

**CONVENIENCE TRANSLATION
OF PUBLICLY ANNOUNCED
CONSOLIDATED FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR’S REPORT
AT 31 DECEMBER 2015,
SEE NOTE I OF SECTION THREE**

ARAP TÜRK BANKASI ANONİM ŞİRKETİ

**PUBLICLY ANNOUNCED
CONSOLIDATED FINANCIAL STATEMENTS
TOGETHER WITH INDEPENDENT AUDITOR’S REPORT
AT 31 DECEMBER 2015**



CONVENIENCE TRANSLATION OF THE INDEPENDENT AUDITOR'S REPORT ORIGINALLY PREPARED AND ISSUED IN TURKISH

To the Board of Directors of Arap Türk Bank A.Ş.

Report on Consolidated Financial Statements

We have audited the accompanying consolidated balance sheet of Arap Türk Bank A.Ş. ("the Bank") and its consolidated subsidiary at 31 December 2015 and the related consolidated statements of income, consolidated income and expense items under the shareholders' equity, consolidated statement of changes in the shareholders' equity, consolidated cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes to the financial statements.

Management's Responsibilities for Consolidated Financial Statements

The Bank management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the "Regulation on the Procedures and Principles Regarding Accounting Applications for Banks and Safeguarding of Documents", published in Official Gazette No. 26333 dated 1 November 2006, other regulations published by the Banking Regulation and Supervision Agency ("BRSA") on accounting records of Banks, interpretations and circulars published by BRSA and the provisions of Turkish Accounting Standards for the matters which are not regulated by the aforementioned legislations; "BRSA Accounting and Financial Reporting Legislation" and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Independent Auditor's Responsibility

Our responsibility is to express an opinion on the consolidated financial statements based on our audit. We conducted our audit in accordance with Communiqué "Independent Audit of Banks" published by BRSA on the Official Gazette No. 29314 dated 2 April 2015 and with the Independent Auditing Standards which is a part of Turkish Auditing Standards promulgated by the Public Oversight Accounting and Auditing Standards Authority ("POA"). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the consolidated financial statements are free of material misstatements.

An independent audit includes performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the independent auditor's professional judgment, including the assessment of risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the independent auditor considers the internal control relevant to Bank's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control. An independent audit also includes evaluating the appropriateness of accounting policies used by the reasonableness of accounting estimates made by the management as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we obtained during the independent audit provides a sufficient and reasonable basis for our opinion.



Basis for the Qualified Opinion

As in Section II. Note 7 of Explanations and Notes to the Consolidated Financial Statements, as of the balance sheet date the accompanying consolidated financial statements include a free provision amounting to TL 9,000 thousand which was charged to the income statement as an expense in 2014 provided by the Bank's management in line with the conservatism principle in considering the circumstances that may arise from any changes in the economy or market conditions.

Opinion

In our opinion, except for the effect of the matter described in the "Basis for the qualified opinion" paragraph above, on the consolidated financial statements, the consolidated financial statements present fairly, in all material respects, the financial position of Arap Türk Bank A.Ş. and its consolidated subsidiary as at 31 December 2015, and the results of its operations and its cash flows for the year that ended in accordance with the BRSA Accounting and Financial Reporting Legislation.

Reports on Other Responsibilities Arising from Regulatory Requirements

In accordance with Article 402, paragraph 4 of Turkish Commercial Code No. 6102 ("TCC"), no significant matter has come to our attention that causes us to believe that the Bank's bookkeeping activities for the period 1 January - 31 December 2015 are not in compliance with TCC and provisions of the Bank's articles of association in relation to financial reporting.

In accordance with Article 402, paragraph 4 of the TCC, the Board of Directors submitted to us the necessary explanations and provided required documents within the context of audit.

Additional Paragraph for the Convenience of Translation

As explained in Note I of Section Three, the effects of the differences between accounting principles and standards set out by regulations in conformity with BRSA Accounting and Financial Reporting Legislation, the accounting principles generally accepted in countries in which the accompanying financial statements are to be distributed and the International Financial Reporting Standards ("IFRS") have not been quantified in the accompanying financial statements. Accordingly, the accompanying financial statements are not intended to present the financial position, results of operations and changes in financial position, and cash flows in accordance with the accounting principles generally accepted in such countries and by the IFRS.

Başaran Nas Bağımsız Denetim ve
Serbest Muhasebeci Mali Müşavirlik A.Ş.
a member of
PricewaterhouseCoopers

Didem Demer Kaya, SMMM
Partner

Istanbul, 28 January 2016

**ARAP TÜRK BANKASI A.Ş. CONSOLIDATED FINANCIAL REPORT
AS OF 31 DECEMBER 2015**

Address of the Bank's Headquarters : Valikonağı Caddesi No:10, 34367 – ŞİŞLİ/İSTANBUL
Telephone and Fax Numbers : Tel : 0 212 225 05 00 Faks: 0 212 225 05 26
Website of the Bank : <http://www.atbank.com.tr>
E-mail address of the Bank : com@athank.com.tr

The consolidated financial report as of and for the year ended 31 December 2015 prepared in accordance with the communiqué of "Financial Statements and Related Disclosures and Footnotes to be Announced to Public" by Banks as regulated by Banking Regulation and Supervision Agency, is comprised of the following sections:

- GENERAL INFORMATION ABOUT THE PARENT BANK
- CONSOLIDATED FINANCIAL STATEMENTS OF THE PARENT BANK
- EXPLANATIONS ON ACCOUNTING POLICIES APPLIED IN THE RELATED PERIOD
- INFORMATION RELATED TO FINANCIAL POSITION OF THE CONSOLIDATED GROUP
- DISCLOSURES AND FOOTNOTES RELATED TO THE CONSOLIDATED FINANCIAL STATEMENTS
- OTHER DISCLOSURES
- INDEPENDENT AUDITOR'S REPORT

The subsidiaries, associates and jointly controlled companies included in the consolidated financial report are as follows:

	Subsidiaries	Associates	Jointly Controlled Companies
I	A&T Finansal Kiralama A.Ş.	-	-

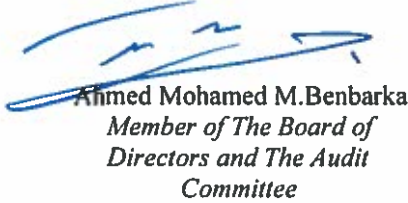
The consolidated financial statements and related disclosures and footnotes that were subject to independent audit, are prepared in accordance with the "Regulation on Accounting Applications for Banks and Safeguarding of Documents", Turkish Accounting Standards, Turkish Financial Reporting Standards related appendices and interpretations on these. Unless stated otherwise, the accompanying consolidated financial statements are presented in thousands of Turkish Lira (TL) and independently audited and enclosed.



Osman Arslan
Chairman of the Board of Directors



Abdurauuf Ibrahim Shneba
Member of The Board of Directors and Head of The Audit Committee



Ahmed Mohamed M. Benbarka
Member of The Board of Directors and The Audit Committee



Omer Muzaffer Baktır
Member of The Board of Directors and The Audit Committee



Kemal Şahin
Member of The Board of Directors and The Audit Committee



Abdulhakim A. E. Khamag
General Manager



Salih Hatipoğlu
*Assistant General Manager
Responsible For Financial Reporting*



Feyzullah Küpeli
Manager

Contact information of the personnel for addressing questions regarding this financial report

Name / Title: Feyzullah Küpeli / Manager

Phone No : 0 212 225 05 00

Fax No : 0 212 225 05 26

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IN TURKISH, SEE NOTE I OF SECTION THREE**

ARAP TÜRK BANKASI ANONİM ŞİRKETİ

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2015

(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise stated.)

SECTION ONE

GENERAL INFORMATION ABOUT THE PARENT BANK

I. PARENT BANK’S DATE OF ESTABLISHMENT, BEGINNING STATUTE, ITS HISTORY REGARDING CHANGES ON ITS STATUTE

Arap Türk Bankası Anonim Şirketi (“the Bank”) has been established in 1977 as a joint stock entity in accordance with an agreement signed on 11 August 1975 between the Republic of Turkey and the Libyan Arab Republic. The duration of the Bank is 50 years from the commencement of the Agreement. This period shall be renewable automatically unless agreed otherwise by an Extraordinary General Meeting held at least one year prior to expiration.

In accordance with the Articles of Association, the Board of Directors shall elect a Chairman among its Turkish members and a Deputy Chairman among its Arab members. The General Manager shall always be nominated by Libyan Foreign Bank assigned by the Board.

II. PARENT BANK’S SHARE CAPITAL STRUCTURE, SHAREHOLDERS DIRECTLY OR INDIRECTLY, ALONE OR TOGETHER HOLDING THE MANAGEMENT AND CONTROL OF THE BANK, RELATED CHANGES WITHIN THE YEAR AND INFORMATION ABOUT THE BANK’S GROUP

The Parent Bank is a foreign bank status incorporated in Turkey. The main shareholder Libyan Foreign Bank is %100 owned by Central Bank of Libya. The main shareholder Libyan Foreign Bank has financial investments in various countries.

The other shareholders are Türkiye İş Bankası A.Ş., and T.C. Ziraat Bankası A.Ş.

As of 31 December 2015, the Parent Bank’s share capital at the balance sheet date as follows:

Shareholders	Current Period		Prior Period	
	Share amounts	Share percentages (*)	Share amounts	Share percentages (*)
Libyan Foreign Bank	274,426	%62.37	274,426	%62.37
T. İş Bankası A.Ş.	90,534	%20.58	90,534	%20.58
T.C. Ziraat Bankası A.Ş.	67,900	%15.43	67,900	%15.43
Kuwait Investment Co.	7,140	%1.62	7,140	%1.62
Total	440,000	%100	440,000	%100

(*) Emek İnşaat ve İşletme A.Ş. has %0,0000014 share in the paid capital by TL 6.20 (full digit in TL) (31 December 2014: %0,0000014 share and TL 6.20 (full digit in TL)).

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2015

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

III. INFORMATION ABOUT THE PARENT BANK'S CHAIRMAN AND MEMBERS OF BOARD OF DIRECTORS, MEMBERS OF AUDIT COMMITTEE, GENERAL MANAGER AND ASSISTANT GENERAL MANAGERS AND THEIR QUALIFICATIONS, RELATED CHANGES WITHIN THE YEAR AND THEIR SHARES AT THE BANK

Chairmen of the Board of Directors and Board Members

Name	Job Title – Description
Osman Arslan	Chairman of the Board of Directors
Ahmed Mohamed M. Benbarka	Deputy Chairman of the Board of Directors and Member of the Audit Committee
Abdulahkim A. E. Khamag	Member of the Board of Directors and General Manager
Abdurauf İbrahim Shneba	Member of the Board of Directors and Head of Audit Committee
Kemal Şahin	Member of the Board of Directors and Audit Committee
Ömer Muzaffer Baktır	Member of the Board of Directors and Audit Committee
Abdulfatah A. Enaami	Member of the Board of Directors
Ben Issa A. Hudanah	Member of the Board of Directors
Fikret Utku Özdemir	Member of the Board of Directors

General Manager and Deputies

Name	Job Title – Description
Abdulahkim A. E. Khamag	Member of the Board of Directors and General Manager
Salih Hatipoğlu	Assistant General Manager - Financial Management and Planning Division
Abdulmonam Geat Ali	
Tbigha	Assistant General Manager - Credits Division
Abdussalam Elfituri	Assistant General Manager - Information Technologies and
B.Abushagur	Operations Division
Emel Güneş Atagün	Assistant General Manager – Department of Treasury and Financial Institution Division

Members of the board and top level managers do not possess any share in the Bank.

IV. INFORMATION ON PEOPLE AND ENTITIES WHO HAVE QUALIFIED SHARE IN THE PARENT BANK

Name Surname/Entity Title	Share Amount	Share Percentage %	Paid-in Capital	Unpaid Capital
Libyan Foreign Bank	274,426	62.37	274,426	-
T. İş Bankası A.Ş.	90,534	20.58	90,534	-
T.C. Ziraat Bankası A.Ş.	67,900	15.43	67,900	-

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ARAP TÜRK BANKASI ANONİM ŞİRKETİ

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2015

(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise stated.)

V. INFORMATION ABOUT THE SERVICES AND NATURE OF ACTIVITIES OF THE PARENT BANK

The Parent Bank was established to incorporate commercial activities among Turkey, Middle East and North African countries. The Bank is authorized to collect deposits and operates in corporate banking areas.

The Bank has seven branches; three in Istanbul, one in Ankara, one in Kayseri, one in Konya and one in Gaziantep and has share participations in a subsidiary operating in financial leasing business.

VI. DIFFERENCES BETWEEN THE COMMUNIQUE ON PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS OF BANKS AND TURKISH ACCOUNTING STANDARDS AND SHORT EXPLANATION ABOUT THE ENTITIES SUBJECT TO FULL CONSOLIDATION OR PROPORTIONAL CONSOLIDATION AND ENTITIES WHICH ARE DEDUCTED FROM EQUITY OR ENTITIES WHICH ARE NOT INCLUDED IN THESE THREE METHODS

There is no difference for the Bank between the consolidation process according to the Turkish Accounting Standards and the Communiqué of the Preparation of Consolidated Financial Statements of Banks in Turkey.

VII. THE EXISTING OR POTENTIAL, ACTUAL OR LEGAL OBSTACLES ON THE TRANSFER OF SHAREHOLDERS’ EQUITY BETWEEN THE PARENT BANK AND ITS SUBSIDIARIES OR THE REIMBURSEMENT OF LIABILITIES

Immediately transfer of the shareholders’ equity between the Parent Bank and its subsidiary is not available. Dividend distribution from shareholders equity is done according to related regulations.

There are no existing or potential, actual or legal obstacle to the reimbursement of liabilities between the Parent Bank and its subsidiary. The Bank charge or pay cost of the services according to the service agreements done between the Parent Bank and its subsidiary.

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ARAP TÜRK BANKASI ANONİM ŞİRKETİ

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2015

(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise stated.)

SECTION TWO

CONSOLIDATED FINANCIAL STATEMENTS

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- VII. Statement of Consolidated Profit Distribution**

Arap Türk Bankası Anonim Şirketi
Consolidated Balance Sheet (Statement of Financial Position)
As of 31 December 2015

(Thousands of Turkish Lira)

ASSETS	Footnotes (5-I)	Audited			Audited		
		CURRENT PERIOD (31/12/2015)			PRIOR PERIOD (31/12/2014)		
		TL	FC	TOTAL	TL	FC	TOTAL
I. CASH AND BALANCES WITH THE CENTRAL BANK OF TURKEY	(1)	8.454	849.701	858.155	6.564	347.676	354.240
II. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	(2)	14.220	194.122	208.342	43.716	119.715	163.431
2.1 Financial assets held for trading		14.220	194.122	208.342	43.716	119.715	163.431
2.1.1 Public sector debt securities		14.220	101.821	116.041	33.001	24.018	57.019
2.1.2 Securities representing a share in capital		-	-	-	-	-	-
2.1.3 Derivatives held for trading		-	-	-	782	-	782
2.1.4 Other marketable securities		-	92.301	92.301	9.933	95.697	105.630
2.2 Financial assets designated at fair value through profit or loss		-	-	-	-	-	-
2.2.1 Public sector debt securities		-	-	-	-	-	-
2.2.2 Equity securities		-	-	-	-	-	-
2.2.3 Loans granted		-	-	-	-	-	-
2.2.4 Other marketable securities		-	-	-	-	-	-
III. BANKS	(3)	26.924	1.220.983	1.247.907	15.378	1.571.948	1.587.326
IV. MONEY MARKET PLACEMENTS		-	-	-	26.908	-	26.908
4.1 Interbank money market placements		-	-	-	-	-	-
4.2 Istanbul Stock Exchange money market placements		-	-	-	-	-	-
4.3 Receivables from reverse repurchase agreements		-	-	-	26.908	-	26.908
V. FINANCIAL ASSETS AVAILABLE FOR SALE (Net)	(4)	224	1.164	1.388	224	935	1.159
5.1 Securities representing a share in capital		224	1.164	1.388	224	935	1.159
5.2 Public sector debt securities		-	-	-	-	-	-
5.3 Other marketable securities		-	-	-	-	-	-
VI. LOANS	(5)	767.109	590.794	1.357.903	663.412	700.886	1.364.298
6.1 Loans		765.166	590.794	1.355.960	661.534	700.886	1.362.420
6.1.1 Loans granted to the Bank's risk group		-	89.650	89.650	-	36.570	36.570
6.1.2 Public sector debt securities		-	-	-	-	-	-
6.1.3 Other		765.166	501.144	1.266.310	661.534	664.316	1.325.850
6.2 Loans under follow-up		13.211	-	13.211	15.092	-	15.092
6.3 Specific provisions (-)		11.268	-	11.268	13.214	-	13.214
VII. FACTORING RECEIVABLES		-	-	-	-	-	-
VIII. INVESTMENTS HELD TO MATURITY (Net)	(6)	17.604	263.954	281.558	24.503	117.174	141.677
8.1 Public sector debt securities		1.038	231.020	232.058	24.503	91.232	115.735
8.2 Other marketable securities		16.566	32.934	49.500	-	25.942	25.942
IX. INVESTMENTS IN ASSOCIATES (Net)	(7)	-	-	-	-	-	-
9.1 Consolidated by equity method		-	-	-	-	-	-
9.2 Unconsolidated associates		-	-	-	-	-	-
9.2.1 Financial investments in associates		-	-	-	-	-	-
9.2.2 Non-financial investments in associates		-	-	-	-	-	-
X. INVESTMENTS IN SUBSIDIARIES (Net)	(8)	-	-	-	-	-	-
10.1 Financial subsidiaries		-	-	-	-	-	-
10.2 Non-financial subsidiaries		-	-	-	-	-	-
XI. INVESTMENTS IN JOINT- VENTURES (Net)	(9)	-	-	-	-	-	-
11.1 Consolidated by equity method		-	-	-	-	-	-
11.2 Unconsolidated joint ventures		-	-	-	-	-	-
11.2.1 Financial investments in joint ventures		-	-	-	-	-	-
11.2.2 Non-financial investments in joint ventures		-	-	-	-	-	-
XII. LEASE RECEIVABLES (Net)	(10)	57.258	190.334	247.592	54.880	163.063	217.943
12.1 Finance lease receivables		68.610	208.832	277.442	67.294	180.921	248.215
12.2 Operational leasing receivables		-	-	-	-	-	-
12.3 Others		-	-	-	-	-	-
12.4 Unearned income (-)		11.352	18.498	29.850	12.414	17.858	30.272
XIII. DERIVATIVE FINANCIAL ASSETS HELD FOR HEDGING	(11)	-	-	-	-	-	-
13.1 Fair value hedges		-	-	-	-	-	-
13.2 Cash flow hedges		-	-	-	-	-	-
13.3 Hedges for investments made in foreign countries		-	-	-	-	-	-
XIV. TANGIBLE ASSETS (Net)	(13)	23.555	-	23.555	25.097	-	25.097
XV. INTANGIBLE ASSETS (Net)	(14)	2.986	-	2.986	3.179	-	3.179
15.1 Goodwill		-	-	-	-	-	-
15.2 Other		2.986	-	2.986	3.179	-	3.179
XVI. INVESTMENT PROPERTY (Net)	(12)	-	-	-	-	-	-
XVII. TAX ASSET	(15)	2.940	-	2.940	2.101	-	2.101
17.1 Current tax asset		-	-	-	-	-	-
17.2 Deferred tax asset		2.940	-	2.940	2.101	-	2.101
XVIII. ASSET HELD FOR SALE AND ASSETS OF DISCONTINUED OPERATIONS (Net)	(16)	9	-	9	10	-	10
18.1 Held for sale purpose		9	-	9	10	-	10
18.2 Held from discontinued operations		-	-	-	-	-	-
XIX. OTHER ASSETS	(17)	11.376	6.045	17.421	13.861	4.593	18.454
TOTAL ASSETS		932.659	3.317.097	4.249.756	879.833	3.025.990	3.905.823

Arap Türk Bankası Anonim Şirketi
Consolidated Balance Sheet (Statement of Financial Position)
As of 31 December 2015

(Thousands of Turkish Lira)

LIABILITIES AND SHAREHOLDERS' EQUITY		Footnotes (5-II)	Audited			Audited		
			CURRENT PERIOD			PRIOR PERIOD		
			(31/12/2015)			(31/12/2014)		
			TL	FC	TOTAL	TL	FC	TOTAL
I. DEPOSITS		(1)	62.332	3.285.299	3.347.631	52.040	3.055.598	3.107.638
1.1 Deposits held by the Bank's risk group			56	2.479.913	2.479.969	907	2.069.716	2.070.623
1.2 Other			62.276	805.386	867.662	51.133	985.882	1.037.015
II. DERIVATIVE FINANCIAL LIABILITIES HELD FOR TRADING		(2)	753	-	753	187	-	187
III. FUNDS BORROWED		(3)	2.499	208.086	210.585	6.067	176.002	182.069
IV. INTERBANK MONEY MARKET			3.493	-	3.493	2.935	-	2.935
4.1 Interbank money market payables			-	-	-	-	-	-
4.2 Istanbul Stock Exchange money market payables			-	-	-	-	-	-
4.3 Funds provided under repurchase agreements			3.493	-	3.493	2.935	-	2.935
V. MARKETABLE SECURITIES ISSUED (Net)			-	-	-	-	-	-
5.1 Bills			-	-	-	-	-	-
5.2 Asset backed securities			-	-	-	-	-	-
5.3 Bonds			-	-	-	-	-	-
VI. FUNDS			-	-	-	-	-	-
6.1 Borrower funds			-	-	-	-	-	-
6.2 Other			-	-	-	-	-	-
VII. MISCELLANEOUS PAYABLES			855	3.908	4.763	615	3.723	4.338
VIII. OTHER EXTERNAL RESOURCES		(4)	9.543	4.407	13.950	11.357	8.218	19.575
IX. FACTORING PAYABLES			-	-	-	-	-	-
X. LEASE PAYABLES (Net)		(5)	-	-	-	-	-	-
10.1 Finance leasing payables			-	-	-	-	-	-
10.2 Operational leasing payables			-	-	-	-	-	-
10.3 Other			-	-	-	-	-	-
10.4 Deferred finance leasing expenses (-)			-	-	-	-	-	-
XI. DERIVATIVE FINANCIAL LIABILITIES HELD FOR HEDGING		(6)	-	-	-	-	-	-
11.1 Fair value hedges			-	-	-	-	-	-
11.2 Cash flow hedges			-	-	-	-	-	-
11.3 Hedges for investments made in foreign countries			-	-	-	-	-	-
XII. PROVISIONS		(7)	39.724	1.264	40.988	38.671	1.524	40.195
12.1 General provisions			20.070	-	20.070	19.684	-	19.684
12.2 Restructuring reserves			-	-	-	-	-	-
12.3 Reserves for employee benefit			10.361	-	10.361	9.653	244	9.897
12.4 Insurance technical reserves (Net)			-	-	-	-	-	-
12.5 Other provisions			9.293	1.264	10.557	9.334	1.280	10.614
XIII. TAX LIABILITY		(8)	14.058	-	14.058	7.367	-	7.367
13.1 Current tax liability			14.058	-	14.058	7.367	-	7.367
13.2 Deferred tax liability			-	-	-	-	-	-
XIV. LIABILITIES FOR ASSETS HELD FOR RESALE AND ASSETS OF DISCONTINUED OPERATIONS			-	-	-	-	-	-
14.1 Held for sale purpose			-	-	-	-	-	-
14.2 Held from discontinued operations			-	-	-	-	-	-
XV. SUBORDINATED LOANS			-	-	-	-	-	-
XVI. SHAREHOLDERS' EQUITY		(9)	613.535	-	613.535	541.519	-	541.519
16.1 Paid-in capital			440.000	-	440.000	440.000	-	440.000
16.2 Supplementary capital			(2.268)	-	(2.268)	(1.791)	-	(1.791)
16.2.1 Share premium			-	-	-	-	-	-
16.2.2 Share cancellation profits			-	-	-	-	-	-
16.2.3 Securities Value Increase Fund			-	-	-	-	-	-
16.2.4 Revaluation surplus on tangible assets			-	-	-	-	-	-
16.2.5 Revaluation surplus on intangible assets			-	-	-	-	-	-
16.2.6 Revaluation surplus on investment property			-	-	-	-	-	-
16.2.7 Bonus shares of associates, subsidiaries and joint-ventures			-	-	-	-	-	-
16.2.8 Hedging reserves (effective portion)			-	-	-	-	-	-
16.2.9 Revaluation surplus on assets held for sale and assets of discontinued operations			-	-	-	-	-	-
16.2.10 Other capital reserves			(2.268)	-	(2.268)	(1.791)	-	(1.791)
16.3 Profit reserves			17.472	-	17.472	13.649	-	13.649
16.3.1 Legal reserves			17.469	-	17.469	13.646	-	13.646
16.3.2 Status reserves			-	-	-	-	-	-
16.3.3 Extraordinary reserves			3	-	3	3	-	3
16.3.4 Other profit reserves			-	-	-	-	-	-
16.4 Profit or loss			158.331	-	158.331	89.661	-	89.661
16.4.1 Prior years income/loss			85.838	-	85.838	17.534	-	17.534
16.4.2 Current year income/loss			72.493	-	72.493	72.127	-	72.127
16.5 Minority Interest			-	-	-	-	-	-
TOTAL LIABILITIES			746.792	3.502.964	4.249.756	660.758	3.245.065	3.905.823

Arap Türk Bankası Anonim Şirketi

Statement of Consolidated Off Balance Sheet Items As of 31 December 2015

(Thousands of Turkish Lira)

	Footnotes (5-III)	Audited			Audited		
		CURRENT PERIOD (31/12/2015)			PRIOR PERIOD (31/12/2014)		
		TL	FC	TOTAL	TL	FC	TOTAL
A. OFF BALANCE SHEET COMMITMENTS (I+II+III)		248.793	2.266.100	2.514.893	256.681	2.233.673	2.490.354
I. GUARANTEES AND WARRANTIES	(1),(2),(3),(4)	195.367	2.167.043	2.362.410	176.352	2.078.011	2.254.363
1.1 Letters of guarantee		193.117	1.681.746	1.874.863	176.190	1.519.476	1.695.666
1.1.1 Guarantees subject to State Tender Law		4.559	166	4.725	4.500	132	4.632
1.1.2 Guarantees given for foreign trade operations		49.905	1.471.161	1.521.066	22.507	1.326.216	1.348.723
1.1.3 Other letters of guarantee		138.653	210.419	349.072	149.183	193.128	342.311
1.2 Bank acceptances		-	-	-	-	1.460	1.460
1.2.1 Import letter of acceptance		-	-	-	-	-	-
1.2.2 Other bank acceptances		-	-	-	-	1.460	1.460
1.3 Letters of credit		-	283.579	283.579	-	404.791	404.791
1.3.1 Documentary letters of credit		-	-	-	-	-	-
1.3.2 Other letters of credit		-	283.579	283.579	-	404.791	404.791
1.4 Prefinancing given as guarantee		-	-	-	-	-	-
1.5 Endorsements		-	-	-	-	-	-
1.5.1 Endorsements to the Central Bank of Turkey		-	-	-	-	-	-
1.5.2 Other endorsements		-	-	-	-	-	-
1.6 Securities issue purchase guarantees		-	-	-	-	-	-
1.7 Factoring guarantees		-	-	-	-	-	-
1.8 Other guarantees		2.250	201.718	203.968	162	152.284	152.446
1.9 Other warranties		-	-	-	-	-	-
II. COMMITMENTS	(1)	8.785	55.443	64.228	6.897	82.012	88.909
2.1 Irrevocable commitments		6.394	48.385	54.779	6.897	82.012	88.909
2.1.1 Asset purchase and sales commitments		-	-	-	233	5.273	5.506
2.1.2 Deposit purchase and sales commitments		-	44.964	44.964	-	67.248	67.248
2.1.3 Share capital commitment to associates and subsidiaries		-	-	-	-	-	-
2.1.4 Loan granting commitments		3.265	-	3.265	3.589	-	3.589
2.1.5 Securities issue brokerage commitments		-	-	-	-	-	-
2.1.6 Commitments for reserve deposit requirements		-	-	-	-	-	-
2.1.7 Payment commitments for checks		3.129	-	3.129	3.075	-	3.075
2.1.8 Tax and fund liabilities from export commitments		-	-	-	-	-	-
2.1.9 Commitments for credit card expenditure limits		-	-	-	-	-	-
2.1.10 Commitments for credit cards and banking services promotions		-	-	-	-	-	-
2.1.11 Receivables from short sale commitments		-	-	-	-	-	-
2.1.12 Payables for short sale commitments		-	-	-	-	-	-
2.1.13 Other irrevocable commitments		-	3.421	3.421	-	9.491	9.491
2.2 Revocable commitments		2.391	7.058	9.449	-	-	-
2.2.1 Revocable loan granting commitments		-	-	-	-	-	-
2.2.2 Other revocable commitments		2.391	7.058	9.449	-	-	-
III. DERIVATIVE FINANCIAL INSTRUMENTS	(5)	44.641	43.614	88.255	73.432	73.650	147.082
3.1 Derivative financial instruments held for hedging		-	-	-	-	-	-
3.1.1 Fair value hedges		-	-	-	-	-	-
3.1.2 Cash flow hedges		-	-	-	-	-	-
3.1.3 Hedges for investments made in foreign countries		-	-	-	-	-	-
3.2 Trading transactions		44.641	43.614	88.255	73.432	73.650	147.082
3.2.1 Forward foreign currency buy/sell transactions		-	-	-	-	-	-
3.2.1.1 Forward foreign currency transactions-buy		-	-	-	-	-	-
3.2.1.2 Forward foreign currency transactions-sell		-	-	-	-	-	-
3.2.2 Swap transactions related to foreign currency and interest rates		44.641	43.614	88.255	73.432	73.650	147.082
3.2.2.1 Foreign currency swap-buy		-	43.614	43.614	-	73.650	73.650
3.2.2.2 Foreign currency swap-sell		44.641	-	44.641	73.432	-	73.432
3.2.2.3 Interest rate swaps-buy		-	-	-	-	-	-
3.2.2.4 Interest rate swaps-sell		-	-	-	-	-	-
3.2.3 Foreign currency, interest rate and security option		-	-	-	-	-	-
3.2.3.1 Foreign currency options-buy		-	-	-	-	-	-
3.2.3.2 Foreign currency options-sell		-	-	-	-	-	-
3.2.3.3 Interest rate options-buy		-	-	-	-	-	-
3.2.3.4 Interest rate options-sell		-	-	-	-	-	-
3.2.3.5 Securities options-buy		-	-	-	-	-	-
3.2.3.6 Securities options-sell		-	-	-	-	-	-
3.2.4 Foreign currency futures		-	-	-	-	-	-
3.2.4.1 Foreign currency futures-buy		-	-	-	-	-	-
3.2.4.2 Foreign currency futures-sell		-	-	-	-	-	-
3.2.5 Interest rate futures		-	-	-	-	-	-
3.2.5.1 Interest rate futures-buy		-	-	-	-	-	-
3.2.5.2 Interest rate futures-sell		-	-	-	-	-	-
3.2.6 Other		-	-	-	-	-	-
B. CUSTODY AND PLEDGED SECURITIES (IV+V+VI)		1.102.042	3.637.094	4.739.136	329.363	306.143	635.506
IV. ITEMS HELD IN CUSTODY		235.769	8.639	244.408	237.969	22.170	260.139
4.1 Assets under management		-	-	-	-	-	-
4.2 Investment securities held in custody		-	-	-	-	-	-
4.3 Checks received for collection		234.582	7.050	241.632	236.534	18.793	255.327
4.4 Commercial notes received for collection		437	1.589	2.026	685	1.410	2.095
4.5 Other assets received for collection		-	-	-	-	-	-
4.6 Assets received for public offering		-	-	-	-	-	-
4.7 Other items under custody		750	-	750	750	1.967	2.717
4.8 Custodians		-	-	-	-	-	-
V. PLEDGED ITEMS		866.273	3.628.455	4.494.728	91.394	283.973	375.367
5.1 Marketable securities		-	-	-	-	-	-
5.2 Guarantee notes		86.735	124.787	211.522	69.779	140.141	209.920
5.3 Commodity		-	-	-	-	-	-
5.4 Warranty		-	-	-	-	-	-
5.5 Immovables		12.097	176.957	189.054	21.587	141.128	162.715
5.6 Other pledged items		767.441	3.326.711	4.094.152	28	2.704	2.732
5.7 Pledged items-depository		-	-	-	-	-	-
VI. ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES		-	-	-	-	-	-
TOTAL OFF BALANCE SHEET COMMITMENTS (A+B)		1.350.835	5.903.194	7.254.029	586.044	2.539.816	3.125.860

The accompanying notes are an integral part of these consolidated financial statements.

