

*(Convenience Translation of the Independent Auditor's Report  
Originally Prepared and Issued in Turkish See Note 3.1.c)*

# **DENİZBANK ANONİM ŞİRKETİ**

**INDEPENDENT AUDITOR'S REPORT, UNCONSOLIDATED  
FINANCIAL STATEMENTS AND NOTES  
FOR THE YEAR ENDED 31 DECEMBER 2015**

- I. Independent Auditor's Report
- II. Publicly Disclosed Unconsolidated Financial Report

**(Convenience translation of the independent auditor's report originally issued in Turkish, See Note I.c of Section Three)**

**Independent auditor report**

**To the Board of Directors of Denizbank A.Ş.**

**Report on the Unconsolidated Financial Statements**

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

***Responsibility of the Bank's Board of Directors for the financial statements***

Bank management is responsible for the preparation and fair presentation of the unconsolidated financial statement 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 (BRSA), circulars, interpretations published by BRSA and "BRSA Accounting and Reporting Legislation" which includes the provisions of Turkish Accounting Standards for the matters which are not regulated by these regulation and for such internal control as management determines is necessary to enable the preparation of the financial statement that is free from material misstatement, whether due to fraud or error.

***Independent Auditor's responsibility***

Our responsibility is to express an opinion on the unconsolidated financial statements based on our audit. We conducted our audit in accordance with communiqué "Independent Audit of Banks" published by BRSA on the Official Gazette No.29314 dated 2 April 2015 and with the Independent Auditing Standards which is a part of Turkish Auditing Standards promulgated by the Public Oversight Accounting and Auditing Standards Authority ("POA"). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement.

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

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

***Opinion***

In our opinion the accompanying unconsolidated financial statements presents fairly, in all material respects, the financial position of Denizbank A.Ş. as at 31 December 2015 and the results of its operations and its cash flows for the year then ended in accordance with the prevailing accounting principles and standards set out as in accordance with BRSA Accounting and Reporting Legislation.

### ***Emphasis of Matter***

We draw attention to the Section Five Note III-d in the unconsolidated financial statements for details of inspections which have been launched by Tax Inspection Board of T.C. Ministry of Finance on several tax matters related to the Banking and Insurance Transaction Tax ("BITT"), Resource Utilization Support Fund ("RUSF"), Corporate Tax and Debt Collection Fees and these tax penalties notified to the Bank. Our opinion is not qualified in respect of this matter.

### **Reports on arising from other regulatory requirements:**

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

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

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

As explained in detail in Note I.c of Section Three, accounting principles and standards set out by regulations in conformity with BRSA Accounting and Reporting Legislation, accounting principles generally accepted in countries in which the accompanying unconsolidated financial statements are to be distributed and International Financial Reporting Standards ("IFRS") have not been quantified in the accompanying unconsolidated financial statements. Accordingly, the accompanying unconsolidated financial statements are not intended to present the financial position, results of operations and changes in financial position and cash flows in accordance with the accounting principles generally accepted in such countries and IFRS.

Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi  
A member firm of Ernst & Young Global Limited



Fatma Ebru Yücel, SMMM  
Partner

Istanbul, 18 February 2016



**DENİZBANK A.Ş.**  
**UNCONSOLIDATED FINANCIAL REPORT AS OF 31 DECEMBER 2015**

Address of the Bank's Headquarters  
Büyükdere Caddesi No:141  
34394 -ESENTEPE/İSTANBUL

Telephone and Fax Numbers  
Tel : 0 212 348 20 00  
Fax: 0 212 336 61 86

Website of the Bank  
www.denizbank.com

E-mail address of the Bank  
investorrelations@denizbank.com

The unconsolidated financial report package prepared in accordance with the statement "Financial Statements and Related Disclosures and Footnotes to be Announced to Public" as required by the Banking Regulation and Supervision Agency (BRSA), is comprised of the following sections:

- GENERAL INFORMATION ABOUT THE BANK
- UNCONSOLIDATED FINANCIAL STATEMENTS OF THE BANK
- DISCLOSURES ON ACCOUNTING POLICIES IN RELATED PERIOD
- INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK
- DISCLOSURES AND FOOTNOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS
- OTHER DISCLOSURES AND FOOTNOTES
- INDEPENDENT AUDITOR'S REPORT

The unconsolidated financial statements and related disclosures and footnotes that were subject to independent audit, are prepared in accordance with the "Regulation on Accounting Principles and Documentations", Turkish Accounting Standards, Turkish Financial Reporting Standards and the related statements, and in compliance with the financial records of our Bank. Unless stated otherwise, the accompanying unconsolidated financial statements are presented in Thousands of Turkish Lira.

18 February 2016



**HAKAN ELVERDİ**  
Senior Vice President  
International and Regulatory  
Financial Reporting



**SUAVİ DEMİRCİOĞLU**  
Executive Vice President  
Financial Affairs



**HAKAN ATEŞ**  
Member of Board of Directors  
and President and Chief  
Executive Officer

**HERMAN GREF**  
Chairman of Board of  
Directors



**ARTEM DOVLATOV**  
Member of Board of Directors  
and Audit Committee



**WOUTER G.M. VAN ROSTE**  
Member of Board of Directors  
and Audit Committee



**NIHAT SEVİNÇ**  
Member of Board of Directors  
and Audit Committee

Contact information for questions on this financial report:

Name/Title: İmge İhtiyar / Department Head, International Reporting Department

Tel No: 0 212 348 5997

Fax No: 0 212 336 6186

**SECTION ONE****General Information**

I.	The Bank's date of establishment, beginning statute, its history including changes in its statute	1
II.	Capital structure, shareholders controlling the management and supervision of the Bank directly or indirectly, and if exists, changes on these issues and the Group that the Bank belongs to	1
III.	Explanations regarding the chairman and the members of board of directors, audit committee, general manager and assistants and shares of the Bank they possess and their areas of responsibility	2
IV.	Explanations regarding the real person and corporate qualified shareholders at the Bank	3
V.	Type of services provided and the areas of operations of the Bank	3
VI.	Existing or potential, actual or legal obstacles to immediate transfer of capital between Bank and its subsidiaries and repayment of debts	3

**SECTION TWO****Unconsolidated Financial Statements**

I.	Unconsolidated statements of financial position (Balance sheets)	5
II.	Unconsolidated statements of off-balance sheet items	7
III.	Unconsolidated statements of income	8
IV.	Unconsolidated statements of income and expenses under shareholders' equity	9
V.	Unconsolidated statements of changes in shareholders' equity	10
VI.	Unconsolidated statements of cash flows	11
VII.	Unconsolidated profit distribution tables	12

**SECTION THREE****Accounting Policies**

I.	Basis of presentation	13
II.	Explanation on the strategy for the use of financial instruments and transactions denominated in foreign currencies	16
III.	Explanations on investments in associates, subsidiaries, joint ventures	17
IV.	Explanations on forward transactions, options and derivative instruments	17
V.	Explanations on interest income and expenses	17
VI.	Explanations on fees and commissions	17
VII.	Explanations on financial assets	18
VIII.	Explanations on impairment of financial assets	19
IX.	Explanations on offsetting financial instruments	20
X.	Explanations on sale and repurchase agreements and transactions related to the lending of securities	20
XI.	Explanations on assets held for sale and discontinued operations	20
XII.	Explanations on goodwill and other intangible assets	21
XIII.	Explanations on tangible assets	21
XIV.	Explanations on investment properties	22
XV.	Explanations on leasing activities	22
XVI.	Explanations on provisions and contingent liabilities	22
XVII.	Explanations on obligations for employee benefits	22
XVIII.	Explanations on taxation	23
XIX.	Additional explanations on borrowings	24
XX.	Explanations on issuance of share certificates	24
XXI.	Explanations on acceptances	24
XXII.	Explanations on government grants	24
XXIII.	Explanations on segment reporting	24
XXIV.	Explanations on other matters	24

**SECTION FOUR****Financial Position And Risk Management**

I.	Explanations related to the capital adequacy standard ratio	25
II.	Explanations related to the credit risk	30
III.	Explanations related to the market risk	42
IV.	Explanations related to the operational risk	43
V.	Explanations related to the foreign currency exchange rate risk	44
VI.	Explanations related to the interest rate risk	46
VII.	Position risk of equity shares on banking book	51
VIII.	Explanations related to the liquidity risk	52
IX.	Securitization exposures	55
X.	Credit risk mitigation techniques	56
XI.	Explanations related to leverage ratio	58
XII.	Risk management objectives and policies	58
XIII.	Presentation of financial assets and liabilities at their fair value	59
XIV.	Transactions carried out on behalf and account of other parties and fiduciary transactions	61
XV.	Explanations related to hedging transactions	61
XVI.	Explanations related to the segment reporting	62

**SECTION FIVE****Disclosures and Footnotes on Unconsolidated Financial Statements**

I.	Explanations and disclosures related to assets	64
II.	Explanations and disclosures related to liabilities	78
III.	Explanations and disclosures related to off-balance sheet items	86
IV.	Explanations and disclosures related to statement of income	90
V.	Explanations and disclosures related to statement of changes in shareholders' equity	95
VI.	Explanations and disclosures related to cash flow statement	97
VII.	Explanations and disclosures related to the Bank's risk group	98
VIII.	Domestic, foreign and off-shore banking branches and foreign representatives of the Bank	100

**SECTION SIX****Other Disclosures and Footnotes**

I.	Other explanations related to The Bank's operations	101
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**SECTION SEVEN****Independent Auditor's Report**

I.	Information on the independent auditor's report	103
II.	Disclosures and footnotes prepared by independent auditor	103

**SECTION ONE  
GENERAL INFORMATION****I. The Bank's date of establishment, beginning statute, its history including changes in its statute**

Denizbank A.Ş. ("the Bank") was established as a public bank to provide financing services to the marine sector in 1938. In 1992, as a result of the resolution of the Government to merge some public banks, the Bank was merged to Emlakbank. Following the resolution of the High Council of Privatization numbered 97/5 and dated 20 March 1997 to privatize 100% of shares of Denizbank A.Ş., share sale agreement between Zorlu Holding A.Ş. and the Privatization Administration was signed on 29 May 1997 and the Bank started its activities on 25 August 1997 upon obtaining a permission to operate. Bank's shares have been quoted on Borsa İstanbul ("BIST") since 1 October 2004. 0,15% of the Bank's shares are publicly held as of 31 December 2015.

Dexia Participation Belgique SA, owned 100% directly and indirectly by Dexia SA/NV, acquired 75% of the outstanding shares of the Bank from Zorlu Holding A.Ş. on 17 October 2006, subsequent to the transfer of shares, Dexia Participation Belgique's ownership rate increased to 99,85%.

On 8 June 2012 Dexia Group and Sberbank of Russia ("Sberbank") have signed a sale and purchase agreement regarding the acquisition of 715.010.291,335 the Bank shares representing 99,85% of the Bank's capital. The transaction covers the Bank as well as all of its subsidiaries in Turkey, Austria and Russia. Following all the necessary regulatory authorizations in the countries in which seller and buyer operate including that of the European Commission, after the approvals of Competition Authority on 9 August 2012, the Banking Regulation and Supervision Agency on 12 September 2012 and the Capital Markets Board ("CMB") on 24 September 2012, Dexia has transferred 99,85% of shares of the Bank to Sberbank with a total consideration of TL 6.469.140.728 (Euro 2.790 million) which is the Preliminary Purchase Price determined as per the sale and purchase agreement as of 28 September 2012. Following the completion of the adjustment process of the Preliminary Purchase Price to Purchase Price in accordance with the terms in the Share Purchase Agreement, an additional amount of Euro 185 Million which is equivalent of TL 430.947.685 was paid on 27 December 2012. Ultimately the process was completed with a total Purchase Price of TL 6.900.088.413 (Euro 2.975 million).

**II. Capital structure, shareholders controlling the management and supervision of the Bank directly or indirectly, and if exists, changes on these issues and the Group that the Bank belongs to****Current Period**

<b>Name of the Shareholder</b>	<b>Amount (Full TL)</b>	<b>Share (%)</b>
Sberbank of Russia	1.813.422.610	99,85
Publicly traded	2.677.304	0,15
Others shareholders	86	-
<b>Total</b>	<b>1.816.100.000</b>	<b>100,00</b>

Explanation related to current period capital increase is given in Note II-I-3 of Section Five.

**Prior Period**

<b>Name of the Shareholder</b>	<b>Amount (Full TL)</b>	<b>Share (%)</b>
Sberbank of Russia	715.044.303	99,85
Publicly traded	1.055.663	0,15
Others shareholders	34	-
<b>Total</b>	<b>716.100.000</b>	<b>100,00</b>

## III. Explanations regarding the chairman and the members of board of directors, audit committee, general manager and assistants and shares of the Bank they possess and their areas of responsibility

Name	Title	Shares owned (%)
<b>President of the Board of Directors</b>		
Herman Gref	Chairman	–
<b>Board of Directors</b>		
Deniz Ülke Anboğan	Deputy Chairman	–
Hakan Ateş	Member, President and CEO	0,000002
Alexander Vedyakhin	Member	–
Nihat Sevinç	Member	–
Wouter G.M. Van Roste	Member	–
Timur Kozintsev	Member	–
Sergey Gorkov	Member	–
Vadim Kulik	Member	–
Derya Kumru	Member	–
Igor Kondrashov	Member	–
Alexander Morozov	Member	–
Artem Dovlatov	Member	–
<b>Audit Committee</b>		
Wouter G.M. Van Roste	Member	–
Nihat Sevinç	Member	–
<b>Executive Vice Presidents</b>		
Bora Böcügöz	Treasury, Financial Institutions, Private Banking	–
Suavi Demircioğlu	Financial Affairs	–
Dilek Duman	Information Technologies and Support Operations	–
Tanju Kaya	Central Operations and Foreign Subsidiaries	–
Gökhan Sun (*)	SME and Agricultural Banking	–
Mustafa Özel	Branch and Central Operations	–
İbrahim Şen	Credit Follow-up and Risk Monitoring	–
Mehmet Aydoğdu	Corporate Banking, Commercial Banking and Public Finance	–
Mustafa Saruhan Özel	Economic Research, Strategy and Program Management	–
Cem Demirağ	Head of Internal Control Unit and Compliance	–
Ali Murat Dizdar	Chief Legal Advisor	–
Ayşenur Hıçkırın	Card Payment Systems and Non-Branch Sales Channels	–
Murat Çelik	Digital Generation Banking	–
Selim Efe Teoman	Corporate and Commercial Loans	–
Ramazan Işık	Head of Inspection Board	–
Kürşad Taçalan	General Secretary and General Accounting	–
Ruslan Abil	Group Reporting and Asset/ Liability Management	–
Önder Özcan	Managerial Reporting and Budget Planning	–
Necip Yavuz Elkin	Human Resources and Deniz Academy	–
Burak Koçak (**)	SME Banking	–
Oğuzhan Özark	Retail Banking	–
Cemil Cem Önenç	Private Banking	–
Sinan Yılmaz	Risk Management Group leader	–
Hakan Turan Pala	Corporate and Commercial Loans Analysis	–
Fatma Ayperi Karahan	Individual-SME and Agricultural Banking Loan Allocation	–
Edip Kürşad Başer	Corporate Loans Policies	–

(\*) Gökhan Sun, General Manager Deputy responsible from SME and Agriculture Banking Group, resigned on 31 December 2015.

(\*\*) As of January 2016, Burak Koçak is assigned as the General Manager Deputy responsible for Agriculture Banking Group; Murat Kulaksız is assigned as the General Manager Deputy responsible for SME Banking Group.



**IV. Explanations regarding the real person and corporate qualified shareholders at the Bank**

<b>Commercial Title</b>	<b>Share Amounts</b>	<b>Share Percentages</b>	<b>Paid-in Capital</b>	<b>Unpaid Capital</b>
Sberbank of Russia	1.813.423	99,85%	1.813.423	–

Sberbank is the controlling party of the Bank's capital having both direct and indirect qualified shares.

As of 31 December 2015 the capital structure of Sberbank is as follows:

<b>Shareholders</b>	<b>Share Percentages</b>
Central Bank of Russia	50,00%
Publicly traded	50,00%
<b>Total</b>	<b>100,00%</b>

Central Bank of the Russian Federation holds 50%+1 share within 22.586.948.000 ordinary and preferred shares in total in Sberbank of Russia (the rate in 21.586.948.000 ordinary shares corresponds to 52,32%).

**V. Type of services provided and the areas of operations of the Bank**

The Bank is a private sector deposit bank which provides banking services to its customers through 691 domestic and 1 foreign branch as of 31 December 2015.

Activities of the Bank as stated in the 3rd clause of the Articles of Association are as follows:

In accordance with the Banking Law and regulations;

- Performing all kinds of banking activities.
- Dealing with transactions on all kinds of capital market instruments within the limits set by the related regulations and Capital Market Law regulations.
- Establishing domestic and/or foreign entities and participating in existing entities. Entering into loan and intelligence agreements with domestic and international financial institutions. Participating in consortiums and syndications.
- Incorporating insurance companies, operating insurance agencies, participating in insurance companies which are existing or planned to be founded.

Apart from the above-mentioned activities, in case different activities deemed advantageous and necessary for the company are to be undertaken in the future, they will be submitted to approval of the General Assembly based on Board of Director's decision and the company will be able to implement activities after the relevant decision is made by General Assembly.

**VI. Existing or potential, actual or legal obstacles to immediate transfer of capital between Bank and its subsidiaries and repayment of debts**

None.

## SECTION TWO

### UNCONSOLIDATED FINANCIAL STATEMENTS

- I. Unconsolidated Statements of Financial Position  
(Balance Sheets)
- II. Unconsolidated Statements of Off-Balance Sheet Items
- III. Unconsolidated Statements of Income
- IV. Unconsolidated Statements of Income and Expenses Under  
Shareholders' Equity
- V. Unconsolidated Statements of Changes in Shareholders' Equity
- VI. Unconsolidated Statements of Cash Flows
- VII. Unconsolidated Profit Distribution Tables

**DENİZBANK ANONİM ŞİRKETİ**  
**UNCONSOLIDATED STATEMENTS OF FINANCIAL**  
**POSITION (BALANCE SHEETS)**  
**AS OF 31 DECEMBER 2015 AND 2014**  
(Currency: Thousands of TL - Turkish Lira)

*Convenience Translation of*  
*Unconsolidated Financial Report*  
*Originally Issued in Turkish,*  
*See Note 3.1.c*

ASSETS	Footnotes	CURRENT PERIOD (31/12/2015)			RESTATED PRIOR PERIOD (31/12/2014)		
		TL	FC	Total	TL	FC	Total
<b>I. CASH AND BALANCES WITH THE CENTRAL BANK</b>	(5.1.a)	<b>1.195.116</b>	<b>9.564.027</b>	<b>10.759.143</b>	<b>839.620</b>	<b>8.561.060</b>	<b>9.400.680</b>
<b>II. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Net)</b>	(5.1.b)	<b>893.753</b>	<b>222.827</b>	<b>1.116.580</b>	<b>286.645</b>	<b>776.340</b>	<b>1.062.985</b>
2.1 Financial Assets Held For Trading		893.753	222.827	1.116.580	286.645	776.340	1.062.985
2.1.1 Public Sector Debt Securities		14.144	8.481	22.625	102.912	5.616	108.528
2.1.2 Share Certificates		-	-	-	-	-	-
2.1.3 Positive Value of Trading Purpose Derivatives		879.090	213.782	1.092.872	183.303	770.724	954.027
2.1.4 Other Securities		519	564	1.083	430	-	430
2.2 Financial Assets Designated at Fair Value		-	-	-	-	-	-
2.2.1 Public Sector Debt Securities		-	-	-	-	-	-
2.2.2 Share Certificates		-	-	-	-	-	-
2.2.3 Loans		-	-	-	-	-	-
2.2.4 Other Securities		-	-	-	-	-	-
<b>III. BANKS</b>	(5.1.c)	<b>21.592</b>	<b>2.198.964</b>	<b>2.220.556</b>	<b>428.120</b>	<b>1.317.564</b>	<b>1.745.684</b>
<b>IV. DUE FROM MONEY MARKETS</b>		<b>1.200.353</b>	<b>-</b>	<b>1.200.353</b>	<b>970.298</b>	<b>-</b>	<b>970.298</b>
4.1 Interbank Money Market		-	-	-	-	-	-
4.2 Istanbul Stock Exchange		-	-	-	-	-	-
4.3 Reverse Repurchase Agreements		1.200.353	-	1.200.353	970.298	-	970.298
<b>V. FINANCIAL ASSETS AVAILABLE FOR SALE (Net)</b>	(5.1.d)	<b>7.201.943</b>	<b>1.322.536</b>	<b>8.524.479</b>	<b>6.432.852</b>	<b>257.405</b>	<b>6.690.257</b>
5.1 Share Certificates		3.929	108.955	112.884	3.929	-	3.929
5.2 Public Sector Debt Securities		7.198.014	1.213.581	8.411.595	6.428.923	197.623	6.626.546
5.3 Other Securities		-	-	-	-	59.782	59.782
<b>VI. LOANS AND RECEIVABLES</b>	(5.1.e)	<b>42.535.661</b>	<b>8.813.163</b>	<b>51.348.824</b>	<b>35.571.051</b>	<b>7.524.872</b>	<b>43.095.923</b>
6.1 Loans and Receivables		41.806.994	8.813.163	50.620.157	35.053.823	7.524.872	42.578.695
6.1.1 Loans Utilized to the Bank's Risk Group		82.606	7.879	90.485	48	6.283	6.331
6.1.2 Public Sector Debt Securities		-	-	-	-	-	-
6.1.3 Others		41.724.388	8.805.284	50.529.672	35.053.775	7.518.589	42.572.364
6.2 Loans under Follow-Up		2.682.048	-	2.682.048	1.688.703	-	1.688.703
6.3 Specific Provisions (-)		1.953.381	-	1.953.381	1.171.475	-	1.171.475
<b>VII. FACTORING RECEIVABLES</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>VIII. INVESTMENT HELD TO MATURITY (Net)</b>	(5.1.f)	<b>2.875.209</b>	<b>366.569</b>	<b>3.241.778</b>	<b>2.726.604</b>	<b>296.103</b>	<b>3.022.707</b>
8.1 Public Sector Debt Securities		2.875.209	366.569	3.241.778	2.726.604	292.553	3.019.157
8.2 Other Securities		-	-	-	-	3.550	3.550
<b>IX. INVESTMENTS IN ASSOCIATES (Net)</b>	(5.1.g)	<b>8.654</b>	<b>-</b>	<b>8.654</b>	<b>8.654</b>	<b>-</b>	<b>8.654</b>
9.1 Associates accounted for Under Equity Method		-	-	-	-	-	-
9.2 Unconsolidated Associates		8.654	-	8.654	8.654	-	8.654
9.2.1 Financial Associates		15	-	15	15	-	15
9.2.2 Non-Financial Associates		8.639	-	8.639	8.639	-	8.639
<b>X. INVESTMENTS IN SUBSIDIARIES (Net)</b>	(5.1.h)	<b>703.280</b>	<b>3.236.451</b>	<b>3.939.731</b>	<b>759.322</b>	<b>2.251.986</b>	<b>3.011.308</b>
10.1 Unconsolidated Financial Subsidiaries		697.631	3.236.451	3.934.082	753.673	2.251.986	3.005.659
10.2 Unconsolidated Non-Financial Subsidiaries		5.649	-	5.649	5.649	-	5.649
<b>XI. ENTITIES UNDER COMMON CONTROL (JOINT VENT.) (Net)</b>	(5.1.i)	<b>2.800</b>	<b>-</b>	<b>2.800</b>	<b>2.800</b>	<b>-</b>	<b>2.800</b>
11.1 Joint Ventures accounted for Under Equity Method		-	-	-	-	-	-
11.2 Unconsolidated Joint Ventures		2.800	-	2.800	2.800	-	2.800
11.2.1 Financial Joint Ventures		-	-	-	-	-	-
11.2.2 Non-Financial Joint Ventures		2.800	-	2.800	2.800	-	2.800
<b>XII. LEASE RECEIVABLES (Net)</b>	(5.1.j)	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
12.1 Financial Lease Receivables		-	-	-	-	-	-
12.2 Operational Lease Receivables		-	-	-	-	-	-
12.3 Others		-	-	-	-	-	-
12.4 Unearned Income (-)		-	-	-	-	-	-
<b>XIII. HEDGING PURPOSE DERIVATIVES</b>	(5.1.k)	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
13.1 Fair Value Hedge		-	-	-	-	-	-
13.2 Cash Flow Hedge		-	-	-	-	-	-
13.3 Hedging of a Net Investment in Foreign Subsidiaries		-	-	-	-	-	-
<b>XIV. TANGIBLE ASSETS (Net)</b>	(5.1.l)	<b>401.022</b>	<b>6</b>	<b>401.028</b>	<b>407.598</b>	<b>6</b>	<b>407.604</b>
<b>XV. INTANGIBLE ASSETS (Net)</b>	(5.1.m)	<b>171.178</b>	<b>-</b>	<b>171.178</b>	<b>146.312</b>	<b>-</b>	<b>146.312</b>
15.1 Goodwill		869	-	869	869	-	869
15.2 Others		170.309	-	170.309	145.443	-	145.443
<b>XVI. INVESTMENT PROPERTIES (Net)</b>	(5.1.n)	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>XVII. TAX ASSETS</b>	(5.1.o)	<b>85.376</b>	<b>-</b>	<b>85.376</b>	<b>95.455</b>	<b>-</b>	<b>95.455</b>
17.1 Current Tax Assets		-	-	-	-	-	-
17.2 Deferred Tax Assets		85.376	-	85.376	95.455	-	95.455
<b>XVIII. ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (Net)</b>	(5.1.p)	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
18.1 Held For Sale		-	-	-	-	-	-
18.2 Discontinued Operations		-	-	-	-	-	-
<b>XIX. OTHER ASSETS</b>	(5.1.q)	<b>905.801</b>	<b>294.386</b>	<b>1.200.187</b>	<b>772.127</b>	<b>497.823</b>	<b>1.269.950</b>
<b>TOTAL ASSETS</b>		<b>58.201.738</b>	<b>26.018.929</b>	<b>84.220.667</b>	<b>49.447.458</b>	<b>21.483.159</b>	<b>70.930.617</b>

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

**DENİZBANK ANONİM ŞİRKETİ**  
**UNCONSOLIDATED STATEMENTS OF FINANCIAL**  
**POSITION (BALANCE SHEETS)**  
**AS OF 31 DECEMBER 2015 AND 2014**  
(Currency: Thousands of TL - Turkish Lira)

*Convenience Translation of*  
*Unconsolidated Financial Report*  
*Originally Issued in Turkish,*  
*See Note 3.1.c*

LIABILITIES AND EQUITY	Footnotes	CURRENT PERIOD (31/12/2015)			RESTATED PRIOR PERIOD (31/12/2014)		
		TL	FC	Total	TL	FC	Total
<b>I. DEPOSITS</b>	(5.11.a)	<b>26.095.476</b>	<b>20.492.101</b>	<b>46.587.577</b>	<b>24.942.556</b>	<b>18.158.116</b>	<b>43.100.672</b>
1.1 Deposits of the Bank's Risk Group		227.627	771.369	998.996	744.475	917.400	1.661.875
1.2 Others		25.867.849	19.720.732	45.588.581	24.198.081	17.240.716	41.438.797
<b>II. DERIVATIVE FINANCIAL LIABILITIES HELD FOR TRADING</b>	(5.11.b)	<b>331.910</b>	<b>245.317</b>	<b>577.227</b>	<b>98.910</b>	<b>590.355</b>	<b>689.265</b>
<b>III. FUNDS BORROWED</b>	(5.11.c)	<b>195.122</b>	<b>10.503.948</b>	<b>10.699.070</b>	<b>783.418</b>	<b>6.724.954</b>	<b>7.508.372</b>
<b>IV. DUE TO MONEY MARKETS</b>		<b>7.184.158</b>	-	<b>7.184.158</b>	<b>2.698.848</b>	-	<b>2.698.848</b>
4.1 Interbank Money Market		-	-	-	-	-	-
4.2 Istanbul Stock Exchange		720.000	-	720.000	-	-	-
4.3 Repurchase Agreements		6.464.158	-	6.464.158	2.698.848	-	2.698.848
<b>V. SECURITIES ISSUED (Net)</b>	(5.11.d)	<b>1.259.198</b>	-	<b>1.259.198</b>	<b>1.621.898</b>	-	<b>1.621.898</b>
5.1 Bills		609.746	-	609.746	858.382	-	858.382
5.2 Asset Backed Securities		556.311	-	556.311	568.084	-	568.084
5.3 Bonds		93.141	-	93.141	195.432	-	195.432
<b>VI. FUNDS</b>		-	-	-	-	-	-
6.1 Borrowers Funds		-	-	-	-	-	-
6.2 Others		-	-	-	-	-	-
<b>VII. SUNDRY CREDITORS</b>		<b>1.139.066</b>	<b>503.695</b>	<b>1.642.761</b>	<b>964.475</b>	<b>385.390</b>	<b>1.349.865</b>
<b>VIII. OTHER EXTERNAL RESOURCES</b>	(5.11.e)	<b>973.956</b>	<b>799.509</b>	<b>1.773.465</b>	<b>870.997</b>	<b>685.603</b>	<b>1.556.600</b>
<b>IX. FACTORING PAYABLES</b>		-	-	-	-	-	-
<b>X. LEASE PAYABLES (Net)</b>	(5.11.f)	<b>26.301</b>	<b>933</b>	<b>27.234</b>	<b>18.457</b>	<b>439</b>	<b>18.896</b>
10.1 Financial Lease Payables		31.455	943	32.398	23.075	449	23.524
10.2 Operational Lease Payables		-	-	-	-	-	-
10.3 Others		-	-	-	-	-	-
10.4 Deferred Financial Leasing Expenses (-)		5.154	10	5.164	4.618	10	4.628
<b>XI. HEDGING PURPOSE DERIVATIVES</b>	(5.11.g)	-	-	-	-	-	-
11.1 Fair Value Hedge		-	-	-	-	-	-
11.2 Cash Flow Hedge		-	-	-	-	-	-
11.3 Hedging of a Net Investment in Foreign Subsidiaries		-	-	-	-	-	-
<b>XII. PROVISIONS</b>	(5.11.h)	<b>1.190.643</b>	<b>15.761</b>	<b>1.206.404</b>	<b>1.045.811</b>	<b>20.148</b>	<b>1.065.959</b>
12.1 General Provisions		984.209	-	984.209	820.581	-	820.581
12.2 Restructuring Provisions		-	-	-	-	-	-
12.3 Reserve for Employee Benefits		93.352	-	93.352	87.427	-	87.427
12.4 Insurance Technical Provisions (Net)		-	-	-	-	-	-
12.5 Other Provisions		113.082	15.761	128.843	137.803	20.148	157.951
<b>XIII. TAX LIABILITIES</b>	(5.11.i)	<b>148.289</b>	-	<b>148.289</b>	<b>258.124</b>	-	<b>258.124</b>
13.1 Current Tax Liability		148.289	-	148.289	258.124	-	258.124
13.2 Deferred Tax Liability		-	-	-	-	-	-
<b>XIV. SALE AND DISCONTINUED OPERATIONS (Net)</b>	(5.11.j)	-	-	-	-	-	-
14.1 Held For Sale		-	-	-	-	-	-
14.2 Discontinued Operations		-	-	-	-	-	-
<b>XV. SUBORDINATED LOANS</b>	(5.11.k)	-	<b>4.845.965</b>	<b>4.845.965</b>	-	<b>3.922.963</b>	<b>3.922.963</b>
<b>XVI. SHAREHOLDERS' EQUITY</b>	(5.11.l)	<b>8.227.920</b>	<b>41.399</b>	<b>8.269.319</b>	<b>7.161.271</b>	<b>(22.116)</b>	<b>7.139.155</b>
16.1 Paid-In Capital		1.816.100	-	1.816.100	716.100	-	716.100
16.2 Supplementary Capital		(504.529)	41.399	(463.130)	488.743	(22.116)	466.627
16.2.1 Share Premium		39	-	39	98.411	-	98.411
16.2.2 Share Cancellation Profits		-	-	-	-	-	-
16.2.3 Securities Revaluation Reserve		(521.167)	41.379	(479.788)	(116.564)	(22.225)	(138.789)
16.2.4 Revaluation Fund on Tangible Assets	(5.11.l)	113.097	-	113.097	306.054	-	306.054
16.2.5 Revaluation Fund on Intangible Assets		-	-	-	-	-	-
16.2.6 Revaluation Fund on Investment Properties		-	-	-	-	-	-
16.2.7 Bonus Shares Obtained from Associates, Subsidiaries and Joint Ventures		81	-	81	81	-	81
16.2.8 Hedging Funds (Effective Portion)		(118.144)	20	(118.124)	(9.028)	109	(8.919)
16.2.9 Revaluation Fund on Assets Held for Sale and Discontinued Operations		-	-	-	-	-	-
16.2.10 Other Supplementary Capital		21.565	-	21.565	209.789	-	209.789
16.3 Profit Reserves		4.597.012	-	4.597.012	3.833.545	-	3.833.545
16.3.1 Legal Reserves		143.220	-	143.220	143.220	-	143.220
16.3.2 Status Reserves		-	-	-	-	-	-
16.3.3 Extraordinary Reserves		4.278.319	-	4.278.319	3.781.596	-	3.781.596
16.3.4 Other Profit Reserves		175.473	-	175.473	(91.271)	-	(91.271)
16.4 Profit or Loss		2.319.337	-	2.319.337	2.122.883	-	2.122.883
16.4.1 Prior Periods' Profits / Losses		1.556.692	-	1.556.692	1.134.165	-	1.134.165
16.4.2 Current Period Profit / Loss		762.645	-	762.645	988.718	-	988.718
16.5 Minority Shares	(5.11.l)	-	-	-	-	-	-
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>46.772.039</b>	<b>37.448.628</b>	<b>84.220.667</b>	<b>40.464.765</b>	<b>30.465.852</b>	<b>70.930.617</b>

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

**DENİZBANK ANONİM ŞİRKETİ**  
**UNCONSOLIDATED STATEMENTS OF**  
**OFF-BALANCE SHEET ITEMS**  
**AS OF 31 DECEMBER 2015 AND 2014**  
(Currency: Thousands of TL- Turkish Lira)

*Convenience Translation of*  
*Unconsolidated Financial Report*  
*Originally Issued in Turkish,*  
*See Note 3.I.c*

	Footnotes	CURRENT PERIOD (31/12/2015)			PRIOR PERIOD (31/12/2014)		
		TL	FC	Total	TL	FC	Total
<b>A. OFF BALANCE SHEET COMMITMENTS AND CONTINGENCIES (I+II+III)</b>		<b>51.023.522</b>	<b>87.767.568</b>	<b>138.791.090</b>	<b>46.242.462</b>	<b>67.447.737</b>	<b>113.690.199</b>
<b>I. GUARANTEES</b>	(5.III.a)	<b>8.859.591</b>	<b>15.415.284</b>	<b>24.274.875</b>	<b>7.666.036</b>	<b>12.755.558</b>	<b>20.421.594</b>
1.1. Letters of Guarantee		8.837.234	11.190.945	20.028.179	7.649.530	8.582.794	16.232.324
1.1.1. Guarantees Subject to State Tender Law		-	-	-	-	-	-
1.1.2. Guarantees Given for Foreign Trade Operations		79.021	105.903	184.924	79.122	123.924	203.046
1.1.3. Other Letters of Guarantee		8.758.213	11.085.042	19.843.255	7.570.408	8.458.870	16.029.278
1.2. Bank Acceptances		12.074	182.245	194.319	10.626	104.313	114.939
1.2.1. Import Letter of Acceptance		12.074	182.245	194.319	10.626	104.313	114.939
1.2.2. Other Bank Acceptances		-	-	-	-	-	-
1.3. Letters of Credit		7.687	2.276.362	2.284.049	2.020	2.516.902	2.518.922
1.3.1. Documentary Letters of Credit		7.687	1.579.788	1.587.475	2.020	2.018.419	2.020.439
1.3.2. Other Letters of Credit		-	696.574	696.574	-	498.483	498.483
1.4. Prefinancing Given As Guarantee		-	-	-	-	-	-
1.5. Endorsements		-	-	-	-	-	-
1.5.1. Endorsements to the Central Bank of Turkey		-	-	-	-	-	-
1.5.2. Other Endorsements		-	-	-	-	-	-
1.6. Purchase Guarantees for Securities Issued		-	-	-	-	-	-
1.7. Factoring Related Guarantees		-	-	-	-	-	-
1.8. Other Collaterals		2.596	1.765.732	1.768.328	3.860	1.551.549	1.555.409
1.9. Other Sureties		-	-	-	-	-	-
<b>II. COMMITMENTS</b>	(5.III.a)	<b>23.958.658</b>	<b>4.174.485</b>	<b>28.133.143</b>	<b>24.282.191</b>	<b>3.962.908</b>	<b>28.245.099</b>
2.1. Irrevocable Commitments		19.804.754	4.174.485	23.979.239	20.921.913	3.962.908	24.884.821
2.1.1. Asset Purchase and Sale Commitments		304.215	2.857.731	3.161.946	376.608	2.336.155	2.712.223
2.1.2. Deposit Purchase and Sales Commitments		-	-	-	-	465.380	465.380
2.1.3. Share Capital Commitments to Associates and Subsidiaries		-	-	-	-	-	-
2.1.4. Loan Granting Commitments		7.071.136	-	7.071.136	9.565.147	-	9.565.147
2.1.5. Securities Issuance Brokerage Commitments		-	-	-	-	-	-
2.1.6. Commitments for Reserve Deposit Requirements		-	-	-	-	-	-
2.1.7. Commitments for Cheque Payments		1.920.552	-	1.920.552	1.669.129	-	1.669.129
2.1.8. Tax and Fund Obligations from Export Commitments		997	-	997	393	-	393
2.1.9. Commitments for Credit Card Limits		10.209.119	-	10.209.119	9.098.404	-	9.098.404
2.1.10. Commitments for Promotional Operations Re-Credit Cards and Banking Services		800	-	800	-	-	-
2.1.11. Receivables from "Short" Sale Commitments On Securities		-	-	-	-	-	-
2.1.12. Payables for "Short" Sale Commitments On Securities		-	-	-	-	-	-
2.1.13. Other Irrevocable Commitments		297.935	1.316.754	1.614.689	212.772	1.161.373	1.374.145
2.2. Revocable Commitments		4.153.904	-	4.153.904	3.360.278	-	3.360.278
2.2.1. Revocable Loan Granting Commitments		4.153.345	-	4.153.345	3.359.719	-	3.359.719
2.2.2. Other Revocable Commitments		559	-	559	559	-	559
<b>III. DERIVATIVE FINANCIAL INSTRUMENTS</b>	(5.III.b)	<b>18.205.273</b>	<b>68.177.799</b>	<b>86.383.072</b>	<b>14.294.235</b>	<b>50.729.271</b>	<b>65.023.506</b>
3.1. Hedging Purpose Derivatives		-	-	-	-	-	-
3.1.1. Fair Value Hedge		-	-	-	-	-	-
3.1.2. Cash Flow Hedge		-	-	-	-	-	-
3.1.3. Hedging of a Net Investment in Foreign Subsidiaries		-	-	-	-	-	-
3.2. Trading Purpose Derivatives		18.205.273	68.177.799	86.383.072	14.294.235	50.729.271	65.023.506
3.2.1. Forward Foreign Currency Purchases/Sales		1.063.645	4.550.606	5.614.251	719.400	2.765.084	3.484.484
3.2.1.1. Forward Foreign Currency Purchases		531.612	2.266.319	2.797.931	185.321	1.544.626	1.729.947
3.2.1.2. Forward Foreign Currency Sales		532.033	2.284.287	2.816.320	534.079	1.220.458	1.754.537
3.2.2. Currency and Interest Rate Swaps		13.062.843	57.339.597	70.402.440	10.072.933	43.132.318	53.205.251
3.2.2.1. Currency Swaps-Purchases		2.166.231	15.516.442	17.682.673	1.951.404	16.737.686	18.689.090
3.2.2.2. Currency Swaps-Sales		10.496.612	5.307.844	15.804.456	8.021.529	9.635.338	17.656.867
3.2.2.3. Interest Rate Swaps-Purchases		200.000	18.257.656	18.457.656	50.000	8.379.647	8.429.647
3.2.2.4. Interest Rate Swaps-Sales		200.000	18.257.655	18.457.655	50.000	8.379.647	8.429.647
3.2.3. Currency, Interest Rate and Security Options		4.078.785	4.936.906	9.015.691	2.783.042	3.298.818	6.081.860
3.2.3.1. Currency Options-Purchases		2.217.151	2.313.493	4.530.644	1.672.665	1.348.803	3.021.468
3.2.3.2. Currency Options-Sales		1.861.634	2.623.413	4.485.047	1.110.377	1.950.015	3.060.392
3.2.3.3. Interest Rate Options-Purchases		-	-	-	-	-	-
3.2.3.4. Interest Rate Options-Sales		-	-	-	-	-	-
3.2.3.5. Securities Options-Purchases		-	-	-	-	-	-
3.2.3.6. Securities Options-Sales		-	-	-	-	-	-
3.2.4. Currency Futures		-	-	-	-	-	-
3.2.4.1. Currency Futures-Purchases		-	-	-	-	-	-
3.2.4.2. Currency Futures-Sales		-	-	-	-	-	-
3.2.5. Interest Rate Futures		-	-	-	-	-	-
3.2.5.1. Interest Rate Futures-Purchases		-	-	-	-	-	-
3.2.5.2. Interest Rate Futures-Sales		-	-	-	-	-	-
3.2.6. Others		-	1.350.690	1.350.690	718.860	1.533.051	2.251.911
<b>B. CUSTODY AND PLEDGED ITEMS (IV+V+VI)</b>		<b>310.629.813</b>	<b>73.531.339</b>	<b>384.161.152</b>	<b>232.841.985</b>	<b>61.562.732</b>	<b>294.404.717</b>
<b>IV. ITEMS HELD IN CUSTODY</b>		<b>58.856.434</b>	<b>1.731.253</b>	<b>60.587.687</b>	<b>33.573.019</b>	<b>1.904.398</b>	<b>35.477.417</b>
4.1. Customers' Securities and Portfolios Held		-	-	-	-	-	-
4.2. Securities Held in Custody		57.996.909	895.914	58.892.823	32.579.978	779.473	33.359.451
4.3. Checks Received for Collection		65.421	613.202	678.623	30.814	896.953	927.767
4.4. Commercial Notes Received for Collection		794.104	199.607	993.711	962.227	208.115	1.170.342
4.5. Other Assets Received for Collection		-	-	-	-	-	-
4.6. Assets Received for Public Offering		-	-	-	-	-	-
4.7. Other Items under Custody		-	22.530	22.530	-	19.857	19.857
4.8. Custodians		-	-	-	-	-	-
<b>V. PLEDGED ITEMS</b>		<b>251.359.529</b>	<b>70.922.003</b>	<b>322.281.532</b>	<b>198.845.427</b>	<b>57.142.928</b>	<b>255.988.355</b>
5.1. Securities		3.064.091	80.391	3.144.482	2.513.782	64.104	2.577.886
5.2. Guarantee Notes		172.074.747	29.774.174	201.848.921	131.549.398	22.398.245	153.947.643
5.3. Commodities		12.329.713	2.880.210	15.209.923	11.398.272	3.232.654	14.630.926
5.4. Warrants		-	-	-	-	-	-
5.5. Immovables		57.338.417	28.010.177	85.348.594	48.472.976	22.774.535	71.247.511
5.6. Other Pledged Items		6.552.561	10.177.051	16.729.612	4.910.999	8.673.390	13.584.389
5.7. Pledged Items-Depository		-	-	-	-	-	-
<b>VI. ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES</b>		<b>413.850</b>	<b>878.083</b>	<b>1.291.933</b>	<b>423.539</b>	<b>2.515.406</b>	<b>2.938.945</b>
<b>TOTAL OFF BALANCE SHEET ITEMS (A+B)</b>		<b>361.653.335</b>	<b>161.298.907</b>	<b>522.952.242</b>	<b>279.084.447</b>	<b>129.010.469</b>	<b>408.094.916</b>

