

Kuveyt Turk 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)
Viability Rating	bb-
Individual Rating	D
Support Rating	2

Sovereign Risk

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

Outlooks

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

Financial Data

Kuveyt Turk Katilim Bankasi A.S

	30 Sep 11	30 Dec 10
Total assets (USDm)	7,377.7	6,311.0
Total assets (TRYm)	13,670.9	9,727.1
Total equity (TRYm)	1,403.5	1,256.7
Operating profit (TRYm)	203.4	201.4
Published net income (TRYm)	160.5	159.6
Operating ROAA (%)	2.32	2.42
Operating ROAE (%)	20.4	19.5
Internal capital generation (%)	14.0	11.9
Fitch core capital/weighted risks	13.8	16.8
Tier 1 ratio (%)	13.4	16.5

Key Rating Drivers

Support-Driven IDRs: Kuveyt Turk Katilim Bankasi A.S's (Kuveyt Turk) IDRs, Support and National Long-Term Ratings reflect the likelihood of support from its majority shareholder, Kuwait Finance House (KFH; 'A+'/Stable). The Viability Rating reflects Kuveyt Turk's sound profitability, good efficiency, comfortable liquidity and stable deposit funding profile. Its history of rapid growth, concentration in construction, relatively small size and potential long-term challenges in funding diversification are credit negatives.

Margins Drive Profitability: Kuveyt Turk's margins are the highest in its peer group, reflecting diversified and cheap deposits and good returns on loans. Despite its rapid growth and small size, cost and efficiency ratios are reasonable. Fitch Ratings considers efficiency metrics to be on a par with international peers. Operating ROE has consistently been around 20%, the highest in the peer group. Kuveyt Turk's sound profitability is a key strength in a competitive environment. Fitch expects ROE to remain below 20% in 2012, due to rising margin pressure across the sector.

Expanding Franchise: Kuveyt Turk is set for medium-term organic growth. Asset growth was a very high 40% in 9M11, compared with 41% in 2010 as a whole. The bank has clear ROE targets, and maintaining sound profitability is the factor that is limiting growth. In Fitch's opinion, Kuveyt Turk's growth plans will only deliver results if the marginal productivity on new units improves as targeted. So far, the bank has successfully channelled new business from its expanding network and maintained reasonable profitability and efficiency ratios.

Growing SME Segment: Kuveyt Turk lends primarily to corporate clients. However, retail banking and SMEs constitute 34% of loans, with SMEs the key growth driver. Lending is concentrated in the construction sector due to the high share of off-balance-sheet exposures.

Good Asset Quality: Kuveyt Turk's non-performing loan (NPL) ratio was reasonable at 2.3% in 9M11 (2010: 3.2%), helped by rising credit volumes, continued recoveries and write-offs. Total coverage of NPLs was well-above 100% in 9M11. Fitch believes that the cost of risk will stabilise at around 1.0% in 2012. Fitch considers that Kuveyt Turk's rapidly growing loan book should be tested through the credit cycle.

Stable Funding and Capitalisation: Kuveyt Turk is mainly funded by diversified customer deposits. Liquid assets are high and comfortably (36%) covered by customer deposits in 9M11. Its Fitch core capital ratio was a moderate 13.8% at end-9M11, but this should be viewed in conjunction with the support of its highly rated parent. The bank's regulatory capital ratio improved to 16.5% at end-9M11, helped by a Tier 2 capital injection in Q311.

What Could Trigger a Rating Action

Constrained by Country Ceiling: A change in KFH's ability and/or willingness to support Kuveyt Turk could affect the latter's IDRs and Support Rating. In addition, its Long-Term Foreign-Currency IDR is constrained by Turkey's Country Ceiling of 'BBB-', and its Long-Term Local-Currency IDR is capped two notches above the sovereign's. A change in the Country Ceiling would be reflected in Kuveyt Turk's IDRs.

Handling Growth a Challenge: Any change in the Viability Rating would depend on the outcome of Kuveyt Turk's rapid organic growth plans, and Fitch will continue to monitor developments in its profitability, efficiency and diversification of loans and funding.

Related Research

2012 Outlook: Turkish Banks
(December 2011)
Turkey (November 2011)
Turkish Participation Banks: "Interest-Free"
Banking Brings Challenges and Rewards
(March 2011)

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Figure 1

Shareholder Structure

	(%)
Kuwait Finance House (KFH)	62.2
Directorate of Vakif	18.7
Foundations — Turkey	
Public Institution for Social Security — Kuwait	9.0
Islamic Development Bank	9.0
Others	1.1
Total	100.0

Source: company data

Profile**Majority-Owned by Kuwait Finance House**

Kuveyt Turk was incorporated in 1989 and is 62% owned by KFH. Other institutional shareholders also exist (see Figure 1), and their interests are represented at board level through four members (out of nine). The Kuwaiti state owns a direct 9.0% stake through the Public Institution for Social Security state fund.

KFH is the second-largest bank in Kuwait. It is a major consumer durables lender and has a large retail deposit base. It is 43% owned by Kuwaiti government agencies. Its international operations include banking subsidiaries in Malaysia, Turkey and Bahrain. It had consolidated assets of USD41.2bn and equity of USD5.2bn at end-H111. Kuveyt Turk accounts for around 18% of the KFH group's consolidated assets and equity.

Kuveyt Turk engages in interest-free banking, primarily with corporate and commercial (medium-sized corporate) clients. SME banking and individual clients are served through retail banking. The bank's product range includes investment accounts, insurance products and private pension schemes for retail clients. Kuveyt Turk is a small bank, with a 1.0% market share in consolidated assets and 1.3% in deposits at end-H111. It has 166 branches, including in Germany and Dubai.

