



ILBANK
TURKEY'S CONSTRUCTIVE POWER

ILLER BANK
**ANNUAL
REPORT
2015**

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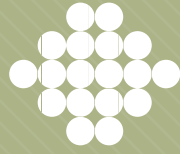
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İLBANK



"The country must be modern,
civilized, and renewed.
This is a matter of vital importance for us."

K. Atatürk



**COMPLIANCE REPORT REGARDING
ANNUAL OPERATING REPORT**

To the Board of Directors of İller Bank Inc.;

We have audited suitability and accuracy of İller Bank Inc. 's ("Bank") financial information on the annual operating report prepared as of December 31, 2015 and independent audit report prepared at the end of the related period. Annual operating report is in responsibility of Bank Management. As the audit company, our responsibility is to give opinion on annual operating report.

We conducted our audit in accordance with principles and procedures regarding preparation and publication of annual operating report 5411 numbered Banking Law in force and Independent Audit Standards ("IAS") belong to Turkish Auditing Standards, published by Public Oversight Accounting And Auditing Standards Authority ("POA") and regulations regarding 397th article of Commercial Code Law number 6102. These regulations require planning and performing to give reasonable assurance on the annual operating report on whether any material misstatement exist. We believe the audit is conducted on a reasonable and adequate base for building our opinion.

According to our opinion, financial information attached to the annual operating report reflects the information regarding Bank's financial situation true with all significant sides that are suitable with principles and procedures on regulations of İller Bank A.Ş. 31 December 2015 dated 5411 numbered Banking Law article number 40 and involves our independent audit opinion with the summary board of directors report and suitable with the information given on audited financial statements.

Other Liabilities Arise From Regulation:

In accordance with Turkish Commercial Code law number 402, article number three, in the scope of IAS 570 "Continuity of Management", there had been no evidence found to report such matter of İller Bank A.Ş. cannot continue its operations in the foreseeable future.

Ankara, 26 February 2016 / 2016-03

**REHBER INDEPENDENT AUDIT AND
CERTIFIED COUNCILLORSHIP INC.**

Adil ÖNER, CPA
Auditor In charge

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Date of General Assembly Meeting

29 March 2016 Tuesday Time: 14:00

Venue

İller Bank Macunköy Annex Facilities Auditorium / ANKARA

Agenda of the General Assembly Meeting

1. Opening & moment of silence,
2. Formation of the General Assembly Council and the authorization of the Council Chair to sign the Ordinary General Assembly Meeting minutes,
3. Reading, deliberating and approving the Board of Directors' Report and the Statutory Auditors' Report,
4. Reading, reviewing, deliberating and approving the Balance Sheet and Profit/Loss accounts having undergone independent audits, for year 2015,
5. Individual releases of each of the company's directors and statutory auditors
6. Determining the remuneration to be paid to the members of the Board of Directors and Statutory Auditors
7. Authorizing the Board of Directors members as per Articles 395 and 396 of the Turkish Commercial Code
8. Resolution on the cancellation of unrecoverable receivables as per article 6 of the Banking Law,
9. Authorizing the bank's Board of Directors for identifying the Independent Audit Firm that will perform the independent audit of the bank for 2016-2017-2018,
10. Debate on the delegation of the authority by the General Assembly, to the Board of Directors, to issue debt instruments up to TRL 5,000,000,000,
11. Petitions and Suggestions
12. Closing.

SUMMARY FINANCIAL RESULTS

OUR MISSION

To contribute towards sustainable urbanization by creating and developing projects conforming to international standards, by supplying credit, by acting as a consultant, and by providing technical support in order to satisfy the urban needs of local governments.

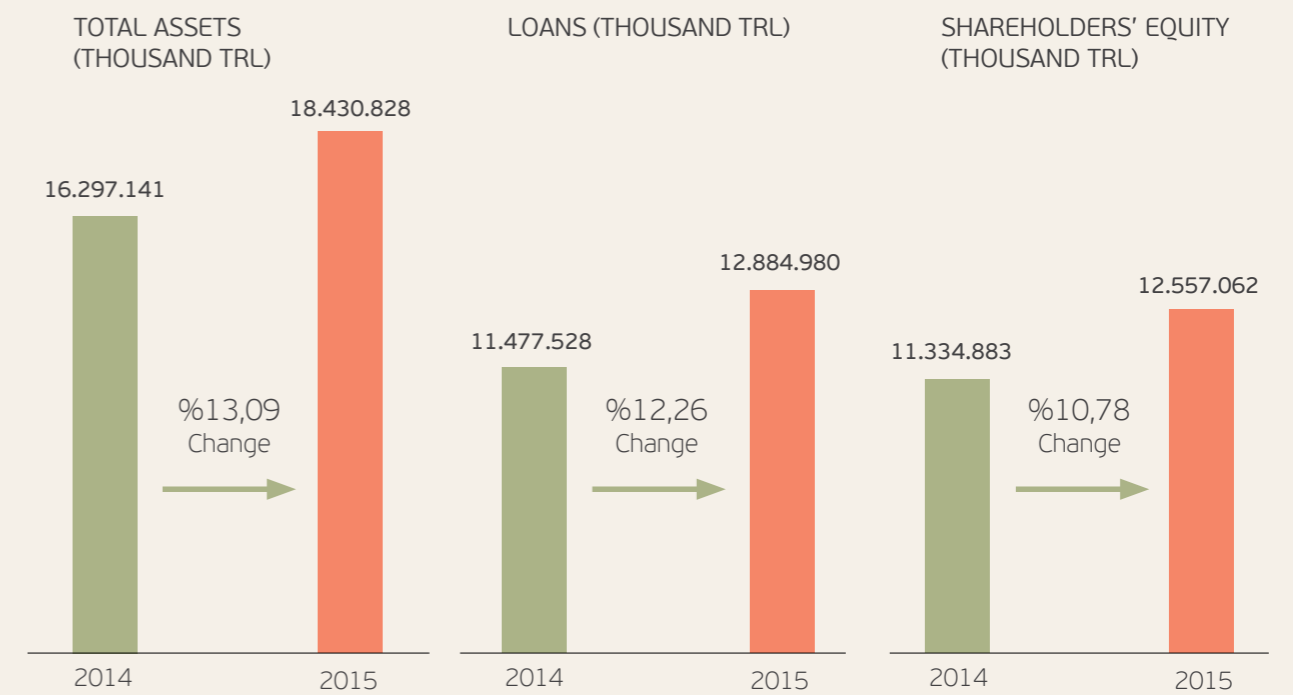
OUR VISION

To be an international development and investment bank which leads modern urban development and whose service quality is proven.

OUR STRATEGY

To serve with a perspective of investment banking and total quality management.

	2014	2015	Amount of Change	Change Percentage (%)
Total Assets	16.297.141	18.430.828	2.133.687	13,09
Liquid Assets and Banks	4.377.964	4.910.977	533.013	12,17
Loans	11.477.528	12.884.980	1.407.452	12,26
Shareholder's Equity	11.334.883	12.557.062	1.222.179	10,78
Paid-in Capital	9.402.380	10.483.745	1.081.365	11,50
Interest Income	903.814	1.050.568	146.754	16,24
Interest Expenses	1.752	127	(1.625)	(92,75)
Profits Before Tax	709.283	779.904	70.621	9,96
Net Profits/Loss for the Period	524.543	576.078	51.535	9,82



RATIOS (%)	2014	2015
Loans/Total Assets	70,43	69,91
Capital Adequacy Ratio	66,02	57,16
Liquid Assets/Total Assets	26,87	26,65
Shareholder's Equity/Total Assets	69,56	68,13
Earnings on Assets	3,22	3,13
Earnings on Equity	4,63	4,59



Since day one, Iler Bank serves without compromise, to local governments, which act as the start point of national development, in the planning of today's and future's urban life.

Working hard to build modern cities in Turkey, our Bank aims to become a bank for local governments, with a high level of international effectiveness, so as to reinforce the local governments.

One of the Republic's most established institutions, being founded in 1933 as the Municipalities Bank, Iller Bank is a proud and unique institution in the world's history of development banking.

On 11 June 1933 during the presidency of Mustafa Kemal Atatürk, a financial institution called "Municipalities Bank" (Belediyeler Bankası) was incorporated under Law no. 2301 with TRL 15 million capital in order to foster municipal prosperity and of providing credit support to such administrations as lacked financial resources and means.

In recognition of the successful services that quickly resulted from the technical and financial support given to municipalities, "Iller Bankası" ("Provinces Bank") was established on 13 June 1945 under Law no. 4759. As the successor of the Municipalities Bank, the bank's name was a reflection both of its expanded duties, authorities, and responsibilities and of its new legal status.

Under the Law no. 6107 published in issue 27840 of the Official Gazette on 8 February 2011, Iller Bank was officially transformed into a joint-stock company (Iller Bankası AŞ) as of the same date.

Article 3 of the Law no. 6107 governing Iller Bank sets forth that;

The objectives of Iller Bank are;

- To meet the financing needs of special provincial authorities, municipalities, and their affiliated organizations, and of local administrative associations of which only these may be members,
- To develop projects concerning locally-provided common services for the people dwelling within the boundaries of such administrations,
- To provide such administrations with consultancy services and assistance on urban projects of a technical nature and in the conduct of infrastructure and superstructure works,
- To perform any and all functions related to development and investment banking.

In order to achieve the objectives summarized above, Iller Bank may;

Extend any and all types of short-, medium-, and long-term cash and non-cash loans to its shareholders;

Conduct, or arrange for the conduct of, research, project development and consultancy services in its fields of activity, and provide technical assistance in the same,

Lead the way in the formation of companies as a bank, and transfer control of them,

Act as an insurance agent,

Open branches and representative offices in Turkey and abroad, provided that necessary approvals are obtained,

Cooperate with domestic and/or foreign financial institutions, become a member of national and

international organizations of which they are members,

Obtain resources from domestic and international financial institutions, money and capital markets, and any and all funds,

Engage in any and all kinds of development and investment banking transactions that will help it achieve its objectives;

Develop projects and construct special projects and urban infrastructure projects demanded by the Ministry, or arrange for the development and construction thereof,

Execute, or arrange for the execution of, profit-making real estate investment projects and implementations in order to obtain funds for the Bank, provided that it shall not incur any debts or enter into any conditional obligation in doing so,

As constitutionally and statutorily prescribed organizations, local governments are the cradle of democracy and have an important place in, and contribution to, the inculcation of democratic ideals and principles in society.

Iller Bank is a unique institution, which has no exact analogues anywhere else. Having a special place in the annals of development banking by virtue of its distinctive structure, Iller Bank has been providing local governments with financial support as well as transforming that support into investment ever since the day it was founded. Iller Bank never ceases its efforts to execute its duties, responsibilities, and powers before local governments, with an organization based on 17 Departments as well as Legal Counsel, R&D Board, Board of Directors,

Audit Committee Divisions, Secretariat, Media and Public Relations Division, and Recreation Facilities and Nursery Division at the Headquarters, and 18 Regional Directorates in the provinces, employing a total of 2676 personnel.

Capital collections in the amount of TRL 10,483,745 thousand increased the bank's paid-in capital by 10.31% in 2015.

Article 4 of "the Law No. 6107 on Iller Bank Joint Stock Company" states; that the bank's capital is TL* 9.000.000.000 (Nine Billion TL) and that this capital can be increased up to five times by the Decree of the Council of Ministers,

Its capital resources will consist of the following:

- According to Law no. 5779 on Allotments of General Budget Revenues to be Allocated to Special Provincial Authorities and Municipalities dated 2 July 2008, sums equal to 2% of total tax revenue allotments to be distributed by the Ministry of Finance and Iller Bank, which sums will be deducted monthly,
- 30% share that will be set aside from the bank's annual net profit after the bank's tax and other legal obligations will be deducted,
- Funds approved to be transferred into the bank's capital as per the provisions of other legislation, and any and all donations and contributions made to be added to the capital.

Owing to this structure, the bank's capital is not divided into shares and the registered capital system is not employed.

As of December 31, 2015, TRL 10,483,745 thousand of TRL 18 billion of capital is paid.

Neither the chairman or any member of the bank's Board of Directors, nor any audit committee member, nor the general manager or any vice president is a shareholder in the bank.

Nominal capital of the Bank over the years, the collection of capital, paid and unpaid capital situation are presented in the table below.

*The Bank's nominal capital was increased from TRL 9,000,000 to TRL 18,000,000 through the Council of Ministers Decision no. 2014/6045 published in the Official Gazette issue 28942 dated 15 March, 2014.

ILLER BANK'S CAPITAL MOVEMENTS IN THE PAST TEN YEARS (Thousand TRL)

Years	Nominal Capital	Annual Capital Collection	Paid-up Capital	Outstanding Capital
2006	3.000.000	629.007	2.175.430	824.570
2007	9.000.000	766.866	2.942.296	6.057.704
2008	9.000.000	881.269	3.823.565	5.176.435
2009	9.000.000	864.963	4.688.528	4.311.472
2010	9.000.000	1.216.366	5.904.894	3.095.106
2011	9.000.000	1.040.512	6.945.406	2.054.594
2012	9.000.000	789.784	7.735.190	1.264.810
2013	9.000.000	793.125	8.528.315	471.685
2014	18.000.000	874.065	9.402.380	8.597.620
2015	18.000.000	1.081.365	10.483.745	7.516.255



Manisa / Akhisar Lake Project



Fatma Güldemet SARI
Minister of Environment
and Urbanization

“One of the deep-rooted institutions bestowed upon our country by the Republic, İller Bank has performed a wide variety of services since its foundation to date and achieved the position of an essential agency that serves local governments.”

One of the deep-rooted institutions bestowed upon our country by the Republic, İller Bank has performed a wide variety of services since its foundation to date and achieved the position of an essential agency that serves local governments.

For the last 13 years, there is a governing “human centered management understanding” in our environment and urbanisation policies. The importance of local governments showing itself once more while we are reflecting this to our studies.

Local governments are the closest units to bring service to our people. In that context, repoding to needs and requests of local governments and providing durable solutions are within our most important duties. Our target is to serve our country and people, in accordance with development rate, with respect to justice.

We are working in line with providing more beautiful and inhabitable environment for our country and people within a sustainable planning of our cities superstructure and substructure from a single center as Ministry of Environment and Urbanisation.

We are working in coordination with our related enterprize İller Bankası, municipalities and all our stakeholders while conducting our studies. İller Bankası tried to find solution for our local governments needs by 3.9 billion funds transfer to local governments all around Turkey. I wish this Annual Report of 2015 which contains the works we have done within this purposes to be beneficial for our nation and country and a foreshadow of having higher quality works.



Kirsehir, City Park

MESSAGE FROM THE CHAIRMAN



Fuat GEDİK
Chairman of the Board of
Directors

"İller Bankası, which is one of the base institutions of our republic carry on it's works for our country's development by adding even more.

It is contributing to solutions of any kind of needs of local governments as a relevant institution of Ministry Of Environment And Urbanisation. Our bank is experiencing the pride of being a leader of change and innovation that it added to urbanisation again and again everyday with the steps its taking within this concept."

İller Bankası, which is one of the base institutions of our republic, with its service experience of nearly a century, continuing its studies for our country's development by adding more. It is contributing to solutions of any kind of needs of local governments as a relevant institution of Ministry of Environment and Urbanisation. Within this content, our bank is experiencing the pride of being a leader of change and innovation that it added to urbanisation again and again everyday with the steps its taking.

Our bank which is rising up over the strong base of accumulation of knowledge at the point arrived at today, providing big support to the solution for the financial problems of the local governments with its service focused working system and strong financial structure. Our bank remains as leading actor of investment and development banking with the improvements within this activities. We are proud that our bank is first between the investment and development banks and within first ten in the whole banking sector with more than 12 billion equities.

On the other hand, in the name of providing a better service for our local governments we are spending more time and effort on research and development practices. In this context, in the name of catching the contemporary technology we are investing on urban transportation, energy efficiency, renewable energy, urban information system and geographic information systems as new areas of activity. We are particularly trying to support innovations such as developing the renewable energy sources to close the enery gap, and urban transportation which is becoming more complicated every day, to pave the way for local governments. We are hoping that İller Bankası will bring important contributions on founding the new Turkey, with the support and project services which we will provide to local governments.

In addition to that, it is beyond doubt that urban transformation project which is conducted by Ministry of Environment and Urbanisation and accepted as the biggest modernisation move within the republic history, will bring really good benefits to constitute healthy and secure living areas. İllbank will continue to provide any kind of technical and financial support towards the projects of constituting healthy, modern and habitable cities of the local governments inthe future in addition to the support provided in the past years.

We would be proud to write the history of future with productive and quality services, faster with firm steps, by diverting our projection to the future within this context, to contribute to provide fulfilling local governments demands as a naturel result of fast growth of country's economy in the recent years. Besides, I would like to pay tribute and ask Allah's mercy for the ones who have passed away and who achieved such an establishment for the Turkish Republic.

With this thoughts, I submit our Bank's 2015 Annual Report for board's consideration and wish it to be beneficial.



MESSAGE FROM THE GENERAL MANAGER



Mehmet Turgut DEDEOĞLU
General Manager

"İller Bank will only reinforce its commitment to the modernization of the country in the future, with its long history, utilization of authorities and resources in line with corporate governance principles, planned approach for the achievement of established targets, and reliable, egalitarian and transparent service perspective. We have the pride of being a part of our countries development and building new Turkey and wish new period to be beneficial for our bank and for all our partners."

İller Bankası, which was organized to provide local governments needs during the establishment years of our country, still having its importance within the successful institutions with its role in development moves of our country in its 83rd year. Without a doubt the basic power behind this success is our robust institutional values, our vision for future and most important of all are the employers who are dedicated themselves to our country's development. Our bank which we are proud of seeing its name on every inch of our country with the services given, will continue its successful work with its innovations and structuring consistent with the time.

As was the case with previous years, year 2015 is completed with satisfactory financial indicators. In this context, the assets of the Bank rose to TRL 18.4 billion, registering more than 13% growth compared to previous years. In terms of asset size, remains as a leader among development and investment banks.

The largest assets item of the Bank is the loans. In year 2015, the loan portfolio of the bank grew to TRL 12.9 billion with a raise of 12.26%. While the banks are second in rank with TRL 4.9 billion within the assets, the rest are consist of tangible assets, tax asset and others.

The liabilities of the Bank is mostly composed of shareholders' equity. As of the end of 2014, the shareholders' equity of the bank stood at TRL 11.33 billion, to rise to TRL 12.56 billion as of December 2015. The item accounts for 69.6% of all liabilities. Besides our bank's capital adequacy ratio is 57.16%, which shows that we have a strong capital structure.

The nominal capital of the bank is TRL 18 billion. The paid-in capital rose from TRL 9.4 billion at the end of 2014, to TRL 10.5 billion by December 2015. The paid-in capital figure of the Bank ranks first among all banks in Turkey this year as well.

In addition to banking services, cooperation with local governments is in place in the urban transformation process implemented under the leadership of the Ministry of Environment and Urbanization, through the provision of technical and financial support. Therefore, we contribute to healthy growth of Turkey with our technical and administrative knowledge, experience and know-how accumulated through time.

"İller Bank will only reinforce its commitment to the modernization of the country in the future, with its long history, utilization of authorities and resources in line with corporate governance principles, planned approach for the achievement of established targets, and reliable, egalitarian and transparent service perspective. We have the pride of being a part of our countries development and building new Turkey and wish new period to be beneficial for our bank and for all our partners."

ILLER BANK ACTIVITIES IN YEAR 2015

Iller Bank is a development and investment bank whose activities are governed by Article 77 of the Banking Law (Nr. 5411).

The Bank fulfills these tasks with own resources, funds and grants from the general budget and financial resources provided from foreign banks and institutions.

The Bank's duties are spelled out in a law concerning its incorporation, where they are defined as satisfying the financing need of special provincial authorities, municipalities and their affiliated organizations; develop projects concerning locally-provided common services for the people dwelling within the boundaries of such administrations; providing such administrations with consultancy services and assistance on urban projects of a technical nature and in the conduct of infrastructure and superstructure works, and performing any and all development and investment banking functions.

INVESTMENT AND FINANCE PROGRAMS FOR YEAR 2015



2015 Investment and Financing Program

Iller Bank transferred TRL a total of 3,903,182 thousand to local governments across Turkey within the scope of investment and financing program for 2015.

Iller Bank's 2015 Investment and Financing Program is planned as;

I. TRL 8,500 million from Bank loans

- Works carried out with 100% Loans
- Water and Sewage Infrastructure Projects,
- Material Equipment and Appliances loans,
- Guarantee loans,
- Cash assistance loans and cash loans,
- Work carried out by allocations from the Bank's profits.

II. TRL 845.997 thousand from grants

- For Water and Sewage Infrastructure Projects TRL 590.452 thousand
- For Allocation from Bank's Profit TRL 239.245 thousand,
- Allocation for Urban Infrastructure Equalization TRL 16.300 thousand,

III. Foreign loans TRL 487.697 thousand,

IV. For Resource Development Activities TRL 250 Million,

Total TRL 10.083.694 thousand.

This program was realized at a rate of 38.71%, with TRL 2.997.756 thousand offered as loans from the Bank's equity, TRL 333,733 thousand offered as grants from the General Budget, TRL 182.086 thousand of-

ferred as grants from the profits of the Bank, TRL 165.746 thousand for resource development activities, and TRL 223.861 as external loans.

Iller Bank's Investment Program

Iller Bank's Investment Program for the Year 2015 entered into force as TRL 27.175 thousand upon its publication in the Official Gazette issue 29236 (repeating) dated 14 January 2015.

Under the investment program published, appropriations were made in the amounts of;

- TRL 14 Million for sewage projects,
- TRL 11.650 thousand for drinking water,
- TRL 292 thousand for zoning plan,
- TRL 1.233 thousand for Solid Waste related municipal service projects.

Investment expenditures were also planned in the amounts of TRL 329.070 thousand for external credit-financed projects and of TRL 12.650 thousand for urban infrastructure projects. The projects are mentioned by name in the bank's investment program but their appropriations are excluded from the bank's investment cap.

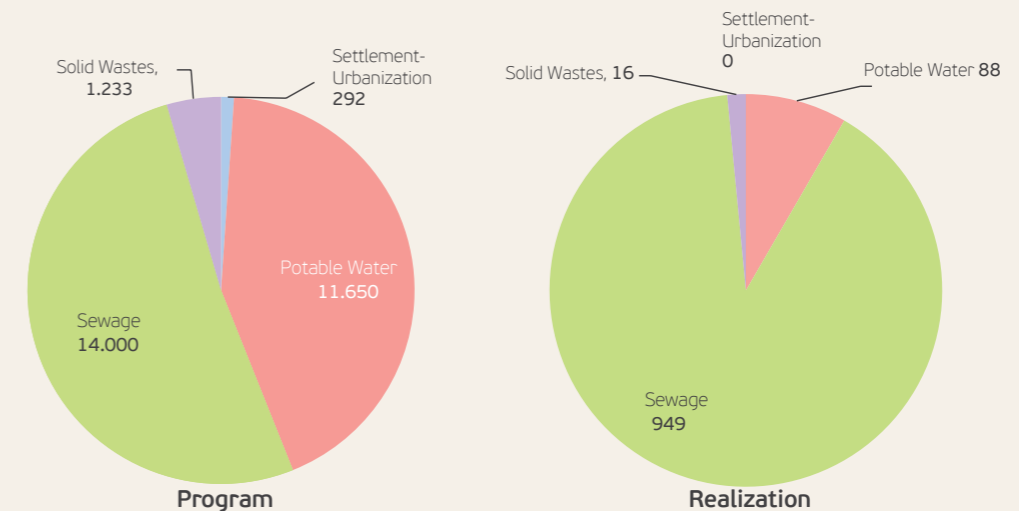
Actual spending figures amounted to TRL 949 thousand for sewage projects out of the budgeted TRL 11,650 thousand, to TRL 88 thousand for potable water projects out of the budgeted TRL 11,650 thousand, and to TRL 16 thousand for solid waste projects out of the budgeted TRL 1.233 thousand. In total, TRL 1.053 thousand was spent, which corresponds to a performance rate of 3.87% of the official program.

ILLER BANK ACTIVITIES IN YEAR 2015

REALIZATION STATUS OF INVESTMENTS IN THE 2015 OFFICIAL PROGRAM

SECTOR	PROJECT COUNT	PROJECT AMOUNT		INVESTMENTS IN 2015			ACTUAL INVESTMENT EXPENSE FIGURE IN 2015			
		EXTERNAL LOAN	TOTAL	EXTERNAL LOAN	EQUITY	TOTAL	EXTERNAL LOAN	EQUITY	TOTAL	REALIZATION %
Settlement-Urbanization	6	0	2.262	0	292	292	0	0	0	-
Energy	2	(74.457)	0	(745)	0	0	0	0	0	-
Potable water	14	(1.107.919)	171.945	(72.966)	11.650	11.650	(41.387)	88	88	0,76%
Sewage	25	(1.551.747)	84.304	(213.944)	14.000	14.000	(151.962)	949	949	6,78%
Municipal Services (Solid Waste)	7	(461.532)	3.179	(42.160)	1.233	1.233	(11.175)	16	16	1,27%
Transportation (Urban Transportation)	4	(1.467.475)	0	(157.882)	0	0	0	0	0	-
TOTAL	58	(4.663.130)	261.690	(487.697)	27.175	27.175	(204.525)	1.053	1.053	3,87%

BREAKDOWN OF THE INVESTMENT PROGRAM AND REALIZATION FIGURES FOR YEAR 2015, PER CATEGORY (THOUSAND TRL)



The funds appropriated to Iller Bank within the frame of the Regulation on the Utilization of the Appropriation Allocated for the Urban Infrastructure Needs of Municipalities under Provisional Article 1 of the Law no. 5779 concerning Allotments of General Budget Tax Revenues to be Allocated to Special Provincial Authorities and Municipalities, are used for the financing of project development and conduct/construction of mapping, zoning plan, potable water, waste water, solid waste and marine outfall works carried out by the bank

The Urban Infrastructure funds' use in 2015, per sector:

TRL 85 thousand in zoning plan works, TRL 220 thousand in potable water and purification facility works, TRL 500 thousand in sewer and treatment facility works, for a total amount of TRL 805 thousand.

TRL 10.165 thousand out of the external loan provided by the Undersecretariat of Treasury, TRL 89,145 out of the external loan provided by the World Bank, TRL 155.198 thousand out of the external loan provid-

ed by Japan International Cooperation Agency (JICA), corresponding to a total of TRL 58.498. Total outlays for these works amounted to TRL 223.861 thousand.

* Within the framework of the credit agreement regarding the "Iller Bank Environment Loan Project", executed with the European Investment Bank (EIB), a total of TRL 3.292 thousand out of the grants were expended for capacity building for the Bank, and to support investments and other components.

ILLER BANK ACTIVITIES IN YEAR 2015

In the course of survey and project activities carried out by the Bank in year 2015, surveys and project designs for 258 were completed. Total outlays for these works amounted to TRL 5.420 thousand.

PROJECT SECTOR		Projects Completed in 2015		Projects	Number of projects in Progress in 2015	
		Expenditures from bank (including area)	Other Works (including area)		Expenditures from bank (including area)	Other Works (including area)
POTABLE WATER PROJECT	Grid	34	53	72	67	22
	Treatment	-	3	7	8	10
WASTE WATER	Grid	58	35	124	74	4
	Treatment	13	-	29	21	4
	Marine Discharge/Solid Waste	5	-	3	4	2
SUPERSTRUCTURE PROJECT	Superstructure	4	5	9	7	12
	Parks	-	36	-	-	-
POTABLE WATER DRILLING	Drilling	12	-	12	6	-
TOTAL		126	132	256	187	54

Works Executed with Financing from the Grants-in-aid from the General Budget and the Grants-in-aid out of the Profits of the Bank

Project to Support the Infrastructure of Municipalities (BELDES)

BELDES is a program to support the development of good quality potable water systems throughout Turkey. Under the "Municipal Infrastructure Support (BELDES) Project" which was launched pursuant to High Planning Council resolutions 2007/6 dated 1 March 2007 and 2007/36 dated 22 June 2007, Iller Bank prepares projects for, and organizes the construction of, potable water systems in municipalities whose populations are less than 10,000 people and which either lack potable water systems or whose systems are inadequate. These projects are financed by grants allocated from the General Budget. Under this project, appropriations amount-

ing in total to TRL 74,650 thousand has been allocated for transfer to Iller Bank from the General Budget for the construction of potable water systems in 69 municipalities. This consisted of TRL 33,500 thousand for 49 municipal potable water systems in 2007 along with another TRL 41,150 thousand for 20 municipal potable water systems in 2008, the latter group of which were covered by High

Planning Council resolutions 2008/12 dated 30 April 2008 and 2008/64 dated 20 November 2008.

Total appropriations reached TRL 129,650 thousand with the additional sum of TRL 55,000 allocated in 2011.

Under the BELDES project, construction work was completed on

63 projects in previous years; in year 2015, 2 more projects were brought to completion, and the total number of potable water systems whose construction has been finished reached 65 as of the end of 2015. The spending in year 2015 for these projects amounted to TRL 1.304 thousand, whereas total outlays incurred for these projects amounted to TRL 121.127 thousand.

BELDES PROJECTS

	Quantity
Tender Stage	3
Construction begun	1
Construction completed	65
TOTAL	69

ILLER BANK ACTIVITIES IN YEAR 2015

Water and Sewer Systems Infrastructure Project (SUKAP)

Pursuant to High Planning Council resolution 2011/11 dated 10 May 2011, Iller Bank organizes the construction of potable water, sewer, rain water and system treatment facilities in municipalities whose populations are less than 25,000 people under the "Water and Sewer Systems Infrastructure Project" (SUKAP). 50% of the costs of these projects are financed by grants-in-aid allocated from SUKAP appropriation, whereas Iller Bank extends loans for the remaining 50%. Furthermore, municipalities with a population larger than 25,000 file an application without the requirement

to meet the debt limit stipulated in the Municipalities Law (Law no. 5393) are provided loans at the terms offered by the Bank. Moreover, the municipalities which lack a project are provided projects by Iller Bank, with priority.

These efforts led to the compilation of the List of the "Municipalities included in the Project" as an appendix of the Higher Planning Board (YPK) resolutions nr. 2011/11, 2012/7, 2013/4, and 2014/18. The Central Government Budget Law set aside TRL 400 million for year 2011, and TRL 500 million for year 2012, TRL 525,500 for year 2013, and TRL 557,030 for year 2014, TRL 590.542 for year 2015 amounting to a total of TRL 2,573,072 million for the Bank, for use in the execu-

tion of water and sewer systems infrastructure projects (SUKAP) of municipalities.

A total of TRL 615,395,000 under the appropriations set aside in this respect with TRL 335,991,000 in loans and TRL 259,404,000 granted in aid.

A total of TRL 6,003,271 was allocated within the framework of SUKAP, for 1036 potable water and sewage system investments, with TRL 2,397,481 granted in aid, and TRL 3,605,790 in loans.

As of 31.12.2015, out of 1036 works;

- 543 were completed,
- 343 were under construction,
- 51 were at the contract stage,
- 99 were at the tender stage.

CATEGORICAL BREAKDOWN OF WORKS (2011-2015) FINANCED UNDER THE WATER AND SEWER SYSTEM

	Potable Water	Waste Water	Total
Number of Works in Progress	366	670	1036
Number of Works Completed	189	354	543
Number of Works under Construction	126	217	343
Number of Works Contracted	18	33	51
Number of Works in the Tender Stage	33	66	99
Amount of Total Appropriation	1.654.102	4.349.169	6.003.271
Amount of Loans Extended	1.012.179	2.593.611	3.605.790
Amount of Grants Extended	641.923	1.755.558	2.397.481
Total Disbursement in year 2015	187.167	428.228	615.395
Amount of Disbursements out of Loans in Year 2015	105.012	250.979	355.991
Amount of Disbursements out of Grants in Year 2015*	82.155	177.249	259.404



Corum / Iskilip, Wastewater Treatment Plant

ILLER BANK ACTIVITIES IN YEAR 2015

Works Being Conducted With Appropriations Made From the Bank's Profits

Pursuant to Article 13 of Law nr. 6107 governing İller Bankası AŞ, 51% of the Bank's net profit for the year is made available as grants-in-aid for financing technical and social infrastructure services in villages which are carried out by special provincial authorities; for financing the development of mapping, zoning plans, potable water, waste water, solid waste, city information system and similar urban infrastructure projects in municipalities with a population of less than 200,000 people, as well as for the financing of the construction of the said projects pertaining to municipalities with a population of less than 25,000 people.

Grants-in-aid are provided from the appropriations made from the Bank's profits to finance 50% of mapping, zoning plan, potable water, waste water, treatment facility, marine outfall, sanitary landfill for solid waste, geothermal energy plant, city information system studies and project works, whereas the remaining 50% is funded by loans extended by İller Bank to relevant municipalities.

TRL 239,245 thousand was allocated out of the profits for year 2014, for the financing of the works mentioned above. Pursuant to the Regulation on the Use of Appropriations Made from İller Bank's Annual Profits in the Infrastructure Projects and Construction Works of Villages and Municipalities, TRL 205,784 thousand of this amount was put aside for municipalities and TRL 33,461 thousand for villages.

Appropriations set aside from İller Bank's profits for year 2014 for channeling to municipalities has been made available for fulfilling a large number of mapping, zoning plan, potable water and waste water project design and construc-

tion demands of municipalities in year 2013. With the appropriations made from the bank's annual profit, a total of 304 works have been completed in 2014: 3 in sewage, 1 in potable water amounting to a total of 4 works in construction; 45 cadastral works, 20 in zoning, 78 in geological survey, 84 in potable water treatment, 58 in sewage project design, and 15 in marine discharge and solid waste, amounting to a total of 300 works in project design. In year 2014, under the "Regulation on the Use of Appropriations Made from İller Bank's Annual Profits in the Infrastructure Projects and Construction Works of Villages and Municipalities", TRL 68,819 thousand was paid to municipalities, including the amounts carried over from previous years in the form of grants-in-aid, in addition to a total of TRL 6.103 thousand extended as loans, broken down to TRL 143 thousand in sewage construction, TRL 2,554 thousand in potable water system construction, TRL 885 thousand in cadastral works, TRL 470 thousand in zoning, TRL 703 thousand in geological survey, TRL 5 thousand in potable water treatment, TRL 727 thousand in potable water project design, and TRL 372 thousand in sewage project design, TRL 245 thousand in marine discharge and solid waste.

150 Playgrounds Project in 81 Provinces

Procurement and application of a grand total of 150 Type playground projects, including 2 acre, 3 acre, 4 acre and 5 acre play grounds for provincial and district municipalities with a population of between 5.000-25.000, with the partnership between T.R. Ministry of Environment and Urbanization and İllbank AS. %45 of the costs of these projects will be financed by the General Directorate of Environmental Management and %55 will be financed by from the annual profits of İller Bankası AS. 150 Park Projects have

been tendered by dividing into groups considering Regional Directorates of the Bank. The projects started to be approved in 2014, and 36 Type playground projects got approved and their construction started upon the completion of approval process of the application projects.

CEVDES Project (Supporting Infrastructure Projects Project)

CEVDES (Supporting Infrastructure Projects Project) involves the procurement of all kinds of projects and/or feasibility studies for potable water, wastewater, treatment facility, marine outfall, deep sea discharge solid waste, rainwater plants infrastructure projects of municipalities with a population of under 200.000 within the framework of the Supporting Infrastructure Projects Protocol signed on 08.08.2014 by the T.R. Ministry of Environment and Urbanization and İllbank AS.

50 % of the costs of the infrastructure projects that will be conducted within the framework of the protocol will be financed (including all kinds of work increases) by from the circulating capital of the Ministry, and the remaining 50 % will be financed by the grant-in-aids allocated from the Bank's annual net profit. Survey works, tender and all kinds of work and operations upon the completion of tender, project supervision, and project approval processes pertaining to the projects and/or feasibility studies for potable water, wastewater, treatment facility, marine outfall, deep sea discharge solid waste, rainwater plants will be conducted by our Bank.

In this context, 224 works were financed, 39 of which was completed, 96 of which are at the project preparation stage, and 89 of which are at the tender stage. In addition, projects pertaining to 24 works have been submitted to Ministry for approval, and are at the approval stage.

ILLER BANK ACTIVITIES IN YEAR 2015

Medium and Long Term Loans Provided out of the Equity of İller Bank

Works Carried Out By Municipalities and Special Provincial Authorities Under The Local Government Investments Program

Loans on 5- to 10-year terms for various projects and facilities related to local governments' public services which are placed in the Bank's investment program by the Ministry of Development and loans extended since 2005 for infrastructure and superstructure investments which are included in the bank's and in local governments' investment programs and which are carried out by the bank and by local governments either directly or through tenders, for;

- Sewage,
- Potable water,
- Rail transportation systems,
- Road constructions,
- Highway intersections,
- Underpass-Overpass,
- Renewable Energy
- Urban Transformation etc.

are used for the performance of the projects in this framework. In year 2015, a total of TRL 2,518,077 thousand was budgeted to be offered as loans for Material, Equipment, Vehicles and other Requisites in addition to Cash Support Loan requests and the projects included in the investment programs of local governments.

Among the construction works in the local authority investment program, 3 drinking water, 28 other infrastructure, 1 sewage, 39 municipality work and 3 inert waste sector (74 in total) and among the Project Works, 1 master plan, 2

drinkingwater Project, 6 drilling, 3 renewable energy, 3 CBS, 2 wastewater treatment – sea discharge – inert waste and 1 superstructure (18, in total 92) are completed.

Cash Support Loans

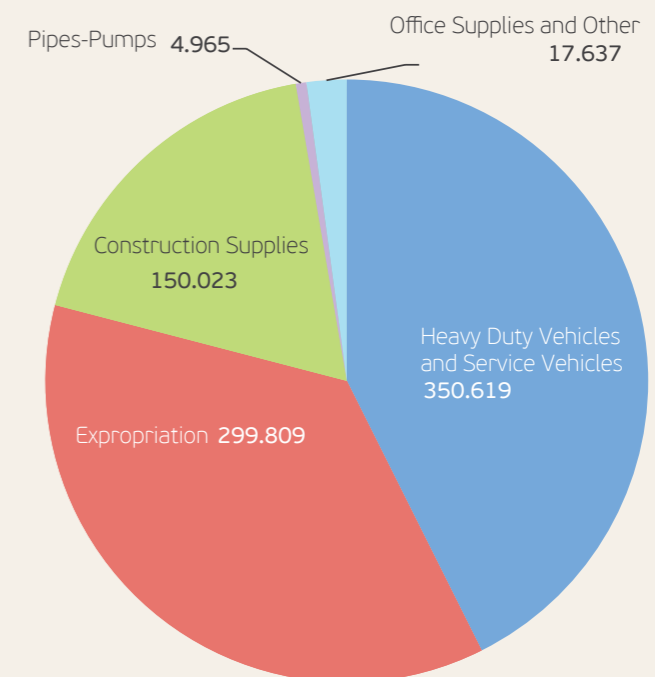
İller Bank, except for the loans belongs to the investments of the Local Governments; has began extend the credit maximum 60-month term under the name of the cash support loans will be paid to used for the severance and termination payments to the staff who will be retire by the Local Government since 2010. Also in 2015, the implementation of the cash support loan requesting application has continued to the local governments for the intended of the staff receivables are

excess of the cadre and other institution debt. 312.364 Thousand TL cash support loan facilities has extended within the 2015 years.

Loans for Materials, Equipment, Vehicles and Other Requisites

In year 2015, the Bank planned to allocate a total of TRL 950 million in credit for the financing of local governments' procurements of materials, equipment, vehicles and other requisites necessary for the conduct of city services. Credit amounting to TRL 823,053 thousand was disbursed. This corresponds to a 86.64% performance ratio in comparison to the program, providing the delivery of 1679 items consisting of heavy-duty equipment, buses, trucks to municipalities.

BREAKDOWN OF LOANS FOR THE PROCUREMENT OF MATERIALS, EQUIPMENT, VEHICLES AND OTHER REQUISITES (THOUSAND TRL)



RESOURCE DEVELOPMENT ACTIVITIES

In line with the provision of article 7, paragraph 1, sub-paragraph (c) of the Law no.6306 on the Practices Within the Framework of the Law on the Transformation of Areas Subject to Disaster Risks, with reference to the Bank's Law, with a view to providing resources for urban transformation, the Bank's Law no. 6107 was amended; the subparagraphs "Executes or procures construction works and urban infrastructure projects and special projects requested by the Ministry" and "Executes or procures real estate investment projects for profit, provided that no obligation or conditional liability is assumed with respect to the project funding, with a view to generating funds for the Bank" were added into paragraph (2) of article 3 titled the Objective and Field of

Activities of the Bank, through the Decree with the Force of Law no. 648. In this respect;

In year 2015, an expenditure of TRL 165,746 thousand was made in 12 months, out of a planned funding of TRL 250 million earmarked for resource development activities. A performance ratio of 66,30 % was achieved in comparison to the program.

Within the framework of the Urban Transformation projects executed jointly with the Ministry of Environment and Urbanization, fund of 10 million was transferred to the Bank in year 2013,. Through the investment of the transferred funds in Banks, without association with the revenues of the Bank as per the relevant Law, TRL 2,575 thousand for Agri Patnos Urban

Transformation Project, whereas a total of TRL 1,688 thousand was expended within this project. For Erzurum Yakutiye Urban Transformation Project, progress-based resource is being transferred by the Ministry of Environment and Urbanization, and TRL 577 thousand was expended within the scope of the said project.

Revenue sharing

On the real estate owned by the Bank, or acquired by the Bank free of charge in consideration of the technical consultancy services, projects to be approved by the Bank, at the rates and sale terms acceptable to the Bank, real estate investments are carried out on a revenue sharing or flat-for-land basis. In year 2015, a revenue of TRL 83.516 was derived.



Istanbul / Kartal Towers Revenue Sharing Reference work

Short Term Loans Provided out of the Equity of Iller Bank

Short-Term Loans

These entail short term directed credits extended due to the guarantor status for the municipalities in consideration of the shares distributed by Iller Bank within the framework of Law no. 2380 up to 1 July, 2008, and "The Law on the Payment of Shares to Special Provincial Administrations and Municipalities out of the Tax Revenues of the General Budget" no.5779 and "The Law on the Establishment of Metropolitan Municipalities in Thirteen Provinces and the Establishment of Twenty-Six Districts, as well Amendment of Certain Laws and Decrees with the Force of Law" no. 6360 from the said date on, and the loans extended for the works to be carried out within the framework of municipalities own investment programs. Iller Bank ceased to extend short-term credits in 2007 as a matter of principle, save for in exceptional situations. However Iller Bank issues letters of guarantee for loans that local governments obtain from financial institutions other than the bank. When such administrations default on their installments etc., the bank, in its capacity as guarantor, is responsible for making the payments whenever the beneficiary of the letter so demands. Such

payments are booked to the local governments' accounts as "short-term loans".

In addition, a commission fee is charged once every three months on the outstanding balances of letters of guarantee issued by the bank. These amounts are then charged to local governments' accounts as "short-term credit".

Medium- and Long Term Directed Loans

Loans on 5- to 10-year terms for various projects and facilities related to local governments' public services which are placed in the Bank's investment program by the Ministry of Development and loans extended since 2005 for infrastructure and superstructure investments which are included in the bank's and in local governments' investment programs and which are carried out by the bank and by local governments either directly or through tenders, for;

- * Sewage,
 - * Potable water,
 - * Rail transportation systems,
 - * Road constructions,
 - * Highway intersections,
 - * Underpass-Overpass,
 - * Urban Transformation etc.
- are used for the performance of the projects in this framework.

Non-cash Loans

As per "The Law on the Payment of Shares to Special Provincial Administrations and Municipalities out of the Tax Revenues of the General Budget" no. 5779, non-cash loans are extended by issuing letters of credits with reference to the estimated amounts calculated once the debt installments to the Bank and other agencies are deducted out of the shares distributed to local governments by Iller Bank.

In year 2015, Iller Bank issued 142 letters of guarantee for local governments, amounting to a total of TRL 210,502 thousand. During year 2015, TRL 23.757 thousand and USD 452 thousand were returned to the bank against the letters of guarantee issued in Turkish lira and US dollars, respectively, in previous years. Based on the Bank's Board of Directors resolution no. 3/42 dated 19 March, 2014, the commission rate charged on letters of guarantee was increased from 1,50 % to 2% with effect from the said date on. In 2015, the bank earned TRL 10,950 thousand as commissions on letters of guarantee it had issued.

LETTERS OF GUARANTEE ISSUED FOR LOCAL GOVERNMENTS (THOUSAND TRL)

Year	Quantity	L/G
2006	29	93.118
2007	92	127.790
2008	355	701.275
2009	465	1.428.342
2010	515	314.670
2011	501	154.820
2012	451	421.363
2013	281	327.786
2014	199	296.441
2015	142	210.502

FX LETTERS OF GUARANTEE ISSUED FOR LOCAL GOVERNMENTS (THOUSAND TRL)

Year	Quantity	L/G
2008	1	3.102.000 Euros
2009	1	75.000 ABD Dollars
2010	1	35.000 ABD Dollars
2011	25	2.635.790 ABD Dollars
2012	4	66.000 ABD Dollars
2013	-	-
2014	-	-
2015	-	-

Relations with International Financial Institutions

In 2015, Iller Bank continued to channel the increased long-term external financing which it secures under collaborations that it has developed with international financial institutions to meet the investment needs of local governments.

➤ In parallel to the Bank's vision "to be an international investment bank which takes part in modern urban development and whose service quality is proven", its priority strategic objectives include intensification of existing cooperations and contacts with international financial institutions operating in its sector. Another priority is to ensure that the Bank becomes a player outside the country. In this respect, it is aimed to establish the infrastructure required to contribute to the development of projects in countries Turkey engages in crucial bilateral cooperation efforts, making use of the experience commanded by Iller Bank, as well as the services it provides.

In 2015, Iller Bank continued to channel the long-term external funds which it secures under collaborations that it has developed with international financial institutions including the World Bank, the Japan International Cooperation Agency (JICA), and the European Investment Bank (EIB) to meet the investment needs of local governments.

World Bank Loan-Municipal Services Project (I)

➤ Efforts were started in 2003 jointly with the T.R. Prime Ministry Undersecretariat of Treasury and the Ministry of Development to develop the Municipal Services Projects for utilizing the World Bank loan, as a way of securing international financing for improvements in our country's environmental infrastructure.

The aims of this project include; Carrying out investments needed in the areas of water, wastewater, and solid waste categories, creating a sustainable financing mechanism, and further strengthening of Iller Bank's capabilities.

On 8 February 2006, Iller Bank and the World Bank signed a credit agreement in the amount of EUR 212,900 thousand that is to be used in the construction of water, waste water, and solid waste projects. On the same date, a guarantee agreement covering the loan was also signed by the R.T. Prime

Ministry Undersecretariat of Treasury and the World Bank.

Within the framework of the project, secondary agreements totaling EUR 212,095,551 were signed with the municipalities of Muğla (Merkez), Ödemiş (İzmir), Bergama (İzmir), Denizli (Merkez), Polatlı (Ankara), Gelibolu (Çanakkale), Kütahya (Merkez), Ilıca (Manavgat-Antalya), Elbistan (Kahramanmaraş) and with the MESKİ (Mersin) and ASAT (Antalya) authorities.

As of 31 December, 2014, 98.40% (amounting to EUR 206,238,705.47) of the Municipal Services Project (I) loan secured from the World Bank had been used, and had been closed as of 31.12.2012. However, in order to make the payments for works, deliveries and services conducted till the closing date, the project expenditures continued until 30.04.2013, and the uses had been completed on the same date.



Antalya Hurma Wastewater Treatment Plant

World Bank Loan-Municipal Services Project (II)

➤ Negotiations among the R.T. Prime Ministry Undersecretariat of Treasury, Ministry of Development, and the World Bank that were begun in January 2008 to discuss additional financing for the Municipal Services Project under the Country Partnership Strategy (CPS) financing program that serves as the framework for the financial and technical support which the World Bank is providing in 2008-2011 were completed.

On 29 June 2010, a loan agreement in the amount of EUR 178,200 thousand was signed between Iller Bank and the World Bank within the frame of the Municipal Services Project-(II) (Additional Financing). A guarantee agreement covering the loan has also been signed by the R. T. Prime Ministry Undersecretariat of Treasury and the World Bank on the same date. Secondary agreements were signed with the municipalities of Kayseri (Metro-

politan), Denizli (Merkez), Kırşehir (Merkez), and Beypazarı (Ankara) and with the ASAT (Antalya), MESKİ (Mersin), and İSKİ (İstanbul) authorities under the Municipal Services Project (II).

In year 2012, İSKİ (İstanbul) authorities terminated the secondary credit agreement with a view to paying for Ak fırat (Tuzla) Waste Water Basin Tunnel, Collector and System Project from its own sources, and the request in question was agreed to by the Bank. The secondary credit cancelled by İSKİ was then extended to Denizli Water and Sewage Administration (DESKİ) as of 31.12.2014.

As of 31 December, 2015, 60,50% (amounting to EUR 107.807.065,27) of the Municipal Services Project (II) loan secured from the World Bank had been used. EUR 48,841,259.67 (27.41%) of the credits was used in the period 01.01.2015-31.12.2015.



Izmir / Bergama, Solid Waste Plant

Preparations on the World Bank Loan Being Negotiated within the framework of the Sustainable Cities Project

➤ In addition to water, waste water, solid waste sectors covered in previous projects financed by the World Bank, this project covers transportation, energy efficiency, and comprehensive city development zoning plans. The credit volume is estimated to be around USD 300 Million; negotiations with the World Bank are in progress.

Japan International Cooperation Agency (JICA) Loan - Municipal Sewer System and Waste Water Treatment Plants Development Project

➤ With a view to ensuring the widespread use of sewage and waste water treatment systems in Turkey and improving the water quality in the receptive environments, the "Municipal Sewer System and Waste Water Treatment Plants Development Project" Credit Agreement at an amount of 12,784,000 thousand Japanese Yen (EUR 89,253 thousand) was signed under Treasury guarantee on 22 June, 2011 by and between the Bank and Japan International Cooperation Agency (JICA), for the improvement of sewage and waste water treatment systems of medium-sized municipalities. Within the framework of the said credit agreement, 9 secondary credit agreements were signed and put into implementation. As of 31December 2015, JPY 5,773,491 thousand (TRL 139,014 thousand) was used in this context. The amount of loans used in the period 01.01.2015 - 31.12.2015 was 2.616.150 Thousand JPY (58.498 Thousand TRL).

ILLER BANK ACTIVITIES IN YEAR 2015

Japan International Cooperation Agency (JICA) Loan – Local Governments Infrastructure Development Project

➤ In order to meet the demands of projects on water, waste water and solid waste sectors in the local governments where the Syrians under temporary protection in our country, Local Government Infrastructure Project at an amount of 45 billion Japanese Yen was signed by Japan International Cooperation Agency (JICA) and Iller Bank on May 15, 2015. Moreover, within the scope of the said project, a sub credit agreement at the amount of 11.350.000 thousand Japanese Yen was signed with Gaziantep Water and Sewerage Administration (GASKI), and another sub credit agreement at the amount of 5.150.000 thousand Japanese Yen was signed with Hatay Water and Sewerage Administration (HATSU).

European Investment Bank (EIB) Loan - Urban Infrastructure Projects

➤ In order to further collaboration in the field of water, waste water, and solid waste–priority sectors within the framework of Turkey’s accession to the European Union (EU)–, a 150 million Euro worth Credit Agreement on “Urban Infrastructure Projects” with Treasury Guarantee was signed on 28 June, 2012, by and between the European Investment (EIB) and Iller Bank. The selection and preparations for the projects to be financed through the EIB loan is in progress. In parallel to the Credit Agreement, a Grant Agreement was signed on 27.08.2013 with EIB, to allow the Bank to use the 8,500 thousand Euro grant extended by the EU Commission, to support project preparation and sustainability, and to provide technical assistance; the use of the grant had commenced. The amount of 1 million Euros put of the said grant-in-aid is allocated for “Independent Supervising Engineer” whose tender and payments were directly conducted by EIB. Under the 2.5 million Euro budget of Institutional Capacity Building, TRL 5.409 thousand was expended on 31.12.2015. The amount of gran-n aid used in the period 01.01.2015 – 31.12.2015 is TRL 3.292 Thousand.



Aydin / Sazli, Sewer Construction

European Investment Bank (EIB) Loan II - Urban Infrastructure Projects II

➤ “In order to further collaboration in the field of water, waste water, and solid waste-priority sectors within the framework of Turkey’s accession to the European Union (EU)–, a 250 million Euro worth Credit Agreement on “Urban Infrastructure Projects” with Treasury Guarantee was signed on 6 October, 2015, by and between the European Investment (EIB) and Iller Bank. The selection and preparations for the projects to be financed through the EIB loan is in progress.

ILLER BANK ACTIVITIES IN YEAR 2015



Ardahan/Köprülü, Potable Water Construction

Credits for Municipality Contribution Shares within the framework of European Union Instrument for Pre-Accession Assistance (IPA)

➤ Municipality contribution shares amounting to approximately 9% of the investment figure for municipal environment infrastructure projects, where EU Instrument for Pre-Accession Assistance (IPA) Operational Program on Environment (2007-2013) Budget grants are used, can be paid for through Iller Bank loans, should the grant recipient municipalities request so. The EU projects where municipality shares were paid through Iller Bank loans, are monitored by the Headquarters and Provincial Organizations of the Bank.

In this context, the Bank’s loans are utilized by relevant municipalities for Amasya Water and Waste Water Project, Diyarbakır Water and Waste Water Project, Erdemli (Mersin) Water and Waste Water Project, Doğubayazıt (Ağrı) Potable Water Project, Ceyhan (Adana) Water and Waste Water Project, Manavgat (Antalya) Water and Waste Water Project, Polatlı (Ankara) Water and Waste Water Project, Nizip (Gaziantep) Water and Waste Water Project, Merzifon (Amasya) Waste Water Project, Akşehir (Konya) Water and Waste Water Project, Balıkesir Solid Waste Management Project, Bulancak (Giresun) Waste Water Project, Siverek (Şanlıurfa) Waste Water Project, Akçaabat (Trabzon) Potable Water and Waste Water Project, Erciş (Van) Potable Water Construction Project, Çarşamba (Samsun) Waste Water Project, Soma (Manisa) Waste Water Project, Adıyaman Waste Water Treatment Plant Project, Seydişehir (Konya) Waste Water Treatment Plant Project, Silvan (Diyarbakır) Potable Water Project, Sorgun (Yozgat) Waste Water Treatment Plant Project, and Kahramanmaraş Waste Water Treatment Plant Project.

