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**Aktif Yatırım Bankası  
Anonim Şirketi  
and Its Subsidiaries**

**Condensed Consolidated Interim Financial Statements  
For the Six-Month Period Ended  
30 June 2016**

## REVIEW REPORT FOR THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

To the Board of Directors of  
Aktif Yatırım Bankası Anonim Şirketi

### Introduction

We have reviewed the accompanying condensed consolidated financial statements of Aktif Yatırım Bankası Anonim Şirketi (“the Bank”) and its subsidiaries (together “the Group”), which comprise the condensed consolidated statement of financial position as at 30 June 2016 and the condensed consolidated statements of profit or loss, other comprehensive income, changes in equity and cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of this condensed consolidated interim financial information in accordance with IAS 34, “Interim Financial Reporting”. Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

### Scope of review

We conducted our review in accordance with the International Standard on Review Engagements 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Basis for Qualified Conclusion

The condensed consolidated financial statements for the six-month period ended as at 30 June 2016 consist of a general provision amounting to TL 30,000 thousand provided by the Bank management for the possible result of the negative circumstances which may arise from any changes in the economy or market conditions. If the mentioned general provision were not provided, as at 30 June 2016, other provisions would decrease by TL 30,000 thousand, retained earnings would increase by TL 15,000 thousand and net profit would increase by TL 15,000 thousand.

### Qualified Conclusion

Based on our review, with the exception of the matter described in preceding paragraph, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information does not present fairly, in all material respects, the financial position of the Bank and its subsidiaries as at 30 June 2016, and of their financial performance and cash flows for the six-month period then ended in accordance with IAS 34, “Interim Financial Reporting”.

# Deloitte

## Emphasis of matter

As described in Note 17, the Bank has provided a significant portion of cash and non-cash loans to its related parties ("Çalık Group Companies") as at 30 June 2016.

*DRT Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş.*

DRT BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş.  
Member of **DELOITTE TOUCHE TOHMATSU LIMITED**

İstanbul, 19 October 2016

## **Aktif Yatırım Bankası Anonim Şirketi and Its Subsidiaries**

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**AKTİF YATIRIM BANKASI ANONİM ŞİRKETİ AND ITS SUBSIDIARIES****Condensed Consolidated Statement of Financial Position****As of 30 June 2016***(Currency - In thousands of Turkish Lira ("TL"))*

	<i>Notes</i>	<b>30 June 2016</b>	<b>31 December 2015</b>
<b>ASSETS</b>			
Cash and cash equivalents		664,367	451,605
Reserve deposits at Central Bank		842,556	685,604
Trading assets		15,905	9,271
Trade and other receivables		130,440	100,308
Inventories		15,011	14,498
Loans and advances to customers	7	4,866,582	4,638,261
Investment securities	8	1,166,302	930,741
Equity accounted investees		13,134	12,741
Tangible assets	9	246,584	231,719
Intangible assets	10	113,233	123,930
Goodwill		504	504
Deferred tax assets		6,972	7,039
Other assets		356,634	350,428
<b>Total assets</b>		<b>8,438,224</b>	<b>7,556,649</b>
<b>LIABILITIES</b>			
Trading liabilities		8,021	9,848
Trade and other payables		71,684	130,340
Obligations under repurchase agreements		678,582	478,027
Financial lease liabilities		34,505	39,485
Debt securities issued	11	3,485,756	2,619,947
Funds borrowed		1,919,695	2,508,185
Provisions	12	56,765	36,992
Income taxes payables		12,258	3,494
Deferred tax liabilities		11,649	10,412
Other liabilities		1,222,081	840,004
<b>Total liabilities</b>		<b>7,500,996</b>	<b>6,676,734</b>
<b>EQUITY</b>			
Share capital	16	867,095	867,095
Legal reserves		24,111	20,007
Unrealised gain/(loss) on available-for-sale assets		(2,152)	(21,909)
Actuarial gain/(loss)		(908)	(908)
Translation reserves		(4,792)	(5,127)
Retained earnings		47,704	15,436
<b>Total equity attributable to equity holders of the Bank</b>		<b>931,058</b>	<b>874,594</b>
Non-controlling interests		6,170	5,321
<b>Total equity</b>		<b>937,228</b>	<b>879,915</b>
<b>Total liabilities and equity</b>		<b>8,438,224</b>	<b>7,556,649</b>

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

**AKTİF YATIRIM BANKASI ANONİM ŞİRKETİ AND ITS SUBSIDIARIES**

**Condensed Consolidated Statement of Comprehensive Income  
For the Six-Month Period Ended 30 June 2016**

(Currency - In thousands of Turkish Lira ("TL"))

	<i>Notes</i>	<b>1 January - 30 June 2016</b>	<b>1 January -30 June 2015</b>
Interest income		372,446	319,436
Interest expense		(213,810)	(176,199)
<b>Net interest income</b>		<b>158,636</b>	<b>143,237</b>
Fees and commission income	<i>13</i>	69,671	31,653
Fees and commission expense		(21,864)	(14,315)
<b>Net fee and commission income</b>		<b>47,807</b>	<b>17,338</b>
Net trading loss		5,464	(295)
Sales income	<i>14</i>	146,169	51,144
Other income		6,284	31,689
Net impairment reversal / (loss) on financial assets		(4,385)	(8,119)
Operating expenses		(154,122)	(138,557)
- Personnel expenses		(73,634)	(69,194)
- Depreciation and amortisation	<i>9,10,14</i>	(25,351)	(11,471)
- Other operating expenses	<i>15</i>	(55,137)	(57,892)
Cost of sales		-	(71)
Cost of services	<i>14</i>	(116,672)	(57,215)
Other operating expenses		(36,147)	(6,423)
<b>Total operating income</b>		<b>53,034</b>	<b>32,728</b>
Share of profit of equity accounted investee		(60)	221
<b>Profit before income tax</b>		<b>52,974</b>	<b>32,949</b>
Income tax expenses		(15,753)	(7,433)
<b>Net profit for the period from continuing operations</b>		<b>37,221</b>	<b>25,516</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to profit or loss:</b>		-	-
Change in actuarial gain related to employee benefits		-	-
Tax effect		-	-
<b>Items that are or may be reclassified subsequently to profit or loss:</b>		<b>20,092</b>	<b>(19,946)</b>
Change in fair value of available-for-sale financial assets		24,696	(24,674)
Foreign currency translation differences		335	493
Income tax on other comprehensive income		(4,939)	4,935
<b>Other comprehensive income for the period, net of tax</b>		<b>20,092</b>	<b>(19,246)</b>
<b>Total comprehensive income for the period</b>		<b>57,313</b>	<b>6,270</b>
<b>Profit attributable to</b>			
Equity holders of the Bank		36,372	25,637
Non-controlling interest		849	(121)
<b>Profit for the period</b>		<b>37,221</b>	<b>25,516</b>
<b>Total comprehensive income attributable to:</b>			
Equity holders of the Bank		56,464	6,391
Non-controlling interest		849	(121)
<b>Total comprehensive income for the period</b>		<b>57,313</b>	<b>6,270</b>

