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

STANDARD CHARTERED YATIRIM BANKASI TÜRK A.Ş.

Financial Report
As of and For the Three-Month Period Ended 31 March 2019
With Independent Auditor's Review Report Thereon

KPMG

KPMG Bağımsız Denetim ve
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Convenience Translation of the Independent Auditor's Report Originally Prepared and Issued in Turkish to English (See Note I in Section Three)

REVIEW REPORT ON INTERIM FINANCIAL INFORMATION

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

Introduction

We have reviewed the accompanying statements of financial position of Standard Chartered Yatırım Bankası Türk A.Ş (the "Bank") as of 31 March 2019 and the statement of profit or loss, statement of profit or loss and other comprehensive income, statement of changes in shareholders' equity, 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 these interim financial information in accordance with the "Banking Regulation and Supervision Agency (BRSA) Accounting and Reporting Legislation" which includes "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 Board and Turkish Accounting Standard 34 "Interim Financial Reporting" principles for those matters not regulated by aforementioned legislations. Our responsibility is to express a conclusion on these interim financial statements based on our review.

Scope of review

We conducted our review in accordance with Standard on Review Engagements (SRE) 2410, "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 consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information do not present fairly in all material respects, the financial position of Standard Chartered Yatırım Bankası Türk A.Ş. as at 31 March 2019, and its financial performance and its cash flows for the three-month period then ended in accordance with the BRSA Accounting and Financial Reporting Legislation.

Report on Other Legal and Regulatory Requirements

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information provided in the interim activity report included in section seven of the accompanying interim financial information is not consistent, in all material respects, with the reviewed interim financial information and explanatory notes.

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

Erdal Tıkmak, SMMM
Partner

15 May 2019
İstanbul, Turkey

STANDARD CHARTERED YATIRIM BANKASI TÜRK A.Ş.
FINANCIAL REPORT
AS AT AND FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2019

Address	: Büyükdere Cad, Yapı Kredi Plaza, C Blok, K: 15 Levent/İSTANBUL
Telephone	: (212) 339 37 00
Fax	: (212) 282 63 01
Web-site	:http://www.standardchartered.com.tr

The financial report as of 31 March 2019, prepared in accordance with the communiqué of Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks as regulated by Banking Regulation and Supervision Agency, is comprised of the following sections:

- GENERAL INFORMATION ABOUT THE BANK
- FINANCIAL STATEMENTS OF THE BANK
- EXPLANATIONS ON ACCOUNTING POLICIES
- INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK
- DISCLOSURES AND FOOTNOTES ON FINANCIAL STATEMENTS
- OTHER EXPLANATIONS
- INTERIM ACTIVITY REPORT

The financial statements and related disclosures and footnotes in auditors' review report 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 financial report is presented in thousands of Turkish Lira (TL), and has been subjected to independent audit and presented attached.

Tracy Jayne CLARKE	**Karin FLINSPACH**	**Oya AYDINLIK**
Chairman of Board of Directors	**Vice Chariman of the Board of Directors, Member of the Audit Committee**	**Member of the Board of Directors and Chairman of Audit Committee**
Alper Tunga KILIÇ	**Kaşif ATUN**	**Diğdem Tümtürk GÜNER**
Member of the Board of Directors and Member of the Audit Comittee	**General Manager**	**Financial Reporting and Operation Executive Director**

The authorized contact person for questions on this financial report:

Name-Surname / Title	: Diğdem Tümtürk Güner /Director
Phone No	: +90 (0212) 339 37 51
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EXPLANATIONS ON THE INTERIM ACTIVITY REPORT

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 Investment Bank Türk A.Ş., (hereinafter referred to as ''Standard Chartered Bank or the Bank), was issued by the Undersecretariat of the State Planning Organization on 18 August 1989, dated 18 August 1989 and numbered 7075, dated 11 August 1989. According to the articles numbered 4 and 8 of the Banking Law numbered 3182 and the article no. 14502 dated 1 September 1989, it was established on 9 January 1990 in accordance with the Law on Encouragement of Foreign Capital no. 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 "Calyon Bank Türk A.Ş." has been changed to "Calyon 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.02.1BDK.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 paid-in capital of the Bank is TL 40.126. This capital is divided into 40.126.000 registered shares with a nominal value of 1 full TL. The controlling shareholder of the Bank is Standard Chartered Bank Limited.

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):

Title	Name	Responsibility	Education
Chairman of the Board of Directors:	Tracy Jayne Clarke	President	Graduate
Vice Chairman:	Karin Flinspach	Vice President Board Member Responsible for Financial Reporting	Graduate
Member of Board:	Kaşif Atun	Member and General Manager	Graduate
	Oya Aydınlık	Member	Under Graduate
	Alper T. Kılıç	Member	Graduate
Audit Committee:	Oya Aydınlık	President	Under Graduate
	Alper T. Kılıç	Member	Graduate
General Manager:	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:

Name /Commercial title	Share amounts	Share percentage	Paid-in capital	Unpaid portion
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 2019, the number of employees in the Bank is 30 (31 December 2018: 30).

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:

None.

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.

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

SECTION TWO

FINANCIAL STATEMENTS OF THE BANK

	BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)	Note (Section Five I)	Reviewed Current Period (31.03.2019)			Audited Prior Period (31.12.2018)		
	ASSESTS		TL	FC	Total	TL	FC	Total
I.	**FINANCIAL ASSETS (NET)**		**49.137**	**65**	**49.202**	**49.232**	**171**	**49.403**
1.1.	**Cash and Cash Equivalents**		**48.977**	**65**	**49.042**	**49.072**	**171**	**49.243**
1.1.1.	Cash and Balances with Central Bank	**(I.1.1.)**	44	-	44	59	-	59
1.1.2.	Banks	**(I.1.3.)**	142	65	207	183	171	354
1.1.3.	Money Markets		48.791	-	48.791	48.830	-	48.830
1.2.	**Financial Assets Measured at Fair Value Through Profit or Loss**		-	-	-	-	-	-
1.2.1.	Government Securities		-	-	-	-	-	-
1.2.2.	Equity Securities					-	-	-
1.2.3.	Other Financial Assets		-	-	-	-	-	-
1.3.	**Financial Assets Measured at Fair Value Through Other Comprehensive Income**		**160**	-	**160**	**160**	-	**160**
1.3.1.	Government Securities		-	-	-	-	-	-
1.3.2.	Equity Securities		-	-	-	-	-	-
1.3.3.	Other Financial Assets		160	-	160	160	-	160
1.4.	**Derivative Financial Assets**		-	-	-	-	-	-
1.4.1.	Derivative Financial Assets Measured at FVTPL		-	-	-	-	-	-
1.4.2.	Derivative Financial Assets Measured at FVOCI		-	-	-	-	-	-
II.	**FINANCIAL ASSETS MEASURED AT AMORTIZED COST (NET)**		-	-	-	-	-	-
2.1.	**Loans**		-	-	-	-	-	-
2.2.	**Lease Receivables**		-	-	-	-	-	-
2.3.	**Factoring Receivables**		-	-	-	-	-	-
2.4.	**Financial Assets measured at amortized cost**		-	-	-	-	-	-
2.4.1.	Government Debt Securities		-	-	-	-	-	-
2.4.2.	Other Financial Assets		-	-	-	-	-	-
2.5.	**Non-Performing Loans**	**(I.2.8.)**	**4.982**	-	**4.982**	**4.982**	-	**4.982**
2.6.	**Special Provisions (-)**	**(I.2.1.)**	**(4.982)**	-	**(4.982)**	**(4.982)**	-	**(4.982)**
III.	**PROPERTY AND EQUIPMENT HELD FOR SALE PURPOSE AND RELATED TO DISCONTINUED OPERATIONS (Net)**		-	-	-	-	-	-
3.1.	Held for Sale Purpose		-	-	-	-	-	-
3.2.	Related to Discontinued Operations		-	-	-	-	-	-
IV.	**EQUITY INVESTMENTS**		-	-	-	-	-	-
4.1.	**Investments in Associates (Net)**							
4.1.1.	Associates Valued Based on Equity Method		-	-	-	-	-	-
4.1.2.	Associates		-	-	-	-	-	-
4.2.	**Subsidiaries (Net)**		-	-	-	-	-	-
4.2.1.	Financial Subsidiaries		-	-	-	-	-	-
4.2.2.	Non-Financial Subsidiaries		-	-	-	-	-	-
4.3.	**Joint Ventures (Net)**		-	-	-	-	-	-
4.3.1.	Joint Ventures Valued Based on Equity Method		-	-	-	-	-	-
4.3.2.	Joint Ventures		-	-	-	-	-	-
V.	**PROPERTY AND EQUIPMENT (Net)**		**4.051**	-	**4.051**	**3.619**	-	**3.619**
VI.	**INTANGIBLE ASSETS (Net)**		**3**	-	**3**	**2**	-	**2**
6.1.	Goodwill		-	-	-	-	-	-
6.2.	Other		3	-	3	2	-	2
VII.	**INVESTMENT PROPERTY (Net)**		-	-	-	-	-	-
VIII.	**CURRENT TAX ASSET**		-	-	-	-	-	-
IX.	**DEFERRED TAX ASSET**		**1.329**	-	**1.329**	**1.607**	-	**1.607**
X.	**OTHER ASSETS**	**(I.4.)**	**34.100**	-	**34.100**	**36.173**	-	**36.173**
	TOTAL ASSETS		**88.620**	**65**	**88.685**	**90.633**	**171**	**90.804**

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

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

	BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)	Note	Reviewed Current Period (31.03.2019)			Audited Prior Period (31.12.2018)		
	LIABILITIES AND EQUITY	**(Section Five)**	**TP**	**FC**	**Total**	**TP**	**FC**	**Total**
I.	**DEPOSITS**		-	-	-	-	-	-
II.	**FUNDS BORROWED**		-	-	-	-	-	-
III.	**MONEY MARKETS**		-	-	-	-	-	-
IV.	**SECURITIES ISSUED (Net)**		-	-	-	-	-	-
4.1.	Bills		-	-	-	-	-	-
4.2.	Asset Backed Securities		-	-	-	-	-	-
4.3.	Bonds		-	-	-	-	-	-
V.	**FUNDS**		-	-	-	-	-	-
5.1.	Borrower Funds		-	-	-	-	-	-
5.2.	Other		-	-	-	-	-	-
VI.	**FİNANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS**		-	-	-	-	-	-
VII.	**DERIVATIVE FINANCIAL LIABILITIES**		-	-	-	-	-	-
7.1.	Derivative Financial Liabilities at FVTPL		-	-	-	-	-	-
7.2.	Derivative Financial Liabilities at FVOCI		-	-	-	-	-	-
VIII.	**FACTORING LIABILITES**		-	-	-	-	-	-
IX.	**LEASE LIABILITIES**		**473**	-	**473**	-	-	-
X.	**PROVISIONS**		**5.709**	-	**5.709**	**7.221**	-	**7.221**
10.1.	General Provision	**(II.7.1.)**	503	-	503	549	-	549
10.2.	Restructuring Provisions		-	-	-	-	-	-
10.3.	Reserve for Employee Benefits		5.206	-	5.206	6.672	-	6.672
10.4.	Insurance Technical Provisions (Net)		-	-	-	-	-	-
10.5.	Other Provisions		-	-	-	-	-	-
XI.	**CURRENT TAX LIABILITY**	**(II.7.1.)**	**3.084**	-	**3.084**	**4.804**	-	**4.804**
XII.	**DEFERRED TAX LIABILITY**		-	-	-	-	-	-
XIII.	**LIABILITIES FOR PROPERTY AND EQUIPMENT HELD FOR SALE AND RELATED TO DISCONTINUED OPERATIONS (Net)**		-	-	-	-	-	-
13.1.	Held for Sale Purpose		-	-	-	-	-	-
13.2.	Related to Discontinued Operations		-	-	-	-	-	-
XIV.	**SUBORDINATED DEBT INSTRUMENTS**		-	-	-	-	-	-
14.1.	Loans		-	-	-	-	-	-
14.2.	Other Debt Instruments		-	-	-	-	-	-
XV.	**OTHER LIABILITIES**		**621**	-	**621**	**400**	-	**400**
XVI.	**SHAREHOLDERS' EQUITY**		**78.798**	-	**78.798**	**78.379**	-	**78.379**
16.1.	Paid-in capital	**(II.11.1.)**	40.126	-	40.126	40.126	-	40.126
16.2.	Capital Reserves		5.913	-	5.913	5.913	-	5.913
16.2.1.	Share Premium		-	-	-	-	-	-
16.2.2.	Share Cancellation Profits		-	-	-	-	-	-
16.2.3.	Other Capital Reserves		5.913	-	5.913	5.913	-	5.913
16.3.	Accumulated Other Comprehensive Income or Loss that will not be Reclassified to Profit or Loss		32	-	32	113	-	113
16.4.	Accumulated Other Comprehensive Income or Loss that will be Reclassified to Profit or Loss		-	-	-	-	-	-
16.5.	Profit Reserves		28.844	-	28.844	28.844	-	28.844
16.5.1.	Legal Reserves		5.219	-	5.219	5.219	-	5.219
16.5.2.	Status Reserves		-	-	-	-	-	-
16.5.3.	Extraordinary Reserves		23.625	-	23.625	23.625	-	23.625
16.5.4.	Other Profit Reserves		-	-	-	730	-	730
16.6.	Profit or Loss		3.883	-	3.883	3.383	-	3.383
16.6.1.	Prior Periods' Profit or (Loss)		3.383	-	3.383	(23.118)	-	(23.118)
16.6.2.	Current Period Profit or (Loss)		500	-	500	26.501	-	26.501
16.7.	Mionarity Shares		-	-	-	-	-	-
	TOTAL LIABILITIES AND EQUITY		**88.685**	-	**88.685**	**90.804**	-	**90.804**

