

Garanti Faktoring A.S.

Update

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	AA+(tur)
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Support Rating

2

Sovereign Risk

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

Outlooks

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

Financial Data

Garanti Faktoring A.S.

	31 Dec 2013	31 Dec 2012
Total assets (USDm)	964.2	1,097.3
Total assets (TRYm)	2,059.7	1,995.2
Total equity (TRYm)	120.1	105.0
Operating profit (TRYm)	19.2	25.6
Published net income (TRYm)	15.3	20.5
Operating ROAA (%)	1.10	1.72
Operating ROAE (%)	16.86	26.78
Factoring receivables/equity (%)	16.61	17.47
Equity/assets (%)	5.83	5.37

Related Research

[Turkey \(April 2014\)](#)

[Fitch Affirms Turkey at 'BBB-'; Outlook Stable \(April 2014\)](#)

[Fitch Downgrades Leading Privately-Owned Turkish Banks \(June 2014\)](#)

Analysts

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Key Rating Drivers

Support-Driven Ratings: The ratings of Garanti Faktoring A.S. are equalised with those of its majority shareholder, Turkiye Garanti Bankasi A.S. (Garanti; BBB-/Stable/bbb-). Fitch Ratings regards Garanti Faktoring as an integral part of Garanti and a "core subsidiary". Garanti Faktoring shares board members, management risk systems, IT platforms, distribution channels, in line with what is permitted by pertinent legislation, and branding with the parent.

Well-Established Franchise: Garanti Faktoring is well established in its field, commanding a market share of around 10%. Demand for factoring services is highly correlated with economic activity. Continued, albeit unsteady, GDP growth provides a favourable operating environment.

Margin Squeeze: Competition for Garanti Faktoring's core customer base, mainly comprising prized large corporates, is fierce. Pressure on margins is growing (2013: 1.8%; 2012: 2.9%). Garanti Faktoring intends to expand into medium-sized and smaller companies to boost profitability, relying on introductions from Garanti. This should reduce concentration risk, which is high.

Risk Profile Constrains Profitability: Performance indicators for Turkish factoring companies tend to be volatile, reflecting rapid shifts in demand and changing interest rates, which affect margins. Garanti Faktoring's profitability ratios are generally below the sector average, but risk appetite is low, as reflected in better-than-average asset quality. Net profits in 2013 were negatively affected by steep impairment charges,

Good Risk Management: Asset quality is generally sound, reflecting the low-risk corporate customer base and good underwriting standards employed by the group. Impaired receivables represented 1.9% of total receivables at end-2013, well below the 4.7% sector average. Fitch believes asset quality could deteriorate in 2014 and interest and exchange rate volatilities could affect credit demand. Garanti Faktoring's lending is secured by underlying receivables; in addition, the company maintains reasonable loan-loss cover levels, at around 80%.

Wholesale Funded: Garanti Faktoring is funded primarily through short-term committed bank lines. Frequently, only around 25% of these lines are fully drawn. Relationships with Turkish banks are strong. The company also issues bonds in the domestic capital markets. It intends to raise longer-term foreign-currency borrowings from international financial institutions and international banks. This would reduce asset and liability maturity mismatches.

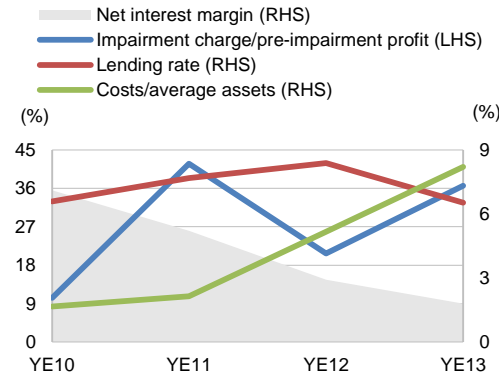
Leverage Above Average: Regulators limit the assets/equity ratio at factoring companies to a generous 3%. Leverage in the sector is relatively low (end-2013: 5.5x), but far higher (17.2x) at Garanti Faktoring. Most Turkish bank-owned factoring companies operate with higher leverage than the sector because they are part of broader financial groups and benefit from potential parent support.

