

Tekstil Bankasi A.S.

Update

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

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.

	31 Dec 14	31 Dec 13
Total assets (USDm)	1,578.8	1,804.3
Total assets (TRYm)	3,664.4	3,854.2
Total equity (TRYm)	620.1	604.3
Operating profit (TRYm)	16.0	5.0
Published net income (TRY)	12.8	45.3
Comprehensive income (TRYm)	15.8	29.4
Operating ROAA (%)	0.43	0.14
Operating ROAE (%)	2.60	0.85
Internal capital generation (%)	2.06	7.50
Fitch core capital/ weighted risks (%)	18.53	16.92
Tier 1 regulatory capital ratio (%)	18.30	16.76
Net income/average total equity (%)	2.07	7.70

Related Research

[Fitch Affirms 6 Small Turkish Banks; One on RWP \(February 2015\)](#)

[Tekstil Bankasi A.S. – Ratings Navigator \(March 2015\)](#)

[Fitch Affirms Turkey at 'BBB-'; Outlook Stable \(March 2015\)](#)

[Industrial and Commercial Bank of China \(September 2014\)](#)

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Key Rating Drivers

Support to Drive IDRs: 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 a 75.5% stake in Tekstilbank is likely to receive regulatory approval in 1H15, following which institutional support will drive the bank's Issuer Default Ratings (IDRs) and National Long-Term Rating.

Likely Upgrade to 'BBB': 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, Reasonable Metrics: Tekstilbank is a niche bank, providing loans and services mainly to small corporate and commercial customers. The bank's financial metrics are reasonable, but its franchise is limited and its size, in absolute terms, is small. New business development has been limited in recent years as the bank was seeking a change in ownership. Management suggests there is considerable business potential from trade finance and other opportunities with Turkish companies exporting to China.

Reasonable Asset Quality: The 5% impaired loans/total loans ratio at end-2014 is in line with peers', but higher than the sector average (2.9%). Fitch Ratings considers reserves coverage reasonable at 70% (peers: 62%) given that a high proportion of loans are extended on a secured basis. Single-name concentration risk is high, reflecting the moderate size and customer base of the bank.

High Capital Ratios: Slow loan growth and earnings retention have resulted in high capital adequacy ratios (Fitch core capital/risk-weighted assets: 18.5% at end-2014). Fitch views the large capital buffers as positive for the bank's credit profile given the small absolute size of equity.

Reasonable Funding, ST FC Risks: Tekstilbank faces risks related to short-term (ST) foreign-currency (FC) wholesale funding, but deposits demonstrate a high degree of stability. Loan maturities are generally ST, with 39% of loans maturing within three months at end-2014. This supports liquidity ratios, which appear reasonable.

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

Rating Sensitivities

Potential Ownership Change: The ownership change would mean that institutional support would drive Tekstilbank's IDRs, Support and National Ratings. Country Ceiling constraints would apply.

Franchise Improvement: Tekstilbank's 'b+' VR could be upgraded if its franchise is strengthened without growing excessively fast. Fitch believes this will be dependent on what strategic changes are to be implemented under the new ownership.

Asset Quality, Liquidity Key: The VR could be downgraded in case of significant asset quality deterioration. A sharp tightening of liquidity could also result in downward pressure on the VR.

