

TURKLAND BANK ANONİM ŐİRKETİ

**INDEPENDENT AUDITOR'S REVIEW REPORT, UNCONSOLIDATED
FINANCIAL STATEMENTS AND NOTES FOR THE PERIOD ENDED
SEPTEMBER 30, 2015**

*Convenience translation of the Independent Auditor's Report originally issued in
Turkish, see Note I of section three*

“Convenience translation of the Independent Auditor’s Report originally issued in Turkish, see Note I of section three”

To the Board of Directors of Turkland Bank Anonim Şirketi

**INTERIM REVIEW REPORT ON INTERIM FINANCIAL INFORMATION
FOR THE PERIOD JANUARY 1,2015 – SEPTEMBER 30,2015**

Introduction

We have reviewed the unconsolidated balance sheet of Turkland Bank A.Ş. (“the Bank”) at 30 September 2015 and the related unconsolidated income statement, unconsolidated statement of income and expense items under shareholders’ equity, unconsolidated statement of changes in shareholders’ equity, unconsolidated statement of cash flows and a summary of significant accounting policies and other explanatory notes to the unconsolidated financial statements for the nine-month-period then ended. The Bank Management is responsible for the preparation and fair presentation of interim financial statements in accordance with the “Regulation on Accounting Applications for Banks and Safeguarding of Documents” published in the Official Gazette no.26333 dated 1 November 2006, and other regulations 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 Turkish Accounting Standard 34 “Interim Financial Reporting” except for the matters regulated by BRSA Legislation. Our responsibility is to express a conclusion on these interim financial statements based on our review.

Scope of Limited Review

We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, “Limited Review of Interim Financial Information Performed by the Independent Auditor of the Entity” promulgated by the Public Oversight Accounting and Auditing Standards Authority (“POA”) of Turkey. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial reporting process, and applying analytical and other review procedures. A review of interim financial information is substantially less in scope than an independent audit performed in accordance with the Independent Auditing Standards and the objective of which is to express an opinion on the financial statements. Consequently, a review of the interim financial information does not provide assurance that the audit firm will be aware of all significant matters which would have been identified in an audit. Accordingly, we do not express an opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying unconsolidated financial statements do not give a true and fair view of the financial position of Turkland Bank A.Ş. at 30 September 2015 and of the results of its operations and its cash flows for the nine-month-period then ended in all respects in accordance with the “Regulation on Accounting Applications for Banks and Safeguarding of Documents” published in the Official Gazette no.26333 dated 1 November 2006, and other regulations 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 Turkish Accounting Standard 34 “Interim Financial Reporting” except for the matters regulated by BRSA Legislation.

Additional paragraph for convenience translation to English:

As explained in detail in Note I of Section Three, the effects of differences between accounting principles and standards set out by BRSA Accounting and Reporting Legislation, accounting principles generally accepted in countries in which the accompanying unconsolidated financial statements are to be distributed and International Financial Reporting Standards (“IFRS”) have not been quantified in the accompanying unconsolidated financial statements. Accordingly, the accompanying 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.

Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi
A member firm of Ernst&Young Global Limited

Yaşar Bivas
Partner, SMMM

November 10, 2015
İstanbul, Turkey

Translated into English from the original Turkish report and financial statements

**THE UNCONSOLIDATED FINANCIAL REVIEW REPORT OF TURKLANDBANK A.Ş.
FOR THE PERIOD ENDED SEPTEMBER 30, 2015**

Address : 19 Mayıs Mah. 19 Mayıs Cad. Şişli Plaza A Blok No: 7
Şişli- İstanbul

Telephone : (0 212) 368 34 34

Fax : (0 212) 368 35 35

Web Site : <http://www.turklandbank.com>

E-mail Address : t-bank@turklandbank.com

The unconsolidated financial report for the nine months prepared in accordance with “Communiqué Related to Publicly Announced Financial Statements of Banks and Explanations and Notes Related to these Financial Statements” as regulated by the Banking Regulation and Supervision Agency includes the following sections:

- GENERAL INFORMATION ABOUT THE BANK
- UNCONSOLIDATED FINANCIAL STATEMENTS OF THE BANK
- EXPLANATIONS ON THE ACCOUNTING POLICIES APPLIED IN THE RELEVANT PERIOD
- INFORMATION ON FINANCIAL STRUCTURE OF THE BANK
- EXPLANATORY DISCLOSURES AND FOOTNOTES ON UNCONSOLIDATED FINANCIAL STATEMENTS
- LIMITED REVIEW REPORT

The unconsolidated financial statements and the explanatory footnotes and disclosures, unless otherwise indicated, are prepared in thousands of Turkish Lira, in accordance with the Communiqué on Banks’ Accounting Practice and Maintaining Documents, Turkish Accounting Standards, Turkish Financial Reporting Standards, related communiqués and the Bank’s records, have been independently reviewed and presented as attached.

October 30, 2015

Nehme SABBAGH	A. Dinçer ALPMAN	Mehmet ÖZGÜNER	H. Efe İÇLİ
Chairman of the Board of Directors	General Manager	Executive Vice President	Manager Financial Affairs
Mehmet Behçet PERİM	Mohamed Ali BEYHUM	Nadya Nabil Tawfık TALHOUNİ	
Member of Audit Committee	Member of Audit Committee	Member of Audit Committee	

Information related to responsible personnel for the questions that can be raised about financial statements:

Name-Surname / Title: Sevgi Üstün / Assistant Manager

Telephone Number: (0212) 368 37 24

Fax Number: (0212) 368 35 35

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TURKLAND BANK ANONİM ŞİRKETİ
NOTES TO THE FINANCIAL STATEMENTS
AS OF SEPTEMBER 30, 2015

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

SECTION ONE

GENERAL INFORMATION

I. Bank's Incorporation Date, Beginning Statue, Changes in the Existing Statue

Turkland Bank Anonim Şirketi ("the Bank"), was established in 1991 in İstanbul under the name of "Bahreyn ve Kuveyt Bankası Anonim Şirketi" (BB&K). Its name was changed as "Tasarruf ve Kredi Bankası Anonim Şirketi" with its acquisition by Doğuş Group in 1992. After the change in the name of the bank as "Garanti Yatırım ve Ticaret Bankası Anonim Şirketi" in 1994, Mehmet Nazif Günel (the main shareholder of MNG Group Companies) has acquired the Bank in 1997 and the name of the Bank has been changed as "MNG Bank Anonim Şirketi".

An agreement has been made with Arab Bank and BankMed for the sale of 91% of MNG Bank's shares in mid of 2006 and this agreement was approved by Banking Regulation and Supervision Agency (BRSA) on December 29, 2006. In this regard, while Arab Bank and BankMed purchasing 50% and 41% of MNG bank shares respectively, Mehmet Nazif Günel retained 9% of the shares. Transfer of the Bank was made on January 29, 2007. The title of the Bank was changed as "Turkland Bank Anonim Şirketi" with the amendment to the Articles of Association by the decision of the Extraordinary General Assembly at the meeting on March 22, 2007.

On April 3, 2007, "MNG BANK Anonim Şirketi" title of the bank was registered as "TURKLAND BANK Anonim Şirketi".

According to the Share Sale and Purchase Agreement and Board of Directors' Decision dated February 26, 2010 and July 15, 2010 respectively, Mehmet Nazif Günel's 153 million shares with TRY 15,300 nominal value were purchased by BankMed SAL. As of July 22, 2010 the share transfer was realized.

According to the Extraordinary General Assembly decision dated May 30, 2011, it was decided to increase the Bank's capital from TRY 170,000 to TRY 300,000, and it was registered in the Turkish Trade Registry Gazette dated June 20, 2011 numbered 7840. According to the BRSA approval dated September 15, 2011 numbered 4381 the unused preemptive right of Arab Bank Plc amounting to TRY 65,000 have been used by Arab Bank (Switzerland) Ltd (ABS). Capital commitments have been paid by shareholders and according to the BRSA decision dated October 20, 2011 numbered 22244 it has been transferred to the capital accounts.

According to the Ordinary General Assembly decree dated April 18, 2013, it has been decided to increase the Bank's paid in capital from TRY 300 million to TRY 500 million. The capital increase is committed to be paid in two equal installments, each one amounting to TRY 100 million, respectively by April 30, 2013 and October 30, 2013. BankMed SAL, shareholder of the Bank by 50%, has paid in cash TRY 50.0 million corresponding to its share for the capital increase; Arab Bank PLC, shareholder of the Bank by 28.3%, has paid in cash TRY 28.3 million corresponding to its share for the capital increase; Arab Bank (Switzerland), shareholder of the Company by 21.7%, has paid in cash TRY 21.7 million corresponding to its share for the capital increase. The capital commitments paid by the shareholders were transferred into the share capital accounts with the approval of Banking Regulation and Supervision Agency dated May 28, 2013 and numbered 13388.

For the second installment of the capital increase; BankMed SAL, shareholder of the Bank by 50%, has paid in cash TRY 50 million corresponding to its share for the capital increase in October 4, 2013, Arab Bank PLC, shareholder of the Bank by 28.3%, has paid in cash TRY 28.3 million corresponding to its share for the capital increase and Arab Bank (Switzerland), shareholder of the Bank by 21.7%, has paid in cash TRY 21.7 million corresponding to its share for the capital increase in October 21, 2013. The capital commitments paid by the shareholders were transferred into the share capital accounts with the approval of Banking Regulation and Supervision Agency dated November 11, 2013 and numbered 28000.

According to the Ordinary General Assembly decree dated April 15, 2014, it has been decided to increase the Bank's paid in capital from TRY 500 million to TRY 650 million. In April, 2014, TRY 150 million has been paid in cash. The capital commitments paid by the shareholders were transferred into the share capital accounts with the approval of Banking Regulation and Supervision Agency dated August 28, 2014 and numbered 20637.

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TURKLAND BANK ANONİM ŞİRKETİ
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AS OF SEPTEMBER 30, 2015

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

II. Explanations Regarding Bank's Shareholding Structure, Shareholders Holding Directly or Indirectly, Collectively or Individually, the Managing and Controlling Power and Changes in Current Year, if any and Explanations on the Controlling Group of the Bank

As of September 30, 2015, the shareholders' structure and their ownerships are summarized as follows:

Name of shareholders	Share Amount	Share Ratios %	Paid up Shares	Unpaid Shares
ARAB BANK PLC	216,666.67	%33,3	216,666.67	-
ARAB BANK (Switzerland)	108,333.33	%16,7	108,333.33	-
BANKMED, SAL	324,999.99	%50,0	324,999.99	-
Others	<1	%0,0	<1	-
Total	650,000.00	%100,0	650,000.00	-

As of September 30, 2015 the nominal value of the Bank's capital is amounting to TRY 650,000 and consists of 6,500 million shares.

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TURKLAND BANK ANONİM ŞİRKETİ
NOTES TO THE FINANCIAL STATEMENTS
AS OF SEPTEMBER 30, 2015

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

III. Explanations Regarding the Chairman and the Members of Board of Directors, Audit Committee, General Manager and Assistants and Their Shares and Areas of Responsibility in the Bank

<u>Title</u>	<u>Name and Surname(*)</u>	<u>Responsibility</u>	<u>Education</u>
Chairman of the Board of Directors	NEHME SABBAGH	Chairman	Master Degree
Members of the Board of Directors	MOHAMED ALI BEYHUM	Vice Chairman and Member of Audit Committee	Master Degree
	HENRI MARIE RENE JACQUAND	Member	Master Degree
	MUSTAFA SELÇUK TAMER	Member	Bachelor's Degree
	RIAD BURHAN TAHER KAMAL	Member	Master Degree
	MEHMET BEHÇET PERİM	Member of Audit Committee	Master Degree
	NADYA NABIL TAWFIK TALHOUNI	Member of Audit Committee	Bachelor's Degree
	FATEN MATAR	Member	Master Degree
	HAITHAM HELMI MOHAMMAD FOUDEH	Member	Master Degree
General Manager and Member of Board of Directors	A.DİNÇER ALPMAN	Chief Executive Officer	Bachelor's Degree
Assistant General Mangers	DORUK PARMAN	Marketing Sales	PHD Degree
	EMRE DEMİRCAN	Strategic Planning	Master Degree
	HAKKI YILDIRMAZ	Human Resources	PHD Degree
	İLHAN ZEKİ KÖROĞLU	Operation and Information Technologies	Bachelor's Degree
	MEHMET ÖZGÜNER	Finance	Bachelor's Degree
	MÜNEVVER ERÖZ	Treasury and Financial Institutions	Master Degree
	YURDAKUL ÖZDOĞAN	Credit & Follow up	Bachelor's Degree

(*) The above stated persons do not have Bank shares.

IV. Information About The Persons and Institutions That Have Qualified Shares:

Information about the persons and institutions that have qualified shares as of September 30, 2015:

<u>Name of Shareholders</u>	<u>Share Amount</u>	<u>Share Ratios</u>	<u>Paid up Shares</u>	<u>Unpaid Shares</u>
ARAB BANK PLC	216,666.67	%33,3	216,666.67	-
ARAB BANK (Switzerland)	108,333.33	%16,7	108,333.33	-
BANKMED, SAL	324,999.99	%50,0	324,999.99	-

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TURKLAND BANK ANONİM ŞİRKETİ
NOTES TO THE FINANCIAL STATEMENTS
AS OF SEPTEMBER 30, 2015

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

V. Summary on the Bank's Functions and Areas of Activity

The Bank has 34 branches and 661 personnel. The Bank has no any subsidiaries in the financial sector (December 31, 2014: 33 branches, 641 personnel).

The Bank was established with private capital, has the authority to accept deposits and its operations are mostly based on retail and corporate banking transactions. As it is indicated in Articles of Association, the Bank is mainly dealing in the transactions below:

- a. Acceptance of Deposit
- b. Corporate and Retail Banking
- c. Foreign Trade
- d. Capital Market Transactions
- e. Bank Assurance

Translated into English from the original Turkish report and financial statements

TURKLAND BANK ANONİM ŞİRKETİ
NOTES TO THE FINANCIAL STATEMENTS
AS OF SEPTEMBER 30, 2015

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

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Translated into English from the original Turkish report and financial statements

TURKLAND BANK ANONİM ŞİRKETİ
BALANCE SHEETS AS OF SEPTEMBER 30, 2015 AND DECEMBER 31, 2014
(Amounts expressed in thousands of Turkish Lira (TRY) unless otherwise stated.)

I. BALANCE SHEET – ASSETS (STATEMENT OF FINANCIAL POSITION)

	Note Ref (Section Five)	Reviewed Current Period 30.09.2015			Audited Prior Period 31.12.2014		
		TRY	FC	Total	TRY	FC	Total
I. CASH AND BALANCES WITH THE CENTRAL BANK	I-1	108,124	543,724	651,848	52,568	424,576	477,144
II. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS (Net)	I-2	123	47	170	934	19	953
2.1 Financial assets held for trading		123	47	170	934	19	953
2.1.1 Public sector debt securities		24	-	24	27	-	27
2.1.2 Share certificates		-	-	-	-	-	-
2.1.3 Derivative financial assets held for trading		99	47	146	907	19	926
2.1.4 Other marketable securities		-	-	-	-	-	-
2.2 Financial assets at fair value through profit and loss		-	-	-	-	-	-
2.2.1 Public sector debt securities		-	-	-	-	-	-
2.2.2 Share certificates		-	-	-	-	-	-
2.2.3 Loans		-	-	-	-	-	-
2.2.4 Other marketable securities		-	-	-	-	-	-
III. BANKS	I-3	91	322,419	322,510	64,037	209,055	273,092
IV. MONEY MARKET PLACEMENTS		-	-	-	-	-	-
4.1 Interbank money market placements		-	-	-	-	-	-
4.2 Istanbul Stock Exchange money market placements		-	-	-	-	-	-
4.3 Receivables from reverse repurchase agreements		-	-	-	-	-	-
V. FINANCIAL ASSETS AVAILABLE FOR SALE (Net)	I-4	632,220	3	632,223	775,537	3	775,540
5.1 Share certificates		138	-	138	137	-	137
5.2 Public sector debt securities		632,082	3	632,085	775,400	3	775,403
5.3 Other marketable securities		-	-	-	-	-	-
VI. LOANS AND RECEIVABLES	I-5	3,225,131	649,394	3,874,525	2,842,700	522,442	3,365,142
6.1 Loans and receivables		3,091,075	649,394	3,740,469	2,791,783	522,442	3,314,225
6.1.1 Loans to risk group of the Bank		2,545	-	2,545	-	-	-
6.1.2 Public sector debt securities		-	-	-	-	-	-
6.1.3 Other		3,088,530	649,394	3,737,924	2,791,783	522,442	3,314,225
6.2 Non-performing loans		193,474	-	193,474	95,570	-	95,570
6.3 Specific provisions (-)		(59,418)	-	(59,418)	(44,653)	-	(44,653)
VII. FACTORING RECEIVABLES		-	-	-	-	-	-
VIII. HELD TO MATURITY INVESTMENTS (Net)	I-6	32,016	-	32,016	100,420	-	100,420
8.1 Public sector debt securities		32,016	-	32,016	100,420	-	100,420
8.2 Other marketable securities		-	-	-	-	-	-
IX. INVESTMENTS IN ASSOCIATES (Net)	I-7	-	-	-	-	-	-
9.1 Accounted for under equity method		-	-	-	-	-	-
9.2 Unconsolidated associates		-	-	-	-	-	-
9.2.1 Financial investments		-	-	-	-	-	-
9.2.2 Non-financial investments		-	-	-	-	-	-
X. INVESTMENTS IN SUBSIDIARIES (Net)	I-8	-	-	-	-	-	-
10.1 Unconsolidated financial subsidiaries		-	-	-	-	-	-
10.2 Unconsolidated non-financial subsidiaries		-	-	-	-	-	-
XI. JOINTLY CONTROLLED ENTITIES (JOINT VENTURES) (Net)	I-9	-	-	-	-	-	-
11.1 Accounted for under equity method		-	-	-	-	-	-
11.2 Unconsolidated		-	-	-	-	-	-
11.2.1 Financial subsidiaries		-	-	-	-	-	-
11.2.2 Non-financial subsidiaries		-	-	-	-	-	-
XII. LEASE RECEIVABLES (Net)	I-10	-	-	-	-	-	-
12.1 Finance lease receivables		-	-	-	-	-	-
12.2 Operating lease receivables		-	-	-	-	-	-
12.3 Other		-	-	-	-	-	-
12.4 Unearned income (-)		-	-	-	-	-	-
XIII. DERIVATIVE FINANCIAL ASSETS FOR HEDGING PURPOSES	I-11	-	-	-	-	-	-
13.1 Fair value hedge		-	-	-	-	-	-
13.2 Cash flow hedge		-	-	-	-	-	-
13.3 Hedge of net investment in foreign operations		-	-	-	-	-	-
XIV. TANGIBLE ASSETS (Net)	I-12	46,363	-	46,363	48,020	-	48,020
XV. INTANGIBLE ASSETS (Net)	I-13	14,221	-	14,221	18,231	-	18,231
15.1 Goodwill		-	-	-	-	-	-
15.2 Other		14,221	-	14,221	18,231	-	18,231
XVI. INVESTMENT PROPERTY (Net)	I-14	-	-	-	-	-	-
XVII. TAX ASSET	I-15	8,970	-	8,970	3,972	-	3,972
17.1 Current tax asset		1,127	-	1,127	-	-	-
17.2 Deferred tax asset		7,843	-	7,843	3,972	-	3,972
XVIII. ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (Net)	I-16	-	-	-	-	-	-
18.1 Held for sale		-	-	-	-	-	-
18.2 Discontinued operations		-	-	-	-	-	-
XIX. OTHER ASSETS	I-17	66,486	1,577	68,063	25,510	536	26,046
TOTAL ASSETS		4,133,745	1,517,164	5,650,909	3,931,929	1,156,631	5,088,560

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

Translated into English from the original Turkish report and financial statements

