93.27**	**2,853,828.0**	**94.73**
C. Non-Earning Assets									
1. Cash and Due From Banks	10.3	16,219.0	0.78	17,501.0	0.82	20,988.0	0.71	19,649.0	0.65
2. Memo: Mandatory Reserves included above	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
3. Foreclosed Real Estate	11.1	17,519.0	0.84	18,287.0	0.85	33,881.0	1.14	28,244.0	0.94
4. Fixed Assets	43.9	69,198.0	3.32	71,214.0	3.33	76,702.0	2.58	76,423.0	2.54
5. Goodwill	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
6. Other Intangibles	1.2	1,816.0	0.09	2,048.0	0.10	2,672.0	0.09	4,300.0	0.14
7. Current Tax Assets	0.0	0.0	0.00	0.0	0.00	0.0	0.00	11,003.0	0.37
8. Deferred Tax Assets	1.1	1,787.0	0.09	2,022.0	0.09	3,009.0	0.10	5,023.0	0.17
9. Discontinued Operations	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
10. Other Assets	16.9	26,641.0	1.28	23,875.0	1.12	62,648.0	2.11	14,028.0	0.47
11. Total Assets	**1,319.9**	**2,082,181.0**	**100.00**	**2,140,007.0**	**100.00**	**2,968,278.0**	**100.00**	**3,012,498.0**	**100.00**
Liabilities and Equity									
D. Interest-Bearing Liabilities									
1. Customer Deposits - Current	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
2. Customer Deposits - Savings	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
3. Customer Deposits - Term	845.0	1,333,013.0	64.02	1,457,182.0	68.09	1,515,466.0	51.06	1,644,536.0	54.59
4. Total Customer Deposits	**845.0**	**1,333,013.0**	**64.02**	**1,457,182.0**	**68.09**	**1,515,466.0**	**51.06**	**1,644,536.0**	**54.59**
5. Deposits from Banks	37.7	59,461.0	2.86	8,774.0	0.41	223,718.0	7.54	287,450.0	9.54
6. Other Deposits and Short-term Borrowings	48.4	76,421.0	3.67	69,380.0	3.24	574,143.0	19.34	135,292.0	4.49
7. Total Deposits, Money Market and Short-term Funding	**931.2**	**1,468,895.0**	**70.55**	**1,535,336.0**	**71.74**	**2,313,327.0**	**77.93**	**2,067,278.0**	**68.62**
8. Senior Debt Maturing after 1 Year	41.8	65,975.0	3.17	76,986.0	3.60	129,078.0	4.35	452,746.0	15.03
9. Subordinated Borrowing	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
10. Other Funding	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
11. Total Long Term Funding	**41.8**	**65,975.0**	**3.17**	**76,986.0**	**3.60**	**129,078.0**	**4.35**	**452,746.0**	**15.03**
12. Derivatives	2.5	3,880.0	0.19	3,644.0	0.17	12,950.0	0.44	22,080.0	0.73
13. Trading Liabilities	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
14. Total Funding	**975.4**	**1,538,750.0**	**73.90**	**1,615,966.0**	**75.51**	**2,455,355.0**	**82.72**	**2,542,104.0**	**84.39**
E. Non-Interest Bearing Liabilities									
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	6.0	9,408.0	0.45	9,777.0	0.46	10,290.0	0.35	14,590.0	0.48
3. Reserves for Pensions and Other	5.1	8,038.0	0.39	7,706.0	0.36	5,695.0	0.19	6,170.0	0.20
4. Current Tax Liabilities	4.1	6,438.0	0.31	5,356.0	0.25	9,614.0	0.32	21,093.0	0.70
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	n.a.	n.a.	-	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	28.9	45,628.0	2.19	38,391.0	1.79	45,848.0	1.54	49,210.0	1.63
10. Total Liabilities	**1,019.5**	**1,608,262.0**	**77.24**	**1,677,196.0**	**78.37**	**2,526,802.0**	**85.13**	**2,633,167.0**	**87.41**
F. Hybrid Capital									
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
G. Equity									
1. Common Equity	296.3	467,348.0	22.45	453,702.0	21.20	437,543.0	14.74	372,473.0	12.36
2. Non-controlling Interest	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
3. Securities Revaluation Reserves	1.0	1,544.0	0.07	4,082.0	0.19	-963.0	-0.03	910.0	0.03
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	3.2	5,027.0	0.24	5,027.0	0.23	4,896.0	0.16	5,948.0	0.20
6. Total Equity	**300.4**	**473,919.0**	**22.76**	**462,811.0**	**21.63**	**441,476.0**	**14.87**	**379,331.0**	**12.59**
7. Total Liabilities and Equity	**1,319.9**	**2,082,181.0**	**100.00**	**2,140,007.0**	**100.00**	**2,968,278.0**	**100.00**	**3,012,498.0**	**100.00**
8. Memo: Fitch Core Capital	298.1	470,316.0	22.59	460,763.0	21.53	438,804.0	14.78	375,031.0	12.45
9. Memo: Fitch Eligible Capital	298.1	470,316.0	22.59	460,763.0	21.53	438,804.0	14.78	375,031.0	12.45
Exchange rate		USD1 = TRY1.57750		USD1 = TRY1.49090		USD1 = TRY1.52545		USD1 = TRY1.16210	

Summary Analytics - Tekstil Bankasi A.S.

