JCR Eurasia Rating

"Global Knowledge Supported by Local Experience"

TURKEY

Corporate Credit Rating (Update)

Banking

aktif bank			Long Term	Short Term
International	Foreign currency		BBB-	A-3
	Local currency		BBB-	A-3
	Outlook	FC	Stable	Stable
		LC	Stable	Stable
National	Local Rating		AA (Trk)	A–1+(Trk)
	Outlook		Stable	Stable
Sponsor Support			3	-
Stand Alone			AB	-
Sovereign*	Foreign currency		BBB-	-
	Local currency		BBB-	-
	Outlook	FC	Stable	-
		LC	Stable	-

*Assigned by Japan Credit Rating Agency, JCR on May 23, 2013

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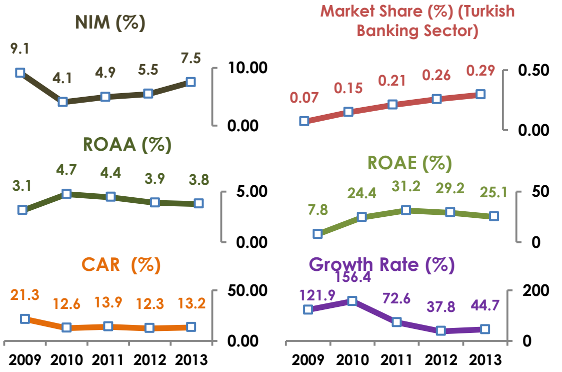


Aktif Yatırım Bankası A.Ş.					
Financial Data	**2013***	**2012***	**2011***	**2010***	**2009***
Total Assets (000,000 USD)	2,390	1,979	1,351	962	388
Total Assets (000,000 TRY)	5,091	3,518	2,553	1,479	577
Total Net Loans (000,000 TRY)	3,580	2,367	1,678	727	281
Equity (000,000 TRY)	834	458	348	226	173
Net Profit (000,000 TRY)	125	95	66	44	3
Market Share (%) **	7.28	6.67	6.13	4.78	2.14
ROAA (%)	3.77	3.88	4.44	4.74	3.15
ROAE (%)	25.09	29.20	31.23	24.41	7.81
Equity/Assets (%)	16.39	13.03	13.63	15.26	30.01
CAR - Capital Adequacy Ratio (%)	13.23	12.34	13.94	12.65	21.29
Asset Growth Rate (Annual) (%)	44.74	37.79	72.56	156.37	121.87

* End of year ** On solo basis among the Turkish Investment Banking Sector

Overview

Aktif Yatırım Bankası A.Ş. (hereinafter "Aktif Bank" or the "Bank") was incorporated as an investment bank under the name Çalık Yatırım Bankası A.Ş. in July 1999. On August 1, 2008, the Bank changed its name to Aktif Yatırım Bankası A.Ş. The Bank carries out operations in the fields of corporate banking, retail banking, leasing, factoring, trade finance and consulting through a network of 8 branches a a work force of 623 as of FY2013. In addition to the conventional services stream offered through the branch network, Aktif Bank has the largest alternative delivery channel network in Turkey with thousands of touch points including 4,700 PTT offices and 2,550 dealers, call center, ATMs, mobile and internet banking facilities.

The Bank has prospered in 2013, with its assets, loans and equity growth and profit increase outstripping the Sector averages. At the end of FY2013, the materialized growths in equity, assets, loans and net profit were 82.04%, 44.74%, 51.28% and 31.94%, respectively, and were significantly high. Thanks to its impressive growth performance, Aktif Bank's rank in terms of assets size rose to 23 out of 45 banking institutions at the end of 2013 from 41 of 46 banking institutions at the end of FY2007.

Although Aktif Bank is not entitled to receive deposits, it has attained its robust growth performance through funding from issued bank bonds, assets backed securities, sukuk certificates and its own internal resources and has become Turkey's largest privately owned Investment Bank.

Strengths

- Outperformance of the sector in assets, loan growth and enhancement of net profit
- Improved and adequate capitalization level resulting from remarkable amount of cash equity injection and retained profit, above the regulatory requirement, to absorb incidental losses
- Despite a decline in tandem with the sector, sound return on equity and assets ratios, outstripping the sector averages
- Continuous increase in NIM through efficient management practices and development of alternative funding resources sustaining high internal resources generation capacity with recurring revenue streams
- Existence and continuity of highly-skilled and visionary management team,
- Capital strength, healthy loan book and low penetration of the Turkish Financial System promising sectorial growth despite the expectation of economic slowdown
- Pioneering position with diversified fund sources through issued bank bond, asset based securities and Sukuk
- Constant increase in its market share across both the Turkish and the Development & Investment Banking Sector

Constraints

- A notable increase in the NPLs ratio from the previous year, despite its slightly below sector-average level in comparison to the sector
- Rising dependence on Capital & Money Markets and short-term funding structure which in case of a sudden deterioration bears the risk of pressure on liquidity management
- Sizable share of group Companies among the Bank's cash and non-cash loan portfolio constraining its ability to expand in the wider outside market and diversify risk
- Decreasing yet ongoing political tension, upcoming presidential elections, decrease in risk appetite of investors and downside risks on growth, pressuring profit margins while pushing up NPLs through the weakened debt servicing capabilities of the real sector
- A high credit risk concentration among the top 20 cash and non-cash loans customers

Publication Date: May 20, 2014 *"Global Knowledge supported by Local Experience"*

1. Rating Rationale

In the assignment of Aktif Bank's ratings, quantitative and qualitative assessments regarding its above sector average profitability indicators and exceptional growth performance, funding and adequacy of capital, liquidity profile, asset quality, credit risk concentration and efficiency and risk management practices, along with the bank's growth strategy, largest alternative delivery channel networks, pioneering of innovative products and market shares have been taken into consideration.

JCR Eurasia Rating has affirmed Aktif Bank's National Local Rating Notes of **'AA'** in the long term, which donates a high investment grade, and **'A-1+ (Trk)'** in the short term with a **'Stable'** outlook on both ratings. The Bank's Long Term Local and Foreign Currency notes have been affirmed as **"BBB-"** considering the continuation of sound profitability indicators, robust growth performance, the capability of funding diversity, implementation of innovative products, increasing but below sector average NPLs ratio and improved capital strength through cash equity injection of TRY 298mn in FY2013 and lingering retention of profit.

For this assignment, solo financials of Aktif Bank, the Turkish Banking Sector and Development & Investment Banking Sector prepared in accordance with Banking Regulation and Supervision Authority (BRSA) regulations were used to determine more accurately the comparable and stand-alone performance of the Bank. In addition, financials, which were prepared in accordance to International Financial Reporting Standards (IFRS), were also utilized.

Principal Rating drivers are:

Outpaced Sector Averages Growth Performance;

The Bank's performance has prospered in 2013, with growth in assets, loans and equity and enhancement in profit outstripping sector averages. At the end of FY2013, the materialized growths in equity, assets, loans and net profit were 82.04%, 44.74%, 51.28% and 31.94%, respectively, and were significantly high. With the exception of profit growth at 45.00%, the other records were higher than the previous year's growth rates of 31.67%, 37.79% and 41.03%.

The Largest privately owned Investment Bank;

Thanks to its impressive growth performance, the assets of the Bank skyrocketed to TRY 5,091mn from TRY260mn at the end of 2008. The cumulative growth of the Bank was 14.13 times that of the Turkish Banking Sector as a whole and 9.37 times the Development& Investment Banking Sector in asset size TRY basis over the last five year period. Aktif Bank's rank in assets size rose to 23rd among 45 banking institutions at the end of 2013 from 41st among 46 banking institutions at the end of FY2007, according to Turkish Banking Association data.

Profitability Figures above Those of the Turkish Banking and Participation Banking Sectors Averages;

Return on assets and equity ratios, the main profitability indicators, outperformed the sector averages in the last three year period, resulting in a broader net interest margin and a sturdy growth of the loan portfolio along with the contribution of other income components such as fee and commission from insurance activities and sale income of its subsidiaries. Approximately 87% of total income consisted of net interest income and net fee & commission income, which were derived mainly through core banking activities and were in line with the sector. Deriving from a prudence policy, the Bank has provisioned TRY32mn (TRY 25mn in FY2012 and 7mn in FY2013) for probable loss, which depresses profitability ratios.

Improved and Adequate Capitalization Level;

The Bank's capital was composed almost entirely of core capital at a rate of 93.64% at the end of 2013 and was supported by a remarkable cash equity injection of TRY 298mn. The Tier 1 capital ratio, a straightforward indicator specifying the strength of the Bank, was 12.39% at the end of FY2013 and increased from 11.62%. The Bank's Regulatory Capital Adequacy Ratio was calculated as 13.23% at the end of FY2013, 0.89 percentage points higher than the previous year. This figure stood above the minimum CAR requirements set by the Basel Accord (8%) and required by the Turkish regulatory authority BRSA (12%). We, as JCR Eurasia Rating, presume that the current level of capitalization has the capacity to absorb incidental loan loss.

Short Term Funding Base Exert Pressure on Liquidity Management;

As an investment bank, Aktif Bank is not entitled to collect customer deposits. Therefore, the Bank is funded through issued debt securities, borrowed funds from domestic & international institutions, current balances of its loan customers, equity, and obligations under repurchase agreement. At the end of FY2013, 61.15% of total liabilities (FY2012:45.85%) stood in the less than one month maturity bracket, which exerts pressure on liquidity management through renewal risks along with rising dependence on capital and money markets. Furthermore, the Bank has allocated approximately

36% of funds to middle and long term lending activities. This structure leads to assets-liability mismatches.

In 2013, the Bank was not faced with funding gap or violations regarding liquidity. Liquidity ratios remained almost compliant with BRSA's prudential regulations.

