

(CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS AND RELATED DISCLOSURES
AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH, SEE SECTION 6.1)

**STANDARD CHARTERED YATIRIM BANKASI
TÜRK A.Ş.**

Unconsolidated Interim Financial Statements
As at and for the Six Months Period Ended
30 June 2015
With Auditors' Review Report Thereon

Akis Bağımsız Denetim ve Serbest
Muhasebeci Mali Müşavirlik Anonim Şirketi
14 August 2015

*This report contains "Auditors' Review Report"
comprising 1 page and; "Unconsolidated Interim
Financial Statements and Related Disclosures and
Footnotes" comprising 53 pages.*

**Convenience translation of the Limited Review Report
Originally Prepared and Issued in Turkish (See Note 6.I)**

LIMITED REVIEW REPORT ON INTERIM FINANCIAL INFORMATION

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

Introduction

We have reviewed accompanying unconsolidated statements of financial position of Standard Chartered Yatırım Bankası Türk A.Ş. (the “Bank”) as at 30 June 2015 and the unconsolidated statement of income, unconsolidated statement of income and expense items accounted under shareholders’ equity, unconsolidated statement of changes in shareholders’ equity and unconsolidated statement of cash flows and a summary of significant accounting policies and other explanatory notes to the unconsolidated financial information for the six-month-period then ended. The Bank Management is responsible for the preparation and fair presentation of this interim financial information in accordance with “Regulation on Accounting Applications for Banks and Safeguarding of Documents” published in the Official Gazette no 26333 dated 1 November 2006, and other regulations on accounting records of Banks published by Banking Regulation and Supervision Agency and circulars and interpretations published by Banking Regulation and Supervision Authority, (together referred as BRSA Accounting and Reporting Legislation) and Turkish Accounting Standard 34 “Interim Financial Reporting” except for the matters regulated by BRSA Legislation. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Limited Review

We conducted our review in accordance with International Standard on Review Engagements (SRE) 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review of interim financial information is substantially less in scope than an audit conducted in accordance with the Auditing Standards of Turkey. Consequently, a review of interim financial information does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying unconsolidated financial information do not presented fairly in all material respects, the financial position of Standard Chartered Yatırım Bankası Türk A.Ş. at 30 June 2015 and of the results of its operations and its cash flows for six-month-period then ended in all aspects in accordance with the “ Regulation on Accounting Applications for the Banks and Safeguarding or Documents” published in the Official Gazette No. 26333 dated 1 November 2006 and other regulations on accounting records of Banks published by Banking Regulation and Supervision Agency and circulars and interpretations published by Banking Regulation and Supervision Authority and Turkish Accounting Standard 34 “Interim Financial Reporting” except for the matters regulated by BRSA Legislation.

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

Funda Aslanoğlu, SMMM
Partner

14 August 2015
İstanbul, Turkey

Additional paragraph for convenience translation to English:

As explained in note 6.I, the accompanying interim financial statements are not intended to present the interim financial position and results of operations in accordance with the accounting principles and practices generally accepted in countries and jurisdictions other than Turkey.

STANDARD CHARTERED YATIRIM BANKASI TÜRK A.Ş.
UNCONSOLIDATED INTERIM FINANCIAL REPORT
AS AT AND FOR THE SIX-MONTHS PERIOD ENDED 30 JUNE 2015

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The unconsolidated interim financial report as at and for the six-months period ended 30 June 2015, prepared in accordance with the communiqué of Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks as regulated by Banking Regulation and Supervision Agency, is comprised of the following sections:

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

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

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

Scott W. Barton
Deputy Chairman
and Financial
Reporting

**Richard Antony
Fentem JAGGARD**
Audit Committee Member

Dilek YARDIM
General Manager

Oya AYDINLIK
Chairman of Audit
Committee

Özlem BALTACI
Accounting Manager

The authorized contact person for questions on this financial report:

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Standard Chartered Bank Yatırım Bankası Türk A.Ş.
Unconsolidated Interim Financial Report as at and
As at and for the Six-Months Period Ended 30 June 2015
(Currency: Thousands of Turkish Lira (“TL”))

SECTION ONE

GENERAL INFORMATION ABOUT THE BANK

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

Standard Chartered Yatırım Bankası Türk A.Ş. (later chapters "Standard Chartered Bank" or "Bank"), the State Planning Organization Directorate of Foreign Investment Law No. 7075 dated 11 August 1989, the State Department dated 18 August 1989 57797 of the Banking Law No. 3182 on the display in accordance with Articles 4 and 8 of Council of Ministers No. 14502 reference to the notice dated 1 September 1989, in accordance with the Law on Encouragement of Foreign Capital numbered 6224, was founded on 9 January 1990. The Bank operates under the license of the commercial banking on 18 March 2004 Credit Lyonnais Istanbul, Turkey, Central Branch ("Credit Lyonnais" or "Department") for the deposits, except for all the assets and liabilities, including the paid-up capital and reserve set, debt, debt and took over the rights.

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

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

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

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

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

The Bank’s shareholder is Standard Chartered Bank Limited.

Standard Chartered Bank Yatırım Bankası Türk A.Ş.
Unconsolidated Interim Financial Report as at and
As at and for the Six-Months Period Ended 30 June 2015
(Currency: Thousands of Turkish Lira (“TL”))

GENERAL INFORMATION ABOUT THE BANK (Continued)

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

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

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

IV. Information on shareholders having control shares:

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

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

The Bank does not accept client deposits based on its investment bank status. The Bank’s core business activities are to provide Transaction Banking trade financing support and Origination and Client Coverage lending and Treasury services to its clients. As of 30 June 2015, the number of employees in the Bank is 36 (31 December 2014: 31).

SECTION TWO
UNCONSOLIDATED FINANCIAL STATEMENTS OF THE BANK

I. BALANCE SHEET (STATEMENTS OF FINANCIAL POSITION)	Note (Section Five)	Reviewed Current period 30 June 2015			Audited Prior period 31 December 2014		
		TL	FC	Total	TL	FC	Total
ASSETS							
I. CASH AND BALANCES WITH CENTRAL BANK	I-a	27		27	97		97
II. FINANCIAL ASSETS AT FV THROUGH PROFIT or (LOSS) (Net)	I-b						
2.1 Trading Financial Assets		-		-	-		-
2.1.1 Government Debt Securities		-		-	-		-
2.1.2 Share Certificates		-		-	-		-
2.1.3 Trading Derivative Financial Assets		-		-	-		-
2.1.4 Other Marketable Securities		-		-	-		-
2.2 Financial Assets Designated at Fair Value through Profit or (Loss)		-		-	-		-
2.2.1 Government Debt Securities		-		-	-		-
2.2.2 Share Certificates		-		-	-		-
2.2.3 Other Marketable Securities		-		-	-		-
2.3 Trading Derivative Financial Assets		-		-	-		-
III. BANKS	I-c	62.982	239	63.221	54.368	258	54.626
IV. MONEY MARKETS		700		700	500		500
4.1 Interbank Money Market Placements		700		700	500		500
4.2 Receivables from Istanbul Stock Exchange Money Market		-		-	-		-
4.3 Receivables from Reverse Repurchase Agreements		-		-	-		-
V. AVAILABLE-FOR-SALE FINANCIAL ASSETS (Net)	I-d						
5.1 Share Certificates		-		-	-		-
5.2 Government Debt Securities		-		-	-		-
5.3 Other Marketable Securities		-		-	-		-
VI. LOANS AND RECEIVABLES	I-e						
6.1 Loans		-		-	-		-
6.1.1 Loans to Bank's risk group		-		-	-		-
6.1.2 Government Debt Securities		-		-	-		-
6.1.3 Other		-		-	-		-
6.2 Loans under Follow-up		4.982		4.982	4.982		4.982
6.3 Specific Provisions (-)		(4.982)		(4.982)	(4.982)		(4.982)
VII. FACTORING RECEIVABLES							
VIII. HELD-TO-MATURITY SECURITIES (Net)	I-f						
8.1 Government Debt Securities		-		-	-		-
8.2 Other Marketable Securities		-		-	-		-
IX. INVESTMENTS IN ASSOCIATES (Net)	I-g						
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		-		-	-		-
X. SUBSIDIARIES (Net)	I-h						
10.1 Unconsolidated Financial Subsidiaries		-		-	-		-
10.2 Unconsolidated Non-financial Subsidiaries		-		-	-		-
XI. JOINT VENTURES (Net)	I-i						
11.1 Consolidated Based on Equity Method		-		-	-		-
11.2 Unconsolidated		-		-	-		-
11.2.1 Financial Joint Ventures		-		-	-		-
11.2.2 Non-financial Joint Ventures		-		-	-		-
XII. LEASE RECEIVABLES (Net)	I-j						
12.1 Financial Lease Receivables		-		-	-		-
12.2 Operating Lease Receivables		-		-	-		-
12.3 Other		-		-	-		-
12.4 Unearned Income (-)		-		-	-		-
XIII. HEDGING DERIVATIVE FINANCIAL ASSETS	I-k						
13.1 Fair Value Hedge		-		-	-		-
13.2 Cash Flow Hedge		-		-	-		-
13.3 Foreign Net Investment Hedge		-		-	-		-
XIV. PROPERTY AND EQUIPMENT (Net)	I-l	3.920		3.920	3.762		3.762
XV. INTANGIBLE ASSETS (Net)	I-n	22		22	23		23
15.1 Goodwill		-		-	-		-
15.2 Other		22		22	23		23
XVI. INVESTMENT PROPERTY (Net)	I-m						
XVII. TAX ASSET		1.372		1.372	1.584		1.584
17.1 Current Tax Asset		-		-	-		-
17.2 Deferred Tax Asset		1.372		1.372	1.584		1.584
XVIII. ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (Net)	I-p						
18.1 Held for Sale		-		-	-		-
18.2 Discontinued Operations		-		-	-		-
XIX. OTHER ASSETS	I-r	9.436		9.436	15.529		15.529
TOTAL ASSETS		78.459	239	78.698	75.863	258	76.121

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

I. BALANCE SHEET (STATEMENTS OF FINANCIAL POSITION)	Note (Section Five)	Reviewed Current period 30 June 2015			Audited Prior period 31 December 2014		
		TL	FC	Total	TP	FC	Total
LIABILITIES							
I. DEPOSITS	II-a						
1.1. Deposits of Bank's Risk Group							
1.2. Other							
II. TRADING DERIVATIVE FINANCIAL LIABILITIES	II-b						
III. BORROWINGS	II-c						
IV. MONEY MARKETS							
4.1. Funds from Interbank Money Market							
4.2. Funds from Istanbul Stock Exchange Money Market							
4.3. Funds Provided From Repurchase Agreements							
V. MARKETABLE SECURITIES ISSUED (Net)							
5.1. Bills							
5.2. Asset Backed Securities							
5.3. Bonds							
VI. FUNDS							
6.1. Borrower Funds							
6.2. Other							
VII. MISCELLANEOUS PAYABLES					18	1	19
VIII. OTHER LIABILITIES	II-d	1.054	77	1.131	868	63	931
IX. FACTORING PAYABLES							
X. LEASE PAYABLES (Net)	II-e						
10.1. Financial Lease Payables							
10.2. Operational Lease Payables							
10.3. Other							
10.4. Deferred Financial Lease Expenses (-)							
XI. HEDGING DERIVATIVE FINANCIAL LIABILITIES	II-f						
11.1. Fair Value Hedge							
11.2. Cash Flow Hedge							
11.3. Foreign Net Investment Hedge							
XII. PROVISIONS	II-g	5.983		5.983	7.157		7.157
12.1. General Loan Loss Provision		804		804	776		776
12.2. Restructuring Provisions							
12.3. Reserve for Employee Benefits		5.179		5.179	6.381		6.381
12.4. Insurance Technical Provisions (Net)							
12.5. Other Provisions							
XIII. TAX LIABILITY	II-h	720		720	511		511
13.1. Current Tax Liability		720		720	511		511
13.2. Deferred Tax Liability							
XIV. LIABILITIES FOR ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS	II-i						
14.1. Held for Sale							
14.2. Discontinued Operations							
XV. SUBORDINATED LOANS	II-j						
XVI. EQUITY	II-k	70.864		70.864	67.503		67.503
16.1. Paid-in Capital		40.126		40.126	40.126		40.126
16.2. Capital Reserves		6.643		6.643	6.643		6.643
16.2.1. Share Premium							
16.2.2. Share Cancellation Profits							
16.2.3. Marketable Securities Valuation Differences							
16.2.4. Tangible Assets Revaluation Differences		730		730	730		730
16.2.5. Intangible Assets Revaluation Differences							
16.2.6. Revaluation Differences of Investment Property							
16.2.7. Bonus Shares from Investments in Associates, Subsidiaries and Joint Ventures							
16.2.8. Hedging Reserves (Effective Portion)							
16.2.9. Value Differences of Assets Held for Sale and Discontinued Operations							
16.2.10. Other Capital Reserves		5.913		5.913	5.913		5.913
16.3. Profit Reserves		41.638		41.638	41.638		41.638
16.3.1. Legal Reserves		2.192		2.192	2.192		2.192
16.3.2. Status Reserves							
16.3.3. Extraordinary Reserves		39.470		39.470	39.470		39.470
16.3.4. Other Profit Reserves		(24)		(24)	(24)		(24)
16.4. Income or (Loss)		(17.543)		(17.543)	(20.904)		(20.904)
16.4.1. Prior Years' Income or (Loss)		(20.904)		(20.904)	(23.732)		(23.732)
16.4.2. Current Year Income or (Loss)		3.361		3.361	2.828		2.828
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		78.621	77	78.698	76.057	64	76.121

