

ILLER BANK  
**ANNUAL  
REPORT**



**2016**



# TABLE OF CONTENTS

## Presentation

Agenda of the General Assembly Meeting.....	3
Our Mission-Our Vision-Our Strategy.....	4
Summary Financial Results.....	5
Corporate Profile.....	6
Capital and Shareholding Structure.....	7
Message From the Minister of Environment And Urbanization.....	9
Message From the Chairman .....	11
Message From the General Manager.....	13
İller Bank Activities in Year 2016.....	14
2016 Investment and Financing Program.....	14
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.....	16
Project to Support the Infrastructure of Municipalities (BELDES).....	16
Water and Sewer Systems Infrastructure Project (SUKAP).....	17
Works Being Conducted With Appropriations Made From the Bank's Profits .....	18
Medium and Long Term Loans Provided out of the Equity of İller Bank.....	20
Works Carried Out By Municipalities and Special Provincial Authorities Under The Local Government Investments Program.....	20
Cash Support Loans .....	20
Loans for Materials, Equipment, Vehicles and Other Requisites.....	20
Resource Development Activities.....	21
Short Term Loans Provided out of the Equity of İller Bank.....	22
Relations with International Financial Institutions.....	23
Categorical Breakdown of Works Completed in 2016.....	28
2017 Investment, Budget and Financing Program.....	29
Statutory Shares Transferred to Local Governments.....	30
Debt Reconciliations.....	32
Debts not Subject to Reconciliation.....	33
Subsidiaries.....	35
Niğbaşı Niğde Beton Sanayii ve Ticaret AŞ (NİĞBAŞ).....	35
Emlak Konut Gayrimenkul Yatırım Ortaklığı AŞ (Emlak Konut GYO) .....	35
Other Services Provided by İller Bank.....	36
Research-Development Activities for New Services and Operations .....	39

## Management and Corporate Governance Practices

Board of Directors.....	40
Audit Committee.....	42
Audit Board.....	43
Headquarters.....	44
Internal Systems Unit Directors.....	46
Organizational Chart of İller Bank.....	47
Summary Board of Directors Report.....	48
Compliance Opinion on the Annual Report.....	52
Human Resources Practices.....	54
Transactions the Bank Enters into With Members of its Own Risk Group.....	54
Activities for Which Support Services are Outsourced.....	54

## Financial Information and Risk Management

Audit Board Report.....	54
Audit Committee's Assessment of The Operation of The Internal Control, Internal Audit, And Risk Management Systems And its Statement Concerning Activities in Year 2016.....	55
Independent Audit Report.....	60
İller Bank Non-Consolidated Financial Report for the Year Ended on 31 December 2016.....	61
Financial Structure, Profitability, and Solvency.....	132
Risk Management Policies Implemented Per Risk Type.....	137
Information on Ratings.....	140
Summary Financial Information for the Period 2010-2016.....	141
Information on the Works Completed in Year 2016.....	142
Contact Details.....	160



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

*K. Atatürk*



## İller Bank

### Agenda of the Ordinary General Assembly Meeting

#### Date of General Assembly Meeting

9 May 2017, 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 2016,
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. Submission of the amendment text of Article 18 titled "Duties and Authorities of the Board of Directors of the İller Bank Articles of Association approved by the Banking Regulation and Supervision Agency and the Ministry of Customs and Trade, to the approval of the General Assembly,
9. Election of a member of the Board of Directors on behalf of Special Provincial Administrations and Municipalities in accordance with Article 7 of Banking Law
11. Petitions and Suggestions
12. Closing.



**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**

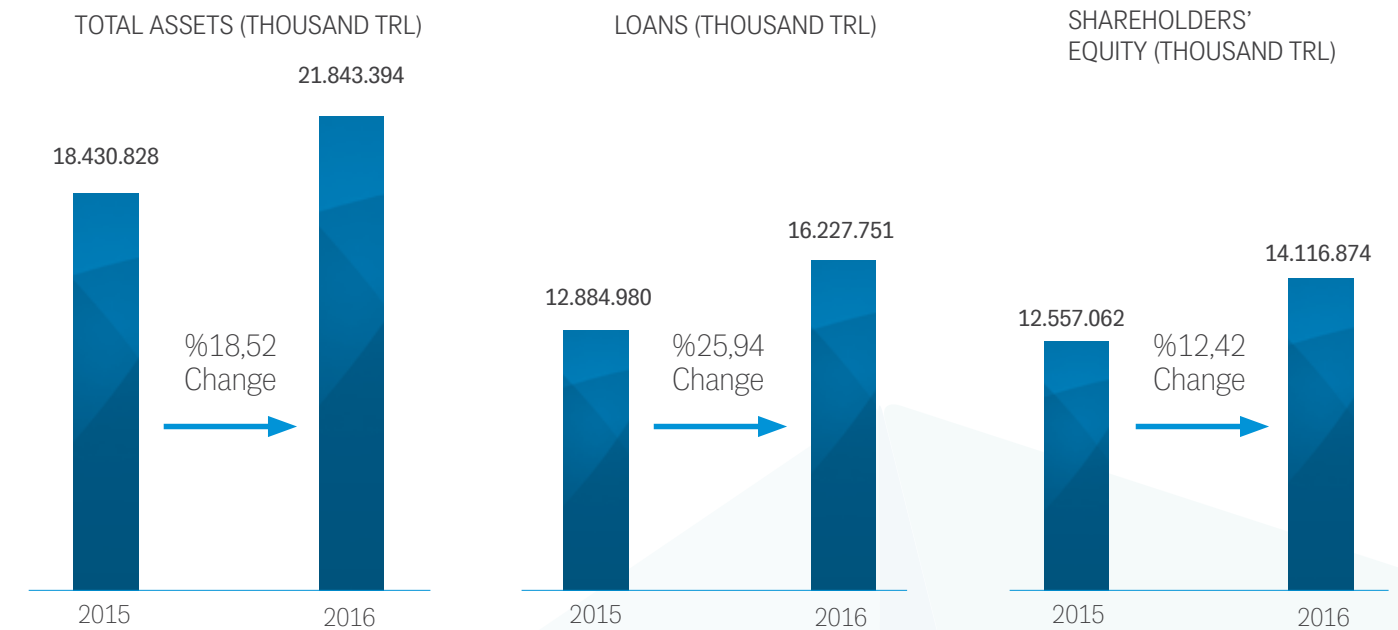
To be an international development and investment bank which leads modern urban development and whose service quality is proven.

**OUR STRATEGY**

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

**Presentation****SUMMARY FINANCIAL RESULTS**

	2015	2016	Amount of Change	Change Percentage (%)
Total Assets	18.430.828	21.843.394	3.412.566	18,52
Liquid Assets and Banks	4.910.977	4.747.877	(163.100)	(3,32)
Loans	12.884.980	16.227.751	3.342.771	25,94
Shareholder's Equity	12.557.062	14.116.874	1.559.812	12,42
Paid-in capital	10.483.745	11.690.749	1.207.004	11,51
Interest Incomes	1.050.568	1.211.708	161.140	15,34
Interest Expenses	127	565	438	344,88
Non-interest expenses	682.590	821.404	138.814	20,34
Non-interest incomes	208.227	431.199	222.972	107,08
Profit before tax	779.904	1.109.566	329.662	42,27
Net Period Profit/Loss	576.078	820.938	244.860	42,50



RATIOS (%)	2015	2016
Loans/Total Assets	69,91	74,29
Capital Adequacy Ratio	57,16	49,62
Liquid Assets/Total Assets	26,65	21,74
Shareholder's Equity/Total Assets	68,13	64,63
Earnings on Assets	3,13	3,76
Earnings on Equity	4,59	5,82

Presentation

CORPORATE PROFILE

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, “İller 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 (İller 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, It can obtain resources from domestic and international financial institutions, money and capital markets, and any kinds of funds.

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 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, 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.

İller 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, İller Bank has been providing local governments with financial support as well as transforming that support into investment ever since the day it was founded.

İller 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, İller Bank has been providing local governments with financial support as well as transforming that support into investment ever since the day it was founded. İller 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 2532 personnel.

Presentation

CORPORATE PROFILE

Capital collections in the amount of TRL 11,690.749 thousand increased the bank’s paid-in capital by 11.51% in 2016.

Article 4 of “the Law No. 6107 on İller Bank Joint Stock Company” states; that the bank’s capital is TRL\* 9.000.000.000 (Nine Billion TRL) 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 İller 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, 2016, TRL 11,690.749 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
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
2016	18.000.000	1.207.004	11.690.749	6.309.251



## Message From the Minister of Environment and Urbanization



**Mehmet ÖZHASEKİ**  
Minister of Environment and  
Urbanization

İller Bank continues to contribute to sustainable urbanization together with the local administrations in the 84th year of the foundation, as well as mobilizing all possibilities for the modernization of our cities in every period of our republican history.

Together with İller Bank which is the related organization of our Ministry of Environment and Urbanization, we are striving to meet the needs of our local governments for all kinds of urban infrastructure and superstructure and to bring modern and healthy urbanism to our municipalities.

The rapid increase in the number of residential units has brought the infrastructure shortage. When short-term plans are not enough, it is becoming impossible for local governments to meet the needs of infrastructure, sewerage, water, electricity, roads, parks, green spaces, sports facilities, etc. under the present conditions. At this point, İller Bank has entered into a vital role in generating projects and financial support for local governments. In order to meet these needs of settlement units, İller Bank continues to work by mobilizing all its facilities and building cities.

Our President, Mr. Recep Tayyip Erdogan, determined in the Prime Minister's period and all the segments of the society are aware of Turkey's 2023 year targets in terms of reaching the Ministry of Environment and Urbanism, as well as the role of İller Bank is of great importance. In order to make urbanization healthier, İller Bank, which is based on public-based service, has made it one of the basic functions of providing a human-worthy, livable and sustainable environment by considering human rights.

Undoubtedly, our Ministry's urban transformation project will bring significant benefits to the creation of healthy and reliable living spaces. Due to the fact that İller Bank will take cooperate with local administrations in the next period to contribute to this transformation project and provide any kinds of technical and financial supports to construct modern and liveable cities, great contribution will be provided to our project accordingly.

İller Bank will continue to transfer its know-how and experience to future generations with its planned studies, reliable and equitable service understanding in reaching the specified targets. I hope that the Annual Report of the year 2016 prepared by this means will be beneficial for our country and our nationality.

“There is no doubt that the urban transformation project carried out by the Ministry of Environment and Urbanization will bring significant benefits to the creation of healthy and reliable living spaces. İller Bank's participation in local governments in the future to contribute to this transformation project will make a major contribution to the provision of all kinds of technical and financial support to build modern and livable cities.”



## Message from the Chairman



**Mücahit DEMİRTAŞ**  
Chairman of the Board of  
Directors

“We continue to improve and develop our Banks in line with our targets thus the vision is deemed “to be an international development and investment bank with proven quality of service that pioneered the development of modern cities.”

İller Bank has left deep traces with the accumulation of knowledge and experience in the development history of our country since 1933, which is the foundation period, and has signed vital projects. Having aimed to build urban infrastructure on quality, healthy and productive projects, our Bank has served to sustainable urbanism with numerous projects without sacrificing quality.

Our bank has a balanced and sensitive perspective centering on the concepts of urban development and protection of the environment in our works. İller Bank has been working with the necessary devotion and precision so as to protect ecological balance especially in superstructure works, to generate project without giving harm to environment and to actualize said projects.

We continue to improve and develop our Banks in line with our targets thus the vision is deemed “to be an international development and investment bank with proven quality of service that pioneered the development of modern cities”. While we were completing Year 2016 with affirmative indicators in terms of finance, we know that we have to work harder by setting bigger targets in a new year.

When we take a look at the activity report of our bank in the year 2016, it is seen that there is a 25.94% increase in the loans compared to the past year. In our own equities, the 12.42% increase compared to last year reveals that we maintain our stability in our growth targets. The paid-in capital of our bank increased by 11,51% and reached TRL 11,69 billion.

Our goal is to continue to be a part of the economic growth in our country and to contribute to the healthy growth of our country by extending our project areas in this respect.

Thanks to our 84 years of experience, our strong financial foundation and our strategies, we aim to continue our activities in line with our mission in 2017 and we believe that we will reach our goals with the support we receive from our Ministry of Environment and Urbanization, our stakeholders and employees, and their faith. We present our appreciations to the valuable stakeholders that give power to the İlbank by their support and faith.



## Message from the General Manager



**Yusuf BÜYÜK**  
General Manager

“As İller Bank, we will continue to provide all the technical and financial contributions to local administrations, to make a great impression in the coming years by our projects, and to give all the support requested from İller Bank in the projects of urban transformation and disaster risk areas transformation.”

İller Bank has been one of the institutions that best reflects the “strong institution” mentality in our country’s history with the support of the local administrations in all settlements where the people of our country are living today.

We desire to quickly conclude our projects that we have started to work with new projects that we will develop in the forthcoming period and to safely carry our Bank into future, which has made a great mark at every corner of the Country from the villages to the big cities for 84 years. We will always be proud of us to play a leading role in the modernization of our country and in the establishment of the future.

Our Bank, which has risen from the solid foundations of the past knowledge and know-how, has a strong financial structure and a service-oriented working system which makes a great contribution to the solution of financial problems of our local administrations. Our Bank also serves local governments, which are stakeholders at the same time, with a transparent management understanding and continues to add value to the project development, service, and country development with the aim of reducing developmental differences between the regions with the best projects. İller Bank continues to be the main actor of investment and development banking as it has developed in the scope of these activities. It is a pride for us that our bank has a share of more than 14 billion TRL in equity and in the first rank among development and investment banks and in top ten considering the whole banking sector.

Our bank has completed the year 2016 with a positive financial view as it was in previous years. Within this scope, the asset size of our Bank increased to TRL 21.8 billion, an increase of over 18% compared to the previous year. Our bank maintains its leading position among development and investment banks in terms of asset size with these figures. The largest item in asset size is the loans. In 2016, our loan portfolio increased by 25.94% to approximately TRL 16.2 billion.

The amount of the Bank’s own equities, which was TRL 12.55 billion by the end of 2015, increased to TRL 14.11 billion by December 2016. This figure constitutes 64.63% of the passive sum. Moreover, the capital adequacy ratio of our Bank is 49.62%, indicating that we have a strong capital structure.

The nominal capital is 18 billion TRL and the paid-up capital of our bank has increased to 11.7 billion TRL at the end of 2016. With these figures, our Bank ranks first among the banks this year in the order of the paid capital amounts.

Consequently, we will continue to provide all the technical and financial contributions to local administrations, to make a great impression in the coming years by our projects, and to give all the support requested from us in the projects of urban transformation and disaster risk areas transformation.

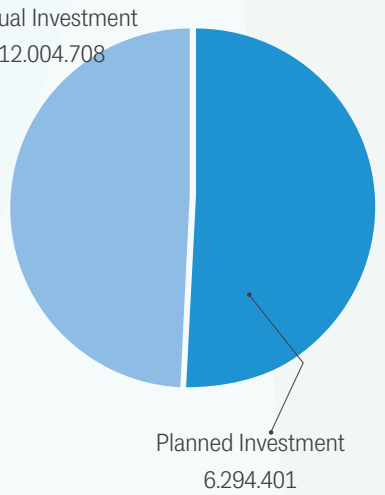
Presentation

2016 Investment and Financing Program

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

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 2016



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

2016 Investment and Financing Program

Iller Bank transferred TRL a total of TRL 6.108.264 thousand to local governments across Turkey within the scope of investment and financing program for 2016. Source expense amounting to TRL 186.137 thousand was made for source development activities of the Bank. Total source utilization is defined as TRL 6.294.401 Thousand.

Iller Bank's 2016 Investment and Financing Program is planned as;

I. TRL 10 Billion 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 917,436 thousand from grants

- a) For Water and Sewage Infrastructure Projects TRL 630,602 thousand
- b) For Allocation from Bank's Profit TRL 266,684 thousand,
- c) Allocation for Urban Infrastructure Equalization TRL 20,150 thousand,

- III. Foreign loans TRL 837,272 thousand,
- IV. For Resource Development Activities TRL 250 Million,

Total TRL 12,004.664 thousand.

This program was realized at a rate of 52,43%, with TRL 5.387.664 thousand offered as loans from the Bank's equity, TRL 309.992 thousand offered as grants from the General Budget, TRL 141.949 thousand offered as grants from the profits of the Bank, TRL 186.137 thousand for resource development activities, and TRL 268.659 as external loans.

Iller Bank's Investment Program

Iller Bank's Investment Program for the Year 2016 entered into force as TRL 20.097 thousand upon its publication in the Official Gazetteissue 29.670 (repeating) dated 31 March 2016.

Under the investment programpublished, appropriations weremade in the amounts of;

- TRL 12 Million for sewage projects,
- TRL 7.155 thousand for drinking water,
- TRL 323 thousand for zoning plan,
- TRL 619 thousand for Solid Waste related municipal service projects.

Investment expenditures were also planned in the amounts of TRL 801.866 thousand for external credit-financed projects and of TRL 20.150 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.

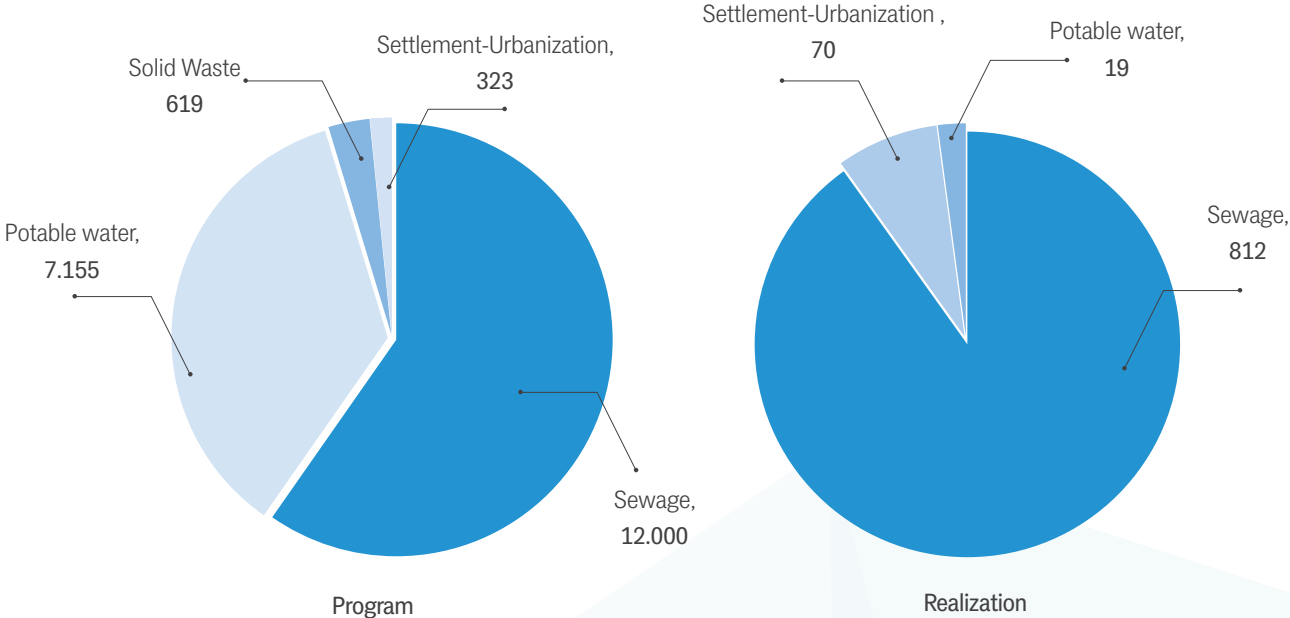
Actual spending figures amounted to TRL 323 thousand for sewage projects out of the budgeted TRL 70 thousand, to TRL 12 thousand for potable water projects out of the budgeted TRL 812 thousand, and to TRL 619 thousand for solid waste projects out of the budgeted TRL 19 thousand. In total, TRL 901 thousand was spent, which corresponds to a performance rate of 4.48% of the official program.

2016 Investment and Financing Program

ILLER BANK ACTIVITIES IN YEAR 2016

SECTOR	PROJ-ECT 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	3	-	654	-	323	323	-	70	70	21,67
Energy	2	(92.384)	-	(924)	-	-	-	-	-	-
Potable water	13	(1.239.758)	161.643	(237.413)	7.155	7.155	(63.858)	-	-	-
Sewage	23	(1.698.040)	67.604	(400.394)	12.000	12.000	(152.676)	812	812	6,77
Municipal Services (Solid Waste)	7	(605.997)	3.262	(164.059)	619	619	(3.039)	19	19	3,07
Transportation (Urban Transportation)	4	(1.283.440)	-	(171.649)	-	-	-	-	-	-
TOTAL	52	(4.919.619)	232.863	(974.439)	20.097	20.097	(219.573)	901	901	4,48

BREAKDOWN OF THE INVESTMENT PROGRAM AND REALIZATION FIGURES FOR YEAR 2016, 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 2016, per sector:

TRL 70 thousand in zoning plan works, TRL 2.436 thousand in potable water and purification facility works, for a total amount of TRL 2.506 thousand.

TRL 9.452 thousand out of the external loan provided by the Undersecretariat of Treasury, TRL 199.892 out of the external loan provided by the World Bank, TRL 68.767 thousand out of the external loan provided by Japan International Cooperation Agency (JICA), corresponding to a total of TRL 268.659.

\* 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 4.601 thousand out of the grants were expended for capacity building for the Bank, and to support investments and other components.



Presentation

2016 Investment and Financing Program

Survey and Project Studies

325 work projects have been completed with the studies and project studies made in the year 2016 in the studies and project studies carried out in the bank. For these works, a total expenditure of TRY 12.211 Thousand has been realized; TRY 3.095 Thousand credit, TRY 8.902 Thousand grant and TRY 214 Thousand municipal expenditure.

PROJECT SECTOR		Projects Completed in 2016		Projects	Number of projects in Progress in 2016	
		Expenditures from bank (including area)	Other Works (including area)		Expenditures from bank (including area)	Other Works (including area)
POTABLE WATER PROJECT	Grid	74	58	71	68	39
	Treatment	3	5	5	10	11
WASTE WATER	Grid	77	54	78	43	20
	Treatment	26	5	3	44	12
	Marine Discharge/Solid Waste	3	-	-	5	2
SUPERSTRUCTURE PROJECT	Superstructure	8	4	8	10	9
POTABLE WATER DRILLING	Drilling	8	-	8	6	-
TOTAL		199	126	173	186	93

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 2007/49 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 amounting 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 65 projects in previous years; in year 2016, 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 2016. The spending in year 2016 for these projects amounted to TRL 85 thousand, whereas total outlays incurred for these projects amounted to TRL 121.206 thousand.

BELDES allowance will be applied to existing works within the scope of the project and remaining BELDES works will be evaluated within the scope of SUKAP within the decision of YPK.

BELDES PROJECTS

	Quantity
Tender Stage	2
Construction begun	2
Construction completed	65
TOTAL	69

2016 Investment and Financing Program

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.

As a result of these studies, in the annex of Decision no. 2011/11, in the annex of Decision no. 2012/7, and in the annex of Decision no. 2013/4 and Decree no. 2014/18, “List of municipalities included in the scope of the project” has been established. In order to realize water and sewerage infrastructural projects (SUKAP) of the municipalities with the Central Government Budget Law, the amount of TRY 400 Million for 2011, TRY 500 Million for 2012, TRY 525.500 Thousand for 2013, TRY 557.030 Thousand for 2014 and 590.542 Thousand TRY for 2015 TRY and TRY 630.602

Thousand for the year 2016, a total of TRY 3,203,674 Thousand has been allocated.

A total of 719.180 thousand TRY was spent for the works carried out within the scope of SUKAP, totaling TRY 425.913 Thousand from TRY 293.267 Thousand. Within the scope of SUKAP, a total of TRY 7.511.853 Thousand has been allocated to the 1,166 potable water and sewerage investments, including TRY 2.979.223 Thousand grant and TRY 4.532.630 Thousand credit.

As of 31.12.2016, out of 1.166 works;

- 730 were completed,
- 247 were under construction,
- 63 were at the contract stage,
- 126 were at the tender stage.

CATEGORICAL BREAKDOWN OF WORKS (2011-2016) FINANCED UNDER THE WATER AND SEWER SYSTEM

	Potable Water	Waste Water	Total
Number of Works in Progress	426	740	1166
Number of Works Completed	246	484	730
Number of Works under Construction	104	143	247
Number of Works Contracted	29	34	63
Number of Works in the Tender Stage	47	79	126
Amount of Total Appropriation	2.126.339	5.385.514	7.511.853
Amount of Loans Extended	1.308.079	3.224.551	4.532.630
Amount of Grants Extended	818.260	2.160.963	2.979.223
Total Disbursement in year 2016	234.084	485.096	719.180
Amount of Disbursements out of Loans in Year 2016	136.239	289.624	425.913
Amount of Disbursements out of Grants in Year 2016	97.845	195.422	293.267

## Presentation

### 2016 Investment and Financing Program

#### 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 266.684 thousand was allocated out of the profits for year 2015, 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 230.327 thousand of this amount was put aside for municipalities and TRL 36.357 thousand for villages.

1 in 2016, with the appropriation allocated from the annual bank profits, 77 of the projects in the map sector, 39 in the zoning plan sector, 76 in the geological research sector, 70 in the drinking water project sector, 75 in the sewage

project sector, 3 in the wastewater treatment sector, 3 in the sewage sector, Marine discharge, solid waste sector, 23 work in total 363 work, total 364 work completed. Within the scope of "Regulation on the Use of İller Bank's Annual Profit Allowance for the Use of Villagers and Municipalities in Infrastructure Project and Construction Works", together with the amount transferred from the grant source in the previous years together with the purchases made for construction and project works and the water needs of the municipalities within the year 2016, a total of TRY 37.766 Thousand TRY 275 thousand in sewage sector and 1.465 Thousand TRY in drinking water sector, 1,041 thousand TRY in project sector, 955 thousand TRY in construction sector, 1.452 thousand TRY in geological research sector, 94 thousand TRY in water treatment sector and 1.178 thousand TRY in water treatment sector TRY 128 Thousand in the wastewater treatment, marine discharge, solid waste sector, totaling TRY 6.594 Thousand.

#### 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 150 Park project İller Bank Regional Directorates were taken into consideration and tendered by dividing 9 groups. 146 Park Projects have been tendered by dividing into groups considering Regional Directorates of the Bank. The projects started to be approved in 2015, 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 İlbank 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.

To this extent so far, a total amount of TRL 51.533 Thousand of financing has been provided for 349 works from the Ministry with TRL 25.935 Thousand and İller Bank with TRL 25.598 Thousand. Out of these; 155 projects have been completed, 88 projects have been started and 106 projects have been in the process of tender.

In addition, 17 projects are submitted to the Ministry for funding procurement and are in the approval phase

### 2016 Investment and Financing Program

#### The Protocol on Supporting the Urban Regulations of Local Administrations (KENT-DES)

The Protocol on Supporting the Urban Regulations of Local Administrations (KENT-DES) was signed between the Ministry of Environment and Urban Planning and the Bank on 24.10.2016

Within the scope of KENT-DES, 53 municipalities will be provided support for roads, parks and all kinds of environmental projects and considering required financing within the framework of said protocol, 100 % will be paid as a grant, being 50 % from our Bank and remaining 50 % from the Ministry of Environment and Urbanization. It is targeted that the construction of these works will be completed by the end of 2017.

#### Protocol to Support the Basin

*(Protocol on Supporting the Construction of Wastewater Infrastructure Facilities of Local Administrations located in Büyük Menderes - Küçük Menderes - Seyhan - Ceyhan - Eastern Mediterranean - Western Mediterranean - Northern Aegean Basins)*

By the protocol signed between the Ministry of Environment and Urbanization

and the Bank, it was aimed to protect the surface and indirectly the underground waters and the living life in the basins, feeding basin areas for a sustainable environment after completion in a short period of wastewater infrastructure facilities to be built by the local administrations within 7 Basin boundaries.

Our Bank has allocated TRL 25 Million for the interest support for the works to be carried out under the protocol and 25 Million TRL support will also be provided by the Ministry of Environment and Urbanization.

#### Protocol on the Construction of the Infrastructure Facilities Damaged and Needed, in the Scope of the Law numbered 6306 on the Transformation of Areas Subject to Disaster Risks

Within the framework of the Law numbered 6306 on the Transformation of Areas Subject to Disaster Risks, the protocol was signed between the Ministry of Environment and Urban Planning and the Bank for the completion of the infrastructure facilities in a short period of time to be constructed according to the needs in the regions declared as risky areas.

Within the framework of the protocol,

the project of infrastructure facilities of Sur (Diyarbakır), Şırnak (Merkez), Silopi (Şırnak), İdil (Şırnak), Cizre (Şırnak), Nusaybin (Mardin) and Yüksekova (Hakkari) will be provided by the Ministry of Environment and Urbanization and then related constructions will be put into service.

#### Protocol related to establishment of common infrastructures for Istanbul International Finance Centre (IIFC)

For establishment of common infrastructures for Istanbul International Finance Centre (IIFC), the protocol was signed among the Ministry of Environment and Urbanization, our Bank and Emlak Konut Gayrimenkul Yatırım Ortaklığı AS (Emlak Konut REIT)

Within the scope of the protocol, The construction of common infrastructural facilities projected by Emlak Konut GYO A.Ş. (Emlak Konut REIT) was tendered by our Bank. The tender is concluded and the construction works will be started after signing the contract. Within the scope of common infrastructure, there are potable water, sewerage, rainwater, parking lot, inland roads, landscaping, Mosque, Bridges intersection, Primary school constructions.



KONYA/Meram, Gülbahçe Landscape Design



## Presentation

### 2016 Investment and Financing Program

## Medium and Long Term Loans Provided out of the Equity of Iller 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 2016, a total of TRL 4.595.328 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, 4 drinking water, 30 other infrastructure, 1 sewage, 120 municipality work and 2 inert waste sector (74 in total) and among the Project Works, 1 master plan, 2 drinkingwater Project, 6 drilling, 3 re-

newable energy, 3 CBS, 2 wastewater treatment – sea discharge – inert waste and 1 superstructure (18, in total 136) are completed.

### Cash Support Loans

Iller Bank, apart from loans for investments of Local Administrations, Starting from 2010, the local administrations have started to use the cash support loan for local governments' cash payments in 2011 and the urgent current payments of the municipalities by 2012, in addition to the notice and severance payment payments that the local administrations will pay for the retirement personnel, This practice was continued in 2016

In 2016, a cash support loan totaling TRL 144.027 thousand has been provided, including TRL 21.041 thousand notice and severance pay, SGK premium debts of TRL 2.103 thousand, structured finance-tax liabilities of TRL 506 thousand, cash of TRL 46.590 thousand and current payments of TRL 73.787 thousand



### Loans for Materials, Equipment, Tools and Supplies and Expropriation

In order to meet the needs of all kinds of materials, equipment, tools and supplies needed by local governments in the fulfillment of urban services, In 2016, a total of TRL 1.130.967 Thousand of loan was extended by Iller Bank for TR 780.897 Thousand and TRL 350.070 Thousand for Expropriation. A total of 1,718 vehicles were delivered to municipalities for use by local authorities, such as construction equipment, buses, trucks and etc.

### 2016 Investment and Financing Program

## Resource Development Activities

In accordance with our Bank's Law No.6107, the activities of our Bank have been added to "Implement or make applications with profitable real estate investment projects so as not to enter into any obligations and conditional obligations for the project resource to provide funds to the bank".

Within this scope, with the resource development activities, it is aimed to produce brand projects in order to strengthen the "İLBANK" brand in "superstructure" investments besides "infrastructure investments" in the field of activity of our Bank and thus to serve our partners more strongly. For this purpose, our Bank develops jointly profit-oriented real estate projects on its own and on the municipalities of municipalities and special provincial administrations, other public and private institutions and individual

In this frame, in accordance with the relevant legislation, the Municipality has the qualification to be evaluated by "land sharing income sharing method

- Purchase by bank
- Implementing co-implementation with municipalities by using the land-based income sharing method on these

It is possible to offset the credit debt of the Municipalities.

In addition, our Bank has also taken an active role in the Urban Transformation Projects and the Brand Cities Project under the Law on the Transformation of Areas under Disaster Relief. In this context, our Bank performs both projects and transfers half of the profits obtained from the real estate projects that it has realized to the Ministry's Urban Transformation Special Account for use in urban transformation projects.

Within the scope of the Bank's resource development activities, the following activities are carried out

- Land Sale Equivalent Revenue Sharing Tenders: Our Bank prepares the contracts and specifications for land sales revenue sha-

ring tenders within the scope of the Tender Regulation of Sales, Leasing and Land Sales Equivalence of Our Banks in the immovables that are owned or held by the Bank and carry out the contracts and carry out the contracts

- Projects Performed with Municipalities, Public and Private Organizations and Individuals: We carry out protocols with the aim of carrying out studies to develop a common real estate project on properties owned by our Bank, Municipalities, public institutions and real persons / legal entities. Following the planning studies, the said immovables are tendered by means of revenue sharing for the sale of the land, and the obtained revenue is shared with the project stakeholders

- Real Estate Sales: Our Bank carries out real estate purchase, sale, exchange, leasing and renting activities within the scope of the related legislation in order to secure funds

- Urban Transformation Projects: Our Bank is in the field of application declared within the scope of the Law Concerning Transformation of Disaster Risk Areas No 6306 or in the areas declared urban transformation and development area within the scope of Article 73 of Municipality Law No 5393, the Ministry of Environment and Urbanization and / Or authorized institutions / organizations, performs the urban transformation projects within the scope of the protocols made and makes applications within the scope of the Tender Regulation of the Sales, Leasing and Land Sale Equivalence Revenue Sharing of Our Bank

In 2016, 250 million TRL is planned to be used for resource development activities, and 186.137 thousand TRL has been spent for 12 months period. According to the program, 74,45% realization has been achieved.

Spending of 5.944 thousand TRL has been made within the scope of urban transformation projects of municipalities suffering from terrorism Within the framework of the urban transformation projects carried out together

Kumru Ankara Projesi



with the Ministry of Environment and Urbanization, the Ministry transferred the Bank to the Bank in 2013 for 10 million TRL for Agri Patnos Urban Transformation Project. As a result of the evaluation of the resources transferred in accordance with the relevant provisions of the Law, without being related to the Bank's revenues, the Agri Patnos Urban Transformation Project earned an income of TRY 3.543 Thousand and Agri Patnos Urban Transformation Project made expenditures of TRY 8.514 Thousand.

For Erzurum / Yakutiye Urban Transformation project, progress payment basis is transferred by Ministry of Environment and Urban Planning and 577 thousand TRL was spent within the scope of Erzurum / Yakutiye Urban Transformation project. Revenue-sharing business Real estate investment transactions are carried out by means of revenue sharing and floatation methods in the projects that the Bank is entitled to on the properties owned by the Bank and obtained free of charge on the basis of the technical consultancy services and within the rates and sales transactions to be approved by the bank. In the year 2016, TRY 279.865 Thousand income was obtained.



Presentation

2016 Investment and Financing Program

Short Term Loans Provided out of the Equity of Iller Bank

Short-Term Loans

No. 5779 “Loans for short-term specialized loans given to local administrations for short-term specialized loans for the shares distributed to Iller Bank within the framework of the Law on Granting of Special Provincial Administrations and Municipal Budget Tax Revenues to the municipalities and the municipalities in their 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 ban. 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 2016, Iller Bank issued 170 letters of guarantee for local governments, amounting to a total of TRL 199.944 thousand. During year 2016, TRL 33.755 thousand and USD 262 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 1,5 % to 2% with effect from the said date on. In 2016, the bank earned TRL 10.131 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
2016	170	199.944

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	-	-
2016	-	-

2016 Investment and Financing Program

Relations with International Financial Institutions

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 2016, 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 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 mechanisms
- Strengthening of Iller Banks's capabilities institutionally

On 8 February 2006, Iller Bank and the World Bank signed a loan agreement in the amount of EUR 212.900 thousand that is to be used in the construction of water, wastewater and soli waste projects.

Within the framework of the project, secondary agreements totalling EUR 212.095.551 were signed with the municipalities of Muğla (Merkez), Ödemiş (İzmir), Bergama (İzmir), Denizli (Merkez), Polatlı (Ankara), Gelibolu (Çanakkale), Kütahya (Merkez), Ilica (Manavgat-Antalya), Elbistan (Kahramanmaraş) and with the MESKI (Mersin Water and Sewage Administration) and ASAT (Antalya) authorities

98,40 % (amounting to EUR 206.238.705,47) of the Municipal Services Project loan had been used. Loan had been closed as of 31 December 2012. However, in order to make the payments for works, deliveries and services conducted till the closing date, the prohect expenditures continued until 30 April 2013 and the used had been completed on the same date.



Muğla wastewater Treatment Plant



## Presentation

### 2016 Investment and Financing Program

#### 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 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 framework 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 loan agreements were signed with the municipalities of Kayseri (Metropolitan), Denizli (Merkez), Kırşehir (Merkez) and Beypazarı (Ankara) and with the ASAT (Antalya), MESKİ (Mersin) and İSKİ (Istanbul Water and Sewage Administration) authorities under the Municipal Services Project (II).

In year 2012, İSKİ (Istanbul Water and Sewage Administration) authorities ter-

minated the secondary loan agreement with a view to paying for Akfırat (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 loan cancelled by İSKİ was then extended to Denizli Water and Sewage Administration (DESKİ) as of 31 December 2014.

As of 31 December 2016, 90.86% (amounting to EUR 161.921.194,33) of the Municipal Services Project (II) loan had been used. EUR 54.114.129,06 (30,37 %) of the loans was used in the period between 01.01.2016 and 31.12.2016.

The loan has been closed as of November 30, 2016 and project expenditures will continue until March 31, 2017, in order to be able to make payments for work, deliveries and services until the closing date

#### 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 EUR 121,2 Million; negotiations with the World Bank are in progress.

Muğla Metropolitan Municipality Water and sewage management MUSKİ General Directorate and Muğla Wastewater Project financing and Denizli Metropolitan Municipality Water and Sewerage Administration DESKİ General Directorate for the financing of Denizli drinking water, wastewater and rain water systems improvement project. Sub-loan agreements amounting to million euros were signed on 28 December 2016.

#### 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 31 December 2016, JPY 7,686,131 thousand (TRL 175.145 thousand) was used in this context. The amount of loans used in the period 01.01.2016 – 31.12.2016 was 1.912.640 Thousand JPY (52.756 Thousand TRL).

#### Japan International Cooperation Agency (JICA), 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 Syrians under temporary protection in our Country, "Local Government Infrastructure Development Project" loan agreement with treasury guarantee amounting to 45 billion Japanese Yen was signed between Japan International Cooperation Agency (JICA) and Iller Bank on May 15, 2015. Moreover, within the scope the said project, sub-loan agreements were signed on December 30, 2015 with respectively Gaziantep Water and Sewage Administration (GASKİ) at the amount of 11.350 Million JPY, Hatay Water and Sewage Administration (HATSU) at the amount of 5.150 Million JPY, Kahramanmaraş Water and Sewage Administration (KASKİ) at the amount of 3.700 Million JPY, Adana Water and Sewage Administration (ASKİ) at the amount of 4.400 Million JPY, Kilis Municipality at the amount of 200 Million JPY and put into practice. Consultancy Service External Loan Agreement was signed with Şanlıurfa Water and Sewage Administration at the amount of 57 Million JPY. As of 31 December 2016, 356.155 thousand JPY (TRL 10.474 Thousand) was used as a loan. The loan used between 1 January 2016 and 31 December 2016 amounts to 357.569 Thousand JPY (TRL 10.516).

#### 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 EUR worth Loan Agreement on "Urban Infrastructure Projects" with Treasury Guarantee was signed on 28 June 2012, by and between the European Investment (EIB) and Iller Bank.



Orhangazi wastewater Treatment Plant

In the scope of loan, sub-loan agreements were signed with respectively Erbaa (Tokat) Municipality at the amount of 13.900 thousand EUR, Bolu Municipality at the amount of 13.800 Thousand EUR, Malatya Water and Sewage Administration (MASKİ) at the amount of 8 Million EUR, Burdur Municipality at the amount of 11.500 Thousand EUR. There was not any loan used as of December 31, 2016. The selection and preparations for the projects to be financed through EIB loans is in progress.

In parallel to said Loan Agreement, a Grant Agreement was signed on 27 August 2013 with EIB, to allow the Bank to use the 8.5 Million Eur grant extended by the EU Commission to support project preparation and sustainability and to provided technical assistance; the use of grant had commenced. The amount of 1 Million EUR 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 EUR budget of Institutional Capacity Development Budget, 2.184 Thousand EUR was used as of 31 December 2016.

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

In order to finance the priority investment projects of the local governments in the urban transport, water, wastewa-

ter and solid waste sectors, to improve public health and the environment and to contribute to the implementation of the EU acquis in Turkey in the scope of Urban Transportation and Environmental Loan, a 250 million EUR worth Loan Agreement with the guarantee by Prime Ministry, Treasury Undersecretariat 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 EIB loans is in progress.

#### Islamic Development Bank Loan for Urban Transportation Projects

Within the scope of "Urban Transportation Projects", the Framework Agreement with the amount of 150 million Euros was signed between Iller Bank and Islamic Development Bank on 29 August 2016 in order to provide local governments with financing of urban transportation projects and the Guarantee Agreement was signed between the Undersecretary of Treasury and the Islamic Development Bank on the same date.

In this context, a sub-financing agreement was signed on 31 August 2016 amounting to 39.588 Thousand EUR so as to finance the project "Antalya 2nd Stage Square- Airport- Expo Rail System Vehicle Purchase and Additional Construction Works".



Antakya Drinking Water Project



## Presentation

### 2016 Investment and Financing Program

#### 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, Kütahya Atıksu 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 128,022 thousand as loans for 22 municipal en-

vironment infrastructure projects. As of 31.12.2016, the total figure of credits used stands at TRL 72,678 thousand. TRL 19,206 thousand were used in loans in the period 01.01.2016-31.12.2016.

#### 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 (center) 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.



Antalya Korkuteli wastewater Treatment Plant



Denizli wastewater Treatment Plant



Presentation

2016 Investment and Financing Program

Categorical Breakdown of Works Completed in 2016

In year 2016, Iller Bank was involved in a total of 46 works, which were included in its investment program for the year and whose aggregate project value was TRL 6,115,460 thousand. Out of these, a total of 4 works with a combined project value of TRL 172,863 thousand were completed and turned over to municipalities. 22 works with a project amount of TRL 2,096 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 2016 drilled 90 potable water wells with a total drilling depth of 12,797 meters and an aggregate measured flow rate of 469,3 liters/second.

