

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

ARAP TÜRK BANKASI ANONİM ŞİRKETİ

**PUBLICLY ANNOUNCED
UNCONSOLIDATED 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 Unconsolidated Financial Statements

We have audited the accompanying unconsolidated balance sheet of Arap Türk Bank A.Ş. ("the Bank") as at 31 December 2015 and the related unconsolidated statements of income, unconsolidated income and expense items under the shareholders' equity, unconsolidated statement of changes in the shareholders' equity, unconsolidated 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 Unconsolidated Financial Statements

The Bank management is responsible for the preparation and fair presentation of the unconsolidated 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 unconsolidated 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 unconsolidated financial statements are free of material misstatements.

An independent audit includes performing procedures to obtain audit evidence about the amounts and disclosures in the unconsolidated financial statements. The procedures selected depend on the independent auditor's professional judgment, including the assessment of risks of material misstatement of the unconsolidated 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 unconsolidated 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 unconsolidated 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 Unconsolidated Financial Statements, as of the balance sheet date the accompanying unconsolidated 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 unconsolidated financial statements, the unconsolidated financial statements present fairly, in all material respects, the financial position of Arap Türk Bank A.Ş. 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. UNCONSOLIDATED 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 : corp@atbank.com.tr

The unconsolidated financial report as of and for year ended 31 December 2015 prepared in accordance with the communiqué of “Financial Statements and Related Disclosures and Notes 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 BANK
- UNCONSOLIDATED FINANCIAL STATEMENTS OF THE BANK
- EXPLANATIONS ON ACCOUNTING POLICIES APPLIED IN THE RELATED PERIOD
- INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK
- DISCLOSURES AND FOOTNOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS
- OTHER DISCLOSURES
- INDEPENDENT AUDITOR'S REPORT

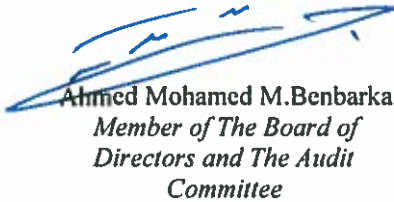
The accompanying unconsolidated financial statements and related disclosures and footnotes that were subject to independent audit, are prepared in accordance with the “Regulation on Accounting Applications for Banks and Safeguarding of Documents”, Turkish Accounting Standards, Turkish Financial Reporting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



Osman Arslan
Chairman of the Board of Directors



Abdurauif 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



Ömer Muzafer 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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ARAP TÜRK BANKASI ANONİM ŞİRKETİ

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2015

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

SECTION ONE

GENERAL INFORMATION ABOUT THE BANK

I. 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. 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 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 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 UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2015

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

III. INFORMATION ABOUT THE 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 B.Abushagur	Assistant General Manager - Information Technologies and Operations Division
Emel Güneş Atagün	Assistant General Manager – Department of Treasury and Financial Institutions

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 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 UNCONSOLIDATED 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 BANK

The 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 BANK AND ITS SUBSIDIARIES OR THE REIMBURSEMENT OF LIABILITIES

Immediately transfer of the shareholder’s equity between the 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 Bank and its subsidiary. The Bank charge or pay cost of the services according to the service agreements done between the Bank and its subsidiary.

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ARAP TRK BANKASI ANONİM ŐİRKETİ

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2015

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

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UNCONSOLIDATED FINANCIAL STATEMENTS

- I. Unconsolidated Balance Sheet (Statement of Financial Position)**
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- VII. Statement of Unconsolidated Profit Distribution**

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

(Thousands of Turkish Lira)

ASSETS	Footnotes (5-1)	Audited			Audited		
		CURRENT PERIOD			PRIOR PERIOD		
		(31/12/2015)			(31/12/2014)		
		TL	FC	TOTAL	TL	FC	TOTAL
I. CASH AND BALANCES WITH THE CENTRAL BANK OF TURKEY	(1)	8,453	849,701	858,154	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)	4,752	1201,947	1206,699	109	1558,315	1558,424
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 AND RECEIVABLES	(5)	767,109	590,794	1357,903	663,412	700,886	1364,298
6.1 Loans and Receivables		765,166	590,794	1355,960	661,534	700,886	1362,420
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	1266,310	661,534	664,316	1325,850
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)	70,213	-	70,213	65,214	-	65,214
10.1 Financial subsidiaries		70,213	-	70,213	65,214	-	65,214
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)	-	-	-	-	-	-
12.1 Finance lease receivables		-	-	-	-	-	-
12.2 Operational leasing receivables		-	-	-	-	-	-
12.3 Other		-	-	-	-	-	-
12.4 Unearned Revenue (-)		-	-	-	-	-	-
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)	(12)	19,611	-	19,611	21,067	-	21,067
XV. INTANGIBLE ASSETS (Net)	(13)	2,648	-	2,648	2,977	-	2,977
15.1 Goodwill		-	-	-	-	-	-
15.2 Other		2,648	-	2,648	2,977	-	2,977
XVI. INVESTMENT PROPERTY (Net)	(14)	-	-	-	-	-	-
XVII. TAX ASSET	(15)	2,830	-	2,830	2,080	-	2,080
17.1 Current tax asset		-	-	-	-	-	-
17.2 Deferred tax asset		2,830	-	2,830	2,080	-	2,080
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)	10,823	3,114	13,937	11,823	3,412	15,235
TOTAL ASSETS		918,496	3104,796	4023,292	868,607	2848,113	3716,720

Arap Türk Bankası Anonim Şirketi

Unconsolidated 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 (31/12/2015)			PRIOR PERIOD (31/12/2014)		
			TL	FC	TOTAL	TL	FC	TOTAL
I. DEPOSITS		(1)	62,350	3285,366	3347,716	52,047	3055,686	3107,733
1.1 Deposits held by the Bank's risk group			74	2479,980	2480,054	914	2069,804	2070,718
1.2 Other			62,276	805,386	867,662	51,133	985,882	1037,015
II. DERIVATIVE FINANCIAL LIABILITIES HELD FOR TRADING		(2)	753	-	753	187	-	187
III. FUNDS BORROWED		(3)	2,499	874	3,373	6,067	817	6,884
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			257	755	1,012	123	1,104	1,227
VIII. OTHER EXTERNAL RESOURCES		(4)	9,543	4,407	13,950	11,357	8,218	19,575
IX. FACTORING PAYABLES			-	-	-	-	-	-
X. LEASING TRANSACTIONS PAYABLES		(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)	38,381	1,264	39,645	37,613	1,280	38,893
12.1 General provisions			20,070	-	20,070	19,684	-	19,684
12.2 Restructuring reserves			-	-	-	-	-	-
12.3 Reserves for employee benefit			9,018	-	9,018	8,595	-	8,595
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)	11,527	-	11,527	7,099	-	7,099
13.1 Current tax liability			11,527	-	11,527	7,099	-	7,099
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)	601,823	-	601,823	532,187	-	532,187
16.1 Paid-in capital			440,000	-	440,000	440,000	-	440,000
16.2 Supplementary capital			(2,131)	-	(2,131)	(1,660)	-	(1,660)
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			(2,131)	-	(2,131)	(1,660)	-	(1,660)
16.3 Profit reserves			15,189	-	15,189	11,663	-	11,663
16.3.1 Legal reserves			15,189	-	15,189	11,663	-	11,663
16.3.2 Status reserves			-	-	-	-	-	-
16.3.3 Extraordinary reserves			-	-	-	-	-	-
16.3.4 Other profit reserves			-	-	-	-	-	-
16.4 Profit or loss			148,765	-	148,765	82,184	-	82,184
16.4.1 Prior years income/loss			78,659	-	78,659	11,678	-	11,678
16.4.2 Current year income/loss			70,106	-	70,106	70,506	-	70,506
TOTAL LIABILITIES			730,626	3292,666	4023,292	649,615	3067,105	3716,720

Arap Türk Bankası Anonim Şirketi
Statement of Unconsolidated 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)		246,402	2255,621	2502,023	256,681	2224,182	2480,863
I. GUARANTEES AND WARRANTIES	(1),(2),(3),(4)	195,367	2167,043	2362,410	176,352	2078,011	2254,363
1.1. Letters of guarantee		193,117	1681,746	1874,863	176,190	1519,476	1695,666
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	1471,161	1521,066	22,507	1326,216	1348,723
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)	6,394	44,964	51,358	6,897	72,521	79,418
2.1. Irrevocable commitments		6,394	44,964	51,358	6,897	72,521	79,418
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		-	-	-	-	-	-
2.2. Revocable commitments		-	-	-	-	-	-
2.2.1. Revocable loan granting commitments		-	-	-	-	-	-
2.2.2. Other revocable commitments		-	-	-	-	-	-
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 options		-	-	-	-	-	-
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)		334,629	313,773	648,402	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		98,860	305,134	403,994	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		28	3,390	3,418	28	2,704	2,732
5.7. Pledged items-depository		-	-	-	-	-	-
VI. ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES		-	-	-	-	-	-
TOTAL OFF BALANCE SHEET COMMITMENTS (A+B)		581,031	2569,394	3150,425	586,044	2530,325	3116,369

