

**(CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS AND RELATED DISCLOSURES  
AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH, SEE SECTION 3.1)**

**STANDARD CHARTERED YATIRIM  
BANKASI TRK A..**

**Financial Statements  
As of and For the Three-Month Period Ended 31 March 2016  
With Limited Review Report Thereon**

**Akis Baęımsız Denetim ve Serbest  
Muhasebeci Mali Mavirlik A  
16 May 2016**

*This report contains "Auditors' Review Report"  
comprising 2 pages and; "Financial Statements and  
Related Disclosures and Footnotes" comprising 53  
pages.*



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*Convenience Translation of the Limited Review Report  
Originally Prepared and Issued in Turkish (See Section 3.I)*

## LIMITED REVIEW REPORT ON INTERIM FINANCIAL INFORMATION

To the Board of Directors of Standard Chartered Yatırım Bankası Türk A.Ş.;

### *Introduction*

We have reviewed the statements of financial position of Standard Chartered Yatırım Bankası Türk A.Ş. (the "Bank") as at 31 March 2016 and the related statement of income, statement of income and expense items accounted under shareholders' equity, statement of changes in shareholders' equity and statement of cash flows and a summary of significant accounting policies and other explanatory notes to the financial information for the three-month-period then ended. The Bank Management is responsible for the preparation and fair presentation of interim financial statements in accordance with the "Regulation on Accounting Applications for Banks and Safeguarding of Documents" published in the Official Gazette no.26333 dated 1 November 2006, and other regulations on accounting records of Banks published by Banking Regulation and Supervision Agency and circulars and interpretations published by Banking Regulation and Supervision Authority, (together referred as "BRSA Accounting and Reporting Legislation") and Turkish Accounting Standard 34 "Interim Financial Reporting" for those matters not regulated by BRSA Legislation. Our responsibility is to express a conclusion on these interim financial statements based on our review.

### *Scope of limited review*

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



*Conclusion*

Based on our review, nothing has come to our attention that causes us to believe that the accompanying financial statements do not give a true view of the financial position of Standard Chartered Yatırım Bankası Türk A.Ş. at 31 March 2016 and of the results of its operations and its cash flows for the three-month-period then ended in all aspects in accordance with the BRSA Accounting and Reporting Legislation.

*Report on other regulatory requirements arising from legislation*

Based on our review, nothing has come to our attention that causes us to believe that the financial information provided in the accompanying interim annual report in Section VII, are not consistent with the financial statements and disclosures in all material respects.

Akis Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi  
A member firm of KPMG International Cooperative

Funda Aslanoğlu,  
Partner, SMMM

16 May 2016  
İstanbul, Türkiye

**Additional paragraph for convenience translation to English:**

As explained in Section 3.1, the accompanying financial statements are not intended to present the financial position and results of operations in accordance with the accounting principles and practices generally accepted in countries and jurisdictions other than Turkey.

**STANDARD CHARTERED YATIRIM BANKASI TRK A..**  
**INTERIM FINANCIAL REPORT AS AT AND FOR THE**  
**THREE-MONTHS PERIOD ENDED 31 MARCH 2016**

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The unconsolidated interim financial report as at and for the three-months period ended 31 March 2016, prepared in accordance with the communiqué of Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks as regulated by Banking Regulation and Supervision Agency, is comprised of the following sections:

- **Section One** - GENERAL INFORMATION ABOUT THE BANK
- **Section Two** - UNCONSOLIDATED INTERIM FINANCIAL STATEMENTS OF THE BANK
- **Section Three** - EXPLANATIONS ON ACCOUNTING POLICIES
- **Section Four** - INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK
- **Section Five** - DISCLOSURES AND FOOTNOTES ON UNCONSOLIDATED INTERIM FINANCIAL STATEMENTS
- **Section Six** - INDEPENDENT AUDITORS' REVIEW REPORT
- **Section Seven** - INTERIM ACTIVITY REPORT

The unconsolidated interim financial statements and related disclosures and footnotes that were subject to limited review, are prepared in accordance with the Regulation on Accounting Applications for Banks and Safeguarding of 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 otherwise stated, the accompanying unconsolidated interim financial report is presented in thousands of Turkish Lira (TL), and has been subjected to limited review.

**William Richard  
HOLMES  
Chairman of Board of  
Directors**

**Scott W. Barton  
Deputy Chairman  
and Financial  
Reporting**

**Oya AYDINLIK  
Chairman of Audit  
Committee**

**Richard Antony  
Fentem JAGGARD  
Audit Committee Member**

**Kaşif ATUN  
General Manager**

**Özlem BALTACI  
Accounting Manager**

The authorized contact person for questions on this financial report:

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**Standard Chartered Bank Yatırım Bankası Türk A.Ş.**  
Interim Financial Report as at and  
As at and for the Three-Months Period Ended 31 March 2016  
(Currency: Thousands of Turkish Lira (“TL”))

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**SECTION ONE**

**GENERAL INFORMATION ABOUT THE BANK**

**I. Bank’s foundation date, start-up status, history about the changes in this mentioned status:**

Standard Chartered Yatırım Bankası Türk A.Ş. (later chapters "Standard Chartered Bank" or "Bank"), the State Planning Organization Directorate of Foreign Investment Law No. 7075 dated 11 August 1989, the State Department dated 18 August 1989 57 797 of the Banking Law No. 3182 on the display in accordance with Articles 4 and 8 of Council of Ministers No. 14 502 reference to the notice dated 1 September 1989, in accordance with the Law on Encouragement of Foreign Capital numbered 6224, was founded on 9 January 1990. The Bank operates under the license of the commercial banking on 18 March 2004 Credit Lyonnais Istanbul, Turkey, Central Branch ("Credit Lyonnais" or "Department") for the deposits, except for all the assets and liabilities, including the paid-up capital and reserve set, debt, debt and took over the rights.

As of 28 December 2007, the title of the Bank "Credit Agricole Bank Türk A.Ş." has been changed to "Credit Agricole Yatırım Bankası Türk A.Ş.”.

The Bank has obtained approval from Banking Regulation and Supervision Agency for the amendment of articles of association dated 6 February 2010 and in the Extraordinary General Meeting held on 26 February 2010 with the decision of the Board of Directors dated 9 December 2009 the title of the Bank has been changed to "Credit Agricole Yatırım Bankası Türk A.Ş. This change of title, has been registered in the Trade Registry Gazette on 8 March 2010 with the numbered 7516.

Which corresponds to 100% of the shares in the capital of the Bank and its affiliated organizations of all Standard Chartered Bank, the Banking Act No. 18 of 5411 within the meaning of the Banking Regulation and Supervision Agency's letter dated 19 October 2012 date, and B.02.1.BDK.0.12.00.00.11.01-21 395 in accordance with the written approval of a duly pursuant to the takeover of the Bank's shareholder structure and control of 4 November 2012 has been changed.

The Banking Regulation and Supervision Agency, dated 8 November 2012 B.02.1.BDK.0.12.00.0011.1 - No. 22391 and TC Customs and the Ministry of Commerce dated 20 November 2012 and B.21.0.İTG.0.03.00.01/431.02-46310-1186464-87507274 as approved and amended according to the Articles of Association of the Bank's "Trade Name" Chapter 3, "Credit Agricole Yatırım Bankası Türk A.Ş., has been changed to “ Standard Chartered Yatırım Bankası Türk A.Ş.” with the decision, which is approved in the Extraordinary General Meeting held on 22 November 2012 was published in Turkish Trade Registry Gazette dated 30 November 2012.

**II. Explanation about the Bank’s capital structure, shareholders of the Bank who are in charge of the management and/or auditing of the Bank directly or indirectly, changes in these matters (if any) and the group the Bank belongs to:**

The Bank’s shareholder is Standard Chartered Bank Limited.

**Standard Chartered Bank Yatırım Bankası Türk A.Ş.**  
Interim Financial Report as at and  
As at and for the Three-Months Period Ended 31 March 2016  
(Currency: Thousands of Turkish Lira (“TL”))

**GENERAL INFORMATION ABOUT THE BANK (Continued)**

**III Explanation on the Board of Directors, members of the audit committee, president and executive vice presidents, if available, and the shares of the Bank they possess (if any):**

<u>Title</u>	<u>Name</u>	<u>Responsibility</u>	<u>Education</u>
<b>Chairman of the Board of Directors:</b>	W. Richard Holmes	President	Graduate
<b>Vice Chairman:</b>	Scott W. Barton	Vice President and Member of the Board Responsible for Financial Reporting	Graduate
<b>Member of Board:</b>	Kaşif Atun	Member and General Manager	Graduate
	Richard A. F. Jaggard	Member	Under Graduate
	Oya Aydınlik	Member	Under Graduate
<b>Audit Committee:</b>	Oya Aydınlik	President	Under Graduate
	Richard A. F. Jaggard	Member	Under Graduate
<b>General Manager:</b>	Kaşif Atun	General Manager	Graduate

The Bank’s chairman and members of the board of directors, the members of the audit committee, general manager and vice general do not hold any shareholding in the Bank.

**IV. Information on shareholders having control shares:**

<u>Name /Commercial title</u>	<u>Share amounts</u>	<u>Share percentage</u>	<u>Paid-in capital</u>	<u>Unpaid portion</u>
Standard Chartered Bank Limited	All	100%	40.126	-

**V. Information on the Bank’s service type and field of operation**

The Bank does not accept client deposits based on its investment bank status. The Bank’s core business activities are to provide Transaction Banking trade financing support and Origination and Client Coverage lending and Treasury services to its clients. As of 31 March 2016, the number of employees in the Bank is 33 (31 December 2015: 33).

**VI. Explanations on institutions, which are not subject to the difference between Communique on preparation of Banks’ Consolidated Financial Statements and consolidation operations based on TAS, and institutions which are subject to full consolidation or proportional consolidation, reduced from equity or not included in these three methods:**

Due to lack of subsidiaries, Bank has not prepared consolidated financial statements in accordance with relevant TAS and TFRS provisions.

**VII. Current or potential, actual or legal obstacles before the immediate transfer of the equity of subsidiaries with the Bank or repayment of debts:**

None.



**SECTION TWO**  
**FINANCIAL STATEMENTS OF THE BANK**

I. BALANCE SHEET (STATEMENTS OF FINANCIAL POSITION)	Note (Section Five)	Reviewed Current period 31 March 2016			Audited Prior period 31 December 2015		
		TL	FC	Total	TL	FC	Total
<b>ASSETS</b>							
<b>I. CASH AND BALANCES WITH CENTRAL BANK</b>	<b>I-a</b>	<b>41</b>	-	<b>41</b>	<b>93</b>	-	<b>93</b>
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2.1 Trading Financial Assets		-	-	-	-	-	-
2.1.1 Government Debt Securities		-	-	-	-	-	-
2.1.2 Share Certificates		-	-	-	-	-	-
2.1.3 Trading Derivative Financial Assets		-	-	-	-	-	-
2.1.4 Other Marketable Securities		-	-	-	-	-	-
2.2 Financial Assets Designated at Fair Value through Profit or (Loss)		-	-	-	-	-	-
2.2.1 Government Debt Securities		-	-	-	-	-	-
2.2.2 Share Certificates		-	-	-	-	-	-
2.2.3 Other Marketable Securities		-	-	-	-	-	-
2.3 Trading Derivative Financial Assets		-	-	-	-	-	-
<b>III. BANKS</b>	<b>I-c</b>	<b>47.571</b>	<b>113</b>	<b>47.684</b>	<b>53.406</b>	<b>75</b>	<b>53.481</b>
<b>IV. MONEY MARKETS</b>		<b>2.900</b>	-	<b>2.900</b>	<b>2.000</b>	-	<b>2.000</b>
4.1 Interbank Money Market Placements		2.900	-	2.900	2.000	-	2.000
4.2 Receivables from Istanbul Stock Exchange Money Market		-	-	-	-	-	-
4.3 Receivables from Reverse Repurchase Agreements		-	-	-	-	-	-
<b>V. AVAILABLE-FOR-SALE FINANCIAL ASSETS (Net)</b>	<b>I-d</b>	-	-	-	-	-	-
5.1 Share Certificates		-	-	-	-	-	-
5.2 Government Debt Securities		-	-	-	-	-	-
5.3 Other Marketable Securities		-	-	-	-	-	-
<b>VI. LOANS AND RECEIVABLES</b>	<b>I-e</b>	-	-	-	-	-	-
6.1 Loans		-	-	-	-	-	-
6.1.1 Loans to Bank's risk group		-	-	-	-	-	-
6.1.2 Government Debt Securities		-	-	-	-	-	-
6.1.3 Other		-	-	-	-	-	-
6.2 Loans under Follow-up		4.982	-	4.982	4.982	-	4.982
6.3 Specific Provisions (-)		(4.982)	-	(4.982)	(4.982)	-	(4.982)
<b>VII. FACTORING RECEIVABLES</b>		-	-	-	-	-	-
<b>VIII. HELD-TO-MATURITY SECURITIES (Net)</b>	<b>I-f</b>	-	-	-	-	-	-
8.1 Government Debt Securities		-	-	-	-	-	-
8.2 Other Marketable Securities		-	-	-	-	-	-
<b>IX. INVESTMENTS IN ASSOCIATES (Net)</b>	<b>I-g</b>	-	-	-	-	-	-
9.1 Consolidated Based on Equity Method		-	-	-	-	-	-
9.2 Unconsolidated		-	-	-	-	-	-
9.2.1 Financial Investments in Associates		-	-	-	-	-	-
9.2.2 Non-financial Investments in Associates		-	-	-	-	-	-
<b>X. SUBSIDIARIES (Net)</b>	<b>I-h</b>	-	-	-	-	-	-
10.1 Unconsolidated Financial Subsidiaries		-	-	-	-	-	-
10.2 Unconsolidated Non-financial Subsidiaries		-	-	-	-	-	-
<b>XI. JOINT VENTURES (Net)</b>	<b>I-i</b>	-	-	-	-	-	-
11.1 Consolidated Based on Equity Method		-	-	-	-	-	-
11.2 Unconsolidated		-	-	-	-	-	-
11.2.1 Financial Joint Ventures		-	-	-	-	-	-
11.2.2 Non-financial Joint Ventures		-	-	-	-	-	-
<b>XII. LEASE RECEIVABLES (Net)</b>	<b>I-j</b>	-	-	-	-	-	-
12.1 Financial Lease Receivables		-	-	-	-	-	-
12.2 Operating Lease Receivables		-	-	-	-	-	-
12.3 Other		-	-	-	-	-	-
12.4 Unearned Income ( - )		-	-	-	-	-	-
<b>XIII. HEDGING DERIVATIVE FINANCIAL ASSETS</b>	<b>I-k</b>	-	-	-	-	-	-
13.1 Fair Value Hedge		-	-	-	-	-	-
13.2 Cash Flow Hedge		-	-	-	-	-	-
13.3 Foreign Net Investment Hedge		-	-	-	-	-	-
<b>XIV. PROPERTY AND EQUIPMENT (Net)</b>	<b>I-l</b>	<b>3.851</b>	-	<b>3.851</b>	<b>3.902</b>	-	<b>3.902</b>
<b>XV. INTANGIBLE ASSETS (Net)</b>		<b>6</b>	-	<b>6</b>	<b>7</b>	-	<b>7</b>
15.1 Goodwill		-	-	-	-	-	-
15.2 Other		6	-	6	7	-	7
<b>XVI. INVESTMENT PROPERTY (Net)</b>	<b>I-m</b>	-	-	-	-	-	-
<b>XVII. TAX ASSET</b>		<b>1.352</b>	-	<b>1.352</b>	<b>1.375</b>	-	<b>1.375</b>
17.1 Current Tax Asset		-	-	-	-	-	-
17.2 Deferred Tax Asset		1.352	-	1.352	1.375	-	1.375
<b>XVIII. ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (Net)</b>		-	-	-	-	-	-
18.1 Held for Sale		-	-	-	-	-	-
18.2 Discontinued Operations		-	-	-	-	-	-
<b>XIX. OTHER ASSETS</b>		<b>23.156</b>	-	<b>23.156</b>	<b>18.358</b>	-	<b>18.358</b>
<b>TOTAL ASSETS</b>		<b>78.877</b>	<b>113</b>	<b>78.990</b>	<b>79.141</b>	<b>75</b>	<b>79.216</b>