Tekstil Bankasi A.S.
Income Statement

	31 Dec 2014			31 Dec 2013			31 Dec 2012			31 Dec 2011		
	Year End	Year End	As % of	Year End	As % of	Year End	As % of	Year End	As % of	Year End	As % of	
	USDm	TRYth	Earning Assets	TRYth	Earning Assets	TRYth	Earning Assets	TRYth	Earning Assets	TRYth	Earning Assets	
1. Interest Income on Loans	128.5	298,329.0	9.32	260,840.0	7.87	301,801.0	9.66	228,237.0	7.62			
2. Other Interest Income	19.6	45,397.0	1.42	34,766.0	1.05	39,998.0	1.28	29,733.0	0.99			
3. Dividend Income	0.0	0.0	0.00	0.0	0.00	2.0	0.00	5.0	0.00			
4. Gross Interest and Dividend Income	148.1	343,726.0	10.74	295,606.0	8.92	341,801.0	10.94	257,975.0	8.62			
5. Interest Expense on Customer Deposits	57.9	134,282.0	4.19	130,065.0	3.93	168,096.0	5.38	134,442.0	4.49			
6. Other Interest Expense	11.3	26,182.0	0.82	21,874.0	0.66	20,100.0	0.64	16,335.0	0.55			
7. Total Interest Expense	69.1	160,464.0	5.01	151,939.0	4.59	188,196.0	6.02	150,777.0	5.04			
8. Net Interest Income	79.0	183,262.0	5.72	143,667.0	4.34	153,605.0	4.92	107,198.0	3.58			
9. Net Gains (Losses) on Trading and Derivatives	(11.7)	(27,192.0)	(0.85)	(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	6.0	13,999.0	0.44	16,655.0	0.50	17,898.0	0.57	18,828.0	0.63			
14. Other Operating Income	4.6	10,728.0	0.34	16,212.0	0.49	5,811.0	0.19	6,456.0	0.22			
15. Total Non-Interest Operating Income	(1.1)	(2,465.0)	(0.08)	27,052.0	0.82	23,723.0	0.76	39,735.0	1.33			
16. Personnel Expenses	34.8	80,702.0	2.52	72,802.0	2.20	69,743.0	2.23	63,653.0	2.13			
17. Other Operating Expenses	23.3	54,195.0	1.69	42,733.0	1.29	42,870.0	1.37	39,869.0	1.33			
18. Total Non-Interest Expenses	58.1	134,897.0	4.21	115,535.0	3.49	112,613.0	3.60	103,522.0	3.46			
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	19.8	45,900.0	1.43	55,184.0	1.67	64,715.0	2.07	43,411.0	1.45			
21. Loan Impairment Charge	12.2	28,329.0	0.88	49,928.0	1.51	32,609.0	1.04	13,766.0	0.46			
22. Securities and Other Credit Impairment Charges	0.7	1,550.0	0.05	238.0	0.01	1,027.0	0.03	519.0	0.02			
23. Operating Profit	6.9	16,021.0	0.50	5,018.0	0.15	31,079.0	0.99	29,126.0	0.97			
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	0.1	194.0	0.01	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	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00			
29. Pre-tax Profit	6.8	15,827.0	0.49	49,091.0	1.48	33,404.0	1.07	30,693.0	1.03			
30. Tax expense	1.3	3,067.0	0.10	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			
32. Net Income	5.5	12,760.0	0.40	45,316.0	1.37	26,058.0	0.83	24,626.0	0.82			
33. Change in Value of AFS Investments	0.9	2,053.0	0.06	(21,081.0)	(0.64)	20,589.0	0.66	(9,530.0)	(0.32)			
34. Revaluation of Fixed Assets	0.9	2,096.0	0.07	1,007.0	0.03	15,344.0	0.49	4,484.0	0.15			
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)	(0.5)	(1,081.0)	(0.03)	4,165.0	0.13	(4,880.0)	(0.16)	1,666.0	0.06			
37. Fitch Comprehensive Income	6.8	15,828.0	0.49	29,407.0	0.89	57,111.0	1.83	21,246.0	0.71			
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	5.5	12,760.0	0.40	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 = TRY2.32100

USD1 = TRY2.13620

USD1 = TRY1.78190

USD1 = TRY1.91110

Related Criteria

[Global Bank Rating Criteria \(March 2015\)](#)