Planning to Grow Faster Than Peers

Kuveyt Turk is set to grow purely organically in the medium term. Its total network will reach 180 branches at end-2011, with another 40 new branches planned for 2012. Asset growth already reached a very high 40% in 9M11, compared with 41% in 2010 as a whole. Fitch notes that this year's growth has been partly driven by the FX effect of foreign-currency-denominated loans, due to a depreciation of the Turkish Lira. Kuveyt Turk wishes to expand faster than the system and envisages becoming one of the 10 largest banks in Turkey in the longer term (it currently ranks 16th). The bank's aim is for the retail and SME segments, which currently make up about 34% of its lending, to account for 50% in the medium term. At the same time, it has clear ROE targets, and maintaining sound profitability is the factor that is limiting growth.

In Fitch's opinion, Kuveyt Turk's growth plans will only deliver results if the marginal productivity on new units improves as targeted. Since end-2009, the bank has been through a fast growth period, tapping into new regions and new clients. At end-2010, more than one-third of the outstanding loan book was composed of new exposures; that is, customers of the bank for less than one year. The upper echelons of the Turkish banking system are highly competitive, and the main long-term challenge for Kuveyt Turk will be to diversify its assets (and liabilities) mix into interest-free products while remaining profitable and competitive. So far, the bank has successfully channelled new business from its expanding network and maintained reasonable profitability and efficiency ratios. It also initiated a large transformation project in 2010 to update its core banking systems with more up-to-date technology.

Presentation of Accounts

Fitch's analysis is based on Kuveyt Turk's audited financial statements, prepared in accordance with Banking Regulation and Supervision Agency (BRSA) guidelines, which are very similar to IFRS. Interim figures are based on the auditor's limited review, in accordance with BRSA guidelines.

Performance and Profitability**Improving Operating Environment but Challenges Remain**

The medium-term macroeconomic and credit outlook for Turkey appears favourable – helped by good growth prospects, a well-capitalised and retail deposit-funded banking sector and a declining government debt/GDP ratio. However, in the near term, there is significant uncertainty over whether Turkey can achieve a soft landing for the economy, reduce inflation and narrow the current account deficit, particularly in view of the adverse global environment.

Figure 2

Market Share and Ranking

	H111	
	Share (%)	Rank
Total assets	1.0	16
Deposits	1.3	16
Loans	1.3	16

Source: Participations Banks' Association of Turkey and Commercial Banks Association of Turkey data, adapted by Fitch

Related Criteria

[Global Financial Institutions Rating Criteria \(August 2011\)](#)

[Rating Financial Institutions Above the Local Currency Sovereign Rating \(December 2011\)](#)

[National Ratings Criteria January 2011](#)

Sound Profitability Driven by High Margins and Good Efficiency

Operating revenues are driven by financing income from loans, fees and trading income. Kuveyt Turk is actively involved in the trading of FX and commodities, which usually contribute to trading income. Fee income generation is still low (fees contribute 9% of total revenues) and needs to be developed as a stable source of revenue.

In line with the general trend in the Turkish banking system, Kuveyt Turk's net financing margin continuously decreased in 2010 and 9M11. Margin compression is driven by the overall decreasing trend in interest rates, tightened regulations on new lending (but higher reserve requirements) and competition for market share. In such an environment, Kuveyt Turk still has the highest margins in its peer group – even higher than the commercial banks average. The bank has a widespread deposit base, providing relatively cheap funding.

Despite its rapid organic growth and relatively small size, Kuveyt Turk's cost/income ratio was good at 50% in 9M11. Its cost/average assets ratio was also reasonable at 3.2%. Fitch considers efficiency metrics to be good and on a par with international peers. Operating ROE has consistently been around 20% and the highest in its peer group. Fitch recognises Kuveyt Turk's sound profitability as a key strength in a competitive environment. Its ability to perform favourably relative to peers will depend on it sustaining its core profitability through its planned expansion cycle, with an increased focus on stable fee-generating businesses. The bank plans to continue delivering above-sector growth in 2012. Fitch believes ROE could remain below the 20% threshold, due to rising pressure on margins across the sector.

Impairment charges for loans increased to 27% of pre-impairment operating profit in 9M11 (2010: 22%), driven by rising reserve coverage. Collections were still solid in 9M11, although somewhat normalised after an extraordinarily good collection performance in 2010. Cost of risk,

Figure 3

Performance Indicators Compared

(%)	Kuveyt Turk (<i>'BBB-'/bb-</i>)			Türkiye Finans (<i>'BBB-'/bb-</i>)			Bank Asya (<i>'B+'/b+</i>)		
	Sep 11	Dec 10	Dec 09	Sep11	Dec10	Dec09	Sep11	Dec10	Dec09
Franchise									
Total assets (USDm)	7,352	6,320	4,606	7,080	6,947	5,804	9,336	9,526	7,831
Total equity (USDm)	755	817	539	834	914	796	1,188	1,325	1,200
# of branches	166	141	123	182	182	180	195	175	158
Balance sheet integrity									
Loan / assets	69	73	73	74	75	83	76	75	71
Government securities/assets	2	1	1	5	6	7	6	4	2
Deposits / liabilities	76	84	86	80	90	92	77	88	91
Margins and profitability									
Net financing margin (NIM)	5.5	5.8	6.5	5.5	5.6	7.0	4.8	5.8	8.0
Operating ROA	2.3	2.4	2.7	2.3	2.6	2.7	1.8	2.6	3.9
Operating ROE	20.4	19.5	22.7	18.4	19.5	19.6	13.2	17.5	23.9
Efficiency									
Cost/income	50	54	45	58	58	49	65	63	47
Cost/average assets	3.2	3.6	3.7	3.6	3.9	4.2	4.2	4.8	4.7
Asset quality									
Asset growth	40.5	40.9	19.7	23.1	22.9	22.5	18.4	24.9	43.9
Loan growth	33.0	38.8	16.8	20.8	10.7	28.9	19.2	31.0	31.9
NPL ratio	2.3	3.3	5.7	2.3	3.0	3.5	3.6	3.9	5.3
Reserve coverage of NPLs	74	70	50	72	65	71	58	68	71
Loan impairment charges/average gross loans	1.2	0.9	2.3	0.4	0.2	2.0	0.7	0.4	1.7
Loan impairment charges/pre-imp operating profit	27	22	40	11	5	37	24	11	25
Funding & Liquidity									
Loan / deposits	101	99	97	104	96	105	113	100	92
Liquid assets/customer deposits	36	30	27	26	22	10	20	21	28
Immediate liquid assets/total assets	25	22	20	18	17	8	13	16	21
Capitalisation									
Total regulatory capital ratio	16.5	17.1	14.6	14.9	17.1	17.2	13.3	13.5	14.8
Tier 1 regulatory capital ratio	13.4	16.5	14.0	14.4	16.4	16.5	12.8	13.0	14.4
Fitch core capital/weighted risks	13.8	16.8	14.6	14.9	17.4	17.4	13.4	13.4	14.5
Equity/total assets	10.3	12.9	11.7	11.8	13.2	13.7	12.7	13.9	15.3