Arap Türk Bankası Anonim Şirketi

Consolidated Income Statement For The Period Ended 31 December 2015

(Thousands of Turkish Lira)

			Audited	Audited
INCOME AND EXPENSES		Footnotes (5-IV)	CURRENT PERIOD (01/01/2015-31/12/2015)	PRIOR PERIOD (01/01/2014-31/12/2014)
I.	INTEREST INCOME	(1)	159,727	155,595
1.1	Interest on loans		88,428	88,659
1.2	Interest received from reserve deposits		423	14
1.3	Interest received from banks		26,745	29,463
1.4	Interest received from money market transactions		544	975
1.5	Interest received from marketable securities portfolio		23,738	20,205
1.5.1	Financial assets held for trading		11,196	8,129
1.5.2	Financial assets valued at fair value through profit or loss		-	-
1.5.3	Financial assets available for sale		-	-
1.5.4	Investments held to maturity		12,542	12,076
1.6	Finance lease income		19,559	15,919
1.7	Other interest income		290	360
II.	INTEREST EXPENSE	(2)	35,324	32,906
2.1	Interest on deposits		29,337	28,240
2.2	Interest on funds borrowed		5,667	4,609
2.3	Interest on money market transactions		320	56
2.4	Interest on securities issued		-	-
2.5	Other interest expense		-	1
III.	NET INTEREST INCOME/EXPENSE (I - II)		124,403	122,689
IV.	NET FEES AND COMMISSIONS INCOME/EXPENSE		49,630	48,348
4.1	Fees and commissions received		50,630	48,943
4.1.1	Non-cash loans		21,070	20,052
4.1.2	Other		29,560	28,891
4.2	Fees and commissions paid		1,000	595
4.2.1	Non-cash loans		1	-
4.2.2	Other		999	595
V.	DIVIDEND INCOME	(3)	68	62
VI.	NET TRADING INCOME/EXPENSE	(4)	(1,687)	982
6.1.	Profit/losses on trading account securities		(53)	-
6.2.	Loss/Profit on derivative transactions		(2,419)	(704)
6.3	Foreign exchange profit/losses		785	1,686
VII.	OTHER OPERATING INCOME	(5)	4,618	4,845
VIII.	TOTAL OPERATING INCOME/EXPENSE (III+IV+V+VI+VII)		177,032	176,926
IX.	PROVISION FOR LOAN LOSSES and OTHER RECEIVABLES (-)	(6)	9,139	15,943
X.	OTHER OPERATING EXPENSES (-)	(7)	76,930	68,774
XI.	NET OPERATING INCOME/LOSS (VIII-IX-X)	(8)	90,963	92,209
XII.	INCOME RESULTED FROM MERGERS		-	-
XIII.	INCOME/LOSS FROM INVESTMENTS UNDER EQUITY ACCOUNTING		-	-
XIV.	GAIN/LOSS ON NET MONETARY POSITION		-	-
XV.	INCOME/LOSS FROM CONTINUING OPERATIONS BEFORE TAXES (XI+...+XIV)		90,963	92,209
XVI.	PROVISION FOR TAXES FOR CONTINUING OPERATIONS (±)	(8)	(18,470)	(20,082)
16.1.	Current tax provision	(9)	(19,190)	(18,407)
16.2.	Deferred tax provision		720	(1,675)
XVII.	NET PROFIT/LOSSES FROM CONTINUING OPERATIONS (XV±XVI)	(10)	72,493	72,127
XVIII.	INCOME FROM DISCONTINUED OPERATIONS	(10)	-	-
18.1.	Income from assets held for sale		-	-
18.2.	Income from sale of associates, subsidiaries and joint-ventures		-	-
18.3.	Other income from discontinued operations		-	-
XIX.	EXPENSES FROM DISCONTINUED OPERATIONS (-)		-	-
19.1.	Expense on assets held for sale		-	-
19.2.	Expenses on sale of associates, subsidiaries and joint-ventures		-	-
19.3.	Other expense from discontinued operations		-	-
XX.	INCOME/EXPENSE BEFORE TAXES FROM DISCONTINUED OPERATIONS (XVIII-XIX)	(8)	-	-
XXI.	PROVISION FOR TAXES ON INCOME FROM DISCONTINUED OPERATIONS (±)	(9)	-	-
21.1.	Current tax provision		-	-
21.2.	Deferred tax provision		-	-
XXII.	NET PROFIT/LOSSES FROM DISCONTINUED OPERATIONS (XX±XXI)	(10)	-	-
XXIII.	NET PROFIT/LOSSES (XVII+XXII)	(11)	72,493	72,127
23.1	Group's profit/loss		72,493	72,127
23.2	Minority shares		-	-
	Earnings/Losses per share		0.0016	0.0016

The accompanying notes are an integral part of these consolidated financial statements.

Arap Türk Bankası Anonim Şirketi
Statement of Recognized Income and Expense In
Consolidated Shareholders' Equity For the Period Ended 31 December 2015

(Thousands of Turkish Lira)

STATEMENT OF INCOME AND EXPENSE ITEMS ACCOUNTED IN SHAREHOLDERS' EQUITY		Audited	Audited
		CURRENT PERIOD (01/01/2015-31/12/2015)	PRIOR PERIOD (01/01/2014-31/12/2014)
I.	MARKET VALUE GAINS ON AVAILABLE FOR SALE ASSETS ACCOUNTED UNDER "SECURITIES VALUE INCREASE FUND"	-	-
II.	REVALUATION SURPLUS ON TANGIBLE ASSETS	-	-
III.	REVALUATION SURPLUS ON INTANGIBLE ASSETS	-	-
IV.	TRANSLATION DIFFERENCES FOR TRANSACTIONS IN FOREIGN CURRENCIES	-	-
V.	GAIN/LOSS ON DERIVATIVE FINANCIAL ASSETS HELD FOR CASH FLOW HEDGES (effective portion)	-	-
VI.	GAIN/LOSS ON DERIVATIVE FINANCIAL ASSETS HELD FOR HEDGES OF NET INVESTMENT (effective portion)	-	-
VII.	EFFECTS OF CHANGES IN ACCOUNTING POLICIES AND CORRECTIONS	-	-
VIII.	OTHER INCOME/EXPENSE ITEMS ACCOUNTED UNDER SHAREHOLDERS' EQUITY AS PER TAS	(596)	(383)
IX.	DEFERRED TAXES ON VALUE INCREASES/DECREASES	119	77
X.	NET INCOME/EXPENSE ITEMS ACCOUNTED DIRECTLY UNDER SHAREHOLDERS' EQUITY (I+II+...+IX)	(477)	(306)
XI.	CURRENT PERIOD PROFIT/LOSSES	72.493	72.127
11.1	Net changes in fair value of securities (transferred to income statement)	-	-
11.2	Gains/losses on hedges of cash flow hedges, reclassified and recorded in income statement	-	-
11.3	Gains/losses on hedges of net investment in foreign operations, reclassified and recorded in income statement	-	-
11.4	Other	72.493	72.127
XII.	TOTAL PROFIT/LOSS ACCOUNTED FOR THE CURRENT PERIOD (X±XI)	72.016	71.821

Arap Türk Bankası Anonim Şirketi
Statement of Changes In Unconsolidated
For The Period Ended 31 December

(Thousands of Turkish Lira)																	
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY																	
PRIOR PERIOD (31/12/2014)																	
I. Balances at the beginning of the period																	
II. Corrections made as per TAS 8																	
2.1 Effects of changes in accounting policies																	
2.2 Adjusted balances at the beginning of the period (I+II)																	
III.																	
Changes during the period																	
IV. Mergers																	
V. Securities Value Increase Fund																	
VI. Hedges for Risk Management																	
6.1 Net Cash Flow Hedges																	
6.2 Net Foreign Investment Hedges																	
VII. Revaluation surplus on tangible assets																	
VIII. Revaluation surplus on intangible assets																	
IX. Bonus shares of associates, subsidiaries and joint ventures																	
X. Foreign exchange differences																	
XI. Changes resulted from disposal of assets																	
XII. Changes resulted from reclassification of assets																	
XIII. Effect of change in equities of associates on Bank's Equity																	
XIV. Capital increase																	
14.1 Cash																	
14.2 Internal sources																	
XV. Share issuance																	
XVI. Share cancellation profits																	
XVII. Capital Reserves From Inflation Adjustments To Paid-In Capital																	
XVIII. Others																	
XIX. Current Period Net Profit																	
XX. Profit distribution																	
20.1 Dividends distributed																	
20.2 Transfers to Reserves																	
20.3 Others																	
Balances at end of period (III+IV+V+...+XVIII+XIX+XX)																	
CURRENT PERIOD (31/12/2015)																	
I. Balances at end of prior period																	
Changes within the period																	
II. Mergers																	
III. Securities Value Increase Fund																	
IV. Hedges for Risk Management																	
4.1 Net Cash Flow Hedges																	
4.2 Net Foreign Investment Hedges																	
V. Revaluation surplus on tangible assets																	
VI. Revaluation surplus on intangible assets																	
VII. Bonus shares of associates, subsidiaries and joint ventures																	
VIII. Foreign exchange differences																	
IX. Changes resulted from disposal of assets																	
X. Changes resulted from reclassification of assets																	
XI. Effect of change in equities of associates on Bank's Equity																	
XII. Capital increase																	
12.1 Cash																	
12.2 Internal sources																	
XIII. Share issuance																	
XIV. Share cancellation profits																	
XV. Capital Reserves From Inflation Adjustments To Paid-In Capital																	
XVI. Others																	
XVII. Current Period Net Profit																	
XVIII. Profit distribution																	
18.1 Dividends distributed																	
18.2 Transfers to legal reserves																	
18.3 Others																	
Balances at end of period (I+II+III+...+XVI+XVII+XVIII)																	
Footnotes (5-V)																	
Paid-in Capital Capital																	
Capital Reserves from Inflation Adjustments																	
Share Premium																	
Share Cancellation																	
Legal Reserves																	
Expansitory Reserves																	
Other Reserves																	
Current Period Net Profit/Loss																	
Prior Period Net Profit/Loss																	
Securities Value Increase Fund																	
Revaluation Surplus on Tangible and Intangible																	
Bonus Shares of Equity Participations																	
Hedging Reserves																	
Accr. Rev-Surp. on Assets Held for Sale and Assets of																	
Total Shareholders'																	

Arap Türk Bankası Anonim Şirketi
Statement of Unconsolidated Cash Flow
For The Period Ended 31 December 2015

(Thousands of Turkish Lira)

		Audited	
		CURRENT PERIOD (31/12/2015)	PRIOR PERIOD (31/12/2014)
	Footnotes (5-VI)		
A. CASH FLOWS FROM BANKING OPERATIONS			
1.1 Operating Profit Before Changes in Operating Assets and Liabilities		86.396	65.016
1.1.1 Interests Received		171.760	143.354
1.1.2 Interest Paid		(22.678)	(31.947)
1.1.3 Dividend Received		-	52
1.1.4 Fees and Commissions Received		50.001	48.558
1.1.5 Other Income		3.089	3.177
1.1.6 Collections From Previously Written-off Loans and Other Receivables		43.909	303
1.1.7 Payments to Personnel and Service Suppliers		(59.566)	(51.616)
1.1.8 Taxes Paid		(21.844)	(17.543)
1.1.9 Other	(3)	(78.275)	(29.322)
1.2 Changes in Operating Assets and Liabilities		88.385	391.954
1.2.1 Net Decrease in Financial Assets Held For Trading		(47.907)	(74.163)
1.2.2 Net (Increase) Decrease in Financial Assets Valued at Fair Value Through Profit or Loss		-	-
1.2.3 Net (Increase) Decrease in Due From Banks and Other Financial Institutions		(46.803)	30.923
1.2.4 Net (Increase) in Loans		(5.802)	63.532
1.2.5 Net (Increase) Decrease in Other Assets	(3)	(134)	3.180
1.2.6 Net Increase/(Decrease) in Bank Deposits		255.878	316.425
1.2.7 Net Increase (Decrease) in Other Deposits		(59.059)	189.847
1.2.8 Net Increase/ (Decrease) in Funds Borrowed		(12.464)	(104.229)
1.2.9 Net Increase/ (Decrease) in Matured Payables		-	-
1.2.10 Net Increase (Decrease) in Other Liabilities	(3)	4.676	(33.561)
I. Net Cash Flow From Banking Operations		174.781	456.970
B. CASH FLOWS FROM INVESTING ACTIVITIES			
II. Net Cash Flow From Investing Activities		(122.763)	59.320
2.1 Cash Paid For Purchase of Associates, Subsidiaries, and Joint-Ventures		-	-
2.2 Cash Obtained From Sale of Associates, Subsidiaries and Joint-Ventures		-	-
2.3 Purchases of Tangible Assets		(881)	(3.474)
2.4 Sales of Tangible Assets		29	1.200
2.5 Cash Paid For Purchase of Financial Assets Available-For-Sale		-	-
2.6 Cash Obtained From Sale of Financial Assets Available-For-Sale		-	-
2.7 Cash Paid For Purchase of Investments Held-to-Maturity		(214.352)	(31.690)
2.8 Cash Obtained From Sale of Investments Held-to-Maturity		93.317	94.796
2.9 Other		(876)	(1.512)
C. CASH FLOWS FROM FINANCING ACTIVITIES			
III. Net Cash Flows From Financing Activities		-	-
3.1 Cash Obtained From Funds Borrowed and Securities Issued		-	-
3.2 Cash Used For Repayment of Funds Borrowed and Securities Issued		-	-
3.3 Equity Instruments Issued		-	-
3.4 Dividends Paid		-	-
3.5 Payments For Financial Leases		-	-
3.6 Other		-	-
IV. Effect of Change in Foreign Exchange Rate On Cash and Cash Equivalents	(3)	22.382	(61.835)
V. Net (Decrease)/Increase in Cash and Cash Equivalents		74.400	454.455
VI. Cash and Cash Equivalents at Beginning of Period	(1)	1.681.080	1.226.625
VII. Cash and Cash Equivalents at the End of Period	(1)	1.755.480	1.681.080

The accompanying notes are an integral part of these unconsolidated financial statements.

Arap Türk Bankası Anonim Şirketi
Statement of Profit Distribution
For The Period Ended 31 December 2015
(Thousands of Turkish Lira)

		Audited	
		CURRENT PERIOD (31/12/2015)	PRIOR PERIOD (31/12/2014)
I.	DISTRIBUTION OF CURRENT YEAR INCOME		
1.1	CURRENT YEAR INCOME	86.772	89.389
1.2	TAXES AND DUTIES PAYABLE	(16.666)	(18.883)
1.2.1	Corporate Tax (Income tax)	(17.299)	(18.407)
1.2.2	Income withholding tax	-	-
1.2.3	Other taxes and duties	633	(476)
A.	NET INCOME FOR THE YEAR (1.1-1.2)	70.106	70.506
1.3	PRIOR YEARS LOSSES (-)(*)	-	-
1.4	FIRST LEGAL RESERVES (-)	-	3.526
1.5	OTHER STATUTORY RESERVES (-)	-	-
B.	NET INCOME AVAILABLE FOR DISTRIBUTION [(A-(1.3+1.4+1.5))]	70.106	66.980
1.6	FIRST DIVIDEND TO SHAREHOLDERS (-)	-	-
1.6.1	To owners of ordinary shares	-	-
1.6.2	To owners of preferred shares	-	-
1.6.3	To owners of preferred shares (preemptive rights)	-	-
1.6.4	To profit sharing bonds	-	-
1.6.5	To holders of profit and loss sharing certificates	-	-
1.7	DIVIDENDS TO PERSONNEL (-)	-	-
1.8	DIVIDENDS TO BOARD OF DIRECTORS (-)	-	-
1.9	SECOND DIVIDEND TO SHAREHOLDERS (-)	-	-
1.9.1	To owners of ordinary shares	-	-
1.9.2	To owners of preferred shares	-	-
1.9.3	To owners of preferred shares (preemptive rights)	-	-
1.9.4	To profit sharing bonds	-	-
1.9.5	To holders of profit and loss sharing certificates	-	-
1.10	SECOND LEGAL RESERVES (-)	-	-
1.11	STATUTORY RESERVES (-)	-	-
1.12	GENERAL RESERVES	-	-
1.13	OTHER RESERVES	-	-
1.14	SPECIAL FUNDS	-	-
II.	DISTRIBUTION OF RESERVES		
2.1	APPROPRIATED RESERVES	-	-
2.2	SECOND LEGAL RESERVES (-)	-	-
2.3	DIVIDENDS TO SHAREHOLDERS (-)	-	-
2.3.1	To owners of ordinary shares	-	-
2.3.2	To owners of preferred shares	-	-
2.3.3	To owners of preferred shares (preemptive rights)	-	-
2.3.4	To profit sharing bonds	-	-
2.3.5	To holders of profit and loss sharing certificates	-	-
2.4	DIVIDENDS TO PERSONNEL (-)	-	-
2.5	DIVIDENDS TO BOARD OF DIRECTORS (-)	-	-
III.	EARNINGS PER SHARE		
3.1	TO OWNERS OF ORDINARY SHARES	0,0016	0,0016
3.2	TO OWNERS OF ORDINARY SHARES (%)	0,16	0,16
3.3	TO OWNERS OF PRIVILEGED SHARES	-	-
3.4	TO OWNERS OF PRIVILEGED SHARES (%)	-	-
IV.	DIVIDEND PER SHARE		
4.1	TO OWNERS OF ORDINARY SHARES	-	-
4.2	TO OWNERS OF ORDINARY SHARES (%)	-	-
4.3	TO OWNERS OF PRIVILEGED SHARES	-	-
4.4	TO OWNERS OF PRIVILEGED SHARES (%)	-	-

(*)Since the General Assembly has not been made as of the announcement of the financial statement, the distribution of profit has not been decided yet.

The accompanying notes are an integral part of these unconsolidated financial statements.

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SECTION THREE

EXPLANATIONS ON ACCOUNTING POLICIES

I. EXPLANATIONS FOR BASIS OF PRESENTATION AND FOOTNOTES

The consolidated financial statements are prepared within the scope of the “Regulation on Accounting Applications for Banks and Safeguarding of Documents” related with Banking Act numbered 5411 published in the Official Gazette no.26333 dated 1 November 2006 and other regulations related to reporting principles on accounting records of Banks published by Banking Regulation and Supervision Agency and circulars and interpretations published by Banking Regulation and Supervision Authority (together referred as BRSA Accounting and Reporting Legislation) and in case where a specific regulation is not made by BRSA, Turkish Accounting Standards and Turkish Financial Reporting Standards (“TFRS”) and related appendices and interpretations (referred as “Turkish Accounting Standards” or “TAS”) put into effect by Public Oversight Accounting and Auditing Standards Authority (“POA”) (all referred as “Reporting Standards”).

The format and content of the publicly announced consolidated financial statements and notes to these statements have been prepared in accordance with the “Communiqué on Publicly Announced Financial Statements, Explanations and Notes to These Financial Statements”, published in Official Gazette no. 28337, dated 28 June 2012, and amendments to this Communiqué. The Bank maintains its books in Turkish Lira in accordance with the Banking Act, Turkish Commercial Code and Turkish Tax Legislation.

Consolidated financial statements other than financial assets and liabilities that are presented with fair values, are prepared in thousands of Turkish Lira and with cost value approach.

The preparation of consolidated financial statements requires the use of certain critical estimates on assets and liabilities reported as of balance sheet date or amount of contingent assets and liabilities explained and amount of income and expenses occurred in related period. Although these estimates rely on the management’s best judgment, actual results can vary from these estimates. Judgements and estimates are explained in related notes.

For a correct perception of the financial statements, the accounting policies and valuation principles are explained between in Notes No. II and XXIII.

There is not any different accounting policy applied while the preparation of the consolidated financial statements.

Explanation for convenience translation into English:

The differences between accounting principles, as described in these preceding paragraphs and accounting principles generally accepted in countries in which consolidated financial statements are to be distributed and International Financial Reporting Standards (“IFRS”) have not been quantified in these consolidated financial statements. Accordingly, these consolidated financial statements are not intended to present the financial position, results of operations and changes in financial position and cash flows in accordance with the accounting principles generally accepted in such countries and IFRS.

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**II. INFORMATION ON STRATEGY FOR THE USE OF FINANCIAL INSTRUMENTS
AND FOREIGN CURRENCY TRANSACTIONS**

The Bank’s core business operation is banking activities including corporate banking, commercial banking, security transactions (treasury transactions) together with international banking services. The Parent Bank uses financial instruments intensively because of the nature of the Parent Bank. The main funding resources are deposits, borrowing and equity and these resources are invested in qualified financial assets. The Parent Bank follows the utilization of resources and the risk and return for the investments in various financial assets through an effective asset and liability management strategy.

The transactions in foreign currency are recorded in accordance with “TAS 21 - Effects of Exchange Rate Changes”. Related gain and loss occurred due to the changes in exchange rates resulted by the foreign currency transactions are translated into Turkish Lira over the effective exchange rate prevailing at the date of the transaction and is recorded accordingly.

At the end of the related periods, foreign currency assets and liability balances outstanding are translated into Turkish Lira over the Group’s exchange rates prevailing at the balance sheet date in the Parent Bank financial statements, whereas for other associations over CBRT rates subjected to evaluation.

III. INFORMATION ON CONSOLIDATED ASSOCIATES AND SUBSIDIARIES

The accompanying consolidated financial statements are prepared in accordance with "Communiqué on Preparation of Consolidated Financial Statements" which is published in the Official Gazette No. 26340 dated November 8, 2006. The Parent Bank directly owns the shares of A&T Finansal Kiralama A.Ş. and this subsidiary is consolidated accordingly. As of 31 December 2015 and 31 December 2014, the Parent Bank has no associates.

A&T Finansal Kiralama Anonim Şirketi, was founded in 1997 with the aim to provide financial leasing services.

The Parent Bank and its subsidiary A&T Finansal Kiralama A.Ş that is included in consolidation are together referred to as “Group” in the disclosures and footnotes related to the consolidated financial statements.

“Full Consolidation” method has been applied in consolidating the financial statements of the Bank with the financial statements of its subsidiary. In accordance with this method, the financial statements of the Parent Bank and its subsidiary are combined on a line-by-line basis by adding together the all items of assets, liabilities, income, expenses and off-balance sheet items, in preparing consolidated financial statements. Minority interests are presented separately in the consolidated balance sheet and consolidated statement of income.

The major principles applied in the consolidation of subsidiaries

The carrying amount of the Parent Bank’s net investment in the subsidiary and the Parent Bank’s portion of equity of the subsidiary are eliminated.

All intercompany transactions and intercompany balances between the consolidated subsidiary and the Parent Bank are eliminated.

The financial statements which have been used in the consolidation are prepared as of 31 December 2015 and appropriate adjustments are made to financial statements to use uniform accounting policies for similar transactions and events in similar circumstances.

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IV. INFORMATION ON FORWARD TRANSACTIONS, OPTIONS AND DERIVATIVE INSTRUMENTS

The Group financial derivatives are classified as “held for trading” in accordance with “TAS - 39 Financial Instruments: Recognition and Measurement”.

Derivatives are initially recorded at their purchase costs including the transaction costs. The notional amounts of derivative transactions are recorded in off-balance sheet accounts based on their contractual amounts.

The derivative transactions are measured at fair value subsequent to initial recognition and if the fair value of a derivative financial instrument is positive, it is disclosed under the main account fair values of financial assets through profit or loss” in trading derivative financial instruments and if the fair value difference is negative, it is disclosed under trading derivative financial liabilities.

Gains and losses arising from a change in fair value of trading derivatives after the re measurement are accounted in the income statement. The fair value of the derivative financial instruments is calculated using quoted market prices by using discounted cash flows model.

V. INFORMATION ON INTEREST INCOME AND EXPENSE

Interest income and expense are recognized according to the effective interest method based on accrual basis. Effective interest rate is the rate that discounts the expected cash flows of financial assets or liabilities during their lifetimes to their carrying values. Effective interest rate is calculated when a financial asset or a liability is initially recorded and is not modified thereafter.

The computation of effective interest rate comprises discounts and premiums, fees and commissions paid or received and transaction costs. Transaction costs are additional costs that are directly related to the acquisition, issuance or disposal of financial assets or liabilities.

In accordance with the related regulation, the accrued interest income on non-performing loans are reversed and subsequently recognized as interest income only when collected.

VI. INFORMATION ON FEES AND COMMISSION

Fees and commission received and paid are recognized according to either accrual basis of accounting or effective interest method depending on nature of fees and commission; incomes derived from agreements and asset purchases for third parties are recognized as income when realized.

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VII. INFORMATION ON FINANCIAL ASSETS

The Group categorizes and records its financial assets as financial assets at fair value through profit or loss, financial assets available-for-sale, loans and receivables or financial assets held to maturity.

Financial assets except for measured at fair value through profit or loss are recognized initially with their transaction costs that are directly attributable to the acquisition or issue of the financial asset. Purchase and sale transactions of securities are accounted at settlement dates.

a. Financial Assets at Fair Value through Profit or Loss

This category has two sub categories: financial assets for trading purposes and those recorded as financial assets designated at fair value through profit or loss at their initial recognition.

Financial assets held for trading are part of a portfolio aiming to generate a profit from short term fluctuations in prices or dealer’s margin or in which a pattern of short term profit making exists.

Financial derivative instruments are classified as financial assets held for trading unless they are stated as for hedging purposes. Accounting of derivative financial assets is explained in IV of Section Three.

