



50 Years in Germany



Ziraat Bank

More than a bank

2014 Annual Report

Content

- Foreword of the Chairman of the Supervisory Board
- Foreword of the Management Board
- Management Report
- Annual Financial Statements
- Notes to the Financial Statements
- Auditor's Report
- Imprint



Ziraat Bank International AG, a commercial bank operating under German law, has been in operation in various forms since 1964 and 100% subsidiary of T.C. Ziraat Bankası A.Ş.

The Bank positions itself as an all-purpose commercial bank with its Head Office in Frankfurt and its 10 branches throughout Germany.

Financial Indicators

	2014	2013	2012
Total Assets	1,320,628	912,490	969,928
Securities	26,552	29,959	38,928
Loans to Customers	1,116,818	698,857	567,954
Loans to Banks	141,756	89,061	138,424
Deposits	789,280	461,197	371,061
Shareholders' Equity	170,836	160,756	158,702
Net Profit	10,081	2,053	3,037

1964

Establishment of the first representative office of T.C. Ziraat Bankası A.Ş. in Germany

1964-1988

Expansion of the number of the representative offices to eight

1988

Establishment of the first T.C. Ziraat Bankası A.Ş. branch with full banking licence in Frankfurt am Main and transformation of the representative offices into branches thereof

2001

Establishment of Ziraat Bank International AG as a 100% subsidiary of T.C. Ziraat Bankası A.Ş. via takeover of the assets and liabilities of the branch and the merger with Deutsch-Türkische Bank AG, a former subsidiary, also in Frankfurt am Main

2002

Acquisition of 4% of the shares of Azer-Türk Bank, Baku (46% owned by T.C. Ziraat Bankası A.Ş.)

2004

Acquisition of 32% of the shares of Turkish Ziraat Bank Bosnia dd., Sarajevo (68% owned by T.C. Ziraat Bankası A.Ş.)

2005

Establishment of internet banking including online money transfers to Turkey

2008

With the opening of sub-branches in Essen and Nuremberg, the number of branches in Germany reaches ten

2012

Total assets of EUR 969.9 k

2013

All preliminary work is finalized for the Business Plan that will be put into force covering 3 years period, starting from 2014. The Plan aims to change the business model and strategy of the Bank, eventually targeting a healthy return on its strong equity within the frame of the corporate risk appetite embraced by the Parent Bank whilst adopting the infrastructure of the Bank to this new environment.

2014

Ziraat Bank International AG celebrates its 50th year in Germany

Our Parent Company

- 1863: Establishment of our parent bank, 100% owned by the Republic of Turkey
- 2000: Transformation into a joint stock company according to the Turkish Law
- 2004 to 2010: The most profitable bank in Turkey
- 2013: Total assets TL 207 billion, has the largest domestic and international network within Turkish banks
- 2014: T.C. Ziraat Bankası A.Ş. announced the Turkish banking sector's highest profit with a net profit of TL 4,051 million.



Hüseyin Aydın

General Manager T.C. Ziraat Bankası A.Ş.

(TL Million)	2013	2014	Change (%)
Total Assets	207,530	247,600	19.31
Liquid Assets and Banks	29,067	32,340	11.26
Securities Portfolio	62,798	64,563	2.81
Loans	111,048	141,915	27.80
Deposits	141,735	153,255	8.13
Shareholders' Equity	18,367	28,540	55.39
Interest Income	14,370	18,165	26.41
Interest Expense	6,631	9,558	44.14
Pretax Profit	4,379	5,179	18.28
Net Profit/Loss	3,330	4,051	21.63

Supervisory Board



Osman Arslan
Chairman
Assistant General Manager-
International Banking &
Subsidiaries of
T.C. Ziraat Bankası A.Ş.,
Ankara/Turkey



Ömer M. Baktır
Vice Chairman
Assistant General Manager-
Marketing of
T.C. Ziraat Bankası A.Ş.,
Ankara/Turkey



Süleyman Türetken
Member
Head of Corporate Marketing of
T.C. Ziraat Bankası A.Ş.,
Ankara/Turkey



Can Örüng
Member
Head of Subsidiaries & Foreign
Units Coordinations of
T.C. Ziraat Bankası A.Ş.,
Ankara/Turkey



Yavuz Yeter
Member
Head of Financial Institutions &
International Banking of T.C. Ziraat
Bankası A.Ş.,
Ankara/Turkey



Mehmet Turgut
Member
Head of Credit Processes of
T.C. Ziraat Bankası A.Ş.,
Ankara/Turkey

Letter from the Chairman of the Supervisory Board



Osman Arslan
Chairman

The year we have left behind has been a milestone.

Not only that we have celebrated Ziraat Bank's 50th anniversary in Germany, but also it marked beginning of a new era, a new path that will lead Ziraat Bank International AG to centenary, providing the best possible services for its customers, contributing to economic development in Germany and Turkey and finally creating additional value for its shareholder, T.C. Ziraat Bankası A.Ş. in line with its vision and mission. Adding to the cheer and solidifying our confidence in our new strategy and management, 2014 has been a strong start to the new era from both financial and fundamental perspectives. From a macroeconomic perspective; it has been yet another tough year, expecting to see signs of recovery in Eurozone and Global economy. But except for some promising signals from the U.S., the economic developments failed to build a confidence and a sustainable growth.

Eurozone, in particular, had troubles balancing the economy. Consumer confidence has been volatile, inflation still under pressure without any signs for growth. But it wasn't until when what's considered to be the "engine" of Europe, German economy started show signs of saturation, the ECB decided to be more active and try new and unconventional policies.