	30 Jun 2010	31 Dec 2009	31 Dec 2008	31 Dec 2007
	6 Months - Interim	Year End	Year End	Year End
A. Interest Ratios				
1. Interest Income on Loans/ Average Gross Loans	10.10	12.55	18.48	15.56
2. Interest Expense on Customer Deposits/ Average Customer Deposits	5.37	7.23	13.77	9.91
3. Interest Income/ Average Earning Assets	9.61	10.56	15.50	13.74
4. Interest Expense/ Average Interest-bearing Liabilities	5.37	6.07	11.17	9.32
5. Net Interest Income/ Average Earning Assets	5.32	5.38	5.57	5.38
6. Net Int. Inc Less Loan Impairment Charges/ Av. Earning Assets	5.22	3.45	4.30	4.94
7. Net Interest Inc Less Preferred Stock Dividend/ Average Earning Assets	5.32	5.38	5.57	5.38
B. Other Operating Profitability Ratios				
1. Non-Interest Income/ Gross Revenues	22.38	24.76	10.34	15.80
2. Non-Interest Expense/ Gross Revenues	73.20	60.34	75.60	63.68
3. Non-Interest Expense/ Average Assets	4.70	4.03	4.41	3.87
4. Pre-impairment Op. Profit/ Average Equity	7.76	14.98	10.38	18.19
5. Pre-impairment Op. Profit/ Average Total Assets	1.72	2.65	1.42	2.21
6. Loans and securities impairment charges/ Pre-impairment Op. Profit	5.40	67.94	83.43	18.94
7. Operating Profit/ Average Equity	7.34	4.80	1.72	14.74
8. Operating Profit/ Average Total Assets	1.63	0.85	0.24	1.79
9. Taxes/ Pre-tax Profit	20.66	17.40	29.47	19.84
10. Pre-Impairment Operating Profit / Risk Weighted Assets	1.72	3.03	1.75	2.24
11. Operating Profit / Risk Weighted Assets	1.62	0.97	0.29	1.82
C. Other Profitability Ratios				
1. Net Income/ Average Total Equity	5.88	3.57	1.28	11.80
2. Net Income/ Average Total Assets	1.30	0.63	0.18	1.43
3. Fitch Comprehensive Income/ Average Total Equity	4.78	4.72	0.57	13.50
4. Fitch Comprehensive Income/ Average Total Assets	1.06	0.84	0.08	1.64
5. Net Income/ Av. Total Assets plus Av. Managed Assets	1.30	0.63	0.18	1.43
6. Net Income/ Risk Weighted Assets	1.30	0.72	0.22	1.46
7. Fitch Comprehensive Income/ Risk Weighted Assets	1.06	0.96	0.10	1.67
D. Capitalization				
1. Fitch Eligible Capital/ Fitch Adjusted Weighted Risks	22.23	20.64	18.04	13.03
2. Tangible Common Equity/ Tangible Assets	22.69	21.55	14.80	12.47
3. Tangible Common Equity/ Total Business Volume	6.42	13.96	9.84	7.52
4. Tier 1 Regulatory Capital Ratio	21.72	19.92	17.04	12.12
5. Total Regulatory Capital Ratio	22.30	20.54	17.51	12.73
6. Fitch Eligible Capital/ Tier 1 Regulatory Capital	102.32	103.64	105.85	107.49
7. Equity/ Total Assets	22.76	21.63	14.87	12.59
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. Net Income - Cash Dividends/ Total Equity	5.81	3.49	1.19	11.06
E. Loan Quality				
1. Growth of Total Assets	-2.70	-27.90	-1.47	6.10
2. Growth of Gross Loans	-10.20	-0.53	-25.51	25.91
3. Impaired Loans(NPLs)/ Gross Loans	6.69	5.98	3.23	1.30
4. Reserves for Impaired Loans/ Gross loans	3.91	3.44	1.41	0.78
5. Reserves for Impaired Loans/ Impaired Loans	58.42	57.44	43.55	59.71
6. Impaired Loans less Reserves for Imp Loans/ Equity	8.66	9.05	6.82	3.07
7. Loan Impairment Charges/ Average Gross Loans	0.13	2.79	1.84	0.61
8. Net Charge-offs/ Average Gross Loans	0.02	0.69	1.76	0.06
