

Turkiye Finans Katilim Bankasi A.S.

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

Viability Rating	bb-
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Sovereign Risk

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

Outlooks

Long-Term Foreign-Currency IDR	RWN
Long-Term Local-Currency IDR	Stable
Short-Term Foreign-Currency IDR	RWN
Short-Term Local-Currency IDR	Stable
National Long-Term Rating	Stable
Support Rating	RWN
Viability Rating	RWN
Sovereign Long-Term Foreign-Currency IDR	Stable
Sovereign Long-Term Local-Currency IDR	Stable

Financial Data

Turkiye Finans Katilim Bankasi A.S.

	31 Mar 18	31 Dec 17
Total assets (USDm)	9,708	10,331
Total assets (TRYm)	38,369	39,004
Total equity (TRYm)	4,032	4,040
Operating profit (TRYm)	118	458
Published net income (TRYm)	90	375
Comprehensive income (TRYm)	90	401
Operating ROAA (%)	1.24	1.20
Operating ROAE (%)	11.89	11.88
Fitch Core Capital/weighted risks (%)	14.85	14.32
Core Tier 1 regulatory capital (%)	14.52	14.33

Related Research

[Fitch Places Turkish Banks' Ratings on Watch Negative \(July 2018\)](#)

[Turkey \(January 2018\)](#)

[Fitch Affirms Turkey at 'BB+'; Outlook Stable \(January 2018\)](#)

[Turkish Islamic Banks Dashboard \(December 2017\)](#)

[Fitch 2018 Outlook: Turkish Banks \(December 2017\)](#)

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Key Rating Drivers

Support Drives Ratings: Turkiye Finans Katilim Bankasi A.S.'s ratings reflect the high probability of support, if needed, from its 67% owner, National Commercial Bank (NCB, A-/Stable) of Saudi Arabia, based on the bank's ownership, strategic importance to and integration with NCB.

The Rating Watch Negative (RWN) on the Long-Term Foreign-Currency Issuer Default Rating (FC IDR) reflects Fitch Ratings' intention to reassess the appropriateness of rating Turkish banks above the sovereign given potential government intervention in the banking sector in case of a marked weakening in Turkey's external finances.

Operating Environment: The concentration of the bank's operations in Turkey exposes it to political, macro and exchange-rate volatility, and creates risks to performance, asset quality, capital, funding and liquidity – as reflected in the RWN on the Viability Rating (VR). Turkiye Finans has taken steps to clean up financing, tighten underwriting standards and restructure operations, explaining the contraction in its financing since 2016 (in contrast to sector growth).

Limited Franchise: Turkiye Finans has small market shares but is ranked second by assets in participation banking, a sector with reasonable long-term growth prospects given its strategic importance in Turkey. Competition has increased due to new market entrants.

Fairly High Credit Risk: The bank's risk appetite has historically been fairly high considering high largely FC-indexed financing, mainly to weakly hedged or unhedged SME borrowers in the volatile Turkish market, and construction sector exposure. However, it has tightened underwriting standards and FC-indexed financing is being phased out following a change in local regulations in May 2018.

High Non-Performing Financing Ratio: The bank's non-performing financing (NPF, financing overdue by 90 days) ratio has been fairly stable since end-2016, despite the contraction in financing. However, risks remain considering high watch-list and restructured exposures – which management attributes to its conservative classification approach – and exposure to some risky sectors and segments.

Moderate Capitalisation: The bank's capital ratios should be considered in light of the depreciation of the Turkish lira (which inflates FC risk-weighted assets), higher interest rates (given negative bond valuations) and potential further NPF growth. Internal capital generation is only moderate and could come under pressure from funding cost and impairment growth.

Refinancing Risk: High wholesale funding, largely in foreign currency, heightens refinancing risk but market access has been supported by the bank's ownership and adequate FC liquidity, which typically broadly covers short-term maturing FC wholesale liabilities.

Rating Sensitivities

Support, Country Risks: The bank's ratings are sensitive to a sharp NCB downgrade or a reduction in its propensity to provide support, and to a review of Fitch's approach to rating Turkish rating banks above the sovereign Long-Term Foreign-Currency IDR.

Operating Environment: The VR is sensitive to a weakening in bank financial metrics and to the extent that the operating environment deteriorates further or stabilises in the near term.

Operating Environment

The sovereign ratings balance external financing vulnerabilities, pronounced political and geopolitical risks, and high levels of inflation and macroeconomic volatility against low public debt ratios backed by a long commitment to fiscal stability and strong growth performance.

The Turkish operating environment remains challenging for banks. The lira has depreciated by about 20% against the US dollar-euro basket rate this year due to increased market volatility with the authorities responding by raising the key policy rate by 425bp to 17.75%. As a result, economic growth – which was a strong 7.4% in 2017 (boosted by government stimulus measures, notably the Credit Guarantee Fund) – is forecast to slow, albeit to a still solid 4.5% in 2018 and about 3.6% in 2019. Fitch expects inflation to remain in double digits (2017: average rate of 11%).