The financial assets held for trading are initially recognized at cost which includes transaction costs. Subsequent to the initial recognition financial assets held for trading are re-measured at their fair value. The gains and losses arising from the change in fair value are recognized in the income statement. The interest income earned from financial assets held for trading is recorded in the interest income and share profit is recorded in the dividends account.

b. Financial Assets Available-for-Sale

Financial assets available for sale are financial assets other than those classified as loans and receivables, financial assets held to maturity and financial assets at fair value through profit or loss.

Debt securities classified as financial assets available-for-sale are subsequently re-measured at their fair values. Unrealized gains and losses arising from changes in the fair value of securities classified as financial assets available for sale is reflected in the equity marketable securities value increase fund. When these financial assets available for sale are disposed of or collected the fair value differences accumulated under equity are transferred to the income statement.

Financial assets available for sale that have a quoted market price in an active market and whose fair values can be reliably measured are carried at fair value. Financial assets available for sale that do not have a quoted market price and whose fair values cannot be reliably measured are carried at cost, less provision for impairment.

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VII. INFORMATION ON FINANCIAL ASSETS (Continued)

c. Loans and Receivables

Loans and receivables are the financial assets raised by the Bank providing money, commodity and services to debtors. Loans are financial assets with fixed or determinable payments and not quoted in an active market.

Loans and receivables are recorded at cost and measured at amortized cost by using effective interest method. The duties paid, transaction expenditures and other similar expenses on assets received against such risks are considered as a part of transaction cost and charged to customers.

d. Financial Assets Held to Maturity

Held-to-maturity securities are financial assets that are not classified as loans and receivables with fixed maturities and pre-determinable payments that the Bank has the intent and ability to hold until maturity. The financial assets held to maturity are initially recognized at cost and subsequently carried at amortized cost using effective interest method with internal rate of return after deducting impairments, if any. Interest earned on financial assets held-to-maturity is recognized as interest income in the statement of income.

There are no financial assets that were previously classified as held to maturity but cannot be subject to this classification for two years due to the violation of the tainting rule.

VIII. INFORMATION ON IMPAIRMENT OF FINANCIAL ASSETS

Financial assets or group of financial assets are reviewed at each balance sheet date to determine whether there is objective evidence of impairment. If any such indication exists, the Group estimates the amount of impairment.

Impairment loss incurs if, and only if, there is objective evidence that the expected future cash flows of financial asset or group of financial assets are adversely affected by an event(s) ("loss event(s)") incurred subsequent to recognition. The losses expected to incur due to future events are not recognized even if the probability of loss is high.

If there is an objective evidence that certain loans will not be collected, for such loans; the Group provides specific and general allowances for loan and other receivables classified in accordance with the "Regulation on Identification of and Provision against Non-Performing Loans and Other Receivables" published on the Official Gazette no. 26333 dated 1 November 2006 and the amendments to this regulation. The allowances are recorded in the statement of income of the related period.

If there is objective evidence that certain leasing receivables will not be collected; the Group assess that receivables in accordance with the "Regulation on Identification of and Provision against Non-Performing Receivables of Financial Leasing, Factoring and Financing Companies" published on the Official Gazette No.26588 dated 20 July 2007.

Provision in prior periods has been collected which is provisioned accounts are recorded under other operating income is deducted. Is collected which is provisioned in the same year, the impairment loss is deducted from loans and other receivables.

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IX. INFORMATION ON OFFSETTING FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

X. INFORMATION ON SALE AND REPURCHASE AGREEMENTS AND LENDING OF FINANCIAL ASSETS

Repurchase (“repo”) and resale (“reverse repo”) agreements of financial assets are followed at the balance sheet accounts. Financial assets which are sold to customers under repurchase agreements are categorized according to initial classification and are measured in accordance with the accounting policy of the related portfolio.

Funds obtained under repurchase agreements are accounted under funds provided under repurchase agreements in liability accounts. The interest expense accruals are calculated by means of internal rate of return method over the difference resulting from repurchase and sale prices for the relevant period.

Securities subject to repurchase (“reverse repo”) agreements are reflected under receivables from reverse repurchase agreements. The difference between the purchase and resell price which is related with the period is computed with the effective interest rate method for accrued interest income.

XI. INFORMATION ON ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

An asset that is classified as held for sale (or to be discarded fixed assets) is measured with its book value or cost deducted fair value, depending on the lower one. An asset to be classified asset held for sale, particular asset (or to be discarded fixed assets) should be similar to these types of assets and should be able to be sold immediately with commonly accepted terms and conditions. Asset should be marketed in line with its fair value. For selling probability to be high, relevant management level should plan the sale and should finalize the plan by determining the buyers.

Assets held for sale are comprised of tangible assets acquired due to non performing receivables, and are accounted in the financial statements in accordance with the “Regulation On The Disposals of The Commodities and Properties Acquired Due to Receivables and The Purchase and Sale of Precious Metals by Banks” dated 1 November 2006 and published on the Official Gazette No.26333.

A discontinued operation is classified as the Group’s assets discarded or assets held for sales. Information on discontinued operations is presented separately in consolidated income statement. As at reporting date, the Group does not have any discontinued operations.

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XII. INFORMATION ON GOODWILL AND OTHER INTANGIBLE ASSETS

There is no goodwill in the accompanying financial statements related to the acquisition of a subsidiary.

The Group’s intangible assets consist of software.

Intangible assets are initially recorded at their costs in compliance with the “TAS 38 - Intangible Assets”.

The costs of the intangible assets purchased before 31 December 2004 are restated from the purchasing dates to 31 December 2004, the date the hyperinflationary period is considered to be ended. The intangible assets purchased after this date are recorded at their historical costs. The intangible assets are amortized based on straight line amortization. The useful life of software is determined as 3-15 years.

If there is objective evidence of impairment, the asset’s recoverable amount is estimated in accordance with the “TAS 36 - Impairment of Assets” and if the recoverable amount is less than the carrying value of the related asset, a provision for impairment loss is made.

XIII. INFORMATION ON TANGIBLE ASSETS

The costs of the tangible assets purchased before 31 December 2004 are restated from the purchasing dates to 31 December 2004, the date the hyperinflationary period is considered to be ended. In subsequent periods no inflation adjustment is made for tangible assets, and costs which are restated as of 31 December 2004 are considered as their historical costs. Tangible assets purchased after 1 January 2005 are recorded at their historical costs after foreign exchange differences and financial expenses are deducted if any.

Gains and losses arising from the disposal of the tangible assets are calculated as the difference between the net book value and the net sales price and recognized in the income statement of the period.

Maintenance and repair costs incurred for tangible assets are recorded as expense. Expenditures incurred that extend the useful life and service capacity of the assets are capitalized.

The depreciation rates used approximate the rates of the useful life of the tangible assets are as follows:

Tangible assets	Estimated useful life (Years)	Depreciation Rate (%)
Buildings	50	2
Motor vehicles	5	20
Office equipment, furniture and fixture	3-50	2-33

There are no changes in the accounting estimates that are expected to have an impact in the current or subsequent periods.

At each reporting date, the Bank evaluates whether there is objective evidence of impairment on its assets. If there is an objective evidence of impairment, the asset’s recoverable amount is estimated in accordance with the “TAS 36 - Impairment of Assets” and if the recoverable amount is less than the carrying value of the related asset, a provision for impairment loss is made.

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XIV. INFORMATION ON LEASING ACTIVITIES

Finance leasing activities as the lessee

Tangible assets acquired by way of finance leasing are recognized in tangible assets and the obligations under finance leases arising from the lease contracts are presented under “Finance Lease Payables” account in the consolidated financial statements. In the determination of the related assets and liabilities, the lower of the fair value of the leased asset and the present value of leasing payments is considered. Financial costs of leasing agreements are expanded in lease periods at a fixed interest rate.

If there is impairment in the value of the assets obtained through financial lease and in the expected future benefits, the leased assets are valued with net realizable value. Depreciation for assets obtained through financial lease is calculated in the same manner as tangible assets.

Interest and exchange rate expenses related to financial leasing are recognized in the income statement. The Group does not provide financial leasing services as a lessor.

Finance leasing activities as the lessor

The total of minimum rent amounts are recorded at “finance lease receivables” account in gross amounts comprising the principal amounts and interests. The interest, the difference between the total of rent amounts and the cost of the fixed assets, is recorded at “unearned income” account. As the rents are collected, “finance lease receivables” account is decreased by the rent amount; and the interest component is recorded at consolidated income statement as interest income.

Operational leases

Transactions regarding operational lease agreements are accounted on an accrual basis in accordance with the terms of the related contracts.

Lease payments made under operational leases are recognized in the income statement over the lease term in equal installments.

XV. INFORMATION ON PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions and contingent liabilities are provided for in accordance with the “TAS 37 - Provisions, Contingent Liabilities and Contingent Assets”, except for the general and specific provisions set aside for the loans and other receivables.

Provisions are recognized when the Bank has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of obligation can be made.

A provision for contingent liabilities arising from past events should be recognized in the same period of occurrence if it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate the amount of the obligation can be made.

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XVI. INFORMATION ON LIABILITIES REGARDING EMPLOYEE BENEFITS

Reserve for employee termination benefits

In accordance with existing Turkish Labor Law, the Group is required to make lump-sum termination indemnities to each employee who has completed one year of service with the Bank and whose employment is terminated due to retirement or for reasons other than resignation or as mentioned in related legislation. The computation of the liability is based upon the retirement pay ceiling announced. The applicable ceiling amount as at 31 December 2015 is TL 3,828 (full TL) (31 December 2014: TL 3,438 (full TL)).

The Group reserved for employee severance indemnities in the accompanying consolidated financial statements using actuarial method in compliance with the updated TAS 19 - Employee Benefits. Accumulated all actuarial gains and losses in equity are recognized in retained earnings.

As at 31 December 2015 and 31 December 2014, the major actuarial assumptions used in the calculation of the total liability are as follows:

The Parent Bank	Current Period	Prior Period
Discount Rate	%3.12	%2.84
Expected Rate of Salary/Limit Increase	%7.56	%5.00
Estimated Employee Turnover Rate	%5.30	%5.44
Subsidiary	Current Period	Prior Period
Discount Rate	%3.12	%2.84
Expected Rate of Salary/Limit Increase	%7.56	%5.00
Estimated Employee Turnover Rate	%1.70	%0.00

Other benefits to employees

The Group has provided provision for undiscounted short-term employee benefits earned during the financial period as per services rendered in compliance with the updated TAS 19 in the accompanying consolidated financial statements.

XVII. INFORMATION ON TAX APPLICATIONS

Corporate tax

The corporate tax rate is 20%. Corporate tax rate is calculated on the total income of the Group after adjusting for certain disallowable expenses, exempt income and other allowances. No further tax is payable unless the profit is distributed.

Dividends paid to the resident institutions and the institutions working through local offices or representatives are not subject to withholding tax. The withholding tax rate on the dividend payments other than the ones paid to the non-resident institutions generating income in Turkey through their operations or permanent representatives and the resident institutions is 15%.

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XVII. INFORMATION ON TAX APPLICATIONS (Continued)

In applying the withholding tax rates on dividend payments to the non-resident institutions and the individuals, the withholding tax rates covered in the related Double Tax Treaty Agreements are taken into account. Appropriation of the retained earnings to capital is not considered as profit distribution and therefore is not subject to withholding tax.

The prepaid taxes are calculated and paid at the rates valid for the earnings of the related years. The payments can be deducted from the annual corporate tax calculated for the whole year earnings.

Tax losses can be carried forward for a maximum period of five years following the year in which the losses were incurred. Tax losses cannot be carried back.

In Turkey, there is no procedure for a final and definite agreement on tax assessments. Companies file their tax returns with their tax offices by the end of 25th of the fourth month following the close of the accounting period to which they relate. Tax declarations and related accounting entries can be investigated by tax authorities for five years from the beginning of the year that follows the date of filing during which time the tax authorities have the right to audit tax returns, and the related accounting records on which they are based, and may issue re-assessments based on their findings.

Investment incentive

Investment incentive certificates which are obtained prior to April 24, 2003, can deduct 19.8% investment allowance tax withholding. After this date, encouraging, undocumented activities directly related to the investment expenses of companies can deduct 40%. There is no withholding tax for the investments without investment incentive certificates.

As the matter of fact, the Group's subsidiary which operates in the leasing sector has taken advantage of the investment allowances while arranging the corporate tax returns for the year 2015 that are not depended on withholdings which were gained during the incentive certificateless investment expenses after 24 April 2003.

Deferred taxes

The Group calculates and accounts deferred tax assets and liabilities in accordance with the “TAS 12 - Income Taxes”; deferred tax assets and liabilities are recognized on all taxable temporary differences arising between the carrying values of assets and liabilities in the consolidated financial statements and their corresponding balances used for taxation purposes except for the differences not deductible for tax purposes and initial recognition of assets and liabilities which affect neither accounting nor taxable profit.

If transactions and events are recorded in the statement of income, then the related tax effects are also recognized in the statement of income. However, if transactions and events are recorded directly in the shareholders' equity, the related tax effects are also recognized directly in the shareholders' equity.

The net amount of deferred tax receivables and deferred tax payables is shown on the financial tables.

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XVII. INFORMATION ON TAX APPLICATIONS (Continued)

Transfer Pricing

In Turkey, the transfer pricing provisions has been stated under the Article 13 of Corporate Tax Law with the heading of “Disguised Profit Distribution via Transfer Pricing”. “The General Communiqué on disguised profit distribution via Transfer Pricing”, dated 18 November 2007 sets details about implementation.

If the companies enter into transactions concerning to the sale or the purchase of the goods or services with the related parties by setting the prices or amounts which are not in line with the arm’s length principle, related profits will be treated as having been wholly or partially distributed in a disguised way via transfer pricing. This kind of disguised profit distribution via transfer pricing cannot be deducted from tax base in accordance with corporate tax.

XVIII. ADDITIONAL INFORMATION ON BORROWINGS

Except for financial liabilities that are classified as held for trading derivatives which carried at fair values, all other financial liabilities are initially recognized at cost including transaction costs and re-measured at amortized cost using the effective interest rate method.

The Group did not issue any stocks convertible into bonds.

The Group does not have borrowing instruments issued by itself.

XIX. INFORMATION ON SHARE ISSUANCES

The Group has not issued any share in the year.

XX. INFORMATION ON BILLS OF EXCHANGES AND ACCEPTANCES

Acceptances are realized simultaneously with the payment dates of the clients and they are presented as commitments in off-balance sheet accounts.

There are no acceptances presented as liabilities against any assets.

XXI. INFORMATION ON GOVERNMENT INCENTIVES

According to the Income Tax Legislation Temporary Article 61, A&T Finansal Kiralama A.Ş. has unused investment allowances that are subject to withholding amounting TL 8,237 (31 December 2014: TL 7,801) and TL 545 (31 December 2014: TL 6,329) investment allowances that are not subject to withholding according to the Income Tax Legislation Temporary Article 19 as of 31 December 2015. All of these amounts were utilized in 31 December 2015 Temporary Tax period and there are no investment allowances to be utilized that are transferred to 2016 and future years.

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XXII. INFORMATION ON SEGMENT REPORTING

Operating segment is the unit that operates in only one product or service of the Group or the group of products or services which are related each other and differs from other units from the point of risk and profit. Operating segments are presented in the footnote X of Fourth Section.

XXIII. OTHER DISCLOSURES

Profit reserves and profit distribution

Retained earnings as per the statutory consolidated financial statements other than legal reserves are available for distribution, subject to legal reserve requirement referred to below.

The legal reserves are comprised of first and second reserves, in accordance with the Turkish Commercial Code (“TCC”). The first legal reserve is appropriated out of the profits at the rate of 5% until the total reserve reaches a maximum of 20% of the Parent Bank’s paid in capital. The second legal reserve is appropriated at the rate of 10% of all distributions in excess of the 5% of the Company’s share capital; however holding companies are not subject to this application. First and second legal reserves can only be used to compensate accumulated losses and cannot be used for profit distribution unless they exceed 50% of paid-in capital.

Related parties

In accompanying consolidated financial statements, shareholders, key management personnel and board members together with their families and companies controlled by or affiliated by them associated and jointly controlled entities are considered as Related Parties in compliance with “TAS 24 - Related Party Disclosures”. Related parties are presented VII footnote of Fifth Section.

Cash and cash equivalents

In the cash flows statements “Cash” refers to cash in vault, cash in transit, bank cheques purchased and demand deposits in banks including Central Bank of Turkey; “Cash equivalent” refers to money market placements and time deposits at banks which has original maturity less than three months.

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SECTION FOUR

INFORMATION ON THE CONSOLIDATED FINANCIAL POSITION OF THE GROUP

I. INFORMATION ON CONSOLIDATED CAPITAL ADEQUACY RATIO

The method used for risk measurement in determining capital adequacy standard ratio; Capital Adequacy Standard Ratio is calculated in accordance with "Communiqué on Measurement and Assessment of Capital Adequacy of Banks ", "Communiqué on Credit Risk Mitigation Techniques", "Communiqué on Calculation of Risk Weighted Amounts for Securitizations" published on 6 September 2014 and Official Gazette numbered 29111 and "Communiqué on Equities of Banks" published on 5 September 2013 in the Official Gazette numbered 28756. The Group's consolidated capital adequacy ratio is occurred 17.78% (31 December 2014: 15.23%) in accordance with the related Communiqué as of 31 December 2015.

The risk measurement methods used in the determination of the capital adequacy ratio:

In the calculation process of capital adequacy ratio, the data which are compatible with current regulations are used. In this case, the market and credit risk are also taken into account as "Trading Accounts" and "Banking Accounts".

The items which are deducted from trading accounts and shareholders' equity are not considered in the calculation of the credit risk. Depleted and amortized assets are taken into consideration by net amounts which are calculated by the deduction of depreciation cost and provisions.

The amount subject to credit risk for non-cash loans and commitments are converted credit by using the conversion rates which are defined in the 5th article of "Regulation on Measurement and Evaluation of Capital Adequacy of Banks". Besides, the provisions which are defined in "Regulation on Procedures and Principles for Determination of Qualifications of Loans and Other Receivables by Banks and Provisions to Be Set Aside" and taken place at the liability side of the balance sheet are also taken into consideration. And classified to the relevant risk class by regarding the 6th article of "Regulation on Credit Risk Mitigation Techniques" and the risk is weighted in accordance with the same regulations Annex-1.

In the calculation of the the amount subject to credit risk for Derivative Financial Instruments and Credit Derivative Contracts transactions in the banking accounts, the counterparty receivables are converted into credit by using conversion rates stated in Annex-2 of the regulation and subjected, be subjected to risk mitigation regarding "Regulation on Credit Risk Mitigation Techniques", classified to the relevant risk class by regarding the 6th article of regulation and the risk is weighted in accordance with Annex-1 of the regulation. In accordance with Article 5 of regulation, "Counterparty Credit Risk" is calculated for repo transactions, securities, commodities lending transactions. "Fair Value Valuation Method" is used in counterparty credit risk calculation.

Value at operational risk (VOR) is calculated in accordance with the Basic Indicator Method and is included in the capital adequacy ratio calculation.

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I. INFORMATION ON CONSOLIDATED CAPITAL ADEQUACY RATIO (Continued)

Information on Parent Bank and consolidated capital adequacy standard ratio

	The Parent Bank							
	%0	%10	%20	%50	%75	%100	%150	%200
The amount subject to credit risk	862,023	-	466,996	2,269,238	-	1,519,020	52,011	-
Risk Types								
Contingent and Non-Contingent Receivables from Sovereign Governments and Central Banks	853,038	-	-	231,018	-	-	-	-
Contingent and Non-Contingent Receivables from Regional Governments and Local Authorities	-	-	-	-	-	-	-	-
Contingent and Non-Contingent Receivables from Administrative Units and Non-commercial Enterprises	-	-	-	-	-	-	-	-
Contingent and Non-Contingent Receivables from Multilateral Development Banks	-	-	-	-	-	-	-	-
Contingent and Non-Contingent Receivables from International Organizations	-	-	-	-	-	-	-	-
Contingent and Non-Contingent Receivables from Banks and Financial Intermediaries	-	-	466,996	2,009,650	-	40,392	-	-
Contingent and Non-Contingent Corporate Receivables	-	-	-	-	-	1,369,792	-	-
Contingent and Non-Contingent Retail Receivables	-	-	-	-	-	-	-	-
Contingent and Non-Contingent Receivables Secured by Property	-	-	-	28,570	-	10,602	-	-
Past Due Loans	-	-	-	-	-	1,583	-	-
Higher-Risk Receivables Defined by BRSA	-	-	-	-	-	-	52,011	-
Marketable Securities Collateralized Mortgages	-	-	-	-	-	-	-	-
Securitization Exposures	-	-	-	-	-	-	-	-
Short-Term Receivables from Banks and Corporate	-	-	-	-	-	-	-	-
Undertakings for Collective Investments in Mutual Funds	-	-	-	-	-	-	-	-
Other Receivables	8,985	-	-	-	-	96,651	-	-

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I. INFORMATION ON CONSOLIDATED CAPITAL ADEQUACY RATIO (Continued)

	Consolidated							
	%0	%10	%20	%50	%75	%100	%150	%200
The amount subject to credit risk	862,699	-	489,168	2,291,695	-	1,703,262	52,011	-
<i>Risk Types</i>								
Contingent and Non-Contingent Receivables from Sovereign Governments and Central Banks	853,713	-	-	231,018	-	-	-	-
Contingent and Non-Contingent Receivables from Regional Governments and Local Authorities	-	-	-	-	-	-	-	-
Contingent and Non-Contingent Receivables from Administrative Units and Non-commercial Enterprises	-	-	-	-	-	-	-	-
Contingent and Non-Contingent Receivables from Multilateral Development Banks	-	-	-	-	-	-	-	-
Contingent and Non-Contingent Receivables from International Organizations	-	-	-	-	-	-	-	-
Contingent and Non-Contingent Receivables from Banks and Financial Intermediaries	-	-	489,168	2,032,107	-	40,392	-	-
Contingent and Non-Contingent Corporate Receivables	-	-	-	-	-	1,617,384	-	-
Contingent and Non-Contingent Retail Receivables	-	-	-	-	-	-	-	-
Contingent and Non-Contingent Receivables Secured by Property	-	-	-	28,570	-	10,602	-	-
Past Due Loans	-	-	-	-	-	1,583	-	-
Higher-Risk Receivables Defined by BRSA	-	-	-	-	-	-	52,011	-
Marketable Securities Collateralized Mortgages	-	-	-	-	-	-	-	-
Securitization Exposures	-	-	-	-	-	-	-	-
Short-Term Receivables from Banks and Corporate	-	-	-	-	-	-	-	-
Undertakings for Collective Investments in Mutual Funds	-	-	-	-	-	-	-	-
Other Receivables	8,986	-	-	-	-	33,301	-	-

Capital adequacy ratio

	The Parent Bank		Consolidated	
	Current period	Prior Period	Current period	Prior Period
Required Capital for Credit Risk (Amount Based to Credit Risk*0.08) (RCFCR)	226,004	244,896	241,997	258,813
Required Capital for Market Risk (RCFMR)	23,532	19,129	23,605	19,702
Required Capital for Operational Risk (RCFOR)(*)	20,081	17,568	21,792	18,905
Shareholders' Equity	627,324	557,034	638,698	566,164
Shareholders' Equity/((RCFCR+RCFMR+RCFOR) *12.5*100)	18.61	15.83	17.78	15.23
Tier 1 Capital/((RCFCR+RCFMR+RCFOR) *12.5*100)	18.02	15.27	17.22	14.70
Common Equity Tier 1 Capital/((RCFCR+RCFMR+RCFOR) *12.5*100)	18.07	15.33	17.27	14.77

(*) In accordance with the BDDK, 6 September 2014 dated BRSA circular, capital adequacy ratio as at 2015, value at operational risk is being calculated based on gross incomes for the years ended 2014, 2013 and 2012

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I. INFORMATION ON CONSOLIDATED CAPITAL ADEQUACY RATIO (Continued)

Information on Consolidated Shareholders' Equity

	Current Period	Prior Period
COMMON EQUITY TIER 1 CAPITAL	620,429	549,033
Paid-in capital(*)	437,732	438,209
Share premium	-	-
Share cancellation profit	-	-
Legal reserves	17,472	13,649
Income passed on to shareholders' equity in accordance with Turkey Accounting Standards (TAS).	-	-
Profit	158,331	89,661
Net Income for current period	72,493	72,127
Prior period profit	85,838	17,534
Provisions for possible risks	9,000	9,000
Bonus shares of Associates, Subsidiaries and Joint-Ventures	-	-
Minority Shares	-	-
Common Equity Tier 1 Capital Before Deductions	622,535	550,519
Deductions From Common Equity Tier 1 Capital	2,106	1,486
Loss excess of reserves and loss passed on to shareholders' equity in accordance with Turkey Accounting Standards (TAS) (-)	-	-
Leasehold Improvements (-)	912	850
Goodwill and other intangible assets and related deferred tax liabilities. (-)	1,194	636
Net deferred tax income/expense (-)	-	-
Shares noncompliant with article 56/4 of the Law (-)	-	-
Direct or indirect investments on Bank's own Common Tier 1 Capital (-)	-	-
Total net long position exceeding 10% of Bank's Common Tier 1 capital, belonging to investments on own funds of banks and financial institutions that are not consolidated, with a shareholding of 10% and below	-	-
Total net long position exceeding 10% of Bank's Common Tier 1 capital, belonging to investments on own funds of banks and financial institutions that are not consolidated, with a shareholding of 10% and above	-	-
Rights of providing mortgage service exceeding 10% of Common Tier 1 capital (-)	-	-
Deferred tax assets based on temporary differences exceeding 10% of Common Tier 1 capital (-)	-	-
Balances in accordance with the temporary article 2/2 of Regulation on Shareholders' Equity of Banks exceeding 15% of Common Tier 1 capital (-)	-	-
Excess amount arising from total net long position belonging to investments on Common Tier 1 Capital of banks and financial institutions that are not consolidated, with a shareholding above 10%	-	-
Excess amount arising from rights of providing mortgage service (-)	-	-
Excess amount arising from deferred tax assets based on temporary differences (-)	-	-
Other items determined by board (-)	-	-
Deduction amount from Common Tier 1 Capital in case of shortage of additional Tier 1 capital or supplementary capital (-)	-	-
Total Deductions From Common Equity Tier 1 Capital	2,106	1,486
Total Common Equity Tier 1 Capital	620,429	549,033

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I. INFORMATION ON CONSOLIDATED CAPITAL ADEQUACY RATIO (Continued)

Information on Consolidated Shareholders' Equity (Continued)

	Current Period	Prior Period
ADDITIONAL TIER 1 CAPITAL	-	-
Premiums of privilege share capital not included in Common Equity Tier 1 capital	-	-
Debt instruments which is seen appropriate by corporation and premiums in accordance with these instruments (Issued after 1.1.2015)	-	-
Debt instruments which is seen appropriate by corporation and premiums in accordance with these instruments (Issued before 1.1.2015)	-	-
Supplementary capital shares of third parties	-	-
Additional Tier 1 Capital Before Deductions	-	-
Deductions From Additional Tier 1 Capital	-	-
Direct or indirect investments which bank provides for its' own additional Tier 1 capital (-)	-	-
10% exceed part of Common Tier 1 capital of bank from the sum of partnership share on banks and financial institutions that are not consolidated, with a shareholding less than 10% (-)	-	-
10% exceed part of Common Tier 1 capital of bank from the sum of partnership share on banks and financial institutions that are not consolidated, with a shareholding of 10% and above (-)	-	-
Other items determined by board (-)	-	-
Deduction amount of additional core capital in case of there is not enough additional core capital or supplementary capital (-)	-	-
Total Deductions From Additional Tier 1 Capital	-	-
Total Additional Tier 1 Capital	-	-
Deductions From Tier 1 Capital	1,792	2,543
Non deducted Common Tier 1 capital part in accordance with deferred tax expense and goodwill impairment and other intangible fixed assets which is in temporary article 2/1 of Regulation of Shareholders' Equity of Banks. (-)	1,792	2,543
Non deducted Common Tier 1 capital part in accordance with net deferred tax income/expense which is in temporary article 2/1 of Regulation of Shareholders' Equity of Banks. (-)	-	-
Total Tier 1 Capital	618,637	546,490
SUPPLEMENTARY CAPITAL	20,070	19,684
Debt instruments which is seen appropriate by corporation and premiums in accordance with these instruments (Exported after 1.1.2015)	-	-
Debt instruments which is seen appropriate by corporation and premiums in accordance with these instruments (Exported before 1.1.2015)	-	-
Pledged sources to bank from shareholders which is used for share capital increasing of bank	-	-
General Provisions	20,070	19,684
Supplementary capital shares of third parties	-	-
Supplementary Capital Before Deductions	20,070	19,684
Deductions From Supplementary Capital	-	-
Direct or indirect investments which bank provides for its' own supplementary capital (-)	-	-
10% exceed part of Common Tier 1 capital of bank from the sum of partnership share on banks and financial institutions that are not consolidated, with a shareholding less than 10% (-)	-	-
10% exceed part of Common Tier 1 capital of bank from the sum of partnership share on banks and financial institutions that are not consolidated, with a shareholding of 10% and above (-)	-	-
Other items determined by board (-)	-	-
Total Deductions From Supplementary Capital	-	-
Total Supplementary Capital	20,070	19,684

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Information on Consolidated Shareholders' Equity (Continued)

	Current Period	Prior Period
CAPITAL	638,707	566,174
Loans extended being noncompliant with articles 50 and 51 of the Law (-)	-	-
Net book values of properties owned, exceeding 50% of banks' equity and properties, and trade goods overtaken in exchange for loans and receivables that should be disposed within five years in accordance with article 57 of the Law, but not yet disposed (-)	9	10
Investments to loans extended to banks, financial institutions (domestic and abroad) and qualified shareholders, like secondary subordinated loan and debt instruments purchased from these institutions issued, like primary and secondary subordinated loan (-)	-	-
Deduction from equity in accordance with 2nd article of 20th item in Regularity of Measurement and Valuation of Capital Adequacy of Banks (-)	-	-
Other accounts determined by board (-)	-	-
Non deducted part of Common Tier 1 capital, additional core and supplementary capital in accordance with temporary article 2/1 of Regulation of Shareholders' Equity of Banks which is 10% exceed part of Common Tier 1 capital of bank from the sum of partnership share on banks and financial institutions that are not consolidated, with a shareholding less than 10% (-)	-	-
Non deducted part of Common Tier 1 capital, additional core and supplementary capital in accordance with temporary article 2/1 of Regulation of Shareholders' Equity of Banks which is 10% exceed part of Common Tier 1 capital of bank from the sum of partnership share on banks and financial institutions that are not consolidated, with a shareholding of 10% or above (-)	-	-
Non deducted part of Common Tier 1 capital generating from exceed amount generating from investments to Common Tier 1 capital of partnership share on banks and financial institutions that are not consolidated, with a shareholding of 10% and above, temporary differences of deferred tax income and the right of offering mortgage services explained in the 1st and 2nd paragraphs of temporary article 2 of Regulation of Shareholders' Equity of Banks. (-)	-	-
SHAREHOLDERS' EQUITY	638,698	566,164
Amounts Below Overrun Amounts In Applied Reducing Procedures	-	-
Amount generating from long position of investments to shareholders' equity and partnership share on banks and financial institutions that are not consolidated, with a shareholding less than 10%	-	-
Amount generating from long position of investments to shareholders' equity and partnership share on banks and financial institutions that are not consolidated, with a shareholding of 10% or above.	-	-
Amount generating from right of offering mortgage service	-	-
Amount generating from temporary differences of deferred income tax income	-	-

(*) The amount contains TL (2,268) actuarial loss/gain amount that accounted under "Other Reserves" according to TAS 19 (31 December 2014: (1,791) TL).