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

STANDARD CHARTERED YATIRIM BANKASI TÜRK A.Ş.
STATEMENT OF OFF-BALANCE SHEET ITEMS AS OF 31 MARCH 2019
(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

	STATEMENT OF OFF-BALANCE SHEET COMMITMENTS	Note (Section Five)	Reviewed Current Period (31.03.2019)			Audited Prior Period (31.12.2018)		
			TP	FC	Total	TP	FC	Total
A	**Off-Balance sheet liabilities (I+II+III)**		-	-	-	-	-	-
I.	**GUARANTEES AND WARRANTIES**		-	-	-	-	-	-
1.1.	Letters of Guarantee		-	-	-	-	-	-
1.1.1.	Guarantees Subject to State Tender Law		-	-	-	-	-	-
1.1.2.	Guarantees Given for Foreign Trade Operations		-	-	-	-	-	-
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.	Purchase Guarantees on Marketable Security Issuance		-	-	-	-	-	-
1.7.	Factoring Guarantees		-	-	-	-	-	-
1.8.	Other Guarantees		-	-	-	-	-	-
1.9.	Other Collaterals		-	-	-	-	-	-
II.	**COMMITMENTS**		-	-	-	-	-	-
2.1.	Irrevocable Commitments		-	-	-	-	-	-
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		-	-	-	-	-	-
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		-	-	-	-	-	-
III.	**DERIVATIVE FINANCIAL INSTRUMENTS**		-	-	-	-	-	-
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	Swap Transactions Related to Foreign Currency and Interest Rates		-	-	-	-	-	-
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.	**CUSTODY AND PLEDGES RECEIVED (IV+V+VI)**		-	-	-	-	-	-
IV.	**ITEMS HELD IN CUSTODY**		-	-	-	-	-	-
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		-	-	-	-	-	-
V.	**PLEDGES RECEIVED**		-	-	-	-	-	-
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		-	-	-	-	-	-
VI.	**ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES**		-	-	-	-	-	-
	Total Off-balance sheet liabilities (A+B)		-	-	-	-	-	-

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

STANDARD CHARTERED YATIRIM BANKASI TÜRK A.Ş.
STATEMENT OF PROFIT OR LOSS FOR THE PERIOD ENDED 31 MARCH 2019
(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

	STATEMENT OF PROFIT OR LOSS	Note (Section Five)	Reviewed Current Period (01.01.2019-31.03.2019)	Reviewed Prior Period (01.03.2018-31.03.2018)
I.	**INTEREST INCOME**		**2.769**	**1.799**
1.1.	Interest on Loans		-	-
1.2.	Interest on Reserve Requirements		-	-
1.3.	Interest on Banks	(IV.1.2.)	1	1.798
1.4.	Interest on Money Market Transactions		2.768	1
1.5.	Interest on Marketable Securities Portfolio		-	-
1.5.1.	Fair Value Through Profit or Loss		-	-
1.5.2.	Fair Value Through Other Comprehensive Income		-	-
1.5.3.	Measured at Amortized Cost		-	-
1.6.	Financial Lease Income		-	-
1.7.	Other Interest Income		-	-
II.	**INTEREST EXPENSE (-)**		**4**	-
2.1.	Interest on Deposits		-	-
2.2.	Interest on Funds Borrowed		-	-
2.3.	Interest Expense on Money Market Transactions		-	-
2.4.	Interest on Securities Issued		-	-
2.5	Rental Interest Expense		4	-
2.6.	Other Interest Expenses		-	-
III.	**NET INTEREST INCOME (I - II)**		**2.765**	**1.799**
IV.	**NET FEES AND COMMISSIONS INCOME**		**(5)**	**(4)**
4.1.	Fees and Commissions Received		2	1
4.1.1.	Non-cash Loans		-	-
4.1.2.	Other		2	1
4.2.	Fees and Commissions Paid		(7)	(5)
4.2.1.	Non-cash Loans		-	-
4.2.2.	Other		(7)	(5)
V.	**DIVIDEND INCOME**		-	-
VI.	**TRADING INCOME /(LOSS) (Net)**		**11**	**15**
6.1.	Trading Gains / (Losses) on Securities		-	-
6.2.	Gains / (Losses) on Derivative Financial Transactions		-	-
6.3.	Foreign Exchange Gains / (Losses)	(IV.3.)	11	15
VII.	**OTHER OPERATING INCOME**	(IV.4.)	**9.156**	**7.870**
VIII.	**GROSS OPERATING INCOME (III+IV+V+VI+VII+VIII)**		**11.927**	**9.680**
IX.	**LOAN PROVISIONS (-)**	(IV.5.)	-	**(412)**
X.	**PERSONNEL EXPENSE (-)**	(IV.6.)	**(1.981)**	**(1.806)**
XI.	**OTHER OPERATING EXPENSES (-)**		**(7.725)**	**(3.370)**
XII.	**NET OPERATING INCOME/(LOSS) (VIII-IX-X)**	(IV.6.)	**2.221**	**4.092**
XIII.	**EXCESS AMOUNT RECORDED AS INCOME AFTER MERGER**		-	-
XIV.	**INCOME/(LOSS) FROM INVESTMENTS IN SUBSIDIARIES CONSOLIDATED BASED ON EQUITY METHOD**		-	-
XV.	**INCOME/(LOSS) ON NET MONETARY POSITION**		-	-
XVI.	**PROFIT/LOSS BEFORE TAX FROM CONTINUED OPERATIONS (XII+…+XV)**	(IV.7.)	**2.221**	**4.092**
XVII.	**TAX PROVISION FOR CONTINUED OPERATIONS (±)**		**(1.721)**	**(1.017)**
17.1.	Current Tax Provision	(IV.8.)	(1.421)	(741)
17.2.	Deferred Tax Income Effect (+)	(IV.8.)	(300)	(276)
17.3.	Deferred Tax Expense Effect (-)		-	-
XVIII.	**CURRENT PERIOD PROFIT/LOSS FROM CONTINUED OPERATIONS (XVI±XVII)**	(IV.9.)	**500**	**3.075**
XIX.	**INCOME FROM DISCONTINUED OPERATIONS**		-	-
19.1.	**Income from Non-current Assets Held for Sale**		-	-
19.2.	Profit from Sales of Associates, Subsidiaries and Joint Ventures		-	-
19.3.	Income from Other Discontinued Operations		-	-
XX.	**EXPENSES FOR DISCONTINUED OPERATIONS (-)**		-	-
20.1.	**Expenses for Non-current Assets Held for Sale**		-	-
20.2.	Loss from Sales of Associates, Subsidiaries and Joint Ventures		-	-
20.3.	Expenses for Other Discontinued Operations		-	-
XXI.	**PROFIT/LOSS BEFORE TAX FROM DISCONTINUED OPERATIONS (XIX-XX)**		-	-
XXII.	**TAX PROVISION FOR DISCONTINUED OPERATIONS (±)**		-	-
22.1.	**Current Tax Provision**		-	-
22.2.	Deferred Tax Expense Effect (+)		-	-
22.3.	Deferred Tax Income Effect (-)		-	-
XXIII.	**CURRENT PERIOD PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XXI±XXII)**		-	-
XXIV.	**NET PROFIT/(LOSS) (XVIII+XXIII)**		**500**	**3.075**
	Earning/(Loss) per share		0,01246	0,07663

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

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

		Note	Reviewed Current Period (01.01.2019-31.03.2019)	Reviewed Prior Period (01.01.2018-31.03.2018)
I.	**CURRENT PERIOD PROFIT/LOSS**		**500**	**3.075**
II.	**OTHER COMPREHENSIVE INCOME**		**(81)**	**-**
2.1.	**Other Income/Expense Items not to be Recycled to Profit or Loss**		(81)	**-**
2.1.1.	Revaluation Surplus on Tangible Assets		-	-
2.1.2.	Revaluation Surplus on Intangible Assets		-	-
2.1.3.	Defined Benefit Pension Plan Remeasurement Gain/Loss		(103)	-
2.1.4.	Other Comprehensive Income Items Not Reclassified Through Profit or Loss		-	-
2.1.5.	Tax Related Other Comprehensive Income Items Not Reclassified Through Profit or Loss		22	-
2.2.	**Other Income/Expense Items to be Recycled to Profit or Loss**		**-**	**-**
2.2.1.	Foreign Currency Translation Differences		-	-
2.2.2.	Valuation and/or Reclassification Income/Expense of the Financial Assets at Fair Value through Other Comprehensive Income		-	-
2.2.3.	Cash Flow Hedge Income/Loss		-	-
2.2.4.	Foreign Net Investment Hedge Income/Loss		-	-
2.2.5.	Other Comprehensive Income Items Reclassified Through Profit or Losses		-	-
2.2.6.	Tax Related Other Comprehensive Income Items Reclassified Through Profit or Loss		-	-
III.	**TOTAL COMPREHENSIVE INCOME (I+II)**		**419**	**3.075**

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

STANDARD CHARTERED YATIRIM BANKASI TÜRK A.Ş.
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE PERIOD ENDED 31 MARCH 2019
(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

	Statement of Changes in Shareholders' Equity						Other Accumulated Comprehensive Income That Will Not Be Reclassified to Profit or Loss			Other Accumulated Comprehensive Income That Will Be Reclassified to Profit or Loss						
	31 March 2018	**Note**	**Paid-in Capital**	**Share Premium**	**Share certificate Cancel profits**	**Other capital reserves**	**1**	**2**	**3**	**4**	**5**	**6**	**Profit Reserves**	**Prior period net profit/ (loss)**	**Current period net profit / (loss)**	**Total**
I.	**Balance at the Beginning of the Period (1 January 2018)**		**40.126**	-	-	**5.913**	-	**(50)**	-	-	-	-	**44.342**	**(23.118)**	**7.133**	**74.346**
II.	**Balance at the beginning of the period**		-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1.	**Adjustment in accordance with TAS 8**		-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2.	Effect of adjustment		-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.	**New balance (I+II)**		**40.126**	-	-	**5.913**	-	**(50)**	-	-	-	-	**44.342**	**(23.118)**	**7.133**	**74.346**
IV.	**Total comprehensive income (loss)**		-	-	-	-	-	-	-	-	-	-	-	-	**3.075**	**3.075**
V.	**Capital increase in cash**		-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI.	**Capital increase through internal reserves**		-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII.	**Issued capital inflation adjustment difference**		-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII.	**Convertible bonds**		-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX.	**Subordinated debt**		-	-	-	-	-	-	-	-	-	-	-	-	-	-
X.	**Increase (decrease) through other changes, equity**		-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI.	**Profit distribution**		-	-	-	-	-	-	-	-	-	-	-	**7.133**	**(7.133)**	-
11.1	Dividents distributed		-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.2	Transfers to legal reserves		-	-	-	-	-	-	-	-	-	-	-	7.133	(7.133)	-
11.3	Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-
							-		-	-	-	-				
	Balance at the end of the period (III+IV+…...+X+XI) (31.03.2018)		**40.126**	-	-	**5.913**	-	**(50)**	-	-	-	-	**44.342**	**(15.985)**	**3.075**	**77.421**