Arap Türk Bankası Anonim Şirketi
Unconsolidated Income Statement
For The Period Ended 31 December 2015

(Thousands of Turkish Lira)

INCOME AND EXPENSES	Footnotes (5-IV)	Audited CURRENT PERIOD (01/01/2015-31/12/2015)	Audited PRIOR PERIOD (01/01/2014-31/12/2014)
I. INTEREST INCOME	(1)	137,835	138,274
1.1 Interest on loans		88,428	88,932
1.2 Interest received from reserve deposits		423	14
1.3 Interest received from banks		24,694	28,147
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 where value change is reflected to income statement		-	-
1.5.3 Financial assets available for sale		-	-
1.5.4 Investments held to maturity		12,542	12,076
1.6 Finance lease income		-	-
1.7 Other interest income		8	1
II. INTEREST EXPENSE	(2)	30,057	28,705
2.1 Interest on deposits		29,337	28,244
2.2 Interest on funds borrowed		400	404
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)		107,778	109,569
IV. NET FEES AND COMMISSIONS INCOME/EXPENSE		49,038	48,062
4.1 Fees and commissions received		50,001	48,558
4.1.1 Non-cash loans		21,073	20,053
4.1.2 Other	(11)	28,928	28,505
4.2 Fees and commissions paid		963	496
4.2.1 Non-cash loans		4	1
4.2.2 Other		959	495
V. DIVIDEND INCOME		5,067	4,381
VI. NET TRADING INCOME/EXPENSE	(3)	(1,784)	812
6.1. Capital markets transactions		(53)	-
6.2. Profit/losses on trading account securities		(2,470)	(696)
6.3. Foreign exchange profit/losses		739	1,508
VII. OTHER OPERATING INCOME	(4)	4,264	4,468
VIII. TOTAL OPERATING INCOME/EXPENSE (III+IV+V+VI+VII)		164,363	167,292
IX. PROVISION FOR LOAN LOSSES and OTHER RECEIVABLES (-)	(5)	8,330	15,938
X. OTHER OPERATING EXPENSES (-)	(6)	69,261	61,965
XI. NET OPERATING INCOME/LOSS (VIII-IX-X)		86,772	89,389
XII. INCOME RESULTED FROM MERGERS		-	-
XIII. INCOME/LOSS FROM CONTINUING OPERATIONS		-	-
XIV. NET MONETARY POSITION GAIN/LOSS		-	-
XV. INCOME/EXPENSE BEFORE TAXES FROM CONTINUING OPERATIONS (XI+...+XIV)	(7)	86,772	89,389
XVI. PROVISION FOR TAXES ON INCOME FROM CONTINUING OPERATIONS (±)		(16,666)	(18,883)
16.1. Current tax provision	(8)	(17,299)	(18,407)
16.2. Deferred tax provision		633	(476)
XVII. NET PROFIT/LOSSES FROM CONTINUING OPERATIONS (XV±XVI)	(9)	70,106	70,506
XVIII. INCOME FROM DISCONTINUED OPERATIONS		-	-
18.1. Income from asset 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. Expenses on asset 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)		-	-
XXI. PROVISION FOR TAXES ON INCOME FROM DISCONTINUED OPERATIONS (±)		-	-
21.1. Current tax provision		-	-
21.2. Deferred tax provision		-	-
XXII. NET PROFIT/LOSSES FROM DISCONTINUED OPERATIONS (XX±XXI)		-	-
XXIII. NET PROFIT/LOSSES (XVII+XXII)	(10)	70,106	70,506
Earning/Loss Per Share		0.0016	0.0016

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

(Thousands of Turkish Lira)

INCOME AND EXPENSE ITEMS ACCOUNTED IN SHAREHOLDERS' EQUITY		Audited	
		CURRENT PERIOD	PRIOR PERIOD
		(01/01/2015-31/12/2015)	(01/01/2014-31/12/2014)
I.	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	(589)	(370)
IX.	DEFERRED TAXES ON VALUE INCREASES/DECREASES	118	74
X.	NET INCOME/EXPENSE ITEMS ACCOUNTED DIRECTLY UNDER SHAREHOLDERS' EQUITY (I+II+...+IX)	(471)	(296)
XI.	CURRENT PROFIT/LOSSES	70,106	70,506
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	70,106	70,506
XII.	TOTAL PROFIT/(LOSS) ACCOUNTED FOR THE CURRENT PERIOD (X+XI)	69,635	70,210

Arap Türk Bankası Anonim Şirketi
Statement of Changes In Unconsolidated Shareholders' Equity
For The Period Ended 31 December 2015

(Thousands of Turkish Lira)

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY	Footnotes (5-V)	Paid-in Capital Capital	Capital Reserves from Inflation Adjustments	Share premium Premium	Share Cancellation	Legal Reserves	Status Reserves	Extraordinary 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	Accu. Rev.Surp. on Assets Held for Sale and Assets	Total Shareholders'
PRIOR PERIOD (31/12/2014)																	
I. Balances at the beginning of the period		240,000	9,096	-	-	9,130	-	-	(1,364)	49,590	155,525	-	-	-	-	-	461,977
II. Corrections made as per TAS 8		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1 Effects of corrections		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2 Effects of changes in accounting policies		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. Adjusted balances at the beginning of the period (I-II)		240,000	9,096	-	-	9,130	-	-	(1,364)	49,590	155,525	-	-	-	-	-	461,977
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	(7)	200,000	(9,096)	-	-	-	-	-	-	-	(190,904)	-	-	-	-	-	-
14.1 Cash		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14.2 Internal sources		200,000	(9,096)	-	-	-	-	-	-	-	(190,904)	-	-	-	-	-	-
XV. Share issuance		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI. Share cancellation profits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVII. Capital Reserves From Inflation Adjustments To Paid-in Capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVIII. Others		-	-	-	-	-	-	-	(296)	-	-	-	-	-	-	-	(296)
XIX. Current Period Net Profit		-	-	-	-	-	-	-	-	70,506	-	-	-	-	-	-	70,506
XX. Profit distribution		-	-	-	-	2,533	-	-	-	(49,590)	47,057	-	-	-	-	-	-
20.1 Dividends distributed		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20.2 Transfers to Reserves		-	-	-	-	2,533	-	-	-	(49,590)	47,057	-	-	-	-	-	-
20.3 Others		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balances at end of period (III+IV+V+.....+XVIII+XIX+XX)		440,000	-	-	-	11,663	-	-	(1,660)	70,506	11,678	-	-	-	-	-	532,187
CURRENT PERIOD (31/12/2015)																	
I. Balances at end of prior period		440,000	-	-	-	11,663	-	-	(1,660)	70,506	11,678	-	-	-	-	-	532,187
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		-	-	-	-	-	-	-	(471)	-	-	-	-	-	-	-	(471)
XVII. Current Period Net Profit		-	-	-	-	-	-	-	-	70,106	-	-	-	-	-	-	70,106
XVIII. Profit distribution		-	-	-	-	3,526	-	-	-	(70,506)	66,981	-	-	-	-	-	1
18.1 Dividends distributed		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18.2 Transfers to legal reserves	(6)	-	-	-	-	3,526	-	-	-	(70,506)	66,981	-	-	-	-	-	1
18.3 Others		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balances at end of period (I+II+III+....+XVI+XVII+XVIII)		440,000	-	-	-	15,189	-	-	(2,131)	70,106	78,659	-	-	-	-	-	601,823

Arap Türk Bankası Anonim Şirketi

Statement of Unconsolidated Cash Flow

For The Period Ended 31 December 2015

(Thousands of Turkish Lira)

		Audited	Audited
	Footnotes (5-VI)	CURRENT PERIOD (31/12/2015)	PRIOR PERIOD (31/12/2014)
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)	1681,080	1226,625
VII. Cash and Cash Equivalents at the End of Period	(1)	1755,480	1681,080

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

SECTION THREE

EXPLANATIONS ON ACCOUNTING POLICIES

I. EXPLANATIONS FOR BASIS OF PRESENTATION AND FOOTNOTES

The unconsolidated 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 unconsolidated 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.

Unconsolidated 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 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.

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 unconsolidated financial statements are to be distributed and International Financial Reporting Standards (“IFRS”) have not been quantified in these unconsolidated financial statements. Accordingly, these unconsolidated 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, retail banking and security transactions (treasury transactions) together with international banking services. The Bank uses financial instruments intensively because of the nature of the Bank. The main funding resources are deposits, borrowing and equity and these resources are invested in qualified financial assets. The 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 Bank's exchange rates prevailing at the balance sheet date and the resulting exchange rate differences are accounted as foreign exchange gains and losses.