Rating Sensitivities

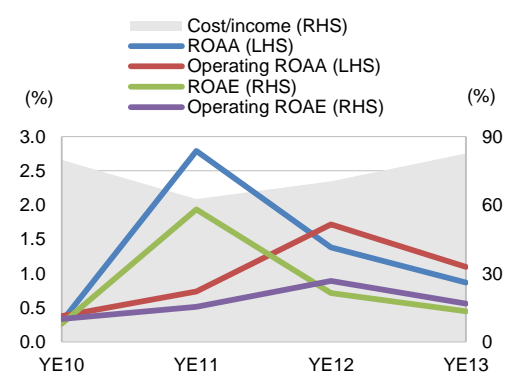
Parent Ratings: As Garanti Faktoring's IDRs are equalised with those of its parent, upside and downside rating potential are dependent on movement in Garanti's IDRs.

Source: Company data; Fitch

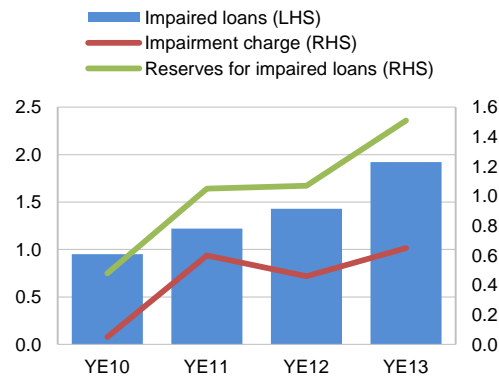
Margins



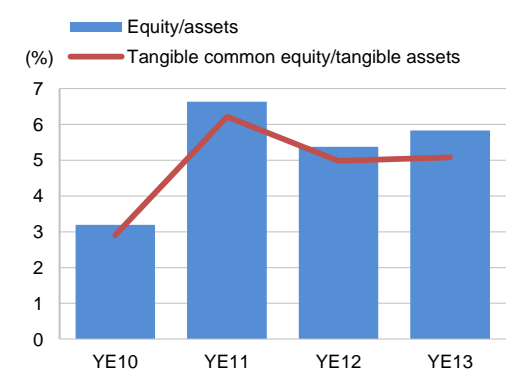
Key Profitability Metrics



Credit Quality (as % of Gross Loans)



Leverage



Note: 2011 results were positively impacted because the sale of a subsidiary generated a one-off gain.

Related Criteria

Global Financial Institutions Rating Criteria (January 2014)

**Garanti Faktoring A.S.
Income Statement**

	31 Dec 2013			31 Dec 2012		31 Dec 2011		31 Dec 2010	
	Year End USDm	Year End TRYm	As % of	Year End TRYm	As % of	Year End TRYm	As % of	Year End TRYm	As % of
	Unqualified	Unqualified	Earning Assets	Unqualified	Earning Assets	Unqualified	Earning Assets	Unqualified	Earning Assets
1. Interest Income on Loans	52.6	112.4	5.51	122.8	6.31	84.3	6.86	76.6	4.92
2. Other Interest Income	2.0	4.3	0.21	4.7	0.24	50.3	3.97	92.9	5.97
3. Dividend Income	n.a.	n.a.	-	n.a.	-	-	-	n.a.	-
4. Gross Interest and Dividend Income	54.6	116.7	5.72	127.5	6.55	134.6	10.63	169.5	10.89
5. Interest Expense on Customer Deposits	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
6. Other Interest Expense	40.0	85.4	4.19	84.4	4.34	70.6	5.57	72.5	4.66
7. Total Interest Expense	40.0	85.4	4.19	84.4	4.34	70.6	5.57	72.5	4.66
8. Net Interest Income	14.7	31.3	1.53	43.1	2.22	64.0	5.05	97.0	6.23
9. Net Gains (Losses) on Trading and Derivatives	(7.4)	(15.9)	(0.78)	1.9	0.10	(40.6)	(3.21)	(85.3)	(5.48)
10. Net Gains (Losses) on Other Securities	n.a.	n.a.	-	0.0	0.00	0.0	0.00	0.2	0.01
11. Net Gains (Losses) on Assets at FV through Income Statement	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
12. Net Insurance Income	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
13. Net Fees and Commissions	10.3	22.0	1.08	20.7	1.06	18.9	1.49	15.7	1.01
14. Other Operating Income	64.0	136.8	6.70	43.5	2.24	n.a.	-	1.1	0.07