1. Tangible and Intangible Assets Revaluation Reserve

2. Accumulated Gains / Losses on Remeasurements of Defined Benefit Plans

3. Other (Other Comprehensive Income of Associates and Joint Ventures Accounted for Using Equity Method that will not be Reclassified to Profit or Loss and Other Accumulated Amounts of Other Comprehensive Income that will not be Reclassified to Profit or Loss)

4.Exchange Differences on Translation

5 Accumulated gains (losses) due to revaluation and/or reclassification of financial assets measured at fair value through other comprehensive income

6.Other (Accumulated Gains or Losses on Cash Flow Hedges, Other Comprehensive Income of Associates and Joint Ventures Accounted for Using Equity Method that will be Reclassified to Profit or Loss and Other Accumulated Amounts of Other Comprehensive Income that will be Reclassified to Profit or Loss)

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

STANDARD CHARTERED YATIRIM BANKASI TÜRK A.Ş.
UNCONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE PERIOD ENDED 31 MARCH 2019
(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

							Other Accumulated Comprehensive Income That Will Not Be Reclassified to Profit or Loss			Other Accumulated Comprehensive Income That Will Be Reclassified to Profit or Loss						
	31 March 2019	**Note**	**Paid-in Capital**	**Share Premium**	**Share certificate Cancel profits**	**Other capital reserves**	**1**	**2**	**3**	**4**	**5**	**6**	**Profit Reserves**	**Prior period net profit/ (loss)**	**Current period net profit / (loss)**	**Total**
I.	**Balance at the Beginning of the Period (1 January 2019)**		40.126	-	-	5.913	-	113	-	-	-	-	28.844	(23.118)	26.501	78.379
II.	**Balance at the beginning of the period**		-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1.	Adjustment in accordance with TAS 8		-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2.	Effect of adjustment		-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.	**New balance (I+II)**	(II.11.)	40.126	-	-	5.913	-	113	-	-	-	-	28.844	(23.118)	26.501	78.379
IV.	**Total comprehensive income (loss)**		-	-	-	-	-	(81)	-	-	-	-	-	-	500	419
V.	**Capital increase in cash**		-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI.	**Capital increase through internal reserves**		-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII.	**Issued capital inflation adjustment difference**		-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII.	**Convertible bonds**		-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX.	**Subordinated debt**		-	-	-	-	-	-	-	-	-	-	-	-	-	-
X.	**Increase (decrease) through other changes, equity**		-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI.	**Profit distribution**		-	-	-	-	-	-	-	-	-	-	-	26.501	(26.501)	-
11.1	Dividents distributed		-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.2	Transfers to legal reserves		-	-	-	-	-	-	-	-	-	-	-	26.501	(26.501)	-
11.3	Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Balance at the end of the period (III+IV+…...+X+XI)		40.126	-	-	5.913	-	32	-	-	-	-	28.844	3.383	500	78.798

1. Tangible and Intangible Assets Revaluation Reserve
2. Accumulated Gains / Losses on Remeasurements of Defined Benefit Plans
3. Other (Other Comprehensive Income of Associates and Joint Ventures Accounted for Using Equity Method that will not be Reclassified to Profit or Loss and Other Accumulated Amounts of Other Comprehensive Income that will not be Reclassified to Profit or Loss)
4.Exchange Differences on Translation
5 Accumulated gains (losses) due to revaluation and/or reclassification of financial assets measured at fair value through other comprehensive income
6.Other (Accumulated Gains or Losses on Cash Flow Hedges, Other Comprehensive Income of Associates and Joint Ventures Accounted for Using Equity Method that will be Reclassified to Profit or Loss and Other Accumulated Amounts of Other Comprehensive Income that will be Reclassified to Profit or Loss)

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

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

	STATEMENT OF CASH FLOWS	Note (Section Five)	Reviewed Current Period (01.01.2019-31.03.2019)	Reviewed Prior Period (01.01.2018-31.03.2018)(*)
A.	**CASH FLOWS FROM BANKING OPERATIONS**			
1.1	**Operating Profit Before Changes in Operating Assets and Liabilities**		**410**	**2.454**
1.1.1	Interest Received		2.708	1.447
1.1.2	Interest Paid		-	-
1.1.3	Dividend Received		-	-
1.1.4	Fees and Commissions Received		2	1
1.1.5	Other Income		9.065	7.447
1.1.6	Collections from Previously Written-off Loans and Other Receivables		-	-
1.1.7	Payments to Personnel and Service Suppliers		(4.121)	(3.066)
1.1.8	Taxes Paid		(1.900)	(779)
1.1.9	Other		(5.344)	(2.596)
1.2	**Changes in Operating Assets and Liabilities**		**(614)**	**(7.844)**
1.2.1	Net (increase) / (decrease) in Financial Assets at Fair Value Through Profit or Loss		-	-
1.2.2	Net (increase) / decrease in due from banks and other financial institutions		-	-
1.2.3	Net (increase) / decrease in loans		-	-
1.2.4	Net (increase) / decrease in other assets		(2.225)	(7.262)
1.2.5	Net increase / (decrease) in bank deposits		-	-
1.2.6	Net increase / (decrease) in other deposits		-	-
1.2.7	Net increase) / (decrease) in Financial Liabilities at Fair Value Through Profit or Loss		-	-
1.2.8	Net increase / (decrease) in funds borrowed		-	-
1.2.9	Net increase / (decrease) in payables		-	-
1.2.10	Net increase / (decrease) in other liabilities		(2.839)	(582)
I.	**Net Cash Provided from Banking Operations**		**(204)**	**(5.390)**
B.	**CASH FLOWS FROM INVESTMENT ACTIVITIES**			
II.	**Net Cash Provided from Investing Activities**		**(17)**	**(85)**
2.1	Cash paid for acquisition of investments, associates and subsidiaries		-	-
2.2	Cash obtained from disposal of investments, associates and subsidiaries		-	-
2.3	Purchases of property and equipment		(25)	(85)
2.4	Disposals of property and equipment		8	-
2.5	Purchase of Financial Assets at Fair Value Through Other Comprehensive Income		-	-
2.6	Sale of Financial Assets at Fair Value Through Other Comprehensive Income		-	-
2.7	Purchase of Financial Assets Measured at Amortized Cost		-	-
2.8	Sale of Financial Assets Measured at Amortized Cost		-	-
2.9	Other			
C.	**CASH FLOWS FROM FINANCING ACTIVITIES**			
III.	**Net Cash Provided from Financing Activities**		**(50)**	-
3.1	Cash Obtained from Funds Borrowed and Securities Issued		-	-
3.2	Cash Used for Repayment of Funds Borrowed and Securities Issued		-	-
3.3	Issued Equity Instruments		-	-
3.4	Dividends Paid		-	-
3.5	Payments for Finance Leases		(50)	-
3.6	Other		-	-
IV.	**Effect of Change in Foreign Exchange Rate on Cash and Cash Equivalents**		**10**	**8**
V.	**Net Decrease/ Increase in Cash and Cash Equivalents (I+II+III+IV)**		**(261)**	**(5.467)**
VI.	**Cash and Cash Equivalents at the Beginning of the Period**		**49.212**	**58.526**
VII.	**Cash and Cash Equivalents at the End of the Period**		**48.951**	**53.059**

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 Bank prepares its financial statements in accordance with the BRSA Accounting and Reporting Regulation" which includes the regulation on "The Procedures and Principles Regarding Banks' Accounting Practices and Maintaining Documents" published in the Official Gazette dated 1 November 2006 with No. 26333, and other regulations on accounting records of banks published by the Banking Regulation and Supervision Board and circulars and pronouncements published by the BRSA and Turkish Financial Repoting Standards (TFRS) published by the Public Oversight Accounting and Auditing Standards Authority for the matters not regulated by the aforementioned legislations.

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.

It is not expected to have any significant impact on the Bank's accounting policies, financial position and performance from the amendments of TAS and TFRS issued as of the date of the financial statements.

With the decision of BRSA dated December 21, 2017 and numbered 7650, in the scope of paragraph (6) of Article 9 of the 'Regulation on Procedures and Principles for the Classification of Loans and the Provisions to be Forwarded' which entered into force as of 1 January 2018, it is permitted by the Bank to allocate provisions in accordance with Articles 10, 11, 13 and 15 of the Regulation instead of TFRS 9. On the other hand, if the transaction volume and diversity of the Bank increase in the following periods, provision should be made in accordance with TFRS 9 to the loans.

New Standards issued after 1 January 2019

As of 1 January 2019, TFRS 16, which was published in the Official Gazette dated 16 April 2018 and numbered 29826 and is effective force as of 1 January 2019, has been started to apply for the first time. Implementation and impacts related to the transition to TFRS 16 are explained in Note XXIII of Section Three.

ACCOUNTING POLICIES (Continued)

I. Explanation on basis of presentation (Continued):

ACCOUNTING POLICIES (Continued)

I. Explanation on basis of presentation (Continued):

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 TFRS. These accounting policies and valuation methods are explained in Notes II to XXIV.

c. Explanation on accounting principles adopted in the preparation of valuation methods:

The accounting policies applied in the presentation of these financial statements are in accordance with the TFRS. These accounting policies are explained in Notes II to XXIV.

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.

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 year 2017 and in the year 2018. As a result the credit, market and liquidity risks are at minimum as at 31 December 2018.

At 31 March 2019, all of the monetary assets and liabilities denominated in foreign currency were converted into Turkish lira using the following foreign exchange rates: USD 5,6284 TL, EUR 6,3188 TL (31 December 2018: USD 5,2810 TL, EUR 6,0422 TL).

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.

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 Financial Instruments ("TFRS 9") 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.

As of 31 March, 2019 and 31 December 2018, the Bank does not have any derivative transactions that are recognized as at fair value through profit or loss.

ACCOUNTING POLICIES (Continued)

I. Explanation on basis of presentation (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 in accordance with the related legislation.

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 'Financial assets measured at fair value through profit/loss', 'Financial assets measured at fair value through other comprehensive income', 'Financial assets measured at amortised cost'. 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:

Financial assets at fair value through profit or loss are financial assets other than the ones that are managed with business model that aims to hold to collect contractual cash flows or business model that aims to collect both the contractual cash flows and cash flows arising from the sale of the assets; and if the contractual terms of the financial asset do not lead to cash flows representing solely payments of principal and interest at certain date; that are either acquired for generating a profit from short term fluctuations in prices or are financial assets included in a portfolio aiming to short-term profit making. Financial assets at the fair value through profit or loss are initially recognized at fair value and remeasured at their fair value after recognition. All gains and losses arising from these valuations are reflected in the income statement

Equity securities, which are classified as financial assets measured at fair value through profit or measured are carried at fair value.

As of 31 March 2019 and 31 December 2018, the Bank has no financial assets at fair value through profit or loss.

ACCOUNTING POLICIES (Continued)

I. Explanation on basis of presentation (Continued):

VI. Explanations on financial assets (continue):

b. Financial assets at fair value through other comprehensive income:

Financial Assets Measured at Fair Value Through Other Comprehensive Income occur from assets other than "Loans", "Financial Assets Measured at Amortised Cost" and financial assets that are not derivative financial instruments. Financial Assets Measured at Fair Value Through Other Comprehensive Income are recorded along with the transaction costs directly related to the acquisition costs are recorded along with values from transaction costs directly related to the acquisition costs.