Asset Quality Weakening;

In 2013, Aktif Bank's non-performing loan portfolio, based on solo figures, displayed a noteworthy increase in absolute terms with a rate of 229.56%. Despite a significant increase of 51.28% in the loans portfolio, it could not prevent the rapid rise in non- performing loans. Consequently, the NPLs ratio increased to 2.47% from 0.68% FY2012. While the NPL ratio was still below the Turkish Baking Sector average, it exceeded the Development and Investment Banking Sector average in the last year. According to the IFRS based consolidated financials, the NPL ratio was 1.71% at the end of FY2013 (FY2012: 0.79%) and fully provisioned. Resulting from the high provisioning, the ratio of provision to profit before provision and tax increased to 21.12% FY2013 from the previous year's ratio of 7.83%, exerting pressure on the Bank's profitability ratios.

High Risk Position;

Aktif Bank extended 70.32% of its assets as loans, a ratio higher than the sector averages (Turkish Banking Sector: 60.98% and the Development & Investment Banking Sector: 65.31%). The loans are distributed among Corporates and Consumers with rates of 57.30% and 42.65, respectively. The Bank's largest 20 corporate customers constituted 99.38% of the total corporate cash outstanding loans and 94% of total non-cash loans, specifying very high concentrations. The distribution within the cash loans portfolio displayed a concentration, principally in general services which composed 39% of the total outstanding loan portfolio and the Construction and energy sectors accounted for of 46% and 23% of non-cash loans. On the other hand, 51.46% (FY2012:53.88%) and 57.82% (FY2012: 58.59%) of the Bank's cash and non-cash loans directly or indirectly were given to group companies.

In circumstances of decelerating economic activities, this structure may substantial stress on the loan book, profitability and assets quality.

Moderate Operational Environment with Increasing Uncertainties;

Unrest in some bordering and near region countries, upcoming presidential elections, decreasing yet ongoing political tensions, decreases in investor risk appetite, slowing capital flow to Emerging Countries after the FED tapering policy, relatively high interest rates and volatility in foreign currencies depress Turkey's economic growth. However, positive growth is still forecasted. In addition, measurements implemented by the BRSA to limit credit growth and individual consumption will exert negative impacts on the balance sheets of the Banking Sector. Nevertheless, under this downward economic cycle, we presume that the Bank will cope with these negative effects.

The Largest Alternative Delivery Network and Innovative Products;

The Bank has the largest alternative delivery network in Turkey and, without inaugurating new branches, offers a wide range of products and services via thousands of touch points. The Bank granted a total of TRY 1.8bl in loans to 255k individuals through its online credit system "KreAktif". Moreover, through the interactive marketing, sales and communication platform "Aktif Nokta", the Bank has reached a monthly transaction number of 800k in 73 provinces of Turkey. The Bank has been awarded many times by international financing institutions for its innovative products.

2. Outlook

JCR Eurasia Rating has affirmed a "stable" outlook on the short and long term national and international ratings perspective of Aktif Bank, considering the Bank's assets composition, adequate capitalization level, above sector average profitability ratios associated with the recurrent and resilient nature of revenue streams supported by high net interest margin and business mix, robust growth forecasts, as well as positive growth prospects in the Turkish economy under arising worrisome circumstances and the upcoming presidential election period.

A severe contraction in economic activities and a sharp decrease in profit margins while pushing up NPLs through weakened debt-servicing capabilities of the real sector and a rapid deterioration in assets quality, liquidity and funding base along with contingency of international politics particularly pertaining to Turkey's neighboring countries and the endurance of political risks in Turkey are possible drivers forcing a negative rating outlook and depressed rating notes. Conversely, continuity of cash equity injection, improvements in profitability ratios, maintenance of assets quality, continuity of recovery in the global economy and management of additional risks combined with the growth of the Bank are significant factors that may be taken into consideration for any future positive changes in ratings and outlook status.

3. Sponsor Support and Stand-Alone Assessment

Çalık Holding A.Ş. is one of Turkey's most prominent conglomerates and holds 99.42 of the Bank shares. As of June 30, 2013, the Group's consolidated financial figures in asset size, revenue, equity and net profit/loss were USD 7,832mn, 1,212mn, 728mn and (36mn), respectively, with over 11,000 employees. The Holding has stakes in various industries with a primary interest in the Construction, textiles, Finance, Telecom, energy and Mining sectors. Although financial support is expected from the Çalık Group in case of an urgent need for short or long-term liquidity, the prospective financial support on offer will be restricted considering the lower profitability and high indebtedness level of the Group as well as developments in the markets in which it operates. In the light of the group's financial and operational positions, the Sponsor Support Note of the Bank has been affirmed as **"3"** denoting a moderate external support possibility though bearing some uncertainties.

The Stand Alone Note of the Bank has been affirmed as **"AB"** considering its satisfactory capital level, sustainable profit generating capacity, broader net interest margin, exceptional growth performance, asset quality, fund diversification capacity and access to external funds, good management, growth projects and moderate operating environment. This Stand Alone note indicates that the Bank is likely to be able to manage its balance sheet risks successfully even if the shareholders or public authorities do not provide any assistance.

4. Company Profile

a. History & Activities

Aktif Yatırım Bankası A.Ş. was established under the name Çalık Yatırım Bankası A.Ş. in July 1999 as an investment bank. On August 1, 2008, the Bank publicized its new name as Aktif Yatırım Bankası A.Ş.

While the retail, investment and regional banking constitute the axis of Aktif Bank's operation, the Bank also offers financial leasing, factoring, trade finance and consulting services along with insurance, and collections through its subsidiaries. In line with arising needs and to meet the project financing, the Bank issued Sukuk Certificates, which are strictly conformable to the principles of Islamic Shari'a

b. Organization & Employees

The Board of Aktif Bank consists of six members, none of which are independent. The senior management team of the Bank is comprised of the CEO, twelve executive vice presidents, three managing directors and one chief legal counsel. These managers are highly educated in their respective fields and have relevant prior work experience making them highly competent to manage the affairs of the Bank. These managers meet all the requirements set by the Banking Regulation and Supervisory Authority (BRSA). Credit, Audit, Remuneration and Corporate Governance committees have been established under the BoD.

As of December 31, 2013, the Bank employed 623 people (2012: 436) and operated with a total network of eight branches. In addition to the conventional services stream offered through the branch network, Aktif Bank has Turkey's largest alternative delivery network through thousands of touch points including 4,700 PTT offices and 2,550 dealers, call center, ATMs, mobile and internet banking facilities to reach its customers with ease.

c. Shareholders, Subsidiaries & Affiliates

The table below indicates the detailed shareholding structure of the Bank. The greatest shareholder of Aktif Bank is Çalık Holding A.Ş., which holds 99.42% of the shares. The shareholding pattern is detailed in the following table.

Shareholders	2011	2012	2013
	Share %	Share %	Share %
Çalık Holding A.Ş.	98.99	98.99	99.42
GAP Güneydoğu Tekstil Sanayi ve Tic.A.Ş.	0.53	0.53	0.30
Ahmet ÇALIK	0.24	0.24	0.14
Başak Enerji Elektrik Üretim San.ve Tic.A.Ş.	0.12	0.12	0.07
Irmak Enerji Elektrik Üretim Madencilik San.ve Tic.A.Ş.	0.12	0.12	0.07
Total	100.00	100.00	100.00
Paid Capital-TRY (000)	230,000	230,000	697,085

As, we, JCR Eurasia Rating have not presently analyzed the independent risk level of those companies, no opinion regarding their creditworthiness has been formed with the exception of İFM İstanbul Finans Merkezi İnşaat Taahhüt A.Ş.

	Country	Sector	Direct/ Indirect Interest Rates %	
			2012	2013
Consolidated Subsidiaries				
Sigortayeri Sigorta ve Reasürans Brokerliği A.Ş.	Turkey	Insurance Brokerage	-	100.00
Epost Elektronik Perakende Otomasyon Satış Tic. A.Ş.	Turkey	Payment System	-	99.27
E-Kent Teknoloji ve Ödeme Sistemleri San. ve Tic. A.Ş.	Turkey	Payment System	99.27	-
Emlak Girişim Danışmanlığı A.Ş.	Turkey	Real Estate	-	100.00
Pavo Teknik Servis Elektrik Elektronik Sanayi ve Tic. A.Ş.	Turkey	Service	-	79.42

Equity Accounted Investees				
Kazakhstan Ijara Company Jsc	Kazakhstan	-	-	14.31
İFM İstanbul Finans Merkezi İnşaat Taahhüt A.Ş.	Turkey	-	-	5.00

d. Corporate Governance

Although Aktif Bank is not a publicly traded company, it carries out its operations under Banking Law and the Banking Regulation and Supervision Authority (BRSA) regulations. In order to comply with the Communiqué on Corporate Governance Principles of Banks' published on November 1, 2006 by BRSA, the Bank has set up Corporate and Remuneration committees, and disclosed its mission, vision, values, periodic financials, annual reports and ethical rules pursuant with the Communıque of BRSA.

In the context of transparency, the Company's website provides information and disclosed documentation such as the Company shareholder structure, organization chart, senior management and their CV's, audit reports, articles of association, the Minutes of the General Meeting and a corporate governance compliance report.

On the other hand, the major deficiencies with regards to internationally accepted practices and regulation of the Turkish Capital Market are the absence of the independent members in the Board of Directors, necessity of Board of Directors approval for share transfers, absence of a stakeholders policy protecting the stakeholder's rights beyond the general legal frame work, and the absence of disclosure and social responsibility polices.

The Bank's Board is composed of six members and qualifications of the members meet the terms expressed in the principles. As can be seen in the resumes found on the Bank's website, the members possess the necessary qualifications in terms of education, professional and managerial experience. According to Capital Market Board (CMB) principles, three Board Members should be independent and the members of the BoD audit committee are accepted as independent. The Bank's audit committee is composed of two members and the Audit Committee members also sit on the Credit Committee as noble and alternate members. We, as JCR Eurasia, are of the opinion that two audit committee members do not qualify as independent.

Hence, in the light of best practices of corporate governance and internal regulations of the Bank, the general compliance level of the Bank is satisfactory considering that the Bank is not publicly traded.

e. The Company & its Group Strategies

Since the restructuring process commenced in 2007, the Bank has demonstrated a metamorphosis and exhibited exceptional performances in all fields. Under its business model, "New Generation Banking", Aktif Bank's strategies rest on three pillars; 'Direct Banking', Regional Banking' and 'City Banking'.