Turkey's participation banks accounted for 4.9% of banking sector assets at end-2017. Fitch believes this segment has reasonable medium-term growth prospects, given the government's aim of increasing its share to 15% of sector assets by 2025. However, the limited – albeit broadening – range of sharia-compliant products remains a constraint to growth in the sector. The entrance of two new state-owned participation banks since 2014 has also increased competition.

Participation banks are governed by the same banking law as conventional banks, but with certain additional provisions. A recent change in regulation governing foreign-currency lending by Turkish banks is set to have an impact on the Islamic banking segment since it prohibits foreign-currency-indexed financing, which is particularly prevalent among these banks.

Company Profile

Turkiye Finans is 67% owned by NCB, a majority state-owned Saudi Arabian Islamic bank and a leading financial institution in the Middle East. Its remaining shares are held by Ulker (11%) and Boydak Group (22%), whose stake NCB has previously tried to buy out.

Limited Franchise

Turkiye Finans's operations are concentrated in Turkey, where it services customers in the corporate/commercial, SME and retail segments. At end-1Q18, financing was split about two-thirds/one-third between the corporate and commercial/SME and retail segments. Retail finance mainly comprises residential mortgages. Revenue is reliant on net finance income. Fee income remains a moderate contributor to earnings, as for the sector, but is reasonably diversified.

The bank had about 1% share of total banking sector assets at end-2017. However, its share of participation banking assets, which accounts for about 5% of total banking sector assets, was about a quarter. The bank has seen some erosion of its market shares as it has prioritised asset quality over growth and because of the arrival of new market participants. It has a moderate branch network and continues to open a small number of branches but is also developing digital banking.

Links with NCB

As part of its restructuring the bank has seen several senior management changes. A new chief executive joined from NCB in 2016 and collaboration between the banks, and NCB oversight, have increased since then. NCB controls the bank's board of directors and its chief executive acts as the board's chairman. Turkiye Finans's risk management, policies and corporate governance framework have been aligned with those of its parent and NCB representatives sit on Turkiye Finans's committees. However, related-party business is limited and on an arm's length basis.

Related Criteria

[Bank Rating Criteria \(June 2018\)](#)

Strategic Objectives

Turkiye Finans's medium-term strategy is to build a scalable participation banking business and increase efficiencies, following a period of clean-up and restructuring – including the reorganisation of the bank's risk management, human resources, and IT and governance functions. The bank focuses on building a customer-service oriented model, underpinned by a segmented branch network and an expanded product range. It has deployed an increased number of regional sales staff to support financing (where the main focus is on local currency financing to SME and commercial customers) and deposit growth.

Risk Appetite

Tightening of Underwriting Standards

The board sets the bank's risk appetite and risk limits are integrated into Turkiye Finans's budget, strategy and capital planning.

Following heightened asset-quality problems the bank has tightened its underwriting standards, overhauling its scoring and rating models (the latter using external consultants) and introducing a more risk-based approach to financing. Branch limits have largely been abolished and regional limits are small. Large exposures of more than TRY150 million require board approval. The largely monthly amortising nature of financing facilitates the timely detection of NPFs.

Single-name concentration risk is moderate reflecting the bank's focus on the non-corporate segments. Financing is fairly long-term with over a third (by volume) at end-2017 due in one to five years' time.

The bank has also tightened its operational risk framework and focused on increasing data automation to reduce the scope for error. Operational losses have been limited.

Interbank exposures are limited. Securities relate largely to Turkish Treasury sukuk held for liquidity management, limiting the credit risk.

Risk Controls

Turkiye Finans provides regular risk reports to NCB. All department heads report to the audit committee, which in turn reports to the board. A risk committee was established in 2016 to supervise risk management. Branch and department activities are periodically reviewed and stress tests carried out. There are early-warning market risk triggers and limit breaches are reported automatically.

Contraction in Financing

Financing (including non-cash items) contracted in 2017. This was despite TRY3 billion of new financing under the CGF facility, equal to about 11% of gross financing at end-2017. The financing book was broadly flat in 1Q18 and growth could remain muted in 2018 given the volatile operating environment, rising funding costs and the cessation of FC-indexed financing. The latter comprised about a quarter of gross financing (including lease receivables) at end-1Q18 and the bank's strategy is to replace this largely with local-currency financing.

The medium term growth focus is on the SME, retail and a small extent the micro customer segments. As a result, the bank aims slightly to reduce corporate and commercial financing (equal to about two-thirds of gross financing), although the overall financing book composition is not set to change significantly. In the retail segment, the bank targets growth in unsecured general purpose financing as opposed to mortgages, which comprise most of the current portfolio.

Market Risk

Market risk relates mainly to 'profit share risk' (interest-rate risk) as the bank's liabilities reprice more quickly than its assets, as for the sector. The largely monthly amortising repayment

structure of the financing book partly mitigates this risk. At end-2017 the regulatory shock – comprising a +500bp/-400bp change in lira rates and +/-200bp change in FC rates – would have resulted in a moderate impact of -11%/+10% on equity, respectively.