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



**DENİZBANK ANONİM ŞİRKETİ**  
**UNCONSOLIDATED STATEMENTS OF INCOME**  
**FOR THE PERIOD ENDED 31 DECEMBER 2015 AND 2014**  
(Currency: Thousands of TL - Turkish Lira)

*Convenience Translation of*  
*Unconsolidated Financial Report*  
*Originally Issued in Turkish,*  
*See Note 3.1.c*

INCOME AND EXPENSE ITEMS	Footnotes	CURRENT PERIOD	RESTATED
		(01/01-31/12/2015)	PRIOR PERIOD (01/01-31/12/2014)
<b>I. INTEREST INCOME</b>	(5.IV.a)	<b>6.804.782</b>	<b>5.743.633</b>
1.1 Interest from Loans		5.791.174	4.825.287
1.2 Interest from Reserve Deposits		24.288	756
1.3 Interest from Banks		10.701	42.944
1.4 Interest from Money Market Transactions		1.048	72.097
1.5 Interest from Securities Portfolio		923.128	754.788
1.5.1 Trading Securities		8.181	25.411
1.5.2 Financial Assets at Fair Value Through Profit or Loss		-	-
1.5.3 Available for Sale Securities		616.852	430.775
1.5.4 Held to Maturity Securities		298.095	298.602
1.6 Interest from Financial Leases		-	-
1.7 Other Interest Income		54.443	47.761
<b>II. INTEREST EXPENSE</b>	(5.IV.b)	<b>3.650.766</b>	<b>2.838.393</b>
2.1 Interest on Deposits		2.692.377	2.132.051
2.2 Interest on Funds Borrowed		475.829	423.861
2.3 Interest on Money Market Transactions		315.665	116.947
2.4 Interest on Securities Issued		139.479	150.618
2.5 Other Interest Expense		27.416	14.916
<b>III. NET INTEREST INCOME (I - II)</b>		<b>3.154.016</b>	<b>2.905.240</b>
<b>IV. NET FEES AND COMMISSION INCOME /EXPENSE</b>	(5.IV.I)	<b>1.040.295</b>	<b>948.992</b>
4.1 Fees and Commissions Received		1.385.834	1.258.168
4.1.1 Non-Cash Loans		138.906	122.246
4.1.2 Other		1.246.928	1.135.922
4.2 Fees and Commissions Paid		345.539	309.176
4.2.1 Non-Cash Loans		782	612
4.2.2 Other		344.757	308.564
<b>V. DIVIDEND INCOME</b>	(5.IV.c)	<b>1.567</b>	<b>1.465</b>
<b>VI. TRADING INCOME/LOSS (Net)</b>	(5.IV.d)	<b>(738.075)</b>	<b>(643.995)</b>
6.1 Profit / Loss on Securities Trading		21.008	25.453
6.2 Profit / Loss on Derivative Financial Transactions		1.089.708	(392.529)
6.3 Foreign Exchange Gains / Losses		(1.848.791)	(276.919)
<b>VII. OTHER OPERATING INCOME</b>	(5.IV.e)	<b>472.829</b>	<b>456.463</b>
<b>VIII. TOTAL OPERATING INCOME (III+IV+V+VI+VII)</b>		<b>3.930.632</b>	<b>3.668.165</b>
<b>IX. PROVISION FOR LOANS AND OTHER RECEIVABLES (-)</b>	(5.IV.f)	<b>1.217.576</b>	<b>886.498</b>
<b>X. OTHER OPERATING EXPENSES (-)</b>	(5.IV.g)	<b>2.368.986</b>	<b>2.200.160</b>
<b>XI. NET OPERATING PROFIT/LOSS (VIII-IX-X)</b>		<b>344.070</b>	<b>581.507</b>
<b>XII. AMOUNT IN EXCESS RECORDED AS GAIN AFTER MERGER</b>		-	-
<b>INVESTMENTS PROFIT / LOSS FROM ACCOUNTED FOR UNDER EQUITY</b>		-	-
<b>XIII. METHOD</b>		<b>527.605</b>	<b>549.574</b>
<b>XIV. GAIN/LOSS ON NET MONETARY POSITION</b>		-	-
<b>XV. P/L BEFORE TAXES FROM CONTINUING OPERATIONS (XI+...+XIV)</b>	(5.IV.h)	<b>871.675</b>	<b>1.131.081</b>
<b>XVI. TAX PROVISION FOR CONTINUING OPERATIONS (±)</b>	(5.IV.i)	<b>(109.030)</b>	<b>(142.363)</b>
16.1 Current Tax		-	(215.767)
16.2 Deferred Tax		(109.030)	73.404
<b>XVII. NET PROFIT / LOSS FROM CONTINUING OPERATIONS (XV±XVI)</b>	(5.IV.j)	<b>762.645</b>	<b>988.718</b>
<b>XVIII. PROFIT FROM DISCONTINUED OPERATIONS</b>		-	-
18.1 Assets Held for Sale		-	-
18.2 Profit on Sale of Associates, Subsidiaries and Joint Ventures		-	-
18.3 Other		-	-
<b>XIX. LOSS FROM DISCONTINUED OPERATIONS (-)</b>		-	-
19.1 Assets Held for Sale		-	-
19.2 Loss on Sale of Associates, Subsidiaries and Joint Ventures		-	-
19.3 Other		-	-
<b>XX. P/L BEFORE TAXES FROM DISCONTINUED OPERATIONS (XVIII-XIX)</b>		-	-
<b>XXI. TAX PROVISION FOR DISCONTINUED OPERATIONS (±)</b>	(5.IV.i)	-	-
21.1 Current Tax		-	-
21.2 Deferred Tax		-	-
<b>XXII. NET PROFIT / LOSS FROM DISCONTINUED OPERATIONS (XX±XXI)</b>	(5.IV.j)	-	-
<b>XXIII. NET PROFIT / LOSS (XVII+XXII)</b>	(5.IV.k)	<b>762.645</b>	<b>988.718</b>
23.1 Group's Profit / Loss		762.645	988.718
23.2 Minority Shares		-	-
Earnings / Losses per Share (Per thousand share)		0,55	0,78

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

**DENİZBANK ANONİM ŞİRKETİ**  
**UNCONSOLIDATED STATEMENTS OF**  
**INCOME AND EXPENSES**  
**UNDER SHAREHOLDERS' EQUITY**  
**FOR THE PERIODS ENDED 31 DECEMBER 2015 AND 2014**  
(Currency: Thousands of TL - Turkish Lira)

*Convenience Translation of*  
*Unconsolidated Financial Report*  
*Originally Issued in Turkish,*  
*See Note 3.1.c*

STATEMENT OF INCOME AND EXPENSES UNDER SHAREHOLDERS' EQUITY	RESTATE	
	CURRENT PERIOD (01/01-31/12/2015)	PRIOR PERIOD (01/01-31/12/2014)
I. ADDITIONS TO SECURITIES REVALUATION RESERVE FROM AVAILABLE FOR SALE INVESTMENTS	(432.257)	267.772
II. TANGIBLE ASSETS REVALUATION DIFFERENCES	-	-
III. INTANGIBLE ASSETS REVALUATION DIFFERENCES	-	-
IV. FOREIGN EXCHANGE DIFFERENCES FOR FOREIGN CURRENCY TRANSACTIONS	266.744	(128.939)
V. PROFIT/LOSS RELATED TO DERIVATIVES USED IN CASH FLOW HEDGES (Effective portion of Fair Value Differences)	6.340	6.329
VI. PROFIT/LOSS RELATED TO DERIVATIVES USED IN HEDGE OF A NET INVESTMENT IN FOREIGN SUBSIDIARIES (Effective portion of Fair Value Differences)	(143.445)	-
VII. THE EFFECT OF CHANGES IN ACCOUNTING POLICIES OR CORRECTION OF ERRORS	-	-
VIII. OTHER PROFIT/LOSS ITEMS ACCOUNTED FOR UNDER EQUITY DUE TO TAS	1.296	18.607
IX. DEFERRED TAXES OF VALUATION DIFFERENCES	118.802	(56.373)
X. NET PROFIT/LOSS ACCOUNTED UNDER EQUITY (I+II+...+IX)	(182.520)	107.396
XI. CURRENT PERIOD PROFIT/LOSS	762.645	988.718
1.1 Net Change in Fair Value of Securities (Transfer to Profit & Loss)	29.714	19.944
1.2 Reclassification and Transfer of Derivatives Accounted for Cash Flow Hedge Purposes Recycled to Income Statement	(5.551)	(5.694)
1.3 Transfer of Hedge of Net Investment in Foreign Operations Recycled to Income Statement	-	-
1.4 Other	738.482	974.468
<b>XII. TOTAL PROFIT AND LOSS ACCOUNTED FOR THE PERIOD (X±XI)</b>	<b>580.125</b>	<b>1.096.114</b>

Rearrangement impacts required by the implementation of "equity method" in accordance with TAS 27 "Individual Financial Statements" are stated in Note I of Section Three.

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

**DENİZBANK ANONİM ŞİRKETİ**  
**UNCONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**  
**FOR THE PERIODS ENDED 31 DECEMBER 2015 AND 2014**  
(Currency: Thousands of TL - Turkish Lira)

*Convenience Translation of*  
*Unconsolidated Financial Report*  
*Originally Issued in Turkish,*  
*See Note 3.1.c*

CHANGES IN SHAREHOLDERS' EQUITY	Footnotes	Paid-in Capital	Inflation Adjustment to Paid-in Capital (*)	Share Premium	Share Cancellation Profits	Legal Reserves	Status Reserves	Extraordinary Reserves	Other Reserves	Current Period Net Profit / (Loss)	Prior Period Net Profit / (Loss)	Securities Revaluation Reserve	Revaluation Fund of Tang./Intang.A.	Bonus Shares Obtained from Associates	Hedging Reserves	Val.Diff.Related to Assets Held for Sale/Disc.Opr.	Total Equity Attrib. to Equity Holders of the Parent	Minority Interest	Total Shareholders' Equity
<b>RESTATEMENT PRIOR PERIOD 01/01-31/12/2014</b>																			
I. Balances at the Beginning of Period		716.100	189.164	98.411	-	143.220	-	3.327.441	17.291	454.155	14.133	(336.432)	306.054	81	(14.613)	-	4.915.005	-	4.915.005
II. Adjustment in accordance with TMS 8		-	-	-	-	-	-	-	22.088	-	1.120.032	(14.084)	-	-	-	-	1.128.036	-	1.128.036
2.1 Effect of adjustment		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2 Effect of changes in accounting policies		-	-	-	-	-	-	-	22.088	-	1.120.032	(14.084)	-	-	-	-	1.128.036	-	1.128.036
III. New Balance (H-II)		716.100	189.164	98.411	-	143.220	-	3.327.441	39.379	454.155	1.134.165	(350.516)	306.054	81	(14.613)	-	6.043.041	-	6.043.041
<b>Changes in the Period</b>																			
IV. Increase / Decrease Related to Mergers	(S.V.f)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V. Valuation Differences of Securities	(S.V.g)	-	-	-	-	-	-	-	-	-	-	191.405	-	-	-	-	191.405	-	191.405
VI. Hedging Transactions (Effective Portion)	(S.V.h)	-	-	-	-	-	-	-	-	-	-	-	-	5.694	-	-	5.694	-	5.694
6.1 Cash Flow Hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	5.694	-	5.694	-	5.694
6.2 Hedging of a Net Investment in Foreign Subsidiaries		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII. Revaluation Fund of Tangible Assets	(S.V.i)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII. Revaluation Fund of Intangible Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX. Bonus Shares Obtained from Associates, Subsidiaries and Joint Ventures		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X. Foreign Exchange Differences	(S.V.j)	-	-	-	-	-	-	-	5.487	-	-	-	-	-	-	-	5.487	-	5.487
XI. Changes Related to Sale of Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XII. Changes Related to Reclassification of Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIII. Effects of Changes in Equities of Associates		-	-	-	-	-	-	-	(114.284)	-	-	20.322	-	-	-	-	(93.962)	-	(93.962)
XVI. The Effect of Capital Increase		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14.1 Cash		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14.2 Internal Resources		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XV. Issuance of Capital Stock		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI. Share Cancellation Profits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVII. Capital Reserves from Inflation Adjustments to Paid-in Capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVIII. Other		-	-	-	-	-	-	-	(1.228)	-	-	-	-	-	-	-	(1.228)	-	(1,228)
XIX. Current Period Net Profit / Loss		-	-	-	-	-	-	-	-	988.718	-	-	-	-	-	-	988.718	-	988.718
XX. Profit Distribution	(S.V.e)	-	-	-	-	-	-	454.155	-	(454.155)	-	-	-	-	-	-	-	-	-
20.1 Dividends Distributed		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20.2 Transfer to Reserves	(S.V.k)	-	-	-	-	-	-	454.155	-	(454.155)	-	-	-	-	-	-	-	-	-
20.3 Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Balances at the End of Period (H+III+...+XVI+XVII+XIX+XX)</b>		716.100	189.164	98.411	-	143.220	-	3.781.596	(70.646)	988.718	1.134.165	(138.789)	306.054	81	(8.919)	-	7.139.155	-	7.139.155
<b>CURRENT PERIOD 01/01-31/12/2015</b>																			
I. Balances at the Beginning of Period		716.100	189.164	98.411	-	143.220	-	3.781.596	21.550	568.191	14.133	(145.027)	306.054	81	(8.919)	-	5.682.554	-	5.682.554
II. Adjustment in accordance with TMS 8		-	-	-	-	-	-	-	(92.196)	422.527	1.120.032	6.238	-	-	-	-	1.456.801	-	1,456.801
2.1 Effect of adjustment		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2 Effect of changes in accounting policies		-	-	-	-	-	-	-	(92.196)	422.527	1.120.032	6.238	-	-	-	-	1,456.801	-	1,456.801
III. New Balance (H-II)		716.100	189.164	98.411	-	143.220	-	3.781.596	(70.646)	988.718	1.134.165	(138.789)	306.054	81	(8.919)	-	7.139.155	-	7.139.155
<b>Changes in the Period</b>																			
II. Increase / Decrease Related to Mergers	(S.V.f)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. Valuation Differences of Securities	(S.V.g)	-	-	-	-	-	-	-	-	-	-	(285.713)	-	-	-	-	(285.713)	-	(285.713)
IV. Hedging Transactions (Effective Portion)	(S.V.h)	-	-	-	-	-	-	-	-	-	-	-	-	(109.205)	-	-	(109.205)	-	(109.205)
4.1 Cash Flow Hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	5.551	-	5.551	-	5,551
4.2 Hedging of a Net Investment in Foreign Subsidiaries		-	-	-	-	-	-	-	-	-	-	-	-	(114.756)	-	-	(114.756)	-	(114.756)
V. Revaluation Fund of Tangible Assets	(S.V.i)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI. Revaluation Fund of Intangible Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII. Bonus Shares Obtained from Associates, Subsidiaries and Joint Ventures		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII. Foreign Exchange Differences	(S.V.j)	-	-	-	-	-	-	-	10.750	-	-	-	-	-	-	-	10.750	-	10,750
IX. Changes Related to Sale of Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X. Changes Related to Reclassification of Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI. Effects of Changes in Equities of Associates		-	-	-	-	-	-	-	255.509	-	-	(55.288)	-	-	-	-	200.223	-	200,223
XII. The Effect of Capital Increase		1.100.000	(189.164)	(98.411)	-	-	-	-	-	-	-	-	(262.425)	-	-	-	550.000	-	550,000
12.1 Cash		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	550.000	-	550,000
12.2 Internal Resources		550.000	(189.164)	(98.411)	-	-	-	-	-	-	-	-	(262.425)	-	-	-	-	-	-
XIII. Issuance of Capital Stock		-	-	39	-	-	-	-	-	-	-	-	-	-	-	-	39	-	39
XIV. Share Cancellation Profits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XV. Capital Reserves from Inflation Adjustments to Paid-in Capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI. Other		-	-	-	-	-	-	-	1.425	-	-	-	-	-	-	-	1.425	-	1,425
XVII. Current Period Net Profit / Loss		-	-	-	-	-	-	-	-	762.645	-	-	-	-	-	-	762.645	-	762,645
XVIII. Profit Distribution	(S.V.e)	-	-	-	-	-	-	496.723	-	(988.718)	422.527	-	89.468	-	-	-	-	-	-
18.1 Dividend Distributed		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18.2 Transfer to Reserves	(S.V.k)	-	-	-	-	-	-	496.723	-	(988.718)	422.527	-	89.468	-	-	-	-	-	-
18.3 Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Balances at the End of Period (H+III+...+XVI+XVII+XVIII)</b>		1.816.100	-	39	-	143.220	-	4.278.319	197.038	762.645	1.556.692	(479.788)	113.097	81	(118.124)	-	8.269.319	-	8.269,319

(\*) The amount stated in the column "Paid-in Capital Inflation Adjustment Difference" and the amount stated in the column "Other Reserves" amounting to TL 1.908 relating to the "actuarial loss/profit" calculated as per TAS 19 "Employee Benefits" and its proportion at an amount of TL 19.657 related to "equity method" as a result of amendments in TAS 27 "Individual Financial Tables" Communiqué are stated under "Other Capital Reserves" in financial statements.

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

**DENİZBANK ANONİM ŞİRKETİ**  
**UNCONSOLIDATED STATEMENTS OF CASH FLOW**  
**FOR THE PERIODS ENDED**  
**31 DECEMBER 2015 AND 2014**  
(Currency: Thousands of TL - Turkish Lira)

*Convenience Translation of*  
*Unconsolidated Financial Report*  
*Originally Issued in Turkish,*  
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	Footnotes	CURRENT PERIOD (01/01-31/12/2015)	PRIOR PERIOD (01/01-31/12/2014)
<b>A. CASH FLOWS FROM BANKING OPERATIONS</b>			
<b>1.1 Operating Profit before Changes in Operating Assets and Liabilities (+)</b>		<b>1.177.967</b>	<b>1.838.753</b>
1.1.1 Interest Received (+)		6.611.727	5.315.135
1.1.2 Interest Paid (-)		3.643.612	2.777.163
1.1.3 Dividend Received (+)		57.397	45.409
1.1.4 Fees And Commissions Received (+)		1.351.645	1.243.014
1.1.5 Other Income (+)		866.173	46.184
1.1.6 Collections from Previously Written-Off Loans and Other Receivables (+)		666.340	483.579
1.1.7 Payments to Personnel and Service Suppliers (-)		1.085.254	1.006.960
1.1.8 Taxes Paid (-)		114.645	146.039
1.1.9 Other (+/-)	(5.VI.c)	(3.531.804)	(1.364.406)
<b>1.2 Changes in Operating Assets and Liabilities</b>		<b>2.821.174</b>	<b>(1.299.843)</b>
1.2.1 Net (Increase) Decrease in Trading Securities (+/-)		80.786	(7.288)
1.2.2 Net (Increase) Decrease in Financial Assets Designated at FV (+/-)		-	-
1.2.3 Net (Increase) Decrease in Banks (+/-)		58.544	(1.523.563)
1.2.4 Net (Increase) Decrease in Loans (+/-)		(8.760.930)	(5.241.456)
1.2.5 Net (Increase) Decrease in Other Assets (+/-)		92.415	(878.073)
1.2.6 Net Increase (Decrease) in Bank Deposits (+/-)		(76.743)	244.999
1.2.7 Net Increase (Decrease) in Other Deposits (+/-)		3.559.781	7.188.399
1.2.8 Net Increase (Decrease) in Funds Borrowed (+/-)		2.942.110	(2.344.857)
1.2.9 Net Increase (Decrease) in Due Payables (+/-)		-	-
1.2.10 Net Increase (Decrease) in Other Liabilities (+/-)	(5.VI.c)	4.925.211	1.261.996
<b>I. Net Cash (Used in)/Provided from Banking Operations (+/-)</b>		<b>3.999.141</b>	<b>538.910</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<b>II. Net Cash Provided from / (Used in) Investing Activities (+/-)</b>		<b>(2.456.497)</b>	<b>(3.141.769)</b>
2.1 Cash Paid for Purchase of Investments, Associates and Subsidiaries (-)		256.426	95.000
2.2 Cash Obtained From Sale of Investments, Associates And Subsidiaries (+)		-	188.654
2.3 Fixed Assets Purchases (-)		126.394	129.167
2.4 Fixed Assets Sales (+)		117.081	64.867
2.5 Cash Paid for Purchase of Investments Available for Sale (-)		4.364.516	4.607.237
2.6 Cash Obtained From Sale of Investments Available for Sale (+)		2.170.307	1.434.295
2.7 Cash Paid for Purchase of Investment Securities (-)		-	189
2.8 Cash Obtained from Sale of Investment Securities (+)		-	-
2.9 Other (+/-)		3.451	2.008
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<b>III. Net Cash Provided from / (Used in) Financing Activities (+/-)</b>		<b>415.710</b>	<b>2.329.045</b>
3.1 Cash Obtained from Funds Borrowed and Securities Issued (+)		6.800.115	4.976.553
3.2 Cash Used for Repayment of Funds Borrowed and Securities Issued (-)		6.911.525	2.633.428
3.3 Capital Increase (+)		550.000	-
3.4 Dividends Paid (-)		-	-
3.5 Payments for Finance Leases (-)		22.880	14.080
3.6 Other (+/-)		-	-
<b>IV. Effect of Change in Foreign Exchange Rate on Cash and Cash Equivalents (+/-)</b>	(5.VI.c)	<b>491.429</b>	<b>56.764</b>
<b>V. Net Increase / (Decrease) in Cash and Cash Equivalents</b>	(5.VI.c)	<b>2.449.783</b>	<b>(217.050)</b>
<b>VI. Cash and Cash Equivalents at the Beginning of Period (+)</b>	(5.VI.a)	<b>4.097.176</b>	<b>4.314.226</b>
<b>VII. Cash and Cash Equivalents at the End of Period</b>	(5.VI.a)	<b>6.546.959</b>	<b>4.097.176</b>

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

**DENİZBANK ANONİM ŞİRKETİ**  
**UNCONSOLIDATED PROFIT DISTRIBUTION TABLES**  
**FOR THE PERIODS ENDED**  
**31 DECEMBER 2015 AND 2014**  
(Currency: Thousands of TL - Turkish Lira)

*Convenience Translation of*  
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*See Note 3.1.c*

	CURRENT PERIOD (01/01-31/12/2015)	PRIOR PERIOD <sup>(3)</sup> (01/01-31/12/2014)
<b>I. DISTRIBUTION OF CURRENT YEAR INCOME <sup>(1)</sup></b>		
1.1 CURRENT YEAR INCOME	871.675	708.554
1.2 TAXES AND DUTIES PAYABLE (-)	(109.030)	(142.363)
1.2.1 Corporate Tax (Income tax)	-	(215.767)
1.2.2 Income withholding tax	-	-
1.2.3 Other taxes and duties	(109.030)	73.404
<b>A. NET INCOME FOR THE YEAR (1.1-1.2) <sup>(2)</sup></b>	<b>762.645</b>	<b>566.191</b>
1.3 PRIOR YEARS LOSSES (-)	-	-
1.4 FIRST LEGAL RESERVES (-)	-	-
1.5 OTHER STATUTORY RESERVES (-)	-	-
<b>B. NET INCOME AVAILABLE FOR DISTRIBUTION [(A)-(1.3+1.4+1.5)]</b>	<b>762.645</b>	<b>566.191</b>
1.6 FIRST DIVIDEND TO SHAREHOLDERS (-)	-	-
1.6.1 To owners of ordinary shares	-	-
1.6.2 To owners of preferred shares	-	-
1.6.3 To owners of preferred shares (preemptive rights)	-	-
1.6.4 To profit sharing bonds	-	-
1.6.5 To holders of profit and loss sharing certificates	-	-
1.7 DIVIDENDS TO PERSONNEL (-)	-	-
1.8 DIVIDENDS TO BOARD OF DIRECTORS (-)	-	-
1.9 SECOND DIVIDEND TO SHAREHOLDERS (-)	-	-
1.9.1 To owners of ordinary shares	-	-
1.9.2 To owners of preferred shares	-	-
1.9.3 To owners of preferred shares (preemptive rights)	-	-
1.9.4 To profit sharing bonds	-	-
1.9.5 To holders of profit and loss sharing certificates	-	-
1.10 SECOND LEGAL RESERVES (-)	-	-
1.11 STATUTORY RESERVES (-)	-	-
1.12 GENERAL RESERVES	-	496.723
1.13 OTHER RESERVES	-	-
1.14 SPECIAL FUNDS	-	-
<b>II. DISTRIBUTION OF RESERVES</b>		
2.1 APPROPRIATED RESERVES	-	-
2.2 SECOND LEGAL RESERVES (-)	-	-
2.3 DIVIDENDS TO SHAREHOLDERS (-)	-	-
2.3.1 To owners of ordinary shares	-	-
2.3.2 To owners of preferred shares	-	-
2.3.3 To owners of preferred shares (preemptive rights)	-	-
2.3.4 To profit sharing bonds	-	-
2.3.5 To holders of profit and loss sharing certificates	-	-
2.4 DIVIDENDS TO PERSONNEL (-)	-	-
2.5 DIVIDENDS TO BOARD OF DIRECTORS (-)	-	-
<b>III. EARNINGS PER SHARE</b>		
3.1 TO OWNERS OF ORDINARY SHARES	0,55	0,45
3.2 TO OWNERS OF ORDINARY SHARES (%)	55,06	44,72
3.3 TO OWNERS OF PRIVILEGED SHARES	-	-
3.4 TO OWNERS OF PRIVILEGED SHARES (%)	-	-
<b>IV. DIVIDEND PER SHARE</b>		
4.1 TO OWNERS OF ORDINARY SHARES	-	-
4.2 TO OWNERS OF ORDINARY SHARES (%)	-	-
4.3 TO OWNERS OF PRIVILEGED SHARES	-	-
4.4 TO OWNERS OF PRIVILEGED SHARES (%)	-	-

(1) Dividend distribution is not decided since the General Assembly meeting of the Bank has not been held as of the date in which the financial statements are published.

(2) It is considered not to describe income amount related to deferred tax assets by Banking Regulation and Supervision Agency as cash or internal fund and therefore it is required not to include the aforementioned assets in dividend distribution of the period. The Bank has a deferred tax expense at an amount of TL109.030 as of 31 December 2015 (31 December 2014: TL 73.404 deferred tax income).

(3) It does not include impacts of TAS 27 standard.

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



## **SECTION THREE ACCOUNTING POLICIES**

### **I. Basis of presentation**

#### **a. Preparation of the financial statements and the accompanying footnotes in accordance with Turkish Accounting Standards and Regulation on Principles Related to Banks' Accounting Applications and Preserving the Documents**

The unconsolidated financial statements have been prepared in accordance with the regulations, communiqués, explanations and circulars published with respect to accounting and financial reporting principles by the Banking Regulation and Supervision Authority ("BRSA") within the framework of the provisions of the Regulation on the Principles and Procedures Regarding Banks' Accounting Applications and Document Keeping published in the Official Gazette no. 26333 dated 1 November 2006 in relation with the Banking Law no. 5411, as well as the Turkish Accounting Standards ("TAS") and Turkish Financial Reporting Standards ("TFRS") enforced by the Public Oversight Accounting and Auditing Standards Authority ("POA") and the annexes and commentaries relating to these Standards (hereinafter collectively referred to as "Turkish Accounting Standards" or "TAS") if there are no specific regulations made by BRSA. The form and content of the unconsolidated financial statements which have been drawn up and which will be disclosed to public have been prepared in accordance with the "Communiqué on the financial Statements to be Disclosed to the Public by Banks and the Related Explanations and Footnotes", published in the Official Gazette no. 28337 dated 28 June 2012, as well as the communiqués that introduce amendments and additions to this Communiqué. The parent shareholder Bank keeps its accounting records in Turkish Lira, in accordance with the Banking Law, Turkish Commercial Law and Turkish Tax legislation.

The amounts in the unconsolidated financial statements and explanations and footnotes relating to these statements have been denoted in Thousand Turkish Liras unless otherwise stated.

Unconsolidated financial statements have been prepared based on historical cost principle, except the financial assets and liabilities indicated at their actual values.

In the preparation of unconsolidated financial statements according to TAS, the management of the parent shareholder Bank should make assumptions and estimations regarding the assets and liabilities in the balance sheet. These assumptions and estimations are reviewed regularly, the necessary corrections are made and the effects of these corrections are reflected in the income statement. The assumptions and estimations used are explained in the related foot notes.

The accounting policies followed and revaluation principles used in the preparation of unconsolidated financial statements have been determined and implemented in accordance with the regulations, communiqués, explanations and circulars published by BRSA with respect to accounting and financial reporting principles and principles covered by TAS/TFRS in cases where there were no specific regulations made by BRSA except the change in accounting policy as described under "Accounting policies and valuation principles used in the preparation of the financial statements" below and they are consistent with accounting policies implemented in annual unconsolidated financial statements prepared for the year ending on 31 December 2014.

These accounting policies and valuation principles are explained in Notes II to XXIV below. The amendments of TAS and TFRS which have entered into force as of 1 January 2015 have no material impact on the Bank's accounting policies, financial position and performance. The amendments of TAS and TFRS, except TFRS 9 Financial Instruments, which have been published as of reporting date but have not been effective yet, will have no significant impact on the accounting policies, financial condition and performance of the Bank.

Bank assesses the impact of TFRS 9 Financial Instruments Standard (version of 2011).

**b. Accounting policies and valuation principles used in the preparation of the financial statements**

Communique on "TAS 27 Separate Financial Statements" standard, which is in force in order to be applied for accounting periods after 31 December 2012 via Public Oversight Accounting and Auditing Standards Authority (POA) website and published in Official Gazette dated 28 October 2011 and numbered 28098, has entered into force with "Communique on amending the Communique on TAS 27 Separate Financial Statements" (Communique) published in Official Gazette dated 9 April 2015 and numbered 29321 to be applied for accounting periods after 1 January 2016.

Entities have the opportunity to recognize their investments in associates, subsidiaries and joint ventures with equity method in their separate financial statements in line with the amendment while it is stated for entities preparing separate financial statements before the amendment in communique to recognize their investments in associates, subsidiaries and joint ventures in accordance with cost value or TAS 39 Financial Instruments standard.

The Bank recognized its subsidiaries, in which it has direct or indirect shares, according to equity method in accordance with the Communique having a permission to be applied earlier while preparing its non-consolidated financial tables with the 2nd quarter of 2015 in conjunction with the approval letter of Banking Regulation and Supervision Authority (BRSA) dated 20 July 2015 and realized the implementation retrospectively in the framework of TAS 8 Accounting Policies, amendments and errors in Accounting Estimates Standard.

Deniz Yatırım Menkul Kıymetler A.Ş. (Deniz Yatırım), Ekspres Menkul Değerler A.Ş. (Ekspres Menkul Değerler), Eurodeniz International Banking Unit Ltd. (Eurodeniz), Deniz Portföy Yönetimi A.Ş. (Deniz Portföy), Denizbank AG, JSC Denizbank, Deniz Finansal Kiralama A.Ş. (Deniz Leasing), Deniz Faktoring A.Ş. (Deniz Faktoring), Deniz Gayrimenkul Yatırım Ortaklığı A.Ş. (Deniz GYO), Destek Varlık Yönetim A.Ş. (Destek Varlık Yönetim) and CR Erdberg Eins GmbH & Co KG (CR Erdberg), in which the Bank has direct or indirect shares, are associates which are recognized according to equity method in separate financial statements and included in scope of full consolidation in financial statements in accordance with the Communique.

On the other hand, Intertech Bilgi İşlem ve Pazarlama Ticaret A.Ş. ("Intertech") and Deniz Kültür Sanat Yayıncılık Ticaret ve Sanayi A.Ş. ("Deniz Kültür"), which are associates of the Bank, and Deniz Kartlı Ödeme Sistemleri A.Ş. and Açık Deniz Radyo ve Televizyon İletişim Yayıncılık Ticaret ve Sanayi A.Ş., which are associates of Intertech, and Bantaş Nakit ve Kıymetli Mal Taşıma ve Güvenlik Hizmetleri A.Ş. ("Bantaş"), which is jointly controlled entity of Bank, and Deniz Immobilien Service GmbH ("Deniz Immobilien"), which is an associate of Denizbank AG are not included in consolidation and are recognized with cost value according to TAS 27 since they are non-financial associates.

**DENİZBANK ANONİM ŞİRKETİ****NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS  
AS OF 31 DECEMBER 2015**

(Currency: Thousands of TL - Turkish Lira)

*Convenience Translation of  
Unconsolidated Financial Report  
Originally Issued in Turkish,  
See Note 3.I.c*

The Bank adjusted related statements in accordance with the TAS 8 Accounting Policies, Turkish Accounting Standard regarding Amendments and Errors in Accounting Estimates in its financial statements and income statement as of 31 December 2013 and 2014 through making rearrangements with respect to amendments in TAS 27 Separate Financial Statements Standard. The impact of adjustment records are summarized as follows;

<b>31 December 2014</b>	<b>Issued</b>	<b>Adjustments</b>	<b>Revised</b>
<b>Total Assets</b>	<b>69.474.016</b>	<b>1.456.601</b>	<b>70.930.617</b>
Subsidiaries (Net)	1.554.707	1.456.601	3.011.308
<b>Total Liabilities</b>	<b>69.474.016</b>	<b>1.456.601</b>	<b>70.930.617</b>
Equity	5.682.554	1.456.601	7.139.155
Capital Reserves	440.247	26.380	466.627
Profit Reserves	3.945.883	(112.338)	3.833.545
Profit or Loss	580.324	1.542.559	2.122.883
-Prior Period Net Profit / Loss	14.133	1.120.032	1.134.165
-Current Period Net Profit / Loss	566.191	422.527	988.718
Dividend Income	50.112	(48.647)	1.465
Profit / Loss from Associates Subjected to Equity Method	-	549.574	549.574
Profit on Sale of Associates, Subsidiaries and Joint Ventures	78.400	(78.400)	-
<b>31 December 2013</b>	<b>Issued</b>	<b>Adjustments</b>	<b>Revised</b>
<b>Total Assets</b>	<b>59.427.001</b>	<b>1.128.036</b>	<b>60.555.037</b>
Subsidiaries (Net)	1.565.258	1.128.036	2.693.294
<b>Total Liabilities</b>	<b>59.427.001</b>	<b>1.128.036</b>	<b>60.555.037</b>
Equity	4.915.005	1.128.036	6.043.041
Capital Reserves	242.665	(14.084)	228.581
Profit Reserves	3.487.952	22.088	3.510.040
Profit or Loss	468.288	1.120.032	1.588.320

**c. Additional paragraph for convenience translation:**

The effects of differences between accounting principles and standards set out by BRSA Accounting and Reporting Regulation the accounting principles generally accepted in countries in which the accompanying financial statements are to be distributed and International Financial Reporting Standards (IFRS) have not been quantified in the accompanying financial statements. Accordingly, the accompanying financial statements are not intended to present the financial position, results of operations and changes in financial position and cash flows in accordance with the accounting principles generally accepted in such countries and IFRS.

**II. Explanation on the strategy for the use of financial instruments and transactions denominated in foreign currencies****a. Strategy for the use of financial instruments**

Denizbank A.Ş.'s ("The Bank") external sources of funds are comprised of deposits with various maturity periods, and short-term borrowings. These funds are fixed rate in general and are utilized in high yield financial assets. The majority of the funds are allocated to high yield, floating rate instruments, such as Turkish Lira and foreign currency government securities and Eurobonds, and to loans provided to customers on a selective basis in order to increase revenue and support liquidity. The liquidity structure, insures meeting all liabilities falling due, is formed by keeping sufficient levels of cash and cash equivalents by diversifying the sources of funds. The Bank assesses the maturity structure of the sources, and the maturity structure and yield of placements at market conditions and adopts a high yield policy in long-term placements.

The Bank assumes risks within the pre-determined risk limits short-term currency, interest and price movements in money and capital markets and market conditions.

These positions are closely monitored by the Risk Management System of the Bank and the necessary precautions are taken if the limits are exceeded or should there be a change in the market environment.

In order to avoid interest rate risk, assets and liabilities with fixed and floating interests are kept in balance, taking the maturity structure into consideration.

The asset-liability balance is monitored on a daily basis in accordance with their maturity structure and foreign currency type. The risks associated with short-term positions are hedged through derivatives such as forwards, swaps and options.

No risks are taken as far as possible on foreign currencies other than US Dollar and Euro. Transactions are made under the determined limits to cover the position.

**b. Transactions denominated in foreign currencies****Foreign currency exchange rates used in converting transactions denominated in foreign currencies and their presentation in the financial statements**

The Bank accounts for the transactions denominated in foreign currencies in accordance with TAS 21 "The Effects of Changes in Foreign Exchange Rates". Foreign exchange gains and losses arising from transactions that are completed as of the balance sheet date are translated to TL by using historical foreign currency exchange rates. Balances of the foreign currency denominated assets and liabilities are translated into TL by using foreign currency exchange rates of the Bank and the resulting exchange differences are recorded as foreign exchange gains and losses. The Bank's foreign currency exchange rates are as follows.

	<b>31 December 2015</b>	<b>31 December 2014</b>
US Dollar	TL 2,9181	TL 2,3269
Euro	TL 3,1838	TL 2,8272

**Foreign exchange gains and losses included in the income statement**

Net foreign exchange loss included in the income statement amounts to TL 1.848.791 as of 31 December 2015 (1 January - 31 December 2014: TL 276.919).

**Total amount of valuation fund arising from foreign currency exchange rate differences**

TL 31.817 (31 December 2014: TL 21.067), consisting of conversion of Bahrain Branch's financial statements into TL in accordance with TAS 21, and TL 143.656, (31 December 2014: TL (112.338)) sourcing from recognizing Denizbank AG, JSC Denizbank and Eurodeniz, which are foreign currency associates of the Bank, with equity method, are recorded under "other reserves" account.

The Bank applies net investment accounting hedge as of 1 July 2015 in order to ensure exchange difference hedge sourcing from equity method implementation for its net investment at a total amount of Euro 854 million and US Dollar 6,5 million belonging to Denizbank AG and Eurodeniz, which are subsidiaries of the Bank. A part of foreign currency deposits at same amounts is defined as hedging instrument and the part, in which the value change sourcing from foreign currency exchange rates is effective, is recognized in hedge funds under shareholder's equity.

**III. Explanations on investments in associates, subsidiaries, joint ventures**

Associates, jointly controlled entities and non-financial associates, included in non-consolidated financial tables, are recognized according to cost value in accordance with the "TAS 27 Separate Financial Statements".

Subsidiaries, which are treated in an active market, are reflected to financial statements with their fair values through taking their recorded prices in the aforementioned market. Subsidiaries and joint controlled entities, which are not treated in an active market, are monitored over their acquisition costs and shown in financial statements with their cost values after deducting impairment charges, if available.

Financial associates are recognized in accordance with equity method in the framework of TAS 28 Communique on Investments in Subsidiaries and Joint Ventures with respect to amendment in TAS 27 Communique on Separate Financial Statements in non-consolidated financial statements. Associates, which were recognized with cost value in non-consolidated financial statements beforehand, are recognized in accordance with the equity method as of 1 January 2013 with the 2nd quarter of 2015.

Equity method is the accounting treatment which prescribes to increase or decrease the book value of share included in associate as quota per participant from change amount occurring in period in the shareholder's equity of the participated partnership and to deduct/set off dividends received from participated associate from the amended value of the associate.

**IV. Explanations on forward transactions, options and derivative instruments**

The Bank's derivative transactions mainly consist of foreign currency and interest rate swaps, foreign currency options and forward foreign currency purchase/sale contracts.

In accordance with TAS 39 "Financial Instruments: Recognition and Measurement", forward foreign currency purchase/sale contracts, swaps, options and futures that are classified as "trading purpose" transactions. Derivative transactions are recorded with their fair values at contract date. Also, the liabilities and receivables arising from the derivative transactions are recorded as off-balance sheet items at their contractual notional amounts.

The derivative transactions are valued at fair value using market prices or pricing models subsequent to initial recognition and are presented in the "Positive Value of Trading Purpose Derivatives" and "Negative Value of Trading Purpose Derivatives" items of the balance sheet depending on the resulting positive or negative amounts of the computed value. Gains and losses arising from a change in the fair value are recognized in the income statement. Fair values of derivatives are calculated using discounted cash flow model or market value.

**V. Explanations on interest income and expenses**

Interest income and expenses are recognized as they are accrued taking into account the internal rate of return method. Interest accrual does not start until non-performing loans become performing and are classified as performing loans or until collection in accordance with the "Regulation on the Principles and Procedures Related to the Determination of the Loans and Other Receivables for which Provisions Shall be Set Aside by Banks and to the Provisions to be Set Aside", published in the Official Gazette No. 26333 dated 1 November 2006, which was prepared on the basis of the provisions of Articles 53 and 93 of the Banking Law no. 5411.

**VI. Explanations on fees and commissions**

Fees and commissions received and paid, and other fees and commissions paid to financial institutions are either recognized on an accrual basis over the period the service is provided or received or recognized as income or expense when collected or paid depending on their nature.



**VII. Explanations on financial assets**

Financial assets include cash; acquisition right of cash or acquisition right of other financial asset or bilateral exchange right of financial assets or equity instrument transactions with the counterpart. Financial assets are classified in four categories; as financial assets at fair value through profit or loss, financial assets available-for-sale, investment held-to-maturity, and loans and receivables.