In line with its vision and mission, the Bank has mainly focused on profitability, smart and outstanding services and pioneering innovative and efficient solutions and satisfied broad customer base in addition to quantities growth figures.

5. Sector Overview & Operational Environment

The Turkish Banking Sector, regulated by the Banking Regulatory and Supervisory Agency (BRSA), currently consists of Deposit Banks, Development Banks, Investment Banks and Participation Banks that operate within an Islamic framework. As of FYE2013, a total of 49 banks operated in the sector. The sector enjoys the largest share among the Turkish financial services industry, having realized an asset size of USD 813bn (TRY 1,732bn) as of FYE2013.

2013 DECEMBER TURKISH BANKING SECTOR	NUMBER OF BANKS	NUMBER OF BRANCHES	NUMBER OF STAFF
DEPOSIT BANKS	**32**	**10.979**	**192.219**
• State Banks	3	3.395	54.466
• Private Banks	12	5.411	94.747
• SDIF Bank	1	2	260
• Foreign Banks	16	2.171	42.746
DEVELOPMENT & INVESTMENT BANKS	**13**	**42**	**5.244**
PARTICIPATION BANKS	**4**	**965**	**16.800**
TOTAL	**49**	**11.986**	**214.263**

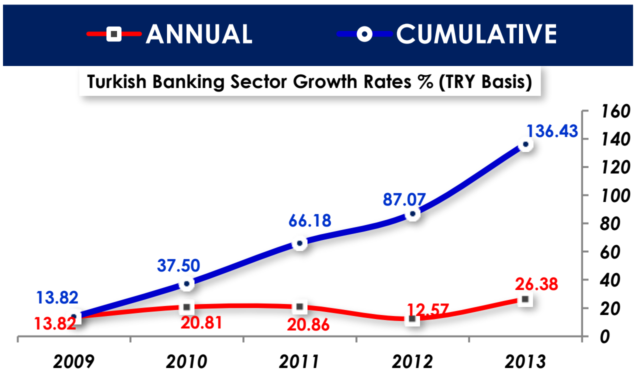
As of FYE2013, Deposit Banks had the largest market share in the sector with a share of 90.41%, followed by Participation Banks and Development/Investment Banks with shares of 5.55% and 4.05%, respectively. During FY2013, Participation Banks recorded the highest growth with a rate of 36.69%, followed by Development and Investment Banks with a 32.93% rate and Deposit banks with a 25.52% rate.

MARKET SHARE %	2008	2009	2010	2011	2012	2013
PARTICIPATION BANKS	3,52	4,03	4,30	4,61	5,13	5,55
DEVELOPMENT AND INVESTMENT BANKS	3,13	3,24	3,07	3,42	3,85	4,05
DEPOSIT BANKS	93,35	92,73	92,63	91,97	91,02	90,41
SECTOR TOTAL	**100**	**100**	**100**	**100,**	**100**	**100**

The asset, loan and deposit concentration in the sector is at relatively high levels with the leading five players holding a total share of over 50%. The highest level of concentration is observed in the distribution of deposits across the system.

From a resource management perspective, the smaller players in the sector exhibit oligopolistic competitive behavior whilst monopolistic market behavior is observed with respect to their asset management strategies. On the other hand, the larger players in the sector operate in a monopoly market concerning all aspects of balance sheet management. As such, competition throughout the sector is largely observed across the small and medium-sized segment, as high levels of concentration and established market conditions limit competition among the sector's larger players.

The sector exhibited successful growth rates for every reporting period throughout the last 5 years and achieved a Cumulative Asset Growth Rate of 136.43% on TRY terms and 68.89% on USD terms between 2009 and 2013.



The major drivers of growth in the past were deposit growth, increase in equity capital fuelled by internal equity generation and rises in foreign borrowing. The growth recorded during FY2013 followed a similar trend, mainly through an increase in general deposit accounts and increases in foreign currency deposits, followed by borrowing from international financial institutions and debt/bond issues. This has led to diversification of resources enabling extension of debt maturity and easing liquidity management. However, it must be emphasized that the ratio of equity to total resources has declined to levels lower than those last recorded 8 years ago. Following the increase in interest rates after 1Q2013, the sector experienced a rise in borrowing costs which led to a limited slowdown in the sector's growth performance during FY2013.

As of FY2013, 55.36% of the sector's total assets were funded via deposits and/or participation funds with an average maturity of 74 days. Although deposits continue to act as the primary source of funding for resources, their share among Banks' resources decreased to 55.36% at FYE2013 from 61.9% FYE2005. In line with growth and developments in the domestic capital markets and integration into the global economy, the importance of debt instruments and foreign borrowing in providing funding sources for the banking system is anticipated to increase in the years to come, playing a major role in the financing of the country's Current Account Deficit. (CAD) As such, the share of leverage in funding of the sector's asset base has climbed to 26.92% in FY2013 from 18.45% in FY2007.

The share of securities among the banks' asset base maintained its downward trend and realized a value of 17.08% FYE2013. On the other hand, the recent rise in interest rates may result in an increase in the share of securities among the bank's total asset portfolio. The share of loans, on the other hand, experienced a large increase from 38.93% FYE2005 to 60.98% FYE2013. Due to the increase in the required reserve ratios set by the Central Bank of Turkey (CBRT) in order to curb aggregate credit growth, the highest growth rates were observed in required reserves and disposable cash reserves among all items under assets. The required reserves, which represented 3.68% of the total asset size at FYE2005, increased their total share to 8.99% at FYE2013.

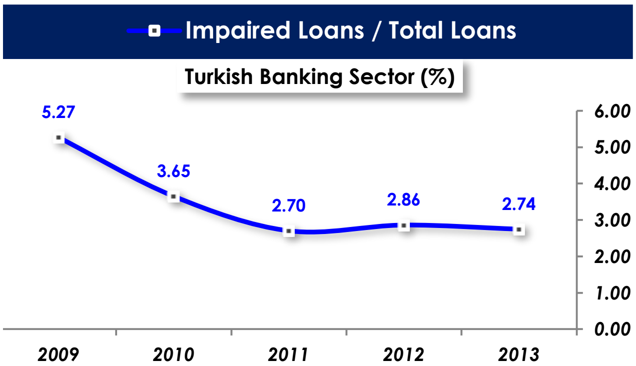
The Turkish Banking Sector maintained its relatively high levels of profitability throughout FY2013 despite the downward pressures on profitability indicators in the past financial year. The high share of deposits among the sector's current funding composition requires the presence of a nation-wide branch network leading to high operational expenses. On the other hand, banks take into account any potential adversities from the swells in non-performing loans on a continual basis during the credit assignment process and reflect any potential losses in their interest rates in line with Prudence Principles. This weakens the banks' return on assets and equity. As of FYE2013, The Return on Average Assets (ROAA) realized a value of 2.01% whereas the Return on Average Equity (ROAE) was recorded as 16.62%.

Profitability Indicators of the Turkish Banking Sector	2013	2012	2011	2010	2009	2008
Interest Margin %	4.02	4.42	3.86	4.61	5.87	5.23
ROAA (%)	2.01	2.33	2.27	2.95	3.21	2.54
ROAE (%)	16.62	18.49	18.10	22.14	25.50	20.56
Net Profit Margin %	25.98	30.42	30.65	36.14	33.20	27.83
Provision expenses / T. revenues%	19.72	20.45	15.14	14.08	22.60	18.41

Net interest income forms the primary source of revenue as the sector has difficulty in diversifying its income streams. Among the different components of net interest margin, the effect of provision expenses on interest margins is much higher compared to EU banks. As of FYE2013, net interest income formed 65.16% of total banking revenue across the sector. The share of non-interest expenses to total banking revenues was lower than EU countries.

The ratio of non-performing loans (NPL) to equity recorded an increase during FY2013 and reached 15.27% FYE2013, up from the FYE2012 figure of 12.87%. Despite the relatively large increase of 26.40% recorded in non-performing loans, the non-performing loans to gross loans ratio of the sector fell during FY2013 from the previous financial year. This was due to the much greater nominal increase of 31.79% recorded in the banks' total loan portfolio compared to the increase of 26.40% recorded in non-performing loans. In addition, the recent devaluation of the lira will have a negative impact on the real sector where hedging against foreign exchange (FX) risk isn't widespread, and can exert downward pressure on bank balance sheets and have the potential to raise NPL ratios.

The impaired loans to gross loans ratio of the sector was 2.74% as of FYE2013, lower than global averages. The pressures on economic growth in FY2014 are expected to affect the asset quality of the sector as a whole. In addition, it must be noted that a large share of non-performing loans dated back to the years 2010 and 2011.



The sector's Capital Adequacy Ratio (CAR), calculated in line with Basel II Standards, recorded a drop during FY2013 to 15.30% FYE2013 from 17.90% FYE2012. The high share of core capital (84.86%) among the banks' total equity indicates the preservation of its high-quality equity structure, despite remaining slightly below the level of 90% recorded in the previous periods.

The credit, market and operational risks to which the sector is exposed are monitored in line with BRSA regulations. External Independent Credit Rating Agencies do not yet play a major role in the measurement of such risks. Credit risk represents the largest source of risk with a 90.07% share, followed by operational risks and market risks with shares of 7.41% and 2.52%, respectively. The monetary value of the sector's aggregate risk was TRY 1,460,723mn.

The two principal indicators of foreign exchange risk in the sector, namely the "Total FX position to Total Assets" and "Total FX position to Equity" stood at 0.07% and 0.61%, respectively, as of FYE2013. These figures indicate that the negative effect of foreign currency risks on income generation across the sector is negligible.

