

CONVENIENCE TRANSLATION  
OF PUBLICLY ANNOUNCED UNCONSOLIDATED  
FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITOR'S REPORT,  
ORIGINALLY ISSUED IN TURKISH,  
SEE NOTE I OF SECTION THREE

**İSTANBUL TAKAS VE SAKLAMA BANKASI A.Ş.**

PUBLICLY ANNOUNCED UNCONSOLIDATED  
FINANCIAL STATEMENTS  
TOGETHER WITH INDEPENDENT AUDITOR'S REPORT  
AT 31 DECEMBER 2015



**CONVENIENCE TRANSLATION OF THE INDEPENDENT AUDITOR'S  
REPORT ORIGINALLY PREPARED AND ISSUED IN TURKISH**

**To the Board of Directors of İstanbul Takas ve Saklama Bankası A.Ş.**

**Report on the Unconsolidated Financial Statements**

We have audited the accompanying unconsolidated balance sheet of İstanbul Takas ve Saklama 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 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.



### *Opinion*

In our opinion, the unconsolidated financial statements present fairly, in all material respects, the financial position of İstanbul Takas ve Saklama 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

Engin Çubukçu, SMMM  
Partner

Istanbul, 19 February 2016

**CONVENIENCE TRANSLATION  
OF PUBLICLY ANNOUNCED UNCONSOLIDATED FINANCIAL STATEMENTS  
ORIGINALLY ISSUED IN TURKISH,  
SEE NOTE I OF SECTION THREE**

**THE YEAR END UNCONSOLIDATED FINANCIAL REPORT OF  
İSTANBUL TAKAS VE SAKLAMA BANKASI A.Ş. AS OF 31 DECEMBER 2015**

Address of the Bank's Headquarters : Şişli Merkez Mahallesi, Merkez Caddesi,  
Takasbank Genel Müdürlüğü No:6, İstanbul

Telephone of the Bank : (0 212) 315 25 25

Fax of the Bank : (0 212) 315 25 26

Web site of the Bank : www.takasbank.com.tr

E-mail for correspondence : rap@takasbank.com.tr

The unconsolidated year end financial report includes the following sections in accordance with the Communiqué on Financial Statements and Related Explanations 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
- INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK
- EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS
- OTHER EXPLANATIONS AND NOTES
- INDEPENDENT AUDITOR'S REPORT

The accompanying year end unconsolidated financial statements and notes to these financial statements which are expressed, unless otherwise stated, in thousands of Turkish Lira ("TL"), have been prepared and presented based on the accounting books of the Bank in accordance with the Regulation on Accounting Applications for Banks and Safeguarding of Documents, Turkish Accounting Standards, Turkish Financial Reporting Standards, and related appendices and interpretations of these, and have been audited.

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Tuncay Dinç  
Chairman of the Management  
Board

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Serdar **Satoğlu**  
Chairman of Audit  
Committee

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**Selim İnce**  
Member of Audit Committee

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Murat Ulus  
General Manager

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Cengiz Özübek  
Vice General Manager

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Murat Görgün  
Manager

Contact information of the personnel in charge of the addressing of questions about this financial report:

Name-Surname/Title : Arzu Hoplamaz / Assistant Manager  
Telephone Number : (0 212) 315 22 28  
Fax Number : (0 212) 315 22 34

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**İSTANBUL TAKAS VE SAKLAMA BANKASI A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2015**

(Amounts are expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

**SECTION ONE**

**GENERAL INFORMATION**

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

The Bank was originally set up as a department of the Borsa İstanbul A.Ş. ("BİAŞ") (formerly "İstanbul Menkul Kıymetler Borsası") and reorganized under a separate company named İMKB Takas ve Saklama A.Ş. (ISE Settlement and Custody Company Inc.) on 12 July 1991, was transformed into a non-deposit taking bank on 8 August 1995 with the name İMKB Takas ve Saklama Bankası A.Ş. (ISE Settlement and Custody Bank Inc.), as published in the Official Gazette dated 23 March 1995 with the decision of the Council of Ministers No. 95/6551. According to the decision made in 18th Ordinary Meeting of the Bank General Assembly dated 29 March 2013, title of the Bank has been changed into İstanbul Takas ve Saklama Bankası A.Ş. (Here in after referred to as "Takasbank" or the "Bank") and this title change was approved in 11 April 2013.

**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:**

As of 31 December 2015 and 31 December 2014 the shareholders' structure and their respective ownerships are summarized as follows:

No	Name of Shareholders	Current Period			Prior Period		
		Paid in Capital	%	Number	Paid in Capital	%	Number
1	Borsa İstanbul A.Ş.	373.515	62,25	1	373.515	62,25	1
2	Phillip Capital Menkul Değerler A.Ş.	27.750	4,63	1	27.000	4,50	1
3	Tacirler Menkul Değerler A.Ş.	27.750	4,63	1	27.000	4,50	1
4	Yapı Kredi Yatırım Menkul Değerler A.Ş.	26.280	4,38	1	26.235	4,37	1
5	T. Garanti Bankası A.Ş.	26.235	4,37	1	26.235	4,37	1
6	Türkiye İş Bankası A.Ş.	26.235	4,37	1	26.235	4,37	1
7	Türkiye Vakıflar Bankası T.A.O.	26.235	4,37	1	26.235	4,37	1
8	Other (Brokerage house)	38.029	6,34	37	39.574	6,60	38
9	Other (Bank)	27.971	4,66	10	27.971	4,67	10
	<b>Total</b>	<b>600.000</b>	<b>100,00</b>		<b>600.000</b>	<b>100,00</b>	

62,25% of the Bank's shares are owned by BİAŞ. Capital Markets Board Law no. 6362 went into force after being in published in the Official Gazette dated December 30, 2012. Pursuant to article 138 of the Law, Borsa İstanbul A.Ş. was founded on the same date, for the purpose of serving as a securities exchange. In accordance with the provisions of the Law and the related legislation, to ensure that capital markets instruments, foreign currencies, precious metals and gems, and other contracts, documents, and assets approved by the Capital Markets Board of Turkey are traded subject to free trade conditions in a facile and secure manner, in a transparent, efficient, competitive, fair and stable environment; to create, establish and develop markets, sub-markets, platforms, systems and other organized market places for the purpose of matching or facilitating the matching of the buy and sell orders for the above mentioned assets and to determine and announce the discovered prices; to manage and/or operate the aforementioned or other exchanges or markets of other exchanges; and to carry out the other activities listed in its Articles of Association." Established on the basis of Capital Markets Law no. 6362, Borsa İstanbul is a internal entity under private law. BİAŞ is a self-regulatory entity.

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**İSTANBUL TAKAS VE SAKLAMA BANKASI A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2015**

(Amounts are expressed in thousands of Turkish Lira (“TL”) unless otherwise stated.)

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**GENERAL INFORMATION (Continued)**

The changes in shareholders in the current period are shown below:

<b>Old Shareholder</b>	<b>New Shareholder</b>	<b>Cost of Share</b>	<b>Ratio (%)</b>	<b>Description</b>
Güven Menkul Değerler A.Ş.	Tacirler Menkul Değerler A.Ş.	750	0,0012	Devir
Güven Menkul Değerler A.Ş.	Phillip Capital Menkul Değerler A.Ş.	750	0,0012	Devir

*Dividend payment:*

In accordance with the Ordinary General Meeting dated 27 March 2015, dividend amounting to TL 60.000 has been paid to shareholders and TL 4.549 to employees at 3 April 2015.



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**İSTANBUL TAKAS VE SAKLAMA BANKASI A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2015**

(Amounts are expressed in thousands of Turkish Lira (“TL”) unless otherwise stated.)

**GENERAL INFORMATION (Continued)**

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

**Chairman and Members of the Board of Directors**

Adı Soyadı	Sorumlu Olduğu Alan	Öğrenim Durumu
Tuncay Dinç	President	Boğaziçi U. - İİBF. – Business Administration / Graduate İstanbul U. - Social Science Faculty Labour Economics/Master
Birol Aydemir	Member (Vice President and President of Corporate Management Committee)	Ankara Ü. - Political Sciences Fac.- Department of Public Finance (Master)
Ali Şir Yardım(*)	Corporate Management Committee Member	ODTU – Department of Economics/ Graduate
Selim İnce(*)	Member (Audit Committee Member, Credit Committee Associate Member, Corporate Management Committee Member)	Marmara Unv. Fac. of Eco. and Ad. Sciences - Business Administration/ Grad. Marmara Unv. - Social Science Fac.-BA - Accounting Finance (With Thesis)
Dr. Serdar Satoğlu	Member (President of Audit Committee)	Ankara U. - Political Sciences Fac.- Finance / Graduate Marmara U. - School of Banking and Insurance/Master Marmara U. - School of Banking and Insurance/PhD
Güzide Meltem Kökden	Member (Credit Committee Permanent Member)	Ankara Unv. - Political Sciences Fac. - International Relations /Grad. Ankara Unv - Institute of Social Sciences - European Communities Law / Master
Mustafa İleri	Member (Credit Committee Associate Member)	İstanbul U. – Business Administration / Graduate İstanbul U. - Faculty of Management Business Finance / Master
Ekrem Kerem Korur	Member (Credit Committee Permanent Member)	İstanbul Unv. - Department of Economics / Economics Graduate
Murat Ulus	General Manager and Member (President of Credit Committee )	Ankara U. - Political Sciences Fac. Department of Labour Economics and Industrial Relations/ Graduate Boston University - Financial Economy / Master

President Dr. M. İbrahim Turhan has resigned from his job on 10 February 2015.

20th General Assembly Meeting held on 27 March 2015 ; Osman Akyüz, Birol Aydemir, Ali Şir Yardım, Selim İnce, Mustafa İleri, Ekrem Kerem Korur, Güzide Meltem Kökden ve Serdar Satoğlu are chosen to board membership for 3 years. Serhad Satoğlu ve Reşat Karabıyık left from board membership because of time period.

Board member Osman Akyüz has resigned from Board Membership. In accordance with decision taken in April 10<sup>th</sup> 2015 and 282 no. meeting, Tuncay Dinç is selected to new membership and he was elected president of the board of directors.

(\*) Ali Şir Yardım has resigned from Audit Committee Member on 22 December 2015. By the decision of the board of Directors dated 30 December 2015, Ali Şir Yardım was appointed as a Corporate Management Committee Member and Selim İnce was appointed as a Audit Committee Member.

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**İSTANBUL TAKAS VE SAKLAMA BANKASI A.Ş.  
UNCONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)  
AT 31 DECEMBER 2015**

(Amounts are expressed in thousands of Turkish Lira (“TL”) unless otherwise stated.)

**GENERAL INFORMATION (Continued)**

**Members of Statutory Audit Board**

**General Manager and Assistant General Managers**

<b>Name Surname</b>	<b>Position</b>	<b>Education</b>
Murat Ulus	General Manager and Member of Board of Directors (President of Credit Committee)	Ankara U. - Political Sciences Fac.- Department of labour economics and industrial relations / Graduate
Dr. Sezai Bekgöz	Operations Department	Boston University - Financial Economy / Master degree
Dr. Cengiz Özübek	Support Services Department	ODTÜ- Faculty of Economic and Administrative Sciences-/ Business Adm./ Grad. Marmara Unv- School of Banking and Insurance/Master.-Capital Market and Stock Market /Master Marmara Üniv.- School of Banking and Insurance Banking / PhD
Galip Karagöz	Information Technologies Department	Boğaziçi Üniv - Faculty of Engineering / Computer Engineering

**IV. Information on the Bank’s Qualified Shareholders**

Shareholding in the Bank’s shares, except BİAŞ, does not exceed 5% as stated in the Articles of Association of the Bank. 62,25% of the Bank belongs to ISE. The Bank has nominal TL 200 preferred shares as of 31 December 2015 (31 December 2014: TL 200). The preferred shares belonging to ISE, provides the shareholder to be represented with more members in the Board of Directors.

<b>Name-Surname/Business Name</b>	<b>Share Amount</b>	<b>Share Proportions</b>	<b>Paid-in Shares</b>	<b>Unpaid Shares</b>
BİAŞ	373.515	62,25	373.515	-

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**İSTANBUL TAKAS VE SAKLAMA BANKASI A.Ş.  
UNCONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)  
AT 31 DECEMBER 2015**

(Amounts are expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

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**GENERAL INFORMATION (Continued)**

**V. Information on the Bank's function and areas of activity:**

The main purpose of the Bank is to increase our country's market competitiveness by providing settlement and custody services, providing financial services, and performing all types of economic activities within the scope of the relevant legislation.

The areas of activity that are specified in the Bank's Articles of Association, in general, are as follows:

- Providing all financial services, and primarily central bartering services and central counterparty services, activity of settlement and custody, market management, establishing and making payments, transfer and reconciliation systems, and banking activities;
- Financial services related to international markets including all kinds of payments, transfers, settlements, custody, and reconciliation services;
- Performing judiciary activities and signing all agreements related to its subject, signing written contracts, notes, and miscellaneous notes, acquiring all kinds of rights and receivables and binding debts;
- Purchasing, manufacturing, constructing, acquiring in other ways, renting, partially or completely, selling when necessary, transferring and leasing, and establishing all kinds of real rights on moveable and immoveable goods or removing all kinds of moveable and immoveable goods as well as all kinds of rights associated with them;
- All kinds of loaning and borrowing required by its activities, in line with corporate management principles as determined by banking and capital market legislation, as well as providing and obtaining personal in cash or in kind guarantees such as sureties, pledges, mortgages, and enterprise pledges in its favour or in favour of others, and transferring or cancelling these;
- Issuing all kinds of capital market instruments within the scope of capital market regulations; and becoming a member of current partnerships.

**VI. A short explanation of the differences between the "Communiqué on Preparation Of Consolidated Financial Statements Of Banks" and consolidation transactions made in line with Turkish Accounting Standards, and on establishments that are subjected to full or proportional consolidation, deducted from equity or establishments that are not subjected to these three methods.**

None.

**VII. Current or likely actual or legal barriers to immediate transfer of equity or repayment of debts between parent bank and its subsidiaries**

None.

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**İSTANBUL TAKAS VE SAKLAMA BANKASI A.Ş.  
UNCONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)  
AT 31 DECEMBER 2015**

(Amounts are expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

**SECTION TWO**

**UNCONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)**

**I. BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)**

	Note (Section Five)	Current Period 31/12/2015			Prior Period 31/12/2014		
		TL	FC	Total	TL	FC	Total
<b>I. CASH AND BALANCES WITH CENTRAL BANK</b>	I-(1)	55	-	55	54	-	54
<b>II. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Net)</b>	I-(2)	4.396	-	4.396	1.256	-	1.256
2.1 Financial Assets held for trading		4.396	-	4.396	1.256	-	1.256
2.1.1 Government Debt Securities		4.396	-	4.396	1.256	-	1.256
2.1.2 Share Certificates		-	-	-	-	-	-
2.1.3 Trading Derivative Financial Assets		-	-	-	-	-	-
2.1.4 Other Marketable Securities		-	-	-	-	-	-
2.2 Financial Assets Designated at Fair Value through Profit or Loss		-	-	-	-	-	-
2.2.1 Government Debt Securities		-	-	-	-	-	-
2.2.2 Share Certificates		-	-	-	-	-	-
2.2.3 Loans		-	-	-	-	-	-
2.2.4 Other Marketable Securities		-	-	-	-	-	-
<b>III. BANKS</b>	I-(3)	4.012.918	2.585.786	6.598.704	3.228.643	1.842.135	5.070.778
<b>IV. MONEY MARKETS</b>	I-(3)	18.881	-	18.881	24.786	-	24.786
4.1 Interbank Money Market Placements		-	-	-	-	-	-
4.2 Receivables from Istanbul Stock Exchange Money Market		-	-	-	-	-	-
4.3 Receivables from Reverse Repurchase Agreements		18.881	-	18.881	24.786	-	24.786
<b>V. AVAILABLE-FOR-SALE FINANCIAL ASSETS (Net)</b>	I-(4)	1.171	465	1.636	1.171	326	1.497
5.1 Share Certificates		1.171	465	1.636	1.171	326	1.497
5.2 Government Debt Securities		-	-	-	-	-	-
5.3 Other Marketable Securities		-	-	-	-	-	-
<b>VI. LOANS</b>	I-(5)	172.112	-	172.112	169.177	-	169.177
6.1 Loans		172.112	-	172.112	169.177	-	169.177
6.1.1 Loans to Bank's Risk Group		141.553	-	141.553	92.124	-	92.124
6.1.2 Government Debt Securities		-	-	-	-	-	-
6.1.3 Other		30.559	-	30.559	77.053	-	77.053
6.2 Loans under Follow-up		1.574	-	1.574	1.637	-	1.637
6.3 Specific Provisions (-)		1.574	-	1.574	1.637	-	1.637
<b>VII. FACTORING RECEIVABLES</b>		-	-	-	-	-	-
<b>VIII. HELD-TO-MATURITY SECURITIES (Net)</b>	I-(6)	180.085	-	180.085	168.467	-	168.467
8.1 Government Debt Securities		180.085	-	180.085	168.467	-	168.467
8.2 Other Marketable Securities		-	-	-	-	-	-
<b>IX. INVESTMENTS IN ASSOCIATES (Net)</b>	I-(7)	-	-	-	-	-	-
9.1 Consolidated Based on Equity Method		-	-	-	-	-	-
9.2 Unconsolidated		-	-	-	-	-	-
9.2.1 Financial Investments in Associates		-	-	-	-	-	-
9.2.2 Non-financial Investments in Associates		-	-	-	-	-	-
<b>X. SUBSIDIARIES (Net)</b>	I-(8)	4.825	-	4.825	4.825	-	4.825
10.1 Unconsolidated Financial Subsidiaries		4.825	-	4.825	4.825	-	4.825
10.2 Unconsolidated Non-Financial Subsidiaries		-	-	-	-	-	-
<b>XI. ENTITIES UNDER COMMON CONTROL (JOINT VENTURES) (NET) (Net)</b>	I-(9)	-	-	-	-	-	-
11.1 Consolidated Based on Equity Method		-	-	-	-	-	-
11.2 Unconsolidated		-	-	-	-	-	-
11.2.1 Financial Joint Ventures		-	-	-	-	-	-
11.2.2 Non-financial Joint Ventures		-	-	-	-	-	-
<b>XII. LEASE RECEIVABLES (Net)</b>	I-(10)	-	-	-	-	-	-
12.1 Financial Lease Receivables		-	-	-	-	-	-
12.2 Operational Lease Receivables		-	-	-	-	-	-
12.3 Other		-	-	-	-	-	-
12.4 Unearned Income (-)		-	-	-	-	-	-
<b>XIII. DERIVATIVE FINANCIAL ASSETS FOR HEDGING PURPOSES</b>	I-(11)	-	-	-	-	-	-
13.1 Fair Value Hedge		-	-	-	-	-	-
13.2 Cash Flow Hedge		-	-	-	-	-	-
13.3 Foreign Net Investment Hedge		-	-	-	-	-	-
<b>XIV. PROPERTY AND EQUIPMENT (Net)</b>	I-(12)	16.083	-	16.083	17.115	-	17.115
<b>XV. INTANGIBLE ASSETS (Net)</b>	I-(13)	80.895	-	80.895	1.423	-	1.423
15.1 Goodwill		-	-	-	-	-	-
15.2 Other		80.895	-	80.895	1.423	-	1.423
<b>XVI. INVESTMENT PROPERTY (Net)</b>	I-(14)	-	-	-	-	-	-
<b>XVII. TAX ASSET</b>	I-(15)	2.629	-	2.629	4.013	-	4.013
17.1 Current Tax Asset		-	-	-	-	-	-
17.2 Deferred Tax Asset		2.629	-	2.629	4.013	-	4.013
<b>XVIII. ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (Net)</b>	I-(16)	-	-	-	-	-	-
18.1 Held for Sale		-	-	-	-	-	-
18.2 Discontinued Operations		-	-	-	-	-	-
<b>XIX. OTHER ASSETS</b>	I-(17)	11.742	395	12.137	32.212	20	32.232
<b>TOTAL ASSETS</b>		<b>4.505.792</b>	<b>2.586.646</b>	<b>7.092.438</b>	<b>3.653.142</b>	<b>1.842.481</b>	<b>5.495.623</b>

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

**CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED  
UNCONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED  
IN TURKISH, SEE NOTE I OF SECTION THREE**

**İSTANBUL TAKAS VE SAKLAMA BANKASI A.Ş.  
UNCONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)  
AT 31 DECEMBER 2015**

(Amounts are expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

**I. BALANCE SHEET (STATEMENT OF FINANCIAL POSITION) (Continued)**

	Note (Section Five)	Current Period 31/12/2015			Prior Period 31/12/2014		
		TL	FC	Total	TL	FC	Total
<b>I. DEPOSITS</b>	II-(1)	-	-	-	-	-	-
1.1 Deposits of Bank's Risk Group		-	-	-	-	-	-
1.2 Other		-	-	-	-	-	-
<b>II. DERIVATIVE FINANCIAL LIABILITIES HELD FOR TRADING</b>	II-(2)	-	-	-	-	-	-
<b>III. FUNDS BORROWED</b>	II-(3)	812.393	1.600.930	2.413.323	478.356	1.293.920	1.772.276
<b>IV. MONEY MARKETS</b>		-	-	-	-	-	-
4.1 Funds from Interbank Money Market		-	-	-	-	-	-
4.2 Funds from Istanbul Stock Exchange Money Market		-	-	-	-	-	-
4.3 Funds Provided Under Repurchase Agreements		-	-	-	-	-	-
<b>V. MARKETABLE SECURITIES ISSUED (Net)</b>	II-(4)	-	-	-	-	-	-
5.1 Bills		-	-	-	-	-	-
5.2 Asset Backed Securities		-	-	-	-	-	-
5.3 Bonds		-	-	-	-	-	-
<b>VI. FUNDS</b>		-	-	-	-	-	-
6.1 Borrower Funds		-	-	-	-	-	-
6.2 Other		-	-	-	-	-	-
<b>VII. MISCELLANEOUS PAYABLES</b>	II-(5)	2.621.184	982.514	3.603.698	2.243.636	544.873	2.788.509
<b>VIII. OTHER LIABILITIES</b>	II-(5)	104.778	78	104.856	79.238	1	79.239
<b>IX. FACTORING PAYABLES</b>		-	-	-	-	-	-
<b>X. LEASE PAYABLES (Net)</b>	II-(6)	-	-	-	-	-	-
10.1 Financial Lease Payables		-	-	-	-	-	-
10.2 Operational Lease Payables		-	-	-	-	-	-
10.3 Other		-	-	-	-	-	-
10.4 Deferred Financial Lease Expenses (-)		-	-	-	-	-	-
<b>XI. HEDGING DERIVATIVE FINANCIAL LIABILITIES</b>	II-(7)	-	-	-	-	-	-
11.1 Fair Value Hedge		-	-	-	-	-	-
11.2 Cash Flow Hedge		-	-	-	-	-	-
11.3 Foreign Net Investment Hedge		-	-	-	-	-	-
<b>XII. PROVISIONS</b>	II-(8)	44.510	-	44.510	43.971	-	43.971
12.1 General Loan Loss Provision		21.686	-	21.686	23.985	-	23.985
12.2 Restructuring Provisions		-	-	-	-	-	-
12.3 Reserve for Employee Rights		13.342	-	13.342	10.915	-	10.915
12.4 Insurance Technical Provisions (Net)		-	-	-	-	-	-
12.5 Other Provisions		9.482	-	9.482	9.071	-	9.071
<b>XIII. TAX LIABILITY</b>	II-(9)	15.025	-	15.025	11.384	-	11.384
13.1 Current Tax Liability		15.025	-	15.025	11.384	-	11.384
13.2 Deferred Tax Liability		-	-	-	-	-	-
<b>XIV. PAYABLES FOR ASSET HELD FOR SALE AND DISCONTINUED OPERATIONS</b>	II-(10)	-	-	-	-	-	-
14.1 Held for Sale		-	-	-	-	-	-
14.2 Discontinued Operations		-	-	-	-	-	-
<b>XV. SUBORDINATED LOANS</b>	II-(11)	-	-	-	-	-	-
<b>XVI. SHAREHOLDERS' EQUITY</b>	II-(12)	911.026	-	911.026	800.244	-	800.244
16.1 Paid-in Capital		600.000	-	600.000	600.000	-	600.000
16.2 Capital Reserves		37.107	-	37.107	37.107	-	37.107
16.2.1 Share Premium		33.019	-	33.019	33.019	-	33.019
16.2.2 Share Cancellation Profits		-	-	-	-	-	-
16.2.3 Marketable Securities Valuation Reserve		-	-	-	-	-	-
16.2.4 Tangible Assets Revaluation Reserve		-	-	-	-	-	-
16.2.5 Intangible Assets Revaluation Reserve		-	-	-	-	-	-
16.2.6 Investment Property Revaluation Reserve		-	-	-	-	-	-
16.2.7 Bonus Shares Obtained from Investments in Associates, Subsidiaries and Joint Ventures		-	-	-	-	-	-
16.2.8 Hedging Reserves (Effective portion)		-	-	-	-	-	-
16.2.9 Value Differences of Assets Held for Sale and Discontinued Operations		-	-	-	-	-	-
16.2.10 Other Capital Reserves		4.088	-	4.088	4.088	-	4.088
16.3 Profit Reserves		95.781	-	95.781	39.206	-	39.206
16.3.1 Legal Reserves	II-(12)	37.338	-	37.338	27.857	-	27.857
16.3.2 Status Reserves		-	-	-	-	-	-
16.3.3 Extraordinary Reserves	II-(12)	56.886	-	56.886	9.531	-	9.531
16.3.4 Other Profit Reserves	II-(13)	1.557	-	1.557	1.818	-	1.818
16.4 Income or (Loss)		178.138	-	178.138	123.931	-	123.931
16.4.1 Prior Years' Income/ (Loss)		3.410	-	3.410	2.439	-	2.439
16.4.2 Current Year Income/ (Loss)		174.728	-	174.728	121.492	-	121.492
16.5 Minority Shares	II-(14)	-	-	-	-	-	-
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>4.508.916</b>	<b>2.583.522</b>	<b>7.092.438</b>	<b>3.656.829</b>	<b>1.838.794</b>	<b>5.495.623</b>

