

Turkiye Finans Katilim Bankasi AS

Full Rating Report

Ratings

Foreign Currency

Long-Term IDR	BBB
Short-Term IDR	F3

Local Currency

Long-Term IDR	BBB+
Short-Term IDR	F2

National

Long-Term IDR	AAA(tur)
Support Rating	2
Viability Rating	bb-

Sovereign Risk

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

Outlooks

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

Financial Data

Turkiye Finans Katilim Bankasi AS

	30 Sep 14	31 Dec 13
Total assets (USDm)	13,831.6	11,762.3
Total assets (TRYm)	31,549.9	25,126.6
Total equity (TRYm)	2805.6	2522.4
Operating profit (TRYm)	314.4	404.6
Published net income (TRYm)	254.9	329.3
Comprehensive income (TRYm)	284.3	285.6
Operating ROAA (%)	1.45	1.86
Operating ROAE (%)	15.65	17.07
Internal capital generation (%)	12.15	13.05
Fitch core capital/weighted risks (%)	11.71	12.74
Tier 1 ratio (%)	11.49	12.32

Related Research

[National Commercial Bank - Ratings Navigator \(December 2014\)](#)

[National Commercial Bank \(November 2013\)](#)

[2015 Outlook: Turkish Banks \(December 2014\)](#)

[Turkiye Finans-Ratings Navigator \(December 2014\)](#)

[Fitch Affirms Turkiye Finans and Kuveyt Turk at 'BBB'; Outlook Stable \(December 2014\)](#)

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Key Rating Drivers

Support-Driven Ratings: Turkiye Finans Katilim Bankasi A.S.'s (Turkiye Finans) Issuer Default Ratings (IDRs), Support and National Long-Term ratings are driven by potential support from The National Commercial Bank (NCB, A+/Stable), its 67% shareholder. Fitch Ratings views Turkiye Finans as a strategically important subsidiary of NCB given the parent's strategic focus on Turkey. Turkiye Finans represented 12% of NCB group assets at end-June 2014 and Fitch considers that the cost of supporting the subsidiary would be manageable for NCB.

IDRs Constrained: Fitch would normally rate a strategically important subsidiary at a maximum of two notches below its parent's Long-Term IDR. Wider notching between the IDRs of NCB and Turkiye Finans reflects Country Ceiling constraints (applying to the Foreign-Currency (FC) IDR) and Turkey's still volatile environment, which could affect a foreign owner's commitment to its subsidiary in a highly stressed scenario.

Limited Franchise: Turkiye Finans' market share is modest (2% of sector assets). It operates in the Islamic banking sector, known locally as participation banking, which impacts on the range of products offered. Growth potential in Islamic banking is high and NCB brings added expertise but competition from larger, notably state-owned, banks is set to increase in 2015.

High Risk Appetite: Underwriting standards need to be tested through a longer credit cycle, especially because loan growth is high, with an annual average of 25% since 2010. Exposure to SMEs (50% of total loans) and FC lending (34%) may heighten potential risks, as does a focus on the construction sector (19% of total on- and off-balance sheet risks at end-1H14). Turkiye Finans' track record in SME lending is generally sound.

Reasonable Asset Quality Metrics: Loan quality is holding up well. Impaired loans represented 2.1% of total loans at end-3Q14 (sector average: 2.9%), while total impaired, restructured and watch-listed loans were a manageable 7.2% of gross loans. All loans repay in installments, which helps to identify problems at an early stage. Concentrations are moderate.

Sound Performance: Wide margins, which reflect SME business, support profitability and absorb increased impairment charges. Competition for all smaller Turkish banks is fierce and may erode profitability.

Capital Injections Fund Growth: NCB and other strategic shareholders provide regular capital injections to support ambitious loan growth. Considering this, Turkiye Finans' capital ratios are viewed as adequate.

Market Funding Increasing: Non-deposit funding is increasing, representing 34% of non-equity funding at end-1H14 (end-2012: 21%). The short-term FC liquidity position appears manageable, with FC liquid assets at end-1H14 fully covering the significant expected repayments falling due in 2014 and 2015. Further major FC debt repayments fall due in 2018.

Rating Sensitivities

Parent/Sovereign Ratings: A change in NCB's ability and/or willingness to support Turkiye Finans could affect the latter's ratings. Turkiye Finans's Long-Term IDRs are also sensitive to changes in Turkey's Country Ceiling.

Limited VR Upside: An upgrade of the bank's Viability Rating (VR) is unlikely in the short-term, mainly because underwriting standards require additional stress testing.

Presentation of Accounts

This rating report is based on audited financial statements prepared according to Banking Regulation and Supervision Agency (BRSA) accounting standards.

Operating Environment

Slowing Economic Growth

Fitch expects GDP growth in Turkey for 2014 to reach 2.7% (1H14: 3.3%) and the outlook for 2015 is for GDP to rise by 3.5%. Turkey's interest rates can be volatile, as is the exchange rate for the Turkish lira against major currencies. Inflation and the current account deficit (CAD), though they declined in 2H14, are still high and maintaining investor confidence in Turkey is key to attracting international investment.

Small, Though Expanding, Islamic Banking Segment

Islamic banks offer interest-free products for which there appears to be growing demand in Turkey. Islamic banking still represents a small share (under 6% of assets at end-June 2013) of Turkey's banking sector but the government is encouraging development, with a target that it should reach around 20% of sector assets by end-2023. Competition is expected to increase as large state-owned, commercial banks enter the market in 2015.

Company Profile

Turkiye Finans is a small Turkish bank that plans to grow in line with the expected rise in Islamic banking in the country. Its market share in loans and deposits is 1.8%; by end-2017, the target is to grow this to 2% which appears reasonable, especially considering NCB's willingness to provide capital. SMEs are the bank's target customers and have been the main growth driver in the recent past. Retail banking, which represents less than 20% of total lending, consists mainly of mortgages. The bank operates through 267 branches, 105 of which are located in Istanbul. Its target is to reach 345 branches by 2017. A presence in Bahrain is being considered as Gulf-based branches can attract additional deposits.