15. Total Non-Interest Operating Income	66.9	142.9	7.00	66.1	3.40	(21.7)	(1.71)	(68.3)	(4.39)
16. Personnel Expenses	10.3	21.9	1.07	20.4	1.05	15.0	1.18	13.5	0.87
17. Other Operating Expenses	57.1	122.0	5.98	56.5	2.90	11.5	0.91	9.4	0.60
18. Total Non-Interest Expenses	67.4	143.9	7.05	76.9	3.95	26.5	2.09	22.9	1.47
19. Equity-accounted Profit/ Loss - Operating	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
20. Pre-Impairment Operating Profit	14.2	30.3	1.49	32.3	1.66	15.8	1.25	5.8	0.37
21. Loan Impairment Charge	5.2	11.1	0.54	6.7	0.34	6.6	0.52	0.6	0.04
22. Securities and Other Credit Impairment Charges	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
23. Operating Profit	9.0	19.2	0.94	25.6	1.32	9.2	0.73	5.2	0.33
24. Equity-accounted Profit/ Loss - Non-operating	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
25. Non-recurring Income	n.a.	n.a.	-	n.a.	-	30.2	2.38	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	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
29. Pre-tax Profit	9.0	19.2	0.94	25.6	1.32	39.4	3.11	5.2	0.33
30. Tax expense	1.8	3.9	0.19	5.1	0.26	4.9	0.39	1.1	0.07
31. Profit/Loss from Discontinued Operations	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
32. Net Income	7.2	15.3	0.75	20.5	1.05	34.5	2.72	4.1	0.26
33. Change in Value of AFS Investments	n.a.	n.a.	-	n.a.	-	0.0	0.00	n.a.	-
34. Revaluation of Fixed Assets	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
35. Currency Translation Differences	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
36. Remaining OCI Gains/(losses)	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
37. Fitch Comprehensive Income	7.2	15.3	0.75	20.5	1.05	34.5	2.72	4.1	0.26
38. Memo: Profit Allocation to Non-controlling Interests	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
39. Memo: Net Income after Allocation to Non-controlling Interests	7.2	15.3	0.75	20.5	1.05	34.5	2.72	4.1	0.26
40. Memo: Common Dividends Relating to the Period	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
41. Memo: Preferred Dividends Related to the Period	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-