Informations on factors of temporary practice about shareholders' equity calculation:

	Consolidated	
	Considered Amount of Current Period Shareholders' Equity Calculation	Total Amount
Common Tier 1 capital share amount of minority shareholders	-	-
Additional core capital share amount of third parties	-	-
Supplementary capital share amount of third parties	-	-
Debt instruments which is seen appropriate by corporation and premiums in accordance with these instruments (Exported before 1.1.2014)	-	-

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I. INFORMATION ON CONSOLIDATED CAPITAL ADEQUACY RATIO (Continued)

Informations on addition debt instruments to shareholders’ equity calculating:

Exporter	-
Code of debt instrument (CUSIP, ISIN etc.)	-
Legislation of debt instrument	-
Attention Situation of Shareholders’ Equity	
Situation of subjection to practice of being taken into consideration with 10% deduction (after 1.1.2015)	-
Validity situation of consolidated or unconsolidated based or consolidated and unconsolidated based.	-
Type of debt instrument	-
Considered amount of shareholders’ equity calculation. (By last report date of – Million TL)	-
Nominal value of debt instrument (Million TL)	-
Related account of debt instrument	-
Export date of debt instrument	-
Maturity structure of debt instrument (demand/term)	-
Beginning term of debt instrument	-
Whether there is right of reimbursement of exporter or not according to Banking Regulation and Supervision Agency (BRSA) rules.	-
Optional reimbursement date, options of conditional reimbursement and reimbursement amount.	-
Following reimbursement option dates	-
Interest/Dividend Payments	
Fixed or floating interest/dividend payments	-
Interest rate and index value of interest rate	-
Whether there is any restriction to stop payment of capital bonus or not	-
Feature of being full optional, partially optional or obligatory	-
Whether there is any stimulant to repayment like interest rate hike or not	-
Feature of being cumulative or noncumulative	-
Feature of being convertible bonds	
If there’s convertible bonds, trigger incidents cause this conversion	-
If there’s convertible bonds, feature of full or partially conversion	-
If there’s convertible bonds, rate of conversion	-
If there’s convertible bonds, feature of conversion -obligatory or optional-	-
If there’s convertible bonds, types of convertible instruments	-
If there’s convertible bonds, exporter of convertible debt instruments	-
Feature of value reduction	
If there is feature of value reduction, trigger incidents cause this value reduction	-
If there is feature of value reduction, feature of full or partially reduction of value	-
If there is feature of value reduction, feature of being constant or temporary	-
If the value can be reduced temporarily, mechanism of value incrementation	-
Claiming rank in case of winding up (Instrument that is just above debt instrument)	-
Whether being provided with conditions of the 7 th and 8 th articles of Shareholders’ Equity of Banks Regulation	-
Has or has not been provided with which conditions of the 7 th and 8 th articles of Shareholders’ Equity of Banks Regulation	-

The Parent Bank’s internal capital requirements within the scope of the internal capital adequacy assessment process in order to evaluate the adequacy of the approach in terms of current and future activities

The Parent Bank has procedures and reports under the name of internal capital assessment process. In order to assess the capital adequacy of the 2015, the Parent Bank analyze the legal ratios and budget expectations to qualitate them for the effect on the legal capital adequacy and economic capital of the Parent Bank. With these procedures and reports the Parent Bank covers all risk in capital adequacy requirements.

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II. INFORMATION ON CONSOLIDATED CREDIT RISK

1. For Credit Risk Analysis;

Information on risk concentrations by debtors or group of debtors or geographical regions and sectors, basis for risk limits and the frequency of risk appraisals

For credit risk analysis, cash and non-cash loans granted to a debtor or debtors’ group is subject to a risk classification in proportion to the Bank’s shareholders’ equity. In addition the geographical regions and sectoral distribution is investigated periodically and distributions are revised according to the market conditions. The general and other periodical limits of a firm are renewed every year and the extending of loans throughout the day is made with the mentioned limits.

Information on determination and distribution of risk limits for daily transactions, monitoring of risk concentrations related to off-balance sheet items per customer and dealer basis

Limit assignments, controls over loan granting process, marketing strategies, matters related to the daily operations and pay-back process are determined in the Bank’s credit procedures. Issues related to the daily based transactions (especially extending of cash loans) are managed in coordination with Credits Division, Risk Management Department, Treasury, Financial Institutions Division and Central Operations Departments

Information on periodical analysis of creditworthiness of loans and other receivables per legislation, inspection of account vouchers taken against new loans, if not inspected, the reasons for it, credit limit renewals, collaterals against loans and other receivables

Loans and other receivables are being followed periodically as per the “Regulation on the Principals and Procedures Related to the Determination of the Loans and Other Receivables for which Provisions shall be set aside By Banks and to the Provisions to be set aside”.

Consolidated financial statements of the debtors are examined as per the regulation, loan limits are being updated in parallel to the economic conditions under the authorization of the Credit Evaluation Committee and the Top Management. The Bank obtains sufficient guarantees for the loans and the other receivables. Firms that the Bank works with credit is composed of the top level firms of Turkey, therefore most of the collaterals taken are “firm signature or guarantee”. Beside from this third party guarantees, furthermore mortgage, other bank guarantees, cash blockage, customer or personal checks are also obtained. The guarantees obtained are in parallel with the market conditions and other banks collateral conditions.

The new rating system announced in 2013. System is rating to all credit customers based on qualification and quantity estimating to accomplish financial data entries and answering subjective questions. Scala of the grating is between “D” and “AAA+”. D is the minimum grade, AAA+ is the maximum grade and there is 22 grades in scala.

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II. INFORMATION ON CONSOLIDATED CREDIT RISK (Continued)

The table below shows the distribution of corporate and commercial loans grades in respect of weight as of 31 December 2015:

Grade	Description	Current Period	Prior Period
		Weight	
AA	Maximum Reliability	% 1	% 1
AA-	Maximum Reliability	% 4	% 3
A+	Very Good Firm	% 16	% 7
A	Very Good Firm	% 14	% 9
A-	Very Good Firm	% 13	% 11
BBB+	Reliable and Qualified	% 14	% 15
BBB	Reliable and Qualified	% 13	% 16
BBB-	Reliable and Qualified	% 13	% 18
BB+	Low Reliably and risky	% 4	% 11
BB	Low Reliably and risky	% 4	% 5
BB-	Low Reliably and risky	% 3	% 3
B+	Weak	-	% 1
D	Bankruptcy	% 1	-

The rating distribution above does not include retail loans and loans granted to banks.

Accounting applications, the definition of non-performing and impaired elements

Determining the Nature of Loans and Other Receivables and Allocation Regulation on Procedures and Principles Regarding Provisions under Article 4, Third, Fourth and Fifth classified in groups of all receivables, accrued interest and similar charges interest on the principal amount owed whether or not additional or refinance, regardless of whether or not the non-performing loans are considered impaired.

Although there are probable repayment, interest due to various reasons justify the collection of principal or interest payments, more than thirty days from the maturity date or dates to be paid late, but without the condition of the third group delay time required for classification as non-performing receivables are defined.

Value adjustments and provisions methods and approaches

Classification of the elements described above, and taking into account the Bank's loans and other receivables, from the date of the third group of at least twenty percent (20%), from the date of the fourth group of at least fifty percent (50%), from the date of the fifth Group One hundred percent (% 100) by a special provision.

In addition to the specific provisions of qualified cash loans of the Bank's standard one percent of the total (1%), and letters of credit, guarantees and sureties and other non-cash loans the two thousandth of the total (0.2%) percent and two percent of the total cash loans under close monitoring (2%), and letters of credit, guarantees and sureties and other four thousandths of the total non-cash loans (0.4%) rate the overall provision.

The subsidiary of the Parent Bank that operates in financial leasing sector provide at least 20% provision for the leasing receivables if both or one of the principal or interest are overdue by 90 days, provide at least 50% provision for overdue by 180 days, provide 100% provision for overdue by a year.

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II. INFORMATION ON CONSOLIDATED CREDIT RISK (Continued)

As at 31 December 2015 the rating distribution of Parent Bank's financial instruments is as follows:

Financial asset at fair value through profit or loss	Rating Agency	Government Bonds	Private Sector Bonds	Private Bank Bonds	Derivatives	Total
Aaa	Moody's	-	-	-	-	-
Between Aa3 Aa1	Moody's	-	-	-	-	-
Between A3 A1	Moody's	-	-	-	-	-
Between Baa3 Baa1	Moody's	-	-	-	-	-
Between BBB-BBB						
+	Fitch	116,041	4,367	81,522	-	201,930
Between Ba3 Ba1	Moody's	-	-	-	-	-
Between BB – BB +	Fitch	-	-	-	-	-
Between B3 B1	Moody's	-	-	6,412	-	6,412
Between Caa1 and less	Moody's	-	-	-	-	-
Not rated		-	-	-	-	-
Total		116,041	4,367	87,934	-	208,342

Investments held to maturity	Rating Agency	Government Bonds	Private Sector Bonds	Private Bank Bonds	Derivatives	Total
Aaa	Moody's	-	-	-	-	-
Between Aa3 Aa1	Moody's	-	-	-	-	-
Between A3 A1	Moody's	-	-	-	-	-
Between Baa3 Baa1	Moody's	-	-	-	-	-
Between BBB-BBB						
+	Fitch	232,058	-	4,287	-	236,345
Between Ba3 Ba1	Moody's	-	-	-	-	-
Between BB – BB +	Fitch	-	-	-	-	-
Between B3 B1	Moody's	-	-	-	-	-
Between Caa1 and less	Moody's	-	-	-	-	-
Not rated		-	-	45,213	-	45,213
Total		232,058	-	49,500	-	281,558

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II. INFORMATION ON CONSOLIDATED CREDIT RISK (Continued)

As at 31 December 2014 the rating distribution of Parent Bank's financial instruments is as follows:

Financial asset at fair value through profit or loss	Rating Agency	Government Bonds	Private Sector Bonds	Private Bank Bonds	Derivatives	Total
Aaa	Moody's	-	-	-	-	-
Between Aa3 Aa1	Moody's	-	-	-	-	-
Between A3 A1	Moody's	-	-	-	425	425
Between Baa3 Baa1	Moody's	-	-	-	-	-
Between BBB-BBB +	Fitch	57,019	3,467	86,996	357	147,839
Between Ba3 Ba1	Moody's	-	-	-	-	-
Between BB – BB +	Fitch	-	-	-	-	-
Between B3 B1	Moody's	-	-	5,234	-	5,234
Between Caa1 and less	Moody's	-	-	-	-	-
Not rated		-	-	9,933	-	9,933
Total		57,019	3,467	102,163	782	163,431

Investments held to maturity	Rating Agency	Government Bonds	Private Sector Bonds	Private Bank Bonds	Derivatives	Total
Aaa	Moody's	-	-	-	-	-
Between Aa3 Aa1	Moody's	-	-	-	-	-
Between A3 A1	Moody's	-	-	-	-	-
Between Baa3 Baa1	Moody's	-	-	-	-	-
Between BBB-BBB +	Fitch	115,735	-	3,376	-	119,111
Between Ba3 Ba1	Moody's	-	-	-	-	-
Between BB – BB +	Fitch	-	-	-	-	-
Between B3 B1	Moody's	-	-	-	-	-
Between Caa1 and less	Moody's	-	-	-	-	-
Not rated		-	-	22,566	-	22,566
Total		115,735	-	25,942	-	141,677

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II. INFORMATION ON CONSOLIDATED CREDIT RISK (Continued)

Credit risk is the risk reduction effects without taking into consideration the total amount of exposures after offsetting transactions with the related risks are differentiated according to the different risk classes and the types of the average amount for the period

	2014												
Risk Classifications	January	February	March	April	May	June	July	August	September	October	November	December	Average
Contingent and Non-Contingent Receivables from Sovereign Governments and Central Banks	494,821	604,383	665,379	658,924	796,286	694,952	846,714	896,762	956,006	932,776	1,092,869	1,084,731	810,384
Contingent and Non-Contingent Receivables from Regional Governments and Local Authorities	-	-	-	-	-	-	-	-	-	-	-	-	-
Contingent and Non-Contingent Receivables from Administrative Units and Non-commercial Enterprises	-	-	-	-	-	-	-	-	-	-	-	-	-
Contingent and Non-Contingent Receivables from Multilateral Development Banks	-	-	-	-	-	-	-	-	-	-	-	-	-
Contingent and Non-Contingent Receivables from International Organizations	-	-	-	-	-	-	-	-	-	-	-	-	-
Contingent and Non-Contingent Receivables from Banks and Financial Intermediaries	2,713,470	2,677,662	2,565,991	2,473,977	2,011,386	2,337,261	2,223,695	2,243,842	2,522,993	2,535,456	2,599,622	2,602,338	2,458,975
Contingent and Non-Contingent Corporate Receivables	1,665,698	1,657,391	1,837,497	1,775,725	1,717,987	1,753,112	1,772,959	1,827,783	1,962,725	1,841,489	1,663,533	1,620,378	1,758,023
Contingent and Non-Contingent Retail Receivables	-	-	-	-	-	-	-	-	-	-	-	-	-
Contingent and Non-Contingent Receivable Secured by Property	57,395	39,775	38,913	38,292	36,987	37,726	38,912	41,130	42,269	39,255	40,062	39,201	40,826
Past Due Loans	1,878	2,560	2,604	2,961	2,961	22,759	21,742	11,620	22,279	13,876	13,097	1,943	10,023
Higher-Risk Receivables Defined by BRSA	265,992	211,297	228,214	331,754	359,342	354,332	348,411	326,628	330,548	202,950	185,833	174,069	276,614
Marketable Securities Collateralized Mortgages	-	-	-	-	-	-	-	-	-	-	-	-	-
Securitization Exposures	-	-	-	-	-	-	-	-	-	-	-	-	-
Short-Term Receivables from Banks and Corporate	-	-	-	-	-	-	-	-	-	-	-	-	-
Undertakings for Collective Investments in Mutual Funds	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Receivables	34,048	44,156	54,498	43,994	43,311	42,394	44,347	46,790	50,183	46,329	40,006	42,287	44,362
Total exposure to risks	5,233,302	5,237,224	5,393,096	5,325,627	4,968,260	5,242,536	5,296,780	5,394,555	5,887,003	5,612,131	5,635,022	5,564,947	5,399,207

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II. INFORMATION ON CONSOLIDATED CREDIT RISK (Continued)

2. Information on the control limits of the Parent Bank for forward transactions, options and similar contracts, management of credit risk for these instruments together with the potential risks arising from market conditions

The Parent Bank evaluates and manages credit risks that are generated from forward transactions and similar contracts together with potential risks in the market.

3. Information on whether the Parent Bank decreases the risk by liquidating its forward transactions, options and similar contracts in case of facing a significant credit risk or not

The Parent Bank tries to mitigate the total risk if it's exposed to huge amount of risk over the forward transactions.

4. For Credit Risk Analysis;

Information on whether the indemnified non-cash loans are evaluated as having the same risk weight with non-performing loans or not

Indemnified non-cash loans are evaluated as having the same risk weight with cash loans which are collected upon maturity. These loans are classified according to their commitments and are recorded under the follow-up accounts.

Information on whether the loans that are structured and rescheduled are included in a new rating group as determined by the Bank's risk management system, other than the follow-up plan defined in the banking regulations or not; whether new precautions are taken for these methods or not; whether the Bank's risk management accepts long term commitments as having more risk than short term commitments which results in a diversification of risk or not

The Parent Bank acts in frame of the related regulations for the loans that are structured and rescheduled. On the other hand, while doing risk evaluation of the loans and commitments, maturity issue is also taken into consideration.

5. For Credit Risk Analysis;

Evaluation of the significance of country specific risk if the banks have foreign operations and credit transactions in a few countries or these operations are coordinated with a few financial entities

The Parent Bank has no banking activities abroad on the branch level. However in the loan lending processes to the foreign based firms, the economic conditions of the country and the financial structure of the company in question is taken into consideration.

Evaluation of the Parent Bank's competitive credit risk being an active participant of the international banking transactions market

The Parent Bank has significant relationship with the North Africa and Middle East Region within the international trade transactions. However in the volume of the banking transactions the Parent Bank defines its credit risk concentration as limited from these regions.

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II. INFORMATION ON CONSOLIDATED CREDIT RISK (Continued)

6. For Credit Risk Analysis;

The share of the top 100 and 200 cash loan customers in total loan cash loans portfolio

The share of the top 100 and 200 cash loan customers comprises 99.56% and 100% of the total cash loans portfolio of the Parent Bank respectively.

The share of the top 100 and 200 non-cash loan customers in total loan non-cash loans portfolio

The share of the top 100 and 200 non-cash loan customers comprises 99.18% and 100% of the total non-cash loans portfolio of the Parent Bank respectively.

The share of the total cash and non-cash loan balance of the top 100 and 200 loan customers in total assets and off-balance sheet items:

The Parent Bank's total cash and non-cash loans from its top 100 and 200 loan customers comprise 49.03% and 51.65% of the total assets and off-balance sheet items.

7. The general provision amount provided by the Bank for credit risk

The general provision amount provided by The Parent Bank for the credit risk is TL 20,070 (31 December 2014: TL 19,684).

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II. INFORMATION ON CONSOLIDATED CREDIT RISK (Continued)

8. Geographical distribution of risk amounts decomposed as part of significant risk groups (*)

Current Period	Central Governments and Central Banks	Banks and Financial Intermediaries	Corporate Receivables	Receivables Secured by Residential Property	Past due loans^(****)	Higher-Risk Receivables Defined by BRSA	Other receivables	Total
Domestic	1,084,731	2,380,485	1,620,372	39,201	1,943	4,499	40,311	5,171,542
European Union Countries	-	58,175	-	-	-	-	858	59,033
OECD Countries ^(**)	-	1,411	-	-	-	-	-	1,411
Off-Shore Banking Regions	-	-	-	-	-	-	-	-
USA, Canada	-	1,289	-	-	-	-	-	1,289
Other Countries	-	160,978	6	-	-	169,570	1,118	331,672
Associates, subsidiaries and jointly controlled partnership	-	-	-	-	-	-	-	-
Unallocated Assets/Liabilities ^(***)	-	-	-	-	-	-	-	-
Total	1,084,731	2,602,338	1,620,378	39,201	1,943	174,069	42,287	5,564,947

Prior Period	Central Governments and Central Banks	Banks and Financial Intermediaries	Corporate Receivables	Receivables Secured by Residential Property	Past due loans^(****)	Higher-Risk Receivables Defined by BRSA	Other receivables	Total
Domestic	464,333	2,538,133	1,692,700	56,649	1,878	5,344	40,697	4,799,734
European Union Countries	-	37,073	-	-	-	-	65	37,138
OECD Countries ^(**)	-	1,247	-	-	-	-	-	1,247
Off-Shore Banking Regions	-	-	-	-	-	-	-	-
USA, Canada	-	807	-	-	-	-	-	807
Other Countries	-	123,326	6	-	-	248,814	870	373,016
Associates, subsidiaries and jointly controlled partnership	-	51	-	-	-	-	-	51
Unallocated Assets/Liabilities ^(***)	-	-	-	-	-	-	-	-
Total	464,333	2,700,637	1,692,706	56,649	1,878	254,158	41,632	5,211,993

^(*) Regulation on Measurement and Assessment of Capital Adequacy of Banks in the risk classes are taken into consideration.

^(**) OECD Countries excluding European countries, USA and Canada

^(***) Assets and liabilities that cannot be allocated on a consistent basis

^(****) Net value of non-performing loans

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II. INFORMATION ON CONSOLIDATED CREDIT RISK (Continued)

9. Risk profile according to sectors or counter parties (*)

Current Period	Central Governments and Central Banks	Banks and Financial Intermediaries	Corporate Receivables	Receivables Secured by Residential Property	Past due loans	Higher-Risk Receivables Defined by BRSA	Other Receivables	TL	FC	Total
Agricultural	-	-	129,998	-	-	-	-	28,879	101,119	129,998
Farming and	-	-	-	-	-	-	-	-	-	-
Stockbreeding	-	-	129,643	-	-	-	-	28,524	101,119	129,643
Forestry	-	-	355	-	-	-	-	355	-	355
Fishing	-	-	-	-	-	-	-	-	-	-
Manufacturing	-	-	897,372	15,021	-	142	118	282,441	630,212	912,653
Mining	-	-	17,257	14,584	-	-	-	9,543	22,298	31,841
Production	-	-	880,115	437	-	142	118	272,898	607,914	880,812
Electric, gas and water	-	-	-	-	-	-	-	-	-	-
Construction	-	-	527,595	24,180	1,943	3,747	1,259	141,772	416,952	558,724
Services	851,999	2,602,338	57,756	-	-	169,625	21,851	609,940	3,093,629	3,703,569
Wholesale and retail trade	-	-	7,871	-	-	-	-	6,843	1,028	7,871
Hotel, food and beverage services	-	-	253	-	-	-	-	-	253	253
Transportation and telecommunication	-	-	6,433	-	-	61	-	894	5,600	6,494
Financial institutions	851,999	2,602,338	-	-	-	169,564	21,851	573,356	3,072,396	3,645,752
Real estate and Leasing services	-	-	17,959	-	-	-	-	8,625	9,334	17,959
“Self-employment” type Services	-	-	-	-	-	-	-	-	-	-
Education services	-	-	433	-	-	-	-	69	364	433
Health and social services	-	-	24,807	-	-	-	-	20,153	4,654	20,153
Other	232,732	-	7,657	-	-	555	19,059	16,385	243,618	260,003
Total	1,084,731	2,602,338	1,620,378	39,201	1,943	174,069	42,287	1,079,417	4,485,530	5,564,947

(*) Regulation on Measurement and Assessment of Capital Adequacy of Banks in the risk classes are taken into consideration.

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II. INFORMATION ON CONSOLIDATED CREDIT RISK (Continued)

10. Presentation of maturity risk bearing based on their outstanding maturities

Risk Classifications	Days to maturity				
	1 Month	1-3 Month	3-6 Month	6-12 Month	Over 1 year
Contingent and Non-Contingent Receivables from Central Governments and Central Banks	853,712	93,321	-	20,673	117,025
Contingent and Non-Contingent Receivables from Regional Governments and Local Authorities	-	-	-	-	-
Contingent and Non-Contingent Receivables from Administrative Units and Non-commercial Enterprises	-	-	-	-	-
Contingent and Non-Contingent Receivables from Multilateral Development Banks	-	-	-	-	-
Contingent and Non-Contingent Receivables from International Organizations	-	-	-	-	-
Contingent and Non-Contingent Receivables from Banks and Financial Intermediaries	1,509,193	465,793	204,085	62,337	360,930
Contingent and Non-Contingent Corporate Receivables	390,396	339,893	265,370	216,410	408,309
Contingent and Non-Contingent Retail Receivables	-	-	-	-	-
Contingent and Non-Contingent Receivables Secured by Residential Property	1,562	8,585	20	14,538	14,496
Past Due Loans	-	-	-	-	-
Higher-Risk Receivables Defined by BRSA	60,227	96,890	4,333	11,728	891
Marketable Securities Collateralized Mortgages	-	-	-	-	-
Securitization Exposures	-	-	-	-	-
Short-Term Receivables from Banks and Corporate	-	-	-	-	-
Undertakings for Collective Investments in Mutual Funds	-	-	-	-	-
Other Receivables	-	-	-	-	-
Total	2,815,090	1,004,482	473,808	325,686	901,651

11. Information on risk classes

Assigned credit rating agencies and export credit agencies changed the names and the reasons for these organizations

The Parent Bank uses the announced ratings of international credit rating agency Fitch Ratings and OECD for receivables from central governments and central banks. The Parent Bank does not use credit rating for the domestic domicile counterparties.

With the export credit agency of a credit rating agency assigned to each risk classes are used

The Parent Bank uses Fitch Ratings for receivables from central governments, central banks and foreign domicile receivables. The Bank does not use credit rating for the domestic resident customers. The Bank uses the country risk classification of OECD, if these counterparties do not rated by Fitch Ratings.

The Bank does not use credit rating for the domestic resident customers and banks.

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II. INFORMATION ON CONSOLIDATED CREDIT RISK (Continued)

The absence of the credit rating of trading for items that are not included in the calculation, instead of the credit rating of the issuer, or if there is for export of these items that are available for information on the process of using credit ratings

For the short term receivables that has been issued by banks and financial intermediaries that has not any short term rating, risk weight of the issuer is used in the context of related regulation.

Assigned to each grade credit rating agencies and export credit agency ratings of the Regulation on Measurement and Assessment of Capital Adequacy of Banks to which of the credit quality of the stages

Credit Quality Level	Fitch Ratings
1	Between AAA and AA-
2	Between A+ and A-
3	Between BBB+ and BBB-
4	Between BB+ and BB-
5	Between B+ and B-
6	Between CCC+ and below

OECD Country Risk Classification Credit								
Quality Levels	0	1	2	3	4	5	6	7
Risk weight (%)	0	0	20	50	100	100	100	150

Risk weight of the total amount of risk before and after credit risk mitigation and equity deducted amounts

Risk amount based on weight of risks

Risk weights	Before credit risk mitigation	After credit risk mitigation
%0	862,699	862,699
%10	-	-
%20	489,168	489,168
%50	2,326,461	2,291,695
%75	-	-
%100	1,712,550	1,703,262
%150	174,069	52,011
%200	-	-
%1250	-	-
Equity Deductions	-	-

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II. INFORMATION ON CONSOLIDATED CREDIT RISK (Continued)

12. Sector or counterparty type, individually impaired loans and non-performing loan amounts, value adjustments and provisions during the period information on value adjustments and provisions

Miscellaneous information based on important sectors and counterparty type

Sectors	Impaired Loans	Value Adjustment (*)	Provisions
Agricultural	-	234	-
Farming and Stockbreeding	-	230	-
Forestry	-	4	-
Fishing	-	-	-
Manufacturing	3,460	4,927	3,460
Mining	-	195	-
Production	3,460	4,732	3,460
Electric, gas and water	-	-	-
Construction	7,192	2,922	5,249
Services	2,559	6,962	2,559
Wholesale and retail trade	2,459	74	2,459
Hotel, food and beverage services	-	-	-
Transportation and telecommunication	-	-	-
Financial institutions	100	6,661	100
Real estate and Leasing services	-	-	-
"Self-employment" type Services	-	-	-
Education services	-	-	-
Health and social services	-	227	-
Other	-	198	-
Total	13,211	15,243	11,268

(*) General Loan Loss provision for cash loans were distributed in value adjustments section.

