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OUR VISION

To help build individual and commercial financial plans that will catalyze Turkey's success

OUR MISSION

To forge a lifelong partnership with all our stakeholders by understanding their needs, finding the right solutions and aiming for maximum customer satisfaction

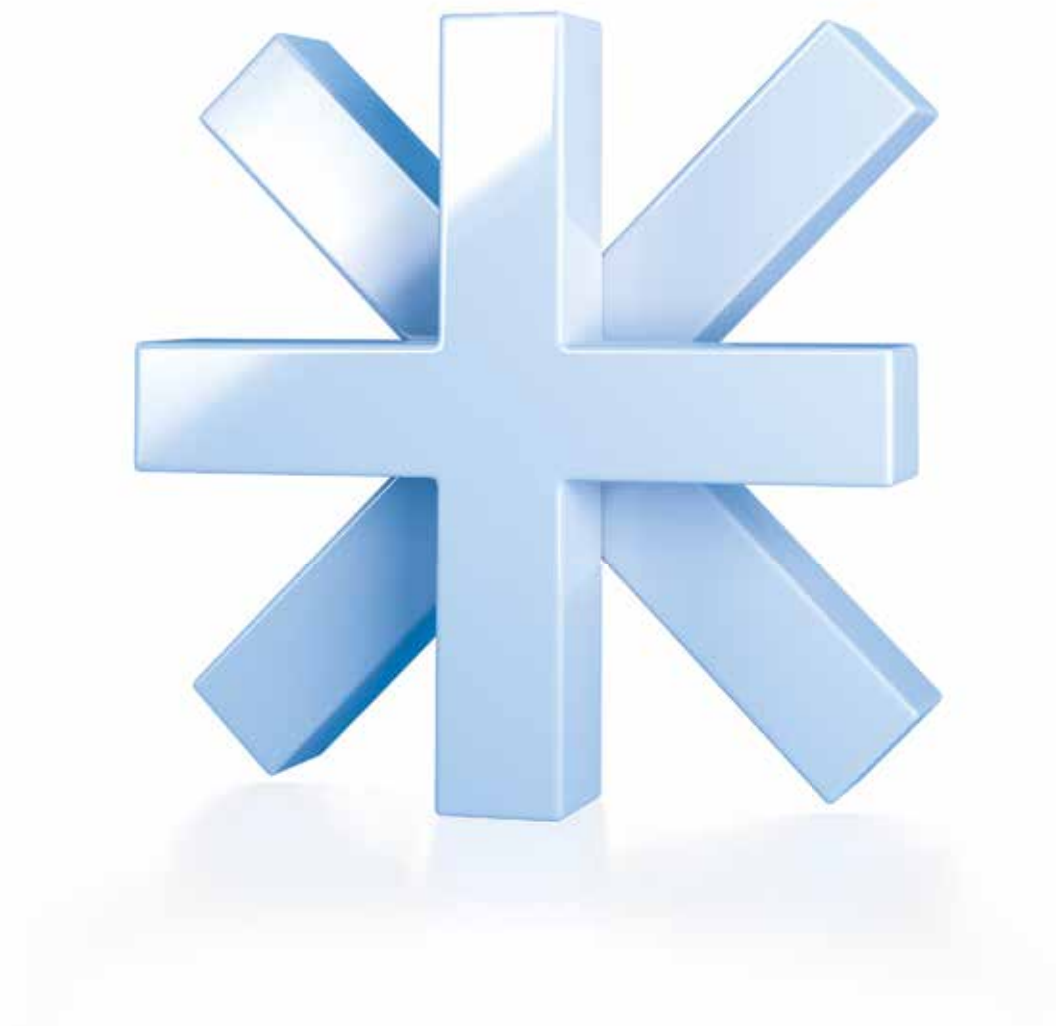
OUR VALUES

Respect and Commitment

Being "Us"

Innovation

Leadership



MESSAGE FROM THE CHAIRMAN

2015 has been a year when we proved our prowess to succeed by combining targets and drive, even under fluctuating and strenuous market conditions.

Dear Shareholders,

2015, a year of difficult times both at home and worldwide, is behind us.

The US economy, the largest of the world, maintained its moderate course, paving the way for FED to announce at yearend the long-awaited rise in interest rates. Meanwhile, increasing stress in the Chinese economy, which has been in recession for a while, has become a formidable threat globally. Resulting drop in oil prices led to increased income loss for oil-exporting countries. The Russian economy, one of the most affected countries of such conditions on top of the already existing economic sanctions, further continued to weaken.

For Turkey, 2015 has been a year dominated more by politics than by economic developments. Turkey's risk assessment suffered dearly from ensuing political uncertainty as no

government was formed after the June elections which led to a re-run in November. In addition, security concerns, off the country's agenda for a long time, once again became a source of affliction. As a result, the Turkish lira was among the weakest currencies of emerging countries. Further, bond yields, in single digits since the second quarter of 2014, rose to double-digit levels once again. Falling commodity prices, with oil prices in the lead, proved positive for Turkey in terms of external balance. Despite this fall, however, the projected disinflation failed to materialize.

With 8.8% inflation at yearend 2015, we anticipate an approximate growth rate of 4%, and a current account deficit that is below 5% of GDP.

Finansbank has reached its targets despite challenging macroeconomic conditions. Total loans rose by 14% and reached TL 57,273 million. As a result

of the positive impact of the strategic shift in the portfolio to business loans, our net income came at TL 706 million.

2015 has been a year when "Finansçı"s proved their prowess to succeed by combining targets and drive, even under fluctuating and strenuous market conditions. It was also a time of major milestones laid in Finansbank's history.

We brought together physically in Kristal Kule, a recent İstanbul landmark, departments that function in eight different locations. This resulted in bolstered synergy and motivation as a group.

We established the "Minik Eller Büyük Hayaller" developmental platform for children, tomorrow's creative leaders, and organized activities all over the country to infuse them with innovation, and creative and analytical thinking, qualities engrained in genes of "Finansçı"s.



Undoubtedly the most significant development for Finansbank was the agreement of National Bank of Greece (NBG), our 99.8% principal shareholder, with Qatar National Bank (QNB) regarding sales of shares, in full, of the Bank and its participations for EUR 2.75 billion. Transfer of shares will take place following approval of relevant bodies.

NBG, which became our partner in August 2006, has provided Finansbank with both capital support and important input regarding corporate governance, in the past nine years. In this period our assets surged 4.8 times, our net loans 6.0 times, our customer deposits 5.0 times and our shareholders' equity 4.3 times.

Part of the reason behind this success was the maintenance of independence of Finansbank during NBG's ownership, both in terms of management and brand. However, the lion's share befalls the "Finansçı"s,

with their ample competence, industriousness and model ethical values. Following approval of regulatory and supervisory bodies, we will be even stronger with Qatar National Bank's support.

As of yearend 2015 our assets, customer deposits and shareholders' equity reached TL 85,727 million, TL 47,009 million and TL 9,024 million, respectively. We uphold our target of helping build every retail and commercial financial plan that will contribute to Turkey's economic development.

As "Finansçı"s we shall continue to follow the same strategy in 2016 when the economy will very likely be shaped by macroeconomic policy decisions, which will dictate both loan growth and loan composition.

Being well aware of the responsibility of lending support to economic growth and its sustainability,

we will continue to prioritize the manufacturing sector. In order to contribute to Turkey's export-based growth, we target a growth rate resembling that of the sector in retail loans, but aim to deliver above sector growth in business loans, similar to that we have achieved since 2012.

On behalf of the Board and myself, I would like to thank our shareholders, all "Finansçı"s, business partners and trusting customers.

Respectfully,

Ömer A. Aras
Chairman and Group CEO

MESSAGE FROM THE GENERAL MANAGER

We are aware of our responsibility of contributing to economic development and thus continue to implement strategies that advance manufacturing and production side of the economy.

Esteemed Shareholders and Board Members,

We have navigated through a year wrought with economic uncertainty of a global scale that has led to fluctuations worldwide and at home.

While the FED was able to eradicate uncertainty by announcing an interest-rate hike in the last months of the year, the adverse developments over the Chinese economy resulted in increased concerns. Meanwhile, elections were re-held in Turkey on November 1 since no government was established after the June elections. Despite a strong government being formed after the November elections, 2015 as a whole was marred with political ambivalence.

In a period when ambiguity ensued both globally and at home, we were able to raise our bar due to our prudent actions. We closely followed macroeconomic conditions and combined our "Finansçı" approach with the requirements dictated by ever-changing conditions. We were able to achieve significant accomplishments on some key areas, such as the surge in customer deposits, which is well-documented in the balance sheet.

As of December, 2015, Finansbank's net loans increased by 14% compared

to 2014 and reached TL 57,273 million. Net interest income rose by 28% for the same period and reached TL 3,947 million. Our net income equaled TL 706 million. Our shareholders equity reached TL 9,024 million, marking a 5% year-on-year increase. As Finansbank, we have expanded our customer deposit base by 16%, and exceeded TL 47 billion in 2015.

In 2015, we experienced the advantages of increased efficiency in reaching targets. The motivation resulting from physical consolidation of all divisions by relocating en masse in Kristal Kule, also proved crucial to increased efficiency.

We brought to life many innovative practices that set the trend for the banking sector during 2015.

Our ongoing contribution to the Turkish economy continued with financial support and consulting services we provide to SMEs, the powerhouses of the country.

We acquired a EUR 20 million loan with 10-year maturity from Proparco (Societe de Promotion et de Participation pour la Cooperation Economique S.A.), a French Development Bank private enterprise. The loan was used to finance SMEs in agriculture. Another loan came in the

form of a EUR 50 million facility with 10-year maturity from EIB (European Investment Bank) with Turkish Treasury bills submitted as collateral, which was used for financing commercial enterprises as well as SMEs.

In addition to offering significant advantages to SMEs, we moved the "Geleceğin Patronları" (Future Bosses) program, established to support start-up companies, up to the next level by the competition we organized for the third time.

We continued to provide financial support to SMEs in their foreign trade transactions in 2015, which rate among the most important growth factors. A syndicated loan in the amount of a total of USD 99.5 million and EUR 376 million offered by a consortium of 26 banks, was used to finance foreign trade. This loan highlighted once again our reliability and prestige in the international arena in addition to our flourishing services and strength.

Another significant achievement of 2015 was the Board resolution regarding the purchase of PSA Finance Inc. in order to offer consumer finance services. To this end a share purchase agreement was signed between Finansbank and Banque PSA



Finance, PSA Financial Holding B.V., Peugeot Finance International N.V., Marcin Bartosz Kruczkowski and BPF Marketing and Agency Services Inc.

Finansbank raised a total of USD 280 million from IFC, EBRD, Standard Chartered Bank, Wells Fargo Bank NA for 5 years in September 2015, under its Diversified Payment Rights (DPR) securitization program.

In 2015, Finansbank's achievements continued to be recognized internationally.

In the 2015 Bonds & Loans Turkey Awards, considered to be the Oscars of the finance world, Finansbank ranked first in three categories and won a total of nine awards in four categories. The awards came in recognition of financial support in the amount of USD 2.1 billion to thirty three projects in 2014 and financial support in the amount of USD 1.8 billion to thirty seven projects in 2015.

We were generously rewarded for our efforts regarding careers of our employees. We were awarded and commended by ATD (The Association for Talent Development), the institution for development of employee talent in companies, for our "Career Architecture" practice. Thus we have

been the sole Turkish company to win the "Proficiency in Application" award.

In addition, Enpara.com has been a source of pride when it ranked, with the "Killanan Adam" (the Doubter) campaign, second place in the Banking and Card Payment Systems category of Effie Awards 2015.

The epitome of all these accomplishments was our social responsibility activities. We set up the "Minik Eller Büyük Hayaller" (Little Hands Big Dreams) social development platform whereby we established a link between our past social activities and our focus on children.

Projects that fall under this category and make us proud are theater plays and shows such as Sezuş'un Hikayeleri (Sezuş' Stories) and Madagaskar Live; the interactive application "Harika Matematik" (Amazing Math) aimed at development of analytical thinking; and the "Minik Parmaklar Geleceği Programlıyor" (Small Fingers Programming the Future) project, aimed at developing children's coding skills and realized with the cooperation of Microsoft and Habitat.

We welcome 2016 with the anticipation that Qatar National Bank (QNB) will be Finansbank's principal shareholder

pending approval of relevant bodies. This will support our successful strategies, trend setting innovative practices and our people focused "Finansçı" approach.

As "Finansçı"s, we are aware of our responsibility of contributing to economic development and thus continue to implement strategies that advance manufacturing and production side of the economy.

In 2016 and the years to come, we will continue to outperform the intense competition by offering the best customer experience at the time and the channel of preference of the customer with the most favorable cost structure, and increase the value-added we create for our country and our stakeholders.

I offer my gratitude to all customers, employees, shareholders and business partners who have accompanied us in our efforts.

Respectfully,

Temel Güzeloğlu
General Manager

FINANCIAL HIGHLIGHTS AND OWNERSHIP STRUCTURE

Our loans and deposits increased 14% and 16%, respectively, in 2015.

Revenues (TL million)					
	2011	2012	2013	2014	2015
Net Interest Income	2,225	2,877	3,163	3,088	3,947
Net Fee and Commission Income	801	1,029	1,032	1,334	1,314
Other Operating Expenses	1,574	1,796	2,294	2,334	2,737
Operating Profit before Tax	1,120	1,170	938	1,142	903
Income Tax Provision (-)	272	266	203	265	197
Net Profit	848	904	734	877	706

Balance Sheet (TL million)					
	2011	2012	2013	2014	2015
Total Loans	30,838	36,793	42,910	50,344	57,273
Marketable Securities	6,949	7,310	8,731	9,165	9,197
Total Assets	46,199	54,402	66,010	75,206	85,727
Customer Deposits	28,989	31,874	36,980	40,652	47,009
Shareholders' Equity	5,696	7,290	7,648	8,574	9,024

Ownership Structure		
	Paid in Capital (TL thousand)	Share (%)
National Bank of Greece S.A.	2,466,847	82.23
NBG Finance (Dollar) PLC	290,382	9.68
NBGI Holdings B.V.	237,000	7.90
Publicly Traded	5,771	0.19
Total	3,000,000	100.00

INDEPENDENT AUDITOR'S REPORT ON THE ANNUAL REPORT OF THE BOARD OF DIRECTORS

(Convenience translation of a report originally issued in Turkish)

To the Board of Directors of
Finansbank A.Ş.

Report on the Audit of the Annual Report of the Board of Directors in Accordance with the Independent Auditing Standards

We have audited the annual report of Finansbank A.Ş. ("the Bank") and its consolidated subsidiaries (together will be referred as "the Group") as at December 31, 2015.

Responsibility of the Bank's Board of Directors

In accordance with Article 514 of the Turkish Commercial Code (TCC) no.6102 and communique on 'Principles and procedures set out by the regulations on preparation and issuance of annual reports of Banks' published in official gazette no.26333 dated November 1, 2006, the Bank management is responsible for the preparation and fair presentation of annual report consistent with the consolidated and unconsolidated financial statements prepared in accordance with the "Regulation on Accounting Applications for Banks and Safeguarding of Documents" published in the Official Gazette no.26333 dated November 1, 2006 and other regulations on accounting records of Banks published by Banking Regulation and Supervision Agency (BRSA), circulars, interpretations published by BRSA and the provisions of Turkish Accounting Standards for the matters which are not regulated by these regulation; "BRSA Accounting and Reporting

Legislation" ("consolidated and unconsolidated financial statements") and for the internal control considered for the preparation of a report of such quality.

Independent Auditor's Responsibility

Our responsibility is to express an opinion based on the independent audit we performed on the Bank's annual report, in accordance with the Article 397 of TCC and "Communique on Independent Audit of Banks" published in the Official Gazette no.29314 dated April 2, 2015 on whether the financial information provided in this annual report is presented fairly and consistent with the Bank's consolidated and unconsolidated financial statements there on which auditor's report dated February 19, 2016 has been issued.

We conducted our audit in accordance Independent Standards of Auditing ("ISA") which is a part of Turkish Auditing Standards promulgated by the Public Oversight Accounting and Auditing Standards Authority ("POA"). These standards require compliance with ethical requirements the independent audit to be planned and performed to obtain reasonable assurance on whether the financial information provided in the annual report is free from material misstatement and consistent with the consolidated and unconsolidated financial statements.

An independent audit involves performing audit procedures to obtain audit evidence about the historical financial information. The procedures selected depend on the independent auditor's professional judgment.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial information provided in the annual report of the Board of Directors is presented fairly and consistent with the audited consolidated and unconsolidated financial statements in all material respects.

Report on Other Responsibilities Arising from Regulatory Requirements

In accordance with paragraph 3 of Article 402 of the Turkish Commercial Code, within the framework of the Independent Auditing Standards 570 "Going Concern", no material uncertainty has come to our attention to be disclosed which causes us to believe that the Bank will not be able to continue as a going concern in the foreseeable future.

GÜNEY BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK ANONİM ŞİRKETİ

A MEMBER FIRM OF **ERNST & YOUNG GLOBAL LIMITED**

İstanbul, March 1, 2016



Damla Harman, SMMM
Partner

CORPORATE AND COMMERCIAL BANKING

Corporate and commercial banking experienced a faster growth compared to other segments.

Finansbank Corporate Banking serves leading domestic conglomerates, holding companies and multinational companies operating in Turkey. Its network comprises four corporate branches located in İstanbul and Ankara as well as regional representative offices in Bursa, İzmir, Antalya and Adana.

Finansbank Commercial Banking serves commercial firms through its sixteen Regional Directorates and sixty branches with a total of two hundred account officers.

Corporate and Commercial Banking aims to be the primary bank of its clients. To this end the Department employs a customer-oriented approach, tailor-made solutions, and a long-lasting collaboration strategy.

In accordance with Finansbank's strategy of growing in the corporate and commercial businesses segment in addition to its vision to help build individual and commercial financial

plans that will catalyze Turkey's success, Corporate and Commercial Banking grew its cash loans by 23.2% in 2015 which is parallel to the growth of the sector.

Corporate and Commercial Banking also meets the banking needs of clients other than loans rapidly via its strong technological infrastructure, wide range of products, effective operations and qualified human resources. In addition, it creates value added for clients' supply chain, also servicing to customers' partners, employees, dealers and suppliers, in collaboration with other business lines.

Project and Structured Finance

In 2015, the Finansbank Project and Structured Finance Group (PSFG) continued to finance projects contributing to the development of the Turkish economy. Moreover, thanks to its experience and well-established relationships in the market, PSFG

continued to take part in the financing of large-scale projects as the lead arranger in various Club and Syndicated Loans together with local and international financial institutions.

Finansbank took part in the financing of the major projects in some of the most important sectors of the Turkish economy, such as infrastructure and real estate, and played an active role in the financing of Integrated Healthcare Campus Projects carried out under the Public-Private Partnership Model. The Group provides support to investors regarding technical and feasibility analysis, documentation of local as well as international transactions in line with international standards, and coordination/administration consultancy of the funding for major projects. Additionally, since 2013, the Commercial Banking Project Finance Unit has brought a new approach to the Commercial Segment, with its on-site specialists working directly at the client's premises, allowing for tailor-

Finansbank took part in the financing of the major projects in some of the most important sectors of the Turkish economy, such as infrastructure and real estate.

made solutions and advisory services.

Finansbank PSFG differentiates itself with its specialized team continuously following the dynamics and needs of various sectors; its experience based on technical, financial and legal analysis; and the tailor-made solutions and consultancy services it provides both during the investment period and until the end of loan maturity.

In 2015, Finansbank Commercial and Corporate Banking granted USD 1.78 billion of loans to thirty seven projects, particularly in real estate, energy, infrastructure and Public-Private Partnership sectors.

The Group has continued to provide services via three different channels; "Real Estate, Infrastructure, M&A Finance", "Energy, PPP, Privatization Finance" and "Commercial Banking Project Finance". The Group continued to offer its specialized and rapid services in structured deals.

Infrastructure Finance

Infrastructure projects continued to be of significance in 2015. The financing of the Gebze-İzmir Motorway Project, which started in 2013 and continued throughout 2014, was completed in 2015. Acting as Mandated Lead Arranger in all phases, Finansbank's participation in the project has reached USD 551 million. Gebze-İzmir Motorway Project was awarded the "Best Transport Infrastructure Deal in Central and Eastern Europe" in 2014 by the leading finance magazine EMEA Finance, the "Best Project Finance Deal" and the "Best Syndicated Loan of 2015" by Bonds & Loans Turkey.

PSFG also participated in the New Istanbul Airport, one of Turkey's most important projects. Finansbank was one of the mandated lead arrangers that completed phase 1 financing. A total of EUR 4,480 million was provided by six Turkish Banks including Finansbank. The project is expected to be one of the largest

airport and infrastructure projects in the world. The passenger capacity of the airport is expected to be 90 million at the end of phase 1 and is expected to reach 150 million when all four phases are completed.

Public-Private Partnerships (PPP)

Since the beginning of the initial tender processes of PPP projects that brought a new dimension to the healthcare sector, Finansbank worked closely with both public and private sector representatives involved in the projects. Finansbank played an active role in the structuring and documentation of these investments. Moreover, Finansbank acted as the coordinator bank and facility and security agent in the Kayseri Integrated Health Campus Project, the first tendered PPP project. The project has a bed capacity of 1,583 with an investment amount of approximately EUR 415 million. Finansbank also acted as mandated lead arranger in the Bilkent Integrated Health Campus

Finansbank Cash Management and Trade Finance Unit continued to operate as one of the strongest players in the sector during 2015.

Project, the biggest healthcare campus in Europe with a bed capacity of 3,804 and an investment amount of approximately EUR 1.2 billion.

In line with the targets of the Turkish economy, Finansbank will continue to follow closely the projects in infrastructure, construction, real estate and energy sectors, including city hospital projects to be carried out under the PPP model. Finansbank is committed to provide timely, effective and versatile solutions to its customers and to become the most preferred bank in Turkey in Project Finance.

Cash Management and Trade Finance (CMTF)

Finansbank Cash Management and Trade Finance Unit continued to operate as one of the strongest players in the sector during 2015 by providing solutions to meet all types of payment and collection needs of customers, supported with its strong technological infrastructure and expert staff.

Volume of payment cheques has grown by 11% with market share increasing to 7.4%; while cheque volumes rose by 12% on the collection side with the market share reaching 4.6%. In 2015, the Unit has focused on activation of inactive dealers and

volume growth rather than increasing the number of dealers. As a result of the efforts focused on the Direct Debit System (DDS) service, the average volume has increased 17%.

Within the scope of bill collection and legal payments, services are provided through branches and alternative distribution channels in all provinces across Turkey. Corporate system integration and reconciliation processes have been achieved in a fast and accurate way, enabling Finansbank to work with close to 500 institutions via online and offline systems.

Trade finance was another important area where Finansbank CMTF Unit focused in 2015. In line with our goal to increase our customer potential in traditional trade finance products, our long term strategy is to introduce new and proven products to the sector, invest in infrastructure and technology, and create an image of "Expert Bank in Trade Finance". Under this strategy, the most featured products in 2015 were Trade Finance Self-Service Internet Banking and BPO (Bank Payment Obligation).

Our subsidiary, eFinans, established in 2013, continues to act as a major player. It has an important role in Turkey's e-transformation, adding

e-Archive and REM (Registered Electronic Mail) services in addition to its existing e-Invoice and e-Ledger products. eFinans has identified its main strategy to be offering faster, higher quality and efficient services to customers and developing integrated solutions with the Bank. One of the main priorities in 2016 will be to serve an increased number of firms required to use e-invoice, to generate innovative solutions, and to provide infrastructural support. In addition, organizational support to customers in all kinds of improvements for e-commerce and e-transformation remains a constant priority.

Finansbank launched a new type of loan in 2014, another proof of the innovative perspective of the Bank. The "e-invoice Guaranteed Loan (e-loan)" enables customers to finance their cash flows by pledging their receivable e-invoices. The strategy involving the first and only loan of its kind in the sector, aims to serve all Bank customers and meet their financial needs by managing their cash flows with "e-loan".

CMTF, aims to become customers' main Bank through standard solutions and customer specific projects. In 2016 it will continue to fund commercial activities with high value-added products and services.

SME AND AGRICULTURAL BANKING

Finansbank continued to support the SMEs and agribusinesses.

SME and Agricultural Banking consists of three different business lines: Medium Size Enterprises, Small Size Enterprises (Micro) and Agricultural Banking. Companies with annual revenues up to TL 2 million are administered under the Small Size Enterprises Unit, while those between 2 to TL 20 million are under the Medium Size Enterprises' portfolio.

In Total, Finansbank SME and Agricultural Banking has 1,453 personnel, 598 branches and 16 Regional Offices. In 2015, Finansbank's SME lending volume increased by 22%, parallel to the average growth in the sector. By providing financial support to a segment considered as the backbone of the economy, Finansbank became a strategic business partner for SMEs.

Finansbank's SME lending reached TL 19.5 billion, while maintaining market share at 5%. SME loans comprised 32% of Finansbank's total loan portfolio at the end of 2015.

SME Banking

Finansbank continued to support the SMEs, staunchly believing in the added value that SMEs provide to the economy.

For the last three years and with the guarantee of European Investment Bank (EIB), Finansbank has been supporting SMEs that are younger than three years with its entrepreneurship support program. In addition, Finansbank has been supporting the SMEs in middle and eastern Anatolia with a USD 100 million fund provided by EBRD. Another EBRD fund of EUR 50 million was used to support women entrepreneurs.

Finansbank aims to provide its customers services that go beyond mere numbers. Therefore it offers a wide range of products to SMEs with an eye to place itself in their cash flows, in order for them to achieve sustainable cycles of profitability.

Finansbank's main strategy in SME Banking is providing rapid and tailor-made solutions to meet customers' financial needs in addition to operational convenience. In line with such strategy, it has continued in 2015 to serve SMEs above and beyond their expectations by differentiating its products according to the financial and budget needs of customers, with respect to items such as maturity, repayment and collateral.

In 2015, Finansbank, with its wide array of products from loans to cash flow, from deposits to various foreign trade instruments, has carried out important projects geared toward SMEs, all the while keeping intact its sense of innovation and understanding of high-quality service.

Finansbank had introduced "SME Cloud Corporate Call Center" in 2014 in order to strengthen its infrastructure for user-friendly, rapid and high-quality service addressing its customers' payment and cash collection needs.

Finansbank's main strategy in SME Banking is providing rapid and tailor-made solutions to meet customers' financial needs in addition to operational convenience.

In 2015 it has widened the scope of services provided through this channel and accomplished to be as close to its customers as just a phone call. Finansbank has thus revealed its distinctive quality of service by enabling its customers to proceed with their banking transactions without leaving their office.

In order to assist the future entrepreneurs as well as establish the foundations of a sound entrepreneurial environment, Finansbank has organized the 3rd Future Bosses Contest, bringing together the entrepreneurs as well as the investors. Finansbank, with its focus on support of the entrepreneurial spirit continues to display its distinctive vision in 2015.

Finansbank has restructured all of its Corporate Internet Banking branches under the umbrella, the SME Internet Branch, in order to respond to the needs of non-retail customers more effectively. This innovative service channel has allowed Finansbank to be able to offer loans to its SME customers more easily and faster. Since 2014 Finansbank facilitates construct-and-sell and urban regeneration projects. In 2015 Finansbank continued to offer Real Estate Project Finance, in addition to counseling and professional modeling

regarding finance in each project, as well as providing flexible collateral and payment terms.

As far as foreign trade is concerned, Finansbank provides fast and innovative products considering the customers' needs. In addition to export loans to cover the customers' cash shortages, it assists the SMEs that wish to benefit from Central Bank Rediscount Loans and Eximbank Loans.

Finansbank also has solutions to the probable risks customers may face in international trade. Finansbank provides alternative financing to the firms with Short Term Export Loan Insurance signed between Turkish Eximbank and the exporting companies. This product could be used as collateral guarantee for those customers who wish to utilize cash and non-cash Loans.

SME Banking Department has foreign trade experts in both HQ and the Regional units, in order to be able to serve customers in their vicinity. These experts assist by phone or in person in visits, in all foreign trade related questions and problems that customers might face. Besides, thanks to Finansbank's long-lasting relationships with its strong and diverse corresponding bank network, the Department is able to respond

to customers who wish to engage in foreign trade worldwide. Our foreign trade experts assist customers by phone and visits in order to consult with them, armed with the correct products and services for addressing the need.

Finansbank's 2015 SME Banking performance are provided below, in two separate categories of Small Enterprises and Medium Enterprises:

SME Banking Small Enterprises cash loans reached TL 8.9 billion, growing 24%. Total deposits reached TL 2.4 billion, continuing to bolster the Bank's deposit base.

SME Banking Medium Enterprises cash loans reached TL 9.1 billion, growing 20%. The total amount of demand deposits reached TL 2.5 billion TL.

In 2015, Finansbank's premium production rose to TL 206 million as a result of special insurance products and insurance solutions to customers. The efficiency of premium management by the SME Banking Insurance Management Unit resulted in an 82% annual increase.

Finansbank products and services that provide a competitive edge are summarized below:

- SME customers can apply for a

SME Banking Small Enterprises cash loans reached TL 8.9 billion, growing 24%.

loan of up to TL 150,000 through SME Internet Banking quickly and easily with a single click.

- "SME Money-in-the-Pocket" service enables small business owners to apply for a loan of up to TL 50,000 via SMS messages, and learn the outcome on the same day.
- "KOBİ Plus" offers an extension of the maturity of customers' installment loans, while the monthly payments remain unchanged.
- "KOBİ Loca", the loyalty program for SMEs, rewards "valuable" customers and encourages the "loyal" customers to extend and strengthen their banking relations.
- "Dynamic Loan" allows the customer to adjust their credit limits through collateralized checks, cash or POS receivables, in less than an hour.
- "SME Cash Account" allows withdrawal of cash from all Finansbank branches and Finansbank or Single Point ATMs, while also enabling the payment of bills, checks, taxes, social security, loan and credit card balances, even in the absence of sufficient funds in the customer's account.
- "Salary Loan" allows SMEs to make salary payments in the absence of sufficient funds in their accounts.

• "Self Service" menu via Corporate Online Banking provides better exchange rates in foreign trade transactions.

- "Foreign Trade Hotline" for foreign trade transactions (0216 524 4545) and facility for messaging directly with the Bank.

Agricultural Banking

With a strong belief in the strategic importance of the agricultural sector, Finansbank completed its Agricultural Banking organization in 2013 and provided services to its customers with 155 personnel in 133 branches in 2015. Finansbank Agricultural Banking diversifies its services by agricultural activities and the regions where activities are being carried out. As a result, Finansbank Agricultural Banking increased its credit balance over TL 1.7 billion and achieved a growth level of 57% in 2015.

Finansbank aims to support modernization processes and help businesses reach economies of scale in agriculture. Therefore, it offers favorable payment terms and up to 10 years maturity on investment loans. Finansbank also mediates Instrument for Pre-Accession Assistance- Rural Development (IPARD) projects and offers other loans composed of EIB funds,

created to support capitalization and agricultural mechanization needs of agrobusinesses.

Finansbank aims to establish long term relationship with its customers. "Farmers' Cash" is a flexible loan product whereby its payment dates can be determined by the customer without hindering its social security and invoice payments.

Finansbank Agricultural Banking also supports certified agricultural production which increases product quality and provides high-quality food to consumers. In this context, organic farming activities are supported with favorable rates and payment periods.

Finansbank Agricultural Banking unit has started a countrywide financial literacy project as a social responsibility activity in cooperation with EFSE and the Frankfurt School. Farmers from different locations has been informed about efficient use of financial tools, income and expense management and assessment of savings.

In 2016, Finansbank will continue to contribute to the growth of the agricultural sector through its products and services, while growing in line with its targets and keep on allocating resources thereto.

RETAIL BANKING

In line with its strategy, Finansbank ended the year with 642 branches.

In line with its strategy, Finansbank ended the year with 642 branches. Furthermore, 27 existing branches were moved to more appropriate locations. Finansbank's new branch model introduced in 2011 became active in 433 branches by the end of 2015.

Retail Loans

For general purpose and overdraft loans, 2015 was a year when, in order to meet urgent cash needs of customers in a quick and convenient way, structural improvements were prioritized and new products were launched especially on Internet and mobile banking.

Similar to the previous year, Finansbank Retail Banking continued to make attractive loan offers to public employees, salary tie-up and retired customers. Finansbank's market share in consumer loans reached 5.6%.

Finansbank maintained its competitive position in the housing loans segment due to its pricing strategy and held

a market share of 3.8%. In addition, a new deal regarding channeling of new mortgage customers from other than real estate agencies, has been signed with a consultancy firm.

Mass Banking

A school tuition payment system agreement covering the academic semesters between September 2013 and June 2017 has been signed between Finansbank and Doğa College, the leading private school in Turkey. Finansbank has realized the largest customer acquisition with this project in the field of school tuition payment systems and has become one of the leading banks in the sector. In 2015, school tuition payment system agreements have been made with many other private schools operating in Turkey.

Thanks to the recent developments in salary payments and sound synergies established with profit centers, a 6% increase was achieved in the number of companies making salary payments via Finansbank, while the total amount paid increased 14%.

Finansbank also offers special services for pensioners. For as long as retirees get their salaries from Finansbank, they are provided priority banking at branch counters, free out-of-network ATM usage and do not pay account maintenance fees. Besides, no fee is charged for the online wire transfers. Finansbank also offers general purpose loans up to 10 times of the customers' monthly retirement salary.

In 2015, new products were added to the range of insurance and pension products, customized to different customer segments. Cancer protection life insurance, traditional personal accident insurance with assistance services, housewife pension plan and youth pension plan are the most remarkable new additions.

PRIVATE BANKING AND HIGH INCOME SEGMENT

Finansbank continued to offer alternative products to its customers for utilizing their savings.

Deposits Product Management and Gold Banking

In 2015, Finansbank continued to offer alternative products to its customers for utilizing their savings such as bank bonds in addition to the existing standard time deposits, products with both demand and time deposit specifications and other saving accounts.

"Saving Account", which provides interest income while offering the comfort of a demand deposit account, has posted a 12% increase in volume. "Payroll Account", a 366-day term account, whereby the monthly interest accrual is deposited similar to a salary payment, offers the advantages of a long term deposit rate while being able to withdraw the interest on monthly basis. "Flexible Term Deposit Account", which allows money withdrawal without losing interest, also continues to pay interest on rest of the amount.

In addition to time deposits, new products that provide customers saving opportunity were offered also

in 2015. "FX Savings Account", which allows for EUR/USD/GBP savings, reached around 5,000 customers.

Finansbank continued to offer "Gold Account" in 2015 for gold trading opportunities. In addition, "Gold Collection Days", which provide safekeeping of customers' gold, continues in 15 branches once every 2 weeks.

The "Multicurrency Time Deposit Account", which provides both interest income and allows currency exchange was introduced by Finansbank in 2015 for the customers who want to earn extra income in fluctuating market conditions. This account is available in currencies of Turkish Lira, USD, EUR, GBP, Japanese Yen and Swiss Franc. Customers can open this account without losing interest at any time, in any number and perform transactions in currencies of their choice.

Investment Products

Finansbank offers investment funds, private sector bonds, domestic and foreign share registry and derivatives

products to Finansbank customers, accompanied by the specialized knowledge of Finans Portfolio Management and FinansInvest, suitable for risk and return expectations of customers. Volume of investment funds increased 67% by the end of 2015 and the total volume of investment products grew 15% mainly due to share register.

Affluent Segment

In 2015, Finansbank's primary focus in its marketing activities and projects was to strengthen relationships with Affluent Segment customers and to increase their loyalty and satisfaction.

The "Top Grade Customer Project" was launched in 2015 in order to increase profitability, and "Local Campaigns" with customized communication projects were pursued in various cities with high potential, to increase affluent customer acquisition.

Thanks to the successful execution of these campaigns throughout the year, and also with the help of additional projects aiming to increase customer

Quartz Wealth Management reached more than two thousand customers and approximately TL 4.4 billion portfolio size.

satisfaction, there has been a marked acceleration in customer acquisition.

In addition to financial services, Finansbank also provided its Affluent Segment customers other benefits with the ClubFinans program. Prestigious services involving "Private Personal Driver", "Free Dry Cleaning", "Motovale" and "ClubFinans Library" helped Finansbank boost its customer loyalty.

The membership criterion for the Affluent Segment, a minimum of TL 100,000 of assets per customer, has not changed in 2015. In addition, parallel to the "Top Grade Customer Project", highly profitable customers holding assets from TL 50,000 to TL 100,000 have been allowed to benefit from the advantages of the Affluent segment, enabling an increase in efficiency and retention not only for high volume customers but also for customers with relatively lower amounts of savings.

Private Banking

Finansbank Private Banking provides a wide range of products to Finansbank retail customers with assets under management in excess of TL 750,000. In line with the reorganization of the Bank, Private Banking serves customers with a sales team of 44 members, 58 Branch Offices and 15 Regional Offices. Finansbank Private Banking manages customer assets in accordance with customers' risk

and return expectations. Private Banking customers are offered a wide range of investment products such as deposits, mutual funds, derivative products, equity and futures.

With its motto "Changing your Perception of Private Banking", Finansbank Private Banking presents private customers TAV Passport Card, a card of privileges at the airport, as a gift. Moreover, Finansbank Private Banking customers can withdraw cash from ATMs up to TL 10,000 per day, enjoy a discount on banking transaction fees and safe deposit boxes, and access information about the financial developments with market bulletins prepared specially for them. Finansbank Private Banking also enhances the lives of its customers by offering free attendance to many artistic and sporting events as well as sponsorships throughout the year.

With the privileges of ClubFinans Xclusive Card, Finansbank Private Banking customers take full advantage of Primeclass and Assistance Services, private transfer in chauffeur-driven vehicles, car rentals, valet services, free dry cleaning, free books from ClubFinans Library, discount on safety boxes, and installments for Duty Free shopping.

Throughout 2015, Finansbank Private Banking focused especially on new customer acquisition and customer retention by cross-sell activities and exclusive service offerings. As a result,

the number of private customers has increased by 6%, whereas the assets under management expanded by 31%.

Quartz Wealth Management

Quartz Wealth Management was established in 2013 for providing services to customers who have high risk sensitivity and prefer such sophisticated financial instruments as derivative product tools, investment fund tools, and capital and money market tools in their investments.

Quartz Wealth Management started activities in 2013 at a special branch with approximately 700 customers, who were assigned to wealth managers with a long-time experience in banking sector and are qualified in product knowledge and market intelligence. With the "Quartz Acquisition Model", Quartz wealth management started to serve customers at more than 600 Finansbank branches with expert relationship managers since September 2014.

Thanks to the "Quartz Acquisition Model", Quartz Wealth Management reached more than two thousand customers and approximately TL 4.4 billion portfolio size at end of 2015. In addition to the standard banking applications, it also extends wealth improvement opportunities in line with customers' risk/return expectations and help manage their risks sustainably.

ENPARA.COM

Enpara.com has reinforced its category leadership in the market.

Launched by Finansbank in October 2012 as the first direct banking model in Turkey, Enpara.com offers retail banking services through digital channels only (Internet, mobile, call center and ATMs), without utilizing physical bank branches as a service channel. In 2015, Enpara.com has reinforced its category leadership in the market.

By attracting 180 thousand new customers in 2015, Enpara.com has reached a total of 410 thousand customers, marking a 75% growth. It has also grown its deposit volume by 30%, which exceeded TL 4.8 billion. In early 2015, it has extended its fully-online branchless general purpose loan offering, which was launched in September 2014, to its mobile branch and doubled its loan volume to an excess of TL 500 million by yearend.

Enpara.com managed to maintain its high-quality service amid the significant expansion of its client base. Enpara.com's customer satisfaction level measured by its contact center was consistent at 99.6% and its Net Promoter Score measured by an independent research company is 76%. With its field team visiting first-time customers all around Turkey, its contact center team answering calls in less than 30 seconds, and its relentless focus on flawless user experience and customer friendly practices, Enpara.com received numerous notes of gratitude from its customers and continued to raise the bar for customer service for the entire industry.

Customer Experience Office

Customer Experience Office, established in 2015, is aimed at measuring and raising the customer experience above sector standards. It has helped business lines define their core operating principles in key experience shaping areas and tracked customer experience using various methods including the Net Promoter Score. Based on these efforts, the Customer Experience Office has identified experience areas with potential for improvement and coordinated the relevant business lines to plan or implement the necessary changes. Establishment of this office is an important and decisive step for Finansbank towards becoming the Bank offering the best customer experience in Turkey.

PAYMENT SYSTEMS

Finansbank maintained its competitive position among leading banks with close to 10 million payment cards.

CardFinans

CardFinans ranked among the top five brands in the Turkish credit card market in 2015. With almost 5 million cards issued, total turnover reached around TL 44 billion. In terms of credit card receivables, CardFinans market share was at 9.65% with a loan balance of TL 9 billion. S-mail service, launched in 2013, enabling cardholders to reach their statement details over the phone, reached over 200 thousand customers at the end of 2015.

Gift Money

The program, which was launched in June 2014, enables CardFinans credit card holders to make free purchases in member stores from TL 150 up to TL 1,500. With spending commitment made by cardholders in exchange for the amount of Gift Money used, customers are secured to use CardFinans in their purchases for a 12 to 18 month timeframe. The Program

includes leading brands in various sectors while making unprecedented offers, and has been appreciated by CardFinans users in a short period of time.

Fix Card

Fix Card, which combines credit card, debit card and contactless payment capabilities in a single card, continued its significant growth. Fix Card is one of the first examples in the Turkish market of a card without an annual fee.

CardFinans Retiree

Customers whose retirement payroll accounts are at Finansbank were offered a new credit card product in 2014, which offers discounts and advantages in drug and food stores. This product, offerings various specialized advantages to retired customers, has become highly favored in this segment, and continued its rapid growth in 2015.

Zero Interest Campaign

With the Zero Interest Campaign that was launched in 2015, customers obtaining a Finansbank credit card for the first time, between 19 March, 2015 and 31 Dec, 2015, have been held exempt from paying interest for 1 year, on the condition that they pay their minimum payment amount. 750,000 personal credit card applications have been received as a result.

ClubFinans Xclusive

In 2015, ClubFinans Xclusive continued to offer exclusive services and privileges to credit card owners. Among these privileges are, ClubFinans Library, "Assistance", Motovale service with discount, dry cleaning, chauffeur service with discount, car rental with discount, installments for shopping abroad and Duty Free purchases and restaurant discounts for spending promises.

We continued to meet various needs of customers with differentiated products and services.

BÜMED Xclusive

BÜMED Xclusive is launched by adding new exclusive services to CardFinans BÜMED. Some of these privileges are free BÜMED tuition payment by using Gift Money, chauffeur service with discount, ClubFinans Library, "Assistance", free dry cleaning, Motovale service with discount, installments for shopping abroad and Duty Free purchases and restaurant discounts for spending promises.

ClubFinans Doctors and ClubFinans Xclusive Doctors

Thanks to Finansbank's initiative to embrace the healthcare sector, ClubFinans Doctors card, which provides privileged services to doctors, penetrated 50% of the sector.

Nurse Card

Finansbank launched Nurse Card, a first in Turkey, in March 2013, which is offered to nurses, midwives and medical assistants. Nurse Card

combines credit card, debit card and paypass features in one card, offering ease of payment. Nurse Card, which provides privileged services to nurses, penetrated more than 25% of the sector.

CardFinans Cash

CardFinans Cash ranked ninth in the Turkish debit card market, capturing a 4.8% market share in terms of turnover with 5 million cards issued. CardFinans Cash offers cardholders many opportunities and benefits such as installment payments (a first in the sector), MoneyPoints, PosPara and e-commerce shopping.

First Card Program

First Card program (İlk Kartım), launched in October 2013, advises and educates first time credit card owners to be informed credit card users. Product and spending limits are imposed on cards within the program, while users are informed about prudent card usage via SMS, e-mail

and other communication channels. Limits on card are lifted upon active use of the card and timely payment of debts.

CardFinans Commercial Cards

CardFinans commercial credit card, designed for supporting cash management of business owners, is ranked third in commercial card brands, with 488,527 cards issued. CardFinans VadeKart, offers many possibilities for the first time to the market, such as payment postponement, after-sales installment, statement postponement and instant loan, showing users that it is possible to earn while buying.

POS

In line with the growth strategy, the number of POS machines used in our merchant network increased to 248,335. POS volume market share reached 6.28% with 187,385 Finansbank merchants.

INFORMATION TECHNOLOGY (IBTECH), OPERATIONS, CHANNELS AND BUSINESS DEVELOPMENT

Operational processes of existing or new products and services became more efficient and effective.

Information Technologies

In line with Finansbank's strategies, Information Technologies enhanced products and services at Finansbank's core banking system (Core Finans), alternative delivery channel applications and payment systems. Operational processes of existing or new products and services became more efficient and effective.

Information Technology Department completed 229 projects requested by Finansbank and its subsidiaries. IT spent 51.446 man-days on these projects with an average effort per project exceeding 268 man-days.

IT also responded to 3,847 software development change requests with an effort of less than 40 man-days per project. In addition, more than 8 thousand demands are completed.

Customer experiences provide the basis for new projects established for various processes and products, all geared toward increased customer satisfaction.

To increase digital transformation at the level of banking product

and services, many projects are implemented, processes are improved, and productivity and efficiency are increased for both internal and external customers.

New sales channels are founded, while products and services offered via tablets and all other digital channels for both retail and corporate customers were expanded. New products such as Fixed Payment Statement, Direct Debt System with Cards, and VadeKart XL are introduced.

Regulatory and compulsory projects are implemented in 2015 for deposits, loans, insurance, cheques, treasury, accounting and credit card modules and products. System integration projects with public sector institutions are designed and implemented in banking processes.

Operations

Operation teams perform transactions with a service principle of "quick & qualified" and all transactions have service level agreements (SLA). In 2015, SLA durations have been improved by 20% and 99% of the

transactions have been completed within the SLA limits. Compliance to the SLA durations are being monitored instantly.

In 2015, process improvement and automation studies were continued with efficiency remaining intact. As a result, services became faster and quality enhanced.

Operational workload of branch sales teams has been taken over by Branch Marketing Service Center. Besides, in line with the principle of "the customer is our priority", customer claims and transactions are actively followed up. Customer calls to the branches were answered by Branch Marketing Service Center, and customer satisfaction was highly improved due to the high response rate.

After the comprehensive renewal of the legal infrastructure of Turkish capital markets and in line with CMB's (Capital Markets Board) communiqués, Finansbank's licenses for capital market transactions and investment products offered to customers were renewed. Moreover, classification

of investment customers in the Finansbank system and CMB document and enrollment regulations compliance project was completed. Thanks to the recent system and process improvements, Finansbank increased the quality of investment services and obtained a higher level of transparency in financial transactions, improving relationships with clients while meeting legislative obligations.

In line with the Bank's decision of installing at least one TCR (Teller Cash Recycler) in each branch, TCR and core system integration project was completed and teller transactions were automated. Thanks to this project, time and cost savings will be gained, while customers will be able to get sales and teller services at a single point, resulting in an increased level of satisfaction. Moreover, applying the new teller concept in the branches will be easier.

Thanks to the in-house FATCA compliance project having been completed in 2014, aiming detection of US persons and ensuring that necessary documentation such as W-8 and W9 forms are taken, determination and certification process of FATCA status of preexisting customers with US indicia was continued in line with the regulations in 2015. Customer information thus obtained was inserted into the core banking system for reporting. Branch staff also enters information on the nationality and the status of new customers into the system and obtain the FATCA forms. FATCA indicia search is done for new account holders automatically.

Direct Banking

Direct Banking continued its efforts for the growth of Direct Banking channels, in order to increase customer

acquisition and customer satisfaction, ease the workload in branches, and decrease service costs.

Many significant projects aiming the growth of channels have been launched throughout the year in cooperation with the Business Development and Strategy Office – Alternative Distribution Channels Team. Thanks to ATM Cardless Login Project, our customers can easily perform all ATM transactions even without ATM cards. For cardless login to ATM, customers enter their passwords which they use for Internet/Mobile Banking to access ATM services. With the start of the new era of online loan applications on Internet/Mobile banking, customers can now apply for a consumer loan whenever and wherever they wish, which is deposited right after a quick approval process. Customers do not have to go to a branch or submit any documents.

Several other new features and developments for Direct Banking channels (ATM, Internet Banking, Mobile Banking, My Cards Transactions and iPad Kiosk) contributed to an easier and enriched digital banking experience for both consumer and corporate customers. As a result of campaigns and promotional activities in order to increase the usage of Direct Banking channels, number of digital customers increased over 25% through the year.

Customers are now able to use Online Banking via iPad Kiosks installed in 322 branches. iPad Kiosks are also used to speed up loan application in branches.

Debit/Credit cards with Union Pay logo, which is the world's biggest card issuer company by 2015, are now accepted by our ATM network. 282

ATMs have been modified for USD/EUR cash withdrawal/deposit transactions. Finansbank's ATM network totaled 2,956 of which 1,647 are at non-branch locations while 600 recycling machines are purchased to replace old inventory. Brands like OKI and GRG are also added to the inventory which already includes Wincor-Nixdorf and NCR, to ensure competitive management.

Digital marketing activities for Finansbank and key products on social media and digital platforms continued to grow with increased efficiency with digital sales increasing over 20% in 2015.

Call Center and Telemarketing

In 2015, Finansbank Call Center responded to 40.1 million calls, of which 57% ended up at the IVR (Interactive Voice Response) system or were terminated.

Expansion of Finansbank Call Center in Erzurum accelerated, with the number of customer service representatives reaching 450. The Call Center also continued to provide the Bank with well-qualified human resources during the year. 60 customer service representatives were transferred from the Call Center to the branches and other departments.

Finansbank's call center and telesales teams completed 121 thousand CardFinans and 415 thousand automatic payment order sales from both internal and external sources in 2015. Outbound calls by the call center, telesales and outsource teams reached 17.2 million customers.

Customer Solutions Center

Total number of complaints and objections, which equaled 155,823 in the first quarter of 2015, decreased

51% to 76,398 by the end of 2015.

Customer Solution Center has identified 198 actions to reduce the complaints in 2015 and has completed 118.

Finansbank's quality compliance rate, an important indicator for increased customer satisfaction, was raised to 95%.

While the average value of our Net Promoter Score value for 2014 was -10%, it was raised to 1% in average for 2015.

Business Development and Strategy Office

The main responsibilities of Finansbank Business Development and Strategy Office are follow-up of both processes and business workloads, bringing effective E2E or local solutions to sales and operational processes both in branches and ADC (Alternative Distribution Channel), and implementing them according to technological innovations, changing customer needs, regulations and strategies. Important projects in both branch and other channels were implemented in 2015.

Within the Yeni Bireysel Yine Finansçı (YBYF) project, some changes have been made in roles within the branch, in order to provide sustainable qualified service to customers. In 2015, the study was expanded to more than half of branches. The project will be implemented in all branches in Q1 2016.

With a similar purpose, digital approval infrastructure has been built in order to complete sales in digital channels within the context of distant sales contracts. With this infrastructure, all product sales can be executed via tablets, Internet banking and mobile

banking channels. In 2015, firstly, general purpose loans were offered to our customers through this new structure, which registered significant improvements in service times and customer satisfaction.

Specialized Call Center, named SME Cloud, only for customers in small business banking was built in order to decrease operation workload of the sales team. With the improvement and changes in process during the year, the quality of service to the incoming calls increased to %92 by improving customer satisfaction.

Projects have been initiated in order to simplify and speed up the loan allocation processes in corporate customer segment, while infrastructural changes have been completed. In the first quarter of 2016, the proposed process changes will be implemented.

In corporate loan pricing project, a customer-based pricing model based upon customers' value and pricing sensitivity was introduced versus the past risk-based pricing model. Commitment structure has been constructed and the use of this structure in the process of pricing was provided. Also, follow-up features have been added.

In order to improve sales productivity of small business banking sales teams, new processes providing sales opportunities in the field were built in tablet. Full implementation is targeted in the first quarter of 2016.

In 2015, Direct Sales Team started to offer new products to our customers in addition to the existing credit card sales through tablets within the implementation named "Mobil Finansçı Solo Product Sales". Full implementation is targeted in 2016, providing higher field sales force capacity.

Instant delivery process for credit and debit cards were introduced, providing instant execution where delivery of the card is made possible before leaving the branch.

Many projects have been initiated in 2015 with the collaboration of Direct Banking, aiming to increase the effectiveness of using Internet and mobile banking channels. General purpose loan application and approval via Internet and mobile banking were implemented with Online Loan project. Integration of e-Devlet system was completed providing access to the system via Internet banking without entering additional password for retail customers. Foreign trade transactions, tracking mechanisms, e-bill payment facilities are available on digital channels for corporate customers. Cash withdrawal and deposit in USD/EUR, use of ATM's with digital banking password without any debit/credit card are the new facilities available on ATM's. Apple Watch application is also introduced, providing practical access to current exchange rates and the nearest ATMs and branches.

Standard times of the actions of branch and central operations' staff were determined and a staff workload report was submitted on monthly basis. Projects to measure the workload and work measurement for both operation and sales staff in branches have been carried out during 2015. Moreover, availability of workload on daily basis was provided for all branch staff and follow-up reports were created in order to increase the sales effectiveness of field sales force. With more than twenty units including branches, workloads of nearly 4 thousand staff are monitored.

CREDITS

Credits Department aims to manage the quality of the loan portfolio by expert teams in compliance with credit policies set by the Bank, while increasing credit assessment quality via developed models, systems and designed workflows.

Credits Department aims to manage the quality of the loan portfolio by expert teams in compliance with credit policies set by the Bank, while increasing credit assessment quality in every stage of loan processes via developed models, systems and designed workflows.

Experienced teams are responsible for carrying out departmental operations in all stages from loan application and underwriting to close monitoring and legal proceedings. This structure is also supported by strong analytical and portfolio management organization.

In line with the Bank's principle of decentralization in management, credit underwriting and monitoring activities are carried out, in close cooperation with the field staff, by Head Office and 16 separate underwriting regions.

Credit policies, written credit applications, and credit rule sets enable the Bank both to make efficient risk management and to preserve all loan applications and processes written in the corporate memory of the Bank.

Retail Credit (Consumer and Small Business Segments)

Credit policies and strategies are determined according to analysis-

driven methods. Credit evaluation and intelligence processes are designed using high technology in an efficient and highly automated manner to ensure customer satisfaction. To reach targeted portfolio quality, efficient portfolio management is implemented using discriminating application and behavioral scorecards.

The Bank aims to provide appropriate limits to right customers using data obtained from the Loan Bureau, the Risk Centre integrated in the Bank's Retail Credit Assessment System, and other public authorities.

Collection processes are managed quickly and efficiently with different strategies and sources (internal-external agent calls, sending letters, IVN, SMS, etc.) aimed at various customer segments.

Experienced law firms located countrywide follow collection of loans transferred to prosecution. Analytical methods are used to determine and monitor targets and realizations of early delay and collections of legal prosecution.

Corporate Credit

Corporate Credit management is carried out in line with the segment division by underwriting, monitoring, and legal prosecution teams who are experts in their respective fields.

In order to support credit assessment processes, in-house credit rating model for medium size enterprises is employed. Moody's risk assessment model, differentiated for five sectors, is used for corporate and commercial segments.

All customers in corporate segments are monitored closely through central information sources such as Risk Centre and Credit Bureau, early warning systems and behavioral scoring models. All early warning signals are evaluated on time and necessary actions are taken accordingly. In a similar way, the credit decision framework supported by up-to-date financials sustains underwriting and monitoring functions in an appropriate manner.

Teams with expertise in their respective fields evaluate project financing and syndication credit proposals. These teams determine specific requirements of each project, develop the most appropriate financing model, and monitor these projects. In this sense Finansbank is involved in many projects in our country.

TREASURY

Treasury continued to take action in order to enhance profitability in line with the Bank's targets.

Liquidity Management Desk is responsible for managing the liquidity of the Bank while carrying out the responsibilities of the Bank to its customers, the CBRT and the BRSA. The desk aims to maintain the optimal liquidity composition in line with the Balance Sheet evolution, growth expectations and business strategies. The Desk fulfills the reserve requirement obligation and monitors the liquidity ratios enforced by the BRSA. The desk performs transactions in Money, Swap and Repo markets and is actively involved in deposit pricing processes.

Asset and Liability Management Desk manages the risks of the Bank's balance sheet and executes funds

transfer pricing. The Desk monitors balance sheet items that have the potential of risk exposure, evaluates various developments in terms of risks, and executes the Bank's risk management strategy determined by the Asset and Liability Committee (ALCO). The Desk uses hedging instruments such as interest rate swaps and cross-currency swaps for the purpose of risk aversion.

FX and Fixed Income Markets Division carries out fixed income securities, foreign exchange and derivatives transactions. Trading limits, limit utilization and profitability are closely monitored. FX and Fixed Income Markets Division successfully managed the volatility in the markets

in 2015 by analyzing the market risks and took actions that profited the Bank.

The Treasury Sales Desk, with its customized approach to customers' diverse requirements, targets continuous increase in customer base, deal volume, while contributing to Finansbank's leading position in the capital markets. The Treasury Sales Desk provides its customers with innovative derivative products as opposed to conventional products, ranging from risk management ideas to investment products including capital protected investment alternatives.

INTERNATIONAL BANKING

Significant amount of funding is procured from international markets with the aim of supporting economic expansion.

Correspondent Banking and Structured Finance

By maintaining its wide network of correspondent banks, Correspondent Banking and Structured Finance Division continued to improve the Bank's position regarding foreign trade operations, funding, international payments and treasury operations. The amount of funding sourced from international markets totaled over USD 2 billion in 2015.

In February, Finansbank obtained from the European Bank for Reconstruction and Development a EUR 50 million, 5-year funding, to support Women in Business.

Finansbank raised a total of USD 280 million from IFC, EBRD, Standard Chartered Bank, Wells Fargo Bank NA for 5 years in September 2015, under

its Diversified Payment Rights (DPR) securitization program. The facility will be used to support micro & small enterprises in Turkey and to finance agribusiness projects in the private sector.

In November 2015, Finansbank secured a one-year term syndicated loan from international markets at an amount of USD 99.5 million and EUR 376 million with the participation of 26 correspondent banks. The facility, which will be used to finance the foreign trade operations of the Bank's clients, has an all-in cost of Libor/ Euribor plus 1% for 364 days and Libor/ Euribor plus 1.10% for 367 days.

In December, Finansbank received EUR 30 million of the EUR 100 million loan for SME & Midcaps from the European Investment Bank. The facility is up to 10 years in maturity.

In December again, Finansbank obtained its second facility from the European Fund for Southeast Europe S.A. SICAV-SIF for SME and agro-financing for an amount of EUR 15 million and a tenor of 7 years.

Financial Institutions Credit Management

The Financial Institutions Credit Management Division assesses the risks of all domestic and international banks and allocates limits in line with the Bank's credit and risk policies. The Division allocates limits in compliance with Finansbank's internal rating system while making sure that limits are in proper ratio with registered capital ceilings.

HUMAN RESOURCES

Knowing that its most valuable asset is its human resources, Finansbank positioned its policy in a way that increases the Bank's performance.

Human Resources Policies

Knowing that its most valuable asset is its human resources, Finansbank positioned its policy in a way that increases the Bank's performance. Thus, it will be possible to contribute to the Bank's sustainable development by ensuring the acquisition of new talents while contributing to their development and retaining them. Within this scope, human resources policy are summed up in 4 main fields:

- Human resources planning and recruitment: Carrying out the management of the brand as an employer and management of labor force in parallel with the needs of the Bank and supporting the recruitment process through analysis and business development projects with the purpose of being an employer of choice and attracting skilled people to the Bank,
- Performance management: Managing employee performances by ensuring compliance between employee and Bank targets,
- Talent and development management: Improving employee's technical and managerial knowledge and skills, retaining employees with

potential and contributing to the development of all employees,

- Engagement and rewarding: Setting policies to raise employee engagement and thus increase their involvement in the Bank's target achievement efforts.

In this direction, Finansbank human resources practices are focused on the below-mentioned issues.

Employer Brand Management and Recruitment

Having more than 93% of its new recruits from Generation Y individuals, Finansbank employs surveys about career choices of University students and social media activities are organized accordingly. Results of the research carried out on University students by Realta Danışmanlık in 2014 and 2015 revealed that Finans-Up Career Club, the most-widely known career activity in Turkey, helps young people shape their career.

Contribution of talent acquisition activities to the brand image is measured through the Most Favorite Companies research made by Realta. While Finansbank was ranked 8th in 2009 with 4.8% preference ratio among the banks, it was ranked 1st

with a ratio of 20.1% among banks and was ranked 11th among all companies in 2015.

Performance Management

Performance management process in Finansbank is a management tool that encourages development coupled with a culture of continuous feedback. It is aimed at providing guidance for Finansbank employees in their development and sustainability of their performance, at the same time increasing corporate performance through individual performance development.

With the performance measurement carried out semi-annually;

- Personnel with potential to make a difference or affect the performance of the Bank positively and/or can contribute in achieving its targets are selected.
- Targets of the Bank and resulting targets based on business lines and divisions, create technical performance results for each employee, whereas the assessments performed in relation with the determination of development needs of the employees create the development performance results.

- Strong areas and development areas specific to each employee are evaluated on an individual basis with personalized performance model applied to all employees of Finansbank. Personal development needs regarding these areas are identified.
- The points in need of development are identified and a road map is created in order to determine and follow up actions.

Results are transparently shared with employees. Individual performance is quantified and thus, employee engagement is aimed to be increased through a fair and transparent system.

Employee Engagement

The employee engagement survey has been conducted every year since 2007 in order to make a clear analysis and evaluate the effects of the satisfaction factors shaping employee engagement. Survey results are examined on the basis of the division; and with the participation of senior management, the actions to be taken are individually identified for each division.

Career and Talent Management

Aiming the managers to be internally trained and ensuring that each employee leads his/her own career path, Finansbank offers career tools such as "Career Architecture" and "Career Bulletin"; and personal interviews concerning career objectives of employees take place through "Career Consulting". Within the scope of the "Development Architecture" tool, aimed at internal selection of branch managers, individual development tools are employed after the initial assessment of the measurement-evaluation center.

"360 Degrees Feedback and Development Inventory" is used in order to increase individual awareness of the employees and determine relevant development needs by

focusing on their strong sides and development opportunities.

Various development tools such as MBA programs, coaching services and domestic/international conferences are also provided with the purpose of enriching leadership skills and administrative talents of the current leaders and employees with potential for leader roles in the future.

Training and Development Management

From the day Finansbank employees join the Bank, they are involved in the development process they shall be subjected to throughout their career journey. Finansbank employees, whether they are just employed or have been reassigned, attend certificate programs integrated with career management. Finansbank employees can also take advantage of the "Development Catalog" integrated with the performance system, project training sessions developed exclusively for business lines, domestic / international seminars and training sessions, and various development tools such as e-training, article, video, and book summaries on the training portal "Finarmoni".

The significant activities in 2015 Training and Development Management are "Finansçı'nın Yol Haritası" ("Finansçı Road Map ") training sessions, aiming customer satisfaction together with work ethics; and "Yeni Bireysel Yine Finansçı" ("New Retail Still Finansçı") training sessions, held for serving the strategy aimed at making Finansbank the most productive bank in personal product sales and to moving quality of personal customer service to the highest level in the sector. Average training hours provided per employee is 56, and the ratio of employees benefiting from such activities is 92%.

Remuneration Management

The goal of remuneration management in Finansbank is to gain

new talents and increase employee engagement, satisfaction, motivation and synergy. Accordingly, a fair and transparent pricing method in line with the Bank's ethical values and internal harmony is implemented; a reward system, which prevents excessive risk responsibility in the ratio of the created additional value and focuses on individual and holistic target-performance, is encouraged. In this manner strategic targets are supported and productivity is increased. Within the scope of the bank's premium and bonus models, the amount of approximately two months' salary on average was effected in cash to each employee in accordance with his/her performance. Many benefits in various areas such as health, leave of absence, transportation, meal, communication and technological opportunities, aid packages and employee support services that increase life standards and productivity at work, are also available to the employees.

"+1" appreciation and recognition program, created to appreciate employees who act in compliance with the values of the bank and to encourage such acts, was continued to be used.

Internal Communications Management

In 2015, 36,935 employees of Finansbank met in 340 activities organized in different provinces by Internal Communications Management, which helps employees balance work and life, contributes to employee engagement and satisfaction and makes them enjoy the privilege of being "Finansbanker"s. According to the results of internal communications inventory that shapes the activities of Internal Communications, 71% of employees stated their satisfaction with the activities of the unit.

Finansbank ended 2015 with 12,950 employees.

LEGAL COUNSELING

Legal Counseling responded to more than 63 thousand legal inquiries received via the "Legal Inquiry Application" system.

In order to comply with the decrees of the consumer protection law entered into force on 28.05.2014, Finansbank initiated an integration and training program with the participation of all related business units and revised all relevant procedures and instructions for a timely and smooth application. Secondary regulations regarding the mentioned law are also being integrated to the existing procedures

in 2015. Comprehensive legal counseling was provided to all project finance activities. Also, processes and litigations by the Ministry of Customs and Trade were followed up.

The Department contributed to the establishment of the procedures observed in Customer Focus Audits. In 2015, Legal Counseling responded to more than 63 thousand legal

inquiries received via the "Legal Inquiry Application" system, after due examination within the framework of relevant legislation and precedent decisions. In addition, 29 legal training sessions on latest laws and regulations was given to the head office business units.

SUBSIDIARIES

With its comprehensive network of subsidiaries and partnerships, Finansbank continued to offer solutions to all kinds of financial needs.

Cigna Finans Pension and Life (Cigna Finans Emeklilik A.Ş.)

Cigna Finans Pension and Life, initially established in 2007 as Finans Emeklilik ve Hayat A.Ş. with 99.9% contribution from Finansbank, was later acquired by Cigna in 2012 for a 51% partnership. Cigna Finans aims to be a reliable guide for its clients in the path towards a better and higher-quality life thanks to its global experience, wide service and distribution network, solution oriented call center, and its advanced technological infrastructure.

In 2015, life and personal accident market grew by 17% while Cigna Finans succeeded to grow by 21%. It is ranked 7th in terms of life insurance premium production by achieving 5.8% market share through TL 195 million premium production, as seen on November 2015 data announced by the Insurance Association of Turkey (TSB). As for personal accident insurance, the company is listed as the top 4th company with 12.2% market share and total premium production of TL 33 million. Its pension funds grew by 15.3% annually and ranked 14th in terms fund size with TL 487 million of AUM, according to the official data announced by the Pension Monitoring Center published on 25.12.2015.

Finans Leasing (Finans Finansal Kiralama A.Ş.)

Finans Leasing is one of the very first companies in the sector. Since its establishment in 1990, Finans Leasing has been playing an active role in financing investments. As one of the leading companies in the sector, its strategy has always been implementing a customer-oriented approach and offering tailor-made models designed especially to suit customer needs. It also is one of the leading companies in terms of its branch network in Anatolia, reaching 13 (1 in Free Trade Zone) in 2015.

Finans Leasing's receivables reached TL 1,941 million in 2015, mainly owed to the 33% surge in TL receivables. In line with the current strategy, Finans Leasing focused on SMEs and commercial segment clients. Main areas funded were construction, textile and manufacturing. In line with the sector, Finans Leasing focused on sell and leaseback transactions, thereby increasing the share of real estate in its portfolio.

Finans Factoring (Finans Faktoring A.Ş.)

Finans Factoring has been operating since October 2009 with a Head Office

in İstanbul and branches in Ankara, Antalya, İzmir, Adana, Gebze, İkitelli, DES, Kırşehir, Bursa, Gaziantep, Kozyatağı and Denizli.

Finansbank A.Ş. is the main shareholder with 100% stake. Finans Factoring targets growing together with its clients and being among the top 10 companies in the sector. The transaction volume tapped TL 1.9 billion, while factoring receivables reached TL 574 million at the end of 2015. The number of customers increased by 20% to 1,628 with the share of small and medium-sized companies growing.

FinansInvest (Finans Yatırım Menkul Değerler A.Ş.)

FinansInvest was established in 1996 and its current paid-up capital is TL 50 million. Its main shareholder is Finansbank A.Ş., which owns 99.6% of the company shares.

Through its eleven branch offices and Finansbank branch network, FinansInvest offers services such as equity trading, portfolio management, corporate finance, margin trading, short selling, share loans, investment consultancy, derivative trading, leveraged trading and international investments, collective and individual

custody services, mutual fund services, Takasbank fund platform services and risk management services. Furthermore, FinansInvest customers can perform all brokerage operations on finansonline.com in a fast and secure manner.

FinansInvest is ranked ninth among the brokerage houses in Turkey in terms of equity transaction volume, with a market share of 3.3%.

Finans Asset Management (Finans Portföy Yönetimi A.Ş.)

Finans Asset Management is founded in September 2000 and its main shareholder is FinansInvest (100%). Finans Asset Management plays a leading role in the sector by managing 8 Exchange Traded Funds (ETF), 12 Mutual Funds, 9 Pension Funds, 1 Hedge Fund and private portfolios of high-income individuals and companies. Finans Asset Management holds the biggest market share in the ETF market. Compliant to the permission of the Capital Markets Board dated 17.04.2015 under the new legislation, Finans Asset Management was re-established as a fund management company.

With a paid-in capital of TL 5 million, Finans Asset Management held a market share of 1.6% and its AUM reached TL 1.3 billion.

eFinans (eFinans Elektronik Ticaret ve Bilişim Hizmetleri A.Ş.)

eFinans Elektronik Ticaret ve Bilişim Hizmetleri A.Ş. (eFinans) whose majority shares are owned by Finansbank, has been established on September 10, 2013 as the first e-invoice service provider operating as a bank subsidiary. It increased its gross sales by 71% and assets by 63% in 2015.

With the Registered Electronic Mail (REM) license completed in 2015, eFinans has acquired four state licenses required for e-invoicing, e-ledger, e-archive and REM licenses within a matter of 27 months. eFinans continues its operations as the sole

firm and service provider able to execute operations for all of the said licenses under a single entity.

In addition to the above accomplishments, eFinans continues its services as the first and sole Turkish service provider as a 2-year running member of the prestigious European E-invoice Service Providers Association (EESPA). Through EESPA, eFinans enjoys the opportunity of reaching out officially to 67 e-invoice service providers of 20 EU-member states and has completed integration with two service providers.

With its widened operations, eFinans serves 4 thousand clients with over 5,500 products.

Within the e-invoices services provision market where ERP/EAS software houses are the majority, eFinans is strongly competitive and is steadily increasing its market share with its ERP/EAS independent structure, integrations with over 100 ERP/EAS and banking solutions. Market research, too, shows it to be the market leader and it has become a preferred brand among taxpayers due to its Finansbank share-ownership and banking solutions.

The e-invoice collateralized loan product integrated to eFinans infrastructure, designed by Finansbank is a first in Turkey and the product's pledge pool structure differentiates it from all similar products from around the world, making it a first-ever.

Finansbank's Finance Star cash management module application working on cloud-computing structure has also been integrated into eFinans infrastructure and hence taxpayers which are the Bank's clients as well have gained unlimited ease in their payment and collection operations spear-headed by the DDS product.

PSA Finansman A.Ş.

PSA Finansman A.Ş. was established in 2008 as a 100% Finansbank A.Ş. subsidiary under the name Finans

Tüketici Finansmanı A.Ş., for consumer finance transactions. In 2012 shares were transferred to Banque PSA Finance, the bank of French automotive group PSA, and upon becoming a financing company in the auto sector its title was changed to PSA Finansman A.Ş.

On December 14, 2015 99.99% of the company, with a paid-up capital of TL 20 million, were transferred to Finansbank. Plans for 2016 include change of title to Hemenal Finansman A.Ş., financing sales of products and services of select brands within company strategies and development of systems and organization for such activities.

Non-banking financing market experienced an annual growth of 25% on the average since 2006, mainly due to auto financing. At yearend 2015, the number of non-banking financing companies reached 12, although new players are expected to join, especially in consumer finance.

Bantaş

Bantaş was established in 2009. Bantaş is 33.33% owned by the Bank, with Denizbank A.Ş. and Türkiye Ekonomi Bankası A.Ş. each holding 33.33%, and is located in Istanbul. Bantaş securely carries assets between branches and cash centers and gives ATM cash support. As of December 31, 2015, the total assets of Bantaş amounted to TL 32.9 million, and net profit was TL 7.5 million.

IBTech

IBTech was established in 2005 and is located in Istanbul. IBTech's focus is to provide designs and enhancements for software such as Core Banking (Core Finans), credit cards and Internet banking, and to develop applications for the use of the Group. As of December 31, 2015, the total assets of IBTech amounted to TL 45.9 million and net profit was TL 1.5 million.

BOARD OF DIRECTORS

Dr. Ömer A. Aras

Chairman of the Board of Directors and Group CEO

Dr. Aras earned a bachelor's degree in Economics from the Economic and Commercial Sciences Academy in 1975. He received an MBA in 1978 and a PhD in 1981 from Syracuse University. Dr. Aras served as a faculty member in the Business Administration Department at Ohio State University until 1984. Between 1984 and 1987, he worked as Credit Marketing Manager and Credit Committee Member at Citibank. Dr. Aras participated in the founding of Finansbank in 1987, and served as Executive Vice President for two years and as General Manager for six years. From 1989 to 2006, he served as Vice Chairman of Fiba Holding. Between 2003 and 2007, he was a Board Member of the Turkish Industry and Business Association (TUSIAD). From November 2006 until April 2010, Dr. Aras served as the Vice-Chairman of the Board of Directors of Finansbank and Unit CEO of Finansbank. Since April 2010, Dr. Aras has been serving as the Chairman and Unit CEO.

Sinan Şahinbaş

Vice Chairman of the Board of Directors

Mr. Şahinbaş earned a bachelor's degree in civil engineering from İstanbul Technical University, Faculty of Engineering in 1988. He received master's degrees in International Relations from İstanbul University and in Finance from

Yeditepe University. He started his professional career at Finansbank in 1990 and served in different positions in various departments of the Bank. He worked in the establishment of the representative offices of Finansbank (Suisse) SA and Finansbank (Netherlands) NV in Turkey. In 1997, he was appointed Executive Vice President of Garanti Bank (Netherlands) NV. A year later, Mr. Şahinbaş moved back to Finansbank (Netherlands) NV and served as the General Manager between 1999 and 2001. He became Senior Executive Vice President at Finansbank in 2001 and served as General Manager from 2003 to 2010. Mr. Şahinbaş was appointed Vice Chairman in April 2010.

Ali Teoman Kerman

Member of the Board of Directors and Chairman of the Audit Committee

Mr. Kerman received his undergraduate degree in Economics from Hacettepe University in 1980 and obtained his master's degree in Project Planning and National Development from University of Bradford in 1982. He began his career at the Turkish Treasury where he held several positions, including Deputy Undersecretary responsible from Regulation of Banking, Non-banking sector, Foreign Exchange, Insurance and Department of Administration. In 2000, he was appointed the Vice President responsible from Regulation, Enforcement and Licensing of the newly established Banking Regulation and Supervision Agency

(BRSA). He also served as a Board Member of Savings Deposit Insurance Fund (SDIF) for three years and Chairman of the Board in Generali, EGE and Toprak Insurance Companies. Mr. Kerman retired in April 2005 and set up KDM Financial Consultancy. In April 2013, Mr. Kerman was appointed Member of the Board of Directors of Finansbank.

Paul Mylonas

Member of the Board of Directors and Audit Committee Member

Mr. Mylonas holds a BSc degree in Applied Mathematics from Brown University, and MA and PhD degrees in Economics from Princeton University. He served as Assistant Professor in the Department of Economics at Boston University between the years of 1985 and 1987. From 1987 to 1995, Mr. Mylonas worked for IMF's Europe Desk as a Senior Economist in charge of Poland. Having also worked in the IMF Policy Development and Review Department from 1995 to 2000, he held the position of Senior Economist in charge of Greece and Spain in the Budget and Finance Division of Economics Department of the OECD. He also served as the OECD representative on the G-10 Secretariat during 1999 and 2000. Having joined the NBG Unit in 2010, Mr. Mylonas currently holds NBG's Chief Economist and Chief of Strategy positions. He also serves as the Secretary of the NBG Executive Committee and Member of the ALCO Committee. Mr. Mylonas was appointed Member of the Board of Directors of Finansbank in April 2010.

Prof. Dr. Mustafa Aysan

Member of the Board of Directors

After receiving his bachelor's degree from İstanbul University, Faculty of Economics, Prof. Aysan earned a master's degree from Harvard University in 1959 and a PhD degree in 1974. Between 1968 and 2000, he taught at various universities in Turkey and abroad. Prof. Aysan served as the Head of the Committee for the Restructuring of State Economic Enterprises from 1964 to 1968, as the Head of the Budget Committee of Turkish Republic Advisory Council in 1981 and as the Minister of Transportation from 1982 until 1983. Prof. Aysan resigned from his position as Head of the Audit Committee at Finansbank effective as of April 24, 2014 and is currently a Member of the Board of Directors.

Stefanos Pantzopoulos

Member of the Board of Directors

Mr. Pantzopoulos graduated from İstanbul University with a bachelor's degree in Economics and Commercial Sciences. After working for Chapman&Newberry as a Chartered Accountant for five years, Mr. Pantzopoulos worked with Arthur Andersen in Athens for 33 years; he served for 23 years as the Company's Chairman and Managing Partner in Greece until 1998. Subsequently, Mr. Pantzopoulos served as a top-level partner at auditing firm KPMG between 1999 and 2004, and Member of the Board of Directors for the two largest subsidiaries of Alpha Bank, namely Don&Low and Hilton Hotel & Real Estate Co. Mr. Pantzopoulos joined NBG in 2004 as Member of the Board of Directors. Until the end of 2009, he served as Assistant Head of the Audit Committee and SEC Financial Expert responsible for the implementation of Sarbanes-Oxley (SOX) regulations. Mr. Pantzopoulos, as Advisor to the Chairman of the Board of Directors, resumed overseeing the activities of the Audit Committee during 2010 and 2011. He was appointed Member of the Board of Directors of Finansbank in October 2012.

Ioannis Vagionitis

Member of the Board of Directors and Audit Committee Member

Mr. Vagionitis graduated from Athens College and then received bachelors and master's degrees in Mechanical Engineering from the University of Manchester Institute of Science & Technology and an MBA from Manchester Business School. He began his career in the securities field before joining HSBC's Athens operations, where he held various positions from 1992 to 2003. In 2004, he joined Bank of Cyprus' Athens office, and then joined NBG in December 2004 as a Loan Risk Manager. After serving in this position for two years, Mr. Vagionitis became the Head of Corporate Loan, Greece, and in 2008 became Head of Corporate Loan, Greece and South Eastern Europe. In 2010, Mr. Vagionitis became the Head of Corporate Banking at NBG. He was appointed a Member of the Board of Directors of Finansbank in 2013 and as a Member of the Audit Committee in 2014.

Christos Alexis Komninos**Member of the Board of Directors**

After graduating from the Chemical Engineering Department from Istanbul Technical University in 1971, Mr. Komninos worked for Coca-Cola Greece as General Manager between 1972 and 1987. He moved to Coca-Cola Ireland as CEO in 1987. He returned to Greece in 1990, and served as CEO of Coca-Cola Greece until 2000. Mr. Komninos served as CEO and Chairman of Papastratos Cigarette Manufacturer between 2000 and 2004 and CEO of Shelman SA between 2005 and 2010. Mr. Komninos has served as a Member of the Board of Directors at various companies since 2010 and joined Finansbank in the same capacity in February 2011.

Temel Güzeloğlu**Member of the Board of Directors and General Manager**

Mr. Güzeloğlu has bachelor's degrees in Electrical and Electronic Engineering and in Physics from Bosphorus University, a master's degree in Electrical and Computer Engineering from Northeastern University (Boston, Massachusetts), and an MBA from Bilgi University. Mr. Güzeloğlu worked as the Executive Vice President of Finansbank in charge of Retail Banking until August 2008 and afterwards served as Executive Vice President in charge of Retail Banking and member of the Management Committee. He was appointed General Manager of Finansbank in April 2010.

Mustafa Hamdi Görtin**Member of the Board of Directors**

After receiving bachelor's degrees in Statistics and Economics at Middle East Technical University, Mr. Görtin earned a master's degree in Economics from Vanderbilt University. Between 1975 and 1994, Mr. Görtin worked for the Central Bank of the Republic of Turkey. Later he participated in the establishment of Garanti Securities and assumed the General Manager position. Subsequently, he served as the General Manager of Türk Ticaret Bankası, Member of the Board of Directors of Dışbank in charge of Risk and the General Manager and Chairman of the Black Sea Trade and Development Bank in Greece. He has been a Member of the Board of Directors at Finansbank since April 2010.

Paula Hadjisotiriou**Member of the Board of Directors**

Ms. Hadjisotiriou started her career at Howard, Wade and Jacop as a chartered accountant in 1976, before moving to Price Waterhouse & Co as a senior auditor in 1980. After holding several positions at John S. Latsis Unit of Companies between 1982 and 1993, she was appointed Head of Internal Audit and Finance. In 1995, Ms. Hadjisotiriou started serving at Eurobank as CFO and became the General Manager of Finance & Strategy, member of the Executive Committee and the Board Secretary until 2013. She was appointed the Unit CFO of NBG in 2013 and as a Board member of Finansbank in October 2013. She resigned from the Board in June 2015.

Georgios Koutsoudakis**Member of the Board of Directors**

Mr. Koutsoudakis graduated from University of London Queen Mary College in Economics with honors degree and started his career at Alpha Finance S.A. as an analyst. From 1992 to 1993 for 7 months, he was a special advisor to the Deputy Minister of Finance, responsible for various privatization projects. From 1994 to 1997, he was responsible for various M&A advisory projects at Alpha Bank Unit. In 1997, he moved to National Bank of Greece Unit as a Senior Management Advisor and he was mainly in charge of M&A advisory activities. From 2002 to 2007, he started working for Geniki Bank, as a Deputy General Manager for 2 years and as a General Manager, head of Corporate&Investment Banking for 3 years. Between 2007-2013 he moved to Emporiki Bank; during the last 3 years he served as the general manager and responsible for enterprises, investment and private banking. Since the beginning of the 2014, Mr. Koutsoudakis has been the assistant General Manager of Corporate Banking at NBG and he was appointed as a Finansbank board member in March 2014.

SENIOR MANAGEMENT



Adnan Menderes Yayla
Executive Vice President

Mr. Yayla earned a bachelor's degree in Economics from Ankara University, Faculty of Political Sciences in 1985 and an MBA degree from the University of Illinois at Urbana-Champaign in 1994. He worked as an Assistant Auditor and Auditor for the Ministry of Finance from 1985 to 1995, as Project Valuation Division Head for Privatization Administration from 1995 to 1996; Managing Director, Senior Managing Director and Partner of PricewaterhouseCoopers offices in İstanbul and London from 1996 to 2000 and Executive Vice President in charge of Financial Control and Risk Management for Türk Dış Ticaret Bankası (Fortis) from 2000 to 2008. Having joined Finansbank in May 2008, Mr. Yayla has been serving as Group Chief Financial Officer since.



Ahmet Erzengin
Head of Internal Control and Compliance

After graduating from Middle East Technical University, Department of Public Administration, Mr. Erzengin worked at Pamukbank from 1988 to 1993. He joined Finansbank in 1993 as Banking Regulations Manager. In 1996, Mr. Erzengin was appointed Head of Operations overseeing the operations of the branches and headquarters. With the establishment of the Head of Operations Center in 2001, he served as Operations Center until 2005. At the beginning of 2006, Mr. Erzengin assisted in the establishment of the Compliance Department and was appointed Head of Compliance. In September 2012, Mr. Erzengin was appointed Head of Internal Control and Compliance.



Bülent Yurdalan
Head of Internal Systems

Having graduated from the Faculty of Management Sciences of Eskişehir Economic and Commercial Sciences Academy in 1980, Mr. Yurdalan started his banking career at Pamukbank in 1982 and subsequently moved to Citibank. He joined Finansbank in early 1988, and assumed positions in the Branch Operations, Internal Audit, Treasury Operations and Accounting departments of Finansbank and senior positions in some Fiba Unit banks. Mr. Yurdalan was appointed the Head of Internal Audit Division in 2003 and subsequently served as the Executive Vice President in charge of Retail Credit. In August 2013, he was assigned as the Head of Internal Systems.



Elsa Pekmez Atan
Executive Vice President

Ms. Pekmez Atan received her undergraduate degree in Business Management at Boğaziçi University in 1999 and obtained her master's degree in Business Management at Harvard University. She worked as an Analyst at McKinsey & Company in 1999-2002 and as junior partner in 2004-2010. She joined Finansbank and assumed positions as Process Management Group Manager, Strategic Planning and Analytics Group Manager, CEO Office Group Manager and Enpara.com Department Manager. From 2013 to 2015 she worked as the Director of Enpara.com. In May 2015, she was assigned as Executive Vice President in charge of Enpara.com.



Emine Özlem Cinemre
Executive Vice President

Mrs. Cinemre graduated from Bosphorus University, Department of Business Administration in 1988. She started her career in the same year within the International Banking Division of Finansbank. Between 1988 and 1997, Mrs. Cinemre assumed various responsibilities at Finansbank. In 1997, she was appointed Executive Vice President responsible for Financial Institutions. Currently, Mrs. Cinemre serves as Executive Vice President in charge of International Relations including Correspondent Banking and Structured Funding, International Business Development and Financial Institutions Credit Management.



Enis Kurtoğlu
Executive Vice President

Mr. Kurtoğlu graduated from Boğaziçi University Electrical Engineering Department in 1999 and received his master's degree (MBA) in Business Management at London Business School in 2006. He worked in various managerial positions in sales and marketing at Citibank Turkey in 1999-2002, at Citibank Europe, Middle East and Africa Region, London head office in 2002-2006. Working as Marketing Director at Citibank Turkey in 2006-2010, Mr. Kurtoğlu joined Finansbank in 2010 as Group Manager responsible for Retail Products. He served as Mass Banking Director in 2012-2014 and as Mass Banking and Direct Sales Director until May 2015. In May 2015, he was assigned as Executive Vice President in charge of Retail Banking.



Erkin Aydın
Executive Vice President

Mr. Aydın earned a bachelor's degree in Civil Engineering at Bosphorus University, Faculty of Engineering in 1997 and an MBA at the University of Michigan, School of Business in 2003. Mr. Aydın started his career as a Business Development and Project Engineer at Guy F. Atkinson Construction in the USA in 1998. Later, he worked as a Project Manager for Clark Construction Unit. In 2002, Mr. Aydın joined McKinsey & Company in İstanbul and worked respectively as Consultant, Project Manager and Associate Partner. He started to work for Finansbank in 2008 as Head of Housing and Consumer Loans. As of February 2010, Mr. Aydın was appointed Retail Marketing Coordinator. In May 2011, he was appointed Executive Vice President in charge of Retail Banking and Executive Vice President in charge of Retail Banking and Payment Systems in October 2013.



Ersin Emir
Head of Internal Audit

Mr. Emir graduated from Middle East Technical University in 1994 with a bachelor's degree in Business; he earned a master's degree in Organizational Psychology from the University of London in 2010. He started his banking career in 1995 as Assistant Auditor in İşbankası. Mr. Emir started working at the Internal Audit Department of Finansbank as Auditor in 1998. He was appointed Vice President of Internal Audit in 2004 and assumed responsibilities of the Head Office and Subsidiary Audits in the last two years in this capacity. Mr. Emir was appointed Head of Internal Audit in March 2011.



Filiz Sonat
Executive Vice President

Ms. Sonat received bachelor's degrees in Mechanical Engineering from İstanbul Technical University and in Business Administration from Anadolu University. After working as a Mechanical Engineer at a private construction company between 1982 and 1986, she started her banking career at İktisat Bank in 1987 and served as Executive Vice President at Sümerbank in 1998. Ms. Sonat joined Finansbank in 1999 and served as Coordinator in charge of Credit until 2007. She worked as Executive Vice President in charge of Corporate and Commercial Credit from 2007 until October 2013, when she became the Executive Vice President responsible for Corporate Credit.



Hakan Alp
Executive Vice President

Mr. Alp graduated from Ankara University, Faculty of Political Sciences, with a bachelor's degree in International Relations in 1989. He worked for the Internal Audit Department at Garanti Bank between 1991 and 1997 where he also served as Senior Vice President in charge of Training from 1997 until 1999. He then started working for Humanitas Doğu Human Resources Management and served as Executive Vice President in charge of Training, Executive Development, Finance and Administration and Operations from 2000 to 2003. He held the position of Executive Vice President in charge of Human Resources from 2003 until 2005 at Tansaş and from 2005 to 2006 at Süttaş. In 2007, he became Senior Vice President in charge of Human Resources at Finansbank. Mr. Alp was appointed Executive Vice President in charge of Human Resources as of July 2010.



Halim Ersun Bilgici
Executive Vice President

After receiving a bachelor's degree in Law from Ankara University in 1991, Mr. Bilgici received a master's degree in Economics from Yeditepe University in 2008. He started his banking career at İktisat Bank in 1992. In 2002, he started working as the Coordinator of Retail Marketing at Şekerbank. Mr. Bilgici began working at Finansbank's Credit Department in 2003. He was appointed Coordinator of Retail Credit in 2012. As of October 2013, he has been serving as the Executive Vice President responsible for Retail and Commercial Credit.



Hasan Murat Şakar
Executive Vice President

Mr. Şakar holds a bachelor's degree in Industrial Engineering from İstanbul Technical University. He worked as Business Unit Manager at Rehau Polimeri Kimya Sanayi from 2002 to 2005 and as Purchasing Manager at Arçelik between 1992 and 2002. Mr. Şakar served as the Coordinator of Purchasing and Technical Services at Finansbank from March 2005 until August 2008. He was appointed Executive Vice President in charge of Purchasing and Support Services at Finansbank in August 2008.



Köksal Çoban
Executive Vice President

Mr. Çoban graduated from Middle East Technical University with a degree in Business Administration and earned a master's degree in Finance from City University. He worked for the Turkish Eximbank and Demirbank between 1995 and 1997. Mr. Çoban joined Finansbank Treasury in 1997 as International Markets Manager and served as Director of International Markets from 1998 to 2000. Beginning in 2000, he assumed various managerial positions within the Treasury Department. Mr. Çoban was appointed Executive Vice President in charge of Treasury in August 2008.



Mehmet Kürşad Demirkol
Executive Vice President

Mr. Demirkol graduated from the Faculty of Electrical and Electronics Engineering at Bilkent University in 1995 and subsequently earned MSc and PhD degrees from Stanford University. He worked as an Application Engineer at Oracle-Redwood between 1996 and 1997 and as a Research Assistant at Stanford University from 1997 to 1999. He served as Senior Associate at the Atlanta and İstanbul offices of McKinsey & Company from 1999 until 2003. Mr. Demirkol worked as the Unit Head of Business Development and Strategy Department at Finansbank in 2004 and as Vice President of Information Technology and Card Operations at Finansbank Russia in 2005. He then served as Business Development and Marketing Director at Memorial Healthcare Unit from 2005 to 2007. He worked as Chief Information Officer of Vakıfbank in 2007 before undertaking the post of Chief Operating Officer in charge of Operations and Alternative Distribution Channels in 2008. Since October 2010, Mr. Demirkol has been working at Finansbank as Executive Vice President in charge of Information Technologies, ADC and Business Development.



Metin Karabiber
Executive Vice President

Mr. Karabiber graduated from Çukurova University, Industrial Engineering Department. He began his banking career as a Marketing Specialist at Interbank in 1985. He then worked as a Branch Manager at İktisat Bankası from 1990 to 1995, at Demirbank between 1995 and 1997 and at Finansbank from 1997 until 1998. Mr. Karabiber served as Executive Vice President at Sümerbank during 1998 and 1999. Subsequently, he worked as Regional Manager at Fortis Bank between 1999 and 2003, and as Executive Vice President responsible for Retail Banking and Sales from 2003 to 2010. As of October 2010, Mr. Karabiber joined Finansbank as Executive Vice President in charge of Commercial Banking. As of October 2013, he became the Executive Vice President responsible for Medium and Micro Sized Enterprises and Agricultural Banking.