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

Standard Chartered Bank Yatırım Bankası Türk A.Ş.
Unconsolidated Statement of Off Balance Sheet Commitments
As at 30 June 2015
(Thousands of Turkish Lira (TL))

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

II. OFF-BALANCE SHEET COMMITMENTS	Note (Section Five)	Reviewed Current period 30 June 2015			Audited Prior period 31 December 2014		
		TL	FC	Total	TL	FC	Total
A OFF-BALANCE SHEET COMMITMENTS (I+II+III)		1	134.250	134.251	1	116.345	116.346
I. GUARANTEES AND WARRANTIES	III-a-2-3	1	39.389	39.390	1	37.385	37.386
1.1. Letters of Guarantee		1	-	-	1	-	1
1.1.1. Guarantees Subject to State Tender Law		1	-	-	1	-	-
1.1.2. Guarantees Given for Foreign Trade Operations		1	-	-	1	-	1
1.1.3. Other Letters of Guarantee		1	-	-	1	-	-
1.2. Bank Acceptances		1	-	-	1	-	-
1.2.1. Import Letter of Acceptance		1	-	-	1	-	-
1.2.2. Other Bank Acceptances		1	-	-	1	-	-
1.3. Letters of Credit		1	39.389	39.389	1	37.385	37.385
1.3.1. Documentary Letters of Credit		1	39.389	39.389	1	37.385	37.385
1.3.2. Other Letters of Credit		1	-	-	1	-	-
1.4. Prefinancing Given as Guarantee		1	-	-	1	-	-
1.5. Endorsements		1	-	-	1	-	-
1.5.1. Endorsements to the Central Bank of the Republic of Turkey		1	-	-	1	-	-
1.5.2. Other Endorsements		1	-	-	1	-	-
1.6. Securities Issue Purchase Guarantees		1	-	-	1	-	-
1.7. Factoring Guarantees		1	-	-	1	-	-
1.8. Other Guarantees		1	-	-	1	-	-
1.9. Other Collaterals		1	-	-	1	-	-
II. COMMITMENTS	III-a-1	1	94.861	94.861	1	78.960	78.960
2.1. Irrevocable Commitments		1	-	-	1	-	-
2.1.1. Asset Purchase and Sale Commitments		1	-	-	1	-	-
2.1.2. Deposit Purchase and Sales Commitments		1	-	-	1	-	-
2.1.3. Share Capital Commitments to Associates and Subsidiaries		1	-	-	1	-	-
2.1.4. Loan Granting Commitments		1	-	-	1	-	-
2.1.5. Securities Issue Brokerage Commitments		1	-	-	1	-	-
2.1.6. Commitments for Reserve Deposit Requirements		1	-	-	1	-	-
2.1.7. Commitments for Cheques		1	-	-	1	-	-
2.1.8. Tax and Fund Liabilities from Export Commitments		1	-	-	1	-	-
2.1.9. Commitments for Credit Card Limits		1	-	-	1	-	-
2.1.10. Commitments for Credit Cards and Banking Services Promotions		1	-	-	1	-	-
2.1.11. Receivables from Short Sale Commitments of Marketable Securities		1	-	-	1	-	-
2.1.12. Payables for Short Sale Commitments of Marketable Securities		1	-	-	1	-	-
2.1.13. Other Irrevocable Commitments		1	-	-	1	-	-
2.2. Revocable Commitments		1	94.861	94.861	1	78.960	78.960
2.2.1. Revocable Loan Granting Commitments		1	94.861	94.861	1	78.960	78.960
2.2.2. Other Revocable Commitments		1	-	-	1	-	-
III. DERIVATIVE FINANCIAL INSTRUMENTS	III-b	1	-	-	1	-	-
3.1. Hedging Derivative Financial Instruments		1	-	-	1	-	-
3.1.1. Transactions for Fair Value Hedge		1	-	-	1	-	-
3.1.2. Transactions for Cash Flow Hedge		1	-	-	1	-	-
3.1.3. Transactions for Foreign Net Investment Hedge		1	-	-	1	-	-
3.2. Trading Transactions		1	-	-	1	-	-
3.2.1. Forward Foreign Currency Buy/Sell Transactions		1	-	-	1	-	-
3.2.1.1. Forward Foreign Currency Transactions-Buy		1	-	-	1	-	-
3.2.1.2. Forward Foreign Currency Transactions-Sell		1	-	-	1	-	-
3.2.2. Foreign Currency and Interest Rates Swap Transactions		1	-	-	1	-	-
3.2.2.1. Foreign Currency Swap-Buy		1	-	-	1	-	-
3.2.2.2. Foreign Currency Swap-Sell		1	-	-	1	-	-
3.2.2.3. Interest Rate Swap-Buy		1	-	-	1	-	-
3.2.2.4. Interest Rate Swap-Sell		1	-	-	1	-	-
3.2.3. Foreign Currency, Interest Rate and Securities Options		1	-	-	1	-	-
3.2.3.1. Foreign Currency Options-Buy		1	-	-	1	-	-
3.2.3.2. Foreign Currency Options-Sell		1	-	-	1	-	-
3.2.3.3. Interest Rate Options-Buy		1	-	-	1	-	-
3.2.3.4. Interest Rate Options-Sell		1	-	-	1	-	-
3.2.3.5. Securities Options-Buy		1	-	-	1	-	-
3.2.3.6. Securities Options-Sell		1	-	-	1	-	-
3.2.4. Foreign Currency Futures		1	-	-	1	-	-
3.2.4.1. Foreign Currency Futures-Buy		1	-	-	1	-	-
3.2.4.2. Foreign Currency Futures-Sell		1	-	-	1	-	-
3.2.5. Interest Rate Futures		1	-	-	1	-	-
3.2.5.1. Interest Rate Futures-Buy		1	-	-	1	-	-
3.2.5.2. Interest Rate Futures-Sell		1	-	-	1	-	-
3.2.6. Other		1	-	-	1	-	-
B. CUSTODY AND PLEDGES (IV+V+VI)		1	-	-	1	-	-
IV. ITEMS HELD IN CUSTODY		1	-	-	1	-	-
4.1. Customer Fund and Portfolio Balances		1	-	-	1	-	-
4.2. Investment Securities Held in Custody		1	-	-	1	-	-
4.3. Checks Received for Collection		1	-	-	1	-	-
4.4. Commercial Notes Received for Collection		1	-	-	1	-	-
4.5. Other Assets Received for Collection		1	-	-	1	-	-
4.6. Assets Received for Public Offering		1	-	-	1	-	-
4.7. Other Items Under Custody		1	-	-	1	-	-
4.8. Custodians		1	-	-	1	-	-
V. PLEDGES		1	-	-	1	-	-
5.1. Marketable Securities		1	-	-	1	-	-
5.2. Guarantee Notes		1	-	-	1	-	-
5.3. Commodity		1	-	-	1	-	-
5.4. Warranty		1	-	-	1	-	-
5.5. Immovable		1	-	-	1	-	-
5.6. Other Pledged Items		1	-	-	1	-	-
5.7. Pledged Items-Depository		1	-	-	1	-	-
VI. ACCEPTED AVALISED DRAFTS AND WARRANTIES		1	-	-	1	-	-
TOTAL OFF-BALANCE SHEET COMMITMENTS (A+B)		1	134.250	134.251	1	116.345	116.346

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

Standard Chartered Bank Yatırım Bankası Türk A.Ş.

Unconsolidated Statement of Income
For the Six-Months Period Ended 30 June 2015
(Thousands of Turkish Lira (TL))

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

III. INCOME STATEMENT	Note (Section five)	Reviewed Current period 1 January- 30 June 2015	Reviewed Prior period 1 January- 30 June 2014	Reviewed Current period 1 April- 30 June 2015	Reviewed Prior period 1 April- 30 June 2014
I. INTEREST INCOME	IV-a	2.600	2.378	1.428	1.290
1.1 Interest on Loans		-	-	-	-
1.2 Interest Received from Reserve Requirements		-	-	-	-
1.3 Interest Received from Banks	IV-a-2	2.552	2.314	1.406	1.248
1.4 Interest Received from Money Market Transactions		48	64	22	42
1.5 Interest Received from Marketable Securities Portfolio		-	-	-	-
1.5.1 Trading Financial Assets		-	-	-	-
1.5.2 Financial Assets at Fair Value through Profit or Loss		-	-	-	-
1.5.3 Available-for-sale Financial Assets		-	-	-	-
1.5.4 Held-to-Maturity Investments		-	-	-	-
1.6 Financial Lease Income		-	-	-	-
1.7 Other Interest Income		-	-	-	-
II. INTEREST EXPENSE					
2.1 Interest on Deposits		-	-	-	-
2.2 Interest on Funds Borrowed		-	-	-	-
2.3 Interest Expense on Money Market Transactions		-	-	-	-
2.4 Interest on Securities Issued		-	-	-	-
2.5 Other Interest Expenses		-	-	-	-
III. NET INTEREST INCOME (I + II)		2.600	2.378	1.428	1.290
IV. NET FEES AND COMMISSIONS INCOME		152	(10)	79	(5)
4.1 Fees and Commissions Received		162	-	84	-
4.1.1 Non-cash Loans		162	-	84	-
4.1.2 Other		-	-	-	-
4.2 Fees and Commissions Paid		10	10	5	5
4.2.1 Non-cash Loans		-	1	-	1
4.2.2 Other		10	9	5	4
V. DIVIDEND INCOME	IV-c				
VI. TRADING INCOME/(LOSS) (Net)	IV-d	216	(35)	197	(38)
6.1 Trading Gains/(Losses) on Securities		-	-	-	-
6.2 Trading Gains/(Losses) on Derivative Financial Instruments		-	-	-	-
6.3 Foreign Exchange Gains/(Losses)		216	(35)	197	(38)
VII. OTHER OPERATING INCOME	IV-e	12.718	8.388	7.702	4.280
VIII. TOTAL OPERATING INCOME (III+IV+V+VI+VII)		15.686	10.721	9.406	5.527
IX. PROVISION FOR LOAN LOSSES AND OTHER RECEIVABLES(-)	IV-f	28		21	
X. OTHER OPERATING EXPENSES (-)	IV-g	11.271	9.123	7.052	4.726
XI. NET OPERATING INCOME/(LOSS) (VIII-IX-X)		4.387	1.598	2.333	801
XII. EXCESS AMOUNT RECORDED AS INCOME AFTER MERGER INCOME/(LOSS) FROM INVESTMENTS IN SUBSIDIARIES					
XIII. ACCOUNTED BASED ON EQUITY METHOD					
XIV. INCOME/(LOSS) ON NET MONETARY POSITION					
XV. INCOME/(LOSS) FROM CONTINUING OPERATIONS BEFORE TAX (XI+...+XIV)	IV-h	4.387	1.598	2.333	801
XVI. PROVISION FOR TAXES ON CONTINUING OPERATIONS (-)	IV-i	(1.026)	(652)	(227)	(65)
16.1 Current Tax Provision		(814)	(378)	(319)	(88)
16.2 Deferred Tax (Expense)/Income		(212)	(274)	92	23
XVII. NET INCOME/(LOSS) FROM CONTINUING OPERATIONS (XV-XVI)		3.361	946	2.106	736
XVIII. INCOME FROM DISCONTINUED OPERATIONS					
18.1 Income from Non-Current Assets Held for Resale		-	-	-	-
18.2 Sale Income from Associates, Subsidiaries and Joint Ventures		-	-	-	-
18.3 Other Income from Discontinued Operations		-	-	-	-
XIX. EXPENSES FROM DISCONTINUED OPERATIONS (-)					
19.1 Expense from Non-Current Assets Held for Resale		-	-	-	-
19.2 Sale Losses from Associates, Subsidiaries and Joint Ventures		-	-	-	-
19.3 Other Expenses from Discontinued Operations		-	-	-	-
XX. INCOME/(LOSS) FROM DISCONTINUED OPERATIONS BEFORE TAX (XVIII-XIX)					
XXI. PROVISION FOR TAXES ON DISCONTINUED OPERATIONS (-)					
21.1 Current Tax Provision		-	-	-	-
21.2 Deferred Tax Provision		-	-	-	-
XXII. NET INCOME/(LOSS) FROM DISCONTINUED OPERATIONS (XX-XXI)					
XVIII. NET INCOME/(LOSS) (XVII+XXII)	IV-j	3.361	946	2.106	736
Earnings / (Loss) per share (TL, full)		0,08376	0,02358	0,05248	0,01834