Sectoral distribution of jobs completed by Iller Bank in the year 2016 are shown in the table below.

WORKS COMPLETED IN YEAR 2016 (TRL THOUSAND)

SECTOR	Program for Year 2016 Total Project		Works Completed in 2016	
	Quantity	Total	Quantity	Total
Settlement - Urbanization	4	457.800	1	70.446
Geological-Geotechnical	1	150.000	-	-
Potable Water	8	1.349.876	-	-
Sewage	19	1.890.607	3	102.417
Municipal Services (Solid Waste)	7	681.504	-	-
Transportation (Urban Transportation)	5	1.487.460	-	-
Energy	2	98.213	-	-
Total	46	6.115.460	4	172.863



Bartın Kozcağız Paving and Environment Design

2016 Investment and Financing Program

Categorical Breakdown of Works Completed in 2017

2017 investment and financing program of Iller Bank

TRL 6 Billion from Bank Sources,  
TRL 1.088.226 thousand (SUKAP 676 million, Bank's annual profit TRL 394.176 thousand, Urban Infrastructure Equalization Appropriations TRL 18.050 thousand ) from Grant Sources  
1.242.801 thousand TRL from External Loans  
TRL 250 Million from Resource Development Activities, a total of TRL 8.581.027 thousand was planned.

These investments are projected to be financed as follows,

TRL 3.500 Million from repayments on loan principals,  
TRL 1.300 Million from capital collection,  
TRL 694.050 Thousand from funds to be allocated from the General Budget,  
TRL 587.300 Thousand from external sources ( World Bank, JICA and EIB)  
TRL 1.517.190 Thousand from interests and other collections,  
TRL 152.032 Thousand from Resource Development and Urban Transformation Activities.

*TRL 22.586 Thousand corresponding to 67 works will be carried out under the Bank's investment program, whereas other works will be carried out under the investment program of municipalities and special provincial authorities.*

ILLER BANK 2017 INVESTMENT PROGRAM SUMMARY (TRL THOUSAND)

Sector	Number of Projects	Project Amount		Estimated Disbursements to the end of 2016		Not included in the totl Appropriations for year 2017			2017 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	-	419	-	167	-	-	-	252
Energy	2	(100.631)	-	-	-	(2.661)	-	-	-
Potable Water	19	(1.624.008)	(165.210)	(242.852)	(120.150)	(424.016)	(183.655)	(176.000)	7.655
Sewage	31	(2.247.976)	76.952	(550.413)	45.952	(454.951)	(264.500)	(250.000)	14.500
Municipal Services (Solid Wate)	7	(601.892)	3.778	(69.176)	3.599	(144.775)	-	-	179
Transportation (Urban Transportation)	5	(1.409.427)	-	-	-	(216.398)	-	-	-
Total	67	(5.983.934)	(84.061)	(862.441)	(70.432)	(1.242.801)	(448.155)	(426.000)	22.586

- 1- TRL 255 thousand provided in Potable Water category for the Marmara Eartquake Region pertains to the Bolu II Potable Water Project.
- 2- TRL 7 Million 650 thousand appropriation in the Potable Water category will be covered from the equalization funds to be transferred to the Bank by the Ministry of Finance
- 3- TRL 176 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 (SULKAP) with another TRL 176 Billion coming from the loans to be extended by the bank.
- 4- TRL 10 Million 500 thousand appropriation for the sewage category 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 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 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.



Presentation

2016 Investment and Financing Program

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 ofLaw”(Lawno.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
2016*	26.721.739	25.821.952	3.264.255
Total	176.852.964	173.588.710	

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 10 January 2017.  
TRL 26.721.739 out of TRL 62.894,64 thousand received in year 2016 as per the Law no. 5779, on the other hand, arises from the population differences added to the 2015 populations of various municipalities and were paid to the relevant municipalities in the relevant period during the year.



Sakarya Erenler Municipality Building

2016 Investment and Financing Program

Allotments Made to Special Provincial Administrations

Out of the 0.50% allotments transferred to Iller Bank under Law no. 5779on “Allotments of General Budget Revenues to be Alloca-  
ted 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 (THOSUAND TRL)

Years	Transferred Special Provincial Administration Shares	Distributed During the Year	Carried Forward to the Next Year
1981-2006	5.113.453	4.993.490	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
2016	2.226.821	2.151.841	272.019
Total	28.327.735	28.055.716	

NOTE: (\*)The balance carried forward to the next year across the year 2016 represents amounts received from the Treasury as “November” allotments as of end-Decem-  
ber. These will be apportioned among relevant Special Provincial Administrations as per the principles of Law no. 5779 on 10 January 2017.



Konya Center Sport Complex

Presentation

2016 Investment and Financing Program

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 2016.

DEBTS SUBJECT TO RECONCILIATION (THOUSAND TRL)

Payable to	Carried Forward to 2016	Debited in 2016	Cancelled or Paid	Carried Forward to 2017
TEDAS	185.766	391	35.570	150.587
Social Insurance Institution	589.378	648	39.299	550.727
Social Security Institution (State Retirement Fund)	71.779	-	15.804	55.975
Social Assistance and Solidarity Foundation	170	-	20	150
Ministry of Family and Social Policies (Child Protection Agency)	25	-	19	6
Tuberculosis Association	15.229	-	300	14.929
Provincial Directorate of Youth and Sports	4.005	-	117	3.888
Ministry of Environment and Urbanization (Ministry of Environment and Forestry)	104	-	14	90
Ministry of Interior Darülaceze (Alms House)	1.483	-	300	1.183
Municipalities	922	-	-	922
Special Provincial Administrations	47.312	1.156	3.252	45.216
Metropolitan Municipalities	285.270	-	16.166	269.104
Affiliated Agencies	47.840	-	5.159	42.681
Association of Municipalities	5.047	-	134	4.913
Ministry of Finance	466.422	338	24.225	442.535
Undersecretariat of Treasury	194.623	-	-	194.623
Finance (Law No. 6552)	164.674	28.130	38.465	154.339
Social Insurance Institution (SSK Law No. 6552)	248.868	18.688	52.480	215.076
Social Insurance Institution (State Retirement Fund SSK Law No. 6552)	185.848	1.430	61.715	125.563
Total	2.514.765	50.781	293.039	2.272.507

2016 Investment and Financing Program

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 2016	Debited in 2016 (*)	Cancelled or Paid (**)	Carried Forward to 2017
Social Insurance Institution	1.240.643	920.079	1.902.699	258.023
Social Insurance Institution (6736 S.K.)	-	5.196.097	269.830	4.926.267
Social Security Institution (State Retirement Fund)	2.343.022	1.036.205	3.179.335	199.892
Social Security Institution (State Retirement Fund) (6736 S.K.)	-	5.854.504	354.413	5.500.091
State Retirement Fund	779.227	930.055	1.628.070	81.212
Social Security Institution (State Retirement Fund 6736 S.K.)	-	2.719.121	38.166	2.680.955
Special Provincial Adm. (Real Estate Tax)	9.749	-	283	9.466
Social Assistance and Solidarity Fund	1.488	-	258	1.230
Undersecretariat of Treasury	23	1.108	1.131	-
Immovable Cultural Properties Contribution Share	298.862	65.750	102.865	261.747
Association of Municipalities	95.637	57.756	35.971	117.422
Other Institutions	291.564	30.295	12.236	309.623
Development Agencies	177.094	128.966	63.332	242.728
Medical Institutions	4.211	95	912	3.394
Association of Municipalities of Turkey	44.150	47.270	45.307	46.113
Tedaş (Turkish Electricity Distribution Corporation)	258.467	206.595	288.832	176.230
Total	5.544.137	17.193.896	7.923.640	14.814.393

(\*) The reasons for the increase in the debt / receivable columns of Compensation and Non-Reconciliation Debt in 2016:  
- Debt updates reported by public institutions and organizations,  
- With the opening of new accounts for debts to be settled under Law No. 6736, cancellations of old debts in the registers of local governments,  
- The cancellation of the dues of the T. Municipalities of the Metropolitan Municipalities calculated for our bank and notifying to the General Directorate of the Ministry of Finance,



## 2016 Investment and Financing Program

## SUBSIDIARIES

**Iller Bank's equity stakes in NİGBAS 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 prestressed 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 2015, was transferred to the Bank's accounts, within year 2016.





Presentation

OTHER ACTIVITIES CARRIED OUT BY ILBANK

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 bo-

oking 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.t themselves. When such credit-financed supplies are to be procured, they may be purchased by local governmentsor (if it has been authorized) by the bank.

In 2016, 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 2006-2016 together with details of transactions whose payments were financed on credit. (TRL THOUSAND)

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
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	74.377	176.373	18.348	426.382	199.257	2.794	61.562	959.093
2015	179.097	171.522	4.965	150.023	299.809	481	17.156	823.053
2016	209.034	237.305	80.915	181.412	350.070	7.681	64.550	1.130.967

Iller Bank currently holds TRL 1,762 thousand worth of supplies in stock to meet the needs of local governments and of the bank itself. Of this total, TRL 392 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 1,370 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	392
Other Materials in Stock	
Drilling Materials	18
Stock Materials in Warehouse	1.352
Total	1.370
Total Inventory Holdings	1.762

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 Iller Bank, a total of TRL 635,839 thousand in grants were allocated as of end of 2016, out of Iller 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 Iller 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 municipalities with 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 Iller Bank's Annual Profit for Use in the Infrastructure Project Development and Construction Works for Villages and Municipalities". In this respect, Iller Bank allocated TRL 36,357 thousand in cash for use in projects in villages., amounting to a total of TRL 59,370 thousand with TRL 228,128 out of its profits for the year,

In 2016, TRL 104,183 thousand was extended as grants, representing an amount including the carry-over shares from previous years; TRL 123,945 thousand, on the other hand, was carried over to year 2017.

**Aid and Grants**

In year 2016, Bank provided in grants-and-aids in accordance with the regulations as per Banking Law no. 5411 and Tax Laws:

- 29.728 Thousand TRL of aid and donation has been made for the infrastructure needs of the local administrations and for the needs of the schools and other public institutions and institutions which are affiliated to the Ministry of National Education



Bursa Büyükşehir Asphalt and Patch Production Work



## Presentation

### OTHER ACTIVITIES CARRIED OUT BY ILBANK

#### Electronic Fund Transfers

In order to increase the productivity of its resources while also lowering its funding costs, Iller 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 2016, Iller Bank EFT Center sent out 67,892 transfers worth a total of TRL 184,732,562 thousand to banks and financial institutions while processing 13,431 incoming transfers whose combined value amounted to TRL 184,749,586 thousand.

#### Training Activities

IlBank 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 1,799 personnel were provided training by Iller Bank in 2016.

#### Insurance

Iller Bank is an A group agent for Grou-pama 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 2016, the bank issued 3,154 policies and earned TRL 773 thousand as commission income.

#### 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 2012, and with the appointment of Quality Management representative in 2013, and as a result of external audits conducted in November 2014 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 24-28 November 2016. 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.

#### Banking

Iller 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.



### RESEARCH-DEVELOPMENT ACTIVITIES FOR NEW SERVICES AND OPERATIONS

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.

#### 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 Hydro-power (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,

le'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 line with the new demands.





## Management and Corporate Governance Practices

### BOARD OF DIRECTORS



#### Mücahit DEMİRTAŞ

Chairman of the Board of Directors

He was born in 1959 in Refahiye. In 1982, he graduated from Istanbul Technical University Sakarya Engineering Faculty, Department of Civil Engineering. Between the years of 1982-2009, he acted as Sümerbank General Manager, Bursa Provincial National Education Manager and as a Manager at various positions at Istanbul Metropolitan Municipality. Between the years of 2005-2009, Demirtaş who assumed the position of İGDAŞ Member of the Board of Directors served as the Provincial Directorate of Istanbul, General Manager of Constructional Works and Deputy Undersecretary at the Ministry of Environment and Urbanization since 28 December 2009. According to approvals made by the Ministry of Environment and Urbanization numbered 9687 dated 29 September 2016, he was appointed as a member of the Board of Directors of İller Bankası A.Ş. and was elected as the Chairman of the Board of Directors with the decision of the Board of Directors dated 6 October 2016 and numbered 33/915. He speaks English and Arabic.

#### Refik TUZCUOĞLU

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

He was born in Konya in 1967. Having completed his primary, secondary and high school education in Konya, Tuzcuoğlu graduated from the Public Administration Department of the Faculty of Political Sciences of Istanbul University in 1994. After graduating from the journalism profession he started in college, he continued in professional sense. Later on, he was involved in family businesses. He gave consultancy service to Konya Chamber of Industry. When he was promoted from the companies he was managing, he took writings on social, political and historical issues and participated in many seminars as a speaker. He was elected as the Mayor for Meram, which is one of the central towns of Konya, in 2004. Tuzcuoğlu leaded important services in the sense of physical and social municipality and since 2009 he has undertaken the same tasks as President Consultancy, General Coordinator and KASKI Board Member in Kayseri Metropolitan Municipality. Tuzcuoğlu, who was appointed as the Deputy of Undersecretary in the Ministry of Environment and Urbanization in 2016, was appointed as a member of the Board of Directors of İller Bankası A.Ş. according to approvals made by the Ministry of Environment and Urbanization dated 29 September 2016 numbered 9687 and was elected as the Deputy Chairman of the Board of Directors with the decision of the Board of Directors dated 6 October 2016 and numbered 33/915 and the Chairman of the Audit Committee with the decision numbered 33/916. He speaks English and Arabic.

#### Yusuf BÜYÜK

General Manager/Board Member

He was born on 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 January 15, 2013, İller Bankası AS started as a Head of Department. Between 08 February 2013 and 08 August 2016, Assistant General Manager served as Deputy General Manager between 08 August 2016 and 12 January 2017. He was appointed to the General Directorate at İller Bankası A.Ş. on 13 January 2017. He is still in this position. Mr. Büyük took part in the establishment and management of numerous non-governmental organizations, and is married with 3 kids.

#### 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



#### Fehmi Hüsrev KUTLU

Board Member

He graduated from Istanbul University Faculty of Law in 1983. Between the years of 1986-2002 he was a freelance lawyer. Mr. KUTLU, who has been a member of the Adıyaman Parliament for two terms in the Turkish Grand National Assembly (TBMM) between 2002 and 2011, was elected to the mayor of Adıyaman in 2014 and still continues to serve in this position. At the Ordinary General Assembly Meeting of İller Bank held on May 22, 2014, he was elected as a member of the Board of Directors among the representatives of the municipalities.



#### Mehmet YEREBAKAN

Board Member

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.



#### Veli BÖKE

Board Member

He completed the Ankara Vocational School of Justice in 1989 and the Faculty of Law at Istanbul University in 1996. In 1999, he completed his Master's degree in Public Administration at Kırıkkale University and prepared a dissertation on "Greek Constitution and Administrative Structure". He is still continuing his Ph.D. in the Department of Immovable Development at Faculty of Sciences of Ankara University.

He started his professional career in Istanbul Fatih Court House in 1991 as a court clerk continued respectively as a short-term freelance lawyer, a legal affairs manager at Kocasinan Municipality, an education manager of Turkish Union of Municipalities, a support services manager and a legal advisor. He also acted as KASKI Audit Committee Chairman, Head of Department of Urban Transformation and a Vice General Secretary Kayseri Metropolitan Municipality.

During this time, he represented municipalities during their many legislative and other legislation works. He gave lessons "Reconstruction Law" at Erciyes University Faculty of Law and Architecture, "Municipal Legislation" at Justice Vocational Higher School, "Immovable Development" at Ankara University and "Immovable Law, Valuation Law and Expropriation Law" in U.S.A. There are numerous articles published in various magazines, books on reconstruction, expropriation, confiscating without expropriation, public procurement, immovable valuation and municipal legislation. He was appointed as a member of Board of Directors at İller Bankası A.Ş. according to approvals made by the Ministry of Environment and Urbanization dated 29 September 2016 numbered 9687.

• 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 44 ordinary meetings in year 2016 and passed a total of 1409 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.



Management and Corporate Governance Practices

BOARD OF DIRECTORS

Information on the Assets and Liabilities Committe

Chairman  
Yusuf BÜYÜK,  
*General Manager and Member of Board of Directors*

Members  
Hakan ÇOLAK, *Vice General Manager*  
Dr. Ender Aykut YILMAZ, *Vice General Manager*  
Salih YILMAZ, *Vice 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 2016 and passed 12 resolutitons.*

Audit Committee

**Refik TUZCUOĞLU**  
Chairman of the Audit

**Mr. TUZCUOĞLU** Please see  
page 40 resumé.

**İbrahim ACAR**  
Chairman of the Audit

**Mr. ACAR** Please see  
page 40 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 re- porting 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 Committeee

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 İller 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 29 meetings in year 2016, discussing 67 matters.

*Member of Board of Directors, Refik TUZCUOĞLU was reelected as the Chairman of Audit Committee with the Board of Directors decision dated 6 October 2016, and numbered 33/916*

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.



**Ahmet ZENBİLCİ**  
Audit Board Member

He graduated from Anatolian University Faculty of Business Administration. He completed his Master's Degree in Management and Organization at Çukurova University. He started as an officer at the Provincial Directorate of Adana at the Ministry of Culture and served as Deputy Director and Deputy Provincial Director. He worked as a counselor in the Grand National Assembly of Turkey (TBMM), a programmer on local television and radio programs and a columnist in various newspapers, a member of the Turkish Council of Municipalities Assembly Presidency Council and a Sofulu Town Mayor between the years of 2004-2009. He was elected as Sarıçam Mayor during local election made on 29 March 2009.

He was appointed to the Board of Directors of Iller Bank on 2 June 2016. On September 30, 2016, he quitted to act as a member of the Board of Directors at Iller Bankası A.Ş. and he was appointed as a Minister Consultant to to the Ministry of Environment and Urbanization on October 18, 2016 and a Member to the Auditing Committee of İller Bankası A.Ş. on the same date. He speaks English and Arabic.



**Abdurrahman MADAN**  
Audit Board Member

In 1995, he completed his undergraduate studies at Hacettepe University Faculty of Economics and Administrative Sciences at Department of Finance. In 2004, he completed his master's degree program at Boston University (USA) in the field of "Financial Economics".

He entered as a Vice Financing Supervisor in 1996 and acted respectively as;

Financing Supervisor between the years of 1999-2004, a Deputy of Ankara Vice Head of the Financial Department and a Deputy of Kavaklıdere Tax Office President at the same time between the years of 2004-2005, Vice Group President at Revenue Office Administration of the Ministry of Finance between the years of 2005-2006 and Chief Supervisor of Finance at the same time, a Head of Department at Income Policies General Directorate of the Ministry of Finance between the years of 2006-2008, a Vice General Manager at Income Policies General Directorate of the Ministry of Finance between the years of 2008-2012, a General Manager at General Directorate of Social Aids of the Family and Social Policies Ministry between the years of 2012-2016.

Mr. MADAN, who has been conducting Vice Supervisor of the Ministry of Finance by proxy on 1 November 2016, was appointed principally for said task on 22 December 2016 and he was also appointed as a Member of Auditing Committee according to approvals made by the Ministry of Finance date 14 December 2016 numbered 29365. He speaks English very well.

• Pursuant to Article 9 of the Law no. 6107 governing İller 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.



## Management and Corporate Governance Practices

### Yusuf BÜYÜK

General Manager and Member of Board of Directors  
*Mr. BÜYÜK Please see page 40 resumé.*



**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

Mehmet Gürbüz, who was born in 1977 in Kahramanmaraş Elbistan, completed Architecture Department of Kayseri Erciyes University Faculty of Engineering and Architecture in 2002. Between the years of 2010-2012, he completed his master's degree in Urban and Regional Planning at Süleyman Demirel University and in Business Administration at Turkish Aviation Institution University in 2014. Between the years of 1996-2005, he acted as an Architect at the Provincial Directorate of Housing and Reconstruction; Architect, Urban Planning Expert, Branch Manager and an Executive at Iller Bank between the years of 2005-12. On July 10, 2013, he was appointed Head of Spatial Planning Department. He has been serving as Executive Vice President since April 17, 2014. GÜRBÜZ, acting as a member of the TSI Construction Specialist Committee and Regional Committee for the Protection of Cultural Property since 2014 so far, made publications and studies in various magazines in the fields of Local Governments Investment Programs and Development Strategies, Resource Development and Management Strategies, Sustainable Urbanization Policies and Practices, Urban Development and Transformation Politics and Strategies and Strategic Planning. GÜRBÜZ, who writes articles on development and economics in some newspapers, speaks English and Arabic. He is married with 3 children.



**Hakan ÇOLAK**  
Vice President

He was born in 1974 in Elazığ. He graduated from Firat University Faculty of Engineering Department of Civil Engineering in 1998.

In 2010, he completed his master's degree at Firat University, Faculty of Engineering, Department of Civil Engineering, Major in Transportation and in 2014, he completed his master's degree in Business Administration Department of Hasan Kalyoncu University Social Sciences Institute. He acted as a Civil Engineer between the years of 1998-2011 at Trabzon Regional Directorate of Iller Bank, a Manager of Construction Applications between the years of 2011-2012 at Ankara Regional Directorate of Iller Bank, a Regional Manager between the years of 2012-2014 at Sivas and Trabzon Regional Directorates. He was appointed as the Deputy of Vice General Manager at Iller Bank on 3 June 2014 and according to approval made by the Ministry dated 17 November 2014, he was appointed as a Vice General Manager principally at Iller Bank. He has been working in international congresses and various institutions for the urban infrastructure sector.



**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."*



## Management and Corporate Governance Practices

### INFORMATION ON INTERNAL SYSTEMS UNIT DIRECTORS



**Yaşar OKUR**

Deputy Chairman of Auditing Committee

He was born in Devrek (Zonguldak) in 1968. In 1992, he graduated from Ankara University, Department of Public Administration. He completed his master's degree at Kocaeli University Faculty of Economics and Administrative Sciences (Faculty of Management Sciences). He still continues his doctoral study in the stage of thesis at Kocaeli University, Institute of Social Sciences, Department of Public Administration, Major in Political Science and Public Administration.

In 1996 he started as a Deputy Supervisor in the Board of Supervisors of Ziraat Bank. Until 2003, he served as a Supervisor Assistant and a Supervisor, and then in 2003 he was transferred to the Supervisor Board of Iller Bank. In 2007, he became Chief Supervisor. On September 19, 2016, he was appointed a Vice Deputy Chairman of Supervisor Board and on November 24, 2016 as a Deputy Chairman of Supervisor Board. His master thesis was published by Nobel Publishing House as "Public Audit in Turkey; Change Process and Performance Audit". Apart from this, there are published articles in some refereed and non-refereed journals and participated in training and certification programs such as Internal Audit, IT Audit, COBIT, Management Declaration, Public Procurement Law and Application, FIDIC and its implementation. SMMMO certificate is available.

He has also been authorized as an Independent Auditor by Public Oversight, Accounting and Auditing Institution. The foreign language is English and Arabic. He is married with two children. Moreover, the studies are all in progress in the scope of 150 playgrounds project in 81 Provinces signed by and between our Bank and the Ministry of Environment and Urbanization, ÇEV-DES Project (Supporting Infrastructure Projects Project), Support Protocol for Urban Arrangement of Local Administrations (KENT-DES), Basin Support Protocol, and Protocol related to construction of infrastructure facilities damaged and need within the framework of the Law No. 6306 on the transformation of Area subject to Disaster risks and Protocol related to establishment of common infrastructures for Istanbul International Finance Centre (IFFC).



**Tolgahan YILDIZ**

Internal Control Department Director

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, 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.

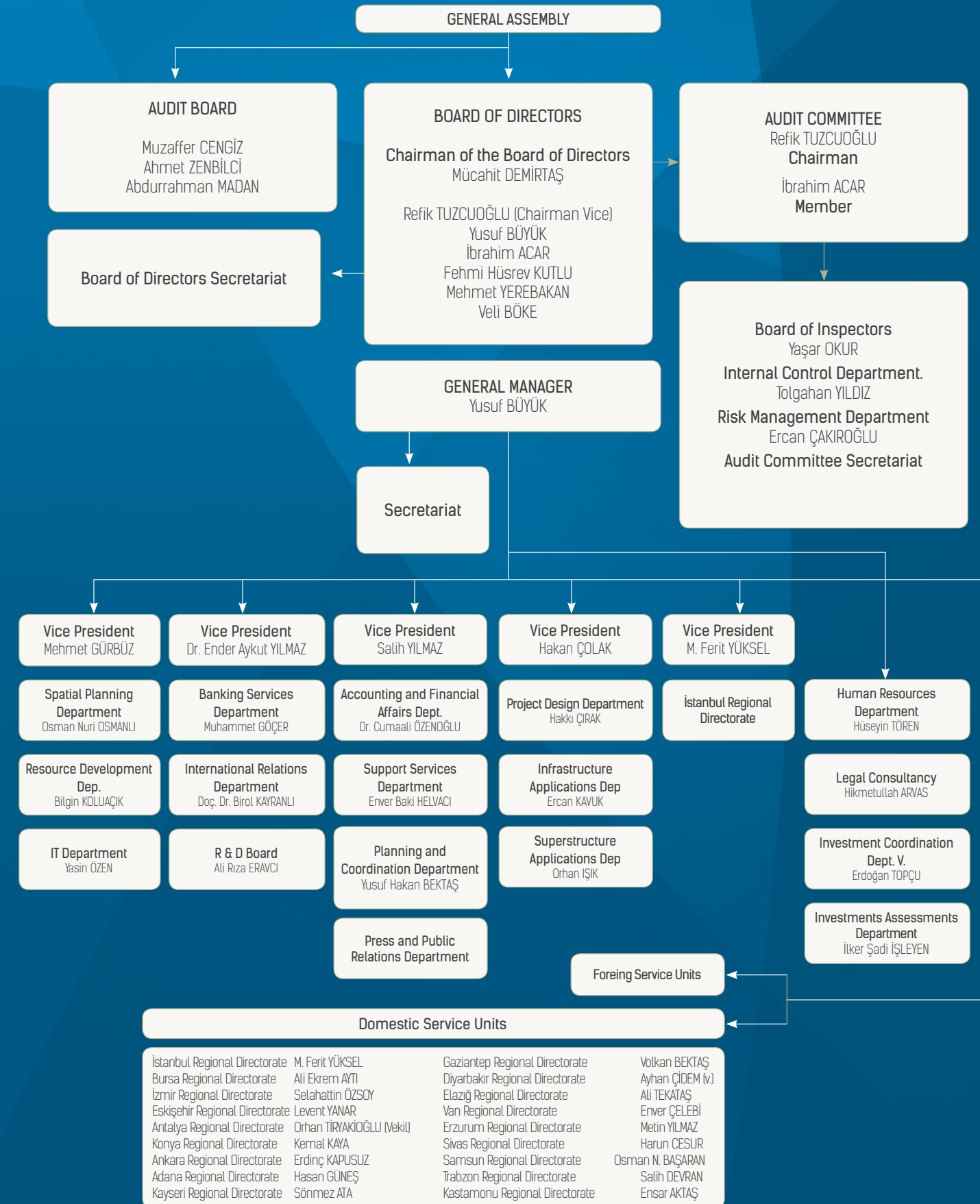


**Ercan ÇAKIROĞLU**

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 Director 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



Note: Organization chart 21.02.2017 Presented as of the report date.



Summary Board of Directors Report

Established in 1933 under the name “Belediye 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.Ş.”, 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.

The Bank channeled TRL 6,108,264 thousand in funds to local governments. Of

this amount, TRL 5,387,664 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 (BEDES) Project” which was launched pursuant to High Planning Council resolutions 2007/6 and 2007/36, TRL 121,206 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 3,203,674 thousand is allocated for our Bank out of the General Budget, for use in these projects. As of 31.12.2016, out of 1166 works included in this framework, 730 were completed, 267 are under construction, 63 are in the contract stage, and 126 are in the tender stage. Including the lending, total outlays amounted to TRL 719,180 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 lo-

cal 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 EURO 121,2 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 Million 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 A memorandum of understanding was signed between the European Investment Bank (EIB) and 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.

A Framework Agreement of EUR 150 million was signed between the Islamic Development Bank and our Bank on 29 August 2016 as part of the “Urban Transportation Projects” to provide financing for local government transportation projects. Within the scope of the project, Antalya Metropolitan Municipality’s “Antalya İl. Sub-financing agreement amounting to 39,588 Thousand Euros was signed on August 31, 2016 for the financing of the project “Stage Meydan-Airport-Expo Rail System Vehicle Purchase and Additional Construction Works”.

In addition, 150 Parks Project, 81 ÇEVDES Project (Project for Supporting Infrastructure Projects), Protocol for Supporting Urban Regulations of Local Administrations (KENT-DES), Protocol for Supporting the Basin, Protocol on the Support of Disaster Relief And the Istanbul International Finance Center (IUFM) Protocol on the Implementation of Common Infrastructures continue to be in full swing.

In line with the new requirements, R&D works are being developed in our Bank and the Urban Information System studies and Renewable Energy Resources and Energy Efficiency and Urban Transportation Studies are continuing within the scope of new fields of activity.As of 2016, İller Bank was employing a total of 2532 people in its headquarters and 18 regional directorates. During the same year,

As of 31 December, 2016;

- İller Bank’s total assets grew by 18,52% from TRL 18,430,828 thousand to TRL 21,843,394 thousand.
- İller Bank’s total lending grew by 25,94% from TRL 12,884,980 thousand to TRL 16,227,751 thousand.
- İller Bank’s shareholders’ equity grew by 12,42% from TRL 12,557,062 thousand to TRL 14,116,874 thousand.

Profit / Loss

As a result of all of its activities in 2016, İller Bank secured a distributable business profit in the amount of TRL 1,109,566 thousand. TRL 300,084 thousand remaining after setting aside TRL 809,482 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	55.478	11.651	43.827
5% discretionary statutory reserves	55.478	11.651	43.827
9% dividend	99.861	20.973	78.888
30% capital share	332.870	69.909	262.961
51% share for villages’ and municipalities’ project and construction works	565.879	185.900	379.979
<b>TOTAL</b>	<b>1.109.566</b>	<b>300.084</b>	<b>809.482</b>



## Management and Corporate Governance Practices

TRL 565,879 thousand, corresponding to 51% of the Bank's profits for year 2016 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 379,979 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 İller 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 2016, TRL 186,137 thousand was expended for resource development projects.

TRY 279.865 Thousand of revenue has been obtained from these activities during the year.

İller 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 2016 for your consideration, and we thank the Bank's employees.

Sincerely,

İller Bankası AŞ Board of Directors

  
Mücahit DEMİRTAŞ  
Chairman of the Board of Directors

  
Refik TUZCUOĞLU  
Vice Board Chairman

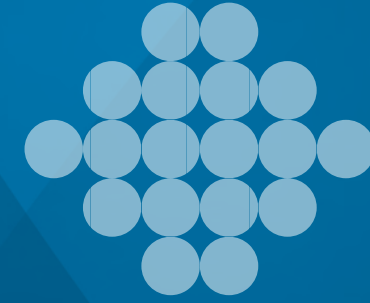
  
Yusuf BÜYÜK  
General Manager/Board Member

  
İbrahim ACAR  
Board Member

  
Fehmi Hüsrev KUTLU  
Board Member

  
Mehmet YEREBAKAN  
Board Member

  
Veli BÖKE  
Board Member



İLBANK



## COMPLIANCE OPINION ON THE ANNUAL REPORT



CONFORMITY REPORT ON  
ANNUAL ACTIVITY REPORT OF BOARD OF DIRECTORS

To İller Bankası Anonim Şirketi Board of Directors;

Report on the Audit of the Annual Report of the Board of Directors on the Independent Auditing Standards

We have audited the annual activity report of İller Bankası Anonim Şirketi ("Bank") for the accounting period ending on December 31, 2016.

Responsibility of the Board of Directors for Annual Activity Report

In accordance with Article 514 of the Turkish Commercial Code ("TTK") No. 6102 and "Regulation on Procedures and Principles for the Preparation and Publication of the Annual Activities of Banks" published in the Official Gazette No. 26333 dated 1 November 2006, Bank management is responsible for consistency and rightful presentation of the prepared annual activity report with the financial tables prepared in accordance with "Regulation on Principles and Procedures for Saving Banks Accounting Applications and Documents"; which published in the official gazette dated November 1, 2006 and numbered 26333; and other regulations issued by the Banking Regulation and Supervision Agency on the account and registry of banks and Banking Regulation and Supervision Agency (BDDK) circular and explanations and in matters not regulated by them; involves Turkish Accounting Standards; BDDK Accounting and Financial Reporting Legislation; and required internal controlling to ensure that the financial statements are compiled free from material misstatements resulting from irregularity or faults.

Responsibility of Audit Firm

We are responsible for expressing an opinion on the financial information contained in this Annual Report based on the independent audit we have conducted within the framework of the 397th Article of the Turkish Commercial Code and the "Regulation on Independent Auditing of Banks" published in the Official Gazette dated April 2, 2015 and numbered 29314, whether it is consistent with the financial statements of the Company and whether it reflects the facts.

The independent audit is conducted in accordance with the Independent Auditing Standards ("IAS") which is a part of the Turkish Auditing Standards issued by the Public Oversight, Accounting and Auditing Standards Institution ("KKGK"). These standards require compliance with ethical provisions and independent audit should be planned and carried out to obtain reasonable assurance as to whether the financial information presented in the annual report is consistent with the financial statements and reflects the facts.

An independent audit involves the application of audit procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The selection of these procedures is based on the professional judgment of the independent auditor.

We believe the audit has formed a reasonable and enough bases on our opinion.



Turan Güneş Bulvarı Galip Erdem Caddesi No:43 06550 Yıldıztepe Oran - Çankaya / ANKARA  
Tel: (+90.312) 490 61 62 (pbx) • Faks: (+90.312) 490 61 64 rehber@rehberconsulting.com • www.rehberconsulting.com  
Sığınlar V.D. 734 005 5266 Tic. Sic. No: 48726 Merkez Ankara Mersis No: 0734005526600019



Opinion

According to our evaluation, financial information attached to annual activity report, and evaluation and explanation of Board of Directors, with all aspects, there is no important provision of non-conformity with İller Bankası Anonim Şirketi ("Bank") audited financial tables as of 31 December 2016.

Other Liabilities Arising From Legislation

In the scope of the third article of Turkish Commercial Code no 402, IAS 570 "Continuity of firm", any important matter was not found regarding İller Bankası Anonim Şirketi ("Bank") on continuing its operations in the predictable future.

Ankara, 21 February 2017 / 2017-02

REHBER BAĞIMSIZ DENETİM  
VE YEMİNLİ MALİ MÜŞAVİRLİK A.Ş.

Adil ÖNER, YMM  
Auditor In-Charge

Turan Güneş Bulvarı Galip Erdem Caddesi No:43 06550 Yıldıztepe Oran - Çankaya / ANKARA  
Tel: (+90.312) 490 61 62 (pbx) • Faks: (+90.312) 490 61 64 rehber@rehberconsulting.com • www.rehberconsulting.com  
Sığınlar V.D. 734 005 5266 Tic. Sic. No: 48726 Merkez Ankara Mersis No: 0734005526600019



HUMAN RESOURCES PRACTICES

These rules were changed by article 11 of “A law concerning İller 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 Mi-

nistry 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. İller Bank’s personnel policy as well as the criteria, principles, and procedures pertaining to recruitment are set out in the “İller 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 İller Bank Human Resources Regulation” published in the Official Gazette dated 4 January, 2013 and numbered 28518. The matter is now governed by the “İller 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 İller 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 2015			Year-end 2016		
	Headquarters	Regional Offices	Total	Headquarters	Regional Offices	Total
Total Contractual Administrative Personnel	688	700	1388	666	668	1334
Total Contractual Technical Personnel	403	617	1020	407	583	990
Total Personnel Subject To Law No. 657 Governing Civil Cervants	3	1	4	2	1	3
Total Blue-Collar Personnel	93	135	228	87	118	205
Grand Total	1187	1453	2640	1162	1370	2532

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

As required by İller 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 İller 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.

AUDIT BOARD REPORT

İLLER BANKASI AŞ  
TO THE 72ST ANNUAL GENERAL ASSEMBLY OF İLLER BANK

2016 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 2016, 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 2016 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 2016 for compliance with the general trial balance and we have ascertained that they truly reflect the Bank’s activities in year 2016.

No changes occurred in the bank’s shareholder structure during 2016. The Bank’s paid-in capital is TRL 11,690,749 thousand, and the Bank’s total shareholders’ equity grew by 12,42% year-to-year, to TRL 14,116,874 thousand. The capital adequacy ratio at year-end stood at 49,62%.

Within the framework of the Bank’s 2016 investment and financing program, the management; TRY 5.387.664 Thousand Bank borrowings from shareholders’ TRY 268.659 Thousand outsourced loan, TRY 309.992 Thousand general budget TRY 141.949 Thousand of which is from the donations transferred from the Bank and TRY 6.108.264 Thousand Resources have been transferred to local governments.

In the year 2016, According to Law No. 5779, TRY 25,821,952 Thousand, Special Duties: TRY 2.151.841 Thousand share It distributed.



Muzaffer CENGİZ  
Member of the Audit Board



Ahmet ZENBİLÇİ  
Member of the Audit Board



Abdurrahman MADAN  
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 2016

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.

Independence of Independent Audit Institutions in Bank-Related Activities and Appropriateness of Allocated Resources Report to the Board of Directors on a quarterly basis it is presented adequacy and Risk Assessment Regarding the Support Services Received by Our Bank The report is presented to the Board of Directors Management Declaration for the year 2015 BSD (January 1-December 31, 2015)

Management Declaration Report and Annexes of the Report, Approval and Independent Audit it has been presented to the Board of Directors to be communicated to the Foundation, have been handed over to the Independent Audit Authorities by the Audit Committee.

For the year 2016 BSD period (January 1-December 31, 2016), January 2017 until the end of the month, the Board of Directors The relevant Statute of the Management Declaration to be submitted to the Work to be carried out within the framework of the Communiqué And works are carefully followed by the Audit Committee.

2015 Accounting Period Information Systems and Banking Processes Details on the findings of the Audit Report and Control Weakness Class, Non-Consolidated Financial Statements for the 2015 Accounting Period and Independent Audit Report to 2016 Interim Accounting Period Consolidated Financial Tables and Limited Independent Audit Reports are presented to the Board of Directors by the Audit Committee.

2015 Accounting Period Information Systems and Banking Processes Findings from the Audit Report and past turnaround The plans for May / 2016 and September / 2016 periods are submitted to the Board of Directors for approval, Published by the Banking Regulation

and Supervision Agency February 17 2010 and according to the Circular numbered BSD.2010 / 1, BADES (Independent Audit Tracking System) to the Agency (BRSA).

Internal Control Department Presidency Activity Reports, Risk Management Office Presidency's Risk Assessment Reports, Market Risk Calculator Reports, Risk Limits Monitoring Report and Information Systems Risk Management Reports are evaluated in the Audit Committee and the related departments Presented to the Board of Directors.

The Audit Committee, prepared by the Internal Control Department, To be approved by the "Internal Control Department Control Guide" Presented to the Board of Directors by the relevant Department.

The "2016 Annual Risk Assessment" prepared by the Internal Control Department Internal Control Program "and" Internal Control Activity Schedule "Audit Committee, and the program and the Management of the related department to be approved of activity schedule Presented to the committee.

The Internal Control Department, prepared by the Internal Control Department, Presidency 2015 Annual Report "Evaluation of the Audit Committee Presented to the Board of Directors as per the relevant department Negotiations with our units for process-based workflow charts And additions made on the basis of reconciliations, the Audit Committee. Management of the related department in the context of the evaluation Presented to the board.

Our Bank's Units, "Organization, Duties and Authority Directive" and In their defined duties, both legislation and implementation Due to the changes that occurred as a result, the related units and reconciliations Unit Based Business Flow Schemes revised in the context of the Audit Committee Management of the related department in the context of the evaluation Presented to the committee.

Three Monthly Activity Evaluation Reports of the Inspection Board, Presented to the Board of Directors together with the opinion of the Audit Committee And the Banking Regulation and Sent to the Supervisory Authority.

The "December 2015 Risk Matrix" prepared by the Inspection Board Risk Assessment Report "and" 2016 Annual Internal Audit Plan " And the report and plan, to be put into force Management Submitted to the approval of the Board and subject to our Notice of Obligations Sent to the Banking Regulation and Supervision Agency.

Risk and Authority Limits of Banks, Internal Systems of Banks and Internal In accordance with the provisions of the Regulation on the Capital Adequacy Assessment Process and ensuring compliance with the

Basel Regulations in order to be reorganized by the Risk Management Department "Risk Management Policy and Implementation Procedures" by the Audit Committee, And such application procedures shall be Presidency presented to the Board of Directors.

The Asset and Liability Committee has been intentionally reorganized and Risk Presented to the Audit Committee by the Office of Management "Risk and Authority Limitations Application Procedures" by the Audit Committee. And the related department is responsible for the Board of Directors It is presented.

Updated by our related departments of our bank and the Risk Management Office Which was presented to the Audit Committee after being consoled by the Presidency, Iller Bankası A.Ş. Business Continuity Plan, Emergency Plan and Annexes structured Presented to the Board of Directors for approval by the Audit Committee on the basis of the evaluation.

"Assessment of Banks" Internal Systems and Internal Capital Adequacy Under the heading "Compliance Controls" of the "Regulation on the Process" Within the scope of Article 18 and our Bank's Circular no 2013/8, New product of our Bank's Head Office and Domestic Service Units And for their activities they intend to carry out, The Banking Law and other related regulations, internal policies and rules Internal Control Department for compliance with banking practices It is necessary to get opinions from the Presidency and the General Directorate As a result of the announcements made to the Audit Committee, 2 (two) views were provided in the course.

In our Bank, the "Regulation on the Support Services of Banks" Auction for support services to be received within the scope of Besides the tender legislation to which our Bank is subject, Compliance with the provisions of the Regulation and The points that service units must respect when receiving support services The publication of our Bank's Circular and all units Information has been provided during the 2013 operating period and 2015 During the operating period, the said circular was revised and announced on January 14, 2015 Date and Circular No. 2015/3 has been published. In this context, support Risk analysis reports on service procurement, technical competence reports And Risk Management Program, The Committee noted that the main purpose of this report is to Within the framework of the Regulation on Support Service Centers Our evaluations are made by our Bank related service units It is reported.