**a. Financial assets at fair value through profit or loss****Financial assets held for trading**

Trading financial assets are financial assets which are either acquired for generating a profit from short-term fluctuations in prices or are financial assets included in a portfolio aimed at short-term profit making.

Trading financial assets are recognized at their fair value in the balance sheet and remeasured at their fair value after recognition.

All gains and losses arising from valuations of trading financial assets are reflected in the income statement. In accordance with descriptions of the uniform chart of accounts, favorable difference between acquisition cost of financial asset and its discounted value are recognized in "Interest Income", in the case of fair value of asset is above its discounted value, favorable difference between them are recognized in "Capital Market Transactions Profits" account, in the case of fair value is below discounted value, unfavorable difference between them are recognized in "Capital Market Transactions Losses" account. In the case of financial asset is sold off before its maturity, consisted gains or losses are accounted within the same principals.

Derivative financial assets are classified as trading financial assets unless they are used for hedging purposes. The accounting of derivative financial assets is explained in Note IV of Section Three.

**Financial assets at fair value through profit or loss**

The Bank does not have any securities designated as "financial assets at fair value through profit or loss".

**b. Investment securities available-for-sale**

Available-for-sale assets are financial assets that are not loans and receivables, held to maturity investments and financial assets at fair value through profit or loss.

After the recognition, financial assets available for sale are remeasured at fair value. Interest income arising from available for sale calculated with "Effective interest method" and dividend income from equity securities are reflected to the income statements. Unrealized gains and losses arising from the differences at fair value of securities classified as available for sale and that is representing differences between amortized cost calculated with effective interest method and fair value of financial assets are recognized under the account of "Marketable securities valuation differences" inside shareholder's equity items. Unrealized profits and losses do not represent on relevant income statement until these securities are collected or disposed of and the related fair value differences accumulated in the shareholders' equity are transferred to the income statement. When these securities are collected or disposed of, the related fair value differences accumulated in the shareholders' equity are transferred to the income statement.

**c. Investment securities held-to-maturity**

Held to maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity that an entity has the positive intention and ability to hold to maturity other than those that the entity upon initial recognition designates as at fair value through profit or loss, those that the entity designates as available for sale; and those that meet the definition of loans and receivables.

Held to maturity financial assets are initially recognized at acquisition cost including the transaction costs which reflects the fair value of the those instruments and subsequently recognized at amortized cost by using effective interest rate method.

Interest incomes obtained from held to maturity financial assets are presented in the line of "interest received from securities portfolio - investment securities held-to-maturity" in the unconsolidated statement of income.

There are no financial assets that are banned from being classified as investment securities held-to-maturity for two years due to the violation of the tainting rule.

Real coupon of Consumer Price Index ("CPI") that is linked government bonds under available-for-sale and held-to maturity portfolios remains fixed until maturity. At the same time intended to effect of change in Consumer Price Index, valuation is carried out with using reference indexes at relating issue of security and preparation date of financial statements.

**d. Loans and specific provisions**

Loans and receivables are non-derivative financial assets that are not classified as financial assets at fair value through profit or loss or financial assets available for sale, are unlisted in an active market and whose payments are fixed or can be determined. Loans and receivables are carried initially by adding acquisition cost to transaction costs which reflect fair value and subsequently recognized at the discounted value calculated using the "Effective interest method".

Foreign currency loans are subject to evaluation and currency exchange differences arising from such re-measurements are reflected in "Foreign Exchange Gains/Losses" account in the unconsolidated income statement. Foreign currency-indexed loans are initially recognized in their Turkish Lira equivalents; repayments are calculated with exchange rate at payment date, currency exchange differences occurred are reflected in profit/loss accounts.

Specific and general allowances are made in accordance with the "Regulation on the Principles and Procedures Related to the Determination of the Loans and Other Receivables for which Provisions Shall be Set Aside by Banks and to the Provisions to be Set Aside" published in the Official Gazette numbered 26333 dated 1 November 2006, and which was amended with the communiqué published in the Official Gazette numbered 27513 dated 6 March 2010.

When collections are made on loans that have been provided for, they are credited to the income statement accounts "Provision for Loan Losses or Other Receivables" if the provision was made in the current year, otherwise such collections are credited to "Other Operating Income" account with respect to allowances made in prior years. The interest income recovered is booked in "Other Interest Income" account.

**VIII. Explanations on impairment of financial assets**

The existence of objective evidence whether a financial asset or group of financial assets is impaired, is assessed at each balance sheet date. If such evidence exists, impairment provision is provided.

Impairment for held-to-maturity financial assets carried at amortized cost is calculated as the difference between the present value of the expected future cash flows discounted based on the "Effective interest method" and its carrying value. Regarding available-for-sale financial assets, when there is objective evidence that the asset is impaired the cumulative loss that had been recognized in other comprehensive income shall be reclassified from equity to profit or loss as a reclassification adjustment even though the financial asset has not been derecognized. An explanation about the impairment of loans and receivables is given in Note VII-d of Section Three.

**IX. 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 the related financial assets and liabilities on a net basis, or to realize the asset and settle the liability simultaneously.

**X. Explanations on sale and repurchase agreements and transactions related to the lending of securities**

Government bonds and treasury bills sold to customers under repurchase agreements are classified according to purpose of being hold into portfolio on the assets side of the accompanying unconsolidated balance sheet within "Financial Assets Held for Trading", "Investment Securities Available for Sale" and "Investment Securities Held to Maturity" and are valuating according to valuation principles of relating portfolio. Funds obtained from repurchase agreements are presented on the liability side of the unconsolidated balance sheet within the account of "Funds Provided under Repurchase Agreements". The accrual amounts corresponding to the period is calculated over the sell and repurchase price difference determined in repurchase agreements. Accrued interest expenses calculated for funds obtained from repurchase agreements are presented in "Reverse Repurchase Agreements" account in liability part of the unconsolidated balance sheet.

Securities received with resale commitments are presented under "Reverse Repurchase Agreements" line in the balance sheet. The accrual amounts for the corresponding part to the period of the resale and repurchase price difference determined in reverse repurchase agreements are calculated using the "Effective interest method". The Bank has not any security which subjected to borrowing activities.

**XI. Explanations on assets held for sale and discontinued operations**

An asset is regarded as "Asset held for resale" only when the sale is highly propable and the asset is available for immediate sale in its present condition. For a highly probable sale, there must be a valid plan prepared by the management for the sale of asset including identification of possible buyers and completion of sale process. Various events and conditions can prolong completion period of sale transaction to more than 1 year. This loss of time is realized due to events and conditions out of control of an enterprise and in the position of competent evidence about sales plan of an enterprise for sale of relevant asset continuing, assets mentioned continuing to be classified as assets held for sale.

The liabilities of a disposal group classified as held for sale shall be presented separately from other liabilities in the statement of financial position. Those assets and liabilities shall not be offset and presented as a single balance.

A discontinued operation is a division of a bank that is either disposed or held for sale and represents a separate major line of business or geographical area of operations; or is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations; or is a subsidiary acquired exclusively with a view to resale.

As 31 December 2015, The Bank does not have non-current assets held for sale and a discontinued operation (31 December 2014: None).

## **XII. Explanations on goodwill and other intangible assets**

### **a. Goodwill**

Goodwill represents the excess of the total acquisition costs over the shares owned in the net assets of the acquired company at the date of acquisition. The “net goodwill” resulted from the acquisition of the investment and to be included in the unconsolidated balance sheet, is calculated based on the financial statements of the investee company as adjusted according to the required accounting principles. Assets of the acquired company which are not presented on financial statements but separated from goodwill represented with fair values of tangible assets (credit card brand equity, customer portfolio etc.) and/or contingent liabilities to financial statements in process of acquisition.

In accordance with “TFRS 3 - Business Combinations”, the goodwill is not amortized. It is tested yearly or if there is any indication of impairment according to “Turkish Accounting Standard 36 (TAS 36) - Impairment of Assets”.

### **b. Other intangible assets**

Intangible assets are initially classified over acquisition cost values and other costs which are required for activation of the financial asset in accordance with TAS 38 “Intangible Assets” standard. Intangible assets are evaluated over excess value of net cost that derived from accumulated depreciation and accumulated impairment after recognition period.

The Bank’s intangible assets consist of software, license rights, data/telephone line, total values of credit cards and personal loans portfolio.

Intangible assets purchased before 1 January 2003 and after 31 December 2006 are amortized on a straight-line basis; and those purchased between the aforementioned dates are amortized by using the double-declining method. Useful life of an asset is estimated by assessment of the expected life span of the asset, technical, technological wear outs, of the asset. The amortization rates used approximate the useful lives of the assets.

Maintenance costs associated with the computer software that are in use are expensed at the period of occurrence.

## **XIII. Explanations on tangible assets**

All tangible assets are initially recognized at their acquisition cost in accordance with TAS 16 “Tangible Assets”.

Tangible assets purchased before 2003 and in 2007 are depreciated on a straight-line basis and those purchased in 2003, 2004, 2005 and 2006 are depreciated using the double-declining method. The depreciation rates used are as below:

	<b>Estimated Economic Life (Year)</b>	<b>Received before 2003 year</b>	<b>Received between 2003- 2006 years</b>	<b>Received in 2007</b>	<b>Received between 2008- 2015 years</b>
<b>Movables</b>					
- Office machinery	4 YEARS	20%	40% - 50%	20% - 25%	10% - 25%
- Furniture/ Furnishing	5 YEARS	20%	20% - 50%	10% - 20%	12,50% - 20%
- Means of transport	5 YEARS	20%	40% - 50%	20% - 50%	20% - 50%
- Other equipment	10 YEARS	20%	4,44% - 50%	2,50% - 50%	2,50% - 50%
<b>Real estates</b>	50 YEARS	2%	2%	2%	2% - 2,94%

As of 31 December 2015 the Bank has an impairment provision of TL 4.080, which had been recorded in the prior years for its buildings.

Expenditures for maintenance and repairs that are routinely made on tangible assets are charged as expense. The capital expenditures incurred in order to increase the capacity of the tangible asset or to increase the future benefit of the asset are capitalized on the cost of the tangible asset.

There are no restrictions such as pledges and mortgages on tangible assets or no purchase commitments.

**XIV. Explanations on investment properties**

None.

**XV. Explanations on leasing activities**

The maximum period of the lease contracts is mostly 4 years. Fixed assets acquired through financial leasing are recognized in tangible assets and depreciated in line with fixed assets group they relate to. The obligations under finance leases arising from the lease contracts are presented under "Finance Lease Payables" account in the balance sheet. Interest expense and currency exchange rate differences related to leasing activities are recognized in the income statement.

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

The Bank does not have finance lease transactions as "lessor".

**XVI. Explanations on provisions and contingent liabilities**

Provisions other than specific and general provisions for loans and other receivables and free provisions for probable risks, and contingent liabilities are provided for in accordance with TAS 37 "Provisions, Contingent Liabilities and Contingent Assets". Provisions are accounted for immediately when obligations arise as a result of past events and a reliable estimate of the obligation is made by the Bank management. Whenever the amount of such obligations cannot be measured, they are regarded as "Contingent". If the possibility of an outflow of resources embodying economic benefits becomes probable and the amount of the obligation can be measured reliably, a provision is recognized. If the amount of the obligation cannot be measured reliably or the possibility of an outflow of resources embodying economic benefits is remote, such liabilities are disclosed in the footnotes.

Based on the representations of the Bank's attorneys, there are 7.440 lawsuits against The Bank with total risks amounting to TL 127.231, US Dollar 994.994 and Euro 1.564.799 as of 31 December 2015. There are also 12.023 follow-up cases amounting to TL 461.586 in total that are filed by The Bank and are at courts. The Bank booked a provision amounting to TL 18.120 for the continuing lawsuits (31 December 2014: TL 16.016).

**XVII. Explanations on obligations for employee benefits**

Provision for employee benefits has been accounted for in accordance with TAS 19 "Employee Benefits".

The Bank in accordance with existing legislation in Turkey, is required to make retirement and notice payments to each employee whose employment is terminated due to reasons other than resignation or misconduct. Except to the this extents, the Bank is required to make severance payment to each employee whose employment is terminated due to retirement, death, military service and to female employees following their marriage within one year leave the job of their own accords by fourteenth clause of Labour Law.

The Bank, in accordance with TAS 19 "Employee Benefits" realized provision registry under the condition of prediction of present value of possible liability in the future related to employee termination benefits. Losses and gains which occur after 1 January 2013 are adjusting under the Equity Accounts in accordance with updated TAS 19 Standard.

The Bank has recognized vacation pay liability amount which is calculated from unused vacation to financial statement as a provision.



**XVIII. Explanations on taxation****a. Current taxes**

In accordance with the Corporate Tax Law No: 5520 published in the Official Gazette numbered 26205 dated 21 June 2006, the corporate tax rate is levied at 20% beginning from 1 January 2006.

Companies file their corporate tax returns between the 1st and 25th days of the following four months period after to which they relate and the payments are made until the end of that month.

The provision for corporate tax for the period is reflected as the "Current Tax Liability" in the liabilities and "Current Tax Provision" in the income statement.

In accordance with the Corporate Tax Law, tax losses can be carried forward for five years. The tax authorities can inspect tax returns and the related accounting records back to a maximum period of five years.

Besides institutions reside in Turkey, dividends paid to the offices or the institutions earning through their permanent representatives in Turkey are not subject to withholding tax. According to the decision no. 2006/10731 of the Council of Ministers published in the Official Gazette no. 26237 dated 23 July 2006, certain duty rates included in the articles no.15 and 30 of the new Corporate Tax Law no.5520 are revised. In this respect, the withholding tax rate on the dividend payments other than the ones paid to the nonresident institutions generating income in Turkey through their operations or permanent representatives and the institutions residing in Turkey is 15%. While applying the withholding tax rates on dividend payments to the foreign based institutions and the real persons, the withholding tax rates covered in the related Avoidance of Double Taxation Treaty are taken into account. Addition of profit to capital is not considered as profit distribution and therefore is not subject to withholding tax.

Current Tax Effects that sourced from directly classified in equity transactions represent on equity accounts.

**b. Deferred taxes**

In accordance with TAS 12 "Income Taxes", The Bank accounts for deferred taxes based on the tax effect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

The Bank's deferred tax assets and liabilities have been offset in the unconsolidated financial statements. As a result of offsetting, deferred tax assets of TL 85.376 (31 December 2014: TL 95.455) have been recognized in the accompanying financial statements.

Deferred taxes directly related to equity items are recognized and offset in related equity accounts.

Deferred tax liabilities are generally recognized for all taxable temporary and deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. 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.

**c. Transfer pricing**

In the framework of the provisions on "Disguised Profit Distribution Through Transfer Pricing" regulated under article 13 of Corporate Tax Law no. 5520, pursuant to the Corporate Tax Law General Communiqué no. 1, which became effective upon its promulgation in the Official Gazette dated 3 April 2007 and numbered 26482, Corporate Tax Law General Communiqué no. 3, which became effective upon its promulgation in the Official Gazette dated 20 November 2008 and numbered 27060, Council of Ministers Decree no. 2007/12888, which became effective upon its promulgation in the Official Gazette dated 6 December 2007 and numbered 26722, Council of Minister Decree no. 2008/13490, which became effective upon its promulgation in the Official Gazette dated 13 April 2008 and numbered 26846, "General Communiqué No. 1 on Disguised Profit Distribution Through Transfer Pricing", which became effective upon its promulgation in the Official Gazette dated 18 November 2007 and numbered 26704 and "General Communiqué No. 2 on Disguised Profit Distribution Through Transfer Pricing", which became effective upon its promulgation in the Official Gazette dated 22 April 2008 and numbered

26855, profits shall be deemed to have been wholly or partially distributed in a disguised manner through transfer pricing if companies engage in the sales or purchases of goods or services with related parties at prices or amounts defined contrary to the arm's length principle. Buying, selling, manufacturing and construction operations and services, renting and leasing transactions, borrowing or lending money, bonuses, wages and similar payments are deemed as purchase of goods and services in any case and under any condition.

Corporate taxpayers are obliged to fill in the "The Form on Transfer Pricing, Controlled Foreign Corporation and Thin Capital" regarding the purchases or sales of goods or services they perform with related parties during a fiscal period and submit it to their tax office in the attachment of the corporate tax return.

Furthermore, the taxpayers registered in the Large Taxpayers Tax Administration (Büyük Mükellefler Vergi Dairesi Başkanlığı) must prepare the "Annual Transfer Pricing Report" in line with the designated format for their domestic and cross-border transactions performed with related parties during a fiscal period until the filing deadline of the corporate tax return, and if requested after the expiration of this period, they must submit the report to the Administration or those authorized to conduct tax inspection.

**XIX. Additional explanations on borrowings**

Instruments representing the borrowings are initially recognized at cost represented its fair value and measured at amortized cost based on the internal rate of return at next periods. Foreign currency borrowings have been translated using the foreign currency buying rates of the Bank at the balance sheet date. Interest expense incurred for the period has been recognized in the accompanying financial statements.

General hedging techniques are used for borrowings against liquidity and currency risks. The Bank, if required, borrows funds from domestic and foreign institutions. The Bank can also borrows funds in the forms of syndication loans and securitization loans from foreign institutions.

**XX. Explanations on issuance of share certificates**

Transactions related to issuance of share certificates are explained in Note II-I-8 of Section Five. No dividends have been declared subsequent to the balance sheet date.

**XXI. Explanations on acceptances**

Acceptances are realized simultaneously with the customer payments and recorded in off-balance sheet accounts, if any.

As of the balance sheet date, there are no acceptances recorded as liability in return for assets.

**XXII. Explanations on government grants**

As of the balance sheet date, The Bank does not have any government grants.

**XXIII. Explanations on segment reporting**

Segment reporting is presented in Note XVI of Section Four.

**XXIV. Explanations on other matters**

None.

## **SECTION FOUR FINANCIAL POSITION AND RISK MANAGEMENT**

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

As per the revised “Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks” effective from 1 July 2012, the unconsolidated capital adequacy ratio is 16,07% as of 31 December 2015 (31 December 2014: 14,09%). This ratio is above the minimum rate specified in the related regulation.

#### **a. Risk measurement methods in the calculation of unconsolidated capital adequacy ratio**

Unconsolidated capital adequacy ratio is calculated in accordance with the “Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks”, “Regulation on Credit Risk Mitigation Techniques” published in the Official Gazette no.28337, dated 28 June 2012 and the “Regulation on Equities of Banks” published in the Official Gazette no.28756, dated 5 September 2013.

In the calculation of the unconsolidated capital adequacy ratio, the data prepared in compliance with the current legislation is used. Such accounting data is included in the calculation of credit and market risks subsequent to their designation as “trading book” and “banking book” according to the regulation.

The items classified as trading book and the items deducted from the equity are not included in the calculation of credit risk. In the calculation of risk weighted assets, the assets subject to amortization or impairment, are taken into account on a net basis after being reduced by the related amortizations and provisions.

In the calculation of the value at credit risk for the non-cash loans and commitments and the receivables from counterparties in such transactions are weighted after netting with specific provisions and calculated based on the “Regulation on Identification of and Provision against Non-Performing Loans and Other Receivables”. The net amounts are then multiplied by the rates stated in the Article 5 of the Regulation, reduced as per the “Regulation on Credit Risk Mitigation Techniques” according to comprehensive financial guarantee method and weighted as per Appendix-1 of the Regulation.

In the calculation of the value at credit risk for the derivative financial instruments and the credit derivatives classified in the banking book, the receivables from counterparties are multiplied by the rates stated in the Appendix-2 of the Regulation, reduced as per the “Regulation on Credit Risk Mitigation Techniques” and then included in the relevant exposure category defined in the article 6 of the Regulation and weighted as per Appendix-1 of the Regulation.

As per the article 5 of the Regulation, the “Counterparty Credit Risk” is calculated for repurchase transactions, securities and commodities borrowing agreements.

**DENİZBANK ANONİM ŞİRKETİ**  
**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS**  
**AS OF 31 DECEMBER 2015**  
(Currency: Thousands of TL - Turkish Lira)

*Convenience Translation of*  
*Unconsolidated Financial Report*  
*Originally Issued in Turkish,*  
*See Note 3.1.c*

**b. Unconsolidated capital adequacy ratios**

**1. Current Period: 31 December 2015**

	Risk Weighted Assets									
	0%	10%	20%	50%	75%	100%	150%	200%	250%	1250%
<b>Credit Risk Base</b>	–	–	603.450	6.094.823	16.000.668	39.257.118	2.712.738	5.474.326	42.918	–
<b>Risk classifications</b>										
Conditional and unconditional receivables from central governments or central banks	19.829.089	–	–	1.761.084	–	–	–	–	–	–
Conditional and unconditional receivables from regional or local governments	–	–	748.782	–	–	84	–	–	–	–
Conditional and unconditional receivables from administrative units and non-commercial enterprises	–	–	–	–	–	1	–	–	–	–
Conditional and unconditional receivables from multilateral development banks	–	–	–	–	–	–	–	–	–	–
Conditional and unconditional receivables from international organizations	–	–	–	–	–	–	–	–	–	–
Conditional and unconditional receivables from banks and brokerage houses	–	–	2.268.445	1.846.918	–	696.512	11.561	–	–	–
Conditional and unconditional receivables from corporates	–	–	–	6	–	30.298.922	–	–	–	–
Conditional and unconditional retail receivables	–	–	–	–	21.334.224	1.258.110	–	–	–	–
Conditional and unconditional receivables secured by mortgages	–	–	–	8.552.546	–	1.025.134	–	–	–	–
Past due receivables	–	–	–	18.464	–	570.048	83.622	–	–	–
Receivables defined in high risk category by BRSA	–	–	–	10.628	–	44.537	1.713.309	2.737.163	1.505	–
Securities collateralized by mortgages	–	–	–	–	–	–	–	–	–	–
Securitization positions	–	–	–	–	–	–	–	–	–	–
Short-term receivables from banks, brokerage houses and corporates	–	–	–	–	–	–	–	–	–	–
Investments similar to collective investment funds	–	–	–	–	–	571	–	–	–	–
Other receivables	1.401.220	–	25	–	–	5.363.199	–	–	15.662	–

**2. Prior Period: 31 December 2014**

	Risk Weighted Assets									
	0%	10%	20%	50%	75%	100%	150%	200%	250%	1250%
<b>Credit Risk Base</b>	–	–	409.648	4.284.466	12.421.394	31.832.457	2.165.282	7.858.912	345.568	–
<b>Risk classifications</b>										
Conditional and unconditional receivables from central governments or central banks	17.501.097	–	–	490.176	–	–	–	–	–	–
Conditional and unconditional receivables from regional or local governments	–	–	848.205	–	–	576	–	–	–	–
Conditional and unconditional receivables from administrative units and non-commercial enterprises	–	–	–	–	–	1	–	–	–	–
Conditional and unconditional receivables from multilateral development banks	–	–	–	–	–	–	–	–	–	–
Conditional and unconditional receivables from international organizations	–	–	–	–	–	–	–	–	–	–
Conditional and unconditional receivables from banks and brokerage houses	–	–	1.200.015	1.532.419	–	1.332.881	10.657	–	–	–
Conditional and unconditional receivables from corporates	–	–	–	–	–	25.422.920	7	–	–	–
Conditional and unconditional retail receivables	–	–	–	–	16.561.858	1.137.913	–	–	–	–
Conditional and unconditional receivables secured by mortgages	–	–	–	6.516.769	–	701.025	–	–	–	–
Past due receivables	–	–	–	23.937	–	417.300	52.764	–	–	–
Receivables defined in high risk category by BRSA	–	–	–	5.630	–	17.459	1.380.093	3.929.456	42.772	–
Securities collateralized by mortgages	–	–	–	–	–	–	–	–	–	–
Securitization positions	–	–	–	–	–	–	–	–	–	–
Short-term receivables from banks, brokerage houses and corporates	–	–	–	–	–	–	–	–	–	–
Investments similar to collective investment funds	–	–	–	–	–	–	–	–	–	–
Other receivables	1.305.696	–	21	–	–	2.802.382	–	–	95.455	–

**DENİZBANK ANONİM ŞİRKETİ**  
**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS**  
**AS OF 31 DECEMBER 2015**

(Currency: Thousands of TL - Turkish Lira)

*Convenience Translation of*  
*Unconsolidated Financial Report*  
*Originally Issued in Turkish,*  
*See Note 3.1.c*

**c. Summary information related to unconsolidated capital adequacy ratio**

	<b>The Bank</b>	
	<b>Current Period</b>	<b>Prior Period</b>
	<b>31 December 2015</b>	<b>31 December 2014</b>
Capital Requirement for Credit Risk	5.614.883	4.745.418
Capital Requirement for Market Risk	31.154	92.376
Capital Requirement for Operational Risk	430.767	360.673
Equity	12.204.766	9.153.003
Equity / (CRCR+CRMR+CROR)*12,5*100	16,07%	14,09%
Tier 1 Capital / (CRCR+CRMR+CROR)*12,5*100	10,46%	8,38%
Core capital / (CRCR+CRMR+CROR)*12,5*100	10,65%	8,56%

CRCR: Capital Requirement for Credit Risk  
CRMR: Capital Requirement for Market Risk  
CROR: Capital Requirement for Operational Risk

**d. Components of unconsolidated shareholders' equity**

	<b>Current Period</b>	<b>Prior Period(*)</b>
	<b>31 December 2015</b>	<b>31 December 2014</b>
<b>CORE CAPITAL</b>		
Paid-in capital following all debts in terms of claim in liquidation of the Bank	1.816.100	905.264
Share premium	39	98.411
Share cancellation profits	-	-
Reserves	4.421.539	3.924.816
Gains recognized in equity as per TAS	370.614	327.604
Profit	2.319.337	580.324
Current Period Profit	762.645	566.191
Prior Period Profit	1.556.692	14.133
Provisions for Possible Risks	11.000	8.000
Bonus Shares from Investments in Associates, Subsidiaries and Joint Ventures that are not recognized in Profit	81	81
<b>Core Capital Before Deductions</b>	<b>8.938.710</b>	<b>5.844.500</b>
<b>Deductions from Common Equity</b>		
Portion of the current and prior periods' losses which cannot be covered through reserves and losses reflected in equity in accordance with TAS (-)	655.023	145.027
Leasehold improvements (-)	95.983	106.927
Goodwill or other intangible assets and deferred tax liability related to these items (-)	68.471	29.263
Net deferred tax asset/ liability (-)	27.886	-
Shares obtained contrary to the 4th clause of the 56th Article of the Law (-)	-	-
Direct and indirect investments of the Bank in its own Core Capital (-)	-	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Core Capital of the Bank (-)	-	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Core Capital of the Bank (-)	-	-
Portion of mortgage servicing rights exceeding 10% of the Core Capital (-)	-	-
Portion of deferred tax assets based on temporary differences exceeding 10% of the Core Capital (-)	-	-
Amount exceeding 15% of the common equity as per the 2nd clause of the Provisional Article 2 of the Regulation on the Equity of Banks (-)	-	-
Excess amount arising from the net long positions of investments in core capital items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital (-)	-	-
Excess amount arising from mortgage servicing rights (-)	-	-
Excess amount arising from deferred tax assets based on temporary differences (-)	-	-
Other items to be defined by the BRSA (-)	-	-
Deductions to be made from common equity in the case that adequate Additional Tier I Capital or Tier II Capital is not available (-)	-	-
<b>Total Deductions From Core Capital</b>	<b>847.363</b>	<b>281.217</b>
<b>Total Common Equity</b>	<b>8.091.347</b>	<b>5.563.283</b>
<b>ADDITIONAL TIER I CAPITAL</b>		
Capital amount and related premiums corresponding to preference shares that are not included in common equity	-	-
Debt instruments and premiums deemed suitable by the BRSA (issued/ obtained after 1.1.2014)	-	-
Debt instruments and premiums deemed suitable by the BRSA (issued before 1.1.2014)	-	-
Third parties' share in the Tier I Capital	-	-
<b>Additional Tier I Capital before Deductions</b>	<b>-</b>	<b>-</b>
<b>Deductions from Additional Tier I Capital</b>		
Direct and indirect investments of the Bank in its own Additional Tier I Capital (-)	-	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank (-)	-	-
Portion of the total of net long positions of investments made in Additional Tier I Capital and Tier II Capital items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank (-)	-	-
Other items to be defined by the BRSA (-)	-	-
Deductions to be made from common equity in the case that adequate Additional Tier I Capital or Tier II is not available (-)	-	-
<b>Total Deductions From Additional Tier I Capital</b>	<b>-</b>	<b>-</b>
<b>Total Additional Tier I Capital</b>	<b>-</b>	<b>-</b>
Deductions from Tier I Capital	144.535	117.049
Portion of goodwill and other intangible assets and the related deferred tax liabilities which not deducted from the Common Equity as per the 1st clause of Provisional Article 2 of the Regulation on the Equity of Banks (-)	102.707	117.049
Portion of net deferred tax assets/ liabilities which is not deducted from the common equity pursuant to Paragraph 1 Provisional Article 2 of the Regulation on the Equity of Banks (-)	41.828	-
<b>Total Tier I Capital</b>	<b>7.946.812</b>	<b>5.446.234</b>

# DENİZBANK ANONİM ŞİRKETİ

## NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS

### AS OF 31 DECEMBER 2015

(Currency: Thousands of TL - Turkish Lira)

*Convenience Translation of  
Unconsolidated Financial Report  
Originally Issued in Turkish,  
See Note 3.1.c*

<b>TIER II CAPITAL</b>		
Debt instruments and premiums deemed suitable by the BRSA (issued/ obtained after 1.1.2014)	1.679.282	1.372.232
Debt instruments and premiums deemed suitable by the BRSA (issued/ obtained before 1.1.2014)	2.089.360	1.893.794
Sources pledged to the Bank by shareholders to be used in capital increases of the Bank	—	—
General Loan Loss Provisions	877.326	741.472
<b>Tier II Capital Before Deductions</b>	<b>4.645.968</b>	<b>4.007.498</b>
<b>Deductions From Tier II Capital</b>	<b>—</b>	<b>—</b>
Direct and indirect investments of the Bank in its own Tier II Capital (-)	—	—
Portion of the total of net long positions of investments made in Common Equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank (-)	—	—
Portion of the total of net long positions of investments made in Additional Tier I and Tier II Capital items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank (-)	—	—
Other items to be defined by the BRSA (-)	345.613	289.911
<b>Total Deductions from Tier II Capital</b>	<b>345.613</b>	<b>289.911</b>
<b>Total Tier II Capital</b>	<b>4.300.355</b>	<b>3.717.587</b>
<b>CAPITAL BEFORE DEDUCTIONS</b>		
Loans granted contrary to the 50th and 51th Article of the Law (-)	—	—
Net book value of amounts exceeding the limit mentioned in the 1st Paragraph of Article 57 of the Law and assets acquired against overdue receivables which could not be disposed of even though five years have passed since their acquisition date (-)	1.092	657
Loans granted to banks and financial institutions, including those established abroad, and to eligible shareholders of the Bank and investments made in the borrowing instruments issued by them (-)	7.879	6.283
Loans granted to banks and financial institutions, including those established abroad, and to eligible shareholders of the Bank and investments made in the borrowing instruments issued by them (-)	—	—
Other items to be defined by the BRSA (-)	33.430	3.878
Portion of the total of net long positions of investments made in Common Equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank not to be deducted from the Common Equity, Additional Tier I Capital, Tier II Capital as per the 1st clause of the Provisional Article 2 of the Regulation on the Equity of Banks. (-)	—	—
institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank not to be deducted from the Additional Tier I Capital and Tier II Capital as per the 1st clause of the Provisional Article 2 of the Regulation on the Equity of Banks. (-)	—	—
Portion of the total of net long positions of investments made in Common Equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital, deferred tax assets based on temporary differences and mortgage servicing rights not deducted from Common Equity as per the 1st and 2nd Paragraph of the 2nd clause of the Provisional Article 2 of the Regulation on the Equity of Banks (-)	—	—
<b>TOTAL CAPITAL</b>	<b>12.204.766</b>	<b>9.153.003</b>
Amounts below the Excess Limits as per the Deduction Principles	—	—
Amounts arising from the net long positions of investments made in Total Capital items of banks and financial institutions where the Bank owns 10% or less of the issued common share capital	—	—
Amounts arising from the net long positions of investments made in Tier I Capital items of banks and financial institutions where the Bank owns 10% or more of the issued common share capital	—	—
Amounts arising from mortgage servicing rights	—	—
Amounts arising from deferred tax assets based on temporary differences	128.624	224.113

(\*) Previous period adjustments, which are mentioned in Note I of Section Three, are not reflected.

#### e. Details on calculation in accordance with the temporary calculations on equity

	<b>The Parent Bank</b>	
	<b>Amount to be considered in equity calculation in current</b>	
	<b>period</b>	<b>Total</b>
Minority shares in Common Equity Core Capital	—	—
Third parties in Additional Core Capital	—	—
Third parties in Tier II Capital	—	—
Bank's borrowing instruments and related premium (issued before 1.1.2014 )	2.089.360	2.089.360

**DENİZBANK ANONİM ŞİRKETİ**  
**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS**  
**AS OF 31 DECEMBER 2015**  
(Currency: Thousands of TL - Turkish Lira)

*Convenience Translation of*  
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**f. Information on debt instruments included in the calculation of equity**

Issuer	SBERBANK OF RUSSIA	SBERBANK OF RUSSIA	SBERBANK OF RUSSIA	SBERBANK OF RUSSIA	SBERBANK OF RUSSIA	DEXIA CREDIT LOCAL PARIS	DEXIA CREDIT LOCAL PARIS	DEXIA CREDIT LOCAL PARIS	DEXIA CREDIT LOCAL PARIS
Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	Subordinated Loans	Subordinated Loans	Subordinated Loans	Subordinated Loans	Subordinated Loans	Subordinated Loans	Subordinated Loans	Subordinated Loans	Subordinated Loans
Governing law(s) of the instrument	"Regulations on Banks' Equity" dated 5 September 2013.	"Regulations on Banks' Equity" dated 5 September 2013.	"Regulations on Banks' Equity" dated 5 September 2013.	"Regulations on Banks' Equity" dated 1 November 2006.	"Regulations on Banks' Equity" dated 1 November 2006.	"Regulations on Banks' Equity" dated 1 November 2006.	"Regulations on Banks' Equity" dated 1 November 2006.	"Regulations on Banks' Equity" dated 1 November 2006.	"Regulations on Banks' Equity" dated 1 November 2006.
<b>Regulatory treatment</b>									
Subject to 10% deduction as of 1/1/2015	Not Deducted	Not Deducted	Not Deducted	Deducted	Deducted	Deducted	Deducted	Deducted	Deducted
Eligible at solo/group/individual	Eligible	Eligible	Eligible	Eligible	Eligible	Eligible	Eligible	Eligible	Eligible
Instrument type	Loan	Loan	Loan	Loan	Loan	Loan	Loan	Loan	Loan
Amount recognised in regulatory capital (Currency in mil, as of most recent reporting date)	366	438	875	875	875	234	77	29	--
Par value of instrument	366	438	875	875	875	584	380	146	287
Accounting classification	3470102	3470102	3470102	3470102	3470102	3470102	3470102	3470102	3470102
Original date of issuance	30.09.2014	30.04.2014	31.01.2014	30.09.2013	28.06.2013	27.02.2008	27.09.2007	28.06.2007	28.12.2006
Perpetual or dated	Dated	Dated	Dated	Dated	Dated	Dated	Dated	Dated	Dated
Original maturity date	10 years	10 years	10 years	10 years	10 years	10 years	10 years	10 years	10 years
Issuer call subject to prior supervisory approval	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Optional call date, contingent call dates and redemption amount	Subject to the written approval of the Banking Regulation and Supervision Agency, repayable in full on condition that it is at least 5 years after the loan is given.	Subject to the written approval of the Banking Regulation and Supervision Agency, repayable in full on condition that it is at least 5 years after the loan is given.	Subject to the written approval of the Banking Regulation and Supervision Agency, repayable in full on condition that it is at least 5 years after the loan is given.	Subject to the written approval of the Banking Regulation and Supervision Agency, repayable in full on condition that it is at least 5 years after the loan is given.	Subject to the written approval of the Banking Regulation and Supervision Agency, repayable in full on condition that it is at least 5 years after the loan is given.	Subject to the written approval of the Banking Regulation and Supervision Agency, repayable in full on condition that it is at least 5 years after the loan is given.	Subject to the written approval of the Banking Regulation and Supervision Agency, repayable in full on condition that it is at least 5 years after the loan is given.	Subject to the written approval of the Banking Regulation and Supervision Agency, repayable in full on condition that it is at least 5 years after the loan is given.	Subject to the written approval of the Banking Regulation and Supervision Agency, repayable in full on condition that it is at least 5 years after the loan is given.
Subsequent call dates, if applicable	None.	None.	None.	None.	None.	None.	None.	None.	None.
<b>Coupons/Dividends*</b>									
Fixed or floating dividend/coupon	Fixed	Fixed	Fixed	Fixed	Fixed	Floating	Floating	Floating	Floating
Coupon rate and any related index	First five year 6.2%, after 5 years +5.64	First five year 7.93%, after 5 years +6.12	7.5%	7.49%	6.10%	Libor + 2.90%	Libor + 2.10%	Libor + 2.10%	Euribor + 2.5%
Existence of a dividend stopper	None.	None.	None.	None.	None.	None.	None.	None.	None.
Fully discretionary, partially discretionary or mandatory	--	--	--	--	--	--	--	--	--
Existence of step up or other incentive to redeem	None.	None.	None.	None.	None.	None.	None.	None.	None.
Noncumulative or cumulative	--	--	--	--	--	--	--	--	--
<b>Convertible or non-convertible</b>									
If convertible, conversion trigger (s)	May be fully or partially extinguished principal amount and interest payment liabilities of loan or converted into capital in accordance with the related regulations in the case that the operation authorization of the Bank is revoked or in the event of an occurring possibility that the Bank may be transferred to the Fund.	May be fully or partially extinguished principal amount and interest payment liabilities of loan or converted into capital in accordance with the related regulations in the case that the operation authorization of the Bank is revoked or in the event of an occurring possibility that the Bank may be transferred to the Fund.	May be permanently or temporarily derecognized or converted into capital in accordance with the related regulations in the case that the operation authorization of the Bank is revoked or in the event of an occurring possibility that the Bank may be transferred to the Fund.	May be permanently or temporarily derecognized or converted into capital in accordance with the related regulations in the case that the operation authorization of the Bank is revoked or in the event of an occurring possibility that the Bank may be transferred to the Fund.	May be permanently or temporarily derecognized or converted into capital in accordance with the related regulations in the case that the operation authorization of the Bank is revoked or in the event of an occurring possibility that the Bank may be transferred to the Fund.	None.	None.	None.	None.
If convertible, fully or partially	Convertible fully.	Convertible fully.	Convertible fully.	Convertible fully.	Convertible fully.	--	--	--	--
If convertible, conversion rate	--	--	--	--	--	--	--	--	--
If convertible, mandatory or optional conversion	--	--	--	--	--	--	--	--	--
If convertible, specify instrument type convertible into	--	--	--	--	--	--	--	--	--
If convertible, specify issuer of instrument it converts into	--	--	--	--	--	--	--	--	--
<b>Write-down feature</b>									
If write-down, write-down trigger(s)	None.	None.	None.	None.	None.	None.	None.	None.	None.
If write-down, full or partial	--	--	--	--	--	--	--	--	--
If write-down, permanent or temporary	--	--	--	--	--	--	--	--	--
If temporary write-down, description of write-up mechanism	--	--	--	--	--	--	--	--	--
Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	In the event of the liquidation of the Bank, gives the owner the authority to collect the claim after the borrowing instruments to be included in the additional principal capital and after deposit holders and all other claimants.	In the event of the liquidation of the Bank, gives the owner the authority to collect the claim after the borrowing instruments to be included in the additional principal capital and after deposit holders and all other claimants.	In the event of the liquidation of the Bank, gives the owner the authority to collect the claim after the borrowing instruments to be included in the additional principal capital and after deposit holders and all other claimants.	Gives the owner the right to collect the claim before share certificates and primary subordinated debts and after all other debts.	Gives the owner the right to collect the claim before share certificates and primary subordinated debts and after all other debts.	Gives the owner the right to collect the claim before share certificates and primary subordinated debts and after all other debts.	Gives the owner the right to collect the claim before share certificates and primary subordinated debts and after all other debts.	Gives the owner the right to collect the claim before share certificates and primary subordinated debts and after all other debts.	Gives the owner the right to collect the claim before share certificates and primary subordinated debts and after all other debts.
Whether conditions which stands in article of 7 and 8 of Banks' shareholder equity law are possessed or not	Possessed for Article 8.	Possessed for Article 8.	Possessed for Article 8.	Possessed for Article 8.	Possessed for Article 8.	Not Possessed.	Not Possessed.	Not Possessed.	Not Possessed.
According to article 7 and 8 of Banks' shareholders equity law that are not possessed	--	--	--	--	--	Article 8/2 (g)	Article 8/2 (g)	Article 8/2 (g)	Article 8/2 (g)

**g. Approaches for assessment of adequacy of internal capital requirements for current and future activities**

The Bank's assessment process of adequacy of internal capital requirements and capital adequacy policies was prepared in accordance with the strategic plan which is yearly conducted and regard the instant and next three years. This assessment includes the interest rate risk, liquidity risk, reputational risk, residual risk, concentration risk, strategy risk, and country and transfer risks arising from Banking activities besides the market, credit and operational risks directly affecting its legal capital adequacy ratio. The assessment methodology of internal capital requirements is a developing process, accordingly the future improvement areas are determined and the working plans are set. Stress test analyses that are conducted based on annually determined risks are used as input for internal assessment. In the process, the Banks's risk-weighted assets structure, equity development and capital planning components are calculated under the stress scenario and comparatively presented with the Bank's regulatory capital budgeting and target capital adequacy ratio.

**II. Explanations related to the credit risk****a. Information on risk concentrations by debtors or group of debtors or geographical regions and sectors, basis for risk limits and the frequency of risk appraisals**

Credit risk is the risk that the counterparties of the Bank may be unable to meet in full or part their commitments arising from contracts and cause to incur losses.

Credit risk limits of the customers are determined based on the customers' financial strength and the credit requirement, within the credit authorization limits of the branches, the credit evaluation group, the regional directorates, the executive vice presidents responsible from loans, the general manager, the credit committee and the Board of Directors; on condition that they are in compliance with the related regulations.

Credit risk limits are determined for debtors or group of debtors. Credit risk limits of the debtors, group of debtors and sectors are monitored on a weekly basis.