Tekstil Bankasi A.S.
Balance Sheet

	31 Dec 2014			31 Dec 2013			31 Dec 2012			31 Dec 2011		
	Year End USDm	Year End TRYth	As % of Assets	Year End 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	49.4	114,566.0	3.13	136,072.0	3.53	159,106.0	4.32	165,688.0	4.73			
2. Other Mortgage Loans	0.0	0.0	0.00	n.a.	-	n.a.	-	n.a.	-			
3. Other Consumer/ Retail Loans	112.6	261,311.0	7.13	232,060.0	6.02	196,976.0	5.35	170,091.0	4.86			
4. Corporate & Commercial Loans	1,029.5	2,389,476.0	65.21	2,417,849.0	62.73	2,270,832.0	61.63	2,132,363.0	60.87			
5. Other Loans	68.2	158,212.0	4.32	179,800.0	4.66	135,173.0	3.67	107,171.0	3.06			
6. Less: Reserves for Impaired Loans	47.7	110,647.0	3.02	133,617.0	3.47	92,969.0	2.52	64,838.0	1.85			
7. Net Loans	1,211.9	2,812,918.0	76.76	2,832,164.0	73.48	2,669,118.0	72.44	2,510,475.0	71.66			
8. Gross Loans	1,259.6	2,923,565.0	79.78	2,965,781.0	76.95	2,762,087.0	74.97	2,575,313.0	73.52			
9. Memo: Impaired Loans included above	68.2	158,212.0	4.32	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. Other Earning Assets												
1. Loans and Advances to Banks	36.0	83,639.0	2.28	76,403.0	1.98	117,536.0	3.19	107,542.0	3.07			
2. Reverse Repos and Cash Collateral	37.1	86,026.0	2.35	0.0	0.00	3,000.0	0.08	0.0	0.00			
3. Trading Securities and at FV through Income	1.1	2,478.0	0.07	1,481.0	0.04	2,045.0	0.06	1,413.0	0.04			
4. Derivatives	5.5	12,769.0	0.35	14,369.0	0.37	3,670.0	0.10	24,412.0	0.70			
5. Available for Sale Securities	87.8	203,727.0	5.56	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			
9. Total Securities	131.4	305,000.0	8.32	404,798.0	10.50	338,117.0	9.18	376,085.0	10.74			
10. Memo: Government Securities included Above	86.1	199,828.0	5.45	381,807.0	9.91	321,421.0	8.72	333,036.0	9.51			
11. Memo: Total Securities Pledged	32.2	74,697.0	2.04	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			
15. Total Earning Assets	1,379.4	3,201,557.0	87.37	3,313,365.0	85.97	3,124,771.0	84.81	2,994,102.0	85.47			
C. Non-Earning Assets												
1. Cash and Due From Banks	150.2	348,590.0	9.51	450,273.0	11.68	362,834.0	9.85	303,741.0	8.67			
2. Memo: Mandatory Reserves included above	56.9	131,980.0	3.60	148,083.0	3.84	89,653.0	2.43	98,457.0	2.81			
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	11.6	26,821.0	0.73	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	0.9	1,974.0	0.05	1,902.0	0.05	1,625.0	0.04	1,532.0	0.04			
7. Current Tax Assets	1.0	2,292.0	0.06	3,134.0	0.08	0.0	0.00	0.0	0.00			
8. Deferred Tax Assets	0.7	1,737.0	0.05	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	35.1	81,406.0	2.22	66,440.0	1.72	99,134.0	2.69	119,005.0	3.40			