Source: Bank data adapted by Fitch

Figure 4

Loan Portfolio Breakdown

(%)	H111	2010
Corporate loans	66	67
SMEs	17	15
Retail, of which	17	18
Mortgage	15	15
Credit card	1	1
Other	1	2
Total	100	100

Source: bank data, adapted by Fitch

measured as loan impairments to average gross loans, was in line with the sector average, but higher than peers' at 1.2% in 9M11 (see *Loan Loss Experience and Reserves*).

Risk Management

The audit and risk committee is responsible for all types of risk and consists of four non-executive members of the board of directors. The bank implements a regional hub model, with six offices spread across the country, each responsible for its own region and equipped with its own risk management departments.

Kuveyt Turk has had a 10-grade generic model for rating corporate clients since 2010. Retail and SME loans are assigned internal scores. Systems have been refined in 2011 to improve the efficiency of the lending process. The bank plans to further improve internal systems before moving to risk-based pricing. The loan follow-up and performance tracking department has been strengthened to cope with growth.

Growing SME segment

Commercial and corporate customers have historically made up the lion's share of Kuveyt Turk's loan portfolio: 66% of lending was to this segment in H111. Retail banking is driven by SMEs (17% of the total) and mortgages (15%). SMEs have been the fastest-growing segment in Kuveyt Turk's portfolio, at 123% in 2010 and 29% in H111. In Fitch's opinion, the quality and performance of these loans need to be tested through the credit cycle. At end-2010, more than one-third of the outstanding loan book was composed of new exposures; that is, customers of the bank for less than one year.

Concentration in Construction Sector Driven by Off-Balance-Sheet Exposures

Fitch notes that there are some corporate banking concentrations in the construction sector. At Kuveyt Turk, 15% of on-balance-sheet loans and around 50% of off-balance-sheet exposures were to the construction sector at end-H111, meaning that 27% of its combined loans (including off-balance sheet) were to the construction sector, indicating a substantial concentration. Fitch has been informed that 16% of total construction exposure is directly related to real estate, while the remainder is distributed to various types of contractors (including state projects, infrastructure and plant investments). Fitch also notes that off-balance-sheet facilities are usually in the form of performance bonds and non-performance risk is lower. Exposures to the top 20 borrowers (on- and off-balance sheet) equalled 11% of the total loan book (around 100% of equity) in H111, reflecting a moderate diversification.

Low retail risk

Apart from mortgages, the bank has negligible exposure to other types of consumer loans. The credit card product was taken off the product line in 2010. The maximum loan/value ratio allowed on mortgages is 75%, and real estate collateral is reviewed annually.

Figure 5

Asset Quality Trends Compared

(%)	9M11		
	Kuveyt Turk	Bank Asya	Türkiye Finans
NPL ratio	2.3	3.6	2.3
Cost of risk ^a	1.2	0.7	0.4
Reserve coverage	74	58	72
Loan growth	33.0	19.2	20.8

^a Loan impairment charges/average gross loans
Source: bank data adapted by Fitch

Lending in foreign currency to corporate clients

Foreign-currency loans (including those that are linked to FX rates) equalled 41% of the portfolio in 9M11, reflecting a potential sensitivity of performance in case of a large and persistent depreciation of the Turkish Lira, in Fitch's opinion.

Figure 6

NPL Ratios by Segment

(%)	H111	2010	2009
Corporate loans	1.8	0.5	4.9
SMEs	6.8	15.8	11.8
Retail, of which	1.6	2.7	5.8
Mortgage	6.7	10.9	4.2
Credit card	1.0	1.8	16.5
Other	2.6	3.9	6.4
Total NPL ratio	2.5	3.2	4.9
Reserve coverage ^a	70.8	70.0	49.5

^a Includes only specific provisions, excludes general loan provisions recorded under liabilities

Source: bank data adapted by Fitch

Loan Loss Experience and Reserves

Kuveyt Turk's NPL ratio improved to a very reasonable 2.3% in 9M11 (2010: 3.2%), helped by rising credit volumes, continued recoveries and write-offs. Coverage of NPLs also improved to 71% in 9M11. Including general loan impairment reserves (accounted for under liabilities), coverage would have been 120%.

Restructured receivables (recorded as performing) equalled 5.0% of loans at end-2010. These could potentially become non-performing in case of persistent volatility. Due to the "monthly payment" rule for all loans, asset quality problems are usually identified earlier at participation banks than at commercial banks. Fitch believes that the cost of risk will stabilise at around 1.0% in 2012.