Our bank is responsible to the Audit Committee As a result of the reporting period;

12 Risk Analysis Reports by the Risk Management Department Assessments made by the Audit Committee Risk analysis reports "mentioned in the In the case of Support Service Establishment and Regional Directorates / Taking into account the activities to be carried out by the Departments and taking risk-reducing measures, the date of 2015/3 dated 14.01.2015 "Our Bank's Circular" and "Support Servi-

ces for Banks" Regulation on the Regulation " Service units.

In accordance with the relevant regulations by the Audit Committee Services under support services as a result of evaluations 8 views were given for purchases and the evaluations Service units and the Office of Support Services.

## BOARD OF INSPECTORS

TBoard 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 38, including 1 Chairman, 2 Deputy Chairman, 11 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 2016 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.

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 2016, as of 31.12.2016, This also contributes to the decision-making process. From 2015, 17 (seventeen) units have been transferred to the review / Investigation, 22 (twenty-two) new review / Investigations have been started. In 2016, for the Inspectors of the Inspection Board, 28 (Twenty-eight) pieces of interview / investigation have been concluded and 11 (eleven ) Review / Investigation is ongoing.

## 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".



## Financial Information and Risk Management

The Internal Control Department is staffed by a total of 41 people, 23 of which are personnel including 1 Department Director, 1 Senior Associate, 3 Directors, 1 Lawyer, 8 Technical Associates, 6 Associates, 1 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.

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 Department 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 2016, 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 2016", were executed in May, September 2016 for the control periods April and August 2016, whereas the internal control activities regarding the control period December 2016 shall take place in January 2017. 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 Directors 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 16 people including 1 Department Director, 3 Directors, 8 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 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 over sight 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 estimation 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.

18 April 2016 submitted by the BRSA to the Banks Association of Turkey Dated and 49960598-201.01-E.5903, the PR500AS, The preparation of the PR502AS, PR504AS forms is the next announcement Stopped until.

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.

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 loan 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 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.

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.

  
**İbrahim ACAR**  
Board Member  
Chairman of the Audit  
Committee

  
**Refik TUZCUOĞLU**  
Board Member  
Chairman of the Audit  
Committee



## INDEPENDENT AUDIT REPORT



## INDEPENDENT AUDIT REPORT

*To İller Bankası Anonim Şirketi Board of Directors;*

We have conducted the audit of the attached balance sheet prepared by İller Bankası Anonim Şirketi ("Company") by 31st of December 2016, and the profit or loss statement of the same year ending hereby date, other comprehensive income statement, equity changes statement and cash flow statement, the summary of its important accounting policies and footnotes.

*The responsibility of the Company Management for Financial Tables*

Company management is responsible for preparing the financial tables in accordance with "Regulation on Principles and Procedures for Saving Banks Accounting Applications and Documents"; which published in the official gazette dated November 1, 2006 and numbered 26333; and other regulations issued by the Banking Regulation and Supervision Agency on the account and registry of banks and Banking Regulation and Supervision Agency (BDDK) circular and explanations and in matters not regulated by them; involves Turkish Accounting Standards; BDDK Accounting and Financial Reporting Legislation; their rightful presentation, and the internal controls required by the management to ensure that the financial statements are compiled free from material misstatements resulting from irregularity or faults.

*Responsibility of Independent Auditing Firm*

Our responsibility is to express opinions about the financial statements depending upon the independent audit we have conducted. Our independent audit has been carried out in accordance with the independent auditing standards issued by Public Oversight Accounting and Auditing Standards Authority ("KGK") and "Regulation on Independent Auditing of Banks" which was published in the Official Gazette dated April 2, 2015 and numbered 29314. These standards require conformity with the ethical principles and planning so that the independent auditing can provide a reasonable assurance about whether the financial statements represent the facts in a fair way.

Our independent auditing includes the use of independent audit techniques in order to collect independent audit evidences regarding the amounts and footnotes in the financial statements. The selection of these procedures is based on the professional judgment of the independent auditor, including the assessment of the risk of "significant misstatement" from errors or fraud in the financial statements. When conducting risk assessments, the independent auditor evaluates the internal control regarding preparation and fair presentation of financial statements in order to design suitable audit procedures, however; this evaluation does not involve an aim to give opinion on effectiveness of internal control of bank. Independent auditing includes the assessment of the conformity of the presentation of the financial statements and suitability of the accounting policies and important accounting estimates adopted by the management of bank.

We consider that the independent auditing evidences obtained during the audit compose a satisfactory and appropriate basis for use to express opinions.

*Opinion*

In our opinion, the attached financial statements represent the financial condition of İller Bankası Anonim Şirketi by 31 December 2016, its financial performance and cash flows belonging to the year ending on this very same date, in a fair and square way in accordance with BDDK Accounting and Financial Legislation.







*Other Matter*

1- No important issue was detected regarding non-conformity in the set of accounts of the company in 1 January - 31 December 2016 accounting period to the provisions of the law and the Articles of Incorporation of the Company, as per the fourth paragraph of 402nd Article of Turkish Commercial Code.

2- The Executive Board has made the explanations and submitted the documents required in scope of the auditing, as per the fourth paragraph of 402nd Article of Turkish Commercial Code.

Ankara, 21 February 2017 / 2017-01

REHBER BAĞIMSIZ DENETİM  
VE YEMİNLİ MALİ MÜŞAVİRLİK A.Ş.

  
ADIL ÖNER, YMM  
Auditor in-charge





## İLLER BANK NON-CONSOLIDATED FINANCIAL REPORT FOR THE YEAR ENDED ON 31 DECEMBER 2016

**Address** : Kızılırmak Mah. Ufuk Üniversitesi Caddesi No:12 Çukurambar Çankaya /Ankara  
**Phone** : (312) 508 70 00  
**Fax** : (312) 508 73 99  
**Website** : www.ilbank.gov.tr  
**Email** : muhasebe@ilbank.gov.tr

BThe 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, 2016 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 assubmitted below. The figures specified are in Thousand Turkish Liras unless specified otherwise.

**Mücahit DEMİRTAŞ**  
Yönetim Kurulu Başkanı

**Yusuf BÜYÜK**  
Genel Müdür

**Refik TUZCUOĞLU**  
Yönetim K. Başkan V.  
Denetim Komitesi Başkanı

**İbrahim ACAR**  
Yönetim K. Üyesi  
Denetim Komitesi Üyesi

**Salih YILMAZ**  
Finansal Raporlamadan Sorumlu  
Genel Müdür Yardımcısı

**Dr. Cumaali ÖZENOĞLU**  
Muhasebe ve Mali İşler  
Dairesi Başkanı

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



SECTION ONE  
General Information

I. A brief history of the Bank’s formation, initial status and subsequent changes in that status ..... 66

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..... 66

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 ..... 66

IV. Information regarding the individuals and organizations controlling qualified shares in the Bank ..... 68

V. Summary information about the Bank’s services and areas of activity ..... 68

VI. Differences between the communiqué on preparation of consolidated financial statements of Banks and Turkish Accounting Standards and short explanation about the entities subject to full consolidation or proportional consolidation and entities which are deducted from equity or entities which are not included in these three methods: ..... 68

VII. The existing or potential, actual or legal obstacles on the immediate transfer of shareholder’s equity between the Bank and its subsidiaries or reimbursement of liabilities:..... 68

SECTION TWO  
Non-Consolidated Financial Statements

I. Balance sheets (Financial status statement) (App. 1-A) ..... 70

II. Statement of off-balance sheet items (App. 1-B)..... 72

III. Income statement (App. 1-C) ..... 74

IV. Income statement accounts recognized in shareholders’ equity (App. 1-Ç)..... 75

V. Statement of changes in shareholders’ equity (App. 1-D)..... 76

VI. Cash flow statement (App. 1-E)..... 78

VII. Profit distribution statement (App. 1-F)..... 79

SECTION THREE  
Accounting Policies

I. Presentation principles ..... 80

II. Financial instruments utilization strategies and transactions denominated in foreign currencies ..... 80

III. Remarks on forward and option contracts, derivatives..... 80

IV. Remarks on interest income and expenses ..... 80

V. Remarks on fee and commission income and expenses..... 81

VI. Remarks on financial assets ..... 81

VII. Remarks on value impairments in financial assets ..... 82

VIII. Remarks on netting financial assets..... 82

IX. Remarks on sale and repurchase agreements, security lendings..... 82

X. Information on assets held for sale and fixed assets associated with discontinued operations and remarks on obligations concerning these assets ..... 82

XI. Remarks on goodwill and other intangible fixed assets ..... 83

XII. Remarks on tangible fixed assets ..... 83

XIII. Remarks on leasing transactions ..... 84

XIV. Remarks on provisions and contingent liabilities ..... 84

XV. Remarks on obligations related to employee entitlements..... 84

XVI. Remarks on tax-related issues..... 85

XVII. Additional remarks on borrowings ..... 85

XVIII. Remarks on issued stocks..... 86

XIX. Remarks on endorsements and acceptances ..... 86

XX. Remarks on government subsidies ..... 86

XXI. Remarks on the headings used in this report ..... 86

XXII. Remarks on other matters..... 86

SECTION FOUR  
Financial Structure

I. Explanations about equity items..... 87

II. Explanations on credit risk ..... 92

III. Explanations on currency risk.....100

IV. Explanations on interest rate risk .....102

V. Explanations on the position risk of common stock .....102

VI. Explanations Regarding the Liquidity Risk Management and Liquidity Payment Ratio .....103

VII. Explanations about Financial Leverage Ratio .....108

VIII.Representation of Financial Assets and Liabilities at Fair Value .....109

IX. Explanations on transactions entered on behalf and account of others; fiduciary transactions.....109

X. Explanations on risk management.....109

SECTION FIVE  
Remarks and Footnotes Regarding Non-Consolidated Financial Statements

I. Remarks and footnotes on balance sheet asset items.....120

II. Remarks and footnotes on balance sheet liability items.....130

III. Remarks and footnotes on off-balance sheet accounts.....134

IV. Remarks and footnotes on the income statement .....136

V. Remarks and footnotes on the equity change statement .....141

VI. Remarks and footnotes on the cash flow statement .....142

VII. Remarks on the risk group of the Bank.....143

VIII. Remarks on the Bank’s domestic, foreign, off-shore branches and representative offices and subsidiaries.....143

SECTION SIX  
Other Information

I. Further remarks on the Bank’s activities .....144

II. Summary information on the rating assigned to the Bank by international rating agencies .....144

SECTION SEVEN  
Independent Audit Report

I. Disclosures about the independent audit report .....145

II. Remarks and footnotes of the independent auditor .....145



**ILLER BANK, INC.**

THE NON-CONSOLIDATED FINANCIAL REPORT  
FOR ACCOUNTING YEAR ENDED ON DECEMBER 31, 2016  
(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					
Mücahit DEMİRTAŞ***	Board Chairman	29 September 2016		Bachelor's Degree	18 Years
Refik TUZCUOĞLU***	Vice Board Chairman	29 September 2016		Bachelor's Degree	17 Years
Yusuf BÜYÜK*	Board Member-General Manager	8 August 2016		Master's Degree	19 Years
İbrahim ACAR	Board Member	14 March 2014		Ph.D	31 Years
Fehmi Hüsrev KUTLU	Board Member	22 May 2014		Bachelor's Degree	2 Years
Mehmet YEREBAKAN	Board Member	22 May 2014		Master's Degree	21 Years
Veli BÖKE	Board Member	29 September 2016		Master's Degree	18 Years
Feramuz ÜSTÜN**	Board Chairman	7 April 2016	30 September 2016	Bachelor's Degree	12 Years
Veysel EKMEN**	Vice Board Chairman	12 September 2012	30 September 2016	Bachelor's Degree	32 Years
Ahmet ZENBİLÇİ**	Board of Directors	27 May 2016	30 September 2016	Master's Degree	12 Years
M. Turgut DEDEOĞLU	Board Member-General Manager	12 February2014	8 August 2016	Bachelor's Degree	30 Years
Osman Zeki ÖZGER	Board Member	20 May 2016	27 May 2016	Master's Degree	33 Years
Mesut BAYAT	Board Member	14 March2014	20 May 2016	Bachelor's Degree	19 Years
Fuat GEDİK	Board Chairman	14 March 2014	7 April 2016	Bachelor's Degree	37 Years
* T.C. With the Ministry of Environment and Urbanization dated August 8, 2016 and numbered 7881, the resignation of our Bank's General Manager Mehmet Turgut DEDEOGLU with the same date was accepted and August 8 as of 2016 and numbered 7888, Assistant General Manager Yusuf BÜYÜK was appointed Deputy General Manager. Deputy Chief Executive Yusuf BÜYÜK as of 13 January 2017 is in charge of his duties.					
**T. C. With the affairs of the Ministry of Environment and Urbanism dated 29.09.2016 and numbered 9687, our Bank's Chairman Feramuz ÜSTÜN, Vice Chairman and Audit Committee Chairman Veysel EKMEN and Board Member Ahmet ZENBİLÇİ were separated from the board of directors, and the members of the Board of Directors who were vacated in this period were Mücahit DEMİRTAŞ, Refik TUZCUOĞLU and Veli BÖKE has been appointed as of 30.09.2016.					
*** With the decisions of the Board of Directors dated 06.10.2016 and numbered 33/915, Mücahit DEMİRTAŞ, Board of Directors emptied from Feramuz ÜSTÜN, Management emptied from Veysel EKMEN Refik TUZCUOĞLU was elected as Vice Chairperson of the Board.					

**ILLER BANK, INC.**

THE NON-CONSOLIDATED FINANCIAL REPORT  
FOR ACCOUNTING YEAR ENDED ON DECEMBER 31, 2016  
(Unless stated otherwise, values are denominated in TRL thousand)

Full Name	Position	Appointed on	Departed from Office on	Education	Work Experience in the field of Banking and Business Administration
Audit Committee					
Refik TUZCUOĞLU*	Chairman/President of Auditing Committee- Risk Management Department President- Internal Audit Department President-Auditing Committee Office Manager	6 October 2016		Bachelor's Degree	17 Years
İbrahim ACAR	Member /President of Auditing Committee- Risk Management Department President- Internal Audit Department President-Auditing Committee Office Manager	19 March 2014		Ph.D.	31 Years
Veysel EKMEN	Başkan	20 Sep. 2012	30 Sep. 2016	Bachelor's Degree	32 Years
* Refik TUZCUOĞLU was elected to the Chairman of the Audit Committee, which was vacated from Veysel EKMEN by the decisions of the Board of Directors dante 06.10.2016 and numbered 33/916					

Full Name	Position	Appointed on	Departed from Office on	Education	Work Experience in the field of Banking and Business Administration
Supervisory Board					
Muzaffer CENGİZ	Member	12 April 2010		Bachelor's Degree	10 Years
Ahmet ZENBİLÇİ	Member	18 October 2016		Master's Degree	12 Years
Abdurrahman MADAN	Member	14 December 2016		Master's Degree	20 Years
Adem KABADAYI	Member	10 October 2014	25 November 2016	Bachelor's Degree	31 Years
Osman KARA	Member	18 August 2015	18 October 2016	Bachelor's Degree	28 Years

Full Name	Position	Appointed on	Departed from Office on	Education	Work Experience in the field of Banking and Business Administration
Deputy General Managers					
Yusuf BÜYÜK	General Manager/Human Resources Department President- Legal Counselling-Investment Coordination Department President- Investment Evaluation Department President	8 August 2016		Master's Degree	19 Years
Yusuf BÜYÜK	Vice General Manager	8 February 2013	8 August 2016	Master's Degree	19 Years
Salih YILMAZ	VGM/Accounting and Financial Affairs Department President- Support Services Department President-Planning and Coordination Department President- Press and Public Relations Manager	17 April 2014		Bachelor's Degree	25 Years
Dr. Ender Aykut YILMAZ	VGM/International Affairs Department President-Banking Service Department President- R&D Council Chairman	17 April 2014		Ph.D.	19 Years
Mehmet GÜRBÜZ	VGM/Spatial Planning Department President- Source Development Department President- Information Technologies Department President	17 April 2014		Master's Degree	17 Years
Hakan ÇOLAK	VGM- Infrastructure Application Department President- Project Department President- Superstructure Application Department President	21 May 2014		Master's Degree	16 Years
Muhammet Ferit YÜKSEL	VGM- Istanbul Regional Manager	17 November 2014		Master's Degree	13 Years

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.

**ILLER BANK, INC.**

THE NON-CONSOLIDATED FINANCIAL REPORT  
FOR ACCOUNTING YEAR ENDED ON DECEMBER 31, 2016

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

**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 taxrevenues to be distributed every month by the Ministry of Finance and Iller Bank under Law no. 5779 on Allotments of GeneralBudget Revenues to be Allocated to Special Provincial Authorities and Municipalities dated 2 July 2008; out of the Bank’s nominalcapital of TRL 18,000,000, TRL 11,690,749 had been paid-in as of 31 December 2016. 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.

**V. Summary information about the Bank’s services and areas of activity:**

Khe 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 andlocal administrative associations of which only these may be members; develop projects concerning locally-provided commonservices 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, andprovide 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 organizationsof 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. Differences between the communiqué on preparation of consolidated financial statements of Banks and Turkish Accounting Standards and short explanation about the entities subject to full consolidation or proportional consolidation and entities which are deducted from equity or entities which are not included in these three methods:**

Not applicable.

**VII. The existing or potential, actual or legal obstacles on the immediate transfer of shareholder’s equity between the Bank and its subsidiaries or reimbursement of liabilities:**

Not applicable.

**ILLER BANK, INC.**

THE NON-CONSOLIDATED FINANCIAL REPORT  
FOR ACCOUNTING YEAR ENDED ON DECEMBER 31, 2016

(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-Ç)

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, 2016  
(FINANCIAL STATUS STATEMENT)

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

APPENDIX 1-A		Independently Audited Current Period December 31, 2016			Independently Audited Previous Period December 31, 2015		
ASSETS		TRY	FX	Total	TRY	FX	Total
I.	CASH AND BALANCES WITH THE CENTRAL BANK OF TURKEY	295	-	295	246	-	246
II.	FINANCIAL ASSETS AT FAIR VALUE THROUGH P/L (Net)	-	-	-	-	-	-
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	4.687.012	60.186	4.747.198	4.877.730	32.678	4.910.408
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)	384	-	384	323	-	323
5.1	Securities Representing Share of Capital	-	-	-	-	-	-
5.2	Government Debt Securities	-	-	-	-	-	-
5.3	Other Securities	384	-	384	323	-	323
VI.	LOANS AND RECEIVABLES	15.064.148	1.163.603	16.227.751	12.054.085	830.895	12.884.980
6.1	Loans and Receivables	15.064.148	1.163.603	16.227.751	12.054.085	830.895	12.884.980
6.1.1	Loans Extended to the Bank's Risk Group	-	-	-	-	-	-
6.1.2	Government Debt Securities	-	-	-	-	-	-
6.1.3	Other	15.064.148	1.163.603	16.227.751	12.054.085	830.895	12.884.980
6.2	Non-Performing Loans	555	-	555	556	-	556
6.3	Specific Provisions (-)	555	-	555	556	-	556
VII.	FACTORING RECEIVABLES	-	-	-	-	-	-
VIII.	INVESTMENTS HELD TO MATURITY (Net)	-	-	-	-	-	-
8.1	Government Debt Securities	-	-	-	-	-	-
8.2	Other Securities	-	-	-	-	-	-
IX.	SUBSIDIARIES (Net)	-	-	-	-	-	-
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)	-	-	-	-	-	-
10.1	Non-Consolidated Financial Corporations	-	-	-	-	-	-
10.2	Non-Consolidated Non-Financial Corporations	-	-	-	-	-	-
XI.	CORPORATIONS UNDER JOINT CONTROL (JOINT VENTURES) (Net)	-	-	-	-	-	-
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	3.214	-	3.214	3.195	-	3.195
12.1	Leasing Receivables	-	-	-	-	-	-
12.2	Operational Lease Receivables	3.214	-	3.214	3.195	-	3.195
12.3	Other	-	-	-	-	-	-
12.4	Unearned Revenues (-)	-	-	-	-	-	-
XIII.	DERIVATIVES FOR HEDGING	-	-	-	-	-	-
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)	136.846	-	136.846	331.064	-	331.064
XV.	INTANGIBLE FIXED ASSETS (Net)	2.787	-	2.787	3.300	-	3.300
15.1	Goodwill	-	-	-	-	-	-
15.2	Other	2.787	-	2.787	3.300	-	3.300
XVI.	INVESTMENT PROPERTIES	472.941	-	472.941	85.849	-	85.849
XVII.	TAX ASSETS	77.790	-	77.790	66.334	-	66.334
17.1	Current Tax Assets	-	-	-	-	-	-
17.2	Deferred Tax Assets	77.790	-	77.790	66.334	-	66.334
XVIII.	FIXED ASSETS HELD FOR SALES OR WHICH ARE ASSOCIATED WITH DISCONTINUED OPERATIONS (Net)	-	-	-	-	-	-
18.1	For Sale	-	-	-	-	-	-
18.2	Associated with Discontinued Operations	-	-	-	-	-	-
XIX.	OTHER ASSETS	168.480	5.708	174.188	141.973	3.156	145.129
	TOTAL ASSETS	20.613.897	1.229.497	21.843.394	17.564.099	866.729	18.430.828

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

ILLER BANK, INC.

NON-CONSOLIDATED BALANCE SHEETS AS OF DECEMBER 31, 2016  
(FINANCIAL STATUS STATEMENT)

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

APPENDIX 1-A		Independently Audited Current Period December 31, 2016			Independently Audited Previous Period December 31, 2015		
LIABILITIES		TRY	FX	Total	TRY	FX	Total
I.	DEPOSITS	-	-	-	-	-	-
1.1	Deposits by the Bank's risk group	-	-	-	-	-	-
1.2	Other	-	-	-	-	-	-
II.	DERIVATIVES LIABILITIES FOR TRADING	-	-	-	-	-	-
III.	LOANS RECEIVED	-	1.222.286	1.222.286	-	863.145	863.145
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	5.854.666	-	5.854.666	4.430.337	1.101	4.431.438
6.1	Borrower Funds	-	-	-	-	-	-
6.2	Other	5.854.666	-	5.854.666	4.430.337	1.101	4.431.438
VII.	MISCELLANEOUS LIABILITIES	93.757	6.848	100.605	93.451	2.502	95.953
VIII.	OTHER LIABILITIES	30.602	13	30.615	39.143	12	39.155
IX.	FACTORING LIABILITIES	-	-	-	-	-	-
X.	LEASE RELATED LIABILITIES	-	-	-	-	-	-
10.1	Leasing Liabilities	-	-	-	-	-	-
10.2	Operational Lease Liabilities	-	-	-	-	-	-
10.3	Other	-	-	-	-	-	-
10.4	Deferred Leasing Expenses (-)	-	-	-	-	-	-
XI.	DERIVATIVES LIABILITIES FOR HEDGING	-	-	-	-	-	-
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	390.164	-	390.164	334.037	-	334.037
12.1	General Reserves	-	-	-	-	-	-
12.2	Restructuring Reserve	-	-	-	-	-	-
12.3	Reserves for Employee Entitlements	97.428	-	97.428	95.860	-	95.860
12.4	Technical Insurance Reserves (Net)	-	-	-	-	-	-
12.5	Other Reserves	292.736	-	292.736	238.177	-	238.177
XIII.	TAX LIABILITIES	128.184	-	128.184	110.038	-	110.038
13.1	Current Tax Liabilities	128.184	-	128.184	110.038	-	110.038
13.2	Deferred Tax Liabilities	-	-	-	-	-	-
XIV.	LIABILITIES FOR FIXED ASSETS HELD FOR SALES OR WHICH ARE ASSOCIATED WITH DISCONTINUED OPERATIONS (Net)	-	-	-	-	-	-
14.1	For Sale	-	-	-	-	-	-
14.2	Associated with Discontinued Operations	-	-	-	-	-	-
XV.	SUBORDINATED CREDITS	-	-	-	-	-	-
XVI.	SHAREHOLDERS' EQUITY	14.116.874	-	14.116.874	12.557.062	-	12.557.062
16.1	Paid-In Capital	11.690.749	-	11.690.749	10.483.745	-	10.483.745
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	655.959	-	655.959	555.961	-	555.961
16.3.1	Legal Reserves	463.295	-	463.295	432.535	-	432.535
16.3.2	Statutory reserves	192.664	-	192.664	123.426	-	123.426
16.3.3	Contingency Reserves	-	-	-	-	-	-
16.3.4	Other Profit Reserves	-	-	-	-	-	-
16.4	Profit or Loss	884.920	-	884.920	632.110	-	632.110
16.4.1	Accumulated Profit or Loss	63.982	-	63.982	56.032	-	56.032
16.4.2	Net Current Profit (Loss)	820.938	-	820.938	576.078	-	576.078
16.5	Minority Shares	-	-	-	-	-	-
	TOTAL LIABILITIES	20.614.247	1.229.147	21.843.394	17.564.068	866.760	18.430.828

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 2016  
(Unless stated otherwise, values are denominated in TRL thousand)

APPENDIX 1-B			Independently Audited Current Period December 31, 2016			Independently Audited Previous Period December 31, 2015		
		Footnote	TRY	FX	Total	TRY	FX	Total
A.	OFF-BALANCE SHEET LIABILITIES (I+II+III)		12.313.884	4.039.769	16.353.653	8.357.535	2.746.126	11.103.661
I.	GUARANTEES and WARRANTIES	V-III-a	481.880	2.214	484.094	511.709	2.584	514.293
1.1	Letters of Guarantee		481.880	2.214	484.094	511.709	2.584	514.293
1.1.1	Covered under State Tenders Law		5	-	5	5	-	5
1.1.2	Extended for Foreign Trade Transactions		-	-	-	-	-	-
1.1.3	Other Letters of Guarantee		481.875	2.214	484.089	511.704	2.584	514.288
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		11.832.004	4.037.555	15.869.559	7.845.826	2.743.542	10.589.368
2.1	Irrevocable Commitments		11.832.004	1.716.890	13.548.894	7.845.826	2.743.542	10.589.368
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		11.832.004	1.716.890	13.548.894	7.845.826	2.743.542	10.589.368
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		-	2.320.665	2.320.665	-	-	-
2.2.1	Revocable Credit Extension Commitments		-	-	-	-	-	-
2.2.2	Other Revocable Commitments		-	2.320.665	2.320.665	-	-	-
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 INCOME STATEMENT FOR THE INTERIM ACCOUNTING  
PERIOD ENDED ON 31 DECEMBER 2016  
(Unless stated otherwise, values are denominated in TRL thousand)

APPENDIX 1-B			Independently Audited Current Period December 31, 2016			Independently Audited Previous Period December 31, 2015		
		Footnote	TRY	FX	Total	TRY	FX	Total
3.2	Alım Satım Amaçlı İşlemler		-	-	-	-	-	-
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)		3.683.113	512.186	4.195.299	3.810.269	441.472	4.251.741
IV.	ASSETS IN CUSTODY		2.858.620	508.984	3.367.604	3.017.751	437.428	3.455.179
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		2.852.671	508.984	3.361.655	3.010.058	437.428	3.447.486
4.8	Receipients of Assets in Custody		5.949	-	5.949	7.693	-	7.693
V.	ASSETS UNDER LIEN		824.493	3.202	827.695	792.518	4.044	796.562
5.1	Securities		-	-	-	-	-	-
5.2	Performance Bonds		824.493	3.202	827.695	792.518	4.044	796.562
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)			15.996.997	4.551.955	20.548.952	12.167.804	3.187.598	15.355.402

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 2016  
(Unless stated otherwise, values are denominated in TRL thousand)

APPENDIX 1-C			Independently Audited Current Period December 31, 2016	Independently Audited Previous Period December 31, 2015
		Footnote	Total	Total
I.	INTEREST REVENUES	V-IV-a	1.211.708	1.050.568
1.1	Interests from Loans		902.237	714.755
1.2	Interests for Mandatory Reserves		-	-
1.3	Interests from Banks		306.268	330.910
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		3.203	4.903
II.	INTEREST EXPENSES	V-IV-b	565	127
2.1	Interests Paid on Deposits		-	-
2.2	Interests Paid on Loans Utilized		66	33
2.3	Interest on Money Market Transactions		-	-
2.4	Interest on securities issued		-	-
2.5	Other Interest Expenses		499	94
III.	NET INTEREST REVENUE/ EXPENSES [I-II]		1.211.143	1.050.441
IV.	NET FEE AND COMMISSION INCOME		12.997	13.311
4.1	Fees and Commissions Received		13.854	13.652
4.1.1	From Non-Cash Loans		10.131	10.951
4.1.2	Other		3.723	2.701
4.2	Fees and Commissions Paid		(857)	(341)
4.2.1	For Non-Cash Loans		-	-
4.2.2	Other		(857)	(341)
V.	DIVIDEND INCOME		-	-
VI.	NET COMMERCIAL PROFIT/(LOSS) (Net)	V-IV-c	(708)	(91)
6.1	Securities Trading Profit/Loss		-	-
6.2	Profit/Loss on Derivative Financial Instruments		-	-
6.3	Profit/Loss on Foreign Exchange Transactions		(708)	(91)
VII.	OTHER OPERATING INCOME	V-IV-ç	405.076	185.486
VIII.	TOTAL OPERATING REVENUES/EXPENSES (III+IV+V+VI+VII)		1.628.508	1.249.147
IX.	IMPAIRMENT RESERVES FOR LOANS AND OTHER RECEIVABLES (-)	V-IV-d	54.984	33.280
X.	OTHER OPERATING EXPENSES (-)	V-IV-e	463.958	435.963
XI.	NET OPERATING PROFIT/(LOSS) (VIII-IX-X)		1.109.566	779.904
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)		1.109.566	779.904
XVI.	TAX RESERVES FOR ONGOING OPERATIONS	V-IV-f	(288.628)	(203.826)
16.1	Current Tax Reserves		(300.084)	(211.776)
16.2	Deferred Tax Reserves		11.456	7.950
XVII.	CURRENT P/L FROM ONGOING OPERATIONS (XV±XVI)		820.938	576.078
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 (±)	V-IV-f	-	-
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-g	820.938	576.078
23.1	Profit/Loss of the Group		820.938	576.078
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 2016  
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 December 31, 2016	Independently Audited Previous Period December 31, 2015
	INCOME STATEMENT ACCOUNTS RECOGNICED 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		820.938	576.078
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		820.938	576.078
XII.	TOTAL RECOGNIZED PROFIT/LOSS FOR THE PERIOD (X±XI)		820.938	576.078

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 2016  
(Unless stated otherwise, values are denominated in TRL thousand)

	APPENDIX 1-D	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
	CHANGES IN SHAREHOLDERS EQUITY ACCOUNTS																				
	Previous Period - December 31, 2015																				
I.	Balance as of the Beginning of the Period		9.402.380	876.514	-	-	404.941	76.611		-	-	-	565.705	-	8.732	-	-	-	11.334.883	-	11.334.883
II.	Adjustments Made in Accordance with TMS 8		-	-	-	-	-	-		-	-	-	-	-	-	-	-	-	-	-	-
2.1	Impact of Error Correction		-	-	-	-	-	-		-	-	-	-	-	-	-	-	-	-	-	-
2.2	Impact of Accounting Policy Changes		-	-	-	-	-	-		-	-	-	-	-	-	-	-	-	-	-	-
III.	Updated Balance (I+II)		9.402.380	876.514	-	-	404.941	76.611		-	-	-	565.705	-	8.732	-	-	-	11.334.883	-	11.334.883
	Changes within the Period		-	-	-	-	-	-		-	-	-	-	-	-	-	-	-	-	-	-
IV.	Increase/Decrease Due to Merger		-	-	-	-	-	-		-	-	-	-	-	-	-	-	-	-	-	-
V.	Securities Valuation Surplus		-	-	-	-	-	-		-	-	-	-	-	-	-	-	-	-	-	-
VI.	Hedge Funds (Active part)		-	-	-	-	-	-		-	-	-	-	-	-	-	-	-	-	-	-
6.1	For Hedging Against Cash Flow Risk		-	-	-	-	-	-		-	-	-	-	-	-	-	-	-	-	-	-
6.2	For Hedging Against Net Investment Risk Abroad		-	-	-	-	-	-		-	-	-	-	-	-	-	-	-	-	-	-
VII.	Tangible Fixed Assets Valuation Surplus		-	-	-	-	-	-		-	-	-	-	-	-	-	-	-	-	-	-
VIII.	Intangible Fixed Assets Valuation Surplus		-	-	-	-	-	-		-	-	-	-	-	-	-	-	-	-	-	-
IX.	Bonus Shares in Subsidiaries, Affiliated Corporations and Jointly-Controlled Entities (Joint Ventures)		-	-	-	-	-	-		-	-	-	-	-	-	-	-	-	-	-	-
X.	Exchange Rate Differences		-	-	-	-	-	-		-	-	-	-	-	-	-	-	-	-	-	-
XI.	Changes Due to Disposal of Assets		-	-	-	-	-	-		-	-	-	-	-	-	-	-	-	-	-	-
XII.	Changes Due to Reclassification of Assets		-	-	-	-	-	-		-	-	-	-	-	-	-	-	-	-	-	-
XIII.	Impact of Subsidiary Shareholders' Equity on the Shareholders' Equity of the Bank		-	-	-	-	-	-		-	-	-	-	-	-	-	-	-	-	-	-
XIV.	Capital Increase		915.797	-	-	-	-	-		-	-	-	-	-	-	-	-	-	915.797	-	915.797
14.1	Cash		915.797	-	-	-	-	-		-	-	-	-	-	-	-	-	-	915.797	-	915.797
14.2	Internal Sources		-	-	-	-	-	-		-	-	-	-	-	-	-	-	-	-	-	-
XV.	Share Issue		-	-	-	-	-	-		-	-	-	-	-	-	-	-	-	-	-	-
XVI.	Share Premium of Canceled Stocks		-	-	-	-	-	-		-	-	-	-	-	-	-	-	-	-	-	-
XVII.	Paid-in Capital Inflation Adjustments		-	-	-	-	-	-		-	-	-	-	-	-	-	-	-	-	-	-
XVIII.	Other		-	-	-	-	-	-		-	-	-	-	-	-	-	-	-	-	-	-
XIX.	Current Profit or Loss		-	-	-	-	-	-		-	-	576.078	-	-	-	-	-	-	576.078	-	576.078
XX.	Dividend Payment		165.568	-	-	-	27.594	46.815		-	-	-	(509.673)	-	-	-	-	-	(269.696)	-	(269.696)
20.1	Dividend Paid		-	-	-	-	-	-		-	-	-	(269.696)	-	-	-	-	-	(269.696)	-	(269.696)
20.2	Amounts Transferred to Reserves		-	-	-	-	27.594	46.815		-	-	-	(74.409)	-	-	-	-	-	-	-	-
20.3	Other		165.568	-	-	-	-	-		-	-	-	(165.568)	-	-	-	-	-	-	-	-
	Balance at the end of the period (III+IV+V+.....+XVIII+XIX+XX)		10.483.745	876.514	-	-	432.535	123.426		-	-	576.078	56.032	-	8.732	-	-	-	12.557.062	-	12.557.062
	Current Period - December 31, 2016																				
I.	Previous Period Ending Balance		10.483.745	876.514	-	-	432.535	123.426		-	-	-	632.110	-	8.732	-	-	-	12.557.062	-	12.557.062
	Changes within the Period		-	-	-	-	-	-		-	-	-	-	-	-	-	-	-	-	-	-
II.	Increase/Decrease Due to Merger		-	-	-	-	-	-		-	-	-	-	-	-	-	-	-	-	-	-
III.	Securities Valuation Surplus		-	-	-	-	-	-		-	-	-	-	-	-	-	-	-	-	-	-
IV.	Currency Risk Funds (Effective Part)		-	-	-	-	-	-		-	-	-	-	-	-	-	-	-	-	-	-
4.1	For Hedging Against Cash Flow Risk		-	-	-	-	-	-		-	-	-	-	-	-	-	-	-	-	-	-
4.2	For Hedging Against Net Investment Risk Abroad		-	-	-	-	-	-		-	-	-	-	-	-	-	-	-	-	-	-
V.	Tangible Fixed Assets Valuation Surplus		-	-	-	-	-	-		-	-	-	-	-	-	-	-	-	-	-	-
VI.	Intangible Fixed Assets Valuation Surplus		-	-	-	-	-	-		-	-	-	-	-	-	-	-	-	-	-	-
VII.	Bonus Shares in Subsidiaries, Affiliated Corporations and Jointly-Controlled Entities (Joint Ventures)		-	-	-	-	-	-		-	-	-	-	-	-	-	-	-	-	-	-
VIII.	Exchange Rate Differences		-	-	-	-	-	-		-	-	-	-	-	-	-	-	-	-	-	-
IX.	Changes Due to Disposal of Assets		-	-	-	-	-	-		-	-	-	-	-	-	-	-	-	1.022.447	-	1.022.447
X.	Changes Due to Reclassification of Assets		-	-	-	-	-	-		-	-	-	-	-	-	-	-	-	1.022.447	-	1.022.447
XI.	Impact of Subsidiary Shareholders' Equity on the Shareholders' Equity of the Bank		-	-	-	-	-	-		-	-	-	-	-	-	-	-	-	-	-	-
XII.	Capital Increase		1.022.447	-	-	-	-	-		-	-	-	-	-	-	-	-	-	-	-	-
12.1	Cash		1.022.447	-	-	-	-	-		-	-	-	-	-	-	-	-	-	-	-	-
12.2	Internal Sources		-	-	-	-	-	-		-	-	-	-	-	-	-	-	-	-	-	-
XIII.	Premiums on Stocks Issued		-	-	-	-	-	-		-	-	-	-	-	-	-	-	-	-	-	-
XIV.	Share Premium of Canceled Stocks		-	-	-	-	-	-		-	-	-	-	-	-	-	-	-	-	-	-
XV.	Paid-in Capital Inflation Adjustments		-	-	-	-	-	-		-	-	-	-	-	-	-	-	-	-	-	-
XVI.	Other		-	-	-	-	-	-		-	-	-	-	-	-	-	-	-	-	-	-
XVII.	Current Profit or Loss		-	-	-	-	-	-		-	-	820.938	-	-	-	-	-	-	820.938	-	820.938
XVIII.	Dividend Payment		184.557	-	-	-	30.760	69.238		-	-	-	(568.128)	-	-	-	-	-	(283.573)	-	(283.573)
18.1	Dividend Paid		-	-	-	-	-	-		-	-	-	(283.573)	-	-	-	-	-	(283.573)	-	(283.573)
18.2	Amounts Transferred to Reserves		-	-	-	-	30.760	69.238		-	-	-	(99.998)	-	-	-	-	-	-	-	-
18.3	Other		184.557	-	-	-	-	-		-	-	-	(184.557)	-	-	-	-	-	-	-	-
	Balance at the end of the period (I+II+III+.....+XV+XVII+XVIII)		11.690.749	876.514	-	-	463.295	192.664		-	-	820.938	63.982	-	8.732	-	-	-	14.116.874	-	14.116.874

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 2016

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

APPENDIX 1-E		Footnote	Independently Audited Current Period December 31, 2016	Independently Audited Previous Period December 31, 2015
A.	CASH FLOWS REGARDING BANKING OPERATIONS			
1.1	Operating Profits Before Change in Assets and Liabilities Concerning Banking Operations		836.488	672.763
1.1.1	Interests received		1.189.078	1.025.315
1.1.2	Interests paid		(338)	(102)
1.1.3	Dividends received		-	-
1.1.4	Fees and Commissions Received		13.854	13.651
1.1.5	Other Income Generated		91.305	52.927
1.1.6	Collections from Illiquid Claims Recognized as Loss		-	-
1.1.7	Cash Payments to Personnel and Service Providers		(265.967)	(239.306)
1.1.8	Taxes Paid		(6.892)	(7.896)
1.1.9	Other	V-VI-I	(184.552)	(171.826)
1.2	Change in Assets and Liabilities Concerning Banking Operations		(1.943.623)	(810.446)
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		24	-
1.2.4	Net (Increase) Decrease in Loans		(3.350.272)	(1.385.620)
1.2.5	Net (Increase) Decrease in Other Assets	V-VI-I	(111.081)	(150.748)
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		359.141	248.335
1.2.9	Net (Increase) Decrease in Mature Debts		-	-
1.2.10	Net (Increase) Decrease in Other Debts	V-VI-I	1.158.565	477.587
I.	Net Cash Flows from Banking Operations		(1.107.135)	(137.683)
B.	CASH FLOWS REGARDING INVESTMENT OPERATIONS			
II.	Net Cash Flows from Investment Operations		74.053	(76.580)
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		(208.464)	(165.090)
2.4	Disposed Securities and Real Estate		282.517	88.510
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		864.812	733.711
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		(157.635)	(182.086)
3.5	Payments Regarding Leasing		-	-
3.6	Other	V-VI-I	1.022.447	915.797
IV.	Impact of the Change in Exchange Rates on Cash and Cash Equivalent Assets	V-VI-I	11.773	6.725
V.	Net (decrease) /increase in cash and cash equivalents		(156.497)	526.173
VI.	Cash and cash equivalents at the beginning of the period		4.898.267	4.372.094
VII.	Cash and cash equivalents at the end of the period		4.741.770	4.898.267

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

ILLER BANK, INC.

NON-CONSOLIDATED DIVIDEND PAYMENT STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2016

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

APPENDIX 1-F		Independently Audited Current Period December 31, 2016	Independently Audited Previous Period December 31, 2015
I.	DIVIDEND PAYMENT FOR THE PERIOD		
1.1	PROFITS FOR THE PERIODS	1.109.566	779.904
1.2	PAYABLE TAXES AND LEGAL LIABILITIES (-)	300.084	211.776
1.2.1	Income Tax Withholding	233.029	164.714
1.2.2	Other Taxes and Legal Liabilities Payable	67.055	47.062
1.2.3	Other Taxes and Legal Obligations	-	-
A	NET CURRENT PROFIT (1.1 - 1.2)	809.482	568.128
1.3	LOSSES FROM PAST PERIODS	-	-
1.4	PRIMARY STATUTORY RESERVE (-)	43.827	30.760
1.5	STATUTORY FUNDS REQUIRED TO BE SAVED AND KEPT AT THE ENTITY (-)*)	262.961	184.557
B	NET PROFITS FOR THE PERIOD AVAILABLE FOR DIVIDEND PAYMENTS [(A-(1.3+1.4+1.5))]	502.694	352.811
1.6	PRIMARY DIVIDEND PAYMENT TO SHAREHOLDERS (-)	379.979	266.684
1.6.1	To Shareholders	-	-
1.6.2	To Preferred Share Holders**)	379.979	266.684
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 (-)	78.888	55.367
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 (-)	43.827	30.760
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 (-)	-	-
25	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 (%)	-	-

(\*) As deferred tax incomes are not subject to dividend payment, a difference of TRL 11.456 exists between the dividend for the period as indicated on the income statement, and the payable profits (TRL 7.950 as of 31 December, 2015). (\*\*) 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, 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. The attached notes are complementary parts of these non-consolidated financial statements.