III. EXPLANATIONS ON INVESTMENTS IN ASSOCIATES AND SUBSIDIARIES

Subsidiaries are the entities that the Bank has the power to govern the financial and operating policies of those so as to obtain benefits from its activities. Subsidiaries are accounted in accordance with "TAS 27 - Individual Financial Statements" in the unconsolidated financial statements. Subsidiaries are recorded at fair value. Subsidiaries which are not traded in an active market and whose fair value cannot be reliably set are reflected in financial statements with their costs after deducting impairment losses, if any.

**IV. INFORMATION ON FORWARD TRANSACTIONS, OPTIONS AND DERIVATIVE
INSTRUMENTS**

The Bank's 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.

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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.

VII. INFORMATION ON FINANCIAL ASSETS

The Bank 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.

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VII. INFORMATION ON FINANCIAL ASSETS (Continued)

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.

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.

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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 Bank 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 Bank 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.

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

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.

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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 Bank's assets discarded or assets held for sales. Information on discontinued operations is presented separately in consolidated income statement. As at reporting date, the Bank does not have any discontinued operations.

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 Bank'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.

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XIII. INFORMATION ON TANGIBLE ASSETS (Continued)

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.

XIV. INFORMATION ON LEASING ACTIVITIES

Finance leasing activities as the lessor

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 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 Bank does not provide financial leasing services as a lessor.

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.

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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.

XVI. INFORMATION ON LIABILITIES REGARDING EMPLOYEE BENEFITS

Reserve for employee termination benefits

In accordance with existing Turkish Labor Law, the Bank 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)). 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.

The Bank reserved for employee severance indemnities in the accompanying unconsolidated 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:

	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

Other benefits to employees

The Bank 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 unconsolidated financial statements.

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XVII. INFORMATION ON TAX APPLICATIONS

Corporate tax

The corporate tax rate is 20%. Corporate tax rate is calculated on the total income of the Bank 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%.

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 according to Turkish Tax Legislation. 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.

Deferred taxes

The Bank calculates and accounts deferred tax assets and liabilities in accordance with the “TAS 12 - Income Taxes” and BRSA’s explanations; deferred tax assets and liabilities are recognized on all taxable temporary differences arising between the carrying values of assets and liabilities in the 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 Bank did not issue any stocks convertible into bonds.

The Bank does not have borrowing instruments issued by itself.

XIX. INFORMATION ON SHARE ISSUANCES

The Bank 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

There are no government incentives utilized by the Bank.

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XXII. INFORMATION ON SEGMENT REPORTING

Operating segment is the unit that operates in only one product or service of the Bank 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 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 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 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 FINANCIAL POSITION OF THE BANK

I. INFORMATION ON 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 Bank's unconsolidated capital adequacy ratio is occurred %18.61 (31 December 2014: 15.83%) 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 CAPITAL ADEQUACY RATIO (Continued)

Information on unconsolidated capital adequacy standard ratio

Current Period	Risk Weight							
	%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 Central 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 Residential 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 Transferable Securities	-	-	-	-	-	-	-	-
Other Receivables	8,985	-	-	-	-	96,651	-	-

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Information on Shareholders' Equity

Prior Period	Risk Weight							
	%0	%10	%20	%50	%75	%100	%150	%200
The Amount Subject to Credit Risk	407,731	-	309,700	2,423,878	-	1,615,255	114,713	-
Risk Types								
Contingent and Non-Contingent Receivables from Central Governments and Central Banks	372,450	-	-	91,231	-	-	-	-
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	26,908	-	309,700	2,294,330	-	30,801	-	-
Contingent and Non-Contingent Corporate Receivables	-	-	-	-	-	1,472,783	-	-
Contingent and Non-Contingent Retail Receivables	-	-	-	-	-	-	-	-
Contingent and Non-Contingent Receivables Secured by Residential Property	-	-	-	38,317	-	18,332	-	-
Past Due Loans	-	-	-	-	-	1,484	-	-
Higher-Risk Receivables Defined by BRSA	-	-	-	-	-	-	114,713	-
Marketable Securities Collateralized Mortgages	-	-	-	-	-	-	-	-
Securitization Exposures	-	-	-	-	-	-	-	-
Short-Term Receivables from Banks and Corporate	-	-	-	-	-	-	-	-
Undertakings for Collective Investments in Transferable Securities	-	-	-	-	-	-	-	-
Other Receivables	8,373	-	-	-	-	91,855	-	-

Information on unconsolidated capital adequacy ratio

	Current Period	Prior Period
Required Capital for Credit Risk (Amount Based to Credit Risk*0.08) (RCFCR)	226,004	244,896
Required Capital for Market Risk (RCFMR)	23,532	19,129
Required Capital for Operational Risk (RCFOR)(*)	20,081	17,568
Shareholders' Equity	627,324	557,034
Shareholders' Equity/((RCFCR+RCFMR+RCFOR) *12.5/100)	18.61	15.83
Tier 1 Capital/((RCFCR+RCFMR+RCFOR) *12.5/100)	18.02	15.27
Common Equity Tier 1 Capital/((RCFCR+RCFMR+RCFOR) *12.5/100)	18.07	15.33

(*) In accordance with the BRSA, 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 CAPITAL ADEQUACY RATIO (Continued)

Information on Shareholders' Equity

	Current Period	Prior Period
COMMON EQUITY TIER 1 CAPITAL	608,852	539,742
Paid-in capital(*)	437,869	438,340
Share premium	-	-
Share cancellation profit	-	-
Legal reserves	15,189	11,663
Income passed on to shareholders' equity in accordance with Turkey Accounting Standards (TAS).	-	-
Profit	148,765	82,184
Net Income for current period	70,106	70,506
Prior period profit	78,659	11,678
Provisions for possible risks	9,000	9,000
Bonus shares of Associates, Subsidiaries and Joint-Ventures	-	-
Common Equity Tier 1 Capital Before Deductions	610,823	541,187
Deductions From Common Equity Tier 1 Capital	1,971	1,445
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. (-)	1,059	595
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	1,971	1,445
Total Common Equity Tier 1 Capital	608,852	539,742
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)	-	-
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 (-)	-	-

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Information on Shareholders' Equity (Continued)

	Current Period	Prior Period
Total Deductions From Additional Tier 1 Capital	-	-
Total Additional Tier 1 Capital	-	-
Deductions From Tier 1 Capital	1,589	2,382
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. (-)	1,589	2,382
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	607,263	537,360
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 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
CAPITAL	627,333	557,044
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 equity tier1 , 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 equity tier1, 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 equity tier1 generating from exceed amount generating from investments to Common Tier 1 capitals 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	-	-
Amounts Below Overrun Amounts In Applied Reducing Procedures	627,324	557,034
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 (2,131) actuarial loss/gain amount that accounted under "Other Reserves" according to TAS 19 (31 December 2014: (1,660) TL).

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

	Considered Amount of Current Period Shareholders' Equity Calculation	Total Amount
Common equity tier1 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)	-	-

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	-

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I. INFORMATION ON CAPITAL ADEQUACY RATIO (Continued)

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

II. INFORMATION ON 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".

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.

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II. INFORMATION ON CREDIT RISK (continued)

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.

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.

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II. INFORMATION ON CREDIT RISK (Continued)

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.

As at 31 December 2015 the rating distribution of 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 CREDIT RISK (Continued)

As of 31 December 2014 the rating distribution of 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 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

Risk Classifications	Current Period												
	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	664,828	658,330	795,694	694,357	846,052	896,030	955,286	931,984	1,092,046	1,084,056	809,822
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	2,689,848	2,651,138	2,538,878	2,448,178	1,985,178	2,318,484	2,201,117	2,221,822	2,496,896	2,504,396	2,561,440	2,557,709	2,431,257
Contingent and Non-Contingent Corporate Receivables	1,445,054	1,433,819	1,609,809	1,538,991	1,481,754	1,513,992	1,531,092	1,569,191	1,698,500	1,592,551	1,424,656	1,372,787	1,517,683
Contingent and Non-Contingent Retail Receivables	-	-	-	-	-	-	-	-	-	-	-	-	-
Contingent and Non-Contingent Receivables 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	265,993	211,297	228,214	331,754	359,342	354,332	348,411	326,629	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	100,010	102,568	113,528	108,306	107,442	106,509	108,451	110,695	113,889	109,986	103,652	105,636	107,556
Total exposure to risks	5,054,999	5,045,540	5,196,773	5,126,812	4,769,358	5,048,159	5,095,777	5,177,116	5,659,667	5,394,998	5,420,785	5,335,400	5,193,782

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II. INFORMATION ON CREDIT RISK (Continued)

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

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

The 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 Bank defines its credit risk concentration as limited from these regions.

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II. INFORMATION ON 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 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 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 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 Bank for the credit risk is TL 20,070 as of 31 December 2015 (31 December 2014: TL 19,684).