Low Market Risk

The bank has no securities portfolio, except for a negligible amount of trading derivatives. As an interest-free institution, its interest rate risk is minimal – unless the bank intentionally adjusts its margins in response to interest rate movements in the market.

FX-rate volatility is the major market risk. Open FX positions are not allowed internally and are usually hedged with forward transactions or FX swaps. The effect of potential FX volatility would flow through higher risk-weighted assets into capitalisation, as a considerable share of loans (41%) and deposits (42%) are foreign-currency denominated. According to the results of Kuveyt Turk's stress tests (as of March 2011), the potential impact would be limited: the combined effect of a 30% decrease in collateral values, a 20% depreciation of the Turkish Lira and an increase in the NPL ratio to 5.7% (from 2.5%) would be about a 150bp decrease in the regulatory capital ratio.

Funding and Capital**Well-Diversified Deposit Base**

Kuveyt Turk is 81% funded by participation accounts (customer deposits). Retail deposits (including gold accounts) account for 78% of all customer deposits. Diversification of deposits is good, as evidenced by the top 20 accounts' low share of total deposits (only 10% in H111). Around one-third of customer deposits are below the deposit insurance fund threshold of TRY50,000 and covered by state insurance.

Fitch believes that the stability of the deposit base has been tested several times during previous economic cycles. The motivation of some depositors to avoid commercial banks and interest-related income supports deposit stability. In addition, the bank can always increase the profit/loss-sharing ratio (which is usually between 80% and 90%), so that it can attract new deposits at the expense of margins.

Kuveyt Turk issued the first ever sukuk in Turkey in August 2010. In Q411, the bank issued its second sukuk of USD350m, with a maturity of five years. Although small in size, Fitch considers this a positive move toward funding diversification.

Comfortable Liquidity

Given the absence of other liquid assets or securities that could be pledged at the central bank for overnight borrowing, a high level of liquid assets is necessary. Liquid assets (defined as cash, advances to banks and reserves at the central bank) equalled a satisfactory 25% of assets in 9M11, and covered customer deposits by 36%, the highest level in Kuveyt Turk's peer group. Management internally maintains at least 10% available cash for each currency on the balance sheet.

Fitch's view on the bank's liquidity is positive. Kuveyt Turk's liquidity ultimately relies on its core deposit base, which has been stable to date, as well as on the support it could expect to receive from its parent. Management estimates the behavioural maturity of its deposits to be around nine months.

Figure 7

Capitalisation and Liquidity

	9M11		
(%)	Kuveyt Turk	Bank Asya	Turkiye Finans
Regulatory capital ratio	16.5	13.3	14.9
Fitch core capital ratio	13.8	13.4	14.9
Liquid assets/customer deposits	36	20	26
Loans/customer deposits	101	113	104

Source: Bank data adapted by Fitch

Moderate Capitalisation

Kuveyt Turk's Fitch core capital ratio was 13.8% at end-9M11, moderate for a small bank. The regulatory capital ratio, which includes the USD200m Tier 2 capital injection from the parent in Q311, was comfortably higher at 16.5%.

Given its potentially volatile operating environment, Fitch considers Kuveyt Turk's capitalisation to be adequate as long as current capitalisation ratios are maintained. The agency also believes that KFH would provide capital support if and when required.

Kuveyt Turk Katilim Bankasi A.S

Income Statement

	30 Sep 2011			31 Dec 2010		31 Dec 2009		31 Dec 2008	
	9 Months - Q3	9 Months - Q3	As % of	Year End	As % of	Year End	As % of	Year End	As % of
	USDm	TRYth	Earning	TRYth	Earning	TRYth	Earning	TRYth	Earning
