

(Convenience Translation of Consolidated Financial Report Originally
Issued in Turkish)

ICBC Turkey Bank Anonim Şirketi

**Publicly Announced Consolidated Financial Statements
and Related Disclosures as of 31 December 2015
with Independent Auditors' Report**

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

Independent auditor report

To the Board of Directors of ICBC Turkey Bank A.Ş.

Report on the Consolidated Financial Statements

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

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

Bank management is responsible for the preparation and fair presentation of the consolidated financial statement in accordance with "Regulation on Accounting Applications for Banks and Safeguarding of Documents" published in the Official Gazette no.26333 dated 1 November 2006 and other regulations on accounting records of Banks published by Banking Regulation and Supervision Agency (BRSA), circulars, interpretations published by BRSA and the provisions of Turkish Accounting Standards for the matters which are not regulated by these regulation; "BRSA Accounting and Reporting Legislation" and for such internal control as management determines is necessary to enable the preparation of the financial statement that is free from material misstatement, whether due to fraud or error.

Independent Auditor's responsibility

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

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

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

Opinion

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

Reports on arising from other regulatory requirements:

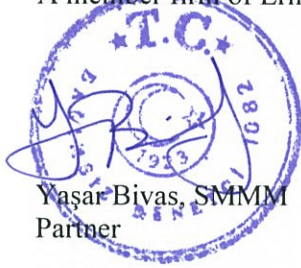
In accordance with Article 402 paragraph 4 of the Turkish Commercial Code ("TCC") no 6102; no significant matter has come to our attention that causes us to believe that the Bank's bookkeeping activities for the period January 1 – December 31, 2015 are not in compliance with the code and provisions of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

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

Additional paragraph for convenience translation to English:

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

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



February 29, 2016
Istanbul, Turkey

Convenience translation of consolidated financial statements and related disclosures originally issued in Turkish,
(See Note 3.I)

ICBC TURKEY BANK A. Ş.
CONSOLIDATED FINANCIAL REPORT AS OF 31 DECEMBER 2015

Address of the Bank's
Headquarters : Maslak Mah. Dereboyu/2 Caddesi No:13 34398 Sarıyer - İstanbul
Telephone Number : (0212) 335 53 35
Fax Number : (0212) 328 13 28
Website of the Bank : www.icbc.com.tr
E-mail : info@icbc.com.tr

The consolidated financial report prepared in accordance with the "Communiqué on the Financial Statements to be announced to public by Banks as well as Explanations and Footnotes Thereof" as required by the Banking Regulation and Supervision Agency (BRSA), is comprised of the following sections.

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

The financial statements of the subsidiary "Tekstil Yatırım Menkul Değerler A.Ş." is consolidated in this consolidated financial report.

The consolidated financial statements and related disclosures and footnotes that were subject to independent audit, are prepared in accordance with the "Regulation on the Procedures and Principles for Accounting Practices and Retention of Documents by Banks", Turkish Accounting Standards, Turkish Financial Reporting Standards and the related statements, and in compliance with the financial records of our Bank. Unless stated otherwise, the accompanying consolidated financial statements are presented in thousands of **Turkish Lira**.

Xu Keen	Wang Ying	Gao Xiangyang	Gülden Akdemir	M.Sercan Çoban
Chairman of Board of Directors and Audit Committee	Member of Board of Directors and Audit Committee	Chief Executive Officer and Member of Board of Directors	Assistant General Manager	Unit Manager

Contact information for questions on this financial report:

Name-Surname : M. Sercan Çoban
Tel No : 0212 335 54 94
Fax No : 0212 328 13 23

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ICBC TURKEY BANK A.Ş. AND ITS SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2015 AND 2014
(Currency: Thousands of TL - Turkish Lira)

SECTION ONE

GENERAL INFORMATION

I. Parent Bank's date of establishment, beginning statute, its history including changes on its statute

"The Parent Bank", Tekstil Bankası A.Ş. with trade name was established on 24 September 1985, to carry out all types of banking activities according to the Banking Law and later changes in the laws and regulations, with the permission of the Council of Ministers in accordance with the resolution numbered 85/9890 and dated 29 April 1986 and started its operations on 13 October 1986. "Articles of Association" of the Parent Bank was published in Turkish Trade Registry Gazette no.1511, dated 9 May 1986. The statute of the Parent Bank was not changed since its establishment. Trade name of the Parent Bank has changed and registered as disclosed in Note No. II on November 13, 2015 as ICBC Turkey Bank A.Ş.

II. Capital structure, shareholders controlling the management and supervision of the Parent Bank directly or indirectly, and if exists, changes on these issues and the Group that the Parent Bank belongs to and information about the persons and institutions that have qualified shares in the Parent Bank

The capital of the Parent Bank is TL 420,000 as at 31 December 2015 and is fully paid. The Parent Bank was incorporated by GSD Group until 21 May 2015. As at 29 April 2014, GSD Holding A.Ş., the major shareholder of the Parent Bank, has come to conclusion to sell 75.50% shares of the Parent Bank to Industrial and Commercial Bank of China (ICBC) and with respect to the sale transaction, it was declared to be approved by China Banking Regulatory Commission (CBRC) on 20 March 2015, and in Turkey, it was approved by Competition Authority in accordance with decision dated 20 August 2014 and numbered 14-29/593-259 and Banking Regulation and Supervision Agency (BRSA), in accordance with decision dated 2 April 2015 and numbered 6262.

Following the completion relevant permissions, on 28 April 2015 in the Public Disclosure Platform (KAP) with respect to the sale transaction Parent Bank appealed Extraordinary General Assembly on 22 May 2015 for approving the resigning of existing members of Board of Directors and selecting new members. Within the context of share purchase agreement 22 May 2015 date was defined as share transfer transaction date and the share transfer was carried out on the date and processed to the Bank's share ledger.

As a result of acquisition of shares representing 75.50% of Tekstil Bankası A.Ş. which is owned by GSD Holding A.Ş., an obligation occurs to propose take-over bids in order to purchase the shares of other shareholders in accordance with the provision of Article 11 of Take-Over Bids Communiqué numbered Serial II. 26.1 of Capital Markets Board of Turkey related to mandatory bid. In this context, share ownership of ICBC in Parent Bank has risen to 92.82% from 75.50% as a result of mandatory bid call transactions ending as of 14 August 2015 realized in accordance with the Take-Over Bids Communiqué numbered Serial II. 26.1 by ICBC which is controlling shareholder of Parent Bank.

The shares, except for the shares owned by ICBC, are traded at Istanbul Stock Exchange (BIST).

In the context of the decision taken at the Extraordinary General Meeting on November 5, 2015 the Parent Bank's trade title has been changed and registered as ICBC Turkey Bank A.Ş. on 13 November 2015 at the Trade Registry Gazette.

ICBC TURKEY BANK A.Ş. AND ITS SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2015 AND 2014 (continued)
(Currency: Thousands of TL - Turkish Lira)

III. President and members of the Board of Directors, audit committee members, general manager and executive vice presidents, and if exists, changes in these positions and Bank's shares they hold

Title	Name	Job Description	Education
Chairman of the Board of Directors and Audit Committee:	Xu Keen	Chairman of the Board of Directors and Audit Committee	Graduate
Member of Audit Committee:	Wang Ying	Member of the Board of Directors and Audit Committee	Graduate
Members of the Board of Directors:	Zheng Jianfeng	Vice Chairman of the Board of Directors	Graduate
	Wang Qiang	Vice Chairman of the Board of Directors	Graduate
	Mehmet Hilmi Güler	Independent Member of B.O.D.	Graduate
General Manager:	Gao Xiangyang	Chief Executive Officer and Member of the Board of Directors	Graduate
Head of the Board of Inspectors:	Başak Kaya (*)	President of Inspectors' Group	Under-Graduate
Assistant General Managers:	Güliden Akdemir	Financial Control Group	Under-Graduate
	D.Halit Döver	International Relations Group	Graduate
	Bozok Evrenosoğlu	Loans Group	Under-Graduate
	Hüseyin H. İmece	Treasury and Investors Relations Group	Under-Graduate
	Başbuğ Y. Samancıoğlu	Corporate and Commercial Banking Group	Under-Graduate
	Chen Yubao	Assistant General Manager	Graduate

(*) As of October 5, 2015 Başak Kaya has been appointed as Head of Inspection Board and Selçuk İçten who previously held this title has been appointed as Coordinator of the Group's Internal Operations.

These people mentioned above do not own any share of the Parent Bank.

In accordance with the decision taken at the Extraordinary General Assembly dated 22 May 2015, as a result of the transfer of 75.50% shares of the Parent Bank to ICBC, members of the Board of Directors and Audit Committee have changed and Chen Yubao has been assigned as Executive Vice President. In addition, Ayperi G. Uras who was previously working as Executive Vice President of Information Technologies and Operations Group has resigned as at 30 April 2015.

IV. Type of services provided and the areas of operations of the Parent Bank

The operations of the Parent Bank consist of corporate and commercial banking services, fund management transactions (foreign currency, money market and securities trading), international banking services, retail banking services and credit card business. The Parent Bank also operates, through its branches, as insurance agent of Sampo Japan Sigorta A.Ş., Aviva Sigorta A.Ş., Vakıf Emeklilik A.Ş., Ergo Emeklilik ve Hayat A.Ş., HDI Sigorta A.Ş. and Axa Sigorta A.Ş.

As at 31 December 2015, the Parent Bank has 44 branches close to industrial zones of Turkey and a representative office in Berlin, Germany. The Parent Bank has 841 employees as at 31 December 2015 (As at 31 December 2014 number of branches was 44, number of employees was 852).

The Parent Bank and its subsidiary, Tekstil Yatırım Menkul Değerler A.Ş. have been consolidated. The Parent Bank and its subsidiary are named as "the Group" as a whole.

ICBC TURKEY BANK A.Ş. AND ITS SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2015 AND 2014 (continued)
(Currency: Thousands of TL - Turkish Lira)

V. Differences between the Communiqué on Preparation of Consolidated Financial Statements of Banks and Turkish Accounting Standards and short explanation about the institutions subject to line-by-line method or proportional consolidation and institutions which are deducted from equity or not included in these three methods

There is no difference for the Bank regarding consolidation methods between the Communiqué on Preparation of Consolidated Financial Statements of Banks and Turkish Account Standards (TAS). Information about consolidated subsidiaries and explanation about consolidation methods are indicated on Section Three, Footnote III.

VI. The existing or potential, actual or legal obstacle on the transfer of shareholders' equity between the Parent Bank and its subsidiaries or the reimbursement of liabilities

None.

VII. Other information

Bank's Official Title	: ICBC Turkey Bank A.Ş. (previously known as Tekstil Bankası A.Ş.)
Reporting Period	: 1 January – 31 December 2015
Address of Bank's Headquarters	: Maslak Mah. Dereboyu/2 Caddesi No:13 34398 Sarıyer - İstanbul
Telephone number	: (0212) 335 53 35
Fax number	: (0212) 328 13 28
Bank's Internet Address	: www.icbc.com.tr
Reporting Currency	: Thousands of Turkish Lira

SECTION TWO

Consolidated Financial Statements

- I. Consolidated balance sheets (consolidated statements of financial position)
- II. Consolidated statements of off-balance sheet items
- III. Consolidated income statements
- IV. Consolidated statements of income and expenses recognized under equity
- V. Consolidated statements of changes in shareholders' equity
- VI. Consolidated statements of cash flows
- VII. Parent Bank statements of profit distribution

ICBC TURKEY BANK A.Ş. AND ITS SUBSIDIARY
CONSOLIDATED BALANCE SHEETS (STATEMENTS OF FINANCIAL POSITION)
AS AT 31 DECEMBER 2015 AND 2014
(Currency: Thousands of TL - Turkish Lira)

ASSETS		Footnotes (Section 5)	THOUSANDS OF TURKISH LIRA					
			CURRENT PERIOD 31/12/2015			PRIOR PERIOD 31/12/2014		
			TL	FC	TOTAL	TL	FC	TOTAL
I.	CASH AND BALANCES WITH THE CENTRAL BANK	(5.1.1)	37,466	908,073	945,539	43,107	305,483	348,590
II.	FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Net)	(5.1.2)	20	210	230	14,184	1,063	15,247
2.1	Trading Securities		20	210	230	14,184	1,063	15,247
2.1.1	Public Sector Debt Securities		-	-	-	-	425	425
2.1.2	Share Certificates		18	-	18	36	-	36
2.1.3	Positive Value of Trading Derivatives		2	210	212	12,131	638	12,769
2.1.4	Other Securities		-	-	-	2,017	-	2,017
2.2	Financial Assets Designated at Fair Value		-	-	-	-	-	-
2.2.1	Public Sector Debt Securities		-	-	-	-	-	-
2.2.2	Share Certificates		-	-	-	-	-	-
2.2.3	Loans		-	-	-	-	-	-
2.2.4	Other Securities		-	-	-	-	-	-
III.	BANKS	(5.1.3)	10,208	290,187	300,395	38,321	45,318	83,639
IV.	INTERBANK MONEY MARKET		77,031	-	77,031	86,026	-	86,026
4.1	Interbank Money Market Placements		-	-	-	-	-	-
4.2	Istanbul Stock Exchange Money Market Placements		77,031	-	77,031	11,003	-	11,003
4.3	Receivables from Reverse Repurchase Agreements		-	-	-	75,023	-	75,023
V.	INVESTMENT SECURITIES AVAILABLE FOR SALE (Net)	(5.1.4)	269,936	816,518	1,086,454	199,530	4,197	203,727
5.1	Share Certificates		160	-	160	160	-	160
5.2	Public Sector Debt Securities		269,776	284,231	554,007	199,370	33	199,403
5.3	Other Securities		-	532,287	532,287	-	4,164	4,164
VI.	LOANS	(5.1.5)	2,327,587	1,823,033	4,150,620	2,377,937	434,981	2,812,918
6.1	Loans		2,281,702	1,823,033	4,104,735	2,330,372	434,981	2,765,353
6.1.1	Loans Utilized to the Bank's Risk Group		36	1,071,806	1,071,842	47,082	21,808	68,890
6.1.2	Public Sector Debt Securities		-	-	-	-	-	-
6.1.3	Others		2,281,666	751,227	3,032,893	2,283,290	413,173	2,696,463
6.2	Loans under Follow-Up		180,591	-	180,591	158,212	-	158,212
6.3	Specific Provisions (-)		134,706	-	134,706	110,647	-	110,647
VII.	FACTORING RECEIVABLES		-	-	-	-	-	-
VIII.	INVESTMENT SECURITIES HELD TO MATURITY (Net)	(5.1.6)	-	-	-	-	-	-
8.1	Public Sector Debt Securities		-	-	-	-	-	-
8.2	Other Securities		-	-	-	-	-	-
IX.	INVESTMENTS IN ASSOCIATES (Net)	(5.1.7)	-	-	-	-	-	-
9.1	Equity Method Associates		-	-	-	-	-	-
9.2	Unconsolidated Associates		-	-	-	-	-	-
9.2.1	Financial Associates		-	-	-	-	-	-
9.2.2	Non-Financial Associates		-	-	-	-	-	-
X.	INVESTMENTS IN SUBSIDIARIES (Net)	(5.1.8)	-	-	-	-	-	-
10.1	Unconsolidated Financial Subsidiaries		-	-	-	-	-	-
10.2	Unconsolidated Non-Financial Subsidiaries		-	-	-	-	-	-
XI.	JOINT VENTURES (Net)	(5.1.9)	-	-	-	-	-	-
11.1	Equity Method Joint Ventures		-	-	-	-	-	-
11.2	Unconsolidated Joint Ventures		-	-	-	-	-	-
11.2.1	Financial Joint Ventures		-	-	-	-	-	-
11.2.2	Non-Financial Joint Ventures		-	-	-	-	-	-
XII.	LEASE RECEIVABLES (Net)	(5.1.10)	-	-	-	-	-	-
12.1	Financial Lease Receivables		-	-	-	-	-	-
12.2	Operational Lease Receivables		-	-	-	-	-	-
12.3	Others		-	-	-	-	-	-
12.4	Unearned Income (-)		-	-	-	-	-	-
XIII.	HEDGING DERIVATIVES	(5.1.11)	-	-	-	-	-	-
13.1	Fair Value Hedge		-	-	-	-	-	-
13.2	Cash Flow Hedge		-	-	-	-	-	-
13.3	Hedging of a Net Investment in Foreign Subsidiaries		-	-	-	-	-	-
XIV.	TANGIBLE ASSETS (Net)	(5.1.12)	26,687	-	26,687	26,821	-	26,821
XV.	INTANGIBLE ASSETS (Net)	(5.1.13)	1,496	-	1,496	1,974	-	1,974
15.1	Goodwill		-	-	-	-	-	-
15.2	Others		1,496	-	1,496	1,974	-	1,974
XVI.	INVESTMENT PROPERTY (Net)	(5.1.14)	-	-	-	-	-	-
XVII.	TAX ASSETS	(5.1.15)	7,033	-	7,033	4,029	-	4,029
17.1	Current Tax Assets		-	-	-	2,292	-	2,292
17.2	Deferred Tax Assets		7,033	-	7,033	1,737	-	1,737
XVIII.	ASSETS HELD FOR SALE AND ASSETS RELATED TO DISCONTINUED OPERATIONS (Net)	(5.1.16)	-	-	-	-	-	-
18.1	Held For Sale		-	-	-	-	-	-
18.2	Discontinued Operations		-	-	-	-	-	-
XIX.	OTHER ASSETS	(5.1.17)	63,772	10,965	74,737	60,066	21,340	81,406
	TOTAL ASSETS		2,821,236	3,848,986	6,670,222	2,851,995	812,382	3,664,377

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

ICBC TURKEY BANK A.Ş. AND ITS SUBSIDIARY
CONSOLIDATED BALANCE SHEETS (STATEMENTS OF FINANCIAL POSITION)
AS AT 31 DECEMBER 2015 AND 2014
(Currency: Thousands of TL - Turkish Lira)

LIABILITIES AND EQUITY		Footnotes (Section 5)	THOUSANDS OF TURKISH LIRA					
			CURRENT PERIOD 31/12/2015			PRIOR PERIOD 31/12/2014		
			TL	FC	TOTAL	TL	FC	TOTAL
I. DEPOSITS	(5.II.1)		982,512	1,152,037	2,134,549	1,354,997	1,152,263	2,507,260
1.1 Deposits of the Bank's Risk Group			269	292,164	292,433	13,414	31,817	45,231
1.2 Others			982,243	859,873	1,842,116	1,341,583	1,120,446	2,462,029
II. NEGATIVE VALUE OF TRADING DERIVATIVES	(5.II.2)		3,662	591	4,253	71	5,544	5,615
III. FUNDS BORROWED	(5.II.3)		22,345	3,133,153	3,155,498	36,109	311,994	348,103
IV. DUE TO MONEY MARKETS			108,043	410,774	518,817	64,359	-	64,359
4.1 Interbank Money Market			-	-	-	-	-	-
4.2 Istanbul Stock Exchange			-	-	-	-	-	-
4.3 Obligations under Repurchase Agreements			108,043	410,774	518,817	64,359	-	64,359
V. SECURITIES ISSUED (Net)			-	-	-	-	-	-
5.1 Bills			-	-	-	-	-	-
5.2 Asset Backed Securities			-	-	-	-	-	-
5.3 Bonds			-	-	-	-	-	-
VI. FUNDS			-	-	-	-	-	-
6.1 Bank Borrowers' Funds			-	-	-	-	-	-
6.2 Others			-	-	-	-	-	-
VII. MISCELLANEOUS PAYABLES			70,138	56,495	126,633	8,134	671	8,805
VIII. OTHER EXTERNAL RESOURCES	(5.II.4)		60,193	7,535	67,728	55,758	3,141	58,899
IX. FACTORING PAYABLES			-	-	-	-	-	-
X. LEASE PAYABLES (Net)	(5.II.5)		-	-	-	-	-	-
10.1 Financial Lease Payables			-	-	-	-	-	-
10.2 Operational Lease Payables			-	-	-	-	-	-
10.3 Others			-	-	-	-	-	-
10.4 Deferred Financial Leasing Expenses (-)			-	-	-	-	-	-
XI. HEDGING PURPOSE DERIVATIVES	(5.II.6)		-	-	-	-	-	-
11.1 Fair Value Hedge			-	-	-	-	-	-
11.2 Cash Flow Hedge			-	-	-	-	-	-
11.3 Hedging of a Net Investment in Foreign Subsidiaries			-	-	-	-	-	-
XII. PROVISIONS	(5.II.7)		55,017	-	55,017	43,657	-	43,657
12.1 General Provisions			30,530	-	30,530	22,615	-	22,615
12.2 Restructuring Provisions			-	-	-	-	-	-
12.3 Reserve for Employee Benefits			11,869	-	11,869	11,035	-	11,035
12.4 Insurance Technical Provisions (Net)			-	-	-	-	-	-
12.5 Other Provisions	(5.II.8)		12,618	-	12,618	10,007	-	10,007
XIII. TAX LIABILITIES	(5.II.8)		10,533	-	10,533	7,543	-	7,543
13.1 Current Tax Liability			10,533	-	10,533	7,543	-	7,543
13.2 Deferred Tax Liability			-	-	-	-	-	-
XIV. PAYABLES RELATED TO HELD FOR SALE AND DISCONTINUED OPERATIONS	(5.II.9)		-	-	-	-	-	-
14.1 Held For Sale			-	-	-	-	-	-
14.2 Discontinued Operations	(5.II.10)		-	-	-	-	-	-
XV. SUBORDINATED LOANS	(5.II.11)		607,512	(10,318)	597,194	620,133	3	620,136
XVI. SHAREHOLDERS' EQUITY	(5.II.11)		420,000	-	420,000	420,000	-	420,000
16.1 Paid-in Capital			8,239	(10,318)	(2,079)	7,318	3	7,321
16.2 Supplementary Capital			(814)	-	(814)	(814)	-	(814)
16.2.1 Share Premium			-	-	-	-	-	-
16.2.2 Share Cancellation Profits			54	(10,318)	(10,264)	1,832	3	1,835
16.2.3 Valuation Differences of Securities			8,694	-	8,694	6,867	-	6,867
16.2.4 Revaluation Fund on Tangible Assets			-	-	-	-	-	-
16.2.5 Revaluation Fund on Intangible Assets			-	-	-	-	-	-
16.2.6 Revaluation Fund on Investment Property			-	-	-	-	-	-
16.2.7 Capital Bonus of Associates, Subsidiaries and Joint Ventures			-	-	-	-	-	-
16.2.8 Hedging Funds (Effective Portion)			-	-	-	-	-	-
16.2.9 Revaluation Fund on Assets Held for Sale and Discontinued Operations			-	-	-	-	-	-
16.2.10 Other Supplementary Capital			305	-	305	(567)	-	(567)
16.3 Profit Reserves			192,815	-	192,815	180,055	-	180,055
16.3.1 Legal Reserves			11,496	-	11,496	10,792	-	10,792
16.3.2 Status Reserves			-	-	-	-	-	-
16.3.3 Extraordinary Reserves			123,953	-	123,953	111,897	-	111,897
16.3.4 Other Profit Reserves			57,366	-	57,366	57,366	-	57,366
16.4 Profit or Loss			(13,542)	-	(13,542)	12,760	-	12,760
16.4.1 Prior Periods' Profit or Loss			(13,542)	-	(13,542)	12,760	-	12,760
16.4.2 Current Period Profit or Loss			-	-	-	-	-	-
16.5 Minority Shares			-	-	-	-	-	-
TOTAL LIABILITIES AND EQUITY			1,919,955	4,750,267	6,670,222	2,190,761	1,473,616	3,664,377

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

ICBC TURKEY BANK A.Ş. AND ITS SUBSIDIARY
CONSOLIDATED OFF BALANCE SHEET ITEMS STATEMENTS
AS AT 31 DECEMBER 2015 AND 2014
(Currency: Thousands of TL - Turkish Lira)

