

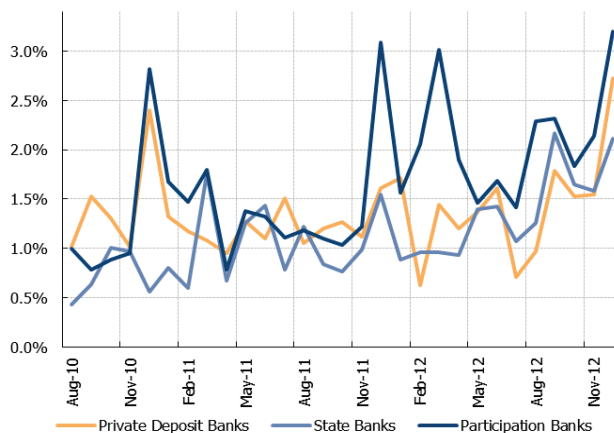
BANKING

Closing 2012 on an Upbeat Note

Banks saw a strong end to the year, with NIM and loan-deposit spread reaching their highest ytd. A pick up in fee income growth and robust trading gains also underpinned the bottom line. The one weak spot in an otherwise outstanding quarter was the rise in provision expenses. On a segment basis, state-owned banks' results outpaced our expectations, which might herald an earnings beat by Vakifbank.

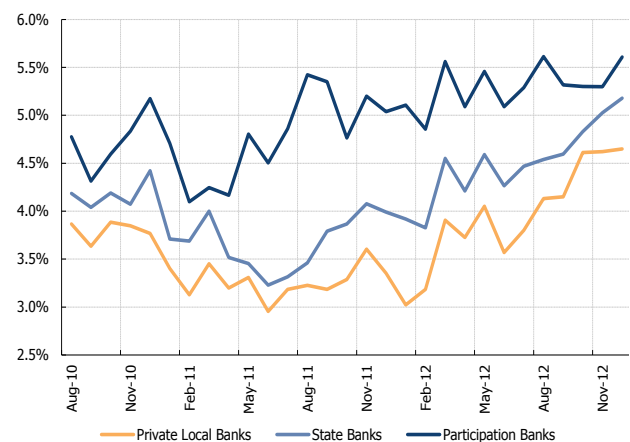
- **Overall -- Banking sector's net profit grew 19% qoq and 25% yoy to TRL6,559mn in 4Q12**, according to figures released by the BRSA yesterday. The sector's aggregate net profit in 2012 is up 19% yoy to TRL23,649mn. The figures suggest stronger-than-expected earnings by state banks, while private local deposit banks' net income appears in line with consensus.
- 4Q12 net income of private local deposit banks is TRL3,535mn, up 19% qoq. We forecast 11% qoq net income growth for the 4 big private banks (**Garanti, Akbank, YKB** and **Isbank**), which constituted 92% of the segment's net income on average in the last 4 quarters. Garanti and Akbank had already announced their 4Q results, and assuming the share of the Big 4 stays the same, the total of YKB's and Isbank's earnings would be TRL1,400mn, higher than the total of our forecasts for the two (TRL1,193mn), yet in line with consensus (TRL1,377mn).
- 4Q12 NI of state-owned deposit banks is TRL2,017mn, up 33% qoq. Taking into account the already announced results by Halkbank, we forecast 26% qoq net income growth for listed state banks (**Halkbank** and **Vakifbank**), while the consensus estimate is for 28% qoq growth. As such, a positive surprise might be in the cards for Vakif.
- **Positive highlights of the quarter** are the following: i) Loan-deposit spread increased by 22bp mom with the help of a 21bp decline in deposit costs; ii) NIM improved by 56bp qoq; iii) Trading gains reached record levels; iv) Fee income growth gained pace, reaching 16% yoy. **On the negative side**, gross CoR exceeded 2.0%, its highest level since 2009.