**Information on determination and distribution of risk limits for daily transactions, monitoring of risk concentrations related to off-balance sheet items per customer and dealer basis**

Risk limits and allocations relating to daily transactions are monitored on a daily basis. Off-balance sheet risk concentrations are monitored by on-site and off-site investigations.

**Information on periodical analysis of creditworthiness of loans and other receivables per legislation, inspection of account vouchers taken against new loans, if not inspected, the reasons for it, credit limit renewals, collaterals against loans and other receivables**

The Group targets a healthy loan portfolio and in order to meet its target there are process instructions, follow-up and control procedures, close monitoring procedures and risk classifications for loans in accordance with the banking legislation.

In order to prevent the loans becoming non-performing either due to cyclical changes or structural problems, the potential problematic customers are determined through the analysis of early warning signals, and the probable performance problems are aimed to be resolved at an early stage.

It is preferred to obtain highly liquid collaterals such as bank guarantees, real estate and ship mortgages, pledges on securities, bills of exchange and sureties of the persons and companies.

**Descriptions of past due and impaired loans as per the accounting practices**

Loans which were transferred to second group loans based on the "Regulation on Procedures and Principles for Determination of Qualifications of Loans and Other Receivables By Banks and Provisions to be Set Aside" and whose principal and interest payments were not realized at the relevant due dates are regarded as past due loans by the Bank. Loans whose principal and interest payments were late for more than 90 days and the loans whose debtors have suffered deterioration in their creditworthiness as per the Bank's evaluations are regarded as impaired loans.



**DENİZBANK ANONİM ŞİRKETİ**  
**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS**  
**AS OF 31 DECEMBER 2015**

(Currency: Thousands of TL - Turkish Lira)

*Convenience Translation of*  
*Unconsolidated Financial Report*  
*Originally Issued in Turkish,*  
*See Note 3.1.c*

**Methods and approaches regarding valuation adjustments and provisions**

Based on the "Regulation on Procedures and Principles for Determination of Qualifications of Loans and Other Receivables By Banks and Provisions to be Set Aside" the Bank calculates general provision for past due loans and specific provision for impaired loans.

**Total amount of exposures after offsetting transactions but before applying credit risk mitigations and the average exposure amounts that are classified in different risk groups and types**

Corporate and commercial credit risks are evaluated according to the Bank's internal assessment ("rating") system; which complies with the Basel II model; and classified according to their probability of default. Ratings of corporate and commercial loans portfolio is presented below:

<b>Rating/ Scoring Grades</b>	<b>Current Period</b>	<b>Prior Period</b>
Above Average	48%	61%
Average	40%	26%
Below Average	9%	7%
Unrated	3%	6%

The Bank applies a different assessment method ("scoring") for consumer and SME credit risks. Ratings compatible with Basel II model is presented below:

<b>Rating/ Scoring Grades</b>	<b>Current Period</b>	<b>Prior Period</b>
Above Average	35%	35%
Average	33%	33%
Below Average	32%	32%

<b>Risk classifications</b>	<b>Current Period (*)</b>	<b>Average (**)</b>
Conditional and unconditional receivables from central governments or central banks	21.590.173	20.310.329
Conditional and unconditional receivables from regional or local governments	748.866	818.489
Conditional and unconditional receivables from administrative units and non-commercial enterprises	1	1
Conditional and unconditional receivables from multilateral development banks	—	—
Conditional and unconditional receivables from international organizations	—	—
Conditional and unconditional receivables from banks and brokerage houses	4.823.870	4.199.751
Conditional and unconditional receivables from corporates	31.545.478	31.662.786
Conditional and unconditional retail receivables	22.873.467	21.669.619
Conditional and unconditional receivables secured by mortgages	9.577.680	7.731.488
a) Receivables secured by residential mortgages	4.858.459	3.598.547
b) Receivables secured by commercial mortgages	4.719.221	4.132.941
Past due receivables	672.280	607.720
Receivables defined in high risk category by BRSA	4.556.156	4.733.970
Securities collateralized by mortgages	—	—
Securitization positions	—	—
Short-term receivables from banks, brokerage houses and corporates	—	—
Investments similar to collective investment funds	571	120
Other receivables	6.780.106	5.923.699
<b>Total</b>	<b>103.168.648</b>	<b>97.657.972</b>

(\*) Includes risk amounts in banking book before the effect of credit risk mitigation but after the credit conversions.

(\*\*) Arithmetical average of the amounts in quarterly reports prepared after the Regulation on Measurement and Assessment of Capital Adequacy Ratios of Bank dated 28 June 2012.

**DENİZBANK ANONİM ŞİRKETİ**  
**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS**  
**AS OF 31 DECEMBER 2015**

(Currency: Thousands of TL - Turkish Lira)

*Convenience Translation of*  
*Unconsolidated Financial Report*  
*Originally Issued in Turkish,*  
*See Note 3.1.c*

<b>Risk classifications</b>	<b>Prior Period (*)</b>	<b>Average (**)</b>
Conditional and unconditional receivables from central governments or central banks	17.991.273	16.077.675
Conditional and unconditional receivables from regional or local governments	848.781	869.914
Conditional and unconditional receivables from administrative units and non-commercial enterprises	1	1
Conditional and unconditional receivables from multilateral development banks	–	–
Conditional and unconditional receivables from international organizations	–	–
Conditional and unconditional receivables from banks and brokerage houses	4.075.976	3.650.246
Conditional and unconditional receivables from corporates	26.172.174	24.816.742
Conditional and unconditional retail receivables	17.863.241	15.764.852
Conditional and unconditional receivables secured by mortgages	7.217.794	7.553.090
a) Receivables secured by residential mortgages	3.472.982	3.801.597
b) Receivables secured by commercial mortgages	3.744.812	3.751.493
Past due receivables	495.075	423.455
Receivables defined in high risk category by BRSA	5.423.347	5.255.294
Securities collateralized by mortgages	–	–
Securitization positions	–	–
Short-term receivables from banks, brokerage houses and corporates	–	–
Investments similar to collective investment funds	–	–
Other receivables	4.203.553	4.397.267
<b>Total</b>	<b>84.291.215</b>	<b>78.808.536</b>

(\*) Includes risk amounts in banking book before the effect of credit risk mitigation but after the credit conversions.

(\*\*) Arithmetical average of the amounts in quarterly reports prepared after the Regulation on Measurement and Assessment of Capital Adequacy Ratios of Bank dated 28 June 2012.

**b. Information on the control limits of the Bank for forward transactions, options and similar contracts, management of credit risk for these instruments together with the potential risks arising from market conditions**

The Bank has control limits defined for the positions arising from forward transactions, options and similar contracts. Credit risk for these instruments is managed together with those arising from market conditions.

**c. Information on whether the Bank decreases the risk by liquidating its forward transactions, options and similar contracts in case of facing a significant credit risk or not**

Forward transactions can be realized at maturity. However, if it is required, reverse positions of the current positions are purchased to decrease the risk.

**d. Information on whether the indemnified non-cash loans are evaluated as having the same risk weight as non-performing loans or not**

Indemnified non-cash loans are treated as having the same risk weight as non-performing loans.

**Information on whether the loans that are renewed and rescheduled are included in a new rating group as determined by the Bank's risk management system, other than the follow-up plan defined in the banking regulations or not; whether new precautions are considered in these methods or not; whether the Bank's risk management accepts long term commitments as having more risk than short term commitments which results in a diversification of risk or not**

Loans that are renewed and rescheduled are included in a new rating group as determined by the risk management system, other than the follow-up plan defined in the banking regulations.

Long term commitments are accepted as having more risk than short term commitments which results in a diversification of risk and are monitored periodically.

**e. Evaluation of the significance of country specific risk if the banks have foreign operations and credit transactions in a few countries or these operations are coordinated with a few financial entities**

There is no significant credit risk since the Bank's foreign operations and credit transactions are conducted in OECD and EU member countries in considering their economic climate.

**Evaluation of the Bank's competitive credit risk as being an active participant in the international banking transactions market**

Being an active participant in the international banking transactions market, the Bank does not have significant credit risk as compared to other financial institutions.

**f. The Bank's**

**1. The share of the top 100 and 200 cash loan customers in the total cash loans portfolio**

The share of the top 100 and 200 cash loan customers comprises 18% and 22% of the total cash loans portfolio (31 December 2014: 17%, 22%).

**2. The share of the top 100 and 200 non-cash loan customers in the total loan non-cash loans portfolio**

The share of the top 100 and 200 non-cash loan customers comprises 47% and 59% of the total non-cash loans portfolio (31 December 2014: 46%, 58%).

**3. The share of the total cash and non-cash loan balance of the top 100 and 200 loan customers in the total assets and off-balance sheet items**

The share of the total cash and non-cash loans from its top 100 and 200 loan customers comprise 16% and 20% of the total assets and off-balance sheet items (31 December 2014: 15%, 20%).

**g. The Bank's general loan provision for its loans**

As at 31 December 2015, The Bank's general loan provision amounts to TL 984.209 (31 December 2014: TL 820.581).

**DENİZBANK ANONİM ŞİRKETİ**  
**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS**  
**AS OF 31 DECEMBER 2015**  
(Currency: Thousands of TL - Turkish Lira)

*Convenience Translation of*  
*Unconsolidated Financial Report*  
*Originally Issued in Turkish,*  
*See Note 3.1.c*

**h. Profile of significant exposures in major regions**

Risk Classifications (*)(***)																	
Current Period: 31 December 2015	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Total
Domestic	21.301.214	744.453	--	--	--	1.408.213	17.050.340	18.500.083	9.064.413	668.134	4.549.207	--	--	--	--	2.686.080	75.972.137
European Union Countries	--	--	--	--	--	700.819	363.304	48.967	42.316	3.131	4.246	--	--	--	--	--	1.162.783
OECD Countries (**)	--	--	--	--	--	16.474	--	3.833	3.229	--	215	--	--	--	--	--	23.751
Off-Shore Banking Regions	--	--	--	--	--	1.154	13.917	671	3.685	--	119	--	--	--	--	--	19.546
USA, Canada	--	--	--	--	--	161.449	--	2.378	1.566	58	543	--	--	--	--	--	165.994
Other Countries	--	--	--	--	--	20.250	147.092	34.757	59.602	957	1.825	--	--	--	--	19	264.502
Subsidiaries, associates and jointly controlled companies	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	3.951.185	3.951.185
Unallocated Assets/Liabilities	288.959	4.413	1	--	--	2.515.511	13.970.825	4.282.778	402.869	--	1	--	--	--	571	142.822	21.608.750
Total	21.590.173	748.866	1	--	--	4.823.870	31.545.478	22.873.467	9.577.680	672.280	4.556.156	--	--	--	571	6.780.106	103.168.648

Risk Classifications (*) (***)																	
Prior Period: 31 December 2014	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Total
Domestic	17.974.434	842.413	--	--	--	1.274.101	14.637.924	14.119.906	6.803.063	490.150	5.411.061	--	--	--	--	2.599.331	64.152.383
European Union Countries	--	--	--	--	--	414.744	338.397	33.732	47.464	4.521	7.373	--	--	--	--	--	846.231
OECD Countries (**)	--	--	--	--	--	4.964	--	3.631	4.089	76	480	--	--	--	--	--	13.240
Off-Shore Banking Regions	--	--	--	--	--	61	90.127	2.046	8.210	6	180	--	--	--	--	--	100.630
USA, Canada	--	--	--	--	--	314.966	722	396	3.208	4	620	--	--	--	--	--	319.916
Other Countries	--	--	--	--	--	33.615	100.943	34.376	33.686	318	3.633	--	--	--	--	2	206.573
Subsidiaries, associates and jointly controlled companies	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	1.566.162	1.566.162
Unallocated Assets/Liabilities	16.839	6.368	1	--	--	2.033.525	11.004.061	3.669.154	318.074	--	--	--	--	--	--	38.058	17.086.080
Total	17.991.273	848.781	1	--	--	4.075.976	26.172.174	17.863.241	7.217.794	495.075	5.423.347	--	--	--	--	4.203.553	84.291.215

(\*) Exposure categories are as per the Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks:

A: Conditional and unconditional receivables from central governments or central banks  
B: Conditional and unconditional receivables from regional or local governments  
C: Conditional and unconditional receivables from administrative units and non-commercial enterprises  
D: Conditional and unconditional receivables from multilateral development banks  
E: Conditional and unconditional receivables from international organizations  
F: Conditional and unconditional receivables from banks and brokerage houses  
G: Conditional and unconditional receivables from corporates  
H: Conditional and unconditional retail receivables  
I: Conditional and unconditional receivables secured by mortgages  
J: Past due receivables  
K: Receivables defined in high risk category by BRSA  
L: Securities collateralized by mortgages  
M: Securitization positions  
N: Short-term receivables from banks, brokerage houses and corporates  
O: Investments similar to collective investment funds  
P: Other receivables

(\*\*) OECD countries except for EU countries, USA and Canada

(\*\*\*) Includes risk amounts before the effect of credit risk mitigation but after the credit conversions.

**DENİZBANK ANONİM ŞİRKETİ**  
**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS**  
**AS OF 31 DECEMBER 2015**  
(Currency: Thousands of TL - Turkish Lira)

*Convenience Translation of*  
*Unconsolidated Financial Report*  
*Originally Issued in Turkish,*  
*See Note 3.1.c*

**i. Risk Profile by Sectors or Counterparties**

Current Period: 31 December 2015

Sectors/Counterparties	Risk Classifications (*)(**)																TL	FC	Total
	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P			
<b>Agricultural</b>	--	--	--	--	--	--	<b>585.828</b>	<b>4.895.619</b>	<b>852.441</b>	<b>30.467</b>	<b>3.248</b>	--	--	--	--	--	<b>6.199.882</b>	<b>167.721</b>	<b>6.367.603</b>
Farming and Cattle	--	--	--	--	--	--	582.946	4.890.236	848.586	30.174	3.240	--	--	--	--	--	6.190.963	164.219	6.355.182
Forestry	--	--	--	--	--	--	210	2.740	264	53	4	--	--	--	--	--	3.271	--	3.271
Fishing	--	--	--	--	--	--	2.672	2.643	3.591	240	4	--	--	--	--	--	5.648	3.502	9.150
<b>Manufacturing</b>	--	<b>3</b>	--	--	--	--	<b>10.443.729</b>	<b>914.390</b>	<b>714.860</b>	<b>51.765</b>	<b>6.675</b>	--	--	--	--	--	<b>4.695.163</b>	<b>7.436.259</b>	<b>12.131.422</b>
Mining	--	3	--	--	--	--	2.082.888	69.301	52.341	10.411	193	--	--	--	--	--	492.658	1.722.479	2.215.137
Production	--	--	--	--	--	--	6.743.520	841.912	635.645	40.245	4.593	--	--	--	--	--	3.705.950	4.559.965	8.265.915
Utilities (Electric, gas and water)	--	--	--	--	--	--	1.617.321	3.177	26.874	1.109	1.889	--	--	--	--	--	496.555	1.153.815	1.650.370
<b>Construction</b>	--	<b>7.583</b>	--	--	--	--	<b>6.293.930</b>	<b>456.121</b>	<b>963.901</b>	<b>35.072</b>	<b>3.289</b>	--	--	--	--	<b>10.883</b>	<b>4.122.343</b>	<b>3.648.436</b>	<b>7.770.779</b>
<b>Services</b>	<b>21.590.173</b>	<b>2.090</b>	--	--	--	<b>4.823.870</b>	<b>9.535.210</b>	<b>4.511.830</b>	<b>2.360.543</b>	<b>226.145</b>	<b>13.464</b>	--	--	--	--	<b>4.063.270</b>	<b>24.308.796</b>	<b>22.817.799</b>	<b>47.126.595</b>
Wholesale and retail trade	--	1	--	--	--	--	4.595.546	3.440.477	1.254.010	170.368	11.227	--	--	--	--	--	7.477.627	1.994.002	9.471.629
Hotel, food and beverage services	--	--	--	--	--	--	1.123.671	169.302	510.868	10.304	285	--	--	--	--	--	1.182.769	631.661	1.814.430
Transportation and telecommunication	--	18	--	--	--	--	2.151.700	701.666	274.293	11.646	1.396	--	--	--	--	--	2.130.474	1.010.245	3.140.719
Financial institutions	21.590.173	80	--	--	--	4.823.870	284.171	35.434	68.328	4.544	10	--	--	--	--	4.063.270	11.925.558	18.944.322	30.869.880
Real estate and letting services	--	1.991	--	--	--	--	94.850	77.844	27.750	2.168	439	--	--	--	--	--	202.936	2.106	205.042
Self-employment services	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Education services	--	--	--	--	--	--	653.770	33.972	125.149	1.183	53	--	--	--	--	--	768.251	45.876	814.127
Health and social services	--	--	--	--	--	--	631.502	53.135	100.145	25.932	54	--	--	--	--	--	621.181	189.587	810.768
<b>Other</b>	--	<b>739.190</b>	<b>1</b>	--	--	--	<b>4.686.781</b>	<b>12.095.507</b>	<b>4.685.935</b>	<b>328.831</b>	<b>4.529.480</b>	--	--	--	<b>571</b>	<b>2.705.953</b>	<b>26.071.711</b>	<b>3.700.538</b>	<b>29.772.249</b>
<b>Total</b>	<b>21.590.173</b>	<b>748.866</b>	<b>1</b>	--	--	<b>4.823.870</b>	<b>31.545.478</b>	<b>22.873.467</b>	<b>9.577.680</b>	<b>672.280</b>	<b>4.556.156</b>	--	--	--	<b>571</b>	<b>6.780.106</b>	<b>65.397.895</b>	<b>37.770.753</b>	<b>103.168.648</b>

(\*) Exposure categories are as per the Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks:

A: Conditional and unconditional receivables from central governments or central banks  
B: Conditional and unconditional receivables from regional or local governments  
C: Conditional and unconditional receivables from administrative units and non-commercial enterprises  
D: Conditional and unconditional receivables from multilateral development banks  
E: Conditional and unconditional receivables from international organizations  
F: Conditional and unconditional receivables from banks and brokerage houses  
G: Conditional and unconditional receivables from corporates  
H: Conditional and unconditional retail receivables

I: Conditional and unconditional receivables secured by mortgages  
J: Past due receivables  
K: Receivables defined in high risk category by BRSA  
L: Securities collateralized by mortgages  
M: Securitization positions  
N: Short-term receivables from banks, brokerage houses and corporates  
O: Investments similar to collective investment funds  
P: Other receivables

(\*\*) Includes risk amounts before the effect of credit risk mitigation but after the credit conversions.

**DENİZBANK ANONİM ŞİRKETİ**  
**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS**  
**AS OF 31 DECEMBER 2015**  
(Currency: Thousands of TL - Turkish Lira)

*Convenience Translation of*  
*Unconsolidated Financial Report*  
*Originally Issued in Turkish,*  
*See Note 3.1.c*

Prior Period: 31 December 2014

Sectors/Counterparties	Risk Classifications (*)(**)																TL	FC	Total
	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P			
<b>Agricultural</b>	--	--	--	--	--	--	<b>719.297</b>	<b>3.480.246</b>	<b>645.550</b>	<b>24.914</b>	<b>3.279</b>	--	--	--	--	--	<b>4.576.450</b>	<b>296.836</b>	<b>4.873.286</b>
Farming and Cattle	--	--	--	--	--	--	712.797	3.475.165	644.963	24.896	3.278	--	--	--	--	--	4.566.823	294.276	<b>4.861.099</b>
Forestry	--	--	--	--	--	--	4.319	3.644	135	12	1	--	--	--	--	--	5.551	2.560	<b>8.111</b>
Fishing	--	--	--	--	--	--	2.181	1.437	452	6	--	--	--	--	--	--	4.076	--	<b>4.076</b>
<b>Manufacturing</b>	--	<b>3</b>	--	--	--	--	<b>8.639.536</b>	<b>792.574</b>	<b>535.526</b>	<b>34.276</b>	<b>3.149</b>	--	--	--	--	--	<b>3.728.619</b>	<b>6.276.445</b>	<b>10.005.064</b>
Mining	--	3	--	--	--	--	1.965.886	57.580	43.623	3.848	58	--	--	--	--	--	355.703	1.715.295	<b>2.070.998</b>
Production	--	--	--	--	--	--	5.516.565	728.464	461.644	27.615	2.902	--	--	--	--	--	3.218.286	3.518.904	<b>6.737.190</b>
Utilities (Electric, gas and water)	--	--	--	--	--	--	1.157.085	6.530	30.259	2.813	189	--	--	--	--	--	154.630	1.042.246	<b>1.196.876</b>
<b>Construction</b>	--	<b>12.686</b>	--	--	--	--	<b>4.720.621</b>	<b>425.118</b>	<b>666.293</b>	<b>32.496</b>	<b>1.411</b>	--	--	--	--	<b>2.624</b>	<b>3.331.713</b>	<b>2.529.536</b>	<b>5.861.249</b>
<b>Services</b>	<b>17.681.005</b>	<b>2.535</b>	--	--	--	<b>4.075.976</b>	<b>8.965.163</b>	<b>3.316.839</b>	<b>1.966.624</b>	<b>120.661</b>	<b>10.953</b>	--	--	--	--	<b>1.584.511</b>	<b>20.729.134</b>	<b>16.995.133</b>	<b>37.724.267</b>
Wholesale and retail trade	--	1	--	--	--	--	4.597.316	2.530.513	833.308	78.979	7.240	--	--	--	--	--	6.047.239	2.000.118	<b>8.047.357</b>
Hotel, food and beverage services	--	--	--	--	--	--	1.187.916	150.283	598.548	2.297	331	--	--	--	--	--	1.093.858	845.517	<b>1.939.375</b>
Transportation and telecommunication	--	34	--	--	--	--	1.697.461	479.506	184.971	8.435	1.898	--	--	--	--	--	1.520.853	851.452	<b>2.372.305</b>
Financial institutions	17.681.005	71	--	--	--	4.075.976	516.588	28.049	47.585	4.575	53	--	--	--	--	1.584.511	10.842.013	13.096.400	<b>23.938.413</b>
Real estate and letting services	--	2.429	--	--	--	--	113.973	51.240	59.974	1.080	63	--	--	--	--	--	171.631	57.128	<b>228.759</b>
Self-employment services	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Education services	--	--	--	--	--	--	533.394	26.308	120.041	292	1.313	--	--	--	--	--	618.097	63.251	<b>681.348</b>
Health and social services	--	--	--	--	--	--	318.515	50.940	122.197	25.003	55	--	--	--	--	--	435.443	81.267	<b>516.710</b>
<b>Other</b>	<b>310.268</b>	<b>833.557</b>	<b>1</b>	--	--	--	<b>3.127.557</b>	<b>9.848.464</b>	<b>3.403.801</b>	<b>282.728</b>	<b>5.404.555</b>	--	--	--	--	<b>2.616.418</b>	<b>23.417.981</b>	<b>2.409.368</b>	<b>25.827.349</b>
<b>Total</b>	<b>17.991.273</b>	<b>848.781</b>	<b>1</b>	--	--	<b>4.075.976</b>	<b>26.172.174</b>	<b>17.863.241</b>	<b>7.217.794</b>	<b>495.075</b>	<b>5.423.347</b>	--	--	--	--	<b>4.203.553</b>	<b>55.783.897</b>	<b>28.507.318</b>	<b>84.291.215</b>

(\*) Exposure categories are as per the Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks:

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B: Conditional and unconditional receivables from regional or local governments	J: Past due receivables
C: Conditional and unconditional receivables from administrative units and non-commercial enterprises	K: Receivables defined in high risk category by BRSA
D: Conditional and unconditional receivables from multilateral development banks	L: Securities collateralized by mortgages
E: Conditional and unconditional receivables from international organizations	M: Securitization positions
F: Conditional and unconditional receivables from banks and brokerage houses	N: Short-term receivables from banks, brokerage houses and corporates
G: Conditional and unconditional receivables from corporates	O: Investments similar to collective investment funds
H: Conditional and unconditional retail receivables	P: Other receivables

(\*\*) Includes risk amounts before the effect of credit risk mitigation but after the credit conversions.

**DENİZBANK ANONİM ŞİRKETİ**  
**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS**  
**AS OF 31 DECEMBER 2015**

(Currency: Thousands of TL - Turkish Lira)

*Convenience Translation of*  
*Unconsolidated Financial Report*  
*Originally Issued in Turkish,*  
*See Note 3.1.c*

**j. Analysis of maturity-bearing exposures according to remaining maturities**

Current Period: 31 December 2015

<b>Risk classifications</b>	<b>Undistributed (*)</b>	<b>1 month</b>	<b>1-3 months</b>	<b>3-6 months</b>	<b>6-12 months</b>	<b>Over 1 year</b>
Conditional and unconditional receivables from central governments or central banks	1.449.612	8.551.230	207.563	249.004	417.712	10.715.052
Conditional and unconditional receivables from regional or local governments	–	186	1.715	2.167	39.557	705.241
Conditional and unconditional receivables from administrative units and non-commercial enterprises	–	–	–	–	–	1
Conditional and unconditional receivables from multilateral development banks	–	–	–	–	–	–
Conditional and unconditional receivables from international organizations	–	–	–	–	–	–
Conditional and unconditional receivables from banks and brokerage houses	892.009	2.406.343	202.910	115.068	65.314	1.142.226
Conditional and unconditional receivables from corporates	112.929	4.628.554	2.392.646	3.029.139	6.025.788	15.356.422
Conditional and unconditional retail receivables	87	6.295.669	953.867	1.717.795	5.388.456	8.517.593
Conditional and unconditional receivables secured by mortgages	–	456.873	272.850	425.919	557.291	7.864.747
Past due receivables	663.363	2.803	31	48	12	6.023
Receivables defined in high risk category by BRSA	65.202	167.006	–	–	–	4.323.948
Securities collateralized by mortgages	–	–	–	–	–	–
Securitization positions	–	–	–	–	–	–
Short-term receivables from banks, brokerage houses and corporates	–	–	–	–	–	–
Investments similar to collective investment funds	–	432	–	139	–	–
Other receivables	6.637.284	23.324	8.533	1.347	6.793	102.825
<b>Total Amount</b>	<b>9.820.486</b>	<b>22.532.420</b>	<b>4.040.115</b>	<b>5.540.626</b>	<b>12.500.923</b>	<b>48.734.078</b>

(\*) Drawing amounts are included.

Prior Period: 31 December 2014

<b>Risk classifications</b>	<b>Undistributed (*)</b>	<b>1 month</b>	<b>1-3 months</b>	<b>3-6 months</b>	<b>6-12 months</b>	<b>Over 1 year</b>
Conditional and unconditional receivables from central governments or central banks	1.162.722	7.202.632	239.699	653.924	755.888	7.976.408
Conditional and unconditional receivables from regional or local governments	–	1.266	1.731	10.891	24.319	810.574
Conditional and unconditional receivables from administrative units and non-commercial enterprises	–	–	–	–	–	1
Conditional and unconditional receivables from multilateral development banks	–	–	–	–	–	–
Conditional and unconditional receivables from international organizations	–	–	–	–	–	–
Conditional and unconditional receivables from banks and brokerage houses	675.846	1.911.208	60.193	169.548	349.175	910.006
Conditional and unconditional receivables from corporates	4.772	3.573.811	2.261.414	2.178.568	4.238.438	13.915.171
Conditional and unconditional retail receivables	1.557	5.141.332	829.816	1.494.804	4.655.602	5.740.130
Conditional and unconditional receivables secured by mortgages	61	437.957	210.763	243.636	479.347	5.846.030
Past due receivables	488.952	1.829	–	–	–	4.294
Receivables defined in high risk category by BRSA	28.427	236.243	–	–	–	5.158.677
Securities collateralized by mortgages	–	–	–	–	–	–
Securitization positions	–	–	–	–	–	–
Short-term receivables from banks, brokerage houses and corporates	–	–	–	–	–	–
Investments similar to collective investment funds	–	–	–	–	–	–
Other receivables	4.165.494	306	7.041	2.365	1.275	27.072
<b>Total Amount</b>	<b>6.527.831</b>	<b>18.506.584</b>	<b>3.610.657</b>	<b>4.753.736</b>	<b>10.504.044</b>	<b>40.388.363</b>

(\*) Drawing amounts are included.

**k. Risk Classifications**

Credit ratings of International Credit Rating Agencies (CRA); Fitch, Moody's and Standard and Poors are used in the process of determining the risk weights as per the Article 6th of the Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks.

The scope of credit rating notes is valid for the non-residents and is limited to the receivables from Central Governments or Central Banks, and receivables from Banks and Brokerage Houses. When the credit ratings given by two different CRA for a particular receivable balance corresponding to different risk weights, the higher risk weight is taken into account; when the credit ratings given by more than two CRA corresponding to different risk weights then the higher of the lowest two risk weights is taken into account. According to the regulation credit ratings of the international CRA is not applicable for the receivables from the residents.

Current Period: 31 December 2015

Credit Quality Grade	Risk Rating			Risk Classifications			
	Fitch	Moody's	S&P	Receivables from Central Governments or Central Banks*	Receivables from Banks and Brokerage Houses		Corporate Receivables
					Receivables with Remaining Maturities Less Than 3 Months	Receivables with Remaining Maturities More Than 3 Months	
1	AAA	Aaa	AAA	0%	20%	20%	20%
	AA+	Aa1	AA+				
	AA	Aa2	AA				
	AA-	Aa3	AA-				
2	A+	A1	A+	20%	20%	50%	50%
	A	A2	A				
	A-	A3	A-				
	BBB+	Baa1	BBB+				
3	BBB	Baa2	BBB	50%	20%	50%	100%
	BBB-	Baa3	BBB-				
	BB+	Ba1	BB+				
	BB	Ba2	BB				
4	BB-	Ba3	BB-	100%	50%	100%	100%
	B+	B1	B+				
	B	B2	B				
	B-	B3	B-				
5	CCC	Caa1	CCC+	150%	150%	150%	150%
	CCC	Caa2	CCC				
	CCC	Caa3	CCC-				
	CC	Ca	CC				
6	C	C	C				
	D	C	D				



# DENİZBANK ANONİM ŞİRKETİ

## NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2015

(Currency: Thousands of TL - Turkish Lira)

*Convenience Translation of  
Unconsolidated Financial Report  
Originally Issued in Turkish,  
See Note 3.1.c*

Prior Period: 31 December 2014

Credit Quality Grade	Risk Rating			Risk Classifications			
	Fitch	Moody's	S&P	Receivables from Central Governments or Central Banks*	Receivables from Banks and Brokerage Houses		Corporate Receivables
					Receivables with Remaining Maturities Less Than 3 Months	Receivables with Remaining Maturities More Than 3 Months	
1	AAA	Aaa	AAA	0%	20%	20%	20%
	AA+	Aa1	AA+				
	AA	Aa2	AA				
	AA-	Aa3	AA-				
2	A+	A1	A+	20%	20%	50%	50%
	A	A2	A				
	A-	A3	A-				
	BBB+	Baa1	BBB+				
3	BBB	Baa2	BBB	50%	20%	50%	100%
	BBB-	Baa3	BBB-				
	BB+	Ba1	BB+				
	BB	Ba2	BB				
4	BB-	Ba3	BB-	100%	50%	100%	100%
	B+	B1	B+				
	B	B2	B				
	B-	B3	B-				
5	CCC	Caa1	CCC+	150%	150%	150%	150%
		Caa2	CCC				
		Caa3	CCC-				
		CC	CC				
6	C	C	C				
	D	D	D				

### I. Exposures by risk weights

Current Period: 31 December 2015

Risk Weight	0%	10%	20%	50%	75%	100%	150%	200%	250%	Equity Deductions
Exposures before Credit Risk Mitigation	21.230.309	–	3.017.252	3.637.106	26.960.726	43.711.321	1.829.605	2.765.162	17.167	1.379.912
Exposures after Credit Risk Mitigation	21.230.309	–	3.017.252	12.189.646	21.334.224	39.257.118	1.808.492	2.737.163	17.167	1.379.912

Prior Period: 31 December 2014

Risk Weight	0%	10%	20%	50%	75%	100%	150%	200%	250%	Equity Deductions
Exposures before Credit Risk Mitigation	18.806.793	–	2.048.241	2.052.186	20.752.570	35.071.231	1.459.981	3.961.984	138.227	698.995
Exposures after Credit Risk Mitigation	18.806.793	–	2.048.241	8.568.931	16.561.858	31.832.457	1.443.521	3.929.456	138.227	698.995

### m. Information by major sectors and type of counterparties

Impaired Loans; are the loans either overdue for more than 90 days or loans regarded as impaired due to their creditworthiness. For such loans, “specific provisions” are allocated as per the Provisioning Regulation.

Past Due Loans; are the loans those are overdue up to 90 days but not impaired. For such loans, “general provisions” are allocated as per the Provisioning Regulation.

**DENİZBANK ANONİM ŞİRKETİ**  
**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS**  
**AS OF 31 DECEMBER 2015**

(Currency: Thousands of TL - Turkish Lira)

*Convenience Translation of*  
*Unconsolidated Financial Report*  
*Originally Issued in Turkish,*  
*See Note 3.1.c*

Current Period: 31 December 2015

Important Sectors / Counterparties	Loans		Value Adjustments (*)	Provisions (**)
	Impaired	Past Due		
<b>Agricultural</b>	<b>202.461</b>	<b>509.323</b>	<b>15.135</b>	<b>146.677</b>
Farming and Cattle	201.990	507.985	15.084	146.460
Forestry	90	75	1	53
Fishing	381	1.263	50	164
<b>Manufacturing</b>	<b>148.105</b>	<b>455.772</b>	<b>18.616</b>	<b>97.851</b>
Mining	43.359	14.462	352	29.468
Production	99.957	353.321	14.288	66.588
Utilities (Electric, gas and water)	4.789	87.989	3.976	1.795
<b>Construction</b>	<b>142.906</b>	<b>93.612</b>	<b>2.393</b>	<b>106.098</b>
<b>Services</b>	<b>580.161</b>	<b>981.245</b>	<b>33.547</b>	<b>364.666</b>
Wholesale and retail trade	396.187	317.426	8.643	234.601
Hotel, food and beverage services	16.559	120.440	4.320	6.453
Transportation and telecommunication	52.892	410.418	15.708	42.076
Financial institutions	14.977	6.859	141	10.508
Real estate and letting services	3.369	4.491	108	1.882
Self-employment services	—	—	—	—
Education services	2.595	24.632	677	1.487
Health and social services	93.582	96.979	3.950	67.659
<b>Other</b>	<b>1.608.415</b>	<b>1.784.826</b>	<b>100.444</b>	<b>1.238.089</b>
<b>Total</b>	<b>2.682.048</b>	<b>3.824.778</b>	<b>170.135</b>	<b>1.953.381</b>

(\*) Representing the general provision of past due loans.

(\*\*) Representing specific provision amounts.

Prior Period: 31 December 2014

Important Sectors / Counterparties	Loans		Value Adjustments (*)	Provisions (**)
	Impaired	Past Due		
<b>Agricultural</b>	<b>169.098</b>	<b>159.103</b>	<b>5.016</b>	<b>128.475</b>
Farming and Cattle	169.033	158.442	5.001	128.417
Forestry	35	68	1	29
Fishing	30	593	14	29
<b>Manufacturing</b>	<b>96.694</b>	<b>381.251</b>	<b>16.486</b>	<b>64.657</b>
Mining	34.761	16.971	635	29.352
Production	57.945	291.013	12.271	34.307
Utilities (Electric, gas and water)	3.988	73.267	3.580	998
<b>Construction</b>	<b>128.264</b>	<b>55.375</b>	<b>1.678</b>	<b>94.400</b>
<b>Services</b>	<b>333.997</b>	<b>594.484</b>	<b>23.447</b>	<b>225.879</b>
Wholesale and retail trade	175.780	157.769	4.285	109.392
Hotel, food and beverage services	5.217	69.372	2.923	2.979
Transportation and telecommunication	43.653	326.548	14.552	35.432
Financial institutions	7.469	9.655	434	2.983
Real estate and letting services	1.192	3.910	94	870
Self-employment services	—	—	—	—
Education services	1.965	22.717	1.046	443
Health and social services	98.721	4.513	113	73.780
<b>Other</b>	<b>960.650</b>	<b>1.887.212</b>	<b>104.114</b>	<b>658.064</b>
<b>Total</b>	<b>1.688.703</b>	<b>3.077.425</b>	<b>150.741</b>	<b>1.171.475</b>

(\*) Representing the general provision of past due loans.

(\*\*) Representing specific provision amounts.

**DENİZBANK ANONİM ŞİRKETİ**  
**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS**  
**AS OF 31 DECEMBER 2015**

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**Movements in valuation adjustments and provisions**

<b>Current Period: 31 December 2015</b>	<b>Opening balance</b>	<b>Charge for the period</b>	<b>Releases of provisions</b>	<b>Other adjustments(*)</b>	<b>Ending balance</b>
Specific Provisions	1.171.475	958.000	(173.249)	(2.845)	1.953.381
General Provisions	820.581	163.628	–	–	984.209

(\*) Representing sales from the past due loans portfolio.

<b>Prior Period: 31 December 2014</b>	<b>Opening balance</b>	<b>Charge for the period</b>	<b>Releases of provisions</b>	<b>Other adjustments(*)</b>	<b>Ending balance</b>
Specific Provisions	998.370	664.294	(133.465)	(357.724)	1.171.475
General Provisions	707.836	112.745	–	–	820.581

(\*) Representing sales from the past due loans portfolio.

**n. Distribution of credit risk according to the operational segments**

<b>Current Period: 31 December 2015</b>	<b>Commercial Loans(*)</b>	<b>Consumer Loans</b>	<b>Credit Cards</b>	<b>Total</b>
Standard Loans	31.466.780	11.195.715	4.132.884	<b>46.795.379</b>
Closely Monitored Loans	2.528.745	1.093.319	202.714	<b>3.824.778</b>
Non-performing Loans	1.261.272	889.383	531.393	<b>2.682.048</b>
Specific Provision (-)	859.994	662.996	430.391	<b>1.953.381</b>
<b>Total</b>	<b>34.396.803</b>	<b>12.515.421</b>	<b>4.436.600</b>	<b>51.348.824</b>

<b>Prior Period: 31 December 2014</b>	<b>Commercial Loans(*)</b>	<b>Consumer Loans</b>	<b>Credit Cards</b>	<b>Total</b>
Standard Loans	25.405.208	10.259.631	3.836.431	<b>39.501.270</b>
Closely Monitored Loans	1.731.019	1.140.627	205.779	<b>3.077.425</b>
Non-performing Loans	837.830	508.416	342.457	<b>1.688.703</b>
Specific Provision (-)	593.815	343.473	234.187	<b>1.171.475</b>
<b>Total</b>	<b>27.380.242</b>	<b>11.565.201</b>	<b>4.150.480</b>	<b>43.095.923</b>

(\*) Commercial loans include commercial, corporate and SME loans.

The loans of The Bank amounting to TL 33.204.407 (31 December 2014: TL 26.384.596) are collateralized by cash, mortgage, cheques and notes obtained from customers.

**DENİZBANK ANONİM ŞİRKETİ**  
**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS**  
**AS OF 31 DECEMBER 2015**

(Currency: Thousands of TL - Turkish Lira)

*Convenience Translation of*  
*Unconsolidated Financial Report*  
*Originally Issued in Turkish,*  
*See Note 3.1.c*

**III. Explanations related to the market risk**

**Whether the bank within the financial risk management objectives hedges itself against market risk, the precautions taken by the Board of Directors for market risk, the methods used for measuring market risk and time intervals for measurement of market risk**

The Bank has defined its risk management procedures and has taken necessary precautions in order to avoid market risks, in compliance with "Regulation on Bank's Internal Control and Risk Management Systems" and "Regulation on Measurement and Assessment of Capital Adequacy Ratio of Banks". As the main precaution against being exposed to market risk, the Bank's Board of Directors identifies risk limits determined in the context of economic capital.

Standard method and the internal risk measurement model are used in calculating the market risk. The criteria for the standard method have been set by the BRSA and are reported on a monthly basis. Internal risk measurement model is applied on a daily basis.

Under the standard method, the measurements are made over the "trading book" as per the statutory accounting and reporting classification.

**a. Market risk**

	<b>Amount</b>
(I) Capital Obligation against General Market Risk - Standard Method	1.349
(II) Capital Obligation against Specific Risk - Standard Method	137
(III) Capital Obligation against Specific Risk of Securitization Positions- Standard Method	-
(IV) Capital Obligation against Currency Risk - Standard Method	27.617
(V) Capital Obligation against Commodity Risk - Standard Method	364
(VI) Capital Obligation against Clearing Risk - Standard Method	-
(VII) Capital Obligation against Options Subject to Market Risk - Standard Method	1.127
(VIII) Capital Obligation against Counterparty Credit Risk - Standard Method	560
(IX) Capital Obligation against Market Risk at the Banks calculating Risk Measuring Models	-
<b>(X) Total Capital Obligation against Market Risk (I+II+III+IV+V+VI+VII)</b>	<b>31.154</b>
<b>(XI) Value-At-Market-Risk (12,5 x IX) or (12,5 x X)</b>	<b>389.425</b>

**b. Average market risk**

	<b>Current Period: 31 December 2015</b>			<b>Prior Period: 31 December 2014</b>		
	<b>Average</b>	<b>Maximum</b>	<b>Minimum</b>	<b>Average</b>	<b>Maximum</b>	<b>Minimum</b>
Interest Rate Risk	3.617	19.703	1.486	23.805	38.130	15.008
Share Certificate Risk	-	-	-	151	469	-
Currency Risk	61.817	133.176	7.180	48.999	63.053	38.982
Commodity Risk	541	832	338	326	565	240
Clearing Risk	-	-	-	-	-	-
Option Risk	1.018	6.322	36	118	358	27
Counterparty Credit Risk	3.425	31.059	560	35.354	55.879	24.544
<b>Total Value-At-Risk</b>	<b>880.230</b>	<b>1.878.325</b>	<b>150.088</b>	<b>1.359.425</b>	<b>1.666.650</b>	<b>1.127.800</b>

**c. Quantitative information on counterparty risk**

In counterparty credit risk calculations, the fair value methodology is used according to the Appendix-2, Part 3 of the "Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks". Positions arising from existing netting contracts are not taken into account for capital adequacy calculations.

