

*(Convenience Translation of Financial Statements and Related Disclosures and Footnotes
Originally Issued in Turkish)*

Türkiye Garanti Bankası Anonim Şirketi
Unconsolidated Financial Statements

As of and For the Year Ended

31 December 2015

*(Convenience Translation of Financial Statements and Related
Disclosures and Footnotes Originally Issued in Turkish)*

With Independent Auditors' Report Thereon

DRT Bağımsız Denetim ve Serbest
Muhasebeci Mali Müşavirlik AŞ
2 February 2016

*This report contains "Independent Auditors' Report"
comprising 2 pages and;"Unconsolidated Financial
Statements and Related Disclosures and
Footnotes" comprising 120 pages.*

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of Türkiye Garanti Bankası A.Ş.

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

The Bank management is responsible for the preparation and fair presentation of the financial statements in accordance with "the Banking Regulation and Supervision Agency ("BRSA") Accounting and Reporting Regulation" which includes the regulation on "The Procedures and Principles Regarding Banks' Accounting Practices and Maintaining Documents" published in the Official Gazette dated 1 November 2006 with No. 26333, and other regulations on accounting records of banks published by the Banking Regulation and Supervision Board and circulars and pronouncements published by the BRSA and Turkish Accounting Standards for the matters not regulated by the aforementioned legislations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the regulation on "Independent Auditing of Banks" published in the Official Gazette dated 2 April 2015 with No. 29314 and Independent Auditing Standards which is a part of Turkish Auditing Standards published 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 about whether the financial statements are free from material misstatement.

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

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

Basis For Qualified Opinion

Subsequent to the reversal of TL 85,000 thousands in the current period the accompanying unconsolidated financial statements include a general reserve amounting to TL 330,000 thousands as of the balance sheet date, provided by the Bank management in prior periods in line with conservatism principle considering the circumstances which may arise from any changes in the economy or market conditions.

Independent Auditors' Qualified Opinion

In our opinion, except for the effect of the matter described in the basis for qualified opinion paragraph, the unconsolidated financial statements present fairly, in all material respects, the financial position of Türkiye Garanti Bankası 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 BRSA Accounting and Reporting Regulations.

Report on Other Legal and Regulatory Requirements

In accordance with paragraph four of the Article 402 of the Turkish Commercial Code No. 6102 ("TCC"), nothing has come to our attention that may cause us to believe that the Bank's set of accounts for the period 1 January-31 December 2015 does not comply with TCC and the provisions of the Bank's articles of association in relation to financial reporting.

In accordance with paragraph four of the Article 402 of TCC, the Board of Directors provided us all the required information and documentation with respect to our audit.

Additional paragraph for English translation

The effect of the differences between the accounting principles summarized in Section 3 and 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 and reflected in the accompanying financial statements. The accounting principles used in the preparation of the accompanying financial statements differ materially from IFRS. Accordingly, the accompanying financial statements are not intended to present the Bank's financial position and results of its operations in accordance with accounting principles generally accepted in such countries of users of the financial statements and IFRS.

DRT BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK AŞ
Member of **DELOITTE TOUCHE TOHMATSU LIMITED**



Şule Firuzment Bekçe
Partner

Istanbul, 2 February 2016

TÜRKİYE GARANTİ BANKASI ANONİM ŞİRKETİ
UNCONSOLIDATED FINANCIAL REPORT
AS OF AND FOR THE YEAR ENDED 31 DECEMBER 2015

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

1. General Information about the Bank
2. Unconsolidated Financial Statements of the Bank
3. Accounting Policies of Unconsolidated Financial Statements
4. Financial Position and Results of Operations, and Risk Management Applications of the Bank
5. Disclosures and Footnotes on Unconsolidated Financial Statements
6. Other Disclosures and Footnotes
7. Independent Auditors' 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 Applications for Banks and Safeguarding of Documents, Turkish Accounting Standards, Turkish Financial Reporting Standards and the related statements and guidances, and in compliance with the financial records of our Bank and, unless stated otherwise, presented in **thousands of Turkish Lira (TL)**.

Ferit F. Şahenk
Board of Directors
Chairman

Ali Fuat Erbil
General Manager

Aydın Güler
Financial Reporting
Executive Vice President

Hakan Özdemir
General Accounting
Senior Vice President

M. Cüneyt Sezgin
Audit Committee Member

Manuel Pedro
Galatas Sanchez Harguindey
Audit Committee Member

The authorized contact person for questions on this financial report:

Name-Surname/Title: Handan SAYGIN/Senior Vice President of Investor Relations

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1 General Information

1.1 History of the bank including its incorporation date, initial legal status, amendments to legal status

Türkiye Garanti Bankası Anonim Şirketi (the Bank) was established by the decree of Council of Ministers numbered 3/4010 dated 11 April 1946 and its “Articles of Association” was issued in the Official Gazette dated 25 April 1946. The Bank provides banking services through 971 domestic branches, nine foreign branches and three representative offices abroad. The Bank’s head office is located in Istanbul.

1.2 Bank’s shareholder structure, management and internal audit, direct and indirect shareholders, change in shareholder structure during the year and information on bank’s risk group

As of 31 December 2015, group of companies under Banco Bilbao Vizcaya Argentaria SA (“BBVA”) that currently owns 39.90% shares of the Bank, is named the BBVA Group (the Group) and it is the main shareholder.

On 22 March 2011, BBVA had acquired; 78.120.000.000 shares of the Bank owned by GE Capital Corporation at a total nominal value of TL 781,200 thousands representing 18.60% ownership, and 26.418.840.000 shares of the Bank owned by Doğuş Holding AŞ at a total nominal value of TL 264,188 thousands representing 6.29% ownership. BBVA, purchasing 24.89% shares of the Bank, had joint control on the Bank’s management together with group of companies under Doğuş Holding AŞ (the Doğuş Group).

Subsequently, on 7 April 2011, BBVA had acquired 503.160.000 shares at a nominal value of TL 5,032 thousands and increased its ownership in the Bank’s share capital to 25.01%. Accordingly, BBVA and the Doğuş Group had mutual control on the Bank’s management.

Finally, in accordance with the terms of the agreement between BBVA and Doğuş Group which was previously disclosed on 19 November 2014, the sale of shares representing 14.89% of the share capital of the Bank with a face value of TL 625,380 thousands and 62.538.000.000 shares by the Doğuş Group to BBVA, has been completed on 27 July 2015. Following the acquisition, BBVA’s stake in the Bank has reached to 39.90% and BBVA has become the main shareholder. The Bank has moved to “Foreign Deposit Banks” category from “Private Deposit Bank” category by BRSA.

Accordingly, as of balance sheet date, the Doğuş Group’s interest in the share capital of the Bank is at 10%.

BBVA Group

BBVA is operating for more than 150 years, providing variety of wide spread financial and non-financial services to over 47 million retail and commercial customers.

The Group's headquarter is in Spain, where the Group has concrete leadership in retail and commercial markets. BBVA adopting innovative, and customer and community oriented management style, besides banking, operates in insurance sector in Europe and portfolio management, private banking and investment banking in global markets.

BBVA that owns a bank being the largest financial institution in Mexico, the market leader in South America, and one of the largest 15 commercial banks in United States, operates in more than 30 countries with more than 100 thousand employees.

Doğuş Group

The Doğuş Group that was established in 1951 initially for investments in construction sector, operates in seven sectors namely financial services, automotive, construction, real estate, tourism, media and energy with 132 companies and more than 30 thousand employees.

The major worldwide joint ventures of the Group are; Volkswagen AG and TÜVSÜD in automotive, CNBC, MSNBC and Condé Nast in media and, Hyatt International Ltd and HMS International Hotel GmbH (Maritim) in tourism.

The major investments of the Group in financial sector are; Türkiye Garanti Bankası AŞ, Garanti Bank International NV, Garanti Bank Moscow, Garanti Bank SA, Garanti Finansal Kiralama AŞ, Garanti Faktoring Hizmetleri AŞ, Garanti Yatırım Menkul Kıymetler AŞ, Garanti Portföy Yönetimi AŞ, Garanti Emeklilik ve Hayat AŞ, Doğuş Gayrimenkul Yatırım Ortaklığı AŞ and Volkswagen Doğuş Tüketici Finansmanı AŞ.

1.3 Information on the bank's board of directors chairman and members, audit committee members, chief executive officer, executive vice presidents and their shareholdings in the bank

Board of Directors Chairman and Members:

Name and Surname	Responsibility	Appointment Date	Education	Experience in Banking and Business Administration
Ferit Faik Şahenk	Chairman	18.04.2001	University	25 years
Süleyman Sözen	Vice Chairman	08.07.2003	University	33 years
Dr. Muammer Cüneyt Sezgin	Independent Member of BOD and Audit Committee	30.06.2004	PhD	27 years
Manuel Pedro Galatas Sanchez Harguindey	Independent Member of BOD and Audit Committee	05.05.2011	University	31 years
Jaime Saenz de Tejada Pulido	Member	02.10.2014	University	22 years
Maria Isabel Goiri Lartitegui	Member	27.07.2015	Master	25 years
Javier Bernal Dionis	Member	27.07.2015	Master	25 years
Belkıs Sema Yurdum	Independent Member	30.04.2013	University	35 years
Sait Ergun Özen	Member	14.05.2003	University	28 years
Ali Fuat Erbil	Member and CEO	02.09.2015	PhD	23 years

CEO and Executive Vice Presidents^(*):

Name and Surname	Responsibility	Appointment Date	Education	Experience in Banking and Business Administration
Ali Fuat Erbil	CEO	02.09.2015	PhD	23 years
Gökhan Erün	EVP-Corporate Banking and Treasury CEO Deputy	01.09.2005	Master	21 years
Onur Genç	EVP-Retail Banking CEO Deputy	20.03.2012	Master	16 years
Faruk Nafiz Karadere	EVP-SME Banking	01.05.1999	University	33 years
Halil Hüsnü Erel	EVP-Technology, Operation Center, Marketing and Business Development	16.06.1997	University	40 years
Recep Baştuğ	EVP-Commercial Banking	01.01.2013	University	25 years
Avni Aydın Düren	EVP-Legal Services	01.02.2009	Master	21 years
Betül Ebru Edin	EVP-Project Finance	25.11.2009	University	21 years
Osman Nuri Tüzün	EVP- Human Resources, Customer Satisfaction and Support Services	19.08.2015	Master	23 years
Didem Başer	EVP-Digital Banking	20.03.2012	Master	20 years

(*) Ali Temel was appointed as EVP responsible for “Credit Risk Management Head” and Aydın Güler was appointed as EVP responsible for “Finance and Accounting”. The processes regarding legal authorizations have not been finalized yet.

The top management listed above does not hold any unquoted shares of the Bank.

1.4 Information on the bank’s qualified shareholders

Name / Company	Shares	Ownership	Paid-in Capital	Unpaid Portion
Banco Bilbao Vizcaya Argentaria SA	1,675,800	39,9000%	1,675,800	-
Doğuş Holding AŞ	259,846	6,1868%	259,846	-

According to the decision made at the “General Assembly of Founder Shares Owners” and the “Extraordinary General Shareholders” meetings held on 13 June 2008, the Bank repurchased all the 370 founder share-certificates issued in order to redeem and exterminate them, subsequent to the permissions obtained from the related legal authorities, at a value of TL 3,876 thousands each in accordance with the report prepared by the court expert and approved by the Istanbul 5th Commercial Court of First Instance. A total payment of TL 1,434,233 thousands has been made to the owners of 368 founder share-certificates from “extraordinary reserves”, and the value of remaining 2 founder share-certificates has been blocked in the bank accounts.

Subsequent to these purchases, the clauses 15, 16 and 45 of the Articles of Association of the Bank have been revised accordingly.

1.5 Summary information on the bank's activities and services

Activities of the Bank as stated at the third clause of its Articles of Association are as follows:

- All banking operations,
- Participating in, establishing, and trading the shares of enterprises at various sectors within the limits set forth by the Banking Law;
- Providing attorneyship, insurance agency, brokerage and freight services in relation with banking activities,
- Purchasing/selling debt securities, treasury bills, government bonds and other share certificates issued by Turkish government and other official and private institutions,
- Developing economical and financial relations with foreign organizations,
- Dealing with all economic operations in compliance with the Banking Law.

The Bank's activities are not limited to those disclosed in that third clause, but whenever the Board of Directors deems any operations other than those stated above to be of benefit to the Bank, it is recommended in the general meeting, and the launching of the related project depends on the decision taken during the General Assembly which results in a change in the Articles of Association and on the approval of this decision by the Ministry of Industry and Commerce. Accordingly, the approved decision is added to the Articles of Association.

The Bank is not a specialized bank but deals with all kinds of banking activities. Deposits are the main sources of the lendings to the customers. The Bank grants loans to companies operating in various sectors while aiming to maintain the required level of efficiency.

The Bank also grants non-cash loans to its customers; especially letters of guarantee, letters of credit and acceptance credits.

1.6 Current or likely actual or legal barriers to immediate transfer of equity or repayment of debts between the bank and its affiliates

None.

2 Unconsolidated Financial Statements

(Convenience Translation of Financial Statements Originally Issued in Turkish)

Türkiye Garanti Bankası Anonim Şirketi Balance Sheet (Statement of Financial Position) At 31 December 2015

ASSETS	Footnotes	THOUSANDS OF TURKISH LIRA (TL)					
		CURRENT PERIOD 31 December 2015			PRIOR PERIOD 31 December 2014		
		TL	FC	Total	TL	FC	Total
I. CASH AND BALANCES WITH CENTRAL BANK	(5.1.1)	2,259,664	22,891,859	25,151,523	1,759,994	23,312,658	25,072,652
II. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Net)	(5.1.2)	1,359,038	489,429	1,848,467	1,051,726	832,191	1,883,917
2.1 Financial assets held for trading		1,160,920	489,429	1,650,349	850,341	832,191	1,682,532
2.1.1 Government securities		66,470	21,974	88,444	37,988	8,112	46,100
2.1.2 Equity securities		45,474	-	45,474	63,609	-	63,609
2.1.3 Derivative financial assets held for trading		1,048,976	434,513	1,483,489	748,744	542,268	1,291,012
2.1.4 Other securities		-	32,942	32,942	-	281,811	281,811
2.2 Financial assets valued at fair value through profit or loss		198,118	-	198,118	201,385	-	201,385
2.2.1 Government securities		-	-	-	-	-	-
2.2.2 Equity securities		-	-	-	-	-	-
2.2.3 Loans	(5.1.2)	198,118	-	198,118	201,385	-	201,385
2.2.4 Other securities		-	-	-	-	-	-
III. BANKS	(5.1.3)	276,135	11,571,360	11,847,495	1,419,891	7,020,058	8,439,949
IV. INTERBANK MONEY MARKETS		-	61,069	61,069	-	80,446	80,446
4.1 Interbank money market placements		-	-	-	-	-	-
4.2 Istanbul Stock Exchange money market placements		-	61,069	61,069	-	80,446	80,446
4.3 Receivables from reverse repurchase agreements		-	-	-	-	-	-
V. FINANCIAL ASSETS AVAILABLE-FOR-SALE (Net)	(5.1.4)	19,261,864	1,257,937	20,519,801	19,242,220	809,766	20,051,986
5.1 Equity securities		36,852	297,717	334,569	34,867	63,740	98,607
5.2 Government securities		18,582,761	178,798	18,761,559	17,500,522	604,159	18,104,681
5.3 Other securities		642,251	781,422	1,423,673	1,706,831	141,867	1,848,698
VI. LOANS	(5.1.5)	100,354,365	58,785,558	159,139,923	85,488,518	48,569,280	134,057,798
6.1 Performing loans		99,518,038	58,785,558	158,303,596	84,861,650	48,569,280	133,430,930
6.1.1 Loans to bank's risk group	(5.7)	767,953	2,364,560	3,132,513	644,135	1,899,502	2,543,637
6.1.2 Government securities		-	-	-	-	-	-
6.1.3 Others		98,750,085	56,420,998	155,171,083	84,217,515	46,669,778	130,887,293
6.2 Loans under follow-up		4,404,025	-	4,404,025	3,300,829	-	3,300,829
6.3 Specific provisions (-)		3,567,698	-	3,567,698	2,673,961	-	2,673,961
VII. FACTORING RECEIVABLES		-	-	-	-	-	-
VIII. INVESTMENTS HELD-TO-MATURITY (Net)	(5.1.6)	11,980,469	9,775,343	21,755,812	13,387,858	7,626,644	21,014,502
8.1 Government securities		11,966,880	5,810,098	17,776,978	13,360,856	4,641,023	18,001,879
8.2 Other securities		13,589	3,965,245	3,978,834	27,002	2,985,621	3,012,623
IX. INVESTMENTS IN ASSOCIATES (Net)	(5.1.7)	36,698	-	36,698	36,698	-	36,698
9.1 Associates consolidated under equity accounting		-	-	-	-	-	-
9.2 Unconsolidated associates		36,698	-	36,698	36,698	-	36,698
9.2.1 Financial investments in associates		33,032	-	33,032	33,032	-	33,032
9.2.2 Non-financial investments in associates		3,666	-	3,666	3,666	-	3,666
X. INVESTMENTS IN AFFILIATES (Net)	(5.1.8)	2,114,928	2,331,571	4,446,499	1,730,512	1,977,906	3,708,418
10.1 Unconsolidated financial investments in affiliates		2,010,692	2,331,571	4,342,263	1,626,276	1,977,906	3,604,182
10.2 Unconsolidated non-financial investments in affiliates		104,236	-	104,236	104,236	-	104,236
XI. INVESTMENTS IN JOINT-VENTURES (Net)	(5.1.9)	-	-	-	-	-	-
11.1 Joint-ventures consolidated under equity accounting		-	-	-	-	-	-
11.2 Unconsolidated joint-ventures		-	-	-	-	-	-
11.2.1 Financial investments in joint-ventures		-	-	-	-	-	-
11.2.2 Non-financial investments in joint-ventures		-	-	-	-	-	-
XII. LEASE RECEIVABLES (Net)	(5.1.10)	-	-	-	-	-	-
12.1 Financial lease receivables		-	-	-	-	-	-
12.2 Operational lease receivables		-	-	-	-	-	-
12.3 Others		-	-	-	-	-	-
12.4 Unearned income (-)		-	-	-	-	-	-
XIII. DERIVATIVE FINANCIAL ASSETS HELD FOR RISK MANAGEMENT	(5.1.11)	89,064	591,933	680,997	46,202	120,050	166,252
13.1 Fair value hedges		60,616	7,483	68,099	31,158	83	31,241
13.2 Cash flow hedges		28,448	584,450	612,898	15,044	119,967	135,011
13.3 Net foreign investment hedges		-	-	-	-	-	-
XIV. TANGIBLE ASSETS (Net)	(5.1.12)	3,073,889	336	3,074,225	1,357,239	178	1,357,417
XV. INTANGIBLE ASSETS (Net)	(5.1.13)	182,553	37	182,590	173,942	24	173,966
15.1 Goodwill		-	-	-	-	-	-
15.2 Other intangibles		182,553	37	182,590	173,942	24	173,966
XVI. INVESTMENT PROPERTY (Net)	(5.1.14)	381,270	-	381,270	374,945	-	374,945
XVII. TAX ASSET		381,541	-	381,541	477,385	-	477,385
17.1 Current tax asset		-	-	-	-	-	-
17.2 Deferred tax asset	(5.1.15)	381,541	-	381,541	477,385	-	477,385
XVIII. ASSETS HELD FOR SALE AND ASSETS OF DISCONTINUED OPERATIONS (Net)	(5.1.16)	346,979	-	346,979	171,016	-	171,016
18.1 Assets held for sale		346,979	-	346,979	171,016	-	171,016
18.2 Assets of discontinued operations		-	-	-	-	-	-
XIX. OTHER ASSETS	(5.1.17)	2,353,470	2,134,227	4,487,697	2,121,167	479,403	2,600,570
TOTAL ASSETS		144,451,927	109,890,659	254,342,586	128,839,313	90,828,604	219,667,917

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

Türkiye Garanti Bankası Anonim Şirketi

Balance Sheet (Statement of Financial Position)

At 31 December 2015

LIABILITIES AND SHAREHOLDERS' EQUITY	Footnotes	THOUSANDS OF TURKISH LIRA (TL)					
		CURRENT PERIOD			PRIOR PERIOD		
		31 December 2015			31 December 2014		
		TL	FC	Total	TL	FC	Total
I. DEPOSITS	(5.2.1)	66,420,824	74,478,508	140,899,332	62,264,002	58,043,979	120,307,981
1.1 Deposits from bank's risk group	(5.7)	1,092,221	474,699	1,566,920	1,147,243	418,458	1,565,701
1.2 Others		65,328,603	74,003,809	139,332,412	61,116,759	57,625,521	118,742,280
II. DERIVATIVE FINANCIAL LIABILITIES HELD FOR TRADING	(5.2.2)	1,669,819	593,818	2,263,637	1,066,789	507,454	1,574,243
III. FUNDS BORROWED	(5.2.3)	2,542,263	30,895,534	33,437,797	3,956,059	28,367,351	32,323,410
IV. INTERBANK MONEY MARKETS	(5.2.4)	12,521,253	2,546,908	15,068,161	4,897,146	6,488,774	11,385,920
4.1 Interbank money market takings		-	-	-	-	-	-
4.2 Istanbul Stock Exchange money market takings		-	-	-	-	-	-
4.3 Obligations under repurchase agreements		12,521,253	2,546,908	15,068,161	4,897,146	6,488,774	11,385,920
V. SECURITIES ISSUED (Net)	(5.2.4)	3,405,544	10,793,225	14,198,769	3,926,198	9,426,049	13,352,247
5.1 Bills		790,461	160,472	950,933	1,088,546	387,887	1,476,433
5.2 Asset backed securities		-	-	-	-	-	-
5.3 Bonds		2,615,083	10,632,753	13,247,836	2,837,652	9,038,162	11,875,814
VI. FUNDS		-	-	-	-	-	-
6.1 Borrower funds		-	-	-	-	-	-
6.2 Others		-	-	-	-	-	-
VII. MISCELLANEOUS PAYABLES	(5.2.4.3)	7,132,264	1,204,588	8,336,852	6,129,305	732,847	6,862,152
VIII. OTHER EXTERNAL FUNDINGS PAYABLE		1,997,940	1,827,125	3,825,065	1,798,344	585,551	2,383,895
IX. FACTORING PAYABLES		-	-	-	-	-	-
X. LEASE PAYABLES (Net)	(5.2.5)	10,968	-	10,968	538	-	538
10.1 Financial lease payables		11,985	-	11,985	576	-	576
10.2 Operational lease payables		-	-	-	-	-	-
10.3 Others		-	-	-	-	-	-
10.4 Deferred expenses (-)		1,017	-	1,017	38	-	38
XI. DERIVATIVE FINANCIAL LIABILITIES HELD FOR RISK MANAGEMENT	(5.2.6)	10,928	239,563	250,491	99,572	179,811	279,383
11.1 Fair value hedges		10,928	210,635	221,563	99,572	111,931	211,503
11.2 Cash flow hedges		-	28,928	28,928	-	67,880	67,880
11.3 Net foreign investment hedges		-	-	-	-	-	-
XII. PROVISIONS	(5.2.7)	4,186,504	63,560	4,250,064	3,725,148	58,446	3,783,594
12.1 General provisions		2,957,392	44,665	3,002,057	2,395,297	39,332	2,434,629
12.2 Restructuring reserves		-	-	-	-	-	-
12.3 Reserve for employee benefits		529,537	-	529,537	497,565	-	497,565
12.4 Insurance technical provisions (Net)		-	-	-	-	-	-
12.5 Other provisions		699,575	18,895	718,470	832,286	19,114	851,400
XIII. TAX LIABILITY	(5.2.8)	629,578	31,025	660,603	638,471	22,179	660,650
13.1 Current tax liability		629,578	31,025	660,603	638,471	22,179	660,650
13.2 Deferred tax liability		-	-	-	-	-	-
XIV. LIABILITIES FOR ASSETS HELD FOR SALE AND ASSETS OF DISCONTINUED OPERATIONS (Net)	(5.2.9)	-	-	-	-	-	-
14.1 Assets held for sale		-	-	-	-	-	-
14.2 Assets of discontinued operations		-	-	-	-	-	-
XV. SUBORDINATED DEBTS	(5.2.10)	-	159,792	159,792	-	140,766	140,766
XVI. SHAREHOLDERS' EQUITY	(5.2.11)	30,560,363	420,692	30,981,055	26,455,361	157,777	26,613,138
16.1 Paid-in capital		4,200,000	-	4,200,000	4,200,000	-	4,200,000
16.2 Capital reserves		2,642,395	228,221	2,870,616	1,343,194	21,628	1,364,822
16.2.1 Share premium		11,880	-	11,880	11,880	-	11,880
16.2.2 Share cancellation profits		-	-	-	-	-	-
16.2.3 Securities value increase fund		253,965	187,995	441,960	422,139	38,795	460,934
16.2.4 Revaluation surplus on tangible assets		1,631,907	-	1,631,907	175,034	-	175,034
16.2.5 Revaluation surplus on intangible assets		-	-	-	-	-	-
16.2.6 Revaluation surplus on investment property		-	-	-	-	-	-
16.2.7 Bonus shares of associates, affiliates and joint-ventures		1,891	-	1,891	1,891	-	1,891
16.2.8 Hedging reserves (effective portion)		46,181	40,226	86,407	11,709	(17,167)	(5,458)
16.2.9 Revaluation surplus on assets held for sale and assets of discontinued operations		-	-	-	-	-	-
16.2.10 Other capital reserves		696,571	-	696,571	720,541	-	720,541
16.3 Profit reserves		20,311,461	192,471	20,503,932	17,238,056	136,149	17,374,205
16.3.1 Legal reserves		1,155,709	12,620	1,168,329	1,120,009	11,113	1,131,122
16.3.2 Status reserves		-	-	-	-	-	-
16.3.3 Extraordinary reserves		19,155,752	3,860	19,159,612	16,118,047	1,638	16,119,685
16.3.4 Other profit reserves		-	175,991	175,991	-	123,398	123,398
16.4 Profit or loss		3,406,507	-	3,406,507	3,674,111	-	3,674,111
16.4.1 Prior periods profit/loss		-	-	-	-	-	-
16.4.2 Current period net profit/loss		3,406,507	-	3,406,507	3,674,111	-	3,674,111
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		131,088,248	123,254,338	254,342,586	114,956,933	104,710,984	219,667,917

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

Türkiye Garanti Bankası Anonim Şirketi

Income Statement

For the Year Ended 31 December 2015

INCOME AND EXPENSE ITEMS	Footnotes	THOUSANDS OF TURKISH LIRA (TL)	
		CURRENT PERIOD 1 January 2015- 31 December 2015	PRIOR PERIOD 1 January 2014- 31 December 2014
I. INTEREST INCOME	(5.4.1)	17,420,007	15,085,537
1.1 Interest income on loans		13,647,803	11,110,958
1.2 Interest income on reserve deposits		64,591	1,587
1.3 Interest income on banks		73,412	139,783
1.4 Interest income on money market transactions		3,160	4,096
1.5 Interest income on securities portfolio		3,457,696	3,687,727
1.5.1 Trading financial assets		15,331	34,536
1.5.2 Financial assets valued at fair value through profit or loss		-	-
1.5.3 Financial assets available-for-sale		1,813,563	1,961,190
1.5.4 Investments held-to-maturity		1,628,802	1,692,001
1.6 Financial lease income		-	-
1.7 Other interest income		173,345	141,386
II. INTEREST EXPENSE	(5.4.2)	8,178,674	7,642,849
2.1 Interest on deposits		5,685,660	5,106,074
2.2 Interest on funds borrowed		935,579	992,886
2.3 Interest on money market transactions		700,891	753,674
2.4 Interest on securities issued		836,939	778,497
2.5 Other interest expenses		19,605	11,718
III. NET INTEREST INCOME (I - II)		9,241,333	7,442,688
IV. NET FEES AND COMMISSIONS INCOME		2,922,551	2,949,020
4.1 Fees and commissions received		3,822,532	3,728,187
4.1.1 Non-cash loans		278,926	243,048
4.1.2 Others		3,543,606	3,485,139
4.2 Fees and commissions paid		899,981	779,167
4.2.1 Non-cash loans		3,204	1,150
4.2.2 Others		896,777	778,017
V. DIVIDEND INCOME	(5.4.3)	5,102	1,842
VI. NET TRADING INCOME/LOSSES (Net)	(5.4.4)	(1,075,618)	(138,724)
6.1 Trading account income/losses		514,559	(144,144)
6.2 Income/losses from derivative financial instruments		(2,231,685)	(1,102,829)
6.3 Foreign exchange gains/losses		641,508	1,108,249
VII. OTHER OPERATING INCOME	(5.4.5)	916,689	528,327
VIII. TOTAL OPERATING PROFIT (III+IV+V+VI+VII)		12,010,057	10,783,153
IX. PROVISION FOR LOSSES ON LOANS AND OTHER RECEIVABLES (-)	(5.4.6)	2,218,194	1,806,733
X. OTHER OPERATING EXPENSES (-)	(5.4.7)	5,883,301	4,779,063
XI. NET OPERATING PROFIT/LOSS (VIII-IX-X)		3,908,562	4,197,357
XII. INCOME RESULTED FROM MERGERS		-	-
XIII. INCOME/LOSS FROM INVESTMENTS UNDER EQUITY ACCOUNTING		400,315	439,123
XIV. GAIN/LOSS ON NET MONETARY POSITION		-	-
XV. OPERATING PROFIT/LOSS BEFORE TAXES (XI+XII+XIII+XIV)	(5.4.8)	4,308,877	4,636,480
XVI. PROVISION FOR TAXES (±)	(5.4.9)	902,370	962,369
16.1 Current tax charge		728,172	1,321,500
16.2 Deferred tax charge/(credit)		174,198	(359,131)
XVII. NET OPERATING PROFIT/LOSS AFTER TAXES (XV±XVI)	(5.4.10)	3,406,507	3,674,111
XVIII. INCOME FROM DISCONTINUED OPERATIONS		-	-
18.1 Income from assets held for sale		-	-
18.2 Income from sale of associates, affiliates and joint-ventures		-	-
18.3 Others		-	-
XIX. EXPENSES FROM DISCONTINUED OPERATIONS (-)		-	-
19.1 Expenses on assets held for sale		-	-
19.2 Expenses on sale of associates, affiliates and joint-ventures		-	-
19.3 Others		-	-
XX. PROFIT/LOSS BEFORE TAXES ON DISCONTINUED OPERATIONS (XVIII-XIX)	(5.4.8)	-	-
XXI. PROVISION FOR TAXES OF DISCONTINUED OPERATIONS (±)	(5.4.9)	-	-
21.1 Current tax charge		-	-
21.2 Deferred tax charge/(credit)		-	-
XXII. NET PROFIT/LOSS AFTER TAXES ON DISCONTINUED OPERATIONS (XX±XXI)	(5.4.10)	-	-
XXIII. NET PROFIT/LOSS (XVII+XXII)	(5.4.11)	3,406,507	3,674,111
Earnings per Share		0.811	0.875

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

Türkiye Garanti Bankası Anonim Şirketi

Statement of Income/Expense Items Accounted for under Shareholders' Equity For the Year Ended 31 December 2015

INCOME AND EXPENSE ITEMS UNDER SHAREHOLDERS' EQUITY	THOUSANDS OF TURKISH LIRA (TL)	
	CURRENT PERIOD 1 January 2015- 31 December 2015	PRIOR PERIOD 1 January 2014- 31 December 2014
I. MARKET VALUE GAINS ON AVAILABLE FOR SALE ASSETS ACCOUNTED UNDER "SECURITIES VALUE INCREASE FUND"	(462,665)	744,238
II. REVALUATION SURPLUS ON TANGIBLE ASSETS	1,467,649	730
III. REVALUATION SURPLUS ON INTANGIBLE ASSETS	-	-
IV. TRANSLATION DIFFERENCES FOR TRANSACTIONS IN FOREIGN CURRENCIES	290,260	(173,536)
V. GAIN/LOSS ON DERIVATIVE FINANCIAL ASSETS HELD FOR CASH FLOW HEDGES (effective portion)	81,849	(55,876)
VI. GAIN/LOSS ON DERIVATIVE FINANCIAL ASSETS HELD FOR HEDGES OF NET INVESTMENT IN FOREIGN OPERATIONS (effective portion)	32,808	-
VII. EFFECTS OF CHANGES IN ACCOUNTING POLICIES AND CORRECTIONS	-	-
VIII. OTHER INCOME/EXPENSE ITEMS ACCOUNTED UNDER SHAREHOLDERS' EQUITY AS PER TAS	40,155	(80,692)
IX. DEFERRED TAXES ON VALUE INCREASES/DECREASES	78,354	(116,413)
X. NET INCOME/EXPENSE ITEMS ACCOUNTED DIRECTLY UNDER SHAREHOLDERS' EQUITY (I+II+III+IV+V+VI+VII+VIII+IX)	1,528,410	318,451
XI. CURRENT PERIOD PROFIT/LOSSES	3,406,507	3,674,111
1.1 Net changes in fair value of securities (transferred to income statement)	62,612	(48,497)
1.2 Gains/losses on derivative financial assets held for cash flow hedges, reclassified and recorded in income statement	96,087	(2,263)
1.3 Gains/losses on hedges of net investment in foreign operations, reclassified and recorded in income statement	-	-
1.4 Others	3,247,808	3,724,871
XII. TOTAL PROFIT/LOSS ACCOUNTED FOR THE CURRENT PERIOD (X+XI)	4,934,917	3,992,562

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

(Convenience Translation of Financial Statements Originally Issued in Turkish)

Türkiye Garanti Bankası Anonim Şirketi
Statement of Changes in Shareholders' Equity
For the Year Ended 31 December 2015