Exhibit 1: Monthly Gross Cost of Risk Trend



Source: BRSA, Burgan Research

Exhibit 2: Monthly Loan-Deposit Spread Evolution



Source: BRSA, Burgan Research

- **Loan-deposit spread expands 22bp qoq** -- Upward repricing of the loan portfolio seems to have come to an end in 4Q12, with the average yield remaining stable at 10.4%. On the other hand, blended deposit cost came down by 21bp qoq to 5.9%, leading to an improvement in the spread. Latest CBT data suggest average rate given to new TRL time deposit accounts fell to 7.0% in the week of Feb 1, from 7.6% in the last week of 2012. This suggests we may continue to see a strong spread in 1Q13, despite the decline in loan yields.
- **NIM up by 56bp qoq** -- Alongside the increase in the loan-deposit spread, the rise in security yields helped the banks to attain 56bp qoq NIM improvement. Security yields increased from 8.3% in 3Q12 to 9.8%, mainly on the back of strong CPI linker yields. Conversely, participation banks' NIM narrowed by 7bp qoq, as these banks do not benefit from higher security yields.
- **Gross cost of risk reaches 2%** -- The sector's gross CoR rose from 1.4% in 3Q12 to 2.0%, the highest level since 2009. Private local banks saw the steepest CoR increase (77bp over 3Q12) despite the slide in their provision coverage ratio (from 76.2% in 3Q12 to 73.3%). The CoRs of state and participation banks increased by just 27bp and 39bp qoq, respectively, despite increases in their coverage ratios (by 0.9pp and 3.7pp, respectively). On the other hand, the NPL ratio declined from 3.0% in 3Q12 to 2.9%, with the help of NPL portfolio sales.
- **Trading gains at record levels** -- The sector booked TRL1.3bn net trading income in 4Q12, the highest level ever recorded, as the banks benefited from record low bond yields in the quarter.
- **Fee income growth picks up** -- After languishing through much of the year, fee income growth picked up in 4Q12. Yoy growth reached 16%, bringing ytd growth up to 10%. We expect fee income growth to gain further momentum in 2013, as the impact of the new regulations, which had hampered growth in 2012, start to wane.
- **CAR surges from 16.5% in 3Q12 to 17.4%** -- While the banks' equity is boosted by rising bond prices as well as subordinated bond issuances, increase in RWAs remained limited, as the risk weighting of Turkish government Eurobonds was reduced to 50% from 100% following Fitch's upgrade of Turkey's L/T foreign currency rating to investment grade.