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

**CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED  
UNCONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED  
IN TURKISH, SEE NOTE I OF SECTION THREE**

**İSTANBUL TAKAS VE SAKLAMA BANKASI A.Ş.**

**UNCONSOLIDATED OFF-BALANCE SHEET COMMITMENTS AT 31 DECEMBER 2015**

(Amounts are expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

**II. OFF-BALANCE SHEET**

	Note (Section Five)	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>5.858.321</b>	<b>523</b>	<b>5.858.844</b>	<b>6.639.126</b>	<b>38.171</b>	<b>6.677.297</b>
<b>I. GUARANTEES AND WARRANTIES</b>	III-(1)	<b>5.628.740</b>	-	<b>5.628.740</b>	<b>6.425.023</b>	-	<b>6.425.023</b>
1.1. Letters of Guarantee		-	-	-	-	-	-
1.1.1. Guarantees Subject to State Tender Law		-	-	-	-	-	-
1.1.2. Guarantees Given for Foreign Trade Operations		-	-	-	-	-	-
1.1.3. Other Letters of Guarantee		-	-	-	-	-	-
1.2. Bank Acceptances		-	-	-	-	-	-
1.2.1. Import Letter of Acceptance		-	-	-	-	-	-
1.2.2. Other Bank Acceptances		-	-	-	-	-	-
1.3. Letters of Credit		-	-	-	-	-	-
1.3.1. Documentary Letters of Credit		-	-	-	-	-	-
1.3.2. Other Letters of Credit		-	-	-	-	-	-
1.4. Prefinancing Given as Guarantee		-	-	-	-	-	-
1.5. Endorsements		-	-	-	-	-	-
1.5.1. Endorsements to the Central Bank of the Republic of Turkey		-	-	-	-	-	-
1.5.2. Other Endorsements		-	-	-	-	-	-
1.6. Securities Issue Purchase Guarantees		-	-	-	-	-	-
1.7. Factoring Guarantees		-	-	-	-	-	-
1.8. Other Guarantees		5.628.740	-	5.628.740	6.425.023	-	6.425.023
1.9. Other Collaterals		-	-	-	-	-	-
<b>II. COMMITMENTS</b>		<b>229.581</b>	<b>523</b>	<b>230.104</b>	<b>214.103</b>	<b>38.171</b>	<b>252.274</b>
2.1. Irrevocable Commitments		229.581	-	229.581	214.103	-	214.103
2.1.1. Asset Purchase and Sales Commitments		-	-	-	-	-	-
2.1.2. Deposit Purchase and Sales Commitments		-	-	-	-	-	-
2.1.3. Share Capital Commitments to Associates and Subsidiaries		-	-	-	-	-	-
2.1.4. Commitments for Loan Limits		-	-	-	-	-	-
2.1.5. Securities Issue Brokerage Commitments		-	-	-	-	-	-
2.1.6. Commitments for Reserve Deposit Requirements		-	-	-	-	-	-
2.1.7. Commitments for Cheques		-	-	-	-	-	-
2.1.8. Tax and Fund Liabilities from Export Commitments		-	-	-	-	-	-
2.1.9. Commitments for Credit Card Limits		-	-	-	-	-	-
2.1.10. Promotion Commitments for Credit Cards and Banking Services		-	-	-	-	-	-
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		229.581	-	229.581	214.103	-	214.103
2.2. Revocable Commitments		-	523	523	-	38.171	38.171
2.2.1. Revocable Commitments for Loan Limits		-	-	-	-	-	-
2.2.2. Other Revocable Commitments		-	523	523	-	38.171	38.171
<b>III. DERIVATIVE FINANCIAL INSTRUMENTS</b>		-	-	-	-	-	-
3.1. Hedging Derivative Financial Instruments		-	-	-	-	-	-
3.1.1. Transactions for Fair Value Hedge		-	-	-	-	-	-
3.1.2. Transactions for Cash Flow Hedge		-	-	-	-	-	-
3.1.3. Transactions for Foreign Net Investment Hedge		-	-	-	-	-	-
3.2. Trading Derivative Financial Instruments		-	-	-	-	-	-
3.2.1. Forward Foreign Currency Buy/Sell Transactions		-	-	-	-	-	-
3.2.1.1. Forward Foreign Currency Transactions-Buy		-	-	-	-	-	-
3.2.1.2. Forward Foreign Currency Transactions-Sell		-	-	-	-	-	-
3.2.2. Swap Transactions Related to Foreign Currency and Interest Rates		-	-	-	-	-	-
3.2.2.1. Foreign Currency Swap-Buy		-	-	-	-	-	-
3.2.2.2. Foreign Currency Swap-Sell		-	-	-	-	-	-
3.2.2.3. Interest Rate Swap-Buy		-	-	-	-	-	-
3.2.2.4. Interest Rate Swap-Sell		-	-	-	-	-	-
3.2.3. Foreign Currency, Interest rate and Securities Options		-	-	-	-	-	-
3.2.3.1. Foreign currency call options		-	-	-	-	-	-
3.2.3.2. Foreign currency put options		-	-	-	-	-	-
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		-	-	-	-	-	-
3.3. Other		-	-	-	-	-	-
<b>B. CUSTODY AND PLEDGES RECEIVED (IV+V+VI)</b>		<b>2.003.719.506</b>	<b>1.032.736</b>	<b>2.004.752.242</b>	<b>1.462.104.175</b>	<b>1.126.719</b>	<b>1.463.230.894</b>
<b>IV. ITEMS HELD IN CUSTODY</b>		<b>1.989.411.706</b>	-	<b>1.989.411.706</b>	<b>1.446.803.089</b>	-	<b>1.446.803.089</b>
4.1. Customer Fund and Portfolio Balances		8	-	8	8	-	8
4.2. Investment Securities Held in Custody	III-(1)	1.989.410.198	-	1.989.410.198	1.446.801.581	-	1.446.801.581
4.3. Cheques Received for Collection		-	-	-	-	-	-
4.4. Commercial Notes Received for Collection		-	-	-	-	-	-
4.5. Other Assets Received for Collection		-	-	-	-	-	-
4.6. Assets Received for Public Offering		-	-	-	-	-	-
4.7. Other Items Under Custody		1.500	-	1.500	1.500	-	1.500
4.8. Custodians		-	-	-	-	-	-
<b>V. PLEDGES RECEIVED</b>		<b>14.307.800</b>	<b>1.032.736</b>	<b>15.340.536</b>	<b>15.301.086</b>	<b>1.126.719</b>	<b>16.427.805</b>
5.1. Marketable Securities		7.561.925	1.032.736	8.594.661	7.796.624	1.126.719	8.923.343
5.2. Guarantee Notes		-	-	-	-	-	-
5.3. Commodity		-	-	-	-	-	-
5.4. Warranty		-	-	-	-	-	-
5.5. Real Estate		-	-	-	-	-	-
5.6. Other Pledged Items		6.745.875	-	6.745.875	7.504.462	-	7.504.462
5.7. Pledged Items-Depository		-	-	-	-	-	-
<b>VI. ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES</b>		-	-	-	-	-	-
<b>TOTAL OFF-BALANCE SHEET COMMITMENTS (A+B)</b>		<b>2.009.577.827</b>	<b>1.033.259</b>	<b>2.010.611.086</b>	<b>1.468.743.301</b>	<b>1.164.890</b>	<b>1.469.908.191</b>

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

**CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED  
UNCONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED  
IN TURKISH, SEE NOTE I OF SECTION THREE**

**İSTANBUL TAKAS VE SAKLAMA BANKASI A.Ş.  
UNCONSOLIDATED INCOME STATEMENT  
FOR THE PERIODS ENDED 31 DECEMBER 2015**

(Amounts are expressed in thousands of Turkish Lira (“TL”) unless otherwise stated.)

**III. INCOME STATEMENT**

	Note (Section Five)	Current Period 01/01-31/12/2015	Prior Period 01/01-31/12/2014
<b>I. INTEREST INCOME</b>	IV-(1)	<b>233.635</b>	<b>179.323</b>
1.1 Interest on Loans		9.108	8.489
1.2 Interest Received from Reserve Requirements		-	-
1.3 Interest Received from Banks		208.140	146.563
1.4 Interest Received from Money Market Transactions		-	-
1.5 Interest Received from Marketable Securities Portfolio		16.228	24.158
1.5.1 Financial Assets Held for Trading		-	-
1.5.2 Financial Assets at Fair Value through Profit or Loss		-	114
1.5.3 Available-for-sale Financial Assets		-	-
1.5.4 Investments Held-to-maturity		16.228	24.044
1.6 Financial Lease Income		-	-
1.7 Other Interest Income		159	113
<b>II. INTEREST EXPENSE (-)</b>	IV-(2)	<b>39.350</b>	<b>40.076</b>
2.1 Interest on Deposits (-)		-	-
2.2 Interest on Funds Borrowed (-)		39.350	40.076
2.3 Interest on Money Market Borrowings (-)		-	-
2.4 Interest on Securities Issued (-)		-	-
2.5 Other Interest Expenses (-)		-	-
<b>III. NET INTEREST INCOME (I - II)</b>		<b>194.285</b>	<b>139.247</b>
<b>IV. NET FEES AND COMMISSIONS INCOME/EXPENSE</b>		<b>87.070</b>	<b>73.165</b>
4.1 Fees and Commissions Received		94.924	78.492
4.1.1 Non-cash Loans		16.837	16.932
4.1.2 Other	IV-(11)	78.087	61.560
4.2 Fees and Commissions Paid (-)	IV-(12)	7.854	5.327
4.2.1 Non-cash Loans (-)		-	-
4.2.2 Other (-)		7.854	5.327
<b>V. DIVIDEND INCOME</b>	IV-(3)	<b>6.179</b>	<b>6.166</b>
<b>VI. TRADING INCOME/(LOSS) (Net)</b>	IV-(4)	<b>1.122</b>	<b>320</b>
6.1 Securities trading gains / losses		2	270
6.2 Securities Trading Gains/(Losses) on Derivative Financial Instruments		-	-
6.3 Foreign Exchange Gains/(Losses)		1.120	50
<b>VII. OTHER OPERATING INCOME</b>	IV-(5),(11)	<b>2.884</b>	<b>241</b>
<b>VIII. TOTAL OPERATING INCOME (III+IV+V+VI+VII)</b>		<b>291.540</b>	<b>219.139</b>
<b>IX. PROVISION FOR LOAN LOSSES AND OTHER RECEIVABLES (-)</b>	IV-(6)	<b>265</b>	<b>1.005</b>
<b>X. OTHER OPERATING EXPENSES (-)</b>	IV-(7)	<b>74.857</b>	<b>67.587</b>
<b>XI. NET OPERATING INCOME/(LOSS) (VIII-IX-X)</b>		<b>216.418</b>	<b>150.547</b>
<b>XII. EXCESS AMOUNT RECORDED AS INCOME AFTER MERGER</b>		-	-
<b>XIII. INCOME/(LOSS) FROM INVESTMENTS IN SUBSIDIARIES CONSOLIDATED BASED ON EQUITY METHOD</b>		-	-
<b>XIV. INCOME/(LOSS) ON NET MONETARY POSITION</b>		-	-
<b>XV. INCOME/(LOSS) FROM CONTINUING OPERATIONS BEFORE TAX (XI+...+XIV)</b>		<b>216.418</b>	<b>150.547</b>
<b>XVI. TAX PROVISION FOR CONTINUING OPERATIONS (-)</b>	IV-(8)	<b>(41.690)</b>	<b>(29.055)</b>
16.1 Current Tax Provision		(40.241)	(30.026)
16.2 Deferred Tax Provision		(1.449)	971
<b>XVII. NET INCOME/(LOSS) FROM CONTINUING OPERATIONS (XV-XVI)</b>	IV-(9)	<b>174.728</b>	<b>121.492</b>
<b>XVIII. INCOME FROM DISCONTINUED OPERATIONS</b>		-	-
18.1 Income from Non-Current Assets Held for Sale		-	-
18.2 Sale Income from Associates, Subsidiaries and Joint Ventures		-	-
18.3 Other Income from Discontinued Operations		-	-
<b>XIX. EXPENSES FROM DISCONTINUED OPERATIONS (-)</b>		-	-
19.1 Expense from Non-Current Assets Held for Sale		-	-
19.2 Sale Losses from Associates, Subsidiaries and Joint Ventures		-	-
19.3 Other Expenses from Discontinued Operations		-	-
<b>XX. INCOME/(LOSS) FROM DISCONTINUED OPERATIONS BEFORE TAX (XVIII- XIX)</b>		-	-
<b>XXI. TAX PROVISION FOR DISCONTINUED OPERATIONS (-)</b>		-	-
21.1 Current tax provision		-	-
21.2 Deferred tax provision		-	-
<b>XXII. NET INCOME/(LOSS) FROM DISCONTINUED OPERATIONS (XX-XXI)</b>		-	-
<b>XXIII. NET INCOME/(LOSS) (XVII+XXII)</b>	IV-(9)	<b>174.728</b>	<b>121.492</b>
Earnings/(Loss) per share		<b>0,29121</b>	<b>0,21244</b>

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

**CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED  
UNCONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED  
IN TURKISH, SEE NOTE I OF SECTION THREE**

**İSTANBUL TAKAS VE SAKLAMA BANKASI A.Ş.  
UNCONSOLIDATED STATEMENT OF INCOME AND EXPENSE ITEMS ACCOUNTED  
IN EQUITY FOR THE PERIOD ENDED 31 DECEMBER 2015**

(Amounts are expressed in thousands of Turkish Lira (“TL”) unless otherwise stated.)

**IV. STATEMENT OF INCOME AND EXPENSE ITEMS ACCOUNTED IN EQUITY**

<b>INCOME AND EXPENSE ITEMS ACCOUNTED IN EQUITY</b>		<b>Current Period</b>	<b>Prior Period</b>
		<b>01/01-31/12/2015</b>	<b>01/01-31/12/2014</b>
<b>I.</b>	<b>ADDITIONS TO THE MARKETABLE SECURITIES VALUATION RESERVE FROM THE AVAILABLE FOR SALE FINANCIAL ASSETS</b>	-	-
<b>II.</b>	<b>REVALUATION DIFFERENCES OF TANGIBLE ASSETS</b>	-	-
<b>III.</b>	<b>REVALUATION DIFFERENCES OF INTANGIBLE ASSETS</b>	-	-
<b>IV.</b>	<b>FOREIGN EXCHANGE TRANSLATION DIFFERENCES FOR FOREIGN CURRENCY TRANSACTIONS</b>	-	-
<b>V.</b>	<b>INCOME/LOSS ON CASH FLOW HEDGE DERIVATIVE FINANCIAL ASSETS (Effective Part of Fair Value Changes)</b>	-	-
<b>VI.</b>	<b>PROFIT/LOSS FROM FOREIGN INVESTMENT HEDGE DERIVATIVE FINANCIAL ASSETS (Effective Part of Fair Value Changes)</b>	-	-
<b>VII.</b>	<b>EFFECTS OF CHANGES IN ACCOUNTING POLICY AND ERROR</b>	-	-
<b>VIII.</b>	<b>OTHER INCOME AND EXPENSE ITEMS ACCOUNTED IN EQUITY ACCORDING TO TAS</b>	(326)	(1.814)
<b>IX.</b>	<b>DEFERRED TAX ON VALUATION DIFFERENCES</b>	65	363
<b>X.</b>	<b>NET INCOME/LOSS ACCOUNTED DIRECTLY IN EQUITY (I+II+...+IX)</b>	<b>(261)</b>	<b>(1.451)</b>
<b>XI.</b>	<b>CURRENT PERIOD INCOME/LOSS</b>	<b>174.728</b>	<b>121.492</b>
1.1	Net Change in Fair Value of Marketable Securities (Transfer to Income Statement)	-	-
1.2	Portion of Cash Flow Hedge Derivative Financial Assets Reclassified and Presented on the Income Statement	-	-
1.3	Portion of Foreign Investment Hedge Derivative Financial Assets Reclassified and Presented on the Income Statement	-	-
1.4	Other	174.728	121.492
<b>XII.</b>	<b>TOTAL INCOME/LOSS RELATED TO THE CURRENT PERIOD (X+XI)</b>	<b>174.467</b>	<b>120.041</b>

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



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IN TURKISH, SEE NOTE I OF SECTION THREE**

**İSTANBUL TAKAS VE SAKLAMA BANKASI A.Ş.  
UNCONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY  
FOR ENDED YEAR 31 DECEMBER 2014**

(Amounts are expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

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

Audited		Note (Section Five)	Paid-in Capital	Adjustment to Share Capita	Share Premium	Share Cancellation Profits	Legal Reserves	Statutory Reserves	Extra- ordinary Reserves	Other Reserves	Current Period Net Income/ (Loss)	Prior Period Net Income/ (Loss)	Marketable Securities Value Increase Fund	Tangible and Intangible Assets Revaluation Differences	Bonus Shares Obtained from Associates	Hedging Funds	Valuation Difference of AHS and Operations.	Total Equity Before Minority Shares	Minority Shares	Total Equity
Prior Period – 01.01-31.12.2014																				
I	Beginning Balance		420.000	4.088	19	-	23.403	-	56.007	3.269	-	83.610	-	-	-	-	-	590.396	-	590.396
II	Corrections according to TAS 8		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1	The effect of corrections of errors		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2	The effect of changes in accounting policy		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III	New Balance (I+II)		420.000	4.088	19	-	23.403	-	56.007	3.269	-	83.610	-	-	-	-	-	590.396	-	590.396
Changes in period																				
IV.	Increase/Decrease related to merger		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V.	Marketable securities valuation differences		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI.	Hedging Funds (Effective Portion)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6.1	Cash-flow hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6.2	Hedge of net investment in foreign operations		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII.	Tangible assets revaluation differences		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII.	Intangible assets revaluation differences		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX.	Bonus shares obtained from associates, subsidiaries and jointly controlled entities (Joint vent.)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X.	Foreign exchange differences		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI.	The disposal of assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XII.	The reclassification of assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIII.	The effect of change in associate's equity		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV.	Capital increase		180.000	-	-	-	-	-	(120.000)	-	-	-	-	-	-	-	-	60.000	-	60.000
14.1	Cash		60.000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	60.000	-	60.000
14.2	Internal sources		120.000	-	-	-	-	-	(120.000)	-	-	-	-	-	-	-	-	-	-	-
XV.	Share premium		-	-	33.000	-	-	-	-	-	-	-	-	-	-	-	-	33.000	-	33.000
XVI.	Share cancellation profits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVII.	Inflation adjustment to paid-in capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVIII.	Other		-	-	-	-	-	-	-	(1.451)	-	-	-	-	-	-	-	(1.451)	-	(1.451)
XIX.	Period net income/(loss)		-	-	-	-	-	-	-	121.492	-	-	-	-	-	-	-	121.492	-	121.492
XX.	Profit distribution	II-(15)	-	-	-	-	4.454	-	73.524	-	-	(81.171)	-	-	-	-	-	(3.193)	-	(3.193)
20.1	Dividends distributed		-	-	-	-	-	-	-	-	-	(3.943)	-	-	-	-	-	(3.943)	-	(3.943)
20.2	Transfers to reserves		-	-	-	-	4.454	-	73.524	-	-	(77.228)	-	-	-	-	-	750	-	750
20.3	Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Closing Balance 31.12.2014 (I+II+III+...XIX+XX)			600.000	4.088	33.019	-	27.857	-	9.531	1.818	121.492	2.439	-	-	-	-	-	800.244	-	800.244

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

**CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED  
UNCONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED  
IN TURKISH, SEE NOTE I OF SECTION THREE**

**İSTANBUL TAKAS VE SAKLAMA BANKASI A.Ş.  
UNCONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY  
FOR ENDED YEAR 31 DECEMBER 2015**

(Amounts are expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

**V. STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (Continued)**

	Note (Section Five)	Paid-in Capital	Adjustment to Share Capital	Share Premium	Share Cancellation Profits	Legal Reserves	Status Reserves	Extraordinary Reserves	Other Reserves	Current Period Net Income/ (Loss)	Prior Period Net Income/ (Loss)	Marketable Securities Valuation Reserve	Tangible and Intangible Assets Revaluation Reserve	Bonus Shares Obtained from Investments	Hedging Reserves	Valuation Difference of AHS and Discontinued Operations	Total Equity Before Minority Shares	Minority Shares	Total Equity
<b>I. Current Period – 01.01 – 31.12.2015</b>																			
Prior Period End Balance		600.000	4.088	33.019	-	27.857	-	9.531	1.818	-	123.931	-	-	-	-	-	800.244	-	800.244
<b>II. Changes in the Period</b>																			
Increase/Decrease due to the Merger		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Marketable Securities Valuation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>III. Differences</b>																			
<b>IV. Hedging Reserves (Effective Portion)</b>																			
4.1 Cash Flow Hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.2 Foreign Investment Hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>V. Revaluation Differences of Tangible Assets</b>																			
<b>VI. Revaluation Differences of Intangible Assets</b>																			
Bonus Shares Obtained from Investments in Associates, Subsidiaries and Joint Ventures		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>VIII. Foreign Exchange Difference</b>																			
<b>IX. Changes due to the Disposal of Assets</b>																			
<b>X. Changes due to the Reclassification of the Assets</b>																			
<b>XI. Effects of Changes in Equity of Investments in Associates</b>																			
<b>XII. Capital Increase</b>																			
12.1 Cash		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.2 Internal Resources		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>XIII. Share Premium</b>																			
<b>XIV. Share Cancellation Profits</b>																			
<b>XV. Adjustment to Share Capital</b>																			
<b>XVI. Other</b>									(261)								(261)		(261)
<b>XVII. Current Year Income or Loss</b>										174.728							174.728		174.728
<b>XVIII. Profit Distribution</b>	II-(15)					9.481		47.355		(120.521)							(63.685)		(63.685)
18.1 Dividend Paid(*)								864		(64.549)							(63.685)		(63.685)
18.2 Transfers to Reserves						9.481		46.491		(55.972)									
18.3 Other																			
<b>Period End Balance (I+II+III+...+XVI+XVII+XVIII)</b>		<b>600.000</b>	<b>4.088</b>	<b>33.019</b>	<b>-</b>	<b>37.338</b>	<b>-</b>	<b>56.886</b>	<b>1.557</b>	<b>174.728</b>	<b>3.410</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>911.026</b>	<b>-</b>	<b>911.026</b>

(\*) According to the Ordinary General Assembly meeting, the Bank decided that tax provision that remains after the taxation of the dividend, which was to be distributed to employees, was extracted from the provision account and added to the extraordinary reserves.