13. Value adjustments and provisions on the exchange of credit information

	Specific Provision	General Provision
Opening balance	13,214	19,684
The amount of provision during the period	5,865	386
Reversal of provision	(2,072)	-
Asset write-offs	(5,739)	-
Other adjustments(*)	-	-
Closing Balance	11,268	20,070

(*) According to set exchange rate differences, business combinations, acquisitions transactions and disposals of subsidiaries.

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II. INFORMATION ON CONSOLIDATED CREDIT RISK (Continued)

14. Other information on Credit risk

Sectoral concentrations for cash loans

	Current Period				Prior Period			
	TL	(%)	FC	(%)	TL	(%)	FC	(%)
Agricultural	20,783	2.72	-	-	91,573	13.84	-	-
Farming and Raising								
Livestock	20,448	2.67	-	-	91,094	13.77	-	-
Forestry	335	0.04	-	-	479	0.07	-	-
Fishing	-	-	-	-	-	-	-	-
Manufacturing	213,315	27.88	224,998	38.08	163,522	24.72	331,788	47.34
Mining	2,801	0.37	14,586	2.47	-	-	46,403	6.62
Production	210,514	27.51	210,412	35.62	163,522	24.72	285,385	40.72
Electric, gas and water	-	-	-	-	-	-	-	-
Construction	72,138	9.43	187,816	31.79	74,373	11.24	249,026	35.53
Services	458,047	59.86	161,262	27.30	330,517	49.96	114,327	16.31
Wholesale and retail trade	6,583	0.86	-	-	20,283	3.07	23,244	3.32
Hotel, food and beverage								
Services		-	-	-	-	-	-	-
Transportation and								
Telecommunication	-	-	-	-	-	-	-	-
Financial institutions	431,311	56.37	161,262	27.30	300,195	45.38	91,083	13.00
Real estate and Leasing								
Services	-	-	-	-	-	-	-	-
"Self-employment" type Services	-	-	-	-	-	-	-	-
Education services	-	-	-	-	-	-	-	-
Health and social services	20,153	2.63	-	-	10,039	1.52	-	-
Other	883	0.12	16,718	2.83	1,549	0.23	5,745	0.82
Total	765,166	100.00	590,794	100.00	661,534	100.00	700,886	100.00

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II. INFORMATION ON CONSOLIDATED CREDIT RISK (Continued)

Sectoral and regional concentration of impaired loans and receivables

Sectoral	Current Period	Prior Period
Farming and Stockbreeding	-	529
Manufacturing	3,460	2,484
Construction	7,192	7,429
Financial institutions	100	100
Hotel and Restaurant Services	-	2,032
Wholesale and retail trade	2,459	2,518
Total impaired loans and receivables	13,211	15,092

Regional	Current Period	Prior Period
Algeria	100	100
Turkey	13,111	14,992
Total impaired loans and receivables	13,211	15,092

Past due but not impaired loans and receivables

	Current Period	Prior Period
Degree 1: Low risk loans and receivables	-	-
Degree 2: close monitoring loans and receivables	11,440	-
Total	11,440	-

Past due but not impaired loans and receivables aging

	Current Period	Prior Period
0-30 days	11,440	-
30-60 days	-	-
60-90 days	-	-
90 days or more	-	-
Total	11,440	-

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III. INFORMATION ON CONSOLIDATED MARKET RISK

Whether the Parent Bank within the financial risk management objectives hedges itself against market risk, the precautions taken by the Parent Banks’s Board of Directors for market risk, the methods used for measuring market risk and time intervals for measurement of market risk

The Parent Bank’s operations about risk management are carried out complying with “Regulation on Bank’s regulation about internal systems” and “Regulation on Measurement and Evaluation of Capital Adequacy of Banks”.

To be in compliance with governances, The Parent Bank has regulated its operations about market risk management lastly within the scope of “Internal Systems and Internal Capital Adequacy Assessment Process Regulation of Banks” published in Official Journal No 29057 dated 11 July 2014 and “Regulation on Measurement and Evaluation of Capital Adequacy of Banks” published in Official Journal No 29111 dated 6 September 2014.

To implement methods of risk managements’ policy, strategy, implementations that approved by board of directors; to report bank’s potential important risks to board of directors on time and accurately, internal control about units, to evaluate risk and internal auditing reports and to correct risks, faults, inadequacies occurred in those units or to take necessary measures and to be incorporate into process of determining risk limits are in charge of senior management.

Board of Directors is reviewing efficiency of risk management systems through the agency of auditing committee, other relevant committees, senior management and also in consideration of various risk reports and evaluations made by auditing committee.

Risk policies and methods of implementations which are determined for market risk that the Parent Bank is exposed to, is approved by board of directors and being reviewed regularly. Market risk is managed by the way of measuring, limiting risks in compliance with international standards and putting capital aside according to those results.

Risk Management Department is analyzing and calculating bank interest rate in consideration of various dimensions within the scope of market risk management operations. Interest rate and currency risk is being measured within the scope of market risk that calculated according to standard method and included to calculation of capital requirement standard ratio.

Besides of standard method, value at risk method (VRM) is used for calculating changes in risk factors and its’ effects on bank portfolio. Subjected method is tested by retrospective test method.

Stress tests are made to analyze the possible effects of Interest and rate fluctuations on the Parent Bank on a monthly basis.

Moreover, scenario analyses are made to classify expectations of possible changes at risk factors based on various interest rate and exchange rate level expectations.

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III. INFORMATION ON CONSOLIDATED MARKET RISK (Continued)

Board of Directors determined limits to evaluate the results of standard methods and daily value at risk method results. Also limits are determined for credit risk and capital requirements ratio by board of directors.

The Parent Bank's market risk is calculated on a monthly basis using the "Standard Method". Interest rate risks and exchange rate risks, factors of the market risks, are periodically analyzed using different methods (ratio analysis, duration, gap, sensitivity, etc.).

With stress testing methods, the effect of extraordinary fluctuations of risk factors on the Parent Bank is measured on a monthly basis and in case the necessity arises. Different scenarios based on changes in risk factors are measured with scenario analysis. All the analysis mentioned above are tested in a retrospective manner to ensure the reliability of the tests.

The Board of Directors of the Parent Bank has determined limits at the level of risk factors in order to restrain the market risk. The ratio of the Market Risk/Equity rate can be maximum 50% and for limiting daily VaR results, the amount under Daily Risk/Equity rate can be maximum 1%.

Information related to consolidated market risk

	Current Period	Prior Period
(I) Capital requirement to be employed for general market risk - Standard method	2,585	2,010
(II) Capital requirement to be employed for specific risk - Standard method	2,432	2,045
(III) Standard method for specific risk of necessary capital requirement on securitization positions	-	-
(IV) Capital requirement to be employed for currency risk - Standard method	18,581	15,607
(V) Capital requirement to be employed for commodity risk - Standard method	-	-
(VI) Capital requirement to be employed for settlement risk - Standard method	-	-
(VII) Total capital requirement to be employed for market risk resulting from options- Standard method	-	-
(VIII) Counterparty credit risk capital requirement - Standard method	7	40
(IX) Total capital requirement to be employed for market risk in banks using risk measurement model	-	-
(X) Total capital requirement to be employed for market risk (I+II+III+IV+V+VI+VII+VIII)	23,605	19,702
(XI) Market Value at Risk (12.5 x IX) or (12.5 x X)	295,062	246,275

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III. INFORMATION ON CONSOLIDATED MARKET RISK (Continued)

Information related to market risk calculated by the month ends of the current period

	Current Period		
	Average	Highest	Lowest
Interest Rate Risk	49,302	62,713	38,163
Share Certificates Risk	-	-	-
Currency Risk	221,519	504,450	153,550
Commodity Risk	-	-	-
Exchange Risk	-	-	-
Option Risk	-	-	-
Counterparty Risk	337	1,580	-
Total Value at Risk	271,158	557,251	193,293

Information on counterparty credit risk

Credit limits for counterparty credit risks and internal capital allocation and distribution method

"Risk Assessment Process", Customer Credit Packs' all the potential risk factors associated with taking into account the analysis, evaluation and assessment, which will further Department of Credits to present. "Limit Allocation" process as a result of the evaluation of loan packages give customers credit limits. General limits and sub-limits are negotiated and determined by the Department of Credits submitted to the Senior Management. The main task of Department of Credits is evaluation of the Credit Package according to customer's basic capabilities and financial strength by measuring the adequacy.

Provisions for guarantees and credit policies

The credit worthiness of the debtors of loans and other receivables monitored in accordance "Determination of Loans and Other Receivables to be Reserved for and Allocation of Reserves Regulation on the Procedures and Principles".

The necessary documentation for the loans, as provided for in the legislation are audited and credit limits at the discretion of the Bank's Department of Credit and Executive Management and updated in line with economic conditions. The Bank has sufficient collateral for the loans and other receivables. Credit studied the vast majority of companies guarantees the majority of the leading companies in Turkey due to the "firm's signature and / or the surety" is. In addition, real estate mortgages, bank counter-guarantee, cash blockage, financial securities and real customer checks/securities as collateral taken. Guarantees received, market conditions and other conditions of guarantee are in parallel banks.

Determination of Loans and Other Receivables to be Reserved for and Allocation of Reserves in accordance with Article 4 of the Regulation on the Procedures and Principles, Third, Fourth and Fifth classified in groups of all receivables, accrued interest and similar charges interest on the principal amount owed, or whether or not additional regardless of whether or not to refinance the non-performing loans are considered impaired.

Classifications described above, and taking into account the elements of the Bank's loans and other receivables from the date of the third group of at least twenty percent (20%), from the

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III. INFORMATION ON CONSOLIDATED MARKET RISK (Continued)

date of the fourth group of at least fifty percent (50%) percent of the face from the date of the fifth group (100%), by special provision.

The Bank, in addition to specific provisions, standard qualities one percent of the total cash loans (1%) and letters of credit, guarantees and sureties two thousand and other non-cash loans (0.2%) percent, two per cent of the total cash loans under close monitoring (2%) and letters of credit, guarantees and sureties and other four thousandths of the total non-cash loans (0.4%) rate the overall provision.

Regulation on Measurement and Assessment of Capital Adequacy of Banks reverse the trend described in Annex-2 amounts of risk policies related to risk

The Parent Bank do not use an internal model and calculate the probability of default. In this context, risk is not calculated in the opposite tendency.

Assessing the amount of collateral required to provide to the credit rating of the bank in the event of decrease

The Parent Bank's management, corporate credit risk ratings and credit worthiness of all the companies customer rating system established with the purpose of detection and identification. "Customer Rating" process, a variety of pre-set customer credit worthiness "qualitative" (the company's market position, competitiveness, customer and supplier portfolio, certificates and documents issued by independent organizations, organizational structure, such as relations with other financial institutions) and "financial" (current ratio, liquidity ratio, profitability and debt), the factors to be analyzed according to the process. After the completion of financial data inputs which constituting the basis for qualitative and quantitative measurement and answers to subjective questions, the system grades all loan customers. Grading scale has a wide range vary from minimum "D" to maximum "AAA+" up to 22 stages. If the credit risk rating of any firm is decreasing, there will be an investigation about coverage of guarantees. Considering the guarantee lack, the Bank make a work through about additional guarantees which can be taken from firm. And then, related department take an action about investigating and cancelling credit protection in case of the guarantee protection system has failed.

Gross positive fair value of contracts, netting benefits, net of current risk amount, and the amount of the net position held for guarantees and derivatives

The Parent Bank's position in this context resulting from swap transactions is amounted TL 42,861.

Credit Regulation on Measurement and Assessment of Capital Adequacy of Banks in Annex 2 of the 3 to 5 risk amount obtained by the method specified in Sections

There is no agreement in this context.

The amount of the credit derivative and the current credit risk, risk classes, with the distribution of the guards

There is no protection with credit derivatives.

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III. INFORMATION ON CONSOLIDATED MARKET RISK (Continued)

Protection purchased and sold within each product group based on the distribution of the credit derivatives products, including the bank's loan portfolio, credit derivative transactions or the amount used in intermediary activities

None.

Measurement and Assessment of Capital Adequacy of Banks within the scope of Annex-2 "α" if the estimated value to obtain permission from the Authority, "α" value estimation

Measurement and Assessment of Capital Adequacy of Banks within the scope of Annex-2, the Internal Model Method is not used.

Quantitative information on counterparty credit risk

	Amount
Interest Rate-Based Contract	-
Exchange Rate-Based Contract	-
Commodity Based Contract	-
Shares Based Contract	-
Other	-
Gross Positive Fair Value	-
Benefits to Clarify	-
Net Current Risk Amount	-
Securities Held	-
Derivatives on The Net Positions	43,614

Bank does not calculate its capital requirements with a risk measurement model which is permitted by the authority.

IV. INFORMATION RELATED TO VALUE AT OPERATIONAL RISK

“Basic Indicator Method” is used to calculate value at operational risk. Value at operational risk is calculated in accordance with the “Regulation Regarding Measurement and Assessment of Capital Adequacy Ratio of Banks” that published at 6 September 2014 official gazette numbered 29111 and according to the 4th section of the regulation “Computation of the Value at Operational Risk”, using the Parent Bank’s the last three years; 2014, 2013 and 2012 year end gross revenues.

	2012	2013	2014	Total/Positive BG year Count	Ratio (%)	Total
Gross Income	137,342	124,225	137,342	145,279	15	21,792
Operational Risk (Total*12,5)						272,399

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V. INFORMATION ON CONSOLIDATED FOREIGN CURRENCY EXCHANGE RATE RISK

Whether the Group is exposed to foreign exchange risk, whether the effects of this situation are estimated, and whether the board of directors of the Bank sets limits for positions that are monitored daily

The Group complies with net general position-shareholders’ equity limits. The Bank has the possibility to borrow a significant amount of foreign currency. Within the context of the market risk management work of the Risk Management Department, the Parent Bank’s Exchange rate risk is calculated and analyzed taking different dimensions of the issue in consideration. The Exchange rate risk is measured according to market risk calculated using the Standard Method and is included in the capital adequacy ratio. For testing effects of the unexpected exchange rate fluctuations on the Parent Bank monthly basis stress test analysis are done. In addition, by classifying the changes in risk factors different scenario analysis are done based on different exchange rate expectations. The sensitivity of assets, liabilities and off-balance sheets against exchange rate are measured by an analysis on a monthly basis.

The magnitude of hedging foreign currency debt instruments and net foreign currency investments by using hedging derivatives

The Group does not have any financial derivatives used for hedging.

Foreign exchange risk management policy

Transactions are being hedged according to the Central Bank of Turkey’s basket of currencies instantly. Manageable and measurable risks are taken in the scope of the regulatory limits.

Foreign exchange buying rates of the last five business days before the balance sheet date as publicly announced by the Parent Bank are as follows

Date	US Dollars	EUR
24 December 2015	TL 2.9262	TL 3.1969
25 December 2015	TL 2.9187	TL 3.1968
28 December 2015	TL 2.9123	TL 3.1904
29 December 2015	TL 2.9157	TL 3.2006
30 December 2015	TL 2.9084	TL 3.1921
31 December 2015	TL 2.9076	TL 3.1776

The basic arithmetical average of the Parent Bank’s foreign exchange bid rate for the last thirty days

The basic arithmetical average of the Parent Bank’s foreign exchange bid rate for September 2015 is TL 2.9154 for USD and TL 3.1658 for EUR.

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**V. INFORMATION ON CONSOLIDATED FOREIGN CURRENCY EXCHANGE
RATE RISK (Continued)**

Information on currency risk of the Group

Current Period	Euro	US Dollars	Other	Total
Assets				
Cash (Cash in Vault, Foreign currencies, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	510,003	339,386	312	849,701
Banks	520,173	671,057	29,753	1,220,983
Financial Assets through Profit or Loss	35,174	158,948	-	194,122
Interbank Money Market Placements	-	-	-	-
Investment Securities Available-for-Sale	73	1,091	-	1,164
Loans ¹	334,009	413,906	-	747,915
Investments in Subsidiaries and Associates	-	-	-	-
Investment Securities Held-to-Maturity	122,823	141,131	-	263,954
Financial Derivative held for Hedging (Assets)	-	-	-	-
Tangible Assets	-	-	-	-
Intangible Assets	-	-	-	-
Other Assets	145,873	50,506	-	196,379
Total Assets	1,668,128	1,776,025	30,065	3,474,218
Liabilities				
Bank Deposits	1,359,166	1,458,522	1,870	2,819,558
Foreign Currency Deposits	177,769	282,292	5,680	465,741
Money Market Borrowings	-	-	-	-
Funds Borrowed from Other Financial Institutions	142,868	65,218	-	208,086
Marketable Securities Issued	-	-	-	-
Miscellaneous Payables	2,598	1,305	5	3,908
Financial Derivatives held for Hedging (Liabilities)	-	-	-	-
Other Liabilities	2,058	3,395	218	5,671
Total Liabilities	1,684,459	1,810,732	7,773	3,502,964
Net Balance Sheet Position	(16,331)	(34,707)	22,292	(28,746)
Net Off Balance Sheet Position	-	43,614	-	43,614
Financial Derivatives (Assets)	-	43,614	-	43,614
Financial Derivatives (Liabilities)	-	-	-	-
Non-Cash Loans	697,892	1,051,017	418,134	2,167,043
Prior Period				
Total Assets	1,310,500	1,859,677	2157	3,172,334
Total Liabilities	1,372,557	1,870,825	1683	3,245,065
Balance Sheet Position, net	(62,057)	(11,148)	474	(72,731)
Off Balance Sheet Position, net	61,020	11,686	-	72,706
Financial Derivatives (Assets)	63,387	13,016	-	76,403
Financial Derivatives (Liabilities)	2,367	1,330	-	3,697
Non-cash Loans	678,343	1,006,029	393,639	2,078,011

¹ As of 31 December 2015 loan balance includes foreign currency indexed loans amounting to TL 157,121 (31 December 2014: TL 146,344).

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**V. INFORMATION ON CONSOLIDATED FOREIGN CURRENCY EXCHANGE
RATE RISK (Continued)**

Exposed currency risk

The possible increases or decreases in the shareholders' equity and the profit/loss as per an assumption of devaluation/appreciation by 10% of TL against currencies mentioned below as of 31 December 2015 and 31 December 2014 are presented in the below table. The other variables, especially the interest rates, are assumed to be fixed in this analysis.

Assuming 10% appreciation of TL;

	Current Period		Prior Period	
	Income Statement	Shareholders' Equity (*)	Income Statement	Shareholders' Equity (*)
Euro	1,633	1,633	104	104
US Dollar	(891)	(891)	(54)	(54)
Other Currencies	(2,229)	(2,229)	(47)	(47)
Total	(1,487)	(1,487)	3	3

(*) The effect on shareholders' equity also includes the effect on the profit/loss.

Assuming 10% depreciation of TL;

	Current Period		Prior Period	
	Income Statement	Shareholders' Equity (*)	Income Statement	Shareholders' Equity (*)
Euro	(1,633)	(1,633)	(104)	(104)
US Dollar	891	891	54	54
Other Currencies	2,229	2,229	47	47
Total	1,487	1,487	(3)	(3)

(*) The effect on shareholders' equity also includes the effect on the profit/loss.

VI. INFORMATION ON CONSOLIDATED INTEREST RATE RISK

Interest rate sensitivity of the assets, liabilities and off-balance sheet items

Within the context of the market risk management of the Risk Management Department, the Parent Bank's interest rate risk is calculated and analyzed taking different dimensions of the issue in consideration. The interest rate risk is measured according to market risk calculated using the standard method and is included in the capital adequacy ratio. To test the effect of the interest rate fluctuations on the Parent Bank monthly based stress test analysis are done.

In addition, by classifying the changes in risk factors different scenario analysis are done based on different interest rate expectations. The sensitivity of assets, liabilities and off-balance sheets against interest rate are measured by an analysis on a monthly basis.

The expected effects of the fluctuations of market interest rates on the Parent Bank's financial position and cash flows, the expectations for interest income, and the limits the board of directors has established on daily interest rates

The Board of Directors has determined limits for the amount exposed to market risk/ shareholders' equity, to be maximum %45 for the early warning limit, %50 for limit maximum, and maximum %55 for limit exception in order to follow interest rate risk, exchange rate risk and equity price risk.

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VI. INFORMATION ON CONSOLIDATED INTEREST RATE RISK (Continued)

The precautions taken for the interest rate risk the Parent Bank was exposed to during the current year and their expected effects on net income and shareholders' equity in the future periods

Although the increase in interest rates has a limited negative effect on the Parent Bank's financial position, the Parent Bank's Equity structure is able to confront the negative effects of possible fluctuations in the interest rates.

Information related to interest rate sensitivity of assets, liabilities and off-balance sheet items (based on re-pricing dates)

Current Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Non- Interest Bearing	Total
Assets							
Cash (cash in vault, foreign currencies, cash in transit, cheques purchased) and balances with the Central Bank of Turkey	341,933	-	-	-	-	516,222	858,155
Banks	925,008	307,219	-	-	-	15,680	1,247,907
Financial assets at fair value through Profit or Loss	14,580	25,567	9,335	158,860	-	-	208,342
Interbank Money Market Placements	-	-	-	-	-	-	-
Financial assets available-for-sale	-	-	-	-	-	1,388	1,388
Loans	804,298	425,213	114,455	554	-	13,383	1,357,903
Investment securities held-to-maturity	1,038	139,634	22,314	104,433	14,139	-	281,558
Other assets ¹	18,758	19,314	69,178	140,526	-	46,727	294,503
Total assets	2,105,615	916,947	215,282	404,373	14,139	593,400	4,249,756
Liabilities							
Bank deposits	1,490,139	593,292	755,156	-	-	-	2,838,587
Other deposits	21,323	22,802	35,612	-	-	429,307	509,044
Money market borrowings	3,493	-	-	-	-	-	3,493
Miscellaneous payables	-	-	-	-	-	4,763	4,763
Marketable securities issued	-	-	-	-	-	-	-
Funds Borrowed From Other Fin. Ins.	36,849	96,478	59,496	17,762	-	-	210,585
Other liabilities ²	753	-	-	-	-	682,531	683,284
Total liabilities	1,552,557	712,572	850,264	17,762	-	1,116,601	4,249,756
Long Position in the Balance Sheet	553,058	204,375	-	386,611	14,139	-	1,158,183
Short Position in the Balance Sheet	-	-	(634,982)	-	-	(523,201)	(1,158,183)
Long Position in the Off-balance Sheet	43,614	-	-	-	-	-	43,614
Short Position in the Off-balance Sheet	(44,641)	-	-	-	-	-	(44,641)
Total Position	552,031	204,375	(634,982)	386,611	14,139	(523,201)	(1,027)

¹ Other Assets: The amount of TL 46,727 in the Non-Interest Bearing column includes; Tangible Assets amounting TL 23,555, Intangible Assets amounting to TL 2,986, Deferred Tax Assets amounting to TL 2,940, Assets Held for Sale amounting to TL 9, Miscellaneous Receivables amounting to TL 5,446 and Other Assets amounting to TL 11,791.

² Other Liabilities: The amount of TL 682,531 in the Non-Interest Bearing Column includes; Shareholders Equity amounting to TL 613,535, Provisions amounting to TL 40,988, Tax, Duty and Premium Payable amounting to TL 14,058 and Other Foreign Resources amounting to TL 13,950.

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VI. INFORMATION ON CONSOLIDATED INTEREST RATE RISK (Continued)

Prior Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Non- Interest Bearing	Total
Assets							
Cash (cash in vault, foreign currencies, cash in transit, cheques purchased) and Balances with the Central Bank of Turkey	5,172	-	-	-	-	349,068	354,240
Banks	1,363,392	222,639	-	-	-	1,295	1,587,326
Financial assets at fair value through profit or loss	11,199	1,109	63,620	87,503	-	-	163,431
Interbank money market placements	26,908	-	-	-	-	-	26,908
Investment securities available-for-sale	-	-	-	-	-	1,159	1,159
Loans	578,374	320,983	351,265	111,798	-	1,878	1,364,298
Investment securities held- to-maturity	-	20,308	28,979	61,491	30,899	-	141,677
Other assets ¹	18,831	16,288	53,678	129,272	-	48,715	266,784
Total Asset	2,003,876	581,327	497,542	390,064	30,899	402,115	3,905,823
Liabilities							
Bank deposits	863,390	963,996	710,600	-	-	-	2,537,986
Other deposits	26,705	11,490	13,472	-	-	517,985	569,652
Money market borrowings	2,935	-	-	-	-	-	2,935
Miscellaneous payables	-	-	-	-	-	4,338	4,338
Marketable securities issued	-	-	-	-	-	-	-
Funds Borrowed From Other Fin. Ins.	26,985	137,676	5,808	11,600	-	-	182,069
Other liabilities ²	188	-	-	-	-	608,655	608,843
Total Liabilities	920,203	1,113,162	729,880	11,600	-	1,130,978	3,905,823
Balance Sheet Long Position	1,083,673	-	-	378,464	30,899	-	1,493,036
Balance Sheet Short Position	-	(531,835)	(232,338)	-	-	(728,863)	(1,493,036)
Off Balance Sheet Long Position	59,546	14,104	-	-	-	-	73,650
Off Balance Sheet Short Position	(59,173)	(14,259)	-	-	-	-	(73,432)
Total Position	1,084,046	(531,990)	(232,338)	378,464	30,899	(728,863)	218

¹ Other Assets: The amount of TL 48,715 in the Non-Interest Bearing column is composed of Tangible Assets amounting TL 25,097, Intangible Assets amounting to TL 3,179, Deferred Tax Assets amounting to TL 2,101, Assets Held for Sale amounting to TL 10, Miscellaneous Receivables amounting to TL 3,366 and Other Assets amounting to TL 14,962.

² Other Liabilities: The amount of TL 608,655 in the Non-Interest Bearing Column is composed of Shareholders Equity amounting to TL 541,519, Provisions amounting to TL 40,195, Tax, Duty and Premium Payable amounting to TL 7,367 and Other Foreign Resources amounting to TL 19,574.

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VI. INFORMATION ON CONSOLIDATED INTEREST RATE RISK (Continued)

Average interest rates applied to monetary financial instruments (%)

Current Period	EURO	USD	YEN	TL
Assets				
Cash (cash in vault, effectives, money in transit, cheques purchased) and balances with the Central Bank of Turkey	-	0.23	-	2.06
Banks	1.29	1.98	-	13.29
Financial assets at fair value through profit or loss	1.31	4.05	-	10.16
Money market placement	-	-	-	-
Financial assets available-for-sale	-	-	-	-
Loans	2.65	3.95	-	13.27
Investment securities held-to-maturity	1.75	6.83	-	12.59
Financial Lease Receivables	6.51	7.35	-	14.04
Liabilities				
Interbank deposits	0.42	1.68	-	10.79
Other deposits	1.92	2.05	-	8.19
Money market borrowings	-	-	-	7.50
Miscellaneous payables	-	-	-	-
Marketable securities issued	-	-	-	-
Funds borrowed from other financial institutions	2.40	3.32	-	6.58
Prior Period	EURO	USD	YEN	TL
Assets				
Cash (cash in vault, effectives, money in transit, cheques purchased) and balances with the Central Bank of Turkey	-	-	-	1.40
Banks	1.20	2.25	-	10.24
Financial assets at fair value through profit or loss	-	5.76	-	9.61
Money market placement	-	-	-	11.24
Financial assets available-for-sale	-	-	-	-
Loans	2.66	4.13	-	11.19
Investment securities held-to-maturity	5.21	7.06	-	10.09
Financial Lease Receivables	11.69	11.03	-	14.34
Liabilities				
Interbank deposits	0.62	1.54	-	8.24
Other deposits	1.49	1.81	-	7.70
Money market borrowings	-	-	-	8.25
Miscellaneous payables	-	-	-	-
Marketable securities issued	-	-	-	-
Funds borrowed from other financial institutions	2.76	3.35	-	7.15

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VI. INFORMATION ON CONSOLIDATED INTEREST RATE RISK (Continued)

The interest rate risk of the banking book items

The nature of interest rate risk which banking books and early repayment of loans and measurement frequency of interest rate risk with significant assumptions including related to the movement deposits except time deposit

The interest rate sensitivity of assets, liabilities and off-balance sheet items of the Parent Bank are considered taking into account the developments in the market by Asset-Liability Committee.

The interest rate risk of the banking book items measurement is included The Parent Bank's interest rate positions which is defined as banking accounts created and performed relevant re-pricing and maturity data take into account.

The interest rate sensitivity of assets and liabilities cash flows calculated present values using yield curves which generated using market interest rates.

The interest rate risk of the banking book items is measured legally in accordance with the "Regulation on Measurement and Assessment of Standard Shock Method on the interest rate risk arising from banking accounts", published in the Official Gazette numbered 28034 and dated 23 August 2011, and this legal limit is monitored and reported monthly, based on this measurement. The Bank maintains its capital proportionally with the interest rate risk arising from banking accounts.

The interest rate risks of financial instruments on trading portfolio are considered within the scope of the market risk.

