

To the Board of Directors of Türkiye Cumhuriyeti Ziraat Bankası A.Ş.

**Report on the Unconsolidated Financial Statements**

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

*Management's Responsibility for the Unconsolidated Financial Statements*

Bank management is responsible for the preparation and fair presentation of the unconsolidated financial statements 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, other regulations on accounting records of Banks published by BRSA, circulars and interpretations published by BRSA, and Turkish Accounting Standards for the matters not regulated by the aforementioned legislations and for such internal control as management determines is necessary to enable the preparation of unconsolidated financial statements that are free from material misstatement, whether due to fraud or error.

*Independent Auditor's Responsibility*

Our responsibility is to express an opinion on these unconsolidated financial statements based on our audit. Our audit was conducted in accordance with the "Regulation on Independent Audit of Banks" published by the BRSA on the Official Gazette No.29314 dated 2 April 2015 and Independent Auditing Standards that are part of Turkish Standards on Auditing published by the Public Oversight Accounting and Auditing Standards Authority ("POA"). Those standards require that ethical requirements are complied with and that the audit is planned and performed to obtain reasonable assurance whether the financial statements are free from material misstatement.

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

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

# Türkiye Cumhuriyeti Ziraat Bankası A.Ş.

## Independent Auditor's Report

### *Basis for the qualified opinion*

As mentioned in Section II. Note 7.d1 of Explanations and Notes to the Unconsolidated Financial Statements; as of the balance sheet date, the accompanying unconsolidated financial statements include a free provision amounting to TL 1,240,400 thousand (TL 79,600 thousand of this provision amount was reversed from the income statement in the current year), provided by the Bank management in line with the conservatism principle considering the circumstances that may arise from any changes in the economy or market conditions.

### *Qualified Opinion*

In our opinion, except for the effect of the matter described in the basis for the qualified opinion paragraph above, on the unconsolidated financial statements, the accompanying unconsolidated financial statements present fairly, in all material respects, the financial position of Türkiye Cumhuriyeti Ziraat Bankası A.Ş. as at 31 December 2015 and its financial performance and its cash flows for the year then ended in accordance with BRSA Accounting and Reporting Legislation.

### **Report on Other Responsibilities Arising From Regulatory Requirements**

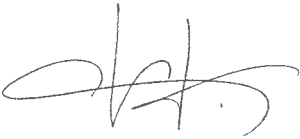
In accordance with subparagraph 4 of Article 402 of the Turkish Commercial Code No. 6102 ("TCC"); no significant matter has come to our attention that causes us to believe that the Bank's bookkeeping activities for the period 1 January - 31 December 2015 are not in compliance with TCC and provisions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

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

### **Additional Paragraph for Convenience Translation**

The effects of differences between accounting principles and standards explained in detail in Section Three and accounting principles generally accepted in countries in which the accompanying unconsolidated financial statements are to be distributed and International Financial Reporting Standards ("IFRS") have not been quantified in the accompanying unconsolidated financial statements. Accordingly, the accompanying unconsolidated financial statements are not intended to present the financial position, results of operations and changes in financial position and cash flows in accordance with the accounting principles generally accepted in such countries and IFRS.

Başaran Nas Bağımsız Denetim ve  
Serbest Muhasebeci Mali Müşavirlik A.Ş.  
a member of  
PricewaterhouseCoopers



Haluk Yalçın, SMMM  
Partner

Istanbul, 10 February 2016

Türkiye Cumhuriyeti Ziraat Bankası A.Ş.

## The Unconsolidated Financial Report of

## Türkiye Cumhuriyeti Ziraat Bankası A.Ş. as of 31 December 2015

The Bank's Headquarter Address: Anafartalar Mahallesi Atatürk Bulvarı  
No: 8 06050-Altındağ/ANKARA  
Phone: (312) 584 20 00  
Facsimile: (312) 584 49 63  
Website: www.ziraatbank.com.tr

The unconsolidated financial report includes the following sections in accordance with the "Communiqué on the Financial Statements and Related Explanation and Notes that will be Publicly Announced" as sanctioned by the Banking Regulation and Supervision Agency.

- GENERAL INFORMATION ABOUT THE BANK
- UNCONSOLIDATED FINANCIAL STATEMENTS OF THE BANK
- EXPLANATIONS ON ACCOUNTING POLICIES
- EXPLANATIONS ON THE FINANCIAL POSITION OF THE BANK
- EXPLANATIONS AND NOTES RELATED TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
- OTHER EXPLANATIONS AND NOTES
- EXPLANATIONS ON INDEPENDENT AUDITOR'S REPORT

The accompanying unconsolidated financial statements and notes to these financial statements which are expressed, unless otherwise stated, in thousands of Turkish Lira have been prepared and presented based on the accounting books of the Bank in accordance with the Regulation on the Principles and Procedures Regarding Banks' Accounting and Keeping of Documents, Turkish Accounting Standards, Turkish Financial Reporting Standards, and related appendices and interpretations of these, and have been independently audited.



Muharrem KARSLI  
Chairman of the Board,  
Member of the Audit Committee



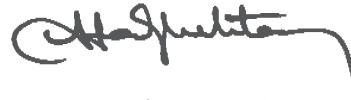
Hüseyin AYDIN  
Member of the Board,  
CEO



Feyzi ÇUTUR  
Member of the Board,  
Member of the Audit Committee



Peyami Ömer ÖZDİLEK  
Financial Coordination  
Executive Vice President



Atakan BEKTAŞ  
Senior Vice President of Financial Reporting  
and Budget Management

For the questions regarding this financial report, contact details of the personnel in charge are presented below:

Name/Title: Serkan ÖZKAN/Financial Statements Manager  
Telephone Number: 0312 584 59 32  
Fax Number: 0312 584 59 38

	Page Number
<b>SECTION ONE</b>	
<b>General Information about the Bank</b>	
I. History of the bank including its incorporation date, initial legal status and amendments to legal status, if any	84
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	84
III. Information on the board of directors, members of the audit committee, ceo and executive vice presidents, changes in these matters (if any) and shares of the bank they possess	85
IV. Information about the persons and institutions that have qualified shares attributable to the bank	85
V. Summary information on the bank's activities and services	86
VI. The existing or potential, actual or legal obstacles on the immediate transfer of shareholders' equity between the bank and its subsidiaries or reimbursement of liabilities	86
<b>SECTION TWO</b>	
<b>Unconsolidated Financial Statements</b>	
I. Balance sheet	88
II. Statement of off-balance sheet commitments	90
III. Statement of income	92
IV. Statement of profit and loss items accounted under shareholders' equity	93
V. Statement of changes in shareholders' equity	94
VI. Statement of cash flows	98
VII. Profit appropriation statement	99
<b>SECTION THREE</b>	
<b>Explanations on Accounting Policies</b>	
I. Basis of presentation	100
II. Explanations on strategy of using financial instruments and foreign currency transactions	101
III. Explanations on investments in associates, subsidiaries and joint ventures	101
IV. Explanations on forward transactions, options and derivative instruments	102
V. Explanations on interest income and expense	102
VI. Explanations on fee and commission income and expense	103
VII. Explanations on financial assets	103
VIII. Explanations on impairment of financial assets	105
IX. Explanations on offsetting of financial assets and liabilities	106
X. Explanations on sales and repurchase agreements and securities lending transactions	106
XI. Information on assets held for sale and related to discontinued operations and explanations on liabilities related with these assets	106
XII. Explanations on goodwill and other intangible assets	106
XIII. Explanations on property and equipment	107
XIV. Explanations on leasing transactions	107
XV. Explanations on provisions, contingent asset and liabilities	108
XVI. Explanations on obligations related to employee rights	108
XVII. Explanations on taxation	110
XVIII. Explanations on borrowings	111
XIX. Explanations on issuance of share certificates	111
XX. Explanations on avalized drafts and acceptances	112
XXI. Explanations on government grants	112
XXII. Cash and cash equivalents	112
XXIII. Explanations on segment reporting	112
XXIV. Explanations on other matters	112

**SECTION FOUR**

**Explanations Related to the Financial Position of the Bank**

I.	Explanations on the capital adequacy standard ratio	113
II.	Explanations on the credit risk	122
III.	Explanations on the market risk	134
IV.	Explanations on the operational risk	136
V.	Explanations on the currency risk	137
VI.	Explanations on the interest rate risk	139
VII.	Explanations on the liquidity risk management and liquidity coverage ratio	143
VIII.	Explanations on securitisation position	150
IX.	Explanations on credit risk mitigation techniques	150
X.	Risk management objectives and policies	151
XI.	Explanations on leverage	154
XII.	Explanations on operating segments	155
XIII.	Explanations related to presentation of financial assets and liabilities at fair value	158
XIV.	Explanations on the activities carried out on behalf and on account of other parties	160

**SECTION FIVE**

**Explanations and Notes Related to the Unconsolidated Financial Statements**

I.	Explanations and notes related to assets	160
II.	Explanations and notes related to liabilities	180
III.	Explanations and notes to off-balance sheet accounts	188
IV.	Explanations and notes related to income statement	192
V.	Explanations and notes related to changes in shareholders' equity	198
VI.	Explanations and notes related to statement of cash flows	199
VII.	Explanations and notes to the risk group of the bank	200
VIII.	Explanations and notes related to subsequent events	201
IX.	Explanations and notes related to domestic, foreign, off-shore branches or affiliates and foreign representatives of the bank	202

**SECTION SIX**

**Other Explanations and Notes**

I.	Information on the bank's rating that has been determined by international rating agencies	203
II.	Other explanations on the bank's operations	204

**SECTION SEVEN**

**Explanations on the Independent Auditor's Report**

I.	Explanations on independent auditor's report	204
II.	Explanations and notes prepared by the independent auditors	204

Türkiye Cumhuriyeti Ziraat Bankası A.Ş.

## **Notes to the Unconsolidated Financial Statements at 31 December 2015**

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

(Convenience Translation of Publicly Announced Unconsolidated Financial Statements Originally Issued in Turkish,  
See in Note I. Of Section Three)

### **SECTION ONE**

#### **GENERAL INFORMATION ABOUT THE BANK**

##### **I. HISTORY OF THE BANK INCLUDING ITS INCORPORATION DATE, INITIAL LEGAL STATUS AND AMENDMENTS TO LEGAL STATUS, IF ANY**

The foundation of Türkiye Cumhuriyeti Ziraat Bankası A.Ş. (“Ziraat Bankası” or “the Bank”) is based on Government Funds established in 1863. In 1883, Government Funds were replaced with Benefit Funds. The Bank was officially established by the re-organization of the Benefit Funds in 1888, to grant loans to farmers, to accept interest-bearing deposits and to act as a moneylender and an intermediary for agricultural operations. The Bank, which was given the authority to perform all the banking activities, has its head office located in Ankara and all shares of the Bank belong to the Treasury.

##### **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 sole shareholder of the Bank is the Republic of Turkey Prime Ministry Undersecretariat of Treasury (“Treasury”).

**Notes to the Unconsolidated  
Financial Statements at 31 December 2015**

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

(Convenience Translation of Publicly Announced Unconsolidated Financial Statements Originally Issued in Turkish,  
See in Note I. Of Section Three)

**III. INFORMATION ON THE BOARD OF DIRECTORS, MEMBERS OF THE AUDIT COMMITTEE, CEO AND EXECUTIVE VICE PRESIDENTS, CHANGES IN THESE MATTERS (IF ANY) AND SHARES OF THE BANK THEY POSSESS**

Name	Administrative Function
<b>Members of the Board of Directors</b>	
Muharrem KARSLI	Chairman
Hüseyin AYDIN	CEO and Member
Yusuf DAĞCAN	Vice Chairman and Member
Cemalettin BAŞLI	Member
Fahrettin ÖZDEMİRÇİ	Member
Feyzi ÇUTUR	Member
Metin ÖZDEMİR	Member
Mustafa ÇETİN	Member
Salim ALKAN	Member
<b>Audit Committee Members</b>	
Muharrem KARSLI	Member
Feyzi ÇUTUR	Member
<b>Executive Vice Presidents</b>	
Alpaslan ÇAKAR	Retail Banking
Bilgehan KURU	Treasury and International Banking
Bülent SUER	Operational Transactions
Peyami Ömer ÖZDİLEK	Financial Coordination
Mehmet Cengiz GÖĞEBAKAN	Loan Policies
Musa ARDA	Loan Allocation and Management
Ömer Muzaffer BAKTIR	Marketing
Yüksel CESUR	Internal Systems

The directors above mentioned do not retain any shares of the Bank's capital.

**IV. INFORMATION ABOUT THE PERSONS AND INSTITUTIONS THAT HAVE QUALIFIED SHARES ATTRIBUTABLE TO THE BANK**

Name/Trade Name	Amount of Share	Percentage of Share %	Paid-in Shares	Unpaid Shares
Treasury	5,000,000	100	5,000,000	-

The sole shareholder of the Bank is the Treasury.

# Türkiye Cumhuriyeti Ziraat Bankası A.Ş.

## Notes to the Unconsolidated Financial Statements at 31 December 2015

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

(Convenience Translation of Publicly Announced Unconsolidated Financial Statements Originally Issued in Turkish,  
See in Note I. Of Section Three)

### V. SUMMARY INFORMATION ON THE BANK'S ACTIVITIES AND SERVICES

The purpose of activity of the Bank is stated in articles of association as to perform all kinds of banking activities including acceptance of deposits. For this purpose, the Bank can perform all sorts of operations, without prejudice to the provisions of the banking regulations and other legislations, such as launching all kinds of cash and non-cash loans in terms of Turkish Lira and foreign currencies, acting as an intermediary in trade and issue of the financial instruments that are used in local and international markets, performing investment banking transactions, forwards dealing in domestic and foreign futures markets, providing funds from interbank money market, domestic and foreign markets, making all kinds of capital market transactions, acting as an intermediary in export and import transactions, acting as an agency for insurance and other financial institutions, participating in all sort of partnership that is founded by domestic or foreign banks or participated by them within the terms of the related legislation or establishing new partnerships for this purpose, performing all kinds of conservative transactions, such as; acquiring limited real and personal claims like all kinds of movable and immovable goods, industrial and intellectual properties, right of usufruct, easement, superficies and disposing and transferring acquired properties and rights, placing pledge and mortgage on those properties and rights, releasing pledged and mortgaged items and declaring leasing agreements and sale commitments to the Registry Office.

As of 31 December 2015, Bank carries its activities with a grand total of 1,812 branches; 1,786 domestic branches including 22 corporate branches, 80 entrepreneurial branches, 83 dynamic entrepreneurial branches, 1,596 branches and 5 mobile branches (31 December 2014: 1,682 domestic branches including 1,486 branches, 24 corporate branches, 80 entrepreneurial branches, 90 dynamic entrepreneurial branches, 2 mobile branches) and 26 branches abroad including 22 branches and 4 sub branches (New York branch in United States, London branch in England, Tbilisi branch and Batumi sub branch in Georgia, Baghdad and Arbil branches in Iraq, Athens, Komotini, Xanthi and Rhodes branches in Greece, Sofia branch and Plovdiv, Kardzhali and Varna sub branches in Bulgaria, Jeddah branch in Saudi Arabia, Pristina in Kosovo, Lefkoşa, Girne, Güzelyurt, Gazimağusa, Gönyeli, Akdoğan, Near East University, Karaoğlanoğlu, Karakum and İskele sub branches in Turkish Republic of Northern Cyprus). The Bank also has 1 representative office in Tehran, Iran.

The Bank signed a contract with T. İş Bankası A.Ş. on 22 January 2007 to provide longer installment plan and bonus points to their credit card users and benefit from all the advantages within Maximum credit card at merchants that are a part of Maximum plan. Also with this contract the Bank has the right to register members for Maximum. Transactions between the two banks are administered by Interbank Card Center.

Başakkart is a bank card through which demand deposit accounts and agricultural loan accounts can be linked. Bank can associate Başakkart with enterprise loans below TL 100 and agricultural loan limits in line with the demands of the customers. All limits of loan accounts assigned to the Başakkart can be used via POS machines of the Bank in Başakkart Member Business points for the purchase of agricultural inputs (feed, grain, fuel, etc.). According to preferences of customers, maximum 90% of cash limits of loan accounts can be used through the branches/ATMs of the Bank. Repayments regarding the transactions with Başakkart can be made through the branches of the Bank. Agricultural products/services obtained by using Başakkart are repaid without any interest charge within the time periods defined by the Bank.

### VI. THE EXISTING OR POTENTIAL, ACTUAL OR LEGAL OBSTACLES ON THE IMMEDIATE TRANSFER OF SHAREHOLDERS' EQUITY BETWEEN THE BANK AND ITS SUBSIDIARIES OR REIMBURSEMENT OF LIABILITIES

None.



Türkiye Cumhuriyeti Ziraat Bankası A.Ş.

**Notes to the Unconsolidated  
Financial Statements at 31 December 2015**

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

(Convenience Translation of Publicly Announced Unconsolidated Financial Statements Originally Issued in Turkish,  
See in Note I. Of Section Three)

**SECTION TWO**

**UNCONSOLIDATED FINANCIAL STATEMENTS**

- I. Balance sheet
- II. Statement of off-balance sheet commitments
- III. Statement of income
- IV. Statement of profit and loss items accounted under shareholders' equity
- V. Statement of changes in shareholders' equity
- VI. Statement of cash flows
- VII. Profit appropriation statement

# Türkiye Cumhuriyeti Ziraat Bankası A.Ş.

## Unconsolidated Balance Sheet (Statement of Financial Position) as of 31 December 2015

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

(Convenience Translation of Publicly Announced Unconsolidated Financial Statements Originally Issued in Turkish,  
See in Note I. Of Section Three)

I. BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)							
ASSETS	Note (Section Five I)	Current Period (31/12/2015)			Prior Period (31/12/2014)		
		TL	FC	Total	TL	FC	Total
I. CASH BALANCES WITH THE CENTRAL BANK OF TURKEY	(1)	4,072,948	32,463,015	36,535,963	2,773,721	27,375,262	30,148,983
II. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT or (LOSS) (Net)	(2)	662,198	282,701	944,899	275,730	35,012	310,742
2.1 Financial Assets Held for Trading		662,198	282,701	944,899	275,730	35,012	310,742
2.1.1 Public Sector Debt Securities		12,238	4,377	16,615	10,168	3,998	14,166
2.1.2 Securities Representing a Share in Capital		-	-	-	-	-	-
2.1.3 Derivative Financial Assets Held for Trading		649,960	278,324	928,284	265,562	31,014	296,576
2.1.4 Other Marketable Securities		-	-	-	-	-	-
2.2 Financial Assets at Fair Value Through Profit or Loss		-	-	-	-	-	-
2.2.1 Public Sector Debt Securities		-	-	-	-	-	-
2.2.2 Securities Representing a Share in Capital		-	-	-	-	-	-
2.2.3 Loans		-	-	-	-	-	-
2.2.4 Other Marketable Securities		-	-	-	-	-	-
III. BANKS	(3)	735,999	3,710,793	4,446,792	510,164	1,680,877	2,191,041
IV. MONEY MARKET PLACEMENTS		-	-	-	-	-	-
4.1 Interbank Money Market Placements		-	-	-	-	-	-
4.2 Istanbul Stock Exchange Money Market Placements		-	-	-	-	-	-
4.3 Receivables from Reverse Repurchase Agreements		-	-	-	-	-	-
V. FINANCIAL ASSETS AVAILABLE FOR SALE (Net)	(4)	42,207,247	11,575,061	53,782,308	45,767,453	8,463,400	54,230,853
5.1 Securities Representing a Share in Capital		103,528	500,214	603,742	131,802	314,208	446,010
5.2 Public Sector Debt Securities		42,100,780	11,004,930	53,105,710	45,620,600	8,013,570	53,634,170
5.3 Other Marketable Securities		2,939	69,917	72,856	15,051	135,622	150,673
VI. LOANS AND RECEIVABLES	(5)	141,002,935	45,809,916	186,812,851	110,379,211	31,535,451	141,914,662
6.1 Loans and Receivables		140,133,474	45,809,385	185,942,859	109,594,502	31,535,409	141,129,911
6.1.1 Loans Granted to Risk Group of The Bank		100,929	755,369	856,298	46,385	701,738	748,123
6.1.2 Public Sector Debt Securities		-	-	-	-	-	-
6.1.3 Other		140,032,545	45,054,016	185,086,561	109,548,117	30,833,671	140,381,788
6.2 Loans under Follow-up		3,129,081	11,443	3,140,524	2,709,827	7,093	2,716,920
6.3 Specific Provisions (-)		2,259,620	10,912	2,270,532	1,925,118	7,051	1,932,169
VII. FACTORING RECEIVABLES		-	-	-	-	-	-
VIII. INVESTMENTS HELD TO MATURITY (Net)	(6)	4,538,342	5,605,800	10,144,142	4,927,297	5,093,759	10,021,056
8.1 Public Sector Debt Securities		4,504,483	5,594,461	10,098,944	4,916,189	5,093,120	10,009,309
8.2 Other Marketable Securities		33,859	11,339	45,198	11,108	639	11,747
IX. INVESTMENTS IN ASSOCIATES (Net)	(7)	94,912	-	94,912	94,912	-	94,912
9.1 Accounted with Equity Method		-	-	-	-	-	-
9.2 Unconsolidated Associates		94,912	-	94,912	94,912	-	94,912
9.2.1 Financial Associates		88,846	-	88,846	88,846	-	88,846
9.2.2 Non-financial Associates		6,066	-	6,066	6,066	-	6,066
X. INVESTMENTS IN SUBSIDIARIES (Net)	(8)	1,157,477	1,291,703	2,449,180	482,478	977,494	1,459,972
10.1 Unconsolidated Financial Subsidiaries		1,151,240	1,291,703	2,442,943	476,241	977,494	1,453,735
10.2 Unconsolidated Non-Financial Subsidiaries		6,237	-	6,237	6,237	-	6,237
XI. ENTITIES UNDER COMMON CONTROL (Net)	(9)	-	111,274	111,274	-	76,401	76,401
11.1 Accounted with Equity Method		-	-	-	-	-	-
11.2 Unconsolidated Entities Under Common Control		-	111,274	111,274	-	76,401	76,401
11.2.1 Financial Entities Under Common Control		-	111,274	111,274	-	76,401	76,401
11.2.2 Non Financial Entities Under Common Control		-	-	-	-	-	-
XII. RECEIVABLES FROM LEASING TRANSACTIONS	(10)	-	-	-	-	-	-
12.1 Finance Lease Receivables		-	-	-	-	-	-
12.2 Operating Lease Receivables		-	-	-	-	-	-
12.3 Other		-	-	-	-	-	-
12.4 Unearned Income (-)		-	-	-	-	-	-
XIII. DERIVATIVE FINANCIAL ASSETS FOR HEDGING PURPOSES	(11)	-	-	-	-	-	-
13.1 Fair Value Hedges		-	-	-	-	-	-
13.2 Cash Flow Hedges		-	-	-	-	-	-
13.3 Hedges for Investments Made in Foreign Countries		-	-	-	-	-	-
XIV. TANGIBLE ASSETS (Net)	(14)	4,830,792	10,846	4,841,638	4,677,693	5,921	4,683,614
XV. INTANGIBLE ASSETS (Net)	(15)	207,761	3,750	211,511	181,843	3,223	185,066
15.1 Goodwill		-	-	-	-	-	-
15.2 Other		207,761	3,750	211,511	181,843	3,223	185,066
XVI. REAL ESTATES FOR INVESTMENT PURPOSE (Net)	(12)	-	-	-	-	-	-
XVII. TAX ASSET		262,631	-	262,631	221,479	-	221,479
17.1 Current Tax Asset		901	-	901	656	-	656
17.2 Deferred Tax Asset	(16)	261,730	-	261,730	220,823	-	220,823
XVIII. ASSETS HELD FOR SALE AND ASSETS HELD FROM DISCONTINUED OPERATIONS (Net)	(13)	240,606	-	240,606	173,255	-	173,255
18.1 Held for Sale		240,606	-	240,606	173,255	-	173,255
18.2 Held from Discontinued Operations		-	-	-	-	-	-
XIX. OTHER ASSETS	(17)	1,266,086	703,533	1,969,619	1,303,761	584,514	1,888,275
<b>TOTAL ASSETS</b>		<b>201,279,934</b>	<b>101,568,392</b>	<b>302,848,326</b>	<b>171,768,997</b>	<b>75,831,314</b>	<b>247,600,311</b>

The accompanying explanations and notes form an integral part of these financial statements.

# Türkiye Cumhuriyeti Ziraat Bankası A.Ş.

## Unconsolidated Balance Sheet (Statement of Financial Position) as of 31 December 2015

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

(Convenience Translation of Publicly Announced Unconsolidated Financial Statements Originally Issued in Turkish,  
See in Note I. Of Section Three)

I. BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)							
LIABILITIES AND EQUITY	Note (Section Five II)	Current Period (31/12/2015)			Prior Period (31/12/2014)		
		TL	FC	Total	TL	FC	Total
<b>I. DEPOSITS</b>	(1)	120,592,405	65,877,030	186,469,435	107,593,086	45,662,162	153,255,248
1.1 Deposits Held By the Risk Group of the Bank		378,896	175,066	553,962	40,127	371,049	411,176
1.2 Other		120,213,509	65,701,964	185,915,473	107,552,959	45,291,113	152,844,072
<b>II. DERIVATIVE FINANCIAL LIABILITIES HELD FOR TRADING</b>	(2)	30,655	261,616	292,271	18,806	376,778	395,584
<b>III. FUNDS BORROWED</b>	(3)	1,392,459	18,150,189	19,542,648	1,149,257	13,458,450	14,607,707
<b>IV. MONEY MARKET BALANCES</b>		28,340,963	14,744,813	43,085,776	16,310,776	15,470,300	31,781,076
4.1 Interbank Money Market Borrowings		1,100,000	-	1,100,000	-	-	-
4.2 Istanbul Stock Exchange Takasbank Borrowings		-	-	-	-	-	-
4.3 Funds Provided under Repurchase Agreements		27,240,963	14,744,813	41,985,776	16,310,776	15,470,300	31,781,076
<b>V. MARKETABLE SECURITIES ISSUED (Net)</b>		2,199,333	3,088,273	5,287,606	1,563,102	2,655,704	4,218,806
5.1 Bills		2,199,333	756,233	2,955,566	1,563,102	783,430	2,346,532
5.2 Asset-backed Securities		-	-	-	-	-	-
5.3 Bonds		-	2,332,040	2,332,040	-	1,872,274	1,872,274
<b>VI. FUNDS</b>		5,931,129	-	5,931,129	5,426,448	-	5,426,448
6.1 Borrower Funds		-	-	-	-	-	-
6.2 Other		5,931,129	-	5,931,129	5,426,448	-	5,426,448
<b>VII. MISCELLANEOUS PAYABLES</b>		1,477,006	843,177	2,320,183	1,214,414	532,089	1,746,503
<b>VIII. OTHER LIABILITIES</b>	(4)	2,044,873	389,249	2,434,122	1,737,591	305,622	2,043,213
<b>IX. FACTORING PAYABLES</b>		-	-	-	-	-	-
<b>X. PAYABLES FROM LEASING TRANSACTIONS (Net)</b>	(5)	-	686	686	-	1,389	1,389
10.1 Finance Lease Payables		-	699	699	-	1,425	1,425
10.2 Operating Lease Payables		-	-	-	-	-	-
10.3 Other		-	-	-	-	-	-
10.4 Deferred Finance Lease Expenses (-)		-	13	13	-	36	36
<b>XI. DERIVATIVE FINANCIAL LIABILITIES FOR HEDGING</b>	(6)	-	-	-	-	-	-
11.1 Fair Value Hedges		-	-	-	-	-	-
11.2 Cash Flow Hedges		-	-	-	-	-	-
11.3 Hedges for Investments Made in Foreign Countries		-	-	-	-	-	-
<b>XII. PROVISIONS</b>	(7)	5,125,958	34,938	5,160,896	4,719,883	37,954	4,757,837
12.1 General Provisions		2,833,693	10,491	2,844,184	2,304,896	6,685	2,311,581
12.2 Restructuring Provisions		-	-	-	-	-	-
12.3 Employee Benefits Provisions		851,869	-	851,869	816,564	-	816,564
12.4 Insurance Technical Reserves (Net)		-	-	-	-	-	-
12.5 Other Provisions		1,440,396	24,447	1,464,843	1,598,423	31,269	1,629,692
<b>XIII. TAX LIABILITY</b>	(8)	776,453	852	777,305	825,874	462	826,336
13.1 Current Tax Liability		776,453	852	777,305	825,874	462	826,336
13.2 Deferred Tax Liability		-	-	-	-	-	-
<b>XIV. LIABILITIES FOR ASSETS HELD FOR SALE AND HELD FROM DISCONTINUED OPERATIONS (Net)</b>	(9)	-	-	-	-	-	-
14.1 Held for Sale		-	-	-	-	-	-
14.2 Held from Discontinued Operations		-	-	-	-	-	-
<b>XV. SUBORDINATED LOANS</b>	(10)	-	-	-	-	-	-
<b>XVI. SHAREHOLDERS' EQUITY</b>	(11)	30,865,420	680,849	31,546,269	27,422,276	1,117,888	28,540,164
16.1 Paid-in Capital		5,000,000	-	5,000,000	2,500,000	-	2,500,000
16.2 Capital Reserves		2,537,588	680,849	3,218,437	5,184,311	1,117,888	6,302,199
16.2.1 Share Premium		-	-	-	-	-	-
16.2.2 Share Cancellation Profits		-	-	-	-	-	-
16.2.3 Marketable Securities Valuation Differences		(1,001,889)	680,849	(321,040)	1,060,245	1,117,888	2,178,133
16.2.4 Tangible Assets Revaluation Reserves		3,607,167	-	3,607,167	3,634,310	-	3,634,310
16.2.5 Intangible Assets Revaluation Reserves		-	-	-	-	-	-
16.2.6 Revaluation Reserves of Real Estates for Investment Purpose		-	-	-	-	-	-
16.2.7 Bonus Shares of Subsidiaries, Associates and Entities Under Common Control		17,388	-	17,388	17,388	-	17,388
16.2.8 Hedging Funds (Effective Portion)		-	-	-	-	-	-
16.2.9 Value Increase on Assets Held for Sale		-	-	-	-	-	-
16.2.10 Other Capital Reserves		(85,078)	-	(85,078)	472,368	-	472,368
16.3 Profit Reserves		18,005,564	-	18,005,564	15,527,658	-	15,527,658
16.3.1 Legal Reserves		2,920,983	-	2,920,983	2,725,124	-	2,725,124
16.3.2 Statutory Reserves		-	-	-	-	-	-
16.3.3 Extraordinary Reserves		13,659,246	-	13,659,246	11,880,556	-	11,880,556
16.3.4 Other Profit Reserves		1,425,335	-	1,425,335	921,978	-	921,978
16.4 Profit or Loss		5,322,268	-	5,322,268	4,210,307	-	4,210,307
16.4.1 Prior Years Profit/Loss		159,798	-	159,798	159,798	-	159,798
16.4.2 Net Period Profit/Loss		5,162,470	-	5,162,470	4,050,509	-	4,050,509
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>198,776,654</b>	<b>104,071,672</b>	<b>302,848,326</b>	<b>167,981,513</b>	<b>79,618,798</b>	<b>247,600,311</b>

The accompanying explanations and notes form an integral part of these financial statements.

## Unconsolidated Statement of Off-Balance Sheet Commitments as of 31 December 2015

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

(Convenience Translation of Publicly Announced Unconsolidated Financial Statements Originally Issued in Turkish, See in Note I. Of Section Three)

II. STATEMENT OF OFF-BALANCE SHEET COMMITMENTS							
	Note (Section Five III)	Current Period (31/12/2015)			Prior Period (31/12/2014)		
		TL	FC	Total	TL	FC	Total
<b>A OFF-BALANCE SHEET COMMITMENTS (I+II+III)</b>		<b>38,810,504</b>	<b>98,624,231</b>	<b>137,434,735</b>	<b>64,836,961</b>	<b>118,824,939</b>	<b>183,661,900</b>
<b>I. GUARANTEES AND WARRANTIES</b>	<b>(1), (3)</b>	<b>19,707,145</b>	<b>40,579,030</b>	<b>60,286,175</b>	<b>13,898,227</b>	<b>27,139,272</b>	<b>41,037,499</b>
1.1 Letters of Guarantee		19,606,622	29,635,315	49,241,937	13,812,313	18,048,875	31,861,188
1.1.1 Guarantees Subject to State Tender Law		1,181,920	5,635,033	6,816,953	910,333	2,860,858	3,771,191
1.1.2 Guarantees Given for Foreign Trade Operations		16,927,658	23,740,445	40,668,103	12,183,495	14,931,500	27,114,995
1.1.3 Other Letters of Guarantee		1,497,044	259,837	1,756,881	718,485	256,517	975,002
1.2 Bank Acceptances		12,965	4,178,340	4,191,305	21,260	3,565,824	3,587,084
1.2.1 Import Letter of Acceptance		12,965	4,173,792	4,186,757	21,260	3,562,096	3,583,356
1.2.2 Other Bank Acceptances		-	4,548	4,548	-	3,728	3,728
1.3 Letters of Credit		87,558	6,765,375	6,852,933	64,654	5,524,573	5,589,227
1.3.1 Documentary Letters of Credit		87,558	6,728,524	6,816,082	64,654	5,365,487	5,430,141
1.3.2 Other Letters of Credit		-	36,851	36,851	-	159,086	159,086
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		-	-	-	-	-	-
<b>II. COMMITMENTS</b>	<b>(1), (3)</b>	<b>15,984,047</b>	<b>3,614,654</b>	<b>19,598,701</b>	<b>48,069,144</b>	<b>48,516,112</b>	<b>96,585,256</b>
2.1 Irrevocable Commitments		15,984,035	3,609,756	19,593,791	14,616,463	6,068,659	20,685,122
2.1.1 Asset Purchase and Sale Commitments		153,461	1,695,131	1,848,592	114,630	4,410,506	4,525,136
2.1.2 Deposit Purchase and Sales Commitments		-	-	-	-	-	-
2.1.3 Share Capital Commitments to Associates and Subsidiaries		-	-	-	-	-	-
2.1.4 Loan Granting Commitments		2,693,280	112,533	2,805,813	2,120,280	146,672	2,266,952
2.1.5 Securities Issue Brokerage Commitments		-	-	-	-	-	-
2.1.6 Commitments for Reserve Deposit Requirements		-	-	-	-	-	-
2.1.7 Commitments for Cheques		3,076,439	-	3,076,439	2,737,371	-	2,737,371
2.1.8 Tax and Fund Liabilities from Export Commitments		-	-	-	-	-	-
2.1.9 Commitments for Credit Card Limits		7,130,144	-	7,130,144	7,160,308	-	7,160,308
2.1.10 Commitments for Credit Cards and Banking Services Promotions		20,185	-	20,185	17,011	-	17,011
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		2,910,526	1,802,092	4,712,618	2,466,863	1,511,481	3,978,344
2.2 Revocable Commitments		12	4,898	4,910	33,452,681	42,447,453	75,900,134
2.2.1 Revocable Loan Granting Commitments		-	4,898	4,898	33,452,669	42,447,453	75,900,122
2.2.2 Other Revocable Commitments		12	-	12	12	-	12
<b>III. DERIVATIVE FINANCIAL INSTRUMENTS</b>	<b>(2)</b>	<b>3,119,312</b>	<b>54,430,547</b>	<b>57,549,859</b>	<b>2,869,590</b>	<b>43,169,555</b>	<b>46,039,145</b>
3.1 Hedging Derivative Financial Instruments		-	-	-	-	-	-
3.1.1 Transactions for Fair Value Hedge		-	-	-	-	-	-
3.1.2 Transactions for Cash Flow Hedge		-	-	-	-	-	-
3.1.3 Transactions for Foreign Net Investment Hedge		-	-	-	-	-	-

The accompanying explanations and notes form an integral part of these financial statements.

**Unconsolidated Statement of  
Off-Balance Sheet Commitments as of 31 December 2015**

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

(Convenience Translation of Publicly Announced Unconsolidated Financial Statements Originally Issued in Turkish,  
See in Note I. Of Section Three)

		Note (Section Five III)	Current Period (31/12/2015)			Prior Period (31/12/2014)		
			TL	FC	Total	TL	FC	Total
3.2	Trading Transactions		3,119,312	54,430,547	57,549,859	2,869,590	43,169,555	46,039,145
3.2.1	Forward Foreign Currency Buy/Sell Transactions		1,332,892	4,096,601	5,429,493	286,378	1,637,583	1,923,961
3.2.1.1	Forward Foreign Currency Transactions-Buy		642,706	2,072,867	2,715,573	143,281	820,042	963,323
3.2.1.2	Forward Foreign Currency Transactions-Sell		690,186	2,023,734	2,713,920	143,097	817,541	960,638
3.2.2	Swap Transactions Related to Foreign Currency and Interest Rates		1,773,374	50,290,572	52,063,946	2,567,412	41,510,010	44,077,422
3.2.2.1	Foreign Currency Swap-Buy		436,624	22,770,642	23,207,266	-	21,988,978	21,988,978
3.2.2.2	Foreign Currency Swap-Sell		1,336,750	21,284,304	22,621,054	2,567,412	19,521,032	22,088,444
3.2.2.3	Interest Rate Swap-Buy		-	3,117,813	3,117,813	-	-	-
3.2.2.4	Interest Rate Swap-Sell		-	3,117,813	3,117,813	-	-	-
3.2.3	Foreign Currency, Interest rate and Securities Options		13,046	43,374	56,420	15,800	21,962	37,762
3.2.3.1	Foreign Currency Options-Buy		6,523	21,687	28,210	7,900	10,981	18,881
3.2.3.2	Foreign Currency Options-Sell		6,523	21,687	28,210	7,900	10,981	18,881
3.2.3.3	Interest Rate Options-Buy		-	-	-	-	-	-
3.2.3.4	Interest Rate Options-Sell		-	-	-	-	-	-
3.2.3.5	Securities Options-Buy		-	-	-	-	-	-
3.2.3.6	Securities Options-Sell		-	-	-	-	-	-
3.2.4	Foreign Currency Futures		-	-	-	-	-	-
3.2.4.1	Foreign Currency Futures-Buy		-	-	-	-	-	-
3.2.4.2	Foreign Currency Futures-Sell		-	-	-	-	-	-
3.2.5	Interest Rate Futures		-	-	-	-	-	-
3.2.5.1	Interest Rate Futures-Buy		-	-	-	-	-	-
3.2.5.2	Interest Rate Futures-Sell		-	-	-	-	-	-
3.2.6	Other		-	-	-	-	-	-
<b>B.</b>	<b>CUSTODY AND PLEDGES RECEIVED (IV+V+VI)</b>		<b>645,572,139</b>	<b>98,062,897</b>	<b>743,635,036</b>	<b>467,636,468</b>	<b>74,910,665</b>	<b>542,547,133</b>
<b>IV.</b>	<b>ITEMS HELD IN CUSTODY</b>		<b>87,769,019</b>	<b>11,281,019</b>	<b>99,050,038</b>	<b>67,199,141</b>	<b>8,405,823</b>	<b>75,604,964</b>
4.1	Customer Fund and Portfolio Balances		-	-	-	-	-	-
4.2	Investment Securities Held in Custody		30,615,944	4,389,662	35,005,606	26,678,975	3,195,814	29,874,789
4.3	Checks Received for Collection		4,576,100	342,690	4,918,790	3,025,848	170,446	3,196,294
4.4	Commercial Notes Received for Collection		4,782,653	309,103	5,091,756	4,761,985	225,708	4,987,693
4.5	Other Assets Received for Collection		8,934	-	8,934	8,664	-	8,664
4.6	Assets Received for Public Offering		44,389,111	-	44,389,111	32,504,064	-	32,504,064
4.7	Other Items Under Custody		3,394,628	6,239,564	9,634,192	217,956	4,813,855	5,031,811
4.8	Custodians		1,649	-	1,649	1,649	-	1,649
<b>V.</b>	<b>PLEDGES RECEIVED</b>		<b>557,200,217</b>	<b>85,495,840</b>	<b>642,696,057</b>	<b>400,406,085</b>	<b>65,902,136</b>	<b>466,308,221</b>
5.1	Marketable Securities		907,730	28,100	935,830	961,803	23,822	985,625
5.2	Guarantee Notes		13,208,506	808,101	14,016,607	11,659,528	735,362	12,394,890
5.3	Commodity		1,072,015	18,248	1,090,263	1,175,668	20,477	1,196,145
5.4	Warranty		-	-	-	-	-	-
5.5	Immovable		495,609,918	65,182,872	560,792,790	352,218,251	49,849,878	402,068,129
5.6	Other Pledged Items		46,396,839	19,447,947	65,844,786	34,385,626	15,263,897	49,649,523
5.7	Pledged Items-Depository		5,209	10,572	15,781	5,209	8,700	13,909
<b>VI.</b>	<b>ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES</b>		<b>602,903</b>	<b>1,286,038</b>	<b>1,888,941</b>	<b>31,242</b>	<b>602,706</b>	<b>633,948</b>
<b>TOTAL OFF-BALANCE SHEET COMMITMENTS (A+B)</b>			<b>684,382,643</b>	<b>196,687,128</b>	<b>881,069,771</b>	<b>532,473,429</b>	<b>193,735,604</b>	<b>726,209,033</b>

The accompanying explanations and notes form an integral part of these financial statements.