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

**Standard Chartered Bank Yatırım Bankası Türk A.Ş.**  
Balance Sheet (Statement of Financial Position)  
As at 31 March 2016  
(Thousands of Turkish Lira (TL))

*Convenience Translation of Financial Statements  
and Related Disclosures and Footnotes  
Originally Issued in Turkish, See Section 3.1*

I. BALANCE SHEET (STATEMENTS OF FINANCIAL POSITION)	Note (Section Five)	Reviewed Current period 31 March 2016			Audited Prior period 31 December 2015		
		TL	FC	Total	TP	FC	Total
<b>LIABILITIES</b>							
<b>I. DEPOSITS</b>	<b>II-a</b>	-	-	-	-	-	-
1.1. Deposits of Bank's Risk Group		-	-	-	-	-	-
1.2. Other		-	-	-	-	-	-
<b>II. TRADING DERIVATIVE FINANCIAL LIABILITIES</b>	<b>II-b</b>	-	-	-	-	-	-
<b>III. BORROWINGS</b>	<b>II-c</b>	-	-	-	-	-	-
<b>IV. MONEY MARKETS</b>		-	-	-	-	-	-
4.1. Funds from Interbank Money Market		-	-	-	-	-	-
4.2. Funds from Istanbul Stock Exchange Money Market		-	-	-	-	-	-
4.3. Funds Provided From Repurchase Agreements		-	-	-	-	-	-
<b>V. MARKETABLE SECURITIES ISSUED (Net)</b>		-	-	-	-	-	-
5.1. Bills		-	-	-	-	-	-
5.2. Asset Backed Securities		-	-	-	-	-	-
5.3. Bonds		-	-	-	-	-	-
<b>VI. FUNDS</b>		-	-	-	-	-	-
6.1. Borrower Funds		-	-	-	-	-	-
6.2. Other		-	-	-	-	-	-
<b>VII. MISCELLANEOUS PAYABLES</b>		-	-	-	-	-	-
<b>VIII. OTHER LIABILITIES</b>	<b>II-d</b>	485	-	485	304	-	304
<b>IX. FACTORING PAYABLES</b>		-	-	-	-	-	-
<b>X. LEASE PAYABLES (Net)</b>	<b>II-e</b>	-	-	-	-	-	-
10.1. Financial Lease Payables		-	-	-	-	-	-
10.2. Operational Lease Payables		-	-	-	-	-	-
10.3. Other		-	-	-	-	-	-
10.4. Deferred Financial Lease Expenses ( - )		-	-	-	-	-	-
<b>XI. HEDGING DERIVATIVE FINANCIAL LIABILITIES</b>	<b>II-f</b>	-	-	-	-	-	-
11.1. Fair Value Hedge		-	-	-	-	-	-
11.2. Cash Flow Hedge		-	-	-	-	-	-
11.3. Foreign Net Investment Hedge		-	-	-	-	-	-
<b>XII. PROVISIONS</b>	<b>II-g</b>	6.554	-	6.554	8.224	-	8.224
12.1. General Loan Loss Provision		702	-	702	718	-	718
12.2. Restructuring Provisions		-	-	-	-	-	-
12.3. Reserve for Employee Benefits		5.035	-	5.035	6.061	-	6.061
12.4. Insurance Technical Provisions (Net)		-	-	-	-	-	-
12.5. Other Provisions		817	-	817	1.445	-	1.445
<b>XIII. TAX LIABILITY</b>	<b>II-h</b>	1.241	-	1.241	833	-	833
13.1. Current Tax Liability		1.241	-	1.241	833	-	833
13.2. Deferred Tax Liability		-	-	-	-	-	-
<b>XIV. LIABILITIES FOR ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS</b>		-	-	-	-	-	-
14.1. Held for Sale		-	-	-	-	-	-
14.2. Discontinued Operations		-	-	-	-	-	-
<b>XV. SUBORDINATED LOANS</b>		-	-	-	-	-	-
<b>XVI. EQUITY</b>	<b>II-i</b>	70.710	-	70.710	69.855	-	69.855
16.1. Paid-in Capital		40.126	-	40.126	40.126	-	40.126
16.2. Capital Reserves		6.643	-	6.643	6.643	-	6.643
16.2.1. Share Premium		-	-	-	-	-	-
16.2.2. Share Cancellation Profits		-	-	-	-	-	-
16.2.3. Marketable Securities Valuation Differences		-	-	-	-	-	-
16.2.4. Tangible Assets Revaluation Differences		730	-	730	730	-	730
16.2.5. Intangible Assets Revaluation Differences		-	-	-	-	-	-
16.2.6. Revaluation Differences of Investment Property		-	-	-	-	-	-
16.2.7. Bonus Shares from Investments in Associates, Subsidiaries and Joint Ventures		-	-	-	-	-	-
16.2.8. Hedging Reserves (Effective Portion)		-	-	-	-	-	-
16.2.9. Value Differences of Assets Held for Sale and Discontinued Operations		-	-	-	-	-	-
16.2.10. Other Capital Reserves		5.913	-	5.913	5.913	-	5.913
16.3. Profit Reserves		42.773	-	42.773	42.773	-	42.773
16.3.1. Legal Reserves		2.334	-	2.334	2.334	-	2.334
16.3.2. Status Reserves		-	-	-	-	-	-
16.3.3. Extraordinary Reserves		40.355	-	40.355	40.355	-	40.355
16.3.4. Other Profit Reserves		84	-	84	84	-	84
16.4. Income or (Loss)		(18.832)	-	(18.832)	(19.687)	-	(19.687)
16.4.1. Prior Years' Income or (Loss)		(19.687)	-	(19.687)	(23.732)	-	(23.732)
16.4.2. Current Year Income or (Loss)		855	-	855	4.045	-	4.045
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>78.990</b>	-	<b>78.990</b>	<b>79.216</b>	-	<b>79.216</b>

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

**Standard Chartered Bank Yatırım Bankası Türk A.Ş.**
**Statement of Off Balance Sheet Commitments**

As at 31 March 2016

(Thousands of Turkish Lira (TL))

*Convenience Translation of Financial Statements  
and Related Disclosures and Footnotes  
Originally Issued in Turkish, See Section 3 Note 1*

II.	OFF-BALANCE SHEET COMMITMENTS	Note (Section Five)	Reviewed Current period 31 March 2016			Audited Prior period 31 December 2015		
			TL	FC	Total	TL	FC	Total
<b>A</b>	<b>OFF-BALANCE SHEET COMMITMENTS (I+II+III)</b>					<b>51.001</b>		<b>51.001</b>
<b>I.</b>	<b>GUARANTEES AND WARRANTIES</b>	<b>III-a-2</b>				<b>1</b>		<b>1</b>
1.1.	Letters of Guarantee					1		1
1.1.1.	Guarantees Subject to State Tender Law							
1.1.2.	Guarantees Given for Foreign Trade Operations					1		1
1.1.3.	Other Letters of Guarantee							
1.2.	Bank Acceptances							
1.2.1.	Import Letter of Acceptance							
1.2.2.	Other Bank Acceptances							
1.3.	Letters of Credit							
1.3.1.	Documentary Letters of Credit							
1.3.2.	Other Letters of Credit							
1.4.	Prefinancing Given as Guarantee							
1.5.	Endorsements							
1.5.1.	Endorsements to the Central Bank of the Republic of Turkey							
1.5.2.	Other Endorsements							
1.6.	Securities Issue Purchase Guarantees							
1.7.	Factoring Guarantees							
1.8.	Other Guarantees							
1.9.	Other Collaterals							
<b>II.</b>	<b>COMMITMENTS</b>	<b>III-a-1</b>				<b>51.000</b>		<b>51.000</b>
2.1.	Irrevocable Commitments					51.000		51.000
2.1.1.	Asset Purchase and Sale Commitments							
2.1.2.	Deposit Purchase and Sales Commitments							
2.1.3.	Share Capital Commitments to Associates and Subsidiaries					51.000		51.000
2.1.4.	Loan Granting Commitments							
2.1.5.	Securities Issue Brokerage Commitments							
2.1.6.	Commitments for Reserve Deposit Requirements							
2.1.7.	Commitments for Cheques							
2.1.8.	Tax and Fund Liabilities from Export Commitments							
2.1.9.	Commitments for Credit Card Limits							
2.1.10.	Commitments for Credit Cards and Banking Services Promotions							
2.1.11.	Receivables from Short Sale Commitments of Marketable Securities							
2.1.12.	Payables for Short Sale Commitments of Marketable Securities							
2.1.13.	Other Irrevocable Commitments							
2.2.	Revocable Commitments							
2.2.1.	Revocable Loan Granting Commitments							
2.2.2.	Other Revocable Commitments							
<b>III.</b>	<b>DERIVATIVE FINANCIAL INSTRUMENTS</b>							
3.1.	Hedging Derivative Financial Instruments							
3.1.1.	Transactions for Fair Value Hedge							
3.1.2.	Transactions for Cash Flow Hedge							
3.1.3.	Transactions for Foreign Net Investment Hedge							
3.2.	Trading Transactions							
3.2.1.	Forward Foreign Currency Buy/Sell Transactions							
3.2.1.1.	Forward Foreign Currency Transactions-Buy							
3.2.1.2.	Forward Foreign Currency Transactions-Sell							
3.2.2.	Foreign Currency and Interest Rates Swap Transactions							
3.2.2.1.	Foreign Currency Swap-Buy							
3.2.2.2.	Foreign Currency Swap-Sell							
3.2.2.3.	Interest Rate Swap-Buy							
3.2.2.4.	Interest Rate Swap-Sell							
3.2.3.	Foreign Currency, Interest Rate and Securities Options							
3.2.3.1.	Foreign Currency Options-Buy							
3.2.3.2.	Foreign Currency Options-Sell							
3.2.3.3.	Interest Rate Options-Buy							
3.2.3.4.	Interest Rate Options-Sell							
3.2.3.5.	Securities Options-Buy							
3.2.3.6.	Securities Options-Sell							
3.2.4.	Foreign Currency Futures							
3.2.4.1.	Foreign Currency Futures-Buy							
3.2.4.2.	Foreign Currency Futures-Sell							
3.2.5.	Interest Rate Futures							
3.2.5.1.	Interest Rate Futures-Buy							
3.2.5.2.	Interest Rate Futures-Sell							
3.2.6.	Other							
<b>B.</b>	<b>CUSTODY AND PLEDGES (IV+V+VI)</b>							
<b>IV.</b>	<b>ITEMS HELD IN CUSTODY</b>							
4.1.	Customer Fund and Portfolio Balances							
4.2.	Investment Securities Held in Custody							
4.3.	Checks Received for Collection							
4.4.	Commercial Notes Received for Collection							
4.5.	Other Assets Received for Collection							
4.6.	Assets Received for Public Offering							
4.7.	Other Items Under Custody							
4.8.	Custodians							
<b>V.</b>	<b>PLEDGES</b>							
5.1.	Marketable Securities							
5.2.	Guarantee Notes							
5.3.	Commodity							
5.4.	Warranty							
5.5.	Immovable							
5.6.	Other Pledged Items							
5.7.	Pledged Items-Depository							
<b>VI.</b>	<b>ACCEPTED AVALISED DRAFTS AND WARRANTIES</b>							
	<b>TOTAL OFF-BALANCE SHEET COMMITMENTS (A+B)</b>					<b>51.001</b>		<b>51.001</b>

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

**Standard Chartered Bank Yatırım Bankası Türk A.Ş.**

## Statement of Income

For the Three-Months Period Ended 31 March 2016

(Thousands of Turkish Lira (TL))

*Convenience Translation of Financial Statements  
and Related Disclosures and Footnotes**Originally Issued in Turkish, See Section 3 Note I*

<b>III. INCOME STATEMENT</b>		<b>Note</b>	<b>Reviewed Current period 1 January- 31 March 2016</b>	<b>Reviewed Prior period 1 January- 31 March 2015</b>
		<b>(Section five)</b>		
<b>I. INTEREST INCOME</b>		<b>IV-a</b>	<b>1.410</b>	<b>1.172</b>
1.1 Interest on Loans		IV-a-1	-	-
1.2 Interest Received from Reserve Requirements			-	-
1.3 Interest Received from Banks		IV-a-2	1.357	1.146
1.4 Interest Received from Money Market Transactions			53	26
1.5 Interest Received from Marketable Securities Portfolio		IV-a-3	-	-
1.5.1 Trading Financial Assets			-	-
1.5.2 Financial Assets at Fair Value through Profit or Loss			-	-
1.5.3 Available-for-sale Financial Assets			-	-
1.5.4 Held-to-Maturity Investments			-	-
1.6 Financial Lease Income			-	-
1.7 Other Interest Income			-	-
<b>II. INTEREST EXPENSE</b>		<b>IV-b</b>	<b>-</b>	<b>-</b>
2.1 Interest on Deposits		IV-b-4	-	-
2.2 Interest on Funds Borrowed		IV-b-1	-	-
2.3 Interest Expense on Money Market Transactions			-	-
2.4 Interest on Securities Issued		IV-b-3	-	-
2.5 Other Interest Expenses			-	-
<b>III. NET INTEREST INCOME (I + II)</b>			<b>1.410</b>	<b>1.172</b>
<b>IV. NET FEES AND COMMISSIONS INCOME</b>			<b>(5)</b>	<b>73</b>
4.1 Fees and Commissions Received			3	78
4.1.1 Non-cash Loans			-	78
4.1.2 Other			3	-
4.2 Fees and Commissions Paid			(8)	(5)
4.2.1 Non-cash Loans			(1)	-
4.2.2 Other			(7)	(5)
<b>V. DIVIDEND INCOME</b>			<b>-</b>	<b>-</b>
<b>VI. TRADING INCOME/(LOSS) (Net)</b>		<b>IV-c</b>	<b>(7)</b>	<b>19</b>
6.1 Trading Gains/(Losses) on Securities			-	-
6.2 Trading Gains/(Losses) on Derivative Financial Instruments			-	-
6.3 Foreign Exchange Gains/(Losses)			(7)	19
<b>VII. OTHER OPERATING INCOME</b>		<b>IV-d</b>	<b>4.739</b>	<b>5.016</b>
<b>VIII. TOTAL OPERATING INCOME (III+IV+V+VI+VII)</b>			<b>6.137</b>	<b>6.280</b>
<b>IX. PROVISION FOR LOAN LOSSES AND OTHER RECEIVABLES(-)</b>		<b>IV-e</b>	<b>-</b>	<b>(7)</b>
<b>X. OTHER OPERATING EXPENSES (-)</b>		<b>IV-f</b>	<b>(4.849)</b>	<b>(4.219)</b>
<b>XI. NET OPERATING INCOME/(LOSS) (VIII-IX-X)</b>			<b>1.288</b>	<b>2.054</b>
<b>XII. EXCESS AMOUNT RECORDED AS INCOME AFTER MERGER INCOME/(LOSS) FROM INVESTMENTS IN SUBSIDIARIES ACCOUNTED BASED ON EQUITY METHOD</b>			<b>-</b>	<b>-</b>
<b>XIII. INCOME/(LOSS) ON NET MONETARY POSITION</b>			<b>-</b>	<b>-</b>
<b>XV. INCOME/(LOSS) FROM CONTINUING OPERATIONS BEFORE TAX (XI+...+XIV)</b>		<b>IV-g</b>	<b>1.288</b>	<b>2.054</b>
<b>XVI. PROVISION FOR TAXES ON CONTINUING OPERATIONS (-)</b>			<b>(433)</b>	<b>(799)</b>
16.1 Current Tax Provision			(409)	(496)
16.2 Deferred Tax (Expense)/Income			(24)	(303)
<b>XVII. NET INCOME/(LOSS) FROM CONTINUING OPERATIONS (XV-XVI)</b>		<b>IV-h</b>	<b>855</b>	<b>1.255</b>
<b>XVIII. INCOME FROM DISCONTINUED OPERATIONS</b>			<b>-</b>	<b>-</b>
18.1 Income from Non-Current Assets Held for Resale			-	-
18.2 Sale Income from Associates, Subsidiaries and Joint Ventures			-	-
18.3 Other Income from Discontinued Operations			-	-
<b>XIX. EXPENSES FROM DISCONTINUED OPERATIONS (-)</b>			<b>-</b>	<b>-</b>
19.1 Expense from Non-Current Assets Held for Resale			-	-
19.2 Sale Losses from Associates, Subsidiaries and Joint Ventures			-	-
19.3 Other Expenses from Discontinued Operations			-	-
<b>XX. INCOME/(LOSS) FROM DISCONTINUED OPERATIONS BEFORE TAX (XVIII-XIX)</b>			<b>-</b>	<b>-</b>
<b>XXI. PROVISION FOR TAXES ON DISCONTINUED OPERATIONS (-)</b>			<b>-</b>	<b>-</b>
21.1 Current Tax Provision			-	-
21.2 Deferred Tax Provision			-	-
<b>XXII. NET INCOME/(LOSS) FROM DISCONTINUED OPERATIONS (XX-XXI)</b>			<b>-</b>	<b>-</b>
<b>XVIII. NET INCOME/(LOSS) (XVII+XXII)</b>		<b>IV-j</b>	<b>855</b>	<b>1.255</b>
Earnings / (Loss) per share (TL, full)			0,02131	0,03128

