ERB İSTANBUL HOLDİNG A.Ş.
(Formerly known as "EFG İSTANBUL HOLDİNG A.Ş.")

FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2015 TOGETHER WITH
INDEPENDENT AUDITOR'S REPORT

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of ERB İstanbul Holding A.Ş.

We have audited the accompanying financial statements of ERB İstanbul Holding A.Ş. (the "Company") which comprise the balance sheet as of 31 December 2015 and statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance on whether the financial statements are free from material misstatement.

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

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

Başaran Nas Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. a member of PricewaterhouseCoopers
BJK Plaza, Süleyman Seba Cad. No:48 B Blok Kat:9 Akaretler Beşiktaş 34357 İstanbul - Turkey
www.pwc.com/tr *Telephone: +90 (212) 326 6060, Facsimile: +90 (212) 326 6050*

Opinion

In our opinion, the accompanying financial statements presents fairly, in all material respects, the financial position of ERB İstanbul Holding A.Ş. as of 31 December 2015 and its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards.

Başaran Nas Bağımsız Denetim ve
Serbest Muhasebeci Mali Müşavirlik A.Ş.
a member of
PricewaterhouseCoopers

Engin Çubukçu, SMMM
Partner

Istanbul, 31 March 2016

ERB İSTANBUL HOLDİNG A.Ş.
(Formerly known as "EFG İSTANBUL HOLDİNG A.Ş.")

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ERB İSTANBUL HOLDİNG A.Ş.
(Formerly known as "EFG İSTANBUL HOLDİNG A.Ş.")

BALANCE SHEET AT 31 DECEMBER 2015

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

	Notes	31 December 2015	31 December 2014
ASSETS			
Current assets		**234,684,811**	**205,218,874**
Cash and cash equivalents	3	230,990,735	205,129,291
Other current assets	4	3,694,076	89,583
Non-current assets		**3,937**	**2,100**
Deferred income tax assets	8	3,937	2,100
Total assets		**234,688,748**	**205,220,974**
LIABILITIES AND EQUITY			
Current liabilities		**45,478**	**1,065,771**
Current income tax liabilities	8	-	1,052,271
Other current liabilities	4	45,478	13,500
Equity		**234,643,270**	**204,155,203**
Share capital	5	8,696,327	8,696,327
Adjustment to share capital	5	24,789,022	24,789,022
Legal reserves	5	817,034	817,034
Retained earnings	5	169,852,820	153,555,140
Net income for the year		30,488,067	16,297,680
Total liabilities and equity		**234,688,748**	**205,220,974**

The financial statements for the year ended 31 December 2015 have been approved by Mr. Taraboulous Alvertos and Mr. Psychogios Spyros on 31 March 2016. General Assembly has the power to amend the financial statements.

ERB İSTANBUL HOLDİNG A.Ş.
(Formerly known as "EFG İSTANBUL HOLDİNG A.Ş.")

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2015

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

	Notes	1 January - 31 December 2015	1 January - 31 December 2014
CONTINUING OPERATIONS			
Financial income, net	6	38,305,535	20,653,073
Gross profit		**38,305,535**	**20,653,073**
General administrative expenses (-)	7	190,466	271,203
Profit before tax from continuing operations		**38,115,069**	**20,381,870**
Tax expense from continuing operations			
- Income tax expense	8	(7,628,839)	(4,086,290)
- Deferred tax income	8	1,837	2,100
Profit from continuing operations		**30,488,067**	**16,297,680**
OTHER COMPREHENSIVE INCOME			
Other comprehensive income		-	-
Total comprehensive income		**30,488,067**	**16,297,680**
Earnings per share (TL)	**9**	**3.51**	**1.87**

The accompanying explanations and notes form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2015

