Turkiye Finans Katilim Bankasi A.S.

Full Rating Report

Ratings

Foreign Currency

Long-Term IDR	BB-
Short-Term IDR	B

Local Currency

Long-Term IDR	BB
Short-Term IDR	B

National

Long-Term Rating	AA(tur)
Support Rating	3
Viability Rating	b+

Sovereign Risk

Long-Term Foreign-Currency IDR	BB
Long-Term Local-Currency IDR	BB+
Country Ceiling	BB+

Outlooks

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

Financial Data

Turkiye Finans Katilim Bankasi A.S.

	31 Dec 18	31 Dec 17
Total assets (USDm)	8,819	10,331
Total assets (TRYm)	46,613	39,004
Total equity (TRYm)	4,315	4,040
Operating profit (TRYm)	570	458
Published net income (TRYm)	445	375
Operating ROAA (%)	1.32	1.20
Operating ROAE (%)	13.87	11.88
Fitch Core Capital/ weighted risks (%)	12.35	14.32
Core Tier 1 regulatory capital (%)	12.04	14.33

Source: Fitch Ratings, Fitch Solutions

Related Research

Fitch Ratings 2019 Outlook: Turkish Banks (December 2018)

Turkish Islamic Banks Dashboard (February 2019)

Fitch Affirms 3 Turkish Participation Banks; Downgrades VRs (October 2018)

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Key Rating Drivers

Support Drives Ratings: Turkiye Finans Katilim Bankasi A.S.'s Issuer Default Ratings (IDRs) are driven by support from its 67% owner, the National Commercial Bank (NCB, A-/Stable), reflecting its strategic role and integration within the NCB group. The IDRs are one notch below the Turkish sovereign, reflecting Fitch's view that in case of a marked deterioration in external finances, the risk of government intervention in the banking sector would be higher than that of a sovereign default. The Negative Outlook on the bank's IDRs mirrors that on the sovereign.

Operating Environment: Turkiye Finans' operations are concentrated in the high-risk Turkish operating environment. This exposes it to weakening GDP growth, currency and interest-rate volatility and heightening risks to its performance, asset quality, capital, funding and liquidity.

Limited Franchise: Turkiye Finans has a small domestic franchise (1% of banking sector assets) but is ranked second in participation banking. It offers sharia-compliant financial products and services to corporate/commercial, SME and retail clients. Islamic banking has reasonable medium-term growth prospects in Turkey given its strategic importance to the government, low growth base and the recent establishment of a centralised sharia board.

Asset Quality Under Pressure: Asset quality has come under pressure due to the weakened growth outlook and high lira interest rates. This is also due to the bank's share of FC financing (end-2018: 39%), given the impact of Turkish lira depreciation on borrowers' ability to service their debt, and high SME exposure. The shares of non-performing financing (NPF) and Stage 2 financing rose in 4Q18 to 5.5% and 11% at end-2018, respectively. Total reserve coverage of NPFs was 90% at end-2018 but reserve coverage of Stage 2 financing was low at about 7%.

Adequate Capitalisation: The Fitch Core Capital (FCC) ratio (end-2018: 12.4%) has mainly come under pressure from lira depreciation, which inflates FC risk-weighted assets (RWAs), and asset-quality weakening. However, the total capital ratio is underpinned by FC subordinated debt from NCB, which provides a partial hedge against lira depreciation. Turkiye Finans is able to reduce the risk weighting on assets financed by profit share accounts ("profit-sharing" concept) by 50% (end-9M18: +250bp uplift to total capital adequacy ratio).

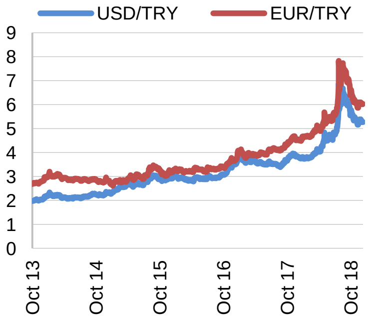
Refinancing Risk: Turkiye Finans is mainly deposit-funded but wholesale funding, two-thirds in FC, remains high despite falling (end-2018: 33% of non-equity funding). The bank has typically sufficient FC liquidity to cover maturing external funding due within a year and its end-2018 liquidity coverage ratio (solo) was 440%. Potential liquidity support from NCB provides additional comfort.

Rating Sensitivities

Support, Country Risks: Turkiye Finans' ratings are sensitive to a reduction in NCB's ability or propensity to provide support and to a sovereign downgrade. Ratings are also sensitive to a change in Fitch's view on the risk of government intervention in the banking sector.

Operating Environment: A Viability Rating downgrade could result from a marked deterioration in the operating environment or a weakening in the bank's capitalisation, asset quality or FC liquidity position, if not offset by shareholder support, or deposit instability that leads to liquidity and funding pressure.

Exchange Rates
December 2013 - December 2018



Source: Fitch Ratings, CBRT

Operating Environment

Turkey's sovereign rating of 'BB'/Negative balances external financing vulnerabilities with low public-debt ratios backed by a long commitment to fiscal stability. It also balances strong growth performance with political and geopolitical risks, as well as high levels of inflation and macroeconomic volatility.

The Turkish operating environment remains challenging for banks. Market volatility saw the lira depreciate against the US dollar-euro basket rate by about 28% in 2018. The authorities responded by raising the key policy rate by 16% to 24% over the course of the year. As a result, economic growth, which was a strong 7.4% in 2017 (boosted by government stimulus measures, notably the Credit Guarantee Fund), has slowed to 2.6% in 2018 and is likely to weaken further (2019f: -1.1%). Fitch expects inflation to remain in double digits over the medium term.

The Negative Outlook on Turkey's ratings reflects the significant and multifaceted risks to the adjustment path posed by economic policy settings, domestic political and geopolitical risks and global financing conditions. Maintaining a balanced policy stance that is consistent with the current rating in at a time of lower growth and rising unemployment will test economic policy, an area where Fitch believes credibility has deteriorated.

Participation banks accounted for 5% of banking sector assets, 4.7% of loans and 6.5% of deposits at end-9M18. The medium-term growth outlook for Islamic banking remains reasonable given its strategic importance to the Turkish authorities. This is also due to its low base, the entrance of new state-owned participation banks to the market and the establishment of a centralised sharia board (aimed at facilitating product growth).