As a participation bank Turkiye Finans does not promise a rate of return to depositors as any return is dependent on the performance of the underlying investments, but there is still an element of pricing pressure.

Structural foreign-currency risk is mitigated by hedging and the bank’s policy to match assets and liabilities by currency. It maintained a broadly flat structural FC position at end-1Q18.

Turkiye Finans faces pricing risk on its securities portfolio (end-1Q18: equal to about 9% of total assets), which largely comprise securities held at fair value through other comprehensive income, and capital is sensitive to negative revaluations of government bonds resulting from interest rate rises.

Financial Profile

Asset-Quality Clean-Up; Still Fairly High Credit Risk Profile

Key Asset-Quality Ratios

(%)	1Q18	2017	2016	2015
Growth of gross financing	-0.1	-1.5	-6.1	19.9
Impaired financing gross financing	5.3	5.1	5.0	4.2
Reserves for impaired financing/impaired financing ^a	100.6	70.9	61.5	60.1
Financing impairment charges/average gross financing	0.5	1.1	1.9	1.6

^a Reserves for impaired financing at end-1Q18 include expected credit losses for Stage 1,2 and 3 loans per IFRS 9. Prior periods include specific reserves against NPFs
Source: Turkiye Finans, Fitch

Turkiye Finans has reported an above-sector-average NPFs in recent years, although this has been against the backdrop of a shrinking financing book since 2016. It has also cleaned up its portfolio and tightened underwriting criteria, as a result of which new financing has been issued under more stringent criteria.

The bank saw no increase in NPFs as a result of its transition to IFRS 9 on 1 January 2018 and stage 2 watch list loans fell.

Asset quality has been supported to some extent by NPF sales and write-offs (1Q18: equal to 0.1% and 0.9% of end-1Q18 and end-2017 financing, respectively). Collections have also increased following the creation of a new unit; they amounted to 6% and 26% of end-1Q18 and end-2017 financing.

Turkiye Finans’s NPF origination and generation rates (net of collections) both improved in 2017, falling to 2.4% and 1%, respectively (2016: 4.2% and 2.6%). In 2017 asset quality was supported by CGF-related financing (end-May 2018: average NPF ratio of 0.7%).

However, the bank’s credit risk profile remains high considering high watch list exposures, high FC financing (given the lira depreciation) and higher interest rates (which could affect lira borrowers’ debt service capacity).

At end-1Q18, stage 2 financings (per IFRS 9) amounted to 13% of total financing and exposures were fairly granular. 60% of stage 2 financings were restructured. Compared to pre-IFRS 9 group 2 financing, this represented a decline (from 15% of gross financing at end-2017; 43% restructured). Average reserves coverage of stage 2 financings was 8% at end-1Q18 and the collateral cover was reasonable.

Total reserves coverage of NPFs (per IFRS 9) amounted to 100% at end-1Q18 and included specific reserves coverage of 71%. However, total reserves coverage of NPFs plus stage 2 financing was a low 29%.

The bank has exposure to the construction sector (end-1Q18: about 12% of performing financing, split 70%/30% between construction and real estate), energy (5%) and tourism (3%). Residential and commercial development financing was equal to a high 80% of Fitch Core Capital at end-1Q18 and real-estate financing to about 35%.

Project finance is significant. At end-1Q18, about 55% related to renewable energy projects, which benefit from a government-guaranteed floor price set in US dollars. Remaining projects were concentrated mainly in the real estate, tourism and production sectors. Projects are long-term with grace periods and denominated in foreign currency, heightening the credit risk. However, the exposures are fairly granular and typically collateralised by receivables, share pledges and shareholder guarantees. Including undisbursed facilities (which are small), total project finance comprised about a 10th of gross financing at end-1Q18.

FC financing comprised nearly two-fifths of gross financing at end-1Q18, of which about 63% comprised FC-indexed financing. It heightens credit risk considering the potential impact on often weakly hedged borrowers' ability to service their debt. However, the level of FC financing should fall with the phasing out of FC-indexed financing, set largely to be replaced by Turkish lira exposures.

The securities portfolio equated to about 9% of total assets at end-1Q18 and mainly comprises Turkish government sukuk held for liquidity management purposes in the financial assets at fair value through comprehensive income portfolio.

Earnings and Profitability

Key Earnings and Profitability Ratios

(%)	1Q18	2017	2016	2015
Net financing income/average earning assets	4.7	4.7	4.7	4.6
Non-financing expense/gross revenue	57.3	53.8	48.0	50.6
Financing and securities impairment charges/ pre-impairment operating profit	31.1	41.3	60.5	58.3
Operating profit/average total assets	1.2	1.2	1.0	0.9
Operating profit/risk-weighted assets	1.8	1.7	1.2	1.1
Net income/average equity	9.1	9.7	8.4	8.1

Source: Turkiye Finans, Fitch

Turkiye Finans's profitability is below average, reflecting a lack of economies of scale but also a fall in revenue since 2016 while it focused on cleaning up financing and restructuring operations due to asset-quality problems. However, the ratio of financing impairment relative to pre-impairment profit has declined (1Q18: 31%; 2016: 60%) and operating profitability ratios improved in 2017.

