Türkiye Finans Katılım Bankası AŞ

Full Rating Report

Ratings

Foreign Currency

Long-Term IDR	BBB-
Short-Term IDR	F3

Local Currency

Long-Term IDR	BBB-
Short-Term IDR	F3

National

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

Sovereign Risk

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

Outlooks

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

Financial Data

Türkiye Finans Katılım Bankası AS

	30 Mar 17	31 Dec 16
Total assets (USDm)	10,630.3	11,004.4
Total assets (TRYm)	38,689.1	38,761.9
Total equity (TRYm)	3,749.3	3,638.3
Operating profit (TRYm)	112.7	369.3
Published net income (TRYm)	91.3	296.2
Comprehensive income (TRYm)	111.0	290.2
Operating ROAA (%)	1.18	0.95
Operating ROAE (%)	12.37	10.46
Internal capital generation (%)	9.87	8.14
Fitch Core Capital/ weighted risks (%)	12.42	12.01
Tier 1 ratio (%)	12.43	12.03

Related Research

Fitch Downgrades 18 Turkish Banks on Sovereign Downgrade (February 2017)

Turkey (February 2017)

Turkey Islamic Banks' Dashboard (December 2016)

2017 Outlook: Turkish Banks (December 2016)

Turkiye Finans Katilim Bankasi AS - Ratings Navigator (November 2016)

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Key Rating Drivers

Support Drives Ratings: The ratings of Turkiye Finans Katılım Bankası AS (Turkiye Finans) are driven by support from its parent, The National Commercial Bank (NCB, A-/Stable, majority owned by the Saudi Arabian sovereign (A+/Stable)), which is set to increase its stake to 90%. Fitch Ratings believes support for Turkiye Finans from NCB would be forthcoming based on its ownership, integration with and strategic importance to its parent, and the record of support.

Country Ceiling Constraint: The bank's Foreign-Currency (FC) Issuer Default Rating (IDR) is constrained by Turkey's Country Ceiling of 'BBB-'. Its Local-Currency IDR also takes into account Turkish country risks.

Limited Franchise: Turkiye Finans had a low market share of 1.4% of banking sector assets at end-2016, but it is the second-largest participation bank in Turkey, a sector that Fitch believes offers reasonable growth prospects due to its strategic importance within Turkey.

Asset-Quality Risks: Turkiye Finans reported above-sector-average FC loans, equal to 44% of customer loans at end-2016, much of which consisted of riskier FC-indexed loans. Lending to SME customers, which have been among the most sensitive to the weaker growth environment, accounted for 46% of loans.

Above-Sector-Average NPLs: Growth in non-performing loans (NPLs, loans overdue by 90 days) to 5.2% at end-1Q17 (end-2016: 5.0% end-2015: 4.2%) partly reflects the contraction of the loan book as the bank prioritised asset-quality considerations over growth. Regulatory Group 2 watch list loans – a large share of which are restructured – have also increased and are high, although this may partly reflect a proactive approach to loan classification.

Asset-quality risks remain given the weaker growth outlook, high FC and SME lending, and potential further depreciation of the Turkish lira. Specific reserve coverage of NPLs is only adequate (end-1Q17: 65%).

Reasonable Funding and Liquidity: Turkiye Finans is largely deposit funded. Deposits fell after July 2016's failed coup but have since stabilised. Wholesale FC funding is high (end-1Q17: 33% of total funding), but the refinancing risk is mitigated by the presence of NCB. Likewise, NCB provides comfort in respect of the bank's FC liquidity, although FC liquid assets are generally adequate to cover non-deposit liabilities due within a year. The bank's liquidity is also supported by a high share of monthly amortising loans on the balance sheet.

Adequate Capitalisation: Capitalisation is sufficient to absorb moderate shocks but risks result from operating environment, revenue and asset-quality pressures, potential further Turkish lira depreciation and moderate unreserved NPLs relative to Fitch Core Capital (FCC).

Rating Sensitivities

Parent Ratings: A change in NCB's ratings or its ability and/or willingness to support could affect Turkiye Finans's IDRs. A downgrade of NCB would not automatically result in a downgrade of Turkiye Finans's IDRs given the three-notch difference between the two banks. Turkiye Finans's Long-Term FC IDR is sensitive to changes to Turkey's Country Ceiling and its Long-Term Local-Currency IDR takes into account country risks.

Asset Quality Is VR Risk: A Viability Rating (VR) downgrade could result from further weakening in the bank's asset quality ratios, capital position or FC liquidity position.

Operating Environment

Turkey's Long-Term FC IDR of 'BB+'/Stable is underpinned by consistent fiscal discipline, which has lowered its debt/GDP ratio to well below that of similarly rated sovereigns'. External vulnerabilities reflected in a very large external financing requirement are a credit weakness. The political and security environment has deteriorated, which was the main rationale behind the one-notch downgrade of the rating in January 2017. The growth outlook has also weakened, though it remains in line with peers: Fitch forecasts GDP growth of 2.4% in 2017 and 2.8% in 2018. Inflation is persistently higher than peers.

External vulnerabilities, political risks and deteriorating global investor sentiment, compounded by an inadequate monetary policy response, pulled the lira down by 21% in 2016. Policy tightening and an improvement in global sentiment have kept the lira relatively flat so far this year. Following a constitutional referendum in April, the government may revive credit-positive economic reforms.

Turkish banks' credit profiles remain sensitive to country risks, the lira exchange rate and the weaker growth outlook given the concentration of their operations in the Turkish market and high reliance on external FC wholesale funding. However, Fitch's base case continues to be that banks will retain access to external capital markets.

Company Profile

Turkiye Finans is 67% owned by NCB, a Saudi Arabian Islamic bank and leading financial institution in the Middle East. Its other shareholders include Gözde Girişim Sermayesi Yatırım Ortaklığı A.Ş. (Gözde), an investment company controlled by the Turkish blue-chip company Yıldız Holding (10.6%), and Boydak Group (22.4%). NCB is majority owned by the Public Investment Fund of the Saudi finance ministry with its remaining shares listed on the Saudi stock exchange.

Negotiations for NCB to buy out Boydak Group are expected to be finalised in 2017 with NCB set to increase its stake to 90%. There has been no contagion risk for Turkiye Finans from its minority shareholder, which has alleged links to the Gulenist movement, aside from a deposit outflow in 3Q16 (see *Funding*).

Turkiye Finans provides sharia-compliant products and services to religiously motivated and conventional bank customers in the corporate/commercial, SME and retail segments. Lending was split 37%/46%/17% between corporate, SME and retail customers at end-2016 (end-2015: 30%/51%/19%). The share of corporate lending has increased in line with plans and at the expense of SME and retail lending. Its operations are concentrated mainly in lending, resulting in high reliance on net finance income. The bank carries out sukuk issuance through a fully consolidated special-purpose vehicle.