# Türkiye Cumhuriyeti Ziraat Bankası A.Ş.

## Unconsolidated Statement of Income For the Year Ended at 31 December 2015

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

(Convenience Translation of Publicly Announced Unconsolidated Financial Statements Originally Issued in Turkish, See in Note I. Of Section Three)

III. STATEMENT OF INCOME		Note (Section Five IV)	Current Period 01/01-31/12/2015	Prior Period 01/01-31/12/2014
<b>INCOME AND EXPENSE ITEMS</b>				
<b>I.</b>	<b>INTEREST INCOME</b>	<b>(1)</b>	<b>22,050,495</b>	<b>18,165,007</b>
1.1	Interest Income from Loans		16,676,949	12,754,847
1.2	Interest Income From Reserve Deposits		59,963	4,531
1.3	Interest Income from Banks		66,961	58,405
1.4	Interest Income from Money Market Placements		8	8
1.5	Interest Income from Marketable Securities		5,197,221	5,333,024
1.5.1	Financial Assets Held for Trading		1,551	2,403
1.5.2	Financial Assets at Fair Value through Profit and Loss		-	-
1.5.3	Financial Assets Available-for-Sale		4,417,016	4,299,242
1.5.4	Investments Held-to-Maturity		778,654	1,031,379
1.6	Finance Lease Income		-	-
1.7	Other Interest Income		49,393	14,192
<b>II.</b>	<b>INTEREST EXPENSES</b>	<b>(2)</b>	<b>11,541,569</b>	<b>9,558,161</b>
2.1	Interest Expense on Deposits		8,668,465	7,512,243
2.2	Interest on Borrowings		403,341	270,463
2.3	Interest on Money Market Borrowings		2,127,843	1,527,007
2.4	Interest on Marketable Securities Issued		281,151	197,882
2.5	Other Interest Expense		60,769	50,566
<b>III.</b>	<b>NET INTEREST INCOME/EXPENSES (I - II)</b>		<b>10,508,926</b>	<b>8,606,846</b>
<b>IV.</b>	<b>NET FEES AND COMMISSIONS INCOME/EXPENSES</b>		<b>1,300,081</b>	<b>1,077,115</b>
4.1	Fees and Commissions Received		1,636,694	1,356,514
4.1.1	Non-cash Loans		242,486	166,197
4.1.2	Other		1,394,208	1,190,317
4.2	Fees and Commissions Paid		336,613	279,399
4.2.1	Non-cash Loans		204	111
4.2.2	Other		336,409	279,288
<b>V.</b>	<b>DIVIDEND INCOME</b>	<b>(3)</b>	<b>213,056</b>	<b>191,840</b>
<b>VI.</b>	<b>TRADING PROFIT/LOSS (Net)</b>	<b>(4)</b>	<b>(165,539)</b>	<b>(69,960)</b>
6.1	Profit/Loss from Capital Market Operations		76,423	71,482
6.2	Profit/losses on Derivative Financial Transactions	(5)	(1,245,827)	(1,591,702)
6.3	Profit/Loss from Foreign Exchanges		1,003,865	1,450,260
<b>VII.</b>	<b>OTHER OPERATING INCOME</b>	<b>(6)</b>	<b>1,339,895</b>	<b>911,050</b>
<b>VIII.</b>	<b>TOTAL OPERATING INCOMES/EXPENSES (III+IV+V+VI+VII)</b>		<b>13,196,419</b>	<b>10,716,891</b>
<b>IX.</b>	<b>PROVISION FOR LOSSES ON LOANS OR OTHER RECEIVABLES (-)</b>	<b>(7)</b>	<b>1,420,554</b>	<b>1,443,194</b>
<b>X.</b>	<b>OTHER OPERATING EXPENSES (-)</b>	<b>(8)</b>	<b>5,208,242</b>	<b>4,094,964</b>
<b>XI.</b>	<b>NET OPERATING PROFIT/LOSS (VIII-IX-X)</b>		<b>6,567,623</b>	<b>5,178,733</b>
<b>XII.</b>	<b>GAINS RECORDED AFTER MERGER</b>		-	-
<b>XIII.</b>	<b>PROFIT/LOSS ON EQUITY METHOD</b>		-	-
<b>XIV.</b>	<b>GAIN/LOSS ON NET MONETARY POSITION</b>		-	-
<b>XV.</b>	<b>INCOME BEFORE TAXES FROM CONTINUING OPERATIONS (XI+...+XIV)</b>	<b>(9)</b>	<b>6,567,623</b>	<b>5,178,733</b>
<b>XVI.</b>	<b>PROVISION FOR TAXES ON INCOME FROM CONTINUING OPERATIONS (±)</b>	<b>(10)</b>	<b>(1,405,153)</b>	<b>(1,128,224)</b>
16.1	Current Tax Provision		(821,329)	(1,631,582)
16.2	Deferred Tax Provision		(583,824)	503,358
<b>XVII.</b>	<b>NET PROFIT/LOSSES FROM CONTINUING OPERATIONS (XV±XVI)</b>	<b>(11)</b>	<b>5,162,470</b>	<b>4,050,509</b>
<b>XVIII.</b>	<b>INCOME FROM DISCONTINUED OPERATIONS</b>		-	-
18.1	Income from Non-current Assets Held for Sale		-	-
18.2	Profit from Sales of Associates, Subsidiaries and Joint Ventures (Business Partners)		-	-
18.3	Other Income From Discontinued Operations		-	-
<b>XIX.</b>	<b>EXPENSES FROM DISCONTINUED OPERATIONS (-)</b>		-	-
19.1	Expenses for Non-current Assets Held for Sale		-	-
19.2	Loss from Sales of Associates, Subsidiaries and Joint Ventures (Business Partners)		-	-
19.3	Other Expenses From Discontinued Operations		-	-
<b>XX.</b>	<b>PROFIT/LOSSES BEFORE TAXES FROM DISCONTINUED OPERATIONS (XVIII-XIX)</b>		-	-
<b>XXI.</b>	<b>PROVISION FOR INCOME TAXES FROM DISCONTINUED OPERATIONS (±)</b>		-	-
21.1	Current tax provision		-	-
21.2	Deferred tax provision		-	-
<b>XXII.</b>	<b>NET PROFIT/LOSSES FROM DISCONTINUED OPERATIONS (XX±XXI)</b>		-	-
<b>XXIII.</b>	<b>NET PROFIT/LOSSES (XVII+XXII)</b>	<b>(12)</b>	<b>5,162,470</b>	<b>4,050,509</b>
	Earnings/Loss per Share		1.049	0.937

The accompanying explanations and notes form an integral part of these financial statements.

## Unconsolidated Statement of Profit and Loss Items Accounted Under Shareholders' Equity for the Years Ended at 31 December 2015

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

(Convenience Translation of Publicly Announced Unconsolidated Financial Statements Originally Issued in Turkish, See in Note I. Of Section Three)

IV. STATEMENT OF PROFIT AND LOSS ITEMS ACCOUNTED UNDER SHAREHOLDERS' EQUITY		
PROFIT AND LOSS ITEMS ACCOUNTED UNDER SHAREHOLDERS' EQUITY	Current Period (31/12/2015)	Prior Period (31/12/2014)
I. ADDITIONS TO THE MARKETABLE SECURITY VALUATION DIFFERENCES ON AVAILABLE FOR SALE FINANCIAL ASSETS	(3,278,164)	3,231,049
II. TANGIBLE ASSETS REVALUATION DIFFERENCES	(27,143)	3,634,310
III. INTANGIBLE ASSETS REVALUATION DIFFERENCES	-	-
IV. CURRENCY TRANSLATION DIFFERENCES FOR FOREIGN CURRENCY TRANSACTIONS	157,751	179,696
V. PROFIT OR LOSS ON CASH FLOW HEDGE DERIVATIVE FINANCIAL ASSETS (Effective Part of Fair Value Differences)	-	-
VI. PROFIT/LOSS FROM FOREIGN INVESTMENT HEDGE DERIVATIVE FINANCIAL ASSETS (Effective Part of Fair Value Changes)	-	-
VII. EFFECTS OF CHANGES IN ACCOUNTING POLICY AND ADJUSTMENT OF ERRORS	-	-
VIII. OTHER INCOME AND EXPENSE ITEMS ACCOUNTED UNDER SHAREHOLDERS' EQUITY ACCORDING TO TAS	(17,455)	(29,356)
IX. DEFERRED TAXES RELATED TO VALUATION DIFFERENCES	624,731	(616,117)
X. NET PROFIT OR LOSS ACCOUNTED DIRECTLY UNDER SHAREHOLDERS' EQUITY (I+II+...+IX)	(2,540,280)	6,399,582
XI. CURRENT YEAR PROFIT/LOSS	5,162,470	4,050,509
11.1 Net change in fair value of marketable securities (transfer to profit-loss)	76,423	74,969
11.2 Reclassification of cash flow hedge transactions and presentation of the related under income statement	-	-
11.3 Reclassification of foreign net investment hedge transactions and presentation of the related part under income statement	-	-
11.4 Other	5,086,047	3,975,540
<b>XII. TOTAL PROFIT/LOSS RELATED TO THE PERIOD (X±XI)</b>	<b>2,622,190</b>	<b>10,450,091</b>

The accompanying explanations and notes form an integral part of these financial statements.

## Unconsolidated Statement of Changes in Shareholders' Equity at 31 December 2014

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

(Convenience Translation of Publicly Announced Unconsolidated Financial Statements Originally Issued in Turkish, See in Note I. Of Section Three)

### V. STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	31 December 2014	Note (Section Five V)	Paid-in Capital	Adjustment to Paid-in Capital	Share Premium	Share Cancl. Profits	Legal Reserves	Statutory Reserves
I.	Balance at the Beginning of the Period		2,500,000	543,482	-	-	2,541,114	-
	Changes During the Period							
II.	Increase/Decrease Related to Merger		-	-	-	-	-	-
III.	Marketable Securities Valuation Differences		-	-	-	-	-	-
IV.	Hedging Funds (Active Part)		-	-	-	-	-	-
4.1	Cash-Flow Hedge		-	-	-	-	-	-
4.2	Hedges for Investments Made in Foreign Countries		-	-	-	-	-	-
V.	Revaluation Differences of Tangible Assets		-	-	-	-	-	-
VI.	Revaluation Differences of Intangible Assets		-	-	-	-	-	-
VII.	Bonus Shares of Associates, Subsidiaries and Entities under Common Control (Business Partners)		-	-	-	-	-	-
VIII.	Foreign Exchange Differences		-	-	-	-	-	-
IX.	Changes Resulted from Disposal of Assets		-	-	-	-	-	-
X.	Changes Resulted from Reclassification of Assets		-	-	-	-	-	-
XI.	Effect of Changes in Shareholders' Equity of Associates to the Bank's Shareholders' Equity		-	-	-	-	-	-
XII.	Increase in Capital		-	-	-	-	-	-
12.1	Cash		-	-	-	-	-	-
12.2	From Internal Resources		-	-	-	-	-	-
XIII.	Issuance of Share Certificates		-	-	-	-	-	-
XIV.	Share Cancellation Profits		-	-	-	-	-	-
XV.	Adjustment to Paid-in Capital		-	-	-	-	-	-
XVI.	Other		-	-	-	-	-	-
XVII.	Net Profit or Losses		-	-	-	-	-	-
XVIII.	Profit Distribution		-	-	-	-	184,010	-
18.1	Dividend Distributed		-	-	-	-	-	-
18.2	Transfers to Legal Reserves		-	-	-	-	184,010	-
18.3	Other		-	-	-	-	-	-
	Balance at the end of the period (I+II+III+.....+XVI+XVII+XVIII)		2,500,000	543,482	-	-	2,725,124	-

The accompanying explanations and notes form an integral part of these financial statements.



	Extraordinary Reserves	Other Reserves	Current Period Net Profit/(Loss)	Prior Period Net Profit/(Loss)	Marketable Sec. Valuation Differences	Rev. Diff. in Tangible and Intang. Assets	Bonus Shares from Investments	Hedging Funds	Rev. Diff. in Tangible Held for Sale/Disc. Operat.	Total Equity
	9,011,091	905,677		3,489,872	(641,945)	-	17,388	-	-	18,366,679
	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	2,640,382	-	-	-	-	2,640,382
	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	3,634,310	-	-	-	3,634,310
	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	179,696	-	-	-	-	179,696
	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-
	-	(54,813)	-	7	-	-	-	-	-	(54,806)
	-	-	4,050,509	-	-	-	-	-	-	4,050,509
	2,869,465	-	-	(3,330,081)	-	-	-	-	-	(276,606)
	-	-	-	(276,606)	-	-	-	-	-	(276,606)
	2,869,465	-	-	(3,053,475)	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-
	11,880,556	850,864	4,050,509	159,798	2,178,133	3,634,310	17,388	-	-	28,540,164

The accompanying explanations and notes form an integral part of these financial statements.

## Unconsolidated Statement of Changes in Shareholders' Equity at 31 December 2015

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

(Convenience Translation of Publicly Announced Unconsolidated Financial Statements Originally Issued in Turkish, See in Note I. Of Section Three)

### V. STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	31 December 2015	Note (Section Five V)	Paid-in Capital	Adjustment to Paid-in Capital	Share Premium	Share Cancl. Profits	Legal Reserves	Statutory Reserves
I.	Balance at the Beginning of the Period		2,500,000	543,482	-	-	2,725,124	-
	Changes During the Period							
II.	Increase/Decrease Related to Merger		-	-	-	-	-	-
III.	Marketable Securities Valuation Differences		-	-	-	-	-	-
IV.	Hedging Funds (Active Part)		-	-	-	-	-	-
4.1	Cash-Flow Hedge		-	-	-	-	-	-
4.2	Hedges for Investments Made in Foreign Countries		-	-	-	-	-	-
V.	Revaluation Differences of Tangible Assets		-	-	-	-	-	-
VI.	Revaluation Differences of Intangible Assets		-	-	-	-	-	-
VII.	Bonus Shares of Associates, Subsidiaries and Entities under Common Control (Business Partners)		-	-	-	-	-	-
VIII.	Foreign Exchange Differences		-	-	-	-	-	-
IX.	Changes Resulted from Disposal of Assets		-	-	-	-	-	-
X.	Changes Resulted from Reclassification of Assets		-	-	-	-	-	-
XI.	Effect of Changes in Shareholders' Equity of Associates to the Bank's Shareholders' Equity		-	-	-	-	-	-
XII.	Increase in Capital		2,500,000	(543,482)	-	-	-	-
12.1	Cash		675,000	-	-	-	-	-
12.2	From Internal Resources		1,825,000	(543,482)	-	-	-	-
XIII.	Issuance of Share Certificates		-	-	-	-	-	-
XIV.	Share Cancellation Profits		-	-	-	-	-	-
XV.	Adjustment to Paid-in Capital		-	-	-	-	-	-
XVI.	Other		-	-	-	-	-	-
XVII.	Net Profit or Losses		-	-	-	-	-	-
XVIII.	Profit Distribution		-	-	-	-	195,859	-
18.1	Dividend Distributed		-	-	-	-	-	-
18.2	Transfers to Legal Reserves		-	-	-	-	195,859	-
18.3	Other		-	-	-	-	-	-
	Balance at the End of the Period (I+II+III+.....+XVI+XVII+XVIII)		5,000,000	-	-	-	2,920,983	-

The accompanying explanations and notes form an integral part of these financial statements.

	Extraordinary Reserves	Other Reserves	Current Period Net Profit/(Loss)	Prior Period Net Profit/(Loss)	Marketable Sec. Valuation Differences	Rev. Diff. in Tangible and Intang. Assets	Bonus Shares from Investments	Hedging Funds	Rev. Diff. in Tangible Held for Sale/Disc. Operat.	Total Equity
	11,880,556	850,864	-	4,210,307	2,178,133	3,634,310	17,388	-	-	28,540,164
	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	(2,656,924)	-	-	-	-	(2,656,924)
	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	(27,143)	-	-	-	(27,143)
	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	157,751	-	-	-	-	157,751
	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-
	(1,281,518)	-	-	-	-	-	-	-	-	675,000
	-	-	-	-	-	-	-	-	-	675,000
	(1,281,518)	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-
	-	(13,964)	-	-	-	-	-	-	-	(13,964)
	-	-	5,162,470	-	-	-	-	-	-	5,162,470
	3,060,208	503,357	-	(4,050,509)	-	-	-	-	-	(291,085)
	-	-	-	(291,085)	-	-	-	-	-	(291,085)
	3,060,208	503,357	-	(3,759,424)	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-
	13,659,246	1,340,257	5,162,470	159,798	(321,040)	3,607,167	17,388	-	-	31,546,269

The accompanying explanations and notes form an integral part of these financial statements.

# Türkiye Cumhuriyeti Ziraat Bankası A.Ş.

## Unconsolidated Statement of Cash Flows as of 31 December 2015

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

(Convenience Translation of Publicly Announced Unconsolidated Financial Statements Originally Issued in Turkish, See in Note I. Of Section Three)

VI. STATEMENT OF CASH FLOWS		Note (Section Five VI)	Current Period (31/12/2015)	Prior Period (31/12/2014)
<b>A.</b>	<b>CASH FLOWS FROM BANKING OPERATIONS</b>			
1.1	Operating Profit Before Changes in Operating Assets and Liabilities		5,395,793	2,543,466
1.1.1	Interest Received		20,944,150	15,376,432
1.1.2	Interest Paid		(9,420,130)	(9,429,187)
1.1.3	Dividend Received		185,475	157,093
1.1.4	Fees and Commissions Received		1,634,368	1,358,451
1.1.5	Other Income		436,439	2,011,491
1.1.6	Collections from Previously Written-off Loans and Other Receivables		1,671,510	1,470,590
1.1.7	Payments to Personnel and Service Suppliers		(2,065,716)	(1,820,293)
1.1.8	Taxes Paid		(1,278,128)	(1,509,612)
1.1.9	Other		(6,712,175)	(5,071,499)
1.2	Changes in Operating Assets and Liabilities		226,160	(9,085,637)
1.2.1	Net (Increase)/Decrease in Trading Securities		(2,512)	1,359
1.2.2	Net (Increase)/Decrease in Fair Value Through Profit/Loss Financial Assets		-	-
1.2.3	Net (Increase)/Decrease in Banks		(6,091,291)	(5,074,796)
1.2.4	Net (Increase)/Decrease in Loans		(44,196,157)	(30,577,479)
1.2.5	Net (Increase)/Decrease in Other Assets		(252,980)	(38,480)
1.2.6	Net Increase/ (Decrease) in Bank Deposits		7,254,219	9,672,137
1.2.7	Net Increase/ (Decrease) in Other Deposits		37,132,471	8,969,313
1.2.8	Net Increase/ (Decrease) in Funds Borrowed		4,913,141	6,008,282
1.2.9	Net Increase/ (Decrease) in Payables		-	-
1.2.10	Net Increase/ (Decrease) in Other Liabilities		1,469,269	1,954,027
<b>I.</b>	<b>Net Cash Provided from Banking Operations</b>		<b>5,621,953</b>	<b>(6,542,171)</b>
<b>B.</b>	<b>CASH FLOWS FROM INVESTMENT ACTIVITIES</b>			
<b>II.</b>	<b>Net Cash Provided from Investing Activities</b>		<b>(3,490,193)</b>	<b>3,208,423</b>
2.1	Cash Paid for Purchase of Associates, Subsidiaries and Entities under Common Control		(997,857)	(100,000)
2.2	Cash Obtained from Sale of Associates, Subsidiaries and Entities under Common Control		-	-
2.3	Fixed Assets Purchases		(457,000)	-
2.4	Fixed Assets Sales		47,741	35,608
2.5	Cash Paid for Purchase of Financial Assets Available for Sale		(16,560,939)	(26,048,601)
2.6	Cash Obtained from Sale of financial Assets Available for Sale		16,452,628	24,454,122
2.7	Cash Paid for Purchase of Investment Securities		(148,236)	(182,093)
2.8	Cash Obtained from Sale of Investment Securities		1,085,085	6,050,057
2.9	Other		(2,911,615)	(1,000,670)
<b>C.</b>	<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<b>III.</b>	<b>Net Cash Provided from Financing Activities</b>		<b>516,030</b>	<b>1,429,190</b>
3.1	Cash Obtained from Funds Borrowed and Securities Issued		2,990,333	4,207,495
3.2	Cash Used for Repayment of Funds Borrowed and Securities Issued		(2,367,350)	(2,671,114)
3.3	Marketable Securities Issued		-	-
3.4	Dividends Paid		(106,250)	(106,250)
3.5	Payments for Finance Leases		(703)	(941)
3.6	Other		-	-
<b>IV.</b>	<b>Effect of Change in Foreign Exchange Rate on Cash and Cash Equivalents</b>	<b>(1)</b>	<b>549,935</b>	<b>101,353</b>
<b>V.</b>	<b>Net Decrease/Increase in Cash and Cash Equivalents (I+II+III+IV)</b>		<b>3,197,725</b>	<b>(1,803,205)</b>
<b>VI.</b>	<b>Cash and Cash Equivalents at the Beginning of the Period</b>	<b>(1)</b>	<b>4,866,372</b>	<b>6,669,577</b>
<b>VII.</b>	<b>Cash and Cash Equivalents at the End of the Period</b>	<b>(1)</b>	<b>8,064,097</b>	<b>4,866,372</b>

The accompanying explanations and notes form an integral part of these financial statements.

## Unconsolidated Statement of Profit Appropriation as of 31 December 2015

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

(Convenience Translation of Publicly Announced Unconsolidated Financial Statements Originally Issued in Turkish, See in Note I. Of Section Three)

VII. PROFIT APPROPRIATION STATEMENT <sup>(1)</sup>		Current Period (31/12/2015)	Prior Period <sup>(2)</sup> (31/12/2014)
<b>I. DISTRIBUTION OF CURRENT YEAR INCOME</b>			
1.1	Current Year Income	6,567,623	5,178,733
1.2	Taxes And Duties Payable (-) <sup>(3)</sup>	1,405,153	1,631,582
1.2.1	Corporate Tax (Income tax)	821,329	1,631,582
1.2.2	Income withholding tax	-	-
1.2.3	Other taxes and duties	583,824	-
<b>A.</b>	<b>NET INCOME FOR THE YEAR (1.1-1.2)</b>	<b>5,162,470</b>	<b>3,547,151</b>
1.3	Prior Year Losses (-)	-	-
1.4	First Legal Reserves (-)	258,124	177,358
1.5	Other Statutory Reserves (-)	-	-
<b>B.</b>	<b>NET INCOME AVAILABLE FOR DISTRIBUTION [ (A- (1.3+1.4+1.5)) ]</b>	<b>4,904,346</b>	<b>3,369,793</b>
1.6	First Dividend To Shareholders (-)	-	125,000
1.6.1	To Owners Of Ordinary Shares	-	125,000
1.6.2	To Owners Of Privileged Shares	-	-
1.6.3	To Owners Of Preferred Shares	-	-
1.6.4	To Profit Sharing Bonds	-	-
1.6.5	To Holders Of Profit And Loss Sharing Certificates	-	-
1.7	Dividends To Personnel (-)	-	185,000
1.8	Dividends To Board Of Directors (-)	-	-
1.9	Second Dividend To Shareholders (-)	-	-
1.9.1	To Owners Of Ordinary Shares	-	-
1.9.2	To Owners Of Privileged Shares	-	-
1.9.3	To Owners Of Preferred Shares	-	-
1.9.4	To Profit Sharing Bonds	-	-
1.9.5	To Holders Of Profit And Loss Sharing Certificates	-	-
1.10	Second Legal Reserves (-)	-	18,500
1.11	Statutory Reserves (-)	-	-
1.12	Extraordinary Reserves	-	3,041,293
1.13	Other Reserves	-	-
1.14	Special Funds	-	-
<b>II. DISTRIBUTION OF RESERVES</b>			
2.1	Appropriated Reserves	-	-
2.2	Second Legal Reserves (-)	-	-
2.3	Dividends To Shareholders (-)	-	-
2.3.1	To Owners Of Ordinary Shares	-	-
2.3.2	To Owners Of Privileged Shares	-	-
2.3.3	To Owners Of Preferred Shares	-	-
2.3.4	To Profit Sharing Bonds	-	-
2.3.5	To Holders Of Profit And Loss Sharing Certificates	-	-
2.4	Dividends To Personnel (-)	-	-
2.5	Dividends To Board Of Directors (-)	-	-
<b>III. EARNINGS PER SHARE</b>			
3.1	To Owners Of Ordinary Shares	1.0488	0.9365
3.2	To Owners Of Ordinary Shares (%)	104.88	93.65
3.3	To Owners Of Privileged Shares	-	-
3.4	To Owners Of Privileged Shares (%)	-	-
<b>IV. DIVIDEND PER SHARE</b>			
4.1	To Owners Of Ordinary Shares	-	-
4.2	To Owners Of Ordinary Shares (%)	-	-
4.3	To Owners Of Privileged Shares	-	-
4.4	To Owners Of Privileged Shares (%)	-	-

<sup>(1)</sup> Profit distribution is approved by the Ordinary General Assembly. As of the date of the preparation of financial statements, the meeting for Ordinary General Assembly has not been held.

<sup>(2)</sup> The profit distribution table belongs to prior period becomes definite with the decision of Ordinary General Assembly after the publishing of 31 December 2014 audited financial statements. It is rearranged in this direction.

<sup>(3)</sup> The deferred tax asset of prior period amounting to TL 503,358 is not subject to profit distribution.

The accompanying explanations and notes form an integral part of these financial statements.

## Notes to the Unconsolidated Financial Statements at 31 December 2015

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

(Convenience Translation of Publicly Announced Unconsolidated Financial Statements Originally Issued in Turkish,  
See in Note I. Of Section Three)

### SECTION THREE

#### EXPLANATIONS ON ACCOUNTING POLICIES

##### I. BASIS OF PRESENTATION

The unconsolidated financial statements are prepared in accordance with the “Regulation on Accounting Applications for Banks and Safeguarding of Documents” published in the Official Gazette No. 26333 dated 1 November 2006 by the BRSA (“Banking Regulation and Supervision Agency”) which refers to “Turkish Accounting Standards” (“TAS”) and “Turkish Financial Reporting Standards” (“TFRS”) issued by the Public Oversight Accounting and Auditing Standards Authority (“POA”), and other decrees, notes and explanations related to the accounting and financial reporting principles published by the BRSA (all referred as “BRSA Principles”). The format and content of the publicly announced unconsolidated financial statements and notes to these statements have been prepared in accordance with the “Communiqué on Publicly Announced Financial Statements, Explanations and Notes to These Financial Statements”, published in the Official Gazette No. 28337, dated 28 June 2012.

The format and content of the publicly announced unconsolidated financial statements and notes to these statements have been prepared in accordance with the “Communiqué on Publicly Announced Financial Statements, Explanations and Notes to These Financial Statements”, published in the Official Gazette No. 28337, dated 28 June 2012 and amendments to these Communiqué. The bank maintains its books in Turkish Lira in accordance with the Banking Law, Turkish Commercial Code and Turkish Tax Legislation.

The unconsolidated financial statements have been prepared in TL, under the historical cost convention as modified in accordance with inflation adjustments applied until 31 December 2004, except for the financial assets and liabilities carried at fair value.

Unless otherwise specified, all balances in the financial statements and footnotes are expressed in Thousand Turkish Lira (“TL”).

The preparation of financial statements requires the use of certain critical estimates on assets and liabilities reported as of balance sheet date or amount of contingent assets and liabilities explained and amount of income and expenses occurred in related period. Although these estimates rely on the management’s best judgment, actual results can vary from these estimates. Judgements and estimates are explained in related notes.

The accounting policies and valuation principles applied in the preparation of these financial statements are defined and applied in accordance with TAS. Those accounting policies and valuation principles are explained in Notes II. to XXIV. below.

##### Additional paragraph for convenience translation into English:

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

**Notes to the Unconsolidated  
Financial Statements at 31 December 2015**

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

(Convenience Translation of Publicly Announced Unconsolidated Financial Statements Originally Issued in Turkish,  
See in Note I. Of Section Three)

**II. EXPLANATIONS ON STRATEGY OF USING FINANCIAL INSTRUMENTS AND FOREIGN CURRENCY TRANSACTIONS**

Main activity of the Bank comprises of banking services, such as; launching all kinds of cash and non-cash loans in terms of Turkish Lira and foreign currencies, performing transactions in local, international money and capital markets, supporting agricultural sector financially and collecting deposits in Turkish Lira and foreign currencies. The Bank’s main funding source is Turkish Lira deposits, repurchase agreements, issued securities, shareholders’ equity and government funds transferred from the budget, ministerial offices and other public resources to the Bank by means of legislative and administrative decisions. The Bank directs these funds to assets with high return and low risk. These assets include predominantly domestic government bonds and loans. The Bank’s liquidity structure covers the financing of all liabilities at due date. Although most of the sources in the Bank’s balance sheet are with fixed interest rate, some of the securities in assets have floating interest rate. Since the remaining time to re-pricing date of sources is short, cost of sources is repriced in short periods based on the market conditions. Moreover, the Bank adopts high return principle for its long-term placements.

Loans and securities are instruments from which the Bank gets returns above the average returns within its lines of activity. Letter of guarantees, bank loans, commercial letter of credits, repayment commitments for cheques and commitments for credit card limits are the most important risk areas within the off-balance sheet accounts.

Since the Bank’s total debt to the market is low among its total liabilities, the Bank can borrow easily from short-term markets, such as; Borsa Istanbul (“BIST”), Central Bank of the Republic of Turkey, Money Market or Interbank Money Market in case of need. In case of a liquidity crisis, the deposit base of the Bank is not presumed to be significantly affected from such a case since the Bank is a public bank with an extensive branch network.

Cost and return of foreign currency assets are subject to a close follow up. Positive margin of profit is sustained by adjusting deposit interest rates in line with the market interest rates.

Foreign currency operations are recognized at transaction date and valued by Bank’s prevailing counter currency buying rate. At period ends, foreign currency asset and liability balances are valued at the Bank’s period end counter currency buying rates and translated to Turkish currency and the resulting exchange differences are recognized as a “foreign exchange gain or loss”.

Foreign currency capital amounts transferred to the equity participations operating abroad are evaluated and presented on the financial statements with the exchange rate on the date of the transfer.

Assets and liabilities and income statement items of the abroad branches of the Bank are translated into Turkish Lira with the Bank’s prevailing counter currency buying rates at the balance sheet date.

**III. EXPLANATIONS ON INVESTMENTS IN ASSOCIATES, SUBSIDIARIES AND JOINT VENTURES**

Based on the TAS 27 “Turkish Accounting Standard for Consolidated and Separate Financial Statements”, Turkish Lira denominated investments in associates and subsidiaries are accounted at cost value and are reflected to the unconsolidated financial statements after deducting the provision for impairment, if any.

Investments related to subsidiaries and joint ventures operating abroad in foreign currency are followed by their fair values. For these subsidiaries, fair value is determined by valuation reports, TL equivalents of investments related to subsidiaries are fixed as of revaluation date and revaluation differences added to subsidiaries’ values are recognized in “Marketable Securities Value Increase Fund” under shareholders’ equity.

**Notes to the Unconsolidated  
Financial Statements at 31 December 2015**

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

(Convenience Translation of Publicly Announced Unconsolidated Financial Statements Originally Issued in Turkish,  
See in Note I. Of Section Three)

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

The Bank's derivative transactions mostly include currency and precious metal swaps and foreign currency forward contracts. The Bank has no embedded derivative instruments separated from the articles of association.

The derivative instruments of the Bank are classified as trading or hedging instruments in accordance with Turkish Accounting Standard on TAS 39 "Financial Instruments: Recognition and Measurement". The Bank has no derivative instruments for hedging purposes as of the balance sheet date. Accordingly, the Bank is not subject to conditions whether derivative instruments do not meet the determination criteria for being classified as hedging instruments or whether such derivative transactions are finalized through sale, term expiry or fulfillment of obligations under the contract.

Derivative instruments are recognized at fair value on contractual date and subsequently re-valued at their fair values and associated with the income statement. 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 assets" and if the fair value difference is negative, it is disclosed under "financial liabilities at fair value through profit or loss" in "trading derivative financial liabilities". Fair value changes are recorded under "Derivative Financial Transactions Gains/Losses" in income statement.

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

Liabilities and receivables arising from the derivative instruments are followed in the off-balance sheet accounts from their contractual values.

**V. EXPLANATIONS ON INTEREST INCOME AND EXPENSE**

Interest income and expenses are recognized on an accrual basis using the internal rate of return method in conformity with TAS 39 "Financial Instruments: Recognition and Measurement". In accordance with the Communiqué on "Methods and Principles on Determining the Nature of Loans and Other Receivables and Allocation of Provisions" came into force after being published in the Official Gazette numbered 26333 dated 1 November 2006, no interest accrual is calculated for non-performing loans. Realized interest accruals calculated for non-performing loans and recognized as income although not collected are reversed and interest income related to these loans is recognized as interest income only when collected.



## Notes to the Unconsolidated Financial Statements at 31 December 2015

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

(Convenience Translation of Publicly Announced Unconsolidated Financial Statements Originally Issued in Turkish,  
See in Note I. Of Section Three)

### VI. EXPLANATIONS ON FEE AND COMMISSION INCOME AND EXPENSE

Commission income from banking, agency and intermediary services is recognized as income on the date they are collected. Whereas, commission income from individual, corporate and entrepreneurial cash loans are recognized on an accrual basis by using internal rate of return method and transferred to the income statement in accordance with the matching principle. Other fees and commission expenses are recorded as expense on the date they are paid.

### VII. EXPLANATIONS ON FINANCIAL ASSETS

Financial instruments comprise financial assets and liabilities and derivative instruments. They are included in the balance sheet of the Bank, if the Bank is a legal party to these instruments.

Financial assets mainly constitute the Bank's commercial activities and operations. These instruments have the ability to expose, affect and diminish the liquidity, credit and interest rate risks in the financial statements.

Financial assets are classified as investments held-to-maturity, bank loans and receivables, financial assets available for sale or held-for-trading at initial recognition.

Sale and purchase transactions of financial assets are accounted for using the settlement date basis.

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

Financial assets, which are classified as "financial assets at fair value through profit or loss", are trading financial assets and are either acquired for generating profit from short-term fluctuations in the price or dealer's margin, or are the financial assets included in a portfolio in which a pattern of short-term profit making exists independent from the acquisition purpose.

Trading securities are initially recognized at cost. The cost of the securities is recognized as fair value. Subsequently, trading securities are carried at fair value in the financial statements.

Government bonds and treasury bills included in held for trading and available for sale portfolios traded in BIST are carried at weighted average exchange prices of BIST as of the balance sheet date and those securities that are not traded in BIST are carried at prices of the Central Bank of the Republic of Turkey. Eurobonds are carried at prices in the over the counter markets. The positive difference between the cost and fair value of held for trading securities is accounted under "Other Interest and Income Accrual" and the negative difference is accounted under "Impairment Loss for Marketable Securities" account. The positive difference between the cost and amortized cost is accounted under "Interest income" account, the negative difference is accounted as impairment loss. The positive difference between the fair value and amortized cost is accounted under "Profit from Capital Market Operations" account and the negative difference is accounted under "Loss from Capital Market Operations" account.

**Notes to the Unconsolidated  
Financial Statements at 31 December 2015**

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

(Convenience Translation of Publicly Announced Unconsolidated Financial Statements Originally Issued in Turkish,  
See in Note I. Of Section Three)

**b. Held-to-maturity financial assets:**

Investments held to maturity include financial assets other than Bank loans and receivables and those where there is an intention of holding until maturity and the relevant conditions for fulfillment of such intention, including the funding ability, and where there are fixed or determinable payments with fixed maturity. Marketable securities classified as Financial Assets Held to Maturity may subject to exchange-repurchase bids or refundment transactions within the scope of early redemption.

Investments held to maturity are subsequently measured at amortized cost with internal rate of return, and they are accounted by setting forth provision for impairment loss (impairment loss expense) or by posting interest income accrual.

There are not any financial assets that are previously classified as investments held-to-maturity but prohibited to be classified in this portfolio for two years because of incompliance with the principles of financial assets classification.

Interests received from investments held to maturity are recognized as an interest income.

Held to maturity assets are initially recognized at cost value.

**c. Loans and receivables:**

Bank loans and receivables represent financial assets other than those held for trading or held for sale in a short period generated through providing cash, assets or rendering services to the debtor.

Bank loans and receivables are initially carried at cost value. Bank loans are measured at amortized cost with internal rate of return. Short-term and long-term loans are grouped as open or guaranteed; FC loans are recognized with fixed price and at period-ends revalued by the counter foreign exchange buying rate of the Bank. Foreign exchange indexed loans are used as TL by the valid counter foreign exchange buying rate of the Bank at usage date. Repayments of these loans are collected as calculated TL value by the valid counter foreign exchange selling rate of Bank at installment date.

The Bank sets specific and general provisions for loans and other receivables in accordance with the regulations stated by the Communiqué published on the Official Gazette numbered 26333 and dated 1 November 2006 on "Methods and Principles on Determining the Nature of Loans and Other Receivables and Allocation of Provisions". In the previous periods, the bank allocated special provisions considering the minimum rates and prudence principle stated in "Regulation on the Procedures and Principles on Determining the Characteristics of the Loans and other Receivables by the Banks and the provisions that would be Set Aside for them" regardless of such loan collaterals; however, in line with the provision of the General Directorate Authority Approval dated 29 June 2012 and of the clause (8) of Article 10 of the regulation stating that "based on the reliability and prudence assumptions defined in the Communiqué on Conceptual Framework regarding Preparation and Presentation of Financial Statements promulgated in the Official Gazette No. 25702 dated 16 January 2005, special provision may be allocated to the extent of the amount of the said non-performing receivable on condition not to be less than the special provision amounts applicable for the group in which the non-performing receivable is included regardless of the amount of collateral", the bank started to set aside special provisions corresponding to 50% of the non-performing receivable amount as of the date of including the non-performing receivables in the Third Group and special provisions corresponding to 100% of the non-performing receivable amount as of the date of including the non-performing receivables in the Fourth and Fifth Group. Allocated provisions are deducted from the income for the period. If the receivables for which provisions were set in the previous years are collected, provision for allowances are released and recognized as income under "Other Operating Income" account. Releases of current period provisions are made by the reversal of the amount from the "Provision for Impairment of Loans and Other Receivables" account.

**Notes to the Unconsolidated  
Financial Statements at 31 December 2015**

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

(Convenience Translation of Publicly Announced Unconsolidated Financial Statements Originally Issued in Turkish,  
See in Note I. Of Section Three)

**d. Available-for-sale financial assets:**

Available-for-sale financial assets are defined as financial assets other than the ones classified as “Loans and Receivables”, “Held-to-Maturity Assets” or “Financial Asset at Fair Value Through Profit or Loss”.

Available for sale assets are initially recognized at cost value. The cost of the securities is recognized as fair value.

Available-for-sale financial assets are subsequently re-measured at fair value in financial statements.

The difference between fair value and cost of available for sale financial assets is booked as interest income accruals or impairment provision. Furthermore, amortized cost using the effective interest method and cost value is compared and the difference is booked as interest income or impairment expense. Fair value and amortised cost of these securities are compared and the difference is recognized in shareholders’ equity as “Marketable Securities Value Increase Fund”. When these financial assets are disposed of or impaired the related fair value differences accumulated in the shareholders’ equity are transferred to the income statement.

When there is no price quotation in an active market for price formations to constitute the basis of the fair value or in such a situation when the reasonable value is not measured confidentially; the fair value of the available-for-sale financial assets are carried at amortised cost using the effective interest method or appropriate valuation methods.

**VIII. EXPLANATIONS ON IMPAIRMENT OF FINANCIAL ASSETS**

A financial asset or a group of financial assets is subject to impairment loss only if there is an objective indication that the occurrence of one or more than one event (“loss event”) subsequent to the initial recognition of that asset has an effect on the reliable estimate of the expected future cash flows of the related financial asset and asset group.

If revalued amounts of financial assets at fair value through profit/loss is less than the prior revalued amounts, initially, value of prior records regarding the value increase are adjusted according to the recent value and if the impairment loss is more than the prior value increase, difference is reflected to “Impairment Expense for Marketable Securities”. If there is an increase in value, initially recognized impairment loss is reversed.

If financial assets available for sale are subject to permanent impairment, the amount is charged to “Impairment Expense for Marketable Securities” account in accordance with the related Turkish Accounting Standard.

If subsidiaries, associates, entities under common control and assets held to maturity are subject to permanent impairment, the amount is charged to “Impairment Expense for Subsidiaries, Associates, and Assets Held to Maturity”.

The principles for the accounting of provisions for loans are explained in detail in Note VII. of this section.

Loans and other receivables are classified in accordance with the Communiqué on “Methods and Principles on Determining the Nature of Loans and Other Receivables and Allocation of Provisions” published in the Official Gazette numbered 26333 and dated 1 November 2006.

## Notes to the Unconsolidated Financial Statements at 31 December 2015

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

(Convenience Translation of Publicly Announced Unconsolidated Financial Statements Originally Issued in Turkish,  
See in Note I. Of Section Three)

### IX. EXPLANATIONS ON OFFSETTING OF FINANCIAL ASSETS AND LIABILITIES

Financial assets and liabilities shall be offset and the net amount presented in the balance sheet when, and only when the Bank currently has a legally enforceable right to set off the recognized amounts or intends either to collect/settle on a net basis or to realize the asset and settle the liability simultaneously.

### X. EXPLANATIONS ON SALES AND REPURCHASE AGREEMENTS AND SECURITIES LENDING TRANSACTIONS

Securities subject to repurchase agreements are classified under "held for trading", "available for sale" and/or "held-to-maturity" portfolios and they are valued based on the revaluation principles of the related portfolios. Funds obtained by these agreements are followed under the "Funds from Repurchase Agreements" account in the balance sheet and interest expense accrual is calculated using the internal rate of return method.

Funds given against securities purchased under agreements ("Reverse Repo") to resell are accounted under "Receivables from Reverse Repurchase Agreements" on the balance sheet and interest income accrual is calculated using internal rate of return method.

As of the balance sheet date, there are no securities lending transactions.