Turkiye Finans has defended its net-finance margin reflecting repricing on the assets side – facilitated by the largely monthly amortising nature of the financing book – where average yields have been broadly stable. The bank also reports a below-sector-average cost of deposit funding reflecting its generally less-price-sensitive depositors and higher share of zero-interest bearing demand deposits. The bank aims to increase higher-yielding lira lending to support margins, although the recent interest-rate rises could weaken demand while squeezing margins due to higher funding costs.

The bank is budgeting for ROE to rise slightly in 2018 as a result of lower impairments but growth is likely to remain muted while performance remains sensitive to margin pressure and potential NPF growth.

Capitalisation and Leverage

Moderate Capitalisation

Key Capitalisation and Leverage Ratios

(%)	1Q18	2017	2016	2015
Fitch Core Capital/weighted risk	14.9	14.3	12.0	10.9
Total regulatory capital ratio	19.3	18.2	15.5	13.5
Tangible common equity/tangible assets	10.4	10.2	9.2	8.6
Common equity Tier 1 regulatory capital ratio	14.5	14.3	12.1	10.9

Source: Turkiye Finans, Fitch

Turkiye Finans's capitalisation and leverage are moderate. Its total capital ratio far exceeds the 12% recommended regulatory minimum and sector average. The increase in capital ratios in 2017 reflected the fall in risk-weighted assets due to the contraction in financing and the lower required risk-weighting, which fell to 0% from 50%, on statutory FC reserves held with the central bank

CGF-related growth also provided uplift to its capital ratios since the exposures carry a preferential risk weighting. As an Islamic bank, Turkiye Finans also benefits from a lower alpha rate (risk weight) of 50% (previously 75%) on loans allocated from participation pools (equal to nearly half of the financing book), compared with non-Islamic bank peers.

The quality of the bank's capital is good with a high level of common equity Tier 1. Internal capital generation has also been increasing and it has a zero dividend policy. Tier 2 capital, sourced from NCB, is in FC and provides a partial hedge against lira depreciation.

Nevertheless, capital remains sensitive to further local-currency depreciation (due to the inflation of foreign-currency risk-weighted assets), higher interest rates (due to negative government bond revaluations through comprehensive income) and potential NPF growth (given its high share of watch list loans and exchange-rate volatility). Pre-impairment profit is moderate, however, and provides a buffer to absorb unexpected credit losses through the income statement; in 2017, it was equal to nearly 3% of average gross financing.

Funding and Liquidity

Largely Deposit Funded

Key Funding and Liquidity Ratios

(%)	1Q18	2017	2016	2015
Financing/customer deposits	128.0	127.2	138.1	138.0
Liquidity coverage ratio	227.3	194.9	136.3	80.1
Customer deposits/total funding (excluding Islamic derivatives)	66.2	65.9	62.1	66.9

Source: Turkiye Finans, Fitch

Customer deposits made up 84% of total funding at end-1Q18. The deposit base comprises mainly retail deposits (72%) with the remainder consisting of commercial, corporate SME and micro deposits. It was split broadly equally between local currency and FC deposits.

Following some outflows in 2016 following the failed coup attempt (resulting from contagion risk from Boydak Group, its minority shareholder), the bank's strategy has been to replace lumpy corporate deposits with more granular and sticky deposits attracted through its expanding branch network. To this end, it has implemented a new client segmentation strategy and deposits rose in 2017, although they have fallen slightly in 1Q18.

Deposits are contractually short-term and largely due in up to three months, as for the sector. The share of zero-interest bearing but stable demand deposits is high (29% of total deposits at end-1Q18). Participation accounts (over 90% rollover rate) made up the remainder.

High Wholesale Funding, Refinancing Risks

Wholesale funding, about 85% of which is denominated in foreign currency, amounted to a high 31% of total funding at end-1Q18. Its financing/deposits ratio is high reflecting reliance on wholesale funding. It consists of securities in issue (sukuk), bilateral funding, money market funding and club and syndicated murabaha issues. Turkiye Finans's aim is to reduce its share in the medium term by growing deposits. NCB funding is limited (end-1Q18: equal to 4% of total funding, including USD250 million of subordinated debt due 2025).

Liquidity is managed within the bank's liquidity risk appetite (approved by the board). Its liquidity coverage ratio has remained consistently above regulatory requirements. Liquidity is supported by the rapidly amortising structure of the financing book, around 10% of which is repaid monthly. Foreign-currency liquidity is also adequate and typically broadly covers short-term maturing wholesale liabilities maturing within a year, which are sizeable. The bank repaid a USD500 million senior unsecured issue in 2Q18.

Refinancing risks for Turkiye Finans have increased, as for the sector, as a result of heightened market volatility and tightening global financing conditions. The bank has a good record of market access to date, underpinned by its NCB ownership.