Financial assets at fair value through other comprehensive income are remeasured at fair value after the recognition. Interest income calculated with effective interest rate method arising from debt securities at fair value through other comprehensive income and dividend income from equity securities are recorded to income statement. “Unrealized gains and losses” arising from the difference between the amortized cost and the fair value of financial assets at fair value through other comprehensive income are not reflected in the income statement of the period until the acquisition of the asset, sale of the asset, the disposal of the asset, and impairment of the asset and they are accounted under the “Accumulated other comprehensive income or expense to be reclassified through profit or loss” under shareholders’ equity.

Equity securities, which are classified as financial assets at fair value through other comprehensive income, that have a quoted market price in an active market and whose fair values can be reliably measured are carried at fair value. 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 of 31 March 2019 Bank have financial assets at fair value through other comprehensive income TL 160 (31 December 2018: TL 160).

c. Loans

Loans are financial assets that are non-derivative financial instruments and cannot be identified, at fair value through profit / loss or at fair value through other comprehensive income, have fixed or determinable payments and are not quoted in an active market. Loans 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. Assets received as collateral and other similar expenses incurred for the transaction costs and expenses are not considered as part of the accounts.

IFRS 9 “Financial Instruments an Standard, issued by POA in January 2017, Although amendments to the existing guidance in TAS 39 “Financial Instruments: Recognition and Measurement”, the accounting, classification, measurement and off-balance sheet applications of TAS 39 are now transferred to TFRS 9. The latest version of TFRS 9 includes guidance on the application of a new expected credit loss model for the calculation of impairment on financial assets, as well as guidance on previous release versions of TFRS 9, including updated practices on new general hedge accounting requirements. TFRS 9 entered into force on 1 January 2018. In this context, banks have been required to apply TFRS 9 as of 1 January, 2018 with the “Regulation on Procedures and Principles for Classicication of Loans and Provisions to be set Aside” published in the Official Gazette dated 22 June 2016 and numbered 29750.

The Bank is allowed to allocate provisions in accordance with the 10th, 11th, 13th and 15th articles of the Regulation instead of TFRS 9 with the BRSA's decision No. 7650 dated 21 December 2017.

In accordance with the Bank's management's evaluations and estimates, if the possibility of collecting any loan becomes limited or suspicious, and / or for the non-performing loans, published in the Official Gazette dated June 22, 2016 and numbered 29750, gel the principles and procedures for the classification of loans and the provisions to be set aside By taking into account the Regulation, it sets a special and general provision. Reserves are deducted from the income of that year. Provision for provision for provision for uncollectible receivables is recognized in ”Other operating income ayr when the allowance for any provision is made. In the same year, when receivables are allocated, provisions are deducted from Provision for Loans ise. Uncollectible receivables are deleted from the records after all legal procedures are completed.

ACCOUNTING POLICIES (Continued)

VI. Explanations on financial assets (Continue):

d. Financial assets measured at amortized cost:

Financial assets measured at amortized cost are assets that are not classified under "loans" with fixed maturities and fixed or determinable payments where management has the intent and ability to hold the financial assets to maturity; initially recognized at transaction prices at acquisition and not defined as financial assets at fair value through other comprehensive income or derivative financial assets. Financial assets measured at amortized cost are initially recognized at acquisition cost including the transaction costs which reflect the fair value of those instruments and subsequently recognized at amortized cost by using "effective interest rate'' method. Interest income obtained from financial assets measured at amortized cost is accounted in income statement.

There are no financial assets that were previously classified as financial assets measured at amortized cost but cannot be subject to this classification for two years due to the violation of classification principles.

As of 31 March 2019 and 31 December 2018 the Bank does not have any financial assets measured at amortized cost.

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", "Financial Assets at Fair Value Through Other Comprehensive Income" and "Financial Assets Measured at *Amortised* Cost" 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.

ACCOUNTING POLICIES (Continued)

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

Property and equipment held-for-sale consist of tangible assets that were acquired due to non-performing loans and receivables, and are accounted in the financial statements in accordance with the regulations of "Turkish Financial Reporting Standard for Assets Held for Sale and Discontinued Operations (TFRS 5)".

The assets that meet the criteria of being classified under assets held for sale are measured at the lower of their book values or fair value less costs to be incurred for sale, depreciation for these assets is ceased and these assets are presented separately in the balance sheet. In order for an asset to be classified as an asset held for sale, the related asset (or the asset group to be disposed) shall be ready to be sold immediately under usual conditions and should have a high possibility to be sold. To have a high possibility of sale, a plan should have been made for the sale of the asset (or the asset group to be disposed) and an active program should have been started by the management, aiming to complete the plan and determine the buyers. The properties obtained from the Group's receivables are shown at the fixed assets held for sale line according to the execution of the forward sales agreement. A discontinued operation is a part of an entity which is classified as to be disposed or held for sale. The results related to discontinuing operations are presented separately in the income statement. The does not have any discontinued operations as at 31 March 2019.

XI. Explanations on goodwill and other intangible assets:

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.

The Bank does not have any goodwill as at 31 March 2019 and 31 December 2018.

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
Other	3-15 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.

Right of use assets

The cost of the right-of-use asset comprises the amount of the initial measurement of the lease liability, any lease payments made at or before the commencement date, less any lease incentives received and direct costs paid by lessee in the beginning.

After the commencement date, the Bank measures the right-of-use asset applying a cost model. To apply the cost model, the Bank measures the right-of-use asset at cost less any accumulated depreciation and any accumulated impairment losses; and adjusted for any remeasurement of the lease liability.

The Bank applies TAS 36 Impairment of Assets to determine whether the real estates considered as rightof-use assets are impaired and to account for any impairment loss identified. As of 31 March 2019 and 31 December 2018, there are no investment properties in the financial statements.

ACCOUNTING POLICIES (Continued)

XIII. Explanations on leasing transactions:

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.

The amount of the lease to the financial statement, measurement and presentation of the leases is shown in the gross balance of the balance sheet as equal to the total of all cash payments under the contract and netted with the interest expense arising from the contract. The right of use arising from leasing transactions is capitalized on the date when the leasing is commenced by measuring the present value of the lease payments that have not been paid at that date. In this measurement, the alternative borrowing interest rate given by the Asset Liability Management Department is used if it can be easily determined. During the first application, the Bank has recorded a lease obligation as an operating lease. These liabilities are measured at the present value of the remaining lease payments discounted using the Bank's average borrowing rate.

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

With the TFRS 16 Leases standard effective from 1 January 2019, the difference between operating lease and leasing is eliminated and leasing transactions are recognized by the lessee as property (right of use assets) in tangible assets and as liabilities in (Liabilities from Lease Payables). Implementation and impacts related to the transition to TFRS 16 are explained in Note XXIII of Section Three.

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.

ACCOUNTING POLICIES (Continued)

XVI. Explanations on obligations related to the employee rights:

a) 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.

b) 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.

c) Short term benefits for employees:

The liabilities arising from the vacation payments defined as "Short-term benefits provided to employees" within the fr amework 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:

Many clauses of Corporate Tax Law No. 5520 which are valid starting from 1 January 2006, came into effect after being published in Official Gazette No. 26205, dated 21 September 2006. Accordingly the corporate tax rate in Turkey is 20%. Corporate tax rate will be applied as 22% between the years 2018-2020, according to Law No: 7061 "The Law regarding amendments on Certain Tax Laws and their implications on Deferred Tax Calculations" published in the Official Gazette dated 5 December 2017. The corporate tax rate is applied to tax base which is calculated by adding certain non-deductible expenses for tax purposes and deducting certain exemptions (like dividend income) and exclusion of deductions on accounting income. If there is no dividend distribution, no further tax charges are made.

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.

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.

According to 5.1.e. article of Corporation Tax Law which is important tax exemption that is applied by banks, corporations' 50% of revenues that occur from selling of their real estates, are in assets, that belong to the corporations at least two years (730 days), 75% of revenues that occur from selling their founding bonds that are belong to the corporations as long as time of participation stocks, redeemed shares and option to call are exempted from Corporation Tax. (It was changed with 89th article of code 7061 that entries into force in 5 December 2017. According to dated 23 December 2017 3rd article of Corporation Tax Code (CTC) 14 annunciation this exemption will apply as ratio of 75% for selling that made till the 5 December 2017, after this date it will apply as ratio of 50%.)

This exemption applies to the period the sale is made and the part of return on sales that benefits from the exemption is held in a special fund in the liabilities account until the end of the fifth year started from the following year sale is made. However, the sales payment must be collected until the end of the second calendar year following the year in which the sale is made. Taxes which are not realized in time due to the exemption that hits uncollected sales payment are considered tax loss.

Taxes which does not acrrue on time because the applying exemption for the transfer of the expemted part of revenue to the other accounts with other ways out of capitalizing in five years or withdrawn from company or transferring from limited taxpayer corporations to the headquarters, are considered as tax loss. This is also be applicable in the condition of liquidation of business (Except transfers and divisions that make according to this code).

Under the Turkish Corporate Tax Law, losses can be carried forward to offset against future taxable income for up to five years. However losses can not be offsetted from retained earnings.

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.

ACCOUNTING POLICIES (Continued)

XVII. Explanations on taxation(Continued):

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.

c. Transfer Pricing

The article no.13 of the Corporate Tax Law describes the issue of transfer pricing under the title of "Disguised Profit Distribution by Way of Transfer Pricing". "The General Communiqué on Disguised Profit Distribution by Way of Transfer Pricing" published at 18 November 2007, explains the application related issues on this topic. According to this communiqué, if the taxpayers conduct transactions like purchase and sale of goods or services with the related parties where the prices are not determined according to the arm's length principle, then it will be concluded that there is a disguised profit distribution by way of transfer pricing. Such disguised profit distributions will not be deducted from the corporate tax base for tax purposes. As stated in the "7.1 Annual Documentation" section of this communiqué, the taxpayers are required to fill out the "Transfer Pricing, Controlled Foreign Entities and Thin Capitalization" form for the purchase and sale of goods or services conducted with their related parties in a taxation period, attach these forms to their corporate tax returns and submit to the tax offices.

XVIII. Explanations on 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 2019 and 31 December 2018.

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 2019 and 31 December 2018, 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.

(d) Information about operating segments is disclosed in Note VII of Section Four.

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

ACCOUNTING POLICIES (Continued)

XXIII. Classification

"TFRS 16 Leases Standard'' was published in the Official Gazette dated 16 April 2018 and numbered 30393, effective from 1 January 2019. This Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of an entity. The Bank started to apply the related standard for the first time on 1 January 2019.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Bank incremental borrowing rate. The Bank uses its incremental borrowing rate as the discount rate.

The Bank has applied TFRS 16 with a simplified transition application approach and is comparable to the previous year

amounts have not been rearranged.

The classification and adjustment effects of the first application of TFRS 16 Leases Standard dated 1 January 2019 are given below.

	31.12.2018	TFRS 16 Classification Effect	TFRS 16 Transition Effect	01.01.2019
Tangible Assets (Net) (*)	3.619	-	489	4.108
Liabilities from leasing transactions (Net) (**)	-	-	489	489

(*) For leases classified as operating leases in accordance with TAS 17, the Bank has reflected in the financial statements TL 489 of the lease liability and the right to use, as of 1 January 2019, in accordance with TFRS 16.

(**) As of 1 January 2019, the weighted average of the incremental borrowing rates applied to the Euro lease liabilities reflected in the statement of financial position is 4%.

XXIV. Explanations on other matters:

None.

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

SECTION FOUR

INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK

I. Explanation on equity:

The Bank's capital adequacy standard ratio is 87,11 % (31 December 2018: 104,43%). 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 December 2017.