Within the framework of the said loans, the Bankex ten de datotal of TRL 125,216 thousand as loans for 22 municipal environment infrastructure projects. As of 31.12.2015, the total figure of credits used stands at TRL 53,473 thousand. TRL 17,800 thousand were used in loans in the period 01.01.2015-31.12.2015.

Gulf Cooperation Council Project

➤ Out of the projects being carried out by Iller Bank under the Gulf Cooperation Council Project that was launched to help rebuild areas devastated by the Marmara earthquake, construction work was completed and provisional acceptance took place for the following:

*Gölkent-Ferizli-Sinanoğlu-Söğütlü-Kaynarca(Sakarya) group potable water transmission and grid construction work tendered at the price of USD 5,784,080.87 is completed through an expenditure of USD 5,582,405.45; provisional acceptance is extended and the system is now operational. Final acceptance took place on 15.02.2013; final account settlement has yet to be completed.

* Bolu (Merkez) potable water treatment, conveyance, storage, grid construction work tendered at the price of USD 20,007,806.90 through an increase of USD 2,609,713.55 representing 15% additional work over the original tender price of USD 17,398,090.35, is completed through an expenditure of USD 18,597,201.10; provisional acceptance took place on 24.04.2011, the system became operational. Final acceptance took place on 25.04.2013; final account settlement has yet to be completed.

In these projects:

The VAT fee of progress payments for Gölkent - Ferizli - Sinanoğlu - Söğütlü - Kaynarca (Sakarya) group potable water, Bolu (Merkez) potable water treatment, Bolu (Merkez) II stage potable water treatment, conveyance, grid construction is disbursed to the contracts by providing municipalities loans by our Bank.

ILLER BANK ACTIVITIES IN YEAR 2015

Categorical Breakdown of Works Completed in 2015

In year 2015, Iller Bank was involved in a total of 57 works, which were included in its investment program for the year and whose aggregate project value was TRL 3,022,740 thousand. Out of these, a total of 2 works with a combined project value of TRL 77,851 thousand were completed and turned over to municipalities. 16 works with a project amount of TRL 1,621 thousand were completed with respect to cadastral works within the framework of Southeastern Anatolia Project (GAP). To meet municipalities' potable water requirements, Iller Bank in 2015 drilled 19 potable water wells with a total drilling depth of 2,243 meters and an aggregate measured flow rate of 188 liters/second.

Sectoral distribution of jobs completed by Iller Bank in the year 2015 are shown in the table below.

WORKS COMPLETED IN YEAR 2015 (TRL THOUSAND)

SECTOR	Program for Year 2015 Total Project		Works Completed in 2015	
	Quantity	Cost	Quantity	Cost
Settlement - Urbanization	6	457.800	1	31.900
Potable Water	14	171.945	1	45.951
Sewage	24	84.304	-	-
Municipal Services (Solid Waste)	7	517.125	-	-
Transportation (Urban Transportation)	4	1.711.682	-	-
Energy	2	79.884	-	-
Total	57	3.022.740	2	77.851

2016 Investment, Budget and Financing Program

2016 Investment and Budget Program of Iller Bank include plans for;

TRL 6 billion from Bank Sources,

TRL 889.274 from the Bank's annual profit,

(SUKAP 630 million, Bank's annual profit TRL 239.124, Urban Infrastructure Equalization Appropriations TRL 20.150 thousand),

TRL 837 Million 272 Thousand from External Loans,

TRL 250 Million from Resource Development Activities a total of TRL 7 Billion 976 Million and 546 Thousand.

These investments are projected to be financed as follows,

TRL 2,400 million from repayments on loan principals,

TRL 1.175 thousand from capital collection,

TRL 700 million from funds to be allocated from the General Budget,

TRL 587,300 thousand from external sources (World Bank, JICA and EIB),

TRL 1,214,209 thousand from interests and other collections.

TRL 182 million from Resource Development and Urban Transformation Activities.

TRL 19,789 thousand corresponding to 52 works will be carried out under the Iller Bank's investment program, whereas other works will be carried out under the investment program of municipalities and special provincial authorities.

ILLER BANK ACTIVITIES IN YEAR 2015

ILLER BANK 2015 INVESTMENT PROGRAM SUMMARY (TRL THOUSAND)

Sector	Number of Projects	Project Amount		Estimated Disbursements to the end of 2015		Not included in the total Appropriations for year 2016			2016 Investments
		External Loans	Shareholder's Equity	External Loans	Shareholder's Equity	External Credits	General Budget	Shareholder's Equity (SUKAP)	Shareholder's Equity
Settlement-Urbanization	3	-	504	-	159	-	-	-	15
Energy	2	(92.384)	-	-	-	(924)	-	-	-
Potable Water	13	(1.239.758)	161.643	(90.961)	118.083	(237.413)	(256.650)	(250.000)	7.155
Sewage	23	(1.698.040)	67.304	(297.094)	31.804	(400.394)	(394.102)	(380.603)	12.000
Municipal Services (Solid Waste)	7	(605.997)	3.262	(51.068)	520	(164.059)	-	-	619
Transportation (Urban Transportation)	4	(1.283.440)	-	-	-	(171.649)	-	-	-
Total	52	(4.919.619)	232.713	(439.123)	150.566	(974.439)	(650.752)	(630.603)	19.789

1- TRL 255 thousand provided in the Potable Water category for the Marmara Earthquake Region pertains to the Bolu II Potable Water Project.

2- TRL 87 million 937 thousand appropriation in the Potable Water category will be covered by the World Bank Loan.

3- TRL 30 million 395 thousand appropriation set aside for Urban Infrastructure potable water projects will be covered from the European Investment Bank loan.

4- TRL 6 million 650 thousand appropriation for the potable water projects will be covered from the equalization funds to be transferred to the Bank, by the Ministry of Finance.

5- TRL 250 million appropriation in the potable water category will be covered by an allowance to be provided by the Ministry of Finance to the bank for conducting municipal potable water and waste water projects within the frame of the Water, Sewage and Infrastructure Project (SUKAP), with another TRL 250 million coming from the loans to be extended by the bank.

6- TRL 176 million 813 thousand appropriation in the sewerage category will be covered by World Bank. The approval by the Ministry of Development is required for the expenses within the framework of the project.

7- TRL 83 million 095 thousand appropriation in the sewerage category will be covered by an allowance to be provided by the Ministry of Finance to the bank for conducting municipal potable water and wastewater projects within the frame of the Water, Sewage and Infrastructure Project (SUKAP), with another TRL 250 million coming from the loans to be extended by the bank.

8- TRL 30 million 935 thousand appropriation set aside for Urban Infrastructure sewage projects will be covered from the European Investment Bank loan.

9- TRL 13 million 500 thousand appropriation for the sewage projects will be covered from the equalization funds to be transferred to the Bank, by the Ministry of Finance.

10- TRL 380 million 603 thousand appropriation in the sewage category will be covered by an allowance to be provided by the Ministry of Finance to the bank for conducting municipal potable water and wastewater projects within the frame of the Water, Sewage and Infrastructure Project (SUKAP), with another TRL 380 million 603 thousand coming from the loans to be extended by the bank.

11- TRL 7 million 933 thousand appropriation set aside for solid waste projects in the municipalities category will be covered from the World Bank loan.

12- TRL 30 million 935 thousand appropriation set aside for Solid Waste projects will be covered from the European Investment Bank loan.

13- In the energy sector, the credit by the German Development Bank (KfW) will be utilized, in addition to the World Bank loan (SCP) for the Sustainable Cities project. The approval by the Ministry of Development is required for the expenses within the framework of the project.

14- In the transportation sector, the Urban Transportation Projects-Urban Infrastructure Projects-(II) will be covered by the EIB loan and German Development Bank (KfW) loan, while the Sustainable Cities project will be covered by the World Bank loan (SCP) and Islamic Development Bank loan. The approval by the Ministry of Development is required for the expenses within the framework of the project.

15- In the municipal services sector, Solid Waste projects will be covered by the German Development Bank(KfW) loan, while the Sustainable Cities project will be covered by the World Bank loan (SCP), the Local Governments Infrastructure Project will be covered by the JICA loan, and the Urban Infrastructure (II) Projects will be covered by the EIB loan. The approval by the Ministry of Development is required for the expenses within the framework of the project.

Statutory Shares Transferred to Local Governments

Allotments Made to Municipalities

Under Laws nr. 5779 on "Allotments of General Budget Revenues to be Allocated to Special Provincial Authorities and Municipalities" and Nr. 6360 "on the Establishment of Metropolitan Municipalities and Twenty Six Districts in Thirteen Provinces, and on the Amendment of Certain Laws and Decrees with the Force of Law"(Law no.5237 until 1 March 1981 and subsequently by Law no. 2380 until 15 August 2008), Iller Bank has, based on population and development index criteria, been required to distribute;

- 1.50% of the municipal allotments accumulating at the bank, to non-metropolitan municipalities and
- 4.50% there of to the district-level metropolitan municipalities.

These allocations, which are based on population and Development Index criteria, are shown in the next chart broken down by year.

MUNICIPAL SHARES TRANSFERRED TO ILLER BANK BROKEN DOWN BY YEAR (THOUSAND TRL)

Years	Transferred Municipal Shares	Distributed During the Year	Carried Forward to the Next Year
1948-2005	20.494.761	19.927.215	567.527
2006	6.247.598	6.171.950	643.174
2007	7.048.162	6.885.751	805.586
2008	8.368.934	8.331.671	842.849
2009	8.854.892	8.890.731	807.010
2010	11.271.002	10.892.290	1.185.722
2011	13.242.202	13.037.973	1.389.951
2012	14.441.742	14.253.326	1.578.367
2013	16.908.947	16.716.796	1.770.518
2014	19.518.799	19.184.212	2.105.105
2015*	23.734.206	23.474.843	2.364.468
Total	150.131.225	147.766.758	

NOTE: (*) The balance carried forward to year 2016 represents amounts received from the Treasury as allotments for November as of The end of December. These will be apportioned among municipalities as per Law no. 5779, before 8 January 2016.

TRL 1,451.392, 23 out of TRL 23,734,206 thousand received in year 2015 as per the Law no. 5779, on the other hand, arises from the population differences added to the 2014 populations of various municipalities and were paid to the relevant municipalities in the relevant period during the year.



Kayseri, Zoo

Allotments Made to Special Provincial Administrations

Out of the 0.50% allotments transferred to Iller Bank under Law no. 5779 on "Allotments of General Budget Revenues to be Allocated to Special Provincial Authorities and Municipalities", and distributed to special provincial administrations;

- 50% according to population,
 - 10% according to land area,
 - 10% according to number of villages,
 - 15% according to rural population,
 - 15% according to the Development Index of the provinces,
- are shown in the table below, with reference to the applicable year.

AMOUNTS OF SPECIAL PROVINCIAL ADMINISTRATION ALLOTMENTS TRANSFERRED TO ILLER BANK BROKEN DOWN BY YEAR (THOUSAND TRL)

Years	Transferred Special Provincial Administration Shares	Distributed During the Year	Carried Forward to the Next Year
1981-2005	3.940.828	3.834.907	105.921
2006	1.172.625	1.158.583	119.963
2007	1.315.764	1.285.351	150.376
2008	1.673.120	1.642.344	181.152
2009	1.908.628	1.916.314	173.466
2010	2.423.822	2.342.414	254.874
2011	2.847.457	2.803.159	299.172
2012	3.104.434	3.064.338	339.268
2013	3.635.595	3.594.287	380.576
2014	2.100.669	2.305.820	175.425
2015*	1.977.972	1.936.358	197.039
Total	26.100.914	25.903.875	

NOTE: (*) The balance carried forward to the next year across the year 2015 represents amounts received from the Treasury as "November" allotments as of end-December. These will be apportioned among relevant Special Provincial Administrations as per the principles of Law no. 5779 on 8 January 2016.



Antalya /Manavgat Atatürk Culture Centre

ILLER BANK ACTIVITIES IN YEAR 2015

Debt Reconciliations

Under the Provisional Article 3 of the Metropolitan Municipalities Act (Statute 5216) and the Provisional Article 5 of the Municipalities Act (Statute 5393), a reconciliation commission was set up and charged with "clearing, offsetting, and deducting" unpaid obligations owed to public agencies and organizations by metropolitan municipalities and their affiliated organizations, or by companies,

in which metropolitan or county municipalities control more than a 50% capital interest. From 2004 to 2008, the commission reported such debt reconciliations for 2,464 municipalities to Iller Bank.

Debts subject to reconciliation owed by such municipalities are reported by the relevant agencies and are deducted from the allotments distributed to local govern-

ments by Iller Bank as per Supplementary Article 4 of Law no. 2380 and Article 7 of Law no.5779. The allotments so deducted are paid to relevant agencies by bank transfer as per the Council of Ministers Decree no 2010/238. The following chart shows the creditor agencies to which the debts subject to reconciliation are owed, payments during the year and balances carried forward to 2015.

DEBTS SUBJECT TO RECONCILIATION (THOUSAND TRL)

Payable to	Carried Forward to 2015	Debited in 2015	Cancelled or Paid	Carried Forward to 2016
TEDAS	187.238	5.116	6.588	185.766
Social Insurance Institution	593.600	6.997	11.219	589.378
Social Security Institution (State Retirement Fund)	71.779	7.608	7.608	71.779
Social Assistance and Solidarity Foundation	170	7	7	170
Ministry of Family and Social Policies (Child Protection Agency)	26	5	6	25
Provincial Directorate of Youth and Sports	15.229	-	-	15.229
Ministry of Environment and Urbanization (Ministry of Environment and Forestry)	4.005	-	-	4.005
Ministry of Interior Darülaceze (Alms House)	104	-	-	104
Municipalities	1.483	-	-	1.483
Special Provincial Administrations	922	94	94	922
Metropolitan Municipalities	47.580	128	396	47.312
Affiliated Agencies	285.973	-	703	285.270
Association of Municipalities	47.839	3	2	47.840
Ministry of Finance	5.102	-	55	5.047
Undersecretariat of Treasury	486.616	7.505	9.701	466.422
Finance (Law No. 6552)	194.623	-	-	194.623
Ministry of Finance	-	165.926	1.252	164.674
Social Insurance Institution (SSK Law No. 6552)	-	265.832	16.964	248.868
Social Insurance Institution (State Retirement Fund SSK Law No. 6552)	-	187.621	1.773	185.848
Total	1.924.289	646.842	56.368	2.514.765

ILLER BANK ACTIVITIES IN YEAR 2015

Debts not Subject to Reconciliation

The following chart shows the outstanding obligations of municipalities and special provincial authorities reported by Tax Office, Social Insurance Institution, State Retirement Fund and various agencies subject to Law no. 6183, which are required to be deducted from the allotments distributed by Iller Bank to local governments under Article 7 of Law no. 5779, and paid to relevant agencies as per the Council of Ministers Decree 2010/238.

DEBTS NOT SUBJECT TO RECONCILIATION (THOUSAND TRL)

Payable to	Carried Forward to 2015	Debited in 2015 (*)	Cancelled or Paid (**)	Carried Forward to 2016
Social Insurance Institution	1.186.690	502.403	448.450	1.240.643
Social Security Institution (State Retirement Fund)	2.461.261	722.120	840.359	2.343.022
Special Provincial Adm. (Real Estate Tax)	40.973	1.380.107	641.853	779.227
Special Provincial Adm. (Real Estate Tax)	9.777	768	796	9.749
Social Assistance and Solidarity Fund	1.489	87	88	1.488
Undersecretariat of Treasury	1	1.165	1.143	23
Immovable Cultural Properties Contribution Share	569.255	489.185	759.578	298.862
Association of Municipalities of Turkey	67.625	37.953	9.941	95.637
Other Institutions	291.747	16.447	16.630	291.564
Development Agencies	143.032	99.793	65.731	177.094
Medical Institutions	335	4.118	242	4.211
Association of Municipalities of Turkey	11.773	50.524	18.147	44.150
Tedaş (Turkish Electricity Distribution Corporation)	52.199	206.662	394	258.467
Total	4.836.157	3.511.332	2.803.352	5.544.137

The columns marked as follows include:

(*) Updated obligations reported by tax offices, Social Security Institution, and the Undersecretariat of Treasury;

(**) Debt cancellations issued by public agencies and institutions, in addition to payments to relevant agencies.



Konya, Science Center

Iller Bank's equity stakes in NIGBAS and Emlak Konut REIT are each less than 10% and are recognized in the "Financial assets available-for-sale" account in the books and the Financial Statements.

Nigbas Nigde Beton Sanayii ve Ticaret AŞ (NİĞBAŞ)

Nigbas Nigde Beton Sanayii ve Ticaret AS was established in Nigde in year 1976 to engage in the manufacturing, sales, transportation, and erection of concrete and steel posts, concrete pipes, concrete beams, flumes, fiber cement roofing, fiber cement pipes, and prefabricated construction elements. The company currently engages in the manufacture of products such as concrete beams and traverses for power transmission lines, urban grids, and lighting, prefabricated building elements, pavement stones, concrete curb stones, fence posts, and pre-stressed concrete bridge beams.

Iller Bank is not represented in the Board of Directors and Auditors of the Company, composed of 5 members.

At the Extraordinary General Meeting of Nigbas Nigde Beton Sanayi ve Ticaret AS held on 1 February 2011, the company capital was increased from TRL 5,495 thousand to TRL 11 million; since Iller Bank did not subscribe to this capital increase as per the bank's Board of Directors decision 4/29 dated 27 January 2011, the bank's share in the Nigbas capital decreased to 4.58%, from the previous level of 9.16%. Subsequently, the company's capital has been increased from TRL 11 million to TRL 22 million at the Ordinary General Meeting of Nigbas Nigde Beton Sanayi

ve Ticaret AŞ on 25 April 2011, and Iller Bank's shareholding in the company went down to 2.29%.

At the Extraordinary General Meeting of Nigbas Nigde Beton Sanayi ve Ticaret AS held on 12 September 2011, a decision was passed to increase the company's capital to TRL 27 million. The company shares representing the incremental capital amount of TRL 5 million were offered to the public on 27-28 February 2012, and these shares are traded in ISE 2 market since 5 March, 2012. The Bank currently holds 1.86% of the company's total capital of TRL 27 million.

Through its resolution no. 6/128 dated 21.02.2013, the Board of Directors authorized the General Manager to sell Nigbas Nigde Beton Sanayi ve Ticaret A.Ş. shares held by the Bank, in accordance with the provisions of Iller Bank Sales, Revenue Sharing for Flat or Land Sales, Tender Regulation, at a price not lower than the average sales price of the Company shares in Istanbul Stock Exchange as of the date of sales, and to execute the sales proceedings.

Furthermore, again on the basis of the Board of Directors resolution no. 6/128 dated 21.02.2013, NİĞBAŞ A.Ş. shares held by the Bank were floated at Istanbul Stock Exchange on 21.05.2013.

Emlak Konut Gayrimenkul Yatırım Ortaklığı AS (Emlak Konut REIT)

Emlak Gayrimenkul Yatırım Ortaklığı AS is an Istanbul-based real estate investment trust whose capitalization, which hitherto had amounted to TRL 649,100 thousand, was reduced to TRL 253,385 thousand as a result of a decision taken, pursuant to a law mandating the liquidation of the National Housing Acquisition Support Fund, at the company's Annual General Meeting held on 30 April 2009.

The company's capital was increased to TRL 1,875 million by another decision that was taken at an Extraordinary General Meeting that took place on 17 August 2010. Iller Bank's stake in the company amounts to 0.000032152%.

The bank is not represented either on the board of directors or among the statutory auditors. Group B bearer shares of Emlak Konut REIT, floated to the public with a nominal worth of TRL 625,000 thousand, are traded in ISE Corporate Products Market.

TRL 58 dividend paid for the shares held by the Bank in Emlak Konut Gayrimenkul Yatırım Ortaklığı AS, with respect to its operations in year 2014, was transferred to the Bank's accounts, within year 2015.

Procurement Services

In the early years after Iller Bank was set up, materials, machinery, tools, and other supplies required for the potable water and sewer systems, mapping, surveying, project development, construction, and drilling services needed by local governments had been procured by contractors.

However, in view of the gradually growing volume of work, the difficulties brought on by frequent changes in domestic and foreign trade and customs regimes, the fiscal capacities of local governments while making large-volume joint

procurements, contractors' lack of funds, and a desire to procure better-quality supplies faster and more economically, it was thought advisable for such procurements to be made by the bank.

For many years it was the practice for Iller Bank to procure and stock the materials required for local governments' investments and to use them to meet local governments' needs.

In 2003, the bank began surrendering such materials directly to the facilities concerned of local

governments rather than booking them as inventory first. In 2004, the bank began extending credit to local governments so that they could procure their own materials, vehicles, tools, equipment, etc. themselves. When such credit-financed supplies are to be procured, they may be purchased by local governments or (if it has been authorized) by the bank.

In 2015, out of the materials worth TRL 823,053 thousand for which credits were extended to the municipalities, or which were procured and delivered to the municipalities;

The chart below provides information about procurements, which municipalities requested Iller Bank to make in 2005-2015 together with details of transactions whose payments were financed on credit. (THOUSAND TRL)

Years	Amount of Credit Extended for Heavy-Duty Equipment	Amount of Credit Extended for Service Vehicles	Amount of Credit Extended for Pipe Pumps	Amount of Credit Extended for Construction Materials	Amount of Credit Extended for Construction Materials	Amount of Credit Extended for Office Equipment	Amount of Credit Extended for Other Materials	Total Amount of Credit Paid Out
2005	50.816	35.935	6.315	15.349	8.076	137	1.425	118.053
2006	99.537	66.525	15.709	30.512	18.557	319	4.121	235.280
2007	39.066	29.228	8.654	47.217	17.433	28	6.634	148.260
2008	29.818	32.401	10.057	101.256	31.277	-	9.289	214.098
2009	42.119	67.413	40.769	40.812	10.556	-	9.544	211.213
2010	83.865	78.893	13.815	72.335	98.754	151	14.309	362.122
2011	166.394	153.612	24.684	188.301	123.201	3.758	27.607	687.557
2012	133.370	178.605	12.779	241.195	207.711	2.335	40.514	816.509
2013	74.377	176.373	18.348	426.382	199.257	2.794	61.562	959.093
2014	52.118	97.897	11.942	135.747	124.780	1.090	21.324	444.898
2015	179.097	171.522	4.965	150.023	299.809	481	17.156	823.053

Iller Bank currently holds TRL 888 thousand worth of supplies in stock to meet the needs of local governments and of the bank itself. Of this total, TRL 589 thousand consists of goods that were acquired in previous years, are being held in stock, and will be dispensed to municipalities in the years ahead as they need them, whereas TRL 299 thousand of it consists of drilling supplies and other expendables that are held in stock to meet the needs of local governments and the bank. The following chart shows a breakdown of inventory holdings.

INVENTORY HOLDINGS (TRL THOUSAND)

Type of Material	Amount
Materials in Stock	
PVC Pipes	589
Total	589
Other Materials in Stock	
Drilling Materials	21
Stock Materials in Warehouse	278
Total	299
Total Inventory Holdings	888

OTHER ACTIVITIES CARRIED OUT BY ILBANK

Village Allotments

Within the framework of article 19 of the abrogated Law nr. 4759, and article 13, paragraph 3 of the Law nr. 6107 on İller Bank, a total of TRL 599,482 thousand in grants were allocated as of end of 2015, out of İller Bank's profits as Village Share, for the execution of technical infrastructure works such as mapping, zoning planning, potablewater well drilling, water draw structures, transmission lines, tank and grid, potable water treatment plant, waste water grid and waste water treatment plant, landfill for solid waste, solid waste transportation, all kinds of village roads, agricultural irrigation, and social infrastructure services such as education, health, cultural and administrative buildings, parks, playgrounds, green spaces and such, to cover survey project design service procurement, construction, tools and equipment purchases, with a view to helping villages develop by increasing their revenues.

Pursuant to Article 13, paragraph 3 of Law no.6107 governing İller Bankası AŞ, which entered into force on 08 February, 2011, "51%

of the Bank's net profit for the year is made available as grants-in-aid for financing technical and social infrastructure services in villages which are carried out by special provincial authorities; for financing the development of mapping, zoningplans, potablewater, wastewater, solid waste, city information system and similar urban infrastructure projects in municipalities with a population of less than 200,000 people, as well as for the financing of the construction of the said projects pertaining to municipalitie swith a population of less than 25,000 people.

Principles and procedures regarding the implementation of this provision shall be governed by a regulation to be issued by the bank's Board of Directors". Based on this provision, the Bank's Board of Directors adopted the" Regulation on the Allocation of Allotments Set Aside from İller Bank's Annual Profit for Use in the Infrastructure Project Development and Construction Works for Vil-lages and Municipalities". In this respect, İller Bank allocated TRL

33,461 thousand in cash for use in projects in villages., amounting to a total of TRL 203.290 thousand with TRL 169.829 out of its profits for the year,

In 2015, TRL 113.267 thousand was ex- tended as grants, repre- senting an amount including the carry-over shares from previous years; TRL 132.400 thousand, on the other hand, was carried over to year 2016.

Aid and Grants

In year 2015, Bank provided in grants-and-aids in accordance with the regulations as per Ban- king Law no. 5411 and Tax Laws:

- TRL 3,500 thousand for the continuation of the sports activities of İller Bank Youth and Sports Club;
- A total of TRL 19,103 thousand for the infrastructure needs of local governments and TRL 15.603 for the requirements of the schools operated by the Ministry of Education.



Garbage trucks that are purchased out of grants allocated through the annual profit of İller Bank and distributed to local governments

OTHER ACTIVITIES CARRIED OUT BY ILBANK

Electronic Fund Transfers

In order to increase the productivity of its resources while also lowering its funding costs, İller Bank makes extensive use of electronic funds transfers (EFT) in the conduct of its banking business and transactions. By making effective use of modern technology at its own EFT center, local governments' shares, progress entitlement so wed to contractors under lending agreements to which the bank is a party, and all disbursements related to the bank's current expenditures are made within one hour directly to the recipients' accounts in line with their instructions and without the involvement of any other intermediary bank whatsoever. In year 2015, İller Bank EFT Center sent out 55.809 transfers worth a totalof TRL 180.893.197 thousand to banks and financial institutions while processing 13,109 incoming transfers whose combined value amounted to TRL 181,174,049 thousand.

Training Activities

İlBank pays particular attention to training activities for human resources. Courses and seminars are organized in the country to increase competencies and knowledge of the Bank personnel and the personnel are ensured to participate in the courses and seminars at home and abroad.

A total of 1,669 personnel were provided training by İller Bank in 2015, including training provided by a grant from the European Investment Bank to 904 people and other training provided to 765 people.

Quality Management System

Quality Management System Works in our Bank started with the establishment of Quality Management Office within the body of Department of Planning and Coordination with the decision of Board of Directors in 2011, and with the appointment of Quality Management representative in 2012, and as a result of external audits conducted in November 2013 by the TSE, TS EN ISO 9001 Quality Management System Certificate was obtained on December 3, 2013.

Inspections carried out by TSE officials at least once a year was conducted between 12-13 November 2015. Our Quality Management System Inspection was completed successfully and no negative findings were found. Our Bank's Certification Renewal Inspection will be held in 2016.

Insurance

İller Bank is an A group agent for Groupama Sigorta AŞ and Güven Sigorta AŞ insurance firms. In that capacity it negotiates insurance coverage for installations, vehicles, materials, and buildings belonging to local governments, bank personnel, and other individuals and organizations. In year 2015, the bank issued 3.954 policies and earned TRL 867 thousand as commission income.

Banking

İller Bank is a development and investment bank whose activities are governed by article 77 of the Banking Law (no. 5411). Within the framework of Law no. 6107 governing İller Bankası AŞ and of the "İller Bank Articles of Incorporation and Lending Regulations" issued pursuant to that law, the bank extends short-, medium-, and long-term credit to local governments while also providing them with non-cash credit.



İller Bank Training Seminars

Pursuant to its governing law, Iller Bank performs project development, offers consultancy services and secures credit-financing for the projects for the infrastructure and superstructure investments needed by local governments. The bank keeps a close eye on advancing technology and the products used in Turkey and abroad, in parallel with the services it renders.

Within the framework of new fields of activity, work on resource development projects, urban transformation projects, Geographical Information System and Urban Information System are in progress.

In this respect;

Urban Information System: This system aims for the association between city's geographical features, socio economical characteristics, infrastructure and superstructure, intelligent and layered maps, revenue and expenditure systems, determination of liabilities and subscriptions, creation

of necessary personnel, computer hardware and software infrastructures, turning system into a living and continuously updated project, ensuring full coordination of data collection, providing information and knowledge generation for more accurate and faster decision and control mechanisms. In this context, the Municipalities and local governments are provided with loans and technical facilities by Iller Bank.

ILCAS: This is an automation system which covers both the headquarters and provincial organization of Iller Bank, and which allows the digitized archival of the classical and digital geographical data produced/used by the Administration, and the saving of the digital data from the institution's map generation projects, on the central geographical server in a systematical manner, and for this purpose, the storage of the digital mapping and plan production works in the institution in compliance with ISO TC211

and data standards defined by OGC, as well as making the institution's geographical data inventory available to users within and outside the institution in compliance with ISO and OGC standards through web-based applications, and all the while allowing online use of geographical data services published/to be published, by other institutions. ILCAS is planned as an e-government project fully tailored for Iller Bank, owned fully by Iller Bank, along with all source code.

With ILCAS, the installation of the Geographical Information Infrastructure of Iller Bank will be completed, data will be regularly updated, data sharing with other organizations and institutions will be possible, waste of time and cost of losses resulting out of bureaucracy will be reduced, all the technical memory of the institution will be recorded and e-State electronic services will be provided. We have come to the approval stage of the work as a result of

studies conducted with ILCAS, and the system will be brought into use inside and outside the institution in a very short time.

Renewable Energy Sources:

All kinds of technical and financial support are provided for local governments in terms of installation of all systems including their applications, under the titles below regarding clean and inexhaustible energy sources and energy production along with energy efficiency.

- Electricity generation with solar power,
- Electricity generation with wind energy,
- Electricity generation with Hydropower (HPP)
- Systems integrated with the supply of geothermal energy (water, steam, gas)
- Water- and ground-based heat transfer (heat pumps)
- Gas derived from biomass (including landfill gas) and electricity and gas production,

- Energy Efficiency

Urban Transportation Studies:

Is planning human and environment-oriented, sustainable transport system taking into consideration scientific and technical criteria for the movement of vehicles, pedestrians, passengers, goods and services, within the context of offering the country a modern quality of life. The Urban Transport Planning aims at;

- Establishment of an economic and sustainable transport system to meet people's present and future travel activities,
- Development of a natural disaster resistant, durable and reliable transport network,
- The demand for urban transportation to be directed to public transportation.

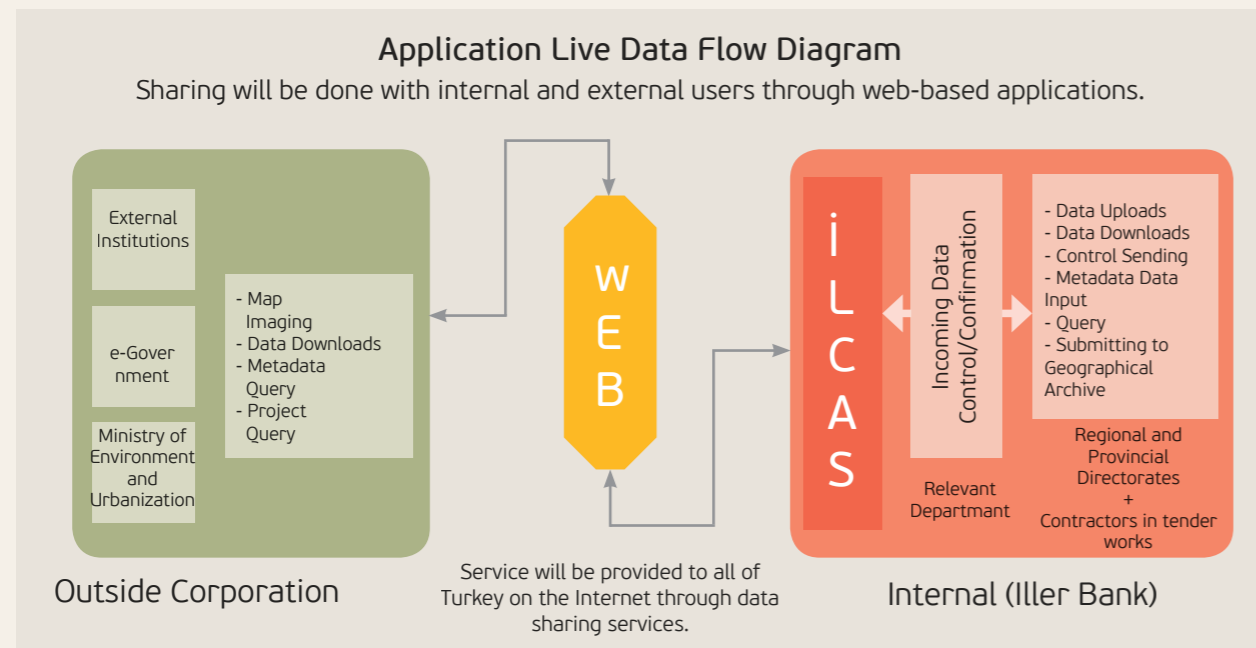
The Urban Transportation Study Plan may be studied under three main points:

1. Transportation Master Plan

2. Emergency Action Plan for Transportation and Traffic Studies

3. Rail System, Metrobus, and Cable System Lines

Our Bank is providing all sorts of technical and financial supports for the preparation of the Transportation Master Plans and establishment of transportation systems. Having involved in the market with its renewed structure, highlighting the quality of service in competitive conditions, evaluating the cost-based pricing policy in line with customer demand, having converted into a transparent structure, our bank continues to maintain its leadership position with value-added services developed in the current market conditions, and with technology that is capable of bringing the technology it created into future. In the bank whose fields of activity have been updated in accordance with the Law No. 6107, R & D activities are being developed in live with the new demands.



Kırşehir/Kaman, Solar Power Plant



Kayseri, Rail System

BOARD OF DIRECTORS



Fuat GEDİK

Chairman of the Board of Directors

Fuat Gedik graduated from Eskişehir Academy of Economics and Commercial Sciences in 1978. In the period 1979-1991, he served as an Inspector and Branch Manager at T. Halk Bankası A.Ş. From 1991 to 1999, he served as a Branch Manager at various Islamic Banks. In the period 1999-2014, Mr. Gedik served as a Deputy General Manager at the subsidiaries of the Metropolitan Municipality of Istanbul. He was appointed as a Board member of İller Bank on 14 March, 2014. Mr. Gedik was elected the Chairman of the Board by the İller Bank Board of Directors resolution no. 3/2 dated 19 March, 2014. He holds the titles of Public Accountant and Independent Auditor. Furthermore, for a time, he worked as a faculty member at Istanbul Gelişim University, Vocational School, Department of Banking and Insurance. He is fluent in English.

Veysel EKMEN

Deputy Chairman of the Board of Directors / Chairman of the Audit Committee

Veysel Ekmen graduated from Marmara University, Faculty of Economics and Administrative Sciences, Department of Business Administration. He began his career as a Public Accountant in 1984, and still serves in that capacity. Mr. Ekmen was appointed as the Member of the Audit Committee at TOKİ Emlak Konut REIT in year 2003. In 2005 he was appointed as a Board Member, and in 2011, the Deputy Chair of the Board of Directors, a post he still serves in. He was appointed as a Board member of İller Bank on 12 September, 2012. He was elected as a Member of the Audit Committee of İller Bank, through the Bank's Board of Directors resolution dated 20 September, 2012 and numbered 28/482. There solution dated 4 December 2013, numbered 42/1136 appointed him as the Chairman of the Audit Committee, whereas the resolution dated 19 March, 2014 numbered 3/24 appointed him as the Deputy Chairman of the Board of Directors.* He is fluent in English.



Mehmet Turgut DEDEOĞLU

General Manager / Board Member

Mehmet Turgut Dedeoğlu graduated from Gazi University, Bolu School of Economics in 1986. His career began in 1986. In the period 1987-1989, he served as a Junior Associate at T. Halk Bank A.Ş. Headquarters, followed by his service at Türkiye Vakıflar Bankası T.A.O. in the roles of inspector, regional director, assistant branch manager, branch manager, and chairman of the board of inspectors in the period 1989-2008. In the period 2008-2010, he served as Vice President at Vakıf Finans Faktoring Hizmetleri A.Ş., and as General Manager at Vakıf Sistem Pazarlama A.Ş. in the period 2010-2012. Between 2012-2014, he served as a Vice President at Vakıf Gayrimenkul Değerleme A.Ş. He is appointed the General Manager of İller Bankası A.Ş. through approval no. 2192 dated 12.02.2014 by the Ministry of Environment and Urbanization.



İbrahim ACAR

Board Member Audit Committee Member

İbrahim Acar graduated from Middle East Technical University, Faculty of Economics and Administrative Sciences, Department of Public Administration and International Relations in 1986. He received his Ph.D. in International Relations from Yeditepe University. In the period 1986 - 1994, he served as an executive in the banking sector, in Finance, Foreign Transactions and Import-Export departments. Engaged in commerce since 1994, he currently serves as General Manager and Chairman of Board of Directors in various firms operating in a wide range of fields. He was appointed as a Board member of İller Bank on 04 March, 2014. Mr. Acar was elected a Member of the Audit Committee by the İller Bank Board of Directors resolution no. 3/25 dated 19 March, 2014.



BOARD OF DIRECTORS



Av. Mesut BAYAT
Attorney-at-law Board Member

Mesut Bayat graduated from Ankara University Law School in 1996. Having completed his bar internship in the period 1996-1997, he serves as a Lawyer since 1997. Since 2001, he served as legal consultant and Amount of Credit Extended for Pipe Pumps

Lawyer at various public and private organizations and local governments. He still represents the Ministry of Interior as lawyer in some administrative court cases. Furthermore, he serves as part-time Legal Consultant at TUBİTAK, Central Criminal Matters Board Member at the Ministry of Youth and Sports, General Directorate of Sports, and Chairman of Ankara 1st Regional Committee for the Protection of Natural Heritage, and the Chairman of Ankara 2nd Committee for the Protection of Cultural Heritage. He was appointed as a Board member of İller Bank on 14 March, 2014.



Fehmi Hüsrev KUTLU
Board Member

He graduated from İstanbul University, Faculty of Law. He worked as a Lawyer in the period 1986-2002. Mr. KUTLU served two terms as an MP for Adıyaman in the Grand National Assembly of Turkey (GNAT) in the period 2002-2011. In 2014, he was elected the mayor of Adıyaman, and still serves in that position. He was elected as the Board of Directors Member for Municipalities, in the Ordinary General Assembly Meeting of İller Bank, held on 22 May, 2014.



Mehmet YEREBAKAN
Member of the Board of Directors

He graduated in 1984 from Karadeniz University Gümüşhane Vocational School, and in 1989 from Anadolu University, Open Education Faculty, Department of Economics. His career began as an accountant in private sector. In that track, he served as an accounting director till 1994. In 1994, he was elected as a Municipal Assembly Member in Rize Ardeşen, whereupon he served as Deputy Mayor, and till 2004, the Chairman of the Budget Committee. In the period 2009-2014, he served as a Municipal Assembly Member, Deputy Mayor, and Chairman of the Zoning Committee. Furthermore, in the period 2009-2014, he served as the Chairman of the Board of Directors of Arbelsan A.Ş., as subsidiary of the Municipality. In 2014, he was elected a Provincial Assembly Member; in the Ordinary General Assembly of İller Bank, held on 22 May, 2014, he was elected the Board of Directors Member representing the Special Provincial Administrations. He is currently studying for a masters degree at Recep Tayyip Erdoğan University.

• Pursuant to Article 7 of the bank's governing law (no.6107), the bank's Board of Directors is composed of 7 members in total, including the General Manager. Four of the Board members are appointed by the Ministry of Environment and Urbanization, whereas two members who will represent municipalities and special provincial authorities are elected by the General Assembly of Shareholders from among two groups of nominees nominated by the Ministry of Interior from among the mayors and special provincial authority representatives that attend the General Assembly. In the meeting that immediately follows the oath-taking ceremony, the Board of Director selects one member from among them as the chairman and one as the deputy chairman. Board members serve a term of office of three years each, and those whose terms expire may be re-appointed.

• The Board of Directors is obliged to meet at least once a month to fulfill the duties and responsibilities imposed thereupon by the governing law of İller Bank and by the İller Bank's Articles of Incorporation. The Board of Directors held 34 ordinary meetings in year 2015 and passed a total of 1204 resolutions in these meetings.

• In accordance with the provision of Article 12, Paragraph 1 of Law no. 6107 on İller Bank, "Board Members may be paid monthly wages and other remuneration in amounts to be determined by the General Assembly, subject to the upper limit to be determined annually by the Higher Planning Board", financial benefits such as per diem, bonus, or dividend shares are not granted outside the wage payments.

• The Bank has no committees such as the Credits Committee, which may be established to assist the Board of Directors and the Audit Committee.

• Member of the Board of Directors, Veysel Ekmen reassigned as member of Board of Directors with the approvals of the Ministry of Environment and Urbanization, dated 28.08.2015, and numbered 11755, and reelected as the Deputy Chairman of the Board of Directors with the decision of the Board of Directors, dated 17.09.2015, and numbered 24/826.

BOARD OF DIRECTORS

Information on the Assets and Liabilities Committee

Chairman

Mehmet Turgut DEDEOĞLU,

General Manager and Member of Board of Directors

Members

Hakan ÇOLAK, Deputy General Manager

Dr. Ender Aykut YILMAZ, Deputy General Manager

Salih YILMAZ, Deputy General Manager

The Assets and Liabilities Committee was established through Iller Bank Board of Directors resolution nr. 3/28 dated 19.03.2014. The committee is assigned the tasks of evaluating the Bank's finances, portfolio, credit interests, and the developments in financial and capital markets, as well as other developments at the Bank and in other banks, with a view to establishing the policies regarding the management of the Bank's assets and liabilities and related fund transactions, and making the decisions to be executed by relevant departments in order to manage the Bank's balance sheet, as well as monitoring the implementation of the decisions taken.

The Assets and Liabilities Committee conducted 12 meeting in year 2015 and passed 12 resolutions.

AUDIT COMMITTEE

Veysel EKMEK

Chairman of the Audit Committee

Please see page 40 for Mr. EKMEK's resumé.

İbrahim ACAR

Audit Committee Member

Please see page 40 for Mr. ACAR's resumé.

Iller Bank Audit Committee was formed pursuant to the Board of Directors resolution 8/92 dated 22 February 2008. This committee is charged with, and is responsible to the Board of Directors for, overseeing the effectiveness and adequacy of the bank's internal systems and ensuring that these systems and also the accounting and reporting systems function as prescribed by laws and regulations, and for guaranteeing the integrity of the information generated by them; for the conduct of preliminary assessments leading to the Board of Directors' selection of independent auditors and for regularly monitoring the activities of such auditors as the board may select and enter into agreements with. The Audit

Committee was previously governed by the Audit Committee Operating Procedures and Principles Regulation approved by the bank's Board of Directors resolution 21/298 dated 25 June 2008; upon enforcement of the Law no. 6107 governing Iller Bankası AS, the Iller Bank Audit Committee Regulation approved by the Board of Directors decision 23/286 dated 26 July 2011 was abrogated; thereafter the Committee and its activities became subject to the Iller Bank Audit Committee Regulation adopted through the Board of Directors resolution no. 29/520 dated 27 September, 2012.

The Audit Committee had 25 meetings in year 2015, discussing 56 matters.

*Member of Board of Directors, Veysel EKMEK was reelected as the Chairman of Audit Committee with the Board of Directors decision dated 17.09.2015, and numbered 24/826

INFORMATION ON AUDIT COMMITTEE



Av. Muzaffer CENGİZ
Audit Board Member

Muzaffer Cengiz graduated from Ankara University Faculty of Law in 1987 after which he worked as an attorney for the Social Security Institution in Kayseri for five years. He established his own legal practice in 1995. In Kayseri he served as a member of the Kocasinan city council and as a member of the board of directors, board of auditors, and discipline committee of the Kayseri Bar Association. He also represented Kayseri Bar Association in Kayseri Consumer Problems Arbitration Board. He served as an executive in mass housing industry, and worked as chairman, board member, and auditor at various non-governmental organizations. He still continues to work as independent legal advisor and attorney. Since 19 April 2007, Mr. Cengiz serves as a Member of the Audit Board at Iller Bank.



Adem KABADAYI
Member of the Audit Board

Adem Kabaday entered Ankara Economics and Commercial Sciences Academy, Faculty of Economics in 1980. He graduated from the institution renamed as Gazi University, Faculty of Economics and Administrative Sciences, Department of Economics in 1984. In 1985 he passed the Revenues Comptroller exam by the Ministry of Finance, and took up service at the Ministry. He completed his military service in 1993. He was appointed the Chief Comptroller for Revenues in 1996. The same year saw his appointment as the Acting Head of Ankara Ostim Tax Office. Having served in this post till February 1999, he resumed his original post of Chief Comptroller of Revenues. In April 2003, he was appointed as acting head of the Administrative and Financial Affairs Department of the Ministry of Finance. In January 2008, he was confirmed in this post. In January 2014, he was appointed as the Chairman of the Higher Education Center at the Ministry of Finance. He still serves in this post. He executed numerous tax audits, inspections and investigations all around Turkey. In addition to his papers and research published in his field, he also served as a trainer on the job trainings. In 2008, he attended 39th Session of Public Diplomacy Training Program offered by the Public Administration Institute of Turkey and the Middle East. Mr. Kabadayı has intermediate level of proficiency in English.

He served as member of the Audit Board at Sümer Holding A.Ş., and a member of the Board of Directors at Tekel (Gayrimenkul A.Ş.) A.Ş. Currently he serves as the Audit Committee Member at Iller Bankası A.Ş. representing the Ministry of Finance.



Osman KARA
Member of the Audit Board

Osman Kara graduated from the Faculty of Political Sciences in Ankara in 1976. In the period 1977-1989 he served as Inspector and Deputy Inspector at Türkiye Öğretmenler Bankası, and in the period 1989-2001 he served as in Konya, Sam-sun, Ankara and Izmir branches of Albaraka Turk Special Finance Institution. He retired from SSK in 2001. In the period 2003-2008 served as member of Board of Directors at T kalkınma Bankası, and in the period 2011-2014, he served as Financial and Administrative Affairs Manager at SEFA VAKFI. On 18 August 2015, he was assigned as member of Board of Directors of Iller Bank.

• Pursuant to Article 9 of the Law no. 6107 governing Iller Bankası AŞ, the bank's Audit Board is formed of three members. Two members are appointed by the Ministry of Environment and Urbanization, and one member by the Ministry of Finance. Audit Board Members are required to possess the qualifications required of Board Members.

• In accordance with the provision of Article 9, Paragraph 2 of Law no. 6107 on Iller Bank, "Audit Board Members shall be paid monthly wages and other remuneration in amounts to be determined by the General Assembly, subject to the upper limit to be determined annually by the Higher Planning Board for Audit Board Members"; no financial benefits other than wages are paid.

Mehmet Turgut DEDEOĞLU

General Manager – Board Member

Please see page 38 for Mr. DEDEOĞLU's resume.



Yusuf BÜYÜK
Vice President

He was born on 10 June, 1968, in Rize. Having graduated from Istanbul Technical University, Faculty of Civil Engineering, Büyük got his masters in business administration a Turkish Aeronautical Association University, Institute of Social Sciences. For a while, he worked as an engineer with the private sector. He also served as a control engineer at Rize Municipality. His career stops include the positions of technical director at the Metropolitan Municipality BUGSAŞ A.Ş., Vice President at Ankara Başkent Doğalgaz Dağıtım A.Ş., and Vice President at Metropolitan Municipality of Ankara PORTAŞ A.Ş.

On 15 January, 2013, he joined Iller Bank as a Department Director. On 8 February, 2013, Mr. Büyük was appointed as a Vice President of Iller Bank, and still serves in that capacity. Mr. Büyük took part in the establishment and management of numerous non-governmental organizations, and is married with 3 kids.



Salih YILMAZ
Vice President

He was born in Kemaliye in 1966. After graduating from Vefa High School, in 1988, he graduated from Istanbul University, Faculty of Economics. He worked for a while in the private sector, and in the period 1995-2007, as a Public Accountant. Mr. Yılmaz was appointed as an Auditor of Iller Bank in 2006. During his tenure at that position, he was appointed to the Board of Directors of Iller Bank through the Joint Decree dated 22 March, 2007. Thereafter he served as a Member of the Audit Committee, Chairman of the Audit Committee, Deputy Chairman of the Board of Directors, and a Consultant. Since 17 April, 2014, he continues to serve as a Vice President. He studied on Project Finance and Credit Analysis at the Banking Formation Institute of Luxembourg (IFBL). He holds Islamic Finance and Sukuk Training Certificates (from INCEIF and Capital Market Licensing Registry and Training Agency), Expert Witness Certificate, Independent Auditor License for Capital Markets, Credit Rating Expert License, Corporate Governance Rating Expert License, and Advanced Capital Market Operations License. Furthermore, he is an Independent Auditor accredited by Public Oversight, Accounting, and Audit Standard Agency.



Dr. Ender Aykut YILMAZ
Vice President

He was born in Ankara in 1973. In 1995, he graduated from Ataturk University, Faculty of Engineering, Department of Civil Engineering. He received his masters degree in business administration, from Gazi University, Institute of Social Sciences, followed by his Ph.D. in "Accounting-Finance" from the same university, with his dissertation on "Credit Rating". His professional career took off in 1998, as an associate with Ziraat Bank, Fund Management Unit. He served at various levels of the Internal Control Department of Ziraat Bank. In 2012, he joined Iller Bank as the Vice President for Internal Control and Risk Management. Having served for a while in a consultant position, since 17 April, 2014 Ender Aykut YILMAZ continues to serve once again as a Vice President. Ender Aykut YILMAZ is the published author of numerous articles on global economy, in many newspapers with country-wide circulation.



Mehmet GÜRBÜZ
Vice President

Born in Kahramanmaraş Elbistan in 1977, Mehmet Gürbüz graduated from Kayseri Erciyes University, Faculty of Architecture and Engineering, Department of Architecture in 2002. He received a masters degree in City and Zone Planning at Süleyman Demirel University in the period 2010-2012, and in Business Administration at Turkish Aeronautical Association University in 2014. In the period 1996-2005, he served as an Architect at the Provincial Directorate of Public Works and Settlement. From 2005 to 2012 he served as an Architect, City Planner, Division Director, and Director at Iller Bank. On 10 July, 2013, he was appointed the Head of Spatial Planning Department. Since 17 April, 2014, he continues to serve as a Vice President. He is proficient in English and Arabic. He is married and father of 3.



Hakan ÇOLAK
Vice President

After graduating in 1998 from Fırat University, Faculty of Engineering, Department of Civil Engineering, he received his masters degree from the same university in 2010, followed by an MBA from Hasan Kalyoncu University. In the period 1998-2011, he worked as an engineer at Trabzon Regional Directorate, followed by his tenure as the Building Practices Director between 2011 and December 2012, Sivas Regional Director between December 2012-December 2013, and Trabzon Regional Director between December 2013 - June 2014. He was appointed an acting Vice President through Iller Bank Board of Directors decision dated 21.05.2014 nr. 11/133, followed by his direct appointment through the board decision dated 13.11.2014 nr. 28/532. He continues to serve in that position. He is proficient in English.



Muhammed Ferit YÜKSEL
Vice President

After graduating in year 2000 from Harran University, Faculty of Engineering, Department of Environment Engineering, he received his masters degrees at Gebze Technical University, Department of Environment Engineering in 2003, and Public Administration Institute for Turkey and the Middle East, Department of Public Administration in year 2007. His studies for a Ph.D. on Social Environment, from Ankara University, Institute of Social Sciences are still in progress. His civil service began in 2001. After being appointed an Engineer at Iller Bank, in 2011 he was appointed a Director and then a Regional Director at Kastamonu Regional Directorate, followed by his tenure as the Regional Director for Istanbul in 2014. Through Iller Bank Board of Directors decision dated 13.11.2014 nr. 28/532, he was appointed a Vice President, and still serves in that position, along side his position as the Regional Director for Istanbul. He is fluent in English. He is married and father of 3.

The Bank's General Manager is appointed by the Prime Minister upon nomination by the Minister of Environment and Urbanization, whereas Deputy General Managers are appointed upon nomination by the General Manager and based on the Board of Directors decision, and then approved by the Minister of Environment and Urbanization. There are no fixed terms of office for these positions.

• 'In accordance with the provision of Article 12, Paragraph 2 of Iller Bank Law no. 6107, "Monthly wages, bonuses, other remuneration and benefits of the Bank's staff as well as terms and conditions of employment contracts shall be determined by the Board of Directors decision, upon the proposal of the General Manager. However, the monthly average of all payments, as wage, benefits, raise, compensation, appropriation or other wise, shall not exceed the upper limit to be set by the Higher Planning Board for the Bank."

INFORMATION ON INTERNAL SYSTEMS UNIT DIRECTORS



Mehmet BOLAÇ
Chairman of the Board of Inspectors

Mehmet Bolaç graduated from Istanbul University, Faculty of Political Science, Department of Public Administration, and began working in 1995 as an Junior Inspector at Iller Bank Headquarters. Having worked as Inspector and Chief Inspector, he was appointed as Deputy Chair of the Board of Inspectors on 08 November, 2012. He became the actual chairman of the Board of Inspectors through Board of Directors decision dated 14 February, 2013 and numbered 5/95.