TURKLAND BANK ANONİM ŞİRKETİ
BALANCE SHEETS AS OF SEPTEMBER 30, 2015 AND DECEMBER 31, 2014

I. BALANCE SHEET – LIABILITIES AND EQUITY (STATEMENT OF FINANCIAL POSITION)

	Note Ref. (Section Five)	Reviewed Current Period 30.09.2015			Audited Prior Period 31.12.2014		
		TRY	FC	Total	TRY	FC	Total
I. DEPOSITS	II-1	2,305,607	1,878,319	4,183,926	2,157,865	1,430,660	3,588,525
1.1 Deposits from risk group of the Bank		65,331	5,057	70,388	86,815	3,608	90,423
1.2 Other		2,240,276	1,873,262	4,113,538	2,071,050	1,427,052	3,498,102
II. DERIVATIVE FINANCIAL LIABILITIES HELD FOR TRADING	II-2	154	17	171	9	59	68
III. FUNDS BORROWED	II-3	14,974	166,599	181,573	13,812	124,440	138,252
IV. MONEY MARKET BALANCES		371,946	-	371,946	430,464	-	430,464
4.1 Interbank money market takings		-	-	-	-	-	-
4.2 Istanbul Stock Exchange money market takings		-	-	-	-	-	-
4.3 Funds provided under repurchase agreements	II-4	371,946	-	371,946	430,464	-	430,464
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. SUNDRY CREDITORS		25,355	4,306	29,661	52,464	9,282	61,746
VIII. OTHER LIABILITIES	II-5	80,139	621	80,760	38,957	1,491	40,448
IX. FACTORING PAYABLES		-	-	-	-	-	-
X. LEASE PAYABLES (Net)	II-6	-	-	-	-	-	-
10.1 Finance lease payables		-	-	-	-	-	-
10.2 Operating lease payables		-	-	-	-	-	-
10.3 Other		-	-	-	-	-	-
10.4 Deferred finance lease expenses (-)		-	-	-	-	-	-
XI. DERIVATIVE FINANCIAL LIABILITIES FOR HEDGING PURPOSES	II-7	-	-	-	-	-	-
11.1 Fair value hedge		-	-	-	-	-	-
11.2 Cash flow hedge		-	-	-	-	-	-
11.3 Hedge of net investment in foreign operations		-	-	-	-	-	-
XII. PROVISIONS	II-8	62,042	949	62,991	60,731	730	61,461
12.1 General loan loss provisions		36,784	-	36,784	32,370	-	32,370
12.2 Restructuring reserves		-	-	-	-	-	-
12.3 Reserve for employee benefits		11,965	-	11,965	10,529	-	10,529
12.4 Insurance technical reserves (Net)		-	-	-	-	-	-
12.5 Other provisions		13,293	949	14,242	17,832	730	18,562
XIII. TAX LIABILITY	II-9	11,406	-	11,406	13,859	-	13,859
13.1 Current tax liability		11,406	-	11,406	13,859	-	13,859
13.2 Deferred tax liability		-	-	-	-	-	-
XIV. PAYABLES RELATED TO ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS		-	-	-	-	-	-
14.1 Held for sale		-	-	-	-	-	-
14.2 Discontinued operations		-	-	-	-	-	-
XV. SUBORDINATED LOANS		-	-	-	-	-	-
XVI. SHAREHOLDERS' EQUITY	II-10	728,475	-	728,475	753,737	-	753,737
16.1 Paid-in capital		650,000	-	650,000	650,000	-	650,000
16.2 Supplementary capital		(14,981)	-	(14,981)	25,056	-	25,056
16.2.1 Share premium		-	-	-	-	-	-
16.2.2 Share cancellation profits		-	-	-	-	-	-
16.2.3 Marketable securities value increase fund		(40,728)	-	(40,728)	(265)	-	(265)
16.2.4 Tangible assets revaluation differences		-	-	-	-	-	-
16.2.5 Intangible assets revaluation differences		-	-	-	-	-	-
16.2.6 Investment property revaluation differences		-	-	-	-	-	-
16.2.7 Bonus shares obtained from associates, subsidiaries and jointly controlled entities (joint vent.)		45	-	45	45	-	45
16.2.8 Hedging funds (Effective portion)		-	-	-	-	-	-
16.2.9 Accumulated valuation differences from assets held for sale and from discontinued operations		-	-	-	-	-	-
16.2.10 Other capital reserves		25,702	-	25,702	25,276	-	25,276
16.3 Profit reserves		78,681	-	78,681	46,750	-	46,750
16.3.1 Legal reserves		3,919	-	3,919	2,322	-	2,322
16.3.2 Statutory reserves		-	-	-	-	-	-
16.3.3 Extraordinary reserves		63,044	-	63,044	37,377	-	37,377
16.3.4 Other profit reserves		11,718	-	11,718	7,051	-	7,051
16.4 Profit or loss		14,775	-	14,775	31,931	-	31,931
16.4.1 Prior years' income/(losses)		-	-	-	-	-	-
16.4.2 Current year income/(loss)		14,775	-	14,775	31,931	-	31,931
16.5 Minority shares		-	-	-	-	-	-
TOTAL LIABILITIES AND EQUITY		3,600,098	2,050,811	5,650,909	3,521,898	1,566,662	5,088,560

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

Translated into English from the original Turkish report and financial statements

TURKLAND BANK ANONİM ŞİRKETİ
OFF-BALANCE SHEETS AS OF SEPTEMBER 30, 2015 AND DECEMBER 31, 2014

II. STATEMENT OF OFF-BALANCE SHEET CONTINGENCIES AND COMMITMENTS

	Note Ref. (Section Five)	Reviewed Current Period 30.09.2015			Audited Prior Period 31.12.2014		
		TRY	FC	Total	TRY	FC	Total
A. OFF BALANCE SHEET CONTINGENCIES AND COMMITMENTS (I+II+III)		1,765,036	896,703	2,661,739	1,609,294	834,550	2,443,844
I. GUARANTEES	III-1	1,474,750	738,526	2,213,276	1,361,040	682,283	2,043,323
1.1 Letters of guarantee		1,474,617	425,037	1,899,654	1,360,112	397,604	1,757,716
1.1.1 Guarantees subject to State Tender Law		13,594	10,009	23,603	14,141	9,108	23,249
1.1.2 Guarantees given for foreign trade operations		82,199	51,639	133,838	81,279	54,894	136,173
1.1.3 Other letters of guarantee		1,378,824	363,389	1,742,213	1,264,692	333,602	1,598,294
1.2 Bank loans		-	5,521	5,521	-	2,532	2,532
1.2.1 Import letter of acceptance		-	5,521	5,521	-	2,532	2,532
1.2.2 Other bank acceptances		-	-	-	-	-	-
1.3 Letters of credit		-	136,314	136,314	78	164,633	164,711
1.3.1 Documentary letters of credit		-	136,314	136,314	78	164,633	164,711
1.3.2 Other letters of credit		-	-	-	-	-	-
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	133	171,654	171,787	171,787	850	117,514	118,364
1.9 Other collaterals		-	-	-	-	-	-
II. COMMITMENTS	III-1	185,590	14,225	199,815	159,176	15,928	175,104
2.1 Irrevocable commitments		185,590	14,225	199,815	159,176	15,928	175,104
2.1.1 Forward asset purchase and sales commitments		9,638	13,705	23,343	3,260	6,374	9,634
2.1.2 Forward deposit purchase and sales commitments		-	-	-	-	-	-
2.1.3 Share capital commitment to associates and subsidiaries		-	-	-	-	-	-
2.1.4 Loan granting commitments		60,085	-	60,085	48,896	-	48,896
2.1.5 Securities underwriting commitments		-	-	-	-	-	-
2.1.6 Commitments for reserve deposit requirements		-	-	-	-	-	-
2.1.7 Payment commitment for checks		111,797	-	111,797	105,800	-	105,800
2.1.8 Tax and fund liabilities from export commitments		-	-	-	-	-	-
2.1.9 Commitments for credit card expenditure limits		-	-	-	-	-	-
2.1.10 Commitments for promotions related with credit cards and banking activities		-	-	-	-	-	-
2.1.11 Receivables from short sale commitments		-	-	-	-	-	-
2.1.12 Payables for short sale commitments		-	-	-	-	-	-
2.1.13 Other irrevocable commitments		4,070	520	4,590	1,220	9,554	10,774
2.2 Revocable commitments		-	-	-	-	-	-
2.2.1 Revocable loan granting commitments		-	-	-	-	-	-
2.2.2 Other revocable commitments		-	-	-	-	-	-
III. DERIVATIVE FINANCIAL INSTRUMENTS		104,696	143,952	248,648	89,078	136,339	225,417
3.1 Derivative financial instruments for hedging purposes		-	-	-	-	-	-
3.1.1 Fair value hedge		-	-	-	-	-	-
3.1.2 Cash flow hedge		-	-	-	-	-	-
3.1.3 Hedge of net investment in foreign operations		-	-	-	-	-	-
3.2 Held for trading transactions		104,696	143,952	248,648	89,078	136,339	225,417
3.2.1 Forward foreign currency buy/sell transactions		3,116	3,756	6,872	5,024	5,022	10,046
3.2.1.1 Forward foreign currency transactions-buy		1,224	2,203	3,427	2,513	2,511	5,024
3.2.1.2 Forward foreign currency transactions-sell		1,892	1,553	3,445	2,511	2,511	5,022
3.2.2 Swap transactions related to foreign currency, and interest rates		-	39,295	39,295	-	48,075	48,075
3.2.2.1 Foreign currency swaps-buy		-	19,643	19,643	-	24,011	24,011
3.2.2.2 Foreign currency swaps-sell		-	19,652	19,652	-	24,064	24,064
3.2.2.3 Interest rate swaps-buy		-	-	-	-	-	-
3.2.2.4 Interest rate swaps-sell		-	-	-	-	-	-
3.2.3 Foreign currency, interest rate and securities options		-	-	-	538	546	1,084
3.2.3.1 Foreign currency options-buy		-	-	-	269	273	542
3.2.3.2 Foreign currency options-sell		-	-	-	269	273	542
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		101,580	100,901	202,481	83,516	82,696	166,212
B. CUSTODY AND PLEDGED ITEMS (IV+V+VI)		75,145,370	6,468,043	81,613,413	73,622,569	6,565,254	80,187,823
IV. ITEMS HELD IN CUSTODY		635,264	55,412	690,676	597,396	66,013	663,409
4.1. Assets under management		-	-	-	-	-	-
4.2. Investment securities held in custody		4,557	3,642	8,199	11,090	4,744	15,834
4.3. Checks received for collection		616,176	48,507	664,683	571,465	56,503	627,968
4.4. Commercial notes received for collection		14,531	1,631	16,162	14,841	2,910	17,751
4.5. Other assets received for collection		-	1,194	1,194	-	1,838	1,838
4.6. Assets received for public offering		-	-	-	-	-	-
4.7. Other items under custody		-	438	438	-	18	18
4.8. Custodians		-	-	-	-	-	-
V. PLEDGED ITEMS		74,510,106	6,412,631	80,922,737	73,025,173	6,499,241	79,524,414
5.1. Marketable securities		-	-	-	661	-	661
5.2. Guarantee notes		31,267	23,200	54,467	35,506	15,943	51,449
5.3. Commodities		1,646	-	1,646	1,646	-	1,646
5.4. Warrants		-	-	-	-	-	-
5.5. Properties		2,785,538	162,272	2,947,810	2,738,012	153,175	2,891,187
5.6. Other pledged items		71,691,655	6,227,159	77,918,814	70,249,348	6,330,123	76,579,471
5.7. Pledged items-depository		-	-	-	-	-	-
VI. ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES		-	-	-	-	-	-
TOTAL OFF BALANCE SHEET ACCOUNTS (A+B)		76,910,406	7,364,746	84,275,152	75,231,863	7,399,804	82,631,667

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

Translated into English from the original Turkish report and financial statements

TURKLAND BANK ANONİM ŞİRKETİ
STATEMENTS OF INCOME FOR THE PERIODS
ENDED SEPTEMBER 30, 2015 AND 2014

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

III. STATEMENT OF INCOME

	Note Ref. (Section Five)	Reviewed Current Period 01.01-30.09.2015	Reviewed Current Period 01.07-30.09.2015	Reviewed Prior Period 01.01-30.09.2014	Reviewed Prior Period 01.07-30.09.2014
I. INTEREST INCOME	IV-1	364,374	115,287	316,958	110,464
1.1 Interest on loans		316,272	108,480	265,306	98,303
1.2 Interest received from reserve deposits		2,730	1,137	-	-
1.3 Interest received from banks		542	195	352	79
1.4 Interest received from money market placements		-	-	56	25
1.5 Interest received from marketable securities portfolio		43,379	4,914	50,266	11,689
1.5.1 Held-for-trading financial assets		-	-	3	(1)
1.5.2 Financial assets at fair value through profit and loss		-	-	-	-
1.5.3 Available-for-sale financial assets		39,001	4,159	44,494	9,979
1.5.4 Investments held-to-maturity		4,378	755	5,769	1,711
1.6 Finance lease income		-	-	-	-
1.7 Other interest income		1,451	561	978	368
II. INTEREST EXPENSE	IV-2	(229,305)	(79,430)	(188,224)	(63,477)
2.1 Interest on deposits		(197,410)	(70,954)	(157,608)	(55,203)
2.2 Interest on funds borrowed		(3,355)	(1,169)	(3,618)	(963)
2.3 Interest on money market borrowings		(25,026)	(7,307)	(25,136)	(7,310)
2.4 Interest on securities issued		-	-	-	-
2.5 Other interest expense		(3,514)	-	(1,862)	(1)
III. NET INTEREST INCOME (I - II)		135,069	35,857	128,734	46,987
IV. NET FEES AND COMMISSIONS INCOME		21,148	6,907	21,841	6,407
4.1 Fees and commissions received		22,375	7,345	22,939	6,796
4.1.1 Non-cash loans		13,360	4,432	11,805	4,064
4.1.2 Other	IV-9	9,015	2,913	11,134	2,732
4.2 Fees and commissions paid		(1,227)	(438)	(1,098)	(389)
4.2.1 Non-cash loans		(49)	(17)	(67)	(14)
4.2.2 Other	IV-9	(1,178)	(421)	(1,031)	(375)
V. DIVIDEND INCOME		8	-	17	-
VI. NET TRADING INCOME	IV-3	(1,817)	(1,554)	1,281	(323)
6.1 Securities trading gains/ (losses)		-	-	11	(1)
6.2 Gain/(losses) from derivative financial instruments		(6,944)	(1,645)	(13,561)	(5,871)
6.3 Foreign exchange gains/ (losses)		5,127	91	14,831	5,549
VII. OTHER OPERATING INCOME	IV-4	21,453	2,722	19,756	2,159
VIII. NET OPERATING INCOME (III+IV+V+VI+VII)		175,861	43,932	171,629	55,230
IX. PROVISION FOR LOAN LOSSES AND OTHER RECEIVABLES (-)	IV-5	(28,520)	(16,012)	(24,452)	(3,453)
X. OTHER OPERATING EXPENSES (-)	IV-6	(127,820)	(37,950)	(103,596)	(33,673)
XI. NET OPERATING INCOME/(LOSS) (VIII-IX-X)		19,521	(10,030)	43,581	18,104
XII. AMOUNT IN EXCESS RECORDED AS GAIN AFTER MERGER		-	-	-	-
XIII. PROFIT / (LOSS) ON INVESTMENTS ACCOUNTED FOR UNDER THE EQUITY METHOD		-	-	-	-
XIV. GAIN / (LOSS) ON NET MONETARY POSITION		-	-	-	-
XV. PROFIT/(LOSS) FROM CONTINUED OPERATIONS BEFORE TAXES (XI+...+XIV)		19,521	(10,030)	43,581	18,104
XVI. TAX PROVISION FOR CONTINUED OPERATIONS (±)	IV-7	(4,746)	1,656	(8,451)	(4,161)
16.1 Provision for current income taxes		-	452	(10,320)	(3,616)
16.2 Provision for deferred taxes		(4,746)	1,204	1,869	(545)
XVII. NET PROFIT/(LOSS) FROM CONTINUED OPERATIONS (XV±XVI)		14,775	(8,374)	35,130	13,943
XVIII. INCOME ON DISCONTINUED OPERATIONS		-	-	-	-
18.1 Income on assets held for sale		-	-	-	-
18.2 Income on sale of associates, subsidiaries and jointly controlled entities (Joint ventures)		-	-	-	-
18.3 Income on other discontinued operations		-	-	-	-
XIX. LOSS FROM DISCONTINUED OPERATIONS (-)		-	-	-	-
19.1 Loss from assets held for sale		-	-	-	-
19.2 Loss on sale of associates, subsidiaries and jointly controlled entities (Joint ventures)		-	-	-	-
19.3 Loss from other discontinued operations		-	-	-	-
XX. PROFIT / (LOSS) ON DISCONTINUED OPERATIONS BEFORE TAXES (XVIII-XIX)		-	-	-	-
XXI. TAX PROVISION FOR DISCONTINUED OPERATIONS (±)		-	-	-	-
21.1 Provision for current income taxes		-	-	-	-
21.2 Provision for deferred taxes		-	-	-	-
XXII. NET PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XX±XXI)		-	-	-	-
XXIII. NET PROFIT/LOSS (XVII+XXII)	IV-8	14,775	(8,374)	35,130	13,943

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

Translated into English from the original Turkish report and financial statements

TURKLAND BANK ANONİM ŞİRKETİ
STATEMENTS OF PROFIT LOSS ACCOUNTED FOR UNDER EQUITY
FOR THE PERIODS ENDED SEPTEMBER 30, 2015 AND 2014
(Amounts expressed in thousands of Turkish Lira (TRY) unless otherwise stated.)

IV. STATEMENT OF PROFIT AND LOSS ACCOUNTED FOR UNDER EQUITY

	Reviewed Current Period 01.01-30.09.2015	Reviewed Prior Period 01.01-30.09.2014
I. Additions to marketable securities revaluation differences for available for sale financial assets	(50,579)	30,056
II. Tangible assets revaluation differences	-	-
III. Intangible assets revaluation differences	-	-
IV. Foreign currency translation differences for foreign currency transactions	-	-
V. Profit/Loss from derivative financial instruments for cash flow hedge purposes (Effective portion of fair value differences)	-	-
VI. Profit/Loss from derivative financial instruments for hedge of net investment in foreign operations (Effective portion of fair value differences)	-	-
VII. The effect of corrections of errors and changes in accounting policies	-	-
VIII. Other profit loss items accounted for under equity due to TAS	426	(165)
IX. Deferred tax of valuation differences	10,116	(6,011)
X. Total Net Profit/Loss accounted under equity (I+II+...+IX)	(40,037)	23,880
XI. Profit/Loss	14,775	35,130
1.1 Change in fair value of marketable securities (Transfer to Profit/Loss)	-	-
1.2 Reclassification and transfer of derivatives accounted for cash flow hedge purposes to Income Statement	-	-
1.3 Transfer of hedge of net investments in foreign operations to Income Statement	-	-
1.4 Other	14,775	35,130
XII. Total Profit/Loss accounted for in the period (X±XI)	(25,262)	59,010

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

Translated into English from the original Turkish report and financial statements

TURKLAND BANK ANONİM ŞİRKETİ
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE PERIODS ENDED SEPTEMBER 30, 2015 AND 2014

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

V. STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

Reviewed	Note (Section Five)	Paid-in Capital	Effect on Inflation Accounting on Capital and Other Capital	Share Premium	Share Certificate Cancellation Profits	Legal Reserves	Statutory Reserves	Extraordinary Reserves	Other Reserves	Current Period Net Income/(Loss)	Prior Period Net Income/(Loss)	Marketable Securities Value Increase Fund	Tangible and Intangible Assets Revaluation	Bonus Shares Obtained from Associates	Hedging Funds	Acc. Valuation Diff. From Assets Held for Sale and Assets from	Total Equity before Minority Shares	Minority Shares	Total Equity
I.	Prior opening balance	500,000	25,999	-	-	1,602	-	23,696	7,051	14,401	-	(32,944)	-	-	-	-	539,805	-	539,805
II.	Changes in accounting policies according to TAS 8	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1	Effects of errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2	Effects of the changes in accounting policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.	New balance (I+II)	500,000	25,999	-	-	1,602	-	23,696	7,051	14,401	-	(32,944)	-	-	-	-	539,805	-	539,805
	Changes in the period	-	-	-	-	-	-	-	-	(14,401)	14,401	-	-	-	-	-	-	-	-
IV.	Increase/Decrease related to merger	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V.	Marketable securities valuation differences	-	-	-	-	-	-	-	-	-	-	24,045	-	-	-	-	24,045	-	24,045
VI.	Hedging Funds (Effective Portion)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6.1	Cash-flow hedge	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6.2	Hedge of net investment in foreign operations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII.	Tangible assets revaluation differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII.	Intangible assets revaluation differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX.	Bonus shares obtained from associates, subsidiaries and jointly controlled entities (Joint ventures)	-	-	-	-	-	-	-	-	-	-	-	-	45	-	-	45	-	45
X	Foreign exchange differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI.	The disposal of assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XII.	The reclassification of assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIII.	The effect of change in associate's equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV.	Capital increase	150,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	150,000	-	150,000
14.1	Cash	150,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	150,000	-	150,000
14.2	Internal sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XV	Share premium	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI	Share cancellation profits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVII	Inflation adjustment to paid-in capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVIII.	Other (*)	-	(210)	-	-	-	-	-	-	-	-	-	-	-	-	-	(210)	-	(210)
XIX	Period net income/(loss)	-	-	-	-	-	-	-	-	35,130	-	-	-	-	-	-	35,130	-	35,130
XX	Profit distribution	-	-	-	-	720	-	13,681	-	-	(14,401)	-	-	-	-	-	-	-	-
20.1	Dividends distributed	-	-	-	-	720	-	13,681	-	-	(14,401)	-	-	-	-	-	-	-	-
20.2	Transfers to reserves	-	-	-	-	720	-	13,681	-	-	(14,401)	-	-	-	-	-	-	-	-
20.3	Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Closing Balance (I+II+III+...+XVI+XVII+XVIII)		650,000	25,789	-	-	2,322	-	37,377	7,051	35,130	-	(8,899)	-	45	-	-	748,815	-	748,815

(*) Represents actuarial gains and losses amount after January 1, 2013 are accounted under equity in accordance with revised Turkish Accounting Standard 19 published in the Official Gazette on 12 March 2013 (Communiqué No:28585).