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY	Footnotes	THOUSANDS OF TURKISH LIRA (TL)															
		Paid-In Capital	Capital Reserves from Inflation Adj.s to Paid-In Capital	Share Premium	Share Cancellation Profits	Legal Reserves	Status Reserves	Extraordinary Reserves	Other Reserves	Current Period Net Profit/(Loss)	Prior Period Profit/(Loss)	Securities Value Increase Fund	Revaluation Surplus on Tangible and Intangible Assets	Bonus Shares of Equity Participations	Hedging Reserves	Accu. Rev. Surp. on Assets Held for Sale and Assets of Discont. Op.s	Total Shareholders' Equity
PRIOR PERIOD (1 January - 31 December 2014)																	
I. Balances at beginning of the period		4,200,000	772,554	11,880	-	1,110,148	-	12,312,753	106,457	-	3,005,560	913,419	174,304	1,891	(23,982)	-	22,584,984
II. Correction made as per TAS 8		-	-	-	-	-	-	953,314	-	-	316,784	(872,731)	-	-	63,225	-	460,592
2.1. Effect of corrections		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2. Effect of changes in accounting policies (*)		-	-	-	-	-	-	953,314	-	-	316,784	(872,731)	-	-	63,225	-	460,592
III. Adjusted balances at beginning of the period (I+II)	(5.5)	4,200,000	772,554	11,880	-	1,110,148	-	13,266,067	106,457	-	3,322,344	40,688	174,304	1,891	39,243	-	23,045,576
Changes during the period																	
IV. Mergers		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V. Market value changes of securities		-	-	-	-	-	-	-	-	-	-	586,090	-	-	-	-	586,090
VI. Hedging reserves		-	-	-	-	-	-	-	-	-	-	-	-	(44,701)	-	-	(44,701)
6.1. Cash flow hedge		-	-	-	-	-	-	-	-	-	-	-	-	(44,701)	-	-	(44,701)
6.2. Hedge of net investment in foreign operations		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII. Revaluation surplus on tangible assets		-	-	-	-	-	-	-	-	-	-	730	-	-	-	-	730
VIII. Revaluation surplus on intangible assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX. Bonus shares of associates, affiliates and joint-ventures		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X. Translation differences		-	-	-	-	(526)	-	(80)	(7,086)	-	-	(165,844)	-	-	-	-	(173,536)
XI. Changes resulted from disposal of assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XII. Changes resulted from reclassification of assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIII. Effect of change in equities of associates on bank's equity		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV. Capital increase		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14.1. Cash		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14.2. Internal sources		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XV. Share issuance		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI. Share cancellation profits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVII. Capital reserves from inflation adjustments to paid-in capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVIII. Others		-	-	-	-	-	-	11,900	(62,032)	-	-	-	-	-	-	-	(50,132)
XIX. Current period net profit/loss		-	-	-	-	-	-	-	(62,032)	3,674,111	-	-	-	-	-	-	3,674,111
XX. Profit distribution		-	-	-	-	21,500	-	2,841,798	34,046	-	(3,322,344)	-	-	-	-	-	(425,000)
20.1. Dividends		-	-	-	-	-	-	-	-	-	(425,000)	-	-	-	-	-	(425,000)
20.2. Transfers to reserves		-	-	-	-	21,500	-	2,841,798	34,046	-	(2,863,298)	-	-	-	-	-	-
20.3. Others		-	-	-	-	-	-	-	-	-	(34,046)	-	-	-	-	-	-
Balances at end of the period (III+IV+V+.....+XVIII+XIX+XX)		4,200,000	772,554	11,880	-	1,131,122	-	16,119,685	71,385	3,674,111	-	460,934	175,034	1,891	(5,458)	-	26,613,138
CURRENT PERIOD (1 January - 31 December 2015)																	
I. Balances at beginning of the period		4,200,000	772,554	11,880	-	1,131,122	-	16,119,685	71,385	-	3,674,111	460,934	175,034	1,891	(5,458)	-	26,613,138
Changes during the period	(5.5)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
II. Mergers		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. Market value changes of securities		-	-	-	-	-	-	-	-	-	-	(356,740)	-	-	-	-	(356,740)
IV. Hedging reserves		-	-	-	-	-	-	-	-	-	-	-	-	91,865	-	-	91,865
4.1. Cash flow hedge		-	-	-	-	-	-	-	-	-	-	-	-	65,618	-	-	65,618
4.2. Hedge of net investment in foreign operations		-	-	-	-	-	-	-	-	-	-	-	-	26,247	-	-	26,247
V. Revaluation surplus on tangible assets		-	-	-	-	-	-	-	-	-	-	-	1,456,873	-	-	-	1,456,873
VI. Revaluation surplus on intangible assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII. Bonus shares of associates, affiliates and joint-ventures		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII. Translation differences		-	-	-	-	1,507	-	462	20,647	-	-	267,644	-	-	-	-	290,260
IX. Changes resulted from disposal of assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X. Changes resulted from reclassification of assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI. Effect of change in equities of associates on bank's equity		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XII. Capital increase		-	-	-	-	-	-	-	-	-	-	70,122	-	-	-	-	70,122
12.1. Cash		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.2. Internal sources		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIII. Share issuance		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV. Share cancellation profits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XV. Capital reserves from inflation adjustments to paid-in capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI. Others		-	-	-	-	-	-	-	(23,970)	-	-	-	-	-	-	-	(23,970)
XVII. Current period net profit/loss		-	-	-	-	-	-	-	-	3,406,507	-	-	-	-	-	-	3,406,507
XVIII. Profit distribution		-	-	-	-	35,700	-	3,039,465	31,946	-	(3,674,111)	-	-	-	-	-	(567,000)
18.1. Dividends		-	-	-	-	-	-	-	-	-	(567,000)	-	-	-	-	-	(567,000)
18.2. Transfers to reserves		-	-	-	-	35,700	-	2,555,988	-	-	(2,591,688)	-	-	-	-	-	-
18.3. Others		-	-	-	-	-	-	483,477	31,946	-	(515,423)	-	-	-	-	-	-
Balances at end of the period (I+II+III+.....+XVI+XVII+XVIII)		4,200,000	772,554	11,880	-	1,168,329	-	19,159,612	100,008	3,406,507	-	441,960	1,631,907	1,891	86,407	-	30,981,055

(*) The corrections are disclosed on Note 3.24.1

Türkiye Garanti Bankası Anonim Şirketi
Statement of Cash Flows
For the Year Ended 31 December 2015

STATEMENT OF CASH FLOWS	Footnotes	THOUSANDS OF TURKISH LIRA (TL)	
		CURRENT PERIOD 1 January 2015- 31 December 2015	PRIOR PERIOD 1 January 2014- 31 December 2014
A. CASH FLOWS FROM BANKING OPERATIONS			
1.1 Operating profit before changes in operating assets and liabilities		3,803,213	4,538,225
1.1.1 Interests received		16,613,663	14,200,578
1.1.2 Interests paid		(8,577,499)	(7,201,807)
1.1.3 Dividend received		5,102	1,842
1.1.4 Fees and commissions received		3,822,532	3,728,187
1.1.5 Other income		1,346,248	336,581
1.1.6 Collections from previously written-off loans and other receivables		70,943	99,905
1.1.7 Payments to personnel and service suppliers		(5,230,373)	(3,730,012)
1.1.8 Taxes paid		(792,338)	(989,025)
1.1.9 Others	(5.6)	(3,455,065)	(1,908,024)
1.2 Changes in operating assets and liabilities		(1,899,696)	(3,234,149)
1.2.1 Net (increase) decrease in financial assets held for trading		202,861	59,105
1.2.2 Net (increase) decrease in financial assets valued at fair value through profit or loss		-	-
1.2.3 Net (increase) decrease in due from banks		(2,189,475)	(905,868)
1.2.4 Net (increase) decrease in loans		(26,671,137)	(16,588,535)
1.2.5 Net (increase) decrease in other assets		(1,885,854)	538,654
1.2.6 Net increase (decrease) in bank deposits		164,142	457,256
1.2.7 Net increase (decrease) in other deposits		20,403,269	13,321,462
1.2.8 Net increase (decrease) in funds borrowed		5,269,469	(694,335)
1.2.9 Net increase (decrease) in matured payables		-	-
1.2.10 Net increase (decrease) in other liabilities	(5.6)	2,807,029	578,112
I. Net cash flow from banking operations		1,903,517	1,304,076
B. CASH FLOWS FROM INVESTING ACTIVITIES			
II. Net cash flow from investing activities		(1,495,715)	(4,106,300)
2.1 Cash paid for purchase of associates, affiliates and joint-ventures		-	(543)
2.2 Cash obtained from sale of associates, affiliates and joint-ventures		-	-
2.3 Purchases of tangible assets		(499,273)	(329,313)
2.4 Sales of tangible assets		123,369	85,129
2.5 Cash paid for purchase of financial assets available-for-sale		(4,766,802)	(9,775,998)
2.6 Cash obtained from sale of financial assets available-for-sale		3,952,604	10,970,690
2.7 Cash paid for purchase of investments held-to-maturity		(3,277,512)	(6,705,853)
2.8 Cash obtained from sale of investments held-to-maturity		2,971,899	1,649,588
2.9 Others	(5.6)	-	-
C. CASH FLOWS FROM FINANCING ACTIVITIES			
III. Net cash flow from financing activities		243,904	2,495,233
3.1 Cash obtained from funds borrowed and securities issued		6,279,433	10,932,945
3.2 Cash used for repayment of funds borrowed and securities issued		(5,463,215)	(8,011,841)
3.3 Equity instruments issued		-	-
3.4 Dividends paid		(567,000)	(425,000)
3.5 Payments for financial leases		(5,314)	(871)
3.6 Others (payments for founder shares repurchased)	(5.6)	-	-
IV. Effect of change in foreign exchange rate on cash and cash equivalents	(5.6)	640,544	528,895
V. Net increase/(decrease) in cash and cash equivalents		1,292,250	221,904
VI. Cash and cash equivalents at beginning of period		7,585,868	7,363,964
VII. Cash and cash equivalents at end of period		8,878,118	7,585,868

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

(Convenience Translation of Financial Statements Originally Issued in Turkish)

Türkiye Garanti Bankası Anonim Şirketi

Statement of Profit Distribution

At 31 December 2015

STATEMENT OF PROFIT DISTRIBUTION		THOUSANDS OF TURKISH LIRA (TL)	
		CURRENT PERIOD (*)	PRIOR PERIOD (**)
		31 December 2015	31 December 2014
I.	DISTRIBUTION OF CURRENT YEAR PROFIT		
1.1	CURRENT PERIOD PROFIT	4,308,877	4,162,463
1.2	TAXES AND LEGAL DUTIES PAYABLE (-)	902,370	962,215
1.2.1	Corporate tax (income tax)	902,370	962,215
1.2.2	Withholding tax	-	-
1.2.3	Other taxes and duties	-	-
A.	NET PROFIT FOR THE PERIOD (1.1-1.2)	3,406,507	3,200,248
1.3	ACCUMULATED LOSSES (-)	-	-
1.4	FIRST LEGAL RESERVES (-)	-	-
1.5	OTHER STATUTORY RESERVES (-)	-	31,946
B.	NET PROFIT AVAILABLE FOR DISTRIBUTION [(A)-(1.3+1.4+1.5)]	-	3,168,302
1.6	FIRST DIVIDEND TO SHAREHOLDERS (-)	-	210,000
1.6.1	To owners of ordinary shares	-	210,000
1.6.2	To owners of privileged shares	-	-
1.6.3	To owners of redeemed shares	-	-
1.6.4	To profit sharing bonds	-	-
1.6.5	To holders of profit and loss sharing certificates	-	-
1.7	DIVIDENDS TO PERSONNEL (-)	-	-
1.8	DIVIDENDS TO BOARD OF DIRECTORS (-)	-	-
1.9	SECOND DIVIDEND TO SHAREHOLDERS (-)	-	357,000
1.9.1	To owners of ordinary shares	-	357,000
1.9.2	To owners of privileged shares	-	-
1.9.3	To owners of redeemed shares	-	-
1.9.4	To profit sharing bonds	-	-
1.9.5	To holders of profit and loss sharing certificates	-	-
1.10	SECOND LEGAL RESERVES (-)	-	35,700
1.11	STATUS RESERVES (-)	-	-
1.12	EXTRAORDINARY RESERVES	-	2,565,602
1.13	OTHER RESERVES	-	-
1.14	SPECIAL FUNDS	-	-
II.	DISTRIBUTION OF RESERVES		
2.1	APPROPRIATED RESERVES	-	-
2.2	SECOND LEGAL RESERVES (-)	-	-
2.3	DIVIDENDS TO SHAREHOLDERS (-)	-	-
2.3.1	To owners of ordinary shares	-	-
2.3.2	To owners of privileged shares	-	-
2.3.3	To owners of redeemed shares	-	-
2.3.4	To profit sharing bonds	-	-
2.3.5	To holders of profit and loss sharing certificates	-	-
2.4	DIVIDENDS TO PERSONNEL (-)	-	-
2.5	DIVIDENDS TO BOARD OF DIRECTORS (-)	-	-
III.	EARNINGS PER SHARE (per YTL'000 face value each)		
3.1	TO OWNERS OF ORDINARY SHARES (per YTL'000 face value each)	0.811	0.875
3.2	TO OWNERS OF ORDINARY SHARES (%)	0.081	0.087
3.3	TO OWNERS OF PRIVILEGED SHARES	-	-
3.4	TO OWNERS OF PRIVILEGED SHARES (%)	-	-
IV.	DIVIDEND PER SHARE		
4.1	TO OWNERS OF ORDINARY SHARES (per YTL'000 face value each)	-	-
4.2	TO OWNERS OF ORDINARY SHARES (%)	-	-
4.3	TO OWNERS OF PRIVILEGED SHARES	-	-
4.4	TO OWNERS OF PRIVILEGED SHARES (%)	-	-

(*) Decision regarding to the 2015 profit distribution will be held at General Assembly meeting.

(**) Corrections to prior periods disclosed in Note 3.24 are not reflected.

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

3 Accounting policies

3.1 Basis of presentation

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

The accompanying unconsolidated financial statements are prepared in accordance with the historical cost basis except for financial instruments at fair value through profit or loss, financial assets available for sale, real estates and investments in affiliates valued at equity basis of accounting.

The accounting policies and the valuation principles applied in the preparation of the accompanying financial statements are explained in Notes 3.2 to 3.24.

3.2 Strategy for use of financial instruments and foreign currency transactions

3.2.1 Strategy for use of financial instruments

The liability side of the Bank’s balance sheet is intensively composed of short-term deposits in line with the general trend in the banking sector. In addition to deposits, the Bank has access to longer-term borrowings via the borrowings from abroad.

In order to manage the interest rate risk arising from short-term deposits, the Bank is keen on maintaining floating rate instruments such as government bonds with quarterly coupon payments and instruments like credit cards and consumer loans providing regular cash inflows.

A portion of the fixed-rate securities and loans, and the bonds of the Bank are hedged under fair value hedges. The fair value risks of such fixed-rate assets and financial liabilities are hedged with interest rate swaps and cross currency swaps. The fair value changes of the hedged fixed-rate financial assets and financial liabilities together with the changes in the fair value of the hedging instruments, namely interest rate swaps and cross currency swaps, are accounted under net trading income/losses in the income statement. At the inception of the hedge and during the subsequent periods, the hedge is expected to achieve the offsetting of changes in fair value attributable to the hedged risk for which the hedge is designated, and accordingly, the hedge effectiveness tests are performed.

The Bank may classify its financial assets and liabilities as at fair value through profit or loss, at the initial recognition in order to eliminate any accounting inconsistency.

The fundamental strategy to manage the liquidity risk that may incur due to short-term structure of funding, is to expand the deposit base through customer-oriented banking philosophy, and to increase customer transactions and retention rates. The Bank’s widespread and effective branch network, advantage of primary dealership and strong market share in the treasury and capital markets, are the most effective tools in the realisation of this strategy. For this purpose, serving customers by introducing new products and services continuously and reaching the customers satisfaction are very important.

Another influential factor in management of interest and liquidity risks on balance sheet is product diversification both on asset and liability sides.

Exchange rate risk, interest rate risk and liquidity risk are controlled and measured by various risk management systems, and the balance sheet is managed under the limits set by these systems and the limits legally required. Asset-liability management and value at risk models, stress tests and scenario analysis are used for this purpose.

Purchase and sale of short and long-term financial instruments are allowed within the pre-determined limits to generate risk-free return on capital.

The foreign currency position is controlled by the equilibrium of a currency basket to eliminate the foreign exchange risk.

3.2.2 Foreign currency transactions

Foreign exchange gains and losses arising from foreign currency transactions are recorded at transaction dates. At the end of the periods, foreign currency assets and liabilities evaluated with the Bank's spot purchase rates and the differences are recorded as foreign exchange gain or loss in the income statement.

In the unconsolidated financial statements, the financial affiliates are accounted for using the equity method in accordance with the Communiqué published on the Official Gazette dated 9 April 2015 no. 29321 related to the amendments to the Turkish Accounting Standard 27 (TAS 27) "Separate Financial Statements". In this context, foreign affiliates' asset and liability items in the balance sheet are translated into Turkish Lira by using foreign exchange rates as of the balance sheet date whereas income and expense items are translated into Turkish Lira by using average foreign exchange rates for the related period. Foreign exchange differences arising from translation of income and expense items and other equity items are accounted under capital reserves under equity.

From 1 September 2015, it has been started to apply net investment hedge amounting to EUR 371,955,167 in total among net investments in Garanti Bank International NV and Garanti Holding BV having capitals denominated in foreign currencies and long term foreign currency borrowings. Foreign exchange losses in the amount of TL 32,808 thousands, arising from conversion of both foreign currency net investments and long term foreign currency borrowings are accounted under capital reserves and hedging reserves, respectively under equity. There is no ineffective portion arising from net investment hedge accounting as of 31 December 2015.

3.3 Investments in associates and affiliates

In the unconsolidated financial statements, the financial affiliates are accounted for using the equity method in accordance with the Communiqué published on the Official Gazette dated 9 April 2015 no. 29321 related to the amendments to the Turkish Accounting Standard 27 (TAS 27) "Separate Financial Statements".

In accordance with the Turkish Accounting Standard 28 (TAS 28) for "Investments in Associates and Joint Ventures" through the equity method, the carrying value of financial affiliates are accounted in the financial statements with respect to the Bank's share in these investments' net asset value. While the Bank's share on profits or losses of financial affiliates are accounted in the Bank's income statement, the Bank's share in other comprehensive income of financial affiliates are accounted in the Bank's other comprehensive income statement.

Non-financial affiliates are accounted at cost in the financial statements after provisions for impairment losses deducted, if any, in accordance with TMS 27.

3.4 Forwards, options and other derivative transactions

As per the Turkish Accounting Standard 39 (TAS 39) "Financial Instruments: Recognition and Measurement"; forward foreign currency purchases/sales, swaps, options and futures are classified as either "hedging purposes" or "trading purposes".

3.4.1 Derivative financial instruments held for trading

The derivative transactions mainly consist of foreign currency and interest rate swaps, foreign currency options and forward foreign currency purchase/sale contracts. There are no embedded derivatives.

Derivatives are initially recorded in off-balance sheet accounts at their purchase costs including the transaction costs. Subsequently, derivative transactions are valued at their fair values and the changes in their fair values are recorded on balance sheet under “derivative financial assets held for trading” or “derivative financial liabilities held for trading”, respectively depending on the fair values being positive or negative. Fair value changes for trading derivatives are recorded under income statement.

The spot legs of currency swap transactions are recorded on the balance sheet and the forward legs in the off-balance sheet accounts as commitment.

3.4.2 Derivative financial instruments held for risk management

The Bank enters into interest rate and cross currency swap transactions in order to hedge the change in fair values of fixed-rate financial instruments. While applying fair value hedge accounting, the changes in fair values of hedging instrument and hedged item are recognised in income statement. If the hedging is effective, the changes in fair value of the hedged item is presented in statement of financial position together with the fixed-rate loan, and in case of fixed-rate financial assets available for sale, such changes are reclassified from shareholders’ equity to income statement.

The Bank enters into interest rate and cross currency swap transactions in order to hedge the changes in cash flows of the floating-rate financial instruments. While applying cash flow hedge accounting, the effective portion of the changes in the fair value of the hedging instrument is accounted for under hedging reserves in shareholders’ equity, and the ineffective portion is recognised in income statement. The changes recognised in shareholders’ equity is removed and included in income statement in the same period when the hedged cash flows effect the income or loss.

The Bank performs effectiveness test at the beginning of the hedge accounting period and at each reporting period. The effectiveness tests are carried out using the “Dollar off-set model” and the hedge accounting is applied as long as the test results are between the range of 80%-125% of effectiveness.

The hedge accounting is discontinued when the hedging instrument expires, is exercised, sold or no longer effective. When discontinuing fair value hedge accounting, the cumulative fair value changes in carrying value of the hedged item arising from the hedged risk are amortised to income statement over the life of the hedged item from that date of the hedge accounting is discontinued. While discontinuing cash flow hedge accounting, the cumulative gains/losses recognised in shareholders’ equity and presented under hedging reserves are continued to be kept in this account. When the cash flows of hedged item are recognised in income statement, the gain/losses accounted for under shareholders’ equity, are recognised in income statement.

3.5 Interest income and expenses

Interests are recorded according to the effective interest rate method (rate equal to the rate in calculation of present value of future cash flows of financial assets or liabilities) defined in the Turkish Accounting Standard 39 (TAS 39) “Financial Instruments: Recognition and Measurement”.

In case an interest was accrued on a security before its acquisition, the collected interest is divided into two parts as interest before and after the acquisition and only the interest of the period after the acquisition is recorded as interest income in the financial statements.

The accrued interest income on non-performing loans are reversed and subsequently recognised as interest income only when collected.

3.6 Fees and commissions

Except for certain fees related with certain banking transactions and recognized when received, fees and commissions received or paid, and other fees and commissions paid to financial institutions are accounted under accrual basis of accounting. The income derived from agreements or asset purchases from real-person or corporate third parties are recognized as income when realized.

3.7 Financial assets

3.7.1 Financial assets at fair value through profit or loss

Financial assets valued at fair value through profit or loss, such assets are valued at their fair values and gain/loss arising on those assets is recorded in the income statement. Interest income earned on trading securities and the difference between their acquisition costs and amortized costs are recorded as interest income in the income statement. The differences between the amortized costs and the fair values of such securities are recorded under trading account income/losses in the income statement. In cases where such securities are sold before their maturities, the gains/losses on such sales are recorded under trading account income/losses.

The Bank classifies certain loans and securities issued at their origination dates, as financial assets/liabilities at fair value through profit or loss in compliance with TAS 39. The interest income/expense earned and the difference between the acquisition costs and the amortized costs of financial instruments are recorded under interest income/expense in income statement, the difference between the amortized costs and the fair values of financial instruments are recorded under trading account income/losses in income statement.

3.7.2 Investments held-to-maturity, financial assets available-for-sale and loans and receivables

Financial assets are initially recorded at their purchase costs including the transaction costs.

Investments held-to-maturity are financial assets with fixed maturities and pre-determined payment schedules that the Bank has the intent and ability to hold until maturity, excluding originated loans and receivables.

There are no financial assets that are not allowed to be classified as investments held-to-maturity for two years due to the tainting rules applied for the breach of classification rules.

Investments held-to-maturity are measured at amortized costs using internal rate of return after deducting impairments, if any.

Financial assets available-for-sale, are financial assets other than assets held for trading purposes, investments held-to-maturity and originated loans and receivables.

Financial assets available-for-sale are measured at their fair values subsequently. However, assets for which fair values can not be determined reliably, are valued at amortized costs by using discounting method with internal rate of return for floating-rate securities; and by using valuation models or discounted cash flow techniques for fixed-rate securities. Unrecognised gain/losses derived from the difference between their fair values and the discounted values are recorded in "securities value increase fund" under the shareholders' equity. In case of sales, the gain/losses arising from fair value measurement under shareholders' equity are recognized in income statement.

The real coupon rates for government bonds indexed to consumer price index are fixed throughout maturities. As per the statements made by the Turkish Treasury on the dates of issuance, such securities are valued taking into account the difference between the reference index at the issue date and the reference index at the balance sheet date to reflect the effects of inflation.

Purchase and sale transactions of securities are accounted at delivery dates.

Loans and receivables are financial assets raised by the Bank providing money, commodity and services to debtors.

Loans are financial assets with fixed or determinable payments and not quoted in an active market.

Loans and receivables are recognized at cost and measured at amortized cost using the effective interest method. Duties paid, transaction costs and other similar expenses on assets received against such risks are considered as a part of transaction cost and charged to customers.

3.8 Impairment of financial assets

Financial asset or group of financial assets are reviewed at each balance sheet date to determine whether there is objective evidence of impairment. If any such indication exists, the Bank estimates the amount of impairment.

Impairment loss incurs if, and only if, there is an objective evidence that the expected future cash flows of financial asset or group of financial assets are adversely effected by an event(s) (“loss event(s)”) incurred subsequent to recognition. The losses expected to incur due to future events are not recognized even if the probability of loss is high.

If there is an objective evidence that certain loans will not be collected, for such loans; the Bank provides specific and general allowances for loan and other receivables classified in accordance with the Regulation on Identification of and Provision against Non-Performing Loans and Other Receivables (the Provisioning Regulation) published on the Official Gazette no.2633 dated 1 November 2006. The allowances are recorded in income statement of the related period.

Provisions made during the period are recorded under “provision for losses on loans and other receivables”. Provisions booked in the prior periods and released in the current year are recorded under “other operating income”.

3.9 Netting and derecognition of financial instruments

3.9.1 Netting of financial instruments

In cases where the fair values of trading securities, securities available-for-sale, securities quoted at the stock exchanges, associates and affiliates are less than their carrying values, a provision for impairment is allocated, and the net value is shown on the balance sheet.

The Bank provides specific allowances for non-performing loan and other receivables in accordance with the Regulation on Identification of and Provision against Non-Performing Loans and Other Receivables. Such allowances are recorded under “loans” as negative balances on the asset side.

Otherwise, the financial assets and liabilities are netted off only when there is a legal right to do so.

3.9.2 Derecognition of financial assets

The Bank derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Bank neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Bank recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Bank retains substantially all the risks and rewards of ownership of a transferred financial asset, it continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset’s carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income and accumulated in equity is recognized in income statement.

In case an existing financial asset is replaced with another financial asset from the same counterparty where the terms on the initial financial asset are substantially modified, the existing financial asset is derecognized and a new financial asset is recognized. The difference between the carrying values of the respective financial assets is recognized in income statement.

3.10 Repurchase and resale agreements and securities lending

Securities sold under repurchase agreements are recorded on the balance sheet in compliance with the Uniform Chart of Accounts. Accordingly, government bonds and treasury bills sold to customers under repurchase agreements are classified as “Investments Subject to Repurchase Agreements” and valued based on the Bank management’s future intentions, either at market prices or using discounting method with internal rate of return. The funds received through repurchase agreements are classified separately under liability accounts and the related interest expenses are accounted for on an accrual basis.

Securities purchased under resale agreements are classified under “interbank money markets” separately. An income accrual is accounted for the positive difference between the purchase and resale prices earned during the period.

3.11 Assets held for sale and discontinued operations

A tangible asset (or a disposal group) classified as “asset held for sale” is measured at lower of carrying value or fair value less costs to sell. An asset (or a disposal group) is regarded as “asset held for sale” only when the sale is highly probable and the asset (disposal group) 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. Furthermore, the asset should be actively marketed at a price consistent with its fair value.

A discontinued operation is a part of the Bank’s business classified as sold or held-for-sale. The operating results of the discontinued operations are disclosed separately in income statement. The Bank has no discontinued operations.

3.12 Goodwill and other intangible assets

The Bank’s intangible assets consist of softwares, intangible rights and other intangible assets.

Goodwill and other intangible assets are recorded at cost in compliance with the Turkish Accounting Standard 38 (TAS 38) “Intangible Assets”.

The costs of the intangible assets purchased before 31 December 2004 are restated from the purchasing dates to 31 December 2004, the date the hyperinflationary period is considered to be ended. The intangible assets purchased after this date are recorded at their historical costs. The intangible assets are amortised by the Bank over their estimated useful lives based on their inflation adjusted costs on a straight-line basis.

Estimated useful lives of the Bank’s intangible assets are 3-15 years, and amortisation rates are 6.67-33.3%.

If there is objective evidence of impairment, the asset’s recoverable amount is estimated in accordance with the Turkish Accounting Standard 36 (TAS 36) “Impairment of Assets” and if the recoverable amount is less than the carrying value of the related asset, a provision for impairment loss is provided.

3.13 Tangible assets

The cost of the tangible assets purchased before 31 December 2004 are restated from the purchasing dates to 31 December 2004, the date the hyperinflationary period is considered to be ended. The tangible assets purchased after this date are recorded at their historical costs.

As of 1 November 2015, changing the existing accounting policy, it has been decided to apply revaluation model for properties recorded under tangible assets instead of cost model in accordance with the Turkish Accounting Standard 16 (TAS 16) “Property, Plant and Equipment”. Accordingly, for all real estates registered in the ledger, a valuation study was performed by independent expertise firms.

If there is objective evidence of impairment, the asset’s recoverable amount is estimated in accordance with the Turkish Accounting Standard 36 (TAS 36) “ Impairment of Assets” and if the recoverable amount is less than the carrying value of the related asset, a provision for impairment loss is provided.

Gains/losses arising from the disposal of the tangible assets are calculated as the difference between the net book value and the net sale price.

Maintenance and repair costs incurred for tangible assets, are recorded as expense.

There are no restrictions such as pledges, mortgages or any other restriction on tangible assets. The depreciation rates and the estimated useful lives of tangible assets are presented below. Depreciation method in use was not changed in the current period.

Tangible assets	Estimated Useful Lives (Years)	Depreciation Rates %
Buildings	50	2
Vaults	50	2
Motor vehicles	5-7	15-20
Other tangible assets	4-20	5-25

The depreciation of an asset held for a period less than a full financial year is calculated as a proportion of the full year depreciation charge from the date of acquisition to the financial year end.

Useful lives of buildings are reviewed at least once a year and if current estimates are different than previous estimates, then the revised estimates are considered as accounting policy change in accordance with Turkish Accounting Standard 8 (TAS 8) “Accounting Policies, Changes in Accounting Estimates and Errors”.

Investment properties

Land and buildings that are held to earn rentals or for capital appreciation or both rather than for use in production, supply of goods or services, administrative purposes or sale in the ordinary course of business are clasified as investment property. As of 1 November 2015, changing the existing accounting policy, it has been decided to apply fair value model for investment properties instead of cost model in accordance with the Turkish Accounting Standard 40 (TAS 40) “Investment Property” Accordingly, for all the investment properties registered in the ledger, a valuation study was performed by independent expertise firms. Fair value changes in investment properties were accounted in the income statement for the period they occurred.

Investment properties accounted at fair value are not depreciated.

3.14 Leasing activities

Leased assets are recognized by recording an asset or a liability. In the determination of the related asset and liability amounts, the lower of the fair value of the leased asset and the present value of leasing payments is considered. Financial costs on leasing agreements are expanded in lease periods at a fixed interest rate.

In cases where leased assets are impaired or the expected future benefits of the assets are less than their book values, the book values of such leased assets are reduced to their net realizable values. Depreciation for assets acquired through financial leases is calculated consistently with the same principle as for the tangible assets.

In operating leases, the rent payments are charged to the statement of operations in equal installments.

3.15 Provisions and contingent liabilities

In the financial statements, a provision is made for an existing commitment resulted from past events if it is probable that the commitment will be settled and a reliable estimate can be made of the amount of the obligation. Provisions are calculated based on the best estimates of management on the expenses to incur as of the balance sheet date and, if material, such expenses are discounted for their present values. If the amount is not reliably estimated and there is no probability of cash outflow from the Bank to settle the liability, the related liability is considered as “contingent” and disclosed in the notes to the financial statements.

3.16 Contingent assets

The contingent assets usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits to the Bank. If an inflow of economic benefits to the Bank has become probable, then the contingent asset is disclosed in the footnotes to the financial statements. If it has become virtually certain that an inflow of economic benefits will arise, the asset and the related income are recognized in the financial statements of the period in which the change occurs.

3.17 Liabilities for employee benefits

Severance indemnities and short-term employee benefits

As per the existing labour law in Turkey, the Bank is required to pay certain amounts to the employees retired or fired except for resignations or misbehaviours specified in the Turkish Labour Law.

Accordingly, the Bank reserved for employee severance indemnities in the accompanying financial statements using actuarial method in compliance with the Turkish Accounting Standard 19 (TAS 19) “Employee Benefits” for all its employees who retired or whose employment is terminated, called up for military service or died. The major actuarial assumptions used in the calculation of the total liability are as follows:

	31 December 2015	31 December 2014
	%	%
Net Effective Discount Rate	2.99	2.36
Discount Rate	10.30	8.60
Expected Rate of Salary	8.60	7.60
Inflation Rate	7.10	6.10

The above rates are effective rates, whereas the rates applied for the calculation differ according to the employees’ years-in-service.

The Bank provided for undiscounted short-term employee benefits earned during the financial periods as per services rendered in compliance with TAS 19.

The actuarial gains/losses are recognised under shareholders’ equity as per the revised TAS 19.

Retirement benefit obligations

A defined benefit plan is a pension plan that defines an amount of pension benefit that an employee (and his/her dependents) will receive on retirement.

The Bank’s defined benefit plan (the “Plan”) is managed by “Türkiye Garanti Bankası Anonim Şirketi Memur ve Müstahdemleri Emekli ve Yardım Sandığı Vakfı” (the Fund) established as per the provisional article 20 of the Social Security Law no.506 and the Bank’s employees are the members of this Fund.

The Plan is funded through contributions of both by the employees and the employer as required by Social Security Law numbered 506. These contributions are as follows:

	31 December 2015	
	Employer	Employee
Pension contributions	15.5%	10.0%
Medical benefit contributions	6.0%	5.0%

The Plan is composed of a) the contractual benefits of the employees, which are subject to transfer to Social Security Foundation (“SSF”) as per the Social Security Law no.5754 (“the Law”), and b) other social rights and medical benefits provided by the Bank but not transferable to SSF.

a) Benefits transferable to SSF

The first paragraph of the provisional article 23 of Banking Law no.5411, published in the Official Gazette on 1 November 2005, no.25983, which requires the transfer of the members of the funds subject to the provisional article 20 of the Social Security Law no.506, and the persons who are paid under insurance coverage for disablement, old-age and mortality and their right-holders to the SSF within three years following the effective date of the related article was cancelled with the decision of the Constitutional Court dated 22 March 2007, no.2007/33. The reasoned ruling regarding the cancellation of the Constitutional Court was published in the Official Gazette no.26731, dated 15 December 2007. The Constitutional Court stated that the reason behind this cancellation was the possible loss of antecedent rights of the fund members.

Following the publication of the verdict, the Turkish Grand National Assembly (“Turkish Parliament”) started to work on the new legal arrangements by taking the cancellation reasoning into account and the articles of the Law no.5754 regulating the principles related with such transfers were accepted and approved by Turkish Parliament on 17 April 2008, and enacted on 8 May 2008 after being published in the Official Gazette no.26870.

As per the Law, the present value of post-employment benefits as at the transfer date for the fund members to be transferred, are to be calculated by a commission composing from the representatives of the SSF, the Ministry of Finance, the Undersecretariat of Treasury, the Undersecretariat of State Planning Organisation, the BRSA, the Savings Deposit Insurance Fund, the banks and the funds, by using a technical discount rate of 9.80% taking into account the funds’ income and expenses as per insurance classes and the transferable contributions and payments of the funds including any salary and income differences paid by the funds above the limits of SSF for such payments. The transfers are to take place within the three-year period starting from 1 January 2008. Subsequently, the transfer of the contributors and the persons receiving monthly or regular income and their right-holders from such funds established for employees of the banks, insurance and reinsurance companies, trade chambers, stock markets and unions that are part of these organizations subject to the provisional article 20 of the Social Security Law no.506 to the SSF, has been postponed for two years. The decision was made by the Council of Ministers on 14 March 2011 and published in the Official Gazette no. 27900 dated 9 April 2011 as per the decision of the Council of Ministers, no.2011/1559, and as per the letter no. 150 of the Ministry of Labor and Social Security dated 24 February 2011 and according to the provisional article 20 of the Social Security and Public Health Insurance Law no.5510.

On 19 June 2008, Cumhuriyet Halk Partisi (“CHP”) applied to the Constitutional Court for the cancellation of various articles of the Law including the first paragraph of the provisional Article 20. At the meeting of the Constitutional Court on 30 March 2011, it was decided that the first paragraph of the provisional Article 20 of the Law is not contradictory to the Constitutional Law, and accordingly the dismissal of the cancellation request has been denied with the majority of votes.

Before the completion of two-years period set by the Council of Ministers on 14 March 2011, as per the Article no. 51 of the law no. 6645, published in the Official Gazette no. 29335 dated 23 April 2015, the Article no. 20 of the law no. 5510 was amended giving the Council of Ministers the authority to determine the date of transfer without defining any timeline.

b) Other benefits not transferable to SSF

Other social rights and payments provided in the existing trust indenture but not covered through the transfer of the funds' members and their right-holders to the SSF, are to be covered by the funds and the institutions that employ the funds' members.

The actuarial gains/losses are recognised under shareholders' equity as per the revised TAS 19.

3.18 Taxation

3.18.1 Corporate tax

Effective from 1 January 2006, statutory income is subject to corporate tax at 20% in Turkey. This rate is applied to accounting income modified for certain exemptions (like dividend income) and deductions (like investment incentives), and additions for certain non-tax deductible expenses and allowances for tax purposes. If there is no dividend distribution planned, no further tax charges are made.

Dividends paid to the resident institutions and the institutions working through local offices or representatives are not subject to withholding tax. As per the decisions no.2009/14593 and no.2009/14594 of the Council of Ministers published in the Official Gazette no.27130 dated 3 February 2009, certain duty rates included in the articles no.15 and 30 of the new Corporate Tax Law no.5520 are revised. Accordingly, 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 resident institutions is 15%. In applying the withholding tax rates on dividend payments to the nonresident institutions and the individuals, the withholding tax rates covered in the related Double Tax Treaty Agreements are taken into account. Appropriation of the retained earnings to capital is not considered as profit distribution and therefore is not subject to withholding tax.

The prepaid taxes are calculated and paid at the rates valid for the earnings of the related years. The prepayments can be deducted from the annual corporate tax calculated for the whole year earnings.

In accordance with the tax legislation, tax losses can be carried forward to offset against future taxable income for up to five years. Tax losses cannot be carried back to offset profits from previous periods.