	Footnotes (Section 5)	THOUSANDS OF TURKISH LIRA					
		CURRENT PERIOD 31/12/2015			PRIOR PERIOD 31/12/2014		
		TL	FC	TOTAL	TL	FC	TOTAL
A. OFF BALANCE SHEET COMMITMENTS AND CONTINGENCIES (I+II+III)		1,206,712	1,358,078	2,564,790	1,145,816	1,718,654	2,864,470
I. GUARANTEES	(5.IV.1)	286,766	444,568	731,334	415,443	434,134	849,577
1.1 Letters of Guarantee		286,766	335,175	621,941	415,443	305,582	721,025
1.1.1 Guarantees Subject to State Tender Law		-	-	-	-	-	-
1.1.2 Guarantees Given for Foreign Trade Operations		-	-	-	-	-	-
1.1.3 Other Letters of Guarantee		286,766	335,175	621,941	415,443	305,582	721,025
1.2 Bank Acceptances		-	203	203	-	276	276
1.2.1 Import Letter of Acceptance		-	-	-	-	-	-
1.2.2 Other Bank Acceptances		-	203	203	-	276	276
1.3 Letters of Credit		-	-	-	-	-	-
1.3.1 Documentary Letters of Credit		-	84,697	84,697	-	107,643	107,643
1.3.2 Other Letters of Credit		-	26,800	26,800	-	37,314	37,314
1.4 Prefinancing Given As Guarantee		-	57,897	57,897	-	70,329	70,329
1.5 Endorsements		-	-	-	-	-	-
1.5.1 Endorsements to the Central Bank of Turkey		-	-	-	-	-	-
1.5.2 Other Endorsements		-	-	-	-	-	-
1.6 Purchase Guarantees for Securities Issued		-	-	-	-	-	-
1.7 Factoring Related Guarantees		-	-	-	-	-	-
1.8 Other Collaterals		-	24,493	24,493	-	20,633	20,633
1.9 Other Sureties		-	-	-	-	-	-
II. COMMITMENTS	(5.IV.1)	242,454	20,407	262,861	256,002	52,276	308,278
2.1 Irrevocable Commitments		242,454	20,407	262,861	256,002	52,276	308,278
2.1.1 Asset Purchase and Sale Commitments		19,825	20,407	40,232	5,820	52,276	58,096
2.1.2 Deposit Purchase and Sales Commitments		-	-	-	-	-	-
2.1.3 Share Capital Commitments to Associates and Subsidiaries		-	-	-	-	-	-
2.1.4 Loan Granting Commitments		36,149	-	36,149	42,628	-	42,628
2.1.5 Securities Issuance Brokerage Commitments		-	-	-	-	-	-
2.1.6 Commitments for Reserve Deposit Requirements		-	-	-	-	-	-
2.1.7 Commitments for Cheque Payments		82,072	-	82,072	84,154	-	84,154
2.1.8 Tax and Fund Obligations from Export Commitments		5	-	5	71	-	71
2.1.9 Commitments for Credit Card Limits		81,792	-	81,792	84,778	-	84,778
2.1.10 Commitments for Promotional Operations Re-Credit Cards and Banking Services		252	-	252	273	-	273
2.1.11 Receivables from "Short" Sale Commitments On Securities		-	-	-	-	-	-
2.1.12 Payables for "Short" Sale Commitments On Securities		-	-	-	-	-	-
2.1.13 Other Irrevocable Commitments		22,359	-	22,359	38,278	-	38,278
2.2 Revocable Commitments		-	-	-	-	-	-
2.2.1 Revocable Loan Granting Commitments		-	-	-	-	-	-
2.2.2 Other Revocable Commitments		-	-	-	-	-	-
III. DERIVATIVE FINANCIAL INSTRUMENTS	(5.IV.3)	677,492	893,103	1,570,595	474,371	1,232,244	1,706,615
3.1 Hedging Purpose Derivatives		-	-	-	-	-	-
3.1.1 Fair Value Hedge		-	-	-	-	-	-
3.1.2 Cash Flow Hedge		-	-	-	-	-	-
3.1.3 Hedging of a Net Investment in Foreign Subsidiaries		-	-	-	-	-	-
3.2 Trading Purpose Derivatives		677,492	893,103	1,570,595	474,371	1,232,244	1,706,615
3.2.1 Forward Foreign Currency Purchases/Sales		1,275	1,271	2,546	3,668	5,598	9,266
3.2.1.1 Forward Foreign Currency Purchases		1,275	-	1,275	1,224	3,382	4,606
3.2.1.2 Forward Foreign Currency Sales		-	1,271	1,271	2,444	2,216	4,660
3.2.2 Currency and Interest Rate Swaps		675,549	842,413	1,517,962	470,703	1,160,484	1,631,187
3.2.2.1 Currency Swaps-Purchases		-	780,082	780,082	1,236	850,473	851,709
3.2.2.2 Currency Swaps-Sales		675,549	62,331	737,880	469,467	310,011	779,478
3.2.2.3 Interest Rate Swaps-Purchases		-	-	-	-	-	-
3.2.2.4 Interest Rate Swaps-Sales		-	-	-	-	-	-
3.2.3 Currency, Interest Rate and Security Options		-	-	-	-	-	-
3.2.3.1 Currency Options-Purchases		-	-	-	-	-	-
3.2.3.2 Currency Options-Sales		-	-	-	-	-	-
3.2.3.3 Interest Rate Options-Purchases		-	-	-	-	-	-
3.2.3.4 Interest Rate Options-Sales		-	-	-	-	-	-
3.2.3.5 Securities Options-Purchases		-	-	-	-	-	-
3.2.3.6 Securities Options-Sales		-	-	-	-	-	-
3.2.4 Currency Futures		-	-	-	-	-	-
3.2.4.1 Currency Futures-Purchases		-	-	-	-	-	-
3.2.4.2 Currency Futures-Sales		-	-	-	-	-	-
3.2.5 Interest Rate Futures		-	-	-	-	-	-
3.2.5.1 Interest Rate Futures-Purchases		-	-	-	-	-	-
3.2.5.2 Interest Rate Futures-Sales		-	-	-	-	-	-
3.2.6 Others		668	49,419	50,087	-	66,162	66,162
B. CUSTODY AND PLEDGED SECURITIES (IV+V+VI)		3,466,667	587,479	4,054,146	2,997,719	809,070	3,806,789
IV. ITEMS HELD IN CUSTODY		861,433	29,637	891,07	266,156	40,077	306,233
4.1 Customers' Securities and Portfolios Held		-	-	-	-	-	-
4.2 Securities Held in Custody		780,214	10,108	790,322	175,465	10,651	186,116
4.3 Checks Received for Collection		63,896	10,896	74,792	54,201	11,004	65,205
4.4 Commercial Notes Received for Collection		10,344	5,466	15,810	23,868	10,802	34,670
4.5 Other Assets Received for Collection		-	-	-	-	-	-
4.6 Assets Received for Public Offering		-	-	-	-	-	-
4.7 Other Items under Custody		235	8	243	277	2	279
4.8 Custodians		6,744	3,159	9,903	12,345	7,618	19,963
V. PLEDGED ITEMS		2,604,914	557,842	3,162,756	2,731,243	768,993	3,500,236
5.1 Securities		51,121	-	51,121	24,237	-	24,237
5.2 Guarantee Notes		2,948	2,409	5,357	6,633	27,061	33,694
5.3 Commodities		125,182	146,874	272,056	120,520	55,363	175,882
5.4 Warrants		501	-	501	2,274	-	2,274
5.5 Immovables		1,767,505	354,602	2,122,107	1,727,790	642,243	2,370,033
5.6 Other Pledged Items		657,757	23,957	681,714	849,780	44,326	894,106
5.7 Pledged Items-Depository		-	-	-	-	-	-
VI. CONFIRMED BILLS OF EXCHANGE AND SURETIES		320	-	320	320	-	320
TOTAL OFF BALANCE SHEET ITEMS (A+B)		4,673,379	1,945,557	6,618,936	4,143,535	2,527,724	6,671,259

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

ICBC TURKEY BANK A.Ş. AND ITS SUBSIDIARY
CONSOLIDATED INCOME STATEMENTS
FOR THE PERIODS ENDED 31 DECEMBER 2015 AND 2014
(Currency: Thousands of TL - Turkish Lira)

INCOME AND EXPENSE ITEMS		Footnotes (Section 5)	THOUSANDS OF TURKISH LIRA	
			CURRENT PERIOD (01/01/2015 - 31/12/2015)	PRIOR PERIOD (01/01/2014 - 31/12/2014)
I. INTEREST INCOME	(5.III.1)		348,679	343,726
1.1 Interest from Loans			300,923	298,329
1.2 Interest from Reserve Deposits			2,595	109
1.3 Interest from Banks			1,395	1,897
1.4 Interest from Money Market Transactions			2,193	762
1.5 Interest from Securities Portfolio			40,481	39,053
1.5.1 Trading Securities			15	30
1.5.2 Financial Assets at Fair Value Through Profit or Loss			-	-
1.5.3 Available for Sale Securities			40,466	39,023
1.5.4 Held to Maturity Securities			-	-
1.6 Interest from Financial Leases			-	-
1.7 Other Interest Income			1,092	3,576
II. INTEREST EXPENSE	(5.III.2)		167,856	160,464
2.1 Interest on Deposits			140,875	134,282
2.2 Interest on Funds Borrowed			17,881	9,330
2.3 Interest on Money Market Transactions			9,018	16,794
2.4 Interest on Securities Issued			-	-
2.5 Other Interest Expense			82	58
III. NET INTEREST INCOME (I - II)			180,823	183,262
IV. NET FEE AND COMMISSION INCOME			11,682	13,999
4.1 Fees and Commissions Received			17,401	18,923
4.1.1 Non-Cash Loans			6,416	8,486
4.1.2 Other			10,985	10,437
4.2 Fees and Commissions Paid			5,719	4,924
4.2.1 Non-Cash Loans			343	379
4.2.2 Other			5,376	4,545
V. DIVIDEND INCOME	(5.III.3)		6	-
VI. TRADING INCOME/LOSS (Net)	(5.III.4)		(28,290)	(27,192)
6.1 Profit / Loss on Capital Market Transactions			7,315	14,838
6.2 Derivative Instruments Gain / Loss			(1,727)	(23,207)
6.3 Foreign Exchange Gain / Loss			(33,878)	(18,823)
VII. OTHER OPERATING INCOME	(5.III.5)		32,534	20,620
VIII. TOTAL OPERATING INCOME (III+IV+V+VI+VII)			196,755	190,689
IX. IMPAIRMENT ON LOANS AND OTHER RECEIVABLES (-)	(5.III.6)		46,674	39,771
X. OTHER OPERATING EXPENSES (-)	(5.III.7)		163,739	135,091
XI. NET OPERATING PROFIT/LOSS (VIII-IX-X)			(13,658)	15,827
XII. SURPLUS WRITTEN AS GAIN AFTER MERGER			-	-
XIII. PROFIT / LOSS FROM EQUITY METHOD INVESTMENTS			-	-
XIV. GAIN/LOSS ON NET MONETARY POSITION			-	-
XV. P/L BEFORE TAXES FROM CONTINUING OPERATIONS (XI+...+XIV)			-	-
XVI. TAXES ON INCOME FROM CONTINUING OPERATIONS (±)	(5.III.8)		(13,658)	15,827
16.1 Current Tax Provision	(5.III.9)		116	(3,067)
16.2 Deferred Tax Provision			(2,863)	(2,077)
XVII. NET PROFIT / LOSS FROM CONTINUING OPERATIONS (XV±XVI)			2,979	(990)
XVIII. PROFIT FROM DISCONTINUED OPERATIONS	(5.III.10)		(13,542)	12,760
18.1 Assets Held for Sale			-	-
18.2 Profit on Sale of Associates, Subsidiaries and Joint Ventures			-	-
18.3 Others			-	-
XIX. LOSS FROM DISCONTINUED OPERATIONS (-)			-	-
19.1 Assets Held for Sale			-	-
19.2 Loss on Sale of Associates, Subsidiaries and Joint Ventures			-	-
19.3 Others			-	-
XX. P/L BEFORE TAXES FROM DISCONTINUED OPERATIONS (XVIII-XIX)	(5.III.8)		-	-
XXI. TAXES ON INCOME FROM DISCONTINUED OPERATIONS (±)	(5.III.9)		-	-
21.1 Current Tax Provision			-	-
21.2 Deferred Tax Provision			-	-
XXII. NET PROFIT / LOSS FROM DISCONTINUED OPERATIONS (XX±XXI)	(5.III.10)		-	-
XXIII. NET PROFIT/LOSS (XVII+XXII)	(5.III.11)		(13,542)	12,760
23.1 Group's Profit / Loss			(13,542)	12,760
23.2 Minority Shares			-	-
Earnings / Losses per Share (Full TL)			(0.0032)	0.0030

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

ICBC TURKEY BANK A.Ş. AND ITS SUBSIDIARY
CONSOLIDATED STATEMENTS OF RECOGNIZED INCOME AND EXPENSE UNDER EQUITY
FOR THE PERIODS ENDED 31 DECEMBER 2015 AND 2014
(Currency: Thousands of TL - Turkish Lira)

PROFIT/LOSS ITEMS RECOGNIZED IN EQUITY		THOUSANDS OF TURKISH LIRA	
		CURRENT PERIOD (01/01/2015 - 31/12/2015)	PRIOR PERIOD (01/01/2014 - 31/12/2014)
I.	ADDITIONS TO VALUATION DIFF. ON SECURITIES FROM AVAILABLE FOR SALE INVESTMENTS	(15,123)	2,053
II.	REVALUATION ON TANGIBLE ASSETS	1,923	2,096
III.	REVALUATION ON INTANGIBLE ASSETS	-	-
IV.	FOREIGN EXCHANGE DIFFERENCES	-	-
V.	PROFIT/LOSS RELATED TO DERIVATIVES USED IN CASH FLOW HEDGES (Effective portion)	-	-
VI.	PROFIT/LOSS RELATED TO DERIVATIVES USED IN HEDGE OF A NET INVESTMENT IN FOREIGN SUBSIDIARIES (Effective portion)	-	-
VII.	EFFECT OF CHANGES IN ACCOUNTING POLICIES OR CORRECTION OF ERRORS	-	-
VIII.	OTHER PROFIT/LOSS ITEMS RECOGNIZED IN EQUITY PER TURKISH ACCOUNTING STANDARDS	1,089	(708)
IX.	DEFERRED AND CURRENT TAXES ON VALUATION DIFFERENCES	2,711	(373)
X.	NET PROFIT/LOSS RECOGNIZED IN EQUITY (I+II+...+IX)	(9,400)	3,068
XI.	CURRENT PERIOD PROFIT/LOSS	(13,542)	12,760
11.1	Net Change in Fair Value of Securities (Transfer to Profit & Loss)	(264)	360
11.2	Ineffective Portion of Profit/Loss Related to Derivatives Used in Cash Flow Hedges	-	-
11.3	Ineffective Portion of Profit/Loss Related to Derivatives Used in Hedge of a Net Investment in Foreign Subsidiaries	-	-
11.4	Others	(13,278)	12,400
XII.	TOTAL RECOGNIZED INCOME AND EXPENSE FOR THE PERIOD (X±XI)	(22,942)	15,828

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

Convenience translation of consolidated financial statements originally issued in Turkish, See Note 3.I

**ICBC TURKEY BANK A.Ş. AND ITS SUBSIDIARY
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE PERIODS ENDED 31 DECEMBER 2015 AND 2014
(Currency: Thousands of TL - Turkish Lira)**

THOUSANDS OF TURKISH LIRA																			
CHANGES IN SHAREHOLDERS' EQUITY																			
	Footnotes (Section Five)	Paid-in Capital	Capital Reserves from Inflation Adjustments to Paid-in Capital	Share Premium	Share Cancellation Profits	Legal Reserves	Status Reserves	Extraordinary Reserves	Other Reserves(*)	Current Period Net Profit / (Loss)	Prior Period Net Profit / (Loss)	Valuation Differences of Securities	Revaluation Fund on Tangible and Intangible Assets	Non-paid up shares from partnerships	Hedge Funds	Revaluation Fund on Assets Held for Sale and Discontinued Operations	Total Equity Attributable to Equity Holders of the Parent	Non- controll- ing Interests	Total Shareholders' Equity
PRIOR PERIOD 31/12/2014																			
I.	Balances at the Beginning of Period - 01/01/2014	420,000	-	(814)	-	8,531	-	96,711	-	45,316	-	191	34,373	-	-	-	604,308	-	604,308
II.	Corrections According to Turkish Accounting Standard No.8	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1	Corrections of Errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2	Changes in Accounting Policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.	Adjusted Beginning Balance (I + II)	420,000	-	(814)	-	8,531	-	96,711	-	45,316	-	191	34,373	-	-	-	604,308	-	604,308
Changes in the Period																			
IV.	Increase / Decrease Related to Mergers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V.	Valuation Difference of Available-for-Sale Securities	-	-	-	-	-	-	-	-	-	-	1,644	-	-	-	-	1,644	-	1,644
VI.	Hedging Transactions (Effective Portion)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6.1	Cash Flow Hedge	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6.2	Holding of a Net Investment in Foreign Subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII.	Revaluation fund on intangible assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII.	Revaluation fund on tangible assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX.	Capital Bonus of Associates, Subsidiaries and Joint Ventures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X.	Foreign Exchange Differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI.	Changes Related to Sale of Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XII.	Changes Related to Reclassification of Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIII.	Effect of Changes in Equities of Associates	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV.	Capital Increase	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14.1	Cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14.2	Domestic sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XV.	Issuances of Share Certificates	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI.	Abolition profit of Share Certificates	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVII.	Capital Reserves from Inflation Adjustments in Paid-In Capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVIII.	Others	-	-	-	-	-	-	-	(567)	-	-	-	-	-	-	-	(567)	-	(567)
XIX.	Current Period Net Profit / Loss	-	-	-	-	-	-	-	-	12,760	-	-	-	-	-	-	-	-	-
XX.	Profit Distribution	-	-	-	-	2,261	-	15,186	57,366	(45,316)	-	-	(29,497)	-	-	-	12,760	-	12,760
20.1	Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20.2	Transferred in Reserves	-	-	-	-	2,261	-	15,186	57,366	(45,316)	-	-	(29,497)	-	-	-	-	-	-
20.3	Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balances at the End of Period (III+IV+V+...+XVIII+XIX+XX - 31/12/2014)																			
		420,000	-	(814)	-	10,792	-	111,897	56,799	12,760	-	1,835	6,867	-	-	-	620,136	-	620,136

(*) The amounts presented under 'Other Reserves' consist of amounts of 'Other Supplementary Capital' and 'Other Profit Reserves' on balance sheet.

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

**ICBC TURKEY BANK A.Ş. AND ITS SUBSIDIARY
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE PERIODS ENDED 31 DECEMBER 2015 AND 2014
(Currency: Thousands of TL - Turkish Lira)**

(*) The amounts presented under 'Other Reserves' consist of amounts of 'Other Supplementary Capital' and 'Other Profit Reserves' on balance sheet.

(10)

ICBC TURKEY BANK A.Ş. AND ITS SUBSIDIARY
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE PERIODS ENDED 31 DECEMBER 2015 AND 2014
(Currency: Thousands of TL - Turkish Lira)

	Footnotes (Section 5)	THOUSANDS OF TURKISH LIRA	
		CURRENT PERIOD (01/01/2015 - 31/12/2015)	PRIOR PERIOD (01/01/2014 - 31/12/2014)
A. CASH FLOWS FROM BANKING OPERATIONS			
1.1 Operating Profit before Changes in Operating Assets and Liabilities		59,148	64,463
1.1.1 Interest Received		344,825	343,903
1.1.2 Interest Paid		(160,149)	(162,255)
1.1.3 Dividend Received		6	-
1.1.4 Fees And Commissions Received		17,154	13,272
1.1.5 Other Income		(3,594)	(26,832)
1.1.6 Collections from Non-performing Loans		23,521	26,615
1.1.7 Payments to Personnel and Service Suppliers		(97,352)	(79,569)
1.1.8 Taxes Paid		(9,117)	(8,126)
1.1.9 Other	(5.VI.3)	(56,146)	(42,545)
1.2 Changes in Operating Assets and Liabilities		1,181,772	(241,674)
1.2.1 Net (Increase) Decrease in Trading Securities		2,429	(747)
1.2.2 Net (Increase) Decrease in Financial Assets Designated at FV		-	-
1.2.3 Net (Increase) Decrease in Banks		(477,071)	16,103
1.2.4 Net (Increase) Decrease in Loans		(1,363,094)	(51,069)
1.2.5 Net (Increase) Decrease in Other Assets	(5.VI.3)	10,185	(2,994)
1.2.6 Net Increase (Decrease) in Bank Deposits		(164,840)	164,858
1.2.7 Net Increase (Decrease) in Other Deposits		(206,759)	(177,416)
1.2.8 Net Increase (Decrease) in Funds Borrowed		3,253,034	(187,339)
1.2.9 Net Increase (Decrease) in Due Payables		-	-
1.2.10 Net Increase (Decrease) in Other Liabilities	(5.VI.3)	127,888	(3,070)
I. Net Cash Provided by / (Used in) Banking Operations		1,240,920	(177,211)
B. CASH FLOWS FROM INVESTING ACTIVITIES			
II. Net Cash Provided by / (Used in) Investing Activities		(926,428)	175,967
2.1 Cash Paid for Purchase of Investments, Associates and Subsidiaries		-	-
2.2 Cash Obtained From Sale of Investments, Associates And Subsidiaries		-	-
2.3 Fixed Assets Purchases		(1,911)	(11,828)
2.4 Fixed Assets Sales		4	137
2.5 Cash Paid for Purchase of Investments Available for Sale		(1,111,835)	(70,706)
2.6 Cash Obtained From Sale of Investments Available for Sale		187,434	259,051
2.7 Cash Paid for Purchase of Investment Securities		-	-
2.8 Cash Obtained from Sale of Investment Securities		-	-
2.9 Other	(5.VI.3)	(120)	(687)
C. CASH FLOWS FROM FINANCING ACTIVITIES			
III. Net Cash Provided by / (Used in) Financing Activities		-	-
3.1 Cash Obtained from Funds Borrowed and Securities Issued		-	-
3.2 Cash Used for Repayment of Funds Borrowed and Securities Issued		-	-
3.3 Capital Increase		-	-
3.4 Dividends Paid		-	-
3.5 Payments for Finance Leases		-	-
3.6 Other		-	-
IV. Effect of Change in Foreign Exchange Rate on Cash and Cash Equivalents	(5.VI.3)	12,019	8,843
V. Net Increase (Decrease) in Cash and Cash Equivalents (I+II+III+IV)		326,511	7,599
VI. Cash and Cash Equivalents at the Beginning of Period	(5.VI.1,2)	386,179	378,580
VII. Cash and Cash Equivalents at the End of Period (V+VI)	(5.VI.1,2)	712,690	386,179

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

ICBC TURKEY BANK A.Ş. AND ITS SUBSIDIARY
CONSOLIDATED STATEMENTS OF PROFIT DISTRIBUTION
FOR THE PERIODS ENDED 31 DECEMBER 2015 AND 2014
(Currency: Thousands of TL - Turkish Lira)

	THOUSANDS OF TURKISH LIRA	
	CURRENT PERIOD (01/01/2015-31/12/2015)	PRIOR PERIOD (01/01/2014-31/12/2014)
I. DISTRIBUTION OF CURRENT YEAR INCOME/(LOSS) (**)		
1.1 CURRENT YEAR INCOME/(LOSS)	(18,158)	15,146
1.2 TAXES AND DUTIES PAYABLE (-)	(1,142)	2,630
1.2.1 Corporate tax (Income tax)	1,827	1,635
1.2.2 Income withholding tax	-	-
1.2.3 Other taxes and duties	(2,969)	995
A. NET INCOME FOR THE YEAR (1.1-1.2)	(17,016) (*)	12,516
1.3 PRIOR YEARS' LOSSES (-)	-	-
1.4 FIRST LEGAL RESERVES (-)	-	625
1.5 OTHER STATUTORY RESERVES (-)	-	-
B. NET INCOME AVAILABLE FOR DISTRIBUTION [(A-(1.3+1.4+1.5))]	-	11,891
1.6 FIRST DIVIDEND TO SHAREHOLDERS (-)	-	-
1.6.1 To owners of ordinary shares	-	-
1.6.2 To owners of preferred shares	-	-
1.6.3 To owners of preferred shares (preemptive rights)	-	-
1.6.4 To profit sharing bonds	-	-
1.6.5 To holders of profit and loss sharing certificates	-	-
1.7 DIVIDENDS TO PERSONNEL (-)	-	-
1.8 DIVIDENDS TO BOARD OF DIRECTORS (-)	-	-
1.9 SECOND DIVIDEND TO SHAREHOLDERS (-)	-	-
1.9.1 To owners of ordinary shares	-	-
1.9.2 To owners of preferred shares	-	-
1.9.3 To owners of preferred shares (preemptive rights)	-	-
1.9.4 To profit sharing bonds	-	-
1.9.5 To holders of profit and loss sharing certificates	-	-
1.10 SECOND LEGAL RESERVES (-)	-	-
1.11 STATUTORY RESERVES (-)	-	-
1.12 EXTRAORDINARY RESERVES	-	11,891
1.13 OTHER RESERVES	-	-
1.14 SPECIAL FUNDS	-	-
II. DISTRIBUTION OF RESERVES		
2.1 DISTRIBUTED RESERVES	-	-
2.2 SECOND LEGAL RESERVES (-)	-	-
2.3 DIVIDENDS TO SHAREHOLDERS (-)	-	-
2.3.1 To owners of ordinary shares	-	-
2.3.2 To owners of preferred shares	-	-
2.3.3 To owners of preferred shares (preemptive rights)	-	-
2.3.4 To profit sharing bonds	-	-
2.3.5 To holders of profit and loss sharing certificates	-	-
2.4 DIVIDENDS TO PERSONNEL (-)	-	-
2.5 DIVIDENDS TO BOARD OF DIRECTORS (-)	-	-
III. EARNINGS PER SHARE		
3.1 TO OWNERS OF ORDINARY SHARES	-	0.0030
3.2 TO OWNERS OF ORDINARY SHARES (%)	-	3.0
3.3 TO OWNERS OF PREFERRED SHARES	-	-
3.4 TO OWNERS OF PREFERRED SHARES (%)	-	-
IV. DIVIDEND PER SHARE		
4.1 TO OWNERS OF ORDINARY SHARES	-	-
4.2 TO OWNERS OF ORDINARY SHARES (%)	-	-
4.3 TO OWNERS OF PREFERRED SHARES	-	-
4.4 TO OWNERS OF PREFERRED SHARES (%)	-	-

(*) The authorised body of the Bank for the distribution of the current period's profit is the General Assembly. The Bank's annual ordinary General Assembly meeting had not been held as of the date on which these financial statements were prepared.

(**) Statement of profit distribution above belongs to the Parent Bank.

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

ICBC TURKEY BANK A.Ş. AND ITS SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2015 AND 2014
(Currency: Thousands of TL - Turkish Lira)

SECTION THREE

ACCOUNTING POLICIES

I. Basis of presentation

Preparation of the consolidated financial statements and the accompanying footnotes in accordance with Turkish Accounting Standards and Regulation on the Procedures and Principles for Accounting Practices and Retention of Documents by Banks:

The consolidated financial statements have been prepared in accordance with the “Regulation on the Procedures and Principles for Accounting Practices and Retention of Documents by Banks” published in the Official Gazette no.26333 dated 1 November 2006 with regard to Banking Law No. 5411, and in accordance with the regulations, communiqués, interpretations and legislations related to accounting and financial reporting principles published by the Banking Regulation and Supervision Agency (“BRSA”), and in case where a specific regulation is not made by BRSA, “Turkish Accounting Standards” (“TAS”) and “Turkish Financial Reporting Standards” (“TFRS”) and related appendices and interpretations (all “Turkish Accounting Standards” or “TAS”) put into effect by Public Oversight Accounting and Auditing Standards Authority (“POA”).

The format and content of the publicly announced consolidated financial statements and notes to these statements have been prepared in accordance with the “Communiqué on the Financial Statements to be announced to public by Banks as well as Explanations and Footnotes Thereof”, published in Official Gazette no. 28337, dated 28 June 2012, and amendments to this Communiqué. The Bank maintains its books in Turkish Lira in accordance with the Banking Law, Turkish Commercial Code and Turkish Tax Legislation.

Financial statements have been prepared in TL, under the historical cost convention except for financial assets at fair value through profit or loss, available-for-sale assets and negative value of trading derivatives carried at fair value and revalued buildings.

Unless stated otherwise, the consolidated financial statements and balances in related disclosures are presented in thousands of Turkish Lira.

The preparation of consolidated financial statements in conformity with TAS requires the use of certain accounting estimates and assumptions by the Parent Bank management to exercise its judgment on the assets and liabilities of the balance sheet and contingent issues as of the balance sheet date. These estimates are being audited regularly and, when necessary, suitable corrections are made and the effects of these corrections are reflected to the income statement. Assumptions and estimates that are used in the preparation of the accompanying financial statements are explained in the following related disclosures.

The amendments of TAS and TFRS which have entered into force as of 1 January 2015 have no material impact on the Group’s accounting policies, financial position and performance. The amendments of TAS and TFRS, except TFRS 9 Financial Instruments, which have been published as of reporting date but have not been effective, have no impact on the accounting policies, financial condition and performance of the Group. The Group will assess the potential impact of TFRS 9 Financial Instruments standard.

Additional paragraph for convenience translation to English

The differences between accounting principles, as described in these preceding paragraphs and accounting principles generally accepted in countries in which consolidated financial statements are to be distributed and International Financial Reporting Standards (“IFRS”) have not been quantified in these consolidated financial statements. Accordingly, these consolidated financial statements are not intended to present the financial position, results of operations and changes in financial position and cash flows in accordance with the accounting principles generally accepted in such countries and IFRS.