Murat Koraş
Executive Vice President

Mr. Koraş graduated from Boğaziçi University Industrial Engineering Department in 1999 and received his master's degree in business management at Özyeğin University. He worked as a management trainee at Finansbank in 1999-2001. In 2004 worked as assistant manager at Aviva. Between September 2004 and 2012 he worked in Finansbank as assistant manager at Strategy Office, in the Data Mining Department, as Analytical Marketing and Unit Manager, and Portfolio Management and Analytics Group Manager. In 2012-2015 Mr. Koraş served as the Director of Retail Payment Systems. In May 2015, he was assigned as Executive Vice President in charge of Payment Systems.



Onur Özkan
Executive Vice President

Mr. Özkan received his undergraduate degree in management and political science and international relations at Boğaziçi University in 2005 and his masters degree in the Finance Engineering Department of the same institution. Between 2004 and 2011 he worked in Finansbank as Manager in High Income Deposits and Investment, Unit Manager at High Income Segment, Group Manager of Retail Segments Management, Group Manager of High Income Segment and Sector Banking Management. In 2012-2013 he served as Director of High Income Segment and Sector Banking Management, as Director of High Income Segment and Private Banking in 2013-2014, and until May 2015, as Director of High Private Banking and Income Segment and Sector Banking Management. In May 2015, he was assigned as Executive Vice President in charge of Private Banking and Asset Management.



Osman Ömür Tan
Executive Vice President

Mr. Tan earned a bachelor's degree in Statistics from Hacettepe University. He began working at Yapı Kredi Bankası as a Management Trainee in 1995 and joined Finansbank in 1998. At Finansbank, he has served respectively as Corporate Branch Customer Relationship Manager, Corporate Branch Manager, Division Manager in charge of Head Office Key Accounts and Division Manager in charge of Corporate Banking. Mr. Tan was appointed Executive Vice President in charge of Corporate Banking, in October 2011. Since October 2013, he has been serving as the Executive Vice President responsible for Corporate and Commercial Banking.



Şebnem Karaduman
Executive Vice President

Mrs. Karaduman received a bachelor's degree in Law from İstanbul University. She started her career as a Lawyer in the Legal Department at Finansbank in 1998. Mrs. Karaduman was appointed Legal Advisor to Fiba Bank in 2002 and worked in various positions within Finansbank's Legal Department between 2003 and 2010. Mrs. Karaduman was assigned the Legal Advisor of Finansbank in 2010 and appointed Executive Vice President in charge of Legal in 2012. She resigned from the Bank in July 2015.



Zeynep Aydın Demirkıran
Head of Risk Management

Mrs. Demirkıran has a bachelor's degree in Economics from Bilkent University and master's degree in Economics from Georgetown University in Washington DC. She taught at Georgetown University until December 1998. Mrs. Demirkıran then worked as a Specialist within the Risk Management Department of İşbankası between 1999 and 2002. She joined Finansbank in 2002 and assumed the responsibilities of Senior Risk Manager and Basel II Program Coordinator. In September 2011, Mrs. Demirkıran was appointed Head of Risk Management.

EXECUTIVE COMMITTEES UNDER THE BOARD OF DIRECTORS

Audit Committee

On behalf of the Board of Directors, Audit Committee is responsible for monitoring the effectiveness, efficiency and adequacy of the internal systems of the Bank; functioning of these systems together with accounting and reporting systems in accordance with Laws and applicable regulations and the integrity and reliability of information generated by these systems; making necessary preliminary evaluations required for the selection of the independent auditors and rating, valuation and support service institutions by the Board of Directors; regularly monitoring the activities of the institutions selected and contracted; and ensuring that the internal audit activities of subsidiaries subject to consolidation are carried out on a consolidated basis and in coordination with internal audit activities of the Bank.

Members of the Audit Committee are:

- A. Teoman Kerman: Member of the Board of Directors and Chairman of the Audit Committee
- Paul Mylonas: Member of the Board of Directors
- Ioannis Vagionitis: Member of the Board of Directors

Board Risk Committee

The Risk Committee is responsible for defining the Bank's risk management policies and strategies, reviewing all types of risks that the Bank is exposed to, monitoring the implementation of risk management strategies and bringing important risk-related issues

to the attention of the Board.

Members of the Risk Committee are:

- Dr. Ömer A. Aras: Chairman of the Board of Directors
- Sinan Şahinbaş: Vice Chairman of the Board of Directors
- Ioannis Vagionitis: Member of the Board of Directors and Audit Committee
- Paul Mylonas: Member of the Board of Directors and Audit Committee
- A. Teoman Kerman: Member of the Board of Directors and Chairman of the Audit Committee

Corporate Governance Committee

Corporate Governance Committee is responsible for strengthening the Bank's corporate governance policies, its level of adherence to corporate governance principles and to submit related proposals to the Board of Directors.

Members of the Corporate Governance Committee are:

- Sinan Şahinbaş: Vice Chairman of the Board of Directors
- Teoman Kerman: Member of the Board and Chairman of the Audit Committee
- Prof. Dr. Mustafa A. Aysan: Member of the Board of Directors
- Christos Alexis Komninos: Member of the Board of Directors
- Mustafa Hamdi Görtin: Member of the Board of Directors

- Fikret Şehsuvar Aladağ: Division Manager, Investor Relations

Credit Committee

The Credit Committee examines, evaluates and approves the loan limits falling under the authority of the Board of Directors in accordance with the Bank's loan strategies and the relevant legislation. The Credit Committee also monitors the quality of the Bank's loan portfolio, takes part in, and manages the approval process for loans.

Members of the Credit Committee are:

- Dr. Ömer A. Aras: Chairman of the Board of Directors
- Sinan Şahinbaş: Vice Chairman of the Board of Directors
- Ioannis Vagionitis: Member of the Board of Directors and Audit Committee
- Temel Güzelöğlu: General Manager and Member of the Board of Directors

Remuneration Committee

The Remuneration Committee defines the remuneration and incentive policies for Board Members and senior managers, and advises the Board of Directors on such matters in order to ensure the compliance of such policies with the Bank's ethical values, strategy implementation and targets.

Members of the Remuneration Committee are:

- Sinan Şahinbaş: Vice Chairman of the Board of Directors
- Paul Mylonas: Member of the Board of Directors and Audit Committee

OTHER EXECUTIVE COMMITTEES

Corporate Credit Policies Committee

The Corporate Credit Policies Committee is responsible for defining corporate loan policies, strategies and procedures while determining risk limits in line with the Bank's risk appetite and approving changes in these limits. Its responsibilities also include monitoring the performance of the Bank's corporate, commercial risks and ensuring that the Bank's corporate and commercial loan practices comply with legal regulations, and the principles of the NBG Unit fall under the jurisdiction of the Committee.

Members of the Corporate Credit Policies Committee are:

- Sinan Şahinbaş: Vice Chairman of the Board of Directors
- Ioannis Vagionitis: Member of the Board of Directors and Audit Committee
- Temel Güzeloğlu: General Manager and Member of the Board of Directors
- Filiz Sonat: Executive Vice President, Corporate Credits
- Halim Bilgici: Executive Vice President, Retail and Commercial Credits
- Ömür Tan: Executive Vice President, Corporate and Commercial Banking

Retail Credit Policies Committee

The Retail Credit Policies Committee is responsible for defining policies and strategies regarding the Bank's retail loan portfolio and approving amendments to these strategies. It is responsible for measuring, evaluating

and monitoring the performance of all retail loan risks and ensuring that the Bank's retail loan practices comply with legal regulations and the principles of the NBG Unit.

Members of the Retail Credit Policies Committee are:

- Ioannis Vagionitis: Member of the Board of Directors and Audit Committee
- Temel Güzeloğlu: General Manager and Member of the Board of Directors
- Erkin Aydın: Executive Vice President, Retail Banking and Payment Systems
- Metin Karabiber: Executive Vice President, SME and Agricultural Banking
- Halim Bilgici: Executive Vice President, Retail and Commercial Credits

Operational Risk Management Committee

The Operational Risk Management Committee is responsible for determining operational risk policies, reviewing and discussing operational risk issues of the Bank and ensuring to minimize them by action planning.

Members of the Operational Risk Management Committee are as follows:

- Zeynep Aydın Demirkıran: Head of Risk Management,
- Ahmet Erzengin: Head of Internal Control and Compliance,
- Mehmet Kürşad Demirkol: Executive Vice President, IT, Operations, Channels and Business Development

- Erkin Aydın: Executive Vice President, Retail Banking and Payment Systems

- Metin Karabiber: Executive Vice President, SME and Agricultural Banking

- Argun Derviş: IBTech Board Member/ CISO

- İsmail Akın: Division Manager, Operational Risk and Business Continuity

Asset and Liability Committee

The primary purpose of Asset and Liability Committee is to monitor and manage the balance sheet structure and structural asset liability mismatch of the Bank, as well as to monitor, control and manage the liquidity risk within the limits set by Board of Directors. The Committee evaluates biweekly reports submitted by Risk Management and determines critical issues regarding risk.

Members of the Asset and Liability Committee are:

- Dr. Ömer A. Aras: Chairman of the Board of Directors
- Sinan Şahinbaş: Vice Chairman of the Board of Directors
- Temel Güzeloğlu: General Manager and Member of the Board of Directors
- Adnan M. Yayla: Executive Vice President, Financial Control and Planning
- Köksal Çoban: Executive Vice President, Treasury
- İlker Kayseri: Director of Asset and Liability Management

INFORMATON REGARDING THE PARTICIPATION OF THE MEMBERS OF THE BOARD OF DIRECTORS AND OF THE COMMITTEE MEMBERS TO THE MEETINGS

Board of Directors, in line with quorum stated in relevant legislation and Finansbank Articles of Association, held 12 meetings and other than in exceptional circumstances all members were present at all meetings.

Audit Committee held 15 meetings and all members were present at these meetings except when their attendance was prevented due to reasonable excuses.

Board Risk Committee held 12 meetings and other than in exceptional circumstances all members were present at all meetings.

Credit Committee held meetings every Thursday and other than in exceptional circumstances all members were present at all meetings.

Corporate Governance Committee held 8 meetings and other than in exceptional circumstances all members were present at all meetings.

SUMMARY BOARD REPORT SUBMITTED TO THE GENERAL ASSEMBLY

Dear Shareholders,

Welcome to the 2015 Ordinary General Assembly Meeting of Finansbank.

While presenting for your examination and approval the Board Report, Auditors Report and Profit and Loss Statement for fiscal year 2015, we respectfully welcome our shareholders, their representatives and our guests who have honored this meeting with their presence.

2015, a year of difficult times both at home and worldwide, is behind us. The US economy, the largest of the world, maintained its moderate course, paving the way for FED to announce at yearend the long-awaited rise in interest rates. Meanwhile, increasing stress in the Chinese economy, which has been in recession for a while, has become a formidable threat globally. Resulting drop in oil prices led to increased income loss for oil-exporting countries. The Russian economy, one of the most affected countries of such conditions on top of the already existing economic sanctions, further continued to weaken.

For Turkey, 2015 has been a year dominated more by politics than by economic developments. Turkey's risk assessment suffered dearly from ensuing political uncertainty as no

government was formed after the June elections which led to a re-run in November. In addition, security concerns, off the country's agenda for a long time, once again became a source of affliction. As a result, the Turkish lira was among the weakest currencies of emerging countries. Further, bond yields, in single digits since the second quarter of 2014, rose to double-digit levels once again. Falling commodity prices, with oil prices in the lead, proved positive for Turkey in terms of external balance. However, despite this fall, the projected disinflation failed to materialize.

Subject to the abovementioned conditions, upon examining 2015 financial results of Turkish banking sector it can be seen that total assets increased 18.2% in 2015 compared to the previous year and reached TL 2,357 billion as of December 2015. Total loans rose 19.7% and amounted to TL 1,485 billion. As of December 2015, the sector's capital adequacy ratio stood at 15.6%. Shareholders' equity increased 13.0% and totaled TL 262 billion. Profitability of the sector in 2015 amounted to TL 26.1 billion.

In light of these developments, Finansbank's total loans portfolio increased 13.8% to TL 57.3 billion, total assets rose 14.0% and amounted to TL 85.7 billion. Customer deposits totaled

TL 47.0 billion, with a 15.6% increase, and shareholder's equity amounted to TL 9.0 billion, showing a rise of 5.2%. The Bank's capital adequacy ratio was 15.4% and net profit equaled TL 706 million in 2015. Finansbank served its customers with 642 branches and approximately 13 thousand employees in 2015.

Dear Shareholders,

In our Annual Report showcasing our performance during 2015, we have presented the Balance Sheet and Profit and Loss Statement for your examination and approval.

We express our gratitude to our customers who have not wavered in their confidence and State authorities for their continuous support. We thank our employees, whose superior and selfless contributions we value greatly; we salute with respect once again our esteemed shareholders and their representatives who have honored our General Assembly.

FINANSBANK A.Ş. BOARD OF DIRECTORS

RELATED PARTY RISKS

Regardless of the nature of transactions, relations with companies in the risk group of/and controlled by the Bank are conducted in the scope of an ordinary bank-client relationship and in compliance with the Banking Law and prevailing market conditions.

Concentration, type and amount of the transactions as well as pricing and other terms in the transactions with the risk group companies are set on an arms-length basis and based on prevailing market conditions. As of December 31, 2015, cash loans granted to risk group composed 0.3% of the Bank's total loans, deposits obtained from risk group composed 1.1% of the Bank's total deposits and derivatives

transactions executed with the risk group composed 0.2% of the Bank's total derivatives transactions volume.

Transactions involving the purchase and sale of real-estate and other assets and services, agency contracts, leasing contracts, transfer of data obtained from research and development activities, license contracts, financing (including loans and cash or in-kind capital contributions), guarantees and collaterals, management contracts, and the like are underwritten between the Bank and Finans Leasing (Finans Finansal Kiralama A.Ş.). Net leasing payables incurred from these contracts amounted to TL 1.9 million as of December 31, 2015.

The Bank entered into a contract with IBTech Uluslararası Bilişim ve İletişim Teknolojileri Araştırma, Geliştirme, Danışmanlık, Destek Sanayi ve Ticaret A.Ş. for research, development, and consultancy services.

The Bank receives cash transfer services from its 33.3% subsidiary Bantaş Nakit ve Kıymetli Mal Taşıma ve Güvenlik Hizmetleri A.Ş.

The Bank provides agency services to Cigna Finans Pension (Cigna Finans Emeklilik ve Hayat A.Ş.), which is a joint venture of the Bank with a 49% stake.

INFORMATION ON OUTSOURCED SERVICES AND THE INSTITUTIONS SUPPLYING OUTSOURCED SERVICES

The following services are outsourced pursuant to the provisions in the sixth paragraph of Article 5; in Articles 10 and 11; and in the first paragraph of Article 12 of the "Regulation on the Services Banks May Outsource and the Authorization of the Suppliers."

Supplier	Service Outsourced
3-D Bilişim Teknolojileri Danışmanlık Ve Teknik Servis Ltd. Şti.	Voice recording equipment operating system
Acerpro Bilişim Çözümleri Yazılım ve Danışmanlık Hizmetleri İç ve Dış Ltd. Şti.	Online Insurance Quote Comparison
Adecco Hizmet ve Danışmanlık A.Ş.	HR outsource staff payroll
Akbasım Matbaacılık ve Tic. Ltd. Şti.	Check printing
Aktif İleti Ve Kurye Hiz. A.Ş.	Courier
Asseco See Teknoloji A.Ş.	Virtual POS application, maintenance and technical support
Atos Origin Bilişim Danışmanlık Ve Müşteri Hizmetleri San. Tic. A.Ş.	Call center
Banksoft Bilişim Bilgisayar Hizmetleri Ltd. Şti.	Card payment systems software and application services
Bantaş Nakit Ve Kıymetli Mal Taşıma ve Güvenlik Hizmetleri A.Ş.	Transportation and safekeeping of cash and valuable goods
BGA Bilgi Güvenliği Eğitim ve Danışmanlık Ltd. Şti.	IT security testing services
C/S Enformasyon Teknolojileri Ltd. Şti.	Software development
Callpex Çağrı Merkezi ve Müşteri Hizmetleri	Call center
Cigna Finans Emeklilik ve Hayat A.Ş.	Private pension and insurance
CMC İletişim Bilgisayar Reklam ve Danışmanlık Hizmetleri San. Tic. A.Ş.	Credit card and consumer loan collection
CMC İletişim Bilgisayar Reklam ve Danışmanlık Hizmetleri San. Tic. A.Ş.	Call center
Collectürk Alacak Yönetimi ve Danışmanlık A.Ş.	Credit card and consumer loan collection
Direktika İnsan Kaynakları Ltd. Şti.	HR outsource staff payrolling
eFinans Elektronik Ticaret ve Bilişim Hizmetleri A.Ş.	Electronic invoice services
eFinans Elektronik Ticaret ve Bilişim Hizmetleri A.Ş.	E-book software
E-Kart Elektronik Kart Sistemleri San. ve T.A.Ş.	Plain card procurement and customization
Etcbase Yazılım Ve Bil. Teknolojileri Anonim Şirketi	Legal proceeding system software development and maintenance
Fonoklık İletişim Hizmetleri ve Ticaret A.Ş.	Loan/credit card application software, license and maintenance
Fu Gayrimenkul Yatırım Danışmanlık A.Ş.	Operational support for real estate mortgages
GGSoft Yazılım Hizmetleri Tic. Ltd. Şti.	Data entry and form scanning
Girişim Alacak Yönetim Hizmetleri ve Yazılım Servisleri A.Ş.	Credit card and consumer loan collection
Global Bilgi Pazarlama Danışma ve Çağrı Servisi Hizmetleri A.Ş.	Credit card and consumer loan collection
Hobim Digital Elektronik Hizmetler A.Ş.	Archive services for loans extended via Turkcell
IBTech Uluslararası Bilişim ve İletişim Tekn. Ar-Ge Danışmanlık Destek San. ve Tic. A.Ş.	IT

Supplier	Service Outsourced
Ingenico Ödeme Sistem Çözümleri A.Ş.	POS application development, update and technical support services
Iron Mountain Arşivleme Hizmetleri A.Ş.	Archive services
Iron Mountain Arşivleme Hizmetleri A.Ş.	Scanning of agreements in customer files at branches, indexing and archiving thereof
Kartek Kart ve Bilişim Teknolojileri Ltd. Şti.	Software development, integration and maintenance service for instant card printing and card printing center
Konut Kredisi Com Tr Danışmanlık A.Ş.	Housing and consumer loans promotion and marketing
Kurye Net Motorlu Kuryecilik ve Dağıtım Hiz. A.Ş.	Courier
Matriks Bilgi Dağıtım Hizmetleri A.Ş.	FX Blotter software maintenance and support
Meriç Organik Ürünleri San. ve Tic. A.Ş.	Bancassurance Platform service
MGS Merkezi Güvenlik Sistemleri San. Tic. A.Ş.	Alarm systems and monitoring services
MTM Holografi Güvenlikli Basım ve Bilişim Teknolojileri San. ve Tic. A.Ş.	Cheque printing and customization
Plastkart Plastik Kart Akıllı Kart İletişim Sistemleri San. ve Tic. A.Ş.	Plain card procurement and customization
Provus Bilişim Hizmetleri A.Ş.	Card support services
RGN Çağrı Merkezi Müşteri ve İletişim Hizmetleri Ltd. Şti.	Credit card and consumer loan collection
Securverdi Güvenlik Hizmetleri A.Ş.	Security services
Temp Danışmanlık Kuryecilik Sağ. Hiz. ve En. San. Tic. Ltd. Şti.	HR outsource staff payrolling
Tepe Savunma ve Güvenlik Sistemleri Sanayi A.Ş.	Security services
Turkcell İletişim Hizmetleri A.Ş.	Operational support for extending consumer loans
Uzman Bilişim Danışmanlık A.Ş.	Oracle e-business applications
Vega Bilgisayar Hizmetleri Ltd. Şti.	Customer loan information, legal reporting software and software maintenance
Verifone Elektronik ve Danışmanlık Ltd. Şti.	POS application development, update and technical support services

CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE REPORT

PART I - STATEMENT OF COMPLIANCE WITH CORPORATE GOVERNANCE PRINCIPLES

a) As detailed below, Finansbank has complied with the imperative principles of the Corporate Governance Principles set out in the Corporate Governance Communiqué no. II - 17.1, published by the Capital Markets Board (CMB), throughout the financial reporting year of 01.01.2015-31.12.2015.

b) Finansbank does not implement principles no. 1.5.2 - 1.7.1 - 2.1.2 - 2.1.3 - 2.2.2 (Most of the information herein is stated in the annual report.) - 3.1 - 3.2 - 4.3.9 - 4.5.5. Nevertheless, Finansbank has set up a Corporate Governance Committee responsible for monitoring whether the Corporate Governance Principles are complied with, describing the problems that may arise due to noncompliance and offering corrective actions to the Board of Directors. The Committee consists of Prof. Dr. Mustafa Aydın Aysan (Chairman), Sinan Şahinbaş, Mustafa Hamdi Gürtin, Christos Alexis Komninou, Ali Teoman Kerman and Fikret Şehsuvar Aladağ. In meetings held in 2015, work was done for improvement of the corporate governance practices in Finansbank. The Corporate Governance Committee shall consider the said principles

in its activities in 2016 and work towards the improvement of corporate governance practices. The Committee also coordinates the operations of the Investor Relations Division.

PART II - SHAREHOLDERS

2.1. Investor Relations Division

Finansbank established an Investor Relations Division, for the purposes of protecting the rights of shareholders and ensuring effective communication between the Board of Directors and shareholders, in line with Article 1.1.2 of Part I of the revised Corporate Governance Principles published by the Capital Markets Board in February 2005. The Investor Relations Division, reporting to the Corporate Governance Committee, is managed by Mr. Fikret Şehsuvar Aladağ. He holds a CMB advanced level certificate and corporate governance rating certificate.

The contact details for the Investor Relations Division are as follows:

investor.relations@finansbank.com.tr

Telephone: +90 212 318 52 07

A total of 117 inquiries were received, and a total of 29 meetings were attended by the Investor Relations Division during the financial reporting year concerned.

2.2. Shareholders' Right to Access Information

Within the scope of the Disclosure Policy of Finansbank as approved at the General Assembly on March 27, 2014, all information in relation to shareholders' rights, such as capital increases, are sent to Borsa İstanbul (İstanbul Stock Exchange) and published in print and on the Public Disclosure Platform (www.kap.gov.tr) in Material Event Disclosure format. Shareholders are informed through e-mails, meetings and telephone calls, and through the Bank's website, regarding material financial and/or operational information that may affect the exercise of the rights of shareholders.

Appointment of a special auditor is not regulated by the Articles of Association of the Bank. The Bank is audited both by the auditors appointed by the Bank's General Assembly and by the Banking Regulation and Supervision Agency ("BRSA") in accordance with the Banking Act.

Mr. Jilber Topuz, one of our shareholders, submitted a request to the General Assembly held on March 31, 2015 concerning appointment of an independent auditor regarding the asset sales executed by the Bank. It was voted and rejected by majority.

2.3. General Assemblies

The Annual General Assembly was held on March 31, 2015 with a meeting quorum of 99.8%. Invitation for the General Assembly were published on the official gazette, Güneş and Hürses newspapers. Shareholders were duly provided with the date, agenda and information form regarding the agenda of the Meeting through the website of the Bank, the Public Disclosure Platform as well as the electronic General Assembly System.

The Board of Directors invitation for the Assembly, the agenda and a sample power of attorney letter were published in the Turkish Trade Registry Gazette and two daily newspapers. Shareholders were requested to receive their admission cards, which were issued according to the amount of registered shares in the share registry, from the Bank's Head Office at least one week before the date of the Meeting.

Jilber Topuz's requests for additional agenda items are below:

The following requests for addenda by Jilber Topuz, one of our shareholders, have been received by the Investor Relations Department.

a) that beneficiaries of grants and aids by the Bank paid in 2014 to associations, foundations and institutions be divulged on the General Assembly agenda including names of associations, and foundations; and that they be specified on the pre-assembly information letter;

b) that details (notes to and dates of Board resolutions, dates of sales

and transfers, names of the acquiring asset management companies) of micro loans, credit cards, retail loans and overdraft accounts in legal proceedings as well as liquidation by sales of commercial loans portfolio be divulged; and that regarding such transactions Board members be separately acquitted;

c) that a provision be added to the Articles of Association with respect to General Assemblies be open, without right to speak, to the public including stakeholders and the media, as per 1.3.11 of CMB corporate governance principles

d) that a provision be added to the Articles of Association with respect to minority rights being granted to company shareholders having more than 3% of the shares;

e) that it be determined whether the Finansbank A.Ş. management has, without a court or court order, paid back to customers filing fees of housing, consumer and auto loans and whether discriminatory actions were taken in repayment of filing/drawdown fees; and that an independent auditor be appointed regarding inspection of documentation/correspondence related thereto;

The requests stated above have been evaluated as per the procedures and principles of the Commercial Code, law no.6102. Even though the request was not met in line with provisions regarding addendum to the agenda, Mr. Jilber Topuz has been informed as follows:

- An item on the grants of the Bank in 2014 would be included, as has always been the case in previous years, - with respect to sales of portfolios in legal proceedings, following Board approval related announcement was made through the Public Disclosure Platform (an item on this issue is included in the agenda), and relevant information is in Finansbank material disclosures dated 16.12.2014 – 19.06.2014 – 22/23.05.2014, and -on other issues, necessary clarification would be subject to information request at the General Assembly.

Shareholders are entitled to ask questions and receive answers during the General Assembly.

Question posed by Jilber Topuz, one of our shareholders, on the electronic general assembly system and the answers provided are as follows.

1. This question is directed to Board members providing guidance to NBG: What do you and NBG achieve by every delay to the public offering? Do you agree that your decisions were misguided? FinansInvest successfully completed the secondary offering of Halk Bankası worth TL 4.5 billion, at 1.9 PD/DD. What market conditions were you looking for then? What were you waiting for flotation?

Answer: Mr. Ömer Aras, Finansbank's CEO and the Speaker stated that this was an issue concerning the Bank's shareholders and favorable market conditions would be preferable. However, under the present circumstances an offering was desirable.

2. This question is directed to company auditor: You have expressed a qualified opinion regarding the financials as of December 31, 2014, due to the free reserves in the amount of TL 82 million, reserved by the Bank management with a view to possible effects of future developments in the economy and the markets. Is it your expert opinion as the auditor that the amount of reserves is too low? What amount of reserves do you think is adequate for an affirmative opinion? Please provide a detailed statement of the basis for your opinion.

Answer: Finansbank's auditor is Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. According to Ms. Damla Harman, an associated partner and Auditor-in-chief, basis for the qualified opinion may be left to the Bank but statement are include in the audit report as per international audit standards. The basis for the qualified opinion is the determination of TL 82 million as free reserves for developments in economy and the markets.

3. Has the Bank management, without a court or court order, paid back to customers fees related to housing, consumer and auto loans, taken under names such as filing charges, refinancing fees, interest rate cut et cetera? If so what is the total amount of repayment of stated fees in 2014? Under what item on 2014 financials is it recognized?

Answer: Adnan M. Yayla, Executive Vice President responsible for Financial Control, stated that an amount of TL 95,339,828, stated under the item deduction form commission

income, was paid back in 2014 to customers regarding filing charges. Returns are transacted in accordance with fee and charge returns principles of the Bank and by taking into consideration court decisions and resolutions consumer arbitration committees.

4. What is the amount of one-chunk grant given in 2014 and to what institution?

Answer: It is in the amount of TL 341,300, granted to Türk Eğitim Derneği.

5. On 15.02.15 I have posed to the Investor Relations (IR) Department, in writing, my question on returns, IR Department responded on 19.02.15 by saying that I could use my right to information at the General Assembly. Do you, as a bank, require attendance at the General Assembly to provide information to shareholders? Is this your disclosure policy? What is the job definition of IR? How can you talk about corporate governance principles?

Answer: The IR Department will take such views into consideration.

6. It is bekown to me that an investigation by the Directory of Counseling and Inspection, Ministry of Customs and Trade, due to transactions contrary to Art. 1524 of the Commercial Code law no.6102, is currently under way. How is the investigation proceeding, what is the outcome?

Answer: The Ministry of Customs and Trade has stated that all necessary information and documents have been

received and the investigation is still going on.

7. What is NBG's public offer target? Is it USD 800million, USD 900million, market value, book value, or what is it? The ratio of non-performing loans is 5.2%, well above the sector. What is the reason behind this?

Answer: It is stated that NBG has no numerical target but a sale price will come to fruition as a result of prevailing market conditions. The ratio of non-performing loans is in parallel with the sector, keeping in mind that the Bank is for the major part a Retail bank.

An Extraordinary General Assembly Meeting was held on 28.05.2015 regarding resolution on distribution of profit after tax as stated in yearend 2014 financials and the amendment of Art.5 of the Articles of Association. The invitation to the General Assembly was published in the Turkish Trade Registry Gazette, and Güneş and Hürses newspapers. The date and agenda of the Assembly was announced to our shareholders through the Bank's website, the Public Disclosure Platform and the Electronic General Assembly System. The participation rate was 99.8%.

The minutes of the General Assembly Meeting is available to shareholders on the Bank's corporate website, the Electronic General Assembly System, and, in addition, e-company information portal allocated to information society services, within the scope of the relevant provisions of the Turkish Commercial Code, accessible through the Bank's

website, and the infrastructure of which is provided by Central Securities Depository.

In the 2015 General Assembly no transactions requiring the affirmative votes of the majority of the independent members of the Board for a Board resolution, were on the agenda.

In the 2015 General Assembly, there was a distinct agenda item regarding contributions. Within the scope of this item shareholders were provided information regarding the total amount of contributions in 2014. Moreover, shareholders' approval was requested on the amount of upper limit of contributions to be made in 2015. In 2015 the Bank has, in line with the relevant legislation, granted a total of TL 1,286,850 to various foundations, associations and educational institutions.

In addition, pursuant to Art. 1.3.6 of the Corporate Governance Communiqué no. II - 17.1, information was provided regarding transactions conducted in 2014. The General Assembly was informed that other than transactions conducted in 2014 within the limits allowed by the Banking Law and relevant legislation, no significant transactions of the nature to cause a conflict of interest with the Bank or its affiliated companies were carried out by shareholders in charge of management, members of the Board, members of upper management, and their spouses and kin of second degree by blood and marriage; that they did not conduct, in their own account or on behalf of third parties, any transactions of the type falling

under the field of operation of the Bank or its affiliated companies; and that they did not join as a partner with unlimited liability another company carrying out similar commercial transactions.

The invitation and relevant information of the Annual General Assembly to be held in 2016 will be published in the Turkish Trade Registry Gazette, two daily newspapers, on the Bank's website and other media as required by the relevant legislation. The minutes of the General Assembly Meeting, list of attendees, agenda and related announcements will be made available to shareholders on the Bank's corporate website following the Assembly.

2.4. Voting Rights and Minority Rights

No voting privilege is granted and no cumulative voting procedure is adopted by the Bank's Articles of Association.

2.5. Dividend Distribution Policy and Dividend Distribution Period

Dividend distribution policy of the Bank is approved in the General Assembly dated 27.03.2014. The dividend is calculated under the provisions of the applicable regulations and provisions of the Bank's Articles of Association. Accordingly, after deducting the legal and financial liabilities of the Bank, 5% of remaining profit is allocated to the statutory reserve fund and an amount corresponding to 5% of equity is allocated, regardless of the date of equity payment as first dividend to shareholders. After allocation of these amounts, 10% of the remaining

profit may be allocated to founding shareholders. After deducting the amounts stated in the provisions above, a maximum of 5% of the remaining amount may be allocated by the General Assembly to the Board Members and Managing Directors, including the ordinary member General Manager, out of the annual profit remaining after the amounts set aside and allocated as described in the foregoing provisions, an amount designated by the General Assembly, may be set aside for the shareholders as Second Dividend, regardless of the payment dates of the capital. One tenth of the Dividends decided to be distributed as per paragraphs "c", and "d" of this article shall be added to general legal reserve funds pursuant to the Turkish Commercial Code. General Assembly is entitled to transfer to the subsequent year or set aside as extraordinary reserve funds, all or a part of the net profit remaining after setting aside and distributing the reserve funds in paragraph "a" and dividends in paragraph "b" of this article. If it deems necessary, Board of Directors may make suggestions to the General Assembly to such extent. The manner of distributing the dividend allocated to the Board Members and Executive Directors, including the ordinary member General Manager, as per paragraph "c" of this article, to the relevant parties shall be determined by the Board of Directors. Dividends shall only be paid out of annual profit. No dividend can be distributed unless the reserve funds mentioned in paragraph "a" of this article are set aside. Unless and until reserve funds which should be set aside as per law and dividends

specified for the shareholders under the Articles of Association are not set aside, no resolution in regard to setting aside other reserve funds, transferring profit to the subsequent year and distributing dividends to jouissance share holders, members of Board of Directors and employees of the Bank shall be adopted. Besides, no dividends shall be distributed to such persons unless and until specified amount is set aside. The General Assembly shall determine the payment date of the dividends to be distributed as per the provisions of this article. Provisions of paragraphs "d" and "e" hereof shall also apply to dividends that have been resolved by a General Assembly Resolution to be distributed to the shareholders out of extraordinary reserve funds. The profit distributed in accordance with the provisions of these Articles of Association cannot be taken back. Relevant provisions of the Turkish Commercial Code are without prejudice.

2.6. Transfer of Shares

Finansbank's Articles of Association do not restrict shareholders from transferring their shares. However, share transfer is subject to BRSA approval pursuant to the Banking Law.

PART III - DISCLOSURE AND TRANSPARENCY

3.1. Corporate Web Site and Its Content

Finansbank's corporate web page, www.finansbank.com.tr, contains information, both in Turkish and English, on the Bank's current

shareholder and management structure; Articles of Association; annual reports; periodical financial statements and reports; material events regarding the Bank; agendas, minutes and list of attendees of General Assembly Meetings; a sample power of attorney letter; and inquiries and answers provided under the FAQ section.

3.2. Annual Report

The Bank's Annual Report, prepared in accordance with relevant regulations, includes issues on corporate governance principles. The details are given in the "Corporate Governance Principles Compliance Report" section of the Annual Report.

PART IV - STAKEHOLDERS

4.1. Informing Stakeholders

Bank employees are informed about the Bank's operations when deemed necessary via internal communications tools. In addition, managers at the Headquarters and branches are informed about developments via regularly held meetings. The tip-off hotline, set up for informing regarding transactions contrary to the Bank's procedures and instructions, and that are against legislation and improper ethically, is open to access by stakeholders through a number of channels.

The Bank does not have a model to ensure stakeholders' involvement in management.

4.3. Human Resources Policy

Finansbank recognizes that the

most valuable capital is its human resources. With this in mind, the Bank's Human Resources Policy, directed towards increasing the Bank's performance, is based on attracting, developing and retaining new talent, and hence realizing sustainable development of the Bank's human resources. The Bank's Human Resources Policy has four components:

- Human Resources Planning and Recruitment: Attracting talented employees to the Bank and placing them in the most suitable positions in line with Bank's staffing requirements.
- Performance Management: Managing staff performance by harmonizing goals of employees with the goals of the Bank.
- Talent and Development Management: Developing the technical and managerial skills of employees, retaining promising employees in the Bank and focusing on their development.
- Loyalty and Rewards: Developing policies for increasing employee loyalty to the Bank and increasing their involvement in Bank's growth.

Finansbank's number of personnel reached 12,950 by the end of 2015. Including the subsidiaries the number of personnel is 14,141.

Performance management in Finansbank encourages career development with a continuous feedback culture and establishes long term talent strategies in order to support employee potential.

Performance evaluation is made biannually. Through the evaluation of;

- Probable potential with a differential performance influencing the performance of the Bank and contributing and/or will contribute to the Bank reaching its targets, is determined;
- Technical performance results for each individual employee come about as a result of targets of the Bank as well as the resultant targets for business lines and departments. Developmental performance results are obtained as a result of evaluations carried out for figuring out developmental requirements of employees.
- Within the personalized performance model designed for all Finansbank employees strong points and areas for development are evaluated individually. Individual developmental needs are thus determined.
- Points of improvement are defined and actions are determined and a road map is defined for monitoring.

Results are shared with the employees transparently.

Performance evaluation process aims to foster loyalty through a fair and transparent system which assesses the performance of the personnel on concrete and measurable criteria.

The purpose of remuneration management in Finansbank is to gain new talents and increase employee loyalty, satisfaction, motivation and synergy. Accordingly, a fair and transparent pricing methodology that is in compliance with the bank's

ethical values and internal regulations is implemented. Moreover, incentive programs that are focused on individual and institutional targets without taking excessive risk are created and are encouraged. In 2015, The Bank's personnel received a cash bonus of around 2 salaries per employee as part of the premium and bonus schemes. Various benefits that improve living standards and increase productivity of the employees, such as health insurance, annual leave, transportation, food, telecommunication aid and other employee support services are provided with consideration of market conditions.

Remuneration Management has continued to function within the scope of the Remuneration Committee, established in 2013, in compliance with the regulation of the Banking Regulation and Supervision Agency on Corporate Management Principles of Banks.

No discrimination complaints from the Bank's employees were received.

4.4. Social Responsibility and Code of Ethics

Finansbank believes in the importance of securing the future of a healthy and sound environment. The concept of sustainable banking is applied in every environmental, economic and social policy/process of the Bank. The Bank's business strategy and decision-making mechanism supports its goal to leave a livable world for future generations. With every transaction and funding decision, the Bank strives to promote a sustainable development mindset.

To this end, the Bank has set up a Social Responsibility Committee. In parallel with the research and studies of this Committee, the Internal Audit and Compliance Department carries out activities in terms of compliance with national and international legislation. The Bank has also established a Social and Environmental Management System (SEMS) policy.

In line with this approach, Finansbank created the "Minik Eller Büyük Hayaller" developmental platform by joining small hands that underlines our diligence and our focus on children, with big dreams that will be the starting point of their creative powers that will shape the future.

Close to thirteen thousand Finansbank employees located all over the country, their families and children have become social stakeholders, project partners and goodwill ambassadors in the "Minik Eller Büyük Hayaller" platform.

Finansbank has adopted a code of ethics as specified under the Banking Law. The Finansbank Employee Code of Conduct and Finansbank Code of Ethics for Financial Professionals have been approved by Board of Directors and communicated to Bank staff as a booklet and online.

PART V - BOARD OF DIRECTORS

5.1. Structure and Formation of the Board of Directors

As of 31.12.2015 the structure of Finansbank's Board of Directors is as follows:

Dr. Ömer A. Aras, Chairman,

Sinan Şahinbaş, Vice Chairman,

Prof. Dr. Mustafa A. Aysan, Board Member and Head of Corporate Governance Committee

Temel Güzeloğlu, Board Member and General Manager,

Ioannis Vagionitis, Board Member and Member of Audit Committee

Georgios Koutsoudakis, Board Member,

Ali Teoman Kerman, Board Member and Chairman of Audit Committee,

Stefanos Pantzopoulos, Board Member,

Dr. Paul Mylonas, Board Member and Member of Audit Committee

Christos Alexis Komninos, Board Member,

Mustafa Hamdi Gürtin, Board Member,

Paula Hadjisotiriou, Board Member. (Resignation effective 24.06.2015)

The biographies of Board members are provided in the Annual Report.

In the General Assembly Meeting on 27.03.2014, it was decided that Mustafa Hamdi Gürtin shall be appointed as the independent member of the Board, and the members of the Audit Committee shall also be designated as the independent Board Members in compliance with the relevant provisions of Corporate Governance Communiqué (II – 17.1) published by the

Capital Markets Board. The present Board members are still incumbent; therefore, no members were elected at the 2015 General Assembly.

It is acknowledged that, within the restrictions stated in the Banking Law, the members of the Board may also hold professional positions outside the Bank provided that no such position prevents them from fulfilling their respective responsibilities in the Bank and does not cause any conflict of interest.

5.2. Principles Related to the Activities of the Board of Directors

Finansbank Board of Directors held 12 meetings in 2015, in compliance with relevant laws and the Bank's Articles of Association, with the attendance of all members except when prevented due to reasonable excuses.

Board Members are provided with documents that include the agenda for each meeting, prior to the meeting. No dissenting opinion was voiced during the Board meetings.

The agenda of each Board meeting is determined on the basis of input and recommendations from Board Members and the General Directorate. Discussions on risk and monthly reports, assessment and approval/rejection of applications for loans, and loan amounts that exceed the authority limits of the Credit Committee and therefore require the approval of the Board, are included in the agendas of all Board meetings. In addition, Internal Audit, Audit and Corporate Governance Compliance Committees submit reports to the

Board periodically. The Board of Directors has a secretariat in charge of informing and communicating with Board members and ensuring compliance of meetings and resolutions with applicable laws and regulations.

No Board member has preferential voting rights.

5.3. Number, Structure and Independence of Committees under the Board of Directors

Five committees serve under the authority of the Board of Directors, which are Corporate Governance Committee, Audit Committee, Risk Management Committee, Credit Committee and Remuneration Committee.

As of 31.12.2015, the members of the Corporate Governance Committee are Prof. Dr. Mustafa A. Aysan (Chairman), Christos Alexis Komninos, Mustafa Hamdi Gürtin, Ali Teoman Kerman, Sinan Şahinbaş and Fikret Şehsuvar Aladağ.

The members of the Audit Committee are Ali Teoman Kerman (Chairman) Ioannis Vagionitis and Paul Mylonas.

The members of the Risk Management Committee are Dr. Ömer A. Aras, Sinan Şahinbaş, Ioannis Vagionitis, Ali Teoman Kerman and Paul Mylonas.

The members of the Credit Committee are Dr. Ömer A. Aras, Sinan Şahinbaş, Temel Güzeloğlu, Ioannis Vagionitis, Mustafa Aysan (Reserve Member) and Stefanos Pantzopoulos (Reserve Member).

The members of the Remuneration Committee are Sinan Şahinbaş and Paul Mylonas.

The Credit Committee meets weekly, the Risk Management Committee meets monthly, the Audit Committee and Corporate Governance Committee meet on a quarterly basis at least four times a year, and the Remuneration Committee meets at least three times a year.

5.4. Risk Management and Internal Control

In accordance with the Banking Law No:5411 and the Regulation on Internal Control Systems in Banks, the Bank's Board of Directors set up an Audit Committee, the current members of which are Ali Teoman Kerman (Chairman), Ioannis Vagionitis and Paul Mylonas. Internal Control and Compliance Department and the Internal Audit and Risk Management Department report to the Audit Committee.

Risk Management Department was set up at the end of 2001 as an entity independent from all other executive departments. The Risk Management Department is responsible for measuring possible banking risks, formulating risk management policies, and ensuring that the Bank is run in a manner so that the risks taken remain within the limits of the risks the Bank may wish to take in line with its strategic goals. The Bank aims to conform its Risk Management operations to Basel III standards and applicable legal requirements in force in Turkey. In addition to reporting to the Board of Directors

through the Internal Systems director and the Audit Committee, the Risk Management Department also reports to the Risk Management Committee. Dr. Ömer A. Aras, Sinan Şahinbaş, A. Teoman Kerman, Ioannis Vagionitis and Paul Mylonas are members of the Committee.

5.5. Strategic Goals

Vision

To help build individual and commercial financial plans, that will catalyze Turkey's success.

Mission

To forge a lifelong partnership with all our stakeholders, by understanding their needs, finding the right solutions and aiming for maximum customer satisfaction.

Finansbank's vision and mission are declared publicly on the Bank's corporate website.

The Bank prepares five-year business plans that are to be discussed by the Board of Directors every year. In addition to the business plans, the Bank's detailed annual budget is decided in consort with the Board of Directors. After the approval of the business plan and the budget, the Board of Directors monitors and discusses the Bank's rate of attainment of the objectives, activities and performance at its monthly meetings.

Upper management approves the strategic goals set by management and monitors the Bank's progress, operations and performance toward these goals.

5.6. Remuneration

During the General Assembly Meeting held on March 31, 2015, it was decided that each member of the Board of Directors shall be paid a net honorarium amount of TL 4,000 per month. In 2015, a gross total of TL 615,714 was paid to Board members as honorarium.

In addition, a gross amount of TL 52,553,071 was paid to the executive management as salary and performance based premium and bonus structure.

Loans extended to Board members and managers are limited in Article 50 of the Banking Law. No loans are granted to Board members and managers above these limits.

The honorariums to be paid to the Board members are determined by the General Assembly.

DISTRIBUTION OF PROFIT

The Board of Directors adopted the following resolution;

To propose the below-mentioned items to the General Assembly;

1. On our General Assembly Meeting of Shareholders to be held on 24 March 2016 to distribute the net profit of TL 705,772,310 - which was calculated on the basis of the Bank's 2015 financial statements by deducting the taxes payable, as follows in accordance with Article 26 of Articles of Association of the Bank:

General Statutory Reserve	TL 35,288,616
First Dividend to Shareholders	TL 150,000,000
Gains on Real estate Sales Fund (KVK 5-1/e)	TL 145,684,379
General Reserve	TL 374,799,315
Total	TL 705,772,310

2. To increase the paid in capital of the Bank via internal reserves, which was set aside as first dividend to be distributed to shareholders, amounting to TL 150,000,000 representing 5% bonus share for each share with a value of 10. Kurus to be registested as shares in accordance with Capital Markets Regulations on central registry until 30/06/2016.

AMENDMENTS TO THE ARTICLES OF ASSOCIATION

FORMER VERSION	NEW VERSION
<p>ARTICLE 5</p> <p>HEAD OFFICE AND BRANCHES</p> <p>The Company's head office is in Istanbul. Its address is "Büyükdere Cad. No: 129 Mecidiyeköy". In case of a change in the address, the new address shall be registered with the trade registry and announced in the Turkish Trade Registry Gazette and also notified to the Ministry of Customs and Trade. Notifications served to the registered and announced address shall be deemed as having been served to the Company. Failure to register the new address in due time despite leaving the registered and announced address shall constitute a ground for termination for the Company.</p> <p>The Bank may establish branches, agencies, liaison offices, offices and agents inside the country and abroad, provided that it obtains the necessary legal permissions.</p>	<p>ARTICLE 5</p> <p>HEAD OFFICE AND BRANCHES</p> <p>The Company's Head Office is in Istanbul. Its address is "Esentepe Mahallesi, Büyükdere Cad. Kristal Kule Binası No: 215 Şişli - İstanbul". In case of a change in the address, the new address shall be registered with the trade registry and announced in the Turkish Trade Registry Gazette and also notified to the Ministry of Customs and Trade. Notifications served to the registered and announced address shall be deemed as having been served to the Company. Failure to register the new address in due time despite leaving the registered and announced address shall constitute a ground for termination for the Company.</p> <p>The Bank may establish branches, agencies, liaison offices, offices and agents inside the country and abroad, provided that it obtains the necessary legal permissions.</p>

FORMER VERSION**ARTICLE 7****SHARE CAPITAL**

a. The Bank has adopted the registered capital system as per the provisions of the Capital Markets Law numbered 2499 and this matter has been approved by the permission dated October 14, 1993 and numbered 743 of the Capital Markets Board.

b. The Bank's registered share capital is TL 12,000,000,000.- (Twelve Billion Turkish Lira), represented by 120,000,000,000 (One Hundred and Twenty Billion) registered shares each with a nominal value of 10 Kuruş. When it deems necessary, Board of Directors is entitled to increase the Bank's issued capital by issuing new shares up to the said limit, in accordance with the provisions of the relevant legislations.

c. Board of Directors is entitled to directly offer to public, all of the shares representing the increased capital, by limiting the preemption rights upon satisfying the conditions set out in the relevant legislations.

d. The Bank's issued capital is divided into 28,350,000,000.- (Twenty Eight Billion ThreeHundredFifty Million) registered shares with a totally paid-in nominal value of TL 2,835,000,000.- (TwoBillion EightHundredThirtyFive Million Turkish Lira).

Nominal value of the share certificates have been changed from TL 100,00.- to Kr 10.-within the scope of the law no. 5374 concerning the amendment of the TCC. As a result of such change, the total number of shares has remained unchanged and in consideration of 9,500,000,000 shares each with a nominal value of TL 100,000.-, 9,500,000,000 shares with a value of Kr 10.- will be given. Rights of the shareholders relating to such change are preserved.

NEW VERSION**ARTICLE 7****SHARE CAPITAL**

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b. The Bank's registered share capital is TL 12,000,000,000.- (Twelve Billion Turkish Lira), represented by 120,000,000,000 (One Hundred and Twenty Billion) registered shares each with a nominal value of 10 Kuruş. When it deems necessary, Board of Directors is entitled to increase the Bank's issued capital by issuing new shares up to the said limit, in accordance with the provisions of the relevant legislations.

c. Board of Directors is entitled to directly offer to public, all of the shares representing the increased capital, by limiting the preemption rights upon satisfying the conditions set out in the relevant legislations.

d. The Bank's issued capital is divided into 30,000,000,000.- (Thirty Billion) registered shares with a totally paid-in nominal value of TL 3,000,000,000.- (Three Billion Turkish Lira).

Nominal value of the share certificates have been changed from TL 100,00.- to Kr 10.-within the scope of the law no. 5374 concerning the amendment of the TCC. As a result of such change, the total number of shares has remained unchanged and in consideration of 9,500,000,000 shares each with a nominal value of TL 100,000.-, 9,500,000,000 shares with a value of Kr 10.- will be given. Rights of the shareholders relating to such change are preserved.

FORMER VERSION

e. Registered capital permission granted by the Capital Markets Board is valid between 2014 - 2018 (for 5 years). Even if the permitted registered capital ceiling is not reached by the end of 2018, in order for the Board of Directors to resolve to increase the capital after 2018; it must be authorized by the general assembly upon obtaining the permission of the Capital Markets Board, for the previously permitted ceiling or a new ceiling amount.

When it deems necessary, between 2014-2018, the Board of Directors is authorized increase the issued capital by issuing shares up to the registered capital ceiling and also resolve on issues such as restricting the rights of privileged shareholders, restriction of rights of shareholders to purchase the newly issued shares (other than Founders' Jouissance shares) and issuing shares above the nominal value or without voting rights in compliance with the provisions of the Capital Markets Law. The authority to restrict the preemptive rights shall not be exercised in a manner leading to in equality among shareholders.

Shares representing the share capital shall be monitored in accordance with principles of dematerialization.

NEW VERSION

e. Registered capital permission granted by the Capital Markets Board is valid between 2014 - 2018 (for 5 years). Even if the permitted registered capital ceiling is not reached by the end of 2018, in order for the Board of Directors to resolve to increase the capital after 2018; it must be authorized by the general assembly upon obtaining the permission of the Capital Markets Board, for the previously permitted ceiling or a new ceiling amount.

When it deems necessary, between 2014-2018, the Board of Directors is authorized increase the issued capital by issuing shares up to the registered capital ceiling and also resolve on issues such as restricting the rights of privileged shareholders, restriction of rights of shareholders to purchase the newly issued shares (other than Founders' Jouissance shares) and issuing shares above the nominal value or without voting rights in compliance with the provisions of the Capital Markets Law. The authority to restrict the preemptive rights shall not be exercised in a manner leading to in equality among shareholders.

Shares representing the share capital shall be monitored in accordance with principles of dematerialization.

RISK MANAGEMENT

Risk Management is responsible for monitoring and managing all potential risks for the Bank in a centralized and efficiently coordinated manner. The primary goal of Risk Management is to provide business lines appropriate capital allocation (economic capital) for risks they are exposed to and increase value-added by maximizing risk adjusted return on capital.

Organizational Structure

Risk management governance at the Bank starts with the Board of Directors. The Board's Risk Committee, Asset/Liability Committee (ALCO), Corporate and Retail Credit Policy Committees (CPC), Operational Risk Management Committee (ORMC) and the Risk Management Department are important bodies of the risk management structure at Finansbank.

The Board of Directors is responsible for determining the general risk policy and the risk appetite of the Bank. The Risk Committee defines risk policies and strategies, reviews all types of risks the Bank is exposed to in its monthly meetings, monitors the implementation of risk management strategies and brings the important risk issues to the attention of the Board. The ALCO, meeting monthly, monitors and manages the structural asset liability mismatch of the Bank. It also monitors and controls liquidity risk and foreign currency exchange risk. The CPC meets monthly and

is responsible for monitoring and evaluating the Bank's lending portfolio and determining principles and policies related to credit risk management processes, such as loan approval, limit setting, rating, monitoring and problem management. The ORMC, also meeting quarterly, reviews the operational risk issues of the Bank and defines the necessary actions to be taken to minimize these risks.

Finansbank Risk Management Department works independently from executive management and reports to the Board of Directors through Head of Internal Systems and Audit Committee. Market Risk, Credit Risk and Capital Management, Operational Risk Management Units are responsible for identification, monitoring and managing of all related risks. Additionally, Model Validation Unit is responsible for validation of risk measurement and credit rating/scoring models as well as assessment of performances.

Market Risk Management

Market Risk arises due to the positions in the trading book, which includes trading securities, open currency position and all derivatives excluding transactions done for hedging purposes, taken by the Bank with the intention of benefiting in the short term from actual and/or expected differences between their buying

and selling prices or interest rate variations.

Market risk stems from the uncertainty concerning changes in market prices and rates (including interest rates, equity and bond prices and foreign exchange rates), and their levels of volatility. Finansbank seeks to identify, estimate, monitor and manage these risks effectively through a framework of principles, measurement processes and a valid set of limits that apply to all of Finansbank's transactions.

A set of market risk limits are defined, based on Value at Risk (VaR), nominal position, present value basis point and option greeks, in order to manage market risk efficiently and to keep market risk within desired limits. In addition to these limits, the Bank defines warning levels for certain limit types, to allow a process of review, analysis, and consultation in order to take preventive actions, prevent limit breaches and limit possible losses. The limits are monitored on a daily basis by Risk Management Department. VaR results are supported by regular stress testing and scenario analysis.

Finansbank calculates the regulatory capital requirement for market risk using the standardized method within the framework of BRSA guidelines on a monthly basis. The methodology used for the calculation of capital requirements for general market risk

and specific risk is determined by the BRSA. In addition, parallel to best global practices, VaR is measured daily. VaR, which is a measure of the maximum potential loss on the trading portfolio, is calculated using the historical simulation method with a 99%-confidence level and one-day holding period.

While the VaR approach provides a forecast for possible losses under "normal" market conditions, it cannot predict contingent losses under extreme conditions. Hence, the VaR approach is complemented by stress testing in order to incorporate possible extreme market movements. Stress tests are to simulate the impacts of crises, extreme market conditions and major changes in correlations and volatilities.

The Bank uses back testing to verify the predictive power of the value-at-risk calculations. In back testing, theoretical gains/losses calculated by VaR on positions at the close of each business day is compared with the actual gains/losses arising on these positions on the next business day. The assumption of the VaR model is reviewed and revised if such a need occurs as a result of the back testing procedure.

• Interest Rate Risk

The Bank is exposed to structural interest rate risk resulting from differences in the timing of rate changes and the timing of cash flows that occur in the pricing and maturity of a bank's assets and liabilities. Bank defines Policy for the Management of Interest Rate Risk of Banking Book

(IRRBB). According to the policy, interest rate risk is calculated for the banking book, which includes all portfolios excluding trading book.

Even though the Bank is exposed to structural interest rate risk on its balance sheet due to the nature of its existing activities, the policy is ensured that all position is monitored effectively and the risk stays within the pre-defined limits.

The Asset Liability Committee (ALCO) aims to protect the economic value of equity while sustaining a stable earnings profile. Duration/GAP analyses, which rely on calculations of net discounted future cash flows of interest rate sensitive balance sheet items, are conducted to manage this risk. Moreover, the Bank runs net economic value sensitivity scenarios with changes in interest rates and interest rate margins, to calculate their impact on net economic value.

The Bank utilized scenario analysis in order to evaluate the impact of interest rate changes on net economic value. In addition to the Basel standard interest rate shock scenario, the 2001 crisis, May 2004 and June 2006, 2008 scenarios and June-December 2013 volatility are also simulated.

• Liquidity Risk

Liquidity risk is defined as the current or prospective risk to earnings and capital arising from the Bank's inability to meet its liabilities -because of its balance sheet structure or market movements- when they are due. Finansbank aims to control its cash

and available funding sources/ deposits ratio within limits. In addition to early warning indicators, survival horizon under different stress levels and actions planned under liquidity crisis are defined in the Bank's "Liquidity Contingency Plan".

Within the scope of the Basel III accord, the "short-term liquidity coverage ratio" and the "net stable funding ratio," to measure long-term liquidity, are calculated. Liquidity coverage ratio and net stable funding ratio are monitored on a daily basis and on a monthly basis respectively.

Credit Risk and Capital Management

Credit risk is defined as the current or prospective risk to earnings and capital arising from an obligor's failure to meet the terms of any contract with the institution or otherwise fail to perform as agreed. The aim of credit risk management is to maximize the Bank's risk-adjusted rate of return by maintaining the credit risk exposure within acceptable limits defined by the risk strategy document.

Credit Risk Management is embedded into the end-to-end credit processes of the Bank. While the underwriting units are responsible for day-to-day management of the credit risk, The Board of Directors controls the complete lending process by approving the lending criteria, credit risk policies and delegating authorities depending on the type of the product through Credit Policy Committees. The responsibility of the Credit Risk and Capital Management Unit is the establishment of effective and efficient internal policy, procedure

and methodologies for definition, quantification, measurement, control and reporting of the credit risks.

The Credit Risk and Capital Management Unit perform the internal and external reporting of credit risk in an appropriate way for different audiences. The Bank's Board Risk Committee monitors a comprehensive list of credit risk metrics and the risk-based performance measures of the credit portfolios on a monthly basis. In case of any mismatch between the risk profile and the risk appetite of the Bank, the necessary measures are taken immediately to make sure that the portfolio credit quality of the Bank complies with the defined risk appetite.

Credit Risk and Capital Management Unit is also responsible for the capital management process, which includes compliance with the regulatory capital requirements and the establishment of the Bank's policies, processes, methods and systems relating to the Internal Capital Adequacy Assessment Process (ICAAP). This process involves calculation, projection and analysis of legal and economic capital requirements necessitated by yearly and long-term business plans of the Bank.

The Bank has traditionally put great emphasis on the strength of its capital base to maintain investor, creditor and market confidence and to sustain future business development. By this point of view, ICAAP framework is designed to ensure that the Bank has sufficient capital resources to meet the regulatory capital requirements, and that it has available capital in line

with its own risk appetite and internal guidelines.

Operational Risk and Business Continuity Management

Operational risk is defined as the risk of direct or indirect loss resulting from inadequate or failed internal processes, people and systems or from external events. The Operational Risk and Business Continuity Management Unit is responsible for identifying, measuring, monitoring and managing all risks under the scope of operational risk as well as Business Continuity Management.

Activity-process based operational risks are identified through Risk Control Self-Assessment and classified by cause, event and effect categories as proposed by Basel II and actions are taken for severe risks. Operational loss data collection process, which began in January 2005, continues. While loss data is accumulated to provide meaningful statistical data, business processes, where improvements are required, are defined based on the results and all necessary improvement actions are taken. Structured scenario analyses are conducted every year for all business activities. Key Risk Indicators are defined and monitored regularly for severe risks. A robust software platform is used for all operational risk management processes.

The Bank has also prepared and implemented a Business Continuity Management Plan, in order to minimize losses due to business disruption. In addition, the Bank performs the comprehensive annual test of the

Disaster Recovery Center with the participation of business units and the IT Department.

Model Development and Monitoring

Model Development and Monitoring Unit is responsible for developing the application and behavioral scorecards with the purpose of ensuring that the portfolio and processes of loans are managed properly and effectively and the conduct of complementary/ regulatory studies on models as well as monitoring performance and modeling/implementation consistency of scorecards.

Model Validation

Finansbank's Model Validation Group is responsible for assessing and ensuring the validity of measurement and valuation models regarding credit, market, liquidity, assets and liabilities risks and ICAAP in terms of their data quality, methodology, use test, and their compatibility with legal as well as Basel II requirements and best practices before they are implemented on the Bank's scale.

Once the above-mentioned models are being implemented, their performances under changing macroeconomic conditions, Bank's portfolio and risk appetite are monitored and reported on an ongoing basis via performance and stability tests.

Besides, the Unit keeps and updates model inventories and manages the database infrastructure that allows such practices.

EVALUATIONS OF THE AUDIT COMMITTEE ON THE ACTIVITIES OF INTERNAL CONTROL, INTERNAL AUDIT AND RISK MANAGEMENT SYSTEMS AND INFORMATION ABOUT THEIR ACTIVITIES IN THE ACCOUNTING PERIOD

The Audit Committee is established pursuant to the provisions of Banking Law No. 5411 (Law) and Regulation on Banks' Internal Systems and Internal Capital Adequacy Assessment Process (Regulation). Internal Audit, Risk Management and Internal Control and Compliance Departments of the internal functions report to the Audit Committee. The Audit Committee Office is established to assist the Committee with its duties and responsibilities. Risk Management Department is also included in the internal systems but reports to the Risk Management Committee established within the Board of Directors.

On behalf of the Board of Directors, the Audit Committee has the authority and is responsible for:

- supervising the effectiveness, efficiency and adequacy of the Bank's internal systems and their compliance to the Law, applicable Regulations and the Bank's internal policies,
- determining if the methods, instruments and procedures required for identifying, measuring, monitoring and controlling the risks of the Bank are adequate and operative,
- supervising the operation of accounting and reporting systems and the integrity of the information generated by these systems,
- carrying out the necessary preliminary assessment for the selection of independent audit institutions and rating, valuation and support service institutions by the Board of Directors,
- monitoring regularly the activities of the institutions selected and contracted,
- ensuring that the internal audit activities of subsidiaries subject to consolidation in accordance with regulations introduced under the Law are carried out on a consolidated basis and in coordination with the internal audit activities of the Bank.

The Audit Committee convened fifteen times in 2015. Based on its observations and evaluations, the Audit Committee concluded that the internal systems of the Bank were efficient and functioned as planned and the internal controls systems were effective.

Moreover, the Audit Committee

reviewed all support services procured by the Bank, ensured that necessary actions were taken to effectively manage the risks exposed by these services and the Bank complied with the Regulation on Banks' Procurement of Support Services.

A summary of the activities performed by departments reporting to the Audit Committee is stated below.

Internal Audit Department

The Internal Audit Department fulfills its responsibilities objectively and independently with its 105 personnel and reports its engagements through Head of Internal Systems and Audit Committee to the Board of Directors. The Department strongly encourages its auditors to acquire professional certifications available in their field, which is a prerequisite for promotion.

The Department was certified by the independent auditor to comply with the International Internal Audit Standards of the Institute of Internal Auditors (IIA) in carrying out its audit engagements. The assurance provided by this certificate is continuously monitored.

The internal audit reports prepared as a result of the audit engagements carried out by the Department are submitted to the Senior Management and the Board through the Audit Committee. The actions taken to remediate the identified findings are followed up and regularly reported by the Department throughout the year.

Finansbank Board of Directors also follows up the activities of the Department on a continuous basis over the quarterly activity reports submitted through the Audit Committee. The Bank's all risk exposures as determined according to the risk assessment results were taken into consideration in 2015 activities of the Department. The related risks were taken into consideration and covered in all audit engagements. In addition to the planned audit engagements regarding Head Office units, branches, subsidiaries, information technologies processes, 2015 activities also covered incident-based investigations and inspections and participation in various projects and consultancy services. The Department also conducted the Internal Capital Adequacy Assessment Process (ICAAP) audit in accordance with the related legislation and internal Bank procedures.

The Department uses scenario-based examinations and data mining methods in order to prevent fraud cases, utilizes analytical queries and advanced audit technologies for audit engagements and employs advanced audit management and issue follow-up processes.

In the Information Technologies area, the threats, risks and the control environment over the criteria such as confidentiality, integrity and accessibility of information are examined and evaluated and assurance has been given regarding adequacy of the control environment. In addition to the information technologies' audit engagements at Finansbank's affiliates and subsidiaries, the Department also monitors closely the effectiveness, adequacy and independence of the internal audit-control activities regarding information technologies and provides necessary support to the units, if required. The outsource companies, which provide services to information technologies are also audited.

The Internal Audit Department also regularly audits the activities of the group affiliates and subsidiaries. The audit areas are determined with the risk assessment studies performed in coordination with the internal audit units of related companies. The Department also performs continuous monitoring through quarterly activity reports and monthly monitoring forms reported by the internal audit and control units of the group affiliates and subsidiaries. A reporting line has been set between Finansbank Internal Audit Department and Internal Audit Units of the group affiliates and subsidiaries and the audit methodology of these units is in line with the audit methodology of the Department.

Following the activities completed in 2015, the Internal Audit Department accomplished its goals by providing independent and objective assurance

and consultancy services, as in the previous years and contributed to the regular, systematic and disciplined evaluation and improvement of the effectiveness of governance, risk management and internal control environment in order to improve and add value to the Bank's activities.

Internal Control and Compliance Department

Reporting to the Head of Internal Systems and the Audit Committee, the Internal Control and Compliance Department performed control activities for minimizing the Bank's exposure to operational, regulatory and financial risks. The total number of personnel is 99.

Internal Control Division

The internal control system of the Bank is designed and constructed in a way that the assets of the Bank are safeguarded, the daily transactions are handled in compliance with the rules, laws and regulations and the financial reporting systems are reliable, accurate and timely achievable.

As an important part of the internal control system, Internal Control Division is responsible for undertaking control activities among the branches, subsidiaries and head-office units of the Bank. Remote and on-site control methods are used while undertaking the second level controls. The staff number of Internal Control Division reached 76. The Division is divided into two sub-divisions.

Branch & Subsidiary Controls:

All the branches of the Bank are visited at least once a year and controls are made by reviewing the control points listed in a pre-defined checklist. The most recent samples are drawn to see and evaluate the latest reflections of the changes and the operating scheme of the branch. The findings identified during the controls are communicated to relevant units for follow-up purposes. Moreover, monthly and quarterly consolidated reports are prepared and shared with the top-level management.

The branches having relatively higher finding rates among others are visited for a second control in the last quarter of the year.

In a similar vein, all the subsidiaries are visited at least once a year and the checklist prepared in collaboration with subsidiary management is followed during audits.

Moreover, every quarter the action plans listed in the "periodic evaluation reports" of the outsource companies are followed-up via business units and the results are reported to the Audit Committee Office.

Head Office, IT and SOX Controls:

Teams of controllers who are specialized in different areas of banking undertake the head office controls throughout the year guided by an annual control plan. Annual control plan is prepared with the business units bearing in mind the compliance, operational and

financial risks. Within this context, the functions like accounting, financial control, loans, deposits, banking operations, treasury, cash management and credit card businesses are heavily controlled as a second level defense mechanism.

Besides, within the context of remote controls, some specific cases are being monitored daily, weekly or monthly via data derived from the system.

In addition, in order to achieve full compliance to the changing rules and regulations, the announcements made by the Compliance Department are followed-up through business units to identify whether necessary actions are taken or not.

With respect to IT general controls, specific attention is paid to physical and logical access rights, data and system security by testing the controls among these areas. Moreover, many periodic reviews are made related to IT controls.

Apart from these, Management Statement report is prepared by this division with respect to the relevant regulations. The methodology of this work is similar with the external auditors' methodology and the scope includes both Business and IT processes. The results are submitted to External Auditor after the report is approved and signed by the Board.

Finally, due to the fact that NBG shares are traded on New York Stock Exchange (NYSE), SOX controls are undertaken. The scope includes Business and IT processes which are

linked with financial reporting process. The walkthroughs and control activities are made throughout the year and the final statement is signed by the Management and submitted to NYSE.

Compliance Department

Compliance Department determines and manages the risks related to financial losses as a result of the Bank's loss of reputation caused by non-compliance with the laws, regulations, and Bank's processes and instructions. 20 personnel are employed.

Compliance Department closely follows regulatory changes and ensures that the Bank's practices are updated accordingly. Compliance responds to the questions posed by the branches and Head Office units related to regulatory issues, and plays an active role by providing opinions and recommendations in the process of developing banking products to be offered to the customers. Compliance also coordinates the regulatory compliance engagements of the financial subsidiaries of the Bank. Additionally, it monitors and notifies the Financial Crimes Investigation Board on suspicious transactions by establishing necessary systems pursuant to regulations related to anti-money laundering and counter-terrorism financing. Furthermore, Compliance consults with regulatory and supervisory bodies, and works to establish social and environmental standards in the loan granting processes. Within the resolution process of the Board of Directors to launch new products/services,

the opinions and evaluations of Compliance are required concerning the issue in terms of compliance to applicable regulations. The activities of Compliance Department in 2015 were performed within this broad area of responsibility.

The three units stated below perform compliance activities:

Regulations Unit: The Unit issues circulars and announcements on regulations and laws concerning the banking sector. The Unit approves non-standard text of letter of guarantees, counter-guarantees, standby L/C's and reference letters. It gives written and verbal consultancies to branches and head office departments. The Manager of the Unit represents our bank as a member of Foreign Exchange Regulations Working Group, established in the Banks Association of Turkey in order to analyze and provide solutions to any kind of sectorial problems related with foreign trade regulations. In addition; one assistant-manager from this Unit was chosen as a member to ICC Guarantees Task Force which works in international area on guarantees.

Regulatory Compliance Unit: New products and campaigns, adverts and

advertising materials launched by Marketing Departments are reviewed and approved by the Regulatory Compliance Unit in accordance with legal regulations. Customer complaints received through regulatory authorities are reviewed and letters of reply are approved, and if necessary related departments are advised to take necessary actions. This Unit also makes announcements to Bank's relevant units about legislation of capital markets as well as to financial subsidiaries. Finansbank is represented in the Insurance Working Group, established under the Banks Association of Turkey, by the Manager of the Unit. This work-group focuses on sectorial problems and try to provide solutions to those issues by regular meetings.

AML Unit: AML Unit is responsible for taking necessary actions, making assessments and implementing the systems in order to prevent money laundering as required by the local and international regulations. The Unit also follows up the developments in the regulatory framework and informs employees regarding the developments on the AML issues. In addition, AML Unit takes necessary measures as to implement new

regulations, develops new systems as to comply with local and international regulations on AML issues, performs monitoring activities, conducts face-to-face trainings and e-learning activities and reports suspicious transactions to Financial Crimes Investigation Board (MASAK).

Audit Committee Office

Established in 2011, the Audit Committee Office is comprised of 5 persons as of 31.12.2015 and provides the services required for the effective working of the Committee. The Office is responsible for reviewing and presenting to the Committee members the reports concerning the Committee, monitoring Committee meetings, archiving all documents regarding the works carried out, preparing evaluation reports for the support services, following up the implementation of the Committee decisions, reporting the Committee activities to the Board of Directors and performing other duties assigned by the Committee.

ASSESSMENT OF THE BANK'S FINANCIAL POSITION, PROFITABILITY AND SOLVENCY

Finansbank's strong growth in recent years continued to accelerate in 2015. In line with the Bank's strategic plans, the total credit portfolio increased to TL 57.3 billion with a steady growth of its customer base. The total number of branches was 642 by the end of 2015, with 640 domestic (65 on December 31, 2014), one international (one on December 31, 2014) and one airport branch (one on December 31, 2014) located at the Atatürk Airport Free Zone.

Assets

With the help of its customer-oriented approach, Finansbank maintained its growth in 2015 in SME and commercial loans. Total loans amounted to TL 57,273 million, indicating a 14% increase while total assets reached TL 85,727 million by the end of 2015, up 14% from the previous year. At yearend, the Bank's business loans to the strategically prioritized market segments (SMEs, commercial and corporate) grew 23% in total.

Liabilities

In parallel with the growth in assets, Finansbank's total deposits continued to increase in a balanced manner. Customer deposits reached TL 47,009 million, marking a 16% rise, while shareholders' equity increased 5% to TL 9,024 million. In 2015 the Bank issued local and foreign currency bonds in Turkey and abroad, thus increasing its funding diversification.

Profitability

The Bank's net interest income was recorded at TL 3,947 million in 2015, while net fee and commission income totaled TL 1,314 million. The net profit in 2015 was TL 706 million.

The Bank's bank-only capital adequacy ratio at the end of 2015 was 15.4%.

Solvency

Finansbank has a solid financial structure backed by a strong capital structure and a high return on equity.

Finansbank uses its equity capital in banking activities effectively while also sustaining profitability. Finansbank funds its loans with long-term borrowings in addition to its robust funding structure and wide deposit base. Through the use of a variety of funding sources, the Bank decreases the cost of funding, and also minimizes risks that arise due to differences in maturity.

With a solid position in Turkey's financial markets, Finansbank's strong financial structure has also been recognized by independent rating agencies.

ADDITIONAL INFORMATION ON THE ACTIVITIES OF THE BANK

The Bank does not have any treasury shares bought from the market.

The Bank receives a partial audit quarterly and a full audit at year's end from an independent audit firm. In addition, the Bank is subject to constant surveillance under the scope of banking regulation and is subject to supervision of the Banking Regulation and Supervision Agency.

The project on compliance with the new capital markets regulations was completed and license applications were made in May 2015 accordingly. Pursuant to the Capital Markets Board decision on 28.12.2015, Finansbank was granted, effective 01.01.2016, licenses for intermediation on transmission of orders, intermediation on dealing on own account, intermediation of execution of orders and limited custody services.

There is no lawsuit against the Bank and its activities that is likely to affect the financial position of the Bank. The investigation initiated by the Competition Board on some banks including Finansbank on November 2, 2011, was completed on March 11, 2013 and various sanctions for these banks were decided. According to the decision of the Competition Board; Finansbank paid TL 40,516,057.50. Finansbank appealed the aforementioned decision on September 16, 2013 at Ankara 16th administrative court. The court case is still pending.

The administrative punitive damages charged by the Customs and Trade Ministry in the amount of TL 43,568,630, dropped down to TL 32,676,472.50 pursuant to Law on Misdemeanor Art. 17 without prejudice to recourse to counterclaim and restitution, and the latter amount was paid to İstanbul Revenue Office Treasury Department on 28.08.2015. Finansbank appealed the aforementioned decision at İstanbul 12th administrative court within the legal period.

As per the legal transactions with the controlling company and other related companies, the details are given in the Loyalty Reports, to the best of our knowledge at the time of the transactions. Each legal transaction is provided with appropriate performance. There is not a measure that is to be taken or avoided to be taken; and within this framework, there is no loss incurred by the Bank. As a result of examination of financial transactions carried out by the Bank with the controlling company and/or affiliates of the controlling company according to TCC Article 199, it is understood that all transactions carried by the Bank were entirely in line with current market conditions prevailing at the time of the transactions and on an arm's length basis as conducted with 3rd parties.

As per all transactions with the National Bank of Greece SA, the major controlling shareholder of the Bank,

and with its affiliated companies, there is no precaution taken in favor of the Bank or in avoidance of favor of the Bank. In all legal transactions agreements are subject to the same principles, procedures and conditions as if with a person/organization outside of the Group companies. No measure was taken to the detriment of the Bank for the interest of or as a favor to the controlling company or its subsidiaries.

As publicly announced in the official disclosure by Finansbank dated 22.12.2015, National Bank of Greece (NBG), the principal shareholder, has agreed to transfer the complete amount of its shares in the Bank and its affiliates to Qatar National Bank (QNB) in return for the amount of EUR 2.75 billion, and the transfer would take place following approval of related institutions.

Finansbank Board of Directors has resolved to purchase 3,434,632,224 shares with a nominal price of TL 34,346,322.24, held by NBG and that correspond to 29.87% of the issued capital of Finans Finansal Kiralama A.Ş. The transfer of shares in question has taken place on February 8, 2015.

On November 9, 2015, BRSA has approved the purchase by the Bank of PSA Finansman A.Ş., and the share transfer regarding the company in question has been completed as of December 14, 2015.

INTERNATIONAL CREDIT RATINGS

FITCH RATINGS

Long Term Foreign Currency IDR	BBB-
Long Term Domestic Currency IDR	BBB-
Short Term Foreign Currency IDR	F3
Short Term Domestic Currency IDR	F3
Viability Rating	bbb-
Support Rating	3

MOODY'S


Long Term Foreign Currency DR	Ba2
Long Term Domestic Currency DR	Ba2
Short Term Foreign Currency	NP
Short Term Domestic Currency DR	NP
Baseline Credit Assessment	b1

CAPITAL INTELLIGENCE

Long Term Foreign Currency Rating	BB+
Long Term Local Currency Rating	BB+
Short Term Foreign Currency Rating	B
Short Term Local Currency Rating	B
Bank Financial Strength Rating	BBB
Support Rating	4

STATEMENT OF RESPONSIBILITY

Finansbank's annual report is prepared in accordance with the principles and regulations stated in the "Regulation on the Preparation and Publication of Annual Report for Banks", which appeared in the Official Gazette no.26333 on November 1, 2006.



Ömer A. Aras
Chairman of
the Board of Directors




Ali Teoman Kerman
Member of the Board of
Directors and Chairman of the
Audit Committee



Paul Mylonas
Board Member and
Audit Committee Member



Ioannis Vagionitis
Member of the Board of
Directors and of the
Audit Committee



Feriuel Güzelöglu
General Manager and Member
of the Board of Directors



Adnan Menderes Yayla
Executive Vice President Responsible
of Financial Control and Planning

FİNANSBANK ANONİM ŞİRKETİ

**INDEPENDENT AUDITOR'S AUDIT REPORT,
UNCONSOLIDATED FINANCIAL
STATEMENTS AND NOTES FOR THE YEAR
ENDED DECEMBER 31, 2015**



Güney Bağımsız Denetim ve
Serbest Muhasebeci
Mali Müşavirlik A.Ş. (Ernst & Young)
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Orjin Maslak No:27
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(Convenience translation of the independent auditor's report originally issued in Turkish, See Note I. of Section three)

Independent auditor report

To the Board of Directors of Finansbank A.Ş.

Report on the Unconsolidated Financial Statements

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

Responsibility of the Bank's Board of Directors for the financial statements

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

Independent Auditor's responsibility

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

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

reasonableness of accounting estimates made by the management as well as evaluating the overall presentation of the unconsolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis of Qualified Opinion

As of December 31, 2015 accompanying unconsolidated financial statements include a general reserve amounting to thousands TL 100.000 of which thousands TL 82.000 and thousands TL 18.000 have been provided by the Bank Management in 2014 and 2015 respectively for the possible results of the circumstances which may arise from any changes in the economy and market conditions.

Qualified Opinion

In our opinion, except for the effect of the matter referred in the preceding paragraph on the unconsolidated financial statements, the accompanying unconsolidated financial statements the financial statement presents fairly, in all material respects, the financial position of Finansbank A.Ş. as at December 31, 2015 and the results of its operations and its cash flows for the year then ended in accordance with the prevailing accounting principles and standards set out as in accordance with BRSA Accounting and Reporting Legislation.

Reports on arising from other regulatory requirements:

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

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

Additional paragraph for convenience translation to English:

As explained in detail in Note I.1. of Section Three, the effects of differences between accounting principles and standards set out by regulations in conformity with 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 BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK ANONİM ŞİRKETİ
A Member Firm Of **ERNST & YOUNG GLOBAL LIMITED**



Damla Harman, SMMM
Partner

February 19, 2016
İstanbul, Türkiye

(Convenience translation of the independent auditor's report originally issued in Turkish, See Note I. of Section three)

THE UNCONSOLIDATED FINANCIAL REPORT OF FINANSBANK A.Ş. FOR THE YEAR-END PERIOD ENDED DECEMBER 31, 2015

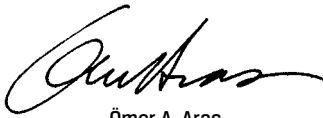
The Bank's;

Address of the head office : Esentepe Mahallesi Büyükdere Cad. Kristal Kule Binası 215 Şişli – İSTANBUL
Phone number : (0 212) 318 50 00
Facsimile number : (0 212) 318 58 50
Web page : www.finansbank.com.tr
E-mail address : investor.relations@finansbank.com.tr

The unconsolidated financial report for the year-end period ended December 31, 2015, designed by the Banking Regulation and Supervision Agency in line with Communiqué on Financial Statements to be Publicly Announced and the Related Policies and Disclosures consists of the sections below:

- GENERAL INFORMATION ABOUT THE BANK
- UNCONSOLIDATED FINANCIAL STATEMENTS OF THE BANK
- EXPLANATIONS ON THE UNCONSOLIDATED FINANCIAL STATEMENTS OF THE BANK
- INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT OF THE BANK
- FOOTNOTES AND EXPLANATIONS ON UNCONSOLIDATED FINANCIAL STATEMENTS
- OTHER EXPLANATIONS
- INDEPENDENT AUDITOR'S REPORT

The unconsolidated financial statements and related disclosures and footnotes for the year-end period ended December 31, 2015, are prepared in accordance with the Regulation on Principles Related to Banks' Accounting Applications and Preserving the Documents, Turkish Accounting Standards, Turkish Financial Reporting Standards and the related statements and guidance and in compliance with the financial records of our Bank. Unless stated otherwise, the accompanying unconsolidated financial statements are presented in **thousands of Turkish Lira (TL)**.



Ömer A. Aras
Chairman of
the Board of Directors



Ali Teoman Kerman
Member of the Board of Directors and
Chairman of the Audit Committee



Paul Mylonas
Member of the Board of Directors and
of the Audit Committee



Ioannis Vagionitis
Member of the Board of Directors
and of the Audit Committee



Temel Güzeloğlu
General Manager and Member
of the Board of Directors



Adnan Menderes Yayla
Executive Vice President Responsible
of Financial Control and Planning



Ercan Sakarya
Division Manager of Financial,
Statutory Reporting and
Treasury Control

Information related to the responsible personnel to whom the questions about the financial report can be communicated:

Name-Surname/Title : Ercan Sakarya / Division Manager of Financial, Statutory Reporting and Treasury Control
Phone Number : (0 212) 318 52 92
Facsimile Number : (0 212) 318 55 78

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SECTION ONE

GENERAL INFORMATION

I. Explanatory note on the establishment date, nature of activities and history of the Bank

Finansbank Anonim Şirketi ("the Bank") was incorporated in Istanbul on September 23, 1987. The Bank's shares have been listed on the Borsa Istanbul ("BIST") (formerly known as Istanbul Stock Exchange ("ISE")) since 1990.

II. Information about the Bank's shareholding structure, shareholders who individually or jointly have power to control the management and audit directly or indirectly, changes regarding these subjects during the year, if any, and information about the controlling group of the Bank

As of December 31, 2015, 82.23% of the Bank's shares are owned by National Bank of Greece S.A. ("NBG"), 9.68% by NBG Finance (Dollar) PLC, 7.90% by NBGI Holdings B.V.

The Bank is a National Bank of Greece S.A (NBG) Group entity. NBG was founded in 1841 and its shares have been traded on Athens Stock Exchange since 1880 and traded on the New York Stock Exchange since 1999. NBG offers financial services to its customers such as retail banking, assets management, intermediary services and investment banking.

As of December 21, 2015, a share sales agreement has been signed between NBG, principal shareholder of the Bank, and Qatar National Bank ("QNB") regarding direct sale of 99,81% of the Bank's shares NBG owns at the Bank and indirect sale of the Bank's shares in subsidiaries and existing partners to QNB at a price of EUR 2 billion 750 million. Share transfer shall be carried out following the release of necessary permit from related countries. Principal shareholder of the Bank is NGB until the completion of necessary legal permits.

III. Information about the chairman and members of board of directors, members of audit committee, managing directors and executive vice presidents; any changes, and the information about the Bank shares they hold and their responsibilities

Name	Title	Date of Appointment	Education
Dr. Ömer A. Aras	Chairman and Executive Member	April 16, 2010	Phd
Sinan Şahinbaş	Deputy Chairman and Executive Member	April 16, 2010	Masters
Prof. Dr. Mustafa Aydın Aysan	Board Member	March 9, 1993	Phd
Stefanos Pantzopoulos	Board Member	October 16, 2012	Graduate
Dr. Paul Mylonas	Board Member and Audit Committee Member	February 18, 2010	Phd
Ioannis Vagionitis	Board Member and Audit Committee Member	January 6, 2014	Masters
Christos Alexis Komninos	Board Member	February 16, 2011	Masters
Temel Güzelöğlu	Board Member and Managing Director	April 16, 2010	Masters
Mustafa Hamdi Gürtin	Board Member	April 16, 2010	Masters
Ali Teoman Kerman	Board Member and Head of Audit Committee	April 16, 2013	Masters
Georgios Koutsoudakis	Board Member	July 23, 2014	Graduate
Adnan Menderes Yayla	Assistant Managing Director	May 20, 2008	Masters
Metin Karabiber	Assistant Managing Director	October 8, 2010	Graduate
Murat Şakar	Assistant Managing Director	August 1, 2008	Graduate
Köksal Çoban	Assistant Managing Director	August 19, 2008	Masters
Dr. Mehmet Kürşad Demirkol	Assistant Managing Director	October 8, 2010	Phd
Özlem Cinemre	Assistant Managing Director	July 9, 1997	Graduate
Hakan Alp	Assistant Managing Director	July 7, 2010	Graduate
Filiz Sonat	Assistant Managing Director	September 19, 2007	Graduate
Erkin Aydın	Assistant Managing Director	May 16, 2011	Masters
Ömür Tan	Assistant Managing Director	October 28, 2011	Graduate
Halim Ersun Bilgici	Assistant Managing Director	March 15, 2013	Masters
Enis Kurtoğlu (*)	Assistant Managing Director	May 14, 2015	Masters
Murat Koraş (*)	Assistant Managing Director	May 14, 2015	Masters
Onur Özkan (*)	Assistant Managing Director	May 14, 2015	Masters
Elsa Pekmez Atan (*)	Assistant Managing Director	May 14, 2015	Masters

(*) As of May 14, 2015 Enis Kurtoğlu has been assigned as the Executive Vice President responsible for Mass Banking, Murat Koraş has been assigned as the Executive Vice President responsible for Retail Payment Systems, Onur Özkan has been assigned the Executive Vice President responsible for Private and Exclusive Banking and Elsa Pekmez Atan has been assigned as the Executive Vice President responsible for Enpara.com and Customer Experience.

The top level management listed above possesses immaterial number of shares of the Bank.

IV. Information about the persons and institutions that have qualified shares

Name Surname/Trade Name	Amount of Shares	Percentage of Shares	Paid-up Shares	Unpaid Shares
National Bank of Greece S.A.	2.466.847	%82,23	2.466.847	-
NBG Finance (Dollar) PLC	290.382	%9,68	290.382	-
NBGI Holdings B.V.	237.000	%7,90	237.000	-

According to the Board of Directors decision dated September 16, 2014, it has been decided that 100 founder shares issued to National Bank of Greece in accordance with the 10th close of the Bank's Articles of Associates will be canceled at no cost. Subject decision has been approved during the General Council Meeting dated December 4, 2014. The profit distribution is performed according to the prevailing regulations and the Articles of Association. Accordingly, 5% of the distributable profit is appropriated as legal reserves, 5% of the paid up capital is paid out as first dividend.

V. Explanations on the Bank's services and activities

The Bank's activities include trade finance and corporate banking, fund management, retail banking and credit card operations. In addition, the Bank carries out insurance agency activities on behalf of insurance companies through its branches. As of December 31, 2015, the Bank operates through 640 domestic (December 31, 2014 - 656), 1 abroad (December 31, 2014 - 1) and 1 Atatürk Airport Free Trade Zone (December 31, 2014 - 1) branches. As of 31 December 2015, the Bank has 12.950 employees (31 December 2014 - 12.830 employees).

VI. A short explanation on the differences between the Regulation on Preparation of Consolidated Financial Statements of Banks and the consolidation procedures required by Turkish Accounting Standards and about institutions that are subject to full consolidation, proportional consolidation, by way of deduction from capital or those that are subject to none:

The Bank's joint venture Cigna Finans Emeklilik and Hayat Anonim Şirketi is consolidated using equity method as per the Regulation on Preparation of Consolidated Financial Statements of Banks and Turkish Accounting Standards.

IBTech A.Ş. and E-finans Elektronik Ticaret ve Bilişim Hizmetleri A.Ş. included in investments in associates and Bantaş Nakit ve Kıymetli Mal Taşıma ve Güvenlik Hizmetleri A.Ş. included in entities under common control are not consolidated to consolidated financial statements as per the Regulation on Preparation of Consolidated Financial Statements of Banks since they are nonfinancial investments. Bankalararası Kart Merkezi included in subsidiaries is carried at cost and not consolidated since the Bank does not have material control and presence over it.

All other subsidiaries are fully consolidated.

VII. The existing or potential, actual or legal obstacles to immediate transfer of shareholders' equity between the Parent Bank and its subsidiaries and repayment of debts:

None.