Turkiye Finans was established in 2005 through the merger of Anadolu Finans and Family Finans, previously respectively owned by Boydak Group and Ulker Group. These industrial groups are well known in Turkey, with diversified activities, notably in consumer goods. Boydak (22.4% of shares) and Ulker (10.27%) are still large shareholders.

In March 2008, NCB of Saudi Arabia acquired 60% of Turkiye Finans and gradually increased its stake in the bank to 67.25% (at end-3Q14). NCB is the largest bank in Saudi Arabia with total assets of USD116.8bn and equity of USD12.3bn at end-3Q14. NCB provides a broad range of banking services, including Islamic banking. It is majority-owned by the Saudi state.

Management

Senior management is stable, with long experience in Turkey's banking sector. NCB adopts a hands-on approach to strategic management of Turkiye Finans, which we believe will continue. NCB is represented on Turkiye Finans' board, appointing five members out of a total of seven. Turkish shareholders have two members on the board in total.

Related-Party Lending is Moderate Concern

Related-party lending, once representing a sizeable portion of the bank's business, is now modest, with exposures reaching 8% of the bank's equity at end-1H14 or a low 1% of total loans. Related-party deposits are also frequent but do not represent any concentration risk.

Ambitious Growth, Challenges Ahead

Turkiye Finans' strategy is to expand its balance sheet by 80% by end-2017, with loans rising by an annual 22%. Growth will be supported by regular capital injections and retained earnings and the bank's target is to achieve a 15% return on average equity. In particular, the bank plans to increase the share of consumer products in its loan portfolio to 30% by 2017 (1H14: 17%). Increased competition in the Islamic banking sector from the country's state-owned banks in 2015 may make it more difficult for the bank to achieve its ambitious goals.

Related Criteria

Global Financial Institutions Rating Criteria
(January 2014)

Risk Appetite

High Risk Appetite, Well Developed Risk Management Framework

Underwriting standards appear to be in line with those adopted by peers but an unseasoned portfolio means that lending criteria have not been fully tested yet.

Turkiye Finans' executive committee, consisting of two board members and the CEO, monitors the bank's performance and is headed by an NCB board member. The audit committee is the hub for key risk management decisions and NCB's chief risk officer is a member of this committee. The audit committee monitors the overall risk appetite of the bank.

Turkiye Finans lends primarily to SMEs and corporates (See Figure 1). On-balance sheet SME and corporate loans are mostly short term. Loans maturing within 12 months represented 66% of total loans at end-1H14, which reduces credit risks. Sector concentrations in Turkiye Finans' loan book are similar to the rest of the banking sector. The largest economic sectors are wholesale and retail trade (26% of total on- and off-balance sheet commitments at end-1H14), construction (19%) and textiles (6.3%). All other individual sectors accounted for less than 5% of total commitments. More than half of the construction exposure was off-balance sheet, in performance guarantees extended in conjunction with public sector projects.

Loans extended in FC represented around one-third of total loans at end-September 2014, which is not unusual for Turkish banks. FC loans are mainly extended to exporting customers who should have access to FC revenues.

In theory, participation banks are not subject to interest-rate risk. However, in practice, market interest rates usually have an indirect effect on margins, as the bank adjusts its profit sharing ratio on deposits to remain competitive with market rates. Otherwise, the bank could face a deposit outflow, meaning that interest-rate risk would surface as liquidity risk. Loans cannot be repriced quickly because repayment is based on a pre-defined monthly fixed instalment payment schedule.

The local regulator imposes shocks on balance-sheet items sensitive to profit share agreements. For Turkish lira items, shocks of between plus 5% and minus 4% are applied; for FC items, the shocks are plus or minus 2%. The effect on Turkiye's Finans's equity at end-1H14 reached 14%, within the 20% regulatory limit. The bank's securities portfolio is modest, almost entirely composed of sukuk bonds issued by the Turkish Treasury. Turkiye Finans makes efforts to match currency positions; its internal limit for open FC positions is a modest USD25m.

Financial Profile

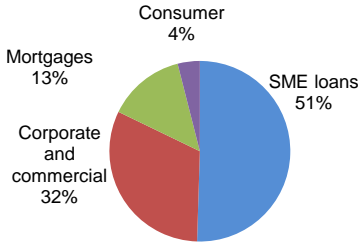
Asset Quality

Figure 4
Asset Quality Metrics

(%)	3Q14	2013	2012	2011
Growth of gross loans	21.34	39.64	25.40	30.30
Impaired loans/gross loans	2.14	2.37	2.69	2.31
Reserves for impaired loans/impaired loans	66.69	73.42	73.01	69.19
Impaired loans less reserves for impaired loans/Fitch core capital	5.82	4.72	4.59	4.72
Loan impairment charges/average gross loans	1.28	1.04	1.70	0.43

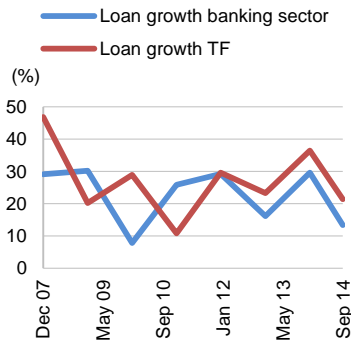
Source: Turkiye Finans, Fitch

Figure 1
Loan Book Split by at End-1H14



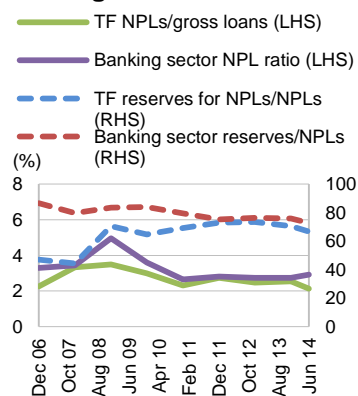
Source: Turkiye Finans

Figure 2
Loan Growth TF vs. Banking Sector



Source: TF, BRSA

Figure 3
NPL Reserves: TF and Banking Sector



Source: TF, BRSA

Turkiye Finans consistently reports impaired loan ratios slightly below the sector average (see Figure 3). Nevertheless, the bank's asset quality could be sensitive to an economic downturn due to its focus on SMEs, FC exposure and some concentration on cyclical sectors. As loans are repaid each month, missed payments, potentially signalling credit weakness, are detected at an early stage, which is positive. Borrower concentrations are low, with the 20 largest borrowers representing 7% of gross loans at end-1H14, equivalent to 74% of Fitch core capital.