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

	Notes	Share capital	Adjustment to share capital	Legal reserves	Retained earnings	Net income for the year	Total equity
1 January 2014	**5**	**8,696,327**	**24,789,022**	**817,034**	**141,743,330**	**11,811,810**	**187,857,523**
Transfers to retained earnings		-	-	-	11,811,810	(11,811,810)	-
Total comprehensive income		-	-	-	-	16,297,680	16,297,680
31 December 2014	**5**	**8,696,327**	**24,789,022**	**817,034**	**153,555,140**	**16,297,680**	**204,155,203**
1 January 2015	**5**	**8,696,327**	**24,789,022**	**817,034**	**153,555,140**	**16,297,680**	**204,155,203**
Transfers to retained earnings		-	-	-	16,297,680	(16,297,680)	-
Total comprehensive income		-	-	-	-	30,488,067	30,488,067
31 December 2015	**5**	**8,696,327**	**24,789,022**	**817,034**	**169,852,820**	**30,488,067**	**234,643,270**

The accompanying explanations and notes form an integral part of these financial statements.

ERB İSTANBUL HOLDİNG A.Ş.
(Formerly known as "EFG İSTANBUL HOLDİNG A.Ş.")

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2015

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

	Notes	**1 January - 31 December 2015**	**1 January - 31 December 2014**
Cash flows from operating activities:			
Net income for the year		30,488,067	16,297,680
Adjustments to reconcile net income to net cash from operating activities:			
Provision for taxation	8	7,627,002	4,084,190
Interest income	6	(3,958,350)	(20,654,198)
Interest received		4,753,014	22,366,096
Operating profit before changes in assets and liabilities:			
Net increase in other assets		(26,294)	(45,959)
Net (decrease) / increase in other liabilities		31,978	(7,946)
Taxes paid		(12,259,309)	(4,625,392)
Net cash from operating activities		**26,656,108**	**17,414,471**
Net increase in cash and cash equivalents		**26,656,108**	**17,414,471**
Cash and cash equivalents at the beginning of the period	3	204,284,844	186,870,373
Cash and cash equivalents at the end of the period	**3**	**230,940,952**	**204,284,844**

The accompanying explanations and notes form an integral part of these financial statements.

NOTE 1 - ORGANISATION AND NATURE OF OPERATIONS

ERB İstanbul Holding A.Ş. (the "Company"), (previously named as "EFG İstanbul Holding A.Ş."), was established in April 1997 under the name İleri Yatırım Holding A.Ş..

İleri Yatırım Holding A.Ş. sold to a group of investors, HC Securities & Investment S.A.E., Paulo Zapparoli, Hussein Choucri and Hussein El Sherbiny with a share transfer agreement signed on 28 June 2001. İleri Yatırım Holding A.Ş.'s name was changed to HC İstanbul Holding A.Ş., this change of name was announced in the Official Gazette (no.5448) on 20 December 2001.

The Company was the main shareholder of EFG İstanbul Menkul Değerler A.Ş. (previously named as "HC İstanbul Menkul Değerler A.Ş."). Due to the change in shareholders of HC İstanbul Holding A.Ş. the Company's trade name was changed to EFG İstanbul Holding A.Ş.. This change was announced in the Trade Registry Gazette dated 23 May 2005, numbered 6308.

The shares of EFG İstanbul Holding A.Ş. were purchased by Eurobank Ergasias S.A. which became the main shareholder of the Company by the announcement dated 27 August 2007 and numbered 2007/5. The shares of the subsidiary EFG İstanbul Menkul Değerler A.Ş. were purchased by Eurobank Tekfen A.Ş. by the announcement dated 28 September 2007 and numbered 24535.

According to the decision taken in the Board of Directors meeting held on 17 July 2014, the title of the Company was renamed as "ERB İstanbul Holding A.Ş." in the 2nd section of the Articles of Association. The change in title of the Company was approved by Turkish Republic Ministry of Customs and Trade as of 6 June 2015 and by the Ordinary General meeting dated 30 September 2015, the Company's title was changed.

The Company is registered in Turkey at the following address: Büyükdere Cad, No: 118/8, Floor:8 34394 Esentepe Şişli/İstanbul.