### XI. INFORMATION ON ASSETS HELD FOR SALE AND RELATED TO DISCONTINUED OPERATIONS AND EXPLANATIONS ON LIABILITIES RELATED WITH THESE ASSETS

Tangible assets acquired in consideration of receivables are accounted for in accordance with the requirements of the Communiqué on "Methods, Principles for Purchase and Sale of Precious Metal and Sale of Goods and Immovables obtained in Return of Receivables" published in the Official Gazette numbered 26333 and dated 1 November 2006 and these assets are subject to revaluation by no means.

A discontinued operation is a part of the Bank's business classified as sold or held-for-sale. The operating results of the discontinued operations are disclosed separately in the income statement.

The Bank has no discontinued operations.

### XII. EXPLANATIONS ON GOODWILL AND OTHER INTANGIBLE ASSETS

As at the balance sheet date, the Bank has no goodwill within the financial statements.

Other intangible assets are measured at cost on initial recognition and any directly attributable costs of setting the asset to work for its intended use are included in the initial measurement. Subsequently, intangible assets are carried at historical costs after the deduction of accumulated depreciation and the provision for value decreases.

Other intangible assets are amortized by using the straight line method based on their useful lives. Useful lives of other intangible assets are determined by the consideration of items as; useful life of asset, maintenance costs incurred to obtain expected economic benefit from assets and technical, technological or any other type of obsolescence. Amortization method used in the current period is not subject to any change. Depreciation period is 5 years (20% annual depreciation rate) for establishment/formation expenses for other intangible assets with uncertain leasing period or leasing period over 5 years and depreciation rate is proportional with period for those with certain leasing period.

The Bank recognizes its software costs incurred under the intangible assets-intangible rights account and the expenses that do qualify as development are added to software's initial costs and amortized over 3 years considering the useful lives. The Bank has determined estimated useful lives of the intangible assets between 3 and 15 years and it applies depreciation rates between 6.67% to 33.3%.

**Notes to the Unconsolidated  
Financial Statements at 31 December 2015**

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

(Convenience Translation of Publicly Announced Unconsolidated Financial Statements Originally Issued in Turkish,  
See in Note I. Of Section Three)

**XIII. EXPLANATIONS ON PROPERTY AND EQUIPMENT**

Property and equipment is measured at its cost when initially recognised and any directly attributable costs of setting the asset in working order for its intended use are included in the initial measurement. The Bank’s tangible fixed assets purchased before 1 January 2005 are carried at inflation adjusted cost in the balance sheet before 31 December 2004 and its tangible fixed assets that are purchased subsequent to 1 January 2005 are valued at historical cost. As of 31 January 2014 the Bank has changed its accounting policies and has decided to pursue the real estates registered in its portfolio at fair values. In this context, for all real estates registered in the Bank’s inventory, appraisal study was carried by independent expertise companies, and from 1 January 2014 valuation results are reflected in the accounting records. As a result of the fair valuation of the real estates which is included in tangible fixed assets, TL 3,607,167 revaluation difference is followed under shareholders’ equity as of 31 December 2015. As of 30 January 2014, the net book amount of real estates of the tangible assets before valuation was TL 816,950. Subsequent to recognition, tangible fixed assets are presented in financial statements at cost less any accumulated depreciation and impairment loss, if any. Tangible fixed assets are amortized by using the straight-line method over their estimated useful lives. No changes made in the current period regarding depreciation method. The Bank has begun to classify the leasehold improvements on operational leases under tangible fixed assets in the financial statements dated 31 March 2015, which was previously being followed under intangible assets.

Applied depreciation rates are as follows;

Buildings:	2%
Vehicles and Fixtures:	2 - 20%

Gains or losses emerging from the disposal of tangible assets are recognized in the profit or loss account as difference between net revenue of a related intangible asset and its net book value.

Ordinary maintenance and repair expenses of tangible fixed assets items are recognized as expenses. Investment expenditures that increase the future benefit by enhancing the capacity of tangible assets are capitalized. The investment expenditures include the cost components which are used either to increase the useful life or the capacity of the asset or the quality of the product or to decrease the costs.

There are no mortgages, pledges or similar precautionary measures on tangible fixed assets or commitments given for the purchase or any restrictions designated for the use of those tangible fixed assets.

**XIV. EXPLANATIONS ON LEASING TRANSACTIONS**

**Financial Lease**

The Bank, as the lessee, recognizes its leasing operations in accordance with the requirements of TAS 17 “Leases”. Fixed assets that are acquired under financial leasing are amortized with respect to the rates used for directly acquired assets that have similar nature. Assets held under financial leases are recognized under the tangible fixed assets account and are depreciated on annual and monthly basis with respect to their useful lives. Principal and installment paid for tangible fixed assets that are acquired under financial leasing are charged to liability account “Finance Lease Payable”, whereas interests are recognized in “Deferred Financial Leasing Expenses” account. At installment payments, principal and interest amount of installment amount are debited to “Financial Lease Payable” account, whereas interest is credited in “Deferred Financial Leasing Expenses” account and recorded to the “Other Interest Expenses”.

The Bank does not perform financial operations as “Lessor”.

**Notes to the Unconsolidated  
Financial Statements at 31 December 2015**

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

(Convenience Translation of Publicly Announced Unconsolidated Financial Statements Originally Issued in Turkish,  
See in Note I. Of Section Three)

**Operational Lease**

Leases, in which the majority of risk and return of property belongs to lessor, are classified as operating lease. Payments that are made as operating leases are accounted in income statements with linear method during the lease period.

**XV. EXPLANATIONS ON PROVISIONS, CONTINGENT ASSET AND LIABILITIES**

Provisions other than the specific and general provisions set for loans and other receivables and provisory liabilities are accounted in accordance with TAS 37 “Turkish Accounting Standard on Provisions, Contingent Liabilities and Contingent Assets Corresponding”.

The Bank provides provision in case of an existing liability (legal or implicit) as a result of an incident that took place in the past, there is possibility of disposal of assets that bring economic benefit and the liability is measurable. When a reliable estimate of the amount of obligation cannot be made, it is considered that a “contingent” liability exists and it is disclosed in the related notes to the financial statements.

For transactions that can affect financial structure, provisions are provided by using the existing data if they are accurate, otherwise by using the estimates.

As of the balance sheet date, there are no probable contingent liabilities resulting from past events whose amount can be reliably measured.

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

**XVI. EXPLANATIONS ON OBLIGATIONS RELATED TO EMPLOYEE RIGHTS**

**a. Employment Termination and Vacation Benefits**

The Bank recognizes its liabilities of employment terminations and vacation benefits in accordance with TAS 19 “Employee Benefits” and estimates the net present value of future liabilities arising from employment terminations and vacation benefits and reflects this provision amount in the financial statements.

Under the Turkish legislation as supplemented by union agreements, Employment Termination Benefit payments are made in case of retirement or employment termination or resignation depending on the arise of the legal conditions. According to the related legislation, depending on the status and position of the employee in the Bank and social security institution, Employment Termination Benefit Provision is calculated in two ways; if the employee is a state employee, the calculation is based on retirement pension for the working period of the state employee, and if the employee is a blue-collar worker the calculation is based on the final salary at the date of retirement or leave (to the extent that the payments and/or salary amount does not exceed the Employment Termination Benefit Provision ceiling).

**Notes to the Unconsolidated  
Financial Statements at 31 December 2015**

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

(Convenience Translation of Publicly Announced Unconsolidated Financial Statements Originally Issued in Turkish,  
See in Note I. Of Section Three)

The Bank uses independent actuaries in determining liability, and also makes assumptions relating to the discount rate, future salary increases, and the employee turnover. These assumptions are reviewed on an annual basis. Retirement benefit obligation is TL 683,269 as of 31 December 2015. (31 December 2014: TL 666,464)

	Current Period	Prior Period
Discount rate (%)	10.70	8.60
Expected inflation rate (%)	7.00	6.00

Communiqué on “Turkish Accounting Standard (TAS19) about Benefits for Employee (No:9)” published in Official Gazette by Public Oversight Accounting and Auditing Standards Authority (“POA”) on 12 March 2013 numbered 28585, was entered into force for the account periods starting after 31 December 2012 on accounting treatment of actuarial profit and loss resulting from changes in actuarial assumptions or differences between actual and actuarial assumptions. Actuarial loss amounting to TL 85,078 was classified as “Other Comprehensive Expense” in the financials. (31 December 2014: TL 71,114 actuarial loss)

Unused vacation liability is calculated based on number of unused vacation days which is calculated by subtracting used vacation days of all personnel from legally deserved vacation days.

The Bank is not employing its personnel by means of limited-period contracts.

**b. Liability of T.C. Ziraat Bankası and T. Halk Bankası Members Pension and Relief Fund (TZHEMSAN)**

Some of the Bank’s personnel are the members of T.C. Ziraat Bankası and T. Halk Bankası A.Ş. Employees Pension Fund (“Fund”) which was established by 20<sup>th</sup> provisional article of Social Security Law Act numbered

506. As of 31 December 2015 the number of personnel who benefit from the Fund, excluding dependents, is 21,347 (2014: 18,220). 17,644 of these members are active while 3,703 are passive members. (2014: 14,572 active members, 3,648 passive members).

In accordance with 23<sup>rd</sup> provisional clause of the Banking Law numbered 5411, the pension fund established within Social Security Law is expected to be transferred to the Social Security Institution by three years following the declaration of the Banking Law numbered 5411. Procedures and principles of the transfer are determined by the decision of Council of Ministers numbered 2006/11345 dated 30 November 2006. However, the 1<sup>st</sup> paragraph of the 1<sup>st</sup> article of the 23<sup>rd</sup> provisional clause of Banking Law numbered 5411 allowing pension funds to be transferred to Social Security Institution (“SSI”) is annulled following the resolution of Constitutional Court declared in the Official Gazette dated 31 March 2007 numbered 26479 E.2005/139, K.2007/13 and K.2007/33.

With the publication of the reasoning of the decision, the Grand National Assembly of Turkey (“GNAT”) started to work on new legal arrangements regarding the transfer of the fund members to SSI and the related articles of the “Law Regarding the Changes in Social Insurance and General Health Insurance Law and Other Related Laws and Regulations” No 5754 (“the New Law”) regulating the transfer of the funds were approved by the GNAT on 17 April 2008. The New Law was published in the Official Gazette dated 8 May 2008, numbered 26870 and came into force.

According to the new law Bank pension funds participants and salaried members or the rightful owners would be transferred to Social Security Institution and would be subject to its legislation within three years beginning from the date of publication without any required transaction. Three years transfer period would be extended by two years at most with the decision of Council of Ministers. In accordance with the related legislation, as of the transfer date, the cash value of the liabilities will be calculated by considering the income and expenses of the transferred funds by the insurance branches and by using the actuarial interest rate of 9.80%. Moreover, the unfulfilled other social rights and payments existed in the settlement deeds of the subjected pension funds of the transferred participants, members or the rightful owners will be continued to be fulfilled by the employer entities of the funds and its participants.

## Notes to the Unconsolidated Financial Statements at 31 December 2015

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

(Convenience Translation of Publicly Announced Unconsolidated Financial Statements Originally Issued in Turkish,  
See in Note I. Of Section Three)

In accordance with 58<sup>th</sup> article and 7<sup>th</sup> provisional article of the Banking Law, restricting banks from transferring any funds to the pension funds in order to compensate the actuarial deficits effective from 1 January 2008, has been delayed up to 5 years.

Based on the Council of Ministers' decree numbered 2011/1559 and issued in the Official Gazette numbered 27900, dated 9 April 2011, and 20<sup>th</sup> provisional article of law numbered 506, the deadline for transferring banks, insurance and reinsurance companies, chambers of commerce, chambers of industry, exchange markets and the participants of the funds that were founded for the personnel constituting these entities and the ones having salary or income and the right holders of them to Social Security Institution has been extended for two years.

Besides, the phrase of "two years" in Clause (2), Article 1 of the temporary 20<sup>th</sup> provision of the law numbered 5510 is revised as "four years" with the law numbered 6283 amending on the Social Insurance and General Health Insurance Law, published in the Official Gazette numbered 28227, dated 8 March 2012.

Based on the Council of Ministers' decree numbered 2014/6042 and issued in the Official Gazette numbered 28987 dated 30 April 2014, the participants of the funds that were founded for the personnel constituting these entities and the ones having salary or income and the right holders of them to Social Security Institution has been extended for one year.

Lastly "Occupational Health and Safety Law and Other Laws and The Law Amending the Decree Law" No. 6645 dated 23 April 2015, published on Official Gazette and came into force. Also, authority of determination of the transfer date of pension funds participants, people endowed with salary and their right holders, to the Social Security Institution, is left to the Council of Ministers.

The technical balance sheet report as of 31 December 2015 which is prepared in accordance with the new law and the rate determined as 9.80%, concluded no technical deficit arises in the above mentioned fund. Since the Bank has no legal right to hold the present value of any economic benefits available in the form of refunds from Pension Fund or reductions in future contributions to Pension Fund, no asset is recognized in the Bank's financial statements.

### XVII. EXPLANATIONS ON TAXATION

#### a. Current Tax

"Corporate Tax Law" ("New Tax Law") No. 5520 was taken into effect after being published in the Official Gazette dated 21 June 2006 No.26205. Many clauses of the "New Tax Law" are effective from 1 January 2006. According to the New Tax Law, the corporate tax rate in Turkey is payable at the rate of 20% as of 1 January 2006. The corporate tax rate is calculated on the total income of the Bank after adjusting for certain disallowable expenses, exempt income (like affiliate gains) and other allowances. No further tax is payable unless the profit is distributed.

Dividends paid to non-resident corporations, which have a place of business or permanent attorney 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 no withholding tax incurs in such a case.

Corporations are required to pay advance corporate tax quarterly at a rate of 20% on their corporate income. Advance tax is declared by the 14<sup>th</sup> and paid by the 17<sup>th</sup> day of the second month following each calendar quarter end. Advance tax paid by corporations for the current period is credited against the annual corporation tax calculated on the 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.

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



**Notes to the Unconsolidated  
Financial Statements at 31 December 2015**

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

(Convenience Translation of Publicly Announced Unconsolidated Financial Statements Originally Issued in Turkish,  
See in Note I. Of Section Three)

Under the Turkish Corporate Tax Law, losses can be carried forward to offset against future taxable income for up to five years. Losses cannot be carried back to offset profits from previous periods.

In Turkey, there is no procedure for a final and definitive agreement on tax assessments with tax authorities. Tax returns are required to be filled and delivered to the related tax office until the evening of the 25<sup>th</sup> of the fourth month following the balance sheet date and the accrued tax is paid until the end of the same month. Tax returns are open for 5 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.

**b. Deferred tax**

In accordance with TAS 12 “Turkish Accounting Standards Relating to Income Tax”, the Bank calculates and recognizes deferred tax for temporary differences between the bases calculated based on the accounting policies used and valuation principles and that calculated under the tax legislation.

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and are accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences. However, deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such assets and liabilities are not recognized as deferred tax liability or asset if the temporary difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of a deferred tax asset is reviewed at each balance sheet date. Carrying amount of a deferred tax asset can be reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to be applied in the period in which the liability is settled or the asset realized and reflected in the statement of income as expense or income. Moreover, if the deferred tax is related with items directly recorded under the equity in the same or different period, deferred tax is associated directly with equity.

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

The deferred tax benefit is not taken into account in profit distribution in accordance with the relevant circular of BRSB.

**XVIII. EXPLANATIONS ON BORROWINGS**

The Bank accounts its debt instruments in accordance with TAS 39 “Financial Instruments: Recognition and Measurement”. In the following periods, all financial liabilities are carried at amortized cost by using the internal rate of return method. The Bank has no borrowings that require hedging techniques for accounting and revaluation of debt instruments and liabilities representing the borrowings.

If required, the Bank borrows from domestic and foreign real people and entities with debt instruments such as bill/bond issuance. These transactions are recognized at fair value including acquisition costs at the transaction date while accounted with effective interest rate method over their discounted costs in the following periods.

The Bank has issued no convertible bonds and has no instruments representing its own borrowings.

**XIX. EXPLANATIONS ON ISSUANCE OF SHARE CERTIFICATES**

Since the Bank does not have issued shares, there are no transaction costs related to share issue in the current period.

**Notes to the Unconsolidated  
Financial Statements at 31 December 2015**

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

(Convenience Translation of Publicly Announced Unconsolidated Financial Statements Originally Issued in Turkish,  
See in Note I. Of Section Three)

**XX. EXPLANATIONS ON AVALIZED DRAFTS AND ACCEPTANCES**

Commitments regarding bill guarantees and acceptances of the Bank are presented in the “Off-Balance Sheet” commitments.

**XXI. EXPLANATIONS ON GOVERNMENT GRANTS**

There are no government incentives utilized by the Bank as of the balance sheet date.

**XXII. CASH AND CASH EQUIVALENTS**

Cash and cash equivalents are cash on hand, demand deposits and other highly liquid short-term investments with maturities of 3 months or less following the date of acquisition, which is readily convertible to a known amount of cash, and does not bear the risk of significant amount of value change. The book values of these assets represent their fair values. Cash equivalents and balances regarding banks are valued by the period end counter foreign currency buying rate of the Bank.

For the purposes of the cash flow statement, “Cash” includes cash, effectives, cash in transit, purchased cheques and demand deposits including balances with the Central Bank; and “Cash equivalents” include interbank money market placements and time deposits at banks with original maturity periods of less than three months.

**XXIII. EXPLANATIONS ON SEGMENT REPORTING**

Information about operating segments which are determined in line with TFRS 8 “Turkish Accounting Standard about Operating Segments” together with organizational and internal reporting structure of the Bank, are disclosed in Note XII. of Section Four.

**XXIV. EXPLANATIONS ON OTHER MATTERS**

In accordance with the decision taken in the General Assembly of the year 2014, which was carried out on 27 March 2015, from TL 4,050,509 net profit after the deduction of deferred tax income amounting to TL 503,358, which is not subject to distribution, the remaining TL 3,547,151 of the profit for the year 2014, TL 177,358 is transferred to first legal reserve and TL 18,500 is transferred to second legal reserve TL 185,000 is distributed as dividend to employees and TL 106,250 is distributed to Treasury after deducting withholding tax of 15% (TL 18,750) in cash. In this context, TL 3,041,293 of the profit is preserved; dividend payment made to Treasury on 15 April 2015, and within the framework of the dividend to be distributed to employees, at total TL 166,086 is paid. The remaining TL 18,914 from the dividends distributed to the personnel as of 31 December 2015 was transferred to the “profit reserves”.

## Notes to the Unconsolidated Financial Statements at 31 December 2015

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

(Convenience Translation of Publicly Announced Unconsolidated Financial Statements Originally Issued in Turkish,  
See in Note I. Of Section Three)

### SECTION FOUR

#### EXPLANATIONS RELATED TO THE FINANCIAL POSITION OF THE BANK

##### I. EXPLANATIONS ON THE CAPITAL ADEQUACY STANDARD RATIO

###### 1. The Bank's unconsolidated capital adequacy ratio, reasons and anticipated solutions in case the ratio is lower than the amount pre-determined by the Communiqué:

The Bank's unconsolidated capital adequacy ratio calculated in accordance with the "Communiqué on Measurement and Assessment of Capital Adequacy of Banks" is 15.08%. (31 December 2014: 18.22%)

###### 2. The risk measurement methods used for calculation of capital adequacy ratio:

Capital Adequacy Standard Ratio is calculated in accordance with "Communiqué on Measurement and Assessment of Capital Adequacy of Banks" and "Communiqué on Credit Risk Mitigation Techniques" published in the Official Gazette dated 6 September 2014 numbered 29111.

Counterparties/operations related to the credit risk were separated on the basis of risk classes mentioned in "Communiqué on Measurement and Assessment of Capital Adequacy of Banks" and each of them is assigned by the weight of risk. After, they are subject to risk reduction in accordance with the principles of "Communiqué on Credit Risk Mitigation Techniques", their risk-weighted amount is calculated by multiplying risk weights.

Non-cash loans and commitments, after deduction of specific provisions from them in accordance with "Communiqué on Methods and Principles for the Determination of Loans and Other Receivables to be Reserved for and Allocation of Reserves" are included to the calculation of credit risk weighted amount with loan conversion rates presented in article 5 of "Communiqué on Measurement and Assessment of Capital Adequacy of Banks" Assets subject to depreciation and impairment are calculated over their net book values after deducting the relative depreciations and provisions.

Trading accounts and the values deducted from the capital base in the shareholders' equity computation are excluded in calculation of risk-weighted assets.

Calculations regarding to the counter party credit risk, are made for repurchase agreement and derivative transactions. These transactions are added to the accounts with rates as applied that presented in the amendments of the "Communiqué on Measurement and Assessment of Capital Adequacy of Banks" and "Communiqué on Credit Risk Mitigation Techniques". Repurchase agreements and derivative transactions that are presented in the banking accounts are added to calculation of the basis of the value at credit risk.

Calculations regarding counter parties credit risks are made with method of basic financial collateral for banking accounts, and for purchase-sale accounts are made with method of extensive collateral. Counter party credit risk amount calculated for purchase-sale accounts is included in the calculations of the amount subject to total market risk.

**Notes to the Unconsolidated  
Financial Statements at 31 December 2015**

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

(Convenience Translation of Publicly Announced Unconsolidated Financial Statements Originally Issued in Turkish,  
See in Note I. Of Section Three)

**Information related to capital adequacy standard ratio:**

	Risk Weights		
	Bank Only		
Current Period	0%	10%	20%
<b>Credit Risk Based Amount-31 December 2015</b>	<b>76,475,984</b>	<b>-</b>	<b>32,836,640</b>
Risk Classes			
Conditional and unconditional receivables from central governments or central banks	67,401,476	-	-
Conditional and unconditional receivables from regional or local governments	-	-	458,547
Conditional and unconditional receivables from administrative units and non-commercial enterprises	-	-	-
Conditional and unconditional receivables from multilateral development banks	6	-	-
Conditional and unconditional receivables from international organisations	-	-	-
Conditional and unconditional receivables from banks and brokerage houses	6,301	-	30,880,165
Conditional and unconditional corporate receivables	619,881	-	1,497,925
Conditional and unconditional retail receivables	-	-	-
Conditional and unconditional receivables secured by mortgages	-	-	-
Past due receivables	-	-	-
Receivables defined in high risk category by BRSA	-	-	-
Securities collateralised by mortgages	-	-	-
Securitisation positions	-	-	-
Short-term receivables from banks, brokerage houses and corporates	-	-	-
Investments similar to collective investment funds	-	-	-
Other receivables	8,448,320	-	3

Prepared with the numbers after the conversion rate to credit and before Credit Risk Reduction.

Risk Weights

Bank Only

	50% Real Est. Mort. Coll.	50%	75%	100%	150%	200%	250%	1250%
	-	27,569,776	88,583,269	118,702,297	2,705,355	6,272,798	261,941	-
	-	14,263,747	-	321,681	-	-	-	-
	-	70	-	1,741	-	-	-	-
	-	-	-	544,010	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	12,072,743	-	1,033,545	-	-	-	-
	-	1,233,214	-	108,827,693	-	-	-	-
	-	2	70,675,495	685,494	-	-	-	-
	-	-	17,907,774	217,785	-	-	-	-
	-	-	-	569,931	-	-	-	-
	-	-	-	-	2,705,355	6,272,798	261,941	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	105,792	-	-	-	-
	-	-	-	6,394,625	-	-	-	-

**Notes to the Unconsolidated  
Financial Statements at 31 December 2015**

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

(Convenience Translation of Publicly Announced Unconsolidated Financial Statements Originally Issued in Turkish,  
See in Note I. Of Section Three)

	Risk Weights		
	Bank Only		
Prior Period	0%	10%	20%
<b>Value at Credit Risk Exposure Categories</b>	<b>74,247,665</b>	<b>-</b>	<b>20,225,324</b>
Risk Classes			
Conditional and unconditional receivables from central governments or central banks	67,174,099	-	-
Conditional and unconditional receivables from regional or local governments	-	-	444,032
Conditional and unconditional receivables from administrative units and non-commercial enterprises	-	-	-
Conditional and unconditional receivables from multilateral development banks	6	-	-
Conditional and unconditional receivables from international organisations	-	-	-
Conditional and unconditional receivables from banks and brokerage houses	-	-	18,400,822
Conditional and unconditional receivables from corporate	-	-	1,380,349
Conditional and unconditional retail Receivables	-	-	111
Conditional and unconditional receivables secured by mortgages	-	-	-
Past due receivables	-	-	-
Receivables defined in high risk category by BRSA	-	-	-
Securities collateralised by mortgages	-	-	-
Securitisation positions	-	-	-
Short-term receivables from banks, brokerage houses and corporate	-	-	-
Investments similar to collective investment funds	-	-	-
Other receivables	7,073,560	-	10

Prepared with the numbers after the conversion rate to credit and before Credit Risk Reduction.

Risk Weights

Bank Only

	50% Real Est. Mort. Coll.	50%	75%	100%	150%	200%	250%	1250%
	1,341	21,710,058	58,356,840	82,423,409	4,028,651	18,026,785	222,268	-
	-	10,676,895	-	200,653	-	-	-	-
	-	86	-	-	-	-	-	-
	-	-	-	443,990	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	8,713,576	-	653,169	-	-	-	-
	-	2,317,373	-	72,697,239	-	-	-	-
	-	2,128	45,693,435	668,370	-	-	-	-
	-	-	12,663,405	216,913	-	-	-	-
	1,341	-	-	563,813	-	-	-	-
	-	-	-	-	4,028,651	18,026,785	222,268	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	62,682	-	-	-	-
	-	-	-	6,916,580	-	-	-	-

**Notes to the Unconsolidated  
Financial Statements at 31 December 2015**

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

(Convenience Translation of Publicly Announced Unconsolidated Financial Statements Originally Issued in Turkish,  
See in Note I. Of Section Three)

**Summary Information Related to the Capital Adequacy Standard Ratio:**

	<b>Current Period</b>	<b>Prior Period</b>
Capital Requirement for Credit Risk (Value at Credit Risk*0.08) (CRCR)	15,937,165	11,641,473
Capital Requirement for Market Risk (CRMR)	1,332,250	1,087,412
Capital Requirement for Operational Risk (CROR)	1,301,706	1,098,374
Shareholders' Equity	34,995,187	31,484,041
Shareholders' Equity/ ((CRCR+CRMR+CROR)*12.5)*100	15.08	18.22
Tier 1 Capital/ ((CRCR+CRMR+CROR)*12.5)*100	14.00	17.18
Common Equity Tier 1 Capital/ ((CRCR+CRMR+CROR)*12.5)*100	14.06	17.23



## Notes to the Unconsolidated Financial Statements at 31 December 2015

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

(Convenience Translation of Publicly Announced Unconsolidated Financial Statements Originally Issued in Turkish,  
See in Note I. Of Section Three)

### Information Related to The Components of Shareholders' Equity:

	Current Period	Prior Period
<b>COMMON EQUITY TIER 1 CAPITAL</b>		
Paid-in Capital to be Entitled for Compensation after All Creditors	5,000,000	3,043,482
Share Premium	-	-
Share Cancellation Profits	-	-
Reserves	18,005,564	15,527,658
Income recognized under equity in accordance with TAS	4,664,239	5,812,443
Profit	5,322,268	4,210,307
Current Period's Profit	5,162,470	4,050,509
Prior Period's Profit	159,798	159,798
Free Provision for Possible Risks	1,257,419	1,334,053
Bonus Shares from Associates, Subsidiaries and Joint-Ventures not Accounted in Current Period's Profit	17,388	17,388
<b>Common Equity Tier 1 Capital Before Deductions</b>	<b>34,266,878</b>	<b>29,945,331</b>
<b>Deductions from Common Equity Tier 1 Capital</b>		
Net loss for the prior year losses and uncovered portion of the total reserves and losses that are recognized under equity in accordance with TAS (-)	1,463,190	71,114
Leasehold Improvements on Operational Leases (-)	86,055	69,634
Goodwill and intangible asset and the related deferred tax liability (-)	84,604	23,086
Net Deferred Tax Asset/Liability (-)	-	-
Excess amount expressed in the law (Article 56 4 <sup>th</sup> paragraph) (-)	-	-
Bank's direct or indirect investments on its own Tier 1 Capital (-)	-	-
Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible long positions, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)	-	-
Significant investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible long positions (amount above 10% threshold) of Tier 1 Capital	-	-
Mortgage servicing rights (amount above 10% threshold) of Tier 1 Capital	-	-
Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	-	-
Amounts exceeding 15% of Tier 1 Capital according to Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks (2 <sup>nd</sup> article temporary second paragraph (-)	-	-
Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible long positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above 10% threshold)	-	-
Amounts related to mortgage servicing rights (-)	-	-
Excess amount of deferred tax assets from temporary differences (-)	-	-
Other Items Determined by BRSA (-)	-	-
The amount to be deducted from common equity tier 1 capital (-)	-	-
<b>Total Deductions from Common Equity Tier 1 Capital</b>	<b>1,633,849</b>	<b>163,834</b>
<b>Total Common Equity Tier 1 Capital</b>	<b>32,633,029</b>	<b>29,781,497</b>

# Türkiye Cumhuriyeti Ziraat Bankası A.Ş.

## Notes to the Unconsolidated Financial Statements at 31 December 2015

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

(Convenience Translation of Publicly Announced Unconsolidated Financial Statements Originally Issued in Turkish,  
See in Note I. Of Section Three)

	Current Period	Prior Period
<b>ADDITIONAL TIER 1 CAPITAL</b>		
Premiums that are not included in Common Equity Tier 1 capital	-	-
Bank's borrowing instruments and related issuance premium (issued after 1.1.2014)	-	-
Bank's borrowing instruments and related issuance premium (issued before 1.1.2014)	-	-
<b>Additional Tier 1 Capital before Deductions</b>	-	-
<b>Deductions from Additional Tier 1 Capital</b>	-	-
Bank's a direct or indirect investment in Tier 1 Capital (-)	-	-
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of Common Equity Tier I Capital (-)	-	-
The Total of Net Long Position of the Direct or Indirect Investments in Additional Tier I Capital of Unconsolidated Banks and Financial Institutions where the Bank Owns more than 10% of the Issued Share Capital (-)	-	-
Other Items Determined by BRSA (-)	-	-
The amount to be deducted from Additional Tier 1 Capital (-)	-	-
<b>Total Deductions from Additional Tier 1 Capital</b>	-	-
<b>Total Additional Tier 1 Capital</b>	-	-
<b>Deductions From Tier 1 Capital</b>	<b>126,907</b>	<b>92,346</b>
The amount related to goodwill or other intangible assets not deducted from Common Equity Tier 1 Capital (-)	126,907	92,346
The amount related to deferred tax assets not deducted from Common Equity Tier 1 Capital (-)	-	-
<b>Tier 1 Capital</b>	<b>32,506,122</b>	<b>29,689,151</b>
<b>TIER 2 CAPITAL</b>		
Bank's borrowing instruments and related issuance premium (issued after 1.1.2014)	-	-
Bank's borrowing instruments and related issuance premium (issued before 1.1.2014)	-	-
Pledged assets of the shareholders to be used for the Bank's capital increases	-	-
General Provisions	2,490,182	1,818,980
<b>Tier 2 Capital Before Deductions</b>	<b>2,490,182</b>	<b>1,818,980</b>
<b>Deductions From Tier 2 Capital</b>	-	-
Bank's direct or indirect investment in Tier 2 capital (-)	-	-
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of Common Equity Tier I Capital (-)	-	-
The Total of Net Long Position of the Direct or Indirect Investments in Additional Core Capital and Tier II Capital of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or more of the Issued Share Capital Exceeding the 10% Threshold of Tier I Capital (-)	-	-
Other Items Determined by BRSA (-)	-	-
<b>Total Deductions From Tier 2 Capital</b>	-	-
<b>Total Tier 2 Capital</b>	<b>2,490,182</b>	<b>1,818,980</b>

# Türkiye Cumhuriyeti Ziraat Bankası A.Ş.

## Notes to the Unconsolidated Financial Statements at 31 December 2015

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

(Convenience Translation of Publicly Announced Unconsolidated Financial Statements Originally Issued in Turkish,  
See in Note I. Of Section Three)

	Current Period	Prior Period
<b>TOTAL CAPITAL BEFORE REGULATORY DEDUCTIONS</b>	<b>34,996,304</b>	<b>31,508,131</b>
Loan granted to Customer against the Articles 50 and 51 of the Banking Law	-	-
Net Book Values of Immovables Exceeding 50% of the Equity and of Assets Acquired against Overdue Receivables and Held for Sale as per the Article 57 of the Banking Law but Retained More Than Five Years (-)	1,044	757
Loans extended to banks, financial institutions (domestic and abroad) and qualified shareholders, like secondary subordinated loan and debt instruments purchased from these institutions issued, like primary and secondary subordinated loan (-)	-	23,199
Securitization positions that is deducted -preferably- from the shareholders' equity (Article 20 paragraph 2) (-)	-	-
Other items to be defined by BRSA (-)	73	134
The sum of partnership share on banks and financial institutions, with shareholding of less than 10%, but exceeding 10% of Common Equity Tier 1 not deducted from Common Equity Tier 1, Tier 1 or Tier 2 (-)	-	-
The sum of partnership share on banks and financial institutions, with shareholding of more than 10%, but exceeding 10% of the bank (-)	-	-
The sum of partnership share on banks and financial institutions, with shareholding of more than 10%, but exceeding 10% of bank (-)	-	-
<b>TOTAL CAPITAL</b>	<b>34,995,187</b>	<b>31,484,041</b>
<b>Amounts below deduction thresholds</b>		
The sum of partnership share on banks and financial institutions, with shareholding of less than 10%	120,823	-
The sum of partnership share on banks and financial institutions, with shareholding of more than 10%	80,423	165,247
Mortgage servicing rights	-	-
Deferred tax assets arising from temporary differences (net of related tax liability) (-)	261,730	220,823

### Information Related to the Components which Subject to Temporary Implementation in the Calculation of Equity:

None.

### Information Related to the Debt Instruments which will be Included in the Calculation of Equity:

None.

## Notes to the Unconsolidated Financial Statements at 31 December 2015

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

(Convenience Translation of Publicly Announced Unconsolidated Financial Statements Originally Issued in Turkish,  
See in Note I. Of Section Three)

### 3. Applied approaches in order to evaluate internal capital adequacy within the scope of internal capital adequacy evaluation of internal capital requirement in terms of future and current activities:

Bank determined the capital adequacy policy within the scope of internal capital adequacy evaluation process, fixed the minimum factors to be considered in the capital adequacy determination.

Therefore, in the Bank,

- Being evaluated within the scope of capital adequacy of financial situation of the Bank in prior period, legal ratios and economic capital analysis.
- Being analysed within the scope of the accord to legal ratios and legal capital adequacy of budget considering imposed risks.
- Analyzing operations with stress tests are carried out the preservation potential against financial fluctuations of budget and convenience to capital adequacy policy in the process of these fluctuations

## II. EXPLANATIONS ON THE CREDIT RISK

Credit risk is the possibility of loss that the bank may be exposed due to the partial or complete default of the debtor by not complying to the obligations of the agreement made, or due to the decrease in credit worthiness.

The limits of the credit customers are identified, after combined assessment of various factors like the financial and non-financial information of the credit customers, credit requirements, sectoral and geographical features and, in conformity with the legal legislation, in line with the credit authorization limits of the branches, Regional Managements, Group Presidencies, Department Presidencies, Assistant General Management, General Manager, Credit Committee and Board of Directors.

The average limits identified related the credit portfolio are approved by the Board of Directors and revised when required. The identified limits are allocated by related departments on Regional Managements basis by considering the factors like portfolio structure, potentials of the customers and credit, regional and sectoral characteristics, competencies of the personnel.

In order to prevent the risk intensity on the commercial loan portfolio, limits are determined and followed on the basis of group companies, private and public firms, and different debtor groups. Similarly, in determining the limits of the agricultural loan portfolio the structures of the regions are considered. The bank's credit authority limits on given consumer loans are defined with the separation of type and guarantee and these limits are updated according to economic conjuncture and demands of Regional Managements/Branches.

In line with the budgeted targets, TL/FC Cash/Non-Cash Corporate/Commercial/Entrepreneurial loan placements are issued and followed on sectoral and regional basis.

The loans issued by the branches are periodically analyzed on the basis of the limits, subjects, guarantees, maturities, accounts followed, outstanding balances, numbers of the customers, and followed on customer and regional basis.

After the opening of the lines of the commercial loans, the firms are continued to be monitored and the changes at the financial structures and market relations of the credit firms are followed. The credit limits are identified and approved for one year and renewed in case of no negative change in the situation of the customer (financial structure, market, guarantee, etc.).

The Bank is assessing credibility of the customer as the essential factor in issuing credits and creditors' credit worthiness are ascertained during credit application and limit allocation/renewal. Documents to be obtained during the application are evidently mentioned in regulations and appropriateness of the documents obtained during application is controlled by internal audit departments. The Bank considers guarantees as important in minimization and elimination of the risk. As a result of policies and process based on obtaining reliable and robust guarantees, the Bank's credit risk significantly declines.

# Türkiye Cumhuriyeti Ziraat Bankası A.Ş.

## Notes to the Unconsolidated Financial Statements at 31 December 2015

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

(Convenience Translation of Publicly Announced Unconsolidated Financial Statements Originally Issued in Turkish,  
See in Note I. Of Section Three)

On January 2011 the Bank started applying internal ratings processes as a decision support system for analysing credit worthiness and determining credit allocation for Corporate/Commercial/Entrepreneurial consumer loans.

The Bank is not engaging in credit transactions that are not defined at the legislation and not put into the practice.

The Bank makes provision in conformity with the "Communiqué on Methods and Principles for Determining the Nature of Loans and Other Receivables and Allocation of Provisions".

Identification of limits for domestic and foreign banks are done by rating which is determined by considering the needs of clients and departments together with financial and economic conditions of the banks and their countries. When banks and/or countries are financially or economically risky, identified limits can be restricted with maturity, amount or type of transaction or use of credit is called off.

Since the Bank's abroad lending operations have no significant effect on the financial statements, and operations and transactions are diversified via the use of different financial institutions in various countries, the Bank is not believed to be exposed to a significant credit risk as a result of these operations.

Foreign financial institution and country risks of the Bank are generally taken on financial institutions and countries which are rated by international rating institutions. Treasury operations are executed in the frame of pre-

determined authorization and limits, these authorization and limits are monitored. Client transactions within the context of Fund Management are done in the frame of general loan limits determined for the clients

The Bank engages in foreign currency swaps and forward transactions considering its asset-liability balance and legal limits. These are not considered to generate material risk given the amount of these transactions in the balance sheet.

In line with the regulation on provisions, if the cash risk of a customer classified as nonperforming, the non-cash is classified as nonperforming under the same group where the cash risks were already followed and specific provision is reserved.

Restructured and rescheduled loans are also booked in line with procedures and under accounts defined by the related regulation. Furthermore, they are monitored by the bank in line with credit risk policies. In this context, financial situation and commercial operations of related customers are analyzed and in terms of restructured plan, whether principal and interest payments have been paid is being checked and necessary measures are taken.

The percentage of top 100 and top 200 cash loans in the total cash loan portfolio is 24% and 29% respectively (31 December 2014: 22% and 27%).

The percentage of top 100 and top 200 non-cash loans in the total non-cash loan portfolio is 57% and 68% respectively (31 December 2014: 61% and 73%).

The percentage of top 100 and top 200 cash and non-cash loans in the total cash and non-cash loan portfolio is 32% and 38% respectively (31 December 2014: 27% and 33%).

General provision made by the Bank for the credit risk is TL 2,844,581 (31 December 2014: TL 1,970,093).

# Türkiye Cumhuriyeti Ziraat Bankası A.Ş.

## Notes to the Unconsolidated Financial Statements at 31 December 2015

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

(Convenience Translation of Publicly Announced Unconsolidated Financial Statements Originally Issued in Turkish,  
See in Note I. Of Section Three)

	Conditional and unconditional receivables from central governments or central banks	Conditional and unconditional receivables from regional or local governments	Conditional and unconditional receivables from administrative units and non-commercial enterprises	Conditional and unconditional receivables from multilateral development banks	Conditional and unconditional receivables from international organisations	Conditional and unconditional receivables from banks and brokerage houses	Conditional and unconditional corporate receivables
<b>Current Period</b>							
Domestic	79,800,139	457,492	542,487	6	-	29,495,171	110,297,369
European Union Countries	37,219	1,125	-	-	-	8,805,518	294,202
OECD Countries <sup>(1)</sup>	-	-	-	-	-	265,921	-
Off-shore Banking Regions	-	-	-	-	-	-	-
USA, Canada	1,823,929	-	1,234	-	-	553,170	349,733
Other Countries	325,617	1,741	289	-	-	1,119,173	181,669
Subsidiaries, Associates and Joint Ventures	-	-	-	-	-	3,753,801	1,055,740
Unallocated Assets/Liabilities <sup>(2)</sup>	-	-	-	-	-	-	-
<b>Total</b>	<b>81,986,904</b>	<b>460,358</b>	<b>544,010</b>	<b>6</b>	<b>-</b>	<b>43,992,754</b>	<b>112,178,713</b>

	Conditional and unconditional receivables from central governments or central banks	Conditional and unconditional receivables from regional or local governments	Conditional and unconditional receivables from administrative units and non-commercial enterprises	Conditional and unconditional receivables from multilateral development banks	Conditional and unconditional receivables from international organisations	Conditional and unconditional receivables from banks and brokerage houses	Conditional and unconditional corporate receivables
<b>Prior Period</b>							
Domestic	77,825,891	444,118	443,984	6	-	9,473,379	75,033,100
European Union Countries	9,695	-	-	-	-	14,502,433	47,646
OECD Countries <sup>(1)</sup>	-	-	-	-	-	398,992	-
Off-shore Banking Regions	-	-	-	-	-	-	-
USA, Canada	16,568	-	-	-	-	271,955	93,295
Other Countries	199,493	-	6	-	-	565,239	199,376
Subsidiaries, Associates and Joint Ventures	-	-	-	-	-	2,555,569	1,021,544
Unallocated Assets/Liabilities <sup>(2)</sup>	-	-	-	-	-	-	-
<b>Total</b>	<b>78,051,647</b>	<b>444,118</b>	<b>443,990</b>	<b>6</b>	<b>-</b>	<b>27,767,567</b>	<b>76,394,961</b>

Prepared with the numbers after conversion rate to credit and before Credit Risk Reduction.