SECTION TWO

UNCONSOLIDATED FINANCIAL STATEMENTS

- I. Balance Sheet (Statement of Financial Position)
- II. Statement of Off-Balance Sheet Commitments and Contingencies
- III. Income Statement (Statement of Income / Loss)
- IV. Statement of Profit and Loss Accounted for Under Equity (Statement of Other Comprehensive Income and Loss)
- V. Statement of Changes in Shareholders' Equity
- VI. Statement of Cash Flow
- VII. Statement of Profit Appropriation

FINANSBANK ANONİM ŞİRKETİ

Unconsolidated balance sheet as of december 31, 2015 (statement of financial position)

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

I. BALANCE SHEET - ASSETS

		Section 5, Part 1.	Audited 31.12.2015			Audited 31.12.2014		
			TL	FC	Total	TL	FC	Total
I. CASH AND BALANCES WITH THE CENTRAL BANK	(1)	2.088.091	7.908.950	9.997.041	1.503.207	7.160.628	8.663.835	
II. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS (Net)	(2)	2.059.461	253.202	2.312.663	1.203.668	152.639	1.356.307	
2.1 Financial assets held for trading		2.012.107	253.202	2.265.309	1.105.525	152.639	1.258.164	
2.1.1 Public sector debt securities		23.207	4.853	28.060	2.520	2.299	4.819	
2.1.2 Equity securities		-	-	-	-	-	-	
2.1.3 Assets on trading derivatives		1.988.900	248.349	2.237.249	1.103.005	150.340	1.253.345	
2.1.4 Other securities		-	-	-	-	-	-	
2.2 Financial assets at fair value through profit and loss		47.354	-	47.354	98.143	-	98.143	
2.2.1 Public sector debt securities		-	-	-	-	-	-	
2.2.2 Equity securities		-	-	-	-	-	-	
2.2.3 Loans		47.354	-	47.354	98.143	-	98.143	
2.2.4 Other securities		-	-	-	-	-	-	
III. BANKS	(3)	9.536	306.366	315.902	19.390	224.302	243.692	
IV. MONEY MARKET PLACEMENTS		-	-	-	200.062	-	200.062	
4.1 Interbank money market placements		-	-	-	-	-	-	
4.2 Istanbul Stock Exchange money market placements		-	-	-	-	-	-	
4.3 Receivables from reverse repurchase agreements	(4)	-	-	-	200.062	-	200.062	
V. INVESTMENT SECURITIES AVAILABLE-FOR-SALE (Net)	(5)	3.382.972	1.912.514	5.295.486	3.956.061	1.477.171	5.433.232	
5.1 Equity securities		4.231	-	4.231	4.229	-	4.229	
5.2 Public sector debt securities		3.378.323	1.880.669	5.258.992	3.924.071	1.444.438	5.368.509	
5.3 Other securities		418	31.845	32.263	27.761	32.733	60.494	
VI. LOANS AND RECEIVABLES	(6)	47.256.465	9.969.165	57.225.630	42.874.766	7.371.360	50.246.126	
6.1 Loans and receivables		46.512.772	9.969.165	56.481.937	42.306.593	7.371.360	49.677.953	
6.1.1 Loans to risk group of the Bank		96.840	59.113	155.953	119.800	39.473	159.273	
6.1.2 Public sector debt securities		-	-	-	-	-	-	
6.1.3 Other		46.415.932	9.910.052	56.325.984	42.186.793	7.331.887	49.518.680	
6.2 Non-performing loans		3.797.990	-	3.797.990	2.731.499	-	2.731.499	
6.3 Specific provisions (-)		3.054.297	-	3.054.297	2.163.326	-	2.163.326	
VII. FACTORING RECEIVABLES		-	-	-	-	-	-	
VIII. INVESTMENT SECURITIES HELD TO MATURITY (Net)	(7)	3.009.964	863.950	3.873.914	3.052.566	674.657	3.727.223	
8.1 Public sector debt securities		3.009.964	110.652	3.120.616	3.052.566	90.418	3.142.984	
8.2 Other securities		-	753.298	753.298	-	584.239	584.239	
IX. INVESTMENT IN ASSOCIATES (Net)	(8)	3.766	-	3.766	3.766	-	3.766	
9.1 Equity method associates		-	-	-	-	-	-	
9.2 Unconsolidated		3.766	-	3.766	3.766	-	3.766	
9.2.1 Financial Investments		-	-	-	-	-	-	
9.2.2 Non-financial Investments		3.766	-	3.766	3.766	-	3.766	
X. INVESTMENT IN SUBSIDIARIES (Net)	(9)	343.000	-	343.000	444.859	-	444.859	
10.1 Unconsolidated financial investments		324.954	-	324.954	426.813	-	426.813	
10.2 Unconsolidated non-financial investments		18.046	-	18.046	18.046	-	18.046	
XI. ENTITIES UNDER COMMON CONTROL (JOINT VENTURES) (Net)	(10)	95.233	-	95.233	186.217	-	186.217	
11.1 Equity method entities under common control		-	-	-	-	-	-	
11.2 Unconsolidated		95.233	-	95.233	186.217	-	186.217	
11.2.1 Financial investments		92.433	-	92.433	183.417	-	183.417	
11.2.2 Non-financial Investments		2.800	-	2.800	2.800	-	2.800	
XII. LEASE RECEIVABLES (Net)	(11)	-	-	-	-	-	-	
12.1 Financial lease receivables		-	-	-	-	-	-	
12.2 Operational lease receivables		-	-	-	-	-	-	
12.3 Others		-	-	-	-	-	-	
12.4 Unearned income (-)		-	-	-	-	-	-	
XIII. DERIVATIVE FINANCIAL ASSETS HEDGING PURPOSES	(12)	3.219.905	19.104	3.239.009	1.965.902	22.844	1.988.746	
13.1 Fair value hedge		2.292.114	18.069	2.310.183	1.459.151	22.844	1.481.995	
13.2 Cash flow hedge		927.791	1.035	928.826	506.751	-	506.751	
13.3 Hedging of a net investment in foreign subsidiaries		-	-	-	-	-	-	
XIV. TANGIBLE ASSETS (Net)	(13)	1.576.634	8	1.576.642	1.470.096	10	1.470.106	
XV. INTANGIBLE ASSETS (Net)	(14)	263.957	-	263.957	223.847	-	223.847	
15.1 Goodwill		-	-	-	-	-	-	
15.2 Others		263.957	-	263.957	223.847	-	223.847	
XVI. INVESTMENT PROPERTIES (Net)	(15)	-	-	-	-	-	-	
XVII. TAX ASSETS	(16)	78.968	-	78.968	50.050	-	50.050	
17.1 Current tax assets		-	-	-	-	-	-	
17.2 Deferred tax assets		78.968	-	78.968	50.050	-	50.050	
XVIII. ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (Net)	(17)	-	-	-	51.265	-	51.265	
18.1 Held for sale		-	-	-	51.265	-	51.265	
18.2 Discontinued operations		-	-	-	-	-	-	
XIX. OTHER ASSETS	(18)	976.301	129.885	1.106.186	817.623	99.398	917.021	
TOTAL ASSETS		64.364.253	21.363.144	85.727.397	58.023.345	17.183.009	75.206.354	

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

FINANSBANK ANONİM ŞİRKETİ

Unconsolidated balance sheet as of december 31, 2015 (statement of financial position)

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

II. BALANCE SHEET – LIABILITIES AND EQUITY

			Audited 31.12.2015			Audited 31.12.2014		
		Section 5, Part 2.	TP	FC	Total	TP	FC	Total
I. DEPOSITS		(1)	28.874.448	19.691.389	48.565.837	27.240.961	14.833.593	42.074.554
1.1 Deposits from risk group of the Bank			304.656	220.154	524.810	284.836	132.296	417.132
1.2 Other			28.569.792	19.471.235	48.041.027	26.956.125	14.701.297	41.657.422
II. DERIVATIVE FINANCIAL LIABILITIES HELD FOR TRADING		(2)	1.882.909	273.555	2.156.464	1.092.806	160.505	1.253.311
III. FUNDS BORROWED		(3)	107.591	5.532.825	5.640.416	115.661	4.782.482	4.898.143
IV. MONEY MARKET BORROWINGS			2.781.534	1.857.920	4.639.454	2.716.251	1.431.183	4.147.434
4.1 Interbank money markets takings			-	-	-	-	-	-
4.2 Istanbul Stock Exchange money markets takings			-	-	-	-	-	-
4.3 Funds provided under repurchase agreements		(4)	2.781.534	1.857.920	4.639.454	2.716.251	1.431.183	4.147.434
V. SECURITIES ISSUED (Net)		(5)	535.327	3.800.454	4.335.781	2.218.569	3.154.880	5.373.449
5.1 Bills			535.327	-	535.327	1.971.791	262.040	2.233.831
5.2 Asset backed securities			-	-	-	-	-	-
5.3 Bonds			-	3.800.454	3.800.454	246.778	2.892.840	3.139.618
VI. FUNDS			-	-	-	-	-	-
6.1 Borrower funds			-	-	-	-	-	-
6.2 Other			-	-	-	-	-	-
VII. SUNDRY CREDITORS			2.042.291	3.417.799	5.460.090	1.629.052	2.133.518	3.762.570
VIII. OTHER LIABILITIES		(6)	987.164	154.881	1.142.045	916.276	120.953	1.037.229
IX. FACTORING PAYABLES			-	-	-	-	-	-
X. LEASE PAYABLES (Net)		(7)	838	1.066	1.904	1.311	1.235	2.546
10.1 Financial lease payables			981	1.159	2.140	1.563	1.368	2.931
10.2 Operational lease payables			-	-	-	-	-	-
10.3 Others			-	-	-	-	-	-
10.4 Deferred financial lease expenses (-)			143	93	236	252	133	385
XI. DERIVATIVE FINANCIAL LIABILITIES FOR HEDGING PURPOSES		(8)	60.229	223.215	283.444	202.104	149.976	352.080
11.1 Fair value hedge			-	178.808	178.808	70.738	149.976	220.714
11.2 Cash flow hedge			60.229	44.407	104.636	131.366	-	131.366
11.3 Hedge of net investments in foreign subsidiaries			-	-	-	-	-	-
XII. PROVISIONS		(9)	1.759.828	-	1.759.828	1.438.400	-	1.438.400
12.1 General provisions			1.190.403	-	1.190.403	942.661	-	942.661
12.2 Restructuring provisions			-	-	-	-	-	-
12.3 Reserve for employee benefits			236.751	-	236.751	200.134	-	200.134
12.4 Insurance technical provisions (Net)			-	-	-	-	-	-
12.5 Other provisions			332.674	-	332.674	295.605	-	295.605
XIII. TAX LIABILITY		(10)	56.239	-	56.239	170.778	-	170.778
13.1 Current tax liability			56.239	-	56.239	170.778	-	170.778
13.2 Deferred tax liability			-	-	-	-	-	-
XIV. PAYABLES RELATED TO ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (NET)		(11)	-	-	-	-	-	-
14.1 Held for sale			-	-	-	-	-	-
14.2 Discontinued operations			-	-	-	-	-	-
XV. SUBORDINATED LOANS		(12)	-	2.662.119	2.662.119	-	2.121.712	2.121.712
XVI. SHAREHOLDERS' EQUITY			9.202.073	(178.297)	9.023.776	8.630.767	(56.619)	8.574.148
16.1 Paid-in capital		(13)	3.000.000	-	3.000.000	2.835.000	-	2.835.000
16.2 Capital reserves			182.006	(178.297)	3.709	316.472	(56.619)	259.853
16.2.1 Share Premium		(14)	714	-	714	714	-	714
16.2.2 Share cancellation profits			-	-	-	-	-	-
16.2.3 Securities value increase fund		(15)	141.358	(178.297)	(36.939)	401.689	(56.619)	345.070
16.2.4 Revaluation fund on tangible asset			-	-	-	-	-	-
16.2.5 Revaluation fund on intangible asset			-	-	-	-	-	-
16.2.6 Investment property revaluation differences			-	-	-	-	-	-
16.2.7 Bonus shares obtained from associates, subsidiaries and entities under common control (joint ventures)			2.689	-	2.689	2.689	-	2.689
16.2.8 Hedging funds (effective portion)			81.175	-	81.175	(40.479)	-	(40.479)
16.2.9 Accumulated valuation differences from assets held for sale and discontinued operations			-	-	-	-	-	-
16.2.10 Other capital reserves			(43.930)	-	(43.930)	(48.141)	-	(48.141)
16.3 Profit reserves			5.314.295	-	5.314.295	4.601.867	-	4.601.867
16.3.1 Legal reserves			409.238	-	409.238	365.367	-	365.367
16.3.2 Status reserves			-	-	-	-	-	-
16.3.3 Extraordinary reserves			4.905.057	-	4.905.057	4.236.500	-	4.236.500
16.3.4 Other profit reserves			-	-	-	-	-	-
16.4 Profit or loss			705.772	-	705.772	877.428	-	877.428
16.4.1 Prior years' income/ (losses)			-	-	-	-	-	-
16.4.2 Current period income/ (loss)			705.772	-	705.772	877.428	-	877.428
TOTAL LIABILITIES AND EQUITY			48.290.471	37.436.926	85.727.397	46.372.936	28.833.418	75.206.354

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

FINANSBANK ANONİM ŞİRKETİ

Unconsolidated income statement for the period ended december 31, 2015

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

II. STATEMENT OF OFF-BALANCE COMMITMENTS AND CONTINGENCIES

	Section 5. Part III.	Audited 31.12.2015			Audited 31.12.2014		
		TL	FC	TOTAL	TL	FC	TOTAL
A. OFF BALANCE SHEET CONTINGENCIES AND COMMITMENTS (I+II+III)		101.035.556	99.438.836	200.474.392	88.912.523	81.029.264	169.941.787
I. GUARANTEES	(1),(2), (3),(4),(6)	6.009.442	4.466.384	10.475.826	5.214.732	3.945.677	9.160.409
1.1. Letters of guarantee		5.981.355	3.047.590	9.028.945	5.205.798	2.208.929	7.414.727
1.1.1. Guarantees subject to State Tender Law		294.530	30.894	325.424	238.293	28.417	266.710
1.1.2. Guarantees given for foreign trade operations		3.171.512	3.016.696	6.188.208	2.895.013	2.180.512	5.075.525
1.1.3. Other letters of guarantee		2.515.313	-	2.515.313	2.072.492	-	2.072.492
1.2. Bank loans		23.085	772.477	795.562	8.934	903.353	912.287
1.2.1. Import letter of acceptance		23.085	772.477	795.562	8.934	903.353	912.287
1.2.2. Other bank acceptances		-	-	-	-	-	-
1.3. Letters of credit		5.002	646.317	651.319	-	812.318	812.318
1.3.1. Documentary letters of credit		5.002	628.377	633.379	-	614.869	614.869
1.3.2. Other letters of credit		-	17.940	17.940	-	197.449	197.449
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		-	-	-	-	21.077	21.077
1.9. Other collaterals		-	-	-	-	-	-
II. COMMITMENTS	(1)	35.030.262	727.276	35.757.538	29.112.513	2.365.704	31.478.217
2.1. Irrevocable commitments		33.929.719	663.627	34.593.346	29.008.708	1.907.143	30.915.851
2.1.1. Forward asset purchase commitments		190.701	612.957	803.658	688.063	1.862.257	2.550.320
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		14.364.712	291	14.365.003	8.536.833	232	8.537.065
2.1.5. Securities underwriting commitments		-	-	-	-	-	-
2.1.6. Commitments for reserve deposit requirements		-	-	-	-	-	-
2.1.7. Payment commitment for checks		2.558.758	-	2.558.758	2.420.299	-	2.420.299
2.1.8. Tax and fund liabilities from export commitments		8.479	-	8.479	7.626	-	7.626
2.1.9. Commitments for credit card expenditure limits		16.255.578	-	16.255.578	16.812.040	-	16.812.040
2.1.10. Commitments for promotions related with credit cards and banking activities		34.278	-	34.278	22.604	-	22.604
2.1.11. Receivables from short sale commitments		-	-	-	-	-	-
2.1.12. Payables for short sale commitments		-	-	-	-	-	-
2.1.13. Other irrevocable commitments		517.213	50.379	567.592	521.243	44.654	565.897
2.2. Revocable commitments		1.100.543	63.649	1.164.192	103.805	458.561	562.366
2.2.1. Revocable loan granting commitments		1.100.543	63.649	1.164.192	103.805	458.561	562.366
2.2.2. Other revocable commitments		-	-	-	-	-	-
III. DERIVATIVE FINANCIAL INSTRUMENTS	(5,6)	59.995.852	94.245.176	154.241.028	54.585.278	74.717.883	129.303.161
3.1. Derivative financial instruments for hedging purposes		14.891.873	21.742.737	36.634.610	13.357.379	16.633.829	29.991.208
3.1.1. Fair value hedge		4.300.297	13.464.154	17.764.451	6.870.913	12.335.168	19.206.081
3.1.2. Cash flow hedge		10.591.576	8.278.583	18.870.159	6.486.466	4.298.661	10.785.127
3.1.3. Hedge of net investment in foreign operations		-	-	-	-	-	-
3.2. Held for trading transactions		45.103.979	72.502.439	117.606.418	41.227.899	58.084.054	99.311.953
3.2.1. Forward foreign currency buy/sell transactions		3.972.761	4.554.462	8.527.223	2.329.798	2.771.354	5.101.152
3.2.1.1. Forward foreign currency transactions-buy		2.602.412	1.664.211	4.266.623	1.305.411	1.244.832	2.550.243
3.2.1.2. Forward foreign currency transactions-sell		1.370.349	2.890.251	4.260.600	1.024.387	1.526.522	2.550.909
3.2.2. Swap transactions related to foreign currency and interest rates		35.943.194	58.224.153	94.167.347	35.786.236	47.901.622	83.687.858
3.2.2.1. Foreign currency swap-buy		15.836.451	25.523.539	41.359.990	19.144.314	17.935.272	37.079.586
3.2.2.2. Foreign currency swap-sell		19.805.147	21.547.586	41.352.733	15.712.662	21.352.952	37.065.614
3.2.2.3. Interest rate swaps-buy		150.798	5.576.514	5.727.312	464.630	4.306.699	4.771.329
3.2.2.4. Interest rate swaps-sell		150.798	5.576.514	5.727.312	464.630	4.306.699	4.771.329
3.2.3. Foreign currency, interest rate and securities options		5.187.330	8.443.962	13.631.292	3.110.969	6.955.232	10.066.201
3.2.3.1. Foreign currency options-buy		2.727.400	4.088.589	6.815.989	1.502.096	3.520.388	5.022.484
3.2.3.2. Foreign currency options-sell		2.459.930	4.355.373	6.815.303	1.608.873	3.434.844	5.043.717
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		694	32.026	32.720	896	38.444	39.340
3.2.4.1. Foreign currency futures-buy		347	16.013	16.360	448	19.222	19.670
3.2.4.2. Foreign currency futures-sell		347	16.013	16.360	448	19.222	19.670
3.2.5. Interest rate futures		-	535.474	535.474	-	-	-
3.2.5.1. Interest rate futures-buy		-	267.737	267.737	-	-	-
3.2.5.2. Interest rate futures-sell		-	267.737	267.737	-	-	-
3.2.6. Other		-	712.362	712.362	-	417.402	417.402
B. CUSTODY AND PLEDGED ITEMS (IV+V+VI)		456.270.909	82.337.037	538.607.946	398.851.830	69.067.178	467.919.008
IV. ITEMS HELD IN CUSTODY		7.770.373	1.752.505	9.522.878	7.076.630	1.530.536	8.607.166
4.1. Assets under management		4.494.763	-	4.494.763	3.128.580	-	3.128.580
4.2. Investment securities held in custody		196.455	815.520	1.011.975	1.232.314	757.722	1.990.036
4.3. Checks received for collection		2.309.274	323.362	2.632.636	2.054.477	258.410	2.312.887
4.4. Commercial notes received for collection		769.881	155.165	925.046	661.253	138.426	799.679
4.5. Other assets received for collection		-	-	-	-	-	-
4.6. Assets received for public offering		-	-	-	-	-	-
4.7. Other items under custody		-	458.458	458.458	6	375.978	375.984
4.8. Custodians		-	-	-	-	-	-
V. PLEDGED ITEMS		274.029.387	44.825.851	318.855.238	234.715.130	31.709.225	266.424.355
5.1. Marketable securities		889.715	3.510.280	4.399.995	620.378	2.260.821	2.881.199
5.2. Guarantee notes		202.830	56.171	259.001	181.761	52.651	234.412
5.3. Commodity		62.871	-	62.871	41.344	-	41.344
5.4. Warranty		-	-	-	-	-	-
5.5. Properties		68.856.288	23.649.829	92.506.117	57.209.764	11.327.616	68.537.380
5.6. Other pledged items		204.017.683	221.627.254	425.644.937	176.661.883	18.068.137	194.730.020
5.7. Pledged items-depository		-	-	-	-	-	-
VI. ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES		174.471.149	35.758.681	210.229.830	157.060.070	35.827.417	192.887.487
TOTAL OFF BALANCE SHEET ACCOUNTS (A+B)		557.306.465	181.775.873	739.082.338	487.764.353	150.096.442	637.860.795

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

FINANSBANK ANONİM ŞİRKETİ

Unconsolidated income statement for the period ended december 31, 2014 (statement of income/loss)
(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

III. INCOME STATEMENT

	Section 5 Part IV.	Audited 01.01 - 31.12.2015	Audited 01.01 - 31.12.2014
I. INTEREST INCOME	(1)	7.597.377	6.495.966
1.1 Interest on loans		6.690.203	5.599.532
1.2 Interest received from reserve deposits		22.770	538
1.3 Interest received from banks		3.109	1.874
1.4 Interest received from money market placements		128.545	42.861
1.5 Interest received from marketable securities portfolio		748.539	848.606
1.5.1 Held-for-trading financial assets		1.805	5.902
1.5.2 Financial assets at fair value through profit and loss		9.170	17.380
1.5.3 Available-for-sale financial assets		421.037	474.174
1.5.4 Investments held-to-maturity		316.527	351.150
1.6 Finance lease income		-	-
1.7 Other interest income		4.211	2.555
II. INTEREST EXPENSE	(2)	3.650.142	3.407.655
2.1 Interest on deposits		2.830.372	2.663.559
2.2 Interest on funds borrowed		255.729	201.815
2.3 Interest on money market borrowings		205.865	220.027
2.4 Interest on securities issued		350.268	317.396
2.5 Other interest expense		7.908	4.858
III. NET INTEREST INCOME (I - II)		3.947.235	3.088.311
IV. NET FEES AND COMMISSIONS INCOME		1.313.835	1.333.530
4.1 Fees and commissions received		1.579.877	1.556.480
4.1.1 Non-cash loans		58.996	50.706
4.1.2 Other		1.520.881	1.505.774
4.2 Fees and commissions paid		266.042	222.950
4.2.1 Non-cash loans		1.041	1.106
4.2.2 Other		265.001	221.844
V. DIVIDEND INCOME	(3)	62.872	9.042
VI. NET TRADING INCOME	(4)	(739.776)	(262.777)
6.1 Securities trading gains/ (losses)		25.151	18.555
6.2 Gains / (losses) from financial derivatives transactions		(663.330)	(319.470)
6.3 Foreign exchange gains/ (losses)		(101.597)	38.138
VII. OTHER OPERATING INCOME	(5)	225.997	383.383
VIII. NET OPERATING INCOME (III+IV+V+VI+VII)		4.810.163	4.551.489
IX. PROVISION FOR LOAN LOSSES AND OTHER RECEIVABLES (-)	(6)	1.170.112	1.075.543
X. OTHER OPERATING EXPENSES (-)	(7)	2.737.202	2.333.737
XI. NET OPERATING INCOME/(LOSS) (VIII-IX-X)		902.849	1.142.209
XII. AMOUNT IN EXCESS RECORDED AS GAIN AFTER MERGER		-	-
XIII. GAIN / (LOSS) ON EQUITY METHOD		-	-
XIV. GAIN / (LOSS) ON NET MONETARY POSITION		-	-
XV. PROFIT/(LOSS) FROM CONTINUED OPERATIONS BEFORE TAXES (XI+...+XIV)	(8)	902.849	1.142.209
XVI. TAX CHARGE FOR CONTINUED OPERATIONS (±)	(9)	(197.077)	(264.781)
16.1 Current income tax charge		(209.735)	(221.066)
16.2 Deferred tax charge / benefit		12.658	(43.715)
XVII. NET PROFIT/(LOSS) FROM CONTINUED OPERATIONS (XV±XVI)	(10)	705.772	877.428
XVIII. INCOME ON DISCONTINUED OPERATIONS		-	-
18.1 Income on assets held for sale		-	-
18.2 Income on sale of associates, subsidiaries and entities under common control		-	-
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 entities under common control		-	-
19.3 Loss from other discontinued operations		-	-
XX. PROFIT / (LOSS) ON DISCONTINUED OPERATIONS BEFORE TAXES (XVIII-XIX)	(8)	-	-
XXI. TAX CHARGE FOR DISCONTINUED OPERATIONS (±)	(9)	-	-
21.1 Current income tax charge		-	-
21.2 Deferred tax charge / benefit		-	-
XXII. NET PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XX±XXI)	(10)	-	-
XXIII. NET PROFIT/LOSS (XVII+XXII)	(11)	705.772	877.428
Earnings per share		0,02353	0,02925

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

FINANSBANK ANONİM ŞİRKETİ

Unconsolidated statement of profit and loss accounted for under shareholders' equity for the period ended december 31, 2015 (Statement of other comprehensive income / loss)

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

IV. STATEMENT OF PROFIT AND LOSS ACCOUNTED FOR UNDER EQUITY

		Audited 01.01 - 31.12.2015	Audited 01.01 - 31.12.2014
I.	ADDITIONS TO MARKETABLE SECURITIES REVALUATION DIFFERENCES FOR AVAILABLE FOR SALE FINANCIAL ASSETS	(429.736)	223.074
II.	TANGIBLE ASSETS REVALUATION DIFFERENCES	-	-
III.	INTANGIBLE ASSETS REVALUATION DIFFERENCES	-	-
IV.	FOREIGN EXCHANGE DIFFERENCES FOR FOREIGN CURRENCY TRANSACTIONS	-	-
V.	PROFIT/LOSS FROM DERIVATIVE FINANCIAL INSTRUMENTS FOR CASH FLOW HEDGE PURPOSES (Effective Portion of Fair Value Differences)	152.068	(170.582)
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 AS PER TURKISH ACCOUNTING STANDARDS	5.264	(19.345)
IX.	DEFERRED TAX OF VALUATION DIFFERENCES	16.260	15.095
X.	TOTAL NET PROFIT/LOSS ACCOUNTED FOR UNDER EQUITY (I+II+...+IX)	(256.144)	48.242
XI.	PROFIT/LOSS	705.772	877.428
11.1	Change in fair value of marketable securities (Transfer to Profit/Loss)	28.910	(5.462)
11.2	Reclassification and transfer of derivatives accounted for cash flow hedge purposes recycled to Income Statement	(34.661)	2.399
11.3	Transfer of hedge of net investments in foreign operations recycled to Income Statement	-	-
11.4	Other	711.523	880.491
XII.	TOTAL PROFIT/LOSS ACCOUNTED FOR IN THE PERIOD (X±XI)	449.628	925.670

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

FINANSBANK ANONİM ŞİRKETİ

Unconsolidated statement of changes in shareholders' equity For the period ended december 31, 2014
(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

V. STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

Audited	Section 5 Part V	Paid-in Capital	Effect of Inflation Ac- counting 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. Val. Diff. from Assets Held for Sale and Assets from Disc. Op.	Total Equity
Prior period - 01.01 - 31.12.2014																	
I. Beginning balance		2.700.000	-	714	-	328.655	-	3.673.973	(32.665)	-	734.239	144.886	-	2.689	95.987	-	7.648.478
II. Corrections and Accounting Policy Changes Made According to TAS 8		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1 Effects of Corrections		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2 Effects of the Changes in Accounting Policies		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. Adjusted Beginning Balance (I-II)		2.700.000	-	714	-	328.655	-	3.673.973	(32.665)	-	734.239	144.886	-	2.689	95.987	-	7.648.478
Changes in period																	
IV. Increase/decrease related to merger		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V. Marketable securities valuation differences	(1)	-	-	-	-	-	-	-	-	-	-	200.184	-	-	-	-	200.184
VI. Hedging funds (effective portion)		-	-	-	-	-	-	-	-	-	-	-	-	-	(136.466)	-	(136.466)
6.1 Cash-flow hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	(136.466)	-	(136.466)
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 entities under common control		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X. Foreign exchange differences	(2)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI. The disposal of assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XII. The reclassification of assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIII. The effect of change in associates' equity		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV. Capital increase	(5)	135.000	-	-	-	-	-	(135.000)	-	-	-	-	-	-	-	-	-
14.1 Cash		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14.2 Internal sources		135.000	-	-	-	-	-	(135.000)	-	-	-	-	-	-	-	-	-
XV. Share issue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI. Share cancellation profits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVII. Inflation adjustment to paid-in capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVIII. Other		-	-	-	-	-	-	-	(15.476)	-	-	-	-	-	-	-	-
XIX. Period net income/(loss)		-	-	-	-	-	-	-	-	877.428	-	-	-	-	-	-	(15.476)
XX. Profit distribution	(3)	-	-	-	-	36.712	-	697.527	-	-	(734.239)	-	-	-	-	-	877.428
20.1 Dividends distributed		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20.2 Transfers to reserves		-	-	-	-	36.712	-	697.527	-	-	(734.239)	-	-	-	-	-	-
20.3 Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Closing Balance (I+II+III+...+X- VI+XVII+XVIII)		2.835.000	-	714	-	365.367	-	4.236.500	(48.141)	877.428	-	345.070	-	2.689	(40.479)	-	8.574.148

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

FINANSBANK ANONİM ŞİRKETİ

Unconsolidated statement of changes in shareholders' equity For the period ended december 31, 2014
(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

V. STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

Audited	Section 5 Part V	Paid-in Capital	Effect of inflation Ac- counting on Capital and Other Capital Reserves	Share Premium	Share Certificate Cancellation	Legal Reserves	Statutory Reserves	Extraordinary Reserves	Other Reserves	Current Period Net Income/ (Loss)	Prior Period Net Income/ (Loss)	Marketable Securities Value Increase	Tangible and Intangible Assets Revaluation Differences	Bonus Shares Obtained from Associates	Hedging Funds	Acc. Val. Diff. from Assets Held for Sale and Assets from Disc. Op.	Total Equity
Current period - 01.01 - 31.12.2015		2.835.000	-	714	-	365.367	-	4.236.500	(48.141)	-	877.428	345.070	-	2.689	(40.479)	-	8.574.148
I. Beginning balance																	
Changes in period																	
II. Increase/decrease related to merger																	
III. Marketable securities																	
valuation differences	(1)											(382.009)					(382.009)
IV. Hedging funds (effective portion)																	
4.1 Cash-flow hedge																	
4.2 Hedge of net investment in foreign operations																	
V. Tangible assets revaluation differences																	
VI. Intangible assets revaluation differences																	
VII. Bonus shares obtained from associates, subsidiaries and entities under common control																	
VIII. Foreign exchange differences	(2)																
IX. The disposal of asset																	
X. The reclassification of asset																	
The effect of change in XI. associates' equity																	
XII. Capital increase	(5)	165.000						(165.000)									
12.1 Cash																	
12.2 Internal sources		165.000						(165.000)									
XIII. Share Premium																	
XIV. Share cancellation profits																	
Inflation adjustment to XV. paid-in capital																	
XVI. Other									4.211								4.211
XVII. Period net income/(loss)										705.772							705.772
XVIII. Profit distribution	(3)					43.871		833.557			(877.428)						
18.1 Dividends distributed																	
18.2 Transfers to reserves						43.871		833.557			(877.428)						
18.3 Other																	
Closing balance (I+II+III+...+XVI+XVII+XVIII)		3.000.000		714		409.238		4.905.057	(43.930)	705.772		(36.939)		2.689	81.175		9.023.776

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

FINANSBANK ANONİM ŞİRKETİ

Unconsolidated cash flow statement for the period ended december 31, 2015

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

VI. STATEMENT OF CASH FLOWS

	Section 5 Part VI.	Audited 01.01 - 31.12.2015	Audited 01.01 - 31.12.2014
A. CASH FLOWS FROM / (TO) BANKING OPERATIONS			
1.1 Operating profit before changes in operating assets and liabilities (+)		1.069.496	1.900.490
1.1.1 Interest received (+)		7.171.190	6.003.909
1.1.2 Interest paid (-)		(3.597.827)	(3.520.654)
1.1.3 Dividend received (+)		62.872	9.042
1.1.4 Fees and commissions received (+)		1.565.207	1.557.034
1.1.5 Other income (+)		21.825	333.095
1.1.6 Collections from previously written off loans (+)		682.679	638.806
1.1.7 Payments to personnel and service suppliers (-)		(1.868.054)	(1.789.390)
1.1.8 Taxes paid (-)		(501.668)	(200.251)
1.1.9 Others (+/-)	(1)	(2.466.728)	(1.131.101)
1.2 Changes in operating assets and liabilities		1.723.276	(1.986.014)
1.2.1 Net (increase) decrease in financial assets held for trading (+/-)		(23.225)	158.193
1.2.2 Net (increase) decrease in financial assets at fair value through profit or loss (+/-)		1.624	211.138
1.2.3 Net (increase) decrease in due from banks (+/-)		(439.264)	177.321
1.2.4 Net (increase) decrease in loans (+/-)		(7.297.363)	(8.521.945)
1.2.5 Net (increase) decrease in other assets (+/-)	(1)	(206.279)	29.943
1.2.6 Net increase (decrease) in bank deposits (+/-)		201.296	72.015
1.2.7 Net increase (decrease) in other deposits (+/-)		7.333.568	3.622.557
1.2.8 Net increase (decrease) in funds borrowed (+/-)		(160.968)	1.413.947
1.2.9 Net increase (decrease) in matured payables (+/-)		-	-
1.2.10 Net increase (decrease) in other liabilities (+/-)	(1)	2.313.887	850.817
I. Net cash provided from / (used in) banking operations (+/-)		2.792.772	(85.524)
B. CASH FLOWS FROM INVESTING ACTIVITIES			
II. Net cash provided from / (used in) investing activities (+/-)		253.265	(1.235.372)
2.1 Cash paid for purchase of entities under common control, associates and subsidiaries (-)		(18.395)	-
2.2 Cash obtained from sale of entities under common control, associates and subsidiaries (+)		15.762	-
2.3 Fixed assets purchases (-)		(225.816)	(762.433)
2.4 Fixed assets sales (+)		245.040	35.033
2.5 Cash paid for purchase of financial assets available for sale (-)		(2.163.338)	(3.873.595)
2.6 Cash obtained from sale of financial assets available for sale (+)		2.310.575	4.101.719
2.7 Cash paid for purchase of investment securities (-)		(290.680)	(631.486)
2.8 Cash obtained from sale of investment securities (+)		512.035	-
2.9 Others (+/-)	(1)	(131.918)	(104.610)
C. CASH FLOWS FROM FINANCING ACTIVITIES			
III. Net cash provided from / (used in) financing activities (+/-)		(2.297.200)	1.867.047
3.1 Cash obtained from funds borrowed and securities issued (+)		2.669.419	6.881.054
3.2 Cash used for repayment of funds borrowed and securities issued (-)		(4.965.707)	(5.013.019)
3.3 Capital increase (+)		-	-
3.4 Dividends paid (-)		-	-
3.5 Payments for finance leases (-)		(912)	(988)
3.6 Other (+/-)		-	-
IV. Effect of change in foreign exchange rate on cash and cash equivalents (+/-)		24.759	223.291
V. Net increase / (decrease) in cash and cash equivalents (I+II+III+IV)		773.596	769.442
VI. Cash and cash equivalents at beginning of the period (+)	(2)	2.867.988	2.098.546
VII. Cash and cash equivalents at end of the period (V+VI)	(3)	3.641.584	2.867.988

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

FINANSBANK ANONİM ŞİRKETİ

Notes to the unconsolidated financial statements For the period ended december 31, 2015

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

VII. UNCONSOLIDATED PROFIT APPROPRIATION STATEMENT

		AUDITED CURRENT YEAR 31.12.2015 ^(*)	AUDITED PRIOR YEAR 31.12.2014
I.	DISTRIBUTION OF CURRENT YEAR INCOME		
1.1	CURRENT YEAR INCOME	902.849	1.142.209
1.2	TAXES AND DUTIES PAYABLE (-)	197.077	264.781
1.2.1	CORPORATE TAX (INCOME TAX)	209.735	221.066
1.2.2	INCOME WITHHOLDING TAX	-	-
1.2.3	OTHER TAXES AND DUTIES ^(**)	(12.658)	43.715
A.	NET INCOME FOR THE YEAR (1.1-1.2)	705.772	877.428
1.3	PRIOR YEAR LOSSES(-)	-	-
1.4	FIRST LEGAL RESERVES(-)	-	43.871
1.5	OTHER STATUTORY RESERVES (-)	-	-
B.	NET INCOME AVAILABLE FOR DISTRIBUTION [(A-(1.3+1.4+1.5))]	705.772	833.557
1.6	FIRST DIVIDEND TO SHAREHOLDERS(-)	-	141.750
1.6.1	TO OWNERS OF ORDINARY SHARES	-	141.750 ^(***)
1.6.2	TO OWNERS OF PRIVILEGED SHARES	-	-
1.6.3	TO OWNERS OF PREFERRED SHARES	-	-
1.6.4	TO PROFIT SHARING BONDS	-	-
1.6.5	TO HOLDERS OF PROFIT AND (LOSS) SHARING CERTIFICATES	-	-
1.7	DIVIDENDS TO PERSONNEL (-)	-	-
1.8	DIVIDENDS TO BOARD OF DIRECTORS (-)	-	-
1.9	SECOND DIVIDEND TO SHAREHOLDERS(-)	-	-
1.9.1	TO OWNERS OF ORDINARY SHARES	-	-
1.9.2	TO OWNERS OF PRIVILEGED SHARES	-	-
1.9.3	TO OWNERS OF PREFERRED SHARES	-	-
1.9.4	TO PROFIT SHARING BONDS	-	-
1.9.5	TO HOLDERS OF PROFIT AND (LOSS) SHARING CERTIFICATES	-	-
1.10	SECOND LEGAL RESERVES (-)	-	-
1.11	STATUTORY RESERVES(-)	-	-
1.12	EXTRAORDINARY RESERVES	-	691.807
1.13	OTHER RESERVES	-	-
1.14	SPECIAL FUNDS	-	-
II.	DISTRIBUTION OF RESERVES		
2.1	APPROPRIATED RESERVES	-	-
2.2	SECOND LEGAL RESERVES (-)	-	-
2.3	DIVIDENDS TO SHAREHOLDERS(-)	-	-
2.3.1	TO OWNERS OF ORDINARY SHARES	-	-
2.3.2	TO OWNERS OF PRIVILEGED SHARES	-	-
2.3.3	TO OWNERS OF PREFERRED SHARES	-	-
2.3.4	TO PROFIT SHARING BONDS	-	-
2.3.5	TO HOLDERS OF PROFIT AND (LOSS) SHARING CERTIFICATES	-	-
2.4	DIVIDENDS TO PERSONNEL(-)	-	-
2.5	DIVIDENDS TO BOARD OF DIRECTORS(-)	-	-
III.	EARNINGS PER SHARE		
3.1	TO OWNERS OF ORDINARY SHARES	0,02353	0,03095
3.2	TO OWNERS OF ORDINARY SHARES(%)	%2,36	%3,09
3.3	TO OWNERS OF PRIVILEGED SHARES	-	-
3.4	TO OWNERS OF PRIVILEGED SHARES (%)	-	-
IV.	DIVIDEND PER SHARE	-	-
4.1	TO OWNERS OF ORDINARY SHARES	-	-
4.2	TO OWNERS OF ORDINARY SHARES(%)	-	-
4.3	TO OWNERS OF PRIVILEGED SHARES	-	-
4.4	TO OWNERS OF PRIVILEGED SHARES (%)	-	-

(*) Decision regarding the profit distribution for the 2015 will be taken at the General Meeting.

(**) As per the BRSA, income associated with deferred tax assets shall not be considered as cash or internally generated source and accordingly such amounts taking part of net period profit shall not be included in profit distribution and capital increase. As of December 31, 2015 the Bank has deferred tax income amounting to TL 12.658 associated with the deferred tax asset which will not be distributed.

(***) Distributed to the shareholders as bonus shares.

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

SECTION THREE

ACCOUNTING POLICIES

I. Basis of presentation

1. Preparation of the financial statements and the accompanying footnotes in accordance with Turkish Accounting Standards and Regulation on Principles Related to Banks' Accounting Applications and Maintaining the Documents

The Turkish Banking Law No: 5411 is published in the Official Gazette No: 25983 dated November 1, 2005. The Bank prepared the accompanying unconsolidated financial statements as of December 31, 2015 and the related disclosures and footnotes, in accordance with the regulations, communiqués, interpretations and legislations related to accounting and financial reporting principles published by the Banking Regulation and Supervision Agency ("BRSA"), and in case where a specific regulation is not made by BRSA, accounting and valuation standards as described in the "Regulation on Principles Related to Banks' Accounting Applications and Maintaining the Documents", dated November 1, 2006 which is published in the Official Gazette No: 26333, which refers to "Turkish Accounting Standards" ("TAS"), put into effect by Public Oversight Accounting and Auditing Standards Authority ("KGK"), and "Turkish Financial Reporting Standards" ("TFRS") issued by the "Turkish Accounting Standards Board" ("TASB") and additional explanations and notes related to them and other decrees, notes and explanations related to accounting and financial reporting principles (all "Turkish Accounting Standards" or "TAS") published by the Banking Regulation and Supervision Agency ("BRSA"). The format and detail of the publicly announced unconsolidated financial statements and notes to these statements have been prepared in accordance with the "Communiqué on Publicly Announced Financial Statements, Explanations and Notes to These Financial Statements", published in Official Gazette no. 28337, dated 28 June 2012, and amendments to this Communiqué.

Financial statements and the related disclosures and footnotes have been presented in thousands of Turkish Lira unless otherwise specified. Amounts disclosed in foreign currency represent full amounts.

Explanation for Convenience Translation to English

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

2. Classifications

None.

3. Accounting policies and valuation principles used in the preparation of the financial statements

Accounting policies and valuation principles used in the preparation of the financial statements are determined and applied, in accordance with the regulations, communiqués, interpretations and legislations related to accounting and financial reporting principles published by the Banking Regulation and Supervision Agency ("BRSA"), and in case where a specific regulation is not made by BRSA, the requirements of TAS and are consistent with the accounting policies applied in the annual financial statements of the year ended December 31, 2014. The amendments of TAS and TFRS, effective as of January 1, 2015, have no material impact on the Bank's accounting policies, financial position and performance. The aforementioned accounting policies and valuation principles are explained in Notes II to XXV below.

The financial statements have been prepared in TL, under the historical cost convention except for the financial assets and liabilities carried at fair value, which are financial assets designated at fair value through profit or loss, available for sale financial assets, subsidiaries, joint ventures, trading derivative financial assets, and hedging derivative financial assets and liabilities. In addition, carrying value of assets subject to fair value hedge but are carried at historical cost is adjusted to reflect fair value changes related to risks being hedged.

I. Basis of presentation (continued)

The preparation of unconsolidated 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 of the balance sheet and contingent matters as of the balance sheet date. These estimates, which include the fair value calculations of financial instruments and impairments of financial assets are being reviewed regularly and, when necessary, suitable corrections are made and the effects of these corrections are reflected to the income statement. Assumptions and estimates that are used in the preparation of the accompanying financial statements are explained in the following related disclosures.

The amendments of TAS and TFRS, except TFRS 9 Financial Instruments (2011 version) and TAS 27 Separate Financial Statements, which have been published as of reporting date but have not been effective yet, have no impact on the accounting policies, financial condition and performance of the Bank. TFRS 9 Financial Instruments standard will mainly effect Bank's classification and valuation of financial assets. Since its impact will change based on financial asset management model used and assets held as of transition date, it has not yet been detected. The Bank is still assessing the impact of TFRS 9 Financial Instruments standard. Changes made in TAS 27 and effective as of 1 January 2016, makes equity pick up, defined in TAS 28, an available option for accounting for investments in subsidiaries and associates in unconsolidated financial statements.

II. Strategy for the Use of Financial Instruments and the Foreign Currency Transactions

1. Strategy for the use of financial instruments

The major funding sources of the Bank are customer deposits, bond issues and funds borrowed from international markets. The customer deposits bear fixed interest rate and have an average maturity of 1-3 months in line with the sector. Domestic bond issues are realized within the maturity of 6 months and foreign bond issues are based on long maturities with fixed interests. Funds borrowed from abroad mostly bear floating rates and are reprised at an average period of 3-6 months. The Bank diverts its placements to assets with high return and sufficient collaterals. The Bank manages the liquidity structure to meet its liabilities when due by diversifying the funding sources and keeping sufficient cash and cash equivalents. The maturity of fund sources and maturity and yield of placements are considered to the extent possible within the current market conditions and higher return on long-term placements is aimed.

Besides customer deposits, the Bank funds its long term fixed interest rate TL loan portfolio with long term (up to 10 years) floating interest rate foreign currency funds obtained from international markets.

The Bank converts the foreign currency liquidity obtained from the international markets to TL liquidity using long term swap transactions (fixed TL interest rate and floating FC interest rate). Thus, the Bank generates TL denominated resources for funding long term loans with fixed interest rates.

The Bank has determined securities portfolio limits based on the market risk limitations for money, capital and commodity markets. Products included in the securities portfolio are subject to position and risk limits. Position limits restrict the maximum nominal position based on the product. Risk limits are expressed in terms of "Value at Risk (VAR)" by taking the risk tolerance as a cap. The maximum VAR amounts are determined for the three main risk factors, which affect the securities portfolio that is subject to market risk, as well as determining the risk tolerance based on the total value at risk. The above mentioned limits are revised annually.

The strategies for hedging exchange rate risk generated from the Bank's foreign currency available-for-sale debt securities are explained in foreign currency risk section and the applications regarding the cash flow hedging of interest rate cash flow risk generated from deposits are explained in the Interest Rate Risk section in detail.

Hedging strategies for foreign exchange risk resulting from other foreign currency transactions are explained in the foreign currency risk section.

2. Foreign currency transactions

2.1. Foreign currency exchange rates used in converting transactions denominated in foreign currencies and presentation of them in the financial statements

The Bank accounts for the transactions denominated in foreign currencies in accordance with TAS 21 "The Effects of Changes in Foreign Exchange Rates". Foreign exchange gains and losses arising from transactions that are completed as of December 31, 2015 are converted to TL by using historical foreign currency exchange rates. Balances of the foreign currency denominated assets and liabilities except for non-monetary amounts are converted into TL by using foreign currency exchange rates of the Bank for the period end and the resulting exchange differences are recorded as foreign exchange gains and losses. Foreign currency nonmonetary items measured at fair value are converted with currency exchange rates at the time of fair value measurement. The Bank's foreign currency exchange rates for the related period ends are as follows:

	December 31, 2015	December 31, 2014
US Dollar	TL 2,9076	TL 2,3189
Euro	TL 3,1776	TL 2,8207

2.2. Net profit or loss is included in the total foreign exchange differences for the period

As of December 31, 2015, the net loss on exchange included in net profit is TL 101.597 (December 31, 2014 – TL 38.138 gain on exchange).

III. Information on Associates and Subsidiaries and Entities Under Common Control

Associates and Entities Under Common Control are recognized in the framework of TAS39 "Financial Instruments: Turkish Accounting Standards related to Recognition and Measurement" in accordance with TAS27 "Individual Financial Statements" and TAS28 "Investments in Subsidiaries and Associates" standards while subsidiaries are recognized based on cost principle.

IV. Explanations on forwards, option contracts and derivative instruments

The Bank enters into forward currency purchase/sale agreements and swap transactions to reduce the foreign currency risk and interest rate risk and manage foreign currency liquidity risk. The Bank also carries out currency and interest options, station, and credit default swap and futures agreements.

Besides customer deposits, the Bank funds its long term fixed interest rate TL loan portfolio with long term (up to 10 years) floating interest rate foreign currency funds obtained from international markets. The Bank changes the foreign currency liquidity obtained from the international markets to TL liquidity with long term swap transactions (fixed TL interest rate and floating FC interest rate). Therefore, the Bank not only funds its long term fixed interest rate loans with TL but also hedges itself against interest rate risk.

In accordance with TAS 39 "Financial Instruments: Recognition and Measurement", derivative instruments are categorized as "hedging purpose" or "trading purpose" transactions. Derivatives are initially recognized at fair value and subsequently measured at fair value. Also, the liabilities and receivables arising from the derivative transactions are recorded as off-balance sheet items at their contractual values. The derivative transactions are accounted for at fair value subsequent to initial recognition and are presented in the "Assets on Trading Derivatives" and "Liabilities on Trading Derivatives" or "Assets on Hedging Purpose Derivatives" and "Liabilities on Hedging Purpose Derivatives" items of the balance sheet depending on the resulting positive or negative amounts of the computed value. These amounts presented on the balance sheet, represent the fair value differences based on the valuation.

Fair values of forward foreign currency purchase and sales contracts, currency and interest rate swap transactions are calculated by using internal pricing models based on market data. Unrealized gains and losses are reflected in the income statement in the current period.

IV. Explanations on forwards, option contracts and derivative instruments (continued)

Fair values of option contracts are calculated with option pricing models and the resulting unrealized gains and losses are reflected in the current period income statement.

Futures transactions are accounted for at settlement prices of related stock market as of the balance sheet date and related unrealized gains and losses are presented in the current period income statement.

Fair value of credit default swaps is calculated using internal pricing models based on market data and related unrealized gains and losses are reflected in the current period income statement.

Upon valuation of derivative instruments that are not subject to hedge accounting, differences in fair value, except for currency revaluation differences, are recorded in the income statement on Gains/Losses from Derivative transactions. These foreign currency valuation differences are accounted for under "Foreign Exchange Gains/Losses" account.

In cash flow hedge accounting:

The Bank applies cash flow hedge accounting using interest swaps to hedge its TL and FC customer deposits with an average maturity of 1 month against interest rate fluctuations. The Bank implements effectiveness tests at the balance sheet dates for hedge accounting; the effective parts are accounted as defined in TAS 39, in financial statements under equity "Hedging Funds", whereas the amount concerning ineffective parts is associated with income statement.

In cash flow hedge accounting, when the hedging instrument expires, is executed or sold and when the hedge relationship becomes ineffective or is discontinued as a result of the hedge relationship being revoked; the hedging gains and losses that were previously recognized under equity are transferred to profit or loss when the cash flows of the hedged item are realized.

In fair value hedge accounting:

The Bank applies fair value hedge accounting within the framework of TAS 39 using swaps to hedge a portion of its long term, fixed rate mortgage and project finance loans against possible fair value change due to market interest rate fluctuations. The Bank applies fair value hedge accounting using FX swaps to hedge long term, fixed rate, foreign currency Eurobonds in its portfolio against interest rate fluctuations.

The Bank applies fair value hedge accounting to hedge itself against the changes in the interest rates related to the long term government bonds with fixed coupon held by the Bank using swaps as hedging instruments. The Bank performs hedge effectiveness tests at each balance sheet date.

Information on Eurobond, TL government bonds and loan portfolio, recognized as fair value hedged items, is presented in Section 3, Footnote VII. 2 and 4.

The Bank applies fair value hedge accounting to hedge itself against the changes in the interest rates related to the foreign currency bonds issued by the Bank using interest rate swaps as hedging instruments. The Bank performs hedge effectiveness tests at each balance sheet date.

At each balance sheet date the Parent Bank applies effectiveness tests for fair value hedge accounting.

When the hedging instrument expires, is executed or sold and when the hedge relationship becomes ineffective or is discontinued as a result of the hedge relationship being revoked, adjustments made to the carrying amount of the hedged item are transferred to profit and loss with straight line method for portfolio hedges or with effective interest rate method for micro hedges. In case the hedged item is derecognized, hedge accounting is discontinued and within context of fair value hedge accounting, adjustments made to the value of the hedged item are accounted in income statement.

V. Explanations on Interest Income and Expenses

Interest income and expenses are recognized in the income statement for all interest bearing instruments on an accrual basis using the effective interest rate method. In accordance with the related regulation, the interest receivables and accruals of non-performing loans are cancelled and not recorded as interest income until collected.

VI. Explanations on Fees and Commission Income and Expenses

Fees and commission income and expenses are accounted for on an accrual basis or on effective interest rate method, except for the certain banking transactions that income is recognized immediately. Income generated through agreements or through the sale and purchases of assets on behalf of third parties, is recorded as income when collected.

VII. Explanations on Financial Assets

Financial assets comprise cash and cash equivalents and the contractual right to obtain cash or another financial asset from counterparty or to exchange financial assets with counterparty or the equity instrument transactions of the counterparty. Financial assets are classified in four categories; as "Financial Assets at Fair Value through Profit or Loss", "Investment Securities Available-For-Sale", "Investment Securities Held-To-Maturity", and "Loans And Other Receivables". The classification of the financial assets is determined at the initial inception of the related financial assets.

1. Financial assets at fair value through profit or loss**1.1. Trading securities**

The Bank accounts for its trading securities at fair value. The interest income that is from trading securities is presented as interest income in the income statement, while the difference between the cost and the fair value of trading securities and the gain or loss resulting from the sale of these financial assets before their maturity are realized under securities trading gains / losses.

1.2. Financial assets at fair value through profit or loss

The Bank has classified its mortgage loans that were initiated between January 1, 2006 – December 31, 2007, as financial assets at fair value through profit or loss in compliance with TAS 39. These loans are presented under "Financial Assets at Fair Value through Profit or Loss" as loan and fair value differences are presented as "Securities Trading Gains (Losses)" in order to be in compliance with the balance sheet presentation.

Financial assets at fair value through profit or loss are initially recorded at cost and are measured at fair value in the following periods.

The fair value of loans presented under "Financial Assets at Fair Value through Profit or Loss" are determined under current market conditions, taking into consideration the estimated price of a transaction at the measurement date depending on sale of an asset or transfer of a liability between market participants (in other words, exit price at measurement date from the perspective of an owner of an asset or from a debtor's).

2. Investment securities available for sale

Available for sale assets represent financial assets other than financial assets at fair value through profit or loss, loans and other receivables and investment securities held to maturity.

Premiums and discounts on investments securities available-for-sale are considered during the computation of the internal rate of return and are included in interest income in the income statement. Accrued interest income on investment securities available for sale is recognized in the income statement whereas gains and losses arising from the change in the fair values of such securities are reflected in equity under "Securities value increase fund" (Unrealized Gains/Losses on Securities). When investment securities available for sale are sold, collected or otherwise disposed of, the cumulative fair value adjustments under equity are transferred to the income statement. The Bank has inflation indexed (CPI) government bonds in its available for sale and held-to-maturity portfolios. CPI government bonds that are constant throughout their lives and their real principal amounts are preserved from inflation. These marketable securities are valued and accounted by using effective interest rate method by considering the real coupon rates and reference inflation index at the issue date together with the index calculated by considering the estimated inflation rate as disclosed by the Turkish Treasury. As disclosed in 'Inflation Indexed Bonds Manual' published by Turkish Treasury, reference index used for the real payments is determined based on the inflation rates of two months before. The estimated inflation rate used is updated during the year when necessary.

Some portion of the Eurobond portfolio which has been recognized as available for sale securities are designated as fair value hedged items, hedged against interest rate fluctuations, starting from March and April 2009, and some portion of TL government bonds are designated as fair value hedged items, hedged against interest rate fluctuations, starting from July 2011. Those securities are disclosed under Investment Securities Available for Sale in order to be in line with balance sheet presentation. The fair value differences of Eurobond and TL government bond hedged items are accounted for under "Securities Trading Gains/Losses" in the income statement.

In cases where fair value hedge operations cannot be effectively performed as described in TAS 39, fair value hedge accounting is ceased. The fair value differences reflected to income statement prior to discontinuation of hedge accounting are amortized through equity until the maturity of related hedged securities. The fair value differences of related portfolio securities sold prior to maturity are immediately realized in the income statement.

3. Investment securities held to maturity

Held-to-maturity financial assets are non-derivative financial assets with fixed or determinable payments and fixed maturity that an entity has the positive intention and ability to held-to-maturity other than those that the entity upon initial recognition designates as at fair value through profit or loss, those that the entity designates as available-for-sale; and those that meet the definition of loans and receivables. Held-to-maturity financial assets are initially recognized at acquisition cost including the transaction costs which reflect the fair value of those instruments and subsequently recognized at amortized cost by using effective interest rate method. Interest income obtained from held-to-maturity financial assets is accounted in income statement. There are no financial assets previously classified as held-to-maturity but which cannot be subject to this classification for two years due to the contradiction of classification principles.

4. Loans and specific provisions

Loans and receivables are carried initially by adding transaction cost to its purchase cost reflecting the fair value; except for the loans that are recorded with fair value through profit or loss and loans subject to fair value hedge. In the following periods, these loans are carried at amortized cost by using the effective interest rate method.

The Bank as explained in part IV, "Explanations on Forwards, Option Contracts and Derivative Instruments", enters into fx swap transactions against TL in order to hedge the possible losses which might arise due to the changes in the fair value of a certain portion of its long-term loans and applies fair value hedge accounting as per TAS 39. The Bank accounts for the hedged loan portfolio at fair value related to hedged risk, the swap transactions used as the hedging instrument at fair value and reflects the related net gain or loss to respective period's income statement.

When the fair value hedge accounting cannot be effectively continued as stated in TAS 39, the fair value hedge accounting is ceased. The fair value differences of the hedged loans are amortized through income statement until the maturity of the hedged loans.

Provision is set for the loans that maybe doubtful and amount is charged in the current period income statement.

In the case where there is an evidence for the possibility of uncollectibility of loans, the Bank classifies related loans and receivables in non-performing loans and provides specific provision in accordance with the Communiqué dated November 1, 2006, published on the Official Gazette No: 26333 "Communiqué Related to Principles and Procedures on Determining the Qualifications of Banks' Loans and Other Receivables and the Provision for These Loans and Other Receivables". The Bank provides specific provision for the loans under follow-up regarding credit risk and other factors, in accordance with the aforementioned regulation. Additionally, the Bank provides general provisions in accordance with the Communiqué dated November 1, 2006, published on the Official Gazette No: 28789 "Communiqué Related to Principles and Procedures on Determining the Qualifications of Banks' Loans and Other Receivables and the Provision for These Loans and Other Receivables" and accounts such provision at the liability side of the balance sheet under general loan loss provision.

The Bank also provides provision for the closely monitored loans as a result of risk assessment. These provisions are accounted for at the liability side of the balance sheet under general provisions.

The general, specific and other provisions reserved for closely monitored loans are accounted for under "Provision for Loan Losses and Other Receivables" in the income statement.

The collections made in relation to amounts that provision provided in the current period and the principle collections from the loans previously provisioned in the prior periods are offset against the "Provision for Loan and Other Receivables" in the income statement. The principal collections made related to the loans that were written-off are recorded under "Other Operating Income" and interest collections are recorded under the "Interest on Loans" account.

VIII. Explanations on Impairment of Financial Assets

It is assessed whether there is objective evidence for a financial asset or group of financial assets is impaired at each balance sheet date. Provision for impairment is provided when there is an objective evidence of impairment.

A financial asset or a group of financial assets can be impaired and impairment loss will occur only if there is objective evidence that one or more events ("loss/profit events") have occurred after the initial recording of subject asset and that subject loss event/s have an impairment effect on future, approximate cash flows which can accurately be guessed. Future events that are expected to occur are not accounted, no matter how probable.

Impairment for held-to-maturity financial assets carried at amortized cost is calculated as the difference between the present value of the expected future cash flows discounted based on the "Effective interest rate method" and its carrying value. Regarding available-for-sale financial assets, impairment loss is reclassified from equity to profit or loss and is the difference between acquisition cost (less all principal repayments and amortization) and fair value, after impairment losses previously accounted for under profit or loss have been deducted.

An explanation about the impairment of loans and receivables is given in Note VII-4 of Section Four.

IX. Explanations on Netting of Financial Instruments

Financial assets and liabilities are offset and the net amount is reported on the balance sheet when the Bank has a legally enforceable right to offset the recognized amounts, and the intention of collecting or paying the net amount of related assets and liabilities or to realize the asset and settle the liability simultaneously.

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

Securities sold under repurchase agreements are recorded on the balance in accordance with Uniform Chart of Accounts. Accordingly, government bonds and treasury bills sold to customers under repurchase agreements are classified as "Investments Subject to Repurchase Agreements" and valued based on the Bank management's future intentions, either at market prices or using discounting method with internal rate of return.

Funds lent against securities purchased under agreements to resell ("Reverse repos") are accounted under "Receivables from reverse repurchase agreements" on the balance sheet. The difference between the purchase and resell price determined by these repurchase agreements is accrued over the life of repurchase agreements using the "Effective interest method".

Securities that are subject to repurchase agreements as at the balance sheet date amounted to TL 5.089.003 (December 31, 2014– TL 4.409.923).

As of December 31, 2015 the Bank has no securities that are subject to lending transactions (December 31, 2014 – TL 1.345). Securities purchased with a commitment to resell (reverse repurchase agreements) are recorded in a separate account under "Money Market Placements" in the balance sheet. The difference resulting from purchase and resale prices is treated as interest income and accrued over the life of the agreement.

XI. Explanations on Assets Held for Sale and Discontinued Operations

In accordance with IFRS 5 ("Assets Held for Sale and Discontinued Operations"), assets classified as held for sale are measured at lower of carrying value or fair value less costs to sell. Amortization on subject asset is ended and these assets are presented separately on financial statements. An asset (or a disposal group) is regarded as "asset held for sale" only when the sale is highly probable and the asset (disposal group) is available for immediate sale in its present condition. For a highly probable sale, there must be a valid plan prepared by the management for the sale of asset including identification of possible buyers and completion of sale process. Furthermore, the asset (or a disposal group) should be actively marketed at a price consistent with its fair value. Various events and conditions may prolong the sale procedures for more than one year. In case subject delay is caused by the events and conditions beyond the entity's control and there is enough evidence that plans to sell subject asset (or a disposal group) continue subject assets continue to be classified as assets held for sale

A discontinued operation is a part of the Bank's business classified as disposed or held-for-sale. The operating results of the discontinued operations are disclosed separately in the income statement. The Bank has no discontinuing operations. The Bank classifies tangible assets that were acquired due to non-performing receivables, and that do not comply with TFRS 5 criteria, in accordance with the "Communiqué Regarding the Principles and Procedures for the Disposals of Immovables and Commodities Acquired due to Receivables and for Trading of Precious Metal" published in the Official Gazette dated 1 November 2006, no.26333 as other assets and accounts for these tangible assets according to the aforementioned Communiqué.

XII. Explanations on Goodwill and Other Intangible Assets

The Bank's intangible assets consist of softwares and intangible rights.

The intangible assets are recorded at their historical cost less accumulated amortization and provision for impairment, if any. Amortization is calculated on a straight-line basis.

Softwares have been classified as other intangible fixed assets. The useful life of softwares is determined as 3-5 years. If there is objective evidence of impairment, the asset's recoverable amount is estimated in accordance with the Turkish Accounting Standard on Impairment of Assets (TAS 36) and if the recoverable amount is less than the carrying value of the related asset, a provision for impairment loss is made. There is no goodwill regarding the associates, entities under common controls and subsidiaries in the accompanying unconsolidated financial statements.

XIII. Explanations on Tangible Assets

The tangible assets are recorded at their historical cost less accumulated depreciation and provision for impairment, if any. Depreciation is calculated on a straight-line basis over the estimated useful life of tangible assets. The annual amortization rates used are as follows:

Property	2 %
Movables purchased and acquired under finance lease contracts	7% - 25%

The depreciation of leasehold improvements acquired before December 2009, under operating lease agreements, is calculated according to their useful lives. Depreciation of leasehold improvements acquired after this date is calculated over the lease period not exceeding 5 years where the lease duration is certain; or 5 years where the lease period is not certain in accordance with "Communiqué on the Amendment of Communiqué on Uniform Chart of Accounts and Explanatory Notes" dated January 10, 2011. Depreciation is calculated on a pro-rata basis for the assets that have been placed in use for less than a year as of the balance sheet date.

Net book value of the property and leased assets under financial lease contracts are compared with the fair values determined by independent appraisers as of the year end and provision for impairment is recognized in "Other Operating Expenses" in the related period income statement when the fair value is below the net book value in accordance with "Turkish Accounting Standard on Impairment of Assets" (TAS 36).

Gains or losses resulting from disposals of the tangible assets are recorded in the income statement as the difference between the net proceeds and net book value of the asset.

Expenses for repairs are capitalized if the expenditure increases economic life of the asset; otherwise they are expensed. There are no changes in the accounting estimates in regards to amortization duration that could have a significant impact on the current and future financial statements. There are no pledges, mortgages or other restrictions on the tangible assets.

XIV. Explanations on Leasing Transactions

Fixed assets acquired under finance lease contracts are presented under "Tangible Fixed Assets" on the asset side and under "Financial Lease Payables" on the liability side at the initial date of the lease. The basis for the determination of related balance sheet amounts is the lower of fair value of the leased asset and the present value of the lease payments. The direct costs incurred for a finance lease transaction are capitalized as additions to the cost of the leased asset. Lease payments include the financing costs incurred due to the leasing transaction and the principal amount of the leased asset for the current period. Depreciation is calculated on a straight-line basis over the estimated useful life of the leased assets at the rate of 20% except for the buildings which are depreciated at the rate of 2%.

Total payments made under operating leases are charged to income statement on a straight-line basis over the period of the lease.

The Bank has no leasing transactions as lessor.

XV. Explanations on Provisions and Contingent Liabilities

Provisions, other than specific and general provisions for loans and other receivables, and contingent liabilities are provided for in accordance with TAS 37 "Provisions, Contingent Liabilities and Contingent Assets". Provisions are accounted for immediately when obligations arise as a result of past events and a reliable estimate of the obligation is made by the Bank. Whenever the amount of such obligations cannot be measured, they are regarded as "contingent". If the possibility of an outflow of resources embodying economic benefits becomes probable and the amount of the obligation can reliably be measured, a provision is provided.

XVI. Explanations on Obligations of the Bank Concerning Employee Benefits

Provision for employee severance benefits has been accounted for in accordance with TAS 19 "Employee Benefits". In accordance with the existing social legislation in Turkey, the Bank is required to make lump-sum termination indemnities including retirement and notice payments to each employee whose employment is terminated due to resignation or for reasons other than misconduct. The retirement pay is calculated for every working year within the Bank over salary for 30 days or the official ceiling amount per year of employment and the notice pay is calculated for the relevant notice period time as determined based on the number of years worked for the Bank.

The Bank has reflected the retirement pay liability amount, which was calculated by an independent actuary, in the accompanying financial statements. According to IAS 19, The Bank recognizes all actuarial gains and losses immediately through other comprehensive income.

The Bank does not have any employees who work under limited period contracts with remaining terms longer than 12 months after the balance sheet date.

Provision for the employees' unused vacations has been booked in accordance with IAS 19 and reflected to the financial statements.

There are no foundations, pension funds or similar associations of which the employees are members.

XVII. Explanations on Taxation

1. Corporate Tax

In accordance with the Corporate Tax Law No. 5520 published in the Official Gazette No: 26205 dated June 21, 2006, statutory income is subject to corporate tax at 20%. Advance corporate taxes paid are followed under "Current Tax Liability" or "Current Tax Asset" account and are deducted from the corporate taxes of the current year.

75% of gains on subsidiary shares and profits from real estate sales held in Bank assets for more than two years are exempt from tax according to Corporate Tax Law in condition with adding them into equity or allocating into a specific fund account in Bank's liabilities for five years.

Companies file their tax returns between the 1st and the 25th day of the fourth month following the closing of the fiscal year to which they relate and the payments are made until the end of that month.

Losses occurred due to prior year's financial statements can be deducted from corporate income under condition that each year amounts are shown separately on Corporate Tax declaration and are not carried more than five years.

Taxes that are not been levied or notified to tax payer in five years, starting from the beginning of the year following the calendar year that the tax asset emerged are prescribed. Therefore, the tax authority can perform tax audit up to five years backwards. Besides, in case of benefiting from the decision of the document that is subject to stamp duty, yet the tax and the penalty is prescribed, after period of limitation is expired, tax asset of aforementioned document is emerged again.

The provision for corporate and income taxes for the period is recognized as "Current Tax Charge" in the income statement and current tax effect related to transactions directly recognized in equity are reflected to equity.

Undistributed profit for the period is not subject to withholding tax if it is added to capital or it is distributed to full-fledged taxpayer corporations. However, with the Council of Ministers' decisions numbered 2009/14593 and 2009/14594; published in the Official Gazette No: 27130 dated February 3, 2009 and based on Corporate Tax Law No: 5520, 15th and 30th Articles, profit distribution for the period is subject to withholding tax by 15%, for full-fledged real person taxpayers, for those who are not responsible for corporate tax and income tax, for those exempt from corporate and income tax (except for those taxed through their businesses or permanent representatives in Turkey) and for foreign based real person taxpayers.

2. Deferred Taxes

In accordance with Turkish Accounting Standard on Income Taxes (TAS 12), the Bank accounts for deferred taxes based on the tax effect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. In calculating deferred tax, legalized tax rates effective as of balance sheet date are used as per tax legislation.

Deferred tax liabilities are recognized for all temporary differences whereas deferred tax assets calculated from deductible temporary differences are only recognized if it's highly probable that these will in the future create taxable profit. Deferred tax asset is not provided over general reserve for possible risk and general loan loss provisions according to the circular of BRSA numbered BRSA.DZM.2/13/1-a-3 and dated 8 December 2004.

Deferred tax effect in regards to transactions directly accounted for in equity, is also reflected to equity.

3. Transfer Pricing

The article no.13 of the Corporate Tax Law describes the issue of transfer pricing under the title of "disguised profit distribution" by way of transfer pricing. "The General Communique on Disguised Profit Distribution by way of Transfer Pricing" published on November 18, 2007 explains the application related issues in detail. According to this Communique, if the taxpayers conduct transactions like purchase and sale of goods or services with the related parties where the prices are not determined according to the arm's length principle, then it will be concluded that there is a disguised profit distribution by way of transfer pricing. Such disguised profit distributions will not be deducted from the corporate tax base for tax purposes.

Disguised profit distribution amount will be recognized as share in net profit and stoppage tax will be calculated depending on whether the profit distributing institution is a real or corporate entity, full-fledged or foreign based taxpayer, is subject to or exempt from tax.

As discussed under subject Communique's 7.1 Annual Documentation section, taxpayers are required to fill out the "Transfer Pricing, Controlled Foreign Entities and Thin Capitalization" form for the purchase and sale of goods or services conducted with their related parties in a taxation period, attach these forms to their corporate tax returns and submit to the tax offices.

XVIII. Explanations on Additional Explanations on Borrowings

The Bank generates funds from domestically and internationally resident people and institutions by using debt instruments such as syndication, securitization, collateralized debt and bond issuance. Aforementioned transactions are initially recorded at transaction cost plus acquisition cost, reflective of their fair value, and are subsequently measured at amortized cost by using effective interest rate method.

XIX. Explanations on Share Issues

During current period, the Bank's paid in capital has been increased by TL 165.000, TL 141.750 paid from first dividend with bonus shares and TL 23.250 paid from subsidiary and real estate sales fund. (January 1 – December 31, 2014 – capital of the Parent Bank has been increased by TL 135.000, paid from first dividend with bonus shares).

XX. Explanations on Confirmed Bills of Exchange and Acceptances

Confirmed bills of exchange and acceptances are realized simultaneously with the customer payments and recorded in off-balance sheet accounts as possible debt and commitment, if any.

There are no acceptances and confirmed bills of exchange presented as liabilities against any assets.

XXI. Explanations on Government Incentives

As of December 31, 2015, the Bank does not have any government incentives or grants.

XXII. Explanations on Segment Reporting

In addition to corporate banking, retail banking and commercial banking services, the Bank also provides private banking, SME banking, treasury operations and credit card services through branches and alternative channels. The Bank serves its retail banking clients with time and demand deposits, also overdraft services, automatic account services, consumer loans, vehicle loans, housing loans and investment fund services. The Bank provides services including deposit and loans, foreign trade financing, forward and option agreements to its corporate clients. The Bank also serves in trading financial instruments and treasury operations.

The calculations based on the income statement for retail banking (consumer banking and plastic cards), corporate and commercial banking have operational units designated as the main profit centers, have been made according to the product and customer types. During the profitability calculations, the pricing of transfers among these units and treasury unit are made by using cost/return ratios that are determined by the Bank's senior management and which are updated periodically. In this pricing method, general market conditions and the Bank's internal policies are considered.

The Corporate Marketing Unit provides services to firms that are institutional, big size, that have annual revenues of TL 300.000 and higher and multi-national firms operating in Turkey. The firms that have annual revenues between TL 40.000 and TL 300.000 are considered as "Commercial Enterprise". The Bank gives importance to the commercial segmentation in order to hedge risk and decrease the concentration of income. Moreover; The Bank also offers sectoral solution packages to these small and medium-size firms.

The Consumer Banking meets the needs and expectations of the retail banking customers. The Private Banking Unit has formed and started to operate to serve customers with high level income, in a more effective way. The installments, discounts and bonus advantages are provided to the users of Card Finans in the plastic cards line. The main function of Treasury Segment is managing the liquidity of the Bank and interest and foreign currency risks resulting from market conditions. This segment is in close relation with corporate, commercial, retail and private banking units in order to increase the number of customers and the volume of transactions in treasury products of the Bank.

Current Period (January 1 – December 31, 2015)	Retail Banking	Corporate and Commercial Banking	Treasury and Head Office	Total Operations of the Bank
Net Interest Income	1.560.783	1.265.629	1.120.823	3.947.235
Net Fees and Commissions Income	967.940	368.676	(22.781)	1.313.835
Other Operating Income and Net Trading Income	37.479	33.918	(585.176)	(513.779)
Dividend Income	-	-	62.872	62.872
Operating Income	2.566.202	1.668.223	575.738	4.810.163
Other Operating Expenses	1.662.259	834.585	240.358	2.737.202
Provision for Loan Losses and Other Receivables	726.711	414.122	29.279	1.170.112
Profit Before Taxes	177.232	419.516	306.101	902.849
Provision for Tax	-	-	-	(197.077)
Net Profit/Loss	-	-	-	705.772
Total Assets	41.669.742	15.603.242	24.030.762	85.727.397
Segment Assets	41.669.742	15.603.242	24.030.762	81.303.746
Associates, Subsidiaries and Entities Under Common Control (Joint Ventures)	-	-	-	441.999
Undistributed Assets	-	-	-	3.981.652
Total Liabilities	35.560.072	11.448.435	21.275.008	85.727.397
Segment Liabilities	35.560.072	11.448.435	21.275.008	68.283.515
Undistributed Liabilities	-	-	-	8.420.106
Equity	-	-	-	9.023.776
Other Segment Accounts	258.579	129.827	117.856	506.262
Capital Expenditures	129.591	65.065	98.242	292.898
Depreciation and Amortization	128.988	64.762	19.614	213.364
Value Decrease/ (Increase)	-	-	-	-

Prior Period (January 1 – December 31, 2014)	Retail Banking	Corporate and Commercial Banking	Treasury and Head Office	Total Operations of the Bank
Net Interest Income	1.232.083	1.044.033	812.195	3.088.311
Net Fees and Commissions Income	1.067.346	285.566	(19.382)	1.333.530
Other Operating Income and Net Trading Income	330.629	60.926	(270.949)	120.606
Dividend Income	-	-	9.042	9.042
Operating Income	2.630.058	1.390.525	530.906	4.551.489
Other Operating Expenses	1.457.569	751.905	124.263	2.333.737
Provision for Loan Losses and Other Receivables(-)	623.561	371.157	80.825	1.075.543
Profit Before Taxes	548.928	267.463	325.818	1.142.209
Provision for Tax	-	-	-	(264.781)
Net Profit/Loss	-	-	-	877.428
Total Assets	37.643.856	12.700.414	20.675.450	75.206.354
Segment Assets	37.643.856	12.700.414	20.675.450	71.019.720
Associates and Subsidiaries and Entities	-	-	-	634.842
Undistributed Assets	-	-	-	3.551.792
Total Liabilities	29.485.415	11.084.903	19.650.365	75.206.354
Segment Liabilities	29.485.415	11.084.903	19.650.365	60.220.683
Undistributed Liabilities	-	-	-	6.411.523
Equity	-	-	-	8.574.148
Other Segment Accounts	256.310	132.220	1.018.955	1.407.568
Capital Expenditures	130.476	67.307	993.539	1.191.322
Depreciation and Amortization	125.834	64.913	25.416	216.163
Value Decrease/ (Increase)	-	-	-	83

XXIII. Explanations on Profit Reserves and Profit Distribution

The Ordinary General Assembly Meeting of the Bank was held on 31 March 2015. In the Ordinary General Assembly, it was decided to distribute a TL 43.871 cash dividend over the TL 877.428 net income from 2014 operations to the Bank's shareholders. In accordance with the 26th clause of the Bank's Articles of Association, it has been decided in the Extraordinary General Assembly Meeting dated May 28, 2015 to distribute the net profit remaining after General Legal Reserve has been appropriated as of 2014 financials, amounting to TL 833.557.

Statement of Profit Distribution, 2014	
Profit for the Period	877.428
A – I. Legal Reserve (Turkish Commercial Code 519/A) at 5%	(43.871)
B – Extraordinary Reserves	(833.557)

XXIV. Profit Per Share

Profit per share listed on income statement is calculated by dividing net profit to weighted average amount of shares issued within respective year.

	Current Period	Prior Period
Net Profit for the Period	705.772	877.428
Weighted Average Amount of Shares Issued (Thousands)	30.000.000	30.000.000
Profit Per Share	0,02353	0,02925

In Turkey, companies can increase capital through "bonus share" distributed from previous year earnings to current shareholders. Such "bonus share" distributions are accounted as issued shares while calculating profit per share. Accordingly, weighted average amount of shares issued used in these calculations is found through taking into consideration retroactive effects of subject share distributions. In case, amount of shares issued increases after the balance sheet date but before the date of financial statement preparation due to distribution of "bonus share", profit per share is calculated taking into consideration the new amount of shares.

Amount of issued bonus shared in 2015 is 1.650.000 (December 31, 2014: 1.350.000).

XXV. Explanations on Other Matters

None.

SECTION FOUR

INFORMATION ON FINANCIAL STRUCTURE

1. Explanations Related to Capital Adequacy Ratio

As of December 31, 2015, the Bank's unconsolidated capital adequacy ratio is 15,40%. (December 31, 2014– 16,98%).

Capital adequacy ratio is calculated within the scope of the "Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks (the "Regulation")", "Communiqué on Credit Risk Mitigation Techniques" and "Communiqué on Calculation of Risk Weighted Amounts for Securitizations" published in the Official Gazette No: 28337 dated June 28, 2012 and the "Communiqué on Equities of Banks" published in the Official Gazette No: 28756 dated September 5, 2013.

The Bank designates balance sheet items and non-balance sheet items as "trading book" and "banking book" according to capital adequacy account.

Calculation of the risk weighted assets is made on related assets by net basis after items deducted from capital base and depreciation and provisions are reduced.

The items classified as trading book are not included in the calculation of the credit risk. However, counterparty credit risk for all transactions stated in the Article 21 of the Regulation, are made as per the rates stated in the Appendix-2 of the Regulation. Balance sheet items and the rates stated in the Article 5 of the Regulation, and non-balance sheet items whose credit equivalent risk amount are calculated, are included in the relevant exposure category defined in the Article 6 of the Regulation and weighted as per Appendix-1 of the Regulation.

The disclosures of credit risk mitigation techniques used under "Regulation on Credit Risk Mitigation Techniques" are presented in Section 4, Note X. under "Explanations related to Credit Risk Mitigation Techniques".

Capital requirement for the market risk is calculated by using the standard method. Market risk for the options is calculated within the scope of the regulation "Capital Requirement for Market Risk of Options - Standard Method" published in the Official Gazette No: 28337 dated June 28, 2012 by using Delta Factor Weighted Method.

Capital requirement for the operational risk is calculated within the scope of the "Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks (the Regulation)" published in the Official Gazette No: 28337 dated June 28, 2012 by using Basic Indicator Approach.

Unconsolidated capital adequacy ratio

	Risk Weights								
Current Period	%0	%10	%20	%50	%75	%100	%150	%200	%250
Value at Credit Risk	-	-	213.722	11.131.029	16.504.633	23.985.241	4.225.614	7.819.440	574.420
Exposure Categories:	16.436.016	-	1.068.608	22.262.057	22.006.177	23.985.241	2.817.076	3.909.720	229.768
Conditional and unconditional receivables from central governments or central banks	15.481.981	-	-	2.195.888	-	-	-	-	-
Conditional and unconditional receivables from regional or local governments	-	-	2.255	-	-	-	-	-	-
Conditional and unconditional receivables from administrative units and non-commercial enterprises	-	-	-	-	-	14.698	-	-	-
Conditional and unconditional receivables from multilateral development banks	-	-	-	-	-	-	-	-	-
Conditional and unconditional receivables from international organizations	-	-	-	-	-	-	-	-	-
Conditional and unconditional receivables from banks and brokerage houses	-	-	1.065.670	2.689.834	-	11.473	-	-	-
Conditional and unconditional receivables from corporates	-	-	-	-	-	18.310.933	-	-	-
Conditional and unconditional retail receivables	-	-	-	-	22.006.177	2.033.841	-	-	-
Conditional and unconditional receivables secured by mortgages	-	-	-	17.376.335	-	-	-	-	-
Past due receivables	-	-	-	-	-	705.705	-	-	-
Receivables defined in high risk category by BRSA	-	-	-	-	-	-	2.817.076	3.909.720	229.768
Securities collateralized by mortgages	-	-	-	-	-	-	-	-	-
Securitization positions	-	-	-	-	-	-	-	-	-
Short-term receivables from banks, brokerage houses and corporates	-	-	-	-	-	-	-	-	-
Investments similar to collective investment funds	-	-	-	-	-	492	-	-	-
Other receivables	954.035	-	683	-	-	2.908.099	-	-	-

	Risk Weights								
Prior Period	%0	%10	%20	%50	%75	%100	%150	%200	%250
Value at Credit Risk	-	-	245.829	9.465.302	15.417.255	20.617.801	2.513.757	7.994.862	676.638
Exposure Categories:	15.690.061	-	1.229.146	18.930.604	20.556.340	20.617.801	1.675.838	3.997.431	270.655
Conditional and unconditional receivables from central governments or central banks	14.850.852	-	-	1.697.937	-	-	-	-	-
Conditional and unconditional receivables from regional or local governments	-	-	4.048	-	-	-	-	-	-
Conditional and unconditional receivables from administrative units and non-commercial enterprises	-	-	-	-	-	316	-	-	-
Conditional and unconditional receivables from multilateral development banks	-	-	-	-	-	-	-	-	-
Conditional and unconditional receivables from international organizations	-	-	-	-	-	-	-	-	-
Conditional and unconditional receivables from banks and brokerage houses	-	-	1.224.868	2.181.022	-	29.459	-	-	-
Conditional and unconditional receivables from corporates	-	-	-	-	-	15.318.399	-	-	-
Conditional and unconditional retail receivables	-	-	-	-	20.556.340	1.825.386	-	-	-
Conditional and unconditional receivables secured by mortgages	-	-	-	15.051.645	-	-	-	-	-
Past due receivables	-	-	-	-	-	541.919	-	-	-
Receivables defined in high risk category by BRSA	-	-	-	-	-	-	1.675.838	3.997.431	270.655
Securities collateralized by mortgages	-	-	-	-	-	-	-	-	-
Securitization positions	-	-	-	-	-	-	-	-	-
Short-term receivables from banks, brokerage houses and corporates	-	-	-	-	-	-	-	-	-
Investments similar to collective investment funds	-	-	-	-	-	26.414	-	-	-
Other receivables	839.209	-	230	-	-	2.875.908	-	-	-

Summary information related to unconsolidated capital adequacy ratio

	Current Period(*)	Prior Period
Capital Requirement for Credit Risk (Value at Credit Risk * 0,08) (CRCR)	5.156.328	4.554.516
Capital Requirement for Market Risk (MRCR)	85.370	98.679
Capital Requirement for Operational Risk (ORCR)	572.223	503.912
Shareholders' Equity	11.193.253	10.946.807
Shareholders' Equity/(CRCR+MRCR+ORCR) * 12,5 * 100	%15,40	%16,98
Additional Tier I Capital/((CRCR+CRMR+CROR)*12,5*100)	%12,00	%12,97
Common Equity/((CRCR+CRMR+CROR)*12,5*100)	%12,19	%13,24

CRCR : Capital Requirement for Credit Risk

MRCR : Capital Requirement for Market Risk

ORCR : Capital Requirement for Operational Risk

(*) As of January 1, 2014 the Bank is calculating its equity according to "Communique on Banks' Equity" published on September 5, 2013 in the Official Gazette no 28756 and calculated Capital Adequacy Standard Ratio accordingly.

Information on Equity Accounts	Current Period December 31, 2015	Prior Period December 31, 2014
COMMON EQUITY		
Paid-in Capital following all debts in terms of claim in liquidation of the Bank's	3.000.000	2.835.000
Share premium	714	714
Share cancellation profits	-	-
Reserves	5.314.295	4.601.867
Gains recognized in equity as per TAS	207.320	397.191
Profit	705.772	877.428
Current Period Profit	705.772	877.428
Prior Period Profit	-	-
Provisions for Possible Risks	100.000	82.000
Bonus Shares from Investments in Associates, Subsidiaries and Joint Ventures that are not recognized in Profit	2.689	2.689
Common Equity Before Deductions	9.330.790	8.796.889
Deductions from Common Equity		
Portion of the current and prior periods' losses which cannot be covered through reserves and losses reflected in equity in accordance with TAS (-).	288.189	100.262
Leasehold improvements (-)	88.288	114.052
Goodwill or other intangible assets and deferred tax liability related to these items (-)	94.243	44.806
Net deferred tax asset/liability (-)	-	-
Shares obtained contrary to the 4th clause of the 56th Article of the Law (-)	-	-
Direct and indirect investments of the Bank in its own common equity (-)	-	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank (-).	-	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank (-).	-	-
Portion of mortgage servicing rights exceeding 10% of the common equity (-).	-	-
Portion of deferred tax assets based on temporary differences exceeding 10% of the common equity (-).	-	-
Amount exceeding 15% of the common equity as per the 2nd clause of the Provisional Article 2 of the Regulation on the Equity of Banks (-)	-	-
Excess amount arising from the net long positions of investments in common equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital (-)	-	-
Excess amount arising from mortgage servicing rights (-).	-	-
Excess amount arising from deferred tax assets based on temporary differences (-).	-	-
Other items to be defined by the BRSA (-)	-	-
Deductions to be made from common equity in the case that adequate Additional Tier I Capital or Tier II Capital is not available (-)	-	-
Total Deductions From Common Equity	470.720	259.120
Total Common Equity	8.860.070	8.537.769

	31 December 2015	31 December 2014
ADDITIONAL TIER I CAPITAL		
Capital amount and related premiums corresponding to preference shares that are not included in common equity	-	-
Debt instruments and premiums deemed suitable by BRSA (issued/obtained after 1.1.2014)	-	-
Debt instruments and premiums deemed suitable by BRSA (issued before 1.1.2014)	-	-
Additional Tier I Capital before Deductions	-	-
Deductions from Additional Tier I Capital		
Direct and indirect investments of the Bank in its own Additional Tier I Capital (-)	-	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank (-)	-	-
Portion of the total of net long positions of investments made in Additional Tier I Capital and Tier II Capital items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank (-)	-	-
Other items to be defined by the BRSA (-)	-	-
Deductions to be made from common equity in the case that adequate Additional Tier I Capital or Tier II Capital is not available (-)	-	-
Total Deductions From Additional Tier I Capital	-	-
Total Additional Tier I Capital	-	-
DEDUCTIONS FROM TIER I CAPITAL	141.365	179.223
Portion of goodwill and other intangible assets and the related deferred tax liabilities which not deducted from the Common Equity as per the 1st clause of Provisional Article 2 of the Regulation on the Equity of Banks (-)	141.365	179.223
Portion of net deferred tax assets/liabilities which is not deducted from the common equity pursuant to Paragraph 1 Provisional Article 2 of the Regulation on the Equity of Banks (-)	-	-
Total Tier I Capital	8.718.705	8.358.546
TIER II CAPITAL		
Debt instruments and premiums deemed suitable by the BRSA (issued/obtained after 1.1.2014)	-	-
Debt instruments and premiums deemed suitable by the BRSA (issued/obtained before 1.1.2014)	1.736.305	1.940.559
Sources pledged to the Bank by shareholders to be used in capital increases of the Bank	-	-
General Loan Loss Provisions	805.676	711.643
Tier II Capital Before Deductions	2.541.981	2.652.202
Direct and indirect investments of the Bank in its own Tier II Capital (-)	-	-
Portion of the total of net long positions of investments made in Common Equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank (-)	-	-
Portion of the total of net long positions of investments made in Additional Tier I and Tier II Capital items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank (-)	-	-
Other items to be defined by the BRSA (-)	-	-
Total Deductions from Tier II Capital	-	-
Total Tier II Capital	2.541.981	2.652.202
CAPITAL BEFORE DEDUCTIONS	11.260.686	11.010.748
Loans granted contrary to the 50th and 51th Article of the Law (-)	15.456	1.856
Net book value of amounts exceeding the limit mentioned in the 1st Paragraph of Article 57 of the Law and assets acquired against overdue receivables which could not be disposed of even though five years have passed since their acquisition date (-)	13.246	11.289
Loans granted to banks and financial institutions, including those established abroad, and to eligible shareholders of the Bank and investments made in the borrowing instruments issued by them (-)	-	-
Amounts to be deducted from equity as per the 2nd Clause of Article 20 of the Regulation on Measurement and Evaluation of Capital Adequacy of Banks (-)	-	-
Other items to be defined by the BRSA (-)	38.731	50.796
Portion of the total of net long positions of investments made in Common Equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank not to be deducted from the Common Equity, Additional Tier I Capital, Tier II Capital as per the 1st clause of the Provisional Article 2 of the Regulation on the Equity of Banks. (-)	-	-
Portion of the total of net long positions of direct or indirect investments made in Additional Tier I and Tier II Capital items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank not to be deducted from the Additional Tier I Capital and Tier II Capital as per the 1st clause of the Provisional Article 2 of the Regulation on the Equity of Banks. (-)	-	-
Portion of the total of net long positions of investments made in Common Equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital, deferred tax assets based on temporary differences and mortgage servicing rights not deducted from Common Equity as per the 1st and 2nd Paragraph of the 2nd clause of the Provisional Article 2 of the Regulation on the Equity of Banks (-)	-	-
TOTAL CAPITAL	11.193.253	10.946.807
Amounts below the Excess Limits as per the Deduction Principles	171.401	233.467
Amounts arising from the net long positions of investments made in Total Capital items of banks and financial institutions where the Bank owns 10% or less of the issued common share capital	-	-
Amounts arising from the net long positions of investments made in Tier I Capital items of banks and financial institutions where the Bank owns 10% or more of the issued common share capital	92.433	183.417
Amounts arising from mortgage servicing rights	-	-
Deferred tax assets arising due to temporary differences	78.968	50.050

Components of items of shareholders' equity subject to temporary applications:

	Bank	
	Amount Included in Equity Calculation	Total Amount
Minority Interest in Tier I Capital	-	-
Shares of Third Parties in Additional Core Capital	-	-
Shares of Third Parties in Tier II Capital	-	-
Debt Instruments and the Related Issuance Premiums Defined by the BRSA (Issued before 1.1.2014)	1.736.305	1.736.305

FINANSBANK ANONİM ŞİRKETİ

Notes to unconsolidated financial statements for the period ended december 31, 2015
(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

Information on debt instruments included in the calculation of equity:

	1	2	3	4
Issuer	NATIONAL BANK OF GREECE S.A.	NATIONAL BANK OF GREECE S.A.	NATIONAL BANK OF GREECE S.A.	NATIONAL BANK OF GREECE S.A.
Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	-	-	-	-
Governing law(s) of the instrument	BRSA	BRSA	BRSA	BRSA
Regulatory treatment	Supplementary Capital	Supplementary Capital	Supplementary Capital	Supplementary Capital
Transitional Basel III rules	Yes	Yes	Yes	Yes
Eligible at stand-alone / consolidated	Stand alone -Consolidated	Stand alone -Consolidated	Stand alone -Consolidated	Stand alone -Consolidated
Instrument type (types to be specified by each jurisdiction)	Loan	Loan	Loan	Loan
Amount recognized in regulatory capital (Currency in million, as of most recent reporting date)	511	419	262	544
Par value of instrument (Currency in million)	953	588	364	757
Accounting classification	Liability – Subordinated Loans- amortized cost	Liability – Subordinated Loans- amortized cost	Liability – Subordinated Loans- amortized cost	Liability – Subordinated Loans- amortized cost
Original date of issuance	Apr-24-08	Oct-6-09	Dec-28-09	Dec-20-11
Perpetual or dated	Dated	Dated	Dated	Dated
Original maturity date	12 years	12 years	12 years	10 years
Issuer call subject to prior BRSA approval	Yes	Yes	Yes	Yes
Optional call date, contingent call dates and redemption amount	-	-	-	-
Subsequent call dates, if applicable	-	-	-	-
Coupons / dividends	6 months	6 months	6 months	6 months
Fixed or floating dividend/coupon	Floating	Floating	Floating	Floating
Coupon rate and any related index	LIBOR + %4,50	LIBOR + %4,34	LIBOR + %4,34	LIBOR + %4,50
Existence of a dividend stopper	-	-	-	-
Fully discretionary, partially discretionary or mandatory	-	-	-	-

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	1	2	3	4
Existence of step up or other incentive to redeem	-	-	-	-
Noncumulative or cumulative	Noncumulative	Noncumulative	Noncumulative	Noncumulative
Convertible or non-convertible	None	None	None	None
If convertible, conversion trigger (s)	-	-	-	-
If convertible, fully or partially	-	-	-	-
If convertible, conversion rate	-	-	-	-
If convertible, mandatory or optional conversion	-	-	-	-
If convertible, specify instrument type convertible into	-	-	-	-
If convertible, specify issuer of instrument it converts into	-	-	-	-
Write-down feature	None	None	None	None
If write-down, write-down trigger(s)	-	-	-	-
If write-down, full or partial	-	-	-	-
If write-down, permanent or temporary	-	-	-	-
If temporary write-down, description of write-up mechanism	-	-	-	-
Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	After the senior creditors, before the TIER 1 subdebt, same with TIER 2	After the senior creditors, before the TIER 1 subdebt, same with TIER 2	After the senior creditors, before the TIER 1 subdebt, same with TIER 2	After the senior creditors, before the TIER 1 subdebt, same with TIER 2
Incompliance with article number 7 and 8 of "Own fund regulation"	Yes	Yes	Yes	Yes
Details of incompliances with article number 7 and 8 of "Own fund regulation"	8-2-ğ	8-2-ğ	8-2-ğ	8-2-ğ

11. Explanations Related to Credit Risk

Credit risk represents the risk arising due to the counter party's not fulfilling its responsibilities stated in the agreement either partially or totally.

Loan strategies and policies are determined by the Policy Committees. These policies and strategies are constituted in line with the applications of the Parent, and credit risk is managed according to these policies and strategies. The quality of loan portfolio is monitored regularly with the help of metrics which are in line with the Bank's risk appetite, as specified in Risk Management Strategies.

Credit Risk Management takes place in every step of the Bank's credit process from the beginning. Loan applications are evaluated by non-profit oriented independent loan granting departments. Loan limits are determined on a product basis and in the aggregate for every individual, corporate customer and risk group. Furthermore, concentration on product, industry, region, are monitored within the frame of loan limits in line with the regulation.

The credibility of the debtors is monitored periodically in accordance with the related regulation. The statements presenting the financial position of the borrowers are obtained in accordance with the related regulation.

Loan limits of the loan customers are revised periodically in line with the Bank's loan limit revision procedures. The Bank analyses the credibility of the loans within the framework of its loan policies and obtains collaterals for loans.

The Bank has control limits over the positions of forward transactions, options and other similar agreements. The credit risk arising from these instruments are managed together with the risks resulting from market fluctuations.