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

A. BASIS OF PRESENTATION

Accounting Standards

The Company maintains its books of account and prepares its statutory financial statements in Turkish Lira ("TL") in accordance with the Turkish Commercial Code and tax legislation.

The financial statements are based on the statutory records on historical cost convention, with adjustments and reclassifications for the purpose of fair presentation in accordance with International Financial Reporting Standards ("IFRS").

Offsetting

Financial assets and liabilities are offset and the net amount reported in the financial statements when there is a legally enforceable right to set-off the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

NOTE 2 - BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (Continued)

Adoption of new or revised international financial reporting standards and interpretations

The Company adopted the standards, amendments and interpretations published by the IASB and International Financial Reporting Interpretation Committee ("IFRIC") and which are mandatory for the accounting periods beginning on or after 1 January 2015.

Standards, amendments and interpretations applicable as of 31 December 2015

- Amendment to IAS 19 regarding defined benefit plans, effective from annual periods beginning on or after 1 July 2014. These narrow scope amendments apply to contributions from employees or third parties to defined benefit plans. The objective of the amendments is to simplify the accounting for contributions that are independent of the number of years of employee service, for example, employee contributions that are calculated according to a fixed percentage of salary
- Annual improvements 2012; effective from annual periods beginning on or after 1 July 2014. These amendments include changes from the 2010-12 cycle of the annual improvements project, that affect 7 standards:
  - IFRS 2, 'Share-based payment'
  - IFRS 3, 'Business Combinations'
  - IFRS 8, 'Operating segments'
  - IFRS 13, 'Fair value measurement'
  - IAS 16, 'Property, plant and equipment' and IAS 38,'Intangible assets'
  - Consequential amendments to IFRS 9, 'Financial instruments', IAS 37, 'Provisions, contingent liabilities and contingent assets', and
  - IAS 39, Financial instruments – Recognition and measurement'
- Annual improvements 2013; effective from annual periods beginning on or after 1 July 2014. These amendments include changes from the 2011-12-13 cycle of the annual improvements project, that affect 4 standards:
  - IFRS 1, 'First time adoption'
  - IFRS 3, 'Business combinations'
  - IFRS 13, 'Fair value measurement' and
  - IAS 40, 'Investment property'

Standarts, amendments and interpretations effective after 1 January 2016

- Amendment to IFRS 11, 'Joint arrangements' on acquisition of an interest in a joint operation, effective from annual periods beginning on or after 1 January 2016. This amendment adds new guidance on how to account for the acquisition of an interest in a joint operation that constitutes a business. The amendments specify the appropriate accounting treatment for such acquisitions.
- Amendments to IAS 16 'Property,plant and equipment', and IAS 41, 'Agriculture', regarding bearer plants, effective from annual periods beginning on or after 1 January 2016. These amendments change the financial reporting for bearer plants, such as grape vines, rubber trees and oil palms. It has been decided that bearer plants should be accounted for in the same way as property, plant and equipment because their operation is similar to that of manufacturing. Consequently, the amendments include them within the scope of IAS 16, instead of IAS 41. The produce growing on bearer plants will remain within the scope of IAS 41.

NOTE 2 - BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (Continued)

