

Circular

Istanbul, 3 September 2018

Circular No: 90

Subject: Temporary amendments announced for deposit rates and withholding applied on profit share paid by participation banks.

Through the Presidential Decision no.53 published in the Official Gazette dated 31 August 2018;

- Interest rates applied on the TL-denominated deposit accounts and withholding rates on profit share paid by participation banks over the participation accounts have been reduced,
- Interest rates applied on foreign exchange deposit accounts and withholding rates on profit share paid by participation banks over the foreign exchange participation accounts have been increased effective for certain terms.

Accordingly;

- Interest rates applied on foreign exchange deposit accounts and withholding rates on profit share paid by participation banks over the foreign exchange participation accounts will be subject to deduction rates of 20 %, 16 % and 13 % depending on the maturity period,
- Interest rates applied on the TL-denominated deposit accounts and withholding rates on profit share in TL paid by participation banks in return for the participation accounts will be subject to deduction rates of 5 %, 3% and 0 % depending on the maturity period.

The new rates will be applied to demand and private current accounts limited to 3 months as of the publication date of the Decision (31 August 2018) and to interest and profit share to be paid to term accounts opened or renewed within 3 months from the same date.

Our explanations provided above include general information on the issue. No responsibility can be claimed against EY and Kuzey YMM ve Bağımsız Denetim A.Ş. due to the implications arising from the context of this document or emerging with respect to its context.

Best Regards,

KUZEY YMM VE BAĞIMSIZ DENETİM A.Ş.