



Quarterly Compliance Report based on AAOIFI Shariah Mandate

Asya Katilim Bankasi



Description

Asya Katilim Bankasi A.S. (Bank Asya) is a Turkey-based private finance house, which offers interest-free banking services. The Bank's main activity is to collect and provide funds in the form of current accounts and profit/loss sharing accounts. Its services include retail banking, credit card services, corporate banking, small-to medium-sized enterprise banking, international banking and leasing services. In addition to providing traditional banking services through its branches, Bank Asya also offers Internet banking services, ALO ASYA telephone banking services, automated teller machines and post office service terminals. As of December 31, 2010, Bank Asya had 175 branches banks. It also conducts business activities, and receives correspondent banking services from over 1000 foreign banks.

Company Status

IdealRatings analysts have issued a new report regarding the company:

Name:	Asya Katilim Bankasi (ADR)
Ticker:	ASYKY
Country:	Turkey
Core Business Activity:	Banks
Exchange:	Over The Counter
Compliance Status:	Not Shariah-compliant

IdealRatings reviewed the most recent financial statements (Q2-2011) for Asya Katilim Bankasi. The report has been prepared to determine the Shariah-compliance status of the company based on the AAOIFI Shariah mandate.

Business Screening

Based on the business of the company the core business is in the Banking business. Bank Asya is an interest-free bank or as called in Turkey "participation bank".

The bank clearly declares its Shariah compliance in the "article of association" of the bank. IdealRatings additionally received from the bank a Shariah certificate showing the approval of their Shariah Board/Advisor for their services and for transactions to which an opinion on Shariah compliance is considered as a prerequisite.

In order to achieve this aim, we receive approval of Sharia Board / Adviser for any new services that we introduce and also for transactions to which an opinion on sharia compliance is considered as a requisite. The Sharia Board / Adviser is one of the widely known and accepted scholar in Islamic Law (Fikih) and Islamic Finance as a division thereto and for further information please refer to the following link to official web page of our adviser Mr. Prof. Hayrettin Karaman. (<http://www.hayrettinkaraman.net/>)

Therefore, for the avoidance of any doubt, we hereby emphatically declare that all our products, investments and banking tools are designed and built in compliance with Islamic principles and rules.

Thus the status of the company from a business activity is as follows:

	Threshold	Company	Compliance
Non-permissible Income	5%	0.0%	PASS

Financial Screening

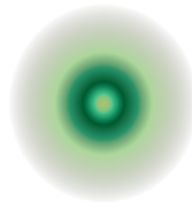
According to the most recent available financial statement with adequate information (Q2-2011) the financial ratios with respect to the AAOIFI Shariah mandate for the company are as follows:


	Threshold	Company	Compliance
Interest-bearing Investments	30%	0.0%	PASS
Interest-bearing Debts	30%	0.0%	PASS
Liquidity	67%	88.9%*	PASS

*Based on AAOIFI Shariah mandates, the liquidity ratio of the bank exceeds the threshold of 67%; however, the bank passes from the compliance perspective due to the fact it is an Islamic Bank governed by a Shariah board.

Compliance Status

Based on the available information and the above figures according to the AAOIFI Shariah mandate **Asya Katilim Bankasi** is to be considered **Shariah-compliant**.





Disclosures

This research is for our clients only. This research is based on current public information that we consider reliable, but we do not represent it is accurate or complete, and it should not be relied on as such. The research reports are published at irregular intervals based on clients' request or as appropriate in our analysts' judgment.

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