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

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 (“KGK”), 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 “İller 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 29, 2016	US Dollar 3,5318	Euro 3,6939	100 Japanese Yens 3,0264
Date December 30, 2015	US Dollar 2,9076	Euro 3,1776	100 Japanese Yens 2,4078

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

Interest is accounted for using the effective interest method specified in the “Turkish Accounting Standard on Financial Instruments: Recognition and Measurement” (“TMS 39”). Only loans granted by local governments in accordance with the Banking Code. The interest credited to the credits is accrued 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 of Güneş Insurance and Ankara Insurance the Bank also collects commissions both on the insurance of movable and immovable properties belonging to itself and to local governments. Guarantee fee is paid to the Undersecretariat of Treasury for the credits provided from foreign financial institutions to be reflected to the local administrations. 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.

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 AŞ, 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 İller Bank.



ILLER BANK, INC.  
FOOTNOTES ON NON-CONSOLIDATED FINANCIAL  
STATEMENTS ISSUED AS OF DECEMBER 31, 2016  
(Unless stated otherwise, values are denominated in TRL thousand)

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 predeterminedor determinable payments, and which are neither “loans” nor “receivables”.

As of 31 December 2016, 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 fi-nancial asset or a group of financial assets may have suffered a loss in value. If it is ascertained that such evidence exists, theBank 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 oneor more events (in the nature of “damage” or “loss”) transpired after the asset’s initial booking and that the loss (or losses) havecaused 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 futureevents 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 thebalance sheet over their book values.

Within the framework of the “Regulation on Principles and Procedures for Determination of Qualifications of Loans and OtherRece-ivables Requiring Reserves set aside by the Banks, and the Reserves thus Set Aside”, special 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 financialassets 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 backse-curities (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; applicationof 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.

ILLER BANK, INC.  
FOOTNOTES ON NON-CONSOLIDATED FINANCIAL  
STATEMENTS ISSUED AS OF DECEMBER 31, 2016  
(Unless stated otherwise, values are denominated in TRL thousand)

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 thereafterwere 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 threeto 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.

If there is an indication of impairment, the recoverable amount of the related asset is determined as “ (“TMS 36”) and the amount of the recoverable amount of the related asset If the carrying amount is less than the carrying amount, provision for impairment is booked.

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 thereafterwere descended in the financial statements on the basis of their initial acquisition cost. Depreciation for tangible assets is set asidein 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 amountof depreciation that is set aside is determined by prorating the amount that would have been set aside for a full year accordingto 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 theasset 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 commitmentsen-tered 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 signi-ficant impact on accounting assumptions.

The Bank engaged a real estate appraisal company authorized by BRSA and had the real estatesregistered in its name appraised; no value impairment has been ascertained in the appraisal which needed to be reflected in therecords. 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

**ILLER BANK, INC.****FOOTNOTES ON NON-CONSOLIDATED FINANCIAL  
STATEMENTS ISSUED AS OF DECEMBER 31, 2016**

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

***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.

**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.

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 50 years. The real estate property being rented out was appraised most recently in 2016 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.

Lease payments on operating leases are recorded as expense on an equal basis over the lease term.

**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

**ILLER BANK, INC.****FOOTNOTES ON NON-CONSOLIDATED FINANCIAL  
STATEMENTS ISSUED AS OF DECEMBER 31, 2016**

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

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 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.

**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.



**ILLER BANK, INC.**  
FOOTNOTES ON NON-CONSOLIDATED FINANCIAL  
STATEMENTS ISSUED AS OF DECEMBER 31, 2016  
(Unless stated otherwise, values are denominated in TRL thousand)

**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, thei-  
raffiliated 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 suchadminist-  
rations 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 Bankpursues 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, banknotes, monies intran-  
sit, and purchased bank checks as well as demand accounts held in banks including the Central Bank of Turkey (TCMB). The term“-  
cash equivalents” is taken to mean interbank money market investments, fixed-term bank accounts whose original maturitiesare  
less than three months, and investments in marketable securities.

**ILLER BANK, INC.**  
FOOTNOTES ON NON-CONSOLIDATED FINANCIAL  
STATEMENTS ISSUED AS OF DECEMBER 31, 2016  
(Unless stated otherwise, values are denominated in TRL thousand)

**SECTION FOUR**  
**Financial Structure and Risk Management Information:**

**I. Explanations about equity items:**

The capital adequacy standard ratio calculated within the framework of “Equity amount and capital adequacy standard ratio” Regu-  
lation Regarding Equities of Banks “and” Regulation Regarding Measurement and Evaluation of Banks’ Capital Adequacy “is 49,62%  
as of 31 December 2016. (31 December 2015: 57,16%)

*Information on equity items:*

CORE CAPITAL	Amount	Amount related to application prior to 1/1/2014*
The paid-in capital which would have the lowest priority in repayment in case of the liquidation of the Bank	11.690.749	
Share certificate issue premiums	-	
Reserves	1.541.205	
Earnings recognized in shareholders' equity as per the Accounting Standards of Turkey (TMS)		
Profit	884.920	
Net profits for the Period	820.938	
Previous Years Profit	63.982	
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	-	
<b>Core Capital Before Discounts</b>	<b>14.116.874</b>	
<b>Discounts Applicable on the Core Capital</b>		
<b>Valuation adjustments calculated according to (i) the first paragraph of Article 9 of the Regulation on Owners' Equity of Banks</b>	-	-
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	-	-
Except for the rights to provide mortgage services, other intangible assets remained after offset with relevant postponed tax liability	1.672	2.787
Except for deferred tax assets based on temporary differences, the part remained after postponed tax asset, based on taxable incomes to be obtained in the coming periods, is offset with relevant postponed tax liability	-	-
Differences arising when assets or liabilities that are not monitored at fair value are treated as cash flow hedges	-	-
The part, exceeding total provision amount, of total expected loss calculated pursuant to the Communiqué on Accounting for Loan Risk Based on Approaches Based on Internal Rating	-	-
Earnings arising from securitization operations	-	-
Unrealized profits and losses arising from differences occurred depending on changes loan ratings in the fair value of the Bank's obligations	-	-
Net amount of defined benefit plan assets	-	-
Direct or indirect investments in which the Bank has made its own core capital	-	-
Shares acquired in breach of article 56, paragraph four of the Law	-	-
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	-	-

**ILLER BANK, INC.**  
FOOTNOTES ON NON-CONSOLIDATED FINANCIAL  
STATEMENTS ISSUED AS OF DECEMBER 31, 2016  
(Unless stated otherwise, values are denominated in TRL thousand)

Limit excess caused by deferred tax assets based on provisional margins	-	-
Other items the Board may stipulate	-	
Amount to be discounted from the core capital in case of failure to secure suficient additional primary capital or supplementary capital (-)	-	
<b>Total Discounts from Core Capital</b>	<b>1.672</b>	
<b>Total Core Capital</b>	<b>14.115.202</b>	
<b>ADDITIONAL PRIMARY CAPITAL</b>		
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	-	
Agency-approved debt instruments and associated issue premiums (tne ones covered by provisional Article 4)	-	
<b>Additional Primary Capital Before Discounts</b>	<b>-</b>	
<b>Discounts Applicable on the Additional Primary Capital</b>		
The bank's direct or indirect investments in its additional primary capital (-)	-	-
Banks investing in additional main capital items of the bank and investments made by banks in equity items issued by financial institutions and bearing the conditions stated in Article 7 of the Regulation	-	-
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 sum of net long positions of investments in additional main capital elements of banks and financial institutions that have 10% or more of their ownership and are not consolidated	-	-
Other items the Board may stipulate (-)	-	
<b>Elements that will continue to be deducted from main capital during transition process</b>		
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 (-)	<b>1.115</b>	-
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 (-)	<b>77.790</b>	-
Amount to be discounted from the additional primary capital in case of failure to secure sufficient supplementary capital (-)	-	
<b>Supplementary Capital Before Discounts</b>	<b>-</b>	
<b>Discounts Applicable on the Supplementary Capital</b>	<b>-</b>	
<b>Total of main capital (Main capital= core capital + additional main capital) 14.036.297</b>	<b>14.036.297</b>	
<b>SUPPLEMENTARY CAPITAL</b>		
Agency-approved debt instruments and associated issue premiums	-	
Agency-approved debt instruments and associated issue premiums (the ones covered by Provisional Article 4)	-	
Provisions (The amounts referred to in the first paragraph of Article 8 of the Regulation on Owners' Equity of Banks)	-	
<b>Supplementary capital before discounts</b>	<b>-</b>	
<b>Discounts to be made from supplementary capital</b>		
The bank's direct or indirect investments in its supplementary capital (-)	-	-
Banks investing in additional main capital items of the bank and investments made by banks in equity items issued by financial institutions and bearing the conditions stated in Article 8 of the Regulation	-	-
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 items that Board may stipulate (-)	-	
<b>Total discounts from supplementary capital</b>	<b>-</b>	
<b>Total supplementary capital</b>	<b>-</b>	
<b>Total of shareholder's equity ( Total of main capital and supplementary capital)</b>	<b>14.036.297</b>	
<b>Total of main capital and supplementary capital (total of shareholder's equity)</b>		
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 (-)	-	
Other accounts the Board may stipulate (-)	-	

**ILLER BANK, INC.**  
FOOTNOTES ON NON-CONSOLIDATED FINANCIAL  
STATEMENTS ISSUED AS OF DECEMBER 31, 2016  
(Unless stated otherwise, values are denominated in TRL thousand)

<b>Elements to be Continued to be Reduced from the Core and Contribution Capital (Capital) in the Transition Process</b>		
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 nonconsolidated 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	-	
<b>SHAREHOLDER'S EQUITY</b>	<b>14.036.297</b>	<b>-</b>
Total of shareholder's equity ( Total of main capital and supplementary capital)	<b>14.036.297</b>	<b>-</b>
Total risk-weighted amounts	<b>28.287.383</b>	<b>-</b>
<b>CAPITAL ADEQUACY RATIOS</b>		
Core Capital Adequacy Ratio (%)	<b>49,90</b>	<b>-</b>
Main Capital Adequacy Ratio (%)	<b>49,62</b>	<b>-</b>
Capital Adequacy Ratio (%)	<b>49,62</b>	<b>-</b>
<b>BUFFERS</b>		
Bank-specific total core capital ratio	-	-
Capital protection buffer ratio (%)	<b>0,625</b>	<b>-</b>
Bank-specific cyclical capital buffer ratio (%)	<b>0,00</b>	<b>-</b>
The ratio of the additional core capital amount to be calculated according to the first paragraph of Article 4 of the Regulation on Capital Protection and Cyclical Capital Buffers to the risk weighted assets (%)	<b>41,09</b>	<b>-</b>
<b>Amounts Remaining Under Excess Amount for applicable discount principles</b>		
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	-	-
<b>Limits on Provisions Considering Contribution Capital Calculation</b>		
General provisions for receivables using the standard approach (prior to limit of one hundred twenty five per ten thousand)	-	-
The portion of the general allowances for receivables using the standard approach up to 1.25% of the total risk weighted amount	-	-
The part, exceeding total provision amount, of total expected loss calculated pursuant to the Communiqué on Accounting for Loan Risk Based on Approaches Based on Internal Rating.	-	-
The part, exceeding total provision amount, of total expected loss calculated pursuant to the Communiqué on Accounting for Loan Risk Based on Approaches Based on Internal Rating, of which part is up to 0.6% of the total risk-weighted amount of receivables.	-	-
<b>Borrowing instruments subject to Provisional Clause 4 (to be applied between 1 January 2018 and 1 January 2022)</b>		
The upper limit for additional main capital items subject to the provisions of Temporary Article 4	-	-
The amount exceeding the upper limit of additional main capital items subject to the provisions of Provisional Article 4	-	-
The upper limit for the contribution capital items subject to the provisions of Temporary Article 4	-	-
The portion of the contribution capital items exceeding the upper limit subject to the provisions of Temporary Article 4	-	-



ILLER BANK, INC.  
FOOTNOTES ON NON-CONSOLIDATED FINANCIAL  
STATEMENTS ISSUED AS OF DECEMBER 31, 2016  
(Unless stated otherwise, values are denominated in TRL thousand)

Information on shareholders’ equity items

	Previous period 31 December 2015
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
Share Premiums	-
Share Cancellation Profits	-
Reserves	1.441.207
Earnings recognized in shareholders' equity as per the Accounting Standards of Turkey (TMS)	
Profit	632.110
Net Profits for the Period	576.078
Prior Periods' Profit	56.032
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
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
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 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 (-)	-
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
Total Core Capital	12.555.742
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 (-)	-
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 deducted from additional main capital if there is not enough capital (-)	

ILLER BANK, INC.  
FOOTNOTES ON NON-CONSOLIDATED FINANCIAL  
STATEMENTS ISSUED AS OF DECEMBER 31, 2016  
(Unless stated otherwise, values are denominated in TRL thousand)

Sum of discounts from supplementary main capital	
Total of additional main 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
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
Total Primary Capital	12.487.428
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 items 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 (-)	-
Loans 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 nonconsolidated 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
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	-

The difference between the amounts included in the balance sheet and shareholders’ equity items in the balance sheet items that are considered in equity calculation is TRL 80.577; TRL 2.787 from Intangible Fixed Assets and TRL 77.790 from Net Deferred Tax Assets.

ILLER BANK, INC.  
FOOTNOTES ON NON-CONSOLIDATED FINANCIAL  
STATEMENTS ISSUED AS OF DECEMBER 31, 2016  
(Unless stated otherwise, values are denominated in TRL thousand)

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 agre-  
ement 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 transferal of authority. The Board  
determines the credit policies and limits on macro levels, establishes the policies related to accreditation, approval and other admi-  
nistrative 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 ac-  
count and put in pledge with a pledge agreement on the account. Bank concludes asecured 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, 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 calcu-  
latedwithin 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 de-  
fined 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 75,83% (31 December 2015: 74,85%) and  
86.69% (31 December 2015: 86,39%) of its total cash lending. The top 100 and top 200 non-cash loans extended by the Bank  
correspond respectively to 91,33% (31 December 2015: 94,03%) and 98.33% (31 December 2015: 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 56.34% (31 December 2015: 75,59%) and 64,82% (31 December 2015:  
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.

ILLER BANK, INC.  
FOOTNOTES ON NON-CONSOLIDATED FINANCIAL  
STATEMENTS ISSUED AS OF DECEMBER 31, 2016  
(Unless stated otherwise, values are denominated in TRL thousand)

*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	51	64	67	74
Contingent and Non-Contingent Receivables from Regional or Local Governments	16.670.023	14.576.649	13.352.844	12.485.345
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	4.741.487	4.496.226	4.898.057	4.440.505
Contingent and Non-Contingent Corporate Receivables	-	-	-	-
Contingent and Non-Contingent Retail Receivables	24.902	28.608	22.008	24.532
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	8.745.228	7.129.248	5.897.195	4.287.985
GRAND TOTAL	30.181.691	26.230.795	24.170.171	21.238.441

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



ILLER BANK, INC.  
FOOTNOTES ON NON-CONSOLIDATED FINANCIAL  
STATEMENTS ISSUED AS OF DECEMBER 31, 2016  
(Unless stated otherwise, values are denominated in TRL thousand)

ILLER BANK, INC.  
FOOTNOTES ON NON-CONSOLIDATED FINANCIAL  
STATEMENTS ISSUED AS OF DECEMBER 31, 2016  
(Unless stated otherwise, values are denominated in TRL thousand)

Risk profile according to sectors and other party risks:

Current Period		Risk Classes <sup>(1)</sup>																		
	1	2	3	4	5	6	7	8	9		10	11	12	13	14	15	16	TRL	FX	Total
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	-	-	-	-	-	-	-	-	-		-	-	-	-	-	-	-	-	-	-
Self-Employed Services	-	-	-	-	-	-	-	-	-		-	-	-	-	-	-	-	-	-	-
Training Services	-	-	-	-	-	-	-	-	-		-	-	-	-	-	-	-	-	-	-
Medical and Social Services	-	-	-	-	-	-	-	-	-		-	-	-	-	-	-	-	-	-	-
Other	51	16.670.023	-	-	-	4.741.487	-	24.902	-		-	-	-	-	-	-	8.745.228	26.931.102	3.250.589	30.181.691
Total(1)	51	16.670.023	-	-	-	4.741.487	-	24.902	-		-	-	-	-	-	-	8.745.228	26.931.102	3.250.589	30.181.691

Previous Period		Risk Classes <sup>(1)</sup>																		
	1	2	3	4	5	6	7	8	9		10	11	12	13	14	15	16	TRL	FX	Total
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	-	-	-	-	-	-	-	-	-		-	-	-	-	-	-	-	-	-	-
Self-Employed Services	-	-	-	-	-	-	-	-	-		-	-	-	-	-	-	-	-	-	-
Training Services	-	-	-	-	-	-	-	-	-		-	-	-	-	-	-	-	-	-	-
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

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

ILLER BANK, INC.  
FOOTNOTES ON NON-CONSOLIDATED FINANCIAL  
STATEMENTS ISSUED AS OF DECEMBER 31, 2016  
(Unless stated otherwise, values are denominated in TRL thousand)

Profile Regarding Material Risks in Crucial Areas

Risk Classes <sup>(1)</sup>																		
	1	2	3	4	5	6	7	8		9	10	11	12	13	14	15	16	Total
Current Period																		
Domestic	51	16.670.023	-	-	-	4.741.487	-	24.902		-	-	-	-	-	-	-	8.745.228	30.181.691
European Union Member States	-	-	-	-	-	-	-	-		-	-	-	-	-	-	-	-	-
OECD Members <sup>(2)</sup>	-	-	-	-	-	-	-	-		-	-	-	-	-	-	-	-	-
Of-shore Banking Areas	-	-	-	-	-	-	-	-		-	-	-	-	-	-	-	-	-
USA, Canada	-	-	-	-	-	-	-	-		-	-	-	-	-	-	-	-	-
Other Countries	-	-	-	-	-	-	-	-		-	-	-	-	-	-	-	-	-
Associates, Subsidiaries and Jointly-Controlled Entities	-	-	-	-	-	-	-	-		-	-	-	-	-	-	-	-	-
Undistributed Assets/Liabilities <sup>(3)</sup>	-	-	-	-	-	-	-	-		-	-	-	-	-	-	-	-	-
Total	51	16.670.023	-	-	-	4.741.487	-	24.902									8.745.228	30.181.691

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

ILLER BANK, INC.  
FOOTNOTES ON NON-CONSOLIDATED FINANCIAL  
STATEMENTS ISSUED AS OF DECEMBER 31, 2016  
(Unless stated otherwise, values are denominated in TRL thousand)

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



ILLER BANK, INC.  
FOOTNOTES ON NON-CONSOLIDATED FINANCIAL  
STATEMENTS ISSUED AS OF DECEMBER 31, 2016  
(Unless stated otherwise, values are denominated in TRL thousand)

Breakdown of maturity bearing risks of remaining maturities

Current Period	Time to Maturity				
Risk Classes	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	2.380.690	396.102	596.022	1.144.528	12.105.122
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	4.678.500	-	-	-	-
Contingent and Non-Contingent Corporate Receivables	-	-	-	-	-
Contingent and Non-Contingent Retail Receivables	2.391	4.259	5.867	8.306	4.079
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	22.631	-	24.603	40.419	89.959
Grand Total	7.084.212	400.361	626.492	1.193.253	12.199.160

Previous Period	Time to Maturity				
Risk Classes	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

ILLER BANK, INC.  
FOOTNOTES ON NON-CONSOLIDATED FINANCIAL  
STATEMENTS ISSUED AS OF DECEMBER 31, 2016  
(Unless stated otherwise, values are denominated in TRL thousand)

Risk amounts by risk weight

The total amount of risk before and after the credit risk mitigation corresponding to each risk weight defined in Annex-1 of the Regulation on the Measurement and Evaluation of Banks’ capital adequacy and the amounts deducted from equity are given below.

Risk Weight		0%	10%	20%	50%	75%	100%	150%	200%	1250%	Shareholder's Equity
1	Amount before Loan Risk Reduction	2.057	-	4.687.012	-	-	25.492.622	-	-	-	80.577
2	Amount after Loan Risk Reduction*	2.057	-	4.687.012	-	-	25.492.622	-	-	-	80.577

(\*) Our bank does not implement credit risk mitigation techniques as required by its credit guarantee structure.

Miscellaneous information according to key sectors or counterparty

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 andlocal administrative associations of which only these may be members; develop projects concerning locally-provided commonservices 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 is not involved in banking activities oriented towards free market in institutional and commercial terms. The Bank, which consists mostly of project Loans, is not profit-oriented and supports social projects of local governments without regard to credibility. In the event that the repayments of the loans provided by the bank cannot be made at the time of return, principal instalment amount that cannot be collected is added to balance principal amount and it is capitalized at the end of each month and extended to remained maturity so as to be redeemed. Uncollected interest installments are spread over the residual interest without interest accruing by adding it over the residual interest sum. As it is understood from these explanations, there is no default in the loans that are used and there is no possibility of any damage due to unpaid loan receivables at the Bank’s time.

Information on value adjustments and changes in loan provisions

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.

Risks involved in cyclical capital buffer calculation

Within the scope of Regulation and sub-regulations on Capital Protection and Cyclical Capital Buffers published in the Official Gazette dated November 5, 2013 and numbered 28812, there are no receivables from the private sector taken into account in the calculation of the bank-specific cyclical capital buffer.

ILLER BANK, INC.  
FOOTNOTES ON NON-CONSOLIDATED FINANCIAL  
STATEMENTS ISSUED AS OF DECEMBER 31, 2016  
(Unless stated otherwise, values are denominated in TRL thousand)

III. 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 29.12.2015	3,5318	3,6939	3,0264
Prior to balance sheet date:			
Teller buying rate on 28.12.2016	3,5329	3,6901	2,9961
Teller buying rate on 27.12.2016	3,5135	3,6711	2,9883
Teller buying rate on 26.12.2016	3,5041	3,6639	2,9852
Teller buying rate on 23.12.2016	3,5077	3,6647	2,9809
Teller buying rate on 22.12.2016	3,5055	3,6622	2,9732
	1 US Dollar	1 Euro	100 Japanese Yens
Simple arithmetic thirty-day average	3,4889	3,6812	3,0032

ILLER BANK, INC.  
FOOTNOTES ON NON-CONSOLIDATED FINANCIAL  
STATEMENTS ISSUED AS OF DECEMBER 31, 2016  
(Unless stated otherwise, values are denominated in TRL thousand)

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	37.226	-	22.960	60.186
Financial Assets at Fair Value through Profit or Loss	-	-	-	-
Money Market Placements	-	-	-	-
Financial Assets Available-for-Sale	-	-	-	-
Loans Extended	918.180	-	244.903	1.163.083
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	2.611	2.305	1.312	6.228
Total Assets	958.017	2.305	269.175	1.229.497
Liabilities				
Bank Deposits	-	-	-	-
Foreign Currency Deposits	-	-	-	-
Money Market Funds	-	-	-	-
Funds Provided From Other Financial Institutions	956.492	-	265.794	1.222.286
Marketable Securities Issued	-	-	-	-
Miscellaneous Payables	2.159	2.305	2.384	6.848
Derivative Financial Liabilities for Hedging Purposes	-	-	-	-
Other Liabilities	-	10	3	13
Total Liabilities	958.651	2.315	268.181	1.229.147
Net Balance Sheet Position	(634)	(10)	994	350
Net Off-Balance Sheet Position	-	-	-	-
Receivables on Derivative Financial Instruments	-	-	-	-
Obligations on Derivative Financial Instruments	-	-	-	-
Non-Cash Loans	-	2.214	-	2.214
Commitments	2.539.478	-	1.498.077	4.037.555
Previous Period				
Total Assets	718.508	1.897	146.324	866.729
Total Liabilities	719.031	1.909	145.820	866.760
Prior Period 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



**ILLER BANK, INC.**  
FOOTNOTES ON NON-CONSOLIDATED FINANCIAL  
STATEMENTS ISSUED AS OF DECEMBER 31, 2016  
(Unless stated otherwise, values are denominated in TRL thousand)

*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 2016		31 December 2015	
	Income Statement	Shareholders’ Equity <sup>(*)</sup>	Income Statement	Shareholders’ Equity <sup>(*)</sup>
US Dollar	(1,0)	(1,0)	(1)	(1)
EURO	(63,4)	(63,4)	(52)	(52)
Other currencies	99,4	99,4	50	50
<b>Total</b>	<b>35,0</b>	<b>35,0</b>	<b>(3)</b>	<b>(3)</b>

<sup>(\*)</sup> Includes profit/loss effect.

**IV. Explanations on interest rate risk**

The interest rate risk refers to the probability that the Bank shall suffer loss due to its expo-sure 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.

**V. Explanations on the position risk of common stock**

Share certificate investments (Current Period 31.12.2016)		Comparative		
		Balance Value	Fair Value	Market Value <sup>i</sup>
1	Acquired Investment Securities*	384	384	384
	Traded on the Stock Exchange	384	384	384
2	Subsidiaries		-	-
	Traded on the Stock Exchange	-	-	-
3	Affiliates	-	-	-
	Traded on the Stock Exchange	-	-	-

Share certificate investments (Current Period 31.12.2016)		Comparative		
		Balance Value	Fair Value	Market Value <sup>i</sup>
1	Acquired Investment Securities*	323	323	323
	Traded on the Stock Exchange	323	323	323
2	Subsidiaries		-	-
	Traded on the Stock Exchange	-	-	-
3	Affiliates	-	-	-
	Traded on the Stock Exchange	-	-	-

(\*) The financial assets available for sale of the Bank have a share and voting ratio of less than 10%. Niğbaş Niğde Beton Sanayi A.Ş. And Real Estate Real Estate Investment Trust Inc.

**ILLER BANK, INC.**  
FOOTNOTES ON NON-CONSOLIDATED FINANCIAL  
STATEMENTS ISSUED AS OF DECEMBER 31, 2016  
(Unless stated otherwise, values are denominated in TRL thousand)

**VI. 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.

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 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.

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.

**ILLER BANK, INC.**  
FOOTNOTES ON NON-CONSOLIDATED FINANCIAL  
STATEMENTS ISSUED AS OF DECEMBER 31, 2016  
(Unless stated otherwise, values are denominated in TRL thousand)

The lowest highest and average Liquidity Cover Ratio in the last three months of 2016 are shown in the table below.

	Highest	Date	Lowest	Date	Average
TRL+FX	1,80	11.11.2016	0,03	09.12.2016	0,10

*Liquidity Payment Ratio*

Current Period		Consideration Rate Non-Applied Total Value(*)		Consideration Rate Applied Total Value(*)	
		TRL + FX	FX	TRL + FX	FX
HIGH QUALITY LIQUIDITY ASSETS				334	-
1	High quality liquidity assets	383	-	334	-
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	773.734	17.151	460.304	17.151
6	Operational deposit	-	-	-	-
7	Non-operational deposit	-	-	-	-
8	Other unsecured debts	773.734	17.151	460.304	17.151
9	Secured debts			84.656	84.656
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	7.829.539	1.726.930	733.883	112.474
16	TOTAL CASH OUTFLOW			1.278.843	214.281
CASH FLOW					
17	Secured Receivables	-	-	-	-
18	Unsecured Receivables	4.460.849	295.292	3.204.366	153.246
19	Other cash flow	-	-	-	-
20	TOTAL CASH FLOW	4.460.849	295.292	3.204.366	153.246
				Values with an Upper Limit	
21	TOTAL YKLV INVENTORY			334	-
22	TOTAL NET CASH OUTFLOW			319.711	53.570
23	LIQUIDITY PAYMENT RATIO(%)			0,10	-

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

**ILLER BANK, INC.**  
FOOTNOTES ON NON-CONSOLIDATED FINANCIAL  
STATEMENTS ISSUED AS OF DECEMBER 31, 2016  
(Unless stated otherwise, values are denominated in TRL thousand)

The lowest, highest and average Liquidity Cover Ratio in the last three months of 2015 are shown in the table below.

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

Previous Period (31.12.2015)		Consideration Rate Non-Applied Total Value(*)		Consideration Rate Applied Total Value(*)	
		TRL + FX	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	-	506.072	-
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	-	3.823	-
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	-
22	TOTAL NET CASH OUTFLOW			188.939	61.465
23	LIQUIDITY PAYMENT RATIO(%)			0,19	-

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



VI. Explanations Regarding the Liquidity Risk Management and Liquidity Payment Ratio (Continued)

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.

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	295	-	-	-	-	-	-	295
Banks	62.987	4.684.211	-	-	-	-	-	4.747.198
MD at Fair Value through Profit and Loss	-	-	-	-	-	-	-	-
Money Market Placements	-	-	-	-	-	-	-	-
MD Available-for-Sale	-	-	-	-	-	-	384	384
Loans Extended	-	2.397.176	398.625	1.662.297	6.179.187	5.590.466	-	16.227.751
Investments Held to Maturity	-	-	-	-	-	-	-	-
Other Assets	-	-	-	65.022	89.959	-	712.785	867.766
Total Assets	63.282	7.081.387	398.625	1.727.319	6.269.146	5.590.466	713.169	21.843.394
Liabilities								
Bank Deposit**	-	-	-	-	-	-	-	-
Other Deposit***	-	-	-	-	-	-	-	-
Funds Provided from other Financial Institutions	-	3.536.872	-	90.684	2.734.338	715.058	-	7.076.952
Money Market Funds	-	-	-	-	-	-	-	-
Marketable Securities Issued	-	-	-	-	-	-	-	-
Miscellaneous Payables	17.423	14.439	1142	41.025	26.576	-	-	100.605
Other Liabilities	-	70.587	-	73.200	307.748	97.428	14.116.874	14.665.837
Total Liabilities	17.423	3.621.898	1.142	204.909	3.068.662	812.486	14.116.874	21.843.394
Liquidity Deficit	45.859	3.459.489	397.483	1.522.410	3.200.484	4.777.980	(13.403.705)	-
Net Off-Balance Sheet Position	-	-	-	-	-	-	-	-
Receivables on Derivative Financial Instruments	-	-	-	-	-	-	-	-
Obligations on Derivative Financial Instruments	-	-	-	-	-	-	-	-
Non-Cash Loans	47.559	2.825	1.736	92.426	339.548	-	-	484.094
Previous Period								
Total Assets	33.703	7.597.497	338.960	1.454.018	4.820.280	3.689.084	497.286	18.430.828
Total Liabilities	12.942	2.606.680	48.049	170.284	2.452.328	583.483	12.557.062	18.430.828
Net 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

(\*)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.)

ILLER BANK, INC.  
FOOTNOTES ON NON-CONSOLIDATED FINANCIAL  
STATEMENTS ISSUED AS OF DECEMBER 31, 2016  
(Unless stated otherwise, values are denominated in TRL thousand)

VII. 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.

The leverage ratio calculated based on the arithmetical average of the values of the Bank as of the end of the month in the last three months period as of the balance sheet date is 39,57% (31 December 2015: 53,12%).

	In-Balance Sheet Assets	Current Period (*)	Previous period (*)
1	In-Balance Sheet Assets (Except Derivatives and Credit Derivatives, including gurantees)	20.300.074	12.271.384
2	(Assets taken from Primary Capital)	-	-
3	Total Risk amount concerning to In-Balance Sheet Assets (Total of 1st and 2nd Line)	20.300.074	12.271.384
	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 Securization and Commodities collateral Financial Transactions (except in-Balance sheet)	-	-
8	Risk Amount derived from Financial Intermediation Transactions	-	-
9	Total Risk Amount of Securization and Commodities collateral Financial Transactions (total of 7th and 8th lines)	-	-
	Off-Balance sheet Transactions		
10	Gross Nominal amount of Off-Balance sheet Transactions	15.058.667	11.095.074
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)	15.058.667	11.095.074
	Capital and Total Risk		
13	Primary Capital	13.953.565	12.412.640
14	Total Risk amount (Total of 3rd, 6th, 9th and 12th lines)	35.358.741	23.366.458
	Leverage Rate		
15	Leverage Rate	39,57	53,12

(\*) 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.

ILLER BANK, INC.  
FOOTNOTES ON NON-CONSOLIDATED FINANCIAL  
STATEMENTS ISSUED AS OF DECEMBER 31, 2016  
(Unless stated otherwise, values are denominated in TRL thousand)

VIII. Representation of Financial Assets and Liabilities at Fair Value

	Book Value		Fair Value	
	Current Period	Previous Period	Current Period	Previous Period
Financial Assets	20.975.333	17.795.711	20.975.333	17.795.711
Money Market Placements	-	-	-	-
Banks	4.747.198	4.910.408	4.747.198	4.910.408
Financial Assets Available-for-Sale	384	323	384	323
Investments Held to Maturity	-	-	-	-
Loans Extended	16.227.751	12.884.980	16.227.751	12.884.980
Financial Liabilities	7.177.557	5.390.536	7.177.557	5.390.536
Bank Deposits	-	-	-	-
Other Deposits	-	-	-	-
Funds Provided from other Financial Institutions	7.076.952	5.294.583	7.076.952	5.294.583
Marketable Securities Issued	-	-	-	-
Miscellaneous Payables	100.605	95.953	100.605	95.953

IX. 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.

X. Explanations on risk management

The footnotes and related explanations prepared in accordance with the Communiqué on “Explanations on the Bank’s Risk Management Declarations to be made to the Public” published in the Official Gazette No. 29511 on October 23, 2015 are given in this section.

1. The Bank’s risk management approach

Risk management in the bank; Based on the provisions of the Banking Law No. 5411, the regulations, communiqués, guidelines and other legislation issued for the purpose of enforcing this law and the provisions of these legislation, taking into consideration the exemptions stated in the Banking Law No. 5411 and the exemptions stated in the Bank Act No. 6107, In accordance with the provisions of the internal legislation issued by the.

The risks that the Bank may incur as a result of its strategies and activities are determined by the strategies, policies, limits and practices determined to monitor, control and, where necessary, change the risk / return structure of the Bank’s future cash flows, Are monitored, monitored and controlled by means of procedures. It establishes written policy and implementation procedures to manage all risks arising from the Bank’s operations. The Board of Directors or the relevant internal systems officer regularly assesses their adequacy and makes any necessary changes.

In this context, it is the basic principle to ensure that the risks to be taken are defined and manageable risks. In addition, it is possible to measure the current and future potential effects of the risks involved, as well as the risk measurement and reporting techniques. The Bank establishes written limits within the framework of Article 5 of the “Regulation on Internal Systems of Banks and Internal Capital Adequacy Assessment Process” issued by the BRSA for the risks arising from its activities and these limits are approved by the Board of Directors and are regularly audited.

The Bank is required to calculate the requirements of Articles 43 and 48 of the “Internal Systems and Internal Capital Adequacy Assessment Process of the Banks” and to submit the BRSA’s report on the Stress Test and Internal Capital Adequacy Assessment Process (ISEDES) Has been exempted from the written request of the student.



**ILLER BANK, INC.**  
FOOTNOTES ON NON-CONSOLIDATED FINANCIAL  
STATEMENTS ISSUED AS OF DECEMBER 31, 2016  
(Unless stated otherwise, values are denominated in TRL thousand)

**X. Explanations on risk management (Continued)**  
*a. Overview of risk weighted amounts*

In- Balance sheet assets		Risk weighted amounts		Minimum capital liability
		Current Period	Previous Period	Current Period
1	Loan Risk ( except loan risj of counter party)	26.430.024	20.240.711	2.114.402
2	Standard approach	26.430.024	20.240.711	2.114.402
3	Internal rating-based approach	-	-	-
4	Loan risk of counter party	-	-	-
5	Standard approach for loan risk of counter party	-	-	-
6	Internal model method	-	-	-
7	Simple risk weighting approach or Stock position in banking account in the internal model approach	-	-	-
8	Investments made to Loan and Dormitories Institution- content management	-	-	-
9	Investments made to Loan and Dormitories Institution-prospectus method	-	-	-
10	Investments made to Loan and Dormitories Institution- 1250 % of risk weight method	-	-	-
11	Settlement risk	-	-	-
12	Securitization positions in banking accounts	-	-	-
13	IDD approach based on rating	-	-	-
14	IDD auditing authority formula approach	-	-	-
15	Standard simplified supervisory authority formula approach	-	-	-
16	Market risk	-	-	-
17	Standard approach	-	-	-
18	Internal model approaches	-	-	-
19	Operational risk	1.857.359	1.606.931	148.589
20	Basic indicator approach	1.857.359	1.606.931	148.589
21	Standard approach	-	-	-
22	Advanced measurement approach	-	-	-
23	Amounts below the discount thresholds from equity (subject to 250% risk weight)	-	-	-
24	Lowest value adjustments	-	-	-
25	<b>Total (1+4+7+8+9+10+11+12+16+19+23+24)</b>	<b>28.287.383</b>	<b>21.847.642</b>	<b>2.262.991</b>

**ILLER BANK, INC.**  
FOOTNOTES ON NON-CONSOLIDATED FINANCIAL  
STATEMENTS ISSUED AS OF DECEMBER 31, 2016  
(Unless stated otherwise, values are denominated in TRL thousand)

**2. Links between financial statements and risk amounts**  
*a. Differences between accounting consolidation and legal consolidation scope and matching*

	In Financial Table reported According to Tms Valued Amount	Valued amount of items according to Tms				
		Credity Risk	Opponent Credit Risk Subject	Movable securitiation positions	Market the risk subject (*)	Capital Obligation to Nonsense Or from capital Downloads
<b>Assets</b>						
Cash assets and Central Bank	295	295	-	-	-	-
Financial assets available for purchase and sale	-	-	-	-	-	-
Financial Assets at Fair Value through Profit or Loss	-	-	-	-	-	-
Banks	4.747.198	4.747.198	-	-	-	-
Receivables from Money market	-	-	-	-	-	-
Financial assets available for sale (net	384	384	-	-	-	-
Loans and receivables	16.227.751	16.227.751	-	-	-	-
Factoring receivables	-	-	-	-	-	-
Investments held to maturity (net)	-	-	-	-	-	-
Subsidiaries (net)	-	-	-	-	-	-
Affiliates (net)	-	-	-	-	-	-
Jointly controlled entities (Joint ventures)(net)	-	-	-	-	-	-
Leasing receivables (net)	3.214	3.214	-	-	-	-
Derivative financial assets for hedging against risks (net)	-	-	-	-	-	-
Tangible fixed assets (net)	136.846	136.846	-	-	-	-
Intangible fixed assets (net)	2.787	-	-	-	-	2.787
Real estate for investment purpose (net)	472.941	472.941	-	-	-	-
Tax existence	77.790	-	-	-	-	77.790
Tangible Assets held for sale and discontinued operations (net)	-	-	-	-	-	-
Other assets	174.188	174.188	-	-	-	-
<b>Total assets</b>	<b>21.843.394</b>	<b>21.762.817</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>80.577</b>
<b>Liabilities</b>	<b>Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Bank deposit	-	-	-	-	-	-
Derivative financial liabilities held for trading	-	-	-	-	-	-
Loans received	1.222.286	-	-	-	-	-
Debts to money markets	-	-	-	-	-	-
Issued securities	-	-	-	-	-	-
Funds	5.854.666	-	-	-	-	-
Miscellaneous debts	100.605	-	-	-	-	-
Other foreign sources	30.615	-	-	-	-	-
Factoring receivables	-	-	-	-	-	-
Debts from leasing operations	-	-	-	-	-	-
Derivative financial liabilities for hedging purposes	-	-	-	-	-	-
Provisions	390.164	-	-	-	-	-
Tax liability	128.184	-	-	-	-	-
Liabilities for assets held for sale and discontinued operations (net)	-	-	-	-	-	-
Capital-similar loans	-	-	-	-	-	-
Shareholder's equities	14.116.874	-	-	-	-	-
<b>Total liabilities</b>	<b>21.843.394</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

ILLER BANK, INC.  
FOOTNOTES ON NON-CONSOLIDATED FINANCIAL  
STATEMENTS ISSUED AS OF DECEMBER 31, 2016  
(Unless stated otherwise, values are denominated in TRL thousand)

X. Explanations related to risk management (Continued)

2. Connection between financial statements and risk amounts

b. The main sources of the differences between the risk amounts and the amounts assessed in accordance with TMS in the financial statements.

	Total	Credit Risk	Movable securitization positions	Opponent Credit Risk Subject	Market Risky
Assets valued under legal consolidation in accordance with TMS (as in template B1)	21.843.394	21.762.817			
The amounts valued pursuant to TMS of obligations under legal consolidation (as in template B1)	21.843.394	-	-	-	-
<b>Total net amount under legal consolidation</b>	-	<b>21.762.817</b>	-	-	-
Off-balance sheet amount	16.353.653	8.418.874	-	-	-
Valuation differences			-	-	-
Differences arising from different netting rules (other than those set out in line 2)			-	-	-
Differences arising from consideration of provisions			-	-	-
Differences arising from the applications of the Institution			-	-	-
...	-	-	-	-	-
<b>Risk amounts</b>	-	<b>30.181.691</b>	-	-	-

(\*) Risk amounts after credit conversion rate are given before Credit Reduction.

c. Explanations on the differences between the amounts valued and the risk amounts in accordance with TMS

The difference between the amounts assessed in accordance with TMS and the risk amounts subject to Loan risk arises from intangible assets that are not subject to Loan risk and deferred tax assets. The difference between the off-balance sheet amounts and the risk amounts subject to Loan risk arises from the application of the Loan conversion ratios to off-balance sheet amounts in accordance with the Regulation on Measurement and Assessment of Capital Adequacy of Banks.