<sup>(1)</sup> OECD Countries other than EU countries, USA and Canada

<sup>(2)</sup> Assets and liabilities that could not be distributed on a consistent basis

	Conditional and unconditional retail receivables	Conditional and unconditional receivables secured by mortgages	Past due receivables	Receivables defined in high risk category by BRSA	Securities collateralised by mortgages	Securitisation positions	Short-term receivables from banks, brokerage houses and corporates	Investments similar to collective investment funds	Other receivables	Total
	71,239,492	18,125,101	567,395	9,210,227	-	-	-	105,708	14,842,948	334,683,535
	32,527	-	523	16,653	-	-	-	84	-	9,187,851
	-	-	-	-	-	-	-	-	-	265,921
	-	-	-	-	-	-	-	-	-	-
	586	-	-	610	-	-	-	-	-	2,729,262
	88,386	458	2,013	12,604	-	-	-	-	-	1,731,950
	-	-	-	-	-	-	-	-	-	4,809,541
	-	-	-	-	-	-	-	-	-	-
	71,360,991	18,125,559	569,931	9,240,094	-	-	-	105,792	14,842,948	353,408,060

	Conditional and unconditional retail receivables	Conditional and unconditional receivables secured by mortgages	Past due receivables	Receivables defined in high risk category by BRSA	Securities collateralised by mortgages	Securitisation positions	Short-term receivables from banks, brokerage houses and corporates	Investments similar to collective investment funds	Other receivables	Total
	46,242,346	12,875,452	563,668	22,264,215	-	-	-	62,682	13,990,150	259,218,991
	24,468	4,391	472	8,793	-	-	-	-	-	14,597,898
	-	-	-	-	-	-	-	-	-	398,992
	-	-	-	-	-	-	-	-	-	-
	885	-	-	53	-	-	-	-	-	382,756
	96,345	475	1,014	4,643	-	-	-	-	-	1,066,591
	-	-	-	-	-	-	-	-	-	3,577,113
	-	-	-	-	-	-	-	-	-	-
	46,364,044	12,880,318	565,154	22,277,704	-	-	-	62,682	13,990,150	279,242,341

**Notes to the Unconsolidated  
Financial Statements at 31 December 2015**

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

(Convenience Translation of Publicly Announced Unconsolidated Financial Statements Originally Issued in Turkish,  
See in Note I. Of Section Three)

Current Period	Risk Classes								
	Conditional and unconditional receivables from central governments or central banks	Conditional and unconditional receivables from regional or local governments	Conditional and unconditional receivables from administrative units and non-commercial enterprises	Conditional and unconditional receivables from multilateral development banks	Conditional and unconditional receivables from international organisations	Conditional and unconditional receivables from banks and brokerage houses	Conditional and unconditional corporate receivables	Conditional and unconditional retail receivables	
<b>Sectors/Counter Parties</b>									
Agriculture	-	-	-	-	-	-	5,363,985	29,522,167	
Farming and Stockbreeding	-	-	-	-	-	-	5,008,120	29,327,342	
Forestry	-	-	-	-	-	-	249,657	101,415	
Fishing	-	-	-	-	-	-	106,208	93,410	
Manufacturing	-	-	99,937	-	-	-	49,121,631	3,600,766	
Mining and Quarrying	-	-	17	-	-	-	2,924,632	65,519	
Production	-	-	99,910	-	-	-	36,772,043	3,522,344	
Electric, Gas and Water	-	-	10	-	-	-	9,424,956	12,903	
Construction	-	-	25,807	-	-	-	15,431,147	2,133,204	
Services	2,997,074	420	255,292	6	-	26,723,466	38,705,529	11,750,851	
Wholesale and Retail Trade	-	17	4,292	-	-	-	16,568,568	8,233,270	
Hotel Food and Beverage Services	-	132	65	-	-	-	2,546,186	745,067	
Transportation and Telecommunication	-	79	73,236	-	-	-	5,609,959	1,517,944	
Financial Institutions	2,997,074	192	120	6	-	25,904,352	3,785,764	4,985	
Real Estate and Leasing Services	-	-	78,240	-	-	819,114	9,481,909	952,003	
Self Employment Services	-	-	-	-	-	-	-	-	
Education Services	-	-	69,774	-	-	-	252,627	102,145	
Health and Social Services	-	-	29,565	-	-	-	460,516	195,437	
Other	78,989,830	459,938	162,974	-	-	17,269,288	3,556,421	24,354,003	
<b>Total</b>	<b>81,986,904</b>	<b>460,358</b>	<b>544,010</b>	<b>6</b>	<b>-</b>	<b>43,992,754</b>	<b>112,178,713</b>	<b>71,360,991</b>	

Prepared with the numbers after conversion rate to credit and before Credit Risk Reduction.



Risk Classes

	Conditional and unconditional receivables secured by mortgages	Past due receivables	Receivables defined in high risk category by BRSA	Securities collateralised by mortgages	Securitisation positions	Short-term from banks, brokerage houses and corporates	Investments similar to collective investment funds	Other receivables	TL	FC	Total
	372,434	939	14,733	-	-	-	-	2,135,195	37,033,999	375,454	37,409,453
	350,326	868	13,201	-	-	-	-	2,135,195	36,736,566	98,486	36,835,052
	2,844	52	956	-	-	-	-	-	118,741	236,183	354,924
	19,264	19	576	-	-	-	-	-	178,692	40,785	219,477
	129,349	13,205	55,337	-	-	-	-	-	21,203,317	31,816,908	53,020,225
	3,897	726	768	-	-	-	-	-	603,581	2,391,978	2,995,559
	124,765	12,468	53,360	-	-	-	-	-	17,896,667	22,688,223	40,584,890
	687	11	1,209	-	-	-	-	-	2,703,069	6,736,707	9,439,776
	50,527	476,783	28,053	-	-	-	-	-	6,733,479	11,412,042	18,145,521
	713,311	25,290	235,952	-	-	-	105,792	-	55,144,375	26,368,608	81,512,983
	420,414	14,299	85,580	-	-	-	-	-	20,673,414	4,653,026	25,326,440
	66,732	1,509	13,478	-	-	-	-	-	1,383,255	1,989,914	3,373,169
	93,141	1,122	13,982	-	-	-	-	-	2,675,591	4,633,872	7,309,463
	1,044	35	89,157	-	-	-	3,694	-	24,562,680	8,223,743	32,786,423
	101,853	8,043	25,614	-	-	-	102,098	-	4,975,912	6,592,962	11,568,874
	-	-	-	-	-	-	-	-	-	-	-
	5,540	94	1,326	-	-	-	-	-	356,120	75,386	431,506
	24,587	188	6,815	-	-	-	-	-	517,403	199,705	717,108
	16,859,938	53,714	8,906,019	-	-	-	-	12,707,753	99,970,482	63,349,396	163,319,878
	<b>18,125,559</b>	<b>569,931</b>	<b>9,240,094</b>	-	-	-	<b>105,792</b>	<b>14,842,948</b>	<b>220,085,652</b>	<b>133,322,408</b>	<b>353,408,060</b>

**Notes to the Unconsolidated  
Financial Statements at 31 December 2015**

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

(Convenience Translation of Publicly Announced Unconsolidated Financial Statements Originally Issued in Turkish,  
See in Note I. Of Section Three)

Prior Period	Risk Classes								
	Conditional and unconditional receivables from central governments or central banks	Conditional and unconditional receivables from regional or local governments	Conditional and unconditional receivables from administrative units and non-commercial enterprises	Conditional and unconditional receivables from multilateral development banks	Conditional and unconditional receivables from international organisations	Conditional and unconditional receivables from banks and brokerage houses	Conditional and unconditional corporate receivables	Conditional and unconditional retail receivables	
<b>Sectors/Counter Parties</b>									
Agriculture	-	-	-	-	-	-	8,833,825	17,666,954	
Farming and Stockbreeding	-	-	-	-	-	-	8,450,346	17,504,057	
Forestry	-	-	-	-	-	-	128,843	125,393	
Fishing	-	-	-	-	-	-	254,636	37,504	
Manufacturing	-	419,469	158,304	-	-	-	28,480,731	4,151,249	
Mining and Quarrying	-	36	101	-	-	-	462,651	144,170	
Production	-	419,433	157,450	-	-	-	25,112,950	3,997,961	
Electric, Gas and Water	-	-	753	-	-	-	2,905,130	9,118	
Construction	-	-	3,673	-	-	-	9,994,595	1,292,433	
Services	8,795,417	17,776	228,017	6	-	16,532,896	22,558,525	9,364,424	
Wholesale and Retail Trade	-	-	62,019	-	-	-	13,472,842	3,024,997	
Hotel Food and Beverage Services	-	31	44,799	-	-	-	1,325,518	254,774	
Transportation and Telecommunication	-	15,959	22,952	-	-	-	1,151,453	222,344	
Financial Institutions	8,795,417	222	85	6	-	9,215,598	3,830,976	1,251,023	
Real Estate and Leasing Services	-	1,564	27,904	-	-	7,317,298	2,349,136	4,423,112	
Self Employment Services	-	-	-	-	-	-	-	-	
Education Services	-	-	67,497	-	-	-	103,642	187,417	
Health and Social Services	-	-	2,761	-	-	-	324,958	757	
Other	69,256,230	6,873	53,996	-	-	11,234,671	6,527,285	13,888,984	
<b>Total</b>	<b>78,051,647</b>	<b>444,118</b>	<b>443,990</b>	<b>6</b>	<b>-</b>	<b>27,767,567</b>	<b>76,394,961</b>	<b>46,364,044</b>	

Prepared with the numbers after conversion rate to credit and before Credit Risk Reduction.

Risk Classes

	Conditional and unconditional receivables secured by mortgages	Past due receivables	Receivables defined in high risk category by BRSA	Securities collateralised by mortgages	Securitisation positions	Short-term from banks, brokerage houses and corporates	Investments similar to collective investment funds	Other receivables	TL	FC	Total
	23,893	315	4,757	-	-	-	-	-	21,662,654	4,867,090	26,529,744
	18,554	315	689	-	-	-	-	-	21,284,206	4,689,755	25,973,961
	4,635	-	-	-	-	-	-	-	255,791	3,080	258,871
	704	-	4,068	-	-	-	-	-	122,657	174,255	296,912
	463,540	486,157	423,861	-	-	-	43,374	-	17,619,787	17,006,898	34,626,685
	22,926	-	44	-	-	-	-	-	210,989	418,939	629,928
	439,378	486,157	422,747	-	-	-	43,374	-	15,394,977	15,684,473	31,079,450
	1,236	-	1,070	-	-	-	-	-	2,013,821	903,486	2,917,307
	17,513	-	18,167	-	-	-	-	-	6,865,867	4,460,514	11,326,381
	535,821	42,784	145,719	-	-	-	15,601	-	33,564,846	24,672,140	58,236,986
	23,159	9,416	6,429	-	-	-	-	-	6,799,974	9,798,888	16,598,862
	6,279	1,661	3,152	-	-	-	-	-	202,287	1,433,927	1,636,214
	3,361	2,042	105,006	-	-	-	-	-	377,257	1,145,860	1,523,117
	65,520	706	23,987	-	-	-	156	-	12,716,664	10,467,032	23,183,696
	190,267	580	2,846	-	-	-	-	-	12,812,830	1,499,877	14,312,707
	-	-	-	-	-	-	-	-	-	-	-
	2,727	28,379	1,928	-	-	-	15,445	-	397,957	9,078	407,035
	244,508	-	2,371	-	-	-	-	-	257,877	317,478	575,355
	11,839,551	35,898	21,685,200	-	-	-	3,707	13,990,150	105,929,580	42,592,965	148,522,545
	<b>12,880,318</b>	<b>565,154</b>	<b>22,277,704</b>	-	-	-	<b>62,682</b>	<b>13,990,150</b>	<b>185,642,734</b>	<b>93,599,607</b>	<b>279,242,341</b>

## Notes to the Unconsolidated Financial Statements at 31 December 2015

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

(Convenience Translation of Publicly Announced Unconsolidated Financial Statements Originally Issued in Turkish,  
See in Note I. Of Section Three)

### Analysis of maturity-bearing exposures according to remaining maturities:

Exposure Classifications	Term to Maturity				
	1 Month	1-3 Months	3-6 Months	6-12 Months	Over 1 Year
Conditional and unconditional exposures to central governments or central banks	2,311,437	1,173,882	1,106,383	8,448,976	68,946,226
Conditional and unconditional exposures to regional governments or local authorities	5,825	32	38	6,010	448,453
Conditional and unconditional receivables from administrative units and non-commercial enterprises	131,673	2,391	2,264	75,319	332,363
Conditional and unconditional exposures to multilateral development banks	-	-	-	-	6
Conditional and unconditional exposures to international organisations	-	-	-	-	-
Conditional and unconditional exposures to banks and brokerage houses	28,650,907	3,414,858	976,894	1,141,379	9,808,716
Conditional and unconditional exposures to corporates	4,512,453	2,593,507	3,868,295	30,019,207	71,185,251
Conditional and unconditional retail exposures	2,218,813	1,987,619	3,226,563	17,957,986	45,970,010
Conditional and unconditional exposures secured by real estate property	39,381	100,771	179,479	868,450	16,937,478
Past due receivables	-	-	-	-	-
Receivables defined in high risk category by BRSA	471,911	-	-	68,561	8,699,622
Exposures in the form of bonds secured by mortgages	-	-	-	-	-
Securitization Positions	-	-	-	-	-
Short term exposures to banks, brokerage houses and corporates	-	-	-	-	-
Exposures in the form of collective investment undertakings	3,694	-	-	75,582	26,516
<b>Grand Total</b>	<b>38,346,094</b>	<b>9,273,060</b>	<b>9,359,916</b>	<b>58,661,470</b>	<b>222,354,641</b>

Prepared with the numbers after conversion rate to credit and before Credit Risk Reduction.

Grades of Fitch Ratings International Rating Agency are used in determining risk weights for risk classes being used rating grade of risk classes indicated in article 6 of Communiqué on "Measurement and Assessment of Capital Adequacy of Banks". Additionally, grades of Fitch Ratings International Rating Agency were used for receivables from central government and central bank of our country and counter parties abroad. Counter parties resident are accepted as "gradeless" and take risk weight suited for "gradeless" category in relevant risk class.

**Notes to the Unconsolidated  
Financial Statements at 31 December 2015**

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

(Convenience Translation of Publicly Announced Unconsolidated Financial Statements Originally Issued in Turkish,  
See in Note I. Of Section Three)

Rating Scores are used in the following risk classes;

1. Receivables from Central Governments or Central Banks
2. Receivables from Regional Governments or Local Authorities
3. Receivables from Administrative Units and Non-Commercial Enterprises
4. Receivables from Banks and Brokerage Houses

While credit quality level grade given by Fitch Ratings International Rating Agency decreases to 3, grades using in risk class of receivables from banks and intermediary institutions matched with all credit quality levels from 1 to 6 in risk classes of receivables from central governments or central banks, receivables from regional governments or local authorities and receivables from administrative units and non-commercial enterprises.

For determination of risk weight regarding items that export or issuer rating not included to purchase/sale accounts is firstly considered to export rating, and also issuer's credit rating is considered in the absence of export rating.

**Exposures by risk weights:**

	Risk Weights	0%	10%	20%	50%	75%	100%	150%	200%	250%	1250%	Deductions from Equity
1	Exposures before Credit Risk Mitigation	76,475,984	-	32,836,640	27,569,776	88,583,269	118,702,297	2,705,355	6,272,798	261,941	-	212,628
2	Exposures after Credit Risk Mitigation	119,272,256	-	9,728,650	42,531,264	55,383,847	117,308,817	2,681,848	6,239,437	261,941	-	212,628

Prepared with the numbers after conversion rate to credit.

**Notes to the Unconsolidated  
Financial Statements at 31 December 2015**

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

(Convenience Translation of Publicly Announced Unconsolidated Financial Statements Originally Issued in Turkish, See in Note I. Of Section Three)

**Information in terms of major sectors and type of counterparties:**

**Impaired Credits;** are the credits that were deemed to be impaired because of the credibility or delaying more than 90 days as of the end of the reporting period. For these credits "Special Provision" calculation is made within the scope of Regulation on Provisions.

**Past Due Credits;** are the credits whose maturity delayed up to 90 days as of the end of the reporting period but not incurred to impairment. For these credits "General Provision" calculation is made within the scope of Regulation for Provisions.

	Credits			
	Impaired Credits	Past Due Credits	Value Adjustments	Provisions
Agriculture	558,429	977,165	22,187	294,979
Farming and Stockbreeding	549,681	968,151	21,982	286,419
Forestry	3,257	2,639	60	3,086
Fishery	5,491	6,375	145	5,474
Manufacturing	367,412	401,537	9,117	323,259
Mining and Quarrying	15,734	10,465	237	14,707
Production	339,809	311,013	7,062	296,694
Electricity, Gas and Water	11,869	80,059	1,818	11,858
Construction	807,370	133,354	3,029	319,175
Services	577,062	994,401	22,579	526,717
Wholesale and Retail Trade	451,058	694,687	15,773	416,435
Accommodation and Dining	28,497	92,261	2,095	26,534
Transportation and Telecom.	36,252	91,865	2,086	34,521
Financial Institutions	834	2,791	63	781
Real Estate and Rental Services	47,932	94,496	2,146	36,656
Professional Services	-	-	-	-
Educational Services	2,839	10,380	236	2,765
Health and Social Services	9,650	7,921	180	9,025
Other	830,251	1,503,853	94,851	806,402
<b>Total</b>	<b>3,140,524</b>	<b>4,010,310</b>	<b>151,763</b>	<b>2,270,532</b>

**Information about Value Adjustment and Change in Provisions:**

		Opening Balance	Provision for Period	Provision Reversals	Other Adjustments	Closing Balance
1	Specific Provisions	1,932,169	884,007	(545,644)	-	2,270,532
2	General Provisions	2,311,581	533,156	(553)	-	2,844,184

## Notes to the Unconsolidated Financial Statements at 31 December 2015

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

(Convenience Translation of Publicly Announced Unconsolidated Financial Statements Originally Issued in Turkish,  
See in Note I. Of Section Three)

The table below shows the maximum exposure to credit risk for the components of the financial statements:

	Current Period	Prior Period
Financial Assets at Fair Value Through Profit/Loss	944,899	310,742
Banks	4,446,792	2,191,041
Interbank Money Market Placements	-	-
Available-for-sale Financial Assets	53,782,308	54,230,853
Held-to-maturity Investments	10,144,142	10,021,056
Loans	186,812,851	141,914,662
Other Assets	1,771,166	1,758,727
<b>Total credit risk exposure of balance sheet items</b>	<b>257,902,158</b>	<b>210,427,081</b>
Financial Guarantees	60,286,175	41,037,499
Commitments	19,598,701	96,585,256
<b>Total credit risk exposure of off-balance sheet items</b>	<b>79,884,876</b>	<b>137,622,755</b>
<b>Total credit risk exposure</b>	<b>337,787,034</b>	<b>348,049,836</b>

	Current Period			Prior Period		
	Neither past due nor impaired	Past due but not impaired	Total	Neither past due nor impaired	Past due but not impaired	Total
<b>Financial Assets</b>						
Banks	4,446,792	-	4,446,792	2,191,041	-	2,191,041
Financial Assets at Fair Value Through Profit or Loss	944,899	-	944,899	310,742	-	310,742
Loans:	181,932,549	4,010,310	185,942,859	137,649,443	3,480,468	141,129,911
Corporate/Entrepreneurial Loans	95,869,566	1,651,939	97,521,505	66,510,828	1,084,334	67,595,162
Consumer Loans	49,627,211	1,382,290	51,009,501	43,292,001	1,379,139	44,671,140
Specialized Loans	36,435,772	976,081	37,411,853	27,846,614	1,016,995	28,863,609
Available-for-sale Financial Assets	53,782,308	-	53,782,308	54,230,853	-	54,230,853
Held-to-maturity Investments	10,144,142	-	10,144,142	10,021,056	-	10,021,056

**Notes to the Unconsolidated  
Financial Statements at 31 December 2015**

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

(Convenience Translation of Publicly Announced Unconsolidated Financial Statements Originally Issued in Turkish,  
See in Note I. Of Section Three)

**Information about credit quality per class of financial assets**

Carrying amount per class of financial assets whose terms have been renegotiated:

	Current Period	Prior Period
Banks	-	-
Financial Assets at Fair Value Through Profit or Loss	-	-
Loans:	4,091,650	3,005,476
Corporate/Entrepreneurial Loans	1,209,157	1,247,487
Consumer Loans	768,734	309,491
Specialized Loans	2,113,759	1,448,498
Other	-	-
Available-for-sale Financial Assets	-	-
Held-to-maturity Investments	-	-

**III. EXPLANATIONS ON THE MARKET RISK**

**a) Whether measures are taken to hedge against market risk under the framework of the Bank’s risk management policies, measures taken for the risk management by the Board of Directors when the Bank is exposed to market risks, methods used to measure market risk and timing of market risk measurement:**

The Bank has determined market risk management operations and taken the necessary measures in order to hedge market risk within its financial risk management purposes, in accordance with ‘Regulation on the Measurement and Assessment of the Capital Adequacy of Banks’ and ‘Regulation on the Assessment Process of Banks’ Internal Systems and Internal Capital Adequacy”.

Market risk management strategy policy and implementation procedures of the Bank are determined within the context of Regulation on Risk Management, Stress Test Program and the Bank’s Internal Capital Adequacy Assessment Process (“ICAAP”) which was approved by the Board of Directors.

In order to manage the market risk, the Bank performs monitoring, limiting, stress testing and scenario analysis activities suitable to its position structure and complexity, and periodically reports the results. Operations are carried out through a trading portfolio defined by the Treasury Management of the Bank. New products and services are evaluated from the point of market risk.

The amount subject to the total market risk in the Bank is calculated by using Standard Method as per monthly periods within the context of legal reporting. This amount is included in the calculation of Bank’s Standard Capital Adequacy Ratio.

Excluding Standard Method, Daily Value at Risk (“VAR”) forecasts are made as per daily period for Held-for-Trading accounts and are reported to the related units. Historical Simulation Method is used in daily reporting and limit allocation. VAR results, calculated with Parametric and Monte Carlo Methods, are used for monitoring. Backward testing is performed so as to measure performance of used model. Also, Bank performs as per daily and monthly periods stress tests and scenario analysis so as to observe the effect of excessive market fluctuations that are not covered by models over the Bank’s financial position.

The market risk exposure by VAR based limits (interest rate and currency risk limit) within the context of Regulation on Risk Management, Stress Test Program and the Bank’s Internal Capital Adequacy Assessment Process (“ICAAP”).



**Notes to the Unconsolidated  
Financial Statements at 31 December 2015**

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

(Convenience Translation of Publicly Announced Unconsolidated Financial Statements Originally Issued in Turkish,  
See in Note I. Of Section Three)

**Information Related to Market Risk:**

	Current Period	Prior Period
(I) Capital Requirement Calculated for General Market Risk - Standard Method	534,830	548,621
(II) Capital Requirement Calculated for Specific Risk - Standard Method	94,354	77,176
Capital requirement Calculated for Specific Risks of Securitisation Positions	-	-
(III) Capital Requirement Calculated for Currency Risk - Standard Method	659,453	419,103
(IV) Capital Requirement Calculated for Commodity Risk - Standard Method	-	-
(V) Capital Requirement Calculated for Exchange Risk - Standard Method	-	-
(VI) Capital Requirement Calculated for Market Risk Resulting From Options - Standard Method	-	-
(VII) Capital requirement Calculated for the Counterparty Credit Risks - Standard Method	43,613	42,512
(VIII) Capital Requirement Calculated for Market Risk of Banks Using Risk Measurement Model	-	-
(IX) Total Capital Requirement Calculated for Market Risk (I+II+III+IV+V+VI)	1,332,250	1,087,412
<b>(X) Amount Subject to Market Risk (12.5 x VIII) or (12.5 x IX)</b>	<b>16,653,125</b>	<b>13,592,650</b>

**b) Average market risk table calculated at the end of each month during the period:**

	Current Period			Prior Period		
	Average	Maximum	Minimum	Average	Maximum	Minimum
Interest Rate Risk	595,385	581,184	631,177	491,744	581,881	473,613
Equity Share Risk	55,015	58,654	47,198	35,887	43,916	34,168
Currency Risk	549,771	717,322	403,750	355,241	419,103	320,921
Commodity Risk	-	-	-	-	-	-
Settlement Risk	-	-	-	-	-	-
Option Risk	-	-	-	-	-	-
Counter Party Credit Risk	48,171	42,497	43,837	34,471	42,512	28,582
<b>Amount Subject to Total Risk</b>	<b>15,604,269</b>	<b>17,495,713</b>	<b>14,074,525</b>	<b>11,466,792</b>	<b>13,592,650</b>	<b>10,716,050</b>

Counter party credit risk is calculated for repurchase agreements and derivative transactions. According to the fair value of valuation method is based on the calculations. Costs of reconditioning of agreements that have positive value are obtained with valuation according to fair value of derivative transactions. Potential credit risk amount is obtained by multiplying agreement amounts with the ratios indicated in Regulation attachment. In repo transactions, risk reduction is applied by using extensive financial collateral method.

**Notes to the Unconsolidated  
Financial Statements at 31 December 2015**

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

(Convenience Translation of Publicly Announced Unconsolidated Financial Statements Originally Issued in Turkish,  
See in Note I. Of Section Three)

**Quantitative Information on Counterparty Risk:**

	<b>Amount</b>
Agreements based on Interest Rate	-
Agreements based on Foreign Exchange Currency	283,524
Agreements Based on Commodity	-
Agreements Based on Shares	-
Other	-
Gross Positive Fair Values	852,708
Benefits of Netting	-
Current Net Risk Amount	-
Reserved Guarantee	13,082
Net Position of Derivatives	218,601

**IV. EXPLANATIONS ON THE OPERATIONAL RISK**

**a) The method used in calculating the operational risk and the interval in which the market risk measurement is done:**

In the Bank, Amount subject to Operational Risk is calculated with Basic Indicator Approach based on yearly. The parameter which determines the amount subject to operational risk in Basic Indicator Approach is gross revenue. Yearly gross revenue is calculated by adding net interest incomes to net fees and commission income, dividend income obtained from shares excluding shares of subsidiaries and associates, trading profit/loss (net) and other operating incomes and also by deducting profit/loss gained from sale of assets monitored out of purchase-sale account, extraordinary incomes, operating expense made against support service and amounts compensated from insurance.

Within the scope of the performances for modeling with the Advanced Measurement Approach of operational risk, based on the data in Operational Risk Loss database, Operational Value at Risk (OpVAR) measurements are calculated using Monte Carlo Simulation within the scope of Loss Distribution Method.

	<b>31.12.2012</b>	<b>31.12.2013</b>	<b>31.12.2014</b>	<b>Total/Positive Year</b>	<b>Rate (%)</b>	<b>Total</b>
Gross Income	7,589,041	8,638,823	9,806,263	8,678,042	15	1,301,706
Amount Subject to Operational Risk						<b>16,271,329</b>

**b) The Bank does not apply standard method.**

**Notes to the Unconsolidated  
Financial Statements at 31 December 2015**

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

(Convenience Translation of Publicly Announced Unconsolidated Financial Statements Originally Issued in Turkish,  
See in Note I. Of Section Three)

**V. EXPLANATIONS ON THE CURRENCY RISK**

**a) Whether the Bank is exposed to foreign currency risk, whether the effects of this matter are estimated, whether limits for the daily followed positions are determined by the Board of Directors:**

The Bank’s policy is to avoid carrying significant position by means of foreign currency management. Therefore, the Bank is not exposed to significant currency risks. Risks are monitored by the currency risk tables prepared based on the standard method. Besides, VAR is calculated for daily foreign exchange position and reported to the related departments. VAR based currency risk limit is also daily followed which was approved by Board of Directors.

Moreover, dealer’s positions and limits for foreign exchange transactions are under the authorization of the Board of Directors.

**b) Hedge against foreign exchange debt instruments and net foreign exchange investments by hedging derivative instruments, if material:**

None.

**c) Management policy for foreign currency risk:**

“Liquidity Gap Analysis”, “Repricing Gap Analysis” and “Structural Liquidity Gap Analysis” which takes into account historical repricing rates of foreign currency accounts, are prepared periodically in order to define liquidity and interest rate risks at US Dollar (“USD”) and EUR, which are mainly used by the Bank in its operations. Also, daily VAR analysis for following the currency risk and within the context of legal reporting, Foreign Currency Net General Position/Shareholders’ Equity Ratio and Foreign Currency Liquidity Position are also monitored regularly.

**d) Current foreign exchange bid rates of the Bank for the last 5 business days prior to the financial statement date:**

	USD	EUR	AUD	DKK	SEK	CHF	CAD	NOK	GBP	SAR	100 JPY
24.12.2015	2,9022	3,1761	2,1087	0,4257	0,3457	2,9386	2,0942	0,3340	4,3289	0,7741	2,4114
25.12.2015	2,9032	3,1787	2,1210	0,4267	0,3460	2,9414	2,1016	0,3325	4,3350	0,7740	2,4133
28.12.2015	2,8935	3,1715	2,0989	0,4251	0,3455	2,9242	2,0812	0,3319	4,3066	0,7717	2,4050
29.12.2015	2,8925	3,1594	2,1098	0,4236	0,3453	2,9158	2,0893	0,3320	4,2791	0,7717	2,4018
30.12.2015	2,9076	3,1725	2,1185	0,4252	0,3450	2,9364	2,0911	0,3289	4,3106	0,7749	2,4120
31.12.2015	2,8936	3,1525	2,1169	0,4225	0,3440	2,9034	2,0877	0,3280	4,2726	0,7709	2,4101

**e) Simple arithmetic average of the Bank’s current foreign exchange bid rates for the last 30 days prior to the balance sheet date:**

	USD	EUR	AUD	DKK	SEK	CHF	CAD	NOK	GBP	SAR	100 JPY
	2,9060	3,1698	2,1077	0,4251	0,3428	2,9291	2,1191	0,3338	4,3574	0,7749	2,3923

# Türkiye Cumhuriyeti Ziraat Bankası A.Ş.

## Notes to the Unconsolidated Financial Statements at 31 December 2015

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

(Convenience Translation of Publicly Announced Unconsolidated Financial Statements Originally Issued in Turkish,  
See in Note I. Of Section Three)

### Information on the foreign currency risk of the Bank:

	EUR	USD	Other FC <sup>(1)</sup>	Total
<b>Current Period</b>				
<b>Assets</b>				
Cash (Cash in vault, effectives, money in transit, cheques purchased) and Balances with Central Bank of the Republic of Turkey	5,197,516	20,291,411	6,974,088	32,463,015
Banks	427,044	3,117,147	166,602	3,710,793
Financial Assets at Fair Value Through Profit and Loss <sup>(5)</sup>	-	4,377	-	4,377
Money Market Placements	-	-	-	-
Financial Assets Available-for-Sale	3,852,617	7,670,987	51,457	11,575,061
Loans <sup>(2)</sup>	13,040,372	33,703,199	85,049	46,828,620
Subsidiaries, Associates, Entities Under Common Control (Joint Ventures) <sup>(4)</sup>	884,574	518,403	-	1,402,977
Investments Held-to-Maturity	1,556,861	4,044,176	4,763	5,605,800
Derivative Financial Assets for Hedging Purposes	-	-	-	-
Tangible Fixed Assets	5,232	1,405	4,209	10,846
Intangible Assets	2,961	-	789	3,750
Other Assets <sup>(6)</sup>	361,757	332,410	5,030	699,197
<b>Total Assets</b>	<b>25,328,934</b>	<b>69,683,515</b>	<b>7,291,987</b>	<b>102,304,436</b>
<b>Liabilities</b>				
Interbank Deposits	2,761,224	4,181,285	38,456	6,980,965
Foreign Currency Deposits	33,118,588	23,283,762	2,493,715	58,896,065
Money Market Borrowings	1,220,723	13,524,090	-	14,744,813
Funds Provided from Other Financial Institutions	5,259,663	12,888,802	1,724	18,150,189
Issued Marketable Securities	276,860	2,811,413	-	3,088,273
Sundry Creditors	789,715	50,442	3,020	843,177
Derivative Financial Liabilities for Hedging Purposes	-	-	-	-
Other Liabilities	250,728	144,134	30,863	425,725
<b>Total Liabilities</b>	<b>43,677,501</b>	<b>56,883,928</b>	<b>2,567,778</b>	<b>103,129,207</b>
<b>Net Balance Sheet Position</b>	<b>(18,348,567)</b>	<b>12,799,587</b>	<b>4,724,209</b>	<b>(824,771)</b>
<b>Net Off-Balance Sheet Position <sup>(3)</sup></b>	<b>19,428,812</b>	<b>(12,841,685)</b>	<b>(5,051,656)</b>	<b>1,535,471</b>
Financial Derivative Assets	21,565,135	5,207,441	1,210,433	27,983,009
Financial Derivative Liabilities	2,136,323	18,049,126	6,262,089	26,447,538
<b>Non-cash Loans</b>	<b>12,805,276</b>	<b>24,756,552</b>	<b>3,017,202</b>	<b>40,579,030</b>
<b>Prior Period</b>				
Total Assets	17,409,849	52,062,881	6,771,344	76,244,074
Total Liabilities	33,496,497	41,755,740	2,871,895	78,124,132
<b>Net Balance Sheet Position</b>	<b>(16,086,648)</b>	<b>10,307,141</b>	<b>3,899,449</b>	<b>(1,880,058)</b>
<b>Net Off-Balance Sheet Position <sup>(3)</sup></b>	<b>18,086,278</b>	<b>(9,832,293)</b>	<b>(5,783,538)</b>	<b>2,470,447</b>
Financial Derivative Assets	18,550,742	3,333,218	936,041	22,820,001
Financial Derivative Liabilities	464,464	13,165,511	6,719,579	20,349,554
<b>Non-cash Loans</b>	<b>6,219,244</b>	<b>18,945,595</b>	<b>1,974,433</b>	<b>27,139,272</b>

<sup>(1)</sup> Of the foreign currencies presented in the other FC column of assets 94.50% is Gold, 1.43% is GBP, 1.55% is IQD, 0.71% is SAR, and the remaining 1.81% is other foreign currencies. Of the foreign currencies presented in the other FC column of liabilities, 47.63% is Gold, 25.49% is GBP, 14.23% is CHF, 4.66% is DKK, 1.53% is BGN, 1.28% is SAR and the remaining 5.18% is other foreign currencies. (31 December 2014: Of the foreign currencies presented in the other FC column of assets 96.50% is Gold, 0.91% is GBP, 0.62% is SAR, and the remaining 1.97% is other foreign currencies. Of the foreign currencies presented in the other FC column of liabilities, 64.21% is Gold, 16.66% is GBP, 9.49% is CHF, 3.53% is DKK and the remaining 6.11% is other foreign currencies.)

<sup>(2)</sup> TL 296,717 equivalent of EUR and TL 721,987 equivalent of USD loans are originated as foreign currency indexed loans (31 December 2014: TL 347,656 equivalent of USD and TL 99,687 equivalent of EUR).

<sup>(3)</sup> Indicates the net balance of receivables and payables on derivative financial instruments.

<sup>(4)</sup> The foreign currency capital investments to Subsidiaries, Associates and Joint Ventures are evaluated with historical rates on the date of the fair value determination and capital investments made in the subsequent periods are evaluated with the rates on the date of the capital investment and followed with their domestic currency equivalents. No exchange rate difference arises from such investments.

<sup>(5)</sup> Derivative financial assets held for trading and liabilities are not included in the table.

<sup>(6)</sup> Prepaid expenses in other assets amounting to TL 4,336 are not included in the table.

**Notes to the Unconsolidated  
Financial Statements at 31 December 2015**

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

(Convenience Translation of Publicly Announced Unconsolidated Financial Statements Originally Issued in Turkish,  
See in Note I. Of Section Three)

**VI. EXPLANATIONS ON THE INTEREST RATE RISK**

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

Current Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Non-Interest Bearing	Total
<b>Assets</b>							
Cash (Cash in Vault, Effectives, Money in Transit, Cheques Purchased) and Balances with Central Bank of the Republic of Turkey	68,125	-	-	-	-	36,467,838	36,535,963
Banks	1,440,455	261,811	622,259	-	-	2,122,267	4,446,792
Financial Assets at Fair Value Through Profit and Loss	271,581	178,096	435,552	55,405	4,265	-	944,899
Money Market Placements	-	-	-	-	-	-	-
Financial Assets Available-for-Sale	5,500,374	6,886,623	10,873,456	15,334,272	14,583,841	603,742	53,782,308
Loans Given	59,537,587	17,681,107	45,334,801	53,769,634	9,619,730	869,992	186,812,851
Investments Held-to-Maturity	3,408,301	1,648,784	935,985	2,757,201	1,393,871	-	10,144,142
Other Assets	-	-	-	-	-	10,181,371	10,181,371
<b>Total Assets</b>	<b>70,226,423</b>	<b>26,656,421</b>	<b>58,202,053</b>	<b>71,916,512</b>	<b>25,601,707</b>	<b>50,245,210</b>	<b>302,848,326</b>
<b>Liabilities</b>							
Interbank Deposits	7,360,373	1,894,998	135,475	-	-	336,455	9,727,301
Other Deposits	95,316,420	23,117,617	17,613,731	401,647	-	40,292,719	176,742,134
Money Market Borrowings	36,277,186	4,312,765	1,841,293	654,532	-	-	43,085,776
Sundry Creditors	-	-	-	-	-	2,320,183	2,320,183
Issued Marketable Securities	932,357	1,605,472	486,509	2,263,268	-	-	5,287,606
Funds provided from Other Financial Institutions	2,636,989	4,182,857	10,332,714	1,518,502	871,586	-	19,542,648
Other Liabilities	101,620	101,760	36,844	5,885,912	-	40,016,542	46,142,678
<b>Total Liabilities</b>	<b>142,624,945</b>	<b>35,215,469</b>	<b>30,446,566</b>	<b>10,723,861</b>	<b>871,586</b>	<b>82,965,899</b>	<b>302,848,326</b>
<b>Balance Sheet Long Position</b>	-	-	<b>27,755,487</b>	<b>61,192,651</b>	<b>24,730,121</b>	-	<b>113,678,259</b>
<b>Balance Sheet Short Position</b>	<b>(72,398,522)</b>	<b>(8,559,048)</b>	-	-	-	<b>(32,720,689)</b>	<b>(113,678,259)</b>
Off-Balance Sheet Long Position	621,061	1,300,401	-	-	-	-	1,921,462
Off-Balance Sheet Short Position	-	-	(111,409)	(1,222,188)	-	-	(1,333,597)
<b>Total Position</b>	<b>(71,777,461)</b>	<b>(7,258,647)</b>	<b>27,644,078</b>	<b>59,970,463</b>	<b>24,730,121</b>	<b>(32,720,689)</b>	<b>587,865</b>

<sup>(1)</sup> Balances without fixed maturity are shown in the "Up to 1 Month" and "Non-Interest Bearing" columns.

<sup>(2)</sup> TL 5,833,179 of fund balance, whose risk does not belong to the Bank, in other liabilities is shown under the "1 - 5 Years" column. TL 97,950 of fund balance is not granted as loan and is shown under the "Non-Interest Bearing" column.

<sup>(3)</sup> Deferred tax asset is shown under the "Non-Interest Bearing" column.

<sup>(4)</sup> Net balance of loans under follow-up is shown under the "Non-Interest Bearing" column in loans given.

<sup>(5)</sup> Total shareholders' equity is shown under the "Non-Interest Bearing" column.

# Türkiye Cumhuriyeti Ziraat Bankası A.Ş.

## Notes to the Unconsolidated Financial Statements at 31 December 2015

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

(Convenience Translation of Publicly Announced Unconsolidated Financial Statements Originally Issued in Turkish,  
See in Note I. Of Section Three)

Prior Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Non-Interest Bearing	Total
<b>Assets</b>							
Cash (Cash in Vault, Effectives, Money in Transit, Cheques Purchased) and Balances with the Central Bank of the Republic of Turkey	47,903	-	-	-	-	30,101,080	30,148,983
Banks	1,071,486	178,560	483,402	-	-	457,593	2,191,041
Financial Assets at Fair Value Through Profit and Loss	484	142	3,626	5,178	4,736	296,576	310,742
Money Market Placements	-	-	-	-	-	-	-
Financial Assets Available-for-Sale	5,323,667	7,364,979	13,049,735	12,480,888	15,553,149	458,435	54,230,853
Loans Given	49,466,545	16,057,347	32,744,670	37,095,207	5,766,143	784,750	141,914,662
Investments Held-to-Maturity	3,293,568	2,197,294	44,905	3,102,464	1,382,825	-	10,021,056
Other Assets	-	-	-	-	-	8,782,974	8,782,974
<b>Total Assets</b>	<b>59,203,653</b>	<b>25,798,322</b>	<b>46,326,338</b>	<b>52,683,737</b>	<b>22,706,853</b>	<b>40,881,408</b>	<b>247,600,311</b>
<b>Liabilities</b>							
Interbank Deposits	4,740,369	745,131	24,000	-	-	174,372	5,683,872
Other Deposits	79,597,243	21,278,758	14,719,298	347,295	-	31,628,782	147,571,376
Money Market Borrowings	27,998,700	2,599,660	1,182,716	-	-	-	31,781,076
Sundry Creditors	-	-	-	-	-	1,746,503	1,746,503
Issued Marketable Securities	338,579	1,564,934	501,919	1,813,374	-	-	4,218,806
Funds Provided from Other Financial Institutions	1,561,935	3,253,912	8,117,946	1,072,157	601,757	-	14,607,707
Other Liabilities	295,771	40,978	4,116	5,382,265	-	36,267,841	41,990,971
<b>Total Liabilities</b>	<b>114,532,597</b>	<b>29,483,373</b>	<b>24,549,995</b>	<b>8,615,091</b>	<b>601,757</b>	<b>69,817,498</b>	<b>247,600,311</b>
<b>Balance Sheet Long Position</b>	-	-	<b>21,776,343</b>	<b>44,068,646</b>	<b>22,105,096</b>	-	<b>87,950,085</b>
<b>Balance Sheet Short Position</b>	<b>(55,328,944)</b>	<b>(3,685,051)</b>	-	-	-	<b>(28,936,090)</b>	<b>(87,950,085)</b>
Off Balance Sheet Long Position	-	1,271,454	-	-	-	-	1,271,454
Off Balance Sheet Short Position	(72,969)	-	(423,387)	(871,883)	-	-	(1,368,239)
<b>Total Position</b>	<b>(55,401,913)</b>	<b>(2,413,597)</b>	<b>21,352,956</b>	<b>43,196,763</b>	<b>22,105,096</b>	<b>(28,936,090)</b>	<b>(96,785)</b>

<sup>(1)</sup> Balances without fixed maturity are shown in the "Up to 1 Month" and "Non-Interest Bearing" columns.