Company Profile

NCB is Turkiye Finans' majority (67%) shareholder. It is a majority state-owned, Saudi Arabian Islamic bank and leading financial institution in the Middle East. Turkiye Finans' other shareholders include Gozde Girisim (Ulker Group) (11%) and Boydak Group (22%), the latter's shares are controlled by the Savings Deposit and Insurance Fund. NCB endeavours to increase its shares in the bank.

Limited Domestic Franchise

Turkiye Finans' operations are concentrated in Turkey. It provides Islamic banking products and services to corporate/commercial, SME and retail clients.

The bank has a small domestic market share (around 1% of sector assets) but is the second-largest participation bank in Turkey. This sector offers reasonable medium-term prospects given its low base and strategic importance to the government.

At end-2018, the bank's total financing was split 39%/51%/10% between corporate, SME and retail customers. The share of SME financing has declined. Turkiye Finans is mainly deposit-funded. It relies on net finance income, as does the sector, and fee income is limited.

Management and Strategy

Increased integration with NCB

Turkiye Finans is run by local management. However, its chief executive officer was appointed from within NCB, which controls its board of directors and NCB's chief executive acts as chairman. Turkiye Finans' risk management, policies and corporate governance framework are aligned with those of its parent and NCB representatives sit on its internal committees. Related-party business is limited.

Related Criteria
Bank Rating Criteria (October 2018)

Strategic Objectives

Following asset-quality problems, the bank strategy overhauled its risk management framework, tightened underwriting standards and cleaned up its financing in 2016/17, as a result of which financing contracted (largely due to FX de-risking). The bank returned to growth in 2018 but its short-term strategy, given operating environment pressures, is to focus on selective financing of good-quality commercial and retail customers that also provide cross-selling opportunities. However, the bank's medium-term strategy is to have a diversified portfolio of retail, SME and corporate borrowers.

The bank targets sustainable growth and aims to increase efficiency facilitated by its customer-orientated business model, digital technology and large branch network (which, unlike in the case of many conventional banks, continues to expand). Its cost efficiency ratios underperform the sector average, reflecting a lack of economies of scale, but the centralisation, increased automation and digitalisation of its operations should yield efficiency gains.

On the funding side, Turkiye Finans targets reduced reliance on wholesale funding and deposit growth. Wakalah deposits have grown rapidly at Turkiye Finans since their launch in Turkey in 2018 (end-2018: TL2.3 billion). They are potentially significant for Turkish participation banks since they allow them to compete with conventional banks by offering higher returns on deposits. This became an increasing challenge for the Islamic banks in 2018 in the rising interest-rate environment.

Risk Appetite

Tightening of Underwriting Standards; NCB Oversight

Turkiye Finans' risk appetite is approved by the board of directors. NCB's chief executive officer and head of risk sit on the bank's Risk Committee and this has authority over risk management.

Following heightened asset-quality pressures, in 2016/2017 Turkiye Finans overhauled its risk management framework and procedures and implemented standardised and centralised credit approval models. It also reviewed credit policies and implemented new rating and scoring models. Pricing is done on a RAROC-adjusted basis. As a result, new loan growth is undertaken within a tighter risk-management framework. These changes have also helped strengthen the bank's operational risk management and control environment. It uses the Basic Indicator approach to operational risk, as does the sector.

The retail credit approval process is fully centralised. Mortgage financing dominates the retail book and is of good quality. LTVs are typically around 75%-80%. The bank has implemented a scoring model for small-ticket, automated products such as credit cards and car loans. Turkiye Finans has introduced a new rating model based on stand-alone company analysis for non-retail borrowers.

Branch operations have been centralised as part of its transformation process. The network is split into retail and commercial branches. Only about 15% has discretionary limits (such limits for restructurings are more conservative). Riskier and larger exposures require the approval of the board credit committee.

Market-risk limits are closely monitored and the bank conducts stress tests. Early warning market-risk limits are in place at the bank and breaches are automatically reported.

FX Deleveraging; Selective Growth

The bank resumed financing in 2018, mainly in local currency, and nominal growth amounted to 14%. However, financing contracted slightly on a foreign exchange (FX)-adjusted basis, reflecting FX de-risking. Turkiye Finans has limited appetite for selective, local-currency corporate financing in 2019. The bank is budgeting for 16% financing growth in 2019.

Turkiye Finans has tightened its risk appetite in respect of FX financing, which heightens credit risk given that not all FC borrowers will be fully hedged against the lira depreciation. Its share remained high at end-2018 (39%) but this partly reflected the lira depreciation (due to the inflation of FC RWAs). The share of FC financing is set to decline given the bank's de-risking strategy, weak demand and the ban on FX-indexed lending – introduced in 2Q18 – which comprised about a third of FC exposure at end-2018.

Market Risk

Turkiye Finans is exposed to profit-sharing risk (interest-rate risk) as its liabilities reprice faster than its assets. This risk is mitigated by its high share (end-2018: 60% of total financing) of monthly amortising financing, which limits the duration gap between assets and liabilities thereby facilitating repricing. The bank keeps profit-sharing exposure relative to equity to below the 20% limit for the regulatory shock (+500bp/-400bp change in lira rates and +/-200bp change in FC rates) and it amounted to 7.5% at end-2018.

The bank's structural FC risk is moderate, reflecting its policy to match assets and liabilities by currency and tenor and to hedge its position. At end-2018, it maintained a small short open FC position.

Credit risk in the securities book is moderate, reflecting its limited size (end-2018: about 6% of total assets) and composition (largely Turkish government sukuk). The bank is exposed to mark-to-market losses through equity as securities are mainly held in the FVOCI portfolio. Interbank exposures are primarily to the Central Bank of Turkey.

Financial Profile

Key Asset-Quality Ratios

(%)	2018	2017	2016	2015
Growth of gross financing	14.1	-1.5	-6.1	19.9
Impaired financing/gross financing	5.5	5.1	5.0	4.2
Financing loss allowances/impaired financing[a]	90.4	70.9	61.5	60.1
Financing impairment charges/average gross financing	1.3	1.1	1.9	1.6

[a] Financing loss allowances at end-2018 include expected credit losses for Stage 1,2 and 3 financings per IFRS 9. Prior periods include specific reserves against NPFs
Source: Fitch Ratings, Turkiye Finans

Financing is mainly to non-retail borrowers and is concentrated on the SME segment, which is among the most sensitive to the weakening growth outlook. The portfolio is reasonably diversified by borrower. At end-1H18, the top 25 cash exposures were equal to about 15% of customer loans (114% of FCC). The 10 largest off-balance-sheet exposures were equal to a third of FCC. However, single-name risk could rise with growth in corporate financing. A high 39% of total financing was in FC (end-2018) and just over a third of this consisted of FX-indexed exposures, which are likely to be of weaker quality, in our view.