Exhibit 3 (TRLmn): Financial Highlights

	4Q11	1Q12	2Q12	3Q12	4Q12	Nov-12	Dec-12	MoM Δ	YoY Δ	4Q12 vs 3Q12 Δ
Net Profit										
Sector	5,227	5,980	5,594	5,516	6,559	2,348	1,863	-20.7%	17.1%	18.9%
Private Local	3,011	3,043	2,996	3,113	3,670	1,161	1,139	-1.9%	14.2%	17.9%
State	1,516	1,794	1,801	1,691	2,132	817	626	-23.4%	69.2%	26.1%
Participation	208	246	231	242	216	80	45	-43.8%	-34.4%	-10.5%
Net Interest Inc.										
Sector	11,734	11,878	12,678	12,749	14,984	4,807	5,406	12.5%	24.1%	17.5%
Private Local	5,902	5,785	6,114	6,243	7,482	2,386	2,730	14.4%	26.9%	19.8%
State	3,556	3,575	3,945	3,888	4,699	1,493	1,735	16.2%	28.0%	20.9%
Participation	509	565	591	643	675	221	235	6.2%	33.2%	5.0%
Capital Market Transactions										
Sector	53	-58	-236	602	1,270	455	561	23.4%	n.m.	111.1%
Private Local	100	72	78	569	831	269	367	36.5%	n.m.	46.0%
State	123	136	-9	230	443	132	239	80.8%	n.m.	92.7%
Participation	43	70	28	49	60	22	18	-17.2%	-5.8%	24.7%
Fees & Commissions Income										
Sector	3,745	3,644	3,972	3,972	4,329	1,317	1,727	31.1%	20.7%	9.0%
Private Local	2,214	2,176	2,245	2,369	2,568	766	1,062	38.6%	18.9%	8.4%
State	674	552	762	677	770	239	301	25.9%	20.7%	13.8%
Participation	227	240	250	260	271	87	101	16.4%	18.9%	4.0%
Specific Provisions										
Sector	927	1,302	1,423	1,587	2,004	838	1,236	47.5%	127.7%	43.0%
Private Local	512	814	785	834	874	352	700	98.9%	148.6%	63.7%
State	166	252	276	408	617	193	244	26.4%	70.9%	3.2%
Participation	72	142	181	116	205	62	112	80.1%	11.4%	14.8%
Other Operating Income §										
Sector	1,774	1,719	1,702	1,214	1,855	495	843	70.4%	-13.5%	52.8%
Private Local	1,091	901	711	599	946	151	532	253.0%	-10.4%	57.9%
State	464	475	401	342	381	126	146	15.1%	-41.7%	11.6%
Participation	126	123	109	95	119	34	58	72.9%	-18.9%	26.0%
Personnel Expenses										
Sector	3,333	3,301	3,599	3,609	3,696	1,235	1,211	-2.0%	8.7%	2.4%
Private Local	1,753	1,641	1,852	1,821	1,823	611	574	-6.1%	-6.6%	0.1%
State	749	840	855	911	886	294	294	-0.2%	39.8%	-2.8%
Participation	204	227	243	251	271	84	101	20.3%	51.9%	8.2%
NIM										
Sector	4.3%	4.3%	4.4%	4.3%	4.8%	4.7%	5.3%	58 bps	-38 bps	58 bps
Private Local	4.1%	3.9%	4.0%	3.9%	4.6%	4.4%	5.0%	64 bps	-29 bps	64 bps
State	4.2%	4.1%	4.5%	4.3%	5.0%	4.8%	5.5%	75 bps	-5 bps	72 bps
Participation	4.4%	4.6%	4.6%	4.6%	4.5%	4.4%	4.6%	24 bps	-93 bps	-7 bps
NIM (adj.)										
Sector	4.4%	4.2%	4.4%	4.2%	4.7%	4.7%	5.1%	37 bps	-56 bps	56 bps
Private Local	4.1%	3.9%	4.0%	3.9%	4.6%	4.5%	4.9%	37 bps	-44 bps	64 bps
State	4.2%	4.1%	4.5%	4.3%	5.0%	4.8%	5.3%	49 bps	-13 bps	72 bps
Participation	4.4%	4.6%	4.6%	4.6%	4.5%	4.4%	4.6%	24 bps	-92 bps	-7 bps
Loans										
Sector	686,821	703,164	741,426	761,330	800,565	780,520	800,565	2.6%	16.6%	5.2%
Private Local	371,486	378,803	401,690	411,834	431,767	420,427	431,767	2.7%	16.2%	4.8%
State	195,995	200,918	207,805	212,038	222,846	216,743	222,846	2.8%	13.7%	5.1%
Participation	38,967	40,810	43,971	46,127	48,338	48,357	48,338	0.0%	24.0%	4.8%
Deposits										
Sector	695,501	696,434	718,791	738,038	771,884	751,327	771,884	2.7%	11.0%	4.6%
Private Local	359,713	355,913	374,196	384,403	391,723	381,911	391,723	2.6%	8.9%	1.9%
State	225,358	227,070	228,809	230,246	246,353	239,495	246,353	2.9%	9.3%	7.0%
Participation	39,220	39,846	42,513	45,259	47,921	47,006	47,921	1.9%	22.2%	5.9%
NPL Ratio										
Sector	2.7%	2.8%	2.7%	3.0%	2.9%	3.0%	2.9%	-11 bps	16 bps	-9 bps
Private Local	2.4%	2.5%	2.3%	2.5%	2.3%	2.5%	2.3%	-18 bps	-15 bps	-22 bps
State	2.5%	2.5%	2.5%	3.0%	3.1%	3.0%	3.1%	3 bps	60 bps	10 bps
Participation	3.1%	3.1%	3.0%	3.1%	3.0%	3.3%	3.1%	-26 bps	-6 bps	-6 bps
Gross Cost of Risk										
Sector	1.2%	1.2%	1.4%	1.4%	2.0%	1.8%	2.6%	80 bps	109 bps	66 bps
Private Local	1.3%	1.2%	1.4%	1.1%	1.9%	1.5%	2.7%	121 bps	115 bps	77 bps
State	1.1%	0.9%	1.3%	1.5%	1.8%	1.6%	2.1%	56 bps	60 bps	27 bps
Participation	1.8%	2.2%	1.7%	2.0%	2.4%	2.1%	3.2%	110 bps	18 bps	39 bps