However, in this difficult environment, the financial results achieved have been beyond most optimistic expectations, albeit being projected in the New Strategy Document in detail. As the Supervisory Board of the Bank, our confidence for a commercially viable return has been strengthened, enabling us to provide contribution to German and Turkish economies by providing a link between the savings and investments, creating jobs and supporting growth.

The achievement has not only been on the financial results. To ensure a sustainable growth and value generation, The Bank has started battles in many fronts; IT infrastructure, new Core Banking System, new and contemporary risk management approach, reassessment of workflows to increase efficiency, adapting the Bank's organizational structure to new strategy and environment. The progress started will be completed phase by phase in the 2 years ahead, but the adaptation of the Bank to new economic and regulatory environments shall be an ever-continuing dynamic process. As the Supervisory Board, we are dedicated to ensure the Bank's journey in this path flows uninterrupted and never comes to a halt, following the guidance of the Ziraat Financial Services Group.

A handwritten signature in black ink, appearing to be 'Osman Arslan', written in a cursive style.

Osman Arslan
Chairman



ALİ KIVANÇ ÜNAL
Member of the Management Board

AYTEN TÜRKMEN
Chairman of the Managing Board & CEO

Letter from the Board of Managing Directors

In the year 2014, we have witnessed endless efforts from policy makers to normalize the faltering economies in most of the major countries.

Having taken the necessary steps well before the others, the US economy continued to its journey to sustainable growth, albeit slower than expected. In every single month of the year, US economy managed to create jobs, failing, however, to boost wages which may ultimately translate into elevated disposable income.

On the other side of the Atlantic, ECB has been on overtime to support Governments, most of which are struggling to find a way to achieve positive growth rates in the absence of fiscal tools due to elevated public debt levels. When negative rates proved to be inefficient to spur growth, ECB shifted its policy towards a more Fed-esque approach, by actively purchasing bonds held by European banks to stop the bleeding in the money supply.

This is, however, has been bit of a controversy, to ECB's very own policies at a time when the credit institutions in the Eurozone are being pushed under an ever growing regulatory burden, considering the fact that the majority of the money in the Zone is being supplied by the credit institutions. Lending is becoming

more and more costly for banks and that has been, so far, creating a challenging environment for small and medium sized companies which are craving for financing.

The economic relations between Germany and Turkey continued to be strong. Bilateral trade volume exceeded EUR 32 billion and mutual investments continued to grow in different industries.

The strength of the Turkish Financial system attracted financial investments increasing the liquidity of Turkish financial investments and pushing the yields to lower levels. German Banks observed to be among the top investors in especially trade related transactions with competitive pricing.

At the end of 2013, we have prepared a Main Strategy Document as a guide to lead Ziraat Bank International AG in its journey to become a commercial bank focused on corporate lending following the path of the Parent Bank, T.C. Ziraat Bankası A.Ş.

2014 has been a milestone, marking the beginning of a new era in the history of Ziraat Bank International AG with a new strategy and focus. Being the 50th anniversary of the Group in Germany, it has also been a meaningful coincidence.

We have focused our resources on corporate loans and structured a 3 layered plan for a well balanced portfolio; first step of which was to generate assets from a pool of customers which are either known or can be considered as "bluechips" to provide a rapid leverage whilst keeping a conservative approach. The 45% asset growth achieved in the course of 2014 is a result of this first step and provided a very healthy breathing space for restructuring and repositioning the Bank, based on a net profit of EUR 10 million. This step will be followed by geographical diversification which will be built on a strategy to further penetration into German and EU businesses. The final layer will be specialization in niche areas and building a business network and portfolio to accommodate financing for trade, focusing on, but not limited to, Turkey-EU bilateral relations.

Despite all the challenges, we believe that the determination of the policy makers in the Euro area will eventually lead to a sustainable path and as a Bank, we will be putting our best efforts to contribute for a healthier and stronger European economy.



AYTEN TÜRKMEN
Chairman of the Managing Board & CEO



ALİ KIVANÇ ÜNAL
Member of the Management Board

Your success is our success

Ziraat Bank International AG is playing an increasing role in the development of the trade volume between Turkey and Germany with 50 years of experience in Germany and its high level of expertise in trade finance.

With the support of our parent bank T.C Ziraat Bankası A.Ş. with 1.682 branches in Turkey, and 85 operational units in 16 countries worldwide, our bank offers modern banking solutions for companies

and institutions that are already involved in or aim at taking part in the increasing trade activities between Turkey and Germany.

As a bank of Turkish origin, Ziraat Bank International AG displays the dynamic and continuously developing nature, which stands as a clear evident feature of the Turkish market in its ongoing progress.

Through our client-focused strategy we always aim to offer a better, well-conducted service to our private and commercial customers.

A growing market with increasing business potential

The trade volume between Turkey and Germany is increasing as a result of the successful economic performance of both countries in the recent years. Germany continued to be the most important foreign trade partner of Turkey in 2014 and the trade volume between two countries has reached EUR 32,6 billion. Some important basic data of the

bilateral relationship:

- 75,000 Turkish originated companies in Germany, with 370,000 employees and annual trade volume of approximately EUR 35 billion
- Over 6,000 German companies and Turkish companies with German capital in Turkey
- With a total investment of USD 11.2 billion since 1980, Germany is one of the largest foreign investor in Turkey

Ziraat Bank International AG

With solution-oriented products, a first-class service quality and a customer-oriented strategy Ziraat Bank International AG provides optimal conditions for your business success

T.C. Ziraat Bankası A.Ş.