Tolgahan YILDIZ
İç Kontrol Dairesi Başkanı

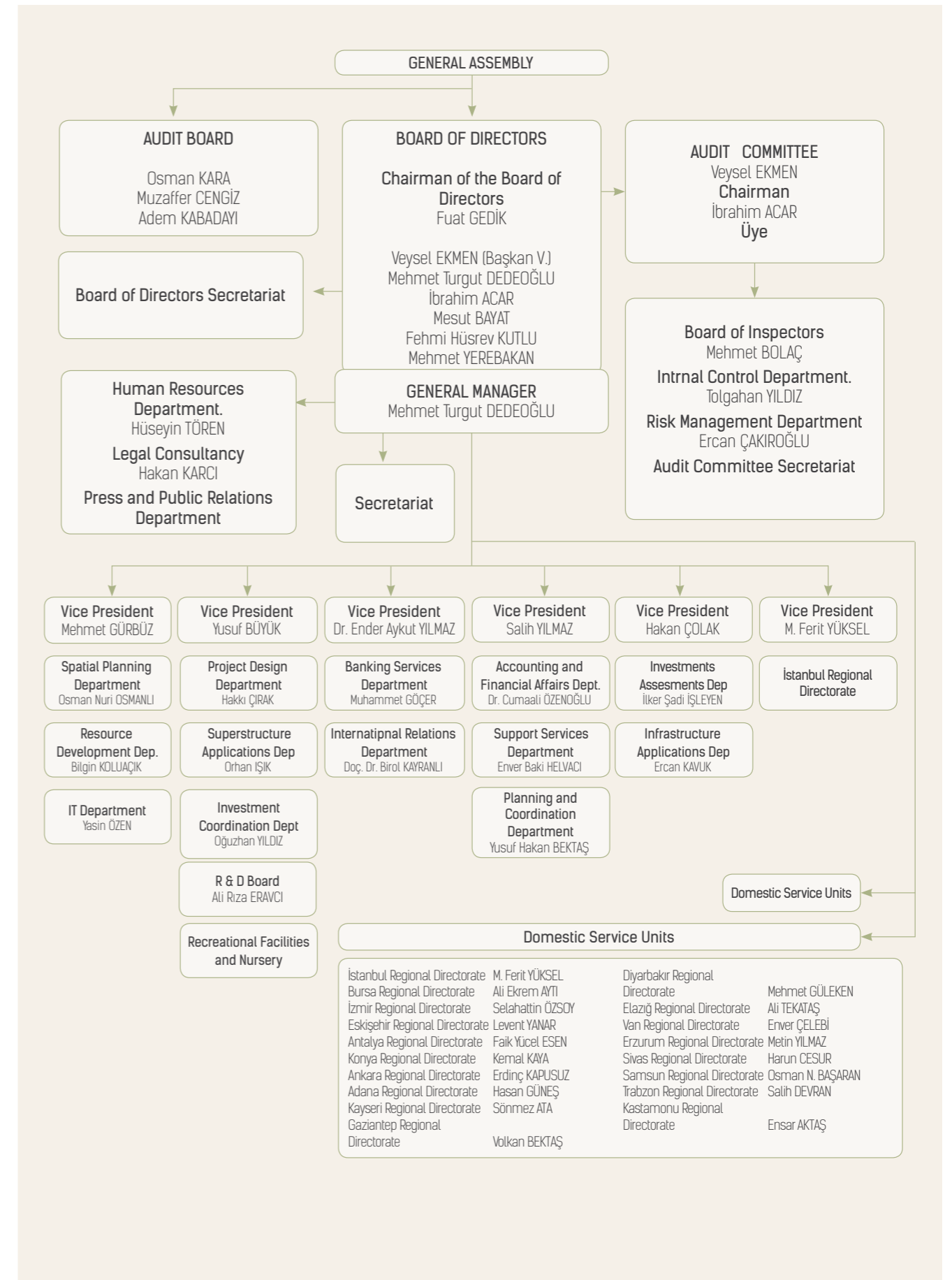
Having graduated from Ankara University, Faculty of Political Science, Department of Business Administration, he began working in 1996 as a sergeant with the Police Department. Having served as a Junior Inspector at Ziraat Bank Board of Inspectors in 1999-2001, since November 2001, he served as a Junior Inspector, Inspector, and Chief Inspector with Iller Bank Board of Inspectors. In the period 11.01.2013-25.02.2013, he served as a Deputy Chairman of the Board of Inspectors, and a Vice Chairman of the Board of Inspectors, in the period 26.02.2013-17.07.2014. He was the acting Director of the Internal Control Department from 18.07.2014 on, and through Iller Bank Board of Directors decision dated 13.11.2014 nr. 28/532, he was appointed directly to that position. He continues to serve in that role. Tolgahan YILDIZ holds a Public Accountant License and a KGK-Independent Auditor License.



Ercan ÇAKIROĞLU
Risk Management Department Director

He graduated from Ankara University School of Political Science, Department of Labor Economics and Industrial Relations. In 1996, his career began at T.C. Ziraat Bank, as a Junior Inspector under the Board of Inspectors. After service as a Junior Inspector and Inspector, he was appointed Inspector in 2004, at Iller Bank Board of Inspectors. His tenure at Inspector and Chief Inspector roles at Iller Bank was followed by his appointment to the post of Director of Internal Control Department through Board of Directors resolution no. 9/190 dated 21 March, 2013. He was appointed the Director of Risk Management Department through the Board decision dated 17 July, 2014 nr. 17/245, and continues to serve in that role. Ercan ÇAKIROĞLU holds the Public Accountant License issued by the Turkish Association of Public Accountant and Certified Public Accountant Chambers, and the Independent Auditor License issued by the Public Oversight, Accounting and Audit Standards Agency of Turkey.

ORGANIZATIONAL CHART OF ILLER BANK



SUMMARY BOARD OF DIRECTORS REPORT

Established in 1933 under the name "Belediyeler Bankası" (Municipalities Bank) with the aim of providing service to municipalities and renamed "İller Bankası" (Provinces Bank) in 1945 so as to offer service to local governments with expanded scope of duties, authorities and responsibilities, the Bank has been reorganized as a joint stock company under "Law no. 6107 governing İller Bank A.S.", which went into force upon its publication in the Official Gazette issue 27840 dated 8 February 2011. With the reorganization, it was aimed to increase the Bank's contribution to modern structures needed for the country's urbanization.

The Bank's purposes of incorporation are defined as satisfying the financing need of special provincial authorities, municipalities, their affiliated organizations and of local administrative associations of which only these may be members; developing projects concerning locally-provided common services for the people dwelling within the boundaries of such administrations; providing such administrations with consultancy services and assistance on urban projects of a technical nature and in the conduct of infrastructure and superstructure works, and performing any and all development and investment banking functions. In doing so, İller Bank fulfills its duties by providing financing under the most suitable conditions from its own resources as well as from international sources for projects that are developed in order to meet the urban needs of local governments; by acting as a consultant; by developing projects which are optimally scaled and employ the newest technology; by approving such projects prepared by municipalities or by actually carrying out all such projects on its own.

In year 2015;

The Bank channeled TRL 3,903,182 thousand in funds to local governments. Of this amount, TRL 2,997,756 thousand was extended as loans from the Bank's own resources, whereas the balance was covered from funds and grants-in-aid, and external sources.

- Under the "Municipal Infrastructure Support (BELDES) Project" which was launched pursuant to High Planning Council resolutions 2007/6 and 2007/36, TRL 121,127 thousand has been spent out of a total of TRL 129,650 thousand in appropriations, which had been transferred to the Bank from the General Budget for project development and construction of 69 municipal potable water systems in municipalities whose populations are less than 10,000 people and which either lack potable water systems or whose systems are inadequate. 65 works within the scope of the project were completed.

- Pursuant to High Planning Council resolution 2011/11, İller Bank organizes the construction of potable water, sewer, rainwater and system treatment facilities in municipalities of which populations are less than 25,000 under the "Water and Sewer Systems Infrastructure Project "(SUKAP). 50% of the costs of these projects are financed by grants-in-aid allocated from SUKAP appropriation, whereas İller Bank extends loans for the remaining 50%. TRL 2,573,072 thousand is allocated for our Bank out of the General Budget, for use in these projects. As of 31.12.2014, out of 1036 works included in this framework, 543 were completed, 343 are under construction, 51 are in the contract stage, and 99 are in the tender stage. Including the lending, total outlays amounted to TRL 615,395 thousand.

- Lending stage of the credit and guarantee agreements for a total worth of EUR 391,100 thousand signed on 8 February 2006 and 29 June 2010 for use towards the infrastructure services of 15 local governments under the Municipal Services Project I-II carried out with the World Bank has been concluded, and repayment stage commenced. The lending stage of the Municipal Services Project II is still in progress. Furthermore,

- Negotiations on the extension of a credit of USD 300 million within the framework of Sustainable Cities Project are in progress with the World Bank.

- Secondary agreements were concluded with local governments that will be extended loans under the credit agreement signed with the Japan International Cooperation Agency (JICA) for the amount of JPY 12,784 thousand on 22 June 2011 for funding the infrastructure needs of small- and medium-scale municipalities within the frame of the "Municipal Sewerage and Wastewater Treatment Plants Development Project". The credit utilization procedures regarding the credit agreement commenced within the year, and the credit extension is in progress.

- In order to meet the demands of projects on water, waste water and solid waste sectors in the local governments where the Syrians under temporary protection in our country, Local Government Infrastructure Project , at an amount of 45 billion Japanese Yen, guaranteed by Treasury, was signed by Japan International Cooperation Agency (JICA) and İller Bank on May 15, 2015, extension has not been yet started, and sub loan agreements started to be signed with local governments.

- A memorandum of understanding was signed between the European Investment Bank (EIB) and

SUMMARY BOARD OF DIRECTORS REPORT

the Bank on 22 October 2010 concerning a credit agreement for EUR 150 million for the Banks' collaboration initially in the areas of municipalities' potable water, sewerage, and solid waste management projects and later in the areas of their urban development, energy efficiency, and renewable energy projects; tasks related to borrowing are under way. The "Urban Infrastructure Projects" credit agreement was signed on 28 June, 2012. The selection and preparations for the projects to be financed through the EIB loan is in progress. In parallel to the said Credit Agreement, in order to provide technical assistance, and support in project preparation and enhancing sustainability,

a grant agreement amounting to 8,500 thousand Euros was signed on 27 August, 2013 by and between European Investment Bank and İller Bank. The utilization of the grant fund commenced.

- In order to further collaboration in the field of urban transportation, water, waste water, and solid waste-priority sectors within the framework of Turkey's accession to the European Union (EU), a 250 million Euro worth Credit Agreement on "Urban Infrastructure Projects" with Treasury Guarantee was signed on 6 October, 2015, by and between the European Investment (EIB) and İller Bank. The selection and preparations for the projects to be financed through

the EIB loan is in progress. In parallel to the current needs of our Bank whose fields of activity has been updated in accordance with the Law No. 6107, R & D activities are being developed, and within the scope of new fields of activity, Renewable Energy Sources, Energy Efficiency and Urban Transportation Studies are in progress in addition to Geographical Information Systems and Urban Information System.

As of 2015, İller Bank was employing a total of 2640 people in its headquarters and 18 regional directorates. During the same year,

As of 31 December, 2015;

- İller Bank's total assets grew by 13.09% from TRL 16,297,141 thousand to TRL 18,430,828 thousand.
- İller Bank's total lending grew by 12.26% from TRL 11,477,528 thousand to TRL 12.884.980 thousand.
- İller Bank's shareholders' equity grew by 10.78% from TRL 11,334,883 thousand to TRL 12.557.062 thousand.

Profit / Loss

As a result of all of its activities in 2015, İller Bank secured a distributable business profit in the amount of TRL 779,904 thousand. TRL 568,128 thousand remaining after setting aside TRL 211,776 thousand for tax is to be allocated in accordance with the Bank's governing statute and its articles of incorporation as shown below.

(Thousand /TRL)	Required Allotment	Statutory Deductions	Required for Distribution
5% statutory reserves	38.996	8.236	30.760
5% discretionary statutory reserves	38.996	8.236	30.760
9% dividend	70.191	14.824	55.367
30% capital share	233.971	49.414	184.557
51% share for villages' and municipalities' project and construction works	397.750	131.066	266.684
TOTAL	779.904	211.776	568.128

SUMMARY BOARD OF DIRECTORS REPORT

TRL 397.750 thousand, corresponding to 51% of the Bank's profits for year 2015 has been set aside for use in financing the technical and social infrastructure services in villages, which is performed by special provincial authorities; for financing mapmaking, zoning plan, potable water system, wastewater, solid waste, urban information system and similar urban infrastructure projects for municipalities whose population is less than 200,000, and for financing the construction of the abovementioned projects for municipalities whose population is less than 25,000. TRL 266.684 thousand remaining after statutorily prescribed deductions have been made from the amount thus set aside will be allocated within the framework of the "Regulation on the Use of Appropriations Made from Iller Bank's Annual Profits in the Infrastructure Projects and Construction Works of Villages and Municipalities".

Within the framework of the provisions "Performing or procuring special projects and urban infrastructure projects and construction works demanded by the Ministry" and "Executing or procuring for-profit real estate investment projects to secure resources for the Bank, provided that no debt or conditional obligation is incurred with respect to the funding for the project" added in the field of activities of the Bank through the Decree with the Force of Law numbered 648, such activities commenced in year 2012, and significant improvements in the revenues of the Bank are expected through urban transformation projects which are executed in the form of development of joint real estate projects with local governments and other public agencies and organizations. In year 2015, TRL 165.746 thousand was expended for resource development projects.

The Board of Directors decision nr. 5/77 dated 18.02.2016 provides for the submittal of a proposal to the General Assembly to forfeit receivables amounting to TRL 15.426,92 representing Bank's bad receivables, comprising TRL 14.492,56 which cannot be collected as the legal proceedings initiated against certain obligors had failed, and which would not warrant expenditure for enforcement proceedings due to low figure of receivable, and TRL 754,36 for the expenses incurred for such legal proceedings.

Iller Bank conducts its activities in accordance with the requirements of its governing law (no. 6107) and other applicable legislation. We hereby submit the independently audited financial statements and our summarized report for the fiscal year ending 31 December 2014 for your consideration, and we thank the Bank's employees.

Sincerely,

İLLER BANKASI AŞ BOARD OF DIRECTORS

HUMAN RESOURCES PRACTICES

These rules were changed by article 11 of "A law concerning Iller Bankası Anonim Şirketi" (no. 6107), which was published in issue 27840 of the official gazette on 8 February 2011 and which contains two provisions concerning the matter. According to the first, "Duties necessitated by the Bank's services are performed by personnel who are not subject either to the State Civil Servants Law (no. 657 dated 14 July 1965) or to the provisions of other laws pertaining to contract employees." According to the second, matters related to "the hiring of the Bank's personnel, their qualifications, their appointments, their progression, their advancement, the ways in which they may be dismissed, their duties and authorities, their disciplinary principles, their obligations, their job positions, and their numbers are governed by regulations issued subject to the opinion of the State

Personnel Ministry and pursuant to Board of Directors decision." (Amendment:16/05/2012-Law no. 6306/art. 21)

Annual salaries of the Bank personnel are set by the Board of Directors on the basis of a base pay determined by a decision of the High Planning Board. Iller Bank's personnel policy as well as the criteria, principles, and procedures pertaining to recruitment are set out in the "Iller Bank Human Resources Regulation" that went into force upon its publication in the Official Gazette issue 27919 dated 29 April 2011. However, the said regulation was abrogated through the "Regulation on the Abrogation of Iller Bank Human Resources Regulation" published in the Official Gazette dated 4 January, 2013 and numbered 28518. The matter is now governed by the "Iller Bank Human Resources Regulation" that was published in the same Official

Gazette, and that went into force from 22 June, 2012 on.

In accordance with the provision of Article 12, Paragraph 2 of Iller Bank Law numbered 6107, "Monthly wages, bonuses, other remuneration and benefits of the Bank's staff as well as terms and conditions of employment contracts shall be determined by the Board of Directors decision, upon the proposal of the General Manager. However, the monthly average of all payments, as wage, benefits, raise, compensation, appropriation or otherwise, shall not exceed the upper limit to be set by the Higher Planning Board for the Bank", monthly wage, bonus, and the dividend payments are made to staff who receive wages below the wage cap determined in the Higher Planning Board, which constitutes the basis of remunerations in the consideration of the Board of Directors.

Comparative Human Resources Chart

TYPE	Year-end 2014			Year-end 2015		
	Headquarters	Regional Offices	Total	Headquarters	Regional Offices	Total
TOTAL CONTRACTUAL ADMINISTRATIVE PERSONNEL	725	692	1417	688	700	1388
TOTAL CONTRACTUAL TECHNICAL PERSONNEL	415	595	1010	403	617	1020
TOTAL PERSONNEL SSUBJECT TO LAW no. 657 GOVERNING CIVIL CERVANTS	3	1	4	3	1	4
TOTAL BLUE-COLLAR PERSONNEL	99	146	245	93	135	228
GRAND TOTAL	1242	1434	2676	1187	1453	2640

TRANSACTIONS THE BANK ENTERS INTO WITH MEMBERS OF ITS OWN RISK GROUP

As required by Iller Bank Law, the Bank's capital consists of funds provided by local governments and from other sources mandated by law. For this reason, no member of the Bank's board, nor the general manager nor any vice president holds a share in the Bank's capital.

The Bank's Law does not permit the bank to extend credit to any individual or to any organization that is not a local government.

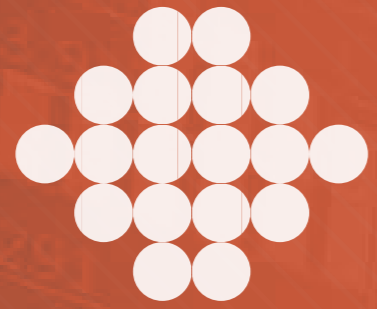
No credit is extended to members of the Board of Directors save for that which is allowed under article 50 of the Banking Law and

whose amount must not exceed five times the recipient's total net monthly salary.

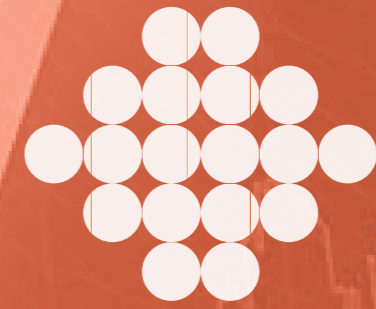
There are no companies over which Iller Bank has direct control as defined in article 49 of the Banking Law.

ACTIVITIES FOR WHICH SUPPORT SERVICES ARE OUTSOURCED

In order to provide security services at the Headquarters and Regional Directorates of the Bank, private security support services are procured within the framework of the Law no. 5188 on Private Security Services, and the Regulation issued on the basis of the said law.



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AUDIT BOARD REPORT

**İLLER BANKASI AŞ
TO THE 71ST ANNUAL GENERAL ASSEMBLY OF ILLER BANK**

2015 activities and operations of İller Bankası A.Ş. has been audited in accordance with the provisions of the Bank's governing LAW no 6107 and Articles of Incorporation, the Banking Law, the Turkish Commercial Code and banking customs.

In year 2015, we took part in meetings of the Bank's Board of Directors. We reviewed the bank's books and records, and conducted cash counts frequently at random intervals, as well as a general cash office inventory at year-end along with bank personnel. We ascertained that all cash items and instruments were duly registered as required by regulations and that the year-end inventory and account reconciliations were carried out in full and in accordance with the requirements of laws and regulations. Consensus memorandums concerning this inventory were signed jointly by bank personnel and by ourselves.

The Bank's 2015 annual report and financial statements that were submitted to the General Assembly have also been reviewed, endorsed, and approved by the Bank's Board of Directors.

We checked İller Bank's financial statements dated 31 December 2015 for compliance with the general trial balance and we have ascertained that they truly reflect the Bank's activities in year 2015.

No changes occurred in the bank's shareholder structure during 2015. The Bank's paid-in capital is TRL 10.483.745 thousand, and the Bank's total shareholders' equity grew by 10,78% year- to-year, to TRL 12.557.062 thousand. The capital adequacy ratio at year-end stood at 57,16%.

In year 2015, İller Bank's total assets grew by 13,09 % reaching TRL 18.430.828 thousand. Loans grew by 12,26% in comparison to the preceding year.


In year 2015, İller Bank lent TRL 2.518.077 thousand in total for works covered in local governments' own investment programs or for non-programmed projects, including TRL 1.053 thousand as bank, TRL 1.382.660 thousand for the works covered in the Bank's own investment program, 823.053 thousand TRL expropriation materials, equipment, vehicles and other requisite, and TRL 312.364 thousand as cash support loan.

In year 2015, municipalities' allotments totaling TRL 23.474.843 thousand accrued pursuant to Statute 5779 (pursuant to Statute 2380 prior to 1 July 2008). All of the allotments were sent without any deductions. In the case of special provincial authorities, during 2015, allotments amounting to TRL 1.956.258 thousand accrued and was sent to them without any deductions.

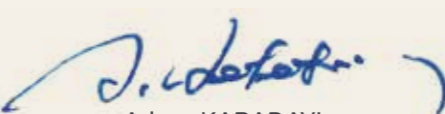
We submit for your approval the Bank's 2015 balance sheet and profit & loss statement (income statement), which have been drawn up in accordance with the Regulation on the Principles and Procedures for Accounting Practices and Retention of Documents published by the Banking Regulation and Supervision Agency, and with the Turkish Accounting Standards and Turkish Financial Reporting Standards and which we have examined and audited.

Of the TRL 568.128 thousand remaining after setting aside TRL 211.776 thousand tax provision from the Bank's distributable profit of TRL 779.904 thousand resulting from its 2015 activities, TRL 184.556 thousand has been set aside as "30% capital allocation", and TRL 266.684 thousand has been set aside as grants-in-aid to finance the technical and social infrastructure services in villages, which is performed by special provincial authorities; for financing map-making, zoning plan, potable water system, wastewater, solid waste, urban information system and similar urban infrastructure projects for municipalities whose population is less than 200,000, and for financing the construction of the above mentioned projects for municipalities whose population is less than 25,000. The amount thus set aside will be distributed in line with the "Regulation on the Use of Appropriations Made from İller Bank's Annual Profits in the Infrastructure Projects and Construction Works of Villages and Municipalities."


We would like to take this opportunity to express our thanks to the Chairman and the Members of the Board of Directors, our General Manager, and to all of the Bank's personnel who were involved in the conduct of services. We hereby submit İller Bank's 2015 annual report, balance sheet, and income statement for the consideration and approval of the esteemed delegates.



Muzaffer CENGİZ
Member of the Audit Board



Adem KABADAYI
Member of the Audit Board



Osman KARA
Member of the Audit Board

AUDIT COMMITTEE'S ASSESSMENT OF THE OPERATION OF THE INTERNAL CONTROL, INTERNAL AUDIT, AND RISK MANAGEMENT SYSTEMS AND ITS STATEMENT CONCERNING ACTIVITIES IN YEAR 2014

Duties and responsibilities with respect to internal systems are carried out by the Audit Committee to assist the Board of Directors with the conduct of its auditing and supervisory activities. "Internal Control, Internal Audit, and Risk Management Activities" are organized in accordance with the provisions of the Banking Regulation and Supervision Agency's "Regulation on the Internal Systems and Internal Capital Adequacy Assessment Procedures of Banks", which went into effect upon its publication in the Official Gazette issue 29057 dated 11.07.2014.

The Audit Committee met a total of 25 times in the period 01.01.2015-31.12.2015, to discuss 56 issues.

The Audit Committee held regular meetings participated by the senior management, department directors responsible for internal systems, inspectors and the auditors employed by the independent audit firm conducting the Bank's independent audit to discuss and assess the operation of internal systems and other agenda items.

Two reports, namely the quarterly Assessment of the Independence of Independent Auditors in the Conduct of their Activities in relation to the Bank and of the Adequacy of Resources Allocated, and monthly Assessment of the Adequacy of and the Risks involved in the Support Services Outsourced by the Bank were submitted to the Board of Directors.

Activity reports of Internal Control Department, risk assessment reports and market risk estimation reports and monitoring reports, as well as the Information Systems Risk Management report by the Risk Management Department were reviewed by the Audit Committee, and submitted to the Board of Directors by the relevant Departments.

The Quarterly Activity Assessment Reports by the Board of Inspectors were submitted to the Board of Directors, in the company of the comments by the Audit Committee, and were forwarded to the Banking Regulation and Supervision Agency as per the regulation. Audit Committee activity reports containing the Committee's opinion on regulatory, improvement oriented measures concerning the Bank's activities, as well as the Committee's activities performed during the period in question, were submitted to the Board of Directors.

The "Risk Matrix and Risk Assessment Report" prepared by the Board of Inspectors, as well as that board's "2014 Internal Audit Plan" were reviewed and

both the report and the plan were presented to the Board of Directors for approval to put them into effect, as well as to Banking Regulation and Supervision Agency as per the Regulation. Authorization was granted for reports prepared by the Board of Inspectors issued under the Internal Audit Plan and for other inspection-related actions.

Information systems and banking procedures inspection report for the fiscal year 2014, non-consolidated financial statements and independent audit report for the fiscal year 2014, and non-consolidated interim financial statements and interim limited independent audit reports for the fiscal year 2015 were submitted by the Audit Committee to the Board of Directors.

Preparations are in order for the execution, in line with the relevant regulation and communiqué, of the Management Disclosure, which is required to be issued for the 2015 audit period by the Board of Directors and submitted to the independent audit firm until by the end of January 2016. The Audit Committee monitors the work closely.

The action plan implementation regarding the findings reached through the Information Systems Leak Testing and security audits, and the work on the action plans indicating the state on the findings of the independent audit report are diligently overseen by the Audit Committee.

The Bank communiqué detailing the matters to take into account at the time of outsourcing support services by relevant service units of the bank, and the requirement to observe the requirements of the "Regulation on the Outsourcing of Support Services by Banks" and applicable tender regulations in the tenders concerning outsourcing within the framework of the said regulation is published; all units of the bank have been notified about the issue within the operating year 2013; and the said communiqué has been revised in the 2015 activity period and the communiqué dated 14.01.2015 and numbered 2015/3 has been published.

In this context, the risk analysis reports, technical qualification reports, and Risk Management program concerning the outsourcing of support services are prepared; the Audit Committee reviews such reports within the framework of the Regulation on the Outsourcing of Support Services by Banks, and the findings of such review is forwarded to relevant departments.

AUDIT COMMITTEE REPORT

BOARD OF INSPECTORS

Board of Inspectors conducts inspections, examinations, reviews and investigations concerning any and all of the Bank's activities and transactions; formulates necessary proposals to better realize the Bank's objectives and to ensure operation in accordance with the legislations, plans, projects and programs. It is also responsible for conducting reviews in all aspects regarding the Bank's affairs and transactions so that activities are carried out in a better and coordinated fashion and in higher quality. In addition, the Board of Inspectors brings proposals regarding failing or conflicting aspects of the Bank regulations, and evaluates the effectiveness and adequacy of the Bank's internal control system and risk management systems.

The Board of Inspectors reviews and inspects all activities of the Bank with its staff of 42, including 1 Chairman, 2 Deputy Chairman, 14 Chief Inspectors, 3 Inspectors, 8 Official Deputy Inspectors, 6 Deputy Inspectors, 1 Chief Clerk, 1 Senior Associate, 2 Associates, 1 Junior Associate, and 3 Clerks, in line with BRSA Regulation on the Internal Systems and Internal Capital Adequacy Assessment Procedures of Banks. All of the Bank's units are inspected every year in line with the Internal Audit Plan. General inspections were completed at all Regional Offices within the frame of the 2015 Internal Audit Plan. It was ensured that necessary instructions were issued with respect to crucial matters according to the results of general inspections conducted by Regional Offices. General inspections will be conducted at Headquarters Units in the periods 01.01.2016 – 31.03.2016.

The required trainings for the inspectors were provided within year 2015.

The Board of Inspectors monitors important changes across the Bank and informs the Senior Management on topics that need to be supervised. It thus contributes to the decision-making process. In the operating year 2015, the quarterly activity reports prepared by the Board of Inspectors were submitted to the Audit Committee, and the reform, with the comments of the Audit Committee, to the Board of Directors. In 2015, as of 31.12.2015, the Audit Committee extend edits approval for 23 reviews and investigations in total, 13 of which were finalized. Moreover, 12 of 19 investigations and reviews carried over from year 2014 were concluded and 7 are still in progress. 10 investigations and reviews for year 2015 are still in progress.

INTERNAL CONTROL

Internal Control activities are organized effectively within the framework of the Banking Law no. 5411 and BRSA "Regulation on the Internal Systems and Internal Capital Adequacy Assessment Procedures of Banks".

The Internal Control Department is staffed by a total of 42 people, 24 of which are personnel including 1 Department Director, 1 Senior Associate, 3 Directors, 1 Lawyer, 7 Technical Associates, 7 Associates, 2 Junior Associates, 1 Administrator, and 1 Clerk, accompanied by 1 internal control staff for each of the regional directorates, appointed to carry out internal control activities, and aims to ensure the protection of the Bank's assets, execution of activities in compliance with the legislation, regulatory arrangements, the Bank's internal policies, strategies and objectives, and guaranteeing secure establishment of the accounting and recording system, as well as of the financial reporting system, and the efficiency and effectiveness of operations.

With a view to serving these objectives, the execution of bank's operations at the Head quarters and Domestic Service Units, in accordance with applicable standards, and the provisions of regulations and guidelines is reported on a monthly basis, with reference to the "Standard Control Form and Notes", by operations staff specified as internal control officer, as well as the internal control staff, in line with the sampling methodology. The reports thus drawn up are reviewed by Internal Control staff, and submitted to the Audit Committee, Board of Directors, and Senior Management as monthly activity reports.

Aiming to carry out the activities in a healthier manner, control points have been revised and existing control points were re-viewed in view of the determinations, opinions and feedback of the process owners carrying out the activities, in particular. During year 2015, The Standard Control Objectives for some of Headquarters units and Domestic Service Units, and new Standard Control Objectives were created for Risk Management Department.

The Control Objectives for Information and Related Technology (COBIT) based Information Systems Control Objectives were set up for use in the internal control activities of the Information Technologies Department. These were finalized through the self-assessment meetings between the relevant Depart-

ment officials and the Internal Control Department staff, and were duly put into use as of year 2014. As a result of self-assessment meetings held in year 2015, new control objectives have been created, whose controls have commenced. The Information Technologies Department's internal control activities carried out with reference to the control objectives based on COBIT are executed monthly, quarterly, six monthly and annually by the Internal Control Department personnel.

The internal control activities concerning the Headquarters Service Units, carried out by the Internal Control Department as per the "Internal Control Program for year 2015", were executed in May, September 2015 for the control periods April and August 2015, whereas the internal control activities regarding the control period December 2015 shall take place in January 2016. The internal control activities for the periods wherein no dedicated internal control staff were appointed to the task at Headquarters Service Units, are carried out by two directors (one administrative and one technical) appointed as the Standard Control Objective Officers for the relevant unit, with reference to the control objectives specified in the Standard Control Objectives Form for the Department. In case of Domestic Service Units, an internal control personnel assigned to the Department and two directors (one administrative and one technical) appointed as the Standard Control Objective Officers for the relevant unit, report to the Internal Control Department on a monthly basis, with reference to the control objectives assigned. The reports from the Headquarters as well as the Domestic Service Units are reviewed by the Internal Control Department staff, and consolidated, to be submitted to the Audit Committee, Board of Directors, and Senior Management, in the form of monthly activity reports.

As per the fundamental obligation regarding the harmonization function, the Internal Control Department ensures that relevant units are informed about any changes required with respect to the changes in regulations. Where the Internal Control Department deems necessary, it forwards the changes in the regulations, to relevant departments, in a letter. Furthermore, the Circular numbered 2013/8 was issued to notify all units regarding the necessity to obtain the Internal Control Department's opinion regarding compliance with the Banking Law no. 5411, other applicable regulations, bank's internal policies and banking practices, before obtaining the Board of Di-

rectors approval for new products and services and activities planned by the Headquarters and Domestic Service Units; in addition, three additional comments have been requested from departments in year 2015 regarding new products and services and activities planned, and, by adding the comment of Risk Management Department, they all have been provided to the relevant units.

RISK MANAGEMENT

Risk Management activities are organized, taking into account the exceptions for the Development and Investment Banks specified in the Banking Law no. 5411 and exemptions specified in the Banking Law no. 6107, on the basis of regulations, communiqué, manual and other legislative provisions issued by BRSA for the execution of Banking Law no. 5411, and other legislative provisions, and the provisions of this regulation, in accordance with internal legislation provisions issued by the Board of Directors.

Staffed by 13 people including 1 Department Director, 2 Directors, 6 Associates, 1 Technical Associate, 1 Junior Associates, 1 Administrative Staff, and 1 Clerk, the Risk Management Department is responsible for designing and implementing the Risk Management System, defining, measuring, analyzing, monitoring and reporting the risks the Bank is exposed to, and issuing warnings in order to mitigate the risks that can and cannot be controlled. The Department is involved in the selection, introduction and preliminary approval process of risk measurement models, which is a basic tool in the Risk Management process, and it regularly reviews these models, conducts scenario analyses and back-testing, and makes necessary changes.

In accordance with article 45, paragraph 3 of the "Regulation on the Internal Systems and Internal Capital Adequacy Assessment Procedures of Banks", the Risk Management Department prepares each month the "Risk Assessment Report", "Market Risk Estimation Report", and the "Risk Limits Monitoring Report", and submit them to the Board of Directors, Senior Management, and the Departments responsible with the rise and monitoring of the risk.

The Risk Assessment Report covers the Bank's financial structure, capital, shareholders' equity adequacy, quality of assets and resources, credit operations carried out in accordance with the functional organization, revenue-expense equilibrium and profitability, fund management, liquidity, sensitivity to market

INDEPENDENT AUDIT REPORT

risks, as well as other risks the bank may incur in its primary fields of activity, and relevant statements.

The Market Risk Estimation Report analyzes the impact the changes in the markets would have on the Bank's portfolio, as well as reviews the market risks which may affect the Bank, the results of the market risk estimations, and the impact these results would have on the balance sheet items.

The Risk Limits Monitoring Report provides oversight regarding the limits and early warning limits set in the "Risk and Authority Limits Implementation Procedures" of the Bank.

The "Information Systems Risk Management Report" drawn upon the basis of article 4 of Risk Management Department Regulation and BRSA "Communiqué on the Principles to Serve as the Basis of Information Systems Management at Banks" is submitted to the Board of Directors, as well as forwarded to Senior Management and relevant Departments for information purposes.

With the aim of providing access by Senior Management to the reports issued by the Risk Management Department, a module was created within Bank Management Information Systems, which all reports prepared since January 2013 were stored within.

The standard method is applied for the estimation and reporting of the market risk. Furthermore, within the framework of internal models, RMD Analyses, Parametric Method, Historical Simulation Method, Monte Carlo Simulation Method, Stress Testing & Scenario Analyses, Limit System (Triple Limit) are also used, and the findings are reported to the Senior Management on a monthly basis, since May 2012. Furthermore, in order to provide a more effective analysis regarding the risk assessment, Interest Sensitive GAP Analysis and RAROC Analyses are also submitted to the Senior Management on a monthly basis, through the "Market Risk Estimation Report and Risk Assessment Report".

The Risk Management Department staff reviews the Bank's trading portfolio on a daily basis. Reports detailing the valuation results, limit utilization levels and the total risk position, as well as the Back testing report run daily in order to verify the accuracy of the model employed to estimate the Exposed Value (RMD) in the Market Risk report, are submitted daily to the Risk Management Department Director, whereas the Marginal RMD and Incremental RMD es-

timation reports are submitted on a weekly basis.

PR504AS Exchange Rate Risk Analysis (Standard Method), FR400AS: Reporting Schedule for Standard Ratio of Interest Rate Risk Arising from Banking Accounts, KR510AS: Credit Risk Standard Approach-Kra Simple Method, OR500YS: Operational Risk Analysis, OZ520AS: Equity Analysis Form and SY510AS: Capital Adequacy Analysis Form required by BRSA under Basel II are drawn up and sent to the Accounting and Financial Affairs Department, Financial Reporting Division, for submittal to BRSA over BVTS.

The Bank was exempted, as a response to the written request for exemption filed with BRSA, from the obligations regarding the Stress Testing and Internal Capital Adequacy Evaluation Procedure (ISEDES) reporting it has before the BRSA as per articles 43 and 48 of the Regulation on the Internal Systems and Internal Capital Adequacy Assessment Procedures, applicable at the end of the year.

In accordance with article 5, paragraph 1 of the Regulation on the Outsourcing of Support Services by the Banks, the "Support Services Risk Management Program" drawn up by the Risk Management Department was put into effect through a Board of Directors resolution. Furthermore, as per the relevant regulation, on the basis of the request by the Audit Committee, a Risk Analysis Report for the Headquarters and Regional Directorates is drawn up and submitted to the Audit Committee.

Manual of all personnel lists responsible for recovery procedures pertaining to all current committees, teams and critical business processes mentioned in Business Continuity and Emergency Secretariat and all addendums are submitted to the Board of Directors at least twice a year (in months May and November) to be forwarded to the relevant departments, and in line with the Business Continuity and Emergency Secretariat, Business Continuity and Emergency Secretariat and addendums updated by the relevant departments are consolidated and forwarded to the Audit Committee by the Risk Management Department.

The "Asset and Liabilities Committee" was established through a Board of Directors resolution, in order to establish the policies regarding the management of the Bank's assets and liabilities, as well as relevant fund transfers, by taking into account the Bank's finances, portfolio, as well as the developments concerning

the credit interest rates, and in capital and financial markets, as well as the developments concerning the Bank and other Banks, and also to take the decisions to be implemented by relevant departments with a view to managing the Bank's balance sheet, and to oversee the implementation thereof. The duty of providing secretariat services for the Committee was, in turn, assigned to the Risk Management Department.

The "Detailed Credit Risk Analysis Form" (AKRİF), required by BRSA to determine the banks' level of compliance with the changes in secondary national regulations to ensure harmonization with Basel II, is drawn up on a monthly basis from January 2014 on, and is kept at the Risk Management Department in a winrar archive file stored on DVD media.

The Risk Management Department issues Weekly

Bulletins discussing the economic and financial developments in national and international markets, and publishes the bulletins on the Bank's web site.

During 2015, 8 personnel were provided Risk management training, 1 took Junior Associates and Technical Junior Associates Basic Training, 2 took Accounting for Iller Bankası AS activities, Financial Statement Analysis and Financial Reporting Training, 1 took Monitoring and Reading Basic Indicators and Reports for Investment and Development Bankers.

Risk Management Department maintains its efforts to enhance the contribution of the results of Risk Management activities in the Bank's decision-making processes, and its efficiency in terms of management processes.


 Ibrahim ACAR
 Board Member
 Chairman of the Audit
 Committee


 Veysel EKMEK
 Board Member
 Chairman of the Audit
 Committee



REHBER BAĞIMSIZ DENETİM VE YEMİNLİ MALİ MÜŞAVİRLİK A.Ş.



INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of İller Bankası AŞ;

We have audited İller Bank Inc.'s ("Bank"), financial statement prepared as of December 31, 2015, and income statement, income and expense accounts recognized on equities table, cash flow table and statement of changes in equity belong to the end of the same period and significant accounting policies and a summary of other explanatory notes.

Responsibility of Board of Directors of Bank:

Board of Directors is responsible for developing an internal control system that provides preparation and presentation of financial statements in accordance with Board of Directors of Bank, regulation on Banks' Accounting Applications and Document Keeping Procedures and Principles as published on 1 November 2006 dated and 26333 numbered Official Gazette, and Turkish Accounting Standards and Turkish Financial Reporting Standards and Banking Regulations and Supervision Agency's other regulation, official statement and circular published related with accounting and financial reporting principles and Banking Regulations and Supervision Agency's explanations and not involving significant misstatement in connection with mistake or misconduct, choosing and applying suitable account policies.

Auditor's Responsibility:

As the audit company, our responsibility is to express an opinion on audited financial statements. We conducted our audit in accordance with international audit standards and regulations on authorization and operations of companies performing independent auditing at banks, which published at 1 November 2006 and 26333 numbered official gazette. Independent audit was planned and performed to obtain reasonable assurance about whether the financial statements are free of material misstatement.

During the independent audit, audit techniques regarding amounts at financial statements and financial statements explanations and footnotes were applied. The auditors used initiative on these techniques, however; these techniques were determined by considering suitable audit techniques, internal control efficiency during preparation and presentation of financial statements and assessment of suitability of accounting policies.

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

Independent Auditor's Opinion:

In our opinion, the attached financial tables give a true and fair view of the financial position of İller Bank Incorporation ("Bank") with all significant sides, as of December 31, 2015 and operating results and cash flows ending at the same period, based on regulations in force of Banking Law number 37, in accordance with the accounting principles and standards.

Other Liabilities Arise From Regulation:

- 1- In accordance with Turkish Commercial Code ("TCC") law number 402, article number 4, no evidence was met regarding Bank's 1 January- 31 December 2015 account period set of bookkeeping is not suitable with the TCC and Bank prime contract's articles on financial reporting.
- 2- According to Turkish Commercial Code law number 402 article number 4, board of directors made the explanation in the scope of audit and gave the demanded documents.

Ankara, February 26, 2016 / 2016-02

REHBER INDEPENDENT AUDIT AND
CERTIFIED COUNCILLORSHIP INC.

ADİL ÖNER, CPA
Auditor In charge

Turan Güneş Bulvarı Galip Erdem Caddesi No: 43 06550 Yıldızevler Oran - Çankaya / ANKARA
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Seymenler V.D. 734 005 5266 Tic. Sic. No: 48726 Merkez Ankara Mersis No: 0734005526600019

İLLER BANK NON-CONSOLIDATED FINANCIAL REPORT FOR THE YEAR ENDED ON 31 DECEMBER 2015

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Website : www.ilbank.gov.tr
Email : muhasebe@ilbank.gov.tr

The end-of-year non-consolidated financial report drawn up in accordance with Banking Regulation and Supervision Agency "Communiqué on Financial Statements the Banks shall Disclose to the Public, and Remarks and Footnotes Regarding Such Statements" comprises the following sections:

1. General Information Regarding the Bank
2. Bank's Non-Consolidated Financial Statements
3. Remarks on the Accounting Policies Implemented in the Period in Question
4. Information Regarding the Financial Structure of the Bank
5. Remarks and Footnotes Regarding Non-Consolidated Financial Statements
6. Other Remarks
7. Independent Audit Report

Non-consolidated financial statements and relevant remarks and footnotes for the fiscal period concluded on December 31, 2015 provided in this report are drawn up in accordance with the Regulation on the Methods and Principles Regarding the Banks' Accounting Practices and the Keeping of Documents, Turkish Accounting Standards, Turkish Financial Reporting Standards, supplements and interpretations thereof, on the basis of the records of the Bank, and have been subjected to independent audit as submitted below. The figures specified are in Thousand Turkish Liras unless specified otherwise.

 Fuat GEDİK Board of Directors Chairman	 Mehmet Turgut DEDEOĞLU Board Member General Manager	 Veysel EKMEK Board Member Chairman of the Audit Committee	 İbrahim ACAR Board Member Audit Committee Member
	 Salih YILMAZ Vice President for Financial Reporting	 Dr. Cumaali ÖZENOĞLU Director of Accounting and Financial Affairs	

The contact details of the officer who will act as the contact person for the questions regarding this financial report:

Full Name/ Title : Mesut ÇELİK/Director & Ümit BİLGE/Specialist
Phone : (0312) 508 74 07-0312 508 74 15
Fax : (0312) 397 47 83

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ILLER BANK, INC.

THE NON-CONSOLIDATED FINANCIAL REPORT FOR ACCOUNTING YEAR ENDED ON DECEMBER 31, 2015
(Unless stated otherwise, values are denominated in TRL thousand)

SECTION ONE

General Information Regarding the Bank

I. A brief history of the Bank's formation, initial status and subsequent changes in that status

İller Bank ("Bank") was originally incorporated as "Belediyeler Bankası" (Municipalities Bank) under the Law no. 2301 on 11 June 1933. The Bank was reincorporated under the Law no. 4759 concerning İller Bank dated 13 June 1945 with its new name "İller Bankası" ("Provinces Bank"), which also reflected its expanded duties, authorities, and responsibilities. With the Law no. 6107 governing İller Bankası A.Ş. (the Bank's governing law) that entered into force upon its publication in the Official Gazette issue 27840 dated 8 February 2011, it was reincorporated into İller Bankası Anonim Şirketi joint stock company while its duties, authorities and responsibilities were maintained.

II. The Bank's capital structure, shareholders having direct or indirect control over the Bank's management and audit on their own or jointly, and information about any changes therein during the year and about the group the Bank belongs to

Pursuant to the Bank's governing law no. 6107, the Bank's capital consists of 2% monthly deductions to be made from the total shares of the tax revenues to be distributed every month by the Ministry of Finance and İller Bank under the Law no. 5779 on Allotments of General Budget Revenues to be Allocated to Special Provincial Authorities and Municipalities dated 2 July 2008, and of 30% of the Bank's annual profits. For this reason, there is no capital group, which has either direct or indirect control over the Bank's capital.

III. Disclosure regarding the areas of responsibility of the Bank's chairman, board members, audit committee members, general manager, and vice presidents and shares, if any, they hold in the Bank.

Full Name	Position	Appointed on	Departed from Office on	Education	Work Experience in the field of Banking and Business Administration
Board of Directors					
Fuat GEDİK	Member - Chairman of the Board of Directors	14 March, 2014		Bachelor's Degree	36 Years
Veysel EKMEŖ*	Deputy Chairman of the Board of Directors	12 September, 2012		Bachelor's Degree	31 Years
M. Turgut DEDEOĐLU	Member - General Manager	12 February, 2014		Bachelor's Degree	29 Years
Mesut BAYAT	Member	14 March, 2014		Bachelor's Degree	18 Years
İbrahim ACAR	Member	14 March, 2014		Ph.D.	30 Years
Fehmi Hüsrev KUTLU	Member	22 May, 2014		Bachelor's Degree	1 Years
Mehmet YEREBAKAN	Member	22 May, 2014		Bachelor's Degree	20 Years

* Re-appointed as a Member of the Board under the approval No. 1175, dated 28/08/2015, of the Ministry of Environment and Urban Planning, and re-elected as the Deputy Chairman of the Board under the resolution No. 24/826, dated 17/09/2015, of the Bank's Board of Directors.

ILLER BANK, INC.

THE NON-CONSOLIDATED FINANCIAL REPORT FOR ACCOUNTING YEAR ENDED ON DECEMBER 31, 2015
(Unless stated otherwise, values are denominated in TRL thousand)

III. Disclosure regarding the areas of responsibility of the Bank's chairman, board members, audit committee members, general manager, and vice presidents and shares, if any, they hold in the Bank (cont'd)

Full Name	Position	Appointed on	Departed from Office on	Education	Work Experience in the field of Banking and Business Administration
Audit Committee					
Veysel EKMEŖ*	Chairman	September 20, 2012		Bachelor's Degree	31 Years
İbrahim ACAR	Member	March 19, 2014		Ph.D.	30 Years
Supervisory Board					
Muzaffer CENGİZ	Member	April 12, 2010		Bachelor's Degree	9 Years
Adem KABADAYI	Member	October 10, 2014		Bachelor's Degree	30 Years
Osman KARA	Member	August 18, 2015		Bachelor's Degree	27 Years
Orhan GÜLEÇ	Member	April 07, 2010	18 August, 2015	Bachelor's Degree	38 Years
Deputy General Managers					
Yusuf BÜYÜK	Vice President	February 08, 2013		Bachelor's Degree	18 Years
Salih YILMAZ	Vice President	April 17, 2014		Bachelor's Degree	24 Years
Dr. Ender Aykut YILMAZ	Vice President	April 17, 2014		Ph.D.	18 Years
Mehmet GÜRBÜZ	Vice President	April 17, 2014		Master's Degree	16 Years
Hakan ÇOLAK	Vice President	May 21, 2014		Master's Degree	15 Years
Muhammed Ferit YÜKSEL	Vice President	November 17, 2014		Master's Degree	12 Years

Re-elected as the Chairman of the Audit Committee under the resolution No. 24/826, dated 17/09/2015, of the Bank's Board of Directors.

Pursuant to the Bank's governing law, the Bank's chairman or members of the board, audit committee members, general manager and vice presidents do not own shares in the Bank.

IV. Information regarding the individuals and organizations controlling qualified shares in the Bank:

As per the Bank's governing law no. 6107, the Bank's capital consists of 2% monthly deductions from the total shares of the tax revenues to be distributed every month by the Ministry of Finance and İller Bank under Law no. 5779 on Allotments of General Budget Revenues to be Allocated to Special Provincial Authorities and Municipalities dated 2 July 2008; out of the Bank's nominal capital of TRL 18,000,000, TRL 10,483,745 had been paid-in as of 31 December 2015. The Bank's capital consists of the deductions made from municipalities and special provincial authorities as per the legislation named above, and it is not divided into shares.

ILLER BANK, INC.

THE NON-CONSOLIDATED FINANCIAL REPORT FOR THE YEAR ENDED 31 DECEMBER, 2015

*(Unless stated otherwise, values are denominated in TRL thousand)***V. Summary information about the Bank's services and areas of activity:**

The Bank has the status of a development and investment bank. Its fields of operations are defined in the Bank's governing law no. 6107 as "satisfying the financing need of special provincial authorities, municipalities and their affiliated organizations and local administrative associations of which only these may be members; develop projects concerning locally-provided common services for the people dwelling within the boundaries of such administrations; providing such administrations with consultancy services and assistance on urban projects of a technical nature and in the conduct of infrastructure and superstructure works, and performing any and all development and investment banking functions". Within this framework, the Bank may do the following:

- Extend any and all types of short-, medium-, and long-term cash and non-cash loans to its shareholders,
- Conduct, or arrange for the conduct of, research, project development and consultancy services in its fields of activity, and provide technical assistance in the same,
- Lead the way in the formation of companies as a bank, and transfer control of them,
- Act as an insurance agent,
- Open branches and representative offices in Turkey and abroad, provided that necessary approvals are obtained,
- Cooperate with domestic and/or foreign financial institutions, become a member of national and international organizations of which they are members,
- Obtain resources from domestic and international financial institutions, money and capital markets, and any and all funds,
- Perform any and all development and investment banking transactions that would support the achievement of its objectives,
- Develop projects and construct special projects and urban infrastructure projects demanded by the Ministry, or arrange for the development and construction there of,
- Execute, or arrange for the execution of, profit-making real estate investment projects and implementations in order to obtain funds for the Bank, provided that it shall not incur any debts or enter into any conditional obligation in doing so,
- Carry out other activities set out in its Articles of Incorporation.

VI. Any existing or potential, actual or legal obstacles that may prevent immediate transfer of shareholders' equities or redemption of debts between the Bank and its affiliates

Not applicable.

ILLER BANK, INC.

THE NON-CONSOLIDATED FINANCIAL REPORT FOR THE YEAR ENDED 31 DECEMBER, 2015

*(Unless stated otherwise, values are denominated in TRL thousand)***SECTION TWO****NON-CONSOLIDATED FINANCIAL STATEMENTS**

- I. Balance sheets (Financial status statement) (App. 1-A)
- II. Statement of off-balance sheet items (App. 1-B)
- III. Income statement (App. 1-C)
- IV. Income statement accounts recognized in shareholders' equity (App. 1-C)
- V. Statement of changes in shareholders' equity (App. 1-D)
- VI. Cash flow statement (App. 1-E)
- VII. Profit distribution statement (App. 1-F)

ILLER BANK, INC.