	Unqualified	Unqualified	Assets	Unqualified	Assets	Unqualified	Assets	Unqualified	Assets
1. Income on Financing	356.4	660,404.0	8.36	664,754.0	8.22	643,945.0	11.36	538,750.0	10.65
2. Other Income from Financing	11.1	20,583.0	0.26	34,117.0	0.42	24,189.0	0.43	23,221.0	0.46
3. Dividend Income	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
4. Gross Financing and Dividend Income	367.5	680,987.0	8.62	698,871.0	8.65	668,134.0	11.78	561,971.0	11.11
5. Funding Expense on Customer Deposits	146.2	270,862.0	3.43	288,270.0	3.57	299,973.0	5.29	268,140.0	5.30
6. Other Funding Expense	13.7	25,372.0	0.32	14,544.0	0.18	20,502.0	0.36	30,315.0	0.60
7. Total Funding Expense	159.9	296,234.0	3.75	302,814.0	3.75	320,475.0	5.65	298,455.0	5.90
8. Net Financing Income	207.6	384,753.0	4.87	396,057.0	4.90	347,659.0	6.13	263,516.0	5.21
9. Net Gains (Losses) on Trading and Derivatives	49.2	91,112.0	1.15	63,967.0	0.79	80,471.0	1.42	84,799.0	1.68
10. Net Gains (Losses) on Other Securities	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
11. Net Gains (Losses) on Assets at FV through Income Statement	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
12. Net Insurance Income	n.a.	n.a.	-	n.a.	-	n.a.	-	0.0	0.00
13. Net Fees and Commissions	26.9	49,773.0	0.63	60,350.0	0.75	58,116.0	1.02	53,441.0	1.06
14. Other Operating Income	15.5	28,740.0	0.36	35,461.0	0.44	30,369.0	0.54	25,369.0	0.50
15. Total Non-Financing Operating Income	91.5	169,625.0	2.15	159,778.0	1.98	168,956.0	2.98	163,609.0	3.23
16. Personnel Expenses	81.3	150,617.0	1.91	162,588.0	2.01	134,827.0	2.38	110,263.0	2.18
17. Other Operating Expenses	67.5	125,104.0	1.58	135,739.0	1.68	99,843.0	1.76	85,433.0	1.69
18. Total Non-Funding Expenses	148.8	275,721.0	3.49	298,327.0	3.69	234,670.0	4.14	195,696.0	3.87
19. Equity-accounted Profit/ Loss - Operating	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
20. Pre-Impairment Operating Profit	150.4	278,657.0	3.53	257,508.0	3.19	281,945.0	4.97	231,429.0	4.57
21. Financing Impairment Charge	40.6	75,293.0	0.95	56,072.0	0.69	112,561.0	1.99	100,087.0	1.98
22. Securities and Other Credit Impairment Charges	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
23. Operating Profit	109.7	203,364.0	2.58	201,436.0	2.49	169,384.0	2.99	131,342.0	2.60
24. Equity-accounted Profit/ Loss - Non-operating	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
25. Non-recurring Income	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
26. Non-recurring Expense	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
27. Change in Fair Value of Own Debt	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
28. Other Non-operating Income and Expenses	-0.1	-163.0	0.00	-313.0	0.00	-5,707.0	-0.10	3,059.0	0.06
29. Pre-tax Profit	109.7	203,201.0	2.57	201,123.0	2.49	163,677.0	2.89	134,401.0	2.66
30. Tax expense	23.0	42,686.0	0.54	41,475.0	0.51	36,544.0	0.64	30,315.0	0.60
31. Profit/Loss from Discontinued Operations	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
32. Net Income	86.6	160,515.0	2.03	159,648.0	1.98	127,133.0	2.24	104,086.0	2.06
33. Change in Value of AFS Investments	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
34. Revaluation of Fixed Assets	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
35. Currency Translation Differences	0.0	0.0	0.00	0.0	0.00	0.0	0.00	n.a.	-
36. Remaining OCI Gains/(losses)	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	-
37. Fitch Comprehensive Income	86.6	160,515.0	2.03	159,648.0	1.98	127,133.0	2.24	104,086.0	2.06
38. Memo: Profit Allocation to Non-controlling Interests	0.0	0.0	0.00	0.0	0.00	0.0	0.00	n.a.	-
39. Memo: Net Income after Allocation to Non-controlling Interests	86.6	160,515.0	2.03	159,648.0	1.98	127,133.0	2.24	104,086.0	2.06
40. Memo: Common Dividends Relating to the Period	7.4	13,749.0	0.17	10,275.0	0.13	5,500.0	0.10	6,990.0	0.14
41. Memo: Preferred Dividends Related to the Period	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-