3. Loan Risk Explanations

a. Issues to be disclosed to the public regarding loan risk

a.1. General qualitative information on loan risk

Loan risk is measured as described in the BRSA Regulation on Measurement and Assessment of Banks' Capital Adequacy dated 6 September 2014. This approach corresponds to the Simplified Standard Method in Basel II documents.

Similar to the Basel I method with the Simplified Standard Method, loans are grouped according to their guarantees, and the values subject to loan risk are calculated by giving them different risk weights.Simplified standard method is used in the bank; however, since Bank customers consist of local administrations, different risk weights are not given and all customers are assessed at 100% risk weight

In calculations it is essential to consider the guarantees Basel II has adopted as acceptable in the reduction of risk. There is no risk-reducing effect of other guarantees. There are no guarantees that can be valued within the scope of Basel II criteria in the Bank. The Basel II standard method is used to calculate the bank's loan risk weighted asset amount, in which case transactions are carried out in accordance with the initiative of the national authority, the BRSA.

ILLER BANK, INC.  
FOOTNOTES ON NON-CONSOLIDATED FINANCIAL  
STATEMENTS ISSUED AS OF DECEMBER 31, 2016  
(Unless stated otherwise, values are denominated in TRL thousand)

There is no analytical loan evaluation in the Bank. However; loans are divided into different groups such as guaranteed ones, structured ones and etc.; the concentration guarantees, returns and follow-ups of loans are submitted by Risk Management Department to Units in charge of Risk Formation and Follow up together with the Board of Directors and Executive Management on Risk Evaluation Reports prepared periodically in the periods determined by Risk Management Department Regulations according to Articles 37 and 45 of the Regulations. Particular attention is given to loan concentration reporting and this is monitored periodically by grouping the loans according to different criteria. The Bank can make decisions according to these concentrations when necessary

The authority to open credits in the bank belongs to the Board of Directors. The Board of Directors may transfer the authority to open loans to the Loan Committee and / or the General Directorate. The written recommendation of the General Directorate is required by the Board of Directors at the opening of loans or transfer of authority. The Board of Directors establishes loan policies and macro-level limits, establishes policies for loan opening, approval and other administrative principles.

Regarding all Local Authorities in the demand for loan from the bank, it is decided by the authorized bodies of the Bank whether or not to enter the loan relation according to the outcome of the loan evaluation methods and principles, even if the requested loan varies according to the type and the demand. The Board of Directors is authorized to determine the credit risk limits by considering the counterparty risk. Loan transactions are carried out by the Board of Directors, the Loan Committee and / or the General Directorate. The General Directorate may also exercise the authority to open credits transferred to it, through other units affiliated with it or through regional directorates. In determining the loan limit for a borrower, the Board of Directors may transfer loan opening authority to the Loan Committee at a maximum of 10% of its own equities and of 1% to the General Directorate.

Portfolio-based returns of the loans provided and their performances are monitored by the Risk Management Department. Risk management activities are carried out by the Risk Management Department, such as the introduction of new limits for the measurement of loan risk, monitoring, analysis and prevention of concentration

In the context of loan risk measurement, information on the subjects to be monitored on the basis of local government is aggregated and the concentration on the loans is followed by making the analysis suitable. Concentration analyzes are used by the Senior Management to decide on the structure of the loans to be given in the following periods. The objective of loan risk management is to optimize the risk-adjusted income of the bank by managing the risks that the bank may be exposed to, within the appropriate parameters, in accordance with the relevant legislation. Loan risk management is not under the responsibility of a single department.

Regular audits and supervisions are carried out to ensure that loan processes are maintained in accordance with the bank's loan policies and procedures, that the loans are issued within the framework of the procedures and principles set by the board of directors, and that the terms, amounts and qualifications of the loan are accurately reported to senior management. Activities carried out by the units within the internal systems are used as a means to identify weaknesses in loan risk management processes, policies and procedures and to identify transactions that are contrary to such limits, policies and procedures. As a result of the reviews, the matters identified are shared regularly with senior management and audit committee.

Board of Directors; loan risk management is ultimately the responsibility of the Board of Directors. This responsibility is to monitor the effectiveness of the loan risk management system, to determine loan risk management policies and implementation procedures by taking risk management strategies as a basis, to determine risk appetite, to assign risk limits, to ensure that credit risk management policy and implementation procedures are followed and adhered to, to ensure that risks are understood and adequately assessed before an action is entered, to participate in the process of designing, selecting, implementing and approving loan risk measurement models.

Audit Committee's duty on credit risk management so as to receive and evaluate the opinions and recommendations of the Senior Management regarding loan risk management systems, to evaluate whether there is any necessary infrastructure to manage the loan risk effectively and to take the necessary precautions.

General Manager is the highest authorized authority of the Bank after the Board of Directors among the lenders authorized by the Bank and approves the loan within the framework of the authorization of the Board of Directors in accordance with the provisions of the Bank Loan Policy. The senior management is responsible for the implementation of the loan risk strategy and policy approved by the Board of Directors and the development of policies and procedures for the identification, measurement, monitoring and control of the loan risk.

The Risk Management Department is responsible for implementing the loan risk management policies approved by the Board of Directors in relation to loan risk; for identification, measurement and reporting of loan risk; for ensuring that these risks are coordinated among the various parts of the bank that are exposed to loan risk. A suitable environment is created for the processing of the loan function in a healthy and efficient manner. Adequate staff and software are provided, authorities, roles, limits are clearly defined and necessary controls are established. Loan risk is measured, analyzed and reported periodically.



ILLER BANK, INC.  
FOOTNOTES ON NON-CONSOLIDATED FINANCIAL  
STATEMENTS ISSUED AS OF DECEMBER 31, 2016  
(Unless stated otherwise, values are denominated in TRL thousand)

a.1. General qualitative information on loan risk (continued)

In order to determine the maximum exposure to a loan relationship, the loans are combined and monitored.

The country, sector, borrower / counterparty, product, concentration, risk group and individual based loan limits and loan limits specified in the loan policies are recorded in information systems; if these limits and boundaries are approached, information systems are provided to produce stimulus information and timely reporting of overrights is provided, including those relating to exceptional operations. Information systems are structured flexibly so that intra-bank and legal reporting can be done at the desired level and speed. Manual practices are avoided as much as possible.

Audit of loan risk refers to the independent monitoring of the nature of the loans and the compliance of the loaning process with the Bank's policy and implementation principles through legal regulations and the assessment of the adequacy of loans and other receivable provisions.

The loan risk control and evaluation process consists of the steps of the quality and trend of the loan portfolio, the effectiveness of the overall risk management and processes, whether timely action is made for retrograding loans, the management of the problematic loans, informing the Bank's management and the Board of Directors and the measures to be taken.

The loaning process is monitored continuously by the loan allocation authority and bodies. In addition to the supervision of the loaning process, audits based on the Borrower Local Administration and Regional Directorate are also carried out in the Internal Audit System. The Risk Management Department monitors and evaluates the loan risk on a portfolio basis. Loan risk audit performed in the Internal Audit System is determined according to the annual audit plans determined by the Board of Directors

a.2. Loan quality of assets

		a	b	c	d
		Defaulting	Non-defaulting	Provisions / Depreciation and Decrease in value	Net value decrease (a+b-c)
		Gross amount valued as per TMS available in Financial Tables			
1	Loans	-	16.227.751	-	16.227.751
2	Borrowing Instruments	-	-	-	-
3	Off-Balance Sheet Receivables	-	16.353.653	-	16.353.653
4	Total	-	32.581.404	-	32.581.404

a.3. Changes in stock of defaulting receivables and borrowing instruments

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 commonservices 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 is not involved in banking activities oriented towards free market in institutional and commercial terms. The Bank, which consists mostly of project loans, is not profit-oriented and supports social projects of local governments without regard to credibility. In paragraph 5 of Article 13 of Banking Law No. 6107, it has been decided that the obligation to allocate provision for loans and other receivables will not apply to our Bank. In the event that the repayments of the loans provided by the bank cannot be made at the time of return, principal instalment amount that cannot be collected is added to balance principal amount and it is capitalized at the end of each month and extended to remained maturity so as to be redeemed. Uncollected interest installments are spread over the residual interest without interest accruing by adding it over the residual interest sum. As it is understood from these explanations, there is no default in the loans that are used and there is no possibility of any damage due to unpaid loan receivables at the Bank's time.

ILLER BANK, INC.  
FOOTNOTES ON NON-CONSOLIDATED FINANCIAL  
STATEMENTS ISSUED AS OF DECEMBER 31, 2016  
(Unless stated otherwise, values are denominated in TRL thousand)

a.4. Additional disclosures about the loan quality of assets

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.

Distribution of receivables according to geographical regions\*

Current Period	Total
Domestic	16.711.845
USA, Canada	-
EU Countries	-
OECD Countries	-
Other Countries	-
Total	16.711.845

\* The distribution of cash and non-cash loans according to geographical area is given.

Sectoral Distribution of Receivables\*

Current Period	Total
Agriculture	
Farming and Livestock Breeding	-
Forestry	-
Fishing	-
Industry	-
Mining and Quarries	-
Mnaufacturing Industry	-
Electricity, Gas, Water	-
Construction	-
Services	-
Wholesale and Retail Trade	-
Hote and Restaurant Service	-
Transportation and Communication	-
Financial Institutions	-
Real estate and leasing services	-
Self-employed services	-
Educational services	-
Medical and Social Services	-
Other	16.711.845
Total	16.711.845

\* The distribution of cash and non-cash loans according to geographical area is given.

Credits borrowed by the bank are given by the shares of the local governments distributed by the Bank and some of the municipalities as collateral. For the other receivables of the Bank, the proceeds from the legal remedies are paid, and from time to time, the General Assembly is abandoned within the framework of the Bank's Law taking into account the state of the debtor and the costs to be collected.

ILLER BANK, INC.  
FOOTNOTES ON NON-CONSOLIDATED FINANCIAL  
STATEMENTS ISSUED AS OF DECEMBER 31, 2016  
(Unless stated otherwise, values are denominated in TRL thousand)

b. Credit Risks Reduction Techniques

Drinking water, rent, terminal, parking lot, port and other operating income of the local governments that want to use credit in the current situation in the bank are taken as collateral and credit is provided for these guarantees. In this application, the bank borrows the local governments that use credits and makes payments to the contractor firms on the basis of the project, and the revenues related to the guarantees are collected in an account and pledged by the pledge contract on the account.

This structure does not comply with the collateral types in the Basel II criteria, although the bank has a quality collateral structure. According to the legislation of the Bank, mortgage can be used as collateral. In practice, however, mortgage is not usually taken as a guarantee. In the event that the counterparty credit risk reduction in the bank is utilized, the calculations will be verified to comply with the principles and procedures for credit risk mitigation before the acceptance of the collateral effect.

c. Credit risk if standard approach is used

c.1. Qualitative disclosures related to ratings ratings of banks using the standard approach to credit risk

The Bank does not have any credit rating transactions with its customers and local governments which are also partners.

c.2. Standard Approach - Exposure to loan risk and loan risk decrease effects

Risk classes	Loan Conversion Rate and Receivable Amount Before Loan Risk Deduction		Loan Conversion Rate and Receivable Amount After Loan Risk Deduction		Risk Weighted Amount and Risk Weighted Amount of Density	
	Balance Sheet Amount	Off Balance Sheet Amount	Balance Sheet Amount	Off Balance Sheet Amount	Risk Weighted Amount	Risk Weighted Amount and Risk Weighted Amount of Density
Receivables from Central Governments and Central Banks	51	-	51	-	-	-
Receivables from Regional or Local Governments	16.185.929	484.094	16.185.929	484.094	16.670.023	63,07%
Receivables from Administrative Units and Non-Commercial Enterprises	-	-	-	-	-	-
Receivables from Multilateral Development Banks	-	-	-	-	-	-
Receivables from International Organizations	-	-	-	-	-	-
Receivables from Banks and Financial Intermediaries	4.741.487	-	4.741.487	-	996.446	3,77%
Corporate Receivables	-	-	-	-	-	-
Retail receivables	24.902	-	24.902	-	24.902	0,10%
Receivables guaranteed with mortgage of real estate for residence purpose	-	-	-	-	-	-
Receivables guaranteed with mortgage of real estate for commercial purpose	-	-	-	-	-	-
Non-performing receivables	-	-	-	-	-	-
Receivables considered High Risk by the Board	-	-	-	-	-	-
Securities with Mortgage guarantee	-	-	-	-	-	-
Short Term Receivables from Banks and Financial Intermediaries and Short Term Corporate Receivables	-	-	-	-	-	-
Investments as Collective Aid Organization	-	-	-	-	-	-
Other Receivables	810.448	15.869.559	810.448	7.934.780	8.738.653	33,06%
Share certificate investments						
Total	21.762.817	16.353.653	21.762.817	8.418.874	26.430.024	100%

ILLER BANK, INC.  
FOOTNOTES ON NON-CONSOLIDATED FINANCIAL  
STATEMENTS ISSUED AS OF DECEMBER 31, 2016  
(Unless stated otherwise, values are denominated in TRL thousand)

c.3. Standard Approach: Receivables based on risk classes and risk weights

		a	b	c	d	e	f	g	h	i	j
Risk classes / Risk weight		0%	10%	20%	The ones guarantee with 50 % of real estate mortgage	75%	100%	150%	200%	Others	Total Risk Amount ( After kdo and Kra)
1	Receivables from Central Governments and Central Banks	51	-	-	-	-	-	-	-	-	51
2	Receivables from Regional or Local Governments	-	-	-	-	-	16.670.023	-	-	-	16.670.023
3	Receivables from Administrative Units and Non-Commercial Enterprises	-	-	-	-	-	-	-	-	-	-
4	Receivables from Multilateral Development Banks	-	-	-	-	-	-	-	-	-	-
5	Receivables from International Organizations	-	-	-	-	-	-	-	-	-	-
6	Receivables from Banks and Financial Intermediaries	-	-	4.681.301	-	-	60.186	-	-	-	4741.487
7	Corporate Receivables	-	-	-	-	-	-	-	-	-	-
8	Retail receivables	-	-	-	-	-	24.902	-	-	-	24.902
9	Receivables guaranteed with mortgage of real estate for residence purpose	-	-	-	-	-	-	-	-	-	-
10	Receivables guaranteed with mortgage of real estate for commercial purpose	-	-	-	-	-	-	-	-	-	-
11	Non-performing receivables	-	-	-	-	-	-	-	-	-	-
12	Receivables considered High Risk by the Board	-	-	-	-	-	-	-	-	-	-
13	Securities with Mortgage guarantee	-	-	-	-	-	-	-	-	-	-
14	Short Term Receivables from Banks and Financial Intermediaries and Short Term Corporate Receivables	-	-	-	-	-	-	-	-	-	-
15	Investments as Collective Aid Organization	-	-	-	-	-	-	-	-	-	-
16	Other Receivables	2.006	-	5.711	-	-	8.737.511	-	-	-	8.745.228
17	Share certificate investments	-	-	-	-	-	-	-	-	-	-
18	Total	2.057	-	4.687.012	-	-	25.492.622	-	-	-	30.181.691

d. Explanations on counterparty credit risk

Within the scope of paragraph 8 of Article 4 of the Regulation on Measurement and Evaluation of Banks' Capital Adequacy, the counterparties arising from the following transactions in the banking and trading accounts shall calculate the capital liability for the counterparty credit risk. The risk exposure calculation for counterparty credit risk for collateralised derivative financial instruments in trading accounts is the same for collateralized counterpart derivative instruments in banking accounts.



**ILLER BANK, INC.**  
FOOTNOTES ON NON-CONSOLIDATED FINANCIAL  
STATEMENTS ISSUED AS OF DECEMBER 31, 2016  
(Unless stated otherwise, values are denominated in TRL thousand)

The risk exposure calculation for the counterparty loan risk for the repo transactions in the trading accounts is also made within the framework of the principles and procedures stated in the Communiqué on Loan Risk Reduction Techniques and the Annex-2 for the repurchase transactions in the banking accounts.

- a) Derivative transactions,
- b) Repo transactions,
- c) Securities or commodity borrowing transactions,
- ç) Loaned securities transactions,
- d) Transaction with long period of exchange

The risk weights related to the transactions listed above in the banking accounts are taken into account in the same way for the transactions in the trading accounts. The capital obligation for the counterparty loan risk and counterparty loan risk is not calculated because the bank does not perform such transactions.

***d.1. Credit derivatives***

The Bank has no credit derivatives.

***d.2. There are risks available to Central Counter Party***

The Bank has no.

***e. Points to be disclosed to public related to securitization***

There are no points to be disclosed to public related to securitization.

***f. Explanation disclosed to public 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 28 June 2012 (and amended with Official Gazette issue 29111 dated 6 September 2014).

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 loan to municipalities and to special provincial authorities 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.

**ILLER BANK, INC.**  
FOOTNOTES ON NON-CONSOLIDATED FINANCIAL  
STATEMENTS ISSUED AS OF DECEMBER 31, 2016  
(Unless stated otherwise, values are denominated in TRL thousand)

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.

Estimates of value exposed to risk (RMD) are calculated on a daily basis using Parametric, Monte Carlo and Historical Simulation Methods in the calculations made with Inner Method. On the other hand, advanced RMD analysis with marginal and incremental RMD calculations are made on weekly basis and retro-backtesting is performed daily to test the reliability of the models used. The Bank is exempted from preparing stress tests and scenario analysis and to report them to BRSA but conducts stress tests and scenario analysis on market risks internally. RMD-based limits have been set within the scope of the “Risk and Authority Limitations Implementation Procedures” enforced by the Board of Directors decision on the market risk in the bank.

***g. 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.

***Distribution of receivables according to geographical regions\****

Current Period	2 PP Amount	1 PP Amount	CP Amount	Total/Positive BG years	Ratio (%)	Total
Gross Income	840.671	1.011.442	1.119.662	990.592	15	148.589
Operational Risk Base Amount (Total * 12.5)						1.857.359

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
Operasyonel Riske Esas Tutar (Toplam*12,5)						1.606.931

**ILLER BANK, INC.**FOOTNOTES ON NON-CONSOLIDATED FINANCIAL  
STATEMENTS ISSUED AS OF DECEMBER 31, 2016

(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	244	-	179	-
Central Bank of Turkey	51	-	67	-
Other	-	-	-	-
<b>Total</b>	<b>295</b>	<b>-</b>	<b>246</b>	<b>-</b>

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

	Current Period		Previous Period	
	TRL	FX	TRL	FX
Unrestricted Demand Deposit	51	-	67	-
Unrestricted Time Deposit	-	-	-	-
Restricted Time Deposit	-	-	-	-
<b>Total</b>	<b>51</b>	<b>-</b>	<b>67</b>	<b>-</b>

**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
<b>Banks</b>	<b>4.687.012</b>	<b>60.186</b>	<b>4.877.730</b>	<b>32.678</b>
Domestic	4.687.012	60.186	4.877.730	32.678
Foreign Banks	-	-	-	-
Foreign Headquarters and Branches	-	-	-	-
<b>Other Financial Institutions</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>4.687.012</b>	<b>60.186</b>	<b>4.877.730</b>	<b>32.678</b>

**ILLER BANK, INC.**FOOTNOTES ON NON-CONSOLIDATED FINANCIAL  
STATEMENTS ISSUED AS OF DECEMBER 31, 2016

(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
<b>Debt Securities</b>	<b>-</b>	<b>-</b>
Traded on the Stock Exchange	-	-
Not Traded on the Stock Exchange	-	-
<b>Shares</b>	<b>2.667</b>	<b>2.667</b>
Traded on the Stock Exchange	2.667	2.667
Not Traded on the Stock Exchange	-	-
<b>Impairment Reserves(-)</b>	<b>(2.283)</b>	<b>(2.344)</b>
<b>Total</b>	<b>384</b>	<b>323</b>

**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
<b>Direct Lending to Shareholders</b>	<b>16.202.849</b>	<b>484.094</b>	<b>12.862.972</b>	<b>514.293</b>
Lending to Corporate Shareholders	16.202.849	484.094	12.862.972	514.293
Lending to Natural Person Shareholders	-	-	-	-
Indirect Lending to Shareholders	-	-	-	-
Lending to Employees	24.902	-	22.008	-
<b>Total</b>	<b>16.227.751</b>	<b>484.094</b>	<b>12.884.980</b>	<b>514.293</b>



**ILLER BANK, INC.**  
FOOTNOTES ON NON-CONSOLIDATED FINANCIAL  
STATEMENTS ISSUED AS OF DECEMBER 31, 2016  
(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.*

Current Period						
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	
		Payment Plan Extending the Intended Change who made	Other		Payment Plan Extending the Intended Change who made	Other
Non-Specialized Loans	24.902	-	-	-	-	-
Operation Loans	-	-	-	-	-	-
Export Loans	-	-	-	-	-	-
Import Loans	-	-	-	-	-	-
Loans Extended to Financial Sector	-	-	-	-	-	-
Consumer Loans	-	-	-	-	-	-
Credit Cards	-	-	-	-	-	-
Other	24.902	-	-	-	-	-
Specialized Loans	16.202.849	-	-	-	-	-
Other Receivables	-	-	-	-	-	-
Total	16.227.751	-	-	-	-	-
Previous Period						
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	
		Payment Plan Extending the Intended Change who made	Other		Payment Plan Extending the Intended Change who made	Other
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.

**ILLER BANK, INC.**  
FOOTNOTES ON NON-CONSOLIDATED FINANCIAL  
STATEMENTS ISSUED AS OF DECEMBER 31, 2016  
(Unless stated otherwise, values are denominated in TRL thousand)

*f.3. Cash loans according to their maturity structures*

Current Period				
	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	84.243	-	-	-
Non-Specialized Loans	24.902	-	-	-
Specialized Loans	59.341	-	-	-
Other Receivables	-	-	-	-
Medium- and Long-Term Loans and Other Receivables	16.143.508	-	-	-
Non-Specialized Loans	-	-	-	-
Specialized Loans	16.143.508	-	-	-
Other Receivables	-	-	-	-
Previous Period				
	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, 2016

(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
<b>Consumer Loans-TRL</b>	-	-	-
Housing Loans	-	-	-
Vehicle Loans	-	-	-
General Purpose Consumer Loans	-	-	-
Other	-	-	-
<b>Consumer Loans-FC Indexed</b>	-	-	-
Housing Loans	-	-	-
Vehicle Loans	-	-	-
General Purpose Consumer Loans	-	-	-
Other	-	-	-
<b>Retail Credit Cards-TRL</b>	-	-	-
Housing Loans	-	-	-
Vehicle Loans	-	-	-
General Purpose Consumer Loans	-	-	-
Other	-	-	-
<b>Retail Credit Cards-FC</b>	-	-	-
With Installment	-	-	-
Without Installment	-	-	-
<b>Personnel Loans-TRL</b>	5.568	19.334	24.902
Housing Loans	-	-	-
Vehicle Loans	-	-	-
General Purpose Consumer Loans	5.568	19.334	24.902
Other	-	-	-
<b>Personnel Loans-FC Indexed</b>	-	-	-
Housing Loans	-	-	-
Vehicle Loans	-	-	-
General Purpose Consumer Loans	-	-	-
Other	-	-	-
<b>Personnel Loans-FC</b>	-	-	-
Housing Loans	-	-	-
Vehicle Loans	-	-	-
General Purpose Consumer Loans	-	-	-
Other	-	-	-
<b>Personnel Credit Cards-TRL</b>	-	-	-
With Installment	-	-	-
Without Installment	-	-	-
<b>Personnel Credit Cards-FC</b>	-	-	-
With Installment	-	-	-
Without Installment	-	-	-
<b>Total</b>	<b>5.568</b>	<b>19.334</b>	<b>24.902</b>

**ILLER BANK, INC.**FOOTNOTES ON NON-CONSOLIDATED FINANCIAL  
STATEMENTS ISSUED AS OF DECEMBER 31, 2016

(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.

**f.6. Breakdown of loans by borrowers:**

	Current Period	Previous Period
Public Sector	16.202.849	12.862.972
Private Sector <sup>(*)</sup>	24.902	22.008
<b>Total</b>	<b>16.227.751</b>	<b>12.884.980</b>

<sup>(\*)</sup> 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	16.227.751	12.884.980
International Loans	-	-
<b>Total</b>	<b>16.227.751</b>	<b>12.884.980</b>

**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	555	556
Uncollectible loans and other receivables	-	-
<b>Total</b>	<b>555</b>	<b>556</b>

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.



**ILLER BANK, INC.**  
FOOTNOTES ON NON-CONSOLIDATED FINANCIAL  
STATEMENTS ISSUED AS OF DECEMBER 31, 2016  
(Unless stated otherwise, values are denominated in TRL thousand)

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

*f.10.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.

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

Current Period	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	-	556	-
Additions in the Current Period (+)	-	-	-
Transfers from other NPL Categories (+)	-	-	-
Transfers to other NPL Categories (+)	-	-	-
Collections in the Current Period (-)	-	-	-
Write-offs (-)	-	(1)	-
Corporate and Commercial Loans	-	-	-
Consumer Loans	-	-	-
Credit Cards	-	-	-
Other	-	(1)	-
Current Period Ending Balance	-	555	-
Specific Provisions (-)	-	(555)	-
Net Balance on Balance Sheet	-	-	-

Previous Period	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	-	-	-

**ILLER BANK, INC.**  
FOOTNOTES ON NON-CONSOLIDATED FINANCIAL  
STATEMENTS ISSUED AS OF DECEMBER 31, 2016  
(Unless stated otherwise, values are denominated in TRL thousand)

*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)	-	555	-
Specific Provisions (-)	-	(555)	-
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)	-	556	-
Specific Provisions (-)	-	(556)	-
Other Loans and Receivables (Net)	-	-	-

*f.11.-12. Explanations on the liquidation policy and write-off policies for the loans and other receivables in the nature of loss*

Loans provided by the bank are given by the shares of the local governments distributed by the Bank and some of the municipalities as warranty. For the other receivables of the Bank, the proceeds from the legal remedies are applied, and from time to time, the General Assembly deletes within the framework of the Bank's Law, taking into consideration the state of the debtor and the costs to be collected.

**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.

**ILLER BANK, INC.**  
FOOTNOTES ON NON-CONSOLIDATED FINANCIAL  
STATEMENTS ISSUED AS OF DECEMBER 31, 2016  
(Unless stated otherwise, values are denominated in TRL thousand)

**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 3.214 in receivables (TRL 3.195 as of 31 December 2015) 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
<b>Prior Period's End (31.12.2015)</b>					
Cost	373.409	-	1.933	37.011	412.353
Accrued Depreciation	(50.113)	-	(1.931)	(29.245)	(81.289)
<b>Net Book Value</b>	<b>323.296</b>	<b>-</b>	<b>2</b>	<b>7.766</b>	<b>331.064</b>
<b>Current Period's End (31.12.2016)</b>					
<b>Cost at the Beginning of the Period</b>	<b>373.409</b>	<b>-</b>	<b>1.933</b>	<b>37.011</b>	<b>412.353</b>
Acquired	225.769	-	-	11.617	237.386
Disposed	(27.166)	-	-	(11.773)	(38.939)
Closing Cost	(391.338)	-	-	-	(391.338)
<b>Accumulated Depreciation at the Beginning of the Period</b>	<b>180.674</b>	<b>-</b>	<b>1.933</b>	<b>36.855</b>	<b>219.462</b>
<b>Current Period Depreciation</b>	<b>50.113</b>	<b>-</b>	<b>1.931</b>	<b>29.245</b>	<b>81.289</b>
Disposed Depreciation	2.112	-	-	3.415	5.527
Accumulated Depreciation at the End of the Period	(2.166)	-	-	(2.034)	(4.200)
<b>Net Book Value at Closing</b>	<b>50.059</b>	<b>-</b>	<b>1.931</b>	<b>30.626</b>	<b>82.616</b>
<b>Net Book Value at Closing</b>	<b>130.615</b>	<b>-</b>	<b>2</b>	<b>6.229</b>	<b>136.846</b>

**ILLER BANK, INC.**  
FOOTNOTES ON NON-CONSOLIDATED FINANCIAL  
STATEMENTS ISSUED AS OF DECEMBER 31, 2016  
(Unless stated otherwise, values are denominated in TRL thousand)

**l. 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
<b>End of Prior Period (31.12.2015)</b>	
Cost	18.964
Accumulated Depreciation	(15.664)
<b>Net Defter Değeri</b>	<b>3.300</b>
<b>End of Current Period (31.12. 2016)</b>	
<b>Cost Value at the Beginning of the Period</b>	<b>18.964</b>
Acquired	3.549
Disposals	(4.847)
<b>Current Period Redemptions</b>	<b>17.666</b>
<b>Disposals Redemption</b>	<b>(15.664)</b>
Current Period Redemptions	(2.247)
Disposals' Redemption	3.032
<b>Accumulated Redemptions at the End of the Period</b>	<b>(14.879)</b>
<b>Net Book Value at Closing</b>	<b>2.787</b>

**m. Information on investment property**

Depreciation of TRL 117 thousands from the carrying value of TRL 779 as of 31 December 2016 and a decrease in the value of TRL 425 less impairment are recognized in the investment property amounting to TRL 237 and the third item of the Banking Law 2 (h) and (i) of the Capital Markets Board, the Company has investment properties amounting to TRL 472.941 (December 31, 2015: TRL 85.849) with a registered value of TRL 472.704. Real estate classified as property, plant and equipment amounting to TRL 391.338 has been classified as investment property.

**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	19.452	19.138
Impairment of Subsidiaries	457	445
Other	58.547	47.635
Tax Procedure Law-TMS Depreciation Differences	(666)	(884)
<b>Total</b>	<b>77.790</b>	<b>66.334</b>

As of December 31, 2016, the Bank had no deferred tax assets calculated on the basis of tax deductions and exemptions. However, the deferred tax asset amounting to TRL 78,456, 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 666 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 ON NON-CONSOLIDATED FINANCIAL  
STATEMENTS ISSUED AS OF DECEMBER 31, 2016  
(Unless stated otherwise, values are denominated in TRL thousand)

II. Remarks and footnotes on liability accounts

a. Information on the maturity structure of deposits:

İller 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	-	-	-	-
BorrowingsfromForeignBanks, Institutionsand Funds(*)	-	1.222.286	-	863.145
Total	-	1.222.286	-	863.145

c.2. Maturity analysis of funds borrowed

	Current Period		Previous Period	
	TRL	FX	TRL	FX
Short Term	-	-	-	-
Medium- and Long-Term(*)	-	1.222.286	-	863.145
Total	-	1.222.286	-	863.145

(\*) 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(*)	5.854.666	-	4.430.337	1.101
Total	5.854.666	-	4.430.337	1.101

(\*) Out of the funds amounting to TRL 5,854,666 secured from other financial institutions, TRL 3,536,275 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 1,641,037 represents the fund allocated to the Bank for the Water and Sewerage Infrastructure Projects (SUKAP), TRL 523,149 represents the portion set aside from the Bank's profits for the infrastructure and superstructure requirements of municipalities and villages, TRL 8,444 represents the fund transferred to the Bank for the Municipal Infrastructure Support Project (BELDES), TRL 66,724 represents the fund allocated to the Bank for urban infrastructure services, TRL 4,718 represents the fund transferred for urban transformation of high-risk areas and shanty-towns, and TRL 84,359 represents other funds. Within the framework of the credit agreement regarding the "İller Bank Environment Loan Project", executed with the European Investment

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.

ILLER BANK, INC.  
FOOTNOTES ON NON-CONSOLIDATED FINANCIAL  
STATEMENTS ISSUED AS OF DECEMBER 31, 2016  
(Unless stated otherwise, values are denominated in TRL thousand)

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 97,428 are set aside as of December 31, 2016 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 95,860)

f.3. Other reserves

Reserves amounting to TRL 289,541 have been set aside as of December 31, 2016, 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 234,982).

As of December 31, 2016, the Bank set aside reserves amounting to TRL 3,195 (December 31, 2015: 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 ON NON-CONSOLIDATED FINANCIAL  
STATEMENTS ISSUED AS OF DECEMBER 31, 2016  
(Unless stated otherwise, values are denominated in TRL thousand)

g. Explanation related to Tax Obligation:

g.1. Information on taxes payable

	Current Period	Previous Period
Payable Corporate Income Tax	43.537	47.954
Income Tax Withholding	72.533	50.038
Tax on Security Income	-	-
Tax on Real Estate Income	-	-
Banking Insurance Transaction Tax	679	849
Foreign Exchange Transactions Tax	-	-
Payable Value Added Tax	4.049	3.573
Other	2.628	3.677
Total	123.426	106.091

g.2. Information on social security and other premiums

	Current Period	Previous Period
Social Security Premiums - Employees	1.300	1.207
Social Security Premiums - Employer	1.901	1.763
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	93	87
Unemployment Insurance – Employer	186	172
Other	1.278	718
Total	4.758	3.947

g. 3. Information on deferred tax obligations

As of December 31 2016, 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 ON NON-CONSOLIDATED FINANCIAL  
STATEMENTS ISSUED AS OF DECEMBER 31, 2016  
(Unless stated otherwise, values are denominated in TRL thousand)

ı. Information on shareholders’ equity:

ı.1. Presentation of paid-in capital

	Current Period	Previous Period
Common Stock <sup>(*)</sup>	11.690.749	10.483.745
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.

ı.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.

ı.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 1,207,004 was collected for capital. Of this amount, TRL 1,022,447 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 184,557 consisted from 30% portion set aside from the Bank’s profit for 2015 to be injected into the capital as per the Banking Law.

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

None.

ı.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.

ı.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.

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

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

ı.8. Information on securities increment value fund

The Bank does not have securities increment value fund.



ILLER BANK, INC.  
FOOTNOTES ON NON-CONSOLIDATED FINANCIAL  
STATEMENTS ISSUED AS OF DECEMBER 31, 2016  
(Unless stated otherwise, values are denominated 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 total TRL 60,132 and which will be made available to municipalities was TRL 507,833 (31 December 2015: TRL 223,681).

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 147,019 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 1,351,058 making a total of TRL 1,498,058 (31 December 2015: TRL 1,248,821 ).

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 554,085 and credits guaranteed by the Bank according to the guarantee protocol signed on 06.10.2015 to be granted to Municipalities amount to TRL 923,415 making a total of TRL 1,477,560 (31 December, 2015: TRL1.271.040).

Within the context of “Urban Transportation Projects” with the Islamic Development Bank, the total amount of credits to be used for the Municipalities that are committed to guarantee and loan agreements signed on August 29, 2016 is TRL 554,085 (31 December 2015: None) The total value of all lendings underwritten by the Bank for municipalities’ infrastructure and superstructure services is TRL 11,832,004 (31 December 2015: TRL7,845,826).

The Bank’s total credit commitment exposure amounts to TRL 15,869,559 (31 December 2015: TRL 10,589,368 ).

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 484,094 (31 December 2015: TRL 514,293).

a.3. Non-cash loans

a.3.i. Total non-cash loans

	Current Period	Previous Period
Non-cash Loans against Cash Risks	484.089	514.288
One Year or Shorter Term Original Maturity	144.451	86.763
One Year Longer Term Original Maturity	339.638	427.525
Other Non-Cash Loans	5	5
Total	484.094	514.293

ILLER BANK, INC.  
FOOTNOTES ON NON-CONSOLIDATED FINANCIAL  
STATEMENTS ISSUED AS OF DECEMBER 31, 2016  
(Unless stated otherwise, values are denominated in TRL thousand)

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.

a.3.iii. Information on non-cash loang classified ingroup I and II

	Group I		Group II	
	TRL	FX	TRL	FX
Non-cash Loans	481.880	2.214	-	-
Letters of Guarantee	481.880	2.214	-	-
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 ON NON-CONSOLIDATED FINANCIAL  
STATEMENTS ISSUED AS OF DECEMBER 31, 2016

(Unless stated otherwise, values are denominated 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	7.918	-	4.874	-
Medium- and Long-term Loans	882.550	11.769	702.081	7.800
Interest on Non-Performing Loans	-	-	-	-
Premiums Received from State Resource FunfUtilization Support Fund	-	-	-	-
<b>Total</b>	<b>890.468</b>	<b>11.769</b>	<b>706.955</b>	<b>7.800</b>

**a.2. Information on interest income from banks**

	Current Period		Previous Period	
	-	-	-	-
Central Bank of Turkey	306.265	3	330.908	2
Domestic Banks	-	-	-	-
Foreign Banks	-	-	-	-
Foreign Headquarters and Branches				
<b>Total</b>	<b>306.265</b>	<b>3</b>	<b>330.908</b>	<b>2</b>

**a.3. Information on interest income from securities**

The Bank receives no interest income from securities.

**a.4. Informatin 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
<b>To Banks</b>	<b>-</b>	<b>7</b>	<b>-</b>	<b>9</b>
Central Bank of Turkey	-	-	-	-
Domestic Banks	-	-	-	-
Foreign Banks	-	7	-	9
Foreign Headquarters and Branches	-	-	-	-
<b>To Other Institutions</b>	<b>-</b>	<b>59</b>	<b>-</b>	<b>24</b>
<b>Total</b>	<b>-</b>	<b>66</b>	<b>-</b>	<b>33</b>

**ILLER BANK, INC.**FOOTNOTES ON NON-CONSOLIDATED FINANCIAL  
STATEMENTS ISSUED AS OF DECEMBER 31, 2016

(Unless stated otherwise, values are denominated 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 58.33 individends, 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
<b>Profit</b>	<b>-</b>	<b>-</b>
Profit from Capital Markets Trading	-	-
Profit from Derivative Financial Transactions	-	-
Profit from Foreign Exchange Transactions	-	-
<b>Loss</b>	<b>(708)</b>	<b>(91)</b>
Loss from Capital Markets Trading	-	-
Loss from Derivative Financial Transactions	-	-
Loss from Foreign Exchange Transactions	(708)	(91)
<b>Total</b>	<b>(708)</b>	<b>(91)</b>

**d. Explanation on other operating income:**

	Current Period	Previous Period
<b>Revenues from Disposal of Assets</b>	<b>312.125</b>	<b>120.079</b>
From Sales of Subsidiaries and Affiliated Corporations	-	-
From Sales of Movables	2	6
From Sales of Immovables	312.123	120.073
<b>Rental Income</b>	<b>2.604</b>	<b>2.084</b>
Rental Income from Immovables	2.430	1.921
Operating Lease Income	174	163
<b>Revenues from Control Fund(*)</b>	<b>77.168</b>	<b>46.632</b>
<b>Other</b>	<b>13.179</b>	<b>16.691</b>
<b>Total</b>	<b>405.076</b>	<b>185.486</b>

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



ILLER BANK, INC.  
FOOTNOTES ON NON-CONSOLIDATED FINANCIAL  
STATEMENTS ISSUED AS OF DECEMBER 31, 2016  
(Unless stated otherwise, values are denominated 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
Financial Assets at Fair Value through Profit and Loss	-	-
Financial Assets Available-for-Sale	-	30
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	54.984	33.250
Total	54.984	33.280

Reserves were set aside at the amount of TRL 54.559 as of December 31, 2016, 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’s real estate under investment property TRL 425 provision for impairment losses amounting to TRL 54.984.

ILLER BANK, INC.  
FOOTNOTES ON NON-CONSOLIDATED FINANCIAL  
STATEMENTS ISSUED AS OF DECEMBER 31, 2016  
(Unless stated otherwise, values are denominated in TRL thousand)

f. Other operating expenses:

	Current Period	Previous Period
Personnel Expenses	265.967	239.306
Reserve for Employee Termination Benefits	4.920	9.968
Bank Pension Fund Deficit Provisions	-	-
Impairment Losses on Tangible Assets	-	-
Depreciation Expenses of Tangible Assets	5.528	6.431
Impairment Losses on Intangible Assets	-	-
Impairment Losses on Goodwill	-	-
Depreciation Expenses of Intangible Assets	2.247	3.271
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	174.595	161.683
Repair and Maintenance Expenses	4.805	4.387
Cleaning Costs	25.563	20.893
Membership and Subscription Dues	54.689	59.473
Transportation Vehicle Expenses	8.201	6.996
Operating Lease Expenses	16.067	11.745
Service Procurement Expenses	20.941	14.981
Heating, Lighting and Water Costs	5.450	4.661
Small Fixtures Expenses	437	1.106
Computer Operating Expenses	709	6.081
Advertisement Expenses	373	745
Communication Expenses	2.199	2.218
Printing Paper and Office Supplies	804	864
Other Expenses	34.357	27.533
Loss on Sale of Assets	-	-
Other	10.701	15.304
Total	463.958	435.963

g. Profit/loss before taxes including profit/loss from continuing or discontinued operations:

The bank,posted profit on continuing operations amounting to TRL 1,109,566 (31 December 2015: 779.904) total interest income plus TRL 12,997(31 December 2015: 13.311 TRL) 1.211.708 TRL (31 December 2015: 1.050.568) in trading losses, Other operating income 405,076 (31 December 2015: 185,486) TRL 708 (31 December 2015: TRL 91), TRL 565 (31 December 2015: 127) in interest expenses, TRL 463,958 (31 December 2015: 435,9639) in other operating expenses, and loss provisions for loans and other receivables amounting to TRL 54,984 (31 December 2015: 33,280). The Bank has no discontinued operations.

ğ. Provision for taxes including taxes from continuing and discontinued operations:

The Bank calculated an ongoing operation tax provision in the amount of TRL 300,084 (31 December 2015: 211,776) which is the amount remaining after deferred tax provision in the amount of TRL 11,456 (31 December 2015: 7,950) is subtracted from the current tax provision of TRL 288,628 (31 December 2015 : 203,826).

Deferred tax income/expenses arising from the formation or closure of temporary differences

ILLER BANK, INC.  
FOOTNOTES ON NON-CONSOLIDATED FINANCIAL  
STATEMENTS ISSUED AS OF DECEMBER 31, 2016  
(Unless stated otherwise, values are denominated in TRL thousand)

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 (+)	11.456	7.950
From the closure of taxable temporary differences (-)	-	-
Total	11.456	7.950

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 1.109.566 (31 December 2015: TRL 576.078), which is the amount remaining after an ongoing operation tax provision in the amount of TRL 288.628 (31 December 2015: TRL 203.826) is subtracted from the Bank’s profit before tax of TRL 1.109.566 (31 December 2015: TRL 779.904). The Bank has no discontinued operations.

i. Information on net profit/loss for the period:

ı.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 1,211,708 (31 December 2015: TRL 1,050,568) in interest expense and TRL 565 (31 December 2015: TRL 127) and it showed TRL 12,997 (31 December 2015: TRL 13,311) in net fee and commission income.

ı.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.

