

Fitch Takes Rating Action following Sovereign Criteria Change

Fitch Ratings, **London/Moscow**, 27 July 2016: Fitch Ratings has today downgraded the Long-term Local Currency IDR of Alternatif Finansal Kiralama (ALease). The Outlook remains on Stable.

The rating action follows Fitch's downgrade of Turkey's Long-term Local Currency IDR to 'BBB-' from 'BBB', as a result of which it is now equalized with the sovereign Long-term Foreign Currency IDR. This was driven by the change in Fitch's sovereign rating criteria, which now requires the presence of two key factors to achieve an uplift of the Long-term Local Currency IDR above the Long-term Foreign Currency IDR, which are not present in Turkey: (i) strong public finance fundamentals relative to external finance fundamentals, and (ii) previous preferential treatment of LC creditors relative to FC creditors. For more details please see *Fitch Applies Criteria Changes to [Turkey's Ratings](#)*.

The Long-term Foreign Currency IDR and National Long-term rating of this entity remains unaffected by this rating action. However, due to the change in the sovereign Long-term Local Currency IDR Fitch's National Rating scale for Turkey is being reviewed. Any recalibration of this scale could result in changes to the National Rating of the bank and of Turkish banks in general.

A full list of rating actions is at the end of this rating action commentary.

KEY RATING DRIVERS - LOCAL CURRENCY IDR

The Long-Term Local Currency IDR of ALease, 100% owned by ABank, has been downgraded to 'BBB' from 'BBB+'. Its support-driven Short-term IDR is affirmed at 'F2'.

RATING SENSITIVITIES

The Local Currency IDR of ALease is sensitive to any changes in (i) the ratings of its parent; and (ii) Fitch's view of the propensity and ability of the parent to provide support in case of need.

The rating actions are as follows:

Alternatif Finansal Kiralama A.S.

Long-term FC IDR unaffected at 'BBB'; Stable Outlook

Long-term LC IDR downgraded to 'BBB' from 'BBB+'; Stable Outlook

Short-term Foreign Currency IDR unaffected at 'F2'

Short-term Local Currency IDR affirmed at 'F2'

Support Rating unaffected at '2'

National Long-term Rating unaffected at 'AAA(tur)' Stable Outlook