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

Translated into English from the original Turkish report and financial statements

TURKLAND BANK ANONİM ŞİRKETİ
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE PERIODS ENDED SEPTEMBER 30, 2015 AND 2014
 (Amounts expressed in thousands of Turkish Lira (TRY) unless otherwise stated.)

v. STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	Note (Section Five)	Paid-in Capital	Effect on Inflation Accounting on Capital and Other Capital Reserves	Share Premium	Share Certificate Cancellation Profits	Legal Reserves	Statutory Reserves	Extraordinary Reserves	Other Reserves	Current Period Net Income/(Loss)	Prior Period Net Income/(Loss)	Marketable Securities Value Increase Fund	Tangible and Intangible Assets Revaluation Differences	Bonus Shares Obtained from Associates	Hedging Funds	Acc. Valuation Diff. From Assets Held for Sale and Assets from Disc. Op.	Total Equity before Minority Shares	Minority Shares	Total Equity
Reviewed																			
Current Period- 01.01-30.09.2015																			
I.		650,000	25,276	-	-	2,322	-	37,377	7,051	31,931	-	(265)	-	45	-	-	753,737	-	753,737
		-	-	-	-	-	-	-	-	(31,931)	31,931	-	-	-	-	-	-	-	-
II.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.		-	-	-	-	-	-	-	-	-	-	(40,463)	-	-	-	-	(40,463)	-	(40,463)
IV.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.1		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.2		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XII.	II-12	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.1		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.2		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIII.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XV.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI.		-	426	-	-	-	-	-	-	-	-	-	-	-	-	-	426	-	426
XVII.		-	-	-	-	-	-	-	-	14,775	-	-	-	-	-	-	14,775	-	14,775
XVIII.		-	-	-	-	1,597	-	25,667	4,667	-	(31,931)	-	-	-	-	-	-	-	-
18.1		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18.2		-	-	-	-	1,597	-	25,667	4,667	-	(31,931)	-	-	-	-	-	-	-	-
18.3		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Closing Balance (I+II+III+...+XVI+XVII+XVIII)		650,000	25,702	-	-	3,919	-	63,044	11,718	14,775	-	(40,728)	-	45	-	-	728,475	-	728,475

(*) Represents actuarial gains and losses amount after January 1, 2013 are accounted under equity in accordance with revised Turkish Accounting Standard 19 published in the Official Gazette on 12 March 2013 (Communiqué No:28585).

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

Translated into English from the original Turkish report and financial statements

TURKLAND BANK ANONİM ŞİRKETİ
STATEMENTS OF CASH FLOWS
FOR THE PERIODS ENDED SEPTEMBER 30, 2015 AND 2014
(Amounts expressed in thousands of Turkish Lira (TRY) unless otherwise stated.)

VI. STATEMENT OF CASH FLOWS

	Note (Section Five)	Reviewed Current Period 01.01-30.09.2015	Reviewed Prior Period 01.01-30.09.2014
A. CASH FLOWS FROM BANKING OPERATIONS			
1.1 Operating profit before changes in operating assets and liabilities		(94,183)	54,195
1.1.1 Interest received		273,042	289,687
1.1.2 Interest paid		(229,703)	(175,536)
1.1.3 Dividend received		8	17
1.1.4 Fees and commissions received		22,134	24,775
1.1.5 Other income		(69,142)	17,063
1.1.6 Collections from previously written off loans		30,517	18,766
1.1.7 Payments to personnel and service suppliers		(69,506)	(57,346)
1.1.8 Taxes paid		(2,205)	(2,216)
1.1.9 Others		(49,328)	(61,015)
2.1 Changes in operating assets and liabilities		(57,211)	(158,327)
1.2.1 Net (increase) decrease in financial assets held for trading		1	90
1.2.2 Net (increase) decrease in financial assets at fair value through profit or loss		-	-
1.2.3 Net (increase) decrease in due from banks and other financial institutions		(117,631)	(108,851)
1.2.4 Net (increase) decrease in loans		(486,198)	(776,630)
1.2.5 Net (increase) decrease in other assets		(42,097)	(16,857)
1.2.6 Net increase (decrease) in bank deposits		(67,756)	(67,296)
1.2.7 Net increase (decrease) in other deposits		604,935	863,032
1.2.8 Net increase (decrease) in funds borrowed		43,421	(98,322)
1.2.9 Net increase (decrease) in matured payables		-	-
1.2.10 Net increase (decrease) in other liabilities		8,114	46,507
I. Net cash provided from banking operations		(151,394)	(104,132)
B. CASH FLOWS FROM INVESTING ACTIVITIES			
II. Net cash provided from investing activities		180,001	(78,756)
2.1 Cash paid for purchase of jointly controlled entities, associates and subsidiaries		-	-
2.2 Cash obtained from sale of jointly controlled entities, associates and subsidiaries		-	-
2.3 Fixed assets purchases		(5,106)	(7,308)
2.4 Fixed assets sales		19,325	6,745
2.5 Cash paid for purchase of financial assets available for sale		(101,068)	(117,955)
2.6 Cash obtained from sale of financial assets available for sale		202,477	42,805
2.7 Cash paid for purchase of investment securities		(78)	(20,016)
2.8 Cash obtained from sale of investment securities		66,363	20,443
2.9 Others		(1,912)	(3,470)
C. CASH FLOWS FROM FINANCING ACTIVITIES			
III. Net cash provided from financing activities		-	150,045
3.1 Cash obtained from funds borrowed and securities issued		-	-
3.2 Cash used for repayment of funds borrowed and securities issued		-	-
3.3 Issued capital instruments		-	-
3.4 Dividends paid		-	-
3.5 Payments for finance leases		-	-
3.6 Other		-	150,045
IV. Effect of change in foreign exchange rate on cash and cash equivalents		76,881	14,203
V. Net increase / (decrease) in cash and cash equivalents		105,488	(18,640)
VI. Cash and cash equivalents at beginning of the period		356,741	416,343
VII. Cash and cash equivalents at end of the period		462,229	397,703

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

TURKLAND BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED SEPTEMBER 30, 2015

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

SECTION THREE
ACCOUNTING PRINCIPLES

I. Basis of Presentation

The financial statements are prepared in accordance with the “Regulation on the Principles and Procedures Regarding Banks’ Accounting Applications and Safeguarding of Documents” published in the Official Gazette No. 26333 dated November 1, 2006 by the Banking Regulation and Supervision Agency (“BRSA”) which refers to “Turkish Accounting Standards” (“TAS”) and “Turkish Financial Reporting Standards (“TFRS”) issued by the Public Oversight Accounting and Auditing Standards Authority and other decrees, notes and explanations related to the accounting and financial reporting principles (all “Turkish Accounting Standards” or “TAS”) published by the BRSA. The format and the details of the publicly announced unconsolidated financial statements and related disclosures to these statements have been prepared in accordance with the “Communiqué Related to Publicly Announced Financial Statements of Banks and Explanations and Notes Related to these Financial Statements” and changes and notes to this communiqué published in the Official Gazette No. 28337 dated September 28, 2012. The Bank’s accounting books are prepared in accordance with Banking Law, Turkish Commercial Code and Turkish Tax Legislations in Turkish Lira. The preparation of financial statements in conformity with TAS requires the use of certain critical accounting estimates by the Bank management to exercise its judgment on the assets and liabilities on the balance sheet and contingent issues as of the balance sheet date. These estimates are being reviewed regularly and, when necessary, suitable corrections are made and the effects of these corrections are explained in the related notes and reflected to the income statement.

The accounting policies adopted in the preparation of the Bank’s financial statements are consistent with the accounting policies adopted for financial statements dated December 31, 2014 and changes of TAS/TFRS that is effective from January 1, 2015 have an immaterial effect on the accounting policies, financial position and performance of the Bank. These accounting policies and valuation principles are explained in Notes II to XXII. Changes in TAS and TFRS are issued but not yet effective as the date of the financial statements with the exception of TFRS 9 Financial Instruments Standards do not have any effect on the accounting policies, financial position and performance of the Bank. The bank is assessing the impact of TFRS 9 Financial Instruments Standard.

Except for trading and available for sale assets and derivatives that are shown at fair values, financial statements are prepared based on historical cost.

Additional paragraph for convenience translation:

The effects of differences between accounting principles and standards set out by BRSA Accounting and Reporting Legislation, accounting principles generally accepted in countries in which the accompanying unconsolidated financial statements are to be distributed and International Financial Reporting Standards (IFRS) have not been quantified in the accompanying financial statements. Accordingly, the accompanying 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.

II. Explanations on Usage Strategy of Financial Assets and Foreign Currency Transactions

The Bank focuses its activities in corporate banking. The primary objective of the Bank is to sustain liquidity while fulfilling customer needs. Thus, the Bank places approximately 17.70% of its resources in liquid assets, while the Bank also aims for the highest yield possible with effective maturity management.

Besides its principle activity, the main financial instruments of the Bank are money market placements, treasury bills and government bonds.

TURKLAND BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2015

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

II. Explanations on Usage Strategy of Financial Assets and Foreign Currency Transactions(continued)

Marketable securities comprising 11.75% of total assets are assets with low risk and high yield. Placements in domestic banks and abroad are 5.71% of the total assets and these assets provide liquidity with low risk and yield.

The Bank aims at creating an optimum maturity risk and working with a positive margin between cost of resource and product yield in the process of asset and liability management.

As a component of the risk management strategy of the Bank, the management of risk bearing short positions of currency, interest or price movements is performed only by the Treasury and using the limits defined by the Board of Directors.

III. Explanations on Forward and Option Contracts and Derivative Instruments

The Bank's derivative instruments consist of foreign currency swaps, forward foreign currency buy/sell transactions and options. Derivative instruments are accounted for at their fair values as of the contract date and subsequently valued at fair value. Certain derivative instruments, although economical hedges, are accounted as trading transactions since they are not qualified to be a hedging instrument as per "Financial Instruments: Recognition and Measurement" ("TAS 39"). Realized gains or losses on these instruments are reflected in the statement of income. Unrealized gains or losses arising from the change in the fair value are recorded in disallowable expenses or income according to the current tax legislation.

Contract amounts of derivatives are recorded in off the balance sheet contingencies and commitments.

There are no embedded derivatives separated from the host contract or that are designated as hedging instruments as of the balance sheet date.

IV. Explanations on Interest Income and Expenses

Interest income and expenses are recognized in the income statement on an accrual basis using the effective interest method. In accordance with the regulation on "Methods and Principles for the Determination of Loans and Other Receivables to be Reserved for and Allocation of Reserves" published in the Official Gazette numbered 26333 dated November 1, 2006, interest accruals of the non-performing loans are reversed and interest income related to these loans is recorded as interest income only when collected.

V. Explanations on Fees and Commission Income and Expenses

All fees and commission income/expenses are recognized as income at the time of realization and during the service is provided. Loan related fees and commissions paid to or received from the other institutions are considered as transaction costs and accounted using the effective interest method.

VI. Explanations on Financial Assets

Financial instruments comprise financial assets, financial liabilities and derivative instruments. Financial instruments affect liquidity, market, and credit risks on the Bank's balance sheet in all respects. Bank trades these instruments on behalf of its customers and on its own behalf.

Basically, financial assets create the majority of the commercial activities and operations of the Bank. These instruments expose, affect and diminish the liquidity, credit and interest risks in the financial statements.

TURKLAND BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2015

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

VI. Explanations on Financial Assets (Continued)

All regular way purchases and sales of financial assets are recognized on the settlement date. The settlement date is the date that the asset is delivered to or by the Bank. Settlement date accounting requires (a) accounting of the asset when acquired by the institution and (b) disposing of the asset out of the balance sheet on the date settled by the institution; and accounting of gain or loss on disposal. Changes in fair value of assets to be received during the period between the trade date and the settlement date are accounted for in the same way as the acquired assets.

Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place.

The methods and assumptions used in the recognition and measurement of financial instruments are mentioned below.

Cash, Banks, and Other Financial Institutions

Cash and cash equivalents comprise cash on hand, demand deposits, and highly liquid short-term investments with maturity of 3 months or less following the purchase date, not bearing risk of significant value change, and that are readily convertible to a known amount of cash and are carried at amortized cost. The book values of these assets approximate their fair values.

Financial Assets at Fair Value Through Profit and Loss

Trading securities are securities which were either acquired for generating a profit from short-term fluctuations in price or dealer's margin, or are securities included in a portfolio with a pattern of short-term profit taking.

Trading securities are initially recognized at cost (which represents the fair value at the time). The positive difference between the cost and fair value of such securities in the accounts is accounted for as interest and income accrual, and the negative difference is accounted for as "Impairment Provision on Marketable Securities".

Held to Maturity Investments

Investments held to maturity include securities with fixed or determinable payments and fixed maturity where there is an intention of holding till maturity and the relevant conditions for fulfillment of such intention, including the funding ability and excluding loans and receivables.

Held to maturity investments are initially recorded at cost including transactions costs. After initial recognition held to maturity investments are measured at amortized cost by using effective interest rate less impairment losses, if any.

Held-to-maturity securities are carried at "amortized cost" using the "effective interest method" after their initial recognition. Interest income related with held-to-maturity securities is recorded in "Interest income" and impairment arising from a decrease in cost or revalued amounts is recorded in "Provision for impairment of loans and other receivables" accounts.

Financial Assets Available for Sale

Available for sale financial assets include all securities other than loans and receivables, securities held to maturity and securities held for trading.

The marketable securities are initially recognized at cost including the transaction costs (which represents the fair value at the time).

TURKLAND BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2015

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

VI. Explanations on Financial Assets (continued)

After the initial recognition, available for sale securities are measured at fair value and the unrealized gains/losses originating from the difference between the amortized cost and the fair value is recorded in “Marketable Securities Value Increase Fund” under the equity. Fair values of debt securities that are traded in an active market are determined based on quoted prices or current market prices. In the absence of prices formed in an active market, fair values of these securities are determined by using other valuation methods stated in TAS.

The Bank has an equity investment with participation rate of 0.0129% in the available for sale financial assets portfolio. Since this equity investment does not have fair value, it is carried at cost.

The Bank classifies its securities as referred to above at the acquisition date of related assets.

Loans and receivables

Loans are non-derivative financial assets which have fixed or determinable payments and are not traded.

The Bank initially records loans and receivables at fair value. In subsequent periods, in accordance with TAS, loans are measured at amortized cost using effective interest rate method.

Foreign currency indexed loans are converted into TRY from the foreign currency rate as of the opening date and followed in TRY accounts. Repayments are measured with the foreign currency rate at the payment date, the foreign currency gains and losses are reflected to the statement of income.

Foreign exchange gains and losses on the foreign currency indexed loans are presented under foreign exchange gains and losses.

VII. Explanations on Impairment of Financial Assets

At each balance sheet date, the Bank evaluates the carrying amounts of its financial asset or a group of financial assets to determine whether there is an objective indication that those assets have suffered an impairment loss. If any such indication exists, the Bank determines the related impairment.

A financial asset or a financial asset group incurs impairment loss only if there is an objective indicator related to the occurrence of one or more than one event (“loss event”) after the first journalization of that asset; and such loss event (or events) causes, an impairment as a result of the effect on the reliable estimate of the expected future cash flows of the related financial asset and asset group. Irrespective of high probability the expected losses for future events are not journalized.

Specific reserves are provided for non performing loans in accordance with the regulation on “Methods and Principles for the Determination of Loans and Other Receivables to be Reserved for and Allocation of Reserves” published in the Official Gazette No. 26333 dated November 1, 2006 which was amended with communiqué published in the Official Gazette No. 27119 dated January 23, 2009. In this context, the management estimates are determined, on the basis of the Bank credit risk policies, considering the general structure of the loan portfolio, the financial conditions of the customers, non-financial information and the economic conjuncture. These provisions are reflected in the income statement under “Provision and Impairment Expenses - Special Provision Expense”.

The collections made related to loans for which provision is made in the current period are reversed from the “Provision for Loans and Other Receivables” account in the income statement. The collections made related to loans written off or provisioned in prior years are recorded to “Collections Related to the Prior Period Expenses” under “Other Operating Income” account and related interest income is credited to the “Interest Received from Non-performing Loans” account.

In addition to specific loan loss provisions, within the framework of the regulation and principles referred to above; Bank records general loan loss provisions for loans and other receivables. Together with the change in the same regulation made on February 6, 2008, the Bank started to book general loan loss provision of 2% for cash loans under watch-list and 0.4% for non-cash loans under watch-list. On January 23, 2009 the Article 7 of the regulation has been amended such that the specified rates are applied at one fourth for payment commitments for checks related to checkbooks extended five years ago or earlier.

TURKLAND BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2015

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

VII. Explanations on Impairment of Financial Assets (continued)

In accordance with the change in the Regulation on Procedures and Principles for Determination of Qualifications of Loans and Other Receivables by Banks and Provisions to be set aside (published in the Official Gazette numbered 27947 dated May 28, 2011); general provision loans which are classified in the first group has to be set at least 5 folds of the general provision rate due to the change in the payment plans of those first group loans. General Provision for loans that are classified in the second group has to be set at least 2.5 folds of the general provision rate due to the change in the payment plans of those second group loans. Information related to standard and close monitoring loans which their payment plans have changed is disclosed under the note 5c under the “Explanations and Disclosures Related to the Assets” section.

In accordance with the changes in the Regulation on Procedures and Principles for Determination of Qualifications of Loans and Other Receivables by Banks and Provisions to be set aside (published in the Official Gazette numbered 27947 dated May 28, 2011 and Official Gazette numbered 27968 dated June 18, 2011); banks whose total letters of guarantees, bank acceptances, letters of credit commitments, endorsements, purchasing guarantee on security issuance, factoring guarantees, other guarantees and sureties, and unsecured pre-financing loans exceeds 10 folds of equities calculated within the scope of principles and procedures stated in the Regulation on Equities of Banks implement general provision ratio as 3/1000 for all standard non-cash loans.

As of September 30, 2015 the provision rates determined for the non-cash loans do not exceed the required ratios therefore standard rates which are determined in the regulation have been used for the non-cash loans.

In accordance with the change in “Regulation on Procedures and Principles for Determination of Qualifications of Loans and Other Receivables by Banks and Provisions to be set aside”(published in the Official Gazette numbered 27968 dated June 18, 2011), The banks whose total consumer loans to total loans more than 25% and the auto and housing loans, vehicle classed as non-performing loans consumer loans and consumer loans, housing loans, other than the banks that over 8% of the overall response rate observed in the first group auto and housing for maturities of loans for consumer loans other than loans at 4% in the second group followed the vehicle for consumer loans and mortgage loans, except for maturities of 8% applies” rulling is given. As of September 30, 2015 with regard to performing consumer loans, the additional general loan loss provision is reserved amounted TRY 624.

In accordance with the change in the “Regulation on Procedures and Principles for Determination of Qualifications of Loans and Other Receivables by Banks and Provisions to be set aside” (published in the Official Gazette numbered 28158 dated December 30, 2011); Banks are not required to set specific provision for the amount that has to be paid for each cheque leaf of the chequebooks of the loan customers of whose related loans and other receivables are classified under third, fourth or fifth group with 100% specific provision if the Banks informs the chequebooks owners to return the chequebooks back to the Bank within 15 days through registered and reply-paid letter. This is valid for the chequebooks owners whose loans and other receivables are derecognized by the Banks.

In accordance with the change in the “Regulation and Procedures and Principles for Determination of Qualifications of Loans and Other Receivables by Banks and Provisions to be set aside”(published in the Official Gazette numbered 28418 dated September 21, 2012), the amount of general loan loss provisions calculated over the rates disclosed in the first paragraph of Article 7 of the Comminiqué recorded for standard loans as of the end of the month and for the cash loans, letter of guarantees, bills and sureties and the non-cash loans which are closely monitored; at minimum 40% should be booked until December 31, 2012, at minimum 60% until December 31, 2013, at minimum 80% until December 31, 2014 and 100% should be recorded until December 31, 2015.

As of December 31, 2014, the Bank has been recorded all provisions which have should be recorded in according with the comminiqué.

In accordance with the change in the “Regulation and Procedures and Principles for Determination of Qualifications of Loans and Other Receivables by Banks and Provisions to be set aside” (published in the Official Gazette numbered 28789 dated October 08, 2013 and numbered 29267 dated February 14, 2015, banks may apply 0% for standard qualified cash and non-cash credits for transit trade, foreign currency earning services and the sales and deliveries deemed export, 0.5% for SME cash loans and 0.1% for non cash loans. Hence, the Bank applied the amendment as of September 30, 2015.

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TURKLAND BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2015

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

VII. Explanations on Impairment of Financial Assets (continued)

In accordance with the change in the “Regulation and Procedures and Principles for Determination of Qualifications of Loans and Other Receivables by Banks and Provisions to be set aside”(published in the Official Gazette numbered 28789 dated October 8, 2013), Banks shall provide, in the general provision calculated by the end of the most recent month before the date of entry into force of this Regulation for the standard loans and closely monitored loans except mortgage loans, at least twenty-five percent (25%) as of December 31, 2013, at least fifty percent (50%) as of December 31, 2014 and at least hundred percent (100%) as of December 31, 2015 of the increases arising from the implementation of this regulation on the date this Regulation enters into force.