ı.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 ON NON-CONSOLIDATED FINANCIAL  
STATEMENTS ISSUED AS OF DECEMBER 31, 2016  
(Unless stated otherwise, values are denominated 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 11,690,749 had been paid-in as of (31 December 2015: TRL 10,483,745).

During the reporting period, the Bank had TRL 1,207,004( 31 December 2015: 1,081,365 )in capital collections; TRL 1.022.447 of this amount, (31 December 2015: 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 184,554 consisted of 30% portion retained from the Bank’s profit for 2015 to be added to the capital as per the Bank’s governing law.(31 December 2015: TRL 165,568).

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 61.520 out of the profits for year 2015, and TRL 38,478 earmarked for payment to Bank staff out of the profits for year 2014 as per the Board of Directors resolution, yet was not paid out, on top of the statutory reserves standing at TRL 555.961 at the beginning of the reporting period, to achieve a total statutory reserves figure of TRL 655,959.

4. Net Profits/Loss for the Period

The profit for the current period stands at TRL 820,938. TRL 568,128 out of the profits for year 2015 is subject to dividend payments.

5. Profits/Loss for Prior Periods

Pursuant to Article 13, paragraph 3 of the Law numbered 6107 governing Iller 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 266,684 out of the profits for year 2015 was set aside as funds for municipalities and villages.



**ILLER BANK, INC.**  
FOOTNOTES ON NON-CONSOLIDATED FINANCIAL  
STATEMENTS ISSUED AS OF DECEMBER 31, 2016  
(Unless stated otherwise, values are denominated 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 184,552 decrease (December 31, 2015: TRL 171,826 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 111,081 decrease (31 December, 2015: TRL 150,748 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 1,158,565 increase (December 31, 2015: TRL 477,587 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 1,022,447 (December 31, 2015: TRL 915,797) 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 11,773 as of December 31, 2016 (December 31, 2015: TRL 6,725 increase).

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

	Current Period	Previous Period
<b>Cash</b>	<b>4.898.267</b>	<b>4.372.094</b>
Cash in Vault	179	177
Republic of Turkey Central Bank	67	59
Banks	4.910.408	4.377.374
Rediscounts on Interest Income from Banks	(12.387)	(5.516)
<b>Cash Equivalents</b>	<b>-</b>	<b>-</b>
Receivables from Interbank Money Market	-	-
Receivables from Interbank Money Market Interest Income Rediscounts	-	-
Bank Bonds	-	-
Bank bonds Accrued Interest Income Rediscounts	-	-
	<b>4.898.267</b>	<b>4.372.094</b>

**ILLER BANK, INC.**  
FOOTNOTES ON NON-CONSOLIDATED FINANCIAL  
STATEMENTS ISSUED AS OF DECEMBER 31, 2016  
(Unless stated otherwise, values are denominated in TRL thousand)

**3. Cash and cash equivalents at the end of the period**

	Current Period	Previous Period
<b>Cash</b>	<b>4.741.770</b>	<b>4.898.267</b>
Cash in Vault	244	179
Central Bank of Turkey	51	67
Banks	4.747.198	4.910.408
Rediscounts on Interest Income from Banks and Blocked Amounts in Banks	(5.723)	(12.387)
<b>Cash Equivalents</b>	<b>-</b>	<b>-</b>
Interbank Money Market Placements	-	-
Rediscounts on Interest Income from Receivables from Interbank Money Market	-	-
Bank Bonds	-	-
Interest Income Rediscounts on Bank Bonds	-	-
	<b>4.741.770</b>	<b>4.898.267</b>

**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	2.532			
			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.

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. Kobirate International Credit Rating on April 08, 2016 to receive rating service for years 2016-2017 And Corporate Governance Services Inc. A two-year contract has been signed. Prepared by the Company and presented to the Bank A.Ş the assessments made in 2015, were also confirmed in 2016.

As a result of the evaluation by the aforementioned Company, 2016 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.

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, 2016 prepared for public disclosure were independently audited by Rehber Bağımsız Denetim ve Yeminli Mali Müşavirlik AŞ. The independent audit report dated February 21, 2017 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.



INFORMATION ON FINANCIAL POSITION, PROFITABILITY AND SOLVENCY

As a result of its activities in 2016, Iller Bank’s total assets increased by 18.52% and reached TRL 21,843,394 thousand.

In terms of size “loans” rank first among asset items with TRL 16,227,751 thousand and a share of 74,29% and “banks” rank second with TRL 4,747,198 thousand and a share of 21,73%, while “tax assets” and “other assets” account for only a mere share on the order of 3,98% with TRL 868,445 thousand.

With 64,63%, shareholders’ equity accounts for the biggest share of the Bank’s liability structure at TRL 14,116,874 thousand, while external resources and borrowings rank second with a share of 35,37% at TRL 7,726,520 thousand.

TRL 5,854,66 thousand of the Bank’s liability inside funds consist of general budget allotments which were received by Iller Bank in December 2016 to be transferred to amount of TRL 3,536,275 municipalities and special provincial administrations on January 10, 2017 pursuant to Law numbered 5779 on Allotments of General Budget Revenues to be Allocated to Special Provincial Administrations and Municipalities.

TRY 1.222.286 thousand of which is included in the foreign currency loans is the loans obtained from foreign financial institutions and granted to local governments. TRY 128.184 thousand of tax liability, which is included in the liability of the bank, belongs to the corporation tax and other taxes to be paid when the period comes.

The Bank posted a net profit of TRL 820,938 thousand on its 2016 activities.

Iller Bank’s most important income item is interest income at TRL 1,211,708 thousand; this is followed by non-interest income at TRL 418,073 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 565 thousand, relatively small compared to interest revenues. Non-interest expenses amount to TRL 519,650 thousand, of which TRL 265,967 thousand has incurred on personnel costs while the remaining TRL 253,683 thousand is incurred on current expenses, reserves, and other expenses.

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 49.62%.

As of 31 December, 2016; Cash and Banks

Cash and Banks

Cash and banks showed at total of TRL 4,747,493 thousand, which is broken down as follows.

TRL 4.687.012 thousand in Domestic Banks,`

TRL 60.186 thousand in Domestic Banks (FX),

TRL 51 thousand in Central Bank of Turkey,

TRL 244 thousand in the Headquarters and Regional Directorates of the Bank

Financial Assets Available-for-Sale

This account is where Iller Bank tracks NİĞBAŞ 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 NİĞBAŞ 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 2,283 thousand is set aside for these shares, with a balance of TRL 384 thousand showing up on our balance sheet as of the end of year.

Loans

The year-end balance of the directed credits extended to local governments and non directed credits extended to bank employees amounted to TRL 16.227.751 thousand, which is broken down as follows:

Short Term

TRL 5.568 thousand from Short-Term Specialization Loans

TRL 59.342 thousand from Other Short-Term Loans with Collateral

TRL 64.910 thousand

Medium and Long-term

TRL 19.334 thousand from Medium and Long-Term Specialization External Loans

TRL 14.979.904 thousand from Medium and Long-Term Specialization Loans

TRL 1.163.603 thousand from Medium and Long-Term Specialization Loans (FX)

TRL 16.162.841 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 555 thousand as of December 31, 2016 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 3.214 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	Bakiye
Movables	11.543	5.313	-	6.230
Real Estate	180.675	50.059	-	130.616
Real Estate for Investment Purposes	473.484	118	425	472.941
Licensed Computer Software	5.594	2.807	-	2.787
Amortized Assets				
Movables	27.237	27.237	-	-
Real Estate	-	-	-	-
Licensed Computer Software	12.072	12.072	-	-
Movables in Inventory	8	8	-	-
Total	710.613	97.614	425	612.574

Of the TRL 180,675 thousand worth of real estate properties shown in the chart, TRL 126,123 thousand is for buildings and social facilities; TRL 51,506 thousand is for land; and TRL 3,046 thousand is for buildings under construction. Iller Bank’s real estate prop- erties were insured for TRL 250 thousand while its movables were insured for TRL 39 thousand for 2016.

INFORMATION ON FINANCIAL POSITION, PROFITABILITY AND SOLVENCY

Tax Assets

This account showed a year-end balance of TRL 77.790 thousand consisting of;

78.456	Thousand TRL	Deferred tax asset
(666)	Thousand TRL	Deferred tax liability.

Other Assets

This account showed a year-end balance of TRL 174.188 thousand consisting of;

120.792	Thousand TRL	Receivables on forward sales of assets.
34.188	Thousand TRL	Miscellaneous receivables;
18.290	Thousand TRL	Letters of guarantee received for submittal to Enforcement Directorates, and there after cashed in,
11.192	Thousand TRL	Outstanding balance of litigation and court expenses
3.669	Thousand TRL	Accounts of bank personnel, government agencies and private concerns, of which balances will be collected/ liquidated in future years
575	Thousand TRL	Utility (electricity, water, mains gas) deposits paid for Iller Bank business premises and personnel housing
462	Thousand TRL	Payables by municipalities and special provincial authorities arising from insurance transactions
1.762	Thousand TRL	Guarantee Commissionand Discretionary Deductions Paid by the Bank on behalf of Municipalities for collection in the accrual period for foreign credits
17.446	Thousand TRL	Stocks of materials purchased and maintained in the previous years on behalf of local governments; office supplies etc held in warehouses,
15.617	Thousand TRL	Suspense accounts (payable),
1.829	Thousand TRL	Prepaid expenditures and other debit accounts, and advance payments

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 1.222.286 thousand consisting of;

956.492	Thousand TRL	Credits received from World Bank within the framework of Municipal Services Project,
265.794	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 5.854.666

3.535.275	Thousand TRL	Municipality and special provincial administration shares to be transferred before January 10, 2016,
1.641.037	Thousand TRL	Amount transferred from the Ministry of Finance to the Bank under SUKAP project,
523.149	Thousand TRL	Municipality and Village share grants set aside out of the Bank's profits as per the Bank's governing law,
68.758	Thousand TRL	Amount transferred to our Bank for infrastructure investment of İstanbul Finance Center
66.724	Thousand TRL	Amount transferred to the Bank within the framework of Urban In frastructure Servicesout of the Budgetof the Ministryof Environment Urban Planning,
8.444	Thousand TRL	Amount transferred from the Ministry of Finance to the Bank under BELDES project,
4.718	Thousand TRL	Amount transferred for urban transformation of high-risk areas and shanty towns,
2.170	Thousand TRL	Amount transferred to the Bank within the framework of ÇEVDES project,
2.000	Thousand TRL	Dokap techical cooperative hold
2.391	Thousand TRL	other funds.

iscellaneous Payables

This account showed a year-end balance of TRL 100.605 thousand consisting of;

38.633	Thousand TRL	Dividend set aside and remaining after payment of profits for years 2015,
17.026	Thousand TRL	Provisional deduction amounts for the construction work being carried out under the World Bank Municipal Services Project
14.429	Thousand TRL	Amounts deposited as contributions of local governments for the facilities constructed by the Bank,
9.445	Thousand TRL	Final and provisional cash guarantees,
8.488	Thousand TRL	Other debts of the Bank,
5.653	Thousand TRL	Amount deducted from rations according to the related notifications of The Ministry of Finance and Social Security Institution,
3.631	Thousand TRL	DIinternal Security Fund
1.628	Thousand TRL	Payable earnings of the Bank's constructors,
1.013	Thousand TRL	Contractors' receivables from material prices,,
659	Thousand TRL	Amount of premium that Groupama AŞ and Güneş Sigorta AŞ that we are agents of will receive from us

Liabilities

This account showed a year-end balance of TRL 30,615 thousand consisting of:

6.638	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 mounts that will be liquidated according to court order
6.145	Thousand TRL	Amounts that will be liquidated in the following year
5.022	Thousand TRL	Amounts transferred to the Bank within the framework of Ağrı/Patnos urban transformation projects
2.109	Thousand TRL	Amount collected through execution
1.463	Thousand TRL	Amounts transfered within the scopeot Urban transformation of municipalities that are lost by terror
1.355	Thousand TRL	Advance commissions charged on letters of guarantee extended to municipalities
1.146	Thousand TRL	Retirement bonus provision for staff to retire
320	Thousand TRL	Other payables of the Bank

Reserves And Tax Obligation

This account showed a year-end balance of TRL 518,348 thousand consisting of:

292.736	Thousand TRL	Control fund incomes and insurance incomes which cannot be distributed, and this is subject
97.428	Thousand TRL	Reserves for Employee Entitlements,
67.055	Thousand TRL	Taxes, Duties, Charges and Premiums Payable,
43.537	Thousand TRL	Payable Corporate Income Tax,
17.592	Thousand TRL	Income Tax Withholding belonging to und of 51% fund, reserved from the profit.



INFORMATION ON FINANCIAL POSITION, PROFITABILITY AND SOLVENCY

Capital

As of the end of year 2016, TRL 18,000,000 thousand is collected out of the Bank’s nominal capital of TRL 11.690.749 thousand consisting of

9.635.122	Thousand TRL	held by Municipalities and subsidiaries of municipalities,
941.374	Thousand TRL	held by Special Provincial Administrations,
1.114.253	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 655.959 thousand, which consists of TRL 371.074 thousand of Statutory Reserves, TRL 92,066 thousand of Discretionary Reserves, TRL 192.664 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 1.642.907 thousand in 2016 and expenditures worth TRL 821.969 thousand. This corresponds to a profit-after-tax of TRL 820.938 thousand for the year.

Comparison of Revenues

The chart below shows Iller Bank’s revenues generated in 2016 in comparison to those in 2015.

(Thousand TRL)			
Type of Revenue	2015	2016	DIFFERENCE
Interest Income	1.050.568	1.211.708	161.140
Interest from Loans	714.755	902.237	187.482
Interest from Banks	330.910	306.268	(24.642)
Other Interest Revenues	4.903	3.203	(1.700)
Fees and Commissions from Loans	208.227	431.199	222.972
Fees and Commissions on Loans	10.951	10.131	(820)
Banking Services Income	2.701	3.723	1.022
Deferred Tax Assets and Liabilities Income	9.089	12.269	3.180
Other Non-Interest Operating Income	185.486	405.076	219.590
Total	1.258.795	1.642.907	384.112

As the chart shows, the Bank’s revenues increased by 30,51% in 2016 on a year-to-year basis.

Comparison of Expenses

The chart below shows Iller Bank’s expenses incurred in 2016 in comparison to those in 2015.

(Thousand TRL)			
Type of Revenue	2015	2016	DIFFERENCE
Interest Expenses	127	565	438
Interest Paid on Loans (FX)	33	66	33
Other Interest Expenses	94	499	405
Non-interest Expenses	682.590	821.404	138.814
Personnel Expenses	239.306	265.967	26.661
Taxes and Fees	7.972	6.955	(1.017)
Fees and Commissions Paid	341	857	516
Depreciation Costs	9.717	7.791	(1.926)
Foreign Exchange Losses	91	708	617
Severance Benefit Provisions	9.967	4.920	(5.047)
Other Provisions	33.280	54.984	21.704
Tax Reserves	211.776	300.084	88.308
Deferred Tax Asset-Liability Expenses	1.139	813	(326)
Other non-Interest Expenses	169.001	178.325	9.324
Total	682.717	821.969	139.252

The chart reveals that the Bank’s expenses increased by 20,40% compared to those of 2015.

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

## RISK MANAGEMENT POLICIES IMPLEMENTED PER RISK TYPE

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".

### 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.

Basel II regulations by BRSA amendments to national sub-legislation compatible with determination of compliance level of banks on sites inspections the "Detailed" loan risk Analysis Form "(AKRİF) January be prepared on a monthly basis starting from 2014 and Risk Management Department Winrar archive file in its own right stored in DVD media.

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 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 revenue 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".

### 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 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 Bank son 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 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 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 technologies, 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.

### 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 technologies, 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 MANAGEMENT POLICIES IMPLEMENTED PER RISK TYPE

Risk Protection and Risk Mitigation Policies and Their Continuous Control of its Effectiveness Related Processes

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 Seniot 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 the-

se figures. The Bank does not have an internal risk position, nor does it carry a position to hedge against internal risk.

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 process 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 2016, 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	
	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 2011-2016

ASSETS	2012	2013	2014	2015	2016
LIQUID ASSETS	3.496.146	2.940.740	4.377.964	4.910.977	4.747.877
LOANS	8.949.749	11.358.967	11.477.528	12.844.980	16.227.751
SUBSIDIARIES AND AFFILIATED CORPORATIONS	618	580	-	-	-
TANGIBLE and INTANGIBLE FIXED ASSETS	153.604	319.214	325.924	420.213	612.574
OTHER ASSETS	41.479	94.487	115.725	214.658	255.192
TOTAL	12.641.596	14.713.988	16.297.141	18.430.828	21.843.394

LIABILITIES	2012	2013	2014	2015	2016
RECEIVED CREDITS	413.255	552.219	614.810	863.145	1.222.286
FUNDS	2.679.819	3.367.403	3.706.179	4.431.438	5.854.666
RESERVES AND TAX OBLIGATIONS	168.486	293.091	385.924	444.075	518.348
OTHER LIABILITIES	73.544	310.240	255.345	135.108	131.220
SHAREHOLDERS' EQUITY	9.306.492	10.191.035	11.334.883	12.5557.062	14.116.874
TOTAL	12.641.596	14.713.988	16.297.141	18.430.828	21.843.394

PROFIT/LOSS	2012	2013	2014	2015	2016
INTEREST REVENUES	647.667	685.332	903.814	1.050.568	1.211.708
INTEREST EXPENSES	23	15	1.752	127	565
NET INTEREST REVENUES	647.644	685.317	902.062	1.050.441	1.211.143
NET FEE AND COMMISSION REVENUES	12.551	13.264	12.366	13.311	12.997
FOREIGN CURRENCY PROFITS/LOSES(NET)	(17)	(792)	160	(91)	(708)
OTHER OPERATING INCOMES	64.809	169.083	246.339	185.486	405.076
TOTAL OPERATING INCOMES	724.987	866.872	1.160.927	1.249.147	1.628.508
RESERVES FOR LOANS AND OTHER RECEIVABLES	40.221	98.077	67.335	33.280	54.984
OTHER OPERATING EXPENSES	290.824	327.777	384.309	435.963	463.958
PROFITS BEFORE TAX	393.942	441.018	709.283	779.904	1.109.566
TAX RESERVES	102.354	113.898	184.740	203.826	288.628
NET PROFITS/LOSS FOR THE PERIOD	291.588	327.120	524.543	576.078	820.938

Information On Works Completed By The Bank in 2016

WORKS COMPLETED IN THE BANK INVESTMENT PROGRAM IN 2016 BY ZONING PLANT SECTOR

ROW NUMBER	NAME OF MUNICIPALITY	PROVINCE	SECTOR	CHARACTERISTICS	COMMENCEMENT DATE	COMPLETION DATE	COST (TRL)
1	SORGUN	YOZGAT	ZONING	STUDY PROJECT	09.07.2010	25.03.2016	199.000
TOPLAM							199.000

WORKS COMPLETED IN POTABLE WATER AND OTHER INFRASTRUCTURE SECTOR WITHIN INVESTMENT PROGRAM OF LOCAL ADMINISTRATIONS DURING 2016

ROW NUMBER	NAME OF MUNICIPALITY	PROVINCE	SECTOR	CHARACTERISTICS	COMMENCEMENT DATE	COMPLETION DATE	COST (TRL)
1	KOCAELİ SU KANAL İDARESİ (NAMAZGAH)*	KOCAELİ	POTABLE WATER	CONSTRUCTION OF NAMAZGAH DAM AND FORCE MAIN	19.03.2013 05.03.2014	05.03.2014	23.764.155
2	AKDAĞ	KÜTAHYA	POTABLE WATER	POTABLE WATER CONSTRUCTION	02.02.2015	18.02.2016	418.924
3	SU KANAL İDARESİ (HASSA)	HATAY	POTABLE WATER	POTABLE WATER CONSTRUCTION	20.01.2014	26.04.2016	4.417.621
4	AKSARAY	AKSARAY	POTABLE WATER	CONSTRUCTION OF HAMİDİYE DISTRICT POTABLE WATER	30.04.2014	21.04.2016	11.769.432
5	BOLU	BOLU	POTABLE WATER	CONSTRUCTION OF BOLU (BOLU) POTABLE WATER NETWORK CONSTRUCTION OF REGULATOR OVER CENRAL BÜYÜKSU STREAM	21.07.2015	24.04.2016	2.806.149
6	BAYRAMPAŞA*	İSTANBUL	OTHER INFRASTRUCTURE	CONSTRUCTION OF ASPHALT LINING ON VARIOUS STREETS AND AVENUES IN BAYRAMPAŞA TOWN	06.07.2015 29.12.2015	29.12.2015	2.040.201
7	ADAPAZARI*	ADAPAZARI	OTHER INFRASTRUCTURE	ROAD AND/OR PAVEMENT CONSTRUCTION IN ADAPAZARI (SAKARYA)	26.06.2015 14.12.2015	14.12.2015	11.409.608
8	ÇAMELİ	DENİZLİ	OTHER INFRASTRUCTURE	ROAD AND/OR PAVEMENT CONSTRUCTION	14.04.2015	05.01.2016	365.214
9	ŞEHZADELER*	MANİSA	OTHER INFRASTRUCTURE	CONSTRUCTION OF ROAD AND/OR PAVEMENT IN ŞEHZADELER (MANİSA)	12.05.2015 23.11.2015	23.11.2015	635.343
10	SPECIAL PROVINCIAL ADMINISTRATION*	AFYON	OTHER INFRASTRUCTURE	ROAD AND/OR PAVEMENT CONSTRUCTION	22.06.2015 09.11.2015	09.11.2015	277.067
11	SPECIAL PROVINCIAL ADMINISTRATION*	AFYON	OTHER INFRASTRUCTURE	ROAD AND/OR PAVEMENT CONSTRUCTION	09.07.2015 02.12.2015	02.12.2015	453.607
12	SPECIAL PROVINCIAL ADMINISTRATION*	AFYON	OTHER INFRASTRUCTURE	ROAD AND/OR PAVEMENT CONSTRUCTION	17.08.2015 30.11.2015	30.11.2015	91.278
13	SPECIAL PROVINCIAL ADMINISTRATION*	AFYON	OTHER INFRASTRUCTURE	ROAD AND/OR PAVEMENT CONSTRUCTION	01.07.2015 18.11.2015	18.11.2015	413.732
14	SPECIAL PROVINCIAL ADMINISTRATION*	AFYON	OTHER INFRASTRUCTURE	ROAD AND/OR PAVEMENT CONSTRUCTION	18.06.2015 17.12.2015	17.12.2015	822.786
15	SPECIAL PROVINCIAL ADMINISTRATION*	AFYON	OTHER INFRASTRUCTURE	ROAD AND/OR PAVEMENT CONSTRUCTION	19.06.2015 01.12.2015	01.12.2015	551.615
16	SPECIAL PROVINCIAL ADMINISTRATION*	AFYON	OTHER INFRASTRUCTURE	ROAD AND/OR PAVEMENT CONSTRUCTION	16.10.2015 09.11.2015	09.11.2015	40.452
17	SPECIAL PROVINCIAL ADMINISTRATION*	AFYON	OTHER INFRASTRUCTURE	ROAD AND/OR PAVEMENT CONSTRUCTION	15.06.2015 15.09.2015	15.09.2015	185.787
18	SPECIAL PROVINCIAL ADMINISTRATION*	AFYON	OTHER INFRASTRUCTURE	ROAD AND/OR PAVEMENT CONSTRUCTION	16.06.2015 29.12.2015	29.12.2015	1.037.823
19	SPECIAL PROVINCIAL ADMINISTRATION*	AFYON	OTHER INFRASTRUCTURE	ROAD AND/OR PAVEMENT CONSTRUCTION	15.07.2015 06.11.2015	06.11.2015	677.980

20	SPECIAL PROVINCIAL ADMINISTRATION*	AFYON	OTHER INFRASTRUCTURE	ROAD AND/OR PAVEMENT CONSTRUCTION	30.06.2015 20.11.2015	20.11.2015	751.338
21	SPECIAL PROVINCIAL ADMINISTRATION*	ISPARTA	OTHER INFRASTRUCTURE	CONSTRUCTON OF II GROUP KEY PARQUET CURBSTONE FLOORING AT ISPARTA CENTRE AND TOWN VILLAGES	25.05.2015 13.10.2015	13.10.2015	1.222.364
22	SPECIAL PROVINCIAL ADMINISTRATION*	ISPARTA	OTHER INFRASTRUCTURE	CONSTRUCTON OF LOCKED PARQUET AND CURBSTONE FLOORING AT 35 VILLAGES AFFILIATED TO YALVAÇ TOWN OF ISPARTA PROVINCE	05.06.2015 28.12.2015	28.12.2015	1.410.014
23	CENTER*	KARAMAN	OTHER INFRASTRUCTURE	CONSTRUCTION OF PAVEMENT ARRANGEMENT AND RAIN WATER DISCHARGE LINE FLOORING CONSTRUCTION WORK ON MOLLA FENARİ STREET OF KARAMAN (CENTRE)	16.04.2015 28.12.2015	28.12.2015	584.149
24	CENTER*	KARAMAN	OTHER INFRASTRUCTURE	CONSTRUCTION OF PAVEMENT ARRANGEMENT ON 2ND STATION STREET	30.09.2015 28.12.2015	28.12.2015	286.329
25	BÜYÜKŞEHİR*	KONYA	OTHER INFRASTRUCTURE	CONSTRUCTION FOR ARRANGEMENT OF MAIN STREET IN HALKAPINAR TOWN	26.12.2014 17.11.2015	17.11.2015	1.051.792
26	OSMANCIK*	ÇORUM	OTHER INFRASTRUCTURE	CONSTRUCTION OF BITUMINOUS HOT MIXTURE OF ASPHALT FOR MUNICIPALITY	09.10.2013 12.12.2014	12.12.2014	3.919.935
27	BÜYÜKŞEHİR*	ADANA	OTHER INFRASTRUCTURE	CONSTRUCTION OF PAVEMENT ARRANGEMENT ON ABIDINPAŞA AVENUE	22.08.2013 31.12.2014	31.12.2014	756.674
28	TOMARZA*	KAYSERİ	OTHER INFRASTRUCTURE	AT VARIOUS DISTRICTS SUPPLY OF 6 CM OF CONCERTE-LOCKED PARQUET AND (15*20*70) OF CONCRETE CURB, TRANSFER TO WORK SITE AND FLOORING WORK ON-SITE	13.10.2015 16.12.2015	16.12.2015	798.721
29	BİRECİK*	ŞANLIURFA	OTHER INFRASTRUCTURE	CONSTRUCTION OF LOCKED CONCRETE PARQUET STONE, CURB AND RAIN WATER CHANNEL FLOORING	17.09.2013 11.11.2013	11.11.2013	3.074.873
30	ERGANİ*	DİYARBAKIR	OTHER INFRASTRUCTURE	ROAD AND/OR PAVEMENT CONSTRUCTION	19.06.2015 22.12.2015	22.12.2015	1.634.831
31	CENTER*	KARS	OTHER INFRASTRUCTURE	CONSTRUCTION OF CURB AND PAVEMENT STONE	20.08.2013 04.04.2015	04.04.2015	1.595.608
32	EYNESİL *	GİRESUN	OTHER INFRASTRUCTURE	ROAD AND/OR PAVEMENT CONSTRUCTION	28.09.2015 09.11.2015	09.11.2015	143.759
33	SÜRMENE*	TRABZON	OTHER INFRASTRUCTURE	FLOORING OF C25/30 OF READY CONCRETE FOR CONSTRUCTION OF ROAD AND/OR PAVEMENT,	03.08.2015 22.12.2015	22.12.2015	856.064
34	METROPOLITAN*	TRABZON	OTHER INFRASTRUCTURE	CONSTRUCTION OF ROAD AND/OR PAVEMENT FOR ROADS OF ÇARŞIBAŞI (TRABZON) DISTRICT	17.06.2015 02.11.2015	02.11.2015	512.046
35	METROPOLITAN*	TRABZON	OTHER INFRASTRUCTURE	CONSTRUCTION OF ROAD AND/OR PAVEMENT FOR ROADS OF AKÇAABAT (TRABZON) DISTRICT	12.06.2015 16.12.2015	16.12.2015	1.204.072
36	METROPOLITAN*	TRABZON	OTHER INFRASTRUCTURE	CONSTRUCTION OF ROAD AND/OR PAVEMENT FOR ROADS OF TRABZON METROPOLITAN (TRABZON)-ARSIN	03.06.2015 15.09.2015	15.09.2015	711.847
37	METROPOLITAN*	TRABZON	OTHER INFRASTRUCTURE	CONCRETE ROAD CONSTRUCTION FOR DISTRICT ROADS OF ŞALPAZARI (TRABZON) TOWN	03.06.2015 30.11.2015	30.11.2015	728.590
38	METROPOLITAN*	TRABZON	OTHER INFRASTRUCTURE	CONSTRUCTION OF ROAD AND/OR PAVEMENT IN OF AND HAYRAT (TRABZON)	17.06.2015 04.12.2015	04.12.2015	2.038.837
39	METROPOLITAN*	TRABZON	OTHER INFRASTRUCTURE	CONSTRUCTION OF CONCRETE ROAD FOR ROAD AND/OR PAVEMENT (1ST SECTION) IN AKÇAABAT (TRABZON)	17.06.2015 09.11.2015	09.11.2015	949.446
40	METROPOLITAN*	TRABZON	OTHER INFRASTRUCTURE	CONSTRUCTION OF ROAD AND/OR PAVEMENT FOR DISTRICT ROADS OF BEŞİKDÜZÜ (TRABZON)	18.06.2015 09.10.2015	09.10.2015	695.398
41	METROPOLITAN*	TRABZON	OTHER INFRASTRUCTURE	CONSTRUCTION OF ROAD AND/OR PAVEMENT FOR DISTRICT ROADS OF DÜZKÖY (TRABZON)	26.05.2015 15.09.2015	15.09.2015	530.348



## Information On Works Completed By The Bank in 2016

42	SPECIAL PROVINCIAL ADMINISTRATION*	GİRESUN	OTHER INFRASTRUCTURE	CONCRETE PARQUE FLOORING FOR GÜÇER, KARADIKMEN, OZAN PINARLI AND NEW VILLAGE ROAD OF ÇAMOLUK TOWN	10.11.2014 03.06.2015	03.06.2015	
43	CENTER*	BİNGÖL	OTHER INFRASTRUCTURE	ROAD AND/OR PAVEMENT CONSTRUCTION	04.08.2015	25.12.2015	12.302.173
44	METROPOLITAN SAKARYA*	ADAPAZARI	OTHER INFRASTRUCTURE	CONSTRUCTION OF BRIGDE IN DOĞANTEPE VILLAGE	31.12.2013	31.12.2015	269.098
45	SPECIAL PROVINCIAL ADMINISTRATION SAKARYA*	ADAPAZARI	OTHER INFRASTRUCTURE	CONSTRUCTION OF STABILIZED FLOORING FOR 1st GROUP KAYNARCA (BAŞOĞLU-KIZILCAKBURUN-KORUK-CAMTEPE-DENİZKÖY) CONNECTION ROADS	09.09.2013	31.12.2015	254.797
46	BABAESKİ	KIRKLARELİ	OTHER INFRASTRUCTURE	WORK OF ASPHALT ROAD	05.06.2015	13.01.2016	4.700.422
47	KAVAKLI	KIRKLARELİ	OTHER INFRASTRUCTURE	CONSTRUCTION OF CONCRETE PARQUET STONE AND ROAD AND PAVEMENT FLOORING FOR CUMHURİYET AVENUE, PARK STREET, SINEMA STREET AND ÇİĞDEM STREET AT MUNICIPALITY	23.12.2015	15.02.2016	338.782
48	GEYVE	ADAPAZARI	OTHER INFRASTRUCTURE	ROAD AND PAVEMENT ARRANGEMENT OF VARIOUS AVENUES AND STREETS IN GEYVE TOWN OF SAKARYA PROVINCE	13.10.2015	29.02.2016	873.411
49	ALTIEYLÜL	BALIKESİR	OTHER INFRASTRUCTURE	CONSTRUCTION WORK OF LOCKED CONCRETE PARQUET STONE AND CURB STONE FOR 14 DISTRICTS AT 2ND SECTION	20.05.2015	01.01.2016	2.588.448
50	OSMANELİ	BİLECİK	OTHER INFRASTRUCTURE	INSTALLATION OF LOCKED PARQUET AND RAIN CHANNEL FOR ROADS AND PAVEMENTS AT MUNICIPALITY	08.01.2016	25.03.2016	884.278
51	METROPOLITAN	KONYA	OTHER INFRASTRUCTURE	CONSTRUCTION WORK OF MAIN AVENUE ARRANGEMENT AT YALIHÜYÜK TOWN	26.12.2014	18.01.2016	465.557
52	METROPOLITAN	KONYA	OTHER INFRASTRUCTURE	CONSTRUCTION WORK OF MAIN AVENUE ARRANGEMENT IN TUZLUKÇU	26.12.2014	15.03.2016	1.714.116
53	METROPOLITAN	KONYA	OTHER INFRASTRUCTURE	CONSTRUCTION WORK OF VARIOUS DISTRICT ROADS FOR TOWNS OF AHIRLI, AKÖREN, BOZKIR, GÜNEYSINIR, HADİM, TAŞKENT, YALIHÜYÜK	19.01.2015	23.01.2016	2.379.108
54	YAŞIHAN	KIRIKKALE	OTHER INFRASTRUCTURE	ROAD AND/OR PAVEMENT CONSTRUCTION	03.12.2015	04.01.2016	1.629.875
55	EĞİL	DIYARBAKIR	OTHER INFRASTRUCTURE	CONSTRUCTION OF PARQUET AND CURBSTONE FLOORING FOR 2 DISTRICTS	15.01.2016	03.02.2016	176.370
56	ARSİN	TRABZON	OTHER INFRASTRUCTURE	ROAD AND/OR PAVEMENT CONSTRUCTION	17.11.2015	06.01.2016	571.197
57	HAYRAT	TRABZON	OTHER INFRASTRUCTURE	ROAD AND/OR PAVEMENT CONSTRUCTION	01.07.2015	22.03.2016	1.466.296
58	SPECIAL PROVINCIAL ADMINISTRATION	RİZE	OTHER INFRASTRUCTURE	READY CONCRETE FLOORING FOR VILLAGE ROAD AT AKBUCAK TOWN	22.07.2014	29.03.2016	1.170.334
59	SÜLEYMANPAŞA	TEKİRDAĞ	OTHER INFRASTRUCTURE	ROAD CONSTRUCTION AND LANDSCAPING OF DEĞİRMENALTI AVENUE OF DEĞİRMENALTI DISTRICT AT DISTRICT OF TEKİRDAĞ	21.03.2016	19.08.2016	1.260.270
60	KAYSERİ	KAYSERİ	OTHER INFRASTRUCTURE	CONSTRUCTION OF ENERGY TRANSMISSION LINE BETWEEN ZINCİRLİ WINDPOWER PLANT AND DIKME AT LOCATION OF DIKME VILLAGE, YAHYALI TOWN, KAYSERİ PROVINCE	22.04.2016	29.07.2016	1.788.778
61	KAYSERİ	KAYSERİ	OTHER INFRASTRUCTURE	CONSTRUCTION WORK OF ELECTRICITY PLANT OF GENERAL ILLUMINATION SMALL AND DISPERSED (KET) AG-YG (OG) AT TOWNS KOCASINAN, MELİKGAZİ, TALAS, HACILAR AND İNCESU IN KAYSERİ PROVINCE WITH GROUP NO 1638.08	15.12.2015	27.06.2016	187.145

[illegible]

WORKS COMPLETED IN YEAR 2016 OUT OF THE LOCAL GOVERNMENTS' INVESTMENT PROGRAM, IN THE SEWAGE SECTOR

[illegible]

Information On Works Completed By The Bank in 2016

WORKS COMPLETED IN YEAR 2016 OUT OF THE LOCAL GOVERNMENTS' INVESTMENT PROGRAM, IN THE MUNICIPALITY STRUCTURES SECTOR

ROW NUMBER	NAME OF MUNICIPALITY	PROVINCE	CHARACTERISTICS	SECTOR	COMMENCEMENT DATE	COMPLETION DATE	EXPENDITURES MADE (TRL)
1	PAMUKOVA	SAKARYA	MUNICIPALITY STRUCTURES	CONSTRUCTION OF WALL AROUND PARK AND COVERING KARAN STREAM AT 10 %	26.08.2013	23.07.2014	171.082
2	ESENYURT	İSTANBUL	MUNICIPALITY STRUCTURES	CONSTRUCTION OF SCHOOL WITH 55 CLASSES AT ÖRNEK DISTRICT	21.11.2014	20.07.2015	10.000.000
3	KEŞAN	EDİRNE	MUNICIPALITY STRUCTURES	CONSTRUCTION OF CLOSED CAR CAR PARK, OFFICE, BAZAAR, MUNICIPALITY SERVICE BUILDING AND OPEN BAZAAR	11.01.2013	30.04.2015	26.181.018
4	ÇAN	ÇANAKKALE	MUNICIPALITY STRUCTURES	ARRANGEMENT OF AMPHITHEATRE, CAFETERIA AND LANDSCAPING OF THERMAL HOTEL REGION	20.04.2015	16.11.2015	1.836.141
5	TERZIALAN	ÇANAKKALE	MUNICIPALITY STRUCTURES	CONSTRUCTION OF TRADE CENTRE	24.02.2016	24.06.2016	221.017
6	CENTER	BURSA	MUNICIPALITY STRUCTURES	T2 TRAMCAR LINE OF METROPOLITAN MUNICIPALITY	20.11.2015	27.01.2018	12.455.845
7	ALTINOVA	YALOVA	MUNICIPALITY STRUCTURES	MUNICIPALITY SERVICE BUILDING	15.07.2015	01.10.2017	2.997.175
8	CENTER	BURSA	MUNICIPALITY STRUCTURES	CONSTRUCTION WORK OF MUNICIPALITY SERVICE BUILDING	09.09.2011	08.08.2014	31.178.417
9	CENTER	BURSA	MUNICIPALITY STRUCTURES	FINE WORKS AND MECHANICAL-ELECTRICAL INSTALLATIONS FOR STADIUM CONSTRUCTION	31.08.2012	16.08.2013	42.470.476
10	CENTER	DENİZLİ	MUNICIPALITY STRUCTURES	CONSTRUCTION OF ART CENTRE	03.01.2014	07.02.2016	9.000.000
11	ÇAMELİ	DENİZLİ	MUNICIPALITY STRUCTURES	CONSTRUCTION OF CLOSED BAZAAR PLACE	18.03.2016	13.12.2016	2.678.225
12	TAVAS	DENİZLİ	MUNICIPALITY STRUCTURES	CONSTRUCTION OF BAZAAR PLACE WITH CLOSED AREA, 14 WORKPLACES AND WC FOR WOMAN, MEN AND THE DISABLED	16.10.2015	13.05.2016	2.622.342
13	BUHARKENT	AYDIN	MUNICIPALITY STRUCTURES	CONSTRUCTION OF SEMI-OLYMPIC SWIMMING POOL	26.05.2015	30.10.2015	698.470
14	KUŞADASI	AYDIN	MUNICIPALITY STRUCTURES	ARRANGEMENT OF STATUS PLAN OF FORTIFICATION WALLS AND INNER CASTLE AT GÜVERCİN ISLAND AND TOUR ROUTE	02.06.2015	20.12.2015	3.169.935
15	İNCİRLİOVA	AYDIN	MUNICIPALITY STRUCTURES	CONSTRUCTION OF ATTIC FLOORING OF COVERED BAZAAR PLACE NAMED ACARLAR	18.09.2015	16.12.2015	853.000
16	AKHİSAR	MANİSA	MUNICIPALITY STRUCTURES	CONSTRUCTION OF STADIUM AND CLOSED SPORTS HALL	05.11.2013	19.03.2015	20.642.648
17	ŞEHZADELER	MANİSA	MUNICIPALITY STRUCTURES	MULTI-PURPOSE HALL AND COURSE BUILDING AT AKPINAR DISTRICT	16.09.2015	13.01.2016	144.730
18	CENTER	MANİSA	MUNICIPALITY STRUCTURES	CONSTRUCTION OF CLOSED SPORTS HALL AND SWIMMING POOL IN SALIHLI TOWN	08.02.2016	03.11.2016	3.162.000
19	MENDERES	İZMİR	MUNICIPALITY STRUCTURES	SUPPLY AND CONSTRUCTION OF BAZAAR AND SOCIAL FACILITIES IN ÖZDERE SQUARE	02.11.2015	16.12.2016	4.067.076
20	TORBALI	İZMİR	MUNICIPALITY STRUCTURES	CONSTRUCTION OF SOCIAL EDUCATION CENTRE IN YAZICI DISTRICT	09.09.2016	23.12.2016	558.001
21	BAYRAKLI	İZMİR	MUNICIPALITY STRUCTURES	SUPPLY AND CONSTRUCTION OF MUNICIPALITY SERVICE BUILDING	10.10.2014	13.11.2016	9.524.526