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

**Standard Chartered Bank Yatırım Bankası Türk A.Ş.**

Statement of Gains and Losses Recognized in Equity

For the Three-Months Period Ended 31 March 2016

(Thousands of Turkish Lira (TL))

*Convenience Translation of Financial Statements  
and Related Disclosures and Footnotes**Originally Issued in Turkish, See Section 3 Note I*

<b>IV. STATEMENT OF GAINS AND LOSSES RECOGNIZED IN EQUITY</b>		<b>Reviewed Current period</b>	<b>Reviewed Prior period</b>
		<b>1 January- 31 March 2016</b>	<b>1 January- 31 March 2015</b>
<b>I.</b>	<b>ADDITIONS TO THE MARKETABLE SECURITIES VALUATION DIFFERENCES FROM THE AVAILABLE FOR SALE FINANCIAL ASSETS</b>	-	-
<b>II.</b>	<b>REVALUATION DIFFERENCES OF TANGIBLE ASSETS</b>	-	-
<b>III.</b>	<b>REVALUATION DIFFERENCES OF INTANGIBLE ASSETS</b>	-	-
<b>IV.</b>	<b>FOREIGN EXCHANGE TRANSLATION DIFFERENCES FOR FOREIGN CURRENCY TRANSACTIONS</b>	-	-
<b>V.</b>	<b>INCOME/(LOSS) ON CASH FLOW HEDGE (Effective Portion of Fair Value Changes)</b>	-	-
<b>VI.</b>	<b>PROFIT/LOSS FROM FOREIGN INVESTMENT HEDGE DERIVATIVE FINANCIAL ASSETS (Effective Portion of Fair Value Changes)</b>	-	-
<b>VII.</b>	<b>EFFECTS OF CHANGES IN ACCOUNTING POLICY AND ELIMINATION OF ERRORS</b>	-	-
<b>VIII.</b>	<b>OTHER INCOME AND EXPENSE ITEMS ACCOUNTED IN EQUITY ACCORDING TO TAS</b>	-	-
<b>IX.</b>	<b>DEFERRED TAX ON VALUATION DIFFERENCES</b>	-	-
<b>X.</b>	<b>NET INCOME/(LOSS) ACCOUNTED DIRECTLY IN EQUITY (I+II+...+IX)</b>	-	-
<b>XI.</b>	<b>CURRENT PERIOD INCOME/(LOSS)</b>	<b>855</b>	<b>1.255</b>
11.1	Net Change in Fair Value of Marketable Securities (Transfer to Income Statement)	-	-
11.2	Portion of Cash Flow Hedge Derivative Financial Assets Reclassified and Presented on the Income Statement	-	-
11.3	Portion of Foreign Investment Hedge Derivative Financial Assets Reclassified and Presented on the Income Statement	-	-
11.4	Other	855	1.255
<b>XII.</b>	<b>TOTAL RECOGNIZED INCOME/(LOSS) FOR THE PERIOD (X+XI)</b>	<b>855</b>	<b>1.255</b>

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

**Standard Chartered Bank Yatırım Bankası Türk A.Ş.**

Statement of Changes in Equity

For the Three-Months Period Ended 31 March 2016

(Thousands of Turkish Lira (TL))

*Convenience Translation of Financial Statements  
and Related Disclosures and Footnotes*
*Originally Issued in Turkish, See Section 3.1*

1 January-31 March 2015	Note (Section Five)	Paid-in Capital	Adjustment to Share Capital	Share Premium	Share Cancellation Profits	Legal Reserves	Statutory Reserves	Extraord- inary Reserves	Other Reserves	Current Period Net Income / (Loss)	Prior Years' Income/ (Loss)	Marketable Securities Valuation Differences	Tangible and Intangible Assets Revaluation Differences	Bonus Shares Obtained from Investments	Hedging Reserves	Valuation Diff. of Assets Held for Sale and Discontinued Operations	Total Equity
<b>I. Prior Period End Balance</b>	<b>II-i</b>	<b>40.126</b>	<b>5.913</b>	-	-	<b>2.192</b>	-	<b>39.470</b>	<b>(24)</b>	<b>2.828</b>	<b>(23.732)</b>	-	<b>730</b>	-	-	-	<b>67.503</b>
Changes in the Period																	
<b>II. Increase/Decrease due to Merger</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>III. Marketable Securities Valuation Differences</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>IV. Hedging Reserves (Effective Portion)</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.1 Cash Flow Hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.2 Foreign Investment for Purpose of Hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>V. Revaluation Differences of Tangible Assets</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>VI. Revaluation Differences of Intangible Assets</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>VII. Bonus Shares Obtained from Investments in Associates, Subsidiaries and Joint Ventures</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>VIII. Foreign Exchange Difference</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>IX. Changes due to Disposal of Assets</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>X. Changes due to Reclassification of the Assets</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>XI. Effect of Changes in Investment in Associates</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>XII. Capital Increase</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.1 Cash		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.2 Internal Resources		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>XIII. Share Premium</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>XIV. Share Cancellation Profits</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>XV. Adjustment to Share Capital</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>XVI. Other</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>XVII. Current Year Income or Loss</b>		-	-	-	-	-	-	-	-	<b>1.255</b>	-	-	-	-	-	-	<b>1.255</b>
<b>XVII. Profit Distribution</b>		-	-	-	-	-	-	-	-	<b>(2.828)</b>	<b>2.828</b>	-	-	-	-	-	-
18.1 Dividend Paid		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18.2 Transfers to Reserves		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18.3 Other		-	-	-	-	-	-	-	-	<b>(2.828)</b>	<b>2.828</b>	-	-	-	-	-	-
<b>Period End Balance (I+II+III+ .....+XVI+ XVII+ XVIII)</b>		<b>40.126</b>	<b>5.913</b>	-	-	<b>2.192</b>	-	<b>39.470</b>	<b>(24)</b>	<b>1.255</b>	<b>(20.904)</b>	-	<b>730</b>	-	-	-	<b>68.758</b>

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

**Standard Chartered Bank Yatırım Bankası Türk A.Ş.**

Statement of Changes in Equity

For the Three-Months Period Ended 31 March 2016

(Thousands of Turkish Lira (TL))

*Convenience Translation of Financial Statements  
and Related Disclosures and Footnotes*
*Originally Issued in Turkish, See Section 3.1*

	Note (Section Five)	Paid-in Capital	Adjustment to Share Capital	Share Premium	Share Cancellation Profits	Legal Reserves	Statutory Reserves	Extraordinary Reserves	Other Reserves	Current Period Net Income / (Loss)	Prior Years' Income/ (Loss)	Marketable Securities Valuation Differences	Tangible and Intangible Assets Revaluation Differences	Bonus Shares Obtained from Investments	Hedging Reserves	Valuation Diff. of Assets Held for Sale and Discontinued Operations	Total Equity
<b>1 January -31 March 2016</b>																	
<b>I. Prior Period End Balance</b>		40.126	5.913	-	-	2.334	-	40.355	84	4.045	(23.732)	-	730	-	-	-	69.855
Changes in the Period																	
<b>II. Increase/Decrease due to Merger</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>III. Marketable Securities Valuation Differences</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>IV. Hedging Reserves (Effective Portion)</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.1 Cash Flow Hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.2 Foreign Investment for Purpose of Hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>V. Revaluation Differences of Tangible Assets</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>VI. Revaluation Differences of Intangible Assets</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>VII. Bonus Shares Obtained from Investments in Associates, Subsidiaries and Joint Ventures</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>VIII. Foreign Exchange Difference</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>IX. Changes due to Disposal of Assets</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>X. Changes due to Reclassification of the Assets</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>XI. Effect of Changes in Investment in Associates</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>XII. Capital Increase</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.1 Cash		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.2 Internal Resources		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>XIII. Share Premium</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>XIV. Share Cancellation Profits</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>XV. Adjustment to Share Capital</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>XVI. Other</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>XVII. Current Year Profit or Loss</b>		-	-	-	-	-	-	-	-	855	-	-	-	-	-	-	855
<b>XVIII. Profit Distribution</b>		-	-	-	-	-	-	-	-	(4.045)	4.045	-	-	-	-	-	-
18.1 Dividend Paid		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18.2 Transfers to Reserves		-	-	-	-	-	-	-	-	(4.045)	4.045	-	-	-	-	-	-
18.3 Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Period End Balance (I+II+III+ .....+XVI+ XVII+ XVIII)</b>		40.126	5.913	-	-	2.334	-	40.355	84	855	(19.687)	-	730	-	-	-	70.710

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

**Standard Chartered Bank Yatırım Bankası Türk A.Ş.**  
**Statement of Cash Flows**  
**For the Three-Months Period Ended 31 March 2016**  
**(Thousands of Turkish Lira (TL))**

*Convenience Translation of Financial Statements  
and Related Disclosures and Footnotes  
Originally Issued in Turkish, See Section 3.1*

<b>VI. STATEMENT OF CASH FLOWS</b>	<b>Note (Section Five)</b>	<b>Reviewed Current period 1 January- 31 March 2016</b>	<b>Reviewed Prior period 1 January- 31 March 2015</b>
<b>A. CASH FLOWS FROM BANKING OPERATIONS</b>			
1.1 Operating profit before changes in operating assets and liabilities		<b>1.009</b>	<b>656</b>
1.1.1 Interest received		1.735	1.167
1.1.2 Interest paid		-	-
1.1.3 Dividend received		-	-
1.1.4 Fees and commissions received		3	78
1.1.5 Other income		4.737	4.979
1.1.6 Collections from previously written-off loans and other receivables		-	-
1.1.7 Payments to personnel and service suppliers		(7.824)	(3.725)
1.1.8 Taxes paid		(465)	(1.386)
1.1.9 Other	VI-c	2.823	(457)
1.2 Changes in operating assets and liabilities		<b>(5.570)</b>	<b>(4.939)</b>
1.2.1 Net (increase)/decrease in trading securities		-	-
1.2.2 Net (increase)/decrease in fair value through profit/loss financial assets		-	-
1.2.3 Net decrease in due from banks		-	-
1.2.4 Net (increase)/decrease in loans		-	-
1.2.5 Net (increase)/decrease in other assets		(4.743)	(5.206)
1.2.6 Net increase/(decrease) in bank deposits		-	-
1.2.7 Net increase/(decrease) in other deposits		-	-
1.2.8 Net increase/(decrease) in borrowings		-	-
1.2.9 Net increase/(decrease) in payables		-	-
1.2.10 Net increase in other liabilities	VI-c	(827)	267
<b>I. Net cash provided from banking operations</b>		<b>(4.561)</b>	<b>(4.283)</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<b>II. Net cash provided from investing activities</b>		<b>(7)</b>	<b>(2)</b>
2.1 Cash paid for acquisition of investments, associates and subsidiaries		-	-
2.2 Cash obtained from disposal of investments, associates and subsidiaries		-	-
2.3 Acquisitions of property and equipment	V-d	(7)	(2)
2.4 Proceeds from sale of property and equipment		-	-
2.5 Cash paid for purchase of investments available-for-sale		-	-
2.6 Cash obtained from sale of investments available-for-sale		-	-
2.7 Cash paid for purchase of investment securities		-	-
2.8 Proceeds from sale / redemption of investment securities		-	-
2.9 Other		-	-
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		-	-
<b>III. Net cash provided from / (used for) financing activities</b>		-	-
3.1 Cash obtained from borrowings and securities issued		-	-
3.2 Cash used for repayment of borrowings and securities issued		-	-
3.3 Issued capital instruments		-	-
3.4 Dividends paid	VI-e	-	-
3.5 Payments for financial leases		-	-
3.6 Other		-	-
<b>IV. Effect of change in foreign exchange rate on cash and cash equivalents</b>	VI-c	<b>(1)</b>	<b>19</b>
<b>V. Net decrease in cash and cash equivalents (I+II+III+IV)</b>		<b>(4.569)</b>	<b>(4.266)</b>
<b>VI. Cash and cash equivalents at the beginning of the period</b>	VI-a	<b>55.191</b>	<b>54.882</b>
<b>VII. Cash and cash equivalents at the end of the period</b>	VI-a	<b>50.622</b>	<b>50.616</b>

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



### **SECTION THREE**

#### **ACCOUNTING POLICIES**

##### **I. Explanation on basis of presentation:**

##### **a. The preparation of the financial statements and related notes and explanations in accordance with the Turkish Accounting Standards and Regulation on the Accounting Applications for Banks and Safeguarding of Documents:**

The financial statements are prepared in accordance with the “Regulation on the Principles and Procedures Regarding Banks’ Accounting Applications and Safeguarding of Documents” published in the Official Gazette No.26333 dated 1 November 2006 by the Banking Regulation and Supervision Agency (“BRSA”) which refers to “Turkish Accounting Standards” (“TAS”) and “Turkish Financial Reporting Standards”(“TFRS”) and other decrees, notes and explanations related to the accounting and financial reporting principles (all “BRSA Accounting and Financial Reporting Regulations” ) published by the BRSA. The format and the details of the publicly announced financial statements and related disclosures to these statements have been prepared in accordance with the “Communiqués Related to Publicly Announced Financial Statements of Banks and Explanations and Notes Related to these Financial Statements” published in the Official Gazette No.28337 dated 28 June 2012. The Bank maintains its books of accounts in Turkish Lira in accordance with the Banking Act, the Turkish Commercial Code and Turkish tax legislation.

The financial statements have been prepared with historical cost in TL except for the financial assets and liabilities which are carried at fair value.

The preparation of financial statements in conformity with BRSA Accounting and Financial Reporting Regulations 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 issues as of the balance sheet date. These estimates are being reviewed regularly and, when necessary, suitable corrections are made and the effects of these corrections are reflected to the income statement.

The accounting policies and valuation methods adopted in the presentation of these financial statements are in accordance with the TAS and TFRS.

##### **Additional paragraph for convenience translation to English**

The differences between accounting principles, as described in the preceding paragraphs, and the accounting principles generally accepted in countries, in which the accompanying financial statements are to be distributed, and International Financial Reporting Standards (“IFRS”), may have significant influence on the accompanying financial statements. Accordingly, the accompanying financial statements are not intended to present the financial position and results of operations in accordance with the accounting principles generally accepted in such countries and IFRS.

##### **b. Explanation on accounting principles adopted in the preparation of the financial statements and valuation methods:**

The accounting policies and valuation methods applied in the presentation of these financial statements are in accordance with the TAS. These accounting policies and valuation methods are explained in Notes II to XXVII.