NON-CONSOLIDATED BALANCE SHEETS AS OF DECEMBER 31, 2015 (FINANCIAL STATUS STATEMENT)

(Unless stated otherwise, values are denominated in TRY thousand)

APPENDIX 1-A		Independently Audited Current Period December 31, 2015			Independently Audited Previous Period December 31, 2014		
ASSETS	Footnote	TRY	FX	Total	TRY	FX	Total
I. CASH AND BALANCES WITH THE CENTRAL BANK OF TURKEY	V-I-a	246	-	246	236	-	236
II. FINANCIAL ASSETS AT FAIR VALUE THROUGH P/L (Net)	V-I-b	-	-	-	-	-	-
2.1 Financial Assets Held for Trading		-	-	-	-	-	-
2.1.1 Government Debt Securities		-	-	-	-	-	-
2.1.2 Securities Representing Share of Capital		-	-	-	-	-	-
2.1.3 Derivatives Held for Trading		-	-	-	-	-	-
2.1.4 Other Securities		-	-	-	-	-	-
2.2 Categorized as Assets, for Which Value Change is Reflected on Profit/Loss at Fair Value		-	-	-	-	-	-
2.2.1 Government Debt Securities		-	-	-	-	-	-
2.2.2 Securities Representing Share of Capital		-	-	-	-	-	-
2.2.3 Loans		-	-	-	-	-	-
2.2.4 Other Securities		-	-	-	-	-	-
III. BANKS	V-I-c	4.877.730	32.678	4.910.408	4.358.998	18.376	4.377.374
IV. MONEY MARKET PLACEMENTS		-	-	-	-	-	-
4.1 Interbank Money Market Placements		-	-	-	-	-	-
4.2 ISE Settlement Market Placements		-	-	-	-	-	-
4.3 Receivables from Reverse Repo Transactions		-	-	-	-	-	-
V. AVAILABLE-FOR-SALE FINANCIAL ASSETS (Net)	V-I-d-e	323	-	323	354	-	354
5.1 Securities Representing Share of Capital		-	-	-	-	-	-
5.2 Government Debt Securities		-	-	-	-	-	-
5.3 Other Securities		323	-	323	354	-	354
VI. LOANS AND RECEIVABLES	V-I-f	12.054.085	830.895	12.884.980	10.881.509	596.019	11.477.528
6.1 Loans and Receivables		12.054.085	830.895	12.884.980	10.881.509	596.019	11.477.528
6.1.1 Loans Extended to the Bank's Risk Group		-	-	-	-	-	-
6.1.2 Government Debt Securities		-	-	-	-	-	-
6.1.3 Other		12.054.085	830.895	12.884.980	10.881.509	596.019	11.477.528
6.2 Non-Performing Loans		556	-	556	562	-	562
6.3 Specific Provisions (-)		556	-	556	562	-	562
VII. FACTORING RECEIVABLES		-	-	-	-	-	-
VIII. INVESTMENTS HELD TO MATURITY (Net)	V-I-g	-	-	-	-	-	-
8.1 Government Debt Securities		-	-	-	-	-	-
8.2 Other Securities		-	-	-	-	-	-
IX. SUBSIDIARIES (Net)	V-I-h	-	-	-	-	-	-
9.1 Recognized in accordance with the equity method		-	-	-	-	-	-
9.2 Non-Consolidated		-	-	-	-	-	-
9.2.1 Financial Subsidiaries		-	-	-	-	-	-
9.2.2 Non-Financial Subsidiaries		-	-	-	-	-	-
X. AFFILIATED CORPORATIONS (Net)	V-I-h	-	-	-	-	-	-
10.1 Non-Consolidated Financial Corporations		-	-	-	-	-	-
10.2 Non-Consolidated Non-Financial Corporations		-	-	-	-	-	-
XI. CORPORATIONS UNDER JOINT CONTROL (JOINT VENTURES) (Net)	V-I-h	-	-	-	-	-	-
11.1 Recognized in accordance with the equity method		-	-	-	-	-	-
11.2 Non-Consolidated		-	-	-	-	-	-
11.2.1 Financial Corporations		-	-	-	-	-	-
11.2.2 Non-Financial Corporations		-	-	-	-	-	-
XII. RECEIVABLES FROM LEASING TRANSACTIONS	V-I-i	3.195	-	3.195	3.217	-	3.217
12.1 Leasing Receivables		-	-	-	-	-	-
12.2 Operational Lease Receivables		3.195	-	3.195	3.217	-	3.217
12.3 Other		-	-	-	-	-	-
12.4 Unearned Revenues (-)		-	-	-	-	-	-
XIII. DERIVATIVES FOR HEDGING	V-I-j	-	-	-	-	-	-
13.1 For Hedging Against Fair Value Risk		-	-	-	-	-	-
13.2 For Hedging Against Cash Flow Risk		-	-	-	-	-	-
13.3 For Hedging Against Net Investment Risk Abroad		-	-	-	-	-	-
XIV. TANGIBLE FIXED ASSETS (Net)	V-I-k	331.064	-	331.064	154.377	-	154.377
XV. INTANGIBLE FIXED ASSETS (Net)	V-I-l	3.300	-	3.300	3.521	-	3.521
15.1 Goodwill		-	-	-	-	-	-
15.2 Other		3.300	-	3.300	3.521	-	3.521
XVI. INVESTMENT PROPERTIES	V-I-m	85.849	-	85.849	168.026	-	168.026
XVII. TAX ASSETS	V-I-n	66.334	-	66.334	58.384	-	58.384
17.1 Current Tax Assets		-	-	-	-	-	-
17.2 Deferred Tax Assets		66.334	-	66.334	58.384	-	58.384
XVIII. FIXED ASSETS HELD FOR SALES OR WHICH ARE ASSOCIATED WITH DISCONTINUED OPERATIONS (Net)	V-I-o	-	-	-	-	-	-
18.1 For Sale		-	-	-	-	-	-
18.2 Associated with Discontinued Operations		-	-	-	-	-	-
XIX. OTHER ASSETS	V-I-p	141.973	3.156	145.129	53.697	427	54.124
TOTAL ASSETS		17.564.099	866.729	18.430.828	15.682.319	614.822	16.297.141

The attached notes are complementary parts of these non-consolidated financial statements.

ILLER BANK, INC.

NON-CONSOLIDATED BALANCE SHEETS AS OF DECEMBER 31, 2015 (FINANCIAL STATUS STATEMENT)

(Unless stated otherwise, values are denominated in TRY thousand)

APPENDIX 1-A		Independently Audited Current Period December 31, 2015			Independently Audited Previous Period December 31, 2014		
LIABILITIES	Footnote	TRY	FX	Total	TRY	FX	Total
I. DEPOSITS	V-II-a	-	-	-	-	-	-
1.1 Deposits by the Bank's risk group		-	-	-	-	-	-
1.2 Other		-	-	-	-	-	-
II. DERIVATIVES LIABILITIES FOR TRADING	V-II-b	-	-	-	-	-	-
III. LOANS RECEIVED	V-II-c	-	863.145	863.145	-	614.810	614.810
IV. MONEY MARKET FUNDS		-	-	-	-	-	-
4.1 Interbank Money Market Funds		-	-	-	-	-	-
4.2 ISE Settlement Market Funds		-	-	-	-	-	-
4.3 Fund Obtained from Repurchase Transactions		-	-	-	-	-	-
V. ISSUED SECURITIES (Net)		-	-	-	-	-	-
5.1 Bills		-	-	-	-	-	-
5.2 Asset Based Securities		-	-	-	-	-	-
5.3 Bonds		-	-	-	-	-	-
VI. FUNDS	V-II-c	4.430.337	1.101	4.431.438	3.705.875	304	3.706.179
6.1 Borrower Funds		-	-	-	-	-	-
6.2 Other		4.430.337	1.101	4.431.438	3.705.875	304	3.706.179
VII. MISCELLANEOUS LIABILITIES	V-II-c	93.451	2.502	95.953	63.142	397	63.539
VIII. OTHER LIABILITIES		39.143	12	39.155	191.796	10	191.806
IX. FACTORING LIABILITIES		-	-	-	-	-	-
X. LEASE RELATED LIABILITIES	V-II-d	-	-	-	-	-	-
10.1 Leasing Liabilities		-	-	-	-	-	-
10.2 Operational Lease Liabilities		-	-	-	-	-	-
10.3 Other		-	-	-	-	-	-
10.4 Deferred Leasing Expenses (-)		-	-	-	-	-	-
XI. DERIVATIVES LIABILITIES FOR HEDGING	V-II-e	-	-	-	-	-	-
11.1 For Hedging Against Fair Value Risk		-	-	-	-	-	-
11.2 For Hedging Against Cash Flow Risk		-	-	-	-	-	-
11.3 For Hedging Against Net Investment Risk Abroad		-	-	-	-	-	-
XII. RESERVES	V-II-f	334.037	-	334.037	295.830	-	295.830
12.1 General Reserves		-	-	-	-	-	-
12.2 Restructuring Reserve		-	-	-	-	-	-
12.3 Reserves for Employee Entitlements		95.860	-	95.860	88.970	-	88.970
12.4 Technical Insurance Reserves (Net)		-	-	-	-	-	-
12.5 Other Reserves		238.177	-	238.177	206.860	-	206.860
XIII. TAX LIABILITIES	V-II-g	110.038	-	110.038	90.094	-	90.094
13.1 Current Tax Liabilities		110.038	-	110.038	90.094	-	90.094
13.2 Deferred Tax Liabilities		-	-	-	-	-	-
XIV. LIABILITIES FOR FIXED ASSETS HELD FOR SALES OR WHICH ARE ASSOCIATED WITH DISCONTINUED OPERATIONS (Net)	V-II-h	-	-	-	-	-	-
14.1 For Sale		-	-	-	-	-	-
14.2 Associated with Discontinued Operations		-	-	-	-	-	-
XV. SUBORDINATED CREDITS	V-II-h	-	-	-	-	-	-
XVI. SHAREHOLDERS' EQUITY	V-II-i	12.557.062	-	12.557.062	11.334.883	-	11.334.883
16.1 Paid-In Capital		10.483.745	-	10.483.745	9.402.380	-	9.402.380
16.2 Capital Reserves		885.246	-	885.246	885.246	-	885.246
16.2.1 Share Premiums		-	-	-	-	-	-
16.2.2 Share Premium of Cancelled Stocks		-	-	-	-	-	-
16.2.3 Securities Valuation Surplus		-	-	-	-	-	-
16.2.4 Tangible Fixed Assets Valuation Surplus		8.732	-	8.732	8.732	-	8.732
16.2.5 Intangible Fixed Assets Valuation Surplus		-	-	-	-	-	-
16.2.6 Valuation Surplus for Investment Properties		-	-	-	-	-	-
16.2.7 Bonus Shares in Subsidiaries, Affiliated Corporations and Jointly-Controlled Entities (Joint Ventures)		-	-	-	-	-	-
16.2.8 Hedge Funds (Active part)		-	-	-	-	-	-
16.2.9 Accumulated Margins on Assets Held for Sale and Associated with Discontinued Operations		-	-	-	-	-	-
16.2.10 Other Capital Reserve Funds		876.514	-	876.514	876.514	-	876.514
16.3 Profit Reserves		555.961	-	555.961	481.552	-	481.552
16.3.1 Legal Reserves		432.535	-	432.535	404.941	-	404.941
16.3.2 Statutory reserves		123.426	-	123.426	76.611	-	76.611
16.3.3 Contingency Reserves		-	-	-	-	-	-
16.3.4 Other Profit Reserves		-	-	-	-	-	-
16.4 Profit or Loss		632.110	-	632.110	565.705	-	565.705
16.4.1 Accumulated Profit or Loss		56.032	-	56.032	41.162	-	41.162
16.4.2 Net Current Profit (Loss)		576.078	-	576.078	524.543	-	524.543
16.5 Minority Shares		-	-	-	-	-	-
TOTAL LIABILITIES		17.564.068	866.760	18.430.828	15.681.620	615.521	16.297.141

ILLER BANK, INC.

NON-CONSOLIDATED BALANCE SHEETS AS OF DECEMBER 31, 2015 (FINANCIAL STATUS STATEMENT)

(Unless stated otherwise, values are denominated in TRY thousand)

APPENDIX 1-B			Independently Audited Current Period December 31, 2015			Independently Audited Previous Period December 31, 2014		
		Footnote	TRL	FX	Total	TRL	FX	Total
A.	OFF-BALANCE SHEET LIABILITIES (I+II+III)	Footnote	8.357.535	2.746.126	11.103.661	4.535.874	947.304	5.483.178
I.	GUARANTEES and WARRANTIES	V-III-a	511.709	2.584	514.293	504.681	3.109	507.790
1.1	Letters of Guarantee		511.709	2.584	514.293	504.681	3.109	507.790
1.1.1	Covered under State Tenders Law		5	-	5	6	-	6
1.1.2	Extended for Foreign Trade Transactions		-	-	-	-	-	-
1.1.3	Other Letters of Guarantee		511.704	2.584	514.288	504.675	3.109	507.784
1.2	Bank Loans		-	-	-	-	-	-
1.2.1	Import Acceptance Loans		-	-	-	-	-	-
1.2.2	Other Banks' Acceptances		-	-	-	-	-	-
1.3	Letters of Credit		-	-	-	-	-	-
1.3.1	Letters of Credit on Document		-	-	-	-	-	-
1.3.2	Other Letters of Credit		-	-	-	-	-	-
1.4	Guaranteed Pre-finances		-	-	-	-	-	-
1.5	Endorsements		-	-	-	-	-	-
1.5.1	Endorsements to the Central Bank of Turkey		-	-	-	-	-	-
1.5.2	Other Endorsements		-	-	-	-	-	-
1.6	Underwriting Commitments of the Securities Issued		-	-	-	-	-	-
1.7	Factoring Related Guarantees		-	-	-	-	-	-
1.8	Other Guarantees		-	-	-	-	-	-
1.9	Other Warranties		-	-	-	-	-	-
II.	COMMITMENTS		7.845.826	2.743.542	10.589.368	4.031.193	944.195	4.975.388
2.1	Irrevocable Commitments		7.845.826	2.743.542	10.589.368	4.031.193	944.195	4.975.388
2.1.1	Future Asset Value Trading Commitments		-	-	-	-	-	-
2.1.2	Future Deposit Value Trading Commitments		-	-	-	-	-	-
2.1.3	Commitments Regarding Subsidiaries, Affiliated Corporations and Jointly-Controlled Entities		-	-	-	-	-	-
2.1.4	Utilized Guaranteed Loan Extension Commitments		7.845.826	2.743.542	10.589.368	4.031.193	944.195	4.975.388
2.1.5	Security Issues Intermediation Commitments		-	-	-	-	-	-
2.1.6	Required Reserve Payment Commitments		-	-	-	-	-	-
2.1.7	Check Payment Commitments		-	-	-	-	-	-
2.1.8	Tax and Fund Liabilities due to Export Commitments		-	-	-	-	-	-
2.1.9	Credit Card Expenditure Limit Commitments		-	-	-	-	-	-
2.1.10	Promotion Implementation Commitments Regarding Credit Cards and Banking Services		-	-	-	-	-	-
2.1.11	Receivables Due to Securities Short Selling Commitments		-	-	-	-	-	-
2.1.12	Payables Due to Securities Short Selling Commitments		-	-	-	-	-	-
2.1.13	Other Irrevocable Commitments		-	-	-	-	-	-
2.2	Revocable Commitments		-	-	-	-	-	-
2.2.1	Revocable Credit Extension Commitments		-	-	-	-	-	-
2.2.2	Other Revocable Commitments		-	-	-	-	-	-
III.	DERIVATIVES		-	-	-	-	-	-
3.1	Derivatives for Hedging Purposes		-	-	-	-	-	-
3.1.1	For Hedging Against Fair Value Risk		-	-	-	-	-	-
3.1.2	For Hedging Against Cash Flow Risk		-	-	-	-	-	-
3.1.3	For Hedging Against Net Investment Risk Abroad		-	-	-	-	-	-

ILLER BANK, INC.

NON-CONSOLIDATED BALANCE SHEETS AS OF DECEMBER 31, 2015 (FINANCIAL STATUS STATEMENT)

(Unless stated otherwise, values are denominated in TRY thousand)

APPENDIX 1-B			Independently Audited Current Period December 31, 2015			Independently Audited Previous Period December 31, 2014		
		Footnote	TRL	FX	Total	TRL	FX	Total
3.2	For Trading		-	-	-	-	-	-
3.2.1	Future Foreign Currency Trading		-	-	-	-	-	-
3.2.1.1	Future Foreign Currency Buying		-	-	-	-	-	-
3.2.2.2	Future Foreign Currency Selling		-	-	-	-	-	-
3.2.2	Cash and Interest Swaps		-	-	-	-	-	-
3.2.2.1	Swap Money Purchase Transactions		-	-	-	-	-	-
3.2.2.2	Swap Money Sale Transactions		-	-	-	-	-	-
3.2.2.3	Swap Interest Purchase Transactions		-	-	-	-	-	-
3.2.2.4	Swap Interest Sale Transactions		-	-	-	-	-	-
3.2.3	Cash, Interest and Security Value Options		-	-	-	-	-	-
3.2.3.1	Money Purchase Options		-	-	-	-	-	-
3.2.3.2	Money Sale Options		-	-	-	-	-	-
3.2.3.3	Interest Purchase Options		-	-	-	-	-	-
3.2.3.4	Interest Sale Options		-	-	-	-	-	-
3.2.3.5	Securities Purchase Options		-	-	-	-	-	-
3.2.3.6	Securities Sale Options		-	-	-	-	-	-
3.2.4	Futures Money Transactions		-	-	-	-	-	-
3.2.4.1	Futures Money Purchase Transactions		-	-	-	-	-	-
3.2.4.2	Futures Money Sale Transactions		-	-	-	-	-	-
3.2.5	Futures Interest Trading		-	-	-	-	-	-
3.2.5.1	Futures Interest Purchase Transactions		-	-	-	-	-	-
3.2.5.2	Futures Interest Sale Transactions		-	-	-	-	-	-
3.2.6	Other		-	-	-	-	-	-
B.	ASSETS IN CUSTODY OR UNDER LIEN (IV+V+VI)		3.810.269	441.472	4.251.741	3.453.136	393.373	3.846.509
IV.	ASSETS IN CUSTODY		3.017.751	437.428	3.455.179	3.085.227	387.464	3.472.691
4.1	Client Funds and Portfolio Contents		-	-	-	-	-	-
4.2	Securities in Custody		-	-	-	-	-	-
4.3	Checks Received for Collection		-	-	-	-	-	-
4.4	Commercial Bonds Received for Collection		-	-	-	-	-	-
4.5	Other Assets Received for Collection		-	-	-	-	-	-
4.6	Securities Intermediated for Issuance		-	-	-	-	-	-
4.7	Other Assets in Custody		3.010.058	437.428	3.447.486	3.078.365	387.464	3.465.829
4.8	Receipients of Assets in Custody		7.693	-	7.693	6.862	-	6.862
V.	ASSETS UNDER LIEN		792.518	4.044	796.562	367.909	5.909	373.818
5.1	Securities		-	-	-	-	-	-
5.2	Performance Bonds		792.518	4.044	796.562	367.909	5.909	373.818
5.3	Commodities		-	-	-	-	-	-
5.4	Warrants		-	-	-	-	-	-
5.5	Real Properties		-	-	-	-	-	-
5.6	Real Estate		-	-	-	-	-	-
5.7	Other Assets under Lien		-	-	-	-	-	-
VI.	ACCEPTED AVAILS AND GUARANTEES		-	-	-	-	-	-
	TOTAL OFF-BALANCE SHEET LIABILITIES (A+B)		12.167.804	3.187.598	15.355.402	7.989.010	1.340.677	9.329.687

The attached notes are complementary parts of these non-consolidated financial statements.

ILLER BANK, INC.

NON-CONSOLIDATED INCOME STATEMENT FOR THE INTERIM ACCOUNTING

PERIOD ENDED ON 31 DECEMBER 2015

(Unless stated otherwise, values are denominated in TRL thousand)

APPENDIX 1-C			Independently Audited Current Period December 31, 2015	Independently Audited Previous Period December 31, 2014
		Footnote	Total	Total
I.	INTEREST REVENUES	V-IV-a	1.050.568	903.814
1.1	Interests from Loans		714.755	745.853
1.2	Interests for Mandatory Reserves		-	-
1.3	Interests from Banks		330.910	152.827
1.4	Interests for Money Market Transactions		-	-
1.5	Interests from Securities		-	-
1.5.1	From Financial Assets Held for Trading		-	-
1.5.2	Categorized as Assets, for Which Value Change is Reflected on Profit/Loss at Fair Value		-	-
1.5.3	From available-for-sales financial assets		-	-
1.5.4	From Investments Held to Maturity		-	-
1.6	Leasing Revenues		-	-
1.7	Other Interest Revenues		4.903	5.134
II.	INTEREST EXPENSES	V-IV-b	127	1.752
2.1	Interests Paid on Deposits		-	-
2.2	Interests Paid on Loans Utilized		33	23
2.3	Interest on Money Market Transactions		-	-
2.4	Interest on securities issued		-	-
2.5	Other Interest Expenses		94	1.729
III.	NET INTEREST REVENUE/ EXPENSES (I-II)		1.050.441	902.062
IV.	NET FEE AND COMMISSION INCOME		13.311	12.366
4.1	Fees and Commissions Received		13.652	12.685
4.1.1	From Non-Cash Loans		10.951	9.461
4.1.2	Other		2.701	3.224
4.2	Fees and Commissions Paid		(341)	(319)
4.2.1	For Non-Cash Loans		-	-
4.2.2	Other		(341)	(319)
V.	DIVIDEND INCOME	V-IV-c	-	-
VI.	NET COMMERCIAL PROFIT/(LOSS) (Net)	V-IV-ç	(91)	160
6.1	Securities Trading Profit/Loss		-	-
6.2	Profit/Loss on Derivative Financial Instruments		-	-
6.3	Profit/Loss on Foreign Exchange Transactions		(91)	160
VII.	OTHER OPERATING INCOME	V-IV-d	185.486	246.339
VIII.	TOTAL OPERATING REVENUES/EXPENSES (III+IV+V+VI+VII)		1.249.147	1.160.927
IX.	IMPAIRMENT RESERVES FOR LOANS AND OTHER RECEIVABLES (-)	V-IV-e	33.280	67.335
X.	OTHER OPERATING EXPENSES (-)	V-IV-f	435.963	384.309
XI.	NET OPERATING PROFIT/(LOSS) (VIII-IX-X)		779.904	709.283
XII.	AMOUNT OF SURPLUS RECOGNIZED AS REVENUE FOLLOWING MERGER		-	-
XIII.	PROFIT/LOSS FROM CORPORATIONS SUBJECT TO EQUITY METHOD		-	-
XIV.	NET CASH POSITION PROFIT/LOSS		-	-
XV.	P/L BEFORE TAX ON ONGOING OPERATIONS (XI+...+XIV)	V-IV-g	779.904	709.283
XVI.	TAX RESERVES FOR ONGOING OPERATIONS	V-IV-ğ	(203.826)	(184.740)
16.1	Current Tax Reserves		(211.776)	(199.610)
16.2	Deferred Tax Reserves		7.950	14.870
XVII.	CURRENT P/L FROM ONGOING OPERATIONS (XV±XVI)	V-IV-h	576.078	524.543
XVIII.	REVENUES FROM DISCONTINUED OPERATIONS		-	-
18.1	Revenues from Fixed Assets Held for Sale		-	-
18.2	Sales Profits on Associates, Subsidiaries and Jointly-Controlled Entities (Joint Ventures)		-	-
18.3	Other Discontinued Operations In comes		-	-
XIX.	EXPENSES FOR DISCONTINUED OPERATIONS (-)		-	-
19.1	Expenses on Fixed Assets Held for Sale		-	-
19.2	Sales Loss on Associates, Subsidiaries and Jointly-Controlled Entities (Joint Ventures)		-	-
19.3	Other Discontinued Operations Expenses		-	-
XX.	P/L BEFORE TAX ON DISCONTINUED OPERATIONS (XVIII-XIX)		-	-
XXI.	TAX RESERVES FOR DISCONTINUED OPERATIONS (±)		-	-
21.1	Current Tax Reserves		-	-
21.2	Deferred Tax Reserves		-	-
XXII.	NET CURRENT P/L FROM DISCONTINUED OPERATIONS (XX±XXI)		-	-
XXIII.	NET CURRENT PROFIT AND LOSS (XVII±XXII)	V-IV-i	576.078	524.543
23.1	Profit/Loss of the Group		576.078	524.543
23.2	Profit/Loss of Minority Shares		-	-

The attached notes are complementary parts of these non-consolidated financial statements.

ILLER BANK, INC.

INTERIM ACCOUNTING PERIOD ENDED ON 31 DECEMBER 2015 -

NON-CONSOLIDATED INCOME STATEMENT ACCOUNTS BOOKED IN SHAREHOLDER'S EQUITY

(Unless stated otherwise, values are denominated in TRL thousand)

APPENDIX 1-Ç			Independently Audited Current Period 31/12/2015	Independently Audited Previous Period 12/31/2014
	INCOME STATEMENT ACCOUNTS RECOGNIZED IN SHAREHOLDERS' EQUITY	Footnote	Total	Total
I.	ADDED TO SECURITIES VALUATION SURPLUS FROM AVAILABLE-FOR-SALE FINANCIALASSETS		-	-
II.	TANGIBLE FIXED ASSETS REVALUATION SURPLUS		-	-
III.	INTANGIBLE FIXED ASSETS REVALUATION SURPLUS		-	-
IV.	EXCHANGE RATE DIFFERENCES FOR FOREIGN CURRENCY TRANSACTIONS		-	-
V.	PROFITS/LOSSES ON DERIVATIVE INSTRUMENTS FOR HEDGING AGAINST CASH FLOWRISKS (Active Part of Fair Value Changes)		-	-
VI.	PROFITS/LOSSES ON DERIVATIVE INSTRUMENTS FOR HEDGING AGAINST NET INVESTMENT RISKS ABROAD (Active Part of Fair Value Changes)		-	-
VII.	IMPACT OF ACCOUNTING POLICY CHANGES AND CORRECTION OF ERRORS		-	-
VIII.	IMPACT OF ACCOUNTING POLICY CHANGES AND CORRECTION OF ERRORS		-	-
IX.	DEFERRED TAX FOR VALUATION SURPLUS		-	-
X.	NET INCOME/EXPENSE RECOGNIZED DIRECTLY AS SHAREHOLDERS' EQUITY (I+II+...IX)		-	-
XI.	CURRENT PROFIT/LOSS		576.078	524.543
11.1	Net change in the fair value of securities (transfers to profits-losses)		-	-
11.2	Re-Classified Part of Derivative Instruments for Hedging Against Cash Flow Risk, included inthe Income Statement		-	-
11.3	Re-Classified Part of Derivative Instruments for Hedging Against Cash Flow Risk, included inthe Income Statement		-	-
11.4	Other		576.078	524.543
XII.	TOTAL RECOGNIZED PROFIT/LOSS FOR THE PERIOD (X±XI)		576.078	524.543

The attached notes are complementary parts of these non-consolidated financial statements.

ILLER BANK, INC.

NON-CONSOLIDATED SHAREHOLDERS' EQUITY CHANGE STATEMENT FOR ILLER BANK'S INTERIM

ACCOUNTING PERIOD THAT ENDED ON 31 DECEMBER 2015

(Unless stated otherwise, values are denominated in TRL thousand)

	Footnote	Paid-In Capital	Paid-in Capital Inflation Adjustments	Share Premiums	Share Premium of Canceled Stocks	Statutory Contingency Reserves	Statutory reserves		Extraordinary Reserve	Other Reserves	Net Current Profit / (Loss)	Previous Period's Profit / (Loss)	Securities Valuation Surplus	Tangible and Intangible Fixed Assets Revaluation Difference	Bonus Shares from Shareholdings	Hedge Funds	Fixed Assets Val. Surp. For Assets Held for Sale/Disc. Op.	Total Shareholders' Equity Excl. Minority Shares	Minority Shares	Total Shareholders' Equity
APPENDIX 1-D																				
CHANGES IN SHAREHOLDERS' EQUITY ACCOUNTS																				
Previous Period - December 31, 2014																				
I.		8.528.315	876.514	-	-	388.395	42.312		-	-	-	346.767	-	8.732	-	-	-	10.191.035	-	10.191.035
II.		-	-	-	-	-	-		-	-	-	-	-	-	-	-	-	-	-	-
2.1		-	-	-	-	-	-		-	-	-	-	-	-	-	-	-	-	-	-
2.2		-	-	-	-	-	-		-	-	-	-	-	-	-	-	-	-	-	-
III.		8.528.315	876.514	-	-	388.395	42.312		-	-	-	346.767	-	8.732	-	-	-	10.191.035	-	10.191.035
Changes within the Period																				
IV.		-	-	-	-	-	-		-	-	-	-	-	-	-	-	-	-	-	-
V.		-	-	-	-	-	-		-	-	-	-	-	-	-	-	-	-	-	-
VI.		-	-	-	-	-	-		-	-	-	-	-	-	-	-	-	-	-	-
6.1		-	-	-	-	-	-		-	-	-	-	-	-	-	-	-	-	-	-
6.2		-	-	-	-	-	-		-	-	-	-	-	-	-	-	-	-	-	-
VII.		-	-	-	-	-	-		-	-	-	-	-	-	-	-	-	-	-	-
VIII.		-	-	-	-	-	-		-	-	-	-	-	-	-	-	-	-	-	-
IX.		-	-	-	-	-	-		-	-	-	-	-	-	-	-	-	-	-	-
X.		-	-	-	-	-	-		-	-	-	-	-	-	-	-	-	-	-	-
XI.		-	-	-	-	-	-		-	-	-	-	-	-	-	-	-	-	-	-
XII.		-	-	-	-	-	-		-	-	-	-	-	-	-	-	-	-	-	-
XIII.		-	-	-	-	-	-		-	-	-	-	-	-	-	-	-	-	-	-
XIV.		774.789	-	-	-	-	-		-	-	-	-	-	-	-	-	-	774.789	-	774.789
14.1		774.789	-	-	-	-	-		-	-	-	-	-	-	-	-	-	774.789	-	774.789
14.2		-	-	-	-	-	-		-	-	-	-	-	-	-	-	-	-	-	-
XV.		-	-	-	-	-	-		-	-	-	-	-	-	-	-	-	-	-	-
XVI.		-	-	-	-	-	-		-	-	-	-	-	-	-	-	-	-	-	-
XVII.		-	-	-	-	-	-		-	-	-	-	-	-	-	-	-	-	-	-
XVIII.		-	-	-	-	-	-		-	-	-	-	-	-	-	-	-	-	-	-
XIX.		-	-	-	-	-	-		-	-	851.663	-	-	-	-	-	-	851.663	-	851.663
XX.		99.276	-	-	-	16.546	34.299		-	-	(327.120)	(305.605)	-	-	-	-	-	(482.604)	-	(482.604)
20.1		-	-	-	-	-	-		-	-	(327.120)	(155.484)	-	-	-	-	-	(482.604)	-	(482.604)
20.2		-	-	-	-	16.546	34.299		-	-	-	(50.845)	-	-	-	-	-	-	-	-
20.3		99.276	-	-	-	-	-		-	-	-	(99.276)	-	-	-	-	-	-	-	-
Balance at the end of the period (III+IV+V+.....+XVIII+XIX+XX)																				
9.402.380 876.514 - - 404.941 76.611 - - 524.543 41.162 - 8.732 - - 11.334.883 - 11.334.883																				
Current Period - December 31, 2015																				
I.		9.402.380	876.514	-	-	404.941	76.611		-	-	524.543	41.162	-	8.732	-	-	-	11.334.883	-	11.334.883
Changes within the Period																				
II.		-	-	-	-	-	-		-	-	-	-	-	-	-	-	-	-	-	-
III.		-	-	-	-	-	-		-	-	-	-	-	-	-	-	-	-	-	-
4.1		-	-	-	-	-	-		-	-	-	-	-	-	-	-	-	-	-	-
4.2		-	-	-	-	-	-		-	-	-	-	-	-	-	-	-	-	-	-
V.		-	-	-	-	-	-		-	-	-	-	-	-	-	-	-	-	-	-
VI.		-	-	-	-	-	-		-	-	-	-	-	-	-	-	-	-	-	-
VII.		-	-	-	-	-	-		-	-	-	-	-	-	-	-	-	-	-	-
VIII.		-	-	-	-	-	-		-	-	-	-	-	-	-	-	-	-	-	-
IX.		-	-	-	-	-	-		-	-	-	-	-	-	-	-	-	-	-	-
X.		-	-	-	-	-	-		-	-	-	-	-	-	-	-	-	-	-	-
XI.		-	-	-	-	-	-		-	-	-	-	-	-	-	-	-	-	-	-
XII.		-	-	-	-	-	-		-	-	-	-	-	-	-	-	-	-	-	-
12.1		915.797	-	-	-	-	-		-	-	-	-	-	-	-	-	-	915.797	-	915.797
12.2		915.797	-	-	-	-	-		-	-	-	-	-	-	-	-	-	915.797	-	915.797
XIII.		-	-	-	-	-	-		-	-	-	-	-	-	-	-	-	-	-	-
XIV.		-	-	-	-	-	-		-	-	-	-	-	-	-	-	-	-	-	-
XV.		-	-	-	-	-	-		-	-	-	-	-	-	-	-	-	-	-	-
XVI.		-	-	-	-	-	-		-	-	-	-	-	-	-	-	-	-	-	-
XVII.		-	-	-	-	-	-		-	-	576.078	-	-	-	-	-	-	576.078	-	576.078
XVIII.		165.568	-	-	-	27.594	46.815		-	-	(524.543)	14.870	-	-	-	-	-	(269.696)	-	(269.696)
18.1		-	-	-	-	-	-		-	-	-	(76.289)	-	-	-	-	-	(76.289)	-	(76.289)
18.2		-	-	-	-	27.594	46.815		-	-	-	(74.409)	-	-	-	-	-	-	-	-
18.3		165.568	-	-	-	-	-		-	-	(524.543)	165.568	-	-	-	-	-	(193.407)	-	(193.407)
Balance at the end of the period (I+II+III+.....+XV+XVII+XVIII)																				
10.483.745 876.514 - - 432.535 123.426 - - 576.078 56.032 - 8.732 - - 12.557.062 - 12.557.062																				

The attached notes are complementary parts of these non-consolidated financial statements.

ILLER BANK, INC.

NON-CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2015

(Unless stated otherwise, values are denominated in TRL thousand)

APPENDIX 1-E		Footnote	Independently Audited Current Period December 31, 2015	Independently Audited Previous Period December 31, 2014
A.	CASH FLOWS REGARDING BANKING OPERATIONS			
1.1	Operating Profits Before Change in Assets and Liabilities Concerning Banking Operations		672.763	650.711
1.1.1	Interests received		1.025.315	901.223
1.1.2	Interests paid		(102)	(1.743)
1.1.3	Dividends received		-	-
1.1.4	Fees and Commissions Received		13.651	12.685
1.1.5	Other Income Generated		52.927	101.678
1.1.6	Collections from Illiquid Claims Recognized as Loss		-	-
1.1.7	Cash Payments to Personnel and Service Providers		(239.306)	(217.659)
1.1.8	Taxes Paid		(7.896)	(13.213)
1.1.9	Other		(171.826)	(132.260)
1.2	Change in Assets and Liabilities Concerning Banking Operations	V-VI-I	(810.446)	(29.990)
1.2.1	Net (Increase) Decrease in Financial Assets for Trading		-	-
1.2.2	Net (Increase) Decrease in Financial Assets Categorized with Reflection of Fair Value Change in P/L		-	-
1.2.3	Net (Increase) Decrease in Banks Account		-	-
1.2.4	Net (Increase) Decrease in Loans		(1.385.620)	(118.244)
1.2.5	Net (Increase) Decrease in Other Assets	V-VI-I	(150.748)	20.891
1.2.6	Net (Increase) Decrease in Banks' Deposits		-	-
1.2.7	Net (Increase) Decrease in Other Deposits		-	-
1.2.8	Net (Increase) Decrease in Loans Received		248.335	62.591
1.2.9	Net (Increase) Decrease in Mature Debts		-	-
1.2.10	Net (Increase) Decrease in Other Debts	V-VI-I	477.587	64.752
I.	Net Cash Flows from Banking Operations		(137.683)	680.701
B.	CASH FLOWS REGARDING INVESTMENT OPERATIONS			
II.	Net Cash Flows from Investment Operations		(76.580)	52.133
2.1	Acquired Affiliated Corporations and Subsidiaries and Corporations under Common Control		-	-
2.2	Disposed Affiliated Corporations and Subsidiaries and Corporations under Common Control		-	-
2.3	Acquired Securities and Real Estate		(165.090)	(7.334)
2.4	Disposed Securities and Real Estate		88.510	59.467
2.5	Acquired available-for-sales financial assets		-	-
2.6	Disposed available-for-sales financial assets		-	-
2.7	Acquired Investment Securities		-	-
2.8	Disposed Investment Securities		-	-
2.9	Other		-	-
C.	CASH FLOWS REGARDING FINANCIAL OPERATIONS			
III.	Net Cash Flows from Financial Operations		733.711	701.103
3.1	Cash generated from loans and issued securities		-	-
3.2	Cash outflow due to loans and issued securities		-	-
3.3	Issued Capital Market Instruments		-	-
3.4	Dividend Payments		(182.086)	(73.686)
3.5	Payments Regarding Leasing		-	-
3.6	Other	V-VI-I	915.797	774.789
IV.	Impact of the Change in Exchange Rates on Cash and Cash Equivalent Assets	V-VI-I	6.725	(993)
V.	Net (decrease) /increase in cash and cash equivalents		526.173	1.432.944
VI.	Cash and cash equivalents at the beginning of the period		4.372.094	2.939.150
VII.	Cash and cash equivalents at the end of the period		4.898.267	4.372.094

ILLER BANK, INC.

NON-CONSOLIDATED DIVIDEND PAYMENT STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2015

(Unless stated otherwise, values are denominated in TRL thousand)

APPENDIX 1-F		Independently Audited Current Period December 31, 2015	Independently Audited Previous Period December 31, 2014
I.	DIVIDEND PAYMENT FOR THE PERIOD		
1.1	PROFITS FOR THE PERIODS	779.904	709.283
1.2	PAYABLE TAXES AND LEGAL LIABILITIES (-)	211.776	199.610
1.2.1	Income Tax Withholding	164.714	157.390
1.2.2	Other Taxes and Legal Liabilities Payable	47.062	42.220
1.2.3	Other Taxes and Legal Obligations	-	-
A	NET CURRENT PROFIT (1.1 - 1.2)	568.128	509.673
1.3	LOSSES FROM PAST PERIODS	-	-
1.4	PRIMARY STATUTORY RESERVE (-)	30.760	27.595
1.5	STATUTORY FUNDS REQUIRED TO BE SAVED AND KEPT AT THE ENTITY (-)**	184.557	165.568
B	NET PROFITS FOR THE PERIOD AVAILABLE FOR DIVIDEND PAYMENTS [(A-(1.3+1.4+1.5))]	352.811	316.510
1.6	PRIMARY DIVIDEND PAYMENT TO SHAREHOLDERS (-)	266.684	239.245
1.6.1	To Shareholders	-	-
1.6.2	To Preferred Share Holders**)	266.684	239.245
1.6.3	Dividend Participation Certificates	-	-
1.6.4	To Profit Sharing Bonds	-	-
1.6.5	To Profit and Loss Sharing Certificate Holders	-	-
1.7	DIVIDEND PAYMENTS TO PERSONNEL (-)	55.367	49.670
1.8	DIVIDEND PAYMENT TO THE BOARD OF DIRECTORS (-)	-	-
1.9	SECONDARY DIVIDEND PAYMENT TO SHAREHOLDERS (-)	-	-
1.9.1	To Shareholders	-	-
1.9.2	To Preferred Share Holders	-	-
1.9.3	Dividend Participation Certificates	-	-
1.9.4	To Profit Sharing Bonds	-	-
1.9.5	To Profit and Loss Sharing Certificate Holders	-	-
1.10	SECONDARY STATUTORY RESERVE (-)	-	-
1.11	STATUTORY RESERVES (-)	30.760	27.595
1.12	EXTRAORDINARY RESERVES	-	-
1.13	OTHER RESERVES	-	-
1.14	SPECIAL FUNDS	-	-
II.	PAYMENT FROM RESERVES		
2.1	DISTRIBUTED RESERVES	-	-
2.2	SECONDARY STATUTORY RESERVES (-)	-	-
2.3	SHARES TO SHAREHOLDERS (-)	-	-
2.3.1	To Shareholders	-	-
2.3.2	To Preferred Share Holders	-	-
2.3.3	Dividend Participation Certificates	-	-
2.3.4	To Profit Sharing Bonds	-	-
2.3.5	To Profit and Loss Sharing Certificate Holders	-	-
2.4	SHARES TO PERSONNEL (-)	-	-
2.5	SHARES TO THE BOARD OF DIRECTORS (-)	-	-
III.	EARNINGS PER SHARE		
3.1	TO SHAREHOLDERS	-	-
3.2	TO SHAREHOLDERS (%)	-	-
3.3	TO PREFERRED SHAREHOLDERS	-	-
3.4	TO PREFERRED SHAREHOLDERS (%)	-	-
IV.	DIVIDEND PER SHARE		
4.1	TO SHAREHOLDERS	-	-
4.2	TO SHAREHOLDERS (%)	-	-
4.3	TO PREFERRED SHAREHOLDERS	-	-
4.4	TO PREFERRED SHAREHOLDERS (%)	-	-

NOTE: As deferred tax incomes are not subject to dividend payment, a difference of TRL 7,950 exists between the dividend for the period as indicated on the income statement, and the payable profits (TRL 14,870 as of 31 December, 2014).

(*) In accordance with article 4 of "Law on Iller Bank", 30% of net profits of the Bank is added on top of the Bank's capital.

(**) Pursuant to Article 13 of Law no. 6107 governing Iller Bank and article 30 of the Bank's Articles of Incorporation, 51% of the Bank's net profit for the year is made available as grants-in-aid for financing technical and social infrastructure services in villages which are carried out by Special Provincial Administrations; for financing the development of mapping, zoning plans, potable water, wastewater, solid waste, city information system and similar urban infrastructure projects in municipalities with a population of less than 200,000 people, as well as for the financing of the construction of the said projects pertaining to municipalities with a population of less than 25,000 people. The attached notes are complementary parts of these non-consolidated financial statements.

The attached notes are complementary parts of these non-consolidated financial statements.

ILLER BANK, INC.

FOOTNOTES ON NON-CONSOLIDATED FINANCIAL STATEMENTS ISSUED AS OF DECEMBER 31, 2015

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SECTION THREE

Accounting Policies

I. Presentation principles

The Bank prepared its accounting records, non-consolidated financial statements, explanations and footnotes concerning thereof, in line with Turkish Accounting Standards ("TMS") and Turkish Financial Reporting Standards ("TFRS") as well as Regulation on the Methods and Principles Regarding the Banks' Accounting Practices and the Keeping of Documents and other regulations, communiqués, and circulars published by Banking Regulation and Supervision Agency ("BRSA") on accounting and financial reporting principles, as well as statements of the Banking Regulation and Supervision Agency.

By the Decree with the Force of Law nr. 660, which entered into force upon its publication in the Official Gazette dated 2 November 2011, Supplementary Article 1 of the Law nr. 2499 was repealed and the Public Oversight, Accounting and Audit Standards Board was established. The financial statements were drawn up on the basis of Turkish Accounting Standards / Turkish Financial Reporting Standards ("TMS/TFRS") implemented by the Public Oversight, Accounting and Audit Standards Authority ("KGGK"), and the annexes and comments there of.

The financial statements were drawn up on the basis of the historical cost principle, in addition to the use of fair value principle applied for financial assets for trading.

The values shown in the financial statements and in their associated explanations and footnotes are denominated in thousand Turkish Liras unless otherwise indicated.

II. Financial instruments utilization strategies and transactions denominated in foreign currencies

The borrowings shown on the Bank's balance sheet as liabilities represent amounts of credit, which were obtained from the World Bank under the "Municipal Services Project" and from Japan International Cooperation Agency (JICA) under the "Municipal Sewage and Waste Water Treatment Plants Development Project", regarding which funds are duly extended to municipalities. Currency conversion losses/gains related to such lendings are booked to the borrowing municipality's account. However, currency conversion losses/gains, which are sustained on portions of loans obtained from the World Bank (International Bank for Reconstruction and Development - IBRD) under the rubric of "Strengthening Institutional Capacity" under the "Municipal Services Project", as well as from JICA under the rubric of "Consulting" under the "Municipal Sewage and Waste Water Treatment Plants Development Project", concerning the part utilized by the Bank, and the part of the grant used for bank's capability increase, investment support, and other components within the framework of the "Iller Bank Environment Loan Project" signed with the European Investment Bank are to be borne by the Bank. Asset and liability account items appearing at the ends of fiscal periods are converted into Turkish Liras over the Central Bank of Turkey (TCMB) rates.

Asset and liability monetary items denominated in foreign currencies are valued according to the Central Bank of Turkey exchange rates in effect on the balance sheet date. Currency conversion losses/gains arising from the valuation of monetary items are accounted for in the income statement as "Exchange rate losses/gains".

Benchmark exchange rates announced by the Central Bank of Turkey and in effect as of the date of these financial statements:

Date December 30, 2015	US Dollar 2,9076	Euro 3,1776	100 Japanese Yens 2,4078
Date December 30, 2014	US Dollar 2,3189	Euro 2,8207	100 Japanese Yens 1,9347

ILLER BANK, INC.

FOOTNOTES ON NON-CONSOLIDATED FINANCIAL STATEMENTS ISSUED AS OF DECEMBER 31, 2015

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III. Remarks on forward and option contracts, derivatives

The Bank had no forward and option contracts and derivatives as at the end of the reporting period.

IV. Explanations on interest income and expenses

As required by its governing law, the Bank extends loans only to local governments. Interest is accrued on all lendings and booked on a monthly basis. In the case of foreign currency denominated loans, which are extended to local governments from funds secured from the World Bank under the "Municipal Services Project" and from JICA under the Municipal Sewage and Waste Water Treatment Plants Development Project, monthly interest discounts are effected, while interest is accrued at six-month intervals as required by contractual agreements.

Interest income/expenses are accounted for on an accrual basis. Any interest and associated discounting that accrues on loans and other receivables that have become illiquid pursuant to applicable legislation is canceled and is not accounted for as "interest income" until and unless it is actually collected.

V. Remarks on fee and commission income and expenses

The Bank makes the collections of commissions on the non-cash credit that it extends to local governments. In addition and in its capacity as an Type A agent of Groupama Insurance and Güneş Insurance, the Bank also collects commissions both on the insurance of movable and immovable properties belonging to itself and to local governments. The commission expenses consist of the Bank's shares of commitment fees which are paid to the Central Bank of Turkey on account of interbank money market transactions or which are paid to JICA on account of JICA credit that is used.

VI. Explanations on financial assets

The Bank's financial assets are classified and booked under the headings of "Financial assets at fair value through profit/loss", "Available-for-sale financial assets", "Financial assets held to maturity", and "Loans and receivables". All trading activities involving any of these financial assets are entered into or removed from the Bank's accounts as of the instruments' actual "delivery date".

Financial Assets at Fair Value through Profit or Loss:

Financial assets held for trading are those that are obtained for making profit on the fluctuations that occur in price or similar elements in the short term in the market, or those that are part of a portfolio aimed at making profit in the short run, irrespective of the reason of their acquisition.

Transactions involving financial assets that are held for trading purposes are entered into and removed from account on a "delivery date" basis. Such financial assets held for trading are initially shown in the balance sheet at cost, after which they are valued on a fair-value basis.

The positive difference between the fair value of financial assets held for trading purposes and their cost of acquisition is accounted for as interest income. However if the fair value of a financial asset is higher than its amortized cost value, the positive difference between the two is treated as a capital market trading profit and is credited to that account. On the other hand, if the fair value of a financial asset is lower than its amortized cost value, the negative difference between the two is treated as a capital market trading loss and is booked to that account.

ILLER BANK, INC.

FOOTNOTES ON NON-CONSOLIDATED FINANCIAL STATEMENTS ISSUED AS OF DECEMBER 31, 2015

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VI. Remarks on financial assets (cont'd)

Available-for-sales financial assets:

Available-for-sale financial assets are financial assets that can be classified neither as "Loans and receivables" nor as "Financial assets held to maturity" or as "Financial assets at fair value through profit/loss". The Bank's available-for-sale financial assets consist of its shares in Niğbaş Niğde Beton Sanayi A.Ş. and Emlak Konut Gayrimenkul Yatırım Ortaklığı A.Ş., firms in which the Bank's shareholding interest and voting rights amount to less than 10% of the total and over which the Bank has no significant control.

Loans and receivables:

Loans and receivables are financial assets that are created whenever a borrower is provided with money, goods, or services. Loans and receivables are initially booked at their acquisition cost.

As required by its governing law, the Bank extends loans only to local governments. Loans are booked on the basis of their acquisition costs. The guarantees for these lendings consist of; (1) allotments of general budget tax revenues that are supplied to the Bank for distribution among local governments and (2) municipalities' potable water, terminal, rent, and other income.

Pursuant to Article 13 (5) of the Law no. 6107 governing İller Bankası A.Ş., the reserve requirements of the Banking Law no. 5411 do not apply to Iller Bank.

Investments held to maturity:

Investments held to maturity are financial assets which are acquired with the intention of retention until they have matured and satisfy all of the prerequisites (including funding capability) for holding until maturity, which have fixed terms and predetermined or determinable payments, and which are neither "loans" nor "receivables".

As of 31 December 2015, the Bank had no financial assets in this category.

VII. Remarks on value impairments in financial assets

Whenever a bank balance sheet is to be issued, consideration is given as to whether or not there is impartial evidence that a financial asset or a group of financial assets may have suffered a loss in value. If it is ascertained that such evidence exists, the Bank determines the amounts by which the values have been impaired.

A financial asset (or group of financial assets) may suffer value impairment only if there is impartial evidence indicating that one or more events (in the nature of "damage" or "loss") transpired after the asset's initial booking and that the loss (or losses) have caused value impairment as a result of these events' impact on the financial asset's or asset group's reasonably estimated future cash flows. "Value impairment" consists exclusively of this. No anticipated losses based on the expectation of any future events may be booked as "value impairments" no matter how likely those events may be.

VIII. Remarks on netting financial assets

In case the market prices commanded by stock-exchange-listed shares held for trading purposes, in a state available for sale, as well as the subsidiaries and affiliated companies are below the book value thereof, reserves are set aside, to be netted on the balance sheet over their book values.

Within the framework of the "Regulation on Principles and Procedures for Determination of Qualifications of Loans and Other Receivables Requiring Reserves set aside by the Banks, and the Reserves thus Set Aside", spe-

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cial reserves are set aside for receivables subject to enforcement proceedings; such reserves are deducted out of the balance sheet asset account of receivables subject to enforcement proceedings.

Financial assets and obligations are shown in the balance sheet on the basis of their netted value only in situations where the Bank has the legal right and the power to compel such netting as well as the intention to collect on or to pay off such financial assets and liabilities at their net value or where the Bank has the right to simultaneously wind up such financial assets and obligations.

IX. Remarks on sale and repurchase agreements, security lendings

As of the end of the reporting period, the Bank had no transactions made under agreements calling for selling and buying back securities (repo) or transactions involving securities which had been purchased with sell-back commitment (reverse repo).

X. Information on assets held for sale and fixed assets associated with discontinued operations and remarks on obligations concerning these assets

The assets which meet the criteria for categorization as assets held for sale shall be recognized over their book values; application of depreciation for such assets shall be suspended. These assets shall be recognized separately on the balance sheet. In order for an asset to be considered asset held for sale, the asset (or asset group to be disposed of) in question should be available for immediate sale under the conventional and frequently observed conditions applicable to the sale of such assets (or asset group to be disposed of), and should command a high likelihood of sale. In order for the asset to have a high likelihood of sale, a plan should be made by an appropriate management level for the sale of the asset (or the asset group to be disposed of), and an active program to conclude the plan through the identification of buyers should have been commenced. Furthermore, the asset (or the asset group to be disposed of) should be marketed actively at a price tag consistent with its fair value. A variety of incidents or circumstances may extend the term of completion of the sale to more than one year.

In case there is sufficient evidence to conclude that such delay arose due to incidents or circumstances outside the control of the enterprise, and that the enterprise's sale plans regarding the sale of the asset (or the asset group to be disposed of), such assets shall remain in the assets held for sale category.

A discontinued operation is a part of the bank's business categorized as disposed-of or held-for-sale. The results regarding the discontinued operations are shown separately on the income statement.

The bank has no property or discontinued operations recognized under the fixed assets held for sale account.

XI. Remarks on goodwill and other intangible fixed assets

As of the balance sheet date, there were no goodwill items that needed to be shown in the financial statements.

The costs of intangible assets that were acquired before 01 January, 2005 were inflation-adjusted for the period until 31 December 2004, which is the date the period of high inflation was deemed to have ended by the authorities. Assets acquired thereafter were descended in the financial statements on the basis of their initial acquisition cost.

Intangible assets are depreciated according to the straight-line method with an assumed economically useful lifetime of three to five years. The useful lifetime of an asset is determined on the basis of a consideration of such issues as how long the asset can be expected to be useful; technical, technological, and other forms of obsolescence; and the maintenance costs that will be required to secure the economic benefit expected from the asset.

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XII. Remarks on tangible fixed assets

The costs of tangible assets that were acquired before 01 January, 2005 were inflation-adjusted for the period until 31 December 2004, which is the date the period of high inflation was deemed to have ended by the authorities. Assets acquired thereafter were descended in the financial statements on the basis of their initial acquisition cost. Depreciation for tangible assets is set aside in equal amounts using the straight-line method based on cost values and estimated useful lifetimes.

In the case of an asset that was in the inventory for less than a full fiscal year as of the end of the reporting period, the amount of depreciation that is set aside is determined by prorating the amount that would have been set aside for a full year according to the length of time that the asset was in the inventory.

In situations where there is an indication that an asset's value may have suffered impairment, the Bank estimates the recoverable value of the asset within the framework of "Turkish Accounting Standard concerning the Impairment of Value in Assets" ("TMS 36"). If the recoverable value is less than the book value, the difference is booked as "provision for losses".

The gain or loss that arises when a tangible fixed asset is disposed of is determined by subtracting the net book value of the asset concerned from the proceeds secured from its sale. The resulting difference is shown in the income statement as a profit or loss.

Tangible fixed assets are not encumbered by any pledges, mortgages, or other cautionary attachments or by any commitments entered into for their acquisition, or by any other issues that might limit the exercise of their dispositional rights. There are no changes involving tangible assets which occurred during the reporting period or which are anticipated in the future that might have a significant impact on accounting assumptions.

Most recently, in year 2011, the Bank engaged a real estate appraisal company authorized by BRSA and had the real estates registered in its name appraised; no value impairment has been ascertained in the appraisal which needed to be reflected in the records. In the period covered in the report, no sign of real estate impairment was observed. The valuation transactions are planned to be recurred for 2016.

The ratios and the estimated useful lifetimes, which are used in the depreciation of tangible fixed assets, are shown below.

Tangible Fixed Assets	Estimated Useful Life (Years)	Depreciation rate (%)
Buildings and cashboxes	50	2
Office machines, furniture, interior fittings, other movables	3-10	33,33-10
Transportation vehicles	4-10	25-10

XIII. Remarks on leasing transactions

The Bank has no leasing transactions. The Bank is involved in some rental transactions which are not in the nature of financial leasing but which arise from its letting out real estate properties that are not used in the conduct of its banking business. The income from such operating lease arrangements are reported for the periods with which they are associated and are shown in the income statement using the straight-line method.

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As of the end of the reporting period, bank-owned real estate properties let within the frame of operating lease were classified as "investment properties" in the balance sheet. "Investment properties" are real estate properties that are held for the purpose of securing rental and/or appreciation income. They are shown at their cost value less any accumulated depreciation and accumulated impairments in value. Subject to compliance with accepted criteria, costs that are involved in altering any part of an existing investment property are included in the value shown for it in the balance sheet. Amounts that are spent for the day-to-day maintenance of investment properties, however, are not included. The straight-line method is used when depreciating investment properties and the depreciation period is taken as fifty years. The real estate property being rented out was appraised most recently in 2011 by an appraisal firm authorized by BRSA. Because the assessed value was higher than the book value, no provision for value impairment was set aside. In the period covered in the report, no sign of real estate impairment was observed. The valuation transactions are planned to be recurred for 2016.