22	MENDERES	İZMİR	MUNICIPALITY STRUCTURES	ARRANGEMENT WORKS FOR SEASIDE AT LOCATION OF ÖZDERE ÇUKURALTI	30.10.2015	21.04.2016	4.130.000
23	SİNANPAŞA	AFYON	MUNICIPALITY STRUCTURES	CONSTRUCTION OF TEXTILE FACTORY	03.08.2015	03.12.2015	785.880
24	İNÖNÜ	ESKİŞEHİR	MUNICIPALITY STRUCTURES	CONSTRUCTION OF UPPER-COVERED BAZAAR MADE OF STEEL CONSTRUCTION	20.05.2015	17.09.2015	1.192.303
25	SİVRİHİSAR	ESKİŞEHİR	MUNICIPALITY STRUCTURES	SUPPLY AND CONSTRUCTION OF TRADE CENTRE	02.04.2015	01.07.2015	5.377.700
26	KARAADILLI	AFYON	MUNICIPALITY STRUCTURES	CONSTRUCTION OF COVERED PUBLIC BAZAAR	01.10.2015	30.12.2015	546.387
27	PAZARYERİ	BİLECİK	MUNICIPALITY STRUCTURES	CONSTRUCTION OF ATTIC REPAIR OF CULTURE CENTRE BUILDING	15.12.2015	11.06.2016	1.800.000
28	SERİK	ANTALYA	MUNICIPALITY STRUCTURES	CONSTRUCTION OF STOREY-BAZAAR SQUARE AND SHOPPING MALL	03.10.2012	27.12.2013	15.520.546
29	CENTER	ANTALYA	MUNICIPALITY STRUCTURES	CONSTRUCTION OF CABLE CAR IN TÜNEKTEPE FOR PROVINCE SPECIAL ADMINISTRATION	15.02.2016	13.07.2016	8.201.000
30	CENTER	ANTALYA	MUNICIPALITY STRUCTURES	CONSTRUCTION OF CABLE CAR IN TÜNEKTEPE FOR PROVINCE SPECIAL ADMINISTRATION	22.04.2013	17.04.2014	9.434.659
31	GÖLHİSAR	BURDUR	MUNICIPALITY STRUCTURES	CONSTRUCTION OF BAZAAR PLACE	02.09.2015	28.02.2016	4.453.020
32	BÜYÜKKABACA	ISPARTA	MUNICIPALITY STRUCTURES	CONSTRUCTION OF EDUCATION FACILITY	09.06.2015	05.11.2015	1.500.000
33	EĞİRDİR	ISPARTA	MUNICIPALITY STRUCTURES	LANDSCAPING OF DEREPARK	24.06.2015	24.12.2015	509.345
34	CENTER	ISPARTA	MUNICIPALITY STRUCTURES	CONSTRUCTION OF SUB-GROUND STOREY-CAR PARK IN ÇELEBİLER DISTRICT	29.05.2015	22.04.2016	6.981.777
35	YEŞİLOVA	AKSARAY	MUNICIPALITY STRUCTURES	CONSTRUCTION OF WEDDING HALL	12.11.2015	11.01.2016	316.036
36	AKŞEHİR	KONYA	MUNICIPALITY STRUCTURES	CONSTRUCTION FOR IMPROVEMENT OF DEĞİRMEN STREET	22.05.2015	25.06.2016	1.400.000
37	DERBENT	KONYA	MUNICIPALITY STRUCTURES	CONSTRUCTION OF MULTI-PURPOSE WAREHOUSE	07.10.2015	04.05.2016	720.000
38	KARAPINAR	KONYA	MUNICIPALITY STRUCTURES	CONSTRUCTION OF CLOSED BAZAAR PLACE	20.07.2015	14.05.2016	7.162.011
39	HADİM	KONYA	MUNICIPALITY STRUCTURES	CONSTRUCTION OF WORK PLACE AND HOUSING	24.09.2013	21.07.2014	2.296.324
40	PURSAKLAR	ANKARA	MUNICIPALITY STRUCTURES	CONSTRUCTION OF EDUCATION AND CULTURE CENTRE	01.03.2016	25.04.2017	1.270.108
41	KEÇİÖREN	ANKARA	MUNICIPALITY STRUCTURES	RECREATION CONSTRUCTION OF IHLAMUR VALLEY	18.04.2016	15.09.2016	13.710.005
42	MAMAK	ANKARA	MUNICIPALITY STRUCTURES	FURNISHING AND RESTORATION OF ALI KUŞÇU SPACE SCIENCE CENTRE (PLANETARIUM)	21.11.2014	20.07.2015	17.996.008
43	ELMADAĞ	ANKARA	MUNICIPALITY STRUCTURES	CONSTRUCTION OF PROMOTION, AUDITING AND MARKETING BUILDING IN THE SCOPE OF 2772 HOUSES OF URBAN DEVELOPMENT TRANSFORMATION PROJECT	09.09.2015	08.09.2016	2.717.789
44	KEÇİÖREN	ANKARA	MUNICIPALITY STRUCTURES	CONSTRUCTION OF BAĞLAM CULTURE CENTRE	18.04.2016	31.12.2016	5.337.466
45	CENTER	BOLU	MUNICIPALITY STRUCTURES	CONSTRUCTION OF MUNICIPALITY STORES IN PARTİ STREET	10.08.2015	10.02.2016	1.484.006



Information On Works Completed By The Bank in 2016

46	CENTER	ÇANKIRI	MUNICIPALITY STRUCTURES	ENERGY TRANSMISSION LINE AND TRANSFORMER CENTRE	02.12.2015	01.01.2016	350.000
47	CENTER	ÇANKIRI	MUNICIPALITY STRUCTURES	CONSTRUCTION OF FOLDING SCREEN BY ISTIKLAL ROAD	30.05.2016	28.07.2016	506.130
48	CENTER	ÇANKIRI	MUNICIPALITY STRUCTURES	OBSERVATION TERRACE INTO ÇANKIRI FORTRESS (KARATEKİN FORTRESS)	08.08.2016	15.12.2016	706.460
49	CENTER	ÇORUM	MUNICIPALITY STRUCTURES	CONSTRUCTION OF ADDITIONAL FACILITIES AT VOCATIONAL HIGH SCHOOL CAMPUS	30.01.2015	21.10.2016	12.286.179
50	CENTER	DÜZCE	MUNICIPALITY STRUCTURES	CONSTRUCTION OF INTER-CITY BUS TERMINAL AND LANDSCAPING	09.01.2014	09.01.2015	9.137.000
51	CENTER	DÜZCE	MUNICIPALITY STRUCTURES	TRANSFORMATION OF 7 PERMANENT WORKPLACES INTO STUDENT DORMITORY (TRANSFORMATION OF 2 BLOCKS OF WORKPLACES LOCATED IN PLOT 143 AND PARCEL 1 OF PERMANENT HOUSING INTO STUDENT DORMITORY)	08.03.2016	09.09.2016	15.824.952
52	CENTER	DÜZCE	MUNICIPALITY STRUCTURES	CONSTRUCTION OF WEDDING HALL IN KÜÇÜKSU PARK AND LANDSCAPING	11.06.2015	31.01.2017	1.948.090
53	CENTER	DÜZCE	MUNICIPALITY STRUCTURES	SUPPLY AND CONSTRUCTION OF CULTURE CENTRE	24.08.2016	02.11.2016	4.576.001
54	CENTER	KIRŞEHİR	MUNICIPALITY STRUCTURES	CONSTRUCTION OF ADDITIONAL GARAGE AND SUSTAINING WALL FOR BUS TERMINAL	02.10.2014	31.12.2014	2.471.907
55	TALAS	KAYSERİ	MUNICIPALITY STRUCTURES	CONSTRUCTION OF 6 TAXI STATIONS WITH ATM	17.06.2015	14.11.2015	1.040.001
56	TALAS	KAYSERİ	MUNICIPALITY STRUCTURES	II ND STAGE İÇMECE PROJECT FOR MUNICIPALITY ADDITIONAL SERVICE BUILDING	16.10.2015	14.03.2015	1.585.541
57	YEŞİLHISAR	KAYSERİ	MUNICIPALITY STRUCTURES	WATER TANK WITH A FOUNTAIN, WC FOR MEN AND WOMEN AND PENSION	04.11.2016	09.02.2017	1.500.000
58	CENTER	YOZGAT	MUNICIPALITY STRUCTURES	CONSTRUCTION OF OFFICIAL LODGEMENT ON 3 AND 4 GROUP VILLAGE ROADS TOGETHER WITH 12 PIECES OF WORKS	22.06.2015	19.09.2015	2.750.000
59	CENTER	GAZİANTEP	MUNICIPALITY STRUCTURES	INSTALLATION OF WALL AROUND CITY FOREST WITH IRRIGATION SYSTEM (1ST STAGE)	10.09.2013	08.03.2014	18.624.999
60	CENTER	DIYARBAKIR	MUNICIPALITY STRUCTURES	MUNICIPALITY SERVICE BUILDING	27.06.2013	27.05.2015	8.893.890
61	YENİŞEHİR	DIYARBAKIR	MUNICIPALITY STRUCTURES	CONSTRUCTION OF TOWN PARK OF AKÇADAĞ FOR METROPOLITAN MUNICIPALITY	24.03.2014	16.02.2015	18.004.654
62	CENTER	MALATYA	MUNICIPALITY STRUCTURES	REPAIR OF MUNICIPALITY SERVICE BUILDING	13.05.2016	08.12.2016	1.943.507
63	ŞİRVAN	SIİRT	MUNICIPALITY STRUCTURES	CONSTRUCTION OF CULTURE AND CONGRESS CENTRE	29.07.2015	25.01.2016	1.389.455
64	CENTER	DIYARBAKIR	MUNICIPALITY STRUCTURES	CONSTRUCTION OF MUNICIPALITY SERVICE BUILDING	21.08.2013	18.05.2016	23.994.542
65	KÖPRÜKÖY	ERZURUM	MUNICIPALITY STRUCTURES	CONSTRUCTION OF MUNICIPALITY SERVICE BUILDING	18.06.2015	16.10.2015	229.478
66	PATNOS	AĞRI	MUNICIPALITY STRUCTURES	LIVESTOCK MARKET AND SLAUGHTER HOUSE	04.01.2016	29.11.2016	14.024.186
67	ÇAT	ERZURUM	MUNICIPALITY STRUCTURES	CONSTRUCTION OF MUNICIPALITY SERVICE BUILDING	16.04.2015	13.09.2015	3.176.005
68	CENTER	SİVAS	MUNICIPALITY STRUCTURES	CONSTRUCTION OF SKIING AND WINTER SPORTS TOURISM CENTRE ON YILDIZ MOUNTAIN	13.05.2013	18.01.2014	3.867.567

69	İLKADIM	SAMSUN	MUNICIPALITY STRUCTURES	CONSTRUCTION OF SOCIAL FACILITIES	01.06.2015	30.05.2016	4.927.872
70	CANIK	SAMSUN	MUNICIPALITY STRUCTURES	CONSTRUCTION OF 1ST SECTION WORKS FOR LANDSCAPING OF VARIOUS MOSQUES AND SCHOOLS IN THE BORDERS OF CANIK (SAMSUN)	08.06.2016	06.10.2016	1.494.657
71	CANIK	SAMSUN	MUNICIPALITY STRUCTURES	CONSTRUCTION OF 2ND STAGE WORKS FOR CONSTRUCTION AND LANDSCAPING OF ANY KINDS OF BUILDINGS IN THE BORDERS OF CANIK (SAMSUN)	20.06.2016	17.11.2016	2.278.974
72	GERZE	SINOP	MUNICIPALITY STRUCTURES	CONSTRUCTION OF HOUSE FOR ELDERLY PERSONS	02.10.2015	28.06.2016	500.000
73	ÜNYE	ORDU	MUNICIPALITY STRUCTURES	CONSTRUCTION OF KÖYLÜ BAZAAR	15.05.2016	13.08.2016	789.177
74	CENTER	GÜMÜŞHANE	MUNICIPALITY STRUCTURES	CONSTRUCTION OF MINI PILE AND FORE PILE TIMBERING AS A PROJECT OF PAZARYERİ	24.03.2016	23.05.2016	981.606
75	ÇAYELİ	RİZE	MUNICIPALITY STRUCTURES	CONSTRUCTION OF SITE BUILDING	07.03.2016	04.08.2016	1.299.779
76	ÇAYELİ	RİZE	MUNICIPALITY STRUCTURES	CONSTRUCRTION FOR KADINLAR BAZAAR PLACE	07.03.2016	05.07.2016	427.570
77	MERKEZ	GİRESUN	MUNICIPALITY STRUCTURES	CONSTRUCTION FOR ARRANGEMENT OF KEŞAP STOP, CAR PARK AND SQUARE	15.07.2015	14.07.2016	3.676.141
78	TAŞKÖPRÜ	KASTAMONU	MUNICIPALITY STRUCTURES	SUBGROUND CAR PARK AND SQUARE ARRANGEMENT IN TAŞKÖPRÜ	12.06.2015	07.11.2015	3.380.005
79	ALAPLI	ZONGULDAK	MUNICIPALITY STRUCTURES	CONSTRUCTION OF DECORATIVE WATERFALL	13.05.2016	12.07.2016	172.744
80	ALAPLI	ZONGULDAK	MUNICIPALITY STRUCTURES	CONSTRUCTION OF AMPHITHEATRE	06.04.2016	04.07.2016	404.000
81	ALAPLI	ZONGULDAK	MUNICIPALITY STRUCTURES	AREA CLOSING BY HANGING EXTENSION AWNING SYSTEM	01.07.2016	29.08.2016	400.000
TOTAL							469.037.564



Bursa metropolitan municipality service building

## Information On Works Completed By The Bank in 2016

## WORKS COMPLETED IN THE EXPORT SECTOR IN THE INVESTMENT PROGRAM OF LOCAL GOVERNMENT IN 2016

ROW NUMBER	NAME OF MUNICIPALITY	PROVINCE	CHARAC TERISTICS	SECTOR	COMMENCEMENT DATE	COMPLETION DATE	EXPENDITURES MADE (TRL)
1	SİNANPAŞA	AFYONKARAHİSAR	EXPROPRIATION	EXPROPRIATION	01.01.2012	07.01.2016	66.667
2	KORGAN	ORDU	EXPROPRIATION	EXPROPRIATION	16.12.2015	28.01.2015	168.388
3	EREĞLİ	KONYA	EXPROPRIATION	EXPROPRIATION	17.04.2014	08.01.2016	1.821.028
4	EREĞLİ	KONYA	EXPROPRIATION	EXPROPRIATION	12.08.2013	09.10.2016	4.477.906
5	ACIPAYAM	DENİZLİ	EXPROPRIATION	EXPROPRIATION	24.12.2014	06.04.2016	1.200.000
6	YAKUTİYE	ERZURUM	EXPROPRIATION	EXPROPRIATION	27.11.2015	02.03.2016	29.994.086
7	MERKEZ	YOZGAT	EXPROPRIATION	EXPROPRIATION	13.04.2016	12.09.2016	2.700.971
8	MERKEZ	YOZGAT	EXPROPRIATION	EXPROPRIATION	20.04.2016	29.04.2015	2.148.119
9	MERKEZ	YOZGAT	EXPROPRIATION	EXPROPRIATION	10.05.2016	17.02.2016	1.984.677
10	MERKEZ	ADİYAMAN	EXPROPRIATION	EXPROPRIATION	10.05.2016	29.04.2016	8.500.000
11	DARENDE	MALATYA	EXPROPRIATION	EXPROPRIATION	28.11.2014	11.05.2016	191.363
12	DARENDE	MALATYA	EXPROPRIATION	EXPROPRIATION	11.07.2016	10.05.2016	157.872
13	ALUCRA	GİRESUN	EXPROPRIATION	EXPROPRIATION	20.07.2016	29.06.2016	1.500.000
14	HAVZA	SAMSUN	EXPROPRIATION	EXPROPRIATION	02.05.2016	01.06.2016	1.205.826
15	ALTINÖZÜ	HATAY	EXPROPRIATION	EXPROPRIATION	28.06.2016	03.08.2016	130.000
16	PÖTÜRGE	MALATYA	EXPROPRIATION	EXPROPRIATION	07.09.2016	27.07.2016	317.596
17	BOYABAT	SINOP	EXPROPRIATION	EXPROPRIATION	28.03.2016	19.10.2016	4.365.000
18	MERKEZ	RİZE	EXPROPRIATION	EXPROPRIATION	18.08.2016	29.06.2016	1.400.890
19	BOZÜYÜK	BİLECİK	EXPROPRIATION	EXPROPRIATION	31/10/2016	09.09.2016	736.477
20	BÜYÜKŞEHİR	ADANA	EXPROPRIATION	EXPROPRIATION	21.06.2016	01.07.2016	25.400.000
21	SORGUN	YOZGAT	EXPROPRIATION	EXPROPRIATION	09.10.2013	23.11.2016	5.000.000
22	ORTAKÖY	ÇORUM	EXPROPRIATION	EXPROPRIATION	18.02.2015	30.11.2016	31.851
23	ARMUTLU	YALOVA	EXPROPRIATION	EXPROPRIATION	24.11.2016	02.11.2016	794.350
24	ÇANKAYA	ANKARA	EXPROPRIATION	EXPROPRIATION	08.04.2013	15.04.2015	3.636.388
25	SERBAN	AFYONKARAHİSAR	EXPROPRIATION	EXPROPRIATION	06.04.2012	15.12.2016	24.000
26	ORTAKÖY	ÇORUM	EXPROPRIATION	EXPROPRIATION	19.06.2015	04.03.2016	32.443
27	YEBBAS	ÇORUM	EXPROPRIATION	EXPROPRIATION	01.09.2015	06.08.2016	43.880
28	MERKEZ	DÜZCE	EXPROPRIATION	EXPROPRIATION	12.09.2012	05.10.2016	3.977.990
29	MERKEZ	DÜZCE	EXPROPRIATION	EXPROPRIATION	21.05.2014	30.11.2016	6.427.525
30	YAKUTİYE	ERZURUM	EXPROPRIATION	EXPROPRIATION	28.12.2011	02.03.2016	29.975.394
31	BAĞCILAR	İSTANBUL	EXPROPRIATION	EXPROPRIATION	09.05.2013	12.08.2016	5.523.370
32	ESENLER	İSTANBUL	EXPROPRIATION	EXPROPRIATION	07.07.2011	01.06.2016	6.156.936
33	MERKEZ	KAHRAMANMARAŞ	EXPROPRIATION	EXPROPRIATION	19.11.2015	03.04.2016	4.817.650
34	MERKEZ	MANİSA	EXPROPRIATION	EXPROPRIATION	19.11.2015	13.01.2016	2.370.892
35	MERKEZ	ŞANLIURFA	EXPROPRIATION	EXPROPRIATION	07.07.2011	19.13.2015	17.498.615
36	BÜYÜKŞEHİR	BURSA	EXPROPRIATION	EXPROPRIATION	19.11.2015	26.12.2016	100.000.000
37	BÜYÜKŞEHİR	BURSA	EXPROPRIATION	EXPROPRIATION	19.11.2015		100.000.000
TOTAL							374.778.150

## WORKS COMPLETED IN YEAR 2016 OUT OF THE LOCAL GOVERNMENTS' INVESTMENT PROGRAM, IN THE GEOGRAPHICAL INFORMATION SYSTEMS SECTOR

ROW NUMBER	NAME OF MUNICIPALITY	PROVINCE	CHARACTERISTICS	SECTOR	COMMENCEMENT DATE	COMPLETION DATE	EXPENDITURES MADE (TRL)
1	MALATYA	MALATYA	CBS	CBS	08.12.2015	15.12.2016	1.413.400
2	MALATYA	MALATYA	CBS	CBS	29.12.2014		4.698.972
3	MALATYA	MALATYA	CBS	CBS	07.01.2016		545.042
4	EREĞLİ	KONYA	CBS	CBS	06.07.2015	10.05.2016	383.500
5	DENİZLİ - BÜYÜKŞEHİR	DENİZLİ	CBS	CBS	21.10.2015	05.09.2016	458.548
TOTAL							7.499.462

## WORKS COMPLETED IN YEAR 2016 OUT OF THE LOCAL GOVERNMENTS' INVESTMENT PROGRAM, IN THE RENEWABLE ENERGY SECTOR

ROW NUMBER	NAME OF MUNICIPALITY	PROVINCE	CHARACTERISTICS	SECTOR	COMMENCEMENT DATE	COMPLETION DATE	EXPENDITURES MADE (TRL)
1	AKDAĞMADENİ(1)	YOZGAT	RENEWABLE ENERGY	RENEWABLE ENERGY	16.01.2015	17.02.2016	70.110
2	KAMAN	KIRŞEHİR	RENEWABLE ENERGY	RENEWABLE ENERGY	20.02.2015	24.03.2016	2.103.940
3	BÜYÜKŞEHİR BELEDİYESİ	K.MARAŞ	RENEWABLE ENERGY	RENEWABLE ENERGY	07.01.2016	08.09.2016	615.145
TOTAL							2.789.195





COMPLETED WORKS IN THE MAPPING SECTOR, WITH THE APPROPRIATIONS (GRANTS+LOANS) FROM THE BANK'S PROFITS IN YEAR 2016

ROW NUMBER	NAME OF MUNICIPALITY	PROVINCE	CHARAC TERISTICS	SECTOR	COMMENCEMENT DATE	COMPLETION DATE	EXPENDITURES MADE (TRL)
1	PATNOS	AĞRI	MAP	MAP	23.10.2014	05.01.2016	140.420
2	MERKEZ	AMASYA	MAP	MAP	21.10.2015	26.09.2016	152.220
3	BÖCEKLİ	OSMANİYE	MAP	MAP	28.09.2015	18.01.2016	(Group (Payment under zoning plan)
4	GÖKTEPE*	KARAMAN	MAP	MAP	13.08.2015	22.12.2015	26.550
5	İNÖNÜ (İLAVE)*	ESKİŞEHİR	MAP	MAP	19.06.2015	24.12.2015	53.100
6	YEŞİLOVA	BURDUR	MAP	MAP	13.08.2015	07.03.2016	67.590
7	YAZIHÜYÜK	NEVŞEHİR	MAP	MAP	04.05.2015	14.03.2016	161.700
8	PERŞEMBE	ZONGULDAK	MAP	MAP	30.04.2015	31.03.216	95.920
9	YENİKENT	KÜTAHYA	MAP	MAP	18.08.2015	26.04.2016	36.960
10	DEVREKANI	KASTAMONU	MAP	MAP	24.04.2015	09.05.2016	55.934
11	YEŞİLBÜK	GÜMÜŞHANE	MAP	MAP	18.08.2015	16.06.2016	26.166
12	CİMİTEKKE	TOKAT	MAP	MAP	28.10.2015	24.06.2016	53.100
13	BEREKETLİ	TOKAT	MAP	MAP			
14	ALACAKAYA	ELAZIĞ	MAP	MAP	28.10.2015	12.07.2016	52.288
15	MENEMEN	İZMİR	MAP	MAP	19.02.2015	13.07.2016	335.120
16	MERKEZ	ERZİNCAN	MAP	MAP	16.01.2015	15.08.2016	247.800
17	GEREDE	BOLU	MAP	MAP	22.10.2015	16.08.2016	(Group (Payment under zoning plan)
18	KONUKBEKLER	MUŞ	MAP	MAP	13.02.2015	24.08.2016	54.032
19	KINIK	TOKAT	MAP	MAP	17.12.2015	18.08.2016	46.610
20	SENİRKENT	ISPARTA	MAP	MAP	08.10.2015	08.09.2016	68.625
21	KAVAKYOLU	ERZİNCAN	MAP	MAP	14.01.2016	31.10.2016	(Group (Payment under zoning plan)
22	SUSUZ	AFYONKARAHİSAR	MAP	MAP	09.02.2016	31.10.2016	(Group (Payment under geology)
23	KANDILLI	ZONGULDAK	MAP	MAP	30.11.2015	19.10.2016	38.720
24	KEPEZ	ÇANAKKALE	MAP	MAP	29.12.2015	15.11.2016	58.800
25	HACIBEKTAŞ	NEVŞEHİR	MAP	MAP	02.02.2016	42.689,00	105.020
26	KOZLU	ZONGULDAK	MAP	MAP	10.11.2015	08.11.2016	152.158
27	GEREDE	BOLU	MAP	MAP	22.10.2016	16.08.2016	(Group (Payment under zoning plan)
28	AĞIN	ELAZIĞ	MAP	MAP	11.02.2016	30.12.2016	(Group (Payment under zoning plan)
29	YARBAŞI	OSMANİYE	MAP	MAP	10.02.2016	14.12.2016	0
30	SERİNHİSAR	DENİZLİ	MAP	MAP	26.05.2016	16.12.2016	(Group (Payment under zoning plan)
31	DAZKIRI	AFYONKARAHİSAR	MAP	MAP	25.02.2016	19.12.2016	15.812
32	KEMER	ANTALYA	MAP	MAP	18.03.2016	FESH EDİLDİ	0
33	SALAR	AFYONKARAHİSAR	MAP	MAP	11.03.2016	30.12.2016	11.658
34	KAVAKBAŞI	BİTLİS	MAP	MAP	15.04.20016	28.12.2016	30.192
35	BIGADIÇ	BALIKESİR	MAP	MAP	02.02.2015	26.10.2015	98.906
36	TAHIR	AĞRI	MAP	MAP	21.01.2015	13.11.2015	26.175
37	SIVRIHİSAR	ESKİŞEHİR	MAP	MAP	21.01.2015	23.12.2015	217.120

38	GÜLŞEHİRİ	YOZGAT	MAP	MAP	23.01.2015	29.01.2016	250.884
39	OLUKÖZÜ	YOZGAT	MAP	MAP		29.01.2016	
40	SARAYKENT	YOZGAT	MAP	MAP		29.01.2016	
41	ŞEFAATLİ	YOZGAT	MAP	MAP		29.01.2016	
42	HASKÖY (ALTINOVA) PAKET	MUŞ	MAP	MAP	26.01.2015	29.01.2016	234.167
43	KARAHALİL	KIRKLARELİ	MAP	MAP	29.01.2016	02.11.2015	36.816
44	SUDURAĞI	KARAMAN	MAP	MAP	17.06.2015	23.12.2015	83.160
45	SÖĞÜTLÜ	SAKARYA	MAP	MAP	27.02.2015	25.02.2016	233.172
46	GÖYNÜCEK	AMASYA	MAP	MAP	10.07.2015	25.02.2016	57.340
47	BAYRAMIÇ	ÇANAKKALE	MAP	MAP	20.07.2015	04.04.2016	87.320
48	KENDİRLİ	RİZE	MAP	MAP	19.06.2015	11.05.2016	(Group (Payment under zoning plan)
49	EŞME	UŞAK	MAP	MAP	02.02.2015	04.04.2016	212.400
50	KOCAALİLER	BURDUR	MAP	MAP	29.07.2015	29.04.2016	(Group (Payment under zoning plan)
51	BOR	NİĞDE	MAP	MAP	16.01.2015	04.04.2016	213.580
52	LAPSEKİ	ÇANAKKALE	MAP	MAP	14.07.2015	13.04.2016	96.760
53	GÜNEYKAYA	SIVAS	MAP	MAP	26.06.2015	17.05.2016	57.230
54	SUBAŞI	EDİRNE	MAP	MAP	13.07.2015	17.05.2016	69.620
55	MERKEZ	RİZE	MAP	MAP	11.02.2015	12.02.2016	253.700
56	YAYLAKENT	ÇANKIRI	MAP	MAP	30.06.2015	29.04.2016	76.050
57	ALUCRA	GİRESUN	MAP	MAP	30.07.2015	12.07.2016	(Group (Payment under zoning plan)
58	ÇİLİMLİ	DÜZCE	MAP	MAP	22.06.2015	19.07.2016	100.300
59	AFŞİN	KAHRAMANMARAŞ	MAP	MAP	05.04.2016	10.08.2016	94.500
60	BEYKÖY	DÜZCE	MAP	MAP	24.06.2015	12.07.2016	283.200
61	SINDIRGI	BALIKESİR	MAP	MAP	11.09.2015	01.07.2016	121.587
62	KALKANDERE	RİZE	MAP	MAP	19.06.2015	23.05.2016	(Group (Payment under zoning plan)
63	SUSUZ	KARS	MAP	MAP	02.07.2015	25.07.2016	(Group (Payment under zoning plan)
64	AKKUŞ	ORDU	MAP	MAP	25.06.2015	12.07.2016	66.670
65	YANLIZBAĞ	ERZİNCAN	MAP	MAP	27.08.2015	20.09.2016	(Group (Payment under zoning plan)
66	ULAŞ	SIVAS	MAP	MAP	31.07.2015	20.09.2016	66.080
67	TEPECİK	KÜTAHYA	MAP	MAP	27.01.2016	03.10.2016	248.980
68	PERŞEMBE	ORDU	MAP	MAP	26.06.2015	20.09.2016	(Group (Payment under zoning plan)
69	AKÇAKOCA	DÜZCE	MAP	MAP	20.07.2015	13.08.2016	128.620
70	ALTINOVA	YALOVA	MAP	MAP	14.07.2015	03.11.2016	517.220
71	NAŞA	KÜTAHYA	MAP	MAP	18.01.2016	08.11.2016	(Group (Payment under zoning plan)
72	SÜLÜMENLİ	AFYONKARAHİSAR	MAP	MAP			
73	TATARLI	AFYONKARAHİSAR	MAP	MAP			
74	ÜÇTEPE	GİRESUN	MAP	MAP	29.07.2015	12.07.2016	97.268
75	DEREPAZARI	RİZE	MAP	MAP	08.01.2015	03.10.2016	64.308
76	KARGI	ÇORUM	MAP	MAP	25.06.2015	20.09.2016	(Group (Payment under zoning plan)
77	EYMİR	YOZGAT	MAP	MAP	31.07.2015	03.08.2016	171.700
TOTAL							6.351.329

Information On Works Completed By The Bank in 2016

COMPLETED WORKS IN THE ZONING PLAN SECTOR, WITH THE APPROPRIATIONS (GRANTS+LOANS)  
FROM THE BANK’S PROFITS IN YEAR 2016

ROW NUMBER	NAME OF MUNICIPALITY	PROVINCE	CHARAC TERISTICS	SECTOR	COMMENCEMENT DATE	COMPLETION DATE	EXPENDITURES MADE (TRL)
1	MURADIYE*	RIZE	ZONING PLAN	ZONING PLAN	06.03.2014	06.05.2015	21.870
2	DODURGA*	ÇORUM	ZONING PLAN	ZONING PLAN	19.03.2014	12.09.2015	31.320
3	KEBAN*	ELAZIĞ	ZONING PLAN	ZONING PLAN	05.11.2013	16.12.2015	19.751
4	CİDE*	KASTAMONU	ZONING PLAN	ZONING PLAN	17.04.2014	09.12.2015	27.140
5	MENGEN	BOLU	İZONING PLAN	İZONING PLAN	10.02.2015	FESH EDİLDİ	0
6	KÜPLÜ	EDİRNE	ZONING PLAN	ZONING PLAN	25.07.2013	04.01.2016	45.430
7	BOZKURT	KASTAMONU	ZONING PLAN	ZONING PLAN	17.11.2014	08.01.2016	16.520
8	ARIT	BARTIN	ZONING PLAN	ZONING PLAN	16.08.2012	26.04.2016	22.208
9	ERFELEK	SINOP	ZONING PLAN	ZONING PLAN	23.12.2014	11.05.2016	51.414
10	HAYRABOLU	TEKİRDAĞ	ZONING PLAN	ZONING PLAN	02.05.2014	09.05.2016	35.105
11	KAYIHAN	AFYONKARAHİSAR	ZONING PLAN	ZONING PLAN	07.06.2013	25.05.2016	21.776
12	KURANCALI	KİRŞEHİR	ZONING PLAN	ZONING PLAN	27.04.2015	06.05.2016	69.926
13	PAZARYERİ	BİLECİK	ZONING PLAN	ZONING PLAN	26.05.2014	FESH EDİLDİ	11.717
14	ÇAYELİ	RIZE	ZONING PLAN	ZONING PLAN	05.03.2014	FESH EDİLDİ	11.700
15	CİMİTEKKE	TOKAT	ZONING PLAN	İZONING PLAN	10.02.2015	FESH EDİLDİ	0
16	YILDIZTEPE	NİĞDE	ZONING PLAN	ZONING PLAN	24.04.2015	28.06.2016	27.671
17	GERZE	SINOP	ZONING PLAN	ZONING PLAN	09.12.2014	28.06.2016	17.405
18	DİĞOR	KARS	ZONING PLAN	ZONING PLAN	01.04.2014	23.03.2016	21.032
19	BAHADIN	YOZGAT	ZONING PLAN	ZONING PLAN	10.10.2014	06.05.2016	23.423
20	BAYDIĞIN	YOZGAT	ZONING PLAN	ZONING PLAN	09.12.2014	04.08.2016	34.833
21	ÇEPNİ	SİVAS	ZONING PLAN	ZONING PLAN	08.01.2015	10.06.2016	26.314
22	BEĞENDİK	EDİRNE	ZONING PLAN	ZONING PLAN	05.05.2014	28.06.2016	22.627
23	YENİMUHACİR	EDİRNE	ZONING PLAN	ZONING PLAN	08.07.2015	05.08.2016	30.090
24	PINARBAŞI	KAYSERİ	ZONING PLAN	ZONING PLAN	09.05.2014	20.10.2016	33.456
25	ELDİVAN	ÇANKIRI	İZONING PLAN	İZONING PLAN	23.01.2015	21.04.2016	20.563
26	HAMUR	AĞRI	ZONING PLAN	ZONING PLAN	29.04.2014	07.09.2016	93.240
27	ULUS	BARTIN	ZONING PLAN	ZONING PLAN	12.11.2014	01.11.2016	16.688
28	GÖKÇELİ	TOKAT	ZONING PLAN	ZONING PLAN	20.01.2015	07.10.2016	12.443
29	KADIHANI	KONYA	ZONING PLAN	ZONING PLAN	11.03.2014	FESH EDİLDİ	44.250
30	EĞİRDİR	ISPARTA	ZONING PLAN	ZONING PLAN	14.07.2014	FESH EDİLDİ	0
31	ELMALI	ANTALYA	ZONING PLAN	ZONING PLAN	11.10.2013	FESH EDİLDİ	14.372
32	İPSALA	EDİRNE	ZONING PLAN	ZONING PLAN	21.04.2014	11.03.2016	20.768
33	YENİFAKILI	YOZGAT	ZONING PLAN	ZONING PLAN	26.12.2014	02.02.2016	112.850
34	ÇİĞDEMLİ	YOZGAT	ZONING PLAN	ZONING PLAN		11.07.2016	
35	ÇUKURKUYU	NİĞDE	İZONING PLAN	İZONING PLAN		02.05.2016	
36	ELVANPAZARCIK	ZONGULDAK	ZONING PLAN	ZONING PLAN	30.01.2015	19.08.2016	0
37	YAPRAKLI	ÇANKIRI	ZONING PLAN	ZONING PLAN	31.01.2015	06.05.2016	
38	DEMİRÖZÜ	BAYBURT	ZONING PLAN	ZONING PLAN	26.12.2014	11.07.2016	0
39	ÜZÜMLÜ	ERZİNCAN	ZONING PLAN	ZONING PLAN	18.12.2014	06.09.2016	0
TOTAL							957.902

COMPLETED WORKS IN THE GEOLOGY-GEOTECHNICS SECTOR, WITH THE APPROPRIATIONS  
(GRANTS+LOANS) FROM THE BANK’S PROFITS IN YEAR 2016

ROW NUMBER	NAME OF MUNICIPALITY	PROVINCE	CHARAC TERISTICS	SECTOR	COMMENCEMENT DATE	COMPLETION DATE	EXPENDITURES MADE (TRL)
1	KESKİN*	KIRIKKALE	GEOLOGY-GEOTECHNICS	GEOLOGY-GEOTECHNICS	10.07.2015	28.12.2015	159.300
2	GÖKÇELİ -I	TOKAT	GEOLOGY-GEOTECHNICS	GEOLOGY-GEOTECHNICS	12.03.2014	05.01.2016	32.560
3	GÖKÇELİ -II	TOKAT	GEOLOGY-GEOTECHNICS	GEOLOGY-GEOTECHNICS	09.04.2015	05.01.2016	20.388
4	MOLLAKÖY	ERZİNCAN	GEOLOGY-GEOTECHNICS	GEOLOGY-GEOTECHNICS	16.07.2014	02.12.2015	36.934
5	MOLLAKÖY	ERZİNCAN	GEOLOGY-GEOTECHNICS	GEOLOGY-GEOTECHNICS	30.07.2015	03.12.2015	Group (Payment under zoning plan)
6	KIRCASALIH	EDİRNE	GEOLOGY-GEOTECHNICS	GEOLOGY-GEOTECHNICS	24.07.2015	08.01.2016	Group (Payment under zoning plan)
7	HINIS	ERZURUM	GEOLOGY-GEOTECHNICS	GEOLOGY-GEOTECHNICS	25.09.213	25.01.2016	42.680
8	TORBALI1-2/3	İZMİR	GEOLOGY-GEOTECHNICS	GEOLOGY-GEOTECHNICS	21.06.2013	26.01.2016	41.495
9	PAZARYERİ	BİLECİK	GEOLOGY-GEOTECHNICS	GEOLOGY-GEOTECHNICS	26.05.2014	25.01.2016	Group (Payment under zoning plan)
10	KIBRISCIK	BOLU	GEOLOGY-GEOTECHNICS	GEOLOGY-GEOTECHNICS	28.09.2015	26.22.2016	Group (Payment under zoning plan)
11	VİZE	KIRKLARELİ	GEOLOGY-GEOTECHNICS	GEOLOGY-GEOTECHNICS	12.01.2016	26.02.2016	Group (Payment under zoning plan)
12	AYBASTI	ORDU	GEOLOGY-GEOTECHNICS	GEOLOGY-GEOTECHNICS	01.07.2014	24.03.2016	44.503
13	AKPAZAR	TUNCELI	GEOLOGY-GEOTECHNICS	GEOLOGY-GEOTECHNICS	26.10.2015	18.04.2016	Group (Payment under zoning plan)
14	GÜMÜŞ HACIKÖY	AMASYA	GEOLOGY-GEOTECHNICS	GEOLOGY-GEOTECHNICS	15.09.2015	31.03.2016	77.880
15	ÇAKILLI	KIRKLARELİ	GEOLOGY-GEOTECHNICS	GEOLOGY-GEOTECHNICS	10.04.2015	12.04.2016	Group (Payment under zoning plan)
16	GERZE	SINOP	GEOLOGY-GEOTECHNICS	GEOLOGY-GEOTECHNICS	23.11.2015	22.04.2016	41.300
17	MURGUL	ARTVIN	GEOLOGY-GEOTECHNICS	GEOLOGY-GEOTECHNICS	02.09.2015	04.04.2016	Group (Payment under zoning plan)
18	ÇİFTELER	ESKİŞEHİR	GEOLOGY-GEOTECHNICS	GEOLOGY-GEOTECHNICS	28.12.2015	27.05.2016	141.600
19	VEZİRKÖPRÜ	SAMSUN	GEOLOGY-GEOTECHNICS	GEOLOGY-GEOTECHNICS	07.01.2016	26.05.2016	155.760
20	SORGUN (ÇATMASÖĞÜT)	YOZGAT	GEOLOGY-GEOTECHNICS	GEOLOGY-GEOTECHNICS	22.10.2015	06.06.2016	Group (Payment under zoning plan)
21	AYVACIK (TROAS)	ÇANAKKALE	GEOLOGY-GEOTECHNICS	GEOLOGY-GEOTECHNICS	15.01.2016	16.06.2016	27.730
22	ALACAKAYA	ELAZIĞ	GEOLOGY-GEOTECHNICS	GEOLOGY-GEOTECHNICS	28.09.2015	23.06.2016	Group (Payment under zoning plan)
23	KAYABAĞLAR	SİİRT	GEOLOGY-GEOTECHNICS	GEOLOGY-GEOTECHNICS	26.11.2015	01.07.2016	Group (Payment under zoning plan)
24	HEKİMAN	MALATYA	GEOLOGY-GEOTECHNICS	GEOLOGY-GEOTECHNICS	03.11.2015	01.07.2016	Group (Payment under zoning plan)
25	AYANCIK	SINOP	GEOLOGY-GEOTECHNICS	GEOLOGY-GEOTECHNICS	20.10.2015	04.08.2016	87.792
26	HASANŞEYH	TOKAT	GEOLOGY-GEOTECHNICS	GEOLOGY-GEOTECHNICS	07.03.2016	17.08.2016	Group (Payment under zoning plan)
27	ŞARKÖY	TEKİRDAĞ	GEOLOGY-GEOTECHNICS	GEOLOGY-GEOTECHNICS	04.11.2015	06.09.2016	Group (Payment under zoning plan)
28	HANÖNÜ	KASTAMONU	GEOLOGY-GEOTECHNICS	GEOLOGY-GEOTECHNICS	29.02.2016	06.09.2016	Group (Payment under zoning plan)
29	KUMLUCA	BARTIN	GEOLOGY-GEOTECHNICS	GEOLOGY-GEOTECHNICS	05.05.2016	06.09.2016	29.500
30	GÖKÇEÖREN (KULA)	MANİSA	GEOLOGY-GEOTECHNICS	GEOLOGY-GEOTECHNICS	09.03.2016	06.09.2016	41.300
31	YURTBAŞI	ELAZIĞ	GEOLOGY-GEOTECHNICS	GEOLOGY-GEOTECHNICS	05.02.2016	30.09.2016	49.560
32	DOKURCU	SAKARYA	GEOLOGY-GEOTECHNICS	GEOLOGY-GEOTECHNICS	18.04.2016	06.09.2016	46.668
33	ERIMLI-2	ELAZIĞ	GEOLOGY-GEOTECHNICS	GEOLOGY-GEOTECHNICS	30.12.2015	30.09.2016	22.442
34	BAFRA	SAMSUN	GEOLOGY-GEOTECHNICS	GEOLOGY-GEOTECHNICS	29.02.2016	30.09.2016	187.620
35	BÖCEKLI	OSMANIYE	GEOLOGY-GEOTECHNICS	GEOLOGY-GEOTECHNICS	28.09.2015	11.10.2016	Group (Payment under zoning plan)
36	ILGIN	KONYA	GEOLOGY-GEOTECHNICS	GEOLOGY-GEOTECHNICS	20.01.2016	24.10.2016	185.920
37	SALTUKOVA	ZONGULDAK	GEOLOGY-GEOTECHNICS	GEOLOGY-GEOTECHNICS	14.12.2015	30.09.2016	Group (Payment under zoning plan)