	Current Period 31 March 2019	Amounts related to treatment before 1/1/2014(*)
COMMON EQUITY TIER 1 CAPITAL		
Paid-in capital following all debts in terms of claim in liquidation of the Bank	40.126	
Share issue premiums	-	
Reserves	28.843	
Gains recognized in equity as per TAS	5.944	
Profit	27.642	
Current Period Profit	500	
Prior Period Profit	27.142	
Shares acquired free of charge from subsidiaries, affiliates and jointly controlled partnerships and cannot be 22mmovable22 within profit for the period	-	
Common Equity Tier 1 Capital Before Deductions	**102.555**	
Deductions from Common Equity Tier 1 Capital		
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)	2	
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	1.329	
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 provison	-	
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	-	
Total Deductions From Common Equity Tier 1 Capital	**25.088**	
Total Common Equity Tier 1 Capital	**77.467**	

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued)

I. Explanation on equity (Continued):

Additional Tier I Capital	-
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)	-
Additional Tier I Capital before Deductions	-
Deductions from Additional Tier I Capital	-
Direct and indirect investments of the Bank in its own Additional Tier I Capital	-
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 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 Banks and Financial Institutions where the Bank Owns more than 10% of the Issued Share Capital	-
Other items to be defined by the BRSA	-
Transition from the Core Capital to Continue to deduce Components	-
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 (-)	-
Total Deductions From Additional Tier I Capital	-
Total Additional Tier I Capital	-
Total Tier I Capital (Tier I Capital=Common Equity+Additional Tier I Capital)	**77.467**
TIER II CAPITAL	-
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)	272
Tier II Capital Before Deductions	**272**
Deductions From Tier II Capital	-
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 (-)	-
Total Deductions from Tier II Capital	-
Total Tier II Capital	**272**
Total Capital (The sum of Tier I Capital and Tier II Capital)	**77.739**
The sum of Tier I Capital and Tier II Capital (Total Capital)	**77.739**
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 (-)	-
In transition from Total Core Capital and Supplementary Capital (the capital) to Continue to Download Components	
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 Eguity Tier 1 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued)

I. Explanation on equity (Continued):

TOTAL CAPITAL	
Total Capital	77.739
Total risk weighted amounts	89.246
CAPITAL ADEQUACY RATIOS	
Tier 1 Capital Adequacy Ratio	86,80
Core Capital Adequacy Ratio	86,80
Capital Adequacy Ratio	87,11
BUFFERS	
Total buffer requirement	-
Capital conservation buffer requirement (%)	2,50
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(%)	78,80
Amounts below the Excess Limits as per the Deduction Principles	-
Portion of the total of net long positions of investments in equity items of 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 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	-
Limits related to provisions considered in Tier II calculation	-
General provisions for standard based receivables (before tenthousandtwentyfive limitation)	503
Up to 1.25% of total risk-weighted amount of general reserves for receivables where the standard approach used	272
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	-
Debt instruments subjected to Article 4 (to be implemented between January 1, 2018 and January 1, 2022)	-
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	-
	-

(*) Amonts considered within transition provisions

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

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).

	31 December 2018	Amounts related to treatment before 1/1/2014(*)
COMMON EQUITY TIER 1 CAPITAL		
Paid-in capital following all debts in terms of claim in liquidation of the Bank	40.126	
Share issue premiums	-	
Reserves	28.797	
Gains recognized in equity as per TAS	6.072	
Profit	27.142	
Current Period Profit	26.501	
Prior Period Profit	641	
Shares acquired free of charge from subsidiaries, affiliates and jointly controlled partnerships and cannot be 25mmovable25 within profit for the period	-	
Common Equity Tier 1 Capital Before Deductions	**102.137**	
Deductions from Common Equity Tier 1 Capital		
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)	2	
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	1.607	
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 provison	-	
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	-	
Total Deductions From Common Equity Tier 1 Capital	**25.366**	
Total Common Equity Tier 1 Capital	**76.771**	

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued)

I. Explanation on equity (Continued):

Additional Tier I Capital	-
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)	-
Additional Tier I Capital before Deductions	-
Deductions from Additional Tier I Capital	-
Direct and indirect investments of the Bank in its own Additional Tier I Capital	-
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 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 Banks and Financial Institutions where the Bank Owns more than 10% of the Issued Share Capital	-
Other items to be defined by the BRSA	-
Transition from the Core Capital to Continue to deduce Components	-
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 (-)	-
Total Deductions From Additional Tier I Capital	-
Total Additional Tier I Capital	-
Total Tier I Capital (Tier I Capital=Common Equity+Additional Tier I Capital)	**76.771**
TIER II CAPITAL	-
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)	276
Tier II Capital Before Deductions	**276**
Deductions From Tier II Capital	-
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 (-)	-
Total Deductions from Tier II Capital	-
Total Tier II Capital	**276**
Total Capital (The sum of Tier I Capital and Tier II Capital)	**77.046**
The sum of Tier I Capital and Tier II Capital (Total Capital)	**77.046**
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 (-)	-
In transition from Total Core Capital and Supplementary Capital (the capital) to Continue to Download Components	
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 Eguity Tier 1 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued)

I. Explanation on equity (Continued):

TOTAL CAPITAL	
Total Capital	77.046
Total risk weighted amounts	73.777
CAPITAL ADEQUACY RATIOS	
Tier 1 Capital Adequacy Ratio	104,06
Core Capital Adequacy Ratio	104,06
Capital Adequacy Ratio	104,43
BUFFERS	
Total buffer requirement	-
Capital conservation buffer requirement (%)	1,875
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(%)	96,06
Amounts below the Excess Limits as per the Deduction Principles	-
Portion of the total of net long positions of investments in equity items of 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 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	-
Limits related to provisions considered in Tier II calculation	-
General provisions for standard based receivables (before tenthousandtwentyfive limitation)	549
Up to 1.25% of total risk-weighted amount of general reserves for receivables where the standard approach used	276
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	-
Debt instruments subjected to Article 4 (to be implemented between January 1, 2018 and January 1, 2022)	-
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	-

Explanations on borrowing instruments to be included in equity calculation:

None.

Explanations on reconciliation of equity items and balance sheet amounts:

The principal difference between the equity amount in the statement of shareholders' equity and the shareholders' equity the balance sheet is related to the general provisions. The portion of general provisions up to 1.25% of the amount subject to credit risk is considered as Contribution Capital in the calculation of the Equity amount given in the statement of shareholders' equity. In the balance sheet, intangible assets and deferred tax liabilities are taken into consideration in the calculation of Equity as values to be deducted from capital.

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").

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

II. EXPLANATIONS ON CURRENCY RISK:

The Bank does not carry structural foreign currency risk. The board of directors has set limits for positions monitored on a daily basis. 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:

	USD	EUR
Balance Sheet Evaluation Rate (31 March 2019):	**5,6284**	**6,3188**
As of 31 March 2019	5,6284	6,3188
As of 30 March 2019	5,6284	6,3188
As of 29 March 2019	5,6284	6,3188
As of 28 March 2019	5,5423	6,2335
As of 27 March 2019	5,3307	6,0091

The simple arithmetical average of the Bank's foreign exchange bid rates for the last thirty days are TL 5,4690 for 1 USD dollar and TL 6,1802 for 1 EUR.

As of 31 December 2018;

	USD	EUR
Balance Sheet Evaluation Rate (31 December 2018):	**5,2810**	**6,0422**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").

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

II. EXPLANATIONS ON CURRENCY RISK (Continued):

Information on currency risk of the Bank:

	EUR	USD	Other FC	Total
31 March 2019				
Assets				
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques Purchased) and Balances with the CBRT	-	-	-	-
Banks	7	38	20	65
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				
Total Assets	**7**	**38**	**20**	**65**
Liabilities				
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	-	-	-	-
Total Liabilities	-	-	-	-
Net On-balance Sheet Position	**7**	**38**	**20**	**65**
Net Off-balance Sheet Position	-	-	-	-
Financial Derivative Assets	-	-	-	-
Financial Derivative Liabilities	-	-	-	-
Non-Cash Loans	-	-	-	-
31 December 2018				
Total Assets	19	134	18	171
Total Liabilities	-	-	-	-
Net On-balance Sheet Position	**19**	**134**	**18**	**171**
Net Off-balance Sheet Position	-	-	-	-
Financial Derivative Assets	-	-	-	-
Financial Derivative Liabilities	-	-	-	-
Non-Cash Loans	-	-	-	-

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).

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.

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 years	Over 5 Years	Non- Interest Bearing	Total
31 March 2019							
Assets							
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques, Purchased) and Balances with the CBRT	-	-	-	-		44	44
Banks	-	-	-	-		207	207
Financial Assets at F.V. Through Profit/Loss	-	-	-	-		-	-
Interbank Money Market Placements	48.791	-	-	-		-	-
Available-for-Sale Financial Assets	-	-	-	-		160	160
Loans and receivables	-	-	-	-		-	-
Held-to-Maturity Investments	-	-	-	-		-	-
Other Assets (*)		-	-	-	-	39.483	39.483
Total Assets	**48.791**	**-**	**-**	**-**	**-**	**39.894**	**88.685**
Liabilities	-	-	-	-	-	-	-
Bank Deposits	-	-	-	-	-	-	-
Other Deposits	-	-	-	-	-	-	-
Funds From Interbank Money Market	-	-	-	-	-	-	-
Miscellaneous Payables	-	-	-	-	-	-	-
Marketable Securities Issued	-	-	-	-	-	-	-
Funds Borrowed From Other Financial Institutions	-	-	-	-	-	-	-
Other Liabilities (**)	574	77	174	269	-	87.591	88.685
Total Liabilities	**574**	**77**	**174**	**269**	**-**	**87.591**	**88.685**
Balance Sheet Long Position	48.217	-	-	-	-	-	48.217
Balance Sheet Short Position	-	(77)	(174)	(269)	-	(47.697)	(48.217)
Off-balance Sheet Long Position	-	-	-	-	-	-	-
Off-balance Sheet Short Position	-	-	-	-	-	-	-
Total Position	**48.217**	**(77)**	**(174)**	**(269)**	**-**	**(47.697)**	**-**

(*) “Other Assets’’ line includes Miscellaneous Receivables, Tangible Assets, Intangible Assets and Other Assets.
(**) Equity, employeetermination benefits, other provisions and general provisions are is presented under “Other liabilities” item in the “Non-interest bearing” column.

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").

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

III. EXPLANATIONS ON INTEREST RATE RISK (Continued):

31 December 2018	Up to 1 Month	1-3 Months	3-12 Months	1-5 Year	Over 5 Years	Non-Interest Bearing	Total
Assets							
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques, Purchased) and Balances with the CBRT	-	-	-	-	-	59	59
Banks	-	-	-	-	-	354	354
Financial Assets at F.V. Through Profit/Loss	-	-	-	-	-	-	-
Interbank Money Market Placements	48.830	-	-	-	-	-	48.830
Available-for-Sale Financial Assets	-	-	-	-	-	160	160
Loans and receivables	-	-	-	-	-	-	-
Held-to-Maturity Investments	-	-	-	-	-	-	-
Other Assets (*)		-	-	-	-	41.401	41.401
Total Assets	**48.830**	**-**	**-**	**-**	**-**	**41.974**	**90.804**
Liabilities							
Bank Deposits							
Other Deposits	-	-	-	-	-	-	-
Funds From Interbank Money Market	-	-	-	-	-	-	-
Miscellaneous Payables	-	-	-	-	-	-	-
Marketable Securities Issued	-	-	-	-	-	-	-
Funds Borrowed From Other Financial Institutions	-	-	-	-	-	-	-
Other Liabilities (**)	354	-	46	-	-	90.404	90.804
Total Liabilities	**354**	**-**	**46**	**-**	**-**	**90.404**	**90.804**
Balance Sheet Long Position	48.476	-	-	-	-	-	48.476
Balance Sheet Short Position	-	-	(46)	-	-	(48.430)	(48.476)
Off-balance Sheet Long Position	-	-	-	-	-	-	-
Off-balance Sheet Short Position	-	-	-	-	-	-	-
Total Position	**48.476**	**-**	**(46)**	**-**	**-**	**(48.430)**	**-**

(*) "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):

III. EXPLANATIONS ON INTEREST RATE RISK (Continued):

Average interest rates for monetary financial instruments:

31 March 2019	EUR (%)	USD (%)	TL (%)
Assets			
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques Purchased) and Balances with the CBRT	-	-	-
Banks	-	-	-
Financial Assets at Fair Value Through Profit/Loss (Net)	-	-	-
Interbank Money Market Placements	-	-	22,50
Available-for-Sale Financial Assets (Net)	-	-	-
Loans and receivables	-	-	-
Held-to-Maturity Investments (Net)	-	-	-
Liabilities			
Bank Deposits	-	-	-
Other Deposits	-	-	-
Funds From Interbank Money Market	-	-	-
Borrowings	-	-	-
Miscellaneous Payables	-	-	-
Marketable Securities Issued (Net)	-	-	-
Funds Borrowed From Other Financial Institutions	-	-	-

Average interest rates for monetary financial instruments:

31 December 2018	EUR (%)	USD (%)	TL (%)
Assets			
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques Purchased) and Balances with the CBRT	-	-	-
Banks	-	-	14,73
Financial Assets at Fair Value Through Profit/Loss (Net)	-	-	-
Interbank Money Market Placements	-	-	22,50
Available-for-Sale Financial Assets (Net)	-	-	-
Loans and receivables	-	-	-
Held-to-Maturity Investments (Net)	-	-	-
Liabilities			
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.