VIII. Explanations on Offsetting of Financial Assets and Liabilities

Financial assets and liabilities are offset when the Bank has a legally enforceable right to set off, and the intention of collecting or paying the net amount of related assets and liabilities or the right to offset the assets and liabilities simultaneously. Otherwise, there is not any offsetting transaction about financial assets and liabilities.

IX. Explanations on Sales and Repurchase Agreements and Lending of Securities

The sales and purchase of government securities under repurchase agreements made with the customers are being recorded in balance sheet accounts in accordance with the Uniform Chart of Accounts. Accordingly in the financial statements, the government bonds and treasury bills sold to customers under repurchase agreements are classified under securities held for trading, available for sale and held to maturity depending on the portfolio they are originally included in and are valued according to the valuation principles of the related portfolios. Funds obtained from repurchase agreements are classified as a separate sub-account under money markets borrowings account in the liabilities. These transactions are short-term and consist of domestic public sector debt securities.

Funds given against securities purchased under agreements to resell (“reverse repo”) are accounted under “Receivables from reverse repurchase agreements” on the balance sheet. The difference between the purchase and determined resell price is accrued over the life of repurchase agreements using the effective interest method.

The income and expenses from these transactions are reflected to the “Interest Income on Marketable Securities” and “Interest Expense on Money Market Borrowings” accounts in the income statement.

As of September 30, 2015, the Bank has not any reverse repo transactions (December 31, 2014: None).

As of September 30, 2015, the Bank does not have any marketable securities lending transaction (December 31, 2014: None).

X. Explanations on Assets Held for Sale and Discontinued Operations

Assets held for sale with high probability of sale, are those under a plan prepared by the management regarding the sale of the asset to be disposed (or else the group of assets), together with an active program for determination of buyers as well as for the completion of the plan. Also the asset (or else the group of assets) shall be actively marketed in conformity with its fair value. On the other hand, the sale is expected to be journalized as a completed sale within one year after the classification date; and the necessary transactions and procedures to complete the plan should demonstrate the fact that the possibility of making significant changes or canceling the plan is low.

The Bank does not have any assets held for sale as of September 30, 2015 (December 31, 2014: None).

A discontinued operation is a division of a bank that is either disposed or held for sale. Results of discontinued operations are included in the income statement separately. The Bank does not have any discontinued operations.

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XI. Explanations on Goodwill and Other Intangible Assets

There is no goodwill regarding the investments in associates and subsidiaries.

Other intangible assets are accounted for at cost less accumulated amortization. Other intangible assets are amortized with straight-line method based on their economic lives. There is no change in the amortization method in the current period .

The intangible assets comprising purchased softwares are in the other intangible fixed assets. As of the balance sheet date, all softwares are purchased and there are no completed or continuing software development projects by the Bank.

	%
Intangible Assets	7-33

XII. Explanations on Tangible Fixed Assets

Tangible fixed assets are accounted for at acquisition cost less accumulated depreciation. Tangible fixed assets are depreciated with straight-line method. While those acquired before January 1, 2004 are depreciated with the rates valid in prior periods, the fixed assets acquired after January 1, 2004 are depreciated with the rates determined by the Ministry of Finance based on useful economic lives.

Depreciation of assets held less than one year as of the balance sheet date is accounted for proportionately. Depreciation method is not changed in the current period. The annual rates used, which approximate rates based on the estimated economic useful lives of the related assets, are as follows:

	%
Financial Lease	2-50
Furniture, fixtures and office equipment and others	6-35

Gain or loss resulting from disposals of the tangible fixed assets is reflected to the income statement as the difference between the net proceeds and net book value.

Normal maintenance and repair cost of the properties are expensed.

There is no pledge, mortgage, or any other restriction on tangible fixed assets.

XIII. Explanations on Leasing Transactions

Tangible fixed assets acquired by financial leases are accounted for in accordance with TAS No:17. In accordance with this standard, the leasing transactions, which consist only foreign currency liabilities, are translated to Turkish Lira with the exchange rates prevailing at the transaction dates and they are recorded as an asset or a liability. The foreign currency liabilities are translated to Turkish Lira with the Bank's period end exchange rates. The increases/decreases resulting from the differences in the foreign exchange rates are recorded as expense/income in the relevant period. The financing cost resulting from leasing is distributed through the lease period to form a fixed interest rate.

In addition to the interest expense, the Bank records depreciation expense for the depreciable leased assets in each period.

Operating lease payments are recognized as expense in the income statement on a straight line basis over the lease term.

As of the balance sheet date, the Bank does not have authorization for any financial leasing transactions as lessor.

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XIV. Explanations on Provisions and Contingent Liabilities

Provisions are recognized when there is a present obligation due to a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are determined by using the Bank's best expectation of expenses in fulfilling the obligation, and discounted to present value if material.

According to the legal department of the Bank; the total number of ongoing cases against the Bank is 69. The total amount of those cases consists of TRY 1,284, USD 1,604 Thousand and EUR 193 Thousand. There is a provision of TRY 1,471 in the accompanying financial statements for these cases (December 31, 2014: TRY 1,762).

XV. Explanations on Liabilities Regarding Employee Benefits

Defined Benefit Plans

In accordance with existing social legislation in Turkey, the Bank is required to make lump-sum termination indemnities over a 30 day salary to each employee who has completed over one year of service, whose employment is terminated due to retirement or for reasons other than resignation or misconduct. The Bank is also required to make a payment for the period of notice calculated over each service year of the employee whose employment is terminated for reasons other than resignation or misconduct. Total benefit is calculated in accordance with TAS No:19 "Turkish Accounting Standard on Employee Benefits".

Such benefit plans are unfunded since there is no funding requirement in Turkey. The cost of providing benefits to the employees for the services rendered by them under the defined benefit plan is determined by independent actuaries annually using the projected unit credit method. As per the Official Gazette No. 28585 dated 12 March 2013 which came into effect on 1 January 2013 published the revised TAS 19 required actuarial gains/losses recognized shareholder equity. As of September 30, 2015, the actuarial gains recognized in equity amounts to TRY 272. (December 31, 2014: TRY (154) actuarial loss)

The Bank has no retirement fund or foundation that the employees are the member of.

Defined Contribution Plans

The Bank pays contributions to the Social Security Institution of Turkey on a mandatory basis. The Bank has no further payment obligations once the contributions have been paid. The contributions are recognized as employee benefit expense when they are due.

Short-term Employee Benefits

In accordance with TAS 19 "Turkish Accounting Standard on Employee Benefits"; defined liabilities that arise from unused leave payments are accrued in the related period and are not discounted.

XVI. Explanations on Taxation

Corporate tax:

According to the Article 32 of the Corporate Tax Law No 5520, accepted in the meeting of Grand National Assembly of Turkey (TBMM) on June 13, 2006 and announced in the Official Gazette dated June 21, 2006, the corporate tax rate has been decreased from 30% to 20%, effective from January 1, 2006 as per the Article 37 of the Corporate Tax Law.

The tax legislation, requires advance tax of 20% to be calculated and paid based on earnings generated for each quarter. Such advance taxes calculated and paid are offset against the final tax liability for the year.

Tax returns are required to be filed between the first and twenty-fifth day of the fourth month following the balance sheet date and paid in one installment until the end of the related month.

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XVI. Explanations on Taxation (Continued)

According to the Corporate Tax Law, tax losses can be carried forward for a maximum period of five years following the year in which the losses are incurred. Tax authorities can inspect tax returns and the related accounting records for a retrospective maximum period of five years.

The Bank makes necessary provisions over results of current period operations related with Income Tax and Corporate Tax liabilities. The Bank has no tax provision in current period (December 31, 2014: TRY 12,979).

Deferred Tax Liability / Asset:

The Bank calculates and reflects deferred tax asset or liability on timing differences which will result in taxable or deductible amounts in determining taxable profit of future periods.

In accordance with TAS No: 12 “Turkish Accounting Standard on Income Taxes” and the circular of BRSA numbered BDDK.DZM.2/13/1-a-3 dated December 8, 2004, the Bank calculates deferred tax asset on carryforward tax losses and all deductible temporary differences except for general loan reserves, if sufficient taxable profit in future periods to recover such amounts is probable; as well as deferred tax liability on all taxable temporary differences. Deferred tax assets and liabilities are reflected in the accompanying financial statements on a net basis.

The deferred tax resulting from differences related to items that are debited or credited directly to equity is netted with these accounts.

Furthermore, as per the above circular of BRSA, deferred tax benefit balance resulting from netting of deferred tax assets and liabilities should not be used in dividend distribution and capital increase.

The net deferred tax asset is included in deferred tax asset and the net deferred tax liability is reflected under deferred tax liability on the balance sheet. The deferred tax expense recorded under the tax provision expenses amounts to TRY 4,746 in the accompanying income statement (December 31, 2014: TRY 4,668 deferred tax income).

XVII. Additional Explanations on Borrowings

The borrowing costs related to purchase, production, or construction of qualifying assets that require significant time to be prepared for use and sale are included in the cost of assets until the relevant assets become ready to be used or to be sold. Financial investment income obtained by temporary placement of undisbursed investment loan in financial investments is offset against borrowing costs qualified for capitalization.

All other borrowing costs are recorded to the income statement in the period they are incurred.

The Bank has not issued convertible bonds.

XVIII. Explanations on Issued Share Certificates

The Bank does not have any issued debt securities. As of the date of approval of these financial statements, there is no subsequent dividend announcement of the Bank.

XIX. Explanations on Acceptances

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

XX. Explanations on Government Incentives

There are no government incentives utilized by the Bank.

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XXI. Explanations on Segment Reporting

Since the Bank is not listed, disclosure requirements of IFRS 8 are not applicable for the Bank.

XXII. Explanations on Other Matters

None, other than above explanations.

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SECTION FOUR

INFORMATION ON FINANCIAL STRUCTURE

I. Explanations Related to the Capital Adequacy Standard Ratio

The method used for risk measurement in determining capital adequacy standard ratio : The capital adequacy ratio is calculated in accordance with the “Regulation Regarding the Measurement and Evaluation of Banks’ Capital Adequacy Ratio” (the “Regulation”) published in the Official Gazette No. 29111 as of September 6, 2014 and “Regulation Credit Risk Mitigation Techniques” and “Regulation on calculation of Risk-Weighted Amounts of Securitizations” and also “Regulation Regarding Banks’ Shareholders’ Equity” published in the Official Gazette No. 28756 dated September 5, 2013 . The Bank’s capital adequacy ratio in accordance with the related communiqué is 15.59% as of September 30, 2015 (December 31, 2014: 18.52%).

The Bank manages its capital assessment under integrated and structured style. The Bank under internal capital assessments manages its maximum loss exposures that may arise from credit, operation, market and other risks taking into consideration the market developments with stress tests approach. Such stress test analysis are reviewed independently.

In the computation of capital adequacy standard ratio, the information prepared in accordance with statutory accounting requirements is used. Additionally, the market risk amount is calculated in accordance with the communiqué on the "Measurement and Assessment of Capital Adequacy of Banks" and is taken into consideration in the capital adequacy standard ratio calculation.

In the computation of credit risk amount, the bank classifies its loans in relevant risk weighted assets taking into considerations its risk class, ratings and the remaining risk mitigating items. In taking into consideration of risk mitigation items, comprehensive financial collateral method is used.

The values deducted from the capital base in the shareholders’ equity computation are excluded while calculating credit risk-weighted assets, non-cash loans and contingent liabilities. Assets subject to depreciation and impairment among risk-weighted assets are included in the calculations over their net book values after deducting the relative depreciations and provisions.

While calculating the basis of non-cash loans and transactions regarding with foreign currency and interest rates subject to credit risk, the net receivable amount from the counter parties net of provision amount set in accordance with the “Communiqué on Methods and Principles for the Determination of Loans and Other Receivables to be Reserved for and Allocation of Reserves” is multiplied by the loan conversion rates presented in the Article 5, the Clause 3 of the Communiqué on "Measurement and Assessment of Capital Adequacy of Banks", and calculated by applying the risk weights presented in the Capital Adequacy Analysis Form.

Counterparty credit risk calculations are calculated in accordance with Fair Value Valuation Method defined in the Article 5 of regulations.

In the calculation of the value at credit risk for the derivative financial instruments and credit derivatives, the receivables from counterparties are multiplied by the rates stated in the Regulation, reduced as per the “Regulation on Credit Risk Mitigation Techniques” and then included in the relevant exposure category defined in Regulation.

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I. Explanations Related to the Capital Adequacy Standard Ratio (continued)

Information related to the capital adequacy ratio:

	Risk Weight								
	0%	10%	20%	50%	75%	100%	150%	200%	250%
The amount subject to credit risk									
Risk Types									
Contingent and Non-Contingent Receivables on Sovereigns	1,280,028	-	-	1,267	-	-	-	-	-
Contingent and Non-Contingent Receivables on Regional Governments and Local Authorities	-	-	-	-	-	-	-	-	-
Contingent and Non-Contingent Receivables on Administrative Units and Non-commercial Enterprises	-	-	-	-	-	238	-	-	-
Contingent and Non-Contingent Receivables on Multilateral Development Banks	-	-	-	-	-	-	-	-	-
Contingent and Non-Contingent Receivables on International Organizations	-	-	-	-	-	-	-	-	-
Contingent and Non-Contingent Receivables on Banks and Capital Market Intermediary	2,276	-	183,964	452,091	-	984	-	-	-
Contingent and Non-Contingent Corporate Receivables	83,334	-	-	-	-	2,679,060	-	-	-
Contingent and Non-Contingent Retail Receivables	21,966	-	-	-	404,615	221	-	-	-
Contingent and Non-Contingent Receivables Secured by Mortgages	-	-	736	995,140	-	398,684	-	-	-
Past Due Receivables	-	-	-	5,947	-	87,063	41,046	-	-
Receivables defined in high risk category by BRSA	631	-	-	-	-	-	13,795	7,771	-
Collateralized Mortgage Marketable Securities	-	-	-	-	-	-	-	-	-
Securitisation positions	-	-	-	-	-	-	-	-	-
Short-Term Receivables from Banks, brokerage houses and Corporate	-	-	-	-	-	-	-	-	-
Investment similar to collective investment funds	-	-	-	-	-	-	-	-	-
Other Receivables	3,025,585	-	-	-	-	51,604	-	-	-
Weighted amount subject to credit risk	-	-	36,793	727,591	303,461	3,217,854	82,262	15,542	-

Exposures with physical security is stated at 0% risk weights as its fully collateralized, (excluding central banks and Claims on Central Government) is shown in the relevant risk class; deposit of risk-weighted asset.

Summary information related to the capital adequacy ratio:

	September 30, 2015	December 31, 2014
Required Capital Liabilities for Credit Risk		
(Main related with Credit Risk *0.08) (RCLCR)	350,680	307,383
Required Capital Liabilities for Market Risk (RCLMR)	156	244
Required Capital Liabilities for Operational (RCLOR)	27,446	20,012
Shareholders' Equity	737,331	758,632
Shareholders' Equity/((CRCR+MRCCR+ORCR)*12.5*100)	15.59	18.52
Tier1 Capital/((CRCR+MRCCR+ORCR) *12.5*100)	14.82	17.73
Core Capital/((CRCR+MRCCR+ORCR) *12.5)*100	15.17	18.19

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I. Explanations Related to the Capital Adequacy Standard Ratio (continued)

Information related to the components of shareholders' equity:

	September 30, 2015	December 31, 2014
Common Equity Core Capital (CET 1)		
Paid-in capital	650,000	650,000
Share premium	-	-
Share repeal	-	-
Legal reserves	78,681	46,750
Accumulated other comprehensive income in accordance with TAS	25,702	25,276
Profit	14,775	31,931
Net current period profit	14,775	31,931
Prior period profit	-	-
Provisions for possible losses up to 25% of core capital	-	-
Bonus Shares from Associates, Subsidiaries and Joint-Ventures not Accounted in Current Period's Profit	45	-
Common Equity Core capital before regulatory adjustments	769,203	753,957
Common Equity Core capital: regulatory adjustments		
Loss (in excess of Reserves) and other comprehensive expenses (-)	(40,728)	(265)
Leasehold Improvements on Operational Leases (-)	(5,861)	(5,223)
Goodwill and Intangible assets and related deferred tax liabilities (-)	(5,688)	(3,646)
Net Deferred tax assets / liabilities (-)	235	268
Excess amount expressed in the Law (Article 56, 4rd paragraph) (-)	-	-
Investments in own common equity (-)	-	-
Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold) (-)	-	-
Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank own more than 10% of the issued share capital (amount above 10% threshold) (-)	-	-
Mortgage servicing rights (amount above 10% threshold) (-)	-	-
Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability) (-)	-	-
Amount exceeding the 15% threshold (-)	-	-
Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank own more than 10% of the issued share capital (amount above 10% threshold) (-)	-	-
Mortgage servicing rights (amount above 10% threshold) (-)	-	-
Deferred tax assets arising from temporary differences (-)	-	-
National specific regulatory adjustments (-)	-	-
Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions (-)	-	-
Total regulatory adjustments to Common equity Core Capital	(52,042)	(8,866)
Common Equity Core capital (CET1)	717,161	745,091

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I. Explanations Related to the Capital Adequacy Standard Ratio (continued)

	September 30, 2015	December 31, 2014
Additional Tier 1 capital: instruments	-	-
Privileged stocks which are not included in common equity and share premiums	-	-
Directly issued qualifying Additional Tier 1 instruments (approved by the regulators) plus related stock surplus (after 1.1.2014)	-	-
Directly issued qualifying Additional Tier 1 instruments (approved by the regulators) plus related stock surplus (before 1.1.2014)	-	-
Additional Tier 1 capital before regulatory adjustments	-	-
Additional Tier 1 capital: regulatory adjustments	-	-
Investments in own Additional Tier 1 instruments (-)	-	-
Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above 10% threshold) (-)	-	-
Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank own more than 10% of the issued common share capital of the entity (amount above 10% threshold) (-)	-	-
National specific regulatory adjustments (-)	-	-
Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions (-)	-	-
Total regulatory adjustments to Additional Tier 1 capital	-	-
Additional Tier 1 capital (AT1)	-	-
Regulatory adjustments to Common Equity		
Amount of goodwill and intangible assets and related deferred tax liabilities that are not covered as regulatory adjustment in Common Equity in accordance with the temporary article 2 of the Own Fund Regulation (-)	8,532	14,585
Amount of net deferred tax assets / liabilities that are not covered as regulatory adjustment in Common Equity in accordance with the temporary article 2 of the Own Fund Regulation (-)	8,078	4,240
Tier 1 capital (T1 = CET1 + AT1)	700,551	726,266
Tier 2 capital: instruments and provisions		
Directly issued qualifying Tier 2 instruments (that are approved by the regulators) plus related stock surplus (after 1.1.2014)	-	-
Directly issued qualifying Tier 2 instruments (that are approved by the regulators) plus related stock surplus (before 1.1.2014)	-	-
Pledged sources on behalf of the Bank for the use of committed share capital increase by shareholders	-	-
Generic Provisions	36,784	32,370
Tier 2 capital before regulatory adjustments	36,784	32,370
Tier 2 capital: regulatory adjustments		
Investments in own Tier 2 instruments (-)	-	-
Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above the 10% threshold) (-)	-	-
Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank own more than 10% of the issued common share capital of the entity (amount above the 10% threshold) (-)	-	-
National specific regulatory adjustments (-)	-	-
Total regulatory adjustments to Tier 2 capital	-	-
Tier 2 capital (T2)	36,784	32,370
Total capital (TC = T1 + T2)	737,335	758,636

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I. Explanations Related to the Capital Adequacy Standard Ratio (continued)

	September 30, 2015	December 31, 2014
Deductions from the capital		
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 (-)	(4)	(4)
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 (-)	-	-
Deductions in accordance with the article number 20 of the Regulation Regarding the Measurement and Evaluation of Banks' Capital Adequacy Ratio (-)	-	-
Other (-)	-	-
Un-adjusted total amount from Common Equity, Tier-1 and Tier-2 due to the investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above 10% threshold), in accordance with the temporary paragraph 1 of the article numbered 2 of Own Fund Regulation (-)	-	-
Un-adjusted total amount from Common Equity, Tier-1 and Tier-2 due to the investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank own more than 10% of the issued common share capital of the entity (amount above 10% threshold), in accordance with the paragraph 1 of the temporary article numbered 2 of Own Fund Regulation (-)	-	-
Un-adjusted total amount from Common Equity,(in accordance with the paragraph 1 and 2 of temporary article numbered 2 of the Own Fund Regulation) due to the investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank own more than 10% of the issued common share capital of the entity (amount above 10% threshold), in accordance with the paragraph 1 of the temporary article numbered 2 of Own Fund Regulation (-)	-	-
Own Fund	737,331	758,632
Amounts below the thresholds for deduction		
Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity	-	-
Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank own more than 10% of the issued common share capital of the entity	-	-
Mortgage servicing rights	-	-
Deferred tax assets arising from temporary differences	-	-

Information related to the management of internal capital

Internal Capital Adequacy Assessment Process (ISEDES/ ICAAP) is a process or the processes as a whole which allows senior management to;

- to identify, measure, consolidate and monitor the correct and adequate levels of risks,
- to calculate and gain the necessary internal capital which will be determined according to the Bank's risk profile, strategies and operational plan
- to have strong risk management systems to be used, and their continuous development facility

The Bank composes "ISEDES Report" in line with the "Banks' Internal Systems and Internal Capital Adequacy Assessment Process" published in the Official Gazette on 11 July 2014 and started to report to BRSA (communiqué No: 29057).