Source: BRSA, Burgan Research § Includes asset sale gains (losses)

Exhibit 4: Profitability Ratios (monthly annualised)

	Dec.11	Jan.12	Feb.12	Mar.12	Apr.12	May.12	Jun.12	Jul.12	Aug.12	Sep.12	Oct.12	Nov.12	Dec.12
NIM §													
Sector	4.7%	4.2%	4.0%	4.4%	4.3%	4.5%	4.5%	4.2%	4.1%	4.2%	4.7%	4.7%	5.0%
Private Local	4.4%	3.8%	3.6%	4.2%	3.9%	4.2%	4.0%	3.9%	3.9%	3.8%	4.5%	4.5%	4.8%
State	4.6%	4.2%	3.7%	4.3%	4.2%	4.5%	4.6%	4.3%	4.0%	4.4%	4.7%	4.8%	5.2%
Participation	4.4%	4.5%	4.6%	4.9%	4.5%	4.7%	4.4%	4.5%	4.8%	4.4%	4.5%	4.4%	4.6%
Yield on Loans													
Sector	10.4%	10.6%	10.2%	11.3%	10.6%	11.3%	10.7%	11.0%	11.1%	10.6%	10.7%	10.5%	10.7%
Private Local	9.8%	10.0%	9.7%	10.7%	10.1%	10.7%	10.0%	10.5%	10.5%	10.1%	10.2%	10.0%	10.1%
State	10.4%	10.6%	10.1%	11.2%	10.6%	11.2%	10.7%	11.1%	11.1%	10.5%	10.8%	10.7%	10.9%
Participation	10.7%	10.7%	10.4%	11.6%	10.9%	11.5%	10.8%	11.0%	11.3%	10.6%	10.6%	10.5%	10.7%
Yield on Trading Sec.													
Sector	7.8%	20.1%	18.6%	1.9%	9.8%	7.2%	12.2%	12.2%	11.2%	9.0%	7.5%	13.1%	6.1%
Private Local	7.7%	25.3%	5.2%	7.3%	7.2%	9.5%	10.6%	10.2%	8.8%	9.4%	7.7%	10.0%	10.3%
State	4.7%	11.9%	12.5%	-1.1%	7.4%	6.2%	8.6%	11.4%	7.5%	5.0%	8.2%	10.0%	3.0%
Participation	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Yield on AFS §													
Sector	12.3%	9.1%	8.9%	10.5%	9.4%	9.7%	10.7%	7.9%	7.0%	7.3%	9.2%	9.2%	9.9%
Private Local	12.8%	8.8%	8.7%	11.6%	10.1%	10.1%	10.9%	8.0%	7.0%	7.1%	10.0%	9.8%	10.1%
State	10.5%	9.5%	8.6%	9.1%	8.2%	9.0%	10.3%	7.6%	7.3%	7.5%	7.6%	8.7%	9.0%
Participation	9.3%	9.3%	11.5%	7.8%	7.3%	7.8%	7.2%	7.9%	13.6%	5.8%	9.3%	6.7%	6.9%
Yield on HTM													
Sector	13.8%	14.9%	10.5%	9.5%	10.5%	11.0%	10.9%	11.0%	9.6%	9.2%	9.1%	9.4%	14.2%
Private Local	13.6%	18.4%	12.0%	7.2%	10.2%	12.1%	9.9%	12.8%	12.3%	10.3%	7.3%	8.9%	15.6%
State	13.3%	12.2%	9.4%	10.3%	10.7%	10.3%	11.5%	9.9%	8.0%	8.5%	10.1%	9.7%	13.4%
Participation	9.5%	9.5%	16.1%	7.4%	7.3%	7.4%	7.3%	7.5%	12.7%	6.5%	11.9%	7.3%	7.5%
Cost of Deposits													
Sector	6.3%	6.7%	6.3%	6.6%	6.2%	6.5%	6.3%	6.5%	6.3%	5.8%	5.5%	5.3%	5.3%
Private Local	6.2%	6.8%	6.3%	6.5%	6.1%	6.4%	6.2%	6.4%	6.1%	5.7%	5.3%	5.2%	5.2%
State	6.2%	6.4%	6.0%	6.4%	6.1%	6.3%	6.2%	6.3%	6.2%	5.7%	5.7%	5.4%	5.4%
Participation	5.4%	5.3%	5.3%	5.7%	5.5%	5.7%	5.5%	5.4%	5.4%	5.0%	5.0%	4.9%	4.9%
ROE													
Sector	13.3%	15.1%	12.8%	20.0%	13.2%	15.1%	15.0%	13.6%	13.0%	13.7%	16.5%	16.1%	12.5%
Private Local	15.7%	13.2%	11.6%	21.2%	10.9%	13.5%	19.7%	11.9%	14.8%	16.3%	18.2%	15.1%	14.4%
State	10.0%	18.0%	14.5%	14.2%	16.5%	19.1%	9.0%	15.4%	12.3%	12.1%	15.7%	18.2%	13.6%
Participation	13.4%	18.0%	14.8%	13.8%	12.7%	15.9%	13.6%	16.3%	16.7%	9.7%	15.7%	13.5%	7.4%
ROA													
Sector	1.6%	1.8%	1.6%	2.5%	1.6%	1.8%	1.8%	1.7%	1.7%	1.8%	2.1%	2.1%	1.7%
Private Local	1.9%	1.6%	1.4%	2.6%	1.3%	1.6%	2.4%	1.5%	1.9%	2.1%	2.3%	2.0%	1.9%
State	1.2%	2.2%	1.8%	1.8%	2.1%	2.4%	1.1%	2.0%	1.6%	1.6%	2.1%	2.5%	1.9%
Participation	1.5%	2.0%	1.7%	1.6%	1.4%	1.7%	1.5%	1.8%	1.8%	1.0%	1.6%	1.4%	0.8%