Exchange rate

USD1 = TRY2.13620

USD1 = TRY1.78190

USD1 = TRY1.91110

USD1 = TRY1.54130

Garanti Faktoring A.S. Balance Sheet

	31 Dec 2013			31 Dec 2012			31 Dec 2011			31 Dec 2010		
	Year End USDm	Year End TRYm	As % of Assets	Year End TRYm	As % of Assets	Year End TRYm	As % of Assets	Year End TRYm	As % of Assets			
Assets												
A. Loans												
1. Residential Mortgage Loans	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	-		
2. Other Mortgage Loans	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	-		
3. Other Consumer/ Retail Loans	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	-		
4. Corporate & Commercial Loans	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	-		
5. Other Loans	948.1	2,025.4	98.33	1,854.3	94.84	1,262.7	99.04	1,441.0	92.04			
6. Less: Reserves for Impaired Loans	14.3	30.6	1.49	19.8	1.01	13.3	1.04	6.9	0.44			
7. Net Loans	933.8	1,994.8	96.85	1,834.5	93.83	1,249.4	97.99	1,434.1	91.60			
8. Gross Loans	948.1	2,025.4	98.33	1,854.3	94.84	1,262.7	99.04	1,441.0	92.04			
9. Memo: Impaired Loans included above	18.2	38.9	1.89	26.5	1.36	15.4	1.21	13.7	0.88			
10. Memo: Loans at Fair Value included above	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-			
B. Other Earning Assets												
1. Loans and Advances to Banks	21.2	45.2	2.19	108.3	5.54	7.1	0.56	108.3	6.92			
2. Reverse Repos and Cash Collateral	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-			
3. Trading Securities and at FV through Income	n.a.	n.a.	-	2.0	0.10	6.3	0.49	9.0	0.57			
4. Derivatives	0.2	0.4	0.02	0.3	0.02	0.0	0.00	0.3	0.02			
5. Available for Sale Securities	0.0	0.0	0.00	0.0	0.00	3.6	0.28	4.2	0.27			
6. Held to Maturity Securities	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-			
7. Equity Investments in Associates	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-			
8. Other Securities	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-			
9. Total Securities	0.2	0.4	0.02	2.3	0.12	9.9	0.78	13.5	0.86			
10. Memo: Government Securities included Above	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-			
11. Memo: Total Securities Pledged	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-			
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	955.2	2,040.4	99.06	1,945.1	99.48	1,266.4	99.33	1,555.9	99.38			
C. Non-Earning Assets												
1. Cash and Due From Banks	0.0	0.0	0.00	0.0	0.00	n.a.	-	0.0	0.00			
2. Memo: Mandatory Reserves included above	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-			
3. Foreclosed Real Estate	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-			
4. Fixed Assets	0.3	0.7	0.03	0.9	0.05	1.2	0.09	1.3	0.08			
5. Goodwill	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-			
6. Other Intangibles	1.1	2.4	0.12	1.5	0.08	1.4	0.11	1.4	0.09			
7. Current Tax Assets	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-			
8. Deferred Tax Assets	6.5	13.9	0.67	6.5	0.33	4.3	0.34	3.2	0.20			
9. Discontinued Operations	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-			
10. Other Assets	1.1	2.3	0.11	1.2	0.06	1.7	0.13	3.8	0.24			
11. Total Assets	964.2	2,059.7	100.00	1,955.2	100.00	1,275.0	100.00	1,565.6	100.00			
Liabilities and Equity												
D. Interest-Bearing 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	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-			
4. Total Customer Deposits	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-			
5. Deposits from Banks	n.a.	n.a.	-	n.a.	-	n.a.	-	1,511.0	96.51			
6. Repos and Cash Collateral	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-			
7. Other Deposits and Short-term Borrowings	889.0	1,899.1	92.20	1,837.5	93.98	1,180.1	92.56	n.a.	-			
8. Total Deposits, Money Market and Short-term Funding	889.0	1,899.1	92.20	1,837.5	93.98	1,180.1	92.56	1,511.0	96.51			
9. Senior Debt Maturing after 1 Year	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-			
10. Subordinated Borrowing	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-			
11. Other Funding	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-			
12. Total Long Term Funding	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-			
13. Derivatives	11.5	24.6	1.19	0.0	0.00	0.8	0.06	0.3	0.02			
14. Trading Liabilities	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-			
15. Total Funding	900.5	1,923.7	93.40	1,837.5	93.98	1,180.9	92.62	1,511.3	96.53			
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.	-	n.a.	-	n.a.	-	n.a.	-			
3. Reserves for Pensions and Other	1.4	2.9	0.14	2.1	0.11	1.2	0.09	1.2	0.08			
4. Current Tax Liabilities	2.3	4.9	0.24	2.4	0.12	3.0	0.24	0.5	0.03			
5. Deferred Tax Liabilities	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-			
6. Other Deferred Liabilities	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-			
7. Discontinued Operations	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-			
8. Insurance Liabilities	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-			
9. Other Liabilities	3.8	8.1	0.39	8.2	0.42	5.4	0.42	2.6	0.17			
10. Total Liabilities	908.0	1,939.6	94.17	1,850.2	94.63	1,190.5	93.37	1,515.6	96.81			
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	56.2	120.1	5.83	82.3	4.21	84.5	6.63	50.0	3.19			
2. Non-controlling Interest	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-			
3. Securities Revaluation Reserves	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-			
4. Foreign Exchange Revaluation Reserves	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-			
5. Fixed Asset Revaluations and Other Accumulated OCI	n.a.	n.a.	-	22.7	1.16	n.a.	-	n.a.	-			
6. Total Equity	56.2	120.1	5.83	105.0	5.37	84.5	6.63	50.0	3.19			
7. Total Liabilities and Equity	964.2	2,059.7	100.00	1,955.2	100.00	1,275.0	100.00	1,565.6	100.00			
8. Memo: Fitch Core Capital	48.6	103.8	5.04	97.0	4.96	78.8	6.18	45.4	2.90			
9. Memo: Fitch Eligible Capital	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-			