Risk Management Group is responsible for capital management process involving creation of Bank policies, processes, methods and systems which are about ISEDES and compliance with statutory capital requirements regulations. This process is also involves statutory and economic capital requirement calculations, forecasting and analyzing as required by the Bank's annual and long-term business plans.

Within internal capital management scope, the Bank has established a stress test based management by taking into account the estimated maximum loss amount that may occur in credit, operational, market and other risks as well as the changes in the market. Stress test and scenario analysis results are reported on a daily, weekly and quarterly basis by Risk Management Group.

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I. Explanations Related to the Capital Adequacy Standard Ratio (continued)

Capital adequacy ratio is calculated by Risk Management Group on a monthly basis, when requested by Senior Management capital requirement according to strategic plans is explained and studies on internal capital management is conducted. Capital requirement internal assessment process is designed and conducted by Risk Management Group. Risk Management Group informs Senior Management about these issues directly or through High Level Risk Committee.

II. Explanations Related to Credit Risk

Credit risk is the risk that the Bank is a party in a contract whereby the counterparty fails to meet its obligation and cause to incur a financial loss.

The credit allocation is performed on a debtor and a debtor group basis within the limits and updated on a defined frequency based on market developments. In the credit allocation process, many financial and non-financial criteria are taken into account within the framework of the internal rating procedures of the Bank. These criteria include geographical and sector concentrations. The sector concentrations for loans are monitored closely. In accordance with the Bank's loan policy, the rating of the companies, credit limits and guarantees are considered together, and credit risks incurred are monitored.

Risks and limits related to treasury activities and customer based commercial activities are monitored daily. Moreover, the limits of the correspondent banks that are determined by their ratings and the control of the maximum acceptable risk level in relation to the equity of the Bank are monitored daily. Risk limits are determined in connection with these daily transactions, and risk concentration is monitored systematically concerning off-balance sheet operations.

The credit worthiness of the debtors of the loans and other receivables is monitored regularly as prescribed in the Communiqué on "Methods and Principles for the Determination of Loans and Other Receivables to be Reserved for and Allocation of Reserves". Most of the statement of accounts for the loans has been tried to derive from audited financial statements. The unaudited documents result from the timing differences between the loan allocation and the audit dates of the financial statements of the companies and subsequently the audited financial statements are obtained from the companies when the companies are audited. Credit limits are determined according to the audited statement of accounts, and guarantee factors are developed in accordance with the decision of the credit committee considering the characteristics of the transactions and the financial structures of the companies.

Internal credit rating system

	Internal Rating Grade	September 30, 2015	(%)	December 31, 2014	(%)	
High						
	Risk rating class 1	A+ Excellent	31,950	0.86	13,598	0.41
	Risk rating class 2	A- Excellent	133,070	3.56	101,542	3.06
Good						
	Risk rating class 3	B+ Very Good	374,651	10.02	317,839	9.59
	Risk rating class 4	B- Very Good	701,249	18.75	566,740	17.10
Standard						
	Risk rating class 5	C+ Good	784,112	20.96	720,953	21.75
	Risk rating class 6	C- Good	702,630	18.78	787,940	23.78
Substandard						
	Risk rating class 7	D+ Ordinary	545,850	14.59	478,989	14.45
	Risk rating class 8	D- Ordinary	227,906	6.09	200,638	6.05
	Risk rating class 9	E Bad	199,832	5.34	93,262	2.82
	Risk rating class 10	F Very Bad	3,551	0.09	2,251	0.07
Unrated			35,668	0.96	30,473	0.92
Total			3,740,469	100.00	3,314,225	100.00

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II. Explanations Related to Credit Risk (continued)

The Bank uses 3 main factors for internal credit rating system. These are financial data, non-financial data and specialist decisions. Financial data consist of liquidity, financial structure, profitability, growth ratios and turnover rate. Non financial data consist of loan client business, relation with finance sector and sector analysis. The Bank measures the credit rating of companies by making comparisons regarding the financial data and non financial-data.

In the existing rating system, the collateral assigned to loans are not taken into account in the rating. The information about customers with F, E and D- rating is shown below.

“F” rating;

Number of clients with “F” rating is 8 with an outstanding risk of TRY 3,551 (December 31, 2014 : TRY 2,251; 7 client). 4 of these clients are granted against mortgage with outstanding risk of TRY 2,686 and cover 76% of total risk (December 31, 2014: 2 clients, 51%), 5 of these clients are granted against customer check with outstanding risk of TRY 656 and cover 18% of total risk (December 31, 2014: 2 clients, 37%). Moreover, parent company of one client, which has risk of TRY 1,822 has ratings of C- and above (ratio is 51%).

“E” rating;

Number of clients with “E” rating is 71 and total outstanding risk is TRY 199,832 (December 31, 2014 : TRY 93,262; 37 clients). 24 of these clients are granted against mortgage with outstanding risk of TRY 133,171 and cover 67% of total “E” Rating Risk (December 31, 2014 : TRY 24,873 TL, 27%). 32 of these clients are granted against Customer Check/Note with outstanding risk of TRY 22,197 and cover 11% of total “E” Rating Risk (December 31,2014 : TRY 16,756; 18%). 5 of these clients are granted against cash blockade with outstanding risk of TRY 519 and cover 0.3% (December 31, 2014 : None). 2 of these clients are granted against bill with outstanding risk of TRY 563 and cover 0.3% (December 31, 2014 : None). Moreover, parent company of 8 clients, which have risk of TRY 11,379 have ratings C- and above (ratio is 6%).

“D-” rating;

Number of clients with D- rating is 134 and total outstanding risk is TRY 227,906 (December 31, 2014 : TRY 200,638; 80 clients). 48 of these clients are granted against mortgage with outstanding risk of TRY 126,867 and cover 56% of total “D-” Rating Risk (December 31, 2014 : TRY 95,841; 48%). 51 of these clients are granted against Customer check/note with outstanding risk of TRY 18,761 and cover 8% of total “D-” Rating Risk. (December 31,2014 : TRY 48,151; 24%). 5 of these clients are granted against cash blockade with outstanding risk of TRY 4,463 and cover 2% of total “D-” Rating Risk (December 31,2014 : None). 3 of these clients are granted against bill have outstanding risk TRY 6,941 and cover 3% (December 31,2014 : None).

Moreover, parent company of 11 clients, which have risk of TRY 38,133, have ratings of C- and above (ratio is 17%) (December 31, 2014: 2%).

There is no financial assets at fair value through profitted loss whose terms have been renegotiated .

III. Explanations Related to Market Risk

The Bank has established market risk management operations and taken the necessary precautions in order to hedge market risk within its financial risk management purposes, in accordance with the Communiqué on “Measurement and Assessment of Capital Adequacy of Banks” which was published in the Official Gazette on September 6, 2014 numbered 29111 and September 5, 2013 numbered 28756 “Regulation Regarding Banks’ Shareholders’ Equity”.

The Board of Directors determines the limits for the basic risk that the Bank is exposed to. Those limits are revised periodically in line with the market forces and strategies of the Bank. Additionally, the Board of Directors has ensured that the risk management division and senior management has taken necessary precautions to describe, evaluate, control and manage risks faced by the Bank.

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III. Explanations Related to Market Risk (continued)

The bank measures its value at risk of its portfolio using forecasted volatility and yield curve model supported by stress tests and scenario analysis. The purpose of VAR is to define the maximum risk the bank is exposed to.

The Bank uses parametric, historical simulation and Monte Carlo methods by considering maximum loss which the bank suffers for predictions. The bank calculates the risk on the portfolio held by the Bank for the amount of loss resulting from excessive fluctuations in the market with stress test and scenario analysis. The ways of self-protection is determined by the Bank taking the portfolio into the consideration in case the volatility is repeated and various different crisis takes place. For market risk, analysis is performed by comparing the standard method with VAR.

The risks of on-balance sheet and off-balance sheet accounts positions depending on fluctuations in the financial markets are measured by the bank. Information regarding market risk which has taken into account in the calculation of the regulatory capital is presented below:

Information Related to Market Risk

	Amount
(I) Capital Requirement to be Employed For General Market Risk - Standard Method	4
(II) Capital Requirement to be Employed For Specific Risk - Standard Method	-
Standard Method For Specific Risk of Necessary Capital Requirement on Securitization Positions	-
(III) Capital Requirement to be Employed For Currency Risk – Standard Method	116
(IV) Capital Requirement to be Employed For Commodity Risk – Standard Method	-
(V) Capital Requirement to be Employed For Settlement Risk - Standard Method	-
(VI) Total Capital Requirement to be Employed For Market Risk Resulting From Options - Standard Method	-
(VII) Capital Requirement to be Employed For Counterparty Risk - Standard Method	36
(VIII) Total Capital Requirement to be Employed For Market Risk in Banks Using Risk Measurement Model	-
(IX) Total Capital Requirement to be Employed For Market Risk (I+II+III+IV+V+VI)	156
(X) Amount Subject to Market Risk (12.5 x VIII) or (12.5 x IX)	1,950

Quantitative Counterparty Risk Information

For counterparty credit risks, limits are set by Board of Directors. Counterparty credit risk is managed by the Financial Institutions Department of the Bank by taking into account the counterparty's financial reports, general overview, rating, current and expected transaction volumes with the Bank. Within the scope Regulation on the Internal Systems of Banks and Regulation on Measurement and Assessment of Capital Adequacy of Bank's and "Regulation on the Internal System of Bank's, published in the Official Gazette No. 29111 dated September 6, 2014, "Counterparty Credit Risk Management Policy" is formed, then approved by the Board of Directors and published in the Bank. Limits are defined by Board of Directors and controlled daily and reported to the Bank. In addition to that, related current limits are taken into capital accounts.

Other price risks:

The Bank does not invest in share certificates quoted on a stock exchange hence it is not subject to share price risk.

IV. Explanations Related to Currency Risk

Foreign currency risk indicates the probability of loss that banks are subject to due to the exchange rate movements in the market. While calculating the share capital requirement, all foreign currency assets, liabilities and forward transactions of the Bank are taken into consideration and value at risk is calculated by using the standard method.

The Board of Directors sets limits for the positions and stop losses which are followed up daily and weekly. Any possible changes in the foreign currency transactions in the Bank's positions are also monitored.

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IV. Explanations Related to Currency Risk (continued)

The announced current foreign exchange buying rates of the Bank at September 30, 2015 and the previous five working days in full TRY are as follows (Bank's FC evaluation rates):

	September 21, 2015	September 22, 2015	September 23, 2015	September 28, 2015	September 29, 2015	September 30, 2015
USD	2.9930	3.0254	3.0230	3.0482	3.0347	3.0277
CHF	3.0833	3.1109	3.0948	3.1155	3.1269	3.1053
GBP	4.6448	4.6573	4.6367	4.6253	4.5994	4.5924
100 JPY	2.4870	2.5210	2.5150	2.5410	2.5330	2.5220
EUR	3.3668	3.3745	3.3594	3.4042	3.4079	3.3868

The simple arithmetic averages of the major current foreign exchange buying rates of the Bank for the thirty days before September 30, 2015 are as follows:

	Monthly Average Foreign Exchange Rate
USD	3.0106
CHF	3.0967
GBP	4.6259
100 JPY	2.5079
EUR	3.3770

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IV. Explanations Related to Currency Risk (continued)

September 30, 2015	EUR	USD	YEN	OTHER	TOTAL
Assets					
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metals) and Balances with the Central Bank of Turkey	14,908	495,084	-	33,732	543,724
Banks	11,060	308,666	121	2,572	322,419
Financial Assets at Fair Value Through Profit and Loss (****)	-	-	-	-	-
Money Market Placements	-	-	-	-	-
Available-For-Sale Financial Assets	-	3	-	-	3
Loans (*)	350,347	871,729	-	-	1,222,076
Subsidiaries, Associates and Jointly Controlled Entities	-	-	-	-	-
Held-To-Maturity Investments	-	-	-	-	-
Derivative Financial Assets for Hedging Purposes	-	-	-	-	-
Tangible Assets	-	-	-	-	-
Intangible Assets	-	-	-	-	-
Other Assets	1,552	25	-	-	1,577
Total Assets	377,867	1,675,507	121	36,304	2,089,799
Liabilities					
Bank Deposits	17,016	731	-	909	18,656
Foreign Currency Deposits	279,153	1,579,797	-	713	1,859,663
Money Market Borrowings	-	-	-	-	-
Funds Provided From Other Financial Institutions	97,130	69,469	-	-	166,599
Marketable Securities Issued	-	-	-	-	-
Sundry Creditors	1,160	3,146	-	-	4,306
Derivative Financial Liabilities for Hedging Purposes	-	-	-	-	-
Other Liabilities (****)	134	1,436	-	-	1,570
Total Liabilities	394,593	1,654,579	-	1,622	2,050,794
Net Balance Sheet Position	(16,726)	20,928	121	34,682	39,005
Net Off-Balance Sheet Position	16,908	(22,000)	-	(33,633)	(38,725)
Financial Derivative Assets (***)	22,881	2,951	-	33,634	59,466
Financial Derivative Liabilities (***)	(5,973)	(24,951)	-	(67,267)	(98,191)
Non-Cash Loans (**)	265,599	472,036	-	891	738,526
December 31, 2014					
Total Assets(*) (****)	369,021	1,193,152	91	30,634	1,592,898
Total Liabilities	394,249	1,170,631	-	1,723	1,566,603
Net Balance Sheet Position	(25,228)	22,521	91	28,911	26,295
Net Off-Balance Sheet Position	24,717	(24,539)	-	(27,565)	(27,387)
Financial Derivative Assets (***)	27,652	2,446	-	27,565	57,663
Financial Derivative Liabilities (***)	(2,935)	(26,985)	-	(55,130)	(85,050)
Non-Cash Loans (**)	230,105	452,079	-	98	682,282

(*) Foreign currency indexed loans amounting to TRY 572,682 (December 31, 2014: TRY 436,286) are included in the loan portfolio.

(**) There are no effects on the net off-balance sheet position.

(***) It includes also TRY 3,985 and TRY 9,720 forward asset purchase & sale commitments (December 31, 2014: TRY 3,303 and TRY 3,071).

(****) TRY 47 asset from derivative financial instruments and TRY 17 liability from derivative financial instruments are not included (December 31, 2014: TRY 19 asset and TRY 59 liability from derivative financial instruments are not included).

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IV. Explanations Related to Currency Risk (continued)

Foreign currency sensitivity:

The Bank holds EUR and USD currencies positions mainly.

The following table details the Bank's sensitivity to a 10% increase or decrease in the TRY against USD and EUR. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the possible change in foreign exchange rates. Positive/(Negative) number indicates a change in profit or loss and other equity where USD and EUR increase 10% against TRY.

	Change in currency rate in %	Effect on profit or loss		Effect on equity	
		September 30, 2015	December 31, 2014	September 30, 2015	December 31, 2014
USD	%10 increase	(107)	202	-	-
USD	%10 decrease	107	(202)	-	-
EUR	%10 increase	18	(51)	-	-
EUR	%10 decrease	(18)	51	-	-
Other Currency	%10 increase	117	145	-	-
Other Currency	%10 decrease	(117)	(145)	-	-

V. Explanations Related to Interest Rate Risk

Interest rate risk shows the probability of loss related to the changes in interest rates depending on the Bank's position, and it is managed by the Asset-Liability Committee. The interest rate sensitivity of assets, liabilities and off-balance sheet items related to this risk are measured by using the standard method and included in the market risk for capital adequacy.

Risk Department performs duration, maturity and sensitivity analysis to protect the effect of interest rate volatility and reported to the Asset-Liability Committee.

Simulations on interest income are performed in connection with the forecasted economic indicators used in the budget of the Bank. The negative effects of the fluctuations in the market interest rates on the financial position and the cash flows are minimized by revising budgeted targets.

The Bank management follows the market interest rates daily and revises the interest rates of the Bank whenever necessary.

Since the Bank does not permit maturity mismatches or imposes limits on mismatch, a significant interest rate risk exposure is not expected.

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V. Explanations Related to Interest Rate Risk (continued)

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

	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Non-interest bearing	Total
September 30, 2015							
Assets							
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metals) and Balances with the Central Bank of Turkey	-	572,855	-	-	-	78,993	651,848
Banks	281,578	-	-	-	-	40,932	322,510
Financial Assets at Fair Value Through Profit and Loss	-	-	-	24	-	146	170
Money Market Placements	-	-	-	-	-	-	-
Available-For-Sale Financial Assets	78,217	236,810	317,054	1	3	138	632,223
Loans (*)	2,381,255	181,372	388,045	778,693	11,104	-	3,740,469
Held-To-Maturity Investments	12,011	-	20,005	-	-	-	32,016
Other Assets (**)	-	-	-	-	-	271,673	271,673
Total Assets	2,753,061	991,037	725,104	778,718	11,107	391,882	5,650,909
Liabilities							
Bank Deposits	-	16,962	-	-	-	1,838	18,800
Other Deposits	2,984,647	891,292	60,203	31,332	-	197,652	4,165,126
Money Market Borrowings	371,946	-	-	-	-	-	371,946
Sundry Creditors	-	-	-	-	-	29,661	29,661
Marketable Securities Issued	-	-	-	-	-	-	-
Funds Provided From Other Financial Institutions	3,613	2,622	126,061	49,277	-	-	181,573
Other Liabilities (***)	698	521	-	-	-	882,584	883,803
Total Liabilities	3,360,904	911,397	186,264	80,609	-	1,111,735	5,650,909
Balance Sheet Long Position	-	79,640	538,840	698,109	11,107	-	1,327,696
Balance Sheet Short Position	(607,843)	-	-	-	-	(719,853)	(1,327,696)
Off-Balance Sheet Long Position	-	-	-	-	-	124,302	124,302
Off-Balance Sheet Short Position	-	-	-	-	-	(124,346)	(124,346)
Total Position	(607,843)	79,640	538,840	698,109	11,107	(719,897)	(44)

(*) Up to 1 month column consist of revolving loans and corporate FC indexed loans.

(**) The other assets line in the non-interest bearing column consist of tangible assets amounting to TRY 46,363, intangible assets amounting to TRY 14,221, tax asset amounting to TRY 8,970, net non-performing loans amounting to TRY 134,056, prepaid expenses amounting to TRY 10,101 and other assets amounting to TRY 57,962.

(***) The other liabilities line in the non-interest bearing column consist of shareholders' equity amounting to TRY 728,475, TRY 62,991 provisions, settlement account amount TRY 68,937 and TRY 22,181 other liabilities.

Average interest rates applied to monetary financial instruments:

	EUR %	USD %	YEN %	TRY %
September 30, 2015				
Assets				
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Reserve Deposits) And Balances With The Central Bank Of Turkey (*)	-	0.18	-	4.08
Banks	0.05	0.19	-	8.97
Financial Assets At Fair Value Through Profit And Loss	-	-	-	10.50
Money Market Placements	-	-	-	-
Available-For-Sale Financial Assets (**)	-	7.38	-	2.75
Loans	5.61	6.03	-	13.46
Held-To-Maturity Investments	-	-	-	8.22
Liabilities				
Bank Deposits	1.17	-	-	9.60
Other Deposits	1.61	2.32	-	9.85
Money Market Borrowings	-	-	-	8.44
Sundry Creditors	-	-	-	-
Marketable Securities Issued	-	-	-	-
Funds Provided From Other Financial Institutions	1.87	1.52	-	6.24

(*) Effective from November 1, 2014, interest has been paid from TRY reserve deposits by CBRT. Average interest rate base represents the nine months average interest rate. Effective from May 5, 2015, interest has been paid from USD reserve deposits by CBRT.

(**) Available-For-Sale Financial Assets include CPI indexed securities which cover %99.89 of the portfolio.