Transactions related to the credit derivatives do not have hedging purposes and details based on the type of transaction are as follows:

**DENİZBANK ANONİM ŞİRKETİ**  
**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS**  
**AS OF 31 DECEMBER 2015**

(Currency: Thousands of TL - Turkish Lira)

*Convenience Translation of*  
*Unconsolidated Financial Report*  
*Originally Issued in Turkish,*  
*See Note 3.1.c*

**Current Period: 31 December 2015**

	<b>Amount</b>
Interest-Rate Contracts	268.562
Foreign-Exchange-Rate Contracts	1.306.579
Commodity Contracts	2
Equity-Shares Related Contracts	-
Other	-
Gross Positive Fair Values	1.575.143
Netting Benefits	-
Net Current Exposure Amount	1.575.143
Collaterals Received	-
Net Derivative Position	1.575.143

**Prior Period: 31 December 2014**

	<b>Amount</b>
Interest-Rate Contracts	145.618
Foreign-Exchange-Rate Contracts	1.243.563
Commodity Contracts	169
Equity-Shares Related Contracts	-
Other	-
Gross Positive Fair Values	1.389.350
Netting Benefits	-
Net Current Exposure Amount	1.389.350
Collaterals Received	-
Net Derivative Position	1.389.350

**IV. Explanations related to the operational risk**

The Bank used the "Basic Indicators Approach" in computation of its operational risk. In accordance with the 4th section (Computation of the Operational Risk) which is valid after 1 July 2012, of the "Regulation on Measurement and Evaluation of the Capital Adequacy of the Banks", published in the Official Gazette dated 28 June 2012 and numbered 28337, operational risk is computed using the gross income of the Bank for the years ended 2014, 2013 and 2012. As explained in detail in Note I of this section, value at operational risk within the context of "Capital Adequacy Ratio" and operational risk capital liabilities are TL 5.384.583 and TL 430.767, respectively.

	<b>31.12.2012</b>	<b>31.12.2013</b>	<b>31.12.2014</b>	<b>Total / No. of Years of Positive GI</b>	<b>Rate (%)</b>	<b>Total</b>
Gross Income (GI)	2.476.874	2.889.648	3.248.811	2.871.778	15	<b>430.767</b>
Value at Operational Risk (Total*12,5)						<b>5.384.583</b>

**V. Explanations related to the foreign currency exchange rate risk****a. Foreign exchange risk the Bank is exposed to, related estimations, and the limits set by the Board of Directors of the Bank for positions which are monitored daily**

Foreign currency exchange and parity risks are taken by the Bank within defined value at risk limits. Measurable and manageable risks are taken within legal limits.

Foreign currency exchange rate risk is monitored along with potential evaluation differences in foreign currency transactions in accordance with "Regulation on Bank's Internal Control and Risk Management Systems". Value at Risk approach is used to measure the exchange rate risk and calculations are made on a daily basis.

Based on general economic environment and market conditions the Bank's Board of Directors reviews the risk limits daily and makes changes where necessary.

**b. The magnitude of hedging foreign currency debt instruments and net foreign currency investments by using derivatives**

The Bank applies net investment accounting hedge as of 1 July 2015 in order to ensure exchange difference hedge sourcing from equity method implementation for its net investment at a total amount of Euro 854 million and US Dollar 6,5 million belonging to Denizbank AG and Eurodeniz, which are subsidiaries of the Bank. A part of foreign currency deposits at same amounts is defined as hedging instrument and the part, in which the value change sourcing from foreign currency exchange rates is effective, is recognized in hedge funds under shareholder's equity.

**c. Foreign exchange risk management strategy**

Foreign currency exchange and parity risks are taken by the Bank within defined value at risk limits. Measurable and manageable risks are taken within legal limits.

**d. The Bank's spot foreign exchange bid rates as of the balance sheet date and for each of the five days prior to that date**

US Dollar purchase rate as at the balance sheet date	TL 2,9181
Euro purchase rate as at the balance sheet date	TL 3,1838

<u>Date</u>	<u>US Dollar</u>	<u>Euro</u>
25 December 2015	2,9123	3,1904
28 December 2015	2,9157	3,2006
29 December 2015	2,9084	3,1921
30 December 2015	2,9076	3,1776
31 December 2015	2,9181	3,1838

**e. The basic arithmetical average of the Bank's foreign exchange bid rate for the last thirty days prior to the balance sheet date**

The arithmetical average US Dollar and Euro purchase rates for December 2015 are TL 2,9177 and TL 3,1765, respectively.

**DENİZBANK ANONİM ŞİRKETİ**  
**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS**  
**AS OF 31 DECEMBER 2015**

(Currency: Thousands of TL - Turkish Lira)

*Convenience Translation of*  
*Unconsolidated Financial Report*  
*Originally Issued in Turkish,*  
*See Note 3.1.c*

**f. Information on currency risk**

<b>Current Period</b>	<b>EUR</b>	<b>USD</b>	<b>Other FC <sup>(4)</sup></b>	<b>Total</b>
<b>Assets</b>				
Cash and Balances with the Central Bank of the Republic of Turkey	1.855.796	5.955.748	1.752.483	<b>9.564.027</b>
Due from Banks and Other Financial Institutions	705.203	1.410.457	83.304	<b>2.198.964</b>
Financial Assets at Fair Value Through Profit or Loss <sup>(1)</sup>	91.488	68.480	1	<b>159.969</b>
Interbank Money Market Placements	—	—	—	<b>—</b>
Investment Securities Available-for-Sale	309.671	1.012.865	—	<b>1.322.536</b>
Loans <sup>(2)</sup>	2.904.420	8.296.479	485.054	<b>11.685.953</b>
Investments in Subsidiaries and Associates	3.148.650	87.801	—	<b>3.236.451</b>
Investment Securities Held-to-Maturity	—	366.569	—	<b>366.569</b>
Hedging Purpose Financial Derivatives	—	—	—	<b>—</b>
Tangible Assets	—	6	—	<b>6</b>
Intangible Assets	—	—	—	<b>—</b>
Other Assets <sup>(3)</sup>	151.880	85.150	49.646	<b>286.676</b>
<b>Total Assets</b>	<b>9.167.108</b>	<b>17.283.555</b>	<b>2.370.488</b>	<b>28.821.151</b>
<b>Liabilities</b>				
Bank Deposits	195.671	375.583	503.482	<b>1.074.736</b>
Foreign Currency Deposits	6.776.219	12.043.539	597.607	<b>19.417.365</b>
Interbank Money Markets	—	—	—	<b>—</b>
Funds Borrowed from Other Financial Institutions	5.150.001	10.198.333	1.579	<b>15.349.913</b>
Marketable Securities Issued	—	—	—	<b>—</b>
Miscellaneous Payables	438.234	64.476	985	<b>503.695</b>
Hedging Purpose Financial Derivatives	—	—	—	<b>—</b>
Other Liabilities <sup>(5)</sup>	306.030	633.700	2.280	<b>942.010</b>
<b>Total Liabilities</b>	<b>12.866.155</b>	<b>23.315.631</b>	<b>1.105.933</b>	<b>37.287.719</b>
<b>Net "On Balance Sheet Position"</b>	<b>(3.699.047)</b>	<b>(6.032.076)</b>	<b>1.264.555</b>	<b>(8.466.568)</b>
<b>Net "Off-Balance Sheet Position" <sup>(6)</sup></b>	<b>4.017.120</b>	<b>6.229.812</b>	<b>(1.257.962)</b>	<b>8.988.970</b>
Financial Derivatives (Assets)	14.719.000	24.457.815	835.435	<b>40.012.250</b>
Financial Derivatives (Liabilities)	(10.701.880)	(18.228.003)	(2.093.397)	<b>(31.023.280)</b>
<b>Net Position</b>	<b>318.073</b>	<b>197.736</b>	<b>6.593</b>	<b>522.402</b>
Non-Cash Loans	4.765.432	10.435.291	214.561	<b>15.415.284</b>
<b>(*) Prior Period</b>				
Total Assets	7.239.686	14.353.349	2.009.290	<b>23.602.325</b>
Total Liabilities	9.602.259	19.029.174	1.351.277	<b>29.982.710</b>
<b>Net "On Balance Sheet Position"</b>	<b>(2.362.573)</b>	<b>(4.675.825)</b>	<b>658.013</b>	<b>(6.380.385)</b>
<b>Net "Off-Balance Sheet Position"</b>	<b>2.875.523</b>	<b>4.594.836</b>	<b>(646.280)</b>	<b>6.824.079</b>
Financial Derivatives (Assets)	8.257.287	20.662.852	1.024.615	<b>29.944.754</b>
Financial Derivatives (Liabilities)	(5.381.764)	(16.068.016)	(1.670.895)	<b>(23.120.675)</b>
<b>Net Position</b>	<b>512.950</b>	<b>(80.989)</b>	<b>11.733</b>	<b>443.694</b>
Non-Cash Loans	3.512.998	9.098.661	143.899	<b>12.755.558</b>

(\*) Prior period balances are rearranged retrospectively as a result of equity method implementation.

(1) : Foreign currency differences of derivative assets amounting to TL 62.858 are excluded.

(2) : Foreign currency indexed loans amounting to TL 2.872.790 are included.

(3) : Prepaid expenses amounting to TL 7.710 are excluded.

(4) : There are gold amounts in total assets amounting to TL 2.179.066 and in total liabilities amounting to TL 831.715

(5) : Not including the exchange rate difference of TL 119.510 pertaining to derivative financial loans and the FX equity of TL 41.399.

(6) : Net amount of Receivables and Liabilities from financial derivatives is shown on the table. FX SWAP Transactions that reported under the "Financial Assets Purchase Pledges" is included in "Net Off-Balance Sheet Position".

**g. Informations on currency risk exposure**

The table below demonstrates prospective increase and decrease in equities and the statement of income as of 31 December 2015 and 2014 (excluding tax effect) on condition that 10 percent devaluation of TL against the currencies below. This analysis has been prepared under the assumption that all other variables, especially interest rates, to be constant.

	Curent Period		Prior Period	
	Period Profit Loss	Equity (*)	Period Profit Loss	Equity (*)
US Dollar	11.051	4.493	13.046	10.770
Euro	22.623	22.433	(51.310)	(51.107)
<b>Total (Net)</b>	<b>33.674</b>	<b>26.926</b>	<b>(38.264)</b>	<b>(40.337)</b>

(\*) Equity impact also includes the income statement impact occurring if TL loses in value at an amount of 10% against other currencies.

**VI. Explanations related to the interest rate risk****a. Interest rate sensitivity of the assets, liabilities and off-balance sheet items**

Standard method is used in measuring the interest rate risk of assets, liabilities and off-balance sheet items.

**b. The expected effects of the fluctuations of market interest rates on the Bank's financial position and cash flows, the expectations for interest income, and the limits the board of directors has established on daily interest rates**

The Bank relies on sensitivity in determining limits against negative market conditions and monitors the risk within this context. Sensitivity calculations are made and limits are monitored on a weekly basis.

Market interest rates are monitored daily and interest rates are revised where necessary.



# DENİZBANK ANONİM ŞİRKETİ

## NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2015

(Currency: Thousands of TL - Turkish Lira)

*Convenience Translation of  
Unconsolidated Financial Report  
Originally Issued in Turkish,  
See Note 3.1.c*

**c. The precautions taken for the interest rate risk the Bank was exposed to during the current year and their expected effects on net income and shareholders' equity in the future periods**

The Bank uses sensitivity analysis, historical stress-testing and value at risk methods to analyze and take precautions against interest rate risk faced during current period. Interest sensitivity limits have been defined and limits are being monitored on a weekly basis.

"Interest rate sensitivity of assets, liabilities and off-balance sheet items (Based on repricing dates)":

Current Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Non- Interest Bearing	Total
<b>Assets</b>							
Cash and Balances with the Central Bank of the Republic of Turkey	3.360.162	–	–	–	–	7.398.981	<b>10.759.143</b>
Due from Banks and Other Fin. Inst.	1.298.618	207.290	–	–	–	714.648	<b>2.220.556</b>
Financial Assets at Fair Value Through Profit or Loss	48.994	239.947	161.650	549.871	115.599	519	<b>1.116.580</b>
Interbank Money Market Placements	1.200.353	–	–	–	–	–	<b>1.200.353</b>
Investment Securities Av.-for-Sale	215.728	877.520	1.735.851	2.678.795	2.903.701	112.884	<b>8.524.479</b>
Loans	10.119.356	4.222.891	7.938.850	20.258.656	8.080.404	728.667	<b>51.348.824</b>
Investment Securities Held-to-Mat.	1.506.874	225.380	307.994	453.552	747.978	–	<b>3.241.778</b>
Other Assets (*)	–	–	–	–	–	5.808.954	<b>5.808.954</b>
<b>Total Assets</b>	<b>17.750.085</b>	<b>5.773.028</b>	<b>10.144.345</b>	<b>23.940.874</b>	<b>11.847.682</b>	<b>14.764.653</b>	<b>84.220.667</b>
<b>Liabilities</b>							
Bank Deposits	710.713	523.358	145.986	–	–	90.540	<b>1.470.597</b>
Other Deposits	26.079.808	8.516.931	2.142.628	11.564	–	8.366.049	<b>45.116.980</b>
Interbank Money Market Placements	7.184.158	–	–	–	–	–	<b>7.184.158</b>
Miscellaneous Payables	–	–	–	–	–	1.642.761	<b>1.642.761</b>
Marketable Securities Issued	241.632	337.501	249.792	430.273	–	–	<b>1.259.198</b>
Funds Borrowed from Other Fin. Inst.	2.099.659	4.892.557	4.715.487	165.864	3.671.468	–	<b>15.545.035</b>
Other Liabilities (**)	61.277	82.006	32.247	333.605	95.326	11.397.477	<b>12.001.938</b>
<b>Total Liabilities</b>	<b>36.377.247</b>	<b>14.352.353</b>	<b>7.286.140</b>	<b>941.306</b>	<b>3.766.794</b>	<b>21.496.827</b>	<b>84.220.667</b>
On Balance Sheet Long Position	–	–	2.858.205	22.999.568	8.080.888	–	<b>33.938.661</b>
On Balance Sheet Short Position	(18.627.162)	(8.579.325)	–	–	–	(6.732.174)	<b>(33.938.661)</b>
Off-Balance Sheet Long Position	2.161.735	7.312.989	6.862.938	3.587.715	2.778.546	–	<b>22.703.923</b>
Off-Balance Sheet Short Position	(797.619)	(8.445.792)	(3.821.445)	(6.666.571)	(2.120.986)	–	<b>(21.852.413)</b>
<b>Total Interest Sensitivity Gap</b>	<b>(17.263.046)</b>	<b>(9.712.128)</b>	<b>5.899.698</b>	<b>19.920.712</b>	<b>8.738.448</b>	<b>(6.732.174)</b>	<b>851.510</b>

(\*) Other assets/non-interest bearings include; Tangible Assets, Intangible Assets, Investments in Associates, Tax Assets, Investments in Subsidiaries, Joint Ventures, Assets to be sold and other assets with balances of TL 401.028, TL 171.178, TL 8.654, TL 85.376, TL 3.939.731, TL 2.800, TL 81.860 and TL 1.118.327 respectively.

(\*\*) Other liabilities/non-interest bearings include; Shareholders' Equity, Other Foreign Liabilities, Provisions, Tax Liabilities with balances of TL 8.269.319, TL 1.773.465, TL 1.206.404, and TL 148.289 respectively.

# DENİZBANK ANONİM ŞİRKETİ

## NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2015

(Currency: Thousands of TL - Turkish Lira)

*Convenience Translation of  
Unconsolidated Financial Report  
Originally Issued in Turkish,  
See Note 3.1.c*

(*) Prior Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Non- Interest Bearing	Total
<b>Assets</b>							
Cash and Balances with the Central Bank of the Republic of Turkey	344.542	–	–	–	–	9.056.138	<b>9.400.680</b>
Due from Banks and Other Fin. Inst.	1.134.496	202.620	58.711	–	–	349.857	<b>1.745.684</b>
Financial Assets at Fair Value Through Profit or Loss	241.007	74.326	293.429	386.419	67.374	430	<b>1.062.985</b>
Interbank Money Market Placements	970.298	–	–	–	–	–	<b>970.298</b>
Investment Securities Av.-for-Sale	114.367	814.444	2.440.772	1.203.619	2.113.126	3.929	<b>6.690.257</b>
Loans	9.027.632	3.917.411	5.754.609	16.300.814	7.578.229	517.228	<b>43.095.923</b>
Investment Securities Held-to-Mat.	1.406.318	209.684	286.826	408.684	711.195	–	<b>3.022.707</b>
Other Assets (**)	–	–	–	–	–	4.942.083	<b>4.942.083</b>
<b>Total Assets</b>	<b>13.238.660</b>	<b>5.218.485</b>	<b>8.834.347</b>	<b>18.299.536</b>	<b>10.469.924</b>	<b>14.869.665</b>	<b>70.930.617</b>
<b>Liabilities</b>							
Bank Deposits	969.884	458.460	17.178	–	–	102.940	<b>1.548.462</b>
Other Deposits	23.931.228	8.768.859	1.485.050	2.826	–	7.364.247	<b>41.552.210</b>
Interbank Money Market Placements	2.698.848	–	–	–	–	–	<b>2.698.848</b>
Miscellaneous Payables	–	–	–	–	–	1.349.865	<b>1.349.865</b>
Marketable Securities Issued	79.573	636.898	337.343	568.084	–	–	<b>1.621.898</b>
Funds Borrowed from Other Fin. Inst.	1.180.716	2.552.167	2.738.677	1.103.999	3.855.776	–	<b>11.431.335</b>
Other Liabilities (***)	271.605	411.300	405.842	146.330	68.536	9.424.386	<b>10.727.999</b>
<b>Total Liabilities</b>	<b>29.131.854</b>	<b>12.827.684</b>	<b>4.984.090</b>	<b>1.821.239</b>	<b>3.924.312</b>	<b>18.241.438</b>	<b>70.930.617</b>
On Balance Sheet Long Position	–	–	3.850.257	16.478.297	6.545.612	–	<b>26.874.166</b>
On Balance Sheet Short Position	(15.893.194)	(7.609.199)	–	–	–	(3.371.773)	<b>(26.874.166)</b>
Off-Balance Sheet Long Position	2.056.734	3.646.685	1.098.249	4.759.658	993.026	–	<b>12.554.352</b>
Off-Balance Sheet Short Position	(962.205)	(4.614.187)	(1.474.205)	(3.827.091)	(993.026)	–	<b>(11.870.714)</b>
<b>Total Interest Sensitivity Gap</b>	<b>(14.798.665)</b>	<b>(8.576.701)</b>	<b>3.474.301</b>	<b>17.410.864</b>	<b>6.545.612</b>	<b>(3.371.773)</b>	<b>683.638</b>

(\*) Prior period balances are rearranged retrospectively as a result of equity method implementation.

(\*\*) Other assets/non-interest bearings include; Tangible Assets, Intangible Assets, Investments in Associates, Tax Assets, Investments in Subsidiaries, Joint Ventures, Assets to be sold and other assets with balances of TL 407.604, TL 146.312, TL 8.654, TL 95.455, TL 3.011.308, TL 2.800, TL 95.107 and TL 1.174.843 respectively.

(\*\*\*) Other liabilities/non-interest bearings include; Shareholders' Equity, Other Foreign Liabilities, Provisions, Tax Liabilities with balances of TL 7.139.155, TL 961.148, TL 1.065.959, and TL 258.124 respectively.

**DENİZBANK ANONİM ŞİRKETİ**  
**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS**  
**AS OF 31 DECEMBER 2015**

(Currency: Thousands of TL - Turkish Lira)

*Convenience Translation of*  
*Unconsolidated Financial Report*  
*Originally Issued in Turkish,*  
*See Note 3.1.c*

**d. Average interest rates applied to monetary financial instruments**

<b>Current Period: 31 December 2015</b>	<b>EUR %</b>	<b>USD %</b>	<b>JPY %</b>	<b>TL %</b>
<b>Assets</b>				
Cash and Balances with the Central Bank of the Republic of Turkey	–	0,31	–	5,47
Due from Banks and Other Financial Institutions	1,50	0,34	–	11,48
Financial Assets at Fair Value Through Profit or Loss	3,28	5,01	–	9,13
Interbank Money Market Placements	–	–	–	10,74
Investment Securities Available-for-Sale	2,92	4,17	–	8,56
Loans	5,05	5,35	5,29	15,34
Investment Securities Held-to-Maturity	–	4,04	–	9,35
<b>Liabilities</b>				
Bank Deposits	1,00	2,09	–	11,28
Other Deposits	1,67	1,98	0,17	11,92
Interbank Money Market Placements	–	–	–	8,83
Miscellaneous Payables	–	–	–	–
Marketable Securities Issued	–	–	–	10,24
Funds Borrowed from Other Financial Institutions	1,48	2,10	–	6,66
<b>Prior Period: 31 December 2014</b>	<b>EUR %</b>	<b>USD %</b>	<b>JPY %</b>	<b>TL %</b>
<b>Assets</b>				
Cash and Balances with the Central Bank of the Republic of Turkey	–	–	–	1,54
Due from Banks and Other Financial Institutions	0,05	0,22	–	11,06
Financial Assets at Fair Value Through Profit or Loss	2,99	4,22	–	9,95
Interbank Money Market Placements	–	–	–	11,23
Investment Securities Available-for-Sale	4,17	4,61	–	9,21
Loans	5,42	5,29	5,26	14,11
Investment Securities Held-to-Maturity	–	5,09	–	10,78
<b>Liabilities</b>				
Bank Deposits	0,13	0,32	–	10,73
Other Deposits	2,24	2,24	0,10	10,09
Interbank Money Market Placements	–	–	–	8,25
Miscellaneous Payables	–	–	–	–
Marketable Securities Issued	–	–	–	9,19
Funds Borrowed from Other Financial Institutions	0,96	1,80	–	7,61

**e. Interest rate risk on banking book**

**Nature of interest rate risk resulted from banking book, major assumptions including also early repayment of loans and movements in deposits other than term deposits and frequency of measuring interest rate risk**

Interest rate risk resulted from banking book is due to repricing maturity differences of assets and liabilities. Considering repricing maturities, average maturity of asset items is higher than the average maturity of liability items.

Interest risk is evaluated weekly considering size, developments at maturity structure and interest movements relating to asset and liability items. Interest risk exposed by the bank is managed centrally by the asset and liability committee and within the direction of decisions taken, the balance sheet interest sensitivity is aimed at minimum level and insured by interest based derivative contracts.

The effect of potential changes on interest rates to net present value is calculated within the scope of "Regulation on Measurement and Evaluation of Interest Rate Risk Resulted from Banking Book as per Standard Shock Method" and reported monthly.

Measurements performed with Standard Shock Method include all on and off balance sheet items in the "Banking Book" based on the classification as per the statutory accounting and reporting. Maturity assumption relating to demand deposits is overviewed yearly with analyses over at least five year data. By such analyses, the Bank gathers information on average duration of its demand deposits, and the amount and trend of deposit charge offs from different maturity brackets.

**Economic value differences resulted from interest rate instabilities and prepared based on the Bank's non-consolidated financial statements according to Regulation on Measurement and Evaluation of Interest Rate Risk Resulted from Banking Book as per Standard Shock Method**

Interest rate risk for all banking transactions outside the trading portfolio are followed under interest rate risk related to the banking book. Interest rate risk related to the trading portfolio is followed under market risk.

ALCO performs daily management of interest rate risk in accordance with the risk limits set by the Board of Directors of the Bank in relation to interest rate sensitivities of the banking book. ALCO meetings are held on a weekly basis.

The measurement process of interest rate risk resulting from the banking book is designed and managed by the Bank on a bank-only basis to include the interest rate positions defined as banking book by the Bank and to consider the relevant repricing and maturity data. Duration gaps, gaps by maturity brackets and sensitivity analysis are used in monitoring of repricing risk resulting from maturity mismatch. The duration gap and sensitivity analysis are carried out weekly. In the duration gap analysis, the present values of interest-rate-sensitive asset and liability items are calculated using yield curves developed from market interest rates.

In case of instruments with no maturities, the maturity is determined as per interest rate fixing periods and customer behaviors. Such results are supported by sensitivity and scenario analysis applied periodically for possible fluctuations in the markets.

The Bank's economic value differences arising from the interest rate fluctuations pursuant to the "Regulation on the Measurement and Assessment of Interest Rate Risk Arising from Banking Accounts According to the Standard Shock Method" in a manner separated by different currencies are demonstrated in the following table as of 31 December 2015.

**DENİZBANK ANONİM ŞİRKETİ****NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS  
AS OF 31 DECEMBER 2015**

(Currency: Thousands of TL - Turkish Lira)

*Convenience Translation of  
Unconsolidated Financial Report  
Originally Issued in Turkish,  
See Note 3.1.c*

<b>Current Period: 31 December 2015</b>	<b>Shocks Applied</b>		<b>Gains/ Equity</b>
<b>Type of Currency</b>	<b>(+/- basis points)</b>	<b>Gains/ Losses</b>	<b>- Losses/ Equity</b>
1 TL	(+) 500 bps	(2.185.416)	(17,90%)
2 TL	(-) 400 bps	2.156.274	17,67%
3 Euro	(+) 200 bps	79.948	0,66%
4 Euro	(-) 200 bps	(74.098)	(0,61%)
5 US Dollar	(+) 200 bps	23.151	0,19%
6 US Dollar	(-) 200 bps	(18.178)	(0,15%)
<b>Total (of positive shocks)</b>		<b>(2.082.317)</b>	<b>(17,05%)</b>
<b>Total (of negative shocks)</b>		<b>2.063.998</b>	<b>16,91%</b>

<b>Prior Period: 31 December 2014</b>	<b>Shocks Applied</b>		<b>Gains/ Equity</b>
<b>Type of Currency</b>	<b>(+/- basis points)</b>	<b>Gains/ Losses</b>	<b>- Losses/ Equity</b>
1 TL	(+) 500 bps	(1.822.945)	(19,92%)
2 TL	(-) 400 bps	1.840.580	20,11%
3 Euro	(+) 200 bps	27.684	0,30%
4 Euro	(-) 200 bps	(475)	(0,01%)
5 US Dollar	(+) 200 bps	119.192	1,30%
6 US Dollar	(-) 200 bps	(140.578)	(1,54%)
<b>Total (of positive shocks)</b>		<b>(1.676.069)</b>	<b>(18,32%)</b>
<b>Total (of negative shocks)</b>		<b>1.699.527</b>	<b>18,56%</b>

**VII. Position risk of equity shares on banking book****a. Comparison of carrying, fair and market values of equity shares**

The Bank does not have associate and subsidiary traded at BIST markets as of 31 December 2015 (31 December 2014: None).

**b. Realized gains/losses, revaluation surpluses and unrealized gains/losses on equity securities and results included in core and supplementary capital**

None (31 December 2014: None).

**VIII. Explanations related to the liquidity risk**

Liquidity risk can form as a result of significant changes which can happen in market liquidity or a general funding risk. Funding risk states the risk of not meeting cash outflows completely because of maturity mismatch between assets and liabilities while market liquidity risk states the risk of not liquidating assets because of a collision in market conditions or insufficient market depth.

The securities portfolio of the Bank carried in order to liquidity risk management is structured in a way to consist of public securities and treasury stocks issued by Treasury of Turkey in order to reduce liquidity risk sourcing from market to minimum level. Criteria and principles related to security investments which shall be received to this portfolio are committed on paper and approved by the related committee.

Management of risk sourcing from funding presents the fundamental of liquidity management activities of the Bank. Main funding source of the Bank is deposits since it is a more stable funding source compared to other sources and it has a diversification effect. Additionally, security issuance and credit usage activities are performed in order to extend the maturity of funding.

A large majority of Bank's liabilities consist of TL, US Dollar, Euro and gold. The main foreign currency funding source of the Bank is credit received from deposit and credit agencies. Foreign currency liquidity risk is at a low level since the foreign currency sources of the Bank are at a higher level than assets.

The Board of Directors approved "Risk Appetite Disclosure" on 30 March 2015 in order to manage risks in accordance with the Bank's strategy and its financial power. Risk Appetite Disclosure includes limits towards liquidity risks besides other risk limits. Risk appetite limits are reported to senior management monthly in scope of risk management activities.

Short-term liquidity management of the Bank is under the responsibility of Treasury Group. Treasury Group reports to Assets and Liabilities Committee (ALCO) weekly related to liquidity structure. ALCO has an active role in establishing related systems and monitoring and decision making processes regarding liquidity risk management. ALCO is also responsible and authorized for monitoring current liquidity position and legal and internal liquidity indicators and taking decisions related to liquidity management taking risk appetite framework into consideration.

Liquidity risk management is performed as par consolidated and non-consolidated. In this context, liquidity monitoring and management in associates are performed by the related associate and monitored closely by the Bank.

Scenario analyses, including specific conditions having significance with respect to liquidity which have been experienced or which shall possibly be experienced, are performed in order to measure liquidity level under stress conditions. A liquidity level at a sufficient amount to meet all liabilities even under stress conditions is aimed in scope of this scenario analyses through evaluating measures which can be taken. Assumptions related to liquidity stress tests are reviewed annually at minimum. Periodical stress tests are performed within the determined scenarios and liquidity situation is monitored.

An "Emergency Liquidity Action Plan" is established in order to form a trustable and proactive tracking mechanism which can provide keeping sufficient liquidity reserve under all conditions and to make forecast regarding measures which can be taken against unexpected liquidity squeezes of the Bank. It is approved by the Board of Directors. Emergency Liquidity Action Plan includes target levels towards several liquidity indicators related to liquidity reserves and balance sheet structure besides duties and responsibilities related to liquidity management.

Liquidity coverage rates calculated in accordance with the Regulation on Calculation of Bank's Liquidity Coverage rate published in Official Gazette dated 21 March 2014 and numbered 28948 are as follows. Unconsolidated foreign currency rate calculated for the last three months is at the lowest level in the week of 2 October 243,21 and at the highest level in the week of 27 November 298,18 while the liquidity coverage rate is at the lowest level in the week of 9 October 83,74 and at the highest level in the week of 25 December 93,56.

# DENİZBANK ANONİM ŞİRKETİ

## NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2015

(Currency: Thousands of TL - Turkish Lira)

*Convenience Translation of  
Unconsolidated Financial Report  
Originally Issued in Turkish,  
See Note 3.1.c*

### a. Liquidity coverage ratio

Current Period	Total unweighted value (*)		Total weighted value (*)	
	TL+FC	FC	TL+FC	FC
<b>HIGH QUALITY LIQUID ASSETS (HQLA)</b>				
1 Total High Quality Liquid Assets			13.535.453	8.825.981
<b>CASH OUTFLOWS</b>				
2 Retail deposits and deposits from small business customers, of which	28.092.537	10.943.681	2.600.765	1.051.147
3 Stable deposits	4.169.762	864.419	208.488	43.221
4 Less stable deposits	23.922.775	10.079.262	2.392.277	1.007.926
5 Unsecured wholesale funding, of which	18.221.392	9.478.063	9.238.816	4.908.944
6 Operational deposits	4.693.613	2.485.587	1.173.403	621.397
7 Non-operational deposits	11.032.394	5.997.364	5.570.028	3.292.435
8 Unsecured debt	2.495.385	995.112	2.495.385	995.112
9 Secured wholesale funding			—	—
10 Additional requirements of which	45.829.926	20.305.611	5.270.617	5.802.722
11 Outflows related to derivative exposures and other collateral requirements	924.915	3.531.166	924.915	3.531.166
12 Outflows related to loss of funding on debt products	—	—	—	—
13 Credit and liquidity facilities	44.905.011	16.774.445	4.345.702	2.271.556
14 Other contractual funding obligations	6.269.234	956.931	1.754.126	956.931
15 Other contingent funding obligations	—	—	—	—
<b>16 TOTAL CASH OUTFLOWS</b>			18.864.324	12.719.744
<b>CASH INFLOWS</b>				
17 Secured lending	—	—	—	—
18 Inflows from fully performing exposures	4.981.852	1.547.825	3.294.987	1.447.204
19 Other cash inflows	266.248	10.801.819	205.298	10.769.863
<b>20 TOTAL CASH INFLOWS</b>	5.248.100	12.349.644	3.500.285	12.217.067
			<b>Total adjusted value</b>	
<b>21 TOTAL HQLA</b>			13.535.453	8.825.981
<b>22 TOTAL NET CASH OUTFLOWS</b>			15.364.039	3.179.936
<b>23 LIQUIDITY COVERAGE RATIO (%)</b>			88,2	275,1

(\*) Average of unconsolidated liquidity coverage rate which is calculated by means of monthly simple arithmetic average for the last three months, average of unconsolidated liquidity coverage rate which is calculated by means of weekly simple arithmetic average for the last three months

# DENİZBANK ANONİM ŞİRKETİ

## NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2015

(Currency: Thousands of TL - Turkish Lira)

*Convenience Translation of  
Unconsolidated Financial Report  
Originally Issued in Turkish,  
See Note 3.1.c*

Prior Period	Total unweighted value (*)		Total weighted value (*)	
	TL+FC	FC	TL+FC	FC
<b>HIGH QUALITY LIQUID ASSETS (HQLA)</b>				
1 Total High Quality Liquid Assets			15.102.581	6.808.373
<b>CASH OUTFLOWS</b>				
2 Retail deposits and deposits from small business customers, of which	22.017.871	7.348.049	2.045.901	700.157
3 Stable deposits	3.117.726	692.946	155.886	34.647
4 Less stable deposits	18.900.145	6.655.103	1.890.015	665.510
5 Unsecured wholesale funding, of which	17.863.219	10.757.874	9.372.914	5.816.059
6 Operational deposits	2.390.628	1.145.112	597.657	286.278
7 Non-operational deposits	12.776.496	8.176.526	6.081.734	4.096.118
8 Unsecured debt	2.696.095	1.436.236	2.693.523	1.433.663
9 Secured wholesale funding			—	—
10 Additional requirements of which	40.829.383	15.363.530	4.302.478	4.086.192
11 Outflows related to derivative exposures and other collateral requirements	582.082	2.440.558	582.082	2.440.558
12 Outflows related to loss of funding on debt products	—	—	—	—
13 Credit and liquidity facilities	40.247.301	12.922.972	3.720.396	1.645.634
14 Other contractual funding obligations	4.151.154	893.855	1.591.608	893.855
15 Other contingent funding obligations	—	—	—	—
<b>16 TOTAL CASH OUTFLOWS</b>			17.312.901	11.496.263
<b>CASH INFLOWS</b>				
17 Secured lending	526.725	—	—	—
18 Inflows from fully performing exposures	4.995.876	1.419.707	3.489.342	1.337.323
19 Other cash inflows	233.774	7.925.996	233.774	7.925.996
<b>20 TOTAL CASH INFLOWS</b>	5.756.375	9.345.703	3.723.116	9.263.319
			<b>Total adjusted value</b>	
<b>21 TOTAL HQLA</b>			15.102.581	6.808.373
<b>22 TOTAL NET CASH OUTFLOWS</b>			13.589.785	2.874.066
<b>23 LIQUIDITY COVERAGE RATIO (%)</b>			111,7	216,9

(\*) Average of unconsolidated liquidity coverage rate which is calculated by means of monthly simple arithmetic average for the last three months, average of unconsolidated liquidity coverage rate which is calculated by means of weekly simple arithmetic average for the last three months

Calculation table of liquidity coverage rate is reported to BRSA weekly and monitored daily in the Bank.

High quality liquid assets consist of cash assets, reserves kept in Central Bank of Republic of Turkey and unrestricted marketable securities. Cash outflows consist of deposits, bank borrowings, non-cash loans, derivatives and other liabilities without a certain maturity. Additionally, several bank borrowings are shown as cash outflow regardless of their maturity since they include contingent early payment condition. On the other hand, cash outflows also include additional guarantee liability sourcing from possible changes in fair values of derivative transactions.



**DENİZBANK ANONİM ŞİRKETİ**  
**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS**  
**AS OF 31 DECEMBER 2015**

(Currency: Thousands of TL - Turkish Lira)

*Convenience Translation of*  
*Unconsolidated Financial Report*  
*Originally Issued in Turkish,*  
*See Note 3.1.c*

**b. Presentation of assets and liabilities according to their residual maturities**

Current Period	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Undist. (**)	Total
<b>Assets</b>								
Cash and Balances with the Central Bank of the Republic of Turkey	2.801.799	7.957.344	-	-	-	-	-	10.759.143
Due from Banks and Other Fin.Inst.	714.648	1.298.618	207.290	-	-	-	-	2.220.556
Financial Assets at Fair Value Through Profit or Loss	519	48.513	239.832	161.165	550.048	116.503	-	1.116.580
Interbank Money Market Placements	-	1.200.353	-	-	-	-	-	1.200.353
Investment Securities Av.-for-Sale	112.884	107.510	207.564	666.714	3.659.073	3.770.734	-	8.524.479
Loans	-	8.663.589	2.604.535	10.941.684	20.327.321	8.083.028	728.667	51.348.824
Investment Securities Held-to-Maturity	-	-	-	-	602.224	2.639.554	-	3.241.778
Other Assets	998.399	-	-	-	-	-	4.810.555	5.808.954
<b>Total Assets</b>	<b>4.628.249</b>	<b>19.275.927</b>	<b>3.259.221</b>	<b>11.769.563</b>	<b>25.138.666</b>	<b>14.609.819</b>	<b>5.539.222</b>	<b>84.220.667</b>
<b>Liabilities</b>								
Bank Deposits	90.540	710.713	523.358	145.986	-	-	-	1.470.597
Other Deposits	8.366.049	26.036.202	8.510.258	2.163.039	41.432	-	-	45.116.980
Funds Borrowed from Other Fin.Inst. and Subordinated Loans	-	878.119	1.568.746	5.268.863	3.153.606	4.675.701	-	15.545.035
Interbank Money Market Placements	-	7.184.158	-	-	-	-	-	7.184.158
Marketable Securities Issued	-	161.576	406.138	261.212	430.272	-	-	1.259.198
Miscellaneous Payables	1.642.761	-	-	-	-	-	-	1.642.761
Other Liabilities	1.112.337	210.202	368.129	414.483	325.737	95.326	9.475.724	12.001.938
<b>Total Liabilities</b>	<b>11.211.687</b>	<b>35.180.970</b>	<b>11.376.629</b>	<b>8.253.583</b>	<b>3.951.047</b>	<b>4.771.027</b>	<b>9.475.724</b>	<b>84.220.667</b>
<b>Net Liquidity Gap</b>	<b>(6.583.438)</b>	<b>(15.905.043)</b>	<b>(8.117.408)</b>	<b>3.515.980</b>	<b>21.187.619</b>	<b>9.838.792</b>	<b>(3.936.502)</b>	<b>-</b>
<b>Net "Off-Balance Sheet Position"</b>	<b>-</b>	<b>(21.526)</b>	<b>214.147</b>	<b>114.958</b>	<b>247.157</b>	<b>-</b>	<b>-</b>	<b>554.736</b>
Financial Derivatives (assets)	-	16.908.323	6.120.479	4.173.890	11.200.916	5.065.296	-	43.468.904
Financial Derivatives (liabilities)	-	(16.929.849)	(5.906.332)	(4.058.932)	(10.953.759)	(5.065.296)	-	(42.914.168)
Non-Cash Loans	-	1.480.880	1.781.377	7.239.495	3.673.178	10.099.945	-	24.274.875
<b>(*) Prior Period</b>								
Total Assets	3.739.161	17.317.763	2.994.252	10.068.406	18.565.242	13.813.558	4.432.235	70.930.617
Total Liabilities	9.778.199	28.863.640	10.986.056	5.111.439	3.821.303	4.164.867	8.205.113	70.930.617
<b>Net Liquidity Gap</b>	<b>(6.039.038)</b>	<b>(11.545.877)</b>	<b>(7.991.804)</b>	<b>4.956.967</b>	<b>14.743.939</b>	<b>9.648.691</b>	<b>(3.772.878)</b>	<b>-</b>
<b>Net "Off-Balance Sheet Position"</b>	<b>-</b>	<b>21.540</b>	<b>(178.672)</b>	<b>134.843</b>	<b>292.887</b>	<b>372</b>	<b>-</b>	<b>270.970</b>
Financial Derivatives (assets)	-	13.509.220	4.379.680	3.366.823	9.763.681	1.627.834	-	32.647.238
Financial Derivatives (liabilities)	-	(13.487.680)	(4.558.352)	(3.231.980)	(9.470.794)	(1.627.462)	-	(32.376.268)
Non-Cash Loans	-	1.550.222	1.387.251	3.925.193	5.359.691	8.199.238	-	20.421.595

(\*) Prior period balances are rearranged retrospectively as a result of equity method implementation.

(\*\*) Certain assets on the balance sheet that are necessary for the banking operations but not convertible into cash in the short run such as tangible assets, investments in associates, joint ventures and subsidiaries, stationary supplies, non- performing loans (net) and prepaid expenses are included in this column.

**c. Financial liabilities according to agreement maturities**

Current Period: 31 December 2015	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Total
<b>Liabilities</b>						
Deposit	35.282.610	9.124.548	2.361.594	53.350	-	46.822.102
Funds borrowed	922.463	1.931.900	5.941.980	3.818.769	4.277.736	16.892.848
Interbank Money Markets	7.184.158	-	-	-	-	7.184.158
Securities issued	165.201	427.058	302.088	388.662	-	1.283.009
<b>Total</b>	<b>43.554.432</b>	<b>11.483.506</b>	<b>8.605.662</b>	<b>4.260.781</b>	<b>4.277.736</b>	<b>72.182.117</b>
<b>Prior Period: 31 December 2014</b>						
<b>Liabilities</b>						
Deposit	35.006.095	9.334.096	1.613.436	49.138	-	46.002.765
Funds borrowed	1.011.082	993.117	3.154.532	3.395.664	5.915.189	14.469.584
Interbank Money Markets	2.698.848	-	-	-	-	2.698.848
Securities issued	101.744	478.709	490.526	737.460	-	1.808.439
<b>Total</b>	<b>38.817.769</b>	<b>10.805.922</b>	<b>5.258.494</b>	<b>4.182.262</b>	<b>5.915.189</b>	<b>64.979.636</b>

**IX. Securitization exposures**

None.

**DENİZBANK ANONİM ŞİRKETİ**  
**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS**  
**AS OF 31 DECEMBER 2015**

(Currency: Thousands of TL - Turkish Lira)

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*Unconsolidated Financial Report*  
*Originally Issued in Turkish,*  
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**X. Credit risk mitigation techniques**

The Bank applies credit risk mitigation techniques according to the comprehensive financial guarantee method in compliance with the communique "Regulation on Credit Risk Mitigation Techniques".

Currency mismatch between receivables and collaterals, and the haircuts to be applied on collateral types are taken into account using the standard haircuts as defined in the Communique appendix; while the maturity mismatch between receivables and collaterals are handled by the method defined in the Article 49 of the Communique.

In the credit risk mitigation process, collaterals such as cash, deposit blockage and debt securities are taken into consideration. Physical collaterals are only used for determination of the risk classification according to commercial and residential mortgages. In calculation balance sheet and off-balance sheet component of netting are not taken into account.