**ACCOUNTING POLICIES (Continued)**

**II. Explanations on strategy of using financial instruments and explanations on foreign currency transactions:**

The Bank provides Transaction Banking and Global Markets services to the corporates. The level of activity of the bank declined during 2012 as the previous main shareholder reduced off balance sheet exposures and balance sheet footings. The Bank did not extend any new loans in the first three months of the years 2015 and 2016. As a result the credit, market and liquidity risks are at minimum as at 31 March 2016.

At 31 March 2016, all of the monetary assets and liabilities denominated in foreign currency were translated into Turkish lira using the following foreign exchange rates: USD = TL 2,8249; EUR = TL 3,2090. (31 December 2015: USD = TL 2,9181; EUR = TL 3,1838).

**III. Explanations on forward transactions, options and derivative instruments:**

Derivative instruments are measured at fair value on initial recognition and subsequently re-measured at their fair values. The accounting method of the income or loss arising from derivative instruments depends on derivative being used for hedging purposes or not and depends on the type of the item being hedged. As of 31 March 2016 and 31 December 2015, the Bank has no derivative instruments for hedging purposes.

Certain derivative transactions, even though they provide effective economic hedges under the Bank's risk management position, do not qualify for hedge accounting under the specific rules in "Turkish Accounting Standard for Financial Instruments: Recognition and Measurement ("TAS 39")" and are therefore treated as "financial assets at fair value through profit or loss".

"Financial assets at fair value through profit or loss" are measured at fair value. If the fair value of derivative financial instruments is positive, it is disclosed under the main account "Financial assets at fair value through profit or loss" in "Trading derivative financial instruments" and if the fair value difference is negative, it is disclosed under "Trading derivative financial liabilities". Differences in the fair value of trading derivative instruments are accounted under "Trading gains / (losses) on derivative financial instruments" in the income statement.

The fair values of the derivative financial instruments are calculated by using quoted market prices or by using discounted cash flow models.

## **ACCOUNTING POLICIES (Continued)**

### **IV. Explanations on interest income and expense:**

Interest income and expenses are recognized in the income statement on accrual basis by using the effective interest method. The Bank ceases accruing interest income on non-performing loans and, any interest income accruals from such loans are reversed and no income is accounted until the collection is made according to the related regulation.

### **V. Explanations on fee and commission income and expenses:**

All fees and commissions income/expenses are recognized on an accrual basis, except from certain commission income and fees from various banking services which are recorded as income at the time of collection. Fees and commissions expenses paid to the other institutions are recognized as operational costs and recorded by using the effective interest method. Contract based fees or fees received in return for services such as the purchase and sale of assets on behalf of a third or legal person are recognized as income at the time of collection. Commissions earned from loans where the Bank acts as an intermediary is recorded as income at the end of each month on an accrual basis.

### **VI. Explanations on financial assets:**

The Bank classifies and accounts its financial assets as “Fair value through profit or loss”, “Available-for-sale”, “Loans and receivables” or “Held-to-maturity”. Sales and purchases of the financial assets mentioned above are recognized at the “settlement dates”. The appropriate classification of financial assets of the Bank is determined at the time of purchase by the Bank management, taking into consideration the purpose of holding the investment.

#### **a. Financial assets at fair value through profit or loss:**

This category has two sub-categories: “Trading financial assets” and “Financial assets designated at fair value through profit/loss at initial recognition.”

Trading financial assets are financial assets which were either acquired for generating a profit from short-term fluctuations in prices or dealer’s margin, or are financial assets included in a portfolio in which a pattern of short-term profit making exists.

Trading financial assets are initially recognized at fair value and are subsequently re-measured at their fair value. The trading financial assets which are actively traded in stock exchange or other organized markets are measured at market prices. All gains and losses arising from these evaluations are recognized in the income statement. Interest earned while holding financial assets is reported as interest income and dividends received are included separately in dividend income.

Derivative financial instruments are classified as trading financial assets unless they are designated as hedge instruments. The principles regarding the accounting of derivative financial instruments are explained in details in Note III of Section Three.

The Bank has no financial assets designated as financial assets at fair value through profit or loss as at 31 March 2016 and 31 December 2015.

## **ACCOUNTING POLICIES (Continued)**

### **VI. Explanations on financial assets (Continued)**

#### **b. Available-for-sale financial assets:**

Available-for-sale financial assets are defined as financial assets other than the ones classified as “Loans and receivables”, “Held-to-maturity assets” or “Financial asset at fair value through profit or loss”.

Debt securities classified as available-for-sale financial assets are subsequently re-measured at fair value. When fair value calculations based on market prices cannot be obtained reliably, available-for-sale financial assets are carried at amortized cost using the effective interest method. “Unrealized gains and losses” arising from changes in the fair value of financial assets classified as available-for-sale are recognized in the shareholders’ equity as “Marketable Securities Valuation Differences”, until there is a permanent decline in the fair values of such assets or they are disposed of. When these financial assets are disposed of or impaired, the related fair value differences accumulated in the shareholders’ equity are transferred to the income statement.

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

As at 31 March 2016 and 31 December 2015 the Bank does not have any available for sale financial assets.

#### **c. Loans and receivables:**

Loans and receivables are non-derivative financial instruments held for trading, at fair value through profit / loss or as available for sale are not defined, with fixed or determinable payments that are not quoted in an active market and financial assets. Loans and receivables are recognized initially at fair value that reflects the transaction costs of the acquisition cost value and subsequently recognized by the addition of the "Effective interest rate (internal rate of return) method" are measured at amortized cost using. Assets received as collateral and other similar expenses incurred for the transaction costs and expenses are not considered as part of the accounts.

The Bank provides general and specific provisions based on the assessments and estimates of the management, by considering the “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” (“Provisioning Regulation”) published in the Official Gazette No. 26333 dated 1 November 2006 and no. 27119 dated 23 January 2009. Provision expenses are deducted from the net income of the year. If there is a subsequent collection from a receivable that was already provisioned in previous years, the recovery amount is classified under “other operating income”. Uncollectible receivables are written-off after all the legal procedures are finalized.

#### **d. Held-to-maturity financial assets:**

Held-to-maturity financial assets are assets that are not classified under “loans and receivables” with fixed maturities and fixed or determinable payments where management has the intent and ability to hold the financial assets to maturity. Held-to-maturity financial assets are initially recognized at transaction prices at acquisition, and subsequently carried at amortized cost using the “effective yield method”; interest earned whilst holding held-to-maturity securities is reported as interest income. Interest income from held-to-maturity financial assets is reflected in the income statement.

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

As at 31 March 2016 and 31 December 2015 the Bank does not have any held-to-maturity financial assets.

## **ACCOUNTING POLICIES (Continued)**

### **VII. Explanations on impairment on financial assets:**

The impairment on financial assets are evaluated whose indicators are carried at fair value in every balance sheet period. If there is any assets which are not carried at fair value, its provisions should be made as explained below.

Where the estimated recoverable amount of the financial asset, being the present value of the expected future cash flows discounted based on the “effective interest method”, or the fair value if one exists is lower than its carrying value, then it is concluded that the asset under consideration is impaired. A provision is made for the diminution in value of the impaired financial asset and is charged against the income for the year.

The principles regarding the accounting of provisions of loans and receivables are explained in details in Note VI of Section Three.

### **VIII. Explanations on offsetting financial instruments:**

Financial assets and liabilities are offset and the net amount is reported in the balance sheet when the Bank has a legally enforceable right to offset the recognized amounts and there is an intention to collect/pay related financial assets and liabilities on a net basis or to realize the asset and settle the liability simultaneously.

### **IX. Explanations on sales and repurchase agreements and securities lending transactions:**

Securities subject to repurchase agreements (“Repo”) are classified as “Fair value difference through profit or loss”, “Available-for-sale” and “Held-to-maturity” according to the investment purposes of the Bank and measured according to the portfolio to which they belong. Funds obtained from repurchase agreements are accounted under “Funds Provided under Repurchase Agreements” in liabilities and the difference between the sale and repurchase price is accrued over the life of repurchase agreements using the “effective interest method”.

Funds given against securities purchased under agreements (“Reverse Repo”) to resell are accounted under “Receivables from Reverse Repurchase Agreements” on the balance sheet. The difference between the purchase and determined resell price is accrued over the life of repurchase agreements using the “effective interest method”. The Bank has no securities lending transactions.

### **X. Explanation on assets held for resale, discontinued operations and liabilities related with these assets:**

The Bank has no discontinued operations.

Assets held-for-resale consist of tangible assets that were acquired due to non-performing receivables, and are accounted in the financial statements 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 November 2006, No.26333.

### **XI. Explanations on goodwill and other intangible assets:**

The Bank does not have any goodwill as at 31 March 2016 and 31 December 2015.

The intangible assets are classified by adding their direct cost and production costs. After recognizing their cost, intangible assets are recorded by the value which is calculated over the deducting accumulated depreciation and provision for value decrease.

Other intangible assets are amortized using the straight-line method over the approximate useful lives of the related assets. The useful life is five years for other intangible assets which are mainly software programs. The useful life of the asset is determined by assessing the expected useful time of the asset, technical, technological and other types of worn-out and all required maintenance expenses done to utilize the economic benefit from the asset.

## **ACCOUNTING POLICIES (Continued)**

### **XII. Explanations on property and equipment:**

Property and equipment is measured at its cost when initially recognized and any directly attributable costs of setting the asset in working order for its intended use are included in the initial measurement. Subsequently, property and equipment is carried at cost less accumulated depreciation and provision for value decrease, if any.

Depreciation is calculated over of the cost of property and equipment using the straight-line method based on expected useful lives. The expected useful lives are stated below:

Buildings	50 years
Machinery, furniture fixture, special costs, software and vehicles	5 years

The depreciation charge for items remaining in property and equipment for less than an accounting period at the balance sheet date is calculated in proportion to the period the item remained in property and equipment.

On the case of where cost of tangible assets is higher than “net realizable value”, value of the asset is reduced to “net realizable value” and impairment loss provision is associated with expense accounts.

Gains and losses on the disposal of tangible assets are determined by deducting the net book value of tangible assets from its sales revenue.

Expenditures for the repair and renewal of property and equipment are recognized as expense. The capital expenditures made in order to increase the capacity of the tangible asset or to increase its future benefits are capitalized on the cost of the tangible asset. The capital expenditures include the cost components which are used either to increase the useful life or the capacity of the asset, the quality of the product or to decrease the costs.

There are no pledge, mortgage and other measures or commitments related to the purchase, or another issue that limits their usage rights on tangible assets.

Bank does not expect any changes in accounting estimations, or changes in subsequent period, that have significant impact related to tangible assets.

Investment property is kind of property which is held by the Bank to earn rent. These are listed in the attached financial statements at acquisition costs less accumulated amortization and impairment provisions. Depreciation is calculated over of the cost of property and equipment using the straight line method based on expected useful lives.

### **XIII. Explanations on leasing transactions:**

The Bank does not have any leasing transactions as at 31 March 2016 and 31 December 2015.

Assets acquired under finance lease agreements are capitalized at the inception of the lease at the “lower of the fair value of the leased asset or the present value of the amount of cash consideration given for the leased asset”. Leased assets are included in the property and equipment and depreciation is charged on a straight-line basis over the useful life of the asset. If there is any diminution in value of the leased asset, a “Provision for value decrease” has been recognized. Liabilities arising from the leasing transactions are included in “Financial lease payables” on the balance sheet. Interest and foreign exchange expenses regarding lease transactions are charged to the income statement. The Bank does not have any leasing transactions as lessor.

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

## **ACCOUNTING POLICIES (Continued)**

### **XIV. Explanations on provisions and contingent liabilities:**

Provisions and contingent liabilities are accounted in accordance with “Turkish Accounting Standard for Provisions, Contingent Liabilities and Contingent Assets” (“TAS 37”).

Provisions are recognized when the Bank has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. The provision for contingent liabilities arising from past events should be recognized in the same period of occurrence in accordance with the matching principle. When the amount of the obligation cannot be estimated and there is no possibility of outflow of resources from the Bank, it is considered that a “Contingent” liability exists and it is disclosed in the related notes to the financial statements.

### **XV. Explanations on contingent assets:**

Contingent assets usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits to the entity. Contingent assets are not recognized in financial statements since this may result in the recognition of income that may never be realized. Contingent assets are disclosed where an inflow of economic benefits is probable. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits will arise, the asset and the related income are recognized in the financial statements in which the change occurs.

### **XVI. Explanations on obligations related to the employee rights:**

#### **i. Defined benefit plans:**

Under the Turkish Labor Law, the Bank is required to pay a specific amount to the employees who have retired or whose employment is terminated due to reasons other than those specified in the Turkish Labor Law. The reserve for employment termination benefits represents the present value of the estimated total future probable obligation of the Bank arising from the retirement of all employees in accordance with the Turkish Labor Law, the termination of the employment without due cause who has completed at least one year’s of service, military service obligation and death. The reserve for employment termination benefit has been calculated and recognized in accordance with “Turkish Accounting Standard for Employee Rights” (“TAS 19”) in the financial statements. In accordance with the amendment in the TAS 19, effective from 1 January 2015, the actuarial gains/(losses) related to employee benefits are recognized under equity other profit reserves.

#### **ii. Defined contribution plans:**

The Bank shall pay contributions to the Social Security Institution (Institution) on behalf of its employees at the amounts determined by the law. Other than the contributions being paid, the Bank is not liable to pay any amount to its employees or the Institution. These premiums are charged to personnel expenses in the period when they accrue.

#### **iii. Short term benefits for employees:**

The liabilities arising from the vacation payments defined as “Short-term benefits provided to employees” within the framework of TAS 19 shall be accrued in the period when they are granted, and they shall not be discounted.

Within the scope of “TAS 19-Employee Benefits”, the Bank allocates to rights obligations for employee benefits.

## **ACCOUNTING POLICIES (Continued)**

### **XVII. Explanations on taxation:**

#### **a. Current tax:**

The Corporate Tax Rate in Turkey is payable at the rate of 20% for 2015. Corporate tax is calculated on the total income of the Bank after adjusting for certain disallowable expenses in accordance with tax laws, and deducting exempt income (such as exception of participation income) and reductions. No further tax is payable unless the profit is distributed.

Dividends paid to non-resident corporations, which have a place of business in Turkey or to resident corporations, are not subject to withholding tax. Otherwise, dividends paid are subject to withholding tax at the rate of 15%. An increase in capital via issuing bonus shares is not considered as profit distribution and thus does not incur withholding tax.

Corporations are required to pay advance corporate tax quarterly at a rate of 20% on their corporate income. Advance tax is declared by the 14th and paid by the 17th day of the second month following each calendar quarter end. Advance tax paid by corporations which is for the current period is credited against the annual corporation tax calculated on their annual corporate income in the following year. Despite the offset, if there is temporary prepaid tax remaining, this balance can be refunded or used to offset any other financial liabilities to the government.

75% portion of the capital gains derived from the sale of equity investments and immovable properties held for at least two years is tax exempt, if such gains are added to paid-in capital or held in a special account under shareholder's equity for five years.

Under the Turkish Corporate Tax Law, losses can be carried forward to offset against future taxable income for up to five years.

In Turkey, there is not a procedure for an agreement on taxes payable with the tax authorities. Tax returns are required to be filled and delivered to the related tax office until the evening 25th of the fourth month following the balance sheet date. Tax returns are open for five years from the beginning of the year following the balance sheet date and during this period the tax authorities have the right to audit tax returns, and the related accounting records on which they are based, and may issue re-assessments based on their findings.

Current tax, related to items recognized directly in equity is also credited or charged directly to equity.

#### **b. Deferred tax:**

The Bank calculates and accounts for deferred income taxes for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in these financial statements in accordance with "Turkish Accounting Standard for Income Taxes" ("TAS 12"). In the deferred tax calculation, the enacted tax rate, in accordance with the tax legislation, is used as of the balance sheet date.

Deferred tax liabilities are recognized for all resulting temporary differences whereas deferred tax assets resulting from temporary differences are recognized to the extent that it is probable that future taxable profit will be available against which the deferred tax assets can be utilized. Deferred tax asset is not provided over provisions for possible risks and general loan loss provisions according to the circular of BRSA numbered BRSA.DZM.2/13/1-a-3 and dated 8 December 2004.