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II. INFORMATION ON 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	1,084,056	2,335,856	1,372,780	39,201	1,943	4,499	33,447	4,871,782
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	-	-	-	-	-	-	70,213	70,213
Unallocated Assets/Liabilities ^(***)	-	-	-	-	-	-	-	-
Total	1,084,056	2,557,709	1,372,786	39,201	1,943	174,069	105,636	5,335,400
Previous 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	463,681	2,499,741	1,474,757	56,649	1,878	5,344	34,080	4,536,130
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	869	373,015
Associates, subsidiaries and jointly controlled partnership	-	51	-	-	-	-	65,214	65,265
Unallocated Assets/Liabilities ^(***)	-	-	-	-	-	-	-	-
Total	463,681	2,662,245	1,474,763	56,649	1,878	254,158	100,228	5,013,602

(*) 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 CREDIT RISK (Continued)

9. Risk profile according to sectors and counterparties ^(*)

	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	-	-	88,559	-	-	-	-	22,181	66,378	88,559
Farming and Stockbreeding	-	-	88,204	-	-	-	-	21,826	66,378	88,204
Forestry	-	-	355	-	-	-	-	355	-	355
Fishing	-	-	-	-	-	-	-	-	-	-
Manufacturing	-	-	771,815	15,021	-	142	118	260,067	527,029	787,096
Mining	-	-	9,368	14,584	-	-	-	9,368	14,584	23,952
Production	-	-	762,447	437	-	142	118	250,699	512,445	763,144
Electric, gas and water	-	-	-	-	-	-	-	-	-	-
Construction	-	-	484,306	24,180	1,943	3,747	1,259	124,761	390,674	515,435
Services	851,999	2,557,709	27,774	-	-	169,625	92,064	580,152	3,119,019	3,699,171
Wholesale and retail trade	-	-	7,081	-	-	-	-	6,732	349	7,081
Hotel, food and beverage services	-	-	253	-	-	-	-	-	253	253
Transportation and telecommunication	-	-	230	-	-	61	-	44	247	291
Financial institutions	851,999	2,557,709	-	-	-	169,564	92,064	553,166	3,118,170	3,671,336
Real estate and Leasing services	-	-	-	-	-	-	-	-	-	-
"Self-employment" type Services	-	-	-	-	-	-	-	-	-	-
Education services	-	-	57	-	-	-	-	57	-	57
Health and social services	-	-	20,153	-	-	-	-	20,153	-	20,153
Other	232,057	-	332	-	-	555	12,195	7,257	237,882	245,139
Total	1,084,056	2,557,709	1,372,786	39,201	1,943	174,069	105,636	994,418	4,340,982	5,335,400

^(*) 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 CREDIT RISK (Continued)

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

Risk Classifications	Payment Term				
	1 Month	1-3 Month	3-6 Month	6-12 Month	1 Year and Over
Contingent and Non-Contingent Receivables from Central Governments and Central Banks	853,037	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	1,487,021	445,274	202,147	62,337	360,930
Contingent and Non-Contingent Corporate Receivables	380,721	339,312	263,416	203,095	186,242
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	2,782,568	983,382	469,916	312,371	679,584

11. Information on risk classes

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

The Bank uses the announced ratings of international credit rating agency Fitch Ratings and OECD for receivables from central governments and central banks. The 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 Bank uses Fitch Ratings for receivables from central governments, central banks and foreign domicile receivables. The Bank uses the country risk classification of OEFD, 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 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								
<hr/>									
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	862,023	862,023
%10	-	-
%20	466,996	466,996
%50	2,304,004	2,269,238
%75	-	-
%100	1,528,308	1,519,020
%150	174,069	52,011
%200	-	-
%1250	-	-
Equity Deductions	-	-

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II. INFORMATION ON 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

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 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 stockbreeding	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

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

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II. INFORMATION ON CREDIT RISK (continued)

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 MARKET RISK

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

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 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 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.

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.

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III. INFORMATION ON MARKET RISK (Continued)

The 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 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 has determined the early warning limit of Amount Exposed to Market Risk/Equity ratio as maximum %50, in order to limit market risk is calculated with Standard method. In order to limit daily VaR results, the early warning limit of daily VaR/Equity ratio is determined as max. %1.

Information related to 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	18,508	15,034
(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)	23,532	19,129
(XI) Market Value at Risk (12.5 x IX) or (12.5 x X)	294,150	239,113

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III. INFORMATION ON MARKET RISK (Continued)

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

	Average	Highest	Lowest
Interest Rate Risk	49,302	62,713	38,163
Share Certificates Risk	-	-	-
Currency Risk	221,180	503,388	153,550
Commodity Risk	-	-	-
Exchange Risk	-	-	-
Option Risk	-	-	-
Counterparty Risk	331	1,577	-
Total Value at Risk	270,813	556,189	193,290

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.

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III. INFORMATION ON MARKET RISK (Continued)

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

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III. INFORMATION ON MARKET RISK (Continued)

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

The 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, the amount of the net position held for guarantees and derivatives

The 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.

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 "a" if the estimated value to obtain permission from the Authority, "a" value estimation

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

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III. INFORMATION ON MARKET RISK (Continued)

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 Bank’s 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 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	127,784	113,516	160,318	133,873	15	20,081
Operational Risk (Total*12,5)						251,011

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V. INFORMATION ON FOREIGN CURRENCY EXCHANGE RATE RISK

Whether the Bank 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 Bank complies with net general position-shareholder's 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 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 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 Bank 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 Bank, are as follows

Date	US Dollars	Euro
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 bank's foreign exchange bid rate for the last thirty days:

The basic arithmetical average of the Bank's foreign exchange bid rate for December 2015 is TL 2.9154 for USD, TL 3.1658 for EURO.

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

Information on Currency Risk

Current Period	Euro	USD 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	518,373	653,821	29,753	1,201,947
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	1,093	2,021	-	3,114
Total Assets	1,521,548	1,710,304	30,065	3,261,917
Liabilities				
Bank Deposits	1,359,166	1,458,522	1,870	2,819,558
Foreign Currency Deposits	177,769	282,359	5,680	465,808
Money Market Borrowings	-	-	-	-
Funds Borrowed from Other Financial Institutions	-	874	-	874
Marketable Securities Issued	-	-	-	-
Miscellaneous Payables	318	432	5	755
Financial Derivatives held for Hedging (Liabilities)	-	-	-	-
Other Liabilities	2,058	3,395	218	5,671
Total Liabilities	1,539,311	1,745,582	7,773	3,292,666
Net Balance Sheet Position	(17,763)	(35,278)	22,292	(30,749)
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	1,178,639	1,813,661	2,157	2,994,457
Total Liabilities	1,240,333	1,825,089	1,683	3,067,105
Balance Sheet Position, net	(61,694)	(11,428)	474	(72,648)
Off Balance Sheet Position, net	62,197	11,686	-	73,883
Financial Derivatives (Assets)	63,387	13,016	-	76,403
Financial Derivatives (Liabilities)	1,190	1,330	-	2,520
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 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 percent 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 percent appreciation of TL;

	Current Period		Prior Period	
	Income Statement	Shareholders' Equity (*)	Income Statement	Shareholders' Equity
Euro	1,776	1,776	(50)	(50)
US Dollar	(834)	(834)	(26)	(26)
Other Currencies	(2,229)	(2,229)	(47)	(47)
Total	(1,287)	(1,287)	(123)	(123)

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

Assuming 10 percent depreciation of TL;

	Current Period		Prior Period	
	Income Statement	Shareholders' Equity (*)	Income Statement	Shareholders' Equity (*)
Euro	(1,776)	(1,776)	50	50
US Dollar	834	834	26	26
Other Currencies	2,229	2,229	47	47
Total	1,287	1,287	123	123

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

VI. INFORMATION ON 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 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 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.

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VI. INFORMATION ON INTEREST RATE RISK (Continued)

The expected effects of the fluctuations of market interest rates on the 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/ shareholder's 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.

The precautions taken for the interest rate risk the 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 have a limited negative effect on the Bank's financial position the 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	-	-	-	-	516,221	858,154
Banks	924,758	281,941	-	-	-	-	1,206,699
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	-	-	-	-	-	109,248	109,248
Total assets	2,086,607	872,355	146,104	263,847	14,139	640,240	4,023,292
Liabilities							
Bank deposits	1,490,139	593,292	755,156	-	-	-	2,838,587
Other deposits	21,323	22,802	35,612	-	-	429,392	509,129
Money market borrowings	3,493	-	-	-	-	-	3,493
Miscellaneous payables	-	-	-	-	-	1,012	1,012
Marketable securities issued	-	-	-	-	-	-	-
Funds Borrowed From Other Fin. Ins.	207	-	3,166	-	-	-	3,373
Other liabilities ²	753	-	-	-	-	666,945	667,698
Total liabilities	1,515,915	616,094	793,934	-	-	1,097,349	4,023,292
Long Position in the Balance Sheet	570,692	256,261	-	263,847	14,139	-	1,104,939
Short Position in the Balance Sheet	-	-	(647,830)	-	-	(457,109)	(1,104,939)
Long Position in the Off-balance Sheet	43,614	-	-	-	-	-	43,614
Short Position in the Off-balance Sheet	(44,641)	-	-	-	-	-	(44,641)
Total Position	569,665	256,261	(647,830)	263,847	14,139	(457,109)	(1,027)

1 Other Assets: The amount of TL 109,248 in the Non-Interest Bearing column is composed of Subsidiaries amounting to TL 70,213, Tangible Assets amounting to TL 19,611, Intangible Assets amounting to TL 2,648, Deferred Tax Assets amounting to TL 2,830, Assets Held for Sale amounting to TL 9, Miscellaneous Receivables amounting to TL 1,830, and Other Assets amounting to TL 12,107.