**Information about guaranties according to risk classifications;**

Current Period: 31 December 2015

<b>Risk classification</b>	<b>Amount (*)</b>	<b>Financial Guarantees</b>	<b>Other/ Physical Guarantees</b>	<b>Guarantees and Credit Derivatives</b>
Conditional and unconditional receivables from central governments or central banks	21.392.857	—	—	—
Conditional and unconditional receivables from regional or local governments	754.733	—	—	—
Conditional and unconditional receivables from administrative units and non-commercial enterprises	4	—	—	—
Conditional and unconditional receivables from multilateral development banks	—	—	—	—
Conditional and unconditional receivables from international organizations	—	—	—	—
Conditional and unconditional receivables from banks and brokerage houses	3.731.779	866	—	—
Conditional and unconditional receivables from corporates	46.078.158	1.373.006	—	—
Conditional and unconditional retail receivables	37.117.209	333.795	—	—
Conditional and unconditional receivables secured by mortgages	9.818.271	—	8.552.546	—
a) Receivables secured by residential mortgages	4.941.189	—	4.746.554	—
b) Receivables secured by commercial mortgages	4.877.082	—	3.805.992	—
Past due receivables	2.512.763	146	—	—
Receivables defined in high risk category by BRSA	4.669.055	49.014	—	—
Securities collateralized by mortgages	—	—	—	—
Securitization positions	—	—	—	—
Short-term receivables from banks, brokerage houses and corporates	—	—	—	—
Investments similar to collective investment funds	—	—	—	—
Other receivables	6.881.047	—	—	—
<b>Total</b>	<b>132.955.876</b>	<b>1.756.827</b>	<b>8.552.546</b>	<b>--</b>

(\*) Represents the risk figure before deduction of the haircut applied to collateral value.

**DENİZBANK ANONİM ŞİRKETİ**  
**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS**  
**AS OF 31 DECEMBER 2015**

(Currency: Thousands of TL - Turkish Lira)

*Convenience Translation of*  
*Unconsolidated Financial Report*  
*Originally Issued in Turkish,*  
*See Note 3.1.c*

Prior Period: 31 December 2014

<b>Risk classification</b>	<b>Amount (*)</b>	<b>Financial Guarantees</b>	<b>Other/ Physical Guarantees</b>	<b>Guarantees and Credit Derivatives</b>
Conditional and unconditional receivables from central governments or central banks	17.879.143	—	—	—
Conditional and unconditional receivables from regional or local governments	865.172	—	—	—
Conditional and unconditional receivables from administrative units and non-commercial enterprises	3	—	—	—
Conditional and unconditional receivables from multilateral development banks	—	—	—	—
Conditional and unconditional receivables from international organizations	—	—	—	—
Conditional and unconditional receivables from banks and brokerage houses	4.176.775	8	—	—
Conditional and unconditional receivables from corporates	41.817.215	852.381	—	—
Conditional and unconditional retail receivables	30.651.397	204.964	—	—
Conditional and unconditional receivables secured by mortgages	7.420.035	—	6.516.769	—
a) Receivables secured by residential mortgages	3.527.703	—	3.412.084	—
b) Receivables secured by commercial mortgages	3.892.332	—	3.104.685	—
Past due receivables	1.595.046	1.074	—	—
Receivables defined in high risk category by BRSA	5.494.858	47.937	—	—
Securities collateralized by mortgages	—	—	—	—
Securitization positions	—	—	—	—
Short-term receivables from banks, brokerage houses and corporates	—	—	—	—
Investments similar to collective investment funds	—	—	—	—
Other receivables	4.244.851	—	—	—
<b>Total</b>	<b>114.144.495</b>	<b>1.106.364</b>	<b>6.516.769</b>	<b>--</b>

(\*) Represents the risk figure before deduction of the haircut applied to collateral value.

**DENİZBANK ANONİM ŞİRKETİ**  
**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS**  
**AS OF 31 DECEMBER 2015**

(Currency: Thousands of TL - Turkish Lira)

*Convenience Translation of*  
*Unconsolidated Financial Report*  
*Originally Issued in Turkish,*  
*See Note 3.1.c*

**XI. Explanations related to leverage ratio**

**Information on matters causing difference between leverage ratios of current period and previous period:**

Leverage ratio of Bank is 5,98% as of 31 December 2015 (31 December 2014: 4,91%). This ratio is over minimum ratio. Difference between leverage ratios of current and previous period mainly sources from increase in risk amounts regarding assets on balance sheet.

**Leverage ratio common disclosure template:**

	Current Period (*)	Prior Period (*)
<b>On-balance sheet exposures</b>		
1 On-balance sheet items (exclude derivatives and SFTs; include collateral)	82.275.249	67.784.730
2 (Assets deducted in determining Basel III Tier 1 capital)	323.833	251.172
3 Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of 1 and 2 lines)	81.951.416	67.533.558
<b>Derivative exposures</b>		
4 Replacement cost	1.224.904	1.092.874
5 Add-on amount	469.283	482.272
6 Total derivative exposures (sum of 4 and 5 lines)	1.694.187	1.575.146
<b>Securities financing transaction exposures</b>		
7 Gross SFT assets (with no recognition of accounting netting)	34.832	113.505
8 Agent transaction exposures		
9 Total securities financing transaction exposures (sum of 7 and 8 lines)	34.832	113.505
<b>Other off-balance sheet exposures</b>		
10 Off-balance sheet exposures with gross nominal amount	49.364.523	43.915.878
11 Adjustment amount off-balance sheet exposures with credit conversion factor	(503)	(2.675.883)
12 Total off-balance sheet exposures (sum of 10 and 11 lines)	49.364.020	41.239.995
<b>Capital and total exposures</b>		
13 Tier 1 capital	7.961.500	5.424.999
14 Total exposures (sum of 3,6,9 and 12 lines)	133.044.455	110.462.204
<b>Leverage ratio</b>		
15 Leverage ratio	5,98	4,91

(\*) Average of the monthly leverage ratios over the quarter.

**XII. Risk management objectives and policies**

The Risk Management Strategy is based on consistently monitoring risk levels and capital requirement and maintaining the balance between long and short term goals and capital structure. Risk politics, implementation methods and limits which provide opportunity to manage different dimensions of risks arising from activities, are the basis of risk management strategy. The Board of Directors owns the entire risk management strategy, programme and organization.

The Bank organizes the relation between capital and risk levels with risk tolerance and limit mechanisms. While determining limits, current circumstances along with prospective problems are taken into account. Limit consistency is evaluated and confirmed by the Board of Directors. Audit committee is responsible for the monitoring of compliance with the risk management policies and risk limits specified by the Board of Directors and reporting respective measures to the Board of Directors. Executive units are responsible for following risks and limit consistency relating to their respective area of operations.

As per the risk policies accepted by the Bank, risk management operations including risk measuring, monitoring, controlling and reporting are performed separately from executive units and reported directly to the Board of Directors. To design risk measurement models, parameters defined considering internationally recognized methods and conditions specific to active markets, are used. In order to insure adaptation of risk politics and risk measurement models to changing conditions, regular reviews are carried out. Limit usages within risk management activities are closely monitoring and reporting.

Strategic and tactic bank targets should be consistent with limits identified as part of risk policies. The Bank applies credit risk mitigation techniques for various risk factors for the purposes of compliance with the Bank's internal and legal limits and taking precautions in the direction of economic developments and new regulations. Efficiency and competence of protection provided by risk reduction instruments are being followed through risk measurements.

**DENİZBANK ANONİM ŞİRKETİ**  
**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS**  
**AS OF 31 DECEMBER 2015**

(Currency: Thousands of TL - Turkish Lira)

*Convenience Translation of  
Unconsolidated Financial Report  
Originally Issued in Turkish,  
See Note 3.1.c*

**XIII. Presentation of financial assets and liabilities at their fair value**

**a. Calculation of financial assets and liabilities at their fair value**

The fair value of held-to-maturity assets are determined based on market prices, or when they are not available, based on market prices quoted for other securities subject to similar terms of interest, maturity and other conditions.

The expected fair value of the demand deposits represents the amount to be paid upon request. The fair value of the overnight deposits and floating rate placements represent their carrying value. The expected fair value of the fixed rate deposits are determined by calculating the discounted cash flows using the market interest rates of similar instruments.

The expected fair value of fixed rate loans and receivables are determined by calculating the discounted cash flows using the current market interest rates. For the loans with floating interest rates, it is assumed that the carrying value reflects the fair value.

Estimated fair value of banks, funds provided from other financial entities, issued securities and deposits is calculated through determination of discounted cash flows using current market interest rates.

The following table summarizes the carrying value and fair value of financial assets and liabilities. The carrying value represents the sum of the acquisition costs and interest accruals of financial assets and liabilities.

	Carrying value		Fair Value	
	Current Period	Prior Period	Current Period	Prior Period
	31 December 2015	31 December 2014	31 December 2015	31 December 2014
<b>Financial Assets</b>	<b>66.535.990</b>	<b>55.524.869</b>	<b>65.713.250</b>	<b>55.644.929</b>
Interbank money market placements	1.200.353	970.298	1.200.353	970.298
Due from banks	2.220.556	1.745.684	2.219.847	1.745.662
Investment securities available-for-sale	8.524.479	6.690.257	8.524.479	6.690.257
Investment securities held-to-maturity	3.241.778	3.022.707	3.250.150	3.302.512
Loans and Other Receivables	51.348.824	43.095.923	50.518.421	42.936.200
<b>Financial Liabilities</b>	<b>72.218.729</b>	<b>60.202.618</b>	<b>71.953.440</b>	<b>60.208.997</b>
Bank deposits	1.470.597	1.548.463	1.469.603	1.548.244
Other deposits	45.116.980	41.552.209	45.119.167	41.556.661
Interbank money market borrowings	7.184.158	2.698.848	7.184.158	2.698.848
Funds borrowed from other financial institutions	10.699.070	7.508.372	10.621.849	7.565.678
Subordinated Loans	4.845.965	3.922.963	4.675.890	3.888.346
Securities Issued	1.259.198	1.621.898	1.240.012	1.601.355
Miscellaneous Payables	1.642.761	1.349.865	1.642.761	1.349.865

**DENİZBANK ANONİM ŞİRKETİ**  
**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS**  
**AS OF 31 DECEMBER 2015**

(Currency: Thousands of TL - Turkish Lira)

*Convenience Translation of  
Unconsolidated Financial Report  
Originally Issued in Turkish,  
See Note 3.1.c*

**b. Classification of fair value**

TFRS 7 sets classification of valuation techniques according to the inputs used in valuation techniques based on fair value calculations which are whether observable or not.

Fair value levels of financial assets and liabilities that are carried at fair value in the Bank's financial statements are given below:

<b>Current Period-31 December 2015</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Financial Assets at Fair Value Through Profit or Loss	23.708	1.092.872	–	<b>1.116.580</b>
Public Sector Debt Securities	22.625	–	–	<b>22.625</b>
Trading Purpose Derivatives	–	1.092.872	–	<b>1.092.872</b>
Other Securities	1.083	–	–	<b>1.083</b>
Financial Assets Available for Sale (*)	8.411.595	–	108.955	<b>8.520.550</b>
Public Sector Debt Securities	8.411.595	–	–	<b>8.411.595</b>
Other Securities	–	–	108.955	<b>108.955</b>
Hedging Purpose Derivatives	–	–	–	<b>--</b>
<b>Total Assets</b>	<b>8.435.303</b>	<b>1.092.872</b>	<b>108.955</b>	<b>9.637.130</b>
Derivative Financial Liabilities Held for Trading	–	577.227	–	<b>577.227</b>
Hedging Purpose Derivatives	–	–	–	<b>--</b>
<b>Total Liabilities</b>	<b>--</b>	<b>577.227</b>	<b>--</b>	<b>577.227</b>
<b>Prior Period-31 December 2014</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Financial Assets at Fair Value Through Profit or Loss	108.958	954.027	–	<b>1.062.985</b>
Public Sector Debt Securities	108.528	–	–	<b>108.528</b>
Trading Purpose Derivatives	–	954.027	–	<b>954.027</b>
Other Securities	430	–	–	<b>430</b>
Financial Assets Available for Sale (*)	6.626.546	59.782	–	<b>6.686.328</b>
Public Sector Debt Securities	6.626.546	–	–	<b>6.626.546</b>
Other Securities	–	59.782	–	<b>59.782</b>
Hedging Purpose Derivatives	–	–	–	<b>--</b>
<b>Total Assets</b>	<b>6.735.504</b>	<b>1.013.809</b>	<b>--</b>	<b>7.749.313</b>
Derivative Financial Liabilities Held for Trading	–	689.265	–	<b>689.265</b>
Hedging Purpose Derivatives	–	–	–	<b>--</b>
<b>Total Liabilities</b>	<b>--</b>	<b>689.265</b>	<b>--</b>	<b>689.265</b>

**Level 1:** Quoted prices (unadjusted) in active markets for identical assets or liabilities

**Level 2:** Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices)

**Level 3:** Unobservable inputs

(\*) Share certificates amounting TL 3.929 (31 December 2014: TL 3.929), classified in financial assets available for sale that do not have quoted market prices in an active market or whose fair value cannot be measured, are carried at cost in the framework of TAS 39.

**XIV. Transactions carried out on behalf and account of other parties and fiduciary transactions**

- a. **Information on whether the Group performs sales, purchase, management, consultancy and custody services on behalf and account of others, or not**

The Bank performs sales, purchase, management, consultancy and custody services on behalf and account of others.

- b. **Transactions directly realized with other financial institutions depending on fiduciary contracts and probability of material effect of such transactions on the financial position of the Bank**

None.

**XV. Explanations related to hedging transactions**

- a. **Net Investment Risk**

The Bank applies net investment accounting hedge as of 1 July 2015 in order to ensure exchange difference hedge sourcing from equity method implementation for its net investment at a total amount of Euro 854 million and US Dollar 6,5 million belonging to Denizbank AG and Eurodeniz, which are subsidiaries of the Bank. A part of foreign currency deposits at same amounts is defined as hedging instrument and the part, in which the value change sourcing from foreign currency exchange rates is effective, is recognized in hedge funds under shareholder's equity. Total net investment hedging funds recognized under equity after deferred tax is amounting to TL (114.756) as of 31 December 2015.

- b. **Cash Flow Hedge**

The Bank stopped applying cash flow hedge accounting arising from the fluctuations in the interest rate and in which the hedging instrument was interest rate swaps and the hedged item was deposit, on 31 May 2013. Consequently, derivatives financial instruments which were previously in "hedging purpose derivatives assets/liabilities" because of being risk hedging instruments are classified in "financial assets/liabilities held for trading" lines. Negative differences amounting to TL (18.657) which were cumulated until the transfer date in "hedging funds" account under equity will be transferred to statement of income until the maturities of related derivative instruments. As of the balance sheet date, net negative valuation difference under equity after deferred tax is amounting to TL (3.368) (31 December 2014: TL 8.919).

**DENİZBANK ANONİM ŞİRKETİ**  
**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS**  
**AS OF 31 DECEMBER 2015**

(Currency: Thousands of TL - Turkish Lira)

*Convenience Translation of  
Unconsolidated Financial Report  
Originally Issued in Turkish,  
See Note 3.1.c*

**XVI. Explanations related to the segment reporting**

The Bank is active in three areas, namely, wholesale banking, retail banking, treasury and investment banking.

Wholesale banking offers financial and banking solutions to large-scale local and international corporate and commercial customers. In order to meet customer needs related to projects, investment and working capital, corporate banking offers short and long-term working capital loans, investment loans, non-cash loans, foreign exchange transactions, export finance, project finance, structured finance, corporate finance, deposit products and cash management services.

In retail banking, it offers loan products (consumer loans, mortgage, and vehicle loans), distinctive credit cards, investment products (mutual funds, shares, government bonds/treasury bills, and repos), deposit products (time, demand, protected), insurance products, SME loans as well as agricultural loans. Alternative distribution channels allow customers to meet their banking needs without the need to physically visit the branches. Among products that meet every day needs of customers are overdraft loans, automated bill payment, checkbooks and rental safes.

Within treasury and investment banking, sales, prop-trading and private banking departments offer spot and forward TL and foreign exchange transactions, trading of treasury bills, bonds and other local and international securities and derivative products. Servicing the upper segment of wealthy and high income retail customers who require sophisticated banking and investment services falls within the scope of private banking.

**Segment information of the Bank as of 31 December 2015 is presented in the following table:**

Current Period (01.01.2015-31.12.2015)	Wholesale Banking		Retail Banking		Treasury and Investment Banking	Total
	Corporate Banking	Commercial& Public Finance	SME&Agriculture Banking	Retail Banking		
Net interest income	337.975	427.428	1.152.217	689.619	546.777	<b>3.154.016</b>
Net fee and commission income	80.247	117.550	386.811	493.122	(37.435)	<b>1.040.295</b>
Other income/ expense, net	94.704	75.658	137.898	208.337	(780.276)	<b>(263.679)</b>
<b>Total segment income</b>	<b>512.926</b>	<b>620.636</b>	<b>1.676.926</b>	<b>1.391.078</b>	<b>(270.934)</b>	<b>3.930.632</b>
Other operating expenses	(129.485)	(277.584)	(886.078)	(977.712)	(98.127)	<b>(2.368.986)</b>
Provision for loan losses and other receivables	(29.402)	(111.161)	(406.352)	(608.722)	(61.939)	<b>(1.217.576)</b>
Tax charge						<b>(109.030)</b>
Profit / Loss from Associates Subjected to Equity Method						<b>527.605</b>
<b>Net profit from continuing operations</b>	<b>354.039</b>	<b>231.891</b>	<b>384.496</b>	<b>(195.356)</b>	<b>(431.000)</b>	<b>762.645</b>
Net profit from discontinued operations	-	-	-	-	-	-
<b>Net profit</b>	<b>354.039</b>	<b>231.891</b>	<b>384.496</b>	<b>(195.356)</b>	<b>(431.000)</b>	<b>762.645</b>
<b>Current Period (31.12.2015)</b>						
Segment assets	6.970.701	9.998.745	18.444.230	15.935.149	27.062.888	<b>78.411.713</b>
Subsidiaries and associates						<b>3.951.185</b>
Undistributed assets						<b>1.857.769</b>
<b>Total assets</b>						<b>84.220.667</b>
Segment liabilities	8.389.602	7.886.678	9.541.447	20.503.754	26.065.352	<b>72.386.833</b>
Undistributed liabilities						<b>3.564.515</b>
Shareholders' equity						<b>8.269.319</b>
<b>Total liabilities</b>						<b>84.220.667</b>



# DENİZBANK ANONİM ŞİRKETİ

## NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2015

(Currency: Thousands of TL - Turkish Lira)

*Convenience Translation of  
Unconsolidated Financial Report  
Originally Issued in Turkish,  
See Note 3.1.c*

	Wholesale Banking		Retail Banking			
	Corporate Banking	Commercial& Public Finance	SME&Agriculture Banking	Retail Banking	Treasury and Investment Banking	Total
<b>(*) Prior Period (01.01.2014-31.12.2014)</b>						
Net interest income	332.861	419.250	924.081	677.520	551.528	<b>2.905.240</b>
Net fee and commission income	67.864	96.196	353.866	450.107	(19.041)	<b>948.992</b>
Other income/ expense, net	56.961	84.557	74.726	182.615	(584.926)	<b>(186.067)</b>
<b>Total segment income</b>	<b>457.686</b>	<b>600.003</b>	<b>1.352.673</b>	<b>1.310.242</b>	<b>(52.439)</b>	<b>3.668.165</b>
Other operating expenses	(149.157)	(280.183)	(772.369)	(953.224)	(45.227)	<b>(2.200.160)</b>
Provision for loan losses and other receivables	(83.618)	(81.989)	(243.880)	(461.411)	(15.600)	<b>(886.498)</b>
Tax charge						<b>(142.363)</b>
Profit / Loss from Associates Subjected to Equity Method						<b>549.574</b>
<b>Net profit from continuing operations</b>	<b>224.911</b>	<b>237.831</b>	<b>336.424</b>	<b>(104.393)</b>	<b>(113.266)</b>	<b>988.718</b>
Net profit from discontinued operations	-	-	-	-	-	-
<b>Net profit</b>	<b>224.911</b>	<b>237.831</b>	<b>336.424</b>	<b>(104.393)</b>	<b>(113.266)</b>	<b>988.718</b>
<b>Prior Period (31.12.2014)</b>						
Segment assets	5.811.540	9.508.008	12.992.761	14.783.616	22.892.609	<b>65.988.534</b>
Subsidiaries and associates						<b>3.022.762</b>
Undistributed assets						<b>1.919.321</b>
<b>Total assets</b>						<b>70.930.617</b>
Segment liabilities	7.964.114	9.308.296	8.098.351	17.245.830	18.010.282	<b>60.626.873</b>
Undistributed liabilities						<b>3.164.589</b>
Shareholders' equity						<b>7.139.155</b>
<b>Total liabilities</b>						<b>70.930.617</b>

Information relating to segment information of the Bank was prepared in accordance with data obtained from system of Management Reporting.

(\*) Prior period balances are rearranged retrospectively as a result of equity method implementation.

## SECTION FIVE

### DISCLOSURES AND FOOTNOTES ON UNCONSOLIDATED FINANCIAL STATEMENTS

#### I. Explanations and disclosures related to assets

##### a. Information on cash and balances with the Central Bank of the Republic of Turkey

###### 1. Information on cash and balances with the Central Bank of the Republic of Turkey

	Current Period		Prior Period	
	TL	FC	TL	FC
Cash in TL / Foreign Currency	732.446	619.716	604.967	590.158
Central Bank of the Republic of Turkey	462.670	8.944.286	234.653	7.970.881
Other (*)	—	25	—	21
<b>Total</b>	<b>1.195.116</b>	<b>9.564.027</b>	<b>839.620</b>	<b>8.561.060</b>

(\*) Includes TL 25 of cheques purchased (31 December 2014: TL 21).

###### 2. Information on balances with the Central Bank of the Republic of Turkey

	Current Period		Prior Period	
	TL	FC	TL	FC
Unrestricted Demand Deposits	462.670	997.242	234.653	928.526
Unrestricted Time Deposits	—	—	—	—
Restricted Time Deposits	—	7.947.044	—	7.042.355
<b>Total</b>	<b>462.670</b>	<b>8.944.286</b>	<b>234.653</b>	<b>7.970.881</b>

###### 3. Information on required reserves

As of 31 December 2015, all banks operating in Turkey should provide a reserve in a range of 5% to 11,5% (31 December 2014: between 5% and 11,5%) depending on the terms of the deposits for their liabilities in Turkish Lira and in a range of 5% to 25% (31 December 2014: between 6% and 13%) in US Dollars or standard gold for their liabilities in foreign currencies.

CBRT began paying interest for the required reserves maintained in Turkish Lira as from November 2014 and for the required reserves maintained in US Dollar as from May 2015. The interest income of TL 24.288 derived from the required reserves maintained by the Bank at CBRT (1 January - 31 December 2014: 756) has been recorded under the account "interests derived from required reserves".

##### b. Information on financial assets at fair value through profit or loss

###### 1. Information on trading securities given as collateral or blocked

None (31 December 2014: None).

###### 2. Trading securities subject to repurchase agreements

None (31 December 2014: None).

**DENİZBANK ANONİM ŞİRKETİ**  
**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS**  
**AS OF 31 DECEMBER 2015**

(Currency: Thousands of TL - Turkish Lira)

*Convenience Translation of*  
*Unconsolidated Financial Report*  
*Originally Issued in Turkish,*  
*See Note 3.1.c*

**3. Positive value of trading purpose derivatives**

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Transactions	4.615	11.830	1.221	22.097
Swap Transactions	874.302	179.173	181.859	727.257
Futures Transactions	–	–	–	–
Options	173	22.779	223	21.370
Other	–	–	–	–
<b>Total</b>	<b>879.090</b>	<b>213.782</b>	<b>183.303</b>	<b>770.724</b>

**c. Information on Banks**

**1. Information on Banks**

	Current Period		Prior Period	
	TL	FC	TL	FC
<b>Banks</b>				
Domestic	8.602	1.296.248	411.793	729.699
Foreign	12.990	902.716	16.327	587.865
Foreign head offices and branches	–	–	–	–
<b>Total</b>	<b>21.592</b>	<b>2.198.964</b>	<b>428.120</b>	<b>1.317.564</b>

**2. Foreign banks**

	Unrestricted Amount		Restricted Amount	
	Current Period	Prior Period	Current Period	Prior Period
EU Countries	522.714	65.924	–	6.981
USA, Canada	147.664	225.358	12.180	12.180
OECD Countries (*)	15.857	3.912	–	–
Off shore zones	177	–	–	–
Other	217.114	289.837	–	–
<b>Total</b>	<b>903.526</b>	<b>585.031</b>	<b>12.180</b>	<b>19.161</b>

(\*) OECD countries except for EU countries, USA and Canada

**d. Information on investment securities available-for-sale**

**1. Major types of investment securities available-for-sale**

Investment securities available-for-sale consist of share certificates unquoted stock exchange, debt securities representing government bonds, Eurobonds and foreign currency government bonds issued by the Turkish Treasury.

**2. Investment securities available-for-sale given as collateral**

Available-for-sale financial assets which were collateralized consist of securities offered to various financial institutions, primarily the Central Bank of the Republic of Turkey and İstanbul Takas ve Saklama Bankası A.Ş. (Settlement and Custody Bank) for interbank money market, foreign exchange market and other transactions. Such financial assets include government bonds and Eurobonds, and their total book value amounts to TL 1.690.385 (31 December 2014: TL 386.714).

**3. Investment securities available-for-sale given as collateral or blocked**

	Current Period		Prior Period	
	TL	FC	TL	FC
Share certificates	–	–	–	–
T-bills, Bonds and Similar Securities	857.701	832.684	342.373	44.341
Other	–	–	–	–
<b>Total</b>	<b>857.701</b>	<b>832.684</b>	<b>342.373</b>	<b>44.341</b>

## 4. Investment securities available-for-sale subject to repurchase agreements

	Current Period		Prior Period	
	TL	FC	TL	FC
Government Bonds	4.811.887	--	1.866.138	--
Treasury Bills	--	--	--	--
Other Debt Securities	--	--	--	--
Bonds Issued or Guaranteed by Banks	--	--	--	--
Asset Backed Securities	--	--	--	--
Other	--	--	--	--
<b>Total</b>	<b>4.811.887</b>	<b>--</b>	<b>1.866.138</b>	<b>--</b>

## 5. Information on available-for-sale securities

	Current Period	Prior Period
<b>Debt instruments</b>	<b>8.840.892</b>	<b>6.746.089</b>
Quoted on Stock Exchange	8.840.892	6.746.089
Unquoted on Stock Exchange	--	--
<b>Share certificates</b>	<b>112.884</b>	<b>3.929</b>
Quoted on Stock Exchange	--	--
Unquoted on Stock Exchange	112.884	3.929
<b>Impairment provision (-)</b>	<b>429.297</b>	<b>59.761</b>
<b>Total</b>	<b>8.524.479</b>	<b>6.690.257</b>

## e. Information related to loans

## 1. Information on all types of loans and advances given to shareholders and employees of the Bank

	Current Period		Prior Period	
	Cash	Non-Cash	Cash	Non-Cash
<b>Direct Loans Granted to Shareholders</b>	--	--	--	<b>3.025</b>
Corporate Shareholders	--	--	--	3.025
Individual Shareholders	--	--	--	--
<b>Indirect Loans Granted to Shareholders</b>	--	<b>19.970</b>	--	<b>56.077</b>
<b>Loans Granted to Employees</b>	<b>63.001</b>	<b>115</b>	<b>56.618</b>	<b>95</b>
<b>Total</b>	<b>63.001</b>	<b>20.085</b>	<b>56.618</b>	<b>59.197</b>

## 2. Information on loans classified in groups I and II and other receivables and loans that have been restructured or rescheduled

Cash Loans	Performing Loans and Other Receivables			Loans and Other Receivables Under Close Monitoring		
	Loans and Other Receivables (Total)	Agreement conditions modified		Loans and Other Receivables (Total)	Agreement conditions modified	
		Extension of Payment Plan	Other		Extension of Payment Plan	Other
<b>Non-specialized Loans</b>	<b>41.925.719</b>	<b>571.788</b>	<b>--</b>	<b>3.373.280</b>	<b>1.398.849</b>	<b>--</b>
Working Capital Loans	406.906	77.582	--	228.928	214.539	--
Export Loans	1.482.845	--	--	7.567	892	--
Import Loans	--	--	--	--	--	--
Loans Given to Financial Sector	331.344	--	--	4.795	--	--
Consumer Loans	11.195.715	105.342	--	1.093.319	317.900	--
Credit Cards	4.132.884	706	--	202.714	1.682	--
Other	24.376.025	388.158	--	1.835.957	863.836	--
<b>Specialization Loans</b>	<b>4.869.660</b>	<b>4.947</b>	<b>--</b>	<b>451.498</b>	<b>149.951</b>	<b>--</b>
<b>Other Receivables</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>Total</b>	<b>46.795.379</b>	<b>576.735</b>	<b>--</b>	<b>3.824.778</b>	<b>1.548.800</b>	<b>--</b>

	Performing Loans and Other Receivables	Loans and Other Receivables Under Close Monitoring
<b>Number of modifications made to extend payment plan</b>		
Extended by 1 or 2 times	502.400	1.270.504
Extended by 3,4 or 5 times	74.335	270.462
Extended by more than 5 times	--	7.834
<b>Total</b>	<b>576.735</b>	<b>1.548.800</b>

	Performing Loans and Other Receivables	Loans and Other Receivables Under Close Monitoring
<b>Extended payment period of time</b>		
0-6 Months	1.132	136.496
6-12 Months	10.572	38.889
1-2 Years	22.893	110.660
2-5 Years	285.995	476.014
5 Year and Over	256.143	786.741
<b>Total</b>	<b>576.735</b>	<b>1.548.800</b>

## 3. Information on loans according to maturity structure concentration

	Standard Loans and Other Receivables I		Loans and Other Receivables Under Close Monitoring	
	Loans and Other Receivables	Restructured or Rescheduled	Loans and Other Receivables	Restructured or Rescheduled
<b>Short-Term Loans and Other Receivables</b>	<b>16.358.889</b>	<b>12.082</b>	<b>818.956</b>	<b>76.041</b>
Non-Specialized Loans	15.057.530	11.439	714.357	53.857
Specialized Loans	1.301.359	643	104.599	22.184
Other Receivables	--	--	--	--
<b>Medium and Long-Term Loans and Other Receivables</b>	<b>30.436.490</b>	<b>564.653</b>	<b>3.005.822</b>	<b>1.472.759</b>
Non-Specialized Loans	26.868.189	560.349	2.658.923	1.344.992
Specialized Loans	3.568.301	4.304	346.899	127.767
Other Receivables	--	--	--	--
<b>Total</b>	<b>46.795.379</b>	<b>576.735</b>	<b>3.824.778</b>	<b>1.548.800</b>

## 4. Information on consumer loans, individual credit cards and personnel credit cards

	Short Term	Medium or Long Term	Total
<b>Consumer Loans-TL</b>	<b>224.080</b>	<b>11.482.567</b>	<b>11.706.647</b>
Real estate Loans	5.300	5.017.886	5.023.186
Vehicle Loans	3.067	486.593	489.660
General Purpose Loans	215.713	5.978.088	6.193.801
Other	--	--	--
<b>Consumer Loans-Indexed to FC</b>	<b>--</b>	<b>52.231</b>	<b>52.231</b>
Real estate Loans	--	51.534	51.534
Vehicle Loans	--	--	--
General Purpose Loans	--	697	697
Other	--	--	--
<b>Consumer Loans-FC</b>	<b>--</b>	<b>1.952</b>	<b>1.952</b>
Real estate Loans	--	1.770	1.770
Vehicle Loans	--	--	--
General Purpose Loans	--	182	182
Other	--	--	--
<b>Individual Credit Cards-TL</b>	<b>4.025.731</b>	<b>35.014</b>	<b>4.060.745</b>
Installment	1.602.546	35.014	1.637.560
Non installment	2.423.185	--	2.423.185
<b>Individual Credit Cards-FC</b>	<b>1.279</b>	<b>--</b>	<b>1.279</b>
Installment	202	--	202
Non installment	1.077	--	1.077
<b>Loans Given to Employees-TL</b>	<b>3.721</b>	<b>33.444</b>	<b>37.165</b>
Real estate Loans	--	2.282	2.282
Vehicle Loans	--	110	110
General Purpose Loans	3.721	31.052	34.773
Other	--	--	--
<b>Loans Given to Employees - Indexed to FC</b>	<b>--</b>	<b>--</b>	<b>--</b>
Real estate Loans	--	--	--
Vehicle Loans	--	--	--
General Purpose Loans	--	--	--
Other	--	--	--
<b>Loans Given to Employees - FC</b>	<b>--</b>	<b>--</b>	<b>--</b>
Real estate Loans	--	--	--
Vehicle Loans	--	--	--
General Purpose Loans	--	--	--
Other	--	--	--
<b>Personnel Credit Cards - TL</b>	<b>24.373</b>	<b>21</b>	<b>24.394</b>
Installment	10.737	21	10.758
Non installment	13.636	--	13.636
<b>Personnel Credit Cards - FC</b>	<b>71</b>	<b>--</b>	<b>71</b>
Installment	15	--	15
Non installment	56	--	56
<b>Overdraft Loans-TL (Real Persons) (*)</b>	<b>491.039</b>	<b>--</b>	<b>491.039</b>
<b>Overdraft Loans-FC (Real Persons)</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>Total</b>	<b>4.770.294</b>	<b>11.605.229</b>	<b>16.375.523</b>

(\*) Overdrafts used by the personnel of the Bank are TL 1.371 (31 December 2014: TL 1.220).

**DENİZBANK ANONİM ŞİRKETİ**  
**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS**  
**AS OF 31 DECEMBER 2015**

(Currency: Thousands of TL - Turkish Lira)

*Convenience Translation of*  
*Unconsolidated Financial Report*  
*Originally Issued in Turkish,*  
*See Note 3.1.c*

**5. Information on installment commercial loans and corporate credit cards**

	Short Term	Medium or Long Term	Total
<b>Installment Commercial Loans - TL</b>	<b>460.220</b>	<b>7.025.417</b>	<b>7.485.637</b>
Real estate Loans	636	226.379	227.015
Vehicle Loans	24.823	527.412	552.235
General Purpose Loans	434.761	6.271.626	6.706.387
Other	—	—	—
<b>Installment Commercial Loans - Indexed to FC</b>	<b>7.779</b>	<b>929.028</b>	<b>936.807</b>
Real estate Loans	—	20.255	20.255
Vehicle Loans	83	48.973	49.056
General Purpose Loans	7.696	859.800	867.496
Other	—	—	—
<b>Installment Commercial Loans - FC</b>	<b>2.952</b>	<b>21.215</b>	<b>24.167</b>
Real estate Loans	—	—	—
Vehicle Loans	—	368	368
General Purpose Loans	2.952	20.847	23.799
Other	—	—	—
<b>Corporate Credit Cards - TL</b>	<b>246.198</b>	<b>2.828</b>	<b>249.026</b>
Installment	89.137	2.828	91.965
Non installment	157.061	—	157.061
<b>Corporate Credit Cards - FC</b>	<b>83</b>	<b>—</b>	<b>83</b>
Installment	—	—	—
Non installment	83	—	83
<b>Overdraft Loans-TL (Legal Entities)</b>	<b>1.097.532</b>	<b>—</b>	<b>1.097.532</b>
<b>Overdraft Loans-FC (Legal Entities)</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Total</b>	<b>1.814.764</b>	<b>7.978.488</b>	<b>9.793.252</b>

**6. Loan concentration according to counterparty**

	Current Period	Prior Period
Public	802.481	929.774
Private	49.817.676	41.648.921
<b>Total</b>	<b>50.620.157</b>	<b>42.578.695</b>

**7. Domestic and foreign loans**

	Current Period	Prior Period
Domestic Loans	49.890.022	41.905.635
Foreign Loans	730.135	673.060
<b>Total</b>	<b>50.620.157</b>	<b>42.578.695</b>

**8. Loans granted to subsidiaries and associates**

	Current Period	Prior Period
Direct loans granted to subsidiaries and associates	32.438	6.283
Indirect loans granted to subsidiaries and associates	—	—
<b>Total</b>	<b>32.438</b>	<b>6.283</b>

**9. Specific provisions for loans**

Specific Provisions	Current Period	Prior Period
Loans and Receivables with Limited Collectability	62.112	93.420
Loans and Receivables with Doubtful Collectability	245.582	219.820
Uncollectible Loans and Receivables	1.645.687	858.235
<b>Total</b>	<b>1.953.381</b>	<b>1.171.475</b>

**DENİZBANK ANONİM ŞİRKETİ**  
**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS**  
**AS OF 31 DECEMBER 2015**

(Currency: Thousands of TL - Turkish Lira)

*Convenience Translation of*  
*Unconsolidated Financial Report*  
*Originally Issued in Turkish,*  
*See Note 3.1.c*

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

**10 (i) Information on loans under follow-up, loans and other receivables those are restructured /rescheduled**

	<b>Group III</b>	<b>Group IV</b>	<b>Group V</b>
	<b>Loans and receivables with limited collectability</b>	<b>Loans and receivables with doubtful collectability</b>	<b>Uncollectible loans and receivables</b>
<b>Current Period</b>	<b>15.994</b>	<b>37.147</b>	<b>65.519</b>
(Gross Amounts Before Specific Reserves)	–	–	–
Restructured Loans and Other Receivables	–	–	–
Rescheduled Loans and Other Receivables	15.994	37.147	65.519
<b>Prior Period</b>	<b>14.104</b>	<b>27.580</b>	<b>28.787</b>
(Gross Amounts Before Specific Reserves)	–	–	–
Restructured Loans and Other Receivables	–	–	–
Rescheduled Loans and Other Receivables	14.104	27.580	28.787

**10 (ii) Movement of non-performing loans**

	<b>Group III</b>	<b>Group IV</b>	<b>Group V</b>
	<b>Loans and receivables with limited collectability</b>	<b>Loans and receivables with doubtful collectability</b>	<b>Uncollectible loans and receivables</b>
<b>Balances at Beginning of Period</b>	<b>278.247</b>	<b>441.694</b>	<b>968.762</b>
Additions (+)	1.406.587	115.714	140.233
Transfers from Other Categories of Non-Performing Loans (+)	–	1.150.953	1.000.585
Transfers from Other Categories of Non-Performing Loans (-)	1.150.953	1.000.585	–
Collections (-)	197.665	163.347	305.328
Write-offs (-)	–	–	2.849
Corporate and Commercial Loans	–	–	2.845
Retail Loans	–	–	–
Credit Cards	–	–	4
Other	–	–	–
<b>Balances at End of the Period</b>	<b>336.216</b>	<b>544.429</b>	<b>1.801.403</b>
Specific Provisions (-)	62.112	245.582	1.645.687
<b>Net Balance on Balance Sheet</b>	<b>274.104</b>	<b>298.847</b>	<b>155.716</b>

While the Bank set aside reserves at the rate of 100% for corporate and commercial loans in the 3rd group followed, in accordance with the principles in the "Regulation on the Principles and Procedures for the Determination of the Qualities of Loans and Other Receivables by Banks and Reserves to be Set Aside for Them" in previous periods, reserves were calculated using the minimum reserve ratio specified in the regulation for corporate and commercial loans followed in the current year. As a result of this change, the bank set aside TL 77.362 less reserves in the current year, compared to the calculation method of the previous year.



**DENİZBANK ANONİM ŞİRKETİ**  
**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS**  
**AS OF 31 DECEMBER 2015**

(Currency: Thousands of TL - Turkish Lira)

*Convenience Translation of*  
*Unconsolidated Financial Report*  
*Originally Issued in Turkish,*  
*See Note 3.1.c*

**10 (iii) Information on non-performing loans and other receivables in foreign currencies**

None (31 December 2014: None).

**10 (iv) Information on non-performing loans according to beneficiary group**

	<b>Group III</b>	<b>Group IV</b>	<b>Group V</b>
	<b>Loans and receivables with limited collectability</b>	<b>Loans and receivables with doubtful collectability</b>	<b>Uncollectible loans and receivables</b>
<b>Current Period (Net): 31 December 2015</b>	<b>274.104</b>	<b>298.847</b>	<b>155.716</b>
Loans Granted to Real Persons and Legal Entities (Gross)	336.216	544.429	1.801.403
Specific provisions (-)	62.112	245.582	1.645.687
Loans Granted to Real Persons and Legal Entities (Net)	274.104	298.847	155.716
Banks (Gross)	-	-	-
Specific provisions (-)	-	-	-
Banks (Net)	-	-	-
Other Loan and Receivables (Gross)	-	-	-
Specific provisions (-)	-	-	-
Other Loan and Receivables (Net)	-	-	-
<b>Prior Period (Net): 31 December 2014</b>	<b>184.827</b>	<b>221.874</b>	<b>110.527</b>
Loans Granted to Real Persons and Legal Entities (Gross)	278.247	441.694	968.762
Specific provisions (-)	93.420	219.820	858.235
Loans Granted to Real Persons and Legal Entities (Net)	184.827	221.874	110.527
Banks (Gross)	-	-	-
Specific provisions (-)	-	-	-
Banks (Net)	-	-	-
Other Loan and Receivables (Gross)	-	-	-
Specific provisions (-)	-	-	-
Other Loan and Receivables (Net)	-	-	-

**11. Liquidation policy for uncollectible loans and receivables**

For uncollectible loans and receivables, the Bank tries to solve the issue with the customer. If no result is obtained, all legal actions are taken. Such actions are completed when the insufficiency of collaterals is documented or a certificate of insolvency is obtained.

**12. Information on write-off from assets policy**

Unrecoverable non-performing loans are written off on condition that receivable of the Bank is not material compared to the costs to be incurred for the preparation of necessary documentation. Written-off amount is TL 2.849 in 2015 (31 December 2014: TL 10.582).

**f. Information on investment securities held-to-maturity**

**1. Information on securities subject to repurchase agreement and given as collateral or blocked**

**1 (i). Information on securities subject to repurchase agreement**

Held-to-maturity investments subject to repurchase agreement are TL 1.595.489 (31 December 2014: TL 964.091).

**1 (ii). Information on securities subject to given as collateral or blocked**

Collateralized held-to-maturity investments are government bonds, whose book value amounts to TL 959.121 (31 December 2014: TL 701.433).