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

**AKTİF YATIRIM BANKASI ANONİM ŞİRKETİ AND ITS SUBSIDIARIES**

**Condensed Consolidated Statement of Changes in Equity**

**For the Six-Month Period Ended 30 June 2016**

(Currency - In thousands of Turkish Lira ("TL"))

	Notes	Share capital	Adjustment to share capital	Legal reserves	Unrealised gains/(losses) on available-for-sale assets	Translation reserve	Actuarial gain/(loss)	Retained earnings	Total	Non-controlling interest	Total equity
<b>At 1 January 2015</b>		697,085	4,510	15,970	5,967	(755)	(500)	159,870	882,147	4,457	886,604
<b>Total comprehensive income for the period</b>		-	-	-	-	-	-	25,637	25,637	(121)	25,516
Profit for the period		-	-	-	(19,739)	493	-	-	(19,246)	-	(19,246)
Other comprehensive income		-	-	-	(19,739)	-	-	-	(19,739)	-	(19,739)
<i>Net change in fair value of available-for-sale financial assets</i>		-	-	-	-	-	-	-	-	-	-
<i>Net change in actuarial gain related to employee benefits</i>		-	-	-	-	-	-	-	-	-	-
<i>Foreign currency translation differences</i>		-	-	-	-	493	-	-	493	-	493
<b>Total comprehensive income for the period</b>		-	-	-	(19,739)	493	-	25,637	6,391	(121)	6,270
<b>Transactions with owners, recorded directly in equity</b>		-	-	-	-	-	-	-	-	-	-
Capital increase		-	-	-	-	-	-	-	-	-	-
<b>Total transactions with owners</b>		-	-	-	-	-	-	-	-	-	-
<b>At 30 June 2015</b>		697,085	4,510	15,970	(13,772)	(262)	(500)	185,507	888,538	4,336	892,874

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

**AKTİF YATIRIM BANKASI ANONİM ŞİRKETİ AND ITS SUBSIDIARIES**

**Condensed Consolidated Statement of Changes in Equity**

**For the Six-Month Period Ended 30 June 2016**

(Currency - In thousands of Turkish Lira ("TL"))

	Notes	Share capital	Adjustment to share capital	Legal reserves	Unrealised gains/(losses) on available-for-sale assets	Translation reserve	Actuarial gain/(loss)	Retained earnings	Total	Non-controlling interest	Total equity
<b>At 1 January 2016</b>		862,585	4,510	20,007	(21,909)	(5,127)	(908)	15,436	874,594	5,321	879,915
Total comprehensive income for the year		-	-	-	-	-	-	36,372	36,372	849	37,221
Profit for the year		-	-	-	19,757	335	-	-	20,092	-	20,092
Other comprehensive income		-	-	-	19,757	-	-	-	19,757	-	19,757
<i>Net change in fair value of available-for-sale financial assets</i>		-	-	-	-	-	-	-	-	-	-
<i>Net change in actuarial gain related to employee benefits</i>		-	-	-	-	335	-	-	335	-	335
<i>Foreign currency translation differences</i>		-	-	-	-	335	-	-	335	-	335
<b>Total comprehensive income for the year</b>		-	-	-	19,757	335	-	36,372	56,464	849	57,313
Transactions with owners, recorded directly in equity		-	-	4,104	-	-	-	(4,104)	-	-	-
Transfer to reserves		-	-	4,104	-	-	-	(4,104)	-	-	-
<b>Total transactions with owners, recorded directly in equity</b>		-	-	4,104	-	-	-	(4,104)	-	-	-
<b>At 30 June 2016</b>		862,585	4,510	24,111	(2,152)	(4,792)	(908)	47,704	931,058	6,170	937,228

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



**AKTİF YATIRIM BANKASI ANONİM ŞİRKETİ AND ITS SUBSIDIARIES**
**Condensed Consolidated Statement of Cash Flows**
**For the Six-Month Period Ended 30 June 2016**
*(Currency - In thousands of Turkish Lira ("TL"))*

	<i>Notes</i>	<b>2016</b>	<b>2015</b>
<b>Cash flows from operating activities</b>			
Net profit for the year		37,221	25,516
Adjustments for:			
Depreciation and amortisation of tangible and intangible assets booked in operating expenses	9,10	25,351	11,471
Depreciation and amortisation of tangible and intangible assets booked in cost of goods sold	14	433	7,646
Retirement pay provision expense	12	723	1,866
Unused vacation provision expense	12	920	(612)
Bonus provision expense	12	1,808	(11,146)
Impairment on financial assets	7	4,385	8,119
Net interest income and expense		(162,642)	(115,577)
Share of profit of equity investee		60	(221)
(Reversal) / provision for possible losses		15,000	(5,000)
Unrealised foreign exchange loss / (gain)		72,682	(69,480)
Other accruals		(18,010)	(3,939)
Income tax		13,302	7,433
		<b>(8,767)</b>	<b>(143,924)</b>
Change in reserve deposit at Central Bank		(156,952)	(102,826)
Change in trading assets		101	(1)
Change in loans and advances to customers		(476,416)	164,970
Change in other assets		29,599	(56,568)
Change in obligations under repurchase agreements		200,322	250,130
Proceeds from borrowings		(523,615)	482,296
Change in other liabilities		324,091	(4,528)
		<b>(602,870)</b>	<b>733,473</b>
Interest received		404,001	292,516
Interest paid		(207,803)	(197,790)
Retirement pay provision		-	(413)
Income tax paid		(11,069)	(10,270)
<b>Net cash used in operating activities</b>		<b>185,129</b>	<b>84,043</b>
<b>Cash flows from investing activities</b>			
Purchase of investment securities		(2,853,115)	(7,585,246)
Sale of investment securities		2,651,273	7,545,234
Purchase of tangible assets	9	(13,171)	(10,272)
Equity accounted investees		-	(3,025)
Proceeds from the sale of tangible assets		334	-
Purchase of intangible assets	10	(4,408)	(7,478)
Acquisition of subsidiaries		-	(12,455)
<b>Net cash used in investing activities</b>		<b>(219,087)</b>	<b>(73,242)</b>
<b>Cash flows from financing activities</b>			
Proceeds from debt securities issued		1,242,848	4,568,777
Repayment of debt securities issued		(376,249)	(5,060,912)
Change in financial lease liabilities		(6,456)	(2,091)
<b>Net cash provided from financing activities</b>		<b>860,143</b>	<b>(494,226)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>214,548</b>	<b>106,124</b>
Effect of exchange rate fluctuations on cash		(1,840)	(158)
Cash and cash equivalents on 1 January		451,360	286,409
<b>Cash and cash equivalents on 30 June</b>		<b>664,068</b>	<b>392,375</b>

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

# AKTİF YATIRIM BANKASI ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

## Notes To The Condensed Consolidated Financial Statements

As at and For The Six-Month Period Ended 30 June 2016

(Currency - In thousands of Turkish Lira ("TL"))

### 1. Reporting entity

Aktif Yatırım Bankası Anonim Şirketi (the "Bank") was incorporated under the name of Çalık Yatırım Bankası A.Ş. in Turkey in July 1999. The Bank changed its name as Aktif Yatırım Bankası A.Ş. on 1 August 2008.