Limited Domestic Franchise, Second-Largest Participation Bank

Turkiye Finans is the second-largest participation bank out of five with the participation banking segment equalling 5% of total sector assets at end-2016. It had a 29% share of participation segment assets at end-2016 (down year-on-year as it prioritised asset quality over growth) but was ranked only 14th overall by total sector assets with a 1.6% share (also in sector loans and deposits). Management estimates that Turkiye Finans's market share in SME lending is greater than its market share of loans due to its stronger franchise in lending to this segment.

At end-2016, Turkiye Finans had 286 branches, which may increase in the medium term. It is also developing alternative delivery channels, such as internet banking, ATMs and mobile branches. It has a small branch in Bahrain with a wholesale banking licence, which was set up to collect cheaper short-term, US dollar-denominated deposits from financial institutions and to participate in money-market transactions.

Related Criteria

Global Bank Rating Criteria (November 2016)

Increased NCB Oversight

There have been several changes to senior management in recent years, including a new chief executive and the replacement of the head of risk. This has taken place alongside the reorganisation of the bank's operations and the tightening of its risk-management framework – including its corporate governance framework, committees, policies, procedures, authorities and limits – in response to asset-quality problems.

The latest chief executive, a Saudi national and former NCB assistant corporate banking general manager, was appointed in November 2016. NCB is closely involved in the oversight and supervision of Turkiye Finans and setting up its risk-management framework. Senior NCB representatives sit on Turkiye Finans committees, including NCB's chief executive and head of risk on the risk committee. NCB holds four out of five seats on the board of directors. All department heads report to the audit committee, which in turn reports to the board.

Strategic Objectives

The clean-up of the loan book and the tightening of the risk-management framework remain at the forefront of the bank's strategy. Consequently, loan growth is likely to remain fairly muted while focusing on higher-quality corporate customers. The bank reorganised its service model in 1Q17, dividing its branch network into designated corporate/commercial and retail branches.

A focus for 2017 is on staff and IT systems to support the implementation of the bank's credit tightening strategy, including the centralisation and automation of branch operations. However, this is also intended to boost sales capacity.

The bank still has some appetite to grow in more lucrative but riskier lending to small and micro customers.

In the medium term, Turkiye Finans aims to achieve a top 10 position among Turkish banks by increasing its market share. Growth is to be underpinned by further expansion of the distribution network and digital banking services, customer deposit growth, and productivity and efficiency measures. The bank aims to rebalance the retail portfolio through growth in consumer lending, which is concentrated in residential mortgages.

Risk Appetite

Turkiye Finans's asset-quality ratios underperform the sector average – the result of sharp NPL growth in 2015. This indicates a heightened risk appetite in Fitch's view – as the bank has grown faster than sector the average (apart from in 2016) – and weaknesses in its control environment. In particular, the bank has seen a high level of NPLs originated through its branch network. It has also seen a sharp rise in regulatory Group 2 watch loans, many of which have been restructured.

However, asset-quality ratios have to some extent been inflated by the contraction of the loan book. In addition, high Group 2 loans may partly reflect a conservative approach to loan classification, considering the bank's negligible level of Group 1 restructured loans (end-1Q17: 1.2% of gross loans) compared with many banks in the sector.

Tightening of Underwriting Standards and Controls

The bank has undertaken a full review of its loan portfolio, underwriting processes and loan allocation procedures. The bank's risk models have been developed in conjunction with NCB. Loan growth should take place within a tighter control environment following the tightening of the risk-management framework, which has resulted in the cessation of lending to certain borrowers and a tightening of collateral requirements. Collateralisation of the commercial and SME portfolios is adequate with a reasonable share of real-estate collateral. Retail loans consist mainly of residential mortgages with low average loan/values. The bank is budgeting for only a slight increase in retail lending in 2017.

Lending decisions have been fully centralised following asset-quality problems in the branches and regions. Lending limits are conservative. The board of directors must approve loans above TRY150 million.

Loan tenor remains mainly short-term (end-2016: 58% were due in less than a year) with about 90% of the portfolio amortising monthly supporting early detection of asset-quality problems. Credit risk in the interbank and securities portfolios is limited. Interbank exposures are primarily to large Turkish or European banks, while securities consist entirely of Turkish Treasury sukuk.

Above-Sector-Average FC Lending

FC lending (end-2016: 44% of gross loans; end-2015: 35%), split 60/40 between US dollar and euro loans, is high and its share has risen due to an increase in commercial lending. About 60% of FC lending consists of riskier FC-indexed lending, where the bank reports a higher NPL ratio (albeit in line with sector average total NPLs), compared to pure FC lending (where NPLs are significantly below the sector average). Turkiye Finans stresses a borrower's ability to withstand the lira depreciation when it issues FC loans.

Slower Loan Growth Reflects Focus on Asset Quality

Lending contracted by 6% in 2016 (or 7% on a foreign-exchange-adjusted basis), compared with sector loan growth of 17% (nominal). The bank targets 10% loan growth in 2017 mainly in local-currency lending. However, the loan book contracted by 3% in 1Q17 due to a fall in FC lending (lira lending was flat from end-2016).

Moderate Market Risk Exposure

The bank's policy is to maintain a broadly flat structural FC position (on- and off-balance sheet) through the use of hedging instruments. However, it is indirectly exposed to exchange-rate risk as a result of high FC loan exposure, given that not all borrowers are likely to be fully hedged.

Net finance risk (interest-rate risk) is also significant despite the bank's high share of monthly amortising loans. At end-2016, the regulatory shock of a +500bp and -400bp in the lira interest rate and +/-200bp in FC would have resulted in an 11% change to the bank's equity.

Asset Quality

Above-Sector-Average NPLs

Asset-Quality Indicators

(%)	1Q17	2016	2015	2014	2013
Growth of gross loans	(2.86)	(6.06)	19.92	34.40	39.64
Impaired loans/gross loans	5.24	4.95	4.17	2.39	2.37
Reserves for impaired loans/impaired loans	64.87	61.48	60.13	61.75	73.42
Impaired loans less reserves for impaired loans/Fitch Core Capital	13.68	15.05	15.14	7.37	4.72
Loan impairment charges/average gross loans	0.85	1.88	1.52	0.70	0.61

Source: Turkiye Finans's financial statements, Fitch

High NPLs and Group 2 watch list loans were inflated to some extent by loan book contraction in 2016/1Q17. The NPL ratio rose to 5.2% at end-1Q17 (sector average: 3.2%), from 4.2% at end-2015. This was net of NPL sales of TRY52 million in 1Q17 (2016: TRY588 million), up from TRY22 million (under 2%) at end-2015. Watch list loans have also risen. They amounted to 9.2% of gross loans at end-1Q17 (end-2016: 7.5%; end-2015: 4.4%); of these a high 61% (end-1Q17: equal to 5.6% of loans) (2016: equal to 4.9% of loans) had been restructured. However, collections have also risen due to increased focus on loan recoveries (1Q17: TRY97 million; end-2016: TRY430 million, equal to 37% of new NPLs; end-2015: TRY249 million).