9. Impaired Loans + Foreclosed Assets/ Gross Loans + Foreclosed Assets	7.78	7.02	5.17	2.54
F. Funding				
1. Loans/ Customer Deposits	110.76	112.83	109.07	134.93
2 . Interbank Assets/ Interbank Liabilities	352.40	2,087.42	332.19	122.78

Reference Data - Tekstil Bankasi A.S.

	30 Jun 2010			31 Dec 2009		31 Dec 2008		31 Dec 2007	
	6 Months - Interim USDm	6 Months - Interim TRYth	As % of Assets	Year End TRYth	As % of Assets	Year End TRYth	As % of Assets	Year End TRYth	As % of Assets
A. Off-Balance Sheet Items									
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	1,811.9	2,858,332.0	137.28	755,566.0	35.31	1,004,169.0	33.83	1,370,376.0	45.49
4. Acceptances and documentary credits reported off-balance sheet	1,333.0	2,102,766.0	100.99	97,071.0	4.54	181,954.0	6.13	295,074.0	9.79
5. Committed Credit Lines	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
6. Other Contingent Liabilities	195.4	308,311.0	14.81	308,311.0	14.41	303,463.0	10.22	308,855.0	10.25
7. Total Business Volume	**4,660.3**	**7,351,590.0**	**353.07**	**3,300,955.0**	**154.25**	**4,457,864.0**	**150.18**	**4,986,803.0**	**165.54**
8. Memo: Total Weighted Risks	1,341.3	2,115,944.0	101.62	2,232,317.0	104.31	2,432,827.0	81.96	2,879,040.0	95.57
9. Fitch Adjustments to Weighted Risks.	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
10. Fitch Adjusted Weighted Risks	1,341.3	2,115,944.0	101.62	2,232,317.0	104.31	2,432,827.0	81.96	2,879,040.0	95.57
B. Average Balance Sheet									
Average Loans	989.1	1,560,227.0	74.93	1,648,486.5	77.03	1,935,932.0	65.22	1,990,652.5	66.08
Average Earning Assets	1,253.3	1,977,030.5	94.95	2,386,719.0	111.53	2,811,103.0	94.70	2,783,673.5	92.40
Average Assets	1,338.3	2,111,094.0	101.39	2,554,142.5	119.35	2,990,388.0	100.74	2,925,955.0	97.13
Average Managed Assets (OBS)	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
Average Interest-Bearing Liabilities	999.9	1,577,358.0	75.76	2,035,660.5	95.12	2,498,729.5	84.18	2,496,553.5	82.87
Average Common equity	291.9	460,525.0	22.12	445,622.5	20.82	405,008.0	13.64	351,501.5	11.67
Average Equity	296.9	468,365.0	22.49	452,143.5	21.13	410,403.5	13.83	355,344.5	11.80
Average Customer Deposits	884.4	1,395,097.5	67.00	1,486,324.0	69.45	1,580,001.0	53.23	1,509,645.5	50.11
C. Maturities									
Asset Maturities:	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Loans & Advances < 3 months	336.9	531,493.0	25.53	937,192.0	43.79	933,682.0	31.46	932,612.0	30.96
Loans & Advances 3 - 12 Months	280.5	442,464.0	21.25	326,867.0	15.27	311,639.0	10.50	1,219,504.0	40.48
Loans and Advances 1 - 5 Years	211.5	333,662.0	16.02	226,026.0	10.56	295,613.0	9.96	37,958.0	1.26
Loans & Advances > 5 years	44.4	70,033.0	3.36	55,600.0	2.60	53,599.0	1.81	n.a.	-
Debt Securities < 3 Months	9.0	14,141.0	0.68	29,944.0	1.40	7,401.0	0.25	19,593.0	0.65
Debt Securities 3 - 12 Months	41.3	65,074.0	3.13	12,878.0	0.60	91,815.0	3.09	58,542.0	1.94
Debt Securities 1 - 5 Years	130.7	206,208.0	9.90	170,843.0	7.98	243,023.0	8.19	176,381.0	5.85
Debt Securities > 5 Years	22.3	35,233.0	1.69	20,578.0	0.96	53,200.0	1.79	44,508.0	1.48
Interbank < 3 Months	132.8	209,543.0	10.06	181,870.0	8.50	743,178.0	25.04	352,931.0	11.72