The Bank operates as an "investment bank" and is mainly involved in corporate and consumer services such as cash or non-cash lending, financial leasing, factoring, corporate lending. As an investment bank, the Bank borrows funds from other banks, financial markets, partners and credit customers, but is not entitled to receive deposits from customers.

The head office of the Bank is located at Büyükdere Cad. No: 163/A Zincirlikuyu / Istanbul, and the Bank has eight branches.

The Bank and its subsidiaries are hereafter referred to as the "Group".

The Bank employs 674 people as at 30 June 2016 (31 December 2015: 634).

The Group controls equity stakes in companies that are active in the areas of technology system integration, payment center, insurance brokerage, consulting in real estate projects, real estate, islamic financial leasing and electronic payment systems. Activities carried out in these business areas and main companies are explained below in summary.

Sigortayeri Sigorta ve Reasürans Brokerliği A.Ş. ("Sigortayeri"): With the virtual and physical multi-channel structure that is shaped according to the needs of potential policyholders comparative insurance products, provide customers with fast and intuitive way to operate in the field of insurance broking.

EPost Elektronik Perakende Otomasyon Satış Ticaret A.Ş. ("EPost"): EPost allocated to business with the brand through reliable/secure devices, sales and collection operations for making the dealership system.

E-Kent Teknoloji ve Ödeme Sistemleri Sanayi ve Ticaret A.Ş. ("E-Kent"): E-Kent increases both the new products and services applied in the field and the number of cities in which services are offered in its fields of operation with its vision which is "building city technologies".

Pavo Teknik Servis Elektrik Elektronik Sanayi ve Ticaret A.Ş. ("Pavo"): Pavo operates in the area of new generation payment systems (especially ECR business); import, manufacture sales and technical services.

N Kolay Ödeme Kuruluşu A.Ş. ("N Kolay"): N Kolay operates in the area of invoice payment point and payment services licence obtained from Banking Regulation and Supervision Agency in 2015.

Asset Aktif Sportif ve Sanatsal Etkinlik Hizmetleri Ticaret A.Ş. ("Asset"): Asset operates in the area of ticket sale organization of sports and arts activities.

Emlak Girişim Danışmanlığı A.Ş. ("Emlak Girişim"): Emlak Girişim works on real estate projects, structures and systems, and makes active counselling and guidance.

IFM İstanbul Finans Merkezi İnşaat Taahhüt A.Ş. ("IFM"): IFM operates in special projects, land recreation, area sales and revenue sharing provisions for the immovable construction, construction and sales activity is independent sections.

Kazakhstan Ijara Company Jsc. ("KIC"): KIC carries on Islamic leasing business. The aim of firm in Kazakhstan is to support the development of small and medium enterprises (SMEs) by providing alternative sources of Shariah compliant financing for their projects.

# AKTİF YATIRIM BANKASI ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

## Notes To The Condensed Consolidated Financial Statements

As at and For The Six-Month Period Ended 30 June 2016

(Currency - In thousands of Turkish Lira ("TL"))

### 1. Reporting entity (continued)

Eurasian Leasing Company ("ELC"): ELC is the first in Russia to provide leasing solutions to the SME sector in accordance with the Islamic principles.

UPT Ödeme Hizmetleri A.Ş. ("UPT"): UPT operates for electronic money and money transfer and payment services licence obtained from Banking Regulation and Supervision Agency in 2015.

Euro Mediterranean Investment Company ("EMIC"): EMIC is a portfolio management company.

Mükafat Portföy Yönetimi A.Ş. ("Mükafat"): Mükafat is a portfolio management company.

### 2. Basis of preparation

#### 2.1 Statement of compliance

The Bank and its subsidiaries operating in Turkey maintain their books of account and prepare their statutory condensed consolidated financial statements in Turkish Lira ("TL") in accordance with the accounting principles as promulgated by the Banking Regulation and Supervision Agency ("BRSA"), Capital Markets Board of Turkey, the Turkish Commercial Code and tax legislation. The foreign subsidiaries maintain their books of account in accordance with the laws and regulations in force in the countries in which they are registered.

The condensed consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs") and its interpretations adopted by the International Accounting Standards Board ("IASB").

The condensed consolidated interim financial statements were authorised for issue by the Group's management on 14 October 2016. The Bank's General Assembly and the other reporting bodies have the power to amend the condensed consolidated interim financial statements after their issue.

#### 2.2 Basis of measurement

The financial statements have been prepared on historical cost basis except for the following:

- derivative financial instruments are measured at fair value,
- financial instruments at fair value through profit or loss are measured at fair value,
- available-for-sale financial instruments.

#### 2.3 Functional and presentation currency

These financial statements are presented in TL, which is the Bank's functional currency. Except as indicated, financial information presented in TL has been rounded to the nearest thousand.

#### 2.4 Use of estimates and judgements

The preparation of the condensed consolidated interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

In preparing these condensed consolidated interim financial statements, the significant judgements made by management in applying the Bank's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at 31 December 2015.

## AKTİF YATIRIM BANKASI ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

### Notes To The Condensed Consolidated Financial Statements

As at and For The Six-Month Period Ended 30 June 2016

(Currency - In thousands of Turkish Lira ("TL"))

#### 3. Significant accounting policies

The condensed consolidated interim financial statements as of 30 June 2016 have been prepared in accordance with IAS 34 Interim Financial Reporting of IFRS and are in compliance with the accounting policies used to prepare the financial statements as of 31 December 2015. Therefore, the condensed consolidated financial statements should be read in conjunction with the financial statements of the Group for the year ended 31 December 2015.

Except as described below, the accounting policies set out below have been applied consistently to all periods presented in these condensed consolidated interim financial statements, and have been applied consistently by Group entities. The following changes in accounting policies are also expected to be reflected in the Group's consolidated financial statements as at and for the year ending 31 December 2015.

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year.