Impaired, restructured and watch-listed loans represented 7.2% of gross loans at end-3Q14, which is not considered excessive. Regular, albeit low, write-offs and impaired loan sales, plus steady recoveries reduce the levels of impaired loans. Turkiye Finans' loan loss cover is lower than the 73% sector average but a high proportion of SME and corporate lending is on a secured basis. If general reserves held on the liabilities side of the balance sheet are included, loan loss cover is ample at 120%.

Earnings and Profitability

Figure 5
Performance Measures

(%)	3Q14	2013	2012	2011
Net interest income/average earning assets	4.58	4.94	6.32	5.55
Non-interest expense/gross revenues	50.10	48.27	44.08	51.61
Loans and securities impairment charges/pre-impairment operating profit	40.74	33.38	38.84	22.44
Operating profit/average total assets	1.45	1.86	2.36	2.29
Operating profit/risk-weighted assets	1.78	2.07	2.50	2.51
Net income/average equity				

Source: Turkiye Finans, Fitch

Turkiye Finans' margins are considerably wider than the sector average (below 3%) based on a more profitable SME customer base and cheap customer deposits. This partly reflects religious conviction as some funding is not remunerated.

Turkiye Finans' revenues are concentrated, consisting mainly of net financing income. Fees and commissions represent a moderate share of overall revenues and are not expected to expand due to regulatory restrictions on fees for consumer lending. On-going investments in the branch network and IT are forcing up overheads and impacting the bank's operating efficiency metrics but they are better than that of smaller banks in Turkey. Loan impairment charges (nearing 41% of pre-impairment profitability at end-3Q14, higher than historically) would not decrease in light of Turkey's slowing economy and the depreciation of the Turkish lira.

Capitalisation and Leverage

Capital is Adequate Considering Regular Capital Injections

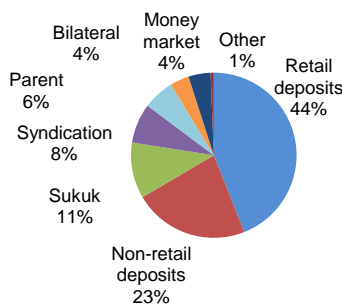
Figure 7
Capital and Leverage Ratios

(%)	3Q14	2013	2012	2011
Fitch core capital/weighted risk	11.71	12.74	14.75	14.10
Tangible common equity/tangible assets	8.78	9.82	11.91	11.85
Tier 1 regulatory capital ratio	11.49	12.32	14.77	13.69
Internal capital generation	12.15	13.05	13.34	14.35

Source: Turkiye Finans, Fitch

Turkiye Finans's capitalisation (almost entirely formed of core capital) is only adequate given its risk profile and loan growth that is higher than internal capital generation. Fitch understands that NCB remains committed to the bank and should provide additional capital to support loan

Figure 6
Total Funding Breakdown by Type at End-1H14



Source: Turkiye Finans, Fitch

growth. The bank received an increase of TRY225m of cash capital in 2014 from the shareholder and may issue some subordinated debt.

Funding and Liquidity

Customer deposits represent the largest part of Turkiye Finans’ funding. FC market funding, has increased steadily recently but Fitch believes the bank’s refinancing risk is still manageable; nearly half of all non-deposit funding (34% of non-equity funding at end-3Q14) had medium-term final maturities, while the majority of the bank’s lending is extended on a short-term basis.

Customer deposits, 80% of which are classified as retail, are contractually short-term but they behave as a longer term, stable source of funding. Deposit concentration is not high, reducing the risk of large withdrawals; the largest 20 deposits at end-June 2014 represented 13% of total deposits, which is low. One-third of deposits are covered by the deposit insurance fund, supporting the view that concentrations are low.

The profit share on remunerated deposits (80% of total deposits at end-1H14) is not guaranteed and depositors, who rely on a share of prior period profits being paid out to them, could withdraw deposits in the event of declining results by a participation bank. In practice, banks such as Turkiye Finans hold back certain reserves that can be employed as a buffer to boost deposit remuneration if required.

Market funding, almost entirely FC-denominated, is not concentrated (see Figure 4). The maturity of bank borrowings usually extends up to two years and rollovers have, to date, been readily achievable. The bank has also issued medium-term sukuk, which lengthens the maturity profile of liabilities, (see Figure 5). Funding provided by NCB is not material.

The ability of participation banks to access interbank and central bank liquidity, if required, is limited because investment options are narrow. The Turkish state issues participation-compliant sukuk and these can be used as repos with Turkey’s central bank.

Figure 8

Funding Dependencies

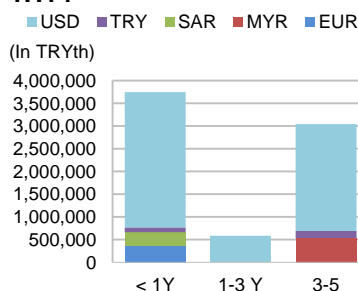
(%)	3Q14	2013	2012	2011
Loans/customer deposits	128.76	125.84	120.48	111.94
Customer deposits/total funding (excluding derivatives)	65.94	70.34	79.40	86.16

Source: Turkiye Finans, Fitch

The loan-to-deposit ratio increased to 129% at end-3Q14 and is slightly above the 120% sector average but in line with the peer average. Turkiye Finans’ target is to maintain the bank borrowings and bond issuance/total assets ratio at 20%. A sukuk was issued in 2H14, in anticipation of potentially more difficult market conditions in 2015, which distorted this target.