The Bank monitors risks of forward transactions, options and other similar agreements and reduces the risk if necessary.

Indemnified non-cash loans are weighted in the same risk group with the past due but not impaired loans.

The restructured and rescheduled loans are monitored by the Bank in line with Bank's credit risk management procedures. The debtor's financial position and commercial activities are continuously analyzed and the principal and interest payments of rescheduled loans are monitored by the related departments.

The restructured and rescheduled loans are evaluated in the Bank's current internal rating system besides the follow up method determined in the related regulation.

The risk of banking operations abroad and credit transactions is acceptable and there is no significant credit risk density in the international banking market.

Based on "Regulation on Procedures and Principles for Determination of Qualifications of Loans and Other Receivables by Banks and Provisions to be set aside", the Bank considers second group loans whose principal or interest payments are not collected at the determined dates as overdue loans. Loans whose principal or interest payments are delayed for more than 90 days and loans of borrowers which the Bank believes that the borrower lost their creditworthiness are considered as impaired loans.

The Bank calculates general loan provision for overdue loans and specific loan provision for impaired loans based on "Regulation on Procedures and Principles for Determination of Qualifications of Loans and Other Receivables by Banks and Provisions to be set aside".

The receivables of the Bank from its top 100 cash loan customers are 14% in the total cash loans (December 31, 2014 – 12%).

The receivables of the Bank from its top 200 cash loan customers are 17% in the total cash loans. (December 31, 2014 - 15%)

The receivables of the Bank from its top 100 non-cash loan customers are 41% in the total non-cash loans (December 31, 2014 – 43%).

The receivables of the Bank from its top 200 non-cash loan customers are 50% in the total non-cash loans. (December 31, 2014 – 52%)

The share of cash and non-cash receivables of the Bank from its top 100 loan customers in total cash and non -cash loans is 16% (December 31, 2014 – 14%).

The share of cash and non-cash receivables of the Bank from its top 200 loan customers in total cash and non -cash loans is 19%. (December 31, 2014 – 18%)

The general loan loss provision related with the credit risk taken by the Bank is TL 1.190.403 (December 31, 2014 – TL 942.661).

Provision for probable risks in the Bank's loan portfolio amounted to TL 106.241 (December 31, 2014 – TL 106.334).

	Current Period Risk Amount(*)	Average Risk Amount(**)	Prior Period Risk Amount(*)	Average Risk Amount (**)
Conditional and unconditional receivables from central governments and Central Banks	19.981.535	19.767.564	18.832.057	16.508.359
Conditional and unconditional receivables from regional or local governments	2.277	3.051	4.069	5.549
Conditional and unconditional receivables from administrative bodies and noncommercial enterprises	14.698	1.409	316	890
Conditional and unconditional receivables from multilateral development banks	-	-	-	-
Conditional and unconditional receivables from international organizations	-	-	-	-
Conditional and unconditional receivables from banks and brokerage houses	8.713.423	9.028.812	6.687.803	4.165.627
Conditional and unconditional receivables from corporates	19.155.954	18.065.890	15.874.036	15.788.277
Conditional and unconditional receivables from retail portfolios	24.349.305	23.576.436	22.637.293	20.607.213
Conditional and unconditional receivables secured by mortgages	17.376.335	16.400.776	15.051.645	13.435.895
Past due receivables	706.120	654.144	541.973	514.427
Receivables defined under high risk category by BRSA	7.028.162	6.816.918	6.018.347	6.094.494
Securities collateralized by mortgages	-	-	-	-
Securitization positions	-	-	-	-
Short-term receivables from banks, brokerage houses and corporates	-	-	-	-
Investments similar to collective investment funds	492	15.882	26.414	29.133
Other receivables	3.862.817	3.862.886	3.715.347	3.762.626

(*)The risk amounts are given after the loan conversion rate, and before Loan Risk Reduction.

(**)The average risk amount was calculated by taking the arithmetic average of the values in the monthly reports prepared in balance sheet period in regards to "Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks (the "Regulation)".

Credit rating system

The Bank uses internal credit rating system effectively in order to track the quality of credit portfolio and determine the actions required, based on customer groups and types of loans. The Bank uses the behavioral rating systems in order to measure the probability of default of the current customers in a determined period of time and to perform limit management. These rating systems are monitored regularly in line with generally accepted applications and methods.

The table below indicates the ratings of the corporate / commercial and enterprise banking cash loans:

	Current Period (%)	Prior Period (%)
Debtor has a very strong financial structure	11	11
Debtor has a good financial structure	30	42
Debtor has a medium financial structure	36	28
Debtor has a financial structure which needs attention in medium term	21	17
Not graded	2	2
Total	100	100

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Profile of significant exposures in major regions:

Exposure Categories ^(*)																	
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	Total
Current Period																	
1. Domestic	19,981,535	2,277	14,698	-	-	2,244,825	18,935,723	24,346,606	17,375,502	705,499	7,004,963	-	-	-	492	3,420,818	94,032,938
2. European Union Countries	-	-	-	-	-	6,114,804	155,903	510	771	-	23,060	-	-	-	-	-	6,295,048
3. OECD Countries ^(**)	-	-	-	-	-	55,863	-	177	-	-	-	-	-	-	-	-	56,040
4. Offshore Banking Regions	-	-	-	-	-	31,382	28,419	39	5	-	118	-	-	-	-	-	59,963
5. USA, Canada	-	-	-	-	-	243,121	16,273	168	-	-	9	-	-	-	-	-	259,571
6. Other Countries	-	-	-	-	-	23,428	19,636	1,805	57	621	12	-	-	-	-	-	45,559
7. Associates, Subsidiaries and Joint -Ventures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	441,999	441,999
8. Unallocated Assets/Liabilities ^(***)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	19,981,535	2,277	14,698	-	-	8,713,423	19,155,954	24,349,305	17,376,335	706,120	7,028,162	-	-	-	492	3,862,817	101,191,118

Exposure Categories (*)																	
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	Total
Prior Period																	
1. Domestic	18,832,057	4,069	316	-	-	2,168,735	15,652,731	22,633,723	15,048,975	541,973	6,018,071	-	-	-	26,414	3,080,504	84,007,568
2. European Union Countries	-	-	-	-	-	4,180,758	187,341	286	2,508	-	107	-	-	-	-	-	4,371,000
3. OECD Countries (**)	-	-	-	-	-	18,445	-	4	-	-	-	-	-	-	-	-	18,449
4. Offshore Banking Regions	-	-	-	-	-	28,138	4,578	11	2	-	155	-	-	-	-	-	32,884
5. USA, Canada	-	-	-	-	-	260,240	18,396	4	-	-	-	-	-	-	-	-	278,640
6. Other Countries	-	-	-	-	-	31,487	10,990	3,265	160	-	14	-	-	-	-	-	45,916
7. Associates, Subsidiaries and Joint -Ventures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	634,843	634,843
8. Unallocated Assets/Liabilities (***)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	18,832,057	4,069	316	-	-	6,687,803	15,874,036	22,637,293	15,051,645	541,973	6,018,347	-	-	-	26,414	3,715,347	89,389,300

(*) Exposure categories based on "Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks"

(**) Includes OECD countries other than EU countries, USA and Canada

(***) Includes assets and liability items that can not be allocated on a consistent basis.

- 1- Conditional and unconditional exposures to central governments or central banks
- 2- Conditional and unconditional exposures to regional governments or local authorities
- 3- Conditional and unconditional exposures to administrative bodies and non-commercial undertakings
- 4- Conditional and unconditional exposures to multilateral development banks
- 5- Conditional and unconditional exposures to international organizations
- 6- Conditional and unconditional exposures to banks and brokerage houses
- 7- Conditional and unconditional exposures to corporates
- 8- Conditional and unconditional retail exposures
- 9- Conditional and unconditional exposures secured by real estate property
- 10- Past due items
- 11- Items in regulatory high-risk categories
- 12- Exposures in the form of bonds secured by mortgages
- 13- Securitization positions
- 14- Short-term exposures to banks, brokerage houses and corporates
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Risk profile by sectors or counterparties:

	Exposure Categories(*)																		
Current Period	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	TL	FC	Total
Agriculture	-	-	-	-	-	-	727.315	168.812	596.888	5.518	34	-	-	-	-	-	1.419.843	78.724	1.498.567
Farming and Livestock	-	-	-	-	-	-	696.973	161.216	584.054	5.065	33	-	-	-	-	-	1.400.939	46.402	1.447.341
Forestation	-	-	-	-	-	-	633	1.100	1.614	21	-	-	-	-	-	-	3.368	-	3.368
Fishing Industry	-	-	-	-	-	-	29.709	6.496	11.220	432	1	-	-	-	-	-	15.536	32.322	47.858
Industrial	-	2.230	-	-	-	-	6.861.779	1.941.232	2.367.173	59.513	214	-	-	-	-	-	5.058.657	6.173.484	11.232.141
Mining and Quarrying	-	-	-	-	-	-	157.128	34.383	62.429	390	2	-	-	-	-	-	135.790	118.542	254.332
Manufacturing Industry	-	-	-	-	-	-	4.955.352	1.896.433	2.119.965	58.367	212	-	-	-	-	-	4.751.182	4.279.147	9.030.329
Electricity, Gas, Water	-	2.230	-	-	-	-	1.749.299	10.416	184.779	756	-	-	-	-	-	-	171.685	1.775.795	1.947.480
Construction	-	-	-	-	-	-	2.408.299	857.578	2.373.882	36.407	35	-	-	-	-	-	3.795.384	1.880.817	5.676.201
Services	11.397.360	28	14.666	-	-	8.216.003	7.944.690	4.842.464	6.509.530	170.785	636	-	-	-	-	-	17.499.008	21.597.154	39.096.162
Wholesale and Retail Trade	-	-	-	-	-	1	4.613.507	3.979.242	3.264.267	148.695	531	-	-	-	-	-	9.565.339	2.440.904	12.006.243
Hotels and Restaurants	-	-	-	-	-	-	397.891	52.204	675.856	762	2	-	-	-	-	-	283.463	843.262	1.126.715
Transportation and Communications	-	-	-	-	-	-	1.228.912	376.586	303.752	10.997	58	-	-	-	-	-	966.638	963.667	1.920.305
Financial Institutions	11.397.360	22	-	-	-	8.216.002	120.261	27.688	26.704	554	2	-	-	-	-	-	5.077.582	14.711.011	19.788.593
Real Estate and Rent Services	-	-	-	-	-	-	702.259	69.432	1.522.256	2.105	7	-	-	-	-	-	239.583	2.056.476	2.296.059
Independent Business Services	-	-	7	-	-	-	207.287	168.661	253.281	4.518	22	-	-	-	-	-	481.098	152.678	633.776
Education Services	-	-	-	-	-	-	88.698	47.177	131.034	626	3	-	-	-	-	-	252.490	29.704	282.194
Health and Social Services	-	6	3	-	-	-	585.875	121.474	332.380	2.528	11	-	-	-	-	-	642.815	399.462	1.042.277
Other	8.584.175	19	32	-	-	497.420	1.213.871	16.539.219	5.528.862	433.897	7.027.243	-	-	-	492	3.862.817	40.362.019	3.326.028	43.688.047
Total	19.981.535	2.277	14.698	-	-	8.713.423	19.155.954	24.349.305	17.376.335	706.120	7.028.162	-	-	-	492	3.862.817	68.134.911	33.056.207	101.191.118

(*) Includes risk amounts before the effect of credit risk mitigation but after the credit conversions.

- 1- Conditional and unconditional exposures to central governments or central banks
- 2- Conditional and unconditional exposures to regional governments or local authorities
- 3- Conditional and unconditional exposures to administrative bodies and non-commercial undertakings
- 4- Conditional and unconditional exposures to multilateral development banks
- 5- Conditional and unconditional exposures to international organizations
- 6- Conditional and unconditional exposures to banks and brokerage houses
- 7- Conditional and unconditional exposures to corporates
- 8- Conditional and unconditional retail exposures
- 9- Conditional and unconditional exposures secured by real estate property
- 10- Past due items
- 11- Items in regulatory high-risk categories
- 12- Exposures in the form of bonds secured by mortgages
- 13- Securitization positions
- 14- Short-term exposures to banks, brokerage houses and corporates
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Prior Period	Exposure Categories ^(*)																FC	Total		
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16			TL	
Agriculture	-	-	-	-	-	-	570.204	129.182	412.726	6.765	30	-	-	-	-	-	-	1.054.213	64.694	1.118.907
Farming and Livestock	-	-	-	-	-	-	559.202	116.520	400.103	6.567	29	-	-	-	-	-	-	1.031.091	51.330	1.082.421
Forestation	-	-	-	-	-	-	398	3.150	3.039	69	-	-	-	-	-	-	-	6.656	-	6.656
Fishing Industry	-	-	-	-	-	-	10.604	9.512	9.584	129	1	-	-	-	-	-	-	16.466	13.364	29.830
Industrial	-	4.025	-	-	-	-	5.451.314	1.966.997	1.609.454	43.129	244	-	-	-	-	-	-	4.312.363	4.762.800	9.075.163
Mining and Quarrying	-	-	-	-	-	-	99.693	31.083	46.323	971	1	-	-	-	-	-	-	103.572	74.499	178.071
Manufacturing Industry	-	-	-	-	-	-	4.238.985	1.924.480	1.543.738	42.129	243	-	-	-	-	-	-	4.011.276	3.738.299	7.749.575
Electricity, Gas, Water	-	4.025	-	-	-	-	1.112.636	11.434	19.393	29	-	-	-	-	-	-	-	197.515	950.002	1.147.517
Construction	-	-	-	-	-	-	1.780.099	820.127	1.715.896	22.731	37	-	-	-	-	-	-	3.012.947	1.325.943	4.338.890
Services	10.157.483	27	286	-	-	6.243.787	6.758.895	4.724.976	4.997.238	133.289	803	-	-	-	-	-	-	24.051.108	8.965.676	33.016.784
Wholesale and Retail Trade	-	-	-	-	-	-	3.999.573	3.865.466	2.493.479	115.780	681	-	-	-	-	-	-	8.254.348	2.220.631	10.474.979
Hotels and Restaurants	-	-	-	-	-	-	362.750	61.390	639.106	1.495	4	-	-	-	-	-	-	243.130	821.615	1.064.745
Transportation and Communications	-	-	-	-	-	-	903.513	400.155	213.830	8.145	58	-	-	-	-	-	-	885.858	639.843	1.525.701
Financial Institutions	10.157.483	22	-	-	-	6.243.787	448.944	27.535	19.196	451	4	-	-	-	-	-	-	13.482.699	3.414.723	16.897.422
Real Estate and Rent Services	-	-	-	-	-	-	496.927	61.919	1.233.083	2.942	10	-	-	-	-	-	-	191.435	1.603.446	1.794.881
Independent Business Services	-	-	7	-	-	-	214.312	152.627	169.379	2.138	19	-	-	-	-	-	-	365.996	172.486	538.482
Education Services	-	-	276	-	-	-	45.728	36.733	66.254	477	12	-	-	-	-	-	-	149.475	5	149.480
Health and Social Services	-	5	3	-	-	-	287.148	119.151	162.911	1.861	15	-	-	-	-	-	-	478.167	92.927	571.094
Other	8.674.574	17	30	-	-	444.016	1.313.524	14.996.011	6.316.331	336.059	6.017.233	-	-	-	-	26.414	3.715.347	39.332.669	2.506.887	41.839.556
Total	18.932.057	4.069	316	-	-	6.687.803	15.874.036	22.637.293	15.051.645	541.973	6.018.347	-	-	-	-	26.414	3.715.347	71.763.300	17.626.000	89.389.300

(*)Includes risk amounts before the effect of credit risk mitigation but after the credit conversions.

- 1- Conditional and unconditional exposures to central governments or central banks
- 2- Conditional and unconditional exposures to regional governments or local authorities
- 3- Conditional and unconditional exposures to administrative bodies and non-commercial undertakings
- 4- Conditional and unconditional exposures to multilateral development banks
- 5- Conditional and unconditional exposures to international organizations
- 6- Conditional and unconditional exposures to banks and brokerage houses
- 7- Conditional and unconditional exposures to corporates
- 8- Conditional and unconditional retail exposures
- 9- Conditional and unconditional exposures secured by real estate property
- 10- Past due items
- 11- Items in regulatory high-risk categories
- 12- Exposures in the form of bonds secured by mortgages
- 13- Securitization positions
- 14- Short-term exposures to banks, brokerage houses and corporates
- 15- Exposures in the form of collective investment undertakings
- 16- Other items

Analysis of maturity-bearing exposures according to remaining maturities (*):

Current Period Exposure Categories	Term to Maturity				
	Up to 1 month	1-3 months	3-6 months	6-12 months	Over 1 year
Conditional and unconditional receivables from central governments and Central Banks	2.371.669	13.060	7.102	31.632	8.525.431
Conditional and unconditional receivables from regional or local governments	-	296	-	-	1.934
Conditional and unconditional receivables from administrative bodies and noncommercial enterprises	1	-	2	14.506	-
Conditional and unconditional receivables from multilateral development banks	-	-	-	-	-
Conditional and unconditional receivables from international organizations	-	-	-	-	-
Conditional and unconditional receivables from banks and brokerage houses	1.747.121	1.203.221	186.307	263.216	1.197.118
Conditional and unconditional receivables from corporates	1.616.828	1.573.739	2.513.790	3.524.037	7.617.483
Conditional and unconditional receivables from retail portfolios	1.319.822	1.185.860	3.544.203	2.324.885	2.906.744
Conditional and unconditional receivables secured by mortgages	205.075	470.699	1.103.957	1.587.839	13.672.101
Past due receivables	-	-	-	-	-
Receivables defined under high risk category by BRSA	215	-	-	295.981	6.584.990
Securities collateralized by mortgages	-	-	-	-	-
Securitization positions	-	-	-	-	-
Short-term receivables from banks, brokerage houses and corporates	-	-	-	-	-
Investments similar to collective investment funds	-	-	-	-	-
Other receivables	4.225	-	-	-	109
Total	7.264.956	4.446.875	7.355.361	8.042.096	40.505.910

(*)Includes risk amounts before the effect of credit risk mitigation but after the credit conversions.

Prior Period Exposure Categories	Term to Maturity				
	Up to 1 month	1-3 months	3-6 months	6-12 months	Over 1 year
Conditional and unconditional receivables from central governments and Central Banks	2.333.512	211.601	591.042	122.460	7.749.110
Conditional and unconditional receivables from regional or local governments	-	-	537	-	3.510
Conditional and unconditional receivables from administrative bodies and noncommercial enterprises	172	-	5	-	-
Conditional and unconditional receivables from multilateral development banks	-	-	-	-	-
Conditional and unconditional receivables from international organizations	-	-	-	-	-
Conditional and unconditional receivables from banks and brokerage houses	1.944.361	1.074.681	302.957	147.509	673.517
Conditional and unconditional receivables from corporates	1.834.152	1.579.089	1.990.886	3.001.722	6.201.454
Conditional and unconditional receivables from retail portfolios	2.755.615	1.162.531	3.345.410	2.096.633	2.515.798
Conditional and unconditional receivables secured by mortgages	161.150	342.799	850.245	1.126.930	12.362.311
Past due receivables	-	-	-	-	-
Receivables defined under high risk category by BRSA	-	-	-	354.542	5.653.834
Securities collateralized by mortgages	-	-	-	-	-
Securitization positions	-	-	-	-	-
Short-term receivables from banks, brokerage houses and corporates	-	-	-	-	-
Investments similar to collective investment funds	-	-	-	-	-
Other receivables	-	-	-	-	131
Total	9.028.962	4.370.701	7.081.082	6.849.796	35.159.665

(*)Includes risk amounts before the effect of credit risk mitigation but after the credit conversions

Explanations on exposure categories

Within the scope of "Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks", public ratings appointed to exposures to central governments of banks and exposures to foreign banks and corporations by Fitch Ratings International Rating Institution are used. Exposures and asset groups to counterparties without public ratings appointed by the mentioned institution or other rating institutions are also weighted as per Appendix-I of the Regulation.

The below mapping between the ratings appointed by Fitch Ratings International Rating Institution and credit quality levels as per Appendix-I of the Regulation is used.

Credit Quality Grade	Risk Rating	Exposure Categories				
		Exposures to Central Governments or Central Banks	Exposures to Administrative Bodies and Non-Commercial Undertakings	Exposures to Banks and Brokerage Houses	Exposures to Banks and Brokerage Houses	Corporate Receivables
				Exposures with Remaining Maturities Less than 3 Months	Exposures with Remaining Maturities More Than 3 Months	
1	AAA	0%	20%	20%	20%	20%
	AA+					
	AA					
	AA-					
2	A+	20%	50%	20%	50%	50%
	A					
	A-					
3	BBB+	50%	100%	20%	50%	100%
	BBB					
	BBB-					
4	BB+	100%	100%	50%	100%	100%
	BB					
	BB-					
5	B+	100%	100%	50%	100%	150%
	B					
	B-					
6	CCC+	150%	150%	150%	150%	150%
	CCC					
	CCC-					
	CC					
	C					
	D					

Exposures by risk weights:

Current Period Risk Weight	%0	%10	%20	%50	%75	%100	150%	%200	%250	Deductions from Equity
1. Exposures Before Credit Risk Mitigation	18.739.682	-	3.028.811	7.872.398	32.123.380	32.398.685	2.849.084	3.949.310	229.768	67.433
2. Exposures After Credit Risk Mitigation	16.436.016	-	1.068.608	22.262.057	22.006.177	23.985.241	2.817.076	3.909.720	229.768	67.433

Prior Period Risk Weight	%0	%10	%20	%50	%75	%100	150%	%200	%250	Deductions from Equity
1. Exposures Before Credit Risk Mitigation	17.973.329	-	2.145.856	6.214.724	30.466.072	26.570.972	1.704.518	4.043.174	270.655	63.941
2. Exposures After Credit Risk Mitigation	15.690.061	-	1.229.146	18.930.604	20.556.340	20.617.801	1.675.838	3.997.431	270.655	63.941

Information by major sectors and type of counterparties:

Information about impaired credits and past due credits and value adjustments and provisioning methods are described in Part IV Footnote 2.

Current Period

Major Sectors / Counterparties	Credit Risks ^(*)		Value Adjustments	Provisions
	Impaired Loans	Past Due Loans		
1. Agriculture	13.705	34.324	2.502	13.705
1.1. Farming and Livestock	12.783	33.515	2.425	12.783
1.2. Forestation	216	81	9	216
1.3. Fishing	706	728	68	706
2. Industrial	194.089	139.052	18.172	194.052
2.1. Mining and Quarrying	5.055	1.569	122	5.055
2.2. Manufacturing Industry	188.823	137.288	18.032	188.786
2.3. Electricity, Gas, Water	211	195	18	211
3. Construction	102.238	60.915	4.426	102.234
4. Services	482.208	423.921	34.592	482.035
4.1. Wholesale and Retail Commerce	338.665	272.293	23.894	338.530
4.2. Hotel and Restaurant Services	81.708	63.201	4.416	81.684
4.3. Transportation and Communication	29.517	45.456	3.038	29.507
4.4. Financial Corporations	9.745	7.879	514	9.745
4.5. Real Estate and Loan Services	3.719	2.239	187	3.719
4.6. Independent Business Services	6.903	11.033	1.041	6.902
4.7. Education Services	1.450	6.938	438	1.448
4.8. Health and Social Services	10.501	14.882	1.064	10.500
5. Other	3.005.750	1.142.612	86.144	2.262.271
6. Total	3.797.990	1.800.824	145.836	3.054.297

(*) Represents the distribution of cash loans.

Prior Period

Major Sectors / Counterparties	Credit Risks ^(*)		Value Adjustments	Provisions
	Impaired Loans	Past Due Loans		
1. Agriculture	20.693	12.879	852	13.772
1.1. Farming and Livestock	19.570	12.632	794	12.881
1.2. Forestation	323	18	1	242
1.3. Fishing	800	229	57	649
2. Industrial	222.204	96.111	9.330	174.997
2.1. Mining and Quarrying	5.964	2.222	126	4.961
2.2. Manufacturing Industry	215.975	93.730	9.192	169.866
2.3. Electricity, Gas, Water	265	159	12	170
3. Construction	105.615	55.545	6.232	81.838
4. Services	605.842	259.272	23.721	442.625
4.1. Wholesale and Retail Commerce	425.370	172.726	16.752	295.210
4.2. Hotel and Restaurant Services	102.738	31.620	2.588	88.170
4.3. Transportation and Communication	39.007	26.727	2.047	29.566
4.4. Financial Corporations	11.139	4.179	354	9.357
4.5. Real Estate and Loan Services	4.962	1.986	189	2.882
4.6. Independent Business Services	8.924	8.663	806	6.422
4.7. Education Services	1.874	2.879	267	1.308
4.8. Health and Social Services	11.828	10.492	718	9.710
5. Other	1.777.145	1.188.886	86.468	1.450.094
6. Total	2.731.499	1.612.693	126.603	2.163.326

(*) Represents the distribution of cash loans.

Movements in value adjustments and provisions

Current Period	Opening Balance	Provision for Period	Provision Reversals	Other Adjustments ^(*)	Closing Balance
1. Specific Provisions	2.163.326	1.299.648	(406.557)	(2.120)	3.054.297
2. General Provisions	942.661	247.742	-	-	1.190.403

(*) Represents the provision of loans written-off.

Prior Period	Opening Balance	Provision for Period	Provision Reversals	Other Adjustments ^(*)	Closing Balance
1. Specific Provisions	2.457.128	1.412.063	(543.715)	(1.162.150)	2.163.326
2. General Provisions	816.291	126.370	-	-	942.661

(*) Represents the provision of loans written-off.

III. Information on Market Risk

The Bank has established market risk operations and has taken the necessary measures in order to hedge market risk within its financial risk management purposes, in accordance with the regulation on "Banks' Internal Control and Risk Management Systems" and the "Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks".

Based on the proposal of High Level Risk Committee, the Board of Directors of the Bank determines risk management strategies and policies for managing market risk and ensures periodic monitoring of the application of strategies. The Board of Directors of the Bank determines the risk limits by considering the primary risk factors and those limits are revised as seen necessary. Additionally, the Board of Directors of the Bank requires risk management group and the top management of the Bank to take necessary actions in order to identify, measure, control and manage the risks that the Bank is exposed to.

The market risk is measured by using an internal model developed with Value-at-Risk (VaR) methodology. VaR is calculated daily with historical simulation and parametric methods, whereas historical simulation is used for internal risk tracking and limit identification. Parametric VaR calculations are performed for comparison and tracking. 'Bank Risk Tolerance' is determined in order to manage the market risk efficiently and keep the market risk within the desirable limits. Risk Management Group monitors the VaR balances daily for compliance with the Bank Risk Tolerance.

Periodic stress tests and scenario analysis are used to support results of VAR. Furthermore, conventional risk measurement methods such as sensitivity analysis and duration analysis are also used.

The capital required for General Market Risk and Specific Risk is calculated and reported monthly in accordance with the Standard Method defined in the "Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks".

1. Information on market risk

	Current Period Amount	Prior Period Amount
(I) Capital Requirement against General Market Risk - Standard Method	37.791	25.987
(II) Capital Requirement against Specific Risks – Standard Method	10.102	6.749
Capital Requirement against Specific Risks of Securitization Positions– Standard Method	-	-
(III) Capital Requirement against Currency Risk – Standard Method	10.245	45.766
(IV) Capital Requirement against Commodity Risks - Standard Method	88	320
(V) Capital Requirement against Settlement Risks - Standard Method	-	-
(VI) Capital Requirement against Market Risks of Options - Standard Method	2.438	2.692
(VII) Capital Requirement against Counterparty Credit Risk - Standard Method	24.706	17.165
(VIII) Capital Requirement against Market Risks of Banks applying Risk Measurement Models	-	-
(IX) Total Capital Obligations against Market Risk (I+II+III+IV+V+VI+VII)	85.370	98.679
(X) Value-At-Market Risk (12,5 x VIII) or (12,5 x IX)	1.067.125	1.233.488

2. Average market risk table calculated at the end of the months during the period

	Current Period			Prior Period		
	Average	Maximum	Minimum	Average	Maximum	Minimum
Interest Rate Risk	46.058	51.852	39.403	35.279	42.916	31.278
Stock Risk	63	74	54	62	72	22
Exchange Rate Risk	28.342	103.316	10.245	26.979	45.972	7.333
Commodity Risk	277	486	88	506	1.375	46
Swap Risk	-	-	-	-	-	-
Options Risk	3.272	4.758	2161	1.627	2.975	426
Counter Party Loan Risk	29.126	41.705	17.124	23.171	30.732	17.041
Total Value at Risk(*)	107.138	202.191	69.075	87.624	124.042	56.146

(*) Since Total Value at Risk is the total of the risk values, it isn't equal to the highest and lowest values in the related period. The highest and lowest values in year 2015 are 165.543 and 85.370. The highest and lowest Value at Risk in 2014 are 102.092 and 64.456.

3. Quantitative information on counterparty risk(*)

	Current Period	Prior Period
	Amount	Amount
Interest Rate Contracts	9.631.713	8.381.763
Foreign-Exchange-Rate Contracts	139.952.477	121.193.637
Commodity Contracts	1.726.289	1.604.506
Equity-Shares Related Contracts	695	895
Other	712.362	417.402
Gross Positive Fair Values	2.034.189	1.305.369
Netting Benefits	1.379.162	782.379
Net Current Exposure Amount	655.027	522.990
Collaterals Received	197.050	177.661
Net Derivative Position	457.977	345.329

(*) Includes only the counterparty risks arising from trading book and derivative instruments.

For derivative transactions, repurchase agreements' security and commodity lending, counterparty credit risk is calculated using the fair value methodology described in the Appendix-2, Section 3 of the "Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks". According to this methodology, counterparty credit risk is calculated by adding potential credit risk amounts calculated by multiplying the contract amounts with the credit conversion factors set in the appendix of the regulation, to replacement costs calculated using the fair value amounts of contracts.

IV. Explanations Related to the Operational Risk

Value at operational risk is calculated with basic indicator method by using the gross profits for the last three years' (2014, 2013 and 2012) as per the "Calculation of Value at Operational Risk" of the article (3) of "Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks" which was published in the Official Gazette No: 28337 dated June 28, 2012. As of December 31, 2015, the value at operational risk is amounting to TL 7.152.788 (December 31, 2014 - TL 6.298.900).

Basic Indicator Method	2 PP Amount	1 PP Amount	CP Amount	Total / No. of Years of Positive Gross	Rate (%)	Total
Gross Income	3.487.483	3.826.094	4.130.877	3.814.818	15	572.223
Value at operational risk (Total*12,5)						7.152.788
Prior Year Basic Indicator Method	2 PP Amount	1 PP Amount	CP Amount	Total / No. of Years of Positive Gross	Rate (%)	Total
Gross Income	2.764.673	3.487.483	3.826.093	3.359.416	15	503.912
Value at operational risk (Total*12,5)						6.298.900

The annual gross income is composed of net interest income and net non-interest income after deducting realized gains/losses from the disposal of securities available-for-sale and held-to-maturity, extraordinary income and income derived from insurance claims at year-end.

V. Explanations Related to Foreign Currency Exchange Rate Risk

1. Whether the Bank is exposed to foreign exchange risk, whether the effects of this situation are estimated, and whether the Board of Directors of the Bank sets limits for positions that are monitored daily

As of December 31, 2015, the net foreign currency exposure of the Bank is TL 233.015 short position (December 31, 2014-TL 1.267.808 short) resulting from on balance sheet short position amounting to TL 12.791.416 (December 31, 2014 -TL 8.838.502 short) and off balance sheet long position amounting to TL 12.558.401 (December 31, 2014 - TL 7.570.694 long). The long off balance sheet position amounting to TL 14.072.076 (December 31, 2014 - TL 8.119.363) is related with the FC/TL swap transactions entered into with banks and customers. The Bank used these transactions to manage foreign currency liquidity risk and to hedge itself from interest rate risk.

The Bank enters into foreign currency forward transactions to decrease foreign currency position risk. The Bank also engages in foreign currency and Eurobond buy-sell option transactions.

Board of Directors determine the limits considering the consistency with the "Foreign Currency Net General Position." Positions are being followed daily and limits are reviewed at least once a year depending on economic conditions and Group strategy and updated as deemed necessary.

Foreign Currency Exchange Rate Risk is monitored along with potential evaluation differences in foreign currency translations in accordance with "Regulations on Bank's Internal Control and Risk Management Systems". Standard method is used in measuring foreign currency exchange rate risk on a weekly basis.

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

The Group hedges foreign currency borrowings with derivative instruments. The Group does not hedge net foreign currency investments with derivative instruments.

3. Bank's spot foreign exchange bid rates of the Bank as of the balance sheet date and for each of the five days prior to that date

US Dollar purchase rate at the date of the balance sheet	2,9076TL
Euro purchase rate at the date of the balance sheet	3,1776 TL

<u>Date</u>	<u>US Dollar</u>	<u>Euro</u>
December 31, 2015	2,9076	3,1776
December 30, 2015	2,9084	3,1921
December 29, 2015	2,9157	3,2006
December 28, 2015	2,9123	3,1904
December 25, 2015	2,9187	3,1968
December 24, 2015	2,9262	3,1969

4. The basic arithmetical average of the Bank's foreign exchange bid rate for the last thirty days

The arithmetical average of the Bank's US Dollar and Euro purchase rates for December 2015 are TL 2,9172 and TL 3,1697 respectively.

5. Information on the foreign currency exchange rate risk of the bank

Current Period	EUR	USD	Other FC	Total
Assets				
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metal) and Balances with the T.R. Central Bank ⁽¹⁾	1.728.806	4.476.370	1.703.774	7.908.950
Due From Banks	46.688	251.310	8.368	306.366
Financial Assets at Fair Value through Profit/Loss ⁽²⁾	126.175	117.503	23	243.701
Money Market Placements	-	-	-	-
Investment Securities Available-for-Sale	325.313	1.587.201	-	1.912.514
Loans and Receivables ⁽³⁾	5.881.163	7.502.286	21.121	13.404.570
Investments in Assoc., Subsidiaries and Entities under Common Control (Joint Vent.)	-	-	-	-
Investment Securities Held-to-Maturity	14.045	849.905	-	863.950
Derivative Financial Assets Hedging Purposes	11	19.093	-	19.104
Tangible Assets	-	-	8	8
Intangible Assets	-	-	-	-
Other Assets ⁽⁴⁾	50.768	74.986	17	125.771
Total Assets	8.172.969	14.878.654	1.733.311	24.784.934
Liabilities				
Bank Deposits	394.370	816.356	44.835	1.255.561
Foreign Currency Deposits ⁽⁵⁾	5.887.343	11.896.716	651.769	18.435.828
Money Market Borrowings	181.648	1.676.272	-	1.857.920
Funds Provided from Other Financial Institutions	2.123.483	5.641.993	429.468	8.194.944
Securities Issued	-	3.800.454	-	3.800.454
Sundry Creditors	2.301.415	1.115.133	1.251	3.417.799
Derivative Fin. Liabilities for Hedging Purposes	53.248	169.967	-	223.215
Other Liabilities ⁽⁶⁾	146.764	243.801	64	390.629
Total Liabilities	11.088.271	25.360.692	1.127.387	37.576.350
Net Balance Sheet Position	(2.915.302)	(10.482.038)	605.924	(12.791.416)
Net Off-Balance Sheet Position	2.672.374	10.488.686	(602.659)	12.558.401
Financial Derivative Assets	7.810.606	45.187.218	354.262	53.352.086
Financial Derivative Liabilities	5.138.232	34.698.532	956.921	40.793.685
Non-Cash Loans ⁽⁷⁾	1.304.766	2.171.515	990.103	4.466.384
Prior Period				
Total Assets	5.516.764	12.703.403	1.816.148	20.036.315
Total Liabilities	7.729.338	20.025.742	1.119.737	28.874.817
Net Balance Sheet Position	(2.212.574)	(7.322.339)	696.411	(8.838.502)
Net Off-Balance Sheet Position	1.510.261	6.691.465	(631.032)	7.570.694
Financial Derivative Assets	3.787.761	36.916.265	1.162.690	41.866.716
Financial Derivative Liabilities	2.277.500	30.224.800	1.793.722	34.296.022
Non-Cash Loans ⁽⁷⁾	1.093.104	2.718.582	133.991	3.945.677

(1) Cash and Balances with TR Central; Other FC include TL 1.694.042 (December 31, 2014 – TL 1.747.613) precious metal deposit account.

(2) Does not include TL 9.501 (December 31, 2014 – TL 18.446 TL) of currency income accruals arising from derivative transactions.

(3) Includes TL 3.435.405 TL (December 31, 2014 – TL 2.876.246 TL) FC indexed loans.

(4) Does not include FC prepaid expenses amounting to TL 4.114 (December 31, 2014 – TL 4.474) as per BRSA's Communique published in Official Gazette no 26085 on 19 February 2006.

(5) Other foreign currency includes TL 430.694 (December 31, 2014 – TL 634.530) of precious metal deposit account.

(6) Does not include currency expense accruals of derivative financial instruments kept in FC accounts amounting to TL 38.873 (December 31, 2014 – TL 15.220)

(7) Does not have an effect on Net Off-Balance Sheet Position.

6. Sensitivity to Foreign Exchange Risk

The Bank is mainly exposed to EUR and USD currencies.

The following table details the Bank's sensitivity to a 10% increase and decrease in USD and EUR. Other variables are assumed to be unchanged.

	Change in Currency rate in %	Net Effect on Profit or Loss (After Tax)	Net Effect on Equity (*)	Net Effect on Profit or Loss (After Tax)	Net Effect on Equity (*)
		Current Period	Current Period	Prior Period	Prior Period
USD Doları	%10 increase	4.537	(9.477)	(58.152)	(62.728)
	%10 decrease	(4.537)	9.477	58.152	62.728
EURO	%10 increase	(10.178)	(10.428)	(43.436)	(43.390)
	%10 decrease	10.178	10.428	43.436	43.390

(*) Effect on Shareholders Equity include the effect of the change of exchange rates on the income statement.

VI. Explanations Related to Interest Rate Risk

Interest rate risk that would arise from the changes in interest rates depending on the Bank's position is managed by the Asset/Liability Committee of the Bank.

Interest rate sensitivity of assets, liabilities and off balance sheet items is analyzed by top management in the Asset/Liability Committee meetings held every month by taking the market developments into consideration.

The management of the Bank follows the interest rates in the market on a daily basis and revises interest rates of the Bank when necessary.

Besides customer deposits, the Bank funds its long term fixed interest rate TL loan portfolio with long term (up to 10 years) floating interest rate foreign currency funds obtained from international markets. The Bank changes the foreign currency liquidity obtained from the international markets to TL liquidity with long term swap transactions (fixed TL interest rate and floating FC interest rate). Therefore, the Bank not only funds its long term fixed interest rate loans with TL but also hedges itself from interest rate and maturity risk.

Information related to the interest rate sensitivity of assets, liabilities and off-balance sheet items

(Based on repricing dates)

Current Period	Up to 1 Month	1-3 Month Months	3-12 Month Months	1-5 Years	5 Years and Over	Non-Interest Bearing ^(*)	Total
Assets							
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metal) and Balances with the T.R. Central Bank	5.726.664	-	-	-	-	4.270.377	9.997.041
Due from Banks	98.933	5.000	-	-	-	211.969	315.902
Financial Assets at Fair Value Through Profit/Loss ^(**)	131	9.378	12.408	10.641	42.785	5.476.329	5.551.672
Money Market Placements	-	-	-	-	-	-	-
Inv. Securities Available for Sale	1.392.244	310.046	1.427.730	334.391	1.832.927	(1.852)	5.295.486
Loans and Receivables	11.585.411	7.892.411	19.432.083	14.351.621	1.154.277	1.809.797	57.225.630
Inv. Securities Held to Maturity	166.413	1.026.712	1.468.368	951.410	176.449	84.562	3.873.914
Other Assets	-	-	-	-	-	3.467.752	3.467.752
Total Assets	19.969.796	9.243.577	22.340.589	15.648.063	3.206.438	15.318.934	85.727.397
Liabilities							
Bank Deposits	1.247.544	268.133	12.689	-	-	28.404	1.556.770
Other Deposits	27.377.446	10.147.458	1.694.628	38.035	-	7.751.500	47.009.067
Money Market Borrowings	3.486.174	796.433	349.686	-	-	7.161	4.639.454
Sundry Creditors	3.417.799	-	-	-	-	2.042.291	5.460.090
Securities Issued	286.396	292.546	1.261.806	2.450.170	-	44.863	4.335.781
Funds Borrowed	875.417	1.861.337	5.493.556	31.758	-	40.467	8.302.535
Other Liabilities ^(***)	100	198	819	787	-	14.421.796	14.423.700
Total Liabilities	36.690.876	13.366.105	8.813.184	2.520.750	-	24.336.482	85.727.397
On Balance Sheet Long Position	-	-	13.527.405	13.127.313	3.206.438	-	29.861.156
On Balance Sheet Short Position	(16.721.080)	(4.122.528)	-	-	-	(9.017.548)	(29.861.156)
Off-Balance Sheet Long Position	5.075.073	8.149.847	1.652.123	-	-	-	14.877.043
Off-Balance Sheet Short Position	-	-	-	(9.587.001)	(1.796.952)	-	(11.383.953)
Total Position	(11.646.007)	4.027.319	915.179.528	3.540.312	1.409.486	(9.017.548)	3.493.090

(*) Non Interest Bearing column includes accruals, provision for losses and derivative financial instruments' fair value valuation difference.

(**) Financial Assets at Fair Value Through Profit/Loss include TL 3.329.009 derivative financial assets used for hedging purposes.

(***) Other Liabilities include derivative financial liabilities used for hedging purposes amounting to TL 283.444.

Prior Period	Up to 1 Month	1-3 Month	3-12 Month	1-5 Years	5 Years and Over	Non-Interest Bearing ^(*)	Total
Assets							
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metal) and Balances with the T.R. Central Bank	912.650	-	-	-	-	7.751.185	8.663.835
Due from Banks	2.000	6.000	10.000	-	-	225.692	243.692
Financial Assets at Fair Value Through Profit/Loss ^(**)	122	2.377	7.568	9.942	82.786	3.242.258	3.345.053
Money Market Placements	200.062	-	-	-	-	-	200.062
Inv. Securities Available for Sale	1.347.692	677.591	1.454.350	195.492	1.508.473	249.634	5.433.232
Loans and Receivables	10.819.801	5.063.645	14.874.731	13.324.249	4.661.639	1.502.061	50.246.126
Inv. Securities Held to Maturity	158.930	811.585	1.759.766	684.905	256.315	55.722	3.727.223
Other Assets	-	-	-	-	-	3.347.131	3.347.131
Total Assets	13.441.257	6.561.198	18.106.415	14.214.588	6.509.213	16.373.683	75.206.354
Liabilities							
Bank Deposits	1.103.611	258.593	40.184	-	-	20.614	1.423.002
Other Deposits	24.547.984	7.767.393	2.199.172	102.961	-	6.034.042	40.651.552
Money Market Borrowings	3.412.859	730.965	-	-	-	3.610	4.147.434
Sundry Creditors	2.133.518	-	-	-	-	1.629.052	3.762.570
Securities Issued	241.279	1.167.753	1.061.031	2.848.641	-	54.745	5.373.449
Funds Borrowed	252.470	1.202.489	5.462.014	64.379	-	38.503	7.019.855
Other Liabilities ^(***)	76	154	765	1.551	-	12.825.946	12.828.492
Total Liabilities	31.691.797	11.127.347	8.763.166	3.017.532	-	20.606.512	75.206.354
On Balance Sheet Long Position	-	-	9.343.249	11.197.056	6.509.213	-	27.049.518
On Balance Sheet Short Position	(18.250.540)	(4.566.149)	-	-	-	(4.232.829)	(27.049.518)
Off-Balance Sheet Long Position	4.644.902	6.246.235	-	-	-	-	10.891.137
Off-Balance Sheet Short Position	-	-	(390.290)	(8.285.438)	(1.858.489)	-	(10.534.217)
Total Position	(13.605.638)	1.680.086	8.952.959	2.911.618	4.650.724	(4.232.829)	356.920

(*) Non Interest Bearing column includes accruals, provision for losses and derivative financial instruments' fair value valuation difference.

(**) Financial Assets at Fair Value Through Profit/Loss include TL 1.988.746 derivative financial assets used for hedging purposes.

(***) Other Liabilities include derivative financial liabilities used for hedging purposes amounting to TL 352.080.

Average interest rates applied to monetary financial instruments

Current Period	EURO %	USD %	JPY %	TL %
Assets				
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased) and Balances with the T.R. Central Bank	-	0,49	-	3,81
Due from Banks	0,10	0,92	-	10,86
Financial Assets at Fair Value Through Profit/Loss	1,94	4,57	-	10,94
Money Market Placements	-	-	-	-
Investment Securities Available for Sale	3,68	4,96	-	9,93
Loans and Receivables	4,23	4,57	3,65	14,46
Investment Securities Held to Maturity	2,96	5,22	-	10,01
Liabilities				
Bank Deposits	0,87	0,97	-	11,33
Other Deposits	1,62	2,13	0,25	11,78
Money Market Borrowings	0,45	0,92	-	8,03
Sundry Creditors	0,20	0,17	-	-
Securities Issued	-	5,89	-	11,90
Funds Borrowed	1,38	3,43	-	7,57

Prior Period	EURO% %	USD% %	JPY% %	TL% %
Assets				
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased) and Balances with the T.R. Central Bank	-	-	-	1,51
Due from Banks	0,10	0,63	-	11,19
Financial Assets at Fair Value Through Profit/Loss	3,50	4,65	-	8,81
Money Market Placements	-	-	-	11,24
Investment Securities Available for Sale	3,79	5,40	-	9,78
Loans and Receivables	4,88	4,47	4,37	13,65
Investment Securities Held to Maturity	2,96	5,27	-	11,38
Liabilities				
Bank Deposits	0,51	0,90	-	10,60
Other Deposits	2,00	2,30	0,25	9,89
Money Market Borrowings	0,67	0,66	-	8,86
Sundry Creditors	0,03	0,11	-	-
Securities Issued	-	5,40	-	8,79
Funds Borrowed	1,42	2,91	-	8,40

Interest rate risk on banking book

The interest rate risk resulting from banking book comprises of maturity mismatch risk, yield-curve risk, base risk and option risk. Within the scope of the interest rate risk, the Bank analyzes all these risks periodically, and considering market conditions, manages all aspects of interest rate risk on banking book effectively in accordance with the bank strategy. In order to this, within the scope of "Banking Books Interest Rate Risk Management" risks are measured, monitored and limited on a regular basis.

In the calculation of the interest rate risk on banking book, income approach and the economic value approach are applied. The analysis of economic value, duration and gap analysis are calculated on a weekly basis, analysis of the standard economic value approach is supported by different scenarios. In addition, the sensitivity of the net interest income is monitored, the prepayment rates of loans are considered managing the interest rate risk.

In customer deposits, core deposits analyses are performed regularly on profit center base and the rate of core deposits in demand deposits are considered in economic value, gap and duration analyses. The interest rate risk of uncertain due credits is determined considering the nature of the credit and added to calculations.

All these analyses are reported to Asset and Liability Committee and Risk Committee and by considering market conditions and the bank strategy, the interest rate risk on banking book is managed within specified limits parallel to the Bank's appetite of risk.

Available for sale securities included in banking book are daily monitored by being added to the scope of market risk. In this context, the risk level of this portfolio is managed considering the sensitivity of nominal, interest rate and VAR limits.

The interest rate risk on banking book is measured legally as per the "Regulation on Measurement and Evaluation of Interest Rate Risk Resulted from Banking Book as per Standard Shock Method" published in the Official Gazette No: 28034 dated August 23, 2011, and the legal limit as per this measurement is monitored and reported monthly to the Assets and Liability Committee, the Risk Committee and the Board of Directors.

Type of Currency	Shocks Applied (+/- x basis points)	Gains/Losses	Gains/Equity-Losses/Equity
1. TL	(+) 500	(875.946)	%(7,83)
	(-) 400	835.275	%7,46
2. EUR	(+) 200	(24.554)	%(0,22)
	(-) 200	39.267	%0,35
3. USD	(+) 200	(130.769)	%(1,17)
	(-) 200	139.809	%1,25
Total (of negative shocks)		1.014.351	%9,06
Total (of positive shocks)		(1.031.269)	%(9,22)

VII. Position Risk of Equity Securities in Banking Book

Equity Securities (shares)	Comparison		
	Carrying Value	Fair Value	Market Value
1. Investment in Shares- grade A	-	-	-
Quoted Securities	-	-	-
2. Investment in Shares- grade B	206.697	-	206.697
Quoted Securities	206.697	-	206.697
3. Investment in Shares- grade C	-	-	-
Quoted Securities	-	-	-
4. Investment in Shares- grade Other^(*)	235.309(*)	210.696	-

(*)Includes associates, subsidiaries and entities under common control not quoted to ISE and not classified as investment in shares by CMB.

Portfolio	Gains/Losses in Current Period	Revaluation Surpluses		Unrealized Gains and Losses		
		Total	Amount under Supplementary Capital	Total	Amount under Core Capital	Amount under Supplementary Capital
1. Private Equity Investments	-	207.320	207.320	-	-	-
2. Quoted Shares	(172)	-	-	4	-	2
3. Other Shares	-	-	-	-	-	-
4. Total	(172)	207.320	207.320	4	-	2

VIII. Remarks regarding Liquidity Risk Management and Liquidity Coverage Rate

Liquidity Risk of Finansbank is monitored and managed in accordance with Liquidity Risk Management Policy. According to this policy, Board of Directors is responsible to review and approve risk profile and appetite of Finansbank periodically. Senior Management takes necessary measures to monitor aforementioned risk and controls liquidity risk in line with accepted strategies and policies.

Treasury Department is responsible to carry out liquidity strategy determined and approved by Board of Directors. Risk Management Department is responsible to define, measure, monitor and control liquidity risk besides developing internal and external methods and procedures which are in line with context and structure of applicable activities in Finansbank in order to monitor related limits. Senior management of Finansbank is informed periodically regarding current liquidity risk amount exposed in order to ensure being under the approved limits of Bank's liquidity risk profile. Assets and Liabilities Committee (ALC) meetings, which ensure the necessary monitoring for liquidity risk, are held monthly. Risk Committee reviews the liquidity risk of the Bank monthly in addition to aforementioned meetings and informs Board of Directors.

The Bank reviews its liquidity position daily. Internal and legal reports related to liquidity positions are examined in ALC meetings monthly with the participation of senior management. Several decisions are taken related to management of short and long term liquidity in this scope. Internal metrics such as reserve liquidity and deposit concentration are monitored daily besides liquidity coverage rate related to measurement of liquidity coverage. Internal limit and warning level are periodically monitored and reported to related parties by the Board of Directors.

Finansbank has no liquidity management center and each entity, which is under control of the Bank, performs its liquidity management separately from the Bank by an authority responsible for liquidity management. Fund amounts, which shall be used by associates from the Bank, are determined in the framework of limits.

It is essential for the Bank to monitor its liquidity position and funding strategy consistently. Funding management of the Bank is carried out in line with limits and internal warning systems within the framework of ALC decisions. Funding and placement strategies are developed through evaluating the liquidity of the Bank. Liquidity position is evaluated and funding strategy is developed taking into consideration customer based concentration and maturity levels. While developing this strategy, it is aimed to fully utilize funding from long term and consistent resources.

A large part of the Bank's liabilities consist of TL, USD and EUR. Gap reports issued based on the aforementioned three currencies are presented in ALC meetings. Maturity mismatches based on currencies are managed through FC swap and FC forward. The Bank diversifies its funding sources as customer deposits, foreign loans and bond issuance in order to reduce its liquidity risk. Measures are taken through making investments to assets having higher capacity to generate cash against liquidity crisis. The Bank watches over reducing customer deposit concentration and controls concentration level daily in line with warning level approved by the Board of Directors.

Liquidity life cycle approach is determined as the liquidity risk stress test methodology. This approach is a stress test to measure the period in which Finansbank can meet its cumulative cash outflows without providing a fund from the market. Liquidity life cycle is calculated according to various scenarios and simulated in line with possible scenarios in crisis situation and the results are reported to Risk Committee and Board of Directors.

Emergency Funding Plan (EMP) of the Bank regulates funding activities to be used in liquidity crisis periods specific to the Bank or in liquidity crisis at financial markets. EMP defines components triggering the crisis and early warning indicators which help to evaluate and manage the liquidity crisis and determine primary funding structure. EMP also defines actions of the Bank against cash and guarantee need. In addition to aforementioned issues, EMP determines duties and responsibilities in performing actions in a liquidity crisis included in risk management and emergency funding plan.

Liquidity Coverage Ratio

	Unweighted Amounts(1)		Weighted Amounts(1)	
CURRENT PERIOD - December 31, 2015	TL+FC	FC	TL+FC	FC
HIGH QUALITY LIQUID ASSETS			13.585.278	7.377.354
1. High Quality Liquid Assets	15.280.757	9.072.833	13.585.278	7.377.354
CASH OUTFLOWS				
2. Retail and Small Business Customers Deposits	32.924.299	12.722.640	2.796.206	1.147.503
3. Stable deposits	9.924.481	2.495.227	496.224	124.761
4. Less stable deposits	22.999.818	10.227.413	2.299.982	1.022.742
5. Unsecured Funding other than Retail and Small Business Customers Deposits	13.211.900	7.314.134	6.634.558	3.633.912
6. Operational deposits	543.372	23.829	135.843	5.957
7. Non-Operational Deposits	12.668.528	7.290.305	6.498.715	3.627.955
8. Other Unsecured Funding	4.221.523	2.636.626	3.860.182	2.636.626
9. Secured funding			253.941	253.941
10. Other Cash Outflows	14.969.899	9.119.362	14.969.899	9.119.362
11. Liquidity needs related to derivatives and market valuation changes on derivatives transactions	14.969.899	9.119.362	14.969.899	9.119.362
12. Debts related to the structured financial products	-	-	-	-
13. Commitment related to debts to financial markets and other off balance sheet liabilities	-	-	-	-
14. Commitments that are unconditionally revocable at any time by the Bank and other contractual commitments	1.089.536	6.715	54.477	336
15. Other irrevocable or conditionally revocable commitments	43.150.504	4.505.502	2.915.750	398.929
16. TOTAL CASH OUTFLOWS			31.485.013	17.190.609
CASH INFLOWS				
17. Secured Lending Transactions	1.531.481	-	-	-
18. Unsecured Lending Transactions	4.916.599	463.145	2.587.613	338.834
19. Other contractual cash inflows	13.552.810	9.413.555	13.552.809	9.413.555
20. TOTAL CASH INFLOWS	20.000.890	9.876.700	16.140.422	9.752.389
Capped Amounts				
21. TOTAL HIGH QUALITY LIQUID ASSETS			13.585.278	7.377.354
22. TOTAL NET CASH OUTFLOWS			15.344.591	7.438.220
23. Liquidity Coverage Ratio (%)			88,53%	99,18%

(1) In current period unconsolidated Liquidity Coverage Ratio table, the arithmetic average of the last three months weekly unconsolidated Liquidity Coverage Ratio's are used.

	Unweighted Amounts(1)		Weighted Amounts(1)	
PREVIOUS PERIOD December 31, 2014	TL+FC	FC	TL+FC	FC
HIGH QUALITY LIQUID ASSETS			13.176.481	6.759.139
High Quality Liquid Assets	14.071.779	7.660.395	13.176.481	6.759.139
CASH OUTFLOWS				
Retail and Small Business Customers Deposits	26.426.765	7.634.684	2.187.118	668.926
Stable deposits	9.111.159	1.890.847	455.558	94.542
Less stable deposits	17.315.606	5.743.837	1.731.560	574.384
Unsecured Funding other than Retail and Small Business Customers Deposits	13.257.769	6.082.890	6.531.597	3.130.994
Operational deposits	529.099	10.143	132.275	2.536
Non-Operational Deposits	12.728.670	6.072.747	6.399.322	3.128.458
Other Unsecured Funding	2.555.456	1.382.367	2.180.235	1.382.367
Secured funding			73.271	73.271
Other Cash Outflows	11.317.220	9.031.629	11.317.220	9.031.629
Liquidity needs related to derivatives and market valuation changes on derivatives transactions	11.317.220	9.031.629	11.317.220	9.031.629
Debts related to the structured financial products	-	-	-	-
Commitment related to debts to financial markets and other off balance sheet liabilities	-	-	-	-
Commitments that are unconditionally revocable at any time by the Bank and other contractual commitments	1.678.520	1.666.058	83.926	83.303
Other irrevocable or conditionally revocable commitments	36.676.035	2.252.643	2.629.662	304.970
TOTAL CASH OUTFLOWS			25.003.029	14.675.460
CASH INFLOWS				
Secured Lending Transactions	612.357	-	-	-
Unsecured Lending Transactions	3.997.472	306.769	2.088.793	160.317
Other contractual cash inflows	10.304.431	5.203.204	10.304.431	5.203.204
TOTAL CASH INFLOWS	14.914.260	5.509.973	12.393.224	5.363.521
Capped Amounts				
TOTAL HIGH QUALITY LIQUID ASSETS			13.176.481	6.759.139
TOTAL NET CASH OUTFLOWS			12.609.805	9.311.939
Liquidity Coverage Ratio (%)			104,49%	72,59%

(1) In current period unconsolidated Liquidity Coverage Ratio table, the arithmetic average of the last three months weekly unconsolidated Liquidity Coverage Ratio's are used.

The dates and values of minimum and maximum foreign currency and total liquidity coverage ratios calculated weekly related to the last three months are explained in the table below. According to "Regulation on Liquidity Coverage Ratio Calculation" published in the Official Gazette no. 28948, dated 21 March 2014.

	Maximum	Week	Maximum	Week	Average
TL+FC	94.9	21/12/2015	79.6	02/11/2015	88.7
FC	139.5	21/12/2015	74.4	16/11/2015	104.8

Liquidity coverage ratio is regulated by the BRSA to make sure that the Banks sustain high quality liquid asset stock to cover probable cash outflows in the short term.

All of Bank's high quality liquid assets are comprised of first quality liquid assets, most of which are CBT accounts and securities that are issued by the Turkish Treasury that have not been collateralized. Optional use of reserve levels and fluctuations in repo amount lead up to periodical variations in liquidity coverage ratio. Additionally syndication loans and large amount funds such as foreign bond issuances that have less than 1 month to maturity, lead up to short term fall in liquidity coverage ratios.

Funding sources of the Bank mainly consist of deposits which constitute 57% of total liabilities of the bank (31 December 2014 – 56%) and also include repo, syndication, securitization, bond/security issuance and other instruments including subordinated debts.

The Bank effectively uses derivative transactions to manage interest and liquidity risk. Impact of derivative cash flows in terms of liquidity coverage ratio is limited. However, FX swaps used in short term foreign currency liquidity management cause liquidity coverage ratio to fluctuate due to changes in volume and 1-month maturity. In addition, possible cash outflow caused by margin call requirements of derivative transactions is taken into consideration in accordance with the respective regulations.

Secured funding consists repo securized borrowing transactions. A large part of securities which are subjects of aforementioned guaranteed funding transactions consist of Sovereign Bonds issued by Treasury of the Republic of Turkey and transactions are carried out both in CBRT market and interbank market.

The Bank manages all the transactions made before its foreign branches and partnership in the framework of central bank, markets and related legislation of the country in which the institutions are located. Legal lending limits and high limit transactions are closely monitored in this framework.

All cash inflow and outflow items related to liquidity profile of the Bank are included in liquidity coverage ratio tables above.

Presentation of assets and liabilities according to their remaining maturities

Current Period	Demand	Up to 1 Month	1-3 1 Month	3-12 Months	1-5 Years	5 Years and More	Unallocated (*)	Total
Assets								
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metal) and Balances with the T.R Central Bank	3.365.522	6.631.519	-	-	-	-	-	9.997.041
Due from Banks	211.932	98.946	5.024	-	-	-	-	315.902
Financial Assets at Fair Value Through Profit/Loss (**)	-	464.842	593.856	1.580.144	2.721.271	191.559	-	5.551.672
Money Markets Placements	-	-	-	-	-	-	-	-
Investment Securities Available for Sale	4.649	6.950	13.060	38.734	2.040.053	3.192.040	-	5.295.486
Loans and Receivables	-	12.133.175	6.284.708	17.428.209	15.749.655	4.886.190	743.693	57.225.630
Investment Securities Held to Maturity	-	-	-	-	1.723.706	2.150.208	-	3.873.914
Other Assets	-	885.936	-	-	220.249	-	2.361.567	3.467.752
Total Assets	3.582.103	20.221.368	6.896.648	19.047.087	22.454.934	10.419.997	3.105.260	85.727.397
Bank Deposits	26.037	1.249.338	268.669	12.726	-	-	-	1.556.770
Other Deposits	7.524.708	27.500.367	10.198.864	1.745.706	39.422	-	-	47.009.067
Funds Borrowed	-	738.063	504.759	2.606.470	2.508.068	1.945.175	-	8.302.535
Money Market Borrowings	-	3.489.495	799.575	39.497	-	310.887	-	4.639.454
Securities Issued	-	287.258	292.546	1.277.137	2.478.840	-	-	4.335.781
Sundry Creditors	-	2.446.205	63.340	279.191	1.732.946	938.408	-	5.460.090
Other Liabilities (***)	-	1.464.628	464.823	730.259	699.936	280.450	10.783.604	14.423.700
Total Liabilities	7.550.745	37.175.354	12.592.576	6.690.986	7.459.212	3.474.920	10.783.604	85.727.397
Liquidity Gap	(3.968.642)	(16.953.986)	(5.695.928)	12.356.101	14.995.722	6.945.077	(7.678.344)	-
Prior Period								
Total Assets	2.697.823	19.165.736	5.613.381	16.535.762	17.585.293	10.610.042	2.998.317	75.206.354
Total Liabilities	5.865.674	34.385.995	10.510.161	8.261.313	3.703.109	2.467.554	10.012.548	75.206.354
Net Liquidity Gap	(3.167.851)	(15.220.259)	(4.896.780)	8.274.449	13.882.184	8.142.488	(7.014.231)	-

(*) The assets which are necessary to provide banking services and could not be liquidated in the short-term, such as fixed assets, investments in subsidiaries and associates, common shares unquoted on stock exchange, office stationery, and prepaid expenses are classified under this column.

Unallocated other liabilities include shareholders' equity amounting to TL 9.023.776, unallocated provisions amounting to TL 1.759.828.

(**) Financial Assets at Fair Value Through Profit/Loss include derivative financial assets held for hedging purposes amounting to TL 3.239.009.

(***) Other Liabilities also include derivative financial liabilities held for hedging purposes amounting to TL 283.444.

Analysis of financial liabilities by remaining contractual maturities

The table below shows the Bank's maturity distribution of certain financial liabilities other than derivatives. The tables below are prepared by considering the future cash flows expected on the earliest cash flow dates. The total interest that will be paid for these liabilities is included in the table below.

Current Period	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Total	Carrying Amount
Bank Deposits	26.037	1.250.819	269.432	12.797	-	-	1.559.085	1.556.770
Other Deposits	7.524.708	27.585.353	10.292.580	1.825.715	44.145	-	47.272.501	47.009.067
Payables to Money Market	-	3.493.834	804.042	39.965	-	326.706	4.664.547	4.639.454
Funds from other Financial Institutions	-	928.298	515.566	2.800.960	3.146.799	2.035.193	9.426.816	8.302.535
Securities Issued	-	288.735	296.440	1.439.915	2.738.698	-	4.763.788	4.335.781
Noncash Loans ^(*)	3.653.534	465.866	851.703	3.541.095	1.908.960	54.668	10.475.826	10.475.826

Prior Period	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Total	Carrying Amount
Bank Deposits	19.173	1.106.943	279.100	41.426	-	-	1.446.642	1.423.002
Other Deposits	5.847.883	24.724.422	7.966.411	2.286.766	111.046	-	40.936.528	40.651.552
Payables to Money Market	-	3.417.466	732.214	-	-	-	4.149.680	4.147.434
Funds from other Financial Institutions	-	175.678	535.637	3.590.088	1.022.653	2.404.062	7.728.118	7.019.855
Securities Issued	-	7.014	731.953	1.796.341	3.357.024	-	5.892.332	5.373.449
Noncash Loans ^{(*)(**)}	3.281.374	636.342	900.716	2.893.493	1.398.108	29.299	9.139.332	9.139.332

(*) Amounts related to letters of guarantee represent maturities based on contract and amounts per these maturities and the amounts have the nature to be withdrawn on demand optionally.

(**) "Other Guarantees" with the amount 21.077 TL does not include the foreign currency account.

The table below shows the remaining maturities of derivative financial assets and liabilities:

Current Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Longer	Total
Forward Contracts Buy ^(**)	2.789.765	900.955	950.963	26.906	-	4.668.589
Forward Contracts Sell ^(**)	(2.762.992)	(911.233)	(960.933)	(27.134)	-	(4.662.292)
Swap Contracts Buy ^(*)	13.596.807	6.106.849	20.904.399	22.047.408	4.386.399	67.041.862
Swap Contracts Sell ^(*)	(13.433.997)	(5.907.471)	(20.146.303)	(19.949.348)	(4.322.976)	(63.760.095)
Futures Buy	45.984	45.918	192.195	-	-	284.097
Futures Sell	(45.984)	(45.918)	(192.195)	-	-	(284.097)
Options Buy	2.606.668	2.616.412	1.592.909	-	-	6.815.989
Options Sel	(2.623.534)	(2.620.599)	(1.571.170)	-	-	(6.815.303)
Other	-	-	-	712.362	-	712.362
Total	172.717	184.913	769.865	2.810.194	63.423	4.001.112

(*) This line also includes hedging purpose derivatives.

(**) This line also includes Forward Asset Purchase Commitments accounted for under Commitments.

Prior Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 years and Longer	Total
Forward Contracts Buy ^(**)	1.850.523	974.118	900.707	98.925	-	3.824.273
Forward Contracts Sell ^(**)	(1.856.558)	(976.448)	(896.663)	(97.530)	-	(3.827.199)
Swap Contracts Buy ^(*)	11.506.843	9.743.059	13.100.349	19.539.488	3.104.000	56.993.739
Swap Contracts Sell ^(*)	(11.438.303)	(9.647.248)	(12.606.681)	(19.802.513)	(3.190.582)	(56.685.327)
Futures Buy	14.514	2.933	2.223	-	-	19.670
Futures Sell	(14.514)	(2.933)	(2.223)	-	-	(19.670)
Options Buy	780.633	2.555.631	1.485.964	200.256	-	5.022.484
Options Sel	(785.687)	(2.550.382)	(1.496.097)	(211.551)	-	(5.043.717)
Other	-	-	-	417.402	-	417.402
Total	57.451	98.730	487.579	144.477	(86.582)	701.655

(*) This line also includes hedging purpose derivatives.

(**) This line also includes Forward Asset Purchase Commitments accounted for under Commitments.

IX. Explanations Related to Securitization Positions

As of December 31, 2015, the Bank has no securitization positions. (December 31, 2014- None).

X. Explanations Related to Credit Risk Mitigation Techniques

The Bank applies Comprehensive Financial Collateral Method with Standard Volatility Adjustment Approach in compliance with the Article 34 and 37 of the "Regulation on Credit Risk Mitigation Techniques". In this method, the volatility adjustments regarding the exposures and collaterals are made as per the standard deduction ratio that attached to the Regulation.

For mitigating the credit risk, cash and cash equivalents and high-credit-quality debt instruments are used.

Exposure Categories (**)	Amount(*)	Financial Collaterals	Other/Physical Collaterals	Guarantees and Credit Derivatives
Conditional and unconditional receivables from central governments or central banks	19.981.535	2.303.666	-	-
Conditional and unconditional receivables from regional or local governments	2.398	43	-	-
Conditional and unconditional receivables from administrative units and non-commercial enterprises	15.337	-	-	-
Conditional and unconditional receivables from multilateral development banks	-	-	-	-
Conditional and unconditional receivables from international organizations	-	-	-	-
Conditional and unconditional receivables from banks and brokerage houses	9.124.490	4.948.592	-	-
Conditional and unconditional receivables from corporates	25.019.485	896.529	-	-
Conditional and unconditional retail receivables	48.941.391	398.826	-	-
Conditional and unconditional receivables secured by mortgages	18.124.511	-	-	-
Past due receivables	706.120	415	-	-
Receivables defined in high risk category by BRSA	7.054.657	71.598	-	-
Securities collateralized by mortgages	-	-	-	-
Securitization positions	-	-	-	-
Short-term receivables from banks, brokerage houses and corporates	-	-	-	-
Investments similar to collective investment funds	492	-	-	-
Other receivables	3.862.817	-	-	-
Total	132.833.233	8.619.669	-	-

(*) Includes total risk amounts before credit risk mitigation.

(**) The mortgages used for the determination of the risk categories as per the article 6 of the "Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks" are excluded.

XI. Explanations Related to Risk Management Objectives and Policies

The Bank's risk strategy is approved by the Board of Directors and implementation of this strategy is under the responsibility of the Bank's Risk Committee and senior management.

Besides the Bank's risk principles and targets, the aim of the risk strategy is to describe the Bank's current and targeted risk profile and appetite, risk management and organization and the Bank's general approach as defined by principal risk management capacities. The scope of the risk strategy includes the Bank and all of its subsidiaries in the financial sector.

The Risk Management's mission is to optimize the relationship between risk and returns, by taking into account the interests of customers and employees, creating value for shareholders in line with the Bank's business strategy, consistent with both the best practices and the Bank's risk strategy in accordance with legal obligations.

The general objectives of the Bank's Risk Management:

- In accordance with the Bank's risk management policies, in order to maximize the potential benefits and acquire the opportunities that creates value addition for shareholders, comprise the basic standards for bank-wide risk management,
- In order to maintain the stability of the yields against unpredictable losses, to support Bank's business strategy in the manner that control the risk by carrying out the business objectives,
- To improve the use and distribution of the capital and to increase the risk adjusted returns by adding risk to the measurement of the business performance,
- To support decision making process by providing the essential risk-related perspective,
- To comply with legal, qualitative and quantitative requirements and consistency with the best practices,
- Contribute to the continued position of ethics standards and strong corporate governance of the Bank, which is one of the leading and reputable financial institutions in Turkey,
- To promote risk awareness and risk management culture throughout the Bank.

XII. Information regarding Leverage Ratio

Information in regards to the differences between current period and prior period leverage ratio

The Bank's leverage ratio, calculated in accordance with the "Regulation on Measurement and Evaluation of Bank's Leverage Levels" is 6,51% (December 31, 2014: 7,14%). Subject level is above the minimum requirement which is determined as 3% by the regulation. Difference between current period and prior period leverage ratios is mostly due to increase in risk amounts of balance sheet asset items.

The table related to leverage ratio calculated in accordance with the "Regulation on Measurement and Evaluation of Bank's Leverage Levels" published in Official Gazette dated November 5, 2013 and numbered 28812 is below:

	Book Value	
	Current Period (*)	Prior Period (*)
Assets on Balance sheet		
Assets on Balance sheet (except for derivative financial instruments and credit derivatives, including guarantees)	81.424.211	71.009.542
(Assets deducted from capital stock)	335.554	339.293
Total risk amount related to Assets on Balance sheet	81.088.657	70.670.249
Derivative financial instruments and credit derivatives		
Replacement cost of derivative financial instruments and credit derivatives	5.796.483	2.992.675
Potential credit risk amount of derivative financial instruments and credit derivatives	1.350.098	1.224.854
Total risk amount related to derivative financial instruments and credit derivatives	7.146.581	4.217.529
Financial transactions having security or commodity collateral		
Risk amount of financial transactions having security or commodity collateral	-	-
Risk amount sourcing from transactions mediated	-	-
Total risk amount related to financial transactions having security or commodity collateral	-	-
Off-Balance sheet Transaction		
Gross nominal amount of off-balance sheet transactions	46.196.301	40.743.309
(Adjustment amount sourcing from multiplying to credit conversion rates)	(553.365)	(528.975)
Total risk amount related to off-balance sheet transactions	45.642.936	40.214.334
Capital and Total Risk		
Core Capital	8.712.330	8.223.057
Amount of total risk	133.878.174	115.102.112
Financial leverage ratio	6,51%	7,14%
Financial leverage ratio	6,51%	7,14%

(*) Amounts stated in table shows the last quarter averages of related period.

XIII. Explanations related to presentation of financial assets and liabilities at their fair value

The fair value of the fixed rate loans is determined based on discounted cash flows using the current market interest rates. Book value of floating rate loans represent their fair value.

Fair value of held to maturity investments are determined through market rates. If market rates cannot be spotted, market rates of securities with similar interest, maturity and other characteristics are used instead.

Projected fair value of demand deposit represent the amount to be paid on demand. Fair value of floating rate placements and overnight deposits represents the book value. The estimated fair value of the deposits with fixed rates is determined by calculating discounted cash flows by using the market interest rates used for other liabilities with similar quality and maturities. The fair value of funds provided from other financial institutions, is determined based on discounted cash flows using the current market interest rates.

In the table below; the fair values and the carrying values of some of the financial assets and liabilities are presented. Book value represents the total of cost of subject asset and liabilities and accrued interest.

	Carrying Value		Fair Value	
	Current Period	Prior Period	Current Period	Prior Period
Financial Assets	66.710.932	59.850.335	66.150.187	59.780.610
Money Market Placements	-	200.062	-	200.062
Due from Banks	315.902	243.692	315.902	243.692
Loans and Receivables	57.225.630	50.246.126	56.699.270	50.023.248
Available for Sale Financial Assets	5.295.486	5.433.232	5.295.486	5.433.232
Securities Held to Maturity	3.873.914	3.727.223	3.839.529	3.880.376
Financial Liabilities	71.303.697	62.377.862	71.341.435	62.235.063
Bank Deposits	1.556.770	1.423.002	1.557.289	1.423.558
Other Deposits	47.009.067	40.651.552	47.019.074	40.635.934
Funds from Other Financial Institutions	8.302.535	7.019.855	8.211.520	6.830.279
Payables to Money Market	4.639.454	4.147.434	4.639.454	4.147.434
Securities Issued	4.335.781	5.373.449	4.454.008	5.435.289
Other Debts	5.460.090	3.762.570	5.460.090	3.762.569

In accordance with "IFRS 13, Fair Value Measurement" accounts represented at fair value in the face of financial statements are required to be leveled according to the observability of the data used for the calculation of fair value.

The classification of fair value calculation is as follows:

- a) Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities (market value);
- b) Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices);
- c) Level 3: Inputs that are not observable for the asset and liability (Fair value calculations which are not observable).

In the table below, the fair value classification of the financial instruments that are recorded at fair value at the financial statements is presented:

Current Period	Level 1	Level 2	Level 3	Total
Financial Assets	5.530.550	5.475.945	258.050	11.264.545
Financial Assets whose Fair Value is reflected on Gain/Loss	28.060	-	-	28.060
Derivative Financial Assets for Purchasing and Selling	313	2.236.936	-	2.237.249
Available for Sale Financial Assets	5.295.486	-	-	5.295.486
Loans and Receivables ^(*)	-	-	47.354	47.354
Subsidiaries, Affiliates and Entities Under Common Control	206.691	-	210.696	417.387
Derivative Financial Assets Held for Cash Flow Hedges	-	3.239.009	-	3.239.009
Financial Liabilities	273	2.439.635	-	2.439.908
Derivative Financial Assets for Purchasing and Selling	273	2.156.191	-	2.156.464
Derivative Financial Liabilities Held for Cash Flow Hedges	-	283.444	-	283.444

(*) Loans and Receivables are presented in "Financial Assets at Fair Value through Profit/Loss".

Prior Period	Level 1	Level 2	Level 3	Total
Financial Assets	5.706.197	3.248.582	433.736	9.388.515
Financial Assets whose Fair Value through Profit/Loss	4.819	-	-	4.819
Assets on Trading Derivatives	126	1.253.219	-	1.253.345
Investment Securities Available for Sale	5.426.615	6.617	-	5.433.232
Loans and Receivables ^(*)	-	-	98.143	98.143
Subsidiaries	274.637	-	335.593	610.230
Derivative Financial Assets Hedging Purposes	-	1.988.746	-	1.988.746
Financial Liabilities	47	1.605.344	-	1.605.391
Liabilities on Trading Derivatives	47	1.253.264	-	1.253.311
Derivative Financial Liabilities for Hedging Purposes	-	352.080	-	352.080

Confirmation for fair value of financial assets under Level 3 is as below:

	Current Period	Prior Period
Opening Balance	433.736	482.711
Change in total gain/loss	(166.022)	38.820
Accounted in income statement	(22.730)	864
Accounted in other comprehensive income	(143.292)	37.956
Purchases	18.395	-
Disposals	-	-
Matured Loans ^(*)	(28.059)	(87.795)
Sales from Level 3	-	-
Closing Balance	258.050	433.736

(*) Includes loans and receivables that are presented in "Financial Assets at Fair Value through Profit/Loss" and are closed before maturity.

XIV. Explanations Related to Transactions Carried on Behalf of Others and Fiduciary Transactions

The Bank provides buying, selling and custody services and management and financial advisory services in the name of the third parties. The Bank does not involve in fiduciary activities.

SECTION FIVE

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS

I. EXPLANATIONS AND DISCLOSURES RELATED TO ASSETS

1. a) Cash and balances with the Central Bank of Turkey

	Current Period		Prior Period	
	TL	FC	TL	FC
Cash in TL/Foreign Currency	678.545	274.820	590.424	248.652
T.R. Central Bank	1.409.024	7.632.114	912.650	6.911.681
Other	522	2.016	133	295
Total	2.088.091	7.908.950	1.503.207	7.160.628

b) Balances with the Central Bank of Turkey

	Current Period		Prior Period	
	TL	FC	TL	FC
Unrestricted Demand Deposits	1.400.527	1.009.092	912.650	689.015
Restricted Time Deposits	8.497	6.623.022	-	6.222.666
Total	1.409.024	7.632.114	912.650	6.911.681

As of December 31, 2015, the compulsory rates for the reserve deposits at the Central Bank of Turkey for Turkish Lira are implemented within an interval from 5% to 11.5% depending on the maturity of deposits (December 31, 2014 – 5% to 11.5%) and the compulsory rates for the foreign currency liabilities are within an interval from 5% to 25% depending on the maturity of deposits (December 31, 2014 – 6% to 13%).

In accordance with the "Communiqué Regarding the Reserve Requirements", the reserve requirements can be maintained as TL, USD, EUR and standard gold.

According to T.C. Central Bank press release No. 2014-72 dated October 21, 2014, starting from November 2014, interest is paid on reserve requirements held in TL. Additionally, according to T. C. Central Bank press release No. 2015-35 dated May 2, 2015, starting from May 5, 2015 interest is paid on USD reserve deposits, reserve options and unrestricted deposits.

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

a) Trading securities given as collateral or blocked

None (December 31, 2014 – None).

b) Assets on trading derivatives

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Transactions	52.806	-	43.664	-
Swap Transactions	1.936.094	123.192	1.059.341	84.274
Futures Transactions	-	313	-	126
Options	-	124.844	-	65.940
Other	-	-	-	-
Total	1.988.900	248.349	1.103.005	150.340

3. a) Information on banks

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks				
Domestic	9.402	51	19.266	68
Foreign	134	306.315	124	224.234
Foreign Head Offices and Branches	-	-	-	-
Total	9.536	306.366	19.390	224.302

b) Information on foreign bank accounts

	Unrestricted Amount		Restricted Amount (**)	
	Current Period	Prior Period	Current Period	Prior Period
EU Countries	49.059	53.136	10.112	1.550
USA and Canada	215.324	158.377	29.691	3.923
OECD Countries (*)	1.759	2.935	-	-
Off-shore Banking Regions	-	-	-	-
Other	504	4.437	-	-
Total	266.646	218.885	39.803	5.473

(*) Includes OECD countries other than the EU countries, USA and Canada.

(**) Includes blocked placements at foreign banks amounting to TL 39.803 (December 31, 2014 - TL 5.473) for the syndication and securitization loans received.

4. Information on receivables from reverse repurchase agreements

	Current Period		Prior Period	
	TL	FC	TL	FC
Domestic Transactions	-	-	200.062	-
T.R Central Bank	-	-	-	-
Banks	-	-	200.062	-
Intermediary Institutions	-	-	-	-
Other Financial Institutions and Organizations	-	-	-	-
Other Institutions and Organization	-	-	-	-
Real Persons	-	-	-	-
Foreign Transactions	-	-	-	-
Central Banks	-	-	-	-
Banks	-	-	-	-
Intermediary Institutions	-	-	-	-
Other Financial Institutions and Organizations	-	-	-	-
Other Institutions and Organizations	-	-	-	-
Real Persons	-	-	-	-
Total	-	-	200.062	-

5. Information on Subject to repurchase agreements and given as Collateral /blocked Investment securities available for sale

a) Investment securities available-for-sale given as collateral or blocked

	Current Period		Prior Period	
	TL	FC	TL	FC
Given as Collateral / Blocked	573.686	459.933	413.810	284.954
Subject to repurchase agreements	1.403.911	1.419.256	1.744.037	1.111.796
Total	1.977.597	1.879.189	2.157.847	1.396.750

b) Investment securities available for sale

	Current Period	Prior Period
Debt securities	5.392.394	5.416.289
Quoted on a stock exchange (*)	5.392.394	5.409.632
Unquoted on a stock exchange	-	6.657
Share certificates	4.824	32.137
Quoted on a stock exchange (**)	599	27.912
Unquoted on a stock exchange	4.225	4.225
Impairment provision(-)	(101.732)	(15.194)
Total	5.295.486	5.433.232

(*) The Eurobond Portfolio amounting to TL 1.520.298 (December 31, 2014 - TL 1.199.653) which is accounted for as investment securities available for sale was hedged under fair value hedge accounting starting from March and April 2009. In the current period, there is no government bonds portfolio hedged under fair value hedge accounting. (December 31, 2014 - 106.392) The mentioned financial assets are accounted for as Investment Securities Available for Sale in order to be in line with balance sheet presentation.

(**) Share certificates that are quoted on a stock exchange include "exchange traded mutual funds" amounting to TL 487 (December 31, 2014 - TL 27.757).

6. Information related to loans

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

	Current Period		Prior Period	
	Cash	Non-Cash	Cash	Non-Cash
Direct Loans Granted to Shareholders	-	21.651	1.716	34.288
Corporate Shareholders	-	21.651	1.716	34.288
Individual Shareholders	-	-	-	-
Indirect Loans Granted to Shareholders	-	-	-	-
Loans Granted to Employees(*)	74.844	-	66.957	-
Total	74.844	21.651	68.673	34.288

(*) Includes the advances given to the bank personnel.

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

	Performing Loans and Other Receivables			Loans and Other Receivables Under Close Monitoring		
Cash Loans(*)	Loans and Other Receivables (Total)	Loans and Receivables with Revised Contract Terms		Loans and Other Receivables (Total)	Loans and Receivables with Revised Contract Terms	
		Extension of Repayment Plan	Other		Extension of Repayment Plan	Other
Non-specialized Loans	53.348.600	777.020	-	3.180.691	1.333.756	-
Discount Notes	1.013.753	-	-	14.195	-	-
Export Loans	1.105.642	-	-	165.437	-	-
Import Loans	9.528	-	-	-	-	-
Loans Given to Financial Sector	1.188.846	-	-	-	-	-
Retail Loans	13.002.943	114.378	-	909.913	234.158	-
Credit Cards	8.613.041	254.502	-	574.198	318.805	-
Other	28.414.847	408.140	-	1.516.948	780.793	-
Specialized Loans	-	-	-	-	-	-
Other Receivables	-	-	-	-	-	-
Total	53.348.600	777.020	-	3.180.691	1.333.756	-

(*) The loans amounting to TL 47.354 (December 31, 2014 – TL 98.143) are classified under "Loans at Fair Value Through Profit/Loss" in the financial statements.

Times Payment Plan has been restructured	Performing Loans and Other Receivables	Loans and Other Receivables under Follow-up
1 or 2 times	774.818	1.326.795
3, 4 or 5 times	2.192	6.939
Over 5 times	10	22
Total	777.020	1.333.756
Extension Periods		
0 - 6 months	70.838	109.377
6 -12 months	25.132	96.190
1 - 2 years	108.440	193.431
2 - 5 years	400.937	573.844
5 years and over	171.673	360.914
Total	777.020	1.333.756

c) Loans according to their maturity structure

	Performing Loans and Other Receivables		Loans and Other Receivables Under Close Monitoring	
Cash Loans (*)	Loans and Other Receivables	Loans and Receivables with Revised Contract Terms	Loans and Other Receivables	Loans and Receivables with Revised Contract Terms
Short-term Loans	23.263.130	254.502	574.198	318.805
Non-specialized Loans	23.263.130	254.502	574.198	318.805
Specialized Loans	-	-	-	-
Other Receivables	-	-	-	-
Medium and Long-term Loans	30.085.470	522.518	2.606.493	1.014.951
Non-specialized Loans	30.085.470	522.518	2.606.493	1.014.951
Specialized Loans	-	-	-	-
Other Receivables	-	-	-	-
Total	53.348.600	777.020	3.180.691	1.333.756

(*) The loans amounting to TL 47.354 (December 31, 2014 – TL 98.143) are classified under "Loans at Fair Value Through Profit/Loss" in the financial statements.

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

	Short Term	Medium and Long Term	Total	Interest and Income Accruals
Consumer Loans-TL	149.790	11.189.466	11.339.256	112.457
Housing Loans	621	4.879.376	4.879.997	52.329
Automobile Loans	228	31.519	31.747	283
Personal Need Loans	148.941	6.278.571	6.427.512	59.845
Other	-	-	-	-
Consumer Loans-FC Indexed	-	14.291	14.291	15.325
Housing Loans	-	13.737	13.737	14.618
Automobile Loans	-	-	-	-
Personal Need Loans	-	554	554	707
Other	-	-	-	-
Consumer Loans-FC	-	-	-	-
Housing Loans	-	-	-	-
Automobile Loans	-	-	-	-
Personal Need Loans	-	-	-	-
Other	-	-	-	-
Individual Credit Cards-TL	7.322.863	275.943	7.598.806	86.570
Installment	2.733.350	275.943	3.009.293	34.284
Non- Installment	4.589.513	-	4.589.513	52.286
Individual Credit Cards-FC	2.951	-	2.951	23
Installment	-	-	-	-
Non- Installment	2.951	-	2.951	23
Personnel Loans-TL	4.303	39.038	43.341	256
Housing Loans	-	408	408	2
Automobile Loans	-	31	31	-
Personal Need Loans	4.303	38.599	42.902	254
Other	-	-	-	-
Personnel Loans-FC Indexed	-	-	-	-
Housing Loans	-	-	-	-
Automobile Loans	-	-	-	-
Personal Need Loans	-	-	-	-
Other	-	-	-	-
Personnel Loans-FC	-	-	-	-
Housing Loans	-	-	-	-
Automobile Loans	-	-	-	-
Personal Need Loans	-	-	-	-
Other	-	-	-	-
Personnel Credit Cards-TL	28.463	-	28.463	-
Installment	11.295	-	11.295	-
Non-Installment	17.168	-	17.168	-
Personnel Credit Cards-FC	35	-	35	-
Installment	-	-	-	-
Non-Installment	35	-	35	-
Overdraft Accounts-TL (Real Persons)	2.275.162	-	2.275.162	112.768
Overdraft Accounts-FC (Real Persons)	-	-	-	-
Total	9.783.567	11.518.738	21.302.305	327.399

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

	Short Term	Medium and Long Term	Total	Interest and Income Accruals
Commercial Loans with Installment Facility – TL	202.329	10.211.449	10.413.778	184.549
Real Estate Loans	-	266.860	266.860	2.922
Automobile Loans	730	316.860	317.590	4.780
Personal Need Loans	201.599	9.627.729	9.829.328	176.847
Other	-	-	-	-
Commercial Loans with Installment Facility – FC Indexed	15.323	1.332.079	1.347.402	221.724
Real Estate Loans	-	28.671	28.671	8.592
Automobile Loans	61	83.950	84.011	10.058
Personal Need Loans	15.262	1.219.458	1.234.720	203.074
Other	-	-	-	-
Commercial Loans with Installment Facility – FC	-	-	-	-
Real Estate Loans	-	-	-	-
Automobile Loans	-	-	-	-
Personal Need Loans	-	-	-	-
Other	-	-	-	-
Corporate Credit Cards –TL	1.450.313	3.071	1.453.384	16.496
Installment	500.112	3.071	503.183	5.711
Non-Installment	950.201	-	950.201	10.785
Corporate Credit Cards –FC	507	-	507	4
Installment	-	-	-	-
Non-Installment	507	-	507	4
Overdraft Accounts-TL (Legal Entities)	973.513	-	973.513	3.899
Overdraft Accounts-FC (Legal Entities)	-	-	-	-
Total	2.641.985	11.546.599	14.188.584	426.672

f) Loans according to borrowers (*)

	Current Period	Prior Period
Public	204.567	163.249
Private	56.324.724	49.612.847
Total	56.529.291	49.776.096

(*) The loans amounting to TL 47.354 (December 31, 2014 – TL 98.143) are classified under "Loans at Fair Value Through Profit/Loss" in the financial statements.

g) Domestic and foreign loans (*)

	Current Period	Prior Period
Domestic Loans	56.241.729	49.569.219
Foreign Loans	287.562	206.877
Total	56.529.291	49.776.096

(*) The loans amounting to TL 47.354 (December 31, 2014 – TL 98.143) are classified under "Loans at Fair Value Through Profit/Loss in the financial statements.

h) Loans granted to subsidiaries and associates

	Current Period	Prior Period
Direct Loans Granted to Subsidiaries and Associates	155.953	157.557
Indirect Loans Granted to Subsidiaries and Associates	-	-
Total	155.953	157.557

i) Specific provisions for loans

	Current Period	Prior Period
Specific Provisions		
Loans and Receivables with Limited Collectability	92.057	84.959
Doubtful Loans and Other Receivables	375.466	439.784
Uncollectible Loans and Receivables	2.586.774	1.638.583
Total	3.054.297	2.163.326

j) Non-performing loans (NPLs) (Net)**j.1) Non-performing loans and other receivables restructured or rescheduled**

	III. Group Loans and receivables with limited collectability	IV. Group Loans and receivables with doubtful collectability	V. Group Uncollectible loans and receivables
Current Period			
(Gross Amounts Before the Specific Provisions)	2.471	7.336	96.276
Restructured Loans and Other Receivables	-	-	-
Rescheduled Loans and Other Receivables	2.471	7.336	96.276
Prior Period			
(Gross Amounts Before the Specific Provisions)	133	4.457	78.247
Restructured Loans and Other Receivables	-	-	-
Rescheduled Loans and Other Receivables	133	4.457	78.247

j.2) Movement of non-performing loans(*)

	III. Group Loans and receivables with limited collect- ability	IV. Group Loans and receivables with doubtful collect- ability	V. Group Uncollectible loans and receivables
Prior Period End Balance	420.940	671.976	1.638.583
Additions (+)	1.610.635	86.724	54.170
Transfers from Other Categories of Non-Performing Loans (+)	-	1.442.713	1.264.507
Transfers to Other Categories of Non-Performing Loans (-)	1.442.713	1.264.507	-
Collections (-)	128.436	185.417	368.826
Write-offs (-)**	137	562	1.660
Corporate and Commercial Loans	-	-	-
Consumer Loans	91	253	634
Credit Cards	46	309	1.026
Others	-	-	-
Current Period End Balance	460.289	750.927	2.586.774
Specific Provision (-)	92.057	375.466	2.586.774
Net Balances on Balance Sheet	368.232	375.461	-

(*) Based on the "Regulation on Procedures and Principles for Determination of Qualifications of Loans and Other Receivables by Banks and Provisions to be set aside", the Bank provided specific provisions for its 4th group commercial loans with 100% provision rate in the prior period, whereas in the current period the Bank provided provision by using minimum provision ratios. After the stated change, the Bank has provided TL 106.803 less provision to the provisioning method used in the prior period.

j.3) Information on foreign currency non-performing loans and other receivables

None (December 31, 2014 - None).