Accounting policies and valuation principles used in the preparation of the consolidated financial statements:

Accounting policies and valuation principles used in the preparation of financial statements are defined and applied in accordance with TAS and are consistent with the accounting policies applied for the year ended 31 December 2014. Those accounting policies and valuation principles are explained in Notes II. to XXVII. below.

ICBC TURKEY BANK A.Ş. AND ITS SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2015 AND 2014 (continued)
(Currency: Thousands of TL - Turkish Lira)

II. Strategy for the use of financial instruments and the foreign currency operations

Strategy for the use of financial instruments:

The Parent Bank's main area of activities consist corporate, commercial and retail banking, fund management transactions and international banking services. The Parent Bank gives loans mainly to domestic customers by external sources of funds comprised mainly of domestic deposits and foreign borrowings and invests in marketable securities and banks placements to maintain liquidity.

The liability side of the balance sheet is intensively composed of short-term deposits and medium/long term borrowings in line with the general trend in the banking sector. Foreign currency borrowings are predominately floating rate and thus, the Parent Bank aims to minimize the effects of fluctuations in currency and interest rates in the market. Deposits collected are fixed rate and balanced with fixed rate loans and other investments. The fundamental strategy to manage the liquidity risk is to expand the deposit base through customer-oriented banking philosophy, and to increase customer transactions and retention rates. The Parent Bank invests some of its resources to domestic government bonds and short-term placements to reduce liquidity risk.

In order to avoid currency risk, the Parent Bank aims to balance foreign currency assets and liabilities through currency swaps. Currency risk, interest rate risk and liquidity risk are monitored and measured instantly by various risk management systems, and the balance sheet is managed under the limits set by these systems and the limits legally required. Asset-liability management and value at risk models, stress tests and scenario analysis are used for this purpose.

The Parent Bank designates its loan strategy considering international and national economic data and expectations, market conditions, interest, liquidity, currency, credit and other risks. Loan portfolio of the Parent Bank is not concentrated on a specific segment and concentration risk is taken in consideration as much as possible.

Transactions denominated in foreign currencies:

Monetary assets and liabilities denominated in foreign currencies are translated by using currency exchange rates on the balance sheet date. The resulting exchange differences are recorded in the income statement as "Foreign Exchange Gain/Loss".

As at 31 December 2015, rates used for converting foreign exchange transactions to Turkish Lira and presenting them in financial statements are as follows; USD: TL 2.9076, Euro: TL 3.1776, GBP: TL 4.3007, JPY: TL 0.0241.

There is no goodwill related to the Parent Bank's foreign operations.

III. Presentation of information regarding consolidated subsidiaries and associates

The Parent Bank has no consolidating associate.

On 21 April 2015 Tekstil Portföy Yönetimi A.Ş. was established with TL 2,000,000 –full amount- capital from Tekstil Yatırım. On 23 November 2015, the trade name of the company has been changed and registered as ICBC Turkey Portföy Yönetimi A.Ş. (ICBC Portföy). ICBC Portföy is a subsidiary of Tekstil Yatırım with 100% partnership and an indirect subsidiary of the Parent Bank. As at 31 December 2015 ICBC Portföy has been consolidated in Tekstil Yatırım by full consolidation method. "Tekstil Yatırım", the consolidated subsidiary of the Parent Bank, represents Tekstil Portföy and Tekstil Yatırım as a whole.

Tekstil Yatırım which is financial subsidiary of the Parent Bank is consolidated in the accompanying consolidated financial statements by using "Full Consolidation" method as at 31 December 2015 and 2014.

The Parent Bank and its consolidated subsidiary are named as "the Group".

Control is defined as the power over the investee, exposure or rights to variable returns from its involvement with the investee and the ability to use its power over the investee to affect the amount of the Bank's returns.

The carrying amount of the Parent Bank's investment in its subsidiary and the Parent Bank's portion of equity of its subsidiary are eliminated. All intercompany transactions and intercompany balances between the consolidated subsidiary and the Parent Bank are eliminated. The financial statements which have been used in the consolidation are prepared as at 31 December 2015 and appropriate adjustments are made to financial statements to use uniform accounting policies for similar transactions and events in same circumstances. There is no obstacle on the transfer of shareholders' equity between the Parent Bank and its subsidiary or on the reimbursement of liabilities.

ICBC TURKEY BANK A.Ş. AND ITS SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2015 AND 2014 (continued)
(Currency: Thousands of TL - Turkish Lira)

IV. Forward transactions, options and derivative instruments

The derivative transactions of the Group mainly consist of foreign currency swaps, foreign currency options and forward contracts. Spot currency buying-selling transactions and currency swaps with two days value date of the Group are classified under assets purchase and sale commitments.

Derivatives are classified as held for trading in accordance with TAS 39 "Financial Instruments: Recognition and Measurement". The Parent Bank does not have any embedded derivatives.

The liabilities and receivables arising from the derivative transactions are recorded as off-balance sheet items at their contract values.

The derivative transactions are initially recognized at fair value and measured at fair value subsequent to initial recognition and are presented in the "Positive Value of Trading Derivatives" under the "Financial Assets at Fair Value Through Profit or Loss" or "Negative Value of Trading Derivatives" items of the balance sheet depending on the resulting positive or negative amounts of the fair value. Gains and losses arising from a change in the fair value of trading purpose derivatives are recognized in the consolidated income statement. Fair values of derivatives are determined using quoted market prices in active markets or using discounted cash flow techniques within current market interest rates.

Fair values of option agreements are calculated using option pricing models and unrealized profit and loss amounts are presented in income statement for the current period.

Embedded derivatives are separated from the host contract and accounted for as a derivative under TAS 39 if, and only if the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host contract, a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative and the hybrid instrument is not measured at fair value with changes in fair value recognized in profit or loss. When the host contract and embedded derivative are closely related, embedded derivatives are not separated from the host contract and are accounted according to the standard applied to the host contract.

V. Interest income and expense

Interest is recognized using the effective interest method (the effective interest rate is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial asset or liability) defined in TAS 39. Interest income and expense computed by using internal rate of return are recognized on an accrual basis. In accordance with the related legislation, the Parent Bank ceases to accrue interest income on loans that become non-performing. Interest accrual does not start until such loans become performing and are classified as performing loans or until collection.

VI. Fees and commissions

Fee and commission income and expenses are accounted on accrual or cash basis relatively, depending on the nature of the transaction. Upfront commissions from cash and non-cash loans are allocated to related periods. Upfront fees from loans are discounted with effective interest rate method and allocated to related period's income statement.

VII. Financial assets

The Group categorizes its financial assets as "Fair value through profit/loss", "Available for sale", "Loans and receivables" or "Held to maturity". Sale and purchase transactions of the financial assets mentioned above are recognized and derecognized at the "Settlement dates". The appropriate classification of financial assets of the Group is determined at the time of purchase by the Parent Bank's management, taking into consideration the purpose of the investment.

ICBC TURKEY BANK A.Ş. AND ITS SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2015 AND 2014 (continued)
(Currency: Thousands of TL - Turkish Lira)

VII. Financial assets (continued)

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

Financial assets at fair value through profit or loss consist of “trading securities” and “financial assets designated at fair value”. The Group does not have any financial assets classified as “financial assets designated at fair value”.

Trading securities are financial assets acquired for generating a profit from short term fluctuations in price or in similar elements or which are part of a portfolio used for generating profit in the short term regardless of their reason of acquisition.

Trading securities are recognized and derecognized on settlement date basis when purchased and disposed of. Trading securities are initially recognized at fair value and also evaluated at fair value subsequent to initial recognition. Gains and losses arising from evaluation of such assets are recognized in the income statement. Interest earned from trading securities is reported under interest income. Any profit or loss resulting from the disposal of those assets before their maturity dates is recognized within “Profit/loss on capital market transactions” account in the income statement.

b. Investment securities available-for-sale:

Available-for-sale assets are financial assets other than financial assets at fair value through profit or loss, loans and advances to banks and customers, or financial assets held to maturity.

Purchase and sale transactions of available-for-sale securities are recorded on settlement date. Such financial assets are measured at their fair values subsequently following the initial recognition. Unrecognized gain/losses derived from the difference between their fair value and the discounted values are recorded in “Valuation Differences of Securities” under the shareholders’ equity. In case of sales, the realized gain/losses are recognized directly in the income statement.

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

c. Loans and receivables:

Loans and receivables arise when the Parent Bank provides money, goods or services directly to a debtor. Such assets are initially recognized at cost and are carried at amortized cost using the effective interest method. Duties paid, transaction expenditures and other similar expenses on assets received against such risks are not considered as a part of transaction cost and are recorded as expense.

Based on the regular reviews of the loan portfolio by the Parent Bank management, loans that are identified as being impaired are transferred to “loans under follow-up” accounts. Thereby, specific and general allowances are made against the carrying amount of these loans in accordance with the “Regulation on Procedures and Principles for Determination of Qualifications of Loans and Other Receivables by Banks and Provisions to be set aside” published on the Official Gazette no.26333 dated 1 November 2006. Provisions are deducted from the income of the current year. When collections are made on loans that have been provided for, they are credited to the income statement accounts “Provision for Loan Losses or Other Receivables” if the provision was made in the current year, otherwise such collections are credited to “Other Operating Income” account with respect to allowances made in the prior years. Uncollectible receivables are written-off after all the legal procedures are finalized. The Bank’s general policy for write-off of loans and receivables under follow-up is to write off such loans and receivables that are proven to be uncollectible by obtaining required documentation, also considering Tax Procedural Law’s verdicts.

ICBC TURKEY BANK A.Ş. AND ITS SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2015 AND 2014 (continued)
(Currency: Thousands of TL - Turkish Lira)

VII. Financial assets (continued)

d. Investment securities held-to-maturity:

Held-to-maturity securities are financial assets with fixed maturities and pre-determined payment schedules that the Parent Bank has the intent and ability to hold until maturity, excluding loans and receivables. Investment securities held-to-maturity are initially recognized at cost. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method. Interest earned on held-to-maturity securities are recognized as interest income in the consolidated income statement.

VIII. Impairment of financial assets

Financial asset or a group of financial assets is audited at each balance sheet date to determine whether there is an objective indicator of impairment. If any such indicator exists, the Group estimates the amount of impairment.

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

If there is an objective evidence that certain loans will not be collected, for such loans; the Parent Bank provides specific and general allowances for loan and other receivables classified in accordance with the "Regulation on Procedures and Principles for Determination of Qualifications of Loans and Other Receivables by Banks and Provisions to be set aside" published on the Official Gazette no.26333 dated 1 November 2006. The allowances are recorded in the income statement of the related period.

As at 31 December 2015, since the consumer loans of the Parent Bank do not exceed the ratios mentioned in the regulation published in the Official Gazette no. 27968 dated 18 June 2011 and in the Official Gazette no. 28789 (repeated) dated 8 October 2013 amending the "The Amendment to the Regulation on Procedures and Principles for Determination of Qualifications of Loans and Other Receivables by Banks and Provisions to be set aside" additional general loan loss provision has not been calculated.

IX. Offsetting financial instruments

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

Provisions for foreign exchange gain/loss on foreign currency indexed loans are netted with loans on asset side of consolidated balance sheet. Otherwise, the financial assets and liabilities are netted off only when there is a legal right to do so.

X. Sale and repurchase agreements and transactions related to the lending of securities

Securities sold under repurchase agreements ("repo") are classified as "trading", "available for sale" or "held to maturity" based on the Parent Bank management's intention and measured with the same valuation principles of the portfolio above. Funds received through repurchase agreements are classified separately under liability accounts and the related interest expenses are accounted on an accrual basis based on the difference between selling and repurchase prices using effective interest rate method.

Securities purchased under resale agreements ("reverse repo") are classified under "Receivables from Reverse Repurchase Agreements". An income accrual using the effective interest rate method is accounted for the positive difference between the purchase and resale prices earned during the period. The Parent Bank does not have any securities related to the lending.

ICBC TURKEY BANK A.Ş. AND ITS SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2015 AND 2014 (continued)
(Currency: Thousands of TL - Turkish Lira)

XI. Assets held for sale and discontinued operations

Assets held for sale consist of assets that have high sales probability, have been planned to be sold, and an active program has been started to complete the plan and determine the buyers. Asset should be marketed the price compatible with fair value. Furthermore, the sales, starting from the day of classifications as held for sale, should be expected to be completed at within a year and the necessary activities should demonstrate that the possibility of having significant change in the plan or the cancellation of the plan is low.

The Group does not have any assets held for sale.

The Group does not have any discontinued operations.

XII. Goodwill and other intangible assets

There is no goodwill in the accompanying consolidated financial statements as at 31 December 2015 and 2014.

Intangible assets are initially recognized at their cost that includes expenditures that are directly attributable to the acquisition of the asset. Intangibles are reflected in the consolidated balance sheet at cost less amortization and any accumulated impairment losses. Intangible assets are subsequently measured at cost less any accumulated depreciation and any accumulated impairment losses.

Intangible assets are amortized on amortization rates between 6.66% and 33.33%.

Intangible assets are amortized on a straight-line basis based on their estimated useful lives. Useful life of an asset is estimated by assessment of the expected life span of the asset and technical and technological wear outs of the asset. The amortization rates used approximate the useful lives of the assets.

XIII. Tangible assets

Tangible assets are initially recognized at their cost that includes expenditures that are directly attributable to the acquisition of the asset. Tangible assets (except buildings as stated below) are reflected in the consolidated financial statements at cost less accumulated depreciation and any accumulated impairment.

Tangible assets are depreciated on a straight-line basis based on the in estimated useful lives. The estimated useful lives are as follows:

Buildings	50 years
Furniture and fixtures	3 – 50 years
Leasehold improvements	The shorter of the economic life of lease term

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

In cases where the expected future benefits of the assets are less than their book values, the book values of such assets are reduced to their net realizable values and impairment losses are recorded as expense.

Gain and losses sourcing from disposal of plant, property and equipment are determined through deduction of net book value from the sales revenue of the related plant, property and equipment.

The regular maintenance and repair expenditures are accounted as expense. The investment expenditures, made to increase the future benefits of the asset by improving the capacity of the asset, are added to the cost of the asset. Investment expenditures comprised of the costs which increase the useful life of the asset, improve the capacity of the asset, increase the quality or decrease the cost of production.

The Parent Bank applies revaluation model for the buildings as permitted by TAS 16 "Property, Plant and Equipment". For this purpose, fair values of the buildings are determined by a third party appraiser, which is commissioned by BRSA and Capital Markets Board. The fair value surplus is recognized in "Revaluation Fund on Tangible Assets" within the equity items. As at 31 December 2015, revaluation surplus on tangible assets amounts to TL 9,151 (31 December 2014: TL 7,228).

ICBC TURKEY BANK A.Ş. AND ITS SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2015 AND 2014 (continued)
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XIV. Leasing activities

Assets acquired by financial leasing are recorded by considering the lower of the fair value of the leased asset and the present value of leasing payments. Tangible assets acquired by way of financial leasing are recognized in tangible assets and depreciated in line with tangible assets group they relate to. In cases where leased assets are impaired or the expected future benefits of the assets are less than their book values, the book values of such leased assets are reduced to their net realizable values. The obligations under financial leases arising from the lease contracts are presented under "Financial Lease Payables" account in the balance sheet. Interest expense and currency exchange rate differences related to leasing activities are recognized in the income statement. The Group does not enter into financial lease transactions by acting as the "lessor".

In operating leases, the rent payments are charged to the income statement on an accrual basis.

XV. Provisions and contingencies

Provisions, other than specific and general provisions for loans and other receivables, and contingent liabilities are provided for in accordance with TAS 37 "Provisions, Contingent Liabilities and Contingent Assets".

Provisions are accounted for immediately when obligations arise as a result of past events and a reliable estimate of the obligation is made by the Parent Bank management. Whenever the amount of such obligations cannot be measured, they are regarded as "Contingent". If the possibility of an outflow of resources embodying economic benefits becomes probable and the amount of the obligation can be measured with sufficient reliability, a provision is recognized. If the amount of the obligation cannot be measured with sufficient reliability or the possibility of an outflow of resources embodying economic benefits is remote, such liabilities are disclosed in the notes to the consolidated financial statements.

XVI. Contingent assets

The contingent assets usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits to the Group. Since recognizing the contingent assets in the financial statements may result in the accounting of an income, which will never be generated, the related assets are not included in the financial statements. If an inflow of economic benefits has become probable, then the contingent asset is disclosed in the notes to the consolidated financial statements. Developments related to the contingent assets are constantly evaluated to be reflected rightly in the consolidated financial statements. If it has become virtually certain that an inflow of economic benefits will arise, the asset and the related income are recognized in the consolidated financial statements of the period in which the change occurs.

XVII. Obligations concerning employee rights

Obligations concerning employee severance indemnities and vacation pay are accounted for in accordance with the Turkish Accounting Standard 19 ("TAS 19") "Employee Benefits".

In accordance with existing legislation in Turkey, the Group have to make certain lump-sum payments to employees who has completed one year of service and whose employment is terminated due to retirement or reasons other than resignation or misconduct. Provision for employee severance benefits has been accounted for using discounting total provision and reflected to the consolidated financial statements.

XVIII. Taxation

a. Current taxes:

In Turkey, the corporate tax rate is 20%. This rate is applied to accounting income modified for certain exemptions (like dividend income) and deductions (like investment incentives), and additions for certain non-tax deductible expenses and allowances for tax purposes. If there is no dividend distribution planned, no further tax charges are made.

Dividends paid to the resident institutions and the institutions working through local offices or representatives in Turkey are not subject to withholding tax. Accordingly, the withholding tax rate on the dividend payments other than the ones paid to the nonresident institutions generating income in Turkey through their operations or permanent representatives and the resident institutions is 15%. Appropriation of the retained earnings to capital is not considered as profit distribution and therefore is not subject to withholding tax.

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XVIII. Taxation (continued)

In accordance with the tax legislation, corporate taxes are paid in advance based on the tax base calculated on the quarterly earnings of the companies at the rate of 20%. These payments can be deducted from the annual corporate tax calculated for the whole year earnings. Such taxes paid in advance are deducted from the final corporate tax liability.

In accordance with the Turkish tax legislation, the tax losses can be carried forward to offset against future taxable income for up to 5 years. Tax losses cannot be carried back to offset profits from previous periods.

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

b. Deferred taxes:

In accordance with TAS 12 "Income Taxes", the Group accounts for deferred taxes based on the tax effect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred taxes are based on tax rates that have been enacted at the balance sheet date.

If transactions and other occurrences are accounted at profit or loss; tax effects which are related to these transactions and other occurrences are also accounted at profit or loss. If transactions and other occurrences are directly accounted at equity balances; tax effects which are related to these transactions and other occurrences are also accounted at equity accounts. Tax provision of items that are directly related to equity is offsetted with related equity accounts.

Deferred tax liabilities are recognized for all deductible temporary differences, however deferred tax assets composed of deductible temporary differences and tax losses are accounted with considering that it is probable that taxable profit will be available and such deductible temporary differences and tax losses can be utilized.

Deferred tax assets and liabilities of the Parent Bank have been offset in the Parent Bank's financial statements. Net deferred tax assets or liabilities of the entities in the Group which are calculated individually have not been offset.

The Group has calculated deferred tax based on the principles above and reflected to the consolidated financial statements.

c. Transfer pricing:

In Turkey, the transfer pricing provisions have been stated under the Article 13 of Corporate Tax Law with the heading of "disguised profit distribution via transfer pricing". The General Communiqué on disguised profit distribution via Transfer Pricing, dated 18 November 2007 sets details about implementation.

If a taxpayer enters into transactions regarding sale or purchase of goods and services with related parties, where the prices are not set in accordance with arm's length principle, then related profits are considered to be distributed in a disguised manner through transfer pricing. Such disguised profit distributions through transfer pricing are not accepted as tax deductible for corporate income tax purposes.

Corporate tax-payers required in "section 7.1 annual documentation" part of related communiqué, have to fill the "form relating to transfer pricing, controlled foreign companies and thin capitalization" as associated with purchasing and selling goods or services with related parties in an accounting period and send it to the tax office submitted as an appendix to the corporate tax return.

XIX. Additional explanations on borrowings

Financial liabilities held for trading and negative value of derivative instruments are carried at fair value and all other financial liabilities are carried at amortized cost using effective interest rate method.

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XX. Issued stock

There is no issued stock in the current period.

XXI. Acceptances

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

XXII. Government grants

As at 31 December 2015 and 2014, the Group does not have any government grants.

XXIII. Reserves and profit distribution

Retained earnings at statutory books are allowed for distribution except for the following clause on legal reserves.

The legal reserves consist of first and second reserves, in accordance with the Turkish Commercial Code. The first legal reserve is appropriated out of the statutory profit at the rate of 5% until the total reserve reaches a maximum of 20% of the Company's paid-in capital. The second legal reserve is appropriated at the rate of 10% of all distributions in excess of 5% of the Company's share capital. The first and second legal reserves are not available for distribution unless they exceed 50% of the share capital.

XXIV. Related parties

For the purpose of the consolidated financial statements, shareholders, members of board of directors, related companies managed by their own and families, associates and jointly controlled entities are accepted as related party in accordance with the article 49 of the Banking Law No.5411. Transactions regarding related parties are presented in Note VII of Section Five.

XXV. Cash and cash equivalents

For the purposes of the consolidated statement of cash flows, cash and cash equivalents comprise cash and balances with central banks, deposits with banks and other financial institutions, other money market placements with an original maturity of three months or less and receivables from reverse repo. The reserve requirements blocked at the Central Bank of Turkey are not recognized as "cash equivalent assets" in the statements of cash flow.

XXVI. Segment reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. Segment reporting is presented in Section Four, Note XV.

XXVII. Reclassifications

In order to achieve convenient presentation of financial statements as at 31 December 2015, a reclassification has been made on the consolidated income statement for the period ended 31 December 2014. Such reclassification includes the presentation of required reserve interest income amounting to TL 109 under "Interest from Reserve Deposits", which had been shown in "Interest from Banks".

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SECTION FOUR

CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT

I. Consolidated capital adequacy ratio

As at 31 December 2015, the Group's consolidated capital adequacy ratio is 12.86% (31 December 2014: 18.91).

Capital adequacy ratio is calculated within the scope of the "Regulation on Measurement and Evaluation of Capital Adequacy of Banks", "Communiqué on Credit Risk Mitigation Techniques" published in the Official Gazette no. 29111 dated 6 September 2014, "Communiqué on Capital Requirement Calculation for Market Risk of Options" published in the Official Gazette no. 28337 dated 28 June 2012 and the "Regulation on Equities of Banks" published in the Official Gazette no. 28756 dated 5 September 2013.

In the calculation of consolidated capital adequacy standard ratio, the accounts and transactions are evaluated by taking into account the relevant legislation. Accounts and transactions are classified in two separate portfolios as "trading accounts" and "banking accounts" and are used in the calculation of market and credit risks. Trading accounts and items deducted from the capital are not considered in the calculation of credit risks. In the calculation of risk weighted assets, amortized and impaired assets are accounted by net amounts after deducting the related amortization and provision amounts.

In the calculation of the amount subject to credit risk, the Parent Bank assesses its loans and receivables by taking the risk classes, rating notes and risk mitigation into consideration. "Simple financial collateral method" is used for banking accounts while "comprehensive financial collateral method" is used for trading accounts for taking risk mitigation elements under consideration.

Counterparty Credit Risk is calculated for derivative transactions, repo transactions, security-stock lending transactions, overdraft security transactions and long term trade transactions.