In Turkey, there is no procedure for a final and definite agreement on tax assessments. Companies file their tax returns with their tax offices by the end of 25th of the fourth month following the close of the accounting period to which they relate. Tax returns are open for five years from the beginning of the year that follows the date of filing during which time the tax authorities have the right to audit tax returns, and the related accounting records on which they are based, and may issue re-assessments based on their findings.

The tax applications for foreign branches;

NORTHERN CYPRUS

According to the Corporate Tax Law of the Turkish Republic of Northern Cyprus no.41/1976 as amended, the corporate earnings (including foreign corporations) are subject to a 10% corporate tax and 15% income tax. This tax is calculated based on the income that the taxpayers earn in an accounting period. Tax base is determined by modifying accounting income for certain exclusions and allowances for tax purposes. The corporations cannot benefit from the rights of offsetting losses, investment incentives and amortisation unless they prepare and have certified their balance sheets, income statements and accounting records used for tax calculations by an auditor authorized by the Ministry of Finance. In cases where it is revealed that the earnings of a corporation were not subject to taxation in prior years or the tax paid on such earnings are understated, additional taxes can be charged in the next twelve years following that the related taxation period. The corporate tax returns are filed in the tax administration office in April after following the end of the accounting year to which they relate. The corporate taxes are paid in two equal installments in May and October.

MALTA

The corporate earnings are subject to a 35% corporate tax. This rate is determined by modifying accounting income for certain exclusions and allowances for tax purposes. The earnings of the foreign corporations' branches in Malta are also subject to the same tax rate that the resident corporations in Malta are subject to. The earnings of such branches that are transferred to their head offices are not subject to an additional tax. The taxes payable is calculated by the obligating firm and the calculation is shown at the tax declaration form that is due till the following year's September and the payment is done till this date.

LUXEMBOURG

The corporate earnings are subject to a 21% corporate tax. This rate is determined by modifying accounting income for certain exclusions and allowances for tax purposes. An additional 7% of the calculated corporate income tax is paid as a contribution to unemployment insurance fund. 3% of the taxable income is paid as municipality tax in addition to corporate tax. The municipalities have the right to increase this rate up to 200%-350%. The municipality commerce tax, which the Bank's Luxembourg branch subject to currently is applied as 7.50% of the taxable income. The tax returns do not include any tax amounts to be paid.

The tax calculation is done by the tax office and the amount to be paid is declared to corporate through an official letter called Note. The amounts and the payment dates of prepaid taxes are determined and declared by the tax office at the beginning of the taxation period. The corporations whose head offices are outside Luxembourg, are allowed to transfer the rest of their net income after tax following the allocation of 5% of it for legal reserves, to their head offices.

3.18.2 Deferred taxes

According to the Turkish Accounting Standard 12 (TAS 12) "Income Taxes"; deferred tax assets and liabilities are recognized, using the balance sheet method, on all taxable temporary differences arising between the carrying values of assets and liabilities in the financial statements and their corresponding balances considered in the calculation of the tax base, except for the differences not deductible for tax purposes and initial recognition of assets and liabilities which affect neither accounting nor taxable profit.

If transactions and events are recorded in the income statement, then the related tax effects are also recognized in the income statement. However, if transactions and events are recorded directly in the shareholders' equity, the related tax effects are also recognized directly in the shareholders' equity.

The deferred tax assets and liabilities are reported as net in the financial statements.

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

3.18.3 Transfer pricing

The article no.13 of the Corporate Tax Law describes the issue of transfer pricing under the title of "Disguised Profit Distribution by Way of Transfer Pricing". "The General Communiqué on Disguised Profit Distribution by Way of Transfer Pricing" published at 18 November 2007, explains the application related issues on this topic.

According to this communiqué, if the taxpayers conduct transactions like purchase and sale of goods or services with the related parties where the prices are not determined according to the arm's length principle, then it will be concluded that there is a disguised profit distribution by way of transfer pricing. Such disguised profit distributions will not be deducted from the corporate tax base for tax purposes.

As stated in the “7.1 Annual Documentation” section of this communiqué, the taxpayers are required to fill out the “Transfer Pricing, Controlled Foreign Entities and Thin Capitalization” form for the purchase and sale of goods or services conducted with their related parties in a taxation period, attach these forms to their corporate tax returns and submit to the tax offices.

3.19 Funds borrowed

The Bank, whenever required, generates funds from domestic and foreign sources in the form of borrowings, syndications, securitizations, and bill and bond issuances in the local and international markets. The funds borrowed are recorded at their purchase costs and valued at amortised costs using the effective interest method.

In cases where such funds are valued at their amortised costs and such application results in measurement or accounting inconsistencies due to having the relevant financial instruments valued using different methods or the related gains or losses are recorded differently, such fundings are valued and recorded at their fair values as per TAS 39 in order to minimise or prevent such inconsistencies.

3.20 Share issuances

None.

3.21 Confirmed bills of exchange and acceptances

Confirmed bills of exchange and acceptances are realized simultaneously with the customer payments and recorded in off-balance sheet accounts as possible debt and commitment, if any.

3.22 Government incentives

As of 31 December 2015, the Bank does not have any government incentives or grants.

3.23 Segment reporting

The Bank operates in corporate, commercial, retail and investment banking. Accordingly, the banking products served to customers are; custody services, time and demand deposits, accumulating deposit accounts, repos, overdraft facilities, spot loans, foreign currency indexed loans, consumer loans, automobile and housing loans, working capital loans, discounted bills, gold loans, foreign currency loans, Eximbank loans, pre-export loans, ECA covered financing, letters of guarantee, letters of credit, export factoring, acceptance credits, draft facilities, forfaiting, leasing, insurance, forward, futures, salary payments, investment account (ELMA), cheques, safety boxes, bill payments, tax collections, payment orders. GarantiCard, BonusCard, Miles&Smiles Card, FlexiCard, MoneyCard, BusinessCard under the brand names of Visa and Mastercard, virtual cards and also American Express credit cards and “Paracard” debit cards with Maestro, Electron, Visa and Mastercard brand names, are available.

The Bank provides service packages to its corporate, commercial and retail customers including deposit, loans, foreign trade transactions, investment products, cash management, leasing, factoring, insurance, credit cards, and other banking products. A customer-oriented branch network has been built in order to serve customers’ needs effectively and efficiently. The Bank also utilizes alternative delivery channels intensively.

The Bank provides corporate banking products to international and national holdings in Turkey by coordinating regional offices, suppliers and intermediaries, utilizing cross-selling techniques. Mainly, it provides services through its commercial and mixed type of branches to export-revenue earning sectors like tourism and textile and exporters of Turkey’s traditional agricultural products.

Additionally, the Bank provides banking services to enterprises and their employees working in retail and service sectors through product packages including overdraft accounts, POS machines, credit cards, cheque books, Turkish Lira and foreign currency deposits, investment accounts, internet banking and call-center, debit cards and bill payment modules.

Retail banking customers form a wide-spread and sustainable deposit base for the Bank. Individual customers’ needs are met by diversified consumer banking products through branches and alternative delivery channels.

Information on the business segments is as follows:

<i>Current Period</i>	Retail Banking	Corporate / Commercial Banking	Investment Banking	Other	Total Operations
Total Operating Profit	4,858,538	4,049,262	1,337,625	1,759,530	12,004,955
Other	-	-	-	-	-
Total Operating Profit	4,858,538	4,049,262	1,337,625	1,759,530	12,004,955
Net Operating Profit	(158,709)	1,900,294	1,007,811	1,554,379	4,303,775
Income from Associates and Affiliates	-	-	-	5,102	5,102
Net Operating Profit	(158,709)	1,900,294	1,007,811	1,559,481	4,308,877
Provision for Taxes	-	-	-	902,370	902,370
Net Profit	(158,709)	1,900,294	1,007,811	657,111	3,406,507
Segment Assets	53,086,559	106,251,482	79,563,977	10,957,371	249,859,389
Investments in Associates and Affiliates	-	-	-	4,483,197	4,483,197
Total Assets	53,086,559	106,251,482	79,563,977	15,440,568	254,342,586
Segment Liabilities	91,670,983	53,507,379	71,649,459	6,533,710	223,361,531
Shareholders' Equity	-	-	-	30,981,055	30,981,055
Total Liabilities and Shareholders' Equity	91,670,983	53,507,379	71,649,459	37,514,765	254,342,586

<i>Prior Period</i>	Retail Banking	Corporate / Commercial Banking	Investment Banking	Other	Total Operations
Total Operating Profit	3,819,088	3,601,411	1,554,031	1,806,781	10,781,311
Other	-	-	-	-	-
Total Operating Profit	3,819,088	3,601,411	1,554,031	1,806,781	10,781,311
Net Operating Profit	355,471	1,717,172	984,718	1,577,277	4,634,638
Income from Associates and Affiliates	-	-	-	1,842	1,842
Net Operating Profit	355,471	1,717,172	984,718	1,579,119	4,636,480
Provision for Taxes	-	-	-	962,369	962,369
Net Profit	355,471	1,717,172	984,718	616,750	3,674,111
Segment Assets	47,269,132	86,790,051	74,339,828	7,523,790	215,922,801
Investments in Associates and Affiliates	-	-	-	3,745,116	3,745,116
Total Assets	47,269,132	86,790,051	74,339,828	11,268,906	219,667,917
Segment Liabilities	76,139,758	47,040,680	64,786,504	5,087,837	193,054,779
Shareholders' Equity	-	-	-	26,613,138	26,613,138
Total Liabilities and Shareholders' Equity	76,139,758	47,040,680	64,786,504	31,700,975	219,667,917

3.24 Other disclosures

In accordance with the communiqué related with the amendments to the Turkish Accounting Standard 27 (TAS 27) "Separate Financial Statements" published on the Official Gazette dated 9 April 2015 no. 29321, in their separate financial statements, entities shall account their investments in associates, affiliates and joint ventures either at cost in accordance with the provisions set in TFRS 9 "Financial Instruments" or using the equity method of accounting as described in TAS 28 "Investments in Associates and Joint Ventures". The aforementioned change will be effective for annual periods beginning on or after 1 January 2016, but earlier application is permitted.

In accordance with the letter from the BRSA Regulatory Department dated 14 July 2015 no. 24049440-045.01[3/8]-E.10686, the adoption of the aforementioned changes by banks in preparation of their separate financial statements before 1 January 2016 have been permitted as long as the adoption is in compliance with the provisions set in the temporary article 2 of TAS 27 and other related provisions in the TAS.

The Bank has decided to early adopt the equity method of accounting for its investments in financial affiliates described in TAS 28 and started to use equity method for the valuation of its financial affiliates. Before the aforementioned accounting policy change, the associates and affiliates were accounted in the unconsolidated financial statements in accordance with TAS 39. In accordance with TAS 39, the affiliates quoted in active markets and having reliably measured fair values, were accounted at fair value whereas the associates and affiliates not quoted in any active markets and do not have reliably measured fair values, were accounted at cost less any impairment provisions in the financial statements.

As of 1 November 2015, changing the existing accounting policy, it has been decided to apply fair value model for investment properties instead of cost model in accordance with the Turkish Accounting Standard 40 (TAS 40) "Investment Property". Accordingly, for all the investment properties registered in the ledger, a valuation study was performed by independent expertise firms. Fair value changes in investment properties were accounted in the income statement for the period they occurred.

As of 31 December 2015, changing the existing accounting policy, it has been decided to account for taxation related levies and liabilities in the periods when the events resulting in such liabilities occurred instead of applying accrual basis of accounting as in prior years in accordance with the interpretation of TFRIC 21 "Levies".

As of 31 December 2015, in accordance with TAS 37 "Provisions, Contingent Liabilities and Contingent Assets", provisions are calculated and accounted for fees and commissions income recognized in prior years but reimbursed in subsequent periods.

Due to the aforementioned accounting policy changes, the prior years' consolidated financial statements were restated as per the TAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" standard.

The effects of the adjusting entries on the prior years' consolidated financial statements are as follows:

<i>31 December 2014</i>	<i>Reported</i>	<i>Correction</i>	<i>Restated</i>
Unconsolidated Financial Investments in Affiliates	3,158,011	446,171	3,604,182
Investment Property	147,465	227,480	374,945
Deferred Tax Asset	372,090	105,295	477,385
Other Assets	2,630,103	(29,533)	2,600,570
Total Assets	218,918,504	749,413	219,667,917
Miscellaneous Payables	6,816,630	45,522	6,862,152
Other Provisions	759,773	91,627	851,400
Securities Value Increase Fund	1,655,856	(1,194,922)	460,934
Hedging Reserves (effective portion)	(68,683)	63,225	(5,458)
Extraordinary Reserves	14,849,587	1,270,098	16,119,685
Current Period Net Profit/Loss	3,200,248	473,863	3,674,111
Total Liabilities and Shareholders' Equity	218,918,504	749,413	219,667,917
Foreign Exchange Gains/Losses	1,052,806	55,443	1,108,249
Other Operating Income	482,827	45,500	528,327
Other Operating Expenses	4,713,014	66,049	4,779,063
Income/Loss from Investments Under Equity Accounting	-	439,123	439,123
Provision for Taxes	962,215	154	962,369
Current period net profit/loss	3,200,248	473,863	3,674,111

<i>31 December 2013</i>	<i>Reported</i>	<i>Correction</i>	<i>Restated</i>
Unconsolidated Financial Investments in Affiliates	3,074,744	273,796	3,348,540
Tangible Assets	1,361,366	7,224	1,368,590
Investment Property	149,632	174,756	324,388
Deferred Tax Asset	129,218	105,448	234,666
Other Assets	3,163,808	(24,029)	3,139,779
Total Assets	196,896,208	537,195	197,433,403
Miscellaneous Payables	5,633,849	39,603	5,673,452
Other Provisions	619,913	37,000	656,913
Securities Value Increase Fund	913,419	(872,731)	40,688
Hedging Reserves (effective portion)	(23,982)	63,225	39,243
Extraordinary Reserves	12,312,753	953,314	13,266,067
Current Period Net Profit/Loss	3,005,560	316,784	3,322,344
Total Liabilities and Shareholders' Equity	196,896,208	537,195	197,433,403
Foreign Exchange Gains/Losses	223,363	(287,028)	(63,665)
Other Operating Income	457,017	172,881	629,898
Other Operating Expenses	4,206,165	100,633	4,306,798
Income/Loss from Investments Under Equity Accounting	-	425,250	425,250
Provision for Taxes	945,555	(106,314)	839,241
Current period net profit/loss	3,005,560	316,784	3,322,344

4 Financial position and results of operations

4.1 Capital adequacy ratio

As per the revised “Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks” effective from 1 July 2012, the Bank’s unconsolidated capital adequacy ratio is 15.03% as of 31 December 2015 (31 December 2014: 15.23%).

4.1.1 Risk measurement methods in calculation of capital adequacy ratio

Capital adequacy ratio is calculated within the scope of the “Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks (the “Regulation”)”, “Regulation on Credit Risk Mitigation Techniques” and “Regulation on Calculation of Risk Weighted Amounts for Securitisations” 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 capital adequacy ratio, the data prepared from accounting records in compliance with the current legislation are 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 amortisation or impairment, are taken into account on a net basis after being reduced by the related amortisations 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 that are classified under liabilities 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” 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.

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.

4.1.2 Capital adequacy ratio

<i>Current Period</i>	Risk Weights								
	0%	10%	20%	50%	75%	100%	150%	200%	250%
Value at Credit Risk	-	-	2,133,044	24,121,583	28,762,481	111,416,563	9,250,035	19,141,730	1,617,358
Exposure Categories	55,176,759	-	10,665,220	48,243,166	38,349,975	111,416,563	6,166,690	9,570,865	646,943
Conditional and unconditional exposures to central governments or central banks	52,618,239	-	14	7,141,275	-	329,113	-	-	-
Conditional and unconditional exposures to regional governments or local authorities	-	-	57,354	-	-	-	-	-	-
Conditional and unconditional exposures to administrative bodies and non-commercial undertakings	-	-	-	-	-	53,434	-	-	-
Conditional and unconditional exposures to multilateral development banks	215,512	-	-	-	-	-	-	-	-
Conditional and unconditional exposures to international organisations	-	-	-	-	-	-	-	-	-
Conditional and unconditional exposures to banks and brokerage houses	-	-	9,252,936	10,283,992	-	8,711	-	-	-
Conditional and unconditional exposures to corporates	-	-	1,352,315	3,501,515	-	94,600,733	-	-	-
Conditional and unconditional retail exposures	-	-	2,290	5,232	38,349,975	5,665,900	-	-	-
Conditional and unconditional exposures secured by real estate property	-	-	-	27,305,418	-	-	-	-	-
Past due items	-	-	-	5,734	-	554,834	-	-	-
Items in regulatory high-risk categories	-	-	-	-	-	37,894	6,166,690	9,570,865	646,943
Exposures in the form of bonds secured by mortgages	-	-	-	-	-	-	-	-	-
Securitisation positions	-	-	-	-	-	-	-	-	-
Short term exposures to banks, brokerage houses and corporates	-	-	-	-	-	-	-	-	-
Exposures in the form of collective investment undertakings	34,434	-	-	-	-	16,339	-	-	-
Other items	2,308,574	-	311	-	-	10,149,605	-	-	-

<i>Prior Period</i> (*)	Risk Weights								
	0%	10%	20%	50%	75%	100%	150%	200%	250%
Value at Credit Risk	-	-	1,994,956	19,039,877	25,107,898	86,887,374	6,390,335	24,511,860	1,308,088
Exposure Categories	52,312,514	-	9,974,782	38,079,754	33,477,197	86,887,374	4,260,223	12,255,930	523,235
Conditional and unconditional exposures to central governments or central banks	49,904,231	-	13	7,253,564	-	3	-	-	-
Conditional and unconditional exposures to regional governments or local authorities	-	-	57,913	-	-	-	-	-	-
Conditional and unconditional exposures to administrative bodies and non-commercial undertakings	18	-	-	-	-	46,942	-	-	-
Conditional and unconditional exposures to multilateral development banks	-	-	-	-	-	-	-	-	-
Conditional and unconditional exposures to international organisations	-	-	-	-	-	-	-	-	-
Conditional and unconditional exposures to banks and brokerage houses	-	-	8,333,300	7,456,944	-	8,024	-	-	-
Conditional and unconditional exposures to corporates	-	-	1,578,473	2,294,483	-	75,926,104	-	-	-
Conditional and unconditional retail exposures	-	-	4,874	4,868	33,477,197	4,930,885	-	-	-
Conditional and unconditional exposures secured by real estate property	-	-	-	21,066,535	-	-	-	-	-
Past due items	-	-	-	3,360	-	435,309	-	-	-
Items in regulatory high-risk categories	-	-	-	-	-	15,394	4,260,223	12,255,930	523,235
Exposures in the form of bonds secured by mortgages	-	-	-	-	-	-	-	-	-
Securitisation positions	-	-	-	-	-	-	-	-	-
Short term exposures to banks, brokerage houses and corporates	-	-	-	-	-	-	-	-	-
Exposures in the form of collective investment undertakings	33,877	-	-	-	-	20,574	-	-	-
Other items	2,374,388	-	209	-	-	5,504,139	-	-	-

(*) The effects of restatements in prior years' financial statements as disclosed under Note 3.24 are not reflected.

4.1.3 Summary information related to capital adequacy ratio

	<i>Current Period</i>	<i>Prior Period</i> (*)
Capital Requirement for Credit Risk (Value at Credit Risk*0.08) (CRCR)	15,715,423	13,219,231
Capital Requirement for Market Risk (MRCR)	538,475	367,344
Capital Requirement for Operational Risk (ORCR)	1,352,494	1,187,245
Total Capital	33,079,379	28,116,657
Total Capital/((CRCR+MRCR+ORCR) * 12.5) * 100	15.03%	15.23%
Total Tier I Capital/((CRCR+MRCR+ORCR) * 12.5) * 100	14.08%	14.17%
Common Equity Tier I Capital/((CRCR+MRCR+ORCR) * 12.5) * 100	14.12%	14.24%

(*) The effects of restatements in prior years' financial statements as disclosed under Note 3.24 are not reflected.

4.1.4 Components of total capital

	<i>Current Period</i>	<i>Prior Period (*)</i>
COMMON EQUITY TIER I CAPITAL		
Paid-in Capital to be Entitled for Compensation after All Creditors	4,972,554	4,972,554
Share Premium	11,880	11,880
Share Cancellation Profits	-	-
Reserves	20,503,932	16,104,107
Other Comprehensive Income according to TAS	2,549,493	1,830,890
Profit	3,406,507	3,200,248
Current Period Profit	3,406,507	3,200,248
Prior Period Profit	-	-
General Reserves for Possible Losses	330,000	415,000
Bonus Shares from Associates, Affiliates and Joint-Ventures not Accounted in Current Period's Profit	1,891	1,891
Common Equity Tier I Capital Before Deductions	31,776,257	26,536,570
Deductions From Common Equity Tier I Capital		
Current and Prior Periods' Losses not Covered by Reserves, and Losses Accounted under Equity according to TAS (-)	525,361	115,238
Leasehold Improvements on Operational Leases (-)	97,847	92,112
Goodwill and Other Intangible Assets and Related Deferred Taxes (-)	65,875	32,250
Net Deferred Tax Asset/Liability (-)	-	-
Shares Obtained against Article 56, Paragraph 4 of the Banking Law (-)	-	-
Direct and Indirect Investments of the Bank on its own Tier I Capital (-)	1,424	-
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital (-)	-	-
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or more of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital (-)	-	-
Mortgage Servicing Rights Exceeding the 10% Threshold of Tier I Capital (-)	-	-
Net Deferred Tax Assets arising from Temporary Differences Exceeding the 10% Threshold of Tier I Capital (-)	-	-
Amount Exceeding the 15% Threshold of Tier I Capital as per the Article 2, Clause 2 of the Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks (-)	-	-
The Portion of Net Long Position of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or more of the Issued Share Capital not deducted from Tier I Capital (-)	-	-
Mortgage Servicing Rights not deducted (-)	-	-
Excess Amount arising from Deferred Tax Assets from Temporary Differences (-)	-	-
Other items to be Defined by the BRSA (-)	-	-
Deductions from Tier I Capital in cases where there are no adequate Additional Tier I or Tier II Capitals (-)	-	-
Total Deductions from Common Equity Tier I Capital	690,507	239,600
Total Common Equity Tier I Capital	31,085,750	26,296,970
ADDITIONAL TIER I CAPITAL		
Preferred Stock not Included in Common Equity Tier I Capital and the Related Share Premiums	-	-
Debt Instruments and the Related Issuance Premiums Defined by the BRSA (Issued or Obtained after 1.1.2014)	-	-
Debt Instruments and the Related Issuance Premiums Defined by the BRSA (Issued or Obtained before 1.1.2014)	-	-
Shares of Third Parties in Additional Tier I Capital	-	-
Additional Tier I Capital before Deductions	-	-

	<i>Current Period</i>	<i>Prior Period (*)</i>
Deductions from Additional Tier I Capital		
Direct and Indirect Investments of the Bank on its own Additional Tier I Capital (-)	-	-
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital (-)	-	-
The Total of Net Long Position of the Direct or Indirect Investments in Additional Tier I Capital of Unconsolidated Banks and Financial Institutions where the Bank Owns more than 10% of the Issued Share Capital (-)	-	-
Other items to be Defined by the BRSA (-)	-	-
Deductions from Additional Tier I Capital in cases where there are no adequate Tier II Capital (-)	-	-
Total Deductions from Additional Tier I Capital	-	-
Total Additional Tier I Capital		
Deductions from Tier I Capital		
Goodwill and Other Intangible Assets and Related Deferred Taxes not deducted from Tier I Capital as per the Temporary Article 2, Clause 1 of the Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks (-)	98,813	129,000
Net Deferred Tax Asset/Liability not deducted from Tier I Capital as per the Temporary Article 2, Clause 1 of the Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks (-)	-	-
Total Tier I Capital	30,986,937	26,167,970
TIER II CAPITAL		
Debt Instruments and the Related Issuance Premiums Defined by the BRSA (Issued or Obtained after 1.1.2014)	-	-
Debt Instruments and the Related Issuance Premiums Defined by the BRSA (Issued or Obtained before 1.1.2014)	125,559	125,501
Pledged Assets of the Shareholders to be used for the Bank's Capital Increases	-	-
General Provisions	2,455,535	2,065,505
Tier II Capital before Deductions	2,581,094	2,191,006
Deductions from Tier II Capital		
Direct and Indirect Investments of the Bank on its own Tier II Capital (-)	-	-
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital (-)	-	-
The Total of Net Long Position of the Direct or Indirect Investments in Additional Tier I Capital and Tier II Capital of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or more of the Issued Share Capital Exceeding the 10% Threshold of Tier I Capital (-)	-	-
Other items to be Defined by the BRSA (-)	-	-
Total Deductions from Tier II Capital	-	-
Total Tier II Capital	2,581,094	2,191,006

	<i>Current Period</i>	<i>Prior Period (*)</i>
CAPITAL BEFORE DEDUCTIONS		
Loans Granted against the Articles 50 and 51 of the Banking Law (-)	84	87
Net Book Values of Movables and Immovables Exceeding the Limit Defined in the Article 57, Clause 1 of the Banking Law and the Assets Acquired against Overdue Receivables and Held for Sale but Retained more than Five Years (-)	60,286	32,417
Loans to Banks, Financial Institutions (domestic/foreign) or Qualified Shareholders in the form of Subordinated Debts or Debt Instruments Purchased from Such Parties and Qualified as Subordinated Debts (-)	377,333	184,367
Deductions as per the Article 20, Clause 2 of the Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks (-)	-	-
Other items to be Defined by the BRSA (-)	50,949	25,448
The Portion of Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital not deducted from Tier I Capital, Additional Tier I Capital or Tier II Capital as per the Temporary Article 2, Clause 1 of the Regulation (-)	-	-
The Portion of Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns more than 10% of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital not deducted from Additional Tier I Capital or Tier II Capital as per the Temporary Article 2, Clause 1 of the Regulation (-)	-	-
The Portion of Net Long Position of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or more of the Issued Share Capital, of the Net Deferred Tax Assets arising from Temporary Differences and of the Mortgage Servicing Rights not deducted from Tier I Capital as per the Temporary Article 2, Clause 2, Paragraph (1) and (2) and Temporary Article 2, Clause 1 of the Regulation (-)	-	-
TOTAL CAPITAL	33,079,379	28,116,657
Amounts lower than Excesses as per Deduction Rules		
Remaining Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital	-	-
Remaining Total of Net Long Positions of the Investments in Tier I Capital of Unconsolidated Banks and Financial Institutions where the Bank Owns more than 10% or less of the Issued Share Capital	-	-
Remaining Mortgage Servicing Rights	-	-
Net Deferred Tax Assets arising from Temporary Differences	399,445	384,807

(*) The effects of restatements in prior years' financial statements as disclosed under Note 3.24 are not reflected.

4.1.5 Components of total capital subject to temporary applications

<i>Current Period</i>	Parent Bank Only	
	Amount Included in Total Capital Calculation	Total Amount
Debt Instruments and the Related Issuance Premiums Defined by the BRSA (Issued before 1.1.2014)	125,559	158,355

4.1.6 Approaches for assessment of adequacy of internal capital requirements for current and future activities

The Bank's process of internal capital requirements is assessed both on bank-only and consolidated basis separately under the regulation on the "Internal Systems and Internal Capital Adequacy Assessment Processes of Banks" (ICAAP) published in the Official Gazette no. 29057 dated 11 July 2014. The ultimate aim of this internal capital requirements process is to maintain the continuity of capital adequacy under the Bank's strategies, lending growth expectations, asset-liability structure, future funding sources and liquidity, fluctuations in capital depending on dividend distribution policy and capital requirements depending on economics, in compliance with its risk profile and appetite.

Accordingly, the Bank's prospective internal capital requirements as per its current capital structure and the targets and strategies for the future are assessed considering its operations and risks every year-end covering the next three years and reported to the BRSA in the month of March.

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, counterparty and operational risks directly affecting its legal capital adequacy ratio.

4.2 Credit risk

Credit risk is defined as risks and losses that may occur if the counterparty fails to comply with the agreement's requirements and cannot perform its obligations partially or completely on the terms set. In compliance with the legislation, the credit limits are set for the financial position and credit requirements of customers within the authorization limits assigned for Branches, Lending Departments, Executive Vice President responsible of Lending, General Manager, Credit Committee and Board of Directors. The limits are subject to revision if necessary.

The debtors or group of debtors are subject to credit risk limits. Sectoral risk concentrations are reviewed on a monthly basis.

Credit worthiness of debtors is reviewed periodically in compliance with the legislation by the internal risk rating models. The credit limits are revised and further collateral is required if the risk level of debtor deteriorates. For unsecured loans, the necessary documentation is gathered in compliance with the legislation.

Geographical concentration of credit customers is reviewed monthly. This is in line with the concentration of industrial and commercial activities in Turkey.

In accordance with the Bank's lending policies, the debtor's creditworthiness is analysed and the adequate collateral is obtained based on the financial position of the company and the type of loan; like cash collateral, bank guarantees, mortgages, pledges, bills and corporate guarantees.

The Bank has control limits on the position held through forwards, options and other similar agreements. Credit risk of such instruments is managed together with the risk from market fluctuations. The Bank follows up the risk arising from such instruments and takes the necessary actions to decrease it when necessary.

The liquidated non-cash loans are subject to the same risk weight with the overdue loans.

The Bank performs foreign trade finance and other interbank credit transactions through widespread correspondents network. Accordingly, the Bank assigns limits to domestic and foreign banks and other financial institutions based on review of their credit worthiness, periodically.

The Bank's largest 100 and 200 cash loan customers compose 24.93% (31 December 2014: 24.00%) and 31.56% (31 December 2014: 30.33%) of the total cash loan portfolio, respectively.

The Bank's largest 100 and 200 non-cash loan customers compose 54.96% (31 December 2014: 52.22%) and 63.60% (31 December 2014: 61.46%) of the total non-cash loan portfolio, respectively.

The Bank's largest 100 ve 200 cash and non-cash loan customers represent 9.26% (31 December 2014: 8.89%) and 11.78% (31 December 2014: 11.35%) of the total "on and off balance sheet" assets, respectively.

The general provision for credit risks amounts to TL 3,002,057 thousands (31 December 2014: TL 2,434,629 thousands).

The Bank developed a statistical-based internal risk rating model for its credit portfolio of corporate/ commercial/medium-size companies. This internal risk rating model has been in use for customer credibility assessment since 2003. Risk rating has become a requirement for loan applications, and ratings are used both to determine branch managers' credit authorization limits and in credit assessment process.

The concentration table of the cash and non-cash loans for the Bank according to the risk rating system for its customers defined as corporate, commercial and medium-size enterprises is presented below:

	<i>Current Period</i>	<i>Prior Period</i>
	%	%
Above Average	39.60	40.26
Average	50.04	53.43
Below Average	10.36	6.31
Total	100.00	100.00

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, are disclosed below for the relevant period:

Exposure Categories	<i>Current Period</i>		<i>Prior Period</i>	
	<i>Risk Amount</i> (*)	<i>Average Risk Amount</i> (**)	<i>Risk Amount</i> (*)	<i>Average Risk Amount</i> (**)
Conditional and unconditional exposures to central governments or central banks	65,579,586	58,311,686	61,329,831	60,801,055
Conditional and unconditional exposures to regional governments or local authorities	57,405	61,395	57,972	57,079
Conditional and unconditional exposures to administrative bodies and non-commercial undertakings	54,708	48,936	53,808	46,332
Conditional and unconditional exposures to multilateral development banks	1,092,922	135,683	-	-
Conditional and unconditional exposures to international organisations	-	-	-	-
Conditional and unconditional exposures to banks and brokerage houses	35,358,380	19,528,235	25,956,876	26,137,735
Conditional and unconditional exposures to corporates	112,163,841	95,253,166	89,349,073	83,788,838
Conditional and unconditional retail exposures	44,312,464	42,012,670	39,232,414	35,869,331
Conditional and unconditional exposures secured by real estate property	27,318,928	24,460,455	21,152,746	19,781,771
Past due items	560,568	470,914	439,190	383,419
Items in regulatory high-risk categories	16,531,744	16,488,374	17,194,930	16,240,917
Exposures in the form of bonds secured by mortgages	-	-	-	-
Securitisation positions	-	-	-	-
Short term exposures to banks, brokerage houses and corporates	-	-	-	-
Exposures in the form of collective investment undertakings	50,773	51,415	54,451	43,153
Other items	12,458,490	9,477,164	7,878,736	7,369,136

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

(**) Average risk amounts are the arithmetical average of the amounts in monthly reports prepared as per the Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks.