The calculated deferred tax asset and deferred tax liability are presented as net off in financial statements.

Deferred tax, related to items recognized directly in equity is also credited or charged directly to equity.



**ACCOUNTING POLICIES (Continued)**

**XVIII. Explanations on borrowings:**

Trading and derivative financial liabilities are valued with their fair values and the other financial liabilities are carried at “amortized cost” using the effective interest method.

**XIX. Explanations on issuance of share certificates:**

Transaction costs regarding the issuance of share certificates are accounted under shareholders’ equity after eliminating the tax effects.

The Bank does not have any share certificates issued as at 31 March 2016 and 31 December 2015.

**XX. Explanations on drafts and acceptances:**

Avalized drafts and acceptances shown as liabilities against assets are included in the “Off-balance sheet commitments”.

**XXI. Explanations on government incentives:**

As at 31 March 2016 and 31 December 2015, the Bank has no government grants.

**XXII. Explanations on segment reporting:**

An operating segment is a component of an entity:

- (a) that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity),
- (b) whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and
- (c) for which discrete financial information is available.

Information about operating segments is disclosed in Note VIII of Section Four.

**XXIII. Explanations on other matters:**

Changes in accounting policies applied retrospectively by restating prior period financial statements. There are no changes in accounting policies in the current period.

**SECTION FOUR**  
**INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK**

**I. Explanation on equity:**

The Bank's capital adequacy standard ratio is 114,25 % (31 December 2015: 129,64 %). Capital adequacy ratios are calculated within the scope of the "Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks", "Regulation on Credit Risk Mitigation Techniques" and "Regulation on Calculation of Risk Weighted Amounts for Securitizations" published in the Official Gazette no. 29111 dated 6 September 2014, effectiveness date is 31 Mart 2016.

	<b>Current Period 31 March 2016</b>	<b>Amounts related to treatment before 1/1/2014(*)</b>
<b>COMMON EQUITY TIER 1 CAPITAL</b>		
Paid-in capital following all debts in terms of claim in liquidation of the Bank	40.126	
Share issue premiums	-	
Reserves	42.771	
Gains recognized in equity as per TAS	6.643	
Profit	4.928	
Current Period Profit	855	
Prior Period Profit	4.073	
Shares acquired free of charge from subsidiaries, affiliates and jointly controlled partnerships and cannot be recognised within profit for the period	-	
<b>Common Equity Tier 1 Capital Before Deductions</b>	<b>94.468</b>	
<b>Deductions from Common Equity Tier 1 Capital</b>		
Common Equity as per the 1st clause of Provisional Article 9 of the Regulation on the Equity of Banks	-	
Portion of the current and prior periods' losses which cannot be covered through reserves and losses reflected in equity in accordance with TAS	23.757	
Improvement costs for operating leasing	-	
Goodwill (net of related tax liability)	-	
Other intangibles other than mortgage-servicing rights (net of related tax liability)	6	
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	1.352	
Differences are not recognized at the fair value of assets and liabilities subject to hedge of cash flow risk	-	
Communiqué Related to Principles of the amount credit risk calculated with the Internal Ratings Based Approach, total expected loss amount exceeds the total provision	-	
Gains arising from securitization transactions	-	
Unrealized gains and losses due to changes in own credit risk on fair valued liabilities	-	
Defined-benefit pension fund net assets	-	
Direct and indirect investments of the Bank in its own Common Equity	-	
Shares obtained contrary to the 4th clause of the 56th Article of the Law	-	
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 due to insufficient Additional Tier I Capital or Tier II Capital	-	
<b>Total Deductions From Common Equity Tier 1 Capital</b>	<b>25.115</b>	
<b>Total Common Equity Tier 1 Capital</b>	<b>69.353</b>	

**INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued)**

**I. Explanation on equity (continued):**

<b>Additional Tier I Capital</b>	-
Preferred Stock not Included in Common Equity and the Related Share Premiums	-
Debt instruments and premiums approved by BRSA	-
Debt instruments and premiums approved by BRSA(Temporary Article 4)	-
<b>Additional Tier I Capital before Deductions</b>	-
<b>Deductions from Additional Tier I Capital</b>	-
Direct and indirect investments of the Bank in its own Additional Tier I Capital	-
Investments of Bank to Banks that invest in Bank's additional equity and components of equity issued by financial institutions with compatible with Article 7.	-
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital	-
The Total of Net Long Position of the Direct or Indirect Investments in Additional Tier I Capital of Unconsolidated Banks and Financial Institutions where the Bank Owns more than 10% of the Issued Share Capital	-
Other items to be defined by the BRSA	-
<b>Transition from the Core Capital to Continue to deduce Components</b>	-
Goodwill and other intangible assets and related deferred tax liabilities which will not deducted from Common Equity Tier 1 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-
Net deferred tax asset/liability which is not deducted from Common Equity Tier 1 capital for the purposes of the sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-
Deductions to be made from common equity in the case that adequate Additional Tier I Capital or Tier II Capital is not available (-)	-
<b>Total Deductions From Additional Tier I Capital</b>	-
<b>Total Additional Tier I Capital</b>	-
<b>Total Tier I Capital (Tier I Capital=Common Equity+Additional Tier I Capital)</b>	<b>69.353</b>
<b>TIER II CAPITAL</b>	-
Debt instruments and share issue premiums deemed suitable by the BRSA	-
Debt instruments and share issue premiums deemed suitable by BRSA (Temporary Article 4)	-
Provisions (Article 8 of the Regulation on the Equity of Banks)	249
<b>Tier II Capital Before Deductions</b>	<b>249</b>
<b>Deductions From Tier II Capital</b>	-
Direct and indirect investments of the Bank on its own Tier II Capital (-)	-
Investments of Bank to Banks that invest on Bank's Tier 2 and components of equity issued by financial institutions with the conditions declared in Article 8.	-
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 item 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 (-)	-
<b>Total Deductions from Tier II Capital</b>	-
<b>Total Tier II Capital</b>	<b>249</b>
<b>Total Capital (The sum of Tier I Capital and Tier II Capital)</b>	-
<b>Deductions from Total Capital</b>	<b>69.602</b>
Deductions from Capital Loans granted contrary to the 50th and 51th Article of the Law	-
Net Book Values of Movables and Immovables Exceeding the Limit Defined in the Article 57, Clause 1 of the Banking Law and the Assets Acquired against Overdue Receivables and Held for Sale but Retained more than Five Years	-
Other items to be defined by the BRSA (-)	-
<b>In transition from Total Core Capital and Supplementary Capital (the capital) to Continue to Download Components</b>	-
The Sum of net long positions of investments (the portion which exceeds the %10 of Banks Common Equity) in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity which will not deducted from Common Equity Tier 1 capital, Additional Tier 1 capital, Tier 2 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-
The Sum of net long positions of investments in the Additional Tier 1 capital and Tier 2 capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity which will not deducted from Common Equity Tier 1 capital, Additional Tier 1 capital, Tier 2 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-
The Sum of net long positions of investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity, mortgage servicing rights, deferred tax assets arising from temporary differences which will not deducted from Common Equity Tier 1 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-

**INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued)**

**I. Explanation on equity (continued):**

<b>TOTAL CAPITAL</b>	
Total Capital	69.602
Total risk weighted amounts	60.923
<b>Capital Adequacy Ratios</b>	
Tier 1 Capital Adequacy Ratio	113,84
Core Capital Adequacy Ratio	113,84
Capital Adequacy Ratio	114,25
<b>BUFFERS</b>	
Total buffer requirement	-
Capital conservation buffer requirement (%)	-
Bank specific counter-cyclical buffer requirement(%)	-
The ratio of Additional Common Equity Tier 1 capital which will be calculated by the first paragraph of the Article 4 of Regulation on Capital Conservation and Countercyclical Capital buffers to Risk Weighted Assets(%)	-
<b>Amounts below the Excess Limits as per the Deduction Principles</b>	
Portion of the total of net long positions of investments in equity items of unconsolidated banks and financial institutions where the bank owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier I capital	-
Portion of the total of investments in equity items of unconsolidated banks and financial institutions where the bank owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier I capital	-
Other intangibles other than mortgage-servicing rights	-
Amount arising from deferred tax assets based on temporary differences	-
<b>Limits related to provisions considered in Tier II calculation</b>	
General provisions for standard based receivables (before tenthousandtwentyfive limitation)	702
Up to 1.25% of total risk-weighted amount of general reserves for receivables where the standard approach used	249
Excess amount of total provision amount to credit risk Amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation	-
Excess amount of total provision amount to %0,6 of risk weighted receivables of credit risk Amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation	-
<b>Debt instruments subjected to Article 4 (to be implemented between January 1, 2018 and January 1, 2022)</b>	
Upper limit for Additional Tier I Capital subjected to temporary Article 4	-
Amounts Excess the Limits of Additional Tier I Capital subjected to temporary Article 4	-
Upper limit for Additional Tier II Capital subjected to temporary Article 4	-
Amounts Excess the Limits of Additional Tier II Capital subjected to temporary Article 4	-

**INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued)**

**I. Explanation on equity (continued):**

The equity is calculated on the capital adequacy ratio calculation basis having reduced deductible assets on equity from the sum of core capital and supplementary capital within the scope of "Regulation on Equities of Banks" (Regulation). The difference between Total Capital and Equity in the consolidated balance sheet mainly arises from the general provision. On the other hand, in the calculation of the Total Capital, improvement costs for operating leases followed under tangible assets in the balance sheet, intangible assets and related deferred tax liabilities, net book value of immovables that are acquired against overdue receivables and retained more than five years, other items defined by the regulator are taken into consideration as amounts deducted from Total Capital.

	<b>Prior Period</b>
<b>TIER I CAPITAL</b>	
Paid-in Capital to be Entitled for Compensation after All Creditors	40.126
Share premium	-
Share Cancellation Profits	-
Reserves	42.773
Other Comprehensive Income according to TAS	6.643
Profit	4.072
Net Current Period Profit	4.045
Prior Period Profit	27
Provisions for Possible Losses	-
Bonus Shares from Associates, Subsidiaries and Joint-Ventures not Accounted in Current Period's Profit	-
<b>Tier I Capital Before Deductions</b>	<b>93.614</b>
<b>Deductions from Tier I Capital</b>	
Current and Prior Period's Losses not Covered by Reserves, and Losses Accounted under Equity according to TAS (-)	23.757
Leasehold Improvements on Operational Leases (-)	-
Goodwill and Other Intangible Assets and Related Deferred Tax Liabilities (-)	7
Net Deferred Tax / Liability(-)	1.375
Shares Obtained against Article 56, Paragraph 4 of the Banking Law (-)	-
Direct and Indirect Investments of the Bank on its own Tier I Capital (-)	-
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital (-)	-
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital (-)	-
Mortgage Servicing Rights Exceeding the 10% Threshold of Tier I Capital (-)	-
Net Deferred Tax Assets arising from Temporary Differences Exceeding the 10% Threshold of Tier I Capital (-)	-
Amount Exceeding the %15 Threshold of Tier I Capital as per the Article 2, Clause 2 of Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks (-)	-
The Portion of Net Long Position of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or more of the Issued Share Capital not deducted from Tier Capital (-)	-
Mortgage Servicing Rights not Deducted (-)	-
Excess Amount arising from Deferred Tax Assets from Temporary Differences (-)	-
Other items to be Defined by the BRSA (-)	-
Deductions from Tier I Capital in cases where there are no adequate Additional Core Capital (-)	-
<b>Total Deductions from Tier I Capital</b>	<b>25.139</b>
<b>Total Tier I Capital</b>	<b>68.475</b>
<b>ADDITIONAL CORE CAPITAL</b>	
Preferred Stock not Included in Tier I Capital and the Related Share Premiums	-
Debt Instruments and the Related Issuance Premiums Defined by the BRSA (Issued or Obtained after 1.1.2014)	-
Debt Instruments and the Related Issuance Premiums Defined by the BRSA (Issued or Obtained after 1.1.2014)	-
<b>Additional Core Capital before Deductions</b>	<b>-</b>
<b>Deductions from Additional Core Capital</b>	
Direct and Indirect Investments of the Bank on its own Additional Core Capital (-)	-
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital (-)	-
Total of Net Long Position of the Direct or Indirect Investments in Additional Tier I Capital of Unconsolidated Banks of Financial Institutions where the Bank Owns more than 10% of Issued Share Capital (-)	-
Other Items to be Defined by the BRSA (-)	-
Deductions from Additional Core Capital in cases where there are no adequate Tier II Capital (-)	-

**INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued)**

**I. Explanation on equity (continued):**

	Prior Period
<b>Total Deductions from Additional Core Capital</b>	-
<b>Total Additional Core Capital</b>	-
<b>Deductions from Core Capital</b>	-
Goodwill and Other Intangible Assets and Related Deferred Taxes not deducted from Tier I Capital as per the Temporary Article 2, Clause 1 of the Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks (-)	-
Net Deferred Tax Asset/Liability not deducted from Tier I Capital as per the Temporary Article 2, Clause 1 of the Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks (-)	-
<b>Total Core Capital</b>	<b>68.475</b>
<b>TIER II CAPITAL</b>	
Debt Instruments and Related Issuance Premiums Defined by the BRSA (Issued or Obtained after 1.1.2014)	-
Debt Instruments and Related Issuance Premiums Defined by the BRSA (Issued or Obtained after 1.1.2014)	-
Pledged Assets of the Shareholders to be used for the Bank's Capital Increases	-
General Provisions	298
<b>Tier II Capital before Deductions</b>	<b>298</b>
<b>Deductions from Tier II Capital</b>	
Direct and Indirect Investments of the Bank on its own Tier II Capital (-)	-
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital (-)	-
The Total of Net Long Position of the Direct or Indirect Investments in Additional Core Capital and Tier II Capital of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or more of the Issued Share Capital Exceeding the 10% Threshold of Tier I Capital (-)	-
Other items to be Defined by the BRSA (-)	-
<b>Total Deductions from Tier II Capital</b>	-
<b>Total Tier II Capital</b>	<b>298</b>
<b>CAPITAL</b>	<b>68.773</b>
Loans Granted against the Articles 50 and 51 of the Banking Law (-)	-
Net Book Values of Movables and Immovables Exceeding the Limit Defined in the Article 57, Clause 1 of the Banking Law and the Assets Acquired against Overdue Receivables and Held for Sale but Retained more than Five Years (-)	-
Loans to Banks, Financial Institutions (domestic/foreign) or Qualified Shareholders in the form of Subordinated Debts or Debt Instruments Purchased from Such Parties and Qualified as Subordinated Debts (-)	-
Deductions as per the Article 20, Clause 2 of the Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks (-)	-
Other items to be Defined by BRSA (-)	-
The Portion of Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital not deducted from Tier I Capital, Additional Core Capital or Tier II Capital as per the Temporary Article 2, Clause 1 of the Regulation (-)	-
The Portion of Total of Net Long Positions of the Investments in equity Items of Unconsolidated Banks and Financial Institutions where the Banks Owns more than 10% of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital not deducted from Additional Core Capital or Tier II Capital as per the Temporary Article 2, Clause 1 of the Regulation (-)	-
The Portion of Net Long Position of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or more of the Issued Share Capital, of the Net Deferred Tax Assets arising from Temporary Differences and of the Mortgage Servicing Rights not deducted from Tier I Capital as per the Temporary Article 2, Clause 2, Paragraph (1) and (2) and Temporary Article 2, Clause 1 of the Regulation (-)	-
<b>EQUITY</b>	<b>68.773</b>
<b>Amounts Below the Thresholds for Deduction</b>	-
Remaining Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital	-
Remaining Total of Net Long Positions of the Investments in Tier I Capital of Unconsolidated Banks and Financial Institutions where the Bank Owns more than 10% or less of the Tier I Capital	-
Remaining Mortgage Servicing Rights	-
Net Deferred Tax Assets arising from Temporary Differences	-

**INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued)**

**II. EXPLANATIONS ON CURRENCY RISK:**

The Bank does not carry structural foreign currency risk. The Bank utilizes derivative instruments in order to balance its net foreign currency position. Foreign currency risk is monitored whether it is within legal limits. The Bank's spot foreign exchange bid rates as of the date of the financial statements and for the five days prior to that date are as follows:

	<u>USD</u>	<u>EUR</u>
<b>Balance Sheet Evaluation Rate (31 March 2016):</b>	<b>2,8249</b>	<b>3,2090</b>
As of 30 March 2016	2,8334	3,2081
As of 29 March 2016	2,8695	3,2114
As of 28 March 2016	2,8733	3,2082
As of 25 March 2016	2,8705	3,2049
As of 24 March 2016	2,8789	3,2141

The simple arithmetical average of the Bank's foreign exchange bid rates for the last thirty days are TL 2,8883 for 1 US dollar and TL 3,2056 for 1 EUR

	<u>USD</u>	<u>EUR</u>
<b>Balance Sheet Evaluation Rate (31 December 2015):</b>	<b>2,9181</b>	<b>3,1838</b>

**INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued)**

**Information on currency risk of the Bank:**

	EUR	USD	Other FC	Total
<b>31 March 2016</b>				
<b>Assets</b>				
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques Purchased) and Balances with the CBRT	-	-	-	-
Banks	25	55	33	113
Financial Assets at Fair Value Through Profit or Loss (Net)	-	-	-	-
Interbank Money Market Placements	-	-	-	-
Available-for-Sale Financial Assets (Net)	-	-	-	-
Loans and receivables	-	-	-	-
Investments in Associates, Subsidiaries and Joint Ventures (Net)	-	-	-	-
Held-to-Maturity Investments (Net)	-	-	-	-
Hedging Derivative Financial Assets	-	-	-	-
Tangible Assets (Net)	-	-	-	-
Intangible Assets (Net)	-	-	-	-
Other Assets	-	-	-	-
<b>Total Assets</b>	<b>25</b>	<b>55</b>	<b>33</b>	<b>113</b>
<b>Liabilities</b>				
Bank Deposits	-	-	-	-
Foreign Currency Deposits	-	-	-	-
Funds From Interbank Money Market	-	-	-	-
Borrowings	-	-	-	-
Funds Borrowed From Other Financial Institutions	-	-	-	-
Marketable Securities Issued (Net)	-	-	-	-
Miscellaneous Payables	-	-	-	-
Hedging Derivative Financial Liabilities	-	-	-	-
Other Liabilities	-	-	-	-
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net On-balance Sheet Position</b>	<b>25</b>	<b>55</b>	<b>33</b>	<b>113</b>
<b>Net Off-balance Sheet Position</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Financial Derivative Assets	-	-	-	-
Financial Derivative Liabilities	-	-	-	-
<b>Non-Cash Loans</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>31 December 2015</b>				
Total Assets	5	33	37	75
Total Liabilities	-	-	-	-
<b>Net On-balance Sheet Position</b>	<b>5</b>	<b>33</b>	<b>37</b>	<b>75</b>
<b>Net Off-balance Sheet Position</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Financial Derivative Assets	-	-	-	-
Financial Derivative Liabilities	-	-	-	-
<b>Non-Cash Loans</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



## INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued)

### III. EXPLANATIONS ON INTEREST RATE RISK

Interest rate sensitivity of the assets, liabilities and off-balance sheet items is monitored by the market risk monitoring unit and interest rate sensitive assets and liabilities are managed to minimize the interest rate sensitivity of assets and liabilities. Daily interest rates are monitored by the treasury department and transactions are performed by considering risk/return relationship. The probable fluctuations in market interest rates are taken into account when calculating value-at-risk, so expected effects are within limits. Internal Control and Treasury Operations departments check the accuracy of applied interest rates for daily transactions. Any interest rate risk on balance sheet is managed within the limits set by the Board of Directors.

#### Information related to the interest rate mismatch of the Bank:

Current year interest rate sensitivity of assets, liabilities and off-balance sheet items (based on repricing dates)

	Up to 1 Month	1-3 Months	3-12 Months	1-5 Year	Over 5 Years	Non- Interest Bearing	Total
<b>31 March 2016</b>							
<b>Assets</b>							
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques, Purchased) and Balances with the CBRT	-	-	-	-	-	41	41
Banks	47.558	-	-	-	-	126	47.684
Financial Assets at F.V. Through Profit/Loss	-	-	-	-	-	-	-
Interbank Money Market Placements	2.900	-	-	-	-	-	2.900
Available-for-Sale Financial Assets	-	-	-	-	-	-	-
Loans and receivables	-	-	-	-	-	-	-
Held-to-Maturity Investments	-	-	-	-	-	-	-
Other Assets (*)	-	-	-	-	-	28.365	28.365
<b>Total Assets</b>	<b>50.458</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>28.532</b>	<b>78.990</b>
<b>Liabilities</b>							
Bank Deposits	-	-	-	-	-	-	-
Other Deposits	-	-	-	-	-	-	-
Funds From Interbank Money Market	-	-	-	-	-	-	-
Miscellaneous Payables	-	-	-	-	-	-	-
Marketable Securities Issued	-	-	-	-	-	-	-
Funds Borrowed From Other Financial Institutions	-	-	-	-	-	-	-
Other Liabilities (**)	813	1.731	-	5.736	-	70.710	78.990
<b>Total Liabilities</b>	<b>813</b>	<b>1.731</b>	<b>-</b>	<b>5.736</b>	<b>-</b>	<b>70.710</b>	<b>78.990</b>
Balance Sheet Long Position	49.645	-	-	-	-	-	49.645
Balance Sheet Short Position	-	(1.731)	-	(5.736)	-	(42.178)	(49.645)
Off-balance Sheet Long Position	-	-	-	-	-	-	-
Off-balance Sheet Short Position	-	-	-	-	-	-	-
<b>Total Position</b>	<b>49.645</b>	<b>(1.731)</b>	<b>-</b>	<b>(5.736)</b>	<b>-</b>	<b>(42.178)</b>	<b>-</b>

(\*) "Other Assets" line includes Miscellaneous Receivables, Tangible Assets, Intangible Assets and Other Assets.

(\*\*) Equity is presented under "Other liabilities" item in the "Non-interest bearing" column.

**INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued)**

**Information related to the interest rate mismatch of the Bank (Continued)**

	Up to 1 Month	1-3 Months	3-12 Months	1-5 Year	Over 5 Years	Non-Interest Bearing	Total
<b>31 December 2015</b>							
<b>Assets</b>							
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques, Purchased) and Balances with the CBRT	-	-	-	-	-	93	93
Banks	53.383	-	-	-	-	98	53.481
Financial Assets at F.V. Through Profit/Loss	-	-	-	-	-	-	-
Interbank Money Market Placements	2.000	-	-	-	-	-	2.000
Available-for-Sale Financial Assets	-	-	-	-	-	-	-
Loans and receivables	-	-	-	-	-	-	-
Held-to-Maturity Investments	-	-	-	-	-	-	-
Other Assets (*)	-	-	-	-	-	23.642	23.642
<b>Total Assets</b>	<b>55.383</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>23.833</b>	<b>79.216</b>
<b>Liabilities</b>							
Bank Deposits	-	-	-	-	-	-	-
Other Deposits	-	-	-	-	-	-	-
Funds From Interbank Money Market	-	-	-	-	-	-	-
Miscellaneous Payables	-	-	-	-	-	-	-
Marketable Securities Issued	-	-	-	-	-	-	-
Funds Borrowed From Other Financial Institutions	-	-	-	-	-	-	-
Other Liabilities (**)	878	3.447	-	5.036	-	69.855	79.216
<b>Total Liabilities</b>	<b>878</b>	<b>3.447</b>	<b>-</b>	<b>5.036</b>	<b>-</b>	<b>69.855</b>	<b>79.216</b>
Balance Sheet Long Position	54.505	-	-	-	-	-	54.505
Balance Sheet Short Position	-	(3.447)	-	(5.036)	-	(46.022)	(54.505)
Off-balance Sheet Long Position	-	-	-	-	-	-	-
Off-balance Sheet Short Position	-	-	-	-	-	-	-
<b>Total Position</b>	<b>54.505</b>	<b>(3.447)</b>	<b>-</b>	<b>(5.036)</b>	<b>-</b>	<b>(46.022)</b>	<b>-</b>

(\*) "Other Assets" line includes Miscellaneous Receivables, Tangible Assets, Intangible Assets and Other Assets.

(\*\*) Equity is presented under "Other liabilities" item in the "Non interest bearing" column.

**INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued)**

**Average interest rates for monetary financial instruments:**

<b>31 March 2016</b>	<b><u>EUR (%)</u></b>	<b><u>USD (%)</u></b>	<b><u>TL (%)</u></b>
<b>Assets</b>			
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques Purchased) and Balances with the CBRT	-	-	-
Banks	-	-	11,03
Financial Assets at Fair Value Through Profit/Loss (Net)	-	-	-
Interbank Money Market Placements	-	-	7,25
Available-for-Sale Financial Assets (Net)	-	-	-
Loans and receivables	-	-	-
Held-to-Maturity Investments (Net)	-	-	-
<b>Liabilities</b>			
Bank Deposits	-	-	-
Other Deposits	-	-	-
Funds From Interbank Money Market	-	-	-
Borrowings	-	-	-
Miscellaneous Payables	-	-	-
Marketable Securities Issued (Net)	-	-	-
Funds Borrowed From Other Financial Institutions	-	-	-
<b>31 December 2015</b>	<b><u>EUR (%)</u></b>	<b><u>USD (%)</u></b>	<b><u>TL (%)</u></b>
<b>Assets</b>			
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques Purchased) and Balances with the CBRT	-	-	-
Banks	-	-	10,40
Financial Assets at Fair Value Through Profit/Loss (Net)	-	-	-
Interbank Money Market Placements	-	-	7,25
Available-for-Sale Financial Assets (Net)	-	-	-
Loans and receivables	-	-	-
Held-to-Maturity Investments (Net)	-	-	-
<b>Liabilities</b>			
Bank Deposits	-	-	-
Other Deposits	-	-	-
Funds From Interbank Money Market	-	-	-
Borrowings	-	-	-
Miscellaneous Payables	-	-	-
Marketable Securities Issued (Net)	-	-	-
Funds Borrowed From Other Financial Institutions	-	-	-

**Banking book interest rate risk arising from the nature of the deposits other than time deposits and loan repayments and significant assumptions, including those related to the movement of interest rate risk measurement frequency:**

In Official Gazette No. 28756, dated 5 September 2013 “Regulation on Measurement Capital of Banks” monitored items are published, which are taken into account in the calculation of shareholders' equity in accordance with the items excluding subordinated liabilities, with the exception of all balance sheet and off-balance sheet items sensitive to interest arising from the interest rate risk calculation. Calculations made early repayments of loans made any assumptions for demand and time deposits. Arising from the banking book; interest rate risk is calculated on a monthly basis and reported to the BRSA

**INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued)****IV. EXPLANATIONS ON THE POSITION RISK OF SHARES**

As at 31 March 2016 the Bank's does not have any stock. Therefore, the Bank is not subject to Stock Position Risk.

**V. EXPLANATIONS ON LIQUIDITY RISK AND LIQUIDITY COVERAGE RATIO**

Liquidity risk of the Bank is monitored by the Finance Department within the liquidity limits determined by the BRSA. The sensitive balance between interest rates and liquidity gap is closely monitored in order to prevent any liquidity risks. In order to pay the liabilities due on time, sufficient cash and cash equivalents are held. The impact of tenor mismatches on profitability is minimized through effective monitoring of liquidity risk. The Bank's short and long-term liquidity needs are mainly provided by the shareholder, Standard Chartered Bank Limited, and other banks. Liquidity risk is minimized for long term loans matching the funds tenors.

In accordance with enactment of "Regulation on Banks' Liquidity Coverage Ratio Calculation" published by BRSA on Official Gazette on 21 March 2014 with No.28948, relevant weeks and highest and lowest values of weekly calculated foreign currency and total liquidity coverage ratio of last three months are as follows:

%	FC	TL+FC	Related Week
Maximum	0,00	4.864,49	22.01.2016
Minimum	0,00	1.044,02	01.01.2016

## INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued)

### Liquidity Coverage Ratio:

According to the "Regulations on the Banks' Liquidity Coverage Ratio Calculation" published by the BDDK, calculated foreign currency and total liquidity coverage ratio are monitored to ensure that banks keep high levels of liquid assets to cover net cash outflows.

Therefore, these ratios are effected by cash inflows and outflows occurred by level of liquid assets, which can be liquidity any moment and are not subject to any guarantee, and assets, liabilities and off-balance sheet items.

Current Period		Total Unweighted Value (average) <sup>(1)</sup>		Total Weighted Value (average) <sup>(1)</sup>	
		TL+FC	FC	TL+FC	FC
<b>High Quality Liquid Assets</b>					
1	High Quality Liquid Assets			3.131	-
<b>Cash Outflows</b>					
2	Retail and Small Business Customers, of which;	-	-	-	-
3	Stable Deposits	-	-	-	-
4	Less Stable Deposits	-	-	-	-
5	Unsecured wholesale funding , of which;	448	-	448	-
6	Operational Deposits	-	-	-	-
7	Non-operational Deposits	-	-	-	-
8	Other Unsecured Funding	448	-	448	-
9	Secured Funding			-	-
10	Other cash outflows, of which;	-	-	-	-
11	Derivatives cash outflow and liquidity needs related to market valuation changes on derivatives or other transactions	-	-	-	-
12	Obligations related to structured financial products	-	-	-	-
13	Commitments related to debts to financial markets and other off-balance sheet obligations	-	-	-	-
14	Other revocable off-balance sheet commitments and contractual obligations.	-	-	-	-
15	Other irrevocable or conditionally revocable off-balance sheet obligations	-	-	-	-
16	<b>Total Cash Outflows</b>			<b>448</b>	<b>-</b>
<b>Cash Inflows</b>					
17	Secured Lending	49.422	104	49.422	104
18	Unsecured Lending	-	-	-	-
19	Other Cash Inflows	-	-	-	-
20	<b>Total Cash Inflows</b>	<b>49.422</b>	<b>104</b>	<b>49.422</b>	<b>104</b>
				<b>Total Adjusted Value</b>	
21	<b>Total HQLA Stock</b>			<b>3.131</b>	<b>-</b>
22	<b>Total Net Cash Inflows</b>			<b>48.974</b>	<b>104</b>
23	<b>Liquidity Coverage Ratio(%)</b>			<b>6,39</b>	<b>-</b>

**INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued)**

**Liquidity Coverage Ratio (Continued)**

Prior Period	Total Unweighted Value (average) <sup>(1)</sup>		Total Weighted Value (average) <sup>(1)</sup>	
	TL+FC	FC	TL+FC	FC
<b>High Quality Liquid Assets</b>				
1	High Quality Liquid Assets		2.241	-
<b>Cash Outflows</b>				
2	Retail and Small Business Customers, of which;	-	-	-
3	Stable Deposits	-	-	-
4	Less Stable Deposits	-	-	-
5	Unsecured wholesale funding , of which;	689	47	689
6	Operational Deposits	-	-	-
7	Non-operational Deposits	-	-	-
8	Other Unsecured Funding	689	47	689
9	Secured Funding		-	-
10	Other cash outflows, of which;	-	-	-
11	Derivatives cash outflow and liquidity needs related to market valuation changes on derivatives or other transactions	-	-	-
12	Obligations related to structured financial products	-	-	-
13	Commitments related to debts to financial markets and other off-balance sheet obligations	-	-	-
14	Other revocable off-balance sheet commitments and contractual obligations.	1	1	-
15	Other irrevocable or conditionally revocable off-balance sheet obligations	-	-	-
16	<b>Total Cash Outflows</b>		<b>690</b>	<b>47</b>
<b>Cash Inflows</b>				
17	Secured Lending	56.460	112	56.460
18	Unsecured Lending	-	-	-
19	Other Cash Inflows	-	-	-
20	<b>Total Cash Inflows</b>	<b>56.460</b>	<b>112</b>	<b>56.460</b>
			<b>Total Adjusted Value</b>	
21	<b>Total HQLA Stock</b>		<b>2.241</b>	<b>-</b>
22	<b>Total Net Cash Outflows</b>		<b>55.770</b>	<b>65</b>
23	<b>Liquidity Coverage Ratio(%)</b>		<b>4,02</b>	<b>-</b>

<sup>(1)</sup> To be calculated by simple arithmetic average, monthly consolidated average calculated for the last three months of the liquidity coverage ratio, also calculated are weekly simple average of the last three months of the liquidity coverage ratio by taking the arithmetic mean.