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

**CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED  
UNCONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED  
IN TURKISH, SEE NOTE I OF SECTION THREE**

**İSTANBUL TAKAS VE SAKLAMA BANKASI A.Ş.  
UNCONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE PERIOD ENDED 31 DECEMBER 2015 AND 31 DECEMBER 2014**

(Amounts are expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

**VI. STATEMENT OF CASH FLOWS**

	Note (Section Five)	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	175.104	124.703
1.1.1	Interest Received	236.850	178.132
1.1.2	Interest Paid	(39.350)	(39.611)
1.1.3	Dividend Received	6.179	6.166
1.1.4	Fees and Commissions Received	94.924	78.493
1.1.5	Other Income	2.886	130
1.1.6	Collections from Previously Written-off Loans and Other Receivables	63	-
1.1.7	Payments to Personnel and Service Suppliers	(42.921)	(39.670)
1.1.8	Taxes Paid	(36.665)	(27.170)
1.1.9	Other	(46.862)	(31.767)
1.2	Changes in Operating Assets and Liabilities	<b>1.942.417</b>	<b>(77.597)</b>
1.2.1	Net (Increase)/Decrease in Trading Securities	(3.113)	318
1.2.2	Net (Increase)/Decrease in Fair Value Through Profit/Loss Financial Assets	-	-
1.2.3	Net (Increase)/Decrease in Due from Banks	305.845	-
1.2.4	Net (Increase)/Decrease in Loans	6.058	113.260
1.2.5	Net (Increase)/Decrease in Other Assets	20.095	250.716
1.2.6	Net Increase/(Decrease) in Bank Deposits	-	-
1.2.7	Net Increase/(Decrease) in Other Deposits	-	-
1.2.8	Net Increase/(Decrease) in Funds Borrowed	751.151	(537.827)
1.2.9	Net Increase/(Decrease) in Payables	-	-
1.2.10	Net Increase/(Decrease) in Other Liabilities	862.381	95.936
<b>I.</b>	<b>Net Cash Provided from Banking Operations</b>	<b>2.117.521</b>	<b>47.106</b>
<b>B.</b>	<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
<b>II.</b>	<b>Net Cash Provided from Investing Activities</b>	<b>(85.011)</b>	<b>68.689</b>
2.1	Cash Paid for Acquisition of Investments, Associates and Subsidiaries	-	-
2.2	Cash Obtained from Disposal of Investments, Associates and Subsidiaries	-	-
2.3	Purchases of Property and Equipment	(82.460)	(8.430)
2.4	Disposals of Property and Equipment	50	3.012
2.5	Cash Paid for Purchase of Investments Available-for-Sale	(138)	-
2.6	Cash Obtained from Sale of Investments Available-for-Sale	-	-
2.7	Cash Paid for Purchase of Investment Securities	(177.463)	(213.250)
2.8	Cash Obtained from Sale of Investment Securities	175.000	289.845
2.9	Other	-	(2.488)
<b>C.</b>	<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
<b>III.</b>	<b>Net Cash Provided from Financing Activities</b>	<b>(64.549)</b>	<b>56.057</b>
3.1	Cash Obtained from Funds Borrowed and Securities Issued	-	-
3.2	Cash Used for Repayment of Funds Borrowed and Securities Issued	-	-
3.3	Issued Capital Instruments	-	-
3.4	Dividends Paid	(64.549)	(3.943)
3.5	Payments for Finance Leases	-	-
3.6	Other	-	60.000
<b>IV.</b>	<b>Effect of Change in Foreign Exchange Rate on Cash and Cash Equivalents</b>	<b>(426.051)</b>	<b>159.330</b>
<b>V.</b>	<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>	<b>1.541.910</b>	<b>331.182</b>
<b>VI.</b>	<b>Cash and Cash Equivalents at the Beginning of the Period</b>	<b>5.061.208</b>	<b>4.730.026</b>
<b>VII.</b>	<b>Cash and Cash Equivalents at the End of the Period</b>	<b>6.603.118</b>	<b>5.061.208</b>

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

**CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED  
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IN TURKISH, SEE NOTE I OF SECTION THREE**

**İSTANBUL TAKAS VE SAKLAMA BANKASI A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2015**

(Amounts are expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

**VII. PROFIT DISTRIBUTION TABLE**

	(*)Current Period 31/12/2015	Prior Period 31/12/2014
<b>I. DISTRIBUTION OF CURRENT YEAR INCOME</b>		
1.1 CURRENT YEAR INCOME	216.418	150.547
1.2 TAXES AND DUTIES PAYABLE (-)	(41.690)	(29.055)
1.2.1 Corporate Tax (Income tax)	(40.241)	(30.026)
1.2.2 Income withholding tax	-	-
1.2.3 Other taxes and duties	(1.449)	971
<b>A. NET INCOME FOR THE YEAR (1.1-1.2)</b>	<b>174.728</b>	<b>121.492</b>
1.3 PRIOR YEAR LOSSES (-)	-	-
1.4 FIRST LEGAL RESERVES (-)	-	-
1.5 OTHER STATUTORY RESERVES (-) (**)	-	(971)
<b>B. NET INCOME AVAILABLE FOR DISTRIBUTION [(A)-(1.3+1.4+1.5)]</b>	<b>174.728</b>	<b>120.521</b>
1.6 FIRST DIVIDEND TO SHAREHOLDERS (-)	-	-
1.6.1 To Owners of Ordinary Shares	-	-
1.6.2 To Owners of Privileged Shares	-	-
1.6.3 To Owners of Preferred Shares	-	-
1.6.4 To Profit Sharing Bonds	-	-
1.6.5 To Holders of Profit and (Loss) Sharing Certificates	-	-
1.7 DIVIDENDS TO PERSONNEL (-)	-	-
1.8 DIVIDENDS TO BOARD OF DIRECTORS (-)	-	-
1.9 SECOND DIVIDEND TO SHAREHOLDERS (-)	-	-
1.9.1 To Owners of Ordinary Shares	-	-
1.9.2 To Owners of Privileged Shares	-	-
1.9.3 To Owners of Preferred Shares	-	-
1.9.4 To Profit Sharing Bonds	-	-
1.9.5 To Holders of Profit and (Loss) Sharing Certificates	-	-
1.10 SECOND LEGAL RESERVES (-)	-	-
1.11 STATUTORY RESERVES (-)	-	-
1.12 EXTRAORDINARY RESERVES	-	-
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	0,29121	0,21244
3.2 TO OWNERS OF ORDINARY SHARES ( % )	29,12	21,24
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 ( % )	-	-

(\*) Profit distribution is approved by the General Assembly. As of the date of the preparation of financial statements, the meeting for Ordinary General Assembly has not been held.

(\*\*) The amount that must be kept on the bank and presented on the mandatory legal funds is deferred tax income of the related period

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

**CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED  
UNCONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED  
IN TURKISH, SEE NOTE I OF SECTION THREE**

**İSTANBUL TAKAS VE SAKLAMA BANKASI A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2015**

(Amounts are expressed in thousands of Turkish Lira (“TL”) unless otherwise stated.)

**SECTION THREE**

**EXPLANATIONS ON ACCOUNTING POLICIES**

**I. Basis of Presentation**

*Presentation of financial statements*

The unconsolidated financial statements are prepared within the scope of the “Regulation on Accounting Applications for Banks and Safeguarding of Documents” related with Banking Law numbered 5411 published in the Official Gazette no.26333 dated 1 November 2006 and other regulations related to reporting principles on accounting records of Banks published by Banking Regulation and Supervision Agency and circulars and interpretations published by Banking Regulation and Supervision Authority (together referred as BRSA Accounting and Reporting Legislation) and in case where a specific regulation is not made by BRSA, Turkish Accounting Standards and related appendices and interpretations (referred as “Turkish Accounting Standards” or “TAS”) put into effect by Public Oversight Accounting and Auditing Standards Authority (“POA”) (“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 Official Gazette no. 28337, dated 28 June 2012, and amendments to this Communiqué. The Bank maintains its books in Turkish Lira in accordance with the Banking Law, Turkish Commercial Code and Turkish Tax Legislation.

Current period financial statements are presented comparatively with independently audited balances as of 31 December 2014.

The preparation of financial statements in conformity with TAS requires the use of certain critical accounting estimates by the Bank management to exercise its judgment on the assets and liabilities of the balance sheet and contingent issues as of the balance sheet date. These estimates are being reviewed regularly and, when necessary, suitable corrections are made and the effects of these corrections are reflected to the income statement.

Amounts are expressed in thousands of Turkish Lira (“TL”) unless otherwise stated.

*The accounting policies and valuation principles applied in the preparation of these financial statements and valuation principles*

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

**Additional paragraph for convenience of 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, the accompanying unconsolidated financial statements are not intended to present the financial position, results of operations and changes in financial position and cash flows in accordance with the accounting principles generally accepted in such countries and IFRS.

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

The Bank has placed its funds in domestic and foreign banks, in interbank money markets, and treasury bills and government bonds. These instruments are assumed to have higher yields compared to other financial instruments and bear lower risk. For the purposes of maintaining sufficient liquidity to meet all claims that might fall due, the Bank makes overnight or weekly placements in money markets. The most significant financing resources are guarantees of the members, short term placements and the shareholders’ equity of the Bank. In making long-term placements, the high yield principle is considered, and accordingly, the Bank invests in government bonds and treasury bills.

The Bank has no area of operations for which a return is achieved above the average rate of return.

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**EXPLANATIONS ON ACCOUNTING POLICIES (Continued)**

The Bank carries transactions in securities and money markets. Accordingly, exchange rate and interest rate volatility are managed by matching its assets and liabilities. Related to the transactions in securities and money markets, transaction limits are established as risk limits.

Income and expenses which arise from foreign currency translation are accounted for at the period when transaction takes place. The Bank has EUR 71.215 (SASE) share in Sarajevo Stock Exchange EUR 75.215 share in S.W.I.F.T.SCRL. At period ends, balances of foreign currency asset and liability accounts are translated into TL by using period end T.R. Central Bank. Foreign exchange purchase rates. Exchange rate differences are accounted for as foreign currency gains and losses.

The Bank has available for sale instruments in foreign currencies amounting to TL 465 (31 December 2014: TL 326). In order to hedge interest rate risks arising from fixed or floating rate instruments, the Bank prefers short-term transactions.

The Bank hedges exchange rate risk arising from foreign currency denominated transactions by matching foreign currency liabilities with foreign currency assets.

**III. Explanations on Investments in Associates, Subsidiaries and Joint Ventures**

As it is explained on the 8. Footnote of the first part of fifth section, the Bank doesn't have the control or significant efficiency of Central Registration Entity, although the Bank owns 65% of it. Since the fair value measurement has not been properly realized in the financial statements, the related association has been measured with the historical cost after the deduction of impairment provision.

**IV. Explanations on Forward and Option Contracts and Derivative Instruments**

The Bank has no derivative instruments used for hedging purposes as of the balance sheet date.

**V. Explanations on interest Income and Expenses**

Interest income and expenses are recognized at fair value and accounted for on accrual basis by effective interest rate method (the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset or liability) by taking into account principle amount.

In accordance with the related regulation, realized and unrealized interest accruals of the non-performing loans are reversed and interest income related to these loans are recorded as interest income only when collected.

**VI. Explanations on fees and Commission Income and Expenses**

The Bank performs custody and settlement services for marketable securities, precious metals and other securities arising from purchases and sales of those assets.

Additionally, the Bank opens custody accounts for its customers, corporate investors and companies quoted on the ISE and on other stock exchange markets, performs transfers, settlements and offsets between the accounts of securities intermediary companies and investors; performs procedures related to obtaining of bonus shares, use of preemptive rights, timely collection of dividends, principal and interest, exchange of certificates representing marketable and other securities and additional financial services.

On the above operations, the Bank receives custody and service commission income from its customers. These fees and commissions are accrued on a monthly basis under other operating income.

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**EXPLANATIONS ON ACCOUNTING POLICIES (Continued)**

**VII. Explanations and Disclosures on Financial Assets**

Financial instruments comprise financial assets and financial liabilities. Financial instruments constitute the basis of Bank’s trading activities and operations. The risks related with these instruments comprise a major part of the total risk taken by the Bank. Financial instruments affect liquidity, market, and credit risks on the Bank’s balance sheet in all respects.

All regular way purchases and sales of financial assets are recognized on the settlement date i.e. the date that the asset is delivered to or by the Bank. Settlement date accounting requires (a) accounting of the asset when acquired by the institution, and (b) disposing of the asset out of the balance sheet on the date settled by the institution; and accounting of gain or loss on disposal. In case of application of settlement date accounting, the institution accounts for the changes that occur in the fair value of the asset in the period between commercial trade date and settlement date as in the assets that the institution settles.

Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place. Changes in fair value of assets to be received during the period between the trade date and the settlement date are accounted for in the same way as the acquired assets.

Fair value differences are not accounted for assets carried at cost or amortized cost; gain or loss of financial assets at fair value through profit and loss are reflected in the statement of income; gain or loss of available for sale assets are accounted for under the shareholders’ equity.

The methods and assumptions used in determining the reasonable estimated values of all of the financial instruments are mentioned below.

*Cash, Banks, and Other Financial Institutions*

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

*Financial Assets at Fair Value through Profit and Loss*

These transactions are classified in two categories. (i) Trading securities for the purposes of short term profit taking through sale and buying back in a near future. (ii) The financial assets which are classified as financial assets at fair value through profit or loss by the Bank at inception. The Bank use such classification above when permitted or for the purposes of providing a more proper disclosure.

In this group, trading securities are initially recognized at cost and measured at fair value on the financial statements. Fair values of debt securities that are traded in an active market are determined based on quoted prices.

The difference between initial cost and fair value of financial assets at fair value through profit and loss is reflected to interest income or diminution in value of marketable securities accounts. As explained in detail in Section VI: “Other Explanations and Notes”, the realized gains and losses and related interest income/expense accruals of these securities are recorded in related income statement accounts, unless the securities belong to Problematic securities intermediary members.

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**EXPLANATIONS ON ACCOUNTING POLICIES (Continued)**

*Held to Maturity Investments*

Investments held to maturity include securities with fixed or determinable payments and fixed maturity where there is an intention of holding till maturity and the relevant conditions for fulfillment of such intention, including the funding ability. This portfolio excludes loans and receivables. After initial recognition held to maturity investments are measured at amortized cost by using effective interest rate less impairment losses, if any.

Interest income gained from held to maturity investments are accounted for as interest income in income statement.

*Available for Sale Financial Assets*

Available for sale financial assets comprise from all of the securities except originated loans and receivables, held to maturity investments and trading assets. These assets are initially recognized at cost including the transaction costs. The interest income related to securities with fixed and variable interest under available for sale financial assets are recorded in interest income.

After the initial recognition, available for sale securities are measured at fair value and the unrealized gain/loss originating from the difference between the amortized cost and the fair value is recorded in “Marketable Securities Value Increase Fund” under the equity. At the disposal of available for sale financial assets, value increase/decrease that are recorded in the securities value increase fund under equity are transferred to income statement.

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

*Loans and Specific Provisions*

Loans are financial assets which have fixed payment terms and are not traded in an active market.

Loans are initially recognized at cost and measured at amortized cost by using effective interest rate. The duties, charges and other expenses paid for the collaterals obtained against loans are accepted as transaction costs and reflected to customers.

In case of the evidences regarding the uncollectibility of the loans given, the Bank classifies these and allocates provision in accordance with the regulations and accounts them in the related period’s profit/loss accounts.

The collections made related to loans for which provision is made in the current period are offset in “Provision for Loans and Other Receivables” and “Interest Received from Non-performing Loans” account. As per the Bank management’s evaluation of the loan book, there is a provision set for the loans and other receivables that may be doubtful or uncollectible in accordance with the related regulations.



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**EXPLANATIONS ON ACCOUNTING POLICIES (Continued)**

**VIII. Explanations on Impairment of Financial Assets**

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

A financial asset or a financial asset group incurs impairment loss only if there is an objective indicator related to the occurrence of one or more than one event (“loss event”) after the initial recognition of that asset; and such loss event (or events) causes, an impairment as a result of the effect on the reliable estimate of the expected future cash flows of the related financial asset and asset group. Irrespective of high probability the expected losses for future events are not recognized. The explanations on impairment of loans and receivables have been disclosed in Section three, VII.

**IX. Explanations on offsetting of Financial Assets and Liabilities**

Financial assets and liabilities are offset when the Bank has a legally enforceable right to set off, and when the Bank has the intention of collecting or paying the net amount of related assets and liabilities or when the Bank has the right to offset the assets and liabilities simultaneously. Otherwise, no offsetting is made with respect to financial assets and liabilities.

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

Repurchase agreements are classified as their purposes on the securities portfolio and evaluated by the principals of the portfolio which they belong to. The bank has no repurchase transaction as of the balance sheet date.

Receivables from reverse repurchase agreements are accounted for under “Receivables from Reverse Repurchase Agreements” account in the balance sheet. The difference between purchase and Sale price determined by these agreements is accrued over the life of agreements according to effective interest rate method. The interest income accrual calculated is disclosed under other liabilities as a liability when reverse repurchase agreements are related to problematic securities intermediary members, as described in detail in Section Six: “Other Explanations and Notes”. The Bank does not have any marketable securities lending transaction.

**XI. Explanations on Assets Held for Sale and Discontinued Operations**

Assets which satisfy to be classified as held for sale are measured by the lower of carrying value and fair value less costs to sell and these assets are not amortized; and are separately presented in the financial statements. For an asset (or else the group of assets) to be classified as held for sale; the asset should be ready for immediate sale in frequently seen and accustomed terms and the probability of sale should be high. For the probability of sale to be high, appropriate level of management should have made a plan for the sale of the asset (or else the group of assets) and a program should have been initiated in order to determine buyers as well as complete the plan. Also the asset (or else the group of assets) shall be actively marketed in conformity with its fair value. On the other hand, the sale is expected to be journalized as a completed sale within one year after the classification date; and the necessary transactions and procedures to complete the plan should demonstrate the fact that the possibility of making significant changes or canceling the plan is low. Certain events and conditions may extend the duration of completion of sale to more than one year.

If such delay arises from any events and conditions beyond the control of the entity and if there is sufficient evidence that the entity has an ongoing disposal plan for these assets, such assets (or else group of assets) are continued to be classified as assets held for sale (or else group of assets).

A discontinued operation is a division of a bank that is either disposed or held for sale. Results of discontinued operations are included in the income statement separately.

The Bank has no discontinued operations during the period.

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**EXPLANATIONS ON ACCOUNTING POLICIES (Continued)**

**XII. Explanations on Goodwill and Other Intangible Assets**

As of the balance sheet date, there is no goodwill in the accompanying non-consolidated financial statements of the Bank.

The intangible assets which have been bought before 1 January 2005 are amortized based on historical cost which has been revised according to inflation effects dated 31 December 2004 and the items which have been bought in the following dates are amortized based on purchase cost with the allocation of accumulated depreciation and impairments. The intangible assets are amortized based on straight line amortization regarding useful life periods. The amortization method and period are revised periodically every year.

Intangible assets of the Bank are basically software license costs. There is no criteria applied for determination of amortization period of those assets, but Turkish Tax Legislations have been taken into consideration. Economic useful life of assets acquired before 2004 is determined as 5 years, and the assets acquired in 2004 and in the following periods is determined as 3 years. Economic useful lives determined are in accordance with the criteria stated in the Turkish Accounting Standards- that is TAS 38-Intangible Assets. Computer programs widely used in the Bank are generated within the Bank by the personnel of the Bank, and the expenses related to those assets are not capitalized. Computer software is only purchased in case of urgent need and special projects.

Within the scope of the agreement made between Borsa İstanbul and Nasdaq, new bistech technology, which was developed under Borsa İstanbul's processing system; data distribution; index calculation; market surveillance; reporting systems; and also our bank's swap and risk management systems were put into effect on 30 November 2015. Bistech technology was first carried into effect in the Borsa İstanbul Equity Market. In the following phases of the project, the Derivatives Market, Debt Securities Market, Precious Metals and Diamonds Markets, E-Warehouse Receipt, and OTC processing systems will be carried into effect. In the evaluation conducted with Borsa İstanbul, it was determined that Nasdaq software has a useful life of 20 years. Since the project's first of three phases was completed, depreciation is allocated over a 20 year period for one-third of the software's price.

**XIII. Explanations on Tangible Fixed Assets**

Tangible fixed assets are initially recognized at acquisition cost and any other cost incurred so as to get the fixed asset ready for use.

Tangible fixed assets are depreciated with straight-line method. Tangible fixed assets are depreciated with the rates determined by the Ministry of Finance based on useful lives. These useful lives are in line with the criteria stated in "TAS 16 - Tangible Assets" released by Turkish Accounting Standards Board. Depreciation Rates for Tangible Fixed Assets are as following:

	<b>Useful Life (Year)</b>	<b>Depreciation Rate</b>
Buildings	50	%2
Furniture, Fixture and Office Equipment	4-15	%6,67 - 25
Other Tangible Fixed Assets	2-16	%6,67 - 50

Tangible fixed assets are accounted for at cost less accumulated depreciation and impairment, if any. Along with the statement of the property and equipment, the effects of any revaluation according to related regulations are eliminated.

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

Maintenance costs of tangible fixed assets are capitalized if they extend the economic useful life of related assets. Other maintenance costs are expensed. There are no pledges, mortgages or other restrictions on the tangible fixed assets.

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**EXPLANATIONS ON ACCOUNTING POLICIES (Continued)**

**XIV. Explanations on Leasing Transactions**

The Bank as Lessor:

The Bank does not have any leasing transactions as lessor.

The Bank as Lessee:

The Bank does not have any assets which are acquired by financial leasing as of the balance sheet date.

**XV. Explanations on Provisions and Contingent Liabilities**

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

**XVI. Explanations on Liabilities Regarding Employee Benefits**

*Defined Benefit Plans*

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

Such benefit plans are unfunded since there is no funding requirement in Turkey. The cost of providing benefits to the employees for the services rendered by them under the defined benefit plan is determined by independent actuaries annually using the projected unit credit method.

In calculating the related liability to be recorded in the financial statements for these defined benefit plans, the Group uses independent actuaries and also makes assumptions and estimation relating to the discount rate to be used, turnover of employees, future change in salaries/limits, etc. These estimations are audited annually. The carrying value of provision for employee termination benefits as of 31 December 2015 is TL 8.830 (31 December 2014: TL 7.185).

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 2014 on accounting treatment of actuarial profit and loss resulting from changes in actuarial assumptions or differences between actual and actuarial assumptions. For the period of 1 January - 31 December 2015, actuarial loss after deferred tax effect amounting to TL 261 (31 December 2014: TL 1.451 actuarial loss) was classified as “Other Capital Reserves”.

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**EXPLANATIONS ON ACCOUNTING POLICIES (Continued)**

**XVII. Explanations on Taxation**

Income tax expense represents the sum of the current tax payable and deferred tax

The current tax payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Bank’s liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

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 at enacted tax rates, and it is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences and 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.

The carrying amount of a deferred tax asset shall be reviewed at the end of the reporting period. The carrying amount of a deferred tax asset is reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax asset to be utilized.

Deferred tax assets and liabilities shall be measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled is recognized in income statement as income or expense. Deferred tax that relates to items that are recognized directly in equity, in the same or a different period, is recognized directly in equity. Deferred tax assets and liabilities are netted of.

The current taxes payable and advance taxes are offset since they relate to each other.

The Bank has adjusted its statutory financial statements with inflation accounting as of 1 January 2004 in accordance with Law No. 298.

Some modifications have been made in the tax legislation with Law 4842 published in the Official Gazette number 25088 on 24 April 2003. Under these modifications, investment and development banks, which are not allowed to accept deposit, are allowed to deduct loan loss provisions from the tax base in accordance with item 2 of the article 20 of Banking Law and the amendment introduced by the article 35 of the Law numbered 4842.

**XVIII. Additional Explanations on Funds borrowed**

The Bank has not issued any convertible bonds

The Bank has not also issued any borrowing instruments.

*Cash Warrants Received:*

BİAŞ Guarantee Fund, BİAŞ Loan and Share Market, Takasbank Money Market, Loan Share Market, Derivatives Exchange Market, Electricity Market, Leveraged call-put transactions and Warrant Deputy (OPIC) cash warrant amounts are tracked in asset side under banks account, in liability side under various liabilities account. These funds provide creditor members not to be affected in case debtor members may undergo cash default. Cash warrant mechanisms are created in order to provide continuous cash flow in the market by tracking payments to be made in time and in full amounts.

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**EXPLANATIONS ON ACCOUNTING POLICIES (Continued)**

**XIX. Turkish Derivative Exchange Cash Guarantees**

The Bank does not have any shares issued in the current period.

**XX. Explanations on Acceptances**

The Bank performs acceptances with its customers simultaneously and follows them in off balance sheet liabilities.

The Bank has no acceptances that have been included as a liability against an asset.

**XXI. Explanations on Government Incentives**

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

**XXII. Explanations on Segment Reporting**

Operational field is distinguishable section of the Bank that has different characteristics from other operational fields per earning and conducts the presentation of service group, associated bank products or a unique product. Operating segments are disclosed in Note XI in Section Four. The Bank operates mainly in clearing-operation, custody, loans and treasury.

**XXIII. Explanations on Related Parties**

For the purpose of these financial statements, key management personnel and board members are referred to as related parties in accordance with “Turkish Accounting Standard for Related Parties” in the Article 49 of the Banking Act No: 5411. The transactions with related parties are disclosed in detail in Note V of Section Five.

**XXIV. Explanations on Cash and Cash Equivalents**

For the purposes of the preparation of statement of cash flows, “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.

**XXV. Reclassifications**

Financial statements dated 31 December 2014 can be classifaied to comply with 31 December 2015 financial statements.

**XXVI. Explanations on Other Matters**

None.

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**SECTION FOUR**

**INFORMATION ON FINANCIAL STRUCTURE**

**I. Explanations Related to the Capital Adequacy Standard Ratio**

The method used for risk measurement in determining capital adequacy standard ratio; Capital Adequacy Standard Ratio is calculated in accordance with the Communiqué on "Measurement and Assessment of Capital Adequacy of Banks", which was published on 6 September 2014 in the Official Gazette numbered 29111 and "Regulation on Equities of Banks" which was published on 5 September 2013 in the Official Gazette numbered 28756. The Bank's unconsolidated capital adequacy ratio in accordance with the related communiqué is 26,31 % (31 December 2014: 30,20 %).

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

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

Trading Accounts Counterparty receivables related to non-cash loans is multiplied with the loan conversion rates presented in article 5 of "Communiqué on Measurement and Assessment of Capital Adequacy of Banks" and risk mitigation is applied in accordance with "Communiqué on Credit Risk Mitigation Techniques", calculated by applying the risk weights presented in the article 6 of the Regulation and weighted as per Appendix-1 of the Regulation.

In calculation of the basis of the value at credit risk for the derivative financial instruments and the receivables from counterparties indicated on the bank accounting are multiplied by the rates presented in the Appendix-2 of the "Communiqué on Measurement and Assessment of Capital Adequacy of Banks", is subjected to risk reduction presented in "Communiqué on Credit Risk Mitigation Techniques" and then included in the relevant exposure category presented in the article 6 of the "Communiqué on Measurement and Assessment of Capital Adequacy of Banks" and weighted to risk weight classification indicated as per Appendix-1 of the Regulation

According to the Clause 7 of the "Communiqué on Measurement and Assessment of Capital Adequacy of Banks" presented in the article 5 of the regulation, "counterparty credit risk" is calculated for repurchase transactions, marketable securities and commodity market transactions.