Türkiye Finans Katılım Bankası A.S.
Income Statement

	31 Mar 2018			31 Dec 2017		31 Dec 2016			31 Dec 2015	
	3 Months - 1st Quarter	1st Quarter	As % of	Year End	As % of	Year End	As % of	Year End	As % of	
	USDm	TRYth	Earning Assets	TRYth	Earning Assets	TRYth	Earning Assets	TRYth	Earning Assets	
	Reviewed - Unqualified	Reviewed - Unqualified		Audited - Unqualified		Audited - Unqualified		Audited - Unqualified		
1. Interest Income on Loans	168.5	665,820.0	8.86	2,536,170.0	8.11	2,712,949.0	8.54	2,518,582.0	7.79	
2. Other Interest Income	21.1	83,347.0	1.11	360,320.0	1.15	265,097.0	0.83	261,417.0	0.81	
3. Dividend Income	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	
4. Gross Interest and Dividend Income	189.5	749,167.0	9.96	2,896,490.0	9.27	2,978,046.0	9.38	2,779,999.0	8.59	
5. Interest Expense on Customer Deposits	58.1	229,526.0	3.05	829,774.0	2.65	862,795.0	2.72	836,879.0	2.59	
6. Other Interest Expense	41.1	162,391.0	2.16	615,280.0	1.97	605,711.0	1.91	538,857.0	1.67	
7. Total Interest Expense	99.2	391,917.0	5.21	1,445,054.0	4.62	1,468,506.0	4.63	1,375,736.0	4.25	
8. Net Interest Income	90.4	357,250.0	4.75	1,451,436.0	4.64	1,509,540.0	4.75	1,404,263.0	4.34	
9. Net Fees and Commissions	6.9	27,328.0	0.36	135,780.0	0.43	143,011.0	0.45	142,469.0	0.44	
10. Net Gains (Losses) on Trading and Derivatives	1.7	6,862.0	0.09	22,125.0	0.07	99,170.0	0.31	21,341.0	0.07	
11. Net Gains (Losses) on Assets and Liabilities at FV	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 Income	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	
14. Other Operating Income	2.6	10,273.0	0.14	80,066.0	0.26	46,459.0	0.15	48,813.0	0.15	
15. Total Non-Interest Operating Income	11.2	44,463.0	0.59	237,971.0	0.76	288,640.0	0.91	212,623.0	0.66	
16. Total Operating Income	101.6	401,713.0	5.34	1,689,407.0	5.40	1,798,180.0	5.66	1,616,886.0	5.00	
17. Personnel Expenses	29.3	115,611.0	1.54	417,585.0	1.34	421,121.0	1.33	410,732.0	1.27	
18. Other Operating Expenses	28.9	114,352.0	1.52	491,793.0	1.57	442,767.0	1.39	407,004.0	1.26	
19. Total Non-Interest Expenses	58.2	229,963.0	3.06	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	43.5	171,750.0	2.28	780,029.0	2.50	934,292.0	2.94	799,150.0	2.47	
22. Loan Impairment Charge	7.9	31,383.0	0.42	305,328.0	0.98	547,843.0	1.73	441,216.0	1.36	
23. Securities and Other Credit Impairment Charges	5.6	22,043.0	0.29	17,044.0	0.05	17,422.0	0.05	24,582.0	0.08	
24. Operating Profit	29.9	118,324.0	1.57	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	n.a.	n.a.	-	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	29.9	118,324.0	1.57	457,657.0	1.46	369,027.0	1.16	333,352.0	1.03	
32. Tax expense	7.1	28,190.0	0.37	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	22.8	90,134.0	1.20	375,372.0	1.20	296,194.0	0.93	261,498.0	0.81	
35. Change in Value of AFS Investments	(3.7)	(14,602.0)	(0.19)	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)	3.7	14,550.0	0.19	8,179.0	0.03	24,504.0	0.08	(24,944.0)	(0.08)	
39. Fitch Comprehensive Income	22.8	90,082.0	1.20	401,311.0	1.28	290,166.0	0.91	197,808.0	0.61	
40. 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	
41. Memo: Net Income after Allocation to Non-controlling Interests	22.8	90,134.0	1.20	375,372.0	1.20	296,194.0	0.93	261,498.0	0.81	
42. Memo: Common Dividends Relating to the Period	n.a.	n.a.	-	0.0	0.00	0.0	0.00	0.0	0.00	
43. Memo: Preferred Dividends and Interest on Hybrid Capital Accounted for as Equity Related to the Period	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	