Source: BRSA, Burgan Research

§ Adjusted for impairment losses on securities by allocating all to AFS book

Exhibit 5: Efficiency Ratios (monthly annualised)

	Dec.11	Jan.12	Feb.12	Mar.12	Apr.12	May.12	Jun.12	Jul.12	Aug.12	Sep.12	Oct.12	Nov.12	Dec.12
Cost / Income													
Sector	42%	40%	47%	41%	44%	46%	43%	42%	45%	38%	39%	38%	37%
Private Local	42%	39%	49%	40%	48%	43%	41%	42%	44%	35%	38%	37%	34%
State	32%	35%	40%	35%	37%	34%	34%	37%	40%	32%	34%	33%	32%
Participation	41%	43%	44%	42%	48%	48%	50%	49%	44%	49%	48%	45%	51%
Net Fees/ Costs													
Sector	51%	48%	45%	57%	44%	51%	53%	53%	47%	54%	48%	49%	54%
Private Local	60%	55%	50%	68%	48%	55%	64%	62%	53%	67%	55%	58%	67%
State	42%	31%	27%	37%	34%	50%	44%	37%	34%	38%	36%	37%	39%
Participation	59%	55%	52%	60%	53%	53%	52%	53%	53%	53%	50%	53%	48%
Loans / Employee													
Sector	3.5	3.5	3.5	3.6	3.6	3.7	3.7	3.7	3.8	3.8	3.8	3.8	3.9
Private Local	3.9	3.8	3.9	4.0	4.0	4.2	4.2	4.2	4.2	4.3	4.3	4.4	4.5
State	3.6	3.6	3.6	3.7	3.7	3.8	3.8	3.8	3.8	3.8	3.8	3.9	4.0
Participation	2.8	2.8	2.8	2.9	2.9	3.0	3.0	3.0	3.1	3.1	3.1	3.1	3.1
Loans / Branch													
Sector	64.9	64.2	64.8	66.1	66.9	68.4	68.8	68.9	69.0	69.4	69.8	70.3	71.8
Private Local	71.5	70.2	70.7	72.7	73.4	75.9	76.3	76.6	76.6	77.4	77.6	78.3	80.4
State	66.6	66.1	66.7	67.6	67.7	69.0	68.7	68.3	67.8	68.3	68.4	69.3	71.2
Participation	56.3	56.9	57.4	58.1	59.1	59.3	59.6	57.8	58.9	58.3	57.9	59.0	57.9
Deposits / Employee													
Sector	3.6	3.5	3.5	3.6	3.6	3.6	3.6	3.7	3.7	3.7	3.7	3.7	3.8
Private Local	3.8	3.7	3.7	3.8	3.8	3.9	3.9	4.0	4.0	4.0	4.0	4.0	4.1
State	4.1	4.1	4.2	4.2	4.2	4.2	4.1	4.1	4.1	4.2	4.2	4.3	4.4
Participation	2.8	2.7	2.8	2.8	2.8	2.9	2.9	2.9	3.0	3.0	3.1	3.1	3.1
Deposits / Branch													
Sector	66.1	64.6	65.5	65.8	66.1	66.7	67.1	67.7	66.8	67.8	68.4	68.2	69.8