11. Total Assets	1,578.8	3,664,377.0	100.00	3,854,254.0	100.00	3,684,449.0	100.00	3,503,111.0	100.00			
Liabilities and Equity												
D. Interest-Bearing Liabilities												
1. Customer Deposits - Current	60.1	139,384.0	3.80	180,665.0	4.69	252,147.0	6.84	154,868.0	4.42			
2. Customer Deposits - Savings	379.1	879,978.0	24.01	840,179.0	21.80	959,115.0	26.03	825,825.0	23.57			
3. Customer Deposits - Term	570.0	1,322,871.0	36.10	1,500,950.0	38.94	1,445,247.0	39.23	1,475,690.0	42.13			
4. Total Customer Deposits	1,009.1	2,342,233.0	63.92	2,521,794.0	65.43	2,656,509.0	72.10	2,456,383.0	70.12			
5. Deposits from Banks	71.1	165,027.0	4.50	19.0	0.00	53,569.0	1.45	172.0	0.00			
6. Repos and Cash Collateral	27.7	64,359.0	1.76	258,597.0	6.71	11,156.0	0.30	126,255.0	3.60			
7. Other Deposits and Short-term Borrowings	129.2	299,901.0	8.18	320,069.0	8.30	235,903.0	6.40	166,233.0	4.75			
8. Total Deposits, Money Market and Short-term Funding	1,237.2	2,871,520.0	78.36	3,100,479.0	80.44	2,957,137.0	80.26	2,749,043.0	78.47			
9. Senior Debt Maturing after 1 Year	20.8	48,202.0	1.32	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	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00			
12. Total Long Term Funding	20.8	48,202.0	1.32	20,931.0	0.54	13,198.0	0.36	75,506.0	2.16			
13. Derivatives	2.4	5,615.0	0.15	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			
15. Total Funding	1,260.4	2,925,337.0	79.83	3,127,529.0	81.14	2,972,823.0	80.69	2,851,322.0	81.39			
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	9.7	22,615.0	0.62	23,736.0	0.62	24,590.0	0.67	20,191.0	0.58			
3. Reserves for Pensions and Other	9.1	21,042.0	0.57	24,274.0	0.63	15,637.0	0.42	11,856.0	0.34			
4. Current Tax Liabilities	3.2	7,543.0	0.21	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	29.2	67,704.0	1.85	67,462.0	1.75	86,173.0	2.34	90,512.0	2.58			
10. Total Liabilities	1,311.6	3,044,241.0	83.08	3,249,946.0	84.32	3,109,548.0	84.40	2,985,321.0	85.22			
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	263.4	611,434.0	16.69	569,744.0	14.78	524,428.0	14.23	498,370.0	14.23			
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	0.8	1,835.0	0.05	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	3.0	6,867.0	0.19	34,373.0	0.89	33,416.0	0.91	18,839.0	0.54			
6. Total Equity	267.2	620,136.0	16.92	604,308.0	15.68	574,901.0	15.60	517,790.0	14.78			
7. Total Liabilities and Equity	1,578.8	3,664,377.0	100.00	3,854,254.0	100.00	3,684,449.0	100.00	3,503,111.0	100.00			
8. Memo: Fitch Core Capital	266.3	618,162.0	16.87	602,406.0	15.63	573,276.0	15.56	516,258.0	14.74			
9. Memo: Fitch Eligible Capital	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-			