#### Application of new and revised International Financial Reporting Standards (IFRSs)

a) Amendments to IFRSs affecting amounts reported and/or disclosures in the consolidated financial statements

None.

b) New and Revised IFRSs applied with no material effect on the condensed consolidated financial statements

IFRS 14	<i>Regulatory Deferral Accounts</i> <sup>1</sup>
Amendments to IFRS 11	<i>Accounting for Acquisition of Interests in Joint Operations</i> <sup>1</sup>
Amendments to IAS 16 and IAS 38	<i>Clarification of Acceptable Methods of Depreciation and Amortisation</i> <sup>1</sup>
Amendments to IAS 16 and IAS 41	<i>Agriculture: Bearer Plants</i> <sup>1</sup>
Amendments to IAS 27	<i>Equity Method in Separate Financial Statements</i> <sup>1</sup>
Annual Improvements Cycle 2012-2014	<i>IFRS 5, IFRS 7, IAS 19, IAS 34</i> <sup>1</sup>
Amendments to IAS 1	<i>Disclosure Initiative</i> <sup>1</sup>
Amendments to IFRS 10, IFRS 12 and IAS 28	<i>Investment Entities: Applying the Consolidation Exception</i> <sup>1</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2016.

#### IFRS 14 *Regulatory Deferral Accounts*

IFRS 14 *Regulatory Deferral Accounts* permits an entity which is a first-time adopter of International Financial Reporting Standards to continue to account, with some limited changes, for 'regulatory deferral account balances' in accordance with its previous GAAP, both on initial adoption of IFRS and in subsequent financial statements.

IFRS 14 was issued by the IASB on 30 January 2014 and is applied to an entity's first annual IFRS financial statements for a period beginning on or after 1 January 2016.

## **AKTİF YATIRIM BANKASI ANONİM ŞİRKETİ AND ITS SUBSIDIARIES**

### **Notes To The Condensed Consolidated Financial Statements**

**As at and For The Six-Month Period Ended 30 June 2016**

*(Currency - In thousands of Turkish Lira ("TL"))*

#### **3. Significant accounting policies (continued)**

##### **Amendments to IFRS 11 *Accounting for Acquisition of Interests in Joint Operations***

This amendment requires an acquirer of an interest in a joint operation in which the activity constitutes a business to:

- apply all of the business combinations accounting principles in IFRS 3 and other IFRSs, except for those principles that conflict with the guidance in IFRS 11,
- disclose the information required by IFRS 3 and other IFRSs for business combinations.

##### **Amendments to IAS 16 and IAS 38 *Clarification of Acceptable Methods of Depreciation and Amortisation***

This amendment clarifies that a depreciation method that is based on revenue that is generated by an activity that includes the use of an asset is not appropriate for property, plant and equipment, and introduces a rebuttable presumption that an amortisation method that is based on the revenue generated by an activity that includes the use of an intangible asset is inappropriate, which can only be overcome in limited circumstances where the intangible asset is expressed as a measure of revenue, or when it can be demonstrated that revenue and the consumption of the economic benefits of the intangible asset are highly correlated. The amendment also adds guidance that expected future reductions in the selling price of an item that was produced using an asset could indicate the expectation of technological or commercial obsolescence of the asset, which, in turn, might reflect a reduction of the future economic benefits embodied in the asset.

##### **Amendments to IAS 16 and IAS 41 *Agriculture: Bearer Plants***

This amendment include 'bearer plants' within the scope of IAS 16 rather than IAS 41, allowing such assets to be accounted for a property, plant and equipment and measured after initial recognition on a cost or revaluation basis in accordance with IAS 16. The amendment also introduces a definition of 'bearer plants' as a living plant that is used in the production or supply of agricultural produce is expected to bear produce for more than one period and has a remote likelihood of being sold as agricultural produce, except for incidental scrap sales, and clarifies that produce growing on bearer plants remains within the scope of IAS 41.

##### **Amendments to IAS 27 *Equity Method in Separate Financial Statements***

This amendment permits investments in subsidiaries, joint ventures and associates to be optionally accounted for using the equity method in separate financial statements.

##### **Annual Improvements Cycle 2012-2014**

**IFRS 5:** Adds specific guidance in IFRS 5 for cases in which an entity reclassifies an asset from held for sale to held for distribution or vice versa and cases in which held-for-distribution accounting is discontinued.

**IFRS 7:** Additional guidance to clarify whether a servicing contract is continuing involvement in a transferred asset, and clarification on offsetting disclosures in condensed interim financial statements.

**IAS 19:** Clarifies that the high quality corporate bonds used in estimating the discount rate for post-employment benefits should be denominated in the same currency as the benefits to be paid.

**IAS 34:** Clarifies the meaning of 'elsewhere in the interim report' and requires a cross-reference.

##### **Amendments to IAS 1 *Disclosure Initiative***

This amendment addresses perceived impediments to preparers exercising their judgment in presenting their financial reports.

## AKTİF YATIRIM BANKASI ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

### Notes To The Condensed Consolidated Financial Statements

As at and For The Six-Month Period Ended 30 June 2016

(Currency - In thousands of Turkish Lira ("TL"))

#### 3. Significant accounting policies (continued)

##### **Amendments to IFRS 10, IFRS 12 and IAS 28 Investment Entities: Applying the Consolidation Exception**

This amendment addresses issues that have arisen in the context of applying the consolidation exception for investment entities by clarifying the following points:

- The exemption from preparing consolidated financial statements for an intermediate parent entity is available to a parent entity that is a subsidiary of an investment entity, even if the investment entity measures all of its subsidiaries at fair value.
- A subsidiary that provides services related to the parent's investment activities should not be consolidated if the subsidiary itself is an investment entity.
- When applying the equity method to an associate or a joint venture, a non-investment entity investor in an investment entity may retain the fair value measurement applied by the associate or joint venture to its interests in subsidiaries.
- An investment entity measuring all of its subsidiaries at fair value provides the disclosures relating to investment entities required by IFRS 12.

##### c) New and revised IFRSs in issue but not yet effective

The Group has not applied the following new and revised IFRSs that have been issued but are not yet effective:

Amendments to IFRS 10 and IAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>
Amendments to IAS 12	<i>Recognition of Deferred Tax Assets for Unrealized Losses<sup>1</sup></i>
Amendments to IAS 7	<i>Disclosure Initiative<sup>1</sup></i>
IFRS 9	<i>Financial Instruments<sup>2</sup></i>
IFRS 15	<i>Revenue from Contracts with Customers<sup>2</sup></i>
Amendments to IFRS 15	<i>Revenue from Contracts with Customers<sup>2</sup></i>
Amendments to IFRS 2	<i>Classification and Measurement of Share-Based Payment Transactions<sup>2</sup></i>
IFRS 16	<i>Leases<sup>3</sup></i>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2017.

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2018.

<sup>3</sup> Effective for annual periods beginning on or after 1 January 2019.