2 Other Liabilities: The amount of TL 666,945 in the Non-Interest Bearing Column is composed of Shareholders' Equity amounting to TL 601,823, Provisions amounting to TL 39,645, Tax, Duty and Premium Payable amounting to TL 11,527 and Other Foreign Resources amounting to TL 13,950.

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VI. INFORMATION ON 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	1,342,056	216,368	-	-	-	-	1,558,424
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
Financial assets 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	-	-	-	-	-	106,583	106,583
Total assets	1,963,709	558,768	443,864	260,792	30,899	458,688	3,716,720
Liabilities							
Bank deposits	863,390	963,996	710,600	-	-	-	2,537,986
Other deposits	26,705	11,490	13,472	-	-	518,080	569,747
Money market borrowings	2,935	-	-	-	-	-	2,935
Miscellaneous payables	-	-	-	-	-	1,227	1,227
Marketable securities issued	-	-	-	-	-	-	-
Funds Borrowed From Other Fin. Ins.	259	817	5,808	-	-	-	6,884
Other liabilities ²	188	-	-	-	-	597,753	597,941
Total liabilities	893,477	976,303	729,880	-	-	1,117,060	3,716,720
Long Position in the Balance Sheet	1,070,232	-	-	260,792	30,899	-	1,361,923
Short Position in the Balance Sheet	-	(417,535)	(286,016)	-	-	(658,372)	(1,361,923)
Long Position in the Off-balance Sheet	59,546	14,104	-	-	-	-	73,650
Short Position in the Off-balance Sheet	(59,173)	(14,259)	-	-	-	-	(73,432)
Total Position	1,070,605	(417,690)	(286,016)	260,792	30,899	(658,372)	218

- 106,583 in the Non-Interest Bearing column is composed of Subsidiaries amounting to TL 65,214 Tangible Assets amounting to TL 21,067, Intangible Assets amounting to TL 2,977 Deferred Tax Assets amounting to TL 2,080, Assets Held for Sale amounting to TL 10, Miscellaneous Receivables amounting to TL 1,816, and Other Assets amounting to TL 13,419.
- Other Liabilities: The amount of TL 597,753 in the Non-Interest Bearing Column is composed of Shareholders' Equity amounting to TL 532,187, Provisions amounting to TL 38,893, Tax, Duty and Premium Payable amounting to TL 7,099 and Other Foreign Resources amounting to TL 19,574.

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IV. INFORMATION ON 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	2.03	-	12.35
Financial assets at fair value through profit or loss	1.31	4.05	-	10.16
Money Market Placements	-	-	-	-
Financial assets available-for-sale	-	-	-	-
Loans	2.65	3.95	-	13.27
Investment securities held-to-maturity	1.75	6.83	-	12.59
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	-	1.42	-	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	-	-
Financial assets at fair value through profit or loss	-	5.76	-	9.61
Money Market Placements	-	-	-	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
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	-	2.58	-	7.15

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VI. INFORMATION ON 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 are considered taking into account the developments in the market by Asset-Liability Committee regularly.

The interest rate risk of the banking book items measurement is included The 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
1	TRY	500	(9,161)	%(1.46)
		(400)	11,257	%1.79
2	EURO	200	28,764	%4.59
		(200)	(82,964)	%(13.22)
3	USD	200	14,252	%2.27
		(200)	(39,310)	%(6.27)
Total (For negative shocks)			(111,017)	% (17.70)
Total (For positive shocks)			33,855	% 5.40

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IV. INFORMATION ON INTEREST RATE RISK (Continued)

Prior Period

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

VII. INFORMATION ON STOCK POSITION RISK

Equity investment risk due from banking book

The 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.

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VIII. LIQUIDITY RISK MANAGEMENT AND LIQUIDITY COVERAGE RATIO

Information on liquidity risk management regarding risk capacity of the Bank, responsibilities and structure of the liquidity risk management, reporting of the liquidity risk in the 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 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 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 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. 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 Bank and its shareholders

The Bank is supported by well-established shareholders among most powerful financial institutions in Turkey, Middle East and the North African region. The 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 Bank’s funding strategy including the policies regarding diversification of funding sources and periods

The 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 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 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 Bank’s ALCO was presented to the Board of Directors and approved by Council Decision No. 4/267/8/12 at July 27, 2012.

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

Decisions on the plan;

- 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 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.

Liquidity coverage ratio

The weekly calculated lowest and highest values of unconsolidated foreign currency and total liquidity coverage ratio by weeks are as follows:

	Week	FC	Week	FC+LC
Lowest	02.10.2015	55	16.10.2015	71
Highest	18.12.2015	79	18.09.2015	125

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

The weekly simple arithmetic average calculated 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	975,622	951,894
CASH OUTFLOWS		
2 Real person deposits and retail deposits	20,716	22,489
3 Stable deposit	4,140	-
4 Deposit with low stability	16,576	22,489
5 Unsecured debts except real person deposits and retail deposits	2,399,825	2,332,318
6 Operational deposit	-	-
7 Non-operating deposits	2,340,955	2,322,246
8 Other unsecured debts	58,870	10,072
9 Secured debts	-	-
10 Other cash outflows	184	184
11 Derivative liabilities and margin obligations	184	44
12 Debt from structured financial instruments	-	-
13 Other off-balance sheet liabilities and commitments for the payment owed to financial markets	-	-
14 Revocable off-balance sheet obligations regardless of any other requirement and other contractual obligations	143	124
15 Other irrevocable or provisory revocable off-balance sheet liabilities	179,257	148,787
16 TOTAL CASH OUTFLOW	2,600,125	2,503,762
CASH INFLOWS		
17 Secured receivables	-	-
18 Unsecured claims	1,577,258	1,111,397
19 Other cash inflows	20,319	13,316
20 TOTAL CASH INFLOWS	1,597,577	1,124,713
21 TOTAL HQLA STOCK	975,622	951,894
22 TOTAL NET CASH OUTFLOWS	1,002,549	1,379,049
23 LIQUIDITY COVERAGE RATIO (%)	100.31	69.90

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

Current Period	Consideration Ratio Applied Total Value	
	LC+FC	FC
HIGH QUALITY LIQUID ASSETS		
1 High quality liquid assets	405,489	330,967
CASH OUTFLOWS		
2 Natural person deposits and retail deposits	14,487	13,612
3 Stable deposit	4,095	3,749
4 Low stability deposit	10,392	9,863
5 Unsecured debts except natural person deposits and retail deposits	1,560,463	1,521,085
6 Operational deposit	-	-
7 Non-operating deposits	1,560,208	1,521,085
8 Other unsecured debts	255	-
9 Secured debts	-	-
10 Other cash outflows	40,332	31,202
11 Derivative liabilities and margin obligations	40,332	31,202
12 Debt from structured financial instruments	-	-
13 Other off-balance sheet liabilities and commitments for the payment owed to financial markets	-	-
14 Revocable off-balance sheet obligations regardless of any other requirement and other contractual obligations	118,785	110,126
15 Other irrevocable or provisory revocable off-balance sheet liabilities	3,727	2,984
16 TOTAL CASH OUTFLOW	1,737,794	1,679,009
CASH INFLOWS		
17 Secured receivables	-	-
18 Unsecured claims	1,277,385	1,046,763
19 Other cash inflows	46,711	40,954
20 TOTAL CASH INFLOWS	1,324,096	1,087,717
21 TOTAL HQLA STOCK	405,489	330,967
22 TOTAL NET CASH OUTFLOWS	487,650	591,987
23 LIQUIDITY COVERAGE RATIO (%)	86.24	60.10

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 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 Bank, while 34% comprised of debt instruments issued by the Treasury.