In-depth market knowledge, a wide range of services, supported by 23,617 employees in over 1,682 branches across the country are some key features of our parent company, which will assist your business competently at any time

Our Parent Company T.C. Ziraat Bankası A.Ş. awarded as second safest bank in Europe.

International Network of Ziraat Group

With 85 operational units in 16 countries, Ziraat network connects you with business partners in Turkey as well as worldwide

Our service range

Ten domestic branches and constantly improving online banking constitute the basis for customized services of Ziraat Bank.

Corporate/Commercial customers

Some of our most important services for our corporate customers and regarding trade finance:

- Domestic and international payment services and settlement
- Online banking
- Overdraft loans
- Working capital loans
- Aval credits
- Mid-term loans with variable interest rate
- Financing of export and import
- Preexport financing
- Post-financing of import
- Letter of Credit
- Letter of Guarantee
- Forfaiting
- Foreign exchange transactions
- Current and Short/Long-term Time Deposits

Private customers

Ziraat Bank International AG offers best quality products to the private customer segment. Within this context Stiftung Warentest has granted our product Kombikonto „Dauerhaft Gut“ (consistently good) reward consecutively for the last three years, five times in total which is self-explanatory resembling the confirmation of our product quality.

- Kombikonto – Combination of call money & current account
- Time deposit
- Instalment loans
- Overdraft loans
- Housing loans for real estate in Turkey
- Remittances from/to Turkey
- Ziraat BankCard (Girocard)



Turkey's oldest
new bank
**Ziraat Bank is
chosen 2nd safest
bank in Europe**

A lot has changed at Ziraat Bank but its strength and reliability has remained unchanged for 152 years.

The Banker magazine analyzed the world's 250 banks having the largest Tier 1 capital and ranked these banks according to the capital adequacy, asset quality, liquidity, risk environment and profitability criteria. Ziraat Bank was ranked as Europe's 2nd, Turkey's 1st safest bank.

 **Ziraat Bank**
More than a bank

www.ziraatbank.com

Management Report for 2014

- 12 Outline
- 13 Course of the fiscal year 2014
- 14 Financial position
- 15 Balance sheet structure
- 16 Capital structure
- 17 Risk report
- 23 General economic conditions, business environment & opportunities



Ziraat Bank 50
More Than a Bank *Years*



MORE THAN A BANK*

50 Years in Germany

We are proudly celebrating our 50th anniversary in Germany!

We are here to help foreign companies which have operations in Turkey as well
Turkish companies which have operations in Europe with their financial needs.

We will be happy to welcome you in one of our branches located in Frankfurt, Essen,
Hamburg, Cologne, Hannover, Berlin, Duisburg, Stuttgart, Munich, Nurnberg and
our Representative Office in Istanbul.

*Ziraat Bank International AG is a participant in the deposit protection fund of the Federal Association of German Banks (Bundesverband deutscher Banken e.V.) and a member of Entschädigungseinrichtung deutscher Banken GmbH.

With its head Offices in Frankfurt and 10 branches in major cities throughout Germany, the Bank provides wide range of financial services to its clients from all segments.

Ziraat Bank International AG is a commercial bank operating under German law and 100% subsidiary of state owned T.C. Ziraat Bankası A.Ş.

With its head Offices in Frankfurt and 10 branches in major cities throughout Germany, the Bank provides wide range of financial services to its clients from all segments.

Funding corporate and retail customers with short and medium term loans, providing saving products, clearing of local currency transfers for correspondent banks, international transfer services to retail customers via branches, documentary collection and remittances, providing online banking solutions for its retail and corporate customers are among the services the Bank provides to its clientele.

The Board of Managing Directors (The Board) is responsible for the management of the Bank. The Supervisory Board, as defined by law and articles of association, supervises the Board of Managing Directors on strategic decisions through periodic meetings held in Germany, while conducting continuous control, compliance and risk management functions. In this capacity, Supervisory Board held 5 meetings in 2014.

The segregation of responsibilities of the Board of Managing Directors are defined with an organizational chart.

The Bank conducts its functions through 14 operational departments including Risk Management & Control, Organisation and AML & Compliance.

The parent bank, T.C. Ziraat Bankası A.Ş. has been established in 1863. The Undersecretariat of Treasury of the Republic of Turkey is the sole owner. It is one of the biggest banks in Turkey with 23.617 employees, 1682 domestic branches and 85 operational units in 16 countries worldwide.

For our Bank, 2014 has been a year of celebration as well as confirmation; we celebrated the Bank's 50th year in Germany, together with the quantitative and qualitative success achieved at this meaningful time for the Bank.

For our Bank, 2014 has been a year of celebration as well as confirmation; we celebrated the Bank's 50th year in Germany, together with the quantitative and qualitative success achieved at this meaningful time for the Bank. Quantitative results achieved can be recognized as a clear confirmation of the ongoing restructuring and reorganizational processes as well as the business model and targets determined by the New Strategy Document.

The year should be considered as one of the remarkable years for the Bank not only because it is the 50th anniversary in Germany but also due to significant figures and achievements recorded during the course of the year; Progress that have been initiated in the last quarter of 2013 towards the transition of the long overdue business model in which the core competence used to be money remittances, transition

of the balance sheet, transition of the infrastructure, policies, manuals and workflows produced more than satisfactory financial results even in the very first year; For the first time in the Bank's 50 year history, Assets exceeded EUR 1 billion threshold, reaching EUR 1,327 million, reflecting 45% growth. A better utilization of the equity increased the profit fivefold to EUR 10,1 million, completing the picture.