Private Local	69.6	68.0	68.4	68.7	69.3	70.7	71.5	72.9	72.0	72.7	72.6	71.5	73.4
State	76.8	74.5	77.0	76.7	75.5	75.9	75.9	74.1	72.9	74.7	75.4	77.0	79.2
Participation	57.3	54.9	55.8	57.3	57.8	58.0	58.2	56.3	57.7	57.7	57.7	57.9	57.8

Source: BRSA, Burgan Research

Exhibit 6: Asset Quality (monthly annualised)

	Dec.11	Jan.12	Feb.12	Mar.12	Apr.12	May.12	Jun.12	Jul.12	Aug.12	Sep.12	Oct.12	Nov.12	Dec.12
NPL Ratio													
Sector	2.7%	2.8%	2.8%	2.7%	2.7%	2.7%	2.7%	2.7%	2.8%	2.9%	3.0%	3.0%	2.9%
Private Local	2.4%	2.5%	2.5%	2.5%	2.4%	2.4%	2.3%	2.4%	2.5%	2.5%	2.5%	2.5%	2.3%
State	2.5%	2.5%	2.5%	2.5%	2.5%	2.4%	2.5%	2.6%	2.6%	3.0%	3.0%	3.0%	3.1%
Participation	3.1%	3.1%	3.2%	3.2%	3.2%	3.2%	3.1%	3.1%	3.2%	3.2%	3.3%	3.3%	3.1%
NPL Coverage													
Sector	79.4%	79.3%	79.3%	79.5%	79.0%	78.7%	79.0%	77.2%	76.7%	75.2%	74.4%	75.4%	75.2%
Private Local	77.8%	78.1%	78.5%	78.9%	78.5%	78.4%	78.2%	75.1%	74.8%	76.2%	75.0%	75.1%	73.3%
State	86.3%	86.0%	85.7%	85.8%	85.7%	85.2%	86.7%	85.7%	84.5%	78.4%	78.3%	79.3%	79.2%
Participation	65.4%	64.8%	66.0%	68.2%	67.4%	67.6%	68.5%	69.0%	69.2%	71.4%	70.4%	70.5%	75.1%
Gross Cost of Risk													
Sector	1.6%	1.4%	0.9%	1.4%	1.8%	1.0%	1.5%	1.0%	1.2%	1.9%	1.7%	1.8%	2.6%
Private Local	1.6%	1.7%	0.6%	1.4%	1.2%	1.4%	1.6%	0.7%	1.0%	1.8%	1.5%	1.5%	2.7%
State	1.5%	0.9%	1.0%	1.0%	0.9%	1.4%	1.4%	1.1%	1.3%	2.2%	1.7%	1.6%	2.1%
Participation	3.1%	1.6%	2.1%	3.0%	1.9%	1.5%	1.7%	1.4%	2.3%	2.3%	1.8%	2.1%	3.2%
Net Cost of Risk													
Sector	0.0%	0.0%	0.5%	0.4%	0.5%	0.6%	0.7%	0.4%	0.8%	1.2%	1.0%	1.4%	1.5%
Private Local	-0.2%	0.1%	0.4%	0.5%	0.6%	0.8%	0.9%	0.0%	0.7%	1.2%	0.8%	1.2%	1.4%
State	0.1%	-0.1%	0.1%	0.1%	0.3%	0.6%	0.8%	0.5%	0.7%	1.5%	1.1%	1.0%	1.4%
Participation	1.2%	0.3%	1.0%	1.9%	0.8%	0.7%	0.8%	0.8%	1.7%	1.7%	1.2%	1.5%	2.0%