Liquid assets at end-1H14 of cash and balances with the central bank excluding reserve requirements, unpledged securities and short-term demand deposits with banks fully covered Turkiye Finans’ scheduled debt repayments in 2014 and 2015. Potential contingency support from NCB provides additional liquidity comfort, if required, but Turkiye Finans’ prudential liquidity coverage ratio, and other regulatory measures, is ample. This is helped for Turkish lira requirements by the regular repayment schedules of loans that generate steady cash flows, and for FC regulatory limits by the sukuk issue.

Figure 9
Market Funding Composition by Currency and Maturity Profile at End-1H14



Source: Turkiye Finans, Fitch

Peer Analysis

The peer table below compares key financial ratios for Kuveyt Turk with Turkiye Finans (a similar sized Turkish participation bank) and smaller privately-owned conventional Turkish banks. The peers focus on SME and corporate lending. Sekerbank's loan book contains a larger share of small and micro company loans and consumer loans. It therefore benefits from the highest margins before cost of risk is taken into account.

Figure 10
Comparative Financial Highlights – Peer Group

	Kuveyt Turk		Turkiye Finans		Anadolubank A.S.		Sekerbank A.S.	
	1H14	Dec 13	1H14	Dec 13	1H14	Dec 13	1H14	Dec 13
Total assets (TRYm)	30,409	25,780	30,009	25,127	10,594	9,023	20,875	19,676
Total equity (TRYm)	2,877	2,324	2,731	2,522	1,304	1,164	2,209	2,118
Risk adj. NIM	4.2	3.9	3.6	4.0	3.5	4.8	4.3	5.6
Cost/income	56.5	52.1	51.1	48.3	44.5	58.2	62.2	67.4
Cost/avr assets	2.8	2.8	2.6	2.6	3.0	3.4	4.0	4.5
LICs/pre-impairment op. profit	22.3	33.3	35.8	33.4	28.6	33.4	54.8	24.6
Net income/avr total equity	14.2	15.2	13.1	13.9	17.0	8.4	8.0	11.1
Net income/avr total assets	1.3	1.4	1.3	1.5	2.1	1.3	0.8	1.3
FCC/RWA	13.6	12.1	11.9	12.7	13.2	13.9	10.7	10.8
Tangible common equity/tangible assets	9.2	8.7	8.9	9.8	12.3	12.9	10.3	10.6
Tier 1 regulatory capital ratio	13.3	11.9	11.8	12.3	13.1	14.4	10.2	10.0
Growth of gross loans	16.2	36.9	16.8	39.6	12.7	21.9	3.2	35.7
NPLs/gross loans	2.3	2.3	2.6	2.4	4.5	2.8	5.5	5.0
Loan loss reserves/NPL	80.8	88.1	70.6	73.4	68.2	100.0	61.0	53.3
Net NPLs/FCC	3.1	2.0	5.8	4.7	7.9	0.0	15.2	16.6
LICs/avr gross loans	0.7	1.1	1.2	1.0	1.6	1.1	1.9	0.6
Loans/customer deposits	101.8	100.2	123.7	125.8	108.7	113.8	117.4	121.2
Customer deposits/total funding (excluding derivatives)	71.6	73.4	66.5	70.3	76.2	75.7	72.6	71.5
IDRs/Outlook	BBB/Stable		BBB/Stable		BB/Stable		BB-/Negative	
VR	bb-		bb		bb-		bb-	

Source: Fitch

Türkiye Finans Katılım Bankası AS
Income Statement

	30 Sep 2014			31 Dec 2013		31 Dec 2012		31 Dec 2011	
	9 Months - 3rd Quarter	9 Months - 3rd Quarter	As % of	Year End	As % of	Year End	As % of	Year End	As % of
	USDm Unqualified	TRYm Unqualified	Earning Assets	TRYm Unqualified	Earning Assets	Audited/Report not seen	Earning Assets	TRYm Unqualified	Earning Assets
1. Interest Income on Loans	618.1	1,409,898.0	7.55	1,477,542.0	7.14	1,365,219.0	9.58	967,646.0	8.51
2. Other Interest Income	68.3	155,708.0	0.83	88,691.0	0.43	45,137.0	0.32	81,555.0	0.72
3. Dividend Income	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
4. Gross Interest and Dividend Income	686.4	1,565,606.0	8.39	1,566,233.0	7.57	1,410,356.0	9.90	1,049,201.0	9.22
5. Interest Expense on Customer Deposits	245.5	559,976.0	3.00	542,840.0	2.62	543,512.0	3.81	446,802.0	3.93
6. Other Interest Expense	98.5	224,647.0	1.20	149,311.0	0.72	74,733.0	0.52	27,940.0	0.25
7. Total Interest Expense	344.0	784,623.0	4.20	692,151.0	3.34	618,245.0	4.34	474,742.0	4.17
8. Net Interest Income	342.4	780,983.0	4.18	874,082.0	4.22	792,111.0	5.56	574,459.0	5.05
9. Net Gains (Losses) on Trading and Derivatives	14.5	33,156.0	0.18	71,677.0	0.35	56,700.0	0.40	66,349.0	0.58
10. Net Gains (Losses) on Other Securities	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
11. Net Gains (Losses) on Assets at FV through Income Statement	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
12. Net Insurance Income	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
13. Net Fees and Commissions	48.5	110,631.0	0.59	128,272.0	0.62	108,231.0	0.76	95,939.0	0.84
14. Other Operating Income	60.6	138,321.0	0.74	100,153.0	0.48	85,425.0	0.60	21,955.0	0.19
15. Total Non-Interest Operating Income	123.7	282,108.0	1.51	300,102.0	1.45	250,356.0	1.76	184,243.0	1.62
16. Personnel Expenses	115.4	263,222.0	1.41	288,537.0	1.39	249,359.0	1.75	213,235.0	1.87
17. Other Operating Expenses	118.1	269,364.0	1.44	278,254.0	1.34	210,196.0	1.48	178,307.0	1.57
18. Total Non-Interest Expenses	233.5	532,586.0	2.85	566,791.0	2.74	459,555.0	3.23	391,542.0	3.44
19. Equity-accounted Profit/ Loss - Operating	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
20. Pre-Impairment Operating Profit	232.6	530,505.0	2.84	607,393.0	2.93	582,912.0	4.09	367,160.0	3.23
21. Loan Impairment Charge	86.7	197,755.0	1.06	168,339.0	0.81	203,476.0	1.43	41,455.0	0.36
22. Securities and Other Credit Impairment Charges	8.1	18,370.0	0.10	34,411.0	0.17	22,903.0	0.16	40,946.0	0.36
23. Operating Profit	137.8	314,380.0	1.68	404,643.0	1.95	356,533.0	2.50	284,759.0	2.50
24. Equity-accounted Profit/ Loss - Non-operating	n.a.	n.a.	-	0.0	0.00	0.0	0.00	0.0	0.00
25. Non-recurring Income	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
26. Non-recurring Expense	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
27. Change in Fair Value of Own Debt	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
28. Other Non-operating Income and Expenses	3.8	8,747.0	0.05	7,869.0	0.04	5,293.0	0.04	8,662.0	0.08
29. Pre-tax Profit	141.7	323,127.0	1.73	412,512.0	1.99	361,826.0	2.54	293,421.0	2.58
30. Tax expense	29.9	68,267.0	0.37	83,235.0	0.40	78,253.0	0.55	61,834.0	0.54
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	111.7	254,860.0	1.37	329,277.0	1.59	283,573.0	1.99	231,587.0	2.04
33. Change in Value of AFS Investments	12.9	29,394.0	0.16	(43,696.0)	(0.21)	9,897.0	0.07	(24,024.0)	(0.21)
34. Revaluation of Fixed Assets	0.0	0.0	0.00	0.0	0.00	n.a.	-	0.0	0.00
35. Currency Translation Differences	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
36. Remaining OCI Gains/(losses)	0.0	0.0	0.00	n.a.	-	0.0	0.00	n.a.	-
37. Fitch Comprehensive Income	124.6	284,254.0	1.52	285,581.0	1.38	293,470.0	2.06	207,563.0	1.82
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	111.7	254,860.0	1.37	329,277.0	1.59	283,573.0	1.99	231,587.0	2.04
40. Memo: Common Dividends Related 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	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-