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

IV. STATEMENT OF GAINS AND LOSSES RECOGNIZED IN EQUITY	Reviewed Current period	Reviewed Prior period
	1 January- 30 June 2015	1 January- 30 June 2014
I. ADDITIONS TO THE MARKETABLE SECURITIES VALUATION DIFFERENCES FROM THE AVAILABLE FOR SALE FINANCIAL ASSETS	-	-
II. REVALUATION DIFFERENCES OF TANGIBLE ASSETS	-	-
III. REVALUATION DIFFERENCES OF INTANGIBLE ASSETS	-	-
IV. FOREIGN EXCHANGE TRANSLATION DIFFERENCES FOR FOREIGN CURRENCY TRANSACTIONS	-	-
V. INCOME/(LOSS) ON CASH FLOW HEDGE (Effective Portion of Fair Value Changes)	-	-
VI. PROFIT/LOSS FROM FOREIGN INVESTMENT HEDGE DERIVATIVE FINANCIAL ASSETS (Effective Portion of Fair Value Changes)	-	-
VII. EFFECTS OF CHANGES IN ACCOUNTING POLICY AND ELIMINATION OF ERRORS	-	-
VIII. OTHER INCOME AND EXPENSE ITEMS ACCOUNTED IN EQUITY ACCORDING TO TAS	-	(14)
IX. DEFERRED TAX ON VALUATION DIFFERENCES	-	3
X. NET INCOME/(LOSS) ACCOUNTED DIRECTLY IN EQUITY (I+II+...+IX)	-	(11)
XI. CURRENT PERIOD INCOME/(LOSS)	3.361	946
11.1 Net Change in Fair Value of Marketable Securities (Transfer to Income Statement)	-	-
11.2 Portion of Cash Flow Hedge Derivative Financial Assets Reclassified and Presented on the Income Statement	-	-
11.3 Portion of Foreign Investment Hedge Derivative Financial Assets Reclassified and Presented on the Income Statement	-	-
11.4 Other	3.361	946
XII. TOTAL RECOGNIZED INCOME/(LOSS) FOR THE PERIOD (X+XI)	3.361	935

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

Standard Chartered Bank Yatırım Bankası Türk A.Ş.

Unconsolidated Statement of Changes in Equity
For the Six-Months Period Ended 30 June 2015

(Thousands of Turkish Lira (TL))

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

	Note (Section Five)	Paid-in Capital	Adjustment to Share Capital	Share Premium	Share Cancellation Profits	Legal Reserves	Statutory Reserves	Extraordinary Reserves	Other Reserves	Current Period Net Income / (Loss)	Prior Years' Income/ (Loss)	Marketable Securities Valuation Differences	Tangible and Intangible Assets Revaluation Differences	Bonus Shares Obtained from Investments	Hedging Reserves	Valuation Diff. of Assets Held for Sale and Discontinued Operations	Total Equity
I. Prior Period End Balance		40.126	5.913	-	-	2.069	-	37.140	32	2.453	(23.732)	-	730	-	-	-	64.731
Changes in the Period		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
II. Increase/Decrease due to Merger		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. Marketable Securities Valuation Differences		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IV. Hedging Reserves (Effective Portion)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.1 Cash Flow Hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.2 Foreign Investment for Purpose of Hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V. Revaluation Differences of Tangible Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI. Revaluation Differences of Intangible Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII. Bonus Shares Obtained from Investments in Associates, Subsidiaries and Joint Ventures		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII. Foreign Exchange Difference		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX. Changes due to Disposal of Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X. Changes due to Reclassification of the Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI. Effect of Changes in Investment in Associates		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XII. Capital Increase		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.1 Cash		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.2 Internal Resources		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIII. Share Premium		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV. Share Cancellation Profits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XV. Adjustment to Share Capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI. Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVII. Current Year Income or Loss		-	-	-	-	-	-	-	(11)	-	-	-	-	-	-	-	(11)
XVIII. Profit Distribution		-	-	-	-	123	-	2.330	-	946	-	-	-	-	-	-	946
18.1 Dividend Paid		-	-	-	-	-	-	-	-	(2.453)	-	-	-	-	-	-	-
18.2 Transfers to Reserves		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18.3 Other		-	-	-	-	123	-	2.330	-	(2.453)	-	-	-	-	-	-	-
Period End Balance (I+II+III++XVI+ XVII+ XVIII)		40.126	5.913	-	-	2.192	-	39.470	21	946	(23.732)	-	730	-	-	-	65.666

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

Standard Chartered Bank Yatırım Bankası Türk A.Ş.

Unconsolidated Statement of Changes in Equity
For the Six-Months Period Ended 30 June 2015

(Thousands of Turkish Lira (TL))

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

	Note (Section Five)	Paid-in Capital	Adjustment to Share Capital	Share Premium	Share Cancellation Profits	Legal Reserves	Statutory Reserves	Extraordinary Reserves	Other Reserves	Current Period Net Income / (Loss)	Prior Years' Income/ (Loss)	Marketable Securities Valuation Differences	Tangible and Intangible Assets Revaluation Differences	Bonus Shares Obtained from Investments	Hedging Reserves	Valuation Diff. of Assets Held for Sale and Discontinued Operations	Total Equity
1 January -30 June 2015																	
I. Prior Period End Balance		40.126	5.913	-	-	2.192	-	39.470	(24)	2.828	(23.732)	-	730	-	-	-	67.503
Changes in the Period																	
II. Increase/Decrease due to Merger		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. Marketable Securities Valuation Differences		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IV. Hedging Reserves (Effective Portion)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.1 Cash Flow Hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.2 Foreign Investment for Purpose of Hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V. Revaluation Differences of Tangible Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI. Revaluation Differences of Intangible Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII. Bonus Shares Obtained from Investments in Associates, Subsidiaries and Joint Ventures		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII. Foreign Exchange Difference		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX. Changes due to Disposal of Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X. Changes due to Reclassification of the Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI. Effect of Changes in Investment in Associates		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XII. Capital Increase		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.1 Cash		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.2 Internal Resources		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIII. Share Premium		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV. Share Cancellation Profits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XV. Adjustment to Share Capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI. Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVII. Current Year Profit or Loss		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVIII. Profit Distribution		-	-	-	-	-	-	-	-	3.361	-	-	-	-	-	-	3.361
18.1 Dividend Paid		-	-	-	-	-	-	-	-	(2.828)	2.828	-	-	-	-	-	-
18.2 Transfers to Reserves		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18.3 Other		-	-	-	-	-	-	-	-	(2.828)	2.828	-	-	-	-	-	-
Period End Balance (I+II+III++XVI+ XVII+ XVIII)		40.126	5.913	-	-	2.192	-	39.470	(24)	3.361	(20.904)	-	730	-	-	-	70.864

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

Standard Chartered Bank Yatırım Bankası Türk A.Ş.
Statement of Cash Flows
For the Six-Months Period Ended 30 June 2015
(Thousands of Turkish Lira (TL))

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

VI. STATEMENT OF CASH FLOWS	Note (Section Five)	Reviewed Current period 1 January- 30 June 2015	Reviewed Prior period 1 January- 30 June 2014
A. CASH FLOWS FROM BANKING OPERATIONS			
1.1 Operating profit before changes in operating assets and liabilities		3.041	5.625
1.1.1 Interest received		2.526	2.389
1.1.2 Interest paid		-	-
1.1.3 Dividend received		-	-
1.1.4 Fees and commissions received		162	-
1.1.5 Other income		12.541	13.448
1.1.6 Collections from previously written-off loans and other receivables		-	-
1.1.7 Payments to personnel and service suppliers		(8.268)	(7.493)
1.1.8 Taxes paid		(1.704)	(1.139)
1.1.9 Other	VI-c	(2.216)	(1.580)
1.2 Changes in operating assets and liabilities		5.849	(59)
1.2.1 Net (increase)/decrease in trading securities		-	-
1.2.2 Net (increase)/decrease in fair value through profit/loss financial assets		-	-
1.2.3 Net decrease in due from banks		-	-
1.2.4 Net (increase)/decrease in loans		-	2
1.2.5 Net (increase)/decrease in other assets		6.035	(373)
1.2.6 Net increase/(decrease) in bank deposits		-	-
1.2.7 Net increase/(decrease) in other deposits		-	-
1.2.8 Net increase/(decrease) in borrowings		-	-
1.2.9 Net increase/(decrease) in payables		-	-
1.2.10 Net increase in other liabilities	VI-c	(186)	312
I. Net cash provided from banking operations		8.890	5.566
B. CASH FLOWS FROM INVESTING ACTIVITIES			
II. Net cash provided from investing activities		(260)	(13)
2.1 Cash paid for acquisition of investments, associates and subsidiaries		-	-
2.2 Cash obtained from disposal of investments, associates and subsidiaries		-	-
2.3 Acquisitions of property and equipment		(260)	(13)
2.4 Proceeds from sale of property and equipment		-	-
2.5 Cash paid for purchase of investments available-for-sale		-	-
2.6 Cash obtained from sale of investments available-for-sale		-	-
2.7 Cash paid for purchase of investment securities		-	-
2.8 Proceeds from sale / redemption of investment securities		-	-
2.9 Other		-	-
C. CASH FLOWS FROM FINANCING ACTIVITIES			
III. Net cash provided from / (used for) financing activities			
3.1 Cash obtained from borrowings and securities issued		-	-
3.2 Cash used for repayment of borrowings and securities issued		-	-
3.3 Issued capital instruments		-	-
3.4 Dividends paid		-	-
3.5 Payments for financial leases		-	-
3.6 Other		-	-
IV. Effect of change in foreign exchange rate on cash and cash equivalents		21	1
V. Net decrease in cash and cash equivalents (I+II+III+IV)		8.651	5.554
VI. Cash and cash equivalents at the beginning of the period	VI-a	54.882	53.533
VII. Cash and cash equivalents at the end of the period	VI-a	63.533	59.087

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

SECTION THREE
ACCOUNTING POLICIES

I. Explanation on basis of presentation:

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

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

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

The preparation of financial statements in conformity with 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.

TAS and TFRS changes that are concurrently released with the Bank’s financial statements are not expected to have a significant impact on the Bank’s accounting policies, financial position and performance.

Additional paragraph for convenience translation to English

The accompanying financial statements differ from International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board with respect to the application of inflation accounting and also for certain reclassification requirement of the POA/BRSA. Accordingly, the accompanying financial statements are not intended to present the financial position and results of operations in accordance with IFRS.

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

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

ACCOUNTING POLICIES (Continued)

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

The Bank provides Transaction Banking and Global Markets services to the corporates. The level of activity of the bank declined during 2012, as the previous main shareholder changes at 4th November 2012 reduced off balance sheet exposures and balance sheet footings. The Bank did not extend any new loans in the first six months of the year 2015. As a result the credit, market and liquidity risks are at minimum as at 30 June 2015.

At 30 June 2015, all of the monetary assets and liabilities denominated in foreign currency were translated into Turkish lira using the following foreign exchange rates: USD = TL 2,6850; EUR = TL 2,9982. (31 December 2014: USD = TL 2,3269; EUR = TL 2,8272).

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

Derivative instruments are measured at fair value on initial recognition and subsequently re-measured at their fair values. The accounting method of the income or loss arising from derivative instruments depends on derivative being used for hedging purposes or not and depends on the type of the item being hedged. As of 30 June 2015, the Bank has no derivative instruments for hedging purposes.