Significant risks to asset quality remain given the bank's high Group 2, FC and SME exposure and the weaker growth outlook. Nevertheless, management is budgeting for NPLs to remain broadly flat at 5.0% at end-2017, but this reflects NPL sales and write-offs (2017: about TRY300 million (f), or 22% of end-2016 NPLs). The bank expects NPLs to rise by 11% in 2017.

Specific reserves coverage of NPLs of 64.9% at end-1Q17 is only moderate. It resulted in a net NPL/FCC exposure of 14%. Including general provisioning, held on the liabilities side of the balance sheet, total reserves coverage of NPLs was still below 100% (end-1Q17: 80%).

Single-name borrower concentration is moderate relative to gross loans and FCC and the 20 largest loans were all performing at end-2016. There is moderate concentration of loans to the construction sector and real estate (including contracting and residential and real estate development loans) among the bank's largest exposures, but the aim is to reduce this. Lending is otherwise fairly diversified by sector.

Project finance exposure is moderate (end-2016: equal to about 10% of gross loans), the average maturity (about five years, with grace periods up to a maximum of two years) is lower than at the largest banks and the highest exposure is TRY150 million, reflecting a focus on smaller scale projects. Such lending is typically in FC with two-fifths of it relating to renewable energy sector projects at end-2016. Most of these benefit from a floor price in US dollars guaranteed by the government, mitigating the credit risk. The remainder mainly related to real-estate development and tourism projects.

No project finance loans were classified as NPLs or restructured watch-list loans as of May 2017, although some tourism project finance exposures were watch-list but performing.

Earnings and Profitability

Subdued Performance Reflects Asset-Quality Pressures and Low Growth

Performance Indicators

(%)	1Q17	2016	2015	2014	2013
Interest income/average gross loans	8.95	9.32	9.08	9.40	9.03
Interest expense/average interest-bearing liabilities	4.30	4.45	4.36	4.33	3.26
Net interest income/average earning assets	4.46	4.74	4.58	4.67	4.89
Non-interest expense/gross revenues	53.54	48.77	49.90	54.36	50.92
Loans and securities impairment charges/pre-impairment operating profit	41.06	61.44	58.80	29.46	24.44
Operating profit/average total assets	1.18	0.91	0.90	1.45	1.89
Operating profit/risk-weighted assets	1.54	1.18	1.10	1.68	2.12
Net income/average equity	10.02	8.39	8.08	12.09	13.89

Source: Turkiye Finans's financial statements, Fitch

Profitability remained subdued in 2016 due to the contraction of the loan book and high impairment charges. Asset quality is likely to continue to weigh on profitability. The bank forecasts a rise in return on equity to 9.7% in 2017 (Q117: 10% actual) from 8.4% in 2016.

Pre-impairment profit is solid (end-2016: equal to around 26% of average equity), supported by a fairly wide net interest margin – reflecting a high share of zero interest paying current accounts (end-2016: equal to 27% of total deposits) – and good cost efficiency. The bank's cost/assets ratio was not out of line with the sector at end-2016 (2.2%; sector average: 2.1%), despite its small size, although its cost/income ratio was below the sector average. Fee income is a modest contributor to earnings.

Capitalisation and Leverage

The FCC ratio rose to 12% at end-2016, mainly reflecting internal capital generation. It was also due to the implementation of a new regulation in Turkey allowing Islamic banks to reduce the risk weighting on assets directly financed by profit share accounts to 50% from 70% (due to the implicit transfer of risk) on the basis of the “profit-sharing” concept. This affected 17% of Turkiye Finans’s total risk-weighted assets at end-2016.

Capital Ratios

(%)	1Q17	2016	2015	2014	2013
Fitch Core Capital/weighted risk	12.42	12.01	10.86	12.22	12.75
Tangible common equity/tangible assets	9.54	9.22	8.56	9.27	9.91
Core Tier 1 regulatory capital ratio	12.43	12.03	10.65	11.98	12.32
Total regulatory capital	15.97	15.52	13.50	12.47	12.81
Internal capital generation	9.87	8.14	7.81	10.62	13.05

Source: Turkiye Finans’s financial statements, Fitch

The uplift to capital ratios resulting from this regulatory change offset the negative impact from the higher risk weighting on FC reserves held under the central bank’s reserve option mechanism following Fitch’s sovereign downgrade in 1Q17.

The bank’s total capital ratio is reasonable (end-1Q17: 16%), supported by Tier 2 subordinated debt from NCB, and remains comfortably above the 12% recommended regulatory target. As the subordinated debt is in US dollars it provides a hedge against lira depreciation.

Fitch considers capitalisation to be only adequate for the bank’s risk profile considering asset quality pressures, unreserved NPLs to equity, weak internal capital generation (despite a zero-dividend policy) and potential exchange-rate volatility. However, pre-impairment profit provides a buffer to absorb credit losses and the bank can request additional subordinated debt from NCB to support capitalisation.

Funding and Liquidity

Manageable Refinancing Risk, Adequate Liquidity

Key Funding and Liquidity Indicators

(%)	1Q17	2016	2015	2014	2013
Loans/customer deposits	135.97	138.07	137.96	133.57	125.84
Interbank assets/interbank liabilities	36.02	46.66	16.02	55.20	89.00
Customer deposits/total funding (excluding derivatives)	61.92	62.14	66.88	65.76	70.34

Source: Turkiye Finans’s financial statements, Fitch

Turkiye Finans is mainly funded by deposits. Retail depositors make up the majority and concentration is limited. At end-2016, 44% of deposits were in FC and deposits were contractually short-term, as for the sector.

The deposit base contracted by 10% in 3Q16 following the failed coup attempt – due to contagion risk from the bank’s minority shareholder. Deposits fell in 2016 as a result, despite stabilisation in the deposit base as of October 2016. The loans/deposits ratio weakened to a very high 138% at end-2016 (sector average: 123%), despite the fall in lending. However, the bank aims to reduce this to be in line with the sector average. In Fitch’s view, NCB’s purchase of Boydak Group’s stake should help distance Turkiye Finans from its former shareholder.