Information related to the capital adequacy ratio: (TL, %)

	Risk Weights						
	Bank						
Current Period Amount subject to credit risk	0%	10%	20%	50%	100%	150%	200%
<b>Risk Categories:</b>							
Conditional and unconditional receivables from Central Governments or Central Banks	183.375	-	-	-	-	-	-
Conditional and unconditional receivables from Regional Management or Local Governments	-	-	-	-	-	-	-
Conditional and unconditional receivables from Administrative Units or Non-commercial Ventures	-	-	-	-	-	-	-
Conditional and unconditional receivables from Multilateral Development Banks	-	-	-	-	-	-	-
Conditional and unconditional receivables from International Organizations	-	-	-	-	-	-	-
Conditional and unconditional receivables from Banks and Brokerage Corporation	600.347	-	6.325.627	2.555.571	4	-	-
Conditional and unconditional corporate receivables	-	-	413.320	-	-	-	-
Conditional and unconditional retail receivables	-	-	-	-	-	-	-
Conditional and unconditional collateralized by real estate mortgages receivables	-	-	-	-	-	-	-
Non-performing receivables	-	-	-	-	-	-	-
Receivables defined in high risk category by BRSA	-	-	-	-	-	-	-
Securities collateralized by mortgages	-	-	-	-	-	-	-
Securitization positions	-	-	-	-	-	-	-
Short-term receivables and short-term corporate receivables from Banks and Brokerage corporations	-	-	-	-	-	-	-
Investments in nature of Collective Investment funds	-	-	-	-	-	-	-
Other receivables	13	-	-	-	288.765	-	-
<b>Total Value at Risk</b>	<b>783.735</b>	-	<b>6.738.947</b>	<b>2.555.571</b>	<b>288.769</b>	-	-
<b>Total Value at Weighted Risk</b>	-	-	<b>1.347.789</b>	<b>1.277.786</b>	<b>288.769</b>	-	-

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**INFORMATION ON FINANCIAL STRUCTURE (Continued)**

Prior Period Amount subject to credit risk	Risk Weights						
	Bank						
	0%	10%	20%	50%	100%	150%	200%
<b>Risk Categories:</b>							
Conditional and unconditional receivables from Central Governments or Central Banks	182.071	-	-	-	-	-	-
Conditional and unconditional receivables from Regional Management or Local Governments	-	-	-	-	-	-	-
Conditional and unconditional receivables from Administrative Units or Non-commercial Ventures	-	-	-	-	-	-	-
Conditional and unconditional receivables from Multilateral Development Banks	-	-	-	-	-	-	-
Conditional and unconditional receivables from International Organizations	-	-	-	-	-	-	-
Conditional and unconditional receivables from Banks and Brokerage Corporation	492.427	-	6.368.895	1.842.135	1	-	-
Conditional and unconditional corporate receivables	-	-	-	-	-	-	-
Conditional and unconditional retail receivables	-	-	-	-	-	-	-
Conditional and unconditional collateralized by real estate mortgages receivables	-	-	-	-	-	-	-
Non-performing receivables	-	-	-	-	-	-	-
Receivables defined in high risk category by BRSA	-	-	-	-	-	-	-
Securities collateralized by mortgages	-	-	-	-	-	-	-
Securitization positions	-	-	-	-	-	-	-
Short-term receivables and short-term corporate receivables from Banks and Brokerage corporations	-	-	-	-	-	-	-
Investments in nature of Collective Investment funds	-	-	-	-	-	-	-
Other receivables	15	-	-	-	292.453	-	-
<b>Total Value at Risk</b>	<b>674.513</b>	<b>-</b>	<b>6.368.895</b>	<b>1.842.135</b>	<b>292.454</b>	<b>-</b>	<b>-</b>
<b>Total Value at Weighted Risk</b>	<b>-</b>	<b>-</b>	<b>1.273.779</b>	<b>921.068</b>	<b>292.454</b>	<b>-</b>	<b>-</b>

**I. Explanations related to the capital adequacy standard ratio:**

	Current Period	Prior Period
Required Capital for Credit Risk (Amount Based to Credit Risk*0,08) (RCFCR)	233.148	198.984
Required Capital for Market Risk (RCFMR)	268	304
Required Capital for Operational Risk (RCFOR)	24.124	17.339
Shareholders' Equity	846.992	817.689
Shareholders' Equity/((RCFCR+RCFMR+RCFOR) *12,5*100)	26,31	30,20
Tier 1 Capital/((RCFCR+RCFMR+RCFOR) *12,5*100)	25,73	29,31
Common Equity Tier 1 Capital/((RCFCR+RCFMR+RCFOR) *12,5*100)	27,23	29,48

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**INFORMATION ON FINANCIAL STRUCTURE (Continued)**

**Summary information related to the capital adequacy ratio:**

It is served with respect to the alteration published in the Official Gazette no. 28983 dated 26 April 2014.

	<b>Current Period</b>	<b>Prior Period</b>
<b>COMMON EQUITY TIER 1 CAPITAL</b>		
Paid-in capital	600.000	600.000
Share premium	33.019	33.019
Share cancellation profit	-	-
Legal reserves	100.130	44.745
Income passed on to shareholders' equity in accordance with Turkey Accounting Standards (TAS).	-	-
Profit	178.138	123.931
Net Income for current period	174.728	121.492
Prior period profit	3.410	2.439
Provisions for possible risks	-	-
Bonus shares of Associates, Subsidiaries and Joint-Ventures	-	-
<b>Common Equity Tier 1 Capital Before Deductions</b>	<b>911.287</b>	<b>801.695</b>
<b>Deductions From Common Equity Tier 1 Capital</b>		
Loss excess of reserves and loss passed on to shareholders' equity in accordance with Turkey Accounting Standards (TAS) (-)	261	1.451
Leasehold Improvements (-)	-	-
Goodwill and other intangible assets and related deferred tax liabilities. (-)	32.358	302
Net deferred tax income/expense (-)	-	785
Shares noncompliant with article 56/4 of the Law (-)	-	-
Direct or indirect investments on Bank's own Common Tier 1 Capital (-)	-	-
Total net long position exceeding 10% of Bank's Common Tier 1 capital, belonging to investments on own funds of banks and financial institutions that are not consolidated, with a shareholding of 10% and below	-	-
Total net long position exceeding 10% of Bank's Common Tier 1 capital, belonging to investments on own funds of banks and financial institutions that are not consolidated, with a shareholding of 10% and above	-	-
Rights of providing mortgage service exceeding 10% of Common Tier 1 capital (-)	-	-
Deffered tax assets based on temporary differences exceeding 10% of Common Tier 1 capital (-)	-	-
Balances in accordance with the temporary article 2/2 of Regulation on Shareholders' Equity of Banks exceeding 15% of Common Tier 1 capital (-)	-	-
Excess amount arising from total net long position belonging to investments on Common Tier 1 Capital of banks and financial institutions that are not consolidated, with a shareholding above 10%	-	-
Excess amount arising from rights of providing mortgage service (-)	-	-
Excess amount arising from deffered tax assets based on temporary differences (-)	-	-
Other items determined by board (-)	1.930	965
Deduction amount from Common Tier 1 Capital in case of shortage of additional Tier 1 capital or supplementary capital (-)	-	-
<b>Total Deductions From Common Equity Tier 1 Capital</b>	<b>34.549</b>	<b>3.503</b>
<b>Total Common Equity Tier 1 Capital</b>	<b>876.738</b>	<b>798.192</b>
<b>ADDITIONAL TIER 1 CAPITAL</b>		
Premiums of privilege share capital not included in Common Equity Tier 1 capital	-	-
Debt instruments which is seen appropriate by corporation and premiums in accordance with these instruments (Issued after 1.1.2014)	-	-
Debt instruments which is seen appropriate by corporation and premiums in accordance with these instruments (Issued before 1.1.2014)	-	-
<b>Additional Tier 1 Capital Before Deductions</b>	<b>-</b>	<b>-</b>
<b>Deductions From Additional Tier 1 Capital</b>		
Direct or indirect investments which bank provides for its' own additional Tier 1 capital (-)	-	-
10% exceed part of Common Tier 1 capital of bank from the sum of partnership share on banks and financial institutions that are not consolidated, with a shareholding less than 10% (-)	-	-
10% exceed part of Common Tier 1 capital of bank from the sum of partnership share on banks and financial institutions that are not consolidated, with a shareholding of 10% and above (-)	-	-
Other items determined by board (-)	-	-
Deduction amount of additional core capital in case of there is not enough additional core capital or supplementary capital (-)	-	-



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	Current Period	Prior Period
<b>Total Deductions From Additional Tier 1 Capital</b>	-	-
<b>Total Additional Tier 1 Capital</b>	-	-
<b>Deductions From Tier 1 Capital</b>	-	-
Non deducted Common Tier 1 capital part in accordance with deferred tax expense and goodwill impairment and other intangible fixed assets which is in temporary article 2/1 of Regulation of Shareholders' Equity of Banks. (-)	48.537	1.208
Non deducted Common Tier 1 capital part in accordance with net deferred tax income/expense which is in temporary article 2/1 of Regulation of Shareholders' Equity of Banks. (-)	-	3.280
<b>Total Tier 1 Capital</b>	<b>828.201</b>	<b>793.704</b>
<b>SUPPLEMENTARY CAPITAL</b>	-	-
Debt instruments which is seen appropriate by corporation and premiums in accordance with these instruments (Exported after 1.1.2014)	-	-
Debt instruments which is seen appropriate by corporation and premiums in accordance with these instruments (Exported before 1.1.2014)	-	-
Pledged sources to bank from shareholders which is used for share capital increasing of bank	-	-
General Provisions	21.686	23.985
<b>Supplementary Capital Before Deductions</b>	<b>21.686</b>	<b>23.985</b>
<b>Deductions From Supplementary Capital</b>	-	-
Direct or indirect investments which bank provides for its' own supplementary capital (-)	-	-
10% exceed part of Common Tier 1 capital of bank from the sum of partnership share on banks and financial institutions that are not consolidated, with a shareholding less than 10% (-)	-	-
10% exceed part of Common Tier 1 capital of bank from the sum of partnership share on banks and financial institutions that are not consolidated, with a shareholding of 10% and above (-)	-	-
Other items determined by board (-)	2.895	-
<b>Total Deductions From Supplementary Capital</b>	<b>2.895</b>	-
<b>Total Supplementary Capital</b>	<b>18.791</b>	<b>23.985</b>
<b>CAPITAL</b>	<b>846.992</b>	<b>817.689</b>
Loans extended being noncompliant with articles 50 and 51 of the Law (-)	-	-
Net book values of properties owned, exceeding 50% of banks' equity and properties, and trade goods overtaken in exchange for loans and receivables that should be disposed within five years in accordance with article 57 of the Law, but not yet disposed (-)	-	-
Investments to 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 (-)	-	-
Deduction from equity in accordance with 2nd article of 20th item in Regularity of Measurement and Valuation of Capital Adequacy of Banks (-)	-	-
Other accounts determined by board (-)	-	-
Non deducted part of comon equity tier1 , additional core and supplementary capital in accordance with temporary article 2/1 of Regulation of Shareholders' Equity of Banks which is 10% exceed part of Common Tier 1 capital of bank from the sum of partnership share on banks and financial institutions that are not consolidated, with a shareholding less than 10% (-)	-	-
Non deducted part of comon equity tier1, additional core and supplementary capital in accordance with temporary article 2/1 of Regulation of Shareholders' Equity of Banks which is 10% exceed part of Common Tier 1 capital of bank from the sum of partnership share on banks and financial institutions that are not consolidated, with a shareholding of 10% or above (-)	-	-
Non deducted part of comon equity tier1 generating from exceed amount generating from investments to Common Tier 1 capitals of partnership share on banks and financial institutions that are not consolidated, with a shareholding of 10% and above, temporary differences of deferred tax income and the right of offering mortgage services explained in the 1st and 2nd paragraphs of temporary article 2 of Regulation of Shareholders' Equity of Banks. (-)	-	-
<b>SHAREHOLDERS' EQUITY</b>	<b>846.992</b>	<b>817.689</b>
<b>Amounts Below Overrun Amounts In Applied Reducing Procedures</b>	-	-
Amount generating from long position of investments to shareholders' equity and partnership share on banks and financial institutions that are not consolidated, with a shareholding less than 10%	-	-
Amount generating from long position of investments to shareholders' equity and partnership share on banks and financial institutions that are not consolidated, with a shareholding of 10% or above.	-	-
Amount generating from right of offering mortgage service	-	-
Amount generating from temporary differences of deferred income tax income	-	-

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**INFORMATION ON FINANCIAL STRUCTURE (Continued)**

	<b>Bank</b>	
	<b>Considered Amount of Current</b>	
	<b>Period Shareholders’ Equity</b>	
	<b>Calculation</b>	<b>Total Amount</b>
Comon equity tier1 capital share amount of minority shareholders	-	-
Additional core capital share amount of third parties	-	-
Supplementaru capital share amount of third parties	-	-
Debt instruments which is seen appropriate by corporation and premiums in accordance with these instruments (Exported before 1.1.2014)	-	-

**Informations on addition debt instruments to shareholders’ equity calculating:**

Exporter	-
Code of debt instrument (CUSIP, ISIN vb.)	-
Legistation of debt instrument	-
<b>Attention Situation of Shareholders’ Equity</b>	
Situation of subjection to practice of being taken into consideration with 10% deduction (after 1.1.2015)	-
Validity situation of consolidated or unconsolidated based or consolidated and unconsolidated based.	-
Type of debt instrument	-
Considered amount of shareholders’ equity calculation. (By last report date of – Million TL)	-
Nominal value of debt instrument (Million TL)	-
Related account of debt instrument	-
Export date of debt instrument	-
Maturity structure of debt instrument (demand/term)	-
Beginning term of debt instrument	-
Whether there is right of reimbursement of exporter or not according to Banking Regulation and Supervision Agency (BRSA) rules.	-
Optional reimbursement date, options of conditional reimbursement and reimbursement amount.	-
Following reimbursement option dates	-
<b>Interest/Dividend Payments</b>	
Fixed or floating interest/dividend payments	-
Interest rate and index value of interest rate	-
Whether there is any restriction to stop payment of capital bonus or not	-
Feature of being full optional, partially optional or obligatory	-
Whether there is any stimulant to repayment like interest rate hike or not	-
Feature of being cumulative or noncumulative	-
<b>Feature of being convertible bonds</b>	
If there’s convertible bonds, trigger incidents cause this conversion	-
If there’s convertible bonds, feature of full or partially conversion	-
If there’s convertible bonds, rate of conversion	-
If there’s convertible bonds, feature of conversion -obligatory or optional-	-
If there’s convertible bonds, types of convertible instruments	-
If there’s convertible bonds, exporter of convertible debt instruments	-
<b>Feature of value reducement</b>	
If there is feature of value reducement, trigger incidents cause this value reducement	-
If there is feature of value reducement, feature of full or partially reducement of value	-
If there is feature of value reducement, feature of being constant or temporary	-
If the value can be reduced temporarily, mechanism of value incrementation	-
Claiming rank in case of winding up (Instrument that is just above debt instrument)	-
Whether being provided with conditions of the 7 <sup>th</sup> and 8 <sup>th</sup> articles of Shareholders’ Equity of Banks Regulation	-
Has or has not been provided with which conditions of the 7 <sup>th</sup> and 8 <sup>th</sup> articles of Shareholders’ Equity of Banks Regulation	-

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**INFORMATION ON FINANCIAL STRUCTURE (Continued)**

**Information on 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:**

The evaluation period for internal capital adequacy in our Bank has been designed within in accordance with the principle of proportionality and is consistent with the Guidelines on ISEDES Report and Guidelines on Stress Tests To Be Used By Banks For Capital and Liquidity Planning which is published by the Banking Regulation and Supervision Agency, and with the Regulation on Internal Systems of Banks and Internal Capital Adequacy Assessment Process (ISEDES) which entered into effect upon being published in Official Gazette No. 29057 dated 11 July 2014. Our Bank is in compliance with the said regulation and good practice guidelines in line with its small-scale structure, task environment, and requirements

In accordance with ISEDES, it is aimed for the Bank to internally determine a level of capital which covers the risks it has faced or is likely to face and to continue its operations with capital above that level. Maximum attention is paid to the ISEDES processes so that they are implemented with a long-term view and are risk focused, internalized within the Bank and that its consequences are used in the decision-making process.

Evaluations of the Bank’s capital and liquidity adequacy are done from a risk-based perspective, considering the strategic plan, three-year budget projections, bank policies on capital adequacy, liquidity and funding, risk measurement outcomes for risks that the company is exposed to, ISEDES, and stress test reports. Within this scope, activities performed and services provided by the Bank are considered.

The Bank determines its capital level in such a way that it is above the minimum level and legal ratios required by the legal regulations of the Banking Regulation and Supervision Agency, and so that it is able to continue all its operations. Also, scenario analyses, and particular, plenary, and reverse-stress tests are done in order to measure the effects of parameters that affect the financial power of the Bank at the capital level. In addition, via sensitivity analyses, primary and secondary structural block risks that the Bank is exposed to are determined within the scope of the proportionality principle.

Our Bank takes stress tests, scenario analyses, risk appetites, the capital plan, the strategic plan and budget, the emergency and unexpected situation action plan for various risks, and other issues deemed necessary into consideration, and calculates and establishes a capital planning buffer, which is designed to prevent the capital adequacy level from becoming lower than the internal and legal minimum capital adequacy over the next three years as a result of possible negative situations and losses. The capital planning buffer is determined by considering worst case scenarios. Whether the current capital adequacy rates of the Bank are above the internal capital adequacy rate calculated in the scope of the stress test and described as the target ratio is evaluated and the internal capital buffer is calculated.

According to the “Regulation on Internal Systems and the Internal Capital Adequacy Assessment Process of Banks”, the ISEDES report and the Stress Test report are prepared annually with the participation of all relevant units of the Bank and the coordination of the Risk Management Team. These reports are approved by the Board of Management or our Bank after being examined.

The senior management of the Bank and members of the Board of Management are jointly responsible for designing ISEDES and its implementation within the Bank. All units of the Bank execute their duties, authorities, and responsibilities which are within the scope of ISEDES in accordance with their own regulations. The inspection report regarding the data, systems, and processes is prepared by the Internal Audit Team, and the validation report regarding the models and/or methods that are used for risk measurement within the scope of the internal capital adequacy calculation is prepared by the Internal Control and Compliance Team.

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**II. Explanations Related to Credit Risk**

The Board of Management is responsible for Bank operations performed within the scope of credit risk management and these operations are performed in compliance with the “Regulation on Internal Systems and the Internal Capital Adequacy Assessment Process of Banks” and the “Regulation on Measuring and Reviewing Capital Adequacy of Banks”. When calculating capital adequacy rates, the amount which is taken as a basis for credit risk and which is calculated via a standard method is considered.

The Bank also calculates counterparty credit risk for banking accounts due to reverse-repo transactions, and these amounts are taken into consideration in the amount used as a basis for credit risk.

The debtors of the cash and non-cash loans extended by the Bank are financial sector companies.

Credit limits are categorised according to the Bank’s credit types. The assigned credit limits are determined for cash and non-cash by taking the credit types into consideration. Loans provided are further classified as having (1-12) month, (12-24) month, or (24+) month maturity. In addition, the maturity of the cash loans provided are maximum six months and there are frequent financial futures between 30-40 days. Loans provided by the Bank provides efficiency and convenience in capital market transactions, helps intermediary institutions benefit from barter debts through timely/early clearing of debts, and helps markets gains more depth. Since payments and collections are secured by the Bank in the Takasbank money market, which is similar to an interbank money market, these transactions are followed under non-cash loan items.

The Bank acts as the central counterparty in the Securities Lending Market and in the Financial Futures and Options Market, and liabilities in these markets are considered by our Bank to be non-cash credits.

Our credit transactions assume credit risk. This risk can be defined as the possibility that the members and guarantors who use the credit do not fulfil the liabilities defined in agreements and that they have undertaken beforehand in written form.

Limitations, risks, warrant situations, and concentrations risks for off-balance sheet risks of members who use credits are tracked on a daily basis.

The risk limits and allocations determined for daily transactions and concentrations related to off-balance sheet risks are monitored daily.

The credit worthiness of borrowers is monitored regularly in accordance with the related legislation. Independently audited financial statements of the borrowers prepared as per the regulation of Capital Markets Board are examined for the loans extended. The credit limits are amended according to the financial positions of the companies and collaterals against loans are taken in accordance with the application principles for lending operations. After the financial analysis, investigation and other examinations performed on the companies applying for loans, loan limits are proposed to the Board of Directors for approval. Loan limits become effective after approved by the Board of Directors. Limit change requests are revised on a six monthly basis unless substantive changes occur in the financial positions of customers.

The Bank has no forward and option contracts or any other similar agreements.

The Bank has not been exposed to credit risk since the risk is minimized by receiving collaterals and determining loan limits according to the financial strength of the companies. Therefore, in the short term, there is no specific need to enter into any transaction to decrease or terminate its credit exposure.

The Bank has no liquidated non-cash loans, restructured loans or long-term commitments.

The Bank has no lending and banking transactions in foreign countries.

The Bank calculates general provisions for credit risk and receives cash and/or cash equivalent collaterals.

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As of the balance sheet date;

Number of Customers - Cash Loan	6
Number of Customers - Non-Cash Loan	41
General Loan Loss Reserves (TL)	21.686
Specific Provision for Non Performing Loans (TL)	1.574

Credits, collection of principal or interest payments which are deferred for more than thirty days after their maturity date or payment date for various reasons, but which do not fulfil the delay time condition necessary for classification as “Third Class” as specified in “Regulation on Principles and Procedures in Respect of Qualifying Loans and Other Receivables by Banks and Equivalents to Be Allocated for the Same” are qualified as "non-performing loans" in the accounting application, and all receivables under third, fourth and fifth groups in the same Regulation are accepted as “depreciated loans” in the application of this Regulation. They are accepted as such regardless of whether accrued interests and quasi-profit liabilities of the borrower are added to the capital or refinanced.

The Bank allocates equivalents for III, IV. and V. group credits pursuant to “Regulation on Principles and Procedures in Respect of Qualifying Loans and Other Receivables by Banks and Equivalents to Be Allocated for the Same.”

Total amount of incurred risks after offsetting transactions (before credit risk reduction), regardless of the credit risk reduction, and average amount of risks separated according to different risk classes and types for the related period:

<b>Exposure classifications</b>	<b>Current Period Risk Amount</b>	<b>Average Risk Amount</b>
Conditional and unconditional receivables from central governments or central banks	183.375	197.903
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 organizations	-	-
Conditional and unconditional receivables from banks and brokerage houses	11.591.489	12.091.465
Conditional and unconditional corporate receivables	826.640	487.840
Conditional and unconditional retail receivables	-	-
Conditional and unconditional secured mortgage receivables	-	-
Past due receivables	-	-
Receivables defined in high risk category by BRSA	-	-
Securities collateralised by mortgages	-	-
Securitisation positions	-	-
Short-term receivables from banks, stockbrokers and corporate	-	-
Investments of natured collective investment enterprise	-	-
Other receivables	289.301	288.052

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**INFORMATION ON FINANCIAL STRUCTURE (Continued)**

**Profile of significant exposures in major regions:**

	Exposure Categories														Total		
	Conditional and unconditional exposures to central governments or central banks	Conditional and unconditional exposures to regional governments or local authorities	Conditional and unconditional receivables from administrative units and non-commercial enterprises	Conditional and unconditional exposures to multilateral development banks	Conditional and unconditional exposures to international organisations	Conditional and unconditional exposures to banks and brokerage houses	Conditional and unconditional exposures to corporates	Conditional and unconditional retail exposures	Conditional and unconditional exposures secured by real estate property	Past due receivables	Receivables defined in high risk category by BRSA	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	Other receivables
<b>Current Period</b>																	
Domestic	183.375	-	-	-	-	9.451.334	413.320	-	-	-	-	-	-	-	-	288.778	10.336.807
European Union (EU) Countries	-	-	-	-	-	29.786	-	-	-	-	-	-	-	-	-	-	29.786
OECD Countries* Off-Shore Banking Regions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
USD, Canada	-	-	-	-	-	429	-	-	-	-	-	-	-	-	-	-	429
Other Countries Associates, Subsidiaries and Joint –Ventures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Unallocated Assets/Liabilities**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>183.375</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9.481.549</b>	<b>413.320</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>288.778</b>	<b>10.367.022</b>

(\*) Includes OECD countries other than EU countries, USA and Canada.

(\*\*) Includes assets and liability items that can not be allocated on a consistent basis.

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**INFORMATION ON FINANCIAL STRUCTURE (Continued)**

**Risk profile by Sectors or Counterparties:**

	Conditional and unconditional exposures to central governments or central banks	Conditional and unconditional exposures to regional governments or local authorities	Conditional and unconditional receivables from administrative units and non-commercial enterprises	Conditional and unconditional exposures to multilateral development banks	Conditional and unconditional exposures to international organisations	Conditional and unconditional exposures to banks and brokerage houses	Conditional and unconditional exposures to corporates	Conditional and unconditional retail exposures	Conditional and unconditional exposures secured by real estate property	Past due receivables	Receivables defined in high risk category by BRSA	Exposures in the form of bonds secured by mortgages	Securitization Positions	Other receivables	TL	FC	Total
<b>Agriculture</b>																	
Farming and Stockbreeding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Forestry	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fishery	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Manufacturing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Mining and Quarrying	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Production	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Electricity, Gas and Water	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Construction</b>																	
<b>Services</b>																	
Wholesale and Retail Trade	-	-	-	-	-	-	9.481.549	413.320	-	-	-	-	-	-	7.308.618	2.586.251	9.894.869
Accommodation and Dining	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transportation and Telecom.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Financial Institutions	-	-	-	-	-	-	9.481.549	413.320	-	-	-	-	-	-	7.308.618	2.586.251	9.894.869
Real Estate and Rental Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Professional Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Educational Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health and Social Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Other</b>	183.375	-	-	-	-	-	-	-	-	-	-	-	-	288.778	471.758	395	472.153
<b>Total</b>	183.375	-	-	-	-	-	9.481.549	413.320	-	-	-	-	-	288.778	7.780.376	2.586.646	10.367.022

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**INFORMATION ON FINANCIAL STRUCTURE (Continued)**

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

Exposure classifications	Term To Maturity				
	Up to 1Month	1-3 Month	3-6 Month	6-12 Month	Over 1 year
Conditional and unconditional exposures to central governments or central banks	107.095	-	-	76.280	-
Conditional and unconditional exposures to regional governments or local authorities	-	-	-	-	-
Conditional and unconditional receivables from administrative units and non-commercial enterprises	-	-	-	-	-
Conditional and unconditional exposures to multilateral development banks	-	-	-	-	-
Conditional and unconditional exposures to international organisations	-	-	-	-	-
Conditional and unconditional exposures to banks and brokerage houses	7.613.951	1.863.349	275	3.974	-
Conditional and unconditional exposures to corporates	378.055	35.266	-	-	-
Conditional and unconditional retail exposures	-	-	-	-	-
Conditional and unconditional exposures secured by real estate property	-	-	-	-	-
Past due receivables	-	-	-	-	-
Receivables defined in high risk category by BRSA	-	-	-	-	-
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	-	-	-	-	-
Other receivables	288.778	-	-	-	-
<b>Total</b>	<b>8.387.878</b>	<b>1.898.615</b>	<b>275</b>	<b>80.254</b>	<b>-</b>

**Information about the risk exposure categories:**

The credit rating of banks and intermediary institutions are inspected via the Takasbank Internal Credit Evaluation System and credit or position limits based on the maximum nominal limits or value at risk limits, which can be assigned within the scope of banking or central counterparty actions are determined. The membership types of banks and intermediary institutions which will perform the transaction in the market, or the capital market instruments that are provided by the central counterparty service, are also determined by this system.