XIV. Remarks on provisions and contingent liabilities

Provisions and contingent liabilities are accounted for in accordance with the communiqué on "Turkish Accounting Standard concerning Provisions, Contingent Liabilities, and Contingent Assets" ("TMS 37"). Provisions are entered into the accounts in situations where, as of the balance sheet date, there is an existing or pre-existing legal or structural obligation, there is a possibility of having to dispose of economically beneficial resources in order to fulfill the obligation, and it is possible to make a reliable estimate as to the amount of the obligation. For obligations that arise as a consequence of events transpiring in earlier reporting periods, provisions are set aside during the reporting period in which the obligations are incurred, in keeping with the principle of "periodicity". In situations where the amount cannot be estimated, the obligation is treated as being "contingent". A provision is set aside for a contingent liability only if the likelihood of the liability occurring is high and if it can be reliably quantified.

XV. Remarks on obligations related to employee entitlements

Pursuant to Article 11/1 of the Law no. 6107 governing İller Bankası A.Ş. published in the Official Gazette issue 27840 dated 8 February 2011 and within the frame of the provision that reads "Duties required by the Bank's services will be carried out via contractual personnel who are not subject to the Law 657 on Civil Servants dated 14 July 1965" and to the provisions of other laws governing contractual personnel; the Bank renders its services via white-collar employees, and blue-collar workers subject to the Labor Law in line with the "İller Bank Human Resources Regulation" published in the Official Gazette issue 28518 dated 04 January, 2013.

Pursuant to Article 4(c), subparagraphs 1 and 2 of the Social Security and General Health Insurance Law no. 5510, retirement benefits for those contractual personnel who have started work prior to 01 October, 2008 are subject to the requirements of the Civil Servants Pension Fund, whereas the same for those who have started work after 01 October, 2008 are subject to the requirements of the Social Security Institution (for employees). As required by Article 1 of the Law no. 6107 governing İller Bankası A.Ş., the Bank is a "special budget" institution which is subject to the provisions of private law. In the aftermath of the enforcement of Law No. 6107 governing İller Bank, in the case of those bank personnel who wish to remain subject to the requirements of the Civil Servants Pension Fund with respect to their retirement benefits, or those who wish to work on a contract basis, the retirement bonuses are paid by the Civil Servants Pension Fund, after which the Fund makes a recourse to the Bank making a demand there of for reimbursement of the amounts so paid to that Fund. In the case of those whose retirement benefits are subject to the requirements of the Social Security Institution (for employees), severance pays are paid by the Bank to the relevant personnel upon their retirement. Provisions are set aside for the relevant contractual personnel for retirement bonuses on the basis of actuarial calculations and within the framework of the "Turkish Accounting Standard concerning Employee Benefits" ("TMS 19"). In the case of

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personnel in "blue-collar worker" status who are employed by the Bank, provision is set aside on the basis of the net present value of the service award provision as required by the Labor Law, which is calculated on an actuarial basis, within the framework of the "Turkish Accounting Standard concerning Employee Benefits" ("TMS 19").

XVI. Remarks on tax-related issues

Under the Corporate Income Tax

Law nr. 5520, the corporate income tax rate is 20%. This rate is applied to the "corporate income tax assessment base", which is arrived at by subtracting all legally allowed exclusions (such as excluded earnings) and deductions from and by adding all expenses that are non-deductible under tax laws to corporate earnings. Under the Bank's governing statute, 15% withholding tax is accrued on the 51% portion allocated from the Bank's profit for infrastructure and superstructure needs of municipalities and villages, which is paid during the relevant period. On a quarterly basis, companies calculate advance tax at the rate of 20% of financial profits. They then declare the advance tax by the 14th day of the second month following the end of each quarter and pay it by the evening of the 17th day. The advance tax paid during any year applies to that year and it is set off against the amount of corporate income tax shown as due in the corporation tax return filed in the year following that one.

If any tax prepaid in this way remains after such offsetting, it may be refunded in cash or it may be set off against any other financial obligations owed to the government.

75% of the gains realized on the sale of equity stakes and of real estate properties which have been held on to for at least two years are exempt from corporate income tax, provided that they are capitalized or are maintained in a special liability-side account for five years' time as prescribed in the corporate income tax law. However; the assets held by the entities, which are engaged in the trading and leasing of securities and real estate, for such purposes are excluded from the exemption.

There is no mechanism in the Turkish tax law whereby unrelated tax payables and receivables may be set off against each other. By the evening of the 25th day of the fourth month following the end of a fiscal year, companies must file a corporate income tax return with the tax office with which they are registered. Those who are authorized to conduct tax examinations may, however, examine any accounting records for the most recent five years and if any errors in them are found, the amounts of payable tax may change.

Deferred taxes

The Bank calculates "deferred tax" for taxable transitory differences between the book value of an asset or obligation and the taxable value as prescribed by tax laws, which are then booked to account as per the requirements of the "Turkish Accounting Standard concerning Formal Income Tax" ("TMS 12"). When calculating such deferred tax, the Bank makes use of the statutorily mandated tax rates that are currently in effect as of the end of the reporting period. Whenever calculating taxable transitory differences on deferred tax obligations, the Bank determines that deferred tax assets arising from deductible transitory differences exist only on condition that there is a strong likelihood of securing a taxable profit in the future and therefore, of being able to benefit from those differences. Deferred taxes are calculated on the basis of the tax rates applicable in the period where the assets arise or the obligations are fulfilled (20% for 2015), and are thus booked as income or expense on the income statement. Deferred tax receivables calculated and deferred tax obligations are shown with their net values in the financial statements.

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XVII. Additional remarks on borrowings

All lendings are made from the Bank's own equity resources. The Bank also acts as an intermediary in the lending of a variety of funds that are made available as budget grants.

The external resources that the Bank currently has obtained from abroad consist of long-term credits that it has received from the World Bank to make available to municipalities under the "Municipal Services Project" and from the Japan International Cooperation Agency (JICA) under the Municipal Sewage and Waste Water Treatment Plants Development Project, or from European Investment Bank (EIB) under the "Urban Infrastructure Project". These are entered into the Bank's records on the date on which the credit agreements are signed.

XVIII. Remarks on issued stocks

The Bank's capital is collected in the manner mandated by the Bank's own governing statute and no shares whatsoever are issued for capital collection purposes.

XIX. Explanations on endorsements and acceptances

There are no endorsements or acceptances which are shown as obligations owed on assets.

XX. Explanations on government incentives

The Bank is a "special budgeted administration" and receives no incentives from the national budget.

XXI. Explanations on the headings used in this report

The scope of Iller Bank's activities is defined as "satisfying the financing need of special provincial authorities, municipalities, their affiliated organizations and of local administrative associations of which only these may be members; develop projects concerning locally-provided common services for the people dwelling within the boundaries of such administrations; providing such administrations with consultancy services and assistance on urban projects of a technical nature and in the conduct of infrastructure and superstructure works, and performing any and all development and investment banking functions". The Bank pursues its activities in the status of a development and investment bank under Article 77 of the Banking Law no. 5411.

XXII. Explanations on other issues

Cash and cash equivalents

For the purpose of preparing cash flow statements, the term "cash item" is taken to mean cash on hand, bank notes, monies in transit, and purchased bank checks as well as demand accounts held in banks including the Central Bank of Turkey. The term "cash equivalents" is taken to mean interbank money market investments, fixed-term bank accounts whose original maturities are less than three months, and investments in marketable securities.

Investment properties

"Investment properties" are real estate properties that are held for the purpose of securing rental and/or appreciation income. Investment properties are recognized as an asset where the future economic benefits will probably be registered with the enterprise, and the cost of the investment property can be appraised reliably. Investment properties are recognized on the basis of their costs.

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SECTION FOUR

Financial Structure

I. Explanations and footnotes regarding capital adequacy standard ratio

1. Non-consolidated capital adequacy standard ratio of the Bank and if the ratio is lower than the ratio stated in the related legislation, its reasons and stipulated solution strategies:

Risk quantification methods used in determining the capital adequacy standard ratio: capital adequacy standard ratio is calculated within the framework of the "Regulation on Measurement and Evaluation of Capital Adequacy of Banks and of the Regulation on the Equity of Banks" published in the Official Gazette dated 28 June 2012 and numbered 28337 (and amended with the Official Gazette dated September 6, 2014 and numbered 29111). According to the principles stipulated in the "Regulation on Measurement and Evaluation of Capital Adequacy of Banks and of the Regulation on the Equity of Banks", the Bank's capital adequacy standard ratio is calculated as 57.16% as of 31 December 2015. (31 December 2014: 66.02%)

2. Risk quantification methods used in determining the capital adequacy standard ratio:

When calculating the Bank's capital adequacy standard ratio, statutorily prescribed criteria pertaining to accounts and documentary order are complied with. Moreover, within the framework of the said regulation, market risk and operational risks are also included in the analysis for capital adequacy standard ratio.

The amounts considered as capital deductions in the shareholders' equity calculations are not included in the calculation of risk weighted assets, non-cash loans, and liabilities. When calculating risk weighted assets, assets subject to depletion and impairment shall be included in the analysis over the net figures remaining once relevant depreciation and reserves are deducted.

In case of transactions involving non-cash credits, when calculating the amounts which constitute the basis of credit risk, receivables from counter-parties are first translated into "equivalent loans" on the basis of their "net value" which is arrived at by subtracting any special reserves that may have been set aside for them and are tracked as asset or liability accounts pursuant to the "Regulation on Principles and Procedures for Determination of Qualifications of Loans and other Receivables by Banks and Provisions Set Aside", and at the rates indicated in the relevant paragraph of Article 5 of the "Regulation on Measurement and Evaluation of Liquidity Adequacy of Banks". The resulting amounts are then attributed to the appropriate risk groups and weighted accordingly.

"Valuation Method Based on Fair Value" provided for in the Regulation is used for calculations regarding the credit risk for the other party.

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Information regarding capital adequacy standard ratio

Current Period (31 December 2015)	Risk weights							
	% 0	%10	%20	%50	%75	%100	%150	%200
Credit Risk Base Amount	-	-	982.082	-	-	19.258.629	-	-
Risk Classes	1.134	-	4.910.408	-	-	19.258.629	-	-
Contingent and Non-Contingent Receivables from Central Governments and Central Banks	67	-	-	-	-	-	-	-
Contingent and Non-Contingent Receivables from Regional or Local Governments	-	-	-	-	-	13.352.844	-	-
Contingent and Non-Contingent Receivables from Administrative Units and Non-Commercial Enterprises	-	-	-	-	-	-	-	-
Contingent and Non-Contingent Receivables from Multilateral Development Banks	-	-	-	-	-	-	-	-
Contingent and Non-Contingent Receivables from International Organizations	-	-	-	-	-	-	-	-
Contingent and Non-Contingent Receivables from Banks and Financial Intermediaries	-	-	4.898.057	-	-	-	-	-
Contingent and Non-Contingent Corporate Receivables	-	-	-	-	-	-	-	-
Contingent and Non-Contingent Retail Receivables	-	-	-	-	-	22.008	-	-
Contingent and Non-Contingent Receivables with Real Estate Collateral	-	-	-	-	-	-	-	-
Non-Performing Receivables	-	-	-	-	-	-	-	-
Receivables considered High Risk by the Board	-	-	-	-	-	-	-	-
Securities with Mortgage Collateral	-	-	-	-	-	-	-	-
Securitization Positions	-	-	-	-	-	-	-	-
Short Term Receivables from Banks and Financial Intermediaries and Short Term Corporate Receivables	-	-	-	-	-	-	-	-
Investments as Collective Aid Organization	-	-	-	-	-	-	-	-
Other Receivables	1.067	-	12.351	-	-	5.883.777	-	-
Previous Period (31 December 2014)	Risk weights							
	%0	%10	%20	%50	%75	%100	%150	%200
The Value at Credit Risk	-	-	875.475	-	-	14.850.837	-	-
Risk Classes	2.509	-	4.377.374	-	-	14.850.837	-	-
Contingent and Non-Contingent Receivables from Central Governments and Central Banks	59	-	-	-	-	-	-	-
Contingent and Non-Contingent Receivables from Regional or Local Governments	-	-	-	-	-	11.962.717	-	-
Contingent and Non-Contingent Receivables from Administrative Units and Non-Commercial Enterprises	-	-	-	-	-	-	-	-
Contingent and Non-Contingent Receivables from Multilateral Development Banks	-	-	-	-	-	-	-	-
Contingent and Non-Contingent Receivables from International Organizations	-	-	-	-	-	-	-	-
Contingent and Non-Contingent Receivables from Banks and Financial Intermediaries	-	-	4.371.894	-	-	-	-	-
Contingent and Non-Contingent Corporate Receivables	-	-	-	-	-	-	-	-
Contingent and Non-Contingent Retail Receivables	-	-	-	-	-	20.010	-	-
Contingent and Non-Contingent Receivables with Real Estate Collateral	-	-	-	-	-	-	-	-
Non-Performing Receivables	-	-	-	-	-	-	-	-
Receivables considered High Risk by the Board	-	-	-	-	-	-	-	-
Securities with Mortgage Collateral	-	-	-	-	-	-	-	-
Securitization Positions	-	-	-	-	-	-	-	-
Short Term Receivables from Banks and Financial Intermediaries and Short Term Corporate Receivables	-	-	-	-	-	-	-	-
Investments as Collective Aid Organization	-	-	-	-	-	-	-	-
Other Receivables	2.450	-	5.480	-	-	2.868.110	-	-

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Summary information on capital adequacy standard ratio

		Current period	Previous Period
A	Capital Obligation Required for Credit Risk (Credit Risk Basis*0.08) (KRSY)	1.619.257	1.258.105
B	Capital Obligation Required for Market Risk (PRSY)	-	-
C	Capital Obligation Required for Operational Risk (ORSY)	128.554	107.809
	Shareholders' Equity	12.487.428	11.272.978
	Shareholders' Equity/((KRSY + PRSY + ORSY) *12.5)*100	57,16	66,02
	Primary Capital/((KRSY+PRSY+ORSY) *12.5)*100	57,16	66,02
	Core Capital/((KRSY+PRSY+ORSY) *12.5)*100	57,47	66,38

Information on shareholders' equity items

	Current period	Previous Period
CORE CAPITAL		
The paid-in capital which would have the lowest priority in repayment in case of the liquidation of the Bank	10.483.745	9.402.380
Share Premiums	-	-
Share Cancellation Profits	-	-
Reserves	1.441.207	1.366.798
Earnings recognized in shareholders' equity as per the Accounting Standards of Turkey (TMS)		
Profit	632.110	565.705
Net Profits for the Period	576.078	524.543
Prior Periods' Profit	56.032	41.162
Free Reserve Expenses for Potential Risks	-	-
Bonus Shares of Associates, Subsidiaries and Jointly-Controlled Entities, which are not recognized in the profits for the period	-	-
Core Capital Before Discounts	12.557.062	11.334.883
Discounts Applicable on the Core Capital		
The part reserves fail to cover in the sum of net loss for the period and the losses for the preceding years, and the losses recognized in shareholders' equity as per TMS (-)	-	-
Operational Lease Development Costs (-)	-	-
Goodwill or other intangible fixed assets and related deferred tax obligations (-)	1.320	704
Net deferred tax assets/tax obligations (-)	-	-
Shares acquired in breach of article 56, paragraph four of the Law (-)	-	-
The bank's direct or indirect investments in its core capital (-)	-	-
Total net long positions of investments in the shareholders' equity of non-consolidated banks and financial institutions where 10% or less of the shares are held, in excess of 10% of the Bank's core capital (-)	-	-
Total net long positions of investments in the core capital elements of non-consolidated banks and financial institutions where more than 10% of the shares are held, in excess of 10% of the core capital (-)	-	-
Mortgage extension rights in excess of 10% of the core capital (-)	-	-
Deferred tax assets based on provisional margins, in excess of 10% of the core capital (-)	-	-
Amounts in excess of 15% of the core capital as per Provisional Article 2, paragraph two, of the Regulation on the Shareholders' Equity of Banks (-)	-	-
Limit excess caused by total net long positions of investments in the core capital elements of non-consolidated banks and financial institutions where more than 10% of the shares are held (-)	-	-
Limit excess caused by mortgage extension rights (-)	-	-
Limit excess caused by deferred tax assets based on provisional margins (-)	-	-
Other accounts the Board may stipulate (-)	-	-
Amount to be discounted from the core capital in case of failure to secure sufficient additional primary capital or supplementary capital (-)	-	-
Total Discounts from Core Capital	1.320	704
Total Core Capital	12.555.742	11.334.179
ADDITIONAL PRIMARY CAPITAL		
Capital and associated issue premiums corresponding to the preferential shares which are not included in the core capital	-	-
Agency-approved debt instruments and associated issue premiums (issued/procured after 1.1.2014)	-	-
Agency-approved debt instruments and associated issue premiums (issued before 1.1.2014)	-	-
Additional Primary Capital Before Discounts	-	-
Discounts Applicable on the Additional Primary Capital		
The bank's direct or indirect investments in its additional primary capital (-)	-	-

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Total net long positions of investments in the shareholders' equity of non-consolidated banks and financial institutions where 10% or less of the shares are held, in excess of 10% of the Bank's core capital (-)	-	-
Total net long positions of investments in the additional primary capital and supplementary capital of non-consolidated banks and financial institutions where 10% or more of the shares are held, in excess of 10% of the Bank's core capital (-)	-	-
Other accounts the Board may stipulate (-)	-	-
Amount to be discounted from the additional primary capital in case of failure to secure sufficient supplementary capital (-)	-	-
Total discounts from additional primary capital	-	-
Total Additional Primary Capital	-	-
Discounts Applicable on the Primary Capital	-	-
Goodwill or other intangible fixed assets and associated deferred tax obligations, which cannot be discounted from the core capital as per Provisional Article 2, paragraph one, of the Regulation on the Shareholders' Equity of Banks (-)	1.980	2.817
Net deferred tax assets / tax obligations, which cannot be discounted from the core capital as per Provisional Article 2, paragraph one, of the Regulation on the Shareholders' Equity of Banks (-)	66.334	58.384
Total Primary Capital	12.487.428	11.272.978
SUPPLEMENTARY CAPITAL		
Agency-approved debt instruments and associated issue premiums (issued/procured after 1.1.2014)	-	-
Agency-approved debt instruments and associated issue premiums (issued/procured before 1.1.2014)	-	-
Assets pledged to the bank, and committed by shareholders for use in the capital increases by the bank	-	-
General Reserves	-	-
Supplementary Capital Before Discounts	-	-
Discounts Applicable on the Supplementary Capital		
The bank's direct or indirect investments in its supplementary capital (-)	-	-
Total net long positions of investments in the shareholders' equity of non-consolidated banks and financial institutions where 10% or less of the shares are held, in excess of 10% of the Bank's core capital (-)	-	-
Total net long positions of investments in the additional primary capital and supplementary capital of non-consolidated banks and financial institutions where 10% or more of the shares are held, in excess of 10% of the Bank's core capital (-)	-	-
Other accounts the Board may stipulate (-)	-	-
Total Discounts from Supplementary Capital	-	-
Total Supplementary Capital	-	-
CAPITAL		
Loans Granted in breach of Articles 50 and 51 of Banking Law (-)	-	-
The amounts in excess of the limit stipulated in article 57, paragraph one of the Law, and net book values of the commodities and real estate the banks were obliged to acquire due to their receivables, and were required to dispose of as per the said article, but were unable to do so within five years from the date of acquisition (-)	-	-
Credits extended to banks, financial institutions, or qualified shareholders of the bank, or investments into debt instruments thereof, including those residing overseas (-)	-	-
Amount to be discounted from the shareholders' equity as per article 20, paragraph two of the Regulation on the Assessment and Evaluation of Banks' Capital Adequacy (-)	-	-
Other accounts the Board may stipulate (-)	-	-
The part which cannot be discounted of the core capital, additional primary capital, or supplementary capital as per Provisional Article 2, paragraph one of the Regulation on the Shareholders' Equity of the Banks, out of the total net long positions of investments in the shareholders' - equity of non-consolidated banks and financial institutions where 10% or less of the shares are held, in excess of 10% of the Bank's core capital (-)	-	-
The part which cannot be discounted of the additional primary capital or supplementary capital as per Provisional Article 2, paragraph one of the Regulation on the Shareholders' Equity of the Banks, out of the total net long positions of investments in the additional primary capital and - supplementary capital of non-consolidated banks and financial institutions where more than 10% of the shares are held (-)	-	-
The part which cannot be discounted of the core capital as per Provisional Article 2, paragraph one of the Regulation on the Shareholders' Equity of the Banks, out of the net long positions of investments in the core capital of non-consolidated banks and financial institutions where more than 10% of the shares are held, as well as of the deferred tax assets based on provisional margins and of mortgage extension rights to be discounted of the core capital as per Provisional Article 2, paragraph two, sub-paragraphs (1) and (2) of the Regulation on the Shareholders' Equity of the Banks (-)	-	-
SHAREHOLDERS' EQUITY	12.487.428	11.272.978
Amounts Below the Excess Figure in the Applicable Discount Basis		
Amount caused by total net long positions of investments in the shareholders' equity elements of non-consolidated banks and financial institutions where 10% or less of the shares are held	-	-
Amount caused by total net long positions of investments in the core capital elements of non-consolidated banks and financial institutions where more than 10% of the shares are held	-	-
Amount caused by mortgage extension rights	-	-
Amount caused by deferred tax assets based on provisional margins	-	-

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Information on elements subject to temporary application for the calculation of shareholder's equity:

None.

Information on debt instruments to be included in the calculation of shareholder's equity:

None.

3. Approach applied to evaluate the adequacy of internal capital requirement with regard to current and future activities within the framework of internal capital adequacy evaluation procedure:

The risks the Bank may incur with reference to its strategies and operations are assessed, monitored and kept under control using strategies, policies, limits and application methods to monitor, control, and where necessary alter the risk/return structure entailed by future cash flows of the bank, as well as the characteristics and level of its activities on the basis of the risk structure. Written policies and application methods are established to manage all the risks caused by the Bank's operations. The Board of Directors or relevant internal systems official shall regularly assess the adequacy of these, and shall effect necessary changes. Within the framework of establishing Risk Management Policies and Application Methods of the Bank, as a minimum, the strategies regarding the Bank's operations, compatibility with the volume, nature, and complexity of its operations, the level of risk it may assume, risk monitoring and management capacity, past experience and performance, and the obligations stipulated in the Banking Law and other applicable regulations shall be taken into consideration.

As a rule of thumb, any risk to be taken within the frame described above should be defined and manageable. In addition, current and potential future impacts of the risk exposure are measured to the extent allowed by risk measurement and reporting techniques. The Bank establishes written limits for quantifiable risks arising from its activities within the frame of Article 5 of the BRSA's "Regulation on the Internal Systems and Internal Capital Adequacy Assessment Procedures of Banks", which limits are approved and regularly reviewed by the Board of Directors.

Bank was exempted, as a response to the written request for exemption filed with BRSA, from the obligations regarding the Stress Testing and Internal Capital Adequacy Evaluation Procedure (ISEDES) reporting it has before the BRSA as per articles 43 and 48 of the Regulation on the Internal Systems and Internal Capital Adequacy Assessment Procedures, applicable at the end of the year.

II. Explanations on credit risk

Credit risk refers to the probability that the Bank shall suffer loss caused by the credit customer's lack of compliance with the agreement requirements thus partial or complete inability to fulfill its responsibilities.

Provided that it is in accordance with the legal regulations, credit extension authority in the Bank belongs to the Board. The Board is obliged to establish the policies related to accreditation, approval and other administrative principals, ensure implementation and monitoring of those and take the necessary precautions. The Board can transfer its rights to accredit to the Loans Committee and/or Headquarters. Headquarters can use this transferred accreditation authority through its affiliated units or regional directorates. Written recommendation of the Headquarters is necessary for the accreditation by the Board or transfer of authority. The Board determines the credit policies and limits on macro levels, establishes the policies related to accreditation, approval and other administrative principals.

Since the Bank is not engaged in banking operations other than lending to local governments, it is not subjected to the debit and sectorial risk concentration limitation

Credit Risk is monitored in accordance with the Lending Regulations and Risk and Authority Limits Application Methods. Also credit risk is monitored by being calculated with the standard method at the forms prepared for Credit Risk management under Base II standards. There is no other internal method is used in order to calculate the credit risk.

Bank does not carry out analytic loan valuation. However, credits are categorized as collateral, restructured etc. and concentration, collateral, return and monitoring of credits are submitted to top management in the Risk Evaluation Reports prepared on monthly basis in terms of credit risk.

Drinking water, rent, terminal, parking, harbor and other business costs of the local governments who currently wants to use credit in the bank are taken as a collateral and credit is granted in return of these collateral. In the application in subject, Bank debits the local governments using credit, makes payment to contractor company and income regarding the collateral are gathered in an account and put in pledge with a pledge agreement on the account. Bank concludes a secured account agreement with the protocol bank branch in the local government's location. According to the agreement, local government opens a new secured account in the bank branch in its region and collects all the drinking water, rent, terminal,

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parking, harbor and other business incomes pledged as collateral in this account. Even though the Bank enjoys a robust collateral structure, the assets comprising the collateral for the credits extended do not fit into the collateral categories provided in Basel II criteria. Therefore, credit risk measurements are not rated not scored in the Bank.

Non-cash credits that are compensated have the same risk weight as the mature unsettled credits.

The Bank observes best practices within the frame of BRSA regulations and restrictions, and thus ensures management of credit risk in accordance with its volume, quality and complexity of its lending. The Amount Subject to Credit Risk at the Bank is calculated within the framework of statutory reporting, using the "Standard Method" on a monthly basis; it is included in the calculation of the Bank's Capital Adequacy Standard Ratio. The Bank submits reports on its credit risk exposure to the BRSA under applicable legislation (Basel II).

The Bank's activities are governed by article 77 of the Banking Law no 5411, and it is not subject to the general credit limits defined in Article 54 of that act. However, the Bank extends credit in accordance with the Statute on Allotments of General Budget Revenues to be Allocated to Special Provincial Authorities and Municipalities. and against municipal revenues posted as collateral.

The top 100 and top 200 cash loans extended by the Bank correspond respectively to 74.85% and 86.39% of its total cash lending.

The top 100 and top 200 non-cash loans extended by the Bank correspond respectively to 94.03% and 98.77% of its total non-cash lending.

An assessment of the Bank's cash and non-cash credits based on their dimensions shows that the combined value of the 100 and 200 biggest clients' accounts respectively make up 75.59% and 86.86% of all cash and non-cash credits.

The Bank is not required to set aside provisions for its loans pursuant to Article 13 (5) of the Law nr. 6107 governing İller Bankası A.Ş.

Total amount of incurred risks after offsets, and average of risks sorted on the basis of different risk classes and types, disregarding the impact of credit risk reductions,

RISK CLASSES	Current Period Risk Amount	Average Risk Amount	Previous Period Risk Amount	Average Risk Amount
Contingent and Non-Contingent Receivables from Central Governments and Central Banks	67	74	59	73
Contingent and Non-Contingent Receivables from Regional or Local Governments	13.352.844	12.485.345	11.962.717	12.046.701
Contingent and Non-Contingent Receivables from Central Governments and Central Banks - Contingent and Non-Contingent Receivables from Regional or Local Governments 2.669.746 340.589 504.716 897.145 7.507.418	-	-	-	-
Contingent and Non-Contingent Receivables from Multilateral Development Banks	-	-	-	-
Contingent and Non-Contingent Receivables from International Organizations	-	-	-	-
Contingent and Non-Contingent Receivables from Banks and Financial Intermediaries	4.898.057	4.440.505	4.371.894	2.819.311
Contingent and Non-Contingent Corporate Receivables	-	-	-	-
Contingent and Non-Contingent Retail Receivables	22.008	24.532	20.010	22.111
Contingent and Non-Contingent Receivables with Real Estate Collateral	-	-	-	-
Non-Performing Receivables	-	-	-	-
Receivables considered High Risk by the Board	-	-	-	-
Securities with Mortgage Collateral	-	-	-	-
Securitization Positions	-	-	-	-
Short Term Receivables from Banks and Financial Intermediaries and Short Term Corporate Receivables	-	-	-	-
Investments as Collective Aid Organization	-	-	-	-
Other Receivables	5.897.195	4.287.985	2.876.040	2.968.030
GRAND TOTAL	24.170.171	21.238.441	19.230.720	17.856.226

(*) Includes the total amounts prior to the consideration of Credit Risk Reduction impacts,

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Risk profile according to sectors and other party risks

	Risk Classes ⁽¹⁾																TRL	FX	Total
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16			
Agriculture																	-	-	-
Farming and Livestock Breeding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Forestry	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fishing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Industry	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Mining and Quarries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Manufacturing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Electricity, Gas, Water	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Wholesale and Retail Trade	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Hotel and Restaurant Service	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transportation and Communication	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Professional Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Education Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Serbest Meslek Hizmetleri	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Eğitim Hizmetleri	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Medical and Social Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	67	13.352.844	-	-	-	4.898.057	-	22.008	-	-	-	-	-	-	-	5.897.195	21.929.087	2.241.084	24.170.171
Total(1)	67	13.352.844	-	-	-	4.898.057	-	22.008	-	-	-	-	-	-	-	5.897.195	21.929.087	2.241.084	24.170.171

Profile Regarding Material Risks in Crucial Areas

	Risk Classes ⁽¹⁾																Total		
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16			
Current Period																			
Domestic	67	13.352.844	-	-	-	4.898.057	-	22.008	-	-	-	-	-	-	-	-	5.897.195	-	24.170.171
European Union Member States	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
OECD Members ⁽²⁾	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Of-shore Banking Areas	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
USA, Canada	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Countries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Associates, Subsidiaries and Jointly-Controlled Entities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Undistributed Assets/Liabilities ⁽³⁾	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	67	13.352.844	-	-	-	4.898.057	-	22.008	-	-	-	-	-	-	-	-	5.897.195	-	24.170.171

1. Contingent and non-contingent receivables from central governments and central banks
2. Contingent and non-contingent receivables from regional or local governments
3. Contingent and non-contingent receivables from administrative units and non-commercial enterprises
4. Contingent and non-contingent receivables from multilateral development banks
5. Contingent and non-contingent receivables from international organizations
6. Contingent and non-contingent receivables from banks and financial intermediaries
7. Contingent and non-contingent corporate receivables
8. Contingent and non-contingent retail receivables
9. Contingent and non-contingent receivables with real estate collateral
10. Non-performing receivables

11. Receivables considered high risk by the Board
12. Securities with mortgage collateral
13. Securitization positions
14. Short term receivables from banks and financial intermediaries and short term corporate receivables
15. Investments as collective aid organization
16. Other Receivables

(1) Refers to the risk classes stipulated in the Regulation regarding the Measurement and Assessment of Capital Adequacy of Banks.
 (2) EU countries, OECD countries other than USA and Canada
 (3) Assets and liabilities which cannot be distributed to regions on the basis of a consistent method

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Categorization of risks subject to terms. on the basis of their remaining terms

Risk Classes	Time to Maturation				
	1 month	1-3 months	3-6 months	6-12 months	over 1 year
Contingent and Non-Contingent Receivables from Central Governments and Central Banks	-	-	-	-	-
Contingent and Non-Contingent Receivables from Regional or Local Governments	2.713.903	162.131	513.062	932.098	8.810.400
Contingent and Non-Contingent Receivables from Administrative Units and Non-Commercial Enterprises	-	-	-	-	-
Contingent and Non-Contingent Receivables from Multilateral Development Banks	-	-	-	-	-
Contingent and Non-Contingent Receivables from International Organizations	-	-	-	-	-
Contingent and Non-Contingent Receivables from Banks and Financial Intermediaries	4.864.600	-	-	-	-
Contingent and Non-Contingent Corporate Receivables	-	-	-	-	-
Contingent and Non-Contingent Retail Receivables	2.024	3.736	5.229	7.413	3.606
Contingent and Non-Contingent Receivables with Real Estate Collateral	-	-	-	-	-
Non-Performing Receivables	-	-	-	-	-
Receivables considered High Risk by the Board	-	-	-	-	-
Securities with Mortgage Collateral	-	-	-	-	-
Securitization Positions	-	-	-	-	-
Short Term Receivables from Banks and Financial Intermediaries and Short Term Corporate Receivables	-	-	-	-	-
Investments as Collective Aid Organization	-	-	-	-	-
Other Receivables	36.732	-	4.087	10.938	122.883
Grand Total	7.617.259	165.867	522.378	950.449	8.936.889

Information on Risk Classes

On the basis of Article 7 of the Regulation on Measurement and Evaluation of Capital Adequacy of Banks. the identification of risk weights for calculating the risk weighted amounts is based on the credit ratings assigned by rating agencies, In case of receivables included in the risk categories of Receivables from Banks and Financial Intermediaries, Receivables from Regional and Local Governments, Receivables from Administrative Units and Non-Commercial Enterprises, Receivables from Multilateral Development Banks, and Corporate Receivables, where the corresponding party is a foreign resident, ratings assigned by international ratings agencies may be used. The entities resident of Turkey are deemed to lack any ratings.

III. Explanations on market risk

For the purpose of protecting against market risk for financial risk management purposes, the Bank defined its market risk management activities and adopted necessary precautions within the framework of the "Regulation on Measurement and Evaluation of Capital Adequacy of Banks" published in the Official Gazette issue 28337 dated 1 November 2006 (and amended with Official Gazette issue 29111 dated 6 September 2014).

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Iller Bank does not accept deposits. Its banking functions, which are governed by article 77 of the Banking Law no 5411, consist firstly of extending cash and non-cash credit to municipalities and to special provincial authorities (which are the Bank's share-holders) against allotments of general budget revenues and collateral consisting of municipal revenues, both of which are transferred to the Bank, and secondly of mediating insurance. The interest rates on such transactions are determined by the Bank's Board of Directors in accordance with current conditions.

Market risk instruments are as follows:

Shares

Government and private sector Notes and bonds and other debt instruments

Repo / Reverse Repo

Money sale transactions between banks foreign exchange position

Derivative products stipulated in Capital Market Law

Other capital market instruments Other accounts caused by the banking accounts and whose interest ratio risk is calculated.

According to the Article 9 of the Regulation regarding the Measurement and Assessment of Capital Adequacy of Banks, amount subject to the market risk is calculated using the standard method or risk quantification models (internal methods). However, Bank does not possess the instruments mentioned above.

In case of calculations using the Internal Method, on the other hand, the Risk Exposed Value (RMD) estimates are made on a daily basis using Parametric, Monte Carlo and Historical Simulation Methods, whereas Marginal and Incremental RMD calculations and advanced RMD analyses are carried out on a weekly basis. Retrospective back testing is applied on a daily basis to test the reliability of the results of the models utilized. Bank is exempted from the obligations regarding stress testing and preparation of scenario analysis and reporting to BRSA, although it does carry out stress testing and scenario analysis for market risks internally. With respect to the market risk, RMD based limits are set at the Bank, within the framework of the "Risk and Authority Limits Application Methods" published through Board of Directors resolution.

IV. Notes on operational risk

Amount subject to operational risk is calculated with the fundamental indicator method according to the Article 14 of the Regulation regarding the Measurement and Assessment of Capital Adequacy of Banks. Securities to be held until maturation and that are ready to be sold for the total net amounts of annual gross income, interest income and non-interest income are calculated by subtracting the profit/loss and extraordinary income arising from the sale of marketable securities tracked as accounts and amounts compensated from the insurance.

Current Period	2 PP Amount	1 PP Amount	CP Amount	Total/Positive BG years	Ratio(%)	Total
Gross Income	718.976	840.671	1.011.442	857.030	15	128.554
Operational Risk Base Amount (Total * 12.5)						1.606.931

Previous Period	2 PP Amount	1 PP Amount	CP Amount	Total/Positive BG years	Ratio(%)	Total
Gross Income	596.538	718.976	840.671	718.728	15	107.809
Operational Risk Base Amount (Total * 12.5)						1.347.616

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V. Explanations on currency risk

The currency risk refers to the probability of suffering loss due to changes in exchange rates, with reference to the foreign currency assets and obligations the banks have. The Bank observes the provisions of the Regulation on the Calculation and Implementation of Foreign Currency Net General Position/Equity Standard Ratio by Banks on Consolidated and Non-Consolidated Basis in maintaining the relation and balance among foreign currency assets and liabilities in order to secure a foreign currency position that is in line with its shareholders' equity. Currency risk regarding the foreign currency loans extended by the World Bank and JICA to municipalities shall be borne by the municipalities, as per the agreements. Currency conversion losses/gains sustained on the portions of such lending that are used by the Bank under the rubric of "Strengthening Institutional Capacity" are to be borne by the Bank. Asset and liability account items appearing at the ends of fiscal periods evaluated on the basis of the exchange rates announced by the Central Bank of Turkey (TCMB), and the exchange rate P/L is calculated thereon.

The primary goal of the currency risk policy is to keep Foreign Currency Net General Position/ Equity Standard Ratio within legal limits within the frame of the Bank's financial standing, current economic developments and recent trends in the market, while observing profit-ability and productivity. The Bank calculates and reports RMD for its foreign currency position on a daily basis, Limits concerning foreign currency risk are set and monitored within the framework of the "Risk and Authority Limits Application Methods" approved by the Board of Directors.

The chart below shows the Turkish lira-value of the current exchange rates (foreign currency buying rates) publicly announced by the TCMB on the Bank's balance sheet date and during the five days preceding it:

	1 US Dollar	1 Euro	100 Japanese Yens
Balance Sheet Valuation Rate 30.12.2015	2,9076	3,1776	2,4078
Prior to balance sheet date			
Teller buying rate on 29.12.2015	2,9084	3,1921	2,4098
Teller buying rate on 28.12.2015	2,9157	3,2006	2,4133
Teller buying rate on 25.12.2015	2,9123	3,1904	2,4146
Teller buying rate on 24.12.2015	2,9187	3,1968	2,4189
Teller buying rate on 23.12.2015	2,9262	3,1969	2,4138
	1 ABD Dollar	1 Euro	100 Japanese Yens
Simple arithmetic thirty-day average	2,9172	3,1697	2,3898

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Current Period	EURO	US Dollar	Other FX	TOTAL
Assets				
Cash (Cash in Vault, Foreign Banknotes, Money in Transit, Cheques Purchased, Precious Metals) and Balances with the Central Bank of Turkey	-	-	-	-
Banks	25.378	-	7.300	32.678
Financial Assets at Fair Value through Profit or Loss	-	-	-	-
Money Market Placements	-	-	-	-
Financial Assets Available-for-Sale	-	-	-	-
Loans Extended	691.881	-	139.014	830.895
Subsidiaries, Affiliated Corporations and Jointly-Controlled Entities (Joint Ventures)	-	-	-	-
Investments Held to Maturity	-	-	-	-
Derivative Financial Assets for Hedging	-	-	-	-
Tangible Fixed Assets	-	-	-	-
Intangible Fixed Assets	-	-	-	-
Other Assets	1.249	1.897	10	3.156
Total Assets	718.508	1.897	146.324	866.729
Liabilities				
Bank Deposits	-	-	-	-
Foreign Currency Deposits	-	-	-	-
Money Market Funds	-	-	-	-
Funds Provided From Other Financial Institutions	718.436	-	145.810	864.246
Marketable Securities Issued	-	-	-	-
Miscellaneous Payables	595	1.897	10	2.502
Derivative Financial Liabilities for Hedging Purposes	-	-	-	-
Other Liabilities	-	12	-	12
Total Liabilities	719.031	1.909	145.820	866.760
Net Balance Sheet Position	(523)	(12)	504	(31)
Net Off-Balance Sheet Position				
Receivables on Derivative Financial Instruments	-	-	-	-
Obligations on Derivative Financial Instruments	-	-	-	-
Non-Cash Loans	-	2.584	-	2.584
Commitments	1.494.721	-	1.248.821	2.743.542
Previous Period				
Total Assets	541.049	389	73.384	614.822
Total Liabilities	542.188	399	72.934	615.521
Prior Period Net Balance Sheet Position	(1.139)	(10)	450	(699)
Net Off-Balance Sheet Position				
Receivables on Derivative Financial Instruments	-	-	-	-
Obligations on Derivative Financial Instruments	-	-	-	-
Non-Cash Loans	-	3.109	-	3.109
Commitments	759.429	-	184.766	944.195

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Currency risk sensitivity

The chart below shows the Bank's sensitivity to 10% changes in US Dollar, Euro, and other foreign currency exchange rates. The 10% margin used here also represents the estimated change in exchange rates. A negative value shows the loss that a 10% depreciation of the Turkish lira against the US dollar, euro or other foreign currencies would cause in the Bank's pretax profit/loss or equity.

	31 December 2015		31 December 2014	
	Income Statement	Shareholders' Equity ⁽¹⁾	Income Statement	Shareholders' Equity ⁽¹⁾
US Dollar	(1)	(1)	(1)	(1)
EURO	(52)	(52)	(114)	(114)
Other currencies	50	50	45	45
Total	(3)	(3)	(70)	(70)

⁽¹⁾ Includes profit/loss effect.

VI. Explanations on interest rate risk

The interest rate risk refers to the probability that the Bank shall suffer loss due to its exposure to changes in interest rates regarding financial instruments. The interest rates are set by the Board of Directors, in consideration of the mission and vision of the bank as well as the prevailing conditions of the day, or by the Assets and Liabilities Committee, which sets the rates in any case at a level not less than the interest rates established by the Board of Directors. The interest rate risk caused by the banking accounts is calculated and monitored at the Bank, to see compliance with the limits established under the Risk Authority Limits Application Methods, as per the provisions of the "Regulation on the Assessment and Evaluation of Interest Rate Risk Caused by Banking Accounts Using the Standard Shock Method". Furthermore, the assets and liabilities sensitive to interest rates are compared with reference to their maturity, and interest-rate-sensitive GAP analysis is applied. The Bank is not exposed to structural interest rate risks, as it is able to revise credit interest rates unilaterally with reference to the developments in the markets, and as it does not incur any interest expenses regarding funding.

VII. Explanations Regarding the Liquidity Risk Management and Liquidity Payment Ratio

Liquidity risk refers to the risk of Bank failing to meet its payment obligations on a timely manner, due to a lack of cash inventory or cash flow at a level or quality to meet cash outflows in full and on time, caused by an instability in cash flow of the Bank. The reasons of liquidity inadequacy in banks are generally related to problems such as refinancing, late collections and unexpected withdrawal of funds.

Liquidity Risk in the Bank is managed in accordance with the Regulation on the Measurement and Assessment of Liquidity Adequacy of Banks published in the Official Gazette, dated 01 November 2006 and numbered 26333 and Regulation on the Calculation of Liquidity Payment Ratio of Banks published in the Official Gazette, dated 21 March 2014 and numbered 28948, Regulation on the Internal Systems and Internal Capital Adequacy Assessment Procedures published in the Official Gazette, dated 11 July 2014 and numbered 29057 and the Guide Regarding the Liquidity Risk Management published in the Official Gazette, dated 19 March 2015 and numbered 6241; and monitored with the forms prepared for the Liquidity Risk management under Risk Management Policies and Application Methods, Risk and Authority Limits and Basel II standards.

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Banking Directorate Treasury Management group operating under the Banking Services Directorate is responsible from the liquidity management in Bank. Also Risk Management Directorate carries out internal liquidity assessment on a daily or a monthly basis.

The primary objective is to place liquidity surplus in view of alternative returns and fulfilling the required liquidity with the most cost-effective funds. Operating as a development and investment bank, Iller Bank does not accept deposits and thus, it is not exposed to any deposit-based liquidity risk arising from market volatilities.

The Bank's financial resources consist of interest earned on the statutorily mandated municipal allotments of general budget and tax revenues that are transferred to the Bank at the end of each month and are distributed to local governments by the evening of the tenth day of the following month, of principal and interest collections on loans, and of cash injections from capital collections, liquidity disbursements consisting of credit extensions, tax and other legal obligation payments, and current payments. All of these are tracked by means of weekly, monthly, and yearly reports. Bank engages in no borrowing from either domestic or international sources to satisfy its liquidity requirements. All of the credit the Bank secures from banks abroad is used to finance municipalities' investments.

Bank was exempted, as a response to the written request for exemption filed with BRSA, from the obligations regarding the Stress Testing and Internal Capital Adequacy Evaluation Procedure (ISEDES) reporting it has before the BRSA as per articles 43 and 48 of the Regulation on the Internal Systems and Internal Capital Adequacy Assessment Procedures, applicable at the end of the year.

The Assets and Liabilities Committee was established through Iller Bank Board of Directors resolution nr. 3/28 dated 19.03.2014. The committee is assigned the tasks of evaluating the Bank's finances, portfolio, credit interests, and the developments in financial and capital markets, as well as other developments at the Bank and in other banks, with a view to establishing the policies regarding the management of the Bank's assets and liabilities and related fund transactions, and making the decisions to be executed by relevant departments in order to manage the Bank's balance sheet, as well as monitoring the implementation of the decisions taken.

If the banks are having a possible liquidity stringency, the purpose of Emergency Action Plan is;

Identifying the possible risk in time,

Defining strategies and procedures necessary for the risk management.

Within this scope, taking all the necessary precautions and end the crisis with the lowest cost possible in the shortest time, and protecting the interest of partners funding the bank while taking actions.

If the early warning limits are exceeded, related units inform the Vice Presidents to whom they report. After Vice Presidents inform the General Manager, Active Passive Committee is gathered if it is deemed necessary by the General Manager. It can ask related units to take necessary precautions about the subject as a result of the committee assessments.

Highest and average Liquidity Payment Ratio for 2015 is given on the table below.

	Highest	Date	Lowest	Date	Average
TRL+FX	0,71	30.10.2015	0,16	09.10.2015	0,19

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Liquidity Payment Ratio

Current Period TRL + FX		Consideration Rate Non-Applied Total Value(*)		Consideration Rate Applied Total Value(*)	
		FX	TRL + FX	FX	
HIGH QUALITY LIQUIDITY ASSETS				366	0
1	High quality liquidity assets	542	0	366	0
CASH OUTFLOW					
2	Natural person deposit and retail deposit				
3	Deposit with stability				
4	Deposit with low stability				
5	Unsecured debts other than natural person deposits and retail deposits				
6	Operational deposit				
7	Non-operational deposit				
8	Other unsecured debts	506.072	0	506.072	0
9	Secured debts			245.859	245.859
10	Other cash outflows				
11	Derivative obligations and collateral completion obligations				
12	Debts from restructured financial instruments				
13	Payment commitments for debts to financial markets and other non-balance obligations				
14	Other non-balance obligations that are revocable without any conditions and other obligations based on the contract				
15	Other non-balance debts that are irrevocable or revocable on a condition	38.230	0	3.823	0
16	TOTAL CASH OUTFLOW			755.754	245.859
CASH FLOW					
17	Secured Receivables				
18	Unsecured Receivables	7.214.512	983.247	5.096.444	511.013
19	Other cash flow				
20	TOTAL CASH FLOW	7.214.512	983.247	5.096.444	511.013
				Values with an Upper Limit	
21	TOTAL YKLV INVENTORY			366	0
22	TOTAL NET CASH OUTFLOW			188.939	61.465
23	LIQUIDITY PAYMENT RATIO(%)			0,19	0

* Average of consolidated liquidity payment ratio calculated for the last three months by calculating the simple monthly arithmetic mean, average of liquidity payment ratio calculated for the last three months by calculating the simple weekly arithmetic mean

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Minimum Disclosures of Banks Regarding the Liquidity Payment Ratio

a) The most important elements affecting the liquidity payment ratio and the change of items in time taken into consideration while calculating the ratio:

The most important elements affecting the liquidity payment ratio are current cash in the banks tracked as unsecured receivables and funds provided by the foreign financing organizations and used by the local governments tracked as secured debts and miscellaneous payable tracked as other unsecured debts. Increase in bank assets, especially after using the foreign funds with the return of the legal shares from General Budget and Tax Revenues that are transferred to the Bank at the end of each month and are distributed to local governments by the evening of the tenth day of the following month, does not affect the liquidity payment ratio

b) Items establishing high quality liquidity assets.

High quality liquidity assets of the banks are comprising of the following items for calculating the Liquidity Payment Ratio.

Cash and balances, accounts before the central banks form the Top Quality Liquidity Assets, while securities available for sale forms the Second Quality Liquidity Assets.

c) Items forming the fund resources and their concentration within all the funds.

The Bank does not receive deposits and operates under article 77 of the Banking Law numbered 5411. Bank only mediates the funds provided by the foreign financing organizations for local governments to use only.

ç) Information about the cash outflow caused by derivative transactions and transactions with the possibility of completion:

The Bank which do not receive deposits and operates under article 77 of the Banking Law numbered 5411, has no derivative transactions.

d) Concentration limits regarding the bonds and fund resources based on the other party and the product:

Bank was exempted, as a response to the written re- quest for exemption filed with BRSA, from the obligations regarding the Stress Testing and Internal Capital Adequacy Evaluation Procedure (ISEDES) reporting it has before the BRSA as per articles 43 and 48 of the Regulation on the Internal Systems and Internal Capital Adequacy Assessment Procedures, applicable at the end of the year.

Bank does not carry out analytic loan valuation. However, credits are categorized as collateral, restructured etc. and concentration, collateral, return and monitoring of credits are submitted to top management in the Risk Evaluation Reports prepared on monthly basis in terms of credit risk.

e) Liquidity at risk and funding need on the basis of bank itself, its branch abroad and its consolidated partnerships when the operational and legal factors preventing the liquidity transfer are taken into consideration:

Bank does not have branches abroad or consolidated partnerships.

f) Information about other cash flow and cash outflow items thought to be related to liquidity profiles of banks, and which takes part in the calculation of liquidity payment ratio and not in the public disclosure template in the second paragraph:

All the items found in the liquidity payment ratio calculation are included in the calculation by being aggregated in the related table. Within this framework, there is no disclosure that took part in the calculation of the liquidity payment ratio and not in the public disclosure template.

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Breakdown of assets and liabilities by remaining term

Current Period's End	Demand	Up to 1 month	1-3 months	3-12 months	1-5 year	5 years or more	Undistributed ^(*)	Total
Assets								
Cash (Cash in Vault, Foreign Banknotes, Money in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	246	-	-	-	-	-	-	246
Banks	33.457	4.876.951	-	-	-	-	-	4.910.408
MD at Fair Value through Profit and Loss	-	-	-	-	-	-	-	-
Money Market Placements	-	-	-	-	-	-	-	-
MD Available-for-Sale	-	-	-	-	-	-	323	323
Loans Extended	-	2.720.546	338.960	1.438.993	4.697.397	3.689.084	-	12.884.980
Investments Held to Maturity	-	-	-	-	-	-	-	-
Other Assets	-	-	-	15.025	122.883	-	496.963	634.871
Total Assets	33.703	7.597.497	338.960	1.454.018	4.820.280	3.689.084	497.286	18.430.828
Liabilities								
Bank Deposit**	-	-	-	-	-	-	-	-
Other Deposit***	-	-	-	-	-	-	-	-
Funds Provided from other Financial Institutions	-	2.562.104	-	70.376	2.174.480	487.623	-	5.294.583
Money Market Funds	-	-	-	-	-	-	-	-
Marketable Securities Issued	-	-	-	-	-	-	-	-
Miscellaneous Payables	12.942	19.312	95	44.316	19.288	-	-	95.953
Other Liabilities	-	25.264	47.954	55.592	258.560	95.860	12.557.062	13.040.292
Total Liabilities	12.942	2.606.680	48.049	170.284	2.452.328	583.483	12.557.062	18.430.828
Liquidity Deficit	20.761	4.990.817	290.911	1.283.734	2.367.952	3.105.601	(12.059.776)	-
Net Off-Balance Sheet Position								
Receivables on Derivative Financial Instruments	-	-	-	-	-	-	-	-
Obligations on Derivative Financial Instruments	-	-	-	-	-	-	-	-
Non-Cash Loans	46.796	19.802	1.361	18.809	427.525	-	-	514.293
Previous Period								
Total Assets	20.630	7.028.583	325.314	1.395.602	4.231.705	2.899.529	395.778	16.297.141
Total Liabilities	9.400	2.321.290	74.953	1.518.002	621.665	416.948	11.334.883	16.297.141
Net Liquidity Deficit	11.230	4.707.293	250.361	(122.400)	3.610.040	2.482.581	(10.939.105)	-
Net Off-Balance Sheet Position	-	-	-	-	-	-	-	-
Receivables on Derivative Financial Instruments	-	-	-	-	-	-	-	-
Obligations on Derivative Financial Instruments	-	-	-	-	-	-	-	-
Non-cash loans	43.103	2.579	18.661	27.751	415.696	-	-	507.790

(*)The accounts included here consist of balance sheet items such as fixed assets, equity stakes, goods on hand, prepaid expenses, nonperforming receivables, and other asset accounts and equity items which are necessary for the conduct of banking activities and whose conversion to cash in a short time is not possible. (**) Funds received from the Banks via Participation Accounts and Private Current Accounts for Participation Banks. (***)Other Private Current Accounts and Participation Accounts for Participation Banks.)

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FOOTNOTES OF NON-CONSOLIDATED

END-OF-YEAR FINANCIAL STATEMENTS DRAWN UP AS OF 31 DECEMBER 2015

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VIII. Securitization Positions

There are no securitization positions.

IX. Credit Risks Reduction Techniques

Risk reduction techniques are not employed in the calculation of the Bank's credit risks.

X. Risk Management Objectives and Policies

a) Strategies and practices concerning risk management

The Bank adheres to the BRSB regulations and the provisions of the Banking Law no. 5411 in risk management and internal audit functions. The risk policy of the Bank is built on the basic principle to ensure that any risk to be taken within the framework described above will be defined and manageable. In addition, current and potential future impact so the risk exposure are measured to the extent allowed by risk measurement and reporting techniques. Daily, weekly, monthly, quarterly and annual reports are drawn up within the framework of the regulations published by BRSB, and reports are submitted to BRSB within the stipulated period.

b) Structure and organization of the risk management system

The credit risk, liquidity risk and market risk calculated by the Risk Management Department are submitted to BRSB subject to the limits and periods stipulated by BRSB.

c) Scope and characteristics of risk reports and the measurement systems

i. Credit Risk:

The Bank observes best practices within the frame of BRSB regulations and restrictions, and thus ensures management of credit risk in accordance with its volume, quality and complexity of its lending. As a rule of thumb, new products and services are evaluated with respect to credit risk. The Bank legally calculates the value at credit risk within the framework of the Regulation on Measurement and Evaluation of Capital Adequacy of Banks issued by the BRSB. The credit risk is essentially managed so as to guarantee that it will remain above the minimum limit set for the legal capital adequacy standard ratio.