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

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

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

ACCOUNTING POLICIES (Continued)

IV. Explanations on interest income and expense:

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

V. Explanations on fee and commission income and expenses:

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

Commissions earned from loans where the Bank acts as an intermediary is recorded as income at the end of each month on an accrual basis.

VI. Explanations on financial assets:

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

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

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

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

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

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

The Bank has no financial assets designated as financial assets at fair value through profit or loss as at 30 June 2015 and 31 December 2014.

ACCOUNTING POLICIES (Continued)

b. Available-for-sale financial assets:

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

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

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

As at 30 June 2015 and 31 December 2014 the Bank does not have any available for sale financial assets.

c. Loans and receivables:

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

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

d. Held-to-maturity financial assets:

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

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

As at 30 June 2015 and 31 December 2014 the Bank does not have any held-to-maturity financial assets.

ACCOUNTING POLICIES (Continued)

VII. Explanations on impairment on financial assets:

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

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

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

VIII. Explanations on offsetting financial instruments:

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

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

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

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

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

The Bank has no discontinued operations.

Assets held-for-resale consist of tangible assets that were acquired due to non-performing receivables, and are accounted in the financial statements in accordance with the “Communiqué Regarding the Principles and Procedures for the Disposals of Immovables and Commodities Acquired due to Receivables and for Trading of Precious Metal” published in the Official Gazette dated November 2006, No.26333.

XI. Explanations on goodwill and other intangible assets:

The Bank does not have any goodwill as at 30 June 2015 and 31 December 2014.

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

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

ACCOUNTING POLICIES (Continued)

XII. Explanations on property and equipment:

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

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

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

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

Expenditures for the repair and renewal of property and equipment are recognized as expense. The capital expenditures made in order to increase the capacity of the tangible asset or to increase its future benefits are capitalized on the cost of the tangible asset.

The capital expenditures include the cost components which are used either to increase the useful life or the capacity of the asset, the quality of the product or to decrease the costs.

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

XIII. Explanations on leasing transactions:

The Bank does not have any leasing transactions as at 30 June 2015 and 31 December 2014.

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

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

ACCOUNTING POLICIES (Continued)

XIV. Explanations on provisions and contingent liabilities:

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

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

XV. Explanations on contingent assets:

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

XVI. Explanations on obligations related to the employee rights:

i. Defined benefit plans:

Under the Turkish Labor Law, the Bank is required to pay a specific amount to the employees who have retired or whose employment is terminated due to reasons other than those specified in the Turkish Labor Law. The reserve for employment termination benefits represents the present value of the estimated total future probable obligation of the Bank arising from the retirement of all employees in accordance with the Turkish Labor Law, the termination of the employment without due cause who has completed at least one year’s of service, military service obligation and death. The reserve for employment termination benefit has been calculated and recognized in accordance with “Turkish Accounting Standard for Employee Rights” (“TAS 19”) in the financial statements. In accordance with the amendment in the IAS 19 (2011), the actuarial gains/(losses) related to employee benefits are recognized under other comprehensive income.

ii. Defined contribution plans:

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

iii. Short term benefits for employees:

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

ACCOUNTING POLICIES (Continued)

XVII. Explanations on taxation:

a. Current tax:

The Corporate Tax Rate in Turkey is payable at the rate of 20% for 2014. Corporate tax is calculated on the total income of the Bank after adjusting for certain disallowable expenses in accordance with tax laws, and deducting exempt income (such as exception of participation income) and reductions. No further tax is payable unless the profit is distributed.

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

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

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

Under the Turkish Corporate Tax Law, losses can be carried forward to offset against future taxable income for up to 5 years.

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

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

b. Deferred tax:

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

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

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

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

ACCOUNTING POLICIES (Continued)

XVIII. Explanations on borrowings:

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

XIX. Explanations on issuance of share certificates:

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

The Bank does not have any share certificates issued as at 30 June 2015 and 31 December 2014.

XX. Explanations on drafts and acceptances:

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

XXI. Explanations on government grants:

As at 30 June 2015 and 31 December 2014, the Bank has no government grants.

XXII. Profit reserves and profit appropriation:

Retained earnings other than legal reserves are available for distribution, subject to the legal reserve requirement referred to below. The deferred tax income cannot be subject to dividend payment.

Under the Turkish Commercial Code (“TCC”) the legal reserves are composed of first and second reserves. First legal reserve is appropriated at the rate of 5%, until the total reserve is equal to 20% of issued and fully paid-in share capital. Second legal reserve is appropriated at the rate of 10% of distributions in excess of 5% of issued and fully paid-in share capital. However, holding companies are exempt from this application. According to the Turkish Commercial Code, legal reserves can only be used to compensate accumulated losses and cannot be used for other purposes unless they exceed 50% of paid-in capital.

XXIII. Explanations on segment reporting:

An operating segment is a component of an entity:

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

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

XXIV. Earnings per Shares

Earnings per share disclosed in the income statement are calculated by divided by the weighted average number of shares outstanding.

	30 June 2015	30 June 2014
Net Profit	3.361	946
Weighted average number of shares (Thousands)	40.126	40.126
Earnings / (Loss) per share – (1.000 nominals presented in TL)	0,08376	0,02358

In case the number of shares increases by way of bonus issues as a result of the capital increases made by using the internal sources, the calculation of earnings per share is made by adjusting the weighted average number of shares, which were previously calculated as at the comparable periods. The adjustment means that the number of shares used in calculation is taken into consideration as if the bonus issue occurred at the beginning of the comparable period. In case such changes in the number of shares occur after the balance sheet date, but before the ratification of the financial statements to be published, the calculation of earnings per share are based on the number of new shares.

ACCOUNTING POLICIES (Continued)

XXV. Related parties:

Parties defined in article 49 of the Banking Law No. 5411, Bank's Senior Management, and Board Members are deemed as related parties. Transactions regarding related parties are presented in Note VII of Section Five.

XXVI. Cash and cash equivalents:

For the purposes of cash flow statement cash include cash, effectives 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 six months.

XXVII. Reclassifications:

None.

XXVIII. Changes in Accounting Policies:

Changes in accounting policies are applied retrospectively and prior period financial statements are restated. There are not any significant accounting policy change in Bank's accounting policies in the current period.

SECTION FOUR

INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK

I. Explanation on capital adequacy ratio:

- a. As at 30 June 2015, The Bank's capital adequacy standard ratio is 99,13 % (31 December 2014: 94,03 %) which is higher than minimum ratio determined in related legislation.
- b. The capital adequacy ratio calculations are made in accordance with the "Regulation on Measurement and Evaluation of Capital Adequacy of Banks" published in Official Journal No 29111 of 6 September 2014. The tables below generates the details of "Risk weighted assets" and "Equity" calculations which based on calculation of Bank's capital adequacy ratio.

Information related to standard capital adequacy ratio:

	Risk Weights							
	0%	10%	20%	50%	75%	100%	150%	200%
Amount subject to credit risk	2.099	-	63.222	8.784	-	24.289	-	-
Classification of Risk								
Contingent and non-contingent receivables from government and central banks	727	-	-	-	-	-	-	-
Non contingent receivables from regional governments or municipal governments	-	-	-	-	-	-	-	-
Contingent and non-contingent receivables from administrative unites or non-trade initiatives	-	-	-	-	-	-	-	-
Contingent and non-contingent receivables from multilateral development banks	-	-	-	-	-	-	-	-
Contingent and non-contingent receivables from international organizations	-	-	-	-	-	-	-	-
Contingent and non-contingent receivables from banks and brokerage firm	-	-	63.222	8.784	-	-	-	-
Contingent and non-contingent corporate receivables	-	-	-	-	-	19.695	-	-
Contingent and non-contingent retail receivables	-	-	-	-	-	-	-	-
Contingent and non-contingent receivables which are collateralized by real estate mortgages	-	-	-	-	-	-	-	-
Non performing receivables	-	-	-	-	-	-	-	-
Receivables identified as high risky by the Board	-	-	-	-	-	-	-	-
Mortgage covered bonds	-	-	-	-	-	-	-	-
Securitization positions	-	-	-	-	-	-	-	-
Short term receivables and short term corporate receivables from banks and brokerage firms	-	-	-	-	-	-	-	-
Collective investments in investment companies	-	-	-	-	-	-	-	-
Other receivables	1.372	-	-	-	-	4.594	-	-

Summary information about capital adequacy ratio ("CAR"):

	30 June 2015	31 December 2014
Amount subject to credit risk "ASCR" (ASCR*0,08)	3.306	3.297
Amount subject to market risk "ASMR" (ASMR)	13	16
Amount subject to operational risk "ASOR" (ASOR)	2.329	2.338
Equity	69.989	66.413
Equity / ((ASCR+ASMR+ASOR) *12,5*100)	99,13	94,03
Core Capital / ((ASCR+ASMR+ASOR) *12,5*100)	98,40	93,30
Tier 1 capital / ((ASCR+ASMR+ASOR) *12,5*100)	98,40	93,30

INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued)

Information about equity items:

	30 June 2015
TIER I CAPITAL	
Paid-in Capital to be Entitled for Compensation after All Creditors	40.126
Share Premium	-
Share Cancellation Profits	-
Legal Reserves	48.281
Other Comprehensive Income according to TAS	-
Profit	6.215
Net Current Period Profit	3.361
Prior Period Profit	2.854
Provisions for Possible Losses	-
Bonus Shares from Associates, Subsidiaries and Joint-Ventures not Accounted in Current Period's Profit	-
Tier I Capital Before Deductions	94.622
Deductions From Tier I Capital	
Current and Prior Periods' Losses not Covered by Reserves, and Losses Accounted under Equity according to TAS (-)	23.757
Leasehold Improvements on Operational Leases (-)	-
Goodwill and Intangible Assets and Related Deferred Tax Liabilities (-)	22
Net Deferred tax assets / liabilities (-)	1.372
Shares Obtained against Article 56, Paragraph 4 of the Banking Law (-)	-
Investments in own common equity (-)	-
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank does not own 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital (-)	-
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital (-)	-
Mortgage Servicing Rights Exceeding the 10% Threshold of Tier I Capital (-)	-
Net Deferred Tax Assets arising from Temporary Differences Exceeding the 10% Threshold of Tier I Capital (-)	-
Amount Exceeding the 15% Threshold of Tier I Capital as per the Article 2, Clause 2 of the Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks (-)	-
The Portion of Net Long Position of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or more of the Issued Share Capital not deducted from Tier I Capital (-)	-
Mortgage Servicing Rights not deducted (-)	-
Excess Amount arising from Deferred Tax Assets from Temporary Differences (-)	-
Other items to be Defined by the BRSA (-)	-
Deductions from Tier I Capital in cases where there are no adequate Additional Tier I or Tier II Capitals (-)	-
Total regulatory adjustments to Tier I capital	25.151
Tier I capital	69.471
ADDITIONAL CORE CAPITAL	
Preferred Stock not Included in Tier I Capital and the Related Share Premiums	-
Debt Instruments and the Related Issuance Premiums Defined by the BRSA (Issued or Obtained after 1.1.2014)	-
Debt Instruments and the Related Issuance Premiums Defined by the BRSA (Issued or Obtained before 1.1.2014)	-
Additional Core Capital before Deductions	-
Deductions from Additional Core Capital	
Direct and Indirect Investments of the Bank on its own Additional Core Capital (-)	-
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital (-)	-
The Total of Net Long Position of the Direct or Indirect Investments in Additional Tier I Capital of Unconsolidated Banks and Financial Institutions where the Bank Owns more than 10% of the Issued Share Capital (-)	-
Other items to be Defined by the BRSA (-)	-
Deductions from Additional Core Capital in cases where there are no adequate Tier II Capital (-)	-
Total Deductions from Additional Core Capital	-
Total Additional Core Capital	-
Deductions from Core Capital	
Goodwill and Other Intangible Assets and Related Deferred Taxes not deducted from Tier I Capital as per the Temporary Article 2, Clause 1 of the Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks (-)	-
Net Deferred Tax Asset/Liability not deducted from Tier I Capital as per the Temporary Article 2, Clause 1 of the Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks (-)	-
Total Core Capital	69.471
TIER II CAPITAL	
Debt Instruments and the Related Issuance Premiums Defined by the BRSA (Issued or Obtained after 1.1.2014)	-
Debt Instruments and the Related Issuance Premiums Defined by the BRSA (Issued or Obtained before 1.1.2014)	-
Pledged Assets of the Shareholders to be used for the Bank's Capital Increases	-
General Provisions	518
Tier II Capital before Deductions	518
Deductions from Tier II Capital	
Direct and Indirect Investments of the Bank on its own Tier II Capital (-)	-
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital (-)	-
The Total of Net Long Position of the Direct or Indirect Investments in Additional Core Capital and Tier II Capital of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or more of the Issued Share Capital Exceeding the 10% Threshold of Tier I Capital (-)	-
Other items to be Defined by the BRSA (-)	-
Total Deductions from Tier II Capital	-
Total Tier II Capital	518