The economic value differences that will be occurred due to fluctuations on interest rates with the Regulation on Standard Shock Method on the interest rate risk arising from banking accounts

Current Period

Currency	Applied Shock (+/- x basis point)	Revenue/ Loss	Revenue/Shareholders' Equity Loss/ Shareholders' Equity
TRY	500 (400)	(9,161) 11,257	%(1.46) %1.79
EURO	200 (200)	28,764 (82,964)	%4.59 %(13.22)
USD	200 (200)	14,252 (39,310)	%2.27 %(6.27)
Total (For negative shocks)		(111,017)	%(17.70)
Total (For positive shocks)		33,855	%5.40

Prior Period

Currency	Applied Shock (+/- x basis point)	Revenue/ Loss	Revenue/Shareholders' Equity Loss/ Shareholders' Equity
TRY	500 (400)	(19,833) 34,207	%(3.56) %6.14
EURO	200 (200)	36,506 342,112	%6.55 %61.42
USD	200 (200)	42,562 (333,307)	%7.64 %(59.84)
Total (For negative shocks)		43,012	%7.72
Total (For positive shocks)		59,235	%10.63

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VII. INFORMATION ON STOCK POSITION RISK

Equity investment risk due from banking book

The Parent Bank does not have equity investment risk due to subsidiary and securities issued capital which classified banking accounts are not traded on the stock exchange.

Information on booking value, fair value and market value of equity investments

None.

Information on equity investments realized gains or losses, revaluation increases and unrealized gains or losses and these amounts including capital contribution

None.

VIII. CONSOLIDATED LIQUIDITY RISK MANAGEMENT AND LIQUIDITY COVERAGE RATIO

Information on liquidity risk management regarding risk capacity of the Parent Bank, responsibilities and structure of the liquidity risk management, reporting of the liquidity risk in the Parent Bank, the way that sharing liquidity risk strategy, policy and implementations with the board of directors and job fields.

Evaluation of capacity of liquidity risk position of the Parent Bank depends on current liquidity position, current and estimated asset quality, current and future income capacity, historical funding needs, estimated funding needs and decreasing funding needs or analysis of decrease in additional funding choices. One or more actions below are done to find funds in order to maintain liquidity needs.

- Disposal of the liquid assets
- Maintain increasing short term debts and/or additional short term time deposit and deposit like assets
- Decrease in moveable long term assets
- Increase in long term liabilities
- Increase in equity funds

Responsibility of the management of general liquidity belongs to Top Level Management, Treasury Department or Asset/Liability Committee (“ALCO”) which is consisting of Risk Management executives. Appropriate controls and balances are maintained in every condition.

Analysis of effects of various stress scenarios on the liquidity position and establishment of limits are crucial in order to establish effective liquidity risk management. Limits are determined according to the size of the Bank, complexity of transactions and suitability of the financial conditions.

One of the important components of liquidity management is management information system which is created to offer information about the liquidity position of the Parent Bank to the Board of Directors, top level management and related appropriate personnel at the right time. Strong management information system is an integral part of the reliable decision making process of the liquidity.

One of the important aspects of liquidity management is making assumptions on prospective funding needs. Although final cash inflows and outflows can be easily calculated or estimated, the Parent Bank also makes short-term and long-term assumptions.

Management also has an emergency plan to be implemented in the absence of accurate projections. An effective emergency planning consists of identifying minimum and maximum liquidity needs and weighting alternatives that will be used to meet these needs.

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**VIII. CONSOLIDATED LIQUIDITY RISK MANAGEMENT AND LIQUIDITY
COVERAGE RATIO (Continued)**

**The degree of centralization of liquidity management and funding strategy and
information about the functioning between the Parent Bank and its shareholders**

The Parent Bank is supported by well-established shareholders among most powerful financial institutions in Turkey, Middle East and the North African region. The Parent Bank’s largest shareholder is Libyan Foreign Bank which is 100% owned by the Central Bank of Libya and has an asset value more than 18 billion USD. Funds received from the main shareholder Libyan Foreign Bank correspond to 50% of total liabilities. On the other hand, funds received from the Bank’s risk group have a 62% share in liabilities.

**Information on the Parent Bank’s funding strategy including the policies regarding
diversification of funding sources and periods**

The Parent Bank obtains its fund sources mainly from the parent Libyan Foreign Bank and its subsidiaries. These Funds are reliable sources which are ongoing for many years with renewing terms and expected to continue thereafter.

Currencies constituting minimum five percent of the Bank’s total liabilities

A large portion of the Parent Bank’s liabilities consist of funds obtained from the parent Libyan Foreign Bank and group banks. 51% of these funds are USD and 48% are Euro.

Information regarding to the liquidity risk mitigation techniques used

The Parent Bank’s liquidity risk mitigation techniques are retention of high-quality liquid assets on hand, provide maturity match between assets and liabilities and having the option to obtain funds from different banks in its risk groups.

Information regarding to the usage of Stress Tests

Stress tests are applied by changing the percentage of the parameters regarding to the liquidity ratio calculation. Subjected components, particularly high-quality liquid assets, including cash inflows and cash outflows are increased and decreased at various rates to measure the effects on the calculation. The test results provide guidance on liquidity management.

General information on the emergency and contingency plan of Liquidity

The Liquidity Emergency Action Plan prepared by the Parent Bank’s ALCO was presented to the Board of Directors and approved by Council Decision No. 4/267/8/12 at July 27, 2012. Decisions on the plan;

- The Parent Bank-specific crisis and general market crisis has been described,
- The decision of proportional and structural changes of assets and liabilities in the balance sheet is delegated to ALCO,
- Agreed that the Liquidity Dashboard which includes available and accessible liquidity sources of the Parent Bank, asset sales, loan repayments and liquidity usage submitted periodically to ALCO by the Treasury Department.
- Within the framework of an effective liquidity risk management of the Treasury Department, where necessary, acting jointly with other business units to avoid concentration of funding sources, following different funding options and current trends and reporting on costs is expressed,
- If necessary, making changes in the Emergency Action Plan and update it according to market conditions and balance sheet structure is delegated to ALCO.

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**VIII. CONSOLIDATED LIQUIDITY RISK MANAGEMENT AND LIQUIDITY
COVERAGE RATIO (Continued)**

Liquidity coverage ratio

Lowest and highest values for the last three months including the reporting period of consolidated foreign currency and total liquidity coverage ratio by months are as following:

	Month	FC	FC+TL
Lowest	November	56	76
Highest	October	80	120

The monthly simple arithmetic average calculated consolidated liquidity coverage ratio of the last three months average is as following.

Current Period	Consideration Ratio Applied Total Value	
	LC+FC	FC
HIGH QUALITY LIQUID ASSETS		
1 High quality liquid assets	993,120	972,692
CASH OUTFLOWS		
2 Real person deposits and retail deposits	20,924	22,820
3 Stable deposit	4,145	-
4 Deposit with low stability	16,779	22,820
Unsecured debts except real person deposits and retail		
5 deposits	2,391,564	2,348,954
6 Operational deposit	-	-
7 Non-operating deposits	2,318,889	2,339,984
8 Other unsecured debts	72,675	8,970
9 Secured debts	-	-
10 Other cash outflows	-	-
11 Derivative liabilities and margin obligations	342	-
12 Debt from structured financial instruments	-	-
Other off-balance sheet liabilities and commitments for		
13 the payment owed to financial markets	-	-
Revocable off-balance sheet obligations regardless of any		
14 other requirement and other contractual obligations	-	-
Other irrevocable or provisory revocable off-balance sheet		
15 liabilities	133,886	117,483
16 TOTAL CASH OUTFLOW	2,679,206	2,572,309
CASH INFLOWS		
17 Secured receivables	-	-
18 Unsecured claims	1,644,237	1,150,136
19 Other cash inflows	11,128	15,461
20 TOTAL CASH INFLOWS	1,655,365	1,165,597
21 TOTAL HQLA STOCK	993,120	972,692
22 TOTAL NET CASH OUTFLOWS	1,023,841	1,406,712
23 LIQUIDITY COVERAGE RATIO (%)	101.48	71.14

(*) The monthly simple arithmetic average calculated consolidated liquidity coverage ratio of the last three months average, the weekly simple arithmetic average calculated liquidity coverage ratio of the last three months average

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**VIII. CONSOLIDATED LIQUIDITY RISK MANAGEMENT AND LIQUIDITY
COVERAGE RATIO (Continued)**

Prior Period	Consideration Ratio Applied	
	Total Value	
	LC+FC	FC
HIGH QUALITY LIQUID ASSETS		
1 High quality liquid assets	410,932	337,844
CASH OUTFLOWS		
2 Real person deposits and retail deposits	14,671	13,645
3 Stable deposit	4,201	3,817
4 Deposit with low stability	10,470	9,828
5 Unsecured debts except real person deposits and retail deposits	1,235,295	1,200,663
6 Operational deposit	-	-
7 Non-operating deposits	1,235,295	1,200,663
8 Other unsecured debts	-	-
9 Secured debts		
10 Other cash outflows	30,694	10,998
11 Derivative liabilities and margin obligations	30,694	10,998
12 Debt from structured financial instruments	-	-
13 Other off-balance sheet liabilities and commitments for the payment owed to financial markets	-	-
Revocable off-balance sheet obligations regardless of any other requirement and other contractual obligations	114,568	105,972
15 Other irrevocable or provisory revocable off-balance sheet liabilities	1,835	1,021
16 TOTAL CASH OUTFLOW	1,430,663	1,355,056
CASH INFLOWS		
17 Secured receivables	-	-
18 Unsecured claims	1,530,574	1,240,694
19 Other cash inflows	40,304	31,360
20 TOTAL CASH INFLOWS	1,570,878	1,272,054
21 TOTAL HQLA STOCK	410,932	337,844
22 TOTAL NET CASH OUTFLOWS	357,666	387,972
23 LIQUIDITY COVERAGE RATIO (%)	115.60	92.39

With regard to the liquidity coverage ratio, the following aspects as a minimum are described by banks:

Important factors affecting the liquidity coverage ratio results and the change over time of those items taken into account while calculating this ratio

High-quality liquid assets and cash outflows are one of the most important factors affecting the calculation of the liquidity coverage ratio for banks. A major portion of high-quality liquid assets of the Parent Bank are consisted of treasury bills and free deposits held in CBRT. High-quality liquid assets been on the rise throughout the year had a positive effect on the calculation of liquidity coverage ratio.

Sections High-quality liquid assets comprised of

High-quality liquid assets consist of Cash, Effectives, Debt Instruments issued by CBRT and Treasury, Debt Instruments with a Credit or default rating from A+ to BBB- or any equivalent Debt Instruments. CBRT accounts for 66% of high-quality liquid assets of the Parent Bank, while 34% comprised of debt instruments issued by the Treasury.

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**VIII. CONSOLIDATED LIQUIDITY RISK MANAGEMENT AND LIQUIDITY
COVERAGE RATIO (Continued)**

Sections Funding sources comprised of and their densities within all funds

A significant part of the funding sources are comprised of deposits received. 83% of the total liabilities are deposits received. 85% of these deposits are deposits obtained from banks.

Cash outflows arising from Derivative Transactions and information about margin possible transactions

Cash outflows from derivative transactions constitute of swaps. Cash outflows calculated from swap operations is amounted TL 976.

Counterparty and product-based funding sources and concentration limits on collaterals

A significant part of the funding sources are comprised of deposits received.

83% of the liability is deposits and 85% of these deposits are from banks. All of these liabilities are warrantless.

Funding needs in terms of the Bank itself, foreign branches and consolidated subsidiaries taking into account operational and legal factors that inhibits the Parent Bank’s liquidity transfer and liquidity risk exposure

The Parent Bank obtains funds essentially from main shareholder Libyan Foreign Bank and its subsidiaries. These reliable and ongoing funds are renewed at different maturities and expected to continue for many years.

Other cash inflows and outflows that are included in liquidity coverage calculation but not included in the public disclosure template in the second paragraph and considered to be related with the Bank’s liquidity profile

None.

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**VIII. CONSOLIDATED LIQUIDITY RISK MANAGEMENT AND LIQUIDITY
COVERAGE RATIO (Continued)**

Presentation of assets and liabilities based on their outstanding maturities

Current Period	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Year and Over	Unallocated	Total
Assets								
Cash (cash in vault, effectives, money in transit, cheques purchased) and Central Bank balances	8,986	849,169	-	-	-	-	-	858,155
Banks	57,746	882,942	307,219	-	-	-	-	1,247,907
Financial Assets at Fair Value through Profit or Loss	-	14,580	25,567	9,335	158,860	-	-	208,342
Money Market Placements	-	-	-	-	-	-	-	-
Financial assets available-for-sale	-	-	-	-	-	-	1,388	1,388
Loans	-	804,298	414,200	138,851	554	-	-	1,357,903
Investment securities held-to-maturity	-	1,038	112,336	22,314	131,731	14,139	-	281,558
Other assets ¹	2,148	18,758	15,120	70,470	143,428	-	44,579	294,503
Total Assets	68,880	2,570,785	874,442	240,970	434,573	14,139	45,967	4,249,756
Liabilities								
Interbank Deposits	395,009	1,095,131	593,291	755,156	-	-	-	2,838,587
Other Deposits	429,305	21,325	22,802	35,612	-	-	-	509,044
Funds provided from other financial institutions	-	15,721	1,605	84,548	108,711	-	-	210,585
Money market borrowings	-	3,493	-	-	-	-	-	3,493
Marketable securities issued	-	-	-	-	-	-	-	-
Miscellaneous payables	-	-	-	-	-	-	4,763	4,763
Other liabilities ²	-	7,904	8,664	-	-	-	666,716	683,284
Total Liabilities	824,314	1,143,574	626,362	875,316	108,711	-	671,479	4,249,756
Liquidity Gap	(755,434)	1,427,211	248,080	(634,346)	325,862	14,139	(625,512)	-
Prior Period								
Total Assets	22,464	2,297,746	427,860	661,921	415,814	30,899	49,119	3,905,823
Total Liabilities	805,461	626,034	979,570	752,347	141,881	-	600,530	3,905,823
Net Liquidity Gap	(782,997)	1,671,712	(551,710)	(90,426)	273,933	30,899	(551,411)	-

1 Other assets amounting TL 44,579 at the undistributed part; Tangible Assets amounting TL 23,555, Intangible Assets amounting TL 2,986, Deferred Tax Asset amounting TL 2,940, Asset Held for Sale amounting TL 9, Miscellaneous Receivables amounting to TL 1,830 and Other Assets amounting to TL 13,259.

2 Other liabilities amounting TL 666,716 at the undistributed part consists of Shareholders Equity amounting TL 613,535, Provisions amounting TL 40,988, and Other Foreign Resources TL 12,193.

Explanations on securitization positions

The Group has no securitization positions.

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**VIII. CONSOLIDATED LIQUIDITY RISK MANAGEMENT AND LIQUIDITY
COVERAGE RATIO (Continued)**

Information on credit risk mitigation techniques

The Parent Bank applies the Regulation on Credit Risk Mitigation Techniques’ (“Regulation”) 34th article that the standard volatility adjustments are taken into account regarding to portfolios in which comprehensive approach is used.

Cash collateral is used for credit risk mitigation.

Volatility adjustments on receivables, guarantees and collateral currency mismatches applied with the standard volatility adjustment approach with the Article 37 of the regulation.

In the case of the maturity mismatch that occurred because of the maturity of the collateral is less than the remaining maturity of the receivable, the collateral value considered as adjusted volatility.

Collaterals based on risk types

Risk Types-Current Period	Amount⁽¹⁾	Financial Collaterals	Other/Physical Collaterals	Guarantees and credit derivatives
Contingent and Non-Contingent Receivables from Sovereign Governments and Central Banks	1,084,731	-	-	-
Contingent and Non-Contingent Receivables from Regional Governments and Local Authorities	-	-	-	-
Contingent and Non-Contingent Receivables from Administrative Units and Non-commercial Enterprises	-	-	-	-
Contingent and Non-Contingent Receivables from Multilateral Development Banks	-	-	-	-
Contingent and Non-Contingent Receivables from International Organizations	-	-	-	-
Contingent and Non-Contingent Receivables from Banks and Financial Intermediaries	2,602,338	41,183	-	-
Contingent and Non-Contingent Corporate Receivables	1,620,378	5,989	-	-
Contingent and Non-Contingent Retail Receivables	-	-	-	-
Contingent and Non-Contingent Receivables Secured by Property ⁽²⁾	39,201	58	-	-
Past Due Loans	1,943	360	-	-
Higher-Risk Receivables Defined by BRSA	174,069	146,009	-	-
Marketable Securities Collateralized Mortgages	-	-	-	-
Securitization Exposures	-	-	-	-
Short-Term Receivables from Banks and Corporate	-	-	-	-
Undertakings for Collective Investments in Mutual Funds	-	-	-	-
Other Receivables	42,287	-	-	-
Total	5,564,947	193,599	-	-

(1) Includes the total amount before taking into account the effects of credit risk mitigation.

(2) The real estate mortgages that used to determine the risk classes are not taken into consideration regarding the “Regulation on Measurement and Assessment of Capital Adequacy of Banks”, Article 6.

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**VIII. CONSOLIDATED LIQUIDITY RISK MANAGEMENT AND LIQUIDITY
COVERAGE RATIO (Continued)**

Risk Types-Prior Period	Amount ⁽¹⁾	Financial Collaterals	Other/Physical Collaterals	Guarantees and credit derivatives
Contingent and Non-Contingent Receivables from Sovereign Governments and Central Banks	464,333	-	-	-
Contingent and Non-Contingent Receivables from Regional Governments and Local Authorities	-	-	-	-
Contingent and Non-Contingent Receivables from Administrative Units and Non- commercial Enterprises	-	-	-	-
Contingent and Non-Contingent Receivables from Multilateral Development Banks	-	-	-	-
Contingent and Non-Contingent Receivables from International Organizations	-	-	-	-
Contingent and Non-Contingent Receivables from Banks and Financial Intermediaries	2,700,637	506	-	-
Contingent and Non-Contingent Corporate Receivables	1,692,706	3,962	-	-
Contingent and Non-Contingent Retail Receivables	-	-	-	-
Contingent and Non-Contingent Receivables Secured by Property ⁽²⁾	56,649	-	-	-
Past Due Loans	1,878	394	-	-
Higher-Risk Receivables Defined by BRSA	254,158	198,371	-	-
Marketable Securities Collateralized Mortgages	-	-	-	-
Securitization Exposures	-	-	-	-
Short-Term Receivables from Banks and Corporate	-	-	-	-
Undertakings for Collective Investments in Mutual Funds	-	-	-	-
Other Receivables	41,632	-	-	-
Total	5,211,993	203,233	-	-

(1) Includes the total amount before taking into account the effects of credit risk mitigation.

(2) The real estate mortgages that used to determine the risk classes are not taken into consideration regarding the "Regulation on Measurement and Assessment of Capital Adequacy of Banks", Article 6.

Risk management target and policies

The Parent Bank's risk strategy, policy, and procedures are approved by board of directors in order to make policies that are determined, to be approved, to evaluate and manage the risk that bank is exposed to, and to make it in compliance with changing circumstances, necessary conditions are determined.

- Strategies and implementations related to risk management
The objectives of the Risk Management Department are identifying, evaluating, reporting, monitoring and establishing control over the risks imposed by the bank and the risk groups that the bank is involved in.
- Structure and organization of the risk management system
The Risk Management Department is independent from executive actions and is directly affiliated with the Board of Directors. The Department is structured to operate under the responsibility of The Parent Bank's Audit Committee and the Internal Systems Director.
- Risk management system
The Risk Management System is composed of identifying, evaluating, tracing, controlling, administrating, reporting the potential risks that The Parent Bank may encounter and the limitation procedures mechanism of these risks.

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**VIII. CONSOLIDATED LIQUIDITY RISK MANAGEMENT AND LIQUIDITY
COVERAGE RATIO (Continued)**

d) Risk management principles

The Parent Bank's risk management principles are being selective about taken risks, identifying risks effectively, measuring, analyzing and managing, ensuring the risk-return balance, taking robust guarantees level to meet the existing and potential risks and monitoring closely the adequacy of collateral, having enough capital structure to provide present and future potential risks, ensuring risks that are kept within defined limits, controlling all activities compliance with approved policies and procedures, provide activities in accordance with laws and regulations, establish corporate risk culture within The Parent Bank, providing effective reporting channels which will help to inform management level to prevent delay about every type of inconsistencies, in order to follow and to manage risks, The Parent Bank and market data reviewed regularly. Within the scope of classifying risks besides of legal limits also The Parent Bank internal limits are provided.

Leverage Ratio

**Information on matters that create difference between current and previous period
leverage ratio**

The main factors which cause the difference between periods are core capital and total risk amounts, no significant change occurred regarding portfolio structure.

**Summarized comparative table of total asset amount in financial statements which is prepared
according to TAS and total risk amount**

	Prior period	Current period
1 Total asset amount in financial statements which is prepared according to TAS*	7,701	7,509
2 Difference between total asset amount in financial statements which is prepared according to TAS and Communiqué on Preparation of Financial Statements of Banks	-	-
3 Difference between derivative instruments and credit derivatives amount which is prepared according to Communiqué on Preparation of Consolidated Financial Statements of Banks and risk amount	88,629	68,283
4 Difference between Security or secured financing transactions amount which is prepared according to Communiqué on Preparation of Consolidated Financial Statements of Banks and risk amount	95,890	155,796
5 Difference between off-balance sheet transactions amount which is prepared according to Communiqué on Preparation of Consolidated Financial Statements of Banks and risk amount	103,350	82,147
6 Difference between amount which is prepared according to Communiqué on Preparation of Consolidated Financial Statements of Banks and risk amount	-	-
7 Total risk amount	295,570	313,735

(*) Related amounts are calculated by using consolidated financials which are prepared in accordance with BRSA Accounting and Financial Reporting Legislation.

(**) Amounts in the table are obtained on the basis of three-month weighted average.

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**VIII. CONSOLIDATED LIQUIDITY RISK MANAGEMENT AND LIQUIDITY
COVERAGE RATIO (Continued)**

Leverage ratio disclosure as follows:

		Prior Period	Current Period
	Balance sheet assets		
1	Balance sheet assets (Except for derivative financial instruments and credit derivatives, including warranties)	3,638,333	4,210,261
2	(Assets deducted from main capital)	(3,851)	(3,754)
3	Total risk amount of the balance sheet assets (Sum of 1st and 2nd rows)	3,634,482	4,206,507
	Derivative financial instruments and credit derivatives		
4	Replacement cost of derivative financial instruments and credit derivatives	-	-
5	Potential credit risk amount of derivative financial instruments and credit derivatives	831	463
6	Total risk amount of derivative financial instruments and credit derivatives (Sum of 4th and 5th rows)	831	463
	Security or secured financing transactions		
7	Risk amount of security or secured financing transactions (Except balance sheet)	480	-
8	Risk amount due to intermediated transactions	-	-
9	Total risk amount of security or secured financing transactions (Sum of 7th and 8th rows)	480	-
	Off-balance sheet transactions		
10	Gross nominal amount of off-balance sheet transactions	2,321,080	2,451,795
11	(Adjustment amount resulting from multiplying by credit conversion rates)	-	-
12	Risk amount of the off-balance sheet transactions (Sum of 10th and 11th rows)	2,321,080	2,451,795
	Equity and total risk		
13	Main capital	542,306	608,429
14	Total risk amount (Sum of 3th, 6th, 9th and 12th rows)	5,956,874	6,658,764
	Leverage ratio		
15	Leverage ratio	9.11%	9.14%

(*) Amounts in the table are obtained on the basis of three-month weighted average.

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IX. INFORMATION ON FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES

The fair value of the held to maturity financial assets; in case of situations where market price or fair value cannot be determined; is calculated over the quoted market prices of other investment securities that are of the same interest, maturity and similar in other clauses.

The estimated fair value of the demand deposit represents the amount to be paid at the moment of demand. Placements of changing rates and the fair value of the overnight deposit equal to their book values. The fair value of the fixed yield deposit is calculated over the cash flows discounted using the market interest rates implicated on similar borrowing and other payables.

The estimated fair value of the loans is calculated over the cash flows discounted using the market interest rates implicated on the constant interest loans. The carrying values of floating-rate loans are deemed a reasonable proxy for their fair values.

In the table below; fair values and book values of some of the financial assets and liabilities are presented. The book value of the assets and liabilities is the total of the cost and accumulated interest accruals.

	Carrying Value		Fair Value	
	Current Period	Prior Period	Current Period	Prior Period
Financial Assets	3,136,348	3,339,311	3,154,273	3,422,784
Banks	1,247,907	1,587,326	1,247,907	1,587,326
Money market receivables	-	26,908	-	26,908
Financial assets available-for-sale	1,388	1,159	1,388	1,159
Investment securities held-to-maturity	281,558	141,677	293,088	141,677
Loans	1,357,903	1,364,298	1,364,298	1,447,771
Financial Lease Receivables	247,592	217,943	247,592	217,943
Financial Liabilities	3,566,557	3,296,980	3,566,557	3,296,980
Interbank deposits	2,838,587	2,537,987	2,838,587	2,537,987
Other Deposits	509,129	569,651	509,129	569,651
Funds provided from other financial institutions	210,585	182,069	210,585	182,069
Money market borrowings	3,493	2,935	3,493	2,935
Marketable securities issued	-	-	-	-
Miscellaneous Payables	4,763	4,338	4,763	4,338

Fair value hierarchy

The table below analyses financial instruments carried at fair value by valuation method. The different levels have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or;

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**IX. INFORMATION ON FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES
(Continued)**

Level 3: Inputs for the asset or liability that is not based on observable market data (unobservable inputs).

Current Period	Level 1	Level 2	Level 3	Total
Financial Assets				
Financial assets at fair value through Profit or Loss	208,342	-	-	208,342
<i>Public sector debt securities</i>	116,041	-	-	116,041
<i>Financial assets held for trading</i>	-	-	-	-
<i>Other marketable securities</i>	92,301	-	-	92,301
Financial Liabilities				
Derivative financial liabilities held for trading	-	753	-	753
Prior Period	Level 1	Level 2	Level 3	Total
Financial Assets				
Financial assets at fair value through Profit or Loss	162,649	782	-	163,431
<i>Public sector debt securities</i>	57,019	-	-	57,019
<i>Financial assets held for trading</i>	-	782	-	782
<i>Other marketable securities</i>	105,630	-	-	105,630

Activities carried out on behalf of and account of third parties, activities based on

Information on whether the Parent Bank carries out trading, custody, consulting, and management services for third parties

The Parent Bank does not carry out any other trading, custody, management and consulting services on behalf and account of others.

Information on trust transactions with other financial institutions or direct financial services given within the context of trust transactions to other financial institutions and possible effects of such transactions on Bank's financial situation

The Parent Bank does not have transactions based on trust.

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X. INFORMATION ON CONSOLIDATED BUSINESS SEGMENTS

Information on operational segments on 31 December 2015 and 31 December 2014 are presented in the table below:

Current Period	Retail Banking	Corporate and Commercial Banking	Treasury	Leasing	Other	Total Operations
Interest Income	(1,023)	86,233	22,568	16,625	-	124,403
Commission Income	-	49,038	-	592	-	49,630
Unallocated Income/Expenses (Net)	-	-	-	-	(83,070)	(83,070)
Operating Income	(1,023)	135,271	22,568	17,217	(83,070)	90,963
<i>Income from Subsidiaries</i>						-
<i>Income before tax</i>						90,963
<i>Tax Provision</i>						(18,470)
Net Profit for the year						72,493

Current Period	Retail Banking	Corporate and Commercial Banking	Treasury	Leasing	Other	Total Operations
Segment Assets	883	1,274,002	2,629,516	296,777	-	4,201,178
Unallocated assets	-	-	-	-	48,578	48,578
Total Assets	883	1,274,002	2,629,516	296,777	48,578	4,249,756
Segment Liabilities	239,512	269,204	2,845,781	214,837	-	3,569,334
Unallocated Liabilities	-	-	-	-	66,887	66,887
Equity	-	-	-	-	613,535	613,535
Total Liabilities	239,512	269,204	2,845,781	214,837	680,422	4,249,756

Prior Period	Retail Banking	Corporate and Commercial Banking	Treasury	Leasing	Other	Total Operations
Interest Income	(661)	86,804	23,426	13,120	-	122,689
Commission Income	-	48,062	-	286	-	48,348
Unallocated Income/Expenses (Net)	-	-	-	-	(78,828)	(78,828)
Operating Income	(661)	134,866	23,426	13,406	(78,828)	92,209
<i>Income from Subsidiaries</i>						-
<i>Income before tax</i>						92,209
<i>Tax Provision</i>						(20,082)
Net Profit for the year						72,127

Prior Period	Retail Banking	Corporate and Commercial Banking	Treasury	Leasing	Other	Total Operations
Segment Assets	740	1,363,558	2,269,600	254,426	-	3,888,324
Unallocated assets	-	-	-	-	17,499	17,499
Total Assets	740	1,363,558	2,269,600	254,426	17,499	3,905,823
Segment Liabilities	159,260	414,674	2,543,523	179,866	-	3,297,323
Unallocated Liabilities	-	-	-	-	66,981	66,981
Equity	-	-	-	-	541,519	541,519
Total Liabilities	159,260	414,674	2,543,523	179,866	608,500	3,905,823

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SECTION FIVE

**INFORMATION ON DISCLOSURES AND FOOTNOTES OF
CONSOLIDATED FINANCIAL STATEMENTS**

I. INFORMATION ON DISCLOSURES AND FOOTNOTES OF ASSETS

1. Information on cash equivalents and Central Bank of Turkey

Information on cash equivalents

	Current Period		Prior Period	
	TL	FC	TL	FC
Cash/Effective	2,234	6,752	1,367	7,006
Central Bank of Turkey	6,220	842,949	5,197	340,670
Other	-	-	-	-
Total	8,454	849,701	6,564	347,676

Information related to the account of Central Bank of Turkey

	Current Period		Prior Period	
	TL	FC	TL	FC
Unrestricted Demand				
Deposits	6,220	-	5,197	-
Unrestricted Time Deposits	-	534,390	-	83,191
Restricted Time Deposits	-	-	-	-
Reserve Deposits	-	308,559	-	257,479
Total	6,220	842,949	5,197	340,670

Information on Reserve Deposits

The banks operating in Turkey keep reserve deposits for Turkish currency and foreign currency at the rates of between 5% and 11.5% (31 December 2014: between 5% and 11.5%), and for USD or EUR at the rates of 5% and 25% respectively according to their maturities as per the Communiqué no.2005/1 "Reserve Deposits" of the Central Bank of Turkey (31 December 2014: between 6% and 13%). According to change, in the Communiqué which is no of 2013/15, with the number of 2014/3 practice direction effectuated at 5 November 2014, Central Bank has started charging interest to TRY Reserve Deposits and also Central Bank has started charging interest to USD Reserve Deposits with practice direction dated 11 May 2015.