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
Current Period (Net)	368.232	375.461	-
Loans to Real Persons and Legal Entities (Gross)	460.289	750.927	2.561.505
Specific provision (-)	(92.057)	(375.466)	(2.561.505)
Loans to Real Persons and Legal Entities (Net)	368.232	375.461	-
Banks (Gross)	-	-	-
Specific provision (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	25.269
Specific provision (-)	-	-	(25.269)
Other Loans and Receivables (Net)	-	-	-
Prior Period (Net)	335.981	232.192	-
Loans to Real Persons and Legal Entities (Gross)	420.940	671.976	1.627.696
Specific provision (-)	(84.959)	(439.784)	(1.627.696)
Loans to Real Persons and Legal Entities (Net)	335.981	232.192	-
Banks (Gross)	-	-	-
Specific provision (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	10.887
Specific provision (-)	-	-	(10.887)
Other Loans and Receivables (Net)	-	-	-

k) Liquidation policies for uncollectible loans and other receivables:

For the unrecoverable non-performing loans under legal follow-up, the loan quality, collateral quality, bona fide of the debtor and assessment of the emergency of legal follow-up are considered, before applying the best practice for unrecoverable non-performing loans under legal follow up. The bank prefers to liquidate the risk through negotiations with the debtors. If this cannot be possible, then the Bank starts the legal procedures for the liquidation of the risk. Ongoing legal follow-up procedures do not prevent negotiations with the debtors. An agreement is made with the debtor at all stage of the negotiations for the liquidation of the risk.

l) Write-off policy:

Unrecoverable non-performing loans under legal follow-up, in compliance with the "Provisioning Decree" and with no collateral that are deemed as uncollectible are written off by the Board of Directors' decision.

7. Information on investment securities held-to-maturity

a) Information on financial assets held as collateral/blocked held-to-maturity

	Current Period		Prior Period	
	TL	FC	TL	FC
Given as Collateral / Blocked	96.191	-	398.384	-
Subject to repurchase agreements	1.417.955	847.881	928.180	625.910
Total	1.514.146	847.881	1.326.564	625.910

b) Information on financial government debt securities held-to-maturity

	Current Period		Prior Period	
	TL	FC	TL	FC
Government Bond	3.009.964	110.652	3.052.566	90.418
Treasury Bill	-	-	-	-
Other Debt Securities	-	-	-	-
Total	3.009.964	110.652	3.052.566	90.418

c) Information on investment securities held-to-maturity

	Current Period		Prior Period	
	TL	FC	TL	FC
Debt Securities	3.009.964	863.950	3.052.566	674.657
Publicly-traded	3.009.964	863.950	3.052.566	674.657
Non-publicly traded	-	-	-	-
Provision for losses (-)	-	-	-	-
Total	3.009.964	863.950	3.052.566	674.657

d) Movement of held-to-maturity investments

	Current Period	Prior Period
Value at the beginning of the period	3.727.223	2.825.779
Exchange differences on monetary assets	171.250	32.352
Acquisitions during the year	290.680	631.486
Disposals through sales and redemptions	(512.035)	-
Provision for losses (-)	-	-
Valuation effect	196.796	237.606
The sum of end of the period	3.873.914	3.727.223

8. Investments in associates (Net):

8.1. Investments in associates:

a) Information on the unconsolidated subsidiaries

Title	Address (City/Country)	Bank's Share-If Different, Voting Rights (%)	Bank's Risk Group Share (%)
Bankalararası Kart Merkezi (BKM) (*)	Istanbul/Turkey	9,23%	9,23%

Total Assets	Shareholder's Equity	Total Fixed Assets	Interest Income	Income on Securities Portfolio	Current Period Profit/Loss	Prior Period Profit/Loss	Company's Fair Value
68.358	29.660	43.170	985	-	3.869	3.490	-

(*) Current period information is obtained from financial statements as of December 31, 2015 while prior period profit and loss information is obtained from financial statements as of December 31, 2014.

b) Information on the consolidated subsidiaries: None.

8.2. Movements of investments in associates

	Current Period	Prior Period
Balance at the Beginning of Period	3.766	3.766
Movements During the Period	-	-
Purchases	-	-
Bonus Shares Received	-	-
Dividends From Current Year Profit	-	-
Sales	-	-
Reclassifications	-	-
Increase/Decrease in Market Values	-	-
Currency Differences on Foreign Associates	-	-
Impairment Losses (-)	-	-
Balance at the End of the Period	3.766	3.766
Capital Commitments	-	-
Share Percentage at the End of the Period (%)	-	-

8.3. Sectoral distribution of associates

	Current Period	Prior Period
Banks	-	-
Insurance Companies	-	-
Factoring Companies	-	-
Leasing Companies	-	-
Finance Companies	-	-
Other Associates	3.766	3.766
Total	3.766	3.766

8.4. Quoted Associates

None (December 31, 2014 - None).

8.5. Valuation methods of investments in associates

	Current Period	Prior Period
Valued at Cost	3.766	3.766
Valued at Fair Value	-	-
Valued at Equity Method	-	-
Total	3.766	3.766

8.6. Investments in associates sold during the current period

None. (December 31, 2014 - None).

8.7. Investments in associates acquired during the current period

None. (December 31, 2014 - None).

9. Investments in subsidiaries (Net)**a) Information on the unconsolidated subsidiaries**

	Title	Address (City/ Country)	Bank's Share-If different, Voting Rights (%)	Bank' Risk Group Share (%)
1.	IBTech Uluslararası Bilişim ve İletişim Teknolojileri Araştırma, Geliştirme, Danışmanlık, Destek San. ve Tic. A.Ş.	İstanbul/Turkey	99,91%	99,99%
2.	EFINANS Elektronik Ticaret ve Bilişim Hizmetleri A.Ş.	İstanbul/Turkey	51,00%	51,00%

(*)	Total Assets	Sharehold- ers' Equity	Total Fixed Asset	Interest Income	Securities Income	Current Pe- riod Profit/ Loss	Prior Period Profit/Loss	Company's Fair Value
1.	45.879	22.515	17.411	-	-	1.538	6.989	-
2. (*)	11.814	5.115	4.563	109	-	(1.248)	397	-

(*) Current period information is obtained from financial statements as of December 31, 2015, prior period profit and loss information is obtained from financial statements as of December 31, 2014.

b) Information on the consolidated subsidiaries:

b.1) Information on the consolidated subsidiaries (*)

	Subsidiary	Address (City/Country)	Bank's Share – If Different, Voting Rights (%)	Bank's Risk Group Share (%)
1.	Finans Yatırım Menkul Değerler A.Ş.	Istanbul/Turkey	99,60	99,74
2.	Finans Finansal Kiralama A.Ş.	Istanbul/Turkey	51,06	69,00
3.	PSA Finansman A.Ş. (**)	Istanbul/Turkey	100,00	100,00
4.	Finans Portföy Yönetimi A.Ş.	Istanbul/Turkey	0,01	99,72
5.	Finans Faktoring Hizmetleri A.Ş.	Istanbul/Turkey	99,99	100,00

(*) As per Board of Directors meeting dated May 21, 2014, it has been decided for the liquidation of Finans Investment Trust. Liquidation decision will be presented for the approval of the shareholders at the General Board Meeting and those who vote unfavorably and oppose will be granted the right to resign from the Company. The Extraordinary General Meeting is done in October 20, 2014. The decisions of The Extraordinary General Meeting have been registered as of November 7, 2014. The shares of Finans Yatırım Ortaklığı A.Ş. have been unquoted from the exchange list and markets of Istanbul Stock exchange and banned for trade as of November 10, 2014. Finans Yatırım Ortaklığı A.Ş. is referred to as "Finans Yatırım Ortaklığı A.Ş. Under Liquidation" since November 7, 2014. The company's liquidation was completed as of December 7, 2015.

(**) Acquisition transaction of PSA Finansman Anonim Şirketi by the Bank is approved by Banking Regulation and Supervision Agency and share transfer transactions regarding the aforementioned entity have been completed as of December 14, 2015.

Information on subsidiaries in the order presented in the table above

	Total Assets	Shareholders' Equity	Total Fixed Assets	Interest Income	Income on Securities Portfolio	Current Period Profit/Loss	Prior Period Profit/Loss	Company's Fair Value (**)
1.	314.116	117.653	3.816	10.709	2.064	27.867	1.841	69.226
2.	2.219.610	609.099	3.315	178.831	-	51.562	48.029	404.800(*)
3.	8.657	8.386	74	479	-	(1.486)	(6.045)	-
4.	13.431	11.980	191	1.245	9	1.733	540	-
5.	586.778	38.640	1.154	65.625	-	3.090	4.192	40.918

(*) Fair values of publicly traded subsidiaries reflect their Istanbul Stock Exchange (ISE) values as of balance sheet date.

b.2) Movement of investments in subsidiaries

	Current Period	Prior Period
Balance at the Beginning of the Period	426.813	405.170
Movements during the period	(101.859)	21.643
Purchases(*)	18.395	-
Bonus Shares Received	-	-
Dividends from Current Year Profit	-	-
Disposals(**)	(14.512)	-
Changes Due to Reclassification	-	-
Revaluation Increase	(105.742)	21.643
Impairment Provision	-	-
Balance at the End of the Period	324.954	426.813
Capital Commitments	-	-
Share Percentage at the end of the Period (%)	-	-

(*) Finans Faktoring A.Ş. has increased its capital at an amount of TL10.000 through rights offering in current period. PSA Finansman A.Ş., whose share transfer transactions are completed, has been acquired with a price of TL 8.395 as of December 14, 2015.

(**) It states the cash outflow occurred as a result of liquidation of Finans Yatırım Ortaklığı A.Ş. realized as of December 7, 2015.

b.3) Sectoral distribution of subsidiaries

	Current Period	Prior Period
Banks	-	-
Insurance Companies	-	-
Factoring Companies	40.918	39.565
Leasing Companies	206.691	260.125
Finance Companies	8.395	-
Other Subsidiaries	68.950	127.123
Total	324.954	426.813

b.4) Quoted subsidiaries within the context of consolidation

	Current Period	Prior Period
Quoted on Domestic Stock Exchanges	206.691	274.637
Quoted on International Stock Exchanges	-	-
Total	206.691	274.637

b.5) Explanation to capital adequacy of the significant subsidiaries

The Bank does not have any significant subsidiaries.

10. Investments in entities under common control:

	Title	Address (City/Country)	Bank's Share-If different, Voting Rights (%)	Bank' Risk Group Share (%)
1.	Cigna Finans Emeklilik ve Hayat A.Ş. (*)	İstanbul/Turkey	49,00%	49,00%
2.	Bantaş Nakit ve Kıymetli Mal Taşıma ve Güvenlik Hizmetleri A.Ş.	İstanbul/Turkey	33,33%	33,33%

	Total Assets	Shareholders' Equity	Total Fixed Asset	Interest Income	Securities Income	Current Period Profit/Loss	Prior Period Profit/Loss	Company's Fair Value
1. (**)	858.426	70.633	588.511	-	-	15.066	6.989	188.639
2.	32.890	22.560	14.180	-	-	7.495	2.004	-

(*) In accordance with partnership agreement signed between the Bank and Cigna Nederland Gamma BV, the parent of Cigna Finans Emeklilik and Hayat A.Ş., on July 12, 2012 in case the ownership structure of the Bank changes, Cigna Nederland Gamma BV has the right to purchase the shares owned by the Bank. If subject transfer is actualized share transfer will be based on fair value of the shares. As of the report date, there is no official request received from Cigna Nederland Gamma BV in regards to purchase of the shares.

(**) Cigna Finans Emeklilik ve Hayat A.Ş., one of the entities under common control, is recognized with fair value method in accordance with "Communique on Preparation of Consolidated Financial Statements of Banks and Turkish Accounting Standards".

11. Information on leasing receivables (Net)

None (December 31, 2014 - None).

12. Information on hedging purpose derivatives

	Current Period		Prior Period	
	TL	FC	TL	FC
Fair Value Hedge (*)	2.292.114	18.069	1.459.151	22.844
Cash Flow Hedge	927.791	1.035	506.751	-
Hedge of Net Investment in Foreign Operations	-	-	-	-
Total	3.219.905	19.104	1.965.902	22.844

(*) Fair value hedging derivative financial instruments consist of swaps. TL 3.991, TL 14.078 and TL 2.292.114 of aforementioned amount states fair value of fair value hedging derivative financial instruments of securities (31 December 2014: TL 36.343), securities issued (31 December 2014: TL 20.170) and credits (31 December 2014: TL 1.425.482) respectively.

13. Explanations on tangible assets

	Land and Buildings	Fixed Assets Under Finance Lease	Vehicles	Other Tangible Fixed Assets	Total
Prior Period End					
Cost	1.106.237	260.607	1.813	1.009.008	2.377.665
Accumulated Depreciation(-)	24.256	233.278	1.519	648.506	907.559
Net Book Value	1.081.981	27.329	294	360.502	1.470.106
Current Period End					
Cost at the Beginning of the Period	1.106.237	260.607	1.813	1.009.008	2.377.665
Additions	80.135	270	86	145.595	226.086
Disposals (-)(*)	1.752	594	644	377	3.367
Impairment (-) / (increase)	(58)	-	-	-	(58)
Current Period Cost	1.184.678	260.283	1.255	1.154.226	2.600.442
Accumulated Depreciation at the Beginning of the Period	24.256	233.278	1.519	648.506	907.559
Disposals (-)	4	373	589	297	1.263
Depreciation Amount	2.330	3.020	222	111.932	117.504
Current Period Accumulated Depreciation (-)	26.582	235.925	1.152	760.141	1.023.800
Net Book Value-end of the Period	1.158.096	24.358	103	394.085	1.576.642

(*) As stated in footnote in 5th Section III.5.1.d, fair value exchange difference income amortized at an amount of TL 1.223 belonging to immovable property subjected to fair value hedge accounting by the Bank is shown on "Disposals" line in Property, Plant and Equipment movement statement.

a) If impairment on individual asset recorded or reversed in the current period is material for the overall financial statements: Events and conditions for recording or reversing impairment and amount of recorded or reversed impairment in the financial statements:

The fair values of the buildings are determined by the licensed expertise companies and as a result of the changes in the fair value of these buildings, the impairment loss reverse of TL 58 has been booked (December 31, 2014 - TL 453 impairment loss).

b) The impairment provision set or cancelled in the current period according to the asset groups not individually significant but materially affecting the overall financial statements, and the reason and conditions for this:

None (December 31, 2014- None)

c) Pledges, mortgages and other restrictions (if any) on the tangible fixed assets, expenses arising from the construction for tangible fixed assets, commitments given for the purchases of tangible fixed assets:

None (December 31, 2014- None)

14. Explanations on intangible assets

	Rights	Goodwill	Total
Prior Period End			
Cost	570.095	-	570.095
Accumulated Amortization (-)	346.248	-	346.248
Net Book Value	223.847	-	223.847
Current Period End			
Cost at the Beginning of the Period	570.095	-	570.095
Additions	131.010	-	131.010
Disposals(-)	3	-	3
Impairment (-) / (increase)	(910)	-	(910)
Current Period Cost	702.012	-	702.012
Accumulated Amortization at the Beginning of the Period	346.248	-	346.248
Disposals(-)	3	-	3
Amortization Charge (-)	91.810	-	91.810
Current Period Accumulated Amortization (-)	438.055	-	438.055
Net Book Value-End of the Period	263.957	-	263.957

a) Disclosures for book value, description and remaining life to be amortized for a specific intangible fixed asset that is material to the financial statements: None (December 31, 2014 - None).

b) Disclosure for intangible fixed assets acquired through government grants and accounted for at fair value at initial recognition: None (December 31, 2014 - None)

c) The method of subsequent measurement for intangible fixed assets that are acquired through government incentives and recorded at fair value at the initial recognition: None (December 31, 2014- None).

d) The book value of intangible fixed assets that are pledged or restricted for use: None (December 31, 2014 - None).

e) Amount of purchase commitments for intangible fixed assets: None (December 31, 2014 - None)

f) Information on revalued intangible assets according to their types: None (December 31, 2014 - None)

g) Amount of total research and development expenses recorded in income statement within the period if any:

Amount of total research expenses recorded in income statement within the period is TL 5.740 (December 31, 2014 - TL 3.087).

h) Positive or negative consolidation goodwill on entity basis:

None (December 31, 2014-None).

i) Information on goodwill: None (December 31, 2014-None).

Movements on goodwill in the current period: None (December 31, 2014- None)

15. Explanations regarding the investment properties:

None (December 31, 2014- None).

16. Information on tax asset

As of December 31, 2015, the Bank has calculated deferred tax asset amounting to TL 78.968 (December 31, 2014 - TL 50.050 deferred tax liability).

According to the TAS 12, the deferred tax assets and liabilities are netted off in the accompanying financial statements. As of December 31, 2015 the Bank has presented the net amount of deferred tax asset of TL 175.147 (December 31, 2014-TL 198.406) and deferred tax liability of TL 96.179 (December 31, 2014 -TL 148.356) in the accompanying financial statements on all taxable temporary differences arising between the carrying amounts and the taxable amounts of assets and liabilities on the financial statements that will be considered in the calculation of taxable earnings in the future periods.

In cases whereby deferred tax differences arising from the differences between the carrying amounts and the taxable amounts of the assets subjected to deferred tax that are related with certain items under the shareholders' equity accounts, the deferred tax benefits/charges are netted under these accounts. The deferred tax asset amounting to TL 51.754 (December 31, 2014 -TL 35.494 deferred tax liability) is netted in the equity.

	Accumulated Temporary Differences		Deferred Tax Assets/(Liabilities)	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
Provision for Employee Rights	236.751	200.134	47.350	40.027
Difference Between the Book Value of Financial Assets and Tax Base	391.743	641.365	78.349	128.273
Other	247.239	150.530	49.448	30.106
Deferred Tax Assets			175.147	198.406
Difference Between the Book Value Financial Fixed Assets and Tax Base	(193.598)	(257.159)	(38.720)	(51.432)
Difference Between the Book Value of Financial Assets and Tax Base değeri arasındaki farklar	(84.538)	(300.415)	(16.908)	(60.083)
Other	(202.757)	(184.205)	(40.551)	(36.841)
Deferred Tax Liabilities			(96.179)	(148.356)
Deferred Tax Assets/(Liabilities), Net			78.968	50.050

	Current Period 01.01-31.12.2015	Prior Period 01.01-31.12.2014
Deferred Tax as of January 1 Active/ (Passive) - Net	50.050	78.670
Deferred Tax (Loss) / Gain	12.658	(43.715)
Deferred Tax that is Realized Under Shareholder's Equity	16.260	15.095
December 31 Deferred Tax Active/ (Passive) - Net	78.968	50.050

17. Information on assets held for sale and discontinued operations

As of December 31, 2015 there is no tangible asset held for sale (31 Aralık 2014: 51.265 TL).

Deed transfers of Gayrettepe head office building, registered at İstanbul province, Şişli District, Mecidiyeköy quarter, 307 Map section, 1956 city block, 41 parcel and Polat building registered at İstanbul province, Şişli District, Mecidiyeköy quarter, 303 Map section, 1997 city block, which are owned by the Bank, have been completed on March 25, 2015 and April 27, 2015 respectively within terms mentioned in agreements concluded between parties and the sales of the aforementioned buildings, which are recognized as fixed assets held to be sold, have been made with prices of USD 65.250.000 and USD 28.000.000 respectively.

18. Information on other assets

18.1. Information on prepaid expense, tax and similar items

	Current Period	Prior Period
Other Prepaid Expenses	319.655	305.057
Cheques Receivables from Other Banks	271.452	254.690
Assets Held for Sale (Net)	220.249	138.126
Collateral Given for Derivative Transactions	108.495	73.722
Miscellaneous Receivables	74.308	64.730
Prepaid Rent Expenses	38.905	31.657
Prepaid Agency Commissions	14.330	6.564
Advances Given	4.338	9.640
Other	54.454	32.835
Toplam	1.106.186	917.021

18.2. If other assets exceed 10% of total assets excluding the off-balance sheet items, the name and the amount of the subaccounts which create at least 20% of them are:

Details of the other assets are described above in the 18.1 section of explanations and disclosures related to assets.

19. Accrued interest and income

The details of accrued interest and income allocated to the related items on the assets side of the balance sheet are as follows:

	Current Period		Prior Period	
	TL	FC	TL	FC
Derivative Financial Instruments Held for Hedging Purposes	3.219.905	19.104	1.965.902	22.844
Assets on Trading Derivatives	1.988.900	248.349	1.103.005	150.340
Loans and Receivables	935.008	131.096	670.666	119.800
Investments Securities Available for Sale	43.025	52.031	132.088	100.324
Investments Held-to-Maturity	73.776	10.784	48.794	6.928
Central Bank of Turkey	8.497	-	-	-
Banks	37	-	997	31
Trading Securities	165	18	50	117
Other Accruals	15.244	1.237	125	-
Total	6.284.557	462.619	3.921.627	400.384

SECTION FIVE

II. EXPLANATIONS AND DISCLOSURES RELATED TO LIABILITIES

1. Information on maturity structure of deposits

Current Period

	Demand	7 Days Notice	Up to 1 Month	1-3 Months	3-6 Months	6-12 Months	1 Year and Over	Accumulated Deposit Accounts	Total
Saving Deposits	1.836.314	-	2.453.079	13.626.243	628.259	260.686	880.499	3.002	19.688.082
Foreign Currency Deposits	3.309.786	-	2.090.008	11.129.390	866.874	169.550	436.221	3.306	18.005.135
Residents in Turkey	3.251.799	-	2.067.469	10.796.958	839.704	159.101	395.311	3.306	17.513.648
Residents Abroad	57.987	-	22.539	332.432	27.170	10.449	40.910	-	491.487
Public Sector Deposits	236.348	-	509	137.003	408	387	76	-	374.731
Commercial Deposits	1.730.003	-	1.710.341	3.542.286	345.933	115.456	178.330	-	7.622.349
Other Ins. Deposits	35.463	-	104.997	662.999	10.997	5.763	67.858	-	888.077
Precious Metal Deposits	376.794	-	-	4.325	101	-	49.473	-	430.693
Bank Deposits	26.037	-	133.860	1.194.672	189.475	12.244	482	-	1.556.770
T.R Central Bank	-	-	-	-	-	-	-	-	-
Domestic Banks	7.652	-	110.195	105.521	-	-	-	-	223.368
Foreign Banks	18.385	-	23.665	1.089.151	189.475	12.244	482	-	1.333.402
Participation Banks	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total	7.550.745	-	6.492.794	30.296.918	2.042.047	564.086	1.612.939	6.308	48.565.837

Prior Period

	Demand	7 Days Notice	Up to 1 Month	1-3 Months	3-6 Months	6-12 Months	1 Year and Over	Accumulated Deposit Accounts	Total
Saving Deposits	1.478.602	-	2.302.799	11.989.509	479.169	287.251	1.491.669	3.859	18.032.858
Foreign Currency Deposits	1.842.949	-	1.523.086	8.626.554	441.796	159.241	482.581	3.521	13.079.728
Residents in Turkey	1.783.331	-	1.504.174	8.445.573	417.655	141.878	456.424	3.521	12.752.556
Residents Abroad	59.618	-	18.912	180.981	24.141	17.363	26.157	-	327.172
Public Sector Deposits	329.657	-	7.469	44.378	506	281	-	-	382.291
Commercial Deposits	1.587.845	-	1.436.648	4.160.402	139.228	121.681	89.369	-	7.535.173
Other Ins. Deposits	26.723	-	67.314	556.455	42.042	117.491	176.947	-	986.972
Precious Metal Deposits	582.107	-	-	3.920	42.910	5.586	7	-	634.530
Bank Deposits	17.791	-	1.105.752	259.084	34.475	5.900	-	-	1.423.002
T.R Central Bank	-	-	-	-	-	-	-	-	-
Domestic Banks	2.259	-	-	14.220	-	4.081	-	-	20.560
Foreign Banks	15.299	-	1.105.752	244.864	34.475	1.819	-	-	1.402.209
Participation Banks	233	-	-	-	-	-	-	-	233
Other	-	-	-	-	-	-	-	-	-
Total	5.865.674	-	6.443.068	25.640.302	1.180.126	697.431	2.240.573	7.380	42.074.554

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

	Covered by Deposit Insurance Fund		Exceeding the Deposit Insurance Limit	
	Current Period	Prior Period	Current Period	Prior Period
Saving Deposits	10.434.904	9.502.043	9.249.580	8.529.289
Foreign Currency Savings Deposits	2.473.087	1.833.144	9.041.063	5.793.036
Other Saving Deposits	-	-	-	-
Foreign Branches' Deposits Under Foreign Insurance Coverage	-	-	-	-
Off-Shore Deposits Under Foreign Insurance Coverage	-	-	-	-
Toplam	12.907.991	11.335.187	18.290.643	14.322.325

1.2. Savings deposits in Turkey are not covered under insurance in another country since the headquarter of the Bank is not located abroad.

1.3. Savings deposits that are not covered under the guarantee of deposit insurance fund

	Current Period	Prior Period
Deposits and accounts in branches abroad	-	-
Deposits of ultimate shareholders and their close family members	-	-
Deposits of chairman and members of the Board of Directors and their close family members	61.131	38.539
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	5.707	2.632
Total	66.838	41.171

2. Information on trading purpose derivatives

a) Negative value of trading purpose derivatives

	Current Period		Prior Period	
	TL	FC	TL	FC
Forwards	53.207	-	51.369	-
Swaps	1.829.702	153.242	1.041.437	110.167
Futures	-	273	-	47
Options	-	120.040	-	50.291
Other	-	-	-	-
Total	1.882.909	273.555	1.092.806	160.505

3. Information on funds borrowed

a) Information on banks

	Current Period		Prior Period	
	TL	FC	TL	FC
T.R. Central Bank Loans	-	-	-	-
Domestic Bank and Institutions	107.591	119.321	115.661	107.020
Foreign Bank, Institutions and Funds	-	5.413.504	-	4.675.462
Total	107.591	5.532.825	115.661	4.782.482

b) Maturity information on funds borrowed

	Current Period		Prior Period	
	TL	FC	TL	FC
Short-Term	107.591	3.266.070	115.661	3.875.625
Medium and Long-Term	-	2.266.755	-	906.857
Total	107.591	5.532.825	115.661	4.782.482

In accordance with the diversified payment rights programme, the Bank obtained securitization loans amounting to USD 75 million and EUR 10 million with five years maturity and amounting to EUR 50 million with twelve years maturity on December 20, 2012.

The Bank has obtained 5 year maturity securitization loans amounting to USD 280 million on 18 September 2015 within the context of money transfer based securitization program.

The Bank has obtained syndication loans with 1 year maturity, amounting to USD 99.5 million and EUR 376 million on 25 November 2015 and 26 November 2015, respectively.

c) Additional information on concentrations of the Bank's liabilities

As of December 31, 2015, the Bank's liabilities comprise; 57% deposits (December 31, 2014 – 56%), 7% funds borrowed (December 31, 2014 – 7%), 5% issued bonds (December 31, 2014 – 7%) and 5% funds provided under repurchase agreements (December 31, 2014 – 6%).

4. Information on funds provided under repurchase agreements

	Current Period		Prior Period	
	TL	FC	TL	FC
From domestic transactions	2.779.124	-	2.706.350	-
Financial institutions and organizations	2.754.209	-	2.674.209	-
Other institutions and organizations	10.130	-	12.101	-
Real persons	14.785	-	20.040	-
From foreign transactions	2.410	1.857.920	9.901	1.431.183
Financial institutions and organizations	-	1.857.920	-	1.431.183
Other institutions and organizations	2.241	-	9.901	-
Real persons	169	-	-	-
Total	2.781.534	1.857.920	2.716.251	1.431.183

5. Information on securities issued (Net)

	Current Period		Prior Period	
	TL	FC	TL	FC
Bank Bonds	535.327	-	1.971.791	262.040
Bills	-	3.800.454	246.778	2.892.840
Total	535.327	3.800.454	2.218.569	3.154.880

The Bank has government bond issue program (Global Medium Term Note Programme) amounting to USD 2 Billion.

6. If other liabilities account exceeds 10% of total liabilities excluding the off-balance sheet items, information given about components of other liabilities account that exceeds 20% of the individual liability item in the unconsolidated balance sheet

Other liabilities do not exceed 10% of total liabilities excluding the off-balance sheet items. (December 31, 2014 - None).

7. Criteria used in the determination of lease installments in the financial lease contracts, renewal and purchase options, restrictions, and significant burdens imposed on the bank on such contracts

Interest rate and cash flow of the Bank are the main criteria which are taken into consideration determination of payment plans in the leasing contracts.

7.1. Changes in agreements and further commitments arising

No changes have been made to the leasing agreements in the current period (December 31, 2014- None).

7.2. Financial Lease Payables

	Current Period		Prior Period	
	Gross	Net	Gross	Net
Less than 1 year	1.255	1.116	1.146	996
Between 1 - 4 years	885	788	1.785	1.550
More than 4 years	-	-	-	-
Total	2.140	1.904	2.931	2.546

7.3. Information on operational lease

Operational lease payments are recognized as an expense in the income statement on a straight-line basis over the lease terms. The Bank arranges operating lease arrangements for some of its ATM and branches. The lease contract is done on a yearly basis and the payment is made upfront each year and realized as an expense under the "Other Assets" account.

7.4. Information on "Sale -and- lease back" agreements

The Bank does not have any sale-and-lease back transactions in the current period (December 31, 2014-None).

8. Information on liabilities arising from hedging purpose derivatives

	Current Period		Prior Period	
	TL	FC	TL	FC
Fair Value Hedge (*)	-	178.808	70.738	149.976
Cash Flow Hedge (**)	60.229	44.407	131.366	-
Net Investment Hedge	-	-	-	-
Total	60.229	223.215	202.104	149.976

(*) Fair value hedging derivative financial instruments consist of swaps. TL 25.804, TL 152.099 and TL 905 of aforementioned amount states fair value of fair value hedging derivative financial instruments of credits (31 December 2014:TL 98.050), available for sale financial assets (31 December 2014:TL 122.664) and credits obtained (31 December 2014: None) respectively.

(**) It states the of cash flow hedge accounting fair value of derivative financial instruments of deposit.

9. Information on provisions**9.1. Information on general provisions**

	Current Period	Prior Period
Provisions for Loans and Receivables in Group I	905.191	680.928
-Additional Provision for Loans and Receivables with Extended Maturities	52.253	55.947
Provisions for Loans and Receivables in Group II	167.383	125.096
-Additional Provision for Loans and Receivables with Extended Maturities	38.079	36.679
Provisions for Non - Cash Loans	85.275	75.473
Other	32.554	61.164
Total	1.190.403	942.661

9.2. Provision for currency exchange gain/loss on foreign currency indexed loans

	Current Period	Prior Period
Foreign Exchange Provision for Foreign Currency Indexed Loans (*)	20.065	21.043

(*) The foreign exchange provision for foreign currency indexed loans netted against "Loans and Receivables" in asset.

9.3. Specific provisions for non-cash loans that are not indemnified and converted into cash

The specific provision for non-cash loans which are related with the non-performing cash loans in arrears or the loans which were written off from balance sheet is TL 36.737 (December 31, 2014 - TL 47.736).

9.4. Information on employee termination benefits and unused vacation accrual

The Bank has calculated reserve for employee termination benefits by using actuarial valuations as set out in TAS 19 and reflected these accompanying financial statements.

As of December 31, 2015, TL 125.433 (December 31, 2014 - TL 116.324) reserve for employee termination benefits was provided in the accompanying financial statements.

As of December 31, 2015, the Bank accrued TL 33.200 (December 31, 2014 - TL 30.279) for the unused vacations under reserve for employee benefits account in the accompanying financial statements.

As of December 31, 2015, TL 78.118 (December 31, 2014- TL 53.531) bonus and premium provisions have been provided under reserve for employee benefits account in the accompanying financial statements.

9.4.1. Movement of employee termination benefits

	Current Period 01.01-31.12.2015	Prior Period 01.01-31.12.2014
As of January 1	116.324	86.693
Service Cost	18.174	14.092
Interest Cost	9.426	8.288
Settlement / curtailment / termination loss	8.624	10.344
Actuarial Difference	(5.264)	19.345
Paid during the period	(21.851)	(22.438)
Total	125.433	116.324

9.5. Information on other provisions**9.5.1. Information on special provisions for possible risks:**

Apart from the information provided in 9.3, the other provisions are given below as follows

	Current Period	Prior Period
Other provisions made for close monitoring loans portfolio	106.241	106.334
General reserves for possible risks	100.000	82.000
Provision for Promotion Expenses of Credit Cards	6.458	12.495
Other Provisions	83.238	47.040
Total	295.937	247.869

As of December 31, 2015, The Bank has made a provision of 106.241 TL (December 31, 2014- 106.334 TL) for the possible risks in its loan portfolio by taking the collection rate of its watchlist into account.

10. Taxation**10.1. Current taxes****10.1.1. Current tax liability**

As of December 31, 2015, the Bank have TL 210.338 current tax liability (December 31, 2014 - TL 228.268) and TL 154.099 advance taxes (December 31, 2014 - TL 57.490). The Bank presents net of current tax liability and prepaid tax amount in unconsolidated financial statements.

10.1.2. Information on taxes payable

	Current Period	Prior Period
Corporate taxes payable	56.239	170.778
Banking and Insurance Transaction Tax (BITT)	48.440	40.495
Taxation on Securities Income	2.008	1.893
Taxation on Real Estates Income	49.062	38.497
Other	19.756	17.664
Total	175.505	269.327

The "Corporate Taxes Payable" balance is presented in the "Current Tax Liability" account and other taxes are presented in the "Other Liabilities" account in the accompanying unconsolidated financial statements.

10.1.3. Information on premiums

	Current Period	Prior Period
Social Security Premiums - Employee Share	7.392	6.693
Social Security Premiums - Employer Share	8.019	7.268
Unemployment Insurance - Employee Share	520	470
Unemployment Insurance - Employer Share	1.041	942
Total	16.972	15.373

11. Information on payables related to assets held for sale

None (December 31, 2014 – None).

12. Information on subordinated loans

	Current Period		Prior Period	
	TL	FC	TL	FC
From Domestic Banks	-	-	-	-
From Other Domestic Institutions	-	-	-	-
From Foreign Banks	-	2.662.119	-	2.121.712
From Other Foreign Institutions	-	-	-	-
	-	2.662.119	-	2.121.712

The Bank received USD 650 million of subordinated loans during 2008 and USD 325 million of subordinated loans during 2009 from its main shareholder, National Bank of Greece S.A. The loan amounting to USD 325 million which was received in 2008 is closed in 2010 to be used in capital increase. In addition, the Bank received USD 260 million subordinated loan in 2011 from National Bank of Greece S.A. Aforementioned subordinated loans are subject to interest payment every 6 months and principal payment at maturity. USD 585 million of existing subordinated loans will mature in 2021, USD 325 million will mature in 2020. As explained in Section I, Note III, in accordance with the share purchase agreement signed on December 21, 2015, with the completion of legal permissions in regards to transfer of shares, subject subordinated loans will be transferred to QNB.

13. Information on shareholder's equity**13.1. Paid-in capital**

	Current Period	Prior Period
Common Stock	3.000.000	2.835.000
Preferred Stock	-	-

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

Capital System	Paid-in Capital	Ceiling(*)
Registered Capital System	3.000.000	12.000.000

(*) According to the Board of Directors decision dated September 16, 2014, the Bank has decided to increase the registered capital ceiling from TL 6.000.000 to TL 12.000.000 and subject decision has been approved by the Extraordinary General Assembly of December 4, 2014.

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

Increase Date	Increase Amount	Cash	Profit Reserves held subject to the Increase	Capital Reserves held subject to the Increase
31 Ağustos 2015	165.000	-	165.000	-

13.4. Information on share capital increases from revaluation funds

None (December 31, 2014 – None).

13.5. Capital commitments in the last fiscal year and at the end of the following period, the general purpose of these commitments and projected resources required to meet these commitments

The Bank does not have any capital commitments, all of the capital is fully paid-in.

13.6. Prior periods' indicators related with the Bank's income, profit and liquidity and the possible effects of the uncertainties in these indicators on the Bank's equity

None (December 31, 2014 – None).

13.7. Information on the privileges given to stocks representing the capital

According to the Board of Directors decision dated September 16, 2014, it has been decided that 100 founder shares issued to National Bank of Greece in accordance with the Bank's Articles of Association will be canceled at no cost. Subject decision has been approved in the Extraordinary General Assembly on December 4, 2014. The profit distribution is performed according to the prevailing regulations and the Articles of Association. Accordingly, 5% of the distributable profit is appropriated as legal reserves, 5% of the paid up capital is paid out as first dividend.

14. Common stock issue premiums, shares and equity instruments

	Current Period	Prior Period
Number of Stocks (Thousands)	30.000.000	28.350.000
Preferred Capital Stock	-	-
Common Stock Issue Premiums (*)	714	714
Common Stock Withdrawal Profits	-	-
Other Capital Instruments	-	-

(*) Due to the Bank's capital increase at the prior periods, common stock issue premiums accounted amounting to TL 714.

15. Securities value increase fund

	Current Period		Prior Period	
	TL	FC	TL	FC
Associates, Subsidiaries and Entities under Common Control	207.320	-	396.926	-
Valuation Difference	207.320	-	396.926	-
Foreign Exchange Rate Difference	-	-	-	-
Securities Available-for-Sale	(65.962)	(178.297)	4.763	(56.619)
Valuation Difference	(65.962)	(178.297)	4.763	(56.619)
Foreign Exchange Rate Difference	-	-	-	-
Total	141.358	(178.297)	401.689	(56.619)

16. Accrued interest and expenses

The details of accrued interest and expenses allocated to the related items on the liability side of the balance sheet are as follows:

	Current Period		Prior Period	
	TL	FC	TL	FC
Deposits	207.107	22.050	169.770	19.211
Derivative Financial Liabilities Held for Trading	1.882.909	273.555	1.092.806	160.505
Funds Borrowed	1.667	38.800	2.038	28.886
Money Market Borrowings	2.349	4.811	2.227	1.382
Derivative Financial Liabilities Held for Hedging Purposes	60.229	223.215	202.104	149.976
Securities Issued	-	44.863	10.545	44.198
Other Accruals	44.824	78	30.795	39
Total	2.199.085	607.372	1.510.285	404.197

SECTION FIVE

III. EXPLANATIONS AND DISCLOSURES RELATED TO OFF-BALANCE SHEET ITEMS

1. Information related to off-balance sheet contingencies

1.1. Type and amount of irrevocable commitments

	Current Period	Prior Period
Credit Cards Limit Commitments	16.255.578	16.812.040
Commitment For Use Guaranteed Credit Allocation	14.365.003	8.537.065
Payment Commitments for Cheques	2.558.758	2.420.299
Forward Asset Purchase Commitments	803.658	2.550.320
Other Irrevocable Commitments	567.592	565.897
Credit Cards and Promotions in regards to Banking Services		
Commitments for promotions related with credit cards and banking activities	34.278	22.604
Tax and Fund Liabilities due to Export Commitments	8.479	7.626
Total	34.593.346	30.915.851

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

Specific provision is provided for the non-cash loans amounting to TL 36.736 (December 31, 2014 - TL 47.736) followed in the off-balance sheet accounts that are not indemnified and liquidated yet.

1.3. Final guarantees, provisional guarantees, sureties and similar transactions

	Current Period	Prior Period
Bank Loans	795.562	912.287
Letters of Credit	651.319	812.318
Other Guarantees	-	21.077
Total	1.446.881	1.745.682

1.4. Final guarantees, provisional guarantees, sureties and similar transactions

	Current Period	Prior Period
Provisional Letters of Guarantee	373.483	412.514
Final Letters of Guarantee	4.716.970	4.054.914
Advance Letters of Guarantee	457.160	201.394
Letters of Guarantee Given to Customs Offices	325.424	266.710
Other Letters of Guarantee	3.155.908	2.479.195
Total	9.028.945	7.414.727

2. Total amount of non-cash loans

	Current Period	Prior Period
Non-Cash Loans granted for Obtaining Cash Loans	771.408	477.125
Less Than or Equal to One Year with Original Maturity	95.968	63.872
More Than One Year with Original Maturity	675.440	413.253
Other Non-Cash Loans	9.704.418	8.683.284
Total	10.475.826	9.160.409

3. Information on risk concentration in sector terms in non-cash loans

	Current Period				Prior Period			
	TL	%	FC	%	TL	%	FC	%
Agricultural	28.986	0,48	6.200	0,14	38.340	0,73	10.157	0,26
Farming and Raising Livestock	26.741	0,44	6.149	0,14	35.181	0,67	8.106	0,21
Forestry	963	0,02	-	-	746	0,01	-	-
Fishing	1.282	0,02	51	-	2.413	0,05	2.051	0,05
Manufacturing	1.083.869	18,04	2.298.573	51,46	977.016	18,74	1.987.079	50,63
Mining and Quarrying	52.298	0,87	19.420	0,43	27.120	0,52	-	-
Production	813.184	13,53	1.676.460	37,54	692.665	13,28	1.557.967	39,70
Electricity, gas and water	218.387	3,63	602.693	13,49	257.231	4,93	429.112	10,93
Construction	1.536.308	25,56	767.217	17,18	1.274.329	24,44	550.172	14,02
Services	3.268.772	54,39	1.371.772	30,71	2.838.584	54,43	1.364.461	34,77
Wholesale and Retail Trade	1.938.370	32,26	580.540	13,00	1.663.568	31,90	699.396	17,82
Hotel, Food and Beverage Services	76.266	1,27	72.025	1,61	54.015	1,04	60.312	1,54
Transportation&Communication	129.391	2,15	61.789	1,38	109.173	2,09	47.105	1,20
Financial Institutions	665.350	11,07	487.465	10,91	602.922	11,56	402.638	10,26
Real Estate and Renting Services	4.145	0,07	2.574	0,06	2.517	0,05	2.158	0,05
Self Employment Services	211.077	3,51	36.507	0,82	173.592	3,33	30.618	0,78
Educational Services	6.667	0,11	-	-	5.087	0,10	10	-
Health and Social Services	237.506	3,95	130.872	2,93	227.710	4,37	122.224	3,11
Other (*)	91.507	1,52	22.622	0,51	86.463	1,66	12.731	0,32
Total	6.009.442	100	4.466.384	100	5.214.732	100	3.924.600	100

(*) Does not include foreign currency balance of "Other Guarantees" amounting to TL 21.077 as of 31.12.2014.

4. Information on non-cash loans classified in first and second groups (*)

Current Period(*)	I. Group		II. Group	
	TL	FC	TL	FC
Letters of Guarantee	5.950.440	3.038.895	2.874	-
Bills of Exchange and Acceptances	23.085	772.186	-	291
Letters of Credit	5.002	646.317	-	-
Endorsements	-	-	-	-
Purchase Guarantees for Securities Issued	-	-	-	-
Factoring Related Guarantees	-	-	-	-
Other Collaterals and Sureties	-	-	-	-
Non-cash Loans	5.978.527	4.457.398	2.874	291

(*) Does not include non-cash loans amounting to TL 36.736, for which provision is provided, but which are not indemnified and not liquidated yet.

	I. Group		II. Group	
Prior Period (*)	TL	FC	TL	FC
Letters of Guarantee	5.059.147	2.145.703	119.260	42.881
Bills of Exchange and Acceptances	8.934	891.831	-	11.522
Letters of Credit	-	811.958	-	360
Endorsements	-	-	-	-
Purchase Guarantees for Securities Issued	-	-	-	-
Factoring Related Guarantees	-	-	-	-
Other Collaterals and Sureties	-	21.077	-	-
Non-cash Loans	5.068.081	3.870.569	119.260	54.763

(*) Does not include non-cash loans amounting to TL 47.736, for which provision is provided, but which are not indemnified and not liquidated yet.

5. Information on derivative financial instruments

	Current Period	Prior Period
Types of trading transactions		
Foreign Currency Related Derivative Transactions (I)	105.707.616	91.902.213
Forward transactions(*)	9.330.881	7.651.472
Swap transactions	82.712.723	74.145.200
Futures transactions	32.720	39.340
Option transactions	13.631.292	10.066.201
Interest Related Derivative Transactions (II)	11.990.098	9.542.658
Forward rate transactions	-	-
Interest rate swap transactions	11.454.624	9.542.658
Interest option transactions	-	-
Futures interest transactions	535.474	-
Security option transactions	-	-
Other trading derivative transactions (III)	712.362	417.402
A.Total Trading Derivative Transactions (I+II+III)	118.410.076	101.862.273
Types of hedging transactions		
Fair value hedges	17.764.451	19.206.081
Cash flow hedges	18.870.159	10.785.127
Net investment hedges	-	-
B.Total Hedging Related Derivatives	36.634.610	29.991.208
Total Derivative Transactions (A+B)	155.044.686	131.853.481

(*) This line also includes Forward Asset Purchase Commitments accounted for under Commitments.

As of December 31, 2015, breakdown of the Bank's foreign currency forward and swap and interest rate swap transactions based on currencies are disclosed below in their TL equivalents:

	Forward Buy ^(**)	Forward Sell ^(**)	Swap Buy ^(*)	Swap Sell ^(*)	Option Buy	Option Sell	Future Buy	Futures Sell	Other
Current Period									
TL	2.708.325	1.455.137	20.022.379	30.812.688	2.727.400	2.459.930	347	347	-
USD	1.098.411	2.750.074	41.217.474	28.811.962	2.587.585	2.852.748	283.750	283.750	712.362
EURO	797.778	386.959	5.512.115	3.249.638	1.500.712	1.501.634	-	-	-
Other	64.075	70.122	289.894	885.807	292	991	-	-	-
Total	4.668.589	4.662.292	67.041.862	63.760.095	6.815.989	6.815.303	284.097	284.097	712.362

	Forward Buy ^(**)	Forward Sell ^(**)	Swap Buy ^(*)	Swap Sell ^(*)	Option Buy	Option Sell	Future Buy	Futures Sell	Other
Prior Period									
TL	1.824.574	1.193.287	20.666.332	28.477.283	1.502.096	1.608.873	448	448	-
USD	1.158.737	2.152.924	33.503.776	25.832.069	2.234.524	2.220.577	19.222	19.222	417.402
EURO	505.723	379.428	2.682.753	1.241.365	599.284	656.707	-	-	-
Other	335.237	101.562	140.878	1.134.610	686.580	557.560	-	-	-
Total	3.824.271	3.827.201	56.993.739	56.685.327	5.022.484	5.043.717	19.670	19.670	417.402

(*) This column also includes hedging purpose derivatives.

(**) This column also includes Forward Asset Purchase Commitments and accounted for under Commitments.

5.1 Fair value hedge accounting

a) Loans

The Bank enters into swap transactions in order to hedge itself from the changes in the fair value due to the changes in market interest rates of a certain portion of its long-term loans and applies fair value hedge accounting as per TAS 39. As of balance sheet date; the mortgage loans amounting to TL 4.352.016 (December 31, 2014 – TL 5.529.871) were subject to hedge accounting by swaps with a nominal of TL 4.378.077 (December 31, 2014 – TL 5.683.996). On December 31, 2015 the net market valuation difference expense amounting to TL 5.264 due to the losses amounting to TL 155.209 (December 31, 2014 – TL 199.124 gain) and gains from swaps amounting to TL 149.945 (December 31, 2014 – TL 165.139 loss) is accounted for under "gains / (losses) from financial derivatives transactions" line in the accompanying financial statements.

As of balance sheet date project finance loans amounting to TL 156.493 (December 31, 2014 – TL 148.712) have been subject to hedge accounting with swaps with a nominal amount of TL 150.774 (December 31, 2014 – TL 144.000). In 2015 TL 517 net fair valuation difference income, net of TL 1.537 (December 31, 2014 – TL 8.087 gain) income from loans and TL 2.055 (December 31, 2014 – TL 6.583 loss) loss from swaps has been recorded under "Gains / (losses) from financial derivatives transactions" on accompanying financial statements.

When the fair value hedge accounting cannot be effectively continued as stated in TAS 39, the fair value hedge accounting is ceased. The fair value differences of the hedged loans are amortized through income statement until the maturity of the hedged loans. The Bank has booked the valuation effect amounting to TL 9.873 (December 31, 2014 – TL 31.322) related to the loans that are ineffective for hedge accounting under "gains / (losses) from financial derivatives transactions" as loss during the current period.

b) Investment securities available for sale

The Bank applies fair value hedge accounting to hedge itself against the changes in the interest rates related to long term foreign currency Eurobonds with fixed coupon held by the Bank using swaps as hedging instruments. As of the balance sheet date; Eurobonds with a nominal of USD 365.7 million and EUR 75.8 million (December 31, 2014 – USD 301 million and EUR 70.8 million) were subject to hedge accounting by interest rate swaps with the same nominal value. On December 31, 2015, the net market valuation difference loss amounting to TL 220 due to gain from Eurobonds amounting to TL 22.427 (December 31, 2014 – TL 97.880 gain) and expense from swaps amounting to TL 22.647 (December 31, 2014 – TL 97.948 loss) is accounted for under "gains / (losses) from financial derivatives transactions" line in the accompanying financial statements.

The Bank does not apply fair value hedge on TL government bonds in the current period. (As of December 31, 2014, government bonds with a nominal of TL 102.030 were subject to hedge accounting by swaps with the same nominal value.)

c) Bonds issued

The Bank applies fair value hedge accounting to hedge against the changes in the interest rates related to the foreign currency bonds issued using interest rate swaps as hedging instruments. As of the balance sheet date, bonds with nominal amount of USD 650 million (December 31, 2014 – USD 650 Million) have been subject to hedge accounting with the same nominal amount of swaps. As of December 31, 2015, TL 239 net fair valuation difference gain, net of TL 7.225 (December 31, 2014 – TL 10.377 gain) income from issued bonds and TL 6.986 (December 31, 2014 – TL 10.438 loss) expense from swaps, has been recorded under "Gains / (losses) from financial derivatives transactions" on accompanying financial statements.

d) Tangible assets

The Bank implemented fair value hedge accounting through foreign exchange borrowings until December 31, 2014 in order to provide fair value hedge sourcing from changes in foreign exchange rates related to immovable, whose fair value consists of foreign currency in market and acquired as foreign currency. The Bank ended the related hedging transaction as of December 31, 2014 and fair value exchange rate income at an amount of TL 60.269 is amortized through the economic life of immovable property subjected to hedging transaction. Fair value exchange difference income at an amount of TL 1.233 sourcing from currency exchanges related to immovable property which is subject to hedging transaction is amortized as of December 31, 2015.

e) Borrowings

The Bank implements fair value hedge accounting through interest swaps aiming to provide hedging from changes in interest rates related to fixed rate foreign exchange credits used. Credit at an amount of EUR 30 million (31 December 2014: None) is subjected to hedge accounting with a swap having the same amount. A net mark to market difference expense at an amount of TL 33 sourcing from income at an amount of TL 900 (31 December 2014:None) from aforementioned credit and expense at an amount of TL 933 (31 December 2014: None) from swaps is recognized under "Gain/loss from Derivative Financial Transactions."

5.2. Cash flow hedge accounting

a) Deposit

The Bank applies cash flow hedge accounting using interest rate swaps in order to hedge itself from the interest rate changes of deposits that have an average maturity until 1 month, the Bank implements cash flow hedge accounting with interest rate swaps. The Bank implements efficiency tests at the balance sheet dates for hedging purposes; the effective portions are accounted for under equity "Hedging Funds", whereas the ineffective portions are accounted for at income statement as defined in TAS 39. As at the balance sheet date, swaps amounting to TL 4.035.130 are subject to hedge accounting as hedging instruments (December 31, 2014 – TL 1.057.388). As a result of the mentioned hedge accounting, fair value gains before taxes amounting to TL 68.398 are accounted for under equity during the current period (December 31, 2014 – TL 20.178 gain). The ineffective portion of gain amounting to TL 6.970 (December 31, 2014 – TL 127 loss) is accounted for at the income statement.

As of the balance sheet date, swaps with a nominal amount of USD 1.877 million (December 31, 2014 – USD 1.854 Million) have been subject to hedge accounting with USD deposits and swaps with a nominal amount of EUR 139 million (December 31, 2014 – None) have been subject to hedge accounting with Euro deposits. As a result of above mentioned hedge accounting, fair value gain before taxes amounting to TL 73.534 are accounted for under equity during the current period (December 31, 2014 – TL 140.268 loss). The loss amounting to TL 589 (December 31, 2014 – TL 245 loss) relating to the ineffective portion is accounted for at the income statement.

When the fair value hedge accounting cannot be effectively continued as stated in TAS 39, the fair value hedge accounting is ceased. Effective parts classified under equity due to hedge accounting are amortized through income statement until the maturity of swaps in case of ineffectiveness. In the current period there is profit of TL 5.195 transferred amount from equity to income statement due to ineffectiveness or matured swaps. (December 31, 2014 – TL 2.399).

The measurements as of December 31, 2015, hedge of cash flow transactions stated above are determined as effective.

a) Tangible Assets

The Parent Bank applied cash flow hedge accounting as of December 31, 2014 to hedge sale value of Gayrettepe Head Quarter building and Polat building classified as assets held for sale from foreign currency risk through foreign currency liabilities. Subject cash flow hedge has been discontinued as a result of completion of sale transactions with the transfer of deeds on March 25, 2015 and April 27, 2015 respectively. Foreign exchange losses amounting to TL 10.136 that has been accounted under other comprehensive income as at December 31, 2014 has been transferred to income statement in the current period

6. Credit derivatives and risk exposures on credit derivatives

As of December 31, 2015, the Bank has no commitments "credit linked notes".(As of December 31, 2014, in the Bank's "other irrevocable commitments", there are commitments for "credit linked notes" with a nominal of USD 9.089.264).

As of December 31, 2015, "Other Derivative Financial Instruments" with nominal amount of USD 225.000.000 (December 31, 2014: USD 180.000.000) are included in Bank's "Swap Interest Sell Transactions." In aforementioned transaction, the Bank is the seller of the protection.

7. Information on contingent liabilities and assets

The Bank has recorded a provision of TL 37.664 (December 31, 2014 - TL 20.677) for litigation and has accounted for it in the accompanying financial statements under the "Other Provisions" account(Section Five, part II.9.5). Except for the claims where provisions are recorded, management considers as remote the probability of a negative result in ongoing litigations and therefore does not foresee cash outflow for such claims.

8. Information on the services in the name and account of third parties

The Bank acts as an investment agent for banking transactions on behalf of its customers and provides custody services. Such transactions are followed under off-balance sheet accounts.

9. Information on the Bank's rating by international rating institutions

MOODY'S May 2015		FITCH March 2015		CI July 2015	
Long-Term Deposit Rating (FC)	Ba2	Long -Term Foreign Curr.	BBB-	Long-Term Foreign Curr.	BB+
Long-Term Deposit Rating (TL)	Ba2	Short-Term Foreign Curr.	F3	Short-Term Foreign Curr.	B
Short-Term Deposit Rating (FC)	NP	Long-Term TL	BBB-	Foreign Currency Rating	Stable
Short-Term Deposit Rating (TL)	NP	Short-Term TL	F3	TL Rating	Stable
Main Credit Evaluation	(b1)	Long-Term National	AA+(tur)	Long Term (TL)	BB+
Appearance	Negative	Appearance	Stable	Short Term (TL)	B
		Support	3	Financial Strength Rating	BBB
		Individual	bbb-	Financial Strength Apper- ance	Stable
				Support Note	4

SECTION FIVE

IV. EXPLANATIONS AND DISCLOSURES RELATED TO THE INCOME STATEMENT

1. a) Information on interest income received from loans

	Current Period		Prior Period	
	TL	FC	TL	FC
Short-Term Loans	3.107.011	48.183	2.550.276	56.914
Medium and Long-Term Loans	3.025.029	386.720	2.640.404	238.177
Non-Performing Loans	123.260	-	113.761	-
Resource Utilization Support Fund Premiums	-	-	-	-
Total	6.255.300	434.903	5.304.441	295.091

b) Information on interest income from banks

	Current Period		Prior Period	
	TL	FC	TL	FC
T.R. Central Bank	-	1	-	-
Domestic Banks	1.095	7	1.549	7
Foreign Banks	156	1.850	232	86
Foreign Headquarters and Branches	-	-	-	-
Total	1.251	1.858	1.781	93

(*) The interest income on Required Reserve amounting TL 22.770 is not included into interest income on Banks. (December 31, 2014 : 538).

c) Information on interest income from securities portfolio

	Current Period		Prior Period	
	TL	FC	TL	FC
Held-for-Trading Financial Assets	1.587	218	5.669	233
Financial Assets at FVTPL	8.595	575	16.499	881
Investment Securities Available for Sale	315.146	105.891	405.407	68.767
Investment Securities Held to Maturity	273.657	42.870	325.193	25.957
Total	598.985	149.554	752.768	95.838

As stated in Section Three disclosure VII, the Bank has inflation indexed (CPI) government bonds in its available for sale and held-to-maturity portfolios. As disclosed in 'Inflation Indexed Bonds Manual' published by Turkish Treasury, reference index used for the actual payments is determined based on the inflation rates of two months before. The Bank determines the estimated inflation rates used for valuation of securities in line with this. In this context, As of December 31, 2015 valuation of such assets is made according to estimated annual inflation rate of 7,59%.

d) Information on interest income received from associates and subsidiaries

	Current Period	Prior Period
Interest Received from Associates and Subsidiaries	6.377	2.626

2. a) Information on interest expense related to funds borrowed

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks	19.472	236.257	6.709	187.681
T.R. Central Bank	-	-	-	-
Domestic Banks	7.050	2.070	6.652	3.393
Foreign Banks	12.422	234.187	57	184.288
Foreign Head Offices and Branches	-	-	-	-
Other Institutions	-	-	7.425	-
Total	19.472	236.257	14.134	187.681

b) Information on interest expense paid to associates and subsidiaries

	Current Period	Prior Period
Interest Paid to Associates and Subsidiaries	23.750	27.937

c) Information on interest expense paid to securities issued

As of December 31, 2015 interest paid to securities issued is TL 350.268 (December 31, 2014 – TL 317.396).

d) Information on maturity structure of interest expenses on deposits

Time Deposits								
Current Period								
Account	Demand Deposits	Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	Over 1 Year	Accumulated Deposit Account	Total
Turkish Lira								
Bank Deposits	-	12.979	2.050	-	-	-	-	15.029
Saving Deposits	-	199.374	1.321.852	44.370	22.409	109.226	-	1.697.231
Public Sector Deposits	-	1.830	9.105	111	37	1	-	11.084
Commercial Deposits	-	177.411	400.396	33.269	11.597	15.229	-	637.902
Other Deposits	-	6.286	125.806	2.950	32.170	20.652	-	187.864
7 Days Call Accounts	-	-	-	-	-	-	-	-
Total	-	397.880	1.859.209	80.700	66.213	145.108	-	2.549.110
Foreign Currency								
Deposits	-	29.694	211.119	8.305	3.316	10.559	-	262.993
Bank Deposits	25	14.170	3.249	180	-	-	-	17.624
7 Days Call Accounts	-	-	-	-	-	-	-	-
Precious Metal Deposits	-	645	-	-	-	-	-	645
Total	25	44.509	214.368	8.485	3.316	10.559	-	281.262
Grand Total	25	442.389	2.073.577	89.185	69.529	155.667	-	2.830.372

e) Information on maturity structure of interest expense on deposits

Time Deposits								
Prior Period								
Account	Demand Deposits	Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	Over 1 Year	Accumulated Deposit Account	Total
Turkish Lira								
Bank Deposits	-	12.951	6.318	1.623	288	-	-	21.180
Saving Deposits	3	154.378	1.120.822	91.882	38.827	112.144	-	1.518.056
Public Sector Deposits	-	639	3.408	51	102.588	-	-	106.686
Commercial Deposits	-	155.720	422.401	31.933	17.600	6.518	-	634.172
Other Deposits	-	3.357	73.089	13.891	53.878	3.720	-	147.935
7 Days Call Accounts	-	-	-	-	-	-	-	-
Total	3	327.045	1.626.038	139.380	213.181	122.382	-	2.428.029
Foreign Currency								
Deposits	-	23.841	158.417	10.483	6.488	12.669	-	211.898
Bank Deposits	29	19.267	3.566	248	38	-	-	23.148
7 Days Call Accounts	-	-	-	-	-	-	-	-
Precious Metal Deposits	-	484	-	-	-	-	-	484
Total	29	43.592	161.983	10.731	6.526	12.669	-	235.530
Grand Total	32	370.637	1.788.021	150.111	219.707	135.051	-	2.663.559

e) Information on interest expense on repurchase agreements

	Current Period		Prior Period	
	TL	FC	TL	FC
Interest Expense on Repurchase Agreements (*)	190.027	15.266	211.828	7.448

(*) Disclosed in "Interest on Money Market Transactions".

f) Information on finance lease expenses

	Current Period	Prior Period
Finance Lease Expenses	212	330

g) Information on interest expense on factoring payables

None (December 31, 2014 – None).

3. Information on dividend income

	Current Period	Prior Period
From Trading Securities	-	83
From Financial assets at fair value through profit and loss	-	-
From Available for Sale Financial Assets	-	-
Other	62.872	8.959
Total	62.872	9.042

4. Information on trading income/loss

	Current Period	Prior Period
Trading Income	19.653.911	10.933.857
Gains on Capital Market Operations	48.881	81.784
Derivative Financial Instruments	4.523.626	3.496.133
Foreign Exchange Gains	15.081.404	7.355.940
Trading Loss (-)	20.393.687	11.196.634
Losses on Capital Market Operations	23.730	63.229
Derivative Financial Instruments	5.186.956	3.815.603
Foreign Exchange Losses	15.183.001	7.317.802
Net Trading Income/Loss	(739.776)	(262.777)

5. Information on other operating income

The Bank recorded the current year collections from loans written off in the previous period, portfolio management fees and expense accrual cancelations in "Other Operating Income" account. As stated in Section Five disclosure I.14, in the current period, Gayrettepe Head Office's and Polat Residence's property titles are transferred to the new owners respectively as of March 25, 2015 and April 27, 2015. The Bank has recorded the profit from the sale of these buildings under "Other Operating Income" amounting to TL 159.182.

6. Provision for losses on loans and other receivables

	Current Period	Prior Period
Specific Provisions For Loans and Other Receivables	893.091	868.348
Loans and Receivables in Group III	211.957	164.709
Loans and Receivables in Group IV	196.853	322.682
Loans and Receivables in Group V	484.281	380.957
Provision for Loans Under Close Monitoring	-93	4.310
General Provisions	247.742	126.370
General Reserves for Possible Risks	18.000	82.000
Provision Expenses for Possible Losses	-	-
Impairment Losses on Securities	-	-
Financial assets at fair value through profit or loss	-	-
Investment securities available for sale	-	-
Impairment Losses on Associates, Subsidiaries and Investment Securities Held-to-Maturity	-	-
Associates	-	-
Subsidiaries	-	-
Entities under common control	-	-
Investment securities held-to-maturity	-	-
Other	11.372	-5.485
Total	1.170.112	1.075.543

7. Information on other operating expenses

	Current Period	Prior Period
Personnel costs	1.041.885	941.283
Reserve for employee termination benefits	14.372	10.286
Provision for pension fund deficits	-	-
Impairment losses on tangible assets	-	-
Depreciation charge of tangible assets	117.504	133.290
Impairment losses on intangible assets	-	-
Impairment losses on goodwill	-	-
Amortization charge of intangible assets	91.810	78.967
Impairment losses on investments under equity method of accounting	-	-
Impairment losses on assets to be disposed of	-	83
Depreciation on assets to be disposed	4.050	3.906
Impairment charge of assets held for sale and discontinued operations	-	-
Other operating expenses	870.426	809.706
Operational lease related expenses	224.167	206.867
Repair and maintenance expenses	92.983	77.327
Advertisement expenses	66.425	69.291
Other expenses	486.851	456.221
Losses on sales of assets	6.499	640
Other (*)	590.656	355.576
Total	2.737.202	2.333.737

(*) Comprising repayments amounting to TL 166.703 (December 31, 2014: TL 95.355) in respect of Consumer Arbitration Committee and courts' decision, which was fees and commissions recognized in previous year as income. Additionally, in accordance with the report prepared by the investigators of the Ministry of Customs and Trade, the Bank has been notified of a TL 43.569 administrative fine. With the reservation of the right to legal application, subject fine has been paid by the Bank on August 28, 2015 benefiting from early payment discount in compliance with Law of Misdemeanour no 5326 Clause 15 at the amount of TL 32.676.

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

For the period ended December 31, 2015, net interest income in regards to continued operations of TL 3.947.235 (December 31, 2014 – 3.088.311), net fees and commission income of TL 1.313.835 (December 31, 2014 – TL 1.333.530) and other operating income of TL 225.997 (December 31, 2014 – TL 383.383) constitute an important part of the income.

9. Explanations on tax provision for continued and discontinued operations**9.1. Current period taxation benefit or charge and deferred tax benefit or charge**

As of December 31, 2015, the Bank has recorded tax charge TL 209.735 (December 31, 2014 – TL 221.066 tax charge) and a deferred tax charge of TL 12.658 (December 31, 2014 – TL 43.715 deferred tax charge) from its continuing operations.

9.2. Explanations on operating profit/loss after taxes

None (December 31, 2014 – None).

10. Explanations on net profit/(loss) from continued and discontinued operations

Net profit of the Bank from continued operations is TL 705.772 (December 31, 2014 – TL 877.428).

11. Explanations on net income/loss for the period**11.1. The nature and 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 a complete understanding of the Bank's performance for the period**

None (December 31, 2014 – None).

11.2. Effect of changes in accounting estimates on income statement for the current and for subsequent periods.

None (December 31, 2014 – None).

11.3. There is no profit or loss attributable to minority shares.**11.4. There are no changes in the nature and amount of accounting estimates, which have a material effect on current period or expected to have a material effect on subsequent periods.****12. Information on the components of other items in the income statement exceeding 10% of the total, or items that comprise at least 20% of the income statement**

Fees and commissions from credit cards, transfers and insurance intermediaries are recorded in the "Others" line under "Fees and Commissions Received" account, while fees and commissions given to credit cards are recorded in the "Others" line under "Fees and Commissions Paid" account by the Bank.

SECTION FIVE

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

1. Changes resulting from valuation of available for sale securities

Net decrease of TL 192.403 (December 31, 2014 – TL 170.344 net increase) after tax effect resulting from valuation of available for sale securities at fair values is included in "Securities Value Increase Fund" account under shareholders' equity.

2. Explanations on foreign exchange differences

None.

3. Explanations on dividend

3.1. Dividends declared subsequent to the balance sheet date, but before the announcement of the financial statements

There is no dividend notified before the promulgation of financial statements. It is decided to allocate a General Legal Reserve at an amount of TL 43.871 of net profit after tax at an amount of TL 877.428 in accordance to financial statements of 2014 at Ordinary General Assembly Meeting of Finansbank A.Ş held on March 31, 2015. Additionally, it is decided to distribute net profit at an amount of TL 833.557 remained following allocation of General Legal Reserves according to the financial statements of 2014 as follows in accordance with article 26 of Articles of Incorporation of the Bank at the Extraordinary General Assembly meeting of Finansbank held on May 28, 2015.

2014 profit distribution table:

Current Year Profit	877.428
A - I. Legal Reserve (Turkish Commercial Code 466/1) at 5%	(43.871)
B - The First Dividend for Shareholders(*)	(141.750)
C - Profit from Disposal of Associates	-
D- II. Legal Reserves	-
E- Gains on Real estate Sales Fund	-
F - Extraordinary Reserves	(691.807)
(*)Distributed as bonus share	

3.2. Dividends per share proposed subsequent to the balance sheet date

No decision is taken concerning the profit distribution by the General Assembly as of the balance sheet date (December 31, 2014- Profit distribution for 2014 is detailed in footnote 3.1).

3.3. Transfers to legal reserves

	Current Period	Prior Period
Amount Transferred to Reserved from Retained Earnings	43.871	36.712

4. Information on issuance of share certificates

4.1. The rights, priorities and restrictions regarding the share capital including distribution of income and repayment of the capital

None (December 31, 2014- None).

5. Information on the other capital increase items in the statement of changes in shareholders' equity

The Bank has increased its paid-in capital through internal reserves amounting to TL 165.000 and TL 135.000, respectively in 2015 and 2014.

SECTION FIVE

VI. EXPLANATIONS AND DISCLOSURES RELATED TO CASH FLOWS STATEMENT

1. The effects of the other items stated in the cash flow statement and the changes in foreign currency exchange rates on cash and cash equivalents

"Other items" amounting to TL 2.466.728 (December 31, 2014 – TL 1.131.101) in "Operating profit before changes in operating assets and liabilities" consist of commissions paid amounting to TL 262.296 (December 31, 2014 – TL 222.950), net trading income/loss by TL 1.788.074 (December 31, 2014 – TL 657.404 net trading income/loss) and other operating expenses amounting to TL 416.358 (December 31, 2014 – TL 250.747).

"Other items" in changes in operating assets amounting to TL 206.279 (December 31, 2014- TL 29.943) consist of the decrease in collaterals given by TL 26.958 (December 31, 2014- TL 88.110 decrease) and the increase in other assets by TL 233.237 (December 31, 2014 - TL 58.167 decrease).

"Other items" in changes in operating liabilities amounting to TL 2.313.887 (December 31, 2014- TL 850.817) consist of the increase in money market borrowings by TL 492.020 (December 31, 2014- TL 444.711 increase) and the increase in sundry debtors and other liabilities by TL 1.821.867 (December 31, 2014- TL 406.106 increase).

"Other items" in changes in net cash provided from banking operations amounting to TL 131.918 (December 31, 2014 – TL 104.610) does not include the increase in intangible assets by TL 40.110 (December 31, 2014 – TL 25.643).

Effect of change in foreign currency on cash and cash equivalents is calculated as the difference between monthly average balances converted to TL using the currency rate at the beginning and at the end of the period and is TL 24.759 (December 31, 2014 – TL 223.291) as of December 31, 2015.

2. Information regarding the balances of cash and cash equivalents at the beginning of the period

	Current Period	Prior Period
	January 1, 2015	January 1, 2014
Cash	839.439	1.047.161
Cash in TL	590.424	633.496
Cash in Foreign Currencies	248.652	413.140
Other	363	525
Cash Equivalents	2.028.549	1.051.385
Balances with the T.R. Central Bank	1.601.665	752.806
Banks	238.219	302.866
Money Market Placements	200.062	-
Less: Placements with Banks with Maturities Longer than 3 Months	(10.369)	(4.144)
Less: Accruals	(1.028)	(143)
Cash and Cash Equivalents	2.867.988	2.098.546

3. Information regarding the balances of cash and cash equivalents at the end of the period

	Current Period	Prior Period
	December 31, 2015	December 31, 2014
Cash	955.903	839.439
Cash in TL	678.545	590.424
Cash in Foreign Currencies	274.820	248.652
Other	2.538	363
Cash Equivalents	2.685.681	2.028.549
Balances with the T.R. Central Bank	2.418.116	1.601.665
Banks	276.099	238.219
Money Market Placements	-	200.062
Less: Placements with Banks with Maturities Longer than 3 Months	-	(10.369)
Less: Accruals	(8.534)	(1.028)
Cash and Cash Equivalents	3.641.584	2.867.988

4. Restricted cash and cash equivalents due to legal requirements or other reasons

A portion of foreign bank accounts amounting to TL 39.803 (December 31, 2014- TL 5.473) includes blocked cash for foreign money and capital market transactions and for borrowings from foreign markets.

5. Additional information**5.1. Restrictions on the Bank's potential borrowings that can be used for ordinary operations or capital commitment**

None.

SECTION FIVE

VII. EXPLANATIONS AND DISCLOSURES RELATED TO THE BANK'S RISK GROUP

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

- 1.1. As of December 31, 2015, the Bank's risk group has deposits, cash and non-cash loans at the Bank amounting to TL 524.810 (December 31, 2014 - TL 417.132) deposit, TL 155.953 (December 31, 2014 - TL 159.273) cash loan and TL 33.930 (December 31, 2014 - TL 54.733) non-cash loans respectively.

Current Period

Bank's Risk Group (*)	Associates and Subsidiaries		Bank's Direct and Indirect Shareholders		Other Legal and Real Persons in Risk Group(**)	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Loans and Other Receivables						
Balance at the Beginning of the Period	157.557	19.742	1.716	34.288	-	702
Balance at the End of the Period	155.953	11.315	-	21.651	-	964
Interest and Commission Income	6.377	158	-	21	5	13

Prior Period

Bank's Risk Group (*)	Associates and Subsidiaries		Bank's Direct and Indirect Shareholders		Other Legal and Real Persons in Risk Group(**)	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Loans and Other Receivables						
Balance at the Beginning of the Period	110.670	25.402	-	32.895	-	307
Balance at the End of the Period	157.557	19.742	1.716	34.288	-	702
Interest and Commission Income	2.626	84	6	75	-	5

(*) As described in the Article 49 of Banking Law No 5411.

(**) Includes the loans given to the Bank's indirect subsidiaries.

1.2. Information on deposits held by the Bank's risk group

Bank's Risk Group (*)	Associates and Subsidiaries		Bank's Direct and Indirect Shareholders		Other Legal and Real Persons in Risk Group(**)	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Deposits						
Balance at the Beginning of the Period	380.996	359.891	17.036	18.776	57.639	16.594
Balance at the End of the Period	265.905	380.996	-	17.036	258.905	57.639
Interest on deposits	23.750	27.937	-	-	11.238	2.997

(*) As described in the Article 49 of Banking Law No 5411.

(**) Includes the deposits taken to the Bank's indirect subsidiaries.

1.3. Information on forward and option agreements and similar agreements made with the Bank's risk group

Bank's Risk Group ^(*)	Associates and Subsidiaries		Bank's Direct and Indirect Shareholders		Other Legal and Real Persons in Risk Group ^(**)	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Transactions for Trading Purposes						
Beginning of the Period	140.998	-	134.496	130.397	102.824	177.748
End of the Period	-	140.998	168.641	134.496	74.646	102.824
Total Income/Loss ^(***)	(1.063)	(1.357)	(4.077)	(5.336)	1.693	1.070
Transactions for Hedging Purposes						
Beginning of the Period	-	-	-	-	-	-
End of the Period	-	-	-	-	-	-
Total Income/Loss ^(***)	-	-	-	-	-	-

(*) As described in the Article 49 of Banking Law No 5411.

(**) Includes the derivative transactions between the Bank's indirect subsidiaries.

(***) Represents December 31, 2014 balance.

- 1.4.** As of December 31, 2014, the total amount of remuneration and bonuses paid to top management of the Bank is TL 52.553 (December 31, 2014- TL 41.320).

2. Disclosures of transactions with the Bank's risk group**2.1. Relations with entities in the risk group of / or controlled by the Bank regardless of the nature of relationship among the parties**

Transactions with the risk group are made on an arms-length basis; terms are set according to the market conditions and in compliance with the Banking Law.

2.2. In addition to the structure of the relationship, type of transaction, amount, and share in total transaction volume, amount of significant items, and share in all items, pricing policy and other

As of December 31, 2015, cash loans of the risk group represented 0,3% of the Bank's total cash loans (December 31, 2014 – 0,3%), the deposits represented 1,1% of the Bank's total deposits (December 31, 2014-0,9 %) and derivative transactions represented 0,2% of the Bank's total derivative transactions (December 31, 2014 – 0,2%).

2.3. Explanations on purchase and sale of real estate and other assets, sales and purchases of services, agent contracts, financial lease agreements, transfer of data obtained from research and development, licensing agreements, financing (including loans and cash and in-kind capital support), guarantees and promissory notes, and management contracts

The Bank enters into finance lease agreements with Finans Finansal Kiralama A.Ş. As of December 31, 2015, the Bank has net finance lease payables to Finans Finansal Kiralama A.Ş. amounting to TL 1.904 (December 31, 2014 - TL 2.546) relating with finance lease agreements.

The Bank has signed an agreement with IBTech Uluslararası Bilişim ve İletişim Teknolojileri Araştırma, Geliştirme, Danışmanlık, Destek Sanayi ve Ticaret A.Ş. regarding research, development, advisory and improvement services.

Bantaş Nakit ve Kıymetli Mal Taşıma ve Güvenlik Hizmetleri A.Ş., in which the Bank participated 33,33% shareholding, provides cash transfer services to the Bank.

Information about the Bank's subordinated loans obtained from National Bank of Greece is explained under Section 5, Part II. footnote 12.

The Bank provides agency services to Cigna Finans Emeklilik ve Hayat A.Ş., which is a jointly controlled entity with 49% shares held by the Bank.

VIII. EXPLANATIONS ON THE BANK'S DOMESTIC, FOREIGN AND OFF-SHORE BANKING BRANCHES AND FOREIGN REPRESENTATIVES

1. Information relating to the bank's domestic and foreign branch and representatives

	Number	Employees			
Domestic Branch	641	12,943			
			Country		
Foreign Representation	-	-	-		
				Total Assets	Capital
Foreign Branch	1	7	1- Bahrain	12,264.621	-
Off-shore Banking and Region Branches	-	-			

SECTION SIX

OTHER EXPLANATIONS AND DISCLOSURES

I. Other explanations related to the Bank's operations

1. Disclosure related to subsequent events and transactions that have not been finalized yet, and their impact on the financial statements

The bank made a bond issuances at a nominal amount of TL 52.300 having 11,50% interest rate with 91 days maturity on January 15, 2016 and at a nominal amount of TL 165.550 having 11,40% interest rate with 91 days maturity on January 22, 2016 and at a nominal amount of TL 186.160 having 11,20% interest rate with 91 days maturity on February 4, 2016.

The bank made a eurobond issuance at a nominal amount of EUR 10.000.000 having 0,42% interest rate with 138 days maturity on January 20, 2016 and at a nominal amount of EUR 15.000.000 having 0,53% interest rate with 129 days maturity on January 29, 2016 and at a nominal amount of USD 15.000.000 having 2,10% interest rate with 366 days maturity on February 1, 2016.

It has been decided with the resolution of Board of Directors dated February 3, 2016 to acquire 3.434.632 shares owned by NBG with a total nominal value of TL 34.346, cost of TL 128.112 and equivalent to 29,87% of paid capital of Finans Finansal Kiralama A.Ş., which is an associate of the Bank, from NBG. The aforementioned share transfer transaction has been realized on February 8, 2016. The share of the Bank in Finans Finansal Kiralama A.Ş has reached to 80,92% with this transaction.

2. Information about effects of significant changes in foreign exchange rates after balance sheet date that would affect decision making process of users and foreign operations of the bank

There are no significant fluctuations in the currency exchange rates after the balance sheet date that would affect the analysis and decision making process of the readers of the financial statements.

3. Other matters

None (December 31, 2014 – None).

SECTION SEVEN

INDEPENDENT AUDIT REPORT

I. Explanations on the Independent Audit Report

The unconsolidated financial statements for the period ended December 31, 2015 have been audited by Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (a member firm of Ernst&Young Global Limited). The auditor's report dated February 19, 2016 is presented preceding the unconsolidated financial statements.

II. Explanations on the notes prepared by Independent Auditors

None (December 31, 2014 – None).

FİNANSBANK ANONİM ŞİRKETİ

**INDEPENDENT AUDITOR'S AUDIT
REPORT, CONSOLIDATED FINANCIAL
STATEMENTS AND NOTES FOR THE
PERIOD ENDED DECEMBER 31, 2015**



Güney Bağımsız Denetim ve
Serbest Muhasebeci
Mali Müşavirlik A.Ş. (Ernst & Young)
Eski Büyükdere Caddesi
Orjin Maslak No:27
Maslak, Sarıyer 34398
İstanbul, Türkiye
Tel: +90 212 315 30 00
Fax: +90 212 230 82 91
www.ey.com

(Convenience translation of the independent auditor's report originally issued in Turkish, See Note I. of Section three)

Independent auditor report

To the Board of Directors of Finansbank A.Ş.

Report on the Consolidated Financial Statements

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

Responsibility of the Bank's Board of Directors for the financial statements

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

Independent Auditor's responsibility

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

An independent audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the independent auditor's professional judgment, including the assessment of risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the independent auditor considers the internal control relevant to bank's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the bank's internal control.

An independent audit also includes evaluating the appropriateness of accounting policies used by the reasonableness of accounting estimates made by the management as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis of Qualified Opinion

As of December 31, 2015 accompanying consolidated financial statements include a general reserve amounting to thousands TL 100.000 of which thousands TL 82.000 and thousands TL 18.000 have been provided by the Bank Management in 2014 and 2015 respectively for the possible results of the circumstances which may arise from any changes in the economy and market conditions.

Qualified Opinion

In our opinion, except for the effect of the matter referred in the preceding paragraph on the consolidated financial statements, the accompanying consolidated financial statements the financial statement presents fairly, in all material respects, the financial position of Finansbank A.Ş. as at December 31, 2015 and the results of its operations and its cash flows for the year then ended in accordance with the prevailing accounting principles and standards set out as in accordance with BRSA Accounting and Reporting Legislation.

Reports on arising from other regulatory requirements:

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

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

Additional paragraph for convenience translation to English:

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

GÜNEY BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK ANONİM ŞİRKETİ
A Member Firm Of **ERNST & YOUNG GLOBAL LIMITED**



Damla Harman, SMMM
Partner

February 19, 2016
İstanbul, Türkiye

THE CONSOLIDATED FINANCIAL REPORT OF FINANSBANK A.Ş. FOR THE YEAR ENDED DECEMBER 31, 2015

The Parent Bank's;

Address of the Head Office : Esentepe Mahallesi Büyükdere Caddesi Kristal Kule binası No:215, Şişli/İSTANBUL
Phone number : (0212) 318 50 00
Facsimile number : (0212) 318 58 50
Web page : www.finansbank.com.tr
E-mail address : investor.relations@finansbank.com.tr

The consolidated financial report for the year ended December 31, 2015, designed by the Banking Regulation and Supervision Agency in line with Communiqué on Financial Statements to be Publicly Announced and the Related Policies and Disclosures consists of the sections listed below:

- GENERAL INFORMATION ABOUT THE PARENT BANK
- CONSOLIDATED FINANCIAL STATEMENTS OF THE PARENT BANK
- EXPLANATIONS ON THE CONSOLIDATED FINANCIAL STATEMENTS OF THE PARENT BANK
- INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT OF THE GROUP
- FOOTNOTES AND EXPLANATIONS ON CONSOLIDATED FINANCIAL STATEMENTS OTHER EXPLANATIONS
- OTHER EXPLANATIONS
- INDEPENDENT AUDITOR'S AUDIT REPORT

Within the context of this financial report for the year ended, the consolidated subsidiaries, entities under common control and structured entities are as follows. There are no associates included in the consolidation.

Subsidiaries

1. Finans Finansal Kiralama Anonim Şirketi
2. Finans Yatırım Menkul Değerler Anonim Şirketi
3. Finans Portföy Yönetimi Anonim Şirketi
4. Finans Faktoring Anonim Şirketi
5. PSA Finansman Anonim Şirketi

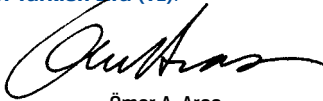
Entities Under Common Control (Joint Ventures)

1. Cigna Finans Emeklilik ve Hayat Anonim Şirketi

Structured Entities

1. Bosphorus Financial Services Limited
2. Istanbul Bond Company S.A.

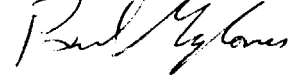
The consolidated financial statements and related disclosures and footnotes for the year ended December 31, 2015, are prepared in accordance with the Regulation on Principles Related to Banks' Accounting Applications and Preserving the Documents, Turkish Accounting Standards, Turkish Financial Reporting Standards and the related statements and guidance and in compliance with the financial records of our Bank. Unless stated otherwise, the accompanying consolidated financial statements are presented in **thousands of Turkish Lira (TL)**.



Ömer A. Aras
Chairman of
the Board of Directors



Ali Teoman Kerman
Member of the Board of Directors and
Chairman of the Audit Committee



Paul Mylonas
Member of the Board of Directors and
Audit Committee Member



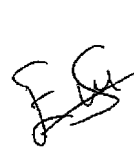
Ioannis Vagionitis
Member of the Board of Directors
and of the Audit Committee



Temel Güzeloğlu
General Manager and Member
of the Board of Directors



Adnan Menderes Yayla
Executive Vice President Responsible
of Financial Control and Planning



Ercan Sakarya
Division Manager of Financial,
Statutory Reporting and
Treasury Control

Information related to the responsible personnel to whom the questions about the financial statements can be communicated:

Name - Surname/Title : Ercan Sakarya / Division Manager of Financial, Statutory Reporting and Treasury Control
Phone Number : (0 212) 318 52 92
Facsimile Number : (0 212) 318 55 78

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SECTION ONE

GENERAL INFORMATION ABOUT THE GROUP

I. Explanatory Note on the Establishment Date, Nature of Activities and History of the Parent Bank

Finansbank Anonim Şirketi (the Bank and/or the Parent Bank) was incorporated in Istanbul on September 23, 1987. The Parent Bank's shares have been listed on the Borsa Istanbul ("BIST") (formerly known as Istanbul Stock Exchange ("ISE")) since the first public offering on 1990.

II. Information About the Parent Bank's Shareholding Structure, Shareholders Who Individually or Jointly Have the Power to Control the Management and Audit Directly or Indirectly, Changes Regarding These Subjects During the Year, If Any, and Information About the Controlling Group of the Parent Bank

As of December 31, 2015, 82,23% of the Parent Bank's shares are owned by National Bank of Greece S.A. ("NBG"), 9,68% by NBG Finance (Dollar) PLC., 7,90% by NBGI Holdings B.V.

The Parent Bank is a National Bank of Greece S.A ("NBG") Group entity. NBG was founded in 1841 and its shares have been traded on Athens Stock Exchange since 1880 and traded on the New York Stock Exchange since 1999. NBG offers financial services to its customers such as retail and commercial banking, assets management, intermediary services and investment banking.

As of December 21, 2015, a share sales agreement has been signed between NBG, principal shareholder of the Parent Bank, and Qatar National Bank ("QNB") regarding direct sale of 99,81% of the Parent Bank's shares NBG owns at the Bank and indirect sale of the Bank's shares in subsidiaries and existing partners to QNB at a price of EUR 2 billion 750 million. Share transfer shall be carried out following the release of necessary permit from related countries. Principal shareholder of the Bank is NGB until the completion of necessary legal permits.

III. Information About the Chairman and Members of Board of Directors, Members of Audit Committee, Managing Director and Executive Vice Presidents; Any Changes, and the Information About the Parent Bank Shares They Hold and Their Responsibilities

Name	Title	Date of Appointment	Education
Dr. Ömer A. Aras	Chairman	April 16, 2010	Phd
Sinan Şahinbaş	Deputy Chairman	April 16, 2010	Masters
Prof. Dr. Mustafa Aydın Aysan	Board Member	March 9, 1993	Phd
Stefanos Pantzopoulos	Board Member	October 16, 2012	Graduate
Dr. Paul Mylonas	Board Member and Audit Committee Member	February 18, 2010	Phd
Ioannis Vagionitis	Board Member and Audit Committee Member	January 6, 2014	Masters
Christos Alexis Komninos	Board Member	February 16, 2011	Masters
Temel Güzelöğlu	Board Member and Managing Director	April 16, 2010	Masters
Mustafa Hamdi Gürtin	Board Member	April 16, 2010	Masters
Ali Teoman Kerman	Board Member and Head of Audit Committee	April 16, 2013	Masters
Georgios Koutsoudakis	Board Member	July 23, 2014	Graduate
Adnan Menderes Yayla	Executive Vice President	May 20, 2008	Masters
Metin Karabiber	Executive Vice President	October 8, 2010	Graduate
Murat Şakar	Executive Vice President	August 1, 2008	Graduate
Köksal Çoban	Executive Vice President	August 19, 2008	Masters
Dr. Mehmet Kürşad Demirkol	Executive Vice President	October 8, 2010	Phd
Özlem Cinemre	Executive Vice President	July 9, 1997	Graduate
Hakan Alp	Executive Vice President	July 7, 2010	Graduate
Filiz Sonat	Executive Vice President	September 19, 2007	Graduate
Erkin Aydın	Executive Vice President	May 16, 2011	Masters
Ömür Tan	Executive Vice President	October 28, 2011	Graduate
Halim Ersun Bilgici	Executive Vice President	March 15, 2013	Masters
Enis Kurtoğlu (*)	Executive Vice President	May 14, 2015	Masters
Murat Koraş (*)	Executive Vice President	May 14, 2015	Masters
Onur Özkan (*)	Executive Vice President	May 14, 2015	Masters
Elsa Pekmez Atan (*)	Executive Vice President	May 14, 2015	Masters

(*) As of May 14, 2015 Enis Kurtoğlu has been assigned as the Executive Vice President responsible for Mass Banking, Murat Koraş has been assigned as the Executive Vice President responsible for Retail Payment Systems, Onur Özkan has been assigned the Executive Vice President responsible for Private and Exclusive Banking and Elsa Pekmez Atan has been assigned as the Executive Vice President responsible for Enpara.com and Customer Experience.

The top level management listed above possesses immaterial number of shares of the Parent Bank.

IV. Information About the Persons and Institutions That Have Qualified Shares on the Parent Bank

Name Surname/Trade Name	Amount of Shares	Percentage of Shares	Paid-up Shares	Unpaid Shares
National Bank of Greece S.A.	2.466.847	%82,23	2.466.847	-
NBG Finance (Dollar) PLC	290.382	%9,68	290.382	-
NBGI Holdings B.V.	237.000	%7,90	237.000	-

According to the Board of Directors decision dated September 16, 2014, it has been decided that 100 founder shares issued to National Bank of Greece in accordance with the Bank's Article of associates will be cancelled at no cost. Subject decision has been approved in the General Council meeting dated December 4, 2014. The profit distribution is performed according to the prevailing regulations and the Articles of Association. Accordingly, 5% of the distributable profit is appropriated as legal reserves, 5% of the paid up capital is paid out.

V. Explanations on the Parent Bank's Services and Activities

The Parent Bank's activities include trade finance and corporate banking, treasury, retail banking and credit card operations. In addition, the Parent Bank carries out insurance agency activities on behalf of insurance companies through its branches. As of December 31, 2015, the Parent Bank operates through 640 domestic (December 31, 2014 - 656), 1 foreign (December 31, 2014 - 1) and 1 Atatürk Airport Free Trade Zone (December 31, 2014 - 1) branches. As of 31 December 2015, the Group has 13.432 employees (31 December 2014 - 13.270 employees)

VI. Information on Application Differences Between Consolidation Practices as per the Regulation on Preparation of Consolidated Financial Statements of Banks and the Turkish Accounting Standards, and Entities Subject to Full or Proportional Consolidation or Deducted from Equity or not Subject to any of These Three Methods

Parent Bank's joint venture Cigna Finans Emeklilik and Hayat Anonim Şirketi is consolidated using equity method as per the Regulation on Preparation of Consolidated Financial Statements of Banks and Turkish Accounting Standards.

Ibtech A.Ş. and E-finans Elektronik Ticaret ve Bilişim Hizmetleri A.Ş. included in investments in associates and Bantaş Nakit ve Kıymetli Mal Taşıma ve Güvenlik Hizmetleri A.Ş. included in joint ventures are not consolidated to accompanying financial statements as per the Regulation on Preparation of Consolidated Financial Statements of Banks since they are nonfinancial investments. Bankalararası Kart Merkezi included in subsidiaries is carried at cost and not consolidated since the Parent Bank does not have material control and presence over it.

All other subsidiaries are fully consolidated.

Bosphorus Financial Services Limited and İstanbul Bond Company S.A., which are not subsidiaries of the Bank, but over which the Bank has 100% controlling power due to the reason that these companies are "Structured Entities", have been included in the scope of consolidation.

VII. Current or Likely Actual or Legal Barriers to Immediate Transfer of Shareholders' Equity or Repayment of Debts Between Parent the Parent Bank and Its Subsidiaries

None.