CAPITAL	69.989
Loans Granted against the Articles 50 and 51 of the Banking Law (-)	-
Net Book Values of Movables and Immovables Exceeding the Limit Defined in the Article 57, Clause 1 of the Banking Law and the Assets Acquired against Overdue Receivables and Held for Sale but Retained more than Five Years (-)	-
Loans to Banks, Financial Institutions (domestic/foreign) or Qualified Shareholders in the form of Subordinated Debts or Debt Instruments Purchased from Such Parties and Qualified as Subordinated Debts (-)	-
Deductions as per the Article 20, Clause 2 of the Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks (-)	-
Other items to be Defined by the BRSA (-)	-
The Portion of Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital not deducted from Tier I Capital, Additional Core Capital or Tier II Capital as per the Temporary Article 2, Clause 1 of the Regulation (-)	-
The Portion of Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns more than 10% of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital not deducted from Additional Core Capital or Tier II Capital as per the Temporary Article 2, Clause 1 of the Regulation (-)	-
The Portion of Net Long Position of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or more of the Issued Share Capital, of the Net Deferred Tax Assets arising from Temporary Differences and of the Mortgage Servicing Rights not deducted from Tier I Capital as per the temporary Article 2, Clause 2, Paragraph (1) and (2) and Temporary Article 2, Clause 1 of the Regulation (-)	-
EQUITY	69.989
Amounts lower than Excesses as per Deduction Rules	
Remaining Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital	-
Remaining Total of Net Long Positions of the Investments in Tier I Capital of Unconsolidated Banks and Financial Institutions where the Bank Owns more than 10% or less of the Tier I Capital	-
Remaining Mortgage Servicing Rights	-
Net Deferred Tax Assets arising from Temporary Differences	-

The Bank's shareholder's equity is calculated as of 1 January 2014, within the scope of the "Regulation on Equities of Banks" published in the Official Gazette no.28756 dated 5 September 2013 and the capital adequacy ratio is calculated within this scope.

INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued)

Information about equity items:

	31 December 2014
TIER I CAPITAL	
Paid-in Capital to be Entitled for Compensation after All Creditors	40.126
Share Premium	-
Share Cancellation Profits	-
Legal Reserves	48.281
Other Comprehensive Income according to TAS	-
Profit	2.855
Net Current Period Profit	2.828
Prior Period Profit	27
Provisions for Possible Losses	-
Bonus Shares from Associates, Subsidiaries and Joint-Ventures not Accounted in Current Period's Profit	-
Tier I Capital Before Deductions	91.262
Deductions From Tier I Capital	
Current and Prior Periods' Losses not Covered by Reserves, and Losses Accounted under Equity according to TAS (-)	23.757
Leasehold Improvements on Operational Leases (-)	-
Goodwill and Intangible Assets and Related Deferred Tax Liabilities (-)	23
Net Deferred tax assets / liabilities (-)	1.584
Shares Obtained against Article 56, Paragraph 4 of the Banking Law (-)	-
Investments in own common equity (-)	-
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank does not own 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital (-)	-
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital (-)	-
Mortgage Servicing Rights Exceeding the 10% Threshold of Tier I Capital (-)	-
Net Deferred Tax Assets arising from Temporary Differences Exceeding the 10% Threshold of Tier I Capital (-)	-
Amount Exceeding the 15% Threshold of Tier I Capital as per the Article 2, Clause 2 of the Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks (-)	-
The Portion of Net Long Position of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or more of the Issued Share Capital not deducted from Tier I Capital (-)	-
Mortgage Servicing Rights not deducted (-)	-
Excess Amount arising from Deferred Tax Assets from Temporary Differences (-)	-
Other items to be Defined by the BRSA (-)	-
Deductions from Tier I Capital in cases where there are no adequate Additional Tier I or Tier II Capitals (-)	-
Total regulatory adjustments to Tier I capital	25.364
Tier I capital	65.898
ADDITIONAL CORE CAPITAL	
Preferred Stock not Included in Tier I Capital and the Related Share Premiums	-
Debt Instruments and the Related Issuance Premiums Defined by the BRSA (Issued or Obtained after 1.1.2014)	-
Debt Instruments and the Related Issuance Premiums Defined by the BRSA (Issued or Obtained before 1.1.2014)	-
Additional Core Capital before Deductions	-
Deductions from Additional Core Capital	
Direct and Indirect Investments of the Bank on its own Additional Core Capital (-)	-
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital (-)	-
The Total of Net Long Position of the Direct or Indirect Investments in Additional Tier I Capital of Unconsolidated Banks and Financial Institutions where the Bank Owns more than 10% of the Issued Share Capital (-)	-
Other items to be Defined by the BRSA (-)	-
Deductions from Additional Core Capital in cases where there are no adequate Tier II Capital (-)	-
Total Deductions from Additional Core Capital	-
Total Additional Core Capital	-
Deductions from Core Capital	
Goodwill and Other Intangible Assets and Related Deferred Taxes not deducted from Tier I Capital as per the Temporary Article 2, Clause 1 of the Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks (-)	-
Net Deferred Tax Asset/Liability not deducted from Tier I Capital as per the Temporary Article 2, Clause 1 of the Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks (-)	-
Total Core Capital	65.898
TIER II CAPITAL	
Debt Instruments and the Related Issuance Premiums Defined by the BRSA (Issued or Obtained after 1.1.2014)	-
Debt Instruments and the Related Issuance Premiums Defined by the BRSA (Issued or Obtained before 1.1.2014)	-
Pledged Assets of the Shareholders to be used for the Bank's Capital Increases	-
General Provisions	515
Tier II Capital before Deductions	515
Deductions from Tier II Capital	
Direct and Indirect Investments of the Bank on its own Tier II Capital (-)	-
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital (-)	-
The Total of Net Long Position of the Direct or Indirect Investments in Additional Core Capital and Tier II Capital of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or more of the Issued Share Capital Exceeding the 10% Threshold of Tier I Capital (-)	-
Other items to be Defined by the BRSA (-)	-
Total Deductions from Tier II Capital	-
Total Tier II Capital	515

Information about equity items (continued):

CAPITAL	66.413
Loans Granted against the Articles 50 and 51 of the Banking Law (-)	-
Net Book Values of Movables and Immovables Exceeding the Limit Defined in the Article 57, Clause 1 of the Banking Law and the Assets Acquired against Overdue Receivables and Held for Sale but Retained more than Five Years (-)	-
Loans to Banks, Financial Institutions (domestic/foreign) or Qualified Shareholders in the form of Subordinated Debts or Debt Instruments Purchased from Such Parties and Qualified as Subordinated Debts (-)	-
Deductions as per the Article 20, Clause 2 of the Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks (-)	-
Other items to be Defined by the BRSA (-)	-
The Portion of Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital not deducted from Tier I Capital, Additional Core Capital or Tier II Capital as per the Temporary Article 2, Clause 1 of the Regulation (-)	-
The Portion of Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns more than 10% of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital not deducted from Additional Core Capital or Tier II Capital as per the Temporary Article 2, Clause 1 of the Regulation (-)	-
The Portion of Net Long Position of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or more of the Issued Share Capital, of the Net Deferred Tax Assets arising from Temporary Differences and of the Mortgage Servicing Rights not deducted from Tier I Capital as per the temporary Article 2, Clause 2, Paragraph (1) and (2) and Temporary Article 2, Clause 1 of the Regulation (-)	-
EQUITY	66.413
Amounts lower than Excesses as per Deduction Rules	
Remaining Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital	-
Remaining Total of Net Long Positions of the Investments in Tier I Capital of Unconsolidated Banks and Financial Institutions where the Bank Owns more than 10% or less of the Tier I Capital	-
Remaining Mortgage Servicing Rights	-
Net Deferred Tax Assets arising from Temporary Differences	-

c) The approach used to evaluate the internal capital requirement for the purpose of evaluating its adequacy for the current and future operations within the internal capital adequacy process:

In parallel with the Bank's preparation of yearly business plan and strategic plan, the legal capital adequacy requirements are evaluated prospectively. In the legal capital requirement calculations the credit risk within the first pillar bloc and the market risk calculations are performed in accordance with standard approach and the operational risk calculations are performed in accordance with basic indicator approach.

INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued)

II. Explanations on credit risk:

Board of Directors determines the credit risk appetite and sets the credit limits to ensure that Bank's exposure is aligned with its risk appetite.

Credit limits are determined taking into consideration customers' financial strength, commercial capacities, credit needs, the Bank's lending credit policies and macro-economic conditions are carried out.

Credit limits approved by Board of Directors are made available to credit clients only upon completion of required credit documentation and satisfaction of conditions precedent.

Since the Bank is operating under investment banking license, it is not subject to Article 54 of the Banking Law about the regulatory lending limits.

All credit limits are reviewed at least once a year. Credit clients belonging to the same risk group are analyzed and reviewed together taking into consideration total exposure and limits on the group.

All the on and off Balance Sheet credit utilizations are controlled and monitored by the Risk management Unit in terms of concentration of the credit risk by country, sectors, company/group, maturity profile, collaterals and internal credit grades.

The credit default events, classification of the doubtful credits and related provision levels are determined by the Bank in line with BRSA regulation published No. 26333, dated 1 November 2006, "Procedures & Principles for Determination of Qualification of Loans and Other Receivables by Banks and Provisions to be Set Aside".

- a.** The Bank does not have international banking operations and credit transactions. The Bank does not have any significant credit risk concentration.
- b.**
 - 1. As at 30 June 2015, the Bank has no loans and receivables.
 - 2. As at 30 June 2015, non-cash loans and receivables of the Bank is TL 39.389 (31 December 2014: TL 37.385). Total non cash receivables consist of 100% of loan portfolio.
 - 3. As at 30 June 2015, the Bank has no cash loans and receivables comprised all of the Bank's loan portfolio and has 39.390 non-cash loans and receivables. (31 December 2014: TL 37.386 of non-cash).
- c.** As at 30 June 2015, general loan loss provision is amounting to TL 804 (31 December 2014: TL 776).

INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued)

III. Explanations on market risk:

General market risk and the risk due to fluctuations in exchange rates and interest rates arising from the trading portfolio of the Bank such as financial instruments of which its yield depends on the interest rate, marketable securities, derivative instruments, position values related to all assets and liability items in all currencies is monitored and measured by the market risk monitoring unit as explained below.

Limits for all types of position that the Bank may open are assigned by the Board of Directors on a yearly basis. The position limits determined on a yearly basis can be updated because of the unexpected changes in market conditions without waiting for the one year period to expire and new limits are informed to the related departments as soon as they are determined. Detailed information about the market conditions are used in updating these limits.

The Bank considers foreign currency risk, liquidity risk and interest rate risk as the most important components of market risk. All market risk limits are reviewed systematically once a year. The market risk is calculated and reported in accordance with the Part 2 of the Section 2 of the “Regulation Regarding Measurement and Evaluation of Banks’ Capital Adequacy Ratio” published in the Official Gazette No. 29111 dated 6 September 2014 namely “Calculation of Market Risk with Standard Method”.

a. Information on market risk:

	Balance
(I) Capital Requirement for General Market Risk - Standard Method	-
(II) Capital Requirement for Specific Risk -Standard Method	-
<i>Capital requirement for specific risk of securitization positions – Standard Method</i>	-
(III) Capital Requirement for Currency Risk - Standard Method	13
(IV) Capital Requirement for Commodity Risk - Standard Method	-
(V) Capital Requirement for Clearance Risk-Standard Method	-
(VI) Capital Requirement for Market Risk Due to Options-Standard Method	-
(VII) Capital Requirement for Counterparty Risk-Standard Method	-
(VIII) Total Capital Requirement for Market Risk for Banks Applying Risk Measurement Model	-
(IX) Total Capital Requirement for Market Risk (I+II+III+IV+V+VI+VII)	13
(X) Amount Subject to Market Risk (12,5xIX) or (12,5xVIII)	163

b. Average market risk table of calculated market risk during the period at month ends:

	<u>30 June 2015</u>			<u>31 December 2014</u>		
	Average	Maximum	Minimum	Average	Maximum	Minimum
Interest Rate Risk	-	-	-	-	-	-
Share Certificates Risk	-	-	-	-	-	-
Currency Risk	21	70	5	14	16	10
Commodity Risk	-	-	-	-	-	-
Clearance Risk	-	-	-	-	-	-
Option Risk	-	-	-	-	-	-
Total Amount Subject to Risk	263	875	63	175	200	125

INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued)

IV. Explanations on operational risk:

In the calculation of the Bank's operational risk, "Basic Indicator Method" is used. The amount subject to operational risk is calculated in accordance with the Communiqué on "Measurement and Assessment of the Capital Adequacy of Banks" published in the Official Gazette numbered 29111 on 6 September 2014. The calculation is performed parallel to the practice within the country, by multiplying 15% of the Bank's last three years' average gross revenue with 12,5. Amount subject to operational risk is TL 2.329 for the current period (31 December 2014: TL 2.338).