The most important item effecting the liquidity coverage ratio is Bank's capital to be invested on monthly maturity basis

High quality liquid assets consist of CBRT demand deposit account and placing of the daily interbank money market operations.

**INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued)**

**a) Presentation of assets and liabilities according to their outstanding maturities:**

	<b>Demand</b>	<b>Up to 1 Month</b>	<b>1-3 Months</b>	<b>3-12 Months</b>	<b>1-5 Year</b>	<b>Over 5 Years</b>	<b>Unclassified</b>	<b>Total</b>
<b>31 March 2016</b>								
<b>Assets</b>								
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques, Purchased) and Balances with the CBRT	41	-	-	-	-	-	-	41
Banks	126	47.558	-	-	-	-	-	47.684
Financial Assets at F.V. Through Profit / Loss (Net)	-	-	-	-	-	-	-	-
Interbank Money Market Placements	-	2900	-	-	-	-	-	2900
Available-for-Sale Financial Assets (Net)	-	-	-	-	-	-	-	-
Loans and Receivables Held-to-maturity	-	-	-	-	-	-	-	-
Investments (Net)	-	-	-	-	-	-	-	-
Other Assets (*)	-	18.330	153	415	4.249	-	5.218	28.365
<b>Total Assets</b>	<b>167</b>	<b>68.788</b>	<b>153</b>	<b>415</b>	<b>4.249</b>	<b>-</b>	<b>5.218</b>	<b>78.990</b>
<b>Liabilities</b>								
Bank Deposits	-	-	-	-	-	-	-	-
Other Deposits	-	-	-	-	-	-	-	-
Funds Borrowed From Other Financial Institutions	-	-	-	-	-	-	-	-
Funds From Interbank Money Market	-	-	-	-	-	-	-	-
Marketable Securities Issued (Net)	-	-	-	-	-	-	-	-
Miscellaneous Payables	-	-	-	-	-	-	-	-
Other Liabilities (**)	-	813	1.731	-	-	5.736	70.710	78.990
<b>Total Liabilities</b>	<b>-</b>	<b>813</b>	<b>1.731</b>	<b>-</b>	<b>-</b>	<b>5.736</b>	<b>70.710</b>	<b>78.990</b>
<b>Liquidity (Gap) / Surplus</b>	<b>167</b>	<b>67.975</b>	<b>(1.578)</b>	<b>415</b>	<b>4.249</b>	<b>(5.736)</b>	<b>(65.492)</b>	<b>-</b>
<b>Net off balance sheet position</b>								
Derivative financial assets	-	-	-	-	-	-	-	-
Derivative financial liabilities	-	-	-	-	-	-	-	-
<b>Non-cash loans</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>31 December 2015</b>								
Total Assets	191	55.402	135	18.203	-	-	5.285	79.216
Total Liabilities	-	878	3.447	-	5.036	-	69.855	79.216
<b>Liquidity (Gap) / Surplus</b>	<b>191</b>	<b>54.524</b>	<b>(3.312)</b>	<b>18.203</b>	<b>(5.036)</b>	<b>-</b>	<b>(64.570)</b>	<b>-</b>
<b>Net off balance sheet position</b>								
Derivative financial assets	-	-	-	-	-	-	-	-
Derivative financial liabilities	-	-	-	-	-	-	-	-
<b>Non-cash loans</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

(\*) "Other Assets" include Miscellaneous Receivables, Tangible Assets, Intangible Assets and Other Assets.

(\*\*) Equity is presented under "Other liabilities" item in the "Unclassified" column.

## INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued)

### VI. EXPLANATIONS ON LEVERAGE RATIO

#### a. Explanations on Differences Between Current and Prior Years' Leverage Ratios:

The Bank's leverage ratio is calculated in accordance with the principles of the "Regulation on Measurement and Evaluation of Banks' Leverage Level". As of 31 March 2016, the Bank's leverage ratios is 88,48% (31 December 2015: 60,70%). Change of leverage ratio is mainly related to increase in the amount of risk on balance sheet items. According to Regulation, the minimum leverage ratio is 3%.

#### b. Information on leverage ratio:

	Current Period <sup>(1)</sup>	Prior Period <sup>(1)</sup>
<b>On-Balance Sheet Items</b>		
On-balance sheet items (excluding derivatives and SFTs, but including collateral)	79.669	80.303
Assets that are deducted from core capital	(1.418)	(1.471)
Total on balance sheet exposures	78.251	78.832
<b>Derivative exposures and credit derivatives</b>		
Replacement cost associated with derivative financial instruments and credit derivatives	-	-
The potential amount of credit risk with derivative financial instruments and credit derivatives	-	-
The total amount of risk on derivative financial instruments and credit derivatives	-	-
<b>Investment securities or commodity collateral financing transactions</b>		
The amount of risk investment securities or commodity collateral financing transactions (Excluding on balance sheet items)	-	-
Risk amount of exchange brokerage operations	-	-
Total risks related with securities or commodity financing transactions	-	-
<b>Off -Balance Sheet Items</b>		
Gross notional amount of off-balance sheet items	-	28.489
Adjustments for conversion to credit equivalent amounts	-	6.861
The total risk of off-balance sheet items	-	35.350
<b>Capital and Total Exposures</b>		
Tier 1 Capital	69.237	69.306
Total Exposures	78.251	114.182
<b>Leverage Ratio</b>		
Leverage Ratio	88,48	60,70

<sup>(1)</sup> Three-month average of the amounts in the table



## **INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued)**

### **VII. EXPLANATIONS ON OPERATING SEGMENTS**

The Bank's main commercial business units are financing corporate customers and trading finance activities and treasury.

Corporate banking provides financial solutions and banking services to corporate clients. The Bank provides TL and foreign currency denominated loans, foreign trade financing, letters of credit, letters of guarantee and foreign currency buy and sell services to corporate clients. (Transaction banking and Origination Client Coverage services).

Information on operating segments as at 31 March 2016 and 31 December 2015 is as follows:

#### **Balance sheet and income statement items based on operating segments:**

<b>Current Period</b>	<b>Transaction Banking and OCC</b>	<b>Global Markets</b>	<b>Other</b>	<b>Total Operations of the bank</b>
<b>31 March 2016</b>				
Operating Income	4.718	1.403	16	6.137
Provision of decrease in value of	-	-	-	-
Operating Costs (-)	(4.695)	(154)	-	(4.849)
<b>Net Operating Profit</b>	<b>23</b>	<b>1.249</b>	<b>16</b>	<b>1.288</b>
Dividend Income	-	-	-	-
<b>Profit / (Loss) before tax</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Tax Income /(expense)	-	-	433	(433)
<b>Net Profit / (Loss)</b>	<b>23</b>	<b>1.249</b>	<b>(433)</b>	<b>855</b>
Segment Assets	22.412	50.626	5.952	78.990
<b>Total Assets</b>	<b>22.412</b>	<b>50.626</b>	<b>5.952</b>	<b>78.990</b>
Segment Liabilities	-	-	-	-
Unallocated Liabilities	-	70.710	8.280	78.990
<b>Total Liabilities</b>	<b>-</b>	<b>70.710</b>	<b>8.280</b>	<b>78.990</b>
<b>Prior Period</b>	<b>Transaction Banking and OCC</b>	<b>Global Markets</b>	<b>Other</b>	<b>Total Operations of the bank</b>
<b>31 December 2015 (*)</b>				
Operating Income	5.094	1.186	-	6.280
Provision of decrease in value of	-	-	(7)	(7)
Operating Costs (-)	(3.899)	(151)	(169)	(4.219)
<b>Net Operating Profit</b>	<b>1.195</b>	<b>1.035</b>	<b>(176)</b>	<b>2.054</b>
Dividend Income	-	-	-	-
<b>Profit / (Loss) before tax</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Tax Income /(expense)	-	-	(799)	(799)
<b>Net Profit / (Loss)</b>	<b>1.195</b>	<b>1.035</b>	<b>(975)</b>	<b>1.255</b>
Segment Assets	18.203	55.574	5.439	79.216
Unallocated Assets	-	-	-	-
<b>Total Assets</b>	<b>18.203</b>	<b>55.574</b>	<b>5.439</b>	<b>79.216</b>
Segment Liabilities	-	-	-	-
Unallocated Liabilities	-	69.855	9.361	79.216
<b>Total Liabilities</b>	<b>-</b>	<b>69.855</b>	<b>9.361</b>	<b>79.216</b>

(\*) Amounts are from 31 March 2015 income statement.

**INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued)**

**VIII. EXPLANATIONS ON RISK MANAGEMENT AND RISK WEIGHTED AMOUNTS:**

		Risk Weighted Amounts		Minimum Capital Requirements
		Current Period	Prior Period	Current Period
1	Credit risk (excluding counterparty credit risk) (CCR)	19.883	23.862	1.591
2	Standardised approach (SA)	19.883	23.862	1.591
3	Internal rating-based (IRB) approach	-	-	-
4	Counterparty credit risk	-	-	-
5	Standardised approach for counterparty credit risk (SA-CCR)	-	-	-
6	Internal model method (IMM)	-	-	-
7	Basic risk weight approach to internal models equity position in the banking account	-	-	-
8	Investments made in collective investment companies – look-through approach	-	-	-
9	Investments made in collective investment companies – mandate-based approach (*)	-	-	-
10	Investments made in collective investment companies - %1250 weighted risk approach	-	-	-
11	Settlement risk	-	-	-
12	Securitization positions in banking accounts	-	-	-
13	IRB ratings-based approach (RBA)	-	-	-
14	IRB Supervisory Formula Approach (SFA)	-	-	-
15	SA/simplified supervisory formula approach (SSFA)	-	-	-
16	Market risk	113	76	9
17	Standardised approach (SA)	113	76	9
18	Internal model approaches (IMM)	-	-	-
19	Operational Risk	40.927	29.113	3.274
20	Basic Indicator Approach	40.927	29.113	3.274
21	Standart Approach	-	-	-
22	Advanced measurement approach	-	-	-
23	The amount of the discount threshold under the equity (subject to a 250% risk weight)	-	-	-
24	Floor adjustment	-	-	-
25	<b>Total ( 1+4+7+8+9+10+11+12+16+19+23+24)</b>	<b>60.923</b>	<b>53.051</b>	<b>4.874</b>

## SECTION FIVE

### EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS

#### I. EXPLANATIONS AND NOTES RELATED TO ASSETS:

##### a. Explanations on cash and the account of the CBRT:

##### 1. Information related to cash and the account of CBRT:

	31 March 2016		31 December 2015	
	TL	FC	TL	FC
Cash/Foreign Currency	-	-	-	-
CBRT	41	-	93	-
Other	-	-	-	-
<b>Total</b>	<b>41</b>	<b>-</b>	<b>93</b>	<b>-</b>

##### 2. Information on the account of the CBRT:

	31 March 2016		31 December 2015	
	TL	FC	TL	FC
Demand Unrestricted Amount	41	-	93	-
Time Deposit Amount	-	-	-	-
Non - Time Deposit Amount	-	-	-	-
<b>Total</b>	<b>41</b>	<b>-</b>	<b>93</b>	<b>-</b>

**EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**b. Explanations on financial assets at fair value through profit or loss:**

- As at 31 March 2016, there are not any financial assets through profit or loss given as collateral/blocked (31 December 2015: None).
- Positive differences related to trading derivative financial assets: None

**c. Information on banks:**

- Information on banks and other financial institutions:

	31 March 2016		31 December 2015	
	TL	FC	TL	FC
Banks				
Domestic	45.069	8	23	8
Foreign	2.502	105	53.383	67
Headquarters and Branches Abroad	-	-	-	-
<b>Total</b>	<b>47.571</b>	<b>113</b>	<b>53.406</b>	<b>75</b>

- Information on foreign banks

	Free Amount		Non-Free Amount	
	31 March 2016	31 December 2015	31 March 2016	31 December 2015
EU Countries	2.556	53.420	-	-
USA, Canada	46	24	-	-
OECD Countries (*)	5	6	-	-
Off-Shore Banking Regions	-	-	-	-
Other	-	-	-	-
<b>Total</b>	<b>2.607</b>	<b>53.450</b>	<b>-</b>	<b>-</b>

(\*) OECD countries, besides EU countries, U.S.A. and Canada.

**d. Explanations on available-for-sale financial assets:**

- Characteristics and carrying values of available-for-sale financial assets given as collateral:  
As at 31 March 2016, there are not any available for sale financial assets given as collateral/blocked (31 December 2015: None).
- Information on available for sale financial assets:  
As at 31 March 2016, there are not any available for sale financial assets (31 December 2015: None).

**EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**e. Explanations on loans:**

1. Information on all types of loan or advance balances given to shareholders and employees of the Bank:  
None. (31 December 2015: None).
2. Information on the first and second group loans, other receivables and loans that have been restructured or rescheduled and other receivables: None (31 December 2015: None).
3. Information on maturity structure of the loans:  
None (31 December 2015: None).
4. Information on consumer loans, individual credit cards, personnel loans and personnel credit cards:  
As at 31 March 2016, the Bank has no consumer loans, personal credit cards and individual credit cards (31 December 2015: None). As at 31 March 2016, the Bank has no personnel loan (31 December 2015: TL None).
5. Information on commercial installment loans and corporate credit cards:  
As at 31 March 2016, the Bank has no commercial installment loans and corporate credit cards (31 December 2015: None).
6. Domestic and foreign loans:  
None. (31 December 2015: None).
7. Loans granted to investments in associates and subsidiaries:  
As of 31 March 2016, the Bank has no loans granted to investments in associates and subsidiaries (31 December 2015: None).

**EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)**

8. Specific provisions provided against loans:

	31 March 2016	31 December 2015
Loans and Other Receivables with Limited Collectability	-	-
Loans and Other Receivables with Doubtful Collectability	-	-
Uncollectible Loans and Other Receivables	4.982	4.982
<b>Total</b>	<b>4.982</b>	<b>4.982</b>

9. Information on non-performing loans (Net):

As at 31 March 2016, there are not any non-performing loans (31 December 2015: None).

10. (i). Information on the movement of total non-performing loans:

	III. Group	IV. Group	V. Group
	Loans and other receivables with limited collectability	Loans and other Receivables with doubtful collectability	Uncollectible loans and other receivables
<b>31 March 2016</b>			
<b>Balance at the Beginning of the Period</b>	-	-	<b>4.982</b>
Additions (+)	-	-	-
Transfers from Other Categories of Non-performing Loans (+)	-	-	-
Transfers to Other Categories of Non-performing Loans (-)	-	-	-
Collections (-)	-	-	-
Write-offs (-)	-	-	-
Corporate and Commercial Loans	-	-	-
Consumer Loans	-	-	-
Credit Cards	-	-	-
Other	-	-	-
<b>Balance at the End of the Period</b>	-	-	<b>4.982</b>
Specific Provision (-)	-	-	4.982
<b>Net Balance on Balance Sheet</b>	-	-	-

**EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)**

10. (ii). Information on non-performing loans based on types of borrowers in gross and net amounts:

	III. Group	IV. Group	V. Group
	Loans and other receivables with limited collectability	Loans and other Receivables with doubtful collectability	Uncollectible loans and other receivables
<b>31 March 2016 (Net)</b>			
Loans Given to Real Persons and Legal Persons (Gross)	-	-	4.982
Specific Provision Amount (-)	-	-	4.982
Loans Given to Real Persons and Legal Persons (Net)	-	-	-
Banks (Gross)	-	-	-
Specific Provision Amount (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	-
Specific Provision Amount (-)	-	-	-
Other Loans and Receivables (Net)	-	-	-
<b>31 December 2015 (Net)</b>	-	-	-
Loans Given to Real Persons and Legal Persons (Gross)	-	-	4.982
Specific Provision Amount (-)	-	-	4.982
Loans Given to Real Persons and Legal Persons (Net)	-	-	-
Banks (Gross)	-	-	-
Specific Provision Amount (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	-
Specific Provision Amount (-)	-	-	-
Other Loans and Receivables (Net)	-	-	-

10. (iii). Information on non-performing loan receivables granted in foreign currency: None (31 December 2015: None)

10. (iv). Information on non-performing loans restructured or rescheduled and other receivables: None.