<sup>(2)</sup> TL 5,326,157 of fund balance, whose risk does not belong to the Bank, in other liabilities is shown under the "1 - 5 Years" column. TL 100,291 of fund balance is not granted as loan and is shown under the "Non-Interest Bearing" column.

<sup>(3)</sup> Deferred tax asset is shown under the "Non-Interest Bearing" column.

<sup>(4)</sup> Net balance of loans under follow-up is shown under the "Non-Interest Bearing" column in loans given.

<sup>(5)</sup> Total shareholders' equity is shown under the "Non-Interest Bearing" column.

## Notes to the Unconsolidated Financial Statements at 31 December 2015

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

(Convenience Translation of Publicly Announced Unconsolidated Financial Statements Originally Issued in Turkish,  
See in Note I. Of Section Three)

### b) Average interest rate applied to the monetary financial instruments:

	EUR	USD	JPY	TL
<b>Current Period</b>				
<b>Assets</b>				
Cash (Cash in Vault, Effectives, Money in Transit, Cheques Purchased) and Balances with the Central Bank of the Republic of Turkey <sup>(1)</sup>	-	0.28	-	3.45
Banks	1.30	1.82	-	9.68
Financial Assets at Fair Value Through Profit and Loss	-	5.36	-	6.84
Money Market Placements	-	-	-	-
Financial Assets Available-for-Sale	4.71	5.68	-	9.09
Loans Given <sup>(2)</sup>	4.09	4.98	-	12.82
Investments Held-to-Maturity	6.42	7.08	-	9.71
<b>Liabilities</b>				
Interbank Deposits <sup>(3)</sup>	0.65	0.58	-	9.06
Other Deposits <sup>(4)</sup>	1.21	1.12	-	7.19
Money Market Borrowings	0.72	1.05	-	9.84
Sundry Creditors	-	-	-	-
Issued Marketable Securities	0.59	3.79	-	10.86
Funds Provided from Other Financial Institutions	1.22	1.69	-	10.03

<sup>(1)</sup> The ratio on TL column denotes the interest rates applied for required reserve at CBRT. It does not include the interest rate on required reserves given by Central Bank of Cyprus.

<sup>(2)</sup> Credit card loans are not included.

<sup>(3)</sup> Rates shown in the table are calculated by using the annual domestic simple interest rates, except for foreign currency interbank deposits.

<sup>(4)</sup> Rates include also demand deposit data.

	EUR	USD	JPY	TL
<b>Prior Period</b>				
<b>Assets</b>				
Cash (Cash in Vault, Effectives, Money in Transit, Cheques Purchased) and Balances with the Central Bank of the Republic of Turkey <sup>(1)</sup>	-	-	-	7.00
Banks	1.21	1.72	-	8.42
Financial Assets at Fair Value Through Profit and Loss	-	5.36	-	6.33
Money Market Placements	-	-	-	-
Financial Assets Available-for-Sale	4.73	5.72	-	8.75
Loans Given <sup>(2)</sup>	4.53	5.17	-	11.43
Investments Held-to-Maturity	6.42	7.01	-	8.60
<b>Liabilities</b>				
Interbank Deposits <sup>(3)</sup>	0.86	1.19	-	9.28
Other Deposits <sup>(4)</sup>	1.54	1.50	-	6.37
Money Market Borrowings	0.75	0.90	-	9.64
Sundry Creditors	-	-	-	-
Issued Marketable Securities	-	3.38	-	9.07
Funds Provided from Other Financial Institutions	1.47	1.82	-	7.90

<sup>(1)</sup> The ratio in TL column shows interest rate applied to reserve requirement for Central Bank of Turkish Republic of Northern Cyprus.

<sup>(2)</sup> Credit card loans are not included.

<sup>(3)</sup> Rates shown in the table are calculated by using the annual domestic simple interest rates, except for foreign currency interbank deposits.

<sup>(4)</sup> Rates include also demand deposit data.

**Notes to the Unconsolidated  
Financial Statements at 31 December 2015**

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

(Convenience Translation of Publicly Announced Unconsolidated Financial Statements Originally Issued in Turkish, See in Note I. Of Section Three)

**c) Interest rate risk on banking accounts:**

Banking accounts interest rate risk management strategy policy and implementation procedures are determined within the context of "Regulation on Risk Management, Stress Test Program and the Bank's Internal Capital Adequacy Assessment Process ("ICAAP")".

Bank performs scenario analysis with measurements that are suitable for structure and complexity of positions related to the market risk management, limiting, scenario analysis and stress test and also reports the findings cyclically. Bank's perform analysis related to interest rate risks for the entire balance sheet. New products and services are also evaluated from the point of interest rate risk that is originated from banking accounts.

In the risk management, the following methods are followed at minimum level: The follow-up of rate and maturity mismatch between sources and uses of fixed and variable interest rates, the analysis and follow-up of the effects of the usual and unusual changes in interest rates which is possibly uptrend and downtrend on the interest margin and on the current value of assets and liabilities, the analysis and follow-up of contractual maturities as well as behavioral maturities assets and liabilities, monitoring closely of interest margins for provided Turkish Liras and foreign currency, the follow-up of the effects of interest rate changes on Bank's economic value and capital requirement, the follow-up of potential impacts of valuation methods, the calculation and the determination of the size of interest rate shock in Bank's internal applications, the follow-up of yield curve, basis risk and option risk. Also, in order to limit the impact of interest rate changes on Bank's financial structure, the interest rate risk limit arising from banking accounts which is approved by the Board of Directors is followed monthly.

Type of Currency	Shock Applied (+/- x basis point)	Gains/ (Losses)	Gains/Equity- (Losses)/Equity
1. TL	(+) 500bp	(4,430,403)	(12.66%)
2. TL	(-) 400bp	4,330,815	12.38%
3. EUR	(+) 200bp	158,733	0.45%
4. EUR	(-) 200bp	(48,048)	(0.14%)
5. USD	(+) 200bp	(1,416,119)	(4.05%)
6. USD	(-) 200bp	1,924,376	5.50%
<b>Total (of negative shocks)</b>		<b>6,207,143</b>	<b>17.74%</b>
<b>Total (of positive shocks)</b>		<b>(5,687,789)</b>	<b>(16.25%)</b>

**d) Equity share position risk on banking accounts**

Equity Share Investments	Comparison		
	Balance Sheet Value	Fair Value	Market Value
1. Stock Investment Group A	-	-	-
Stock Exchange Securities	-	-	-
2. Stock Investment Group B	-	-	-
Stock Exchange Securities	-	-	-
3. Stock Investment Group C	-	-	-
Stock Exchange Securities	-	-	-
4. Stock Investment Other Group	-	-	-
Other	120,178	120,178	-



## Notes to the Unconsolidated Financial Statements at 31 December 2015

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

(Convenience Translation of Publicly Announced Unconsolidated Financial Statements Originally Issued in Turkish,  
See in Note I. Of Section Three)

### VII. EXPLANATIONS ON THE LIQUIDITY RISK MANAGEMENT AND LIQUIDITY COVERAGE RATIO

General principles of liquidity and financial emergency situation management and the related application procedures are considered in the scope of "Regulation for Liquidity Risk and Liquidity and Financial Emergency Situation Management".

The Bank performs "Remaining Maturity Analysis" for the observation of the maturity structure of the balance sheet, "Liquidity Gap" and "Structural Liquidity Gap Analysis" for the monitoring of the liquidity and between periods and Liquidity Stress Test for the evaluation of the Bank's liquidity and in the worst case scenario and the loss associated with it. The renewal of deposits which constitutes the Bank's most crucial funding resource is monitored on a daily basis. Besides, in order to compare the Bank's level of liquidity risk with the sector, average remaining maturity balances of Bank-Sector and legal liquidity rates are monitored.

#### 1) Liquidity Risk

**a) Explanations related to the liquidity risk management including the Parent Bank's risk capacity, responsibilities and structure of liquidity risk management, reporting of liquidity risk in internal banking, the strategy of liquidity risk and how to provide the communication of policies and implementations with board of directors and business lines:**

The Parent Bank's risk capacity, risk appetite, responsibilities and tasks of liquidity risk management and share issues of points related liquidity risk management with bank network are explained in "Regulations of Risk Management, Stress Test Program and İsedes Regulations" of the Parent Bank. In this context, liquidity risk strategies and policies are published in periodically on weeks, months and years with all of the units with board directors in bank. Moreover, analyses done and reports are handled in the Assets-Liability Commission Conferences, Board of Director is informed by Audit Commission.

**b) Liquidity management and the degree of centralization of fund strategies, the information about the procedure between bank and the partners of bank:**

Continuously the information exchange is actualized about the liquidity need and surpluses between the Parent Bank and its partners, the compulsory directions and treats are moderated by Treasury Management and International Banking Assistant General Management to direct liquidity risk and surpluses in effective way.

**c) Explanation related to policies regarding fund resources times variations of funding strategy of bank:**

The Parent Bank's fundamental funding resources are deposits, the strategy of preserving the common base structure of deposits are sustained. Moreover, within the diversification strategy of resources structure, long-term and appropriate costed resources rate that are out of deposits are aimed to be raised. In the resources out of deposits; repurchase agreements, post finance, syndication credits, credits assured by international finance associations, exported securities, capital market transactions and credits taken by bilateral agreements are placed.

**d) Explanation related to liquidity management as currencies forming at least 5 percentage of aggregate liabilities of the Parent Bank:**

The Parent Bank's total liabilities are consisted of mostly TL, USD and EUR currencies. Besides these currencies, valid for other currencies, daily and long-term cash flows are pursued and liquidity management is formed in effective way by some projections are being performed regarding future.

**Notes to the Unconsolidated  
Financial Statements at 31 December 2015**

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

(Convenience Translation of Publicly Announced Unconsolidated Financial Statements Originally Issued in Turkish,  
See in Note I. Of Section Three)

**e) Information related to the techniques about the reduction of current liquidity risk:**

The Parent Bank’s source of funds is mainly formed of deposits. The Parent Bank’s deposits do not fluctuate considerably in line with the broadly dispersed customer network. Besides, in order to increase the fund range and decrease the maturity gap between assets and liabilities, giving weight to liabilities other than deposits such as bond/bill issuance, repo and funds borrowed. As for the asset side of the Parent Bank, within the scope of reformatting short-term cash cycle, dissonance reducing the maturity of asset and liability, the policy for shortening the average maturity on loans being pursued.

**f) Explanation regarding the usage of the stress test**

In the presence of unexpected negative circumstances, stress tests being done in order to test the endurance of the bank. These actions have been shared with key management and all related units for the purpose of taking necessary precautions. Additionally, stress tests also taken into consideration on subjects like the Parent Bank’s estimated financial position for the next period, the progress of legal ratios and the liquidity need in short and long term as part of budget practices.

**g) General information on liquidity urgent and unexpected situation plan:**

The internal and external sources which can be used in an emergency case to satisfy the liquidity need are periodically followed and the borrowing limits of the Parent Bank from organized market and other banks are on the level where they meet the structural liquidity deficits on different maturity segments. The Parent Bank lines off its exposition to liquidity risk by limits that are approved from Board of Directors and within the frame of Regulation on Risk Management, Stress Test Program and the Bank’s Internal Capital Adequacy Assessment Process (“ICAAP”).

## Notes to the Unconsolidated Financial Statements at 31 December 2015

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

(Convenience Translation of Publicly Announced Unconsolidated Financial Statements Originally Issued in Turkish, See in Note I. Of Section Three)

### 2) Liquidity Coverage Ratio:

Within the frame of the regulation named "Regulation on the Calculation of Liquidity Coverage Ratio" issued by BRSA in the Official Gazette numbered 28948, dated 21 March 2014, the Parent Bank calculates the liquidity coverage ratio and reports it to BRSA monthly in consolidated base. The liquidity coverage ratio sails above the frontier limits determined by BRSA. Within the last 3 months (October-November-December) the consolidated ratios are as follows: October FC 114.16, TL+FC 82.67; November FC 114.79, TL+FC 81.83; December FC 113.90; TL+FC 78.01.

Current Period	Total Unweighted Value (average)		Total Weighted Value (average)	
	TL+FC	FC	TL+FC	FC
<b>High Quality Liquid Assets</b>				
High Quality Liquid Assets			45,308,278	29,686,334
<b>Cash Outflows</b>				
Retail and Small Business Customers, of which;	<b>121,542,584</b>	<b>42,195,973</b>	<b>8,916,790</b>	<b>3,414,841</b>
Stable deposits	64,749,352	16,095,120	3,237,467	804,756
Less stable deposits	56,793,232	26,100,853	5,679,323	2,610,085
Unsecured wholesale funding, of which;	58,157,462	22,380,140	31,641,440	14,271,644
Operational deposit	941,417	30,185	235,356	7,546
Non-operational deposits	50,614,196	17,065,024	24,804,235	8,979,167
Other unsecured funding	6,601,849	5,284,931	6,601,849	5,284,931
Secured funding			-	-
Other cash outflows, of which;	54,050,254	25,490,090	15,453,351	6,541,385
Derivatives cash outflow and liquidity needs related to market valuation changes on derivatives or other transactions	406,059	609,286	406,059	609,286
Obligations related to structured financial products	-	-	-	-
Commitments related to debts to financial markets and other offbalance sheet obligations	42,314,873	13,638,436	14,480,826	5,369,980
Other revocable off-balance sheet commitments and contractual obligations	6,409	6,396	320	320
Other irrevocable or conditionally revocable off-balance sheet obligations	11,322,913	11,235,972	566,146	561,799
<b>Total Cash Outflows</b>			<b>56,011,581</b>	<b>24,227,870</b>
<b>Cash Inflows</b>				
Secured lending	-	-	-	-
Unsecured lending	9,023,285	1,541,481	5,239,401	1,071,973
Other cash inflows	605,197	744,605	605,197	744,605
<b>Total Cash Inflows</b>	<b>9,628,482</b>	<b>2,286,086</b>	<b>5,844,598</b>	<b>1,816,578</b>
			<b>Total Adjusted Value</b>	
<b>Total HQLA Stock</b>			<b>45,308,278</b>	<b>29,686,334</b>
<b>Total Net Cash Outflows</b>			<b>50,166,983</b>	<b>22,411,293</b>
<b>Liquidity Coverage Ratio (%)</b>			<b>90.31</b>	<b>132.46</b>

(\*) The average of last three months' liquidity coverage ratio calculated by weekly simple averages.

## Notes to the Unconsolidated Financial Statements at 31 December 2015

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

(Convenience Translation of Publicly Announced Unconsolidated Financial Statements Originally Issued in Turkish,  
See in Note I. Of Section Three)

Prior Period	Total Unweighted Value (average)		Total Weighted Value (average)	
	TL+FC	FC	TL+FC	FC
<b>High Quality Liquid Assets</b>				
High Quality Liquid Assets			41,995,279	15,991,234
<b>Cash Outflows</b>				
Retail and Small Business Customers, of which;	98,951,224	29,956,553	6,562,908	2,092,009
Stable deposits	66,644,290	18,072,926	3,332,215	903,647
Less stable deposits	32,306,934	11,883,627	3,230,693	1,188,362
Unsecured wholesale funding, of which;	41,385,792	9,658,868	20,491,294	5,192,308
Operational deposit	955,021	33,311	238,756	8,327
Non-operational deposits	35,435,477	8,097,173	15,257,244	3,655,597
Other unsecured funding	4,995,294	1,528,384	4,995,294	1,528,384
Secured funding			-	-
Other cash outflows, of which;	105,987,139	49,586,299	15,619,235	5,705,146
Derivatives cash outflow and liquidity needs related to market valuation changes on derivatives or other transactions	999,061	87,888	999,061	87,888
Obligations related to structured financial products	-	-	-	-
Commitments related to debts to financial markets and other offbalance sheet obligations	33,591,971	8,679,344	11,050,369	3,576,305
Other revocable off-balance sheet commitments and contractual obligations	71,396,107	40,819,067	3,569,805	2,040,953
Other irrevocable or conditionally revocable off-balance sheet obligations	-	-	-	-
<b>Total Cash Outflows</b>			42,673,437	12,989,463
<b>Cash Inflows</b>				
Secured lending	20	-	-	-
Unsecured lending	8,985,211	1,614,277	5,219,411	995,508
Other cash inflows	278,291	134,916	278,291	134,916
<b>Total Cash Inflows</b>	<b>9,263,522</b>	<b>1,749,193</b>	<b>5,497,702</b>	<b>1,130,424</b>
			<b>Total Adjusted Value</b>	
<b>Total HQLA Stock</b>			<b>41,995,279</b>	<b>15,991,234</b>
<b>Total Net Cash Outflows</b>			<b>37,175,736</b>	<b>11,859,039</b>
<b>Liquidity Coverage Ratio (%)</b>			<b>112.96</b>	<b>134.84</b>

<sup>(3)</sup> The average of last three months' liquidity coverage ratio calculated by weekly simple averages.

**Notes to the Unconsolidated  
Financial Statements at 31 December 2015**

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

(Convenience Translation of Publicly Announced Unconsolidated Financial Statements Originally Issued in Turkish,  
See in Note I. Of Section Three)

**3) Minimum statements concerning liquidity coverage ratio by Banks**

**a) Important points affecting the results of liquidity coverage ratio and the changes of the considered items in the course of time to calculate this ratio:**

Bank deposit, which has not a fluctuant structure, together with constituting an important part of its sources and liquidity coverage ratio, in proportion to other deposits, public deposits can cause periodic changes within total deposits. When comparing with the previous periods, the percentage of the total deposit in financial statement does not change and has an increasing sail.

As well as its low turn into cash ratio, since the non-cash loans has a remarkable extent in proportion to financial statement, they have an influence on the calculation of liquidity coverage ratio. Comparing to previous periods, non-cash loans are tend to increase.

As a warrant of increasing repo transactions in time, bond and bill has been used which issuance by the Republic of Turkey Prime Ministry Undersecretariat of Treasury. Making repo transactions with these securities that consisting a huge part of the security portfolio, affect free securities which are accepted in high quality liquid asset classification in calculation of liquidity coverage ratio. Since the securities used in repo transactions lose the characteristic of being free, even if all other conditions fulfilled, they are not considered as high quality liquid asset.

**b) High quality liquid assets are comprised to which items:**

All of the high-quality liquid assets of the calculation of Liquidity Coverage Ratio are First Quality Liquid Assets. These; cash, the accounts in Central Bank, reserve requirements and securities from the portfolio (The important part of bonds and T-bills issued by Republic of Turkey Prime Ministry Undersecretariat of Treasury, other bonds).

**c) Funds are comprised of which items and their volume in all funds:**

The major part of the resources of funds in Bank is comprised of deposits, the remaining is divided according to their share in the balance sheet as repo, borrowings, and issued securities.

**d) Information about cash out-flows arising from derivative operations and margin operations likely to processing:**

Derivative operations in Bank are carried out on the purpose of protection from the risks that may exist or occur in the balance sheet, liquidity management, or meet customer demand. Customer operations are carried out under the "Framework Agreement on Purchase and Sale of Derivative Instruments" or ISDA (International Swaps and Derivatives Association) and CSA (Credit Support Annex) with additional, as well as operations performed by the banks is performed again ISDA and CSA contracts signed. Operations performed under the said contracts in the determined periods are subject to daily market valuation and additional collateralization as cash. Operations could create additional collateral input or output depending on market valuation.

**Notes to the Unconsolidated  
Financial Statements at 31 December 2015**

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

(Convenience Translation of Publicly Announced Unconsolidated Financial Statements Originally Issued in Turkish,  
See in Note I. Of Section Three)

**a) The concentration limits regarding collateral and counterparty and product based fund resources:**

For the counterparty and product based concentration limits are determined under Regulation on Risk Management, Stress Test Program and the Bank's Internal Capital Adequacy Assessment Process ("ICAAP") with the approval of Senior Management. These limits are followed in particular frequency. Besides, It has reported to the relevant units and Senior Management. There is no excess regarding the limits during operating period.

**b) Liquidity risk and needed funding on the basis of the bank itself, the branches in foreign countries and the partnerships consolidated by considering operational and legal factors preventing liquidity transfer:**

The needed and surplus of liquidity of the branches in foreign countries of the bank and partnerships consolidated are followed and managed regularly. There is no constraint of operational and legal factors preventing liquidity transfer. In the analysis made, it is observed that the impact of the foreign branches and subsidiaries on the Bank's liquidity structure remain limited comparing to the size of the balance sheet. The need and surplus of the liquidity is encountered properly between partnerships, as well as the branches abroad.

**c) Information on located the calculation of liquidity coverage ratio, but not located in the second paragraph of disclosure template and other cash inflow and other cash outflow items considered to be related to the bank's liquidity profile:**

All items on the calculation of liquidity coverage ratio are included in calculation in aggregated form on the table. In this context, there is no point included in the calculation of liquidity coverage ratio and not included in the disclosure template.

# Türkiye Cumhuriyeti Ziraat Bankası A.Ş.

## Notes to the Unconsolidated Financial Statements at 31 December 2015

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

(Convenience Translation of Publicly Announced Unconsolidated Financial Statements Originally Issued in Turkish,  
See in Note I. Of Section Three)

### Presentation of assets and liabilities according to their remaining maturities:

	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Undistributed (1) (2)	Total
<b>Current Period</b>								
<b>Assets</b>								
Cash (Cash in Vault, Effectives, Money in Transit, Cheques Purchased) and Balances with the Central Bank of the Republic of Turkey	36,535,963	-	-	-	-	-	-	36,535,963
Banks	2,122,267	1,440,455	261,811	622,259	-	-	-	4,446,792
Financial Assets at Fair Value Through Profit and Loss	-	126,116	3,991	69,008	687,336	58,448	-	944,899
Money Market Placements	-	-	-	-	-	-	-	-
Financial Assets Available-for-Sale	-	819,061	931,915	3,583,591	26,960,173	20,883,826	603,742	53,782,308
Loans Given	-	7,850,631	13,187,226	71,904,670	75,219,986	17,780,346	869,992	186,812,851
Investments Held-to-Maturity	-	164,301	503,843	2,080,926	4,564,492	2,830,580	-	10,144,142
Other Assets	1,775,252	-	-	901	19,124	-	8,386,094	10,181,371
<b>Total Assets</b>	<b>40,433,482</b>	<b>10,400,564</b>	<b>14,888,786</b>	<b>78,261,355</b>	<b>107,451,111</b>	<b>41,553,200</b>	<b>9,859,828</b>	<b>302,848,326</b>
<b>Liabilities</b>								
Interbank Deposits	336,455	7,360,373	1,894,998	135,475	-	-	-	9,727,301
Other Deposits	40,292,719	95,316,234	23,116,324	17,609,254	407,520	83	-	176,742,134
Funds Provided from Other Financial Instruments	-	1,041,939	3,260,160	9,751,446	3,311,028	2,178,075	-	19,542,648
Money Market Borrowings	-	36,277,186	4,312,765	1,841,293	654,532	-	-	43,085,776
Issued Marketable Securities	-	932,357	1,585,217	486,509	2,283,523	-	-	5,287,606
Sundry Creditors	1,383,021	937,162	-	-	-	-	-	2,320,183
Other Liabilities (3)	2,445,735	562,716	412,093	36,844	5,975,198	866,409	35,843,683	46,142,678
<b>Total Liabilities</b>	<b>44,457,930</b>	<b>142,427,967</b>	<b>34,581,557</b>	<b>29,860,821</b>	<b>12,631,801</b>	<b>3,044,567</b>	<b>35,843,683</b>	<b>302,848,326</b>
<b>Liquidity Gap</b>	<b>(4,024,448)</b>	<b>(132,027,403)</b>	<b>(19,692,771)</b>	<b>48,400,534</b>	<b>94,819,310</b>	<b>38,508,633</b>	<b>(25,983,855)</b>	<b>-</b>
<b>Net Off-Balance Sheet Position</b>	<b>-</b>	<b>42,330</b>	<b>(1,708)</b>	<b>33,271</b>	<b>513,972</b>	<b>-</b>	<b>-</b>	<b>587,865</b>
Financial Derivative Assets	-	21,189,422	719,944	1,615,895	2,425,788	-	-	25,951,049
Financial Derivative Liabilities	-	21,147,092	721,652	1,582,624	1,911,816	-	-	25,363,184
Non-cash Loans	32,422,339	487,504	2,652,182	13,060,132	9,581,201	2,082,817	-	60,286,175
<b>Prior Period</b>								
Total Assets	32,283,303	8,207,138	12,695,097	57,591,577	89,248,003	39,250,555	8,324,638	247,600,311
Total Liabilities	34,819,865	114,758,986	28,216,271	25,333,846	9,596,661	2,403,219	32,471,463	247,600,311
<b>Liquidity Gap</b>	<b>(2,536,562)</b>	<b>(106,551,848)</b>	<b>(15,521,174)</b>	<b>32,257,731</b>	<b>79,651,342</b>	<b>36,847,336</b>	<b>(24,146,825)</b>	<b>-</b>
<b>Net Off-Balance Sheet Position</b>	<b>-</b>	<b>(304,974)</b>	<b>(4,476)</b>	<b>40,593</b>	<b>172,076</b>	<b>-</b>	<b>-</b>	<b>(96,781)</b>
Financial Derivative Assets	-	19,799,110	861,725	767,914	1,542,433	-	-	22,971,182
Financial Derivative Liabilities	-	20,104,084	866,201	727,321	1,370,357	-	-	23,067,963
Non-cash Loans	4,390,076	48,370	499,284	1,634,621	1,479,981	32,985,167	-	41,037,499

(1) Assets which are required for banking operations and could not be converted into cash in short-term, such as; tangible assets, associates, subsidiaries and entities under common control, office supply inventory, prepaid expenses and net non-performing loans as well as securities representing a share in capital; and other liabilities such as provisions which are not considered as payables and equity are classified as undistributed.

(2) Deferred tax asset is included under the "Undistributed" column.

(3) TL 5,833,179 of the funds balance, whose risk is not born by the Bank, is included in other liabilities and shown under the "1-5 years" column, fund balance amounted to TL 97,950 is not granted as loan and is included under "Up to One Month" column.

**Notes to the Unconsolidated  
Financial Statements at 31 December 2015**

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

(Convenience Translation of Publicly Announced Unconsolidated Financial Statements Originally Issued in Turkish,  
See in Note I. Of Section Three)

**Presentation of liabilities according to their remaining maturities:**

<b>Current Period <sup>(1)</sup></b>	<b>Up to 1 Month</b>	<b>1-3 Months</b>	<b>3-12 Months</b>	<b>1-5 Years</b>	<b>Over 5 Years</b>	<b>Total</b>
Bank deposits	7,703,727	1,900,300	136,863	-	-	9,740,890
Other deposits	135,878,366	23,315,323	17,963,103	422,800	139	177,579,731
Funds borrowed from other financial institutions	1,055,486	3,280,495	9,928,626	3,565,005	1,260,477	19,090,089
Funds borrowed from Interbank money market	36,309,740	4,319,621	1,854,917	672,295	-	43,156,573
<b>Total</b>	<b>180,947,319</b>	<b>32,815,739</b>	<b>29,883,509</b>	<b>4,660,100</b>	<b>1,260,616</b>	<b>249,567,283</b>
<b>Prior Period <sup>(1)</sup></b>						
Bank deposits	4,918,875	747,405	26,264	-	-	5,692,544
Other deposits	111,461,533	21,442,222	15,010,343	366,644	152	148,280,894
Funds borrowed from other financial institutions	619,850	1,476,149	9,079,702	2,434,854	1,717,596	15,328,151
Funds borrowed from Interbank money market	28,010,327	2,603,562	1,191,122	-	-	31,805,011
<b>Total</b>	<b>145,010,585</b>	<b>26,269,338</b>	<b>25,307,431</b>	<b>2,801,498</b>	<b>1,717,748</b>	<b>201,106,600</b>

<sup>(1)</sup> Amounts related with the fund balances are not included in the table since decomposition on the basis of their remaining maturities could not be performed.

**VIII. EXPLANATIONS ON SECURITISATION POSITION**

There is no securitisation of non-performing loans (31 December 2014: None).

**IX. EXPLANATIONS ON CREDIT RISK MITIGATION TECHNIQUES**

Bank makes a credit risk reduction with regard to simple financial collateral method in accordance with the Article 38 of Communiqué on Credit Risk Reduction Methods.

There are no net-off of balance sheet and off-balance sheet items in credit risk mitigation techniques.

Financial collaterals considering as funded credit safe guards in bank are; treasury bills, government bonds, cash, mortgage on deposit and gold. Financial collaterals considering as unfunded credit safe guards in bank are; guarantees and counter guarantees.

Financial collaterals are valued daily in bank. Credibilities of guarantors are monitored and evaluated in the scope of revision maturity.

The Bank has no position about credit derivatives.



**Notes to the Unconsolidated  
Financial Statements at 31 December 2015**

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

(Convenience Translation of Publicly Announced Unconsolidated Financial Statements Originally Issued in Turkish,  
See in Note I. Of Section Three)

**Collaterals in terms of Risk Categories: <sup>(1)</sup>**

Exposure classifications - 31 December 2015	Amount	Financial Collaterals	Other/ Physical Collaterals	Guarantees and Credit Derivatives
Conditional and unconditional receivables from central governments or central banks	81,986,904	100,282	-	-
Conditional and unconditional receivables from regional or local governments	460,358	42,875	-	18
Conditional and unconditional receivables from administrative units and non-commercial enterprises	544,010	164,017	-	-
Conditional and unconditional receivables from multilateral development banks	6	-	-	-
Conditional and unconditional receivables from international organizations	-	-	-	-
Conditional and unconditional receivables from banks and brokerage houses	43,992,754	30,709,601	-	-
Conditional and unconditional corporate receivables	112,178,713	952,933	-	410,794
Conditional and unconditional retail receivables	71,360,991	15,319,650	-	64,722
Conditional and unconditional secured mortgage receivables	18,125,559	7,075	-	1,914
Past due receivables	569,931	3	-	-
Receivables in high risk category defined by BRSA	9,240,094	56,876	-	-
Securities collateralised by mortgages	-	-	-	-
Securitisation positions	-	-	-	-
Short-term receivables from banks, stockbrokers and corporates	-	-	-	-
Investments of natured collective investment enterprise	105,792	3,694	-	-
Other receivables	14,842,948	-	-	-
<b>Total</b>	<b>353,408,060</b>	<b>47,357,006</b>	<b>-</b>	<b>477,448</b>

<sup>(1)</sup> Prepared based on KR510 AS Form/4<sup>th</sup> line distribution of numbers after conversion rate to credit of every risk classes.

**X. RISK MANAGEMENT OBJECTIVES AND POLICIES**

**a) Strategies and Practices on Risk Management:**

The Bank, manages the interest and credit risks occurred from the exposed market, liquidity and banking accounts, within the scope of BRSA regulations and by considering the best practices suitable to the volume of operations, qualification and complexity.

**b) Structure and Organization of Risk Management**

Risk Management Operations are conducted in accordance with the regulation on the “Internal Systems and Internal Capital Adequacy Assessment Processes of Banks”, published in the Official Gazette numbered 29057 and dated 11 July 2014 by Banking Regulation and Supervising Agency and within the scope of Regulation on Risk Management, Stress Test Program and the Bank’s Internal Capital Adequacy Assessment Process (“ICAAP”) approved by the Bank’s Board of Directors’ Decision No. 15/18, dated 28 April 2015.

As of 31 December 2015, Risk Management organization consists of operation and market risk management, credit risk management and statement risks management units.

## Notes to the Unconsolidated Financial Statements at 31 December 2015

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

(Convenience Translation of Publicly Announced Unconsolidated Financial Statements Originally Issued in Turkish,  
See in Note I. Of Section Three)

### c) Risk Reporting and Measurement Systems' Scope and Qualification

In order to put forward the potential risks which may be encountered by the Bank, it is essential to consider the results of risk measurement and monitoring activities in the process of Banks' strategic decisions. In the buy - sell strategy context, the analyses presented below are preformed regarding the measurement and monitoring of the whole balance sheet and portfolios determined by the Bank.

#### Liquidity Risk

In order to put forward the liquidity risk of the Bank, measurement, monitoring, limiting, stress tests and scenario analyses suitable to positions structures and complexity are carried out and the results are periodically reported.

For the purpose of measuring and monitoring activities of liquidity risk, Bank realizes "Liquidity Gap Analysis", "Behavioral Liquidity Gap Analysis", "Average Maturity Analysis" and "Deposit Analysis". Liquidity Gap Analysis is done based on time to maturity of assets and liabilities. Deposit Analysis is applied separately for time deposits and demand deposits. Also, for the purpose of the evaluation of the discount rates of Bank's expected cash flows based on each position and each product, and after adjustment its potential liquidity needs on the basis of the maturity groups in line with Bank's liquidity creation capacity, liquidity risk stress test is done. For liquidity risk, legal reporting is also done weekly.

#### Interest Rate Risk On Banking Accounts

It is conducted to perform measurements, limiting, scenario analysis and stress tests that are suitable for structure and complexness of positions so as to be revealed interest rate on banking accounts that Bank can face with and report the findings cyclically.

It is made periodically Repricing Gap Analysis, Net Interest Margin/Revenue Analysis and Duration Analysis based on whole balance sheet intended for measurement and monitoring operations of interest rate on banking accounts and Bank's economic capital adequacy is observed. Repricing Gap Analysis is applied based on assets and liabilities' time to repricing and Net Interest Margin/Revenue Analysis is applied based on balance sheet items' time to repricing. Duration Analysis is made through being weighted with quantities of periods that are calculated with effective duration method of assets and liabilities. It is revealed effect of important fluctuations, exchange rates, prices and interest rates in stress tests for interest rate on banking accounts. Also, it is made monthly legal reporting intended for interest rate on banking accounts.

#### Market Risk

In order to put forward the possible interest risks resulted from the banking accounts, the bank carries out measurement, monitoring, limiting, stress testing and scenario analyses in accordance with the position structure and complexity of the operations and reports the results periodically.

By the Bank, the amount subject to the market risk is calculated monthly by using Standard Method as per monthly periods within the context of legal reporting. This amount is included in Bank's Standard Capital Adequacy Ratio.

Excluding Standard Method, Daily Value at Risk ("VAR") forecasts are made as per daily period for buy - sell accounts and is reported to the related units. Backward testing is performed so as to measure performance of used model. Also, Bank performs as per daily and monthly periods stress tests and scenario analysis so as to observe the effect of excessive market fluctuations that are not covered by models over the Bank's financial position.

Market risk exposure is limited with VAR based limit (interest rate and currency risk limit) within the context of "Regulation on Risk Management, Stress Test Program and the Bank's Internal Capital Adequacy Assessment Process ("ICAAP")". These limits are daily monitored.

## Notes to the Unconsolidated Financial Statements at 31 December 2015

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

(Convenience Translation of Publicly Announced Unconsolidated Financial Statements Originally Issued in Turkish,  
See in Note I. Of Section Three)

### Operational Risks

Operational risk represents the possibility of damage from inadequate or failed internal processes, people and systems or from external events and including legal risks. The Operational Risk Management Services in the Bank carried out with the Regulation on Risk Management, Stress Test Program and the Bank's Internal Capital Adequacy Assessment Process ("ICAAP") accepted by board of directors.

- The amount subject to operational risk is calculated by Basic Indicator Approach within the scope of "Communiqué on Measurement and Assessment of Capital Adequacy of Banks" in order for keeping adequate shareholder's equity against losses that could arise due to operational risks in the Bank, and is reported to BRSA based on yearly.
- Operational risk profile in the bank is monitored with several effective methods. Actualized operational risks are followed by "Operational Risk Loss Database" which is compatible with accounting system. Advanced Measurement Approach is performed in scope of calculation of economic capital and development of approach is performed.
- An integrated risk mainframe is instituted within the scope of risks management arising from information technologies. In this context, a database regarding Information Technologies risks is constituted and actualised risks and actions taken are monitored via the database.
- Risk arising from purchase of services provided from support service organizations for continuity has been evaluated with the "Regulation on Procurement of Support Services of Banks" published by the BRSA. In this context, Risk Management Program was revised and Risk Analysis Reports regarding support services are being prepared.

### Credit Risk

As of 1 July 2012, BASEL II legal reporting process based on Standard Method is started in calculation of Credit Risk legal capital need.

It was constituted scoring models for individual customers, rating for Corporate, Commercial and Entrepreneurial customers with the object of customer evaluation within the scope of centralization of credit risk. The studies regarding these models' validation are conducted by Internal Control and Risk Management Group Presidency as independently from Units that have executive actions. It is also made analysis for performance measurement and accuracy with statistical methods.

In base of segments, risk limits are framed at credit risk weighted assets and are monitored monthly based.

Based on general and sub accounts, credit portfolios' improvement, tracking portfolio's improvement and loans under close monitoring are analyzed periodically. Also, it is made vintage analysis for real estate and consumer loans so as to credit monitoring and comparing past performances.

#### d) Procedures on Risk Management and Risk Mitigation Policies with Regular Control of Their Effectiveness

It is essential to be bordered with limits compatible with risk profile of risk levels and risk toleration so as to prevent to considerably affect from the negativeness that can occur while Bank conducts its operations.

Risk limits are determined and approved by the Board of Directors by taking CEO, Audit Committee and Executives' offers.

Risk limits are determined compatible with risk levels, operations, size of products and services and complexness of the Bank. Limits are reviewed regularly, adapted according to changes in market conditions, Bank strategy and risk appetite and monitored cyclically.

In addition, derivative transactions are made by the Bank, in order to obtain long term liabilities and limit the interest risks occurred from liquidity and banking accounts.

Bank reduces its risks according to basic financial method, and financial commitments are daily assessed. Credibility of guarantors are monitored and assessed as part of credit revision maturities.

**Notes to the Unconsolidated  
Financial Statements at 31 December 2015**

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

(Convenience Translation of Publicly Announced Unconsolidated Financial Statements Originally Issued in Turkish,  
See in Note I. Of Section Three)

**XI. EXPLANATIONS ON LEVERAGE**

Explanations on the subjects caused a gap between prior and current period leverage: The Bank's leverage calculated by force of the regulation "Regulation on Measurement and Assessment of Leverage Ratios of Banks" is 8.47% (31 December 2014: 9.33%). The change on leverage results heavily from the increase on risk amounts of balance sheet assets. The regulation sentenced the minimum leverage as 3%.

<b>Balance sheet assets</b>	<b>Current Period (*)</b>	<b>Prior Period (*)</b>
On-balance sheet items (excluding derivative financial instruments and credit derivatives but including collateral)	298,737,007	243,273,323
(Assets deducted in determining Tier 1 capital)	(1,483,856)	(256,416)
<b>Total on-balance sheet risks (sum of lines 1 and 2)</b>	<b>297,253,151</b>	<b>243,016,907</b>
<b>Derivative financial instruments and credit derivatives</b>		
Replacement cost associated with all derivative financial instruments and credit Derivatives	904,739	263,893
Add-on amounts for PFE associated with all derivative financial instruments and credit derivatives	288,044	211,511
<b>Total risks of derivative financial instruments and credit derivatives</b>	<b>1,192,783</b>	<b>475,405</b>
<b>Securities or commodity financing transactions (SCFT)</b>		
Risks from SCFT assets	4,564,184	4,930,370
Risks from brokerage activities related exposures	-	-
<b>Total risks related with securities or commodity financing transactions</b>	<b>4,564,184</b>	<b>4,930,370</b>
<b>Other off-balance sheet transactions</b>		
Gross notional amounts of off-balance sheet transactions	78,078,887	123,378,839
(Adjustments for conversion to credit equivalent amounts)	(5,478)	(58,863,279)
<b>Total risks of off-balance sheet items</b>	<b>78,073,409</b>	<b>64,515,560</b>
<b>Capital and total risks</b>		
Tier 1 capital	32,261,636	29,212,755
<b>Total risks</b>	<b>381,083,527</b>	<b>312,938,241</b>
<b>Leverage ratio</b>		
Leverage ratio	8.47	9.33

(\*) Three month average of the amounts in the table are taken.

**Notes to the Unconsolidated  
Financial Statements at 31 December 2015**

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

(Convenience Translation of Publicly Announced Unconsolidated Financial Statements Originally Issued in Turkish,  
See in Note I. Of Section Three)

**XII. EXPLANATIONS ON OPERATING SEGMENTS**

Organizational and internal reporting structure of the Bank is determined in line with TFRS 8 “Turkish Accounting Standard about Operating Segments”.

The Bank has operations in retail banking, corporate and entrepreneurial banking, specialized banking, investment banking and international banking areas.