Exchange rate USD1 = TRY2.28100 USD1 = TRY2.13620 USD1 = TRY1.78190 USD1 = TRY1.91110

Türkiye Finans Katılım Bankası AS
Balance Sheet

	30 Sep 2014			31 Dec 2013		31 Dec 2012		31 Dec 2011	
	9 Months - 3rd Quarter	9 Months - 3rd Quarter	As % of	Year End	As % of	Year End	As % of	Year End	As % of
	USDm	TRYth	Assets	TRYth	Assets	TRYth	Assets	TRYth	Assets
Assets									
A. Loans									
1. Residential Mortgage Loans	1,334.0	3,042,770.0	9.64	2,641,530.0	10.51	1,932,139.0	10.97	1,144,572.0	8.46
2. Other Mortgage Loans	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
3. Other Consumer/ Retail Loans	343.7	784,082.0	2.49	664,691.0	2.65	428,171.0	2.43	163,665.0	1.21
4. Corporate & Commercial Loans	7,513.1	17,137,437.0	54.32	14,024,489.0	55.82	10,002,010.0	56.78	9,018,995.0	66.67
5. Other Loans	710.6	1,620,888.0	5.14	1,281,721.0	5.10	966,997.0	5.49	301,827.0	2.23
6. Less: Reserves for Impaired Loans	141.3	322,371.0	1.02	323,821.0	1.29	261,548.0	1.48	169,854.0	1.26
7. Net Loans	9,760.1	22,262,806.0	70.56	18,288,610.0	72.79	13,067,769.0	74.18	10,459,205.0	77.31
8. Gross Loans	9,901.4	22,585,177.0	71.59	18,612,431.0	74.07	13,329,317.0	75.66	10,629,059.0	78.57
9. Memo: Impaired Loans included above	211.9	483,415.0	1.53	441,072.0	1.76	358,259.0	2.03	245,497.0	1.81
10. Memo: Loans at Fair Value included above	0.0	0.0	0.00	0.0	0.00	n.a.	-	0.0	0.00
B. Other Earning Assets									
1. Loans and Advances to Banks	278.4	635,121.0	2.01	954,203.0	3.80	497,028.0	2.82	268,400.0	1.98
2. Reverse Repos and Cash Collateral	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
3. Trading Securities and at FV through Income	0.2	569.0	0.00	198.0	0.00	183.0	0.00	941.0	0.01
4. Derivatives	10.0	22,728.0	0.07	46,471.0	0.18	14,090.0	0.08	22,726.0	0.17
5. Available for Sale Securities	739.1	1,685,840.0	5.34	1,413,025.0	5.62	665,115.0	3.78	620,827.0	4.59
6. Held to Maturity Securities	155.3	354,196.0	1.12	0.0	0.00	0.0	0.00	0.0	0.00
7. Equity Investments in Associates	0.0	50.0	0.00	0.0	0.00	4,211.0	0.02	3,000.0	0.02
8. Other Securities	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
9. Total Securities	904.6	2,063,383.0	6.54	1,459,694.0	5.81	683,599.0	3.88	647,494.0	4.79
10. Memo: Government Securities included Above	737.2	1,681,467.0	5.33	1,408,649.0	5.61	664,994.0	3.77	619,789.0	4.58
11. Memo: Total Securities Pledged	402.0	916,994.0	2.91	1,139,985.0	4.54	110,225.0	0.63	0.0	0.00
12. Investments in Property	n.a.	n.a.	-	n.a.	-	n.a.	-	0.0	0.00
13. Insurance Assets	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
14. Other Earning Assets	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
15. Total Earning Assets	10,943.1	24,961,310.0	79.12	20,702,507.0	82.39	14,248,396.0	80.88	11,375,099.0	84.08
C. Non-Earning Assets									
1. Cash and Due From Banks	2,468.1	5,629,647.0	17.84	3,836,254.0	15.27	2,818,168.0	16.00	1,917,837.0	14.18
2. Memo: Mandatory Reserves included above	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
3. Foreclosed Real Estate	0.0	114.0	0.00	67.0	0.00	0.0	0.00	0.0	0.00
4. Fixed Assets	164.1	374,304.0	1.19	211,689.0	0.84	196,617.0	1.12	112,660.0	0.83
5. Goodwill	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
6. Other Intangibles	17.7	40,406.0	0.13	37,149.0	0.15	18,881.0	0.11	11,801.0	0.09
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	10.0	22,920.0	0.07	22,649.0	0.09	11,115.0	0.06	16,661.0	0.12