Return on assets quadrupled to 1.2% from a mere 0.3% the previous year, thanks to efficient placement strategy while a strict but resourceful cost controlling together with the efficient investments brought the Cost to Income Ratio

Net Return on Equity rose to 6.6% in 2014 from 1.9%. Although a significant progress as it may seem, Board of Managing Directors is determined to continue to follow the path of the New

Strategy Document to achieve 8-9% RoE levels until 2016, within the time frame envisaged by the New Strategy Document whilst ensuring sustainability.

A 61% jump in corporate loans, to EUR 1,09 billion from EUR 677 million has been the main driver behind the overall asset growth has been Corporate Loans, as envisaged in the Main Strategy Document.

The new loans and other assets have been funded mainly with long term time deposits extending the maturity structure to keep a healthy balance on interest rate risk ratios. Despite a significant extension of the maturity structure of liabilities during the course of the year, the overall cost of liabilities have been kept under control thanks to sensible strategies and favourable market conditions.

Course of the fiscal year 2014

Furthermore the Parent Bank's efforts to convert Ziraat Financial Services Group towards a customer oriented commercial financial services provider have been brought to a mature stage where the subsidiaries and other operational units have been included in the restructuring and reorganization, to be able to follow the Parent Company and respond the expectations of the shareholder which are evolving within a commercial framework

The challenges against achieving such results have not only been competition or market forces but also the regulatory environment which has been getting tougher and more complicated each day.

In such an environment where huge pressure is being put on financial sector altogether in the form of monetary policies, regulations or compliance requirements, sustainability should be considered as the key target.

Therefore, the task and the challenge is now to secure the sustainability of the growth and success achieved by focusing more on structural issues the Bank has been bearing for decades.

In this regard, 2015 has been determined as a year of moderate growth, strong/ commercially acceptable return on equity but also a year of restructuring in key areas, i.e. information technologies,

workflows, adjusting the Bank's structure to a customer oriented business model, all of which are to enable the Bank utilize its valuable resources in a more efficient way.

As has been the case for half a century in the region, Ziraat Bank International AG will continue to provide a value for the German Financial System and its shareholder by achieving respectable results without compromising its conservative approach and well balanced risk management.

Financial position

Net Assets

The Bank has a flexible asset structure with a reasonable yet conservative leverage. The need for the asset growth, enlarged corporate customer base, diversification of exposures in terms of sector and origin and expanding the product range & coverage is visible and are the main subjects of the new Business Plan.

New transactions and rollovers of existing commitments have been executed in accordance with the changing market conditions as well as new regulatory requirements, whilst keeping a healthy and secure liquidity position at any given time.

Ziraat Bank has kept its business relations with the parent bank and with its subsidiaries. The transactions, which include but not limited to money market, currency, secondary market loan transactions and documentary collections have been executed at market levels, profitability and risk approach being the main criteria.

Balance sheet structure

Figures balance sheet (EURk)	2014	2013	2012	2011	2010
Balance sheet total	1.320.628	912.490	969.928	903.129	682.911
Loans and advancements to customers	1.116.818	698.857	567.954	547.706	316.556
Loans and advancements to banks	141.756	89.061	138.424	265.738	293.078
Securities	26.552	29.959	39.928	64.933	54.904
Investments	349	349	349	349	348
Shares in affiliated companies	8.181	8.181	8.181	8.181	8.181
Liabilities to customers					
- maturing daily	153.543	221.057	220.584	140.501	141.775
- with agreed-upon term or Cancellation period	635.737	240.140	150.477	279.510	208.879
Liabilities to banks					
- maturing daily	34.004	8.897	147.065	6.046	3.053
- with agreed-upon term or Cancellation period	311.304	277.148	289.676	314.108	172.631
Capital funds	170.836	160.756	158.702	155.666	153.130

In the period under report the gross balance sheet total increased by 44.73% to EUR 1,326,422 k. The gross business volume increased by 29.27% to EUR 1,353,048 k.

The loan volume in the amount of EUR 1,334,313 k (previous year EUR 1,031,946 k) consisted of 10.62 % loans and advances to banks (EUR 141,756 k), 83.70 % loans and advances to customers (EUR 1,116,880 k) as well as 1.21% from guarantees and letters of credit

(EUR 14,891 k). Furthermore securities of EUR 26,552 k (1.99 %), irrevocable loan commitments of EUR 8,449 (0.63 %), balances at central banks of EUR 10,080 k (0.76 %), Foreign exchange contracts with a credit equivalent amount of EUR 3,286 k (0.25 %), other risk-bearing assets of EUR 3,945 k (0.30%), investments of EUR 349 k (0.03%) and shares in affiliated companies of EUR 8,181 k (0.61%) were also allocated to the loan volume.

Liabilities to customers increased from EUR 461,197 k to EUR 793,622 k, liabilities to banks increased from EUR 286,045 k to EUR 345,308 k.

The total capital funds shown as at December 31, 2014 amount to EUR 170,836 k.

Capital structure

Capital structure

The capital consists of subscribed capital of EUR 130,000 k, the capital reserve in the amount of EUR 13,000 k and retained earnings in the amount of EUR 17,756 k.

Investments

Further investments are planned as part of the introduction of a new core-banking-software in 2015.

Liquidity

The liquidity position of the bank was ordered at any time. The requirements of the Liquidity Regulation have been complied with. Substantial funding resources provide customer deposits and the deposits of credit institutions.