SECTION TWO

CONSOLIDATED FINANCIAL STATEMENTS

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- II. Consolidated Statement of Off-Balance Sheet Commitments and Contingencies
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- VI. Consolidated Cash Flows Statement
- VII. Profit Appropriation Statement

I. CONSOLIDATED BALANCE SHEET - ASSETS

	Section 5 Part I	Audited 31.12.2015			Audited 31.12.2014		
		TL	FC	Total	TL	FC	Total
I. CASH AND BALANCES WITH THE CENTRAL BANK	(1)	2.088.093	7.908.952	9.997.045	1.503.288	7.160.632	8.663.920
II. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS (Net)	(2)	2.115.453	253.235	2.368.688	1.247.255	151.764	1.399.019
2.1 Financial assets held for trading		2.068.099	253.235	2.321.334	1.149.112	151.764	1.300.876
2.1.1 Public sector debt securities		67.569	4.853	72.422	38.671	2.299	40.970
2.1.2 Equity securities		-	-	-	-	-	-
2.1.3 Assets on trading derivatives		1.988.998	248.382	2.237.380	1.103.005	149.465	1.252.470
2.1.4 Other securities		11.532	-	11.532	7.436	-	7.436
2.2 Financial assets at fair value through profit and loss		47.354	-	47.354	98.143	-	98.143
2.2.1 Public sector debt securities		-	-	-	-	-	-
2.2.2 Equity securities		-	-	-	-	-	-
2.2.3 Loans		47.354	-	47.354	98.143	-	98.143
2.2.4 Other securities		-	-	-	-	-	-
III. BANKS	(3)	10.345	307.794	318.139	39.783	260.651	300.434
IV. MONEY MARKET PLACEMENTS		87.711	-	87.711	244.425	-	244.425
4.1 Interbank money market placements		-	-	-	-	-	-
4.2 Istanbul Stock Exchange money market placements		87.711	-	87.711	44.363	-	44.363
4.3 Receivables from reverse repurchase agreements	(4)	-	-	-	200.062	-	200.062
V. INVESTMENT SECURITIES AVAILABLE-FOR-SALE (Net)	(5)	3.383.136	1.912.514	5.295.650	3.956.342	1.477.171	5.433.513
5.1 Equity securities		4.098	-	4.098	4.229	-	4.229
5.2 Public sector debt securities		3.378.323	1.880.669	5.258.992	3.924.071	1.444.438	5.368.509
5.3 Other securities		715	31.845	32.560	28.042	32.733	60.775
VI. LOANS AND RECEIVABLES	(6)	47.152.143	9.910.052	57.062.195	42.749.678	7.333.602	50.083.280
6.1 Loans and receivables		46.399.263	9.910.052	56.309.315	42.178.321	7.333.602	49.511.923
6.1.1 Loans to risk group of the Bank		-	-	-	-	1.715	1.715
6.1.2 Public sector debt securities		-	-	-	-	-	-
6.1.3 Other		46.399.263	9.910.052	56.309.315	42.178.321	7.331.887	49.510.208
6.2 Non-performing loans		3.814.659	-	3.814.659	2.739.971	-	2.739.971
6.3 Specific provisions (-)		3.061.779	-	3.061.779	2.168.614	-	2.168.614
VII. FACTORING RECEIVABLES	(7)	544.992	26.734	571.726	433.642	9.570	443.212
VIII. INVESTMENT SECURITIES HELD TO MATURITY (Net)	(8)	3.009.964	863.950	3.873.914	3.052.566	674.657	3.727.223
8.1 Public sector debt securities		3.009.964	110.652	3.120.616	3.052.566	90.418	3.142.984
8.2 Other securities		-	753.298	753.298	-	584.239	584.239
IX. INVESTMENT IN ASSOCIATES (Net)	(9)	3.766	-	3.766	3.766	-	3.766
9.1 Equity method associates		-	-	-	-	-	-
9.2 Unconsolidated		3.766	-	3.766	3.766	-	3.766
9.2.1 Financial Investments		-	-	-	-	-	-
9.2.2 Non-financial Investments		3.766	-	3.766	3.766	-	3.766
X. INVESTMENT IN SUBSIDIARIES (Net)	(10)	18.054	-	18.054	18.054	-	18.054
10.1 Unconsolidated financial investments		-	-	-	-	-	-
10.2 Unconsolidated non-financial investments		18.054	-	18.054	18.054	-	18.054
XI. ENTITIES UNDER COMMON CONTROL (JOINT VENTURES) (Net)	(11)	106.027	-	106.027	168.047	-	168.047
11.1 Equity method entities under common control		103.227	-	103.227	165.247	-	165.247
11.2 Unconsolidated		2.800	-	2.800	2.800	-	2.800
11.2.1 Financial investments		-	-	-	-	-	-
11.2.2 Non-financial Investments		2.800	-	2.800	2.800	-	2.800
XII. LEASE RECEIVABLES (Net)	(12)	823.804	1.113.148	1.936.952	617.794	912.498	1.530.292
12.1 Financial lease receivables		1.016.018	1.234.822	2.250.840	752.996	1.013.007	1.766.003
12.2 Operational lease receivables		-	-	-	-	-	-
12.3 Others		-	-	-	-	-	-
12.4 Unearned income (-)		192.214	121.674	313.888	135.202	100.509	235.711
XIII. DERIVATIVE FINANCIAL ASSETS HEDGING PURPOSES	(13)	3.219.905	19.104	3.239.009	1.965.902	22.844	1.988.746
13.1 Fair value hedge		2.292.114	18.069	2.310.183	1.459.151	22.844	1.481.995
13.2 Cash flow hedge		927.791	1.035	928.826	506.751	-	506.751
13.3 Hedging of a net investment in foreign subsidiaries		-	-	-	-	-	-
XIV. TANGIBLE ASSETS (Net)	(14)	1.581.501	8	1.581.509	1.472.085	10	1.472.095
XV. INTANGIBLE ASSETS (Net)	(15)	270.040	-	270.040	235.294	-	235.294
15.1 Goodwill		-	-	-	8.969	-	8.969
15.2 Others		270.040	-	270.040	226.325	-	226.325
XVI. INVESTMENT PROPERTIES (Net)	(16)	-	-	-	-	-	-
XVII. TAX ASSETS	(17)	107.789	-	107.789	62.448	-	62.448
17.1 Current tax assets		6.846	-	6.846	269	-	269
17.2 Deferred tax assets		100.943	-	100.943	62.179	-	62.179
XVIII. ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (Net)	(18)	-	-	-	63.090	-	63.090
18.1 Held for sale		-	-	-	63.090	-	63.090
18.2 Discontinued operations		-	-	-	-	-	-
XIX. OTHER ASSETS	(19)	1.081.061	129.791	1.210.852	893.032	105.235	998.267
TOTAL ASSETS		65.603.784	22.445.282	88.049.066	58.726.491	18.108.634	76.835.125

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

I. CONSOLIDATED BALANCE SHEET – LIABILITIES AND EQUITY

	Section 5 Part II	Audited 31.12.2015			Audited 31.12.2014		
		TL	FC	Total	TL	FC	Total
I. DEPOSITS	(1)	28.787.585	19.523.692	48.311.277	27.172.782	14.722.952	41.895.734
1.1 Deposits from risk group of the Bank		217.793	52.457	270.250	216.657	21.655	238.312
1.2 Other		28.569.792	19.471.235	48.041.027	26.956.125	14.701.297	41.657.422
II. DERIVATIVE FINANCIAL LIABILITIES HELD FOR TRADING	(2)	1.882.909	273.555	2.156.464	1.092.817	159.483	1.252.300
III. FUNDS BORROWED	(3)	501.930	5.564.127	6.066.057	498.271	5.354.813	5.853.084
IV. MONEY MARKET BORROWINGS		2.951.341	1.857.920	4.809.261	2.784.569	1.431.183	4.215.752
4.1 Interbank money markets takings		-	-	-	-	-	-
4.2 Istanbul Stock Exchange money markets takings		147.173	-	147.173	59.332	-	59.332
4.3 Funds provided under repurchase agreements	(4)	2.804.168	1.857.920	4.662.088	2.725.237	1.431.183	4.156.420
V. SECURITIES ISSUED (Net)	(5)	841.151	4.985.836	5.826.987	2.325.486	3.500.012	5.825.498
5.1 Bills		770.076	-	770.076	2.000.828	262.040	2.262.868
5.2 Asset backed securities		-	-	-	-	-	-
5.3 Bonds		71.075	4.985.836	5.056.911	324.658	3.237.972	3.562.630
VI. FUNDS		-	-	-	-	-	-
6.1 Borrower funds		-	-	-	-	-	-
6.2 Other		-	-	-	-	-	-
VII. SUNDRY CREDITORS		2.061.023	3.462.407	5.523.430	1.647.221	2.178.437	3.825.658
VIII. OTHER LIABILITIES	(6)	1.003.771	165.549	1.169.320	935.304	131.185	1.066.489
IX. FACTORING PAYABLES		-	-	-	-	-	-
X. LEASE PAYABLES (Net)	(7)	-	-	-	-	-	-
10.1 Financial lease payables		-	-	-	-	-	-
10.2 Operational lease payables		-	-	-	-	-	-
10.3 Others		-	-	-	-	-	-
10.4 Deferred financial lease expenses (-)		-	-	-	-	-	-
XI. DERIVATIVE FINANCIAL LIABILITIES FOR HEDGING PURPOSES	(8)	60.229	223.215	283.444	202.104	149.976	352.080
11.1 Fair value hedge		-	178.808	178.808	70.738	149.976	220.714
11.2 Cash flow hedge		60.229	44.407	104.636	131.366	-	131.366
11.3 Hedge of net investments in foreign subsidiaries		-	-	-	-	-	-
XII. PROVISIONS	(9)	1.777.641	-	1.777.641	1.451.752	-	1.451.752
12.1 General provisions		1.190.403	-	1.190.403	942.661	-	942.661
12.2 Restructuring provisions		-	-	-	-	-	-
12.3 Reserve for employee benefits		250.505	-	250.505	211.867	-	211.867
12.4 Insurance technical provisions (Net)		-	-	-	-	-	-
12.5 Other provisions		336.733	-	336.733	297.224	-	297.224
XIII. TAX LIABILITY	(10)	57.581	-	57.581	177.452	-	177.452
13.1 Current tax liability		57.581	-	57.581	175.964	-	175.964
13.2 Deferred tax liability		-	-	-	1.488	-	1.488
XIV. PAYABLES RELATED TO ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (NET)	(11)	-	-	-	-	-	-
14.1 Held for sale		-	-	-	-	-	-
14.2 Discontinued operations		-	-	-	-	-	-
XV. SUBORDINATED LOANS	(12)	-	2.662.119	2.662.119	-	2.121.712	2.121.712
XVI. SHAREHOLDERS' EQUITY		9.583.782	(178.297)	9.405.485	8.854.233	(56.619)	8.797.614
16.1 Paid-in capital	(13)	3.000.000	-	3.000.000	2.835.000	-	2.835.000
16.2 Capital reserves		(29.747)	(178.297)	(208.044)	(84.398)	(56.619)	(141.017)
16.2.1 Share premium	(14)	714	-	714	714	-	714
16.2.2 Share cancellation profits		-	-	-	-	-	-
16.2.3 Securities value increase fund	(15)	(65.962)	(178.297)	(244.259)	4.763	(56.619)	(51.856)
16.2.4 Revaluation fund on tangible assets		-	-	-	-	-	-
16.2.5 Revaluation fund on intangible assets		-	-	-	-	-	-
16.2.6 Investment property revaluation differences		-	-	-	-	-	-
16.2.7 Bonus shares obtained from associates, subsidiaries and entities under common control (joint ventures)		-	-	-	-	-	-
16.2.8 Hedging funds (effective portion)		81.175	-	81.175	(40.479)	-	(40.479)
16.2.9 Accumulated valuation differences from assets held for sale and discontinued operations		-	-	-	-	-	-
16.2.10 Other capital reserves		(45.674)	-	(45.674)	(49.396)	-	(49.396)
16.3 Profit reserves		5.621.561	-	5.621.561	4.853.036	-	4.853.036
16.3.1 Legal reserves		451.979	-	451.979	402.779	-	402.779
16.3.2 Status reserves		-	-	-	-	-	-
16.3.3 Extraordinary reserves		5.169.582	-	5.169.582	4.450.257	-	4.450.257
16.3.4 Other profit reserves		-	-	-	-	-	-
16.4 Profit or loss		802.739	-	802.739	1.072.420	-	1.072.420
16.4.1 Prior years' income/ (losses)		138.389	-	138.389	171.732	-	171.732
16.4.2 Current period income/ (loss)		664.350	-	664.350	900.688	-	900.688
16.5 Minority shares		189.229	-	189.229	178.175	-	178.175
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY		49.508.943	38.540.123	88.049.066	47.141.991	29.693.134	76.835.125

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

II. CONSOLIDATED STATEMENT OF OFF BALANCE SHEET COMMITMENTS AND CONTINGENCIES

		Section 5 Part III	Audited 31.12.2015			Audited 31.12.2014		
			TL	FC	TOTAL	TL	FC	TOTAL
A.	OFF BALANCE SHEET CONTINGENCIES AND COMMITMENTS (I+II+III)		101.092.734	99.496.711	200.589.445	88.950.232	81.070.293	170.020.525
I.	GUARANTEES	(1), (2), (3),(4), (6)	6.009.442	4.466.384	10.475.826	5.214.732	3.945.677	9.160.409
1.1.	Letters of guarantee		5.981.355	3.047.590	9.028.945	5.205.798	2.208.929	7.414.727
1.1.1.	Guarantees subject to State Tender Law		294.530	30.894	325.424	238.293	28.417	266.710
1.1.2.	Guarantees given for foreign trade operations		3.171.512	3.016.696	6.188.208	2.895.013	2.180.512	5.075.525
1.1.3.	Other letters of guarantee		2.515.313	-	2.515.313	2.072.492	-	2.072.492
1.2.	Bank loans		23.085	772.477	795.562	8.934	903.353	912.287
1.2.1.	Import letter of acceptance		23.085	772.477	795.562	8.934	903.353	912.287
1.2.2.	Other bank acceptances		-	-	-	-	-	-
1.3.	Letters of credit		5.002	646.317	651.319	-	812.318	812.318
1.3.1.	Documentary letters of credit		5.002	628.377	633.379	-	614.869	614.869
1.3.2.	Other letters of credit		-	17.940	17.940	-	197.449	197.449
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		-	-	-	-	21.077	21.077
1.9.	Other collaterals		-	-	-	-	-	-
II.	COMMITMENTS	(1)	35.030.262	727.276	35.757.538	29.112.513	2.365.704	31.478.217
2.1.	Irrevocable commitments		33.929.719	663.627	34.593.346	29.008.708	1.907.143	30.915.851
2.1.1.	Forward asset purchase commitments		190.701	612.957	803.658	688.063	1.862.257	2.550.320
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		14.364.712	291	14.365.003	8.536.833	232	8.537.065
2.1.5.	Securities underwriting commitments		-	-	-	-	-	-
2.1.6.	Commitments for reserve deposit requirements		-	-	-	-	-	-
2.1.7.	Payment commitment for checks		2.558.758	-	2.558.758	2.420.299	-	2.420.299
2.1.8.	Tax and fund liabilities from export commitments		8.479	-	8.479	7.626	-	7.626
2.1.9.	Commitments for credit card expenditure limits		16.255.578	-	16.255.578	16.812.040	-	16.812.040
2.1.10.	Commitments for promotions related with credit cards and banking activities		34.278	-	34.278	22.604	-	22.604
2.1.11.	Receivables from short sale commitments		-	-	-	-	-	-
2.1.12.	Payables for short sale commitments		-	-	-	-	-	-
2.1.13.	Other irrevocable commitments		517.213	50.379	567.592	521.243	44.654	565.897
2.2.	Revocable commitments		1.100.543	63.649	1.164.192	103.805	458.561	562.366
2.2.1.	Revocable loan granting commitments		1.100.543	63.649	1.164.192	103.805	458.561	562.366
2.2.2.	Other revocable commitments		-	-	-	-	-	-
III.	DERIVATIVE FINANCIAL INSTRUMENTS	(5), (6)	60.053.030	94.303.051	154.356.081	54.622.987	74.758.912	129.381.899
3.1	Derivative financial instruments for hedging purposes		14.891.873	21.742.737	36.634.610	13.357.379	16.633.829	29.991.208
3.1.1	Fair value hedge		4.300.297	13.464.154	17.764.451	6.870.913	12.335.168	19.206.081
3.1.2	Cash flow hedge		10.591.576	8.278.583	18.870.159	6.486.466	4.298.661	10.785.127
3.1.3	Hedge of net investment in foreign operations		-	-	-	-	-	-
3.2	Held for trading transactions		45.161.157	72.560.314	117.721.471	41.265.608	58.125.083	99.390.691
3.2.1	Forward foreign currency buy/sell transactions		3.972.761	4.554.462	8.527.223	2.329.798	2.771.354	5.101.152
3.2.1.1	Forward foreign currency transactions-buy		2.602.412	1.664.211	4.266.623	1.305.411	1.244.832	2.550.243
3.2.1.2	Forward foreign currency transactions-sell		1.370.349	2.890.251	4.260.600	1.024.387	1.526.522	2.550.909
3.2.2	Swap transactions related to foreign currency and interest rates		36.000.372	58.282.028	94.282.400	35.823.945	47.942.651	83.766.596
3.2.2.1	Foreign currency swap-buy		15.893.629	25.523.970	41.417.599	19.228.003	17.891.715	37.119.718
3.2.2.2	Foreign currency swap-sell		19.805.147	21.605.030	41.410.177	15.666.682	21.437.538	37.104.220
3.2.2.3	Interest rate swaps-buy		150.798	5.576.514	5.727.312	464.630	4.306.699	4.771.329
3.2.2.4	Interest rate swaps-sell		150.798	5.576.514	5.727.312	464.630	4.306.699	4.771.329
3.2.3	Foreign currency, interest rate and securities options		5.187.330	8.443.962	13.631.292	3.110.969	6.955.232	10.066.201
3.2.3.1	Foreign currency options-buy		2.727.400	4.088.589	6.815.989	1.502.096	3.520.388	5.022.484
3.2.3.2	Foreign currency options-sell		2.459.930	4.355.373	6.815.303	1.608.873	3.434.844	5.043.717
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		694	32.026	32.720	896	38.444	39.340
3.2.4.1	Foreign currency futures-buy		347	16.013	16.360	448	19.222	19.670
3.2.4.2	Foreign currency futures-sell		347	16.013	16.360	448	19.222	19.670
3.2.5	Interest rate futures		-	535.474	535.474	-	-	-
3.2.5.1	Interest rate futures-buy		-	267.737	267.737	-	-	-
3.2.5.2	Interest rate futures-sell		-	267.737	267.737	-	-	-
3.2.6	Other		-	712.362	712.362	-	417.402	417.402
B.	CUSTODY AND PLEDGED ITEMS (IV+V+VI)		470.326.939	83.259.316	553.586.255	407.530.063	69.547.687	477.077.750
IV.	ITEMS HELD IN CUSTODY		21.826.403	2.674.784	24.501.187	15.754.863	2.011.045	17.765.908
4.1.	Assets under management		5.435.302	195	5.435.497	4.064.430	1.590	4.066.020
4.2.	Investment securities held in custody		196.455	815.520	1.011.975	1.232.314	757.722	1.990.036
4.3.	Checks received for collection		2.640.870	375.448	3.016.318	2.310.295	309.252	2.619.547
4.4.	Commercial notes received for collection		781.303	158.196	939.499	663.699	142.261	805.960
4.5.	Other assets received for collection		-	-	-	-	-	-
4.6.	Assets received for public offering		-	-	-	-	-	-
4.7.	Other items under custody		12.772.473	1.325.425	14.097.898	7.484.125	800.220	8.284.345
4.8.	Custodians		-	-	-	-	-	-
V.	PLEDGED ITEMS		274.029.387	44.825.851	318.855.238	234.715.130	31.709.225	266.424.355
5.1.	Marketable securities		889.715	3.510.280	4.399.995	620.378	2.260.821	2.881.199
5.2.	Guarantee notes		202.830	56.171	259.001	181.761	52.651	234.412
5.3.	Commodity		62.871	-	62.871	41.344	-	41.344
5.4.	Warranty		-	-	-	-	-	-
5.5.	Properties		68.856.288	23.649.829	92.506.117	57.209.764	11.327.616	68.537.380
5.6.	Other pledged items		204.017.683	17.609.571	221.627.254	176.661.883	18.068.137	194.730.020
5.7.	Pledged items-depository		-	-	-	-	-	-
VI.	ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES		174.471.149	35.758.681	210.229.830	157.060.070	35.827.417	192.887.487
	TOTAL OFF BALANCE SHEET ACCOUNTS (A+B)		571.419.673	182.756.027	754.175.700	496.480.295	150.617.980	647.098.275

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

III. CONSOLIDATED INCOME STATEMENT

		Section 5 Part IV.	Audited 01.01 - 31.12.2015	Audited 01.01 - 31.12.2014
I.	INTEREST INCOME	(1)	7.835.586	6.700.863
1.1	Interest on loans		6.683.487	5.596.739
1.2	Interest received from reserve deposits		22.770	538
1.3	Interest received from banks		3.734	6.507
1.4	Interest received from money market placements		129.650	45.136
1.5	Interest received from marketable securities portfolio		750.612	853.052
1.5.1	Held-for-trading financial assets		3.878	10.344
1.5.2	Financial assets at fair value through profit and loss		9.170	17.384
1.5.3	Available-for-sale financial assets		421.037	474.174
1.5.4	Investments held-to-maturity		316.527	351.150
1.6	Finance lease income		168.211	132.799
1.7	Other interest income		77.122	66.092
II.	INTEREST EXPENSE	(2)	3.752.831	3.496.338
2.1	Interest on deposits		2.819.109	2.652.784
2.2	Interest on funds borrowed		338.974	282.935
2.3	Interest on money market borrowings		212.407	226.551
2.4	Interest on securities issued		373.804	328.255
2.5	Other interest expense		8.537	5.813
III.	NET INTEREST INCOME (I - II)		4.082.755	3.204.525
IV.	NET FEES AND COMMISSIONS INCOME		1.387.238	1.396.983
4.1	Fees and commissions received		1.653.836	1.616.280
4.1.1	Non-cash loans		58.996	50.706
4.1.2	Other		1.594.840	1.565.574
4.2	Fees and commissions paid		266.598	219.297
4.2.1	Non-cash loans		1.488	1.576
4.2.2	Other		265.110	217.721
V.	DIVIDEND INCOME	(3)	58	263
VI.	NET TRADING INCOME	(4)	(727.321)	(251.727)
6.1	Securities trading gains/ (losses)		27.125	20.270
6.2	Gains / (losses) Financial derivative transactions		(677.491)	(307.721)
6.3	Foreign exchange gains/ (losses)		(76.955)	35.724
VII.	OTHER OPERATING INCOME	(5)	272.748	385.552
VIII.	NET OPERATING INCOME (III+IV+V+VI+VII)		5.015.478	4.735.596
IX.	PROVISION FOR LOAN LOSSES AND OTHER RECEIVABLES (-)	(6)	1.207.444	1.100.491
X.	OTHER OPERATING EXPENSES (-)	(7)	2.874.440	2.443.011
XI.	NET OPERATING INCOME/(LOSS) (VIII-IX-X)		933.594	1.192.094
XII.	AMOUNT IN EXCESS RECORDED AS GAIN AFTER MERGER		-	-
XIII.	GAIN / (LOSS) ON EQUITY METHOD		(49.538)	(601)
XIV.	GAIN / (LOSS) ON NET MONETARY POSITION		-	-
XV.	PROFIT/(LOSS) FROM CONTINUED OPERATIONS BEFORE TAXES (XI+...+XIV)	(8)	884.056	1.191.493
XVI.	TAX CHARGE FOR CONTINUED OPERATIONS (±)	(9)	(203.642)	(275.554)
16.1	Current income tax charge		(225.182)	(235.839)
16.2	Deferred tax charge / benefit		21.540	(39.715)
XVII.	NET PROFIT/(LOSS) FROM CONTINUED OPERATIONS (XV±XVI)	(10)	680.414	915.939
XVIII.	INCOME ON DISCONTINUED OPERATIONS		-	-
18.1	Income on assets held for sale		-	-
18.2	Income on sale of associates, subsidiaries and entities under common control		-	-
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 entities under common control		-	-
19.3	Loss from other discontinued operations		-	-
XX.	PROFIT / (LOSS) ON DISCONTINUED OPERATIONS BEFORE TAXES (XVIII-XIX)	(8)	-	-
XXI.	TAX CHARGE FOR DISCONTINUED OPERATIONS (±)	(9)	-	-
21.1	Current income tax charge		-	-
21.2	Deferred tax charge / benefit		-	-
XXII.	NET PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XX±XXI)	(10)	-	-
XXIII.	NET PROFIT/LOSS (XVII+XXII)	(11)	680.414	915.939
23.1	Group's profit/loss		664.350	900.688
23.2	Minority shares		16.064	15.251
	Earnings per share		0,02215	0,03002

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

IV. CONSOLIDATED STATEMENT OF PROFIT AND LOSS ACCOUNTED FOR UNDER EQUITY

		Audited 01.01 – 31.12.2015	Audited 01.01 – 31.12.2014
I.	ADDITIONS TO MARKETABLE SECURITIES REVALUATION DIFFERENCES FOR AVAILABLE FOR SALE FINANCIAL ASSETS	(242.460)	214.220
II.	TANGIBLE ASSETS REVALUATION DIFFERENCES	-	-
III.	INTANGIBLE ASSETS REVALUATION DIFFERENCES	-	-
IV.	FOREIGN EXCHANGE DIFFERENCES FOR FOREIGN CURRENCY TRANSACTIONS	-	-
V.	PROFIT/LOSS FROM DERIVATIVE FINANCIAL INSTRUMENTS FOR CASH FLOW HEDGE PURPOSES (EFFECTIVE PORTION OF FAIR VALUE DIFFERENCES)	152.068	(170.582)
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 AS PER TURKISH ACCOUNTING STANDARDS	4.653	(19.565)
IX.	DEFERRED TAX OF VALUATION DIFFERENCES	18.712	(5.847)
X.	TOTAL NET PROFIT/LOSS ACCOUNTED UNDER EQUITY (I+II+...+IX)	(67.027)	18.226
XI.	PROFIT/LOSS	680.414	915.939
11.1	Change in fair value of marketable securities (Transfer to Profit/Loss)	28.910	(5.462)
11.2	Reclassification and transfer of derivatives accounted for cash flow hedge purposes recycled to Income Statement	(34.661)	2.399
11.3	Transfer of hedge of net investments in foreign operations recycled to Income Statement	-	-
11.4	Other	686.165	919.002
XII.	TOTAL PROFIT/LOSS ACCOUNTED FOR IN THE PERIOD (X±XI)	613.387	934.165

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

FINANSBANK ANONİM ŞİRKETİ

Consolidated statement of changes in shareholders' equity for the period ended december 31, 2015
(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

V. CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

Audited	Section 2 Part V	Paid-in Capital	Effect of 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. Val. Diff. from Assets Held for Sale and Assets from Disc. Op.	Total Equity Attributable to the Parent Shareholders	Minority Shares	Total Shareholders' Equity
	Prior period - 01.01.-31.12.2014																		
I. Beginning Balance		2.700.000	-	714	-	363.631	-	3.847.212	(33.744)	-	948.925	(222.200)	-	-	95.987	-	7.700.525	162.936	7.863.461
II. Corrections and Accounting Policy Changes Made According to TMS 8		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1 Effects of Corrections		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2 Effects of Corrections		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. Adjusted Beginning Balance (I+II)		2.700.000	-	714	-	363.631	-	3.847.212	(33.744)	-	948.925	(222.200)	-	-	95.987	-	7.700.525	162.936	7.863.461
Changes in Period																			
IV. Increase/decrease related to merger		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V. Marketable securities valuation differences	(1)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
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 entities under common control		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X. Foreign exchange differences	(2)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI. Disposal of assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XII. Reclassification of assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIII. Effect of change in associates' equity		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV. Capital increase	(5)	135.000	-	-	-	-	-	(135.000)	-	-	-	-	-	-	-	-	-	-	-
14.1 Cash		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14.2 Internal sources		135.000	-	-	-	-	-	(135.000)	-	-	-	-	-	-	-	-	-	-	-
XV. Share premium		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI. Share cancellation profits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVII. Inflation adjustment to paid-in capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVIII. Other (*)		-	-	-	-	-	-	-	(15.652)	-	-	-	-	-	-	-	(15.652)	(12)^(*)	(15.664)
XIX. Period net income/(loss)		-	-	-	-	-	-	-	-	900.688	-	-	-	-	-	-	900.688	15.251	915.939
XX. Profit distribution	(3)	-	-	-	-	35.148	-	738.045	-	(777.193)	-	-	-	-	-	-	-	-	-
20.1 Dividends distributed		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20.2 Transfers to reserves		-	-	-	-	39.148	-	738.045	-	(777.193)	-	-	-	-	-	-	-	-	-
20.3 Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Closing balance (I+II+III+....+XVI+XVII+XVIII)		2.835.000	-	714	-	402.779	-	4.450.257	(49.396)	900.688	171.732	(51.856)	-	-	(40.479)	-	8.619.439	178.175	8.797.614

(*) Includes the effect of change in ownership of Finans Yatırım Ortaklığı A.Ş. Under Liquidation from 76,10% to 76,13 % in the prior year.

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

FINANSBANK ANONİM ŞİRKETİ

Consolidated statement of changes in shareholders' equity for the period ended december 31, 2015
(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

V. CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

Audited	Section S Part II.13	Paid-in Capital	Effect of 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. Val. Diff. from Assets Held for Sale and Assets from Disc. Op.	Total Equity Attributable to the Parent Shareholders	Non- controlling Interest	Total Shareholders' Equity
	Current period - 01.01.-31.12.2015																		
I. Beginning Balance		2.835.000	-	714	-	402.779	-	4.450.257	(45.396)	-	1.072.420	(51.856)	-	-	(40.479)	-	8.619.439	178.175	8.797.614
Changes in period																			
II. Increase/decrease related to merger		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. Marketable securities valuation differences	(1)	-	-	-	-	-	-	-	-	-	-	(192.403)	-	-	-	-	(192.403)	-	(192.403)
IV. Hedging funds (effective portion)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.1 Cash-flow hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.2 Hedge of net investment in foreign operations		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V. Tangible assets revaluation differences		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI. Intangible assets revaluation differences		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII. Bonus shares obtained from associates, subsidiaries and entities under common control		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII. Foreign exchange differences	(2)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX. Disposal of assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X. Reclassification of assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI. Effect of change in associates' equity		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XII. Capital increase	(5)	165.000	-	-	-	-	-	(165.000)	-	-	-	-	-	-	-	-	-	-	-
12.1 Cash		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.2 Internal sources		165.000	-	-	-	-	-	(165.000)	-	-	-	-	-	-	-	-	-	-	-
XIII. Share premium		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV. Share cancellation profits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XV. Inflation adjustment to paid-in capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI. Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVII. Period net income/(loss)		-	-	-	-	(889)	-	-	3.722	664.350	889	-	-	-	-	-	3.722	(5.010 ^(*))	(1.288)
XVIII. Profit distribution	(3)	-	-	-	-	50.089	-	884.325	-	-	(934.920)	-	-	-	-	-	664.350	16.064	680.414
18.1 Dividends distributed		-	-	-	-	-	-	-	-	-	(506)	-	-	-	-	-	(506)	-	(506)
18.2 Transfers to reserves		-	-	-	-	50.089	-	884.325	-	-	(834.414)	-	-	-	-	-	(506)	-	(506)
18.3 Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Closing balance		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(I+II+III+...+XVI+XVII+XVIII)		3.000.000	-	714	-	451.979	-	5.169.582	(45.674)	664.350	138.389	(244.259)	-	-	81.175	-	9.216.256	189.229	9.405.485

(*) Includes the effect of change in ownership of Finans Yatırım Ortaklığı A.Ş.

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

VI. CONSOLIDATED CASH FLOW STATEMENT

	Section 5 Part VI	Audited 01.01- 31.12.2015	Audited 01.01 - 31.12.2014
A. CASH FLOWS FROM / (TO) BANKING OPERATIONS			
1.1 Operating profit before changes in operating assets and liabilities (+)		1.066.407	2.387.723
1.1.1 Interest received (+)		7.349.408	6.392.148
1.1.2 Interest paid (-)		(3.710.277)	(3.662.657)
1.1.3 Dividend received (+)		58	263
1.1.4 Fees and commissions received (+)		1.639.166	1.616.834
1.1.5 Other income (+)		31.396	335.263
1.1.6 Collections from previously written off loans (+)		690.597	645.732
1.1.7 Payments to personnel and service suppliers (-)		(1.984.975)	(1.891.296)
1.1.8 Taxes paid (-)		(532.145)	(203.668)
1.1.9 Other (+/-)	(1)	(2.416.821)	(844.896)
1.2 Changes in operating assets and liabilities		646.569	(3.043.443)
1.2.1 Net (increase) decrease in financial assets held for trading (+/-)		(35.165)	163.516
1.2.2 Net (increase) decrease in financial assets at fair value through profit or loss (+/-)		1.624	211.138
1.2.3 Net (increase) decrease in due from banks (+/-)		(439.265)	177.320
1.2.4 Net (increase) decrease in loans (+/-)		(7.498.554)	(8.660.029)
1.2.5 Net (increase) decrease in other assets (+/-)	(1)	(606.699)	(224.162)
1.2.6 Net increase (decrease) in bank deposits (+/-)		201.296	72.016
1.2.7 Net increase (decrease) in other deposits (+/-)		7.246.301	3.655.617
1.2.8 Net increase (decrease) in funds borrowed (+/-)		(705.892)	862.121
1.2.9 Net increase (decrease) in matured payables (+/-)		-	-
1.2.10 Net increase (decrease) in other liabilities (+/-)	(1)	2.482.923	699.020
I. Net cash provided from / (used in) banking operations (+/-)		1.712.976	(655.720)
B. CASH FLOWS FROM INVESTING ACTIVITIES			
II. Net cash provided from / (used in) investing activities (+/-)		303.867	(1.192.174)
2.1 Cash paid for purchase of entities under common control, associates and subsidiaries (-)		-	(4.523)
2.2 Cash obtained from sale of entities under common control, associates and subsidiaries (+)		-	-
2.3 Fixed assets purchases (-)		(239.971)	(716.545)
2.4 Fixed assets sales (+)		303.582	49.087
2.5 Cash paid for purchase of financial assets available for sale (-)		(2.163.221)	(3.885.078)
2.6 Cash obtained from sale of financial assets available for sale (+)		2.310.575	4.101.719
2.7 Cash paid for purchase of investment securities (-)		(290.680)	(631.485)
2.8 Cash obtained from sale of investment securities (+)		512.035	-
2.9 Other (+/-)	(1)	(128.453)	(105.349)
C. CASH FLOWS FROM FINANCING ACTIVITIES			
III. Net cash provided from / (used in) financing activities (+/-)		(1.279.312)	2.320.881
3.1 Cash obtained from funds borrowed and securities issued (+)		3.888.096	7.333.900
3.2 Cash used for repayment of funds borrowed and securities issued (-)		(5.166.902)	(5.013.019)
3.3 Capital increase (+)		-	-
3.4 Dividends paid (-)		(506)	-
3.5 Payments for finance leases (-)		-	-
3.6 Other (+/-)		-	-
IV. Effect of change in foreign exchange rate on cash and cash equivalents (+/-)		24.827	224.093
V. Net increase / (decrease) in cash and cash equivalents (I+II+III+IV)		762.358	697.080
VI. Cash and cash equivalents at the beginning of the period (+)	(2)	2.969.178	2.272.098
VII. Cash and cash equivalents at end of the period (V+VI)	(3)	3.731.536	2.969.178

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

VII. DISTRIBUTION OF INCOME (*)

		Audited Current Year 31.12.2015(**)	Audited Prior Period 31.12.2014
I.	DISTRIBUTION OF CURRENT YEAR INCOME		
1.1	CURRENT YEAR INCOME	902.849	1.142.209
1.2	TAXES AND DUTIES PAYABLE	197.077	264.781
1.2.1	CORPORATE TAX (INCOME TAX)	209.735	221.066
1.2.2	INCOME WITHHOLDING TAX	-	-
1.2.3	OTHER TAXES AND DUTIES(***)	(12.658)	43.715
A.	NET INCOME FOR THE YEAR (1.1-1.2)	705.772	877.428
1.3	PRIOR YEAR LOSSES(-)	-	-
1.4	FIRST LEGAL RESERVES(-)	-	43.871
1.5	OTHER STATUTORY RESERVES (-)	-	-
B.	NET INCOME AVAILABLE FOR DISTRIBUTION [(A-(1.3+1.4+1.5))]	705.772	833.557
1.6	FIRST DIVIDEND TO SHAREHOLDERS(-)	-	141.750
1.6.1	TO OWNERS OF ORDINARY SHARES	-	141.750 (****)
1.6.2	TO OWNERS OF PRIVILEGED SHARES	-	-
1.6.3	TO OWNERS OF PREFERRED SHARES	-	-
1.6.4	TO PROFIT SHARING BONDS	-	-
1.6.5	TO HOLDERS OF PROFIT AND (LOSS) SHARING CERTIFICATES	-	-
1.7	DIVIDENDS TO PERSONNEL (-)	-	-
1.8	DIVIDENDS TO BOARD OF DIRECTORS (-)	-	-
1.9	SECOND DIVIDEND TO SHAREHOLDERS(-)	-	-
1.9.1	TO OWNERS OF ORDINARY SHARES	-	-
1.9.2	TO OWNERS OF PRIVILEGED SHARES	-	-
1.9.3	TO OWNERS OF PREFERRED SHARES	-	-
1.9.4	TO PROFIT SHARING BONDS	-	-
1.9.5	TO HOLDERS OF PROFIT AND (LOSS) SHARING CERTIFICATES	-	-
1.10	SECOND LEGAL RESERVES (-)	-	-
1.11	STATUTORY RESERVES(-)	-	-
1.12	EXTRAORDINARY RESERVES	-	691.807
1.13	OTHER RESERVES	-	-
1.14	SPECIAL FUNDS	-	-
II.	DISTRIBUTION OF RESERVES		
2.1	APPROPRIATED RESERVES	-	-
2.2	SECOND LEGAL RESERVES (-)	-	-
2.3	DIVIDENDS TO SHAREHOLDERS(-)	-	-
2.3.1	TO OWNERS OF ORDINARY SHARES	-	-
2.3.2	TO OWNERS OF PRIVILEGED SHARES	-	-
2.3.3	TO OWNERS OF PREFERRED SHARES	-	-
2.3.4	TO PROFIT SHARING BONDS	-	-
2.3.5	TO HOLDERS OF PROFIT AND (LOSS) SHARING CERTIFICATES	-	-
2.4	DIVIDENDS TO PERSONNEL(-)	-	-
2.5	DIVIDENDS TO BOARD OF DIRECTORS(-)	-	-
III.	EARNINGS PER SHARE		
3.1	TO OWNERS OF ORDINARY SHARES	0,02353	0,03095
3.2	TO OWNERS OF ORDINARY SHARES(%)	%2,36	%3,09
3.3	TO OWNERS OF PRIVILEGED SHARES	-	-
3.4	TO OWNERS OF PRIVILEGED SHARES (%)	-	-
IV.	DIVIDEND PER SHARE		
4.1	TO OWNERS OF ORDINARY SHARES	-	-
4.2	TO OWNERS OF ORDINARY SHARES(%)	-	-
4.3	TO OWNERS OF PRIVILEGED SHARES	-	-
4.4	TO OWNERS OF PRIVILEGED SHARES (%)	-	-

(*) Profit Appropriation Statement has been prepared according to unconsolidated financial statements of the Parent Bank.

(**) Decision regarding the profit distribution for the 2015 will be taken at the General Meeting.

(***) As per the BRSA, income associated with deferred tax assets shall not be considered as cash or internally generated source and accordingly such amounts taking part of net period profit shall not be included in profit distribution and capital increase. As of December 31, 2015 the Bank has deferred tax income amounting to TL 12.658 associated with the deferred tax asset which will not be distributed.

(****) Distributed to the shareholders as bonus shares.

SECTION THREE

ACCOUNTING POLICIES

I. Basis of Presentation

1. Preparation of the consolidated financial statements and the accompanying footnotes in accordance with Turkish Accounting Standards and Regulation on Principles Related to Banks' Accounting Applications and Maintaining the Documents

The Turkish Banking Law No: 5411 is published in the Official Gazette No: 25983 dated November 1, 2005. The Parent Bank and its financial subsidiaries ("The Group") prepared the accompanying financial statements as of September 30, 2015 and the related disclosures and footnotes, in accordance with the regulations, communiqués, interpretations and legislations related to accounting and financial reporting principles published by the Banking Regulation and Supervision Agency ("BRSA"), and in case where a specific regulation is not made by BRSA, accounting and valuation standards as described in the "Regulation on Principles Related to Banks' Accounting Applications and Maintaining the Documents", dated November 1, 2006 which is published in the Official Gazette No: 26333, which refers to "Turkish Accounting Standards" ("TAS"), put into effect by Public Oversight Accounting and Auditing Standards Authority ("KGK"), and "Turkish Financial Reporting Standards" ("TFRS") issued by the "Turkish Accounting Standards Board" ("TASB") and additional explanations and notes related to them and other decrees, notes and explanations related to accounting and financial reporting principles (all "Turkish Accounting Standards" or "TAS") published by the Banking Regulation and Supervision Agency ("BRSA"). The format and detail of the publicly announced consolidated financial statements and notes to these statements have been prepared in accordance with the "Communiqué on Publicly Announced Financial Statements, Explanations and Notes to These Financial Statements", published in Official Gazette no. 28337, dated 28 June 2012, and amendments to this Communiqué.

Consolidated financial statements and the related disclosures and footnotes have been presented in thousands of Turkish Lira unless otherwise specified. The amounts expressed in foreign currency, is indicated by the full amount.

Explanation for Convenience Translation to English

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

2. Accounting policies and valuation principles used in the preparation of the financial statements

Accounting policies and valuation principles used in the preparation of the financial statements are determined and applied in accordance with the regulations, communiqués, interpretations and legislations related to accounting and financial reporting principles published by the Banking Regulation and Supervision Agency ("BRSA"), and in case where a specific regulation is not made by BRSA, the requirements of TAS and are consistent with the accounting policies applied in the annual financial statements of the year ended December 31, 2014. The amendments of TAS and TFRS, effective as of January 1, 2015, have no material impact on the Group's accounting policies, financial position and performance. The aforementioned accounting policies and valuation principles are explained in Notes II to XXVI below.

The consolidated financial statements have been prepared in TL, under the historical cost convention except for the financial assets and liabilities carried at fair value, which are financial assets designated at fair value through profit or loss, available for sale financial assets, trading derivative financial assets, and hedging derivative financial assets and liabilities. In addition, carrying value of assets subject to fair value hedge but are carried at historical cost is adjusted to reflect fair value changes related to risks being hedged.

The preparation of consolidated financial statements in conformity with TAS requires the use of certain critical accounting estimates by the Group management to exercise its judgment on the assets and liabilities of the balance sheet and contingent matters as of the balance sheet date. These estimates, which include the fair value calculations of financial instruments and impairments of financial assets are being reviewed regularly and, when necessary, suitable corrections are made and the effects of these corrections are reflected to the income statement. Assumptions and estimates that are used in the preparation of the accompanying financial statements are explained in the following related disclosures.

The amendments of TAS and TFRS, except TFRS 9 Financial Instruments (2011 version), which have been published as of reporting date but have not been effective yet, have no impact on the accounting policies, financial condition and performance of the Group. TFRS 9 Financial Instruments Standard will mainly effect Group's classification and valuation of financial assets. Its impact has not yet been detected since it will change based on financial asset management model used and financial assets held as of transition date. The Group is still assessing the impact of TFRS 9 Financial Instruments standard.

II. Strategy for the Use of Financial Instruments and the Foreign Currency Transactions

1. Strategy for the use of financial instruments

The major funding sources of the Parent Bank are customer deposits, bond issues and funds borrowed from international markets. The customer deposits bear fixed interest rate and have an average maturity of 1-3 months in accordance with their sector. Domestic bond issues are realized within the maturity of 6 months and foreign bond issues are based on long maturities with fixed interests. Funds borrowed from abroad mostly bear floating rates and are repriced at an average period of 3-6 months. The Parent Bank diverts its placements to assets with high return, sufficient collaterals. The Parent Bank manages the liquidity structure to meet its liabilities when due by diversifying the funding sources and keeping sufficient cash and cash equivalents. The maturity of fund sources and maturity and yield of placements are considered to the extent possible within the current market conditions and higher return on long-term placements is aimed.

Besides customer deposits, the Parent Bank funds its long term fixed interest rate TL loan portfolio with long term (up to 10 years) floating interest rate foreign currency funds obtained from international markets. The Parent Bank converts the foreign currency liquidity obtained from the international markets to TL liquidity using long term swap transactions (fixed TL interest rate and floating FC interest rate). Thus, the Parent Bank generates TL denominated resources for funding long term loans with fixed interest rates.

The Parent Bank has determined securities portfolio limits based on the market risk limitations for money, capital and commodity markets. Products included in the securities portfolio are subject to position and risk limits. Position limits restrict the maximum nominal position based on the product. Risk limits are expressed in terms of "Value at Risk (VAR)" by taking the risk tolerance as a cap. The maximum VAR amounts are determined for the three main risk factors, which affect the securities portfolio that is subject to market risk, as well as determining the risk tolerance based on the total value at risk. The above mentioned limits are revised annually.

The strategies for hedging exchange rate risk resulting from the Group's foreign currency available-for-sale debt securities are explained in foreign currency risk section and the applications regarding the hedging of interest rate cash flow risk resulting from deposits are explained in the Interest Rate Risk section in detail.

Hedging strategies for foreign exchange risk resulting from other foreign currency transactions are explained in the foreign currency risk section.

2. Foreign currency transactions

2.1. Foreign currency exchange rates used in converting transactions denominated in foreign currencies and presentation of them in the financial statements

The Group accounts for the transactions denominated in foreign currencies in accordance with TAS 21 "The Effects of Changes in Foreign Exchange Rates". Foreign exchange gains and losses arising from transactions that are completed as of December 31, 2015 are translated to TL by using historical foreign currency exchange rates. Balances of the foreign currency denominated assets and liabilities except for non-monetary items are converted into TL by using foreign currency exchange rates of the Parent Bank for the period end and the resulting exchange differences are recorded as foreign exchange gains and losses. Foreign currency nonmonetary items measured at fair value are converted with currency exchange rates at the time of fair value measurement. The Bank's foreign currency exchange rates for the related period ends are as follows:

	<u>December 31, 2015</u>	<u>December 31, 2014</u>
US Dollar	2,9076 TL	2,3189 TL
Euro	3,1776 TL	2,8207 TL

2.2. Total exchange rate differences that are included in net profit or loss for the year

The net exchange loss for the period that ended at December 31, 2015 is TL 76.995 TL (December 31, 2014- 35.724 TL net exchange gain).

2.3. Foreign Associates

The, parent Bank does not have any foreign associates as of December 31, 2015 and December 31, 2014.

III. Information on Associates, Subsidiaries and Entities Under Common Control

The accompanying consolidated financial statements are prepared in accordance with TFRS 10 "Turkish Financial Reporting Standard in regards to Consolidated Financial Statements" and BRSA's "Regulation on Preparation of Consolidated Financial Statements of Banks" published on the Official Gazette numbered 26340 and dated November 8, 2006.

The corporations included in consolidation and their places of incorporation, nature of activities and shareholding percentages are as follows:

		Consolidation Method	Place of Establishment	Subject of Operations	Effective Share of the Group (%)	
					December 31, 2015	December 31, 2014
1.	Finans Yatırım Menkul Değerler A.Ş. (Finans Yatırım)	Full consolidation	Turkey	Securities Intermediary Services	99,74	99,74
2.	Finans Portföy Yönetimi A.Ş. (Finans Portföy)	Full consolidation	Turkey	Portfolio Management	99,72	99,72
3.	PSA Finansman A.Ş. (Tüketici Finansman)	Full consolidation	Turkey	Consumer Financing	100,00	-
4.	Finans Finansal Kiralama A.Ş. (Finans Leasing)	Full consolidation	Turkey	Financial Leasing	69,00	69,00
5.	Finans Faktoring A.Ş. (Finans Faktoring)	Full consolidation	Turkey	Factoring Services	100,00	100,00
6.	Cigna Finans Emeklilik ve Hayat A.Ş. (Cigna Finans Emeklilik)	Equity Method	Turkey	Private Pension and Insurance	49,00	49,00

As per Board of Directors meeting dated May 21, 2014, it has been decided for the liquidation of Finans Investment Trust. The company's liquidation was completed as of December 7, 2015

Subsidiaries maintain their books of accounts and prepare their financial statements in accordance with the regulations on accounting and reporting framework and accounting standards which are determined by the accounting standards promulgated by the Turkish Commercial Code, Financial Leasing Law and Turkish Capital Markets Board ("CMB") regulations. Certain adjustments and reclassifications were made on the financial statements of the subsidiaries for the purpose of fair presentation in accordance with the prevailing regulations and accounting standards according to regulations, communiqués, interpretations and legislations related to accounting and financial reporting principles published by the Banking Regulation and Supervision Agency ("BRSA"), and in case where a specific regulation is not made by BRSA, in accordance with Turkish Accounting Standards ("TMS") and Turkish Reporting Standards ("TFRS") and related additions and interpretations published by Public Accounting and Auditing Oversight Authority ("KGK").

Differences between the accounting policies of subsidiaries and entities under common control and those of the Parent Bank are adjusted, if material. The financial statements of the subsidiaries and entities under common control are prepared as of December 31, 2015.

1. Subsidiaries

Subsidiaries are the entities controlled directly or indirectly by the Parent Bank.

Control is defined as the power over the investee, exposure or rights to variable returns from its involvement with the investee and the ability to use its power over the investee to affect the amount of the Bank's returns.

Subsidiaries are consolidated using the full consolidation method based on the size of their asset equity, and result of operations. Financial statements of related subsidiaries are consolidated from the date when the control is transferred to the Bank and are put out of consolidation's scope as soon as control is removed. Accounting policies applied by subsidiaries that are included in consolidated financial statements are not different from Parent Bank's accounting policies.

According to full consolidation method, 100% of subsidiaries' asset, liability, income, expense and off balance sheet items are consolidated with the Parent Bank's asset, liability, income, expense and off balance sheet items. Book value of the Group's investment in each subsidiary is netted off with Group's equity shares. Unrealized gains and losses and balances that arise due to transactions between subsidiaries within consolidation scope, have been net off. Non-controlling interests are shown separately from earnings per share on consolidated balance sheet and income statement.

2. Associates and entities under common control

The Parent Bank does not have any financial associates that are consolidated in the accompanying financial statements.

The joint venture is established locally, has its primary operations in private pension and insurance, is controlled jointly with another group with a partnership agreement, and is included in Parent Bank's capital. Subject joint venture is included in consolidated financial statements by using equity method.

Equity method is a method of accounting whereby the book value of the investor's share capital in the subsidiary or the joint venture is either added to or subtracted in proportion with investor's share from the change in the subsidiary's or joint venture's equity within the period. The method also foresees that profit will be deducted from the subsidiary's or joint venture's accordingly recalculated value.

IV. Explanations on Forwards, Option Contracts and Derivative Instruments

The Group enters into forward currency purchase/sale agreements and swap transactions to reduce the foreign currency risk and interest rate risk and manage foreign currency liquidity risk. The Group also carries out currency and interest options, swaption, credit default swap and futures agreements.

Besides customer deposits, the Parent Bank funds its long term fixed interest rate TL loan portfolio with long term (up to 10 years) floating interest rate foreign currency funds obtained from international markets. The Parent Bank converts the foreign currency liquidity obtained from the international markets to TL liquidity with long term swap transactions (fixed TL interest rate and floating FC interest rate). Therefore, the Bank not only funds its long term fixed interest rate loans with TL but also hedges itself against interest rate risk.

In accordance with TAS 39 "Financial Instruments: Recognition and Measurement", derivative instruments are categorized as "hedging purpose" or "trading purpose" transactions. Derivatives are initially recognized at fair value and subsequently measured at fair value. Also, the liabilities and receivables arising from the derivative transactions are recorded as off-balance sheet items at their contractual values. The derivative transactions are accounted for at fair value subsequent to initial recognition and are presented in the "Assets on Trading Derivatives", "Liabilities on Trading Derivatives" or "Assets on Hedging Purpose Derivatives" and "Liabilities on Hedging Purpose Derivatives" items of the balance sheet depending on the resulting positive or negative amounts of the computed value. These amounts presented on the balance sheet, represent the fair value differences based on the valuation.

Fair values of forward foreign currency purchase and sales contracts, currency and interest rate swap transactions are calculated by using internal pricing models based on market data. Unrealized gains and losses are reflected in the income statement in the current period.

Fair values of option contracts are calculated with option pricing models and the resulting unrealized gains and losses are reflected in the current period income statement.

Futures transactions are accounted for at settlement prices as of the balance sheet date and related unrealized gains and losses are presented in the current period income statement.

Fair value of credit default swaps is calculated using internal pricing models based on market data and related unrealized gains and losses are reflected in the current period income statement.

Upon valuation of derivative instruments that are not subject to hedge accounting, differences in fair value, except for currency revolution differences, are recorded in the income statement on Gains/Losses from Derivative transactions. These foreign currency valuation differences are accounted for under "Foreign Exchange Gains/Losses" account.

In cash flow hedge accounting:

The Bank applies cash flow hedge accounting using interest swaps to hedge its TL and FC customer deposits with an average maturity of 1 month against interest rate fluctuations. The Bank implements effectiveness tests at the balance sheet dates for hedge accounting; the effective parts are accounted as defined in TAS 39, in financial statements under equity "Hedging Funds", whereas the amount concerning ineffective parts is associated with income statement.

In cash flow hedge accounting, when the hedging instrument expires, is executed or sold and when the hedge relationship becomes ineffective or is discontinued as a result of the hedge relationship being revoked; the hedging gains and losses that were previously recognized under equity are transferred to profit or loss when the cash flows of the hedged item are realized.

In fair value hedge accounting:

The Parent Bank applies fair value hedge accounting within the framework of TAS 39 using swaps to hedge a portion of its long term, fixed rate mortgage and project finance loans against possible fair value change due to market interest rate fluctuations.

The Parent Bank applies fair value hedge accounting using fx swaps to hedge long term, fixed rate, foreign currency Eurobonds in its portfolio against interest rate fluctuations.

The Parent Bank applies fair value hedge accounting to hedge itself against the changes in the interest rates related to long term TL government bonds with fixed coupon payment using swaps as hedging instruments.

Information on Eurobond and loan portfolio, recognized as fair value hedged items, is presented in Section 3, Footnote VII, 2 and 4. The Parent Bank applies fair value hedge accounting to hedge itself against the changes in the interest rates related to the foreign currency bonds issued using interest rate swaps as hedging instruments.

At each balance sheet date the Parent Bank applies effectiveness tests for fair value hedge accounting.

When the hedging instrument expires, is executed or sold and when the hedge relationship becomes ineffective or is discontinued as a result of the hedge relationship being revoked, adjustments made to the carrying amount of the hedged item are transferred to profit and loss with straight line method for portfolio hedges or with effective interest rate method for micro hedges. In case the hedged item is derecognized, hedge accounting is discontinued and within context of fair value hedge accounting, adjustments made to the value of the hedged item are accounted in income statement.

V. Explanations on Interest Income and Expenses

Interest income and expenses are recognized in the income statement for all interest bearing instruments on an accrual basis using the effective interest rate method. In accordance with the related regulation, the interest accruals of non-performing loans are cancelled and not recorded as interest income until collected.

VI. Explanations on Fees and Commission Income and Expenses

Fee and commission income and expenses are accounted for on an accrual basis or on effective interest rate method except for the certain banking transactions that income is recognized immediately. Income generated through agreements or through the sale and purchases of assets on behalf of third parties, is recorded as income when collected.

VII. Explanations and Disclosures on Financial Assets

Financial assets comprise cash and cash equivalents and the contractual right to obtain cash or another financial asset from counterparty or to exchange financial assets with counterparty or the equity instrument transactions of the counterparty. Financial assets are classified in four categories; as "Financial Assets at Fair Value through Profit or Loss", "Investment Securities Available-For-Sale", "Investment Securities Held-To-Maturity", and "Loans And Other Receivables". The classification of the financial assets is determined at the initial inception of the related financial assets.

1. Financial assets at fair value through profit or loss

1.1. Trading securities

The Group accounts for its trading securities at fair value. The interest income that is from trading securities is presented as interest income in the income statement, while the difference between the cost and the fair value of trading securities and the gain or loss resulting from the sale of these financial assets before their maturity are realized under securities trading gains / losses.

1.2. Financial assets at fair value through profit or loss

The Parent Bank has classified its mortgage loans that were initiated between January 1, 2006 – December 31, 2007, as financial assets at fair value through profit or loss in compliance with TAS 39. These loans are presented under "Financial Assets at Fair Value through Profit or Loss" as loan, and fair value differences are presented as "Securities Trading Gains (Losses) in order to be in compliance with the balance sheet presentation.

Financial assets at fair value through profit or loss are initially recorded at cost and are measured at fair value in the following periods.

The fair value of loans presented under "Financial Assets at Fair Value through Profit or Loss" are determined under current market conditions, taking into consideration the estimated price of a transaction at the measurement date depending on sale of an asset or transfer of a liability between market participants (in other words, exit price at measurement date from the perspective of an owner of an asset or from a debtor's).

2. Investment securities available for sale

Available for sale assets represent financial assets other than financial assets at fair value through profit or loss, loans and other receivables and investment securities held to maturity.

Premiums and discounts on investment securities available-for-sale are considered during the computation of the internal rate of return and are included in interest income in the income statement. Accrued interest income on investment securities available for sale is recognized in the income statement whereas gains and losses arising from the change in the fair values of such securities are reflected in equity under "Securities value increase fund" (Unrealized Gains/Losses on Securities). When investment securities available for sale are sold, collected or otherwise disposed of, the cumulative fair value adjustments under equity are transferred to the income statement.

The Bank has inflation indexed (CPI) government bonds in its available for sale and held-to-maturity portfolios. CPI government bonds that are constant throughout their lives and their real principal amounts are preserved from inflation. These marketable securities are valued and accounted by using effective interest rate method by considering the real coupon rates and reference inflation index at the issue date together with the index calculated by considering the estimated inflation rate as disclosed by the Turkish Treasury. As disclosed in 'Inflation Indexed Bonds Manual' published by Turkish Treasury, reference index used for the real payments is determined based on the inflation rates of two months before. The estimated inflation rate used is updated during the year when necessary.

Some portion of the Eurobond portfolio which has been recognized as available for sale securities are designated as fair value hedged items, hedged against interest rate fluctuations, starting from March and April 2009 and some portion of the TL government bond portfolio hedged against interest rate fluctuations, starting from July 2011. Those securities are disclosed under Investment Securities Available for Sale in order to be in line with balance sheet presentation. The fair value differences of Eurobond and TL government bond hedge items are accounted for under "Securities Trading Gains/ Losses" in the income statement.

In cases where fair value hedge operations cannot be effectively performed as described in TAS 39, fair value hedge accounting is ceased. After fair value accounting is ceased, fair value differences, previously reflected to the income statement, are amortized through the equity until the maturity of related hedged securities. The fair value differences of related portfolio securities sold prior to maturity are immediately recognized in the income statement.

3. Investments securities held to maturity

Held-to-maturity financial assets are non-derivative financial assets with fixed or determinable payments and fixed maturity that an entity has the positive intention and ability to held-to-maturity other than those that the entity upon initial recognition designates as at fair value through profit or loss, those that the entity designates as available-for-sale; and those that meet the definition of loans and receivables. Held-to-maturity financial assets are initially recognized at acquisition cost including the transaction costs which reflect the fair value of those instruments and subsequently recognized at amortized cost by using effective interest rate method. Interest income obtained from held-to-maturity financial assets is accounted in income statement.

There are no financial assets previously classified as held-to-maturity but which cannot be subject to this classification for two years due to the contradiction of classification principles.

4. Loans and specific provisions

Loans and receivables are carried initially by adding transaction cost to its purchase cost reflecting the fair value; except for the loans that are recorded with fair value through profit or loss and loans subject to fair value hedge. In the following periods, these loans are carried at amortized cost by using the effective interest rate method.

As mentioned in note "Note IV- Section III on Forward, Option Contracts and Derivative Instruments", the Group enters into fx swap transactions against TL in order to hedge the possible losses which might arise due to the changes in the fair value of a certain portion of its long-term loans and applies fair value hedge accounting as per TAS 39. The Parent Bank accounted for the hedged part of the loan portfolio at fair value, together with the swap transactions used as the hedging instrument and the related net gain or loss was included in the income statement.

When the fair value hedge accounting cannot be effectively continued as stated in TAS 39, the fair value hedge accounting is ceased. The fair value differences of the hedged loans are amortized through income statement until the maturity of the hedged loans.

Provision is set for the loans that might be doubtful and amount is charged in the current period income statement.

In the case where there is an evidence for the possibility of uncollectability of loans, the Parent Bank classifies related loans and receivables in non-performing loans and provides specific provision in accordance with the Communiqué dated November 1, 2006, published on the Official Gazette No 26333 "Methods and Principles for the Determination of Loans and Other Receivables to be Reserved for and Allocation of Reserves". The Bank provides specific provision for the loans under follow-up regarding credit risk and other factors, in accordance with the aforementioned regulation. Additionally, the Parent Bank provides general provisions in accordance with the Communiqué dated November 1, 2006, published on the Official Gazette No: 28789 "Methods and Principles for the Determination of Loans and Other Receivables to be Reserved for and Allocation of Reserves" and accounts such provision at the liability side of the balance sheet under general loan loss provision.

The Parent Bank also provides specific provisions for the closely monitored loans as a result of risk assessment. These provisions accounted for in liabilities under other provisions.

The general provisions and special provisions provided for loans and other provisions provided for closely monitored loans are accounted for under "Provision for Loan Losses and Other Receivables" in the statement of income.

The collections made in relation to amounts that provision provided in the current period and the principle collections from the loans previously provisioned in the prior periods are offset against the "Provision for Loan and Other Receivables" in the income statement. The principal collections made related to the loans that were written-off and standard and closely monitored loans are recorded under "Other Operating Income" and interest collections are recorded under the "Interest on Loans" account.

VIII. Explanations on Impairment of Financial Assets

It is assessed whether there is objective evidence for a financial asset or group of financial assets is impaired at each balance sheet date. Provision for impairment is provided when there is an objective evidence of impairment.

A financial asset or a group of financial assets can be impaired and impairment loss will occur only if there is objective evidence that one or more events ("loss/profit events") have occurred after the initial recording of subject asset and that subject loss event/s have an impairment effect on future, approximate cash flows which can accurately be guessed. Future events that are expected to occur are not accounted, no matter how probable.

Impairment for held-to-maturity financial assets carried at amortized cost is calculated as the difference between the present value of the expected future cash flows discounted based on the "Effective interest rate method" and its carrying value. Regarding available-for-sale financial assets, impairment loss is reclassified from equity to profit or loss and is the difference between acquisition cost (less all principal repayments and amortization) and fair value, after impairment losses previously accounted for under profit or loss have been deducted.

An explanation about the impairment of loans and receivables is given in Note VII.4 of Section III

IX. Explanations on Netting of Financial Instruments and Derecognition of Financial Assets

Financial assets and liabilities are offset and the net amount is reported on the balance sheet when the Group has a legally enforceable right to offset the recognized amounts and there is an intention to collect/pay the related financial assets and liabilities on a net basis, or to realize the asset and settle the liability simultaneously.

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

Securities sold under repurchase agreements are recorded on the balance sheet in accordance with Uniform Chart of Accounts. Accordingly, government bonds and treasury bills sold to customers under repurchase agreements are classified as "Investments Subject to Repurchase Agreements" and valued based on the Group Management's future intentions, either at market prices or using discounting method with internal rate of return.

Funds lent against securities purchased under agreements to resell ("Reverse repos") are accounted under "Receivables from reverse repurchase agreements" on the balance sheet. The difference between the purchase and resell price determined by these repurchase agreements is accrued over the life of repurchase agreements using the "Effective interest method".

Securities that are subject to repurchase agreements as at the balance sheet date amounted to TL 5.113.536 (December 31, 2014 - TL 4.420.738).

As of December 31, 2015 the Parent Bank has no securities that are subject to lending transactions (December 31, 2014 - TL 1.345). Securities purchased with a commitment to resell (reverse repurchase agreements) are recorded in a separate account under "Money Market Placements" in the balance sheet. The difference resulting from purchase and resale prices is treated as interest income and accrued over the life of the agreement.

XI. Explanations on Assets Held for Sale and Discontinued Operations

In accordance with IFRS 5 ("Assets Held for Sale and Discontinued Operations"), assets classified as held for sale are measured at lower of carrying value or fair value less costs to sell. Amortisation on subject asset is ended and these assets are presented separately on financial statements. An asset (or a disposal group) is regarded as "asset held for sale" only when the sale is highly probable and the asset (disposal group) is available for immediate sale in its present condition. For a highly probable sale, there must be a valid plan prepared by the management for the sale of asset including identification of possible buyers and completion of sale process. Furthermore, the asset (or a disposal group) should be actively marketed at a price consistent with its fair value. Various events and conditions may prolong the sale procedures for more than one year. In case subject delay is caused by the events and conditions beyond the entity's control and there is enough evidence that plans to sell subject asset (or a disposal group) continue subject assets continue to be classified as assets held for sale.

A discontinued operation is a part of the Parent Bank's business classified as disposed or held-for-sale. The operating results of the discontinued operations are disclosed separately in the income statement. The Parent Bank has no discounting operations.

The Parent Bank classifies tangible assets that were acquired due to non-performing receivables, and that do not comply with TFRS 5 criteria, in accordance with the "Communiqué Regarding the Principles and Procedures for the Disposals of Immovables and Commodities Acquired due to Receivables and for Trading of Precious Metal" published in the Official Gazette dated 1 November 2006, no.26333 as other assets and accounts for these tangible assets according to the aforementioned Communiqué.

XII. Explanations on Goodwill and Other Intangible Assets

The Group's intangible assets consist of software, intangible rights and goodwill.

The intangible assets are recorded at their historical cost less accumulated amortization and provision for impairment, if any. Amortization is calculated on a straight-line basis. Softwares have been classified as other intangible fixed assets. The useful life of softwares is determined as 3-5 years.

If there is objective evidence of impairment, the asset's recoverable amount is estimated in accordance with the Turkish Accounting Standard on Impairment of Assets (TAS 36) and if the recoverable amount is less than the carrying value of the related asset, a provision for impairment loss is made.

XIII. Explanations on Tangible Assets

Tangible assets are recorded at their historical cost less accumulated depreciation and provision for impairment, if any. Depreciation is calculated on a straight-line basis over the estimated useful life of tangible assets. The annual amortization rates used are as follows:

Properties	%2
Movables purchased and acquired under finance lease contracts	%7 - %25

The depreciation of leasehold improvements acquired before December 2009, under operating lease agreements, is calculated according to their useful lives. Depreciation of the leasehold improvements acquired after this date is calculated over the lease period not exceeding 5 years where the lease duration is certain; or 5 years where the lease period is not certain in accordance with "Communiqué on the Amendment of Communiqué on Uniform Chart of Accounts and Explanatory Notes" dated January 10, 2011.

Depreciation is calculated on a pro-rata basis for the assets that have been placed in use for less than a year as of the balance sheet date.

Net book value of the property and leased assets under financial lease contracts are compared with the fair values determined by independent appraisers as of the year end and provision for impairment is recognized in "Other Operating Expenses" in the related period income statement when the fair value is below the net book value in accordance with "Turkish Accounting Standard on Impairment of Assets" (TAS 36).

Gains or losses resulting from disposals of the tangible assets are recorded in the income statement as the difference between the net proceeds and net book value of the asset.

Expenses for repairs are capitalized if the expenditure increases economic life of the asset; otherwise, they are expensed. There are no changes in the accounting estimates in regards to amortization duration, which could have a significant impact on the current and future financial statements. There are no pledges, mortgages or other restrictions on the tangible assets. There is no purchase commitments related to the fixed assets.

XIV. Explanations on Leasing Transactions

Fixed assets acquired under finance lease contracts are presented under "Tangible Fixed Assets" on the asset side and under "Financial Lease Payables" on the liability side at the initial date of the lease. The basis for the determination of related balance sheet amounts is the lower of fair value of the leased asset and the present value of the lease payments. The direct costs incurred for a finance lease transaction are capitalized as additions to the cost of the leased asset. Lease payments include the financing costs incurred due to the leasing transaction and the principal amount of the leased asset for the current period. Depreciation is calculated on a straight-line basis over the estimated useful life of the leased assets at the rate of 20% except for the buildings which are depreciated at the rate of 2%.

Total payments made under operating leases are charged to income statement on a straight-line basis over the period of the lease.

The gross lease receivables including interest and principal amounts regarding the Group's financial leasing activities as "Lessor" are stated under the "Finance Lease Receivables". The difference between the total of rental payments and the cost of the related fixed assets is reflected to the "unearned income" account. The interest income is recognized based on a pattern reflecting a constant periodic rate of return on the net investment outstanding.

The provisions for lease receivables are set as per BRSA communiqué numbered 28861 and dated December 24, 2013 "Communique on Accounting Principles and Financial Statements of Leasing, Factoring and Financing Companies". Those provisions are accounted under "Lease Receivables" at the accompanying financial statements.

XV. Explanations on Factoring Receivables

Factoring receivables are carried at amortized cost by using the effective interest rate method after unearned interest income is deducted and specific provisions for impairments are provided, if any. These provisions are accounted for under "Factoring Receivables" at the accompanying financial statements. The provisions for lease receivables are set as per BRSA communiqué numbered 28861 and dated December 24, 2013 "Communique on Accounting Principles and Financial Statements of Leasing, Factoring and Financing Companies". Those provisions are accounted for under "Factoring Receivables" at the accompanying financial statements.

XVI. Explanations on Provisions and Contingent Liabilities

Provisions, other than specific and general provisions for loans and other receivables, and contingent liabilities are provided for in accordance with TAS 37 "Provisions, Contingent Liabilities and Contingent Assets". Provisions are accounted for immediately when obligations arise as a result of past events and a reliable estimate of the obligation is made by the Bank. Whenever the amount of such obligations cannot be measured, they are regarded as "contingent". If the possibility of an outflow of resources embodying economic benefits becomes probable and the amount of the obligation can reliably be measured, a provision is provided.

XVII. Explanations on Obligations of the Group for Employees Benefits

Provision for employee severance benefits of the Group has been accounted for in accordance with TAS 19 "Employee Benefits".

In accordance with the existing social legislation in Turkey, the Group is required to make lump-sum termination indemnities including retirement and notice payments to each employee whose employment is terminated due to resignation or for reasons other than misconduct. The retirement pay is calculated for every working year within the Group over salary for 30 days or the official ceiling amount per year of employment and the notice pay is calculated for the relevant notice period time as determined based on the number of years worked for the Group.

The Group has reflected the retirement pay liability amount, which was calculated by an independent actuary, in the accompanying financial statements. According to IAS 19, the Group recognizes all actuarial gains and losses immediately through other comprehensive income.

The Group does not have any employees who work under limited period contracts with remaining terms longer than 12 months after the balance sheet date.

Provision for the employees' unused vacations has been booked in accordance with IAS 19 and reflected to the financial statements.

There are no foundations, pension trusts or similar associations of which the Group employees are members.

XVIII. Explanations on Taxation

1. Corporate Tax

Turkish Tax Legislation does not allow the Parent Company to prepare tax declaration from the financial statements which subsidiaries and investment associates are consolidated into. Therefore, tax provision in accompanying consolidated financial statements is determined by calculating tax provision for each corporation in consolidation scope separately.

In accordance with the Corporate Tax Law No: 5520 published in the Official Gazette No: 26205 dated June 21, 2006, statutory income is subject to corporate tax at 20%. Advance corporate taxes paid are deducted from the corporate taxes of the current year and shown in current tax asset and current tax liabilities.

75% of gains on disposal of subsidiary shares and real estates held in Parent Bank assets for more than two years are excepted from tax, according to Corporate Tax Law under the condition with adding these gains into equity or allocating into a specific fund account as liability for five years.

Companies file their tax returns between the 1st and the 25th day of the fourth month following the closing of the fiscal year to which they relate and the payments are made until the end of that month.

Losses occurred due to prior year's financial statements can be deducted from corporate income under condition that each year amounts are shown separately on Corporate Tax declaration and are not carried more than five years.

Taxes that are not been levied or notified to tax payer in five years, starting from the beginning of the year following the calendar year that the tax asset emerged are prescribed. Therefore, the tax authority can perform tax audit up to five years backwards. Besides, in case of benefiting from the decision of the document that is subject to stamp duty, yet the tax and the penalty is prescribed, after period of limitation is expired, tax asset of aforementioned document is emerged again.

The provision for corporate and income taxes for the period is recognized as "Current Tax Charge" in the income statement and current tax effect related to transactions directly recognized in equity are reflected to equity.

Undistributed profit for the period is not subject to withholding tax if it is added to capital or it is distributed to full-fledged taxpayer corporations. However, with the Council of Ministers' decisions numbered 2009/14593 and 2009/14594; published in the Official Gazette No: 27130 dated February 3, 2009 and based on Corporate Tax Law No: 5520, 15th and 30th Articles, profit distribution for the period is subject to withholding tax by 15%, for full-fledged real person taxpayers, for those who are not responsible for corporate tax and income tax, for those exempt from corporate and income tax (except for those taxed through their businesses or permanent representatives in Turkey) and for foreign based real person taxpayers.

2. Deferred Taxes

In accordance with Turkish Accounting Standard on Income Taxes (TAS 12), the Bank accounts for deferred taxes based on the tax effect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. In calculating deferred tax, legalized tax rates effective as of balance sheet date are used as per tax legislations.

Deferred tax liabilities are recognized for all temporary differences whereas deferred tax assets calculated from deductible temporary differences are only recognized if it's highly probable that these will in the future create taxable profit would be available against which the deferred tax assets can be utilized. Deferred tax asset is not provided over general reserve for possible risks and general loan loss provisions according to the circular of BRSA numbered BRSA.DZM.2/13/1-a-3 and dated December 8, 2004.

Deferred tax effects of transactions directly accounted in equity are reflected in equity.

According to TAS 12, deferred taxes and liabilities resulting from different subsidiaries subject to consolidation are not presented as net; rather they are presented separately as assets and liabilities in the financial statements.

3. Transfer Pricing

The article no.13 of the Corporate Tax Law describes the issue of transfer pricing under the title of "disguised profit distribution" by way of transfer pricing. "The General Communiqué on Disguised Profit Distribution by way of Transfer Pricing" published on November 18, 2007 explains the application related issues in detail. According to this Communiqué, if the taxpayers conduct transactions like purchase and sale of goods or services with the related parties where the prices are not determined according to the arm's length principle, then it will be concluded that there is a disguised profit distribution by way of transfer pricing. Such disguised profit distributions will not be deducted from the corporate tax base for tax purposes.

Disguised profit distribution amount will be recognized as share in net profit and stoppage tax will be calculated depending on whether the profit distributing institution is a real or corporate entity, full fledged or foreign based taxpayer, is subject to or exempt from tax.

As discussed under subject Communiqué's 7.1 Annual Documentation section, taxpayers are required to fill out the "Transfer Pricing, Controlled Foreign Entities and Thin Capitalization" form for the purchase and sale of goods or services conducted with their related parties in a taxation period, attach these forms to their corporate tax returns and submit to the tax offices.

XIX. Additional Explanations on Borrowings

The Parent Bank and consolidated Group companies generate funds from domestically and internationally resident people and institutions by using debt instruments such as syndication, securitization, collateralized debt and bond issuance. Aforementioned transactions are initially recorded at transaction cost plus acquisition cost, reflective of their fair value, and are subsequently measured at amortized cost by using effective interest rate method.

XX. Explanation on Share Issues

Within current period, the Bank has increased its paid-in capital through internal reserves amounting to TL 165.000. TL 141.750 of the bonus shares have been provided from first dividend of the year 2014 and TL 23.250 of the bonus shares have been provided from subsidiary and real estate sales fund. (January 1 – December 31, 2014 – capital of the Parent Bank has been increased by TL 135.000, paid from first dividend with bonus shares).

XXI. Explanations on Confirmed Bills of Exchange and Acceptances

Confirmed bills of exchange and acceptances are realized simultaneously with the customer payments and recorded in off-balance sheet accounts as possible debt and commitment, if any.

There are no acceptances and confirmed bills of exchange presented as liabilities against any assets.

XXII. Explanations on Government Incentives

As of December 31, 2015, the Group does not have any governmental incentives or support. (As of December 31, 2014 - None)

XXIII. Explanation on Reporting According to Segmentation

In addition to corporate banking, retail banking and commercial banking services, the Group also provides private banking, SME banking, treasury operations and credit card services through branches and alternative channels. The Group serves its retail banking clients with time, demand deposits, also overdraft services, automatic account services, consumer loans, vehicle loans, housing loans and investment fund services. The Group provides services including deposit and loans, foreign trade financing, forward and option agreements to its corporate clients. Other than those mentioned above, the Group also serves in trading financial instruments, treasury operations, and performs insurance, factoring, and domestic and abroad finance lease operations.

The calculations based on the income statement for retail banking (consumer banking and plastic cards), corporate and commercial banking that have operational units designated as the main profit centers, have been made according to the product and customer types. During the profitability calculations, the pricing of transfers among these units and treasury unit are made by using cost/return ratios that are determined by the Parent Bank's senior management and which are updated periodically. In this pricing method, general market conditions and the Parent Bank's internal policies are considered.

The Corporate Marketing Unit provides services to firms that are institutional, big size, that have annual revenues of TL 300.000 and higher and multi-national firms operating in Turkey. The firms that have annual revenues between TL 40.000 and TL 300.000 are considered as "Commercial Enterprise". The Bank gives importance to the commercial segmentation in order to hedge risk and decrease the concentration of income. Moreover; The Bank also offers sectoral solution packages to these small and medium-size firms.

The Consumer Banking meets the needs and expectations of the retail banking customers. The Private Banking Unit has formed and started to operate to serve customers with high level income, in a more effective way. The installments, discounts and bonus advantages are provided to the users of Card Finans in the plastic cards line. The main function of Treasury Segment is managing the liquidity of the Parent Bank and interest and foreign currency risks resulting from market conditions. This segment is in close relation with corporate, commercial, retail, SME and private banking units in order to increase the number of customers and the volume of transactions in treasury products of the Parent Bank.

Current Period (January 1 – December 31, 2015)	Retail Banking	Corporate and Commercial Banking	Treasury and Head Office	Total Operations of the Group
Net Interest Income	1.560.783	1.396.781	1.125.191	4.082.755
Net Fees and Commissions Income	967.940	382.372	36.926	1.387.238
Other Operating Income and Net Trading Income	37.479	48.338	(540.390)	(454.573)
Dividend Income	-	-	58	58
Operating Income	2.566.202	1.827.491	621.785	5.015.478
Other Operating Expenses	1.662.259	891.746	320.435	2.874.440
Provision for Loan Losses and Other Receivables	726.711	451.454	29.279	1.207.444
Gain / Loss on joint venture accounted for at equity method	-	-	(49.538)	(49.538)
Profit Before Taxes	177.232	484.291	222.533	884.056
Provision for Tax	-	-	-	(203.642)
Net Profit/Loss	-	-	-	680.414
Total Assets	41.669.742	17.948.485	24.176.894	88.049.066
Segment Assets	41.669.742	17.948.485	24.176.894	83.795.121
Associates, Subsidiaries and Entities Under Common Control (Joint Ventures)	-	-	-	127.847
Undistributed Assets	-	-	-	4.126.098
Total Liabilities	35.560.073	11.193.874	23.361.662	88.049.066
Segment Liabilities	35.560.073	11.193.874	23.361.662	70.115.609
Undistributed Liabilities	-	-	-	8.527.972
Equity	-	-	-	9.405.485
Other Segment Accounts	260.104	130.592	123.991	514.687
Capital Expenditures	129.591	65.065	104.145	298.801
Depreciation and Amortization	130.513	65.527	19.846	215.886
Value Decrease/ (Increase)				

Prior Period (January 1 - December 31, 2014)	Retail Banking	Corporate and Commercial Banking	Treasury and Head Office	Total Operations of the Group
Net Interest Income	1.232.083	1.151.654	820.788	3.204.525
Net Fees and Commissions Income	1.067.346	294.426	35.211	1.396.983
Other Operating Income and Net Trading Income	330.629	74.381	(271.185)	133.825
Dividend Income	-	-	263	263
Operating Income	2.630.058	1.520.461	585.077	4.735.596
Other Operating Expenses	1.457.569	799.335	186.107	2.443.011
Provision for Loan Losses and Other Receivables	623.561	396.105	80.825	1.100.491
Profit Before Taxes	-	-	(601)	(601)
Gain / Loss on joint venture accounted for at equity method	548.928	325.021	317.544	1.191.493
Provision for Tax	-	-	-	(275.554)
Net Profit/Loss	-	-	-	915.939
Total Assets	37.643.855	14.511.072	20.819.549	76.835.125
Segment Assets	37.643.855	14.511.072	20.819.549	72.974.476
Associates, Subsidiaries and Entities Under Common Control (Joint Ventures)	-	-	-	189.867
Undistributed Assets	-	-	-	3.670.782
Total Liabilities	29.485.416	10.906.083	21.124.661	76.835.125
Segment Liabilities	29.485.416	10.906.083	21.124.661	61.516.160
Undistributed Liabilities	-	-	-	6.521.351
Equity	-	-	-	8.797.614
Other Segment Accounts	254.433	135.384	1.024.332	1.414.149
Capital Expenditures	126.959	69.625	998.625	1.195.209
Depreciation and Amortization	127.474	65.759	25.707	218.940
Value Decrease/ (Increase)	-	-	-	-

XXIV. Profit Reserves and profit distribution

The Ordinary General Assembly Meeting of the Bank was held on 31 March 2015. In the Ordinary General Assembly, it was decided to distribute a TL 43.871 cash dividend over the TL 877.428 net income from 2014 operations to the Bank's shareholders. In accordance with the 26th clause of the Bank's Articles of Association, it has been decided in the Extraordinary General Assembly Meeting dated May 28, 2015 to distribute the net profit remaining after General Legal Reserve has been appropriated as of 2014 financials, amounting to TL 833.557.

2014 profit distribution table:

Current period income / (loss)	877.428
A – First Legal Reserves (Turkish Commercial Code 519/A) 5%	(43.871)
B – Extraordinary Reserves	(833.557)

XXV. Profit Per Share

Profit per share listed on income statement is calculated by dividing net profit to weighted average amount of shares issued within respective year.

	Current Period	Prior Period
Group's Net Profit for the Period	664.350	900.688
Weighted Average Amount of Shares Issued (Thousands)	30.000.000	30.00.000
Earnings per Share	0,02215	0,03002

In Turkey, companies can increase capital through "bonus share" distributed from previous year earnings to current shareholders. Such "bonus share" distributions are accounted as issued shares while calculating profit per share. Accordingly, weighted average amount of shares issued used in these calculations is found through taking into consideration retroactive effects of subject share distributions. In case amount of shares issued increases after the balance sheet date but before the date of financial statement preparation due to distribution of "bonus share", profit per share is calculated taking into consideration new amount of shares.

As of December 31, 2015 amount of issued bonus shares are 1.650.000 (December 31, 2014: 1.350.000).

XXVI. Explanations on Other Matters

None

SECTION FOUR

INFORMATION ON GROUP'S FINANCIAL STRUCTURE

I. Explanations Related to Consolidated Capital Adequacy Ratio

As of December 31, 2015, the Parent Bank's consolidated capital adequacy ratio is 15,53%. (December 31, 2014 – 16,90%)

Capital adequacy ratio is calculated within the scope of the "Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks (the "Regulation")", "Regulation on Credit Risk Mitigation Techniques" and "Regulation on Calculation of Risk Weighted Amounts for Securitizations" published in the Official Gazette No.28337 dated June 28, 2012 and the "Regulation on Equities of Banks" published in the Official Gazette No.28756 dated September 5, 2013.

The Group designates balance sheet items and non-balance sheet items as "trading book" and "banking book" according to capital adequacy account.

Calculation of the risk weighted assets is made on related assets by net basis after items deducted from capital base and depreciation and provisions are reduced.

The items classified as trading book are not included in the calculation of the credit risk. However, counterparty credit risk for all transactions stated in the Article 21 of the Regulation, are made as per the rates stated in the Appendix-2 of the Regulation.

Balance sheet items and the rates stated in the Article 5 of the Regulation, and non-balance sheet items whose credit equivalent risk amount are calculated, are included in the relevant exposure category defined in the Article 6 of the Regulation and weighted as per Appendix-I of the Regulation.

The disclosures of credit risk mitigation techniques used under "Regulation on Credit Risk Mitigation Techniques" are presented in Section 4, Part X. under "Explanations related to Credit Risk Mitigation Techniques".

Capital requirement for the market risk is calculated by using the standard method. Market risk for the options is calculated within the scope of the regulation "Capital Requirement for Market Risk of Options - Standard Method" published in the Official Gazette No:28337 dated June 28, 2012.

Capital requirement for the operational risk is calculated within the scope of the "Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks (the Regulation)" published in the Official Gazette No:28337 dated June 28, 2012 by using Basic Indicator Approach.

Consolidated and unconsolidated capital adequacy ratio:

	Parent Bank								
	Risk Weights								
Current Period	0%	10%	20%	50%	75%	100%	150%	200%	250%
Value at Credit Risk	-	-	213.722	11.131.029	16.504.633	23.985.241	4.225.614	7.819.440	574.420
Exposure Categories:	16.436.016	-	1.068.608	22.262.057	22.006.177	23.985.241	2.817.076	3.909.720	229.768
Conditional and unconditional receivables from central governments or central banks	15.481.981	-	-	2.195.888	-	-	-	-	-
Conditional and unconditional receivables from regional or local governments	-	-	2.255	-	-	-	-	-	-
Conditional and unconditional receivables from administrative units and non-commercial enterprises	-	-	-	-	-	14.698	-	-	-
Conditional and unconditional receivables from multilateral development banks	-	-	-	-	-	-	-	-	-
Conditional and unconditional receivables from international organizations	-	-	-	-	-	-	-	-	-
Conditional and unconditional receivables from banks and brokerage houses	-	-	1.065.670	2.689.834	-	11.473	-	-	-
Conditional and unconditional receivables from corporates	-	-	-	-	-	18.310.933	-	-	-
Conditional and unconditional retail receivables	-	-	-	-	22.006.177	2.033.841	-	-	-
Conditional and unconditional receivables secured by mortgages	-	-	-	17.376.335	-	-	-	-	-
Past due receivables	-	-	-	-	-	705.705	-	-	-
Receivables defined in high risk category by BRSA	-	-	-	-	-	-	2.817.076	3.909.720	229.768
Securities collateralized by mortgages	-	-	-	-	-	-	-	-	-
Securitization positions	-	-	-	-	-	-	-	-	-
Short-term receivables from banks, brokerage houses and corporates	-	-	-	-	-	-	-	-	-
Investments similar to collective investment funds	-	-	-	-	-	492	-	-	-
Other receivables	954.035	-	683	-	-	2.908.099	-	-	-

	Consolidated								
	Risk Weights								
Current Period	0%	10%	20%	50%	75%	100%	150%	200%	250%
Value at Credit Risk	-	-	205.313	11.190.769	16.916.600	26.110.073	4.283.844	7.819.440	574.420
Exposure Categories:	16.436.019	-	1.026.567	22.381.538	22.555.467	26.110.073	2.855.896	3.909.720	229.768
Conditional and unconditional receivables from central governments or central banks	15.481.981	-	-	2.195.888	-	-	-	-	-
Conditional and unconditional receivables from regional or local governments	-	-	2.255	-	-	-	-	-	-
Conditional and unconditional receivables from administrative units and non-commercial enterprises	-	-	-	-	-	14.698	-	-	-
Conditional and unconditional receivables from multilateral development banks	-	-	-	-	-	-	-	-	-
Conditional and unconditional receivables from international organizations	-	-	-	-	-	-	-	-	-
Conditional and unconditional receivables from banks and brokerage houses	-	-	1.023.629	2.628.284	-	11.473	-	-	-
Conditional and unconditional receivables from corporates	-	-	-	-	-	20.002.579	-	-	-
Conditional and unconditional retail receivables	-	-	-	-	22.555.467	2.033.841	-	-	-
Conditional and unconditional receivables secured by mortgages	-	-	-	17.557.366	-	-	-	-	-
Past due receivables	-	-	-	-	-	744.843	-	-	-
Receivables defined in high risk category by BRSA	-	-	-	-	-	-	2.855.896	3.909.720	229.768
Securities collateralized by mortgages	-	-	-	-	-	-	-	-	-
Securitization positions	-	-	-	-	-	-	-	-	-
Short-term receivables from banks, brokerage houses and corporates	-	-	-	-	-	-	-	-	-
Investments similar to collective investment funds	-	-	-	-	-	492	-	-	-
Other receivables	954.038	-	683	-	-	3.302.147	-	-	-

	Parent Bank								
	Risk Weights								
Prior Period	0%	10%	20%	50%	75%	100%	150%	200%	250%
Value at Credit Risk	-	-	245.829	9.465.302	15.417.255	20.617.801	2.513.757	7.994.862	676.638
Exposure Categories:	15.690.061	-	1.229.146	18.930.604	20.556.340	20.617.801	1.675.838	3.997.431	270.655
Conditional and unconditional receivables from central governments or central banks	14.850.852	-	-	1.697.937	-	-	-	-	-
Conditional and unconditional receivables from regional or local governments	-	-	4.048	-	-	-	-	-	-
Conditional and unconditional receivables from administrative units and non-commercial enterprises	-	-	-	-	-	316	-	-	-
Conditional and unconditional receivables from multilateral development banks	-	-	-	-	-	-	-	-	-
Conditional and unconditional receivables from international organizations	-	-	-	-	-	-	-	-	-
Conditional and unconditional receivables from banks and brokerage houses	-	-	1.224.868	2.181.022	-	29.459	-	-	-
Conditional and unconditional receivables from corporates	-	-	-	-	-	15.318.399	-	-	-
Conditional and unconditional retail receivables	-	-	-	-	20.556.340	1.825.386	-	-	-
Conditional and unconditional receivables secured by mortgages	-	-	-	15.051.645	-	-	-	-	-
Past due receivables	-	-	-	-	-	541.919	-	-	-
Receivables defined in high risk category by BRSA	-	-	-	-	-	-	1.675.838	3.997.431	270.655
Securities collateralized by mortgages	-	-	-	-	-	-	-	-	-
Securitization positions	-	-	-	-	-	-	-	-	-
Short-term receivables from banks, brokerage houses and corporates	-	-	-	-	-	-	-	-	-
Investments similar to collective investment funds	-	-	-	-	-	26.414	-	-	-
Other receivables	839.209	-	230	-	-	2.875.908	-	-	-

	Consolidated								
	Risk Weights								
Prior Period	0%	10%	20%	50%	75%	100%	150%	200%	250%
Value at Credit Risk	-	-	223.770	9.449.523	15.493.670	22.857.676	2.548.004	7.994.862	676.638
Exposure Categories:	15.690.064	-	1.118.848	18.899.046	20.658.226	22.857.676	1.698.669	3.997.431	270.655
Conditional and unconditional receivables from central governments or central banks	14.850.852	-	-	1.697.937	-	-	-	-	-
Conditional and unconditional receivables from regional or local governments	-	-	4.048	-	-	-	-	-	-
Conditional and unconditional receivables from administrative units and non-commercial enterprises	-	-	-	-	-	316	-	-	-
Conditional and unconditional receivables from multilateral development banks	-	-	-	-	-	-	-	-	-
Conditional and unconditional receivables from international organizations	-	-	-	-	-	-	-	-	-
Conditional and unconditional receivables from banks and brokerage houses	-	-	1.114.570	2.136.621	-	29.459	-	-	-
Conditional and unconditional receivables from corporates	-	-	-	-	-	17.459.834	-	-	-
Conditional and unconditional retail receivables	-	-	-	-	20.658.226	1.825.385	-	-	-
Conditional and unconditional receivables secured by mortgages	-	-	-	15.064.488	-	-	-	-	-
Past due receivables	-	-	-	-	-	575.708	-	-	-
Receivables defined in high risk category by BRSA	-	-	-	-	-	-	1.698.669	3.997.431	270.655
Securities collateralized by mortgages	-	-	-	-	-	-	-	-	-
Securitization positions	-	-	-	-	-	-	-	-	-
Short-term receivables from banks, brokerage houses and corporates	-	-	-	-	-	-	-	-	-
Investments similar to collective investment funds	-	-	-	-	-	26.414	-	-	-
Other receivables	839.212	-	230	-	-	2.940.560	-	-	-

Summary information related to consolidated and unconsolidated capital adequacy ratio:

	Parent Bank	Consolidated	Parent Bank	Consolidated
	Current Period ^(*)	Current Period ^(*)	Prior Period	Prior Period
Capital Requirement for Credit Risk (Value at Credit Risk * 0,08) (CRCR)	5.156.328	5.368.037	4.554.516	4.739.531
Capital Requirement for Market Risk (MRCR)	85.370	88.270	98.679	98.483
Capital Requirement for Operational Risk (ORCR)	572.223	600.249	503.912	532.294
Shareholders' Equity	11.193.253	11.759.030	10.946.807	11.346.649
Shareholders' Equity/((CRCR+MRCR+ORCR) * 12,5 * 100)	%15,40	%15,53	%16,98	%16,90
Additional Tier I Capital/(((CRCR+CRMR+CROR)*12,5*100)	%12,00	%12,01	%12,97	%12,77
Common Equity/((CRCR+CRMR+CROR)*12,5*100)	%12,19	%12,20	%13,24	%13,05

CRCR : Capital Requirement for Credit Risk

MRCR : Capital Requirement for Market Risk

ORCR : Capital Requirement for Operational Risk

(*) As of January 1, 2014 the Bank is calculating its equity according to "Communique on Banks' Equity" published on September 5, 2013 in the Official Gazette no 28756 and calculated Capital Adequacy Standard Ratio accordingly.