Wholesale funding accounted for 33% of total funding at end-2016. FC wholesale funding accounted for 86% of the total. It consisted mainly of long-term FC-denominated sukuk (end-2016: equal to 40% of total borrowings) issued via the bank’s special-purpose vehicle (lira-denominated sukuk issuance is relatively short-term and limited), reverse murabaha loans from foreign Islamic banks (27% at end-2016, with tenors of one to two years) and syndicated loans (17%, one-year tenor). Fitch considers refinancing risk to be manageable given the bank's ownership, record of market access and reasonable diversification of funding maturities.

Liquidity management is underpinned by gap analysis, stress testing and the monthly amortising repayment structure of most of the loan book. At end-1Q17, the bank maintained a liquidity coverage ratio up to 30 days of 157%, or a high 236% in FC.

Liquid assets consist mainly of cash/interbank placements and Turkish sovereign sukuk securities eligible for repo with the central bank. FC liquidity coverage of non-deposit liabilities due within a year is generally adequate. The presence of NCB provides some comfort in respect of FC liquidity particularly in terms of liquidity support in the event of a prolonged market closure. NCB funding – in the form of senior unsecured and subordinated loans – amounted to about 5% of total funding at end-2016.

Support

IDR Based on Support from NCB

Turkiye Finans's Support Rating of '2' reflects Fitch's view of a high probability of support from NCB if needed based on its majority ownership, strategic importance to its parent and the record of support. The cost of support for NCB should be manageable given Turkiye Finans's size relative to its parent. It represented about 9.5% of NCB's total assets at end-2016.

Turkiye Finans Katilim Bankasi AS
Income Statement

	31 Mar 2017			31 Dec 2016		31 Dec 2015		31 Dec 2014		31 Dec 2013	
	3 Months - 1st Quarter USDm Reviewed - Unqualified	3 Months - 1st Quarter TRYth Reviewed - 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	Year End TRYth Audited - Unqualified	As % of Earning Assets
1. Interest Income on Loans	168.4	612,710.0	8.09	2,712,949.0	8.54	2,518,582.0	7.79	2,006,142.0	7.25	1,477,542.0	7.14
2. Other Interest Income	22.3	81,336.0	1.07	265,097.0	0.83	261,417.0	0.81	166,333.0	0.60	88,691.0	0.43
3. Dividend Income	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	n.a.	-
4. Gross Interest and Dividend Income	**190.7**	**694,046.0**	**9.17**	**2,978,046.0**	**9.38**	**2,779,999.0**	**8.59**	**2,172,475.0**	**7.85**	**1,566,233.0**	**7.57**
5. Interest Expense on Customer Deposits	55.3	201,238.0	2.66	862,795.0	2.72	836,879.0	2.59	727,923.0	2.63	521,997.0	2.52
6. Other Interest Expense	41.1	149,576.0	1.98	605,711.0	1.91	538,857.0	1.67	344,209.0	1.24	170,154.0	0.82
7. Total Interest Expense	**96.4**	**350,814.0**	**4.63**	**1,468,506.0**	**4.63**	**1,375,736.0**	**4.25**	**1,072,132.0**	**3.87**	**692,151.0**	**3.34**
8. Net Interest Income	**94.3**	**343,232.0**	**4.53**	**1,509,540.0**	**4.75**	**1,404,263.0**	**4.34**	**1,100,343.0**	**3.97**	**874,082.0**	**4.22**
9. Net Gains (Losses) on Trading and Derivatives	5.7	20,911.0	0.28	99,170.0	0.31	21,341.0	0.07	25,657.0	0.09	71,677.0	0.35
10. Net Gains (Losses) on Other Securities	n.a.	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.	-	n.a.	-
12. Net Insurance Income	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
13. Net Fees and Commissions	9.4	34,311.0	0.45	143,011.0	0.45	142,469.0	0.44	148,597.0	0.54	128,272.0	0.62
14. Other Operating Income	3.6	13,028.0	0.17	46,459.0	0.15	48,813.0	0.15	49,843.0	0.18	38,961.0	0.19
15. Total Non-Interest Operating Income	**18.8**	**68,250.0**	**0.90**	**288,640.0**	**0.91**	**212,623.0**	**0.66**	**224,097.0**	**0.81**	**238,910.0**	**1.15**
16. Personnel Expenses	29.4	106,872.0	1.41	421,121.0	1.33	410,732.0	1.27	356,431.0	1.29	288,537.0	1.39
17. Other Operating Expenses	31.2	113,423.0	1.50	447,338.0	1.41	396,058.0	1.22	363,514.0	1.31	278,254.0	1.34
18. Total Non-Interest Expenses	**60.5**	**220,295.0**	**2.91**	**868,459.0**	**2.74**	**806,790.0**	**2.49**	**719,945.0**	**2.60**	**566,791.0**	**2.74**
19. Equity-accounted Profit/ Loss - Operating	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
20. Pre-Impairment Operating Profit	**52.5**	**191,187.0**	**2.52**	**929,721.0**	**2.93**	**810,096.0**	**2.50**	**604,495.0**	**2.18**	**546,201.0**	**2.64**
21. Loan Impairment Charge	16.0	58,233.0	0.77	547,843.0	1.73	422,561.0	1.31	148,481.0	0.54	99,066.0	0.48
22. Securities and Other Credit Impairment Charges	5.6	20,275.0	0.27	12,613.0	0.04	53,758.0	0.17	29,623.0	0.11	34,411.0	0.17
23. Operating Profit	**31.0**	**112,679.0**	**1.49**	**369,265.0**	**1.16**	**333,777.0**	**1.03**	**426,391.0**	**1.54**	**412,724.0**	**1.99**
24. Equity-accounted Profit/ Loss - Non-operating	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
25. Non-recurring Income	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	n.a.	-
26. Non-recurring Expense	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	n.a.	-
27. Change in Fair Value of Own Debt	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
28. Other Non-operating Income and Expenses	(0.0)	(123.0)	(0.00)	(238.0)	(0.00)	(425.0)	(0.00)	(857.0)	(0.00)	(212.0)	(0.00)
29. Pre-tax Profit	**30.9**	**112,556.0**	**1.49**	**369,027.0**	**1.16**	**333,352.0**	**1.03**	**425,534.0**	**1.54**	**412,512.0**	**1.99**
30. Tax expense	5.8	21,289.0	0.28	72,833.0	0.23	71,854.0	0.22	91,107.0	0.33	83,235.0	0.40
31. Profit/Loss from Discontinued Operations	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
32. Net Income	**25.1**	**91,267.0**	**1.21**	**296,194.0**	**0.93**	**261,498.0**	**0.81**	**334,427.0**	**1.21**	**329,277.0**	**1.59**
33. Change in Value of AFS Investments	5.3	19,420.0	0.26	(30,532.0)	(0.10)	(38,746.0)	(0.12)	60,206.0	0.22	(54,620.0)	(0.26)
34. Revaluation of Fixed Assets	0.0	0.0	0.00	0.0	0.00	0.0	0.00	27,713.0	0.10	n.a.	-
35. Currency Translation Differences	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	n.a.	-
36. Remaining OCI Gains/(losses)	0.1	323.0	0.00	24,504.0	0.08	(24,944.0)	(0.08)	(19,536.0)	(0.07)	(2,438.0)	(0.01)
37. Fitch Comprehensive Income	**30.5**	**111,010.0**	**1.47**	**290,166.0**	**0.91**	**197,808.0**	**0.61**	**402,810.0**	**1.46**	**272,219.0**	**1.31**
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	0.0	0.00
39. Memo: Net Income after Allocation to Non-controlling Interests	25.1	91,267.0	1.21	296,194.0	0.93	261,498.0	0.81	334,427.0	1.21	329,277.0	1.59
40. Memo: Common Dividends Relating to the Period	n.a.	n.a.	-	0.0	0.00	0.0	0.00	0.0	0.00	n.a.	-
41. Memo: Preferred Dividends Related to the Period	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-