Result of operations

Figures profit and loss (EURk)	2014	2013	2012	2011	2010
Net income	23.603	11.260	9.063	10.932	8.211
Commission income	6.443	6.166	7.212	7.080	6.355
General administration expenses	15.258	15.197	13.709	13.699	13.135
Operating result before provision for risk	16.197	3.509	3.936	4.999	2.155
Operating result after provision for risk	15.555	1.792	5.676	4.031	2.358
Annual net profit	10.081	2.053	3.037	2.536	2.218

Again the most important source of the operational business was interest income and commission income from payment transactions and from the loan business. With EUR 16,197 k the operating result before provision for risk is absolute higher than the result of the previous year (EUR 3,509 k).

Overall the income statement for the fiscal year 2014 closes with a net income of EUR 10,081 k (previous year EUR 2,053 k). The balance sheet profit increases by 444 percent.

Post balance sheet date events

Upon the respective resolutions taken by the Supervisory Boards of Ziraat Bank International AG and T.C. Ziraat Bankası A.Ş.; the sale of participation in Ziraat Bank BH dd's equity to T.C. Ziraat Bankası A.Ş. has been completed.

Risk management system

In order to fulfil the requirements in terms of § 25a German Banking Act financial institutions among others have to dispose of suitable regulations for the identification, assessment, controlling as well as monitoring and communication of risks and of regulations by means of which the financial situation can be determined at any given time with sufficient accuracy.

To ensure these requirements the bank disposes of a risk monitoring-, early risk detection- and risk controlling system. Because of the nature and scope of the business activity the bank faces counterparty credit risks, market price risks, liquidity risks, operational risks as well as strategic risks, reputational risks and risks from subsidiaries. The bank quantifies as essential risk types according to AT 2.2 of the minimum requirements for risk management ("MaRisk") the aforementioned types of risk or specific subtypes thereof.

The Business Strategy endorsed by the Board of Managing Directors is the basis for the bank's business policy. Based on the current as well as intended business activity the resulting risks need to be managed, as defined in the Risk Strategy which is updated at least yearly. The Board of Managing Directors as a whole is responsible for the bank's risk management.

The bank's risk strategy is marked by the cautious handling of risks. As far as possible risks are avoided or transferred to other partners. A credit risk strategy is defined annually for the planned activities in the loan sector. Especially in the loan business with Turkish corporate customers the loan risk is transferred to other financial institutions by means of guarantees on a case by case basis. In the area of trading transactions money

market deposits or -loans are carried out for the purpose of short-term management of liquidity. Derivatives transactions are made solely for the risk-reducing closure of open positions. Risks from changes of market interest rates are limited on the overall bank level by limiting the earnings impact of interest maturity transformation. The Risk Strategy as well as a specific strategy for the short term investment of customer deposits ensure that sufficient liquidity is given even in case of high cash outflows under stress assumptions.

Risks are limited by controlling in terms of regulatory capital requirements and by means of limits for all essential risk sectors within the scope of compliance with the risk bearing capacity. Only parts of the capital- and revenue reserves are defined as risk coverage amount so that there are additional unallocated risk coverage amounts.

Risk Management & Control, Organization department performs the risk identification, -measurement, -monitoring as well as regular or ad hoc communication to the Board of Managing Directors and other addressees. After the implementation of a professional software by the company msgGillardon, Bretten, for measurement and monitoring of interest rate risks and liquidity risks was completed in 2013, the bank has commenced in the fourth quarter 2014 the implementation of a professional credit portfolio model. Supported by the risk consulting company Risk Research Prof.Hamerle GmbH & Co. KG, Regensburg, the measurement and monitoring of counterparty credit risk is adapted to rising regulatory requirements.

Risk management is based on the risk monitoring and the respective reporting. Resolutions of the Board of Managing Directors are adopted by

involving internal committees, primarily the Asset-Liability-Committee (ALCO) and the Credit Committee. The market departments, being functionally separated from the after market units, are responsible for the implementation.

The Internal Audit Function of the bank monitors the operating, business, risk management and -controlling procedures as well as the internal control system. In addition to the long-standing outsourcing of the IT-related Audit to the "GDB Gesellschaft für Datensicherheit und IT-BeratungmbH", a holding company of the Prüfungsverband deutscher Banken e.V. (Auditing Association of German Banks), Deloitte & Touche GmbH Wirtschaftsprüfungsgesellschaft was in 2013 contracted with the bank-specific auditing. The Bank aims at targeting the ever-growing legal-regulatory, economic and technical requirements through professional auditing activities. In accordance with the MaRisk requirements an Internal Audit Officer was appointed internally who acts as an interface between the bank and the internal audit firms. A risk-based audit schedule which is agreed upon by the audit firms, the Internal Audit Officer as well as the Board of Managing Directors as a whole is the basis for the audit activity for both audit sectors. The completely outsourced Internal Audit is free from directives regarding the evaluation of audit findings and the reporting and reports to the Internal Audit Officer, to the Board of Managing Directors as well as to the Supervisory Board.

Risks

Counterparty Credit Risk

The bank defines as counterparty credit risks possible losses from the non-performance of customers' debts or from country-specific factors. The bank accepts counterparty credit risks within the classic lending business with German respectively Turkish private- and corporate customers in Germany and also through granting of credits to commercial customers in Turkey that partly are secured by guarantees of Turkish banks as well as within the scope of the handling of the documentary business. Additionally there are counterparty credit risks in money dealing with other banks as well as due to concluding securities transactions.

Monitoring of counterparty credit risk is executed according to the specifications of the credit risk strategy. A prudent credit worthiness analysis is decisive for the loan decision. The risk rating in the bank's risk classification procedure is based on defined ratios that arise from the analysis of the balance sheet and profit- and loss statement in accordance with the risk factor of the credit transactions the areas market and after market have to adhere to a two-votes-procedure when granting loan. At least once a year a review of the borrower's credit-worthiness as well as a revaluation of the pledged securities is carried out. For loans that need intensive supervision and for problem loans appropriate handling procedures have been established.