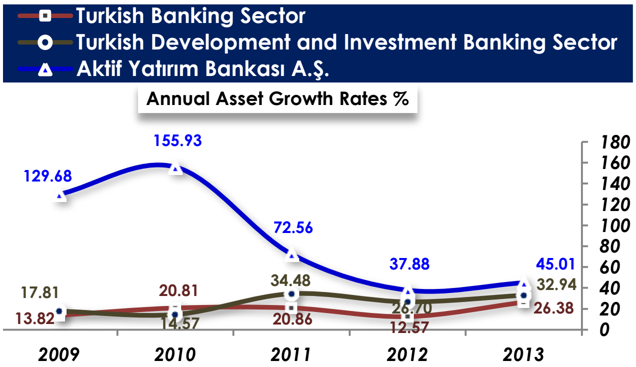
Overall, the Turkish Banking Sector is characterized by high levels of ROAA and net interest margin and an increasingly upward trend in non-interest income. The high level of profitability, large share of deposits among banking resources, high level of non-interest expenses and equity helped the sector maintain its current position throughout FY2013. Furthermore, the sector's growth potential in the medium and long-term and the entry of new players into the sector are expected to raise the interest of foreign investors in the sector. Despite the recent rise in political risk, JCR Eurasia Rating believes that the banking sector plays a central role in the preservation of Turkey's current Sovereign Ratings and has a stable outlook based on the factors outlined above.

6. Financial Foundation

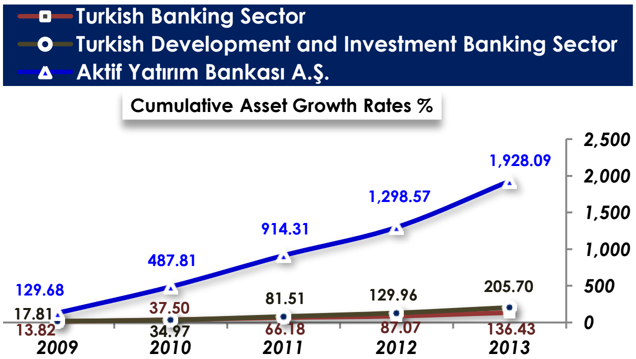
a. Financial Indicators & Performance

i. Indices Relating to Size

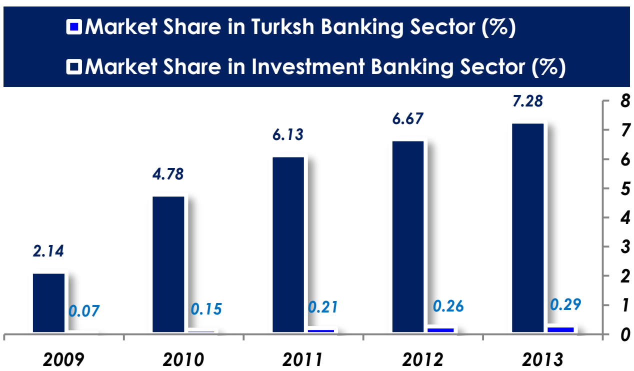
In FY2013, Aktif Bank exhibited a growth in total asset size of 45.01%, remarkably higher than both the Development & Investment Banking Sector and the entire Turkish Banking Sector's growth rates of 32.94% and 26.38%, respectively. FY 2013 was a prosperous year for the whole of the sector in terms of growth rate after a year of decelerated growth performances in 2012 following sound growth in 2011. The graphs below present the growth of the Bank's asset base in comparison to the sectors. Throughout the reviewed period the overall asset base growth performance of the Bank stayed well above the averages.



The Bank's cumulative asset base growth performance over the reviewed period remained well above the sector averages and was approximately 14 times that of the average cumulative growth of the Turkish Banking Sector. These results reflect the exceptional performance in assets growth.



The Bank's asset size market shares figures, with regard to both Development & Investment banks and the entire Turkish Banking Sector, demonstrate progressive improvement and reached 7.28% and 0.29%, respectively, at the end of FY2013. Resulting from its outstanding growth performance during the last five years, Aktif Bank's rank in assets size rose to 23rd from 36st of 45 banking institutions at the end of 2013 from FY2008.

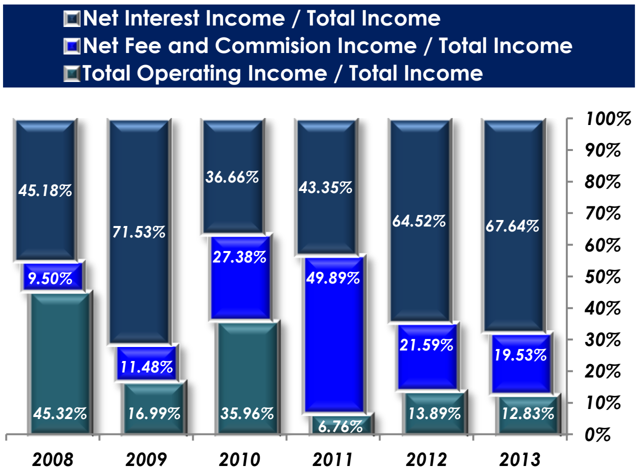


We, as JCR Eurasia Rating, assume that the growth phase of the Bank and the Banking Sector will decelerate in the ongoing year due to an expected slowdown of economic activities and relatively high interest rates along with precautions implemented by the BRSA.

ii. Indices Relating to Profitability

Profit related performance of Aktif Bank outperformed both the Development & Investment banks and the Turkish Banking Sectors in FY2013. The Bank recorded a net profit of TRY 93.8mn in FY2013, a modest increase of 14.13% compared to the net profit of FY2012 (TRY 82.2mn) under the circumstances of tapered sector profitability. In the same period, the Turkish Banking and the Development & Investment Banking Sectors' net profit figures displayed lower increases of 4.85% and 6.54%, respectively. On the other hand, the Bank's IFRS based net profit was TRY125.4mn at the end of 2013 and displayed a remarkable increase with a rate of 31.94% yoy.

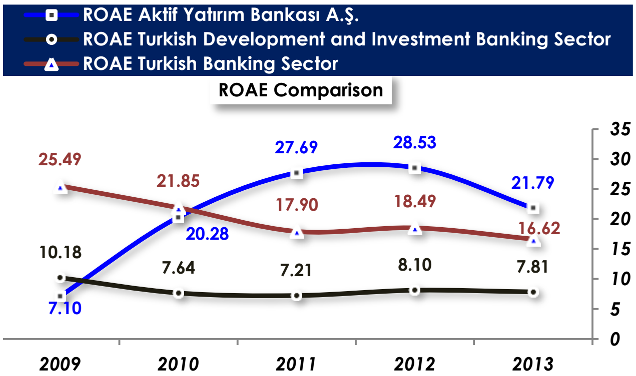
As of December 31, 2013, 67.64%, 19.53% and 12.83% of total income was contributed by net interest income, net fee & commission income and net total operating income, respectively. 87.17% of the Bank's total income resulted from core banking activities and sustainable streams.

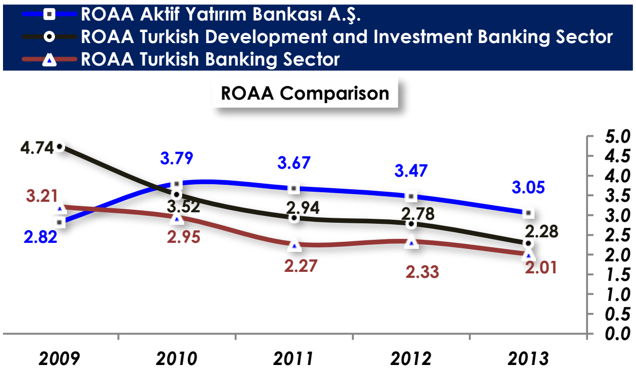


The Bank profit was also supported by operating income (TRY 51.5mn) and TRY35mn of its resulted from a sales income. The Bank has reported that this amount derived from sale of its subsidiaries E-Kent and other affiliates.

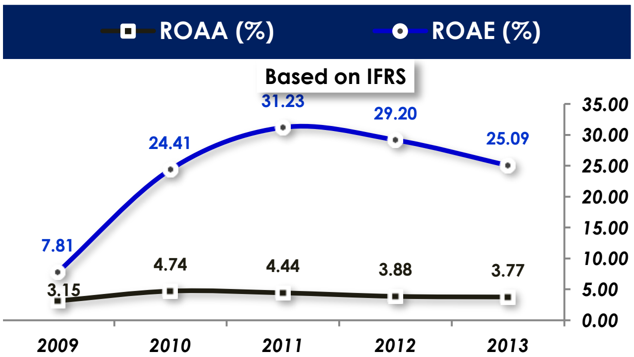
In 2013, however, the share of net fee & commission income in total income demonstrated a decrease and net fee & commission income increased by 64.11% yoy. Insurance fees, accounting for the largest share with a rate of 41.07% in total fee & commission income, displayed an exceptional increase of 170.09%. The Bank's net fee & commission income to total income ratio aligned with the Turkish Banking Sector's ratio of 19.77%.

Regarding the return on assets and equity, the Bank outperformed the Turkish Banking and the Development & Investment Banking Sectors in the last three year period. However, both the ROAA and ROAE ratios displayed a decrease in 2013, as in the sectors. Although the ratios decreased, they still attained their sound levels and strengthened the equity base and capital adequacy level.

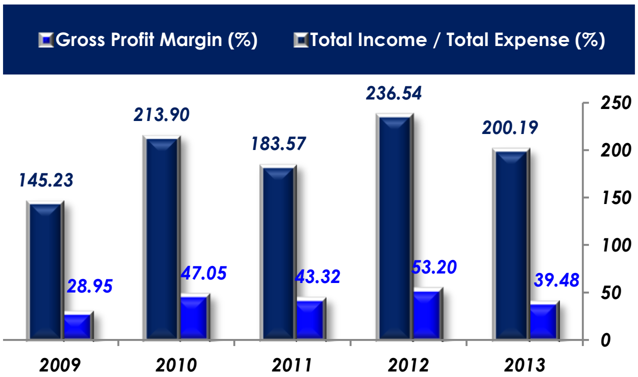




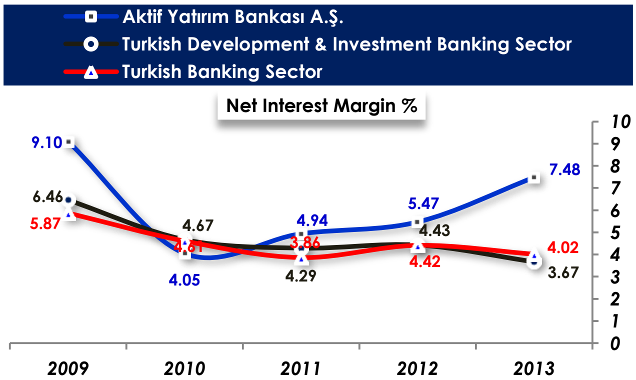
IFRS based return on assets and equity ratios were 3.77% and 25.09%, respectively, at the end of 2013, representing a decrease compared to the previous year.