Exchange rate	USD1 = TRY3.6395	USD1 = TRY3.5224	USD1 = TRY2.9102	USD1 = TRY2.321	USD1 = TRY2.1362

Turkiye Finans Katilim Bankasi AS
Balance Sheet

	3 Months - 1st Quarter USDm	31 Mar 2017 3 Months - 1st Quarter TRYth	As % of Assets	31 Dec 2016 Year End TRYth	As % of Assets	31 Dec 2015 Year End TRYth	As % of Assets	31 Dec 2014 Year End TRYth	As % of Assets	31 Dec 2013 Year End TRYth	As % of Assets
Assets											
A. Loans											
1. Residential Mortgage Loans	832.2	3,028,909.0	7.83	3,206,315.0	8.27	3,716,294.0	9.64	3,490,476.0	10.42	2,641,530.0	10.51
2. Other Mortgage Loans	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
3. Other Consumer/ Retail Loans	309.6	1,126,680.0	2.91	1,243,204.0	3.21	1,524,083.0	3.96	807,480.0	2.41	664,691.0	2.65
4. Corporate & Commercial Loans	5,556.5	20,222,702.0	52.27	20,713,034.0	53.44	21,375,808.0	55.47	18,529,996.0	55.33	14,024,489.0	55.82
5. Other Loans	822.3	2,992,771.0	7.74	3,015,139.0	7.78	3,380,735.0	8.77	2,186,384.0	6.53	1,281,721.0	5.10
6. Less: Reserves for Impaired Loans	255.6	930,397.0	2.40	857,194.0	2.21	752,136.0	1.95	368,847.0	1.10	323,821.0	1.29
7. Net Loans	**7,264.9**	**26,440,665.0**	**68.34**	**27,320,498.0**	**70.48**	**29,244,784.0**	**75.89**	**24,645,489.0**	**73.59**	**18,288,610.0**	**72.79**
8. Gross Loans	**7,520.6**	**27,371,062.0**	**70.75**	**28,177,692.0**	**72.69**	**29,996,920.0**	**77.84**	**25,014,336.0**	**74.69**	**18,612,431.0**	**74.07**
9. Memo: Impaired Loans included above	394.1	1,434,297.0	3.71	1,394,324.0	3.60	1,250,842.0	3.25	597,317.0	1.78	441,072.0	1.76
10. Memo: Loans at Fair Value included above	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
B. Other Earning Assets											
1. Loans and Advances to Banks	81.6	297,097.0	0.77	561,766.0	1.45	225,369.0	0.58	572,606.0	1.71	954,203.0	3.80
2. Reverse Repos and Cash Collateral	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
3. Trading Securities and at FV through Income	0.3	935.0	0.00	1,558.0	0.00	1,442.0	0.00	669.0	0.00	198.0	0.00
4. Derivatives	43.8	159,295.0	0.41	172,081.0	0.44	91,434.0	0.24	25,441.0	0.08	46,471.0	0.18
5. Available for Sale Securities	865.1	3,148,473.0	8.14	2,912,372.0	7.51	1,897,407.0	4.92	1,870,381.0	5.58	1,413,025.0	5.62
6. Held to Maturity Securities	182.2	663,049.0	1.71	782,553.0	2.02	888,893.0	2.31	568,400.0	1.70	n.a.	-
7. Equity Investments in Associates	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	n.a.	-
8. Other Securities	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
9. Total Securities	**1,091.3**	**3,971,752.0**	**10.27**	**3,868,564.0**	**9.98**	**2,879,176.0**	**7.47**	**2,464,891.0**	**7.36**	**1,459,694.0**	**5.81**
10. Memo: Government Securities included Above	863.7	3,143,539.0	8.13	2,907,449.0	7.50	1,892,510.0	4.91	1,761,405.0	5.26	1,408,649.0	5.61
11. Memo: Total Securities Pledged	533.3	1,940,999.0	5.02	1,458,003.0	3.76	2,224,629.0	5.77	1,484,476.0	4.43	1,139,985.0	4.54
12. Investments in Property	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
13. Insurance Assets	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
14. Other Earning Assets	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
15. Total Earning Assets	**8,437.8**	**30,709,514.0**	**79.38**	**31,750,828.0**	**81.91**	**32,349,329.0**	**83.95**	**27,682,986.0**	**82.66**	**20,702,507.0**	**82.39**
C. Non-Earning Assets											
1. Cash and Due From Banks	1,762.2	6,413,470.0	16.58	5,668,857.0	14.62	5,372,503.0	13.94	5,156,624.0	15.40	3,836,254.0	15.27
2. Memo: Mandatory Reserves included above	943.5	3,433,736.0	8.88	3,495,263.0	9.02	3,702,250.0	9.61	2,749,896.0	8.21	2,906,723.0	11.57
3. Foreclosed Real Estate	42.0	152,827.0	0.40	95,655.0	0.25	1,732.0	0.00	142.0	0.00	67.0	0.00
4. Fixed Assets	190.6	693,655.0	1.79	687,152.0	1.77	474,724.0	1.23	417,984.0	1.25	211,689.0	0.84
5. Goodwill	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	n.a.	-
6. Other Intangibles	18.1	66,020.0	0.17	70,035.0	0.18	54,371.0	0.14	49,165.0	0.15	37,149.0	0.15
7. Current Tax Assets	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	n.a.	-
8. Deferred Tax Assets	20.9	75,945.0	0.20	77,828.0	0.20	83,028.0	0.22	32,456.0	0.10	22,649.0	0.09
9. Discontinued Operations	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	n.a.	-
10. Other Assets	158.7	577,649.0	1.49	411,530.0	1.06	199,889.0	0.52	150,553.0	0.45	316,264.0	1.26