By sector, the Turkiye Finans' main exposures were to manufacturing (end-2018: 33% of gross loans) and trade (25%), which are diversified by sub-sector. The bank also has some risky sector exposures (including project finance) to tourism (11% of gross cash financing), construction (end-2018: 8%), and to a small extent energy, although it has lowered its risk appetite in this respect. The level of NPF, restructured and Stage 2 exposures in these sectors were among the highest in its portfolio.

Construction finance has fallen slightly, as the bank has lowered its risk appetite. At end-1H18, about two-thirds related to development loans including some larger-scale club deals, but with limited shopping mall exposure. The bank typically requires a 15%-20% equity contribution for these loans. Development loans have come under pressure following the lira depreciation. A third comprised loans to contractors. Tourism lending mainly related to hotel investment and, to a lesser extent, hotel renovation loans. The outlook for the tourism sector has improved.

Short-Term Financing; Largely Monthly Amortising Portfolio

Turkiye Finans' financing was 63% due in under one year (remaining maturity basis) at end-2018 and only 37% in one to five years. The largely monthly amortising repayment structure of the bank's overall portfolio means asset quality problems should feed through quickly. Longer-term financing largely comprised CGF exposures, which benefit from a Turkish treasury guarantee of up to a 7% NPF cap. It also included project finance, which is typically slowly amortising (meaning asset-quality problems are likely to feed through more gradually).

Project Finance

Project finance comprised 9% of financing at end-1H18, and largely relates to completed projects collateralised by receivables, share pledges and shareholder guarantees. Just under half related to renewable energy projects, which benefit from a floor price set in US dollar and guaranteed by the government, mitigating some of the credit risk. The remaining projects related, among others, to real estate and tourism (each 14%-15% of the total).

The projects typically have long-term tenors and are in FC, heightening the credit risk. This is due to the lira depreciation and sharp declines in energy and real estate prices since the projects were originated (2016/2017).

Asset-Quality Pressures

Asset-quality risks have been heightened by the weaker growth outlook, the higher interest-rate environment and the bank's significant SME exposure. It has also been heightened by high FX lending, risky sector exposures and a high share of Stage 2 and restructured exposures.

Turkiye Finans has historically underperformed the sector (end-2018: 5.5% versus the sector average of 3.9%) in terms of its NPF ratio, in part reflecting its SME customer focus. Its NPF ratio has increased steadily in recent years, although in 2016/2017 this should be considered in the context of the contraction in financing. The bank carries out regular NPF sales (2018: TRY183 million, or about 11% of end-2018 NPFs). However, collections have also risen (2018: TL439 million) following the establishment of a dedicated collections team. The bank's NPF origination ratio was 3.6% in 2018 (2017: 2.4%), while its NPF generation ratio, which takes into account collections, was 2.2%.

The share of Stage 2 financing declined steadily relative to gross financing over the course of 9M18, following IFRS 9 implementation. However, Stage 2 financing increased in 4Q18 (end-2018: 11%; end-9M18: 8%; end-2017: 15%) as the operating environment deteriorated.

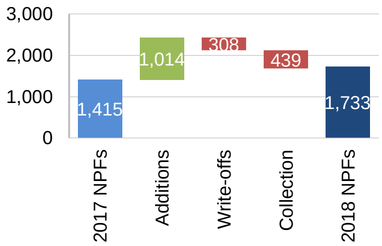
Reserves coverage of Stage 2 financing fell to 6.8% in 4Q18 (end-9M18: 9.2%). At end-2018, the majority of Stage 2 exposures were restructured. Total restructured financing (including Stage 1 and Stage 2) amounted to 9.1% of gross financing at end-2018 (end-2017: 8.3%).

Total reserves coverage of NPFs amounted to 90% at end-2018 with specific reserves coverage of 70%. Total reserves coverage of Stage 2 financing plus NPFs was a low 30%.

Absolute Change in NPFs for TFKB

End-2017 NPF ratio: 5.10% ; End-2018: 5.47%

(TRYm)



Source: Fitch Ratings, Company statements

Earnings and Profitability

Below-Sector-Average Profitability

Key Earnings and Profitability Ratios

(%)	2018	2017	2016	2015
Net financing income/average earning assets	5.2	4.7	4.7	4.6
Non-financing expense/gross revenue	47.3	53.8	48.0	50.6
Financing and securities impairment charges/ pre-impairment operating profit	46.3	41.3	60.5	58.3
Operating profit/average total assets	1.3	1.2	1.0	0.9
Operating profit/RWAs	1.7	1.7	1.2	1.1
Net income/average equity	10.8	9.7	8.4	8.1

Source: Fitch Ratings, Turkiye Finans

Turkiye Finans' performance has been weighted down by asset-quality problems and the fall in business volumes in 2016/2017 as it focused on cleaning up its financing book and internal restructuring. However, its profitability metrics improved in 2018 as it resumed growth, although they remained below the sector average. The bank's operating profit/RWAs ratio was flat in 2018 (1.7%; sector average: 2.2%). It is budgeting for about 13% return on equity in 2019(f). Asset quality is likely to be a key performance variable in 2019.

The bank's cost/income and cost/assets ratios remain moderate due to a lack of economies of scale but improved in 2018 as it maintained below-inflation cost growth. Cost optimisation, underpinned by digital technology, is a strategic priority for Turkiye Finans.

The bank relies on net financing income but is aiming to boost fee income including through increased digitalisation. Its net profit-sharing margin rose to 5.2% in 2018 as repricing, facilitated by the rapidly amortising structure of the financing book, offset the rise in funding costs. This was mainly driven by a rise in lira interest rates. However, margins are likely to tighten as deposit pricing "catches up" and reprices to the higher interest-rate environment. Growth in wakalah deposits could also put further pressure on funding costs.