##### **Amendments to IFRS 10 and IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture**

This amendment clarifies the treatment of the sale or contribution of assets from an investor to its associate or joint venture.

##### **Amendments to IAS 12 Recognition of Deferred Tax Assets for Unrealized Losses**

This amendment clarifies the following aspects:

- Unrealized losses on debt instruments measured at fair value and measured at cost for tax purposes give rise to a deductible temporary difference regardless of whether the debt instrument's holder expects to recover the carrying amount of the debt instrument by sale or by use.
- The carrying amount of an asset does not limit the estimation of probable future taxable profits.
- Estimates for future taxable profits exclude tax deductions resulting from the reversal of deductible temporary differences.

## **AKTİF YATIRIM BANKASI ANONİM ŞİRKETİ AND ITS SUBSIDIARIES**

### **Notes To The Condensed Consolidated Financial Statements**

#### **As at and For The Six-Month Period Ended 30 June 2016**

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### **3. Significant accounting policies (continued)**

- An entity assesses a deferred tax asset in combination with other deferred tax assets. Where tax law restricts the utilization of tax losses, an entity would assess a deferred tax asset in combination with other deferred tax assets of the same type.

#### **Amendments to IAS 7 Disclosure Initiative**

This amendment clarifies that entities shall provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities.

#### **IFRS 9 Financial Instruments**

IFRS 9, issued in November 2009, introduces new requirements for the classification and measurement of financial assets. IFRS 9 was amended in October 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition, and in November 2013 to include the new requirements for general hedge accounting. Another revised version of IFRS 9 was issued in July 2014 mainly to include a) impairment requirements for financial assets and b) limited amendments to the classification and measurement requirements by introducing a "fair value through other comprehensive income ("FVTOCI") measurement category for certain simple debt instruments.

#### **IFRS 15 Revenue from Contracts with Customers**

IFRS 15 provides a single, principles based five-step model to be applied to all contracts with customers.

The five steps in the model are as follows:

- Identify the contract with the customer,
- Identify the performance obligations in the contract,
- Determine the transaction price,
- Allocate the transaction price to the performance obligations in the contracts,
- Recognise revenue when the entity satisfies a performance obligation.

#### **Amendments to IFRS 15 Revenue from Contracts with Customers**

This amendment clarifies three aspects of the standard (identifying performance obligations, principal versus agent considerations, and licensing) and provides some transition relief for modified contracts and completed contracts.

#### **Amendments to IFRS 2 Classification and Measurement of Share-Based Payment Transactions**

This amendment clarifies the standard in relation to the accounting for cash-settled share-based payment transactions that include a performance condition, the classification of share-based payment transactions with net settlement features, and the accounting for modifications of share-based payment transactions from cash-settled to equity settled.

#### **IFRS 16 Leases**

This new standard brings most leases on-balance sheet for lessees under a single model, eliminating the distinction between operating and finance leases. Lessor accounting however remains largely unchanged and the distinction between operating and finance leases is retained. IFRS 16 supersedes IAS 17 "Leases" and related interpretations and is effective for periods beginning on or after 1 January 2019, with earlier adoption permitted if IFRS 15 'Revenue from Contracts with Customers' has also been applied.

The Group evaluates the effects of these standards, amendments and improvements on the consolidated financial statements.

## **AKTİF YATIRIM BANKASI ANONİM ŞİRKETİ AND ITS SUBSIDIARIES**

### **Notes To The Condensed Consolidated Financial Statements**

#### **As at and For The Six-Month Period Ended 30 June 2016**

*(Currency - In thousands of Turkish Lira ("TL"))*

#### **4. Basis of consolidation**

##### ***Subsidiaries***

The consolidated financial statements incorporate the condensed consolidated interim financial statements of the Bank and entities controlled by the Bank (its subsidiaries). The control exists if and only if; 1) when the Bank has the power over an affiliate which that power, directly or indirectly, give rights to govern the financial and operating policies of the entity so as to obtain benefits from its activities, 2) exposure, or rights, to variable returns from its involvement with the affiliate, 3) the ability to use its power over the affiliate to affect the amount of its returns. The Bank reassesses its control power over its subsidiaries if there is an indication that there are changes to any of the three elements of control.

The results of subsidiaries acquired or disposed of during the year are included in the condensed consolidated statement of interim comprehensive income from the effective date of acquisition or up to the effective date of disposal, as appropriate.

##### ***Business combinations***

The Group accounts for business combinations using the acquisition method when control is transferred to the Group.

The Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts generally are recognised in profit or loss.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Any contingent consideration payable is measured at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

##### ***Interests in equity-accounted investees***

The Group's interests in equity-accounted investees comprise interests in associates and joint ventures. Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interests in associates and the joint ventures are accounted for using the equity method. They are recognised initially at cost, which includes transaction costs. Subsequent to initial recognition, the condensed consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of equity-accounted investees, until the date on which significant influence or joint control ceases.



# AKTİF YATIRIM BANKASI ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

## Notes To The Condensed Consolidated Financial Statements

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(Currency - In thousands of Turkish Lira ("TL"))

### 4. Basis of consolidation (Continued)

#### Non-controlling interests

Non-controlling interests are measured at their proportionate share of the acquiree's identifiable net assets at the acquisition date. Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

#### Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

#### Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

#### Acquisitions from entities under common control

Business combinations arising from transfers of interests in entities that are under the control of the shareholder that controls the Group are accounted for as if the acquisition had occurred at the beginning of the earliest comparative period presented or, if later, at the date that common control was established. The assets and liabilities acquired are recognised at the carrying amounts recognised previously in the controlling shareholder's consolidated financial statements. The components of equity of the acquired entities are added to the same components within the Group equity and any gain/loss arising is recognised directly in equity.

#### Group entities

The subsidiaries included in the consolidation and their ownership percentages are as follows:

Subsidiaries	Country of Incorporation	Direct ownership %		Indirect ownership %	
		30 June 2016	31 December 2015	30 June 2016	31 December 2015
<b>Insurance Brokerage</b>					
Sigortayeri Sigorta ve Reasürans Brokerliği A.Ş.	Turkey	100.00%	100.00%	-	-
<b>Payment Systems</b>					
Epost Elektronik Perakende Otomasyon Satış Tic. A.Ş.	Turkey	99.27%	99.27%	-	-
E-Kent Teknoloji ve Ödeme Sistemleri San. ve Tic. A.Ş.	Turkey	-	-	99.27%	99.27%
N Kolay Ödeme Kuruluşu A.Ş.	Turkey	-	-	99.27%	99.27%
UPT Ödeme Hizmetleri A.Ş.	Turkey	100.00%	100.00%	-	-
<b>Real Estate</b>					
Emlak Girişim Danışmanlığı A.Ş.	Turkey	100.00%	100.00%	-	-
İFM İstanbul Finans Merkezi İnşaat Taahhüt A.Ş.	Turkey	5.00%	5.00%	-	-
<b>Service</b>					
Pavo Teknik Servis Elektrik Elektronik Sanayi ve Ticaret A.Ş.	Turkey	-	-	79.42%	79.42%
Asset Aktif Sportif ve Sanatsal Etkinlik Hizmetleri Tic. A.Ş.	Turkey	-	-	99.27%	99.27%
Mükafat Portföy Yönetimi A.Ş.	Turkey	80.00%	-	-	-
<b>Equity accounted investees</b>					
	Country of Incorporation	30 June 2016 Ownership %		31 December 2015 Ownership %	
Kazakhstan Ijara Company Jsc	Kazakhstan	14.31 %		14.31 %	
Eurasian Leasing Company	Republic of Tatarstan	25.00 %		25.00 %	
Euro Mediterranean Investment Company	Turkish Republic of Northern Cyprus	21.28 %		-	

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**As at and For The Six-Month Period Ended 30 June 2016**

*(Currency - In thousands of Turkish Lira ("TL"))*

**5. Financial risk management**

The Bank's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at 31 December 2015.

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**6. Segment Reporting**

2016	Retail banking	Corporate banking	Investment banking	Other	Total banking	Brokerage	Other	Combined	Adjustments	Total
Operating income	123,572	302,512	58,550	-	484,634	13,603	125,914	624,151	(29,641)	594,510
Operating expense	(119,428)	(33,647)	(4,527)	(260,417)	(418,019)	(10,158)	(137,347)	(565,524)	23,988	(541,536)
<b>Income from operations</b>	<b>4,144</b>	<b>268,865</b>	<b>54,023</b>	<b>(260,417)</b>	<b>66,615</b>	<b>3,445</b>	<b>(11,433)</b>	<b>58,627</b>	<b>(5,653)</b>	<b>52,974</b>
Taxation Charge	-	-	-	(13,231)	(13,231)	(660)	(2,627)	(16,518)	765	(15,753)
<b>Net income for the year</b>	<b>4,144</b>	<b>268,865</b>	<b>54,023</b>	<b>(273,648)</b>	<b>53,384</b>	<b>2,785</b>	<b>(14,060)</b>	<b>42,109</b>	<b>(4,888)</b>	<b>37,221</b>
Segment assets	1,617,472	3,453,885	2,613,703	-	7,685,060	17,993	398,902	8,101,955	(408,016)	7,693,939
Investments in equity participations	-	-	213,108	-	213,108	-	-	213,108	(199,974)	13,134
Other assets	-	-	-	603,522	603,522	22,026	193,670	819,218	(88,067)	731,151
<b>Total assets</b>	<b>1,617,472</b>	<b>3,453,885</b>	<b>2,826,811</b>	<b>603,522</b>	<b>8,501,690</b>	<b>40,019</b>	<b>592,572</b>	<b>9,134,281</b>	<b>(696,057)</b>	<b>8,438,224</b>
Segment liabilities	2,811,119	1,498,285	2,608,469	-	6,917,873	493	442,334	7,360,700	(1,162,456)	6,198,244
Equity and other liabilities	-	-	-	1,583,817	1,583,817	39,525	150,250	1,773,592	466,388	2,239,980
<b>Total liabilities and equity</b>	<b>2,811,119</b>	<b>1,498,285</b>	<b>2,608,469</b>	<b>1,583,817</b>	<b>8,501,690</b>	<b>40,018</b>	<b>592,584</b>	<b>9,134,292</b>	<b>(696,068)</b>	<b>8,438,224</b>
<b>Other segment items</b>										
Capital investment	-	-	-	-	-	-	-	-	-	17,579
Depreciation	-	-	-	-	-	-	-	-	-	25,784

**AKTIF YATIRIM BANKASI ANONİM ŞİRKETİ AND ITS SUBSIDIARIES**

**Notes To The Condensed Consolidated Financial Statements**

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**6. Segment Reporting**

2015	Retail banking	Corporate banking	Investment banking	Other	Total banking	Brokerage	Other	Combined	Adjustments	Total
Operating income	89,608	290,514	58,360	5,000	443,482	4,209	60,288	507,979	(74,131)	433,848
Operating expense	(85,245)	(42,231)	(13,921)	(227,795)	(369,192)	(6,788)	(75,570)	(451,550)	50,651	(400,899)
<b>Income from operations</b>	<b>4,363</b>	<b>248,283</b>	<b>44,439</b>	<b>(222,795)</b>	<b>74,290</b>	<b>(2,579)</b>	<b>(15,282)</b>	<b>56,429</b>	<b>(23,480)</b>	<b>32,949</b>
Taxation Charge	-	-	-	(13,311)	(13,311)	428	1,183	(11,700)	4,267	(7,433)
<b>Net income for the year</b>	<b>4,363</b>	<b>248,283</b>	<b>44,439</b>	<b>(236,106)</b>	<b>60,979</b>	<b>(2,151)</b>	<b>(14,099)</b>	<b>44,729</b>	<b>(19,213)</b>	<b>25,516</b>
Segment assets	1,266,817	3,458,048	2,066,226	-	6,791,091	6,349	365,763	7,163,203	(332,915)	6,830,288
Investments in equity participations	-	-	135,108	-	135,108	-	-	135,108	(122,367)	12,741
Other assets	-	-	-	634,263	634,263	25,328	183,422	843,013	(129,393)	713,620
<b>Total assets</b>	<b>1,266,817</b>	<b>3,458,048</b>	<b>2,201,334</b>	<b>634,263</b>	<b>7,560,462</b>	<b>31,677</b>	<b>549,185</b>	<b>8,141,324</b>	<b>(584,675)</b>	<b>7,556,649</b>
Segment liabilities	1,972,399	941,421	3,018,684	-	5,932,504	1,042	394,606	6,328,152	(542,320)	5,785,832
Equity and other liabilities	-	-	-	1,627,958	1,627,958	30,635	154,590	1,813,183	(42,366)	1,770,817
<b>Total liabilities and equity</b>	<b>1,972,399</b>	<b>941,421</b>	<b>3,018,684</b>	<b>1,627,958</b>	<b>7,560,462</b>	<b>31,677</b>	<b>549,196</b>	<b>8,141,335</b>	<b>(584,686)</b>	<b>7,556,649</b>
<b>Other segment items</b>										
Capital investment	-	-	-	-	-	-	-	-	-	18,092
Depreciation	-	-	-	-	-	-	-	-	-	19,117

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(Currency - In thousands of Turkish Lira ("TL"))

**7. Loans and advances to customers**

As of 30 June 2016 and 31 December 2015, all loans and advances to customers are at amortised cost.