As a matter of principal the consent of the Supervisory Board is necessary for lending to banks, for corporate customers the lending depends on the collateral. Here the credit authorities are spread over five competence levels. The branches of the bank dispose of minor loan authorities only. In the Credit Committee both Members of the Board of Managing Directors are entitled to vote. Loans that surpass the competence of the Credit Committee require the consent of a sub-committee (both members of the

Board of Managing Directors as well as two members of the Supervisory Board) or of the entire Supervisory Board.

The Board of Managing Directors as a whole is kept informed quarterly on the development of the credit business by means of the credit risk report.

Furthermore the risk bearing capacity is calculated quarterly (Internal Capital Adequacy Assessment Process, "ICAAP") taking into account the capital charges for the credit risk.

Within the scope of a "standard" scenario the counterparty credit risk for financial institutions, companies and security positions is calculated based on available external ratings (that also take into account the individual country risk). Depending on the rating class, the amount to be deducted from the risk covering amount for each individual transaction is determined by the average loss rate and the outstanding debt. For transactions covered by bank guarantees the risk is based on the rating class of the guarantor. If there is no external rating information on the borrower, his majority shareholder or the guarantor available, the rating of the bank's own credit analysis is used, provided the analysis is not older than two years. Otherwise the risk amount is calculated using the probability of default which is to be assumed for the rating level B- (S&P). For securities positions, if due to the valuation the necessity for depreciation occurs, it has to be set-off against the risk coverage amount additionally. For this each security is evaluated individually, with netting of price losses with price gains is admissible only in case the price gains are eligible to be represented in the profit and loss statement based on accounting rules. For loans to private customers a flat probability of default of 3% in relation to the outstanding debt is assumed. Collateral is currently not taken into account as risk-reducing for private customer exposures.

Furthermore there are two scenario analyses. In the scenario "stress 1" it is assumed that for all financial institutions, companies, and securities positions the rating worsens by one notch. For loans to private customers the flat probability of default is raised to 5%. Each individual transaction is multiplied with the increased factor for the probability of default, the total of it being the simulated risk capital that has to be covered by the allocated risk coverage amount for counterparty credit risks. In the scenario "stress 2" the determined risk amount of the standard calculation (expected loss) is multiplied with the factor 2.5 for the representation of unexpected losses.

In total the counterparty credit risk capital charges must not exceed the allocated risk cover amount in the standard scenario and in the other two scenarios. The allocated risk coverage amount for counterparty credit risks is for the standard and the two scenario calculations uniformly EUR k 30,000.

In case the existing risk capital does not suffice to cover the established risk of the individual simulation calculation, either additional capital resources have to be furnished as risk capital or have to be balanced by means of allocation of non-needed risk capital for other types of risks.

Furthermore in order to quantify the counterparty credit risk the Credit Department determines the volumes of all risk bearing assets on a daily basis. A further list of the Turkey exposure is prepared for the quantification of the country risk (risk concentration) and submitted monthly to the Auditing Association of German banks, Cologne. The monitoring of loans, that are subject to §§ 13 and 14 KWG (German Banking Act) is carried out by means of an IT-generated list, taking into account the respective borrower units. The bank monitors all loan commitments by means of a daily overdraft list as well as a data file with maturities for interest payments and payments on capital.

In order to limit the counterparty credit risk in advance those institutions with whom money dealing transactions may be carried out are determined (positive list) in cooperation with the parent company.

In order to monitor limits of counterparty credit risk on counterparty and country level the bank uses an IT-tool which shows limits and utilizations in real-time. Additionally an IT-supported list "utilization of total limits" is generated that displays the total risk position of the bank. It shows approved limits, utilization and unused lines for specific kinds of trading transactions and products.

In order to evaluate the Turkey country risk the bank – via its parent company – has access to the necessary sources of information in Turkey. Current market reports are made available promptly and are evaluated in the analysis department.

Based on internal criteria latent credit risks are covered by general loan loss provisions. The amounts to be deducted

are based on default probabilities, derived from the external or internal ratings.

Market price risk consists of interest rate risk as well as foreign currency risk.

Interest rate risks are calculated monthly and submitted to the Board of Managing Directors by the department Risk Management & Control, Organization. All interest bearing assets and liabilities of the current year and the following four years are compared with respect to their interest rate maturity. As a result the calculation shows a difference amount, which in form of an asset- or liability-gap de facto is subject to an interest rate risk. By means of simulations possible changes of the interest level and their effects on the profit and loss statement are shown. In order to limit the risk (negative change of interest income over a time-horizon of one year) a loss limit is defined as EUR k 4,000. This also corresponds to the allocated risk coverage amount for interest rate risks within the quarterly risk bearing capacity calculation.

As of December 31, 2014 the calculation is as follows (all figures in EURk):

Allotted risk coverage amount for counterparty credit risks	30,000	30,000	30,000
Capital charge on of the risk coverage amount.	Standard scenario:	Scenario Stress 1	Scenario Stress 2
Financial Institutions, companies	10,762	19,645	26,905
Private customers	717	1,195	1,792
Securities	42	82	106
depreciation of securities positions	6	6	14
Total:	11,527	20,927	28,818
Unused line:	18,473	9,073	1,182

Risks

To determine if interest rate risks need to be provisioned within the Accounting domain, a simulation is done as per balance sheet date. Here the internally established interest gap analysis is used as basis. The profit and loss contributions from closed and open interest positions as well as fictitious closing trades are discounted as per balance sheet date. They are also compensated with discounted future administration- and risk provision expenses. Since as a result there are latent positive valuation reserves the bank does not need to take any provision.