Capitalisation and Leverage

Adequate Capitalisation

Key Capitalisation and Leverage Ratios

(%)	2018	2017	2016	2015
Fitch Core Capital/weighted risk	12.4	14.3	12.0	10.9
Total regulatory capital ratio	16.8	18.2	15.5	13.5
Tangible common equity/tangible assets	9.1	10.2	9.2	8.6
Common equity Tier 1 regulatory capital ratio	12.0	14.3	12.1	10.9

Source: Fitch Ratings, Turkiye Finans

As an Islamic bank, Turkiye Finans is able to offset a portion of RWAs (loans financed directly by profit share accounts) on the basis of the "profit-sharing" concept, for the purposes of its regulatory capital adequacy calculations. It reduces the risk-weighting to such assets by 50% resulting in capital uplift, equal to about 250bp at end-9M18 (total capital adequacy ratio). This explains its lower RWAs density compared with conventional banks. Turkiye Finans also benefits from preferential risk-weightings on its CGF portfolio (end-2018: 12% of gross financing), as does the sector.

The FCC ratio declined to 12.4% in 2018, mainly reflecting the lira depreciation (which inflates FC RWAs) and, to a lesser extent, negative valuations of Turkish government bonds in the higher interest-rate environment. Its total capital ratio weakened in 2018 (end-2018: 16.8%) but remained significantly above the 12% recommended minimum, supported by USD250 million of FC subordinated debt from NCB (due 2025), which provides a partial hedge against local-currency depreciation. Capitalisation could come under further pressure from asset-quality weakening, local-currency depreciation and interest-rate rises.

Equity to assets ratio is moderate (end-2018: 9.3%) and there are no plans for capital injections. Growth outstripped internal capital generation in 2018, partly reflecting the impact of the lira depreciation. Pre-impairment profit provides a moderate buffer to absorb unexpected credit losses (2018: equal to about 3.5% of average loans) but is likely to weaken in 2019 given the growth outlook and pressures on performance.

Funding and Liquidity

High Wholesale Funding, Refinancing Risks

Key Funding and Liquidity Ratios

(%)	2018	2017	2016	2015
Financing/customer deposits	118.1	127.2	138.1	138.0
Liquidity coverage ratio	282.0	194.9	136.3	80.1
Customer deposits/total funding (excluding Islamic derivatives)	67.4	65.9	62.1	66.9

Source: Fitch Ratings, Turkiye Finans

Turkiye Finans is largely deposit-funded (about two-thirds of total funding). The deposit base is granular, reflecting a high share of retail deposits, and deposit concentration is limited. At end-2018, the deposit base was split 60%/40% between FC and lira. Deposits are short term, as they are for the sector, and largely due within three months. A total of 36% comprised demand deposits at end-2018 and the remainder participation accounts.

The bank's deposit base is sensitive, as for all participation banks, to the rising interest-rate environment due to the time lag in its deposit repricing compared with conventional banks. It is targeting wakalah deposit growth to enable it to compete more effectively on price. These rose to TL2.3 billion at end-2018 (8% of end-2018 deposits). Total FX-adjusted deposit growth was 4% in 2018

However, in 3Q18 the bank also experienced some volatility in deposits as there was a shift from local-currency to foreign-currency deposits after the sharp depreciation of the lira in August 2018. In addition, the Turkiye Finans has increased the size of its sukuk programme to TL5 billion, under which it issues short-term, lira sukuk largely to retail clients.

The bank reports a high financing/deposits ratio, reflecting reliance on wholesale funding (end-2018: 33% of total funding), although this ratio has improved steadily. FC wholesale funding, including bilateral financing, club and syndicated murabaha financing and sukuk issuance, amounted to 22% of total funding at end-2018. Turkiye Finans' strategy is to reduce this.

Refinancing risk has been heightened by operating environment pressures, market volatility and tighter global conditions (driven by an increase in US dollar interest rates). However, the bank's short-term maturing FC wholesale funding liabilities due within one year were equal to a moderate 8% of total funding at end-2018. It did not roll over a sukuk in 2018, or its syndicated finance, and does not plan to renew its USD500 million sukuk in 2019.

Related-party funding is limited. It consists of a USD100 million senior unsecured loan due in 2019 and the USD250 million of subordinated debt.

FC liquid assets typically cover FC wholesale funding falling due within 12 months. FC liquidity mainly comprises reserves under the Reserve Option Mechanism (ROM), cash and FX swaps. The largely monthly amortising nature of financing also supports liquidity. FC liquidity could come under pressure if there is prolonged market closure but the presence of NCB provides comfort in this respect.