	Gross amount	Impairment allowance	Carrying amount	Gross amount	Impairment allowance	Carrying amount
	30 June 2016			31 December 2015		
Corporate customers:						
- Other lending	4,933,760	(67,178)	4,866,582	4,701,243	(62,982)	4,638,261
<i>Corporate loans</i>	3,262,462	(6,195)	3,256,267	3,380,748	(3,882)	3,376,866
<i>Consumer loans</i>	1,671,298	(60,983)	1,610,315	1,320,495	(59,100)	1,261,395
	<b>4,933,760</b>	<b>(67,178)</b>	<b>4,866,582</b>	<b>4,701,243</b>	<b>(62,982)</b>	<b>4,638,261</b>

**Allowance for impairment**

Allowance for impairment	30 June 2016	31 December 2015
<b>Specific allowances for impairment</b>		
Balance on 1 January	48,939	42,686
Impairment loss for the period	537	6,253
- <i>Charge for the period</i>	5,075	25,231
- <i>Reversal of provision</i>	(4,538)	(18,978)
<b>Balance at the end of the period</b>	<b>49,476</b>	<b>48,939</b>
<b>Collective allowances for impairment</b>		
Balance on 1 January	14,043	10,379
Impairment loss for the period	3,659	3,664
- <i>Charge for the period</i>	3,659	3,664
<b>Balance at the end of the period</b>	<b>17,702</b>	<b>14,043</b>
<b>Total allowances for impairment</b>	<b>67,178</b>	<b>62,982</b>

**AKTİF YATIRIM BANKASI ANONİM ŞİRKETİ AND ITS SUBSIDIARIES****Notes To The Condensed Consolidated Financial Statements****As at and For The Six-Month Period Ended 30 June 2016***(Currency - In thousands of Turkish Lira ("TL"))***8. Investment securities**

<b>30 June 2016</b>			
	<b>Interest rate %</b>	<b>Latest maturity</b>	<b>Carrying amount</b>
<b>Held-to-maturity investment securities</b>			
- Corporate bonds	10.66-12.24	28 December 2018	7,126
<b>Available-for-sale investment securities</b>			
- Government bonds	2.18-14.17	15 January 2030	824,311
- Corporate bonds	2.71-14.84	18 December 2020	334,865
			<b>1,166,302</b>
<b>31 December 2015</b>			
	<b>Interest rate %</b>	<b>Latest maturity</b>	<b>Carrying amount</b>
<b>Held-to-maturity investment securities</b>			
- Government bonds	7.33-8.45	24 February 2016	143,624
- Corporate bonds	5.27-12.29	28 December 2018	12,208
<b>Available-for-sale investment securities</b>			
- Government bonds	1.16-10.77	15 January 2030	660,229
- Corporate bonds	1.00-6.12	18 December 2020	114,680
			<b>930,741</b>

As at 30 June 2016, TL 66,346 and TL 744,349 of investment securities are given as collateral for performing transaction at stock exchange and repurchase agreement, respectively (31 December 2015: TL 98,856 and TL 487,810, respectively).

As at 30 June 2016, TL 78,012 investment securities are blocked for asset backed securitisation funds (31 December 2015: TL 81,845).

**9. Tangible assets**

For the six-month period ended 30 June 2016, acquisitions of tangible assets amount to TL 13,171 (30 June 2015: TL 10,272). Capitalized borrowing costs amount to TL 12,438 (30 June 2015: TL 5,020). Disposal of tangible assets amount to TL 334 (30 June 2015: None). Depreciation charge for the six-month period ended 30 June 2016 is TL 10,679 (30 June 2015: TL 8,217). Depreciation amount of disposal of tangible assets is TL 269 (30 June 2015: None).

**10. Intangible assets**

For the six-month period ended 30 June 2016, acquisitions of intangible assets amount to TL 4,408 (30 June 2015: TL 7,478). There is no disposal of tangible assets (30 June 2015: None). Amortisation charge for the six-month period ended 30 June 2016 is TL 15,105 (30 June 2015: TL 10,900).

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**Notes To The Condensed Consolidated Financial Statements**

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(Currency - In thousands of Turkish Lira ("TL"))

**11. Debt securities issued**

	<b>30 June 2016</b>	<b>31 December 2015</b>
Debt securities issued-TL	2,955,928	2,154,079
Debt securities issued-FC	529,828	465,868
	<b>3,485,756</b>	<b>2,619,947</b>

	<b>30 June 2016</b>	<b>31 December 2015</b>
Nominal of debt securities issued	3,785,990	2,947,745
Valuation difference of debt securities issued	(300,234)	(327,798)
	<b>3,485,756</b>	<b>2,619,947</b>

		<b>30 June 2016</b>		<b>31 December 2015</b>	
		<b>Maturity</b>	<b>Rate</b>	<b>Maturity</b>	<b>Rate</b>
TL	1 July 2016-25 October 2017	11.25%-14%		4 January 2016-20 January 2017	11%-14%
USD	1 July 2016-4 May 2017	2.45%-4.6%		4 January-31 October 2016	3%-5%
EUR	1 July 2016-14 December 2016	0.9%-2.73%		4 January-14 November 2016	2%-3%

**12. Provisions**

	<b>30 June 2016</b>	<b>31 December 2015</b>
Provision for possible losses (*)	30,000	15,000
Bonus provision	10,223	8,415
Vacation pay liability	3,539	2,619
Employee termination benefits	5,216	4,493
Other	7,787	6,465
<b>Total</b>	<b>56,765</b>	<b>36,992</b>

(\*) As at 30 June 2016, the accompanying condensed consolidated statement of financial position includes a free provision amounting to TL 30,000 provided by the Group management in line with conservatism principle considering the circumstances which may arise from any changes in the economy or market conditions (31 December 2015: TL 15,000).