There are no financial assets, the maturity or contract conditions of which are revised again (31 December 2014: None).

Details on the Bank’s overdue depreciated financial assets are provided in the fifth chapter, first part, footnote No. 5 of the report.



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**Exposures by risk weights:**

<b>Risk Weights</b>	<b>0%</b>	<b>10%</b>	<b>20%</b>	<b>50%</b>	<b>75%</b>	<b>100%</b>	<b>150%</b>	<b>Deductions from Equity</b>
Exposures before								
Credit Risk								
Mitigation	182.770	-	7.335.663	2.559.820	-	288.769	-	-
Exposures after								
Credit Risk								
Mitigation	783.735	-	6.738.947	2.555.571	-	288.769	-	-

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

None.

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

	<b>31.12.2014 Balance</b>	<b>Provision for Period</b>	<b>Provision Reversals</b>	<b>Write off from Asset</b>	<b>Other Adjustments</b>	<b>31.12.2015 Balance</b>
Specific Provisions	1.637	-	63	-	-	1.574
General Provisions	23.985	-	2.299	-	-	21.686

**III. Explanations Related to Market Risk**

The Bank’s market risk management operations are conducted in compliance with the “Regulation on Internal Systems and the Internal Capital Adequacy Assessment Process of Banks” and the “Regulation on Measuring and Reviewing Capital Adequacy of Banks” and within the scope of the responsibility of the Board of Directors.

In the in-balance sheet and off-balance sheet accounts, interest and currency risks that arise from the fluctuations of the positions held by the Bank in financial markets are measured. When calculating capital adequacy rates, the amount which is taken as a basis for market risk, which is calculated using the standard method shown in the table below, is taken into consideration.

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**Information Related to Market Risk:**

	Current Period	Prior Period
(I) Capital Requirement against General Market Risk - Standard Method	18	9
(II) Capital Requirement against Specific Risks - Standard Method	-	-
Capital requirement against Specific Risks of Securitisation Positions– Standard Method	-	-
(III) Capital Requirement against Currency Exchange Risk - Standard Method	250	295
(IV) Capital Requirement against Commodity Risks - Standard Method	-	-
(V) Capital Requirement against Exchange Risks - Standard Method	-	-
(VI) Capital Requirement against Market Risks of Options - Standard Method	-	-
(VII) Capital requirement against Counterparty Credit Risks - Standard Method	-	-
(VIII) Capital Requirement against Market Risks of Banks applying Risk Measurement Model	-	-
(IX) Total Capital Requirement against Market Risk (I+II+III+IV+V+VI+VII)	268	304
(X) Amount Subject to Market Risk (12,5 x VIII) or (12,5 x IX)	3.350	3.800

**Average market risk table calculated at month ends during the period:**

	Current Period			Prior Period		
	Average	Maximum	Minimum	Average	Maximum	Minimum
Interest Rate Risk	13	25	3	36	378	-
Stock Risk	-	-	-	-	-	-
Currency Risk	635	1.264	250	273	525	127
Commodity Risk	-	-	-	-	-	-
Settlement Risk	-	-	-	-	-	-
Option Risk	-	-	-	-	-	-
Counterparty Credit Risk	-	-	-	-	-	-
<b>Total Value Subject to Risk</b>	<b>648</b>	<b>1.289</b>	<b>253</b>	<b>309</b>	<b>903</b>	<b>127</b>

**Information on Counterparty Credit Risk**

Bank has no counterparty credit risk for purchase and sell accounts as of 31 December 2015 (31 December 2014: None).

**IV. Explanations Related to Operational Risk**

The Bank’s market operational risk management activities are conducted in compliance with the “Regulation on Internal Systems and the Internal Capital Adequacy Assessment Process of Banks” and the “Regulation on Measuring and Reviewing the Capital Adequacy of Banks” and within the scope of the responsibility of the Board of Directors. When calculating the capital adequacy rates, the amount which is taken as a basis for operational risk is calculated using the basic indicator approach method. Balance subject to operational risk is calculated by considering gross income of prior three fiscal years 2014, 2013 and 2012. The amount subject to Operational Risk for the current period is TL 301.550 (31 December 2012: TL 216.733).

	2 Prior Period Amount	1 Prior Period Amount	31.12.2014	Total/Positive Year	Rate (%)	Total
GROSS Income	119.465	150.392	212.623	160.827	15	24.124
Amount subject to Operational Risk (Total*12,5)						301.550

	2 Prior Period Amount	1 Prior Period Amount	31.12.2013	Total/Positive Year	Rate (%)	Total
GROSS Income	76.916	119.465	150.392	115.591	15	17.339
Amount subject to Operational Risk (Total*12,5)						216.738

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**INFORMATION ON FINANCIAL STRUCTURE (Continued)**

**V. Explanations Related to Currency Risk**

The Bank is subject to the reserve requirements in relation to the foreign currency guarantees received for the Stock Exchange Money Market, Derivatives Market, collaterals obtained for cash loans and non-cash loans and foreign currency amounts deposited in the Bank’s accounts as guarantee and the foreign currency amounts left in the unrestricted accounts of customers consisting of banks and brokerage firms except the foreign settlement transaction commissions and foreign currency amounts kept for its own transactions in accordance with the agreements made in foreign currencies. Therefore, the Bank performs its obligations in two-weekly periods in ratios designated in blocked accounts of the Central Bank of Turkey. The foreign currency amounts, kept due to the reserve requirements, are creating an excess amount of assets with regard to the ratio of assets to liabilities.

The Bank calculated foreign exchange capital liability of TL 3.124 (31 December 2014: TL 3.687) for the net position between assets and liabilities in foreign currency, and recognised it in the amount basis to market risk.

In the FX transactions of the Bank, the risk management policy that is also regarded in TRY transactions is used, and asset-liability is managed so as not to be exposed to foreign exchange risk in transactions that affect FX assets and liabilities.

The Bank’s foreign exchange bid rates as of the date of the financial statements and five working days prior to that date:

<b>Current Period</b>	<b>1 USD</b>	<b>1 EUR</b>	<b>1 GBP</b>	<b>100 JPY</b>
31 December 2015	2,9076	3,1776	4,3007	2,4078
30 December 2015	2,9084	3,1921	4,3141	2,4098
29 December 2015	2,9157	3,2006	4,3417	2,4133
28 December 2015	2,9123	3,1904	4,3439	2,4146
25 December 2015	2,9187	3,1968	4,3414	2,4189
<b>Simple arithmetic averages for last 31 days</b>	<b>2,9172</b>	<b>3,1697</b>	<b>4,3676</b>	<b>2,3898</b>

**Foreign currency sensitivity:**

According to TFRS 7, sensitivity of foreign currency assets and liabilities of the Bank to a probable change in exchange rates that might have a substantial effect is analyzed. In the analysis presented below, a 10% change in USD and Euro currencies are anticipated.

	Change in currency rate in %	Effect on profit or loss		Effect on equity	
		31 December 2015	31 December 2014	31 December 2015	31 December 2014
USD	10% increase	42	210	42	210
USD	10% decrease	(42)	(210)	(42)	(210)
EURO	10% increase	40	150	40	150
EURO	10% decrease	(40)	(150)	(40)	(150)

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**INFORMATION ON FINANCIAL STRUCTURE (Continued)**

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

<b>Current Period</b>	<b>EUR</b>	<b>USD</b>	<b>Other</b>	<b>Total</b>
<b>Assets</b>				
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metals) and Balances with the Central Bank of Turkey	-	-	-	-
Due From Other Banks	787.243	1.795.059	3.484	2.585.786
Financial Assets at Fair Value Through Profit and Loss	-	-	-	-
Money Market Placements	-	-	-	-
Available-For-Sale Financial Assets	465	-	-	465
Loans	-	-	-	-
Subsidiaries, Associates and Entities Under Common Control	-	-	-	-
Held-To-Maturity Investments	-	-	-	-
Derivative Financial Assets for Hedging Purposes	-	-	-	-
Tangible Assets	-	-	-	-
Intangible Assets	-	-	-	-
Other Assets	-	395	-	395
<b>Total Assets</b>	<b>787.708</b>	<b>1.795.454</b>	<b>3.484</b>	<b>2.586.646</b>
<b>Liabilities</b>				
Bank Deposits	-	-	-	-
Foreign Currency Deposits	-	-	-	-
Money Market Borrowings	-	-	-	-
Funds Provided From Other Financial Institutions	658.408	942.522	-	1.600.930
Securities Issued	-	-	-	-
Sundry Creditors	128.899	852.517	1.098	982.514
Derivative Financial Liabilities for Hedging Purposes	-	-	-	-
Other Liabilities	-	-	78	78
<b>Total Liabilities</b>	<b>787.307</b>	<b>1.795.039</b>	<b>1.176</b>	<b>2.583.522</b>
<b>Net Balance Sheet Position</b>	<b>401</b>	<b>415</b>	<b>2.308</b>	<b>3.124</b>
Financial Derivative Assets	-	-	-	-
Financial Derivative Liabilities	-	-	-	-
Non-Cash Loans	-	-	-	-
<b>Prior Period</b>				
Total Assets	428.674	1.412.653	1.154	1.842.481
Total Liabilities	427.161	1.410.564	1.069	1.838.794
<b>Net Balance Sheet Position</b>	<b>1.513</b>	<b>2.089</b>	<b>85</b>	<b>3.687</b>
Net Off-Balance Sheet Position	-	-	-	-
Financial Derivative Assets	-	-	-	-
Financial Derivative Liabilities	-	-	-	-
Non-Cash Loans	-	-	-	-

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**INFORMATION ON FINANCIAL STRUCTURE (Continued)**

**VI. Explanations Related to Interest Rate Risk**

Interest rate sensitivity of the assets, liabilities and off-balance sheet items are measured by the Bank.

Forecast results which have been formed using estimation-simulation reports are prepared and then the effects of fluctuations in interest rates are evaluated with sensitivity and scenario analyzes. Cash requirement for every maturity period are determined based on maturity distribution analysis (Gap). In addition, a positive spread between the yield on assets and the cost of liabilities is kept while determining interest rates.

To evaluate its funding resources, the Bank enters into foreign currency and TL depot transactions, repurchase agreements, time and demand deposit transactions and foreign exchange transactions with the Central Bank of Turkey or other banks. The related transactions undertaken by the Fund Management Department are made with the banks having transaction limits designated by the Board of Directors under the regulations set out in “Treasury Transaction Limits”.

Other than securities guaranteed or issued by the Turkish Treasury, the Bank does not include any debt instruments in its portfolio during the year 2015. The Bank does not undertake any liability due to using derivative financial instruments attributable to its transactions in evaluating its funding resources.

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

<b>Closing Balances of Current Period</b>	<b>Up to 1 Month</b>	<b>1-3 Month</b>	<b>3-12 Month</b>	<b>1-5 Year</b>	<b>5 Year and over</b>	<b>Non- Interest Bearing</b>	<b>Total</b>
<b>Assets</b>							
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metals) and Balances with the Central Bank of Turkey	-	-	-	-	-	55	55
Due From Other Banks	4.774.499	1.793.656	-	-	-	30.549	6.598.704
Financial Assets at Fair Value Through Profit and Loss	-	-	4.396	-	-	-	4.396
Money Market Placements	18.881	-	-	-	-	-	18.881
Financial Assets Available-For-Sale	-	-	-	-	-	1.636	1.636
Loans	172.112	-	-	-	-	-	172.112
Held-To-Maturity Investments	103.805	-	76.280	-	-	-	180.085
Other Assets (*)	1	-	-	-	-	116.568	116.569
<b>Total Assets</b>	<b>5.069.298</b>	<b>1.793.656</b>	<b>80.676</b>	<b>-</b>	<b>-</b>	<b>148.808</b>	<b>7.092.438</b>
<b>Liabilities</b>							
Bank Deposits	-	-	-	-	-	-	-
Other Deposits	-	-	-	-	-	-	-
Money Market Borrowings	-	-	-	-	-	-	-
Sundry Creditors	1.938.714	-	-	-	-	1.664.984	3.603.698
Securities Issued	-	-	-	-	-	-	-
Funds Provided From Other Financial Institutions	2.459.898	-	-	-	-	58.281	2.518.179
Other Liabilities (*)	-	-	-	-	-	970.561	970.561
<b>Total Liabilities</b>	<b>4.398.612</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2.693.826</b>	<b>7.092.438</b>
Balance Sheet Long Position	670.686	1.793.656	80.676	-	-	-	2.545.018
Balance Sheet Short Position	-	-	-	-	-	(2.545.018)	(2.545.018)
Off-Balance Sheet Long Position	-	-	-	-	-	-	-
Off-Balance Sheet Short Position	-	-	-	-	-	-	-
<b>Total Position</b>	<b>670.686</b>	<b>1.793.656</b>	<b>80.676</b>	<b>-</b>	<b>-</b>	<b>(2.545.018)</b>	<b>-</b>

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<b>Closing Balances of Prior Period</b>	<b>Up to 1 Month</b>	<b>1-3 Month</b>	<b>3-12 Month</b>	<b>1-5 Year</b>	<b>5 Year and Over</b>	<b>Non-Interest Bearing (*)</b>	<b>Total</b>
<b>Assets</b>							
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metals) and Balances with the Central Bank of Turkey	-	-	-	-	-	54	54
Due From Other Banks	4.169.753	879.992	-	-	-	21.033	5.070.778
Financial Assets at Fair Value Through Profit and Loss	-	-	1.256	-	-	-	1.256
Money Market Placements	24.786	-	-	-	-	-	24.786
Financial Assets Available-For-Sale	-	-	-	-	-	1.497	1.497
Loans	169.177	-	-	-	-	-	169.177
Held-To-Maturity Investments	-	92.788	75.679	-	-	-	168.467
Other Assets (*)	1	-	-	-	-	59.607	59.608
<b>Total Assets</b>	<b>4.363.717</b>	<b>972.780</b>	<b>76.935</b>			<b>82.191</b>	<b>5.495.623</b>
<b>Liabilities</b>							
Bank Deposits	-	-	-	-	-	-	-
Other Deposits	-	-	-	-	-	-	-
Money Market Borrowings	-	-	-	-	-	-	-
Sundry Creditors	1.697.605	-	-	-	-	1.090.904	2.788.509
Securities Issued	-	-	-	-	-	-	-
Funds Provided From Other Financial Institutions	1.761.583	56.415	-	-	-	33.517	1.851.515
Other Liabilities (*)	-	-	-	-	-	855.599	855.599
<b>Total Liabilities</b>	<b>3.459.188</b>	<b>56.415</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1.980.020</b>	<b>5.495.623</b>
Balance Sheet Long Position	904.529	916.365	76.935	-	-	-	1.897.829
Balance Sheet Short Position	-	-	-	-	-	(1.897.829)	(1.897.829)
Off-Balance Sheet Long Position	-	-	-	-	-	-	-
Off-Balance Sheet Short Position	-	-	-	-	-	-	-
<b>Net Position</b>	<b>904.529</b>	<b>916.365</b>	<b>76.935</b>	<b>-</b>	<b>-</b>	<b>(1.897.829)</b>	<b>-</b>

(\*) Other assets and liabilities in non-interest bearing column are presented below.

<b>Other Assets</b>	<b>Current Year</b>
-Temporary accounts	80.895
-Tangible assets	16.083
-Sundry debtors	8.072
-Subsidiaries	4.825
-Deferred tax assets	4.016
-Intangible assets	2.629
-Stationary supplies	48
-Custody Services comission rediscount	1
<b>Total</b>	<b>116.569</b>

<b>Other Liabilities</b>	<b>Current Year</b>
-Shareholder's equity	911.026
-Provisions	44.510
-Current tax liability	15.025
<b>Total</b>	<b>970.561</b>

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**INFORMATION ON FINANCIAL STRUCTURE (Continued)**

<b>Other Assets</b>	<b>Prior Year</b>
-Temporary accounts	26.551
-Tangible assets	17.115
-Sundry debtors	5.645
-Subsidiaries	4.825
-Deferred tax assets	4.013
-Intangible assets	1.423
-Stationary supplies	35
-Custody Services comission rediscount	1
<b>Total</b>	<b>59.608</b>

<b>Other Liabilities</b>	<b>Prior Year</b>
-Shareholder’s equity	800.244
-Provisions	43.971
-Current tax liability	11.384
<b>Total</b>	<b>855.599</b>

**Average interest rates applied to monetary financial instruments (%):**

<b>Current Period</b>	<b>EUR</b>	<b>USD</b>	<b>JPY</b>	<b>TL</b>
<b>Assets</b>				
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	-	-	-	-
Due From Other Banks	1,55	2,21	-	10,41
Financial Assets at Fair Value Through Profit and Loss	-	-	-	9,69
Money Market Placements	-	-	-	-
Financial Assets Available-For-Sale	-	-	-	-
Loans	-	-	-	13,31
Investments held to maturity	-	-	-	-
<b>Liabilities</b>				
Bank Deposits	-	-	-	-
Other Deposits	-	-	-	-
Money Market Borrowings	-	-	-	-
Other creditors	-	-	-	8,84
Securities Issued	-	-	-	-
Funds Provided From Other Financial Institutions	0,17	0,65	-	9,73

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**INFORMATION ON FINANCIAL STRUCTURE (Continued)**

**Average interest rates applied to monetary financial instruments:**

<b>Prior Period</b>	<b>EUR</b>	<b>USD</b>	<b>JPY</b>	<b>TL</b>
<b>Assets</b>				
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	-	-	-	-
Due From Other Banks And Financial Institutions	1,92	2,13	-	8,77
Financial Assets At Fair Value Through Profit And Loss	-	-	-	8,05
Money Market Placements	-	-	-	-
Financial Assets Available-For-Sale	-	-	-	-
Loans	-	-	-	10,73
Held-To-Maturity Investments	-	-	-	-
<b>Liabilities</b>				
Bank Deposits	-	-	-	-
Other Deposits	-	-	-	-
Money Market Borrowings	-	-	-	-
Other Creditors	-	-	-	8,25
Securities Issued	-	-	-	-
Funds Provided From Other Financial Institutions	0,25	0,45	-	8,39

According to TFRS 7 sensitivity of assets and liabilities of the Bank to a probable change in interest rates that might have a substantial effect is not important as Bank’s financial instruments are short term and have fixed interest rate. Thus, presentation of financial information related with interest rate sensitivity is not required.

**Interest rate risk on banking accounts:**

<b>Type of Currency</b>	<b>Shock Applied (+/- x basis point)</b>	<b>Gains/ (Losses)</b>	<b>Gains/Equity- (Losses)/Equity</b>
TRY	(+) 500 bp	4.655	0,51
TRY	(-) 400 bp	(3.791)	(0,42)
EURO	(+) 200 bp	480	0,05
EURO	(-) 200 bp	(480)	(0,05)
USD	(+) 200 bp	1.449	0,16
USD	(-) 200 bp	(1.449)	(0,16)
<b>Total (of negative shocks)</b>		<b>(5.720)</b>	<b>(0,63)</b>
<b>Total (of positive shocks)</b>		<b>6.584</b>	<b>0,72</b>

**Equity share position risk in banking accounts**

As of balance sheet date, bank has no equity share position risk.

**VII. Explanations Related to Liquidity Risk**

The Bank management takes guarantees for Stock Exchange Money Market and settlement transactions and places TL funds in short-term in order to remain liquid.

The effective management of the risks arising from money market instruments is the fundamental strategy of the management. Even in the most uncertain market conditions, the Bank maintains risk minimization through reducing risks of market instruments, diversifying instruments, matching of maturities, and obtaining optimum liquidity level. For this reason, the Bank is significantly liquid and is a fund provider in the Over-the-Counter Money Market and CB Interbank markets. Turkish Lira and foreign currency sales transactions with banks are done within the limits determined by the Board of Directors and monitored by the internal system units.

The interest rates of payments, assets and liabilities are matched. Since there is no mismatch, there is no need for the measurement of the effect on profitability.



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**INFORMATION ON FINANCIAL STRUCTURE (Continued)**

The Bank's short and long-term liquidity needs are met by its own resources.

Cash warrants that are received for cash flows of the Bank, amounts that are kept in its Equities and members' free accounts, BİAŞ Guarantee Fund, BİAŞ Loan and Share Market, Takasbank Money Market, Loan Share Market, Derivatives Exchange Market, Electricity Market, Leveraged call-put transactions, Warrant Deputy (OPIC) are made use of in Over-the-Counter Market with other banks via overnight repo in order to manage liquidity risk.

The Bank manages its liquidity risk by having enough cash and cash equivalent resources in order to meet present and probable debt obligations, by being able to close short positions and by being able to fund loan requirements.

Liquidity position is assessed and managed considering the market-wide and Bank-specific factors. The most important scenario among these scenarios is to maintain the ratio of net liquid assets/payables to clients in limits.

**Ratios throughout the period are as below:**

	Current Period (%)	Prior Period (%)
Period average	144	166
Highest	169	197
Lowest	133	125

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

Current Period	Demand	Up to 1 Month	1-3 Month	3-12 Month	1-5 Year	5 Year and Over	Undistributed	Total
<b>Assets</b>								
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metals) and Balances with the Central Bank of Turkey	55	-	-	-	-	-	-	55
Banks	30.549	4.774.499	1.793.656	-	-	-	-	6.598.704
Financial Assets at Fair Value Through Profit and Loss	-	-	-	4.396	-	-	-	4.396
Money Market Placements	-	18.881	-	-	-	-	-	18.881
Financial Assets Available-For-Sale	1.636	-	-	-	-	-	-	1.636
Loans Held-To-Maturity	-	172.112	-	-	-	-	-	172.112
Investments	-	103.805	-	76.280	-	-	-	180.085
Other Assets (*)	-	1	-	-	-	-	116.568	116.569
<b>Total Assets</b>	<b>32.240</b>	<b>5.069.298</b>	<b>1.793.656</b>	<b>80.676</b>	<b>-</b>	<b>-</b>	<b>116.568</b>	<b>7.092.438</b>
<b>Liabilities</b>								
Bank Deposits	-	-	-	-	-	-	-	-
Other Deposits	-	-	-	-	-	-	-	-
Funds Provided From Other Financial Institutions	-	2.459.898	-	-	-	-	58.281	2.518.179
Money Market Borrowings	-	-	-	-	-	-	-	-
Securities Issued	-	-	-	-	-	-	-	-
Sundry Creditors	1.664.984	1.938.714	-	-	-	-	-	3.603.698
<b>Other Liabilities</b>	<b>-</b>	<b>5.295</b>	<b>-</b>	<b>23.918</b>	<b>-</b>	<b>-</b>	<b>941.348</b>	<b>970.561</b>
<b>Total Liabilities</b>	<b>1.664.984</b>	<b>4.403.907</b>	<b>-</b>	<b>23.918</b>	<b>-</b>	<b>-</b>	<b>999.629</b>	<b>7.092.438</b>
<b>Current Period Liquidity Gap</b>	<b>(1.632.744)</b>	<b>665.391</b>	<b>1.793.656</b>	<b>56.758</b>	<b>-</b>	<b>-</b>	<b>(883.061)</b>	<b>-</b>
Prior Period								
Total Assets	22.584	4.363.717	972.780	76.935	-	-	59.607	5.495.623
Total Liabilities	1.090.904	3.462.612	56.415	20.164	-	-	865.528	5.495.623
<b>Prior Period Liquidity Gap</b>	<b>(1.068.320)</b>	<b>901.105</b>	<b>916.365</b>	<b>56.771</b>	<b>-</b>	<b>-</b>	<b>(805.921)</b>	<b>-</b>

(\*) Accounts that constitute the balance sheet assets such as fixed assets, participation and subsidiaries, prepaid expenses, receivables for follow up those are required to maintain banking operations and are not convertible to cash in short term period are recorded into this account.

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**INFORMATION ON FINANCIAL STRUCTURE (Continued)**

**Analysis of financial assets and liabilities by remaining contractual maturities:**

	Demand	Up to one month	1-3 Months	3-12 Months	1-5 Years	Total	Adjustments	Total
<b>31 December 2015</b>								
Placements	-	-	-	-	-	-	-	-
Repo	-	-	-	-	-	-	-	-
Funds borrowed	-	2.412.697	-	-	-	2.412.697	626	2.413.323
Other	-	104.856	-	-	-	104.856	-	104.856
<b>Total</b>		<b>2.517.553</b>				<b>2.517.553</b>	<b>626</b>	<b>2.518.179</b>
<b>31 December 2014</b>								
Placements	-	-	-	-	-	-	-	-
Repo	-	-	-	-	-	-	-	-
Funds Borrowed	-	1.715.218	56.415	-	-	1.771.633	643	1.772.276
Other	-	79.239	-	-	-	79.239	-	79.239
<b>Total</b>		<b>1.794.457</b>	<b>56.415</b>			<b>1.850.872</b>	<b>643</b>	<b>1.851.515</b>

**Securitisation positions:**

The Bank does not apply securitisation as of 31 December 2015.

**Credit Risk Mitigation Techniques:**

The Bank does not perform in-and off-balance sheet netting. The Bank's cash credit transactions consist of loans extended to intermediary firms. Equity securities, treasury bills, government bonds, a letter of guarantee, investment fund participation certificates and cash blockage collateral may be obtained for extended cash credits. Takasbank Money Market (TMM) transactions are regarded as non-cash credits because of our guarantorship in TPP. Cash, a letter of guarantee, treasury bills, government bonds, investment fund participation certificates, equity securities and Euro bonds are accepted as guarantee in TMM.