Turkiye Finans Katilim Bankasi A.S.
Income Statement

	31 Dec 2018			31 Dec 2017		31 Dec 2016		31 Dec 2015	
	Year End USDm Audited - Unqualified	Year End TRYth Audited - Unqualified	As % of Earning Assets	Year End TRYth Audited - Unqualified	As % of Earning Assets	Year End TRYth Audited - Unqualified	As % of Earning Assets	Year End TRYth Audited - Unqualified	As % of Earning Assets
1. Financing Income	659.8	3,487,439.0	10.13	2,536,170.0	8.11	2,712,949.0	8.54	2,518,582.0	7.79
2. Other Financing Income	78.4	414,468.0	1.20	360,320.0	1.15	265,097.0	0.83	261,417.0	0.81
3. Dividend Income	0.0	177.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
4. Gross Financing and Dividend Income	**738.2**	**3,902,084.0**	**11.34**	**2,896,490.0**	**9.27**	**2,978,046.0**	**9.38**	**2,779,999.0**	**8.59**
5. Financing Expense on Customer Deposits	230.8	1,220,020.0	3.54	829,774.0	2.65	862,795.0	2.72	836,879.0	2.59
6. Other Financing Expense	177.1	936,061.0	2.72	615,280.0	1.97	605,711.0	1.91	538,857.0	1.67
7. Total Financing Expense	**407.9**	**2,156,081.0**	**6.26**	**1,445,054.0**	**4.62**	**1,468,506.0**	**4.63**	**1,375,736.0**	**4.25**
8. Net Financing Income	**330.3**	**1,746,003.0**	**5.07**	**1,451,436.0**	**4.64**	**1,509,540.0**	**4.75**	**1,404,263.0**	**4.34**
9. Net Fees and Commissions	24.0	126,792.0	0.37	135,780.0	0.43	143,011.0	0.45	142,469.0	0.44
10. Net Gains (Losses) on Trading and Islamic Derivatives	15.9	83,908.0	0.24	22,125.0	0.07	99,170.0	0.31	21,341.0	0.07
11. Net Gains (Losses) on Assets at FV through Income Statement	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
12. Net Gains (Losses) on Other Securities	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
13. Net Insurance/Takaful Income	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
14. Other Operating Income	11.2	59,387.0	0.17	80,066.0	0.26	46,459.0	0.15	48,813.0	0.15
15. Total Non-Financing Operating Income	**51.1**	**270,087.0**	**0.78**	**237,971.0**	**0.76**	**288,640.0**	**0.91**	**212,623.0**	**0.66**
16. Total Operating Income	**381.4**	**2,016,090.0**	**5.86**	**1,689,407.0**	**5.40**	**1,798,180.0**	**5.66**	**1,616,886.0**	**5.00**
17. Personnel Expenses	86.1	455,321.0	1.32	417,585.0	1.34	421,121.0	1.33	410,732.0	1.27
18. Other Operating Expenses	106.3	561,947.0	1.63	491,793.0	1.57	442,767.0	1.39	407,004.0	1.26
19. Total Non-Funding Expenses	**192.5**	**1,017,268.0**	**2.96**	**909,378.0**	**2.91**	**863,888.0**	**2.72**	**817,736.0**	**2.53**
20. Equity-accounted Profit/ Loss - Operating	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
21. Pre-Impairment Operating Profit	**189.0**	**998,822.0**	**2.90**	**780,029.0**	**2.50**	**934,292.0**	**2.94**	**799,150.0**	**2.47**
22. Financing Impairment Charge	73.8	390,028.0	1.13	305,328.0	0.98	547,843.0	1.73	441,216.0	1.36
23. Securities and Other Credit Impairment Charges	7.3	38,733.0	0.11	17,044.0	0.05	17,422.0	0.05	24,582.0	0.08
24. Operating Profit	**107.8**	**570,061.0**	**1.66**	**457,657.0**	**1.46**	**369,027.0**	**1.16**	**333,352.0**	**1.03**
25. Equity-accounted Profit/ Loss - Non-operating	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
26. Goodwill Impairment	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
27. Non-recurring Income	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
28. Non-recurring Expense	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
29. Change in Fair Value of Own Debt	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
30. Other Non-operating Income and Expenses	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
31. Pre-tax Profit	**107.8**	**570,061.0**	**1.66**	**457,657.0**	**1.46**	**369,027.0**	**1.16**	**333,352.0**	**1.03**
32. Tax expense	23.6	124,701.0	0.36	82,285.0	0.26	72,833.0	0.23	71,854.0	0.22
33. Profit/Loss from Discontinued Operations	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
34. Net Income	**84.3**	**445,360.0**	**1.29**	**375,372.0**	**1.20**	**296,194.0**	**0.93**	**261,498.0**	**0.81**
35. Change in Value of AFS Investments	(18.2)	(96,150.0)	(0.28)	10,721.0	0.03	(30,532.0)	(0.10)	(38,746.0)	(0.12)
36. Revaluation of Fixed Assets	0.0	0.0	0.00	7,039.0	0.02	0.0	0.00	0.0	0.00
37. Currency Translation Differences	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
38. Remaining OCI Gains/(losses)	4.6	24,555.0	0.07	8,179.0	0.03	24,504.0	0.08	(24,944.0)	(0.08)
39. Fitch Comprehensive Income	**70.7**	**373,765.0**	**1.09**	**401,311.0**	**1.28**	**290,166.0**	**0.91**	**197,808.0**	**0.61**
40. Memo: Profit Allocation to Non-controlling Interests	n.a.	n.a.	-	0.0	0.00	0.0	0.00	0.0	0.00
41. Memo: Net Income after Allocation to Non-controlling Interests	84.3	445,360.0	1.29	375,372.0	1.20	296,194.0	0.93	261,498.0	0.81
42. 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
43. Memo: Preferred Dividends Related to the Period	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Exchange rate		USD1 = TRY5.2858		USD1 = TRY3.7753		USD1 = TRY3.5224		USD1 = TRY2.9102	