Source: BRSA, Burgan Research

Burgan Securities - Equity Rating System

12-month Rating:

Our 12-month rating system comprises the following designations: BUY (B), HOLD (H), SELL (S). The absolute upside to target value implied by the current market capitalisation is the main determinant of our rating system. Valuation tools employed most frequently are Discounted Cash Flow (DCF) and international peer group comparison, though other metrics such as historical relative valuation, price to book, return on equity, replacement value are also used wherever appropriate. Our analysts set the fair/target values with a 12-month investment horizon. Comparing the upside in a specific stock with the market's upside (determined through the aggregate upside of our coverage based on free float Mcaps), in addition to taking other yardsticks into consideration, analysts recommend BUY (B), HOLD (H), SELL (S) based on their 12-month total return views.

Sector Rating

Our investment horizon for industry ratings is again 12 months. This rating gives an indication as to how the analyst sees that particular industry for the next 12-month period in terms of growth, profitability, pricing power, competitive dynamics etc. The rating in this category thus reflects our analyst's assessment of the conjunctural outlook for the industry, without involving any specific benchmarks. The ratings employed are **Overweight (OW), Neutral (N), Underweight (UW).**

Overweight (OW): Due to improving sector related fundamentals and/or attractive valuations, the sector index is expected to perform better than the ISE-100 in the next 12-months

Neutral (N): The sector index is expected to perform in line with the ISE-100 in the next 12-months

Underweight (UW): Due to worsening sector related fundamentals and/or expensive valuations, the sector index is expected to perform worse than the ISE-100 in the next 12-months

Short-term Rating:

Our short-term rating system comprises the following designations: OUTPERFORM (OP), MARKETPERFORM (MP), UNDERPERFORM (UP). Considering possible triggers, catalysts, and/or company, sector & market views, we rate the stocks as:

Outperform (OP): If 3-month total return is expected to exceed the ISE-100 (sector index if specified) by more than 10%

Marketperform (MP): If 3-month total return is expected to be in line (+/- 10%) with the ISE-100 (Peerperform if sector index is specified)

Underperform (UP): If 3-month total return is expected to be below the ISE-100 (sector index if specified) by more than 10%

*To have a more balanced distribution of ratings, Burgan Securities has requested that analysts maintain **at least 20% of their ratings as Underperform and no more than 25% as Outperform**, subject to change depending on market conditions.*

Other Qualifiers Utilised:

NR: Not Rated

NC: Not Covered

UR: Under Review

Market Call

Our equity **market call** has an investment horizon of 3-12 months. **Our market calls are BUY, NEUTRAL, SELL.**

S/T Stock Rating Summary	Relative Return
Outperform (OP)	$\geq 10\%$
Marketperform (MP)	$< +10\% \ \& \ > -10\%$
Underperform (UP)	$\leq -10\%$



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