V. Explanations on currency risk:

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

As at 30 June 2015;

	<u>USD</u>	<u>EUR</u>
Balance Sheet Evaluation Rate:	2,6850	2,9982
As of 29 June 2015	2,6863	2,9822
As of 26 June 2015	2,6587	2,9777
As of 25 June 2015	2,6638	2,9813
As of 24 June 2015	2,6770	3,0003
As of 23 June 2015	2,6710	3,0017

The simple arithmetical average of the Bank's foreign exchange bid rates for the last thirty days are TL 2,6975 for 1 US dollar and TL 3,0252 for 1 EUR

As at 31 December 2014;

	<u>USD</u>	<u>EUR</u>
Balance Sheet Evaluation Rate:	2,3269	2,8272

INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued)

Information on currency risk of the Bank:

	EUR	USD	Other FC	Total
30 June 2015				
Assets				
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques Purchased) and Balances with the CBRT	-	-	-	-
Banks	8	209	22	239
Financial Assets at Fair Value Through Profit or Loss (Net)	-	-	-	-
Interbank Money Market Placements	-	-	-	-
Available-for-Sale Financial Assets (Net)	-	-	-	-
Loans and receivables	-	-	-	-
Investments in Associates, Subsidiaries and Joint Ventures (Net)	-	-	-	-
Held-to-Maturity Investments (Net)	-	-	-	-
Hedging Derivative Financial Assets	-	-	-	-
Tangible Assets (Net)	-	-	-	-
Intangible Assets (Net)	-	-	-	-
Other Assets	-	-	-	-
Total Assets	8	209	22	239
Liabilities				
Bank Deposits	-	-	-	-
Foreign Currency Deposits	-	-	-	-
Funds From Interbank Money Market	-	-	-	-
Borrowings	-	-	-	-
Funds Borrowed From Other Financial Institutions	-	-	-	-
Marketable Securities Issued (Net)	-	-	-	-
Miscellaneous Payables	-	-	-	-
Hedging Derivative Financial Liabilities	-	-	-	-
Other Liabilities	-	77	-	77
Total Liabilities	-	77	-	77
Net On-balance Sheet Position	8	132	22	162
Net Off-balance Sheet Position	-	-	-	-
Financial Derivative Assets	-	-	-	-
Financial Derivative Liabilities	-	-	-	-
Non-Cash Loans	-	39,389	-	39,389
31 December 2014				
Total Assets	17	239	2	258
Total Liabilities	1	63	-	64
Net On-balance Sheet Position	16	176	2	194
Net Off-balance Sheet Position	-	-	-	-
Financial Derivative Assets	-	-	-	-
Financial Derivative Liabilities	-	-	-	-
Non-Cash Loans	-	37,385	-	37,385

INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued)

VI. Explanations on interest rate risk:

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

Information related to the interest rate mismatch of the Bank:

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

	Up to 1 Month	1-3 Months	3-12 Months	1-5 Year	Over 5 Years	Non- Interest Bearing	Total
30 June 2015							
Assets							
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques, Purchased) and Balances with the CBRT Banks	-	-	-	-	-	27	27
Financial Assets at F.V. Through Profit/Loss	62.915	-	-	-	-	306	63.221
Interbank Money Market Placements	700	-	-	-	-	-	700
Available-for-Sale Financial Assets	-	-	-	-	-	-	-
Loans and receivables	-	-	-	-	-	-	-
Held-to-Maturity Investments	-	-	-	-	-	-	-
Other Assets (*)	-	-	-	-	-	14.750	14.750
Total Assets	63.615	-	-	-	-	15.083	78.698
Liabilities							
Bank Deposits	-	-	-	-	-	-	-
Other Deposits	-	-	-	-	-	-	-
Funds From Interbank Money Market	-	-	-	-	-	-	-
Miscellaneous Payables	-	-	-	-	-	-	-
Marketable Securities Issued	-	-	-	-	-	-	-
Funds Borrowed From Other Financial Institutions	-	-	-	-	-	-	-
Other Liabilities (**)	77	491	973	6.293	-	70.864	78.698
Total Liabilities	77	491	973	6.293	-	70.864	78.698
Balance Sheet Long Position	63.538	-	-	-	-	-	63.538
Balance Sheet Short Position	-	(491)	(973)	(6.293)	-	(55.781)	(63.538)
Off-balance Sheet Long Position	-	-	-	-	-	-	-
Off-balance Sheet Short Position	-	-	-	-	-	-	-
Total Position	63.538	(491)	(973)	(6.293)	-	(55.781)	-

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

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

INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued)

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

	Up to 1 Month	1-3 Months	3-12 Months	1-5 Year	Over 5 Years	Non- Interest Bearing	Total
31 December 2014							
Assets							
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques, Purchased) and Balances with the CBRT Banks	-	-	-	-	-	97	97
Financial Assets at F.V. Through Profit/Loss	54.341	-	-	-	-	285	54.626
Interbank Money Market Placements	-	-	-	-	-	-	-
Available-for-Sale Financial Assets	500	-	-	-	-	-	500
Loans and receivables	-	-	-	-	-	-	-
Held-to-Maturity Investments	-	-	-	-	-	-	-
Other Assets (*)	-	-	-	-	-	20.898	20.898
Total Assets	54.841	-	-	-	-	21.280	76.121
Liabilities							
Bank Deposits	-	-	-	-	-	-	-
Other Deposits	-	-	-	-	-	-	-
Funds From Interbank Money Market	-	-	-	-	-	-	-
Miscellaneous Payables	-	-	-	-	-	19	19
Marketable Securities Issued	-	-	-	-	-	-	-
Funds Borrowed From Other Financial Institutions	-	-	-	-	-	-	-
Other Liabilities (**)	253	62	8.284	-	-	67.503	76.102
Total Liabilities	253	62	8.284	-	-	67.522	76.121
Balance Sheet Long Position	54.588	-	-	-	-	-	54.588
Balance Sheet Short Position	-	(62)	(8.284)	-	-	(46.242)	(54.588)
Off-balance Sheet Long Position	-	-	-	-	-	-	-
Off-balance Sheet Short Position	-	-	-	-	-	-	-
Total Position	54.588	(62)	(8.284)	-	-	(46.242)	-

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

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

INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued)

Average interest rates for monetary financial instruments:

30 June 2015	<u>EUR (%)</u>	<u>USD (%)</u>	<u>TL (%)</u>
Assets			
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques Purchased) and Balances with the CBRT	-	-	-
Banks	-	-	10,40
Financial Assets at Fair Value Through Profit/Loss (Net)	-	-	-
Interbank Money Market Placements	-	-	7,25
Available-for-Sale Financial Assets (Net)	-	-	-
Loans and receivables	-	-	-
Held-to-Maturity Investments (Net)	-	-	-
Liabilities			
Bank Deposits	-	-	-
Other Deposits	-	-	-
Funds From Interbank Money Market	-	-	-
Borrowings	-	-	-
Miscellaneous Payables	-	-	-
Marketable Securities Issued (Net)	-	-	-
Funds Borrowed From Other Financial Institutions	-	-	-
31 December 2014	<u>EUR (%)</u>	<u>USD (%)</u>	<u>TL (%)</u>
Assets			
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques Purchased) and Balances with the CBRT	-	-	-
Banks	-	-	6,5
Financial Assets at Fair Value Through Profit/Loss (Net)	-	-	-
Interbank Money Market Placements	-	-	7,5
Available-for-Sale Financial Assets (Net)	-	-	-
Loans and receivables	-	-	-
Held-to-Maturity Investments (Net)	-	-	-
Liabilities			
Bank Deposits	-	-	-
Other Deposits	-	-	-
Funds From Interbank Money Market	-	-	-
Borrowings	-	-	-
Miscellaneous Payables	-	-	-
Marketable Securities Issued (Net)	-	-	-
Funds Borrowed From Other Financial Institutions	-	-	-

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

In Official Gazette No. 26333, dated 1 November 2006 "Regulation on Measurement Capital of Banks" monitored items are published, which are taken into account in the calculation of shareholders' equity in accordance with the items excluding subordinated liabilities, with the exception of all balance sheet and off-balance sheet items sensitive to interest arising from the interest rate risk calculation. Calculations made early repayments of loans made any assumptions for demand and time deposits. Arising from the banking book; interest rate risk is calculated on a monthly basis and reported to the BRSA.

INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued)

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

Assets, liabilities and off balance sheet interest rate sensitivity of the Bank's market risk is closely monitored by the monitoring unit. Interest rate risk in the Banking Accounting from Standard Shock Method in accordance with the Regulation on Measurement and Assessment of the economic value differences arising from interest rate fluctuations is as follows:

Currency	Shock applied (+/- basis points)*	Gains / Losses	Gains/Equity – Losses/Equity
TL	500	(118,09)	(%0,17)
	(400)	98,60	%0,14
EUR	200	-	%0
	(200)	-	%0
USD	200	-	%0
	(200)	-	%0
Total (for negative shocks)		118,09	(%0,17)
Total (for positive shocks)		98,60	%0,14

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

Stock position risk arising from the Bank' Accounts

As at 30 June 2015 the Bank's does not have any stock. Therefore, the Bank is not subject to Stock Position Risk.

VII. Explanations on liquidity risk:

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

According to BRSA's "Legislation on Measurement and Assessment of Liquidity Adequacy of the Banks" 26333 numbered official gazette dated on 1 November 2006, liquidity ratio is required to be 80 % for foreign currency assets/liabilities and 100 % for total assets/liabilities in the calculation of the banks weekly and monthly reporting. The highest, lowest and average liquidity adequacy ratios for the current period with their prior year comparatives are given below.

	First Maturity Bracket (Weekly) Current Period		First Maturity Bracket (Weekly) Prior Period	
	FC	LC+FC	FC	LC+FC
Average (%)	9.070,22	8.699,42	15.764,22	3.452,71

	Second Maturity Bracket (Monthly) Current Period		Second Maturity Bracket (Monthly) Prior Period	
	FC	LC+FC	FC	LC+FC
Average (%)	15.212,91	3.194,82	15.573,08	13.909,31

INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued)

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

	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Year	Over 5 Years	Unclassified	Total
30 June 2015								
Assets								
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques, Purchased) and Balances with the CBRT	27	-	-	-	-	-	-	27
Banks	306	62.915	-	-	-	-	-	63.221
Financial Assets at F.V. Through Profit / Loss (Net)	-	-	-	-	-	-	-	-
Interbank Money Market Placements	-	700	-	-	-	-	-	700
Available-for-Sale Financial Assets (Net)	-	-	-	-	-	-	-	-
Loans and Receivables	-	-	-	-	-	-	-	-
Held-to-maturity Investments (Net)	-	-	-	-	-	-	-	-
Other Assets (*)	-	231	160	9.033	-	-	5.326	14.750
Total Assets	333	63.846	160	9.033	-	-	5.326	78.698
Liabilities								
Bank Deposits	-	-	-	-	-	-	-	-
Other Deposits	-	-	-	-	-	-	-	-
Funds Borrowed From Other Financial Institutions	-	-	-	-	-	-	-	-
Funds From Interbank Money Market	-	-	-	-	-	-	-	-
Marketable Securities Issued (Net)	-	-	-	-	-	-	-	-
Miscellaneous Payables	-	-	-	-	-	-	-	-
Other Liabilities (**)	-	77	491	973	-	6.293	70.864	78.698
Total Liabilities	-	77	491	973	-	6.293	70.864	78.698
Liquidity (Gap) / Surplus	333	63.769	(331)	8.060	-	(6.293)	(65.538)	-
31 December 2014								
Total Assets	382	55.218	-	15.437	-	-	5.084	76.121
Total Liabilities	19	278	36	8.285	-	-	67.503	76.121
Liquidity (Gap) / Surplus	363	54.940	(36)	7.152	-	-	(62.419)	-

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

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

b) Contractual maturities of financial liabilities are as follows:

None (31 December 2014: None.)

c) Contractual maturity analysis of the Bank's derivative instruments are as follows:

As of 30 June 2015, Bank has no risk class securities.

d) Securitization position:

As of 30 June 2015 and 31 December 2014, Bank has no securitization position.

e) Explanations Related to Credit Risk Mitigation Techniques:

The Bank's target client portfolio will consist of leading Turkish companies/groups/financial institutions or subsidiaries of multinational companies. The Bank will mitigate credit risk through taking guarantee of the groups which its clients participate. However, due to transition period, as of the date of 30 June 2015 and 31 December 2014, there has no credit risk in the Bank's trial balance apart from money market operations to appreciate the capital, a guarantee letter with very low balance and a letter of credit.

f) Risk management objectives and policies:

No new loan is extended by the Bank.