- Amendment to IAS 16, 'Property, plant and equipment' and IAS 38, 'Intangible assets', on depreciation and amortisation, effective from annual periods beginning on or after 1 January 2016. In this amendment the it has clarified that the use of revenue based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset. It is also clarified that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset
- IFRS 14 'Regulatory deferral accounts', effective from annual periods beginning on or after 1 January 2016. IFRS 14, 'Regulatory deferral accounts' permits first–time adopters to continue to recognise amounts related to rate regulation in accordance with their previous GAAP requirements when they adopt IFRS. However, to enhance comparability with entities that already apply IFRS and do not recognise such amounts, the standard requires that the effect of rate regulation must be presented separately from other items"
- Amendments to IAS 27, 'Separate financial statements' on the equity method, effective from annual periods beginning on or after 1 January 2016. These amendments allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements.
- Amendments to IFRS 10, 'Consolidated financial statements' and IAS 28, 'Investments in associates and joint ventures', effective from annual periods beginning on or after 1 January 2016. These amendments address an inconsistency between the requirements in IFRS 10 and those in IAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognised when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary.
- Annual improvements 2014, effective from annual periods beginning on or after 1 January 2016. These set of amendments impacts 4 standards:
  - IFRS 5, 'Non-current assets held for sale and discontinued operations' regarding methods of disposal.
  - IFRS 7, 'Financial instruments: Disclosures', (with consequential amendments to IFRS 1) regarding servicing contracts.
  - IAS 19, 'Employee benefits' regarding discount rates.
  - IAS 34, 'Interim financial reporting' regarding disclosure of information
- Amendment to IFRS 10 'Consolidated financial statements' and IAS 28, 'Investments in associates and joint ventures', effective from annual periods beginning on or after 1 January 2016.These amendments clarify the application of the consolidation exception for investment entities and their subsidiaries.
- IFRS 15 'Revenue from contracts with customers', effective from annual periods beginning on or after 1 January 2018. IFRS 15, 'Revenue from contracts with customers' is a converged standard from the IASB and FASB on revenue recognition. The standard will improve the financial reporting of revenue and improve comparability of the top line in financial statements globally.

NOTE 2 - BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (Continued)

- IFRS 9 'Financial instruments', effective from annual periods beginning on or after 1 January 2018. This standard replaces the guidance in IAS 39. It includes requirements on the classification and measurement of financial assets and liabilities; it also includes an expected credit losses model that replaces the current incurred loss impairment model.

The Company management does not foresee any material impact of adoption of the aforementioned standards and interpretations on the financial statements of the Company in the upcoming periods.

Comparatives and restatement of prior periods' financial statements

In order to determine the financial status and performance trends, the financial statements of the Company have been prepared in comparison with the financial statements of previous periods The Company prepared its statement of balance sheet as of 31 December 2015 in comparison with the statement of balance sheet prepared as of 31 December 2014; prepared statement of comprehensive income, statement of changes in equity and statement of cash flows between 1 January - 31 December 2015 in comparison with 1 January - 31 December 2014.

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current period.

B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies followed in the preparation of these financial statements are summarized below:

(a) Foreign exchange transactions

Transactions denominated in foreign currencies are accounted for at the exchange rates prevailing at the date of the transactions and monetary assets and liabilities denominated in foreign currencies translated by using year-end exchange rates of Central Bank of the Republic of Turkey's bid rates. Gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement.

(b) Earnings per share

Earnings per share disclosed in these statements of income are determined by dividing net profit by the weighted average number of shares that have been outstanding during the year concerned (Note 9).

In Turkey, companies can increase their share capital by making a pro-rata distribution of shares ("bonus shares") to existing shareholders from retained earnings. For the purpose of earnings per share computations, the weighted average number of shares outstanding during the year has been adjusted in respect of bonus shares issued without a corresponding change in resources by giving them a retroactive effect for the year in which they were issued and for each earlier period.

NOTE 2 - BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (Continued)

(c) Subsequent events

Subsequent events cover any events which arise between the reporting date and the balance sheet date, even if they occurred after any declaration of the net profit for the period or specific financial information publicly disclosed. The Company adjusts its financial statements if such subsequent events arise which require an adjustment to the financial statements (Note 13).

(d) Related parties

For the purpose of these financial statements, the shareholders, key management personnel and Board members, in each case together with companies controlled by or affiliated with them are considered and referred to as related parties (Note 10).

(e) Deferred tax

Deferred income tax is provided, using the liability method, for all temporary differences arising between the tax base of assets and liabilities and their carrying values for financial reporting purposes. Currently enacted tax rates are used to determine deferred income taxes.

Deferred tax liabilities are recognized for all taxable temporary differences, whereas deferred tax assets resulting from deductible temporary differences are recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary difference can be utilized (Note 8).