9. Discontinued Operations	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
10. Other Assets	228.5	521,145.0	1.65	316,264.0	1.26	323,327.0	1.84	94,295.0	0.70
11. Total Assets	13,831.6	31,549,846.0	100.00	25,126,579.0	100.00	17,616,504.0	100.00	13,528,353.0	100.00
Liabilities and Equity									
D. Interest-Bearing Liabilities									
1. Customer Deposits - Current	7,690.0	17,540,811.0	55.60	14,791,063.0	58.87	11,063,848.0	62.80	9,495,461.0	70.19
2. Customer Deposits - Savings	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
3. Customer Deposits - Term	n.a.	n.a.	-	n.a.	-	0.0	0.00	0.0	0.00
4. Total Customer Deposits	7,690.0	17,540,811.0	55.60	14,791,063.0	58.87	11,063,848.0	62.80	9,495,461.0	70.19
5. Deposits from Banks	257.2	586,711.0	1.86	350,617.0	1.40	365,688.0	2.08	13,704.0	0.10
6. Repos and Cash Collateral	303.9	693,242.0	2.20	721,560.0	2.87	0.0	0.00	0.0	0.00
7. Other Deposits and Short-term Borrowings	1,636.6	3,733,197.0	11.83	2,170,555.0	8.64	1,398,882.0	7.94	1,178,031.0	8.71
8. Total Deposits, Money Market and Short-term Funding	9,887.8	22,553,961.0	71.49	18,033,795.0	71.77	12,828,418.0	72.82	10,687,196.0	79.00
9. Senior Debt Maturing after 1 Year	1,775.0	4,048,823.0	12.83	2,995,453.0	11.92	1,105,061.0	6.27	333,925.0	2.47
10. Subordinated Borrowing	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
11. Other Funding	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
12. Total Long Term Funding	1,775.0	4,048,823.0	12.83	2,995,453.0	11.92	1,105,061.0	6.27	333,925.0	2.47
13. Derivatives	8.9	20,271.0	0.06	38,306.0	0.15	8,475.0	0.05	19,371.0	0.14
14. Trading Liabilities	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
15. Total Funding	11,671.7	26,623,055.0	84.38	21,067,554.0	83.85	13,941,954.0	79.14	11,040,492.0	81.61
E. Non-Interest Bearing Liabilities									
1. Fair Value Portion of Debt	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
2. Credit impairment reserves	80.2	182,827.0	0.58	150,439.0	0.60	139,804.0	0.79	94,424.0	0.70
3. Reserves for Pensions and Other	59.1	134,826.0	0.43	159,850.0	0.64	114,783.0	0.65	109,323.0	0.81
4. Current Tax Liabilities	27.0	61,696.0	0.20	42,117.0	0.17	42,964.0	0.24	45,928.0	0.34
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 Liabilities	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
9. Other Liabilities	763.6	1,741,882.0	5.52	1,184,238.0	4.71	1,251,837.0	7.11	624,527.0	4.62
10. Total Liabilities	12,601.6	28,744,286.0	91.11	22,604,198.0	89.96	15,491,342.0	87.94	11,914,694.0	88.07
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	1,193.9	2,723,346.0	8.63	2,469,561.0	9.83	2,028,646.0	11.52	1,595,073.0	11.79
2. Non-controlling Interest	n.a.	n.a.	-	n.a.	-	n.a.	-	0.0	0.00
3. Securities Revaluation Reserves	(3.2)	(7,401.0)	(0.02)	(36,795.0)	(0.15)	6,901.0	0.04	(2,996.0)	(0.02)
4. Foreign Exchange Revaluation Reserves	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
5. Fixed Asset Revaluations and Other Accumulated OCI	39.3	89,615.0	0.28	89,615.0	0.36	89,615.0	0.51	21,582.0	0.16
6. Total Equity	1,230.0	2,805,560.0	8.89	2,522,381.0	10.04	2,125,162.0	12.06	1,613,659.0	11.93
7. Total Liabilities and Equity	13,831.6	31,549,846.0	100.00	25,126,579.0	100.00	17,616,504.0	100.00	13,528,353.0	100.00
8. Memo: Fitch Core Capital	1,212.3	2,765,154.0	8.76	2,485,232.0	9.89	2,106,281.0	11.96	1,601,858.0	11.84
9. Memo: Fitch Eligible Capital	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-