VIII. Explanations on operating segments:

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

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

Details of segment information as of 30 June 2015 and 31 December 2014 are presented in the table below.

INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued)

Balance sheet and income statement items based on operating segments:

Current Period	Transaction Banking and OCC	Global Markets	Other	Total Operations of the bank
30 June 2015				
Operating Income	12.956	2.599	-	15.555
Provision of decrease in value of the loans and other receivables	-	-	(28)	(28)
Operating Costs (-)	(9.972)	(355)	(813)	(11.140)
Net Operating Profit	2.984	2.244	(841)	4.387
Other operating Income, net	-	-	-	-
Profit / (Loss) before tax	2.984	2.244	(841)	4.387
Tax Income /(expense)	-	-	1.026	1.026
Net Profit / (Loss)	2.984	2.244	(1.867)	3.361
Segment Assets	8.784	63.948	5.966	78.698
Unallocated Assets (*)	-	-	-	-
Total Assets	8.784	63.948	5.966	78.698
Segment Liabilities	77	70.864	7.757	78.698
Unallocated Liabilities (*)	-	-	-	-
Total Liabilities	77	70.864	7.757	78.698
Prior Period	Transaction Banking and OCC	Global Markets	Other	Total Operations of the bank
30 June 2014				
Operating Income	7.849	2.368	499	10.716
Operating Costs (-)	(8.421)	(436)	(266)	(9.123)
Net Operating Profit	(572)	1.932	233	1.593
Other operating Income, net	-	-	5	5
Profit / (Loss) before tax	(572)	1.932	238	1.598
Tax Income /(expense)	-	-	(652)	(652)
Net Profit / (Loss)	(572)	1.932	(414)	946
31 December 2014				
Segment Assets	15.437	55.224	5.460	76.121
Unallocated Assets (*)	-	-	-	-
Total Assets	15.437	55.224	5.460	76.121
Segment Liabilities	-	-	-	-
Unallocated Liabilities (*)	-	-	76.121	76.121
Total Liabilities	-	-	76.121	76.121

(*) Unallocated assets and liabilities are shown in Other segment.

IX. Explanations regarding transactions on behalf of others and fiduciary transactions:

The Bank does not carry out trading, custody, management and consulting services on behalf of other parties.
The Bank has no trust transactions.

SECTION FIVE
EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS

I. Explanations and notes related to assets:

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

1. Information related to cash and the account of CBRT (6 months) :

	30 June 2015		31 December 2014	
	TL	FC	TL	FC
Cash/Foreign Currency	-	-	-	-
CBRT	27	-	97	-
Other	-	-	-	-
Total	27	-	97	-

2. Information on the account of the CBRT (6 months) :

	30 June 2015		31 December 2014	
	TL	FC	TL	FC
Demand Unrestricted Amount	27	-	97	-
Time Deposit Amount	-	-	-	-
Non - Time Deposit Amount	-	-	-	-
Reserve Requirements	-	-	-	-
Total	27	-	97	-

3. Information on reserve requirements

As per the Communiqué No. 2005/1 “Reserve Deposits” of the Central Bank of Turkey (CBT), banks keep reserve deposits at the CBT for their TL and FC liabilities mentioned in the communiqué.

As at 30 June 2015, the reserve deposit rates vary according to their maturity compositions; the reserve deposit rates are realized between in TRY, USD, EUR and/or standard gold at the rates between 5% and 11,5% according to their maturities (31 December 2014: between 5% and 11.5% according to their maturities), foreign currency liabilities in USD, EUR and/or standard gold at the rates between 6% and 13% according to their maturities (31 December 2014: between 6% and 13% according to their maturities).

As at 30 June 2015, there are not any reserve deposits kept in Central Bank of Turkey (30 June 2014: None).

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

- As at 30 June 2015, there are not any financial assets through profit or loss given as collateral/blocked (31 December 2014: None).
- Positive differences related to trading derivative financial assets: None.

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

c. Information on banks:

1. Information on banks and other financial institutions (6 months) :

	30 June 2015		31 December 2014	
	TL	FC	TL	FC
Banks				
Domestic	67	8	27	7
Foreign	62.915	231	54.341	251
Headquarters and Branches Abroad	-	-	-	-
Total	62.982	239	54.368	258

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

1. Characteristics and carrying values of available-for-sale financial assets given as collateral:

As at 30 June 2015, there are not any available for sale financial assets given as collateral/blocked (31 December 2014: None).

2. Information on available for sale financial assets:

As at 30 June 2015, there are not any available for sale financial assets (31 December 2014: None).

EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

e. Explanations on loans:

1. Information on all types of loan or advance balances given to shareholders and employees of the Bank:
None. (31 December 2014: None).
2. Information on the first and second group loans, other receivables and loans that have been restructured or rescheduled and other receivables (6 Months):

As of 30 June 2015, the Bank does not have any restructured or rescheduled loans and receivables of which Changes in Extension of Payment Plan or Extended Time Management (31 December 2014: None).
3. Information on maturity structure of the loans (6 Months):
None. (31 December 2014: None).
4. Information on consumer loans, individual credit cards, personnel loans and personnel credit cards (6 Months):

As at 30 June 2015, the Bank has no consumer loans, personal credit cards and individual credit cards (31 December 2014: None). As at 30 June 2015, the Bank has no personnel loan (31 December 2014: None).
5. Information on commercial installment loans and corporate credit cards (6 Months):

As at 30 June 2015, the Bank has no commercial installment loans and corporate credit cards (31 December 2014: None).
6. Loans according to type of borrowers (6 Months):
None. (31 December 2014: None).
7. Domestic and foreign loans (6 Months):
None. (31 December 2014: None).
8. Loans granted to investments in associates and subsidiaries (6 Months):

As of 30 June 2015, the Bank has no loans granted to investments in associates and subsidiaries (31 December 2014: None).
9. Specific provisions provided against loans (6 Months):

	30 June 2015	31 December 2014
Loans and Other Receivables with Limited Collectability	-	-
Loans and Other Receivables with Doubtful Collectability	-	-
Uncollectible Loans and Other Receivables	4.982	4.982
Total	4.982	4.982

EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

As at 30 June 2015, there are not any non-performing loans (31 December 2014: None).

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

	III. Group	IV. Group	V. Group
	Loans and other receivables with limited collectability	Loans and other Receivables with doubtful collectability	Uncollectible loans and other receivables
30 June 2015			
Balance at the Beginning of the Period	-	-	4.982
Additions (+)	-	-	-
Transfers from Other Categories of Non-performing Loans (+)	-	-	-
Transfers to Other Categories of Non-performing Loans (-)	-	-	-
Collections (-)	-	-	-
Write-offs (-)	-	-	-
Corporate and Commercial Loans	-	-	-
Consumer Loans	-	-	-
Credit Cards	-	-	-
Other	-	-	-
Balance at the End of the Period	-	-	4.982
Specific Provision (-)	-	-	4.982
Net Balance on Balance Sheet	-	-	-

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

	III. Group	IV. Group	V. Group
	Loans and other receivables with limited collectability	Loans and other Receivables with doubtful collectability	Uncollectible loans and other receivables
30 June 2015 (Net)			
Loans Given to Real Persons and Legal Persons (Gross)	-	-	4.982
Specific Provision Amount (-)	-	-	4.982
Loans Given to Real Persons and Legal Persons (Net)	-	-	-
Banks (Gross)	-	-	-
Specific Provision Amount (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	-
Specific Provision Amount (-)	-	-	-
Other Loans and Receivables (Net)	-	-	-
31 December 2014 (Net)			
Loans Given to Real Persons and Legal Persons (Gross)	-	-	4.982
Specific Provision Amount (-)	-	-	4.982
Loans Given to Real Persons and Legal Persons (Net)	-	-	-
Banks (Gross)	-	-	-
Specific Provision Amount (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	-
Specific Provision Amount (-)	-	-	-
Other Loans and Receivables (Net)	-	-	-

EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

(iii). Information on non-performing loan receivables granted in foreign currency: None (31 December 2014: None)

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

11. Explanations on the write-off policy:

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

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

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

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

The Bank does not have any investment securities held to maturity as at 30 June 2015 (31 December 2014: None).

g. Explanations on investments in associates (Net):

The Bank does not have any associates as at 30 June 2015 (31 December 2014: None).

h. Explanations on subsidiaries (Net):

The Bank does not have any subsidiaries as at 30 June 2015 (31 December 2014: None).

i. Explanations on joint ventures:

The Bank does not have any joint ventures as at 30 June 2015 (31 December 2014: None).

j. Explanations on lease receivables, (net):

The Bank does not have any lease receivables as at 30 June 2015 (31 December 2014: None).

k. Explanations on hedging derivative instruments:

The Bank does not have any hedging derivative instruments as at 30 June 2015 (31 December 2014: None).

l. Explanations on tangible assets

Not prepared in compliance with the article 25 of the communiqué "Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks".

m. Explanations on investment properties

Bank has no other investment properties.

n. Explanations on intangible assets:

Not prepared in compliance with the article 25 of the communiqué "Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks".

EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

o. Explanations on deferred tax asset:

As explained in Section Six “Other Explanations and Disclosures”, the Bank recognizes deferred tax asset on temporary differences tax exemptions. The Bank has recognized net deferred tax asset amounting to TL 1.372 (31 December 2014: TL 1.584) at 30 June 2015.

	Accumulated Temporary Differences		Deferred Tax Assets/Liabilities	
	30 June 2015	31 December 2014	30 June 2015	31 December 2014
Reserve for Employee Benefits	5.179	6.381	1.036	1.276
Difference Between Carrying Value and Tax Base of Tangible and Intangible Assets	548	640	110	128
Other	1.132	900	226	180
Deferred Tax Assets	6.859	7.921	1.372	1.584
Deferred Tax Liabilities	-	-	-	-
Deferred Tax Assets/(Liabilities) (Net)	6.859	7.921	1.372	1.584

p. Explanations on assets held for sale:

As at 30 June 2015, there are no assets held for sale (31 December 2014: None).

r. Explanations on other assets:

Other assets which are amounting to TL 9.436 (31 December 2014: TL 15.529) are comprised of intra-group receivables amounting to TL 8.784 (31 December 2014: TL 15.438) based on advisory services provided to the Group.

EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

II Explanations and notes related to liabilities:

a. Explanations on maturity structure of deposits:

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

b. Explanations on trading derivative financial liabilities:

As at 30 June 2015, schedule of negative differences for trading derivative financial liabilities: None.
(31 December 2014: None)

c. Explanations on borrowings:

Information on banks and other financial institutions:

As at 30 June 2015, borrowing amount: None (31 December 2014: None).

d. Explanations on other liabilities:

There is TL 1.131 other liabilities amount as at 30 June 2015 (31 December 2014: 931).

e. Explanations on finance leasing agreements:

As at 30 June 2015, the Bank has no finance lease payable (31 December 2014: None).

f. Explanations on hedging derivative instruments:

As at 30 June 2015, the Bank has no hedging derivative instruments (31 December 2014: None).

g. Explanations on provisions:

1 Information on general provisions:

	30 June 2015	31 December 2014
General Provisions		
Provisions for Group I loans and receivables	-	-
Provisions for Group II loans and receivables	-	-
Provisions for non cash loans	79	75
Other	725	701
Total	804	776

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

2 Explanations on reserve for employee benefits:

The reserve has been calculated by estimating the present value of the future probable obligation of the Bank arising from the retirement of its employees. TAS 19 requires actuarial valuation methods to be developed to estimate the enterprise's obligation for such benefits. Accordingly, the following actuarial assumptions were used in the calculation of the total liability:

	30 June 2015	31 December 2014
Discount rate (%)	2,08	2,08
Rate for the Probability of Retirement (%)	95	95

The (full) price ceiling of retirement pay liability is TL (full) 3.541,37 as at 30 June 2015 (31 December 2014: TL (full) 3.438,22)

As at 30 June 2015, the Bank has retirement pay liability amounting to TL 2.925 (31 December 2014: TL 2.893), termination pay liability amounting to TL 427 (31 December 2014: TL 426), vacation pay liability amounting to TL 763 (31 December 2014: TL 928) and personnel performance bonus provision amounting to TL 1.064 (31 December 2014: TL 2.134).