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**VIII. 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 Bank’s liquidity transfer and liquidity risk exposure

The 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. 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	8,985	849,169	-	-	-	-	-	858,154
Banks	42,066	882,692	281,941	-	-	-	-	1,206,699
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	-	-	-	-	-	-	109,248	109,248
Total Assets	51,051	2,551,777	834,044	170,500	291,145	14,139	110,636	4,023,292
Liabilities								
Interbank Deposits	395,009	1,095,131	593,291	755,156	-	-	-	2,838,587
Other Deposits	429,390	21,325	22,802	35,612	-	-	-	509,129
Funds provided from other financial institutions	-	207	-	3,166	-	-	-	3,373
Money market borrowings	-	3,493	-	-	-	-	-	3,493
Marketable securities issued	-	-	-	-	-	-	-	-
Miscellaneous payables	-	-	-	-	-	-	1,012	1,012
Other liabilities ²	-	7,260	6,773	-	-	-	653,665	667,698
Total Liabilities	824,399	1,127,416	622,866	793,934	-	-	654,677	4,023,292
Liquidity Gap	(773,348)	1,424,361	211,178	(623,434)	291,145	14,139	(544,041)	-
Prior Period								
Total Assets	20,414	2,257,579	410,391	607,134	282,561	30,899	107,742	3,716,720
Total Liabilities	805,556	614,929	979,570	729,880	-	-	586,785	3,716,720
Liquidity Gap	(785,142)	1,642,650	(569,179)	(122,746)	282,561	30,899	(479,043)	-

¹ Other Assets: The amount of TL 109,248 in the Non-Interest Bearing column is composed of Subsidiaries amounting to TL 70,213, Tangible Assets amounting to TL 19,611, Intangible Assets amounting to TL 2,648, Deferred Tax Assets amounting to TL 2,830, Assets Held for Sale amounting to TL 9, Miscellaneous Receivables amounting to TL 1,830, and Other Assets amounting to TL 12,107.

² Other Liabilities: The amount of TL 653,665 in the Non-Interest Bearing Column is composed of Shareholders' Equity amounting to TL 601,823, Provisions amounting to TL 39,645, and Other Foreign Resources amounting to TL 12,197.

Explanations on securitization positions

None.

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

Information on Credit risk mitigation Techniques

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 which are grouped according to asset type:

Risk Types - Current Period	Amount ⁽¹⁾	Financial Collaterals	Other/Physical Collaterals	Guarantees and credit derivatives
Contingent and Non-Contingent Receivables from Central Governments and Central Banks	1,084,056	-	-	-
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	2,557,709	41,183	-	-
Contingent and Non-Contingent Corporate Receivables	1,372,787	5,989	-	-
Contingent and Non-Contingent Retail Receivables	-	-	-	-
Contingent and Non-Contingent Receivables Secured by Residential Property ⁽²⁾	39,201	58	-	-
Past Due Loans	1,943	360	-	-
Higher-Risk Receivables Defined by BRSA	174,068	146,009	-	-
Marketable Securities Collateralized Mortgages	-	-	-	-
Securitization Exposures	-	-	-	-
Short-Term Receivables from Banks and Corporate	-	-	-	-
Undertakings for Collective Investments in Transferable Securities	-	-	-	-
Other Receivables	105,636	-	-	-
Total	5,335,400	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 taken into consideration regarding the “Regulation on Measurement and Assessment of Capital Adequacy of Banks”, Article 6

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**VIII. 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 Central Governments and Central Banks	463,681	-	-	-
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	2,662,245	506	-	-
Contingent and Non-Contingent Corporate Receivables	1,474,764	3,962	-	-
Contingent and Non-Contingent Retail Receivables	-	-	-	-
Contingent and Non-Contingent Receivables Secured by Residential Property ⁽²⁾	56,648	-	-	-
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 Transferable Securities	-	-	-	-
Other Receivables	100,228	-	-	-
Total	5,013,602	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 taken into consideration regarding the “Regulation on Measurement and Assessment of Capital Adequacy of Banks”, Article 6

Risk management target and policies

The 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.

a) 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.

b) 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 Bank’s Audit Committee and the Internal Systems Director.

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(Continued)**

c) Risk management system

The Risk Management System is composed of identifying, evaluating, tracing, controlling, administrating, reporting the potential risks that the Bank may encounter and the limitation procedures mechanism of these risks.

d) Risk management principles

The 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 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, Bank and market data reviewed regularly. Within the scope of classifying risks besides of legal limits also bank internal limits are provided.

Leverage Ratio

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

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

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

**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*	7,305	6,872
2	Difference between total asset amount in financial statements which is prepared according to TAS and Communique on Preparation of Consolidated Financial Statements of Banks	-	-
3	Difference between derivative instruments and credit derivatives amount which is prepared according to Communique on Preparation of Consolidated Financial Statements of Banks and risk amount	88,629	67,231
4	Difference between Security or secured financing transactions amount which is prepared according to Communique on Preparation of Consolidated Financial Statements of Banks and risk amount	95,947	155,796
5	Difference between off-balance sheet transactions amount which is prepared according to Communique on Preparation of Consolidated Financial Statements of Banks and risk amount	90,821	69,211
6	Difference between amount which is prepared according to Communique on Preparation of Consolidated Financial Statements of Banks and risk amount	-	-
7	Total risk amount	282,702	299,110

(*) Related amounts are calculated by using unconsolidated 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. 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)	3,455,172	3,994,251
2	(Assets deducted from main capital)	(3,653)	(3,436)
3	Total risk amount of the balance sheet assets (Sum of 1st and 2nd rows)	3,451,519	3,990,815
	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	457
6	Total risk amount of derivative financial instruments and credit derivatives (Sum of 4th and 5th rows)	831	457
	Security or secured financing transactions		
7	Risk amount of security or secured financing transactions (Except balance sheet)	423	-
8	Risk amount due to intermediated transactions	-	-
9	Total risk amount of security or secured financing transactions (Sum of 7th and 8th rows)	423	-
	Off-balance sheet transactions		
10	Gross nominal amount of off-balance sheet transactions	2,322,490	2,446,179
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)	2,322,490	2,446,179
	Equity and total risk		
13	Main capital	533,681	597,633
14	Total risk amount (Sum of 3th, 6th, 9th and 12th rows)	5,775,263	6,437,451
	Leverage ratio		
15	Leverage ratio	9.25%	9.29%

(*) 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	2,847,548	3,092,466	2,859,078	3,106,959
Banks	1,206,699	1,558,424	1,206,699	1,558,424
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	156,170
Loans	1,357,903	1,364,298	1,357,903	1,364,298
Financial Liabilities	3,115,611	3,118,779	3,115,611	3,118,779
Interbank deposits	2,838,587	2,537,987	2,838,587	2,537,987
Other Deposits	509,129	569,746	509,129	569,746
Funds provided from other financial institutions	3,373	6,884	3,373	6,884
Money market borrowings	3,493	2,935	3,493	2,935
Marketable securities issued	-	-	-	-
Miscellaneous Payables	1,012	1,227	1,012	1,227

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

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,

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>	<i>116,041</i>	-	-	<i>116,041</i>
<i>Financial assets held for trading</i>	-	-	-	-
<i>Other marketable securities</i>	<i>92,301</i>	-	-	<i>92,301</i>
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>	<i>57,019</i>	-	-	<i>57,019</i>
<i>Financial assets held for trading</i>	-	782	-	782
<i>Other marketable securities</i>	<i>105,630</i>	-	-	<i>105,630</i>

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

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

The 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 affects of such transactions on Bank's financial situation

The Bank does not have transactions based on trust.

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X. INFORMATION ON 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	Unallocated	Total Operations
Interest Income (Net)	(1,023)	86,233	22,568	-	107,778
Commission Income (Net)	-	49,038	-	-	49,038
Unallocated Income/Expenses (Net)	-	-	-	(75,043)	(75,043)
Operating Income	(1,023)	135,271	22,568	(75,043)	81,773
Income from Subsidiaries					4,999
Income before tax					86,772
Tax Provision					(16,666)
Net Profit for the period					70,106

Current Period	Retail Banking	Corporate and Commercial Banking	Treasury	Unallocated	Total Operations
Segment Assets	883	1,274,002	2,629,516	-	3,904,401
Associates and Subsidiaries	-	-	-	70,213	70,213
Unallocated assets	-	-	-	48,678	48,678
Total Assets	883	1,274,002	2,629,516	118,891	4,023,292
Segment Liabilities	239,512	269,289	2,845,781	-	3,354,582
Unallocated Liabilities	-	-	-	66,887	66,887
Equity	-	-	-	601,823	601,823
Total Liabilities	239,512	269,289	2,845,781	668,710	4,023,292

Prior Period	Retail Banking	Corporate and Commercial Banking	Treasury	Unallocated	Total Operations
Interest Income (Net)	(661)	86,804	23,426	-	109,569
Commission Income (Net)	-	48,062	-	-	48,062
Unallocated Income/Expenses (Net)	-	-	-	(72,561)	(72,561)
Operating Income	(661)	134,866	23,426	(72,561)	85,070
Income from Subsidiaries	-	-	-	4,319	4,319
Income before tax	-	-	-	-	89,389
Tax Provision	-	-	-	-	(18,883)
Net Profit for the period	-	-	-	-	70,506

Prior Period	Retail Banking	Corporate and Commercial Banking	Treasury	Unallocated	Total Operations
Segment Assets	740	1,363,558	2,269,600	-	3,633,898
Associates and Subsidiaries	-	-	-	65,214	65,214
Unallocated assets	-	-	-	17,608	17,608
Total Assets	740	1,363,558	2,269,600	82,822	3,716,720
Segment Liabilities	159,260	414,769	2,543,523	-	3,117,552
Unallocated Liabilities	-	-	-	66,981	66,981
Equity	-	-	-	532,187	532,187
Total Liabilities	159,260	414,769	2,543,523	599,168	3,716,720

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SECTION FIVE

**INFORMATION ON DISCLOSURES AND FOOTNOTES OF
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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	2,233	6,752	1,367	7,006
Central Bank of Turkey	6,220	842,949	5,197	340,670
Other	-	-	-	-
Total	8,453	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).