Exchange rate

USD1 = TRY2.32100

USD1 = TRY2.13620

USD1 = TRY1.78190

USD1 = TRY1.91110

Tekstil Bankasi A.S. Summary Analytics

	31 Dec 2014	31 Dec 2013	31 Dec 2012	31 Dec 2011
	Year End	Year End	Year End	Year End
A. Interest Ratios				
1. Interest Income on Loans/ Average Gross Loans	10.41	9.30	11.61	10.29
2. Interest Expense on Customer Deposits/ Average Customer Deposits	5.83	5.35	6.99	6.44
3. Interest Income/ Average Earning Assets	10.72	9.43	11.39	10.03
4. Interest Expense/ Average Interest-bearing Liabilities	5.38	5.07	6.63	6.34
5. Net Interest Income/ Average Earning Assets	5.72	4.59	5.12	4.17
6. Net Int. Inc Less Loan Impairment Charges/ Av. Earning Assets	4.83	2.99	4.03	3.63
7. Net Interest Inc Less Preferred Stock Dividend/ Average Earning Assets	5.72	4.59	5.12	4.17
B. Other Operating Profitability Ratios				
1. Non-Interest Income/ Gross Revenues	(1.36)	15.85	13.38	27.04
2. Non-Interest Expense/ Gross Revenues	74.61	67.68	63.51	70.46
3. Non-Interest Expense/ Average Assets	3.63	3.12	3.21	3.46
4. Pre-impairment Op. Profit/ Average Equity	7.44	9.37	11.97	8.58
5. Pre-impairment Op. Profit/ Average Total Assets	1.24	1.49	1.84	1.45
6. Loans and securities impairment charges/ Pre-impairment Op. Profit	65.10	90.91	51.98	32.91
7. Operating Profit/ Average Equity	2.60	0.85	5.75	5.76
8. Operating Profit/ Average Total Assets	0.43	0.14	0.89	0.97
9. Taxes/ Pre-tax Profit	19.38	7.69	21.99	19.77
10. Pre-Impairment Operating Profit / Risk Weighted Assets	1.38	1.55	1.88	1.32
11. Operating Profit / Risk Weighted Assets	0.48	0.14	0.90	0.89
C. Other Profitability Ratios				
1. Net Income/ Average Total Equity	2.07	7.70	4.82	4.87
2. Net Income/ Average Total Assets	0.34	1.22	0.74	0.82
3. Fitch Comprehensive Income/ Average Total Equity	2.57	5.00	10.56	4.20
4. Fitch Comprehensive Income/ Average Total Assets	0.43	0.79	1.63	0.71
5. Net Income/ Av. Total Assets plus Av. Managed Securitized Assets	n.a.	1.22	0.74	0.82
6. Net Income/ Risk Weighted Assets	0.38	1.27	0.76	0.75
7. Fitch Comprehensive Income/ Risk Weighted Assets	0.47	0.83	1.66	0.65
D. Capitalization				
1. Fitch Core Capital/ Risk Weighted Assets	18.53	16.92	16.67	15.72
2. Fitch Eligible Capital/ Risk Weighted Assets	n.a.	n.a.	n.a.	n.a.
3. Tangible Common Equity/ Tangible Assets	16.88	15.58	15.52	14.74
4. Tier 1 Regulatory Capital Ratio	18.30	16.76	15.18	15.11
5. Total Regulatory Capital Ratio	18.91	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	16.92	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	2.06	7.50	4.53	4.76
E. Loan Quality				
1. Growth of Total Assets	(4.93)	4.61	5.18	36.23
2. Growth of Gross Loans	(1.42)	7.37	7.25	33.31
3. Impaired Loans/ Gross Loans	5.41	6.06	4.89	4.16
4. Reserves for Impaired Loans/ Gross Loans	3.78	4.51	3.37	2.52
5. Reserves for Impaired Loans/ Impaired Loans	69.94	74.31	68.78	60.50
6. Impaired loans less Reserves for Impaired Loans/ Fitch Core Capital	7.69	7.67	7.36	8.20
7. Impaired Loans less Reserves for Impaired Loans/ Equity	7.67	7.64	7.34	8.18
8. Loan Impairment Charges/ Average Gross Loans	0.99	1.78	1.25	0.62
9. Net Charge-offs/ Average Gross Loans	1.98	0.01	0.00	0.00
10. Impaired Loans + Foreclosed Assets/ Gross Loans + Foreclosed Assets	5.41	6.06	4.89	4.16
F. Funding				
1. Loans/ Customer Deposits	124.82	117.61	103.97	104.84
2. Interbank Assets/ Interbank Liabilities	50.68	402,121.05	219.41	62,524.42
3. Customer Deposits/ Total Funding (excluding derivatives)	80.22	80.79	89.43	86.97