Known as having the most extensive branch network in retail banking sector, the Bank renders services, such as; deposits, consumer loans, loans originated from funds whose risk does not belong to the Bank, credit cards, automatic payment, cheques and notes, money transfer order, foreign exchange transactions, internet banking, mobile banking, safe-deposit box and insurance brokerage services. Moreover, existing instruments are improved and new banking instruments are created in order to benefit from services undertaken as being a state bank in increasing the profitability of the Bank. By “Finart” system, which is working in a centralized manner, the Bank has the technical infrastructure required by modern banking sector to meet its clients’ needs.

In the context of corporate and entrepreneurial banking, the Bank gives loans for operations, mid-term and long-term investment loans, foreign trade financing loans, letter of credits and guarantees in Turkish Lira and foreign currencies; renders project financing, other corporate finance related services, foreign exchange transactions and banking services to large-scale corporate clients and middle-small scale enterprises.

As the Bank is the main financial institution that meets the financing needs of agricultural sector in Turkey, it extends agricultural operations and investment loans from its own sources for vegetable and animal production, fishery products and agricultural mechanization directly to producers and The Central Union of Turkish Agricultural Credit Cooperatives. Besides, it gives support to entities and enterprises having operations in agricultural sector by acting as an intermediary for loans originated from funds.

Investment banking operations are conducted by the Financial Market and Asset-Liability Management and Head of Departments of Economic Researches. By foregoing departments, the Bank’s liquidity is used for Turkish Lira, foreign exchange and securities transactions in local and international organized and over-the-counter markets, and enables sources of funds in Turkish Lira and foreign currencies according to the needs of the Bank. The Bank acts as an intermediary for transaction of securities and Eurobonds by the related departments, for transaction of shares and public offerings as an agency of Ziraat Yatırım Menkul Değerler A.Ş. and for transaction of investment funds founded by Ziraat Portföy Yönetimi A.Ş. and other portfolio management companies’, and keeps records of these financial instruments and the Bank performs repo/reverse repo transactions. Besides the Bank performs derivative transactions which are accounted as held for trading. As financial derivative transactions, the Bank performs foreign currency forward agreements and currency swap transactions.

Besides, the Bank has commission revenue from insurance and other finance institutions by rendering agency services through its branches.

The Bank performs its international banking operations via foreign branches, sub branches, representative offices and equity investments abroad.

As of 31 December 2015 explanations on segment reporting as shown on the following page are in line with Communiqué on “Financial Statements to be Publicly Announced and the Accompanying Policies and Disclosures”.

**Notes to the Unconsolidated  
Financial Statements at 31 December 2015**

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

(Convenience Translation of Publicly Announced Unconsolidated Financial Statements Originally Issued in Turkish,  
See in Note I. Of Section Three)

Table for Segment Reporting:

	Retail Banking	Corporate/ Entrepreneurial Banking	Specialized Banking	Treasury/ Investment Banking	Other/ Undistributed	Total
<b>Current Period</b>						
<b>OPERATING INCOME/EXPENSE</b>						
<b>Interest Income</b>	5,768,008	6,902,276	3,481,380	5,849,438	49,393	22,050,495
Interest Income from Loans	5,768,008	6,902,276	3,481,380	525,285	-	16,676,949
Interest Income from Banks	-	-	-	66,961	-	66,961
Interest Income from Securities	-	-	-	5,197,221	-	5,197,221
Other Interest Income	-	-	-	59,971	49,393	109,364
<b>Interest Expense</b>	5,708,603	2,532,004	-	3,240,193	60,769	11,541,569
Interest Expense on Deposits	5,708,603	2,532,004	-	427,858	-	8,668,465
Interest Expense on Funds Borrowed	-	-	-	403,341	-	403,341
Interest Expense on Money Market Transactions	-	-	-	2,127,843	-	2,127,843
Interest Expense on Securities Issued	-	-	-	281,151	-	281,151
Other Interest Expense	-	-	-	-	60,769	60,769
<b>Net Interest Income/Expense</b>	59,405	4,370,272	3,481,380	2,609,245	(11,376)	10,508,926
<b>Net Fees and Commission Income/Expense</b>	814,629	542,480	79,035	(203,994)	67,931	1,300,081
Fees and Commissions Received	814,629	542,480	79,035	5,275	195,275	1,636,694
Fees and Commissions Paid	-	-	-	209,269	127,344	336,613
<b>Dividend Income</b>	-	-	-	213,056	-	213,056
<b>Trading Income/Loss (Net)</b>	-	-	-	(165,539)	-	(165,539)
<b>Other Operating Income</b>	24,519	215,576	47,778	3,731	1,048,291	1,339,895
<b>Provision for Loans or Other Receivables Losses</b>	401,160	712,904	296,159	1,715	8,616	1,420,554
<b>Other Operating Expense</b>	45,338	196,494	35,715	-	4,930,695	5,208,242
<b>Income Before Tax</b>	452,055	4,218,930	3,276,319	2,454,784	(3,834,465)	6,567,623
<b>Tax Provision</b>	-	-	-	-	(1,405,153)	(1,405,153)
<b>Net Profit/Loss</b>	-	-	-	-	5,162,470	5,162,470
<b>SEGMENT ASSETS</b>						
Financial Assets at FV Through P/L	-	-	-	944,899	-	944,899
Banks and Other Financial Institutions	-	-	-	4,446,792	-	4,446,792
Financial Assets Available for Sale (Net)	-	-	-	53,782,308	-	53,782,308
Loans	51,034,781	90,694,305	37,676,823	7,406,942	-	186,812,851
Held to Maturity Investments (Net)	-	-	-	10,144,142	-	10,144,142
Associates, Subsidiaries and Joint Ventures	-	-	-	2,655,366	-	2,655,366
Other Assets	-	-	-	-	44,061,968	44,061,968
<b>Total Segment Assets</b>	51,034,781	90,694,305	37,676,823	79,380,449	44,061,968	302,848,326
<b>SEGMENT LIABILITIES</b>						
Deposits	135,886,429	39,624,867	-	9,734,353	1,223,786	186,469,435
Derivative Financial Liabilities Held for Trading	-	-	-	292,271	-	292,271
Funds Borrowed	-	-	-	19,542,648	-	19,542,648
Money Market Funds	-	-	-	43,085,776	-	43,085,776
Securities Issued (Net)	-	-	-	5,287,606	-	5,287,606
Provisions	-	-	-	-	5,160,896	5,160,896
Other Liabilities	-	-	-	-	11,463,425	11,463,425
Shareholders' Equity	-	-	-	-	31,546,269	31,546,269
<b>Total Segment Liabilities</b>	135,886,429	39,624,867	-	77,942,654	49,394,376	302,848,326
<b>OTHER SEGMENT ITEMS</b>						
Capital Investment	-	-	-	-	-	-
Amortization Expense	-	-	-	-	324,876	324,876
Restructuring Costs	-	-	-	-	-	-

# Türkiye Cumhuriyeti Ziraat Bankası A.Ş.

## Notes to the Unconsolidated Financial Statements at 31 December 2015

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

(Convenience Translation of Publicly Announced Unconsolidated Financial Statements Originally Issued in Turkish,  
See in Note I. Of Section Three)

Prior Period	Retail Banking	Corporate/ Entrepreneurial Banking	Specialized Banking	Treasury/ Investment Banking	Other /Undistributed	Total
<b>OPERATING INCOME/EXPENSE</b>						
<b>31 December 2014</b>						
<b>Interest Income</b>	<b>5,128,367</b>	<b>4,660,550</b>	<b>2,521,939</b>	<b>5,839,959</b>	<b>14,192</b>	<b>18,165,007</b>
Interest Income from Loans	5,128,367	4,660,550	2,521,939	443,991	-	12,754,847
Interest Income from Banks	-	-	-	58,405	-	58,405
Interest Income from Securities	-	-	-	5,333,024	-	5,333,024
Other Interest Income	-	-	-	4,539	14,192	18,731
<b>Interest Expense</b>	<b>5,106,230</b>	<b>2,018,973</b>	<b>-</b>	<b>2,382,392</b>	<b>50,566</b>	<b>9,558,161</b>
Interest Expense on Deposits	5,106,230	2,018,973	-	387,040	-	7,512,243
Interest Expense on Funds Borrowed	-	-	-	270,463	-	270,463
Interest Expense on Money Market Transactions	-	-	-	1,527,007	-	1,527,007
Interest Expense on Securities Issued	-	-	-	197,882	-	197,882
Other Interest Expense	-	-	-	-	50,566	50,566
<b>Net Interest Income/Expense</b>	<b>22,137</b>	<b>2,641,577</b>	<b>2,521,939</b>	<b>3,457,567</b>	<b>(36,374)</b>	<b>8,606,846</b>
<b>Net Fees and Commission Income/Expense</b>	<b>679,431</b>	<b>415,767</b>	<b>60,070</b>	<b>(157,022)</b>	<b>78,869</b>	<b>1,077,115</b>
Fees and Commissions Received	679,431	415,767	60,070	5,005	196,241	1,356,514
Fees and Commissions Paid	-	-	-	162,027	117,372	279,399
<b>Dividend Income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>191,840</b>	<b>-</b>	<b>191,840</b>
<b>Trading Income/Loss (Net)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(69,960)</b>	<b>-</b>	<b>(69,960)</b>
<b>Other Operating Income</b>	<b>27,068</b>	<b>82,225</b>	<b>118,087</b>	<b>2,870</b>	<b>680,800</b>	<b>911,050</b>
<b>Provision for Loans or Other Receivables Losses</b>	<b>362,824</b>	<b>485,070</b>	<b>236,153</b>	<b>23</b>	<b>359,124</b>	<b>1,443,194</b>
<b>Other Operating Expense</b>	<b>35,423</b>	<b>152,000</b>	<b>28,905</b>	<b>-</b>	<b>3,878,636</b>	<b>4,094,964</b>
<b>Income Before Tax</b>	<b>330,389</b>	<b>2,502,499</b>	<b>2,435,038</b>	<b>3,425,272</b>	<b>(3,514,465)</b>	<b>5,178,733</b>
<b>Tax Provision</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,128,224)</b>	<b>(1,128,224)</b>
<b>Net Profit/Loss</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,050,509</b>	<b>4,050,509</b>
<b>SEGMENT ASSETS</b>						
<b>31 December 2014</b>						
Financial Assets at FV Through P/L	-	-	-	310,742	-	310,742
Banks and Other Financial Institutions	-	-	-	2,191,041	-	2,191,041
Financial Assets Available for Sale (Net)	-	-	-	54,230,853	-	54,230,853
<b>Loans</b>	<b>44,702,046</b>	<b>59,763,551</b>	<b>29,095,441</b>	<b>8,353,624</b>	<b>-</b>	<b>141,914,662</b>
Held to Maturity Investments (Net)	-	-	-	10,021,056	-	10,021,056
Associates, Subsidiaries and Joint Ventures	-	-	-	1,631,285	-	1,631,285
Other Assets	-	-	-	-	37,300,672	37,300,672
<b>Total Segment Assets</b>	<b>44,702,046</b>	<b>59,763,551</b>	<b>29,095,441</b>	<b>76,738,601</b>	<b>37,300,672</b>	<b>247,600,311</b>
<b>SEGMENT LIABILITIES</b>						
<b>31 December 2014</b>						
Deposits	109,635,533	36,090,565	-	5,683,872	1,845,278	153,255,248
Derivative Financial Liabilities Held for Trading	-	-	-	395,584	-	395,584
Funds Borrowed	-	-	-	14,607,707	-	14,607,707
Money Market Funds	-	-	-	31,781,076	-	31,781,076
Securities Issued (Net)	-	-	-	4,218,806	-	4,218,806
Provisions	-	-	-	-	4,757,837	4,757,837
Other Liabilities	-	-	-	-	10,043,889	10,043,889
Shareholders' Equity	-	-	-	-	28,540,164	28,540,164
<b>Total Segment Liabilities</b>	<b>109,635,533</b>	<b>36,090,565</b>	<b>-</b>	<b>56,687,045</b>	<b>45,187,168</b>	<b>247,600,311</b>
<b>OTHER SEGMENT ITEMS</b>						
Capital Investment	-	-	-	-	-	-
Amortization Expense	-	-	-	-	259,565	259,565
Restructuring Costs	-	-	-	-	-	-

**Notes to the Unconsolidated  
Financial Statements at 31 December 2015**

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

(Convenience Translation of Publicly Announced Unconsolidated Financial Statements Originally Issued in Turkish, See in Note I. Of Section Three)

**XIII. EXPLANATIONS RELATED TO PRESENTATION OF FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE**

**a) Information regarding the fair value of financial assets and liabilities:**

	Book Value		Fair Value	
	Current Period	Prior Period	Current Period	Prior Period
<b>Financial Assets</b>	<b>255,186,093</b>	<b>208,357,612</b>	<b>255,742,675</b>	<b>209,187,852</b>
Due from Interbank Money Market	-	-	-	-
Banks	4,446,792	2,191,041	4,446,792	2,191,041
Available-for-sale Financial Assets	53,782,308	54,230,853	53,782,308	54,230,853
Held-to-maturity Investments	10,144,142	10,021,056	10,700,724	10,851,296
Loans	186,812,851	141,914,662	186,812,851	141,914,662
<b>Financial Liabilities</b>	<b>213,619,872</b>	<b>173,828,264</b>	<b>213,619,872</b>	<b>173,828,264</b>
Bank Deposits	9,727,301	5,683,872	9,727,301	5,683,872
Other Deposits	176,742,134	147,571,376	176,742,134	147,571,376
Funds Borrowed from Other Financial Institutions	19,542,648	14,607,707	19,542,648	14,607,707
Issued Marketable Securities	5,287,606	4,218,806	5,287,606	4,218,806
Miscellaneous Payables	2,320,183	1,746,503	2,320,183	1,746,503

Receivables from money markets, receivables from banks and bank deposits are of short term nature, therefore carrying values are considered as fair value.

In determination of book and fair value of available-for-sale securities, market prices are taken into consideration. If these securities are not traded in an active market, the indicator prices calculated by CBRT are taken into account.

The fair value of held to maturity financial assets is calculated by considering market prices. In cases where these prices cannot be determined, the fair value is assessed on the basis of market prices quoted for securities that have the same attributes in terms of interest, maturity and other terms.

The fair value of loans and other deposits represent the sum of the cost and the accrued interest.



## Notes to the Unconsolidated Financial Statements at 31 December 2015

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

(Convenience Translation of Publicly Announced Unconsolidated Financial Statements Originally Issued in Turkish, See in Note I. Of Section Three)

### b) Information on fair value measurements recognized in the financial statements:

According to TFRS 7 "Financial Instruments: Explanations" Standard, the accounts recognized with the fair value in the balance sheet should be presented and classified sequentially in the related footnotes. Respectively, such financial instruments are classified in three levels representing the importance of the data used during for the measurement of fair values. At level one, the financial instruments whose fair values are determined with the recorded prices in the active markets for the assets and liabilities with identical fair values; at level two, the financial instruments whose fair value is based on the directly or indirectly observable market indicators and at level three; the financial instruments whose fair value is not based on the directly or indirectly observable market indicators are considered. The financial instruments which are recognized with their fair values at the Bank's balance sheet, are presented with respect to such basis of classification in the table below:

Current Period	Level 1	Level 2	Level 3	Total
<b>Financial Assets at Fair Value Through Profit or (Loss)</b>	<b>16,615</b>	<b>928,284</b>	-	<b>944,899</b>
Government Debt Securities	16,615	-	-	16,615
Share Certificates	-	-	-	-
Trading Derivative Financial Assets	-	928,284	-	928,284
Hedging Derivative Financial Assets	-	-	-	-
Other Marketable Securities	-	-	-	-
<b>Available-for-Sale Financial Assets</b>	<b>53,516,040</b>	<b>148,054</b>	<b>95,028</b>	<b>53,759,122</b>
Equity Securities <sup>(1)</sup>	388,536	96,992	95,028	580,556
Government Debt Securities	53,105,710	-	-	53,105,710
Other Marketable Securities	21,794	51,062	-	72,856
<b>Total Assets</b>	<b>53,532,655</b>	<b>1,076,338</b>	<b>95,028</b>	<b>54,704,021</b>
Trading Derivative Financial Liabilities	-	292,271	-	292,271
Hedging Derivative Financial Liabilities	-	-	-	-
<b>Total Liabilities</b>	-	<b>292,271</b>	-	<b>292,271</b>

<sup>(1)</sup> Since equity securities under the heading of financial assets available for sale amounting to TL 23,186 are not quoted in an active market, they are presented with their acquisition costs in the financial statements and are not included in the table above.

Prior Period	Level 1	Level 2	Level 3	Total
<b>Financial Assets at Fair Value Through Profit or (Loss)</b>	<b>14,166</b>	<b>296,576</b>	-	<b>310,742</b>
Government Debt Securities	14,166	-	-	14,166
Share Certificates	-	-	-	-
Trading Derivative Financial Assets	-	296,576	-	296,576
Hedging Derivative Financial Assets	-	-	-	-
Other Marketable Securities	-	-	-	-
<b>Available-for-Sale Financial Assets</b>	<b>53,964,684</b>	<b>202,514</b>	-	<b>54,167,198</b>
Equity Securities <sup>(1)</sup>	315,463	66,892	-	382,355
Government Debt Securities	53,634,170	-	-	53,634,170
Other Marketable Securities	15,051	135,622	-	150,673
<b>Total Assets</b>	<b>53,978,850</b>	<b>499,090</b>	-	<b>54,477,940</b>
Trading Derivative Financial Liabilities	-	395,584	-	395,584
Hedging Derivative Financial Liabilities	-	-	-	-
<b>Total Liabilities</b>	-	<b>395,584</b>	-	<b>395,584</b>

<sup>(1)</sup> Since equity securities under the heading of financial assets available for sale amounting to TL 63,655 are not quoted in an active market, they are presented with their acquisition costs in the financial statements and are not included in the table above.

## Notes to the Unconsolidated Financial Statements at 31 December 2015

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

(Convenience Translation of Publicly Announced Unconsolidated Financial Statements Originally Issued in Turkish, See in Note I. Of Section Three)

### IV. EXPLANATIONS ON THE ACTIVITIES CARRIED OUT ON BEHALF AND ON ACCOUNT OF OTHER PARTIES

#### 1. Transaction, Custody, Management and Consultancy Services of the Bank on behalf of Third Parties:

The Bank acts as an intermediary for purchases and sales of government securities on behalf of real persons and corporate, conducts repo transactions, and provides custody services. The bank does not provide consultancy and management services.

#### 2. Transactions with other financial institutions under fiduciary transaction agreements and financial services rendered to other financial institutions under the scope of fiduciary transactions and the effects of such services to the financial position of the Bank or the Group:

The Bank has no fiduciary transactions.

### SECTION FIVE

#### EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS

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

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Cash in TL/Foreign Currency	1,718,357	705,176	1,162,327	614,925
Central Bank of the Republic of Turkey	2,354,591	31,753,858	1,611,393	26,753,700
Other	-	3,981	1	6,637
<b>Total</b>	<b>4,072,948</b>	<b>32,463,015</b>	<b>2,773,721</b>	<b>27,375,262</b>

#### 1.a.1) Information on Required Reserves:

Banks that are established in Turkey or performing their operations by opening new branches in Turkey are subject to Communiqué on Required Reserves of Central Bank of the Republic of Turkey's numbered 2015/19. Based on accounting standards and registration layout for banks and companies, the items specified within the Communiqué, except from liabilities to Central Bank, Treasury, Domestic banks, and head offices and branches in Turkey of the banks established by international agreements, constitute required reserves liabilities.

As of the balance sheet date, according to CBRT's Communiqué about Required Reserves No. 2015/5, the required reserves ratios for commercial banks operating in Turkey are as follows: for demand deposits, notice deposits and for deposits up to 1-month maturity, and for deposits up to 3-months maturity 11.5%; for deposits up to 6-months maturity 8.5%; for deposits up to 1-year maturity 6.5%; for deposits 1-year and longer maturity 5%; for TL liabilities other than deposits up to 1-year maturity 11.5%; for TL liabilities other than deposits between 1- and 3-years maturity 8%; for TL liabilities other than deposits more than 3-years maturity 5%; for FC deposit accounts, demand deposits, up to 1-month, up to 3-months, up to 6-months and up to 1-year maturities 13%; for FC deposit accounts with 1-year and longer maturity 9%, for FC liabilities other than deposits up to 1-year maturity 25%; for FC liabilities other than deposits up to 2-years maturity 20%; for FC liabilities other than deposits up to 3-years maturity 15%; for FC liabilities other than deposits up to 5-years maturity 7%; and for FC liabilities other than deposits more than 5-years maturity 5%.

According to the press release of CBRT held on 21 October 2014, interest payment for Turkish Lira reserve requirement has been commenced from the November 2014 maintenance period. In addition, according to Press Release of CBRT on Remuneration of Foreign Currency Required and Free Reserves numbered 2015/35, the implementation of remuneration for US dollars denominated required reserves, reserve options and free reserves held at CBRT has been started as of 5 May 2015.

## Notes to the Unconsolidated Financial Statements at 31 December 2015

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

(Convenience Translation of Publicly Announced Unconsolidated Financial Statements Originally Issued in Turkish,  
See in Note I. Of Section Three)

### b) Information on the account of the Central Bank of the Republic of Turkey:

	Current Period		Prior Period	
	TL	FC	TL	FC
Unrestricted Demand Deposit	2,286,466	236,672	1,563,450	301,734
Unrestricted Time Deposit	-	-	-	-
Restricted Time Deposit	-	-	-	-
Required Reserves <sup>(1) (2)</sup>	68,125	31,517,186	47,943	26,451,966
<b>Total</b>	<b>2,354,591</b>	<b>31,753,858</b>	<b>1,611,393</b>	<b>26,753,700</b>

<sup>(1)</sup> Required reserve of branches abroad amounting to TL 78,150 is presented in this line (31 December 2014: TL 75,723).

<sup>(2)</sup> TL 19,082,468 of the current period's FC required reserve is the part of the TL required reserves that are held in FC (31 December 2014: TL 18,822,279).

### 2. a) Information on financial assets at fair value through profit and loss given or blocked as collateral or subject to repurchase agreements:

	Current Period	Prior Period
Assets Subject to Repurchase Agreements	-	-
Assets Blocked/Given as Collateral	-	5,265
<b>Total</b>	<b>-</b>	<b>5,265</b>

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Derivative Financial Assets Held-for-Trading				
Forward Transactions	25,242	46,642	5,949	6,583
Swap Transactions	624,709	231,637	259,596	24,420
Futures Transactions	-	-	-	-
Options	9	45	17	11
Other	-	-	-	-
<b>Total</b>	<b>649,960</b>	<b>278,324</b>	<b>265,562</b>	<b>31,014</b>

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks				
Domestic Banks	708,886	358,580	486,524	253,784
Foreign Banks	27,113	3,352,213	23,640	1,427,093
Foreign Head Office and Branches	-	-	-	-
<b>Total</b>	<b>735,999</b>	<b>3,710,793</b>	<b>510,164</b>	<b>1,680,877</b>

## Notes to the Unconsolidated Financial Statements at 31 December 2015

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

(Convenience Translation of Publicly Announced Unconsolidated Financial Statements Originally Issued in Turkish,  
See in Note I. Of Section Three)

### b) Information on foreign banks accounts:

	Unrestricted Amount		Restricted Amount	
	Current Period	Prior Period	Current Period	Prior Period
European Union Countries	1,097,791	987,180	-	-
USA, Canada	1,903,114	241,390	-	-
OECD Countries <sup>(1)</sup>	8,874	7,115	-	-
Off-shore Banking Regions	-	-	-	-
Other	369,547	215,048	-	-
<b>Total</b>	<b>3,379,326</b>	<b>1,450,733</b>	<b>-</b>	<b>-</b>

<sup>(1)</sup> OECD countries except EU countries, USA and Canada.

### 4. a) Explanation regarding to the comparison of net values of financial assets available-for-sale given or blocked as collateral and subject to repurchase agreements:

	Current Period	Prior Period
Assets Subject to Repurchase Agreements	40,599,081	30,650,483
Assets Blocked/Given as Collateral	5,251,648	5,700,219
<b>Total</b>	<b>45,850,729</b>	<b>36,350,702</b>

### b) Information on financial assets available for sale:

	Current Period	Prior Period
Debt Securities	54,495,737	53,925,141
Quoted in Stock Exchange	54,444,675	53,925,141
Not Quoted in Stock Exchange	51,062	-
Share Certificates	630,832	446,542
Quoted in Stock Exchange	483,687	274,474
Not Quoted in Stock Exchange	147,145	172,068
Provision for Impairment (-)	1,344,261	140,830
<b>Total</b>	<b>53,782,308</b>	<b>54,230,853</b>

## 5. Information related to loans:

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

	Current Period		Prior Period	
	Cash	Non-Cash	Cash	Non-Cash
Direct Loans Granted to Shareholders	-	-	-	-
Legal Entities	-	-	-	-
Individuals	-	-	-	-
Indirect Loans Granted to Shareholders	-	-	-	-
Loans Granted to Employees <sup>(1) (2)</sup>	253,756	-	248,808	-
<b>Total</b>	<b>253,756</b>	<b>-</b>	<b>248,808</b>	<b>-</b>

<sup>(1)</sup> Interest rediscount and interest accrual amounting TL 2,079, are not included in the table above.

<sup>(2)</sup> Since the balance of overdraft accounts related to employees amounting TL 14,630, is showed under Table 5-d as overdraft accounts (real person), it is not included to the table above.

## Notes to the Unconsolidated Financial Statements at 31 December 2015

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

(Convenience Translation of Publicly Announced Unconsolidated Financial Statements Originally Issued in Turkish,  
See in Note I. Of Section Three)

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

	Standard Loans and Other Receivables			Loans and Other Receivables Under Close Monitoring		
	Loans and Other Receivables	Restructured or Rescheduled		Loans and Other Receivables	Restructured or Rescheduled	
		Loans and other receivables with revised contract terms <sup>(1)</sup>	Other		Loans and other receivables with revised contract terms	Other
<b>Cash Loans</b>						
Non-Specialized Loans	142,595,356	1,221,459	-	2,253,134	756,432	-
Commercial Loans	85,500,508	583,333	-	953,897	625,253	-
Export Loans	2,048,696	396	-	18,699	176	-
Import Loans	-	-	-	-	-	-
Loans Given to Financial Sector	5,338,976	-	-	-	-	-
Consumer Loans	46,055,766	637,661	-	1,215,077	128,222	-
Credit Cards	2,913,399	69	-	58,082	2,781	-
Other <sup>(2)</sup>	738,011	-	-	7,379	-	-
Specialized Lending <sup>(3) (4)</sup>	32,899,171	1,904,617	-	791,602	209,142	-
Other Receivables	-	-	-	-	-	-
Interest Income Accruals	3,311,946	-	-	-	-	-
<b>Total</b>	<b>178,806,473</b>	<b>3,126,076</b>	<b>-</b>	<b>3,044,736</b>	<b>965,574</b>	<b>-</b>

<sup>(1)</sup> Restructured or rescheduled loans cannot be decomposed systematically. Therefore it is shown in the "Loans and other receivables with revised contract terms" section.

<sup>(2)</sup> Restructured or rescheduled loans and the loans under close monitoring and the separation of the accruals of other receivables cannot be obtained by the available information operating system.

<sup>(3)</sup> Fund sourced agricultural loans are shown under Specialized Lending.

<sup>(4)</sup> Agriculturally qualified farmer standby loans have been displayed under Specialized Lending.

**Notes to the Unconsolidated  
Financial Statements at 31 December 2015**

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

(Convenience Translation of Publicly Announced Unconsolidated Financial Statements Originally Issued in Turkish,  
See in Note I. Of Section Three)

No. of extensions	Standard Loans and Other Receivables	Loans and Other Receivables Under Close Monitoring
1 or 2 Times Extended <sup>(1)</sup>	2,987,967	931,825
3 - 4 or 5 Times Extended	138,094	33,564
Over 5 Times Extended	15	185

<sup>(1)</sup> Number of modification made according to extent of payment plan of individual loans cannot be decomposed systematically therefore it is shown in this line.

Extension Periods	Standard Loans and Other Receivables	Loans and Other Receivables Under Close Monitoring
0 - 6 Months	490,878	160,244
6 - 12 Months	548,241	103,144
1 - 2 Years	1,725,424	411,077
2 - 5 Years	327,495	270,947
5 Years and Over	34,038	20,162
<b>Total</b>	<b>3,126,076</b>	<b>965,574</b>

**c) Loans according to maturity structure:**

	Standard Loans and Other Receivables <sup>(1)</sup>		Loans and Other Receivables under Close Monitoring <sup>(1)</sup>	
	Loans and Other Receivables	Restructured or Rescheduled	Loans and Other Receivables	Restructured or Rescheduled
Short-term Loans	30,031,881	997,021	481,809	186,186
Non-specialized Loans	24,247,907	154,800	375,022	42,863
Specialized Loans <sup>(2)</sup>	5,783,974	842,221	106,787	143,323
Other Receivables	-	-	-	-
Medium and Long-term Loans and Other Receivables	145,462,646	2,129,055	2,562,927	779,388
Non-specialized Loans	118,347,449	1,066,659	1,878,112	713,569
Specialized Loans <sup>(2)</sup>	27,115,197	1,062,396	684,815	65,819
Other Receivables	-	-	-	-

<sup>(1)</sup> Rediscounts are not included.

<sup>(2)</sup> Agricultural loans originated from funds are shown under Specialized Lending.

## Notes to the Unconsolidated Financial Statements at 31 December 2015

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

(Convenience Translation of Publicly Announced Unconsolidated Financial Statements Originally Issued in Turkish, See in Note I. Of Section Three)

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

	Short-Term	Medium and Long-Term	Total
Consumer Loans-TL	364,239	46,666,000	47,030,239
Real Estate Loans <sup>(2)</sup>	7,857	22,622,672	22,630,529
Vehicle Loans	1,668	188,589	190,257
Consumer Loans <sup>(2)</sup>	350,549	23,529,383	23,879,932
Abroad	4,165	325,356	329,521
Other	-	-	-
Consumer Loans- Indexed to FC	-	3	3
Real Estate Loans	-	3	3
Vehicle Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Consumer Loans-FC	1,401	27,829	29,230
Real Estate Loans	-	86	86
Vehicle Loans	-	-	-
Consumer Loans	71	1,248	1,319
Abroad	1,330	26,495	27,825
Other	-	-	-
Individual Credit Cards-TL	2,573,804	2,876	2,576,680
With Installment	922,912	72	922,984
Without Installment	1,650,892	2,804	1,653,696
Individual Credit Cards-FC	382	-	382
With Installment	14	-	14
Without Installment	368	-	368
Personnel Loans-TL	8,016	166,255	174,271
Real Estate Loans	-	250	250
Vehicle Loans	-	-	-
Consumer Loans	7,920	164,321	172,241
Abroad	96	1,684	1,780
Other	-	-	-
Personnel Loans-Indexed to FC	-	-	-
Real Estate Loans	-	-	-
Vehicle Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Personnel Loans-FC	-	-	-
Real Estate Loans	-	-	-
Vehicle Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Personnel Credit Cards-TL	79,329	144	79,473
With Installment	33,294	84	33,378
Without Installment	46,035	60	46,095
Personnel Credit Cards-FC	12	-	12
With Installment	-	-	-
Without Installment	12	-	12
Overdraft Accounts-TL (Real Person)	802,983	-	802,983
Overdraft Accounts-FC (Real Person)	-	-	-
<b>Total <sup>(1)</sup></b>	<b>3,830,166</b>	<b>46,863,107</b>	<b>50,693,273</b>

<sup>(1)</sup> TL 316,229 of interest income accrual is not included in the table above.<sup>(2)</sup> Consumer loans originated from funds amounting to TL 3,442,911 of are included in the table above.

## Notes to the Unconsolidated Financial Statements at 31 December 2015

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

(Convenience Translation of Publicly Announced Unconsolidated Financial Statements Originally Issued in Turkish, See in Note I. Of Section Three)

## e) Information on commercial installment loans and corporate credit cards:

	Short-Term	Medium and Long-Term	Total
Commercial Installment Loans-TL	501,224	13,169,609	13,670,833
Business Loans	412	425,458	425,870
Vehicle Loans	24,171	840,452	864,623
Consumer Loans	476,641	11,903,699	12,380,340
Other	-	-	-
Commercial Installment Loans- Indexed to FC	-	-	-
Business Loans	-	-	-
Vehicle Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Commercial Installment Loans - FC	11,101	16,467,528	16,478,629
Business Loans	-	2,109	2,109
Vehicle Loans	-	285	285
Consumer Loans	11,101	16,465,134	16,476,235
Other	-	-	-
Corporate Credit Cards-TL	317,546	214	317,760
With Installment	100,165	195	100,360
Without Installment	217,381	19	217,400
Corporate Credit Cards-FC	24	-	24
With Installment	-	-	-
Without Installment	24	-	24
Overdraft Account-TL (Legal Entity)	94,043	-	94,043
Overdraft Account-FC (Legal Entity)	-	-	-
<b>Total <sup>(1)</sup></b>	<b>923,938</b>	<b>29,637,351</b>	<b>30,561,289</b>

<sup>(1)</sup> Accruals and rediscounts amounts are not included in the table above.

## f) Loans according to types of borrowers:

	Current Period	Prior Period
Public	1,544,376	1,491,966
Private	181,086,537	137,403,630
Interest Income Accruals of Loans	3,311,946	2,234,315
<b>Total</b>	<b>185,942,859</b>	<b>141,129,911</b>



## Notes to the Unconsolidated Financial Statements at 31 December 2015

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

(Convenience Translation of Publicly Announced Unconsolidated Financial Statements Originally Issued in Turkish,  
See in Note I. Of Section Three)

### g) Breakdown of domestic and international loans:

	Current Period	Prior Period
Domestic Loans	177,799,281	133,807,603
Foreign Loans	4,831,632	5,087,993
Interest Income Accruals of Loans	3,311,946	2,234,315
<b>Total</b>	<b>185,942,859</b>	<b>141,129,911</b>

### h) Loans granted to subsidiaries and associates:

	Current Period	Prior Period
Direct loans granted to subsidiaries and associates	831,174	738,954
Indirect loans granted to subsidiaries and associates	-	-
<b>Total</b>	<b>831,174</b>	<b>738,954</b>

### i) Specific provisions provided against loans:

	Current Period	Prior Period
Loans and other receivables with limited collectability	143,144	88,537
Loans and other receivables with doubtful collectability	478,653	447,645
Uncollectible loans and other receivables	1,648,735	1,395,987
<b>Total</b>	<b>2,270,532</b>	<b>1,932,169</b>

### j) Information on non-performing receivables (net):

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

	Group III: Loans and receivables with limited collectability	Group IV: Loans and receivables with doubtful collectability	Group V: Uncollectible loans and receivables
<b>Current period</b>	<b>11,844</b>	<b>51,598</b>	<b>92,945</b>
<b>(Gross amounts before the specific provisions)</b>			
Loans and other receivables which are restructured	11,844	51,598	92,945
Rescheduled loans and other receivables	-	-	-
<b>Prior period</b>	<b>15,457</b>	<b>61,241</b>	<b>115,881</b>
<b>(Gross amounts before the specific provisions)</b>			
Loans and other receivables which are restructured	15,457	61,241	115,881
Rescheduled loans and other receivables	-	-	-

## Notes to the Unconsolidated Financial Statements at 31 December 2015

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

(Convenience Translation of Publicly Announced Unconsolidated Financial Statements Originally Issued in Turkish,  
See in Note I. Of Section Three)

### 2) Information on the movement of non-performing receivables:

	Group III: Loans and receivables with limited collectability	Group IV: Loans and receivables with doubtful collectability	Group V: Uncollectible loans and receivables
<b>Prior Period Ending Balance</b>	<b>178,454</b>	<b>470,670</b>	<b>2,067,796</b>
Additions (+)	1,460,823	216,939	417,352
Transfers from Other Categories of Loans under Follow-Up (+)	-	1,181,969	1,155,102
Transfers to Other Categories of Loans under Follow-Up (-)	1,181,969	1,155,102	-
Collections (-) <sup>(1)</sup>	167,388	227,737	1,276,385
Write-offs (-)	-	-	-
Corporate and Commercial Loans	-	-	-
Consumer Loans	-	-	-
Credit Cards	-	-	-
Other	-	-	-
<b>Current Period End Balance <sup>(2)</sup></b>	<b>289,920</b>	<b>486,739</b>	<b>2,363,865</b>
Specific Provision (-) <sup>(3)</sup>	143,144	478,653	1,648,735
<b>Net Balance on Balance Sheet <sup>(2)</sup></b>	<b>146,776</b>	<b>8,086</b>	<b>715,130</b>

<sup>(1)</sup> The restructured and rescheduled loans, are included on the stated sum.

<sup>(2)</sup> Includes the loans originated from funds amounting to TL 257,478 whose risk does not belong to the Bank.

<sup>(3)</sup> As of 31 December 2015, Bank made 100% provision for the portion of TL 156,894 of the loans under follow-up which is TL 627,566 after taking guarantees into consideration.

### 3) Information on foreign currency non-performing loans:

	Group III: Loans and other receivables with limited collectability	Group IV: Loans and other receivables with doubtful collectability	Group V: Uncollectible loans and other receivables
<b>Current Period:</b>			
<b>Period Ending Balance</b>	<b>1,062</b>	<b>4,690</b>	<b>5,691</b>
Specific Provision (-)	531	4,690	5,691
<b>Net Balance on Balance Sheet</b>	<b>531</b>	<b>-</b>	<b>-</b>
<b>Prior Period:</b>			
<b>Period Ending Balance</b>	<b>84</b>	<b>2,713</b>	<b>4,296</b>
Specific Provision (-)	42	2,713	4,296
<b>Net Balance on Balance Sheet</b>	<b>42</b>	<b>-</b>	<b>-</b>

## Notes to the Unconsolidated Financial Statements at 31 December 2015

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

(Convenience Translation of Publicly Announced Unconsolidated Financial Statements Originally Issued in Turkish,  
See in Note I. Of Section Three)

#### 4) Gross and net amounts of non-performing receivables according to user groups:

	Group III: Loans and other receivables with limited collectability	Group IV: Loans and other receivables with doubtful collectability	Group V: Uncollectible loans and other receivables
<b>Current Period (Net)</b>	<b>146,776</b>	<b>8,086</b>	<b>715,130</b>
Loans to Real Persons and Legal Entities (Gross)	289,920	410,130	2,363,865
Specific Provisions (-)	143,144	402,044	1,648,735
Loans to Real Persons and Legal Entities (Net)	146,776	8,086	715,130
Banks (Gross)	-	-	-
Specific Provisions (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	76,609	-
Specific Provisions (-)	-	76,609	-
Other Loans and Receivables (Net)	-	-	-
<b>Prior Period (Net)</b>	<b>89,917</b>	<b>23,025</b>	<b>671,809</b>
Loans to Real Persons and Legal Entities (Gross)	178,454	407,466	2,067,796
Specific Provisions (-)	88,537	384,441	1,395,987
Loans to Real Persons and Legal Entities (Net)	89,917	23,025	671,809
Banks (Gross)	-	-	-
Specific Provisions (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	63,204	-
Specific Provisions (-)	-	63,204	-
Other Loans and Receivables (Net)	-	-	-

#### k) Information on liquidating policy of uncollectible loans and other receivables:

Execution proceedings are carried out for the collection of receivables from loan services of the Bank's. During this process, tangible guarantees constituting guarantees of receivables of the Bank and assets of the debtor (s) are realized while receivables of the Bank are also tried to be collected and liquidated by means of administrative procedures. Transactions are performed within the context of legislation agreement, which ensures the collection of receivables through administrative channels, and authorizations transferred to the Branch/Regional Management. When the debtor offers exceed authorizations transferred to the Branch/Regional Management or includes matters outside the scope of current legislation agreements and the Branch/Regional Management submit favorable opinion to the Head Office regarding this issue, receivables should be restructured on a company/debtor basis in accordance with the decisions made by the related authorities.

#### l) Explanations on write-off policy:

The Bank writes off the receivables from its records with the actualized circumstances of deaths of the debtor and/or the related people, refusals of the heritage by the heritors within the legal time limits, becoming legally and effectively impossible of the collection of the receivable, and the given financial accountability decision on the related personnel of the considered receivable.

**Notes to the Unconsolidated  
Financial Statements at 31 December 2015**

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

(Convenience Translation of Publicly Announced Unconsolidated Financial Statements Originally Issued in Turkish, See in Note I. Of Section Three)

**m) Other explanations and disclosures:**

Current Period	Corporate and Entrepreneurial	Consumer	Agricultural	Total
Neither Past Due nor Impaired Loans <sup>(1)</sup>	95,869,566	49,627,211	36,435,772	181,932,549
Past Due but not Impaired Loans	1,651,939	1,382,290	976,081	4,010,310
Impaired Loans	1,843,939	741,401	555,184	3,140,524
<b>Total</b>	<b>99,365,444</b>	<b>51,750,902</b>	<b>37,967,037</b>	<b>189,083,383</b>
Specific Provisions of Impaired Loans (-)	1,264,197	716,121	290,214	2,270,532
<b>Net Loan Amount</b>	<b>98,101,247</b>	<b>51,034,781</b>	<b>37,676,823</b>	<b>186,812,851</b>

<sup>(1)</sup> TL 3,442,911 consumer, TL 2,135,499 agricultural, and TL 18 corporate and entrepreneurial loans originated from funds whose risk does not belong to the Bank, are shown under Neither Past Due nor Impaired Loans.