4.2.1 Profile of significant exposures in major regions

<i>Current Period</i> (***)	Conditional and unconditional exposures to central governments or central banks	Conditional and unconditional exposures to banks and brokerage houses	Conditional and unconditional exposures to corporates	Conditional and unconditional retail exposures	Conditional and unconditional exposures secured by real estate property	Items in regulatory high-risk categories	Other	Total
Domestic	64,580,953	12,975,347	98,429,954	44,071,401	27,272,448	16,399,492	8,555,272	272,284,867
European Union (EU) Countries	670,260	19,107,003	1,835,187	38,115	32,475	6,393	1,093,054	22,782,487
OECD Countries (*)	45	258,180	2,111,583	4,496	3,301	361	-	2,377,966
Off-Shore Banking Regions	-	2,483	20	1,544	-	-	-	4,047
USA, Canada	726	1,370,753	1,717,831	2,495	1,459	7	1	3,093,272
Other Countries	327,602	1,007,008	1,007,674	194,413	9,245	125,491	284,276	2,955,709
Associates, Subsidiaries and Joint –Ventures	-	637,606	7,061,592	-	-	-	4,342,263	12,041,461
Unallocated Assets/Liabilities (**)	-	-	-	-	-	-	-	-
Total	65,579,586	35,358,380	112,163,841	44,312,464	27,318,928	16,531,744	14,274,866	315,539,809

<i>Prior Period</i> (****)	Conditional and unconditional exposures to central governments or central banks	Conditional and unconditional exposures to banks and brokerage houses	Conditional and unconditional exposures to corporates	Conditional and unconditional retail exposures	Conditional and unconditional exposures secured by real estate property	Items in regulatory high-risk categories	Other	Total
Domestic	60,975,515	4,984,526	79,096,484	39,026,129	21,117,741	17,071,608	5,322,603	227,594,606
European Union (EU) Countries	217,691	17,968,534	1,447,644	32,999	27,469	4,372	261	19,698,970
OECD Countries (*)	34	1,787,503	1,036,026	3,155	1,830	52	-	2,828,600
Off-Shore Banking Regions	-	6,722	22	1,668	-	2	-	8,414
USA, Canada	628	591,308	1,026,011	2,287	788	53	-	1,621,075
Other Countries	135,963	192,572	569,224	166,176	4,918	118,843	3,282	1,190,978
Associates, Subsidiaries and Joint –Ventures	-	425,711	6,173,662	-	-	-	3,604,182	10,203,555
Unallocated Assets/Liabilities (**)	-	-	-	-	-	-	-	-
Total	61,329,831	25,956,876	89,349,073	39,232,414	21,152,746	17,194,930	8,930,328	263,146,198

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

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

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

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4.2.2 Risk profile by sectors or counterparties

<i>Current Period</i> ^(*)	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	TL	FC	Total
Agriculture	-	-	-	-	-	-	385,902	436,837	370,282	10,757	46,989	-	-	-	-	-	1,053,624	197,143	1,250,767
Farming and Stockbreeding	-	-	-	-	-	-	281,304	399,193	341,299	10,610	42,047	-	-	-	-	-	972,695	101,758	1,074,453
Forestry	-	-	-	-	-	-	20,912	19,800	17,528	67	693	-	-	-	-	-	28,220	30,780	59,000
Fishery	-	-	-	-	-	-	83,686	17,844	11,455	80	4,249	-	-	-	-	-	52,709	64,605	117,314
Manufacturing	5	-	4	-	-	-	45,736,627	3,971,473	3,734,935	179,773	254,156	-	-	-	-	-	15,180,415	38,696,558	53,876,973
Mining and Quarrying	-	-	-	-	-	-	1,254,599	162,879	134,480	9,969	6,998	-	-	-	-	-	519,091	1,049,834	1,568,925
Production	-	-	3	-	-	-	23,246,702	3,740,300	3,486,457	139,299	242,792	-	-	-	-	-	12,842,253	18,013,300	30,855,553
Electricity, Gas and Water	5	-	1	-	-	-	21,235,326	68,294	113,998	30,505	4,366	-	-	-	-	-	1,819,071	19,633,424	21,452,495
Construction	-	-	209	-	-	-	5,818,221	1,704,248	2,622,197	48,168	146,710	-	-	-	-	-	5,982,438	4,357,315	10,339,753
Services	405	-	4,295	1,092,922	-	34,528,863	51,124,232	10,127,000	10,183,106	254,921	1,159,633	-	-	-	50,773	-	46,628,000	61,898,150	108,526,150
Wholesale and Retail Trade	366	-	319	-	-	-	21,737,572	7,822,263	5,026,445	176,336	555,635	-	-	-	-	-	20,072,674	15,246,262	35,318,936
Accommodation and Dining	-	-	298	-	-	-	3,183,450	506,444	2,239,133	40,623	55,509	-	-	-	-	-	1,748,152	4,277,305	6,025,457
Transportation and Telecom.	-	-	4	-	-	-	8,408,153	1,273,987	833,456	25,281	91,904	-	-	-	-	-	2,807,608	7,825,177	10,632,785
Financial Institutions	-	-	-	1,092,922	-	34,528,863	12,252,560	74,969	59,277	8,373	404,344	-	-	-	50,773	-	19,417,942	29,054,139	48,472,081
Real Estate and Rental Services	-	-	-	-	-	-	3,720,599	128,215	1,532,275	932	12,206	-	-	-	-	-	1,127,657	4,266,570	5,394,227
Professional Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Educational Services	2	-	3,391	-	-	-	387,119	84,326	197,273	904	9,135	-	-	-	-	-	543,829	138,321	682,150
Health and Social Services	37	-	283	-	-	-	1,434,779	236,796	295,247	2,472	30,900	-	-	-	-	-	910,138	1,090,376	2,000,514
Others	65,579,176	57,405	50,200	-	-	829,517	9,098,859	28,072,906	10,408,408	66,949	14,924,256	-	-	-	-	12,458,490	101,670,310	39,875,856	141,546,166
Total	65,579,586	57,405	54,708	1,092,922	-	35,358,380	112,163,841	44,312,464	27,318,928	560,568	16,531,744	-	-	-	50,773	12,458,490	170,514,787	145,025,022	315,539,809

- 1- Conditional and unconditional exposures to central governments or central banks
- 2- Conditional and unconditional exposures to regional governments or local authorities
- 3- Conditional and unconditional exposures to administrative bodies and non-commercial undertakings
- 4- Conditional and unconditional exposures to multilateral development banks
- 5- Conditional and unconditional exposures to international organisations
- 6- Conditional and unconditional exposures to banks and brokerage houses
- 7- Conditional and unconditional exposures to corporates
- 8- Conditional and unconditional retail exposures
- 9- Conditional and unconditional exposures secured by real estate property
- 10- Past due receivables
- 11- Receivables in regulatory high-risk categories
- 12- Exposures in the form of bonds secured by mortgages
- 13- Securitisation positions
- 14- Short term exposures to banks, brokerage houses and corporates
- 15- Exposures in the form of collective investment undertakings
- 16- Other receivables

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

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<i>Prior Period</i> (*)	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	TL	FC	Total
Agriculture	-	-	-	-	-	-	290,792	481,861	293,989	10,401	43,857	-	-	-	-	-	959,566	161,334	1,120,900
Farming and Stockbreeding	-	-	-	-	-	-	230.227	458.586	281.101	10.151	42.607	-	-	-	-	-	921.547	101.125	1.022.672
Forestry	-	-	-	-	-	-	12.193	13.892	8.653	185	670	-	-	-	-	-	21.445	14.148	35.593
Fishery	-	-	-	-	-	-	48.372	9.383	4.235	65	580	-	-	-	-	-	16.574	46.061	62.635
Manufacturing	4	-	4	-	-	-	42,439,050	3,745,710	3,159,178	159,167	210,142	-	-	-	-	-	12,709,210	37,004,045	49,713,255
Mining and Quarrying	-	-	-	-	-	-	797.766	169.129	115.250	10.076	6.395	-	-	-	-	-	439.957	658.659	1.098.616
Production	-	-	3	-	-	-	23.273.533	3.508.914	2.907.382	147.843	195.327	-	-	-	-	-	10.771.728	19.261.274	30.033.002
Electricity, Gas and Water	4	-	1	-	-	-	18.367.751	67.667	136.546	1.248	8.420	-	-	-	-	-	1.497.525	17.084.112	18.581.637
Construction	-	-	18	-	-	-	4,005,740	1,637,766	1,745,976	32,602	115,479	-	-	-	-	-	4,759,777	2,777,804	7,537,581
Services	288	-	16,594	-	-	-	25,125,581	36,243,747	9,071,652	7,862,282	190,216	1,042,327	-	-	-	54,451	30,988,810	48,618,328	79,607,138
Wholesale and Retail Trade	277	-	358	-	-	-	10.917.280	6.994.242	3.877.172	126.657	476.140	-	-	-	-	-	15.894.062	6.498.064	22.392.126
Accommodation and Dining	-	-	374	-	-	-	2.557.975	439.607	1.824.884	38.162	36.802	-	-	-	-	-	1.325.821	3.571.983	4.897.804
Transportation and Telecom.	-	-	29	-	-	-	7.432.885	1.116.096	615.700	20.712	81.635	-	-	-	-	-	2.462.822	6.804.235	9.267.057
Financial Institutions	-	-	-	-	-	25,125,581	10,247,504	96,264	32,939	598	399,753	-	-	-	54,451	-	9,084,542	26,872,548	35,957,090
Real Estate and Rental Services	-	-	-	-	-	-	3.216.146	88.172	1.121.106	478	10.000	-	-	-	-	-	829.918	3.605.984	4.435.902
Professional Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Educational Services	3	-	3.723	-	-	-	315.137	75.640	170.987	826	9.840	-	-	-	-	-	466.044	110.112	576.156
Health and Social Services	8	-	12.110	-	-	-	1.556.820	261.631	219.494	2.783	28.157	-	-	-	-	-	925.601	1.155.402	2.081.003
Others	61,329,539	57,972	37,192	-	-	831,295	6,369,744	24,295,425	8,091,321	46,804	15,783,125	-	-	-	-	8,034,511	86,923,630	37,953,298	124,876,928
Total	61,329,831	57,972	53,808	-	-	25,956,876	89,349,073	39,232,414	21,152,746	439,190	17,194,930	-	-	-	54,451	8,034,511	136,340,993	126,514,809	262,855,802

- 1- Conditional and unconditional exposures to central governments or central banks
- 2- Conditional and unconditional exposures to regional governments or local authorities
- 3- Conditional and unconditional exposures to administrative bodies and non-commercial undertakings
- 4- Conditional and unconditional exposures to multilateral development banks
- 5- Conditional and unconditional exposures to international organisations
- 6- Conditional and unconditional exposures to banks and brokerage houses
- 7- Conditional and unconditional exposures to corporates
- 8- Conditional and unconditional retail exposures
- 9- Conditional and unconditional exposures secured by real estate property
- 10- Past due receivables
- 11- Receivables in regulatory high-risk categories
- 12- Exposures in the form of bonds secured by mortgages
- 13- Securitisation positions
- 14- Short term exposures to banks, brokerage houses and corporates
- 15- Exposures in the form of collective investment undertakings
- 16- Other receivables

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

4.2.3 Analysis of maturity-bearing exposures according to remaining maturities

<i>Current Period</i>	Term To Maturity				
	Up to 1 Month	1-3 Months	3-6 Months	6-12 Months	Over 1 Year
Exposure Categories (*)					
Conditional and unconditional exposures to central governments or central banks	6,612,762	20,527,333	223,550	3,497,122	31,977,550
Conditional and unconditional exposures to regional governments or local authorities	2,000	-	-	-	55,405
Conditional and unconditional exposures to administrative bodies and non-commercial undertakings	1,315	2,349	1,761	41,811	6,710
Conditional and unconditional exposures to multilateral development banks	-	-	-	-	1,092,922
Conditional and unconditional exposures to international organisations	-	-	-	-	-
Conditional and unconditional exposures to banks and brokerage houses	14,212,426	2,207,557	3,046,810	2,798,437	13,077,862
Conditional and unconditional exposures to corporates	7,415,455	7,084,795	9,918,170	19,117,403	67,616,148
Conditional and unconditional retail exposures	10,716,218	4,049,414	6,122,293	3,984,908	13,340,904
Conditional and unconditional exposures secured by real estate property	672,225	1,283,615	1,799,574	2,537,428	20,973,719
Past due items	-	-	-	-	-
Items in regulatory high-risk categories	2,033	466,630	1,496	1,008,013	14,841,673
Exposures in the form of bonds secured by mortgages	-	-	-	-	-
Short term exposures to banks, brokerage houses and corporates	-	-	-	-	-
Exposures in the form of collective investment undertakings	-	-	-	-	-
Other items	-	-	-	-	-
Total	39,634,434	35,621,693	21,113,654	32,985,122	162,982,893

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

<i>Prior Period</i>	Term To Maturity				
	Up to 1 Month	1-3 Months	3-6 Months	6-12 Months	Over 1 Year
Exposure Categories ^(*)					
Conditional and unconditional exposures to central governments or central banks	4,833,654	22,030,952	416,771	10,089	30,826,277
Conditional and unconditional exposures to regional governments or local authorities	-	-	-	-	55,972
Conditional and unconditional exposures to administrative bodies and non-commercial undertakings	1,083	761	159	12,315	35,993
Conditional and unconditional exposures to multilateral development banks	-	-	-	-	-
Conditional and unconditional exposures to international organisations	-	-	-	-	-
Conditional and unconditional exposures to banks and brokerage houses	8,818,589	2,409,340	1,278,715	813,471	10,757,765
Conditional and unconditional exposures to corporates	7,263,150	5,066,572	7,524,356	8,758,888	57,552,646
Conditional and unconditional retail exposures	13,474,337	4,241,508	3,464,637	3,257,251	11,502,068
Conditional and unconditional exposures secured by real estate property	522,392	459,798	872,435	1,432,333	16,076,049
Past due items	-	-	-	-	-
Items in regulatory high-risk categories	565	383,330	4,525	812,404	15,805,955
Exposures in the form of bonds secured by mortgages	-	-	-	-	-
Short term exposures to banks, brokerage houses and corporates	-	-	-	-	-
Exposures in the form of collective investment undertakings	-	-	-	-	-
Other items	-	-	-	-	-
Total	34,913,770	34,592,261	13,561,598	15,096,751	142,612,725

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

4.2.4 Exposure categories

An international rating firm, Fitch Ratings' external risk ratings are used to determine the risk weights of the risk categories as per the Article 6 of the "Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks".

The international risk ratings are used for the exposures to central governments and central banks, whereas for central governments and central banks that are not rated by Fitch Ratings, the published country ratings as announced by the Organisation for Economic Cooperation and Development (OECD) are used.

According to the regulation on capital adequacy, external risk ratings are used only for the exposures to banks and brokerage houses and to corporates where the counterparties are resident in abroad, to determine their risk weights. Where the counterparties are domestic, the related exposures are included in the calculation of capital adequacy as unrated.

In the determination of risk weights for items that are not included in trading book; if a relevant rating is available then such rating, but if it is an unrated exposure then the rating available for the issuer is used.

Fitch Ratings' risk ratings as per the credit quality grades and the risk weights according to exposure categories are presented below:

Credit Quality Grade	Fitch Risk Rating	Exposure Categories				
		Exposures to Central Governments or Central Banks	Exposures to Administrative Bodies and Non-Commercial Undertakings	Exposures to Banks and Brokerage Houses		Exposures to Corporates
				Exposures with Remaining Maturities Less Than 3 Months	Exposures with Remaining Maturities More Than 3 Months	
1	AAA	0%	20%	20%	20%	20%
	AA+					
	AA					
	AA-					
2	A+	20%	50%	20%	50%	50%
	A					
	A-					
3	BBB+	50%	100%	20%	50%	100%
	BBB					
	BBB-					
4	BB+	100%	100%	50%	100%	100%
	BB					
	BB-					
5	B+	100%	100%	50%	100%	150%
	B					
	B-					
6	CCC+	150%	150%	150%	150%	150%
	CCC					
	CCC-					
	CC					
	C					
D						

4.2.5 Exposures by risk weights

<i>Current Period</i>										
Risk Weights	0%	10%	20%	50%	75%	100%	150%	200%	250%	Deductions from Equity
Exposures before Credit Risk Mitigation	61,545,115	-	17,879,816	56,854,873	38,639,041	124,127,113	6,216,968	9,629,940	646,943	488,652
Exposures after Credit Risk Mitigation	55,176,759	-	10,665,220	48,243,166	38,349,975	111,416,563	6,166,690	9,570,865	646,943	488,652

<i>Prior Period</i>										
Risk Weights	0%	10%	20%	50%	75%	100%	150%	200%	250%	Deductions from Equity
Exposures before Credit Risk Mitigation	56,484,534	-	15,415,182	42,892,982	34,254,309	96,473,539	4,312,745	12,343,357	523,379	242,319
Exposures after Credit Risk Mitigation	52,312,514	-	9,974,782	38,079,754	33,477,197	86,887,374	4,260,223	12,255,930	523,235	242,319

4.2.6 Information by major sectors and type of counterparties

As per the TAS and TFRS;

Impaired Credits; are the credits that either overdue more than 90 days as of the reporting date or are treated as impaired due to their creditworthiness. For such credits, “specific provisions” are allocated as per the Provisioning Regulation.

Past Due Credits; are the credits that overdue upto 90 days but not impaired. For such credits, “general provisions” are allocated as per the Provisioning Regulation.

<i>Current Period</i>	Credit Risks			
	Impaired Credits	Past Due Credits	Value Adjustments	Provisions
Agriculture	36,937	14,220	336	15,628
Farming and Stockbreeding	32,259	13,013	318	14,812
Forestry	411	781	10	228
Fishery	4,267	426	8	588
Manufacturing	698,449	78,776	1,203	447,654
Mining and Quarrying	32,811	3,348	43	18,935
Production	515,468	73,712	1,126	310,241
Electricity, Gas and Water	150,170	1,716	34	118,478
Construction	246,831	76,734	1,213	116,875
Services	1,165,642	332,927	7,036	683,758
Wholesale and Retail Trade	761,034	167,377	2,418	412,423
Accommodation and Dining	148,421	33,564	466	85,920
Transportation and Telecommunication	203,392	111,408	3,963	156,491
Financial Institutions	30,577	791	12	17,754
Real Estate and Rental Services	3,471	3,616	35	1,972
Professional Services	-	-	-	-
Educational Services	5,653	1,961	40	3,690
Health and Social Services	13,094	14,210	102	5,508
Others	2,570,149	3,037,456	134,043	2,405,892
Total	4,718,008	3,540,113	143,831	3,669,807

<i>Prior Period</i>	Credit Risks			
	Impaired Credits	Past Due Credits	Value Adjustments	Provisions
Agriculture	31,153	9,147	131	14,346
Farming and Stockbreeding	30,161	8,939	127	13,853
Forestry	610	57	1	266
Fishery	382	151	3	227
Manufacturing	625,319	60,117	1,070	438,818
Mining and Quarrying	30,568	2,365	45	17,205
Production	589,535	51,576	903	418,382
Electricity, Gas and Water	5,216	6,176	122	3,231
Construction	175,053	51,080	1,390	87,284
Services	852,114	164,618	2,658	482,618
Wholesale and Retail Trade	604,288	111,043	1,884	330,297
Accommodation and Dining	122,401	9,341	131	76,993
Transportation and Telecommunication	94,346	27,830	430	56,957
Financial Institutions	8,025	477	10	6,695
Real Estate and Rental Services	2,517	1,831	22	1,403
Professional Services	-	-	-	-
Educational Services	5,344	1,740	31	2,998
Health and Social Services	15,193	12,356	150	7,275
Others	1,890,170	2,610,111	152,329	1,759,776
Total	3,573,809	2,895,073	157,578	2,782,842

4.2.7 Movements in value adjustments and provisions

<i>Current Period</i>	Opening Balance	Provision for Period	Provision Reversals	Other Adjustments(*)	Closing Balance
1 Specific Provisions	2,782,842	1,951,849	1,064,884	-	3,669,807
2 General Provisions	2,434,629	562,604	510	5,334	3,002,057

<i>Prior Period</i>	Opening Balance	Provision for Period	Provision Reversals	Other Adjustments(*)	Closing Balance
1 Specific Provisions	2,169,406	1,456,845	843,409	-	2,782,842
2 General Provisions	2,003,908	432,823	240	(1,862)	2,434,629

(*) Includes foreign exchange differences, mergers, acquisitions and disposals of subsidiaries.

4.3 Market risk

The Bank's risk management activities are managed under the responsibility of the board of directors in compliance with "the Internal Systems and Internal Capital Adequacy Assessment Processes of Banks".

In order to comply with the regulations, the Bank set its activities related with market risk management in accordance with "the Internal Systems and Internal Capital Adequacy Assessment Processes of Banks" published in the Official Gazette no. 29057 dated 11 July 2014.

The top management is responsible for applying risk policies, principles and application procedures approved by the board of directors, ensuring timely and reliable reporting to the board of directors about the important risks identified, assessing internal control, internal audit and risk reports prepared for departments and either eliminating risks, deficiencies or defects identified in these departments or taking the necessary precautions to prevent those, and participating in determination of risk limits.

The board of directors monitors the effectiveness of risk management systems through audit committee, related other committees and top management, and in the light of various risk reports and the assessments made by the audit committee.

The risk policies and application procedures have been approved by the board of directors and regularly revisited. The market risk is also managed by risk mitigations through hedging transactions beside measuring the risks in compliance with international standards, limiting such risk and allocating capital accordingly.

Market risks arising from trading portfolios are measured as per “standard” and “value at risk (VaR)” methods. The measurements as per the standard method are performed on a monthly basis, and taken into consideration in the calculation of capital adequacy. Whereas, the measurements as per VaR method are performed on a daily basis. The Bank takes the historical VaR results as the basis for the internal management of market risk and determination of limits. In the VaR calculation, one year historical market data set is used, and 99% confidence interval and one-day retention period (10 days for legal capital calculation) are taken into account. In order to test the reliability of the VaR model, back tests are performed. Stress tests and scenario analysis are also applied in order to reflect the effects of prospective severe market fluctuations in the VaR calculations. Beside the VaR limits, the limits on transaction, dealer, desk, stop-loss approved by the board of directors for trading portfolio are also applied for limiting the market risk.

4.3.1 Value at market risk

	<i>Current Period</i>	<i>Prior Period</i>
(I) Capital Requirement against General Market Risk - Standard Method	79,715	74,413
(II) Capital Requirement against Specific Risks - Standard Method	35,006	34,142
Capital Requirement against Specific Risks of Securitisation Positions– Standard Method	-	-
(III) Capital Requirement against Currency Position Risk - Standard Method	189,502	130,923
(IV) Capital Requirement against Commodity Risks - Standard Method	1,477	2,115
(V) Capital Requirement against Clearing Risks - Standard Method	-	-
(VI) Capital Requirement against Market Risks of Options - Standard Method	196,633	110,476
(VII) Capital Requirement against Counterparty Credit Risks - Standard Method	36,142	15,275
(VIII) Capital Requirement against Market Risks of Banks applying Risk Measurement	-	-
(IX) Total Capital Requirement against Market Risk (I+II+III+IV+V+VI+VII)	538,475	367,344
(X) Value-At-Market Risk ((12.5*VIII) or (12.5*IX))	6,730,938	4,591,800

4.3.2 Monthly average values at market risk

	<i>Current Period</i>			<i>Prior Period</i>		
	Average	Highest	Lowest	Average	Highest	Lowest
Interest Rate Risk	104,353	114,596	96,144	89,774	128,752	64,717
Equity-Shares Position Risk	10,702	15,118	6,779	11,899	19,307	6,228
Currency Position Risk	172,465	225,418	136,401	133,277	164,148	104,516
Commodity Risk	4,459	11,027	1,477	6,873	12,033	2,657
Clearing Risk	-	-	-	-	-	-
Option Market Risk	152,466	196,633	125,779	64,784	111,474	41,946
Counterparty Credit Risk	33,560	47,485	22,623	14,454	26,234	10,576
Total Value at Risk	478,005	538,475	398,278	321,061	363,430	277,870

(*) Highest and lowest values at the table are the highest and the lowest values starting from the beginning of the period including total value at risk.

4.3.3 Quantitative information on counterparty risk

For repurchase transactions, security and commodity lendings and derivative transactions, counterparty credit risks are calculated. In counterparty credit risk calculations, the fair value methodology is used according to the Appendix-2 of the "Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks". In case of derivative transactions, the total of replacement costs and potential credit risks is considered as the exposure amount. The replacement costs are calculated valuing the contracts at their fair values and the potential credit risks are calculated multiplying the contract amounts with the credit conversion factors set in the appendix of the regulation.

	<i>Current Period</i> (*)	<i>Prior Period</i> (*)
Interest-Rate Contracts	12.317	923
Foreign-Exchange-Rate Contracts	389.824	178.363
Commodity Contracts	4.789	4.165
Equity-Shares Related Contracts	-	-
Other	-	-
Gross Positive Fair Values	665.338	295.543
Netting Benefits	-	-
Net Current Exposure Amount	-	-
Collaterals Received	6.840	9.830
Net Derivative Position	1.065.428	469.164

(*) Includes only the counterparty risks arising from trading book.

4.4 Operational risk

The value at operational risk is calculated according to the basic indicator approach as per the Article 14 of "Regulation regarding Measurement and Assessment of Capital Adequacy Ratios of Banks".

The annual gross income is composed of net interest income and net non-interest income after deducting realised gains/losses from the sale of securities available-for-sale and held-to-maturity, extraordinary income and income derived from insurance claims at year-end.

Basic Indicator Approach	31 December	31 December	31 December	Total/ No. of	Rate (%)	Total
Current Period	2012	2013	2014	Years of		
				Positive Gross		
Gross Income	7,814,126	9,180,910	10,054,838	9,016,625	15	1,352,494
Value at Operational Risk (Total x % 12.5)						16,906,172

Basic Indicator Approach	31 December	31 December	31 December	Total/ No. of	Rate (%)	Total
Priod Period	2011	2012	2013	Years of		
				Positive Gross		
Gross Income	6,749,862	7,814,126	9,180,910	7,914,966	15	1,187,245
Value at Operational Risk (Total x % 12.5)						14,840,562

4.5 Currency risk

Foreign currency position limit is set in compliance with the legal standard ratio of net foreign currency position. As of 31 December 2015, the Bank's net 'on balance sheet' foreign currency short position amounts to TL 7,778,023 thousands (31 December 2014: TL 8,685,915 thousands), net 'off-balance sheet' foreign currency long position amounts to TL 9,467,068 thousands (31 December 2014: TL 6,276,952 thousands), while net foreign currency long position amounts to TL 1,689,045 thousands (31 December 2014: a net foreign currency short open position of TL 2,408,963 thousands).

The foreign currency position risk of the Bank is measured by "standard method" and "value-at-risk (VaR) model". Measurements by standard method are carried out monthly, whereas measurements by "VaR" are done daily. The foreign currency exchange risk is managed through transaction, dealer, desk and stop-loss limits approved by the board of directors for the trading portfolio beside the foreign currency net position standard ratio and the VaR limit.

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The Bank's effective exchange rates at the date of balance sheet and for the last five working days of the period announced by the Bank in TL are as follows:

	USD	EUR
Foreign currency purchase rates at balance sheet date	2.9080	3.1671
<u>Exchange rates for the days before balance sheet date:</u>		
Day 1	2.9170	3.1826
Day 2	2.9020	3.1703
Day 3	2.9020	3.1809
Day 4	2.8950	3.1703
Day 5	2.8900	3.1672
Last 30-days arithmetical average rates	2.8976	3.1589

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The Bank's currency risk:

<i>Current Period</i>	EUR	USD	Other FCs	Total
Assets				
Cash (Cash on Hand, Money in Transit, Purchased Cheques) and Balances with the Central Bank of Turkey	4,451,566	13,967,930	4,472,363	22,891,859
Banks	2,403,053	8,796,759	371,548	11,571,360
Financial Assets at Fair Value through Profit/Loss	98,025	228,931	2	326,958
Interbank Money Market Placements	-	61,069	-	61,069
Financial Assets Available-for-Sale	297,717	960,219	1	1,257,937
Loans (*)	22,959,676	40,776,275	467,058	64,203,009
Investments in Associates, Affiliates and Joint-Ventures	2,213,517	-	118,054	2,331,571
Investments Held-to-Maturity	19,034	9,756,309	-	9,775,343
Derivative Financial Assets Held for Risk Management	520	11,756	-	12,276
Tangible Assets	152	184	-	336
Intangible Assets	-	-	-	-
Other Assets	260,170	1,856,347	9,280	2,125,797
Total Assets	32,703,430	76,415,779	5,438,306	114,557,515
Liabilities				
Bank Deposits	824,764	2,459,295	312,535	3,596,594
Foreign Currency Deposits	19,480,809	48,566,458	1,635,882	69,683,149
Interbank Money Market Takings	-	2,299,766	247,142	2,546,908
Other Fundings	8,553,978	22,400,721	100,627	31,055,326
Securities Issued	1,902,077	8,231,168	659,980	10,793,225
Miscellaneous Payables	89,707	905,173	209,708	1,204,588
Derivative Financial Liabilities Held for Risk Management	-	109,291	130,272	239,563
Other Liabilities (**)	234,549	1,899,218	1,082,418	3,216,185
Total Liabilities	31,085,884	86,871,090	4,378,564	122,335,538
Net 'On Balance Sheet' Position	1,617,546	(10,455,311)	1,059,742	(7,778,023)
Net 'Off-Balance Sheet' Position	(552,341)	11,191,825	(1,172,416)	9,467,068
Derivative Assets	11,681,920	43,870,033	6,336,208	61,888,161
Derivative Liabilities	12,234,261	32,678,208	7,508,624	52,421,093
Non-Cash Loans	-	-	-	-
Prior Period				
Total Assets	22,271,119	67,625,299	5,472,722	95,369,140
Total Liabilities	26,980,402	71,799,794	5,274,859	104,055,055
Net 'On Balance Sheet' Position	(4,709,283)	(4,174,495)	197,863	(8,685,915)
Net 'Off-Balance Sheet' Position	3,637,132	2,345,574	294,246	6,276,952
Derivative Assets	11,551,661	30,719,160	4,852,863	47,123,684
Derivative Liabilities	7,914,529	28,373,586	4,558,617	40,846,732
Non-Cash Loans	-	-	-	-

(*) The foreign currency-indexed loans amounting TL 5,417,451 thousands included under TL loans in the accompanying balance sheet are presented above under the related foreign currency codes.

(**) Other liabilities include gold deposits of TL 1,198,765 thousands.

4.6 Interest rate risk

The interest rate risk resulting from balance sheet maturity mismatch presents the possible losses that may arise due to the changes in interest rates of interest sensitive assets and liabilities in the on- and off-balance sheet. Interest sensitivity of assets, liabilities and off-balance sheet items is evaluated during the Weekly Assessment Committee and Assets-Liabilities Committee meetings taking into consideration the developments in market conditions.

The Bank's interest rate risk is measured by using economic value, economic capital, net interest income, income at risk, market price sensitivity of marketable securities portfolio, duration-gap and sensitivity analysis.

The results are supported by the sensitivity and scenario analysis performed periodically due to the possible instabilities in the markets. Furthermore, the interest rate risk is monitored according to the limits approved by the board of directors.

4.6.1 Interest rate sensitivity of assets, liabilities and off balance sheet items (based on repricing dates)

<i>Current Period</i>	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Non-Interest Bearing (*)	Total
Assets							
Cash (Cash on Hand, Money in Transit, Purchased Cheques) and Balances with the Central Bank of Turkey	237,533	-	-	-	-	24,913,990	25,151,523
Banks	4,891,625	1,627,764	1,721,756	-	-	3,606,350	11,847,495
Financial Assets at Fair Value through Profit/Loss (**)	6,123	43,980	24,243	64,552	27,070	1,484,381	1,650,349
Interbank Money Market Placements	61,068	-	-	-	-	1	61,069
Financial Assets Available-for-Sale	1,056,789	8,255,927	5,535,331	2,886,934	1,398,732	1,386,088	20,519,801
Loans (**)	36,234,817	19,851,601	47,116,862	41,487,703	11,718,450	2,928,608	159,338,041
Investments Held-to-Maturity	1,314,880	1,839,477	5,475,789	4,164,735	7,166,113	1,794,818	21,755,812
Other Assets	8,141	-	-	-	3,126	14,007,229	14,018,496
Total Assets	43,810,976	31,618,749	59,873,981	48,603,924	20,313,491	50,121,465	254,342,586
Liabilities							
Bank Deposits	2,559,672	1,004,936	136,962	-	-	1,819,409	5,520,979
Other Deposits	69,211,491	23,297,959	12,546,330	155,766	-	30,166,807	135,378,353
Interbank Money Market Takings	12,530,501	242	2,520,164	-	-	17,254	15,068,161
Miscellaneous Payables	-	-	-	-	-	8,336,852	8,336,852
Securities Issued	1,065,962	1,063,971	1,884,600	6,724,385	3,155,359	304,492	14,198,769
Other Fundings	13,072,799	12,976,046	2,387,108	4,813,288	154,377	193,971	33,597,589
Other Liabilities	2,961	41,686	13,766	3,020	-	42,180,450	42,241,883
Total Liabilities	98,443,386	38,384,840	19,488,930	11,696,459	3,309,736	83,019,235	254,342,586
On Balance Sheet Long Position	-	-	40,385,051	36,907,465	17,003,755	-	94,296,271
On Balance Sheet Short Position	(54,632,410)	(6,766,091)	-	-	-	(32,897,770)	(94,296,271)
Off-Balance Sheet Long Position	5,220,980	7,262,160	11,606,458	5,101,636	2,626,080	-	31,817,314
Off-Balance Sheet Short Position	(1,478,854)	(4,029,766)	(9,071,991)	(10,112,625)	(7,396,845)	-	(32,090,081)
Total Position	(50,890,284)	(3,533,697)	42,919,518	31,896,476	12,232,990	(32,897,770)	(272,767)

(*) Interest accruals are also included in non-interest bearing column.

(**) Loans amounting to TL 198,118 thousands included under “financial assets at fair value through profit or loss” in the accompanying balance sheet, are presented above under “Loans”.

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for the Year Ended 31 December 2015
(Thousands of Turkish Lira (TL))

<i>Prior Period</i>	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Non-Interest Bearing (*)	Total
Assets							
Cash (Cash on Hand, Money in Transit, Purchased Cheques) and Balances with the Central Bank of Turkey	-	-	-	-	-	25,072,652	25,072,652
Banks	3,409,886	1,287,622	1,636,745	-	-	2,105,696	8,439,949
Financial Assets at Fair Value through Profit/Loss(**)	16,111	114,836	23,659	216,429	2,853	1,308,644	1,682,532
Interbank Money Market Placements	80,445	-	-	-	-	1	80,446
Financial Assets Available-for-Sale	1,613,924	7,768,940	4,996,785	2,744,401	1,431,427	1,496,509	20,051,986
Loans (**)	33,732,426	16,269,559	36,342,815	37,662,675	7,905,806	2,345,902	134,259,183
Investments Held-to-Maturity	728,378	4,177,637	5,589,282	3,296,123	5,864,176	1,358,906	21,014,502
Other Assets	6,144	-	-	-	3,071	9,057,452	9,066,667
Total Assets	39,587,314	29,618,594	48,589,286	43,919,628	15,207,333	42,745,762	219,667,917
Liabilities							
Bank Deposits	1,183,549	2,148,671	116,328	-	-	1,917,759	5,366,307
Other Deposits	56,667,997	24,500,044	8,759,624	64,961	153	24,948,895	114,941,674
Interbank Money Market Takings	8,051,352	1,312,907	-	1,997,965	-	23,696	11,385,920
Miscellaneous Payables	-	-	-	-	-	6,862,152	6,862,152
Securities Issued	1,527,276	1,495,978	1,847,139	5,696,356	2,511,311	274,187	13,352,247
Other Fundings	11,518,555	13,107,658	3,437,852	3,530,614	355,448	514,049	32,464,176
Other Liabilities	12,247	25,886	20,409	2	-	35,236,897	35,295,441
Total Liabilities	78,960,976	42,591,144	14,181,352	11,289,898	2,866,912	69,777,635	219,667,917
On Balance Sheet Long Position	-	-	34,407,934	32,629,730	12,340,421	-	79,378,085
On Balance Sheet Short Position	(39,373,662)	(12,972,550)	-	-	-	(27,031,873)	(79,378,085)
Off-Balance Sheet Long Position	5,269,642	6,150,351	4,630,864	4,792,315	1,296,240	-	22,139,412
Off-Balance Sheet Short Position	(1,294,542)	(2,676,922)	(4,598,308)	(9,614,462)	(4,315,227)	-	(22,499,461)
Total Position	(35,398,562)	(9,499,121)	34,440,490	27,807,583	9,321,434	(27,031,873)	(360,049)

(*) Interest accruals are also included in non-interest bearing column.

(**) Loans amounting to TL 201,385 thousands included under “financial assets at fair value through profit or loss” in the accompanying balance sheet, are presented above under “Loans”.

4.6.2 Average interest rates on monetary financial instruments (%)

<i>Current Period</i>	EUR	USD	JPY	TL
	%	%	%	%
Assets				
Cash (Cash on Hand, Money in Transit, Purchased Cheques) and Balances with the Central Bank of Turkey	-	0.35	-	2.90
Banks	0.13	0.15	-	11.43
Financial Assets at Fair Value through Profit/Loss	4.66	4.64	-	10.29
Interbank Money Market Placements	-	0.55	-	-
Financial Assets Available-for-Sale	-	5.67	-	10.54
Loans	3.94	5.17	3.04	15.20
Investments Held-to-Maturity	0.19	5.49	-	10.76
Liabilities				
Bank Deposits	0.56	1.05	-	10.69
Other Deposits	0.95	1.43	1.19	8.20
Interbank Money Market Takings	-	2.12	1.49	9.31
Miscellaneous Payables	-	-	-	-
Securities Issued	3.42	4.83	1.01	9.94
Other Fundings	1.09	2.17	1.50	11.06

<i>Prior Period</i>	EUR	USD	JPY	TL
	%	%	%	%
Assets				
Cash (Cash on Hand, Money in Transit, Purchased Cheques) and Balances with the Central Bank of Turkey	-	-	-	0.53
Banks	0.40	0.34	-	10.72
Financial Assets at Fair Value through Profit/Loss	4.63	8.49	-	9.69
Interbank Money Market Placements	-	0.45	-	-
Financial Assets Available-for-Sale	5.67	6.99	-	9.44
Loans	4.54	5.06	2.42	14.38
Investments Held-to-Maturity	-	5.41	-	9.96
Liabilities				
Bank Deposits	1.50	1.48	-	9.06
Other Deposits	1.23	1.43	1.68	7.35
Interbank Money Market Takings	-	1.09	1.49	8.33
Miscellaneous Payables	-	-	-	-
Securities Issued	3.48	4.62	0.98	9.36
Other Fundings	1.26	2.13	2.03	9.66

4.6.3 Interest rate risk on banking book

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

The interest rate risk resulting from the banking book is assessed in terms of repricing risk, yield-curve risk, base risk and option risk, measured as per international standards and managed through limitations and mitigations through hedging transactions.

The interest sensitivity of assets, liabilities and off balance-sheet items are evaluated at the weekly Asset-Liability Committee meetings considering also the market developments.

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 every two weeks.

In the duration gap analysis, net present values of the interest-rate sensitive assets and liabilities are calculated by using yield curves developed from the 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 interest rate risk resulting from the banking book is measured legally as per the “Regulation on Measurement and Evaluation of Interest Rate Risk Resulting from Banking Book as per Standard Shock Method” published in the Official Gazette no.28034 dated 23 August 2011, and the legal limit as per this measurement is monitored and reported monthly. The capital level is maintained considering the interest rate risk resulting from the banking book.