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V. Explanations Related to Interest Rate Risk (continued)

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

	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Non-interest bearing	Total
December 31, 2014							
Assets							
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metals) and Balances with the Central Bank of Turkey	-	-	-	-	-	477,144	477,144
Banks	231,787	-	-	-	-	41,305	273,092
Financial Assets at Fair Value Through Profit and Loss	-	-	-	-	27	926	953
Money Market Placements	-	-	-	-	-	-	-
Available-For-Sale Financial Assets	200,209	183,273	391,917	-	4	137	775,540
Loans (*)	2,013,808	113,440	400,259	781,258	5,460	-	3,314,225
Held-To-Maturity Investments	-	-	79,857	20,563	-	-	100,420
Other Assets (**)	-	-	-	-	-	147,186	147,186
Total Assets	2,445,804	296,713	872,033	801,821	5,491	666,698	5,088,560
Liabilities							
Bank Deposits	11,506	14,140	-	-	-	2,282	27,928
Other Deposits	2,145,706	1,036,607	190,346	31,433	-	156,505	3,560,597
Money Market Borrowings	430,464	-	-	-	-	-	430,464
Sundry Creditors	-	-	-	-	-	61,746	61,746
Marketable Securities Issued	-	-	-	-	-	-	-
Funds Provided From Other Financial Institutions	14,337	4,191	118,559	1,165	-	-	138,252
Other Liabilities (***)	579	455	-	-	-	868,539	869,573
Total Liabilities	2,602,592	1,055,393	308,905	32,598	-	1,089,072	5,088,560
Balance Sheet Long Position	-	-	563,128	769,223	5,491	-	1,337,842
Balance Sheet Short Position	(156,788)	(758,680)	-	-	-	(422,374)	(1,337,842)
Off-Balance Sheet Long Position	-	-	-	-	-	113,131	113,131
Off-Balance Sheet Short Position	-	-	-	-	-	(112,286)	(112,286)
Total Position	(156,788)	(758,680)	563,128	769,223	5,491	(421,529)	845

(*) Up to 1 month column consist of revolving loans and corporate FC indexed loans.

(**) The other assets line in the non-interest bearing column consist of tangible assets amounting to TRY 48,020, intangible assets amounting to TRY 18,231, tax asset amounting to TRY 3,972, settlement account amounting to TRY 16,860, prepaid expenses amounting to TRY 6,498, non-performing loans amounting to 50,917 and other assets amounting to TRY 2,688.

(***) The other liabilities line in the non-interest bearing column consists of shareholders' equity amounting to TRY 753,737, provisions amounting to TRY 61,746, settlement account amounting to TRY 32,689 and other liabilities amounting to 20,367.

Average interest rates applied to monetary financial instruments:

	EUR %	USD %	YEN %	TRY %
December 31, 2014				
Assets				
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Reserve Deposits) And Balances With The Central Bank Of Turkey (*)	-	-	-	1.41
Banks	0.08	0.19	-	10.48
Financial Assets At Fair Value Through Profit And Loss	-	-	-	10.41
Money Market Placements	-	-	-	-
Available-For-Sale Financial Assets(**)	-	6.76	-	3.30
Loans	6.22	5.85	-	12.91
Held-To-Maturity Investments	-	-	-	7.03
Liabilities				
Bank Deposits	1.14	1.52	-	8.60
Other Deposits	2.73	2.85	-	10.66
Money Market Borrowings	-	-	-	9.99
Sundry Creditors	-	-	-	-
Marketable Securities Issued	-	-	-	-
Funds Provided From Other Financial Institutions	2.21	2.38	-	6.58

(*) Effective from November 1, 2014, interest has been paid from TRY reserve deposits by CBRT. Average interest rate base represents 2014 November and December average interest rate.

(**) Available-For-Sale Financial Assets include CPI indexed securities which cover %89 of the portfolio.

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V. Explanations Related to Interest Rate Risk (continued)

Nature of interest rate risk resulted from banking book, major assumptions includes also assumption on early repayment of loans and movements in deposits other than term deposits and frequency of measuring interest rate risk.

With the exception of items included under on trading accounts, and items which are other than subordinated debts considered on equity accounts in accordance with “Regulation on Equity of Banks” which have been published on the Official Gazette dated September 5, 2013 numbered 28756, the interest rate risk for all on-balance sheet and off-balance sheet items, which are interest sensitive, and for banking accounts has been calculated. In calculation of interest rate risk, the bank has no any assumptions for early repayment of loans and demand deposits. Interest rate risk arising from banking accounts is calculated and is reported to BRSA monthly.

Economic value differences resulted from interest rate instabilities calculated according to Regulation on Measurement and Evolution of Interest Rate Risk Resulted from Banking Book as per Standard Schock Method.

Unit of Currency	Applicable Shock base point)*	(+ / -)	Profit/ Loss	Profit / Equity Capital – Loss / Equity Capital
TRY	500		(55,848)	(%8)
	(400)		50,991	%7
EUR	200		(2,637)	(%0)
	(200)		2,857	%0
USD	200		(9,952)	(%1)
	(200)		10,840	%1
Total (For Negative Shock)			64,688	%9
Total (For Positive Shock)			(68,437)	(%9)

* The intensity and direction of a currency different rows are entered separately for each shock.

Interest rate sensitivity:

If interest rates had been increased by 0.5% in TRY and by 0.5% in FC and all other variables were held constant, the Bank’s:

- Net profit would change by TRY 9,509. The change in profit mainly is related to loans and deposits (December 31, 2014 : TRY 7,074).
- Possible changes in the interest rates effects the equity as a result of the revaluation of the available-for-sale assets decreases equity by TRY 237 (December 31,2014: TRY 233).

VI. Explanations Related to Liquidity Risk

Liquidity risk occurs when there is insufficient cash or cash inflows to meet the cash outflows completely and timely.

Liquidity risk may also occur when the market penetration is not adequate, when the open positions cannot be closed quickly at suitable prices and sufficient amounts due to barriers and break-ups at the markets.

The Bank’s policy is to establish an asset structure that can meet all kinds of liabilities by liquid sources at all times. In this context, liquidity problem has not been faced in any period. In order to maintain this, the Board of Directors of the Bank continuously determines standards for the liquidity ratios, and monitors them.

According to the general policies of the Bank, the matching of the maturity and interest rate structure of assets, and liabilities is always established within the asset liability management strategies. A positive difference is tried to be established between the yields of TRY and foreign currency assets and liabilities on the balance sheet and their costs. In this sense, various crisis scenarios which are prepared by risk management group are presented to management and audit committee.

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VI. Explanations Related to Liquidity Risk (continued)

When the funding and liquidity sources are considered, the Bank covers majority of its liquidity need by deposits, and in addition to this source, it makes use of pre-financing and syndication products to generate additional sources.

Bank calculated liquidity currency ratio in both foreign currency and total amount as per Basel III, and reported to BRSA according to "Bank's Regulation on Measurement and Evaluation of Liquidity Adequacy Ratio" which have been published by BRSA in 2014. Furthermore, liquidity risk analysis form is started to report weekly to BRSA by the Bank in 2013.

Liquidity coverage ratios are calculated weekly and monthly starting from January 1, 2015 as per "Regulation on Liquidity Coverage Ratio Calculation" published in the Official Gazette numbered 28948 dated March 21, 2014. Liquidity coverage ratios should be at least 40% for foreign currency denominated assets and liabilities and 60% for total assets and liabilities for 2015. Liquidity coverage ratios for the second quarter of 2015 are as follows:

Current Year- September 30, 2015	FC	FC+TRY
Average%	404.72	107.95

Presentation of assets and liabilities according to their remaining maturities:

September 30, 2015	Demand	Up to 1 Month	1-3 Month	3-12 Months	1-5 Years	Over 5 Years	Undistributed (*)	Total
Assets								
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metals) and Balances with the Central Bank of Turkey (****)	164,092	351,296	105,087	21,897	9,476	-	-	651,848
Banks	40,932	281,578	-	-	-	-	-	322,510
Financial Assets at Fair Value Through Profit and Loss	-	9	137	-	24	-	-	170
Money Market Placements	-	-	-	-	-	-	-	-
Available-For-Sale Financial Assets	-	-	-	70,299	40,657	521,129	138	632,223
Loans (***)	-	2,381,255	181,372	388,045	778,693	11,104	-	3,740,469
Held-To-Maturity Investments	-	10,400	-	20,005	1,611	-	-	32,016
Other Assets	-	42,164	-	-	-	-	229,509	271,673
Total Assets	205,024	3,066,702	286,596	500,246	830,461	532,233	229,647	5,650,909
Liabilities								
Bank Deposits	1,838	-	16,962	-	-	-	-	18,800
Other Deposits	197,652	2,984,647	891,292	60,203	31,332	-	-	4,165,126
Funds Provided From Other Financial Institutions	-	3,613	2,622	126,061	49,277	-	-	181,573
Money Market Borrowings	-	371,946	-	-	-	-	-	371,946
Marketable Securities Issued	-	-	-	-	-	-	-	-
Sundry Creditors	-	29,661	-	-	-	-	-	29,661
Other Liabilities (**)	-	91,817	521	-	-	-	791,465	883,803
Total Liabilities	199,490	3,481,684	911,397	186,264	80,609	-	791,465	5,650,909
Liquidity Gap	5,534	(414,982)	(624,801)	313,982	749,852	532,233	(561,818)	-
December 31, 2014								
Total Assets	141,731	2,492,332	306,525	646,395	887,268	483,846	130,463	5,088,560
Total Liabilities	158,787	2,714,979	1,055,393	308,905	32,598	-	817,898	5,088,560
Liquidity Gap	(17,056)	(222,647)	(748,868)	337,490	854,670	483,846	(687,435)	-

(*) The assets which are necessary to provide banking services and can not be liquidated in the short term, such as tangible assets, investments in subsidiaries and associates and non-performing loans are classified under undistributed.

(**) Shareholders' equity is shown under other liabilities in undistributed column.

(***) Rotative loans are classified in up to 1 month column.

(****) Reserve requirement distribution is based on maturity distribution of liabilities on which the reserve is calculated.

Collateralized Mortgage Marketable Securities

None.

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VII. Explanations on Credit Risk Mitigation Techniques

All available financial collaterals, which have been used in comprehensive financial collateral method, are used by the Bank according to the credit risk mitigation technique. As the Bank has only cash blockade, treasury bills and government bonds, as collateral only those types of collaterals are included in the calculation.

Collateral on the basis of risk classes

Risk Types	Amount	Financial Collateral	Other / Physical Collateral	Guaranties and Credit Derivatives
Contingent and Non-Contingent Receivables on Sovereigns	1,281,295	-	-	-
Contingent and Non-Contingent Receivables on Regional Governments and Local Authorities	-	-	-	-
Contingent and Non-Contingent Receivables on Administrative Units and Non-commercial Enterprises	238	-	-	-
Contingent and Non-Contingent Receivables on Multilateral Development Banks	-	-	-	-
Contingent and Non-Contingent Receivables on International Organizations	-	-	-	-
Contingent and Non-Contingent Receivables on Banks and Capital Market Intermediary	639,315	2,283	-	-
Contingent and Non-Contingent Corporate Receivables	2,762,394	95,453	-	-
Contingent and Non-Contingent Retail Receivables	426,802	27,360	-	-
Contingent and Non-Contingent Receivables Secured by Property	1,394,560	-	-	-
Past Due Receivables	134,056	-	-	-
Receivables defined in high risk category by BRSA	22,197	652	-	-
Collateralized Mortgage Marketable Securities	-	-	-	-
Securitization positions	-	-	-	-
Short-Term Receivables from Banks, brokerage houses and Corporate	-	-	-	-
Investment similar to collective investment funds	-	-	-	-
Other Receivables	3,077,189	-	-	-
Total	9,738,046	125,748	-	-

VIII. Risk Management Objectives and Policies

The Bank's Risk Management Group depends on the board by the Member of Audit Committee have been responsible for the Audit, Internal Control and Risk Management.

The Bank implements the risk management policies in accordance with Basel Criteria and internalizes the participation of all Group member to the risk management. Objective of risk policies: In line with "Regulation on Internal Systems and Internal Capital Adequacy Assessment Process of Banks (published in the Official Gazette dated July 11, 2014 numbered 29057)", sustaining the Bank's operations in accordance with the Bank's strategic plans, mission, targets, profitability and productivity principles by determining Bank's risk strategy and maximum risk level in line with the volume, qualification and complexity of the Bank's operations by taking into consideration the Bank's past experience and performance. Moreover, ensuring to conserve the interests of depositors and the Bank's shareholder's interest at a maximum level.

A general strategy for the Bank's risk management is given below:

- To manage risks within Bank's risk profile in accordance with materiality, in an effective way,
- To manage risks from the first phase with the help of steering risk strategies, policies and procedures, models and parameters,
- To act in a risk-based management approach in the strategic decision making process,
- To fulfill Bank's legal obligations about risk management,

Actual Credit Policies provide inscriptive standards to investigate and control credit risk by determining rules to be monitoring exposed the Bank risk when granting loans and other commitments, to improve asset quality and to support effective risk management.

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VIII. Risk Management Objectives and Policies (continued)

In order to manage operational risks that the Bank is exposed to more effectively and form an integrated risk management point of view, Operational Risk Policy and Data Management Procedure is published. IT Continuity Plan is updated periodically.

In order to define, measure, limit and report market risk the Bank is exposed to, Market Risk Policy is formed. When the Bank manages its treasury securities portfolio within the limits determined by the Board of Directors, Risk Management Group checks whether Treasury Department is within these risk limits.

In order to define, measure, follow, report the liquidity risk and take necessary actions for the results, Liquidity Risk Policy and Emergency Plan is formed. When Liquidity Risk Policy is formed, to manage the net liquidity position and liquidity requirement on an ongoing and forward-looking basis is aimed at.

Concentration Risk Management Policy is formed to define, measure, monitor and manage concentration risk. The concentration limits are monitored in accordance with the credit, deposit and other associated policies.

In order to ensure that the Bank's term deposit structure is in line with the Bank's strategies and budget targets and is in a robust and sustainable structure, Deposit Policy is formed. Policies and systems in order to define, measure and follow the concentration risk of the Bank's deposit is also explained in Deposit Policy.

Counterparty Risk Management Policy is formed to define, measure, monitor and manage counterparty risk. The concentration limits are monitored in accordance with the credit, deposit and other associated policies. Counterparty credit risk management is conducted by the Financial Institutions Department of the Bank by taking into account the counterparty's financial reports, general overview, rating, current and expected transaction volumes with T-Bank. The limits for counterparties are determined by the Board of Directors.

"Banking Book" includes all Assets and Liabilities (including credit) except trading securities portfolio. In order to define, measure, follow, report the interest rate risk related to banking book risk the Bank is exposed to and take necessary actions for the results, interest rate risk policy related to banking book is formed. Interest rate risk is managed by senior management in order to avoid losses from adverse interest rate movements.

Regarding internal assessment process (ISEDES / ICAAD) which aims at the Bank has capital requirement according to its risk profile, Internal Capital Management Procedure is formed. Within internal capital management scope, the Bank has established a stress test based management by taking into account the estimated maximum loss amount that may occur in credit, operational, market and other risks as well as the changes in the market.

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SECTION FIVE

EXPLANATIONS AND DISCLOSURES ON FINANCIAL STATEMENTS

I. Explanations and Disclosures Related to the Assets

1. a) Information on Cash and Balances with the Central Bank of Turkey:

	September 30, 2015		December 31, 2014	
	TRY	FC	TRY	FC
Cash in Vault/Foreign Currency	12,924	31,468	7,754	29,761
Balances with the Central Bank of Turkey	95,200	512,256	44,814	394,815
Other	-	-	-	-
Total	108,124	543,724	52,568	424,576

b) Information related to the account of the Central Bank of Turkey:

	September 30, 2015		December 31, 2014	
	TRY	FC	TRY	FC
Unrestricted demand deposits	94,064	1,263	44,814	1,454
Unrestricted time deposits	-	-	-	-
Restricted time deposits	-	-	-	-
Reserve deposits	1,136	510,993	-	393,361
Total	95,200	512,256	44,814	394,815

c) Explanations related to reserve deposits:

According to the "Communiqué on Amendments to be made on Communiqué on Required Reserves" of Central Bank of the Republic of Turkey numbered 2011/11 and 2011/13 reserve deposit rates applied to TRY and FC liabilities has changed. The current required reserve rates as of the date of approval of the financial statements are as follows:

FC reserve deposits rates:

FX demand deposits, notice deposits and FX private current accounts, FX deposits/FX participation accounts up to 1-month, up to 3-month, up to 6-month and up to 1-year maturities	FX deposits/FX participation accounts with 1-year and longer maturity and cumulative FX deposits/ FX participation accounts	FX Special fund pools	FX liabilities up to 1-year maturity (including 1-year)	FX liabilities 1-2 year maturity (including 2-year)	FX liabilities 2- 3 year maturity(including 3-year)	Other liabilities up to 3-5 year maturity (including 5-year)	Other liabilities longer than 5 years
13.0%	9.0%	Ratios for corresponding maturities	20.0%	14.0%	8.0%	7.0%	6.0%

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I. Explanations and Disclosures Related to the Assets (continued)

TRY reserve deposits rates:

Demand deposits, notice deposits and private current accounts	Deposits/participation accounts up to 1-month maturity (including 1-month)	Deposits/participation accounts up to 3-month maturity (including 3-month)	Deposits/participation accounts up to 6-month maturity (including 6-month)	Deposits/participation accounts up to 1-year maturity	Deposits/participation accounts with 1-year and longer maturity and cumulative deposits/participation accounts	Other liabilities up to 1-year maturity (including 1-year)	Other liabilities up to 3-year maturity (including 3-year)	Other liabilities with longer 3-year maturity
%11.5	%11.5	%11.5	%8.5	%6.5	%5.0	%11.5	%8.0	%5.0

Effective from November 1, 2014, interest has been paid from TRY reserve deposits by CBRT. Effective from May 5, 2015, interest has been paid from USD reserve deposits by CBRT.

2. Information on financial assets at fair value through profit and loss (net):

- a.1) Information on financial assets at fair value through profit and loss given as collateral or blocked: None.
a.2) Financial assets at fair value through profit and loss subject to repurchase agreements: None.

Net book value of unrestricted financial assets at fair value through profit and loss is TRY 24 (December 31, 2014: TRY 27).

- b) Positive differences related to derivative financial assets held-for-trading:

	September 30, 2015		December 31, 2014	
	TRY	FC	TRY	FC
Forward Transactions	5	47	11	19
Swap Transactions	94	-	896	-
Futures Transactions	-	-	-	-
Options	-	-	-	-
Other	-	-	-	-
Total	99	47	907	19

3. a) Information on banks:

	September 30, 2015		December 31, 2014	
	TRY	FC	TRY	FC
Banks				
Domestic	91	281,731	64,037	168,012
Foreign	-	40,688	-	41,043
Branches and head office abroad	-	-	-	-
Total	91	322,419	64,037	209,055

4. Information on financial assets available-for-sale:

- a.1) Information on financial assets available-for-sale given as collateral or blocked:

	September 30, 2015		December 31, 2014	
	TRY	FC	TRY	FC
Share certificates	-	-	-	-
Bond, Treasury bill and similar securities	47,099	-	25,711	-
Other	-	-	-	-
Total	47,099	-	25,711	-

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I. Explanations and Disclosures Related to the Assets (continued)

Available-for-sale securities given as collateral for stock collateral, Interbank money market, Takasbank and open market transactions are TRY 32,473, TRY 1,120, TRY 140 and TRY 13,366 respectively (December 31, 2014: Available-for-sale securities given as collateral for Interbank money market and open market transactions are TRY 25,428, TRY 283 hold for Takasbank respectively).

a.2) Information on financial assets available for sale subject to repurchase agreements:

	September 30, 2015		December 31, 2014	
	TRY	FC	TRY	FC
Share certificates	-	-	-	-
Bond, Treasury bill and similar securities	339,169	-	383,119	-
Other	-	-	-	-
Total	339,169	-	383,119	-

Net book value of unrestricted financial assets available-for-sale is TRY 245,955 (December 31, 2014: TRY 366,710) and included in this amount there are unquoted stocks amounting TRY 138 (December 31, 2014: TRY 137).

b) Information on financial assets available for sale portfolio:

	September 30, 2015	December 31, 2014
Debt securities	640,783	775,429
Quoted on a stock exchange	640,783	775,429
Not quoted	-	-
Share certificates	138	137
Quoted on a stock exchange	-	-
Not quoted	138	137
Impairment provision (-)	(8,698)	(26)
Total	632,223	775,540

In line with the accounting policies of the Bank, all unquoted available for sale equities are recorded at fair value except for the Bank's investment of TRY 138 which is recorded investment at cost since its fair value cannot be reliably estimated (December 31, 2014: TRY 137).