Tekstil Bankasi A.S.
Reference Data

	31 Dec 2014			31 Dec 2013		31 Dec 2012		31 Dec 2011	
	Year End USDm	Year End 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 Securitizd 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	319.5	741,658.0	20.24	980,531.0	25.44	1,044,733.0	28.36	914,422.0	26.10
4. Acceptances and documentary credits reported off-balance sheet	46.5	107,919.0	2.95	230,429.0	5.98	203,432.0	5.52	310,726.0	8.87
5. Committed Credit Lines	132.8	308,278.0	8.41	301,927.0	7.83	367,702.0	9.98	382,334.0	10.91
6. Other Contingent Liabilities	0.0	0.0	0.00	n.a.	-	n.a.	-	n.a.	-
7. Total Business Volume	2,077.7	4,822,232.0	131.60	5,367,141.0	139.25	5,300,316.0	143.86	5,110,593.0	145.89
8. Memo: Risk Weighted Assets	1,437.4	3,336,162.5	91.04	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	1,437.4	3,336,162.5	91.04	3,561,024.7	92.39	3,439,551.0	93.35	3,284,542.0	93.76
B. Average Balance Sheet									
Average Loans	1,235.3	2,867,045.8	78.24	2,804,141.8	72.75	2,598,578.0	70.53	2,218,446.0	63.33
Average Earning Assets	1,381.4	3,206,153.2	87.50	3,133,339.8	81.30	3,001,648.0	81.47	2,571,697.0	73.41
Average Assets	1,600.5	3,714,662.8	101.37	3,706,790.0	96.17	3,511,052.0	95.29	2,994,524.0	85.48
Average Managed Securitizd Assets (OBS)	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
Average Interest-Bearing Liabilities	1,284.3	2,980,828.6	81.35	2,995,177.6	77.71	2,839,655.0	77.07	2,379,003.0	67.91
Average Common equity	259.7	602,866.2	16.45	546,914.4	14.19	512,166.0	13.90	485,720.0	13.87
Average Equity	265.8	616,958.6	16.84	588,633.0	15.27	540,810.0	14.68	505,750.0	14.44
Average Customer Deposits	992.2	2,302,882.2	62.85	2,431,451.2	63.08	2,403,933.0	65.25	2,089,044.0	59.63
C. Maturities									
Asset Maturities:									
Loans & Advances < 3 months	470.1	1,091,208.0	29.78	864,478.0	22.43	927,078.0	25.16	911,045.0	26.01
Loans & Advances 3 - 12 Months	427.9	993,053.0	27.10	991,932.0	25.74	951,643.0	25.83	903,133.0	25.78
Loans & Advances 1 - 5 Years	237.3	550,781.0	15.03	779,085.0	20.21	581,750.0	15.79	533,325.0	15.22
Loans & Advances > 5 years	76.6	177,876.0	4.85	196,669.0	5.10	208,647.0	5.66	162,972.0	4.65
Debt Securities < 3 Months	40.9	94,999.0	2.59	56,274.0	1.46	12,994.0	0.35	51,455.0	1.47
Debt Securities 3 - 12 Months	27.4	63,690.0	1.74	105,460.0	2.74	16,948.0	0.46	39,491.0	1.13
Debt Securities 1 - 5 Years	16.8	38,974.0	1.06	167,315.0	4.34	199,948.0	5.43	236,406.0	6.75
Debt Securities > 5 Years	9.2	21,311.0	0.58	75,749.0	1.97	105,227.0	2.86	48,691.0	1.39
Loans & Advances to Banks < 3 Months	36.0	83,639.0	2.28	77,403.0	2.01	117,536.0	3.19	n.a.	-
Loans & Advances to Banks 3 - 12 Months	0.0	0.0	0.00	n.a.	-	n.a.	-	n.a.	-
Loans & Advances to Banks 1 - 5 Years	0.0	0.0	0.00	n.a.	-	n.a.	-	n.a.	-
Loans & Advances to Banks > 5 Years	0.0	0.0	0.00	n.a.	-	n.a.	-	n.a.	-
Liability Maturities:									