Turkiye Finans Katilim Bankasi A.S.
Balance Sheet

	31 Dec 2018			31 Dec 2017		31 Dec 2016		31 Dec 2015	
	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
Assets									
A. Financing									
1. Residential Mortgage Financing	411.5	2,175,101.0	4.67	2,611,423.0	6.70	3,206,315.0	8.27	3,716,294.0	9.64
2. Other Mortgage Financing	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
3. Other Consumer/ Retail Financing	173.6	917,633.0	1.97	873,560.0	2.24	1,243,204.0	3.21	1,524,083.0	3.96
4. Corporate & Commercial Financing	4,884.6	25,819,040.0	55.39	21,541,327.0	55.23	20,713,034.0	53.44	21,375,808.0	55.47
5. Other Financing	519.0	2,743,194.0	5.88	2,727,203.0	6.99	3,015,139.0	7.78	3,380,735.0	8.77
6. Less: Financing Loss Allowances	296.4	1,566,756.0	3.36	1,002,992.0	2.57	857,194.0	2.21	752,136.0	1.95
7. Net Financing	**5,692.3**	**30,088,212.0**	**64.55**	**26,750,521.0**	**68.58**	**27,320,498.0**	**70.48**	**29,244,784.0**	**75.89**
8. Gross Financing	**5,988.7**	**31,654,968.0**	**67.91**	**27,753,513.0**	**71.16**	**28,177,692.0**	**72.69**	**29,996,920.0**	**77.84**
9. Memo: Impaired Financing included above	327.8	1,732,682.0	3.72	1,414,992.0	3.63	1,394,324.0	3.60	1,250,842.0	3.25
10. Memo : Specific Financing Loss Allowances	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
B. Other Earning Assets									
1. Financing and Advances to Banks	271.5	1,435,300.0	3.08	307,436.0	0.79	561,766.0	1.45	225,369.0	0.58
2. Reverse Repos and Cash Collateral	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
3. Islamic Derivatives	55.6	293,990.0	0.63	162,406.0	0.42	172,081.0	0.44	91,434.0	0.24
4. Trading Securities and at FV through Income	0.5	2,773.0	0.01	1,631.0	0.00	1,558.0	0.00	1,442.0	0.00
5. Available for Sale Securities	452.5	2,391,912.0	5.13	3,366,694.0	8.63	2,912,372.0	7.51	1,897,407.0	4.92
6. Held to Maturity Securities	39.4	208,378.0	0.45	670,528.0	1.72	782,553.0	2.02	888,893.0	2.31
7. Other Securities	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
8. Total Securities	**492.5**	**2,603,063.0**	**5.58**	**4,038,853.0**	**10.36**	**3,696,483.0**	**9.54**	**2,787,742.0**	**7.23**
9. Memo: Government Securities included Above	490.9	2,594,682.0	5.57	3,361,727.0	8.62	2,907,449.0	7.50	1,892,510.0	4.91
10. Memo: Total Securities Pledged	334.0	1,765,686.0	3.79	1,504,183.0	3.86	1,458,003.0	3.76	2,224,629.0	5.77
11. Equity Investments in Associates	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
12. Investments in Property	0.0	0.0	0.00	n.a.	-	n.a.	-	n.a.	-
13. Insurance/Takaful Assets	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
14. Other Earning Assets	0.0	0.0	0.00	n.a.	-	n.a.	-	n.a.	-
15. Total Earning Assets	**6,511.9**	**34,420,565.0**	**73.84**	**31,259,216.0**	**80.14**	**31,750,828.0**	**81.91**	**32,349,329.0**	**83.95**
C. Non-Earning Assets									
1. Cash and Due From Banks	1,626.7	8,598,464.0	18.45	6,084,201.0	15.60	5,668,857.0	14.62	5,372,503.0	13.94
2. Memo: Mandatory Reserves included above	712.9	3,768,127.0	8.08	3,746,183.0	9.60	3,495,263.0	9.02	3,702,250.0	9.61
3. Foreclosed Real Estate	76.9	406,616.0	0.87	263,623.0	0.68	95,655.0	0.25	1,732.0	0.00
4. Fixed Assets	173.3	916,044.0	1.97	835,240.0	2.14	687,152.0	1.77	474,724.0	1.23
5. Goodwill	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
6. Other Intangibles	16.7	88,372.0	0.19	66,058.0	0.17	70,035.0	0.18	54,371.0	0.14
7. Current Tax Assets	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
8. Deferred Tax Assets	26.6	140,812.0	0.30	50,414.0	0.13	77,828.0	0.20	83,028.0	0.22
9. Discontinued Operations	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
10. Other Assets	386.4	2,042,498.0	4.38	445,072.0	1.14	411,530.0	1.06	199,889.0	0.52
11. Total Assets	**8,818.6**	**46,613,371.0**	**100.00**	**39,003,824.0**	**100.00**	**38,761,885.0**	**100.00**	**38,535,576.0**	**100.00**
Liabilities and Equity									
D. Remunerative Liabilities									
1. Total Customer Deposits	5,072.8	26,813,933.0	57.52	21,817,580.0	55.94	20,408,045.0	52.65	21,742,683.0	56.42
2. Deposits from Banks	9.1	48,246.0	0.10	723,048.0	1.85	1,203,949.0	3.11	1,406,580.0	3.65
3. Repos and Cash Collateral	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
4. Commercial Paper and Short-term Borrowings	2,066.6	10,923,520.0	23.43	5,505,669.0	14.12	4,282,752.0	11.05	2,006,334.0	5.21
5. Customer Deposits and Short-term Funding	**7,148.5**	**37,785,699.0**	**81.06**	**28,046,297.0**	**71.91**	**25,894,746.0**	**66.80**	**25,155,597.0**	**65.28**
6. Senior Unsecured Securities	125.2	661,545.0	1.42	4,123,452.0	10.57	6,059,167.0	15.63	6,619,936.0	17.18
7. Subordinated Borrowings	251.0	1,326,515.0	2.85	960,338.0	2.46	890,500.0	2.30	733,023.0	1.90
8. Covered Securities	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
9. Other Long-term Funding	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
10. Total LT Funding	**376.1**	**1,988,060.0**	**4.26**	**5,083,790.0**	**13.03**	**6,949,667.0**	**17.93**	**7,352,959.0**	**19.08**
11. Memo: o/w matures in less than 1 year	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
12. Trading Liabilities	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
13. Total Funding	**7,524.6**	**39,773,759.0**	**85.33**	**33,130,087.0**	**84.94**	**32,844,413.0**	**84.73**	**32,508,556.0**	**84.36**
14. Islamic Derivatives	80.6	426,045.0	0.91	284,314.0	0.73	385,032.0	0.99	317,897.0	0.82
15. Total Funding and Islamic Derivatives	**7,605.2**	**40,199,804.0**	**86.24**	**33,414,401.0**	**85.67**	**33,229,445.0**	**85.73**	**32,826,453.0**	**85.18**
E. Non-Commission Bearing Liabilities									
1. Fair Value Portion of Funding	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
2. Credit Impairment Reserves	n.a.	n.a.	-	203,151.0	0.52	231,669.0	0.60	245,432.0	0.64
3. Reserves for Pensions and Other	48.1	254,128.0	0.55	225,829.0	0.58	206,770.0	0.53	194,848.0	0.51
4. Current Tax Liabilities	13.2	69,717.0	0.15	62,516.0	0.16	64,218.0	0.17	80,452.0	0.21
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.	-	n.a.	-	n.a.	-	n.a.	-
7. Discontinued Operations	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
8. Insurance/Takaful Liabilities	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
9. Other Liabilities	335.8	1,774,780.0	3.81	1,058,359.0	2.71	1,391,526.0	3.59	1,840,300.0	4.78
10. Total Liabilities	**8,002.3**	**42,298,429.0**	**90.74**	**34,964,256.0**	**89.64**	**35,123,628.0**	**90.61**	**35,187,485.0**	**91.31**
F. Hybrid Capital									
1. Pref. Shares and Hybrid Capital accounted for as Debt	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
2. Pref. Shares and Hybrid Capital accounted for as Equity	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
G. Equity									
1. Common Equity	817.9	4,323,362.0	9.27	3,962,774.0	10.16	3,591,094.0	9.26	3,293,359.0	8.55
2. Non-controlling Interest	0.0	0.0	0.00	n.a.	-	n.a.	-	n.a.	-
3. Securities Revaluation Reserves	(21.3)	(112,355.0)	(0.24)	(35,425.0)	(0.09)	(44,094.0)	(0.11)	(19,627.0)	(0.05)
4. Foreign Exchange Revaluation Reserves	0.0	0.0	0.00	n.a.	-	n.a.	-	n.a.	-
5. Fixed Asset Revaluations and Other Accumulated OCI	19.7	103,935.0	0.22	112,219.0	0.29	91,257.0	0.24	74,359.0	0.19
6. Total Equity	**816.3**	**4,314,942.0**	**9.26**	**4,039,568.0**	**10.36**	**3,638,257.0**	**9.39**	**3,348,091.0**	**8.69**
7. Memo: Equity plus Pref. Shares and Hybrid Capital accounted for as E	816.3	4,314,942.0	9.26	4,039,568.0	10.36	3,638,257.0	9.39	3,348,091.0	8.69
8. Total Liabilities and Equity	**8,818.6**	**46,613,371.0**	**100.00**	**39,003,824.0**	**100.00**	**38,761,885.0**	**100.00**	**38,535,576.0**	**100.00**
9. Memo: Fitch Core Capital	799.6	4,226,570.0	9.07	3,973,510.0	10.19	3,568,222.0	9.21	3,293,720.0	8.55
Exchange rate		USD1 = TRY5.2858		USD1 = TRY3.7753		USD1 = TRY3.5224		USD1 = TRY2.9102	