Although the Bank's interest income was augmented by 55.21% in 2013, almost aligned with the growth of loans portfolio of 51.28%, modest increase of 28.79% in interest expenses supported the remarkable increase of net interest income by 90.20% on a yoy basis. However, a significantly high increase in provisions for impaired loans and operating expenses of 334.03% and 109.38%, respectively, engendered a decrease in the gross profit margin and the ratio of total income to total expense.



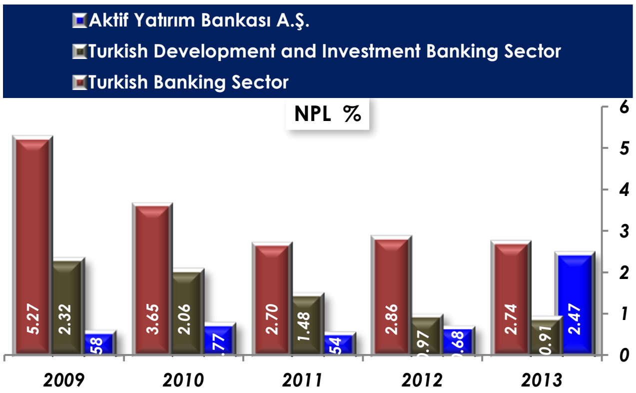
The net interest margin (NIM) ratio of the Bank was 7.48% at the end of FY2013, demonstrating a remarkable increase compared to the previous year and standing above the sector averages for the last three year period. The net interest income is the major income resource in banking institutions and constitutes approximately 60.00% of total income in the Turkish Banking Sector. 67.64% of the Bank's total income was accounted for the interest income and the high and above sector average NIM ratio specifies the bank effectiveness and sustainability.



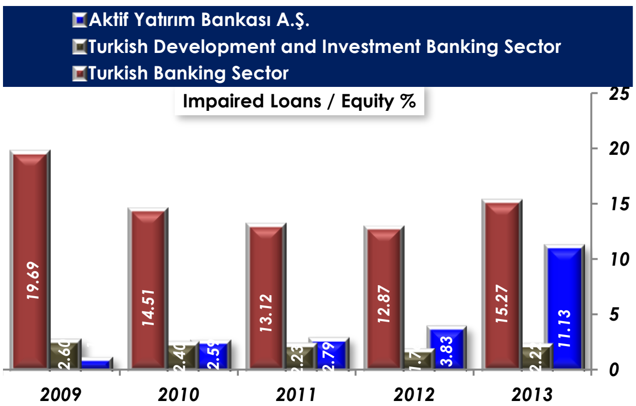
b. Asset Quality

Aktif Bank's on solo basis NPLs ratio was calculated as 2.47% at the end of FY2013 and demonstrated a significant increase from 0.68% FY2012. The growth in gross non-performing loans was 229.56% at the end of 2013, although the loan portfolio exhibited a growth of

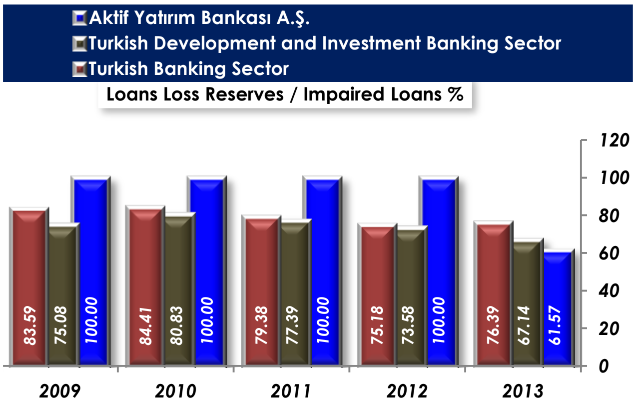
51.28% yoy basis in the same period. Although the NPL ratio was below the Turkish Baking Sector average, it surpassed the Development and Investment Banking Sector average in the last year. On the other hand, in the Banking Sector, some non- performing loans thought to be un-collectible were written off. Such implementations lower disclosed NPLs ratios in the sector. Comparing Aktif Bank with the sector, it should be born in mind that the Bank had not written off any non-performing loans.



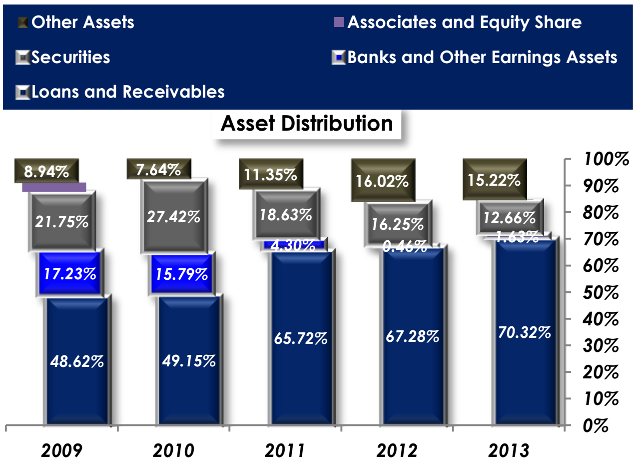
The Bank's non-performing loans to equity ratio stayed lower than the Turkish Banking Sector throughout the reviewed period. However, it outpaced the Development & Investment Banking Sector for the last four years and the increase rate was accelerated. Despite the remarkable improvement in the equity base, the rapid increase in non-performing loans is worrisome.



As can be noted in the following graph, the Bank's loan loss reserves covered 61.57% of non-performing loans at the end of FY2013 and for the first time fell below the sector averages.



Aktif Bank extended 70.32% of its assets as loans, a ratio higher than the sector averages (Turkish Banking Sector: 60.98%, Development & Investment Banking Sector: 65.31%). Higher loan exposure provides greater advantages than fixed rate secure instruments in growing economies. On the other hand, when the economy slows down, increasing NPLs rate deteriorates asset quality. Measures implemented by the CBRT and BRSA to limit credit growth and individual consumption and ongoing unrest in some bordering countries add uncertainties and pull down Turkey's economic growth forecast. Under these circumstances, we, as JCR Eurasia Rating, estimate an upward trend in NPLs in the Banking Sector.

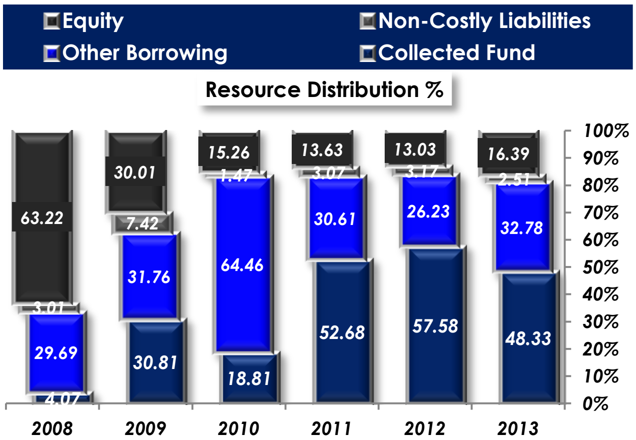


c. Funding & Adequacy of Capital

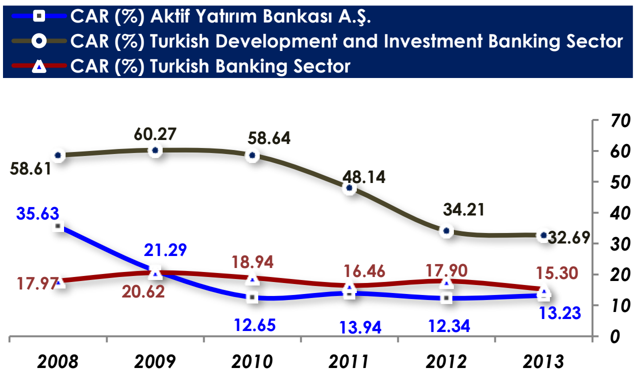
As an investment bank, Aktif Bank is not entitled to collect customer deposits and this situation directs the Bank to alternative, new and innovative fund resources. The Bank meets its funding needs through issued debt securities, borrowed funds from domestic & international institutions, current balances of its loan customers, equity, and obligations under repurchase agreement.

As seen in the chart below, the Bank's collected fund, including issued debt securities and current balances of loan customers, accounted for the largest share in total fund resources with a rate of 48.33% at the end of 2013. The second largest fund resource was other borrowing, consisting of bank loans which increased by 109.59% and obligations under repurchase agreement.

On the other hand, 61.15% of total liabilities have a maturity in the up to one month period, exerting pressure on liquidity management through renewal risks along with rising dependence on capital and money markets. In the event of a sudden deterioration in market conditions, access to money and capital market may be restrained.

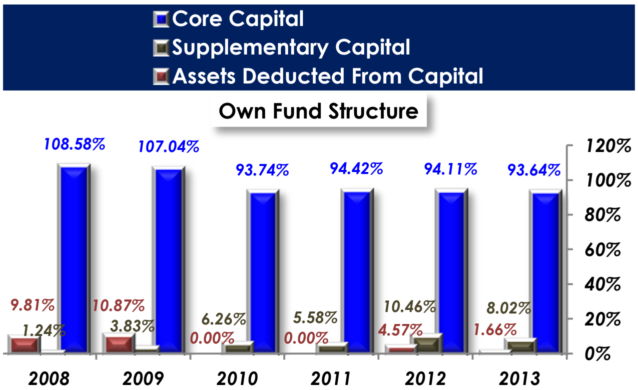


The Bank's Capital Adequacy Ratio (CAR) was calculated as 13.23% at the end of FY2013, up 89 base points from the previous year and stood above the minimum CAR requirements set by the Basel Accord (8%) and BRSA (12%). However, during the last four year period, it stayed below the averages of the Turkish Banking and the Development & Investment Banking Sectors. We assume that the current CAR ratio provides satisfactory capital to buffer potential incidental losses.