The authorized bodies of the Bank decide on the organizations with which accredit relationship will be established, although it varies depending on the type and term of the loan demanded. The Bank submits reports on its credit risk exposure to the BRSB under applicable legislation (Basel II).

ii. Market Risk:

Market risk includes the interest rate risk, stock position risk and currency risks that arise from changes in interest rates, exchange rates and stock prices in financial markets, which are addressed individually. The Bank does not receive deposits and operates under article 77 of the Banking Law numbered 5411. Its banking functions consist primarily of extending cash and non-cash credit to municipalities and to special provincial authorities (which are the Bank's shareholders) against collateral consisting of allotments of general budget revenues transferred pursuant to Statute 5779 and of municipal local revenues, both of which are transferred to the Bank, and secondly of mediating insurance. The interest rates on such transactions are determined by the Bank's board of directors in accordance with current conditions and in view of the Bank's mission and vision.

iii. Currency Risk:

Currency Risk: The Bank observes the provisions of the Regulation on the Calculation and Implementation of Foreign Currency Net General Position / Equity Standard Ratio by Banks on Consolidated and Non-consolidated Basis in maintaining the relation and balance among foreign currency assets and liabilities in order to secure a

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foreign currency position that is in line with its shareholders' equity. The primary goal of the currency risk policy is to keep Foreign Currency Net General Position /Equity Standard Ratio within legal limits within the frame of the Bank's financial standing, current economic developments and recent trends in the market, while observing profitability and productivity. To this end, existing foreign currency holdings are placed with optimum interest rates and opportunities that materialize in the foreign currency market at the right time and conditions are taken advantage off or both asset and liability management purposes.

iv. Interest Rate Risk

The Bank's key principle in its interest rate risk policy is to avoid mismatch between fixed and variable-interest re-sources and fixed and variable-interest borrowings. When managing assets, the Bank takes into consideration the terms of positions and possible changes in current interest rates, and ensures optimization in view of alternative returns, tolerable loss and risk limits.

v. Share Risks:

There is no share risks involved.

vi. Operational Risk:

Operational Risk: The Bank ensures the management of operational risk in line with the volume, quality and complexity of its Operations within the framework of BRSa regulations. New products and services are evaluated with regard to personnel, processes, systems and external operations risks.

In operational risk management policies, the Bank's basic aims are to identify risks before they arise, to report and evaluate them regularly. Accordingly, the key principle in operational risk management policy is defined as taking action to prevent the realization of risk.

ç) Risk protection and risk reduction policies and the processes regarding continuous controls of the efficiency there of

Figures subject to credit risk, operational risk and market risk are calculated to determine the minimum capital requirement, and the capital adequacy ratio is calculated over these figures.

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XI. Explanations about Financial Leverage Ratio

The table concerning to leverage ratio calculated in accordance with ' Regulation About Measuring and Evaluating the Leverage Levels of Banks' published in 5th November 2013 dated and 28812 numbered Official Gazette is as below.

	In-Balance Sheet Assets	Current Period (*)	Previous period (*)
1	In-Balance Sheet Assets (Except Derivatives and Credit Derivatives, including guarantees)	12.271.384	12.896.207
2	(Assets taken from Primary Capital)	-	-
3	Total Risk amount concerning to In-Balance Sheet Assets (Total of 1st and 2nd Line)	12.271.384	12.896.207
Financial Derivate Instruments and Credit Derivatives			
4	Financial Derivate Instruments and Credit Derivatives	-	-
5	Potential Credit Risk amount of Financial Derivative Instruments and Credit Derivatives	-	-
6	Total Risk Amount of Financial Derivative Instruments and Credit Derivatives (total of 4th and 5th lines)	-	-
Security and Commodities Collateral Financial Transactions			
7	Risk amount of Security and Commodities Collateral Financial Transactions of Securitization and Commodities collateral Financial Transactions (except in-Balance sheet)	-	-
8	Risk Amount derived from Financial Intermediation Transactions	-	-
9	Total Risk Amount of Securitization and Commodities collateral Financial Transactions (total of 7th and 8th lines)	-	-
Off-Balance sheet Transactions			
10	Gross Nominal amount of Off-Balance sheet Transactions	11.095.074	5.321.318
11	Correction amount resulted from the multiplication with the rates of conversion to credit)	-	-
12	Total Risk Amount of off-Balance Sheet Transactions (total of 10th and 11th lines)	11.095.074	5.321.318
Capital and Total Risk			
13	Primary Capital	12.412.640	11.225.770
14	Total Risk amount (Total of 3rd, 6th, 9th and 12th lines)	23.366.458	18.217.526
Leverage Rate			
15	Leverage Rate	53,12	61,62

(*) The three-month averages of the amounts in the table above are taken.

The reason of the difference between current period and previous period leverage rates is resulted from the increase in loan commitments within off-balance sheet transactions.

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FOOTNOTES ON NON-CONSOLIDATED FINANCIAL STATEMENTS ISSUED AS OF DECEMBER 31, 2015
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XII. Representation of Financial Assets and Liabilities at Fair Value

	Book Value		Fair Value	
	Current Period	Previous Period	Current Period	Previous Period
Financial Assets	17.795.711	15.855.256	17.795.711	15.855.256
Money Market Placements	-	-	-	-
Banks	4.910.408	4.377.374	4.910.408	4.377.374
Financial Assets Available-for-Sale	323	354	323	354
Investments Held to Maturity	-	-	-	-
Loans Extended	12.884.980	11.477.528	12.884.980	11.477.528
Financial Liabilities	5.390.536	4.384.528	5.390.536	4.384.528
Bank Deposits	-	-	-	-
Other Deposits	-	-	-	-
Funds Provided from other Financial Institutions	5.294.583	4.320.989	5.294.583	4.320.989
Marketable Securities Issued	-	-	-	-
Miscellaneous Payables	95.953	63.539	95.953	63.539

Fair values of financial assets and liabilities are calculated based on their discounted values in accordance with their remaining terms.

XIII. Explanations on transactions entered on behalf and account of others; fiduciary transactions

Iller Bank engages in no trading or custody activities on behalf and account of others nor does it provide consultancy services therefor. The Bank is not engaged in fiduciary transaction agreements. However, the Bank does deduct outstanding obligations owed by municipalities and special provincial authorities to tax offices, Social Security Institution, Civil Servants Pension Fund and various agencies falling under the Law no.6183 on the Procedure for Collection of Public Receivables, tax obligations falling under the Law no 4811, and their reconciled obligations falling under the Law no 5216 on Metropolitan Municipalities and Law no 5393 on Municipalities from the municipal allotments, which are distributed by the Bank pursuant to Article 7 of Law no.5779, and it pays these amounts to the authorities concerned.

ILLER BANK, INC.

FOOTNOTES ON NON-CONSOLIDATED FINANCIAL STATEMENTS ISSUED AS OF DECEMBER 31, 2015
(Unless stated otherwise, values are denominated in TRL thousand)

SECTION FIVE

Explanations and Footnotes on Financial Statements

I. Remarks and Footnotes on Asset Accounts

a. Cash and Balances with the Central Bank of Turkey:

a.1. Information on Cash and Balances with the Central Bank of Turkey (TCMB)

	Current Period		Previous Period	
	TRL	FX	TRL	FX
Cash in Vault /Banknotes	179	-	177	-
Central Bank of Turkey	67	-	59	-
Other	-	-	-	-
Total	246	-	236	-

a.2. Information on Balances with the Central Bank of Turkey

	Current Period		Previous Period	
	TRL	FX	TRL	FX
Unrestricted Demand Deposit	67	-	59	-
Unrestricted Time Deposit	-	-	-	-
Restricted Time Deposit	-	-	-	-
Total	67	-	59	-

b. Financial Assets at Fair Value through Profit or Loss:

b.1. Information about financial assets subject to repo transactions or otherwise posted as guarantees or blocked

The Bank has no marketable securities which are subject to repo transactions or which have been otherwise posted as guarantees or blocked.

c. Chart showing positive differences in derivative financial instruments held for trading purposes:

The bank has no derivative financial assets held for trading purposes.

ç. Information on Banks:

ç.1. Banks account

	Current Period		Previous Period	
	TRL	FX	TRL	FX
Banks	4.877.730	32.678	4.358.998	18.376
Domestic	4.877.730	32.678	4.358.998	18.376
Foreign Banks	-	-	-	-
Foreign Headquarters and Branches	-	-	-	-
Other Financial Institutions	-	-	-	-
Total	4.877.730	32.678	4.358.998	18.376

ILLER BANK, INC.

FOOTNOTES ON NON-CONSOLIDATED FINANCIAL STATEMENTS ISSUED AS OF DECEMBER 31, 2015

(Unless stated otherwise, values are denominated in TRL thousand)

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

d.1. Information about financial assets available-for-sale subject to repo transactions or otherwise posted as guarantees or blocked

The Bank has no financial assets available-for-sale which are subject to repo transactions or which have been otherwise posted as guarantees or blocked.

e. Information on financial assets available-for-sale:

The Bank's available-for-sale financial assets consist entirely of shares in Niğbaş Niğde Beton Sanayi A.Ş. and Emlak Konut Gayrimenkul Yatırım Ortaklığı A.Ş., in which it controls a stake and voting rights of less than 10%.

	Current Period	Previous Period
Debt Securities	-	-
Traded on the Stock Exchange	-	-
Not Traded on the Stock Exchange	-	-
Shares	2.667	2.667
Traded on the Stock Exchange	2.667	2.667
Not Traded on the Stock Exchange	-	-
Impairment Reserves(-)	(2.344)	(2.313)
Total	323	354

f. Information on the Bank's loans:

f.1. Information about outstanding balances of all types of loans and advances given by the Bank to its shareholders and/or employees

	Current Period		Previous Period	
	Cash	Non-cash	Cash	Non-cash
Direct Lending to Shareholders	12.862.972	514.293	11.457.518	507.790
Lending to Corporate Shareholders	12.862.972	514.293	11.457.518	507.790
Lending to Natural Person Shareholders	-	-	-	-
Indirect Lending to Shareholders	-	-	-	-
Lending to Employees	22.008	-	20.010	-
Total	12.884.980	514.293	11.477.528	507.790

ILLER BANK, INC.

FOOTNOTES ON NON-CONSOLIDATED FINANCIAL STATEMENTS ISSUED AS OF DECEMBER 31, 2015

(Unless stated otherwise, values are denominated in TRL thousand)

f.2. Information about first- and second-group loans and other receivables, including loans that have been restructured or rescheduled.

Cash loans	Standard Loans and Other Receivables		Closely Monitored Loans and Other Receivables	
	Loans and Other Receivables	Those with Amended Agreements	Loans and Other Receivables	Those with Amended Agreements
Non-Specialized Loans	22.008	-	-	-
Operation Loans	-	-	-	-
Export Loans	-	-	-	-
Import Loans	-	-	-	-
Loans Extended to Financial Sector	-	-	-	-
Consumer Loans	-	-	-	-
Credit Cards	-	-	-	-
Other	22.008	-	-	-
Specialized Loans	12.862.972	-	-	-
Other Receivables	-	-	-	-
Total	12.884.980	-	-	-

No changes to extend the payment plan is made on loans.

f.3. Cash loans according to their maturity structures

	Standard Loans and Other Receivables		Closely Monitored Loans and Other Receivables	
	Loans and Other Receivables	Those with Amended Agreements	Loans and Other Receivables	Those with Amended Agreements
Short-Term Loans and Other Receivables	66.889	-	-	-
Non-Specialized Loans	22.008	-	-	-
Specialized Loans	44.881	-	-	-
Other Receivables	-	-	-	-
Medium- and Long-Term Loans and Other Receivables	12.818.091	-	-	-
Non-Specialized Loans	-	-	-	-
Specialized Loans	12.818.091	-	-	-
Other Receivables	-	-	-	-

ILLER BANK, INC.

FOOTNOTES ON NON-CONSOLIDATED FINANCIAL STATEMENTS ISSUED AS OF DECEMBER 31, 2015
(Unless stated otherwise, values are denominated in TRL thousand)

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

	Short Term	Medium- and Long term	Total
Consumer Loans-TRL	-	-	-
Housing Loans	-	-	-
Vehicle Loans	-	-	-
General Purpose Consumer Loans	-	-	-
Other	-	-	-
Consumer Loans-FC Indexed	-	-	-
Housing Loans	-	-	-
Vehicle Loans	-	-	-
General Purpose Consumer Loans	-	-	-
Other	-	-	-
Retail Credit Cards-TRL	-	-	-
Housing Loans	-	-	-
Vehicle Loans	-	-	-
General Purpose Consumer Loans	-	-	-
Other	-	-	-
Retail Credit Cards-TRL	-	-	-
With Installment	-	-	-
Without Installment	-	-	-
Retail Credit Cards-FC	-	-	-
With Installment	-	-	-
Without Installment	-	-	-
Personnel Loans-TRL	22.008	-	22.008
Housing Loans	-	-	-
Vehicle Loans	-	-	-
General Purpose Consumer Loans	22.008	-	22.008
Other	-	-	-
Personnel Loans-FC Indexed	-	-	-
Housing Loans	-	-	-
Vehicle Loans	-	-	-
General Purpose Consumer Loans	-	-	-
Other	-	-	-
Personnel Loans-FC	-	-	-
Housing Loans	-	-	-
Vehicle Loans	-	-	-
General Purpose Consumer Loans	-	-	-
Other	-	-	-
Personnel Credit Cards-TRL	-	-	-
With Installment	-	-	-
Without Installment	-	-	-
Personnel Credit Cards-FC	-	-	-
With Installment	-	-	-
Without Installment	-	-	-
Total	22.008	-	22.008

ILLER BANK, INC.

FOOTNOTES ON NON-CONSOLIDATED FINANCIAL STATEMENTS ISSUED AS OF DECEMBER 31, 2015
(Unless stated otherwise, values are denominated in TRL thousand)

f.5. Installment-based commercial loans and corporate credit cards

There are no installment-based commercial loans or corporate credit cards (None as of 31 December, 2014).

f.6. Breakdown of loans by borrowers:

	Current Period	Previous Period
Public Sector	12.862.972	11.457.518
Private Sector ^(*)	22.008	20.010
Total	12.884.980	11.477.528

(*)Loans to bank employees in amounts up to five times a single month's salary.

f.7. Breakdown of domestic and international loans

	Current Period	Previous Period
Domestic loans	12.884.980	11.477.528
International Loans	-	-
Total	12.884.980	11.477.528

f.8. Loans to subsidiaries and affiliated corporations

There are no loans extended to any subsidiary or affiliated corporation.

f.9. Specific reserves provided against loans

Specific Reserves	Current Period	Previous Period
Loans and other receivables with limited collectability	-	-
Loans and other receivables with doubtful collectability	556	562
Uncollectible loans and other receivables	-	-
Total	556	562

Under the provision that the requirement to set aside provisions made in the Banking Law no 5411 is not applicable to İller Bank as per Article 13 (5) of the Law no. 6107 governing İller Bankası A.Ş., specific provisions set aside by the Bank pertain to the Bank's receivables other than those arising from lending transactions that are in litigation.

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

f10.i. Information on loans and other receivables included in non-performing loans, which are restructured or rescheduled:

There are no loans or other receivables included in non-performing loans, which are restructured or rescheduled by the Bank.

ILLER BANK, INC.

FOOTNOTES ON NON-CONSOLIDATED FINANCIAL STATEMENTS ISSUED AS OF DECEMBER 31, 2015
(Unless stated otherwise, values are denominated in TRL thousand)

f.10.ii. Movement of total non-performing loans

	III. Group	IV. Group	V. Group
	Loans and Receivables with Limited Collectability	Loans and Receivables with Doubtful Collectability	Uncollectible Loans and Other Receivables
Prior Period Ending Balance	-	562	-
Additions in the Current Period (+)	-	-	-
Transfers from other NPL Categories (+)	-	-	-
Transfers to other NPL Categories (+)	-	-	-
Collections in the Current Period (-)	-	-	-
Write-offs (-)	-	(6)	-
Corporate and Commercial Loans	-	-	-
Consumer Loans	-	-	-
Credit Cards	-	-	-
Other	-	(6)	-
Current Period Ending Balance	-	556	-
Specific Provisions (-)	-	556	-
Net Balance on Balance Sheet	-	-	-

f.10.iii. Non-performing loans arising from loans extended in foreign currency

There are no non-performing loans arising from loans extended in a foreign currency.

f.10.iv. Gross and net non-performing loans and receivables as per customer categories borrowers

	III. Group	IV. Group	V. Group
	Loans and Receivables with Limited Collectability	Loans and Receivables with Doubtful Collectability	Uncollectible Loans and Other receivables
Current Period (Net)	-	-	-
Loans to Individuals and Corporations (Gross)	-	-	-
Specific Provisions (-)	-	-	-
Loans to Individuals and Corporations (Net)	-	-	-
Banks (Gross)	-	-	-
Specific Provisions (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	556	-
Specific Provisions (-)	-	(556)	-
Other Loans and Receivables (Net)	-	-	-
Previous Period (Net)	-	-	-
Loans to Individuals and Corporations (Gross)	-	-	-
Specific Provisions (-)	-	-	-
Loans to Individuals and Corporations (Net)	-	-	-
Banks (Gross)	-	-	-
Specific Provisions (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	562	-
Specific Provisions (-)	-	(562)	-
Other Loans and Receivables (Net)	-	-	-

ILLER BANK, INC.

FOOTNOTES ON NON-CONSOLIDATED FINANCIAL STATEMENTS ISSUED AS OF DECEMBER 31, 2015
(Unless stated otherwise, values are denominated in TRL thousand)

g. Securities Held-to-Maturity:

g.1. Information on investments held-to-maturity and given as collateral or blocked

The Bank has no investments which are the subject of repo transactions or which have been otherwise posted as guarantees or blocked.

g.2. Movements of investments held-to-maturity during the year

There were no movements in held-to-maturity investments during the year.

ğ. Information on subsidiaries:

None.

h. Information on affiliated corporations:

None.

i. Information on jointly-controlled entities (joint ventures):

None.

i. Information on leasing receivables (Net):

The Bank has no leasing transactions.

However, the Bank does have TRL 3,195 in receivables (TRL 3,217 as of 31 December 2014) arising from its renting out real estate properties that it owns.

j. Derivative financial assets for hedging

Chart of positive difference for derivative financial assets for hedging:

None.

k. Information on Tangible Fixed Assets (Net):

	Real Estate	Tangible Fixed Assets Acquired through Leasing Vehicles	Vehicles	Other Tangible Fixed Assets	Total
Prior Period's End (31.12.2014)					
Cost	191.561	-	1.975	37.906	231.442
Accrued Depreciation	(47.523)	-	(1.972)	(27.570)	(77.065)
Net Book Value	144.038	-	3	10.336	154.377
Current Period's End (31.12.2015)					
Cost at the Beginning of the Period	191.561	-	1.975	37.906	231.442
Acquired	-	-	10	4.216	208.458
Disposed	(22.384)	-	(52)	(5.111)	(27.547)
Closing Cost	373.409	-	1.933	37.011	412.353
Accumulated Depreciation at the Beginning of the Period	47.523	-	1.972	27.570	77.065
Current Period Depreciation	2.592	-	1	4.329	6.922
Disposed Depreciation	(2)	-	(42)	(2.654)	(2.698)
Accumulated Depreciation at the End of the Period	50.113	-	1.931	29.245	81.289
Net Book Value at Closing	323.296	-	2	7.766	331.064

ILLER BANK, INC.

FOOTNOTES OF NON-CONSOLIDATED END OF YEAR FISCAL STATEMENTS PREPARED AS OF DECEMBER 31, 2015

(Unless stated otherwise values are expressed in TRL thousand)

I. Information on intangible fixed assets:

The Bank's intangible assets consist of licensed computer programs having estimated economic lifetime of three to five years. Gross book values at the beginning and end of the reporting period and the amounts of accumulated redemption are shown in the table below.

	Software
End of Prior Period (31.12.2014)	
Cost	16.697
Accumulated Depreciation	(13.176)
Net Book Value	3.521
End of Current Period (31.12. 2015)	
Cost Value at the Beginning of the Period	16.697
Acquired	11.423
Disposals	(9.156)
Current Period Redemptions	18.964
Disposals Redemption	(13.176)
Current Period Redemptions	(3.271)
Disposals' Redemption	783
Accumulated Redemptions at the End of the Period	(15.664)
Net Book Value at Closing	3.300

m. Information on investment property

The bank owns investment properties with a net value of TRL 779, once TRL 103 depreciation is deducted out of the book value of TRL 676 which have been leased as of December 31, 2015. Furthermore, the Bank owns investment properties with a book value of TRL 85,173, purchased in the current period, as per article 3, paragraph 2, sub-paragraphs (h) and (i) of the Bank's Governing Law bringing the grand total to TRL 85,849. (31.12.2014, TRY 168.026)

n. Information on deferred tax assets

Deductible temporary differences, financial losses, tax deductions and exemptions.

Deferred Tax Assets	Current Period	Previous Period
Reserves for Employee Entitlements	19.138	17.760
Impairment of Subsidiaries	445	439
Other	47.635	41.372
Tax Procedure Law-TMS Depreciation Differences	(884)	(1.187)
Total	66.334	58.384

As of December 31, 2015, the Bank had no deferred tax assets calculated on the basis of tax deductions and exemptions. However, the deferred tax asset amounting to TRL 67,218, which resulted from the difference between the book value of balance sheet assets and liabilities and the taxable values of the same as prescribed by tax laws and regulations and which was calculated in subsequent reporting periods based on the amount shown in the profit/loss account was netted against TRL 884 worth of deferred tax liabilities and shown in the accounts accordingly.

o. Information on fixed assets held for sale and associated with discontinued operations

The Bank has no fixed assets held for sale or which are associated with discontinued operations.

ö. Information on other assets

The other assets item of the balance sheet does not exceed 10% of total assets, except for the commitments shown in off-balance sheet accounts.

ILLER BANK, INC.

FOOTNOTES OF NON-CONSOLIDATED END OF YEAR FISCAL STATEMENTS PREPARED AS OF DECEMBER 31, 2015

(Unless stated otherwise values are expressed in TRL thousand)

II. Remarks and footnotes on liability accounts

a. Information on the maturity structure of deposits:

Iller Bank is a development and investment bank whose activities are governed by Article 77 of the Banking Law no 5411. The Bank is not authorized to accept deposits.

b. Information on derivative financial liabilities held for trading:

Chart showing the negative differences on derivative financial liabilities held for trading

The Bank has no derivative financial liabilities held for trading purposes.

c. Banks and other financial institutions:

c.1. Banks and other financial institutions

	Current Period		Previous Period	
	TRL	FX	TRL	FX
Borrowings from the Central Bank of TURKEY	-	-	-	-
Borrowings from Domestic Banks and Institutions	-	-	-	-
Borrowings from Foreign Banks, Institutions and Funds ^(*)	-	863.145	-	614.810
Total	-	863.145	-	614.810

c.2. Maturity analysis of funds borrowed

	Current Period		Previous Period	
	TRL	FX	TRL	FX
Short Term	-	-	-	-
Medium- and Long-Term ^(*)	-	863.145	-	614.810
Total	-	863.145	-	614.810

^(*) Medium-and long-term loans secured from foreign banks, institutions and funds are related to the amounts extended to municipalities out of the loan received from the World Bank under the Municipal Services Project, and the loan received from JICA (Japan International Cooperation Agency) under the Municipal Sewage and Waste Water Treatment Plants Development Project.

c.3. Funds

	Current Period		Previous Period	
	TRL	FX	TRL	FX
Other ^(*)	4.430.337	1.101	3.705.875	304
Total	4.430.337	1.101	3.705.875	304

^(*) Out of the funds amounting to TRL 4,431,438 secured from other financial institutions, TRL 2,561,507 represents the portion that is allocated by the Ministry of Finance, which will be made available by the Bank to local governments as per the Statute 5779 on Allotments of General Budget Revenues to be Allocated to Special Provincial Authorities and Municipalities, TRL 1,303,701 represents the fund allocated to the Bank for the Water and Sewerage Infrastructure Projects (SUKAP), TRL 398,415 represents the portion set aside from the Bank's profits for the infrastructure and superstructure requirements of municipalities and villages, TRL 8,528 represents the fund transferred to the Bank for the Municipal Infrastructure Support Project (BELDES), TRL 70,573 represents the fund allocated to the Bank for urban infrastructure services, TRL 8,906 represents the fund transferred for urban transformation of high-risk areas and shanty-towns, and TRL 78,707 represents other funds. Within the framework of the credit agreement regarding the "Iller Bank Environment Loan Project", executed with the European Investment Bank (EIB), a total of TRL 1,104 out of the grants were expended for capacity building for the Bank, and to support investments and other components.

ILLER BANK, INC.

FOOTNOTES OF NON-CONSOLIDATED END OF YEAR FISCAL STATEMENTS PREPARED AS OF DECEMBER 31, 2015

(Unless stated otherwise values are expressed in TRL thousand)

ç. "Other long-term liabilities" that account for more than 10% of the balance sheet total and the names and amounts of the subaccounts that constitute at least 20% of the same

There are no other long-term liability items that account for more than 10% of the balance sheet total.

d. Information on leasing payables (net):

Information on financial leasing liabilities

The Bank has no financial leasing payables.

e. Information on payables related to derivative financial instruments held for hedging:

Chart showing negative differences in relation to payables on derivative financial instruments held for hedging

None.

f. Information on reserves:

f.1. General reserves

Pursuant to Article 13(5) of the Law no. 6107 governing İller Bankası A.Ş., the reserve requirements of the Banking Law no. 5411 does not apply to İller Bank.

f.2. Reserve for employee entitlements

Reserves amounting to TRL 95,860 are set aside as of December 31, 2015 for the pension entitlements of the Bank's contractual personnel and for the service award entitlements of its blue-collar personnel within the framework of the provisions of the "Turkish Accounting Standard concerning Employee Benefits" (TMS 19) (December 31, 2015: TRL 88,970)

f.3. Other reserves

Reserves amounting to TRL 234,982 have been set aside as of December 31, 2015, due to the fact that the union initiated legal recourse to ensure payments to the staff on the basis of article 32 of the articles of incorporation of the Bank, out of the amounts control revenues derived from consulting services provided to local governments, as well as out of insurance revenues (December, 31 2015: TRL 201,732).

As of December 31, 2015, the Bank set aside reserves amounting to TRL 3,195 (December 31, 2014: TRL 3,195) for rent receivables which were not collected within the stipulated term, and for which legal procedures were initiated.

ILLER BANK, INC.

FOOTNOTES OF NON-CONSOLIDATED END OF YEAR FISCAL STATEMENTS PREPARED AS OF DECEMBER 31, 2015

(Unless stated otherwise values are expressed in TRL thousand)

g. Explanation related to Tax Obligation:

g.1. Information on taxes payable

	Current Period	Previous Period
Payable Corporate Income Tax	47.954	32.512
Income Tax Withholding	50.038	44.971
Tax on Security Income	-	-
Tax on Real Estate Income	-	-
Banking Insurance Transaction Tax	849	931
Foreign Exchange Transactions Tax	-	-
Payable Value Added Tax	3.573	4.429
Other	3.677	4.108
Total	106.091	86.951

g.2. Information on social security and other premiums

	Current Period	Previous Period
Social Security Premiums - Employees	1.207	1.052
Social Security Premiums - Employer	1.763	1.546
Bank Social Aid Fund Premiums - Employees	-	-
Bank Social Aid Fund Premiums - Employer	-	-
Pension Fund Membership Fees and Reserves – Employees	-	-
Pension Fund Membership Fees and Reserves – Employer	-	-
Unemployment Insurance – Employees	87	76
Unemployment Insurance – Employer	172	150
Other	718	319
Total	3.947	3.143

g. 3. Information on deferred tax obligations

As of December 31 2015, the Bank has no deferred tax obligations (See footnote V-I-n).

ğ. Information on obligations related to fixed assets held for sale or associated with discontinued operations:

As of the balance sheet date, the Bank had no obligations related to fixed assets held for sale or which were associated with discontinued operations.

h. Number of subordinated loans received by the Bank; their terms, interest rates, lenders, and option to convert them into shares:

The Bank has not received any subordinated loans.

ILLER BANK, INC.

FOOTNOTES OF NON-CONSOLIDATED END OF YEAR FISCAL STATEMENTS PREPARED AS OF DECEMBER 31, 2015

(Unless stated otherwise values are expressed in TRL thousand)

I. Information on shareholders' equity:

I.1. Presentation of paid-in capital

	Current Period	Previous Period
Common Stock (*)	10.483.745	9.402.380
Preferred Stock	-	-

(*) Pursuant to the Bank's governing statute, Iller Bank's capital is not divided into shares and no share certificates have been issued.

I.2. The amount of paid-in capital; whether the Bank adheres to the registered capital system; registered capital cap if applicable

Registered capital system is not applicable to the Bank by virtue of its governing statute.

I.3. Share capital increases during the reporting period; their sources and increased capital shares

In the current period, increase in the nominal capital of the Bank was not performed; TRL 1,081,365 was collected for capital. Of this amount, TRL 915,797 consisted of the 2% monthly deductions made from the total shares of the tax revenues to be distributed every month by the Ministry of Finance and Iller Bank under the Statute 5779 on Allotments of General Budget Revenues to be Allocated to Special Provincial Authorities and Municipalities and TRL 165,568 consisted from 30% portion set aside from the Bank's profit for 2014 to be injected into the capital as per the Banking Law.

I.4. Portions of capital reserves added to capital during the reporting period

None.

I.5. Capital commitments during the most recent fiscal year and the period since its end; the general nature of such commitments and the presumed sources of their funding

The Bank's governing law does not permit it to enter into capital commitments. The Bank's capital consists of the 2% monthly deductions made from the total shares of the tax revenues to be distributed every month by the Ministry of Finance and Iller Bank under the Law no. 5779 on Allotments of General Budget Revenues to be Allocated to Special Provincial Authorities and Municipalities and capital shares set aside at the ratio of 30% from the Bank's distributable profit.

I.6. Prior-period evidence of the Bank's income, profitability, and liquidity; the likely impact of any uncertainties in such evidence on the Bank's equity resources

The Bank has defined a lending and interest rate policy that is capable of minimizing the losses from which it may suffer. Under the Bank's governing law, the Bank's cash inputs consist of capital collections, which are the 2% monthly deductions made from the total shares of the tax revenues to be distributed every month by the Ministry of Finance and Iller Bank under Law no. 5779 on Allotments of General Budget Revenues to be Allocated to Special Provincial Authorities and Municipalities and the amounts of principal and interest that it receives on its lendings.

I.7. Brief information on the privileges granted to shares representing capital

The Bank's capital is not represented by any shares.

I.8. Information on securities increment value fund

The Bank does not have securities increment value fund.

ILLER BANK, INC.

FOOTNOTES OF NON-CONSOLIDATED END OF YEAR FISCAL STATEMENTS PREPARED AS OF DECEMBER 31, 2015

(Unless stated otherwise values are expressed in TRL thousand)

III. Explanations and Footnotes on Off-Balance Sheet

a. Explanations of liabilities found in the off-balance sheets:

a.1. Types and amounts of irrevocable loan commitments

As of the balance sheet date, the total value of all credits which had been underwritten by the Bank under the guarantee and credit agreements signed with the World Bank within the scope of the "Municipal Services Project" on February 8, 2006 and within the scope of the "Municipal Services Project II Additional Financing" on June 29, 2010 and which will be made available to municipalities was TRL 223,681 (31 December 2014: TRL 336,324). Credits which had been underwritten by the Bank under the guarantee and credit agreements signed with Japan International Cooperation Agency (JICA) within the scope of "Municipal Sewerage and Wastewater Treatment Improvement Project" on June 22, 2011 and which will be made available to medium-sized municipalities amounted to TRL 165,311 and credits guaranteed by the bank according to the guarantee and credit agreements that have been signed on May 15, 2015 and have entered into force on August 14, 2015 to local governments amount to TRL 1,083,510, making a total of TRL 1,248,821 (31 December 2014: TRL 184,766). The grand total of the credits to be extended to Municipalities under the commitment of the Bank as per the guarantee and credit agreements signed on June 28, 2012 with the European Investment Bank within the framework of "Urban Infrastructure Projects" is TRL 476,640 and credits guaranteed by the Bank according to the guarantee protocol signed on 06.10.2015 to be granted to Municipalities amount to TRL 794,400, making a total of TRL 1,271,040 (31 December, 2014: TRL 423,105). The total value of all lendings underwritten by the Bank for municipalities' infrastructure and superstructure services is TRL 7,845,826 (31 December 2014: TRL 4,031,193). The Bank's total credit commitment exposure amounts to TRL 10,589,368 (31 December 2014: TRL 4,975,388).

a.2. The structure and amount of probable losses and commitments resulting from off-balance sheet items, including those below

a.2.i. Guarantees, bank endorsements and acceptances, collaterals that qualify as financial guarantees, and non-cash loans including other letters of credit:

As of the balance sheet date the Bank had no guarantees, bank endorsements or acceptances, or collaterals that qualify as financial guarantees or non-cash loans including other letters of credit.

a.2.ii. Performance bonds, bid bonds, surety bonds, and similar guarantees

As of the balance sheet date, the total value of letters of guarantee issued by the Bank amounted to TRL 514,293 (31 December 2014: TRL 507,790).

a.3. Non-cash loans

a.3.i. Total non-cash loans

	Current Period	Previous Period
Non-cash Loans against Cash Risks	514.288	507.784
One Year or Shorter Term Original Maturity	86.763	259.097
One Year Longer Term Original Maturity	427.525	248.687
Other Non-Cash Loans	5	6
Total	514.293	507.790

a.3.ii. Sectoral Risk Concentration of Non-cash Loans:

The Bank is not exposed to any specific sectoral risks in its non-cash credit accounts and all of Iller Bank's non-cash credit is granted to local governments.

ILLER BANK, INC.

FOOTNOTES OF NON-CONSOLIDATED END OF YEAR FISCAL STATEMENTS PREPARED AS OF DECEMBER 31, 2015

(Unless stated otherwise values are expressed in TRL thousand)

a.3.iii. I ve II'nci grupta sınıflandırılan gayrinakdi kredilere ilişkin bilgiler

	Group I		Group II	
	TRL	FX	TRL	FX
Non-cash Loans	511.709	2.584	-	-
Letters of Guarantee	511.709	2.584	-	-
Bills of Guarantee and Bank Acceptances	-	-	-	-
Letters of Credit	-	-	-	-
Endorsements	-	-	-	-
Underwriting Commitments of the Securities Issued	-	-	-	-
Factoring Related Guarantees	-	-	-	-
Other Guarantees and Warranties	-	-	-	-

b. Information on derivative transactions:

The Bank has no derivative financial instruments.

c. Explanations on credit derivatives and risks:

The Bank has no credit derivatives.

ç. Explanations on contingent liabilities and assets:

The Bank has no contingent liabilities or assets.

d. Transactions made on behalf and account of others:

Iller Bank engages in no trading or custody activities on behalf and account of others nor does it provide consultancy services in relation there to. However the Bank does deduct outstanding and reconciled obligations owed by municipalities and special provincial administrations to public agencies and organizations from the municipal allotments, which are distributed by the Bank pursuant to Article 7 of Statute 5779, and it pays these amounts to the administrations concerned.

ILLER BANK, INC.

FOOTNOTES OF NON-CONSOLIDATED END OF YEAR FISCAL STATEMENTS PREPARED AS OF DECEMBER 31, 2015

(Unless stated otherwise values are expressed in TRL thousand)

IV. Notes on Income Statement

a. Interest income:

a.1. Interest income on loans

	Current Period		Previous Period	
	TRL	FX	TRL	FX
Short-term Loans	4.874	-	4.088	-
Medium- and Long-term Loans	702.081	7.800	736.022	5.743
Interest on Non-Performing Loans	-	-	-	-
Premiums Received from State Resource Fund/Utilization Support Fund	-	-	-	-
Total	706.955	7.800	740.110	5.743

a.2. Information on interest income from banks

	Current Period		Previous Period	
	TRL	FX	TRL	FX
Central Bank of Turkey	-	-	-	-
Domestic Banks	330.908	2	152.825	2
Foreign Banks	-	-	-	-
Foreign Headquarters and Branches	-	-	-	-
Total	330.908	2	152.825	2

a.3. Information on interest income from securities

The Bank receives no interest income from securities.

a.4. Information on the interest income from associates and subsidiaries

The Bank receives no interest income from associates or subsidiaries

b. Interest Expenses:

b.1. Interest expenses incurred on borrowings

	Current Period		Previous Period	
	TRL	FX	TRL	FX
To Banks	-	9	-	14
Central Bank of Turkey	-	-	-	-
Domestic Banks	-	-	-	-
Foreign Banks	-	9	-	14
Foreign Headquarters and Branches	-	-	-	-
To Other Institutions	-	24	-	9
Total	-	33	-	23

ILLER BANK, INC.

FOOTNOTES OF NON-CONSOLIDATED END OF YEAR FISCAL STATEMENTS PREPARED AS OF DECEMBER 31, 2015

(Unless stated otherwise values are expressed in TRL thousand)

b.2. Interest paid to subsidiaries and affiliated corporations

The Bank pays no interest to subsidiaries and affiliated corporations.

b.3. Interest paid on marketable securities issued

The Bank pays no interest on any marketable securities issued.

b.4. Interest Expense Incurred on Deposits According to Maturity Structure

The Bank is not authorized to collect deposits.

c. Information on dividend income:

The Bank receives no dividend income. During the reporting period, Emlak Konut REIT paid TRL 58.18 dividends, which is not shown in the financial statements since the notes and financial statements are drawn up in TRL thousand.

ç. Information on trading income/losses (Net):

	Current period	Previous period
Profit	-	160
Profit from Capital Markets Trading	-	-
Profit from Derivative Financial Transactions	-	-
Profit from Foreign Exchange Transactions	-	160
Loss	(91)	-
Loss from Capital Markets Trading	-	-
Loss from Derivative Financial Transactions	-	-
Loss from Foreign Exchange Transactions	(91)	-
Total	(91)	160

d. Explanation on other operating income:

	Current period	Previous period
Revenues from Disposal of Assets	120.079	142.511
From Sales of Subsidiaries and Affiliated Corporations	-	-
From Sales of Movables	6	6
From Sales of Immovables	120.073	142.505
Rental Income	2.084	2.016
Rental Income from Immovables	1.921	1.898
Operating Lease Income	163	118
Revenues from Control Fund(*)	46.632	90.266
Other	16.691	11.546
Total	185.486	246.339

(*)Revenues derived from the consulting and control services provided by the Bank to local governments.

ILLER BANK, INC.

FOOTNOTES OF NON-CONSOLIDATED END OF YEAR FISCAL STATEMENTS PREPARED AS OF DECEMBER 31, 2015

(Unless stated otherwise values are expressed in TRL thousand)

e. Reserve for losses in the Bank's loans and other receivables:

	Current period	Previous period
Specific Reserves for Loans and Other Receivables	-	-
Group III Loans and Receivables	-	-
Group IV Loans and Receivables	-	-
Group V Loans and Receivables	-	-
Non-performing Fee Commissions and Other Receivables	-	-
General Loan Reserve Expenses	-	-
Free Reserve Expenses for Potential Risks	-	-
Marketable Securities Impairment Losses	30	234
Financial Assets at Fair Value through Profit and Loss	-	-
Financial Assets Available-for-Sale	30	234
Impairment Losses on Investments in Associates, Subsidiaries, Jointly Controlled Entities and Investments Held to Maturity	-	-
Subsidiaries	-	-
Affiliated Corporations	-	-
Jointly-Controlled Entities (Joint Ventures)	-	-
Investments Held to Maturity	-	-
Other	33.250	67.101
Total	33.280	67.335

* Reserves were set aside at the amount of TRL 33,250 as of December 31, 2015, due to the fact that the union initiated legal recourse to ensure payments to the staff on the basis of article 32 of the articles of incorporation of the Bank, out of the amounts control revenues derived from consulting services provided to local governments, as well as out of insurance revenues.

ILLER BANK, INC.

FOOTNOTES OF NON-CONSOLIDATED END OF YEAR FISCAL STATEMENTS PREPARED AS OF DECEMBER 31, 2015

(Unless stated otherwise values are expressed in TRL thousand)

f. Other operating expenses:

	Current period	Previous period
Personnel Expenses	239.306	217.659
Reserve for Employee Termination Benefits	9.968	10.436
Bank Pension Fund Deficit Provisions	-	-
Impairment Losses on Tangible Assets	-	-
Depreciation Expenses of Tangible Assets	6.431	5.826
Impairment Losses on Intangible Assets	-	-
<i>Impairment Losses on Goodwill</i>	-	-
Depreciation Expenses of Intangible Assets	3.271	3.673
Impairment Losses on Share of Participations Accounted for Using the Equity Method	-	-
Impairment Losses on Marketable Securities to be Disposed	-	-
Depreciation Expenses of Marketable Securities to be Disposed	-	-
Impairment Losses on Assets Held for Sale and Associated with Discontinued Operations	-	-
Other Operating Expenses	161.683	130.353
<i>Repair and Maintenance Expenses</i>	4.387	3.587
<i>Cleaning Costs</i>	20.893	17.465
<i>Membership and Subscription Dues</i>	59.473	48.801
<i>Transportation Vehicle Expenses</i>	6.996	7.011
<i>Operating Lease Expenses</i>	11.745	12.185
<i>Heating, Lighting and Water Costs</i>	4.661	4.465
<i>Small Fixtures Expenses</i>	1.106	1.309
<i>Computer Operating Expenses</i>	6.081	764
<i>Advertisement Expenses</i>	745	999
<i>Communication Expenses</i>	2.218	2.206
<i>Printing Paper and Office Supplies</i>	864	789
<i>Other Expenses</i>	42.514	30.772
Loss on Sale of Assets	-	-
Other	15.304	16.362
Total	435.963	384.309

g. Profit/loss before taxes including profit/loss from continuing or discontinued operations:

The Bank posted profit on continuing operations amounting to TRL 779,904 consisting of TRL 1,050,568 in total interest income plus TRL 13,311 in net fees and commissions plus TRL 185,486 in other operating income and TRL 91 in trading losses, TRL 127 in interest expenses, TRL 435,963 in other operating expenses, and loss provisions for loans and other receivables amounting to TRL 33,280. The Bank has no discontinued operations.

ILLER BANK, INC.

FOOTNOTES OF NON-CONSOLIDATED END OF YEAR FISCAL STATEMENTS PREPARED AS OF DECEMBER 31, 2015

(Unless stated otherwise values are expressed in TRL thousand)

ğ. Provision for taxes including taxes from continuing and discontinued operations:

The Bank calculated an ongoing operation tax provision in the amount of TRL 211,776, which is the amount remaining after deferred tax provision in the amount of TRL 7,950 is subtracted from the current tax provision of TRL 203,826.

Deferred tax income/expenses arising from the formation or closure of temporary differences

Deferred Tax Income/Expenses Arising from the Formation or Closure of Temporary Differences	Current Period	Previous Period
From the formation of deductible temporary differences (+)	-	-
From the closure of deductible temporary differences (-)	-	-
From the formation of taxable temporary differences (+)	7.950	14.870
From the closure of taxable temporary differences (-)	-	-
Total	7.950	14.870

h. Net operating profit/loss after taxes including net profit/loss from continuing and discontinued operations

The Bank posted a profit for the period from its ongoing operations in the amount of TRL 576,078, which is the amount remaining after an ongoing operation tax provision in the amount of TRL 203,826 is subtracted from the Bank's profit before tax of TRL 779,904. The Bank has no discontinued operations.

i. Information on net profit/loss for the period:

i.1. Nature, size, and recurrence of income and expense items arising from the Bank's ordinary banking business, and nature and amounts of these items if necessary to understand the Bank's performance during the reporting period.

From the conduct of its ordinary banking business, the Bank generated TRL 1,050,568 (31 December 2014: TRL 903,814) in interest expense and TRL 127 (31 December 2013: TRL 1,752) and it showed TRL 13,311 (31 December 2013: TRL 12,366) in net fee and commission income.

i.2. Any changes in estimates concerning financial statement items that might have a material impact on loss/profit for the current and subsequent periods.

There have been no changes whatsoever in the estimates made concerning financial statement items.

i.3. Profit/loss pertaining to minority shares

None.

i. Breakdown of subaccounts making at least 20% of the income statement "other" items, if they account for more than 10% of the income statement total:

The "Other operating income" item in Section Four, sub-paragraph d above and the "Other operating expenses" item in Section Four, sub-paragraph f above account for more than 10% of the income statement total. Information about these are provided in the same footnotes. There are no "other" items that constitute more than 10% of the income statement total.

ILLER BANK, INC.

FOOTNOTES OF NON-CONSOLIDATED END OF YEAR FISCAL STATEMENTS PREPARED AS OF DECEMBER 31, 2015

(Unless stated otherwise values are expressed in TRL thousand)

V. Explanations and footnotes on statement of changes in shareholders' equity

1. Information on capital:

As per the Bank's governing Statute 6107, the Bank's capital consists of 2% monthly deductions from the total shares of the tax revenues to be distributed every month by the Ministry of Finance and Iller Bank under Statute 5779 on "Allotments of General Budget Revenues to be Allocated to Special Provincial Authorities and Municipalities" dated July 2, 2008; out of the Bank's nominal capital of TRL 18,000,000, TRL 10,483,745 had been paid-in as of 31 December 2015.

During the reporting period, the Bank had TRL 1,081,365 in capital collections; of this amount, TRL 915,797 consisted of the 2% monthly deductions made from the total shares of the tax revenues distributed every month by the Ministry of Finance and Iller Bank and TRL 165,568 consisted of 30% portion retained from the Bank's profit for 2014 to be added to the capital as per the Bank's governing law.

2. Capital Reserves

At the end of the reporting period, the Bank showed TRL 885,246 in capital reserves; TRL 876,514 of this amount consisted of inflation adjusted paid-in capital and TRL 8,732 consisted of revaluation difference on tangible assets.

3. Profit Reserves:

The Bank added TRL 55,189 out of the profits for year 2014, and TRL 19,220 earmarked for payment to Bank staff out of the profits for year 2013 as per the Board of Directors resolution, yet was not paid out, on top of the statutory reserves standing at TRL 481,552 at the beginning of the reporting period, to achieve a total statutory reserves figure of TRL 555,961.

4. Net Profits/Loss for the Period

The profit for the current period stands at TRL 576,078. TRL 509,673 out of the profits for year 2014 is subject to dividend payments.

5. Profits/Loss for Prior Periods

Pursuant to Article 13, paragraph 3 of the Law numbered 6107 governing İller Bankası AŞ, "51% of the Bank's net profit for the year on the basis of the balance sheet approved by the General Assembly is made available as grants-in-aid for financing technical and social infrastructure services in villages which are carried out by special provincial authorities; for financing the development of mapping, zoning plans, potable water, wastewater, solid waste, city information system and similar urban infrastructure projects in municipalities with a population of less than 200,000 people, as well as for the financing of the construction of the said projects pertaining to municipalities with a population of less than 25,000 people. The methods and principles regarding the application of this paragraph shall be regulated through the regulation to be issued by the Board of Directors". Therefore, TRL 239,245 out of the profits for year 2014 was set aside as funds for municipalities and villages.

ILLER BANK, INC.

FOOTNOTES OF NON-CONSOLIDATED END OF YEAR FISCAL STATEMENTS PREPARED AS OF DECEMBER 31, 2015

(Unless stated otherwise values are expressed in TRL thousand)

VI. Explanations and Footnotes on Cash Flow Statement

1. Explanations on the "Other" and the "Effect of change in foreign exchange rates on cash and cash equivalents" items in the cash flow statement

TRL 171,826 decrease (December 31, 2014: TRL 132,260 decrease) in the "Other" item shown in operating profit prior to changes in the assets and liabilities related to the Bank's business activities consists essentially of current expenditures (electricity, water, gas, maintenance and repairs, rent, advertising and announcements, stationery and office supplies, and membership fees paid to a variety of organizations).

TRL 150,748 decrease (31 December, 2014: TRL 20,891 decrease) in the "Other increases / decreases in assets" item included among the changes taking place in the Bank's business activity assets and liabilities consists of prepaid taxes, goods on hand, and miscellaneous receivables and payables.

TRL 477,587 increase (December 31, 2014: TRL 64,752 increase) in the "Increases/(decreases) in other liabilities" item included among the changes taking place in the Bank's business activity assets and liabilities consists essentially of general budget allotments sent to Iller Bank for distribution to municipalities and special provincial authorities during the following month, of funds that are to be transferred, of prepaid interest on loans made to bank employees in amounts of up to five times their single month's salary, and withholdings made from personnel salaries that must be paid to authorities during the following month.

TRL 915,797 (December 31, 2014: TRL 774,789) shown among "Net cash flow secured from financing activities" pertains to the cash capital receipts from financial activities, which Iller Bank collects within the framework of its governing law and which are not represented by shares.

The net effect of movements in foreign exchange rates on cash and cash equivalents increased by TRL 6,725 as of December 31, 2015 (December 31, 2014: TRL 993 decrease).

2. Cash and cash equivalents at the beginning of the period

	Current Period	Previous Period
Cash	4.372.094	2.939.150
Cash in Vault	177	147
Republic of Turkey Central Bank	59	174
Banks	4.377.374	2.940.419
Rediscounts on Interest Income from Banks	(5.516)	(1.590)
Cash Equivalents	-	-
Receivables from Interbank Money Market	-	-
Receivables from Interbank Money Market Interest Income Rediscounts	-	-
Bank Bonds	-	-
Bank bonds Accrued Interest Income Rediscounts	-	-
	4.372.094	2.939.150

ILLER BANK, INC.

FOOTNOTES OF NON-CONSOLIDATED END OF YEAR FISCAL STATEMENTS PREPARED AS OF DECEMBER 31, 2015

(Unless stated otherwise values are expressed in TRL thousand)

3. Cash and cash equivalents at the end of the period

	Current Period	Previous Period
Cash	4.898.267	4.372.094
Cash in Vault	179	177
Central Bank of Turkey	67	59
Banks	4.910.408	4.377.374
Rediscounts on Interest Income from Banks and Blocked Amounts in Banks	(12.387)	(5.516)
Cash Equivalents	-	-
Interbank Money Market Placements	-	-
Rediscounts on Interest Income from Receivables from Interbank Money Market	-	-
Bank Bonds	-	-
Interest Income Rediscounts on Bank Bonds	-	-
	4.898.267	4.372.094

VII. Remarks on the risk group of the Bank

The Bank is not included in any risk group.

VIII. The Bank's domestic, foreign, off-shore branches and representative offices

1. Explanations regarding the domestic and abroad branches and representation offices of the Bank

	Number	Number of Employees			
Domestic branches	19	2.640			
			Country of Incorporation		
Representative offices abroad			1-		
			2-		
			3-		
				Total Assets	Regulatory Capital
Foreign branch			1-		
			2-		
			3-		
Off-shore branches			1-		
			2-		
			3-		

(*) The Bank conducts its activities throughout Turkey through its headquarters and 18 regional offices.

2. Explanations on domestic or foreign branches or representative offices opened, closed or significant reorganization undertaken by the Bank

None.

ILLER BANK, INC.

FOOTNOTES OF NON-CONSOLIDATED END OF YEAR FISCAL STATEMENTS PREPARED AS OF DECEMBER 31, 2015

(Unless stated otherwise values are expressed in TRL thousand)

SECTION SIX

Other explanations

I. Other explanations on the Bank's activities

None.

II. Brief information on the rating assigned to the bank by international rating agencies

Within the framework of an agreement signed in 2013 with the international rating agency Fitch Ratings, the Bank was for the first time subjected to credit rating analysis by an international credit rating agency.

In 2015, with the decree of the Board of Directors of the Bank dated 25.02.2015 and numbered 5/77, service related to Rating is decided to be procured from a Rating Institution that has been established in Turkey and Authorized by the Stock Exchange Commission.

In this respect, as a result of the tender carried out by the Department of Investment Coordination, an agreement was signed between Kobirate Uluslararası Kredi Derecelendirme ve Kurumsal Yönetim Hizmetleri A.Ş. and the Bank to procure service related to 2015 rating based on the pricing of institutional borrowing capability and credit portfolio. Information requested by the Company to perform rating of the Bank has been performed acquired and transferred, and following the performance of rating in June, draft report that has been submitted to the Bank by Kobirate A.Ş. was approved and published with the decree of the Board of Directors of the Bank dated 09.07.2015 and numbered 17/561 and the final report has been submitted to the Bank in August.

As a result of the evaluation by the aforementioned Company, 2015 ratings of the Bank are as follows:

Kobirate International Credit Rating and Corporate Governance Services Inc.	Rating	Outlook	Explanation
Long Term Foreign Currency Rating	BBB-	Stable	Specifies the average credit quality according to the debts and other debts of the debtor and the debtors. Meeting financial liabilities is high, the risk of being influenced by negative economic conditions is more.
Long Term National Credit Rating	KR AAA	Stable	The highest credit quality according to the debts and other debts of the debtor and the debtors; specifies that meeting financial liabilities is very high.
Short Term National Credit Rating	KR A-1	Stable	The highest credit quality according to the debts and other debts of the debtor and the debtors
Support Note	KRD-1	-	The probability of the Bank to be supported is very high. The supporter has the highest credit note and its supporting power is very high. The supporting capacity and tendency of the local government for the whole sector is at its highest.

ILLER BANK, INC.