11. Total Assets	**10,630.3**	**38,689,080.0**	**100.00**	**38,761,885.0**	**100.00**	**38,535,576.0**	**100.00**	**33,489,910.0**	**100.00**	**25,126,579.0**	**100.00**
Liabilities and Equity											
D. Interest-Bearing Liabilities											
1. Customer Deposits - Current	5,531.0	20,129,927.0	52.03	20,408,045.0	52.65	21,742,683.0	56.42	18,727,623.0	55.92	14,791,063.0	58.87
2. Customer Deposits - Savings	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
3. Customer Deposits - Term	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
4. Total Customer Deposits	**5,531.0**	**20,129,927.0**	**52.03**	**20,408,045.0**	**52.65**	**21,742,683.0**	**56.42**	**18,727,623.0**	**55.92**	**14,791,063.0**	**58.87**
5. Deposits from Banks	226.6	824,753.0	2.13	1,203,949.0	3.11	1,406,580.0	3.65	1,037,396.0	3.10	1,072,177.0	4.27
6. Repos and Cash Collateral	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	0.0	0.00
7. Commercial Paper and Short-term Borrowings	1,371.2	4,990,415.0	12.90	4,282,752.0	11.05	2,006,334.0	5.21	3,924,257.0	11.72	2,170,555.0	8.64
8. Total Money Market and Short-term Funding	**7,128.8**	**25,945,095.0**	**67.06**	**25,894,746.0**	**66.80**	**25,155,597.0**	**65.28**	**23,689,276.0**	**70.74**	**18,033,795.0**	**71.77**
9. Senior Unsecured Debt (original maturity > 1 year)	1,550.4	5,642,722.0	14.58	6,059,167.0	15.63	6,619,936.0	17.18	4,787,703.0	14.30	2,995,453.0	11.92
10. Subordinated Borrowing	253.1	921,290.0	2.38	890,500.0	2.30	733,023.0	1.90	n.a.	-	n.a.	-
11. Covered Bonds	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
12. Other Long-term Funding	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
13. Total LT Funding (original maturity > 1 year)	**1,803.5**	**6,564,012.0**	**16.97**	**6,949,667.0**	**17.93**	**7,352,959.0**	**19.08**	**4,787,703.0**	**14.30**	**2,995,453.0**	**11.92**
14. Derivatives	106.0	385,914.0	1.00	385,032.0	0.99	317,897.0	0.82	61,029.0	0.18	38,306.0	0.15
15. Trading Liabilities	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
16. Total Funding	**9,038.3**	**32,895,021.0**	**85.02**	**33,229,445.0**	**85.73**	**32,826,453.0**	**85.18**	**28,538,008.0**	**85.21**	**21,067,554.0**	**83.85**
E. Non-Interest Bearing Liabilities											
1. Fair Value Portion of Debt	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
2. Credit impairment reserves	60.9	221,651.0	0.57	231,669.0	0.60	245,432.0	0.64	199,612.0	0.60	150,439.0	0.60
3. Reserves for Pensions and Other	55.3	201,307.0	0.52	206,770.0	0.53	194,848.0	0.51	154,364.0	0.46	159,850.0	0.64
4. Current Tax Liabilities	19.0	69,190.0	0.18	64,218.0	0.17	80,452.0	0.21	75,518.0	0.23	42,117.0	0.17
5. Deferred Tax Liabilities	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	n.a.	-
6. Other Deferred Liabilities	n.a.	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	n.a.	-
8. Insurance Liabilities	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
9. Other Liabilities	426.6	1,552,644.0	4.01	1,391,526.0	3.59	1,840,300.0	4.78	1,372,125.0	4.10	1,184,238.0	4.71
10. Total Liabilities	**9,600.2**	**34,939,813.0**	**90.31**	**35,123,628.0**	**90.61**	**35,187,485.0**	**91.31**	**30,339,627.0**	**90.59**	**22,604,198.0**	**89.96**
F. Hybrid Capital											
1. Pref. Shares and Hybrid Capital accounted for as Debt	n.a.	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.	-	n.a.	-
G. Equity											
1. Common Equity	1,011.8	3,682,361.0	9.52	3,591,094.0	9.26	3,293,359.0	8.55	3,026,639.0	9.04	2,469,561.0	9.83
2. Non-controlling Interest	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
3. Securities Revaluation Reserves	(7.8)	(28,517.0)	(0.07)	(44,094.0)	(0.11)	(19,627.0)	(0.05)	11,370.0	0.03	(36,795.0)	(0.15)
4. Foreign Exchange Revaluation Reserves	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
5. Fixed Asset Revaluations and Other Accumulated OCI	26.2	95,423.0	0.25	91,257.0	0.24	74,359.0	0.19	112,274.0	0.34	89,615.0	0.36
6. Total Equity	**1,030.2**	**3,749,267.0**	**9.69**	**3,638,257.0**	**9.39**	**3,348,091.0**	**8.69**	**3,150,283.0**	**9.41**	**2,522,381.0**	**10.04**
7. Total Liabilities and Equity	**10,630.3**	**38,689,080.0**	**100.00**	**38,761,885.0**	**100.00**	**38,535,576.0**	**100.00**	**33,489,910.0**	**100.00**	**25,126,579.0**	**100.00**
8. Memo: Fitch Core Capital	1,012.0	3,683,247.0	9.52	3,568,222.0	9.21	3,293,720.0	8.55	3,101,118.0	9.26	2,485,232.0	9.89
Exchange rate		USD1 = TRY3.6395		USD1 = TRY3.5224		USD1 = TRY2.9102		USD1 = TRY2.321		USD1 = TRY2.1362	