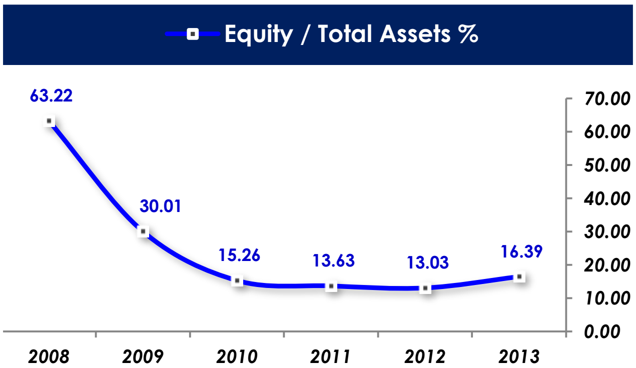


The Tier 1 capital ratio, equal to core capital to total risk weighted assets, is one of the essential ratios in the banking system and indicates capital adequacy levels. The Bank's Tier 1 capital ratio was 12.39% at the end of FY2013. The ratio was below the Development & Investment Banking Sector's ratio of 31.99% and the entire Turkish Banking Sector's ratio of 12.98%.

As seen in the chart below, core capital, predominantly consisting of paid-up capital and retained earnings, accounted for 93.64% of the own fund structure and attained its highest level in 2013. In addition, supplementary capital amounted to 8.02% of its own fund and demonstrated a decrease compared to the previous year. The Bank's core capital to assets ratio was 15.42% at the end of 2013 and displayed a remarkable increase from 11.77% FYE2012, principally derived from significant amount of cash equity injections during 2013 and retained profit. The ratio of the Turkish Banking Sector and the Development & Investment Banking Sector were 10.95% and 26.94%, respectively.



Thank to cash equity injection and retention of gained profit, the equity to assets ratio reversed in FY2013 and surpassed the Turkish Banking Sector's ratio of 11.19% while staying below the Development & Investment Banking Sector's ratio of 27.00% in the same period.



7. Risk Profile & Management

a. Risk Management Organization & its Function – General Information

Aktif Bank has exposure to Credit, Market, Liquidity and Operational Risks from its use of financial instruments and activities. The risks are executed under the risk management frame and implementation communiques. The Bank's risk management policies and strategies are reviewed regularly to reflect changes in market conditions and according to arising needs.

The Board of Directors has the overall responsibility of establishing and supervising the Bank's risk management framework. The Bank has set up **Audit, Credit, Corporate Governance** and **Remuneration Committees** under the **BoD.** The Bank has also formed **Asset & Liability** and **Executive Committees** with the participation of senior executives under the presidency of the CEO. Furthermore, Internal Control, Internal Audit, Fraud Prevention, Compliance and Risk Management Departments have been formed under the Internal System in line with BRSA regulations to establish a thorough and comprehensive risk management system.

b. Credit Risk

Credit risk of the Bank is principally derived from loans & advances to customers and the securities portfolio. The Bank extended 70.32% of assets as loans at the end of FY2013 (FY2012: 67.28%) and continued its increase.

Aktif Bank executes its credit risk by the allocation of loan limits for customers and customer groups as well as the definition of limits for sectors with considerations of maximizing risk-adjusted returns. The Bank continuously monitors the credit assessment of its customers, takes necessary precautions and allocated limits are reviewed when deemed necessary. In accordance with lending policies, collaterals such as cash, bank guarantees, mortgages, pledges, cheques & notes and personal or corporate guarantees are required in line with the financial position of the debtor and its creditworthiness.

In this scope, 4.52% (FY2012:13.33%) of the total outstanding cash loans of the Bank were secured with tangible collaterals in the form cash blockage with a share of 1.10% (FY2012: 7.12%), 3.05% (FY2012: 6.21%) share of pledge on assets followed by 0.12% share cheques & notes. The lower and declining assets based collateralized level exert pressure on the asset quality and may engender a threat on return on loans in the event of depressed economic conditions. In addition, cash blockage and pledge on assets amounting to TRY 106mn (FY2012: TRY146mn) provide collateralization for the total non-cash loans amounting TRY 993mn.

Aktif Bank uses an in-house developed internal corporate credit risk assessment system which grades all loans in 12 categories on a scale of 'AAA' to 'D3'. The Bank's internal rating system has not yet been assessed by the BRSA for compliance with Basel processes due to the absence of related regulations within this framework. Also, the external validation of the system has not been obtained from an independent rating agency.

Furthermore, as stated in the audit report, the Bank has graded all cash loans and non-cash loans in three categories; low risk, medium risk and high risk. The Bank rated 88.82% of its outstanding cash loans as low risk (FY2012: 75.94%), 6.44% at medium risk (FY2012: 15.79%) and 0.550% (FY2012: 3.20%) at high risk. These outcomes specify an increase in low risk categorized loans and decrease in medium high level risk categorized loans. The Bank graded 71.00% of its non-cash loans (FY2012: 63.52%) low risk, 26.02% (FY2012:28.49%) medium risk and 2.98% (FY2012: 3.99%) high risk. Furthermore, 4.19% of cash loans were not rated.

The Bank's loan customers are principally corporates and consumers, which account for 57.30% and 42.65% of total loans, respectively. In line with the lending strategy, consumer loans demonstrated an increase of 138.01% yoy basis from the share in total loans with a rate of 27.36%. Approximately 79% of loans are extended in TRY and the remaining in foreign currencies and 43.99% of total loans were over 1 year maturity bracket.

The Bank's largest 20 corporate customers constituted 99.38% of the total corporate cash outstanding loans and 94% of total non-cash loans, specifying very high concentrations. The distribution within the cash loans portfolio displayed a concentration principally in general services which composed 39% of the total outstanding loan portfolio (FY2012:41%). Construction and energy sectors accounted for 46% (FY2012:40%) and 23% (FY2012:27%) of non-cash loans.

On the other hand, 51.46% (FY2012:53.88%) and 57.82% (FY2012: 58.59%) of the Bank's cash and non-cash loans directly or indirectly were given to group companies. Although we, as JCR Eurasia Rating, have not assessed the individual risk level of those companies and allocated credits, these credits are presumed to be paid back.

c. Market Risk

Regarding market risk, the Bank is principally exposed to interest rate and foreign currency risks. Overall authority for market risk is assigned in the Asset-Liability Committee (ALCO). To manage any particular interest rate risk, pre-approved limits of re-pricing bands have been set and interest rate gaps are continuously monitored. The Bank measures the interest rate sensitivity of assets, liabilities and off-balance sheet items and assessed in the weekly meetings of the Asset-Liability Committee. The Bank uses derivatives instruments such as forward exchange contracts to hedge against foreign currency risk. Thanks to derivative instruments, the Bank's total foreign currency position to assets and equity ratios materialized with a rate of 0.92% and 5.61%, respectively, at the end of FY2013. The Bank faced a loss in the amount of TRY 15.4mn in 2013 derived from derivative financial instruments.

The Bank manages and monitors its market risk activities and takes the necessary measurements in accordance with the Communiqué on Measurement and Evaluation of Capital Adequacy of Banks'. The Bank's market risk exposure is calculated by the Standard Method and reported on a monthly basis. In addition to the 'Standard Method', Aktif Bank daily measures and monitors its market risk with the value at risk (VaR) methods in the context of the 'Internal Model'. VaR is calculated using the 'Historical Simulation' and 'Parametric' methods, and is supported with back-tests & stress tests. The results are shared with the related units and risks are closely monitored.

d. Liquidity Risk

Aktif Bank manages its liquidity risk by maintaining the adequate liquid assets to meet its obligation even in stressed conditions and accomplishes the regulations regarding liquidity implemented by the BRSA. As per the framework of the 'Communiqué on Measurement and Evaluation of Liquidity Adequacy of Banks' published by BRSA on November 1, 2006, weekly and monthly liquidity ratios on a bank-only basis for foreign currency assets/liabilities and total assets/liabilities should stand at a minimum of 80% and 100%, respectively. The Bank's liquidity ratios were above the requirement levels and remained compliant with BRSA parameters in 2013 with the exception of the ratio of only total assets to total liabilities in first maturity brackets.

Funds for short-term liquidity needs are provided through either internal sources or interbank lines, while long term liquidity needs are managed by utilizing capital market instruments through both domestic and foreign markets. At the end 2013, 61.15% of the Bank's liabilities stood in the less than one month maturity bracket. This fund structure exerts pressure on liquidity management.

e. Operational, Legal Regulatory & Other Risks

Aktif Bank calculates its value at operational risk by utilizing the basic indicator approach according to the 'Communiqué on Measurement and Evaluation of Capital Adequacy of Banks'. Operational risk constituted 4.62% of total risk exposure and represented 0.61 points of the total 13.23% capital adequacy ratio of the Bank for FY2013.

In the scope of operational risk, the Bank reported operational losses due to personnel fault and dishonesty amounting to TRY 185k, 8k of which resulted from staff fault in FY2013. In addition, it paid a penalty of TRY 26k to regulatory and supervisory authorities. Taking into account the Bank's assets, net profit and equity figures, the operational loss encountered was negligible.

To minimize operational risk and its potential effects, the Bank implements human resources, network security, back-up and disaster recovery policies. In addition to the Bank's timely risk management applications, assisted by risk management, internal audit, fraud prevention, internal control and compliance departments, the Bank has insured its premises and equipment, money transfers, liability insurance, business interruption and loss of rent.

8. Budget & Debt Issue

a. Budget

Aktif Bank realized its previous projection with a remarkable surplus. For the ongoing year, the Bank has projected a growth of 38.24% in asset size, 30.95% in loans, and 14.99% in equity base with an increase of 24.00% in net profit. These targets are assumed to be achievable considering the past successful performance of the Bank, despite worries due to slowing economic growth in 2014.