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").

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

III. EXPLANATIONS ON INTEREST RATE RISK (Continued):

Economic value differences because of Interest Rate Risk in the Banking Accounts from the Regulation on Measurement and Assessment of Standard Shock Method:

Interest rate risk in the Banking Accounting from Standard Shock Method in accordance with the Regulation on Measurement and Assessment of the economic value differences arising from interest rate fluctuations is as follows:

Current Period

Currency	Shock applied (+/- basis points)*	Gains / Losses	Gains/Equity – Losses/Equity
TL	500	(79,53)	(0,10%)
	(400)	66,07	0,08%
EUR	200	-	0%
	(200)	-	0%
USD	200	-	0%
	(200)	-	0%
Total (for negative shocks)		**(79,53)**	**(0,10%)**
Total (for positive shocks)		**66,07**	**0,08%**

**Applied to a currency different intensity and direction are entered in separate lines for each shock.*

Prior Period

Currency	Shock applied (+/- basis points)*	Gains / Losses	Gains/Equity – Losses/Equity
TL	500	(80,16)	(0,10%)
	(400)	66,61	0,08%
EUR	200	-	0%
	(200)	-	0%
USD	200	-	0%
	(200)	-	0%
Total (for negative shocks)		**(80,16)**	**(%0,10)**
Total (for positive shocks)		**66,61**	**%0,08**

IV. EXPLANATIONS ON THE POSITION RISK OF SHARES

As of 31 March 2019 the Bank does not have the position risk of shares (31 December 2018: None). The bank only has 15.971.094 shares with a nominal value of TL 160 which is transferred by Borsa İstanbul A.Ş. as free of charge in its financial assets at fair value through other comprehensive income portfolio.

V. EXPLANATIONS ON LIQUIDITY RISK AND LIQUIDITY COVERAGE RATIO

Liquidity risk is the risk where the bank can not meet its obligations on time or reaches financial resources with high cost due to the lack of sufficient financial resources. Liquidity risk of the Bank is monitored by the Finance Department within the liquidity limits determined by the BRSA. In the Asset Liability Committee, the liquidity position of the Bank is assessed on a monthly basis, and actions are taken when deemed necessary. 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.

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").

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

V. EXPLANATIONS ON LIQUIDITY RISK AND LIQUIDITY COVERAGE RATIO (Continued):

The Bank relies on its existing liquid pool of capital and undistributed profits to meet its operational needs. The liquidity buffer of the Bank consists of the cash surplus available for allocation to the Central Bank of the Republic of Turkey (''TCMB''), the SCB or the local bank. The Bank has little liquidity outflow and the liquidity ratios are well above the legal liquidity limits. The Bank routinely conducts two liquidity stress tests including an 8-day and 30-day general stress test. Violations of the stress test results are monitored by the Asset Liability Committee.

Liquidity of the Bank is above the legal rates. Within the framework of "Regulation on Calculation of Liquidity Covered Rate of Banks" published in the Official Gazette dated 21 March 2014 and numbered 28948 by the BRSA, maximum and minimum Liquidity Cover Rate on weekly basis the Bank calculates are below:

	Current Period		Prior Period	
	FC	**TL+FC**	FC	**TL+FC**
Avarage (%)	-	39.659,83	-	46.373,66
Max (%)	-	74.579,84	-	81.835.72
Week		22 February 2019		19 October 2018
Min (%)	-	1.814,93	-	19.506,17
Week		25 January 2019		16 November 2018

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.

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").

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

V. EXPLANATIONS ON LIQUIDITY RISK AND LIQUIDITY COVERAGE RATIO (Continued):

		Total Unweighted Value (average)(1)		Total Weighted Value (average)(1)	
Current Period		**TL+FC**	**FC**	**TL+FC**	**FC**
High Quality Liquid Assets					
1	High Quality Liquid Assets			49.254	-
Cash Outflows					
2	Retail and Small Business Customers, of which;	-	-	-	-
3	Stable Deposits	-	-	-	-
4	Less Stable Deposits	-	-	-	-
5	Unsecured wholesale funding , of which;	1.176	-	1.176	
6	Operational Deposits	-	-	-	-
7	Non-operational Deposits	-	-	-	-
8	Other Unsecured Funding	1.176	-	1.176	-
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	-	-	-	-
12	Obligations related to structured financial products	-	-	-	-
13	Commitments related to debts to financial markets and other off-balance sheet	-	-	-	-
14	Other revocable off-balance sheet commitments and contractual obligations.	-	-	-	-
15	Other irrevocable or conditionally revocable off-balance sheet obligations	-	-	-	-
16	**Total Cash Outflows**			1.176	
Cash Inflows					
17	Secured Lending	300	137	300	137
18	Unsecured Lending	-	-	-	-
19	Other Cash Inflows	-	-	-	-
20	**Total Cash Inflows**	**300**	**137**	**300**	**137**
				Total Adjusted Value	
21	**Total HQLA Stock**			**49.254**	**-**
22	**Total Net Cash Inflows**			**876**	**-**
23	**Liquidity Coverage Ratio(%)**			**5.621%**	**-**

(1) The average of three months liquidity coverage ratio calculated by weekly simple averages.

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").

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

V. EXPLANATIONS ON LIQUIDITY RISK AND LIQUIDITY COVERAGE RATIO (Continued):

		Total Unweighted Value (average) [1]		Total Weighted Value (average) [1]	
Prior Period		**TL+FC**	**FC**	**TL+FC**	**FC**
High Quality Liquid Assets					
1	High Quality Liquid Assets			64.398	-
Cash Outflows					
2	Retail and Small Business Customers, of which;	-	-	-	-
3	Stable Deposits	-	-	-	-
4	Less Stable Deposits	-	-	-	-
5	Unsecured wholesale funding , of which;	497	-	497	-
6	Operational Deposits	-	-	-	-
7	Non-operational Deposits	-	-	-	-
8	Other Unsecured Funding	497	-	497	-
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	**Total Cash Outflows**			**497**	**-**
Cash Inflows					
17	Secured Lending	253	170	253	170
18	Unsecured Lending	-	-	-	-
19	Other Cash Inflows	-	-	-	-
20	**Total Cash Inflows**	**253**	**170**	**253**	**170**
				Total Adjusted Value	
21	**Total HQLA Stock**			**64.398**	**-**
22	**Total Net Cash Inflows**			**244**	**-**
23	**Liquidity Coverage Ratio(%)**			**26.386%**	**-**

[1] The average of three months liquidity coverage ratio calculated by weekly simple averages.

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

V. EXPLANATIONS ON LIQUIDITY RISK AND LIQUIDITY COVERAGE RATIO (Continued):

a. Significant elements affecting the result of the liquidity coverage ratio and the change in time of the items considered in calculating the ratio:

The Bank's liquidity coverage ratio is above the limits which is defined in the law.

Money market placements held for the Central Bank of the Republic of Turkey which are among the high quality liquid assets ensure that the total of liquidity coverage ratio to be above the limits defined in the law.

b. Information about of which items consists the high quality liquid assets:

The high quality assets stock consists money market placements held for the Central Bank of The Republic of Turkey.

c. The items which consist in the fund resources and their density in all funds:

As of 31 December 2018, the Bank's fundamental fund resource is the capital from the main partner bank.

d. Information about cash out based on the derivative transactions and margin call transactions:

None.

e. Information about counterparties fund sources on the basis of products and concentrical limits about warranties:

As of 31 December 2018 the Bank's fundamental funds source is the capital taken from the main partner bank.

f. Liquidity risk occurred by the funding need of the bank's foreign branches and partners which are consolidated and the bank considering the prohibitor to the liquidity transaction operational and legal factors.

There is no risk associated with this issue when the current situation is considered of the bank that has no foreign branches and consolidated partnership.

g. Information on other cash inflows and cash outflows that are included in the calculation of the liquidity coverage ratio but are not included in the public disclosure template table above and are believed to be related to the liquidity profile of the bank

In this case, there are no cash inflows and cash outflows that are not included in the related table.

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

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

V. EXPLANATIONS ON LIQUIDITY RISK AND LIQUIDITY COVERAGE RATIO (Continued):

h. Presentation of assets and liabilities according to their outstanding maturities:

	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Year	Over 5 Years	Unclassified	Total
31 March 2019								
Assets								
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques, Purchased) and Balances with the CBRT	44	-	-	-	-	-	-	44
Banks	207	-	-	-	-	-	-	207
Financial Assets at F.V. Through Profit / Loss (Net)	-	-	-	-	-	-	-	-
Interbank Money Market Placements	-	48.791	-	-	-	-	-	48.791
Available-for-Sale Financial Assets (Net)	-	-	-	-	-	-	160	160
Loans and Receivables	-	-	-	-	-	-	-	-
Held-to-maturity Investments (Net)	-	-	-	-	-	-	-	-
Other Assets (*)	6.329	-	-	33.154	-	-	-	39.483
Total Assets	**6.580**	**48.791**	**-**	**33.154**	**-**	**-**	**160**	**88.685**
Liabilities								
Bank Deposits	-	-	-	-	-	-	-	-
Other Deposits	-	-	-	-	-	-	-	-
Funds From Interbank Money Market	-	-	-	-	-	-	-	-
Marketable Securities Issued (Net)	-	-	-	-	-	-	-	-
Miscellaneous Payables	-	-	-	-	-	-	-	-
Other Liabilities (**)	-	574	77	174	269	-	87.591	88.685
Total Liabilities	**-**	**574**	**77**	**174**	**269**	**-**	**87.591**	**88.685**
Liquidity (Gap) / Surplus	**6.580**	**48.217**	**(77)**	**32.980**	**(269)**	**-**	**(87.431)**	**-**
Net off balance sheet position	-	-	-	-	-	-	-	-
Derivative financial assets	-	-	-	-	-	-	-	-
Derivative financial liabilities	-	-	-	-	-	-	-	-
Non-cash loans	-	-	-	-	-	-	-	-
31 December 2018								
Total Assets	5.885	48.830	-	35.929	-	-	160	90.804
Total Liabilities	-	3.160	2.336	2.099	-	-	83.209	90.804
Liquidity (Gap) / Surplus	**5.885**	**45.670**	**(2.336)**	**33.830**	**-**	**-**	**(83.049)**	**-**
Net off balance sheet position	-	-	-	-	-	-	-	-
Derivative financial assets	-	-	-	-	-	-	-	-
Derivative financial liabilities	-	-	-	-	-	-	-	-
Non-cash loans	-	-	-	-	-	-	-	-

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

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

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

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. Information on operating segments as of 31 March 2019 and 31 December 2018 are presented in the table below.