Exchange rate

USD1 = TRY1.85300

USD1 = TRY1.54130

USD1 = TRY1.49090

USD1 = TRY1.52545

Kuveyt Turk Katilim Bankasi A.S
Balance Sheet

	30 Sep 2011			31 Dec 2010		31 Dec 2009		31 Dec 2008	
	9 Months - Q3 USDm	9 Months - Q3 TRYth	As % of Assets	Year End TRYth	As % of Assets	Year End TRYth	As % of Assets	Year End TRYth	As % of Assets
Assets									
A. Financing									
1. Residential Mortgage Financing	741.9	1,374,757.0	10.06	1,018,950.0	10.48	806,635.0	11.68	0.0	0.00
2. Other Mortgage Financing	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
3. Other Consumer / Retail Financing	89.5	165,760.0	1.21	203,317.0	2.09	135,231.0	1.96	0.0	0.00
4. Corporate & Commercial Financing	4,230.2	7,838,619.0	57.34	5,762,722.0	59.24	3,963,066.0	57.40	4,237,341.0	73.46
5. Other Financing	120.6	223,556.0	1.64	234,342.0	2.41	298,209.0	4.32	216,346.0	3.75
6. Less: Reserves for Impaired Financing	89.3	165,484.0	1.21	164,043.0	1.69	147,611.0	2.14	112,984.0	1.96
7. Net Financing	5,092.9	9,437,208.0	69.03	7,055,288.0	72.53	5,055,530.0	73.22	4,340,703.0	75.25
8. Gross Financing	5,182.2	9,602,692.0	70.24	7,219,331.0	74.22	5,203,141.0	75.36	4,453,687.0	77.21
9. Memo: Impaired Financing included above	120.6	223,556.0	1.64	234,342.0	2.41	298,209.0	4.32	216,346.0	3.75
10. Memo: Financing at Fair Value included above	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
B. Other Earning Assets									
1. Financing to Banks	455.2	843,500.0	6.17	916,359.0	9.42	531,395.0	7.70	642,491.0	11.14
2. Reverse Repos and Cash Collateral	0.0	0.0	0.00	0.0	0.00	0.0	0.00	n.a.	-
3. Trading Securities and at FV through Income	2.4	4,483.0	0.03	4,231.0	0.04	0.0	0.00	64.0	0.00
4. Derivatives	85.6	158,590.0	1.16	28,480.0	0.29	9,925.0	0.14	13,933.0	0.24
5. Available for Sale Securities	3.5	6,542.0	0.05	4,548.0	0.05	27.0	0.00	0.0	0.00
6. Held to Maturity Securities	0.0	0.0	0.00	0.0	0.00	7,529.0	0.11	7,583.0	0.13
7. At-equity Investments in Associates	49.0	90,770.0	0.66	57,170.0	0.59	49,362.0	0.71	38,420.0	0.67
8. Other Securities	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
9. Total Securities	140.5	260,385.0	1.90	94,429.0	0.97	66,843.0	0.97	60,000.0	1.04
10. Memo: Government Securities included Above	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
11. Memo: Total Securities Pledged	0.0	0.0	0.00	0.0	0.00	0.0	0.00	n.a.	-
12. Investments in Property	8.8	16,339.0	0.12	16,420.0	0.17	16,770.0	0.24	16,911.0	0.29
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	5,697.5	10,557,432.0	77.23	8,082,496.0	83.09	5,670,538.0	82.13	5,060,105.0	87.73
C. Non-Earning Assets									
1. Cash and Due From Banks	1,380.7	2,558,459.0	18.71	1,252,870.0	12.88	867,201.0	12.56	562,157.0	9.75
2. Memo: Mandatory Reserves included above	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
3. Foreclosed Real Estate	12.4	22,937.0	0.17	27,068.0	0.28	10,600.0	0.15	7,870.0	0.14
4. Fixed Assets	81.0	150,040.0	1.10	148,847.0	1.53	133,244.0	1.93	91,469.0	1.59
5. Goodwill	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
6. Other Intangibles	11.7	21,653.0	0.16	13,053.0	0.13	8,187.0	0.12	2,806.0	0.05
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	19.9	36,872.0	0.27	8,471.0	0.09	7,719.0	0.11	9,361.0	0.16
9. Discontinued Operations	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
10. Other Assets	174.6	323,514.0	2.37	194,312.0	2.00	207,037.0	3.00	34,266.0	0.59
11. Total Assets	7,377.7	13,670,907.0	100.00	9,727,117.0	100.00	6,904,526.0	100.00	5,768,034.0	100.00
Liabilities and Equity									
D. Remunerative Liabilities									
1. Customer Deposits - Current	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
2. Customer Deposits - Savings	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
3. Customer Deposits - Term	5,044.2	9,346,885.0	68.37	7,115,033.0	73.15	5,233,840.0	75.80	3,916,453.0	67.90
4. Total Customer Deposits	5,044.2	9,346,885.0	68.37	7,115,033.0	73.15	5,233,840.0	75.80	3,916,453.0	67.90
5. Deposits from Banks	283.9	526,102.0	3.85	266,440.0	2.74	124,417.0	1.80	152,919.0	2.65
6. Repos and Cash Collateral	0.0	0.0	0.00	0.0	0.00	0.0	0.00	n.a.	-
7. Other Deposits and Short-term Borrowings	42.4	78,519.0	0.57	481,971.0	4.95	378,385.0	5.48	795,549.0	13.79
8. Total Deposits, Money Market and Short-term Funding	5,370.5	9,951,506.0	72.79	7,863,444.0	80.84	5,736,642.0	83.09	4,864,921.0	84.34
9. Senior Debt Maturing after 1 Year	601.2	1,113,969.0	8.15	157,434.0	1.62	5,296.0	0.08	5,060.0	0.09
10. Subordinated Funding	199.2	369,117.0	2.70	0.0	0.00	0.0	0.00	0.0	0.00
11. Other Funding	n.a.	n.a.	-	n.a.	-	n.a.	-	0.0	0.00
12. Total Long Term Funding	800.4	1,483,086.0	10.85	157,434.0	1.62	5,296.0	0.08	5,060.0	0.09
13. Derivatives	94.9	175,932.0	1.29	14,300.0	0.15	6,231.0	0.09	25,664.0	0.44
14. Trading Liabilities	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
15. Total Funding	6,265.8	11,610,524.0	84.93	8,035,178.0	82.61	5,748,169.0	83.25	4,895,645.0	84.88
E. Non-Remunerative Liabilities									
1. Fair Value Portion of Debt	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
2. Credit Impairment Reserves	55.3	102,382.0	0.75	73,621.0	0.76	51,166.0	0.74	39,026.0	0.68
3. Reserves for Pensions and Other	38.8	71,908.0	0.53	38,598.0	0.40	31,665.0	0.46	24,584.0	0.43
4. Current Tax Liabilities	26.0	48,252.0	0.35	42,227.0	0.43	34,902.0	0.51	32,215.0	0.56
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	234.4	434,390.0	3.18	280,808.0	2.89	231,312.0	3.35	90,885.0	1.58
10. Total Liabilities	6,620.3	12,267,456.0	89.73	8,470,432.0	87.08	6,097,214.0	88.31	5,082,355.0	88.11
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	757.4	1,403,451.0	10.27	1,256,685.0	12.92	807,312.0	11.69	685,679.0	11.89
2. Non-controlling Interest	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
3. Securities Revaluation Reserves	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
4. Foreign Exchange Revaluation Reserves	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
5. Fixed Asset Revaluations and Other Accumulated OCI	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
6. Total Equity	757.4	1,403,451.0	10.27	1,256,685.0	12.92	807,312.0	11.69	685,679.0	11.89
7. Total Liabilities and Equity	7,377.7	13,670,907.0	100.00	9,727,117.0	100.00	6,904,526.0	100.00	5,768,034.0	100.00
8. Memo: Fitch Core Capital	745.7	1,381,798.0	10.11	1,243,632.0	12.79	799,125.0	11.57	682,873.0	11.84
9. Memo: Fitch Eligible Capital	745.7	1,381,798.0	10.11	1,243,632.0	12.79	799,125.0	11.57	682,873.0	11.84