(f) Reporting of cash flows

For the purposes of cash flows statement, cash and cash equivalents include cash due from banks, trading and available-for-sale securities with original maturity periods of less than three months (Note 3).

(g) Taxation on corporate income

Corporate tax is calculated according to the Tax Procedural Law, and tax expenses except corporate tax are recognized in operating expenses (Note 8).

C. SIGNIFICANT ACCOUNTING ESTIMATES AND ASSUMPTIONS

Preparation of financial statements requires the usage of estimations and assumptions which may affect the reported amounts of assets and liabilities as of the balance sheet date, disclosure of contingent assets and liabilities and reported amounts of income and expenses during financial period. Although the estimations and assumptions are based on the best estimates of the management's existing incidents and operations, they may differ from the actual results.

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

NOTE 3 - CASH AND CASH EQUIVALENTS

	31 December 2015	31 December 2014
Banks		
Time deposits	224,070,583	203,844,447
Demand deposits	6,920,152	1,284,844
	230,990,735	**205,129,291**

(*) As of 31 December 2015, deposit amount in banks is TL 229,996,458 includes only related party transactions (31 December 2014: TL 205,091,410) (Note 10).

Cash and cash equivalents of the Company are shown in cash flow statement in 31 December 2015 and 2014 by deducing interest accruals:

	31 December 2015			31 December 2014		
Currency	**Original Amount**	**TL Equivalent**	**Interest Rate (%)**	**Original Amount**	**TL Equivalent**	**Interest Rate (%)**
Euro	70,515,667	224,070,583	1.00	-	-	-
TL	-	-	-	203,844,447	203,844,447	10.15
		224,070,583			**203,844,447**	

	31 December 2015	31 December 2014
Cash and cash equivalents	230,990,735	205,129,291
Interest accruals	(49,783)	(844,447)
	230,940,952	**204,284,844**

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

NOTE 4 - OTHER ASSETS AND LIABILITIES

	31 December 2015	31 December 2014
Other current assets		
Current period tax asset (Note 8)	3,578,199	-
Transfering value added taxes receivables ("VAT")	108,439	83,942
Advances given to suppliers	7,438	5,641
	3,694,076	**89,583**
Other current liabilities		
Expense accruals	44,749	11,900
Taxes and duties payable	729	1,600
	45,478	**13,500**

NOTE 5 - EQUITY

Share Capital

The share capital of the Company is TL 8,696,327 (31 December 2014: TL 8,696,327) and consists of 8,696,327 (31 December 2014: 8,696,327) authorized shares with a nominal value of TL1 each.

At 31 December 2015 and 2014 the issued and fully paid-in share capital held is as follows:

	31 December 2015		31 December 2014	
Shareholders	**TL**	**Share %**	**TL**	**Share %**
Eurobank Ergasias S.A.	8,696,323	99.99995	8,696,323	99.99995
Other	4	0.00005	4	0.00005
	8,696,327	**100**	**8,696,327**	**100**
Adjustment to share capital	24,789,022		24,789,022	
Total paid-in share capital	**33,485,349**		**33,485,349**	

Adjustment to share capital represents the restatement effect of cash and cash equivalent contributions to share capital due to the inflation adjustments. The legal reserves consist of first and second reserves, appropriated in accordance with the Turkish Commercial Code ("TCC"). The TCC stipulates that the first legal reserve is appropriated out of statutory profits at the rate of 5% per annum, until the total reserve reaches 20% of the Company's paid-in share capital. The second legal reserve is appropriated at the rate of at least 10% of distributions in excess of 5% of issued and fully paid-in share capital, without limit. Under the TCC, the legal reserves can only be used to offset losses and are not available for any other usage unless they exceed 50% of paid-in share capital.

As of 31 December 2015 legal reserve of the Company amount to TL 817,034 (31 December 2014: TL 817,034). The Company has TL 169,852,820 retained earnings as of 31 December 2015 (31 December 2014 TL 153,555,140).