Exchange rate

USD1 = TRY3.9525

USD1 = TRY3.7753

USD1 = TRY3.5224

USD1 = TRY2.9102

Turkiye Finans Katilim Bankasi A.S.
Balance Sheet

	31 Mar 2018		31 Dec 2017		31 Dec 2016		31 Dec 2015		
	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
Assets									
A. Loans									
1. Residential Mortgage Loans	650.2	2,569,992.0	6.70	2,611,423.0	6.70	3,206,315.0	8.27	3,716,294.0	9.64
2. Other Mortgage Loans	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
3. Other Consumer/ Retail Loans	208.1	822,687.0	2.14	873,560.0	2.24	1,243,204.0	3.21	1,524,083.0	3.96
4. Corporate & Commercial Loans	5,473.7	21,634,630.0	56.39	21,541,327.0	55.23	20,713,034.0	53.44	21,375,808.0	55.47
5. Other Loans	679.7	2,686,317.0	7.00	2,727,203.0	6.99	3,015,139.0	7.78	3,380,735.0	8.77
6. Less: Loan Loss Allowances	374.7	1,480,943.0	3.86	1,002,992.0	2.57	857,194.0	2.21	752,136.0	1.95
7. Net Loans	6,637.0	26,232,683.0	68.37	26,750,521.0	68.58	27,320,498.0	70.48	29,244,784.0	75.89
8. Gross Loans	7,011.7	27,713,626.0	72.23	27,753,513.0	71.16	28,177,692.0	72.69	29,996,920.0	77.84
9. Memo: Impaired Loans included above	372.6	1,472,837.0	3.84	1,414,992.0	3.63	1,394,324.0	3.60	1,250,842.0	3.25
10. Memo: Specific Loan Loss Allowances	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
B. Other Earning Assets									
1. Loans and Advances to Banks	179.6	709,853.0	1.85	307,436.0	0.79	561,766.0	1.45	225,369.0	0.58
2. Reverse Repos and Securities Borrowing	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
3. Derivatives	52.7	208,421.0	0.54	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	2,163.0	0.01	1,631.0	0.00	1,558.0	0.00	1,442.0	0.00
5. Available for Sale Securities	741.1	2,929,150.0	7.63	3,366,694.0	8.63	2,912,372.0	7.51	1,897,407.0	4.92
6. Held to Maturity Securities	103.7	409,940.0	1.07	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	845.4	3,341,253.0	8.71	4,038,853.0	10.36	3,696,483.0	9.54	2,787,742.0	7.23
9. Memo: Government Securities included Above	843.4	3,333,494.0	8.69	3,361,727.0	8.62	2,907,449.0	7.50	1,892,510.0	4.91
10. Memo: Total Securities Pledged	241.2	953,217.0	2.48	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	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
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	7,714.7	30,492,210.0	79.47	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	1,529.7	6,046,225.0	15.76	6,084,201.0	15.60	5,668,857.0	14.62	5,372,503.0	13.94
2. Memo: Mandatory Reserves included above	980.2	3,874,155.0	10.10	3,746,183.0	9.60	3,495,263.0	9.02	3,702,250.0	9.61
3. Foreclosed Assets	89.9	355,177.0	0.93	263,623.0	0.68	95,655.0	0.25	1,732.0	0.00
4. Fixed Assets	220.2	870,399.0	2.27	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	16.1	63,621.0	0.17	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	23.8	94,082.0	0.25	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	113.3	447,760.0	1.17	445,072.0	1.14	411,530.0	1.06	199,889.0	0.52
11. Total Assets	9,707.6	38,369,474.0	100.00	39,003,824.0	100.00	38,761,885.0	100.00	38,535,576.0	100.00
Liabilities and Equity									
D. Interest-Bearing Liabilities									
1. Total Customer Deposits	5,477.2	21,648,680.0	56.42	21,817,580.0	55.94	20,408,045.0	52.65	21,742,683.0	56.42
2. Deposits from Banks	25.8	102,143.0	0.27	197,199.0	0.51	669,240.0	1.73	450,048.0	1.17
3. Repos and Securities Lending	n.a.	n.a.	-	525,849.0	1.35	534,709.0	1.38	956,532.0	2.48
4. Commercial Paper and Short-term Borrowings	1,418.9	5,608,273.0	14.62	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	6,922.0	27,359,096.0	71.30	28,046,297.0	71.91	25,894,716.0	66.80	25,155,597.0	65.28
6. Senior Unsecured Debt	1,100.9	4,351,481.0	11.34	4,123,452.0	10.57	6,059,167.0	15.63	6,619,936.0	17.18
7. Subordinated Borrowing	255.8	1,011,153.0	2.64	960,338.0	2.46	890,500.0	2.30	733,023.0	1.90
8. Covered Bonds	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	1,356.8	5,362,634.0	13.98	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	8,278.7	32,721,730.0	85.28	33,130,087.0	84.94	32,844,413.0	84.73	32,508,556.0	84.36
14. Derivatives	52.6	208,087.0	0.54	284,314.0	0.73	385,032.0	0.99	317,897.0	0.82
15. Total Funding and Derivatives	8,331.4	32,929,817.0	85.82	33,414,401.0	85.67	33,229,445.0	85.73	32,826,453.0	85.18
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	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	46.4	183,234.0	0.48	225,829.0	0.58	206,770.0	0.53	194,848.0	0.51
4. Current Tax Liabilities	12.3	48,761.0	0.13	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 Liabilities	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
9. Other Liabilities	297.5	1,175,867.0	3.06	1,058,359.0	2.71	1,391,526.0	3.59	1,840,300.0	4.78
10. Total Liabilities	8,687.6	34,337,679.0	89.49	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	1,004.1	3,968,672.0	10.34	3,962,774.0	10.16	3,591,094.0	9.26	3,293,359.0	8.55
2. Non-controlling Interest	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
3. Securities Revaluation Reserves	(11.9)	(47,117.0)	(0.12)	(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	27.9	110,240.0	0.29	112,219.0	0.29	91,257.0	0.24	74,359.0	0.19
6. Total Equity	1,020.1	4,031,795.0	10.51	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	1,020.1	4,031,795.0	10.51	4,039,568.0	10.36	3,638,257.0	9.39	3,348,091.0	8.69
8. Total Liabilities and Equity	9,707.6	38,369,474.0	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	1,004.0	3,968,174.0	10.34	3,973,510.0	10.19	3,568,222.0	9.21	3,293,720.0	8.55