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

As at 30 June 2015, there is no provision for foreign currency difference of foreign indexed loans (31 December 2014: None).

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

As at 30 June 2015, the Bank has no specific provision for non-cash loans (31 December 2014: None).

5. Explanations on other provisions:

As at 30 June 2015, the Bank has no other provision (31 December 2014: None).

h. Explanations on tax liability:

1. Explanations on current tax liability:

i) Information on current tax liability:

As at 30 June 2015, the Bank has tax payable amounting TL 405 (31 December 2014: TL 257).

EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

ii) Information on taxes payable:

	30 June 2015	31 December 2014
Corporate Tax Payable	405	257
Taxes on Returns of Marketable Securities	-	-
Payroll Tax	199	171
Banking Insurance Transaction Tax (BITT)	5	-
Foreign Exchange Transaction Tax	-	-
Value Added Tax Payable	20	6
Other	5	5
Total	634	439

iii) Information on premiums:

	30 June 2015	31 December 2014
Social Security Premiums - Employee	35	30
Social Security Premiums - Employer	44	36
Bank Social Aid Pension Fund Premiums – Employee	-	-
Bank Social Aid Pension Fund Premiums – Employer	-	-
Pension Fund Contributions and Provisions – Employee	-	-
Pension Fund Contributions and Provisions – Employer	-	-
Unemployment Insurance - Employee	2	2
Unemployment Insurance – Employer	5	4
Other	-	-
Total	86	72

2. Explanations on deferred tax liability:

As at 30 June 2015 and 31 December 2014, the Bank does not have net deferred tax liability.

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

None. (31 December 2014: None)

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

None. (31 December 2014: None)

k. Explanations on Equity:

1. Presentation of paid-in capital:

	30 June 2015	31 December 2014
Common Stock	40.126	40.126
Preferred Stock	-	-

Bank's paid in capital is TL 40.125.760, which comprised of 401.257.600 shares each with a nominal value of TL 0,10.

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

The Bank does not have registered capital system.

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

None.

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

There are no transfers from revaluation funds to capital during the current period (31 December 2014: None).

EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

None (31 December 2014: None).

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

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

7. Privilege on the corporate stock:

There are no privileges on the corporate stock.

8. Information on marketable securities value increase fund:

None.

III. Explanations and notes related to off balance sheet accounts:

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

1. Type and amount of irrevocable credit commitments:

All credit commitments of the Bank are irrevocable as at 30 June 2015.

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

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

The Bank has utilization of letter of credit amounting TL 39.389.

ii) Guarantees, contingencies and other similar commitments:

	30 June 2015	31 December 2014
Bid bonds	-	-
Performance bonds	-	-
Advance letter of guarantees	-	-
Letter of guarantees given to customs	1	1
Other letter of guarantees	-	-
Total	1	1

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

	30 June 2015	31 December 2014
Non-cash loans granted against cash loans	-	-
With original maturity of 1 year or less than 1 year	-	-
With original maturity of more than 1 year	-	-
Other non-cash loans	39.390	37.386
Total	39.390	37.386

EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

b. Information on contingent liabilities and assets:

1. Bank for contingent assets; the probability of occurrence of the condition comes close to certain assets are reflected in the financial statements, If the probability of occurrence of this condition is described in the footnotes.

As at 30 June 2015, the Bank does not have any contingent assets (31 December 2014: None).

2. The Bank, if the probability of the condition for contingent liabilities and provision can be measured reliably are, this can not be measured reliably are disclosed in the footnotes. For contingent liabilities, the condition does not exist or is less than the probability of occurrence of this is explained in the footnotes.

As at 30 June 2015, the Bank does not have any provision for contingent liabilities (31 December 2014: None).

c. Services supplied on behalf of others:

As at 30 June 2015 the Bank has no services supplied on behalf of others (31 December 2014: None).

EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

IV Explanations and notes related to income statement:

a. Information on interest income:

1. Information on interest income on loans:

None. (30 June 2014: None).

2. Information on interest income on banks:

	30 June 2015		30 June 2014	
	TL	FC	TL	FC
From the CBRT	-	-	-	-
From Domestic Banks	-	-	-	-
From Foreign Banks	2.552	-	2.314	-
Headquarters and Branches Abroad	-	-	-	-
Total	2.552	-	2.314	-

3. Information on interest income on marketable securities:

None (30 June 2014: None).

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

The Bank does not have investments in associates or subsidiaries.

EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

b. Information on interest expense:

1. Information on interest expense on borrowings:

None (30 June 2014: None).

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

None (30 June 2014: None).

3. Information on interest expenses to debt securities issued:

None (30 June 2014: None).

4. Maturity structure of the interest expense on deposits:

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

c. Explanations on dividend income:

None (30 June 2014: None).

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

	30 June 2015	30 June 2014
Profit	17.101	2.591
Profit on capital market operations	-	-
Profit on derivative financial instruments	-	-
Foreign exchange gains	17.101	2.591
Loss	(16.885)	(2.626)
Loss on capital market operations	-	-
Loss on derivative financial instruments	-	-
Foreign exchange gains	(16.885)	(2.626)
Net trading income/loss	216	(35)

e. Explanations on other operating income:

For the six months period ended 30 June 2015, other operating income amounting to TL 8.784 is comprised from intra-group advisory services income (30 June 2014: TL 6.702), the remaining is other income.

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

For the six months period ended 30 June 2015, the Bank has general loan provision expenses amounting TL 28 (30 June 2014: None).

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

g. Information related to other operational expenses:

	30 June 2015	30 June 2014
Personnel expenses	5.056	5.557
Provision for employment termination benefits	74	144
Bank social aid pension fund deficit provision	-	-
Impairment expenses of tangible assets	-	-
Depreciation expenses of tangible assets	102	148
Impairment expenses of intangible assets	-	-
Impairment expenses of goodwill	-	-
Amortization expenses of intangible assets	1	2
Impairment expenses of equity participations for which equity method is applied	-	-
Impairment expenses of assets held for resale	-	-
Depreciation expenses of assets held for resale	-	-
Impairment expenses of fixed assets held for sale and discontinued operations	-	-
Other operating expenses	3.212	1.936
Operational lease expenses	-	-
Maintenance and repair expenses	609	203
Advertising expenses	15	14
Computer operating expenses	989	597
Other expenses	1.598	1.122
Loss on sale of assets	-	-
Other	2.827	1.336
Total	11.271	9.123

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

For the six months period ended 30 June 2015; the Bank's profit from continuing operations before tax is TL 4.387 (30 June 2014: TL 1.598).

i. Explanations on net operating income/expense from continuing and discontinued operations after tax:

For the six months period ended 30 June 2015; the Bank has deferred tax expense amounting to TL 212 (30 June 2014: TL 274 income).

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

For the six months period ended 30 June 2015; the Bank's profit from continuing operations after tax is TL 3.361 (30 June 2014: TL 946 profit).

V. Explanation and notes related to changes in shareholders' equity:

a. Explanation on inflation adjustment differences of shareholders' equity balances:

As per the BRSA circular announced on 28 April 2005, inflation accounting applied in the banking system has been ceased as of 1 January 2005 in accordance with the BRSA decree numbered 1623 and dated 21 April 2005.

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

VI. Explanations and notes related to statement of cash flows:

a. Information on cash and cash equivalents:

1. Information on cash and cash equivalents at the beginning of the year:

Components of cash and cash equivalents and the accounting policy applied in their determination:

Cash and effectives together with demand deposits at banks including the CBRT are defined as “Cash”; interbank money market placements and time deposits in banks with original maturities less than nine months are defined as “Cash Equivalents”.

	1 January 2015	1 January 2014
Cash	382	421
Cash and Balances with Central Banks	97	168
Demand Deposits in Banks	285	253
Cash Equivalents	54.500	53.112
Interbank Money Market Placements	500	2.112
Time Deposits in Banks	54.000	51.000
Total Cash and Cash Equivalents	54.882	53.533

2. Information on cash and cash equivalents at the end of period:

	30 June 2015	30 June 2014
Cash	333	287
Cash and Balances with Central Bank	-	-
Demand Deposits in Banks	333	287
Cash Equivalents	63.200	58.800
Interbank Money Market Placements	700	1.800
Time Deposits in Banks	62.500	57.000
Total Cash and Cash Equivalents	63.533	59.087

b. Information about cash and cash equivalents which are not in free circulation due to legal delimitation and other reasons:

None.

c. Explanations on the other cash flow items and effect of changes in foreign exchange rates on cash and cash equivalents:

The “Other” item under “Operating profit before changes in operating assets and liabilities” amounting to TL 10.843 (30 June 2014: TL 1.580) consists mainly of items such as fees and commissions, foreign exchange gains / losses, other operating income excluding income from doubtful receivables and other operating expense excluding personnel expenses.

The “Net increase / decrease in other liabilities” item under “Changes in operating assets and liabilities” amounting to TL 186 (30 June 2014: TL 312) consists mainly of changes in miscellaneous payables, other liabilities and taxes and other duties payable.

The effects of the change in foreign exchange rates on cash and cash equivalents are calculated approximately TL 21 as at 30 June 2015 (30 June 2014: TL 1).

EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

VII. Explanations and notes related to Bank's risk group:

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

30 June 2015:

Banks' Risk Group (*)	Investments in associates, subsidiaries and joint ventures		Direct and indirect shareholders of the Bank		Other real and legal persons that have been included in the risk group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Loans and Other Receivables						
Balance at the Beginning of the Period	-	-	69.438	-	251	-
Balance at the End of the Period	-	-	71.299	-	216	-
Interest and Commission Income Received	-	-	2.552	-	-	-

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

31 December 2014:

Banks' Risk Group (*)	Investments in associates, subsidiaries and joint ventures		Direct and indirect shareholders of the Bank		Other real and legal persons that have been included in the risk group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Loans and Other Receivables						
Balance at the Beginning of the Period	-	-	64.974	-	-	-
Balance at the End of the Period	-	-	69.438	-	251	-
Interest and Commission Income Received	-	-	4.493	-	-	-

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

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

None (31 December 2014: None).

- c. **Information about the placements of the Banks' risk group:**

Banks' Risk Group	Investments in associates, subsidiaries and joint ventures		Direct and indirect shareholders of the Bank		Other real and legal persons that have been included in the risk group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Banks						
Balance at the Beginning of the Period	-	-	54.000	51.000	-	-
Balance at the End of the Period	-	-	62.500	54.000	-	-
Interest Income Received	-	-	2.552	-	-	-

- d. **Information on funds received from the Banks' risk group:**

None (31 December 2014: None)

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

None (31 December 2014: None)

- f. **Information regarding benefits provided to the Bank's key management:**

As at 30 June 2015, gross benefits provided to Bank's key management amount to TL 1.122 (30 June 2014: TL 2.239).

EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

VIII. Explanations and notes related to the domestic, foreign and off-shore branches and foreign representatives of the Bank:

	Number	Number of Employees			
Domestic Branch	1	36			
			Country of Incorporation		
Foreign Rep. Offices	-	-			
				Total Assets	Statutory Share Capital
Foreign Branch	-	-		-	-
Off-Shore Banking Region Branch	-	-		-	-

IX. Explanations and notes related to subsequent events:

None.

SECTION SIX

EXPLANATIONS ON AUDITOR'S REPORT

I. Explanations on auditors' review report:

The unconsolidated financial statements as of and for the Six-months period ended 30 June 2015 were reviewed by Akis Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik AŞ (the Turkish member firm of KPMG International Cooperative, a Swiss entity) and Auditors' Review Report dated 14 August 2015 is presented in the introduction of this report.

II. Explanations and notes prepared by independent auditors:

None.