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

NOTE 6 - FINANCIAL INCOME/ (EXPENSES), NET

	31 December 2015	31 December 2014
Financial income, net		
Foreign exchange gain/(loss), net	34,347,185	(1,125)
Interest income from time deposits (Note 10)	3,958,350	20,654,198
	38,305,535	**20,653,073**

NOTE 7 - GENERAL ADMINISTRATIVE EXPENSES

	31 December 2015	31 December 2014
Consultancy fees	111,011	209,814
Other	79,455	61,389
	190,466	**271,203**

NOTE 8 - TAX ASSETS AND LIABILITIES

The Company recognizes deferred income tax assets and liabilities based upon temporary differences arising between its financial statements as reported for IAS and its statutory tax financial statements. These temporary differences are generally due to income and expense recorded in different reporting periods according to IFRS and Tax Laws.

	31 December 2015	31 December 2014
Corporate tax payable	7,628,839	4,086,290
Prepaid taxes	(11,207,038)	(3,034,019)
Tax (asset)/ liability, net	**(3,578,199)**	**1,052,271**
Current income tax expense	7,628,839	4,086,290
Deferred income tax income	(1,837)	(2,100)
	7,627,002	**4,084,190**

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

NOTE 8 - TAX ASSETS AND LIABILITIES (Continued)

Expected income tax reconciliation using the Company's statutory tax rate:

	31 December 2015	**31 December 2014**
Profit before tax	38,115,069	20,381,870
Theoretical income tax at the applicable tax rate of 20%	7,623,014	4,076,374
Additions	3,988	7,816
Current year tax expense	**7,627,002**	**4,084,190**

Many clauses of Corporate Tax Law No.5520 which are valid starting from 1 January 2006, was taken into effect after being published in the Official Gazette dated 21 June 2006 No.26205. According to the New Tax Law, the corporate tax rate in Turkey is payable at the rate of 20% for 2015 (2014: %20) The corporate tax rate is calculated on the total income of the Company after adjusting for certain disallowable expenses, exempt income and other allowances. No further tax is payable unless the profit is distributed.

Dividends paid to non-resident corporations, which have a place of business in Turkey or to resident corporations are not subject to withholding tax. Otherwise, dividends paid are subject to withholding tax at the rate of 15%. An increase in capital via issuing bonus shares is not considered as profit distribution and thus does not incur withholding tax.

Corporations are required to pay advance corporate tax quarterly at a rate of 20% on their corporate income. Advance tax is declared by the 14th and paid by the 17th day of the second month following each calendar quarter end. Advance tax paid by corporations which is for the current period is credited against the annual corporation tax calculated on their annual corporate income in the following year. Despite the offset, if there is temporary prepaid tax remaining, this balance can be refunded or used to offset any other financial liabilities to the government.

A 75% portion of the capital gains derived from the sale of equity investments and immovable properties held for at least two years is tax exempt, if such gains are added to paid-in capital or held in a special account under shareholder's equity for five years.

Under the Turkish Corporate Tax Law, losses can be carried forward to offset against future taxable income for up to five years. Losses cannot be carried back to offset profits from previous periods.

In Turkey, there is no procedure for a final and definitive agreement on tax assessments. Tax returns are required to be filled and delivered to the related tax office until the evening of the 25th of the fourth month following the balance sheet date. Tax returns are open for five years from the beginning of the year following the date of filing during which period the tax authorities have the right to audit tax returns, and the related accounting records on which they are based, and may issue re-assessments based on their findings.

The Company recognizes deferred income tax assets and liabilities based upon temporary differences arising between its financial statements as reported for IFRS and its statutory tax financial statements. The breakdown of cumulative temporary differences and the related deferred tax assets and liabilities as of 31 December 2015 and 2014 calculated using the enacted tax rates, are as follows: Tax rates used for deferred tax assets and liabilities calculated on temporary differences that are expected to be realized or settled based on the taxable income in coming periods under the liability method is 20%.