FOOTNOTES OF NON-CONSOLIDATED END OF YEAR FISCAL STATEMENTS PREPARED AS OF
DECEMBER 31, 2015

(Unless stated otherwise values are expressed in TRL thousand)

SECTION SEVEN

Independent Auditor's Report

I. Disclosures about the independent auditor's report

The Bank's unconsolidated financial statements and footnotes as of December 31, 2015 prepared for public disclosure were independently audited by Rehber Bağımsız Denetim ve Yeminli Mali Müşavirlik AŞ. The independent audit report dated February 26, 2015 is presented in the introduction section of this report.

II. Explanations and footnotes of the independent auditor

There are no significant issues or necessary disclosures or footnotes in relation to the Bank's operations other than those mentioned above.

Belediyeler Bankasından:
Bankamızın 1934 hesap devresine ait blânço ile kâr ve zarar cetveli aşağıya derç ve ilân olunur.

1934 İKİNCİ HESAP DEVRESİ

AKTİF		BİLANÇOSU		PASİF	
	T. L.		T. L.		T. L.
Tahsil olunacak kapital	11 617 646 22	Kapital	15 000 000 00		
Dahilli muhahir bankalar	17 595 35	İhtiyatlar			
Esham ve Tahvilât Cüzdanı		Fevkalâde ihtiyatlar	8 000 00		
A) Borsada kote olanlar	17 595 45	Nizami ve Kanuni:			
Avanslar ve İkrarlar:		İhtiyatlar	11 018 40	19 018 40	
Mütemevvi teminatlı	549 753 62	% 34 hesable kârdan ayrılan kapital	8 145 74		
Borçlu Hesabı Cariler:		Cari hesaplar	142 607 30		
Teminatlı	45 000 00	Sair muhtelif alacaklılar	987 576 49		
İkraz ve Kef. Dolayı Borçlular:		İkraz ve Kef. dolayı alacaklılar:			
Kef. dol. borçl.	249 449 00	Kef. dol. alacak	249 449 00		
İkraz teahhütlerimiz	226 848 35	Taah. dol. alacak	226 848 35	476 297 35	
Sair muhtelif borçlular	535 976 09	İrfa tahsisatı	879 22		
Menkuller:		Kâr	84 761 99		
Makinalar	1 455 69		16 719 286 49		
Kasalar	400 00	Nazım hesaplar			
Mefruat	4 055 06		229 775 84		
Gayri menkuller:					
Sair gayri menkuller	99 654 05				
	16 719 286 49				
Nazım hesaplar					
	229 775 84				
Yekûn	16 949 062 33			Yekûn	16 949 062 33

1934 HESAP SENESİNİN KÂR VE ZARAR CETVELİ

ZİMMET		MATLUP	
	T. L.		T. L.
Genel masraflar		Alınan faizler	136 481 95
Maaslar ve ücretler	36 330 96	Alınan komisyonlar	4 698 27 141 180 22
İdare masrafları	4 720 56	Muhtelif kârlar	4 96
Vergi ve harçlar	282 95	Esham ve tahvilâtın kâr	965 55
Sair masraflar	3 704 62	Sigortalardan kâr	8 660 67
Verilen faiz	410 30		
Amortismanlar	591 08		
	66 049 41		
Net kâr	84 761 99		
	150 811 40		
Yekûn	150 811 40		

The document showing the Balance Sheet of the Second Fiscal Period and Profit and Loss Statement of 1934

INFORMATION ON FINANCIAL POSITION, PROFITABILITY AND SOLVENCY

ASSETS STRUCTURE

As a result of its activities in 2015, Iller Bank's total assets increased by 13.09% and reached TRL 18,430,828 thousand.

In terms of size "loans" rank first among asset items with TRL 12,884,980 thousand and a share of 69.91% and "banks" rank second with TRL 4,910,408 thousand and a share of 26.64%, while "tax assets" and "other assets" account for only a mere share on the order of 3.45% with TRL 635,440 thousand.

LIABILITIES STRUCTURE

With 68.13%, shareholders' equity accounts for the biggest share of the Bank's liability structure at TRL 12,557,062 thousand, while external resources and borrowings rank second with a share of 31.87% at TRL 5,873,766 thousand.

TRL 2,561,507 thousand of the Bank's liability inside funds consist of general budget allotments which were received by Iller Bank in December 2015 to be transferred to municipalities and special provincial administrations on January 8, 2016 pursuant to Law numbered 5779 on Allotments of General Budget Revenues to be Allocated to Special Provincial Administrations and Municipalities.

TRL 863,145 thousand among the credits received refers to the credits secured from sources abroad, and extended to local governments.

PROFITABILITY

The Bank posted a net profit of TRL 576,078 thousand on its 2015 activities.

Iller Bank's most important income item is interest income at TRL 1,050,568 thousand; this is followed by non-interest income at TRL 198,797 thousand, of which the biggest components are commissions on non-cash loans, and payments received by the Bank for its consultancy, supervision, and technical services.

Among Iller Bank's expense items, interests paid account for TRL 127 thousand, relatively small compared to interest revenues. Non-interest expenses amount to TRL 469,334 thousand, of which TRL 239,306 thousand has incurred on personnel costs while the remaining TRL 230,028 thousand is incurred on current expenses, reserves, and other expenses.

SOLVENCY

TRL 110,038 thousand shown as taxes payable among Iller Bank's liabilities is for corporation tax and other taxes which are payable when due. Iller Bank is a strongly capitalized financial institution and has a capital adequacy ratio of 57.16%.

As of 31 December, 2015; Cash and Banks

Cash and banks showed at total of TRL 4,910,654 thousand, which is broken down as follows.

TRL 4,877,730 thousand in Domestic Banks,

TRL 32,678 thousand in Domestic Banks (FX),

TRL 67 thousand in Central Bank of Turkey,

TRL 179 thousand in the Headquarters and Regional Directorates of the Bank

Financial Assets Available-for-Sale

This account is where Iller Bank tracks NIĞBAŞ Niğde Beton San. ve Tic. A.Ş. in which the Bank holds a stake of 1.86%, and Emlak Gayrimenkul Yatırım Ortaklığı A.Ş. where the Bank holds a stake of 0.000032152%. Out of the Financial Assets Available for Sale, with a total book value of TRL 2,667 thousand, TRL 2,547 thousand is in NIĞBAŞ Niğde Beton Sanayi ve Ticaret A.Ş., and TRL 120 is in Emlak Gayrimenkul Yatırım Ortaklığı A.Ş. The shares recognized in this account are traded in ISE. A reserve of TRL 2,344 thousand is set aside for these shares, with a balance of TRL 323 thousand showing up on our balance sheet as of the end of year.

INFORMATION ON FINANCIAL POSITION, PROFITABILITY AND SOLVENCY

Loans

The year-end balance of the directed credits extended to local governments and non directed credits extended to bank employees amounted to TRL 12,884,980 thousand, which is broken down as follows:

Short Term

TRL 22,008 thousand from Short-Term Specialization Loans

TRL 44,881 thousand from Other Short-Term Loans with Collateral

TRL 66,889 thousand

Medium and Long-term

TRL 11,987,196 thousand from Medium and Long-Term Specialization Loans

TRL 830,895 thousand from Medium and Long-Term Specialization Loans (FX)

TRL 12,818,091 thousand

Non-performing loans

This account is where Iller Bank tracks its receivables arising for various reasons as a result of the Bank's non-lending relations with its personnel and with other individuals and organizations with which it does business are past due despite the initiation of legal action by the Bank. The account shows a balance of TRL 556 thousand as of December 31, 2015 and it is fully provisioned.

Receivables from Rental Transactions

Iller Bank has receivables from its rental income on its real estates in the amount of TRL 3,195 thousand.

Tangible, Intangible and Investment Assets

These accounts are used for tracking all of Iller Bank's real estates for its internal use as well as for investment purposes, in addition to furniture, furnishings, tools, equipment, vehicles, and licensed computer software. Information about the values of these assets, their depreciation and outstanding balances is presented in the chart below.

(Thousand TRL)	Book value	Depreciations	Balance
Movables	19.453	11.693	7.760
Real Estate	371.331	48.035	323.296
Real Estate for Investment Purposes	85.952	103	85.849
Licensed Computer Software	5.674	2.374	3.300
Amortized Assets			
Movables	19.483	19.483	-
Real Estate	2.078	2.078	-
Licensed Computer Software	13.290	13.290	-
Movables in Inventory	8	-	8
Total	517.269	97.056	420.213

Of the TRL 371,331 thousand worth of real estate properties shown in the chart, TRL 103,771 thousand is for buildings and social facilities; TRL 243,514 thousand is for land; and TRL 24,046 thousand is for buildings under construction. Iller Bank's real estate properties were insured for TRL 250 thousand while its movables were insured for TRL 39 thousand for 2015.

INFORMATION ON FINANCIAL POSITION, PROFITABILITY AND SOLVENCY
Tax Assets

This account showed a year-end balance of TRL 66,334 thousand consisting of;

67.218	Thousand TRL	Deferred tax asset
(884)	Thousand TRL	Deferred tax liability.

Other Assets

This account showed a year-end balance of TRL 145,129 thousand consisting of;

112.573	Thousand TRL	Receivables on forward sales of assets.
25.335	Thousand TRL	Miscellaneous receivables;
10.975	Thousand TRL	Letters of guarantee received for submittal to Enforcement Directorates, and there after cashed in,
9.343	Thousand TRL	Outstanding balance of litigation and court expenses
4.187	Thousand TRL	Accounts of bank personnel, government agencies and private concerns, of which balances will be collected/ liquidated in future years
457	Thousand TRL	Utility (electricity, water, mains gas) deposits paid for Iller Bank business premises and personnel housing
365	Thousand TRL	Payables by municipalities and special provincial authorities arising from insurance transactions
8	Thousand TRL	Guarantee Commission and Discretionary Deductions Paid by the Bank on behalf of Municipalities for collection in the accrual period for foreign credits
888	Thousand TRL	Stocks of materials purchased and maintained in the previous years on behalf of local governments; office supplies etc held in warehouses,
6.333	Thousand TRL	Suspense accounts (payable),
3.437	Thousand TRL	Prepaid expenditures and other debit accounts, and advance payments
2.896	Thousand TRL	Accounts to be liquidated next year (used only as a book keeping technique and will be wound up in the early months of the following year),

Credits Received

The end-of-year balance of this account where the foreign currency credits secured by the Bank from Foreign Banks and Agencies, for extension of credits to local governments is **TRL 863,145 thousand** consisting of;

717.335	Thousand TRL	Credits received from World Bank within the framework of Municipal Services Project,
145.810	Thousand TRL	Credits received from Japan International Cooperation Agency.

Funds

The end-of-year balance of this account where the funds accumulated in the Bank due to various laws is booked is **TRL 4,431,438 thousand** consisting of;

2.561.507	Thousand TRL	Municipality and special provincial administration shares to be transferred before January 10, 2016,
1.303.701	Thousand TRL	Amount transferred from the Ministry of Finance to the Bank under SUKAP project,
398.415	Thousand TRL	Municipality and Village share grants set aside out of the Bank's profits as per the Bank's governing law,
70.573	Thousand TRL	Amount transferred to the Bank within the framework of Urban Infrastructure Services out of the Budget of the Ministry of Environment Urban Planning,
68.759	Thousand TRL	Amount transferred to our Bank for infrastructure investment of İstanbul Finance Center
8.906	Thousand TRL	Amount transferred for urban transformation of high-risk areas and shanty towns,
8.528	Thousand TRL	Amount transferred from the Ministry of Finance to the Bank under BELDES project,
5.714	Thousand TRL	Amount transferred to the Bank within the framework of ÇEVDES project,
2.919	Thousand TRL	Grant directed to the improvement of environment
1.101	Thousand TRL	Amount obtained from European Investment Bank
1.315	Thousand TRL	other funds.

INFORMATION ON FINANCIAL POSITION, PROFITABILITY AND SOLVENCY
Miscellaneous Payables

This account showed a year-end balance of **TRL 95,953 thousand** consisting of;

38,648	Thousand TRL	Dividend set aside and remaining after payment of profits for years 2013-2014,
19,302	Thousand TRL	Amounts deposited as contributions of local governments for the facilities constructed by the Bank,
13,766	Thousand TRL	Other debts of the Bank,
8,13	Thousand TRL	Provisional deduction amounts for the construction work being carried out under the World Bank Municipal Services Project
7,92	Thousand TRL	Final and provisional cash guarantees,
5,052	Thousand TRL	Amount deducted from rations according to the related notifications of The Ministry of Finance and Social Security Institution,
3,345	Thousand TRL	Internal Security Fund
774	Thousand TRL	Contractors' receivables from material prices,
728	Thousand TRL	Amount of premium that Groupama AŞ and Güneş Sigorta AŞ that we are agents of will receive from us
288	Thousand TRL	Payable earnings of the Bank's constructors,

Liabilities

This account showed a year-end balance of **TRL 39,155 thousand** consisting of:

10.887	Thousand TRL	Amounts transferred to the Bank within the framework of Ağrı/Patnos urban transformation projects
7.936	Thousand TRL	Installments and other money order amounts according to the credit agreements carried out between Local governments and sent to our BANK via EFT
6.417	Thousand TRL	Amounts that will be kept from the guarantees of the contractors who has been determined to receive excess payment as a result of the audit related to Marmara earthquake investments and other progress payments, shows the amounts that will be liquidated according to court order
5.425	Thousand TRL	Amounts that will be liquidated in the following year
3.106	Thousand TRL	Amount deposited to our account by Selçuklu Municipality for construction of Konya Service Building that will be considered among the real estates after net settlement at the end of construction
3.079	Thousand TRL	Amount collected through execution
1.456	Thousand TRL	Advance commissions charged on letters of guarantee extended to municipalities
510	Thousand TRL	Retirement bonus provision for staff to retire
339	Thousand TRL	Other payables of the Bank

Reserves And Tax Obligations

This account showed a year-end balance of **TRL 444,075 thousand** consisting of:

238.177	Thousand TRL	Control fund incomes and insurance incomes which cannot be distributed, and this is subject
95.860	Thousand TRL	Reserves for Employee Entitlements,,
47.954	Thousand TRL	Payable Corporate Income Tax,
47.062	Thousand TRL	Income Tax Withholding belonging to und of 51% fund, reserved from the profit
15.022	Thousand TRL	Taxes, Duties, Charges and Premiums Payable.

INFORMATION ON FINANCIAL POSITION, PROFITABILITY AND SOLVENCY

Capital

As of the end of year 2015, TRL 18,000,000 thousand is collected out of the Bank's nominal capital of **TRL 10,483,745 thousand** consisting of

- 8.656.390 Thousand TRL held by Municipalities and subsidiaries of municipalities,
- 897.659 Thousand TRL held by Special Provincial Administrations,
- 929.696 Thousand TRL Capital transfers from profits.

Capital Reserves

This account with an end-of-year balance of TRL 885,246 thousand consists of Capital Reserves Arising Inflation Accounting, amounting to TRL 876,514 thousand, and 8,732 thousand TRL 75% of the earnings from the sale of real estate and subsidiary shares as per sub-para graph (e), article 5 of the Corporate Income Tax Law numbered 5520.

Statutory Reserves

The end-of-year balance of statutory reserve set aside out of the Bank's net profits as per the Bank's Articles of Incorporation is TRL 555,961 thousand, which consists of TRL 340,314 thousand of Statutory Reserves, TRL 92,066 thousand of Discretionary Reserves, TRL 123,426 thousand of status reserves, and TRL 155 thousand of reserves in accordance with other regulations.

REVENUES and EXPENDITURES

Iller Bank booked revenues amounting to TRL 1,258,795 thousand in 2015 and expenditures worth TRL 682,717 thousand. This corresponds to a profit-after-tax of TRL 576,078 thousand for the year.

Comparison of Revenues

The chart below shows Iller Bank's revenues generated in 2015 in comparison to those in 2014.

(Thousand TRL)			
Type of Revenue	2014	2015	DIFFERENCE
Interest Income			
Interest from Loans	745.853	714.755	(31.098)
Interest from Interbank Money Market	0	0	0
Interest from Banks	152.827	330.910	178.083
Interest from Securities			0
Other Interest Revenues	5134	4.903	(231)
Fees and Commissions from Loans			0
Fees and Commissions on Loans	9.461	10.951	1.490
Banking Services Income	3.224	2.701	(523)
Deferred Tax Assets and Liabilities Income	15.613	9.089	(6.524)
Other Non-Interest Operating Income	246.339	185.486	(60.853)
Foreign Exchange Gains	160	0	(160)
Total	1.178.611	1.258.795	80.184

As the chart shows, the Bank's revenues increased by 6.80% in 2015 on a year-to-year basis.

INFORMATION ON FINANCIAL POSITION, PROFITABILITY AND SOLVENCY

Comparison of Expenses

The chart below shows Iller Bank's expenses incurred in 2015 in comparison to those in 2014.

(Thousand TRL)			
Type of Expense	2014	2015	DIFFERENCE
Interest Expenses			
Interest Paid on Loans (FX)	23	33	10
Other Interest Expenses	1.729	94	(1.635)
Non-interest Expenses			0
Personnel Expenses	217.659	239.306	21.647
Taxes and Fees	13.268	7.972	(5.296)
Fees and Commissions Paid	319	341	22
Depreciation Costs	9.515	9.717	202
Foreign Exchange Losses		91	91
Severance Benefit Provisions	10.436	9.967	(469)
Other Provisions	67.335	33.280	(34.055)
Tax Reserves	199.610	211.776	12.166
Deferred Tax Asset-Liability Expenses	743	1.139	396
Other non-Interest Expenses	133.431	169.001	35.570
Total	654.068	682.717	28.649

The chart reveals that the Bank's expenses increased by 4.38% compared to those of 2014.

RISK MANAGEMENT POLICIES IMPLEMENTED PER RISK TYPE

Risk management at the Bank is carried out in accordance with the internal regulations issued by the Board of Directors of the Bank, on the basis of the provisions of the Banking Law no. 5411, regulations, communiqués, and other pieces of legislation issued by BRSA for the execution of the said law.

The risks the Bank may incur with reference to its strategies and operations are assessed, monitored and kept under control using strategies, policies, limits and application methods to monitor, control, and where necessary alter the risk/return structure entailed by future cash flows of the bank, as well as the characteristics and level of its activities on the basis of the risk structure. Written policies and application methods are established to manage all the risks caused by the Bank's operations. The

Board of Directors or relevant internal systems official shall regularly assess the adequacy of these, and shall effect necessary changes. Within the framework of establishing Risk Management Policies and Application Methods of the Bank, as a minimum, the strategies regarding the Bank's operations, compatibility with the volume, nature, and complexity of its operations, the level of risk it may assume, risk monitoring and management capacity, past experience and performance, the level of expertise the directors of the units carrying out the operations command in the relevant field, and the obligations stipulated in the Banking Law and other applicable regulations shall be taken into consideration.

As a rule of thumb, any risk to be taken within the frame described above

should be defined and manageable. In addition, current and potential future impacts of the risk exposure are measured to the extent allowed by risk measurement and reporting techniques. The Bank establishes written limits for quantifiable risks arising from its activities within the frame of Article 5 of the BRSA's Regulation on Internal Systems of Banks, which limits are approved and regularly reviewed by the Board of Directors.

The Bank was exempted, as a response to the written request for exemption filed with BRSA from the obligations regarding the "Internal Capital Adequacy Evaluation Procedure (ISEDES)" preparation and submittal, it has before the BRSA as per article 43 and 48 of the "Regulation on the Internal Systems and Internal Capital Adequacy Assessment Procedures".

RISK MANAGEMENT POLICIES IMPLEMENTED AS OF RISK TYPES

Explanations on Credit Risk

The Bank observes best practices within the frame of BRSA regulations and restrictions, and thus ensures management of credit risk in accordance with its volume, quality and complexity of its lending. As a rule of thumb, new products and services are evaluated with respect to credit risk. The Bank legally calculates the value at credit risk within the framework of the Regulation on Measurement and Evaluation of Capital Adequacy of Banks issued by the BRSA. The credit risk is essentially managed so as to guarantee that it will remain above the minimum limit set for the legal capital adequacy standard ratio. The Bank submits reports on its credit risk exposure to the BRSA within the frame of applicable legislation.

The Bank gets related units to monitor the credits and credit lines established.

Explanations on Market Risk

Market risk includes the interest rate risk, stock position risk and currency risks that arise from changes in interest rates, exchange rates and stock prices in financial markets, which are addressed individually. The Bank does not receive deposits and operate under article 77 of the Banking Law numbered 5411. Its banking functions, consist primarily of extending cash and non-cash credit to municipalities and to special provincial authorities (which are the Bank's shareholders) against collateral consisting of allotments of general budget revenues transferred pursuant to Law no. 5779 and of municipal local revenues, and secondly of mediating insurance.

The Amount Subject to Market Risk at the Bank is calculated within the framework of statutory reporting, using the Standard Method on a monthly basis; it is taken into consideration in the calculation of the Bank's Capital Adequacy Standard Ratio, and is included within the grand total for Capital obligations.

In case of calculations using the Internal Method, on the other hand, the

Risk Exposed Value (RMD) estimates are made on a daily basis using Parametric, Monte Carlo and Historical Simulation Methods, whereas Marginal and Incremental RMD calculations and advanced RMD analyses are carried out on a weekly basis. Retrospective back testing is applied on a daily basis to test the reliability of the results of the models utilized. With respect to the market risk, RMD based limits are set at the Bank, within the framework of the "Risk and Authority Limits Application Methods" published through Board of Directors resolution. Furthermore, the banks are subjected to stress testing and scenario analyses on a monthly basis. The Bank was exempted, as a response to the written request for exemption filed with BRSA, from the obligations regarding the annual reporting of Stress Tests, it has before the BRSA as per article 43 of the "Regulation on the Internal Systems and Internal Capital Adequacy Assessment Procedures".

Operational Risk

Operational risk refers to the probability of suffering loss due to inadequate or failed internal processes, or due to people or systems or external events, covering the statutory risks as well. The Bank ensures management of operational risk in line with its volume, quality and complexity of its operations within the frame of BRSA regulations, and acknowledges that operational risk management is a process that encompasses all of its activities and employees. The Bank employees are required to be aware of operational risks and assess their impact when fulfilling their duties, authorities and responsibilities; to take necessary measures to mitigate and/or prevent risks or to develop recommendations for such measures, and to conduct their activities with an awareness of control.

In operational risk management policies, the Bank's basic aims are to identify risks before they arise, to report and evaluate them regularly. Accord-

ingly, the key principle in operational risk management policy is defined as taking action to prevent the realization of risk. Increasing the intensity of controls on every phase of all work processes identified across the Bank is the most effective policy tool in operational risk management. The Amount Subject to Operational Risk at the Bank is calculated within the framework of statutory reporting, using the "Fundamental Indicator Method" on an annual basis; it is included in the calculation of the Bank's Capital Adequacy Standard Ratio. Since 2013, the data regarding the losses effected by operational risk on the Bank is entered into the Operational Risk Loss Database drawn up in accordance with Basel standards. The data gathered in the database shall constitute the basis of capital calculations to determine the operational risk, as well as serving as a crucial part of the process concerning the analysis, monitoring and control of the Bank's operational risk profile through statistical analysis.

Explanations on Currency Risk

The currency risk refers to the probability of suffering loss due to changes in exchange rates, with reference to the foreign currency assets and obligations the banks have. The Bank observes the provisions of the Regulation on the Calculation and Implementation of Foreign Currency Net General Position/Equity Standard Ratio by Bankson Consolidated and Non-consolidated Basis in maintaining the relation and balance among foreign currency assets and liabilities in order to secure a foreign currency position that is in line with its shareholders' equity. Currency risk regarding the foreign currency loans extended by the World Bank and JICA to municipalities shall be borne by the municipalities, as per the agreements. Currency conversion losses/gains sustained on the portions of such lendings that are used by the Bank under the rubric of "Strengthening Institutional Capacity" are to be borne by the Bank. Asset and liability account items appearing at the ends

RISK MANAGEMENT POLICIES IMPLEMENTED AS OF RISK TYPES

of fiscal periods evaluated on the basis of the exchange rates announced by the Central Bank of Turkey (TCMB), and the exchange rate P/L is calculated thereon.

The primary goal of the currency risk policy is to keep Foreign Currency Net General Position/Equity Standard Ratio within legal limits within the frame of the Bank's financial standing, current economic developments and recent trends in the market, while observing profitability and productivity.

The Bank calculates and reports RMD for its foreign currency position on a daily basis. Limits concerning foreign currency risk are set and monitored within the framework of the "Risk and Authority Limits Application Methods" approved by the Board of Directors.

Explanations on Interest Rate Risk

The interest rate risk refers to the probability that the Bank shall suffer loss due to its exposure to changes in interest rates regarding financial instruments. The interest rates are set by the Board of Directors, in consideration of the mission and vision of the bank as well as the prevailing conditions of the day, or by the Assets and Liabilities Committee, which sets the rates in any case at a level not less than the interest rates established by the Board of Directors. The set rates do not apply to previously extended credit balances.

The interest rate risk caused by the banking accounts is calculated and monitored at the Bank, to see compliance with the limits established under the Risk Authority Limits Application Methods, as per the provisions of the "Regulation on the Assessment and Evaluation of Interest Rate Risk Caused by Banking Accounts Using the Standard Shock Method". Furthermore, the assets and liabilities sensitive to interest rates are compared with reference to their maturity, and interest-rate-sensitive GAP analysis is applied. The Bank is not exposed to structural interest rate risks, as it is able to revise credit interest rates

unilaterally with reference to the developments in the markets, and as it does not incur any interest expenses regarding funding.

Explanations on Liquidity Risk

The liquidity risk refers to the risk of the Bank's failure to perform its obligations due to causes such as term inconsistencies between the assets and liabilities, an increase in non-performing loans, problems in interest and principal collections, deceleration of cash flow, fall in profitability, increase in demand for cash, fall in new cash inflows so as to lead to a failure to cover outflows. Liquidity risk arises as the most important risk factor when the structural problem arising from the extension of long-term loans on the back of short-term funds, which represents a key problem of the banking system, coincides with a financial crisis. Therefore, the Bank's assets and liabilities structure is evaluated in terms of their maturity, and proforma cash flows are determined. The primary objective is to place liquidity surplus in view of alternative returns and fulfilling the required liquidity with the most cost-effective funds. Operating as a development and investment bank, Iller Bank does not accept deposits and thus, it is not exposed to any deposit-based liquidity risk arising from market volatilities. In the event circumstances that give rise to risks arise with the Bank, relevant units take initiative to eliminate the same.

Management of Information Systems

The purpose of the Information Systems Risk Management Policy is to determine the principles to identify, assess, monitor, control, report, and manage the risks arising out of the use of information technologies, as well as the principles to constitute the basis of management of information systems used in the execution of the Bank's operations.

This policy aims to ensure effective management of information tech-

nologies, which is a critical element in maintaining the operations of the Bank, by considering the management of information systems as part of corporate management practices. The provisions of this policy shall apply for the management of the information systems of the Bank, and all elements containing these systems.

In principle, the risks arising out of information technologies shall be taken into consideration within the framework of the Bank's operational risk management. Considering that these risks may be factors in other risks arising out of the banking operations, it is elementary to maintain the assessment, close monitoring and supervision within the framework of integrated risk management for the Bank.

Risk Protection And Risk Reduction Policies And The Processes Regarding Continuous Controls Of The Efficiency Thereof In order to preclude any significant effect adverse situations which may arise during the operations of the Bank, the risk levels should, as a rule, be subject to limits compatible with the risk profile and risk tolerance. The risk limits are established with reference to the views and opinions of the General Manager, Audit Committee, and relevant Senior Managers, and approved by the Board of Directors. The risk limits are set at levels compatible with the risk levels the Bank may assume, as well as its operations, the scale and complexity of its products and services.

The limits are reviewed on a regular basis, and are adopted to changes in the market conditions, the Bank's strategy and risk appetite, and is monitored at fixed intervals. Figures subject to credit risk, operational risk and market risk are calculated to determine the minimum capital requirement, and the capital adequacy ratio is calculated over these figures. The Bank does not have an internal risk position, nor does it carry a position to hedge against internal risk.

RISK MANAGEMENT POLICIES IMPLEMENTED AS OF RISK TYPES

Information on Ratings

The bank does not offer banking services for the market, in enterprise and commercial settings. The majority of the credits extended by the bank are credits on projects. Article 13, paragraph 5 of the Bank's Governing Law nr. 6107 states that the provision of article 7, sub-paragraph(b), article 17, paragraph one, and provisions regarding reserves and other safeguard provisions of law no 5411 shall not apply for the Bank. In accordance with the special law and regulations governing the Bank, its portfolio structure is characterized by a low risk of default. Even though the Bank enjoys a robust collateral structure, the assets comprising the collateral for the credits extended do not fit into the collateral categories provided in Basel II criteria. Therefore, no rating pro-

cess was applied regarding the credit benchmarks at the Bank.

Risk Protection and Risk Reduction Policies and the Processes Regarding Continuous Controls of the Efficiency

There of In order to prevent the Bank from significant negations while executing the activities, it's fundamental to confine the risk levels compatible with risk profile and risk margin.

The risk limits are established with reference to the views and opinions of the General Manager, Audit Committee, and relevant Senior Managers, and approved by the Board of Directors.

The risk limits are set at levels compatible with the risk levels the Bank may assume, as well as its operations, the scale and complexity of its products and services. Limits are reviewed

on a regularly basis, and are adopted to changes in the market conditions, the Bank's strategy and alterations in the risk appetite and, monitored at fixed intervals.

Figures subject to credit risk, operational risk and market risk are calculated to determine the minimum capital requirement, and the capital adequacy ratio is calculated over these figures. The Bank does not have an internal risk position, nor does it carry a position to hedge against internal risk.

In the assessment conducted by International Rating Agency Kobirate within the framework of an agreement for credit rating service of 2015, signed in 25.03.2015 that is fundamental for debit capability of the Bank. The ratings are as follows:

Long-Term Foreign Currency Issuer Default Rating	(BBB- Stable)
Long-Term National Rating	(KR AAA Stable)
Short Term National Rating	(KR A-1 Stable)
Support Rating	(KRD-1')

THE BANK'S CREDIT RATINGS RECEIVED FROM CREDIT RATING AGENCIES, AND EXPLANATIONS

Due Date of Ratings	Representation of Ratings	Description of Ratings
Long-Term	KR AAA	States that the debts and debtors rated are utmost quality and fulfills their financial duties in extremely high rates, by comparison to other debts and debtors.
Long-Term	KR BBB+	States that the debts and debtors rated are average quality and capabilities to fulfill their financial duties is high, and risk is high to be affected from the adverse economic conditions, by comparison to other debts and debtors.
	KR BBB-	
Short-Term	KR A-1	States that the debts and debtors rated are utmost quality by comparison to other debts and debtors.
Support Rating	KRD-1	The probability of the Bank to be supported is very high. The possessor of the support has the highest credit rate and has a high supporting capacity. The supporting capacity and tendency to support sector totally, of the local authorities is at top level.

SUMMARY FINANCIAL INFORMATION FOR THE PERIOD 2011-2015

ASSETS	2011	2012	2013	2014	2015
LIQUID ASSETS	3.438.994	3.496.146	2.940.740	4.377.964	4.910.977
LOANS	7.784.913	8.949.749	11.358.967	11.477.528	12.844.980
SUBSIDIARIES AND AFFILIATED CORPORATIONS	552	618	580	-	-
TANGIBLE and INTANGIBLE FIXED ASSETS	132.082	153.604	319.214	325.924	420.213
OTHER ASSETS	36.282	41.479	94.487	115.725	214.658
TOTAL	11.392.823	12.641.596	14.713.988	16.297.141	18.430.828

LIABILITIES	2011	2012	2013	2014	2015
RECEIVED CREDITS	433.862	413.255	552.219	614.810	863.145
FUNDS	2.369.285	2.679.819	3.367.403	3.706.179	4.431.438
RESERVES AND TAX OBLIGATIONS	102.080	168.486	293.091	385.924	444.075
OTHER LIABILITIES	47.967	73.544	310.240	255.345	135.108
SHAREHOLDERS' EQUITY	8.439.629	9.306.492	10.191.035	11.334.883	12.555.062
TOTAL	11.392.823	12.641.596	14.713.988	16.297.141	18.430.828

PROFIT/LOSS	2011	2012	2013	2014	2015
INTEREST REVENUES	548.597	647.667	685.332	903.814	1.050.568
INTEREST EXPENSES	29	23	15	1.752	127
NET INTEREST REVENUES	548.568	647.644	685.317	902.062	1.050.441
NET FEE AND COMMISSION REVENUES	13.334	12.551	13.264	12.366	13.311
FOREIGN CURRENCY PROFITS/LOSES(NET)	(378)	(17)	(792)	160	(91)
OTHER OPERATING INCOMES	38.389	64.809	169.083	246.339	185.486
TOTAL OPERATING INCOMES	599.913	724.987	866.872	1.160.927	1.249.147
RESERVES FOR LOANS AND OTHER RECEIVABLES	1.629	40.221	98.077	67.335	33.280
OTHER OPERATING EXPENSES	263.812	290.824	327.777	384.309	435.963
PROFITS BEFORE TAX	334.472	393.942	441.018	709.283	779.904
TAX RESERVES	87.573	102.354	113.898	184.740	203.826
NET PROFITS/LOSS FOR THE PERIOD	246.899	291.588	327.120	524.543	576.078

INFORMATION ON WORKS COMPLETED BY THE BANK IN 2015

WORKS COMPLETED IN YEAR 2015 OUT OF THE BANK'S INVESTMENT PROGRAM, IN THE MAPPING SECTOR

ROW NUMBER	NAME OF MUNICIPALITY	PROVINCE	SECTOR	CHARACTERISTICS	COMMENCEMENT DATE	COMPLETION DATE	COST (TRL)
1	ÇUKURKUYU	ERZİNCAN	ZONING PLAN	ZONING PLAN	02.03.2010	CANCELLED	17.582

WORKS COMPLETED IN YEAR 2015 OUT OF THE BANK'S INVESTMENT PROGRAM, IN THE POTABLE WATER SECTOR

ROW NUMBER	NAME OF MUNICIPALITY	PROVINCE	SECTOR	CHARACTERISTICS	COMMENCEMENT DATE	COMPLETION DATE	COST (TRL)
1	- VAKFIKEBİR - YALIKÖY- - ÇARŞIBAŞI - EYNEŞİL - BEŞİKDÜZÜ	TRABZON GİRESUN	POTABLE WATER	Treatment, Conveyance, Storage, Grid	02.07.2010	03.07.2015	11.487
TOTAL							11.487

WORKS COMPLETED IN YEAR 2015 OUT OF THE LOCAL GOVERNMENTS' INVESTMENT PROGRAM, IN THE POTABLE WATER, OTHER INFRASTRUCTURE AND SUPERSTRUCTURE SECTORS

ROW NUMBER	NAME OF MUNICIPALITY	PROVINCE	SECTOR	CHARACTERISTICS	COMMENCEMENT DATE	COMPLETION DATE	COST (TRL)
1	SU KANAL (ORHANGAZI)	BURSA	POTABLE WATER	POTABLE WATER CONSTRUCTION	22.05.2013	27.08.2015	7.192.546
2	MALKARA*	TEKİRDAĞ	POTABLE WATER	POTABLE WATER CONSTRUCTION	22.08.2012	09.09.2015 CANCELLED	10.672.377
3	BAYRAMPAŞA	İSTANBUL	OTHER INFRASTRUCTURE	ROAD AND/OR SIDEWALK CONSTRUCTION	12.07.2013	19.06.2015	2.016.197
4	KAPAKLI*	TEKİRDAĞ	OTHER INFRASTRUCTURE	ASPHALT ROAD PAVEMENT CONSTRUCTION REINFORCED WITH C25 CONCRETE	21.08.2013	25.11.2014	6.000.000
5	SAKARYA BÜYÜKŞEHİR BELEDİYESİ	SAKARYA	OTHER INFRASTRUCTURE	95,5 KM ROAD PAVEMENTS TO SAKARYA PROVINCE, CITY AND VILLAGE ROADS; IN THE SCOPE OF 2013 INVESTMENT PROGRAM	15.07.2013	07.07.2015	11.661.392
6	SAKARYA SPECIAL PROVINCIAL ADMINISTRATION *	SAKARYA	OTHER INFRASTRUCTURE	FIRST SUPERFICIAL PAVEMENT APPLICATION TO 2ND GROUP HENDEK-ERENLER VILLAGES ROADS	24.06.2013	10.11.2013	837.927
7	BURSA BÜYÜKŞEHİR	BURSA	OTHER INFRASTRUCTURE	ASPHALT PAVEMENT AND ROAD PATCHING ON MAIN ROADS, AVENUES AND, STREETS	25.06.2013	07.07.2015	31.020.308
8	SELENDİ	MANİSA	OTHER INFRASTRUCTURE	ATATÜRK AVENUE ROAD AND PAVEMENT CONSTRUCTION	18.04.2013	11.08.2015	785.635
9	TEPEBAŞI	ESKİŞEHİR	OTHER INFRASTRUCTURE	PAVEMENT AND ROAD JOBS IN ERTUĞRULGAZI AND FEVZİ ÇAKMAK NEIGHBORHOODS	10.04.2013	31.10.2015	7.067.743
10	SPECIAL PROVINCIAL ADMINISTRATION	AFYON	OTHER INFRASTRUCTURE	ROAD AND/OR SIDEWALK CONSTRUCTION	30.06.2015	15.10.2015	216.007
11	SPECIAL PROVINCIAL ADMINISTRATION	AFYON	OTHER INFRASTRUCTURE	ROAD AND/OR SIDEWALK CONSTRUCTION	17.08.2015	12.11.2015	338.789
12	SPECIAL PROVINCIAL ADMINISTRATION	AFYON	OTHER INFRASTRUCTURE	ROAD AND/OR SIDEWALK CONSTRUCTION	15.06.2015	13.11.2015	615.046
13	ÇANKIRI	ÇANKIRI	OTHER INFRASTRUCTURE	CONCRETE PARQUET AND TILE CONSTRUCTION JOB IN URBAN ROADS	12.09.2014	01.01.2015	590.483

INFORMATION ON WORKS COMPLETED BY THE BANK IN 2015

14	OSMANCIK	ÇORUM	OTHER INFRASTRUCTURE	BITUMED HOT MIXED ASPHALT PRODUCTION	09.10.2013	12.01.2015	3.788.783
15	ÇANKAYA*	ANKARA	OTHER INFRASTRUCTURE	CURB AND PAVEMENT RENEWAL JOB IN MUH. MAH. STREET	28.03.2013	23.12.2013	3.028.509
16	ÇANKAYA*	ANKARA	OTHER INFRASTRUCTURE	ROAD AND/OR SIDEWALK CONSTRUCTION	28.03.2013	23.12.2013	7.686.632
17	MERKEZ	KIRIKKALE	OTHER INFRASTRUCTURE	INTERLOCKING PAVEMENT, CURB AND RAINWATER GUTTER CONSTRUCTION	11.01.2013	28.01.2015	5.074.000
18	SPECIAL PROVINCIAL ADMINISTRATION	ÇORUM	OTHER INFRASTRUCTURE	INTERLOCKING PAVEMENT CONSTRUCTION OF 12 VILAGES IN OSMANCIK DISTRICT	22.05.2015	12.10.2015	604.569
19	SPECIAL PROVINCIAL ADMINISTRATION	ÇORUM	OTHER INFRASTRUCTURE	ROAD AND/OR SIDEWALK CONSTRUCTION	10.07.2015	14.09.2015	584.982
20	SPECIAL PROVINCIAL ADMINISTRATION	ÇORUM	OTHER INFRASTRUCTURE	CONCRET PAVING STONE OF 15 VILAGES IN OĞUZLAR DISTRICT AND ROAD AND/OR SIDEWALK CONSTRUCTION	29.06.2015	04.09.2015	866.944
21	PAYAS	HATAY	OTHER INFRASTRUCTURE	CHANNEL, BRIQUETTE, CURTAIN WALL, PARQUET, CURB AND RAINWATER GUTTER CONSTRUCTION	02.07.2012	08.05.2015	15.710.739
22	KIRIKHAN	HATAY	OTHER INFRASTRUCTURE	ROAD CONSTRUCTION BY INTERLOCKING PARQUETE STONE	21.08.2014	12.03.2015	810.374
23	CEYHAN*	ADANA	OTHER INFRASTRUCTURE	STREET PARQUETE ROAD CONSTRUCTION ON ŞEHİT ÖZBİLEN NBHD, İSTIKLAL NBHD, AND CUMHURİYET NBHD	29.01.2013	07.08.2014	6.973.189
24	ANAMUR	MERSİN	OTHER INFRASTRUCTURE	ROAD CONSTRUCTION BY INTERLOCKING PARQUETE STONE	17.07.2014	17.02.2015	643.842
25	YUMURTALIK*	ADANA	OTHER INFRASTRUCTURE	MUNICIPAL ROAD CONSTRUCTION BY INTERLOCKING PARQUETE STONE	20.03.2014	19.12.2014	2.113.663
26	DÖRTYOL	HATAY	OTHER INFRASTRUCTURE	HOT ASPHALT	30.10.2013	29.04.2015	2.902.800
27	OSMANIYE*	OSMANIYE	OTHER INFRASTRUCTURE	ROAD CONSTRUCTION BY INTERLOCKING PARQUETE IN VARIOUS NEIGHBORHOODS	08.02.2013	05.08.2014	5.717.720
28	ÖZBAĞ	KIRŞEHİR	OTHER INFRASTRUCTURE	MUNICIPAL ROAD CONSTRUCTION AND ARRANGMENT	12.11.2014	14.01.2015	196.045
29	MERKEZ*	KIRŞEHİR	MUNICIPAL ROAD LANDSCAPING AND ASPHALT CONSTRUCTION	MUNICIPAL ROAD LANDSCAPING AND ASPHALT CONSTRUCTION	05.06.2013	28.11.2014	10.767.924
30	ADIYAMAN*	ADIYAMAN	ROAD AND PAVEMENT LANDSCAPING	ROAD AND PAVEMENT LANDSCAPING	30.06.2011	12.03.2012	1.509.600
31	BÜYÜKŞEHİR	GAZİANTEP	OTHER INFRASTRUCTURE	CROSSOVER ROAD CONSTRUCTION IN ABDÜLKADİR AKSU BOULEVARD D-400 HIGHWAY CONNECTION	09.09.2014	15.01.2015	17.125.600
32	BİRECİK*	Ş.URFA	OTHER INFRASTRUCTURE	INTERLOCKING PAVEMENT, CURB AND RAINWATER GUTTER CONSTRUCTION	06.04.2013	26.02.2014	1.308.746
33	HİLVAN*	Ş.URFA	OTHER INFRASTRUCTURE	ROAD AND PAVEMENT LANDSCAPING	16.01.2013	03.09.2013	2.106.739
34	HİLVAN*	Ş.URFA	OTHER INFRASTRUCTURE	INTERLOCKING PAVEMENT, CURB AND RAINWATER GUTTER CONSTRUCTION	17.09.2013	11.11.2013	1.768.386
35	BAŞKALE*	VAN	OTHER INFRASTRUCTURE	ROAD AND PAVEMENT LANDSCAPING CONSTRUCTION JOB 2	03.10.2013	21.11.2013	697.797
36	MURADIYE*	VAN	OTHER INFRASTRUCTURE	MUNICIPAL BRIDGE CONSTRUCTION	08.10.2013	11.12.2013	1.687.258
37	PALANDÖKEN*	ERZURUM	OTHER INFRASTRUCTURE	ASPHALT COATED ROAD AND PAVEMENT CONSTRUCTION	27.03.2013	24.11.2014	3.018.761
38	AZİZİYE	ERZURUM	OTHER INFRASTRUCTURE	ASPHALT AND CORNERS STONE COATING JOB	14.06.2013	10.11.2015	1.612.980
39	GERZE*	SİNOP	OTHER INFRASTRUCTURE	MUNICIPAL SUPERFICIAL ASPHALT COATING CONSTRUCTION JOB	22.09.2014	13.11.2014	599.730
40	SPECIAL PROVINCIAL ADMINISTRATION	RİZE	OTHER INFRASTRUCTURE	CONCRETE ROAD, STONE WALL, POTABLE WATER, WALLS AND ROADS MAINTENANCE AND REPAIR OF MERKEZ AND VILLAGE	21.10.2013	07.07.2015	42.360

INFORMATION ON WORKS COMPLETED BY THE BANK IN 2015

ROW NUMBER	NAME OF MUNICIPALITY	PROVINCE	SECTOR	CHARACTERISTICS	COMMENT DATE	COMPLETION DATE	COST (TRL)
41	ARDEŞEN*	RİZE	OTHER INFRASTRUCTURE	ROAD LANDSCAPING JOB	22.11.2012	05.02.2014	4.975.839
42	EYNEŞİL	GİRESUN	OTHER INFRASTRUCTURE	NEIGHBORHOOD ROADS AND/OR SIDEWALK CONSTRUCTION	17.04.2015	09.06.2015	355.708
43	BÜYÜKŞEHİR	TRABZON	OTHER INFRASTRUCTURE	ORTAHİSAR (TRABZON) VILLAGE NEIGHBORHOOD ROADS CONCRETE ROAD CONSTRUCTION	09.06.2015	13.10.2015	1.529.780
44	BÜYÜKŞEHİR	TRABZON	OTHER INFRASTRUCTURE	TONYA (TRABZON) VILLAGE NEIGHBORHOOD ROADS AND/OR SIDEWALK CONSTRUCTION	10.06.2015	15.09.2015	595.831
45	GÜCE	GİRESUN	OTHER INFRASTRUCTURE	ROAD AND/OR SIDEWALK CONSTRUCTION	03.12.2014	28.04.2015	566.193
46	FINDIKLI*	RİZE	OTHER INFRASTRUCTURE	ASPHALT ROAD CONSTRUCTION	02.12.2013	14.04.2014	851.462
47	SPECIAL PROVINCIAL ADMINISTRATION	TRABZON	OTHER INFRASTRUCTURE	CONCRETE ROAD CONSTRUCTION FOR RENEWAL OF ROADS OF-HAYRAT ROUTE	26.03.2014	18.03.2015	253.991
48	SPECIAL PROVINCIAL ADMINISTRATION	RİZE	OTHER INFRASTRUCTURE	3500 M3 C20/25 READY MIXED CONCRETE CASTING TO THE VILLAGES RELATED TO MERKEZ DISTRICT	30.10.2014	09.06.2015	485.000
49	BALLICA*	TRABZON	OTHER INFRASTRUCTURE	OF AND TOWNS' ASPHALT CONSTRUCTION JOB	22.05.2013	15.07.2014	1.084.146
50	GÜRPINAR*	TRABZON	OTHER INFRASTRUCTURE	ASPHALT CONSTRUCTION JOB	22.05.2013	15.07.2014	1.703.658
51	OF*	TRABZON	OTHER INFRASTRUCTURE	OF AND TOWNS' ASPHALT CONSTRUCTION JOB	22.05.2013	15.07.2014	1.331.951
52	UĞURLU*	TRABZON	OTHER INFRASTRUCTURE	OF AND TOWNS' (UĞURLU) ASPHALT CONSTRUCTION JOB	22.05.2013	15.07.2014	993.800
53	ESKİPAZAR*	TRABZON	OTHER INFRASTRUCTURE	OF AND TOWNS' (ESKİPAZAR) ASPHALT ROAD CONSTRUCTION JOB	22.05.2013	15.07.2014	729.946
54	CIJMAPAZARI*	TRABZON	OTHER INFRASTRUCTURE	OF AND TOWNS' (CIJMAPAZARI) ASPHALT ROAD CONSTRUCTION JOB	22.05.2013	15.07.2014	1.357.339
55	BÖLÜMLÜ*	TRABZON	OTHER INFRASTRUCTURE	OF AND TOWNS' (BÖLÜMLÜ) ASPHALT ROAD CONSTRUCTION JOB	22.05.2013	15.07.2014	1.509.968
56	KIYIÇIK*	TRABZON	OTHER INFRASTRUCTURE	OF AND TOWNS' (KIYIÇIK) ASPHALT ROAD CONSTRUCTION JOB	22.05.2013	15.07.2014	1.172.087
TOTAL							197.459.822

* (*) Included in the list for year 2015, as it was not shown in the list for the year of completion.