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I. Consolidated capital adequacy ratio (continued)

Consolidated Capital Adequacy Ratio:

31 December 2015

	Risk Weights						
	Parent Bank						
	0%	20%	50%	75%	100%	150%	200%
Value at Credit Risk	-	83,092	443,544	74,183	3,193,901	115,242	230,308
Risk Classifications							
Contingent and Non-Contingent Claims on Sovereigns and Central Bank	1,278,452	-	284,231	-	-	-	-
Contingent and Non-Contingent Claims on Regional Governments and Local Authorities	-	-	-	-	-	-	-
Contingent and Non-Contingent Claims on Administrative Units and Non-commercial Enterprises	-	-	-	-	647	-	-
Contingent and Non-Contingent Claims on Multilateral Development Banks	-	-	-	-	-	-	-
Contingent and Non-Contingent Claims on International Organizations	-	-	-	-	-	-	-
Contingent and Non-Contingent Claims on Banks and Capital Market Intermediary	1,071,584	87,402	74,756	-	935,377	-	-
Contingent and Non-Contingent Claims on Corporate Receivables	483,127	326,400	68,940	-	1,999,208	-	-
Contingent and Non-Contingent Claims Included in the Regulatory Retail Portfolios	1,933	644	-	98,911	3,092	-	-
Contingent and Non-Contingent Claims Secured by Residential Property	14,554	308	455,620	-	102,091	-	-
Non-performing Receivables	-	-	3,540	-	41,823	522	-
Higher-Risk Categories Defined by Agency	4,665	705	-	-	-	76,306	115,154
Mortgage Collateralized Marketable Securities	-	-	-	-	-	-	-
Securitization Exposures	-	-	-	-	-	-	-
Short-Term Claims on Banks and Intermediary Institutions and Corporate Receivables	-	-	-	-	-	-	-
Undertakings for Collective Investments in Transferable Securities	-	-	-	-	-	-	-
Other Receivables	35,068	-	-	-	111,663	-	-

	Risk Weights						
	Consolidated						
	0%	20%	50%	75%	100%	150%	200%
Value at Credit Risk	-	83,092	443,644	79,566	3,200,133	115,242	230,308
Risk Classifications							
Contingent and Non-Contingent Claims on Sovereigns and Central Bank	1,281,395	-	284,231	-	-	-	-
Contingent and Non-Contingent Claims on Regional Governments and Local Authorities	-	-	-	-	-	-	-
Contingent and Non-Contingent Claims on Administrative Units and Non-commercial Enterprises	-	-	-	-	807	-	-
Contingent and Non-Contingent Claims on Multilateral Development Banks	-	-	-	-	-	-	-
Contingent and Non-Contingent Claims on International Organizations	-	-	-	-	-	-	-
Contingent and Non-Contingent Claims on Banks and Capital Market Intermediary	1,071,580	87,402	74,957	-	935,787	-	-
Contingent and Non-Contingent Claims on Corporate Receivables	483,127	326,400	68,940	-	2,022,251	-	-
Contingent and Non-Contingent Claims Included in the Regulatory Retail Portfolios	1,933	644	-	106,088	3,092	-	-
Contingent and Non-Contingent Claims Secured by Residential Property	14,554	308	455,620	-	102,091	-	-
Non-performing Receivables	-	-	3,540	-	41,823	522	-
Higher-Risk Categories Defined by Agency	4,665	705	-	-	-	76,306	115,154
Mortgage Collateralized Marketable Securities	-	-	-	-	-	-	-
Securitization Exposures	-	-	-	-	-	-	-
Short-Term Claims on Banks and Intermediary Institutions and Corporate Receivables	-	-	-	-	-	-	-
Undertakings for Collective Investments in Transferable Securities	-	-	-	-	-	-	-
Other Receivables	35,068	-	-	-	94,282	-	-

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I. Consolidated capital adequacy ratio (continued)

Summary information related to consolidated and unconsolidated capital adequacy ratios:

	31 December 2015	
	Parent Bank	Consolidated
Capital Requirement for Credit Risk (VaCR*0.08) (CRCR)	331,222	332,159
Capital Requirement for Market Risk (CRMR)	1,722	1,789
Capital Requirement for Operational Risk (CROR)	23,874	25,156
Shareholders' Equity	570,223	577,159
Shareholders' Equity/((CRCR+CRMR+CROR) *12.5)*100	12.78	12.86
Tier I Capital/((CRCR+CRMR+CROR)*12.5*100)	13.06	13.14
Common Equity/((CRCR+CRMR+CROR)*12.5*100)	13.08	13.16
	31 December 2014	
	Parent Bank	Consolidated
Capital Requirement for Credit Risk (VaCR*0.08) (CRCR)	241,818	241,369
Capital Requirement for Market Risk (CRMR)	899	1,516
Capital Requirement for Operational Risk (CROR)	22,599	24,008
Shareholders' Equity	626,848	630,801
Shareholders' Equity/((CRCR+CRMR+CROR) *12.5)*100	18.90	18.91
Tier I Capital/((CRCR+CRMR+CROR)*12.5*100)	18.29	18.30
Common Equity/((CRCR+CRMR+CROR)*12.5*100)	18.34	18.35

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I. Consolidated capital adequacy ratio (continued)

Components of shareholders' equity:

	31 December 2015	31 December 2014
COMMON EQUITY		
Paid-in capital following all debts in terms of claim in liquidation of the Bank	420,000	420,000
Share premium	(814)	(814)
Share cancellation profits	-	-
Reserves	179,273	180,055
Gains reflected in equity in accordance with TAS	8,999	8,702
Profit	-	12,760
Current Period Profit	-	12,760
Prior Years' Profit	-	-
Provisions for Possible Risks	-	-
Bonus Shares from Investments in Associates, Subsidiaries and Joint Ventures that are not recognized in Profit	-	-
Minority Shares	-	-
Common Equity Before Deductions	607,458	620,703
Deductions from Common Equity		
Portion of the current and prior periods' losses which cannot be covered through reserves and losses reflected in equity in accordance with TAS (-)	10,264	567
Leasehold improvements (-)	5,737	7,563
Goodwill or other intangible assets and deferred tax liability related to these items (-)	598	395
Net deferred tax asset/liability (-)	-	-
Shares obtained contrary to the 4th clause of the 56th Article of the Law (-)	-	-
Direct and indirect investments of the Bank in its own Common Equity (-)	-	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank (-)	-	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank (-)	-	-
Portion of mortgage servicing rights exceeding 10% of the Common Equity (-)	-	-
Portion of deferred tax assets based on temporary differences exceeding 10% of the Common Equity (-)	-	-
Amount exceeding 15% of the common equity as per the 2nd clause of the Provisional Article 2 of the Regulation on the Equity of Banks (-)	-	-
Excess amount arising from the net long positions of investments in common equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital (-)	-	-
Excess amount arising from mortgage servicing rights (-)	-	-
Excess amount arising from deferred tax assets based on temporary differences (-)	-	-
Other items to be defined by the BRSA (-)	-	-
Deductions to be made from common equity in the case that adequate Additional Tier I Capital or Tier II Capital is not available (-)	-	-
Total Deductions From Common Equity	16,599	8,525
Total Common Equity	590,859	612,178
ADDITIONAL TIER I CAPITAL		
Capital amount and related premiums corresponding to preference shares that are not included in common equity	-	-
Debt instruments and premiums deemed suitable by the BRSA (issued/obtained after 1.1.2014)	-	-
Debt instruments and premiums deemed suitable by the BRSA (issued before 1.1.2014)	-	-
Third parties' shares in the Additional Tier I Capital	-	-
Additional Tier I Capital before Deductions	-	-
Deductions from Additional Tier I Capital		
Direct and indirect investments of the Bank in its own Additional Tier I Capital (-)	-	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank (-)	-	-
Portion of the total of net long positions of investments made in Additional Tier I Capital and Tier II Capital items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank (-)	-	-
Other items to be defined by the BRSA (-)	-	-
Deductions to be made from Additional Tier I Capital in the case that adequate Tier II Capital is not available (-)	-	-
Total Deductions From Additional Tier I Capital	-	-
Total Additional Tier I Capital	-	-

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I. Consolidated capital adequacy ratio (continued)

Deductions from Tier I Capital

Portion of goodwill and other intangible assets and the related deferred tax liabilities which not deducted from the Common Equity as per the 1st clause of Provisional Article 2 of the Regulation on the Equity of Banks (-)	898	1,579
Portion of net deferred tax assets/liabilities which is not deducted from the common equity pursuant to Paragraph 1 Provisional Article 2 of the Regulation on the Equity of Banks (-)	-	-
Total Tier I Capital	589,961	610,599

TIER II CAPITAL

Debt instruments and premiums deemed suitable by the BRSA (issued/obtained after 1.1.2014)	-	-
Debt instruments and premiums deemed suitable by the BRSA (issued/obtained before 1.1.2014)	-	-
Sources pledged to the Bank by shareholders to be used in capital increases of the Bank	-	-
General Loan Loss Provisions	30,530	22,615
Third parties' shares in the Tier II Capital	-	-
Tier II Capital Before Deductions	30,530	22,615

Deductions From Tier II Capital

Direct and indirect investments of the Bank in its own Tier II Capital (-)	-	-
Portion of the total of net long positions of investments made in Common Equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank (-)	-	-
Portion of the total of net long positions of investments made in Additional Tier I and Tier II Capital items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank (-)	-	-
Other items to be defined by the BRSA (-)	-	-
Total Deductions from Tier II Capital	-	-
Total Tier II Capital	30,530	22,615
CAPITAL BEFORE DEDUCTIONS	620,491	633,214

Loans granted contrary to the 50th and 51th Article of the Law (-)	-	-
Net book value of amounts exceeding the limit mentioned in the 1st Paragraph of Article 57 of the Law and assets acquired against overdue receivables which could not be disposed of even though five years have passed since their acquisition date (-)	197	1,915
Loans granted to banks and financial institutions, including those established abroad, and to bank's qualified shareowners or investments made to debt instruments issued by them (-) (**)	-	195
Deductions as per the Article 20, Clause 2 of the Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks (-)	-	-
Other items to be defined by the BRSA (-) (*)	43,135	303
Portion of the total of net long positions of investments made in Common Equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank not to be deducted from the Common Equity, Additional Tier I Capital, Tier II Capital as per the 1st clause of the Provisional Article 2 of the Regulation on the Equity of Banks. (-)	-	-
Portion of the total of net long positions of direct or indirect investments made in Additional Tier I and Tier II Capital items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank not to be deducted from the Additional Tier I Capital and Tier II Capital as per the 1st clause of the Provisional Article 2 of the Regulation on the Equity of Banks. (-)	-	-
Portion of the total of net long positions of investments made in Common Equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital, deferred tax assets based on temporary differences and mortgage servicing rights not deducted from Common Equity as per the 1st and 2nd Paragraph of the 2nd clause of the Provisional Article 2 of the Regulation on the Equity of Banks (-)	-	-
TOTAL CAPITAL	577,159	630,801

Amounts below the Excess Limits as per the Deduction Principles

Amounts arising from the net long positions of investments made in Total Capital items of banks and financial institutions where the Bank owns 10% or less of the issued common share capital	-	-
Amounts arising from the net long positions of investments made in Tier I Capital items of banks and financial institutions where the Bank owns 10% or more of the issued common share capital	-	-
Amounts arising from mortgage servicing rights	-	-
Amounts arising from deferred tax assets based on temporary differences	-	-

(*) It includes the amount deducted from capital at an amount of TL 42,918 sourcing from exceeding the determined maximum ratio two times in one year in scope of article 5 "Incompatibility with Rational Limits" of Regulation on Measurement and Evaluation of Interest Rate Sourcing From Banking Accounts through Standard Shock Method" published in Official Gazette dated August 23, 2011 and numbered 28034.

(**) Main Partner Bank considers the credit, which it provided to Industrial and Commercial Bank of China (ICBC) at an amount of TL 613,594, as cash reserve as of December, 31, 2015 in accordance with the Account Pledge Contract dated June, 25, 2015 concluded with its main investor ICBC and does not consider the aforementioned credit as an item which shall be deducted from the capital

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I. Consolidated capital adequacy ratio (continued)

Information on items subject to provisional acts in Capital calculation:

None.

Information on debt instruments included in Capital calculation

None.

Information on Internal Capital Adequacy Assessment Process:

The purpose of Internal Capital Adequacy Assessment Process (ICAAP) is to provide consistency of Bank's risk aim with planned financial performance, asset size and strategic aims in addition to maintain adequate capital level by identify, measure, monitor important risks for Bank.

ICAAP has been arranged containing all consolidated risks, being adequate to risk aim and having sufficient measure-evaluation processes and procedures in the light of future assessment as a part of Management processes and taking decision culture.

Management of ICAAP belongs to Risk Management department which is responsible from risk Management under Audit committee and is planned to overview as annually or frequently if it is required.

II. Consolidated credit risk

1. Credit risk represents the risk generating from the counter party's not fulfilling its responsibilities stated in the agreement either partially or totally.

In the Parent Bank, Credit Allocation Department and Problematic Loans Follow-up Department is responsible for managing the credit risk. The Group determines credit limits to counter parties and does not allocate loans more than these limits so as to subject credit risk to risk limitation. Credit limits are determined individually for each customer, company, company groups and risk groups. The Group assesses several criteria such as financial power of customers, business capacity, industry, geographical segment and equity structure when determining credit limits. The review of financial position of the customers is based on financial statements obtained in accordance with relevant legislation and other information. The geographical distribution of credit customers is appropriate to branch network, country, industry, trade and service activities allocation. The credibility of the debtors is assessed periodically with taking notice of the financial statements of the debtors obtained thoroughly to be audited in accordance with the relevant legislation.

The Group gives importance to credit guarantees. Guarantees are generally in form of real estate and movable mortgages, commercial enterprise pledges, secured investment securities, letters of guarantee of other banks and sureties.

The Parent Bank assesses loans as past due loans that are classified in 2nd group loans in accordance with "Regulation on Procedures and Principles for Determination of Qualifications of Loans and Other Receivables by Banks and Provisions to be set aside" and whose principal or interest payments are not paid at relevant maturity dates. The loans are assessed as impaired if the principal or interest payments of loans are not paid over 90 days since their maturities or payment dates or if the Parent Bank assesses that the loan is impaired due to the loss of credibility of the debtor.

General loan loss provision is calculated for past due loans and specific provision is calculated for impaired loans in accordance with "Regulation on Procedures and Principles for Determination of Qualifications of Loans and Other Receivables by Banks and Provisions to be set aside"

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II. Consolidated credit risk (continued)

Information related to total amount of exposures after offsetting transactions but before applying risk mitigations and the average exposure amounts that are classified in different risk groups and types:

Risk Classifications	Current Period Risk Amount (*)	Average Risk Amount
Claims on sovereigns and Central Banks	1,565,453	1,138,023
Claims on regional governments or local authorities	-	-
Claims on administrative bodies and other non-commercial undertakings	807	866
Claims on multilateral development banks	-	-
Claims on international organizations	-	-
Claims on banks and intermediary institutions	2,169,714	1,228,078
Claims on corporate receivables	2,895,769	2,488,398
Claims included in the regulatory retail portfolios	112,888	127,624
Claims secured by residential property	574,752	490,276
Past due loans	45,885	40,589
Higher risk categories decided by the Board	198,654	210,779
Secured by mortgages	-	-
Securitization positions	-	-
Short-term claims on banks and intermediary institutions and short-term corporate receivables	-	-
Undertakings for collective investments in mutual funds	-	-
Other receivables	129,350	137,944

(*) Risk amounts present amounts before credit risk mitigation, after credit conversion rate process.

2. The Parent Bank has control limits over the positions of forward transactions, options and other similar agreements. The credit risk arising from these instruments are managed together with other potential risks resulting from market fluctuations.
3. Regarding forward transactions, if it is required, reverse positions of the current positions are purchased to minimize the risk.
4. Indemnified non-cash loans are treated as non-performing loans in accordance with "Regulation on Procedures and Principles for Determination of Qualifications of Loans and Other Receivables by Banks and Provisions to be set aside" published at Official Gazette no.26333 dated 1 November 2006. Standard loans, restructured and rescheduled loans are followed-up in accordance with the monitoring methods defined by banking regulations.
5. There is a risk evaluation structure within the Parent Bank for foreign funding transactions, where the countries and their market risks are analyzed although the Group's credit portfolio does not include significant foreign operations and credit transactions yet. When the international interbank credit transactions of the Group are assessed, there is no significant international credit risk concentration.
6. a) As at 31 December 2015, the share of the top 100 and 200 cash loan customers constitutes 68% and 76% of the total cash loans portfolio (31 December 2014: 47% and 58%), respectively.
b) As at 31 December 2015, the share of the top 100 non-cash loan customers constitute 82% and 92% of the total non-cash loans portfolio (31 December 2014: 74% and 86%), respectively.
c) As at 31 December 2015, the Group's total cash and non-cash loans from its top 100 loan customers comprise 24% and 27% of the aggregate of total assets and off-balance sheet items (31 December 2014: 16% and 20%), respectively.
7. As at 31 December 2015, the Group's general loan loss provision amounts to TL 30,530 (31 December 2014 - TL 22,615).

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II. Consolidated credit risk (continued)
8.a) Profile of Significant Exposures in Major Regions:

31 December 2015 (****)	Risk Classifications (*)																Total
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	
Domestic	1,565,453	-	807	-	-	1,003,827	2,403,711	112,636	574,628	45,885	198,654	-	-	-	-	119,706	6,025,307
European Union Countries	-	-	-	-	-	497,239	-	6	124	-	-	-	-	-	-	9,266	506,635
OECD Countries(**)	-	-	-	-	-	581	32,369	-	-	-	-	-	-	-	-	-	32,950
Off-Shore Banking Regions	-	-	-	-	-	-	458,212	13	-	-	-	-	-	-	-	-	458,225
USA, Canada	-	-	-	-	-	3,952	-	195	-	-	-	-	-	-	-	378	4,525
Other Countries	-	-	-	-	-	664,115	1,477	38	-	-	-	-	-	-	-	-	665,630
Investments and associates, subsidiaries and joint ventures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Undistributed Assets/Liabilities(***)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	1,565,453	-	807	-	-	2,169,714	2,895,769	112,888	574,752	45,885	198,654	-	-	-	-	129,350	7,693,272
31 December 2014 (****)	Risk Classifications (*)																Total
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	
Domestic	580,225	-	979	-	-	205,262	2,306,165	191,327	498,929	47,565	203,542	-	-	-	-	112,735	4,146,729
European Union Countries	-	-	-	-	-	14,635	-	1	-	-	44	-	-	-	-	18,459	33,139
OECD Countries(**)	-	-	-	-	-	3,766	21,732	-	-	-	-	-	-	-	-	-	25,498
Off-Shore Banking Regions	-	-	-	-	-	-	1,498	10	-	-	-	-	-	-	-	-	1,508
USA, Canada	-	-	-	-	-	1,705	-	133	-	-	-	-	-	-	-	11	1,849
Other Countries	-	-	-	-	-	712	1,583	39	-	-	-	-	-	-	-	-	2,334
Investments and associates, subsidiaries and joint ventures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Undistributed Assets/Liabilities(***)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	580,225	-	979	-	-	226,080	2,330,978	191,510	498,929	47,565	203,586	-	-	-	-	131,205	4,211,057

(*) Risk classifications in the "Regulation on Measurement and Evaluation of Capital Adequacy of Banks" have been used.

- | | | | |
|---|---|----|---|
| 1 | Claims on sovereigns and Central Banks | 9 | Claims secured by residential property |
| 2 | Claims on regional governments or local authorities | 10 | Past due loans |
| 3 | Claims on administrative bodies and other non-commercial undertakings | 11 | Higher risk categories decided by the Board |
| 4 | Claims on multilateral development banks | 12 | Secured by mortgages |
| 5 | Claims on international organizations | 13 | Securitization positions |
| 6 | Claims on banks and intermediary institutions | 14 | Short-term claims on banks and intermediary institutions and short-term corporate receivables |
| 7 | Claims on corporate | 15 | Undertakings for collective investments in mutual funds |
| 8 | Claims included in the regulatory retail portfolios | 16 | Other receivables |

(**) Includes OECD countries other than EU countries, USA and Canada
(***) Includes asset and liability items that cannot be allocated on a consistent basis
(****) Risk amounts present amounts before credit risk mitigation, after credit conversion rate process.

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II. Consolidated credit risk (continued)
8.b) Risk profile by industries or counterparties:

31 December 2015 (**)	Risk Classifications (*)																TL	FC	TOTAL
Industries/Counterparties	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16			
Agriculture	-	-	-	-	-	-	162,512	172	18,949	519	-	-	-	-	-	-	163,197	18,955	182,152
Farming and Stockbreeding	-	-	-	-	-	-	159,240	161	17,857	519	-	-	-	-	-	-	158,822	18,955	177,777
Forestry	-	-	-	-	-	-	3,231	1	1,092	-	-	-	-	-	-	-	4,324	-	4,324
Fishery	-	-	-	-	-	-	41	10	-	-	-	-	-	-	-	-	51	-	51
Manufacturing	-	-	646	-	-	-	731,160	5,342	130,186	16,777	1	-	-	-	-	-	339,361	544,751	884,112
Mining and Quarrying	-	-	-	-	-	-	155,211	91	2,187	713	-	-	-	-	-	-	21,657	136,545	158,202
Production	-	-	646	-	-	-	530,887	5,233	127,999	10,642	1	-	-	-	-	-	311,974	363,434	675,408
Electric, Gas and Water	-	-	-	-	-	-	45,062	18	-	5,422	-	-	-	-	-	-	5,730	44,772	50,502
Construction	-	-	-	-	-	-	258,618	1,383	164,631	6,641	2	-	-	-	-	-	186,826	244,449	431,275
Services	1,565,453	-	161	-	-	-	2,169,714	1,667,195	10,650	47,286	12,723	3	-	-	-	-	9,966	1,485,734	3,997,417
Wholesale and Retail Trade	-	-	-	-	-	-	477,927	7,518	21,205	8,997	3	-	-	-	-	-	392,607	123,043	515,650
Hotel, Food and Beverage	-	-	-	-	-	-	14,600	423	7,006	353	-	-	-	-	-	-	11,684	10,698	22,382
Transportation and Telecommunication	-	-	-	-	-	-	673,860	863	3,432	1,329	-	-	-	-	-	-	50,226	629,258	679,484
Financial Institutions	1,565,453	-	160	-	-	-	2,169,714	434,861	48	-	5	-	-	-	-	-	9,966	965,461	3,214,746
Real Estate and Rental Services	-	-	-	-	-	-	6,015	3	8,130	-	-	-	-	-	-	-	5,071	9,077	14,148
Professional Services	-	-	1	-	-	-	32,040	976	4,090	2,039	-	-	-	-	-	-	30,682	8,464	39,146
Educational Services	-	-	-	-	-	-	382	41	3,271	-	-	-	-	-	-	-	3,690	4	3,694
Health and Social Services	-	-	-	-	-	-	27,510	778	152	-	-	-	-	-	-	-	26,313	2,127	28,440
Other	-	-	-	-	-	-	76,284	95,341	213,700	9,225	198,648	-	-	-	-	-	703,238	9,344	712,582
Total	1,565,453	-	807	-	-	2,169,714	2,895,769	112,888	574,752	45,885	198,654	-	-	-	-	-	2,878,356	4,814,916	7,693,272

(*)Risk classifications in the "Regulation on Measurement and Evaluation of Capital Adequacy of Banks" have been used.

1	Claims on sovereigns and Central Banks	9	Claims secured by residential property
2	Claims on regional governments or local authorities	10	Past due loans
3	Claims on administrative bodies and other non-commercial undertakings	11	Higher risk categories decided by the Board
4	Claims on multilateral development banks	12	Secured by mortgages
5	Claims on international organizations	13	Securitization positions
6	Claims on banks and intermediary institutions	14	Short-term claims on banks and intermediary institutions and short-term corporate receivables
7	Claims on corporate	15	Undertakings for collective investments in mutual funds
8	Claims included in the regulatory retail portfolios	16	Other receivables

(**) Risk amounts present amounts before credit risk mitigation, after credit conversion rate process.

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II. Consolidated credit risk (continued)

8.c) Analysis of maturity-bearing exposures according to remaining maturities:

	Term to Maturity				
	Up to 1 month	1-3 months	3-6 months	6-12 months	Over 1 Year
Risk Classifications (*)					
Claims on sovereigns and Central Banks (***)	704,029	111,586	9,790	70,134	361,459
Claims on regional governments or local authorities	-	-	-	-	-
Claims on administrative bodies and other non-commercial undertakings	160	-	-	-	-
Claims on multilateral development banks	-	-	-	-	-
Claims on international organizations	-	-	-	-	-
Claims on banks and intermediary institutions	689,616	1,586	9,637	234,818	1,194,015
Claims on corporate	330,051	372,373	326,897	461,960	1,171,189
Claims included in the regulatory retail portfolios	26,479	5,815	10,409	22,763	12,458
Claims secured by residential property	17,574	8,810	23,715	34,861	484,771
Past due loans (*)	-	-	-	-	-
Higher risk categories decided by the Board	180	-	-	-	198,471
Secured by mortgages	-	-	-	-	-
Securitization positions	-	-	-	-	-
Short-term claims on banks and intermediary institutions and short-term corporate receivables	-	-	-	-	-
Undertakings for collective investments in mutual funds	-	-	-	-	-
Other receivables	-	-	-	-	-
TOTAL (**)	1,768,089	500,170	380,448	824,536	3,422,363

(*) Risk figures present amounts before credit risk mitigation, after credit conversion rate process.

(**) Net impaired loans amounting to TL 45,885 and other risk amounts not bearing maturity exposures amounting to TL 751,781 are not included.

(***) The amount of restricted time deposits kept at Central Bank of Turkey is presented under the up to 1-month column.

9. Information related to Credit Ratings:

While determining the risk classifications explained in the article No. 6 of the "Regulation on Measurement and Evaluation of Capital Adequacy of Banks", ratings given by authorized rating companies are not used.

Exposures by Risk Weights

Risk Weights	0%	20%	50%	75%	100%	150%	200%	Deducted From Equity (*)
Exposures Before Credit Risk Mitigation	1,316,301	417,198	1,537,356	109,779	4,113,462	79,666	119,510	7,647
Exposures After Credit Risk Mitigation	2,892,322	415,459	887,288	106,088	3,200,133	76,828	115,154	7,647

(*) Includes the amounts deducted from core capital.

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II. Consolidated credit risk (continued)

10. Information of major industries or type of counterparties:

Impaired and past due loans and value adjustments and methods related to provisions are explained at Section Four, article no. 1 of Footnote II.

Major Industries/Counterparties	Loans (*)			
	Impaired Loans	Past Due Loans	Value Adjustments	Provisions
Agriculture	13,840	93	2	13,321
Farming and Stockbreeding	13,839	93	2	13,320
Forestry	1	-	-	1
Fishery	-	-	-	-
Manufacturing	52,565	582	20	35,788
Mining and Quarrying	1,374	-	-	661
Production	45,683	582	20	35,041
Electricity, Gas and Water	5,508	-	-	86
Construction	41,321	3,291	85	34,680
Services	44,386	-	-	31,663
Wholesale and Retail Trade	26,209	-	-	17,212
Accommodation and Dining	848	-	-	495
Transportation and Telecommunication	10,326	-	-	8,997
Financial Institutions	35	-	-	30
Real Estate and Rental Services.	-	-	-	-
Professional Services	6,953	-	-	4,914
Educational Services	-	-	-	-
Health and Social Services	15	-	-	15
Others	28,479	17,211	359	19,254
Total	180,591	21,177	466	134,706

(*) Includes information relating to cash loans.

11. Information related with value adjustments and loan loss provisions:

	Opening Balance	Provision for the Period	Provision Reversals	Other Adjustments (*)	Closing Balance
Specific Provisions (**)	110,647	29,414	(4,236)	(1,119)	134,706
General Loan Loss Provisions	22,615	7,915	-	-	30,530

(*) Other adjustments in special provisions includes amounts related to credits which are removed from the assets.

(**) Includes information relating to cash loan.

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III. Consolidated market risk

Consolidated market risk is the potential risk of loss on the assets and liabilities of the Parent Bank's on and off balance sheet items, arising from changes in interest rates, foreign currency exchange rates and equity prices.

The capital requirement for general market risk and for specific risks are calculated in accordance with "Method of Market Risk Calculation with Standard Method" in 2nd Section of "Calculation of Market Risk" of the "Regulation on Measurement and Evaluation of Capital Adequacy of Banks" published in Official Gazette no. 29111 dated 6 September 2014 and "Communiqué on Capital Requirement Calculation for Market Risk arising from Options" and reported by Parent Bank on monthly basis.

Market risk is calculated by employing the Standard Method and internal risk measurement models using value at risk (VaR) methodology. VaR represents the potential losses from adverse changes in market factors for a specified time period and confidence level.

The internal models used by the Parent Bank are Parametric Method, Historical Simulation and Monte Carlo Simulation. In calculating VaR, a one-tailed 99% confidence level is used regarding one-day holding period. In scope of internal management of market risk and determination of limits are based on historic VAR results, the other two calculation methods are used for comparison and monitoring. Back tests are performed to test the reliability of the VAR model. In order VAR calculations to reflect market fluctuations, stress tests and scenario analyzes are also applied.

In addition to VAR limits, in order to limit market risk, limits approved by the Board of Directors for the trading portfolio are present.

a) Consolidated market risk

	Amount
(I) Capital Requirement to be Employed for General Market Risk - Standard Method	81
(II) Capital Requirement to be Employed for Specific Risk - Standard Method	55
Capital Requirement for Specific Risk Relating to Securitization Positions – Standard Method	-
(III) Capital Requirement to be Employed for Currency Risk - Standard Method	996
(IV) Capital Requirement to be Employed for Commodity Risk - Standard Method	-
(V) Capital Requirement to be Employed for Settlement Risk - Standard Method	-
(VI) Capital Requirement to be Employed for Market Risk Resulting From Options – Standard Method	-
(VII) Capital Requirement for Counterparty Credit Risk - Standard Method	657
(VIII) Capital Requirement to be Employed for Market Risk in Banks Using Risk Measurement Model	-
(IX) Total Capital Requirement to be Employed for Market Risk (I+II+III+IV+V+VI+VII) (*)	1,789
(X) Value at Market Risk (12.5 x VIII) or (12.5 x IX)	22,363

(*) For the purpose of the capital adequacy ratio calculation, 8% of total amount of TL 22,363 which is TL 1,789 was used for the market risk. TL 1,789 also represents the minimum capital amount to eliminate the related market risk.