Exchange rate

USD1 = TRY2.13620

USD1 = TRY1.78190

USD1 = TRY1.91110

USD1 = TRY1.54130

Garanti Faktoring A.S. Summary Analytics

	31 Dec 2013 Year End	31 Dec 2012 Year End	31 Dec 2011 Year End	31 Dec 2010 Year End
A. Interest Ratios				
1. Interest Income on Loans/ Average Gross Loans	6.53	8.39	7.68	6.59
2. Interest Expense on Customer Deposits/ Average Customer Deposits	n.a.	n.a.	n.a.	n.a.
3. Interest Income/ Average Earning Assets	6.71	8.63	10.96	12.42
4. Interest Expense/ Average Interest-bearing Liabilities	5.26	6.11	6.03	5.51
5. Net Interest Income/ Average Earning Assets	1.80	2.92	5.21	7.11
6. Net Int. Inc Less Loan Impairment Charges/ Av. Earning Assets	1.16	2.46	4.67	7.06
7. Net Interest Inc Less Preferred Stock Dividend/ Average Earning Asset	1.80	2.92	5.21	7.11
B. Other Operating Profitability Ratios				
1. Non-Interest Income/ Gross Revenues	82.03	60.53	(51.30)	(237.98)
2. Non-Interest Expense/ Gross Revenues	82.61	70.42	62.65	79.79
3. Non-Interest Expense/ Average Assets	8.21	5.17	2.14	1.67
4. Pre-impairment Op. Profit/ Average Equity	26.60	33.79	26.64	11.33
5. Pre-impairment Op. Profit/ Average Total Assets	1.73	2.17	1.28	0.42
6. Loans and securities impairment charges/ Pre-impairment Op. Profit	36.63	20.74	41.77	10.34
7. Operating Profit/ Average Equity	16.86	26.78	15.51	10.16
8. Operating Profit/ Average Total Assets	1.10	1.72	0.74	0.38
9. Taxes/ Pre-tax Profit	20.31	19.92	12.44	21.15
10. Pre-Impairment Operating Profit / Risk Weighted Assets	n.a.	n.a.	n.a.	n.a.
11. Operating Profit / Risk Weighted Assets	n.a.	n.a.	n.a.	n.a.
C. Other Profitability Ratios				
1. Net Income/ Average Total Equity	13.43	21.44	58.18	8.01
2. Net Income/ Average Total Assets	0.87	1.38	2.79	0.30
3. Fitch Comprehensive Income/ Average Total Equity	13.43	21.44	58.18	8.01
4. Fitch Comprehensive Income/ Average Total Assets	0.87	1.38	2.79	0.30
5. Net Income/ Av. Total Assets plus Av. Managed Securitized Assets	n.a.	n.a.	n.a.	n.a.
6. Net Income/ Risk Weighted Assets	n.a.	n.a.	n.a.	n.a.
7. Fitch Comprehensive Income/ Risk Weighted Assets	n.a.	n.a.	n.a.	n.a.
D. Capitalization				
1. Fitch Core Capital/ Risk Weighted Assets	n.a.	n.a.	n.a.	n.a.
2. Fitch Eligible Capital/ Risk Weighted Assets	n.a.	n.a.	n.a.	n.a.
3. Tangible Common Equity/ Tangible Assets	5.08	4.98	6.21	2.91
4. Tier 1 Regulatory Capital Ratio	n.a.	n.a.	n.a.	n.a.
5. Total Regulatory Capital Ratio	n.a.	n.a.	n.a.	n.a.
6. Core Tier 1 Regulatory Capital Ratio	n.a.	n.a.	n.a.	n.a.
7. Equity/ Total Assets	5.83	5.37	6.63	3.19
8. Cash Dividends Paid & Declared/ Net Income	n.a.	n.a.	n.a.	n.a.
9. Cash Dividend Paid & Declared/ Fitch Comprehensive Income	n.a.	n.a.	n.a.	n.a.
10. Cash Dividends & Share Repurchase/Net Income	n.a.	n.a.	n.a.	n.a.
11. Internal Capital Generation	12.74	19.52	40.83	8.20
E. Loan Quality				
1. Growth of Total Assets	5.34	53.35	(18.56)	38.19
2. Growth of Gross Loans	9.23	46.85	(12.37)	68.01
3. Impaired Loans/ Gross Loans	1.92	1.43	1.22	0.95
4. Reserves for Impaired Loans/ Gross Loans	1.51	1.07	1.05	0.48
5. Reserves for Impaired Loans/ Impaired Loans	78.66	74.72	86.36	50.36
6. Impaired loans less Reserves for Impaired Loans/ Fitch Core Capital	8.00	6.91	2.66	14.98
7. Impaired Loans less Reserves for Impaired Loans/ Equity	6.91	6.38	2.49	13.60
8. Loan Impairment Charges/ Average Gross Loans	0.65	0.46	0.60	0.05
9. Net Charge-offs/ Average Gross Loans	n.a.	n.a.	n.a.	n.a.
10. Impaired Loans + Foreclosed Assets/ Gross Loans + Foreclosed Ass	1.92	1.43	1.22	0.95
F. Funding				
1. Loans/ Customer Deposits	n.a.	n.a.	n.a.	n.a.
2. Interbank Assets/ Interbank Liabilities	n.a.	n.a.	n.a.	7.17
3. Customer Deposits/ Total Funding (excluding derivatives)	n.a.	n.a.	n.a.	n.a.