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

NOTE 8 - TAX ASSETS AND LIABILITIES (Continued)

The breakdown of cumulative temporary differences and the related deferred tax assets and liabilities as of 31 December 2015 and 2014 calculated using the enacted tax rates, are as follows:

	Total temporary differences		Deferred tax assets/(liabilities)	
	31 December 2015	**31 December 2014**	**31 December 2015**	**31 December 2014**
Expense accruals	19,685	10,500	3,937	2,100
Deferred tax assets			**3,937**	**2,100**
Deferred tax liabilities			**-**	**-**
Deferred tax assets, (net)			**3,937**	**2,100**

Movement of deferred income tax assets in 2015 and 2014 is as follows:

	2015	**2014**
At 1 January	2,100	-
Charge to the statement of income	1,837	2,100
At 31 December	**3,937**	**2,100**

NOTE 9 - EARNINGS PER SHARE

Earnings per share are calculated through division of net profit to weighted average number of shares.

	31 December 2015	**31 December 2014**
Profit attributable to equity holders of the Company	30,488,067	16,297,680
Weighted average number of ordinary shares in issue	8,696,327	8,696,327
Earnings per share (TL)	**3.51**	**1.87**

NOTE 10 - BALANCES AND TRANSACTIONS WITH RELATED PARTIES

a) Balances with related parties at 31 December 2015 and 2014 are as follows:

	31 December 2015	**31 December 2014**
Bank deposits due from related parties (Note 3)		
Eurobank Private Bank Luxemburg S.A.	229,996,458	205,091,410
	229,996,458	**205,091,410**

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

NOTE 10 - BALANCES AND TRANSACTIONS WITH RELATED PARTIES (Continued)

b) As of 31 December 2015 and 2014 interest income from related parties are as follows:

Interest income from related parties (Note 6)	31 December 2015	31 December 2014
Eurobank Private Bank Luxemburg S.A.	3,958,350	20,654,198
	3,958,350	**20,654,198**

c) Salaries and other benefits paid to the Board of Directors and top management:

Total salaries and benefits paid to members of the Board of Directors and other top management amount does not exist (1 January - 31 December 2014: None).

NOTE 11 - FINANCIAL RISK MANAGEMENT

The Company's activities expose it to a variety of financial risks, including the effects of changes in debt and equity market prices, foreign currency exchange rates and interest rates. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance of the Company.

i. Information on credit risk

The Company's credit risk is primarily attributable to bank deposits. The amounts presented in the balance sheet are net of allowances for doubtful receivables, estimated by the Company's management based on prior experience and the current economic environment.

	Trade Receivables		Other Receivables		
31 December 2015	**Related parties**	**Other parties**	**Related parties**	**Other parties**	**Bank deposits (*)**
Maximum credit risk exposure as of the financial statements date	**-**	**-**	**-**	**-**	**230,990,735**
Net book value of financial assets which are neither past due nor impaired	-	-	-	-	230,990,735
Net book value of impaired financial assets	-	-	-	-	-
- Past due financial assets (Gross)	-	-	-	-	-
- Impairment charge	-	-	-	-	-
- Collateralized portion of the net exposure	-	-	-	-	-

(*) Bank deposits include related party deposits which is TL 229,996,458 (Note 10).

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

NOTE 11 - FINANCIAL RISK MANAGEMENT (Continued)

	Trade Receivables		Other Receivables		
31 December 2014	**Related parties**	**Other parties**	**Related parties**	**Other parties**	**Bank deposits (*)**
Maximum credit risk exposure as of the financial statements date	**-**	**-**	**-**	**-**	**205,129,291**
Net book value of financial assets which are neither past due nor impaired	-	-	-	-	205,129,291
Net book value of impaired financial assets	-	-	-	-	-
- Past due financial assets (Gross)	-	-	-	-	-
- Impairment charge	-	-	-	-	-
- Collateralized portion of the net exposure	-	-	-	-	-

(*) Bank deposits include related party deposits which is TL 205,091,410 (Note 10).