Components of consolidated shareholders' equity items:

	Current Period December 31, 2015	Prior Period December 31, 2014
COMMON EQUITY		
Paid-in capital following all debts in terms of claim in liquidation of the Bank's	3.000.000	2.835.000
Share premium	714	714
Share cancellation profits	-	-
Reserves	5.621.561	4.853.036
Gains recognized in equity as per TAS	-	266
Profit	802.739	1.072.420
Current Period Profit	664.350	900.688
Prior Period Profit	138.389	171.732
Provisions for Possible Risks	100.000	82.000
Bonus Shares from Investments in Associates, Subsidiaries and Joint Ventures that are not recognized in Profit	-	-
Minority shares	189.229	178.175
Common Equity Before Deductions	9.714.243	9.021.611
Deductions from Common Equity		
Portion of the current and prior periods' losses which cannot be covered through reserves and losses reflected in equity in accordance with TAS (-).	289.933	101.518
Leasehold improvements (-)	88.388	114.885
Goodwill or other intangible assets and deferred tax liability related to these items (-)	96.676	47.095
Net deferred tax asset/liability (-)	-	-
Shares obtained contrary to the 4th clause of the 56th Article of the Law (-)	-	-
Direct and indirect investments of the Bank in its own common equity (-)	-	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank (-).	-	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank (-).	-	-
Portion of mortgage servicing rights exceeding 10% of the common equity (-).	-	-
Portion of deferred tax assets based on temporary differences exceeding 10% of the common equity (-).	-	-
Amount exceeding 15% of the common equity as per the 2nd clause of the Provisional Article 2 of the Regulation on the Equity of Banks (-)	-	-
Excess amount arising from the net long positions of investments in common equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital (-)	-	-
Excess amount arising from mortgage servicing rights (-).	-	-
Excess amount arising from deferred tax assets based on temporary differences (-).	-	-
Other items to be defined by the BRSA (-)	-	-
Deductions to be made from common equity in the case that adequate Additional Tier I Capital or Tier II Capital is not available (-)	-	-
Total Deductions From Common Equity	474.997	263.498
Total Common Equity	9.239.246	8.758.113

	December 31, 2015	December 31, 2014
ADDITIONAL TIER I CAPITAL		
Capital amount and related premiums corresponding to preference shares that are not included in common equity	-	-
Debt instruments and premiums deemed suitable by BRSA (issued/obtained after 1.1.2014)	-	-
Debt instruments and premiums deemed suitable by BRSA (issued before 1.1.2014)	-	-
Additional Tier I Capital before Deductions	-	-
Deductions from Additional Tier I Capital	-	-
Direct and indirect investments of the Bank in its own Additional Tier I Capital (-)	-	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank (-)	-	-
Portion of the total of net long positions of investments made in Additional Tier I Capital and Tier II Capital items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank (-)	-	-
Other items to be defined by the BRSA (-)	-	-
Deductions to be made from common equity in the case that adequate Additional Tier I Capital or Tier II Capital is not available (-)	-	-
Total Deductions From Additional Tier I Capital	-	-
Total Additional Tier I Capital	-	-
DEDUCTIONS FROM TIER I CAPITAL	145.015	188.381
Portion of goodwill and other intangible assets and the related deferred tax liabilities which not deducted from the Common Equity as per the 1 st clause of Provisional Article 2 of the Regulation on the Equity of Banks (-)	145.015	188.381
Portion of net deferred tax assets/liabilities which is not deducted from the common equity pursuant to Paragraph I Provisional Article 2 of the Regulation on the Equity of Banks (-)	-	-
Total Tier I Capital	9.094.231	8.569.732
TIER II CAPITAL	-	-
Debt instruments and premiums deemed suitable by the BRSA (issued/obtained after 1.1.2014)	1.893.475	2.097.617
Debt instruments and premiums deemed suitable by the BRSA (issued/obtained before 1.1.2014)	-	-
Sources pledged to the Bank by shareholders to be used in capital increases of the Bank	838.756	740.552
General Loan Loss Provisions	-	-
Share of 3 rd parties in Tier II Capital	-	-
Tier II Capital Before Deductions	2.732.231	2.838.169
DEDUCTIONS FROM TIER II CAPITAL	-	-
Direct and indirect investments of the Bank in its own Tier II Capital (-)	-	-
Portion of the total of net long positions of investments made in Common Equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank (-).	-	-
Portion of the total of net long positions of investments made in Additional Tier I and Tier II Capital items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank (-).	-	-
Other items to be defined by the BRSA (-)	-	-
Total Deductions from Tier II Capital	-	-
Total Tier II Capital	2.732.231	2.838.169
CAPITAL BEFORE DEDUCTIONS	11.826.462	11.407.901
Loans granted contrary to the 50th and 51th Article of the Law (-)	15.456	1.856
Net book value of amounts exceeding the limit mentioned in the 1 st Paragraph of Article 57 of the Law and assets acquired against overdue receivables which could not be disposed of even though five years have passed since their acquisition date (-)	13.246	11.289
Loans granted to banks and financial institutions, including those established abroad, and to eligible shareholders of the Bank and investments made in the borrowing instruments issued by them (-).	-	-
Amounts to be deducted from equity as per the 2nd Clause of Article 20 of the Regulation on Measurement and Evaluation of Capital Adequacy of Banks (-).	-	-
Other items to be defined by the BRSA (-)	38.731	50.796
Portion of the total of net long positions of investments made in Common Equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank not to be deducted from the Common Equity, Additional Tier I Capital, Tier II Capital as per the 1 st clause of the Provisional Article 2 of the Regulation on the Equity of Banks. (-)	-	-
Portion of the total of net long positions of direct or indirect investments made in Additional Tier I and Tier II Capital items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank not to be deducted from the Additional Tier I Capital and Tier II Capital as per the 1st clause of the Provisional Article 2 of the Regulation on the Equity of Banks. (-)	-	-
Portion of the total of net long positions of investments made in Common Equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital, deferred tax assets based on temporary differences and mortgage servicing rights not deducted from Common Equity as per the 1 st and 2 nd Paragraph of the 2 nd clause of the Provisional Article 2 of the Regulation on the Equity of Banks (-)	-	-
TOTAL CAPITAL	11.759.029	11.343.960
Amounts below the Excess Limits as per the Deduction Principles	204.170	227.426
Amounts arising from the net long positions of investments made in Total Capital items of banks and financial institutions where the Bank owns 10% or less of the issued common share capital	-	-
Amounts arising from the net long positions of investments made in Tier I Capital items of banks and financial institutions where the Bank owns 10% or more of the issued common share capital	103.227	165.247
Amounts arising from mortgage servicing rights	-	-
Amounts arising from deferred tax assets based on temporary differences	100.943	62.179

Components of items of shareholders' equity subject to temporary applications:

	Parent Bank		Consolidated	
	Amount Included in	Total Amount	Amount Included in	Total Amount
	Equity Calculation		Equity Calculation	
Minority Interest in Tier I Capital	-	-	-	-
Shares of Third Parties in Additional Core Capital	-	-	-	-
Shares of Third Parties in Tier II Capital	-	-	-	-
Debt Instruments and the Related Issuance Premiums Defined by the BRSA (Issued before 1.1.2014)	1.736.305	1.736.305	1.893.475	1.893.475

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Information on debt instruments included in the calculation of equity:

	1	2	3	4
Issuer	NATIONAL BANK OF GREECE S.A.	NATIONAL BANK OF GREECE S.A.	NATIONAL BANK OF GREECE S.A.	NATIONAL BANK OF GREECE S.A.
Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	-	-	-	-
Governing law(s) of the instrument	BRSA	BRSA	BRSA	BRSA
Regulatory treatment	Supplementary Capital	Supplementary Capital	Supplementary Capital	Supplementary Capital
Transitional Basel III rules	Yes	Yes	Yes	Yes
Eligible at stand-alone / consolidated	Stand alone -Consolidated	Stand alone -Consolidated	Stand alone -Consolidated	Stand alone -Consolidated
Instrument type (types to be specified by each jurisdiction)	Loan	Loan	Loan	Loan
Amount recognised in regulatory capital (Currency in million, as of most recent reporting date)	668	419	262	544
Par value of instrument (Currency in million)	953	588	364	757
Accounting classification	Liability – Subordinated Loans- amortised cost	Liability – Subordinated Loans- amortised cost	Liability – Subordinated Loans- amortised cost	Liability – Subordinated Loans- amortised cost
Original date of issuance	April 24, 2008	October 06, 2009	December 28, 2009	December 20, 2011
Perpetual or dated	Dated	Dated	Dated	Dated
Original maturity date	12 years	12 years	12 years	10 years
Issuer call subject to prior BRSA approval	Yes	Yes	Yes	Yes
Optional call date, contingent call dates and redemption amount	-	-	-	-
Subsequent call dates, if applicable	-	-	-	-
Coupons / dividends	6 months	6 months	6 months	6 months
Fixed or floating dividend/coupon	Floating	Floating	Floating	Floating
Coupon rate and any related index	LIBOR + %4,50	LIBOR + %4,34	LIBOR + %4,34	LIBOR + %4,50
Existence of a dividend stopper	-	-	-	-
Fully discretionary, partially discretionary or mandatory	-	-	-	-

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	1	2	3	4
Existence of step up or other incentive to redeem	-	-	-	-
Noncumulative or cumulative	Noncumulative	Noncumulative	Noncumulative	Noncumulative
Convertible or non-convertible	None	None	None	None
If convertible, conversion trigger (s)	-	-	-	-
If convertible, fully or partially	-	-	-	-
If convertible, conversion rate	-	-	-	-
If convertible, mandatory or optional conversion	-	-	-	-
If convertible, specify instrument type convertible into	-	-	-	-
If convertible, specify issuer of instrument it converts into	-	-	-	-
Write-down feature	None	None	None	None
If write-down, write-down trigger(s)	-	-	-	-
If write-down, full or partial	-	-	-	-
If write-down, permanent or temporary	-	-	-	-
If temporary write-down, description of write-up mechanism	-	-	-	-
Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	After the senior creditors, before the TIER 1 subdebt, same with TIER 2	After the senior creditors, before the TIER 1 subdebt, same with TIER 2	After the senior creditors, before the TIER 1 subdebt, same with TIER 2	After the senior creditors, before the TIER 1 subdebt, same with TIER 2
Incompliance with article number 7 and 8 of "Own fund regulation"	Yes	Yes	Yes	Yes
Details of incompliances with article number 7 and 8 of "Own fund regulation"	8-2-ğ	8-2-ğ	8-2-ğ	8-2-ğ

II. Explanations Related to Consolidated Credit Risk

Credit risk represents the risk arising due to the counter party's not fulfilling its responsibilities stated in the agreement either partially or totally. Credit Risk Management Committee and Credit Department is responsible for managing credit risk.

Loan strategies and policies are determined by the Policy Committees. These policies and strategies are constituted in line with the applications of the Parent, and credit risk is managed according to these policies and strategies. The quality of loan portfolio is monitored regularly with the help of metrics which are in line with the Bank's risk appetite, as specified in Risk Management Strategies.

Credit Risk Management takes place in every steps of the Parent Bank's credit process from the beginning. Loan applications are evaluated by non-profit oriented independent loan granting departments. Loan Limits are determined on a product basis and in the aggregate for every individual, corporate customer and risk group. Furthermore, concentration on product, industry, region, are monitored within the frame of loan limits in line with the regulation.

The credibility of the debtors is monitored periodically in accordance with the related regulation. The statements presenting the financial position of the borrowers are obtained in accordance with the related regulation.

Loan limits of the loan customers are revised periodically in line with the Group's loan limit revision procedures.

The Parent Bank analyses the credibility of the loans within the framework of its loan policies and obtains collaterals for loans.

The Parent Bank has control limits over the positions of forward transactions, options and other similar agreements. The credit risk arising from these instruments are managed together with the risks resulting from market fluctuations.

The Parent Bank monitors risks of forward transactions, options and other similar agreements and reduces the risk if necessary.

Indemnified non-cash loans are weighted in the same risk group with the past due but not impaired loans.

The restructured and rescheduled loans are monitored by the Parent Bank in line with the Parent Bank's credit risk management procedures. The debtor's financial position and commercial activities are continuously analyzed and the principal and interest payments of rescheduled loans are monitored by the related departments.

The restructured and rescheduled loans are evaluated in the Parent Bank's current internal rating system besides the follow up method determined in the related regulation.

The risk of banking operation abroad and credit transactions is acceptable and there is no significant credit risk density in international banking market.

Based on "Regulation on Procedures and Principles for Determination of Qualifications of Loans and Other Receivables by Banks and Provisions to be set aside", the Parent Bank considers Second Group loans whose principal or interest payments are not collected at the determined dates as overdue loans. Loans whose principal or interest payments are delayed for more than 90 days and loans of borrowers which the Parent Bank believes that the borrower lost his creditworthiness are considered as impaired loans.

The Parent Bank calculates general loan provision for overdue loans and specific loan provision for impaired loans based on "Regulation on Procedures and Principles for Determination of Qualifications of Loans and Other Receivables by Banks and Provisions to be set aside".

The receivables of the Group from its top 100 cash loan customers are 14% in the total cash loans (December 31, 2014- 12%).

The receivables of the Group from its top 200 cash loan customers are 17% in the total cash loans (December 31, 2014-15%).

The receivables of the Group from its top 100 non-cash loan customers are 41% in the total non-cash loans (December 31, 2014- 43%).

The receivables of the Group from its top 200 non-cash loan customers are 50% in the total non-cash loans (December 31, 2014- 52%).

The share of cash and non-cash receivables of the Group from its top 100 loan customers in total cash and non-cash loans is 16% ((December 31, 2014 14%).

The share of cash and non-cash receivables of the Group from its top 200 loan customers in total cash and non-cash loans is 19% (December 31, 2014 18%).

The general loan loss provision related with the credit risk taken by the Group is TL 1.190.403 (December 31, 2014- TL 942.661). As of December 31, 2015 Provision for probable risks in the Group's loan portfolio amounted to TL 106.241 (December 31, 2014- TL 106.334).

Exposure Categories	Current Period Risk Amount(**)	Average Risk Amount	Prior Period Risk Amount(**)	Average Risk Amount(*)
Conditional and unconditional receivables from central governments and Central Banks	19.981.535	19.767.564	18.832.057	16.508.359
Conditional and unconditional receivables from regional or local governments	2.277	3.051	4.069	5.549
Conditional and unconditional receivables from administrative bodies and noncommercial enterprises	14.698	1.409	316	890
Conditional and unconditional receivables from multilateral development banks	-	-	-	-
Conditional and unconditional receivables from international organizations	-	-	-	-
Conditional and unconditional receivables from banks and brokerage houses	8.654.207	8.908.374	6.533.104	4.152.477
Conditional and unconditional receivables from corporates	20.856.150	19.895.837	18.021.495	17.665.279
Conditional and unconditional receivables from retail portfolios	24.901.437	23.921.571	22.740.090	20.756.673
Conditional and unconditional receivables secured by mortgages	17.557.366	16.517.226	15.064.488	13.464.104
Past due receivables	745.564	693.530	575.762	545.972
Receivables defined in high risk category by BRSA	7.067.389	6.852.677	6.041.178	6.126.531
Securities collateralized by mortgages	-	-	-	-
Securitization positions	-	-	-	-
Short-term receivables from banks, brokerage houses and corporates	-	-	-	-
Investments similar to collective investment Funds	492	15.882	26.414	29.133
Other receivables	4.256.868	4.085.909	3.780.002	3.810.316

(*)The average risk amount was calculated by taking the arithmetic average of the risk amount after the conversion for the December 2014, December 2015 periods.

(**)Includes total risk amounts before the effect of credit risk mitigation but after credit conversions.

Credit rating system

The Parent Bank uses internal credit rating system effectively in order to track the quality of credit portfolio and determine the actions required, based on customer groups and types of loans. The parent Bank uses the behavioral rating systems in order to measure the probability of default of the current customers in a determined period of time and to perform limit management. These rating systems are monitored regularly in line with generally accepted applications and methods.

The table below indicates the ratings of the corporate / commercial and enterprise banking cash loans:

	Current Period (%)	Prior Period (%)
Debtor has a very strong financial structure	11	11
Debtor has a good financial structure	30	42
Debtor has a moderate financial structure	36	28
Debtor has a financial structure which needs attention in medium term	21	17
Not Rated	2	2
Total	100	100

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Profile of significant exposures in major regions

Current Period	Exposure Categories(*)																Total
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	
1. Domestic	19.981.535	2.277	14.698	-	-	2.185.609	20.625.974	24.897.261	17.556.364	744.893	7.044.190	-	-	-	492	4.129.021	97.182.314
2. European Union Countries	-	-	-	-	-	6.114.804	155.903	510	771	-	23.060	-	-	-	-	-	6.295.048
3. OECD Countries (**)	-	-	-	-	-	55.863	-	177	-	-	-	-	-	-	-	-	56.040
4. Offshore Banking Areas	-	-	-	-	-	31.382	28.419	39	5	-	118	-	-	-	-	-	59.963
5. USA, Canada	-	-	-	-	-	243.121	16.273	168	-	-	9	-	-	-	-	-	259.571
6. Other Countries	-	-	-	-	-	23.428	29.581	3.282	226	671	12	-	-	-	-	-	57.200
7. Associates, Subsidiaries and Joint Ventures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	127.847	127.847
8. Unallocated Assets/Liabilities (***)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	19.981.535	2.277	14.698	-	-	8.654.207	20.856.150	24.901.437	17.557.366	745.564	7.067.389	-	-	-	492	4.256.868	104.037.983

Prior Period	Exposure Categories(*)																Total
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	
1. Domestic	18.832.056	4.070	317	-	-	2.014.035	17.799.688	22.736.521	15.061.819	575.762	6.040.902	-	-	-	26.414	3.590.150	86.681.734
2. European Union Countries	-	-	-	-	-	4.180.758	187.341	286	2.508	-	107	-	-	-	-	-	4.371.000
3. OECD Countries (**)	-	-	-	-	-	18.445	-	4	-	-	-	-	-	-	-	-	18.449
4. Offshore Banking Areas	-	-	-	-	-	28.138	4.578	11	2	-	155	-	-	-	-	-	32.884
5. USA, Canada	-	-	-	-	-	260.240	18.396	4	-	-	-	-	-	-	-	-	278.640
6. Other Countries	-	-	-	-	-	31.487	11.491	3.265	160	-	14	-	-	-	-	-	46.417
7. Associates, Subsidiaries and Joint Ventures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	189.851	189.851
8. Unallocated Assets/Liabilities (***)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	18.832.056	4.070	317	-	-	6.533.103	18.021.494	22.740.091	15.064.489	575.762	6.041.178	-	-	-	26.414	3.780.001	91.618.975

(*) Exposure categories based on "Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks".

(**) Includes OECD countries other than EU countries, USA and Canada.

(***) Includes assets and liability items that cannot be allocated on a consistent basis

- 1- Conditional and unconditional receivables from central governments and Central Banks
- 2- Conditional and unconditional receivables from regional or local governments
- 3- Conditional and unconditional receivables from administrative bodies and noncommercial enterprises
- 4- Conditional and unconditional receivables from multilateral development banks
- 5- Conditional and unconditional receivables from international organizations
- 6- Conditional and unconditional receivables from banks and brokerage houses
- 7- Conditional and unconditional receivables from corporates
- 8- Conditional and unconditional receivables from retail portfolios
- 9- Conditional and unconditional receivables secured by mortgages
- 10- Past due receivables
- 11- Receivables defined under high risk category by BRSA
- 12- Securities collateralized by mortgages
- 13- Securitization positions
- 14- Short-term receivables from banks, brokerage houses and corporates
- 15- Investments similar to collective investment Funds
- 16- Other receivables

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Risk Profile regarding Sectors or Counter Parties:

Current Period		Exposure Categories ^(*)																FC	Total		
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16			TL	
Agriculture		-	-	-	-	-	-	736.338	174.749	599.304	6.159	773	-	-	-	-	-	-	1.432.752	84.571	1.517.323
Farming and Raising Livestock		-	-	-	-	-	-	705.868	167.153	586.470	5.471	772	-	-	-	-	-	-	1.413.487	52.247	1.465.734
Forestry		-	-	-	-	-	-	759	1.100	1.614	234	-	-	-	-	-	-	-	3.707	0	3.707
Fishing		-	-	-	-	-	-	29.711	6.496	11.220	454	1	-	-	-	-	-	-	15.558	32.324	47.892
Industrial		-	2.230	-	-	-	-	7.523.482	2.090.145	2.438.935	72.287	10.248	-	-	-	-	-	-	5.320.574	6.816.753	12.137.327
Mining and Quarrying		-	-	-	-	-	-	174.635	45.128	65.297	1.188	732	-	-	-	-	-	-	146.742	140.238	286.980
Production		-	-	-	-	-	-	5.577.767	2.034.513	2.184.653	70.343	9.516	-	-	-	-	-	-	5.001.337	4.875.455	9.876.792
Electricity, Gas, Water		-	2.230	-	-	-	-	1.771.080	10.504	188.985	756	-	-	-	-	-	-	-	172.495	1.801.060	1.973.555
Construction		-	-	-	-	-	-	2.497.737	915.151	2.399.426	46.578	10.216	-	-	-	-	-	-	3.911.842	1.957.266	5.869.108
Services		11.397.360	28	14.666	-	-	8.057.634	8.273.613	4.970.699	6.571.071	181.805	8.210	-	-	-	-	-	-	21.174.750	18.300.336	39.475.086
Wholesale and Retail Trade		-	-	-	-	-	-	4.755.636	4.056.882	3.296.089	155.688	7.085	-	-	-	-	-	-	9.715.614	2.555.766	12.271.380
Hotel, Food and Beverage		-	-	-	-	-	-	398.477	54.398	680.174	873	2	-	-	-	-	-	-	287.077	846.847	1.133.924
Transportation and Communication		-	-	-	-	-	-	1.290.781	389.005	305.576	14.164	693	-	-	-	-	-	-	999.314	1.000.905	2.000.219
Financial Institutions		11.397.360	22	-	-	-	8.057.634	120.658	31.515	26.834	722	2	-	-	-	-	-	-	8.466.898	11.167.849	19.634.747
Real Estate and Rent Services		-	-	-	-	-	-	724.224	72.825	1.533.201	2.105	29	-	-	-	-	-	-	245.697	2.086.687	2.332.384
Self-Employment Services		-	-	7	-	-	-	209.113	172.650	255.256	5.091	130	-	-	-	-	-	-	488.432	153.815	642.247
Educational Services		-	-	14.656	-	-	-	90.806	48.371	131.034	627	3	-	-	-	-	-	-	255.793	29.704	285.497
Health and Social Services		-	-	3	-	-	-	683.918	145.053	342.907	2.535	266	-	-	-	-	-	-	715.925	458.763	1.174.688
Other		8.584.175	19	32	-	-	596.573	1.824.980	16.750.693	5.548.630	438.735	7.037.942	-	-	-	-	-	-	41.532.491	3.506.648	45.039.139
Total		19.981.535	2.277	14.698	-	-	8.654.207	20.856.150	24.901.437	17.557.366	745.584	7.067.389	-	-	-	-	-	-	73.372.409	30.665.574	104.037.983

*)Includes risk amounts before the effect of credit risk mitigation but after the credit conversions.

- 1- Conditional and unconditional receivables from central governments and Central Banks
- 2- Conditional and unconditional receivables from regional or local governments
- 3- Conditional and unconditional receivables from administrative bodies and noncommercial enterprises
- 4- Conditional and unconditional receivables from multilateral development banks
- 5- Conditional and unconditional receivables from international organizations
- 6- Conditional and unconditional receivables from banks and brokerage houses
- 7- Conditional and unconditional receivables from corporates
- 8- Conditional and unconditional receivables from retail portfolios
- 9- Conditional and unconditional receivables secured by mortgages
- 10- Past due receivables
- 11- Receivables defined under high risk category by BRSA
- 12- Securities collateralized by mortgages
- 13- Securitization positions
- 14- Short-term receivables from banks, brokerage houses and corporates
- 15- Investments similar to collective investment Funds
- 16- Other receivables

Analysis of maturity-bearing exposures according to remaining maturities (*):

Current Period Exposure Categories	Term To Maturity				
	Up to 1 month	1-3 month	3-6 months	6-12 months	Over 1 year
Conditional and unconditional receivables from central governments and Central Banks	2.371.669	13.060	7.102	31.632	8.525.431
Conditional and unconditional receivables from regional or local governments	-	296	-	-	1.934
Conditional and unconditional receivables from administrative bodies and noncommercial enterprises	1	-	2	14.506	-
Conditional and unconditional receivables from multilateral development banks	-	-	-	-	-
Conditional and unconditional receivables from international organizations	-	-	-	-	-
Conditional and unconditional receivables from banks and brokerage houses	1.758.776	1.164.679	185.256	233.914	1.197.287
Conditional and unconditional receivables from corporates	1.728.695	1.897.888	2.620.165	3.590.231	8.709.487
Conditional and unconditional receivables from retail portfolios	1.320.738	1.207.997	3.553.607	2.354.386	3.396.920
Conditional and unconditional receivables secured by mortgages	205.322	471.291	1.106.754	1.593.786	13.843.547
Past due receivables	-	-	-	-	-
Receivables defined under high risk category by BRSA	215	-	-	295.981	6.584.990
Securities collateralized by mortgages	-	-	-	-	-
Securitization positions	-	-	-	-	-
Short-term receivables from banks, brokerage houses and corporates	-	-	-	-	-
Investments similar to collective investment funds	-	-	-	-	-
Other receivables	84.693	-	-	-	109
General Total	7.470.109	4.755.211	7.472.886	8.114.436	42.259.705

(*)Risk amounts prior to Loan Reduction, After the Loan conversion rates are given.

Prior Period Risk Classification	Term To Maturity				
	Up to 1 month	1-3 month	3-6 months	6-12 months	Over 1 year
Conditional and unconditional receivables from central governments and Central Banks	2.333.512	211.601	591.042	122.460	7.749.110
Conditional and unconditional receivables from regional or local governments	-	-	537	-	3.510
Conditional and unconditional receivables from administrative bodies and noncommercial enterprises	172	-	5	-	-
Conditional and unconditional receivables from multilateral development banks	-	-	-	-	-
Conditional and unconditional receivables from international organizations	-	-	-	-	-
Conditional and unconditional receivables from banks and brokerage houses	1.834.065	1.074.212	288.150	120.002	671.919
Conditional and unconditional receivables from corporates	2.077.192	1.752.803	2.256.118	3.062.911	7.605.678
Conditional and unconditional receivables from retail portfolios	2.013.425	1.212.584	3.375.816	2.102.200	2.517.245
Conditional and unconditional receivables secured by mortgages	160.754	347.576	855.910	1.127.452	12.362.864
Past due receivables	-	-	-	-	-
Receivables defined under high risk category by BRSA	-	-	-	354.542	5.653.834
Securities collateralized by mortgages	-	-	-	-	-
Securitization positions	-	-	-	-	-
Short-term receivables from banks, brokerage houses and corporates	-	-	-	-	-
Investments similar to collective investment funds	-	-	-	-	-
Other receivables	-	-	-	-	131
General Total	8.419.120	4.598.776	7.367.578	6.889.567	36.564.291

(*)Risk amounts prior to Loan Reduction, After the Loan conversion rates are given.

Information Regarding Risk Classifications

In accordance with the Legislation of the Calculation and Valuation of Banks' Capital Adequacy, rating notes that are open to public by Fitch Ratings International Rating Corporation are used for receivables from regional or local governments and receivables from multilateral development banks. Other receivables or receivables or assets that have no public rating note are subject to risk weight in accordance with the legislations Appendix-1 ordinance.

The correlation between the rating notes that are provided by Fitch Ratings International Rating Corporation and loan quality levels that can be found in the Appendix-1 of the Legislation is shown in the table below.

Credit Quality Grade	Fitch Risk Rating	Exposure Categories				
		Exposures to Central Governments or Central Banks	Exposures to Administrative Bodies and Non-Commercial Undertakings	and Brokerage Houses		Exposures to Corporates
				Exposures with Remaining Maturities Less Than 3 Months	Exposures with Remaining Maturities More Than 3 Months	
1	AAA	%0	%20	%20	%20	%20
	AA+					
	AA					
	AA-					
2	A+	%20	%50	%20	%50	%50
	A					
	A-					
3	BBB+	%50	%100	%20	%50	%100
	BBB					
	BBB-					
4	BB+	%100	%100	%50	%100	%100
	BB					
	BB-					
5	B+	%100	%100	%50	%100	%150
	B					
	B-					
6	CCC+	%150	%150	%150	%150	%150
	CCC					
	CCC-					
	CC					
	C					
	D					

Exposures by risk weights:

Current Period

Risk Weight	%0	%10	%20	%50	%75	%100	150%	%200	%250	Deductions from Equity
1. Exposures Before Credit Risk Mitigation	18.739.685	-	3.031.147	7.810.847	32.745.049	34.643.866	2.888.311	3.949.310	229.768	67.433
2. Exposures After Credit Risk Mitigation	16.436.019	-	1.026.567	22.381.538	22.555.467	26.110.073	2.855.896	3.909.720	229.768	67.433

Prior Period

Risk Weight	%0	%10	%20	%50	%75	%100	150%	%200	%250	Deductions from Equity
1. Exposures Before Credit Risk Mitigation	17.973.332	-	2.035.559	6.170.322	30.574.817	28.823.767	1.727.349	4.043.174	270.655	63.941
2. Exposures After Credit Risk Mitigation	15.690.064	-	1.118.848	18.899.046	20.658.226	22.857.676	1.698.669	3.997.431	270.655	63.941

Information by major sectors and type of counterparties:

Information about impaired credits and past due credits and value adjustments and provisioning methods are described in Part IV Footnote 2.

Current Period	Credit Risks ^(*)			
Important Sectors /Other Parties	Impaired Loans(**)	Past Due Loans	Value Adjustments	Provisions(**)
1. Agriculture	26.273	34.324	2.502	20.967
1.1. Farming and Raising Livestock	24.967	33.515	2.425	19.707
1.2. Forestry	600	81	9	554
1.3. Fishing	706	728	68	706
2. Industrial	233.757	139.052	18.172	215.150
2.1. Mining and Quarrying	10.238	1.569	122	7.927
2.2. Production	222.946	137.288	18.032	206.714
2.3. Electricity, Gas, Water	573	195	18	509
3. Construction	162.620	60.915	4.426	133.774
4. Services	519.344	423.921	34.592	513.707
4.1. Wholesale and Retail Trade	347.084	272.293	23.894	345.704
4.2. Hotel, Food and Beverage Services	82.329	63.201	4.416	82.046
4.3. Transportation and Communication	35.051	45.456	3.038	32.478
4.4. Financial Institutions	9.748	7.879	514	9.748
4.5. Real Estate and Renting Services	3.771	2.239	187	3.763
4.6. Self-Employment Services	6.903	11.033	1.041	6.902
4.7. Educational Services	1.486	6.938	438	1.482
4.8. Health and Social Services	32.972	14.882	1.064	31.584
5. Other	3.039.200	1.142.612	86.144	2.278.582
6. Total	3.981.194	1.800.824	145.836	3.162.180

(*) Represents the distribution of cash loans.

(**) Includes financial leasing and factoring balances.

Important Sectors/Other Parties	Credit Risks ^(*)			
Prior Period	Impaired Loans(**)	Past Due Loans	Value Adjustments	Provisions(**)
1. Agriculture	40.172	12.879	852	29.417
1.1. Farming and Raising Livestock	37.850	12.632	794	27.918
1.2. Forestry	1.522	18	1	850
1.3. Fishing	800	229	57	649
2. Industrial	251.686	96.111	9.330	196.980
2.1. Mining and Quarrying	12.532	2.222	126	9.013
2.2. Production	238.417	93.730	9.192	187.371
2.3. Electricity, Gas, Water	737	159	12	596
3. Construction	161.621	55.545	6.232	110.282
4. Services	645.433	259.272	23.721	475.747
4.1. Wholesale and Retail Trade	431.842	172.726	16.752	299.825
4.2. Hotel, Food and Beverage Services	103.208	31.620	2.588	88.376
4.3. Transportation and Communication	45.604	26.727	2.047	33.262
4.4. Financial Institutions	11.189	4.179	354	9.407
4.5. Real Estate and Renting Services	5.042	1.986	189	2.942
4.6. Self-Employment Services	8.940	8.663	806	6.425
4.7. Educational Services	2.413	2.879	267	1.824
4.8. Health and Social Services	37.195	10.492	718	33.686
5. Other	1.801.999	1.188.886	86.468	1.465.973
6. Total	2.900.911	1.612.693	126.603	2.278.399

(*)Represents the distribution of cash loans.

(**) Includes financial leasing and factoring balances.

Movements in value adjustments and provisions

Current Period	Opening Balance	Provisions for Period	Provision Reversals	Other Adjustments ^(*)	Closing Balance
1. Specific Provisions	2.168.614	1.300.063	(404.778)	(2.120)	3.061.779
2. General Provisions	942.661	247.742	-	-	1.190.403

(*)Represents the provision of loans written-off.

Prior Period	Opening Balance	Provisions for Period	Provision Reversals	Other Adjustments ^(*)	Closing Balance
1. Specific Provisions	2.457.128	1.417.351	(543.715)	(1.162.150)	2.168.614
2. General Provisions	816.291	126.370	-	-	942.661

(*)Represents the provision of loans written-off.

III. Information on Consolidated Market Risk

The Group has established market risk operations and has taken the necessary measures in order to hedge market risk within its financial risk management purposes, in accordance with the regulation on "Banks' Internal Control and Risk Management Systems" and the "Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks".

Based on the proposal of High Level Risk Committee, the Board of Directors of the Parent Bank determines risk management strategies and policies for managing market risk and ensures periodic monitoring of the application of strategies. The Board of Directors of the Parent Bank determines the risk limits by considering the primary risk factors and those limits are revised as seen necessary. Additionally, the Board of Directors of the Parent Bank requires risk management group and the top management of the Group to take necessary actions in order to identify, measure, control and manage the risks that the Group is exposed to.

The market risk is measured by using an internal model developed with Value-at-Risk (VaR) methodology. VaR is calculated daily with historical simulation and parametric methods, whereas historical simulation is used for internal risk tracking and limit identification. Parametric VaR calculations are performed for comparison and tracking. 'Bank Risk Tolerance' is determined in order to manage the market risk efficiently and keep the market risk within the desirable limits. Risk Management Group monitors the VaR balances daily for compliance with the Bank Risk Tolerance.

Periodic stress tests and scenario analysis are used to support results of VAR. Furthermore, conventional risk measurement methods such as cash flow projection, duration and variation analysis are also used.

The capital required for General Market Risk and Specific Risk is calculated and reported monthly in accordance with the Standard Method defined in the "Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks".

1. Information on consolidated market risk

	Current Period Amount	Prior Period Amount
(I) Capital Requirement against General Market Risk - Standard Method	38.793	25.698
(II) Capital Requirement against Specific Risks - Standard Method	11.208	7.499
Capital Requirement against Specific Risks of Securitization Positions- Standard Method	-	-
(III) Capital Requirement against Currency Risk - Standard Method	10.733	44.929
(IV) Capital Requirement against Commodity Risks - Standard Method	392	320
(V) Capital Requirement against Settlement Risks - Standard Method	-	-
(VI) Capital Requirement against Market Risks of Options - Standard Method	2.438	2.692
(VII) Capital Requirement against Counterparty Credit Risk - Standard Method	24.706	17.345
(VIII) Capital Requirement against Market Risks of Banks applying Risk Measurement Models	-	-
(IX) Total Capital Obligations against Market Risk (I+II+III+IV+V+VI+VII+VIII)	88.270	98.483
(X) Value-At-Market Risk (12,5 x VIII) or (12,5 x IX)	1.103.375	1.231.038

1. Average market risk table regarding the market risk calculation at the end of every month

	Current Period			Prior Period		
	Average	Maximum	Minimum	Average	Maximum	Minimum
Interest Rate Risk	46.384	52.367	40.177	36.832	55.724	31.372
Common Share Risk	2.011	4.182	520	2.937	6.372	962
Currency Risk	28.004	99.175	10.733	29.148	45.445	7.171
Commodity Risk	321	486	199	506	1.375	46
Settlement Risk	-	-	-	-	-	-
Option Risk	3.272	4.758	2.161	1.627	2.975	426
Counterparty Credit Risk	29.166	41.706	17.462	23.202	30.658	17.345
Total Value at Risk^(*)	109.158	202.674	71.252	94.252	142.549	57.322

(*) Total VaR is the sum of risk values, therefore total VaR values are not the maximum or minimum values of the relevant period. The maximum and minimum values of VaR for 2015 are 162.589 and 88.270 respectively. The maximum and minimum values of VaR for 2014 were 108.859 and 71.685.

3. Quantitative information on counterparty risk.(*)

	Current Period	Prior Period
	Amount	Amount
Interest Rate Contracts	9.631.713	8.381.763
Foreign-Exchange-Rate Contracts	139.952.477	121.196.364
Commodity Contracts	1.726.289	1.604.506
Equity-Shares Related Contracts	695	895
Other	712.362	417.402
Gross Positive Fair Values	2.034.189	1.305.369
Netting Benefits	1.379.162	782.379
Net Current Exposure Amount	655.027	522.990
Collaterals Received	197.050	177.661
Net Derivative Position	457.977	345.329

(*)Includes only the counterparty risks arising from trading book and derivative instruments.

For derivative transactions, repurchase agreements' security and commodity lending, counterparty credit risk is calculated using the fair value methodology described in the Appendix-2, Section 3 of the "Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks". According to this methodology, counterparty credit risk is calculated by adding potential credit risk amounts calculated by multiplying the contract amounts with the credit conversion factors set in the appendix of the regulation, to replacement costs calculated using the fair value amounts of contracts.

IV. Explanations Related to the Operational Risk

Value at operational risk is calculated with basic indicator method by using the gross profits for the last three years' (2014, 2013 and 2012) as per the "Calculation of Value at Operational Risk" of the article (3) of "Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks" which was published in the Official Gazette No: 28337 dated June 28, 2012. As of December 31, 2015, the value at operational risk is amounting to TL 7.503.113 (December 31, 2014 - TL 6.653.675).

Current Period Basic Indicator Method	2 PP Amount	1 PP Amount	CP Amount	Total / No. of Years of Positive Gross	Rate (%)	Total
Gross Income	3.686.775	3.995.793	4.322.420	4.001.663	15	600.249
Value at operational risk (Total*12,5)						7.503.113
Prior Period Basic Indicator Method	2 PP Amount	1 PP Amount	CP Amount	Total / No. of Years of Positive Gross	Rate (%)	Total
Gross Income	2.963.312	3.686.775	3.995.793	3.548.627	15	532.294
Value at operational risk (Total*12,5)						6.653.675

The annual gross income is composed of net interest income and net non-interest income after deducting realized gains/losses from the disposal of securities available-for-sale and held-to-maturity, extraordinary income and income derived from insurance claims at year-end.

V. Explanations Related to Consolidated Foreign Exchange Risk

1. Whether the Group is exposed to foreign exchange risk, whether the effects of this situation are estimated, and whether the Board of Directors of the Parent Bank sets limits for positions that are monitored daily

As of December 31, 2015, the net foreign currency exposure of the Group is TL 247.810 short position (December 31, 2014 - TL - 1.218.736 short) resulting from on balance sheet short position amounting to TL 12.749.198 (December 31, 2014 - TL 8.707.677 short) and long off balance sheet position amounting to TL 12.501.388 (December 31, 2014 - TL 7.488.931 long). The long off balance sheet position amounting to TL 14.015.063 (December 31, 2014 - TL 7.991.220) is related with the FC/TL swap transactions performed with banks and customers. The Group used these transactions to manage the foreign currency liquidity risk and to hedge itself from interest rate risk.

The Group enters into foreign currency forward transactions to decrease foreign currency position risk. The Group also engages in foreign currency and Eurobond buy-sell option transactions.

Board of Directors has determined the limits considering the consistency with the "Foreign Currency Net General Position." Positions are being followed daily and limits are reviewed at least once a year depending on economic conditions and Group strategy and updated as deemed necessary.

Foreign Currency Exchange Rate Risk is monitored along with potential evaluation differences in foreign currency translations in accordance with "Regulations on Bank's Internal Control and Risk Management Systems". Standard method is used in measuring foreign currency exchange rate risk on a weekly basis.

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

The Group hedges foreign currency borrowings with derivative instruments. The Group does not hedge net foreign currency investments with derivative instruments.

3. The spot foreign exchange bid rates of the Parent Bank as of the balance sheet date and for each of the five days prior to that date

US Dollars purchase rate in the balance sheet date 2,9076 TL

Euro purchase rate in the balance sheet date 3,1776 TL

Date	US Dollar	Euro
December 31, 2015	2,9076	3,1776
December 30, 2015	2,9084	3,1921
December 29, 2015	2,9157	3,2006
December 28, 2015	2,9123	3,1904
December 25, 2015	2,9187	3,1968
December 24, 2015	2,9262	3,1969

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

The arithmetical average of the Bank's US Dollar and Euro purchase rates for December 2015 are TL 2,9172 and TL 3,1697; respectively.

5. Information on the consolidated foreign exchange risk of the Group (Thousands of TL)

Current Period	EUR	USD	Other FC	Total
Assets				
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metal) and Balances with the T.R.Central Bank ⁽¹⁾	1.728.806	4.476.372	1.703.774	7.908.952
Due From Banks	47.263	252.162	8.369	307.794
Financial Assets at Fair Value through Profit/Loss ⁽²⁾	126.175	118.571	23	244.769
Money Market Placements	-	-	-	-
Investment Securities Available-for-Sale	325.313	1.587.201	-	1.912.514
Loans and Receivables ⁽³⁾	5.881.163	7.443.173	21.121	13.345.457
Investments in Assoc., Subsidiaries and Entities under Common Control	-	-	-	-
Investment Securities Held-to-Maturity	14.045	849.905	-	863.950
Derivative Financial Assets Hedging Purposes	11	18.058	-	18.069
Tangible Assets	-	-	8	8
Intangible Assets	-	-	-	-
Other Assets ⁽⁴⁾	809.710	516.148	2.977	1.328.835
Total Assets	8.932.486	15.261.590	1.736.272	25.930.348
Liabilities				
Bank Deposits	394.370	816.355	44.835	1.255.560
Foreign Currency Deposits ⁽⁵⁾	5.763.813	11.852.563	651.756	18.268.132
Money Market Borrowings	181.648	1.676.272	-	1.857.920
Funds Provided from Other Financial Institutions ⁽⁶⁾	2.772.454	5.024.324	429.468	8.226.246
Securities Issued	191.517	4.794.319	-	4.985.836
Sundry Creditors	2.328.291	1.131.181	2.935	3.462.407
Derivative Fin. Liabilities Hedging Purposes	53.248	169.967	-	223.215
Other Liabilities ⁽⁷⁾	155.620	244.538	72	400.230
Total Liabilities	11.840.961	25.709.519	1.129.066	38.679.546
Net Balance Sheet Position	(2.908.475)	(10.447.929)	607.206	(12.749.198)
Net Off-Balance Sheet Position	2.658.823	10.445.654	(603.089)	12.501.388
Financial Derivative Assets	7.811.037	45.187.218	354.262	53.352.517
Financial Derivative Liabilities	5.152.214	34.741.564	957.351	40.851.129
Non-Cash Loans ⁽⁸⁾	1.304.766	2.171.515	990.103	4.466.384
Prior Period				
Total Assets	6.068.313	13.134.884	1.823.669	21.026.866
Total Liabilities	8.217.324	20.390.956	1.126.253	29.734.533
Net Balance Sheet Position	(2.149.011)	(7.256.072)	697.416	(8.707.667)
Net Off-Balance Sheet Position	1.456.668	6.663.293	(631.030)	7.488.931
Financial Derivative Assets	3.790.582	36.916.265	1.162.692	41.869.539
Financial Derivative Liabilities	2.333.914	30.252.972	1.793.722	34.380.608
Non-Cash Loans ⁽⁸⁾	1.093.104	2.718.582	133.991	3.945.677

(1) Cash and Balances with TR Central; Other FC include TL 1.693.895 (December 31, 2014 - 1.747.613 TL) precious metal deposit account.

(2) Does not include TL 9.501 (December 31, 2014 - 18.466 TL) of currency income accruals arising from derivative transactions.

(3) Includes TL 3.435.405 TL (December 31, 2013 - TL 2.876.246 TL) FC indexed loans.

(4) Does not include FC prepaid expenses amounting to TL 4.114 (December 31, 2014 - TL 4.474) as per BRSA's Communique published in Official Gazette no 26085 on February 19, 2006. Does not include repealed financial leasing receivables amounting to TL 1.300 (December 31, 2014 - TL 1.187) accounted as FC in balance sheet. Includes FC indexed factoring receivables amounting to TL 64.576 (December 31, 2014 - TL 66.113) accounted as TL in balance sheet.

(5) Other foreign currency includes TL 430.694 (December 31, 2014 - TL 634.454) of precious metal deposit account.

(6) Does not include currency expense accruals of derivative financial instruments kept in FC accounts amounting to TL 38.874 (December 31, 2014 - TL 15.220)

(7) Does not have an effect on Net Off-Balance Sheet Position.

6. Sensitivity to Foreign Exchange Risk

The Bank is subject to exchange rate risk mainly from Euro and USD. The table below shows the Bank's sensitivity to a 10% change in Euro and USD currencies. It is assumed that all other variables are constant.

	% change in the Foreign currency	Effect on Gain/Loss (After Tax)	Net Effect on Shareholders Equity (*)	Effect on Gain/Loss (After Tax)	Net Effect on Shareholders Equity (*)
		Current Period	Current Period	Prior Period	Prior Period
USD	%10 gain	3.823	(10.191)	(55.104)	(59.680)
	%10 loss	(3.823)	10.191	55.104	59.680)
EURO	%10 gain	(10.716)	(10.966)	(42.638)	(42.592)
	%10 loss	10.716	10.966	42.638	42.592

(*)Effect on Shareholders Equity include the effect of the change of exchange rates on the income statement.

VI. Explanations Related to Consolidated Interest Rate Risk

Interest rate risk that would arise from the changes in interest rates depending on the Parent Bank's position is managed by the Asset/Liability Committee of the Parent Bank.

Interest rate sensitivity of assets, liabilities and off balance sheet items is analyzed by top management in the Asset/Liability Committee meetings held every two weeks by taking the market developments into consideration.

The management of the Parent Bank follows the interest rates in the market on a daily basis and revises interest rates of the Parent Bank when necessary.

Parent Bank's asset and liabilities carry positive interest rate income and are repriced every nine months. Therefore the Bank holds limited amount of interest rate risk.

Besides customer deposits, the Parent Bank funds its long term fixed interest rate TL loan portfolio with long term (up to 10 years) floating interest rate foreign currency funds obtained from international markets. The Parent Bank changes the foreign currency liquidity obtained from the international markets to TL liquidity with long term swap transactions (fixed TL interest rate and floating FC interest rate). Therefore, the Parent Bank not only funds its long term fixed interest rate loans with TL but also hedges itself from interest rate and maturity risk.

Information related to the interest rate sensitivity of assets, liabilities and off-balance sheet items

(Based on repricing dates)

Current Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Non Interest Bearing ^(*)	Total
Assets							
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metal) and Balances with the T.R. Central Bank	5.726.666	-	-	-	-	4.270.379	9.997.045
Due from Banks	99.989	5.000	-	-	-	213.150	318.139
Financial Assets at Fair Value Through Profit/Loss ^(**)	183	47.272	12.419	14.758	42.785	5.490.280	5.607.697
Money Market Placements	87.711	-	-	-	-	-	87.711
Inv. Securities Available for Sale	1.392.541	310.046	1.427.730	334.391	1.832.927	(1.985)	5.295.650
Loans and Receivables	12.483.011	7.853.000	19.402.776	14.351.621	1.154.277	1.817.510	57.062.195
Inv. Securities Held to Maturity	166.413	1.026.712	1.468.368	951.410	176.449	84.562	3.873.914
Other Assets	409.570	275.030	626.273	1.062.551	61.842	3.371.449	5.806.715
Total Assets	20.366.084	9.517.060	22.937.566	16.714.731	3.268.280	15.245.345	88.049.066
Liabilities							
Bank Deposits	1.247.544	268.133	12.689	-	-	28.404	1.556.770
Other Deposits	27.163.445	10.109.320	1.694.629	38.035	-	7.749.078	46.754.507
Money Market Borrowings	3.655.981	796.433	349.686	-	-	7.161	4.809.261
Sundry Creditors	3.417.799	-	-	-	-	2.105.631	5.523.430
Securities Issued	327.199	1.499.770	1.498.843	2.450.170	-	51.005	5.826.987
Funds Borrowed	1.122.245	915.524	6.358.514	297.504	-	34.389	8.728.176
Other Liabilities ^(***)							
Total Liabilities	36.934.338	13.589.211	9.914.500	2.785.709	-	24.825.308	88.049.066
On Balance Sheet Long Position	-	-	13.023.066	13.929.022	3.268.280	-	30.220.368
On Balance Sheet Short Position	(16.568.254)	(4.072.151)	-	-	-	(9.579.963)	(30.220.368)
Off-Balance Sheet Long Position	5.075.073	8.149.847	1.652.123	-	-	-	14.877.043
Off-Balance Sheet Short Position	-	-	-	(9.587.001)	(1.796.952)	-	(11.383.953)
Total Position	(11.493.181)	4.077.696	14.675.189	4.342.021	1.471.328	(9.579.963)	3.493.090

(*) Non Interest Bearing column includes accruals, provision for losses and derivative financial instruments' fair value valuation difference.

(**) Financial Assets at Fair Value Through Profit/Loss include TL 3.239.009 derivative financial assets used for hedging purposes.

(***) Other Liabilities include derivative financial liabilities used for hedging purposes amounting to TL 283.444

Prior Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Non Interest Bearing ^(*)	Total
Assets							
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metal) and Balances with the T.R. Central Bank	912.654	-	-	-	-	7.751.266	8.663.920
Due from Banks	57.989	6.000	10.000	-	-	226.445	300.434
Financial Assets at Fair Value Through Profit/Loss ^(**)	7.630	6.560	35.955	12.576	82.786	3.242.258	3.387.765
Money Market Placements	244.425	-	-	-	-	-	244.425
Inv. Securities Available for Sale	1.347.973	677.591	1.454.350	195.492	1.508.473	249.634	5.433.513
Loans and Receivables	11.696.734	5.063.645	14.834.952	13.324.249	4.661.639	1.502.061	50.083.280
Inv. Securities Held to Maturity	158.930	811.585	1.759.766	684.905	256.315	55.722	3.727.223
Other Assets	388.039	202.054	464.215	830.031	26.133	3.084.093	4.994.565
Total Assets	13.814.374	6.767.435	18.559.238	15.047.253	6.535.346	16.111.479	76.835.125
Liabilities							
Bank Deposits	1.103.611	258.593	40.184	-	-	20.614	1.423.002
Other Deposits	24.402.663	7.764.205	2.199.172	102.961	-	6.003.731	40.472.732
Money Market Borrowings	3.481.177	730.965	-	-	-	3.610	4.215.752
Sundry Creditors	2.133.518	-	-	-	-	1.692.140	3.825.658
Securities Issued	241.279	1.588.783	1.090.068	2.848.641	-	56.727	5.825.498
Funds Borrowed	576.218	1.018.251	6.069.164	271.075	3.567	36.521	7.974.796
Other Liabilities ^(***)	87	154	3.345	1.551	-	13.092.550	13.097.687
Total Liabilities	31.938.553	11.360.951	9.401.933	3.224.228	3.567	20.905.893	76.835.125
On Balance Sheet Long Position	-	-	9.157.305	11.823.025	6.531.779	-	27.512.109
On Balance Sheet Short Position	(18.124.179)	(4.593.516)	-	-	-	(4.794.414)	(27.512.109)
Off-Balance Sheet Long Position	4.644.902	6.246.235	-	-	-	-	10.891.137
Off-Balance Sheet Short Position	-	-	(390.290)	(8.283.929)	(1.858.489)	-	(10.532.708)
Total Position	(13.479.277)	1.652.719	8.767.015	3.539.096	4.673.290	(4.794.414)	358.429

(*) Non Interest Bearing column includes accruals, provision for losses and derivative financial instruments' fair value valuation difference.

(**) Financial Assets at Fair Value Through Profit/Loss include TL 1.988.746 derivative financial assets used for hedging purposes.

(***) Other Liabilities include derivative financial liabilities used for hedging purposes amounting to TL 352.080.

Average interest rates applied to monetary financial instruments

Current Period	EUR %	USD %	JPY %	TL %
Assets				
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased) and Balances with the T.R. Central Bank	-	0,49	-	3,81
Due from Banks	0,10	0,56	-	11,61
Financial Assets at Fair Value Through Profit/Loss	1,94	4,57	-	9,14
Money Market Placements	-	-	-	-
Investment Securities Available for Sale	3,68	4,96	-	9,93
Loans and Receivables	4,23	4,57	3,65	14,42
Investment Securities Held for Trading	2,96	5,22	-	10,01
Liabilities				
Bank Deposits	0,87	0,97	-	11,33
Other Deposits	1,62	2,13	0,25	11,78
Money Market Borrowings	0,45	0,92	-	8,03
Sundry Creditors	1,82	1,76	-	6,12
Securities Issued	-	5,89	-	11,90
Funds Borrowed	1,88	3,28	-	9,83

Average interest rates applied to monetary financial instruments

	EUR %	USD %	JPY %	TL %
Assets				
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased) and Balances with the T.R. Central Bank	-	-	-	1,51
Due from Banks	0,10	1,48	-	10,66
Financial Assets at Fair Value Through Profit/Loss	3,50	4,65	-	7,33
Money Market Placements	-	-	-	11,04
Investment Securities Available for Sale	3,79	5,40	-	9,78
Loans and Receivables	4,88	4,47	4,37	13,65
Investment Securities Held to Maturity	2,96	5,27	-	11,38
Liabilities	-	-	-	-
Bank Deposits	0,51	0,90	-	10,60
Other Deposits	2,00	2,30	0,25	9,89
Money Market Borrowings	0,67	0,66	-	9,53
Sundry Creditors	2,00	1,97	-	5,67
Securities Issued	-	5,40	-	8,79
Funds Borrowed	3,40	3,68	-	10,10

Interest rate risk on banking book

The interest rate risk resulting from banking book comprises of maturity mismatch risk, yield-curve risk, base risk and option risk. Within the scope of the interest rate risk, the Group analyzes all these risks periodically, and considering market conditions, manages all aspects of interest rate risk on banking book effectively in accordance with the bank strategy. In order to this, within the scope of "Asset Liability Management Policy" risks are measured, monitored and limited on a regular basis.

In the calculation of the interest rate risk on banking book, income approach and the economic value approach are applied. The analysis of economic value, duration and gap analysis are calculated on a weekly basis, analysis of the standard economic value approach is supported by different scenarios. In addition, sensitivity of net interest income is monitored and the prepayment rates of loans are considered managing the interest rate risk.

In customer deposits, core deposits analyses are performed regularly on profit center base and the rate of core deposits in demand deposits are considered in economic value, gap and duration analyses. The interest rate risk of uncertain due credits is determined considering the nature of the credit and added to calculations.

All these analyses are reported to Asset and Liability Committee and Risk Committee and by considering market conditions and the bank strategy, the interest rate risk on banking book is managed within specified limits parallel to the Bank's appetite of risk.

Available for sale securities included in banking book are daily monitored by being added to the scope of market risk. In this context, the risk level of this portfolio is managed considering the sensitivity of nominal, interest rate and VaR limits.

The interest rate risk on banking book is measured legally as per the "Regulation on Measurement and Evaluation of Interest Rate Risk Resulted from Banking Book as per Standard Shock Method" published in the Official Gazette No.28034 dated August 23, 2011, and the legal limit as per this measurement is monitored and reported monthly to the Assets and Liability Committee, the Risk Committee and the Board of Directors.

Type of Currency	Shocks Applied(+/- x basis points)	Gains/Losses	Gains/Equity-Losses/Equity
1. TL	(+) 500	(875.946)	% (7,83)
	(-) 400	835.275	% 7,46
2. EURO	(+) 200	(24.554)	% (0,22)
	(-) 200	39.267	% 0,35
3. USD	(+) 200	(130.769)	% (1,17)
	(-) 200	139.809	% 1,25
Total (of negative shocks)		1.014.351	% 9,06
Total (of positive shocks)		(1.031.269)	% (9,22)

VII. Position Risk of Equity Securities in Banking Book

Equity Securities (shares)	Comparison		
	Carrying Value	Fair Value	Market Value
1. Equity Investments Group A	13.820	-	13.820
Quoted Securities	13.820	-	13.820
2. Equity Investments Group B	6	-	6
Quoted Securities	6	-	6
3. Equity Investments Group C	-	-	-
Quoted Securities	-	-	-
4. Equity Investments Group Other^(*)	127.847 ^(*)	92.433 ^(**)	-

(*) Associates and subsidiaries not quoted to BIST and not classified as investment in shares by CMB.

(**) Refers to entity under common control accounted at fair value but not traded at the quoted markets.

Portfolio	Gains/Losses in Current Period	Revaluation Surpluses		Unrealized Gains and Losses		
		Total	Amount under Core Capital	Total	Amount under Core Capital	Amount under Supplementary Capital
1. Private Equity Investments	-	-	-	-	-	-
2. Quoted Shares	(846)	-	-	(268)	-	(121)
3. Other Shares	-	-	-	-	-	-
4. Total	(846)	-	-	(268)	-	(121)

VIII. Explanations Related to Consolidated Liquidity Risk Management and Consolidated Liquidity Coverage Ratio

Liquidity Risk of Finansbank is monitored and managed in accordance with Liquidity Risk Management Policy. According to this policy, Board of Directors is responsible to review and approve risk profile and appetite of Finansbank periodically. Senior Management takes necessary measures to monitor aforementioned risk and controls liquidity risk in line with accepted strategies and policies.

Treasury Department is responsible to carry out liquidity strategy determined and approved by Board of Directors. Risk Management Department is responsible to define, measure, monitor and control liquidity risk besides developing internal and external methods and procedures which are in line with context and structure of applicable activities in Finansbank in order to monitor related limits. Senior management of Finansbank is informed periodically regarding current liquidity risk amount exposed in order to ensure being under the approved limits of Bank's liquidity risk profile. Assets and Liabilities Committee (ALC) meetings, which ensure the necessary monitoring for liquidity risk, are held monthly. Risk Committee reviews the liquidity risk of the Bank monthly in addition to aforementioned meetings and informs Board of Directors. The Bank reviews its liquidity position daily. Internal and legal reports related to liquidity positions are examined in ALC meetings monthly with the participation of senior management. Several decisions are taken related to management of short and long term liquidity in this scope. Internal metrics such as reserve liquidity and deposit concentration are monitored daily besides liquidity coverage rate related to measurement of liquidity coverage. Internal limit and warning level are periodically monitored and reported to related parties by the Board of Directors.

Finansbank has no liquidity management center and each entity, which is under control of the Bank, performs its liquidity management separately from the Bank by an authority responsible for liquidity management. Fund amounts, which shall be used by associates from the Bank, are determined in the framework of limits.

It is essential for the Bank to monitor its liquidity position and funding strategy consistently. Funding management of the Bank is carried out in line with limits and internal warning systems within the framework of ALC decisions. Funding and placement strategies are developed through evaluating the liquidity of the Bank.

A large part of the Bank's liabilities consist of TL, USD and EUR. Gap reports issued based on the aforementioned three currencies are presented in ALC meetings. Maturity mismatches based on currencies are managed through FX swap and FX forward.

The Bank diversifies its funding sources as customer deposits, foreign loans and bond issuance in order to reduce its liquidity risk. Measures are taken through making investments to assets having higher capacity to generate cash against liquidity crisis. The Bank watches over reducing customer deposit concentration and controls concentration level daily in line with warning level approved by the Board of Directors.

Liquidity life cycle approach is determined as the liquidity risk stress test methodology. This approach is a stress test to measure the period in which Finansbank can meet its cumulative cash outflows without providing a fund from the market. Liquidity life cycle is calculated according to various scenarios and simulated in line with possible scenarios in crisis situation and the results are reported to Risk Committee and Board of Directors.

Emergency Funding Plan (EMP) of the Bank regulates funding activities to be used in liquidity crisis periods specific to the Bank or in liquidity crisis at financial markets. EMP defines components triggering the crisis and early warning indicators which help to evaluate and manage the liquidity crisis and determine primary funding structure. EMP also defines actions of the Bank against cash and guarantee need. In addition to aforementioned issues, EMP determines duties and responsibilities in performing actions in a liquidity crisis included in risk management and emergency funding plan.

Liquidity Coverage Ratio

	Unweighted Amounts(*)		Weighted Amounts(*)	
CURRENT PERIOD December 31, 2015	TL+FC	FC	TL+FC	FC
HIGH QUALITY LIQUID ASSETS			12.547.720	7.199.398
1. High Quality Liquid Assets	14.258.534	8.910.988	12.547.720	7.199.398
CASH OUTFLOWS				
2. Retail and Small Business Customers Deposits	32.837.720	12.568.703	2.798.784	1.133.632
3. Stable deposits	9.699.766	2.464.775	484.988	123.239
4. Less stable deposits	23.137.954	10.103.928	2.313.796	1.010.393
5. Unsecured Funding other than Retail and Small Business Customers Deposits	13.101.886	6.918.593	6.709.101	3.381.606
6. Operational deposits	649.371	20.912	162.343	5.228
7. Non-Operational Deposits	12.452.515	6.897.681	6.546.758	3.376.378
8. Other Unsecured Funding	4.745.862	2.509.482	4.424.462	2.509.482
9. Secured funding			238.705	238.705
10. Other Cash Outflows	15.159.150	9.596.366	15.159.150	9.596.366
11. Liquidity needs related to derivatives and market valuation changes on derivatives transactions	15.159.150	9.596.366	15.159.150	9.596.366
12. Debts related to the structured financial products	-	-	-	-
13. Commitment related to debts to financial markets and other off balance sheet liabilities	-	-	-	-
14. Commitments that are unconditionally revocable at any time by the Bank and other contractual commitments	569.850	141.021	28.493	7.051
15. Other irrevocable or conditionally revocable commitments	43.730.869	4.509.859	2.947.252	399.370
16. TOTAL CASH OUTFLOWS			32.305.947	17.266.212
CASH INFLOWS				
17. Secured Lending Transactions	583.691	-	-	-
18. Unsecured Lending Transactions	5.122.022	774.397	2.871.544	617.004
19. Other contractual cash inflows	13.701.483	9.160.297	13.701.484	9.160.297
20. TOTAL CASH INFLOWS	19.407.196	9.934.694	16.573.028	9.777.301
Capped Amounts				
21. TOTAL HIGH QUALITY LIQUID ASSETS			12.547.720	7.199.398
22. TOTAL NET CASH OUTFLOWS			15.732.919	7.488.911
23. Liquidity Coverage Ratio (%)			79,75%	96,13%

(*) In current period unconsolidated Liquidity Coverage Ratio table, the arithmetic average of the last three months weekly unconsolidated Liquidity Coverage Ratio's are used.

	Unweighted Amounts(*)		Weighted Amounts(*)	
PRIOR PERIOD December 31, 2014	TL+FC	FC	TL+FC	FC
HIGH QUALITY LIQUID ASSETS			12.127.666	6.581.521
1. High Quality Liquid Assets	13.040.461	7.501.090	12.127.666	6.581.521
CASH OUTFLOWS				
2. Retail and Small Business Customers Deposits	26.436.063	7.684.725	2.185.112	673.115
3. Stable deposits	9.169.890	1.907.146	458.495	95.357
4. Less stable deposits	17.266.173	5.777.579	1.726.617	577.758
5. Unsecured Funding other than Retail and Small Business Customers Deposits	12.763.735	5.838.794	6.417.495	3.028.806
6. Operational deposits	599.560	6.781	149.890	1.695
7. Non-Operational Deposits	12.164.175	5.832.015	6.267.605	3.027.111
8. Other Unsecured Funding	2.711.629	1.310.424	2.337.344	1.310.424
9. Secured funding			75.259	75.259
10. Other Cash Outflows	12.132.566	9.175.999	12.132.566	9.175.999
11. Liquidity needs related to derivatives and market valuation changes on derivatives transactions	12.132.566	9.175.999	12.132.566	9.175.999
12. Debts related to the structured financial products	-	-	-	-
13. Commitment related to debts to financial markets and other off balance sheet liabilities	-	-	-	-
14. Commitments that are unconditionally revocable at any time by the Bank and other contractual commitments	36.896.545	2.249.546	2.614.728	273.720
15. Other irrevocable or conditionally revocable commitments	1.624.158	1.612.154	81.208	80.608
16. TOTAL CASH OUTFLOWS			25.843.712	14.617.931
CASH INFLOWS				
17. Secured Lending Transactions	66.687	-	-	-
18. Unsecured Lending Transactions	4.642.875	610.097	2.584.419	433.970
19. Other contractual cash inflows	11.141.229	5.612.805	11.141.229	5.612.805
20. TOTAL CASH INFLOWS	15.850.791	6.222.902	13.725.648	6.046.775
Capped Amounts				
21. TOTAL HIGH QUALITY LIQUID ASSETS			12.127.666	6.581.521
22. TOTAL NET CASH OUTFLOWS			12.118.064	8.571.156
23. Liquidity Coverage Ratio (%)			100,08%	76,79%

(*) In current period unconsolidated Liquidity Coverage Ratio table, the arithmetic average of the last three months weekly unconsolidated Liquidity Coverage Ratio's are used.

The dates and values of minimum and maximum foreign currency and total liquidity coverage ratios calculated weekly related to the last three months are explained in the table below. According to "Regulation on Liquidity Coverage Ratio Calculation" published in the Official Gazette no. 28948, dated 21 March 2014.

	Maximum	Week	Maximum	Week	Average
TL+FC	84.0	30/11/2015	76.4	31/10/2015	79.9
FC	114.3	31/12/2015	81.5	31/10/2015	98.9

Liquidity coverage ratio is regulated by the BRSA to make sure that the Banks sustain high quality liquid asset stock to cover probable cash outflows in the short term.

All of the Parent Bank's high quality liquid assets are comprised of first quality liquid assets, most of which are CBT accounts and securities that are issued by the Turkish Treasury that have not been collateralized. Optional use of reserve levels and fluctuations in repo amount lead up to periodical variations in liquidity coverage ratio. Additionally syndication loans and large amount funds such as foreign bond issuances that have less than 1 month to maturity, lead up to short term fall in liquidity coverage ratios.

Funding sources of the Parent Bank mainly consist of deposits which constitute 55% of total liabilities of the Group (31 December 2014 – 55%) and also include repo, secured loans, syndication, securitization, bond/security issuance and other instruments including subordinated debts.

The Parent Bank effectively uses derivative transactions to manage interest and liquidity risk. Impact of derivative cash flows in terms of liquidity coverage ratio is limited. However, FX swaps used in short term foreign currency liquidity management cause liquidity coverage ratio to fluctuate due to changes in volume and 1-month maturity. In addition, possible cash outflow caused by margin call requirements of derivative transactions is taken into consideration in accordance with the respective regulations.

Secured funding consists of repo and secured loan transactions. A large part of securities which are subjects of aforementioned guaranteed funding transactions consist of Sovereign Bonds issued by Treasury of the Republic of Turkey and transactions are carried out both in CBRT market and interbank market.

The Parent Bank manages all the transactions made before its foreign branches and partnership in the framework of central bank, markets and related legislation of the country in which the institutions are located. Legal lending limits and high limit transactions are closely monitored in this framework.

All cash inflow and outflow items related to liquidity profile of the Parent Bank are included in liquidity coverage ratio tables above.

Presentation of assets and liabilities according to their remaining maturities

Current Period	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Un-Allocated ^(*)	Total
Assets								
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metal) and Balances with the T.R. Central Bank	3.365.526	6.631.519	-	-	-	-	-	9.997.045
Due from Banks	213.113	100.002	5.024	-	-	-	-	318.139
Financial Assets at Fair Value Through Profit/Loss ^(**)	-	478.846	629.462	1.582.443	2.725.387	191.559	-	5.607.697
Money Market Placements	-	87.711	-	-	-	-	-	87.711
Investment Securities Available for Sale	4.516	7.247	13.060	38.734	2.040.053	3.192.040	-	5.295.650
Loans and Receivables	-	12.029.301	6.245.267	17.398.902	15.749.655	4.886.190	752.880	57.062.195
Investment Securities Held to Maturity	-	-	-	-	1.723.706	2.150.208	-	3.873.914
Other Assets	33.986	1.071.003	266.105	801.621	1.316.950	63.925	2.253.125	5.806.715
Total Assets	3.617.141	20.405.629	7.158.918	19.821.700	23.555.751	10.483.922	3.006.004	88.049.066
Liabilities								
Bank Deposits	26.037	1.249.338	268.669	12.726	-	-	-	1.556.770
Other Deposits	7.522.286	27.286.367	10.160.726	1.745.706	39.422	-	-	46.754.507
Funds Borrowed	-	1.004.720	654.430	3.026.237	2.166.212	1.876.577	-	8.728.176
Money Market Borrowings	-	3.659.302	799.575	39.497	-	310.887	-	4.809.261
Securities Issued	-	285.773	323.010	1.514.174	3.542.109	71.344	-	5.826.987
Sundry Creditors	11.679	2.463.181	63.340	279.191	1.732.946	973.093	-	5.523.430
Other Liabilities ^(***)	-	1.486.172	526.464	674.533	699.187	280.453	11.183.126	14.849.935
Total Liabilities	7.560.002	37.434.853	12.796.214	7.382.641	8.179.876	3.512.354	11.183.126	88.049.066
Liquidity Gap	(3.942.861)	(17.029.224)	(5.637.296)	12.439.059	15.375.875	6.971.568	(8.177.122)	-
Prior Period								
Total Assets	2.723.132	19.386.201	5.861.286	17.062.543	18.436.960	10.636.185	2.728.818	76.835.125
Total Liabilities	5.842.443	34.537.259	10.769.884	8.805.712	4.109.794	2.519.179	10.250.854	76.835.125
Net Liquidity Gap	(3.119.311)	(15.151.058)	(4.908.598)	8.256.831	14.327.166	8.117.006	(7.522.036)	-

(*) The assets which are necessary to provide banking services and could not be liquidated in the short-term, such as fixed assets, investments in subsidiaries and associates, common shares unquoted on stock exchange, office stationery, and prepaid expenses are classified under this column.

Unallocated other liabilities include shareholders' equity amounting to TL 9.405.485, unallocated provisions amounting to TL 1.777.641.

(**) Financial Assets at Fair Value Through Profit/Loss include derivative financial assets held for hedging purposes amounting to TL 3.239.009

(***) Other Liabilities also include derivative financial liabilities held for hedging purposes amounting to TL 283.444

Financial Liabilities according to the remaining maturities on the contract

The table below shows the maturity breakdown of the Bank's financial liabilities that are not classified as derivatives. These tables were prepared by taking the closest dates that the Bank will recognize its future cash flows. The interest payable through the said assets and liabilities are included in the tables below.

Current Period	Undated	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and longer	Total	Balance Sheet Value
Bank Deposits	26.037	1.250.819	269.432	12.797	-	-	1.559.085	1.556.770
Other Deposits	7.522.286	27.393.985	10.254.442	1.825.715	44.145	-	47.040.573	46.754.507
Payables to Money Market	-	3.663.531	804.042	39.965	-	326.705	4.834.243	4.809.261
Funds from other Financial Institutions	-	1.127.915	657.442	3.209.402	2.772.782	2.037.972	9.805.513	8.728.176
Securities Issued	-	350.294	335.131	1.809.961	3.873.003	76.084	6.444.473	5.826.987
Noncash Loans ^(*)	3.653.534	465.866	851.703	3.541.095	1.908.960	54.668	10.475.826	10.475.826

Prior Period	Undated	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Longer	Total	Balance Sheet Value
Bank Deposits	19.173	1.106.943	279.100	41.426	-	-	1.446.642	1.423.002
Other Deposits	5.817.572	24.733.409	7.966.411	2.286.766	111.046	-	40.915.204	40.472.732
Payables to Money Market	-	3.485.794	732.214	-	-	-	4.218.008	4.215.752
Funds from other Financial Institutions	-	459.726	587.017	4.120.340	1.200.593	2.417.527	8.785.203	7.974.796
Securities Issued	-	10.194	735.019	1.837.449	3.401.198	109.483	6.093.343	5.825.498
Noncash Loans ^(**)	3.281.374	636.342	900.716	2.893.493	1.398.108	29.299	9.139.332	9.139.332

(*) Amounts related to letters of guarantee represent maturities based on contract and amounts per these maturities and the amounts have the nature to be withdrawn on demand optionally.

(**) "Other Guarantees" with the amount 21.077 TL does not include the foreign currency account.

The table below shows the remaining maturity breakdown of the Bank's derivative assets and liabilities.

Current Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Longer	Total
Forward contracts buying ^(**)	2.789.765	900.955	950.963	26.906	-	4.668.589
Forward contracts selling ^(**)	(2.762.992)	(911.233)	(960.933)	(27.134)	-	(4.662.292)
Swap contracts buying ^(*)	13.654.416	6.106.849	20.904.399	22.047.408	4.386.399	67.099.471
Swap contracts selling ^(*)	(13.491.441)	(5.907.471)	(20.146.303)	(19.949.348)	(4.322.976)	(63.817.539)
Futures buying	45.984	45.918	192.195	-	-	284.097
Futures selling	(45.984)	(45.918)	(192.195)	-	-	(284.097)
Options buying	2.606.668	2.616.412	1.592.909	-	-	6.815.989
Options selling	(2.623.534)	(2.620.599)	(1.571.170)	-	-	(6.815.303)
Other	-	-	-	712.362	-	712.362
Total	172.882	184.913	769.865	2.810.194	63.423	4.001.277

(*) Derivative financial assets held for cash flow hedges are included.

(**) Includes the Dated, Asset Value Buying and Selling obligations that are in Obligations.

Prior Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 years and Longer	Total
Forward contracts buying ^(**)	1.850.523	974.118	900.707	98.925	-	3.824.273
Forward contracts selling ^(**)	(1.856.558)	(976.448)	(896.663)	(97.530)	-	(3.827.199)
Swap contracts buying ^(*)	11.512.307	9.777.727	13.100.349	19.539.488	3.104.000	57.033.871
Swap contracts selling ^(*)	(11.443.750)	(9.680.407)	(12.606.681)	(19.802.513)	(3.190.582)	(56.723.933)
Futures buying	14.514	2.933	2.223	-	-	19.670
Futures selling	(14.514)	(2.933)	(2.223)	-	-	(19.670)
Options buying	780.633	2.555.631	1.485.964	200.256	-	5.022.484
Options selling	(785.687)	(2.550.382)	(1.496.097)	(211.551)	-	(5.043.717)
Other	-	-	-	417.402	-	417.402
Total	57.468	100.239	487.579	144.477	(86.582)	703.181

(*) Derivative financial assets held for cash flow hedges are included.

(**) Includes the Dated, Asset Value Buying and Selling obligations that are in Obligations.

IX. Explanations Related to Securitization Positions

As of December 31, 2015 the Group has no securitization positions. (December 31, 2014- none)

X. Explanations Related to Credit Risk Mitigation Techniques

The Group applies Comprehensive Financial Collateral Method with Standard Volatility Adjustment Approach in compliance with the Article 34 and 37 of the "Regulation on Credit Risk Mitigation Techniques". In this method, the volatility adjustments regarding the exposures and collaterals are made as per the standard deduction ratio that attached to the Regulation.

For mitigating the credit risk, cash and cash equivalents and high-credit-quality debt instruments are used.

Exposure Categories (**)	Amount(*)	Financial Collaterals	Other/Physical Collaterals	Guarantees and Credit Derivatives
Conditional and unconditional receivables from central governments or central banks	19.981.535	2.303.666	-	-
Conditional and unconditional receivables from regional or local governments	2.398	43	-	-
Conditional and unconditional receivables from administrative units and non-commercial enterprises	15.337	-	-	-
Conditional and unconditional receivables from multilateral development banks	-	-	-	-
Conditional and unconditional receivables from international organizations	-	-	-	-
Conditional and unconditional receivables from banks and brokerage houses	9.057.151	4.992.967	-	-
Conditional and unconditional receivables from corporates	26.718.842	905.078	-	-
Conditional and unconditional retail receivables	49.493.523	401.668	-	-
Conditional and unconditional receivables secured by mortgages	18.305.542	-	-	-
Past due receivables	745.564	721	-	-
Receivables defined in high risk category by BRSA	7.093.884	72.005	-	-
Securities collateralized by mortgages	-	-	-	-
Securitization positions	-	-	-	-
Short-term receivables from banks, brokerage houses and corporates	-	-	-	-
Investments similar to collective investment funds	492	-	-	-
Other receivables	4.256.868	-	-	-
Total	135.671.136	8.676.148	-	-

(*) Includes total risk amounts before credit risk mitigation and liquidity conversions.

(**) The mortgages used for the determination of the risk categories as per the article 6 of the "Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks", are excluded.

XI. Explanations Related to Risk Management Objectives and Policies

The Group's risk strategy is approved by the Board of Directors and implementation of this strategy is under the responsibility of the Bank's Risk Committee and senior management.

Besides the Group's risk principles and targets, the aim of the risk strategy is to describe the Group's current and targeted risk profile and appetite, risk management and organization and the Group's general approach as defined by principle risk management capacities. The scope of the risk strategy includes the Parent Bank and all of its subsidiaries in the financial sector.

The Risk Management's mission is to optimize the relationship between risk and returns, by taking into account the interests of customers and employees, creating value for shareholders in line with the Parent Bank's business strategy, consistent with both the best practices and the Bank's risk strategy in accordance with legal obligations.

The general objectives of the Group's Risk Management:

- In accordance with the Group's risk management policies, in order to maximize the potential benefits and acquire the opportunities that creates value addition for shareholders, comprise the basic standards for bank-wide risk management,
- In order to maintain the stability of yield against unpredictable losses, to support Bank's business strategy in the manner that control the risk by carrying out the business objectives,
- To improve the use and distribution of the capital and to increase the risk adjusted returns by adding risk to the measurement of business performance,
- To support decision making process by providing the essential risk-related perspective,
- To comply with legal, qualitative and quantitative requirements and consistency with the best practices,
- Contribute to the continued position of ethics standards and strong corporate governance of the Group, which is one of the leading and reputable financial institutions in Turkey,
- To promote risk awareness and management culture throughout the Group.

XII. Information regarding Leverage Ratio

a) Information in regards to the differences between current period and prior period leverage ratio:

The Bank's leverage ratio, calculated in accordance with the "Regulation on Measurement and Evaluation of Bank's Leverage Levels" is 6,65% (December 31, 2014: 7,19%). Subject level is above the minimum requirement which is determined as 3% by the regulation. Difference between current period and prior period leverage ratios is mostly due to increase in risk amounts of balance sheet asset items.

b) Summary comparative table for total asset and total risk amount in consolidated financial statements prepared in accordance with TFRS:

		Current Period(**)	Prior Period(**)
1	Total asset amount in consolidated financial statements prepared in accordance with TFRS (*)	89.127.102	75.769.411
2	Difference between total asset amount in consolidated financial statements prepared in accordance with TFRS and total asset amount in consolidated financial statements prepared in accordance with the Communiqué on the Preparation of Consolidated Financial Statements	139.635	(164.696)
3	Difference between risk amounts and amounts in consolidated financial statements prepared in accordance with the Communiqué on the Preparation of Consolidated Financial Statements of derivative financial instruments and credit derivatives	1.350.098	1.224.854
4	Difference between risk amounts and amounts in consolidated financial statements prepared in accordance with the Communiqué on the Preparation of Consolidated Financial Statements of investment securities or financial transaction that are commodity collateralized	-	-
5	Difference between risk amounts and amounts in consolidated financial statements prepared in accordance with the Communiqué on the Preparation of Consolidated Financial Statements of off balance transactions	45.642.936	40.214.334
6	Other differences between risk amounts and amounts in consolidated financial statements prepared in accordance with the Communiqué on the Preparation of Consolidated Financial Statements	(345.909)	(351.763)
7	Total Risk Amount	135.913.862	116.692.140

(*) Consolidated financial statements prepared in accordance with the 5th clause and 6th subclause of Communiqué on the Preparation of Consolidated Financial Statements.

(**) Amounts presented above represent the arithmetic average of the last three months

The table related to leverage ratio calculated in accordance with the "Regulation on Measurement and Evaluation of Bank's Leverage Levels" published in Official Gazette dated 5 November 2013 and numbered 28812 is below:

	Book Value	
	Current Period (*)	Prior Period (*)
Assets on Balance sheet		
Assets on Balance sheet (except for derivative financial instruments and credit derivatives, including guarantees)	83.470.143	72.612.331
(Assets deducted from capital stock)	345.909	351.763
Total risk amount related to Assets on Balance sheet	83.124.234	72.260.568
Derivative financial instruments and credit derivatives		
Replacement cost of derivative financial instruments and credit derivatives	5.796.594	2.292.384
Potential credit risk amount of derivative financial instruments and credit derivatives	1.350.098	1.224.854
Total risk amount related to derivative financial instruments and credit derivatives	7.416.692	4.217.238
Financial transactions having security or commodity collateral		
Risk amount of financial transactions having security or commodity collateral	-	-
Risk amount sourcing from transactions mediated	-	-
Total risk amount related to financial transactions having security or commodity collateral	-	-
Off-Balance sheet Transaction		
Gross nominal amount of off-balance sheet transactions	46.196.301	40.743.309
(Adjustment amount sourcing from multiplying to credit conversion rates)	(553.365)	(528.975)
Total risk amount related to off-balance sheet transactions	45.642.936	40.214.334
Capital and Total Risk		
Core Capital	9.065.704	8.463.865
Amount of total risk	135.913.862	116.692.140
Financial leverage ratio	6,67%	7,25%
Financial leverage ratio	6,67%	7,25%

(*) Amounts stated in table shows the last quarter averages of related period.

XIII. Explanations Related to Presentation of Financial Assets and Liabilities at Their Fair Value

The fair value of the loans is determined based on discounted cash flows using the current market interest rates. Book value of floating rate loans represent their fair value.

Fair value of held to maturity investments are determined through market rates. If market rates cannot be spotted, market rates of securities with similar interest, maturity and other characteristics are used instead.

Projected fair value of demand deposit represent the amount to be paid on demand. Fair value of floating rate placements and overnight deposits represents the book value. The estimated fair value of the deposits with fixed rates is determined by calculating discounted cash flows by using the market interest rates used for other liabilities with similar quality and maturities.

The fair value of funds provided from other financial institutions, is determined based on discounted cash flows using the current market interest rates.

In the table below; the fair values and the carrying values of some of the financial assets and liabilities are presented. Book value represents the total of cost of subject asset and liabilities and accrued interest.

	Book Value		Fair Value	
	Prior Period	Current Period	Prior Period	Current Period
Financial Assets	69.146.287	61.762.379	68.594.745	61.746.530
Banks	318.139	300.434	318.139	300.434
Receivables from Money Market	87.711	244.425	87.711	244.425
Loans and Receivables	57.062.195	50.083.280	56.535.835	49.860.402
Factoring Receivables	571.726	443.212	571.726	443.212
Leasing Receivables	1.936.952	1.530.292	1.946.155	1.584.168
Available for Sale Financial Assets	5.295.650	5.433.513	5.295.650	5.433.513
Securities Held to Maturity	3.873.914	3.727.223	3.839.529	3.880.376
Financial Liabilities	73.199.131	63.737.438	73.228.719	63.589.146
Bank Deposits	1.556.770	1.423.002	1.557.289	1.423.558
Other Deposits	46.754.507	40.472.732	46.764.514	40.457.114
Funds from Other Financial Institutions	8.728.176	7.974.796	8.635.554	7.779.726
Payables to Money Market	4.809.261	4.215.752	4.809.261	4.215.752
Securities Issued	5.826.987	5.825.498	5.938.671	5.887.338
Other Debts	5.523.430	3.825.658	5.523.430	3.825.658

In accordance with "IFRS 13, Fair Value Measurement" accounts represented at fair value in the face of financial statements are required to be leveled according to the observability of the data used for the calculation of fair value.

The classification of fair value calculation is as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities (market value);
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices);
- Level 3: Inputs that are not observable for the asset and liability (Fair value calculations which are not observable).

In the table below the fair value classification of the financial instruments that are recorded at fair value at the financial statements is presented:

Current Period	Level 1	Level 2	Level 3	Total
Financial Assets	5.379.917	5.476.076	47.354	10.903.347
Financial Assets at Fair Value through Profit/Loss	83.954	-	-	83.954
Assets on Trading Derivatives	313	2.237.067	-	2.237.380
Investment Securities Available for Sale	5.295.650	-	-	5.295.650
Loans and Receivables ^(*)	-	-	47.354	47.354
Subsidiaries, Associates and Entities Under Common Control	-	-	-	-
Derivative Financial Assets hedging Purposes	-	3.239.009	-	3.239.009
Financial Liabilities	273	2.439.635	-	2.439.908
Liabilities on Trading Derivatives	273	2.156.191	-	2.156.464
Derivative Financial Liabilities for Hedging Purposes	-	283.444	-	283.444

Confirmation for fair value of financial assets under Level 3 is as below:

	Current Period	Prior Period
Opening Balance	98.143	185.074
Change in total gain/loss	(22.730)	864
Accounted in income statement	(22.730)	864
Accounted in other comprehensive income	-	-
Purchases	-	-
Disposals	-	-
Matured Loans ^(*)	(28.059)	(87.795)
Sales from Level 3	-	-
Closing Balance	47.354	98.143

(*) Includes loans and receivables that are presented in "Financial Assets at Fair Value through Profit/Loss" and are closed before maturity.

Prior Period	Level 1	Level 2	Level 3	Total
Financial Assets	5.475.428	3.247.707	98.143	8.821.278
Financial Assets at Fair Value through Profit/Loss	48.406	-	-	48.406
Assets on Trading Derivatives	126	1.252.344	-	1.252.470
Investment Securities Available for Sale	5.426.896	6.617	-	5.433.513
Loans and Receivables ^(*)	-	-	98.143	98.143
Subsidiaries, Associates and Entities Under Common Control	-	-	-	-
Derivative Financial Assets hedging Purposes	-	1.988.746	-	1.988.746
Financial Liabilities	47	1.604.333	-	1.604.380
Liabilities on Trading Derivatives	47	1.252.253	-	1.252.300
Derivative Financial Liabilities for Hedging Purposes	-	352.080	-	352.080

(*) Loans and Receivables are presented in "Financial Assets at Fair Value through Profit/Loss".

XIV. Explanations Related to Transactions Carried Out on Behalf of Customers, Items Held in Trust

The Group acts as an investment agent for banking transactions on behalf of its customers and provides custody services. Such transactions are followed under off-balance sheet accounts.

SECTION FIVE

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS

I. EXPLANATIONS AND DISCLOSURES RELATED TO CONSOLIDATED ASSETS

1. a) Cash and balances with the Central Bank of Turkey

	Current Period		Prior Period	
	TL	FC	TL	FC
Cash in TL/Foreign Currency	678.547	274.822	590.505	248.656
T.R. Central Bank	1.409.024	7.632.114	912.650	6.911.681
Others	522	2.016	133	295
Total	2.088.093	7.908.952	1.503.288	7.160.632

b) Balances with the Central Bank of Turkey

	Current Period		Prior Period	
	TL	FC	TL	FC
Unrestricted Demand Deposits	1.400.527	1.009.092	912.650	689.015
Restricted Time Deposits	8.497	6.623.022	-	6.222.666
Total	1.409.024	7.632.114	912.650	6.911.681

As of December 31, 2015, the compulsory rates for the reserve deposits at the Central Bank of Turkey for Turkish Lira are implemented within an interval from 5% to 11,5% depending on the maturity of deposits (December 31, 2014 – 5% to 11,5%) and the compulsory rates for the foreign currency liabilities are within an interval from 5% to 25% depending on the maturity of deposits (December 31, 2014 – 6% and 13%). In accordance with the "Communiqué Regarding the Reserve Requirements no. 2013/15", the reserve requirements can be maintained as TL, USD, EUR and standard gold.

According to T. C. Central Bank press release No. 2014-72 dated October 21, 2014, starting from November 2014, interest is paid on reserve requirements held in TL. Additionally, according to T. C. Central Bank press release No. 2015-35 dated May 2, 2015, starting from May 5, 2015 interest is paid on USD reserve deposits, reserve options and unrestricted deposits.

2. Further information on financial assets at fair value through profit/loss (net amounts are expressed)

a) Information on Subject to repurchase agreements and given as Collateral /blocked Investment securities

	Current Period		Prior Period	
	TP	FC	TP	FC
Given as Collateral/blocked	19.808	-	25.285	-
Subject to repurchase agreement	24.533	-	10.815	-
Total	44.341	-	36.100	-

b) Positive differences on trading derivative instruments

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Transactions	52.806	-	43.664	-
Swap Transactions	1.936.192	123.192	1.059.341	83.399
Futures	-	313	-	126
Options	-	124.844	-	65.940
Other	-	33	-	-
Total	1.988.998	248.382	1.103.005	149.465

3. a) Information on banks

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks				
Domestic	10.209	1.178	19.605	773
Foreign	136	306.616	20.178	259.878
Foreign Head Offices and Branches	-	-	-	-
Total	10.345	307.794	39.783	260.651

b) Information on foreign bank accounts

	Unrestricted Amount		Restricted Amount ^(*)	
	Current Period	Prior Period	Current Period	Prior Period
EU Countries	49.361	53.161	10.112	1.550
USA and Canada	215.324	158.377	29.691	3.923
OECD Countries ^(*)	1.760	2.946	-	-
Off-shore Banking Regions	-	54.881	-	-
Other	504	5.218	-	-
Total	266.949	274.583	39.803	5.473

(*) Include OECD countries other than the EU countries, USA and Canada.

(**) Includes blocked placements at foreign banks amounting to TL 39.803 (December 31, 2014 - TL 5.473).

4. Information on receivables from reverse repurchase agreements

	Current Period		Prior Period	
	TL	FC	TL	FC
Domestic Transactions	-	-	200.062	-
T.R. Central Bank	-	-	-	-
Banks	-	-	200.062	-
Intermediary Institutions	-	-	-	-
Other Financial Institutions	-	-	-	-
Other Institutions	-	-	-	-
Real Persons	-	-	-	-
Foreign Transactions	-	-	-	-
Central Banks	-	-	-	-
Banks	-	-	-	-
Intermediary Institutions	-	-	-	-
Other Financial Institutions	-	-	-	-
Other Institutions	-	-	-	-
Real Persons	-	-	-	-
Total	-	-	200.062	-

5. Information on Investment securities available for sale

a) Information on investment securities available for-sale that are subject to repurchase agreements and given as Collateral /blocked

	Current Period		Prior Period	
	TL	FC	TL	FC
Given as Collateral / Blocked	573.686	459.933	413.810	284.954
Subject to repurchase agreements	1.403.911	1.419.256	1.744.037	1.111.796
Total	1.977.597	1.879.189	2.157.847	1.396.750

b) Investment securities available for sale

	Current Period	Prior Period
Debt securities	5.392.394	5.416.289
Quoted on a stock exchange (*)	5.392.394	5.409.632
Unquoted on a stock exchange	-	6.657
Share certificates	4.988	32.418
Quoted on a stock exchange (**)	626	27.912
Unquoted on a stock exchange	4.362	4.506
Impairment provision (-)	(101.732)	(15.194)
Total	5.295.650	5.433.513

(*) The Eurobond Portfolio amounting to TL 1.520.298 (December 31, 2014 - TL 1.199.653) which is accounted for as investment securities available for sale was hedged under fair value hedge accounting starting from March and April 2009. In the current period, government bonds portfolio hedged under fair value hedge accounting is nil (December 31, 2014 - TL 106.392). The mentioned financial assets are accounted for as Investment Securities Available for Sale in order to be in line with balance sheet presentation.