The interest rate risk on the interest-rate-sensitive financial instruments of the trading portfolio is evaluated as part of the market risk.

The market risks of branches and business lines are transferred to the Asset Liability Management department through transfer pricing. This department applies a centralised market risk management and uses the balance sheet (long-term borrowing) and off balance sheet (derivative instruments) methods.

4.6.3.2 *Economic value differences resulted from interest rate instabilities calculated according to Regulation on Measurement and Evaluation of Interest Rate Risk Resulted from Banking Book as per Standard Shock Method*

	<i>Current Period</i>	Shocks Applied (+/- basis points)	Gains/Losses	Gains/Equity- Losses/Equity
	Type of Currency			
1	TL	(+) 500bp	(3,581,363)	(10.83)%
2	TL	(-) 400bp	3,477,727	10.51%
3	USD	(+) 200bp	(766,486)	(2.32)%
4	USD	(-) 200bp	1,031,044	3.12%
5	EUR	(+) 200bp	(52,426)	(0.16)%
6	EUR	(-) 200bp	50,223	0.15%
	Total (of negative shocks)		4,558,994	13.78%
	Total (of positive shocks)		(4,400,275)	(13.30)%

	<i>Prior Period</i>	Shocks Applied (+/- basis points)	Gains/Losses	Gains/Equity- Losses/Equity
	Type of Currency			
1	TL	(+) 500 bps	(3,213,578)	(11.43)%
2	TL	(-) 400 bps	3,139,075	11.16%
3	USD	(+) 200 bps	(730,443)	(2.60)%
4	USD	(-) 200 bps	977,780	3.48%
5	EUR	(+) 200 bps	54,777	0.19%
6	EUR	(-) 200 bps	(82,307)	(0.29)%
Total (of negative shocks)			4,034,548	14.35%
Total (of positive shocks)			(3,889,244)	(13.84)%

4.7 Position risk of equity securities in banking book

4.7.1 Comparison of carrying, fair and market values of equity shares

<i>Current Period</i>		Comparison		
Equity Securities (shares)		Carrying Value	Fair Value ^(*)	Market Value
1	Investment in Shares- Grade A	4,389,688	4,277,576	70,875
	Quoted Securities	70,956	70,956	70,875
2	Investment in Shares- Grade B	91,785	64,688	69,839
	Quoted Securities	64,688	64,688	69,839
3	Investment in Shares- Grade C	662	-	-
	Quoted Securities	-	-	-
4	Investment in Shares- Grade D	-	-	-
	Quoted Securities	-	-	-
5	Investment in Shares- Grade E	1,014	-	-
	Quoted Securities	-	-	-
6	Investment in Shares- Grade F	48	-	-
	Quoted Securities	-	-	-

(*) The balances are as per the results of equity accounting application.

<i>Prior Period</i>		Comparison		
Equity Securities (shares)		Carrying Value	Fair Value ^(*)	Market Value
1	Investment in Shares- Grade A	3,661,496	3,549,382	86,916
	Quoted Securities	60,108	60,108	86,916
2	Investment in Shares- Grade B	81,896	54,798	79,239
	Quoted Securities	54,798	54,798	79,239
3	Investment in Shares- Grade C	662	-	-
	Quoted Securities	-	-	-
4	Investment in Shares- Grade D	-	-	-
	Quoted Securities	-	-	-
5	Investment in Shares- Grade E	1,014	-	-
	Quoted Securities	-	-	-
6	Investment in Shares- Grade F	48	-	-
	Quoted Securities	-	-	-

(*) The balances are as per the results of equity accounting application.

4.7.2 Realised gains/losses, revaluation surpluses and unrealised gains/losses on equity securities and results included in core and supplementary capitals

<i>Current Period</i>		Gains/Losses in Current Period	Revaluation Surpluses		Unrealised Gains and Losses		
			Total	Amount in Tier I Capital ^(*)	Total	Amount in Core Capital	Amount in Tier I Capital ^(*)
Portfolio							
1	Private Equity Investments	-	-	-	-	-	
2	Quoted Shares	-	50,392	50,392	-	-	
3	Other Shares	-	2,493,817	2,493,817	-	-	
Total		-	2,544,209	2,544,209	-	-	

(*) The balances are as per the results of equity accounting application.

<i>Prior Period</i>		Gains/Losses in Current Period	Revaluation Surpluses		Unrealised Gains and Losses		
			Total	Amount in Tier I Capital	Total	Amount in Core Capital	Amount in Tier I Capital ^(*)
Portfolio							
1	Private Equity Investments	-	-	-	-	-	
2	Quoted Shares	-	-	-	70,493	70,493	
3	Other Shares	-	1,433,650	1,433,650	-	-	
Total		-	1,433,650	1,433,650	70,493	70,493	

(*) The balances are as per the results of equity accounting application.

4.8 Liquidity Risk Management and Liquidity Coverage Ratio

Liquidity Risk is managed by Asset and Liability Management Department (ALMD) and Asset and Liability Committee (ALCO) in line with risk management policies and risk appetite approved by the Board of Directors in order to take the necessary measures in a timely and correct manner against possible liquidity shortages that may result from market conditions and balance sheet structure of the Bank. Under stressed conditions, liquidity risk is managed within the Contingency Funding Plan framework.

The Board of Directors reviews the liquidity risk management strategy, policy and practices and approves the liquidity strategy and policies within the framework of risk management strategy and policies, ensures the effective of practice of policies and integrations with Bank's risk management strategy. The Board of Directors determines the basic metrics in liquidity risk measurement and monitoring. The Board of Directors establishes risk appetite of the Bank in liquidity risk management and identifies the risk limits in accordance with the risk appetite and reviews it regularly.

ALCO takes necessary decisions which will be executed by related departments by assessing the liquidity risk that the Bank is exposed to and considering the Bank's strategy and conditions of competition and pursues the implementations.

ALMD, performs daily liquidity management by ensuring compliance with regulatory and internal liquidity limits and monitoring related early warning indicators in case of probable liquidity squeezes. The medium and long term liquidity and funding management is performed by ALMD in accordance with ALCO decisions.

Risk Management Department defines the Bank's liquidity risk, measures and monitors the risks with liquidity risk measurement methods that are in compliance with international standards, presents measurement results periodically to related departments, committees and senior management. Risk Management Department coordinates related parties in order to ensure compliance of risk management process in accordance with the Bank's risk profile, operation environment and strategic plan with regulations. Risk Management Department analyses, develops and revises relevant liquidity risk measurement methods and models in accordance with changing market conditions and the Bank's structure. Risk Management Department reviews assumptions and parameters used in liquidity risk analysis.

The liquidity risk analysis and the important early warning signals are reported monthly to related senior management. Additionally, analysis and monitored internal ratios related to liquidity risk are presented in ALCO report. Internal liquidity metrics are monitored with limit and alert levels approved by the Board of Directors and reported regularly to related parties.

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Decentralized management approach is adopted in the Bank's liquidity management. Each subsidiary controlled by the Bank performs daily, medium and long term liquidity management independently from the Bank by the authorities in each subsidiary responsible for managing liquidity risk. In addition, within the scope of consolidated risk management, liquidity and funding risk of each subsidiary in control are monitored via the liquidity risk management methods identified by the Bank by considering the operations, risk profile and regulations of the related subsidiary. Also, in increasing market volatility and liquidity deficit environments, cash flows of especially financial subsidiaries are monitored with the Bank's cash flow on a consolidated basis.

The Bank's funding management is carried out in compliance with the ALCO decisions. Funding and placement strategies are developed by assessing liquidity of the Bank.

In liquidity risk management actions that will be taken and procedures are determined by considering normal economic conditions and stress conditions.

Diversification of assets and liabilities is assured so as to be able to continuously meet the obligations, also taking into account the relevant currencies. Funding sources are monitored actively during identification of concentration risk related to funding. The Bank's funding base of customer deposits, interbank and other borrowing transactions are diversified in order to prevent the concentration of a particular funding source. Factors that could trigger the sudden and significant run off in funds or impair the accessibility of the funding sources are analyzed. Additionally, securities which are eligible as collateral at CBRT issued by Republic of Turkey Treasury and have active secondary market are comprised in the Bank's assets.

In the context of TL and foreign currencies liquidity management, the Bank monitors the cash flows regarding assets and liabilities and forecasts the required liquidity in future periods. In cash flow analysis, stress is applied to items that affect the liquidity by volume and rate of change from a liquidity management point of view.

Liquidity risk exposed by the Bank is managed by establishing risk appetite, risk mitigation according to the liquidity and funding policies (diversification of funding sources, holding high quality liquid assets reserve) and effective control environment and closely monitoring by limits. For those risks that cannot be reduced, the adoption of the current level of risk, reduction or termination of the activities that cause the risk is considered.

In liquidity risk stress testing framework, the level of the Bank's ability to cover cash outflows in liquidity crisis scenario based on the Bank's current cash flow structure, by high quality liquid assets is calculated. Scenario analysis are performed by assessing changing balance sheet structure, liquidity requirements and market conditions.

The results of liquidity risk stress testing are taken into consideration in the assessment of liquidity adequacy and identification of strategy, policy and procedures regarding liquidity risk and contingency funding plan is prepared within this framework.

There exists "Liquidity Risk Management Contingency Funding Plan" in the Bank including mechanisms to prevent increase in liquidity risk during normal and liquidity crisis scenarios for different conditions and levels. Available liquidity sources are determined by considering the liquidity squeezes. Within the framework of this plan, the Bank monitors liquidity risk in terms of early warning indicators, stress levels determined according to probable scenarios and severity of the crisis and possible actions that can be taken in each stress level. In determination of the stress level in the plan, early warning indicators are taken into consideration.

4.8.1 Liquidity Coverage Ratio

<i>Current Period</i>	Total Unweighted Value (Average) ^(*)		Total Weighted Value (Average) ^(*)	
	TL+FC	FC	TL+FC	FC
High-Quality Liquid Assets			38,348,358	25,408,589
1 Total high-quality liquid assets (HQLA)	42,874,723	29,921,484	38,348,358	25,408,589
Cash Outflows				
2 Retail deposits and deposits from small business customers, of which:	92,521,984	41,069,069	7,905,352	3,760,902
3 Stable deposits	26,936,931	6,920,088	1,346,847	346,004
4 Less stable deposits	65,585,053	34,148,981	6,558,505	3,414,898
5 Unsecured wholesale funding, of which:	41,271,520	24,505,286	23,947,340	14,163,857
6 Operational deposits	-	-	-	-
7 Non-operational deposits	32,677,280	21,047,652	16,872,374	10,757,484
8 Unsecured funding	8,594,240	3,457,634	7,074,966	3,406,373
9 Secured wholesale funding			11,883	11,883
10 Other cash outflows of which:	51,866,774	15,188,053	9,926,636	7,329,223
11 Outflows related to derivative exposures and other collateral requirements	6,204,411	5,718,456	6,204,411	5,718,456
12 Outflows related to restructured financial instruments	-	-	-	-
13 Payment commitments and other off-balance sheet commitments granted for debts to financial markets	45,662,364	9,469,598	3,722,225	1,610,767
14 Other revocable off-balance sheet commitments and contractual obligations	1,142	1,142	57	57
15 Other irrevocable or conditionally revocable off-balance sheet obligations	48,496,094	33,790,824	2,424,805	1,689,539
16 Total Cash Outflows			44,216,072	26,955,461
Cash Inflows				
17 Secured receivables	-	-	-	-
18 Unsecured receivables	15,152,924	4,637,853	10,363,531	3,768,776
19 Other cash inflows	629,706	272,874	629,706	272,874
20 Total Cash Inflows	15,782,628	4,910,727	10,993,237	4,041,651
			Total Adjusted Value	
21 Total HQLA			38,348,358	25,408,589
22 Total Net Cash Outflows			33,222,835	22,913,810
23 Liquidity Coverage Ratio (%)			115.74	112.46

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

The table below presents highest, lowest and average liquidity coverage ratios of the year 2015:

	Highest	Date	Lowest	Date	Average
TL+FC	128.31	21.12.2015	98.31	02.11.2015	115.74
FC	155.29	29.09.2015	92.10	12.11.2015	112.46

4.8.2 Contractual maturity analysis of liabilities according to remaining maturities

The remaining maturities table of the contractual liabilities includes the undiscounted future cash outflows for the principal amounts of the Bank's financial liabilities as per their earliest likely contractual maturities.

<i>Current Period</i>	Carrying Value	Gross Nominal Outflows	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over
Bank Deposits	5,520,979	5,515,577	1,814,011	2,559,671	1,004,933	136,962	-	-
Other Deposits	135,378,353	134,876,900	29,665,353	69,206,976	23,288,593	12,511,667	194,246	10,065
Other Fundings	33,597,589	33,403,617	-	1,000,751	1,312,560	11,554,641	13,604,248	5,931,417
Interbank Money Market Takings	15,068,161	15,050,907	-	12,530,501	242	2,520,164	-	-
Securities Issued	14,198,769	13,894,277	-	124,634	985,455	2,811,388	6,817,441	3,155,359
Total	203,763,851	202,741,278	31,479,364	85,422,533	26,591,783	29,534,822	20,615,935	9,096,841

<i>Prior Period</i>	Carrying Value	Gross Nominal Outflows	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over
Bank Deposits	5,366,307	5,351,435	1,902,896	1,183,555	1,953,280	311,704	-	-
Other Deposits	114,941,674	114,473,631	24,480,852	56,663,312	24,490,955	8,725,278	104,222	9,012
Other Fundings	32,464,176	31,950,127	-	1,463,354	2,192,544	12,336,825	10,939,850	5,017,554
Interbank Money Market Takings	11,385,920	11,362,224	-	8,051,352	1,312,907	-	1,997,965	-
Securities Issued	13,352,247	13,078,060	-	766,997	1,426,508	1,900,470	6,472,774	2,511,311
Total	177,510,324	176,215,477	26,383,748	68,128,570	31,376,194	23,274,277	19,514,811	7,537,877

4.8.3 Maturity analysis of assets and liabilities according to remaining maturities:

	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Undistributed (*)	Total
Current Period								
Assets								
Cash (Cash on Hand, Money in Transit, Purchased Cheques) and Balances with the Central Bank of Turkey	4,812,262	20,339,261	-	-	-	-	-	25,151,523
Banks	3,597,019	3,438,830	179,420	192,496	4,439,730	-	-	11,847,495
Financial Assets at Fair Value through Profit/Loss (**)	-	297,743	218,981	470,429	459,366	203,830	-	1,650,349
Interbank Money Market Placements	-	61,069	-	-	-	-	-	61,069
Financial Assets Available-for-Sale	334,569	51,033	64,085	3,528,724	7,467,196	9,074,194	-	20,519,801
Loans (**)	195,457	28,112,903	13,183,941	39,027,113	57,554,343	18,325,159	2,939,125	159,338,041
Investments Held-to-Maturity	-	537,564	-	308,605	7,245,690	13,663,953	-	21,755,812
Other Assets	2,909,874	1,169,694	3,257	262,772	252,464	165,630	9,254,805	14,018,496
Total Assets	11,849,181	54,008,097	13,649,684	43,790,139	77,418,789	41,432,766	12,193,930	254,342,586
Liabilities								
Bank Deposits	1,814,017	2,561,864	1,006,859	138,239	-	-	-	5,520,979
Other Deposits	29,665,353	69,484,163	23,412,843	12,610,905	194,955	10,134	-	135,378,353
Other Fundings	-	1,088,214	1,393,362	11,580,348	13,604,248	5,931,417	-	33,597,589
Interbank Money Market Takings	-	12,537,815	242	2,530,104	-	-	-	15,068,161
Securities Issued	-	124,634	986,061	2,817,109	6,932,204	3,338,761	-	14,198,769
Miscellaneous Payables	1,341,182	6,995,670	-	-	-	-	-	8,336,852
Other Liabilities (***)	2,888,274	641,702	422,696	1,082,873	642,391	241,686	36,322,261	42,241,883
Total Liabilities	35,708,826	93,434,062	27,222,063	30,759,578	21,373,798	9,521,998	36,322,261	254,342,586
Liquidity Gap	(23,859,645)	(39,425,965)	(13,572,379)	13,030,561	56,044,991	31,910,768	(24,128,331)	-
Net Off-Balance Sheet Position	-	(2,435)	(23,324)	(503,480)	9,882	87,117	-	(432,240)
Derivative Financial Assets	-	40,312,873	17,317,421	31,938,167	9,819,947	1,027,585	-	100,415,993
Derivative Financial Liabilities	-	40,315,308	17,340,745	32,441,647	9,810,065	940,468	-	100,848,233
Non-Cash Loans	-	3,916,751	2,668,070	7,640,061	294,530	-	83,888,838	98,408,250
Prior Period								
Total Assets	9,401,780	48,048,267	14,275,385	33,011,105	65,199,680	40,689,820	9,041,880	219,667,917
Total Liabilities	28,774,264	75,371,023	32,007,265	23,857,155	20,270,558	7,934,649	31,453,003	219,667,917
Liquidity Gap	(19,372,484)	(27,322,756)	(17,731,880)	9,153,950	44,929,122	32,755,171	(22,411,123)	-
Net Off-Balance Sheet Position	-	(75,759)	141,411	88,985	(288,871)	(55,747)	-	(189,981)
Derivative Financial Assets	-	30,701,926	12,971,107	22,702,363	9,046,149	561,154	-	75,982,699
Derivative Financial Liabilities	-	30,777,685	12,829,696	22,613,378	9,335,020	616,901	-	76,172,680
Non-Cash Loans	-	5,330,420	1,914,851	2,527,398	810,768	-	74,355,890	84,939,327

(*) Certain assets on the balance sheet that are necessary for the banking operations but not convertible into cash in short period such as tangible assets, investments in associates and affiliates, stationary supplies, prepaid expenses and loans under follow-up, are included in this column.

(**) Loans amounting to TL 198,118 thousands (31 December 2014: TL 201,385 thousands) classified under “financial assets at fair value through profit or loss” in the accompanying balance sheet, are included above under “Loans”.

(***) Shareholders’ equity is included in “other liabilities” line under “undistributed” column.

4.9 Securitisation positions

None.

4.10 Credit risk mitigation techniques

The Bank applies credit risk mitigation according to the comprehensive method that includes risk mitigation calculations considering the volatility-adjusted values of financial collaterals in compliance with the article 34 of the “Regulation on Credit Risk Mitigation Techniques”.

In the credit risk mitigation, cash and cash equivalent items and high-credit-quality debt instruments are used.

The volatility adjustments regarding the receivables, collaterals and currency mismatch of the collaterals are made as per the standard volatility-adjustment approach defined in the article 37 of the above mentioned regulation.

In cases, where there are maturity mismatches resulting from shorter remaining life of collateral than of receivables, the value of collateral is considered as the volatility-adjusted value.

<i>Current Period</i>	Amount (**)	Financial Collateral	Other/Physical Collateral	Guaranties and Credit Derivatives
Exposure Categories				
Conditional and unconditional exposures to central governments or central banks	66,597,850	5,467,355	-	-
Conditional and unconditional exposures to regional governments or local authorities	57,484	51	-	-
Conditional and unconditional exposures to administrative bodies and non-commercial undertakings	65,869	2,433	-	-
Conditional and unconditional exposures to multilateral development banks	1,092,922	908,323	-	-
Conditional and unconditional exposures to international organisations	-	-	-	-
Conditional and unconditional exposures to banks and brokerage houses	39,483,068	16,741,679	-	-
Conditional and unconditional exposures to corporates	137,327,294	17,620,625	-	-
Conditional and unconditional retail exposures	70,942,237	349,967	-	-
Conditional and unconditional exposures secured by real estate property (*)	28,247,040	19,786	-	-
Past due items	560,639	-	-	-
Items in regulatory high-risk categories	16,598,251	109,374	-	-
Exposures in the form of bonds secured by mortgages	-	-	-	-
Securitisation positions	-	-	-	-
Short term exposures to banks, brokerage houses and corporates	-	-	-	-
Exposures in the form of collective investment undertakings	50,773	-	-	-
Other items	12,458,490	-	-	-

(*) The mortgages used for the determination of the risk categories as per the article 6 of the “Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks”, are excluded.

(**) Includes total risk amounts before the effect of credit risk mitigation and liquidity conversions.

<i>Prior Period</i>	Amount ^(**)	Financial Collateral	Other/Physical Collateral	Guaranties and Credit Derivatives
Exposure Categories				
Conditional and unconditional exposures to central governments or central banks	62,349,802	4,159,123	-	-
Conditional and unconditional exposures to regional governments or local authorities	58,056	117	-	-
Conditional and unconditional exposures to administrative bodies and non-commercial undertakings	75,453	13,771	-	-
Conditional and unconditional exposures to multilateral development banks	-	-	-	-
Conditional and unconditional exposures to international organisations	-	-	-	-
Conditional and unconditional exposures to banks and brokerage houses	31,824,025	10,622,460	-	-
Conditional and unconditional exposures to corporates	108,194,500	12,220,031	-	-
Conditional and unconditional retail exposures	64,700,150	1,061,892	-	-
Conditional and unconditional exposures secured by real estate property ^(*)	22,029,299	90,319	-	-
Past due items	439,219	523	-	-
Items in regulatory high-risk categories	17,238,709	140,316	-	-
Exposures in the form of bonds secured by mortgages	-	-	-	-
Securitisation positions	-	-	-	-
Short term exposures to banks, brokerage houses and corporates	-	-	-	-
Exposures in the form of collective investment undertakings	54,451	-	-	-
Other items	7,878,736	-	-	-

^(*) The mortgages used for the determination of the risk categories as per the article 6 of the “Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks”, are excluded.

^(**) Includes total risk amounts before the effect of credit risk mitigation and liquidity conversions.

4.11 Risk management objectives and policies

The Risk Management Strategy of the Bank includes the optimum allocation of the capital and the realisation of growth framework, maintaining risk-return balance, measuring the risks by methods in compliance with international standards and local regulations in paralel with its activities and under its sustainable and value-creating growth strategy.

The Bank determines the necessary approaches in order to update, revise, apply and manage its policies set for the proper assessment and management of risks considering changes in conditions.

The top management is responsible of managing, developing the risk management strategies, policies and application principles approved by the board of directors, reporting of major risks that the Bank is facing to the board of directors, assessment of internal control, internal audit and risk reports of departments and either eliminating risks, deficiencies or defects identified in these departments or taking the necessary precautions to prevent those, and participating in determination of risk limits.

The risk management activities are structured under the responsibility of the Bank’s board of directors. Monitoring of corporate risk management policies and applications; including capital adequacy, planning and liquidity coverage is under the responsibility of Risk Committee composed of the members of board. The top management is responsible to the board of directors for monitoring and managing of risks. Besides, the following departments participate in monitoring of risks, independent from the departments having operational activities; Internal Control, Risk Management, Compliance and Internal Audit.

The risks are evaluated on a continuously developing structure that is managed by internationally accepted applications and in compliance with the Bank’s policies and procedures, and the international and local regulations.

The risks are also managed through risk mitigations using hedging transactions beside measurement, limitation and capital allocation techniques. The data of the Bank and the market are regularly monitored for better risk monitoring and management. As part of limitation of risks, internal limits are also set beside the legal limits. The possible changes in economic conditions and the risks that can be faced under extraordinary conditions are taken into consideration.

4.12 Leverage ratio

The leverage ratio table prepared in accordance with the communiqué “Regulation on Measurement and Assessment of Leverage Ratios of Banks” published in the Official Gazette no. 28812 dated 5 November 2013 is presented below:

On-balance sheet assets		<i>Current Period (*)</i>
1	On-balance sheet items (excluding derivative financial instruments and credit derivatives but including collateral)	250,277,784
2	(Assets deducted in determining Tier 1 capital)	(220,586)
3	Total on-balance sheet risks (sum of lines 1 and 2)	250,057,198
Derivative financial instruments and credit derivatives		
4	Replacement cost associated with all derivative instruments and credit derivatives	2,353,340
5	Add-on amounts for PFE associated with all derivative instruments and credit derivatives	7,129,895
6	Total risks of derivative financial instruments and credit derivatives (sum of lines 4 to 5)	9,483,235
Securities or commodity financing transactions (SCFT)		
7	Risks from SCFT assets	1,038,962
8	Risks from brokerage activities related exposures	-
9	Total risks related with securities or commodity financing transactions (sum of lines 7 to 8)	1,038,962
Other off-balance sheet transactions		
10	Gross notional amounts of off-balance sheet transactions	99,470,017
11	(Adjustments for conversion to credit equivalent amounts)	3,948
12	Total risks of off-balance sheet items (sum of lines 10 and 11)	99,473,965
Capital and total risks		
13	Tier 1 capital	30,325,091
14	Total risks (sum of lines 3, 6, 9 and 12)	360,053,360
Leverage ratio		
15	Leverage ratio	8.42%

(*) Amounts in the table are three-month average amounts.

4.13 Fair values of financial assets and liabilities

	Carrying Value		Fair Value	
	Current Period	Prior Period	Current Period	Prior Period
Financial Assets	236,364,856	206,544,121	237,884,362	208,650,991
Interbank Money Market Placements	61,069	80,446	61,069	80,446
Banks (*)	34,690,133	31,138,004	34,690,133	31,138,004
Financial Assets Available-for-Sale	20,519,801	20,051,986	20,519,801	20,051,986
Investments Held-to-Maturity	21,755,812	21,014,502	21,906,006	22,267,658
Loans	159,338,041	134,259,183	160,707,353	135,112,897
Financial Liabilities	197,032,542	172,986,556	197,032,542	172,986,556
Bank Deposits	5,520,979	5,366,307	5,520,979	5,366,307
Other Deposits	135,378,353	114,941,674	135,378,353	114,941,674
Other Fundings	33,597,589	32,464,176	33,597,589	32,464,176
Securities Issued	14,198,769	13,352,247	14,198,769	13,352,247
Miscellaneous Payables	8,336,852	6,862,152	8,336,852	6,862,152

(*) Including the balances at the Central Bank of Turkey

Fair values of financial assets available-for-sale and investments held-to-maturity are derived from market prices or in case of absence of such prices, market prices of other securities quoted in similar qualified markets and having substantially similar characteristics in terms of interest, maturity and other conditions.

Fair values of loans are calculated discounting future cash flows at current market interest rates for fixed-rate loans. The carrying values of floating-rate loans are deemed an approximation for their fair values.

Fair values of other financial assets and liabilities represent the total acquisition costs and accrued interest.

The table below analyses financial instruments carried at fair value, by valuation method:

Current Period	Level 1	Level 2	Level 3	Total
Financial Assets Available-for-Sale	14,267,634	5,721,163	531,004	20,519,801
Financial Assets Held for Trading	135,535	31,325	-	166,860
Derivative Financial Assets Held for Trading	285	1,483,204	-	1,483,489
Loans	-	198,118	-	198,118
Investments in Associates and Subsidiaries	-	-	4,342,263	4,342,263
Derivative Financial Assets Held for Risk Management	-	680,997	-	680,997
Financial Assets at Fair Value	14,403,454	8,114,807	4,873,267	27,391,528
Derivative Financial Liabilities Held for Trading	3,617	2,260,020	-	2,263,637
Funds Borrowed	-	5,688,704	-	5,688,704
Derivative Financial Liabilities Held for Risk Management	-	250,491	-	250,491
Financial Liabilities at Fair Value	3,617	8,199,215	-	8,202,832

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<i>Prior Period</i>	Level 1	Level 2	Level 3	Total
Financial Assets Available-for-Sale	15,599,111	3,395,457	1,057,418	20,051,986
Financial Assets Held for Trading	109,593	281,927	-	391,520
Derivative Financial Assets Held for Trading	-	1,291,012	-	1,291,012
Loans	-	201,385	-	201,385
Investments in Associates and Subsidiaries	-	-	3,604,182	3,604,182
Derivative Financial Assets Held for Risk Management	-	166,252	-	166,252
Financial Assets at Fair Value	15,708,704	5,336,033	4,661,160	25,705,897
Derivative Financial Liabilities Held for Trading	649	1,573,594	-	1,574,243
Funds Borrowed	-	4,899,376	-	4,899,376
Derivative Financial Liabilities Held for Risk Management	-	279,383	-	279,383
Financial Liabilities at Fair Value	649	6,752,353	-	6,753,002

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: Inputs for the asset or liability that are not based on observable market data (unobservable inputs)

4.14 Transactions carried out on behalf of customers and items held in trust

None.

5 Disclosures and Footnotes on Unconsolidated Financial Statements

5.1 Assets

5.1.1 Cash and balances with Central Bank

	<i>Current Period</i>		<i>Prior Period</i>	
	TL	FC	TL	FC
Cash in TL/Foreign Currency	1,313,068	750,950	1,089,200	589,326
Central Bank of Turkey	946,596	21,896,042	670,794	22,027,261
Others	-	244,867	-	696,071
Total	2,259,664	22,891,859	1,759,994	23,312,658

Balances with the Central Bank of Turkey

	<i>Current Period</i>		<i>Prior Period</i>	
	TL	FC	TL	FC
Unrestricted Demand Deposits	946,596	1,556,782	670,794	2,431,663
Unrestricted Time Deposits	-	5	-	-
Restricted Time Deposits	-	20,339,255	-	19,595,598
Total	946,596	21,896,042	670,794	22,027,261

The reserve deposits kept as per the Communique no. 2005/1 “Reserve Deposits” of the Central Bank of Turkey in Turkish Lira, foreign currencies and gold, are included in the table above.

5.1.2 Information on financial assets at fair value through profit/loss

5.1.2.1 *Financial assets at fair value through profit/loss subject to repurchase agreements and provided as collateral/blocked*

	<i>Current Period</i>		<i>Prior Period</i>	
	TL	FC	TL	FC
Collateralised/Blocked Assets	-	-	-	265,254
Assets Subject to Repurchase Agreements	-	-	-	-
Total	-	-	-	265,254

5.1.2.2 *Positive differences on derivative financial assets held for trading*

	<i>Current Period</i>		<i>Prior Period</i>	
	TL	FC	TL	FC
Forward Transactions	243,525	41,894	113,870	22,136
Swap Transactions	363,131	324,633	435,049	497,523
Futures	-	34	-	-
Options	442,320	67,952	199,825	22,609
Other	-	-	-	-
Total	1,048,976	434,513	748,744	542,268

5.1.2.3 *Financial assets at fair value through profit/loss*

The Bank classified certain fixed-rate loans amounting to TL 200,000 thousands at initial recognition under financial assets at fair value through profit/loss to eliminate accounting inconsistency. The carrying value of these financial assets and the related current period loss amounted to TL 198,118 thousands (31 December 2014: TL 201,385 thousands) and TL 3,267 thousands (31 December 2014: a gain of TL 2,607 thousands), respectively.

5.1.3 Banks

	<i>Current Period</i>		<i>Prior Period</i>	
	TL	FC	TL	FC
Banks				
Domestic banks	231,280	247,879	1,186,762	144,712
Foreign banks	44,855	11,323,481	233,129	6,875,346
Foreign headoffices and branches	-	-	-	-
Total	276,135	11,571,360	1,419,891	7,020,058

Due from foreign banks

	Unrestricted Balances		Restricted Balances	
	<i>Current Period</i>	<i>Prior Period</i>	<i>Current Period</i>	<i>Prior Period</i>
EU Countries	2,833,374	1,309,551	6,988,096	5,427,779
USA and Canada	907,844	32,470	291,511	100,171
OECD Countries (*)	4,210	7,863	-	-
Off-Shore Banking Regions	220,152	62,748	65,059	50,066
Other	58,090	117,827	-	-
Total	4,023,670	1,530,459	7,344,666	5,578,016

(*) OECD countries other than the EU countries, USA and Canada

The placements at foreign banks include blocked accounts amounting TL 7,344,666 thousands (31 December 2014: TL 5,578,016 thousands) of which TL 96,799 thousands (31 December 2014: TL 108,410 thousands) and TL 65,058 thousands (31 December 2014: TL 50,066 thousands) are kept at the central banks of Malta and Turkish Republic of Northern Cyprus, respectively as reserve deposits and TL 7,182,809 thousands (31 December 2014: TL 5,419,540 thousands) as collateral against funds borrowed at various banks.

5.1.4.1 *Financial assets subject to repurchase agreements and provided as collateral/blocked*

	<i>Current Period</i>		<i>Prior Period</i>	
	TL	FC	TL	FC
Collateralised/Blocked Assets	2,170,335	-	5,463,784	141,803
Assets subject to Repurchase Agreements	10,879,108	1,449	5,024,297	523,499
Total	13,049,443	1,449	10,488,081	665,302

5.1.4.2 *Details of financial assets available-for-sale*

	<i>Current Period</i>	<i>Prior Period</i>
Debt Securities	19,301,827	18,605,649
Quoted at Stock Exchange	18,699,925	16,961,989
Unquoted at Stock Exchange	601,902	1,643,660
Common Shares/Investment Funds	69,704	61,048
Quoted at Stock Exchange (*)	7,669	7,669
Unquoted at Stock Exchange	62,035	53,379
Value Increases/Impairment Losses (-)	1,148,270	1,385,289
Total	20,519,801	20,051,986

5.1.5 Loans

5.1.5.1 Loans and advances to shareholders and employees of the Bank

	Current Period		Prior Period	
	Cash Loans	Non-Cash Loans	Cash Loans	Non-Cash Loans
Direct Lendings to Shareholders	146	408,529	786	175,423
Corporates	146	408,529	786	175,423
Individuals	-	-	-	-
Indirect Lendings to Shareholders	2,043,036	263,954	1,532,539	534,359
Loans to Employees	185,470	88	165,305	68
Total	2,228,652	672,571	1,698,630	709,850

5.1.5.2 Loans and other receivables classified in groups I and II including contracts with revised terms

Current Period	Performing Loans and Other Receivables			Loans and Other Receivables under Follow-Up		
	Loans and Other Receivables (Total)	Loans and Receivables with Revised Contract Terms		Loans and Other Receivables (Total)	Loans and Receivables with Revised Contract Terms	
		Extension of Repayment Plan	Other Changes		Extension of Repayment Plan	Other Changes
Loans	150,695,419	2,179,145	233,976	7,806,295	3,228,253	622,963
Working Capital Loans	14,870,509	175,956	-	915,921	358,070	85,796
Export Loans	6,399,197	8,136	-	143,651	67,004	35,188
Import Loans	15,160	-	-	-	-	-
Loans to Financial Sector (*)	5,160,937	-	-	-	-	-
Consumer Loans	35,883,920	1,627,563	-	1,729,724	623,376	47,914
Credit Cards	16,364,078	-	233,976	589,131	-	406,106
Others	72,001,618	367,490	-	4,427,868	2,179,803	47,959
Specialization Loans	-	-	-	-	-	-
Other Receivables	-	-	-	-	-	-
Total	150,695,419	2,179,145	233,976	7,806,295	3,228,253	622,963

(*) Loans amounting to TL 198,118 thousands included under “financial assets at fair value through profit or loss” in the accompanying balance sheet, are presented above under “Loans to Financial Sector”.

As of 31 December 2015, loans amounting to TL 5,781,904 thousands (31 December 2014: TL 4,462,373 thousands) are collateralized under funding transactions.

Prior Period	Performing Loans and Other Receivables			Loans and Other Receivables under Follow-Up		
	Loans and Other Receivables (Total)	Loans and Receivables with Revised Contract Terms		Loans and Other Receivables (Total)	Loans and Receivables with Revised Contract Terms	
		Extension of Repayment Plan	Other Changes		Extension of Repayment Plan	Other Changes
Loans	129,439,486	1,640,194	225,215	4,192,829	1,997,330	328,572
Working Capital Loans	9,408,051	142,850	-	756,677	390,281	84,370
Export Loans	5,628,789	1,238	-	107,215	50,771	36,519
Import Loans	11,583	-	-	-	-	-
Loans to Financial Sector (*)	4,455,628	7,159	-	-	-	-
Consumer Loans	32,150,830	1,212,387	-	1,279,181	403,716	17,043
Credit Cards	14,446,110	-	225,215	343,754	-	127,602
Others	63,338,495	276,560	-	1,706,002	1,152,562	63,038
Specialization Loans	-	-	-	-	-	-
Other Receivables	-	-	-	-	-	-
Total	129,439,486	1,640,194	225,215	4,192,829	1,997,330	328,572

(*) Loans amounting to TL 201,385 thousands included under “financial assets at fair value through profit or loss” in the accompanying balance sheet, are presented above under “Loans to Financial Sector”.