2. Information on financial assets at fair value through profit/loss

Among financial assets at fair value through profit or loss; there is amount of TL 3,545 marketable securities subjected to repurchase transaction (31 December 2014: TL 3,015). There is amount of TL 5,190 provided as collateral /blocked financial assets at fair value through profit or loss in the current period. (31 December 2014: TL 9,853).

Positive differences on derivative financial assets held for trading showed as below:

Derivative Financial Assets Held for Trading	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Transactions	-	-	-	-
Swap Transactions	-	-	782	-
Futures	-	-	-	-
Options	-	-	-	-
Other	-	-	-	-
Total	-	-	782	-

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I. INFORMATION ON DISCLOSURES AND FOOTNOTES OF ASSETS (Continued)

3. Information on banks and other financial institutions

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks				
Domestic banks	22,309	1,169,048	15,378	1,565,553
Foreign banks	4,615	51,935	-	6,395
Foreign head offices and branches	-	-	-	-
Total	26,924	1,220,983	15,378	1,571,948

Information on foreign banks

	Free Amount		Restricted Amount	
	Current Period	Prior Period	Current Period	Prior Period
EU Countries	15,363	3,068	-	-
USA, Canada	1,289	807	-	-
OECD Countries (*)	37	27	-	-
Off- Shore Banking Regions	-	-	-	-
Other	39,861	2,493	-	-
Total	56,550	6,395	-	-

(*) OECD countries except USA, EU and Canada.

4. Information on available for sale financial assets

Information on transaction of repo and collateral/blocked financial assets (Net)

As of 31 December 2015, the Bank does not have marketable securities subjected to repurchase transactions on financial assets available-for-sale (31 December 2014: None).

As of 31 December 2015, there is no security is held on collateral/blocked for guarantee from assets available-for-sale (31 December 2014: None).

Major types of available for sale financial assets

Available for sale financial assets are composed shares that are not quoted in the stock market.

Information on available for sale financial assets

	Current period	Prior period
Debt Securities	-	-
Quoted in stock exchange	-	-
Not quoted in stock exchange	-	-
Share Certificates	1,388	1,159
Quoted in stock Exchange	-	-
Not quoted in stock Exchange	1,388	1,159
Impairment provision (-)	-	-
Total	1,388	1,159

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I. INFORMATION ON DISCLOSURES AND FOOTNOTES OF ASSETS (Continued)

5. Information on Loans

Information on all types of loans and advances given to shareholders and employees of the Parent Bank

	Current period		Prior period	
	Cash	Non- Cash	Cash	Non- Cash
Direct Loans Granted to Shareholders	-	11,681	-	161
Corporate Shareholders	-	11,681	-	161
Individual Shareholders	-	-	-	-
Indirect Loans Granted to Shareholders	-	-	-	-
Loans Granted to the Bank's personnel	846	-	656	4
Total	846	11,681	656	165

Information about the first and second group loans and other receivables including loans that have been restructured or rescheduled

	Standard loans and other receivables		Loans and other receivables under close monitoring	
	Loans and other receivables (Total)	Amendments on Conditions of Contract	Loans and other receivables (Total)	Amendments on Conditions of Contract
		Amendments related to the extension of the payment plan		Amendments related to the extension of the payment plan
Cash Loans		Other		Other
Non-specialized loans	1,344,520	-	11,440	-
Corporation loans	-	-	-	-
Export loans	159,392	-	-	-
Import loans	-	-	-	-
Loans given to financial sector	592,573	-	-	-
Consumer loans	883	-	-	-
Credit cards	-	-	-	-
Other	591,672	-	11,440	-
Specialized loans	-	-	-	-
Other receivables	-	-	-	-
Total	1,344,520	-	11,440	-

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I. INFORMATION ON DISCLOSURES AND FOOTNOTES OF ASSETS (Continued)

Cash loan distribution according to term structure

	Standard Loans and Other Receivables		Loans and Other Receivables Under Close Monitoring	
	Total Loans and Other Receivables	Restructured or Rescheduled	Total Loans and Other Receivables	Restructured or Rescheduled
Short Term Loans and other receivables	990,418	-	11,440	-
Non-specialized loans	990,418	-	11,440	-
Specialized Loans	-	-	-	-
Other receivables	-	-	-	-
Middle Term Loans and other receivables	354,102	-	-	-
Non-specialized loans	354,102	-	-	-
Specialized Loans	-	-	-	-
Other receivables	-	-	-	-
Total	1,344,520	-	11,440	-

Number of amendments related to the plan extension of the payment plan

None.

The time extended via the amendment on payment plan

None.

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I. INFORMATION ON DISCLOSURES AND FOOTNOTES OF ASSETS (Continued)

Information on consumer loans, credit cards and loans given to employees

	Short Term	Medium and Long Term	Total
Consumer Loans-TL	2	35	37
Real estate loans	-	-	-
Automotive loans	-	-	-
Consumer loans	2	35	37
Other	-	-	-
Consumer Loans-Indexed to FC	-	-	-
Real estate loans	-	-	-
Automotive loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
Consumer Loans-Indexed to FC	-	-	-
Real estate loans	-	-	-
Automotive loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
Individual Credit Cards-TL	-	-	-
Installment	-	-	-
Non-Installment	-	-	-
Individual Credit Cards-FC	-	-	-
Installment	-	-	-
Non-Installment	-	-	-
Personnel Loans- TL	21	825	846
Real estate loans	-	-	-
Automotive loans	-	-	-
Consumer loans	21	825	846
Other	-	-	-
Personnel Loans- Indexed to FC	-	-	-
Real estate loans	-	-	-
Automotive loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
Personnel Loans-FC	-	-	-
Real estate loans	-	-	-
Automotive loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
Personnel Credit Cards-TL	-	-	-
Installment	-	-	-
Non-Installment	-	-	-
Personnel Credit Cards-FC	-	-	-
Installment	-	-	-
Non-Installment	-	-	-
Deposits with Credit Limit-TL (Individual)	-	-	-
Deposits with Credit Limit-FC (Individual)	-	-	-
Total	23	860	883

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I. INFORMATION ON DISCLOSURES AND FOOTNOTES OF ASSETS (Continued)

Information on installment commercial loans and commercial credit cards

	Short Term	Medium and Long Term	Total
Commercial Installment Loans-TL	-	24	24
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	24	24
Other	-	-	-
Commercial Installment Loans-Indexed to FC	-	-	-
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Commercial Installment Loans -FC	-	3,213	3,213
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	3,213	3,213
Other	-	-	-
Corporate Credit Cards-TL	-	-	-
With Installment	-	-	-
Without Installment	-	-	-
Corporate Credit Cards-FC	-	-	-
With Installment	-	-	-
Without Installment	-	-	-
Credited Deposit Account-TL (Legal Person)	-	-	-
Credited Deposit Account -FC (Legal Person)	-	-	-
Total	-	3,237	3,237

Allocation of loans by customers

	Current Period	Prior Period
Public	-	-
Private	1,355,960	1,362,420
Total	1,355,960	1,362,420

Allocation of domestic and foreign loans

	Current Period	Prior Period
Domestic loans	1,336,446	1,324,223
Foreign loans	19,514	38,197
Total	1,355,960	1,362,420

Loans granted to subsidiaries and associates

None.

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I. INFORMATION ON DISCLOSURES AND FOOTNOTES OF ASSETS (Continued)

Specific provisions for loans

Specific provisions	Current Period	Prior Period
Loans and receivables with limited collectibles	-	-
Loans and receivables with doubtful collectibles	-	-
Uncollectible loans and receivables	11,268	13,214
Total	11,268	13,214

Information related to non-performing loans (Net)

Information on restructured loans of non-performing loans

None.

Information on movement of total non-performing loans

	III. Group Loans and receivables with limited collectibles	IV. Group Loans and receivables with doubtful collectibles	V. Group Uncollectible loans and receivables
Balances at Beginning of Period	-	-	15,092
Additions (+)	45,013	-	2,754
Transfers from other categories of nonperforming loans (+)	-	19,711	3,421
Transfers to other categories of nonperforming loans (-)	23,132	-	-
Collections (-)	21,881	19,711	2,317
Write-offs (-)	-	-	5,739
Institutional and commercial credits	-	-	5,739
Individual credits	-	-	-
Credit cards	-	-	-
Others	-	-	-
Balances at End of the Period	-	-	13,211
Specific provisions (-)	-	-	11,268
Net Balance on Balance Sheet	-	-	1,943

Information on foreign currency non-performing loans

There are non-performing loan receivables in foreign currency amounting TL 1,754 which is followed in Turkish Lira accounts.

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I. INFORMATION ON DISCLOSURES AND FOOTNOTES OF ASSETS (Continued)

Information on gross and net loans under follow-up according to the borrowers

	III. Group Loans and receivables with limited collectability	IV. Group Loans and receivables with doubtful collectability	V. Group Non-performing loans and receivables
Current Period (Net)	-	-	1,943
Loans granted to real persons and legal entities (Gross)	-	-	13,111
Specific provisions (-)	-	-	11,168
Loans granted to real persons and legal entities (Net)	-	-	1,943
Banks (Gross) ⁽¹⁾	-	-	100
Specific provisions (-)	-	-	100
Banks (Net)	-	-	-
Other Loans and receivables (Gross)	-	-	-
Specific provisions (-)	-	-	-
Other Loans and receivables (Net)	-	-	-
Prior Period (Net)	-	-	1,878
Loans granted to real persons and legal entities (Gross)	-	-	14,992
Specific provisions (-)	-	-	13,114
Loans granted to real persons and legal entities (Net)	-	-	1,878
Banks (Gross) ¹	-	-	100
Specific provisions (-)	-	-	100
Banks (Net)	-	-	-
Other Loans and receivables (Gross)K	-	-	-
Specific provisions (-)	-	-	-
Other Loans and receivables (Net)	-	-	-

(1) Foreign bank

Collection policy on loans determined as loss and other receivables

Loans determined as loans and other receivables are collected via legal follow-up and conversion of guarantees to cash.

Information on write-off policy

Loans under legal follow-up are classified and are made provision according to "Regulation on Procedures and Principles Concerning Loans and Other Receivable's Nature Definition and Provisions". These loans are collected in collaboration with Corporate and Commercial Credits Monitor and Follow-up Department and Legal and Legislation Services Department and other related departments. However if mentioned loans could not be collected in any way, write-off procedure is implemented. This procedure is implemented by getting the opinion of Legal and Legislation Services Department and by obtaining approvals from Corporate and Commercial Credits Monitor and Follow-up Department and the Board of Directors.

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I. INFORMATION ON DISCLOSURES AND FOOTNOTES OF ASSETS (Continued)

6. Information on held to maturity financial assets

Information on transaction of repo and collateral/blocked financial assets (Net)

There are no marketable securities as held to maturity and subject to repurchase transactions as of 31 December 2015 (31 December 2014: None). There are amounting TL 1,038 financial assets as collateral/blocked as of 31 December 2015 (31 December 2014: None).

Information on government held to maturity financial assets

	Current Period		Prior Period	
	TL	FC	TL	FC
Government bonds	1,038	-	24,503	-
Treasury Bonds	-	-	-	-
Other Public Bonds	-	231,020	-	91,232
Total	1,038	231,020	24,503	91,232

Information of investments held to maturity

	Current Period	Prior Period
Debt Instruments	282,138	141,677
Quoted at stock exchange	232,638	115,735
Not-quoted at stock exchange	49,500	25,942
Impairment loss provision (-)	(580)	-
Total	281,558	141,677

Movement of marketable securities held-to-maturity

	Current Period	Prior Period
Balances at the Beginning of the Period	141,677	189,184
Foreign Currency Gains / Losses on Monetary assets	16,938	18,663
Purchases during the Period	216,840	29,234
Disposals through sales and redemptions ¹	(93,317)	(94,796)
Impairment loss provision ²	(580)	(608)
Period end balance	281,558	141,677

¹ In the current period amounting to TL 93,317 (31 December 2014: TL 94,796) redemption has been realized.

² Represents provisions allocated for impairment in the current year.

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I. INFORMATION ON DISCLOSURES AND FOOTNOTES OF ASSETS (Continued)

7. Information on Associates

The Group does not have an associate.

8. Information on consolidated subsidiaries (Net)

Information on consolidated subsidiaries

The Parent Bank does not have an unconsolidated subsidiary.

Information on subsidiaries

Information on Shareholders' Equity for A&T Finansal Kiralama A.Ş.

	Current Period	Prior Period
CORE CAPITAL		
Paid in Capital	70,000	65,000
Effect of Inflation Adjustment on Paid in Capital	91	97
Legal Reserves	2,280	1,983
Extraordinary Reserves - Legal Reserve per General Legislation	3	3
Profit / Loss	9,566	7,477
<i>Net Profit</i>	7,386	5,940
<i>Prior Period Profit/Loss</i>	2,180	1,537
Intangible Assets (-)	338	202
Total Core Capital	81,602	74,358
SUPPLEMENTARY CAPITAL	-	-
CAPITAL	81,602	74,358
DEDUCTION FROM CAPITAL	-	-
NET AVAILABLE CAPITAL¹	70,000	65,000

¹ There is no restriction on shareholders' equity of subsidiary. After deduction from the capital, the total net available equity is TL 81,602. (31 December 2014: TL 74,358).

There is no internal capital adequacy assessment approach for the subsidiary. There is no additional requirements in terms of the capital of the subsidiary.

Summary information on basic features of equity items

Paid in capital has been indicated as Turkish Lira in articles of incorporation and registered in trade registry.

Effect of inflation adjustments on paid in capital is the difference caused by the inflation adjustment on shareholders' equity items.

Extraordinary reserves are the status reserves which have been transferred with the General Assembly decision after distributable profit have been transferred to legal reserves.

Legal reserves are the status reserves which have been transferred from distributable profit in accordance with the third clause of first and second paragraph of 519 and 521 articles of Turkish Commercial Code no. 6102.

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I. INFORMATION ON DISCLOSURES AND FOOTNOTES OF ASSETS (Continued)

Description	Address (City/Country)	Bank’s share percentage-If different voting percentage (%)	Bank’s risk group share percentage (%)
A&T Finansal Kiralama A.Ş.	İstanbul	99.98	99.98

Total Assets	Shareholders’ Equity	Total Fixed Assets	Interest Income	Income from marketable securities portfolio	Current Period Profit / Loss	Prior Period Profit / Loss	Fair value (*)
296,777	81,940	4,282	21,892	-	7,386	2,180	-

(*) The related subsidiary has no fair value as of 31 December 2015.

Movement related to consolidated subsidiaries

	Current Period	Prior Period
Balance at the Beginning of the Period	65,214	60,895
Movements during the Period	4,999	4,319
Purchases	-	-
Bonus Shares Received	4,999	4,319
Dividends from Current Year Profit	-	-
Sales	-	-
Revaluation Increase, Effect of Inflation and F/X Difference	-	-
Impairment Provision (-)	-	-
Balance at the End of the Period	70,213	65,214
Capital Commitments	-	-
Share Percentage at the end of Period (%)	99.98	99.98

Valuation methods of investments in subsidiaries

The method used in the accounting of subsidiaries is explained in Section Three.

Sectoral Information on the subsidiaries

Subsidiaries	Current Period	Prior Period
Banks	-	-
Insurance Companies	-	-
Factoring Companies	-	-
Leasing Companies	70,213	65,214
Finance Companies	-	-

Quoted Subsidiaries

The Parent Bank does not have a subsidiary that is quoted.

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I. INFORMATION ON DISCLOSURES AND FOOTNOTES OF ASSETS (Continued)

Subsidiaries sold in the current year

None.

Subsidiaries acquired in the current year

None.

9. Information on joint ventures of the Parent Bank

The Parent Bank does not have joint ventures.

10. Information on Financial Lease Receivables (Net)

Maturity analysis of financial lease receivables

	Current Period		Prior Period	
	Gross	Net	Gross	Net
Less than 1 year	118,199	104,164	97,843	84,690
Between 1-4 years	159,243	143,428	150,372	133,253
Over 4 years	-	-	-	-
Total	277,442	247,592	248,215	217,943

Information on net financial lease investments

	Current Period	Prior Period
Gross Financial Lease Investment	277,442	248,215
Earned Financial Lease Income (-)	29,850	30,272
Cancelled Leasing Amounts	-	-
Net Investment on Leases	247,592	217,943

There is a provision amount of TL 1,642 for doubtful financial lease receivables in net financial lease investments.

The movement of doubtful receivables is as follows

	Current Period	Prior Period
Opening Balance	833	1,053
Provisions	909	5
Collections	100	225
Ending Balance	1,642	833

11. Information on financial derivatives for hedging

The Group does not have any financial derivatives for hedging.

12. Information on investment property

The Group does not have any investment property.

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I. INFORMATION ON DISCLOSURES AND FOOTNOTES OF ASSETS (Continued)

13. Information on Tangible Assets

Current Period	Real Estates	Leased Tangible Assets	Vehicles	Other Tangible Assets	Total
Balance at the End of the Prior Period- 31 December 2014					
Cost	33,996	3,958	225	13,422	51,601
Accumulated Depreciation (-)	13,457	3,958	161	8,928	26,504
Net Book Value	20,539	-	64	4,494	25,097
Balance at the End of the Current Period- 31 December 2015					
Net Book Value at the Beginning of the Current Period	33,996	3,958	225	13,422	51,601
Additions	38	-	39	868	945
Disposals(-)	-	-	108	116	224
Cost at the End of the Current Period	34,034	3,958	156	14,174	52,322
Accumulated Depreciation (-)	13,457	3,958	161	8,928	26,504
Depreciation Expense (-)	834	-	36	1,600	2,470
Depreciation of Disposals (-)	-	-	(91)	(116)	(207)
Accumulated Depreciation at the End of the Current Period (-)	14,291	3,958	106	10,412	28,767
Closing Net Book Value	19,743	-	50	3,762	23,555

Prior Period	Real Estates	Leased Tangible Assets	Vehicles	Other Tangible Assets	Total
Balance at the End of the Prior Period- 31 December 2013					
Cost	33,467	4,530	960	10,514	49,471
Accumulated Depreciation (-)	12,629	4,530	384	6,959	24,502
Net Book Value	20,838	-	576	3,555	24,969
Balance at the End of the Current Period- 31 December 2014					
Net Book Value at the Beginning of the Current Period	33,467	4,530	960	10,514	49,471
Additions	529	-	-	2,977	3,506
Disposals(-)	-	572	735	69	1,376
Cost at the End of the Current Period	33,996	3,958	225	13,422	51,601
Accumulated Depreciation (-)	12,629	4,530	384	6,959	24,502
Depreciation Expense (-)	828	-	82	2,014	2,924
Depreciation of Disposals (-)	-	(572)	(305)	(45)	(922)
Accumulated Depreciation at the End of the Current Period (-)	13,457	3,958	161	8,928	26,504
Closing Net Book Value	20,539	-	64	4,494	25,097

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I. INFORMATION ON DISCLOSURES AND FOOTNOTES OF ASSETS (Continued)

14. Information on intangible assets

	Current Period	Prior Period
Balance at the End of the Prior Period		
Cost	9,969	8,425
Accumulated Depreciation (-)	(6,790)	(5,555)
Net Book Value	3,179	2,870
Balance at the End of the Current		
Net Book Value at the Beginning of the	9,969	8,425
Additions	1,153	1,544
Disposals (-)	-	-
Impairment(-)	-	-
Cost at the Beginning of the current	11,122	9,969
Accumulated Depreciation (-)	(6,790)	(5,555)
Amortization and amortization	(1,346)	(1,235)
Impairment Depreciation(-)	-	-
Accumulated Amortization at end of the current period	(8,136)	(6,790)
Net Book Value at end of the current	2,986	3,179

15. Information on tax assets

As of 31 December 2015, there is no tax receivable under current tax asset after the deduction of tax liability. (31 December 2014: None).

Group has calculated TL 3,727 deferred tax asset and TL 787 deferred tax liability over taxable temporary differences as of 31 December 2015 and recorded the net amount of asset and liability to the financial statement (31 December 2014: TL 3,292 deferred tax asset and TL 1,191 deferred tax liability).

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I. INFORMATION ON DISCLOSURES AND FOOTNOTES OF ASSETS (Continued)

The detail of deferred tax asset and liability is as follows:

	Current Period		Prior Period	
	Accumulated temporary differences	Deferred tax asset/ (liability)	Accumulated temporary differences	Deferred tax asset/ (liability)
Investment allowance	-	-	515	103
Provisions regarding employee rights	10,361	2,072	9,897	1,979
Interest accruals	1,762	352	-	-
Unearned Income	2,680	536	3,148	630
Depreciation difference for tangible and intangible assets	275	55	908	182
Derivative financial instruments	753	151	-	-
Other	2,806	561	1,989	398
Deferred tax asset	18,637	3,727	16,457	3,292
Depreciation difference for tar and intangible assets	1,132	226	2,337	467
Interest accruals	2,198	440	2,647	529
Other	607	121	973	195
Deferred tax liability	3,937	787	5,957	1,191
Deferred tax asset /	14,700	2,940	10,500	2,101

Investment incentive was abolished being effective from January 1, 2006. In case that, entities do not have sufficient taxable income, deduction of the unused investment incentive as of December 31, 2005 from 2006, 2007 and 2008 income was allowed however it was not permitted to defer this investment incentive to subsequent periods after 2008. The Constitutional Court abolished this regulation on October 15, 2009 and the time constraint related to investment incentive has been removed. The resolution has been published in the Official Gazette on January 8, 2010. The Group may use the investment incentive amounting TL 545 according to the article no.19 of GVK which is not subject to withholding, by deducting the stoppage subjected amount TL 8,237 according to the temporary article no.61 of GVK from future profits. The Group does not have net deferred tax assets occurred from unused investment incentives which can be deducted from future profits in the year 2016. (31 December 2014: TL 103). Partially or fully recoverable of deferred tax asset is estimated under current conditions.

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I. INFORMATION ON DISCLOSURES AND FOOTNOTES OF ASSETS (Continued)

16. Information about fixed assets held for sale

	Current Period	Prior Period
Cost	17	17
Impairment (-)	7	6
Accumulated Depreciation (-)	-	-
Prior Period Net Book Value	10	11
Opening Balance	17	17
Additions	-	-
Disposals (-).net	-	-
Accumulated Impairment (-)	7	6
Impairment (-)	1	1
Accumulated Depreciation (-)	-	-
Depreciation	-	-
Depreciation Expenses (-)	-	-
Closing Net Book Value	9	10

17. Information on other assets

Other assets is amounting to TL 17,421 (31 December 2014: TL 18,454) and does not exceed 10% of total assets of balance sheet except off balance sheet commitments.

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II. INFORMATION AND DISCLOSURES RELATED TO LIABILITIES

1. Information on maturity profile of deposits

Current Period	Demand	7 Days Notice	Up to 1 Month	1-3 Months	3-6 Months	6 Months- 1 Year	1 Year and over	Accumu- lating Deposit Accounts	Total
Saving Deposits	15,663	-	450	3,814	1,155	-	-	-	21,082
Foreign Currency Deposits	392,674	-	5,770	9,564	6,462	20,602	30,669	-	465,741
Residents in Turkey	111,959	-	5,137	6,234	1,761	15,264	252	-	140,607
Residents Abroad	280,715	-	633	3,330	4,701	5,338	30,417	-	325,134
Public Sector Deposits	-	-	-	-	-	-	-	-	-
Commercial Deposits	6,571	-	1,000	151	102	-	-	-	7,824
Other Ins. Deposits	14,397	-	-	-	-	-	-	-	14,397
Precious Metal Deposits	-	-	-	-	-	-	-	-	-
Bank Deposits	395,009	-	352,119	444,011	703,764	203,086	740,598	-	2,838,587
Central Bank	-	-	-	-	-	-	-	-	-
Domestic Banks	-	-	33,305	-	-	-	-	-	33,305
Foreign Banks	395,009	-	318,814	444,011	703,764	203,086	740,598	-	2,805,282
Special Financial Inst.	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total	824,314	-	359,339	457,540	711,483	223,688	771,267	-	3,347,631

Prior Period	Demand	7 Days Notice	Up to 1 Month	1-3 Months	3-6 Months	6 Months- 1 Year	1 Year and over	Accumu- lating Deposit Accounts	Total
Saving Deposits	5,818	-	276	3,922	1,385	141	-	-	11,542
Foreign Currency Deposits	473,127	-	12,398	7,612	3,899	7,509	13,189	-	517,734
Residents in									
Turkey	161,873	-	3,629	4,746	420	6,972	103	-	177,743
Residents									
Abroad	311,254	-	8,769	2,866	3,479	537	13,086	-	339,991
Public Sector Deposits	-	-	-	-	-	-	-	-	-
Commercial Deposits	9,583	-	7	1,197	97	-	-	-	10,884
Other Ins. Deposits	29,457	-	-	34	-	-	-	-	29,491
Precious Metal Deposits	-	-	-	-	-	-	-	-	-
Bank Deposits	287,476	-	442,190	881,768	215,953	232,599	478,001	-	2,537,987
Central Bank	-	-	-	-	-	-	-	-	-
Domestic Banks	-	-	-	-	-	-	-	-	-
Foreign Banks	287,476	-	442,190	881,768	215,953	232,599	478,001	-	2,537,987
Special Financial									
Institutions	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total	805,461	-	454,871	894,533	221,334	240,249	491,190	-	3,107,638

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II. INFORMATION AND DISCLOSURES RELATED TO LIABILITIES (Continued)

Information on savings deposits insured by Saving Deposit Insurance Fund and the total amount of the deposits exceeding the insurance coverage limit

	Covered by Deposit Insurance Fund		Not covered by Deposit Insurance Fund	
	Current Period	Prior Period	Current Period	Prior Period
Saving Deposits	14,676	6,632	6,406	4,910
Foreign Currency Saving Deposits	66,885	45,366	151,545	102,352
Other Saving Deposits	-	-	-	-
Foreign Branches' Deposits Under Foreign Insurance Coverage	-	-	-	-
Off-Shore Deposits Under Foreign Insurance Coverage	-	-	-	-
Total	81,561	51,998	157,951	107,262

Saving deposits not covered by deposit insurance

There are no foreign or off-shore branches of the Parent Bank.

The real persons who are out of scope of Savings and Deposits Insurance Fund have not any current or participation account.

The deposits that are covered in foreign branches of the Bank's that headquarters located in abroad

The Parent Bank's headquarter is located in Turkey.

Amounts not covered by deposit insurance

Individual deposits not covered by deposit insurance

	Current Period	Prior Period
Deposits and Other Accounts held at Foreign Branches	-	-
Deposits and Other Accounts held by Shareholders and their Relatives	-	-
Deposits and Other Accounts of the Chairman and Members of Board of Directors, Chief Executive Officer, Senior Executive Officers and their Relatives	1,663	714
Deposits and Other Accounts held as Assets subject to the Crime defined in the Article 282 of the Turkish Criminal Code no. 5237 dated 26 September 2004	-	-
Deposits at Depositary Banks established for Off-Shore Banking Activities in Turkey	-	-
Total	1,663	714

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II. INFORMATION AND DISCLOSURES RELATED TO LIABILITIES (Continued)

2. Information on financial derivatives through profit or loss

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward transactions	-	-	-	-
Swap transactions	753	-	187	-
Futures transactions	-	-	-	-
Options	-	-	-	-
Other	-	-	-	-
	-	-	-	-
Total	753	-	187	-

3. Information on Funds Borrowed

Information on banks and other financial institutions

	Current Period		Prior Period	
	TL	FC	TL	FC
Borrowing from Central Bank	-	-	-	-
From Domestic Banks and Institutions	2,499	85,816	6,067	72,311
From Foreign Banks, Institutions and Funds	-	122,270	-	103,691
Total	2,499	208,086	6,067	176,002

Presentation of funds borrowed based on maturity profile

	Current Period		Prior Period	
	TL	FC	TL	FC
Short-Term	2,499	99,375	6,067	34,121
Medium and Long-Term	-	108,711	-	141,881
Total	2,499	208,086	6,067	176,002

Additional explanation related to the concentrations of the Parent Bank's major liabilities on the basis of concentrations, fund providing customers, sector groups and other criteria where risk concentration is observed

Domestic borrowings consist of Eximbank loans.