Projected-Balance Sheet TRY	FYE 2013P	FYE 2013Actual	FYE 2014P	Change %
Total Assets (mn)	4,303	5,091	7,038	38.24
Total loans (mn)	2,728	3,580	4,688	30.95
Shareholder's Equity	707	834	959	14.99
Net Profit	103	125	155	24.00

b. Debt Issue

Aktif Bank was the first Turkish bank to issue bank bonds (Aktif Bono) in 2009 and successfully arranged unsecured bond issuances reaching TRY 10.3bn as of FY2013. Furthermore, the Bank's issued Asset Back Securities (ABS) reached TRY1.4mn at the end of 2013. The Bank issued debt instrument through assets lease certificates (sukuk) with a total amount of TRY 200mn in 2013 as an Islamic debt instrument to provide finance to projects. It is thought that, in 2014, the Bank will continue the issue of the bond, Sukuk and assets backed securities to diversify and expand its funding base.

Aktif Yatırım Bankası A.Ş. BALANCE SHEET - ASSET (000)	FYE 2013 USD (Converted)	FYE 2013 TRY (Original)	FYE 2013 TRY (Average)	FYE 2012 TRY (Original)	FYE 2012 TRY (Average)	FYE 2011 TRY (Original)	FYE 2011 TRY (Average)	FYE 2010 TRY (Original)	As % of 2013 Assets (Original)	As % of 2012 Assets (Original)	As % of 2011 Assets (Original)	FYE 2013 Growth Rate %	FYE 2012 Growth Rate %	FYE 2011 Growth Rate %
A- TOTAL EARNING ASSETS (I+II+III)	**2,022,064**	**4,307,805**	**3,631,021**	**2,954,236**	**2,608,636**	**2,263,035**	**1,814,674**	**1,366,313**	**84.61**	**83.98**	**88.65**	**45.82**	**30.54**	**65.63**
I- LOANS AND LEASING RECEIVABLES (net)	**1,680,503**	**3,580,143**	**2,973,352**	**2,366,560**	**2,022,173**	**1,677,786**	**1,202,449**	**727,112**	**70.32**	**67.28**	**65.72**	**51.28**	**41.05**	**130.75**
a) Short Term Loans	1,679,915	3,578,891	2,971,955	2,365,018	2,021,387	1,677,755	1,200,530	723,305	70.29	67.23	65.72	51.33	40.96	131.96
b) Lease Assets	588	1,252	1,397	1,542	787	31	1,919	3,807	0.02	0.04	0.00	-18.81	4,874.19	-99.19
c) Medium & Long Term Loans	0	0	0	0	0	0	0	0	n.a	n.a	n.a	n.a	n.a	n.a
d) Over Due Loans	29,257	62,329	40,621	18,913	13,933	8,953	7,246	5,538	1.22	0.54	0.35	229.56	111.25	61.66
e) Others	0	0	0	0	0	0	0	0	n.a	n.a	n.a	n.a	n.a	n.a
f) Receivable from Customer due to Brokerage Activities	0	0	0	0	0	0	0	0	n.a	n.a	n.a	n.a	n.a	n.a
g) Allowance for Loan and Receivables Losses (-)	-29,257	-62,329	-40,621	-18,913	-13,933	-8,953	-7,246	-5,538	-1.22	-0.54	-0.35	229.56	111.25	61.66
II- OTHER EARNING ASSETS	**38,900**	**82,873**	**49,514**	**16,155**	**62,930**	**109,704**	**171,655**	**233,606**	**1.63**	**0.46**	**4.30**	**412.99**	**-85.27**	**-53.04**
a) Balance With Banks -Time Deposits	38,900	82,873	49,514	16,155	18,141	20,126	101,498	182,870	1.63	0.46	0.79	412.99	-19.73	-88.99
b) Money Market Placements	0	0	0	0	0	0	0	0	n.a	n.a	n.a	n.a	n.a	n.a
c) Reserve Deposits at CB (*)	0	0	0	0	44,789	89,578	70,157	50,736	n.a	n.a	3.51	n.a	-100.00	76.56
d) Balance With CB- Demand Deposits	0	0	0	0	0	0	0	0	n.a	n.a	n.a	n.a	n.a	n.a
III- SECURITIES AT FAIR VALUE THROUGH P/L	**302,661**	**644,789**	**608,155**	**571,521**	**523,533**	**475,545**	**440,570**	**405,595**	**12.66**	**16.25**	**18.63**	12.82	20.18	17.25
a) Treasury Bills and Government Bonds	302,661	644,789	608,155	571,521	514,760	457,999	417,388	376,776	12.66	16.25	17.94	12.82	24.79	21.56
b) Other Investment	0	0	0	0	8,773	17,546	23,183	28,819	n.a	n.a	0.69	n.a	-100.00	-39.12
c) Repurchase Agreement	0	0	0	0	0	0	0	0	n.a	n.a	n.a	n.a	n.a	n.a
B- INVESTMENTS IN ASSOCIATES (NET) + EQUITY SHARE	**4,072**	**8,675**	**4,338**	**0**	**0**	**0**	**0**	**0**	**0.17**	**n.a**	**n.a**	**n.a**	**n.a**	**n.a**
a) Investments in Associates (Net)	0	0	0	0	0	0	0	0	n.a	n.a	n.a	n.a	n.a	n.a
b) Equity Share	4,072	8,675	4,338	0	0	0	0	0	0.17	n.a	n.a	n.a	n.a	n.a
C- NON-EARNING ASSETS	**363,724**	**774,877**	**669,118**	**563,359**	**426,567**	**289,775**	**201,427**	**113,079**	**15.22**	**16.02**	**11.35**	**37.55**	**94.41**	**156.26**
a) Cash and Cash Equivalents	2,306	4,912	10,028	15,144	9,081	3,017	16,839	30,661	0.10	0.43	0.12	-67.56	401.96	-90.16
b) Balance With Banks - Current Accounts	191,517	408,008	452,215	496,422	374,028	251,633	156,601	61,568	8.01	14.11	9.86	-17.81	97.28	308.71
c) Financial Assets at Fair Value through P/L	2,933	6,248	5,487	4,726	2,363	0	0	0	0.12	0.13	n.a	32.20	n.a	n.a
d) Accrued Interest from Loans and Lease	0	0	0	0	0	0	0	0	n.a	n.a	n.a	n.a	n.a	n.a
e) Other	166,968	355,709	201,388	47,067	41,096	35,125	27,988	20,850	6.99	1.34	1.38	655.75	34.00	68.47
- Intangible Assets	19,069	40,625	30,107	19,588	17,628	15,667	14,250	12,832	0.80	0.56	0.61	107.40	25.03	22.09
- Property and Equipment	85,406	181,950	94,533	7,115	5,915	4,715	4,681	4,647	3.57	0.20	0.18	2,457.27	50.90	1.46
- Deferred Tax	2,402	5,118	4,616	4,113	3,535	2,956	1,478	0	0.10	0.12	0.12	24.43	39.14	n.a
- Other	60,090	128,016	72,134	16,251	14,019	11,787	7,579	3,371	2.51	0.46	0.46	687.74	37.87	249.66
TOTAL ASSETS	**2,389,860**	**5,091,357**	**4,304,476**	**3,517,595**	**3,035,203**	**2,552,810**	**2,016,101**	**1,479,392**	**100.00**	**100.00**	**100.00**	**44.74**	**37.79**	**72.56**

Aktif Yatırım Bankası A.Ş. BALANCE SHEET LIABILITIES & SHAREHOLDERS' EQUITY (000)	FYE 2013 USD (Converted)	FYE 2013 TRY (Original)	FYE 2013 TRY (Average)	FYE 2012 TRY (Original)	FYE 2012 TRY (Average)	FYE 2011 TRY (Original)	FYE 2011 TRY (Average)	FYE 2010 TRY (Original)	As % of 2013 Assets (Original)	As % of 2012 Assets (Original)	As % of 2011 Assets (Original)	FYE 2013 Growth Rate %	FYE 2012 Growth Rate %	FYE 2011 Growth Rate %
A- COST BEARING RESOURCES (I+II)	**1,938,361**	**4,129,484**	**3,538,720**	**2,947,955**	**2,537,123**	**2,126,290**	**1,679,097**	**1,231,903**	**81.11**	**83.81**	**83.29**	**40.08**	**38.64**	**72.60**
I- DEPOSIT	**1,154,984**	**2,460,577**	**2,242,966**	**2,025,354**	**1,685,130**	**1,344,906**	**811,585**	**278,263**	**48.33**	**57.58**	**52.68**	**21.49**	**50.59**	**383.32**
a) TL Deposit	0	0	0	0	0	0	0	0	n.a	n.a	n.a	n.a	n.a	n.a
b) FC Deposit	0	0	0	0	0	0	0	0	n.a	n.a	n.a	n.a	n.a	n.a
c) FC & LC Banks Deposits	1,154,984	2,460,577	2,242,966	2,025,354	1,685,130	1,344,906	811,585	278,263	48.33	57.58	52.68	21.49	50.59	383.32
II- BORROWING FUNDING LOANS & OTHER	**783,377**	**1,668,907**	**1,295,754**	**922,601**	**851,993**	**781,384**	**867,512**	**953,640**	**32.78**	**26.23**	**30.61**	**80.89**	**18.07**	**-18.06**
a) Borrowing From Domestic Market	233,727	497,932	311,897	125,862	91,387	56,912	461,034	865,155	9.78	3.58	2.23	295.62	121.15	-93.42
b) Borrowing From Overseas Markets	281,798	600,342	499,248	398,153	385,547	372,940	229,992	87,043	11.79	11.32	14.61	50.78	6.76	328.45
c) Borrowing from Interbank	0	0	0	0	0	0	721	1,442	n.a	n.a	n.a	n.a	n.a	-100.00
d) Securities Sold Under Repurchase Agreements	252,724	538,404	468,495	398,586	375,059	351,532	175,766	0	10.57	11.33	13.77	35.08	13.39	n.a
e) Subordinated Loans & Others	15,128	32,229	16,115	0	0	0	0	0	0.63	n.a	n.a	n.a	n.a	n.a
B- NON-COST BEARING RESOURCES	**59,904**	**127,619**	**119,484**	**111,348**	**94,910**	**78,471**	**50,104**	**21,737**	**2.51**	**3.17**	**3.07**	**14.61**	**41.90**	**261.00**
a) Provisions	25,373	54,054	47,118	40,182	42,877	45,571	24,559	3,547	1.06	1.14	1.79	34.52	-11.83	1,184.0
b) Current & Deferred Tax Liabilities	4,126	8,791	8,995	9,199	4,600	0	0	0	0.17	0.26	n.a	-4.44	n.a	n.a
c) Trading Liabilities (Derivatives)	4,061	8,652	5,948	3,244	1,622	0	106	212	0.17	0.09	n.a	166.71	n.a	-100.00
d) Other Liabilities	26,343	56,122	57,423	58,723	45,812	32,900	25,439	17,978	1.10	1.67	1.29	-4.43	78.49	83.00
C- TOTAL LIABILITIES	**1,998,265**	**4,257,103**	**3,658,203**	**3,059,303**	**2,632,032**	**2,204,761**	**1,729,201**	**1,253,640**	**83.61**	**86.97**	**86.37**	**39.15**	**38.76**	**75.87**
D- MINORITY INTEREST	**0**	**0**	**0**	**0**	0	**0**	**0**	**0**	**n.a**	**n.a**	**n.a**	**n.a**	**n.a**	**n.a**
E- EQUITY	**391,595**	**834,254**	**646,273**	**458,292**	**403,171**	**348,049**	**286,901**	**225,752**	**16.39**	**13.03**	**13.63**	**82.04**	**31.67**	**54.17**
a) Prior Year's Equity	215,120	458,292	403,171	348,049	286,901	225,752	199,473	173,193	9.00	9.89	8.84	31.67	54.17	30.35
b) Equity (Added From Internal & External Resources At This Year)	117,614	250,565	132,882	15,199	35,975	56,751	32,898	9,044	4.92	0.43	2.22	1,548.56	-73.22	527.50
c) Profit & Loss	58,861	125,397	110,221	95,044	80,295	65,546	54,531	43,515	2.46	2.70	2.57	31.94	45.00	50.63
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**2,389,860**	**5,091,357**	**4,304,476**	**3,517,595**	**3,035,203**	**2,552,810**	**2,016,101**	**1,479,392**	**100.00**	**100.00**	**100.00**	**44.74**	**37.79**	**72.56**
(*) This item is included in Other Item	**USD Rates 1=TRY**	**2.1304**		**1.7776**		**1.8889**		**1.5376**						