**DENİZBANK ANONİM ŞİRKETİ****NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS  
AS OF 31 DECEMBER 2015**

(Currency: Thousands of TL - Turkish Lira)

*Convenience Translation of  
Unconsolidated Financial Report  
Originally Issued in Turkish,  
See Note 3.1.c***2. Information on government securities held-to-maturity**

	Current Period	Prior Period
Government Bonds	3.241.778	3.019.157
Treasury Bills	–	–
Other Government Debt Securities	–	–
<b>Total</b>	<b>3.241.778</b>	<b>3.019.157</b>

**3. Information on investment securities held-to-maturity**

	Current Period	Prior Period
<b>Debt Securities</b>	<b>3.247.249</b>	<b>3.025.847</b>
Quoted on Stock Exchange	3.247.249	3.022.297
Unquoted on Stock Exchange	–	3.550
<b>Impairment (-)</b>	<b>5.471</b>	<b>3.140</b>
<b>Total</b>	<b>3.241.778</b>	<b>3.022.707</b>

**4. Information on the movement of investment securities held-to-maturity during the period**

	Current Period	Prior Period
<b>Balance at the beginning of the period</b>	<b>3.022.707</b>	<b>2.432.780</b>
Foreign exchange differences (*)	227.993	185.240
Purchases (**)	–	409.837
Disposals/ Redemptions	(3.451)	(2.010)
<b>Impairment losses (-)</b>	<b>5.471</b>	<b>3.140</b>
<b>Total</b>	<b>3.241.778</b>	<b>3.022.707</b>

(\*) Accruals of investment securities held-to-maturity are included in “foreign exchange differences”.

(\*\*) Reclassified securities are included in “Purchases”.

The Bank transferred a portion of its securities from “investment securities available-for-sale” portfolio, as of reclassification date with a new cost is amounting to TL 2.645.113 and US Dollar 136.323, to the “investment securities held-to-maturity” portfolio due to change in the intention of holding dating 23 July, 24 July, 26 December 2013 and 24 January 2014. The negative valuation differences amounting to TL 232.397 followed under equity until the date of classification will be amortized with effective interest method and recycled to profit/loss until the maturities of these securities. As of the balance sheet date, the remaining negative valuation difference under equity is TL 192.722 (31 December 2014: TL 212.295).

**g. Investments in associates**

Title	Address (City/ Country)	The Parent Bank's share percentage (%)	The Parent Bank's risk group share percentage (%)
1-Kredi Kayıt Bürosu A.Ş. (*)	Istanbul/ Turkey	9	–
2-Kredi Garanti Fonu A.Ş. (**)	Ankara/ Turkey	2	–
3-Ege Tarım Ürünleri Lisanslı Dep. A.Ş. (*)	Izmir/ Turkey	9	–

	Total Assets	Shareholders' Equity	Total Fixed Assets	Interest Income	Income on Securities Portfolio	Current Period Profit/ Loss	Prior Period Profit/ Loss	Fair Value
1	129.527	104.842	69.591	3.662	–	26.782	18.547	–
2	280.776	256.586	3.486	–	–	11.811	9.692	–
3	11.427	11.389	8.394	91	–	(172)	(946)	–

(\*) Information on the financial statements is presented as of the period ended 30 September 2015.

(\*\*) Information on the financial statements is presented as of the period ended 31 December 2014.

**DENİZBANK ANONİM ŞİRKETİ**  
**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS**  
**AS OF 31 DECEMBER 2015**

(Currency: Thousands of TL - Turkish Lira)

*Convenience Translation of*  
*Unconsolidated Financial Report*  
*Originally Issued in Turkish,*  
*See Note 3.1.c*

**h. Investments in subsidiaries**

**1. Information on capital adequacies of major subsidiaries**

Amounts at below prepared within the scope of regulation depended by Denizbank AG and they are obtained from financial datas of 31 December 2015.

	<b>Denizbank AG</b>
Paid-in capital	610.752
Share Premium	893.454
Reserves	1.650.809
Deductions from capital	330
<b>Total Common Equity</b>	<b>3.154.685</b>
Total Additional Tier I Capital	–
Deductions from capital	1.319
<b>Total Core Capital</b>	<b>3.153.366</b>
Total Supplementary Capital	–
<b>Capital</b>	<b>3.153.366</b>
Deductions from capital	–
<b>SHAREHOLDERS' EQUITY</b>	<b>3.153.366</b>

**2. Information on subsidiaries**

<b>Title</b>	<b>Address (City/ Country)</b>	<b>The Parent Bank's share percentage (%)</b>	<b>Other shareholders' share percentage (%) (****)</b>
1-Intertech Bilgi İşlem ve Pazarlama Ticaret A.Ş. (*)	Istanbul/ Turkey	100	–
2-Denizbank Kültür Sanat Yayıncılık Ticaret ve Sanayi A.Ş. (*)	Istanbul/ Turkey	100	–
3-Denizbank AG	Vienna/ Austria	100	–
4-Eurodeniz International Banking Unit Ltd.	Nicosia / Cyprus	100	–
5-Deniz Yatırım Menkul Kıymetler A.Ş.	Istanbul/ Turkey	100	–
6-Ekspres Menkul Değerler A.Ş. (***)	Istanbul/ Turkey	71	29
7-JSC Denizbank Moskova	Moscow / Russia	49	51
8-Deniz Portföy Yönetimi A.Ş.	Istanbul/ Turkey	–	100
9-Deniz Finansal Kiralama A.Ş.	Istanbul/ Turkey	49	51
10-Deniz Faktoring A.Ş.	Istanbul/ Turkey	100	–
11-Deniz Gayrimenkul Yatırım Ortaklığı A.Ş. (**)	Istanbul/ Turkey	–	91
12-Destek Varlık Yönetim A.Ş. (**)	Istanbul/ Turkey	–	100
13-CR Erdberg Eins GmbH & Co KG. (**)	Vienna/ Austria	–	100

(\*) It is not included in TAS 27 equity method implementation mentioned in Note I of Section Three.

(\*\*) They are included in TAS 27 "equity method" mentioned in Note I of Section Three although which are not the Bank's direct subsidiaries.

(\*\*\*) The operations of Ekspres Yatırım were suspended as of 31 December 2013 pursuant to the resolution taken at the Board of Directors meeting of Ekspres Yatırım dated 28 November 2013 and numbered 2013/29.

(\*\*\*\*) Presenting risk group of Bank's share percentage.

**DENİZBANK ANONİM ŞİRKETİ**  
**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS**  
**AS OF 31 DECEMBER 2015**

(Currency: Thousands of TL - Turkish Lira)

*Convenience Translation of*  
*Unconsolidated Financial Report*  
*Originally Issued in Turkish,*  
*See Note 3.1.c*

	Total Assets	Shareholders' Equity	Total Fixed Assets	Interest Income	Income on Securities Portfolio	Current Period Profit/ (Loss)	Prior Period Profit/ (Loss)	Fair Value	Capital requirement
1	72.892	5.569	3.411	560	–	462	1.772	–	–
2	1.305	1.273	–	–	–	(9)	(23)	–	–
3	29.594.784	3.154.695	27.375	1.253.134	98.745	459.473	394.973	–	–
4	375.163	19.677	71	59.092	–	691	1.778	–	–
5	157.945	138.963	2.827	4.419	91	(12.342)	6.974	–	–
6	15.135	13.880	2.354	883	158	1.071	(66)	–	–
7	796.621	139.063	2.303	56.429	14.004	28.893	26.326	–	–
8	9.825	8.607	18	836	19	2.319	717	–	–
9	2.583.220	554.713	61.014	194.239	–	71.469	58.119	–	–
10	793.546	174.730	2.386	160.886	–	(36.638)	104.894	–	–
11	188.961	184.806	303	754	–	10.285	13.078	–	–
12	78.519	11.015	28	13.557	–	1.438	81	–	–
13	66.252	59.193	54.995	11	–	1.827	430	–	–

Information on the financial statements is presented as of the period ended 31 December 2015.

**Movement of subsidiaries**

	Current Period	Prior Period
<b>Balance at the Beginning of the Period</b>	<b>3.011.308</b>	<b>2.693.294</b>
<b>Movements during the Period</b>	<b>928.423</b>	<b>318.014</b>
Purchases (**)	256.426	95.000
Bonus Shares Received	–	4.703
Dividends from Current Year Profit (***)	471.774	422.527
Sales	–	110.254
Revaluation Increase, Effect of Inflation and F/X Difference (*)	200.223	(93.962)
Allowance for impairment	–	–
<b>Balance at the End of the Period</b>	<b>3.939.731</b>	<b>3.011.308</b>
<b>Capital Commitments</b>	<b>--</b>	<b>--</b>
<b>Share Percentage at the end of Period (%)</b>	<b>--</b>	<b>--</b>

(\*) It consists of other reserves amounting to TL 255.509 as of 31 December 2015 (31 December 2014: TL (114.284)) and valuation differences of securities amounting to TL (55.286) as of 31 December 2015 (31 December 2014: TL 20.322) as a consequence of equity method implementation in accordance with TAS 27 mentioned in Note I of Section Three.

(\*\*) On 4 September 2015, the Bank has increased Denizbank AG's capital by Euro 80 million.

(\*\*\*) Dividend income amounting to TL 55.836 as of 31 December 2015 (31 December 2014: TL 48.647) and profit on sale of associates amounting to TL -- as of 31 December 2015 (31 December 2014: TL 78.400) as a consequence of equity method implementation in accordance with TAS 27 mentioned in Note I of Section Three.

**2 (i). Sectorial information on the subsidiaries and the related carrying amounts**

	Current Period	(*) Prior Period
Banks	3.236.453	2.251.986
Insurance Companies	–	–
Factoring Companies	174.730	267.198
Leasing Companies	271.816	236.788
Finance Companies	–	–
Other Subsidiaries	256.732	255.336
<b>Total</b>	<b>3.939.731</b>	<b>3.011.308</b>

(\*) Prior period balances are rearranged retrospectively as a result of equity method implementation.

2 (ii). Quoted subsidiaries: None.

2 (iii). Subsidiaries disposed during the current period: None.

2 (iv). Subsidiaries acquired during the current period: None.

**DENİZBANK ANONİM ŞİRKETİ**  
**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS**  
**AS OF 31 DECEMBER 2015**

(Currency: Thousands of TL - Turkish Lira)

*Convenience Translation of  
Unconsolidated Financial Report  
Originally Issued in Turkish,  
See Note 3.1.c*

**i. Entities Under Common Control (Joint Ventures)**

Title	The Parent Bank's share percentage (%)	The Group's share percentage (%)	Current Assets	Non-Current Assets	Non-Current Liabilities	Income	Expenses
Bantaş Nakit ve Kıymetli Mal Taşıma ve Güvenlik Hizmetleri A.Ş.	33	33	18.324	17.521	–	79.822	(74.068)

Information on the unreviewed financial statements is presented as of the period ended 31 December 2015.

**j. Information on receivables from leasing activities**

None (31 December 2014: None).

**k. Explanation on hedging purpose derivatives**

None (31 December 2014: None).

**l. Information on tangible assets**

	Land and buildings	Fixed assets under finance lease	Vehicles	Other tangible fixed assets	Total
<b>Current Period End: 31 December 2015</b>					
<b>Net book value at the beginning of the period</b>	<b>60.426</b>	<b>205.527</b>	<b>1.585</b>	<b>708.876</b>	<b>976.414</b>
Additions	265	25.912	13	100.234	126.424
Disposals	15.474	12.112	122	52.309	80.017
Net FX difference from foreign subsidiaries	–	–	10	31	41
<b>Net book value at the end of the period</b>	<b>45.217</b>	<b>219.327</b>	<b>1.486</b>	<b>756.832</b>	<b>1.022.862</b>
<b>Accumulated depreciation at the beginning of the period (-)</b>	<b>13.738</b>	<b>156.487</b>	<b>953</b>	<b>397.632</b>	<b>568.810</b>
Disposals	4.193	13.712	99	34.928	52.932
Net FX difference from foreign subsidiaries	–	–	10	30	40
Depreciation	870	17.827	220	86.999	105.916
<b>Current period accumulated depreciation (-)</b>	<b>10.415</b>	<b>160.602</b>	<b>1.084</b>	<b>449.733</b>	<b>621.834</b>
<b>Closing net book value</b>	<b>34.802</b>	<b>58.725</b>	<b>402</b>	<b>307.099</b>	<b>401.028</b>
<b>Prior Period End: 31 December 2014</b>					
<b>Net book value at the beginning of the period</b>	<b>59.767</b>	<b>192.179</b>	<b>1.470</b>	<b>629.853</b>	<b>883.269</b>
Additions	659	20.768	112	107.614	129.153
Disposals	–	7.420	–	28.601	36.021
Net FX difference from foreign subsidiaries	–	–	3	10	13
<b>Net book value at the end of the period</b>	<b>60.426</b>	<b>205.527</b>	<b>1.585</b>	<b>708.876</b>	<b>976.414</b>
<b>Accumulated depreciation at the beginning of the period (-)</b>	<b>12.598</b>	<b>151.283</b>	<b>678</b>	<b>324.764</b>	<b>489.323</b>
Disposals	–	7.210	–	14.599	21.809
Net FX difference from foreign subsidiaries	–	–	3	10	13
Depreciation	1.140	12.414	272	87.457	101.283
<b>Prior period accumulated depreciation (-)</b>	<b>13.738</b>	<b>156.487</b>	<b>953</b>	<b>397.632</b>	<b>568.810</b>
<b>Closing net book value</b>	<b>46.688</b>	<b>49.040</b>	<b>632</b>	<b>311.244</b>	<b>407.604</b>

The Bank has booked an impairment loss provision of TL 4.080 for three of its buildings in prior years (31 December 2014: TL 4.402).

**DENİZBANK ANONİM ŞİRKETİ**  
**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS**  
**AS OF 31 DECEMBER 2015**

(Currency: Thousands of TL - Turkish Lira)

*Convenience Translation of  
Unconsolidated Financial Report  
Originally Issued in Turkish,  
See Note 3.1.c*

**m. Information on intangible assets**

<b>Current Period End: 31 December 2015</b>	<b>Other</b>	<b>Goodwill</b>	<b>Total</b>
<b>Net book value at the beginning of the period</b>	<b>386.109</b>	<b>869</b>	<b>386.978</b>
Additions	102.659	–	102.659
Net FX difference from foreign subsidiaries	599	–	599
<b>Net book value at the end of the period</b>	<b>489.367</b>	<b>869</b>	<b>490.236</b>
<b>Accumulated depreciation at the beginning of the period (-)</b>	<b>240.666</b>	<b>–</b>	<b>240.666</b>
Net FX difference from foreign subsidiaries	595	–	595
Depreciation	77.797	–	77.797
<b>Current period accumulated depreciation (-)</b>	<b>319.058</b>	<b>–</b>	<b>319.058</b>
<b>Closing net book value</b>	<b>170.309</b>	<b>869</b>	<b>171.178</b>
<b>Prior Period End: 31 December 2014</b>			
<b>Net book value at the beginning of the period</b>	<b>331.073</b>	<b>869</b>	<b>331.942</b>
Additions	54.834	–	54.834
Net FX difference from foreign subsidiaries	202	–	202
<b>Net book value at the end of the period</b>	<b>386.109</b>	<b>869</b>	<b>386.978</b>
<b>Accumulated depreciation at the beginning of the period (-)</b>	<b>175.737</b>	<b>–</b>	<b>175.737</b>
Net FX difference from foreign subsidiaries	202	–	202
Depreciation	64.727	–	64.727
<b>Prior period accumulated depreciation (-)</b>	<b>240.666</b>	<b>–</b>	<b>240.666</b>
<b>Closing net book value</b>	<b>145.443</b>	<b>869</b>	<b>146.312</b>

**n. Explanation on investment property**

None (31 December 2014: None).

## o. Information on deferred tax asset

Deferred tax asset is calculated on the basis of related regulation and these balances are the net of deductible and taxable temporary differences calculated as of the balance sheet date.

The following table presents the deferred tax bases:

	Current Period	Prior Period
Financial Loss (*)	69.714	—
Unearned Income	43.260	41.649
Provision for Employee Benefits	18.670	17.485
Miscellaneous Provisions	5.638	9.157
Other	4.143	—
Valuation Differences of Financial Assets	—	46.328
<b>Deferred Tax Assets</b>	<b>141.425</b>	<b>114.619</b>
Valuation Differences of Derivatives	(42.846)	(3.848)
Valuation Differences of Tangible Assets	(10.477)	(8.447)
Valuation Differences of Financial Assets	(2.726)	—
Other	—	(6.869)
<b>Deferred Tax Liabilities</b>	<b>(56.049)</b>	<b>(19.164)</b>
<b>Net Deferred Tax Assets</b>	<b>85.376</b>	<b>95.455</b>

(\*) Fiscal loss essentially arises from the valuation of financial instruments in the calculation of corporate tax of the current period under the Tax Procedures Law (TPL).

## p. Explanation on property and equipment held for sale and related to discontinued operations

None (31 December 2014: None).

## q. Information on other assets

## 1. Information on prepaid expense, taxes and similar items

The Bank's total prepaid expenses are TL 263.450 (31 December 2014: TL 231.422).

## 2. Other assets do not exceed 10% of total assets excluding the off-balance sheet items.

**DENİZBANK ANONİM ŞİRKETİ**  
**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS**  
**AS OF 31 DECEMBER 2015**

(Currency: Thousands of TL - Turkish Lira)

*Convenience Translation of*  
*Unconsolidated Financial Report*  
*Originally Issued in Turkish,*  
*See Note 3.1.c*

**II. Explanations and disclosures related to liabilities**

**a. Information on deposits**

**1. Information on maturity structure of deposits**

**1 (i). Current period - 31 December 2015:**

	<b>7 Days</b>	<b>Up to 1</b>			<b>6 Months-</b>	<b>1 Year and</b>	<b>Accumulated</b>	
	<b>Demand</b>	<b>Month</b>	<b>1-3 Months</b>	<b>3-6 Months</b>	<b>1 Year</b>	<b>Over</b>	<b>Deposit</b>	<b>Total</b>
	<b>Notice</b>						<b>Accounts</b>	
Saving Deposits	1.603.758	–	1.539.693	12.588.853	250.974	126.499	198.688	34.631 <b>16.343.096</b>
Foreign Currency Deposits (*)	3.975.007	–	2.693.442	9.496.538	1.121.513	858.764	932.895	1.477 <b>19.079.636</b>
Residents in Turkey	3.632.126	–	2.645.771	9.012.894	1.055.969	670.674	657.700	1.290 <b>17.676.424</b>
Residents Abroad	342.881	–	47.671	483.644	65.544	188.090	275.195	187 <b>1.403.212</b>
Public Sector Deposits	416.169	–	46.680	48.266	1.899	13	411	– <b>513.438</b>
Commercial Deposits	2.167.352	–	1.678.913	3.353.789	116.203	110.219	30.272	– <b>7.456.748</b>
Other Ins. Deposits	81.973	–	92.902	1.028.700	169.986	910	11.862	– <b>1.386.333</b>
Precious Metal Deposits	121.790	–	24.210	136.557	11.513	31.379	9.578	2.702 <b>337.729</b>
Bank Deposits	90.540	–	607.903	617.404	6.939	147.811	–	– <b>1.470.597</b>
Central Bank	–	–	–	–	–	–	–	– <b>–</b>
Domestic Banks	892	–	104.601	35.637	–	1.466	–	– <b>142.596</b>
Foreign Banks	76.987	–	503.302	581.767	6.939	146.345	–	– <b>1.315.340</b>
Special Finan. Inst.	12.661	–	–	–	–	–	–	– <b>12.661</b>
Other	–	–	–	–	–	–	–	– <b>–</b>
<b>Total</b>	<b>8.456.589</b>	<b>–</b>	<b>6.683.743</b>	<b>27.270.107</b>	<b>1.679.027</b>	<b>1.275.595</b>	<b>1.183.706</b>	<b>38.810 46.587.577</b>

(\*) Foreign Exchange Deposit Account consists of Saving Deposit customers at the amount of TL 9.846.585 and Commercial Deposit customers at the amount of TL 9.233.051.

**1 (ii). Prior period - 31 December 2014:**

	<b>7 Days</b>	<b>Up to 1</b>			<b>6 Months-</b>	<b>1 Year and</b>	<b>Accumulated</b>	
	<b>Demand</b>	<b>Month</b>	<b>1-3 Months</b>	<b>3-6 Months</b>	<b>1 Year</b>	<b>Over</b>	<b>Deposit</b>	<b>Total</b>
	<b>Notice</b>						<b>Accounts</b>	
Saving Deposits	1.321.820	–	1.367.040	11.575.267	355.226	165.096	254.336	30.204 <b>15.068.989</b>
Foreign Currency Deposits (*)	3.626.986	–	1.920.876	8.883.152	874.687	766.576	449.265	935 <b>16.522.477</b>
Residents in Turkey	3.372.403	–	1.878.140	8.357.164	818.729	495.550	309.895	831 <b>15.232.712</b>
Residents Abroad	254.583	–	42.736	525.988	55.958	271.026	139.370	104 <b>1.289.765</b>
Public Sector Deposits	350.421	–	7.785	32.675	1.850	793	438	– <b>393.962</b>
Commercial Deposits	1.806.076	–	1.860.112	3.199.851	355.064	121.228	57.377	– <b>7.399.708</b>
Other Ins. Deposits	73.014	–	57.724	1.217.294	261.226	89.571	237	– <b>1.699.066</b>
Precious Metal Deposits	185.931	–	29.273	211.517	10.786	18.163	10.453	1.885 <b>468.008</b>
Bank Deposits	102.939	–	925.979	494.698	465	11.516	12.865	– <b>1.548.462</b>
Central Bank	–	–	–	–	–	–	–	– <b>–</b>
Domestic Banks	1.405	–	174.055	8.050	–	11.516	12.865	– <b>207.891</b>
Foreign Banks	53.734	–	751.924	486.648	465	–	–	– <b>1.292.771</b>
Special Finan. Inst.	47.800	–	–	–	–	–	–	– <b>47.800</b>
Other	–	–	–	–	–	–	–	– <b>–</b>
<b>Total</b>	<b>7.467.187</b>	<b>–</b>	<b>6.168.789</b>	<b>25.614.454</b>	<b>1.859.304</b>	<b>1.172.943</b>	<b>784.971</b>	<b>33.024 43.100.672</b>

(\*) Foreign Exchange Deposit Account consists of Saving Deposit customers at the amount of TL 6.367.815 and Commercial Deposit customers at the amount of TL 10.154.662.



**DENİZBANK ANONİM ŞİRKETİ****NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS  
AS OF 31 DECEMBER 2015**

(Currency: Thousands of TL - Turkish Lira)

*Convenience Translation of  
Unconsolidated Financial Report  
Originally Issued in Turkish,  
See Note 3.1.c***2. Information on deposit insurance**

2 (i). Information on saving deposits insured by Saving Deposit Insurance Fund and the total amount of the deposits exceeding the insurance coverage limit

	<b>Deposit Insurance Covered by Fund</b>		<b>Deposit Insurance Exceeding the Limit</b>	
	<b>Current Period</b>	<b>Prior Period</b>	<b>Current Period</b>	<b>Prior Period</b>
Saving Deposits	7.838.510	6.631.489	8.447.404	8.363.195
Foreign Currency Saving Deposits	2.148.057	1.753.367	7.964.570	5.001.945
Other Saving Deposits	—	—	—	—
Foreign Branches' Deposits Under Foreign Insurance Coverage	—	—	—	—
Off-Shore Deposits Under Foreign Insurance Coverage	—	—	—	—
<b>Total</b>	<b>9.986.567</b>	<b>8.384.856</b>	<b>16.411.974</b>	<b>13.365.140</b>

2 (ii). Saving deposits that are not under the guarantee of deposit insurance fund

	<b>Current Period</b>	<b>Prior Period</b>
Deposits and Other Accounts in Foreign Branches	75.346	100.236
Deposits and Other Accounts belong to Major Shareholders with Their Parents, Spouse and Children under Their Wardship	—	—
Deposits and Other Accounts belong to Members of Board of Directors, CEO and Deputy CEO with Their Parents, Spouse and Children under Their Wardship	30.020	37.381
Deposits and Other Accounts linked to Crimes Mentioned in 282nd Article of 5237 Numbered Turkish Penal Code dated on 26/ 09/ 2004	—	—
Deposits belong to Off-Shore Banks who are established in Turkey	—	—
<b>Total</b>	<b>105.366</b>	<b>137.617</b>

2 (iii). Saving deposits in Turkey are not covered by any insurance in any other countries since the Bank's headquarter is not located abroad.

**b. Information on trading purpose derivatives****1. Negative value of trading purpose derivatives**

	<b>Current Period</b>		<b>Prior Period</b>	
	<b>TL</b>	<b>FC</b>	<b>TL</b>	<b>FC</b>
Forward Transactions	3.424	29.821	1.802	25.247
Swap Transactions	328.486	193.753	97.108	529.868
Futures Transactions	—	—	—	—
Options	—	21.743	—	35.240
Other	—	—	—	—
<b>Total</b>	<b>331.910</b>	<b>245.317</b>	<b>98.910</b>	<b>590.355</b>

**DENİZBANK ANONİM ŞİRKETİ**  
**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS**  
**AS OF 31 DECEMBER 2015**

(Currency: Thousands of TL - Turkish Lira)

*Convenience Translation of  
Unconsolidated Financial Report  
Originally Issued in Turkish,  
See Note 3.1.c*

**c. Information on funds borrowed**

**1. Information on banks and other financial institutions**

	Current Period		Prior Period	
	TL	FC	TL	FC
Central Bank Loans	–	–	–	–
Domestic Bank and Institutions	195.122	243.205	186.808	138.924
Foreign Bank, Institutions and Funds	–	10.260.743	596.610	6.586.030
<b>Total</b>	<b>195.122</b>	<b>10.503.948</b>	<b>783.418</b>	<b>6.724.954</b>

**2. Maturity information of funds borrowed**

	Current Period		Prior Period	
	TL	FC	TL	FC
Short-Term	195.122	5.411.001	179.975	3.430.217
Medium and Long-Term	–	5.092.947	603.443	3.294.737
<b>Total</b>	<b>195.122</b>	<b>10.503.948</b>	<b>783.418</b>	<b>6.724.954</b>

**3. Additional explanation on concentrations of the Bank's liabilities**

As at 31 December 2015, the Bank's liabilities comprise; 55% deposits, 28% loans received, debts to money markets, issued securities and subordinated loans (31 December 2014: 61%, 22%, respectively).

**d. Information on securities issued**

	Current Period		Prior Period	
	TL	FC	TL	FC
Bonds	93.141	–	195.432	–
Bills	609.746	–	858.382	–
Asset Backed Security	556.311	–	568.084	–
<b>Total</b>	<b>1.259.198</b>	<b>--</b>	<b>1.621.898</b>	<b>--</b>

Nominal value of TL 188.439 (31 December 2014: TL 105.321) of the securities issued were repurchased by the Bank and offset in the financial statements.

**e. If other liabilities line of the balance sheet exceeds 10% of the balance sheet total; excluding the off balance sheet commitments; information on components making up at least 20% of the other liabilities**

Other liabilities do not exceed 10% of the balance sheet total excluding the off-balance sheet items.

**f. Information on lease payables (net)**

Maturity of the leasing agreements are usually 4 years. Interest rate and the Bank's cash flow are the criteria, taken into consideration, on the lease contracts. There are no judgements which, exposed to significant liabilities to the Bank, on the lease contracts.

	Current Period		Prior Period	
	Gross	Net	Gross	Net
Less than 1 year	11.608	8.803	6.388	4.418
Between 1-4 years	20.790	18.431	17.136	14.478
Over 4 years	—	—	—	—
<b>Total</b>	<b>32.398</b>	<b>27.234</b>	<b>23.524</b>	<b>18.896</b>

**1. Changes in agreements and further commitments arising**

None (31 December 2014: None).

**2. Obligations under finance leases**

None (31 December 2014: None).

**3. Explanations on operational leases**

The Bank has operational lease agreements for its bank branches, motor vehicles and ATM locations. Rental payments for the majority of these agreements are made and expensed on a monthly basis. The unexpired portion of prepayments made for rent agreements on a yearly basis are accounted for under prepaid expenses in "other assets".

**4. Explanation on "Sell-and-lease back" agreements**

None (31 December 2014: None).

**g. Information on liabilities arising from hedging purpose derivatives**

None (31 December 2014: None).

**h. Explanation on provisions****1. Information on general provisions**

	Current Period	Prior Period
Provisions for Loans and Receivables in Group I	732.433	602.076
Additional Provision for Loans with Extended Maturities	31.355	25.980
Provisions for Loans and Receivables in Group II	170.305	143.462
Additional Provision for Loans with Extended Maturities	88.712	71.690
Provisions for Non Cash Loans	81.471	75.043
Other	—	—
<b>Total</b>	<b>984.209</b>	<b>820.581</b>

**2. Provision for currency exchange gain/loss on foreign currency indexed loans**

As of 31 December 2015 the reserves allocated for the exchange rate differences of loans indexed to foreign currency amount to TL 10.635 (31 December 2014: TL 9.481). Provisions for exchange rate differences pertaining to loans indexed to foreign currency are netted off against the credits and receivables under asset items in financial statements.

**3. Liabilities on provision for employee benefits**

TAS 19 required to using the actuarial methods for calculation of operating obligations.

Accordingly, the following actuarial assumptions were used in the calculation of the total reserve for employment termination benefits:

	Current Period	Prior Period
Discount rate	5,71%	4,67%
Interest Rate	11,00%	9,90%
Expected rate of salary/ limit increase	5,00%	5,00%

As of 31 December 2015, TL 64.150 of provision for employment termination benefits (31 December 2014: TL 59.697) and TL 29.202 of unused vacation accruals (31 December 2014: TL 27.730) were reflected to the financial statements.

Movement of retirement pays liability during the period:

	Current Period	Prior Period
<b>Balance at the Beginning of the Period</b>	<b>59.697</b>	<b>51.415</b>
Changes in the period	15.967	12.901
Actuarial loss/ gain	(1.781)	1.535
Paid in the period	(9.733)	(6.154)
<b>Balance at the End of the Period</b>	<b>64.150</b>	<b>59.697</b>

**4. Information on other provisions**

4 (i). As of 31 December 2015, the free reserves allocated to potential risks amount to TL 11.000 (31 December 2014: TL 34.832), which includes other reserves set aside for credit portfolio.

4 (ii). Information on other provisions exceeding 10% of total provisions

TL 65.998 (31 December 2014: TL 107.018) of other provisions consists of provisions for non-cash loans that are not indemnified and converted into cash, TL 18.120 (31 December 2014: TL 16.016) consists of provisions for lawsuits pending against Bank and TL 33.725 (31 December 2014: TL 85) consists of other provisions.

**i. Information on taxation****1. Information on current taxes**

1 (i). Information on current tax liability

As of 31 December 2015, there is no corporate tax provision of the Bank (31 December 2014: 215.767 corporate tax provision has been offset with advance taxes amounting to 83.376.).

As of 31 December 2015, the Bank's total tax and premium liabilities is TL 148.289 (31 December 2014: TL 258.124).

1 (ii). Information on taxes payable

	Current Period	Prior Period
Corporate taxes payable	–	132.391
Taxation on securities	45.575	34.465
Capital gains taxes on property	1.779	1.966
Banking Insurance Transaction Tax (BITT)	41.422	33.821
Taxes on foreign exchange transactions	–	–
Value added taxes payable	1.756	2.180
Other	41.048	37.645
<b>Total</b>	<b>131.580</b>	<b>242.468</b>

**DENİZBANK ANONİM ŞİRKETİ****NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS  
AS OF 31 DECEMBER 2015**

(Currency: Thousands of TL - Turkish Lira)

*Convenience Translation of  
Unconsolidated Financial Report  
Originally Issued in Turkish,  
See Note 3.1.c***1 (iii). Information on premiums**

	<b>Current Period</b>	<b>Prior Period</b>
Social security premiums- employee share	7.161	6.753
Social security premiums- employer share	8.054	7.491
Bank pension fund premium- employee share	–	–
Bank pension fund premium- employer share	–	–
Pension fund membership fees and provisions- employee share	–	–
Pension fund membership fees and provisions- employer share	–	–
Unemployment insurance- employee share	498	471
Unemployment insurance- employer share	996	941
Other	–	–
<b>Total</b>	<b>16.709</b>	<b>15.656</b>

**2. Information on deferred tax liabilities**

The Bank has no deferred tax liability calculated on the basis of related regulation. Information on deferred taxes is disclosed in Note “o” of “explanations and disclosures related to assets”.

**j. Information on payables related to assets held for sale**

None (31 December 2014: None).

**k. Information on subordinated loans**

	<b>Current Period</b>		<b>Prior Period</b>	
	<b>TL</b>	<b>FC</b>	<b>TL</b>	<b>FC</b>
Domestic banks	–	–	–	–
Other domestic institutions	–	–	–	–
Foreign banks	–	4.845.965	–	3.922.963
Other foreign institutions	–	–	–	–
<b>Total</b>	<b>--</b>	<b>4.845.965</b>	<b>--</b>	<b>3.922.963</b>

Information related to subordinated loans is given in Note I-f of Section Four.

## I. Information on shareholders' equity

## 1. Paid-in capital

	Current Period	Prior Period
Common Stock	1.816.100	716.100
Preferred Stock	–	–

Paid-in capital of the Bank is shown as nominal above. The amount of TL 189.164 paid-in capital sourcing from its inflation adjustment is added to paid-in capital on 14 October 2015. Explanations regarding capital increase are given in Note II-I-3 of Section Five.

## 2. Paid-in capital amount, explanation as to whether the registered share capital system is applied at the bank; if so the amount of registered share capital

Registered paid-in capital system is not applied.

## 3. Information on share capital increases and their sources; other information on any increase in capital shares during the current period

At the date of 14 October 2015, the Bank has increased its paid-in capital at an amount of TL 1.100.000 in total through share premiums at an amount of TL 94.501, inflation adjustment differences of share premiums at an amount of TL 3.910, inflation adjustment differences of paid-in capital at an amount of TL 189.164, shares of subsidiaries and associates and return on sales at an amount of TL 262.425 and cash reserves at an amount of TL 550.000.

Capital Increase Date	Capital Increase Amount	Cash	Income Reserves Subject to Capital Increase	Capital Reserves Subject to Capital Increase
14 October 2015	1.100.000	550.000	–	550.000

## 4. Information on share capital increases from revaluation funds

Securities Increment Value Fund	Tangible and Intangible Fixed Assets Appraisal Surplus	Affiliates Associates and Jointly Controlled Entities (Joint Ventures) Bonus Share/ Issue	Other
–	–	262.425	–

Explanation regarding capital increase is given in Note II-I-3 of Section Five.

## 5. Capital commitments in the last fiscal year and at the end of the following period, the general purpose of these commitments and projected resources required to meet these commitments

The capital is totally paid in and there are no capital commitments.

## 6. Prior period indicators of the Bank's income, profitability and liquidity; and possible effects of the predictions on equity, considering uncertainty indicators

Balance sheets of the Bank is managed prudently, to minimize the negative effects of interest rate, foreign currency and credit risks. This policy contributes to the progress of the Bank's profitability with a steady increasing trend.

## 7. Information on the privileges given to stocks representing the capital

The Bank does not have any preferred stocks.

**8. Common stock issue premiums, shares and equity instruments**

	Current Period	Prior Period
Number of Shares (*)	50.368.526	50.368.526
Preferred Stock	—	—
Common Stock Issue Premium (**)	39	98.411
Common Stock Cancellation Profits	—	—
Other Equity Instruments	—	—
Total Common Stock Issued (*)	50.369	50.369

(\*) Related to the Bank's paid-in capital increase on 27 September 2004. At that date, the paid-in capital was increased from TL 202.000 to TL 290.000; and TL 50.369 of this TL 88.000 increase was received in cash through issuance of new shares to the public.

(\*\*) The share price for the above mentioned public issuance was "twothousandeighthundredandseventyfive" Turkish Liras and a total issuance premium of TL 94.441 was realized. The inflation restatement effect of TL 3.910 was also recognized over the original balance until December 2004. A total issuance premium of TL 60 was realized through the Bank's paid-in capital increase amounting TL 400.000 on 28 August 2008.

Share premium at an amount of TL 94.501 and inflation adjustment differences of share premium at an amount of TL 3.910 has been added to paid-in capital with the capital increase made by the Bank at the date of 14 October 2015. Explanations regarding capital increase are given in Note II-I-3 of Section Five.

A share premium at an amount of TL 39 has been occurred due to capital increase on 14 October at an amount of TL 1.100.000.

**9. Securities Revaluation Reserve**

	Current Period		(*) Prior Period	
	TL	FC	TL	FC
Associates, Subsidiaries and JVs	—	—	—	—
Valuation Difference and FX Difference	(521.167)	41.379	(116.564)	(22.225)
<b>Total</b>	<b>(521.167)</b>	<b>41.379</b>	<b>(116.564)</b>	<b>(22.225)</b>

(\*) Prior period financial statements are rearranged retrospectively as a result of equity method implementation.

**10. Information on hedging funds**

Explanations about hedging funds are in Note XV of Section Four.

**11. Information on minority shares**

None (31 December 2014: None).

**12. Information on revaluation differences of tangible assets**

TL 262.425 of TL 306.054, included in fixed assets revaluation differences is used in capital increase dated 14 October 2015. Explanation regarding capital increase is given in Note II-I-3 of Section Five (31 December 2014: TL 306.054 ).

**DENİZBANK ANONİM ŞİRKETİ**  
**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS**  
**AS OF 31 DECEMBER 2015**

(Currency: Thousands of TL - Turkish Lira)

*Convenience Translation of*  
*Unconsolidated Financial Report*  
*Originally Issued in Turkish,*  
*See Note 3.1.c*

**III. Explanations and disclosures related to off-balance sheet items**

**a. Information related to off-balance sheet commitments**

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

All of the Bank's off-balance sheet loan commitments are in the nature of irrevocable commitments. As of 31 December 2015, non-cash loans, commitments for credit card limits and commitments for cheque payments are TL 24.274.875, TL 10.209.119 and TL 1.920.552, respectively (31 December 2014: TL 20.421.594, TL 9.098.404 and TL 1.669.129, respectively). These items are detailed in the off-balance sheet accounts.

**2. Type and amount of possible losses from off-balance sheet items referred to below**

**2 (i). Guarantees, bills of exchange and acceptances and other letters of credit which can be considered as financial collateral**

As of 31 December 2015, The Bank has letters of guarantee amounting to TL 20.028.179, bills of exchange and acceptances amounting to TL 194.319, and guarantees and sureties on letters of credit amounting to TL 2.284.049 and other guarantees and sureties amounting to TL 1.768.328.

As of 31 December 2014, The Bank has letters of guarantee amounting to TL 16.232.324, bills of exchange and acceptances amounting to TL 114.939, and guarantees and sureties on letters of credit amounting to TL 2.518.922 and other guarantees and sureties amounting to TL 1.555.409.