11. Explanations on the write-off policy:

After all kinds of legal procedures are exercised and if there is no probability of collecting the loan, those uncollectible loans are written-off from the Bank' assets.

12. The policy followed-up for the collection of uncollectible loans and other receivables:

The Bank is prudent with regards to lending and follow-up policies for doubtful loans. Early precautions have been taken for problematic transactions and the Bank attempts to solve customers' problems via consultative or advisory approach. In cases where no solution can be found to the customer's problem, the Bank tries to collect the receivable with cash-convertible guarantees for loans secured.

**EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**f. Explanations on held-to-maturity investments (Net):**

The Bank does not have any investment securities held to maturity as at 31 March 2016 (31 December 2015: None).

**g. Explanations on investments in associates (Net):**

The Bank does not have any associates as at 31 March 2016 (31 December 2015: None).

**h. Explanations on subsidiaries (Net):**

The Bank does not have any subsidiaries as at 31 March 2016 (31 December 2015: None).

**i. Explanations on joint ventures:**

The Bank does not have any joint ventures as at 31 March 2016 (31 December 2015: None).

**j. Explanations on lease receivables (net):**

The Bank does not have any lease receivables as at 31 March 2016 (31 December 2015: None).

**k. Explanations on hedging derivative instruments:**

The Bank does not have any hedging derivative instruments as at 31 March 2016 (31 December 2015: None).

**l. Explanations on investment properties**

Bank has no other investment properties.

**m. Explanations on non-current assets related to discontinued operations held for sale:**

The Bank does not have any non-current assets related to discontinued operations for sale as at 31 March 2016 (31 December 2015: None).



**EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**II EXPLANATIONS AND NOTES RELATED TO LIABILITIES:**

**a. Explanations on maturity structure of deposits:**

The Bank does not accept client deposits based on its investment bank status.

**b. Explanations on trading derivative financial liabilities:**

As at 31 March 2016, schedule of negative differences for trading derivative financial liabilities: None.  
(31 December 2015: None)

**c. Explanations on borrowings:**

1. Information on banks and other financial institutions: None (31 December 2015: None).
2. As at 31 March 2016, maturity of borrowing amount: None (31 December 2015: None).

**d. Explanations on other liabilities:**

There is TL 485 other liabilities amount as at 31 March 2016 (31 December 2015: 304).

**e. Explanations on finance leasing agreements:**

As at 31 March 2016, the Bank has no finance lease payable (31 December 2015: None).

**f. Explanations on hedging derivative instruments:**

As at 31 March 2016, the Bank has no hedging derivative instruments (31 December 2015: None).

**g. Explanations on provisions:**

**1. Information on general provisions:**

	31 March 2016	31 December 2015
<b>General Provisions</b>		
Provisions for Group I loans and receivables	-	-
Provisions for Group II loans and receivables	-	-
Provisions for non cash loans	-	-
Other	702	718
<b>Total</b>	<b>702</b>	<b>718</b>

**2. Explanations on provisions related with foreign currency difference of foreign indexed loans:**

As at 31 March 2016, there is no provision for foreign currency difference of foreign indexed loans (31 December 2015: None).

**EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**3. Explanations on other provisions:**

As at 31 March 2016, the Bank has TL 817 for tax fine as other provision (31 December 2015: 1,445).

**h. Explanations on tax liability:**

**1. Explanations on current tax liability:**

i) Information on current tax liability:

As at 31 March 2016, the Bank has tax payable amounting TL 428 (31 December 2015: TL 19).

ii) Information on taxes payable:

	<b>31 March 2016</b>	<b>31 December 2015</b>
Corporate Tax Payable	428	19
Taxes on Returns of Marketable Securities	-	-
Payroll Tax	-	-
Banking Insurance Transaction Tax (BITT)	8	6
Foreign Exchange Transaction Tax	-	-
Value Added Tax Payable	14	24
Other	682	700
<b>Total</b>	<b>1.132</b>	<b>749</b>

iii) Information on premiums:

	<b>31 March 2016</b>	<b>31 December 2015</b>
Social Security Premiums - Employee	44	34
Social Security Premiums - Employer	56	43
Bank Social Aid Pension Fund Premiums – Employee	-	-
Bank Social Aid Pension Fund Premiums – Employer	-	-
Pension Fund Contributions and Provisions – Employee	-	-
Pension Fund Contributions and Provisions – Employer	-	-
Unemployment Insurance - Employee	3	2
Unemployment Insurance – Employer	6	5
Other	-	-
<b>Total</b>	<b>109</b>	<b>84</b>

**EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**2. Explanations on deferred tax liability:**

As at 31 March 2016 and 31 December 2015, the Bank does not have net deferred tax liability.

**i. Explanations on Equity:**

**1. Presentation of paid-in capital:**

	31 March 2016	31 December 2015
Common Stock	40.126	40.126
Preferred Stock	-	-

**2. Paid-in capital amount, explanation as to whether the registered share capital system is applied and if so, amount of registered share capital ceiling (As nominal; inflation unadjusted balances):**

The Bank does not have registered capital system.

**3. Information on the share capital increases during the period and the sources:**

None.

**4. Information on transfers from revaluation funds to capital during the current period:**

There are no transfers from revaluation funds to capital during the current period (31 December 2015: None).

**5. Information on capital commitments, until the end of the fiscal year and the subsequent interim period:**

None (31 December 2015: None).

**6. Information on the effects of estimations made considering the banks income, profitability, prior period indicators on liquidity and uncertainty on these indicators:**

There are not any negative indicators as to the profitability and the liquidity of the Bank.

**7. Privilege on the corporate stock:**

There are no privileges on the corporate stock.

**8. Information on marketable securities value increase fund:**

None.

**ii. Explanations on Minority:**

None.

**EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**III. EXPLANATIONS AND NOTES RELATED TO OFF BALANCE SHEET ACCOUNTS:**

**a. Explanations and notes related to off balance sheet commitments:**

**1. Type and amount of irrevocable credit commitments:**

All credit commitments of the Bank are irrevocable as at 31 March 2016 (31 December 2015: TL 51.000 of purchase and sales commitments of term deposits).

**2. Type and amount of probable losses and obligations arising from off-balance sheet items:**

i) Non-cash loans including guarantees, bank avalized and acceptance loans, collaterals that are accepted as financial commitments and other letters of credit:

None. (31 December 2015: TL 1)

ii) Guarantees, contingencies and other similar commitments:

	31 March 2016	31 December 2015
Bid bonds	-	-
Performance bonds	-	-
Advance letter of guarantees	-	-
Letter of guarantees given to customs	-	1
Other letter of guarantees	-	-
<b>Total</b>	-	<b>1</b>

**3. i) Total amount of non-cash loans:**

	31 March 2016	31 December 2015
Non-cash loans granted against cash loans	-	-
With original maturity of 1 year or less than 1 year	-	-
With original maturity of more than 1 year	-	-
Other non-cash loans	-	1
<b>Total</b>	-	<b>1</b>

**EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**IV. EXPLANATIONS AND NOTES RELATED TO INCOME STATEMENT:**

**a. Information on interest income:**

**1. Information on interest income on loans:**

None. (31 March 2015: None).

**2. Information on interest income on banks:**

	31 March 2016		31 March 2015	
	TL	FC	TL	FC
From the CBRT	-	-	-	-
From Domestic Banks	647	-	-	-
From Foreign Banks	710	-	1.146	-
Headquarters and Branches Abroad	-	-	-	-
<b>Total</b>	<b>1.357</b>	<b>-</b>	<b>1.146</b>	<b>-</b>

**3. Information on interest income on marketable securities:**

None (31 March 2015: None).

**4. Information on interest income received from investments in associates and subsidiaries:**

The Bank does not have investments in associates or subsidiaries.

**b. Information on interest expense:**

**1. Information on interest expense on borrowings:**

None (31 March 2015: None).

**2. Information on interest expense paid to investments in associates and subsidiaries:**

None (31 March 2015: None).

**3. Information on interest expenses to debt securities issued:**

None (31 March 2015: None).

**4. Maturity structure of the interest expense on deposits:**

Since the Bank is an investment bank, it does not accept deposits.

**EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**c. Explanations on trading loss/income (Net):**

	<b>31 March 2016</b>	<b>31 March 2015</b>
<b>Profit</b>	<b>11.585</b>	<b>6.429</b>
Profit on capital market operations	-	-
Profit on derivative financial instruments	-	-
Foreign exchange gains	11.585	6.429
<b>Loss</b>	<b>11.592</b>	<b>6.410</b>
Loss on capital market operations	-	-
Loss on derivative financial instruments	-	-
Foreign exchange gains	11.592	6.410
<b>Net trading income/loss</b>	<b>(7)</b>	<b>19</b>

**d. Explanations on other operating income:**

For the three months period ended 31 March 2016, other operating income amounting to TL 4.209 is comprised of income from intra-group advisory services provided to the Group; (31 March 2015: TL 4.353), the remaining is other income.

**e. Provision expenses related to loans and other receivables of the Bank:**

For the three months period ended 31 March 2016, the Bank has no general loan provision expenses (31 March 2015: TL 7).

**EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**f. Information related to other operational expenses:**

	<b>31 March 2016</b>	<b>31 March 2015</b>
Personnel expenses	2.430	2.413
Provision for employment termination benefits	248	-
Bank social aid pension fund deficit provision	-	-
Impairment expenses of tangible assets	-	-
Depreciation expenses of tangible assets	59	51
Impairment expenses of intangible assets	-	-
Impairment expenses of goodwill	-	-
Amortization expenses of intangible assets	-	1
Impairment expenses of equity participations for which equity method is applied	-	-
Impairment expenses of assets held for resale	-	-
Depreciation expenses of assets held for resale	-	-
Impairment expenses of fixed assets held for sale and discontinued operations	-	-
Other operating expenses	1.355	1.312
Operational lease expenses	-	-
Maintenance and repair expenses	138	341
Advertising expenses	-	-
IT expenses	679	367
Other expenses	538	604
Loss on sale of assets	-	-
Other	757	442
<b>Total</b>	<b>4.849</b>	<b>4.219</b>

**g. Explanations on profit and loss from continuing and discontinued operations before tax:**

For the three months period ended 31 March 2016; the Bank's profit from continuing operations before tax is TL 1.288 (31 March 2015: TL 2.054).

**h. Explanations on tax provision related to continuing and discontinued operations:**

As of 31 March 2016 Bank's calculated TL 433 (31 March 2016: TL 799) tax provision related to continuing operations consists of TL 409 (31 March 2015: TL 496) current period tax expense and TL 24 (31 March 2015: TL 303) deferred tax expenses.

**i. Explanations on profit and loss from continuing and discontinued operations after tax:**

For the three months period ended 31 March 2016; the Bank's profit from continuing operations after tax is TL 855 (31 March 2015: TL 1.255 profit).

**EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**j. Explanations on net profit/(loss):**

- 1. If explanation of the quality, size and repetition rate of income and expense items from ordinary banking transactions are necessary for understanding the Bank's performance in the period, quality and amount of these items:**

None.

- 2. If it's possible that a change in the estimation on financial statements effecting the profit/loss has an impact on next periods, explanations on covering next periods are:**

None.

- 3. Profit/(loss) related to minority:**

None:

- k. Other income statement items, sub-accounts constituting at least 20% of these balances exceeding 10% of the total income statement:**

As of 31 March 2016 the total amount of other operational income in income statement TL 4.739 (31 March 2015: TL 5.016). This amount includes TL 4.209 (31 March 2015: TL 4.353) advisory revenue.



**EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**V. EXPLANATIONS AND NOTES RELATED TO BANK'S RISK GROUP:**

- a. The volume of transactions relating to the Bank's risk group, outstanding loan and deposit transactions and profit and loss of the period:

**31 March 2016:**

Banks' Risk Group (*)	Investments in associates, subsidiaries and joint ventures		Direct and indirect shareholders of the Bank		Other real and legal persons that have been included in the risk group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Loans and Other Receivables						
Balance at the Beginning of the Period	-	-	71.618	-	35	-
Balance at the End of the Period	-	-	24.943	-	77	-
Interest and Commission Income Received	-	-	710	-	-	-

(\*) Defined in the 49th Article of subsection 2 of the Banking Act No. 5411.

**31 December 2015:**

Banks' Risk Group (*)	Investments in associates, subsidiaries and joint ventures		Direct and indirect shareholders of the Bank		Other real and legal persons that have been included in the risk group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Loans and Other Receivables						
Balance at the Beginning of the Period	-	-	69.438	-	-	-
Balance at the End of the Period	-	-	71.618	-	35	-
Interest and Commission Income Received	-	-	5.749	-	-	-

(\*) Defined in the 49th Article of subsection 2 of the Banking Act No. 5411.

- b. Information on deposits of the Bank's risk group:

None (31 December 2015: None).

- c. Information on forward and option agreements and other derivative transactions with the Bank's risk group:

None (31 December 2015: None)

**VI. EXPLANATIONS AND NOTES RELATED TO SUBSEQUENT EVENTS:**

None.

**SECTION SIX**

**EXPLANATIONS ON AUDITOR'S REPORT**

**I. Explanations on auditors' review report:**

The financial statements as of and for the three-months period ended 31 March 2016 were reviewed by Akis Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik AŞ (the Turkish member firm of KPMG International Cooperative, a Swiss entity) and Auditors' Review Report dated 16 May 2016 is presented in the introduction of this report.

**II. Explanations and notes prepared by independent auditors:**

None.

## **SECTION SEVEN**

### **EXPLANATIONS ON INTERIM ACTIVITY REPORT**

#### **I. The Chairman of the Board of Directors and the CEO's assessment on interim period activities:**

Standard Chartered Bank's ("SCB") global strategy is to focus on trade, investment and asset gathering activities across Asia, Africa and the Middle East through its network beyond the boundaries. Turkey represents a strategic location with regards to fulfilling the Bank's clients' local and international transaction requirements.

Standard Chartered Yatırım Bankası Türk A.Ş. ("SCYBT") is focused on serving our key strategic clients - Turkish Conglomerates and Financial Institutions in Turkey, SCB footprint and network clients located in Turkey as well as in SCB's footprint and network countries - providing a complete range of Wholesale banking products - Transaction Banking, Global Markets and Corporate Finance.

The Bank's total assets is TRY 78.990 k as of 31 March 2016. The most significant item in the assets is the Bank's capital placed with local Turkish banks (61 % of the assets).

The Bank's equity is TRY 70.710 k.

The Bank's net period income after tax is TRY 855 k.

The Bank's Capital Adequacy Ratio is 114,25 % as of 31 March 2016 which is considerably above the minimum regulatory ratio.

William Richard HOLMES  
Chairman of Board of Directors

Kaşif ATUN  
General Manager

#### **II. Summary of Financial Information related to activity results:**

	<b>31.12.2015</b> <b>(TL 000)</b>	<b>31.03.2016</b> <b>(TL 000)</b>
Total Assets	79.216	78.990
Equity (including net profit)	69.856	70.710
Equity / Total Assets (%)	88,18	89,52
Capital adequacy ratio (%)	129,63	114,25