Turkiye Finans Katilim Bankasi AS

Summary Analytics

	31 Mar 2017 3 Months - 1st Quarter	31 Dec 2016 Year End	31 Dec 2015 Year End	31 Dec 2014 Year End	31 Dec 2013 Year End
A. Interest Ratios					
1. Interest Income on Loans/ Average Gross Loans	8.95	9.32	9.08	9.40	9.03
2. Interest Expense on Customer Deposits/ Average Customer Deposits	4.03	4.09	4.11	4.38	3.18
3. Interest Income/ Average Earning Assets	9.01	9.36	9.07	9.21	8.77
4. Interest Expense/ Average Interest-bearing Liabilities	4.30	4.45	4.36	4.33	3.26
5. Net Interest Income/ Average Earning Assets	4.46	4.74	4.58	4.67	4.89
6. Net Int. Inc Less Loan Impairment Charges/ Av. Earning Assets	3.70	3.02	3.20	4.04	4.34
7. Net Interest Inc Less Preferred Stock Dividend/ Average Earning Assets	4.46	4.74	4.58	4.67	4.89
B. Other Operating Profitability Ratios					
1. Non-Interest Income/ Gross Revenues	16.59	16.05	13.15	16.92	21.47
2. Non-Interest Expense/ Gross Revenues	53.54	48.30	49.90	54.36	50.92
3. Non-Interest Expense/ Average Assets	2.31	2.24	2.18	2.45	2.60
4. Pre-impairment Op. Profit/ Average Equity	20.99	26.34	25.02	21.85	23.04
5. Pre-impairment Op. Profit/ Average Total Assets	2.00	2.39	2.19	2.06	2.51
6. Loans and securities impairment charges/ Pre-impairment Op. Profit	41.06	60.28	58.80	29.46	24.44
7. Operating Profit/ Average Equity	12.37	10.46	10.31	15.42	17.41
8. Operating Profit/ Average Total Assets	1.18	0.95	0.90	1.45	1.89
9. Operating Profit / Risk Weighted Assets	1.54	1.24	1.10	1.68	2.12
C. Other Profitability Ratios					
1. Net Income/ Average Total Equity	10.02	8.39	8.08	12.09	13.89
2. Net Income/ Average Total Assets	0.96	0.76	0.71	1.14	1.51
3. Fitch Comprehensive Income/ Average Total Equity	12.19	8.22	6.11	14.56	11.48
4. Fitch Comprehensive Income/ Average Total Assets	1.16	0.75	0.54	1.37	1.25
5. Taxes/ Pre-tax Profit	18.91	19.74	21.55	21.41	20.18
6. Net Income/ Risk Weighted Assets	1.25	1.00	0.86	1.32	1.69
D. Capitalization					
1. FCC/FCC-Adjusted Risk Weighted Assets	12.42	12.01	10.86	12.22	12.75
2. Tangible Common Equity/ Tangible Assets	9.54	9.22	8.56	9.27	9.91
3. Tier 1 Regulatory Capital Ratio	12.43	12.03	10.65	11.98	12.32
4. Total Regulatory Capital Ratio	15.97	15.52	13.50	12.47	12.81
5. Common Equity Tier 1 Capital Ratio	12.47	12.13	10.92	12.24	n.a.
6. Equity/ Total Assets	9.69	9.39	8.69	9.41	10.04
7. Cash Dividends Paid & Declared/ Net Income	n.a.	0.00	0.00	0.00	n.a.
8. Internal Capital Generation	9.87	8.14	7.81	10.62	13.05
E. Loan Quality					
1. Growth of Total Assets	(0.19)	0.59	15.07	33.28	42.63
2. Growth of Gross Loans	(2.86)	(6.06)	19.92	34.40	39.64
3. Impaired Loans/ Gross Loans	5.24	4.95	4.17	2.39	2.37
4. Reserves for Impaired Loans/ Gross Loans	3.40	3.04	2.51	1.47	1.74
5. Reserves for Impaired Loans/ Impaired Loans	64.87	61.48	60.13	61.75	73.42
6. Impaired loans less Reserves for Impaired Loans/ Fitch Core Capital	13.68	15.05	15.14	7.37	4.72
7. Impaired Loans less Reserves for Impaired Loans/ Equity	13.44	14.76	14.90	7.25	4.65
8. Loan Impairment Charges/ Average Gross Loans	0.85	1.88	1.52	0.70	0.61
9. Net Charge-offs/ Average Gross Loans	(0.87)	0.24	0.11	0.57	0.35
10. Impaired Loans + Foreclosed Assets/ Gross Loans + Foreclosed Assets	5.77	5.27	4.18	2.39	2.37
F. Funding and Liquidity					
1. Loans/ Customer Deposits	135.97	138.07	137.96	133.57	125.84
2. Interbank Assets/ Interbank Liabilities	36.02	46.66	16.02	55.20	89.00
3. Customer Deposits/ Total Funding (excluding derivatives)	61.92	62.14	66.88	65.76	70.34
4. Liquidity Coverage Ratio	156.62	136.30	80.14	106.92	n.a.
5. Net Stable Funding Ratio	n.a.	n.a.	n.a.	n.a.	n.a.