Collaterals received for loans under follow-up;

<i>Current Period</i>	Corporate/ Commercial Loans	Consumer Loans	Credit Cards	Total
Loans Collateralized by Cash	2,540	1,335	-	3,875
Loans Collateralized by Mortgages	1,967,241	406,621	-	2,373,862
Loans Collateralized by Pledged Assets	25,737	39,800	-	65,537
Loans Collateralized by Cheques and Notes	56,016	290,926	-	346,942
Loans Collateralized by Other Collaterals	698,017	7,758	-	705,775
Unsecured Loans	2,737,889	983,284	589,131	4,310,304
Total	5,487,440	1,729,724	589,131	7,806,295

<i>Prior Period</i>	Corporate/ Commercial Loans	Consumer Loans	Credit Cards	Total
Loans Collateralized by Cash	55,698	2,557	-	58,255
Loans Collateralized by Mortgages	1,458,181	469,735	-	1,927,916
Loans Collateralized by Pledged Assets	65,422	53,246	-	118,668
Loans Collateralized by Cheques and Notes	36,397	464,607	-	501,004
Loans Collateralized by Other Collaterals	622,907	8,621	-	631,528
Unsecured Loans	331,289	280,415	343,754	955,458
Total	2,569,894	1,279,181	343,754	4,192,829

Delinquency periods of loans under follow-up;

<i>Current Period</i>	Corporate/ Commercial Loans	Consumer Loans	Credit Cards	Total
31-60 days	180,970	633,756	152,905	967,631
61-90 days	45,445	202,495	45,596	293,536
Others	5,261,025	893,473	390,630	6,545,128
Total	5,487,440	1,729,724	589,131	7,806,295

<i>Prior Period</i>	Corporate/ Commercial Loans	Consumer Loans	Credit Cards	Total
31-60 days	79,098	521,366	166,123	766,587
61-90 days	59,808	186,287	49,641	295,736
Others	2,430,988	571,528	127,990	3,130,506
Total	2,569,894	1,279,181	343,754	4,192,829

Loans and other receivables with extended payment plans;

No. of Extensions	<i>Current Period</i>		<i>Prior Period</i>	
	Performing Loans and Other Receivables	Loans and Other Receivables under Follow-up	Performing Loans and Other Receivables	Loans and Other Receivables under Follow-up
1 or 2 times	1,979,491	2,929,711	1,488,390	1,941,546
3, 4 or 5 times	111,249	282,660	82,054	43,603
Over 5 times	88,405	15,882	69,750	12,181

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Extention Periods	Current Period		Prior Period	
	Performing Loans and Other Receivables	Loans and Other Receivables under Follow-up	Performing Loans and Other Receivables	Loans and Other Receivables under Follow-up
0 - 6 months	336,391	566,273	753,862	297,097
6 - 12 months	367,841	149,516	199,948	60,275
1 - 2 years	893,626	393,138	438,171	166,395
2 - 5 year	518,336	1,595,092	196,502	747,346
5 years and over	62,951	524,234	51,711	726,217

5.1.5.3 Maturity analysis of cash loans

Current Period	Performing Loans and Other Receivables		Loans under Follow-Up and Other Receivables	
	Loans and Other Receivables	Loans and Receivables with Revised Contract Terms	Loans and Other Receivables	Loans and Receivables with Revised Contract Terms
Short-term Loans	44,408,008	508,040	1,110,993	601,823
Loans	44,408,008	508,040	1,110,993	601,823
Specialization Loans	-	-	-	-
Other Receivables	-	-	-	-
Medium and Long-term Loans	106,287,411	1,905,081	6,695,302	3,249,393
Loans	106,287,411	1,905,081	6,695,302	3,249,393
Specialization Loans	-	-	-	-
Other Receivables	-	-	-	-

Prior Period	Performing Loans and Other Receivables		Loans under Follow-Up and Other Receivables	
	Loans and Other Receivables	Loans and Receivables with Revised Contract Terms	Loans and Other Receivables	Loans and Receivables with Revised Contract Terms
Short-term Loans	39,126,122	177,852	549,278	163,638
Loans	39,126,122	177,852	549,278	163,638
Specialization Loans	-	-	-	-
Other Receivables	-	-	-	-
Medium and Long-term Loans	90,313,364	1,462,342	3,643,551	2,162,264
Loans	90,313,364	1,462,342	3,643,551	2,162,264
Specialization Loans	-	-	-	-
Other Receivables	-	-	-	-

5.1.5.4 Consumer loans, retail credit cards, personnel loans and personnel credit cards

<i>Current Period</i>	Short-Term	Medium and Long-Term	Total
Consumer Loans – TL	686,400	36,127,573	36,813,973
Housing Loans	25,062	18,582,778	18,607,840
Automobile Loans	37,616	1,522,036	1,559,652
General Purpose Loans	623,722	16,022,759	16,646,481
Other	-	-	-
Consumer Loans – FC-indexed	-	170,849	170,849
Housing Loans	-	168,194	168,194
Automobile Loans	-	2	2
General Purpose Loans	-	2,653	2,653
Other	-	-	-
Consumer Loans – FC	3	40,033	40,036
Housing Loans	-	25,999	25,999
Automobile Loans	-	7,504	7,504
General Purpose Loans	3	6,530	6,533
Other	-	-	-
Retail Credit Cards – TL	14,279,715	566,447	14,846,162
With Installment	6,850,008	566,447	7,416,455
Without Installment	7,429,707	-	7,429,707
Retail Credit Cards – FC	38,371	-	38,371
With Installment	2,685	-	2,685
Without Installment	35,686	-	35,686
Personnel Loans – TL	17,241	74,439	91,680
Housing Loan	-	1,055	1,055
Automobile Loans	-	86	86
General Purpose Loans	17,241	73,298	90,539
Other	-	-	-
Personnel Loans - FC-indexed	-	330	330
Housing Loans	-	330	330
Automobile Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Personnel Loans – FC	-	112	112
Housing Loans	-	-	-
Automobile Loans	-	-	-
General Purpose Loans	-	112	112
Other	-	-	-
Personnel Credit Cards – TL	92,376	460	92,836
With Installment	37,692	460	38,152
Without Installment	54,684	-	54,684
Personnel Credit Cards – FC	512	-	512
With Installment	86	-	86
Without Installment	426	-	426
Deposit Accounts– TL (Real persons)	496,664	-	496,664
Deposit Accounts– FC (Real persons)	-	-	-
Total	15,611,282	36,980,243	52,591,525

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<i>Prior Period</i>	Short-Term	Medium and Long-Term	Total
Consumer Loans – TL	690,325	32,082,213	32,772,538
Housing Loans	19,660	15,359,984	15,379,644
Automobile Loans	21,705	1,341,922	1,363,627
General Purpose Loans	127,056	2,240,482	2,367,538
Other	521,904	13,139,825	13,661,729
Consumer Loans – FC-indexed	-	172,451	172,451
Housing Loans	-	168,056	168,056
Automobile Loans	-	60	60
General Purpose Loans	-	3,235	3,235
Other	-	1,100	1,100
Consumer Loans – FC	5	33,457	33,462
Housing Loans	-	25,626	25,626
Automobile Loans	-	5,219	5,219
General Purpose Loans	-	652	652
Other	5	1,960	1,965
Retail Credit Cards – TL	12,837,030	470,688	13,307,718
With Installment	5,992,626	470,688	6,463,314
Without Installment	6,844,404	-	6,844,404
Retail Credit Cards – FC	42,780	-	42,780
With Installment	15,930	-	15,930
Without Installment	26,850	-	26,850
Personnel Loans – TL	16,348	62,853	79,201
Housing Loan	-	967	967
Automobile Loans	-	57	57
General Purpose Loans	4,382	11,834	16,216
Other	11,966	49,995	61,961
Personnel Loans - FC-indexed	-	279	279
Housing Loans	-	279	279
Automobile Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Personnel Loans – FC	-	110	110
Housing Loans	-	-	-
Automobile Loans	-	-	-
General Purpose Loans	-	110	110
Other	-	-	-
Personnel Credit Cards – TL	77,254	475	77,729
With Installment	30,149	475	30,624
Without Installment	47,105	-	47,105
Personnel Credit Cards – FC	726	-	726
With Installment	304	-	304
Without Installment	422	-	422
Deposit Accounts– TL (Real persons)	371,970	-	371,970
Deposit Accounts– FC (Real persons)	-	-	-
Total	14,036,438	32,822,526	46,858,964

5.1.5.5 Installment based commercial loans and corporate credit cards

<i>Current Period</i>	Short-Term	Medium and Long-Term	Total
Installment-based Commercial Loans – TL	1,335,639	9,681,444	11,017,083
Real Estate Loans	3,237	725,187	728,424
Automobile Loans	88,500	1,968,503	2,057,003
General Purpose Loans	1,243,902	6,987,754	8,231,656
Other	-	-	-
Installment-based Commercial Loans - FC-indexed	160,480	1,885,722	2,046,202
Real Estate Loans	369	53,546	53,915
Automobile Loans	3,355	542,030	545,385
General Purpose Loans	156,756	1,290,146	1,446,902
Other	-	-	-
Installment-based Commercial Loans – FC	160	46,675	46,835
Real Estate Loans	-	925	925
Automobile Loans	84	12,304	12,388
General Purpose Loans	76	33,446	33,522
Other	-	-	-
Corporate Credit Cards – TL	1,963,886	3,750	1,967,636
With Installment	953,402	3,750	957,152
Without Installment	1,010,484	-	1,010,484
Corporate Credit Cards – FC	7,692	-	7,692
With Installment	61	-	61
Without Installment	7,631	-	7,631
Deposit Accounts– TL (Corporates)	831,746	-	831,746
Deposit Accounts– FC (Corporates)	-	-	-
Total	4,299,603	11,617,591	15,917,194

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<i>Prior Period</i>	Short-Term	Medium and Long-Term	Total
Installment-based Commercial Loans – TL	1,428,068	8,727,986	10,156,054
Real Estate Loans	1,767	643,270	645,037
Automobile Loans	72,896	1,724,661	1,797,557
General Purpose Loans	1,353,405	6,353,477	7,706,882
Other	-	6,578	6,578
Installment-based Commercial Loans - FC-indexed	149,234	1,373,897	1,523,131
Real Estate Loans	-	53,175	53,175
Automobile Loans	4,288	343,744	348,032
General Purpose Loans	144,946	976,978	1,121,924
Other	-	-	-
Installment-based Commercial Loans – FC	225	68,162	68,387
Real Estate Loans	-	1,088	1,088
Automobile Loans	20	6,725	6,745
General Purpose Loans	205	14,248	14,453
Other	-	46,101	46,101
Corporate Credit Cards – TL	1,353,768	515	1,354,283
With Installment	654,951	514	655,465
Without Installment	698,817	1	698,818
Corporate Credit Cards – FC	6,628	-	6,628
With Installment	136	-	136
Without Installment	6,492	-	6,492
Deposit Accounts– TL (corporates)	716,754	-	716,754
Deposit Accounts– FC (corporates)	-	-	-
Total	3,654,677	10,170,560	13,825,237

5.1.5.6 Allocation of loans by customers

	<i>Current Period</i>	<i>Prior Period</i>
Public Sector	866,521	976,922
Private Sector (*)	157,635,193	132,655,393
Total	158,501,714	133,632,315

(*) Loans amounting to TL 198,118 thousands (31 December 2014: TL 201,385 thousands) included under “Financial Assets at Fair Value through Profit/Loss” in the accompanying balance sheet, are presented above under “Private Sector”.

5.1.5.7 Allocation of domestic and foreign loans

	<i>Current Period</i>	<i>Prior Period</i>
Domestic Loans	156,494,318	131,707,500
Foreign Loans (*)	2,007,396	1,924,815
Total	158,501,714	133,632,315

(*) Loans amounting to TL 198,118 thousands (31 December 2014: TL 201,385 thousands) included under “Financial Assets at Fair Value through Profit/Loss” in the accompanying balance sheet, are presented above under “Foreign Loans”.

5.1.5.8 Loans to associates and affiliates

	<i>Current Period</i>	<i>Prior Period</i>
Direct Lending	1,089,363	1,010,312
Indirect Lending	-	-
Total	1,089,363	1,010,312

5.1.5.9 Specific provisions for loans

	<i>Current Period</i>	<i>Prior Period</i>
Substandard Loans and Receivables - Limited Collectibility	599,750	309,887
Doubtful Loans and Receivables	579,036	596,107
Uncollectible Loans and Receivables	2,388,912	1,767,967
Total	3,567,698	2,673,961

5.1.5.10 Non-performing loans and other receivables (NPLs) (Net)

Non-performing loans and other receivables restructured or rescheduled

	Group III	Group IV	Group V
	Substandard Loans and Receivables	Doubtful Loans and Receivables	Uncollectible Loans and Receivables
<i>Current Period</i>			
(Gross Amounts before Specific Provisions)	252,165	230,646	489,801
Restructured Loans and Receivables	252,165	230,646	489,801
Rescheduled Loans and Receivables	-	-	-
<i>Prior Period</i>			
(Gross Amounts before Specific Provisions)	98,424	121,778	240,451
Restructured Loans and Receivables	98,424	121,778	240,451
Rescheduled Loans and Receivables	-	-	-

Movements in non-performing loans and other receivables

	Group III	Group IV	Group V
	Substandard Loans and Receivables	Doubtful Loans and Receivables	Uncollectible Loans and Receivables
<i>Current Period</i>			
Balances at Beginning of Period	405,091	748,030	2,147,708
Additions during the Period (+)	2,241,205	59,594	47,548
Transfer from Other NPL Categories (+)	-	1,543,105	1,350,938
Transfer to Other NPL Categories (-)	1,543,105	1,350,938	-
Collections during the Period (-)	316,471	242,333	488,662
Write-offs (-) (*)	537	611	196,537
Corporate and Commercial Loans	537	609	119,188
Retail Loans	-	-	33,424
Credit Cards	-	2	43,925
Others	-	-	-
Balances at End of Period	786,183	756,847	2,860,995
Specific Provisions (-)	599,750	579,036	2,388,912
Net Balance on Balance Sheet	186,433	177,811	472,083

(*) of which TL 83,080 thousands is resulted from sale of non-performing loans.

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<i>Prior Period</i>	Group III	Group IV	Group V
	Substandard Loans and Receivables	Doubtful Loans and Receivables	Uncollectible Loans and Receivables
Balances at Beginning of Period	378,430	402,395	1,757,605
Additions during the Period (+)	1,449,028	213,359	48,688
Transfer from Other NPL Categories (+)	-	1,198,736	865,678
Transfer to Other NPL Categories (-)	1,198,736	865,678	-
Collections during the Period (-)	223,631	200,231	242,518
Write-offs (-) (*)	-	551	281,745
Corporate and Commercial Loans	-	256	39,571
Retail Loans	-	295	57,734
Credit Cards	-	-	184,440
Others	-	-	-
Balances at End of Period	405,091	748,030	2,147,708
Specific Provisions (-)	309,887	596,107	1,767,967
Net Balance on Balance Sheet	95,204	151,923	379,741

(*) resulted from sale of non-performing loans.

Movements in specific loan provisions

<i>Current Period</i>	Corporate/ Commercial Loans	Consumer Loans	Credit Cards	Total
Balances at End of Prior Period	1,158,403	823,655	691,903	2,673,961
Additions during the Period(+)	509,512	857,543	528,196	1,895,251
Restructured/Rescheduled Loans (-)	-	-	-	-
Collections during the Period (-)	220,938	377,383	207,878	806,199
Write-offs (-)	117,976	33,412	43,927	195,315
Balances at End of Period	1,329,001	1,270,403	968,294	3,567,698

<i>Prior Period</i>	Corporate/ Commercial Loans	Consumer Loans	Credit Cards	Total
Balances at End of Prior Period	936,813	510,037	609,618	2,056,468
Additions during the Period(+)	382,334	611,458	423,458	1,417,250
Restructured/Rescheduled Loans (-)	-	-	-	-
Collections during the Period (-)	128,055	239,811	156,733	524,599
Write-offs (-)	32,689	58,029	184,440	275,158
Balances at End of Period	1,158,403	823,655	691,903	2,673,961

Non-performing loans and other receivables in foreign currencies

	Group III	Group IV	Group V
	Substandard Loans and Receivables	Doubtful Loans and Receivables	Uncollectible Loans and Receivables
<i>Current Period</i>			
Balance at End of Period	180,731	37,931	535,189
Specific Provisions (-)	138,781	10,172	422,070
Net Balance at Balance Sheet	41,950	27,759	113,119
<i>Prior Period</i>			
Balance at End of Period	24,020	41,143	581,702
Specific Provisions (-)	14,586	20,846	469,969
Net Balance at Balance Sheet	9,434	20,297	111,733

Gross and net non-performing loans and receivables as per customer categories

	Group III	Group IV	Group V
	Substandard Loans and Receivables	Doubtful Loans and Receivables	Uncollectible Loans and Receivables
<i>Current Period (Net)</i>			
	186,433	177,811	472,083
Loans to Individuals and Corporates (Gross)	786,183	756,847	2,859,679
Specific Provision (-)	599,750	579,036	2,387,596
Loans to Individuals and Corporates (Net)	186,433	177,811	472,083
Banks (Gross)	-	-	311
Specific Provision (-)	-	-	311
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	1,005
Specific Provision (-)	-	-	1,005
Other Loans and Receivables (Net)	-	-	-
<i>Prior Period (Net)</i>			
	95,204	151,923	379,741
Loans to Individuals and Corporates (Gross)	405,091	748,030	2,140,816
Specific Provision (-)	309,887	596,107	1,761,075
Loans to Individuals and Corporates (Net)	95,204	151,923	379,741
Banks (Gross)	-	-	311
Specific Provision (-)	-	-	311
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	6,581
Specific Provision (-)	-	-	6,581
Other Loans and Receivables (Net)	-	-	-

Collaterals received for non-performing loans

<i>Current Period</i>	Corporate/ Commercial Loans	Consumer Loans	Credit Cards	Total
Loans Collateralized by Cash	1,999	201	-	2,200
Loans Collateralized by Mortgages	911,000	88,562	-	999,562
Loans Collateralized by Pledged Assets	224,454	53,650	-	278,104
Loans Collateralized by Cheques and Notes	299,845	9,390	-	309,235
Loans Collateralized by Other Collaterals	530,469	829,081	-	1,359,550
Unsecured Loans	120,701	366,379	968,294	1,455,374
Total	2,088,468	1,347,263	968,294	4,404,025

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<i>Prior Period</i>	Corporate/ Commercial Loans	Consumer Loans	Credit Cards	Total
Loans Collateralized by Cash	2,864	235	-	3,099
Loans Collateralized by Mortgages	813,345	70,508	-	883,853
Loans Collateralized by Pledged Assets	260,817	52,180	-	312,997
Loans Collateralized by Cheques and Notes	329,520	577,913	-	907,433
Loans Collateralized by Other Collaterals	244,617	5,667	-	250,284
Unsecured Loans	71,048	180,212	691,903	943,163
Total	1,722,211	886,715	691,903	3,300,829

5.1.5.11 Liquidation policy for uncollectible loans and receivables

Such loans and receivables are collected through legal follow-up and liquidation of collaterals.

5.1.5.12 Write-off policy

The Bank's general policy for write-offs of loans and receivables under follow-up is to write off such loans and receivables that are proven to be uncollectible in legal follow-up process.

5.1.6 Investments held-to-maturity

5.1.6.1 Investment subject to repurchase agreements and provided as collateral/blocked

	<i>Current Period</i>		<i>Prior Period</i>	
	TL	FC	TL	FC
Collateralised/Blocked Investments	4,956,015	2,108,752	6,708,866	718,432
Investments subject to Repurchase Agreements	4,081,537	317,809	1,996,759	4,612,969
Total	9,037,552	2,426,561	8,705,625	5,331,401

5.1.6.2 Government securities held-to-maturity

	<i>Current Period</i>	<i>Prior Period</i>
Government Bonds	17,776,978	18,001,879
Treasury Bills	-	-
Other Government Securities	-	-
Total	17,776,978	18,001,879

5.1.6.3 Investments held-to-maturity

	<i>Current Period</i>	<i>Prior Period</i>
Debt Securities	19,961,209	19,655,596
Quoted at Stock Exchange	19,106,455	18,319,161
Unquoted at Stock Exchange	854,754	1,336,435
Valuation Increase/(Decrease)	1,794,603	1,358,906
Total	21,755,812	21,014,502

5.1.6.4 Movement of investments held-to-maturity

	Current Period	Prior Period
Balances at Beginning of Period	21,014,502	13,984,435
Foreign Currency Differences On Monetary Assets	1,945,865	74,753
Purchases during the Period ^(*)	1,331,647	7,689,505
Disposals through Sales/Redemptions ^(**)	(2,971,899)	(1,649,588)
Valuation Effect	435,697	915,397
Balances at End of Period	21,755,812	21,014,502

In the prior period,

(*) The Bank reclassified private sector bonds with “credit linked notes” with a total face value of USD 425,000,000 from financial assets available-for-sale portfolio to investments held-to-maturity portfolio.

(**) As per the regulation on capital adequacy (Basel II) effective from 1 July 2012, the risk weight of securities in foreign currencies issued by the Turkish Treasury increased from 0% to 100%. As allowed by the relevant accounting standards (TAS 39) for the sale or reclassification of securities originally classified under the securities held-to-maturity in cases where the capital requirement increases due to regulatory changes, and as per the letter of the Public Oversight, Accounting and Auditing Standards Authority no. 602 dated 20 February 2013, in the prior period the Bank reclassified its eurobonds with a total face value of USD 248,209,999 to its available-for-sale portfolio.

In the current period,

(**) As per the exceptions set out in the relevant accounting standards (TAS 39) for the sale or reclassification of securities originally classified under the securities held-to-maturity before maturity, certain credit linked notes with a total face value of USD 300,000,000 were sold.

5.1.7 Investments in associates

5.1.7.1 Investments in associates

	Associate	Address (City/ Country)	Bank's Share – If Different, Voting Rights (%)	Bank's Risk Group Share (%)
1	Bankalararası Kart Merkezi AŞ ⁽¹⁾	İstanbul/Turkey	10.15	10.15
2	Yatırım Finansman Menkul Değerler AŞ ⁽¹⁾	İstanbul/Turkey	0.77	0.77
3	İstanbul Takas ve Saklama Bankası AŞ ⁽¹⁾	İstanbul/Turkey	5.25	5.28
4	Borsa İstanbul AŞ ⁽¹⁾	İstanbul/Turkey	0.30	0.34
5	KKB Kredi Kayıt Bürosu AŞ ⁽¹⁾	İstanbul/Turkey	9.09	9.09
6	Türkiye Cumhuriyet Merkez Bankası AŞ ⁽²⁾	Ankara /Turkey	2.48	2.48
7	Kredi Garanti Fonu AŞ ⁽¹⁾	Ankara /Turkey	1.75	1.75

	Total Assets	Shareholders' Equity	Total Fixed Assets (*)	Interest Income	Income on Securities Portfolio	Current Period Profit/Loss	Prior Period Profit/Loss	Company's Fair Value
1	65,901	35,309	39,402	744	-	9,605	7,882	-
2	680,072	73,721	3,606	7,561	923	(791)	(346)	-
3	7,631,265	869,063	95,407	155,708	11,816	132,453	96,179	-
4	914,837	852,713	135,958	15,246	61	289,559	113,940	-
5	129,527	104,842	62,914	3,663	1	26,782	18,547	-
6	371,590,359	38,642,079	654,695	4,032,420	2,313,892	8,529,957	13,198,929	-
7	316,348	313,416	5,500	9,906	-	19,899	10,212	-

(1) Financial information is as of 30 September 2015.

(2) Financial information is as of 31 December 2014.

(*) Total fixed assets include tangible and intangible assets.

5.1.7.2 Movement of investments in associates

	<i>Current Period</i>	<i>Prior Period</i>
Balance at Beginning of Period	36,698	36,698
Movements during the Period	-	-
Acquisitions	-	-
Bonus Shares Received	-	-
Dividends from Current Year Profit	-	-
Sales	-	-
Increase in Market Values	-	-
Impairment Reversals/(Losses)	-	-
Balance at End of Period	36,698	36,698
Capital Commitments	-	-
Share Percentage at the End of Period (%)	-	-

5.1.7.3 Sectoral distribution of investments and associates

Investments in Associates	<i>Current Period</i>	<i>Prior Period</i>
Banks	-	-
Insurance Companies	-	-
Factoring Companies	-	-
Leasing Companies	-	-
Finance Companies	34,984	34,984
Other Associates	1,714	1,714

5.1.7.4 Quoted associates

None.

5.1.7.5 Valuation methods of investments in associates

Investments in Associates	<i>Current Period</i>	<i>Prior Period</i>
Valued at Cost	36,698	36,698
Valued at Fair Value	-	-

5.1.7.6 Investments in associates sold during the current period

None.

5.1.7.7 Investments in associates acquired during the current period

None.

5.1.8 Investments in affiliates

5.1.8.1 Information on capital adequacy of major affiliates

The Bank does not have any capital needs for its affiliates included in the calculation of its consolidated capital adequacy standard ratio. Information on capital adequacy of major affiliates is presented below.

<i>Current Period</i>	Garanti Bank International NV	Garanti Finansal Kiralama AŞ	Garanti Holding BV
COMMON EQUITY TIER I CAPITAL			
Paid-in Capital to be Entitled for Compensation after All Creditors	438,130	357,848	1,168,942
Share Premium	-	-	41,090
Share Cancellation Profits	-	-	-
Reserves	859,634	329,714	(327,914)
Other Comprehensive Income according to TAS	406,771	75,795	27,141
Current and Prior Periods' Profits	34,395	110,292	58,156
General Reserve for Possible Losses	-	12,000	-
Common Equity Tier I Capital Before Deductions	1,738,930	885,649	967,415
Deductions From Common Equity Tier I Capital			
Current and Prior Periods' Losses not Covered by Reserves, and Losses Accounted under Equity according to TAS (-)	92,365	399	231,882
Leasehold Improvements on Operational Leases (-)	-	113	9,148
Goodwill and Other Intangible Assets and Related Deferred Taxes (-)	6,285	2,351	73,220
Net Deferred Tax Asset/Liability (-)	-	-	6,768
Total Deductions from Common Equity Tier I Capital	98,650	2,863	321,018
Total Common Equity Tier I Capital	1,640,280	882,786	646,397
Total Deductions From Tier I Capital	9,427	3,527	119,982
Total Tier I Capital	1,630,853	879,259	526,415
TIER II CAPITAL	253,368	-	57,607
CAPITAL BEFORE DEDUCTIONS	1,884,221	879,259	584,022
Net Book Values of Movables and Immovables Exceeding the Limit Defined in the Article 57, Clause 1 of the Banking Law and the Assets Acquired against Overdue Receivables and Held for Sale but Retained more than Five Years (-)	-	-	-
TOTAL CAPITAL	1,884,221	879,259	584,022

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<i>Prior Period</i>	Garanti Bank International NV	Garanti Finansal Kiralama AŞ	Garanti Holding BV
COMMON EQUITY TIER I CAPITAL			
Paid-in Capital to be Entitled for Compensation after All Creditors	386,379	357,848	1,029,352
Share Premium	-	-	36,183
Share Cancellation Profits	-	-	-
Reserves	956,232	238,680	(507,545)
Other Comprehensive Income according to TAS (*)	19,907	-	33,626
Current and Prior Periods' Profits	139,784	91,034	18,788
Common Equity Tier I Capital Before Deductions	1,502,302	687,562	610,404
Deductions From Common Equity Tier I Capital			
Current and Prior Periods' Losses not Covered by Reserves, and Losses Accounted under Equity according to TAS (-)	85,138	287	2,253
Leasehold Improvements on Operational Leases (-)	-	-	12,053
Goodwill and Other Intangible Assets and Related Deferred Taxes (-)	3,378	833	32,486
Net Deferred Tax Asset/Liability (-)	-	-	6,048
Total Deductions from Common Equity Tier I Capital	88,516	1,120	52,840
Total Common Equity Tier I Capital	1,413,786	686,442	557,564
Total Deductions From Tier I Capital	13,513	3,332	154,137
Total Tier I Capital	1,400,273	683,110	403,427
TIER II CAPITAL	83,667	-	50,797
CAPITAL BEFORE DEDUCTIONS	1,483,940	683,110	454,224
Net Book Values of Movables and Immovables Exceeding the Limit Defined in the Article 57, Clause 1 of the Banking Law and the Assets Acquired against Overdue Receivables and Held for Sale but Retained more than Five Years (-)	-	6	-
TOTAL CAPITAL	1,483,940	683,104	454,224

5.1.8.2 Investments in affiliates

	Affiliate	Address (City/ Country)	Bank's Share – If Different, Voting Rights (%)	Bank's Risk Group Share (%)
1	Garanti Bilişim Teknolojisi ve Tic. TAŞ	Istanbul/Turkey	100.00	100.00
2	Garanti Ödeme Sistemleri AŞ	Istanbul/Turkey	99.96	100.00
3	Garanti Hizmet Yönetimi AŞ	Istanbul/Turkey	96.40	99.40
4	Garanti Kültür AŞ	Istanbul/Turkey	100.00	100.00
5	Garanti Konut Finansmanı Danışmanlık Hiz. AŞ	Istanbul/Turkey	100.00	100.00
6	Garanti Finansal Kiralama AŞ	Istanbul/Turkey	100.00	100.00
7	Garanti Faktoring Hizmetleri AŞ	Istanbul/Turkey	81.84	81.84
8	Garanti Yatırım Menkul Kıymetler AŞ	Istanbul/Turkey	100.00	100.00
9	Garanti Portföy Yönetimi AŞ	Istanbul/Turkey	100.00	100.00
10	Garanti Emeklilik ve Hayat AŞ	Istanbul/Turkey	84.91	84.91
11	Garanti Bank International NV	Amsterdam/The Netherlands	100.00	100.00
12	Garanti Bank Moscow	Moscow/Russia	99.94	100.00
13	Garanti Holding BV	Amsterdam/The Netherlands	100.00	100.00

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	Total Assets	Shareholders' Equity	Total Fixed Assets (*)	Interest Income	Income on Securities Portfolio	Current Period Profit/Loss	Prior Period Profit/Loss	Company's Fair Value
1	65,075	59,105	57	1,357	3,333	8,843	13,978	-
2	27,271	18,157	1,622	862	670	962	912	-
3	8,843	8,414	29	-	528	2,306	2,464	-
4	2,950	1,680	561	-	18	772	140	-
5	4,287	3,446	1	-	273	379	774	-
6	4,907,222	873,250	100,213	374,005	-	110,292	91,034	-
7	2,970,521	165,762	5,105	239,739	-	25,430	20,516	-
8	88,638	47,468	10,054	3,594	2,274	6,146	4,536	-
9	44,690	39,271	5,254	2,762	7	8,029	10,777	-
10	1,407,382	1,079,422	34,735	110,910	8,941	194,445	171,424	-
11	15,841,705	1,646,566	81,130	441,699	99,751	34,395	139,784	-
12	446,267	118,219	21,911	27,200	19,422	(8,650)	12,384	-
13	1,027,038	1,026,915	-	2	-	(217)	(234)	-

(1) Total fixed assets include tangible and intangible assets.

(*) Valued at equity accounting.

5.1.8.3 Movement of investments in affiliates

	Current Period	Prior Period
Balance at Beginning of Period	3,708,418	3,452,625
Movements during the Period	738,081	255,793
Acquisitions	-	543
Bonus Shares Received	-	-
Earnings from Current Year Profit	400,315	439,123
Sales/Liquidations	-	-
Reclassification of Shares	-	-
Increase/(Decrease) in Market Values	70,122	(18,029)
Currency Differences on Foreign Affiliates	267,644	(165,844)
Impairment Reversals/(Losses)	-	-
Balance at End of Period	4,446,499	3,708,418
Capital Commitments	-	-
Share Percentage at the End of Period (%)	-	-

5.1.8.4 Sectoral distribution of investments in affiliates

Affiliates	Current Period	Prior Period
Banks	1,764,623	1,521,057
Insurance Companies	916,536	751,095
Factoring Companies	135,644	114,907
Leasing Companies	871,165	687,274
Finance Companies	654,295	529,849
Other Affiliates	104,236	104,236

5.1.8.5 Quoted affiliates

None.

5.1.8.6 Valuation methods of investments in affiliates

Affiliates	Current Period	Prior Period
Valued at Cost	104,236	104,236
Valued at Fair Value	4,342,263	3,604,182

(*) The balances are as per the results of equity accounting application.

5.1.8.7 Investments in affiliates disposed during the current period

None.

5.1.8.8 Investments in affiliates acquired during the current period

None.

5.1.9 Investments in Joint-Ventures

None.

5.1.10 Lease receivables

None.

5.1.11 Derivative financial assets held for risk management

5.1.11.1 Positive differences on derivative financial instruments held for risk management

Derivative Financial Assets Held for Risk Management	Current Period		Prior Period	
	TL	FC	TL	FC
Fair Value Hedges	60,616	7,483	31,158	83
Cash Flow Hedges	28,448	584,450	15,044	119,967
Net Foreign Investment Hedges	-	-	-	-
Total	89,064	591,933	46,202	120,050

As of 31 December 2015, the face values and the net fair values, recognised in the balance sheet, of the derivative financial instruments held for risk management purposes, are summarized below:

	Current Period			Prior Period		
	Face Value	Asset	Liability	Face Value	Asset	Liability
Interest Rate Swaps	18,791,415	101,340	120,219	12,215,225	46,285	168,109
-TL	5,239,355	89,064	10,928	6,034,049	46,202	99,572
-FC	13,552,060	12,276	109,291	6,181,176	83	68,537
Cross Currency Swaps	5,279,626	579,657	130,272	5,215,329	119,967	111,274
-TL	1,868,085	-	-	2,090,223	-	-
-FC	3,411,541	579,657	130,272	3,125,106	119,967	111,274
Total	24,071,041	680,997	250,491	17,430,554	166,252	279,383

5.1.11.1.1 Fair value hedge accounting

Current Period						
Hedging Item	Hedged Item	Type of Risk	Fair Value Change of Hedged Item	Net Fair Value Change of Hedging Item		Income Statement Effect (gains/losses from derivative financial instruments)
				Asset	Liability	
Interest Rate Swaps	Fixed-rate commercial loans	Interest rate risk	65,224	8,104	(78,491)	(5,163)
Interest Rate Swaps	Fixed-rate mortgage loans	Interest rate risk	173	-	(313)	(140)
Interest Rate Swaps	Fixed-rate securities	Interest rate risk	(48,755)	59,995	(12,487)	(1,247)
Cross Currency Swaps	Fixed-rate securities issued	Interest rate and foreign currency exchange rate risk	(13,669)	-	(130,272)	(143,941)

Prior Period						
Hedging Item	Hedged Item	Type of Risk	Fair Value Change of Hedged Item	Net Fair Value Change of Hedging Item		Income Statement Effect (gains/losses from derivative financial instruments)
				Asset	Liability	
Interest Rate Swaps	Fixed-rate commercial loans	Interest rate risk	39,256	3,000	(57,277)	(15,021)
Interest Rate Swaps	Fixed-rate securities	Interest rate risk	42,104	28,241	(91,167)	(20,822)
Cross Currency Swaps	Fixed-rate securities issued	Interest rate and foreign currency exchange rate risk	(12,511)	-	(63,059)	(75,570)

5.1.11.1.2 Cash flow hedge accounting

Current Period							
Hedging Item	Hedged Item	Type of Risk	Fair Value Change of Hedged Item		Gains/Losses Accounted under Shareholders' Equity in the Period	Gains/Losses Accounted under Income Statement in the Period	Ineffective Portion (net) Accounted under Income Statement
			Asset	Liability			
Interest Rate Swaps	Floating-rate securities issued	Cash flow risk resulted from change in market interest rates	74	-	101	133	-
Interest Rate Swaps	Floating-rate funds borrowed	Cash flow risk resulted from change in market interest rates	33,167	(28,928)	8,616	847	(1,219)
Cross Currency Swaps	Floating-rate securities issued	Cash flow risk resulted from change in market interest rates and foreign currency exchange rates	262,771	-	4,416	24,784	11
Cross Currency Swaps	Floating-rate funds borrowed	Cash flow risk resulted from change in market interest rates and foreign currency exchange rates	316,886	-	69,335	70,610	921

In the current period, the amounts reclassified from the shareholders' equity to the income statement and the losses recognised in the shareholders' equity due to the ceased hedging transactions are TL 1,238 thousands and TL 619 thousands, respectively.