Exchange rate

USD1 = TRY 2.28100

USD1 = TRY 2.13620

USD1 = TRY 1.78190

USD1 = TRY 1.91110

Turkiye Finans Katilim Bankasi AS

Summary Analytics

	30 Sep 2014	31 Dec 2013	31 Dec 2012	31 Dec 2011
	9 Months - 3rd Quarter	Year End	Year End	Year End
A. Interest Ratios				
1. Interest Income on Loans/ Average Gross Loans	9.10	9.12	11.38	10.12
2. Interest Expense on Customer Deposits/ Average Customer Deposits	4.57	4.14	5.33	4.96
3. Interest Income/ Average Earning Assets	9.17	8.85	11.25	10.14
4. Interest Expense/ Average Interest-bearing Liabilities	4.31	3.85	5.01	4.76
5. Net Interest Income/ Average Earning Assets	4.58	4.94	6.32	5.55
6. Net Int. Inc Less Loan Impairment Charges/ Av. Earning Assets	3.42	3.99	4.69	5.15
7. Net Interest Inc Less Preferred Stock Dividend/ Average Earning Assets	4.58	4.94	6.32	5.55
B. Other Operating Profitability Ratios				
1. Non-Interest Income/ Gross Revenues	26.54	25.56	24.02	24.28
2. Non-Interest Expense/ Gross Revenues	50.10	48.27	44.08	51.61
3. Non-Interest Expense/ Average Assets	2.46	2.60	3.04	3.15
4. Pre-impairment Op. Profit/ Average Equity	26.40	25.62	32.30	24.27
5. Pre-impairment Op. Profit/ Average Total Assets	2.45	2.79	3.86	2.95
6. Loans and securities impairment charges/ Pre-impairment Op. Profit	40.74	33.38	38.84	22.44
7. Operating Profit/ Average Equity	15.65	17.07	19.76	18.82
8. Operating Profit/ Average Total Assets	1.45	1.86	2.36	2.29
9. Taxes/ Pre-tax Profit	21.13	20.18	21.63	21.07
10. Pre-Impairment Operating Profit / Risk Weighted Assets	3.00	3.11	4.08	3.23
11. Operating Profit / Risk Weighted Assets	1.78	2.07	2.50	2.51
C. Other Profitability Ratios				
1. Net Income/ Average Total Equity	12.68	13.89	15.71	15.31
2. Net Income/ Average Total Assets	1.18	1.51	1.88	1.86
3. Fitch Comprehensive Income/ Average Total Equity	14.15	12.05	16.26	13.72
4. Fitch Comprehensive Income/ Average Total Assets	1.32	1.31	1.94	1.67
5. Net Income/ Av. Total Assets plus Av. Managed Securitized Assets	n.a.	n.a.	n.a.	n.a.
6. Net Income/ Risk Weighted Assets	1.44	1.69	1.99	2.04
7. Fitch Comprehensive Income/ Risk Weighted Assets	1.61	1.46	2.06	1.83
D. Capitalization				
1. Fitch Core Capital/ Risk Weighted Assets	11.71	12.74	14.75	14.10
2. Fitch Eligible Capital/ Risk Weighted Assets	n.a.	n.a.	n.a.	n.a.
3. Tangible Common Equity/ Tangible Assets	8.78	9.82	11.91	11.85
4. Tier 1 Regulatory Capital Ratio	11.49	12.32	14.77	13.69
5. Total Regulatory Capital Ratio	12.35	12.81	14.76	14.24
6. Core Tier 1 Regulatory Capital Ratio	n.a.	n.a.	n.a.	n.a.
7. Equity/ Total Assets	8.89	10.04	12.06	11.93
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	12.15	13.05	13.34	14.35
E. Loan Quality				
1. Growth of Total Assets	25.56	42.63	30.22	26.53
2. Growth of Gross Loans	21.34	39.64	25.40	30.30
3. Impaired Loans/ Gross Loans	2.14	2.37	2.69	2.31
4. Reserves for Impaired Loans/ Gross Loans	1.43	1.74	1.96	1.60
5. Reserves for Impaired Loans/ Impaired Loans	66.69	73.42	73.01	69.19
6. Impaired loans less Reserves for Impaired Loans/ Fitch Core Capital	5.82	4.72	4.59	4.72
7. Impaired Loans less Reserves for Impaired Loans/ Equity	5.74	4.65	4.55	4.69
8. Loan Impairment Charges/ Average Gross Loans	1.28	1.04	1.70	0.43
9. Net Charge-offs/ Average Gross Loans	0.79	0.36	0.29	0.23
10. Impaired Loans + Foreclosed Assets/ Gross Loans + Foreclosed Assets	2.14	2.37	2.69	2.31
F. Funding				
1. Loans/ Customer Deposits	128.76	125.84	120.48	111.94
2. Interbank Assets/ Interbank Liabilities	108.25	272.15	135.92	1,958.55
3. Customer Deposits/ Total Funding (excluding derivatives)	65.94	70.34	79.40	86.16

