

PRESS RELEASE

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JCR Eurasia Rating

has reviewed and affirmed the credit ratings of
T.C. Ziraat Bankası A.Ş. and its Consolidated Structure
as ‘AAA (Trk)’ on the Long Term National scale
and ‘BBB-’ on the Long Term International scale
along with ‘Stable’ outlooks.

JCR Eurasia Rating has affirmed the highest-level investment grade credit rating of ‘AAA (Trk)’ on the Long Term National Scale and along with ‘Stable’ outlooks to “T.C. Ziraat Bankası A.Ş. and its Consolidated Structure”. JCR Eurasia Rating has also affirmed the Long Term International Foreign and Local Currency Ratings as ‘BBB-’. Other notes and details of the ratings are given in the table below:

Long Term International Foreign Currency	: BBB- / (Stable Outlook)
Long Term International Local Currency	: BBB- / (Stable Outlook)
Long Term National Local Rating	: AAA (Trk) / (Stable Outlook)
Short Term International Foreign Currency	: A-3 / (Stable Outlook)
Short Term International Local Currency	: A-3 / (Stable Outlook)
Short Term National Local Rating	: A-1+ (Trk) / (Stable Outlook)
Sponsor Support	: 1
Stand Alone	: A

T.C. Ziraat Bankası A.Ş., established in 1863 as the first example of national banking, is accepted as one of the oldest bank in the Turkish Banking Sector as the bank having the longest operating history. Along with the business model transformation process that has been implemented, the Bank has improved its financial intermediation function since 2011 by credit driven growth. Moreover, the Bank continued its positive contribution to the development of the sector and the national economy through its sector leading widespread branch network and large deposit base together with its expanding service variety and wide customer base including firms and individuals of all sizes from all sectors, particularly the agriculture.

The Bank, having shaped corporate and retail banking activities in line with the needs of the country's economy, is an integrated financial services provider through its subsidiaries and affiliates, including portfolio management, leasing, brokerage houses, private pensions, insurance, participation banking and real estate investment trusts. The Bank, which leads the sector with its asset size, credit volume, deposit base, equity, paid-in capital, net profit and widespread branch network, continued its positive differentiation in profitability indicators by achieving an above sector interest margin improvement through the advantages of increased operational efficiency, successful expense management, ongoing and further development envisaged resource diversity, and increasing average maturity of deposits.

Although the disposal of certain non-performing loans that have lost their collectability through transfer to asset management companies is a widespread sector practice, the banks with public shares were entitled with this right and the implementation process was clarified through the regulations realized in the current year. However, the Bank also differentiated positively from the sector regarding the asset quality thanks to its NPL level maintained at approximately half of the sector average and contribution generated by full provisioning of non-performing loans except fund originated. The Bank's year-end capitalization level, suppressed by above sector average increases in risk weighted assets, stands at a level that could absorb the negative effects of contingent and unexpected risk factors arising from domestic and global markets and meet minimum legal requirements. Besides the scale power of the Bank and the group, determinant position in the formation of sectoral indicators, national significance and public impact area, the upward acceleration in the earning power of corporate banking, mass banking and international banking activities through business model transformation process and the profitability and asset quality indicators differentiating positively from the sector are the main factors behind the Bank's Long Term National Grade of ‘AAA (Trk)’ with ‘Stable’ outlook.

Within the context of its role in the financial markets and national economy, shareholding structure and dependent public authority, improved asset quality, maintained funding sources diversity, ongoing improvement in financial intermediary activities, improved operational efficiency and profit generation capacity, wide branch network, and diversified financial services, the Bank's ‘Sponsor Support’ and ‘Stand Alone’ notes have been assessed as the highest ranks of (1) and (A), respectively, under JCR Eurasia Rating's notation system.

For more information regarding the rating results you may visit our internet site <http://www.jcrer.com.tr> or contact our analyst Mr. Gokhan IYIGUN.

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