Regarding guarantees taken for TMM and cash credit transactions, equity securities are valued according to their weighted average price in the last session on the day of valuation, or, if the transaction is not realised, according to the arithmetic average of best purchase and best sales orders in the last session; Government Bonds and Treasury Bills are valued according to "Current Bond Rates" determined at BİAŞ (Debt Instruments Market) on the day of valuation; FC cash amounts and FC letters of guarantee are valued according to the currency buying rate announced by Central Bank of the Republic of Turkey for the day following the day of valuation; Investment Fund Participation Certificates are valued according to the prices announced on the day of valuation; and Euro Bonds are valued according to Bloomberg Generic Price (BGN) published at 17:00. In consequence of guarantee valuation carried out every day, in the event that the depreciation of the guarantees exceeds the limits determined by the Bank, a margin call is made to ensure that the guarantees are brought to the level of the initial guarantee.

The Bank performs valuation of collateral and risk at the end of each day. On the other hand, shares and exchange traded funds are also subject to valuation during the day. The method used for day-end and intra-day collateral valuation is as follows:

- Shares and exchange traded funds are valued by taking into account the weighted average price emerging in the last session of the BİAŞ share market on the day of the valuation for day-end valuations, while the weighted average prices of the first session are taken into account for intra-day valuation. If no transaction has been performed in the stock exchange, the arithmetic average of the best purchase and sale orders in the last session is used. If no best purchase or best sale order exists, then the weighted average price of the last session in which a transaction was performed is used.
- Government bonds and treasury bonds are valued based on "current bond rates" defined within the BİAŞ, Debt Instruments Market on the day of valuation. If these prices cannot be obtained, then the daily values of government debt securities determined by the Turkish Central Bank are used as indicators.
- Cash amounts in foreign currency are valued based on the foreign exchange buying rate determined by the Turkish Central Bank for the day after the valuation.

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**INFORMATION ON FINANCIAL STRUCTURE (Continued)**

**Collaterals in terms of Risk Categories:**

<b>Exposure classifications</b>	<b>Amount</b>	<b>Financial Collaterals</b>	<b>Other/Physical Collaterals</b>	<b>Guarantees and Credit Derivatives</b>
Conditional and unconditional receivables from central governments or central banks	183.375	-	-	-
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 organizations	-	-	-	-
Conditional and unconditional receivables from banks and brokerage houses	9.481.549	600.965	-	-
Conditional and unconditional corporate receivables	413.320	-	-	-
Conditional and unconditional retail receivables	-	-	-	-
Conditional and unconditional secured mortgage receivables	-	-	-	-
Past due receivables	-	-	-	-
Receivables in high risk category defined by BRSA	-	-	-	-
Securities collateralised by mortgages	-	-	-	-
Securitisation positions	-	-	-	-
Short-term receivables from banks, stockbrokers and corporates	-	-	-	-
Investments of natured collective investment enterprise	-	-	-	-
Other receivables	288.778	-	-	-
<b>Total</b>	<b>10.367.022</b>	<b>600.965</b>	-	-

**VIII. Risk management objectives and policies**

The purpose of the risk management system is to define, measure, track, and report the risks, through policies, implementing procedures, and limitations identified to track, control, and, when necessary, change the risk-gain structure of future cash flows of the Bank and therefore the nature and level of its activities.

The purpose of the internal capital adequacy assessment process (ISEDES) is to internally determine the capital level which is adequate to compensate for the risks that the Bank is or is likely to be exposed to, and to enable the Bank to continue its operations with capital above this level.

When establishing and implementing the Risk Management System and ISEDES, the proportionality principle is considered, in accordance with BRSA legislation and good practice guidelines.

The general risk policy of the Bank is to perform its activities taking manageable, controllable, and reasonable risks, which maintain the balance between income and expenses. The Bank manages its risks in such a way that they stay above the minimum and below the maximum levels stated in the regulations published by the BRSA, and below the risk appetite confirmed by the Board of Directors.

The risk capacity of the Bank is decided in accordance with its capital adequacy policy. When doing capital and liquidity planning, the current and under-stress liquidity requirements of the Bank, as well as its risk appetite and capacity, are considered together.

The fund management strategy of the Bank is designed to avoid any liquidity problems, to sustain optimization of the risk-income balance, and to obtain maximum benefits from resources while taking a reasonable level of risk.

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**INFORMATION ON FINANCIAL STRUCTURE (Continued)**

The Risk Management Team carries out its activities under the management of the Board of Directors and by way of the Audit Committee.

Risk management activities consist of measuring, monitoring, and reporting risks, and are performed by the Risk Management Team. Within the scope of the risk management system, a reporting system has been established for the effective analysis and assessment of the risks incurred. Systems that allow extensive reporting regarding credit risks, market risks, operational risks, liquidity risks, and interest rate risk due to banking accounts, which can be used in risk management, determine strategies and decision-making. These reports are regularly submitted to the Board of Directors and senior management, as well as to units responsible for creating and monitoring the risks. The Bank’s risks related to new products and services are evaluated within the scope of all exposed risks. Also, primary and secondary structural block risks the Bank is exposed to are considered within the scope of ISEDES and stress tests-scenario analyses are done for these risks in order to calculate capital requirements.

The aim is to maintain the current capital level of the Bank above the internal capital requirement ratio which is also the defined target ratio and is determined within the scope of ISEDES. The purpose of the stress tests is to evaluate the capacity of the Bank to compensate for losses due to various shocks under specific scenarios.

The Bank has specified risk limits and signal values on a general basis and on the basis of risk types in order to control the current risk profile and not go beyond the borders of risk appetites based on risk types and general risk appetite, which are confirmed by Board of Directors of the Bank.

Said risk appetites, risk limits, and signal values are tracked by the Risk Management Team on a regular basis and overflows are transmitted to Senior Management so that the necessary actions can be taken.

The Risk Management team operates under the board of directors through the Audit committee. Risk management activities include measuring, monitoring, and reporting risks; these activities are carried out by the Risk Management team's staff.

Within the scope of the risk management system, a reporting system, which will enable efficient analysis and evaluation of exposed risks, was created. Systems which provide comprehensive reports related to credit risk, market risk, operational risk, liquidity risk, and interest rate risks that result from bank accounts were established for managing risks, determining strategies and making decisions. Reports are regularly presented by board of directors and top management to the units that are responsible for arising risks and the monitoring of them.

In addition, the bank's risks for new products and services are evaluated in terms of all exposed risks. Also, capital requirements are calculated with exposed first and second structural block risks within the framework of the Internal Capital Adequacy Assessment Process, by conducting stress tests and scenario analyses for the said risk types. Within this scope, the bank's current capital level is set to stay above the internal capital requirement ratio, which is determined within the framework of the Internal Capital Adequacy Assessment Process and specified as the target ratio. The aim of performing stress tests is to assess the bank's capacity to cover loss that results from miscellaneous shocks under specific scenarios.

The bank determined risk limits and signal values, which are general and also based on risk types for use in the overall control of current risk profiles, so as not to bypass general risk appetites or those based on risk types approved by board of directors. The Risk Management team regularly monitors risk appetites, risk limits, and risk values and the excess that is reported to top management for further action.

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**INFORMATION ON FINANCIAL STRUCTURE (Continued)**

**IX. Explanations Related To Presentation of Financial Assets and Liabilities at Fair Value**

Current period marketable securities for investment purposes are comprised of interest-bearing assets held-to-maturity and interest-bearing assets available-for-sale. The fair value of the held to maturity assets is determined by market prices or quoted market prices of other marketable securities which are subject to redemption with same characteristics in terms of interest, maturity and other similar conditions when market prices cannot be determined.

The estimated fair value of funds provided from other financial institutions with fixed interest rate is calculated by determining their cash flows discounted by the current interest rates used for other liabilities with similar characteristics and maturity structure. The fair value of loans is calculated by determining the cash flows discounted by the current interest rates used for receivables with similar characteristics and maturity structure. The book value of the banks, money market placements, and funds borrowed from other financial institutions and sundry creditors reflect their fair values since they are short-term.

The table below shows the book value and the fair value of the financial assets and liabilities.

	Book Value		Fair Value	
	Current Period	Prior Period	Current Period	Prior Period
<b>Financial Assets</b>	<b>6.975.814</b>	<b>5.435.961</b>	<b>6.980.210</b>	<b>5.436.594</b>
Financial Assets at Fair Value Through profit / (Loss)	4.396	1.256	4.396	1.256
Money Market Placements	18.881	24.786	18.881	24.786
Banks	6.598.704	5.070.778	6.598.704	5.070.778
Available-For-Sale Financial Assets	1.636	1.497	1.636	1.497
Held-To-Maturity Investments	180.085	168.467	184.481	169.100
Loans	172.112	169.177	172.112	169.177
<b>Financial Liabilities</b>	<b>6.121.877</b>	<b>4.640.024</b>	<b>6.121.877</b>	<b>4.640.024</b>
Placements on banks	-	-	-	-
Other placements	-	-	-	-
Payables to Money Market	-	-	-	-
Funds Borrowed From Other Financial Institutions	2.518.179	1.851.515	2.518.179	1.851.515
Securities Issued	-	-	-	-
Sundry Creditors	3.603.698	2.788.509	3.603.698	2.788.509

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IFRS 7, "Financial Instruments: Disclosures" standard, the items presented in the financial statements at their fair value, are classified according to certain levels. These levels are based on observability of data used in the calculation of the fair value. Fair value classifications is as follows:

Level 1: Registered in active markets price for identical assets or liabilities (unadjusted)

Level 2: Other than published prices included within Level 1, either directly (by price) or indirectly (derived from price) observable datas in terms of assets or liabilities

Level 3: Not based on observable market data in relation to assets or liabilities.

<b>Current Period</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Financial Assets</b>	<b>184.481</b>	<b>1.636</b>	<b>-</b>	<b>186.117</b>
Government Bonds	4.396	-	-	4.396
Available-For-Sale Financial Assets	-	1.636	-	1.636
Held-to-Maturity Investments	180.085	-	-	180.085
Financial Derivative Assets for Trading	-	-	-	-
<b>Financial Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Financial Derivative Liabilities Held for Cash Flow Hedges	-	-	-	-
Financial Derivative Liabilities for Trading	-	-	-	-

<b>Prior Period</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Financial Assets</b>	<b>170.356</b>	<b>1.497</b>	<b>-</b>	<b>171.853</b>
Government Bonds	1.256	-	-	1.256
Available-For-Sale Financial Assets	-	1.497	-	1.497
Held-to-Maturity Investments	169.100	-	-	169.100
Financial Derivative Assets for Trading	-	-	-	-
<b>Financial Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Financial Derivative Liabilities Held for Cash Flow Hedges	-	-	-	-
Financial Derivative Liabilities for Trading	-	-	-	-

**X. Explanations Related To Transactions Made on Behalf of Others and Fiduciary Transactions**

The Bank carries out trading, custody, management and advisory services on others' behalf and account.

TL 8 (31 December 2014: TL 8), in the off balance sheet contingencies and commitments table, consists of sales and securities which are traded on BİAŞ. Under the fiduciary transactions agreement, there are no transactions carried out with other financial institutions and there are no financial services rendered directly in this context.

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According to the Articles of Association of the Bank, the services and operations of the Bank are performing the custody of the securities, precious metals and other securities and the clearing and settlement of cash and security commitments arising from the purchases and sales on stock exchanges. The Bank realizes transactions necessary for transfers, settlement, offsetting, and discharge of debts, securities obtained for custody and other marketable securities; obtaining bonus share, use of preemptive rights, collection of interest and principle at maturity, dividends, and exchanges of documents representing the securities and other instruments and similar financial services. Also, the Bank provides the clearing and settlement service of guarantees of derivative transactions on Turkish Derivative Exchange. Related to above mentioned transactions, the total amount of guarantees obtained from Bank’s customers comprising treasury bills, government bonds, letter of guarantees and stocks are listed below.

**XI. Explanations on Segment Reporting**

The Bank operates mainly in clearing-operation, custody, loans and treasury.

<b>Current Period</b>	<b>Clearing and Operation</b>	<b>Loans and Money</b>			<b>Others</b>	<b>Total</b>
		<b>Custody</b>	<b>Market</b>	<b>Treasury</b>		
Cash and Balances with Central Bank	-	-	-	55	-	<b>55</b>
Financial Assets At Fair Value Through Profit or Loss (Net)	-	-	-	-	4.396	<b>4.396</b>
Banks	-	-	-	6.598.704	-	<b>6.598.704</b>
Money Markets	-	-	-	-	18.881	<b>18.881</b>
Aavailable-For-Sale Financial Assets (Net)	-	-	-	1.636	-	<b>1.636</b>
Loans	-	-	172.112	-	-	<b>172.112</b>
Held-to-Maturity Securities (Net)	-	-	-	180.085	-	<b>180.085</b>
Subsidiaries	-	-	-	-	-	<b>-</b>
Joint Ventures (Net)	-	-	-	4.825	-	<b>4.825</b>
Property and Equipment (Net)	-	-	-	-	16.083	<b>16.083</b>
Intangible Assets (Net)	-	-	-	-	80.895	<b>80.895</b>
Tax Asset	-	-	-	-	2.629	<b>2.629</b>
Other Assets	7.219	-	-	-	4.918	<b>12.137</b>
<b>Total Assets</b>	<b>7.219</b>	<b>-</b>	<b>172.112</b>	<b>6.785.305</b>	<b>127.802</b>	<b>7.092.438</b>
Funds Borrowed	-	-	-	2.413.323	-	<b>2.413.323</b>
Other Miscellaneous Liabilities	-	-	-	-	-	<b>-</b>
Miscellaneous Payables	3.559.557	16.474	-	-	27.667	<b>3.603.698</b>
Other Liabilities	104.856	-	-	-	-	<b>104.856</b>
Provisions	-	21.686	-	-	22.824	<b>44.510</b>
Tax Liability	-	-	-	-	15.025	<b>15.025</b>
Shareholder’s Equity	-	-	-	-	911.026	<b>911.026</b>
<b>Total Liabilities</b>	<b>3.664.413</b>	<b>38.160</b>	<b>2.413.323</b>	<b>976.542</b>	<b>976.542</b>	<b>7.092.438</b>

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**INFORMATION ON FINANCIAL STRUCTURE (Continued)**

<b>Prior Period</b>	<b>Clearing and Operation</b>	<b>Loans and Money Custody</b>	<b>Market</b>	<b>Treasury</b>	<b>Others</b>	<b>Total</b>
Cash and Balances with Central Bank	-	-	-	54	-	54
Financial Assets At Fair Value Through Profit or Loss (Net)	-	-	-	-	1.256	1.256
Banks	-	-	-	5.070.778	-	5.070.778
Money Markets	-	-	-	-	24.786	24.786
Aavailable-For-Sale Financial Assets (Net)	-	-	-	1.497	-	1.497
Loans	-	-	169.177	-	-	169.177
Held-to-Maturity Securities (Net)	-	-	-	168.467	-	168.467
Subsidiaries	-	-	-	-	-	-
Joint Ventures (Net)	-	-	-	4.825	-	4.825
Property and Equipment (Net)	-	-	-	-	17.115	17.115
Intangible Assets (Net)	-	-	-	-	1.423	1.423
Tax Asset	-	-	-	-	4.013	4.013
Other Assets	-	5.394	-	-	26.838	32.232
<b>Total Assets</b>	<b>-</b>	<b>5.394</b>	<b>169.177</b>	<b>5.245.621</b>	<b>75.431</b>	<b>5.495.623</b>
Funds Borrowed	-	-	-	1.772.276	-	1.772.276
Other Miscellaneous Liabilities	-	-	-	-	-	-
Miscellaneous Payables	2.686.534	1.883	77.050	-	23.042	2.788.509
Other Liabilities	79.239	-	-	-	-	79.239
Provisions	-	-	23.985	-	19.986	43.971
Tax Liability	-	-	-	-	11.384	11.384
Shareholder's Equity	-	-	-	-	800.244	800.244
<b>Total Liabilities</b>	<b>2.765.773</b>	<b>1.883</b>	<b>101.035</b>	<b>1.772.276</b>	<b>854.656</b>	<b>5.495.623</b>

  

<b>Current Period</b>	<b>Clearing and Operation</b>	<b>Loans and MM</b>	<b>Treasury</b>	<b>Others</b>	<b>Total</b>
Net interest income	-	9.267	185.018	-	194.285
Net fees and commission income and other operating income	70.233	16.837	-	-	87.070
Dividend income	-	-	6.179	-	6.179
Net trading income	-	-	1.122	-	1.122
Other operating income	-	-	-	2.884	2.884
Provision for loan losses and other receivables	-	265	-	-	265
Other operating expenses	-	-	-	74.857	74.857
<b>Profit/Loss before tax</b>	<b>70.233</b>	<b>25.839</b>	<b>192.319</b>	<b>(71.973)</b>	<b>216.418</b>
Tax provision	-	-	-	(41.690)	(41.690)
<b>Net Profit/Loss</b>	<b>70.233</b>	<b>25.839</b>	<b>192.319</b>	<b>(113.663)</b>	<b>174.728</b>

  

<b>Prior Period</b>	<b>Clearing and Operation</b>	<b>Loans and MM</b>	<b>Treasury</b>	<b>Others</b>	<b>Total</b>
Net interest income	49	8.553	130.645	-	139.247
Net fees and commission income and other operating income	56.233	16.932	-	-	73.165
Dividend income	-	-	6.166	-	6.166
Net trading income	-	-	320	-	320
Other operating income	-	-	-	241	241
Provision for loan losses and other receivables	-	1.005	-	-	1.005
Other operating expenses	-	-	-	67.587	67.587
<b>Profit/Loss before tax</b>	<b>56.282</b>	<b>24.480</b>	<b>137.131</b>	<b>(67.346)</b>	<b>150.547</b>
Tax provision	-	-	-	(29.055)	(29.055)
<b>Net Profit/Loss</b>	<b>56.282</b>	<b>24.480</b>	<b>137.131</b>	<b>(96.401)</b>	<b>121.492</b>



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**SECTION FIVE**

**EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS**

**I. Explanations Related to the Assets**

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

1.a) Information on cash and balances with the Central Bank of Turkey:

	Current Period		Prior Period	
	TL	FC	TL	FC
Cash in TL/Foreign Currency	13	-	15	-
Balances with the Central Bank of Turkey	42	-	39	-
Other	-	-	-	-
<b>Total</b>	<b>55</b>	<b>-</b>	<b>54</b>	<b>-</b>

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Unrestricted demand deposit	42	-	39	-
Unrestricted time deposit	-	-	-	-
Restricted time deposit (*)	-	-	-	-
<b>Total</b>	<b>42</b>	<b>-</b>	<b>39</b>	<b>-</b>

(\*) Information related to reserve deposits presented under unrestricted demand deposit:

In accordance with the Official Statement about Required Reserves, liabilities that are subject to required reserves have been changed. Required reserves are not kept in the Central Bank of Turkey as the liabilities stated in the newly announced Official Statement are lacked in Takasbank A.Ş.

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

2.a) i. Information on financial assets at fair value through profit and loss given as collateral or blocked: None (31 December 2014: None).

2.a) ii. Financial assets at fair value through profit and loss subject to repurchase agreements: None (31 December 2014: None).

2.b) Positive differences related to derivative financial assets held-for-trading: None (31 December 2014: None).

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**EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**3. Information on Banks:**

3.a) Information on banks:

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks	4.012.918	2.585.786	3.228.643	1.842.135
Domestic	4.012.918	2.555.571	3.228.643	1.822.129
Foreign	-	30.215	-	20.006
Branches and head office abroad	-	-	-	-
<b>Total</b>	<b>4.012.918</b>	<b>2.585.786</b>	<b>3.228.643</b>	<b>1.842.135</b>

3.b) Information on foreign bank accounts:

	Unrestricted Amount		Restricted Amount	
	Current Period	Prior Period	Current Period	Prior Period
European Union Countries	29.786	19.997	-	-
USA and Canada	429	9	-	-
OECD Countries(*)	-	-	-	-
Off-shore banking regions	-	-	-	-
Other	-	-	-	-
<b>Total</b>	<b>30.215</b>	<b>20.006</b>	<b>-</b>	<b>-</b>

(\*) OECD Countries outside U.S., Canada and European Union Countries

3.c) Information on receivables from money markets

The details about the receivables from Money Markets are as below:

	Current Period	Prior Period
Reverse Repo member balance	18.881	24.786
<b>Total</b>	<b>18.881</b>	<b>24.786</b>

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

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

None (31 December 2014: None).

4.a) ii. Information on financial assets available-for-sale subject to repurchase agreements:

None (31 December 2014: None).

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**EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**4. Information on financial assets available-for-sale(Continued):**

4.b) Information on available for sale assets:

Name	Acquired On	Current Period		Prior Period	
		Amount	Ratio(%)	Amount	Ratio(%)
Borsa İstanbulA.Ş (VOBAŞ Devir Hisseleri)	31 May 2013	324	0,15	324	0,15
Ege Tarım Ürünleri Lisanslı Depoculuk A.Ş.	3 January 2011	637	4,12	637	4,12
Sermaye Piyasası Lisanslama Sicil ve Eğitim Kuruluşu A.Ş.	29 July 2011	210	10,50	210	10,00
S.W.I.F.T SCRL	24 April 2009	239	0,024	125	0,015
SASE-Sarajevo Menkul Kıymetler Borsası	18 May 2011	226	5,00	201	5,00
<b>Total</b>		<b>1.636</b>		<b>1.497</b>	

	Current Period	Prior Period
<b>Debt securities</b>		
Quoted on a stock exchange	-	-
Not quoted on a stock exchange	-	-
<b>Share certificates</b>	<b>1.636</b>	<b>1.497</b>
Quoted on a stock exchange	-	-
Not quoted on a stock exchange(*)	1.636	1.497
Impairment provision(-)	-	-
<b>Total</b>	<b>1.636</b>	<b>1.497</b>

(\*) All unquoted available for sale financial investments of the Bank are accounted for at cost.

**5. Information on 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	<b>141.553</b>	<b>1.598.502</b>	<b>92.124</b>	<b>2.170.773</b>
Corporate shareholders	141.553	1.598.502	92.124	2.170.773
Real person shareholders	-	-	-	-
Indirect loans granted to shareholders	-	-	-	-
Loans granted to employees	-	-	-	-
<b>Total</b>	<b>141.553</b>	<b>1.598.502</b>	<b>92.124</b>	<b>2.170.773</b>

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**EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)**

- 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 (Total)	Loans and other receivables with revised contract terms		Loans and Other Receivables (Total)	Loans and other receivables with revised contract terms	
		Restructured or Rescheduled	Other	Cash Loans	Restructured or Rescheduled	Other
<b>Cash Loans</b>						
<b>Non-specialized loans</b>	<b>172.112</b>	-	-	-	-	-
-Working capital loans	-	-	-	-	-	-
Export loans	-	-	-	-	-	-
Import loans	-	-	-	-	-	-
Loans given to financial sector	172.112	-	-	-	-	-
Consumer loans	-	-	-	-	-	-
Credit cards	-	-	-	-	-	-
Other	-	-	-	-	-	-
<b>Specialized loans</b>	-	-	-	-	-	-
<b>Other receivables</b>	-	-	-	-	-	-
<b>Total</b>	<b>172.112</b>	-	-	-	-	-

- c) Loans according to their maturity structure:

	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
<b>Cash Loans</b>				
<b>Short-term loans and other receivables</b>	<b>172.112</b>			
Non-specialized loans	172.112			
Specialized loans	-			
Other Receivables	-			
<b>Medium and long-term loans and other receivables</b>	-			
Non-specialized loans	-			
Non-specialized loans	-			
Other Receivables	-			
<b>Total</b>	<b>172.112</b>			

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**EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)**

- d) Information on consumer loans, individual credit cards, personnel loans and credit cards given to personnel:  
None (31 December 2014: None).

- e) Information on commercial loans with installments and corporate credit cards: None (31 December 2014: None).

- f) Loans according to borrowers:

	<b>Current Period</b>	<b>Prior Period</b>
Public	-	-
Private	172.112	169.177
<b>Total</b>	<b>172.112</b>	<b>169.177</b>

- g) Domestic and foreign loans:

	<b>Current Period</b>	<b>Prior Period</b>
Domestic loans	172.112	169.177
Foreign loans	-	-
<b>Total</b>	<b>172.112</b>	<b>169.177</b>

- h) Loans granted to subsidiaries and associates: None (31 December 2014: None).

- i) Specific provisions provided against loans:

	<b>Current Period</b>	<b>Prior Period</b>
Loans and receivables with limited collectability	-	-
Loans and receivables with doubtful collectability	-	-
Uncollectable loans and receivables	1.574	1.637
<b>Total</b>	<b>1.574</b>	<b>1.637</b>

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

- j.1) Information on loans and other receivables included in non-performing loans which are restructured or rescheduled: None (31 December 2014: None).

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**EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)**

j.2) Information on movement of non-performing loans:

	<b>III.Group</b>	<b>IV.Group</b>	<b>V.Group</b>
	<b>Loans and Receivables With Limited Collectability</b>	<b>Loans and Receivables With Doubtful Collectability</b>	<b>Uncollectible Loans and Receivables</b>
<b>Prior period end balance</b>	-	-	1.637
Additions (+)	-	-	-
Transfers from other categories of non-performing loans (+)	-	-	-
Transfers to other categories of non-performing loans (-)	-	-	-
Collections (-)	-	-	63
Corporate and commercial loans	-	-	-
Retail loans	-	-	-
Credit cards	-	-	-
Other	-	-	-
<b>Current period end balance</b>	-	-	<b>1.574</b>
Specific provision (-)	-	-	-
<b>Net Balances on Balance Sheet</b>	-	-	<b>1.574</b>

j.3) Information on foreign currency non-performing loans and other receivables: None (31 December 2014: None).