Prior Period	Commercial	Consumer	Agricultural	Total
Neither Past Due nor Impaired Loans <sup>(1)</sup>	66,510,828	43,292,001	27,846,614	137,649,443
Past Due but not Impaired Loans	1,084,334	1,379,139	1,016,995	3,480,468
Impaired Loans	1,524,200	628,811	563,909	2,716,920
<b>Total</b>	<b>69,119,362</b>	<b>45,299,951</b>	<b>29,427,518</b>	<b>143,846,831</b>
Specific Provisions of Impaired Loans (-)	1,002,187	597,905	332,077	1,932,169
<b>Net Loan Amount</b>	<b>68,117,175</b>	<b>44,702,046</b>	<b>29,095,441</b>	<b>141,914,662</b>

<sup>(1)</sup> TL 2,868,496 consumer, TL 2,235,702 agricultural, and TL 18 commercial loans originated from funds whose risk does not belong to the Bank, are shown under Neither Past Due nor Impaired Loans.

With respect to the classes of loans, the aging analysis of the loans that are past due but not impaired are as follows:

Current Period	Up to 1 month	1-2 months	2-3 months	Over 3 months	Total
Loans and Receivables <sup>(1)</sup>					
Commercial Loans	132,856	62,849	26,879	5,812	228,396
Consumer Loans	39,261	10,494	3,813	264	53,832
Agricultural Loans	217,663	52,178	12,406	8,144	290,391
<b>Total</b>	<b>389,780</b>	<b>125,521</b>	<b>43,098</b>	<b>14,220</b>	<b>572,619</b>

<sup>(1)</sup> The amounts at the table are the total of the overdue installments for the loans with installments and overdue principals for other loans; the remaining principal amount of loans with installments equals to TL 3,437,691

Prior Period	Up to 1 month	1-2 months	2-3 months	Over 3 months	Total
Loans and Receivables <sup>(1)</sup>					
Commercial Loans	294,997	29,157	24,078	9,199	357,431
Consumer Loans	43,878	13,806	6,384	247	64,315
Agricultural Loans	183,948	45,707	4,010	16,757	250,422
<b>Total</b>	<b>522,823</b>	<b>88,670</b>	<b>34,472</b>	<b>26,203</b>	<b>672,168</b>

<sup>(1)</sup> The amounts at the table are the total of the overdue installments for the loans with installments and overdue principals for other loans; the remaining principal amount of loans with installments equals to TL 2,808,300.

## Notes to the Unconsolidated Financial Statements at 31 December 2015

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

(Convenience Translation of Publicly Announced Unconsolidated Financial Statements Originally Issued in Turkish,  
See in Note I. Of Section Three)

### 6. Information on held-to-maturity investments:

#### a) Information on comparative net values of held-to-maturity investments subject to repo transactions and given as a collateral/ blocked:

##### a.1) Held-to-maturity investments subject to repo transactions:

	Current Period		Prior Period	
	TL	FC	TL	FC
Government Bonds	1,114,647	3,567,579	466,841	3,910,057
Treasury Bills	-	-	-	-
Other Public Sector Debt Securities	-	-	-	-
Bank Bonds and Bank Guaranteed Bonds	-	-	-	-
Asset Backed Securities	-	-	-	-
Other	-	-	-	-
<b>Total</b>	<b>1,114,647</b>	<b>3,567,579</b>	<b>466,841</b>	<b>3,910,057</b>

##### a.2) Held-to-maturity investments given as collateral or blocked:

	Current Period		Prior Period	
	TL	FC	TL	FC
Bills	-	-	-	-
Bonds and Similar Investment Securities	3,009,483	1,987,576	3,024,939	1,157,083
Other	-	-	-	-
<b>Total</b>	<b>3,009,483</b>	<b>1,987,576</b>	<b>3,024,939</b>	<b>1,157,083</b>

#### b) Information on held-to-maturity government bonds and treasury bills:

	Current Period	Prior Period
Government Bonds	10,098,944	10,009,309
Treasury Bills	-	-
Other Public Sector Debt Securities	-	-
<b>Total</b>	<b>10,098,944</b>	<b>10,009,309</b>

#### c) Information on held-to-maturity investments:

	Current Period	Prior Period
Debt securities	10,144,142	10,021,056
Quoted in a Stock Exchange	10,098,944	10,009,309
Not Quoted in a Stock Exchange	45,198	11,747
Provision for Impairment (-)	-	-
<b>Total</b>	<b>10,144,142</b>	<b>10,021,056</b>

## Notes to the Unconsolidated Financial Statements at 31 December 2015

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

(Convenience Translation of Publicly Announced Unconsolidated Financial Statements Originally Issued in Turkish, See in Note I. Of Section Three)

### d) Movements of held-to-maturity investments:

	Current Period	Prior Period
<b>Beginning Balance</b>	<b>10,021,056</b>	<b>15,660,350</b>
Foreign Currency Differences on Monetary Assets	1,059,935	228,670
Purchases During the Year	148,236	182,093
Disposals through Sales and Redemptions	(1,085,085)	(6,050,057)
Provision for Impairment (-)	-	-
<b>Period End Balance</b>	<b>10,144,142</b>	<b>10,021,056</b>

Within the year 2008, the Bank has reclassified securities previously classified in available for sale portfolio with nominal values of TL 23,630,115, EUR 717,616 thousand and USD 1,483,317 thousand to held-to-maturity portfolio with fair values of TL 22,971,669, EUR 702,950 thousand and USD 1,562,742 thousand respectively which have been taken into consideration as book values after reclassification. The Bank has also reclassified securities previously classified in financial assets at fair value through profit and loss portfolio with nominal values of EUR 37,951 thousand and USD 45,501 thousand to held-to-maturity portfolio with fair values of EUR 37,178 thousand and USD 62,311 thousand respectively which have been taken into consideration as book values after reclassification in accordance with TAS 39 "Turkish Accounting Standard for Financial Instruments: Recognition and Measurement" published in the Official Gazette No. 27040 dated 31 October 2008 by the Public Oversight Accounting and Auditing Standards Authority ("POA").

Revaluation differences of reclassified available for sale securities before deferred tax are TL 68,984, EUR (23,067) thousand and USD (15,207) thousand respectively and are recorded under shareholders' equity. These balances will be amortized until the redemption date of related securities using straight-line method and recorded as interest income or expense. At the end of balance sheet date, negative revaluation differences which are accounted under shareholders' equity are amounted as USD 11,890 thousand and EUR 2,312 thousand respectively.

As of balance sheet date, the total fair values of reclassified held for trading securities to held to maturity securities are EUR 30,548 thousand and USD 69,943 thousand respectively.

If the reclassification from the held for trading securities portfolio to the held-to-maturity portfolio had not been performed, income accrual amounting to TL 11,001 would have been recorded. As of 31 December 2015, the reclassification from held for trading securities to held-to-maturity investments has an income impact of TL (22,979).

### 7. Information about associates (net):

#### a) 1) Information about unconsolidated associates:

	Description	Address (City/Country)	The Bank's Share Percentage, if Different, Voting Percentage (%)	The Bank's Risk Group Share Percentage (%)
1	Bankalararası Kart Merkezi A.Ş.	Istanbul/TURKEY	12.50	17.98
2	Kredi Kayıt Bürosu A.Ş.	Istanbul/TURKEY	10.00	9.09

	Total Assets <sup>(2)</sup>	Shareholders' Equity <sup>(2)</sup>	Total Non-Current Assets <sup>(2) (3)</sup>	Interest Income <sup>(2)</sup>	Income from Marketable Securities <sup>(2)</sup>	Current Period Profit/Loss <sup>(2)</sup>	Prior Period Profit/Loss <sup>(2)</sup>	Fair Value <sup>(1)</sup>
1	68,358	29,660	42,972	985	-	3,869	3,490	-
2	146,724	100,690	73,874	4,877	-	33,299	21,834	-

<sup>(1)</sup> Since shares of associates are not traded in the stock market, fair values cannot be identified.

<sup>(2)</sup> Current period information of associates has been provided from unaudited financial statements as of 31 December 2015. Prior period profit/loss information of associates has been provided from audited financial statements as of 31 December 2014.

<sup>(3)</sup> Total fixed assets include tangible and intangible assets.

**Notes to the Unconsolidated  
Financial Statements at 31 December 2015**

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

(Convenience Translation of Publicly Announced Unconsolidated Financial Statements Originally Issued in Turkish,  
See in Note I. Of Section Three)

**b) 1) Explanation regarding consolidated associates:**

	Description	Address (City/Country)	The Bank's Share Percentage, if Different, Voting Percentage (%)	The Bank's Risk Group Share Percentage (%)
1	Arap Türk Bankası A.Ş.	Istanbul/TURKEY	22.22	15.43

	Total Assets <sup>(2)</sup>	Shareholders' Equity <sup>(2)</sup>	Total Non- Current Assets <sup>(2)</sup>	Interest Income <sup>(2)</sup>	Income from Marketable Securities <sup>(2)</sup>	Current Period Profit/Loss <sup>(2)</sup>	Prior Period Profit/Loss <sup>(2)</sup>	Fair Value <sup>(1)</sup>
1	4,023,292	601,823	22,259	114,097	23,738	70,106	70,506	-

<sup>(1)</sup> Since shares of Arap Türk Bankası A.Ş. are not traded in the stock market, fair values cannot be identified.

<sup>(2)</sup> Current period information of Arap Türk Bankası A.Ş. has been provided from audited financial statements as of 31 December 2015. Prior period profit/loss information of Arap Türk Bankası A.Ş. has been provided from audited financial statements as of 31 December 2014.

**2) Information about consolidated associates:**

	Current Period	Prior Period
<b>Beginning Balance</b>	<b>88,846</b>	<b>59,386</b>
<b>Movement During the Period</b>	<b>-</b>	<b>29,460</b>
Additions	-	-
Bonus Share Certificates	-	29,460
Shares of Current Year Profits	-	-
Addition to Scope of Consolidation	-	-
Transfer	-	-
Sales	-	-
Revaluation	-	-
Impairment Provision	-	-
<b>Ending Balance</b>	<b>88,846</b>	<b>88,846</b>
Capital Commitments	-	-
Period Ending Share of Capital Participation (%)	15.43	15.43

**3) Sector information about consolidated associates:**

	Current Period	Prior Period
Banks	88,846	88,846
Insurance Companies	-	-
Factoring Companies	-	-
Leasing Companies	-	-
Finance Companies	-	-
Other Financial Associates	-	-

**4) Consolidated associates quoted to a stock exchange:**

None (31 December 2014: None).

# Türkiye Cumhuriyeti Ziraat Bankası A.Ş.

## Notes to the Unconsolidated Financial Statements at 31 December 2015

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

(Convenience Translation of Publicly Announced Unconsolidated Financial Statements Originally Issued in Turkish, See in Note I. Of Section Three)

### 8. Information on subsidiaries (net):

#### a) 1) Information about unconsolidated subsidiaries:

	Description	Address (City/Country)	The Bank's Share Percentage-if different Voting Percentage (%)	The Bank's Risk Group Share Percentage (%)
1	Ziraat Teknoloji A.Ş.	Istanbul/TÜRKİYE	100.00	100.00

	Total Assets <sup>(2)</sup>	Shareholders' Equity <sup>(2)</sup>	Total Non-Current Assets <sup>(2)</sup>	Interest Income <sup>(2)</sup>	Income from Marketable Securities <sup>(2)</sup>	Current Period Profit/Loss <sup>(2)</sup>	Prior Period Profit/Loss <sup>(2)</sup>	Fair Value <sup>(1)</sup>
1	42,956	12,942	9,886	394	74	3,019	5,930	-

<sup>(1)</sup> Since shares of subsidiaries are not traded in the stock market, fair values cannot be identified.

<sup>(2)</sup> Current period information of subsidiaries has been provided from unaudited financial statements as of 31 December 2015. Prior period profit/loss information has been provided from audited financial statements as of 31 December 2014.

#### b) 1) Information about consolidated subsidiaries:

Investments related to subsidiaries and joint ventures operating abroad in foreign currency are followed by their fair values. For these subsidiaries, fair value is determined by valuation reports, TL equivalents of investments related to subsidiaries are fixed as of revaluation date and revaluation differences added to subsidiaries' values are recognized in "Marketable Securities Value Increase Fund" under shareholders' equity.

	Description	Address (City/Country)	The Bank's Share Percentage-if different Voting Percentage (%)	The Bank's Risk Group Share Percentage (%)
1	Ziraat Hayat ve Emeklilik A.Ş.	Istanbul/TURKEY	100.00	100.00
2	Ziraat Sigorta A.Ş.	Istanbul/TURKEY	100.00	100.00
3	Ziraat Finansal Kiralama A.Ş.	Istanbul/TURKEY	100.00	100.00
4	Ziraat Yatırım Menkul Değerler A.Ş.	Istanbul/TURKEY	100.00	99.60
5	Ziraat Portföy Yönetimi A.Ş.	Istanbul/TURKEY	100.00	99.70
6	Ziraat Katılım Bankası A.Ş. <sup>(1)</sup>	Istanbul/TURKEY	100.00	100.00
7	Ziraat Bank International A.G.	Frankfurt/GERMANY	100.00	100.00
8	Ziraat Bank BH d.d.	Sarajevo/BOSNIA HERZEGOVINA	100.00	100.00
9	Ziraat Bank (Moscow) JSC <sup>(2)</sup>	Moscow/RUSSIA	100.00	100.00
10	Kazakhstan Ziraat Int. Bank	Almaty/KAZAKHSTAN	100.00	99.58
11	Ziraat Bank Azerbaycan ASC <sup>(3)</sup>	Baku/AZERBAIJAN	100.00	100.00
12	Ziraat Bank Montenegro AD <sup>(4)</sup>	Podgorica/MONTENEGRO	100.00	100.00

<sup>(1)</sup> Ziraat Katılım Bankası A.Ş., which was established with the permission of BRSA numbered 6046, dated 10 October 2014 and was registered on 13 February 2015, started its operations by the consent of BRSA, dated 12 May 2015 numbered 6302, that was published by the Official Gazette, dated 14 May 2015, numbered 29355.

<sup>(2)</sup> The title of Ziraat Bank (Moscow) CJSC was changed as Ziraat Bank (Moscow) JSC in 14 August 2015.

<sup>(3)</sup> Ziraat Bank Azerbaycan ASC, as a subsidiary company, has started its operations in 27 July 2015 with Head Office and İçerişehir/Baku branch.

<sup>(4)</sup> Ziraat Bank Montenegro AD, which was established with the permission of the Montenegro Central Bank regarding setting up a subsidiary bank, dated 6 April 2015, started its operations on 27 July 2015.



# Türkiye Cumhuriyeti Ziraat Bankası A.Ş.

## Notes to the Unconsolidated Financial Statements at 31 December 2015

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

(Convenience Translation of Publicly Announced Unconsolidated Financial Statements Originally Issued in Turkish,  
See in Note I. Of Section Three)

	Total Assets <sup>(3)</sup>	Shareholders' Equity <sup>(3)</sup>	Total Non- Current Assets <sup>(3)</sup>	Interest Income <sup>(3)</sup>	Income from Marketable Securities <sup>(2)</sup>	Current Period Profit/Loss <sup>(3)</sup>	Prior Period Profit/Loss <sup>(3)</sup>	Fair Value <sup>(1)</sup>	Shareholders equity amount needed
1	2,641,099	304,118	2,382	131,377	-	162,829	151,037	-	-
2	593,758	196,286	3,142	55,586	-	86,878	66,947	-	-
3	2,421,713	235,944	1,605	1,156	-	36,304	(59,785)	-	-
4	321,963	94,673	684	8,449	3,305,770	23,538	14,362	-	-
5	21,221	17,884	815	1,729	13,734	5,524	3,051	-	-
6	2,176,809	663,615	59,434	65,993	20,206	(12,897)	-	-	-
7	4,414,530	581,254	3,289	134,238	2,745	40,314	17,828	665,528	-
8	1,164,199	185,867	54,538	44,006	751	13,775	5,608	173,616	-
9	133,758	83,865	3,109	10,384	158	2,415	2,878	89,412	-
10	491,099	176,525	11,408	21,313	2,374	14,774	19,845	226,569	-
11	166,029	98,786	3,207	7,308	920	6,418	-	107,931	-
12	41,880	28,743	3,729	178	-	(3,018)	-	28,647	-

<sup>(1)</sup> The subsidiaries other than the ones presented with fair value are not traded in stock exchange and accordingly fair values cannot be determined and they are carried at cost less impairment, if any. For the subsidiaries having fair value, fair value shows the portion belonging to Ziraat Bank.

<sup>(2)</sup> The income from marketable securities portfolio of Ziraat Yatırım Menkul Değerler A.Ş. and Ziraat Portföy Yönetimi A.Ş. are representing the net sales.

<sup>(3)</sup> Information on subsidiaries shown in the above table has been provided from unaudited financial statements as of 31 December 2015, the prior period profit/loss balances have been provided from audited financial statements as of 31 December 2014.

<sup>(4)</sup> The amounts of Ziraat Katılım Bankası A.Ş. shown in interest income column includes the dividend incomes.

### 2) Information about consolidated subsidiaries:

	Current Period	Prior Period
<b>Balance at the Beginning of the Period</b>	<b>1,453,735</b>	<b>1,145,069</b>
<b>Movements During the Period</b>	<b>989,208</b>	<b>308,666</b>
Additions to Scope of Consolidation	-	-
Purchases <sup>(2)</sup>	997,857	100,000
Bonus Shares Obtained	16,921	-
Dividends from current year income	-	-
Transfers to available for sale assets	-	-
Sales	-	-
Revaluation Increase	227,760	208,666
Impairment Provision (-)	253,330	-
<b>Balance at the End of the Period</b>	<b>2,442,943</b>	<b>1,453,735</b>
Capital Commitments	-	-
Share percentage at the end of the period (%)	-	-

<sup>(1)</sup> Paid Capital Increases made during the period are classified under "Purchases" account.

<sup>(2)</sup> Purchases include amounts of Ziraat Bank Azerbaijan ASC, Ziraat Katılım Bank A.Ş. and Ziraat Bank Montenegro AD established as Subsidiaries of the Bank.

**Notes to the Unconsolidated  
Financial Statements at 31 December 2015**

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

(Convenience Translation of Publicly Announced Unconsolidated Financial Statements Originally Issued in Turkish,  
See in Note I. Of Section Three)

**3) Sectoral information on subsidiaries and the related carrying amounts:**

	Current Period	Prior Period
Banks	1,966,702	977,494
Insurance Companies	129,972	129,972
Factoring Companies	-	-
Leasing Companies	282,839	282,839
Financing Companies	-	-
Other Financial Subsidiaries	63,430	63,430

**c) Subsidiaries which are quoted on a stock exchange:**

None (31 December 2014: None).

**9. a) Information on entities under common control (joint ventures):**

Entities under Common Control (Joint Ventures) <sup>(1)</sup>	Parent Bank's Share <sup>(2)</sup>	Group's Share	Current Assets	Non- Current Assets	Long Term Liabilities	Income	Expense
Turkmen Turkish Joint Stock Commercial Bank	39,937	39,937	552,881	12,180	6,901	69,577	39,875
UTBANK JSC <sup>(3)</sup>	36,355	36,370	244,978	3,258	2,182	23,873	13,660
<b>Total</b>	<b>76,292</b>	<b>76,307</b>	<b>797,859</b>	<b>15,438</b>	<b>9,083</b>	<b>93,450</b>	<b>53,535</b>

<sup>(1)</sup> Information on entities under joint control is provided from the unaudited financial statements as of 31 December 2015.

<sup>(2)</sup> Represents the Bank's share in the shareholders' equity of these entities under common control based on the shareholding rate of the Bank.

<sup>(3)</sup> The title of Uzbekistan-Turkish Bank JSC which is under common control was changed as UTBANK JSC in 8 May 2015.

Entities under common control domiciled and operating abroad are followed by their fair values. For these entities under common control, fair value is determined by independent valuation firm's report and revaluation differences are accounted as the value of entities under common control and in "Marketable Securities Value Increase Fund" under shareholders' equity.

**10. Information on finance lease receivables (net):**

The Bank has no finance lease receivables (31 December 2014: None).

**11. Information on derivative financial assets for hedging purposes:**

The Bank has no derivative financial assets for hedging purposes (31 December 2014: None).

**12. Information on investment property:**

None (31 December 2014: None).

**Notes to the Unconsolidated  
Financial Statements at 31 December 2015**

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

(Convenience Translation of Publicly Announced Unconsolidated Financial Statements Originally Issued in Turkish,  
See in Note I. Of Section Three)

**13. Information on assets held for sale and tangibles corresponding discontinuing operations:**

Bank does not have any discontinuing operations. The assets held for sale are composed of immovables acquired due to consumer, commercial and agricultural loans and immovables for which has no necessity of usage exists by the Bank. Those immovables considered for sales are announced at the web site of the Bank.

The Bank's immovables acquired amount to TL 184,069 consisting of TL 13,494 due to consumer loans, TL 243,415 on its commercial loans and TL 45,852 on its agricultural loans. Also, the sum of movables acquired from consumer loan amounts to TL 1,849. Total depreciation expense is TL 4,658 for these held for sale assets. (31 December 2014: The Bank's immovables acquired amount to TL 126,506 consisting of TL 15,038 due to consumer loans, TL 175,260 on its commercial loans and TL 33,716 on its agricultural loans. Also, the sum of movables acquired from consumer loan amounts to TL 740. Total depreciation expense is TL 2,745 for these held for sale assets.

**14. Explanations on property and equipment:**

	Immovables	Tangibles- Financial Leasing	Vehicles	Operational Leasing Development Costs <sup>(1)</sup>	Other Tangibles	Total
<b>Prior Period End:</b>						
Cost	5,157,517	6,851	37,639	144,560	573,667	5,920,234
Accumulated Depreciation (-)	757,246	1,096	25,597	74,926	308,121	1,166,986
<b>Net Book Value</b>	<b>4,400,271</b>	<b>5,755</b>	<b>12,042</b>	<b>69,634</b>	<b>265,546</b>	<b>4,753,248</b>
<b>Current Period End:</b>						
Net Book Value at the Beginning of the Period	4,400,271	5,755	12,042	69,634	265,546	4,753,248
Change During the Period (Net)	104,088	2,908	7,096	51,827	148,079	313,998
Depreciation - net (-)	144,897	994	(3,050)	35,406	43,621	221,868
Impairment (-)	3,740	-	-	-	-	3,740
Net Currency Translation from Foreign Subsidiaries (-)	-	-	-	-	-	-
Cost at Period End	5,257,865	9,759	44,735	196,387	721,746	6,230,492
Accumulated Depreciation at Period End (-)	902,143	2,090	22,547	110,332	351,742	1,388,854
<b>Closing Net Book Value</b>	<b>4,355,722</b>	<b>7,669</b>	<b>22,188</b>	<b>86,055</b>	<b>370,004</b>	<b>4,841,638</b>

<sup>(1)</sup> The Bank has begun to classify the operational leasing development costs under tangible fixed assets in the financial statements dated 31 March 2015, which was previously being followed under intangible assets.

a) The impairment provision set or cancelled in the current period according to the asset groups not

individually significant but materially affecting the overall financial statements, and the reason and conditions for this: None.

b) Pledges, mortgages and other restrictions on the tangible fixed assets, expenses arising from the construction for tangible fixed assets, commitments given for the purchases of tangible fixed assets: None.

**Notes to the Unconsolidated  
Financial Statements at 31 December 2015**

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

(Convenience Translation of Publicly Announced Unconsolidated Financial Statements Originally Issued in Turkish,  
See in Note I. Of Section Three)

**15. Explanations on intangible assets:**

	Current Period			Prior Period		
	Book Value	Accumulated Depreciation	Net Value	Book Value	Accumulated Depreciation	Net Value
Establishment Costs	4,098	3,788	310	2,074	965	1,109
Goodwill	-	-	-	-	-	-
Intangible Rights	312,499	101,298	211,201	171,521	57,198	114,323
<b>Total</b>	<b>316,597</b>	<b>105,086</b>	<b>211,511</b>	<b>173,595</b>	<b>58,163</b>	<b>115,432</b>

a) Disclosures for book value, description and remaining useful life for a specific intangible fixed asset that is material to the financial statements: None.

b) Disclosure for intangible fixed assets acquired through government grants and accounted for at fair value at initial recognition: None.

c) The method of subsequent measurement for intangible fixed assets that are acquired through government incentives and recorded at fair value at the initial recognition: None.

d) The book value of intangible fixed assets that are pledged or restricted for use: None.

e) Amount of purchase commitments for intangible fixed assets: None

f) Information on revalued intangible assets according to their types: None.

g) Amount of total research and development expenses recorded in income statement within the period if any: None.

h) Positive or negative consolidation goodwill on entity basis: Not applicable for the unconsolidated financial statements

i) Information on Goodwill: None.

**16. Information on deferred tax asset:**

Deferred tax is recognized on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit in accordance with the Turkish Accounting Standards (TAS 12) "Income Taxes". In the computation of deferred tax, effective tax rates as of the balance sheet date are used in accordance with the current tax legislation.

Deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Calculated deferred tax assets and deferred tax liabilities are net off in the financial statements.

**Notes to the Unconsolidated  
Financial Statements at 31 December 2015**

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

(Convenience Translation of Publicly Announced Unconsolidated Financial Statements Originally Issued in Turkish,  
See in Note I. Of Section Three)

Information on calculated deferred tax including deductible temporary differences, financial losses, tax deductibles and tax exemptions is shown below:

	Current Period	Prior Period
Deferred Tax Assets	799,751	829,669
Deferred Tax Liabilities	538,021	608,846
Net Deferred Tax Assets	261,730	220,823
Net Deferred Tax Income/ (Expense)	(583,824)	503,358
	Current Period	Prior Period
Reserve for Employment Termination Benefits	136,654	133,293
Short Term Employee Benefits	33,720	30,020
Financial Assets Valuation	49,940	(34,459)
Other	41,416	91,969
<b>Net Deferred Tax Assets</b>	<b>261,730</b>	<b>220,823</b>
	Current Period	Prior Period
<b>As of 1 January</b>	<b>220,823</b>	<b>333,516</b>
Effect of Change in the Effective Tax Rate	-	-
Deferred Tax (Expense)/Income	(583,824)	503,358
<b>Deferred Tax Expenses (Net)</b>	<b>(583,824)</b>	<b>503,358</b>
Deferred Tax Recognized Under Shareholders' Equity	624,731	(616,051)
<b>Deferred Tax Assets</b>	<b>261,730</b>	<b>220,823</b>

**17. Information on other assets:**

As of 31 December 2015 and 2014, other assets do not exceed 10% of the total assets excluding off-balance sheet commitments.

**Notes to the Unconsolidated  
Financial Statements at 31 December 2015**

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

(Convenience Translation of Publicly Announced Unconsolidated Financial Statements Originally Issued in Turkish,  
See in Note I. Of Section Three)

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

**1. a) Information on maturity structure of deposits collected:**

**1) For deposit banks:**

Current Period	Demand	7 Days Call Accounts	Up to 1 Month	1-3 Months	3-6 Months	6 Months- 1 Year	1 Year and Over	Cumulative Deposits	Total
Saving Deposits	15,816,483	-	2,735,768	53,726,579	4,216,969	983,553	725,483	5,538	78,210,373
Foreign Currency Deposits	11,985,041	-	8,833,462	16,142,462	4,764,012	3,584,819	12,365,829	431	57,676,056
Residents in Turkey	10,818,260	-	8,648,524	14,110,439	4,266,621	2,916,587	9,711,963	431	50,472,825
Residents Abroad	1,166,781	-	184,938	2,032,023	497,391	668,232	2,653,866	-	7,203,231
Public Sector Deposits	5,760,534	-	3,350,698	4,464,880	1,246,059	2,865,402	12,219	-	17,699,792
Commercial Inst. Deposits	4,162,028	-	3,961,935	4,971,688	1,051,130	49,035	56,548	-	14,252,364
Other Inst. Deposits	1,529,794	-	1,855,891	3,036,021	258,961	737,257	261,839	-	7,679,763
Precious Metals	1,038,839	-	25,203	123,100	18,600	9,382	8,662	-	1,223,786
Interbank Deposits	336,455	-	6,095,526	989,548	1,078,159	1,116,474	111,139	-	9,727,301
CBRT	875	-	-	-	-	-	-	-	875
Domestic Banks	32,900	-	5,046,468	51,023	93,274	36,885	-	-	5,260,550
Foreign Banks	89,063	-	1,049,058	938,525	984,885	1,079,589	111,139	-	4,252,259
Participation Banks	213,617	-	-	-	-	-	-	-	213,617
Other	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>40,629,174</b>	<b>-</b>	<b>26,858,483</b>	<b>83,454,278</b>	<b>12,633,890</b>	<b>9,345,922</b>	<b>13,541,719</b>	<b>5,969</b>	<b>186,469,435</b>

Prior Period	Demand	7 Days Call Accounts	Up to 1 Month	1-3 Months	3-6 Months	6 Months- 1 Year	1 Year and Over	Cumulative Deposits	Total
Saving Deposits	11,772,551	-	2,403,145	48,839,380	3,673,378	787,318	643,760	5,053	68,124,585
Foreign Currency Deposits	7,483,733	-	4,111,868	14,169,966	3,513,131	2,285,406	9,946,464	380	41,510,948
Residents in Turkey	6,786,505	-	3,966,094	12,541,984	3,136,388	1,880,804	8,546,936	375	36,859,086
Residents Abroad	697,228	-	145,774	1,627,982	376,743	404,602	1,399,528	5	4,651,862
Public Sector Deposits	5,997,876	-	2,726,721	3,817,763	612,103	3,268,289	427,620	-	16,850,372
Commercial Inst. Deposits	3,459,392	-	4,550,777	3,975,324	79,367	58,430	6,357	-	12,129,647
Other Inst. Deposits	1,362,138	-	1,376,527	3,808,751	103,949	453,067	6,114	-	7,110,546
Precious Metals	1,553,092	-	42,462	213,553	17,807	8,436	9,928	-	1,845,278
Interbank Deposits	174,372	-	4,740,369	745,131	18,000	6,000	-	-	5,683,872
CBRT	3,824	-	-	-	-	-	-	-	3,824
Domestic Banks	15,294	-	4,319,857	299,942	18,000	6,000	-	-	4,659,093
Foreign Banks	46,786	-	420,512	445,189	-	-	-	-	912,487
Participation Banks	108,468	-	-	-	-	-	-	-	108,468
Other	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>31,803,154</b>	<b>-</b>	<b>19,951,869</b>	<b>75,569,868</b>	<b>8,017,735</b>	<b>6,866,946</b>	<b>11,040,243</b>	<b>5,433</b>	<b>153,255,248</b>

**Notes to the Unconsolidated  
Financial Statements at 31 December 2015**

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

(Convenience Translation of Publicly Announced Unconsolidated Financial Statements Originally Issued in Turkish,  
See in Note I. Of Section Three)

**b) Information on saving deposits:**

**1) Amounts exceeding the deposit insurance limit:**

**a) Saving deposits under the guarantee of deposit insurance and exceeding the deposit insurance limit:**

	Under the Guarantee of Deposit Insurance		Exceeding Deposit Insurance Limit	
	Current Period	Prior Period	Current Period	Prior Period
<b>Saving Deposits</b>				
Saving Deposits <sup>(2)</sup>	52,356,589	45,578,354	25,598,381	22,285,192
Foreign Currency Saving Deposits <sup>(2)</sup>	19,394,479	16,414,992	23,644,817	16,534,145
Other Deposits in the form of Saving Deposits	-	-	-	-
Deposits at Foreign Branches and under the Guarantees of Foreign Authority Insurance <sup>(1)</sup>	549,775	507,656	57,489	44,686
Deposits at Off-Shore Banking Regions' and under Foreign Authorities' Insurance	-	-	-	-

<sup>(1)</sup> In Bulgaria and Greece, since both real person and legal entity's saving deposits are under the guarantee of insurance and since such balances included in insurance limit are calculated by the system, the legal entity saving deposits amounting to TL 57,299 and TL 7,465 respectively, cannot be decomposed by type and are therefore included in the table above (31 December 2014: Bulgaria and Greece, TL 27,725 and TL 14,642, respectively).

<sup>(2)</sup> Related deposit balances do not include foreign branches Based on the Council of Minister's decree dated 29 December 2003 and numbered 2003/6668, TL 1,558 of demand deposits is not included in the above calculation, since the Bank paid the saving deposits amount attributable to T. İmar Bank T.A.Ş.

Savings Deposit Insurance Fund premiums are calculated based on deposit amount attributable to real persons in domestic branches of the Banks. As total of capital amount and interest expense accruals of saving deposits up to TL 100 attributable to a real person is covered by the insurance, TL 501,824 of interest expense accrual is included in the above-mentioned figures in accordance with the Communiqué on Insurance Deposits and Participation Funds and Premiums Collected by the Savings Deposit Insurance Fund published in the Official Gazette dated 15 February 2013 and numbered 28560.

**2) Information on saving deposits/real persons' private current and accession accounts not related to commercial transactions in a Turkish branch of the Bank whose head office is abroad, and reasons if it is covered in where the head office is located:**

The Bank's head office is located in Turkey.

**Notes to the Unconsolidated  
Financial Statements at 31 December 2015**

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

(Convenience Translation of Publicly Announced Unconsolidated Financial Statements Originally Issued in Turkish,  
See in Note I. Of Section Three)

**3) Amounts which are not covered by deposit insurance:**

**a) Saving deposits of real persons not covered by the deposit insurance fund:**

	Current Period	Prior Period
Deposits and other Accounts in Branches Abroad	52,302	51,132
Deposits of Ultimate Shareholders and Their Close Family Members	-	-
Deposits of Chairman and Members of the Board of Directors, CEO, Executive Vice Presidents and Their Close Family Members	3,923	3,731
Deposits Obtained through Illegal Acts Defined in the 282 <sup>nd</sup> Article of the 5237 numbered Turkish Criminal Code dated 26 September 2004	-	-
Saving Deposits in Banks Established in Turkey Exclusively for Off-Shore Banking Activities	-	-

**2. Information on derivative financial liabilities held for trading:**

**a) Negative differences related to the derivative financial liabilities held for trading:**

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Transactions	26,696	43,551	5,771	4,167
Swap Transactions	3,956	218,044	13,028	372,605
Futures Transactions	-	-	-	-
Options	3	21	7	6
Other	-	-	-	-
<b>Total</b>	<b>30,655</b>	<b>261,616</b>	<b>18,806</b>	<b>376,778</b>

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Borrowings from CBRT	-	-	-	-
Domestic Banks and Institutions	448,444	363,932	205,241	225,314
Foreign Banks, Institutions and Funds	944,015	17,786,257	944,016	13,233,136
<b>Total</b>	<b>1,392,459</b>	<b>18,150,189</b>	<b>1,149,257</b>	<b>13,458,450</b>

**b) Maturity structure of funds borrowed:**

	Current Period		Prior Period	
	TL	FC	TL	FC
Short-Term	434,340	6,076,594	180,844	9,960,659
Medium and Long-Term	958,119	12,073,595	968,413	3,497,791
<b>Total</b>	<b>1,392,459</b>	<b>18,150,189</b>	<b>1,149,257</b>	<b>13,458,450</b>



## Notes to the Unconsolidated Financial Statements at 31 December 2015

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

(Convenience Translation of Publicly Announced Unconsolidated Financial Statements Originally Issued in Turkish,  
See in Note I. Of Section Three)

c) Further information is disclosed for the areas of liability concentrations. Main liability concentration areas are fund suppliers, sector groups or other risk concentration criteria:

61.57% of the Bank's liabilities consist of deposits. Deposits have a diversified base and have steady structures. The Bank's liabilities are not subject to a significant concentration risk.

### 3. d) Information on funds supplied from repurchase agreements:

	Current Period		Prior Period	
	TL	FC	TL	FC
<b>From Domestic Transactions</b>	<b>27,240,963</b>	-	<b>16,310,776</b>	-
Financial Institutions and Organizations	27,020,179	-	15,777,291	-
Other Institutions and Organizations	212,000	-	510,319	-
Real Person	8,784	-	23,166	-
<b>From Overseas Operations</b>	-	<b>14,744,813</b>	-	<b>15,470,300</b>
Financial Institutions and Organizations	-	14,744,813	-	15,470,300
Other Institutions and Organizations	-	-	-	-
Real Person	-	-	-	-
<b>Total</b>	<b>27,240,963</b>	<b>14,744,813</b>	<b>16,310,776</b>	<b>15,470,300</b>

### e) Information on securities issued:

	Current Period		Prior Period	
	TL	FC	TL	FC
Bank Bonds	2,199,333	756,233	1,563,102	783,430
Treasury Bills	-	2,332,040	-	1,872,274
<b>Total</b>	<b>2,199,333</b>	<b>3,088,273</b>	<b>1,563,102</b>	<b>2,655,704</b>

4. If other liabilities exceed 10% of the balance sheet total, name and amount of sub-accounts constituting at least 20% of these liabilities:

Other liabilities do not exceed 10% of the balance sheet total.

### 5. Information on finance lease payables (net):

In the financial lease agreements, lease payments are determined according to the price of leasehold, the Bank's interest rate of commercial loan and maturity of the agreement. The amounts in the lease agreements are paid in equal installments. There are not any restrictions in these agreements that create significant obligations to the Bank.

Information on finance lease payables:

	Current Period		Prior Period	
	Gross	Net	Gross	Net
Less than 1 Year	699	686	1,424	1,388
Between 1-4 Years	-	-	1	1
More than 4 Years	-	-	-	-
<b>Total</b>	<b>699</b>	<b>686</b>	<b>1,425</b>	<b>1,389</b>

**Notes to the Unconsolidated  
Financial Statements at 31 December 2015**

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

(Convenience Translation of Publicly Announced Unconsolidated Financial Statements Originally Issued in Turkish,  
See in Note I. Of Section Three)

**6. Information on derivative financial liabilities for hedging purposes:**

There are no derivative financial liabilities for hedging purposes (31 December 2014: None).

**7. Explanations on provisions:**

**a) Information on general provisions:**

	Current Period	Prior Period
<b>General Provisions</b>	<b>2,844,184</b>	<b>2,311,581</b>
Allocated for Group-I Loans and Receivables	2,459,607	2,023,810
Additional Provision for Loans and Receivables with Extended Maturities	121,600	69,814
Allocated for Group-II Loans and Receivables	151,763	126,642
Additional Provision for Loans and Receivables with Extended Maturities	28,425	18,471
Allocated for Non-cash Loans	163,020	118,205
Other	69,794	42,924

**b) Foreign exchange loss provisions on the foreign currency indexed loans and finance lease receivables:**

Foreign exchange loss provisions on foreign currency indexed loans and finance lease receivables amount to TL 5,561 (31 December 2014: TL 2,071).

**c) Specific provisions for unindemnified non-cash loans:**

Specific provisions for unindemnified non-cash loans amount to TL 55,629 (31 December 2014: TL 58,774).

**d) Information on other provisions:**

**1) Information on free provisions for possible risks:**

These financial statements include a free provision which is not in accordance with BRSA Principles amounting to TL 1,240,400 (TL 79,600 of this provision amount was reversed from the income statement in the current year), provided by the Bank management in line with the conservatism principle considering the circumstances that may arise from any changes in the economy or market conditions. Moreover, the provision of TL 16,700 and other provision of TL 319 exist for cash transfers made by Bank officials.

	Current Period	Prior Period
Free provisions for possible risks	1,257,419	1,334,053

**2) The names and amounts of sub-accounts of other provisions exceeding 10% of the total provision amount:**

Based on the information provided by the legal department, lawsuits against the Bank over TL 100 amounts to TL 47,485. Full provision has been provided in these financial statements for law suits ended against the Bank but not finalized yet, amounting to TL 34,759.

Based on the decision of the Bank management, provision amounting to TL 88,600 is provided for the consumer loans followed under standard loan portfolio that also have amounts in the non-performing loan portfolio in compliance with the Act on Preservation of Consumers numbered 4077. The provision is made in accordance with the "Communiqué on the Methods and Principles for Determining the Nature of Loans and Other Receivables and Allocation of Provisions", published in Official Gazette numbered 26333, dated 1 November 2006 and considering the conservatism principle without taking into consideration the guarantees of these loans.

The Bank also provided provisions amounting to TL 55,629 (31 December 2014: TL 58,774) for unindemnified non-cash loans, and TL 28,436 (31 December 2014: TL 12,006) for other provisions. As a result of the provisions mentioned above, the other provision balance on the Bank's balance sheet amounts to TL 1,464,843 (31 December 2014: TL 1,629,692).

**Notes to the Unconsolidated  
Financial Statements at 31 December 2015**

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

(Convenience Translation of Publicly Announced Unconsolidated Financial Statements Originally Issued in Turkish,  
See in Note I. Of Section Three)

**e) Vacation and employment termination benefits obligations**

**1) Employment termination benefits and unused vacation rights**

The Bank accounts for its vacation and retirement pay obligations in accordance with the TAS 19 “Employee Benefits”. The vacation and retirement pay obligations recognized in the balance sheet represent the present value of the defined benefit obligation. As of 31 December 2015, unpaid vacation liability amounted to TL 168,600 (31 December 2014: TL 150,100), and employment termination amounted to TL 683,269 (31 December 2014: TL 666,464) are presented under the “Employee Benefits Provision” in the financial statements.

Movement of employment termination benefits liability in the balance sheet:

	Current Period	Prior Period
As of 1 January	666,464	567,043
Current Service Cost	46,701	55,424
Interest Cost	46,244	58,706
Severance Pay	(93,519)	(82,899)
Payment/Abating Benefits/Gain (Loss) in consequence of Layoff	(76)	(327)
Actuarial Gain (Loss)	17,455	68,517
<b>Balance at period end</b>	<b>683,269</b>	<b>666,464</b>

**2) Pension Rights**

The technical balance sheet reports which are prepared in accordance with the principles Act numbered 5754 declared in the Official Gazette dated 8 May 2008 numbered 26870, by using a technical interest rate of 9.80%, concluded that no technical deficit arises in the mentioned fund as of 31 December 2015 and 2014.