Exchange rate

USD1 = TRY1.85300

USD1 = TRY1.54130

USD1 = TRY1.49090

USD1 = TRY1.52545

Kuveyt Turk Katilim Bankasi A.S

Summary Analytics

	30 Sep 2011	31 Dec 2010	31 Dec 2009	31 Dec 2008
	9 Months - Q3	Year End	Year End	Year End
A. Financing Ratios				
1. Income from Financing/ Average Gross Financing	10.47	10.70	13.34	14.04
2. Funding Expense on Customer Deposits/ Average Customer Deposits	4.40	4.67	6.56	7.92
3. Gross Financing and Dividend Income/ Average Earning Assets	9.77	10.16	12.45	13.26
4. Total Funding Expense/ Average Remunerative Liabilities	4.03	4.39	6.02	7.24
5. Net Financing Income/ Average Earning Assets	5.52	5.76	6.48	6.22
6. Net Fin. Income Less Fin. Impairment Charges/ Av. Earning Assets	4.44	4.94	4.38	3.86
7. Net Fin. Income Less Preferred Stock Dividend/ Av. Earning Assets	5.52	5.76	6.48	6.22
B. Other Operating Profitability Ratios				
1. Non-Financing Income/ Gross Revenues	30.60	28.75	32.70	38.30
2. Non-Funding Expense/ Gross Revenues	49.74	53.67	45.42	45.82
3. Non-Funding Expense/ Average Assets	3.15	3.59	3.70	4.06
4. Pre-impairment Op. Profit/ Average Equity	28.01	24.95	37.77	43.09
5. Pre-impairment Op. Profit/ Average Total Assets	3.18	3.10	4.45	4.80
6. Fin. and securities impairment charges/ Pre-impairment Op. Profit	27.02	21.77	39.92	43.25
7. Operating Profit/ Average Equity	20.44	19.52	22.69	24.45
8. Operating Profit/ Average Total Assets	2.32	2.42	2.67	2.73
9. Taxes/ Pre-tax Profit	21.01	20.62	22.33	22.56
10. Pre-Impairment Operating Profit / Risk Weighted Assets	3.73	3.48	5.16	5.08
11. Operating Profit / Risk Weighted Assets	2.72	2.72	3.10	2.88
C. Other Profitability Ratios				
1. Net Income/ Average Total Equity	16.14	15.47	17.03	19.38
2. Net Income/ Average Total Assets	1.83	1.92	2.01	2.16
3. Fitch Comprehensive Income/ Average Total Equity	16.14	15.47	17.03	19.38
4. Fitch Comprehensive Income/ Average Total Assets	1.83	1.92	2.01	2.16
5. Net Income/ Av. Total Assets plus Av. Managed Securitized Assets	1.83	1.92	2.01	n.a.
6. Net Income/ Risk Weighted Assets	2.15	2.16	2.33	2.28
7. Fitch Comprehensive Income/ Risk Weighted Assets	2.15	2.16	2.33	2.28
D. Capitalization				
1. Fitch Core Capital/Weighted Risks	13.83	16.79	14.62	14.99
2. Fitch Eligible Capital/ Weighted Risks	13.83	16.79	14.62	14.99
3. Tangible Common Equity/ Tangible Assets	10.12	12.80	11.59	11.84
4. Tier 1 Regulatory Capital Ratio	13.44	16.47	13.97	15.08
5. Total Regulatory Capital Ratio	16.51	17.05	14.56	15.63
6. Core Tier 1 Regulatory Capital Ratio	n.a.	n.a.	n.a.	n.a.
7. Equity/ Total Assets	10.27	12.92	11.69	11.89
8. Cash Dividends Paid & Declared/ Net Income	8.57	6.44	4.33	6.72
9. Cash Dividend Paid & Declared/ Fitch Comprehensive Income	8.57	6.44	4.33	6.72
10. Cash Dividends & Share Repurchase/Net Income	n.a.	n.a.	n.a.	n.a.
11. Net Income - Cash Dividends/ Total Equity	13.98	11.89	15.07	14.16
E. Financing Quality				
1. Growth of Total Assets	40.54	40.88	19.70	49.11
2. Growth of Gross Financing	33.01	38.75	16.83	38.33
3. Impaired Financing/ Gross Financing	2.33	3.25	5.73	4.86
4. Reserves for Impaired Financing/ Gross Financing	1.72	2.27	2.84	2.54
5. Reserves for Impaired Financing/ Impaired Financing	74.02	70.00	49.50	52.22
6. Impaired Financing less Reserves for Imp Financing/ Equity	4.14	5.59	18.65	15.07
7. Financing Impairment Charges/ Average Gross Financing	1.20	0.90	2.33	2.61
8. Net Charge-offs/ Average Gross Financing	0.29	0.41	1.66	0.83
9. Impaired Fin. + Foreclosed Assets/ Gross Fin. + Foreclosed Assets	2.56	3.61	5.92	5.03
F. Funding				
1. Financing/ Customer Deposits	102.74	101.47	99.41	113.72
2. Interbank Assets/ Interbank Liabilities	160.33	343.93	427.11	420.15
3. Customer Deposits/ Total Funding excl Derivatives	81.74	88.71	91.15	80.42