Prior Period							
Hedging Item	Hedged Item	Type of Risk	Fair Value Change of Hedged Item		Gains/Losses Accounted under Shareholders' Equity in the Period	Gains/Losses Accounted under Income Statement in the Period	Ineffective Portion (net) Accounted under Income Statement
			Asset	Liability			
Interest Rate Swaps	Floating-rate funds borrowed	Cash flow risk resulted from change in market interest rates	15,044	(19,665)	(41,815)	(16,302)	-
Cross Currency Swaps	Floating-rate securities issued	Cash flow risk resulted from change in market interest rates and foreign currency exchange rates	76,306	-	(8,749)	27,285	-
Cross Currency Swaps	Floating-rate funds borrowed	Cash flow risk resulted from change in market interest rates and foreign currency exchange rates	43,661	(48,215)	(5,312)	(13,246)	-

5.1.12 Tangible assets

	Real Estates	Leased Tangible Assets	Vehicles	Other Tangible Assets	Total
At End of Prior Period:					
Cost	1,185,568	324,109	14,635	1,470,494	2,994,806
Accumulated Depreciation (-)	(307,526)	(314,940)	(11,099)	(1,003,824)	(1,637,389)
Net Book Value at End of Prior Period	878,042	9,169	3,536	466,670	1,357,417
At End of Current Period:					
Additions	167,354	14,880	1,401	284,958	468,593
Revaluation Model Difference	1,467,281	-	-	-	1,467,281
Transfers from Investment Property	22,954	-	-	-	22,954
Disposals (Costs)	(14,240)	(12,794)	(559)	(68,020)	(95,613)
Disposals (Accumulated Depreciation)	4,730	12,792	555	36,807	54,884
Impairment/Reversal of Impairment Losses	(10,815)	-	-	-	(10,815)
Depreciation Expense for Current Period (-)	(21,301)	(3,030)	(1,328)	(164,817)	(190,476)
Effect of Netting-Off Gross Book Value and Accumulated Depreciation Upon Applying Revaluation Model as per TAS 16	321,532	-	-	-	321,532
Cost at End of Current Period	2,496,570	326,195	15,477	1,687,432	4,525,674
Accumulated Depreciation at End of Current Period	(2,565)	(305,178)	(11,872)	(1,131,834)	(1,451,449)
Net Book Value at End of Current Period	2,494,005	21,017	3,605	555,598	3,074,225

As of 31 December 2015, the revaluation model effect, net of deferred tax, for real estates under tangible assets amounting to TL 1,456,505 thousands were accounted under shareholders' equity.

As of 31 December 2015, the net book value of real estates under cost model instead of revaluation model is TL 1,026,401 thousands (31 December 2014: TL 878,041 thousands).

In 2015, TL 55,541 thousands (31 December 2014: TL 2,880 thousands) were provisioned and TL 44,726 thousands (31 December 2014: TL 2,157 thousands) were reversed for real estates as per the valuation study performed in accordance with the Turkish Accounting Standard 36 (TAS36) "Impairment of Assets".

5.1.13 Intangible assets

5.1.13.1 Useful lives and amortisation rates

Intangible assets include softwares and other intangible assets. The estimated useful lives of such assets vary between 3 and 15 years.

5.1.13.2 Amortisation methods

Intangible assets are amortised on a straight-line basis from the date of capitalisation.

5.1.13.3 Balances at beginning and end of current period

	Beginning of Period		End of Period	
	Cost	Accumulated Amortisation	Cost	Accumulated Amortisation
Intangible Assets	377,591	195,001	331,479	157,513

5.1.13.4 Movements of intangible assets for current period

	<i>Current Period</i>	<i>Prior Period</i>
Net Book Value at End of Prior Period	173,966	58,770
Internally Generated Intangibles	-	-
Additions due to Mergers, Transfers and Acquisition	46,353	149,124
Disposals (-)	(235)	(108)
Impairment Losses/Reversals to/from Revaluation Surplus	-	-
Impairment Losses Recorded in Income Statement	-	-
Impairment Losses Reversed from Income Statement	-	-
Amortisation Expense for Current Period (-)	(37,054)	(33,820)
Currency Translation Differences on Foreign Operations	(440)	-
Other Movements	-	-
Net Book Value at End of Current Period	182,590	173,966

5.1.13.5 Details for any individually material intangible assets

None.

5.1.13.6 Intangible assets capitalised under government incentives at fair values

None.

5.1.13.7 Revaluation method of intangible assets capitalised under government incentives and valued at fair values at capitalisation dates

None.

5.1.13.8 Net book value of intangible asset that are restricted in usage or pledged

None.

5.1.13.9 Commitments to acquire intangible assets

None.

5.1.13.10 Disclosure on revalued intangible assets

None.

5.1.13.11 Research and development costs expensed during current period

None.

5.1.13.12 Goodwill

None.

5.1.13.13 Movements in goodwill during current period

None.

5.1.14 Investment property

	<i>Current Period</i>	<i>Prior Period</i>
Net Book Value at Beginning Period	374,945	324,388
Additions	-	9,489
Transfers to Tangible Assets	(22,954)	-
Fair Value Change	29,279	41,068
Net Book Value at End of Current Period	381,270	374,945

The investment property is held for operational leasing purposes.

As of 31 December 2015, a total gain of TL 29,279 thousands from revaluation of investment property is included in other operating income.

5.1.15 Deferred tax asset

As of 31 December 2015, the Bank has a deferred tax asset of TL 381,541 thousands (31 December 2014: TL 477,385 thousands) calculated as the net amount remaining after netting of tax deductible timing differences and taxable timing differences.

The Bank does not have any deferred tax assets on tax losses carried forward or tax deductions and exemptions as of 31 December 2015. However, there is a deferred tax asset of TL 578,378 thousands (31 December 2014: TL 572,389 thousands) and deferred tax liability of TL 196,837 thousands (31 December 2014: TL 95,004 thousands) presented as net in the accompanying financial statements on all taxable temporary differences arising between the carrying amounts and the taxable amounts of assets and liabilities on the financial statements that will be considered in the calculation of taxable earnings in the future periods.

For the cases where such differences are related with certain items on the shareholders' equity accounts, the deferred taxes are charged or credited directly to these accounts.

	<i>Current Period</i>		<i>Prior Period</i>	
	Tax Base	Deferred Tax Amount	Tax Base	Deferred Tax Amount
Provisions (*)	825,024	165,005	656,754	131,351
Differences between the Carrying Values and Taxable Values of Financial Assets (**)	691,156	158,867	1,380,566	274,453
Revaluation Differences on Real Estates	(1,723,078)	(23,459)	-	-
Other	405,643	81,128	247,317	71,581
Total Deferred Tax Asset, Net	198,745	381,541	2,284,637	477,385

(*) Consists of reserve for employee benefits, provision for promotion expenses of credit cards and other provisions.

(**) Calculations are performed at the relevant tax rates applicable in the country of the foreign branches' financial assets.

As of 31 December 2015, TL 174,198 thousands of deferred tax expense (31 December 2014: TL 359,131 thousands of deferred tax income) and TL 78,354 thousands of deferred tax income (31 December 2014: TL 116,413 thousands of deferred tax expense) are recognised in the income statement and the shareholders' equity, respectively.

5.1.16 Assets held for sale and assets of discontinued operations

	<i>Current Period</i>	<i>Prior Period</i>
End of Prior Period		
Cost	178,986	152,094
Accumulated Depreciation (-)	(7,970)	(5,990)
Net Book Value	171,016	146,104
End of Current Period		
Additions	263,352	106,021
Disposals (Cost)	(84,386)	(77,188)
Disposals (Accumulated Depreciation)	3,886	1,212
Impairment Losses (-)	(1,792)	(1,941)
Depreciation Expense for Current Period (-)	(5,097)	(3,192)
Currency Translation Differences on Foreign Operations	-	-
Cost	356,160	178,986
Accumulated Depreciation (-)	(9,181)	(7,970)
Net Book Value	346,979	171,016

As of balance sheet date, the net book values of assets held for sale on which rights of repurchase exist amounting to TL 258,845 thousands (31 December 2014: TL 26,361 thousands).

5.1.17 Other assets

5.1.17.1 Receivables from term sale of assets

	<i>Current Period</i>	<i>Prior Period</i>
Sale of Investments in Associates, Affiliates and Joint Ventures	-	-
Sale of Real Estates	-	1,062
Sale of Other Assets	3,127	3,071
Total	3,127	4,133

5.1.17.2 Prepaid expenses, taxes and similar items

	<i>Current Period</i>	<i>Prior Period</i>
Prepaid Expenses	389,443	363,379
Prepaid Taxes	-	-

5.1.18 Accrued interest and income

The details of accrued interest and income allocated to the related items on the assets side of the balance sheet are as follows:

	<i>Current Period</i>		<i>Prior Period</i>	
	TL	FC	TL	FC
Central Bank of Turkey	26,710	5	866	-
Financial Assets at Fair Value through Profit or Loss	352	540	180	17,399
Banks	672	11,529	11,994	14,892
Interbank Money Markets	-	1	-	1
Financial Assets Available-for-Sale	1,036,656	14,863	1,327,998	69,904
Loans	1,439,128	653,153	1,110,738	608,296
Investments Held-to-Maturity	1,670,426	124,392	1,242,349	116,557
Other Accruals	8,099	-	5,054	-
Total	4,182,043	804,483	3,699,179	827,049

5.2 Liabilities

5.2.1 Maturity profile of deposits

<i>Current Period</i>	Demand	7 Days Notice	Up to 1 Month	1-3 Months	3-6 Months	6-12 Months	1 Year and Over	Accumulating Deposit Accounts	Total
Saving Deposits	7,209,432	-	2,979,904	34,257,111	1,104,133	327,887	481,267	4,699	46,364,433
Foreign Currency Deposits	14,356,851	-	6,633,102	30,908,146	3,113,640	3,138,788	11,476,049	56,573	69,683,149
Residents in Turkey	13,566,495	-	6,227,505	28,221,569	2,651,518	1,064,402	796,622	55,408	52,583,519
Residents in Abroad	790,356	-	405,597	2,686,577	462,122	2,074,386	10,679,427	1,165	17,099,630
Public Sector Deposits	624,252	-	7,629	26,642	43	144	31	-	658,741
Commercial Deposits	6,178,956	-	3,617,921	4,298,918	170,551	389,198	574,360	-	15,229,904
Other	210,284	-	89,687	1,147,371	268,316	3,434	524,269	-	2,243,361
Precious Metal Deposits	1,085,578	-	106	11,175	-	57	101,849	-	1,198,765
Bank Deposits	1,814,017	-	1,579,003	340,476	1,567,749	91,248	128,486	-	5,520,979
Central Bank of Turkey	-	-	700,209	-	-	-	-	-	700,209
Domestic Banks	2,975	-	859,410	290,933	2,056	-	4	-	1,155,378
Foreign Banks	709,340	-	19,384	49,543	1,565,693	91,248	128,482	-	2,563,690
Special Financial Institutions	1,101,702	-	-	-	-	-	-	-	1,101,702
Other	-	-	-	-	-	-	-	-	-
Total	31,479,370	-	14,907,352	70,989,839	6,224,432	3,950,756	13,286,311	61,272	140,899,332

<i>Prior Period</i>	Demand	7 Days Notice	Up to 1 Month	1-3 Months	3-6 Months	6-12 Months	1 Year and Over	Accumulating Deposit Accounts	Total
Saving Deposits	6,244,814	-	3,665,685	29,247,066	2,183,560	1,004,915	648,068	4,235	42,998,343
Foreign Currency Deposits	10,542,357	-	6,007,500	21,251,376	4,374,215	3,978,925	5,803,385	56,466	52,014,224
Residents in Turkey	9,743,242	-	5,841,715	18,773,727	3,215,937	1,352,314	563,655	54,785	39,545,375
Residents in Abroad	799,115	-	165,785	2,477,649	1,158,278	2,626,611	5,239,730	1,681	12,468,849
Public Sector Deposits	757,159	-	2,386	25,054	149	55	28	-	784,831
Commercial Deposits	5,327,908	-	2,997,233	5,755,260	266,108	222,962	642,621	-	15,212,092
Other	141,075	-	120,899	1,619,081	25,053	398,009	4,340	-	2,308,457
Precious Metal Deposits	1,467,539	-	958	52,885	19	2,041	100,285	-	1,623,727
Bank Deposits	1,902,904	-	455,715	346,384	2,174,233	257,984	229,087	-	5,366,307
Central Bank of Turkey	-	-	-	-	-	-	-	-	-
Domestic Banks	3,839	-	453,565	102,842	-	114,754	29,231	-	704,231
Foreign Banks	664,890	-	2,150	243,542	2,174,233	143,230	199,856	-	3,427,901
Special Financial Institutions	1,234,175	-	-	-	-	-	-	-	1,234,175
Other	-	-	-	-	-	-	-	-	-
Total	26,383,756	-	13,250,376	58,297,106	9,023,337	5,864,891	7,427,814	60,701	120,307,981

5.2.1.1 Saving deposits and other deposit accounts insured by Saving Deposit Insurance Fund

Saving deposits covered by deposit insurance and total amount of deposits exceeding insurance coverage limit:

	Covered by Deposit Insurance		Over Deposit Insurance Limit	
	Current Period	Prior Period	Current Period	Prior Period
Saving Deposits	24,378,726	22,432,735	21,652,836	20,244,528
Foreign Currency Saving Deposits	8,175,797	6,086,988	27,111,189	18,217,256
Other Saving Deposits	590,229	999,391	576,940	575,691
Deposits held at Foreign Branches Under Foreign Insurance Coverage	-	-	-	-
Deposits held at Off-Shore Branches Under Foreign Insurance Coverage	-	-	-	-

5.2.1.2 Saving deposits at domestic branches of foreign banks in Turkey under the coverage of foreign insurance

None.

5.2.1.3 Saving deposits not covered by insurance limits

	Current Period	Prior Period
Deposits and Other Accounts held at Foreign Branches	673,677	608,592
Deposits and Other Accounts held by Shareholders and their Relatives	-	-
Deposits and Other Accounts of the Chairman and Members of Board of Directors, Chief Executive Officer, Senior Executive Officers and their Relatives	658,628	554,203
Deposits and Other Accounts held as Assets subject to the Crime defined in the Article 282 of the Turkish Criminal Code no. 5237 dated 26 September 2004	-	-
Deposits at Depository Banks established for Off-Shore Banking Activities in Turkey	-	-

5.2.2 Negative differences on derivative financial liabilities held for trading

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward transactions	221,159	124,268	193,167	31,322
Swap transactions	1,093,920	350,255	667,600	463,857
Futures	-	3,320	-	649
Options	354,740	115,975	206,022	11,626
Other	-	-	-	-
Total	1,669,819	593,818	1,066,789	507,454

5.2.3 Funds borrowed

	Current Period		Prior Period	
	TL	FC	TL	FC
Central Bank of Turkey	-	-	-	-
Domestic Banks and Institutions	259,222	331,117	223,949	265,357
Foreign Banks, Institutions and Funds	2,283,041	30,564,417	3,732,110	28,101,994
Total	2,542,263	30,895,534	3,956,059	28,367,351

5.2.3.1 Maturities of funds borrowed

	<i>Current Period</i>		<i>Prior Period</i>	
	TL	FC	TL	FC
Short-Term	259,222	660,528	399,929	8,208,084
Medium and Long-Term	2,283,041	30,235,006	3,556,130	20,159,267
Total	2,542,263	30,895,534	3,956,059	28,367,351

The Bank classified certain borrowings obtained through securitisations amounting to USD 2,000,000,000 as financial liability at fair value through profit/loss at the initial recognition. As of 31 December 2015, the accumulated credit risk change and the credit risk change recognised in the income statement amounted to TL 127,296 thousands and TL 416,672 thousands, respectively. The carrying value of the related financial liability amounted to TL 5,688,704 thousands, and the related current period gain amounted to TL 416,672 thousands.

5.2.3.2 Disclosures for concentration areas of bank's liabilities

The Bank finances its ordinary banking activities through deposits and funds borrowed. Its deposit structure has a balanced TL and foreign currency concentration. The Bank's other funding sources specifically consist of foreign currency funds borrowed from abroad, TL funds obtained through repurchase transactions, and TL and foreign currency securities issued.

5.2.4 Other external funds

5.2.4.1 Securities issued

<i>Current Period</i>	TL		FC	
	Short-Term	Medium and Long-Term	Short-Term	Medium and Long-Term
	Nominal	802,079	2,827,547	160,141
Cost	779,806	2,636,089	160,141	10,918,171
Carrying Value ^(*)	790,461	2,615,083	160,472	10,632,753

<i>Prior Period</i>	TL		FC	
	Short-Term	Medium and Long-Term	Short-Term	Medium and Long-Term
	Nominal	1,200,782	2,955,871	544,114
Cost	1,170,442	2,742,947	544,110	9,085,124
Carrying Value ^(*)	1,088,546	2,837,652	547,127	8,878,922

^(*) The Bank repurchased its own TL securities with a total face value of TL 121,998 thousands (31 December 2014: TL 149,501 thousands) and foreign currency securities with a total face value of USD 206,730,000 (31 December 2014: USD 206,730,000) and netted off such securities in the accompanying financial statements.

The Bank classified certain securities amounting to TL 30,665 thousands and RON 34,500,000 as financial liability at fair value through profit/loss at the initial recognition. As of 31 December 2015, the accumulated positive and negative credit risk changes and the positive credit risks changes recognised in the income statement amounted to TL 68 thousands and TL 2,584 thousands and TL 68 thousands and TL 297 thousands, respectively. The carrying value of the related financial liability amounted to TL 31,025 thousands and TL 27,419 thousands, and the related current period losses and gains amounted to TL 359 thousands and TL 496 thousands, respectively.

5.2.4.2 Funds provided through repurchase transactions

	<i>Current Period</i>		<i>Prior Period</i>	
	TL	FC	TL	FC
Domestic Transactions	12,521,178	-	4,230,145	-
Financial Institutions and Organizations	12,474,644	-	4,163,450	-
Other Institutions and Organizations	14,308	-	24,652	-
Individuals	32,226	-	42,043	-
Foreign Transactions	75	2,546,908	667,001	6,488,774
Financial Institutions and Organizations	-	2,546,908	666,879	6,488,774
Other Institutions and Organizations	-	-	120	-
Individuals	75	-	2	-
Total	12,521,253	2,546,908	4,897,146	6,488,774

5.2.4.3 Miscellaneous payables

	<i>Current Period</i>		<i>Prior Period</i>	
	TL	FC	TL	FC
Payables from credit card transactions	6,886,185	54,592	5,879,730	49,304
Other	246,079	1,149,996	249,575	683,543
Total	7,132,264	1,204,588	6,129,305	732,847

5.2.5 Lease payables (Net)

5.2.5.1 Financial lease payables

	<i>Current Period</i>		<i>Prior Period</i>	
	Gross	Net	Gross	Net
Up to 1 Year	8,835	7,947	573	536
1-4 Years	3,150	3,021	3	2
More than 4 Years	-	-	-	-
Total	11,985	10,968	576	538

5.2.5.2 Operational lease agreements

The operational leasing agreements are signed for some branches and ATM's. The agreements are prepared annually and annual rents are paid in advance and recorded as prepaid expense in "other assets". The Bank does not have any commitments arising on the existing operational lease agreements.

5.2.6 Derivative financial liabilities held for risk management

Derivative Financial Liabilities held for Risk Management	<i>Current Period</i>		<i>Prior Period</i>	
	TL	FC	TL	FC
Fair Value Hedges	10,928	210,635	99,572	111,931
Cash Flow Hedges	-	28,928	-	67,880
Net Foreign Investment Hedges	-	-	-	-
Total	10,928	239,563	99,572	179,811

5.2.7 Provisions

5.2.7.1 General provisions

	<i>Current Period</i>	<i>Prior Period</i>
General Provision for	3,002,057	2,434,629
Loans and Receivables in Group I	2,499,552	2,105,409
- Additional Provision for Loans and Receivables with Extended Maturities	110,922	82,754
Loans and Receivables in Group II	350,733	188,973
- Additional Provision for Loans and Receivables with Extended Maturities	95,817	56,332
Non-Cash Loans	151,772	140,247
Others	-	-

5.2.7.2 Provisions for foreign exchange differences on foreign currency indexed loans and financial lease receivables

	<i>Current Period</i>	<i>Prior Period</i>
Short-Term Loans	29,733	13,320
Medium and Long-Term Loans	11,412	11,208
Total	41,145	24,528

Foreign exchange differences on foreign currency indexed loans are netted with loans on the asset side.

5.2.7.3 Provisions for non-cash loans that are not indemnified or converted into cash

	<i>Current Period</i>	<i>Prior Period</i>
Substandard Loans and Receivables - Limited Collectibility	26,570	16,964
Doubtful Loans and Receivables	18,417	13,006
Uncollectible Loans and Receivables	57,122	78,911
Total	102,109	108,881

5.2.7.4 Other provisions

5.2.7.4.1 General reserves for possible losses

	<i>Current Period</i>	<i>Prior Period</i>
General Reserves for Possible Losses	330,000	415,000

5.2.7.4.2 Other provisions

	<i>Current Period</i>	<i>Prior Period</i>
Reserve for Employee Benefits	529,537	497,565
Provision for Promotion Expenses of Credit Cards (*)	86,809	82,436
Provision for Lawsuits	39,530	30,062
Other Provisions	160,022	215,021
Total	815,898	825,084

(*) The Bank provides full allowance for the committed promotion expenses of credit cards as of the balance sheet date.

Recognized liability for defined benefit plan obligations

The Bank obtained an actuarial report dated 7 December 2015 from an independent actuary reflecting the principles and procedures on determining the application of transfer transactions in accordance with the Law and it is determined that the assets of the Plan are above the amount that will be required to be paid to transfer the obligation and the asset surplus amounts to TL 2,408,349 thousands at 31 December 2015 (31 December 2014: TL 2,086,877 thousands) as details are given in the table below.

Furthermore, an actuarial report was prepared as of 31 December 2015 as per the requirements of the Law explained in Note 3.17, the accounting policies related with “employee benefits” for the benefits transferable to the SSF and as per TAS 19 for other benefits not transferable to the SSF and arising from other social rights and payments covered by the existing trust indenture of the Fund and medical benefits provided for employees. Based on the actuary’s 7 December 2015 dated report, the asset surplus over the fair value of the plan assets to be used for the payment of the obligations also fully covers the benefits not transferable and still a surplus of TL 1,336,959 thousands (31 December 2014: TL 1,287,303 thousands) remains as of 31 December 2015 as details are given in the table below.

The Bank’s management, acting prudently, did not consider the health premium surplus amounting TL 528,011 thousands (31 December 2014: TL 512,563 thousands) as stated above and resulted from the present value of medical benefits and health premiums transferable to SSF as of 31 December 2015. However, despite this treatment there are no excess obligation that needs to be provided against.

	<i>Current Period</i>	<i>Prior Period</i>
Transferable Pension and Medical Benefits:		
Net present value of pension benefits transferable to SSF	(608,796)	(528,752)
Net present value of medical benefits and health premiums transferable to SSF	528,011	512,563
General administrative expenses	(33,702)	(29,291)
Present Value of Pension and Medical Benefits Transferable to SSF (1)	(114,487)	(45,480)
Fair Value of Plan Assets (2)	2,522,836	2,132,357
Asset Surplus over Transferable Benefits ((2)-(1)=(3))	2,408,349	2,086,877
Non-Transferable Benefits:		
Other pension benefits	(592,937)	(538,185)
Other medical benefits	(478,453)	(261,389)
Total Non-Transferable Benefits (4)	(1,071,390)	(799,574)
Asset Surplus over Total Benefits ((3)-(4)=(5))	1,336,959	1,287,303
Net Present Value of Medical Benefits and Health Premiums Transferable to SSF – but not considered acting prudently (6)	(528,011)	(512,563)
Present Value of Asset Surplus/(Defined Benefit Obligation) ((5)-(6))	808,948	774,740

The major actuarial assumptions used in the calculation of other benefits not transferable to SSF in compliance with TAS 19 are as follows:

	<i>Current Period</i>	<i>Prior Period</i>
	<i>%</i>	<i>%</i>
Discount Rate (*)	10.30	8.80
Inflation Rate (*)	7.10	6.10
Future Real Salary Increase Rate	1.50	1.50
Medical Cost Trend Rate	40% above inflation	40% above inflation
Future Pension Increase Rate (*)	7.10	6.10

(*) The above rates are effective rates, whereas the rates applied for the calculation differ according to the employees’ years-in-service.

Assumptions regarding future mortality are based on published statistics and mortality tables. The average life expectancy of an individual retiring at age 60 is 17 for males, and at age 58 for females is 23.

5.2.8 Tax liability

5.2.8.1 Current tax liability

5.2.8.1.1 Tax liability

As of 31 December 2015, the Bank had a current tax liability of TL 364,223 thousands (31 December 2014: TL 426,915 thousands) after offsetting with prepaid taxes.

5.2.8.1.2 Taxes payable

	<i>Current Period</i>	<i>Prior Period</i>
Corporate Taxes Payable	363,223	426,915
Taxation on Securities Income	110,161	86,086
Taxation on Real Estates Income	3,396	3,040
Banking Insurance Transaction Tax	96,852	76,956
Foreign Exchange Transaction Tax	74	68
Value Added Tax Payable	11,037	4,993
Others	71,798	60,005
Total	657,541	658,063

5.2.8.1.3 Premiums

	<i>Current Period</i>	<i>Prior Period</i>
Social Security Premiums-Employees	45	42
Social Security Premiums-Employer	55	52
Bank Pension Fund Premium-Employees	18	16
Bank Pension Fund Premium-Employer	18	18
Pension Fund Membership Fees and Provisions-Employees	-	-
Pension Fund Membership Fees and Provisions-Employer	-	-
Unemployment Insurance-Employees	964	782
Unemployment Insurance-Employer	1,941	1,649
Others	21	28
Total	3,062	2,587

5.2.8.2 Deferred tax liability

None.

5.2.9 Liabilities for assets held for sale and assets of discontinued operations

None.

5.2.10 Subordinated debts

On 23 February 2009, the Bank obtained a subordinated debt of EUR 50 millions from Proparco (Societe de Promotion et de Participation pour la Cooperation Economique SA), a company of the French Development Agency Group with an interest of Euribor+3.5% and maturity of 12 years with a repayment option at the end of the seventh year to finance the clean energy projects.

This debt is qualified as secondary subordinated debt to be included in the supplementary capital by the BRSA in the calculation of the Bank's capital adequacy ratio in compliance with the conditions set forth in the "Regulation on Equities of Banks" issued by the BRSA and published in the Official Gazette no.26333 dated 1 November 2006.

	<i>Current Period</i>		<i>Prior Period</i>	
	TL	FC	TL	FC
Domestic Banks	-	-	-	-
Domestic Other Institutions	-	-	-	-
Foreign Banks	-	-	-	-
Foreign Other Institutions	-	159,792	-	140,766
Total	-	159,792	-	140,766

5.2.11 Shareholders' equity

5.2.11.1 *Paid-in capital*

	<i>Current Period</i>	<i>Prior Period</i>
Common Shares	4,200,000	4,200,000
Preference Shares	-	-

5.2.11.2 *Registered share capital system*

Capital	Paid-in Capital	Ceiling per Registered Share Capital
Registered Shares	4,200,000	10,000,000

5.2.11.3 *Capital increases in current period*

None.

5.2.11.4 *Capital increases from capital reserves in current period*

None.

5.2.11.5 *Capital commitments for current and future financial periods*

None.

5.2.11.6 *Possible effect of estimations made for the parent bank's revenues, profitability and liquidity on equity considering prior period indicators and uncertainties*

None.

5.2.11.7 *Information on privileges given to stocks representing the capital*

None.

5.2.11.8 *Securities value increase fund*

	<i>Current Period</i>		<i>Prior Period</i>	
	TL	FC	TL	FC
Investments in Associates, Affiliates and Joint-Ventures	681,119	(22,224)	332,193	(18,439)
Valuation difference	73,280	(22,224)	(627)	(18,439)
Exchange rate difference	607,839	-	332,820	-
Securities Available-for-Sale	(427,154)	210,219	82,568	57,234
Valuation difference	(427,154)	210,219	82,568	57,234
Exchange rate difference	-	-	-	-
Total	253,965	187,995	414,761	38,795

5.2.11.9 Revaluation surplus

	<i>Current Period</i>		<i>Prior Period</i>	
	TL	FC	TL	FC
Movables	-	-	-	-
Real Estates	1,458,644	-	2,140	-
Gain on Sale of Investments in Associates and Affiliates and Real Estates allocated for Capital Increases	173,263	-	172,894	-
Revaluation Surplus on Leasehold Improvements	-	-	-	-

5.2.11.10 Bonus shares of associates, affiliates and joint-ventures

	<i>Current Period</i>	<i>Prior Period</i>
Garanti Yatırım Menkul Değerler AŞ	942	942
Kredi Kartları Bürosu AŞ	481	481
Garanti Ödeme Sistemleri AŞ	401	401
Tat Konserve AŞ	36	36
Doğuş Gayrimenkul Yatırım Ortaklığı AŞ	22	22
Yatırım Finansman Menkul Değerler AŞ	9	9
Total	1,891	1,891

5.2.11.11 Legal reserves

	<i>Current Period</i>	<i>Prior Period</i>
I. Legal Reserve	958,189	956,682
II. Legal Reserve	210,140	174,440
Special Reserves	-	-

5.2.11.12 Extraordinary reserves

	<i>Current Period</i>	<i>Prior Period</i>
Legal reserves that was allocated to be in compliance with the decisions made on the Annual General Assembly	19,159,612	16,119,685
Retained Earnings	-	-
Accumulated Losses	-	-
Exchange Rate Difference on Foreign Currency Capital	-	-

5.2.12 Accrued interest and expenses

The details of accrued interest and expenses allocated to the related items on the liability side of the balance sheet are as follows:

	<i>Current Period</i>		<i>Prior Period</i>	
	TL	FC	TL	FC
Deposits	347,088	159,767	356,411	126,504
Funds Borrowed	91,800	102,171	124,965	389,084
Interbank Money Markets	7,314	9,940	11,247	12,449
Other Accruals	63,557	704,653	74,176	554,889
Total	509,759	976,531	566,799	1,082,926

5.3 Off-Balance Sheet Items

5.3.1 Off-balance sheet contingencies

5.3.1.1 Irrevocable credit commitments

The Bank has term asset purchase and sale commitments of TL 3,060,328 thousands (31 December 2014: TL 5,003,821 thousands), commitments for cheque payments of TL 3,063,159 thousands (31 December 2014: TL 2,874,901 thousands) and commitments for credit card limits of TL 26,826,339 thousands (31 December 2014: TL 25,643,188 thousands).

5.3.1.2 Possible losses, commitments and contingencies resulted from off-balance sheet items

	<i>Current Period</i>	<i>Prior Period</i>
Letters of Guarantee in Foreign Currency	17,332,578	15,065,503
Letters of Guarantee in TL	14,826,457	12,138,797
Letters of Credit	14,286,342	8,634,976
Bills of Exchange and Acceptances	1,538,069	815,887
Prefinancings	-	-
Other Guarantees	109,206	86,702
Total	48,092,652	36,741,865

A specific provision of TL 102,109 thousands (31 December 2014: TL 108,881 thousands) is made for unliquidated non-cash loans of TL 313,985 thousands (31 December 2014: TL 272,978 thousands) recorded under the off-balance sheet items in the accompanying financial statements.

The detailed information for commitments, guarantees and sureties are provided under the statement of “off-balance sheet items”.