Balance sheet and income statement items based on operating segments:

31 March 2019	**Transaction Banking and OCC**	**Global Markets**	**Other**	**Total Operations of Bank**
Operating Income	9.162	2.765	-	11.927
General Loan Provision (-)	-	-	-	-
Operating Costs (-)	(9.628)	(78)	-	(9.706)
Net Operating Profit	**(466)**	**2.687**	**-**	**2.221**
General Loan Provision (-)	-	-	-	-
Profit / (Loss) before tax	**(466)**	**2.687**	**-**	**2.221**
Tax expense (-)	-	-	(1.721)	(1.721)
Net Profit / (Loss)	**(466)**	**2.687**	**(1.721)**	**500**
Segment Assets	33.154	49.042	6.489	88.685
Unallocated Assets	-	-	-	-
Total Assets	**33.154**	**49.042**	**6.489**	**88.685**
Segment Liabilities	473	78.798	9.414	88.685
Unallocated Liabilities	-	-	-	-
Total Liabilities	**473**	**78.798**	**9.414**	**88.685**

31 December 2018	**Transaction Banking and OCC**	**Global Markets**	**Other**	**Total Operations of Bank**
Operating Income	36.065	10.844	-	46.909
General Loan Provision (-)	-	-	-	-
Operating Costs (-)	(12.871)	(199)	-	(13.070)
Net Operating Profit	**23.194**	**10.645**	**-**	**33.839**
General Loan Provision (-)	151	-	-	151
Profit / (Loss) before tax	**23.194**	**10.645**	**-**	**33.839**
Tax expense (-)	-	-	(7.338)	(7.338)
Net Profit / (Loss)	**23.194**	**10.645**	**(7.338)**	**26.501**
Segment Assets	35.929	49.243	5.632	90.804
Unallocated Assets	-	-	-	-
Total Assets	**35.929**	**49.243**	**5.632**	**90.804**
Segment Liabilities	-	78.379	12.425	90.804
Unallocated Liabilities	-	-	-	-
Total Liabilities	**-**	**78.379**	**12.425**	**90.804**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

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

VIII. 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 2019, the Bank's leverage ratios is 88,35 % (31 December 2017: 88,92%). According to Regulation, the minimum leverage ratio is 3%.

b. Information on leverage ratio:

	31 March 2019(*)	31 December 2018(*)
On-Balance Sheet Items		
On-balance sheet items (excluding derivatives and SFTs, but including collateral)	90.329	96.342
Assets that are deducted from core capital	(1.543)	(1.534)
Total on balance sheet exposures	88.786	94.808
Derivative exposures and credit derivatives		
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	-	-
Investment securities or commodity collateral financing transactions		
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	-	-
Off -Balance Sheet Items		
Gross notional amount of off-balance sheet items	-	-
Adjustments for conversion to credit equivalent amounts	-	-
The total risk of off-balance sheet items	-	-
Capital and Total Exposures		
Tier 1 Capital	78.443	84.377
Total Exposures	88.786	94.808
Leverage Ratio		
Leverage Ratio	88,35	88,92

(1) Three-month average of the amounts in the table.

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

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

IX. EXPLANATIONS ON RISK MANAGEMENT AND RISK WEIGHTED AMOUNTS:

Explanation on leverage ratio

		Risk Weighted Amounts		Minimum Capital Requirements
		31 March 2019	31 December 2018	31 March 2019
1	**Credit risk (excluding counterparty credit risk) (CCR)**	**21.774**	**22.061**	**1.742**
2	Standardised approach (SA)	21.774	22.061	1.742
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 -**	-	-	-
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**	**65**	**171**	**5**
17	Standardised approach (SA)	65	171	5
18	Internal model approaches (IMM)	-	-	-
19	**Operational Risk**	**67.406**	**51.544**	**5.392**
20	Basic Indicator Approach	67.406	51.544	5.392
21	Standard 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	**Total (1+4+7+8+9+10+11+12+16+19+23+24)**	**89.245**	**73.776**	**7.139**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

SECTION FIVE

EXPLANATIONS AND NOTES RELATED TO FINANCIAL STATEMENTS

I. EXPLANATIONS AND NOTES RELATED TO ASSETS:

1. Explanations Related to Financial Assets:

1.1. Information related to cash and the account of the CBRT:

1.1.a. Information related to cash and the account of CBRT:

	31 March 2019		31 December 2018	
	TL	**FC**	**TL**	**FC**
Cash/Foreign Currency	-	-	-	-
CBRT	48.835	-	48.889	-
Other	-	-	-	-
Total	**48.835**	-	**48.889**	-

1.1.b. Information on the account of the CBRT:

	31 March 2019		31 December 2018	
	TL	**FC**	**TL**	**FC**
Demand Unrestricted	44	-	59	-
Time Deposit Amount	-	-	-	-
Non - Time Deposit	48.791	-	48.830	-
Reserve Requirements	-	-	-	-
Total	**48.835**	-	**48.889**	-

i. Information on reserve requirements

As per the Communiqué No. 2005/1 "Reserve Deposits" of the Central Bank of Turkey (CBRT), banks keep reserve deposits at the CBRT for their TL and FC liabilities mentioned in the communiqué. According to Communiqué CBRT published, "Reserve Deposits" can be kept as a TRY, USD and/or EUR and standarded gold.

The reserve deposit rates vary according to their maturity compositions; the reserve deposit rates are realized between in TRY, USD, EUR and/or standard gold at the rates between 1% and 7 % according to their maturities (31 December 2018: between 1,5% and 8% according to their maturities), foreign currency liabilities in USD, EUR and/or standard gold at the rates between 4% and 20% according to their maturities (31 December 2018: between 4% and 20% according to their maturities).

1.2 Explanations on financial assets at fair value through profit or loss:

i. As at 31 March 2019, there are not any financial assets through profit or loss given as collateral/blocked (31 December 2018: None).

ii. Positive differences related to trading derivative financial assets: None

1.3 Information on banks:

i. Information on banks and other financial institutions:

	31 March 2019		31 December 2018	
	TL	**FC**	**TL**	**FC**
Banks				
Domestic	142	-	183	-
Foreign	-	65	-	171
Headquarters and Branches	-	-	-	-
Total	**142**	**65**	**183**	**171**

EXPLANATIONS AND NOTES RELATED TO FINANCIAL STATEMENTS

I. EXPLANATIONS AND NOTES RELATED TO ASSETS (Continued):

1.4 Explanations on financial assets at fair value through profit or loss, net of difference and net present value, which are subject to repurchase agreements and given as collateral / blocked:

None (31 December 2018:None)

1.5 Explanations on financial assets at fair value through profit or loss:

As of 31 December 2018, the Bank's financial assets at fair value through other comprehensive income amounting to TL 160 consists of the Bank's investment in Borsa İstanbul A.Ş. and 15.971.094 shares with a nominal value of TL 160 transferred by Borsa İstanbul A.Ş.

1.6 Explanations on financial assets measured at amortized cost:

None (31 December 2018: None)

1.7 Receivables from leasing transactions:

None (31 December 2018: None)

1.8 Positive differences related to hedging derivative financial assets:

None (31 December 2018: None)

1.9 Explanations on Investment property:

None (31 December 2018: None)

1.10 Explanations on assets held for sale and related to discontinued operations:

None (31 December 2018: None).

2.Explanations on loans:

2.1. Information on all types of loan or advance balances given to shareholders and employees of the Bank:
None (31 December 2018: None).

2.2. Information on first and second group loans and restructured or rescheduled loans and other receivables:

None (31 December 2018: None).

2.3. Distribution of cash loans according to maturity structure:

None.

2.4. Information on consumer loans, personal credit cards, personnel loans and personnel credit cards:

As of 31 March 2019, the Bank has no consumer loans, personal credit cards and personnel credit cards. (31 December 2018: None).

As of 31 March 2019, there is no given loan for personnel (31 December 2018: None).

2.5. Information on installment commercial loans and corporate credit cards:

As of 31 March 2019, the Bank does not have commercial installment loans and corporate credit cards.(31 December 2018: None).

2.6. Distribution of loans by users:

None.

2.7. Distribution of domestic and foreign loans:

None.

2.8. Loans granted to subsidiaries and associates:

As of 31 March 2019 the Bank's loans to subsidiaries and associates None (31 December 2018: None).

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

EXPLANATIONS AND NOTES RELATED TO FINANCIAL STATEMENTS

I. EXPLANATIONS AND NOTES RELATED TO ASSETS (Continued):

2. Explanations on loans (Continued):

2.9. Specific provisions provided against loans:

	31 March 2019	31 December 2018
Loans and Other Receivables with Limited Collectability	-	-
Loans and Other Receivables with Doubtful Collectability	-	-
Uncollectible Loans and Other Receivables	4.982	4.982
Total	**4.982**	**4.982**

2.10 Information on non-performing loans (Net):

(i) Information on non-performing loans and restructured 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
Current period	-	-	4.982
Gross Amounts Before Provisions	-	-	4.982
Restructured Loans	-	-	-
Previous period	-	-	4.982
Gross Amounts Before Provisions	-	-	4.982
Restructured Loans	-	-	-

(ii) Information on the movement of total non-performing loans:

	III. Group	IV. Group	V. Group
31 December 2018	Loans and other receivables with limited collectability	Loans and other Receivables with doubtful collectability	Uncollectible loans and other receivables
Balance at the Beginning of the Period	-	-	**4.982**
Additions (+)	-	-	-
Transfers from Other Categories of Non-performing	-	-	-
Transfers to Other Categories of Non-performing	-	-	-
Collections (-)	-	-	-
Write-offs (-)	-	-	-
Corporate and Commercial	-	-	-
Consumer Loans	-	-	-
Credit Cards	-	-	-
Other	-	-	-
Balance at the End of the	-	-	**4.982**
Specific Provision (-)	-	-	4.982
Net Balance on Balance	-	-	-

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

I. EXPLANATIONS AND NOTES RELATED TO ASSETS (Continued):

2.10 Information on non-performing loans (Net) (Continued):

(iii). 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	**Loans and other Receivables with doubtful collectability**	**Uncollectible loans and other receivables**
31 March 2019 (Net)	-	-	-
Loans Given to Real Persons and Legal Persons	-	-	4.982
Specific Provision Amount (-)	-	-	4.982
Loans Given to Real Persons and Legal Persons	-	-	-
Banks (Gross)	-	-	-
Specific Provision Amount (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	-
Specific Provision Amount (-)	-	-	-
Other Loans and Receivables (Net)	-	-	-
31 December 2018 (Net)	-	-	-
Loans Given to Real Persons and Legal Persons	-	-	4.982
Specific Provision Amount (-)	-	-	4.982
Loans Given to Real Persons and Legal Persons	-	-	-
Banks (Gross)	-	-	-
Specific Provision Amount (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	-
Specific Provision Amount (-)	-	-	-
Other Loans and Receivables (Net)	-	-	-

(iv). Information on non-performing loan receivables granted in foreign currency:

None (31 December 2018: None)

(v) Information on non-performing loans restructured or rescheduled and other receivables:

None.

(vi) 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.

(vii) 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.

I. EXPLANATIONS AND NOTES RELATED TO ASSETS (Continued):

3. Explanations on investments in associates (Net):

The Bank does not have any associates as of 31 March 2018 (31 December 2018: None).

3.1. Explanations on associates (Net):

The Bank does not have any associates as of 31 March 2019 (31 December 2018: None).

3.2. Explanations on subsidiaries:

The Bank does not have subsidiaries as of 31 March 2019 (31 December 2018: None).

3.3. Explanations on joint ventures:

The Bank does not have any joint ventures as of 31 March 2019 (31 December 2018: None).

3.4. Explanations on investment properties:

The Bank does not have any reclassified its investment property of real estate as at 31 March 2019 (31 December 2018: None).

3.5. Explanations on deferred tax asset:

The Bank has calculated and recognized deferred tax asset on deductible temporary differences and has recognized a net deferred tax asset of TL 1.329 (31 December 2018: TL 1.607) at 31 December 2018. Bank management foresees taxable profit which will be available in the future periods against which the deferred tax asset can be utilized.

3.6. Detailed explanations on the conversion option The number, maturity and interest rate of the Bank's subordinated debt instruments; the creditor of the debt instrument and, if applicable: None.