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I. Explanations and Disclosures Related to the Assets (continued)

5. Information on loans:

a) Information on all types of loans or advances given to shareholders and employees of the Bank:

	September 30, 2015		December 31, 2014	
	Cash	Non-cash	Cash	Non-cash
Direct loans granted to shareholders	120	872	99	85
Corporate shareholders	120	872	99	85
Real person shareholders	-	-	-	-
Indirect loans granted to shareholders	2,545	18,291	-	15,841
Loans granted to employees	1,497	1,523	1,325	1,450
Total	4,162	20,686	1,424	17,376

b) Information on the first and second group loans and other receivables including restructured or rescheduled loans:

Cash Loans	Standard Loans and Other Receivables			Loans and Other Receivables Under Close Monitoring		
	Loans and Other Receivables	Restructured or Rescheduled	Other	Loans and Other Receivables	Restructured or Rescheduled	Other
Non-specialized loans	3,357,219	15,797	-	221,468	145,985	-
Discount notes	1,739,918	15,797	-	157,059	138,651	-
Export loans	603,393	-	-	50,748	7,262	-
Import loans	-	-	-	-	-	-
Loans given to financial sector	157,145	-	-	-	-	-
Foreign loans	27,967	-	-	-	-	-
Consumer loans	6,978	-	-	8,399	72	-
Credit cards	-	-	-	-	-	-
Precious metals loans	-	-	-	-	-	-
Other	821,818	-	-	5,262	-	-
Specialized loans	-	-	-	-	-	-
Other receivables	-	-	-	-	-	-
Total	3,357,219	15,797	-	221,468	145,985	-

c) Loans according to their maturity structure:

Cash Loans	Standard Loans and Other Receivables		Loans and Other Receivables Under Close Monitoring	
	Loans and Other Receivables	Restructured or Rescheduled	Loans and Other Receivables	Restructured or Rescheduled
Short-term Loans and other Receivables	1,437,579	6,409	19,507	32,625
Non-specialized loans	1,437,579	6,409	19,507	32,625
Specialized loans	-	-	-	-
Other Receivables	-	-	-	-
Medium and long-term loans and other receivables	1,919,640	9,388	201,961	113,360
Non-specialized loans	1,919,640	9,388	201,961	113,360
Specialized loans	-	-	-	-
Other Loans	-	-	-	-
Total	3,357,219	15,797	221,468	145,985

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I. Explanations and Disclosures Related to the Assets (continued)

Number of Changes for the Payment Plan Extension	Standard Loans and Other Receivables	Watching Loans and Other Receivables
1 or 2 times extended	15,667	143,650
3, 4 or 5 times extended	130	2,335
5 Over the extended	-	-
Total	15,797	145,985

	Standard Loans and Other Receivables	Watching Loans and Other Receivables
0 – 6 Month	4,415	12,182
6 – 12 Month	1,995	2,653
1 – 2 Year	185	20,094
2 – 5 Year	9,202	73,376
5 Years and Over	-	37,680
Total	15,797	145,985

As of September 30, 2015, in accordance with “Regulation on Procedures and Principles for Determination of Qualifications of Loans and Other Receivables by Banks and Provisions to be set aside” (published in the Official Gazette on May 28, 2011, numbered 27947) the bank calculated general loan loss provision for standard loan, which the payments are rescheduled, amounting to TRY 780 and for watchlist-loans, which the payments are rescheduled, amounting to TRY 6,341.

d) Information on consumer loans, individual credit cards, personnel loans and credit cards given to personnel:

	Short Term	Medium and Long Term	Total
Consumer Loans-TRY	1,231	11,356	12,587
Housing Loans	-	2,015	2,015
Car Loans	-	407	407
General Purpose Loans	1,231	8,934	10,165
Other	-	-	-
Consumer Loans –Indexed to FC	-	-	-
Housing Loans	-	-	-
Car Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Consumer Loans-FC	-	-	-
Housing Loans	-	-	-
Car Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Individual Credit Cards-TRY	-	-	-
With Installments	-	-	-
Without Installments	-	-	-
Individual Credit Cards-FC	-	-	-
With Installments	-	-	-
Without Installments	-	-	-
Personnel Loans-TRY	263	844	1,107
Housing Loans	-	-	-
Car Loans	-	-	-
General Purpose Loans	263	844	1,107
Other	-	-	-
Personnel Loans- Indexed to FC	-	-	-
Housing Loans	-	-	-
Car Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Personnel Loans-FC	-	-	-
Housing Loans	-	-	-
Car Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Personnel Credit Cards-TRY	-	-	-
With Installments	-	-	-
Without Installments	-	-	-
Personnel Credit Cards-FC	-	-	-
With Installments	-	-	-
Without Installments	-	-	-
Overdraft Accounts-TRY(Real Person) (*)	1,755	-	1,755
Overdraft Accounts-FC(Real Persons)	-	-	-
Total	3,249	12,200	15,449

(*) Overdraft Accounts includes TRY 322 personel loans.

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I. Explanations and Disclosures Related to the Assets (continued)

e) Information on commercial loans with installments and corporate credit cards:

	Short Term	Medium and Long Term	Total
Commercial loans with installment facility-TRY	53,112	813,885	866,997
Business Loans	15,108	63,407	78,515
Car Loans	-	25,960	25,960
General Purpose Loans	38,004	724,518	762,522
Other	-	-	-
Commercial loans with installment facility - Indexed to FC	9,638	197,086	206,724
Business Loans	-	-	-
Car Loans	8,542	57,515	66,057
General Purpose Loans	1,096	139,571	140,667
Other	-	-	-
Commercial loans with installment facility –FC	-	17,953	17,953
Business Loans	-	-	-
Car Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	17,953	17,953
Corporate Credit Cards-TRY	-	-	-
With Installments	-	-	-
Without Installments	-	-	-
Corporate Credit Cards-FC	-	-	-
With Installments	-	-	-
Without Installments	-	-	-
Overdraft Accounts-TRY(Legal Entities)	42,018	-	42,018
Overdraft Accounts-FC(Legal Entities)	-	-	-
Total	104,768	1,028,924	1,133,692

f) Domestic and foreign loans:

	September, 30 2015	December 31, 2014
Domestic loans	3,712,502	3,314,222
Foreign loans	27,967	3
Total	3,740,469	3,314,225

g) Loans granted to subsidiaries and associates: None.

h) Specific provisions provided against loans:

	September, 30 2015	December 31, 2014
Specific provisions		
Loans and receivables with limited collectability	2,779	-
Loans and receivables with doubtful collectability	16,510	-
Uncollectible loans and receivables	40,129	44,653
Total	59,418	44,653

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I. Explanations and Disclosures Related to the Assets (continued)

j) Information on non-performing loans (Net):

j.1) Information on loans and other receivables included in non-performing loans which are restructured or rescheduled:

	III. Group	IV. Group	V. Group
	Loans and receivables with limited collectability	Loans and receivables with doubtful collectability	Uncollectible loans and receivables
September 30, 2015			
(Gross amount before specific provision) (*)	-	180	4,560
Restructured Loans and Other Receivables	-	180	4,560
Rescheduled Loans and Other Receivables	-	-	-
December 31, 2014			
(Gross amount before specific provision)	-	-	8,044
Restructured Loans and Other Receivables	-	-	8,044
Rescheduled Loans and Other Receivables	-	-	-

(*) As of September 30, 2015 total specific provisions set aside for the loans and other receivables that are restructured or tied to redemption plan is TRY 4,225 (December 31, 2014: TRY 4,365).

j.2) The movement of non-performing loans:

	III. Group	IV. Group	V. Group
	Loans and other receivables with limited collectability	Loans and other receivables with doubtful collectability	Uncollectible loans and other receivables
December 31, 2014 balance	-	-	95,570
Additions (+)	124,279	2,417	1,725
Transfers from other categories of non-performing loans (+)	-	89,172	-
Transfers to other categories of non-performing loans (-)	(89,172)	-	-
Collections (-)	(2,292)	(2,891)	(25,334)
Write-offs (-)	-	-	-
Corporate and commercial loans	-	-	-
Retail loans	-	-	-
Credit cards	-	-	-
Indexation difference (-)	-	-	-
Other	-	-	-
September 30, 2015 balance	32,815	88,698	71,961
Specific provision (-)	(2,779)	(16,510)	(40,129)
Net Balances on Balance Sheet	30,036	72,188	31,832

j.3) Information on foreign currency non-performing loans and other receivables: None.

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I. Explanations and Disclosures Related to the Assets (continued)

j.4) Information regarding gross and net amounts of non-performing loans with respect to user groups:

	III. Group	IV. Group	V. Group
	Loans and receivables with limited collectability	Loans and receivables with doubtful collectability	Uncollectible loans and receivables
September 30, 2015 (Net)			
Loans to Real Persons and Legal Entities (Gross)	32,815	88,698	71,961
Specific provision (-)	(2,779)	(16,510)	(40,129)
Loans to Real Persons and Legal Entities (Net)	30,036	72,188	31,832
Banks (Gross)	-	-	-
Specific provision (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	-
Specific provision (-)	-	-	-
Other Loans and Receivables (Net)	-	-	-
December 31, 2014 (Net)			
Loans to Real Persons and Legal Entities (Gross)	-	-	95,570
Specific provision (-)	-	-	(44,653)
Loans to Real Persons and Legal Entities (Net)	-	-	50,917
Banks (Gross)	-	-	-
Specific provision (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	-
Specific provision (-)	-	-	-
Other Loans and Receivables (Net)	-	-	-

k) Main principles of liquidation policies of nonperforming loans and receivables:

According to the “Methods and Principles for the Determination of Loans and Other Receivables to be Reserved for and Allocation of Reserves” published on Official Gazette No. 26333 dated November 1, 2006; legal action is carried on considering firms, guarantors and existing collaterals and provisions are made for non-performing loans in accordance with the relevant decree.

l) Explanations on write-off policy:

As of September 30, 2015, there is no amount that is written off from assets with the decision of the Board of Directors.(December 31,2014: The Bank sold a portion of non-performing loan amounting to TRY 21,073, to an asset management firm and removed from records.)

6. Information on held-to-maturity investments:

a.1) Information on held-to-maturity investments given as collateral or blocked:

	September 30, 2015		December 31, 2014	
	TRY	FC	TRY	FC
Share certificates	-	-	-	-
Bond, Treasury bill and similar securities	1,700	-	36,888	-
Other	-	-	-	-
Total	1,700	-	36,888	-

As of September 30, 2015, collateral or blocked investments held-to-maturity; Takasbank is TRY 1,193 and Central Bank of the interbank money market is TRY 507 (December 31,2014: Central Bank open market operations is TRY 506 and Central Bank of the interbank money market is TRY 5,479 and stock collateral balance is TRY 30,903).

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I. Explanations and Disclosures Related to the Assets (continued)

a.2) Held-to-maturity investments subject to repurchase agreements:

	September 30, 2015		December 31, 2014	
	TP	YP	TP	YP
Share certificates	-	-	-	-
Bond, Treasury bill and similar securities	23,564	-	23,780	-
Other	-	-	-	-
Total	23,564	-	23,780	-

Book value of held to maturity investments classified as unrestricted financial assets is TRY 6,752 (December 31, 2014: TRY 39,752).

b) Information on public sector debt investments held-to-maturity:

	September 30, 2015	December 31, 2014
Government bonds	32,016	100,420
Treasury bills	-	-
Other public sector debt securities	-	-
Total	32,016	100,420

c) Information on held-to-maturity investments:

	September 30, 2015		December 31, 2014	
	TRY	FC	TRY	FC
Debt securities				
Quoted on a stock exchange	32,016	-	100,420	-
Not quoted on a stock exchange	-	-	-	-
Provision for impairment (-)	-	-	-	-
Total	32,016	-	100,420	-

d) Movement of held-to-maturity investments:

	September 30, 2015	December 31, 2014
Beginning balance	100,420	98,895
Foreign currency differences on monetary assets(*)	(2,041)	1,952
Purchases during year	-	20,016
Disposal through sales and redemptions	(66,363)	(20,443)
Impairment provision (-)	-	-
Closing Balance	32,016	100,420

(*) Accruals of Held-to maturity investments are reflected in foreign currency differences on monetary assets line.

7. Information on associates (Net):

The Bank has no associates in the current period.

8. Information on subsidiaries (Net):

The Bank has no subsidiaries in the current period.

9. Information on jointly controlled entities:

The Bank has no jointly controlled entities in the current period.

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I. Explanations and Disclosures Related to the Assets (continued)

10. Information on lease receivables (Net):

The Bank has no lease receivables in the current period.

11. Information on derivative financial assets for hedging purposes:

The Bank has no financial assets for hedging purposes in the current period.

12. Information on tangible assets :

This footnote is not prepared in compliance with the Article 25 of the communique “Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks” for the interim period financial statements.

13. Information on intangible assets:

This footnote is not prepared in compliance with the Article 25 of the communique “Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks” for the interim period financial statements.

14. Investment Property (Net): None.

15. Explanations on deferred tax assets:

- a) As of September 30, 2015, deferred tax asset calculated on tax losses is TRY 2,138 and there are no tax deductions or exemptions. (December 31, 2014: None). Deferred tax asset calculated on the other temporary differences is TRY 7,843 (December 31, 2014: TRY 3,972 deferred tax asset).
- b) Temporary differences over which deferred tax asset is not computed and recorded in the balance sheet in prior periods: None.
- c) Allowance for deferred tax and deferred tax assets from reversal of allowance: None.

16. Information on assets held for sale and discontinued operations: None.

17. Information on other assets:

- a) Breakdown of other assets:

	September 30, 2015	December 31, 2014
Settlement Accounts	42,164	16,860
Advances Given	11,688	184
Prepaid Expenses	10,101	6,498
Other	4,110	2,504
Toplam	68,063	26,046

- b) Other assets which exceed 10% of the balance sheet total (excluding off balance sheet commitments) and breakdown of these which constitute at least 20% of grand total: None.

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II. Explanations and Disclosures Related to the Liabilities

1. Information on maturity structure of deposits:

a.1) September 30, 2015 :

	Demand	7 Day Call Accounts	Up to 1 month	1-3 Months	3-6 Months	6 Month-1 Year	1 Year And over	Accumulating Deposits	Total
Saving deposits	15,735	-	48,020	1,130,906	47,627	13,587	5,323	-	1,261,198
Foreign currency deposits	79,253	-	71,579	1,576,972	92,701	35,889	3,270	-	1,859,664
Residents in Turkey	75,023	-	70,538	1,482,986	89,886	35,327	846	-	1,754,606
Residents abroad	4,230	-	1,041	93,986	2,815	562	2,424	-	105,058
Public sector deposits	50,803	-	3,972	11	3,816	-	-	-	58,602
Commercial deposits	51,579	-	221,493	537,694	36,407	28,580	44,644	-	920,397
Other institutions deposits	282	-	134	64,849	-	-	-	-	65,265
Precious metals deposits	-	-	-	-	-	-	-	-	-
Interbank deposits	1,838	-	-	16,962	-	-	-	-	18,800
Central Bank of Turkey	-	-	-	-	-	-	-	-	-
Domestic Banks	57	-	-	-	-	-	-	-	57
Foreign Banks	1,781	-	-	16,962	-	-	-	-	18,743
Participation Banks	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total	199,490	-	345,198	3,327,394	180,551	78,056	53,237	-	4,183,926

a.2) December 31, 2014:

	Demand	7 Day Call Accounts	Up to 1 month	1-3 Months	3-6 Months	6 Month-1 Year	1 Year And over	Accumulating Deposits	Total
Saving deposits	17,038	-	35,793	850,208	95,898	22,633	6,564	-	1,028,134
Foreign currency deposits	54,322	-	59,319	1,101,175	151,186	38,905	9,661	-	1,414,568
Residents in Turkey	52,355	-	58,492	1,076,470	145,087	37,787	7,344	-	1,377,535
Residents abroad	1,967	-	827	24,705	6,099	1,118	2,317	-	37,033
Public sector deposits	12,837	-	-	-	-	-	-	-	12,837
Commercial deposits	72,010	-	51,988	586,118	108,428	29,732	81,917	-	930,193
Other institutions deposits	299	-	1,649	55,018	1,513	116,385	-	-	174,864
Precious metals deposits	-	-	-	-	-	-	-	-	-
Interbank deposits	2,283	-	11,506	14,140	-	-	-	-	27,929
Central Bank of Turkey	-	-	-	-	-	-	-	-	-
Domestic Banks	40	-	-	-	-	-	-	-	40
Foreign Banks	2,243	-	11,506	14,140	-	-	-	-	27,889
Participation Banks	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total	158,789	-	160,255	2,606,659	357,025	207,655	98,142	-	3,588,525

b.1) Information on saving deposits under the guarantee of saving deposits insurance:

i. Information on saving deposits:

Saving Deposits	Under the Guarantee of Insurance		Exceeding the Limit of Insurance	
	September 30, 2015	December 31, 2014	September 30, 2015	December 31, 2014
Saving deposits	288,878	234,903	959,577	785,436
Foreign currency saving deposits	79,321	68,278	887,669	674,691
Other deposits in the form of saving deposits	600	469	10,901	7,798
Foreign branches' deposits under foreign authorities' insurance	-	-	-	-
Off-shore banking regions' deposits under foreign authorities' insurance	-	-	-	-
Total	368,799	303,650	1,858,147	1,467,925

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II. Explanations and Disclosures Related to the Liabilities (continued)

ii. Deposit amounts not under the guarantee of saving deposit:

Deposits of real persons not under the guarantee of saving deposit insurance:

	September 30, 2015	December 31, 2014
Deposits and accounts in branches abroad	-	-
Deposits of ultimate shareholders and their close families	-	-
Deposits of chairman, members of the Board of Directors and assistant general managers and their close families	3,163	1,479
Deposits obtained through illegal acts defined in the 282 nd Article of the 5237 numbered Turkish Criminal Code dated September 26, 2004.	-	-
Saving deposits in banks established in Turkey exclusively for off shore banking activities	-	-

2. Information on derivative financial liabilities:

a) Negative differences table related to derivative financial liabilities held-for-trading:

	September 30, 2015		December 31, 2014	
	TRY	FC	TRY	FC
Forward Transactions	36	9	9	5
Swap Transactions	118	8	-	54
Futures Transactions	-	-	-	-
Options	-	-	-	-
Other	-	-	-	-
Total	154	17	9	59

3. a) Information on banks and other financial institutions:

	September 30, 2015		December 31, 2014	
	TRY	FC	TRY	FC
From Domestic Banks and Institutions	14,974	20,485	13,510	21,534
From Foreign Banks, Institutions and Funds	-	146,114	302	102,906
Total	14,974	166,599	13,812	124,440

b) Maturity analysis of borrowings:

	September 30, 2015		December 31, 2014	
	TRY	FC	TRY	FC
Short-term	14,974	42,342	13,812	85,130
Medium and long-term	-	124,257	-	39,310
Total	14,974	166,599	13,812	124,440

c) Additional explanations related to the concentrations of the Bank's major liabilities:

Bank diversifies its funding resources by customer deposits and foreign borrowings. 99% of bank deposits and 45% of other deposits are composed of foreign currency deposits.

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II. Explanations and Disclosures Related to the Liabilities: (continued)

4. Information on funds provided from repurchase agreement transactions :

	September 30, 2015		December 31, 2014	
	TRY	FC	TRY	FC
From domestic transactions	371,946	-	430,464	-
Financial institutions and organizations	371,943	-	430,456	-
Other institutions and organizations	-	-	-	-
Real persons	3	-	8	-
From foreign transactions	-	-	-	-
Financial institutions and organizations	-	-	-	-
Other institutions and organizations	-	-	-	-
Real persons	-	-	-	-
Total	371,946	-	430,464	-

Funds provided under repurchase agreements carried by the assets of the Bank's balance sheet are described in the table below:

	September 30, 2015		December 31, 2014	
	Nominal	Carrying Value	Nominal	Carrying Value
Financial Assets Available for Sale	286,571	349,185	299,967	407,469
Held to Maturity Investments	22,981	22,761	23,711	22,995
Financial assets held for trading	-	-	-	-
Total	309,552	371,946	323,678	430,464

5. Other liabilities which exceed 10% of the balance sheet total (excluding off-balance sheet commitments) and the breakdown of these which constitute at least 20% of grand total: None.

6. Explanations on lease obligations (Net):

- a) The general explanations on criteria used in determining installments of financial lease agreements, renewal and purchasing options and restrictions in the agreements that create significant obligations to the Bank:

In the financial lease agreements, installments are based on useful life, usage periods and provisions of the Tax Procedural Code.

- b) Explanations regarding operational leases:

Head-Office and all branch premises of the Bank are leased under operational leases. In 2015 operational lease expenses amounting to TRY 12,741 have been recorded in the profit and loss accounts (December 31, 2014: TRY 13,279). The lease periods vary between 5 and 10 years.

- c) Explanations on the lessor and lessee in sale and lease back transactions, agreement conditions, and major agreement terms: None.

7. Information on derivative financial liabilities for hedging purposes: None.

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II. Explanations and Disclosures Related to the Liabilities: (continued)

8. Information on provisions:

a) Information on general provisions:

	September 30, 2015	December 31, 2014
General Provisions		
Provisions for First Group Loans and Receivables	20,799	19,288
- Additional provision for extended loans	780	41
Provisions for Second Group Loans and Receivables	4,792	2,208
- Additional provision for extended loans	6,341	6,924
Provisions for Non-cash Loans	4,072	3,909
Total	36,784	32,370

b) Foreign exchange losses on the foreign currency indexed loans and finance lease receivables: The foreign exchange losses amounting to TRY 78 (December 31, 2014: TRY 2,220) on the foreign currency indexed loans are netted off from loans on the balance sheet.

c) The specific provisions of TRY 6,801 (December 31, 2014: TRY 8,226) were provided for unindemnified non cash loans.

d) Information on employee termination benefits and unused vacation accrual:

The Bank has calculated the reserve for employee termination benefits by using actuarial valuation methods as set out in the TAS 19 and reflected this in the financial statements.

d.2) Information on employee termination benefits and unused vacation accrual:

Bank has calculated the reserve for employee termination benefits by using actuarial valuation methods as set out in the TAS 19 and reflected this in the financial statements.