Aktif Yatırım Bankası A.Ş. INCOME STATEMENT (000) TRY	FY 2013	FY 2012	FY 2011
Net Interest Income	**271,512.00**	**142,748.00**	**89,652.00**
a) Interest Income	515,006.00	331,810.00	182,220.00
b) Interest Expense	243,494.00	189,062.00	92,568.00
Net Fee and Commission Income	**78,390.00**	**47,768.00**	**103,173.00**
a) Fee and Commission Income	98,183.00	59,382.00	112,756.00
b) Fee and Commission Expense	19,793.00	11,614.00	9,583.00
Total Operating Income	**51,507.00**	**30,726.00**	**13,988.00**
Net trading income (+/-)	-9,348.00	3,054.00	11,334.00
Foreign Exchange Gain or Loss (net) (+/-)	0.00	0.00	0.00
Gross Profit from Retail Business	0.00	0.00	0.00
Premium income from insurance business	0.00	0.00	0.00
Income on Sale of Equity Participations and Consolidated Affiliates	0.00	0.00	0.00
Gains from Investment Securities (Net)	35,110.00	0.00	0.00
Other Operating Income	25,745.00	27,672.00	2,654.00
Taxes other than Income	0.00	0.00	0.00
Dividend	0.00	0.00	0.00
Provisions	**43,416.00**	**10,003.00**	**4,560.00**
Provision for Impairment of Loan and Trade Receivables	43,416.00	10,003.00	4,560.00
Other Provision	0.00	0.00	0.00
Total Operating Expense	**195,831.00**	**93,531.00**	**112,663.00**
Salaries and Employee Benefits	88,995.00	55,792.00	50,084.00
Depreciation and Amortization	12,682.00	4,702.00	3,370.00
Other Expenses	94,154.00	33,037.00	59,209.00
Profit from Operating Activities before Income Tax	**162,162.00**	**117,708.00**	**89,590.00**
Income Tax – Current	36,765.00	22,664.00	24,044.00
Income Tax – Deferred	0.00	0.00	0.00
Net Profit for the Period	**125,397.00**	**95,044.00**	**65,546.00**
Total Income	**410,757.00**	**221,242.00**	**206,813.00**
Total Expense	**205,179.00**	**93,531.00**	**112,663.00**
Provision	**43,416.00**	**10,003.00**	**4,560.00**
Pre-tax Profit	**162,162.00**	**117,708.00**	**89,590.00**

Aktif Yatırım Bankası A.Ş. FINANCIAL RATIOS %	FY 2013	FY 2012	FY 2011
I. PROFITABILITY & PERFORMANCE			
1. ROA - Pretax Profit / Total Assets (avg.)	3.77	3.88	4.44
2. ROE - Pretax Profit / Equity (avg.)	25.09	29.20	31.23
3. Total Income / Equity (avg.)	63.56	54.88	72.09
4. Total income / Total Assets (avg.)	9.54	7.29	10.26
5. Provisions / Total Income	10.57	4.52	2.20
6. Total Expense / Total Liabilities (avg.)	5.61	3.55	6.52
7. Net Profit for the Period / Total Assets (avg.)	2.91	3.13	3.25
8. Total Income / Total Expenses	200.19	236.54	183.57
9. Non Cost Bearing Liabilities + Equity- Non Earning Assets / Total Assets	3.67	0.18	5.36
10. Non Cost Bearing Liabilities - Non Earning Assets / Total Assets	-12.71	-12.85	-8.28
11. Total Operating Expenses / Total Income	47.68	42.28	54.48
12. Net Interest Margin	7.48	5.47	4.94
13. Operating ROAA (avg.)	9.42	10.11	9.04
14. Operating ROAE (avg.)	62.77	76.09	63.49
15. Interest Coverage – EBIT / Interest Expenses	166.60	162.26	196.78
16. Net Profit Margin	30.53	42.96	31.69
17. Gross Profit Margin	39.48	53.20	43.32
18. Market Share in Turkish Development and Investment Banking Sector	7.28	6.67	6.13
19. Market Share in Entire Banking System	0.29	0.26	0.21
20. Growth Rate	44.74	37.79	72.56
II. CAPITAL ADEQUACY (year-end)			
1. Equity Generation / Prior Year's Equity	54.67	4.37	25.14
2. Internal Equity Generation / Previous Year's Equity	27.36	27.31	29.03
3. Equity / Total Assets	16.39	13.03	13.63
4. Core Capital / Total Assets	15.42	11.77	13.35
5. Supplementary Capital / Total Assets	1.32	1.31	0.79
6. Tier 1 / Risk Weighted Asset	12.39	11.62	13.16
7. Capital / Total Assets	16.74	13.08	14.14
8. Own Fund / Total Assets	16.47	12.51	14.14
9. Standard Capital Adequacy Ratio	13.23	12.34	13.94
10. Surplus Own Fund	39.54	35.18	42.60
11. Free Equity / Total Assets	11.84	12.27	12.84
12. Equity / Total Guarantees and Commitments + Equity	18.21	10.63	13.63
III. LIQUIDITY (year-end)			
1. Liquidity Management Success (On Demand)	97.06	97.71	93.51
2. Liquidity Management Success (Up to 1 Month)	99.31	95.20	99.23
3. Liquidity Management Success (1 to 3 Months)	97.55	96.38	93.00
4. Liquidity Management Success (3 to 6 Months)	98.77	97.72	96.13
5. Liquidity Management Success (6 to 12 Months)	98.77	97.72	95.10
6. Liquidity Management Success (Over 1 Year & Unallocated)	91.46	94.32	94.50
IV. ASSET QUALITY			
1. Loan and Receivable's Loss Provisions / Total Loans and Receivables	1.71	0.79	0.53
2. Total Provisions / Profit Before Provision and Tax	21.12	7.83	4.84
3. Impaired Loans / Gross Loans	1.71	0.79	0.53
4. Impaired Loans / Equity	7.47	4.13	2.57
5. Loss Reserves for Loans / Impaired Loans	100.00	100.00	100.00
6. Total FX Position / Total Assets	0.92	0.00	0.17
7. Total FX Position / Equity	5.61	0.03	1.23
8. Assets / Total Guarantees and Commitments + Assets	57.61	47.72	53.65

The Rating Results Issued by JCR Eurasia Rating

			August 27, 2008		June 15, 2009		June 10, 2010		May 31, 2011		May 23, 2012		May 31, 2013	
aktif bank			Long Term	Short Term	Long Term	Short Term	Long Term	Short Term	Long Term	Short Term	Long Term	Short Term	Long Term	Short Term
International	Foreign Currency		BB-	B	BB-	B	BB	B	BB	B	BB	B	BBB-	A-3
International	Local Currency		BB-	B	BB-	B	BB	B	BB	B	BB	B	BBB-	A-3
International	Outlook	Stable	Stable	Stable	Stable	Stable	Stable	Stable	Stable	Stable	Stable	Stable	Stable	Stable
International	Outlook	Stable	Stable	Stable	Stable	Stable	Stable	Stable	Stable	Stable	Stable	Stable	Stable	Stable
National	Local Rating		A- (Trk)	A–1(Trk)	A- (Trk)	A–1(Trk)	A- (Trk)	A–1(Trk)	A (Trk)	A–1(Trk)	A+ (Trk)	A–1(Trk)	AA(Trk)	A–1+ (Trk)
National	Outlook		Stable	Stable	Positive	Stable	Positive	Stable	Positive	Stable	Positive	Stable	Stable	Stable
Sponsor Support			2		2	-	2	-	2	-	3	-	3	-
Stand Alone			B		B	-	BC	-	B	-	AB	-	AB	-
Sovereign*	Foreign Currency		BB-	-	BB-	-	BB	-	BB	-	BB	-	BBB-	-
Sovereign*	Local Currency		BB-	-	BB-	-	BB	-	BB	-	BB	-	BBB-	-
Sovereign*	Outlook	Stable	Stable		Stable		Stable		Stable		Stable		Stable	
Sovereign*	Outlook	Stable	Stable		Stable		Stable		Stable		Stable		Stable	