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III. Consolidated market risk (continued)

b) Average market risk presentation of month ends calculated market risks:

	Current Period			Prior Period		
	Average	Maximum	Minimum	Average	Maximum	Minimum
Interest Rate Risk	476	1,225	29	537	953	421
Common Stock Risk (*)	232	977	6	568	651	339
Currency Risk	425	1,980	34	95	126	43
Commodity Risk	-	-	-	-	-	-
Settlement Risk	1	8	-	-	-	-
Option Risk	1	6	-	3	10	-
Counter Party Credit Risk (**)	816	1,795	175	241	473	157
Total Value-At-Risk (***)	24,375	51,675	10,163	18,047	22,750	14,288

(*) Includes capital requirements amount that is calculated for specific risk and market risk related to mutual funds positions.

(**) Represents counterparty credit risk related to trading books.

(***) The minimum and maximum values of total VaR represent the minimum and maximum values among month-end's total calculated VaRs, and are not related to the total of the components stated in the table.

Information related with counterparty credit risk:

Counterparty risk arising from repurchase agreements and derivative transactions recorded on trading books is calculated. Counterparty credit risk is recalculated within the scope of Valuation Method According to the Fair Value described in Annex-2 of the "Regulation on Measurement and Evaluation of Capital Adequacy of Banks". In this context, total counterparty credit risk consists of the sum of replacement cost of derivative transactions and potential risk amount. Replacement costs are included in the recalculation but only contracts with a positive fair value are taken into account. Potential credit risk amount is recalculated by the multiplication of the contract amount with the credit turnover ratios described in Valuation Method According to the Fair Value in Annex-2 of the "Regulation on Measurement and Evaluation of Capital Adequacy of Banks". Within trading books there is no conservation which has been purchased by way of credit derivatives.

Quantitative information related with counter party risk:

	Amount
Interest Rate Contracts	-
Foreign Exchange Rate Contracts	8,015
Commodity Contracts	-
Equity Shares Related Contracts	-
Other	-
Gross Positive Fair Values	239
Net-off Benefits	-
Net-off Current Risk Amount	-
Collaterals Received	-
Net Derivative Position (*)	8,254

(*) Includes amounts related with only trading books.

Required disclosures in case the capital requirement of the Parent Bank is calculated by a risk measurement model permitted by BRSA:

The Parent Bank does not use any risk measurement model for capital requirements.

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IV. Consolidated operational risk

The Group used the "Basic Indicators Approach" in computation of its operational risk. In accordance with the 3rd section 'Computation of the Operational Risk' of the "Regulation on Measurement and Evaluation of Capital Adequacy of Banks", published in the Official Gazette no. 29111 dated 6 September 2014, operational risk is computed using the gross income of the Group for the years ended 2014, 2013 and 2012. Operational risk used in computation of capital adequacy ratio per article I of this section is 8% of TL 314,453 which is TL 25,156. TL 25,156 represents also the minimum capital amount to eliminate the operational risk.

Information related with operational risk that is calculated with Basic Indicator Approach

	2 PP Amount	1 PP Amount	CP Amount	Total/No of years of positive gross	Rate(%)	Total
Gross Income	166,078	165,445	171,603	167,709	15	25,156
Value at Operational Risk (Total*12.5)						314,453

V. Consolidated foreign currency exchange rate risk

Foreign currency risk indicates the possibilities of the potential losses that banks are subject to due to adverse movements between currencies. The Parent Bank monitors foreign currency exchange rate risk in currency/TL and parity basis and uses different risk methods and tools for each. The Parent Bank hedges parity risks through spot/arbitrage transactions.

The Parent Bank's foreign currency exchange rate risk is measured by Standard Method and Value at Risk Method.

The Group considers all foreign currency assets and liabilities and currency forward transactions in measuring capital obligation against currency risk. Net short and long positions of TL equivalents of all types of currencies are calculated. Position with the higher absolute value, which is the basis for the capital obligation, is used measuring the capital obligation for currency risk.

The Parent Bank's Board of Directors determines the Parent Bank's limits, within regulatory limitations, related to short/long positions at any period. The Treasury Department of the Parent Bank is responsible from the management of price and liquidity risks on Turkish Lira or foreign currency in the domestic and international markets. Risk Management Department exercises continuous control on risks in the money markets and transactions creating these risks and reports to the Asset-Liability Committee of the Parent Bank weekly.

The Parent Bank's spot foreign exchange bid rates as at the balance sheet date and for each of the five days prior to that date (TL full).

	24/12/15	25/12/15	28/12/15	29/12/15	30/12/15	31/12/15
USD	2.9262	2.9187	2.9123	2.9157	2.9084	2.9076
GBP	4.3425	4.3414	4.3439	4.3417	4.3141	4.3007
EURO	3.1969	3.1968	3.1904	3.2006	3.1921	3.1776
JPY	0.0241	0.0242	0.0241	0.0241	0.0241	0.0241

The basic arithmetical average of the Parent Bank's foreign exchange bid rates for the last thirty one days ending 31 December 2015 (TL full):

	Monthly Average FC Exchange Bid Rates
USD	2.9154
GBP	4.3640
EURO	3.1658
JPY	0.0239

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V. Consolidated foreign currency exchange rate risk (continued)

Information on consolidated foreign currency exchange rate risk:

31 December 2015	EURO	USD	OTHER FC	TOTAL
Assets				
Cash (Cash in Vault, Foreign Currencies, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey (*)	6,795	850,894	50,384	908,073
Banks	17,022	270,407	2,758	290,187
Financial Assets at Fair Value Through Profit or Loss (**)	-	-	-	-
Interbank Money Market Placements	-	-	-	-
Investment Securities Available-for-Sale	-	816,518	-	816,518
Loans (***)	320,785	1,728,127	25,232	2,074,144
Investments in Subsidiaries and Associates	-	-	-	-
Investment Securities Held-to-Maturity	-	-	-	-
Hedging Purpose Financial Derivatives	-	-	-	-
Tangible Assets	-	-	-	-
Intangible Assets	-	-	-	-
Other Assets (**)	2,768	8,197	-	10,965
Total Assets	347,370	3,674,143	78,374	4,099,887
Liabilities				
Bank Deposits	1	-	-	1
Foreign Currency Deposits	261,280	878,970	11,786	1,152,036
Interbank Money Markets	-	410,774	-	410,774
Funds Borrowed from Other Financial Institutions	72,929	3,043,206	17,018	3,133,153
Marketable Securities Issued	-	-	-	-
Miscellaneous Payables	55,605	890	-	56,495
Hedging Purpose Financial Derivatives	-	-	-	-
Other Liabilities (**) (*****)	1,030	6,421	84	7,535
Total Liabilities (**) (*****)	390,845	4,340,261	28,888	4,759,994
Net On Balance Sheet Position	(43,475)	(666,118)	49,486	(660,107)
Net Off Balance Sheet Position	42,897	654,283	(48,728)	648,452
Financial Derivatives (Assets) (****)	44,486	727,505	8,990	780,981
Financial Derivatives (Liabilities) (****)	1,589	73,222	57,718	132,529
Non-cash Loans (****)	113,687	326,101	4,780	444,568
31 December 2014				
Total Assets (*) (**) (***)	154,265	791,097	49,481	994,843
Total Liabilities (**) (*****)	474,381	983,125	10,447	1,467,953
Net On Balance Sheet Position	(320,116)	(192,028)	39,034	(473,110)
Net Off Balance Sheet Position	320,240	191,451	(39,123)	472,568
Financial Derivatives (Assets) (****)	321,137	526,922	30,485	878,544
Financial Derivatives (Liabilities) (****)	897	335,471	69,608	405,976
Non-cash Loans (****)	100,108	330,175	3,851	434,134

(*) As at 31 December 2015 precious metals balance in the Central Bank accounts amounting to TL 49,419 is included in other FC (31 December 2014: TL 44,108).

(**) As at 31 December 2015, accrual differences of derivative transactions presented in "Financial Assets At Fair Value Through Profit or Loss" and "Negative Value of Trading Derivatives" amounting to TL 210 and TL 591 respectively, (31 December 2014: TL 638 and TL 5,544) and accrual differences of value dated transactions presented under liabilities in "Other External Resources" amounting to TL 116 are not included in the table, respectively.

(***) As at 31 December 2015, "Loans" balance includes, in addition to the balance sheet amount, foreign currency indexed loans and their accruals amounting to TL 251,111 (31 December 2014: TL 183,099).

(****) Has no effect on net off balance sheet position.

(*****) As at 31 December 2015, value dated FX buying and FX selling transactions amounting to TL 899 and TL 19,508 respectively, presented under "Asset Purchase and Sale Commitments" of off-balance sheet items are included (31 December 2014: TL 24,689 and TL 27,587). As at 31 December 2015 precious metal swap sales amounting to TL 49,419 in "Other" item of Derivatives Financial Instruments section of off-balance sheet items is included in Other FC column (31 December 2014: TL 66,162).

(*****) "Valuation Differences of Securities" amounting to TL (10,318) (31 December 2014: TL 3) classified under Equity as of 31 December 2015 is not included.

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V. Consolidated foreign currency exchange rate risk (continued)

The table below demonstrates prospective increase and decrease in equity and profit/loss as at 31 December 2015 and 2014 (excluding tax effect) on condition that 10 percent revaluation/devaluation of the foreign currencies below against TL. This analysis has been prepared assuming that other variables, particularly interest rates, remain constant.

Change in foreign currency rate	31 December 2015				31 December 2014			
	Income Statement		Equity (*)		Income Statement		Equity (*)	
	10% increase	10% decrease	10% increase	10% decrease	10% increase	10% decrease	10% increase	10% decrease
USD	(152)	152	(1,184)	1,184	(58)	58	(58)	58
EURO	(58)	58	(58)	58	12	(12)	12	(12)
Other FC	76	(76)	76	(76)	(9)	9	(9)	9
Total, net	(134)	134	(1,166)	1,166	(55)	55	(55)	55

(*) Equity effect includes income statement effect in the table.

VI. Consolidated interest rate risk

Consolidated interest rate risk is the probability of loss due to changes in interest rates depending on the Group's position regarding the interest bearing financial instruments.

Interest rate risk arises as a result of timing differences on the re-pricing of assets and liabilities, changes in correlation of interest rates between different financial instruments and, unexpected changes in the shape and slope of yield curves. Exposure to interest rate movements arises when there is a mismatch between rate sensitive assets and liabilities.

Interest rate risk is a key component of the Parent Bank's market risk and asset and liability management.

As part of asset and liability management, duration and sensitivity analysis are used to measure the effects of changes in yield curves on the balance sheet. The Parent Bank's management daily monitors interest rate movements in the market and revises the Parent Bank's interest rates.

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VI. Consolidated interest rate risk (continued)

Interest sensitivity of assets, liabilities and off-balance sheet items (based on reprising dates):

	Up to 1 Month	1 – 3 Months	3 –12 Months	1 – 5 Years	5 Years and Over	Non-Interest Bearing (*)	Total
31 December 2015							
Assets							
Cash (Cash in Vault, Foreign Currencies, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	-	860,947	-	-	-	84,592	945,539
Banks	280,212	-	-	-	-	20,183	300,395
Financial Assets at Fair Value Through Profit or Loss	188	24	-	-	-	18	230
Interbank Money Market Placements	77,031	-	-	-	-	-	77,031
Investment Securities Av.-for-Sale	47,904	140,391	79,983	767,968	50,048	160	1,086,454
Loans	792,482	299,516	1,166,537	1,368,486	477,714	45,885	4,150,620
Investment Securities Held-to-Mat.	-	-	-	-	-	-	-
Other Assets	27	-	-	-	-	109,926	109,953
Total Assets	1,197,844	1,300,878	1,246,520	2,136,454	527,762	260,764	6,670,222
Liabilities							
Bank Deposits	-	-	-	-	-	37	37
Other Deposits	1,052,991	606,192	20,390	-	-	454,939	2,134,512
Interbank Money Market Borrowings	368,915	-	149,902	-	-	-	518,817
Miscellaneous Payables	-	-	-	-	-	126,633	126,633
Securities Issued	-	-	-	-	-	-	-
Funds Borrowed from Other Fin.Inst.	348,929	449,209	2,355,669	1,691	-	-	3,155,498
Other Liabilities	4,256	-	-	-	-	730,469	734,725
Total Liabilities	1,775,091	1,055,401	2,525,961	1,691	-	1,312,078	6,670,222
Balance Sheet Long Position	-	245,477	-	2,134,763	527,762	-	2,908,002
Balance Sheet Short Position	(577,247)	-	(1,279,441)	-	-	(1,051,314)	(2,908,002)
Off Balance Sheet Long Position	-	-	-	-	-	-	-
Off Balance Sheet Short Position	-	-	-	-	-	-	-
Total Interest Sensitivity Gap	(577,247)	245,477	(1,279,441)	2,134,763	527,762	(1,051,314)	-

(*) Tangible and intangible assets amounting to TL 28,183, tax assets amounting to TL 7,033 and other assets amounting to TL 74,710 are presented within other assets as non-interest bearing; provisions amounting to TL 55,017, tax liability amounting to TL 10,533 other liabilities amounting to TL 67,725 and equity amounting to TL 597,194 are presented within other liabilities as non-interest bearing.

Interest rates applied to monetary financial instruments:

	EURO %	USD %	JPY %	TL %
31 December 2015 (*)				
Assets				
Cash (Cash in Vault, Foreign Currencies, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	-	0.30	-	5.39
Banks	0.05	0.70	-	13.03
Financial Assets at Fair Value Through Profit or Loss	-	-	-	-
Interbank Money Market Placements	-	-	-	15.81
Investment Securities Available-for-Sale	-	4.31	-	10.39
Loans	4.01	3.82	5.79	13.96
Investment Securities Held-to-Maturity	-	-	-	-
Liabilities				
Bank Deposits	-	-	-	-
Other Deposits	1.43	2.03	0.40	12.25
Interbank Money Market Borrowings	-	1.81	-	8.24
Miscellaneous Payables	-	-	-	-
Securities Issued	-	-	-	-
Funds Borrowed from Other Financial Institutions	1.19	1.36	-	6.64

(*) Stated at compound interest rates.

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VI. Consolidated interest rate risk (continued)

	Up to 1 Month	1 – 3 Months	3 – 12 Months	1 – 5 Years	5 Years and Over	Non-Interest Bearing (*)	Total
31 December 2014							
Assets							
Cash (Cash in Vault, Foreign Currencies, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	-	28,182	-	-	-	320,408	348,590
Banks	78,893	-	-	-	-	4,746	83,639
Financial Assets at Fair Value Through Profit or Loss	12,666	215	31	53	229	2,053	15,247
Interbank Money Market Placements	86,026	-	-	-	-	-	86,026
Investment Securities Av.-for-Sale	66,828	67,012	68,041	123	1,563	160	203,727
Loans	1,322,993	298,548	478,347	535,154	130,311	47,565	2,812,918
Investment Securities Held-to-Mat.	-	-	-	-	-	-	-
Other Assets	17	-	-	-	-	114,213	114,230
Total Assets	1,567,423	393,957	546,419	535,330	132,103	489,145	3,664,377
Liabilities							
Bank Deposits	164,997	-	-	-	-	30	165,027
Other Deposits	1,511,112	665,029	26,707	1	-	139,384	2,342,233
Interbank Money Market Borrowings	64,359	-	-	-	-	-	64,359
Miscellaneous Payables	-	-	-	-	-	8,805	8,805
Securities Issued	-	-	-	-	-	-	-
Funds Borrowed from Other Fin.Inst.	59,569	109,672	178,862	-	-	-	348,103
Other Liabilities	2,949	2,757	30	-	-	730,114	735,850
Total Liabilities	1,802,986	777,458	205,599	1	-	878,333	3,664,377
Balance Sheet Long Position	-	-	340,820	535,329	132,103	-	1,008,252
Balance Sheet Short Position	(235,563)	(383,501)	-	-	-	(389,188)	(1,008,252)
Off Balance Sheet Long Position	-	-	-	-	-	-	-
Off Balance Sheet Short Position	-	-	-	-	-	-	-
Total Interest Sensitivity Gap	(235,563)	(383,501)	340,820	535,329	132,103	(389,188)	-

(*) Tangible and intangible assets amounting to TL 28,795, tax assets amounting to TL 4,029 and other assets amounting to TL 81,389 are presented within other assets as non-interest bearing; provisions amounting to TL 43,657, tax liability amounting to TL 7,543, other liabilities amounting to TL 58,778 and equity amounting to TL 620,136 are presented within other liabilities as non-interest bearing.

Interest rates applied to monetary financial instruments:

Prior Period	EURO %	USD %	JPY %	TL %
31 December 2014 (*)				
Assets				
Cash (Cash in Vault, Foreign Currencies, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	-	-	-	1.51
Banks	-	0.40	-	11.45
Financial Assets at Fair Value Through Profit or Loss	0.79	3.33	-	-
Interbank Money Market Placements	-	-	-	11.85
Investment Securities Available-for-Sale	-	5.83	-	11.41
Loans	5.15	5.40	5.78	12.43
Investment Securities Held-to-Maturity	-	-	-	-
Liabilities				
Bank Deposits	0.99	1.51	-	-
Other Deposits	2.17	2.36	-	10.74
Interbank Money Market Borrowings	-	-	-	8.69
Miscellaneous Payables	-	-	-	-
Securities Issued	-	-	-	-
Funds Borrowed from Other Financial Institutions	1.75	1.65	-	7.25

(*) Stated at compound interest rates.

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VI. Consolidated interest rate risk (continued)

The interest rate risk of the banking book items:

The interest rate risk of the banking book items is prepared via the cash flow of interest sensitive balance sheet and off-balance sheet positions for bank accounts, over the maturity for fixed interest rate instruments and over the re-pricing period for variable interest rate instruments.

Present values of the net positions obtained over related cash flows are calculated by yield curves formed by using market interest rates. The proportion of the differences arising from implementation of positive and negative standard shocks to equity is followed.

For products with non-specified maturities, maturity is determined based on interest rate setting frequency and customer behaviors. These results are supported by periodical sensitivity and scenario analysis against prospective fluctuations in the market.

The interest rate risk of the banking book items is measured legally in accordance with the "Regulation on Measurement and Evaluation of Interest Rate Risk Arising from Banking Accounts via Standard Shock Method", published in the Official Gazette no. 28034 dated 23 August 2011, and the legal limit based on this measurement is monitored and reported monthly.

The interest rate risks of financial instruments on trading portfolio are considered within the scope of the market risk.

Type of Currency	Shocks Applied (+/- basis points)	Gains/Losses	Gains/Equity- Losses/Equity
TL	500	(66,539)	(10.9%)
	(400)	61,869	10.1%
EURO	200	(2,634)	(0.4%)
	(200)	1	0.0%
USD	200	(95,754)	(15.6%)
	(200)	111,503	18.2%
Total (of negative shocks)		173,373	28.3%
Total (of positive shocks)		(164,927)	(26.9%)

In accordance with the "Regulation on Measurement and Evaluation of Interest Rate Risk Arising from Banking Accounts via Standard Shock Method", economic valuation differences of Parent Bank arising from fluctuations on interest rates, in different currencies, are presented in the table below (excluding tax effect) as at 31 December 2015. Tax impacts are excluded in the study. It states the amount deducted from capital at an amount of TL 42,918 in the capital adequacy calculation dated 31 December 2015 sourcing from exceeding the determined maximum ratio two times in one year in scope of article 5 "Incompatibility with Rational Limits" of Regulation on Measurement and Evaluation of Interest Rate Sourcing From Banking Accounts through Standard Shock Method" published in Official Gazette dated August 23, 2011 and numbered 28034.

VII. Consolidated position risk of equity securities of banking accounts

None.

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VIII. Consolidated liquidity risk

Liquidity risk is the risk generated as a result of not having an effect or cash inflow at a level which can meet cash outflow, formed because of an imbalance in cash flow, timely and completely.

Liquidity risk can also be formed as a result of not closing positions with appropriate prices and in required time because of market conditions.

The Parent Bank established Liquidity Management Principles in order to monitor, audit and manage its liquidity position and liquidity requirement. Liquidity risk of the Parent Bank is managed through taking potential funding sources, unexpected situation plans and legal limits into consideration within the framework of limits which are updated at least annually.

It is aimed to carry out activities through ensuring a liquidity level which can provide to make payments at any time to sustain the trustable bank image of the Parent Bank in the sector via taking risk/return balance of the Parent Bank into consideration. Cash inflow and outflows in Turkish Lira and foreign currencies are tried to be kept under control continuously in liquidity risk management approach, long-term cash flow tables are formed and scenario analysis based on expectations and stress tests are performed to determine the resistance against the sudden crisis.

Liquidity risk management is performed by Assets and Liability Committee (ALC) and Treasury Department under the guidance of Audit Committee. Liquidity risk management under stress conditions is performed in the framework of Emergency Situation Funding Plan. ALC is responsible to measure, monitor and manage liquidity risk and net funding requirement periodically and follow its implementations and to plan necessary precautions for urgent and unexpected conditions occurring related to liquidity of the Parent Bank. Treasury Department is responsible to plan the access of the Parent Bank to the market for short, medium and long term fund requirements, monitor and evaluate funding requirement under different scenarios and plan necessary precautions for urgent and unexpected conditions occurring related to liquidity of the Parent Bank.

Parent Bank's Risk Management Department is responsible to define, measure, monitor the liquidity risk periodically and report to senior management. Risk Management Department also provides coordination in the management of liquidity management process. Risk Management Department monitors the liquidity risk via specific ratios and submit it to ALC weekly.

Liquidity management is not performed centrally. The Parent Bank does not function as a central funding institution in its relation with partners. Funding management of the Parent Bank is operated in the framework of ALC decisions. The liabilities of the Parent Bank are mainly liabilities provided in TL, USD and EUR currencies. Foreign currency funds are used to generate TL assets via swap transactions for the purpose of liquidity management. Derivative transactions are used in scope of liquidity reduction techniques. Cash flow analysis is made on the basis of TL and YP and estimated liquidity requirement is calculated. The action plans are prepared and the liquidity position is evaluated through warnings applied to assets and liabilities of the Parent Bank to determine stresses which can occur on the liquidity position of the Parent Bank. The Parent Bank makes scenario analysis taking delays and non-payment in credit payments, deposit withdrawn, and non-liquidation of securities into consideration as stress cases. It is detailed in emergency liquidity management process and Liquidity Emergency Funding Plan. This plan determines the gradation of resources which shall be used for responsibilities, communication channels, funding sources and urgent requirements.

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VIII. Consolidated liquidity risk (continued)

Presentation of assets and liabilities according to their residual maturities:

	Demand	Up to 1 month	1-3 months	3-12 Months	1-5 Years	5 years and Over	Undist. (*)	Total
31 December 2015								
Assets								
Cash (Cash in Vault, Foreign Currencies, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	336,488	609,051	-	-	-	-	-	945,539
Banks	20,183	280,212	-	-	-	-	-	300,395
Financial Assets at Fair Value Through Profit or Loss	18	188	24	-	-	-	-	230
Interbank Money Market Placements	-	77,031	-	-	-	-	-	77,031
Investment Securities Available-for-Sale	160	1,037	111,584	79,926	824,120	69,627	-	1,086,454
Loans	-	429,402	349,926	869,302	1,894,917	561,188	45,885	4,150,620
Investment Securities Held-to-Maturity	-	-	-	-	-	-	-	-
Other Assets	-	62,541	862	746	23	7,033	38,748	109,953
Total Assets	356,849	1,459,462	462,396	949,974	2,719,060	637,848	84,633	6,670,222
Liabilities								
Bank Deposits	37	-	-	-	-	-	-	37
Other Deposits	454,939	1,052,991	606,192	20,390	-	-	-	2,134,512
Funds Borrowed from Other Financial Institutions	-	348,929	449,209	2,355,669	1,691	-	-	3,155,498
Interbank Money Markets	-	368,915	-	149,902	-	-	-	518,817
Marketable Securities Issued	-	-	-	-	-	-	-	-
Miscellaneous Payables	126,633	-	-	-	-	-	-	126,633
Other Liabilities	-	79,957	2,557	-	-	-	652,211	734,725
Total Liabilities	581,609	1,850,792	1,057,958	2,525,961	1,691	-	652,211	6,670,222
Net Liquidity Gap	(224,760)	(391,330)	(595,562)	(1,575,987)	2,717,369	637,848	(567,578)	-
Net off balance sheet position	-	(7,140)	(695)	-	-	-	-	(7,835)
Derivative financial assets (***)	-	794,396	7,100	-	-	-	-	801,496
Derivative financial liabilities (***)	-	801,536	7,795	-	-	-	-	809,331
Non-cash loans(**)	295,767	57,634	49,315	182,647	137,479	8,492	-	731,334
31 December 2014								
Total Assets	223,569	1,051,716	500,757	1,057,211	589,852	153,359	87,913	3,664,377
Total Liabilities	148,219	1,866,624	780,134	205,587	20	-	663,793	3,664,377
Net Liquidity Gap	75,350	(814,908)	(279,377)	851,624	589,832	153,359	(575,880)	-
Net off balance sheet position	-	8,612	(2,703)	4	-	-	-	5,913
Derivative financial assets (***)	-	776,161	106,768	2,383	-	-	-	885,312
Derivative financial liabilities (***)	-	767,549	109,471	2,379	-	-	-	879,399
Non-cash loans(**)	343,515	78,001	97,179	248,605	81,220	1,057	-	849,577

(*) Assets on the balance sheet which are not convertible into cash in short period; tangible and intangible assets amounting to TL 28,183 stationary supplies amounting to TL 638, assets to be disposed of amounting to TL 9,927, loans in follow-up amounting to TL 45,885 and liabilities on the balance sheet which are necessary for the banking operations; provisions amounting to TL 55,017 and equity amounting to TL 597,194 are included here.

(**) The letter of guarantees without a defined maturity date due to their business nature are presented at demand column.

(***) As at 31 December 2015, spot foreign currency purchase and sale transactions with value date amounting to TL 20,139 and TL 20,093, respectively, are presented under "Asset Purchase and Sale Commitments" of off-balance sheet items (31 December 2014: TL 28,997 and TL 29,099).