In order to limit **foreign currency risks** from open currency positions the bank does spot exchange and forward transactions to convert cash flows in foreign currencies. According to the bank's regulations open currency positions must not exceed the equivalent of one million Euro in any foreign currency. The foreign currency position results from all asset and liability transactions of the bank, including derivative forward exchange transactions. According to the bank's regulations derivative transactions may only be done for hedging purposes. The amount of the open foreign currency positions as well as the compliance with the aforementioned limitation are calculated and monitored daily by the department Risk Management & Control, Organization. The average open position in the two most important foreign currencies in the fiscal year 2014 amounted to USD 688,345 (net liability) and TRY 251,546 (net asset). Furthermore, a limit for losses from foreign currencies was set to EUR k 1,000 and is monitored by the Risk Management & Control, Organization Department on a quarterly basis as part of a foreign currency risk report and the risk-bearing capacity calculation. As of 31.12.2014 a profit resulted from foreign currency operations so that in the risk-bearing capacity calculation a hypothetical full usage of the EUR k 1,000 limit is assumed.

Liquidity risk

Liquidity risk is defined as the danger that the bank's ability to meet contractual cashflows could not be ensured. The bank's liquidity risk is structurally reduced by a relatively short-term maturity profile of the lending business. While deposit business is also contractually short term in essential parts, it provides generally a stable funding source. Additionally the internal Investment Strategy for customer deposits regulates that a certain share of the call-money and time-deposits have to be invested in the local banking market on a short-term basis. In order to balance short-dated respectively unexpected liquidity fluctuations the bank strives to keep a securities position which can be liquidated by repo transactions with the European Central Bank or if necessary with other banks.

Intraday all cash flow payments, processed via the account at the German Central Bank are gathered in a data file, which also shows the unused refinancing line at the German Central Bank.

For a short-term liquidity preview Treasury Department maintains a list for the current and the following four working days in which all cashflows to be expected due to contractual agreements are included. A liquidity gap exists when at a defined due date the cumulated cash outflow exceeds the cumulated cash inflow. The liquidity which potentially can be generated additionally in order to cover the liquidity gap (liquidity potential) is shown in the gap analysis. If the liquidity potential is not sufficient to cover the calculated liquidity gap for one of the surveyed working days the Board of Managing Directors as a whole has to be informed about this immediately. Actions to procure the necessary liquidity have to be agreed-upon with the Board of Managing Directors as a whole and have to be initiated immediately. A respective emergency plan has been established.

The Risk Management & Control, Organization Department informs the Board of Managing Directors monthly on the liquidity risk on the overall bank level. For this purpose liquidity stress scenarios according to MaRisk requirements are calculated. As far as specified cash flows from assets are based on contractual agreements. For assets with indefinite maturity no cash inflow is assumed. On the liability side assumptions for unexpected cash outflows are applied. The result is net cashflow, which in form of an asset- or liability gap shows the excess or missing liquidity. If in the following month the cumulated fund outflows exceed the cumulated fund inflows (inclusive the liquidity potential) the Board of Managing Directors has to be informed on this in writing immediately. They decide on the further procedure. Furthermore the internal Investment Strategy for customer deposits as well as a liquidity stress calculation based on the maturity of balance sheet positions is measured, monitored and reported to the Board of Managing Directors daily.

The monitoring of liquidity risk is also based on the key figures of the liquidity principle ("Liquiditätsverordnung"). Based on scenario calculations Treasury Department monitors and ensures that also in case essential borrowers default there are sufficient loan facilities available at the German Central Bank in order to be able to meet due payment obligations. This regulation is valid for expected repayments from an amount of EUR 1 Mio. or higher, respectively their counter-value in currency.

As of 31.12.2014 liquidity risk is also integrated and limited to EUR k 4,000 within the ICAAP calculation. For this purpose a profit and loss-related amount is calculated based on a special cashflow definition. As a background a bank-specific stress event is defined, where e.g. due to an impaired reputation of the bank unexpectedly sharply rising funding rates need to be paid to ensure the refinancing

of the Bank. The resulting profit and loss-risk may occur independently from market rate changes.

Operational risk

Operational risks are defined in accordance with Basel II as risks from inadequate or faulty internal processes, from failure of people and systems as well as from external events.

The bank counters IT-risks with a detailed and written emergency plan, including a backup-system at a second location. In case of emergency the entire IT-operation, including the branches, can be maintained on the premises of the bank as well as on those of the backup-system.

In order to guarantee the functionality of the internal processes the departments define organization directives, function descriptions and authority regulations. Internal controls are integrated into the handling procedures that are suitable to ensure a correct execution.

Risk Management & Control, Organization Department annually estimates operational risk, performing a self-assessment and creating a company-wide risk profile. A data base capturing historical loss events from operational risks takes into account losses of the bank as a whole.

The Internal Audit Function is mandated to monitor compliance with internal controls. Regular trainings in internal and external seminars are conducted to minimize risks regarding the qualification of the bank's employees. Generally the bank's remuneration system comprises fixed salaries only. Variable components

are not agreed in individual contracts. Incentive schemes which are based on the company's success do not exist.