(**) Share certificates that are quoted on a stock exchange include "exchange traded mutual funds" amounting to TL 487 (December 31, 2014 - TL 27.757).

6. Information related to loans

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

	Current Period		Prior Period	
	Cash	Non-Cash	Cash	Non-Cash
Direct Loans Granted to Shareholders	-	21.651	1.716	34.288
Corporate Shareholders	-	21.651	1.716	34.288
Individual Shareholders	-	-	-	-
Indirect Loans Granted to Shareholders	-	-	-	-
Loans Granted to Employees (*)	74.844	-	66.957	-
Total	74.844	21.651	68.672	34.288

(*) Includes advances given to the bank personnel.

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

	Performing Loans and Other Receivables			Loans and Other Receivables Under Close Monitoring		
Cash Loans ^(*)	Loans and Other Receivables	Loans and Receivables with Revised Contract Terms		Loans and Other Receivables	Loans and Receivables with Revised Contract Terms	
		Extension of Repayment Plan	Other		Extension of Repayment Plan	Other
Non-specialized Loans	53.175.978	777.020	-	3.180.691	1.333.756	-
Discount Notes	997.084	-	-	14.195	-	-
Export Loans	1.105.642	-	-	165.437	-	-
Import Loans	9.528	-	-	-	-	-
Loans Given to Financial Sector	1.032.893	-	-	-	-	-
Retail Loans	13.002.943	114.378	-	909.913	234.158	-
Credit Cards	8.613.041	254.502	-	574.198	318.805	-
Other	28.414.847	408.140	-	1.516.948	780.793	-
Specialized Loans	-	-	-	-	-	-
Other Receivables	-	-	-	-	-	-
Total	53.175.978	777.020	-	3.180.691	1.333.756	-

(*) The loans and other receivables amounting to 47.354 (December 31, 2014 – TL 98.143) are classified under "Loans at Fair Value Through Profit/Loss" in the financial statements.

No. of Extensions	Performing Loans and Other Receivables	Loans and Other Receivables under Follow-up
1 or 2 times	774.818	1.326.795
3, 4 or 5 times	2.192	6.939
Over 5 times	10	22
Total	777.020	1.333.756

Extension Periods	Performing Loans and Other Receivables	Loans and Other Receivables under Follow-up
0 - 6 months	70.838	109.377
6 -12 months	25.132	96.190
1 - 2 years	108.440	193.431
2 - 5 years	400.937	573.844
5 years and over	171.673	360.914
Total	777.020	1.333.756

c) Loans according to their maturity structure

Cash Loans ^(*)	Performing Loans and Other Receivables		Loans and Other Receivables Under Close Monitoring	
	Loans and Other Receivables	Loans and Receivables with Revised Contract Terms	Loans and Other Receivables	Loans and Receivables with Revised Contract Terms
Short-term Loans	23.090.508	254.502	574.198	318.805
Non-specialized Loans	23.090.508	254.502	574.198	318.805
Specialized Loans	-	-	-	-
Other Receivables	-	-	-	-
Medium and Long-term Loans	30.085.470	522.518	2.606.493	1.014.951
Non-specialized Loans	30.085.470	522.518	2.606.493	1.014.951
Specialized Loans	-	-	-	-
Other Receivables	-	-	-	-
Total	53.175.978	777.020	3.180.691	1.333.756

(*) The loans and other receivables amounting to TL 47.354 (December 31, 2014 – TL 98.143) are classified under "Loans at Fair Value Through Profit/Loss" in the financial statements.

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

	Short Term	Medium and Long Term	Total	Interest and Income Accruals
Consumer Loans-TL	149.790	11.189.466	11.339.256	112.457
Housing Loans	621	4.879.376	4.879.997	52.329
Automobile Loans	228	31.519	31.747	283
Personal Need Loans	148.941	6.278.571	6.427.512	59.845
Other	-	-	-	-
Consumer Loans-FC Indexed	-	14.291	14.291	15.325
Housing Loans	-	13.737	13.737	14.618
Automobile Loans	-	-	-	-
Personal Need Loans	-	554	554	707
Other	-	-	-	-
Consumer Loans-FC	-	-	-	-
Housing Loans	-	-	-	-
Automobile Loans	-	-	-	-
Personal Need Loans	-	-	-	-
Other	-	-	-	-
Individual Credit Cards-TL	7.322.863	275.943	7.598.806	86.570
Installment	2.733.350	275.943	3.009.293	34.284
Non- Installment	4.589.513	-	4.589.513	52.286
Individual Credit Cards-FC	2.951	-	2.951	23
Installment	-	-	-	-
Non- Installment	2.951	-	2.951	23
Personnel Loans-TL	4.303	39.038	43.341	256
Housing Loans	-	408	408	2
Automobile Loans	-	31	31	-
Personal Need Loans	4.303	38.599	42.902	254
Other	-	-	-	-
Personnel Loans-FC Indexed	-	-	-	-
Housing Loans	-	-	-	-
Automobile Loans	-	-	-	-
Personal Need Loans	-	-	-	-
Other	-	-	-	-
Personnel Loans-FC	-	-	-	-
Housing Loans	-	-	-	-
Automobile Loans	-	-	-	-
Personal Need Loans	-	-	-	-
Other	-	-	-	-
Personnel Credit Cards-TL	28.463	-	28.463	-
Installment	11.295	-	11.295	-
Non-Installment	17.168	-	17.168	-
Personnel Credit Cards-FC	35	-	35	-
Installment	-	-	-	-
Non-Installment	35	-	35	-
Overdraft Accounts-TL (Real Persons)	2.275.162	-	2.275.162	112.768
Overdraft Accounts-FC (Real Persons)	-	-	-	-
Total	9.783.567	11.518.738	21.302.305	327.399

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

	Short Term	Medium and Long Term	Total	Interest and Income Accruals
Commercial Loans with Installment Facility - TL	185.660	10.211.449	10.397.109	184.549
Real Estate Loans	-	266.860	266.860	2.922
Automobile Loans	730	316.860	317.590	4.780
Personal Need Loans	184.930	9.627.729	9.812.659	176.847
Other	-	-	-	-
Commercial Loans with Installment Facility - FC Indexed	15.323	1.332.079	1.347.402	221.724
Real Estate Loans	-	28.671	28.671	8.592
Automobile Loans	61	83.950	84.011	10.058
Personal Need Loans	15.262	1.219.458	1.234.720	203.074
Other	-	-	-	-
Commercial Loans with Installment Facility - FC	-	-	-	-
Real Estate Loans	-	-	-	-
Automobile Loans	-	-	-	-
Personal Need Loans	-	-	-	-
Other	-	-	-	-
Corporate Credit Cards -TL	1.450.312	3.071	1.453.383	16.496
Installment	500.111	3.071	503.182	5.711
Non-Installment	950.201	-	950.201	10.785
Corporate Credit Cards -FC	508	-	508	4
Installment	-	-	-	-
Non-Installment	508	-	508	4
Overdraft Accounts-TL (Legal Entities)	973.513	-	973.513	3.899
Overdraft Accounts-FC (Legal Entities)	-	-	-	-
Total	2.625.316	11.546.599	14.171.915	426.672

f) Loans according to borrowers (*)

	Current Period	Prior Period
Public	204.567	163.249
Private	56.152.102	49.446.817
Total	56.356.669	49.610.066

(*) The loans and other receivables amounting to TL 47.354 (December 31, 2014 - TL 98.143) are classified under "Loans at Fair Value Through Profit/Loss" in the financial statements.

g) Domestic and foreign loans (*)

	Current Period	Prior Period
Domestic Loans	56.069.107	49.403.189
Foreign Loans	287.562	206.877
Total	56.356.669	49.610.066

(*) The loans and other receivables amounting to TL 47.354 (December 31, 2014 - TL 98.143) are classified under "Loans at Fair Value Through Profit/Loss" in the financial statements.

h) Loans granted to subsidiaries and associates

There are no loans granted to subsidiaries and associates

i) Specific provisions for loans

Specific Provisions	Current Period	Prior Period
Loans and Receivables with Limited Collectability	94.174	85.654
Loans and Receivables with Doubtful Collectability	376.185	440.187
Uncollectible Loans and Receivables	2.591.420	1.642.773
Total	3.061.779	2.168.614

j) Non-performing loans (NPLs) (Net)

j.1) Non-performing loans and other receivables restructured or rescheduled

	III. Group Loans and receivables with limited collectability	IV. Group Loans and receivables with doubtful collectability	V. Group Uncollectible loans and receivables
Current Period			
(Gross Amounts Before the Specific Provisions)	2.471	7.336	96.276
Restructured Loans and Other Receivables	-	-	-
Rescheduled Loans and Other Receivables	2.471	7.336	96.276
Prior Period			
(Gross Amounts Before the Specific Provisions)	133	4.457	78.247
Restructured Loans and Other Receivables	-	-	-
Rescheduled Loans and Other Receivables	133	4.457	78.247

j.2) Movement of non-performing loans(*):

	III. Group Loans and receivables with limited collectability	IV. Group Loans and receivables with doubtful collectability	V. Group Uncollectible loans and receivables
Prior Period End Balance	424.415	672.783	1.642.773
Additions (+)	1.621.220	88.162	56.034
Transfers from Other Categories of Non-Performing Loans (+)	-	1.442.953	1.264.879
Transfers to Other Categories of Non-Performing Loans (-)	1.442.953	1.264.879	-
Collections (-)	131.671	186.092	370.606
Write-offs (-)	137	562	1.660
Corporate and Commercial Loans	-	-	-
Consumer Loans	91	253	634
Credit Cards	46	309	1.026
Others	-	-	-
Current Period End Balance	470.874	752.365	2.591.420
Specific Provision (-)	94.174	376.185	2.591.420
Net Balances on Balance Sheet	376.700	376.180	-

(*) Based on the "Regulation on Procedures and Principles for Determination of Qualifications of Loans and Other Receivables by Banks and Provisions to be set aside", the Bank provided specific provisions for its 4th group commercial loans with 100% provision rate in the prior period, whereas in the current period the Bank provided provision by using minimum provision ratios. After the stated change, the Bank has provided TL 106.803 less provision to the provisioning method used in the prior period.

j.3) Information on foreign currency of non-performing loans and other receivables

None (December 31, 2014 – None).

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 receivable
Current Period (Net)	376.700	376.180	-
Loans to Real Persons and Legal Entities (Gross)	470.874	752.365	2.566.151
Specific provision (-)	-94.174	-376.185	-2.566.151
Loans to Real Persons and Legal Entities (Net)	376.700	376.180	-
Banks (Gross)	-	-	-
Specific provision (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	25.269
Specific provision (-)	-	-	-25.269
Other Loans and Receivables (Net)	-	-	-
Prior Period (Net)	338.761	232.596	-
Loans to Real Persons and Legal Entities (Gross)	424.415	672.783	1.631.886
Specific provision (-)	-85.654	-440.187	-1.631.886
Loans to Real Persons and Legal Entities (Net)	338.761	232.596	-
Banks (Gross)	-	-	-
Specific provision (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	10.887
Specific provision (-)	-	-	-10.887
Other Loans and Receivables (Net)	-	-	-

k) Liquidation policies for uncollectible loans and other receivables

For the unrecoverable non-performing loans under legal follow up, the loan quality, collateral quality, bona fide of the debtor and assessment of the emergency of legal follow up are considered, before applying the best practice for unrecoverable non-performing loans under legal follow up. The Parent Bank prefers to liquidate the risk through negotiations with the debtors. If this cannot be possible, then the Parent Bank starts the legal procedures for the liquidation of the risk. Ongoing legal follow up procedures do not prevent negotiations with the debtors. An agreement is made with the debtor at all stage of the negotiations for the liquidation of the risk.

l) Explanations on write-off policy

Unrecoverable non-performing loans in legal follow-up, with no collateral that are deemed as uncollectible are written off by the Board of Directors' decision, in accordance with the laws and regulations.

7. Information on factoring receivables

	Current Period		Prior Period	
	TL	FC	TL	FC
Short Term	540.996	26.734	432.339	9.570
Medium and Long Term	3.996	-	1.303	-
Total	544.992	26.734	433.642	9.570

As of December 31, 2015 and December 31, 2014, changes in provision for non-performing factoring receivables are as follows:

	Current Period	Prior Period
Prior Period End Balance	13.446	7.120
Provided Provision / (reversal), Net	13.403	6.454
Collections	(765)	(128)
Written off	-	-
Current Period End Balance	26.084	13.446

8. Information on investment securities held-to-maturity

a) Information on Subject to repurchase agreements and given as Collateral/blocked Investment securities available for sale

	Current Period		Prior Period	
	TL	FC	TL	FC
Given as Collateral / Blocked	96.191	-	398.384	-
Subject to repurchase agreements	1.417.955	847.881	928.180	625.910
Total	1.514.146	847.881	1.326.564	625.910

b) Information on financial government debt securities held-to-maturity

	Current Period		Prior Period	
	TL	FC	TL	FC
Government Bond	3.009.964	110.652	3.003.772	90.418
Treasury Bill	-	-	48.794	-
Other Public Sector Debt Securities	-	-	-	-
Total	3.009.964	110.652	3.052.566	90.418

c) Information on investment securities held-to-maturity

	Current Period		Prior Period	
	TL	FC	TL	FC
Debt Securities	3.009.964	863.950	3.052.566	674.657
Publicly-traded	3.009.964	863.950	3.052.566	674.657
Non-publicly traded	-	-	-	-
Provision for losses (-)	-	-	-	-
Total	3.009.964	863.950	3.052.566	674.657

d) Movement of held-to-maturity investments

	Current Period	Prior Period
Value at the beginning of the period	3.727.223	2.825.779
Exchange differences on monetary assets	171.250	32.352
Acquisitions during the year (*)	290.680	631.486
Disposals through sales and redemptions	(512.035)	-
Provision for losses (-)	-	-
Valuation Effect	196.796	237.606
The sum of end of the period	3.873.914	3.727.223

9. Investments in associates (Net)**9.1. Investments in associates**

Description	Address (City/ Country)	Bank's Share-If Different, Voting Rights (%)	Bank's Risk Group Share (%)
Banklararası Kart Merkezi (BKM) (*)	Istanbul/Turkey	9,23%	9,23%

Total Assets	Shareholder's Equity	Total Fixed Assets	Interest Income	Income on Securities Portfolio	Current Period Profit/Loss	Prior Period Profit/Loss	Company's Fair Value
68.358	29.660	43.170	985	-	3.869	3.490	-

9.2. Movements of investments in associates

	Current Period	Prior Period
Balance at the Beginning of Period	3.766	3.766
Movements During the Period	-	-
Acquisitions	-	-
Bonus Shares Received	-	-
Dividends From Current Year Profiy	-	-
Sales	-	-
Reclassifications	-	-
Increase/Decrease in Market Values	-	-
Currency Differences on Foreign Associates	-	-
Impairment Losses (-)	-	-
Balance at the End of the Period	3.766	3.766
Capital Commitments	-	-
Share Percentage at the end of the Period	-	-

9.3. Sectoral distribution and the related carrying amounts on associates

	Current Period	Prior Period
Banks	-	-
Insurance Companies	-	-
Factoring Companies	-	-
Leasing Companies	-	-
Finance Companies	-	-
Other Associates	3.766	3.766
Total	3.766	3.766

9.4. Quoted Associates

None (December 31, 2014 - None).

9.5. Valuation of investments in associates

	Current Period	Prior Period
Valued at Cost	3.766	3.766
Valued at Fair Value	-	-
Valued at Equity Method	-	-
Total	3.766	3.766

9.6. Investments in associates sold during the current period

None (December 31, 2014 - None).

9.7. Investments in associates acquired during the current period

None (December 31, 2014 - None).

10. Investments in subsidiaries (Net)**a) Information on the Parent Bank's unconsolidated subsidiaries:**

Subsidiaries below have not been consolidated since they are non financial investments, they are instead valued by cost method.

	Title	Address (City/Country)	Bank's Share - If Different, Voting Rights (%)	Bank's Risk Group Share (%)
1.	İbtech Uluslararası Bilişim ve İletişim Teknolojileri Araştırma, Geliştirme, Danışmanlık, Destek San. Ve Tic. A.Ş.	Istanbul/Turkey	%99,91	%99,99
2.	EFINANS Elektronik Ticaret ve Bilişim Hizmetleri A.Ş.	Istanbul/Turkey	%51,00	%51,00

(*)	Total Assets	Shareholder's Equity	Total Fixed Assets	Interest Income	Income on Securities Portfolio	Current Period Profit/Loss	Prior Period Profit/Loss	Company's Fair Value
1.	45.879	22.515	17.411	-	-	1.538	6.989	-
2.	11.814	5.115	4.563	109	-	(1.248)	397	-

b) Information on the consolidated subsidiaries:**b.1) Information on the consolidated subsidiaries(*)**

	Subsidiary	Address (City/Country)	Bank's Share - If Different, Voting Rights (%)	Bank's Risk Group Share (%)
1.	Finans Yatırım Menkul Değerler A.Ş.	İstanbul/Turkey	99,60	99,74
2.	Finans Finansal Kiralama A.Ş.	İstanbul/Turkey	51,06	69,00
3.	PSA Finansman A.Ş. (**)	İstanbul/Turkey	100,00	100,00
4.	Finans Portföy Yönetimi A.Ş.	İstanbul/Turkey	0,01	99,72
5.	Finans Faktoring A.Ş.	İstanbul/Turkey	99,99	100,00

(*) As per Board of Directors meeting dated 21 May 2014, it has been decided for the liquidation of Finans Investment Trust. Liquidation decision will be presented for the approval of the shareholders at the General Board Meeting and those who vote and oppose will be granted the right to resign from the Company. The Extraordinary General Meeting is done in October 20, 2014. The decisions of The Extraordinary General Meeting have been registered as of November 7, 2014. The shares of Finans Yatırım Ortaklığı A.Ş. have been unquoted from the exchange list and markets of İstanbul Stock exchange and banned for trade as of November 10, 2014. Finans Yatırım Ortaklığı A.Ş. Under Liquidation is referred to as "Finans Yatırım Ortaklığı A.Ş. Under Liquidation" since November 7, 2014. The company's liquidation was completed as of December 7, 2015.

(**) As of November 9, 2015 acquisition transaction of PSA Finansman Anonim Şirketi by the Bank is approved by Banking Regulation and Supervision Agency and share transfer transactions regarding the aforementioned entity have been completed as of December 14, 2015.

Information on subsidiaries in the order as presented in the table above:

	Total Assets	Shareholder's Equity	Total Fixed Assets	Interest Income	Income on Securities Portfolio	Current Period Profit/Loss	Prior Period Profit/Loss	Company's Fair Value
1.	314.116	117.653	3.816	10.709	2.064	27.867	1.841	69.226
2.	2.219.610	609.099	3.315	178.831	-	51.562	48.029	404.800
3.	8.657	8.386	74	479	-	(1.486)	(6.045)	-
4.	13.431	11.980	191	1.245	9	1.733	540	-
5.	586.778	38.640	1.154	65.625	-	3.090	4.192	40.918

(*) Fair values of publicly traded subsidiaries reflect their Borsa İstanbul (BIST) values as of the balance sheet date.

b.2) Movement of investments in subsidiaries

	Current Period	Prior Period
Balance at the Beginning of the Period	426.813	405.170
Movements during the Period	(101.859)	21.643
Purchases	18.395	-
Bonus Shares Received	-	-
Dividends from Current Year Profit	-	-
Sales	(14.512)	-
Changes Due to Reclassification	-	-
Revaluation Difference	(105.742)	21.643
Impairment Provision	-	-
Balance at the End of the Period	324.954	426.813
Capital Commitments	-	-
Share Percentage at the end of the Period (%)	-	-

(*) Finans Faktoring A.Ş. has increased its capital at an amount of TL 10.000 through rights offering in current period. PSA Finansman A.Ş., whose share transfer transactions are completed, has been acquired with a price of TL 8.395 as of December 14, 2015.

(**) It states the cash outflow occurred as a result of liquidation of Finans Yatırım Ortaklığı A.Ş. realized as of December 7, 2015.

b.3) Sectoral distribution of the consolidated subsidiaries

	Current Period	Prior Period
Banks	-	-
Insurance Companies	-	-
Factoring Companies	40.918	39.565
Leasing Companies	206.691	260.125
Finance Companies	8.395	-
Other Subsidiaries	68.950	127.123
Total	324.954	426.813

The balances of the subsidiaries have been eliminated as part of the consolidation principles.

b.4) Quoted subsidiaries within the context of consolidation

	Current Period	Prior Period
Quoted on Domestic Stock Exchanges	206.691	274.637
Quoted on International Stock Exchanges	-	-
Total	206.691	274.637

b.5) Explanation to capital adequacy of the significant subsidiaries

None.

11. Investments in entities under common control

	Title				Address (City/ Country)	Bank's Share-If different, Voting Rights (%)		Bank' Risk Group Share (%)	
1.	Cigna Finans Emeklilik ve Hayat A.Ş. (*)				İstanbul/Türkiye	49,00%		49,00%	
2.	Bantaş Nakit ve Kıymetli Mal Taşıma ve Güvenlik Hizmetleri A.Ş. (*)				İstanbul/Türkiye	33,33%		33,33%	
	Total Assets	Shareholders' Equity	Total Fixed Asset	Interest Income	Securities Income	Current Period Profit/Loss	Prior Period Profit/Loss	Company's Fair Value	
1.	858.426	70.633	588.511	-	-	15.066	6.989	188.639	
2.	32.890	22.560	14.180	-	-	7.495	2.004	-	

(*) In accordance with partnership agreement signed between the Parent Bank and Cigna Nederland Gamma BV, the parent of Cigna Finans Emeklilik and Hayat A.Ş., on July 12, 2012 in case the ownership structure of the Bank changes Cigna Nederland Gamma BV has the right to purchase the shares owned by the Parent Bank. If subject transfer is actualized share transfer will be based on fair value of the shares. As of report date, there is no official request received from Cigna Nederland Gamma BV in regards to purchase of the shares.

12. Information on finance lease receivables (Net)**12.1. Maturity analysis of financial lease receivables**

	Current Period		Prior Period	
	Gross	Net	Gross	Net
Less than 1 year	882.384	743.014	726.887	616.586
Between 1-4 years	1.217.954	1.056.664	942.507	824.705
Over 4 years	150.502	137.274	96.609	89.001
Total	2.250.840	1.936.952	1.766.003	1.530.292

Finance lease receivables include non-performing finance lease receivables amounting to TL 130.767 (December 31, 2014 - TL 143.995) and specific provisions amounting to TL 74.316 (December 31, 2014 - TL 96.339).

Changes in non-performing finance lease receivables provision as of December 31, 2015 and December 31, 2014, are as follows:

	Current Period	Prior Period
End of prior period	96.339	83.006
Provided provision / (reversal), Net	23.963	20.131
Collections	1.463	6.798
Written off	44.523	-
Provision at the end of the period	74.316	96.339

12.2. Information on net investment on leases

	Current Period	Prior Period
Gross Finance Lease Investments	2.250.840	1.766.003
Unearned Finance Income (-)	(313.888)	(235.711)
Cancelled Leasing Agreements (-)	-	-
Net Investment on Leases	1.936.952	1.530.292

12.3. Information of finance lease contracts of the Parent Bank

The leasing balances between the Parent Bank and the subsidiaries have been eliminated as part of the consolidation principles.

13. Information on hedging purpose derivatives:

	Current Period		Prior Period	
	TL	FC	TL	FC
Fair Value Hedge (*)	2.292.114	18.069	1.459.151	22.844
Cash Flow Hedge	927.791	1.035	506.751	-
Net Investment Hedge	-	-	-	-
Total	3.219.905	19.104	1.965.902	22.844

(*) Derivative financial instruments designated for the fair value hedge purposes comprise of swaps. As of December 31, 2015, TL 3.991 (December 31, 2014 - TL 36.343) represents the fair value of derivatives which are designated as hedging instruments to hedge the fair value changes in debt securities issued, TL 14.078 (December 31, 2014 - TL 20.170) worth of securities issued, and TL 2.292.114 (December 31, 2014 - TL 1.425.482) represents the fair value of derivatives which are designated as hedging instruments to hedge the fair value changes in loans.

14. Explanations on tangible assets

	Land and Buildings	Fixed Assets under Finance Lease	Vehicles	Other Fixed Assets	Total
Prior Period End					
Cost	1.108.092	265.464	2.062	1.027.530	2.403.148
Accumulated Depreciation(-)	24.275	238.267	1.717	666.794	931.053
Net Book Value	1.083.817	27.197	345	360.736	1.472.095
Current Period End					
Cost at the Beginning of the Period	1.108.092	265.464	2.062	1.027.530	2.403.148
Additions (*)	-	-	-	247	247
Transfer(-)	84.869	270	86	147.475	232.700
Disposals (-)	3.552	1.609	730	5.750	11.641
Impairment (-)/ (increase)	29	-	-	-	29
Current Period Cost	1.189.380	264.125	1.418	1.169.502	2.624.425
Accumulated Depreciation at the Beginning of the Period	24.275	238.267	1.717	666.794	931.053
Disposals (-)	-	-	-	169	169
Transfer (-)	25	1.233	669	5.266	7.193
Depreciation amount	2.349	3.020	254	113.264	118.887
Accumulated Depreciation at the End of the Period (-)	26.599	240.054	1.302	774.961	1.042.916
Net Book Value at the End of the Period	1.162.781	24.071	116	394.541	1.581.509

(*)As mentioned in Section 5 footnote 3.1.d, the fair value currency difference income of 1.223 TL (the amortized) that belongs to the real estate, subject to the accounting of protection from the fair value risk by the Bank, is shown in the "Entries" line of the Financial Fixed Assets movement table.

a) If impairment on individual asset recorded or reversed in the current period is material for the overall financial statements: Events and conditions for recording or reversing impairment and amount of recorded or reversed impairment in the financial statements:

The fair values of the buildings are determined by the licensed expertise companies and as a result of the changes in the fair value of these buildings, the impairment loss of TL 29 has been booked. (December 31, 2014 - TL 453 impairment loss has been booked).

b) The impairment provision set or cancelled in the current period according to the asset groups not individually significant but materially affecting the overall financial statements, and the reason and conditions for this:

None (December 31, 2014- None)

c) Pledges, mortgages and other restrictions (if any) on the tangible fixed assets, expenses arising from the construction for tangible fixed assets, commitments given for the purchases of tangible fixed assets:

None (December 31, 2014- None).

15. Explanations on Intangible Assets

	Rights	Goodwill	Total
Prior Period End			
Cost	578.688	19.209	597.897
Accumulated Amortization(-)	352.363	10.240	362.603
Net Book Value	226.325	8.969	235.294
Current Period End			
Cost at the Beginning of the Period	578.688	19.209	597.897
Costs related to acquisition of subsidiary	2.691	-	2.691
Additions	134.146	-	134.146
Disposals (-)	85	-	85
Value Decrease (-)/ (increase)	(910)	19.209	18.299
Current Period Cost	716.350	-	716.350
Acc. Amort. At the Beginning of the Period	352.363	10.240	362.603
Accrued amortization related to acquisition of subsidiary	251	-	251
Disposals(-)	9	10.240	10.249
Amortization charge	93.705	-	93.705
Current Period Accumulated Amortization(-)	446.310	-	446.310
Net Book Value-End of the Period	270.040	-	270.040

a) Disclosures for book value, description and remaining life to be amortized for a specific intangible fixed asset that is material to the financial statements:

None (December 31, 2014- None).

b) Disclosure for intangible fixed assets acquired through government grants and accounted for at fair value at initial recognition:

None (December 31, 2014- None).

c) The method of subsequent measurement for intangible fixed assets that are acquired through government incentives and recorded at fair value at the initial recognition:

None (December 31, 2014- None).

d) The book value of intangible fixed assets that are pledged or restricted for use:

None (December 31, 2014- None).

e) Amount of purchase commitments for intangible fixed assets:

None (December 31, 2014- None).

f) Information on revalued intangible assets according to their types:

None (31 December 2014- None).

g) Amount of total research and development expenses recorded in income statement within the period if any:

Amount of total research expenses recorded in income statement within the period is TL 5.740 (December 31, 2014 – TL 3.807) .

h) Positive or negative consolidation goodwill on entity basis:

None (December 31, 2014 – TL 8.969).

i) Information on book value of goodwill at the beginning of the period, end of the period and movement for the period:

The details have been disclosed at explanations and disclosures related to asset section, at disclosure 15.

16. Explanations on investment property

None (December 31, 2014- None).

17. Information on tax asset

According to TAS 12, the deferred tax assets and liabilities of the consolidated subsidiaries are netted off separately in their financial statements.

Deferred tax asset is TL 100.943 (December 31, 2014 – TL 62.179) and there is no deferred tax liability (December 31, 2014- TL 1.488) after deferred tax asset and liability balances in the financial statements of the consolidated subsidiaries are netted off separately.

In cases whereby deferred tax differences arising from the differences between the carrying amounts and the taxable amounts of the assets subjected to deferred tax that are related with certain items under the shareholders' equity accounts, the deferred tax benefits/charges are netted under these accounts. The deferred tax assets amounting to TL 53.256 are netted under equity. (December 31, 2014 – TL 34.544 deferred tax liability).

	Accumulated Temporary Differences		Deferred Tax Assets/(Liabilities)	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
Provision for Employee Rights	250.505	211.867	50.101	42.373
Difference Between the Book Value of Financial Assets and Tax Base	433.187	698.434	86.637	139.687
Other	356.428	191.234	71.286	38.247
Deferred Tax Assets			208.024	220.307
Difference Between the Book Value Financial Fixed Assets and Tax Base	(194.138)	(257.159)	(38.828)	(51.432)
Difference Between the Book Value of Financial Assets and Tax Base değeri arasındaki farklar	(85.255)	(289.395)	(17.051)	(57.879)
Other	(256.008)	(251.523)	(51.202)	(50.305)
Deferred Tax Liabilities			(107.081)	(159.616)
Deferred Tax Assets/(Liabilities), Net			100.943	60.691

	Current Period 01.01-31.12.2015	Prior Period 01.01-31.12.2014
Deferred Tax as of January 1 Active/ (Passive) - Net	60.691	106.253
Deferred Tax (Loss) / Gain	21.540	(39.715)
Deferred Tax that is Realized Under Shareholder's Equity	18.712	(5.847)
December 31 Deferred Tax Active/ (Passive) - Net	100.943	60.691

18. Information on assets held for sale and discontinued operations

As of December 31, 2015, the Bank's assets held for sale is nil (December 31, 2014: TL 63.090). Transfer of titles for the Bank's Gayrettepe Headquarter Building on Istanbul, Şişli, Mecidiyeköy, map section 307, Isle 1956, Parcel 41 and Polat Residence on Istanbul, Şişli, Mecidiyeköy, map section 303, Isle 1997 has been completed in March 25, 2015 and April 27, 2015, respectively. Subject buildings, which were accounted as assets held for sale, have been sold for USD 65.250.000 and USD 28.000.000, respectively. Additionally, it has been decided for the Akmerkez floors to be sold for USD 19.670.000 and the sale has occurred as of March 24, 2015.

19. Information on other assets:**19.1. Information on prepaid expense, tax and similar items**

	Current Period	Prior Period
Cheques Receivables from Other Banks	271.452	254.690
Other Prepaid Expenses	355.425	325.068
Assets Held for Resale (net)	220.249	138.126
Collateral Given for Derivative Transactions	120.904	73.789
Miscellaneous Receivables	76.491	66.453
Prepaid rent expenses	38.970	31.765
Advances Given	4.380	9.670
Prepaid Agency Commissions	14.330	6.564
Other	108.651	92.142
Total	1.210.852	998.267

19.2 If other assets exceed 10% of total assets, excluding off balance sheet commitments, the names and the balances of these accounts, the name and the amount of the subaccounts which create at least 20% of them are:

Details of the other assets are described in note 19.1 section of disclosure.

20. Accrued interest and income

The details of accrued interest and income allocated to the related items on the assets side of the balance sheet are as follows:

	Current Period		Prior Period	
	TL	FC	TL	FC
Derivative Financial Instruments Held for Hedging	3.219.905	19.104	1.965.902	22.844
Assets on Trading Derivatives	1.988.998	248.382	1.103.005	149.465
Loans	933.534	131.096	670.666	119.800
Investment securities held to maturity	73.776	10.784	48.794	6.927
Investment Securities Available for Sale	43.025	52.031	132.088	100.324
Central Bank	8.497	-	-	-
Lease Receivables	7.115	8.652	5.461	7.455
Trading Securities	1.147	18	664	116
Banks	37	-	997	31
Other Accruals	17.759	1.521	4.956	173
Total	6.293.793	471.588	3.932.533	407.135

SECTION FIVE

II. EXPLANATIONS AND DISCLOSURES RELATED TO CONSOLIDATED LIABILITIES

1. Information on maturity structure of deposits

Current Period	Demand	7 Days Notice	Up to 1 Month	1-3 Months	3-6 Months	6-12 Months	1 Year and Over	Accumulated Deposit Accounts	Total
Saving Deposits	1.836.314	-	2.453.079	13.626.243	628.259	260.686	880.499	3.002	19.688.082
Foreign Currency Deposits	3.308.178	-	1.962.058	11.091.252	866.874	169.550	436.221	3.306	17.837.439
Residents in Turkey	3.250.191	-	1.939.519	10.758.820	839.704	159.101	395.311	3.306	17.345.952
Residents Abroad	57.987	-	22.539	332.432	27.170	10.449	40.910	-	491.487
Public Sector Deposits	236.348	-	509	137.003	408	387	76	-	374.731
Commercial Deposits	1.729.189	-	1.624.291	3.542.286	345.933	115.456	178.330	-	7.535.485
Other Ins. Deposits	35.463	-	104.997	662.999	10.997	5.763	67.858	-	888.077
Precious Metal Deposits	376.794	-	-	4.325	101	-	49.473	-	430.693
Bank Deposits	26.037	-	133.860	1.194.672	189.475	12.244	482	-	1.556.770
T.R. Central Bank	-	-	-	-	-	-	-	-	-
Domestic Banks	7.652	-	110.195	105.521	-	-	-	-	223.368
Foreign Banks	18.385	-	23.665	1.089.151	189.475	12.244	482	-	1.333.402
Participation Banks	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total	7.548.323	-	6.278.794	30.258.780	2.042.047	564.086	1.612.939	6.308	48.311.277

Prior Period	Demand	7 Days Notice	Up to 1 Month	1-3 Months	3-6 Months	6-12 Months	1 Year and Over	Accumulated Deposit Accounts	Total
Saving Deposits	1.478.602	-	2.302.799	11.989.509	479.169	287.251	1.491.669	3.859	18.032.858
Foreign Currency Deposits	1.839.631	-	1.415.763	8.626.554	441.796	159.241	482.581	3.521	12.969.087
Residents in Turkey	1.780.013	-	1.396.851	8.445.573	417.655	141.878	456.424	3.521	12.641.915
Residents Abroad	59.618	-	18.912	180.981	24.141	17.363	26.157	-	327.172
Public Sector Deposits	329.657	-	7.469	44.378	506	281	-	-	382.291
Commercial Deposits	1.560.852	-	1.398.650	4.157.214	139.228	121.681	89.369	-	7.466.994
Other Ins. Deposits	26.723	-	67.314	556.455	42.042	117.491	176.947	-	986.972
Precious Metal Deposits	582.107	-	-	3.920	42.910	5.586	7	-	634.530
Bank Deposits	17.791	-	1.105.752	259.084	34.475	5.900	-	-	1.423.002
T.R. Central Bank	-	-	-	-	-	-	-	-	-
Domestic Banks	2.259	-	-	14.220	-	4.081	-	-	20.560
Foreign Banks	15.299	-	1.105.752	244.864	34.475	1.819	-	-	1.402.209
Participation Banks	233	-	-	-	-	-	-	-	233
Other	-	-	-	-	-	-	-	-	-
Total	5.835.363	-	6.297.747	25.637.114	1.180.126	697.431	2.240.573	7.380	41.895.734

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

	Covered by Deposit Insurance Fund		Exceeding the Deposit Insurance Limit	
	Current Period	Prior Period	Current Period	Prior Period
Saving Deposits	10.434.904	9.502.043	9.249.580	8.529.289
Foreign Currency Savings Deposits	2.473.087	1.833.144	9.041.063	5.793.036
Other Saving Deposits	-	-	-	-
Foreign Branches' Deposits Under Foreign Insurance Coverage	-	-	-	-
Off-Shore Deposits Under Foreign Insurance Coverage	-	-	-	-
Total	12.907.991	11.335.187	18.290.643	14.322.325

1.2. Savings deposits in Turkey are not covered under insurance in another country since the headquarter of the Group is not located abroad.

1.3. Savings deposits that are not covered under the guarantee of deposit insurance fund

	Current Period	Prior Period
Deposits and accounts in branches abroad	-	-
Deposits of ultimate shareholders and their close family members	-	-
Deposits of chairman and members of the Board of Directors and their close family members	61.131	38.539
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	5.707	2.632
Total	66.838	41.171

2. Information on trading purpose derivatives

a) Negative value of trading purpose derivatives

	Current Period		Prior Period	
	TL	FC	TL	FC
Forwards	53.207	-	51.369	-
Swaps	1.829.702	153.242	1.041.448	109.145
Futures	-	273	-	47
Options	-	120.040	-	50.291
Other	-	-	-	-
Total	1.882.909	273.555	1.092.817	159.483

3. a) Information on banks and other financial institutions

	Current Period		Prior Period	
	TL	FC	TL	FC
T.R. Central Bank Loans	-	-	-	-
Domestic Banks and Institutions	377.357	591.563	437.490	384.554
Foreign Banks, Institutions and Funds	124.573	4.972.564	60.781	4.970.259
Total	501.930	5.564.127	498.271	5.354.813

b) Maturity information on funds borrowed

	Current Period		Prior Period	
	TL	FC	TL	FC
Short-Term	406.735	3.301.344	329.764	3.914.272
Medium and Long-Term	95.195	2.262.783	168.507	1.440.541
Total	501.930	5.564.127	498.271	5.354.813

In accordance with the diversified payment rights programme, the Parent Bank obtained securitization loans amounting to USD 75 million and EUR 10 million with five years maturity and amounting to EUR 50 million with twelve years maturity on December 20, 2012.

In accordance with the diversified payment rights programme, the Parent Bank obtained securitization loans amounting to USD 280 million with five years maturity on September 18, 2015.

The Bank has obtained syndication loans with 1 year maturity, amounting to USD 99.5 million and EUR 376 million on 25 November 2015 and 26 November 2015, respectively.

c) Additional information on concentrations of the Group's liabilities

As of December 31, 2015, the Group's liabilities comprise; 55% deposits (December 31, 2014 – 55%), 7% funds borrowed (December 31, 2014 – 8%), 7% issued bonds (December 31, 2014 – 8%) and 5% funds provided under repurchase agreements (December 31, 2014 – 5%).

4. Information on funds provided under repurchase agreements

	Current Period		Prior Period	
	TL	FC	TL	FC
From domestic transactions	2.801.758	-	2.715.336	-
Financial institutions and organizations	2.760.367	-	2.679.239	-
Other institutions and organizations	10.130	-	12.101	-
Real persons	31.261	-	23.996	-
From foreign transactions	2.410	1.857.920	9.901	1.431.183
Financial institutions and organizations	-	1.857.920	-	1.431.183
Other institutions and organizations	2.241	-	9.901	-
Real persons	169	-	-	-
Total	2.804.168	1.857.920	2.725.237	1.431.183

5. Information on securities issued (Net)

	Current Period		Prior Period	
	TL	FC	TL	FC
Bank Bonds	770.076	-	2.000.828	262.040
Bills	71.075	4.985.836	324.658	3.237.972
Total	841.151	4.985.836	2.325.486	3.500.012

The Parent Bank has government bond issue program (Global Medium Term Note Programme) amounting to USD 2 Billion.

6. If other liabilities account exceeds 10% of total liabilities excluding the off-balance sheet items, information given about components of other liabilities account that exceed 20% of the individual liability item in the consolidated balance sheet

Other liabilities does not exceed 10% of total liabilities excluding the off-balance sheet items (December 31, 2014 – Does not exceed 10%).

7. Criteria used in the determination of lease installments in the financial lease contracts, renewal and purchase options, restrictions, and significant burdens imposed on the bank on such contracts

Interest rate and cash flows of the Group are the main criteria which are taken into consideration for the determination of payment plans in the leasing contracts.

7.1. Changes in agreements and further commitments arising

No changes have been made to the leasing agreements in the current period (December 31, 2014 – None).

7.2. Financial lease payables

The leasing balances between the Parent Bank and the subsidiaries have been eliminated as part of the consolidation principles.

7.3. Information on operational lease

Operational lease payments are recognized as an expense in the income statement on a straight-line basis over the lease terms. The Bank arranges operating lease arrangements for some of its ATM and branches. The lease contract is done on a yearly basis and the payment is made upfront each year and realized as an expense under the "Other Assets" account.

7.4. Information on "Sale -and- lease back" agreements

The Group does not have any sale-and-lease back transactions in the current period (December 31, 2014 – None).

8. Information on liabilities arising from hedging purpose derivatives

	Current Period		Prior Period	
	TL	FC	TL	FC
Fair Value Hedge (*)	-	178.808	70.738	149.976
Cash Flow Hedge (**)	60.229	44.407	131.366	-
Net Investment Hedge	-	-	-	-
Total	60.229	223.215	202.104	149.976

(*) Derivative financial instruments for hedging purposes include swaps. As of December 31, 2015, TL 25.804 (December 31, 2014 – TL 98.050) represents the fair value of derivatives which are the hedging instruments of hedged loan portfolio, TL 152.099 (December 31, 2014 – TL 122.664) TL 905 borrowings (December 31, 2014 – none) represents the fair value of derivatives which are the hedging instruments of hedged investment securities available for sale portfolio.

(**) Represents the fair values of derivatives which are the hedging instruments of deposits' cash flow risk.

9. Information on provisions

9.1. Information on general provisions

	Current Period	Prior Period
Provisions for Loans and Receivables in Group I	905.191	680.928
-Additional Provision for Loans and Receivables with Extended Maturities	52.253	55.947
Provisions for Loans and Receivables in Group II	167.383	125.096
-Additional Provision for Loans and Receivables with Extended Maturities	38.079	36.679
Provisions for Non - Cash Loans	85.275	75.473
Other	32.554	61.164
Total	1.190.403	942.661

9.2. Provision for currency exchange gain/loss on foreign currency indexed loans

	Current Period	Prior Period
Foreign Exchange Provision for Foreign Currency Indexed Loans (*)	20.065	21.043

(*) The foreign exchange provision for foreign currency indexed loans netted against "Loans and Receivables" in asset.

9.3. Specific provisions for non cash loans that are not indemnified and converted into cash

The specific provision for non cash loans which are related with the non-performing cash loans in arrears or the loans which were written off from balance sheet is TL 36.737 (December 31, 2014 - TL 47.736).

9.4 Information on employee termination benefits and unused vacation accrual

The Group has calculated reserve for employee termination benefits by using actuarial valuations as set out in TAS 19 and reflected these accompanying financial statements.

As of December 31, 2015, TL 130.051 (December 31, 2014 - TL 120.546) reserve for employee termination benefits was provided in the accompanying financial statements.

As of December 31, 2015, the Group accrued TL 36.821 (December 31, 2014 - TL 33.190) for the unused vacations under reserve for employee benefits account in the accompanying financial statements.

As of December 31, 2015, TL 83.633 (December 31, 2014 - TL 58.131) bonus and premium provisions have been provided under reserve for employee benefits account in the accompanying financial statements.

9.4.1 Movement of employee termination benefits

	Current Period 01.01-31.12.2015	Prior Period 01.01-31.12.2014
As of January 1	120.546	90.395
Service cost	18.854	14.640
Interest Cost	9.765	8.635
Settlement / curtailment / termination loss	8.756	10.474
Actuarial Difference	(5.110)	19.565
Paid during the period	(22.760)	(23.163)
Total	130.051	120.546

9.5. Information on other provisions**9.5.1. Information on provisions for possible risks**

Apart from the information provided in 9.3, the other provisions are given below as follows:

	Current Period	Prior Period
Provision for Closely Monitored Loans	106.241	106.334
General Reserves for Possible Risks	100.000	82.000
Provision for Promotion Expenses of Credit Cards	6.458	12.495
Other Provisions	87.297	48.659
Total	299.996	249.488

10. Taxation

10.1. Current taxes

10.1.1. Current tax liability

As of December 31, 2015, the Group has current tax liability of TL 223.245 (December 31, 2014 - TL 240.905) and advance taxes of TL 165.664 (December 31, 2014 - TL 64.941).

The current tax liability and the advance taxes of the consolidated subsidiaries have been offset separately in their financial statements. As of December 31, 2015, after the offsetting, the current tax liability amounting to TL 57.581 (December 31, 2014 - TL 175.964) is disclosed with current tax receivable TL 6.846 (December 31 - 269 TL)

10.1.2. Information on taxes payable

	Current Period	Prior Period
Corporate taxes payable	57.581	175.964
Banking and Insurance Transaction Tax (BITT)	50.131	39.417
Taxation on Securities Income	48.440	41.034
Taxation on Real Estates Income	2.008	1.893
VAT Payable	334	1.879
Other	23.552	19.157
Total	182.046	279.344

The Group presents The "Corporate Taxes Payable" balance in the "Current Tax Liability" account and other taxes are presented in the "Other Liabilities" account in the accompanying consolidated financial statements.

10.1.3 Information on premiums

	Current Period	Prior Period
Social Security Premiums - Employee Share	7.806	7.054
Social Security Premiums - Employer Share	8.525	7.687
Pension Fund Fee and Provisions - Employee Share	5	4
Pension Fund Fee and Provisions - Employer Share	15	12
Unemployment Insurance - Employee Share	551	495
Unemployment Insurance - Employer Share	1.100	992
Other	13	12
Total	18.015	16.256

11. Information on payables related to assets held for sale

None. (December 31, 2014- None)

12. Information on subordinated loans

	Current Period		Prior Period	
	TL	FC	TL	FC
From Domestic Banks	-	-	-	-
From Other Domestic Institutions	-	-	-	-
From Foreign Banks	-	2.662.119	-	2.121.712
From Other Foreign Institutions	-	-	-	-
Total	-	2.662.119	-	2.121.712

The Parent Bank received USD 650 million of subordinated loans during 2008 and USD 325 million of subordinated loans during 2009 from its main shareholder, National Bank of Greece S.A. The loan amounting to USD 325 million which was received in 2008 was paid back in 2010 to be used in capital increase. In addition, the Parent Bank received USD 260 million of subordinated loans in 2011 from National Bank of Greece S.A. Aforementioned subordinated loans are subject to interest payment every 6 months and principal payment at maturity. USD 585 million of existing subordinated loans will mature in 2021, USD 325 million will mature in 2020. As explained in Section I, Note III, in accordance with the share purchase agreement signed on 21 December 2015, with the completion of legal permissions in regards to transfer of shares, subject subordinated loans will be transferred to QNB.

13. Information on shareholder's equity**13.1. Paid-in capital**

	Current Period	Prior Period
Common Stock	3.000.000	2.835.000
Preferred Stock	-	-

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

Capital System	Paid-in Capital	Ceiling(*)
Registered Capital System	3.000.000	12.000.000

(*) According to the Board of Directors decision dated September 16, 2014, the Bank has decided to increase the registered capital ceiling from TL 6.000.000 to TL 12.000.000 and subject decision has been approved in the Extraordinary General Assembly for approval.

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

Increase Date	Increase Amount	Cash	Profit Reserves held subject to the Increase	Capital Reserves held subject to the Increase
August 31, 2015	165.000	-	165.000	-

13.4. Information on share capital increases from revaluation funds

None (December 31, 2014 - None).

13.5. Capital commitments in the last fiscal year and at the end of the following period, the general purpose of these commitments and projected resources required to meet these commitments

The Group does not have any capital commitments, all of the capital is fully paid-in.

13.6. Prior periods' indicators related with the Parent Bank's income, profit and liquidity and the possible effects of the uncertainties in these indicators on the Parent Bank's equity

None (December 31, 2014 - None).

13.7. Information on the privileges given to stocks representing the capital

According to the Board of Directors decision dated September 16, 2014, it has been found that 100 dividend shares issued to National Bank of Greece in accordance with the Bank's Articles of Association will be cancelled at no cost. Subject decision has been approved in the General Assembly meeting in December 4, 2014. The profit distribution is performed according to the prevailing regulations and the Articles of Association. Accordingly, 5% of the distributable profit is appropriated as legal reserves, 5% of the paid up capital is paid out as first dividend.

14. Common stock issue premiums, shares and equity instruments

	Current Period	Prior Period
Number of Stocks (Thousands)	30.000.000	28.350.000
Preferred Capital Stock	-	-
Common Stock Issue Premiums (*)	714	714
Common Stock Withdrawal Profits	-	-

(*) Due to the Parent Bank's capital increase at the prior periods, common stock issue premiums accounted amounting to TL 714.

15. Marketable securities value increase fund

	Current Period		Prior Period	
	TL	FC	TL	FC
Associates, Subsidiaries and Entities under Common Control	-	-	-	-
Valuation Differences	-	-	-	-
Foreign Exchange Rate Differences	-	-	-	-
Securities Available-for-Sale	(65.962)	(178.297)	4.763	(56.619)
Valuation Differences	(65.962)	(178.297)	4.763	(56.619)
Foreign Exchange Rate Differences	-	-	-	-
Total	(65.962)	(178.297)	4.763	(56.619)

16. Accrued interest and expenses

The details of accrued interest and expenses allocated to the related items on the liabilities side of the balance sheet are as follows:

	Current Period		Prior Period	
	TL	FC	TL	FC
Deposits	206.708	21.995	169.606	19.121
Derivative Financial Liabilities Held for Trading	1.882.909	273.555	1.092.817	159.483
Funds Borrowed	16.943	49.026	25.513	38.708
Money Market Borrowings	2.349	4.811	2.227	1.382
Derivative Financial Liabilities Held for Hedging	60.229	223.215	202.104	149.976
Issued Securities	1.075	44.863	10.545	44.198
Other Accruals	44.824	78	33.675	39
Total	2.215.037	617.543	1.536.487	412.907

SECTION FIVE

III. EXPLANATIONS AND DISCLOSURES RELATED TO CONSOLIDATED OFF-BALANCE SHEET ITEMS

1. Information related to consolidated off-balance sheet contingencies

1.1. Type and amount of irrevocable commitments

	Current Period	Prior Period
Credit Cards Limit Commitments	16.255.578	16.812.040
Commitment For Use Guaranteed Credit Allocation	14.365.003	8.537.065
Payment Commitments for Cheques	2.558.758	2.420.299
Forward Asset Purchase Commitments	803.658	2.550.320
Other Irrevocable Commitments	567.592	565.897
Credit Cards and Promotions in regards to Banking Services Uyg. Taah.hliş Prom. Uyg. Taah	34.278	22.604
Tax and Fund Liabilities due to Export Commitments	8.479	7.626
Total	34.593.346	30.915.851

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

Specific provision is provided for the non-cash loans amounting to TL 36.736 (December 31, 2014 – TL 47.736) followed in the off-balance sheet accounts that are not indemnified and not liquidated yet. Tax and Fund Liabilities due to Export Commitments

1.3. Final guarantees, provisional guarantees, sureties and similar transactions

	Current Period	Prior Period
Bank Loans	795.562	912.287
Letters of Credit	651.319	812.318
Other Guarantees	-	21.077
Total	1.446.881	1.745.682

1.4. Final guarantees, provisional guarantees, sureties and similar transactions

	Current Period	Prior Period
Provisional Letters of Guarantee	373.483	412.514
Final Letters of Guarantee	4.716.970	4.054.914
Advance Letters of Guarantee	457.160	201.394
Letters of Guarantee Given to Customs Offices	325.424	266.710
Other Letters of Guarantee	3.155.908	2.479.195
Total	9.028.945	7.414.727

2. Total amount of non-cash loans

	Current Period	Prior Period
Non-Cash Loans granted for Obtaining Cash Loans	771.408	477.125
Less Than or Equal to One Year with Original Maturity	95.968	63.872
More Than One Year with Original Maturity	675.440	413.253
Other Non-Cash Loans	9.704.418	8.683.284
Total	10.475.826	9.160.409

3. Information on risk concentration in sector terms in non-cash loans

	Current Period				Prior Period			
	TL	%	FC	%	TL	%	FC	%
Agricultural	28.986	0,48	6.200	0,14	38.340	0,73	10.157	0,26
Farming and Raising Livestock	26.741	0,44	6.149	0,14	35.181	0,67	8.106	0,21
Forestry	963	0,02	-	-	746	0,01	-	-
Fishing	1.282	0,02	51	-	2.413	0,05	2.051	0,05
Manufacturing	1.083.869	18,04	2.298.573	51,46	977.016	18,74	1.987.079	50,63
Mining and Quarrying	52.298	0,87	19.420	0,43	27.120	0,52	-	-
Production	813.184	13,53	1.676.460	37,54	692.665	13,28	1.557.967	39,70
Electricity, gas and water	218.387	3,63	602.693	13,49	257.231	4,93	429.112	10,93
Construction	1.536.308	25,56	767.217	17,18	1.274.329	24,44	550.172	14,02
Services	3.268.772	54,39	1.371.772	30,71	2.838.584	54,43	1.364.461	34,77
Wholesale and Retail Trade	1.938.370	32,26	580.540	13,00	1.663.568	31,90	699.396	17,82
Hotel, Food and Beverage Services	76.266	1,27	72.025	1,61	54.015	1,04	60.312	1,54
Transportation&Communication	129.391	2,15	61.789	1,38	109.173	2,09	47.105	1,20
Financial Institutions	665.350	11,07	487.465	10,91	602.922	11,56	402.638	10,26
Real Estate and Renting Services	4.145	0,07	2.574	0,06	2.517	0,05	2.158	0,05
Self Employment Services	211.077	3,51	36.507	0,82	173.592	3,33	30.618	0,78
Educational Services	6.667	0,11	-	-	5.087	0,10	10	-
Health and Social Services	237.506	3,95	130.872	2,93	227.710	4,37	122.224	3,11
Other (*)	91.507	1,52	22.622	0,51	86.463	1,66	12.731	0,32
Total	6.009.442	100,00	4.466.384	100,00	5.214.732	100,00	3.924.600	100,00

(*) Does not include foreign currency balance of "Other Guarantees" amounting to from prior period TL 21.077

4. Information on non-cash loans classified in first and second groups (*)

	I. Group		II. Group	
	TL	FC	TL	FC
Current Period				
Letters of Guarantee	5.950.440	3.038.895	2.874	-
Bill of Exchange and Acceptances	23.085	772.186	-	291
Letters of Credit	5.002	646.317	-	-
Endorsements	-	-	-	-
Purchase Guarantees for Securities Issued	-	-	-	-
Factoring Related Guarantees	-	-	-	-
Other Collaterals and Sureties	-	-	-	-
Non-cash Loans	5.978.527	4.457.398	2.874	291

(*) Does not include non-cash loans amounting to TL 36.736, for which provision is provided, but which are not indemnified and not liquidated yet.

	I. Group		II. Group	
	TL	FC	TL	FC
Prior Period				
Letters of Guarantee	5.059.147	2.145.703	119.260	42.881
Bill of Exchange and Acceptances	8.934	891.831	-	11.522
Letters of Credit	-	811.958	-	360
Endorsements	-	-	-	-
Purchase Guarantees for Securities Issued	-	-	-	-
Factoring Related Guarantees	-	-	-	-
Other Collaterals and Sureties	-	21.077	-	-
Non-cash Loans	5.068.081	3.870.569	119.260	54.763

(*) Does not include non-cash loans amounting to TL 47.736, for which provision is provided, but which are not indemnified and not liquidated yet.

5. Information related to derivative financial instruments

	Current Period	Prior Period
Types of trading transactions		
Foreign Currency Related Derivative Transactions (I)	105.822.669	91.980.951
Forward transactions (*)	9.330.881	7.651.472
Swap transactions	82.827.776	74.223.938
Futures transactions	32.720	39.340
Option transactions	13.631.292	10.066.201
Interest Related Derivative Transactions (II)	11.990.098	9.542.658
Forward rate transactions	-	-
Interest rate swap transactions	11.454.624	9.542.658
Interest option transactions	-	-
Futures interest transactions	535.474	-
Security option transactions	-	-
Other trading derivative transactions (III)	712.362	417.402
A. Total Trading Derivative Transactions (I+II+III)	118.525.129	101.941.011
Types of hedging transactions		
Fair value hedges	17.764.451	19.206.081
Cash flow hedges	18.870.159	10.785.127
Net investment hedges	-	-
B. Total Hedging Related Derivatives	36.634.610	29.991.208
Total Derivative Transactions (A+B)	155.159.739	131.932.219

(*) This line also includes Forward Asset Purchase Commitments accounted for under Commitments.

Breakdown of the Bank's foreign currency forward and swap and interest rate swap transactions based on currencies are disclosed below in their TL equivalents:

	Forward Buy ^(**)	Forward Sell ^(**)	Swap Buy ^(*)	Swap Sell ^(*)	Option Buy	Option Sell	Futures Buy	Futures Sell	Other
Current Period									
TL	2.708.325	1.455.137	20.079.557	30.812.688	2.727.400	2.459.930	347	347	-
USD	1.098.411	2.750.074	41.217.474	28.854.994	2.587.585	2.852.748	283.750	283.750	712.362
Euro	797.778	386.959	5.512.546	3.263.619	1.500.712	1.501.634	-	-	-
Other	64.075	70.122	289.895	886.237	292	991	-	-	-
Total	4.668.589	4.662.292	67.099.472	63.817.538	6.815.989	6.815.303	284.097	284.097	712.362

(*) This column also includes hedging purpose derivatives.

(**) This column also includes Forward Asset Purchase Commitments and accounted for under Commitments.

	Forward Buy ^(**)	Forward Sell ^(**)	Swap Buy ^(*)	Swap Sell ^(*)	Option Buy	Option Sell	Futures Buy	Futures Sell	Other
Prior Period									
TL	1.824.574	1.193.287	20.750.021	28.431.303	1.502.096	1.608.873	448	448	-
USD	1.158.737	2.152.924	33.457.398	25.860.241	2.234.524	2.220.577	19.222	19.222	417.402
Euro	505.723	379.428	2.685.574	1.297.779	599.284	656.707	-	-	-
Other	335.237	101.562	140.878	1.134.610	686.580	557.560	-	-	-
Total	3.824.271	3.827.201	57.033.871	56.723.933	5.022.484	5.043.717	19.670	19.670	417.402

(*) This column also includes hedging purpose derivatives.

(**) This column also includes Forward Asset Purchase Commitments and accounted for under Commitments.

5.1 Fair value hedge accounting

a) Loans

The Parent Bank enters into swap transactions in order to hedge itself from the changes in the fair value due to the changes in market interest rates of a certain portion of its long-term loans and applies fair value hedge accounting as per TAS 39. As of balance sheet date; the mortgage loans amounting to TL 4.352.016 (December 31, 2014 – TL 5.529.871) were subject to hedge accounting by swaps with a nominal of TL 4.378.077 (December 31, 2014 – TL 5.683.996). On December 31, 2015 the net market valuation difference loss amounting to TL 5.264 due to the losses from the loans amounting to TL 155.209 (December 31, 2014 – TL 199.124 gain) and gain from swaps amounting to TL 149.945 (December 31, 2014 – TL 165.139 loss) is accounted for under "gains / (losses) from financial derivatives transactions" line in the accompanying financial statements.

As of balance sheet date project finance loans amounting to TL 156.493 (December 31, 2014 – TL 148.712) have been subject to hedge accounting with swaps with a nominal amount of TL 150.774 (December 31, 2014 – TL 144.000). In 2015 TL 517 net fair valuation difference income, net of TL 1.537 (December 31, 2014 – TL 8.087 income) loss from loans and TL 2.055 (December 31, 2014 – TL 6.583 loss) income from swaps has been recorded under "Gains / (losses) from financial derivatives transactions" on accompanying financial statements.

When the fair value hedge accounting cannot be effectively continued as stated in TAS 39, the fair value hedge accounting is ceased. The fair value differences of the hedged loans are amortized through income statement until the maturity of the hedged loans. The Parent Bank has booked the valuation effect amounting to TL 9.873 (December 31, 2014 – TL 31.322) related to the loans that are ineffective for hedge accounting under "gains / (losses) from financial derivatives transactions" as loss during the current period.

b) Investment securities available for sale

The Parent Bank applies fair value hedge accounting to hedge itself against the changes in the interest rates related to long term foreign currency Eurobonds with fixed coupon held by the Bank using swaps as hedging instruments. As at the balance sheet date; Eurobonds with a nominal of USD 365,7 million and EUR 75,8 million (December 31, 2014 – USD 301 million and EUR 70,8 million) were subject to hedge accounting by interest rate swaps with the same nominal value. On December 31, 2015, the net market valuation difference loss amounting to TL 220 due to gain from Eurobonds amounting to TL 22.427 (December 31, 2014 – TL 97.880 gain) and expense from swaps amounting to TL 22.647 (December 31, 2014 – TL 97.948 loss) is accounted for under "gains / (losses) from financial derivatives transactions" line in the accompanying financial statements.

The Parent Bank does not apply fair value hedge on TL government bonds in the current period. (As of December 31, 2014, government bonds with a nominal of TL 102.030 were subject to hedge accounting by swaps with the same nominal value.)

c) Bonds issued

The Parent Bank applies fair value hedge accounting to hedge itself against the changes in the interest rates related to the foreign currency bonds issued using interest rate swaps as hedging instruments. As of the balance sheet date, bonds with nominal amount of USD 650 million (December 31, 2014 – USD 650 Million) have been subject to hedge accounting with the same nominal amount of swaps. As of December 31, 2015, TL 239 net fair valuation difference income, net of TL 7.225 (December 31, 2014 – TL 10.377 gain) income from issued bonds and TL 6.986 (December 31, 2014 – TL 10.438 loss) loss from swaps, has been recorded under "Gains / (losses) from financial derivatives transactions" on accompanying financial statements.

d) Tangible Assets

The Bank implemented fair value hedge accounting through foreign exchange borrowings until December 31, 2014 in order to provide fair value hedge sourcing from changes in foreign exchange rates related to immovable, whose fair value consists of foreign currency in market and acquired as foreign currency. The Bank ended the related hedging transaction as of December 31, 2014 and fair value exchange rate income at an amount of TL 60.269 is amortized through the economic life of immovable property subjected to hedging transaction. Fair value exchange difference income at an amount of TL 1.233 sourcing from currency exchanges related to immovable property which is subject to hedging transaction is amortized as of December 31, 2015.

e) Borrowings

The Bank implements fair value hedge accounting through interest swaps aiming to provide hedging from changes in interest rates related to fixed rate foreign exchange credits used. Credit at an amount of EUR 30 million (31 December 2014:None) is subjected to hedge accounting with a swap having the same amount. A net mark to market difference expense at an amount of TL 33 sourcing from income at an amount of TL 900 (31 December 2014:None) from aforementioned credit and expense at an amount of TL 933 (31 December 2014:None) from swaps is recognized under "Gain/Loss from Derivative Financial Transactions."

5.2. Cash flow hedge accounting

a) Deposit

The Parent Bank applies cash flow hedge accounting using interest rate swaps in order to hedge itself from the interest rate changes of deposits that have an average maturity of 1 month, the Parent Bank implements cash flow hedge accounting with interest rate swaps. The Parent Bank implements efficiency tests at the balance sheet dates for hedging purposes; the effective portions are accounted for under equity "Hedging Funds", whereas the ineffective portions are accounted for at income statement as defined in TAS 39. As at the balance sheet date, swaps amounting to TL 4.035.130 are subject to hedge accounting as hedging instruments (December 31, 2014 – TL 1.057.388). As a result of the mentioned hedge accounting, fair value gain before taxes amounting to TL 68.398 are accounted for under equity during the current period (December 31, 2014 – TL 20.178 gain). The ineffective portion of gain amounting to TL 6.970 (December 31, 2014 – TL 127 loss) is accounted for at the income statement.

As of the balance sheet date, swaps with a nominal amount of USD 1.877 million (December 31, 2014 – USD 1.854 Million) have been subject to hedge accounting with USD deposits and swaps with a nominal amount of EUR 139 million (December 31, 2014 – None) have been subject to hedge accounting with Euro deposits. As a result of above mentioned hedge accounting, fair value gain before taxes amounting to TL 73.534 are accounted under equity during the current period (December 31, 2014 – TL 140.268 loss). The loss amounting to TL 589 (December 31, 2014 – TL 245 loss) relating to the ineffective portion is accounted under at the income statement.

When the fair value hedge accounting cannot be effectively continued as stated in TAS 39, the fair value hedge accounting is ceased. Effective parts classified under equity due to hedge accounting are amortized through income statement until the maturity of swaps in case of ineffectiveness at periods when the expected cash flows subject to hedge accounting affect profit or loss (as in periods when interest income or expense is recognized). In the current period there is income of TL 5.195 transferred amount from equity to income statement due to ineffectiveness or matured swaps. (December 31, 2014 – TL 2.399 loss).

The measurements as of December 31, 2015, hedge of cash flow transactions stated above are determined as effective.

b) Tangible Assets

The Parent Bank applied cash flow hedge accounting as of December 31, 2014 to hedge sale value of Gayrettepe Head Quarter building and Polat building classified as assets held for sale from foreign currency risk through foreign currency liabilities. Subject cash flow hedge has been discontinued as a result of completion of sale transactions with the transfer of deeds on March 25, 2015 and April 27, 2015 respectively. Foreign exchange losses amounting to TL 10.136 that has been accounted under other comprehensive income as at December 31, 2014 has been transferred to income statement in the current period.

6. Credit derivatives and risk exposures on credit derivatives

As of December 31, 2015, the Parent Bank has no commitments "credit linked notes".(As of December 31, 2014, in the Parent Bank's "other irrevocable commitments", there are commitments for "credit linked notes" with a nominal of USD 9.089.264.)

As of December 31, 2015, "Other Derivative Financial Instruments" with nominal amount of USD 225.000.000 (December 31, 2014: USD 180.000.000) are included in Parent Bank's "Swap Interest Sell Transactions." In aforementioned transaction, Bank is the seller of the protection.

7. Information on contingent liabilities and assets

The Bank has recorded a provision of TL 37.644 (December 31, 2014 - TL 20.677) for litigation and has accounted for it in the accompanying financial statements under the "Other Provisions" account(Section Five, part II.9.5). Except for the claims where provisions are recorded, management considers as remote the probability of a negative result in ongoing litigations and therefore does not foresee cash outflow for such claims.

8. Information on the services in the name and account of third parties

The Parent Bank acts as an investment agent for banking transactions on behalf of its customers and provides custody services. Such transactions are followed under off-balance sheet accounts.

9. Information on the Parent Bank's rating by international rating institutions

MOODY'S May 2015		FITCH March 2015		CI July 2015	
Long-Term Deposit Rating (FC)	Ba2	Long -Term Foreign Curr.	BBB-	Long-Term Foreign Curr.	BB+
Long-Term Deposit Rating (TL)	Ba2	Short-Term Foreign Curr.	F3	Short-Term Foreign Curr.	B
Short-Term Deposit Rating (FC)	NP	Long-Term TL	BBB-	Foreign Currency Rating	Stable
Short-Term Deposit Rating (TL)	NP	Short-Term TL	F3	TL Rating	Stable
Main Credit Evaluation	(b1)	Long-Term National	AA+(tur)	Long Term (TL)	BB+
Appearance	Negative	Appearance	Stable	Short Term (TL)	B
		Support	3	Financial Strength Rating	BBB
		Individual	bbb-	Financial Strength Appearance	Stable
				Support	4

SECTION FIVE

IV. EXPLANATIONS ON DISCLOSURES RELATED TO CONSOLIDATED INCOME STATEMENT

1. a) Information on interest income received from loans

	Current Period		Prior Period	
	TL	FC	TL	FC
Short-Term Loans	3.107.011	48.183	2.550.276	56.914
Medium and Long-Term Loans	3.023.888	381.145	2.640.378	235.410
Non-Performing Loans	123.260	-	113.761	-
Resource Utilization Support Fund Premiums	-	-	-	-
Total	6.254.159	429.328	5.304.415	292.324

b) Information on interest income from banks

	Current Period		Prior Period	
	TL	FC	TL	FC
T.R. Central Bank	-	1	-	-
Domestic Banks	1.161	11	1.972	9
Foreign Banks	362	2.199	435	4.091
Foreign Headquarters and Branches	-	-	-	-
Total	1.523	2.211	2.407	4.100

(*) The interest income on Required Reserve amounting TL 22.770 is not included in interest income on Banks. (December 31, 2014 : 538).

c) Information on interest income from securities portfolio

	Current Period		Prior Period	
	TL	FC	TL	FC
Held-for-Trading Financial Assets	3.660	218	10.111	233
Financial Assets at FVTPL	8.595	575	17.384	-
Investment Securities Available for Sale	315.146	105.891	405.407	68.767
Investment Securities Held to Maturity	273.657	42.870	325.193	25.957
Total	601.058	149.554	758.095	94.957

As stated in Section Three disclosure VII, the Bank has inflation indexed (CPI) government bonds in its available for sale and held-to-maturity portfolios. As disclosed in 'Inflation Indexed Bonds Manual' published by Turkish Treasury, reference index used for the actual payments is determined based on the inflation rates of two months before. The Bank determines the estimated inflation rates used for valuation of securities in line with this. In this context, as of December 31 2015, valuation of such assets is made according to estimated annual inflation rate of 7,59 %.

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

None (December 31, 2014 – None)

2. a) Information on interest expense related to funds borrowed:

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks	71.425	267.549	48.483	227.027
T.R. Central Bank	-	-	-	-
Domestic Banks	39.014	17.135	35.737	10.968
Foreign Banks	32.411	250.414	12.746	216.059
Foreign Headquarters and Branches	-	-	-	-
Other Institutions	-	-	7.425	-
Total	71.425	267.549	55.908	227.027

b) Information on interest expense paid to associates and subsidiaries:

	Current Period	Prior Period
Interest Paid to Associates and Subsidiaries	12.487	-

c) Information on interest expense paid to securities issued

As of December 31, 2015 the interest amount paid to securities issued is TL 373.804 (December 31, 2014 – TL 328.255)

d) Information on maturity structure of interest expenses on deposits

Current Period	Time Deposits							Total
Account Name	Demand Deposits	Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	Over 1 Year	Accumulated Deposit Account	
Turkish Lira								
Bank Deposits	-	12.979	2.050	-	-	-	-	15.029
Saving Deposits	-	199.374	1.321.852	44.370	22.409	109.226	-	1.697.231
Public Sector Deposits	-	1.830	9.105	111	37	1	-	11.084
Commercial Deposits	-	166.148	400.396	33.269	11.597	15.229	-	626.639
Other Deposits	-	6.286	125.806	2.950	32.170	20.652	-	187.864
7 Days Call Accounts	-	-	-	-	-	-	-	-
Total	-	386.617	1.859.209	80.700	66.213	145.108	-	2.537.847
Foreign Currency								
Deposits	-	29.694	211.119	8.305	3.316	10.559	-	262.993
Bank Deposits	25	14.170	3.249	180	-	-	-	17.624
7 Days Call Accounts	-	-	-	-	-	-	-	-
Precious Metal Deposits	-	645	-	-	-	-	-	645
Total	25	44.509	214.368	8.485	3.316	10.559	-	281.262
Grand Total	25	431.126	2.073.577	89.185	69.529	155.667	-	2.819.109

Prior Period		Time Deposits						
Account Name	Demand Deposits	Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	Over 1 Year	Accumulated Deposit Account	Total
Turkish Lira								
Bank Deposits	-	12.951	6.318	1.623	288	-	-	21.180
Saving Deposits	3	154.378	1.120.822	91.882	38.827	112.144	-	1.518.056
Public Sector Deposits	-	639	3.408	51	102.588	-	-	106.686
Commercial Deposits	-	149.225	422.401	31.933	17.600	6.518	-	627.677
Other Deposits	-	3.357	73.089	13.891	53.878	3.720	-	147.935
7 Days Call Accounts	-	-	-	-	-	-	-	-
Total	3	320.550	1.626.038	139.380	213.181	122.382	-	2.421.534
Foreign Currency								
Deposits	-	19.561	158.417	10.483	6.488	12.669	-	207.618
Bank Deposits	29	19.267	3.566	248	38	-	-	23.148
7 Days Call Accounts	-	-	-	-	-	-	-	-
Precious Metal Deposits	-	484	-	-	-	-	-	484
Total	29	39.312	161.983	10.731	6.526	12.669	-	231.250
Grand Total	32	359.862	1.788.021	150.111	219.707	135.051	-	2.652.784

e) Information on interest expenses on repurchase agreements

	Current Period		Prior Period	
	TL	FC	TL	FC
Interest Expenses on Repurchase Agreements (*)	192.482	15.266	213.296	7.448

(*) Disclosed in "Interest on Money Market Transactions".

f) Information on finance lease expenses

None (December 31, 2014 – None).

g) Information on interest expenses on factoring payables

None (December 31, 2014 – None).

3. Information on dividend income

	Current Period	Prior Period
Financial Assets Held for Trading	58	263
Financial Assets at Fair Value Through Profit or Loss	-	-
Financial Assets Available for Sale	-	-
Other	-	-
Total	58	263

4. Information on trading income/loss

	Current Period	Prior Period
Trading Gain	20.210.828	11.409.533
Gains on Capital Market Operations	84.336	125.539
Derivative Financial Instruments	4.531.803	3.508.198
Foreign Exchange Gains	15.594.689	7.775.796
Trading Loss (-)	20.938.149	11.661.260
Losses on Capital Market Operations	57.211	105.269
Derivative Financial Instruments	5.209.294	3.815.919
Foreign Exchange Losses	15.671.644	7.740.072
Net Trading Income/Loss	(727.321)	(251.727)

5. Information on other operating income

The Group recorded the current year collections from loans written off in the previous periods, portfolio management fees and expense accruals cancelations in "Other Operating Income" account. As stated in Section Five disclosure I.15, in the current period, Gayrettepe Head Office's, Polat Residence's and Akmerkez floors' property titles are transferred to the new owner as of March 25, 2015, April 27, 2015 and March 24, 2015, respectively. The Parent Bank has recorded the profit from the sale of these buildings under "Other Operating Income" amounting to TL 196.362.

6. Provision for losses on loans and other receivables

	Current Period	Prior Period
Specific Provisions For Loans and Other Receivables	909.013	875.804
Loans and Receivables in Group III	224.974	166.066
Loans and Receivables in Group IV	198.757	323.677
Loans and Receivables in Group V	485.282	386.061
Doubtful Fee, Commission and Other Receivables	-	-
General Provisions	247.742	126.370
General reserves for possible risks	18.000	82.000
Provision for Free Reserves on Possible Losses	(93)	4.310
Impairment Losses on Securities	-	-
Financial assets at fair value through profit or loss	-	-
Investment Securities available for sale	-	-
Impairment Losses on Associates, Subsidiaries and Investment Securities Held-to-Maturity	-	-
Associates	-	-
Subsidiaries	-	-
Entities under common control	-	-
Investment securities held-to-maturity	-	-
Other	32.782	12.007
Total	1.207.444	1.100.491

7. Information on other operating expenses

	Current Period	Prior Period
Personnel costs	1.116.533	1.004.628
Reserve for employee termination benefits	14.615	10.586
Provision for pension fund deficits	-	-
Impairment losses on tangible assets	-	-
Depreciation charge of tangible assets	118.887	135.212
Impairment losses on intangible assets	-	-
Impairment losses on goodwill	-	-
Amortization charge of intangible assets	93.705	79.822
Impairment losses on investments under equity method of accounting	-	-
Impairment losses on assets to be disposed of	-	83
Depreciation on assets to be disposed	4.050	3.906
Impairment charge of assets held for sale and discontinued operations	-	-
Other operating expenses	914.325	848.051
Operational lease related expenses	228.034	209.921
Repair and maintenance expenses	95.692	78.772
Advertisement expenses	67.954	70.761
Other expenses	522.645	488.597
Losses on sales of assets	6.499	640
Other	605.826	360.083
Total	2.874.440	2.443.011

(*) Comprising repayments amounting to TL 166.703 (December 31, 2014: TL 95.335) in respect of Consumer Arbitration Committee and courts' decision, which was fees and commissions recognized in previous year as income. Additionally, in accordance with the report prepared by the investigators of the Ministry of Customs and Trade, the Bank has been notified of a TL 43.569 administrative fine. With the reservation of the right to legal application, subject fine has been paid by the Bank on August 28, 2015 benefiting from early payment discount in compliance with Law of Misdemeanour no 5326 Clause 15 at the amount of TL 32.676.

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

For the period ended December 31, 2015, net interest income of TL 4.082.755 (December 31, 2014 – TL 3.204.525), net fees and commission income of TL 1.387.238 (December 31, 2014 – TL 1.396.983) and other operating income of TL 272.748 (December 31, 2014 – TL 385.552) constitute an important part of the period income.

9. Explanations on tax provision for continued and discontinued operations**9.1. Current period taxation benefit or charge and deferred tax benefit or charge**

As of December 31, 2015, the Group recorded current tax charge of TL 225.182 (December 31, 2014 - TL 235.839) and a deferred tax charge of TL 21.539 (December 31, 2014 – TL 39.715 deferred tax loss).

	Current Period	Prior Period
Current Tax Provision	(225.182)	(235.839)
Correction in regards to Corporate Tax from Prior Period	-	-
Deferred Tax Income/Expense	21.540	(39.715)
Total	(203.642)	(275.554)

9.2. Explanations on operating profit/loss after taxes

None (December 31, 2014 – None).

10. Explanations on net profit/ (loss) from continued and discontinued operations:

Net profit of the Group from continued operations is TL 680.414 (December 31, 2014 – TL 915.939).

11. Explanations on net income/loss for the period**11.1. The nature and 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 a complete understanding of the Group's performance for the period**

None (December 31, 2014 – None).

11.2. There is no material effect of changes in accounting estimates by the Group on income statement for the current and, for subsequent periods.

None

11.3. Profit or loss attributable to minority shares

	Current Period	Prior Period
Profit / Loss Attributable to Minority Shares	16.064	15.251

11.4. There is no change in the accounting estimates, which have a material effect on current period or expected to have a material effect on subsequent periods.**12. Information on the components of other items in the income statement exceeding 10% of the total or items that comprise at least 20% of the income statement**

Fees and commissions from credit cards, transfers and insurance intermediaries are recorded in the "Others" line under "Fees and Commissions Received" account, while fees and commissions given to credit cards are recorded in the "Others" line under "Fees and Commissions Paid" account by the Parent Bank.

SECTION FIVE

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

1. Changes resulting from valuation of available for sale securities

Net decrease of TL 192.403 (December 31, 2014 – TL 170.344 net increase) after tax effect resulting from valuation of available for sale securities at fair values is included in "Securities Value Increase Fund" account under shareholders' equity.

2. Explanations on foreign exchange differences

None

3. Explanations on dividends

3.1 Dividends declared subsequent to the balance sheet date, but before the announcement of the financial statements

There is no announcement of dividend distribution before the release of the accompanying financial statements. It is decided to allocate a General Legal Reserve at an amount of TL 43.871 of net profit after tax at an amount of TL 877.428 in accordance to financial statements of 2014 at Ordinary General Assembly Meeting of Finansbank A.Ş held on March 31, 2015. Additionally, it is decided to distribute net profit at an amount of TL 833.557 remained following allocation of General Legal Reserves according to the financial statements of 2014 as follows in accordance with article 26 of Articles of Incorporation of the Bank at the General Assembly meeting of Finansbank held on May 28, 2015.

2014 profit distribution table:

Current Year Profit	877.428
A - I. Legal Reserve (Turkish Commercial Code 466/1) at 5%	(43.871)
B - The First Dividend for Shareholders(*)	(141.750)
C - Profit from Disposal of Associates	-
D- II. Legal Reserves	-
E- Gains on Real estate Sales Fund	-
F - Extraordinary Reserves ((691.807)
(*) Has been distributed as Bonus Shares	

3.2. Dividends per share proposed subsequent to the balance sheet date

No decision is taken concerning the profit distribution by the General Assembly as of the balance sheet date (December 31, 2014- Profit distribution for 2014 is detailed in footnote 3.1).

3.3 Transfers to legal reserves

	Current Period	Prior Period
Amount Transferred to Reserved from Retained Earnings	50.089	39.148

4. Information on issuance of share certificates

4.1. The rights, priorities and restrictions regarding the share capital including distribution of income and repayment of the capital

None (December 31, 2014- None).

5. Information on the other capital increase items in the statement of changes in shareholders' equity

Capital increase amounting to in order of TL 165.000 and TL 135.000 presented in the Statement of Changes in Shareholder's Equity in 2015 and 2014 is entirely provided from extraordinary reserves.

VI. EXPLANATIONS AND DISCLOSURES RELATED TO CONSOLIDATED CASH FLOWS STATEMENT

1. The effects of the other items stated in the cash flow statement and the changes in foreign currency exchange rates on cash and cash equivalents

"Other items" amounting to TL 2.416.821 (December 31, 2014 – TL 844.896) in "Operating profit before changes in operating assets and liabilities" consist of commissions paid amounting to TL 255.744 (December 31, 2014 – TL 210.918), net trading income/loss amounting to TL 1.769.130 (December 31, 2014 – TL 385.954 net trading income/loss) and other operating expenses amounting to TL 391.947 (December 31, 2014 – TL 248.024).

"Other items" in changes in operating assets amounting to TL 606.699 (December 31, 2014 – TL 224.162) consist of the decrease in collaterals given amounting to TL 26.958 (December 31, 2014 – TL 35.978 decrease), the increase in lease receivables amounting to TL 430.298 (December 31, 2014 – TL 251.335 increase), the increase in factoring receivables amounting to TL 128.514 (December 31, 2014 – TL 77.445 increase) and the increase in other assets amounting to TL 74.845 (December 31, 2014 – TL 68.640 decrease).

"Other items" in changes in operating liabilities amounting to TL 2.482.923 (December 31, 2014 – TL 699.020) consist of the increase in money market borrowings by TL 589.958 (December 31, 2013 – TL 434.132 increase) and the increase in sundry debtors and other liabilities by TL 1.892.965 (December 31, 2014 – TL 264.888 increase).

"Other items" in changes in net cash provided from banking operations amounting to TL 127.697 (December 31, 2014 – TL 105.349) includes the increase in intangible assets by TL 34.746 (December 31, 2014 – TL 25.527).

Effect of change in foreign currency on cash and cash equivalents is calculated as the difference between monthly average balances converted to TL using the currency rate at the beginning and at the end of the period and is TL 24.827 (December 31, 2014 – TL 224.093) as of December 31, 2015.

2. Information regarding the balances of cash and cash equivalents at the beginning of the period

	Current Period	Prior Period
	January 1, 2015	January 1, 2014
Cash	839.524	1.047.250
Cash in TL	590.505	633.575
Cash in Foreign Currencies	248.656	413.150
Other	363	525
Cash Equivalents	2.129.654	1.224.848
Balances with the T.R. Central Bank	1.601.665	752.806
Banks and Other Financial Institutions	294.961	472.895
Money Market Placements	244.425	3.433
Less: Placements with Banks with Maturities Longer than 3 Months	(10.369)	(4.143)
Less: Accruals	(1.028)	(143)
Cash and Cash Equivalents	2.969.178	2.272.098

3. Information regarding the balances of cash and cash equivalents at the end of the period

	Current Period	Prior Period
	December 31, 2015	December 31, 2014
Cash	955.907	839.524
Cash in TL	678.547	590.505
Cash in Foreign Currencies	274.822	248.656
Other	2.538	363
Cash Equivalents	2.775.629	2.129.654
Balances with the T.R. Central Bank	2.418.116	1.601.665
Banks and Other Financial Institutions	278.336	294.961
Money Market Placements	87.711	244.425
Less: Placements with Banks with Maturities Longer than 3 Months	-	(10.369)
Less: Accruals	(8.534)	(1.028)
Cash and Cash Equivalents	3.731.536	2.969.178

4. Restricted cash and cash equivalents due to legal requirements or other reasons

A portion of foreign bank accounts amounting to TL 39.803 (December 31, 2014- TL 5.473) includes blocked cash for foreign money and capital market transactions and for borrowings from foreign markets.

5. Additional information**5.1. Restrictions on the Parent Bank's potential borrowings that can be used for ordinary operations or capital commitment**

None.

VII. EXPLANATIONS AND DISCLOSURES RELATED TO THE PARENT BANK'S RISK GROUP

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

- 1.1. As of December 31, 2015, the Parent Bank's risk group has deposits amounting to TL 270.250 (December 31, 2014 – TL 238.312), non cash loans amounting to TL 33.930 (December 31, 2014 – TL 34.991) and doesn't have cash loans. (31 Aralık 2014- 1.715).

Current Period

Parent Bank's Risk Group (*)	Associates and Subsidiaries		Bank's Direct and Indirect Shareholders		Other Legal and Real Persons in Risk Group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Loans and Other Receivables						
Balance at the Beginning of the Period	-	-	1.715	34.288	-	702
Balance at the End of the Period	-	11.315	-	21.651	-	964
Interest and Commission Income	-	158	-	21	5	13

Prior Period

Parent Bank's Risk Group (*)	Associates and Subsidiaries		Bank's Direct and Indirect Shareholders		Other Legal and Real Persons in Risk Group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Loans and Other Receivables						
Balance at the Beginning of the Period	-	-	-	32.895	1.715	-
Balance at the End of the Period	-	-	-	34.288	-	702
Interest and Commission Income (**)	-	-	6	75	-	5

(*) As described in the Article 49 of Banking Law No 5411.

(**) Represents December 31, 2014 balance.

1.2. Information on deposits held by the Parent Bank's risk group

Parent Bank's Risk Group (*)	Associates and Subsidiaries		Bank's Direct and Indirect Shareholders		Other Legal and Real Persons in Risk Group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Deposits						
Balance at the Beginning of the Period	202.176	145.235	17.036	18.776	19.100	16.594
Balance at the End of the Period	11.344	202.176	-	17.036	258.905	57.639
Interest on deposits (**)	12.487	-	-	3	11.238	2.994

(*) As described in the Article 49 of Banking Law No 5411.

(**) Prior Period represents December 31, 2014 balance.

1.3. Information on forward and option agreements and similar agreements made with the Parent Bank's risk group

Parent Bank's Risk Group ^(*)	Associates and Subsidiaries		Bank's Direct and Indirect Shareholders		Other Legal and Real Persons in Risk Group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Transactions for Trading Purposes						
Beginning of the Period	-	-	134.496	130.397	102.824	177.748
End of the Period	-	-	168.641	134.496	74.646	102.824
Total Income/Loss ^(**)	-	-	(4.077)	(3.374)	1.693	952
Transactions for Hedging Purposes						
Beginning of the Period	-	-	-	-	-	-
End of the Period	-	-	-	-	-	-
Total Income/Loss ^(**)	-	-	-	-	-	-

(*) As described in the Article 49 of Banking Law No 5411.

(**) Prior Period represents December 31, 2014 balance.

- 1.4.** As of December 31, 2015, the total amount of remuneration and bonuses paid to top management of the Group is TL 62.491 (December 31, 2014- TL 50.484).

2. Disclosures of transactions with the Parent Bank's risk group**2.1. Relations with entities in the risk group of / or controlled by the Parent Bank regardless of the nature of relationship among the parties**

Transactions with the risk group are made on an arms-length basis; terms are set according to the market conditions and in compliance with the Banking Law.

2.2. In addition to the structure of the relationship, type of transaction, amount, and share in total transaction volume, amount of significant items, and share in all items, pricing policy and other matters

As of December 31, 2015, the rate of cash loans of the risk group divided by to total loans is not calculated due to fact that there are no loans provided to the risk group; (December 31, 2014 – 0,3%); the deposits represented 0,6% (December 31, 2014 – 0,5%) of the Parent Bank's total deposits and the derivative transactions represented 0,2% (December 31, 2014 – 0,2%) of the total derivative transactions.

2.3. Explanations on purchase and sale of real estate and other assets, sales and purchases of services, agent contracts, financial lease agreements, transfer of data obtained from research and development, licensing agreements, financing (including loans and cash and in-kind capital support), guarantees and promissory notes, and management contracts

The Parent Bank enters into finance lease agreements with Finans Finansal Kiralama A.Ş.

The Parent Bank has signed an agreement with Ibttech Uluslararası Bilişim ve İletişim Teknolojileri Araştırma, Geliştirme, Danışmanlık, Destek Sanayi ve Ticaret A.Ş. regarding research, development, advisory and improvement services. Bantaş Nakit ve Kıymetli Mal Taşıma ve Güvenlik Hizmetleri A.Ş., in which the Parent Bank participated with 33,33% shareholding, provides cash transfer services to the Parent Bank.

Information in regards to subordinate loans the Bank received from National Bank of Greece S.A. is explained in Section 5 Note II. 12. The Parent Bank offers agency services to Cigna Finans Emeklilik and Hayat A.Ş. that is 49,00% jointly controlled for its insurance services.

VIII. EXPLANATIONS ON THE PARENT BANK'S DOMESTIC, FOREIGN AND OFF-SHORE BANKING BRANCHES AND FOREIGN REPRESENTATIVES OF THE GROUP

1. Information relating to the Parent Bank's domestic and foreign branch and representatives

	Number	Employees			
Domestic Branch	641	12,943			
			Country		
Foreign Representation	-	-	-		
				Total Assets	Capital
Foreign Branch			1- Bahrain	12,264.621	-
	1	7			
Off-shore Banking and Region Branches	-	-	-	-	-

SECTION SIX

OTHER EXPLANATIONS AND DISCLOSURES

I. Other explanations related to the Group's operations

1. Disclosure related to subsequent events and transactions that have not been finalized yet, and their impact on the financial statements

The Parent Bank made a bond issuances at a nominal amount of TL 52.300 having 11.50% interest rate with 91 days maturity on January 15, 2016 and at a nominal amount of TL 165.550 having 11.40% interest rate with 91 days maturity on January 22, 2016 and at a nominal amount of TL 186.160 having 11.20% interest rate with 91 days maturity on February 4, 2016.

The Parent Bank made a Eurobond issuance at a nominal amount of EUR 10.000.000 having 0,42% interest rate with 138 days maturity on January 20, 2016 and at a nominal amount of EUR 15.000.000 having 0,53% interest rate with 129 days maturity on January 29, 2016 and at a nominal amount of USD 15.000.000 having 2,10% interest rate with 366 days maturity on February 1, 2016.

It has been decided with the resolution of Board of Directors dated February 3, 2016 to acquire 3.434.632 shares owned by NBG with a total nominal value of TL 34.346, cost of TL 128.112 and equivalent to 29,87% of paid capital of Finans Finansal Kiralama A.Ş., which is an associate of the Parent Bank, from NBG. The aforementioned share transfer transaction has been realized on February 8, 2016. The share of the Parent Bank in Finans Finansal Kiralama A.Ş has reached to 80,92% with this transaction.

2. Information about effects of significant changes in foreign exchange rates after balance sheet date that would affect decision making process of users and foreign operations of the bank

There are no significant fluctuations in the currency exchange rates after the balance sheet date that would affect the analysis and decision making process of the readers of the financial statements.

3. Other matters

None (December 31, 2014 – None).

SECTION SEVEN

INDEPENDENT AUDIT REPORT

I. Explanations on Independent Limited Audit Report

The consolidated financial statements for the period ended December 31, 2015 have been audited by Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (a member firm of Ernst&Young Global Limited). The auditor's report dated February 19, 2016 is presented preceding the consolidated financial statements.

II. Explanations on the notes prepared by Independent Auditors

None (December 31, 2014 – None).

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