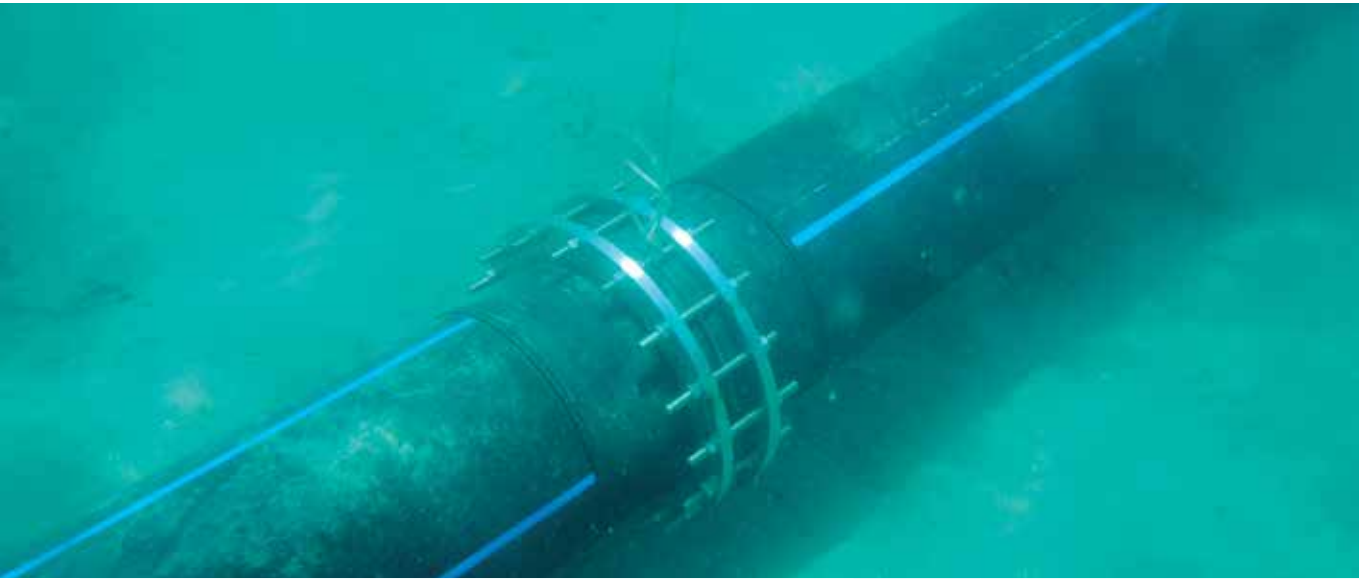


Information On Works Completed By The Bank in 2016

38	AKYAKA	KARS	GEOLOGY-GEOTECHNICS	GEOLOGY-GEOTECHNICS	30.03.2015	24.10.2016	Group (Payment under zoning plan)
39	ÇARŞAMBA	SAMSUN	GEOLOGY-GEOTECHNICS	GEOLOGY-GEOTECHNICS	11.06.2013	07.11.2016	63.838
40	HALFELİ	IĞDIR	GEOLOGY-GEOTECHNICS	GEOLOGY-GEOTECHNICS	27.06.2016	21.11.2016	Group (Payment under zoning plan)
41	BAŞMAKÇI	AFYONKARAHİSAR	GEOLOGY-GEOTECHNICS	GEOLOGY-GEOTECHNICS	16.06.2016	21.11.2016	58.056
42	YAYLAKENT	ÇANKIRI	GEOLOGY-GEOTECHNICS	GEOLOGY-GEOTECHNICS	03.06.2016	07.11.2016	Group (Payment under zoning plan)
43	ÇERİKLİ	KIRIKKALE	GEOLOGY-GEOTECHNICS	GEOLOGY-GEOTECHNICS	29.06.2016	22.11.2016	Group (Payment under zoning plan)
44	BAYDARLI	TOKAT	GEOLOGY-GEOTECHNICS	GEOLOGY-GEOTECHNICS	30.06.2016	22.11.2016	Group (Payment under zoning plan)
45	CİDE	KASTAMONU	GEOLOGY-GEOTECHNICS	GEOLOGY-GEOTECHNICS	17.03.2016	21.11.2016	Group (Payment under zoning plan)
46	ÇANKAYA	ANKARA	GEOLOGY-GEOTECHNICS	GEOLOGY-GEOTECHNICS	14.11.2016	01.08.2016	0
47	SANDIKLI	AFYONKARAHİSAR	GEOLOGY-GEOTECHNICS	GEOLOGY-GEOTECHNICS	28.04.2014	01.12.2016	257.240
48	EFLANİ	KARABÜK	GEOLOGY-GEOTECHNICS	GEOLOGY-GEOTECHNICS	01.07.2016	26.12.2016	Group (Payment under zoning plan)
49	TÜRKELİ	SİNOP	GEOLOGY-GEOTECHNICS	GEOLOGY-GEOTECHNICS	29.08.2016	28.12.2016	40.356
50	HARBİYE-I	HATAY	GEOLOGY-GEOTECHNICS	GEOLOGY-GEOTECHNICS	04.09.2013	20.12.2016	16.912
51	HARBİYE-II	HATAY	GEOLOGY-GEOTECHNICS	GEOLOGY-GEOTECHNICS	09.04.2015	20.12.2016	0
52	AHMETLİ	MANİSA	GEOLOGY-GEOTECHNICS	GEOLOGY-GEOTECHNICS	21.01.2016	28.12.2016	58.056
53	BAKACAKKADI	ZONGULDAK	GEOLOGY-GEOTECHNICS	GEOLOGY-GEOTECHNICS	42.174,00	25.01.2016	Group (Payment under zoning plan)
54	KONUKLAR	YOZGAT	GEOLOGY-GEOTECHNICS	GEOLOGY-GEOTECHNICS	42.160,00	08.01.2016	Group (Payment under zoning plan)
55	BOYABAT	SİNOP	GEOLOGY-GEOTECHNICS	GEOLOGY-GEOTECHNICS	42.172,00	17.02.2016	Group (Payment under zoning plan)
56	YALIHÜYÜK	KONYA	GEOLOGY-GEOTECHNICS	GEOLOGY-GEOTECHNICS	41.975,00	08.01.2016	88.158
57	DOĞANYURT	KASTAMONU	GEOLOGY-GEOTECHNICS	GEOLOGY-GEOTECHNICS	42.173,00	12.04.2016	Group (Payment under zoning plan)
58	SANDIKLI	AFYONKARAHİSAR	GEOLOGY-GEOTECHNICS	GEOLOGY-GEOTECHNICS	41.998,00	02.05.2016	47.581
59	KAYNAŞLI	DÜZCE	GEOLOGY-GEOTECHNICS	GEOLOGY-GEOTECHNICS	42.171,00	26.05.2016	206.790
60	KARAHALİL	KIRKLARELİ	GEOLOGY-GEOTECHNICS	GEOLOGY-GEOTECHNICS	42.398,00	29.01.2016	Group (Payment under zoning plan)
61	ÖREN	GİRESUN	GEOLOGY-GEOTECHNICS	GEOLOGY-GEOTECHNICS	42.178,00	23.06.2016	Group (Payment under zoning plan)
62	BEYCUMA	ZONGULDAK	GEOLOGY-GEOTECHNICS	GEOLOGY-GEOTECHNICS	42.373,00	01.01.2016	Group (Payment under zoning plan)
63	ÜÇTEPE	GİRESUN	GEOLOGY-GEOTECHNICS	GEOLOGY-GEOTECHNICS	42.214,00	30.09.2016	0
64	ALTINOVA	MUŞ	GEOLOGY-GEOTECHNICS	GEOLOGY-GEOTECHNICS	42.461,00	30.09.2016	Group (Payment under zoning plan)
65	GÜNEYKAYA	SİVAS	GEOLOGY-GEOTECHNICS	GEOLOGY-GEOTECHNICS	42.453,00	30.09.2016	Group (Payment under zoning plan)
66	KOCAALILER	BURDUR	GEOLOGY-GEOTECHNICS	GEOLOGY-GEOTECHNICS	42.214,00	07.11.2016	Group (Payment under zoning plan)
67	SARIKAMIŞ	KARS	GEOLOGY-GEOTECHNICS	GEOLOGY-GEOTECHNICS	41.991,00	21.11.2016	Group (Payment under zoning plan)
68	SUSUZ	KARS	GEOLOGY-GEOTECHNICS	GEOLOGY-GEOTECHNICS	42.187,00	21.11.2016	Group (Payment under zoning plan)
69	MİDYAT	MARDİN	GEOLOGY-GEOTECHNICS	GEOLOGY-GEOTECHNICS	42.695,00	21.11.2016	296.686
70	ALUCRA	GİRESUN	GEOLOGY-GEOTECHNICS	GEOLOGY-GEOTECHNICS	42.215,00	20.11.2016	Group (Payment under zoning plan)
71	ÇAMARDI	NİĞDE	GEOLOGY-GEOTECHNICS	GEOLOGY-GEOTECHNICS	42.460,00	20.11.2016	Group (Payment under zoning plan)
72	RİZE	MERKEZ	GEOLOGY-GEOTECHNICS	GEOLOGY-GEOTECHNICS	42.475,00	13.12.2016	1.982.400
73	AKKUŞ	ORDU	GEOLOGY-GEOTECHNICS	GEOLOGY-GEOTECHNICS	42.180,00	08.12.2016	Group (Payment under zoning plan)
74	TUNÇBİLEK	KÜTAHYA	GEOLOGY-GEOTECHNICS	GEOLOGY-GEOTECHNICS	42.403,00	07.12.2016	Group (Payment under zoning plan)
75	ÇAMOLUK	GİRESUN	GEOLOGY-GEOTECHNICS	GEOLOGY-GEOTECHNICS	42.163,00	28.12.2016	Group (Payment under zoning plan)
76	ÖZBAĞ	KIRŞEHİR	GEOLOGY-GEOTECHNICS	GEOLOGY-GEOTECHNICS	42.009,00	21.11.2016	36.214
TOTAL							4.625.217

COMPLETED WORKS IN GAP SECTOR IN YEAR 2016

ROW NUMBER	NAME OF MUNICIPALITY	PROVINCE	SECTOR	COMMENCEMENT DATE	COMPLETION DATE	EXPENDITURES MADE (TRL)
1	MERKEZ (ARTUKLU)	MARDİN	MAP	28.04.2015	15.01.2016	212.400
2	ELBEYLİ	KİLİS	MAP	27.05.2015	05.01.2016	77.312
3	YÜCEBAĞ	BATMAN	MAP	24.12.2014	25.11.2015	72.163
4	ŞİRVAN	SIİRT	MAP	27.05.2015	06.04.2016	46.947
5	PERVARİ	SIİRT	MAP	02.06.2015	25.04.2016	69.230
6	PINARBAŞI	ADIYAMAN	MAP	09.12.2014	02.05.2016	61.065
7	BİRECİK	ŞANLIURFA	MAP	14.08.2015	26.05.2016	224.200
8	NURDAĞI	GAZİANTEP	MAP	10.02.2015	03.10.2016	490.880
9	BEKİRHAN	BATMAN	MAP	05.05.2016	05.10.2016	50.976
10	BEĞENDİK	SIİRT	MAP	30.05.2016	27.10.2016	76.688
11	ÇAKIRHÜYÜK	ADIYAMAN	ZONING	14.04.2014	03.12.2015	37.449
12	SAVUR	MARDİN	ZONING	23.09.2014	19.04.2016	182.546
13	HARRAN	ŞANLIURFA	ZONING	19.09.2014	22.04.2016	193.048
14	BEŞİRİ	BATMAN	ZONING	11.07.2014	13.05.2016	41.850
15	SAMSAT	ADIYAMAN	ZONING	27.06.2014	16.07.2014	50.895
16	HAZRO	DİYARBAKIR	GEOLOGY-GEOTECHNICS	16.10.2014	25.01.2016	Group (Payment under zoning plan)
17	KOCAKÖY	DİYARBAKIR	GEOLOGY-GEOTECHNICS		25.01.2016	
18	KUMÇATI	ŞIRNAK	GEOLOGY-GEOTECHNICS		16.05.2016	
19	GERCÜŞ	BATMAN	GEOLOGY-GEOTECHNICS		16.05.2016	
20	KESMETEPE	ADIYAMAN	GEOLOGY-GEOTECHNICS	23.07.2015	17.02.2016	Group (Payment under zoning plan)
21	ŞAMBAYAT	ADIYAMAN	GEOLOGY-GEOTECHNICS	29.07.2015	23.06.2016	Group (Payment under zoning plan)
22	GÖKÇEBAĞ	SIİRT	GEOLOGY-GEOTECHNICS	09.04.2015	04.08.2016	Group (Payment under zoning plan)
TOTAL						4.625.217



Balıkesir Altınova Sea Discharge Building

## Information On Works Completed By The Bank in 2016

WORKS COMPLETED IN THE SECTOR OF MUNICIPALITIES WITH ASSIGNMENT FROM BANK IN 2016 (GRANT + CREDIT)

ROW NUMBER	NAME OF MUNICIPALITY	PROVINCE	CHARAC TERISTICS	SECTOR	COMMENCEMENT DATE	COMPLETION DATE	EXPENDITURES MADE (TRL)
1	KAVAKLIDERE MUNICIPALITY**	MUĞLA	MUNICIPALITY STRUCTURES	IN KAVAKLIDERE, CONSTRUCTION OF YERKÜPE CAVE AND WRESTLING AREA AUDIENCE TRIBUNE AND CONSTRUCTION OF LANDSCAPING AND ROAD ARRANGEMENT OF YERKÜPE CAVE AND WRESTLING AREA	08.02.2016	07.06.2016	500.000
2	SPECIAL PROVINCIAL ADMINISTRATION	AFYONKARAHİSAR	MUNICIPALITY STRUCTURES	WEDDING HALL AND SOCIAL ACTIVITY AREA AT DOĞANLI VILLAGE OF DINAR TOWN	19.08.2016	22.12.2016	492.703
3	SPECIAL PROVINCIAL ADMINISTRATION	AFYONKARAHİSAR	MUNICIPALITY STRUCTURES	CONSTRUCTION OF PICNIC AND PARK AT ÇAKIRKÖZÜ VILLAGE OF ŞUHUT TOWN	15.09.2016	27.06.2016	254.095
4	SPECIAL PROVINCIAL ADMINISTRATION	ÇORUM	MUNICIPALITY STRUCTURES	VILLAGE TOWNHOUSE AT ŞEYH VILLAGE OF İSKİLİP TOWN	21.10.2015	31.08.2016	137.498
			MUNICIPALITY STRUCTURES	VILLAGE TOWNHOUSE AT YANOĞLAN VILLAGE OF İSKİLİP TOWN	21.10.2015	29.09.2016	141.500
			MUNICIPALITY STRUCTURES	VILLAGE TOWNHOUSE AT ERENLER VILLAGE OF OĞUZLAR TOWN	19.09.2015	25.04.2016	134.661
5	SPECIAL PROVINCIAL ADMINISTRATION	ÇORUM	MUNICIPALITY STRUCTURES	VILLAGE TOWNHOUSE AT ÇUKURÖZ VILLAGE OF BAYAT TOWN	29.09.2016	27.10.2016	179.059
6	İSKENDERUN MUNICIPALITY**	HATAY	MUNICIPALITY STRUCTURES	CONSTRUCTION OF DOWN CAFE IN İSKENDERUN	02.11.2015	02.03.2016	350.000
7	SPECIAL PROVINCIAL ADMINISTRATION	ADIYAMAN	MUNICIPALITY STRUCTURES	VILLAGE TOWNHOUSE AT GÖLPINAR VILLAGE OF SAMSAT TOWN	03.08.2015	12.01.2016	98.384
8	SPECIAL PROVINCIAL ADMINISTRATION	ADIYAMAN	MUNICIPALITY STRUCTURES	LANDSCAPING OF MOSQUE AT KAYADIBI VILLAGE (PEVRIKAN) OF CENTRAL TOWN	13.05.2016	08.08.2016	69.019
9	BESNİ MUNICIPALITY**	ADIYAMAN	MUNICIPALITY STRUCTURES	MOSQUE MAINTENANCE AND REPAIR WORKS IN ŞAMBAYAT COUNTY OF BESNİ TOWN IN ADIYAMAN PROVINCE	01.10.2015	16.05.2016	86.972
10	TİLLO MUNICIPALITY**	ŞİİRT	MUNICIPALITY STRUCTURES	MAINTENANCE AND REPAIR WORKS OF ACCOMODATION AND CULTURE HOUSE OF İBRAHİM HAKKI HIS NİBS IN TİLLO TOWN	24.11.2015	04.03.2016	342.156
11	SPECIAL PROVINCIAL ADMINISTRATION	ŞİİRT	MUNICIPALITY STRUCTURES	CONSTRUCTION OF CONDOLENCE HOUSE AND İMAM HOUSE AT KESMETAŞ VILLAGE OF ŞİRVAN TOWN		21.04.2016	200.000
12	SPECIAL PROVINCIAL ADMINISTRATION	TUNCELİ	MUNICIPALITY STRUCTURES	CONSTRUCTION OF GRAVEYARD, ENCLOSURE WALL, MOSQUE REPAIR, GUEST HOUSE, SUSTAINING WALL AT ÖRENCERLER VILLAGE OF ÇEMİŞGEZEK TOWN	18.04.2016	01.06.2016	130.000
13	SPECIAL PROVINCIAL ADMINISTRATION	KARS	MUNICIPALITY STRUCTURES	CONSTRUCTION OF SCHOOL AT ÇIPLAKLI VILLAGE OF SELİM TOWN		12.10.2016	495.631
14	SPECIAL PROVINCIAL ADMINISTRATION	AMASYA	MUNICIPALITY STRUCTURES	VILLAGE TOWNHOUSE AND MULTI-PURPOSE SALOON AT AYDINCIK VILLAGE OF CENTRAL TOWN	14.11.2015	03.02.2016	43.223

[illegible]

COMPLETED WORKS IN THE SECTOR, SEWAGE 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	ÇANDARLI	İZMİR	SEWAGE	WASTE WATER TREATMENT	41.639	42.381	892.589
TOTAL							892.589



## Information On Works Completed By The Bank in 2016

## WORKS COMPLETED IN 2016 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	BABAESKİ	KIRKLARELİ	POTABLE WATER	POTABLE WATER CONSTRUCTION	17.01.2014	02.02.2016	8.172.728
2	HAYRABOLU	TEKİRDAĞ	POTABLE WATER	POTABLE WATER CONSTRUCTION	28.11.2013	23.02.2016	3.277.740
3	EVREŞE	ÇANAKKALE	POTABLE WATER	POTABLE WATER CONSTRUCTION	05.01.2015	27.01.2016	1.251.597
4	KASIMLAR	ISPARTA	POTABLE WATER	POTABLE WATER CONSTRUCTION	19.02.2015	24.01.2016	344.428
5	SEBEN	BOLU	POTABLE WATER	POTABLE WATER CONSTRUCTION	07.07.2015	22.02.2016	609.910
6	BAHÇELİ	NİĞDE	POTABLE WATER	POTABLE WATER CONSTRUCTION	05.01.2015	28.01.2016	2.473.897
7	GÜZELYURT	MALATYA	POTABLE WATER	POTABLE WATER CONSTRUCTION	03.09.2012	21.01.2016	537.768
8	SUŞEHİRİ	SIVAS	POTABLE WATER	POTABLE WATER CONSTRUCTION	14.08.2013	10.02.2016	11.795.422
9	KOZLUK	BATMAN	POTABLE WATER	POTABLE WATER CONSTRUCTION	31.07.2012	29.02.2016	7.276.395
10	ESKİPAZAR	TRABZON	POTABLE WATER	POTABLE WATER CONSTRUCTION	30.04.2013	29.02.2016	1.798.413
11	ÇAYKENT	RİZE	POTABLE WATER	POTABLE WATER CONSTRUCTION	07.02.2014	22.03.2016	1.001.363
12	DAVULGA	AFYON	POTABLE WATER	POTABLE WATER CONSTRUCTION	25.12.2014	07.04.2016	3.690.810
13	BEYKÖY	DÜZCE	POTABLE WATER	POTABLE WATER CONSTRUCTION	05.05.2015	02.03.2016	1.323.937
14	KARAKAPI	NİĞDE	POTABLE WATER	POTABLE WATER CONSTRUCTION	11.11.2015	25.02.2016	2.256.525
15	ALTINBAŞAK	ERZİNCAN	POTABLE WATER	POTABLE WATER CONSTRUCTION	29.08.2013	14.04.2016	2.658.846
16	ERİMLİ	ELAZIĞ	POTABLE WATER	POTABLE WATER CONSTRUCTION	05.01.2015	28.04.2016	1.566.939
17	TAŞLIÇAY*	AĞRI	POTABLE WATER	POTABLE WATER CONSTRUCTION	21.06.2013	22.02.2016 TASFIYE	1.658.468
18	İNCEKUM	ANTALYA	POTABLE WATER	POTABLE WATER CONSTRUCTION	25.06.2014	11.03.2016	1.692.367
19	DEMRE	ANTALYA	POTABLE WATER	POTABLE WATER CONSTRUCTION	09.11.2012	14.04.2016	12.451.500
20	SERİK GRUP*	ANTALYA	POTABLE WATER	KAPISALE, DEPO	14.05.2012	05.04.2016 TASFIYE	0
21	YEDİTEPE*	HATAY	POTABLE WATER	POTABLE WATER CONSTRUCTION	01.01.2014	28.08.2015 TASFIYE	0
22	ÇUKURKUYU- ULALAR- KAVAKYOLU- DEMİRKENT*	ARDAHAN	POTABLE WATER	POTABLE WATER CONSTRUCTION	14.04.2014	24.12.2015	10.706.704
23	MOLLAKÖY*	ERZİNCAN	POTABLE WATER	POTABLE WATER CONSTRUCTION	17.09.2014	25.12.2015	1.658.632
24	YEŞİLYURT*	TRABZON	POTABLE WATER	POTABLE WATER CONSTRUCTION	24.11.2011	25.11.2015	2.190.423
25	ÜSKÜP	KIRKLARELİ	POTABLE WATER	POTABLE WATER CONSTRUCTION	03.10.2013	23.06.2016	4.555.242
26	KOCAÖZ	AFYON	POTABLE WATER	POTABLE WATER CONSTRUCTION	05.01.2015	14.07.2016	2.031.647
27	SARIVELİLER	KARAMAN	POTABLE WATER	POTABLE WATER CONSTRUCTION	30.12.2014	12.05.2016	5.323.538
28	KİLEDERE	NİĞDE	POTABLE WATER	POTABLE WATER CONSTRUCTION	07.09.2015	11.08.2016	430.826
29	KEÇİKALESİ	NİĞDE	POTABLE WATER	POTABLE WATER CONSTRUCTION	02.06.2015	16.08.2016	1.468.068
30	KARAYAZI	ERZURUM	POTABLE WATER	POTABLE WATER AND PACKAGE TREATMENT FACILITY CONSTRUCTION	07.09.2012	10.08.2016	5.086.048
31	KARAHASAN	ORDU	POTABLE WATER	POTABLE WATER CONSTRUCTION	08.04.2013	17.08.2016	3.430.684
32	ÇAYKARA ORMANSEVEN ÇAĞLAYAN ATAÖY	TRABZON	POTABLE WATER	POTABLE WATER CONSTRUCTION	09.08.2012	06.05.2016	1.840.563

33	SARUHANLI*	MANISA	POTABLE WATER	POTABLE WATER CONSTRUCTION	10.03.2014	08.08.2016 FESİH	4.633.696
34	KONAKLI	NİĞDE	POTABLE WATER	POTABLE WATER CONSTRUCTION	18.06.2014	12.10.2016	3.195.959
35	BAYBURT	BAYBURT	POTABLE WATER	POTABLE WATER CONSTRUCTION	25.08.2014	24.10.2016	13.890.543
36	ESKİPAZAR*	KARABÜK	POTABLE WATER	POTABLE WATER CONSTRUCTION	13.02.2014	25.08.2016 FESİH EDİLDİ	1.117.482
37	AKDAĞMADENİ	YOZGAT	POTABLE WATER	POTABLE WATER CONSTRUCTION	09.11.2015	16.11.2016	1.033.974
38	ALTUNHISAR	NİĞDE	POTABLE WATER	POTABLE WATER CONSTRUCTION	28.07.2015	01.11.2016	568.769
39	KAVAKYOLU	ERZİNCAN	POTABLE WATER	POTABLE WATER CONSTRUCTION	30.12.2014	16.11.2016	3.146.351
40	ÜZÜMÖREN	TOKAT	POTABLE WATER	POTABLE WATER CONSTRUCTION	28.05.2015	15.11.2016	2.720.502
41	ESENKÖY	YALOVA	POTABLE WATER	POTABLE WATER AND PACKAGE TREATMENT FACILITY CONSTRUCTION	20.05.2015	12.12.2016	2.049.434
42	KESKİN	KIRIKKALE	POTABLE WATER	POTABLE WATER CONSTRUCTION	17.01.2014	16.11.2016	11.845.739
43	AŞDAĞUL	ÇORUM	POTABLE WATER	POTABLE WATER CONSTRUCTION	04.02.2016	28.12.2016	439.150
44	GÖYNÜK	BOLU	POTABLE WATER	POTABLE WATER CONSTRUCTION	07.04.2015	25.11.2016	2.825.734
45	AVANOS	NEVŞEHİR	POTABLE WATER	POTABLE WATER CONSTRUCTION	04.06.2015	07.12.2016	4.023.493
46	YEŞİLGÖLCÜK	NİĞDE	POTABLE WATER	POTABLE WATER CONSTRUCTION	21.01.2016	27.12.2016	5.370.225
47	HINIS	ERZURUM	POTABLE WATER	POTABLE WATER CONSTRUCTION	02.09.2013	23.12.2016	2.983.423
48	GÜNDOĞDU	RİZE	POTABLE WATER	POTABLE WATER CONSTRUCTION	27.12.2013	28.12.2016	5.324.126
TOTAL							169.730.030



Aksaray Helvadere Potable Water Construction

Information On Works Completed By The Bank in 2016

WORKS COMPLETED IN 2016 WITHIN THE FRAMEWORK OF SUKAP, IN THE SEWAGE SECTOR

ROW NUMBER	NAME OF MUNICIPALITY	PROVINCE	CHARAC TERISTICS	SECTOR	COMMENCEMENT DATE	COMPLETION DATE	EXPENDITURES MADE (TRL)
1	OCAKLAR	BALIKESİR	SEWAGE	SEWAGE SYSTEM	01.06.2015	25.05.2016 (close-out)	488.211
2	KONURALP	DÜZCE	SEWAGE	SEWAGE SYSTEM	11.07.2013	23.03.2016 (close-out)	2.647.651
3	EYNESİL	GİRESUN	SEWAGE	DEEP SEE DISCHARGE	14.11.2014	31.05.2016	3.065.734
4	BAYDARLI	TOKAT	SEWAGE	SEWAGE SYSTEM	03.06.2015	30.05.2016	945.488
5	ÇERİKLİ	KIRIKKALE	SEWAGE	SEWAGE SYSTEM	24.06.2015	25.05.2016	1.986.229
6	BAYBURT	BAYBURT	SEWAGE	SEWAGE SYSTEM	05.07.2013	23.05.2016	19.128.245
7	SULAKYURT	KIRIKKALE	SEWAGE	SEWAGE SYSTEM	17.09.2015	17.05.2016	1.770.774
8	YEŞİLYURT	GAZİANTEP	SEWAGE	SEWAGE SYSTEM	28.08.2014	12.05.2016	2.950.072
9	İŞİKLİ	DENİZLİ	SEWAGE	SEWAGE SYSTEM	16.10.2014	29.04.2016	2.453.144
10	DEMRE-BEYMELEK	ANTALYA	SEWAGE	SEWAGE SYSTEM	25.06.2013	21.04.2016	14.345.657
11	DARENDE	MALATYA	SEWAGE	WASTE WATER TREATMENT	17.01.2014	21.04.2016	14.119.239
12	DEDELI	AĞRI	SEWAGE	SEWAGE SYSTEM	03.09.2014	19.04.2016	439.572
13	ORTAKÖY	AKSARAY	SEWAGE	WASTE WATER TREATMENT	10.10.2013	01.04.2016	5.651.354
14	AKYAKA	KARS	SEWAGE	SEWAGE SYSTEM	05.01.2015	31.03.2016	3.192.026
15	SERENLİ	TOKAT	SEWAGE	SEWAGE SYSTEM	12.05.2015	24.03.2016	895.756
16	AYRANCI	KARAMAN	SEWAGE	SEWAGE SYSTEM	05.06.2015	17.03.2016	1.677.153
17	BOZARMUT	MUĞLA	SEWAGE	SEWAGE SYSTEM	11.08.2014	11.03.2016	734.085
18	ÇAYAĞZI	KIRŞEHİR	SEWAGE	SEWAGE SYSTEM	24.07.2015	10.03.2016	1.879.679
19	GÜCE	GİRESUN	SEWAGE	SEWAGE SYSTEM	19.04.2013	10.03.2016	1.601.240
20	HAYRABOLU	TEKİRDAĞ	SEWAGE	SEWAGE SYSTEM	21.05.2013	10.03.2016	6.577.593
21	HASANKADI	BARTIN	SEWAGE	SEWAGE SYSTEM	22.06.2015	04.03.2016	1.218.343
22	TATARLI	AFYONKARAHİSAR	SEWAGE	SEWAGE SYSTEM	04.06.2015	03.03.2016	2.444.718
23	ÇÜNGÜŞ	DIYARBAKIR	SEWAGE	SEWAGE SYSTEM	09.07.2015	25.02.2016	1.511.540
24	ÇEPNİ	SİVAS	SEWAGE	SEWAGE SYSTEM	05.01.2015	18.02.2016	3.088.373
25	HAVSA	EDİRNE	SEWAGE	ATIKSU ARITMA	24.07.2013	17.02.2016	11.647.613
26	NAŞA	KÜTAHYA	SEWAGE	SEWAGE SYSTEM	27.04.2015	17.02.2016	2.094.689
27	KALKANDERE	RİZE	SEWAGE	SEWAGE SYSTEM	06.01.2012	04.02.2016	3.583.525
28	BAHŞILI	KIRIKKALE	SEWAGE	SEWAGE SYSTEM	10.07.2015	02.02.2016	1.430.983
29	PINARBAŞI	KASTAMONU	SEWAGE	SEWAGE SYSTEM	24.11.2014	01.02.2016	3.034.676
30	MAZIDAĞI	MARDİN	SEWAGE	SEWAGE SYSTEM	07.12.2012	20.01.2016	3.447.103
31	MUT	MERSİN	SEWAGE	WASTE WATER TREATMENT	12.08.2013	08.01.2016	7.366.206
32	ÇIKRIK	AFYONKARAHİSAR	SEWAGE	SEWAGE SYSTEM	07.04.2015	05.01.2016	1.561.850
33	SUVARLI	ADİYAMAN	SEWAGE	SEWAGE SYSTEM	14.04.2015	29.06.2016	2.615.527
34	GÜRPINAR	VAN	SEWAGE	SEWAGE SYSTEM	20.12.2013	15.04.2016	4.186.995
35	KOÇKÖY	KARS	SEWAGE	SEWAGE SYSTEM	21.07.2014	13.05.2016	1.248.330
36	SARAY	TEKİRDAĞ	SEWAGE	SEWAGE SYSTEM	15.10.2012	21.07.2016	7.348.770
37	İPSALA	EDİRNE	SEWAGE	SEWAGE SYSTEM	24.12.2012	19.07.2016	7.219.633
38	ŞARKIŞLA	SİVAS	SEWAGE	WASTE WATER TREATMENT	13.12.2013	21.06.2016	10.818.501
39	MURATLI	TEKİRDAĞ	SEWAGE	SEWAGE SYSTEM	20.10.2014	05.08.2016	5.513.929
40	KARAHALİL	KIRKLARELİ	SEWAGE	SEWAGE SYSTEM	29.04.2015	02.08.2016	2.290.790
41	PEHLİVANKÖY	KIRKLARELİ	SEWAGE	SEWAGE SYSTEM	06.03.2014	12.08.2016	581.894

42	GÜNEY	DENİZLİ	SEWAGE	SEWAGE SYSTEM	02.06.2015	19.08.2016	3.405.984
43	AKÇAKOCA	DÜZCE	SEWAGE	SEWAGE SYSTEM	19.06.2015	05.08.2016	2.170.647
44	DÜNDARLI	NİĞDE	SEWAGE	SEWAGE SYSTEM	03.06.2015	22.08.2016	3.329.123
45	TÜRKOĞLU	K.MARAŞ	SEWAGE	WASTE WATER TREATMENT	13.11.2013	16.08.2016	10.077.951
46	PAZAR	TOKAT	SEWAGE	SEWAGE SYSTEM	28.07.2015	10.08.2016	3.420.692
47	KAYABAĞLAR	SİİRT	SEWAGE	SEWAGE SYSTEM	19.06.2015	23.08.2016	3.319.211
48	KALIN	SİVAS	SEWAGE	SEWAGE SYSTEM	27.03.2014	05.09.2016 (close-out)	1.375.538
49	ALTINDERE-ÇAMLICA	SAKARYA	SEWAGE	SEWAGE SYSTEM	17.07.2013	29.09.2016	5.241.359
50	GEBECELER	AFYONKARAHİSAR	SEWAGE	SEWAGE SYSTEM	18.08.2015	27.10.2016	3.763.462
51	ÇEŞMELİSEBİL	KONYA	SEWAGE	SEWAGE SYSTEM	15.09.2015	25.10.2016	3.300.089
52	İSMİL	KONYA	SEWAGE	SEWAGE SYSTEM	03.07.2013	09.09.2016	3.888.220
53	AKTAŞ	NİĞDE	SEWAGE	SEWAGE SYSTEM	28.03.2016	22.09.2016	987.373
54	ÜRGÜP	NEVŞEHİR	SEWAGE	SEWAGE SYSTEM	09.10.2014	29.09.2016	10.626.390
55	BELÖREN	ADİYAMAN	SEWAGE	SEWAGE SYSTEM	14.01.2016	19.10.2016	2.650.870
56	HILVAN	ŞANLIURFA	SEWAGE	WASTE WATER TREATMENT	15.11.2013	12.08.2016	6.231.593
57	GEVAŞ	VAN	SEWAGE	WASTE WATER TREATMENT	04.09.2013	21.07.2016	4.523.137
58	TÜRKELİ	SİNOP	SEWAGE	SEWAGE SYSTEM	24.07.2015	28.10.2016	3.455.380
59	KARAKEÇİLİ	KIRIKKALE	SEWAGE	SEWAGE SYSTEM	22.06.2015	16.11.2016	5.525.211
60	MELEKLİ	İĞDIR	SEWAGE	SEWAGE SYSTEM	23.05.2013	07.10.2016	2.497.454
61	İMRANLI	SİVAS	SEWAGE	SEWAGE SYSTEM	29.06.2015	01.11.2016	2.819.351
62	GÖKÇEDERE	BAYBURT	SEWAGE	SEWAGE SYSTEM	29.05.2015	05.09.2016	3.392.847
63	ULUS	BARTIN	SEWAGE	SEWAGE SYSTEM	26.05.2015	01.09.2016	3.201.520
64	KÜPLÜ	EDİRNE	SEWAGE	SEWAGE SYSTEM	05.05.2014	25.11.2016	3.015.547
65	KUZULUK	SAKARYA	SEWAGE	SEWAGE SYSTEM	04.11.2013	27.12.2016	7.038.125
66	GEYVE	SAKARYA	SEWAGE	WASTE WATER TREATMENT	26.09.2013	28.12.2016	17.499.527
67	KARASU	SAKARYA	SEWAGE	WASTE WATER TREATMENT	04.09.2013	20.12.2016	11.592.584
68	MERİÇ	EDİRNE	SEWAGE	WASTE WATER TREATMENT	13.09.2013	20.07.2016	9.313.972
69	GÜMÜŞÇAY	ÇANAKKALE	SEWAGE	SEWAGE SYSTEM	04.03.2015	11.03.2016	2.162.759
70	KIRKAĞAÇ	MANİSA	SEWAGE	WASTE WATER TREATMENT	20.09.2013	21.07.2016	10.696.290
71	AKÖREN	AFYONKARAHİSAR	SEWAGE	SEWAGE SYSTEM	01.12.2015	11.07.2016	2.776.811
72	GEDİZ	KÜTAHYA	SEWAGE	WASTE WATER TREATMENT	07.11.2013	18.05.2016	7.967.298
73	DEMRE-BEYMELEK	ANTALYA	SEWAGE	WASTE WATER TREATMENT	16.09.2013	02.09.2016	11.493.827
74	TAVŞANÇALI	KONYA	SEWAGE	SEWAGE SYSTEM	14.08.2015	28.12.2016	9.066.342
75	SULTANHANI	AKSARAY	SEWAGE	WASTE WATER TREATMENT	02.09.2013	25.02.2016	4.749.709
76	BAŞKALE	VAN	SEWAGE	WASTE WATER TREATMENT	07.10.2013	05.10.2016	5.170.342
77	MERKEZ	ARDAHAN	SEWAGE	SEWAGE SYSTEM	25.03.2015	16.12.2016	7.234.341
78	DADAY	KASTAMONU	SEWAGE	SEWAGE SYSTEM	08.01.2015	25.08.2016	3.652.258
79	DEVRAKANI	KASTAMONU	SEWAGE	SEWAGE SYSTEM	29.07.2015	23.12.2016	6.199.182
80	KURUCAŞİLE	BARTIN	SEWAGE	SEWAGE SYSTEM	08.07.2015	29.12.2016	372.357
81	BİTLİS	BİTLİS	SEWAGE	SEWAGE SYSTEM	20.02.2013	12.02.2016	5.476.802
82	KELKİT	GÜMÜŞHANE	SEWAGE	SEWAGE SYSTEM	11.03.2013	20.01.2016	4.255.916
83	YUNAK	KONYA	SEWAGE	SEWAGE SYSTEM	17.10.2012	27.01.2016 TASFIYE	3.548.047
TOTAL							393.288.325

\* It was added to the year 2016 as it was not included in the year list.    -    \*\* It is done in the context of the Charity and Donations chapter.



IILER BANK

Contact Information

<p><b>İLLER BANKASI A.Ş. HEADQUARTERS</b> Kızılırmak Mah. Ufuk Üniversitesi Cad. No:12 Çukurambar Çankaya/ANKARA TEL: 0 312 508 70 00</p>	<p><b>İLLER BANKASI A.Ş. DIŞKAPI SERVICE BUILDING</b> Ziraat Mahallesi 657. Sokak No: 14 PK. 06110 Altındağ/ANKARA Tel: 0312 303 30 00</p>	<p><b>ADANA REGIONAL DIRECTORATE</b> Güzelyalı Mah. Adnan Kahveci Bulvarı No: 19 Çukurova TEL: 0 322 235 06 91</p>	<p><b>ANKARA REGIONAL DIRECTORATE</b> Çamlıca Mah. Anadolu Blv. İller Bankası Ek Tesisleri Macunköy Yenimahalle TEL: 0 312 387 52 11</p>
<p><b>ANTALYA REGIONAL DIRECTORATE</b> Kültür Mah. 3801 Sokak Dumlupınar Bulvarı No: 11 Kepez TEL: 0 242 227 05 12</p>	<p><b>BURSA REGIONAL DIRECTORATE</b> Odunluk Mah. Lefkoşe Cad. No: 9 / B Mıhraplı Plaza Nilüfer TEL: 0 224 220 10 00</p>	<p><b>DİYARBAKIR REGIONAL DIRECTORATE</b> Hintlibaba Cad. No: 10 Yenişehir TEL: 0 412 228 97 50</p>	<p><b>ELAZIĞ REGIONAL DIRECTORATE</b> Cumhuriyet Mah. 160 Sokak No: 48 TEL: 0424 218 88 71</p>
<p><b>ERZURUM REGIONAL DIRECTORATE</b> Solakzade Mah. Yavuz Sultan Selim Bulvarı No: 49 Palandöken TEL: 0 442 235 50 72</p>	<p><b>ESKİŞEHİR REGIONAL DIRECTORATE</b> Kırmızı Toprak Mah. Ufuktan Sok. No:19 Odunpazarı TEL: 0 222 226 10 40</p>	<p><b>GAZİANTEP REGIONAL DIRECTORATE</b> M. Fevzi Çakmak Bulvarı No: 108 Şehit Kamil TEL: 0 342 321 78 50</p>	<p><b>İSTANBUL REGIONAL DIRECTORATE</b> Barbaros Mah. Begonya Sok. No: 9 Ataşehir TEL: 0 216 370 15 84</p>
<p><b>İZMİR REGIONAL DIRECTORATE</b> Halide Edip Adıvar Caddesi No: 110 Karabağlar TEL: 0 232 255 41 15</p>	<p><b>KAYSERİ REGIONAL DIRECTORATE</b> Kocasinan Bulvarı Mevlana Mah. No: 147 Kocasinan TEL: 0 352 222 89 24</p>	<p><b>KASTAMONU REGIONAL DIRECTORATE</b> Kuzeykent Mah. Miralay Halit Bey Cad. No:10 TEL: 0 366 215 00 74</p>	<p><b>KONYA REGIONAL DIRECTORATE</b> Yenişehir Mah. Ahmet Hilmi Nalçacı Cad. No:20 Selçuklu TEL: 0 332 238 82 00</p>
<p><b>SAMSUN REGIONAL DIRECTORATE</b> Mimar Sinan Mah. 115 Sokak No:1 Atakum TEL: 0 362 311 65 00</p>	<p><b>SİVAS REGIONAL DIRECTORATE</b> Mimar Sinan Mah. İller Caddesi No :4 TEL: 0 346 227 63 06</p>	<p><b>TRABZON REGIONAL DIRECTORATE</b> Sahil Cad. Yalıncak Mevkii Ortahisar TEL: 0 462 334 60 40</p>	<p><b>VAN REGIONAL DIRECTORATE</b> Alipaşa Mah. İskele Cad. A-Blok No:111 İpekyolu TEL: 0 432 216 80 93</p>

Note:

1.....

2.....

3.....

4.....

5.....

6.....

7.....

8.....

9.....

10.....

11.....

12.....

13.....

14.....

15.....

16.....

17.....

18.....

## Note:

- 1.....  
.....
- 2.....  
.....
- 3.....  
.....
- 4.....  
.....
- 5.....  
.....
- 6.....  
.....
- 7.....  
.....
- 8.....  
.....
- 9.....  
.....
- 10.....  
.....
- 11.....  
.....
- 12.....  
.....
- 13.....  
.....
- 14.....  
.....
- 15.....  
.....
- 16.....  
.....
- 17.....  
.....
- 18.....  
.....





## İİLLER BANK

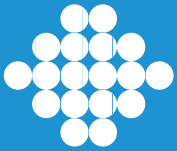
Drawn up by the accounting and Financial affairs Department  
muhassebe@ilbank.gov.tr  
www.ilbank.gov.tr



## Grafitürk Medya

Tel: (0506) 876 17 17

www.grafiturk.com.tr



**İLBANK**  
TURKEY'S CONSTRUCTIVE POWER

**Headquarters Address**

Atatürk Bulvarı No: 21 06053 Opera/ANKARA

**Phone** : (+90 312) 508 70 00

**Fax** : (+90 312) 508 73 99

**E-Mail Address**

[ilbank@ilbank.gov.tr](mailto:ilbank@ilbank.gov.tr)

**Web Address**

<http://www.ilbank.gov.tr>