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

	<b>III. Group</b>	<b>IV. Group</b>	<b>V. Group</b>
	<b>Loans and Receivables With Doubtful Collectability</b>	<b>Loans and Receivables With Doubtful Collectability</b>	<b>Uncollectable Loans and Receivables</b>
<b>Current Period (Net)</b>			
Loans to Real Persons and Legal Entities (Gross)	-	-	1.574
Specific Provision Amount (-)	-	-	1.574
Loans to Real Persons and Legal Entities (Net)	-	-	-
Banks (Gross)	-	-	-
Specific Provision Amount (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	-
Specific Provision Amount (-)	-	-	-
Other Loans and Receivables (Net)	-	-	-
<b>Prior Period (Net)</b>	-	-	-
Loans to Real Persons and Legal Entities (Gross)	-	-	1.637
Specific Provision Amount (-)	-	-	1.637
Loans to Real Persons and Legal Entities (Net)	-	-	-
Banks (Gross)	-	-	-
Specific Provision Amount (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	-
Specific Provision Amount (-)	-	-	-
Other Loans and Receivables (Net)	-	-	-
	-	-	-

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- k) Main principles of liquidation policy for uncollectible loans and receivables: The Bank has no uncollectible loans and receivables as of the balance sheet date (31 December 2014: None).
- l) Explanations about the policy for the asset's write-off: The general policy for the receivables write-off under follow-up is to write-off the receivables from asset which can not be collected in process of a legal enforcement.
- m) Other explanations and disclosures: Collaterals and credit enhancement obtained during the year: The details of the collaterals obtained for cash loans as of 31 December 2015 and 2014 are as follows:

	<b>Current Period</b>	<b>Prior Period</b>
Equity Shares (quoted)	5.891	19.508
Letters of Guarantee	372.450	229.980
<b>Total</b>	<b>378.341</b>	<b>249.488</b>

**6. Investments held to maturity:**

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

	<b>Current Period</b>	<b>Prior Period</b>
Held-to-maturity investments given as collateral or blocked	-	158.297
Unrealized accrual related to these investments	-	10.170
<b>Total</b>	<b>-</b>	<b>168.467</b>

- 6.a) ii. Held-to-maturity investments subject to repurchase agreements: None (31 December 2014: None with TL 245.000-to-maturity investments.).

- 6.b) Information on held-to-maturity public sector debt instruments:

	<b>Current Period</b>	<b>Prior Period</b>
Government Bond	180.085	168.467
Treasury Bill	-	-
Other Public Sector Debt Instruments	-	-
<b>Total</b>	<b>180.085</b>	<b>168.467</b>

- 6.c) Information on held-to-maturity investments:

	<b>Current Period</b>	<b>Prior Period</b>
Debt securities	180.085	168.467
Quoted on a stock exchange	180.085	168.467
Not quoted on a stock exchange	-	-
Impairment provision (-)	-	-
<b>Total</b>	<b>180.085</b>	<b>168.467</b>

- 6.d) Movement of held-to-maturity investments

	<b>Current Period</b>	<b>Prior Period</b>
Beginning balance	168.467	239.826
Foreign currency differences on monetary assets	-	-
Purchases during year	177.463	213.250
Disposals through sales and redemptions	(175.000)	(289.845)
Impairment provision (-)	-	-
Effect of unearned coupon income on cost	9.155	5.236
<b>Closing Balance</b>	<b>180.085</b>	<b>168.467</b>

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**EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**7. Information on associates (net):**

7.a) Information on the unconsolidated associates: The Bank has no unconsolidated associates (31 December 2014: None). Informations related Central Registry Agency are presented in the disclosure no.8.

7.b) Information on the unconsolidated associates: None (31 December 2014: None).

7.c) Explanations of consolidated associates: None (31 December 2014: None).

7.d) Information on sector information on consolidated associates: None (31 December 2014: None).

7.e) Consolidated associates which are quoted on the stock exchange: None (31 December 2014: None).

**8. Information on subsidiaries (Net):**

8.a) Information on the unconsolidated subsidiaries:

Description	Address (City/ Country)	Bank's share percentage- If different voting percentage (%)	Bank risk group's share percentage (%)
Merkezi Kayıt Kuruluşu A.Ş.	İstanbul/Türkiye	28,57	65

Bank's share in Merkezi Kayıt Kuruluşu A.Ş. (“MKK”) is 65% and the Bank's voting right is 28,57% (2/7) according to its Articles of Association. Although the Bank possesses more than 20% of the voting rights of MKK. The Bank does not have significant influence over the company. For this reason the associate is not consolidated. This subsidiary is carried at cost amounting to TL 4.825 thousand in the financial statements.

Total Assets (*)	Shareholder's Equity	Total Fixed Asset	Interest Income	Income from Marketable Securities Portfolio	Current Period Profit/(Loss)	Prior Periods' Profits / (Losses)	Fair Value
97.879	75.061	28.128	4.791	-	17.951	23.191	-

(\*) Non-Audited financial statements yet, prepared as of 31 December 2015, in accordance with the Turkish Accounting Standards.

	31 December 2015	31 December 2014
Paid-in capital	36.000	36.000
Legal reserves	18.948	18.948
Other reserves	-	-
Profit/loss	20.113	14.898
Prior periods profit/loss	2.162	(3.890)
Current period net profit/loss	17.951	18.788
Intangible Assets (-)	(12.453)	(13.519)
Total Core Capital	62.608	56.327
Supplementary Capital	-	-
Capital	62.608	56.327
<b>Net Usable Equity</b>	<b>62.608</b>	<b>56.327</b>

There is no assessment of subsidiaries' internal capital adequacy

Paid capital is indicated in the main agreement of the Bank as Turkish Liras and registered in the trade registry.

Legal reserves are the reserve funds which are indicated in the Turkish Trade Act's(numbered 6762) 466. dam's first paragraph and second paragraph's third subparagraph, and 467.dam and accounted from related year's profit.



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8.b) Information on the consolidated subsidiaries:

- i. Information on the consolidated subsidiaries: None (31 December 2014: None).
- ii. Information on movement of consolidated subsidiaries: None (31 December 2014: None).
- iii. Sectoral information on the consolidated subsidiaries and the related carrying amounts: None (31 December 2014: None).
- iv. Consolidated subsidiaries quoted on the stock exchange: None (31 December 2014: None).

**9. Information on entities under common control (joint ventures):** None (31 December 2014: None).

**10. Information on finance lease receivables (Net):** None (31 December 2014: None).

**11. Information on derivative financial assets for hedging purposes:** None (31 December 2014: None).

**12. Information on tangible assets:**

	Prior Year's Closing Balance 31 December 2014	Additions	Disposals	Closing Year Balance 31 December 2015
<b>Cost:</b>				
Land and buildings	14.394	-	(18)	14.376
Leased tangible assets	-	-	-	-
Vehicles	1.046	-	-	1.046
Other	11.052	1.564	(32)	12.584
<b>Total Cost</b>	<b>26.492</b>	<b>1.564</b>	<b>(50)</b>	<b>28.006</b>
	Prior Year's Closing Balance 31 December 2014	Charge for the Year	Disposals	Closing Year Balance 31 December 2015
<b>Accumulated Depreciation:</b>				
Land and buildings	(3.960)	(307)	-	(4.267)
Leased tangible assets	-	-	-	-
Vehicles	(281)	(74)	-	(340)
Other	(5.136)	(2.077)	(88)	(7.316)
<b>Total Accumulated Depreciation</b>	<b>(9.377)</b>	<b>(2.458)</b>	<b>(88)</b>	<b>(11.923)</b>
<b>Net Book Value</b>	<b>17.115</b>	<b>(894)</b>	<b>(138)</b>	<b>16.083</b>

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	Prior Year's Closing Balance 31 December 2013	Additions	Disposals	Closing Year Balance 31 December 2014
<b>Cost:</b>				
Land and buildings	14.388	1.614	(1.608)	14.394
Leased tangible assets	-	-	-	-
Vehicles	570	1.014	(538)	1.046
Other	7.510	4.226	(684)	11.052
<b>Total Cost</b>	<b>22.468</b>	<b>6.854</b>	<b>(2.830)</b>	<b>26.492</b>

	Prior Year's Closing Balance 31 December 2013	Charge for the Year	Disposals	Closing Year Balance 31 December 2014
<b>Accumulated Depreciation:</b>				
Land and buildings	(3.593)	(214)	(153)	(3.960)
Leased tangible assets	-	-	-	-
Vehicles	(266)	-	-	(266)
Other	(4.196)	-	(955)	(5.151)
<b>Total Accumulated Depreciation</b>	<b>(8.055)</b>	<b>(214)</b>	<b>(1.108)</b>	<b>(9.377)</b>
<b>Net Book Value</b>	<b>14.413</b>	<b>6.640</b>	<b>(3.938)</b>	<b>17.115</b>

12.a) If impairment amount on individual asset booked or reversed in the current period is material for the overall financial statements:

- i. Reason and conditions for booking or reversing impairment: The details for reason and conditions for booking or reversing impairment are given in note (12.b) of the report.
- ii. Amount of impairment booked or reversed in the financial statements: The details for amount recorded or reversed impairment in the financial statements are given in part (12.b) of the Report.

12.b) The impairment provision set or cancelled in the current period according to the asset groups not individually significant but materially affecting the overall financial statements, and the reason and conditions for this: There is no material impairment provision set or cancelled in the current period (31 December 2014: None).

There is no impairment accounted related to property and equipment in the current period.

12.c) 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 (31 December 2014: None).

**13. Information on intangible assets:**

	Prior Year Closing Balance 31 December 2014	Additions	Disposals	Closing Balance 31 December 2015
<b>Cost:</b>				
Leasehold improvements	-	-	-	-
Other intangible assets	6.294	80.896	-	87.190
<b>Total Cost</b>	<b>6.294</b>	<b>80.896</b>	<b>-</b>	<b>87.190</b>
<b>Accumulated Amortization:</b>				
Leasehold improvements	-	-	-	-
Other intangible assets	(4.871)	(1.424)	-	(6.295)
<b>Total Accumulated Amortization</b>	<b>(4.871)</b>	<b>(1.424)</b>	<b>-</b>	<b>(6.295)</b>
<b>Net Book Value</b>	<b>1.423</b>	<b>79.472</b>	<b>-</b>	<b>80.895</b>

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	Prior Year Closing Balance 31 December 2014	Additions	Disposals	Closing Balance 31 December 2014
<b>Cost:</b>				
Leasehold improvements	-	-	-	-
Other intangible assets	4.900	1.576	(182)	6.294
<b>Total Cost</b>	<b>4.900</b>	<b>1.576</b>	<b>(182)</b>	<b>6.294</b>
<b>Accumulated Amortization:</b>				
Leasehold improvements	-	-	-	-
Other intangible assets	(4.016)	(855)	-	(4.871)
<b>Total Accumulated Amortization</b>	<b>(4.016)</b>	<b>(855)</b>	<b>-</b>	<b>(4.871)</b>
<b>Net Book Value</b>	<b>884</b>	<b>721</b>	<b>(182)</b>	<b>1.423</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 (31 December 2014: None).
- b) Disclosure for intangible fixed assets acquired through government grants and accounted for at fair value at initial recognition: None (31 December 2014: None).
- c) The method of subsequent measurement for intangible fixed assets that are acquired through government incentives and recorded at fair value at the initial recognition: None (31 December 2014: None).
- d) The book value of intangible fixed assets that are pledged or restricted for use: None (31 December 2014: None).
- e) Amount of purchase commitments for intangible fixed assets: None (31 December 2014: None).
- f) Information on revalued intangible assets according to their types: None (31 December 2014: None).
- g) Amount of total research and development expenses recorded in income statement within the period if any: None (31 December 2014: None).
- h) Positive or negative consolidation goodwill on entity basis: None (31 December 2014: None).
- i) Information on goodwill: None (31 December 2014: None).
- j) Movements on goodwill in the current period: None (31 December 2014: None).

**14. Information on investment property:** None (31 December 2014: None).

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**15. Explanations on deferred tax asset:**

- a) As of 31 December 2015, deferred tax asset is TL 2.629 (31 December 2014: TL 4.013).

Distribution of deferred tax asset:

	Current Period		Prior Period	
	Cumulative temporary differences	Deferred Tax Assets /(Liabilities)	Cumulative temporary differences	Deferred Tax Assets /(Liabilities)
CMB provisions	9.140	1.828	8.522	1.704
Severance provision	8.830	1.766	7.185	1.437
Provision for Employee Termination Benefits	4.512	902	3.729	746
Litigation Provision	342	68	549	110
Difference between Internal Efficiency and Market Value of GDDS held to maturity	393	79	681	136
<b>Deferred Tax Provision</b>		<b>4.643</b>		<b>4.133</b>
Difference between Book Value and Tax Value of Fixed Assets	10.071	2.014	601	120
<b>Deferred Tax Liabilities</b>		<b>2.014</b>		<b>120</b>
<b>Deferred Tax Assets /(Liabilities),net</b>		<b>2.629</b>		<b>4.013</b>

- b) Temporary differences over which deferred tax asset is not computed and recorded in the balance sheet in prior periods: None (31 December 2014: None).
- c) Allowance for deferred tax and deferred tax assets from reversal of allowance: None (31 December 2014: None)
- d) Movement of deferred tax asset:

	Current Period	Prior Period
January 1	<b>4.013</b>	<b>2.679</b>
Effect of change in effective tax rate	-	-
Deferred tax (charge)/benefit	(1.449)	971
Deferred tax (charge)/benefit (Net)	<b>(1.449)</b>	<b>971</b>
Deferred tax accounted in Shareholders' Equity	65	363
<b>Deferred Tax Asset</b>	<b>2.629</b>	<b>4.013</b>

**16. Information on assets held for sale and discontinued operations:**

None (31 December 2014: None).

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**17. Information on other assets:**

Other assets exceed 10% of the balance sheet total (excluding off balance sheet commitments). The details of other assets are presented below.

Breakdown of other assets:

	<b>Current Period</b>	<b>Prior Period</b>
Commission, receivables from members	7.218	5.393
Prepaid expenses	3.935	2.504
Custody accruals	48	35
Cash guarantees given	10	10
Seller advances (BİAŞ)	-	24.033
Other	926	257
<b>Total</b>	<b>12.137</b>	<b>32.232</b>

**II. Explanations and Notes Related to the Liabilities**

**1. Explanations related to deposits:**

a) Information on maturity structure of deposits:

The Bank is not authorized to accept deposits.

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

The Bank is not authorized to accept deposits.

c) Information on the saving deposits of the bank with head office abroad, if the saving deposits in the branches of the bank located in Turkey are under the guarantee of saving deposit insurance in that country abroad:

The Bank’s head office is in Istanbul, Turkey.

d) Saving deposits not guaranteed by insurance:

The Bank is not authorized to accept deposits.

**2. Information on derivative financial liabilities held-for-trading:**

None (31 December 2014:None).

**3. Information on funds borrowed:**

a) Information on banks and other financial institutions:

	<b>Current Period</b>		<b>Prior Period</b>	
	<b>TL</b>	<b>FC</b>	<b>TL</b>	<b>FC</b>
Loans from Central Bank of Turkey	-	-	-	-
From Domestic Banks and Institutions	812.393	1.600.930	478.356	1.293.920
From Foreign Banks, Institutions and Funds	-	-	-	-
<b>Total</b>	<b>812.393</b>	<b>1.600.930</b>	<b>478.356</b>	<b>1.293.920</b>

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- b) Maturity analysis of Funds borrowed:

	Current Period		Prior Period	
	TL	FC	TL	FC
Short-term	812.393	1.600.930	478.356	1.293.920
Medium and long-term	-	-	-	-
<b>Total</b>	<b>812.393</b>	<b>1.600.930</b>	<b>478.356</b>	<b>1.293.920</b>

- c) Additional explanation related to the concentrations of the Bank’s major liabilities:

The liabilities of the Bank consist of taxes payable, similar payables and cash collaterals and current accounts of the members. The Bank also has liabilities regarding the amounts held due to managing the guarantee funds established for common stock, government bond and Treasury bill markets on the Istanbul Stock Exchange Warrant Deputy (OPIC) and managing the guarantee funds and guarantees of transactions in Turkish Derivative Exchange.

**4. Information on funds provided from repurchase agreement transactions:**

None (31 December 2014: None).

**5. Other liabilities which exceed 10% of the balance sheet total (excluding off-balance sheet commitments) and the breakdown of these which constitute at least 20% of grand total:**

The breakdown of other liabilities is as below:

	Current Period	Prior Period
IVP Profit and Loss Cash Pool	56.668	32.558
Cash Pool Electricity	33.624	27.747
BİAŞ Guarantee Fund - Share Certificates	1.022	5.644
BES Government Contribution Account	578	130
BİAŞ Guarantee Fund - Bond	172	103
Other	12.792	13.057
<b>Total</b>	<b>104.856</b>	<b>79.239</b>

The Breakdown of Miscellaneous Payables which is the majority of the passive total of the balance sheet is as below:

	Current Period		Prior Period	
	TL	FC	TL	FC
Cash Guarantees	2.357.986	859.165	2.107.037	491.502
Other Cash Guarantees	262.354	123.349	114.811	53.371
Expense Accruals	-	-	21.013	-
-Capital Market Board’s share fee (*)	844	-	775	-
<b>Total</b>	<b>2.621.184</b>	<b>982.514</b>	<b>2.243.636</b>	<b>544.873</b>

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**6. Explanations on financial lease obligations (Net):**

- a) The general explanations on criteria used in determining installments of financial lease agreements, renewal and purchasing options and restrictions in the agreements that create significant obligations to the bank: None (31 December 2014: None).
- b) The explanation on modifications in agreements and new obligations resulting from such modifications: None (31 December 2014: None).
- c) Explanation on finance lease payables: None (31 December 2014: None).
- d) Explanations regarding operational leases: None (31 December 2014: None).
- e) Explanations on the lesser and lessee in sale and lease back transactions, agreement conditions, and major agreement terms: None (31 December 2014: None).

**7. Information on derivative financial liabilities for hedging purposes:**

None (31 December 2014: None).

**8. Information on provisions**

- a) Information on general loan loss provisions:

	<b>Current Period</b>	<b>Prior Period</b>
<b>General Provisions</b>		
Provisions for First Group Loans and Receivables	6.548	6.284
Provisions for Second Group Loans and Receivables	-	-
Provisions for Non-cash Loans	15.138	17.701
Other	-	-
<b>Total</b>	<b>21.686</b>	<b>23.985</b>

- b) Foreign exchange losses on the foreign currency indexed loans and finance lease receivables: None (31 December 2014: None).
- c) The specific provisions provided for unindemnified non cash loans: None (31 December 2014: None).

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

Under Turkish Labor Law, the Bank is required to pay employment termination benefits to each employee who has qualified. Also, employees are required to be paid their retirement pay provisions who retired by gaining right to receive retirement pay provisions according to current 506 numbered Social Insurance Law’s 6 March 1981 dated, 2422 numbered, 25 August 1999 dated and 4447 numbered with 60th article that has been changed. Some transition provisions related to the pre-retirement service term was excluded from the law since the related law was changed as of 23 May 2002. As the maximum liability is revised semi annually, the maximum amount of TL 4.092,53 (31 December 2014: TL 3.541,37) effective from 1 January 2016 has been taken into consideration in calculation of provision for employment termination benefits.

The liability is not funded, as there is no funding requirement. The provision has been calculated by estimating the present value of the future probable obligation of the Bank arising from the retirement of employees. TAS 19 requires actuarial valuation methods to be developed to estimate the enterprise’s obligation under defined benefit plans. Accordingly, the following actuarial assumptions were used in the calculation of the total liability:

The main assumption is that the maximum liability for each year of service will increase parallel with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the anticipated effects of future inflation. Consequently, in the accompanying financial statements as of 31 December 2015, the provision has been calculated by estimating the present value of the future probable obligation of the Bank arising from the retirement of the employees. The provisions at the balance sheet date have been calculated assuming an annual inflation rate of 6,50% (31 December 2014: 4,5% ) and interest rate 10,00% and a discount rate of 3,29% (31 December 2014 2,87%), resulting in a real discount rate of approximately 4,50% (31 December 2014: 3,75%). The anticipated rate of forfeitures is considered.

	<b>Current Period</b>	<b>Prior Period</b>
<b>Total</b>	<b>18.994</b>	<b>15.382</b>
The ratio of provision to undiscounted total liabilities	10.164	8.197
Provision for employee termination (Presented in financial statements)	8.830	7.185
Total liabilities of employee terminations (Undiscounted)(%)	86,88	87,65

As of 31 December 2015, the Bank provided a reserve of TL 4.512 (31 December 2014: TL 3.730) for the unused vacation. This balance is classified under Reserve for Employee Benefits in the financial statements.

d.1) Movement of employee termination benefits

	<b>Current Period</b>	<b>Prior Period</b>
As of January 1	7.185	4.416
Paid during the year	(261)	(285)
Actuarial (gain)/loss	326	1.814
Charge for the year	1.580	1.241
Service charge	696	594
Interest charge	884	647
<b>Total</b>	<b>8.830</b>	<b>7.185</b>

d.2) The reserve for the employee benefits

	<b>Current Period</b>	<b>Prior Period</b>
Unused vacation provision	4.512	3.730
<b>Total</b>	<b>4.512</b>	<b>3.730</b>



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e Information on other provisions:

e.1) Information on provisions for possible losses: None (31 December 2014: None).

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

	<b>Current Period</b>	<b>Prior Period</b>
Provisions for Capital Market Board's Share Fee(*)	9.140	8.522
Provision for Legal Claims (**)	342	549
<b>Total</b>	<b>9.482</b>	<b>9.071</b>

(\*) Capital Market Board's Share Fee consists of commission fee which will be paid to the CMB in 2016 accordance with the CMB's regulation.

(\*\*) According to information from the bank's Legal department, eight cases were filed against the bank and they are still ongoing. Seven of those are cases with request for return, with precious share increases through right issues and bonus issues. These issues are hypothecated in the Bank by Merkez Menkul Değerler A.Ş. The other was filed by an employee, whose contract of employment was terminated by the bank and who claims their rights on the dividend for the period they worked and the overtime they did.

The remaining court cases are concerning dividend distribution and overtime claims of the bank's employees whose employment contracts were terminated. The Bank has recorded TL 342 (31 December 2014: TL 549) provision related to these cases in the financial statements within the context of TAS 37. As of the balance sheet date, there is one more ongoing case filed by the Bank.

	<b>Current Period</b>	<b>Prior Period</b>
Provisions for Cases Beginning Balance	549	290
Additions	-	700
Payments	(207)	(441)
<b>Provisions for Cases Year End</b>	<b>342</b>	<b>549</b>

f) Liabilities Resulting from Retirement Benefits: None (31 December 2014: TL None).

f.1) Liabilities for pension funds established in accordance with "Social Security Institution": None (31 December 2014: None).

f.2) Liabilities resulting from all kinds of pension funds, foundations, which provide post retirement benefits for the employees: None (31 December 2014: None).

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**9. Explanations on taxes payable:**

a) Information on current tax liability:

a.1) Corporate tax:

	<b>Current Period</b>	<b>Prior Period</b>
Provision for Corporate Taxes	40.241	30.026
Advance Taxes (-)	29.665	22.332
<b>Corporate Income Tax Payable</b>	<b>10.576</b>	<b>7.694</b>

a.2) Information on taxes payable:

	<b>Current Period</b>	<b>Prior Period</b>
Corporate Taxes Payable	10.576	7.694
Taxation on Securities	438	439
Banking Insurance Transaction Tax (BITT)	1.186	879
Value Added Tax Payable	69	89
Other	2.028	1.702
<b>Total</b>	<b>14.297</b>	<b>10.803</b>

a.3) Information on premiums:

	<b>Current Period</b>	<b>Prior Period</b>
Social Security Premiums-Employee	326	262
Social Security Premiums-Employer	333	263
Unemployment Insurance-Employee	23	19
Unemployment Insurance-Employer	46	37
<b>Total</b>	<b>728</b>	<b>581</b>

b) Explanations on deferred tax liabilities, if any: None (31 December 2014: None).

**10. Information on liabilities regarding assets held for sale and discontinued operations:**

None (31 December 2014: None).

**11. Explanations on the number of subordinated loans the Bank used maturity, interest rate, institution that the loan was borrowed from, and conversion option, if any:**

None (31 December 2014: None).

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**12. Information on Shareholders’ Equity:**

**a) Presentation of Paid-in capital:**

	<b>Current Period</b>	<b>Prior Period</b>
Common stock (*)	600.000	600.000
Preferred stock	-	-

(\*) As of 31 December 2015 The Bank has totally 6.000.000.000 issued share certificates. 2.000 of these shares are preferred shares.

**b) Paid-in capital amount, explanation as to whether the registered share capital system is applicable at the Bank if so, amount of registered share capital ceiling:** Registered share capital system is not applied as of the balance sheet date (31 December 2014: Not applied).

**c) Other information on the share of capital increased through capital contributions performed during the current period and capital funds:** None (31 December 2014: None)

**d) Other information on the share of capital increased through capital contributions performed during the current period and capital funds:** None (31 December 2014: The Bank has been added to capital amount to TL 120.000 from other capital reserve).

**e) Capital commitments in the last fiscal year and at the end of the following interim period, the general purpose of these commitments and projected resources required to meet these commitments:** None (31 December 2014: None).

**f) Indicators of the Bank’s income, profitability and liquidity for the previous periods and possible effects of these future assumptions on the Bank’s equity due to the uncertainty of these indicators:**

Due to the Bank’s liquid position and good relations with other banks, the Bank has the means to provide low cost financing and place it in domestic market which leads to profits. In parallel with this, if similar circumstances will occur in the future, it can be predicted that profitability will increase and this will improve the equity of the Bank with retained profits.