Turkiye Finans Katilim Bankasi AS
Reference Data

	31 Mar 2017			31 Dec 2016		31 Dec 2015		31 Dec 2014		31 Dec 2013	
	3 Months - 1st Quarter USDm	3 Months - 1st Quarter 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
A. Off-Balance Sheet Items											
1. Managed Securitized Assets Reported Off-Balance Sheet	n.a.	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.	-	n.a.	-
3. Guarantees	2,868.1	10,438,516.0	26.98	11,247,837.0	29.02	11,007,920.0	28.57	9,230,089.0	27.56	7,726,279.0	30.75
4. Acceptances and documentary credits reported off-balance sheet	298.9	1,087,737.0	2.81	1,113,286.0	2.87	1,494,484.0	3.88	1,418,328.0	4.24	1,177,860.0	4.69
5. Committed Credit Lines	935.1	3,403,417.0	8.80	3,282,322.0	8.47	3,722,773.0	9.66	3,562,256.0	10.64	2,362,760.0	9.40
7. Other Off-Balance Sheet items	3,747.4	13,638,688.0	35.25	12,645,793.0	32.62	13,403,750.0	34.78	7,377,345.0	22.03	n.a.	-
8. Total Assets under Management	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
B. Average Balance Sheet											
Average Loans	7,631.4	27,774,377.0	71.79	29,099,897.0	75.07	27,730,718.0	71.96	21,336,760.0	63.71	16,362,344.0	65.12
Average Earning Assets	8,580.9	31,230,171.0	80.72	31,813,473.0	82.07	30,638,294.0	79.51	23,577,023.0	70.40	17,862,486.0	71.09
Average Assets	10,640.3	38,725,483.0	100.09	38,848,022.0	100.22	36,966,007.0	95.93	29,365,151.0	87.68	21,786,157.0	86.71
Average Managed Securitized Assets (OBS)	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Average Interest-Bearing Liabilities	9,084.3	33,062,233.0	85.46	32,969,591.0	85.06	31,527,620.0	81.81	24,746,189.0	73.89	21,253,153.0	84.58
Average Common equity	999.2	3,636,728.0	9.40	3,455,500.0	8.91	3,170,403.0	8.23	2,700,038.0	8.06	2,298,088.0	9.15
Average Equity	1,014.9	3,693,762.0	9.55	3,529,497.0	9.11	3,237,325.0	8.40	2,766,045.0	8.26	2,370,315.0	9.43
Average Customer Deposits	5,569.2	20,268,986.0	52.39	21,095,572.0	54.42	20,380,188.0	52.89	16,633,975.0	49.67	16,391,427.0	65.24
C. Maturities											
Asset Maturities:											
Loans & Advances < 3 months	1,803.2	6,562,601.0	16.96	6,749,542.0	17.41	6,891,065.0	17.88	6,511,724.0	19.44	4,994,879.0	19.88
Loans & Advances 3 - 12 Months	2,412.3	8,779,534.0	22.69	9,008,447.0	23.24	9,594,276.0	24.90	8,471,796.0	25.30	6,527,657.0	25.98
Loans and Advances 1 - 5 Years	2,649.2	9,641,602.0	24.92	10,060,045.0	25.95	9,219,895.0	23.93	7,126,806.0	21.28	5,293,126.0	21.07
Loans & Advances > 5 years	400.3	1,456,928.0	3.77	1,502,464.0	3.88	910,949.0	2.36	717,626.0	2.14	515,048.0	2.05
Debt Securities < 3 Months	n.a.	n.a.	-	n.a.	-	494,257.0	1.28	552,263.0	1.65	46,147.0	0.18
Debt Securities 3 - 12 Months	n.a.	n.a.	-	n.a.	-	486,985.0	1.26	299,221.0	0.89	400,643.0	1.59
Debt Securities 1 - 5 Years	n.a.	n.a.	-	n.a.	-	1,468,336.0	3.81	1,459,979.0	4.36	1,012,904.0	4.03
Debt Securities > 5 Years	n.a.	n.a.	-	n.a.	-	380,971.0	0.99	153,428.0	0.46	n.a.	-
Loans & Advances to Banks < 3 Months	81.6	297,097.0	0.77	561,766.0	1.45	225,369.0	0.58	572,606.0	1.71	954,203.0	3.80
Loans & Advances to Banks 3 - 12 Months	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	n.a.	-
Loans & Advances to Banks 1 - 5 Years	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	n.a.	-
Loans & Advances to Banks > 5 Years	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	n.a.	-
Liability Maturities:											
Retail Deposits < 3 months	n.a.	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.	-	n.a.	-
Retail Deposits 1 - 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Retail Deposits > 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Other Deposits < 3 Months	5,236.3	19,057,361.0	49.26	19,348,964.0	49.92	20,454,124.0	53.08	17,735,409.0	52.96	13,485,390.0	53.67
Other Deposits 3 - 12 Months	230.7	839,795.0	2.17	785,417.0	2.03	853,075.0	2.21	968,706.0	2.89	1,214,126.0	4.83
Other Deposits 1 - 5 Years	64.0	232,771.0	0.60	273,664.0	0.71	435,484.0	1.13	23,504.0	0.07	91,547.0	0.36
Other Deposits > 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	4.0	0.00	n.a.	-
Deposits from Banks < 3 Months	226.6	824,753.0	2.13	1,203,949.0	3.11	473,915.0	1.23	383,498.0	1.15	349,133.0	1.39
Deposits from Banks 3 - 12 Months	0.0	0.0	0.00	0.0	0.00	0.0	0.00	1,269.0	0.00	n.a.	-
Deposits from Banks 1 - 5 Years	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	n.a.	-
Deposits from Banks > 5 Years	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	n.a.	-
Senior Debt Maturing < 3 months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	765,252.0	3.05
Senior Debt Maturing 3-12 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	1,405,303.0	5.59
Senior Debt Maturing 1- 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	2,995,453.0	11.92
Senior Debt Maturing > 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Total Senior Debt on Balance Sheet	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	5,166,008.0	20.56
Fair Value Portion of Senior Debt	n.a.	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.	-	n.a.	-
Subordinated Debt Maturing 3-12 Months	n.a.	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.	-	n.a.	-
Subordinated Debt Maturing > 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Total Subordinated Debt on Balance Sheet	253.1	921,290.0	2.38	890,500.0	2.30	733,023.0	1.90	n.a.	-	n.a.	-
Fair Value Portion of Subordinated Debt	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
D. Risk Weighted Assets											
1. Risk Weighted Assets	8,151.2	29,666,244.0	76.68	29,704,506.0	76.63	30,314,964.0	78.67	25,379,113.0	75.78	19,498,563.0	77.60
2. Fitch Core Capital Adjustments for Insurance and Securitisation Risk Weighted Assets	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
3. Fitch Core Capital Adjusted Risk Weighted Assets	8,151.2	29,666,244.0	76.68	29,704,506.0	76.63	30,314,964.0	78.67	25,379,113.0	75.78	19,498,563.0	77.60
4. Other Fitch Adjustments to Risk Weighted Assets	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
5. Fitch Adjusted Risk Weighted Assets	8,151.2	29,666,244.0	76.68	29,704,506.0	76.63	30,314,964.0	78.67	25,379,113.0	75.78	19,498,563.0	77.60
E. Equity Reconciliation											
1. Equity	1,030.2	3,749,267.0	9.69	3,638,257.0	9.39	3,348,091.0	8.69	3,150,283.0	9.41	2,522,381.0	10.04
2. Add: Pref. Shares and Hybrid Capital accounted for as Equity	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
3. Add: Other Adjustments	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
4. Published Equity	1,030.2	3,749,267.0	9.69	3,638,257.0	9.39	3,348,091.0	8.69	3,150,283.0	9.41	2,522,381.0	10.04
F. Fitch Core Capital Reconciliation											
1. Total Equity as reported (including non-controlling interests)	1,030.2	3,749,267.0	9.69	3,638,257.0	9.39	3,348,091.0	8.69	3,150,283.0	9.41	2,522,381.0	10.04
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	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	0.0	0.00
4. Goodwill	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
5. Other intangibles	18.1	66,020.0	0.17	70,035.0	0.18	54,371.0	0.14	49,165.0	0.15	37,149.0	0.15
6. Deferred tax assets deduction	0.0	0.0	0.00	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	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	0.0	0.00
9. Fitch Core Capital	**1,012.0**	**3,683,247.0**	**9.52**	**3,568,222.0**	**9.21**	**3,293,720.0**	**8.55**	**3,101,118.0**	**9.26**	**2,485,232.0**	**9.89**
Exchange Rate		USD1 = TRY3.6395		USD1 = TRY3.5224		USD1 = TRY2.9102		USD1 = TRY2.321		USD1 = TRY2.1362	

The ratings above were solicited by, or on behalf of, the issuer, and therefore, Fitch has been compensated for the provision of the ratings.