Turkiye Finans Katilim Bankasi A.S.
Summary Analytics

	31 Dec 2018 Year End	31 Dec 2017 Year End	31 Dec 2016 Year End	31 Dec 2015 Year End
A. Financing Ratios				
1. Financing Income/ Average Earning Assets	11.51	9.43	9.36	9.07
2. Financing Income on Financing/ Average Gross Financing	11.46	9.30	9.32	9.08
3. Financing Expense on Customer Deposits/ Average Customer Deposits	4.96	4.04	4.09	4.11
4. Financing Expense/ Average Income-bearing Liabilities	5.77	4.45	4.45	4.36
5. Net Financing Income/ Average Earning Assets	5.15	4.73	4.74	4.58
6. Net Financing Income Less Fin. Impairment Charges/ Av. Earning Assets	4.00	3.73	3.02	3.14
7. Net Financing Income Less Preferred Stock Dividend/ Average Earning As	5.15	4.73	4.74	4.58
B. Other Operating Profitability Ratios				
1. Operating Profit / Risk Weighted Assets	1.67	1.65	1.24	1.10
2. Non-Financing Expense/ Gross Revenues	50.46	53.83	48.04	50.57
3. Financing and securities impairment charges/ Pre-impairment Op. Profit	42.93	41.33	60.50	58.29
4. Operating Profit/ Average Total Assets	1.32	1.20	0.95	0.90
5. Non-Financing Income/ Gross Revenues	13.40	14.09	16.05	13.15
6. Non-Financing Expense/ Average Assets	2.36	2.38	2.22	2.21
7. Pre-impairment Op. Profit/ Average Equity	24.29	20.25	26.47	24.69
8. Pre-impairment Op. Profit/ Average Total Assets	2.32	2.04	2.40	2.16
9. Operating Profit/ Average Equity	13.87	11.88	10.46	10.30
C. Other Profitability Ratios				
1. Net Income/ Average Total Equity	10.83	9.74	8.39	8.08
2. Net Income/ Average Total Assets	1.03	0.98	0.76	0.71
3. Fitch Comprehensive Income/ Average Total Equity	9.09	10.42	8.22	6.11
4. Fitch Comprehensive Income/ Average Total Assets	0.87	1.05	0.75	0.54
5. Taxes/ Pre-tax Profit	21.88	17.98	19.74	21.55
6. Net Income/ Risk Weighted Assets	1.30	1.35	1.00	0.86
D. Capitalization				
1. FCC/FCC-Adjusted Risk Weighted Assets	12.35	14.32	12.01	10.86
2. Tangible Common Equity/ Tangible Assets	9.08	10.20	9.22	8.56
3. Equity/ Total Assets	9.26	10.36	9.39	8.69
4. Basel Leverage Ratio	7.04	7.40	6.60	5.64
5. Common Equity Tier 1 Capital Ratio	12.04	14.33	12.13	10.92
6. Fully Loaded Common Equity Tier 1 Capital Ratio	n.a.	n.a.	n.a.	n.a.
7. Tier 1 Capital Ratio	12.04	14.28	12.03	10.65
8. Total Capital Ratio	16.82	18.20	15.52	13.50
9. Impaired Financing less Financing Loss Allowances/ Fitch Core Capital	3.93	10.37	15.05	15.14
10. Impaired Financing less Financing Loss Allowances/ Equity	3.85	10.20	14.76	14.90
11. Cash Dividends Paid & Declared/ Net Income	0.00	0.00	0.00	0.00
12. Risk Weighted Assets/ Total Assets	73.44	71.15	76.63	78.67
13. Risk Weighted Assets - Standardised/ Risk Weighted Assets	n.a.	n.a.	n.a.	n.a.
14. Risk Weighted Assets - Advanced Method/ Risk Weighted Assets	n.a.	n.a.	n.a.	n.a.
E. Financing Quality				
1. Impaired Financing/ Gross Financing	5.47	5.10	4.95	4.17
2. Growth of Gross Financing	14.06	(1.51)	(6.06)	19.92
3. Financing Loss Allowances/ Impaired Financing	90.42	70.88	61.48	60.13
4. Financing Impairment Charges/ Average Gross Financing	1.28	1.12	1.88	1.59
5. Growth of Total Assets	19.51	0.62	0.59	15.07
6. Financing Loss Allowances/ Gross Financing	4.95	3.61	3.04	2.51
7. Net Charge-offs/ Average Gross Financing	0.00	0.00	0.00	0.00
8. Impaired Fin. + Foreclosed Assets/ Gross Fin. + Foreclosed Assets	6.67	5.99	5.27	4.18
F. Funding and Liquidity				
1. Financing/ Customer Deposits	118.05	127.21	138.07	137.96
2. Liquidity Coverage Ratio	281.96	194.92	136.30	80.14
3. Customer Deposits/ Total Funding (excluding derivatives)	67.42	65.85	62.14	66.88
4. Interbank Assets/ Interbank Liabilities	2,974.96	42.52	46.66	16.02
5. Net Stable Funding Ratio	n.a.	n.a.	n.a.	n.a.
6. Growth of Total Customer Deposits	22.90	6.91	(6.14)	16.10