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VIII. Consolidated liquidity risk (continued)

Liquidity coverage ratios calculated weekly on bank only basis and monthly on consolidated basis are subject to regulatory reporting starting from 1 January 2015 as per "Regulation on Liquidity Coverage Ratio Calculation" published in the Official Gazette no. 28948, dated 21 March 2014. Liquidity coverage ratios should be at least 40% for foreign currency denominated assets and liabilities and 60% for total assets and liabilities for 2015. Monthly consolidated liquidity coverage ratios for the twelve months of 2015 are as follows:

Liquidity Coverage Ratios		FC Liquidity Coverage Ratio		Total Liquidity Coverage Ratio
31 December 2015		423.0		246.4
Average (%)		395.5		215.4
	Min FC (%)	Min Sum (%)	Max FC (%)	Max Sum (%)
Month	October 2015	October 2015	November 2015	December 2015
Ratio (%)	323.9	191.5	439.7	246.4

Current Period

	Unweighted Amounts(**)		Weighted Amounts(**)	
	TP+FC	FC	TP+FC	FC
HIGH QUALITY LIQUID ASSETS				
High Quality Liquid Assets			1,140,423	904,044
CASH OUTFLOWS				
Retail and Small Business Customers Deposits	1,452,226	604,698	119,996	51,989
Stable deposits	504,528	169,615	25,226	8,481
Less stable deposits	947,698	435,083	94,770	43,508
Unsecured Funding other than Retail and Small Business Customer Deposits	1,511,721	1,178,823	923,023	781,863
Operational deposits	12,819	-	2,666	-
Non-Operational Funding	951,406	659,264	376,651	262,304
Other Unsecured Funding	547,496	519,559	543,706	519,559
Secured funding	-	-	-	-
Other Cash Outflows	664,855	54,481	664,855	54,481
Liquidity needs related to derivatives and market valuation changes on derivatives transactions	664,855	54,481	664,855	54,481
Debts related to the structured financial products	-	-	-	-
Commitments related to debts to financial markets and other off balance sheet liabilities	44,457	27,781	17,783	11,113
Commitments that are unconditionally revocable at any time by the Bank and other contractual commitments	88,860	88,860	4,443	4,443
Other irrevocable or conditionally revocable commitments	728,965	232,703	67,683	23,277
TOTAL CASH OUTFLOWS			1,797,783	927,166
CASH INFLOWS				
Secured Lending Transactions	-	-	-	-
Unsecured Lending Transactions	703,965	362,072	626,957	352,162
Other contractual cash inflows	660,072	659,366	660,072	659,366
TOTAL CASH INFLOWS	1,364,037	1,021,438	1,287,029	1,011,528
Capped Amounts				
TOTAL HIGH LIQUIDITY ASSETS			1,140,423	904,044
TOTAL NET CASH OUTFLOWS(*)			510,754	231,792
Liquidity Coverage Ratio(%)			223%	390%

(*)The part of total cash inflows which exceeds 75% of total cash outflows is not being taken into account during the calculation of related amounts

(**) Monthly simple arithmetic average of consolidated liquidity coverage ratios for the last quarter of 2015 is calculated.

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VIII. Consolidated liquidity risk (continued)

Prior Period	Unweighted Amounts (**)		Weighted Amounts (**)	
	TP+FC	FC	TP+FC	FC
HIGH QUALITY LIQUID ASSETS				
High Quality Liquid Assets	-	-	451,730	239,614
CASH OUTFLOWS				
Retail and Small Business Customers Deposits	1,441,483	569,046	124,991	50,180
Stable deposits	383,140	134,501	19,157	6,725
Less stable deposits	1,058,343	434,545	105,834	43,455
Unsecured Funding other than Retail and Small Business Customer Deposits	1,227,676	874,486	788,745	632,119
Operational deposits	13,063	-	2,963	-
Non-Operational Funding	831,176	528,886	405,568	286,519
Other Unsecured Funding	383,437	345,600	380,214	345,600
Secured funding	-	-	-	-
Other Cash Outflows	561,704	44,546	561,704	44,546
Liquidity needs related to derivatives and market valuation changes on derivatives transactions	561,704	44,546	561,704	44,546
Debts related to the structured financial products	-	-	-	-
Commitments related to debts to financial markets and other off balance sheet liabilities	58,546	41,302	23,419	16,521
Commitments that are unconditionally revocable at any time by the Bank and other contractual commitments	124,583	124,583	6,229	6,229
Other irrevocable or conditionally revocable commitments	840,689	244,404	75,504	24,154
TOTAL CASH OUTFLOWS			1,580,592	773,749
CASH INFLOWS				
Secured Lending Transactions	-	-	-	-
Unsecured Lending Transactions	513,837	54,362	396,368	41,907
Other contractual cash inflows	556,400	556,400	556,400	556,400
TOTAL CASH INFLOWS	1,070,237	610,762	952,768	598,307
			Capped Amounts	
TOTAL HIGH LIQUIDITY ASSETS			451,730	239,614
TOTAL NET CASH OUTFLOWS (*)			627,824	193,437
Liquidity Coverage Ratio(%)			72%	124%

(*)The part of total cash inflows which exceeds 75% of total cash outflows is not being taken into account during the calculation of related amounts.

(**) Monthly simple arithmetic average of consolidated liquidity coverage ratios for the last quarter of 2014 is calculated.

There is an increase in the liquidity coverage ratio because of the credits provided from abroad by the Bank in current period. The Bank accepts required reserves, deposit and drawing accounts in Central Bank of Republic of Turkey and safety deposit and asset stock and borrowing instruments issued by Undersecretariat of Treasury as premium quality liquid assets. Credits, provided from abroad, are the main fund resources while deposit and repo are other resources regarding funding. The opposite parties of repo transactions are Central Bank of Republic of Turkey and banks and there is no concentration. A significant part of funds, provided from abroad, is provided by the own group of the Bank.

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IX. Information regarding consolidated leverage ratio

Consolidated leverage ratio of the Parent Bank's calculated based on last 3 months average amounts is 7.70% as of December 31, 2015 (31 December 2014:13.11%). This ratio is above the minimum ratio. The main reason behind the decrease in current period leverage ratio, compared to the previous year, is the increase in amounts related to credit risk.

	Current Period(*)	Prior Period(*)
On-Balance sheet exposures		
On-Balance sheet assets (Excluding derivative financial instruments and credit derivatives, including collaterals)	6,507,126	3,494,084
(Assets amounts deducted in determining Tier 1 capital)	(15,940)	(3,949)
Total on-Balance sheet exposures	6,491,186	3,490,135
Derivative financial instruments and credit derivatives		
Replacements cost of derivative financial instruments and credit derivatives	-	-
Potential credit risk of derivative financial instruments and credit derivatives	11,693	13,922
Total derivative financial instruments and credit derivatives exposure	11,693	13,922
Securities financial instruments and credit derivatives		
Total risk of gross securities financing transactions (excluding on-balance sheet exposure)	47,001	206
Agent transaction exposure	-	-
Total securities financing transactions exposures	47,001	206
Off-balance sheet items		
Off-balance sheet exposure at gross notional amount	940,280	1,157,444
(Adjustments for conversions to credit equivalent amounts)	-	-
Total risk of off-balance sheet items	940,280	1,157,444
Capital and total exposure		
Tier 1 capital	576,862	611,226
Total exposures	7,490,160	4,661,706
Leverage ratio (%)	7.7%	13.11%

(*) In current period and prior period table, the arithmetic average of the last 3 months.

X. Information related to consolidated credit risk mitigation techniques

As of 31 December 2015, Group has no securitization position (31 December 2014: None)

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XI. Credit risk mitigation techniques:

The Group applies Credit Risk Mitigation according to the comprehensive method in compliance with the article 37 of the "Regulation on Credit Risk Mitigation Techniques". Only cash and equivalent collaterals are taken into account for the purpose of credit risk mitigation. Financial guarantees are valued in line with market value and evaluated in the scope of Main Partner Bank credit allocation and monitoring policies. There is no master netting arrangement.

Collaterals according to risk classifications:

Risk Classifications	Amount (**)	Financial Collaterals	Other/ Physical Collaterals	Guaranties and Credit Derivatives
Claims on sovereigns and Central Banks	1,565,453	93,721	-	-
Claims on regional governments or local authorities	-	-	-	-
Claims on administrative bodies and other non-commercial enterprises	807	-	-	-
Claims on multilateral development banks	-	-	-	-
Claims on international organizations	-	-	-	-
Claims on banks and capital market intermediary	2,169,714	1,104,456	-	-
Claims on corporate receivables	2,895,769	538,350	-	96
Claims included in the regulatory retail portfolios	112,888	5,471	-	-
Claims secured by residential property (*)	574,752	17,061	-	102
Non-performing receivables	45,885	-	-	-
Higher risk categories decided by Agency	198,654	7,194	-	-
Mortgage collateralized marketable securities	-	-	-	-
Securitization exposures	-	-	-	-
Short-term claims on banks and intermediary institutions and corporate receivables	-	-	-	-
Undertakings for collective investments in transferable securities	-	-	-	-
Other receivables	129,350	-	-	-
Total	7,693,272	1,766,253	-	198

(*) As per the Article 6 of the "Regulation on Measurement and Evaluation of Capital Adequacy of Banks" the mortgages considered for determination of the risk classes are not considered as collateral.

(**) Risk figures present amounts before credit risk mitigation, after credit conversion rate process.

XII. Information related to consolidated risk management target and policies

Risk Management contains all processes of identifying, measuring, monitoring, limit determination, identifying the areas of risk concentration and reporting the risks the Parent Bank is or will be exposed to due to its facilities.

Risk Management organization constituted to systematically manage the risks the Parent Bank is or will be exposed to, consists of the Independent Audit Committee connected directly to the Board of Directors, Risk Management Department fulfilling the responsibilities to Board of Directors via this committee and certain individual risk management committees including senior management or relevant processes.

Risk Management Department consists of market risk unit and credit and operational risk unit, business continuity is performed by business continuity committee within the framework of Parent Bank Business Continuity Strategy. Risk management committees are market risk committee, credit risk committee, operational risk committee and business continuity committee.

Necessary manners are identified to update, adjust for changing circumstances, implement and manage the policies determined to identify and manage the risks the Parent Bank is exposed to. These risks are measured and managed with accepted international procedures and procedures complied with international and local regulations, policies and procedures of the Parent Bank.

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XII. Information related to consolidated risk management target and policies (continued)

The Parent Bank data and market data are monitored regularly in order to manage the risk. To restrain the risks, certain in-bank limits are determined besides the legal limits. Probable economic changes and risks confronted under tough conditions are taken into consideration.

Reporting units that are responsible for all risks, the frequency and the address of reporting is determined separately in policy documents including each risk management process. Additionally, Risk Management Department regularly reports the risk analysis of the Parent Bank, periodical progress and limit usage of risks and state of chance to Asset-Liability Committee and Audit Committee.

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

Investment securities in current period includes only marketable interest bearing assets. Market/fair/current value of marketable assets is defined based on quoted market prices for other securities, which are subject to redemption in the same nature with respect to interest, maturity and other conditions, if the market price or this price cannot be defined.

Estimated fair value of demand deposit states the amount which shall be paid on demand. Fair value of adjustable-rate placements and overnight deposit states the book value. Estimated fair value of fixed rate is calculated through determination of cash flow discounted via using money market interest rates which is applicable to similar credit risk and other debts having with a remaining redemption. Fair value of credits is calculated through determination of cash flow discounted via using money market interest rates which is applicable to similar credit risk and other debts having with a remaining redemption. Fair value states the book value since the other debts are short-termed.

In the table below; fair values and carrying values of some of the financial assets and liabilities are presented.

	Carrying value		Fair value	
	31 December 2015	31 December 2014	31 December 2015	31 December 2014
Financial Assets	5,568,615	3,138,745	5,539,427	3,145,383
Interbank money market	77,031	86,026	77,031	86,026
Banks	300,395	83,639	300,395	83,639
Investment securities available-for-sale (Net)	1,086,454	203,727	1,086,454	203,727
Investment securities held-to-maturity (Net)	-	-	-	-
Loans (*)	4,104,735	2,765,353	4,075,547	2,771,991
Financial Liabilities	5,416,680	2,864,168	5,425,245	2,865,451
Bank deposits	37	165,027	37	165,027
Other deposits	2,134,512	2,342,233	2,135,544	2,342,968
Funds borrowed from other financial institutions	3,155,498	348,103	3,163,031	348,651
Securities issued (Net)	-	-	-	-
Miscellaneous payables	126,633	8,805	126,633	8,805

(*) Loans under follow up and specific provisions are not included.

"TFRS 7: Financial Instruments – Disclosures" describes classifications of valuation techniques based on observability of data used in valuation techniques which are basis for fair value measurements. Classification of fair values is defined as follows.

- Level 1: Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices);
- Level 3: Fair value measurements using inputs for the assets or liability that are not based on observable market data (unobservable inputs).

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XIII. Presentation of financial assets and liabilities at their fair value (continued)

The table below presents the classification of fair values of financial instruments carried at fair value:

31 December 2015	Level 1	Level 2	Level 3	Total
Financial Assets	554,025	532,499	160	1,086,684
Financial Assets At Fair Value Through Profit or Loss	18	212	-	230
Share Certificates	18	-	-	18
Trading Derivatives	-	212	-	212
Investment Securities Available for Sale	554,007	532,287	160	1,086,454
Share Certificates	-	-	160	160
Public Sector Debt Securities	554,007	-	-	554,007
Other Securities	-	532,287	-	532,287
Financial Liabilities	-	4,253	-	4,253
Trading Derivatives	-	4,253	-	4,253
31 December 2014	Level 1	Level 2	Level 3	Total
Financial Assets	199,864	14,786	4,324	218,974
Financial Assets At Fair Value Through Profit or Loss	461	14,786	-	15,247
Share Certificates	36	-	-	36
Public Sector Debt Securities	425	-	-	425
Trading Derivatives	-	12,769	-	12,769
Other Securities	-	2,017	-	2,017
Investment Securities Available for Sale	199,403	-	4,324	203,727
Share Certificates	-	-	160	160
Public Sector Debt Securities	199,403	-	-	199,403
Other Securities	-	-	4,164(*)	4,164
Financial Liabilities	-	5,615	-	5,615
Trading Derivatives	-	5,615	-	5,615

(*) Financial assets, classified under aforementioned Level 3, are redeemed in the current year.

The Bank shows the buildings, included in property, plant and equipment, over their fair values. The aforementioned fair value valuations are classified as level 3. Fair value of buildings is determined by an independent valuation company authorized by Capital Markets Board of Turkey and Banking Regulation and Supervision Agency.

XIV. Activities carried out on behalf and account of other persons

The Group performs sales, purchase, management, consultancy and custody services on behalf and account of others. The Group is not involved in fiduciary activities.

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XV. Consolidated segment reporting

The Group performs activities in areas of retail banking, corporate banking and investment banking including treasury transactions.

Corporate banking offers TL and foreign currency loans, corporate deposit operations, cash management, foreign currency purchases and sales, non-cash transactions (letters of credit, letters of guarantee, prefinancing, bills of exchange) and custody services.

Treasury department is consisted of Balance Sheet Management and Sales units. The Balance Sheet Management unit follows up the Parent Bank's cash flows, liquidity management, marketable securities portfolio and transfer pricing activities. Sales unit is responsible for marketing all types of bills and bonds, foreign exchange transactions and derivative products including forwards and options to its customers. Tekstil Yatırım, subsidiary of Parent Bank, intermediates for capital markets products and provides investment fund and portfolio management services.

Servicing the middle-upper segment of retail customers who require sophisticated banking and investment services falls within the scope of retail banking. Credit card services are also within the activities of retail banking.

Information related to the segments of the Group:

Segment reporting is prepared according to the 28th article of the BRSA's "Communiqué on the Financial Statements to be announced to public by Banks as well as Explanations and Footnotes Thereof", which is published in the Official Gazette no. 26333 dated 1 November 2006.

31 December 2015	Retail Banking	Corporate Banking	Investment Banking and Others	Total Operations
Operating Income	31,732	90,445	74,578	196,755
Operating profit of segment	(3,863)	(22,107)	12,312	(13,658)
Costs not distributed	-	-	-	-
Operating profit	(3,863)	(22,107)	12,312	(13,658)
Income from subsidiaries	-	-	-	-
Profit before tax	(3,863)	(22,107)	12,312	(13,658)
Tax provision (-)	-	-	(116)	(116)
Profit after tax	(3,863)	(22,107)	12,428	(13,542)
Non-controlling rights	-	-	-	-
Net Profit	(3,863)	(22,107)	12,428	(13,542)
Segment assets (*)	502,690	3,628,407	2,539,125	6,670,222
Investments in subsidiaries	-	-	-	-
Total Assets	502,690	3,628,407	2,539,125	6,670,222
Segment liabilities (*)	1,398,918	784,728	3,889,382	6,073,028
Equity	-	-	597,194	597,194
Total Liabilities	1,398,918	784,728	4,486,576	6,670,222
Other Segment Items	4,748	26,864	10,452	42,064
Capital expenditure	-	-	2,031	2,031
Depreciation and amortization	262	514	3,477	4,253
Impairment losses (**)	4,486	26,350	4,944	35,780
Other non-cash income-expenses	-	-	-	-
Restructuring costs	-	-	-	-

(*) Assets in others column contain tangible assets, intangible assets, assets held for sale, deferred tax assets and assets not distributed. Liabilities in others column contain general provisions, reserve for employee benefits, current tax liabilities and liabilities not distributed.

(**) Includes loss in value of marketable securities, fixed assets, assets to be disposed of and associates and special loan loss amount.

Based on information that is presented in the table above, segments of the Group are distributed based on their asset sizes as percentages in current period as; 54% for corporate banking, 8% for retail banking, 38% for investment banking and others segment. Gross income (operational income) of the Group is distributed between corporate banking, retail banking and investment banking and others segment as 46%, 38%, and 16%, respectively.

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XV. Consolidated segment reporting (continued)

Explanations on business segments are prepared on the basis of data obtained from Parent Bank Management Reporting System.

31 December 2014	Retail Banking	Corporate Investment Banking Banking	and Others	Total Operations
Operating Income	17,295	87,435	85,959	190,689
Operating profit of segment	(12,905)	(25,251)	53,983	15,827
Costs not distributed	-	-	-	-
Operating profit	(12,905)	(25,251)	53,983	15,827
Income from subsidiaries	-	-	-	-
Profit before tax	(12,905)	(25,251)	53,983	15,827
Tax provision (-)	-	-	3,067	3,067
Profit after tax	(12,905)	(25,251)	50,916	12,760
Non-controlling rights	-	-	-	-
Net Profit	(12,905)	(25,251)	50,916	12,760
Segment assets (*)	400,147	2,442,547	821,683	3,664,377
Investments in subsidiaries	-	-	-	-
Total Assets	400,147	2,442,547	821,683	3,664,377
Segment liabilities (*)	1,457,810	924,215	662,216	3,044,241
Equity	-	-	620,136	620,136
Total Liabilities	1,457,810	924,215	1,282,352	3,664,377
Other Segment Items	3,666	33,706	17,532	54,904
Capital expenditure	-	-	12,515	12,515
Depreciation and amortization	257	488	3,259	4,004
Impairment losses (**)	3,409	33,218	1,758	38,385
Other non-cash income-expenses	-	-	-	-
Restructuring costs	-	-	-	-

(*) Assets in others column contain tangible assets, intangible assets, assets held for sale, deferred tax assets and assets not distributed. Liabilities in others column contain general provisions, reserve for employee benefits, current tax liabilities and liabilities not distributed.

(**) Includes loss in value of marketable securities, fixed assets, assets to be disposed of and associates and special loan loss amount.

Based on information that is presented in the table above, segments of the Group are distributed based on their asset sizes as percentages in prior period as; 67% for corporate banking, 11% for retail banking, 22% for investment banking and others segment. Gross income (operational income) of the Group is distributed between corporate banking, retail banking and investment banking and others segment as 46%, 45%, and 9%, respectively.

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SECTION FIVE

DISCLOSURES AND FOOTNOTES ON CONSOLIDATED FINANCIAL STATEMENTS

I. Information and disclosures related to consolidated assets

1. Information related to cash and balances with the Central Bank of Turkey:

a) Cash and balances with the Central Bank of Turkey:

	31 December 2015		31 December 2014	
	TL	FC	TL	FC
Cash	16,099	18,968	14,904	15,849
Central Bank of Turkey (CBRT) (*)	21,367	889,105	28,203	289,634
Others	-	-	-	-
Total	37,466	908,073	43,107	305,483

b) Balances with the Central Bank of Turkey:

	31 December 2015		31 December 2014	
	TL	FC	TL	FC
Unrestricted Demand Deposits (*)	21,367	280,054	28,203	157,654
Unrestricted Time Deposits	-	-	-	-
Restricted Time Deposits	-	609,051	-	131,980
Total	21,367	889,105	28,203	289,634

(*) As at 31 December 2015, the Parent Bank keeps precious metals amounting to TL 49,419 as reserve deposits at Central Bank of Turkey (31 December 2014: TL 44,108).

c) Explanation related to reserve deposits:

In accordance with the "Communiqué Regarding the Reserve Requirements no. 2005/1", the Parent Bank is required to maintain reserves in CBRT for TL and foreign currency liabilities. The reserve requirements can be maintained as TL, USD, EUR and standard gold. Interest payments are made to required reserves held as TL as of November 2014 and required reserves held as USD as of May 2015, reserve options and free/open accounts. The reserve rates for TL liabilities vary between 5% and 11.5% due their maturity profile as of 31 December 2015 (31 December 2014: between 5% and 11.5%); the reserve rates for foreign currency liabilities vary between 5% and 25% (31 December 2014: 6% and 13%).

2. Financial assets at fair value through profit or loss (net):

a) Financial assets at fair value through profit or loss given as collateral/blocked and subject to repurchase agreements:

As at 31 December 2015 and 2014, the financial assets at fair value through profit or loss are kept under unrestricted account.

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I. Information and disclosures related to consolidated assets (continued)

b) Positive value of trading derivatives:

	31 December 2015		31 December 2014	
	TL	FC	TL	FC
Forward transactions	2	-	32	7
Swap transactions	-	210	12,099	631
Futures	-	-	-	-
Options	-	-	-	-
Other	-	-	-	-
Total	2	210	12,131	638

3. Information on banks:

a) Information on banks:

	31 December 2015		31 December 2014	
	TL	FC	TL	FC
Banks				
Domestic	10,208	270,209	38,321	40,581
Foreign	-	19,978	-	4,737
Foreign branches	-	-	-	-
Total	10,208	290,187	38,321	45,318

b) Foreign banks:

	Unrestricted Amount		Restricted Amount	
	31 December 2015	31 December 2014	31 December 2015	31 December 2014
EU Countries	4,551	2,647	-	-
USA, Canada	1,232	1,705	-	-
OECD Countries (*)	581	385	-	-
Off shore zones	-	-	-	-
Other	13,614	-	-	-
Total	19,978	4,737	-	-

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

4. Information on investment securities available-for-sale (net):

a) Investment securities available-for-sale given as collateral or blocked:

	31 December 2015		31 December 2014	
	TL	FC	TL	FC
Given as collateral or blocked	13,240	-	10,217	-
Subject to repurchase agreements	108,638	489,413	64,480	-
Total	121,878	489,413	74,697	-

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I. Information and disclosures related to consolidated assets (continued)

As at 31 December 2015, investment securities available-for-sale other than those given as collateral or subject to repurchase agreements amounting to TL 475,163 are unrestricted (31 December 2014: TL 129,030).

b) Available-for-sale securities:

	31 December 2015	31 December 2014
Debt instruments	1,102,889	203,569
Listed	560,611	199,405
Unlisted	542,278	4,164
Equity instruments	160	160
Listed	-	-
Unlisted	160	160
Impairment provision (-) / charge (+)	16,595	2
Total	1,086,454	203,727

5. Information related to loans:

a) Information on all types of loans and advances given to shareholders and employees of the Parent Bank:

As explained in Section I Disclosure II, GSD Holding A.Ş., the major shareholder of the Parent Bank, has sold 75.5% shares of the Parent Bank to ICBC. The aforementioned sale transaction took place as at 22 May 2015. Therefore, in the table below, loans and advances given to shareholders refer to GSD Group as at 31 December 2014 and ICBC as at 31 December 2015.

	31 December 2015		31 December 2014	
	Cash	Non-Cash	Cash	Non-Cash
Direct loans granted to shareholders	613,594	71,208	26,372	2
Corporate shareholders(*)	613,594	71,208	26,372	2
Individual shareholders	-	-	-	-
Indirect loans granted to shareholders(**)	458,207	-	42,448	515
Loans granted to employees	1,819	-	1,693	-
Total	1,073,620	71,208	70,513	517

(*) Main Partner Bank considers the credit, which it provided to Industrial and Commercial Bank of China (ICBC) at an amount of TL 613,594, as cash reserve as of December, 31, 2015 in accordance with the Account Pledge Contract dated June 25, 2015 concluded with its main investor ICBC.

(**) Main Partner Bank considers the indirect credits provided to partners of the Bank as cash reserve as of December 31, 2015.

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I. Information and disclosures related to consolidated assets (continued)

- b) Information about loans classified in groups I and II and other receivables and loans that have been restructured or rescheduled:

Cash Loans	Standard Loans and Other Receivables			Loans and Other Receivables Under Close Monitoring		
	Loans and Other Receivables (Total)	Conditions of Contracts Amended		Loans and Other Receivables (Total)	Conditions of Contracts Amended	
		Amendments related to the extension of the payment plan	Other		Amendments related to the extension of the payment plan	Other
Non-specialized loans	4,009,592	1,835	-	88,446	25,380	-
Enterprise loans	-	-	-	-	-	-
Export loans	240,793	-	-	616	-	-
Import loans	-	-	-	-	-	-
Loans given to financial sector	1,121,216	-	-	-	-	-
Consumer loans	441,347	1,835	-	19,177	89	-
Credit cards	25,494	-	-	1,659	-	-
Other (*)	2,180,742	-	-	66,994	25,291	-
Specialized loans	6,283	18	-	414	-	-
Other receivables	-	-	-	-	-	-
Total	4,015,875	1,853	-	88,860	25,380	-

(*) The loans and other receivables also include Tekstil Yatırım loan receivables from customers amounting to TL 30,221.