The liability related to Bank’s benefits to be transferred to SSI as of the balance sheet date is expected payment to be made to SSI during the transfer. Actuarial parameters and results used in calculation of this amount reflects the Act’s, numbered 5754 declared in the Official Gazette dated 8 May 2008 numbered 26870, principles related to pension and health benefits to be transferred to SSI (9.80% real discount rate, etc.).

According to related Actuary Report, the Fund’s surplus is TL 2,284,502 as of 31 December 2015 (31 December 2014: TL 1,635,661).

	Current Period	Prior Period
Present value of funded obligations	911,002	513,661
- Pension benefits transferable to SSI	212,216	(8,029)
- Post employment medical benefits transferable to SSI	698,786	521,690
Fair value of plan assets	1,373,500	1,122,000
<b>Actuarial Surplus</b>	<b>2,284,502</b>	<b>1,635,661</b>

The principal actuarial assumptions used are as follows:

	Current Period	Prior Period
Discount rate		
- Pension benefits transferable to SSI	9.80%	9.80%
- Post employment medical benefits transferable to SSI	9.80%	9.80%

To represent mortality rates both before and after retirement, CSO 1980 Female/Male mortality table is used.

**Notes to the Unconsolidated  
Financial Statements at 31 December 2015**

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

(Convenience Translation of Publicly Announced Unconsolidated Financial Statements Originally Issued in Turkish,  
See in Note I. Of Section Three)

Plan assets are comprised as follows:

	Current Period	Prior Period
Bank Placements	1,114,760	917,465
Property and Equipment	149,281	186,316
Marketable Securities	-	6,674
Other	109,459	11,545
<b>Total</b>	<b>1,373,500</b>	<b>1,122,000</b>

**8. Information on tax liability:**

**a) Information on current tax liability:**

**1) Information on tax provisions:**

As of 31 December 2015, the remaining corporate tax liability after deducting temporary taxes paid for the period is TL 402,339 (31 December 2014: TL 525,976).

**2) Information on current taxes payable:**

	Current Period	Prior Period
Corporate Tax Payable	402,339	525,976
Taxation on Income From Securities	201,694	155,999
Property Tax	2,186	1,847
Banking Insurance Transactions Tax (BITT)	113,890	85,838
Foreign Exchange Transactions Tax	28	20
Value Added Tax Payable	4,307	4,385
Other	50,243	50,438
<b>Total</b>	<b>774,687</b>	<b>824,503</b>

**3) Information on premiums:**

	Current Period	Prior Period
Social Security Premiums - Employee	30	42
Social Security Premiums - Employer	42	58
Bank Social Aid Pension Fund Premium - Employee	330	148
Bank Social Aid Pension Fund Premium - Employer	528	287
Pension Fund Membership Fees and Provisions - Employee	10	9
Pension Fund Membership Fees and Provisions - Employer	45	26
Unemployment Insurance - Employee	544	420
Unemployment Insurance - Employer	1,089	843
Other	-	-
<b>Total</b>	<b>2,618</b>	<b>1,833</b>

**Notes to the Unconsolidated  
Financial Statements at 31 December 2015**

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

(Convenience Translation of Publicly Announced Unconsolidated Financial Statements Originally Issued in Turkish,  
See in Note I. Of Section Three)

**b) Information on deferred tax liabilities, if any:**

The Bank's deferred tax liability amounts to TL 538,021 (31 December 2014: TL 608,846). However, this amount is netted off against the deferred tax asset and accordingly deferred tax asset amounting to TL 261,730 (31 December 2014: TL 220,823) is presented in the financial statements.

**9. Information on payables for assets held for sale and discontinued operations:**

The Bank does not have any payables for assets held for sale and discontinued operations.

**10. Explanations on subordinated debts:**

The Bank does not have any subordinated debts.

**11. Information on shareholders' equity:**

**a) Presentation on paid-in capital:**

	Current Period	Prior Period
Common stock	5,000,000	2,500,000
Preferred stock	-	-

**b) Paid-in capital amount, explanation whether the registered capital system is applicable by the bank, if so the registered capital ceiling amount:**

The Bank does not have a registered capital system.

**c) Information on share capital increases and their sources; other information on increased capital shares in the current period:**

In accordance with the decision taken at the Extraordinary General Assembly, carried out on 11 February 2015, the paid-in capital of the bank which was TL 2,500,000 has been increased by TL 1,825,000 from internal sources, and TL 675,000 cash to TL 5,000,000 and the capital increase has been registered to Trade Registry Gazette No. 8761 dated 18 February 2015.

**d) Information on additions from capital reserves to capital in the current period:**

There is TL 543,482 capital reserves in the current period.

**e) Capital commitments in the last fiscal year and continue until the end of the following interim period, general purpose of these commitments and estimated resources required for these commitments:**

The Bank has no capital commitments.

**f) Indicators of the Bank's income, profitability and liquidity for the previous periods and possible effects of future assumptions based on the uncertainty of these indicators on the Bank's equity:**

In the current period, the Bank follows its operations in line with the previous periods. The Bank's balance sheet has been managed with precaution by being affected by the interest, rate of exchange and credit risks at the minimum level. This helps to reduce the effects of fluctuations in the market to the Bank's performance and contributes to the profitability structure to be sustainable.

**g) Information on preferred shares representing the capital:**

The Bank has no preferred shares.

**Notes to the Unconsolidated  
Financial Statements at 31 December 2015**

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

(Convenience Translation of Publicly Announced Unconsolidated Financial Statements Originally Issued in Turkish,  
See in Note I. Of Section Three)

**h) Information on marketable securities value increase fund:**

	Current Period		Prior Period	
	TL	FC	TL	FC
From Subsidiaries, Associates and Entities under Common Control	342,182	61,381	202,072	214,546
Revaluation Difference	-	61,381	-	214,546
Foreign Exchange Difference	342,182	-	202,072	-
From Available for Sale Marketable Securities	(1,344,071)	619,468	858,173	903,342
Revaluation Difference	(1,619,618)	619,468	1,216,142	903,342
Deferred Tax Effect	275,547	-	(357,969)	-
Foreign Exchange Difference	-	-	-	-
<b>Total</b>	<b>(1,001,889)</b>	<b>680,849</b>	<b>1,060,245</b>	<b>1,117,888</b>

**III. EXPLANATIONS AND NOTES TO OFF-BALANCE SHEET ACCOUNTS**

**1. Information on off-balance sheet liabilities:**

**a) Nature and amount of irrevocable loan commitments:**

	Current Period	Prior Period
Commitments for Credit Card Expenditure Limits	7,130,144	7,160,308
Other Irrevocable Commitments	4,712,618	3,978,344
Payment Commitments for Cheques	3,076,439	2,737,371
Loan Granting Commitments	2,805,813	2,266,952
Asset Purchase Commitments	1,848,592	4,525,136
Promotion Campaigns Commitments Relating to Credit Card and Bank Services	20,185	17,011
Subsidiaries and Associates Capital Contribution Commitments	-	-
<b>Total</b>	<b>19,593,791</b>	<b>20,685,122</b>

**b) Nature and amount of possible losses and commitments arising from the off-balance sheet items including the below mentioned:**

Bank has no possible losses arising from the off-balance sheet items.

**1) Non-cash loans including guarantees, acceptances, financial guarantees and other letter of credits:**

	Current Period	Prior Period
Guarantee Letters	49,241,937	31,861,188
Letter of Credits	6,852,933	5,589,227
Bank Acceptances	4,191,305	3,587,084
<b>Total</b>	<b>60,286,175</b>	<b>41,037,499</b>

## Notes to the Unconsolidated Financial Statements at 31 December 2015

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

(Convenience Translation of Publicly Announced Unconsolidated Financial Statements Originally Issued in Turkish,  
See in Note I. Of Section Three)

### 2) Certain guarantees, temporary guarantees, surety ships and similar transactions:

	Current Period	Prior Period
Letters of Certain Guarantees	31,838,860	21,454,330
Letters of Advance Guarantees	12,911,588	7,792,444
Letters of Temporary Guarantees	2,734,608	1,639,412
Letters of Guarantees given to Customs Offices	655,083	90,127
Other Letters of Guarantees	1,101,798	884,875
<b>Total</b>	<b>49,241,937</b>	<b>31,861,188</b>

### c) 1) Total non-cash loans:

	Current Period	Prior Period
<b>Non-Cash Loans for Providing Cash Loans</b>	<b>786,280</b>	<b>864,826</b>
With Original Maturity of One Year or Less	284	24,845
With Original Maturity of More than One Year	785,996	839,981
<b>Other Non-Cash Loans</b>	<b>59,499,895</b>	<b>40,172,673</b>
<b>Total</b>	<b>60,286,175</b>	<b>41,037,499</b>

### c) 2) Information on sectoral risk concentrations of non-cash loans:

	Current Period				Prior Period			
	TL	(%)	FC	(%)	TL	(%)	FC	(%)
Agricultural	38,976	0.20	23,711	0.06	25,231	0.18	30,930	0.11
Farming and Raising Livestock	154	-	-	-	181	-	-	-
Forestry	38,822	0.20	23,711	0.06	25,050	0.18	30,930	0.11
Fishing	-	-	-	-	-	-	-	-
Manufacturing	5,042,506	25.59	21,459,362	52.88	3,473,646	24.99	16,802,213	61.91
Mining and Quarrying	147,703	0.75	205,000	0.51	69,906	0.50	58,546	0.22
Production	3,195,510	16.21	19,169,229	47.24	2,356,142	16.95	14,300,126	52.69
Electric, Gas and Water	1,699,293	8.62	2,085,133	5.14	1,047,598	7.54	2,443,541	9.00
Construction	4,314,151	21.89	10,822,868	26.67	2,711,421	19.51	5,447,673	20.07
Services	9,205,882	46.71	6,307,578	15.54	6,906,484	49.69	3,351,537	12.35
Wholesale and Retail Trade	5,048,269	25.62	2,868,971	7.07	3,617,357	26.03	1,735,467	6.39
Hotel, Food and Beverage Services	111,654	0.57	169,961	0.42	69,376	0.50	147,233	0.54
Transportation and Telecommunication	844,375	4.28	1,714,324	4.22	614,638	4.42	595,634	2.19
Financial Institutions	2,166,818	11.00	374,183	0.92	1,901,946	13.68	276,025	1.02
Real Estate and Leasing Services	943,923	4.79	1,103,379	2.72	621,570	4.47	575,276	2.12
Self-employment Services	-	-	-	-	-	-	-	-
Education Services	52,607	0.27	18,500	0.05	35,371	0.25	16,098	0.06
Health and Social Services	38,236	0.19	58,260	0.14	46,226	0.33	5,804	0.02
Other	1,105,630	5.61	1,965,511	4.84	781,445	5.62	1,506,919	5.55
<b>Total</b>	<b>19,707,145</b>	<b>100.00</b>	<b>40,579,030</b>	<b>100.00</b>	<b>13,898,227</b>	<b>100.00</b>	<b>27,139,272</b>	<b>100.00</b>

## Notes to the Unconsolidated Financial Statements at 31 December 2015

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

(Convenience Translation of Publicly Announced Unconsolidated Financial Statements Originally Issued in Turkish,  
See in Note I. Of Section Three)

### c) 3) Information on the non-cash loans classified under Group I and Group II:

	Group I:		Group II:	
	TL	FC	TL	FC
<b>Non-Cash Loans</b>	<b>19,563,640</b>	<b>40,498,331</b>	<b>143,505</b>	<b>80,699</b>
Letters of Guarantee	19,463,117	29,581,873	143,505	53,442
Bank Acceptances	12,965	4,174,078	-	4,262
Letters of Credit	87,558	6,742,380	-	22,995
Endorsements	-	-	-	-
Underwriting Commitments	-	-	-	-
Factoring Guarantees	-	-	-	-
Other Commitments and Contingencies	-	-	-	-

### 2. Explanations on derivative transactions:

	Current Period	Prior Period
<b>Types of Trading Transactions</b>		
Foreign Currency Related Derivative Transactions: (I)	51,314,233	46,039,145
Forward Transactions	5,429,493	1,923,961
Swap Transactions	45,828,320	44,077,422
Futures Transactions	-	-
Option Transactions	56,420	37,762
Interest Related Derivative Transactions (II)	6,235,626	-
Forward Interest Rate Agreements	-	-
Interest Rate Swaps	6,235,626	-
Interest Rate Options	-	-
Interest Rate Futures	-	-
Other Trading Derivative Transactions: (III)	-	-
<b>A. Total Trading Derivative Transactions (I+II+III)</b>	<b>57,549,859</b>	<b>46,039,145</b>
<b>Types of Hedging Derivative Transactions</b>		
Fair Value Hedges	-	-
Cash Flow Hedges	-	-
Foreign Currency Investment Hedges	-	-
<b>B. Total Hedging Derivative Transactions</b>	<b>-</b>	<b>-</b>
<b>Total Derivative Transactions (A+B)</b>	<b>57,549,859</b>	<b>46,039,145</b>



**Notes to the Unconsolidated  
Financial Statements at 31 December 2015**

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

(Convenience Translation of Publicly Announced Unconsolidated Financial Statements Originally Issued in Turkish,  
See in Note I. Of Section Three)

The Bank has no derivative instruments for hedging purposes. There are no unrealized transactions (those are estimated in the prior period and recognized based on this assumption however; it is clear that those transactions would not be realized) or expense and income from agreements in the income statement in the current period.

Current Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Total
<b>Derivatives held for trading</b>						
Foreign exchange derivatives	57,831	11,138	33,267	485,629	-	587,865
- Inflow	21,191,213	729,772	1,615,897	2,414,167	-	25,951,049
- Outflow	(21,133,382)	(718,634)	(1,582,630)	(1,928,538)	-	(25,363,184)
Interest rate derivatives	-	-	-	-	-	-
- Inflow	-	-	-	-	3,117,813	3,117,813
- Outflow	-	-	-	-	(3,117,813)	(3,117,813)
<b>Derivatives held for hedging</b>	-	-	-	-	-	-
Foreign exchange derivatives	-	-	-	-	-	-
- Inflow	-	-	-	-	-	-
- Outflow	-	-	-	-	-	-
Interest rate derivatives	-	-	-	-	-	-
- Inflow	-	-	-	-	-	-
- Outflow	-	-	-	-	-	-
<b>Total Inflow</b>	<b>21,191,213</b>	<b>729,772</b>	<b>1,615,897</b>	<b>2,414,167</b>	<b>3,117,813</b>	<b>29,068,862</b>
<b>Total Outflow</b>	<b>(21,133,382)</b>	<b>(718,634)</b>	<b>(1,582,630)</b>	<b>(1,928,538)</b>	<b>(3,117,813)</b>	<b>(28,480,997)</b>
<b>Prior Period</b>	<b>Up to 1 Month</b>	<b>1-3 Months</b>	<b>3-12 Months</b>	<b>1-5 Years</b>	<b>Over 5 Years</b>	<b>Total</b>
<b>Derivatives held for trading</b>						
Foreign exchange derivatives	(304,957)	(4,486)	40,590	172,072	-	(96,781)
- Inflow	19,783,659	877,181	767,912	1,542,430	-	22,971,182
- Outflow	(20,088,616)	(881,667)	(727,322)	(1,370,358)	-	(23,067,963)
Interest rate derivatives	-	-	-	-	-	-
- Inflow	-	-	-	-	-	-
- Outflow	-	-	-	-	-	-
<b>Derivatives held for hedging</b>	-	-	-	-	-	-
Foreign exchange derivatives	-	-	-	-	-	-
- Inflow	-	-	-	-	-	-
- Outflow	-	-	-	-	-	-
Interest rate derivatives	-	-	-	-	-	-
- Inflow	-	-	-	-	-	-
- Outflow	-	-	-	-	-	-
<b>Total Inflow</b>	<b>19,783,659</b>	<b>877,181</b>	<b>767,912</b>	<b>1,542,430</b>	<b>-</b>	<b>22,971,182</b>
<b>Total Outflow</b>	<b>(20,088,616)</b>	<b>(881,667)</b>	<b>(727,322)</b>	<b>(1,370,358)</b>	<b>-</b>	<b>(23,067,963)</b>

**Notes to the Unconsolidated  
Financial Statements at 31 December 2015**

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

(Convenience Translation of Publicly Announced Unconsolidated Financial Statements Originally Issued in Turkish,  
See in Note I. Of Section Three)

**3. Explanations on contingent assets and liabilities:**

Provision is allocated for transactions with complete and accurate data that may have an effect on the financial structure of the Bank and otherwise, provision is provided based on the estimations.

The Bank's liability resulting from the cheques given to its customers amounts to TL 3,076,439 (31 December 2014: TL 2,737,371).

As of the balance sheet date, there are no probable contingent liabilities resulting from past events whose amount can be reliably measured.

**4. Explanations on services in the name of others:**

The Bank acts as an intermediary for purchases and sales of government securities on behalf of individuals and entities, conducts repo transactions, and provides custody services. The Bank does not provide consultancy and management services.

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

**1. a) Information on interest income from loans:**

	Current Period		Prior Period	
	TL	FC	TL	FC
<b>Interest on Loans <sup>(1)</sup></b>	<b>14,640,081</b>	<b>2,036,868</b>	<b>11,446,173</b>	<b>1,308,674</b>
Short Term Loans	3,762,406	80,679	4,008,280	99,141
Medium and Long Term Loans	10,712,432	1,956,166	7,293,084	1,209,505
Interest on Non-Performing Loans	165,243	23	144,809	28
Premiums from Resource Utilization Support Fund	-	-	-	-

<sup>(1)</sup> Includes fees and commissions income on cash loans.

**b) Information on interest received from the banks:**

	Current Period		Prior Period	
	TL	FC	TL	FC
Central Bank of the Republic of Turkey	1,231	-	-	-
Domestic Banks	35,763	449	32,043	2,849
Foreign Banks	1,547	27,971	2,032	21,481
Head Office and Branches	-	-	-	-
<b>Total</b>	<b>38,541</b>	<b>28,420</b>	<b>34,075</b>	<b>24,330</b>

## Notes to the Unconsolidated Financial Statements at 31 December 2015

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

(Convenience Translation of Publicly Announced Unconsolidated Financial Statements Originally Issued in Turkish,  
See in Note I. Of Section Three)

### c) Information on interest income on marketable securities:

	Current Period		Prior Period	
	TL	FC	TL	FC
Financial Assets Held for Trading	1,299	252	1,760	643
Financial Assets at Fair Value through Profit and Loss	-	-	-	-
Financial Assets Available-for-Sale	3,924,583	492,433	3,949,988	349,254
Investments Held-to-Maturity	412,024	366,630	705,883	325,496
<b>Total</b>	<b>4,337,906</b>	<b>859,315</b>	<b>4,657,631</b>	<b>675,393</b>

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

	Current Period	Prior Period
Interest Income from Subsidiaries and Associates	14,892	27,273

### 2. a) Information on interest expense on borrowings:

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks <sup>(1)</sup>	107,542	295,799	91,058	179,405
Central Bank of the Republic of Turkey	-	-	-	-
Domestic Banks	21,073	3,946	10,872	3,583
Foreign Banks	86,469	291,853	80,186	175,822
Head Office and Branches	-	-	-	-
Other Institutions	-	-	-	-
<b>Total</b>	<b>107,542</b>	<b>295,799</b>	<b>91,058</b>	<b>179,405</b>

<sup>(1)</sup> Includes fees and commissions expenses on cash loans.

### b) Information on interest expenses given to subsidiaries and associates:

	Current Period	Prior Period
Interest Expenses Given to Subsidiaries and Associates	31,645	15,042

### c) Information on interest given on securities issued:

	Current Period		Prior Period	
	TL	FC	TL	FC
Interest Given on Securities Issued	174,551	106,600	158,355	39,527

## Notes to the Unconsolidated Financial Statements at 31 December 2015

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

(Convenience Translation of Publicly Announced Unconsolidated Financial Statements Originally Issued in Turkish,  
See in Note I. Of Section Three)

### d) 1) Maturity structure of the interest expense on deposits:

Account Name	Demand Deposit	Time Deposit					Cumulative Deposit	Total
		Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	More Than 1 year		
TL								
Bank Deposit	-	386,837	-	-	-	-	-	386,837
Saving Deposit	-	182,061	4,434,324	312,109	66,778	45,847	2,087	5,043,206
Public Sector Deposit	149	283,619	417,894	70,822	299,618	1,854	-	1,073,956
Commercial Deposit	158	405,597	415,706	77,737	24,068	1,255	-	924,521
Other Deposit	237	100,127	308,363	43,919	55,407	25,475	-	533,528
Deposit with 7 Days Notification	-	-	-	-	-	-	-	-
<b>Total</b>	<b>544</b>	<b>1,358,241</b>	<b>5,576,287</b>	<b>504,587</b>	<b>445,871</b>	<b>74,431</b>	<b>2,087</b>	<b>7,962,048</b>
FC								
Foreign Currency Deposit	756	81,337	256,127	60,781	51,532	213,481	14	664,028
Bank Deposit	41,021	-	-	-	-	-	-	41,021
Deposit with 7 Days Notification	-	-	-	-	-	-	-	-
Gold Vault	-	134	988	115	64	67	-	1,368
<b>Total</b>	<b>41,777</b>	<b>81,471</b>	<b>257,115</b>	<b>60,896</b>	<b>51,596</b>	<b>213,548</b>	<b>14</b>	<b>706,417</b>
<b>Grand Total</b>	<b>42,321</b>	<b>1,439,712</b>	<b>5,833,402</b>	<b>565,483</b>	<b>497,467</b>	<b>287,979</b>	<b>2,101</b>	<b>8,668,465</b>

### 3. Explanations on dividend income:

	Current Period	Prior Period
Trading Financial Assets	-	-
Financial Assets at Fair Value Through Profit or Loss	-	-
Available-for-Sale Financial Assets	2,188	2,284
Other <sup>(1)</sup>	210,868	189,556
<b>Total</b>	<b>213,056</b>	<b>191,840</b>

<sup>(1)</sup> Shows the Bank's dividend income from equity investments, subsidiaries, associates and entities under common control.

### 4. Information on trading profit/loss (net):

	Current Period	Prior Period
<b>Profit</b>	<b>37,881,153</b>	<b>19,017,451</b>
Foreign Exchange Gains	34,269,050	17,011,247
Profit on Derivative Financial Instruments	3,534,354	1,932,978
Profit from the Capital Market Transactions	77,749	73,226
<b>Loss (-)</b>	<b>38,046,692</b>	<b>19,087,411</b>
Foreign Exchange Loss	33,265,185	15,560,987
Loss on Derivative Financial Instruments	4,780,181	3,524,680
Loss from the Capital Market Transactions	1,326	1,744

**Notes to the Unconsolidated  
Financial Statements at 31 December 2015**

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

(Convenience Translation of Publicly Announced Unconsolidated Financial Statements Originally Issued in Turkish,  
See in Note I. Of Section Three)

**5. Information on profit/loss on derivative financial operations:**

	Current Period	Prior Period
Effect of the change in exchange rates on profit/loss	156,786	(1,412,000)
Effect of the change in interest rates on profit/loss	(1,402,613)	(179,702)
<b>Total</b>	<b>(1,245,827)</b>	<b>(1,591,702)</b>

**6. Information on other operating income:**

**Information on factors covering the recent developments which has significant effect on the Bank's income and the extent of effect on income:**

There are no significant matters covering the recent developments which have significant effect on the Bank's income. Main component of the Bank's other operating income consists of reversals from prior period provisions amounting to TL 776,168 (31 December 2014: TL 503,456) and income from sales of assets amounting to TL 98,170 (31 December 2014: TL 79,886).

**7. a) Provision expenses for impairment on loans and other receivables:**

	Current Period	Prior Period
Specific Provisions for Loans and Other Receivables <sup>(1)</sup>	880,862	740,633
Group III Loans and Receivables	161,286	94,852
Group IV Loans and Receivables	413,388	412,776
Group V Loans and Receivables	306,188	233,005
General Provision Expenses <sup>(2)</sup>	529,360	343,414
Provision Expenses for the Possible Losses	7,350	271,600
Marketable Securities Impairment Expense	1,714	23
Financial Assets at Fair Value through Profit and Loss	33	-
Financial Assets Available for Sale	1,681	23
Impairment Losses from Associates, Subsidiaries, Joint Ventures and Marketable Securities Held to Maturity	-	-
Associates	-	-
Subsidiaries	-	-
Entities under Common Control (Business Partners)	-	-
Investment Securities Held to Maturity	-	-
Other	1,268	87,524
<b>Total</b>	<b>1,420,554</b>	<b>1,443,194</b>

<sup>(1)</sup> The relevant balance includes the expenses related to the current period. The provision reversals within the period amounting to TL 545,644 are presented in other operating income (31 December 2014: TL 400,512).

<sup>(2)</sup> The relevant balances include the expenses related to the current period. The provision reversals within the period amounting to TL 553 are presented in other operating income.

## Notes to the Unconsolidated Financial Statements at 31 December 2015

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

(Convenience Translation of Publicly Announced Unconsolidated Financial Statements Originally Issued in Turkish,  
See in Note I. Of Section Three)

### 8. a) Information on other operating expenses:

	Current Period	Prior Period
Personnel Expenses	2,065,716	1,820,293
Reserve for Employee Termination Benefits	21,185	48,598
Bank Social Aid Provision Fund Deficit Provision	-	-
Tangible Fixed Assets Impairment Expense	-	-
Depreciation Expenses of Tangible Fixed Assets	277,953	205,878
Intangible Assets Impairment Expense	-	-
Goodwill Impairment Expense	-	-
Amortization Expenses of Intangible Assets	44,304	51,531
Impairment Expense for Equity Shares subject to the Equity Method	-	-
Impairment Expense for Investment Securities that will be Disposed	-	-
Amortization Expenses of Investment Securities that will be Disposed	2,619	2,156
Impairment Expense for Property, Plant and Equipment Held for Sale and Discontinuing Operations	-	-
Other Operating Expenses	1,183,752	862,760
Operational Leasing Expenses	182,999	146,208
Maintenance Expenses	84,341	65,663
Advertisement Expenses	95,112	53,806
Other Expenses	821,300	597,083
Loss on Sales of Assets	1,605	1,095
Other <sup>(1)</sup>	1,611,108	1,102,653
<b>Total</b>	<b>5,208,242</b>	<b>4,094,964</b>

<sup>(1)</sup> TL 405,201 of other item consists of Saving Deposit Insurance Fund accrual expense (31 December 2014: TL 323,833) while TL 407,768 consists of taxes, duties and charges expense (31 December 2014: TL 320,741). TL 82,583 is T.R. Ministry of Customs and Trade, which consists of the amounts paid in penalty as a result of the audit conducted within the scope of Regulation numbered 6502 and Regulation abrogated numbered 4077.

### 9. Information on profit/loss before tax from continuing and discontinuing operations:

The Bank does not have any discontinuing operations. The compositions of the profit/loss before tax from the continuing operations are following:

	Current Period	Prior Period
Net Interest Income	10,508,926	8,606,846
Net Fees and Commissions Income	1,300,081	1,077,115
Dividend Income	213,056	191,840
Trading Income/Expense (Net)	(165,539)	(69,960)
Other Operating Income	1,339,895	911,050
Provision for Loan or Other Receivables Losses (-)	1,420,554	1,443,194
Other Operating Expenses (-)	5,208,242	4,094,964
<b>Profit/ (Loss) From Continuing Operations</b>	<b>6,567,623</b>	<b>5,178,733</b>

**Notes to the Unconsolidated  
Financial Statements at 31 December 2015**

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

(Convenience Translation of Publicly Announced Unconsolidated Financial Statements Originally Issued in Turkish,  
See in Note I. Of Section Three)

**10. Information on tax provision for continuing and discontinuing operations**

As of 31 December 2015, TL 1,405,153 (31 December 2014: TL 1,128,224) of the Bank's total tax provision expense amounting to TL 821,329 (31 December 2014: TL 1,631,582), consists of current tax expense while remaining balances amounting to TL 583,824 (31 December 2014: TL 503,358 income) consists of deferred tax expense.

**11. Explanation on net income/loss for the period for continued and discontinued operations:**

The Bank's net operating income after tax amounts to TL 5,162,470 (31 December 2014: TL 4,050,509).

**12. Information on net profit/loss:**

**a) Nature, amount and frequency of income and expenses arising from ordinary banking activities, if required for the understanding the performance of the Bank in the current period:**

The Bank, mainly utilizes its resources from domestic deposits on loans, securities and interbank operations. Besides, it obtains income via commissions taken from non-cash loans, other banking operations and insurance agencies.

**b) The effect of the change in accounting estimates to the net profit/loss; including the effects to the future period, if any:**

As of the balance sheet date, there is no change in accounting estimates that may require further explanations in the current period (31 December 2014: None).

**13. If other items in the income statement exceed 10% of the income statement total, sub-accounts constituting at least 20% of these items are shown below:**

	Current Period	Prior Period
Fees of Account Operations, Money Transfer and Other Commissions Income	580,067	505,738
Fees and Commission Income from Credit Cards	429,996	383,273
Commission Income from Insurances	243,932	203,463
Income from Expertise Fees	140,213	97,843
<b>Total</b>	<b>1,394,208</b>	<b>1,190,317</b>

## Notes to the Unconsolidated Financial Statements at 31 December 2015

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

(Convenience Translation of Publicly Announced Unconsolidated Financial Statements Originally Issued in Turkish,  
See in Note I. Of Section Three)

### V. EXPLANATIONS AND NOTES RELATED TO CHANGES IN SHAREHOLDERS' EQUITY

#### a) Explanations on inflation adjustment differences for equity items:

As per the BRSA's Circular numbered 5 announced on 28 April 2005, it is stated that the indicators of hyperinflationary period are eliminated to a large extent, inflation accounting applied in the banking system has been ceased as of 1 January 2005 in accordance with the BRSA decree numbered 1623 on 21 April 2005.

#### b) Explanations on profit distribution:

In accordance with the decision taken in the General Assembly of the year 2014, which was carried out on 27 March 2015, from TL 4,050,509 net profit after the deduction of deferred tax income amounting to TL 503,358, which is not subject to distribution, the remaining TL 3,547,151 of the profit for the year 2014, TL 177,358 is transferred to first legal reserve and TL 18,500 is transferred to second legal reserve TL 185,000 is distributed as dividend to employees and TL 106,250 is distributed to Treasury after deducting withholding tax of 15% (TL 18,750) in cash. In this context, TL 3,041,293 of the profit is preserved; dividend payment made to Treasury on 15 April 2015, and within the framework of the dividend to be distributed to employees, at total TL 166,086 is paid. The remaining TL 18,914 from the dividends distributed to the personnel as of 31 December 2015 was transferred to the "profit reserves".

Bank is planning to distribute its 2015 profit in accordance with its articles of association. However, as of the report date, there is no decision taken regarding the profit distribution.

#### c) Explanations on Available For Sale Financial Assets:

Available for sale financial assets are not included in the current income statement, until their collections, disposals, sales or losses are realized and those assets are recognized under the "Marketable Securities Revaluation Fund" under equity. In accordance with TAS 39 and due to the change in the Bank's intention to hold the previously classified as available for sale securities to maturity the Bank has reclassified the securities under available for sale portfolio to held to maturity portfolio. The valuation differences of these securities is presented under shareholders' equity as a "Marketable Securities Valuation Differences" and transferred to profit/loss with subject to redemption with proportional to the maturity of security.

Subsidiaries and jointly controlled entities domiciled and operating abroad are followed by their fair values. For such subsidiaries and entities under common control, the fair value is determined with revaluation report prepared by independent valuation firm and revaluation differences are recognized under "Marketable Securities Revaluation Fund" under equity.

#### d) Profit Reserves:

As of the balance sheet date, profit reserves amount to TL 18,005,564, legal reserves amount to TL 2,920,983, extraordinary reserves amount to TL 13,659,246 and other profit reserves amount to TL 1,425,335.



**Notes to the Unconsolidated  
Financial Statements at 31 December 2015**

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

(Convenience Translation of Publicly Announced Unconsolidated Financial Statements Originally Issued in Turkish,  
See in Note I. Of Section Three)

**VI. EXPLANATIONS AND NOTES RELATED TO STATEMENT OF CASH FLOWS**

**1. Explanations about other cash flows items and the effect of changes in foreign exchange rates on cash and cash equivalents:**

“Operating Profit before Changes in Operating Assets and Liabilities” amounting to TL 5,395,793 is composed mainly from interest received from loans and securities amounting to TL 20,944,150 and interest paid to deposit and money market operations which is amounting to TL 9,420,130. Other earnings consists primarily net fee, commission income and other operation losses.

The effect of change in foreign exchange rates on cash and cash equivalents includes the foreign exchange differences resulted from the translations of cash and cash equivalents in foreign currencies into TL at the exchange rates prevailing at the beginning and end of the year, and amounts to TL 549,935 as of 31 December 2015 (31 December 2014: TL 101,353).

Cash in TL, cash in foreign currency, Central Bank of the Republic of Turkey, money in transit, bank cheques purchased and cash on money market operations are defined as “cash”; interbank money transactions placements having maturities less than three months, and time deposits in banks are defined as “cash equivalents”.

**Period opening and end cash and cash equivalents balance:**

<b>Period Opening</b>	<b>Current Period</b>	<b>Prior Period</b>
Cash in TL and in Foreign Currency	1,783,890	1,756,313
Central Bank of the Republic of Turkey and Other Banks	3,082,482	4,913,264
Money Market Operations	-	-
<b>Total Cash and Cash Equivalents</b>	<b>4,866,372</b>	<b>6,669,577</b>
<b>Period End</b>	<b>Current Period</b>	<b>Prior Period</b>
Cash in TL and in Foreign Currency	2,427,513	1,783,890
Central Bank of the Republic of Turkey and Other Banks	5,636,584	3,082,482
Money Market Operations	-	-
<b>Total Cash and Cash Equivalents</b>	<b>8,064,097</b>	<b>4,866,372</b>

## Notes to the Unconsolidated Financial Statements at 31 December 2015

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

(Convenience Translation of Publicly Announced Unconsolidated Financial Statements Originally Issued in Turkish, See in Note I. Of Section Three)

### VII. EXPLANATIONS AND NOTES TO THE RISK GROUP OF THE BANK

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

a) Current Period:

Risk Group of the Bank	Subsidiaries, Associates and Entities Under Common Control (Joint Ventures)		Direct or Indirect Shareholders of the Bank		Other Real and Legal Persons in the Risk Group	
	Cash <sup>(2)</sup>	Non-cash	Cash	Non-cash	Cash	Non-cash
Loans and Other Receivables <sup>(1)</sup>						
Opening Balance	3,320,000	1,612,751	-	-	-	-
Closing Balance	4,693,525	1,919,303	-	-	-	-
Interest and Commissions Income	14,892	-	-	-	-	-

<sup>(1)</sup> The cash loans balance includes the investments to associates, subsidiaries and entities under common control.

<sup>(2)</sup> Placements to foreign banks in the risk group amounting to TL 1,177,445 are included in the cash loans.

b) Prior Period:

Risk Group of the Bank	Subsidiaries, Associates and Entities Under Common Control (Joint Venture)		Direct or Indirect Shareholders of the Bank		Other Real and Legal Persons in the Risk Group	
	Cash <sup>(2)</sup>	Non-cash	Cash	Non-cash	Cash	Non-cash
Loans and Other Receivables <sup>(1)</sup>						
Opening Balance	2,819,175	907,299	-	-	-	-
Closing Balance	3,320,000	1,612,751	-	-	-	-
Interest and Commissions Income	27,273	-	-	-	-	-

<sup>(1)</sup> The cash loans balance includes the investments to associates, subsidiaries and entities under common control.

<sup>(2)</sup> Placements to foreign banks in the risk group amounting to TL 940,591 are included in the cash loans.

c) 1) Deposits held by the Bank's risk group:

Risk Group of the Bank	Subsidiaries, Associates and Entities Under Common Control (Joint Venture)		Direct or Indirect Shareholders of the Bank		Other Real and Legal Persons in the Risk Group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Deposits						
Opening Balance	411,176	261,957	-	-	-	-
Closing Balance	553,962	411,176	-	-	-	-
Interest Expense on Deposits	31,645	15,042	-	-	-	-

<sup>(1)</sup> The prior period balance of the accrued interest expense of the deposit is the balance as of 31 December 2014.

**Notes to the Unconsolidated  
Financial Statements at 31 December 2015**

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

(Convenience Translation of Publicly Announced Unconsolidated Financial Statements Originally Issued in Turkish,  
See in Note I. Of Section Three)

**2) Information on forward transactions, option agreements and similar transactions between the Bank's risk group:**

Risk Group of the Bank	Subsidiaries, Associates and Entities Under Common Control (Joint Ventures)		Direct or Indirect Shareholders of the Bank		Other Real and Legal Persons in the Risk Group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
The Fair Value Differences Through Profit and Loss						
Opening Balance	-	-	-	-	-	-
Closing Balance	66,595	-	-	-	-	-
<b>Total Profit/Loss</b>	<b>4,735</b>	-	-	-	-	-
Risk Protection Oriented Processes						
Opening Balance	-	-	-	-	-	-
Closing Balance	-	-	-	-	-	-
<b>Total Profit/Loss</b>	-	-	-	-	-	-

<sup>(1)</sup> The prior period balance of the total Profit/Loss is the balance as of 31 December 2014.

**3) Information about fees paid to the Bank's key management:**

Fees paid to the Bank's key management amount to TL 27,329 (31 December 2014: TL 23,985).

**VIII. EXPLANATIONS AND NOTES related to subsequent events**

None.

**Notes to the Unconsolidated  
Financial Statements at 31 December 2015**

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

(Convenience Translation of Publicly Announced Unconsolidated Financial Statements Originally Issued in Turkish,  
See in Note I. Of Section Three)

**IX. EXPLANATIONS AND NOTES RELATED TO DOMESTIC, FOREIGN, OFF-SHORE BRANCHES OR AFFILIATES AND FOREIGN REPRESENTATIVES OF THE BANK**

**1. Information on the Bank's domestic and foreign branches and foreign representatives of the Bank:**

	Number	Number of Employees			
Domestic Branch <sup>(1)</sup>	1,786	25,618			
			<b>Country of Incorporation</b>		
Foreign Representative Office <sup>(2)</sup>	1	-	1- Iran		
				<b>Total Assets</b>	<b>Statutory Share Capital</b>
Foreign Branch <sup>(2)</sup>	1	2	1- USA	3,741,401	339,897
	1	2	2- England	2,784,343	153,224
	4	2	3- Bulgaria	167,909	44,882
	2	5	4- Georgia	94,219	18,358
	2	8	5- Iraq	239,586	40,510
	4	3	6- Greece	343,462	104,033
	1	2	7- Saudi Arabia	82,791	43,404
	1	-	8- Kosovo	35,816	31,525
	10	36	9- T.R. of Northern Cyprus	1,133,393	113,571
Off-Shore Banking Region Branches	-	-	-	-	-

<sup>(1)</sup> Includes the employees of the domestic branches, including the employees of head office and regional management.

<sup>(2)</sup> Excluding the local employees of the foreign branches.

**2. Information on the Bank about opening, closing, changing its organization considerably for domestic and foreign branches and foreign representatives of the Bank:**

In 2015, 112 new branches were opened, 8 branches were closed in Turkey. On the other side, Pristina branch in Kosovo has started to its operations in 8 June 2015 in abroad.

**Notes to the Unconsolidated  
Financial Statements at 31 December 2015**

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

(Convenience Translation of Publicly Announced Unconsolidated Financial Statements Originally Issued in Turkish,  
See in Note I. Of Section Three)

**SECTION SIX**

**OTHER EXPLANATIONS AND NOTES**

**I. INFORMATION ON THE BANK'S RATING THAT HAS BEEN DETERMINED BY INTERNATIONAL RATING AGENCIES**

Information on the assessment done by the international rating agencies Moody's Investor Services, Fitch Ratings and JCR Eurasia are as follows:

**Moody's Investor Services: September 2015**

<b>Long term Foreign Currency Deposit</b>	Baa3
Outlook	Negative
<b>Short term Foreign Currency Deposit</b>	P-3
<b>Long term Turkish Liras Deposit</b>	Baa3
Outlook	Negative
<b>Short term Turkish Liras Deposit</b>	P-3
Basic Credit Note	ba1
Adjusted Basic Credit Note	ba1

**Fitch Ratings: October 2015**

<b>Foreign Currency Commitments</b>	
Long Term	BBB-
Short Term	F3
Outlook	Stable
<b>Local Currency Commitments</b>	
Long Term	BBB
Short Term	F3
Outlook	Stable
National	AAA (tur)
Outlook	Stable
<b>Viability Rating</b>	bbb-
<b>Support Rating</b>	2

**JCR Eurasia: November 2015**

<b>Foreign Currency Commitments</b>	
Long Term	BBB-
Short Term	A-3
Outlook	Stable
<b>Local Currency Commitments</b>	
Long Term	BBB-
Short Term	A-3
Outlook	Stable
National	AAA (trk)
Outlook	Stable
<b>Support rating</b>	1
<b>Independence from partnership rate</b>	A

Türkiye Cumhuriyeti Ziraat Bankası A.Ş.

**Notes to the Unconsolidated  
Financial Statements at 31 December 2015**

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

(Convenience Translation of Publicly Announced Unconsolidated Financial Statements Originally Issued in Turkish,  
See in Note I. Of Section Three)

**II. OTHER EXPLANATIONS ON THE BANK'S OPERATIONS**

None.

**SECTION SEVEN**

**EXPLANATIONS ON INDEPENDENT AUDITOR'S REPORT**

**I. EXPLANATIONS ON INDEPENDENT AUDITOR'S REPORT**

As of 31 December 2015, unconsolidated financial statements and explanatory notes of the Bank disclosed herein were audited by Başaran Nas Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (a member of PricewaterhouseCoopers) and Independent Auditor's Report dated 10 February 2016 is presented preceding the financial statements.

**II. EXPLANATIONS AND NOTES PREPARED BY THE INDEPENDENT AUDITORS**

None.