Exchange rate

USD1 = TRY3.9525

USD1 = TRY3.7753

USD1 = TRY3.5224

USD1 = TRY2.9102

Turkiye Finans Katilim Bankasi A.S. Summary Analytics

	31 Mar 2018 3 Months - 1st Quarter	31 Dec 2017 Year End	31 Dec 2016 Year End	31 Dec 2015 Year End
A. Interest Ratios				
1. Interest Income/ Average Earning Assets	9.84	9.43	9.36	9.07
2. Interest Income on Loans/ Average Gross Loans	9.74	9.30	9.32	9.08
3. Interest Expense on Customer Deposits/ Average Customer Deposits	4.28	4.04	4.09	4.11
4. Interest Expense/ Average Interest-bearing Liabilities	4.79	4.45	4.45	4.36
5. Net Interest Income/ Average Earning Assets	4.69	4.73	4.74	4.58
6. Net Int. Inc Less Loan Impairment Charges/ Av. Earning Assets	4.28	3.73	3.02	3.14
7. Net Interest Inc Less Preferred Stock Dividend/ Average Earning Assets	4.69	4.73	4.74	4.58
B. Other Operating Profitability Ratios				
1. Operating Profit/ Risk Weighted Assets	1.80	1.65	1.24	1.10
2. Non-Interest Expense/ Gross Revenues	57.25	53.83	48.04	50.57
3. Loans and securities impairment charges/ Pre-impairment Op. Profit	31.11	41.33	60.50	58.29
4. Operating Profit/ Average Total Assets	1.24	1.20	0.95	0.90
5. Non-Interest Income/ Gross Revenues	11.07	14.09	16.05	13.15
6. Non-Interest Expense/ Average Total Assets	2.41	2.38	2.22	2.21
7. Pre-impairment Op. Profit/ Average Equity	17.26	20.25	26.47	24.69
8. Pre-impairment Op. Profit/ Average Total Assets	1.80	2.04	2.40	2.16
9. Operating Profit/ Average Equity	11.89	11.88	10.46	10.30
C. Other Profitability Ratios				
1. Net Income/ Average Total Equity	9.06	9.74	8.39	8.08
2. Net Income/ Average Total Assets	0.94	0.98	0.76	0.71
3. Fitch Comprehensive Income/ Average Total Equity	9.05	10.42	8.22	6.11
4. Fitch Comprehensive Income/ Average Total Assets	0.94	1.05	0.75	0.54
5. Taxes/ Pre-tax Profit	23.82	17.98	19.74	21.55
6. Net Income/ Risk Weighted Assets	1.37	1.35	1.00	0.86
D. Capitalization				
1. FCC/ FCC-Adjusted Risk Weighted Assets	14.85	14.32	12.01	10.86
2. Tangible Common Equity/ Tangible Assets	10.36	10.20	9.22	8.56
3. Equity/ Total Assets	10.51	10.36	9.39	8.69
4. Basel Leverage Ratio	7.53	7.40	6.60	5.64
5. Common Equity Tier 1 Capital Ratio	14.52	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	14.52	14.28	12.03	10.65
8. Total Capital Ratio	19.33	18.20	15.52	13.50
9. Impaired Loans less Loan Loss Allowances/ Fitch Core Capital	(0.20)	10.37	15.05	15.14
10. Impaired Loans less Loan Loss Allowances/ Equity	(0.20)	10.20	14.76	14.90
11. Cash Dividends Paid & Declared/ Net Income	n.a.	0.00	0.00	0.00
12. Risk Weighted Assets/ Total Assets	69.64	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. Loan Quality				
1. Impaired Loans/ Gross Loans	5.31	5.10	4.95	4.17
2. Growth of Gross Loans	(0.14)	(1.51)	(6.06)	19.92
3. Loan Loss Allowances/ Impaired Loans	100.55	70.88	61.48	60.13
4. Loan Impairment Charges/ Average Gross Loans	0.46	1.12	1.88	1.59
5. Growth of Total Assets	(1.63)	0.62	0.59	15.07
6. Loan Loss Allowances/ Gross Loans	5.34	3.61	3.04	2.51
7. Net Charge-offs/ Average Gross Loans	0.00	0.00	0.00	0.00
8. Impaired Loans + Foreclosed Assets/ Gross Loans + Foreclosed Assets	6.51	5.99	5.27	4.18
F. Funding and Liquidity				
1. Loans/ Customer Deposits	128.02	127.21	138.07	137.96
2. Liquidity Coverage Ratio	227.29	194.92	136.30	80.14
3. Customer Deposits/ Total Funding (excluding derivatives)	66.16	65.85	62.14	66.88
4. Interbank Assets/ Interbank Liabilities	694.96	155.90	83.94	50.08
5. Net Stable Funding Ratio	n.a.	n.a.	n.a.	n.a.
6. Growth of Total Customer Deposits	(0.77)	6.91	(6.14)	16.10