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I. Information and disclosures related to consolidated assets (continued)

Information about changes in the payment schedule and payment terms of loans classified in groups I and II and other receivables:

Number of Amendments Related to the Extension of the Payment Plan	Standard Loans and Other Receivables	Loans and Other Receivables Under Close Monitoring
Extended by 1 or 2 Times	1,810	25,380
Extended by 3,4 or 5 Times	43	-
Extended by More than 5 Times	-	-
The Time Extended via the Amendment on Payment Plan	Standard Loans and Other Receivables	Loans and Other Receivables Under Close Monitoring
Up to 6 Months	38	409
6 Months - 12 Months	328	409
1-2 Years	432	2,710
2-5 Years	887	77
5 Years and Over	168	21,775

c) Information on cash loans and other receivables according to maturity structure concentration:

Cash Loans	Standard Loans and Other Receivables		Loans and Receivables Under Close Monitoring	
	Loans and other receivables (Total)	Conditions of Contracts Amended	Loans and other receivables (Total)	Conditions of Contracts Amended
Short term Loans	1,458,694	-	11,374	2,066
Non specialized Loans	1,458,694	-	11,374	2,066
Specialized Loans	-	-	-	-
Other Receivables	-	-	-	-
Middle and Long term Loans	2,557,181	1,853	77,486	23,314
Non specialized Loans	2,550,898	1,835	77,072	23,314
Specialized Loans	6,283	18	414	-
Other Receivables	-	-	-	-
Total	4,015,875	1,853	88,860	25,380

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I. Information and disclosures related to consolidated assets (continued)

d) Information on consumer loans, credit cards, loans given to employees and employee credit cards:

	Short Term	Medium or Long Term	Total
Consumer Loans – TL	18,130	436,135	454,265
Real Estate Loans	1,346	219,172	220,518
Automotive Loans	3	453	456
Consumer Loans	16,781	216,510	233,291
Other	-	-	-
Consumer Loans – Indexed to FC	34	1,233	1,267
Real Estate Loans	-	1,233	1,233
Automotive Loans	-	-	-
Consumer Loans	34	-	34
Other	-	-	-
Consumer Loans – FC	-	-	-
Real Estate Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Credit Cards – TL	22,376	-	22,376
Installment	5,129	-	5,129
Non installment	17,247	-	17,247
Credit Cards – FC	511	-	511
Installment	-	-	-
Non Installment	511	-	511
Loans Given to Employees – TL	133	743	876
Real Estate Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	133	743	876
Other	-	-	-
Loans Given to Employees – Indexed to FC	-	-	-
Real Estate Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Loans Given to Employees – FC	-	-	-
Real Estate Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Employee Credit Cards – TL	921	-	921
Installment	331	-	331
Non Installment	590	-	590
Employee Credit Cards – FC	22	-	22
Installment	-	-	-
Non Installment	22	-	22
Overdraft Account – TL (Individual)	4,116	-	4,116
Overdraft Account – FC (Individual)	-	-	-
Total	46,243	438,111	484,354

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I. Information and disclosures related to consolidated assets (continued)

e) Information on installment corporate loans and corporate credit cards:

	Short Term	Medium or Long Term	Total
Installment Corporate Loans – TL	33,980	204,280	238,260
Business Residential Loans	-	-	-
Automotive Loans	524	20,846	21,370
Consumer Loans	33,456	183,434	216,890
Other	-	-	-
Installment Corporate Loans – Indexed to FC	2,718	133,676	136,394
Business Residential Loans	-	-	-
Automotive Loans	-	51,828	51,828
Consumer Loans	2,718	81,848	84,566
Other	-	-	-
Installment Corporate Loans – FC	-	-	-
Business Residential Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Corporate Credit Cards – TL	3,259	-	3,259
Installment	1,254	-	1,254
Non Installment	2,005	-	2,005
Corporate Credit Cards – FC	64	-	64
Installment	-	-	-
Non Installment	64	-	64
Overdraft Account – TL (Commercial)	1,717	-	1,717
Overdraft Account – FC (Commercial)	-	-	-
Total	41,738	337,956	379,694

f) Loan concentration based on counterparties:

	31 December 2015	31 December 2014
Public sector	-	24,115
Private sector	4,104,735	2,741,238
Total	4,104,735	2,765,353

g) Domestic and foreign loans:

	31 December 2015	31 December 2014
Domestic loans	2,999,116	2,740,602
Foreign loans	1,105,619	24,751
Total	4,104,735	2,765,353

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I. Information and disclosures related to consolidated assets (continued)

h) Loans granted to subsidiaries and associates: None.

i) Specific provisions for loans:

	31 December 2015	31 December 2014
Specific Provisions		
Loans and Receivables with Limited Collectability	1,591	4,431
Loans and Receivables with Doubtful Collectability	14,038	18,483
Uncollectible Loans and Receivables	119,077	87,733
Total	134,706	110,647

j) Information on non-performing loans (net):

j.1) Information on non-performing loans and other receivables those are restructured or rescheduled:

	III. Grup Loans and receivables with limited collectability	IV. Grup Loans and receivables with doubtful collectability	V. Grup Uncollectible loans and receivables
Current period	-	-	82
(Gross amounts before the specific reserves)			
Loans and other receivables which are restructured	-	-	-
Rescheduled loans and other receivables	-	-	82
Prior period	-	-	637
(Gross amounts before the specific reserves)			
Loans and other receivables which are restructured	-	-	-
Rescheduled loans and other receivables	-	-	637

j.2) Information on movements of non-performing loans:

	Group III Loans and receivables with limited collectability	Group IV Loans and receivables with doubtful collectability	Group V Uncollectible loans and receivables
Balances at Beginning of Period	16,789	32,550	108,873
Additions (+)	44,482	2,447	1,163
Transfers from Other Categories of Non- Performing Loans (+)	-	43,199	44,310
Transfers to Other Categories of Non-Performing Loans (-)	43,199	44,310	-
Collections (-)	5,944	5,286	13,364
Write-offs (-)	-	1,117	2
Corporate and Commercial Loans	-	-	-
Retail Loans	-	581	-
Credit Cards	-	536	2
Other	-	-	-
Balances at End of the Period	12,128	27,483	140,980
Specific Provisions (-)	1,591	14,038	119,077
Net Balance on Balance Sheet	10,537	13,445	21,903

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I. Information and disclosures related to consolidated assets (continued)

j.3) Information on non-performing loans in foreign currencies: None.

j.4) Information on non-performing loans according to beneficiary group:

	Group III Loans and receivables with limited collectability	Group IV Loans and receivables with doubtful collectability	Group V Uncollectible loans and receivables
Current Period (Net)	10,537	13,445	21,903
Loans Allowed to Real Persons and Corporate Bodies (Gross)	12,128	27,483	140,980
Specific provision (-)	1,591	14,038	119,077
Loans Allowed to Real Persons and Corporate Bodies (Net)	10,537	13,445	21,903
Banks (Gross)	-	-	-
Specific provision (-)	-	-	-
Banks (Net)	-	-	-
Other Loan and Receivables (Gross)	-	-	-
Specific provision (-)	-	-	-
Other Loan and Receivables (Net)	-	-	-
Prior Period (Net)	12,358	14,067	21,140
Loans Allowed to Real Persons and Corporate Bodies (Gross)	16,789	32,550	108,873
Specific provision (-)	4,431	18,483	87,733
Loans Allowed to Real Persons and Corporate Bodies (Net)	12,358	14,067	21,140
Banks (Gross)	-	-	-
Specific provision (-)	-	-	-
Banks (Net)	-	-	-
Other Loan and Receivables (Gross)	-	-	-
Specific provision (-)	-	-	-
Other Loan and Receivables (Net)	-	-	-

k) Liquidation policy for uncollectible loans and other receivables:

Uncollectible loans and other receivables are collected through legal follow up and liquidation of collaterals.

l) Information on write-off from assets policy:

The Group's general policy for write-off of loans and receivables under follow-up is to write off such loans and receivables that are proven to be uncollectible by obtaining required documentation, also considering Tax Procedural Law's verdicts.

6. Information on investment securities held-to-maturity (net)

a) Information on subject to repurchase agreement and given as collateral or blocked:

As at 31 December 2015 and 2014, there are no financial assets held-to-maturity.

b) Information on accounts in which government securities held-to-maturity are reflected :

As at 31 December 2015 and 2014, there are no financial assets held-to-maturity.

c) Information on investment securities held-to-maturity:

As at 31 December 2015 and 2014, there are no financial assets held-to-maturity.

d) Information on the movement of investment securities held-to-maturity during the period:

As at 31 December 2015 and 2014, there are no financial assets held-to-maturity.

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I. Information and disclosures related to consolidated assets (continued)

d) Information on the movement of investment securities held-to-maturity during the period:

As at 31 December 2015 and 2014, there are no financial assets held-to-maturity.

7. Investments in associates (net):

None.

8. Investments in subsidiaries (net):

As at 31 December 2015, the Parent Bank has subsidiary as Tekstil Yatırım Menkul Değerler A.Ş. The Parent Bank does not have any capital needs due to its subsidiary which is included in the calculation of its consolidated capital adequacy standard ratio. The current equity amount of the subsidiary fulfills the minimum capital requirement entailed in accordance with the Capital Markets Board's regulations.

Information related to subsidiaries:

- a) Information on subsidiaries not consolidated: None.
- b) Information on subsidiaries not consolidated according to information above: None.
- c) Movement of subsidiaries not consolidated: None.
- d) Industrial distribution of subsidiaries not consolidated:

As at 31 December 2015, the Parent Bank has no non-consolidated subsidiary.

e) Information on consolidated subsidiaries:

Description	Address (City/Country)	Bank's share percentage- If different from voting percentage(%)	Banks Risk Group Share Percentage (%)
Tekstil Yatırım Menkul Değerler A.Ş. (Tekstil Yatırım)	İstanbul/Turkey	99.998	99.998

f) Information on consolidated subsidiaries according to information above:

Total Assets	Shareholders' Equity	Total Fixed Assets	Interest Income	Trading Income	Current Period Profit / Loss	Prior Period Profit / Loss	Fair value
162,968	32,528	254	9,179	7,172	3,474	1,546	-

Tekstil Yatırım participated in ICBC Turkey Portföy Yönetimi A.Ş. (ICBC Portföy) company with 100% share in April 2015 as explained in Section III Disclosure III. The financial information above shows amounts occurred as a result of consolidation of Tekstil Yatırım and ICBC Portföy companies.

Solo/stand-alone financial information of Tekstil Portföy company, which is consolidated to Tekstil Yatırım, is as follows:

Total assets	Shareholders' equity	Total fixed assets	Interest Income	Income from marketable securities portfolio	Current period profit/loss	Prior period profit/loss	Market Value
1,691	1,674	17	131	-	(326)	-	-

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I. Information and disclosures related to consolidated assets (continued)

g) Movement of consolidated subsidiaries:

	31 December 2015	31 December 2014
Balance at the Beginning of the Period	25,000	15,693
Movements during the Period	-	9,307
Purchases	-	8,013
Bonus Shares Received	-	1,294
Dividends from Current Year Profit	-	-
Sales	-	-
Revaluation Increase	-	-
Impairment Provision	-	-
Balance at the End of the Period	25,000	25,000
Capital Commitments	-	-
Share Percentage at the end of Period (%)	-	-

h) Sectoral distribution of consolidated subsidiaries:

	31 December 2015	31 December 2014
Subsidiaries		
Banks	-	-
Insurance Companies	-	-
Factoring Companies	-	-
Leasing Companies	-	-
Finance Companies	-	-
Other Financial Subsidiaries	25,000	25,000
Other Non Financial Subsidiaries	-	-
Total	25,000	25,000

i) Listed subsidiaries: None.

j) Subsidiaries disposed of during the current period: None.

k) Subsidiaries purchased in the current period: None.

9. Information on joint ventures (net):

None.

10. Information on financial lease receivables (net):

None.

11. Information on hedging purpose derivatives:

None.

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I. Information and disclosures related to consolidated assets (continued)

12. Information on tangible assets (net):

31 December 2015	Properties (*)	Tangible assets under finance lease	Vehicles	Other tangible assets	Total
Prior Period End: 31/12/2014					
Cost	16,851	3,247	105	33,011	53,214
Accumulated Depreciation (-)	3,221	3,240	97	19,835	26,393
Net Book Value	13,630	7	8	13,176	26,821
Current Period End: 31/12/2015					
Net Book Value at the Beginning of the Period	13,630	7	8	13,176	26,821
Additions	-	-	-	1,911	1,911
Disposals, net (-) (**)	-	-	-	366	366
Revaluation / (Impairment) (*)	1,923	-	-	-	1,923
Depreciation (-)	198	5	8	3,391	3,602
Cost at year end	18,774	3,165	105	33,552	55,596
Accumulated Depreciation at year end (-)	3,419	3,163	105	22,222	28,909
Closing Net Book Value	15,355	2	-	11,330	26,687

31 December 2014	Properties(*)	Tangible assets under finance lease	Vehicles	Other tangible assets	Total
Prior Period End: 31/12/2013					
Cost	14,755	6,375	105	26,835	48,070
Accumulated Depreciation (-)	3,025	6,354	87	22,159	31,625
Net Book Value	11,730	21	18	4,676	16,445
Current Period End : 31/12/2014					
Net Book Value at the Beginning of the Period	11,730	21	18	4,676	16,445
Additions	-	-	-	11,828	11,828
Disposals, net (-) (**)	-	1	-	334	335
Revaluation / (Impairment) (*)	2,096	-	-	-	2,096
Depreciation (-)	196	13	10	2,994	3,213
Cost at year end	16,851	3,247	105	33,011	53,214
Accumulated Depreciation at year end (-)	3,221	3,240	97	19,835	26,393
Closing Net Book Value	13,630	7	8	13,176	26,821

(*) There is a capital gain at an amount of TL9,151 as of December, 31, 2015 as a result of alteration in current values of immovable properties, which is determined by licensed immovable property valuation companies (31 December 2014 – TL 7,228).

(**) The cost and accumulated depreciation of assets disposed is as follows:

Current Period	Properties	Tangible assets under finance lease	Vehicles	Other tangible assets	Total
Cost	-	82	-	1,370	1,452
Accumulated Depreciation (-)	-	82	-	1,004	1,086
Net disposal amount	-	-	-	366	366

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I. Information and disclosures related to consolidated assets (continued)

13. Intangible assets (net):

a) The gross book value and accumulated amortization amounts at the beginning and at the end of the period:

	31 December 2015	31 December 2014
Gross Book Value	19,357	19,240
Accumulated Amortization (-)	17,861	17,266
Total	1,496	1,974

b) Movement of intangible assets:

	31 December 2015	31 December 2014
Beginning of the period	1,974	1,902
Additions Resulting from Merger and Acquisitions	120	687
Disposals (-)	1	-
Accumulated Amortization (-)	597	615
Period End	1,496	1,974

14. Information on investment properties (net):

None.

15. Information on deferred tax assets:

a) Amount of deferred tax asset recognized in the balance sheet in respect of each type of deductible temporary differences, unused tax credits:

As of 31 December 2015, the deferred tax asset arising from the deductible temporary differences except for general loan provisions is amounting to TL 7,033 (31 December 2014: TL 1,737). As of 31 December 2015, there is no deferred tax asset arising from financial losses (31 December 2014: None).

In case of book value and retable value differences of assets are subject of deferred tax relating to equities accounts, deferred tax asset or liability net off with accounts in this group.

b) Amount and expiry date of deductible temporary differences, unused tax losses, unused tax credits for which no deferred tax asset is recognized in the balance sheet: None.

16. Information on assets held for sale and discontinued operations:

The Group has no asset held for sale and discontinued operation as at 31 December 2015 and 2014.

17. Information on other assets:

Commodities and immovable properties of the Group obtained with respect to bad credits are recognized under securities and immovable properties to be sold off and shown under other assets in the balance sheet. Net total carrying value of the aforementioned assets is TL 9,227 as of December, 31, 2015 (31 December 2014: TL11,190). Total of other assets amounting to TL 64,810 (31 December 2014- TL 70,216), which are out of securities and immovable properties to be sold off, do not exceed 10% of the balance sheet total.

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II. Information and disclosures related to consolidated liabilities

1. Information on deposits:

a) Information on maturity profile of deposits:

The Parent Bank does not have any deposits callable in 7 days.

a.1) 31 December 2015:

	Demand	Up to 1 month	1-3 Months	3-6 Months	6 Months- 1 Year	1 Year and Over	Cumulative Deposits	Total
Saving Deposits	17,827	15,392	781,854	1,875	379	64	-	817,391
Foreign Currency Deposits	389,217	9,840	723,807	10,510	13,492	5,170	-	1,152,036
Residents in Turkey	93,860	9,648	667,079	6,825	5,071	1,470	-	783,953
Residents Abroad	295,357	192	56,728	3,685	8,421	3,700	-	368,083
Public Sector Deposits	9,641	-	-	-	-	-	-	9,641
Commercial Deposits	36,688	27,171	84,515	53	-	1	-	148,428
Other Ins. Deposits	1,566	177	5,232	20	13	8	-	7,016
Precious Metal Deposits	-	-	-	-	-	-	-	-
Bank Deposits	37	-	-	-	-	-	-	37
Central Bank	-	-	-	-	-	-	-	-
Domestic Banks	14	-	-	-	-	-	-	14
Foreign Banks	23	-	-	-	-	-	-	23
Participation Banks	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total	454,976	52,580	1,595,408	12,458	13,884	5,243	-	2,134,549

a.2) 31 December 2014;

	Demand	Up to 1 month	1-3 Months	3-6 Months	6 Months- 1 Year	1 Year and Over	Cumulative Deposits	Total
Saving Deposits	18,821	19,707	855,998	3,396	434	423	20	898,799
Foreign Currency Deposits	46,746	27,340	849,439	46,636	12,640	4,464	-	987,265
Residents in Turkey	43,107	26,908	806,945	43,031	5,065	776	-	925,832
Residents Abroad	3,639	432	42,494	3,605	7,575	3,688	-	61,433
Public Sector Deposits	16,172	6	10	-	-	-	-	16,188
Commercial Deposits	56,009	72,176	286,548	523	-	-	-	415,256
Other Ins. Deposits	1,636	128	22,919	24	17	1	-	24,725
Precious Metal Deposits	-	-	-	-	-	-	-	-
Bank Deposits	30	164,997	-	-	-	-	-	165,027
Central Bank	-	-	-	-	-	-	-	-
Domestic Banks	7	164,997	-	-	-	-	-	165,004
Foreign Banks	23	-	-	-	-	-	-	23
Participation Banks	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total	139,414	284,354	2,014,914	50,579	13,091	4,888	20	2,507,260

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II. Information and disclosures related to consolidated liabilities (continued)

b) Information on Deposit Insurance:

- b.1) Information on savings deposits insured by Saving Deposit Insurance Fund and the total amount of the deposits exceeding the insurance coverage limit:

Saving Deposits	Covered by Deposit Insurance Fund	Covered by Deposit Insurance Fund	Exceeding the Deposit Insurance Limit	Exceeding the Deposit Insurance Limit
	31 December 2015	31 December 2014	31 December 2015	31 December 2014
Saving Deposits	421,982	414,667	394,227	472,138
Foreign Currency Savings Deposits	151,841	137,953	426,982	392,135
Other Saving Deposits	-	-	-	-
Foreign branches' Deposits Under Foreign Insurance Coverage	-	-	-	-
Off-Shore Deposits Under Foreign Insurance Coverage	-	-	-	-
Total	573,823	552,620	821,209	864,273

- b.2) Savings deposits in Turkey are not covered under insurance in another country since the Headquarter of the Group is not located abroad: None.

- b.3) Saving deposits not covered by deposit insurance: TL 2,838 (31 December 2014: TL 34,890).

Saving deposits that are not covered under the guarantee of deposit insurance fund:

	31 December 2015	31 December 2014
Deposits and Other Accounts at Foreign Branches	-	-
Deposits and Other Accounts belong to Major Shareholders with Their Parents, Spouse and Children under Their Wardship	-	17,097
Deposits and Other Accounts belong to Members of Board of Directors, CEO and Deputy CEOs with Their Parents, Spouse and Children under Their Wardship	2,838	17,793
Deposits and Other Accounts linked to Crimes Mentioned in 282 nd Article of 5237 Numbered Turkish Crime Legislation dated on 26/09/2004	-	-
Deposits belong to Off-shore Banks which are established to be engaged in offshore banking in Turkey.	-	-

2. Information on derivative financial liabilities held for trading:

Negative difference on derivatives held for trading:

	31 December 2015		31 December 2014	
	TL	FC	TL	FC
Forwards	-	-	71	-
Swaps	3,662	591	-	5,544
Futures	-	-	-	-
Options	-	-	-	-
Other	-	-	-	-
Total	3,662	591	71	5,544

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II. Information and disclosures related to consolidated liabilities (continued)

3. Information on funds borrowed:

a) Information on banks and other financial institutions:

	31 December 2015		31 December 2014	
	TL	FC	TL	FC
Central Bank of Turkey	-	-	-	-
Domestic Banks and Institutions	22,345	9,610	36,109	20,942
Foreign Banks, Institutions and Funds	-	3,123,543	-	291,052
Total	22,345	3,133,153	36,109	311,994

b) Contractual maturities of funds borrowed:

	31 December 2015		31 December 2014	
	TL	FC	TL	FC
Short-Term	22,345	1,257,236	35,174	264,727
Medium and Long-Term	-	1,875,917	935	47,267
Total	22,345	3,133,153	36,109	311,994

- c) Additional information on concentrations of the Bank's liabilities: The Parent Bank diversifies its funding resources with customer deposits and funds borrowed from foreign banks. The Parent Bank makes concentration analysis for the customers providing funds in branch basis and takes long and short term actions to generalize the customers in these branches. Funds borrowed consist of funds with different characteristics and maturity-interest structures like export financing, money market, post-finance funding and are provided from different institutions. There is no risk of concentration in the Parent Bank's funding sources.

4. Information on other external resources:

Other external resources are amounting to TL 67,728 (31 December 2014: TL 58,899) and do not exceed 10% of total liabilities excluding the off-balance sheet items.

5. Obligations under financial leases:

Lease rent payments are determined according to related asset's cost, market interest rates and lease term. The Parent Bank does not have significant obligations regarding financial lease agreements.

As at 31 December 2015 and 2014, the Group does not have financial lease liabilities.

As at 31 December 2015 and 2014, the Group does not have any obligations from operational lease agreements.

6. Information on liabilities arising from hedging purpose derivatives:

None.

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II. Information and disclosures related to consolidated liabilities (continued)

7. Information on provisions:

a) Information on general provisions:

	31 December 2015	31 December 2014
General Provisions		
Provision for Group I Loans and Receivables	26,328	18,318
<i>Additional Provision for Loans and Receivables with Extended Maturities</i>	<i>117</i>	<i>156</i>
Provision for Group II Loans and Receivables	2,529	2,195
<i>Additional Provision for Loans and Receivables with Extended Maturities</i>	<i>1,272</i>	<i>1,441</i>
Provision for Non-cash Loans	1,542	1,943
Other	131	159
Total	30,530	22,615

b) Information on reserve for employee rights:

In accordance with existing legislation in Turkey, the Parent Bank and its subsidiary in Turkey have to make certain lump-sum payments to employees who has completed one year of service with the Parent Bank, who has complete 25 working years (20 years for women) and whose employment is terminated due to retirement (retirement age for women and men are 58 and 60, respectively) or reasons other than resignation or misconduct. Provision for employee severance benefits has been accounted for using discounting total provision and reflected to the consolidated financial statements.

Such payments are calculated on the basis of 30 days' pay, as at 31 December 2015, at ceiling amount of TL-full 3,828 (31 December 2014: TL-full 3,438), per year of employment at the rate of pay applicable at the date of retirement of termination. The liability is not funded, since there is no funding requirement.

The Parent Bank reserved for employee severance indemnities in the accompanying financial statements using actuarial method in accordance with the Turkish Accounting Standard 19 (TAS 19) "Employee Benefits". The major actuarial assumptions used in the calculation of the total liability are as follows.

	31 December 2015	31 December 2014
Discount Ratio (%)	11.00	8.00
Expected Salary/ETI Liability Ceiling Increase Rate (%)	6.00	6.00
Rate for the Probability of Retirement (%)	93.00	93.00

The basic assumption, which is to be paid severance pay for each year of service, or an estimated salary increase cap will increase in the rate of inflation each year. The discount rate is shows the expected real rate after adjusting for the effects of inflation.

Movement of ETI liability is below:

	31 December 2015	31 December 2014
Balance at Prior Period End	7,153	5,515
Current year provisions (*)	1,981	3,000
Paid in current year	(1,565)	(1,362)
Balance at Current Period End	7,569	7,153

(*) At the current year, actuarial loss amounted TL 1,089 (TL 872 after deferred tax effect) arising from the changes in actuarial assumptions of the employee severance pay liability is classified under "Other Supplementary Capital" in the shareholders' equity

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II. Information and disclosures related to consolidated liabilities (continued)

The Group also has vacation pay liability amounting TL 4,300 (31 December 2014: TL 3,882) as at 31 December 2015.

c) Provision for foreign exchange gain/loss on foreign currency indexed loans:

As at 31 December 2015, foreign exchange differences on foreign currency indexed loans amounting TL 3,789 (31 December 2014: TL 1,003) are netted with loans on the asset side.

d) Specific provisions for non cash loans that are not indemnified and not converted into cash:

As at 31 December 2015, the Group has provision amounting to TL 6,297 (31 December 2014: TL 6,628) for non-cash loans and irrevocable commitments that are not indemnified and not converted into cash amounting to TL 12,590 (31 December 2014: TL 12,799).

e) Information on other provisions:

e.1) Information on provision for possible risks: None.

e.2) Information on provision for promotions related with banking services:

As at 31 December 2015, the Parent Bank has provision for credit card service promotions amounting TL 123 (31 December 2014: TL 131).

e.3) Information on other provisions:

As at 31 December 2015, there is provision for lawsuits filed against the Parent Bank and its subsidiary amounting TL 6,198 (31 December 2014: TL 3,248)

8. Taxation:

a) Current tax liability: As at 31 December 2015, corporate taxes payable of the Group after deductions of prepaid taxes is TL 1,207 (31 December 2014: TL 150).

b) Information on taxes payable:

	31 December 2015	31 December 2014
Corporate taxes payable	1,207	150
Taxation on securities	2,212	1,855
Capital gains tax on property	194	174
Banking Insurance Transaction Tax (BITT)	3,529	2,377
Taxes on foreign exchange transactions	-	-
Value added tax payable	123	94
Other	1,745	1,579
Total	9,010	6,229

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II. Information and disclosures related to consolidated liabilities (continued)

c) Information on premiums payable:

	31 December 2015	31 December 2014
Social security premiums- employee share	647	556
Social security premiums- employer share	732	633
Bank pension fund premium- employee share	-	-
Bank pension fund premium- employer share	-	-
Pension fund membership fees and provisions- employee share	-	-
Pension fund membership fees and provisions- employer share	-	-
Unemployment insurance- employee share	45	40
Unemployment insurance- employer share	98	84
Other	1	1
Total	1,523	1,314

d) Information on deferred tax liabilities:

Deferred tax assets and liabilities of each consolidated entity calculated individually are netted at each individual financial statement. Net deferred tax assets and liabilities of consolidated entities are not netted off with each other during consolidation process.

9. Information on payables related to assets held for sale and discontinued operations (net):

None.

10. Information on subordinated loans:

None.

11. Information on shareholders' equity:

a) Paid in capital:

	31 December 2015	31 December 2014
Common Stock	420,000	420,000
Preferred Stock	-	-

The paid-in share capital of the Parent Bank is represented by 4,200 million registered shares of one 0.1 Turkish Liras each.