**g) Information on preferred shares:**

As of 31 December 2015, the Bank has preferred shares with a nominal value of TL 200. According to the article six of the Articles of Association, the shares which represent group A shares of the newly issued group A and B shares belong only to BİAŞ and cannot be transferred. Besides, according to the Bank’s Articles of Association - article 9/b, four members of the board of directors are chosen by the General Assembly, among the candidates presented by group A shareholders.

**h) Information on marketable securities value increase fund:** None (31 December 2014: None).

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**EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**i) Information on extraordinary reserves:**

	<b>Current Period</b>	<b>Prior Period</b>
Reserves appropriated by the General Assembly	56.886	9.531
Retained Earnings	-	-
Accumulated Losses	-	-
Foreign Capital Exchange Difference	-	-
<b>Total</b>	<b>56.886</b>	<b>9.531</b>

**13. Other Information on Shareholders’ Equity:**

The Bank has not been added to capital from capital reserve ended in 31 December 2015 31 December 2014: TL 120.000 is added to capital from other extraordinary reserves).

**14. Information on minority shares:**

None (31 December 2014: None).

**15. Information on past year profit distribution:**

On 27 March 2015,2014 distributable net profit of TL 120.521 was added to the legal reserve account amounting TL 9.481 and transferred to extraordinary reserve account amounting TL 46.491. On 3 April 2015, a dividend amounting to TL 4.549 was distributed to personnel and TL 60.000 was distributed to shareholders on 3 April 2015.

**III. Explanations and Notes Related to the Off-Balance Sheet Accounts**

**1. Information on off-balance sheet liabilities:**

**a)** Nature and amount of irrevocable loan commitments: None (31 December 2014: None).

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

b.1) Non-cash loans including guarantees, acceptances, financial guarantee and other letters of credits: There are no non-cash loans including guarantees, acceptances, financial guarantee and other letters of credits as of the balance sheet date

	<b>Current Period</b>	<b>Prior Period</b>
Non-cash loans given against achieving cash loans	-	-
With maturity of 1 year or less than 1 year	-	-
With maturity of more than 1 year	-	-
Other non-cash loans (*)	5.628.740	6.425.023
<b>Total</b>	<b>5.628.740</b>	<b>6.425.023</b>

(\*) Guarantees given to Stock Exchange Money Market for Payables.

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Information on sectoral risk breakdown of non-cash loans:

	Current Period				Prior Period			
	TL	(%)	FC	(%)	TL	(%)	FC	(%)
<b>Agricultural</b>								
Farming and raising livestock	-	-	-	-	-	-	-	-
Forestry	-	-	-	-	-	-	-	-
Fishery	-	-	-	-	-	-	-	-
Manufacturing	-	-	-	-	-	-	-	-
Mining	-	-	-	-	-	-	-	-
Production	-	-	-	-	-	-	-	-
Electric, gas and water	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
<b>Services</b>	<b>5.628.740</b>	<b>100,00</b>	-	-	<b>6.425.023</b>	<b>100,00</b>	-	-
Wholesale and retail trade	-	-	-	-	-	-	-	-
Hotel, food and beverage services	-	-	-	-	-	-	-	-
Transportation and telecommunication	-	-	-	-	-	-	-	-
Financial institutions	5.628.740	100,00	-	-	6.425.023	100,00	-	-
Real estate and renting services	-	-	-	-	-	-	-	-
Self-employment services	-	-	-	-	-	-	-	-
Education services	-	-	-	-	-	-	-	-
Health and social services	-	-	-	-	-	-	-	-
<b>Other</b>	-	-	-	-	-	-	-	-
<b>Total</b>	<b>5.628.740</b>	<b>100,00</b>	-	-	<b>6.425.023</b>	<b>100,00</b>	-	-

Information on I. and II. Group non-cash loans:

	I. Group		II. Group	
	TL	FC	TL	FC
<b>Non-cash loans</b>	<b>5.628.740</b>	-	-	-
Letters of guarantee	-	-	-	-
Bank acceptances	-	-	-	-
Letters of credit	-	-	-	-
Endorsements	-	-	-	-
Underwriting commitments	-	-	-	-
Factoring commitments	-	-	-	-
Other commitments and contingencies	5.628.740	-	-	-

b.2) Guarantees, temporary guarantees, collateral and other warranties: None (31 December 2014: None).

c) Information related to Non-Cash Loans:

As bank functions as a bridge between seller and buyer in money market operations in which bank has a market maker role and guarantees that the debts will be paid, bank follows the risks which occurred in this market in non-cash loans accounts. The limits are defined for the members and it is required to have continued guarantees. These mentioned guarantees are hold in bank as defined credit limits' multiples according to their liquidity.

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**EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)**

- d) Information related to Market Securities Hedges; the markets securities hedges, TL 1.989.410.198 (31 December 2014: TL 1.446.801.581) of the TL 1.989.177.623 balance of market securities hedges are investment funds as the other TL 232.575 balance consists of share certificate hedges.

**2. Information related to derivative financial instruments:**

The Bank has no derivative financial instruments as of 31 December 2015 and 2014.

**Breakdown of the Bank’s foreign currency forward and swap transactions as of the balance sheet date based on currencies are disclosed below in their TL equivalents:** None (31 December 2014: None).

**Fair Value Hedges**

**Net profit/(loss) due to hedging instruments of the Bank:** None (31 December 2014: None).

**Net Investment Hedges:**

**The periods when cash flows are expected to be realized regarding cash flow hedges and the periods when cash flows are expected to affect profit or loss, as of 31 December 2015:** None (31 December 2014: None).

**Net Investment Hedges at the Foreign Companies**

None (31 December 2014: None).

**3. Explanations on contingent liabilities and assets:**

a.1) **The Bank's share in contingent liabilities arising from entities under common control (joint ventures) together with other ventures:** None (31 December 2014: None).

a.2) **Share of entity under common control (joint ventures) in its own contingent liabilities:** None (31 December 2014: None).

a.3) **The Bank’s contingent liabilities resulting from liabilities of other ventures in entities under common control (joint ventures):** None (31 December 2014: None).

b) **Accounting and presentation of contingent assets and liabilities in the financial statements:** None (31 December 2014: None).

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**4. Custodian and intermediary services:**

The Bank carries out custody transactions for marketable securities, precious metals and other securities and executes the settlement of commitments and receivables arising from cash and securities purchase and sale in the stock exchanges. Besides, the Bank opens custody accounts for its customers, institutional investors and companies quoted on the BİAŞ and on other stock exchange markets, performs the transfers, settlements and offsets between the accounts of the intermediary companies and the individual investors; performs the procedures related to the obtaining of bonus shares, use of preemptive rights, timely collection of dividends, principal and interest, exchange of certificates representing the marketable and other securities and additional financial services.

**5. The information on the Bank’s rating by the international rating introductions:**

None (31 December 2014: None).

**IV. Explanations and Notes Related to the Income Statement**

**1. Information on interest income**

**a) Information on interest on loans:**

	Current Period		Prior Period	
	TL	FC	TL	FC
<b>Interest on Loans</b>	<b>9.108</b>	<b>-</b>	<b>8.489</b>	<b>-</b>
Short term loans	9.108	-	8.489	-
Medium and long term loans	-	-	-	-
Interest on non-performing loans	-	-	-	-
Premiums received from Resource Utilization Support Fund	-	-	-	-
<b>Total</b>	<b>9.108</b>	<b>-</b>	<b>8.489</b>	<b>-</b>

**b) Information on interest received from banks:**

	Current Period		Prior Period	
	TL	FC	TL	FC
Central Bank of Turkey	-	-	-	-
Domestic banks	157.730	50.410	98.849	47.714
Foreign banks	-	-	-	-
Branches and head office abroad	-	-	-	-
<b>Total</b>	<b>157.730</b>	<b>50.410</b>	<b>98.849</b>	<b>47.714</b>

**c) Interest received from marketable securities portfolio:**

	Current Period		Prior Period	
	TL	FC	TL	FC
Trading securities	-	-	-	-
Financial assets at fair value through profit and loss	-	-	114	-
Available-for-sale securities	-	-	-	-
Held-to-maturity securities	16.228	-	24.044	-
<b>Total</b>	<b>16.228</b>	<b>-</b>	<b>24.158</b>	<b>-</b>

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d) **Information on interest income received from associates and subsidiaries:** None (31 December 2014: None).

e) **Other information:** None (31 December 2014: None).

**2. Information on interest expense**

a) **Information on interest on funds borrowed:**

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks	39.350	-	40.076	-
The Central Bank of Turkey	-	-	-	-
Domestic banks	39.350	-	40.076	-
Foreign banks	-	-	-	-
Branches and head office abroad	-	-	-	-
Other financial institutions	-	-	-	-
<b>Total</b>	<b>39.350</b>	<b>-</b>	<b>40.076</b>	<b>-</b>

b) **Information on interest expense to associates and subsidiaries:** None (31 December 2014: None).

c) **Information on interest expense to marketable securities issued:** None (31 December 2014: None).

d) **Distribution of interest expense on deposits based on maturity of deposits:** None (31 December 2014: None).

**3. Information on dividend income:**

	Current period	Prior Period
Trading Securities	-	-
Financial assets at fair value through profit and loss	-	-
Available-for-sale securities	13	-
Other (Investment in subsidiaries)	6.166	6.166
<b>Total</b>	<b>6.179</b>	<b>6.166</b>

**4. Information on net trading income:**

	Current period	Prior Period
Income	<b>1.745</b>	<b>736</b>
Gains on capital market operations	2	270
Gains on derivative financial instruments	-	-
Foreign exchange gains	1.743	466
<b>Losses (-)</b>	<b>(623)</b>	<b>(416)</b>
Losses on capital market operations	-	-
Losses on derivative financial instruments	-	-
Foreign exchange losses	(623)	(416)
<b>Total(Net)</b>	<b>1.122</b>	<b>320</b>



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**5. Information on other operating income:**

Other operating income mainly consists of commission and fee income obtained related with shares and public sector debt securities custody, customer name based custody, account maintenance, bonus share collection and stock exchange settlement operations in line with the main activities of the Bank. Other operating income mainly consists of the income received from selling assets and collection income relating to the previous year's expenses.

	<b>Current Period</b>	<b>Prior Period</b>
Provisions no longer required	2.666	111
Income from sales of the assets	144	103
Other income	74	27
<b>Total</b>	<b>2.884</b>	<b>241</b>

In the fifth section and fourth part Note 10, details of sub-accounts of balances that are grouped under "Others" section that constitute at minimum 20% of the balances under "Other" section are included if the accounted under "Other" section excludes 10% of the total balance of the Income Statement.

Nature and amount of the incomes that results from extraordinary items and information about the factors that highly affects Bank's incomes and that includes new developments

None (31 Aralık 2013: None).

Including new developments and significant factors affecting the Bank's income and unusual items arising from the information about the nature and amount of income:

The Bank does not have extraordinary income that substantially affects the profit and loss (31 December 2014: None)

**6. Provision expenses of banks for loans and other receivables:**

	<b>Current Period</b>	<b>Prior Period</b>
Specific provisions for loans and other receivables	-	-
- III. Group Loans and Receivables	-	-
- IV. Group Loans and Receivables	-	-
- V. Group Loans and Receivables	-	-
General provision expenses	265	1.005
Provision expenses for possible losses	-	-
Marketable securities impairment losses	-	-
- Financial assets at fair value through profit and loss	-	-
- Investment securities available for sale	-	-
Impairment provision expense	-	-
- Associates	-	-
- Subsidiaries	-	-
- Entities under common control (Joint Ventures)	-	-
- Investments held to maturity	-	-
Other	-	-
<b>Total</b>	<b>265</b>	<b>1.005</b>

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**7. Information on other operating expenses:**

	<b>Current Period</b>	<b>Prior Period</b>
Personnel Expenses	42.921	39.670
CMB Council Portion	9.141	8.522
Tax, Duty and Charge Expenses	2.639	2.230
Tangible Amortisation Expenses	2.458	1.322
Provision Expenses for Employee Rights	1.579	1.241
Intangible Amortisation Expenses	1.424	855
Employee Benefits Provision Expense	783	1.222
Litigation Provision Expenses	-	700
Other Management Expenses	13.912	11.825
-Computer Using Expenses	3.430	2.076
-Communication Expenses	1.957	1.400
-Insurance Expenses	1.426	1.228
Other	7.099	7.121
<b>Total</b>	<b>74.857</b>	<b>67.587</b>

**8. Information on profit/ (loss) from continued and discontinued operations before taxes:**

- a) Bank presents deferred tax asset and the resulting deferred tax benefit in its financial statements.

	<b>Current Period</b>	<b>Prior Period</b>
Current income tax benefit / (charge)	(40.241)	(30.026)
Deferred tax benefit / (charge)	(1.449)	971
<b>Total</b>	<b>(41.690)</b>	<b>(29.055)</b>

- b) Deferred tax benefit on temporary differences

	<b>Current Period</b>	<b>Prior Period</b>
Difference between Internal Efficiency and Market Value of GDSS held to maturity	(57)	301
Retirement pay provision	329	554
CMB Provision	124	282
Difference between Book Value and Tax Value of Fixed Assets	(1.894)	(64)
Employee Benefits Provision Expense	156	209
Litigation Provision Expenses	(42)	52
Deferred Tax Income recognized in Equity	(65)	(363)
<b>Total</b>	<b>(1.449)</b>	<b>971</b>

- c) Tax reconciliation:

	<b>Current Period</b>	<b>Prior Period</b>
Profit before tax	216.418	150.547
Corporate tax rate	%20	%20
Calculated tax	(43.284)	(30.109)
Effects of undeductable expenses	10.071	14.763
Other tax exempt income	(8.477)	(13.709)
<b>Tax expense</b>	<b>(41.690)</b>	<b>(29.055)</b>

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**9. Information on net profit/ (loss) from continued and discontinued operations:**

As of 31 December 2015, net profit of the Bank is TL 174.728 (31 December 2014: TL 121.492 ).

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

a) The nature and amount of certain income and expense items from ordinary operations is disclosed if the disclosure for nature, amount and repetition rate of such items is required for the complete understanding

Bank's performance for the period: None (31 December 2014: None).

b) Effect of changes in accounting estimates on income statement for the current and, if any, for subsequent periods: There is no effect of changes in accounting estimates on income statement for the current period (31 December 2014: None).

c) Profit or loss attributable to minority shares: There is no profit or loss attributable to minority shares as of the balance sheet date (31 December 2014: None).

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

	<b>Current Period</b>	<b>Prior Period</b>
<b>Other fees and commissions</b>	<b>74.386</b>	<b>58.438</b>
-Service commissions	18.259	10.439
-Custody commissions	16.672	12.333
-Commissions on options Exchange	15.795	11.704
-Customer account maintenance commissions	12.973	15.311
-Bank transfer transactions	6.791	5.539
-Transfer commissions	3.896	3.122
-Other	3.701	3.112
<b>Total Banking Service Income</b>	<b>78.087</b>	<b>61.560</b>
<b>Provisions No Longer Required</b>	2.666	-
Collection due to previous year's expenses	144	103
Income on sales of assets	1	111
Other income	73	27
<b>Total Non-Interest Income</b>	<b>2.884</b>	<b>241</b>

**12. Information for the fees and commissions given:**

	<b>Current Period</b>	<b>Prior Period</b>
Central Securities depository commissions	4.556	2.916
Electronic fund transfer commissions	1.189	1.010
Other Commissions	2.109	1.401
<b>Fees and commissions expense</b>	<b>7.854</b>	<b>5.327</b>

b) **Nature and amount of changes in accounting estimates, which have a material effect on current period or expected to have a material effect on subsequent periods:** None (31 December 2014: None).

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**V. Explanations and Notes Related to Statement of Shareholders' Equity Movement**

- a) **Decrease resulting from revaluation of financial assets available for sale:** None (31 December 2014: None).
- b) **Increase in cash flow risk hedging items:** None (31 December 2014: None).
- b.1) **Reconciliation of beginning and ending balances:** None (31 December 2014: None).
- b.2) **Amount recorded in the current period if a gain or loss from a cash flow hedging derivative or non-derivative financial asset is accounted for under shareholders' equity:** None (31 December 2014: None).
- c) **The reconciliation related with foreign exchange amounts in the beginning and end of the period:** None (31 December 2014: None).
- d) **Net investment hedges:** None (31 December 2014: None).
- e) **Dividends declared subsequent to the balance sheet date, but before the announcement of the financial statements:** None.
- f) **Dividends per share proposed subsequent to the balance sheet date:** Profit appropriation will be resolved in the General Assembly meeting which has not been held as of the date of the accompanying financial statements are authorized for issue.
- g) **Proposals to the General Assembly for the payment dates of dividends and if it will not be appropriated the reasons for this:** The Board of Directors has not decided for profit appropriation as of the date of the financial statements is authorized for issue.
- h) **Amounts transferred to legal reserves:**

Bank, 2014 distributable net profit of TL 120.521, added to the legal reserve account amounting TL 9.481 and transferred to extraordinary reserve account amounting TL 46.491. As per the decision taken at the Bank's Ordinary General Assembly meeting dated 27 March 2015, a dividend amounting to TL 4.549 was distributed to personnel and TL 60.000 was distributed to shareholders on 3 April 2015.

	<b>Current Period</b>	<b>Prior Period</b>
Amounts transferred to reserves from retained earnings (+)	9.481	4.454

- i) **Information on shares issued:** None (31 December 2014: The Bank has 1.800.000.000 new shares)

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**VI. Explanations and Notes Related To Statement of Cash Flows**

**1. The effects of the other items stated in the cash flow statement and the changes in foreign currency exchange rates on cash and cash equivalents:**

“Other items” amounting to TL 46.862 (31 December 2014: TL 31.767) in “Operating profit before changes in operating assets and liabilities” consist of fees and commissions paid and other expenses other than personnel expenses, leasing expenses, reserve for employee termination benefits, depreciation charges and taxes paid.

“Net increase/decrease in other liabilities” amounting to TL 862.381 (31 December 2014: TL 95.936) in “Changes in operating assets and liabilities” consists of changes in sundry creditors and other liabilities. “Net increase/decrease in other assets” with a total amount of TL 20.095 (31 December 2014: 250.716) consists of changes in sundry debtors and other assets.

The effect of changes in foreign currencies on cash and cash equivalents is TL 426.051 (31 December 2014: TL 159.330).

**2. Cash and cash equivalents in the beginning and at the end of the period:**

The reconciliation of the components of cash and cash equivalents, accounting policies used to determine these components, the effect of any change made in accounting principle in the current period, the recorded amounts of the cash and cash equivalent assets at the balance sheet and the recorded amounts in the cash flows statement:

<b>Beginning of the period</b>	<b>Current Period</b>	<b>Prior Period</b>
<b>Cash</b>	<b>54</b>	<b>62.269</b>
Cash in TL/Foreign Currency	15	14
Central Bank - Unrestricted amount	39	62.255
Other	-	-
<b>Cash equivalents</b>	<b>5.095.564</b>	<b>4.680.074</b>
Banks	5.070.778	4.664.040
Money market placements	24.786	16.034
<b>Total Cash and Cash Equivalents</b>	<b>5.095.618</b>	<b>4.742.343</b>
Capital Market Council Share (*)	(21.013)	-
Accruals (-)	(13.397)	(12.317)
<b>Total cash and cash equivalents in cash flow statement</b>	<b>5.061.208</b>	<b>4.730.026</b>
<b>End of the period</b>		
<b>Cash</b>	<b>55</b>	<b>54</b>
Cash in TL/Foreign Currency	13	15
Central Bank - Unrestricted amount	42	39
Other	-	-
<b>Cash equivalents</b>	<b>6.617.585</b>	<b>5.095.564</b>
Banks	6.598.704	5.070.778
Money market placements	18.881	24.786
<b>Total Cash and Cash Equivalents</b>	<b>6.617.640</b>	<b>5.095.618</b>
Capital Market Council Share (*)	-	(21.013)
Accruals (-)	(14.522)	(13.397)
<b>Total cash and cash equivalents in cash flow statement</b>	<b>6.603.118</b>	<b>5.061.208</b>

(\*) Since 1st January 2014, according to the instruction of CMB, Debt of Council Portion is considered as blocaged amount and is discounted from the sum of cash and cash equivalents since 31st December 2015.

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**VII. Explanations and notes related to Bank’s risk group**

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

a) Current Period:

<b>Bank's Risk Group</b>	<b>Subsidiaries, associates and entities under common control (Joint Venture)</b>		<b>Direct and indirect shareholders of the Bank</b>		<b>Other entities included in the risk group</b>	
	<b>Cash</b>	<b>Non-cash</b>	<b>Cash</b>	<b>Cash</b>	<b>Non-cash</b>	<b>Cash</b>
Loans and other receivables						
Balance at beginning of period	-	-	92.124	2.333.793	80.161	-
Balance at end of period	-	-	141.553		138.134	-
Interest and commission income	36.421	-	19.436	11.541	2.396	-

b) Prior Period:

<b>Bank's Risk Group</b>	<b>Subsidiaries, associates and entities under common control (Joint Venture)</b>		<b>Direct and indirect shareholders of the Bank</b>		<b>Other entities included in the risk group</b>	
	<b>Cash</b>	<b>Non-cash</b>	<b>Cash</b>	<b>Cash</b>	<b>Non-cash</b>	<b>Cash</b>
Loans and other receivables						
Balance at beginning of period	-	-	222.278	4.776.503	-	-
Balance at end of period	-	-	92.124	2.333.793	80.161	-
Interest and commission income	6	-	12.705	11.161	2.924	-

(\*) The balances stated above indicate the balances at 31 December 2014.

c) **Information on related party deposits balances:** None (31 December 2014: None).

d) **Information on forward and option agreements and other similar agreements made with related parties:** None (31 December 2014: None).

**2. Disclosures for the risk group of the bank:**

a) **The relations of the Bank with the entities controlled by the Bank and its related parties, regardless of whether there are any transactions or not:** None (31 December 2014: None).

b) **Besides the structure of relationship, nature of the transaction, amount and ratio to the total volume of transactions, amount of major items and ratio to all items, pricing policies and other factors:** None (31 December 2014: None).

**CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED  
UNCONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED  
IN TURKISH, SEE NOTE I OF SECTION THREE**

**İSTANBUL TAKAS VE SAKLAMA BANKASI A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2015**

(Amounts are expressed in thousands of Turkish Lira (“TL”) unless otherwise stated.)

**EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)**

- c) **In cases whereby separate disclosure is not necessary, the total of similar items in order to present the total impact on the financial statements:** None (31 December 2014: None).
- d) **Transactions accounted for under the equity method:** None (31 December 2014: None).
- e) **Disclosures related to purchase and sale of real estate and other assets, services given/received, agency contracts, leasing contracts, transferring information as a result of research and development, license contracts, financing (including supports in the form of loans, capital in cash and capital in kind), guarantees, and management contracts:** None (31 December 2014: None).

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

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

	Number	Employees			
Domestic branches	1	285			
			Country		
Rep-offices abroad	-	-	-		
				Total Asset	Capital
Branches abroad	-	-	-	-	-
Off-shore branches	-	-	-	-	-

**2. Explanations on Branch and Agency Openings or Closings and on Substantial Change in the Organization of the Bank:**

None (31 December 2014: None).

**IX. Explanations and Notes Related To Subsequent Events**

None.

**CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED  
UNCONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED  
IN TURKISH, SEE NOTE I OF SECTION THREE**

**İSTANBUL TAKAS VE SAKLAMA BANKASI A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2015**

(Amounts are expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

**SECTION SIX**

**OTHER EXPLANATIONS**

**I. Other Explanations on the Operations of the Bank**

- i) As of 31 December 2015, under the Financial Assets at Fair Value through Profit and Loss account, the Bank has government bonds, amounting to TL 4.354 belonging to problematic brokerage houses, as a guarantee. In addition, under the receivables from reverse repurchase agreements account, as a guarantee, the Bank has investment securities purchased under commitments to resell amounting to TL 18.881 which also belongs to problematic brokerage firms. The corresponding liability accounts for these securities are followed under sundry creditors account. The increase in the fair values of these government bonds and treasury bills amounting to TL 42 and the income accrual of the reverse repo transactions amounting to TL 18 based on the difference between the sale and repurchase prices, are recorded under other liabilities without recognizing the amounts in the income statement.
- ii) Bank has decided to support the World Bank Development Center of the Global Islamic Finance for 5 years with the decision of Board of Management No:8 dated 30th May 2013. In this scope, total amount of USD 450.000 contribution has planned to be made on the basis of voluntariness and USD 180.000 (full digit) of this amount has been paid in 2014 and USD 90.000 (full digit) has been paid on 2 October 2015.
- iii) The Bank's board of directors decided that within the framework of strategic collaboration carried out between BİAŞ (Borsa İstanbul A.Ş) and Nasdaq OMX, the Bank would purchase Nasdaq OMX software's license; source codes; purchase software and source codes to be carried into effect; and information transfer, maintenance, and support services, which it needs for swap and collateral management; and risk management, from BİAŞ for USD 26.985.000 (full digit). Within this scope, the bank paid the first instalment of TL 22.862 to BİAŞ, corresponding to USD 10.794.000, on 30 April 2014. On 30 September 2015 the Bank recorded the second instalment of TL 28.174, which corresponds to USD 10.794.000 (full digit), and also recorded TL 11.722, which is total amount of the invoice, as of 31 March 2015 which is the invoice date and then paid this amount on 2 April 2015. The bank will pay TL, which corresponds to 5.397.000 USD, on 31 March 2016. The bank recorded the invoice in the amount of TL 76.846 as "Intangible Asset" in its financial statements.

**SECTION SEVEN**

**INDEPENDENT AUDITOR'S REPORT**

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

The unconsolidated financial statements for the year ended 31 December 2015 have been audited by Başaran Nas Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (a member of PricewaterhouseCoopers) and the independent auditor's report dated 19 February 2016 has been presented prior to the unconsolidated financial statements.

**II. Other Footnotes and Explanations Prepared by Independent Auditor**

None (31 December 2014: None).

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