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

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	-

3. Information on banks and other financial institutions

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks				
Domestic banks	137	1,150,012	109	1,551,920
Foreign banks	4,615	51,935	-	6,395
Foreign head offices and branches	-	-	-	-
Total	4,752	1,201,947	109	1,558,315

	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.

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

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

5. Information on Loans

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

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

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		
	Total Loans and Other Receivables	Restructured or Rescheduled		Total Loans and Other Receivables	Restructured or Rescheduled	
Cash Loans		Extended compensation plans	Other		Extended compensation plans	Other
Non-specialized loans	1,344,520	-	-	11,440	-	-
Corporate 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	-	-

	Standard loans and other receivables		Loans and other receivables under close monitoring	
	Loans and other receivables (Total)r	Amendments on Conditions of Contract	Loans and other receivables (Total)	Amendments on Conditions of Contract
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	Middle 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	Middle 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 according to customer type

	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

Information on restructured loans of non-performing loans

None.

Information on movement of total non-performing loans

	III. Group	IV. Group	V. Group
	<i>Loans and receivables with limited collectibles</i>	<i>Loans and receivables with doubtful collectibles</i>	<i>Uncollectible loans and receivables</i>
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)	-	-	-
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 redemption amounting to TL 93,317 (31 December 2014: TL 94,796) has been realized from the portfolio.

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 Bank does not have an associate.

8. Information on subsidiaries (Net)

Information on unconsolidated subsidiaries

The Bank does not have an unconsolidated subsidiary.

Information on subsidiaries

Information on shareholder's equity for A&T Finansal Kiralama A.Ş.

	Current Period	Prior Period
CORE CAPITAL		
Paid in Capital	70,000	65,000
Capital Reserves	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	81,602	74,358

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 (%)
1	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 Year Profit / Loss	Prior Years 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 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

Sectoral Information on the subsidiaries

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

Quoted Subsidiaries

There is no subsidiaries quoted at stock exchange of the bank.

9. Information on joint ventures

The Bank has no joint ventures.

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

10. Information on Financial Lease Receivables (Net)

The Bank has no financial lease operation.

11. Information on financial derivatives for hedging

The Bank has no financial derivatives for hedging.

12. 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	16,650	-	45	4,372	21,067
Cost	29,852	3,958	145	13,100	47,055
Accumulated Depreciation (-)	(13,202)	(3,958)	(100)	(8,728)	(25,988)
Net Book Value	16,650	-	45	4,372	21,067
Balance at the End of the Current Period - 31 December 2015					
Net Book Value at the Beginning of the Current Period	29,852	3,958	145	13,100	47,055
Additions	38	-	-	841	879
Disposals (-)	-	-	(73)	(110)	(183)
Impairment(-)	-	-	-	-	-
Cost at the End of the Current Period	29,890	3,958	72	13,831	47,751
Accumulated Depreciation (-)	(13,202)	(3,958)	(100)	(8,728)	(25,988)
Depreciation Expense (-)	(751)	-	(25)	(1,544)	(2,320)
Depreciation of Disposals (-)	-	-	58	110	168
Accumulated Depreciation at the End of the Current Period (-)	(13,953)	(3,958)	(67)	(10,162)	(28,140)
Net Book Value at the End of the Current Period	15,937	-	5	3,669	19,611

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

Prior Period	Real Estates	Leased Tangible Assets	Vehicles	Other Tangible Assets	Total
Balance at the End of the Prior Period- 31 December 2013	16,874	-	547	3,404	20,825
Cost	29,331	4,530	880	10,209	44,950
Accumulated Depreciation (-)	12,457	4,530	333	6,805	24,125
Net Book Value	16,874	-	547	3,404	20,825
Balance at the End of the Current Period - 31 December 2014					
Net Book Value at the Beginning of the Current Period	29,331	4,530	880	10,209	44,950
Additions	521	-	-	2,953	3,474
Disposals (-)	-	572	735	62	1,369
Impairment(-)	-	-	-	-	-
Cost at the End of the Current Period	29,852	3,958	145	13,100	47,055
Accumulated Depreciation (-)	12,457	4,530	333	6,805	24,125
Depreciation expense(-)	745	-	72	1,962	2,779
Depreciation of Disposals (-)	-	(572)	(305)	(39)	(916)
Accumulated Depreciation at the End of the Current Period (-)	13,202	3,958	100	8,728	25,988
Net Book Value at the End of the Current Period	16,650	-	45	4,372	21,067

13. Information on Intangible assets

	Current Period	Prior Period
Balance at the End of the Prior Period		
Cost	9,593	8,071
Accumulated Depreciation (-)	(6,616)	(5,441)
Net Book Value	2,977	2,630
Balance at the End of the Current Period		
Net Book Value at the Beginning of the Current Period	9,593	8,071
Additions	946	1,522
Disposals (-)	-	-
Impairment(-)	-	-
Cost at the Beginning of the current period	10,539	9,593
Accumulated Depreciation (-)	(6,616)	(5,441)
Amortization and amortization expense of disposals(-)	(1,275)	(1,175)
Impairment Depreciation(-)	-	-
Accumulated Amortization at end of the current period	(7,891)	(6,616)
Net Book Value at end of the current period	2,648	2,977

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

14. Information on investment property

The bank has no investment property.

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.

The Bank has calculated TL 2,951 deferred tax asset and TL 121 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 2,557 deferred tax asset and TL 477 deferred tax liability).

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)
Provisions for employee rights	9,018	1,804	8,595	1,719
Unearned Income	2,680	536	3,148	630
Interest accruals	1,762	352	-	-
Depreciation difference for tangible and intangible assets	275	55	908	182
Derivative financial instruments	753	151	-	-
Other	265	53	132	26
Deferred tax asset	14,753	2,951	12,783	2,557
Interest accruals	-	-	1,411	282
Other	607	121	973	195
Deferred tax liability	607	121	2,384	477
Deferred tax asset / (liability), net		2,830		2,080

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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 (-)	-	-
Accumulated Impairment (-)	7	6
Impairment (-)	1	1
Accumulated Depreciation (-)	-	-
Depreciation of disposals	-	-
Depreciation Expenses (-)	-	-
Closing Net Book Value	9	10

17. Information on other assets

Other assets is amounting to TL 13,937 (31 December 2014: TL 15,235) 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	392,741	-	5,770	9,564	6,462	20,602	30,669	-	465,808
Residents in Turkey	112,026	-	5,137	6,234	1,761	15,264	252	-	140,674
Residents Abroad	280,715	-	633	3,330	4,701	5,338	30,417	-	325,134
Public Sector Deposits	-	-	-	-	-	-	-	-	-
Commercial Deposits	6,589	-	1,000	151	102	-	-	-	7,842
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	824,399	-	359,339	457,540	711,483	223,688	771,267	-	3,347,716

Prior Period	Demand	7 Days Notice	Up to 1 Months	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	473,215	-	12,398	7,612	3,899	7,509	13,189	-	517,822
Residents in Turkey	161,961	-	3,629	4,746	420	6,972	103	-	177,831
Residents Abroad	311,254	-	8,769	2,866	3,479	537	13,086	-	339,991
Public Sector Deposits	-	-	-	-	-	-	-	-	-
Commercial Deposits	9,590	-	7	1,197	97	-	-	-	10,891
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 Inst.	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total	805,556	-	454,871	894,533	221,334	240,249	491,190	-	3,107,733

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II. INFORMATION AND DISCLOSURES RELATED TO LIABILITIES (Continued)

Information on saving 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

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 December 2004	-	-
Deposits at Depositary Banks established for Off-Shore Banking Activities in Turkey	-	-
Total	1,663	714

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	-

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II. INFORMATION AND DISCLOSURES RELATED TO LIABILITIES (Continued)

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	874	6,067	817
From Foreign Banks, Institutions and Funds	-	-	-	-
Total	2,499	874	6,067	817

Presentation of funds borrowed based on maturity profile

	Current Period		Prior Period	
	TL	FC	TL	FC
Short-Term	2,499	874	6,067	817
Long-Term	-	-	-	-
Total	2,499	874	6,067	817

Additional explanation related to the concentrations of the 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 Bank 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 (*)	136	30

(*) 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 amounting to TL 1,520 (31 December 2014: TL 1,547).

Reserve for employee termination benefits

The Bank reserved for employee severance indemnities in the accompanying unconsolidated 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:

	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

In accordance with existing Turkish Labor Law, the Bank 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)). 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.

