

Corporate Credit Rating
Update

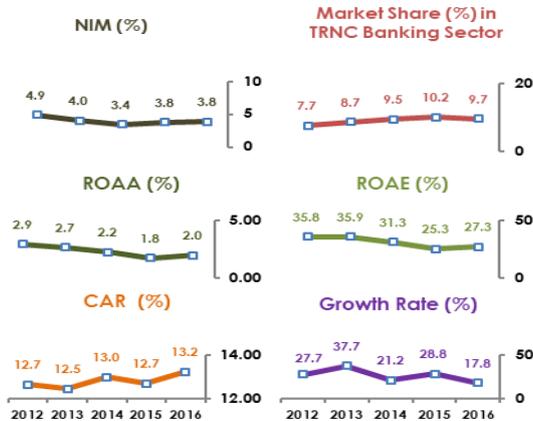
Banking

creditwest Creditwest Bank Kıbrıs		Long-Term	Short-Term	
International	Foreign Currency	BBB-	A-3	
	Local Currency	BBB-	A-3	
	Outlook	Stable	Stable	
National	Local Rating	AA+ (Trk)	A-1+ (Trk)	
	Outlook	Stable	Stable	
Sponsor Support		2	-	
Stand Alone		A	-	
Sovereign*	Foreign Currency	BBB-	-	
	Local Currency	BBB-	-	
	Outlook	FC	Stable	-
		LC	Stable	-

Creditwest Bank Limited					
Financial Data	1H2017**	2016*	2015*	2014*	2013*
Total Assets (000 USD)	600,429	599,254	618,144	601,767	540,608
Total Assets (000 TRY)	2,111,589	2,116,444	1,797,317	1,395,438	1,151,712
Total Deposit (000 TRY)	1,800,690	1,851,037	1,634,985	1,226,624	982,689
Total Net Loans (000 TRY)	1,333,317	1,349,424	1,181,439	872,795	709,210
Equity (000 TRY)	170,555	162,355	120,943	101,042	81,751
Net Profit (000 TRY)	21,569	30,470	21,576	22,557	20,714
Market Share (%)	9.09	9.66	10.19	9.47	8.68
ROAA (%)	n.m.	1.97	1.76	2.25	2.69
ROAE (%)	n.m.	27.28	25.28	31.31	35.95
Equity/Assets (%)	8.08	7.67	6.73	7.24	7.10
Capital Adequacy Ratio (%)	14.52	13.25	12.71	12.99	12.45
Asset Growth Rate (Annual) (%)	-	17.76	28.80	21.16	37.66

* End of year ** Unaudited Figures

*Assigned by Japan Credit Rating Agency, JCR on October 07, 2016
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Strengths

- Proven earnings power and above the sector average profitability indicators
- Improved and adequate capitalization level beyond the regulatory level, despite staying below the sector average over the reviewed period, ensuring a buffer against potential incidental losses
- High market presence coupled with competitive edge as the third largest bank
- High Tier 1 capital share among total shareholders' equity along with continuity of large percentage of profit retention policy donating to the capital base and empowering sustainability and further growth
- Continuity of growth performance in all core banking fields, despite deceleration
- Collection success from non-performing loans portfolio

Constraints

- Deterioration in non-performing loans portfolio persisting throughout FY2016 and the NPLs ratio slightly exceeding the sector average
- Although in line with the regulations, below sector average low loan loss coverage ratio exerting pressure on asset quality to a certain extent
- Isolated economic and political structure of the TRNC coupled with the limitations of island economy mostly dependent on tourism and education representing a major complication for the sector's development
- Sector-wide structural maturity mismatches and short maturity profile of collected funds
- Macroeconomic dependency on social, economic and political risks due to close ties with Turkey
- Despite still manageable, steady growth in cash loans concentrations increasing risk level

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