- b) Paid-in capital amount, explanation as to whether the registered share capital system is applicable at bank; if so the amount of registered share capital: None
- c) Information on share capital increases and their sources; other information on any increase in capital shares during the current period: None.
- d) Information on share capital increases from revaluation funds: None.
- e) Capital commitments for current financial year and following period: None.
- f) Prior period indicators of the Parent Bank's income, profitability and liquidity; and possible effects of the predictions on equity, considering the ambiguity of the indicators: None.
- g) Information on the privileges given to stocks representing the capital: The 70% of share capital of the Parent Bank consist of Type A shares and the remaining consist of Type B shares. Three out of five members of the Board of Directors are appointed by Type A shareholders and the remaining two are appointed by Type B shareholders. There is no other privilege appointed.

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II. Information and disclosures related to consolidated liabilities (continued)

h) Information on marketable securities valuation reserve:

	31 December 2015		31 December 2014	
	TL	FC	TL	FC
Associates, subsidiaries and joint ventures	-	-	-	-
Valuation gain/loss of available for sale securities	54	(10,318)	1,832	3
Translation gain/loss	-	-	-	-
Total	54	(10,318)	1,832	3

Information on portion of marketable securities valuation reserve related to foreign currency securities:

Portion of marketable securities valuation reserve related to foreign currency securities is presented as difference between fair values and using by effective interest method, amortized the costs of the government bonds classified as investment securities available-for-sale.

i) Information on profit distribution of Parent Bank for the year 2015:

According to Ordinary General Assembly's decision dated 31 March 2015, Parent Bank has transferred profit for the year 2014 amounting to TL 12,516 to legal reserves, other profit reserves and extraordinary reserves with amounts of TL 625, TL 11,891 respectively.

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III. Information and disclosures related to consolidated income statement

1. Interest income:

a) Information on interest income received from loans:

	2015		2014	
	TL	FC	TL	FC
Interest income received from loans (*)				
Short Term Loans	178,045	5,408	190,220	6,410
Medium and Long Term Loans	78,460	34,305	76,471	20,596
Loans Under Follow-Up	4,705	-	4,632	-
Source Utilization Support Fund	-	-	-	-
Total	261,210	39,713	271,323	27,006

(*) Includes fees and commissions from cash loans.

b) Information on interest income received from banks:

	2015		2014	
	TL	FC	TL	FC
Central Bank of Turkey	53	-	-	-
Domestic Banks	941	297	1,707	163
Foreign Banks	55	49	12	15
Foreign Branches	-	-	-	-
Total	1,049	346	1,719	178

c) Information on interest income received from securities portfolio:

	2015		2014	
	TL	FC	TL	FC
Trading Securities	-	15	-	30
Financial Assets at Fair Value Through Profit or Loss	-	-	-	-
Investment Securities Available-for-Sale	19,680	20,786	38,711	312
Investment Securities Held-to-Maturity	-	-	-	-
Total	19,680	20,801	38,711	342

d) Information on interest income received from associates and subsidiaries: None.

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III. Information and disclosures related to consolidated income statement (continued)

2. Interest expense:

a) Information on interest expense related to funds borrowed:

	2015		2014	
	TL	FC	TL	FC
Banks (*)	1,978	15,903	2,331	6,999
Central Bank of Turkey	-	-	-	-
Domestic Banks	1,950	269	2,185	1,028
Foreign Banks	28	15,634	146	5,971
Foreign Branches	-	-	-	-
Other Institutions	-	-	-	-
Total	1,978	15,903	2,331	6,999

(*) Includes fees and commission expenses related with funds borrowed.

b) Information on interest expense paid to associates and subsidiaries: None.

c) Information on interest expense paid to securities issued : None.

d) Maturity structure of the interest expense on deposits:

The Group has no interest expense paid to deposits callable within 7 days.

2015 Account Name	Demand Deposits	Time Deposits					Cumulative Deposits	Total
		Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	1 year and over		
TL								
Bank Deposits	-	326	-	-	-	-	-	326
Saving Deposits	-	1,621	90,830	305	38	18	-	92,812
Public Sector Deposits	-	-	-	-	-	-	-	-
Commercial Deposits	-	2,152	24,274	8	-	1	-	26,435
Other Deposits	-	18	800	6	1	-	-	825
Total Turkish Lira	-	4,117	115,904	319	39	19	-	120,398
Foreign Currency								
Foreign Currency Deposits	-	135	19,549	338	256	92	-	20,370
Bank Deposits	-	107	-	-	-	-	-	107
Precious Metal Deposits	-	-	-	-	-	-	-	-
Total Foreign Currency	-	242	19,549	338	256	92	-	20,477
Total	-	4,359	135,453	657	295	111	-	140,875

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III. Information and disclosures related to consolidated income statement (continued)

2014		Time Deposits						
Account Name								
	Demand Deposits	Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	1 year and over	Cumulative Deposits	Total
TL								
Bank Deposits	-	189	-	-	-	-	-	189
Saving Deposits	-	1,067	83,692	696	214	57	2	85,728
Public Sector Deposits	-	-	-	-	-	-	-	-
Commercial Deposits	-	2,645	16,074	240	-	58	-	19,017
Other Deposits	-	9	1,740	2	1	-	-	1,752
Total Turkish Lira	-	3,910	101,506	938	215	115	2	106,686
Foreign Currency								
Deposits	-	240	25,050	677	325	119	-	26,411
Bank Deposits	-	1,185	-	-	-	-	-	1,185
Precious Metal Deposits	-	-	-	-	-	-	-	-
Total	-	1,425	25,050	677	325	119	-	27,596
Grand Total	-	5,335	126,556	1,615	540	234	2	134,282

3. Information on dividend income:

The group earned dividend income from share certificate held by its subsidiary Tekstil Yatırım amounting to TL 6 in 2015 (2014-None).

4. Trading income / loss (net):

	2015	2014
Profit	482,562	414,212
Capital Market Gains	7,475	14,895
Derivative Gains	231,210	181,813
Foreign Exchange Gains	243,877	217,504
Loss (-)	510,852	441,404
Capital Market Losses	160	57
Derivative Losses	232,937	205,020
Foreign Exchange Losses	277,755	236,327

Net gain related to derivative transactions resulting from foreign currency rate changes is amounted to TL 35,424 (2014: TL 21,195 net gain).

5. Other operating income:

TL 14,160 part of "Other Operating Income" in income statement (2014: None) consists of fees received with respect to consultancy services provided to customers included in risk group while TL 6,673 (2014 – TL 8,234) part of "Other Operating Income" consists of collections made from receivables having provisions in previous periods.

Decrease at an amount of TL 1,121 in general reserve account of previous period is shown under other operating income in income statement.

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III. Information and disclosures related to consolidated income statement (continued)

6. Impairment on loans and other receivables:

	2015	2014
Specific Provisions on Loans and Other Receivables	30,836	38,221
Loans and Receivables in Group III	1,591	4,431
Loans and Receivables in Group IV	9,649	14,580
Loans and Receivables in Group V	19,596	19,210
General Provision Expenses	7,915	-
Provision for Possible Losses	-	-
Impairment Losses on Securities:	4,944	164
Trading securities	6	7
Investment Securities Available-for-Sale	4,938	157
Other Impairment Losses:	-	-
Associates	-	-
Subsidiaries	-	-
Joint Ventures	-	-
Investment Securities Held-to-Maturity	-	-
Other (*)	2,979	1,386
Total	46,674	39,771

(*) Consists of provision for lawsuits filed against the Group and other provision expense.

7. Information related to other operational expenses:

	2015	2014
Personnel Expenses	97,352	79,569
Reserve for Employee Termination Indemnities and Vacation Pay	1,923	1,133
Reserve for Bank's Social Aid Fund Deficit	-	-
Impairment of Tangible Assets	-	-
Depreciation Expenses of Tangible Assets	3,602	3,213
Impairment of Intangible Assets	-	-
Impairment of Goodwill	-	-
Amortization Expenses of Intangible Assets	597	615
Impairment of Investments in Associates	-	-
Impairment of Assets to be Disposed of	-	-
Depreciation of Assets to be Disposed of	54	176
Impairment of Assets Held for Sale and Discontinued Operations	-	-
Other Operating Expenses	43,386	37,004
Operational Leases	22,628	18,634
Repair and Maintenance	2,546	2,294
Advertising	729	502
Other Expenses	17,483	15,574
Loss on Sale of Assets	367	194
Other (*)	16,458	13,187
Total	163,739	135,091

(*) Other line mainly includes taxes paid other than corporate income tax, customs and duties paid and SDIF premium expense.

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8. Profit / loss before taxes for continued and discontinued operations:

Profit/loss before taxes for continued operations is TL 13,658 loss (2014: TL 15,827 profit). Profit/loss before taxes consists of net interest income amounting to TL 180,823 (2014: TL 183,262), net fees and commission income amounting to TL 11,682 (2014: TL 13,999) and other operating expenses amounting to TL 163,739 (2014: TL 135,091).

9. Taxes on income from continued and discontinued operations:

a) Information on current tax income or expense and deferred tax income or expense:

Current tax expenses belonging to period ending on December, 31, 2015 is TL 2,863 (2014 – TL 2,077).

There is a deferred tax income at an amount of TL 2,979 belonging to period ending on December, 31, 2015 (2014 – TL 990 deferred tax income).

b) Information on deferred tax charge arising from origination or reversal of temporary differences:

For the period ended 31 December 2015, the deferred tax income arising from the origination of temporary differences amounts TL 2,979 (2014: TL 165).

Additionally, for the period ended 31 December 2015, the current tax effect amounting to TL 394 and deferred tax effect amounting to TL 2,317, on an aggregate TL 2,711 tax effect (2014: total TL 405 current and TL 32 is deferred tax effect total TL (373)) which are related to transactions recognized under equity is accounted for under equity accounts.

c) Information on deferred tax income or expense reflected on the income statement resulting from temporary differences, financial losses and tax deductions and exemptions:

For the period ended 31 December 2015, the deferred tax income arising from the origination of temporary differences amounts TL 2,979 (2014: TL 165). There is no deferred tax income or expense sourcing from financial loss in period ending on December, 31, 2015 (2014 – TL 1,155 deferred tax expense).

III. Information and disclosures related to consolidated income statement (continued)

10. Information on continued and discontinued operations net profit/loss:

Net loss from continued operations is TL 13,542 (2014: TL 12,760 net profit).

11. Information on net profit and loss:

a) Any further explanation on operating results needed for better understanding of the Parent Bank's performance: None.

b) Any changes in estimations that might have a material effect on current and subsequent period results: None.

12. Information related to the components of other items in the income statement exceeding 10 % of the group total, or 20 % of the sub-accounts belonging to this group:

In the consolidated income statement; the "Other" captions presented under "Fees and Commissions Received" and "Fees and Commissions Paid" accounts, which are included in "Net Fee and Commission Income", consist of mainly income received and expenses paid to customers and third parties regarding banking activities.

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IV. Information and disclosures related to consolidated off-balance sheet items

1. Disclosures related to other contingent liabilities:

a) Type and amount of irrevocable commitments:

	31 December 2015	31 December 2014
Forward deposit purchase and sale commitments	40,232	58,096
Commitment for use guaranteed credit allocation	36,149	42,628
Credit cards limit commitments	81,792	84,778
Payment commitments for cheques	82,072	84,154
Credit card commitments given with applications for promotion	252	273
Tax and fund obligations arising from export commitments	5	71
Other irrevocable commitments	22,359	38,278
Total	262,861	308,278

b) Type and amount of possible losses and commitments from off-balance sheet items:

There is no possible loss arising from off-balance sheet items. Guarantees from off-balance sheet commitments are shown in off-balance sheet items statements.

	31 December 2015	31 December 2014
Letter of guaranty	621,941	721,025
Bank acceptance loans	203	276
Letter of credits	84,697	107,643
Other guarantees collaterals	24,493	20,633
Total	731,334	849,577

c) Non-cash loans:

	31 December 2015	31 December 2014
Non-Cash Loans Given for Cash Loan Risks	23,519	13,197
With Original Maturity of 1 Year or Less	-	954
With Original Maturity of More Than 1 Year	23,519	12,243
Other Non-Cash Loans	707,815	836,380
Total	731,334	849,577

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IV. Information and disclosures related to consolidated off-balance sheet items (continued)

d) Sectoral risk concentration of non-cash loans:

	31 December 2015				31 December 2014			
	TL	(%)	FC	(%)	TL	(%)	FC	(%)
Agricultural	1,503	0.52	2,303	0.52	34,412	8.28	4,064	0.94
Farming and raising livestock	724	0.25	2,303	0.52	18,252	4.39	1,040	0.24
Forestry	761	0.26	-	-	16,042	3.86	3,024	0.70
Fishing	18	0.01	-	-	118	0.03	-	-
Manufacturing	87,173	30.40	151,876	34.16	158,403	38.13	150,810	34.73
Mining	28,127	9.81	276	0.06	6,963	1.68	11,778	2.71
Production	58,530	20.41	107,320	24.14	150,128	36.14	98,438	22.67
Electric, gas and water	516	0.18	44,280	9.96	1,312	0.31	40,594	9.35
Construction	75,283	26.25	110,717	24.90	117,522	28.29	163,926	37.76
Services	114,957	40.09	179,609	40.40	95,784	23.06	115,296	26.56
Wholesale and retail trade	70,695	24.65	35,537	7.99	35,822	8.62	16,462	3.79
Hotel, food and beverage services	3,125	1.09	1,465	0.33	5,123	1.23	6,319	1.46
Transportation and telecommunication	3,615	1.26	1,895	0.43	5,134	1.24	1,983	0.46
Financial institutions	14,672	5.12	123,758	27.84	14,813	3.57	74,464	17.15
Real estate and renting services	235	0.08	-	-	-	-	181	0.04
Self-employment services	9,802	3.42	12,693	2.86	28,956	6.97	15,379	3.54
Education services	691	0.24	7	-	36	0.01	-	-
Health and social services	12,122	4.23	4,254	0.96	5,900	1.42	508	0.12
Other	7,850	2.74	63	0.01	9,322	2.24	38	0.01
Total	286,766	100.00	444,568	100.00	415,443	100.00	434,134	100.00

e) Information on the first and second group non-cash loans:

	I. Group		II. Group	
	TL	FC	TL	FC
Letters of guarantee	274,644	333,674	3,440	192
Bank acceptances	-	203	-	-
Letters of credit	-	84,697	-	-
Endorsements	-	-	-	-
Underwriting commitments	-	-	-	-
Factoring commitments	-	-	-	-
Other commitments and contingencies	-	24,493	-	-
Total	274,644	443,067	3,440	192

The Group has provided provisions amounting to TL 9,991 (31 December 2014: TL 10,487) after considering the guarantees for the non-cash loans classified under group 3-4-5 loans amounting to TL 4,035 (31 December 2014: TL 4,612). The Group also provided provisions amounting to TL 2,262 (31 December 2014: TL 2,016) for the cheque commitments based on off-balance sheet transactions.

2. Mutual Funds:

Total amount of ICBC Turkey Portföy golden fund, variable fund, share fund and money market fund which are established by the Parent Bank, is TL 28,474 as of 31 December 2015 (31 December 2014: TL 39,027).

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3. Information related to derivative financial instruments:

	31 December 2015	31 December 2014
Types of trading transactions		
Foreign currency related derivative transactions (I)	1,520,508	1,640,453
Forward FC Purchase and Sale Transactions	2,546	9,266
Currency Swap Purchase and Sale Transactions	1,517,962	1,631,187
Futures Transactions	-	-
Currency Options Purchase and Sale Transactions	-	-
Interest rate related derivative transactions (II)	-	-
Forward Purchase and Sale Transactions	-	-
Interest Rate Swap Purchase and Sale Transactions	-	-
Interest Rate Futures Transactions	-	-
Interest Rate Options Purchase and Sale Transactions	-	-
Other types of trading transactions (III)	50,087	66,162
A. Total trading transactions (I+II+III)	1,570,595	1,706,615
Hedging purpose derivative transactions	-	-
Fair Value Hedge Transactions	-	-
Cash Flow Hedge Transactions	-	-
Net Foreign Investment Hedge Transactions	-	-
B. Total Hedging Purpose Derivative Transactions	-	-
Total Derivative Transactions (A+B)	1,570,595	1,706,615

Presentation of residual maturities of the notional amounts of derivative financial assets and liabilities is as follows:

31 December 2015	Up to 1 month	1-3 months	3-12 months	1-5 years	5 years and more	Total
Currency Derivative Instruments (I)	1,506,281	14,227	-	-	-	1,520,508
Forward Foreign Currency Purchases	1,275	-	-	-	-	1,275
Forward Foreign Currency Sales	1,271	-	-	-	-	1,271
Currency Swaps-Purchases	772,982	7,100	-	-	-	780,082
Currency Swaps-Sales	730,753	7,127	-	-	-	737,880
Currency Futures-Purchases	-	-	-	-	-	-
Currency Futures-Sales	-	-	-	-	-	-
Currency Options-Purchases	-	-	-	-	-	-
Currency Options-Sales	-	-	-	-	-	-
Interest Rate Derivative Instruments (II)	-	-	-	-	-	-
Forward Purchases/Sales	-	-	-	-	-	-
Interest Rate Swaps-Purchases/Sales	-	-	-	-	-	-
Interest Rate Options-Purchases/Sales	-	-	-	-	-	-
Interest Rate Futures-Purchases/Sales	-	-	-	-	-	-
Others (III)	49,419	668	-	-	-	50,087
Total (I+II+III)	1,555,700	14,895	-	-	-	1,570,595

As at 31 December 2015, spot foreign currency purchase and sale transactions with value date amounting to TL 20,139 and TL 20,093, respectively, are presented under "Asset Purchase and Sale Commitments" of off-balance sheet items (31 December 2014: TL 28,997 and TL 29,099).

4. Contingent assets and liabilities:

None

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5. Information on fiduciary services rendered on behalf of third parties:

The Group performs purchase-sale transactions on behalf of its customers and provides custody, management and consultancy services.

V. Information and disclosures related to consolidated statement of changes in shareholders' equity

1. Information on differences in revaluation of financial assets available for sale:

As at 31 December 2015, valuation difference of TL 12,099 net off tax, related to the remeasurement of the fair values of available for sale investments (2014: TL 1,644, amount of increase) is accounted under "Valuation Differences of Securities" account under equity.

In the current period, TL (264) loss was transferred to the income statement from Valuation Differences of Securities (2014: TL 360 profit).

Information on cash flow hedge: None.

2. Differences arising on revaluation of tangible fixed assets:

Surplus amounting to TL 1,827 (2014: TL 1,991) that occurs after purged tax effect arise from revaluation of buildings fair value included tangible fixed assets of the Parent Bank is represented as period transaction of "Revaluation Fund on Tangible Assets" on statement of changes in equity.

3. Information on the foreign exchange differences: None.

4. Information on profit shares noticed after balance sheet date but previous to announcement of financial statements:

The Parent Bank does not have any noticed profit shares before announcement of financial statements. In the Ordinary General Assembly meeting dated 31 March 2015, it has been decided to distribute the Parent Bank's 2014 profit as follows.

Profit distribution table for the year 2014

The Parent Bank's profit for the period	12,516
A-First Legal Reserves (TCL 466/1)	625
B-Extraordinary Reserves	11,891

Net profit per share for the period that has been suggested to be distributed to shareholders after balance sheet date:

As at the report date, there is no decision for the profit distribution of current year profit of the Parent Bank (2013 profit distribution is given above).

Amounts that has been transferred to contingency reserves by the Group:

	2015	2014
Undistributed Profits to Legal Reserves	704	2,261
Undistributed Profits to Extraordinary Reserves and Other Profit Reserves	12,056	43,055

5. Information on issue of shares: None.

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6. Information on other share capital increase accounts in statements of changes in equity: None.

7. Other explanations:

The Group has presented actuarial loss amounted TL 872 (2014-TL 567) after deferred tax effect arising from the changes in actuarial assumptions of the employee severance pay liability, as period movement of "Other Reserves" section.

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VI. Information and disclosures related to consolidated cash flow statement

1. Information on cash and cash equivalents:

The components of cash and cash equivalents and the accounting policies used in the determination of these components:

Cash in vault, foreign currencies, cash in transit, cheques purchased, demand deposits in banks including demand deposit balances with the Central Bank of Turkey are described as "Cash"; interbank money market placements, time deposits in banks which have original maturities lower than three months and reverse repo receivables are described as "Cash Equivalents". The reserve requirement amounts within the Central Bank is not considered as "cash equivalent assets" in the statement of cash flows.

a) Cash and cash equivalents at the beginning of the period:

	31 December 2015	31 December 2014
Cash	221,299	314,044
Cash in Vault, Foreign Currencies and Other	30,753	49,191
Demand Deposits at Banks	190,546	264,853
Cash Equivalents	164,880	64,536
Interbank Money Market	86,000	-
Time Deposits at Banks	78,880	64,536
Investment Securities	-	-
Total Cash and Cash Equivalents	386,179	378,580

b) Cash and cash equivalents at the end of the period:

	31 December 2015	31 December 2014
Cash	355,522	221,299
Cash in Vault, Foreign Currencies and Other	35,067	30,753
Demand Deposits at Banks	320,455	190,546
Cash Equivalents	357,168	164,880
Interbank Money Market	77,000	86,000
Time Deposits at Banks	280,168	78,880
Investment Securities	-	-
Total Cash and Cash Equivalents	712,690	386,179

2. Information on cash and cash equivalent assets of the Group that are not available for free use due to legal restrictions or other reasons:

As mentioned in the first item above, the reserve requirement amounts held under blockage within the Central Bank is not considered as cash equivalent assets in the statement of cash flows.

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VI. Information and disclosures related to consolidated cash flow statement (continued)

3. Disclosures for “other” items in the statement of cash flows and effect of changes in foreign currency exchange rates on cash and cash equivalents:

As at 31 December 2015, “Other” item amounting to TL 56,146 (2014: TL 42,545) presented under “Operating Profit Before Changes in Operating Assets and Liabilities” comprise other operating expenses except personnel expenses, other taxes paid, fees and commissions paid.

As at 31 December 2015 “Net Decrease in Other Liabilities” amounting to TL 127,888 (2014: TL 3,070 net decrease) presented under “Changes in Operating Assets and Liabilities” is comprised of changes in miscellaneous payables, other external resources and tax liabilities. “Net Increase/decrease in Other Assets” amounting to TL 10,185 (2014: TL 2,994 net decrease) is comprised of miscellaneous receivables and other assets.

The cash outflow of TL 120 (2014: TL 687) presented in the “net cash flows from investments” as of 31 December 2014 results from the acquisition of intangible assets.

The effect of the change of foreign exchange rates on the cash and cash equivalents is TL 12,019 for the year 2015 (2014: TL 8,843).

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VII. Information and disclosures related to the Parent Bank's risk group

1. Information on the volume of transactions with the Parent Bank's risk group, lending and deposits outstanding at period end and income and expenses in the current period:

a) 31 December 2015:

Parent Bank's Risk Group (*)	Associates and Subsidiaries		Bank's Direct and Indirect Shareholders		Other Components in Risk Group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Loans and Other Receivables						
Balance at the Beginning of the Period	-	-	68,820	517	70	-
Balance at the End of the Period	-	-	1,071,801	71,208	41	-
Interest and Commission Income Received	-	-	4,685	2	-	-

(*) As described in the 2nd Subclause on Article 49 of Banking Law no.5411.

The Parent Bank has TL 13,954 placements in its risk group banks as at 31 December 2015 (31 December 2014: TL 300). Also the Parent Bank has TL 149 irrevocable commitment in its risk group as at 31 December 2015 (31 December 2014: TL 1,649)

b) 31 December 2014:

Parent Bank's Risk Group (*)	Associates and Subsidiaries		Bank's Direct and Indirect Shareholders		Other Components in Risk Group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Loans and Other Receivables						
Balance at the Beginning of the Period	-	-	20,449	364	94	-
Balance at the End of the Period	-	-	68,820	517	70	-
Interest and Commission Income Received	-	-	2,519	13	-	-

(*) As described in the 2nd Subclause on Article 49 of Banking Law no.5411.

c) Information on deposits held by the Parent Bank's risk group:

Parent Bank's Risk Group (*)	Associates and Subsidiaries		Bank's Direct and Indirect Shareholders		Other Components in Risk Group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Deposit						
Balance at the beginning of the Period	-	-	41,882	56,769	3,349	893
Balance at the End of the Period	-	-	290,992	41,882	1,441	3,349
Interest on Deposits	-	-	695	1,906	73	130

(*) As described in the 2nd Subclause on Article 49 of Banking Law no.5411.

d) Information on forward transactions and option agreements and similar other agreements related with the Parent Bank's risk group: None (31 December 2014:None)

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VII. Information and disclosures related to the Parent Bank's risk group (continued)

2. The Parent Bank's transactions with the risk group:

- a) Besides nature of the relationship, transaction type, amount and its proportion in total transaction amount, amounts of primary transactions and their proportions in total amount, pricing policy and other matters:

In the Group's transactions with its risk group, pricing policy and other matters are determined and applied at market conditions. As at 31 December 2015, proportion of cash loans to risk group in total cash loans is 25.8% (31 December 2014: 2.4%) and proportion of deposits from its risk group in total deposits is 13.7 % (31 December 2014: 1.8%). Proportion of borrowings from its risk group in total funds borrowed is 97 % (31 December 2014: None).

For the year ending 31 December 2015, other commission income from risk group is amounted to TL 12 (2014: TL 34), other operating income from risk group is amounted to TL 19,006 (2014: TL 45), other commission expense to risk group is amounted to TL 2 (2014: TL 78) and other operating expense to risk group is amounted to TL 735 (2014: TL 1,052).

In the consolidated basis, key management cost for the current period is amounted to TL 13,653 (2014: TL 5,984). As mentioned in Section I Note II, as proposed in the share purchase agreement signed between GSD Holding A.Ş. and ICBC regarding the sale transaction of 75.5% shares of the Parent Bank owned by GSD Holding A.Ş., the major shareholder of the Parent Bank, to ICBC, a one time bonus payment amounting to TL 4,909 to top management for completion of transactions in the content of the agreement and facilitation of the transition process has been included in current period's cost.

VIII. Domestic, foreign and off-shore banking branches and foreign representatives

	Number	Number of Employees			
Domestic branches	44	841			
				Country of Incorporation	
Foreign representation	1	1	Berlin, Germany		
				Total Assets	Statutory Share Capital
Foreign branch	-	-	-	-	-
Off-shore branches	-	-	-	-	-

IX. Information and disclosure related to subsequent events

None.

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SECTION SIX

OTHER EXPLANATIONS

I. Other explanations related to the Group's operations

None.

SECTION SEVEN

INDEPENDENT AUDITORS' REPORT

I. Information on the independent auditors' report

The consolidated financial statements of the Parent Bank and its subsidiary as at and for the year ended 31 December 2015 have been audited by Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (A member firm of Ernst&Young Global Limited)) and the independent auditors' report dated 29 February 2016 is presented in the introduction of this report.

II. Information and disclosures prepared by the independent auditors

None.