Interbank 3 - 12 Months	0.0	0.0	0.00	1,280.0	0.06	0.0	0.00	0.0	0.00
Interbank 1 - 5 Years	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
Interbank > 5 Years	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
Liability Maturities:									
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	834.2	1,316,009.0	63.20	1,430,890.0	66.86	1,485,495.0	50.05	1,608,820.0	53.40
Other Deposits 3 - 12 Months	10.7	16,896.0	0.81	26,248.0	1.23	29,951.0	1.01	35,710.0	1.19
Other Deposits 1 - 5 Years	0.1	117.0	0.01	44.0	0.00	20.0	0.00	6.0	0.00
Other Deposits > 5 Years	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
Interbank < 3 Months	37.7	59,461.0	2.86	8,774.0	0.41	223,718.0	7.54	287,450.0	9.54
Interbank 3 - 12 Months	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
Interbank 1 - 5 Years	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
Interbank > 5 Years	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
Senior debt Maturing < 1 year	48.4	76,421.0	3.67	69,380.0	3.24	574,143.0	19.34	135,292.0	4.49
Senior debt Maturing > 1 year	41.8	65,975.0	3.17	76,986.0	3.60	129,078.0	4.35	452,746.0	15.03
Total Senior Debt on Balance Sheet	41.8	65,975.0	3.17	76,986.0	3.60	129,078.0	4.35	452,746.0	15.03
Fair Value Portion of Senior Debt	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Subordinated Debt maturing < 1 year	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
Subordinated Debt maturing > 1 year	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
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	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
D. Equity Reconciliation									
1. Equity	300.4	473,919.0	22.76	462,811.0	21.63	441,476.0	14.87	379,331.0	12.59
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	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
4. Published Equity	**300.4**	**473,919.0**	**22.76**	**462,811.0**	**21.63**	**441,476.0**	**14.87**	**379,331.0**	**12.59**
E. Fitch Eligible Capital Reconciliation									
1 .Total Equity as reported (including non-controlling interests)	300.4	473,919.0	22.76	462,811.0	21.63	441,476.0	14.87	379,331.0	12.59
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	1.2	1,816.0	0.09	2,048.0	0.10	2,672.0	0.09	4,300.0	0.14
6. Deferred tax assets deduction	1.1	1,787.0	0.09	0.0	0.00	0.0	0.00	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. Embedded value of insurance business	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
9. 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
10. Fitch Core Capital	298.1	470,316.0	22.59	460,763.0	21.53	438,804.0	14.78	375,031.0	12.45
11. Eligible weighted Hybrid capital	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
12. Government held Hybrid Capital	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
13. Fitch Eligible Capital	298.1	470,316.0	22.59	460,763.0	21.53	438,804.0	14.78	375,031.0	12.45
14. Eligible Hybrid Capital Limit	127.8	201,563.3	9.68	197,469.2	9.23	188,058.2	6.34	160,727.0	5.34
Exchange Rate	USD1 = TRY1.57750			USD1 = TRY1.49090		USD1 = TRY1.52545		USD1 = TRY1.16210	