Turkiye Finans Katilim Bankasi A.S.
Reference Data

	31 Dec 2018			31 Dec 2017		31 Dec 2016		31 Dec 2015	
	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 Securitized Assets Reported Off-Balance Sheet	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
2. Other off-balance sheet exposure to securitizations	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
3. Guarantees	1,323.2	6,994,118.0	15.00	9,055,835.0	23.22	11,247,837.0	29.02	11,007,920.0	28.57
4. Acceptances and documentary credits reported off-balance sheet	106.9	564,890.0	1.21	709,939.0	1.82	1,113,286.0	2.87	1,494,484.0	3.88
5. Committed Credit Lines	708.8	3,746,692.0	8.04	3,478,274.0	8.92	3,282,322.0	8.47	3,722,773.0	9.66
6. Other Contingent Liabilities	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
7. Other Off-Balance Sheet items	2,453.7	12,969,902.0	27.82	12,042,211.0	30.87	12,645,793.0	32.62	13,403,750.0	34.78
8. Total Assets under Management	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
B. Average Balance Sheet									
Average Financing	5,757.8	30,434,703.0	65.29	27,257,214.0	69.88	29,099,897.0	75.07	27,730,718.0	71.96
Average Earning Assets	6,416.3	33,915,322.0	72.76	30,702,483.0	78.72	31,813,473.0	82.07	30,638,294.0	79.51
Average Assets	8,160.8	43,136,361.0	92.54	38,214,121.0	97.98	38,848,022.0	100.22	36,966,007.0	95.93
Average Managed Assets (OBS)	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Average Remunerative Liabilities	7,070.4	37,372,854.0	80.18	32,499,402.0	83.32	32,969,591.0	85.06	31,527,620.0	81.81
Average Common equity	776.9	4,106,476.0	8.81	3,776,641.0	9.68	3,455,500.0	8.91	3,170,403.0	8.23
Average Equity	777.8	4,111,422.0	8.82	3,852,521.0	9.88	3,529,497.0	9.11	3,237,325.0	8.40
Average Customer Deposits	4,657.7	24,619,565.0	52.82	20,536,113.0	52.65	21,095,572.0	54.42	20,380,188.0	52.89
C. Maturities									
Asset Maturities:									
Financing & Advances < 3 months	1,608.8	8,503,805.0	18.24	6,514,864.0	16.70	6,749,542.0	17.41	6,891,065.0	17.88
Financing & Advances 3 - 12 Months	1,959.2	10,356,080.0	22.22	9,298,408.0	23.84	9,008,447.0	23.24	9,594,276.0	24.90
Financing and Advances 1 - 5 Years	1,975.3	10,440,836.0	22.40	9,749,751.0	25.00	10,060,045.0	25.95	9,219,895.0	23.93
Financing & Advances > 5 years	149.0	787,491.0	1.69	1,187,498.0	3.04	1,502,464.0	3.88	910,949.0	2.36
Debt Securities < 3 Months	n.a.	n.a.	-	n.a.	-	513,129.0	1.32	494,257.0	1.28
Debt Securities 3 - 12 Months	n.a.	n.a.	-	n.a.	-	182,354.0	0.47	486,985.0	1.26
Debt Securities 1 - 5 Years	n.a.	n.a.	-	n.a.	-	2,521,522.0	6.51	1,468,336.0	3.81
Debt Securities > 5 Years	n.a.	n.a.	-	n.a.	-	477,920.0	1.23	380,971.0	0.99
Advances to Banks < 3 Months	271.0	1,432,658.0	3.07	307,436.0	0.79	561,766.0	1.45	225,369.0	0.58
Advances to Banks 3 - 12 Months	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
Advances to Banks 1 - 5 Years	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
Advances to Banks > 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	4,809.9	25,424,042.0	54.54	20,713,175.0	53.11	19,348,964.0	49.92	20,454,124.0	53.08
Other Deposits 3 - 12 Months	221.1	1,168,459.0	2.51	904,248.0	2.32	785,417.0	2.03	853,075.0	2.21
Other Deposits 1 - 5 Years	41.9	221,432.0	0.48	200,157.0	0.51	273,664.0	0.71	435,484.0	1.13
Other Deposits > 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Deposits from Banks < 3 Months	9.1	48,246.0	0.10	723,048.0	1.85	912,304.0	2.35	1,021,804.0	2.65
Deposits from Banks 3 - 12 Months	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
Deposits from Banks 1 - 5 Years	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
Deposits from Banks > 5 Years	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
Senior Securities Maturing < 3 months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Senior Securities Maturing 3-12 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Senior Securities Maturing 1- 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Senior Securities Maturing > 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Total Senior Securities on Balance Sheet	**n.a.**	**n.a.**	**-**	**n.a.**	**-**	**n.a.**	**-**	**n.a.**	**-**
Fair Value Portion of Senior Securities	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Subordinated Securities Maturing < 3 months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Subordinated Securities Maturing 3-12 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Subordinated Securities Maturing 1- 5 Year	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Subordinated Securities Maturing > 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Total Subordinated Securities on Balance Sheet	**251.0**	**1,326,515.0**	**2.85**	**960,338.0**	**2.46**	**890,500.0**	**2.30**	**733,023.0**	**1.90**
Fair Value Portion of Subordinated Securities	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
D. Risk Weighted Assets									
1. Risk Weighted Assets	6,476.1	34,231,462.0	73.44	27,751,502.0	71.15	29,704,506.0	76.63	30,314,964.0	78.67
2. Fitch Core Capital Adjustments for Insurance and Securitisation Risk Weighted Asse	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
3. Fitch Core Capital Adjusted Risk Weighted Assets	**6,476.1**	**34,231,462.0**	**73.44**	**27,751,502.0**	**71.15**	**29,704,506.0**	**76.63**	**30,314,964.0**	**78.67**
4. Other Fitch Adjustments to Risk Weighted Assets	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
5. Fitch Adjusted Risk Weighted Assets	**6,476.1**	**34,231,462.0**	**73.44**	**27,751,502.0**	**71.15**	**29,704,506.0**	**76.63**	**30,314,964.0**	**78.67**
F. Fitch Core Capital Reconciliation									
1. Total Equity as reported (including non-controlling interests)	816.3	4,314,942.0	9.26	4,039,568.0	10.36	3,638,257.0	9.39	3,348,091.0	8.69
2. Fair value effect incl in own obligations/funding 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	16.7	88,372.0	0.19	66,058.0	0.17	70,035.0	0.18	54,371.0	0.14
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/takaful 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. Fund for general banking risks if not already included and readily convertible into equi	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
10. Fitch Core Capital	**799.6**	**4,226,570.0**	**9.07**	**3,973,510.0**	**10.19**	**3,568,222.0**	**9.21**	**3,293,720.0**	**8.55**
Exchange rate		USD1 = TRY5.2858		USD1 = TRY3.7753		USD1 = TRY3.5224		USD1 = TRY2.9102	

The ratings above were solicited and assigned or maintained at the request of the rated entity/issuer or a related third party. Any exceptions follow below.