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II. INFORMATION AND DISCLOSURES RELATED TO LIABILITIES (Continued)

Movement of employee termination benefits are as follows:

	Current Period	Prior Period
Balances at Beginning of Period	4,890	4,272
Provision booked in current period	1,183	1,060
Provision paid in current period (-)	105	442
Balances at End of the Period	5,968	4,890

The employee termination benefit liability of the Bank is the amount as at 31 December 2015 is TL 5,968 (31 December 2014: TL 4,890). In addition to this, the unused vacation provision and other employee benefits amount as at 31 December 2015 is TL 3,050 (31 December 2014: TL 3,705).

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 which was charged to the income statement in the prior year, 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

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 6,788 (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	6,788	3,267
Banking Insurance Transaction Tax (BITT)	591	612
Taxation of Securities	2,540	1,798
Value added taxes payable	47	78
Corporate tax payable-limited	7	5
Foreign Exchange Legislation Tax	-	-
Property tax	22	18
Other	913	772
Total	10,908	6,550

Information on premiums

	Current Period	Prior Period
Social Security Premiums - Employee	230	64
Social Security Premiums - Employer	340	442
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	16	14
Unemployment Insurance - Employer share	33	29
Other	-	-
Total	619	549

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-15 in Section Five.

Information on liabilities of fixed asset held for sale and discontinued operations

The Bank has no liability related to assets held for sale and discontinued operations.

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 Banks has no subordinated loans.

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II. INFORMATION AND DISCLOSURES RELATED TO LIABILITIES (Continued)

9. Information on Shareholders’ Equity

Presentation of Paid-in Capital

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

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 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 Bank’s prior periods income, profitability, and liquidity indicators and uncertainty, to shareholders’ equity

None.

Information on the privileges given to stocks representing the capital

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.

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II. INFORMATION AND DISCLOSURES RELATED TO LIABILITIES (Continued)

The 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.

Information on marketable securities value increase fund

The Bank does not have marketable securities value increase fund.

Information on legal reserve

As decided in the 37th Annual General Meeting which is held on 26 March 2015, in the current period, amount of TL 3,526 have been transferred to legal reserves from profits of previous years according to 519th amendment of Turkish Commercial Code no 6102. (31 December 2014: TL 2,533).

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 Bank has TL 51,358 (31 December 2014: TL 79,418) as irrevocable commitments.

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

As of the balance sheet date, the Bank 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 Bank's guarantee letters is TL 1,874,863(31 December 2014: TL 1,695,666).

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

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

3. 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	-	-	505	0.02	-	-	403	0.02
Services	-	-	-	-	-	-	-	-
Transportation and	87	0.04	577	0.03	98	0.06	457	0.02
Telecommunication	4,400	2.25	1,392,309	64.25	4,323	2.45	1,380,604	66.44
Financial Institutions	-	-	-	-	-	-	11	0.00
Real Estate and Renting	-	-	-	-	-	-	-	-
Services	-	-	-	-	-	-	-	-
Self-Employment Services	113	0.06	-	-	113	0.06	-	-
Education Services	-	-	-	-	-	-	1,438	0.07
Health and Social Services	-	-	-	-	-	-	-	-
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)**

4. 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	-	-

5. 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)**

6. Information on credit derivatives and related imposed risks

The Bank does not have any credit derivate contract.

7. Information on contingent liabilities and assets

The Bank has provided TL 37 (31 December 2014: 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 Section Five 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.

8. Services supplied on behalf of others

None.

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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 (*)				
Short- Term Loans	61,914	6,383	52,357	6,382
Medium and Long- Term Loans	489	19,642	2,321	27,732
Interest Received From Non-Performing Loans	-	-	140	-
Premiums Received From Resource Utilization Support Fund	-	-	-	-
Total	62,403	26,025	54,818	34,114

(*) 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	2,782	20,783	1,321	26,530
From Foreign Banks	955	174	191	105
From Foreign Headquarter and Branches	-	-	-	-
Total	3,737	20,957	1,512	26,635

Information on interest income on 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

	Current Period	Prior Period
Interest income received from associates and subsidiaries	-	273

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

2. Interest Expense

Information on interest paid for funds borrowed

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks	387	13	270	134
Central Bank	-	-	-	-
Domestic Banks	387	13	270	25
Foreign Banks	-	-	-	109
Other Institutions	-	-	-	-
Total	387	13	270	134

Information on interest expense paid to subsidiaries and associates

None.

Information on interest expense given on securities issued

None.

Maturity structure of the interest expense on deposits

Current Period	Demand Deposit	Time Deposit					Cumulative Deposit	Total
		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

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

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	4,999	4,319
Total	5,067	4,381

4. Information on trading gain/loss

	Current Period	Prior Period
Gain	8,576,900	3,754,113
Gain from money market transactions	-	-
Gain from financial derivative transactions	8,076	1,664
Gain from exchange transactions	8,568,824	3,752,449
Loss (-)	(8,578,684)	(3,753,301)
Loss from money market transactions	(53)	-
Loss from financial derivative transactions	(10,546)	(2,360)
Loss from exchange transactions	(8,568,085)	(3,750,941)
Net Trading Gain/Loss	(1,784)	812

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	12	744
Other Income	52	176
Total	4,264	4,468

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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	
<i>Investment Securities Available-for-Sale</i>		63
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	-	26
Total	8,330	15,938

7. Information on other operating expense

	Current Period	Prior Period
Personnel Expenses	48,100	42,306
Employee Termination Benefits Expense	595	690
Tangible Fixed Asset Impairment Expense	-	-
Amortization Expenses of Tangible Assets	2,320	2,779
Intangible Fixed Asset Impairment Expense	-	-
<i>Goodwill Impairment Expense</i>	-	-
Amortization Expenses of Intangible Assets	1,275	1,175
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	-	-
Other Operating Expenses	11,045	10,110
<i>Operating Lease Expenses</i>	1,622	1,440
<i>Maintenance Expenses</i>	2,284	261
<i>Advertisement Expenses</i>	360	568
<i>Other Expenses</i>	6,779	7,841
Losses from sales of Assets	-	3
Other	5,925	4,901
Total	69,261	61,965

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**IV. INFORMATION AND FOOTNOTES RELATED TO STATEMENT OF INCOME
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8. Information on profit/loss before taxes including profit/loss from discontinued operations

The pre-tax income amount from continued operations is TL 86,772 (31 December 2014: TL 89,389).

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 17,299 (31 December 2014: TL 18,407 corporate tax expense) and deferred tax income is TL 633 (31 December 2014: TL 476 as deferred tax expense).

Deferred tax charge arising from origination or reversal of temporary differences

The Bank has TL 633 as deferred tax income arising from origination of temporary differences (31 December 2014: TL 476 deferred tax expense).

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

The Bank has TL 633 as deferred tax income reflected in the income statement computed over temporary difference and tax deductions and exemptions (31 December 2014: TL 476 deferred tax expense).

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 70,106 (31 December 2014: TL 70,506).

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

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 period 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 unconsolidated 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 28,928 (31 December 2014: TL 28,505) consist of transfer commissions, letter of credit commissions and other.

	Current Period
Letter of Credit Commissions	24,187
Transfer Commissions	3,046
Other	1,695
Total	28,928

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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 3,526 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	6,795
Cash and cash equivalents	1,672,707	1,219,830
Total	1,681,080	1,226,625

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

	31 December 2015	31 December 2014
Cash	8,985	8,373
Cash and cash equivalents	1,746,495	1,672,707
Total	1,755,480	1,681,080

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 does not have restricted cash and cash equivalents that is in the possession of the Group due to legal limitations and other reasons.

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**VI. INFORMATION AND FOOTNOTES RELATED TO CASH FLOWS STATEMENT
(Continued)**

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 (78,275) (31 December 2014: TL (29,322)) 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 (134) (31 December 2014: TL 3,180 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 4,676 (31 December 2014: TL 33,561) 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 22,382 (31 December 2014: TL (61,835)) 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 BANK'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 Bank'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	-	101	-	161	36,570	158,329
Balance at the end of the period	-	569	-	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 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	31,597	21	4,267	13,686	47,872	98,201
Balance at the end of the period	-	101	-	161	36,570	158,329
Interest and Commission Income received	273	-	-	-	65	-

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

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VII. INFORMATION ON THE BANK’S RISK GROUP (Continued)

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	96	126	1,525,229	1,378,134	545,393	508,101
Balance at the end of the period	84	96	2,134,349	1,525,229	345,621	545,393
Interest expense on deposits	-	-	20,273	18,803	2,569	3,484

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

Information on forward transactions, options and other contracts related to Bank’s risk group

None.

Information on benefits provided for top level management:

Between 1 January - 31 December 2015, TL 10,657 (1 January - 31 December 2014: TL 6,576) 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 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. 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 BANK’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, unconsolidated financial statements and explanatory notes of the Bank disclosed herein were reviewed 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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