For the purposes of the table above, collaterals and other guarantees which increase the collectability of the financial asset are not taken into account.

ii. Information on liquidity risk

Liquidity risk is the inability of the Company to match the net funding requirements with sufficient liquidity. A decrease in funding sources mainly due to market instability or a decrease in credit risk results in liquidity risk. The Company manages the liquidity risk by maintaining sufficient cash and other liquid assets in order to fund the current and prospective debt requirements.

The Company does not have any derivative or other financial liabilities.

iii. Information on market risk

Foreign currency risk

Assets and liabilities denominated in foreign currency held by the Company at 31 December 2015 and 2014 in original currency and total TL equivalents are as follows:

	31 December 2015			31 December 2014		
	TL Equivalent	**Euro**	**USD**	**TL Equivalent**	**Euro**	**USD**
Cash and cash equivalents	229,996,458	72,380,557	-	-	-	-
Total assets	**229,996,458**	**72,380,557**	**-**	**-**	**-**	**-**
Trade payables	2,004	-	641	-	-	-
Other liabilities (-)	19,685	5,250	-	10,500	3,000	
Total liabilities (-)	**21,689**	**5,250**	**641**	**10,500**	**3,000**	**-**
Net foreign currency position	**229,974,769**	**72,375,307**	**(641)**	**(10,500)**	**(3,000)**	**-**

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

NOTE 11 - FINANCIAL RISK MANAGEMENT (Continued)

Foreign currency sensitivity analysis

31 December 2015

	Profit/loss		Shareholder's equity	
	Appreciation of foreign	**Depreciation of foreign**	**Appreciation of foreign**	**Depreciation of foreign**
10% change in EUR foreign currency rate				
EUR net asset/(liability)	22,997,677	(22,997,677)	22,997,677	(22,997,677)
Hedged portion against EUR risk (-)	-	-	-	-
Net effect of EUR	**22,997,677**	**(22,997,677)**	**22,997,677**	**(22,997,677)**
10% change in USD foreign currency rate				
USD net asset/(liability)	(200)	200	(200)	200
Hedged portion against USD risk (-)	-	-	-	-
Net effect of USD	**(200)**	**200**	**(200)**	**200**
Total foreign currency effect	**22,997,477**	**(22,997,477)**	**22,997,477**	**(22,997,477)**

31 December 2014

	Profit/loss		Shareholder's equity	
	Appreciation of foreign	**Depreciation of foreign**	**Appreciation of foreign**	**Depreciation of foreign**
10% change in EUR foreign currency rate				
EUR net asset/(liability)	(1,050)	1,050	(1,050)	1,050
Hedged portion against EUR risk (-)	-	-	-	-
Net effect of EUR	**(1,050)**	**1,050**	**(1,050)**	**1,050**
Total foreign currency effect	**(1,050)**	**1,050**	**(1,050)**	**1,050**

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

NOTE 12 - FINANCIAL INSTRUMENTS

Fair value of the financial instruments

Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced sale or liquidation, and is best evidenced by a quoted market price, if one exists.

The estimated fair values of financial instruments have been determined by the Company using available market information and appropriate valuation methodologies. However, judgment is necessarily required to interpret market data to estimate the fair value. Accordingly, the estimates presented herein are not necessarily indicative of the amounts the Company could realize in a current market exchange.

The following methods and assumptions were used to estimate the fair value of the financial instruments for which it is practicable to estimate fair value:

Financial assets:

The fair values of certain financial assets carried at cost, including cash and due from banks, are considered to approximate their respective carrying values.

Financial liabilities:

The fair value of monetary liabilities is considered to approximate their respective carrying values.

The fair values and carrying values of financial asset and liabilities of the Company are as follows:

	31 December 2015		31 December 2014	
	Fair value	Carrying value	Fair value	Carrying value
Cash and cash equivalents	231,146,836	230,990,735	205,176,884	205,129,291

NOTE 13 - SUBSEQUENT EVENTS

None.

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