4. Information on other foreign resources

The other external resources is amounting to TL 13,950 (31 December 2014: TL 19,575) and this amount does not exceed 10% of the total balance sheet.

5. Information on financial lease obligations

None.

6. Information on liabilities arised from financial derivative transactions for hedging purposes

The Group does not have financial derivative instruments for hedging purposes.

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II. INFORMATION AND DISCLOSURES RELATED TO LIABILITIES (Continued)

7. Information on provisions

Information on general provisions

	Current Period	Prior Period
Provisions for Loans and Receivables in Group I	15,007	15,004
Additional provisions for the loans with extended payment plan	-	-
Provisions for Loans and Receivables in Group II	227	-
Additional provisions for the loans with extended payment plan	-	-
Provisions for Non-Cash Loans	4,836	4,680
Other	-	-
Total	20,070	19,684

Provisions for currency exchange gain/loss on foreign currency indexed loans

	Current Period	Prior Period
Foreign Exchange Provisions for Foreign Currency Indexed Loans ¹	136	30

¹ Foreign exchange differences of foreign currency indexed loans are netted off with loans.

Special provisions set aside for non-funded and non-cash loans

As of 31 December 2015, special provisions set aside for non-funded and non-cash loans are TL 1,589 (31 December 2014: TL 1,547).

Reserve for employee termination benefits

The Group reserved for employee severance indemnities in the accompanying consolidated financial statements using actuarial method in compliance with the updated “TAS 19 - Employee Benefits”. Accumulated all actuarial gains and losses in equity are recognized in other capital reserves.

As at 31 December 2015 and 31 December 2014, the major actuarial assumptions used in the calculation of the total liability are as follows:

The Parent Bank	Current Period	Prior Period
Discount Rate	%3.12	%2.84
Expected Rate of Salary/Limit Increase	%7.50	%5.00
Estimated Employee Turnover Rate	%5.30	%5.42
Subsidiary	Current Period	Prior Period
Discount Rate	%3.12	%2.84
Expected Rate of Salary/Limit Increase	%7.50	%5.00
Estimated Employee Turnover Rate	%1.70	%0.00

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II. INFORMATION AND DISCLOSURES RELATED TO LIABILITIES (Continued)

In accordance with existing Turkish Labor Law, the Parent Bank is required to make lump-sum termination indemnities to each employee who has completed one year of service with the Parent Bank and whose employment is terminated due to retirement or for reasons other than resignation or as mentioned in related legislation. The computation of the liability is based upon the retirement pay ceiling announced. The applicable ceiling amount as at 31 December 2015 is TL 3,828 (full TL) (31 December 2014: TL 3,438 (full TL)). Reserve for employee termination benefits are calculated via net present value of estimated provision of probable liabilities will be arised in the future and reflected in the financial statements.

Movement of employee termination benefits are as follows:

	Current Period	Prior Period
Balances at Beginning of period	5,350	4,666
Provision booked in current period	1,270	1,126
Provision paid in current period (-)	155	442
Balances at End of the Period	6,465	5,350

The employee termination benefit liability of the Group is the amount as at 31 December 2015 is TL 6,465 (31 December 2014: TL 5,350). In addition to this, the unused vacation provision and other employee benefits amount as at 31 December 2015 is TL 3,896 (31 December 2014: TL 4,547).

Information on other provisions

Provisions for probable risks

These financial statements include a free provision that is out of reporting standards, amounting to TL 9,000 thousand which was charged to the income statement in the current period, provided by the Bank management in line with the conservatism principle considering the circumstances that may arise from any changes in the economy or market conditions.

In the case of the other provisions, exceeds the 10% of the total provisions, those accounts and balances.

	Current Period	Prior Period
Free provisions for possible risks	9,000	9,000
Provisions for non-cash loans	1,520	1,547
Provisions for law suits	37	67
Other	83	-

8. Information on tax payables

Information on corporate tax liability

As of 31 December 2015, corporate tax payable after deducting the prepaid tax is TL 8,675 (31 December 2014: TL 3,267).

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II. INFORMATION AND DISCLOSURES RELATED TO LIABILITIES (Continued)

Information on tax payables

	Current Period	Prior Period
Corporate Tax	8,675	3,267
Banking Insurance Transaction Tax (BITT)	591	612
Taxation of Securities	2,540	1,798
Value added taxes payable	413	81
Corporate tax payable-limited	7	5
Foreign Exchange Legislation Tax	-	-
Property tax	22	18
Other	1,135	983
Total	13,383	6,764

Information on premiums

	Current Period	Prior Period
Social Security Premiums - Employee	254	87
Social Security Premiums - Employer	367	468
Bank Social Aid Pension Fund Premium - Employee	-	-
Bank Social Aid Pension Fund Premium - Employer	-	-
Pension Fund Membership Fees and Provisions - Employee	-	-
Pension Fund Membership Fees and Provisions - Employer	-	-
Unemployment Insurance - Employee share	18	16
Unemployment Insurance - Employer share	36	32
Other	-	-
Total	675	603

Information on deferred tax liability

The net amount of assets and liabilities that is calculated over the temporary differences between the applied accounting policies and tax regulation is recorded as net deferred tax asset. Detailed information on net deferred tax is presented in footnote I-13 in Section Five.

Information on liabilities for assets held for sale and discontinued operation

The Parent Bank has not any liability for assets held for sale and discontinued operation.

Explanations on the number of subordinated loans the Bank used, maturity, interest rate, institution that loan was borrowed from, and conversation option, if any

The Parent Bank has no subordinated loans.

9. Information on Shareholders' Equity

Presentation of Paid-in Capital

	Current Period	Prior Period
Common Stock	440,000	440,000
Preferred Stock	-	-

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II. INFORMATION AND DISCLOSURES RELATED TO LIABILITIES (Continued)

Paid-in capital amount, explanation as to whether the registered share capital system is applicable at bank; if so the amount of registered share capital

Registered share capital system is not implemented in the Parent Bank.

Information on share capital increases and their sources; other information on any increase in capital shares during the current period

None.

Information on share capital increases from capital reserves

None.

Capital commitments for current financial year and following period, general purpose of these commitments and estimated resources necessary for these commitments

No capital commitments have been made to current financial year and following period.

The impacts of the foresights, which are prophesied according to Group’s prior periods income, profitability, and liquidity indicators and uncertainty, to shareholders’ equity

None.

Information on the privileges given to stocks representing the capital

According to the master agreement, the share capital can be increased or decreased one or more times. Such an increase may be accomplished through the transfer of monies from the reserves to the capital account and the issuance of “bonus” shares in consequence thereof.

Every shareholder shall have the preferential (pre-emptive) right to subscribe for a proportion of new shares corresponding to the number of shares held by him and such right may be exercised within a period of thirty days from the date of receipt by each shareholder of an invitation to the shareholders to that effect. Such invitation shall be made by registered mail to the address contained in the share register.

These preferential (pre-emptive) rights may only be assigned by approval of the Board of Directors upon the favorable vote of 80% of the members, present or represented.

New shares may not be issued at a price less than the nominal value of the original shares issued.

Fractional shares shall be allocated by the Board of Directors.

The Parent Bank may not finance the acquisition of its own shares whether directly or indirectly.

Arabian shareholders are treated under the same legislation with Turkish citizens. This includes the free transfer of distributed other revenues, guarantees, shares, dividends. And in a similar manner Arabian shareholders are benefited and protected by law No.6224, Foreign Capital Incentive Law.

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II. INFORMATION AND DISCLOSURES RELATED TO LIABILITIES (Continued)

Information on marketable securities value increase fund

The Parent Bank does not have marketable securities value increase fund.

Information on legal reserve

In the current period there is TL 3,823 transferred to legal reserves from retained earnings. (31 December 2014: TL 2,729).

Information on Minority Shares

None.

III. INFORMATION AND DISCLOSURES RELATED TO OFF-BALANCE SHEETS

1. Information on contingent liabilities in the off-balance sheets

Type and amount of irrevocable commitments

The Group has TL 54,779 (31 December 2014: TL 88,909) as irrevocable commitments.

Type and amount of possible losses from off-balance sheet items

As of 31 December 2015, the Group has allocated the provision amounting TL 6,356 over total non-cash loans (31 December 2014: TL 6,227).

Guarantees, bills of exchange and acceptances and other letters of credit which can be counted as financial collateral

The total amount of non-cash loans including guarantees, bills of exchange and acceptances and sureties on letters of credits and other guarantees is TL 487,547 (31 December 2014: TL 558,697).

Final guarantees, temporary guarantees, commitments and similar transactions

The total amount of the Group's guarantee letters is TL 1,874,863 (31 December 2014: TL 1,695,666).

2. Total amount of non-cash loans

	Current Period	Prior Period
Non-Cash Loans granted for Cash Loan Assurance	416,082	285,396
Less Than or Equal to One Year with Original Maturity	178,466	121,070
More Than One Year with Original Maturity	237,616	164,326
Other Non-Cash Loans	1,946,328	1,968,967
Total	2,362,410	2,254,363

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**III. INFORMATION AND DISCLOSURES RELATED TO OFF-BALANCE SHEETS
(Continued)**

Information on Sectoral risk concentrations of non-cash loans

	Current Period				Prior Period			
	TL	%	FC	%	TL	%	FC	%
Agricultural	945	0.48	66,378	3.06	1,377	0.78	4,780	0.23
Farming and Raising livestock	906	0.46	66,378	3.06	1,338	0.76	4,780	0.23
Forestry	39	0.02	-	-	39	0.02	-	-
Fishing	-	-	-	-	-	-	-	-
Manufacturing	88,231	45.16	330,642	15.26	58,817	33.35	297,695	14.33
Mining	13,035	6.67	-	-	13,035	7.39	-	-
Production	75,196	38.49	330,642	15.26	45,782	25.96	297,695	14.33
Electric, gas and water	-	-	-	-	-	-	-	-
Construction	101,294	51.85	375,934	17.35	111,367	63.15	388,779	18.71
Services	4,897	2.51	1,394,089	64.33	4,791	2.72	1,386,757	66.73
Wholesale and Retail Trade	297	0.15	698	0.03	257	0.15	3,844	0.18
Hotel, Food and Beverage Services	-	-	505	0.02	-	-	403	0.02
Transportation and Telecommunication	87	0.04	577	0.03	98	0.06	457	0.02
Financial Institutions	4,400	2.25	1,392,309	64.25	4,323	2.45	1,380,604	66.44
Real Estate and Renting Services	-	-	-	-	-	-	11	0.00
Self-Employment Services	-	-	-	-	-	-	-	-
Education Services	113	0.06	-	-	113	0.06	-	-
Health and Social Services	-	-	-	-	-	-	1,438	0.07
Other	-	-	-	-	-	-	-	-
Total	195,367	100.00	2,167,043	100.00	176,352	100.00	2,078,011	100.00

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**III. INFORMATION AND DISCLOSURES RELATED TO OFF-BALANCE SHEETS
(Continued)**

3. Information on non-cash loans classified as I and II group loans

	Group I		Group II	
	TL	FC	TL	FC
Letters of guarantee	193,117	1,681,746	-	-
Bank acceptances	-	-	-	-
Letters of credit	-	283,579	-	-
Endorsements	-	-	-	-
Underwriting commitments	-	-	-	-
Factoring commitments	-	-	-	-
Other commitments and contingencies	2,250	201,718	-	-
Non-Cash Loans	195,367	2,167,043	-	-

4. Information on derivative transactions

	Current Period	Prior Period
Trading Derivatives		
Foreign Currency Related Derivative Transactions (I)	88,255	147,082
Currency Forward	-	-
Currency Swaps	88,255	147,082
Currency Futures	-	-
Currency Option	-	-
Interest Rate Related Derivative Transactions (II)	-	-
Interest Rate Forwards	-	-
Interest Rate Swaps	-	-
Interest Rate Options	-	-
Interest Rate Futures	-	-
Other Trading Derivatives (III)	-	-
A. Total Trading Derivatives (I+II+III)	88,255	147,082
Hedging Derivatives		
Fair Value Hedges	-	-
Cash Flow Hedges	-	-
Hedges for Foreign Currency Investments	-	-
B. Total Hedging Derivatives	-	-
Total Derivative Transactions (A+B)	88,255	147,082

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**III. INFORMATION AND DISCLOSURES RELATED TO OFF-BALANCE SHEETS
(Continued)**

5. Information on credit derivatives and related imposed risks

The Group does not have any credit derivate contract.

6. Information on contingent liabilities and assets

The Bank has provided TL 37 (31 December 2013: TL 67) of provision for the disputed legal cases filed by various persons and institutions, high probability of occurrence and requiring cash outflow. The amount is shown under the Other Provisions Note II-7. Although there are other ongoing lawsuits that against the Bank, do not expect high possibility of against result and cash outflows related to these cases.

7. Services supplied on behalf of others

None.

IV. INFORMATION AND FOOTNOTES RELATED TO STATEMENT OF INCOME

1. Information on interest income

Information on interest income received from loans

	Current Period		Prior Period	
	TL	FC	TL	FC
Interest Received from Loans ⁽¹⁾				
Short- Term Loans	61,914	6,383	52,357	6,382
Medium and Long- Term Loans	489	19,642	2,321	27,459
Interest Received From Non-Performing Loans	-	-	140	-
Premiums Received From Resource Utilization Support Fund	-	-	-	-
Total	62,403	26,025	54,818	33,841

⁽¹⁾ It contains fee and commission income related to cash loans

Information on interest income received from banks

	Current Period		Prior Period	
	TL	FC	TL	FC
From Central Bank	-	-	-	-
From Domestic Banks	4,817	20,799	2,506	26,661
From Foreign Banks	955	174	191	105
From Foreign Headquarter and Branches	-	-	-	-
Total	5,772	20,973	2,697	26,766

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**IV. INFORMATION AND FOOTNOTES RELATED TO STATEMENT OF INCOME
(Continued)**

Information on interest income received from marketable securities

	Current Period		Prior Period	
	TL	FC	TL	FC
Financial Assets Held for Trading	3,888	7,308	1,712	6,417
Financial Assets Where Fair Value Change is Reflected to Income Statement	-	-	-	-
Financial Assets Available for Sale	-	-	-	-
Investments Held to Maturity	2,468	10,074	4,355	7,721
Total	6,356	17,382	6,067	14,138

Information on interest income received from marketable securities

	Current Period		Prior Period	
	TL	FC	TL	FC
Financial Assets Held for Trading	3,888	7,308	1,712	6,417
Financial Assets Where Fair Value Change is Reflected to Income Statement	-	-	-	-
Financial Assets Available for Sale	-	-	-	-
Investments Held to Maturity	2,468	10,074	4,355	7,721
Total	6,356	17,382	6,067	14,138

Information on interest income received from associates and subsidiaries

None.

2. Interest Expense

Information on interest paid for funds borrowed

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks	387	5,280	434	4,175
Central Bank	-	-	-	-
Domestic Banks	387	2,673	434	2,519
Foreign Banks	-	2,607	-	1,656
Other Institutions	-	-	-	-
Total	387	5,280	434	4,175

Information on interest expense paid to subsidiaries and associates

None.

Information on interest expense given on securities issued

None.

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**IV. INFORMATION AND FOOTNOTES RELATED TO STATEMENT OF INCOME
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Maturity structure of the interest expense on deposits

Current Period	Time Deposit						Cumulative Deposit	Total
	Demand Deposit	Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	More than 1 Year		
Turkish Lira								
Interbank deposits	-	351	-	-	-	-	-	351
Saving deposits	-	90	162	106	3	1	-	362
Public sector deposits	-	-	-	-	-	-	-	-
Commercial deposits	-	47	14	8	-	-	-	69
Other deposits	-	-	-	-	-	-	-	-
Deposits with 7 days notification	-	-	-	-	-	-	-	-
Total	-	488	176	114	3	1	-	782
Foreign Currency								
Foreign currency deposits	-	126	262	63	423	356	-	1,230
Interbank deposits	363	3,615	4,671	7,978	2,302	8,396	-	27,325
Deposits with 7 days notification	-	-	-	-	-	-	-	-
Precious metal deposits	-	-	-	-	-	-	-	-
Total	363	3,741	4,933	8,041	2,725	8,752	-	28,555
Grand Total	363	4,229	5,109	8,155	2,728	8,753	-	29,337

3. Information on dividend income

	Current Period	Prior Period
Trading Financial Assets	-	-
Financial Assets through profit or loss	-	-
Financial Assets available for sale	68	62
Other	-	-
Total	68	62

4. Information on trading gain/loss

	Current Period	Prior Period
Gain	8,656,661	3,805,246
Gain from money market transactions	-	-
Gain from financial derivative transactions	8,135	1,670
Gain from exchange transactions	8,648,526	3,803,576
Loss (-)	(8,658,348)	(3,804,264)
Loss from money market transactions	(53)	-
Loss from financial derivative transactions	(10,554)	(2,374)
Loss from exchange transactions	(8,647,741)	(3,801,890)
Net Trading Gain/Loss	(1,687)	982

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5. Information on income from other operations

	Current Period	Prior Period
From Reversal of Provisions of Prior Year	2,487	2,006
From Communication Income	1,713	1,542
Gain on sales of assets	83	744
Other Income	335	553
Total	4,618	4,845

6. Information on impairment in loans and other receivables

	Current Period	Prior Period
Specific Provisions on Loans and Other Receivables	5,865	5,798
<i>Loans and Receivables in Group III</i>	-	-
<i>Loans and Receivables in Group IV</i>	-	1
<i>Loans and Receivables in Group V</i>	5,865	5,797
<i>Doubtful Receivables</i>	-	-
General Provision Expenses	386	443
Provision for Possible Losses	-	9,000
Foreign Exchange Losses on Foreign Currency Indexed Loans	-	-
Impairment Losses on Securities	1,507	63
<i>Financial Assets through Profit or Loss</i>	1,507	63
<i>Investment Securities Available-for-Sale</i>	-	-
Other Impairment Losses	572	608
<i>Associates</i>	-	-
<i>Subsidiaries</i>	-	-
<i>Joint Ventures</i>	-	-
<i>Investment Securities Held-to-Maturity</i>	572	608
Other	809	31
Total	9,139	15,943

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**IV. INFORMATION AND FOOTNOTES RELATED TO STATEMENT OF INCOME
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7. Information on other operating expense

	Current Period	Prior Period
Personnel Expenses	52,768	46,117
Employee Termination Benefits Expense	675	690
Tangible Fixed Asset Impairment Expense	-	-
Intangible Fixed Asset Impairment Expense	2,470	2,924
Amortization Expenses of Tangible Assets	-	-
Goodwill Impairment Expense	-	-
Amortization Expenses of Intangible Assets	1,346	1,236
Shareholders Equity Procedure Applied Equity Interest Impairment Expense	-	-
Disposable Fixed Asset Impairment Expense	1	1
Amortization Expense of Assets Held for Resale	-	-
Impairment Expense related to Fixed Assets held for sale and discontinued operations	-	-
Assets Impairment Expense	-	-
Other Operating Expenses	12,566	11,572
<i>Operating Lease Expenses</i>	1,807	1,598
<i>Maintenance Expenses</i>	2,308	283
<i>Advertisement Expenses</i>	398	599
<i>Other Expenses</i>	8,053	9,092
Losses from sales of Assets	-	3
Other	7,104	6,231
Total	76,930	68,774

8. Information on profit/loss before taxes including profit/loss from discontinued operations

The pre-tax income amount from continued operations is TL 90,963 (31 December 2014: TL 92,209).

9. Information on tax provision related to continued operations and discontinued operations

Current period taxation benefit or charge and deferred tax benefit or charge

As of 31 December 2015, taxation charge is TL 19,190 (31 December 2014: TL 18,407 tax expense) and deferred tax income is TL 720 (31 December 2014: TL 1,675 deferred tax expense).

Deferred tax charge arising from origination or reversal of temporary differences

The Group has TL 823 as deferred tax income arising from origination of temporary differences (31 December 2014: TL 682 deferred tax expense).

Deferred tax charge/income represented in the income statement within the context of temporary difference, financial loss and tax reduction.

The Group has TL 720 as deferred tax income reflected in the income statement computed over temporary difference and tax deductions and exemptions (31 December 2014: TL 1,675 deferred tax expense).

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**IV. INFORMATION AND FOOTNOTES RELATED TO STATEMENT OF INCOME
(Continued)**

10. Information on net profit or loss of the period including profit/loss from continued and discontinued operations:

Current period profit from continued operations is TL 72,493 (31 December 2014: TL 72,127).

11. Information on net profit or loss of the period

Information on nature, dimension and frequency rate of income and expense accounts resulting from ordinary banking transactions if they are necessary for explaining the Bank's current year performance

None.

Information on the profit or loss effect of a change in an estimation related to financial statements and future period effect of the change in this estimation

There is no change in accounting estimation related to consolidated financial statements.

Profit/loss regarding minority rights

There is no profit/loss regarding minority rights in the accompanying consolidated financial statements since the Parent Bank owns 99.98% of the consolidated subsidiary.

12. Information on 20% of other accounts in income statement, if other accounts exceed 10% of total income statement.

Other accounts which exceed the 10% of the income statement ,other than other operating income and other operating expense, amounting to TL 29,560 (31 December 2014: TL 28,891) consist of transfer commissions, letter of credit commissions and other.

	Current Period
Letter of Credit Commissions	24,187
Transfer Commissions	3,041
Other	2,332
Total	29,560

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**V. INFORMATION AND DISCLOSURES RELATED TO STATEMENT OF CHANGES
IN SHAREHOLDERS' EQUITY**

1. Changes due to revaluation of financial assets available-for-sale

None.

2. Increases due to cash flow hedges

None.

3. Confirmation on exchange rate differences between beginning and ending

None.

4. Information on issuance of common stock

Rights, priorities and restrictions for all classes of capital shares, including dividend distribution and recall of capital

None.

5. Information on dividend

Dividend amounts declared subsequent to the balance sheet date but before the issuance of the financial statement

None.

Net profit per share proposed to be distributed after the balance sheet date

None.

6. Amounts transferred to reserves

In the current period, amount of TL 3,823 have been transferred to legal reserves.

7. Information on other capital increment accounts at the equity movement table

Information on inflation restatement differences of shareholders equity accounts

In BRSA's Circular on 28 April 2005 and in accordance with the decision dated 21 April 2005 and numbered 1623. Due to the fact that the majority of the criteria's confirming the existence of a hyperinflationary economy are not valid anymore. The inflation accounting had been ceased beginning from 1 January 2005.

Explanations about the Share Capital increase

There are no capital reserves due to inflation accounting, which is followed in the "Paid capital inflation difference correction" account is added to the capital according to the subjected circular (31 December 2014: None).

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VI. INFORMATION AND FOOTNOTES RELATED TO CASH FLOWS STATEMENT

1. Information on cash and cash equivalent assets

Balances that form the cash and cash equivalent assets, and the accounting policy used in the formation of these balances

Subject to the preparation of cash flows statements "Cash" refers to cash in vault, cash in transit, bank cheques purchased and demand deposits in banks including Central Bank of Turkey; "Cash equivalents" refers to money market placements of original maturity less than three months and time deposits at banks, and investments in financial securities.

Information on cash and cash equivalents at the beginning of the period

	31 December 2014	31 December 2013
Cash	8,373	6,796
Cash and cash equivalents	1,701,544	1,240,427
Total	1,709,917	1,247,223

Information on cash and cash equivalents at the end of the period

	31 December 2015	31 December 2014
Cash	8,986	8,373
Cash and cash equivalents	1,787,673	1,701,544
Total	1,796,659	1,709,917

2. Information on unrestricted cash and cash equivalents that is in the possession of the Group however not in the restricted usage due to legal limitations and other reasons

The Group has no restricted cash and cash equivalents that is in the possession of the Group due to legal limitations and other reasons (31 December 2014: None).

3. Information on the effect on cash and cash equivalent assets due to changes in other accounts in the cash flows statement and exchange rates

The TL (103,427) (31 December 2014: TL 31,201) in the "Other" account that is under the "Operational Profit Before Operations of Banking on Assets and Liabilities" account is comprised of other operating income excluding collections from non-performing loans, other operating expense excluding personnel expenses and exchange gain/loss.

The "Net increase/decrease in other assets" account under the "Changes in assets and liabilities subject to banking activities" amounting to TL (399) (31 December 2014: TL 4,136) is composed of changes in fixed assets, associates, tax assets and other assets.

The "Net increase/decrease in other debts" account under the "Changes in assets and liabilities subject to banking activities" amounting to TL (3,477) (31 December 2014: TL (38,674)) is composed of changes in miscellaneous debts, other foreign resources and tax, duty, fees and premiums payable.

"Effect of Change in Foreign Exchange Rate on Cash and Cash Equivalents" is computed by 22,531 (31 December 2014: TL (64,071)) which includes effects of changes in currency of monthly foreign currency denominated cash and cash equivalents translated to Turkish Lira.

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VII. INFORMATION ON THE GROUP'S RISK GROUP

1. Information on the volume of transactions with the Bank's risk group, lending and deposits outstanding at period end and income and expenses in the current period

Information on the loans of the Group's risk group

Current Period

Bank's Risk Group (*)	Associates, Subsidiaries and Joint Ventures		Bank's Direct and Indirect Shareholders		Other Components in Risk Group	
	Cash	Non-cash	Cash	Non-Cash	Cash	Non-cash
Loans and Other Receivables						
Balance at the beginning of the period	-	-	-	161	36,570	158,329
Balance at the end of the period	-	-	-	11,681	89,650	127,945
Interest and Commission Income received	-	-	-	-	1,191	-

(*) Stated at the 2nd clause of the 49 nth article of the Law No. 5411 of Bank's Act.

Loans given to the Parent Bank's direct and indirect shareholders are composed of forfeiting and letter of credit transactions which the interest and commission income are obtained not from the risk group but from the exporting firms.

Prior Period

Bank's Risk Group (*)	Associates, Subsidiaries and Joint Ventures		Bank's Direct and Indirect Shareholders		Other Components in Risk Group	
	Cash	Non-cash	Cash	Non-Cash	Cash	Non-cash
Loans and Other Receivables						
Balance at the beginning of the period	-	-	4,267	13,686	47,872	98,201
Balance at the end of the period	-	-	-	161	36,570	158,329
Interest and Commission Income received	-	-	-	-	65	-

(*) Stated at the 2nd clause of the 49 nth article of the Law No. 5411 of Bank's Act.

Information on deposits of the Bank's risk group

Bank's Risk Group (*)	Associates, Subsidiaries and Joint Ventures		Bank's Direct and Indirect Shareholders		Other Components in Risk Group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Deposits						
Balance at the beginning of the period	-	-	1,525,229	1,378,134	545,393	508,101
Balance at the end of the period	-	-	2,134,348	1,525,230	345,621	545,393
Interest expense on deposits	-	-	20,273	18,803	2,569	3,484

(*) Stated at the 2nd clause of the 49 the article of the Law No. 5411 of Bank's Act.

Information on forward transactions, options and other contracts related to Group's risk group

None.

Information on forward transactions, options and other contracts related to the Parent Bank's risk group

None.

Information on benefits provided for top level management:

Between 1 January - 31 December 2015, TL 12,250 (1 January - 31 December 2014: TL 7,831) has been paid to the top level management of the Bank as salaries and fringe benefit.

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**VIII. DOMESTIC, FOREIGN AND OFF SHORE BRANCHES or INVESTMENTS AND
FOREIGN REPRESENTATIVE OFFICES**

**1. Information on the Parent Bank’s domestic branches, foreign branches and
representatives**

	Number of branches	Number of employees			
Domestic Branch	7	291			
			Country		
Foreign representative office	-	-	-		
				Total assets	Legal capital
Foreign branch	-	-	-	-	-
Off shore branches	-	-	-	-	-

**2. The Parent Bank open or close branches or representative offices in the country
and abroad, information on significant changes in the organization**

There’s no Branch was opened in the year 2015 in Turkey (2014: None). There are no Branches closed over the same period (2014: None).

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SECTION SIX

OTHER DISCLOSURES AND FOOTNOTES

I. OTHER INFORMATION ON GROUP’S OPERATIONS

None.

II. INFORMATION ON EVENTS AFTER THE BALANCE SHEET DATE

None.

SECTION SEVEN

INDEPENDENT AUDITOR’S REPORT

I. INFORMATION ON INDEPENDENT AUDITOR’S REPORT

As of 31 December 2015, consolidated financial statements and explanatory notes of the Bank disclosed herein were audited by Başaran Nas Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (a member of PricewaterhouseCoopers) and Independent Auditor’s Report is presented preceding the financial statements

II. INFORMATION AND FOOTNOTES PREPARED BY THE INDEPENDENT AUDITOR

None.

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