	September 30, 2015	December 31, 2014
Employee termination benefit provision	8,005	7,153
Unused vacation provision	3,960	3,376
Total of provision for employee benefits	11,965	10,529

In accordance with TAS 19 “Turkish Accounting Standard on Employee Benefits”; total benefit is calculated for each employee who has completed over one year of service, whose employment is terminated due to retirement or for reasons other than resignation or misconduct. The cost of providing benefits to the employees for the services rendered by them under the defined benefit plan is determined by independent actuaries annually using the projected unit credit method. All actuarial gains and losses are recognized in the income statement. According to communique numbered 28585 published in Turkish Trade Registry Gazette, as per TAS 19 actuarial gain that is recorded under shareholders’ equity amounting to TRY 272 as of September 30, 2015. (December 31,2014: TRY (154) loss)

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II. Explanations and Disclosures Related to the Liabilities: (continued)

e) Information on other provisions:

e.1) Provisions for possible losses: None.

e.2) The breakdown of the sub accounts if other provisions exceed 10% of the grand total of provisions:

	September 30, 2015	December 31, 2014
Specific provisions provided for unindemnified non cash loans	6,801	8,226
Other provisions (*)	7,441	10,336
Total	14,242	18,562

(*) Other provisions include TRY 4,931 of bonus and premium provisions for 2015, TRY 736 of the remaining provision before 2015, TRY 303 of provisions for other assets, TRY 1,471 of litigation provision. (December 31, 2014: TRY 7,500 bonus provision, TRY 772 bonus provision before 2014, TRY 1,762 of legal claim provision, TRY 302 other provisions).

9. Explanations on taxes payable:

a) Information on current tax liability:

a.1) As of September 30, 2015, remaining tax liability after prepaid taxes are netted off;

	September 30, 2015	December 31, 2014
Current Period Tax Payable	-	12,979
Prepaid Tax	(1,127)	(10,329)
Tax liability / (asset)	(1,127)	2,650

a.2) Explanations on taxes payable:

	September 30, 2015	December 31, 2014
BITT	4,117	3,828
Taxation on Securities	3,965	4,277
Payroll Tax	1,289	1,218
Property Tax	475	324
Value Added Tax Payable	84	251
Stamp Tax	41	38
Corporate Tax Payable	-	2,650
Other	27	45
Total	9,998	12,631

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II. Explanations and Disclosures Related to the Liabilities: (continued)

a.3) Information on premiums:

	September 30, 2015	December 31, 2014
Social Security Premiums-Employer	792	691
Social Security Premiums-Employee	512	446
Unemployment Insurance-Employee	69	61
Unemployment Insurance-Employer	35	30
Bank Social Aid Pension Fund Premium-Employer	-	-
Bank Social Aid Pension Fund Premium-Employee	-	-
Pension Fund Membership Fees and Provisions-Employee	-	-
Pension Fund Membership Fees and Provisions-Employer	-	-
Other	-	-
Total	1,408	1,228

b) Explanations on deferred tax liabilities, if any: None.

10. Information on Shareholders' Equity:

a) Presentation of Paid-in capital:

As of September 30, 2015 the nominal value of the Bank's capital is amounting to TRY 650,000 and consists of 6,500 million shares

000 TL	September 30, 2015	December 31, 2014
Common stock(*)	650,000	650,000
Preferred stock	-	-

(*) Nominal Capital

- b) The Bank does not apply registered share capital system.
- c) Information on share capital increases and their sources; other information on increased capital shares in the current period: Explained in a) section.
- d) Information on share capital increases from revaluation funds in the current period: None.
- e) Capital commitments in the last fiscal year and at the end of the following interim period, the general purpose of these commitments and projected resources required to meet these commitments: None.
- f) Indicators of the Bank's income, profitability and liquidity for the previous periods and possible effects of these future assumptions on the Bank's equity due to the uncertainty of these indicators:

Prior year income, profitability and liquidity of the Bank is closely monitored by the Financial Reporting Department and reported to the Board of Directors, Asset and Liability Committee. Risk Management tries to forecast the effects of interest, currency and maturity fluctuations that change these indicators with static and dynamic scenario analysis. Net asset value, which is defined as the difference of fair values of assets and liabilities, is measured. Expectations are made for Bank's future interest income via simulations of net interest income and scenario analysis.

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II. Explanations and Disclosures Related to the Liabilities: (continued)

- g) Information on preferred shares: None.
- h) Information on marketable securities value increase fund:

	September 30, 2015	December 31, 2014
Valuation Difference	(40,728)	(265)
Foreign Exchange Difference	-	-
Total	(40,728)	(265)

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III. Explanations and Disclosures Related to the Off-Balance Sheet Contingencies and Commitments

1. Information on off-balance sheet liabilities:

1. a) Nature and amount of irrevocable loan commitments:

	September 30, 2015	December 31, 2014
Loan granting commitments	60,085	48,896
Payment commitments for checks	111,797	105,800
Forward asset purchase and sales commitments	23,343	9,634
Other irrevocable commitments	4,590	10,774
Total	199,815	175,104

b) Possible losses and commitments related to off-balance sheet items including items listed below:

The Bank, within the context of banking activities, undertakes certain commitments, consisting of loan commitments, letters of guarantee, acceptance credits and letters of credit.

b.1) Non-cash loans including guarantees, acceptances, financial guarantees and other letters of credits:

	September 30, 2015	December 31, 2014
Bank acceptance loans	5,521	2,532
Letters of credit	136,314	164,711
Other guarantees and collaterals	171,787	118,364
Total	313,622	285,607

b.2) Guarantees, suretyships, and similar transactions:

	September 30, 2015	December 31, 2014
Definite letter of guarantess	1,325,923	1,240,063
Temporary letter of guarantees	312,625	306,253
Other letter of guarantees Diğer	261,106	211,400
Total	1,899,654	1,757,716

c) c.1) Total amount of non-cash loans:

	September 30, 2015	December 31, 2014
Non-cash loans given against achieving cash loans	165,993	115,212
With maturity of 1 year or less than 1 year	98,319	83,173
With maturity of more than 1 year	67,674	32,039
Other non-cash loans	2,047,283	1,928,111
Total	2,213,276	2,043,323

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IV. Explanations and Disclosures Related to the Statement of Income

1. a) Information on interest on loans:

	September 30, 2015		September 30, 2014	
	TRY	FC	TRY	FC
Interest on loans (*)				
Short term loans	155,321	8,295	158,520	12,199
Medium and long term loans	128,923	20,240	83,891	9,884
Interest on non-performing loans	3,493	-	812	-
Total	287,737	28,535	243,223	22,083

(*) Includes fees and commissions obtained from cash loans.

b) Information on interest received from banks:

	September 30, 2015		September 30, 2014	
	TRY	FC	TRY	FC
The Central Bank of Turkey	-	-	-	-
Domestic banks	176	365	80	268
Foreign banks	-	1	-	4
Branches and head office abroad	-	-	-	-
Total	176	366	80	272

c) Interest received from marketable securities portfolio:

	September 30, 2015		September 30, 2014	
	TRY	FC	TRY	FC
Trading securities	-	-	3	-
Financial assets at fair value through profit and loss	-	-	-	-
Available-for-sale securities	39,001	-	44,494	-
Held-to-maturity securities	4,378	-	5,769	-
Total	43,379	-	50,266	-

d) Information on interest income received from associates and subsidiaries:

None.

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IV. Explanations and Disclosures Related to the Statement of Income (continued)

2. a) Information on interest on funds borrowed:

Interest on funds borrowed (*)	September 30, 2015		September 30, 2014	
	TRY	FC	TRY	FC
Banks	887	2,468	1,005	2,613
The Central Bank of Turkey	-	-	-	-
Domestic banks	810	361	835	529
Foreign banks	77	2,107	170	2,084
Branches and head office abroad	-	-	-	-
Other financial institutions	-	-	-	-
Total	887	2,468	1,005	2,613

(*) Includes fees and commission expenses for borrowings.

b. Information on interest expense to associates and subsidiaries: None.

c. Information on interest expense to marketable securities issued: None.

d. Distribution of interest expense on deposits based on maturity of deposits:

Account Name	September 30, 2015							Total
	Time Deposits						Accumulating	
	Demand Deposits	Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	More than 1 Year	Deposits	
TRY								
Bank deposits	-	14	-	-	-	-	-	14
Saving deposits	-	4,240	74,765	7,311	3,771	470	-	90,557
Public sector deposits	-	72	198	46	-	-	-	316
Commercial deposits	-	9,076	45,550	4,700	2,752	5,707	-	67,785
Other deposits	-	264	5,754	2,222	-	-	-	8,240
7 days call accounts	-	-	-	-	-	-	-	-
Precious metal deposits	-	-	-	-	-	-	-	-
Total	-	13,666	126,267	14,279	6,523	6,177	-	166,912
Foreign Currency								
Foreign currency deposits	-	720	26,792	2,129	581	124	-	30,346
Bank deposits	-	152	-	-	-	-	-	152
7 days call accounts	-	-	-	-	-	-	-	-
Precious metal deposits	-	-	-	-	-	-	-	-
Total	-	872	26,792	2,129	581	124	-	30,498
Grand Total	-	14,538	153,059	16,408	7,104	6,301	-	197,410

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IV. Explanations and Disclosures Related to the Statement of Income (continued)

Account Name	September 30, 2014								
	Time Deposits							Accumulating Deposits	Total
	Demand Deposits	Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	More than 1 Year			
TRY									
Bank deposits	-	2	-	-	-	-	-	2	
Saving deposits	-	2,357	58,275	7,823	9,692	359	-	78,506	
Public sector deposits	-	-	250	-	-	-	-	250	
Commercial deposits	-	6,668	25,085	5,479	3,398	1,467	-	42,097	
Other deposits	-	33	4,312	5,043	-	-	-	9,388	
7 days call accounts	-	-	-	-	-	-	-	-	
Precious metal deposits	-	-	-	-	-	-	-	-	
Total	-	9,060	87,922	18,345	13,090	1,826	-	130,243	
Foreign Currency									
Foreign currency deposits	-	624	22,725	1,421	830	1,325	-	26,925	
Bank deposits	-	440	-	-	-	-	-	440	
7 days call accounts	-	-	-	-	-	-	-	-	
Precious metal deposits	-	-	-	-	-	-	-	-	
Total	-	1,064	22,725	1,421	830	1,325	-	27,365	
Grand Total	-	10,124	110,647	19,766	13,920	3,151	-	157,608	

3. Information on net trading income:

	September 30, 2015	September 30, 2014
Income	962,159	392,681
Gains on capital market operations	-	11
Gains on derivative financial instruments	44,074	15,247
Foreign exchange gains	918,085	377,423
Losses (-)	(963,976)	(391,400)
Losses on capital market operations	-	-
Losses on derivative financial instruments	(51,018)	(28,808)
Foreign exchange losses	(912,958)	(362,592)
Total	(1,817)	1,281

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IV. Explanations and Disclosures Related to the Statement of Income (continued)

4. Information on other operating income:

	September 30, 2015	September 30, 2014
Reversal of specific provisions (cash)	8,178	3,816
Reversal of free provisions	8,095	5,240
Reversal of unindemnified non-cash loan provision	2,021	776
Income from sales of assets	1,338	1,795
Reversal of general loan loss provisions(*)	487	7,703
Income of previous year	279	51
Provisions for communication expense collected from customers	29	9
Provisions for expenditure collected from customers	28	31
Other	998	335
Total	21,453	19,756

(*) As of September 30, 2014, TRY 7,703 comprises of reversal of general loan loss provisions due to the transition to new regulation, published on 8 October 2013 in official Gazette numbered 28789.

5. Provision for impairment of loans and other receivables:

	September 30, 2015	September 30, 2014
Specific provisions for loans and other receivables	22,943	16,389
III. Group Loans and Receivables	9,320	3,673
IV. Group Loans and Receivables	9,969	4,020
V. Group Loans and Receivables	3,654	8,696
General loan loss provision expenses	4,902	7,063
Marketable securities impairment losses	1	-
Financial assets at fair value through profit and loss	1	-
Investment securities available for sale	-	-
Impairment provision expense on investments	-	-
Associates	-	-
Subsidiaries	-	-
Jointly controlled entities	-	-
Investments held to maturity	78	-
Other	596	1,000
Total	28,520	24,452

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IV. Explanations and Disclosures Related to the Statement of Income (continued)

6. Information on other operating expenses:

	September 30, 2015	September 30, 2014
Personnel expenses	65,891	54,008
Reserve for employee termination benefits	1,278	896
Taxes and duties	3,140	2,649
Bank social aid fund deficit provision	-	-
Impairment expenses of fixed assets	-	-
Depreciation expenses of fixed assets	3,060	2,174
Impairment expenses of intangible assets	-	-
Impairment expense of goodwill	-	-
Amortization expenses of intangible assets	5,923	5,402
Impairment for investments accounted for under equity method	-	-
Impairment expenses of assets to be disposed	-	-
Depreciation expenses of assets to be disposed	457	551
Impairment expenses of assets held for sale and discontinued operations	-	-
Other operating expenses	34,838	33,059
Rent expenses	12,741	9,644
Maintenance expenses	4,486	3,953
Advertisement expenses	414	376
Other expenses(*)	17,197	19,086
Loss on sales of assets	32	159
Other(**)	13,201	4,698
Total	127,820	103,596

(*) Included in other operating expenses; vehicle expenses are TRY 3,615, communication expenses are TRY 2,588, cleaning expenses are TRY 701, non-deductible expenses are TRY 353, heating- lightening expenses are TRY 1,065, stationery expenses are TRY 506, computer usage expenses are TRY 2,261, insurance expenses are TRY 484, expertise expenses are TRY 1,197, representation expenses are TRY 710, subconductor company expenses are TRY 2,334 and other expenses are TRY 1,383 (September 30 2014; vehicle expenses are TRY 3,338, communication expenses are TRY 2,096, cleaning expenses are TRY 724, non-deductible expenses are TRY 243, heating- lightening expenses are TRY 914, stationery expenses are TRY 527, computer usage expenses are TRY 924, insurance expenses are TRY 386, other provisions are TRY 4,919, expertise expenses TRY 1,292, representation expenses are TRY 735 and other expenses are TRY 2,988).

(**) Included in other; the premiums paid to Saving Deposit Insurance Fund are TRY 1,531, assurance and financial consultancy expenses are TRY 1,765, unused vacation expenses are TRY 584, prior year foreign exchange differences are 3,048, free provision expenses are 4,981 and other expenses are TRY 1,292 (September 30, 2014: the premiums paid to Saving Deposit Insurance Fund are TRY 1,453; assurance and financial consultancy expenses TRY 1,674, unused vacation expenses are TRY 781 and other expenses are TRY 790).

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IV. Explanations and Disclosures Related to the Statement of Income (continued)

7. Information on tax provision for continued and discontinued operations:

- a) As of September 30, 2015, there is no current tax expense (September 30, 2014: TRY 10,320 current tax expense) and TRY 4,746 deferred tax expense (September 30, 2014: TRY 1,869 deferred tax income).

8. The explanations on net income / loss for the period:

- a) The nature amount of certain income and expense items from ordinary operations is disclosed if the disclosure for nature, amount and repetition rate of such items is required for the understanding of the Bank's performance for the period : None.
- b) Financial Effect of changes in accounting estimates on income statement for the current and, if any, for subsequent periods: None.
- c) Profit or loss attributable to minority shares: None.

9. If the other items in the income statement exceed 10% of the income statement total, accounts amounting to at least 20% of these items are shown below:

	September 30, 2015	September 30, 2014
<u>Other fees and commissions received</u>		
Expertise fees collected from customers	1,362	1,424
Insurance commission	672	524
Transfer commission	538	377
Cheque expenses	264	219
Information expenses	77	206
Safe-deposit commissions	59	54
Bill of credit commissions	35	24
Letter of credit commissions	9	36
Collection item commissions	8	4
Banking cards commissions and fees	4	3
Other banking operations income (*)	5,987	8,263
Total	9,015	11,134

(*) Other banking operations income includes accounts such as bank operations income, collection expenses, credit expenses.

	September 30, 2015	September 30, 2014
<u>Other fees and commissions given</u>		
Commissions given to banks	409	323
Bond exchange transaction fee	280	262
EFT commissions	204	183
Money transfer commission	131	95
Banking card commissions	36	43
Settlement and custody commission	28	69
ATM commissions	9	7
Other	81	49
Total	1,178	1,031

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VII. Explanations on the Risk Group of the Bank

1. Volume of related party transactions, income and expense amounts involved and outstanding loan and deposit balances:

a) September 30, 2015:

Risk Group of The Bank	Subsidiaries, associates and jointly controlled entities		Direct and indirect shareholders of the Bank		Other entities included in the risk group	
	Cash	Non-cash	Cash	Non-cash	Cash	Non-cash
Loans and other receivables						
Balance at beginning of period	-	-	99	85	23	11,151
Balance at end of period	-	-	120	872	2,545	18,366
Interest and commission income	-	-	-	8	-	42

Included in the balances above, balance at the end of period at direct and indirect shareholders cash column contain foreign bank accounts amounting to TRY 120.

b) December 31, 2014:

Risk Group of The Bank	Subsidiaries, associates and jointly controlled entities		Direct and indirect shareholders of the Bank		Other entities included in the risk group	
	Cash	Non-cash	Cash	Non-cash	Cash	Non-cash
Loans and other receivables						
Balance at beginning of period	-	-	73	3,211	23	11,151
Balance at end of period	-	-	99	85	-	15,913
Interest and commission income	-	-	-	17	83	76

Included in the balances above, balance at the end of period at direct and indirect shareholders cash column contains foreign bank accounts amounting to TRY 99.

c.1) Information on related party deposits balances:

Risk Group of The Bank	Subsidiaries, associates and jointly controlled entities		Direct and indirect shareholders of the Bank		Other entities included in the risk group	
	September 30, 2015	December 31, 2014	September 30, 2015	December 31, 2014	September 30, 2015	December 31, 2014
Deposits						
Balance at beginning of period	-	-	730	969	89,693	33,545
Balance at end of period	-	-	628	730	69,760	89,693
Interest on deposits (*)	-	-	-	-	7,698	3,415

(*) Interest income on deposits represents September 30, 2014.

In addition, the Bank has "Funds Borrowed" at an amount of TRY 62,807 used from risk group of the Bank (December 31, 2014: TRY 302) and TRY 686 (September 30, 2014: TRY 1,497) interest expense was incurred from funds borrowed in 2015.

c.2) Information on forward and option agreements and other similar agreements made with related parties:
None.

d) As of September 30, 2015, the total amount of remuneration and benefits provided to the senior management of the Bank is TRY 9,466 (September 30, 2014: TRY 7,855).

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VII. Explanations on the Risk Group of the Bank (continued)

2. Disclosures for related parties:

- a) The relations of the Bank with the entities controlled by the Bank and its related parties, regardless of whether there are any transactions or not:

In the normal course of its banking activities, the Bank conducted various commercial transactions with related parties.

- b) Besides the structure of relationship, nature of the transaction, amount and ratio to the total volume of transactions, amount of major items and ratio to all items, pricing policies and other factors:

	Amount	% Compared to the Amounts in the Financial Statements
Cash loans	2,545	0.06
Banks and other receivables	120	0.04
Non-cash loans	19,238	0.81
Deposits	70,388	1.68
Borrowings	62,807	34.59

These transactions are priced in accordance with the general pricing policies of the Bank.

- c) In cases whereby separate disclosure is not necessary, the total of similar items in order to present the total impact on the financial statements: Explained in b).
- d) Transactions accounted under the equity method: None.
- e) Disclosures related to purchase and sale of real estate and other assets, services given/received, agency contracts, leasing contracts, transferring information as a result of research and development, license contracts, financing (including supports in the form of loans, capital in cash and capital in kind), guarantees, and management contracts:

Within the limits of the Banking Law, the Bank renders cash and non-cash loans to its related parties and the ratio of these to the Bank's total cash and non-cash loan portfolio is 0.33%. Details of these loans are explained in 1a above.

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VIII. Explanations on the Bank's domestic branches, agencies and branches abroad and off- shore branches

1. Explanations on the Bank's domestic branches, agencies and branches abroad and off- shore branches:

	Number	Employees			
Domestic branches	34	661			
			Country		
Rep-offices abroad	-	-	-		
				Total Assets	Capital
Branches abroad	-	-	-	-	-
Off-shore branches	-	-	-	-	-

2. Explanations on Branch and Agency Openings or Closings of the Bank:

None.

IX. Explanations and disclosures related to subsequent events:

None.

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SECTION SIX

OTHER EXPLANATIONS

I. Other Explanations on the Operations of the Bank:

The Bank is not required to prepare consolidated financial statements as per the decree of "Preparation of financial statements of the Bank" published in the official gazette dated November 8, 2006 numbered 26340.

SECTION SEVEN

INDEPENDENT AUDITOR'S REVIEW REPORT

I. Explanations on the Independent Auditor's Review Report:

The unconsolidated financial statements of the Bank for the period ended September 30, 2015 have been reviewed by Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (A member firm of Ernst&Young Global Limited).

The independent auditor's limited review report dated November 10, 2015 is presented preceding the unconsolidated financial statements.

II. Other Footnotes and Explanations Prepared by Independent Auditors:

None.