WORKS COMPLETED IN YEAR 2015 OUT OF THE LOCAL GOVERNMENTS' INVESTMENT PROGRAM, IN THE SEWAGE SECTOR

ROW NUMBER	NAME OF MUNICIPALITY	PROVINCE	SECTOR	CHARACTERISTICS	COMMENT DATE	COMPLETION DATE	COST (TRL)
1	AKSARAY	AKSARAY	SEGAWE	SEWAGE SYSTEM	17.07.2013	13.02.2015	1.768.340

WORKS COMPLETED IN YEAR 2015 OUT OF THE LOCAL GOVERNMENTS' INVESTMENT PROGRAM, IN THE MUNICIPALITY STRUCTURES SECTOR

ROW NUMBER	NAME OF MUNICIPALITY	PROVINCE	SECTOR	CHARACTERISTICS	COMMENT DATE	COMPLETION DATE	COST (TRL)
1	AVCILAR	İSTANBUL	MUNICIPALITY STRUCTURES	Social Facility Building Construction (Ambarlı Nhd)	05.10.2012	05.02.2015	659.965
2	UZUNKÖPRÜ	EDİRNE	MUNICIPALITY STRUCTURES	Culture Center	19.11.2013	17.08.2015	5.319.396
3	KARESİ	BALIKESİR	MUNICIPALITY STRUCTURES	Schoolyard And Public Garden Landscaping	15.07.2015	15.10.2015	1.048.230
4	KALE	DENİZLİ	MUNICIPALITY STRUCTURES	Shopping-Mall And Workshop Construction	17.11.2014	06.11.2015	4.379.597
5	TURGUTLU	MANİSA	MUNICIPALITY STRUCTURES	Youth & Culture Center Construction	10.01.2014	05.05.2015	1.195.997
6	EŞME	UŞAK	MUNICIPALITY STRUCTURES	City Square Public Garden Construction	24.04.2015	13.08.2015	445.056
7	EŞME	UŞAK	MUNICIPALITY STRUCTURES	Elvanlar Nhd Public Garden Construction	16.03.2015	23.07.2015	103.900

INFORMATION ON WORKS COMPLETED BY THE BANK IN 2015

ROW NUMBER	NAME OF MUNICIPALITY	PROVINCE	SECTOR	CHARACTERISTICS	COMMENT DATE	COMPLETION DATE	COST (TRL)
8	EŞME	UŞAK	MUNICIPALITY STRUCTURES	Istasyon Nhd Public Garden Construction	21.04.2015	09.07.2015	148.343
9	EŞME	UŞAK	MUNICIPALITY STRUCTURES	Wedding Hall Construction Elvanlar Nhd	10.03.2015	17.06.2015	252.996
10	MERKEZ	BİLECİK	MUNICIPALITY STRUCTURES	Asphalt Plant Facility (Asphalt Plant Bitumen Ranks, Machinery Repair Shops, Office Buildings, Supplies Storehouse, And Heavy Equipment Parkland) Construction.	12.12.2014	23.07.2015	2.065.230
11	OSMANELİ	BİLECİK	MUNICIPALITY STRUCTURES	Sakarya Landside 2nd Social Reinforcement Field Construction	20.07.2015	17.11.2015	449.480
12	KEPEZ	ANTALYA	MUNICIPALITY STRUCTURES	Congress And Culture Center Construction	25.12.2012	24.04.2015	5.063.097
13	KESTEL	ANTALYA	MUNICIPALITY STRUCTURES	Countryside Diner Construction	31.03.2015	12.12.2015	400.911
14	MERKEZ	ISPARTA	MUNICIPALITY STRUCTURES	Underground Parking Garage Construction In front Of The Municipality Service Building	19.11.2014	02.11.2015	3.000.000
15	KEÇİBORLU	ISPARTA	MUNICIPALITY STRUCTURES	Indoor Marketplace Construction	15.08.2015	12.11.2015	1.500.000
16	EĞİRDİR	ISPARTA	MUNICIPALITY STRUCTURES	Waste Water Treatment Facility Landscaping	10.06.2015	10.10.2015	258.206
17	YALVAÇ	ISPARTA	MUNICIPALITY STRUCTURES	Bus Station, Fire Station And Additional Service Building Construction	20.11.2013	16.03.2015	365.562
18	AKŞEHİR	KONYA	MUNICIPALITY STRUCTURES	Selçuklu Accessible Public Garden Construction	24.11.2014	02.06.2015	604.634
19	ÇİĞİL	KONYA	MUNICIPALITY STRUCTURES	Slaughterhouse Modernization	02.01.2014	02.04.2015	0
20	KARAMAN	KONYA	MUNICIPALITY STRUCTURES	Prof. Dr. Necmettin Erbakan Public Garden Construction	07.04.2015	03.11.2015	2.784.530
21	KEÇİÖREN	ANKARA	MUNICIPALITY STRUCTURES	Various Public Garden Repairs	07.05.2015	02.10.2015	3.999.533
22	MAMAK	ANKARA	MUNICIPALITY STRUCTURES	Misket Neighborhood Seyir Tower Landscaping And Construction	02.11.2012	20.08.2015	2.127.648
23	MERKEZ	ÇANKIRI	MUNICIPALITY STRUCTURES	Aksu Nhd District Bazaar Snack Bar WC, Abdül Halik Renda Nhd, Bademli Mosque WC Repair And Various Boulevards And Street Concrete Curtain Wall Job	24.04.2013	20.08.2015	500.000
24	MERKEZ	ÇORUM	MUNICIPALITY STRUCTURES	Vocational High School Campus School Building Construction	26.08.2013	15.08.2015	6.434.966
25	MERKEZ	KIRŞEHİR	MUNICIPALITY STRUCTURES	801 Lot, 36 Block Spo Kirşehir Branch Lodging Building Construction	15.08.2013	25.05.2015	1.345.070
26	MERKEZ	KAYSERİ	MUNICIPALITY STRUCTURES	New Route Constructions To Rail System 2,3 Level Depot Area	08.08.2011	31.05.2015	0
27	SORGUN	YOZGAT	MUNICIPALITY STRUCTURES	Slaughterhouse Modernization And Modification Construction	20.07.2015	18.12.2015	1.350.000
28	YEŞİLLİ	MARDİN	MUNICIPALITY STRUCTURES	Municipality Service Building Modification Construction	01.10.2015	25.11.2015	481.910
29	MERKEZ	MALATYA	MUNICIPALITY STRUCTURES	Kernek Marketplace And Hanım Culture Center Landscaping And Ipek Street Hanımlar Culture Center	07.08.2013 01.08.2014	05.05.2015 09.07.2015	503.623
30	MERKEZ	MALATYA	MUNICIPALITY STRUCTURES	Wellness And Sports Center	10.01.2013	09.05.2015	1.133.040
31	TEKMAN	ERZURUM	MUNICIPALITY STRUCTURES	Bath Construction	27.07.2015	04.11.2015	444.569
32	MERKEZ	SIVAS	MUNICIPALITY STRUCTURES	Meat And Milk Integrated Plant Construction	31.07.2013	15.08.2015	10.504.498
33	VEZİRKÖPRÜ	SAMSUN	MUNICIPALITY STRUCTURES	Göl Nhd. Marketplace Construction	09.09.2014	08.03.2015	209.082
34	VEZİRKÖPRÜ	SAMSUN	MUNICIPALITY STRUCTURES	Ensuring Youth & Culture Center Multipurpose Hall Acoustic Harmony And, Preparation Of Stage Mechanic, Sound Sys. And Furbishing Establishment	14.10.2014	12.04.2015	1.286.374
35	MERKEZ	ORDU	MUNICIPALITY STRUCTURES	Municipality Service Building Construction	01.07.2013	17.03.2015	3.850.448
36	İLKÜVEZ	ORDU	MUNICIPALITY STRUCTURES	Residence Building Construction With 22 Apartment	17.09.2013	02.01.2015	0
37	BULANCAK	GİRESUN	MUNICIPALITY STRUCTURES	Parking Lot And Culture Center	21.10.2013	20.03.2015	375.847
38	ÇAYELİ	RİZE	MUNICIPALITY STRUCTURES	Playground And Recreation Site Construction	25.03.2015	22.08.2015	1.052.164
39	ÇAMLIHEMŞİN	RİZE	MUNICIPALITY STRUCTURES	Service Building Repair Construction	10.07.2015	07.11.2015	370.669
40	KOZLU	ZONGULDAK	MUNICIPALITY STRUCTURES	Seaside Project 3rd Stage Landscaping	31.01.2014	05.06.2015	0
41	EREĞLİ	ZONGULDAK	MUNICIPALITY STRUCTURES	Bus Station Terminal Construction	19.04.2013	09.03.2015	1.413.513
TOTAL							67.428.084

INFORMATION ON WORKS COMPLETED BY THE BANK IN 2015

WORKS COMPLETED IN YEAR 2015 OUT OF THE LOCAL GOVERNMENTS' INVESTMENT PROGRAM, IN THE CADASTRAL WORKS SECTOR

ROW NUMBER	NAME OF MUNICIPALITY	PROVINCE	SECTOR	CHARACTERISTICS	COMMENCEMENT DATE	COMPLETION DATE	COST (TRL)
1	KÖMÜR	ADIYAMAN	MAPPING	MAPPING	12.03.2014	07.01.2015	94.185
2	YAVUZELİ	GAZİANTEP	MAPPING	MAPPING	24.04.2014	07.01.2015	82.272
3	AŞAĞIÇARDAK (NİZİP)	GAZİANTEP	MAPPING	MAPPING	21.07.2014	09.02.2015	40.710
4	KIZILTEPE	MARDİN	MAPPING	MAPPING	27.09.2013	19.12.2014	175.820
5	SASON	BATMAN	MAPPING	MAPPING	10.04.2015	12.11.2015	194.076
6	SASON	BATMAN	MAPPING	MAPPING	30.04.2014	12.11.2015	54.772
7	YÜCEBAĞ	BATMAN	MAPPING	MAPPING	24.12.2014	25.11.2015	60.416
8	İKİKÖPRÜ	BATMAN	MAPPING	MAPPING	14.05.2015	20.11.2015	79.196
9	BALPINAR	BATMAN	MAPPING	MAPPING	13.05.2015	12.12.2015	87.320
10	GÖZPINARI	SIİRT	MAPPING	MAPPING	21.11.2013	16.03.2015	42.708
11	GÜÇLÜKONAK	ŞIRNAK	MAPPING	MAPPING	08.09.2014	11.05.2015	70.074
12	BEYTÜŞŞEBAP	ŞIRNAK	MAPPING	MAPPING	05.06.2015	12.12.2015	88.165
13	CEYLANPINAR	ŞANLIURFA	MAPPING	MAPPING		23.07.2015	92.040
14	POLATELİ	KİLİS	MAPPING	MAPPING	19.01.2015	22.06.2015	99.120
15	MERKEZ	MARDİN	MAPPING	MAPPING	05.06.2014	31.07.2015	283.710
16	KÖSECELİ	ADIYAMAN	MAPPING	MAPPING	12.12.2014	16.10.2015	76.700
TOTAL							1.621.283

WORKS COMPLETED IN YEAR 2015 OUT OF THE LOCAL GOVERNMENTS' INVESTMENT PROGRAM, IN THE CADASTRAL WORKS SECTOR

ROW NUMBER	NAME OF MUNICIPALITY	PROVINCE	SECTOR	CHARACTERISTICS	COMMENCEMENT DATE	COMPLETION DATE	COST (TRL)
1	SİLVİRİ	İSTANBUL	EXPROPRIATION	EXPROPRIATION	23.07.2015	05.08.2015	3.000.000
2	MERKEZ	ADANA	EXPROPRIATION	EXPROPRIATION	27.05.2013	03.06.2015	1.500.000
3	MERKEZ	ADANA	EXPROPRIATION	EXPROPRIATION	27.12.2012	03.06.2015	9.704.888
4	MERKEZ	ADANA	EXPROPRIATION	EXPROPRIATION	30.10.2010	03.06.2015	8.873
5	MERKEZ	SİVAS	EXPROPRIATION	EXPROPRIATION	27.09.2012	30.11.2015	4.968.089
6	EREĞLİ	KONYA	EXPROPRIATION	EXPROPRIATION	01.01.2012	16.01.2013	4.272.885
7	ŞEHZADELER	MANİSA	EXPROPRIATION	EXPROPRIATION	26.10.2015	09.11.2015	4.477.906
TOTAL							27.932.642

WORKS COMPLETED IN YEAR 2015 OUT OF THE LOCAL GOVERNMENTS' INVESTMENT PROGRAM, IN THE GEOGRAPHICAL INFORMATION SYSTEMS SECTOR

ROW NUMBER	NAME OF MUNICIPALITY	PROVINCE	SECTOR	CHARACTERISTICS	COMMENCEMENT DATE	COMPLETION DATE	COST (TRL)
1	OSMANIYE	OSMANIYE	CBS	CBS	30.05.2014	25.12.2014	1.021.733
2	ÇANKIRI	ÇANKIRI	CBS	CBS	12.08.2013	25.08.2015	927.723
TOTAL							1.949.456

WORKS COMPLETED IN YEAR 2015 OUT OF THE LOCAL GOVERNMENTS' INVESTMENT PROGRAM, IN THE RENEWABLE ENERGY SECTOR

ROW NUMBER	NAME OF MUNICIPALITY	PROVINCE	SECTOR	CHARACTERISTICS	COMMENCEMENT DATE	COMPLETION DATE	COST (TRL)
1	AKDAĞMADENİ	YOZGAT	RENEWABLE ENERGY	RENEWABLE ENERGY	11.05.2015	29.06.2015	28.320
2	METROPOLİTAN MUNICIPALITY	K.MARAŞ	RENEWABLE ENERGY	RENEWABLE ENERGY	08.08.2015	01.09.2015	28.344
3	METROPOLİTAN MUNICIPALITY	K.MARAŞ	RENEWABLE ENERGY	RENEWABLE ENERGY	19.09.2015	18.10.2015	22.656
TOTAL							79.320

INFORMATION ON WORKS COMPLETED BY THE BANK IN 2015

COMPLETED WORKS IN THE MAPPING SECTOR, WITH THE APPROPRIATIONS (GRANTS+LOANS) FROM THE BANK'S PROFITS IN YEAR 2015

ROW NUMBER	NAME OF MUNICIPALITY	PROVINCE	SECTOR	COMMENCEMENT DATE	COMPLETION DATE	EXPENDITURES MADE (TRL)
1	CİDE	KASTAMONU	MAPPING	18.07.2014	12.01.2015	51.022
2	MUSTAFAPAŞA	NEVŞEHİR	MAPPING	30.05.2014	29.12.2014	76.300
3	ALTUNHISAR	NİĞDE	MAPPING	18.07.2014	24.02.2015	62.245
4	HAYRABOLU	TEKİRDAĞ	MAPPING	23.12.2013	25.12.2014	49.560
5	HARMANCIK	BURSA	MAPPING	22.11.2013	20.11.2014	88.000
6	ORTAKÖY	ÇORUM	MAPPING	24.04.2014	05.11.2014	69.069
7	ARICAK	ELAZIĞ	MAPPING	17.04.2014	06.07.2015	128.620
8	TAŞKÖPRÜ	YALOVA	MAPPING	14.07.2014	05.03.2015	88.106
9	UZUNKÖPRÜ	EDİRNE	MAPPING	06.03.2014	06.04.2015	162.250
10	DEREÇİNE	AFYONKARAHISAR	MAPPING	02.07.2014	15.04.2015	67.896
11	KIĞI	BİNGÖL	MAPPING	11.12.2013	29.06.2015	99.905
12	DADAY	KASTAMONU	MAPPING	04.12.2014	25.06.2015	136.880
13	DURSUNBEY	BALIKESİR	MAPPING	13.11.2014	03.06.2015	103.840
14	GÜCE	GİRESUN	MAPPING	04.08.2014	15.07.2015	106.330
15	BAŞKALE	VAN	MAPPING	19.12.2014	11.09.2015	41.300
16	PAZARYOLU	ERZURUM	MAPPING	07.11.2014	07.09.2015	91.909
17	EFLANİ	KARABÜK	MAPPING	30.09.2014	02.12.2015	56.760
18	KARAHALLI	UŞAK	MAPPING	16.12.2014	02.11.2015	70.950
19	BORÇKA	ARTVİN	MAPPING	23.10.2014	03.12.2015	84.252
20	ÇERİKLİ	KIRIKKALE	MAPPING	04.05.2015	22.12.2015	94.400
21	GÖKTEPE	KARAMAN	MAPPING	13.08.2015	22.12.2015	15.930
22	İNÖNÜ (İLAVE)	ESKİŞEHİR	MAPPING	19.06.2015	24.12.2015	31.860
23	SARIVELİLER	KARAMAN	MAPPING	10.08.2015	22.12.2015	22.120
24	KEÇİBORLU	ISPARTA	MAPPING	07.01.2015	15.10.2015	120.375
25	KARAHALİL	KIRLARELİ	MAPPING	18.12.2014	17.08.2015	79.519
26	GÖRDES	MANİSA	MAPPING	16.12.2014	18.09.2015	76.700
27	DERECİK	HAKKARİ	MAPPING	12.11.2014	23.06.2015	152.220
28	ALTINOVA (HASÖY) PAKET	MUŞ	MAPPING		27.08.2015	180.359
29	DURAĞAN	SİNOP	MAPPING		17.08.2015	Shown in the zoning plan
30	ARAÇ	KASTAMONU	MAPPING	23.12.2014	07.09.2015	75.992
31	HALFELİ	İĞDIR	MAPPING		15.10.2015	279.827
32	ŞENKAYA	ERZURUM	MAPPING	26.03.2015	15.10.2015	
33	YAYLADÜZÜ	AĞRI	MAPPING		12.11.2015	
34	YÜCEKAPI	AĞRI	MAPPING		12.11.2015	
35	ARŞİN	TRABZON	MAPPING	15.01.2015	12.11.2015	226.581
36	DAVULGA	AFYON	MAPPING	17.12.2014	08.10.2015	224.200
37	İNÖNÜ	ESKİŞEHİR	MAPPING		08.10.2015	
38	ÇARŞAMBA	SAMSUN	MAPPING	22.12.2014	08.10.2015	88.500
39	TAHİR	AĞRI	MAPPING	21.01.2015	13.11.2015	19.449
40	ELMADAĞ	ANKARA	MAPPING	26.12.2014	03.12.2015	118.999
41	ÇAMARDI	NİĞDE	MAPPING	03.02.2015	16.11.2015	259.601
42	AKPINAR	KIRŞEHİR	MAPPING	21.07.2015	16.11.2015	
TOTAL						3.701.825

INFORMATION ON WORKS COMPLETED BY THE BANK IN 2015

COMPLETED WORKS IN THE CADASTRAL (GAP) SECTOR IN YEAR 2015

ROW NUMBER	NAME OF MUNICIPALITY	PROVINCE	SECTOR	CHARACTERISTICS	COMMEN CEMENT DATE	COMPLE TION DATE	COST (TRL)
1	KÖMÜR	ADIYAMAN	MAPPING	MAPPING	12.03.2014	07.01.2015	94.185
2	YAVUZELİ	GAZİANTEP	MAPPING	MAPPING	24.04.2014	07.01.2015	82.272
3	AŞAĞIÇARDAK (NİZİP)	GAZİANTEP	MAPPING	MAPPING	21.07.2014	09.02.2015	40.710
4	KIZILTEPE	MARDİN	MAPPING	MAPPING	27.09.2013	19.12.2014	175.820
5	SASON	BATMAN	MAPPING	MAPPING	10.04.2015	12.11.2015	194.076
6	SASON	BATMAN	MAPPING	MAPPING	30.04.2014	12.11.2015	54.772
7	YÜCEBAĞ	BATMAN	MAPPING	MAPPING	24.12.2014	25.11.2015	60.416
8	İKİKÖPRÜ	BATMAN	MAPPING	MAPPING	14.05.2015	20.11.2015	79.196
9	BALPINAR	BATMAN	MAPPING	MAPPING	13.05.2015	12.12.2015	87.320
10	GÖZPINARI	SİİRT	MAPPING	MAPPING	21.11.2013	16.03.2015	42.708
11	GÜÇLÜKONAK	ŞIRNAK	MAPPING	MAPPING	08.09.2014	11.05.2015	70.074
12	BEYTÜŞŞEBAP	ŞIRNAK	MAPPING	MAPPING	05.06.2015	12.12.2015	88.165
13	CEYLANPINAR	ŞANLIURFA	MAPPING	MAPPING		23.07.2015	92.040
14	POLATELİ	KİLİS	MAPPING	MAPPING	19.01.2015	22.06.2015	99.120
15	MERKEZ	MARDİN	MAPPING	MAPPING	05.06.2014	31.07.2015	283.710
16	KÖSECELİ	ADIYAMAN	MAPPING	MAPPING	12.12.2014	16.10.2015	76.700
TOTAL							1.621.283



INFORMATION ON WORKS COMPLETED BY THE BANK IN 2015

COMPLETED WORKS IN THE MUNICIPALITY STRUCTURES SECTOR, WITH THE APPROPRIATIONS (GRANTS+LOANS) FROM THE BANK'S PROFITS IN YEAR 2015

ROW NUMBER	NAME OF MUNICIPALITY	PROVINCE	SECTOR	CHARACTERISTICS	COMMEN CEMENT DATE	COMPLE TION DATE	COST (TRL)
1	HAVSA	EDİRNE	CONST-RUCTION	PUBLIC GAR-DEN CONST-RUCTI	19.06.2014	15.11.2014	7.091.984
2	PINARHİSAR	KIRKLARELİ					
3	SARAY	TEKİRDAĞ					
4	MURATLI						
5	HAYRABOLU						
6	GEYVE	SAKARYA					
7	KOCAALİ						
8	KAYNARCA						
9	SÖĞÜTLÜ	BALIKESİR					
10	BİGADIÇ						
11	DURSUNBEY						
12	GÖMEÇ						
13	HAVRAN	ÇANAKKALE					
14	İVRİNDİ						
15	AYVACIK						
16	ECEBAT	ADANA	CONST-RUCTION	PUBLIC GAR-DEN CONST-RUCTI	05.06.2014	02.11.2014	6.813.551
17	YUMURTALIK						
18	TUFANBEYLİ						
19	İMAMOĞLU						
20	YAYLADAĞI						
21	ARABAN						
22	OĞUZELİ						
23	GÖKSUN						
24	ÇAĞLAYANCERİT						
25	BOZOVA						
26	KOVANCILAR						
27	PALU						
28	KARAKOÇAN						
29	GENÇ						
30	SOLHAN						
31	BATTALGAZİ						
32	HEKİMHAN						
33	DOĞANŞEHİR						
34	ARAPGİR						
35	YEŞİLYURT						
36	YEŞİLHİSAR						
37	İNCESU						
38	TOMARZA						
39	YAHYALI						
40	MUCUR						
41	GÜLŞEHİR						
42	HACİBEKTAŞ						
43	ÜRGÜP						
44	YEŞİLGÖLCÜK						
45	AKDAĞMADENİ						
46	ŞEFAATLI						
47	SARAYKENT						
48	KADIŞEHİRİ						
49	SARIKAYA						

INFORMATION ON WORKS COMPLETED BY THE BANK IN 2015

50	SALIPAZARI	SAMSUN	CONSTRUCTION	PUBLIC GARDEN CONSTRUCTION	27.05.2014	23.10.2014	7.253.902	
51	ALAÇAM							
52	ONDOKUZMAYIS							
53	HAVZA							
54	AYANCIK	SİNOP						
55	GERZE							
56	GÜMÜŞHACIKÖY	AMASYA						
57	TAŞOVA							
58	KORGAN	ORDU						
59	ÇATALPINAR							
60	KABATAŞ							
61	GÖLKÖY							
62	GÜRGENTEPE	KASTAMONU						
63	CİDE							
64	BOZKURT							
65	ARAÇ							
66	TAŞKÖPRÜ	KARABÜK						
67	ESKİPAZAR							
68	ALAPLI	ZONGULDAK						
69	SÜRMENE	TRABZON	CONSTRUCTION	PUBLIC GARDEN CONSTRUCTION	19.06.2014	16.11.2014	6.266.805	
70	ARSIN							
71	OF							
72	YOMRA							
73	TONYA							
74	ARAKLI							
75	EYNEŞİL							GİRESUN
76	ŞEBINKARAHISAR							GÜMÜŞHANE
77	ŞIRAN							RİZE
78	PAZAR							
79	FINDIKLI							
80	KALKANDERE	ERZURUM						
81	PASINLER							
82	HINIS							
83	KARAÇOBAN	İĞDIR						
84	ARALIK							
85	TUZLUCA	AĞRI						
86	DIYADİN							
87	TUTAK	KARS						
88	SARIKAMIŞ							
89	ÇAYIRLI	ERZİNCAN						
90	TERCAN							
91	ÜZÜMLÜ	ARDAHAN						
92	MERKEZ BELEDİYESİ							
93	GÖLE	SİVAS						
94	SUŞEHRİ							
95	DİVRİĞİ							
96	GÜRÜN							
97	ŞARKIŞLA	TOKAT						
98	YILDIZELİ							
99	ALMUS							
100	REŞADİYE							

INFORMATION ON WORKS COMPLETED BY THE BANK IN 2015

101	ÇALDIRAN	VAN	CONSTRUCTION	PUBLIC GARDEN CONSTRUCTION	19.06.2014	15.12.2014	5.908.735
102	ÖZALP						
103	EDREMİT						
104	GÜRPINAR						
105	HASKÖY	MUŞ					
106	MALAZGİRT						
107	BULANIK	BİTLİS					
108	AHLAT						
109	ÇERMİK	DİYARBAKIR					
110	LİCE						
111	ÖMERLİ	MARDİN					
112	YEŞİLLİ						
113	İDİL	ŞIRNAK					
114	ÇİFTELER						
115	ÇAY	AFYONKARAHİSAR	CONSTRUCTION	PUBLIC GARDEN CONSTRUCTION	11.11.2014	09.04.2015	6.091.670
116	ÇOBANLAR						
117	BAŞMAKÇI						
118	EMİRDAĞ						
119	OSMANELİ	BİLECİK					
120	PAZARYERİ						
121	GEDİZ	KÜTAHYA					
122	KESKİN						
123	BAYAT	ÇORUM					
124	GEREDE						
125	MENGEN	BOLU					
126	ÇİLİMLİ						
127	AKÇAKOCA	DÜZCE					
128	ŞABANÖZÜ						
129	ILGAZ	ÇANKIRI					
TOTAL							56.388.241



Gümüşhane/Kelkit, School Landscaping

COMPLETED WORKS IN THE ZONING PLAN SECTOR, WITH THE APPROPRIATIONS (GRANTS+LOANS) FROM THE BANK'S PROFITS IN YEAR 2015

ROW NUMBER	NAME OF MUNICIPALITY	PROVINCE	SECTOR	COMMENCEMENT DATE	COMPLETION DATE	EXPENDITURES MADE (TRL)
1	MANAVGAT	ANTALYA	ZONING PLAN	26.04.2011	16.03.2015	94.400
2	KORGUN	ÇANKIRI	ZONING PLAN	17.04.2014	20.03.2015	22.420
3	VARTO	MUŞ	ZONING PLAN	14.08.2013	11.02.2015	25.066
4	SIZIR	SİVAS	ZONING PLAN	05.03.2014	08.01.2015	35.399
5	İLKÜVEZ	ORDU	ZONING PLAN	16.04.2012	31.08.2015	20.790
6	MURADIYE	RİZE	ZONING PLAN	06.03.2014	04.08.2015	21.870
7	REFAHIYE	ERZİNCAN	ZONING PLAN	24.04.2014	22.06.2015	14.780
8	ALTINTAŞ	KÜTAHYA	ZONING PLAN	24.02.2014	15.09.2015	20.553
9	DOĞANŞAR	SİVAS	ZONING PLAN	16.12.2014	16.10.2015	47.849
10	KAHTA	ADYAMAN	ZONING PLAN	02.05.2014	09.05.2014	23.305
11	SARAYDÜZÜ	SİNOP	ZONING PLAN	18.07.2014	24.11.2015	21.830
12	EDİKLİ	NİĞDE	ZONING PLAN	16.04.2014	23.04.2014	24.495
13	İNCESU	KAYSERİ	ZONING PLAN	27.12.2011	03.11.2015	12.980
14	DİKMEN	SİNOP	ZONING PLAN	05.09.2014	10.12.2015	44.220
15	ULALAR	ERZİNCAN	ZONING PLAN	16.07.2013	30.11.2015	25.358
16	MERKEZ*	BURSA	ZONING PLAN	15.09.2014	CANCELLED	940.749
17	DEMİRÖZÜ	BAYBURT	ZONING PLAN	26.12.2014	31.07.2015	59.310
TOTAL						1.455.373



Amasya, Town Square Landscaping

COMPLETED WORKS IN THE GEOLOGY SECTOR, WITH THE APPROPRIATIONS (GRANTS+LOANS) FROM THE BANK'S PROFITS IN YEAR 2015

ROW NUMBER	NAME OF MUNICIPALITY	PROVINCE	SECTOR	COMMENCEMENT DATE	COMPLETION DATE	EXPENDITURES MADE (TRL)
1	ARTVIN	MERKEZ	GEOLOGY	24.10.2014	11.05.2015	179.360
2	ALANYA	ANTALYA	GEOLOGY	20.12.2013	30.09.2015	99.592
3	SULAKYURT	KIRIKKALE	GEOLOGY	14.04.2014	25.12.2014	33.040
4	ALTINTAŞ	KÜTAHYA	GEOLOGY	28.05.2013	03.02.2015	28.329
5	VARTO	MUŞ	GEOLOGY	11.07.2014	25.12.2014	49.560
6	KARAÇAM	TRABZON	GEOLOGY	07.04.2011	03.12.2014	18.806
7	MURADIYE	RİZE	GEOLOGY	29.08.2013	03.12.2014	70.224
8	GERZE	SİNOP	GEOLOGY	19.07.2012	05.02.2015	38.380
9	ÇEPNİ	SİVAS	GEOLOGY	05.05.2014	25.12.2014	51.566
10	YENİMUHACİR	EDİRNE	GEOLOGY	16.04.2014	25.11.2014	26.432
11	BABAESKİ	KIRLARELİ	GEOLOGY	25.07.2014	18.02.2015	67.555
12	BAHADIN	YOZGAT	GEOLOGY	29.08.2013	04.02.2015	35.249
13	BOZCALI	TOKAT	GEOLOGY	22.05.2014	04.02.2015	Shown in the zoning plan
14	ÇAT	ERZURUM	GEOLOGY	01.03.2014	05.02.2015	46.160
15	EDİKLİ	NİĞDE	GEOLOGY	22.08.2013	05.02.2015	27.984
16	İKİZDERE	RİZE	GEOLOGY	24.10.2014	05.02.2015	42.480
17	ZİYARET	AMASYA	GEOLOGY	02.06.2014	05.02.2015	15.408
18	DODURGA	ÇANKIRI	GEOLOGY	22.03.2013	10.04.2015	9.680
19	SARIVELİLER	KARAMAN	GEOLOGY	29/519	18.03.2015	34.100
20	DİĞOR	KARS	GEOLOGY	19.04.2013	03.03.2015	36.993
21	AYDINTEPE	BAYBURT	GEOLOGY	19.09.2013	03.12.2014	13.623
22	SERENLİ	TOKAT	GEOLOGY	25.06.2014	18.03.2015	35.282
23	ARZULAR	GÜMÜŞHANE	GEOLOGY	19.08.2014	30.04.2015	Shown in the zoning plan
24	KARLIOVA	BİNGÖL	GEOLOGY	18.07.2014	03.06.2015	110.271
25	BEREKETLİ	TOKAT	GEOLOGY	02.07.2014	24.06.2015	27.437
26	SELİM	KARS	GEOLOGY	12.11.2014	24.06.2015	Shown in the zoning plan
27	AYRANCI	KARAMAN	GEOLOGY	02.07.2014	24.06.2015	36.391
28	BAYDIĞIN	YOZGAT	GEOLOGY	09.12.2014	27.07.2015	Shown in the zoning plan
29	BAYINDIR (ZEYTİNOVA)	İZMİR	GEOLOGY	19.03.2015	05.08.2015	Shown in the zoning plan
30	SARAY	TEKİRDAĞ	GEOLOGY	04.03.2015	27.07.2015	Shown in the zoning plan
31	TİREBOLU	GİRESUN	GEOLOGY	08.12.2014	28.07.2015	Shown in the zoning plan
32	ÜSKÜP	KIRLARELİ	GEOLOGY	17.12.2014	24.06.2015	Shown in the zoning plan
33	HAMUR-I	AĞRI	GEOLOGY	30.04.2014	14.08.2015	Shown in the zoning plan
34	HAMUR-II	AĞRI	GEOLOGY	02.04.2015	14.08.2015	30.503
35	ŞAŞAT	ARTVIN	GEOLOGY	03.11.2014	28.08.2015	89.798
36	ALACA	ÇORUM	GEOLOGY	25.12.2014	14.08.2015	37.524
37	DERİNKUYU	NEVŞEHİR	GEOLOGY	22.01.2014	31.08.2015	30.680
38	GÜRÜN	SİVAS	GEOLOGY	23.02.2015	10.09.2015	39.714
39	KESKİN	KIRIKKALE	GEOLOGY	10.07.2015	28.12.2015	95.580
40	BELEKÇAHAN	YOZGAT	GEOLOGY	26.06.2015	17.11.2015	24.780
41	KURANCALI	KIRŞEHİR	GEOLOGY	27.04.2015	29.12.2015	Shown in the zoning plan
42	KULA	MANİSA	GEOLOGY	29.04.2015	30.11.2015	81.725
43	AKÇAKENT	KIRŞEHİR	GEOLOGY	13.11.2014	11.03.2015	27.140
44	ANDIRIN	K. MARAŞ	GEOLOGY	07.11.2014	24.04.2015	30.680
45	YAKUTİYE-1	ERZURUM	GEOLOGY	16.12.2014	19.03.2015	87.320
46	YAKUTİYE-2	ERZURUM	GEOLOGY	11.12.2014	20.03.2015	93.220

INFORMATION ON WORKS COMPLETED BY THE BANK IN 2015

ROW NUMBER	NAME OF MUNICIPALITY	PROVINCE	CHARACTERISTICS	SECTOR	COMMENCEMENT DATE	COMPLETION DATE	EXPENDITURES MADE (TRL)
47	YAKUTİYE-3	ERZURUM	GEOLOGY		24.11.2014	21.03.2015	115.510
48	YAKUTİYE-4	ERZURUM	GEOLOGY		17.11.2014	22.03.2015	113.280
49	YAKUTİYE-5	ERZURUM	GEOLOGY		17.11.2014	23.03.2015	101.716
50	GÜNEYKENT	ISPARTA	GEOLOGY		02.12.2014	02.04.2015	72.926
51	KAVAKLIDERE	MUĞLA	GEOLOGY		14.11.2014	02.04.2015	165.200
52	KARABAĞLAR	İZMİR	GEOLOGY		09.12.2014	13.04.2015	Shown in the zoning plan
53	MERİÇ	EDİRNE	GEOLOGY		04.06.2014	28.05.2015	31.860
54	KOZLU	ZONGULDAK	GEOLOGY			24.06.2015	
55	FİLYOS	ZONGULDAK	GEOLOGY			05.08.2015	
56	OSMANCIK	ÇORUM	GEOLOGY			06.08.2015	175.820
57	YEŞİLYURT	TOKAT	GEOLOGY			14.07.2015	
58	MESUDİYE	ORDU	GEOLOGY			27.07.2015	
59	AZDAVAY	KASTAMONU	GEOLOGY			29.12.2015	Shown in the zoning plan
60	ABANA		GEOLOGY		30.01.2014		
61	ÇİĞDEMLİ	YOZGAT	GEOLOGY		26.12.2014	15.06.2015	Shown in the zoning plan
62	GÖLOVA-2	SİVAS	GEOLOGY			31.08.2015	35.400
63	GÖLOVA-1	SİVAS	GEOLOGY		05.01.2015	01.09.2015	Shown in the zoning plan
64	HASANŞEYH	TOKAT	GEOLOGY			08.09.2015	
65	VAKFIKEBİR	TRABZON	GEOLOGY		19.01.2015	23.10.2015	59.012
66	DELİCE	KIRIKKALE	GEOLOGY		11.06.2015	17.11.2015	Shown in the zoning plan
67	HALFEDİ	İĞDIR	GEOLOGY		18.12.2014	17.11.2015	Shown in the zoning plan
68	GAZLIGÖL	AFYON	GEOLOGY		06.01.2015	02.11.2015	Shown in the zoning plan
69	DEMİRÖZÜ	BAYBURT	GEOLOGY		26.12.2014	17.01.2015	Shown in the zoning plan
70	MADENLİ	RİZE	GEOLOGY			06.11.2015	
71	ABDİPAŞA	BARTIN	GEOLOGY		25.05.2015	18.11.2015	Shown in the zoning plan
72	BOĞAZIÇI	DÜZCE	GEOLOGY		29.06.2015	24.12.2015	Shown in the zoning plan
73	KEŞAP	GİRESUN	GEOLOGY		22.05.2015	10.12.2015	Shown in the zoning plan
74	ARPAÇAY	KARS	GEOLOGY		15.06.2015	30.12.2015	Shown in the zoning plan
75	DURAĞAN	SİNOP	GEOLOGY		08.01.2015	19.11.2015	Shown in the zoning plan
TOTAL							2.673.289

COMPLETED WORKS IN THE POTABLE WATER SECTOR, WITH THE APPROPRIATIONS (GRANTS+LOANS) FROM THE BANK'S PROFITS IN YEAR 2015

ROW NUMBER	NAME OF MUNICIPALITY	PROVINCE	CHARACTERISTICS	SECTOR	COMMENCEMENT DATE	COMPLETION DATE	EXPENDITURES MADE (TRL)
1	YENİFAKILI	YOZGAT	POTABLE WATER	POTABLE WATER CONSTRUCTION	03.10.2014	13.08.2015	2.935.905

COMPLETED WORKS IN THE SEWAGE SECTOR, WITH THE APPROPRIATIONS (GRANTS+LOANS) FROM THE BANK'S PROFITS IN YEAR 2015

ROW NUMBER	NAME OF MUNICIPALITY	PROVINCE	CHARACTERISTICS	SECTOR	COMMENCEMENT DATE	COMPLETION DATE	EXPENDITURES MADE (TRL)
1	KULLUNCAK	MALATYA	SEWAGE	SEWAGE SYSTEM	27.10.2010	29.01.2015	1.377.184
2	SARAYLAR	BALIKESİR	SEWAGE	SEWAGE SYSTEM	10.10.2013	21.05.2015	1.191.086
3	KULULU	KAYSERİ	SEWAGE	SEWAGE SYSTEM	23.07.2014	28.01.2015	507.778

INFORMATION ON WORKS COMPLETED BY THE BANK IN 2015

WORKS COMPLETED IN 2015 WITHIN THE FRAMEWORK OF SUKAP, IN THE POTABLE WATER SECTOR

ROW NUMBER	NAME OF MUNICIPALITY	PROVINCE	CHARACTERISTICS	SECTOR	COMMENCEMENT DATE	COMPLETION DATE	EXPENDITURES MADE (TRL)
1	AYRANCI	KARAMAN	POTABLE WATER	CONSTRUCTION	20.03.2014	25.01.2015	1.744.678
2	AVANOS*	NEVŞEHİR	POTABLE WATER	POTABLE WATER CONSTRUCTION	19.09.2012	07.02.2015 CANCELLED	3.872.112
3	ŞAMBAYAT	ADİYAMAN	POTABLE WATER	KAP. İS. DE. ŞE.	08.01.2013	21.01.2015	6.876.645
4	HANKENDİ	ELAZIĞ	POTABLE WATER	POTABLE WATER CONSTRUCTION	27.02.2014	29.01.2015	561.421
5	DÜZKÖY	TRABZON	POTABLE WATER	POTABLE WATER CONSTRUCTION	09.12.2013	28.01.2015	327.799
6	GÜCE*	GİRESUN	POTABLE WATER	POTABLE WATER CONSTRUCTION	02.11.2011	24.12.2013	2.837.323
7	UZUNLU*	YOZGAT	POTABLE WATER	POTABLE WATER CONSTRUCTION	07.04.2014	23.09.2014 CANCELLED	63.367
8	HİLVAN	ŞANLIURFA	POTABLE WATER	POTABLE WATER CONSTRUCTION	10.02.2012	09.02.2015	7.898.066
9	BAŞHÜYÜK	KONYA	POTABLE WATER	POTABLE WATER CONSTRUCTION	03.12.2012	17.03.2015	2.299.636
10	MENGEN	BOLU	POTABLE WATER	POTABLE WATER CONSTRUCTION	12.03.2013	09.03.2015	4.411.819
11	ALUCRA	GİRESUN	POTABLE WATER	POTABLE WATER AND SEWAGE CONSTRUCTION	15.06.2012	07.05.2015	6.870.431
12	YALVAÇ	ISPARTA	POTABLE WATER	NETWORK	26.12.2012	05.05.2015	826.462
13	DEVELİ-YEŞİLHİSAR-SİNDELHÖYÜK-GAZİ-ZİLE MUNICIPALITIES AND OKSÜT -KARACAÖREN-TOMBAK-SARICA VILLAGES	KAYSERİ	POTABLE WATER	DEVELİ-YEŞİLHİSAR-SİNDELHÖYÜK-GAZİ-ZİLE MUNICIPALITIES AND OKSÜT -KARACAÖREN - TOMBAK- SARICA VILLAGES POTABLE GROUP CONSTRUCTION	08.04.2013	28.04.2015	19.849.043
14	ÇANDIR	YOZGAT	POTABLE WATER	POTABLE WATER CONSTRUCTION	29.11.2013	12.03.2015	1.129.620
15	ARPAÇAY	KARS	POTABLE WATER	POTABLE WATER CONSTRUCTION (REMAINING WORKS AFTER DISSOLUTION)	16.07.2014	26.03.2015	225.956
16	ÖBEKTAŞ	GÜMÜŞHANE	POTABLE WATER	POTABLE WATER CONSTRUCTION	07.03.2014	13.04.2015	1.629.739
17	İBECİK	BURDUR	POTABLE WATER	POTABLE WATER CONSTRUCTION	02.04.2014	30.04.2015	495.444
18	KEÇİBORLU	ISPARTA	POTABLE WATER	POTABLE WATER CONSTRUCTION	15.11.2012	11.06.2015	8.233.667
19	KARACADAĞ	KONYA	POTABLE WATER	POTABLE WATER AND PORTABLE TREATMENT PLANT CONSTRUCTION	05.10.2012	21.05.2015	1.594.917
20	KİLİS	KİLİS	POTABLE WATER	POTABLE WATER CONSTRUCTION	22.06.2012	19.03.2015	27.053.400
21	ÇEVRELİ	TOKAT	POTABLE WATER	POTABLE WATER CONSTRUCTION	07.05.2013	22.05.2015	1.334.334
22	ARZULAR KABAKÖY	GÜMÜŞHANE	POTABLE WATER	POTABLE WATER AND SEWAGE CONSTRUCTION	28.09.2012	17.06.2015	2.155.158
23	AYKUT*	TRABZON	POTABLE WATER	POTABLE WATER CONSTRUCTION	14.08.2012	21.01.2015 CANCELLED	363.821
24	ALİFUATPAŞA	ADAPAZARI	POTABLE WATER	POTABLE WATER CONSTRUCTION	25.06.2012	13.07.2015	1.556.542
25	BAŞMAKÇI	AFYON	POTABLE WATER	POTABLE WATER CONSTRUCTION	04.02.2014	27.07.2015	5.198.437
26	TAŞUCU	MERSİN	POTABLE WATER	POTABLE WATER CONSTRUCTION	26.02.2013	18.03.2015	4.376.254
27	AYVACIK	ÇANAKKALE	POTABLE WATER	NETWORK CONSTRUCTION	13.09.2013	20.08.2015	7.135.762
28	BÜYÜKBELLEN	MANİSA	POTABLE WATER	POTABLE WATER CONSTRUCTION	18.06.2013	13.08.2015	1.707.526

INFORMATION ON WORKS COMPLETED BY THE BANK IN 2015

29	GÜLAĞAÇ	AKSARAY	POTABLE WATER	POTABLE WATER CONSTRUCTION	21.04.2015	24.08.2015	3.719.438
30	YARBAŞI	OSMANIYE	POTABLE WATER	POTABLE WATER CONSTRUCTION	20.06.2013	28.08.2015	2.283.787
31	KARAHASANLI	NEVŞEHİR	POTABLE WATER	POTABLE WATER CONSTRUCTION	18.06.2014	10.08.2015	956.698
32	PÜLÜMÜR	TUNCELİ	POTABLE WATER	POTABLE WATER CONSTRUCTION	16.12.2013	05.08.2015	2.252.724
33	DARENDE	MALATYA	POTABLE WATER	POTABLE WATER CONSTRUCTION	14.09.2012	14.08.2014	4.240.812
34	MERKEZ	ARDAHAN	POTABLE WATER	HISTORIC STEEL BRIDGE POTABLE WATER VARIANT ROUTE CONSTRUCTION	09.09.2014	24.08.2015	568.775
35	ÇAĞA	ANKARA	POTABLE WATER	POTABLE WATER CONSTRUCTION	04.03.2013	27.05.2015	1.801.851
36	ÇİFTELER	ESKİŞEHİR	POTABLE WATER	POTABLE WATER CONSTRUCTION	23.01.2013	02.09.2015	3.823.507
37	KULP	DIYARBAKIR	POTABLE WATER	POTABLE WATER CONSTRUCTION	03.12.2013	04.09.2015	6.523.234
38	KIZILOT*	ANTALYA	POTABLE WATER	POTABLE WATER CONSTRUCTION	04.04.2013	18.09.2015 CANCELLED	1.914.326
39	İNECE	KIRKLARELİ	POTABLE WATER	POTABLE WATER CONSTRUCTION	02.07.2014	08.10.2015	1.112.163
40	ALTINYAYLA	BURDUR	POTABLE WATER	POTABLE WATER AND SEWAGE CONSTRUCTION	30.10.2012	28.07.2015	3.745.405
41	HATIPLI	ORDU	POTABLE WATER	POTABLE WATER CONSTRUCTION	03.05.2013	18.06.2015	5.691.270
42	GÜRPINAR BALLICA	TRABZON	POTABLE WATER	POTABLE WATER CONSTRUCTION	09.07.2012	02.11.2015	3.176.410
43	BALVEREN	ŞIRNAK	POTABLE WATER	STORAGE	10.12.2014	27.11.2015	298.463
44	ŞAVŞAT	ARTVİN	POTABLE WATER	POTABLE WATER CONSTRUCTION	08.04.2014	27.10.2015	781.172
45	FINDIKLI	RİZE	POTABLE WATER	POTABLE WATER CONSTRUCTION	04.04.2014	30.09.2015	2.159.098
46	ŞIRAN	GÜMÜŞHANE	POTABLE WATER	POTABLE WATER AND PORTABLE TREATMENT PLANT CONSTRUCTION	11.04.2013	17.12.2015	2.512.614
TOTAL							170.191.126

WORKS COMPLETED IN 2015 WITHIN THE FRAMEWORK OF SUKAP, IN THE SEWAGE SECTOR

ROW NUMBER	NAME OF MUNICIPALITY	PROVINCE	CHARACTERISTICS	SECTOR	COMMENCEMENT DATE	COMPLETION DATE	EXPENDITURES MADE (TRL)
1	İKİZCE	ORDU	SEWAGE	SEWAGE SYSTEM	30.10.2012	09.01.2015	3.567.284
2	ÇAYCIUMA	ZONGULDAK	SEWAGE	SEWAGE SYSTEM	19.03.2012	14.01.2015	2.457.732
3	ADILCEVAZ	BİTLİS	SEWAGE	SEWAGE SYSTEM	23.05.2013	16.01.2015	11.460.170
4	SÖĞÜT	BURDUR	SEWAGE	WASTE WATER TREATMENT	29.08.2012	20.01.2015	930.534
5	KULU	KONYA	SEWAGE	SEWAGE SYSTEM	09.12.2013	21.01.2015	1.323.203
6	İSPİR	ERZURUM	SEWAGE	SEWAGE SYSTEM	12.06.2012	21.01.2015	2.626.809
7	BOZKIR	KONYA	SEWAGE	WASTE WATER TREATMENT	27.03.2013	26.01.2015	5.594.899
8	KARAPINAR	ZONGULDAK	SEWAGE	SEWAGE SYSTEM	03.12.2013	29.01.2015	1.786.679
9	HAYMANA	ANKARA	SEWAGE	WASTE WATER TREATMENT	01.08.2013	04.02.2015	3.927.711
10	ÇAYCIUMA	ZONGULDAK	SEWAGE	WASTE WATER TREATMENT	09.05.2013	06.02.2015	6.401.985
11	YEŞİLYURT	KONYA	SEWAGE	SEWAGE SYSTEM	13.04.2012	12.02.2015	2.776.746
12	GÜRAKAR	ŞANLIURFA	SEWAGE	SEWAGE SYSTEM	12.08.2013	12.02.2015	2.926.160
13	KORKUT	MUŞ	SEWAGE	SEWAGE SYSTEM	11.10.2013	19.02.2015	2.607.553

INFORMATION ON WORKS COMPLETED BY THE BANK IN 2015

14	KIYIÇIK	TRABZON	SEWAGE	SEWAGE SYSTEM	20.05.2013	23.02.2015	1.657.609
15	AYVACIK	ÇANAKKALE	SEWAGE	SEWAGE SYSTEM	24.09.2012	26.02.2015	3.836.256
16	YEŞİLGÖLCÜK	NİĞDE	SEWAGE	SEWAGE SYSTEM	08.11.2012	02.03.2015	5.926.332
17	PINARBAŞI	KAYSERİ	SEWAGE	WASTE WATER TREATMENT	25.07.2013	03.03.2015	5.057.519
18	ÇAVDARLI	NİĞDE	SEWAGE	SEWAGE SYSTEM	05.02.2014	05.03.2015	2.181.158
19	ARHAVİ	ARTVİN	SEWAGE	SEWAGE SYSTEM	30.01.2012	05.03.2015	3.101.973
20	YEŞİLBÜK	GÜMÜŞHANE	SEWAGE	SEWAGE SYSTEM	28.09.2012	11.03.2015	1.051.025
21	GENÇ	BİNGÖL	SEWAGE	SEWAGE SYSTEM	28.06.2013	26.03.2015	3.461.944
22	DİVARLI-BOZKÖY	NİĞDE	SEWAGE	SEWAGE SYSTEM	09.11.2012	03.04.2015	4.683.205
23	ÇİVRİL	DENİZLİ	SEWAGE	WASTE WATER TREATMENT	10.12.2013	15.04.2015	4.266.584
24	IHLARA	AKSARAY	SEWAGE	WASTE WATER TREATMENT	09.09.2013	15.04.2015	1.161.537
25	DURSUNBEY	BALIKESİR	SEWAGE	WASTE WATER TREATMENT	04.10.2013	17.04.2015	7.369.035
26	ÇAT	ERZURUM	SEWAGE	SEWAGE SYSTEM	24.04.2013	22.04.2015	1.590.765
27	ALAPLI	ZONGULDAK	SEWAGE	DEEP SEE DISCHARGE	26.07.2012	22.04.2015	2.432.072
28	GÖKÇEYURT-BEYKONAK	KONYA	SEWAGE	SEWAGE SYSTEM	08.07.2014	24.04.2015	563.079
29	HACIABDULLAH	NİĞDE	SEWAGE	SEWAGE SYSTEM	24.04.2014	27.04.2015	3.737.968
30	AKSEKİ	ANTALYA	SEWAGE	WASTE WATER TREATMENT	03.10.2013	29.04.2015	1.781.879
31	KASRIK	ŞIRNAK	SEWAGE	SEWAGE SYSTEM	13.08.2013	30.04.2015	1.980.632
32	ORHANELİ	BURSA	SEWAGE	SEWAGE SYSTEM	27.03.2014	05.05.2015	1.085.561
33	SÜRMENE	TRABZON	SEWAGE	DEEP SEE DISCHARGE	04.07.2012	06.05.2015	2.048.722
34	ORHANELİ	BURSA	SEWAGE	WASTE WATER TREATMENT	10.06.2013	07.05.2015	3.244.733
35	YENİCE	MERSİN	SEWAGE	SEWAGE SYSTEM	10.10.2013	08.05.2015	4.701.211
36	ARGIL	ŞANLIURFA	SEWAGE	SEWAGE SYSTEM	24.02.2014	11.05.2015	380.295
37	PAŞINLER	ERZURUM	SEWAGE	SEWAGE SYSTEM	17.06.2013	14.05.2015	13.167.255
38	ESPIYE	GİRESUN	SEWAGE	SEWAGE SYSTEM	30.01.2012	21.05.2015	6.222.637
39	BADEMDERE	NİĞDE	SEWAGE	WASTE WATER TREATMENT	07.09.2012	22.05.2015	1.992.712
40	PAMUKOVA	SAKARYA	SEWAGE	SEWAGE SYSTEM	04.09.2013	10.06.2015	20.399.652
41	IHLARA	AKSARAY	SEWAGE	SEWAGE SYSTEM	27.06.2012	10.06.2015	1.449.086
42	KARAATLI	NİĞDE	SEWAGE	SEWAGE SYSTEM	05.08.2013	10.06.2015	3.129.201
43	YUNAK	KONYA	SEWAGE	WASTE WATER TREATMENT	01.10.2013	12.06.2015	6.190.778
44	YENİMUHACİR	EDİRNE	SEWAGE	SEWAGE SYSTEM	27.02.2013	15.06.2015	1.201.335
45	SÖĞÜTLÜ	KAHRAMANMARAŞ	SEWAGE	SEWAGE SYSTEM	01.04.2013	15.06.2015	2.431.614
46	YATAĞAN	MUĞLA	SEWAGE	WASTE WATER TREATMENT	08.01.2013	16.06.2015	4.606.936
47	GELENDOST	ISPARTA	SEWAGE	WASTE WATER TREATMENT	19.12.2013	17.06.2015	1.367.098
48	MİLAS	MUĞLA	SEWAGE	SEWAGE SYSTEM	13.11.2013	18.06.2015	57.820.637
49	DEMİRCİ	AKSARAY	SEWAGE	SEWAGE SYSTEM	09.07.2013	01.07.2015	5.567.027
50	BABAESKİ	KIRKLARELİ	SEWAGE	SEWAGE SYSTEM	18.09.2013	02.07.2015	20.641.068
51	BAŞMAKÇI	AFYONKARAHİSAR	SEWAGE	SEWAGE SYSTEM	23.07.2012	03.07.2015	3.077.594
52	GÖRELE	GİRESUN	SEWAGE	DEEP SEE DISCHARGE	21.11.2011	03.07.2015	4.872.099
53	CEVDETIYE	OSMANIYE	SEWAGE	SEWAGE SYSTEM	21.10.2013	07.07.2015	1.939.579

INFORMATION ON WORKS COMPLETED BY THE BANK IN 2015

54	MUSTAFAPAŞA	NEVŞEHİR	SEWAGE	SEWAGE SYSTEM	29.04.2014	14.07.2015	3.109.970
55	DAMAL	ARDAHAN	SEWAGE	SEWAGE SYSTEM	10.09.2012	14.07.2015	2.241.773
56	BORÇKA	ARTVİN	SEWAGE	SEWAGE SYSTEM	12.10.2012	14.07.2015	818.219
57	SUŞEHİRİ	SİVAS	SEWAGE	SEWAGE SYSTEM	06.11.2012	22.07.2015	3.836.238
58	KAZIMKARABEKİR	KARAMAN	SEWAGE	SEWAGE SYSTEM	06.02.2014	28.07.2015	3.563.818
59	HASSA	HATAY	SEWAGE	SEWAGE SYSTEM	17.01.2014	31.07.2015	6.788.888
60	GELİBOLU	ÇANAĞKALE	SEWAGE	WASTE WATER TREATMENT	05.08.2013	07.08.2015	10.215.518
61	KAŞ - ÖBEKTAŞ	GÜMÜŞHANE	SEWAGE	SEWAGE SYSTEM	17.08.2012	13.08.2015	2.489.298
62	DİĞOR	KARS	SEWAGE	SEWAGE SYSTEM	03.02.2012	18.08.2015	1.388.363
63	YENİŞEHİR	BURSA	SEWAGE	WASTE WATER TREATMENT	16.09.2013	19.08.2015	27.773.007
64	GÜLYALI	ORDU	SEWAGE	SEWAGE SYSTEM	07.11.2013	19.08.2015	2.902.019
65	İNECE	KIRKLARELİ	SEWAGE	WASTE WATER TREATMENT	28.06.2013	02.10.2015	3.542.061
66	SULTANHANI	AKSARAY	SEWAGE	SEWAGE SYSTEM	21.05.2013	06.10.2015	13.634.607
67	LADİK	SAMSUN	SEWAGE	SEWAGE SYSTEM	13.08.2012	12.10.2015	3.335.147
68	İZNİK	BURSA	SEWAGE	WASTE WATER TREATMENT	16.09.2013	23.10.2015	35.805.293
69	KARPUZLU	AYDIN	SEWAGE	SEWAGE SYSTEM	22.05.2013	20.11.2015	1.259.847
70	ÖRENKAYA-KUSURA-MENTEŞ	AFYONKARAHISAR	SEWAGE	SEWAGE SYSTEM	11.11.2014	18.11.2015	4.339.517
71	MERKEZ	BİLECİK	SEWAGE	WASTE WATER TREATMENT	18.09.2013	09.10.2015	8.126.153
72	KUMLUCA-MAVİKENT-BEYKONAK	ANTALYA	SEWAGE	SEWAGE SYSTEM	10.09.2013	05.10.2015	4.926.019
73	SAMANDAĞ	HATAY	SEWAGE	WASTE WATER TREATMENT	05.11.2013	23.10.2015	11.064.562
74	NURDAĞI	GAZİANTEP	SEWAGE	WASTE WATER TREATMENT	03.12.2013	22.10.2015	8.469.008
75	ARABAN	GAZİANTEP	SEWAGE	WASTE WATER TREATMENT	17.01.2014	25.06.2015	4.862.592
76	SERDARLI	ERZURUM	SEWAGE	SEWAGE SYSTEM	28.06.2012	12.11.2015	1.264.198
77	KELKİT	GÜMÜŞHANE	SEWAGE	WASTE WATER TREATMENT	24.09.2013	13.10.2015	5.755.700
78	PAZAR	RİZE	SEWAGE	DERİN DENİZ DEŞARJI	31.01.2012	25.05.2015	4.720.519
79	BEYLİKOVA	ESKİŞEHİR	SEWAGE	SEWAGE SYSTEM	23.07.2014	26.11.2015	4.855.712
80	YALINCAK	TRABZON	SEWAGE	SEWAGE SYSTEM	08.04.2014	11.11.2015	343.266
81	NEBİOĞLU	ZONGULDAK	SEWAGE	SEWAGE SYSTEM	13.02.2015	26.11.2015	2.128.019
TOTAL							466.660.569

INFORMATION ON WORKS COMPLETED BY THE BANK IN 2015

WORKS COMPLETED IN YEAR 2015 WITHIN THE FRAMEWORK OF BELDES, IN THE POTABLE WATER SECTOR

ROW NUMBER	NAME OF MUNICIPALITY	PROVINCE	CHARACTERISTICS	SECTOR	COMMENCEMENT DATE	COMPLETION DATE	EXPENDITURES MADE (TRL)
1	KULUNCAK	MALATYA	SEWAGE	SEWAGE SYSTEM	12.03.2012	10.09.2014	2.734.431
2	ÇİFTLİK	ORDU	POTABLE WATER	POTABLE WATER PORTABLE TREATMENT PLANT PROJECT AND PORTABLE TREATMENT PLANT FACILITY CONSTRUCTION	14.11.2011	01.04.2015	6.966.042
3	ARIT	BARTIN	POTABLE WATER	ADDITIONAL CONSTRUCTION. (ELEVATION CENTER, TRANSFER PIPELINE, STORAGE NETWORK)	13.06.2013	10.07.2015	419.571
TOTAL							10.120.044

(* Included in the list for year 2015, as it was not shown in the list for the year of completion)



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