Garanti Faktoring A.S. Reference Data

	31 Dec 2013			31 Dec 2012		31 Dec 2011		31 Dec 2010	
	Year End USDm	Year End TRYm	As % of Assets	Year End TRYm	As % of Assets	Year End TRYm	As % of Assets	Year End TRYm	As % of Assets
A. Off-Balance Sheet Items									
1. Managed Securitized Assets Reported Off-Balance Sheet	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
2. Other off-balance sheet exposure to securitizations	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
3. Guarantees	1.3	2.8	0.14	1.1	0.06	1.3	0.10	1.3	0.08
4. Acceptances and documentary credits reported off-balance sheet	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
5. Committed Credit Lines	2.7	5.7	0.28	9.0	0.46	6.7	0.53	9.0	0.57
6. Other Contingent Liabilities	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
7. Total Business Volume	968.2	2,068.2	100.41	1,965.3	100.52	1,283.0	100.63	1,575.9	100.66
8. Memo: Risk Weighted Assets	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
9. Fitch Adjustments to Risk Weighted Assets	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
10. Fitch Adjusted Risk Weighted Assets	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
B. Average Balance Sheet									
Average Loans	805.6	1,720.9	83.55	1,463.2	74.84	1,098.1	86.13	1,162.6	74.26
Average Earning Assets	813.7	1,738.2	84.39	1,478.1	75.60	1,227.9	96.31	1,365.0	87.19
Average Assets	820.1	1,751.8	85.05	1,488.0	76.10	1,237.6	97.07	1,371.4	87.60
Average Managed Securitized Assets (OBS)	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Average Interest-Bearing Liabilities	760.5	1,624.6	78.88	1,381.6	70.66	1,171.5	91.88	1,314.9	83.99
Average Common equity	47.0	100.3	4.87	81.9	4.19	59.3	4.65	51.2	3.27
Average Equity	53.3	113.9	5.53	95.6	4.89	59.3	4.65	51.2	3.27
Average Customer Deposits	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
C. Maturities									
Asset Maturities:									
Loans & Advances < 3 months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Loans & Advances 3 - 12 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Loans and Advances 1 - 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Loans & Advances > 5 years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Debt Securities < 3 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Debt Securities 3 - 12 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Debt Securities 1 - 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Debt Securities > 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Loans & Advances to Banks < 3 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Loans & Advances to Banks 3 - 12 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Loans & Advances to Banks 1 - 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Loans & Advances to Banks > 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Liability Maturities:									
Retail Deposits < 3 months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Retail Deposits 3 - 12 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Retail Deposits 1 - 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Retail Deposits > 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Other Deposits < 3 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Other Deposits 3 - 12 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Other Deposits 1 - 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Other Deposits > 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Deposits from Banks < 3 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Deposits from Banks 3 - 12 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Deposits from Banks 1 - 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Deposits from Banks > 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	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 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	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Fair Value Portion of Subordinated Debt	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
D. Equity Reconciliation									
1. Equity	56.2	120.1	5.83	105.0	5.37	84.5	6.63	50.0	3.19
2. Add: Pref. Shares and Hybrid Capital accounted for as Equity	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
3. Add: Other Adjustments	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
4. Published Equity	56.2	120.1	5.83	105.0	5.37	84.5	6.63	50.0	3.19
E. Fitch Eligible Capital Reconciliation									
1. Total Equity as reported (including non-controlling interests)	56.2	120.1	5.83	105.0	5.37	84.5	6.63	50.0	3.19
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	1.1	2.4	0.12	1.5	0.08	1.4	0.11	1.4	0.09
6. Deferred tax assets deduction	6.5	13.9	0.67	6.5	0.33	4.3	0.34	3.2	0.20
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	48.6	103.8	5.04	97.0	4.96	78.8	6.18	45.4	2.90
10. Eligible weighted Hybrid capital	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
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	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-

Exchange Rate

USD1 = TRY2.13620

USD1 = TRY1.78190

USD1 = TRY1.91110

USD1 = TRY1.54130

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