**2 (ii). Final guarantees, provisional guarantees, sureties and similar transactions**

	<b>Current Period</b>	<b>Prior Period</b>
Provisional Letters of Guarantee	903.725	850.648
Final Letters of Guarantee	13.535.613	11.474.475
Letters of Guarantee for Advances	2.938.430	2.360.279
Letters of Guarantee given to Customs Offices	184.924	203.046
Other Letters of Guarantee	2.465.487	1.343.876
<b>Total</b>	<b>20.028.179</b>	<b>16.232.324</b>

**3. Information on non-cash loans**

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

	<b>Current Period</b>	<b>Prior Period</b>
Non-Cash Loans Given for Obtaining Cash Loans	4.232.981	2.895.782
With Original Maturity of 1 Year or Less	4.232.247	2.888.497
With Original Maturity of More Than 1 Year	734	7.285
Other Non-Cash Loans	20.041.894	17.525.812
<b>Total</b>	<b>24.274.875</b>	<b>20.421.594</b>



# DENİZBANK ANONİM ŞİRKETİ

## NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2015

(Currency: Thousands of TL - Turkish Lira)

*Convenience Translation of  
Unconsolidated Financial Report  
Originally Issued in Turkish,  
See Note 3.1.c*

### 3 (ii). Sectorial risk concentrations of non-cash loans

	Current Period				Prior Period			
	TL	%	FC	%	TL	%	FC	%
<b>Agricultural</b>	<b>125.561</b>	<b>1,42</b>	<b>228.819</b>	<b>1,48</b>	<b>145.619</b>	<b>1,90</b>	<b>459.140</b>	<b>3,60</b>
Farming and Cattle	124.382	1,40	228.819	1,48	144.208	1,88	456.580	3,58
Forestry	893	0,02	—	—	1.256	0,02	2.560	0,02
Fishing	286	—	—	—	155	—	—	—
<b>Manufacturing</b>	<b>2.021.443</b>	<b>22,82</b>	<b>5.267.961</b>	<b>34,17</b>	<b>1.504.582</b>	<b>19,63</b>	<b>4.322.899</b>	<b>33,89</b>
Mining	229.451	2,59	126.342	0,82	180.863	2,36	120.593	0,95
Production	1.462.574	16,51	4.558.775	29,57	1.188.305	15,50	3.388.812	26,57
Electric, gas and water	329.418	3,72	582.844	3,78	135.414	1,77	813.494	6,37
<b>Construction</b>	<b>2.502.194</b>	<b>28,24</b>	<b>5.082.112</b>	<b>32,97</b>	<b>2.342.467</b>	<b>30,56</b>	<b>3.759.460</b>	<b>29,47</b>
<b>Services</b>	<b>3.140.789</b>	<b>35,45</b>	<b>3.207.427</b>	<b>20,81</b>	<b>2.734.034</b>	<b>35,66</b>	<b>2.895.621</b>	<b>22,70</b>
Wholesale and retail trade	1.929.549	21,78	1.994.358	12,94	1.597.689	20,84	1.764.162	13,83
Hotel, food and beverage services	223.470	2,52	238.031	1,54	201.522	2,63	333.022	2,61
Transportation and telecommunication	473.289	5,34	547.087	3,55	506.375	6,61	447.438	3,51
Financial institutions	216.654	2,45	353.902	2,30	176.105	2,30	300.352	2,35
Real estate and letting services	30.106	0,34	1.984	0,01	25.238	0,33	4.103	0,03
Self-employment services	—	—	—	—	—	—	—	—
Education services	37.715	0,43	13.870	0,09	30.001	0,39	12.431	0,10
Health and social services	230.006	2,59	58.195	0,38	197.104	2,56	34.113	0,27
<b>Other</b>	<b>1.069.604</b>	<b>12,07</b>	<b>1.628.965</b>	<b>10,57</b>	<b>939.334</b>	<b>12,25</b>	<b>1.318.438</b>	<b>10,34</b>
<b>Total</b>	<b>8.859.591</b>	<b>100,00</b>	<b>15.415.284</b>	<b>100,00</b>	<b>7.666.036</b>	<b>100,00</b>	<b>12.755.558</b>	<b>100,00</b>

### 3 (iii). Information about the first and second group of non-cash loans

	I. Grup		II. Grup	
	TL	FC	TL	FC
Letters of guarantee	8.739.328	11.067.295	97.906	123.650
Bank acceptances	12.074	181.619	—	626
Letters of credit	7.687	2.276.362	—	—
Endorsements	—	—	—	—
Underwriting commitments	—	—	—	—
Factoring commitments	—	—	—	—
Other commitments and contingencies	2.596	1.765.732	—	—
<b>Non-cash Loans</b>	<b>8.761.685</b>	<b>15.291.008</b>	<b>97.906</b>	<b>124.276</b>

**DENİZBANK ANONİM ŞİRKETİ**  
**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS**  
**AS OF 31 DECEMBER 2015**

(Currency: Thousands of TL - Turkish Lira)

*Convenience Translation of*  
*Unconsolidated Financial Report*  
*Originally Issued in Turkish,*  
*See Note 3.1.c*

**b. Information related to derivative financial instruments**

<b>Current Period</b>	<b>Up to 1 month</b>	<b>1-3 months</b>	<b>3-12 months</b>	<b>1-5 years</b>	<b>More than 5 years</b>	<b>Total</b>
<b>Hedging Purpose Derivative Transactions</b>						
<b>A. Total hedging Purpose Derivative Transactions</b>	--	--	--	--	--	--
Fair Value Hedge Transactions	--	--	--	--	--	--
Cash Flow Hedge Transactions	--	--	--	--	--	--
Net Foreign Investment Hedge Transactions	--	--	--	--	--	--
<b>Types of trading transactions</b>	--	--	--	--	--	--
<b>Foreign currency related derivative transactions(I)</b>	<b>32.487.482</b>	<b>5.063.386</b>	<b>5.101.644</b>	<b>5.464.559</b>	--	<b>48.117.071</b>
Forward FC Call transactions	1.326.285	557.706	888.006	25.934	--	2.797.931
Forward FC Put transactions	1.325.174	559.422	904.922	26.802	--	2.816.320
Swap FC Call transactions	13.261.329	1.033.679	557.741	2.829.924	--	17.682.673
Swap FC Put transactions	11.943.422	863.189	415.946	2.581.899	--	15.804.456
Options FC Call transactions	2.320.709	1.047.381	1.162.554	--	--	4.530.644
Options FC Put transactions	2.310.563	1.002.009	1.172.475	--	--	4.485.047
Futures FC Call transactions	--	--	--	--	--	--
Futures FC Put transactions	--	--	--	--	--	--
<b>Total of interest derivative transactions (II)</b>	<b>--</b>	<b>6.963.425</b>	<b>3.131.178</b>	<b>16.690.116</b>	<b>10.130.592</b>	<b>36.915.311</b>
Swap Interest Call transactions	--	3.481.713	1.565.589	8.345.058	5.065.296	18.457.656
Swap Interest Put transactions	--	3.481.712	1.565.589	8.345.058	5.065.296	18.457.655
Options Interest Call transactions	--	--	--	--	--	--
Options Interest Put transactions	--	--	--	--	--	--
Securities Interest Call transactions	--	--	--	--	--	--
Securities Interest Put transactions	--	--	--	--	--	--
Futures Interest Call transactions	--	--	--	--	--	--
Futures Interest Put transactions	--	--	--	--	--	--
<b>Other types of trading transactions (III)</b>	<b>1.350.690</b>	--	--	--	--	<b>1.350.690</b>
<b>B. Total types of trading transactions (I+II+III)</b>	<b>33.838.172</b>	<b>12.026.811</b>	<b>8.232.822</b>	<b>22.154.675</b>	<b>10.130.592</b>	<b>86.383.072</b>
<b>Total Derivative Transactions (A+B)</b>	<b>33.838.172</b>	<b>12.026.811</b>	<b>8.232.822</b>	<b>22.154.675</b>	<b>10.130.592</b>	<b>86.383.072</b>

<b>Prior Period</b>	<b>Up to 1 month</b>	<b>1-3 months</b>	<b>3-12 months</b>	<b>1-5 years</b>	<b>More than 5 years</b>	<b>Total</b>
<b>Hedging Purpose Derivative Transactions</b>						
<b>A. Total hedging Purpose Derivative Transactions</b>	--	--	--	--	--	--
Fair Value Hedge Transactions	--	--	--	--	--	--
Cash Flow Hedge Transactions	--	--	--	--	--	--
Net Foreign Investment Hedge Transactions	--	--	--	--	--	--
<b>Types of trading transactions</b>	--	--	--	--	--	--
<b>Foreign currency related derivative transactions(I)</b>	<b>26.231.726</b>	<b>8.590.678</b>	<b>6.313.080</b>	<b>4.434.752</b>	<b>342.065</b>	<b>45.912.301</b>
Forward FC Call transactions	1.040.564	274.109	406.439	8.835	--	1.729.947
Forward FC Put transactions	1.046.043	277.740	420.840	9.914	--	1.754.537
Swap FC Call transactions	11.289.100	3.510.473	1.387.822	2.330.476	171.219	18.689.090
Swap FC Put transactions	10.496.197	3.668.814	1.235.483	2.085.527	170.846	17.656.867
Options FC Call transactions	1.170.347	421.421	1.429.700	--	--	3.021.468
Options FC Put transactions	1.189.475	438.121	1.432.796	--	--	3.060.392
Futures FC Call transactions	--	--	--	--	--	--
Futures FC Put transactions	--	--	--	--	--	--
<b>Total of interest derivative transactions (II)</b>	<b>--</b>	<b>347.354</b>	<b>285.723</b>	<b>13.312.986</b>	<b>2.913.231</b>	<b>16.859.294</b>
Swap Interest Call transactions	--	173.677	142.862	6.656.493	1.456.615	8.429.647
Swap Interest Put transactions	--	173.677	142.861	6.656.493	1.456.616	8.429.647
Options Interest Call transactions	--	--	--	--	--	--
Options Interest Put transactions	--	--	--	--	--	--
Securities Interest Call transactions	--	--	--	--	--	--
Securities Interest Put transactions	--	--	--	--	--	--
Futures Interest Call transactions	--	--	--	--	--	--
Futures Interest Put transactions	--	--	--	--	--	--
<b>Other types of trading transactions (III)</b>	<b>765.174</b>	--	--	<b>1.486.737</b>	--	<b>2.251.911</b>
<b>B. Total types of trading transactions (I+II+III)</b>	<b>26.996.900</b>	<b>8.938.032</b>	<b>6.598.803</b>	<b>19.234.475</b>	<b>3.255.296</b>	<b>65.023.506</b>
<b>Total Derivative Transactions (A+B)</b>	<b>26.996.900</b>	<b>8.938.032</b>	<b>6.598.803</b>	<b>19.234.475</b>	<b>3.255.296</b>	<b>65.023.506</b>

**c. Credit derivatives and risk exposures on credit derivatives**

None.

**d. Contingent assets and liabilities**

A tax inspection for the years of 2010, 2011, 2012, 2013 and 2014 is carried out by Large Taxpayers Office of Turkish Tax Inspection Board with respect to an inspection conducted debt collection fees. In tax inspection reports, tax and penalty notifications, including a total amount of TL 55.745 assessment consists of original tax at an amount of TL 4.495 and tax loss penalty at an amount of TL 6.743 in 2010, original tax at an amount of TL 4.664 and tax loss penalty at an amount of TL 6.996 in 2011, original tax at an amount of TL 2.625 and tax loss penalty at an amount of TL 3.937 in 2012, original tax at an amount of TL 5.863 and tax loss penalty at an amount of TL 8.795 in 2013 and original tax at an amount of TL 4.651 and tax loss penalty at an amount of TL 6.976 in 2014 has been delivered to the Bank on account of the fact that legal encashment fee related to collections made externally through making payments to Bank or lawyers by related debtors regarding their non-performing credits in Bank is not paid. It is considered that the debtor is responsible for encashment fee in accordance with established decisions and legislation and there is no provision made in financial statements since the implementation of the Bank is considered to be in line with legislation.

A tax inspection for the years of 2010, 2011, 2012, 2013 and 2014 is carried out by Large Taxpayers Office of Turkish Tax Inspection Board regarding the examination of judgment and compensation fees with respect to Corporation Tax has been carried out. In tax inspection reports, tax and penalty notifications, including a total amount of TL 952 assessment consisting of original tax at an amount of TL 35 and tax loss penalty at an amount of TL 52 in 2011, original tax at an amount of TL 45 and tax loss penalty at an amount of TL 68 in 2012 and original tax at an amount of TL 301 and tax loss penalty at an amount of TL 451 in 2014 has been delivered to Bank on account of the fact that corporation tax regarding 2011, 2012 and 2014 was not paid completely. There is no provision made in financial statements since the implementation of the Bank is considered to be in line with legislation.

Tax investigation reports and tax penalty notifications for the years of 2009 and 2010 and tax investigation reports for 2011, 2012, 2013 and 2014 have been issued by Large Taxpayers Office of Turkish Tax Inspection Board as a result of examination of derivative transactions with respect to Banking and Insurance Transaction Tax. In tax inspection reports, tax and penalty notifications, including a total amount of TL 67.780 assessment consisting of original tax at an amount of TL 3 and tax loss penalty at an amount of TL 5 in 2009, original tax at an amount of TL 2.018 and tax loss penalty at an amount of TL 3.027 in 2010 and original tax at an amount of TL 10.833 and tax loss penalty at an amount of TL 16.249 in 2011 and original tax at an amount of TL 3.538 and tax loss penalty at an amount of TL 5.307 in 2012 original tax at an amount of TL 6.764 and tax loss penalty at an amount of TL 10.146 in 2013 original tax at an amount of TL 3.956 and tax loss penalty at an amount of TL 5.934 in 2014 has been delivered to the Bank on account of the fact that Banking and Insurance transaction Tax was not paid. There is no provision made in financial statements since the implementation of the Bank is considered to be in line with legislation.

Tax investigation report for 2010 has been issued by Large Taxpayers Office of Turkish Tax Inspection Board as a result of examination of file cost collected from customers who use individual credits with respect to Resource Utilization Support Fund. In tax inspection reports, an accrual slip including Resource Utilization Support Fund at an amount of TL 1.774 and delaying penalty at an amount of TL 2.141 has been submitted on account of the fact that the Bank has not calculated Resource Utilization Support Fund over file cost collected from customers who use individual credits. There is no provision made in financial statements since the implementation of the Bank is in line with legislation taking into consideration that file costs should be included in non-interest revenues rather than interest revenue in Uniform Chart of Account published by Banking Regulation and Supervision Agency. The Bank has appealed to the court for the stay of execution.

The Bank shall use its legal rights for taxes and tax penalties regarding Resource Utilization Support Fund for the years 2009, 2010, 2011, 2012, 2013 and 2014; Corporation Tax for the years 2011, 2012 and 2014 and Debt Collection Fees for the years 2010, 2011, 2012, 2013 and 2014.

Based on the principle of conservatism the Bank made a provision amounting to TL 18.120 (31 December 2014: TL 16.016) for lawsuits pending against itself; which are classified in "Other provisions" item at the balance sheet. Other ongoing lawsuits which have not any provision are unlikely to occur and for which cash outflow is not expected to incur.

**DENİZBANK ANONİM ŞİRKETİ**  
**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS**  
**AS OF 31 DECEMBER 2015**

(Currency: Thousands of TL - Turkish Lira)

*Convenience Translation of  
Unconsolidated Financial Report  
Originally Issued in Turkish,  
See Note 3.1.c*

**e. Activities carried out on behalf and account of other persons**

The Bank provides trading, custody, management and consultancy services to its customers.

**IV. Explanations and disclosures related to statement of income**

**a. Interest income**

**1. Information on interest income received from loans**

	Current Period		Prior Period	
	TL	FC	TL	FC
Short Term Loans	2.079.048	70.429	1.783.888	61.672
Medium and Long Term Loans	3.120.805	478.463	2.495.872	434.806
Loans Under Follow-Up	42.429	—	49.049	—
Premiums Received from Resource Utilization Support Fund	—	—	—	—
<b>Total</b>	<b>5.242.282</b>	<b>548.892</b>	<b>4.328.809</b>	<b>496.478</b>

Interest income received from loans also includes fees and commissions from cash loans granted.

**2. Information on interest income received from banks**

	Current Period		Prior Period	
	TL	FC	TL	FC
Central Bank of the Republic of Turkey	—	150	—	—
Domestic Banks	5.240	895	39.205	835
Foreign Banks	864	3.552	1.621	1.283
Foreign Head Offices and Branches	—	—	—	—
<b>Total</b>	<b>6.104</b>	<b>4.597</b>	<b>40.826</b>	<b>2.118</b>

The interest income from required reserves that maintain in CBRT of the Bank amounting to 24.288 (1 January-31 December 2014: 756) recognized under “ Interest Income Received From Required Reserves “ account.

**3. Information on interest income received from securities portfolio**

	Current Period		Prior Period	
	TL	FC	TL	FC
Trading Securities	7.801	380	24.514	897
Financial Assets at Fair Value Through Profit or Loss	—	—	—	—
Investment Securities Available-for-Sale	570.637	46.215	423.261	7.514
Investment Securities Held-to-Maturity	277.678	20.417	282.277	16.325
<b>Total</b>	<b>856.116</b>	<b>67.012</b>	<b>730.052</b>	<b>24.736</b>

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

	Current Period	Prior Period
Interest Received from Associates and Subsidiaries	10.479	9.582

**b. Interest expense**

**1. Information on interest expense related to funds borrowed**

	Current Period		Prior Period	
	TL	FC	TL	FC
<b>Banks</b>	<b>28.095</b>	<b>447.734</b>	<b>73.870</b>	<b>349.991</b>
Central Bank of the Republic of Turkey	49	—	40	—
Domestic Banks	14.110	3.731	9.053	4.229
Foreign Banks	13.936	444.003	64.777	345.762
Foreign Head Offices and Branches	—	—	—	—
<b>Other Institutions</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Total</b>	<b>28.095</b>	<b>447.734</b>	<b>73.870</b>	<b>349.991</b>

Interest expense related to funds borrowed also includes fees and commission expenses.

**DENİZBANK ANONİM ŞİRKETİ**  
**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS**  
**AS OF 31 DECEMBER 2015**

(Currency: Thousands of TL - Turkish Lira)

*Convenience Translation of*  
*Unconsolidated Financial Report*  
*Originally Issued in Turkish,*  
*See Note 3.1.c*

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

	Current Period	Prior Period
Interest Paid to Associates and Subsidiaries	27.086	17.697

**3. Information on interest expense paid to securities issued**

	Current Period	Prior Period
Interest Paid to Securities Issued	139.479	150.618

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

Account Name	Demand Deposits	Time Deposit					Cumulative Deposit	Total
		Up to 1 Month	Up to 3 Month	Up to 6 Month	Up to 1 Year	More than 1 Year		
<b>TL</b>								
Bank Deposits	32	25.004	–	–	–	–	–	<b>25.036</b>
Saving Deposits	44	186.471	1.284.642	22.143	11.371	20.328	2.102	<b>1.527.101</b>
Public Sector Deposits	–	4.613	4.129	479	35	40	–	<b>9.296</b>
Commercial Deposits	1	271.232	357.888	12.124	9.937	1.856	–	<b>653.038</b>
Other Deposits	–	10.430	120.762	6.538	1.958	974	–	<b>140.662</b>
"7 Days Notice" Deposits	–	–	–	–	–	–	–	<b>–</b>
<b>Total</b>	<b>77</b>	<b>497.750</b>	<b>1.767.421</b>	<b>41.284</b>	<b>23.301</b>	<b>23.198</b>	<b>2.102</b>	<b>2.355.133</b>
<b>FC</b>								
Foreign Currency Deposits	8	46.615	214.280	17.569	17.686	16.515	30	<b>312.703</b>
Bank Deposits	221	9.355	–	–	–	–	–	<b>9.576</b>
"7 Days Notice" Deposits	–	–	–	–	–	–	–	<b>–</b>
Precious Metal Deposits	2	9.325	4.804	165	407	227	35	<b>14.965</b>
<b>Total</b>	<b>231</b>	<b>65.295</b>	<b>219.084</b>	<b>17.734</b>	<b>18.093</b>	<b>16.742</b>	<b>65</b>	<b>337.244</b>
<b>Grand Total</b>	<b>308</b>	<b>563.045</b>	<b>1.986.505</b>	<b>59.018</b>	<b>41.394</b>	<b>39.940</b>	<b>2.167</b>	<b>2.692.377</b>

**c. Dividend income**

	Current Period	Prior Period
Trading Securities	–	52
Financial Assets at Fair Value Through Profit or Loss	–	–
Investment Securities Available-for-Sale	–	–
Other	1.567	1.413
<b>Total</b>	<b>1.567</b>	<b>1.465</b>

**d. Information on trading income / loss**

	Current Period	Prior Period
<b>Income</b>	<b>256.727.428</b>	<b>143.838.435</b>
Capital Market Transactions	43.692	94.030
Derivative Financial Instruments	6.619.983	4.338.487
Foreign Exchange Gains	250.063.753	139.405.918
<b>Loss (-)</b>	<b>257.465.503</b>	<b>144.482.430</b>
Capital Market Transactions	22.684	68.577
Derivative Financial Instruments	5.530.275	4.731.016
Foreign Exchange Losses	251.912.544	139.682.837
<b>Net Trading Income / Loss</b>	<b>(738.075)</b>	<b>(643.995)</b>

Net gain from foreign exchange translation differences related to derivative financial instruments is TL 1.065.761 (net gain for the period 1 January - 31 December 2014: TL 169.847).

**DENİZBANK ANONİM ŞİRKETİ**  
**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS**  
**AS OF 31 DECEMBER 2015**

(Currency: Thousands of TL - Turkish Lira)

*Convenience Translation of*  
*Unconsolidated Financial Report*  
*Originally Issued in Turkish,*  
*See Note 3.1.c*

**e. Information on other operating income**

	<b>Current Period</b>	<b>Prior Period</b>
Reversal of prior periods' provisions	277.428	278.164
Sale revenue for Real estate properties	38.748	28.472
Communication income	12.423	13.265
Cheque book fees	4.150	4.991
Other (*)	140.080	131.571
<b>Total</b>	<b>472.829</b>	<b>456.463</b>

(\*) Includes the income from the sale of Mastercard shares at TL 51.335 and Visa shares at TL 24.692 recognized as of 2015.

**f. Impairment on loans and other receivables**

	<b>Current Period</b>	<b>Prior Period</b>
Specific Provisions on Loans and Other Receivables	958.000	727.352
<i>Loans and Receivables in Group III</i>	<i>65.389</i>	<i>94.398</i>
<i>Loans and Receivables in Group IV</i>	<i>254.078</i>	<i>224.292</i>
<i>Loans and Receivables in Group V</i>	<i>638.533</i>	<i>408.662</i>
Non-performing Commissions and Other Receivables	—	—
General Loan Loss Provisions	163.628	112.745
Free Provision for Probable Risks	3.000	466
Impairment Losses on Securities	26.058	13.499
<i>Financial Assets at Fair Value Through Profit or Loss</i>	<i>1.025</i>	—
<i>Investment Securities Available-for-Sale</i>	<i>25.033</i>	<i>13.499</i>
Impairment Losses on Associates, Subsidiaries, Joint Ventures and Investment Securities Held to Maturity	2.373	1.569
<i>Associates</i>	—	—
<i>Subsidiaries</i>	—	—
<i>Joint Ventures</i>	—	—
<i>Investment Securities Held-to-Maturity</i>	<i>2.373</i>	<i>1.569</i>
Other	64.517	30.867
<b>Total</b>	<b>1.217.576</b>	<b>886.498</b>

**g. Information related to other operational expenses**

	<b>Current Period</b>	<b>Prior Period</b>
Personnel Expenses	1.097.381	1.009.579
Reserve for Employee Termination Benefits	6.234	6.748
Reserve for Bank's Social Aid Fund Deficit	—	—
Impairment Losses on Tangible Assets	—	—
Depreciation Charges of Tangible Assets	105.916	101.283
Impairment Losses on Intangible Assets	—	—
Amortization Charges of Intangible Assets	77.797	64.727
Impairment Losses on Investment Accounted for under Equity Method	—	—
Impairment of Assets to be Disposed	—	—
Depreciation of Assets to be Disposed	1.629	1.704
Impairment of Assets Held for Sale	—	—
Other Operating Expenses	784.637	763.452
<i>Operational Leases Expenses</i>	<i>239.095</i>	<i>207.055</i>
<i>Repair and Maintenance Expenses</i>	<i>48.475</i>	<i>43.735</i>
<i>Advertisement Expenses</i>	<i>66.445</i>	<i>79.977</i>
<i>Other Expenses (*)</i>	<i>430.622</i>	<i>432.685</i>
Losses on Sale of Assets	7.818	21.432
Other	287.574	231.235
<b>Total</b>	<b>2.368.986</b>	<b>2.200.160</b>

(\*) Other expenses in other operational expenses comprise; communication expenses, IT repair and maintenance and software fees, stationery, heating and lighting, transportation, credit card service fee, entertainment and representation and others amounting to TL 72.873, TL 55.891, TL 18.033, TL 23.061, TL 21.031, TL 95.597, TL 7.620 and TL 136.516, respectively (1 January - 31 December 2014: 81.277, TL 48.428, TL 21.634, TL 20.568, TL 21.956, TL 89.811, TL 7.670 and TL 141.391, respectively).

**h. Information on profit / loss before tax from continuing operations**

As 1 January-31 December 2015, The Bank has a profit before tax from continuing operations amounting to TL 871.675 (1 January-31 December 2014: TL 1.131.081).

**i. Information on tax provision for continued and discontinued operations****1. Current period taxation benefit or charge and deferred tax benefit or charge**

As 1 January-31 December 2015 there are not the current period taxation charge on continuing operations (1 January-31 December 2014: TL 215.767) while deferred tax charge is TL 109.030 (1 January-31 December 2014: TL 73.404 deferred tax benefit).

There are not current period taxation charge on discontinuing operations ( 1 January-31 December 2014: None).

**2. Deferred tax benefit / (charge) arising from origination or reversal of temporary differences**

Deferred tax benefit/ charge arising from temporary differences	Current Period	Prior Period
Arising from Origination of Deductible Temporary Differences (+)	87.149	167.645
Arising from Reversal of Deductible Temporary Differences (-)	(233.663)	(109.226)
Arising from Origination of Taxable Temporary Differences (-)	(1.697)	(7.336)
Arising from Reversal of Taxable Temporary Differences (+)	39.181	22.321
<b>Total</b>	<b>(109.030)</b>	<b>73.404</b>

**3. Deferred tax benefit / (charge) arising from temporary differences, tax losses or unused tax credits**

Sources of deferred tax benefit/ charge	Current Period	Prior Period
Arising from Origination (+)/ Reversal (-) of Deductible Temporary Differences	(216.228)	150.375
Arising from Origination (-)/ Reversal (+) of Taxable Temporary Differences	37.485	14.985
Arising from Origination (+)/ Reversal (-) of Tax Losses	69.714	(91.956)
Arising from Origination (+)/ Reversal (-) of Unused Tax Credits	-	-
<b>Total</b>	<b>(109.030)</b>	<b>73.404</b>

**j. Information on continuing and discontinued operations net profit/loss**

The Bank has a net profit is amounting to TL 762.645 (31 December 2014: TL 988.718).

**k. Information on net profit and loss****1. The nature and amount of certain income and expense items from ordinary operations is disclosed if the disclosure for nature, amount and repetition rate of such items is required for the complete understanding of the Bank's performance for the period**

Income generated from Bank's ordinary banking transactions during the current and prior period are mainly consisted of interest income from loans and marketable securities and income from other banking services. Main expense items are the interest expenses related to deposits and borrowings which are the main funding sources of marketable securities and loans.

- Changes in estimations made by the Bank with respect to the financial statement's effects on profit/loss explained in Note I-e-10-10 (ii) of Section Five.
- No changes have been made in the accounting estimates which may have a material effect in the current period and materially affect subsequent periods.
- The Bank recognized its associates, in which it has direct or indirect shares, according to equity method in accordance with TAS 27 "Separate Financial Statements", having a permission to be applied earlier, while preparing its non-consolidated financial tables dated 31 December 2015.

5. The Bank applies net investment accounting hedge as of 1 July 2015 in order to ensure exchange difference hedge sourcing from equity method implementation for its net investment at a total amount of Euro 854 million and US Dollar 6,5 million belonging to Denizbank AG and Eurodeniz, which are subsidiaries of the Bank. A part of foreign currency deposits at same amounts is defined as hedging instrument and the part, in which the value change sourcing from foreign currency exchange rates is effective, is recognized in hedge funds under shareholder's equity.

- I. If "other" lines of the income statement exceeds 10% of the period profit/loss, information on components making up at least 20% of "other" items

Other Fees and Commissions Received	Current Period	Prior Period
Credit card clearing and other commissions	508.952	448.122
Contracted merchant / POS commissions	231.790	209.921
Insurance services	112.990	94.976
Filing fees	102.268	107.098
Account management fees	82.480	94.565
Remittance commissions	30.311	24.679
Intermediary services	26.178	21.372
Expertise fees	14.604	13.402
Other	137.355	121.787
<b>Total</b>	<b>1.246.928</b>	<b>1.135.922</b>

Other Fees and Commissions Paid	Current Period	Prior Period
Credit card / POS commissions	261.785	224.613
EFT fees and commissions	8.888	7.954
Other	74.084	75.997
<b>Total</b>	<b>344.757</b>	<b>308.564</b>



**V. Explanations and disclosures related to statement of changes in shareholders' equity****a. Information on capital increase**

At the date of 14 October 2015, the Bank has increased its paid-in capital at an amount of TL 1.100.000 in total through share premiums at an amount of TL 94.501, inflation adjustment differences of share premiums at an amount of TL 3.910, inflation adjustment differences of paid-in capital at an amount of TL 189.164, shares of subsidiaries and associates and return on sales at an amount of TL 262.425 and cash reserves at an amount of TL 550.000.

**b. Information on issuance of shares**

Share premium at an amount of TL 94.501 and inflation adjustment differences of share premium at an amount of TL 3.910 has been added to paid-in capital with the capital increase made by the Bank at the date of 14 October 2015.

A share premium at an amount of TL 39 has been occurred due to capital increase on 14 October at an amount of TL 1.100.000.

**c. Adjustments made in accordance with TAS 8**

Communique on "TAS 27 Separate Financial Statements" standard, which is in force in order to be applied for accounting periods after 31 December 2012 via Public Oversight Accounting and Auditing Standards Authority (POA) website and published in Official Gazette dated 28 October 2011 and numbered 28098, has entered into force through making amendments to be applied for accounting periods after 1 January 2016 with "Communique on amending the Communique on TAS 27 Separate Financial Statements" (Communique) published in Official Gazette dated 9 April 2015 and numbered 29321.

The Bank adjusted its comparative financial statements of 31 December 2013 and 2014 through making rearrangements with respect to amendments in TAS 27 Separate Financial Statements Standard.

**d. Effects of changes in Subsidiary Equity on Bank's Equity**

Financial associates are recognized according to equity method in the framework of TAS 28 Communique on Investments in Subsidiaries and Associates with respect to TAS 27 Separate Financial Statements Communique in non-consolidated financial statements. Associates, which were recognized with cost value in the non-consolidated financial statement previously along with the 2nd quarter of 2015, are recognized according to equity method as of 1 January 2013.

Equity method is the recognition treatment which prescribes to increase or decrease the book value of share included in associate from the change amount occurring in the period in the equity of participated partnership as the share falling to participant and deduction of dividends and associate amounts from the value which is changed in the aforementioned manner.

In this scope, the parts falling to Bank's share from equity of participated associates, gain or loss and other comprehensive income are recognized under equity of the Bank, income statement of the Bank and other comprehensive income statement of the Bank respectively.

**e. Information on distribution of profit**

General Assembly of the Bank is authorized body for the profit appropriation decisions. As of the preparation date of these financial statements, annual ordinary meeting of the General Assembly has not been held yet.

**f. Information on increase/decrease amounts resulting from merger**

None.

**g. Information on investments available-for-sale**

"Unrealised gain/loss" arising from changes in the fair value of securities classified as available-for-sale are not recognized in current year income statement but recognized in the "Marketable securities valuation differences" account under equity, until the financial assets are derecognised, sold, disposed or impaired.

**h. Hedging transactions**

Explained in Information on hedging transactions in Note XV of Section Four.

**i. Revaluation difference on tangible assets**

Revaluation differences on tangible assets includes gains on sales of subsidiaries and gains on sales of real estates and explained in detail in Note II-I-3 of Section Five.

**j. Information on to foreign exchange difference**

TL 31.817 (31 December 2014: TL 21.067), consisting of conversion of Bahrain Branch's financial statements into TL in accordance with TAS 21, and TL 143.656, (31 December 2014: TL (112.338)) sourcing from recognizing Denizbank AG, JSC Denizbank and Eurodeniz, which are foreign currency associates of the Bank, with equity method, are recorded under "other reserves" account.

Explained in detail in "Information on to foreign exchange difference in Note II-b of Section Three".

**k. Amounts transferred to legal reserves**

The Bank transferred TL 496.723 (31 December 2014: TL 454.155) to extraordinary reserves from prior period profits in 2015. There is any amount transferred to legal reserves (31 December 2014: None).

**DENİZBANK ANONİM ŞİRKETİ**  
**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS**  
**AS OF 31 DECEMBER 2015**

(Currency: Thousands of TL - Turkish Lira)

*Convenience Translation of*  
*Unconsolidated Financial Report*  
*Originally Issued in Turkish,*  
*See Note 3.1.c*

**VI. Explanations and disclosures related to cash flow statement**

**a. Information on cash and cash equivalents**

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

Cash and foreign currency together with demand deposits at banks including the CBRT are defined as "Cash"; interbank money market and time deposits in banks with original maturities less than three months are defined as "Cash equivalents".

**1. Cash and cash equivalents at the beginning of the period**

	<b>Current Period</b>	<b>Prior Period</b>
	<b>01.01.2015</b>	<b>01.01.2014</b>
<b>Cash</b>	<b>1.545.002</b>	<b>1.358.933</b>
Cash in Vault, foreign currencies and other	1.195.145	1.227.214
Banks demand deposit	349.857	131.719
<b>Cash and Cash Equivalents</b>	<b>2.552.174</b>	<b>2.955.293</b>
Interbank money market placements	970.298	1.290.000
Banks time deposit	1.336.367	1.665.177
Securities	245.509	116
<b>Total Cash and Cash Equivalents</b>	<b>4.097.176</b>	<b>4.314.226</b>

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

	<b>Current Period</b>	<b>Prior Period</b>
	<b>31.12.2015</b>	<b>31.12.2014</b>
<b>Cash</b>	<b>2.066.403</b>	<b>1.545.002</b>
Cash in Vault, foreign currencies and other	1.352.186	1.195.145
Banks demand deposit	714.217	349.857
<b>Cash and Cash Equivalents</b>	<b>4.480.556</b>	<b>2.552.174</b>
Interbank money market placements	1.200.353	970.298
Banks time deposit	2.965.460	1.336.367
Securities	314.743	245.509
<b>Total Cash and Cash Equivalents</b>	<b>6.546.959</b>	<b>4.097.176</b>

**b. Information on cash and cash equivalent assets of the Bank that are not available for free use due to legal restrictions or other reasons**

The Bank made a total provision for required reserves on CB of Turkey in amount of TL 9.406.456 (31 December 2014: TL 8.205.441). Additionally, there is TL 12.180 (31 December 2014: TL 19.161) limited amount in foreign banks account.

**c. Disclosures for "other" items in the statement of cash flows and effect of changes in foreign currency exchange rates on cash and cash equivalents**

"Other" item amounting to TL (3.531.804) (31 December 2014: TL (1.364.406)) before "changes in operating assets and liabilities" comprise other operating expenses, fees and commissions paid and net trading loss. As a result of these changes in the cash flow statement, the balance of cash and cash equivalents has changed from TL 4.097.176 (31 December 2014: TL 4.314.226) to TL 6.546.959 in 2015 (31 December 2014: TL 4.097.176).

"Other liabilities" item included in "change in assets and liabilities arising from banking activities", amounting to TL 4.925.211 (31 December 2014: TL 1.261.996) comprise changes in payables to money market, sundry creditors, taxes and duties payable, and other external resources.

The impact of change in exchange rate on cash and cash equivalent assets consists of exchange difference occurring as a result of translation of foreign currency cash and cash equivalent assets average to TL with rates belonging to beginning and end of the period and it amounts to TL 491.429 as of 31 December 2015 (31 December 2014: TL 56.764).

**DENİZBANK ANONİM ŞİRKETİ**  
**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS**  
**AS OF 31 DECEMBER 2015**

(Currency: Thousands of TL - Turkish Lira)

*Convenience Translation of  
Unconsolidated Financial Report  
Originally Issued in Turkish,  
See Note 3.1.c*

**VII. Explanations and disclosures related to the Bank's risk group**

**1. Information on loans and other receivables to the Bank's risk group**

**1 (i). Current Period**

<b>The Bank's Risk Group (*)</b>	<b>Associates, Subsidiaries and Joint-Ventures</b>		<b>Bank's Direct and Indirect Shareholder</b>		<b>Other Real Persons and Legal Entities in Risk Group</b>	
	<b>Cash</b>	<b>Non-Cash</b>	<b>Cash</b>	<b>Non-Cash</b>	<b>Cash</b>	<b>Non-Cash</b>
<b>Loans and Other Receivables</b>						
Balance at the Beginning of the Period	275.941	124.564	18.175	59.102	94	25
Balance at the End of the Period	250.214	252.052	2.299	19.970	58.047	701
Interest and Commission Income Received	43.982	800	308	81	3.678	1

(\*) As described in the Article 49 of Banking Law no.5411.

**1 (ii). Prior Period**

<b>The Bank's Risk Group (*)</b>	<b>Associates, Subsidiaries and Joint-Ventures</b>		<b>Bank's Direct and Indirect Shareholder</b>		<b>Other Real Persons and Legal Entities in Risk Group</b>	
	<b>Cash</b>	<b>Non-Cash</b>	<b>Cash</b>	<b>Non-Cash</b>	<b>Cash</b>	<b>Non-Cash</b>
<b>Loans and Other Receivables</b>						
Balance at the Beginning of the Period	374.121	139.079	920	11.287	47	9
Balance at the End of the Period	275.941	124.564	18.175	59.102	94	25
Interest and Commission Income Received	22.920	589	288	37	1.430	2

(\*) As described in the Article 49 of Banking Law no.5411.

**2. Information on deposits held by and funds borrowed from the Bank's risk group**

<b>The Bank's Risk Group (*)</b>	<b>Associates, Subsidiaries and Joint-Ventures</b>		<b>Bank's Direct and Indirect Shareholder (**)</b>		<b>Other Real Persons and Legal Entities in Risk Group</b>	
	<b>Current Period</b>	<b>Prior Period</b>	<b>Current Period</b>	<b>Prior Period</b>	<b>Current Period</b>	<b>Prior Period</b>
Balance at the Beginning of the Period	631.467	165.120	3.878.370	2.597.278	16.245	23.304
Balance at the End of the Period	466.304	631.467	6.257.056	3.878.370	8.962	16.245
Interest and Commission Expenses	32.999	20.313	266.165	223.368	4.890	1.715

(\*) As described in the Article 49 of Banking Law no.5411.

(\*\*) Includes the subordinated loan of US Dollar 1.050 million and Euro 115 million received from Sberbank.

**3. Information on forward and option agreements and similar agreements made with the Bank's risk group**

	Associates, Subsidiaries and Joint- Ventures		Bank's Direct and Indirect Shareholder		Other Real Persons and Legal Entities in Risk Group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
<b>The Bank's Risk Group (*)</b>						
<b>Transactions for Trading Purposes:</b>						
Balance at the Beginning of the Period	9.104.630	10.256.697	54.565	292.678	5.654	4.735
Balance at the End of the Period	14.029.161	9.104.630	–	54.565	6.368	5.654
Total Income/ (Loss)	(87.891)	5.040.508	(12.712)	(2.307)	(156)	(1.058)
<b>Transactions for Hedging Purposes:</b>						
Balance at the Beginning of the Period	–	–	–	–	–	–
Balance at the End of the Period	–	–	–	–	–	–
Total Income/ (Loss)	–	–	–	–	–	–

(\*) As described in the Article 49 of Banking Law no.5411.

**4. Information on benefit provided to Executives**

The Bank makes payment amounting to TL 63.462 (31 December 2014: TL 42.297) to its Executives as of 31 December 2015.

**5. Information on transactions with the Bank's risk group**

As of 31 December 2015, cash loans and other receivables of the risk group represent 0,58% of the Bank's total cash loans and bank deposits granted, the deposits and borrowings represent 10,83% of the Bank's total deposits and borrowings. Non-cash loans granted to risk group companies represent 0,76% of the total balance.

The Bank has finance lease contracts with Deniz Leasing. As of 31 December 2015, The Bank's contractual finance lease payables are TL 27.234 (31 December 2014: TL 18.896). Also, the Bank gives brokerage services through its branches for Deniz Yatırım.

On 11 June 2015, The Bank, sold an its real estate properties to Deniz Gayrimenkul Yatırım Ortaklığı A.Ş. at amounting to TL 25.000.

## VIII. Domestic, foreign and off-shore banking branches and foreign representatives of the Bank

## 1. Information relating to the Bank's domestic and foreign branch and representatives

	Number	Number of Employees			
Domestic branch	691	12.917			
			Country of Incorporations		
Foreign representation	—	—	—		
				Total Assets	Statutory Share Capital
Foreign branch	—	—	—	—	—
Off shore banking region branches	1	6	1-Bahreyn	3.373.296	—

## 2. Explanations on the Bank's branch and agency openings or closings

The Bank opened 29 new branches closed 53 branches in 2015.

**SECTION SIX****OTHER DISCLOSURES AND FOOTNOTES****I. Other explanations related to the Bank's operations****a. Explanations related to the Bank's operations**

On 31 July 2014, European Union ("EU") had applied sectoral restrictive measures to the Russian Federation, and certain financial institutions, including Sberbank Group (excluding their subsidiaries established in EU countries), had been subjected to these measures. According to EU amendments dated 8 September 2014 and 4 December 2014 the scope of the applied restrictive measures has been amended.

In addition, according to the amendment dated 12 September 2014 on the directive dated 12 March 2014 (together, "the Directive"), the Office of Foreign Assets Control ("OFAC"), established under the United States Department of the Treasury, has applied a number of restrictive measures to all transactions by the United States citizens with the persons determined in the Directive. Consequently, Denizbank has also been included in the scope of these restrictions. Denizbank has applied to OFAC to be exempt from the scope of these restrictions and OFAC has announced that DenizBank has been excluded completely from restrictive measures through the Directive by General License No.3, dated 6 October 2014. The attempts are underway for DenizBank to be left outside the scope of the restrictive measures of EU as well.

The Bank has increased its paid-in capital at an amount of TL 1.100.000 in total as of 14 October 2015 through share premiums at an amount of TL 94.501, inflation adjustment differences of share premiums at an amount of TL 3.910, inflation adjustment differences of paid capital at an amount of TL 189.164, shares of subsidiaries and associates and return on sales at an amount of TL 262.425 and cash reserves at an amount of TL 550.000.

Under the decision of the Bank's Board of Directors dated 30 June 2015, it was decided to open the Bank's Representative Office in Dubai International Finance Center and to authorize the General Management for the follow-up and conclusion of all procedures to be conducted in this respect in line with the Banking Law no. 5411 and other relevant regulations. In this regard, necessary applications were filed to the Banking Regulation and Supervision Authority on 2 July 2015. Under the BRSA's decision dated 20 August 2015 and numbered 6419, the Bank has been allowed to open the representative office in Dubai under article 14 of Banking Law no. 5411. In this context, the process is still ongoing.

In the Board of Director's meeting of the Bank dated on 2 December 2015, it is decided to amend the Articles of Incorporation of the Bank, except for article 6, and to apply Capital Markets Board of Turkey, Banking Regulation and Supervision Agency and Ministry of Customs and Trade in order to take required permissions and to authorize General Directorate of the Bank to make necessary applications and sign necessary documents. Required applications have been made to Capital Markets Board of Turkey and Banking Regulation and Supervision Agency on 4 December 2015.

Capital Markets Board of Turkey ("CMB") requested to make amendments in the draft text regarding the modification of Articles of Incorporation and Board of Directors of the Bank decided on 15 February 2016 to approve draft text regarding amendments of Articles of Incorporation except for article 6 in the framework of CMB request and applications were made to CMB and BRSA for the approval of the text on 16 February 2016. Required permissions are given from the CMB while the approval process is still going on in BRSA.

**b. Summary information about ratings of the Banks which has been assigned by the international rating agencies****Moody's (\*)**

Long Term Foreign Currency Deposits	Ba2
Short Term Foreign Currency Deposits	Not Prime
Long Term Local Currency Deposits	Ba
Short Term Local Currency Deposits	Not Prime
Bank Financial Strength Rating (BCA)	ba3

**Fitch Rating's (\*\*)**

Long Term Foreign Currency	BB+
Short Term Foreign Currency	B
Long Term Local Currency	BB+
Short Term Local Currency	B
Viability	bb+
Support	3
National	AA (tur)

(\*) As of 27 February 2015

(\*\*) As of 26 March 2015

**c. Subsequent events**

It is decided to increase capital of the Bank to TL 3.316.100 from TL 1.816.100 and to pay in cash an amount of TL 1.500.000 of the capital increase from Shares of Subsidiaries and Associates and Sales Income of Properties at an amount of TL 113.097 and from Share Premiums at an amount of TL 39 and from guarantees provided by shareholders at an amount of TL 750.000 before the approval of capital increase and to make applications to Capital Boards of Turkey ("CMB") and Banking Regulation and Supervision Agency ("BRSA") in order take necessary permissions for capital increase and to authorize General Directorate of the Bank to make all the applications and sign necessary documents in the Board of Directors meeting of the Bank held on 31 December 2015.

The applications made to BRSA and CMB in order to make amendments in article 6 of Articles of Incorporation of the Bank titled "Bank Capital" and to take necessary permissions for capital increase on 8 January 2016 resulted positively on 14 January 2016 and 20 January 2016, respectively.

Following the related approvals, the application made to the Ministry of Customs and Trade on 28 January 2016 in order to confirm the appropriateness of the amendments resulted positively on 1 February 2016.



## **SECTION SEVEN**

### **INDEPENDENT AUDITORS' REPORT**

#### **I. Information on the independent auditors' report**

The Bank's unconsolidated financial statements and footnotes have been reviewed by Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (Member Firm of Ernst&Young Global Limited) and the independent auditors' report dated 18 February 2016 is presented in front of the consolidated financial statements.

#### **II. Disclosures and footnotes prepared by independent auditor**

There are no significant issues and required disclosures and footnotes related to the Bank's operations, deemed as necessary, which have not been explained in the sections above.