Kuveyt Turk Katilim Bankasi A.S

Reference Data

	30 Sep 2011			31 Dec 2010			31 Dec 2009			31 Dec 2008		
	9 Months -Q3 USDm	9 Months -Q3 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	2,122.5	3,932,989.0	28.77	3,150,355.0	32.39	2,867,436.0	41.53	2,799,023.0	48.53			
4. Acceptances and documentary credits reported off-balance sheet	401.9	744,704.0	5.45	579,853.0	5.96	463,195.0	6.71	394,277.0	6.84			
5. Committed Credit Lines	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-	-
6. Other Contingent Liabilities	756.6	1,401,959.0	10.26	1,284,671.0	13.21	1,924,469.0	27.87	655,231.0	11.36			
7. Total Business Volume	10,658.7	19,750,559.0	144.47	14,741,996.0	151.56	12,159,626.0	176.11	9,616,565.0	166.72			
8. Memo: Total Weighted Risks	5,392.9	9,993,087.0	73.10	7,406,214.0	76.14	5,465,599.0	79.16	4,555,841.0	78.98			
9. Fitch Adjustments to Weighted Risks	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-	-
10. Fitch Adjusted Weighted Risks	5,392.9	9,993,087.0	73.10	7,406,214.0	76.14	5,465,599.0	79.16	4,555,841.0	78.98			
B. Average Balance Sheet												
Average Financing	4,539.1	8,411,012.0	61.52	6,211,236.0	63.85	4,828,414.0	69.93	3,836,700.0	66.52			
Average Earning Assets	5,029.7	9,319,964.0	68.17	6,876,517.0	70.69	5,365,322.0	77.71	4,238,909.0	73.49			
Average Assets	6,313.6	11,699,012.0	85.58	8,315,822.0	85.49	6,336,280.0	91.77	4,818,176.0	83.53			
Average Managed Assets (OBS)	0.0	0.0	0.00	0.0	0.00	0.0	0.00	n.a.	-			
Average Remunerative Liabilities	5,301.1	9,822,851.0	71.85	6,891,674.0	70.85	5,321,907.0	77.08	4,124,370.0	71.50			
Average Common equity	717.8	1,330,068.0	9.73	1,031,999.0	10.61	746,496.0	10.81	537,131.0	9.31			
Average Equity	717.8	1,330,068.0	9.73	1,031,999.0	10.61	746,496.0	10.81	537,131.0	9.31			
Average Customer Deposits	4,442.0	8,230,959.0	60.21	6,174,437.0	63.48	4,575,147.0	66.26	3,386,800.0	58.72			
C. Maturities												
Asset Maturities:												
Financing < 3 Months	1,539.9	2,853,523.0	20.87	1,976,570.0	20.32	1,721,047.0	24.93	n.a.	-			
Financing 3 - 12 Months	1,796.8	3,329,402.0	24.35	2,457,484.0	25.26	1,694,687.0	24.54	n.a.	-			
Financing 1 - 5 Years	1,597.9	2,960,874.0	21.66	2,619,790.0	26.93	1,639,783.0	23.75	n.a.	-			
Financing > 5 Years	127.0	235,337.0	1.72	1,444.0	0.01	13.0	0.00	n.a.	-			
Debt Securities < 3 Months	77.0	142,599.0	1.04	12,451.0	0.13	16,424.0	0.24	n.a.	-			
Debt Securities 3 - 12 Months	11.0	20,348.0	0.15	20,260.0	0.21	1,057.0	0.02	n.a.	-			
Debt Securities 1 - 5 Years	0.1	126.0	0.00	0.0	0.00	0.0	0.00	n.a.	-			
Debt Securities > 5 Years	0.0	0.0	0.00	0.0	0.00	0.0	0.00	n.a.	-			
Interbank < 3 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-			
Interbank 3 - 12 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-			
Interbank 1 - 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-			
Interbank > 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-			
Liability Maturities:												
Retail Deposits < 3 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-			
Retail Deposits 3 - 12 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-			
Retail Deposits 1 - 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-			
Retail Deposits > 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-			
Other Deposits < 3 Months	4,263.2	7,899,637.0	57.78	6,084,535.0	62.55	4,358,730.0	63.13	n.a.	-			
Other Deposits 3 - 12 Months	496.5	920,102.0	6.73	478,132.0	4.92	408,837.0	5.92	n.a.	-			
Other Deposits 1 - 5 Years	284.5	527,146.0	3.86	552,366.0	5.68	466,273.0	6.75	n.a.	-			
Other Deposits > 5 Years	0.0	0.0	0.00	0.0	0.00	0.0	0.00	n.a.	-			
Interbank < 3 Months	95.7	177,326.0	1.30	91,591.0	0.94	96,044.0	1.39	n.a.	-			
Interbank 3 - 12 Months	173.2	321,027.0	2.35	151,297.0	1.56	28,373.0	0.41	n.a.	-			
Interbank 1 - 5 Years	15.0	27,749.0	0.20	23,552.0	0.24	0.0	0.00	n.a.	-			
Interbank > 5 Years	0.0	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.	-			
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.	-			
Covered Bonds	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-			
Subordinated Debt Maturing < 3 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-			
Subordinated Debt Maturing 3-12 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-			
Subordinated Debt Maturing 1- 5 Years	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	199.2	369,117.0	2.70	0.0	0.00	0.0	0.00	0.0	0.00			
Fair Value Portion of Subordinated Debt	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-			
D. Equity Reconciliation												
1. Equity	757.4	1,403,451.0	10.27	1,256,685.0	12.92	807,312.0	11.69	685,679.0	11.89			
2. Add: Pref. Shares and Hybrid Capital accounted for as Equity	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-			
3. Add: Other Adjustment	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-			
4. Published Equity	757.4	1,403,451.0	10.27	1,256,685.0	12.92	807,312.0	11.69	685,679.0	11.89			
E. Fitch Eligible Capital Reconciliation												
1. Total Equity as reported (including non-controlling interests)	757.4	1,403,451.0	10.27	1,256,685.0	12.92	807,312.0	11.69	685,679.0	11.89			
2. Fair value effect incl in own debt/borrowings at fv on the B/S- CC only	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00			
3. Non-loss-absorbing non-controlling interests	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00			
4. Goodwill	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00			
5. Other intangibles	11.7	21,653.0	0.16	13,053.0	0.13	8,187.0	0.12	2,806.0	0.05			
6. Deferred tax assets deduction	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00			
7. Net asset value of insurance subsidiaries	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00			
8. First loss tranches of off-balance sheet securitizations	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00			
9. Fitch Core Capital	745.7	1,381,798.0	10.11	1,243,632.0	12.79	799,125.0	11.57	682,873.0	11.84			
10. Eligible weighted Hybrid capital	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00			
11. Government held Hybrid Capital	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00			
12. Fitch Eligible Capital	745.7	1,381,798.0	10.11	1,243,632.0	12.79	799,125.0	11.57	682,873.0	11.84			
13. Eligible Hybrid Capital Limit	319.6	592,197.0	4.33	532,983.0	5.48	342,481.0	4.96	292,659.0	5.07			

Exchange Rate

USD1 = TRY1.85300

USD1 = TRY1.54130

USD1 = TRY1.49090

USD1 = TRY1.52545

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