Turkiye Finans Katilim Bankasi A.S.

Reference Data

	31 Mar 2018		31 Dec 2017		31 Dec 2016		31 Dec 2015		
	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
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	2,035.1	8,043,925.0	20.96	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	139.5	551,452.0	1.44	709,939.0	1.82	1,113,286.0	2.87	1,494,484.0	3.88
5. Committed Credit Lines	960.9	3,797,663.0	9.90	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	3,349.5	13,238,974.0	34.50	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									
1. Average Loans	7,016.7	27,733,570.0	72.28	27,257,214.0	69.88	29,099,897.0	75.07	27,730,718.0	71.96
2. Average Earning Assets	7,811.7	30,875,713.0	80.47	30,702,483.0	78.72	31,813,473.0	82.07	30,638,294.0	79.51
3. Average Total Assets	9,787.9	38,686,649.0	100.83	38,214,121.0	97.98	38,848,022.0	100.22	36,966,007.0	95.93
4. Average Managed Securitized Assets (OBS)	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
5. Average Interest-Bearing Liabilities	8,392.7	33,172,109.0	86.45	32,499,402.0	83.32	32,969,591.0	85.06	31,527,620.0	81.81
6. Average Common equity	1,003.3	3,965,723.0	10.34	3,776,641.0	9.88	3,455,500.0	8.91	3,170,403.0	8.23
7. Average Equity	1,021.0	4,035,682.0	10.52	3,852,521.0	9.88	3,529,497.0	9.11	3,237,325.0	8.40
8. Average Customer Deposits	5,498.6	21,733,130.0	56.64	20,536,113.0	52.65	21,095,572.0	54.42	20,380,188.0	52.89
C. Maturities									
Asset Maturities:									
Loans & Advances < 3 months	1,679.3	6,637,577.0	17.30	6,514,864.0	16.70	6,749,542.0	17.41	6,891,065.0	17.88
Loans & Advances 3 - 12 Months	2,400.6	9,488,388.0	24.73	9,298,408.0	23.84	9,008,447.0	23.24	9,594,276.0	24.90
Loans and Advances 1 - 5 Years	2,374.2	9,384,187.0	24.46	9,749,751.0	25.00	10,060,045.0	25.95	9,219,895.0	23.93
Loans & Advances > 5 years	182.8	722,531.0	1.88	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
Loans & Advances to Banks < 3 Months	179.2	708,316.0	1.85	307,436.0	0.79	561,766.0	1.45	225,369.0	0.58
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
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
Loans & 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	5,139.9	20,315,350.0	52.95	20,713,175.0	53.11	19,348,964.0	49.92	20,454,124.0	53.08
Other Deposits 3 - 12 Months	290.5	1,148,233.0	2.99	904,248.0	2.32	785,417.0	2.03	853,075.0	2.21
Other Deposits 1 - 5 Years	46.8	185,149.0	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	25.8	102,091.0	0.27	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 Debt Maturing < 3 months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Senior Debt Maturing 3-12 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Senior Debt Maturing 1-5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Senior Debt Maturing > 5 Years	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.	-
Fair Value Portion of Senior Debt	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	255.8	1,011,153.0	2.64	960,338.0	2.46	890,500.0	2.30	733,023.0	1.90
Fair Value Portion of Subordinated Debt	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
D. Risk Weighted Assets									
1. Risk Weighted Assets	6,760.5	26,720,844.0	69.64	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 Assets	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
3. Fitch Core Capital Adjusted Risk Weighted Assets	6,760.5	26,720,844.0	69.64	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	6,760.5	26,720,844.0	69.64	27,751,502.0	71.15	29,704,506.0	76.63	30,314,964.0	78.67
E. Fitch Core Capital Reconciliation									
1. Total Equity as reported (including non-controlling interests)	1,020.1	4,031,795.0	10.51	4,039,568.0	10.36	3,638,257.0	9.39	3,348,091.0	8.69
2. Fair-value adjustments relating to own credit risk on debt issued	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	16.1	63,621.0	0.17	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 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	1,004.0	3,968,174.0	10.34	3,973,510.0	10.19	3,568,222.0	9.21	3,293,720.0	8.55

Exchange Rate

USD1 = TRY3.9525

USD1 = TRY3.7753

USD1 = TRY3.5224

USD1 = TRY2.9102

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