3.7. Explanations on assets held for sale:

As of 31 March 2019, there are no assets held for sale (31 December 2018: None).

3.8. Explanations on other assets:

Other assets which are amounting to TL 34.100 (31 December 2018: TL 36.173) are comprised of intra-group receivables amounting to TL 33.154 (31 December 2018: 35.929) based on advisory services provided to the Bank.

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

II. EXPLANATIONS AND NOTES RELATED TO LIABILITIES:

1. Explanations on maturity structure of deposits:

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

2. Explanations on trading derivative financial liabilities:

As at 31 March 2019, schedule of negative differences for trading derivative financial liabilities:

None. (31 December 2018: None)

3. Explanations on borrowings:

a. Information on banks and other financial institutions: None (31 December 2018: None).

b. As at 31 March 2019, maturity of borrowing amount: None (31 December 2018: None).

4. Explanations on other liabilities:

There is TL 621 other liabilities amount as at 31 March 2019 (31 December 2018: 400 TL). This amount does not exceed 10% of total asset.

5. Explanations on finance leasing agreements:

As at 31 March 2019, the Bank has 473 TL finance lease payable (31 December 2018: None).

6. Explanations on hedging derivative instruments:

As at 31 March 2019, the Bank has no hedging derivative instruments (31 December 2018: None).

7. Explanations on provisions:

7.1. Information on general provisions

With the decision of BRSA dated 21 December 2017 and numbered 7650, in the scope of paragraph (6) of Article 9 of the "Regulation on Procedures and Principles for the Classification of Loans and the Provisions to be Forwarded" which entered into force as of 1 January 2018, it is permitted by the Bank to allocate provisions in accordance with Articles 10, 11, 13 and 15 of the Regulation instead of TFRS 9.

As a result of the non-implementation of TFRS 9, general provision is made within the framework of Article 10 of the Regulation. With the new application, the general provision rate of 1% in the prior period is 1.5% and the general loan ratio of close monitoring with a ratio of 2% is started to be applied as 3%.

7.2 Information on general provisions:

	31 March 2019	31 December 2018
General Provisions		
Provisions for Group I loans and receivables	-	-
Provisions for Group II loans and receivables	-	-
Provisions for non-cash loans	-	-
Other	503	549
Total	**503**	**549**

7. 3. Explanations on provisions related with foreign currency difference of foreign indexed loans:

As at 31 March 2019, there is no provision for foreign currency difference of foreign indexed loans (31 December 2018: None).

7.4. Specific provisions for non-cash loans that is non-funded and non-transformed into cash:

As at 31 March 2019, the Bank has no specific provision for non-cash loans (31 December 2018: None).

7.5. Explanations on other provisions:

As at 31 31 March 2019, the Bank has no tax fine as other provision (31 December 2018: None).

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

II. EXPLANATIONS AND NOTES RELATED TO LIABILITIES (Continued):

7. Explanations on provisions (Continued):

7.6. Explanations on reserve for employee benefits:

	Current Period	Prior Period
Provision for severance pay	3.657	3.418
Unused Vacation	874	918
Employee Premium Provision	675	2.336
Total	**5.206**	**6.672**

TAS 19 requires actuarial valuation methods to be developed to estimate the enterprise's obligation for such benefits.

8. Explanations on tax liability:

8.1. Explanations on current tax liability:

i. Information on current tax liability:

As at 31 March 2019, the Bank has TL 2.003 corporate tax payable (31 December 2018: TL 1.998).

ii. Information on taxes payable:

	31 March 2019	31 December 2018
Corporate Tax Payable	2.003	1.998
Taxes on Returns of Marketable Securities	-	-
Payroll Tax	859	200
Banking Insurance Transaction Tax (BITT)	9	12
Foreign Exchange Transaction Tax	-	-
Value Added Tax Payable	22	25
Other	23	2.447
Total	**2.916**	**4.682**

iii. Information on premiums:

	31 March 2019	31 December 2018
Social Security Premiums - Employee	67	49
Social Security Premiums - Employer	88	63
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	4	3
Unemployment Insurance – Employer	9	7
Other	-	-
Total	**168**	**122**

8.2. Explanations on deferred tax liability:

As of 31 March 2019 and 31 December 2018, the Bank does not have net deferred tax liability.

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

II. EXPLANATIONS AND NOTES RELATED TO LIABILITIES (Continued):

8.3. Explanations on liabilities regarding assets held for sale and discontinued operations:

None (31 December 2018: None)

9. Explanations on Equity:

10.1 Presentation of paid-in capital:

	31 March 2019	31 March 2018
Common Stock	40.126	40.126
Preferred Stock	-	-

10.2. 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.

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

None.

10.4. 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 2018: None).

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

None (31 December 2018: None).

10.6. 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.

10.7. Privilege on the corporate stock:

There are no privileges on the corporate stock.

10.8. Information on marketable securities value increase fund:

None.

10.9. Information on minority shares:

None.

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

1.1. Type and amount of irrevocable credit commitments:

None (31 December 2018: None).

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

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

None (31 December 2018: None).

ii) Guarantees, contingencies and other similar commitments:

None (31 December 2018: None).

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

IV. EXPLANATIONS AND NOTES RELATED TO INCOME STATEMENT:

1. Information on interest income:

1.1. Information on interest income on loans:

None (31 March 2018: None).

1.2. Information on interest income on banks:

	31 March 2019		31 December 2018	
	TL	FC	TL	FC
From the CBRT	2.768	-	-	-
From Domestic Banks	-	-	1.744	-
From Foreign Banks	-	1	54	-
Headquarters and Branches Abroad	-	-	-	-
Total	**2.768**	**1**	**1.798**	-

1.3. Information on interest income on marketable securities:

None (31 March 2018: None).

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

The Bank does not have investments in associates or subsidiaries.

2. Information on interest expense:

2.1. Information on interest expense on borrowings:

None (31 March 2018: None).

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

None (31 March 2018: None).

2.3 Information on interest expenses to debt securities issued:

None (31 March 2018: None).

2.4 Maturity structure of the interest expense on deposits:

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

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

IV. EXPLANATIONS AND NOTES RELATED TO INCOME STATEMENT(Continued)

3. Explanations on trading loss/income (Net):

	31 March 2019	31 March 2018
Profit	**58.828**	**20.888**
Profit on capital market operations	-	-
Profit on derivative financial instruments	-	-
Other	-	-
Foreign exchange gains	58.828	20.888
Loss	**58.817**	**20.873**
Loss on capital market operations	-	-
Loss on derivative financial instruments	-	-
Other	-	-
Foreign exchange gains	58.817	20.873
Net trading income/loss	**11**	**15**

4. Explanations on other operating income:

For the years ended 31 March 2019 and 31 December 2018, other operating income consisted of incomes from intra-group advisory services provided to the Group amounting to TL 6.768 (31 December 2018: TL 4.842) and provisions no longer required and other income.

5. Provision for impairment of loans and other receivables:

	31 March 2019	31 March 2018
Specific Provisions	-	-
Provisions for Limited Liabilities	-	-
Provisions for Suspicious Loans	-	-
Losses for Uncollectible Loans	-	-
General Provisions	-	412
Specific Provisions	-	-
Financial Assets Fair Value through Profit / Loss	-	-
Financial Assets Fair Value through Other Compherensive Income	-	-
Subsidiaries, Subsidiaries and Joint Ventures Partnerships Impairment Losses	-	-
Associates	-	-
Subsidiaries	-	-
Joint Ventures	-	-
Other	-	-
Total	**-**	**412**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

IV. EXPLANATIONS AND NOTES RELATED TO INCOME STATEMENT:

6. Information related to other operational expenses:

	31 March 2019	**31 December 2018**
Personnel expenses	134	70
Provision for employment termination benefits	-	-
Bank social aid pension fund deficit provision	-	-
Impairment expenses of tangible assets	62	50
Depreciation expenses of tangible assets	-	-
Impairment expenses of intangible assets	-	-
Impairment expenses of goodwill	-	-
Amortization expenses of intangible assets	-	-
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	2.140	1.260
Operational lease expenses	-	-
Maintenance and repair expenses	188	146
Advertising expenses	-	5
Computer usage expenses	1.278	671
Other expenses	674	438
Loss on sale of assets	1	-
Other	5.388	3.796
Total	**7.725**	**5.176**

(*) Other taxes and other taxes paid in the amount of TL 457 (31 March 2018: TL 37) and fees and fees amounting to TL 14 (31 March 2018: TL 84) and TL 4.159 (31 March 2018: Retained Earnings, TL 657 (31 March 2018: TL 591) Provisions, and TL 5 (31 March 2018: TL 3) are included in other expenses.

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

For the year ended 31 March 2019; the Bank's profit from continuing operations before tax is TL 2.221 (31 December 2018: 4.092 TL)

8. Explanation calculated current tax income or expense and the deferred tax income or expense for the period:

For the year ended 31 March 2019; the Bank has deferred tax expense amounting to TL 300 (31 March 2018: TL 276 deferred tax income).

9. Explanations on net profit and loss from continuing and discontinued operations

The Bank's net profit from continuing operations is TL 500 (31 March 2018: TL 3.075).

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

IV. EXPLANATIONS AND NOTES RELATED TO INCOME STATEMENT:

10. Explanations on net profit/(loss):

i. 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.

ii. 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.

iii. Profit/(loss) related to minority:

None.

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

As of 31 March 2019 the total amount of other operational income in income statement TL 9.156 (31 March 2018: TL 7.870). This amount includes TL 6.768 (31 March 2018: TL 4.842) advisory revenue.

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

1. 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 2019:

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**	
Loans and Other Receivables	-	-	-	-	-	-
Balance at the Beginning of the Period	-	-	36.100	-	171	-
Balance at the End of the Period	-	-	33.219	-	65	-
Interest and Commission Income Received	-	-	1	-	-	-

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

(**) In the note regarding the bank's other assets, within the direct and indirect partners of the bank, there is TL 33.154 transaction in the balance of the end of the period.

31 December 2018:

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	-	-	19.674	-	27	-
Balance at the End of the Period	-	-	36.100	-	171	-
Interest and Commission Income Received	-	-	1.204	-	-	-

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

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

None (31 December 2018: None).

SECTION SIX

EXPLANATIONS ON LIMITED REVIEW REPORT

I. Explanations on independent auditors' report:

II. The financial statements as of 31 March 2019 were reviewed by KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik AŞ (the Turkish member firm of KPMG International Cooperative, a Swiss entity) and limited review report dated 15 May 2019 is presented.

III. Explanations and notes prepared by independent auditors:

None.

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

SECTION SEVEN

INTERIM ACTIVITY REPORT

I. Interim activity report including Assessments of Chairman and General Manager about activities of the interim period.

a. Assessment of Chairman and General Manager

The global strategy of Standard Chartered Bank ("SCB") is to focus on trading, investment and asset acquisition activities in Asia, Africa and the Middle East by creating a network that transcends borders. Turkey is located in a strategic position by meeting local and international operation requirements of customers.

Standard Chartered Investment Bank Turkish Inc.'s goal is to provide transaction banking, banking solutions in corporate finance and financial markets to Turkey-based companies and their subsidiaries located in countries where SCB perform their activities, customers in countries which SCB select as a target market (footprint) and customers out of these countries (network).

As of 31 March 2019, Bank's total assets amounted to TL 88.685. The most important item in the assets is the bank capital which is the placed in the domestic bank with the share of 55%.

The Bank has shareholders equity amounted of TL 78.798.

As of 31 March 2019, the Bank's profit after tax is TL 500.

As of 31 March 2019, The Bank's capital adequacy ratio is 87,11 % and this ratio is quite above of the minimum amount identified by regulations.

Best Regards

Tracy Jayne CLARKE	Kaşif ATUN
Chairman	General Manager

b. Financial Summary Information's about Financial Results

	31 March 2019 ('000 TL)	31 December 2018 ('000 TL)
Total Assets	88.685	90.804
Shareholders' Equity	78.798	78.379
Shareholders Equity /Total Assets (%)	88,85	86,32
Capital Adequacy Ratio (%)	87,11	104,43