5.3.1.3 Non-cash loans

	<i>Current Period</i>	<i>Prior Period</i>
Non-Cash Loans against Cash Risks	4,157,201	2,838,901
With Original Maturity of 1 Year or Less	454,207	402,876
With Original Maturity of More Than 1 Year	3,702,994	2,436,025
Other Non-Cash Loans	43,935,451	33,902,964
Total	48,092,652	36,741,865

5.3.1.4 Sectoral risk concentration of non-cash loans

	<i>Current Period</i>				<i>Prior Period</i>			
	TL	(%)	FC	(%)	TL	(%)	FC	(%)
Agriculture	59,203	0.40	20,610	0.06	60,259	0.49	18,947	0.08
Farming and Stockbreeding	53,926	0.36	14,859	0.04	55,270	0.45	9,682	0.04
Forestry	3,897	0.03	5,066	0.02	3,528	0.03	4,723	0.02
Fishery	1,380	0.01	685	-	1,461	0.01	4,542	0.02
Manufacturing	4,251,238	28.61	16,122,283	48.51	4,030,137	33.17	14,086,467	57.29
Mining and Quarrying	151,428	1.02	164,179	0.49	115,972	0.95	271,787	1.11
Production	2,450,646	16.49	11,100,367	33.40	2,283,718	18.80	8,803,109	35.80
Electricity, Gas, Water	1,649,164	11.10	4,857,737	14.62	1,630,447	13.42	5,011,571	20.38
Construction	2,091,782	14.08	3,665,678	11.03	1,608,826	13.24	2,997,222	12.19
Services	7,313,986	49.22	12,169,678	36.61	5,500,413	45.27	6,079,358	24.72
Wholesale and Retail Trade	5,223,467	35.16	8,053,245	24.23	3,895,475	32.06	2,687,384	10.93
Accommodation and Dining	297,037	2.00	215,078	0.65	238,277	1.96	147,958	0.60
Transportation and Telecommunication	501,237	3.37	1,047,718	3.15	419,462	3.45	728,527	2.96
Financial Institutions	930,766	6.26	2,593,893	7.80	607,819	5.00	2,283,006	9.28
Real Estate and Rental Services	262,149	1.76	236,803	0.71	228,174	1.88	186,376	0.76
Professional Services	-	-	-	-	-	-	-	-
Educational Services	22,140	0.15	10,322	0.03	22,990	0.19	10,234	0.04
Health and Social Services	77,190	0.52	12,619	0.04	88,216	0.73	35,873	0.15
Others	1,142,116	7.69	1,256,078	3.79	949,689	7.83	1,410,547	5.72
Total	14,858,325	100.00	33,234,327	100.00	12,149,324	100.00	24,592,541	100.00

5.3.1.5 Non-cash loans classified under Group I and II

	Group I		Group II	
	TL	FC	TL	FC
Current Period				
Non-Cash Loans	14,710,093	32,526,428	148,232	707,899
Letters of Guarantee	14,678,225	16,793,372	148,232	539,206
Bills of Exchange and Bank Acceptances	20,793	1,515,117	-	2,159
Letters of Credit	11,075	14,108,733	-	166,534
Endorsements	-	-	-	-
Underwriting Commitments	-	-	-	-
Factoring Related Guarantees	-	-	-	-
Other Guarantees and Surities	-	109,206	-	-

	Group I		Group II	
	TL	FC	TL	FC
Prior Period				
Non-Cash Loans	12,052,431	24,395,260	96,893	197,281
Letters of Guarantee	12,041,904	14,871,540	96,893	193,963
Bills of Exchange and Bank Acceptances	9,600	803,128	-	3,159
Letters of Credit	927	8,633,890	-	159
Endorsements	-	-	-	-
Underwriting Commitments	-	-	-	-
Factoring Related Guarantees	-	-	-	-
Other Guarantees and Surities	-	86,702	-	-

5.3.2 Financial derivative instruments

<i>Current Period</i>	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Total
Derivative Financial Instruments held for Risk Management						
A. Total Derivative Financial Instruments held for Risk Management	-	800,000	1,482,385	12,130,687	9,657,969	24,071,041
Fair Value Hedges	-	-	2,000	4,457,333	8,246,516	12,705,849
Cash Flow Hedges	-	800,000	1,480,385	7,673,354	1,411,453	11,365,192
Net Foreign Investment Hedges	-	-	-	-	-	-
Trading Derivatives						
Foreign Currency related Derivative Transactions (I)	75,660,824	33,923,846	60,404,687	13,344,189	-	183,333,546
Currency Forwards-Purchases	6,316,719	4,168,863	4,708,540	1,376,019	-	16,570,141
Currency Forwards-Sales	5,710,864	4,289,908	5,041,453	1,464,935	-	16,507,160
Currency Swaps-Purchases	25,553,116	2,474,359	5,021,481	1,631,533	-	34,680,489
Currency Swaps-Sales	22,029,744	2,482,660	5,585,839	1,711,599	-	31,809,842
Currency Options-Purchases	7,907,588	10,018,035	18,935,949	3,445,881	-	40,307,453
Currency Options-Sales	8,142,793	10,486,904	20,910,640	3,629,918	-	43,170,255
Currency Futures-Purchases	-	3,117	4,311	-	-	7,428
Currency Futures-Sales	-	-	196,474	84,304	-	280,778
Interest Rate related Derivative Transactions (II)	140	200,000	5,632,931	17,841,609	11,031,016	34,705,696
Interest Rate Swaps-Purchases	70	100,000	1,624,844	7,244,531	5,253,157	14,222,602
Interest Rate Swaps-Sales	70	100,000	1,624,844	7,244,531	5,253,157	14,222,602
Interest Rate Options-Purchases	-	-	2,383,243	3,352,547	524,702	6,260,492
Interest Rate Options-Sales	-	-	-	-	-	-
Securities Options-Purchases	-	-	-	-	-	-
Securities Options-Sales	-	-	-	-	-	-
Interest Rate Futures-Purchases	-	-	-	-	-	-
Interest Rate Futures-Sales	-	-	-	-	-	-
Other Trading Derivatives (III)	4,694,860	459,682	672,330	1,613,206	4,362,000	11,802,078
B. Total Trading Derivatives (I+II+III)	80,355,824	34,583,528	66,709,948	32,799,004	15,393,016	229,841,320
Total Derivative Transactions (A+B)	80,355,824	35,383,528	68,192,333	44,929,691	25,050,985	253,912,361

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<i>Prior Period</i>	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Total
Derivative Financial Instruments held for Risk Management						
A. Total Derivative Financial Instruments held for Risk Management	-	-	683,517	10,927,869	5,819,168	17,430,554
Fair Value Hedges	-	-	683,517	3,815,434	4,338,089	8,837,040
Cash Flow Hedges	-	-	-	7,112,435	1,481,079	8,593,514
Net Foreign Investment Hedges	-	-	-	-	-	-
Trading Derivatives						
Foreign Currency related Derivative Transactions (I)	56,352,980	25,124,292	43,371,292	11,068,637	-	135,917,201
Currency Forwards-Purchases	4,470,251	1,721,442	4,621,347	721,646	-	11,534,686
Currency Forwards-Sales	4,400,413	1,536,471	4,686,307	800,650	-	11,423,841
Currency Swaps-Purchases	19,946,721	4,963,974	6,976,251	3,143,962	-	35,030,908
Currency Swaps-Sales	16,863,036	4,984,200	7,120,045	3,447,238	-	32,414,519
Currency Options-Purchases	5,290,073	5,786,269	9,705,702	1,382,356	-	22,164,400
Currency Options-Sales	5,382,486	6,092,425	10,261,640	1,572,785	-	23,309,336
Currency Futures-Purchases	-	19,099	-	-	-	19,099
Currency Futures-Sales	-	20,412	-	-	-	20,412
Interest Rate related Derivative Transactions (II)	29,966	92,200	2,364,359	15,565,144	5,407,332	23,459,001
Interest Rate Swaps-Purchases	14,983	-	579,777	6,726,276	2,703,666	10,024,702
Interest Rate Swaps-Sales	14,983	-	579,777	6,726,276	2,703,666	10,024,702
Interest Rate Options-Purchases	-	-	1,204,805	2,112,592	-	3,317,397
Interest Rate Options-Sales	-	-	-	-	-	-
Securities Options-Purchases	-	-	-	-	-	-
Securities Options-Sales	-	-	-	-	-	-
Interest Rate Futures-Purchases	-	-	-	-	-	-
Interest Rate Futures-Sales	-	92,200	-	-	-	92,200
Other Trading Derivatives (III)	3,299,635	670,392	198,642	1,152,500	3,457,500	8,778,669
B. Total Trading Derivatives (I+II+III)	59,682,581	25,886,884	45,934,293	27,786,281	8,864,832	168,154,871
Total Derivative Transactions (A+B)	59,682,581	25,886,884	46,617,810	38,714,150	14,684,000	185,585,425

5.3.3 Credit derivatives and risk exposures on credit derivatives

As of 31 December 2015, in the Bank's "other irrevocable commitments", there are commitments for "credit linked notes" with a total face value of USD 125,000,000 (31 December 2014: USD 425,000,000).

As of 31 December 2015, there are total return swaps of the Bank with a total face value of EUR (-) (31 December 2014: EUR 85,000,000) classified under "other derivative financial instruments", where the Bank is on the buying side of the protection.

As of 31 December 2015, there are total return swaps of the Bank with a total face value of USD 2,000,000,000 (31 December 2014: USD 2,000,000,000) classified under "other derivative financial instruments", where the Bank is on the selling side of the protection.

5.3.4 Contingent liabilities and assets

The Bank made a total provision amounting to TL 39,530 thousands (31 December 2014: TL 30,062 thousands) for the lawsuits filed by various customers and institutions against the Bank which are likely to occur and for which cash outflow might be necessary, and disclosed it under Note 5.2.7.4.2, other provisions. The Bank has various other lawsuits which are unlikely to occur and for which cash outflow is not expected to incur.

It is possible that the Bank may be required to provide additional collateral for the derivative transactions involved due to changes in certain financials indicators such as CDS levels, currency exchange rates, interest rates etc. As of 31 December 2015, there was no payment made related with such contingent liabilities.

5.3.5 Services rendered on behalf of third parties

The Bank acts as an investment agent for banking transactions on behalf of its customers and provides custody services. Such transactions are followed under off-balance sheet accounts.

5.4 Income Statement

5.4.1 Interest Income

5.4.1.1 Interest income from loans (*)

	<i>Current Period</i>		<i>Prior Period</i>	
	TL	FC	TL	FC
Short-term loans	4,183,325	159,098	3,178,882	156,526
Medium and long-term loans	6,413,920	2,840,011	5,314,493	2,417,034
Loans under follow-up	51,171	278	44,023	-
Premiums Received from Resource Utilization Support Fund	-	-	-	-
Total	10,648,416	2,999,387	8,537,398	2,573,560

(*) Includes also the fee and commission income on cash loans

5.4.1.2 Interest income from banks

	<i>Current Period</i>		<i>Prior Period</i>	
	TL	FC	TL	FC
Central Bank of Turkey	-	3,308	-	-
Domestic Banks	30,032	410	33,797	579
Foreign Banks	6,382	33,280	78,192	27,215
Foreign Head Offices and Branches	-	-	-	-
Total	36,414	36,998	111,989	27,794

5.4.1.3 Interest income from securities portfolio

	<i>Current Period</i>		<i>Prior Period</i>	
	TL	FC	TL	FC
Financial Assets Held for Trading	10,443	4,888	20,533	14,003
Financial Assets Valued at Fair Value through Profit or Loss	-	-	-	-
Financial Assets Available-for-Sale	1,728,714	84,849	1,874,621	86,569
Investments Held-to-Maturity	1,128,760	500,042	1,413,217	278,784
Total	2,867,917	589,779	3,308,371	379,356

5.4.1.4 Interest income received from associates and affiliates

	<i>Current Period</i>	<i>Prior Period</i>
Interest Received from Investments in Associates and Affiliates	77,954	45,094

5.4.2 Interest Expenses

5.4.2.1 Interest expenses on funds borrowed (*)

	<i>Current Period</i>		<i>Prior Period</i>	
	TL	FC	TL	FC
Banks	313,544	376,344	448,445	356,743
Central Bank of Turkey	-	206	-	2,229
Domestic Banks	15,541	6,846	15,245	7,958
Foreign Banks	298,003	369,292	433,200	346,556
Foreign Head Offices and Branches	-	-	-	-
Other Institutions	-	245,691	-	187,698
Total	313,544	622,035	448,445	544,441

(*) Includes also the fee and commission expenses on borrowings

5.4.2.2 Interest expenses paid to associates and affiliates

	<i>Current Period</i>	<i>Prior Period</i>
Interest Paid to Investments in Associates and Affiliates	61,043	58,594

5.4.2.3 Interest expenses on securities issued

	<i>Current Period</i>		<i>Prior Period</i>	
	TL	FC	TL	FC
Interest Paid on Securities Issued	329,036	507,903	393,901	384,596

5.4.2.4 Maturity structure of interest expense on deposits

<i>Current Period</i>	Demand Deposits	Time Deposits					Accumulating Deposit Accounts	Total
		Up to 1 Month	1-3 Months	3-6 Months	6-12 Months	1 Year and Over		
Turkish Lira								
Bank Deposits	804	119,745	-	-	-	-	-	120,549
Saving Deposits	50	302,360	3,022,922	112,344	69,885	52,452	-	3,560,013
Public Sector Deposits	-	610	2,627	9	7	2	-	3,255
Commercial Deposits	15	295,937	491,563	19,507	34,160	44,989	-	886,171
Other	11	11,876	90,201	5,619	4,622	38,832	-	151,161
“7 Days Notice” Deposits	-	-	-	-	-	-	-	-
Total TL	880	730,528	3,607,313	137,479	108,674	136,275	-	4,721,149
Foreign Currency								
Foreign Currency Deposits	1,184	49,125	528,599	69,531	98,639	182,411	884	930,373
Bank Deposits	-	33,034	-	-	-	-	-	33,034
“7 Days Notice” Deposits	-	-	-	-	-	-	-	-
Precious Metal Deposits	-	-	2	-	-	1,102	-	1,104
Total FC	1,184	82,159	528,601	69,531	98,639	183,513	884	964,511
Grand Total	2,064	812,687	4,135,914	207,010	207,313	319,788	884	5,685,660

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<i>Prior Period</i>	Demand Deposits	Time Deposits					Accumulating Deposit Accounts	Total
		Up to 1 Month	1-3 Months	3-6 Months	6-12 Months	1 Year and Over		
Turkish Lira								
Bank Deposits	633	88,233	-	-	-	-	-	88,866
Saving Deposits	25	291,466	2,532,474	211,522	58,629	48,713	-	3,142,829
Public Sector Deposits	-	330	956	53	20,409	2	-	21,750
Commercial Deposits	31	254,708	509,528	65,854	46,649	39,223	-	915,993
Other	13	12,609	54,831	3,159	59,485	74	-	130,171
“7 Days Notice” Deposits	-	-	-	-	-	-	-	-
Total TL	702	647,346	3,097,789	280,588	185,172	88,012	-	4,299,609
Foreign Currency								
Foreign Currency Deposits	889	44,918	404,969	89,040	105,655	96,552	1,014	743,037
Bank Deposits	-	59,010	-	-	-	-	-	59,010
“7 Days Notice” Deposits	-	-	-	-	-	-	-	-
Precious Metal Deposits	-	-	8	-	4,018	392	-	4,418
Total FC	889	103,928	404,977	89,040	109,673	96,944	1,014	806,465
Grand Total	1,591	751,274	3,502,766	369,628	294,845	184,956	1,014	5,106,074

5.4.2.5 Interest expense on repurchase agreements

	<i>Current Period</i>		<i>Prior Period</i>	
	TL	FC	TL	FC
Interest Paid on Repurchase Agreements	647,663	53,228	694,565	59,109

5.4.2.6 Financial lease expenses

	<i>Current Period</i>	<i>Prior Period</i>
Financial Lease Expenses	746	69

5.4.2.7 Interest expenses on factoring payables

None.

5.4.3 Dividend income

	<i>Current Period</i>	<i>Prior Period</i>
Trading Financial Assets	-	1
Financial Assets Valued at Fair Value through Profit or Loss	-	-
Financial Assets Available-for-Sale	722	610
Others	4,380	1,231
Total	5,102	1,842

5.4.4 Trading income/losses (Net)

	<i>Current Period</i>	<i>Prior Period</i>
Income	95,127,805	35,003,441
Trading Account Income	608,134	266,923
Gains from Derivative Financial Instruments	11,342,904	5,439,104
Foreign Exchange Gains	83,176,767	29,297,414
Losses (-)	96,203,423	35,142,165
Trading Account Losses	93,575	411,067
Losses from Derivative Financial Instruments	13,574,589	6,541,933
Foreign Exchange Losses	82,535,259	28,189,165
Total	(1,075,618)	(138,724)

TL 1,472,398 thousands (31 December 2014: TL 1,047,502 thousands) of foreign exchange gains and TL 1,559,011 thousands (31 December 2014: TL 1,153,209 thousands) of foreign exchange losses are resulted from the exchange rate changes of derivative financial transactions.

The Bank enters into interest rate swap agreements in order to hedge the change in fair values of its fixed rate financial instruments due to fluctuations in market interest rates. In this respect, the Bank applied fair value hedge accounting for the fixed rate eurobonds issued in 2011 with a total face value of USD 500,000,000, maturity of 10 years and maturity date of 20 April 2021 which were priced at 6.375% originally and had a coupon rate of 6.25%, by designating interest rate swaps with the same face value amount and conditions. In June 2012, the Bank ceased to apply hedge accounting and accordingly fair value calculations for these bonds. The accumulated fair value differences incurred starting from the date of hedge accounting up to the date on which it was ceased, are amortized as per the effective interest-rate method in compliance with TAS 39.

The Bank also enters into interest rate and cross currency swap agreements in order to hedge the change in cash flows of floating rate financial instruments due to fluctuations in market interest rates. In this respect, the Bank applied cash flow hedge accounting for its eurobonds with a total face value of USD 300,000,000, funds borrowed amounting to USD 95,792,432 and EUR 44,736,844, securitization borrowings amounting to USD 160,416,667 and EUR 203,784,208 by designating cross currency swaps with the same face value amount and conditions, and eurobonds with a total nominal value of USD 10,000,000, and for the collateralised borrowings amounting to TL 900,000 thousands and USD 250,000,000 and borrowings amounting to USD 650,000,000 by designating interest rate swaps with the same face value amount and conditions. Accordingly, in the current period, gains of TL 70,700 thousands (31 December 2014: a loss of TL 3,051 thousands) and TL 4,946 thousands (31 December 2014: a loss of TL 3,771 thousands) resulting from cross currency and interest rate swap agreements were recognised under shareholders' equity, respectively.

The Bank also applied fair value hedge accounting for its fixed-rate loans with a total principal of TL 395,094 thousands and USD 1,002,596,707 and EUR 29,500,000 and for its bonds with a total face value of TL 1,325,000 thousands and USD 167,900,000 and fixed-rate coupons by designating interest rate swaps with the same face values and terms. Accordingly, in the current period, a gain of TL 65,397 thousands (31 December 2014: TL 39,256 thousands) and a loss of TL 48,755 thousands (31 December 2014: a gain of TL 42,104 thousands) resulted from the related fair value calculations for the hedged loans and bonds were accounted for under net trading income/losses in the income statement, respectively.

In addition, the Bank also entered into cross currency swap agreements in order to hedge its fixed-rate bonds issued for a total principal value of AUD 175,000,000 and, RON 85,500,000 with the same face value amount and conditions. Accordingly, in the current period, a loss of TL 13,669 thousands (31 December 2014: TL 12,511 thousands) resulted from the fair value changes of the securities issued and funds borrowed subject to hedge accounting were accounted for under trading income/losses in the income statement.

5.4.5 Other operating income

The items under “other operating income” generally consists of collection or reversals of prior year provisions, banking services related costs recharged to customers, fair value increase of investment property and income on custody services.

In the current period, a part of non-performing receivables of the Bank amounting to TL 83,080 thousands were sold for a consideration of TL 19,494 thousands. Considering the related provision of TL 80,711 thousands made in the financial statements, a gain of TL 17,079 thousands is recognized under “Other Operating Income”.

5.4.6 Provision for losses on loans or other receivables

	<i>Current Period</i>	<i>Prior Period</i>
Specific Provisions for Loans and Other Receivables	1,560,847	1,164,441
<i>Loans and Receivables in Group III</i>	599,593	309,844
<i>Loans and Receivables in Group IV</i>	579,183	600,869
<i>Loans and Receivables in Group V</i>	382,071	253,728
General Provisions	562,604	432,823
Provision for Possible Losses	-	105,000
Impairment Losses on Securities	5,112	1,250
<i>Financial Assets at Fair Value through Profit or Loss</i>	5,112	1,250
<i>Financial Assets Available-for-Sale</i>	-	-
Impairment Losses on Associates, Affiliates and Investments Held-to-Maturity	-	-
<i>Associates</i>	-	-
<i>Affiliates</i>	-	-
<i>Joint Ventures</i>	-	-
<i>Investments Held-to-Maturity</i>	-	-
Others	89,631	103,219
Total	2,218,194	1,806,733

5.4.7 Other operating expenses

	<i>Current Period</i>	<i>Prior Period</i>
Personnel Costs	2,215,481	1,928,327
Reserve for Employee Termination Benefits	38,820	28,277
Defined Benefit Obligation	-	-
Impairment Losses on Tangible Assets	55,541	4,082
Depreciation Expenses of Tangible Assets	190,476	178,004
Impairment Losses on Intangible Assets	-	-
Impairment Losses on Goodwill	-	-
Amortisation Expenses of Intangible Assets	37,054	33,820
Impairment Losses on Investments Accounted under Equity Method	-	-
Impairment Losses on Assets to be Disposed	1,792	1,941
Depreciation Expenses of Assets to be Disposed	5,097	3,192
Impairment Losses on Assets Held for Sale	-	-
Other Operating Expenses	2,510,202	1,996,628
<i>Operational Lease related Expenses</i>	347,498	297,813
<i>Repair and Maintenance Expenses</i>	60,144	50,562
<i>Advertisement Expenses</i>	134,316	111,612
<i>Other Expenses (*)</i>	1,968,244	1,536,641
Loss on Sale of Assets	3,241	2,816
Others (**)	825,597	601,976
Total	5,883,301	4,779,063

(*) Includes lawsuits, execution and other legal expenses borne by the Bank, of fees and commissions income recognized in prior years but reimbursed, in the amount of TL 55,340 thousands (31 December 2014: TL 33,819 thousands), as per the decision of the Turkish Competition Board or the related courts.

(**) Includes repayments, by the Bank in the current period, of fees and commissions income recognised in prior years in the amount of TL 254,480 thousands (31 December 2014: TL 185,085 thousands), as per the decision of the Turkish Competition Board or the related courts.

5.4.8 Information on profit/loss before taxes from continued and discontinued operations

The profit before taxes includes a net interest income of TL 9,241,333 thousands (31 December 2014: TL 7,422,688 thousands), a net fees and commissions income of TL 2,922,551 thousands (31 December 2014: TL 2,949,020 thousands) and operating expenses of TL 5,871,417 thousands (31 December 2014: TL 4,779,063 thousands). The Bank's profit before taxes realized at TL 4,038,877 thousands (31 December 2014: TL 4,636,480 thousands) decreasing by 7.07% as compared to prior year.

5.4.9 Information on provision for taxes from continued and discontinued operations

As of 31 December 2015, the Bank recorded a tax charge of TL 728,172 thousands (31 December 2014: TL 1,321,500 thousands) and a deferred tax charge of TL 174,198 thousands (31 December 2014: a deferred tax income of TL 359,131 thousands).

Deferred tax benefit/charge on timing differences:

Deferred tax benefit/(charge) on timing differences	<i>Current Period</i>	<i>Prior Period</i>
Increase in tax deductible timing differences (+)	106,758	276,003
Decrease in tax deductible timing differences (-)	(249,002)	(27,888)
Increase in taxable timing differences (-)	(87,954)	(16,781)
Decrease in taxable timing differences (+)	56,000	127,797
Total	(174,198)	359,131

Deferred tax benefit/charge in the income statement arising on timing differences, tax losses and tax deductions and exemptions:

Deferred tax benefit/(charge) arising on timing differences, tax losses and tax deductions and exemptions	<i>Current Period</i>	<i>Prior Period</i>
Increase/(decrease) in tax deductible timing differences (net)	(142,244)	248,115
Increase/(decrease) in taxable timing differences (net)	(31,954)	111,016
Increase/(decrease) in tax losses (net)	-	-
Increase/(decrease) in tax deductions and exemptions (net)	-	-
Total	(174,198)	359,131

5.4.10 Net operating profit/loss after taxes including net profit/loss from discontinued operations

None.

5.4.11 Net profit/loss

5.4.11.1 Any further explanation on operating results needed for better understanding of the Bank's performance

None.

5.4.11.2 Any changes in estimations that might have a material effect on current and subsequent period results

None.

5.4.12 Components of other items in income statement

Other items do not exceed 10% of the total of income statement.

5.5 Statement of Changes in Shareholders' Equity

5.5.1 Any increases arising from application of accounting for financial instruments

5.5.1.1 Increases from valuation of financial assets available-for-sale

None.

5.5.1.2 Increases due to cash flow hedges

The Bank enters into swap contracts to convert variable interest rates on its borrowings to fixed interest rates for cash flow hedging purposes. After netting with the related deferred tax effect, an increase of TL 65,618 thousands (31 December 2014: a decrease of TL 44,701 thousands) is presented in the shareholders' equity for such hedges assessed as effective.

5.5.1.3 Reconciliation of foreign exchange differences at beginning and end of current period

An increase of TL 290,260 thousands (31 December 2014: a decrease of TL 173,536 thousands) that was resulted from the foreign currency translation of the Bank, is presented under translation differences in the shareholders' equity

5.5.2 Any decreases arising from application of accounting for financial instruments

5.5.2.1 Decreases from valuation of financial assets available-for-sale

As of 31 December 2015, a decrease of TL 294,128 thousands (31 December 2014: an increase of TL 537,593 thousands) resulted from the revaluation of financial assets available-for-sale at fair value after being netted with the related deferred tax liability effect and a gain of TL 62,612 thousands (31 December 2014: a loss of TL 48,497 thousands) that was transferred to the income statement from "securities value increase fund" are presented as the current period movements in securities value increase fund in the statement of changes in shareholders' equity.

5.5.2.2 Decreases due to cash flow hedges

None.

5.5.3 Transfers to legal reserves

	<i>Current Period</i>	<i>Prior Period</i>
Transfers to Legal Reserves from Prior Year Profits	35,700	21,500
Transfers to Extraordinary Reserves from Prior Year Profits	3,039,465	2,841,798

5.5.4 Issuance of share certificates

Please refer to Note 5.2.11.3.

5.5.5 Effects of prior years' corrections to beginning balances of current period

Please refer to Note 3.24.

5.5.6 Compensation of prior period losses

None.

5.6 Statement of Cash Flows

5.6.1 Disclosures for “other” items and “effect of change in foreign currency rates cash and cash equivalents” in statement of cash flows

The net cash inflow arising from banking operations amount to TL 1,903,517 thousands (31 December 2014: net cash inflow of TL 1,304,076 thousands). TL 1,899,696 thousands (31 December 2014: TL 3,234,149 thousands) of this amount is generated from the cash outflows resulted from the change in operating assets and liabilities and TL 3,803,213 thousands (31 December 2014: TL 4,538,225 thousands) from the cash inflows resulted from operating profit. The “net increase/(decrease) in other liabilities” under the changes in operating assets and liabilities is resulted from the changes in the funds obtained through repurchase agreements, miscellaneous payables, other external funding payables and taxes, duties and premiums payables and amounts to TL 2,807,029 thousands (31 December 2014: TL 578,112 thousands). The “others” item under operating income composes of fees and commissions paid, foreign exchange gains, other operating income and other operating expenses excluding employee costs, and amounts to TL 3,455,065 thousands (31 December 2014: TL 1,908,024 thousands).

The net cash inflows from financing activities is TL 243,904 thousands (31 December 2014: TL 2,495,233 thousands).

The effect of changes in foreign exchange rates on cash and cash equivalents includes the foreign exchange differences resulted from the translations of cash and cash equivalents in foreign currencies into TL at the exchange rates prevailing at the beginning and end of the year, and amounts to TL 640,544 thousands (31 December 2014: TL 528,895 thousands).

5.6.2 Cash outflows from acquisition of associates, subsidiaries and joint-ventures

Please refer to Note 5.1.8.2 of investments in subsidiaries.

5.6.3 Cash inflows from disposal of associates, subsidiaries and joint-ventures

None.

5.6.4 Cash and cash equivalents at beginning of period

	<i>Current Period</i>	<i>Prior Period</i>
Cash on Hand	1,678,527	1,552,757
Cash in TL	1,089,201	1,007,643
Cash in Foreign Currency	589,326	545,114
Cash Equivalents	5,907,341	5,811,207
Other	5,907,341	5,811,207
TOTAL	7,585,868	7,363,964

5.6.5 Cash and cash equivalents at end of period

	<i>Current Period</i>	<i>Prior Period</i>
Cash on Hand	2,064,018	1,678,527
Cash in TL	1,313,068	1,089,201
Cash in Foreign Currency	750,950	589,326
Cash Equivalents	6,814,100	5,907,341
Other	6,814,100	5,907,341
TOTAL	8,878,118	7,585,868

5.6.6 Restricted cash and cash equivalents due to legal requirements or other reasons

The placements at foreign banks include blocked accounts amounting TL 7,344,666 thousands (31 December 2014: TL 5,578,016 thousands) of which TL 96,799 thousands (31 December 2014: TL 108,410 thousands) and TL 65,058 thousands (31 December 2014: TL 50,066 thousands) are kept at the central banks of Malta and Turkish Republic of Northern Cyprus, respectively as reserve deposits and TL 7,182,809 thousands (31 December 2014: TL 5,419,540 thousands) as collateral against funds borrowed at various banks.

The blocked account at the Central Bank of Turkey with a principal of TL 20,101,723 thousands (31 December 2014: TL 19,595,598 thousands) is for the reserve deposits in foreign currency and gold against the Banks' liabilities in Turkish Lira, foreign currencies and gold. The Bank also keeps a collateral of EUR 75,000,000 at the Central Bank of Turkey for borrowing activities in TL money market.

5.6.7 Additional information

5.6.7.1 Restrictions on the Bank's potential borrowings

None.

5.6.7.2 Cash inflows presenting increase in operating capacity of the Bank

None.

5.7 Related Party Risks

5.7.1 Transactions with the Bank's risk group; lendings and deposits and other related party transactions outstanding at period end and income and expenses from such transactions incurred during the period

5.7.1.1 Loans and other receivables

Current Period

Bank's Risk Group	Associates, Affiliates and Joint-Ventures		Bank's Direct and Indirect Shareholders		Other Components in Risk Group	
	Cash	Non-cash	Cash	Non-cash	Cash	Non-cash
Loans and Other Receivables						
Balance at beginning of period	3,318,634	1,522,279	399,748	316,606	1,537,174	702,845
Balance at end of period	3,837,790	2,197,037	52,056	827,462	2,047,670	467,468
Interest and Commission Income	78,697	376	655	8	101,329	282

Prior Period

Bank's Risk Group	Associates, Affiliates and Joint-Ventures		Bank's Direct and Indirect Shareholders		Other Components in Risk Group	
	Cash	Non-cash	Cash	Non-cash	Cash	Non-cash
Loans and Other Receivables						
Balance at beginning of period	3,811,321	1,586,707	9,250	264,878	454,736	472,119
Balance at end of period	3,318,634	1,522,279	399,748	316,606	1,537,174	702,845
Interest and Commission Income	45,464	285	286	9	72,438	1,047

5.7.1.2 Deposits

Bank's Risk Group	Associates, Affiliates and Joint-Ventures		Bank's Direct and Indirect Shareholders		Other Components in Risk Group	
	<i>Current Period</i>	<i>Prior Period</i>	<i>Current Period</i>	<i>Prior Period</i>	<i>Current Period</i>	<i>Prior Period</i>
Deposits						
Balance at beginning of period	681,112	651,174	535,204	304,643	349,385	330,572
Balance at end of period	687,407	681,112	336,153	535,204	543,360	349,385
Interest Expense	60,297	58,594	12,995	4,016	10,193	16,035

5.7.1.3 Derivative transactions

Bank's Risk Group	Associates, Affiliates and Joint-Ventures		Bank's Direct and Indirect Shareholders		Other Components in Risk Group	
	<i>Current Period</i>	<i>Prior Period</i>	<i>Current Period</i>	<i>Prior Period</i>	<i>Current Period</i>	<i>Prior Period</i>
Transactions at Fair Value Through Profit or (Loss):						
Balance at beginning of period	848,391	1,200,843	10,292,901	8,871,339	5,770	-
Balance at end of period	421,708	848,391	16,146,894	10,292,901	-	5,770
Total Profit/(Loss)	(327,241)	(132,802)	(50,088)	(102,479)	-	(56)
Transactions for Hedging:						
Balance at beginning of period	-	-	-	-	-	-
Balance at end of period	-	-	-	-	-	-
Total Profit/(Loss)	-	-	-	-	-	-

5.7.2 The Bank's risk group

5.7.2.1 Relations with companies in risk group of/or controlled by the Bank regardless of nature of current transactions

Transactions with the risk group, are held under arm's-length conditions; terms are set according to the market conditions and in compliance with the Banking Law. The Bank's policy is to keep the balances and transaction volumes with the risk group at reasonable levels preventing any high concentration risk on balance sheet.

5.7.2.2 Concentration of transaction volumes and balances with risk group and pricing policy

The cash loans of the risk group amounting TL 3,132,513 thousands (31 December 2014: TL 2,543,637 thousands) compose 1.97% (31 December 2014: 1.90%) of the Bank's total cash loans and 1.23% (31 December 2014: 1.16%) of the Bank's total assets. The total loans and similar receivables amounting TL 5,937,516 thousands (31 December 2014: TL 5,255,556 thousands) compose 2.33% (31 December 2014: TL 2.40%) of the Bank's total assets. The non-cash loans of the risk group amounting TL 3,491,967 thousands (31 December 2014: TL 2,541,730 thousands) compose 7.26% (31 December 2014: 6.92%) of the Bank's total non-cash loans. The deposits of the risk group amounting TL 1,566,920 thousands (31 December 2014: TL 1,565,701 thousands) compose 1.11% (31 December 2014: 1.30%) of the Bank's total deposits.

The funds borrowed by the Bank from its risk group amounting TL 10,142,189 thousands (31 December 2014: TL 9,074,365 thousands) compose 30.33% (31 December 2014: 28.07%) of the Bank's total funds borrowed. The pricing in transactions with the risk group companies is set on an arms-length basis.

The credit card (POS) payables to the related parties, amounted to TL 137,353 thousands (31 December 2014: TL 88,494 thousands). A total rent income of TL 8,859 thousands (31 December 2014: TL 6,486 thousands) was recognized for the real estates rented to the related parties.

Operating expenses for TL 11,494 thousands (31 December 2014: TL 8,863 thousands) were incurred for the IT services rendered by the related parties. Banking services fees of TL 1,098 thousands (31 December 2014: TL 2,745 thousands) were recognized from the related parties.

Insurance brokerage fee of TL 112,082 thousands (31 December 2014: TL 93,413 thousands), shares brokerage fee of TL 67,498 thousands (31 December 2014: TL 70,413 thousands), leasing customer acquisition fee of TL 4,872 thousands (31 December 2014: TL 10,762 thousands), factoring customer acquisition fee of TL 2,828 thousands (31 December 2014: TL 3,131 thousands), fleet business customer acquisition fee of TL 357 thousands (31 December 2014: TL 578 thousands) and fund brokerage fee of TL 142 thousands (31 December 2014: -) were recognized as income from the services rendered for the affiliates.

Operating expenses of TL 8,952 thousands (31 December 2014: TL 10,790 thousands) for advertisement and broadcasting services, of TL 36,210 thousands (31 December 2014: TL 32,534 thousands) for operational leasing services, and of TL 15,246 thousands (31 December 2014: TL 13,616 thousands) for travelling services rendered by the related parties were recognized as expense.

As of 31 December 2015, the net payment provided or to be provided to the key management of the Bank amounts to TL 120,553 thousands (31 December 2014: TL 88,937 thousands) including compensations paid to key management personnel who left their position during the year.

5.7.2.3 Other matters not required to be disclosed

None.

5.7.2.4 Transactions accounted for under equity method

Please refer to Note 5.1.8 investments in affiliates.

5.7.2.5 *All kind of agreements signed like asset purchases/sales, service rendering, agencies, leasing, research and development, licences, funding, guarantees, management services*

The Bank has agency contracts with Garanti Yatırım Menkul Kıymetler AŞ and Garanti Emeklilik ve Hayat AŞ. Accordingly, all the branches of the Bank serve as agencies to sell the products of these entities to customers. Agency services for trading of securities on behalf of customers are rendered by the Bank's specialised branches (Investment Centers).

Purchase of equipments for the Bank's internal use are partly arranged through financial leasing.

5.8 Domestic, Foreign and Off-Shore Branches or Equity Investments, and Foreign Representative Offices

5.8.1 Domestic and foreign branches and representative offices

	Number of Branches	Number Of Employees			
Domestic Branches	971	19,559			
			Country		
Foreign Representative Offices	1	1	1-Germany		
	1	1	2-England		
	1	1	3-China		
				Total Assets	Legal Capital
Foreign Branches	1	17	1- Luxembourg	17,753,178	1,266,840
	1	12	2- Malta	28,704,976	-
	7	101	3- NCTR	1,141,655	15,520

5.8.2 Opening or closing of domestic and foreign branches and representative offices and significant changes in organisational structure

In 2015, 11 new domestic branches were opened and 33 branches were closed. The transfer of 23 investment centers to Garanti Yatırım is included in the number of closed branches.

5.9 Matters Arising Subsequent to Balance Sheet Date

None.

6 Other Disclosures on Activities of the Bank

6.1 Bank's latest international risk ratings

MOODY'S (28 September 2015)

Outlook	Negative
Long Term FC Deposit	Baa3
Long Term TL Deposit	Baa3
Short Term FC Deposit	P-3
Short Term TL Deposit	P-3
Basic Loan Assessment	ba1
Adjusted Loan Assessment	baa3
Long Term National Scale Rating (NSR)	Aa3.tr
Short Term NSR	TR-1

STANDARD AND POORS (7 August 2015)

Long Term FC Obligations	BB+
Long Term TL Deposit	BB+
Outlook	Negative
Credit Profile (independent from the bank's shareholders and the rating of its resident country)	bb+

FITCH RATINGS (31 July 2015)

Outlook	Stable
Long Term FC Outlook	BBB
Short Term FC Outlook	F2
Long Term TL Outlook	BBB
Short Term TL Outlook	F2
Financial Capacity	bbb-
Support	2
NSR	AAA(tur)

JCR EURASIA RATINGS (20 May 2015)

International FC Outlook	Stable
Long Term International FC	BBB
Short Term International FC	A-3
International TL Outlook	Stable
Long Term International TL	BBB+
Short Term International TL	A-2
National Outlook	Stable
Long Term NSR	AAA(Trk)
Short Term NSR	A-1+(Trk)
Independency from Shareholders	A
Support	1

6.2 Dividend

As per the decision made at the annual general assembly of shareholders of the Bank on 9 April 2015, the distribution of the net profit of the year 2014, is as follows:

2014 PROFIT DISTRIBUTION TABLE	
2014 Net Profit	3,200,248
A – I. Legal reserve (Turkish Commercial Code 519/1) at 5%	-
Undistributable funds	(31,946)
B – First dividend at 5% of the paid-in capital	(210,000)
C – Extraordinary reserves at 5% after above deductions	(149,512)
D – Second dividend to the shareholders	(357,000)
E – Extraordinary reserves	(2,416,090)
F – II. Legal reserve (Turkish Commercial Code 519/2)	(35,700)

6.3 Other disclosures

None.

7 Disclosures on Independent Auditors' Report

7.1 Disclosure on independent auditors' report

The unconsolidated financial statements of the Bank as of 31 December 2015, have been audited by DRT Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik AŞ (a member of Deloitte Touche Tohmatsu Limited) and the independent auditors' report dated 2 February 2016, is presented before the accompanying financial statements.

7.2 Disclosures and footnotes prepared by independent accountants

None.

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