**13. Net fee and commission income**

	<b>30 June 2016</b>	<b>30 June 2015</b>
Remittance fee	5,161	7,836
Financial guarantee contracts issued	4,341	5,474
Intermediary commissions	32,665	403
Insurance fee	8,811	89
VFF service fee	-	9,544
Commitment fee	6,600	404
Delivery fee	2,937	-
Other	9,156	7,903
<b>Total</b>	<b>69,671</b>	<b>31,653</b>

**AKTİF YATIRIM BANKASI ANONİM ŞİRKETİ AND ITS SUBSIDIARIES****Notes To The Condensed Consolidated Financial Statements****As at and For The Six-Month Period Ended 30 June 2016***(Currency - In thousands of Turkish Lira ("TL"))***14. Sales income from subsidiaries and cost of sales & services from subsidiaries*****Sales income:***

	<b>30 June 2016</b>	<b>30 June 2015</b>
Revenue from sale of goods	36,196	18,814
Revenue from cash register POS	59,693	9,828
Revenue from GSM sales	12,463	322
Revenue from license fee	-	983
Match ticket sales	3,236	8,082
Commission income	32,687	10,699
Other sales income	1,894	2,416
<b>Total</b>	<b>146,169</b>	<b>51,144</b>

***Cost of services:***

	<b>30 June 2016</b>	<b>30 June 2015</b>
Personnel expenses	3,016	14,311
Depreciation and amortization expenses	433	7,646
Cost of cash register POS	66,071	8,751
Cost of match ticket sales	3,875	7,235
Dealer commission expenses	11,322	4,693
Rent expenses	1,509	2,416
Maintenance expenses	2,069	1,625
Other	28,377	10,538
<b>Total</b>	<b>116,672</b>	<b>57,215</b>

**15. Administrative expenses**

	<b>30 June 2016</b>	<b>30 June 2015</b>
Taxes and dues other than on income	4,288	5,470
Consultancy expenses	3,355	5,095
Rent expenses	10,175	5,132
Expenses on vehicles	3,274	3,566
Communication expenses	5,460	3,765
Maintenance expenses	10,882	3,103
Publicity expenses	4,193	12,904
Outsource expenses	4,196	6,045
Others	9,314	12,812
<b>Total</b>	<b>55,137</b>	<b>57,892</b>



**AKTİF YATIRIM BANKASI ANONİM ŞİRKETİ AND ITS SUBSIDIARIES****Notes To The Condensed Consolidated Financial Statements****As at and For The Six-Month Period Ended 30 June 2016***(Currency - In thousands of Turkish Lira ("TL"))***16. Capital and reserves**

	<b>30 June 2016</b>	<b>31 December 2015</b>
<b>Number of common shares</b> , TL 1,000 (in full TL), par value (Authorised and issued)	862,585	862,585

As at 30 June 2016, all issued shares are fully paid and there is no preference shares assigned to shareholders of the Group.

**Share capital and share premium**

As of 30 June 2016 and 31 December 2015, the composition of shareholders and their respective percentage of ownership are summarised as follows:

	<b>30 June 2016</b>		<b>31 December 2015</b>	
	<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
Çalık Holding A.Ş.	857,621	99.42	857,621	99.42
Çalık Denim Tekstil San. ve Tic. A.Ş.	2,628	0.30	2,628	0.30
Ahmet Çalık	1,168	0.14	1,168	0.14
Başak Yönetim Sistemleri A.Ş.	584	0.07	584	0.07
Irmak Yönetim Sistemleri A.Ş.	584	0.07	584	0.07
<b>Total paid-in-capital</b>	<b>862,585</b>	<b>100.00</b>	<b>862,585</b>	<b>100.00</b>
Restatement effect per IAS 29	4,510		4,510	
<b>Total share capital</b>	<b>867,095</b>		<b>867,095</b>	

**Reserves***Fair value reserve*

This reserve includes the cumulative net change in the fair value of available-for-sale investment securities until the investment is derecognised or impaired.

*Other reserves*

Other reserves consist of legal reserves. The legal reserves consist of first and second legal reserves in accordance with the Turkish Commercial Code. The first legal reserve is appropriated out of the statutory profits at the rate of 5%, until the total reserve reaches a maximum of 20% of the entity's share capital. The second legal reserve is appropriated at the rate of 10% of all distributions in excess of 5% of the entity's share capital. The first and second legal reserves are not available for distribution unless they exceed 50% of the share capital, but may be used to absorb losses in the event that the general reserve is exhausted.

**AKTİF YATIRIM BANKASI ANONİM ŞİRKETİ AND ITS SUBSIDIARIES****Notes To The Condensed Consolidated Financial Statements****As at and For The Six-Month Period Ended 30 June 2016***(Currency - In thousands of Turkish Lira ("TL"))***17. Related parties****Parent and ultimate controlling party**

The Bank is controlled by Çalık Holding A.Ş. which owns 99.42% of ordinary shares (31 December 2015: 99.42%).

**Compensation of key management personnel of the Group**

Total salaries and other benefits paid to the Board of Members and top management during the period are TL 9,413 (30 June 2015: TL 8,166).

**Balances with related parties**

<b>30 June 2016</b>	<b>Related party balances</b>	<b>Total balance</b>	<b>Rate %</b>
Loans and advances to customers	1,925,326	4,866,582	39.56
Other liabilities (Customer accounts)	4,679	804,231	0.58
Debt securities issued	-	3,485,756	0.00

<b>31 December 2015</b>	<b>Related party balances</b>	<b>Total balance</b>	<b>Rate %</b>
Loans and advances to customers	2,148,273	4,638,261	46.32
Other liabilities (Customer accounts)	115	288,873	0.04
Debt securities issued	389	2,619,947	0.01

**Off balance sheet balances with related parties**

<b>30 June 2016</b>	<b>Related party balances</b>	<b>Total balance</b>	<b>Rate %</b>
Non-cash loans	426,021	677,220	62.91

<b>31 December 2015</b>	<b>Related party balances</b>	<b>Total balance</b>	<b>Rate %</b>
Non-cash loans	339,544	631,362	53.78

**Transactions with related parties**

	<b>30 June 2016</b>	<b>30 June 2015</b>
Interest income on loans	101,687	119,280
Fee and commission income	1,738	2,485
Rent expenses	5,701	2,391

**AKTİF YATIRIM BANKASI ANONİM ŞİRKETİ AND ITS SUBSIDIARIES****Notes To The Condensed Consolidated Financial Statements****As at and For The Six-Month Period Ended 30 June 2016***(Currency - In thousands of Turkish Lira ("TL"))***18. Commitments and contingencies**

	<b>30 June 2016</b>	<b>31 December 2015</b>
Letters of guarantee	647,824	601,878
Letters of credit	8,796	18,884
Other guarantees	20,600	10,600
	<b>677,220</b>	<b>631,362</b>
Check limits	1,335	1,188
Other commitments	3,686,372	2,799,377
<b>Total</b>	<b>4,364,927</b>	<b>3,431,927</b>

On 27 August 2013, the Group and Turkish Football Federation ("TFF") has signed General Agreement ("the Agreement") for 10 years. The Agreement is related to E-Ticket System ("E-Bilet") that is used for entrance to sports activities. 53% of income and expenses mentioned in the Agreement will be to the Group. In accordance with the Agreement, the Group has committed paying less part to TFF during ten years if income transferred to TFF is less than TL 150,000.

As of balance sheet date, progress payments and the structures in the some stadium have not completed yet so amounting to TL 93,321 has been paid to TFF and amounting to TL 78,788 and TL 14,533 have been recognized as other asset and expense respectively (31 December 2015: 9,705 and 83,616 have been recognized as other asset and expense respectively).

**19. Subsequent events**

None.