Retail Deposits < 3 months	0.0	0.0	0.00	n.a.	-	n.a.	-	n.a.	-
Retail Deposits 3 - 12 Months	0.0	0.0	0.00	n.a.	-	n.a.	-	n.a.	-
Retail Deposits 1 - 5 Years	0.0	0.0	0.00	n.a.	-	n.a.	-	n.a.	-
Retail Deposits > 5 Years	0.0	0.0	0.00	n.a.	-	n.a.	-	n.a.	-
Other Deposits < 3 Months	997.6	2,315,518.0	63.19	2,497,579.0	64.80	2,489,228.0	67.56	2,066,041.0	58.98
Other Deposits 3 - 12 Months	11.5	26,695.0	0.73	24,199.0	0.63	162,223.0	4.40	307,693.0	8.78
Other Deposits 1 - 5 Years	0.0	20.0	0.00	16.0	0.00	5,058.0	0.14	82,649.0	2.36
Other Deposits > 5 Years	0.0	0.0	0.00	n.a.	-	n.a.	-	n.a.	-
Deposits from Banks < 3 Months	71.1	165,027.0	4.50	19.0	0.00	53,569.0	1.45	172.0	0.00
Deposits from Banks 3 - 12 Months	0.0	0.0	0.00	n.a.	-	n.a.	-	n.a.	-
Deposits from Banks 1 - 5 Years	0.0	0.0	0.00	n.a.	-	n.a.	-	n.a.	-
Deposits from Banks > 5 Years	0.0	0.0	0.00	n.a.	-	n.a.	-	n.a.	-
Senior Debt Maturing < 3 months	100.6	233,600.0	6.37	120,572.0	3.13	n.a.	-	n.a.	-
Senior Debt Maturing 3-12 Months	77.1	178,862.0	4.88	216,688.0	5.62	n.a.	-	n.a.	-
Senior Debt Maturing 1- 5 Years	0.0	0.0	0.00	3,740.0	0.10	n.a.	-	n.a.	-
Senior Debt Maturing > 5 Years	0.0	0.0	0.00	n.a.	-	n.a.	-	n.a.	-
Total Senior Debt on Balance Sheet	177.7	412,462.0	11.26	341,000.0	8.85	n.a.	-	n.a.	-
Fair Value Portion of Senior Debt	0.0	0.0	0.00	n.a.	-	n.a.	-	n.a.	-
Covered Bonds	0.0	0.0	0.00	n.a.	-	n.a.	-	n.a.	-
Subordinated Debt Maturing < 3 months	0.0	0.0	0.00	n.a.	-	n.a.	-	n.a.	-
Subordinated Debt Maturing 3-12 Months	0.0	0.0	0.00	n.a.	-	n.a.	-	n.a.	-
Subordinated Debt Maturing 1- 5 Year	0.0	0.0	0.00	n.a.	-	n.a.	-	n.a.	-
Subordinated Debt Maturing > 5 Years	0.0	0.0	0.00	n.a.	-	n.a.	-	n.a.	-
Total Subordinated Debt on Balance Sheet	n.a.	n.a.	-	0.0	0.00	0.0	0.00	0.0	0.00
Fair Value Portion of Subordinated Debt	0.0	0.0	0.00	n.a.	-	n.a.	-	0.0	0.00
D. Equity Reconciliation									
1. Equity	267.2	620,136.0	16.92	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	n.a.	n.a.	-	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	n.a.	-	n.a.	-
4. Published Equity	267.2	620,136.0	16.92	604,308.0	15.68	574,901.0	15.60	517,790.0	14.78
E. Fitch Eligible Capital Reconciliation									
1. Total Equity as reported (including non-controlling interests)	267.2	620,136.0	16.92	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	0.9	1,974.0	0.05	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	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. 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
9. Fitch Core Capital	266.3	618,162.0	16.87	602,406.0	15.63	573,276.0	15.56	516,258.0	14.74
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
12. Fitch Eligible Capital	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-

Exchange Rate

USD1 = TRY2.32100

USD1 = TRY2.13620

USD1 = TRY1.78190

USD1 = TRY1.91110

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