Türkiye Finans Katılım Bankası AS

Reference Data

	30 Sep 2014			31 Dec 2013		31 Dec 2012		31 Dec 2011	
	9 Months - 3rd Quarter	9 Months - 3rd Quarter	As % of	Year End	As % of	Year End	As % of	Year End	As % of
	USDm	TRYth	Assets	TRYth	Assets	TRYth	Assets	TRYth	Assets
A. Off-Balance Sheet Items									
1. Managed Securitised 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	3,725.0	8,496,694.0	26.93	7,726,279.0	30.75	6,197,780.0	35.18	5,565,661.0	41.14
4. Acceptances and documentary credits reported off-balance sheet	651.7	1,486,609.0	4.71	1,177,860.0	4.69	910,917.0	5.17	972,878.0	7.19
5. Committed Credit Lines	1,386.5	3,162,610.0	10.02	2,362,760.0	9.40	1,863,573.0	10.58	1,668,239.0	12.33
6. Other Contingent Liabilities	n.a.	n.a.	-	n.a.	-	n.a.	-	0.0	0.00
7. Total Business Volume	19,594.8	44,695,759.0	141.67	36,393,478.0	144.84	26,588,774.0	150.93	21,735,131.0	160.66
8. Memo: Risk Weighted Assets	10,348.8	23,605,525.0	74.82	19,501,982.0	77.61	14,279,126.0	81.06	11,357,865.0	83.96
9. Fitch Adjustments to Risk Weighted Assets	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
10. Fitch Adjusted Risk Weighted Assets	10,348.8	23,605,525.0	74.82	19,501,982.0	77.61	14,279,126.0	81.06	11,357,865.0	83.96
B. Average Balance Sheet									
Average Loans	9,053.0	20,649,809.0	65.45	16,206,617.0	64.50	11,995,454.0	68.09	9,566,375.0	70.71
Average Earning Assets	10,003.5	22,818,001.0	72.32	17,706,759.0	70.47	12,540,178.0	71.18	10,350,576.0	76.51
Average Assets	12,667.8	28,895,264.0	91.59	21,786,157.0	86.71	15,104,506.0	85.74	12,425,202.0	91.85
Average Managed Securitised Assets (OBS)	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Average Interest-Bearing Liabilities	10,659.9	24,315,144.0	77.07	17,964,237.0	71.49	12,348,290.0	70.10	9,973,546.0	73.72
Average Common equity	1,144.7	2,611,060.0	8.28	2,298,088.0	9.15	1,768,924.0	10.04	1,484,207.0	10.97
Average Equity	1,177.7	2,686,259.0	8.51	2,370,315.0	9.43	1,804,612.0	10.24	1,512,906.0	11.18
Average Customer Deposits	7,177.0	16,370,707.0	51.89	13,102,511.0	52.15	10,190,311.0	57.85	9,010,062.0	66.60
C. Maturities									
Asset Maturities:									
Loans & Advances < 3 months	2,707.1	6,174,853.0	19.57	4,994,879.0	19.88	4,004,653.0	22.73	3,095,851.0	22.88
Loans & Advances 3 - 12 Months	3,432.7	7,830,075.0	24.82	6,527,657.0	25.98	4,733,699.0	26.87	4,195,739.0	31.01
Loans and Advances 1 - 5 Years	2,785.1	6,352,704.0	20.14	5,293,126.0	21.07	3,650,394.0	20.72	3,000,852.0	22.18
Loans & Advances > 5 years	266.0	606,657.0	1.92	515,048.0	2.05	277,943.0	1.58	110,433.0	0.82
Debt Securities < 3 Months	191.6	436,943.0	1.38	46,147.0	0.18	12,619.0	0.07	481,267.0	3.56
Debt Securities 3 - 12 Months	295.1	673,166.0	2.13	400,643.0	1.59	1,654.0	0.01	107,233.0	0.79
Debt Securities 1 - 5 Years	417.5	952,427.0	3.02	1,012,904.0	4.03	665,115.0	3.78	55,041.0	0.41
Debt Securities > 5 Years	0.0	0.0	0.00	0.0	0.00	0.0	0.00	953.0	0.01
Loans & Advances to Banks < 3 Months	278.4	635,121.0	2.01	954,203.0	3.80	497,028.0	2.82	268,400.0	1.98
Loans & Advances to Banks 3 - 12 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Loans & Advances to Banks 1 - 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Loans & Advances to Banks > 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
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	7,243.6	16,522,744.0	52.37	12,601,780.0	50.15	8,235,342.0	46.75	7,934,094.0	58.65
Other Deposits 3 - 12 Months	434.9	992,050.0	3.14	994,729.0	3.96	580,348.0	3.29	1,561,367.0	11.54
Other Deposits 1 - 5 Years	11.4	26,013.0	0.08	1,194,554.0	4.75	2,248,158.0	12.76	0.0	0.00
Other Deposits > 5 Years	n.a.	n.a.	-	0.0	0.00	0.0	0.00	0.0	0.00
Deposits from Banks < 3 Months	257.2	586,781.0	1.86	349,133.0	1.39	244,576.0	1.39	13,704.0	0.10
Deposits from Banks 3 - 12 Months	n.a.	n.a.	-	1,484.0	0.01	121,112.0	0.69	0.0	0.00
Deposits from Banks 1 - 5 Years	n.a.	n.a.	-	0.0	0.00	0.0	0.00	0.0	0.00
Deposits from Banks > 5 Years	n.a.	n.a.	-	0.0	0.00	0.0	0.00	0.0	0.00
Senior Debt Maturing < 3 months	426.4	972,545.0	3.08	765,252.0	3.05	335,225.0	1.90	698,794.0	5.17
Senior Debt Maturing 3-12 Months	1,210.3	2,760,652.0	8.75	1,405,303.0	5.59	1,063,657.0	6.04	479,237.0	3.54
Senior Debt Maturing 1 - 5 Years	1,775.0	4,048,823.0	12.83	2,995,453.0	11.92	1,105,061.0	6.27	291,029.0	2.15
Senior Debt Maturing > 5 Years	0.0	0.0	0.00	0.0	0.00	0.0	0.00	42,896.0	0.32
Total Senior Debt on Balance Sheet	3,411.7	7,782,020.0	24.67	5,166,008.0	20.56	2,503,943.0	14.21	1,511,956.0	11.18
Fair Value Portion of Senior Debt	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Covered Bonds	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Subordinated Debt Maturing < 3 months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Subordinated Debt Maturing 3-12 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Subordinated Debt Maturing 1-5 Year	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Subordinated Debt Maturing > 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Total Subordinated Debt on Balance Sheet	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
Fair Value Portion of Subordinated Debt	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
D. Equity Reconciliation									
1. Equity	1,230.0	2,805,560.0	8.89	2,522,381.0	10.04	2,125,162.0	12.06	1,613,659.0	11.93
2. Add: Pref. Shares and Hybrid Capital accounted for as Equity	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
3. Add: Other Adjustments	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
4. Published Equity	1,230.0	2,805,560.0	8.89	2,522,381.0	10.04	2,125,162.0	12.06	1,613,659.0	11.93
E. Fitch Eligible Capital Reconciliation									
1. Total Equity as reported (including non-controlling interests)	1,230.0	2,805,560.0	8.89	2,522,381.0	10.04	2,125,162.0	12.06	1,613,659.0	11.93
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	17.7	40,406.0	0.13	37,149.0	0.15	18,881.0	0.11	11,801.0	0.09
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	1,212.3	2,765,154.0	8.76	2,485,232.0	9.89	2,106,281.0	11.96	1,601,858.0	11.84
10. Eligible w weighted Hybrid capital	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
11. Government held Hybrid Capital	n.a.	n.a.	-	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 = TRY2.28100

USD1 = TRY2.13620

USD1 = TRY 1.78190

USD1 = TRY1.91110

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