The bank has set up a separate organizational unit in order to comply with the regulations of the Anti-money-laundering act as well as compliance requirements. The AML- and Compliance Officer uses special IT-programs to counteract the danger of misuse. The employees are informed on a regular basis in training seminars on the existing legal requirements or upcoming changes of same. In addition, the compliance function in terms of AT 4.4.2 MaRisk has been placed with the Department AML & Compliance starting as of 01.01.2014. A so-called Compliance Committee with the participation of the Head of Risk Management & Control, Organization and the Head of AML & Compliance was established, included in the "Organizational Rule Composition and definition of Committees" and announced within the financial institution. The compliance function supports management regarding the compliance with legal regulations and requirements and consults and coordinates in the areas of law: Securities Trading Act, data protection law, consumer protection requirements (credit business), prevention of money laundering, terrorist financing and other criminal offenses, which are classified by the financial institution as significant under compliance aspects. To meet rising regulatory requirements to the Compliance Function the bank has decided to licence a database of an external service provider, to provide for an efficient monitoring of legal and regulatory requirements.

The bank limits contractual risks by using standard forms of the Bank Verlag (bank publishing house), Cologne and by using a law firm to check individual contracts. All utilized standard forms of the bank-publishing house are checked once a year regarding their validity and if necessary replaced by revised versions.

To calculate capital requirements for operational risks the bank uses the basis indicator approach.

Strategic risk

Strategic risks are in particular those that arise from the concentration of the lending business on Turkish counterparties and from the concentration of the deposit business on non-bank-deposits. They also include customer deposits of bigger volumes that are payable daily. These risk factors are taken into account under the aforementioned strategic and methodical risk standards.

Risks

Income risk

The annual budget which includes target values for all components of income is the central supervision instrument of the income situation. Interest income is predicted on the basis of the expected average loan volume in the business year and by using an estimated interest margin. Profit ratios are compiled in a monthly report and are compared to the actual development. During the Supervisory Board meetings these figures are submitted and explained. In case negative divergences become apparent in the course of the year the appropriate approvals have to be requested and the budget has to be adjusted to the actual circumstances.

Communication

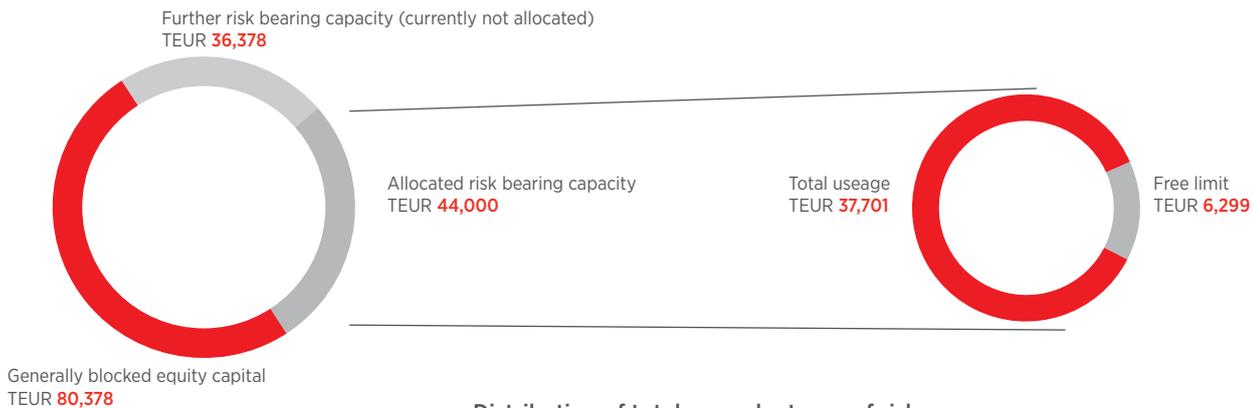
The risks are discussed by means of the Board of Managing Directors' reporting to the Supervisory Board and by means of the internal communication between department head and Board of Managing Directors. If necessary the Board of Managing Directors is informed ad hoc. For information- and controlling purposes the Board of Managing Directors receives reports or evaluations on a daily, monthly, quarterly or yearly basis. The Board of Managing Directors reports about the development and situation of the bank to the Supervisory Board, with meetings held in regular intervals.

Risk assessment

Overall we assess the risk exposure of the Bank as appropriate. Essentially we focus on the controllability of risks. Based on the risk-bearing capacity a risk strategy is defined in such a way that the opportunities can be optimally utilized. Within the scope of the risk bearing capacity calculation that is measured and reported quarterly the existing limits for the individual risks have been adhered to at any point in time during the past fiscal year. Beyond this, no further risks did occur that would have endangered the business continuity.

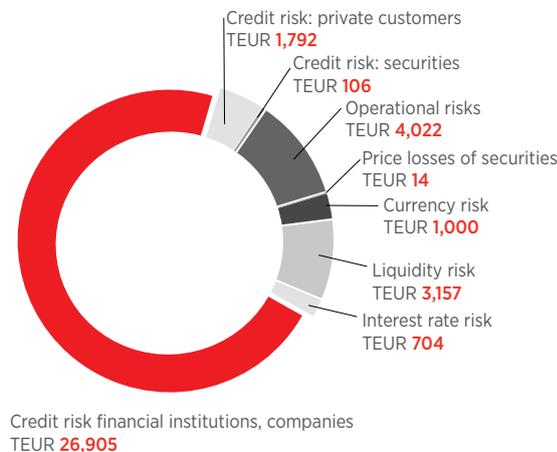
Calculation and usage of risk bearing capacity (TEUR)

Based on "Stress 2" as of 31st December 2014



Distribution of total usage by types of risk

Based on "Stress 2" as of 31st December 2014



General economic conditions, business environment & opportunities

Forecasts for the business year 2015

U.S. economy continued its journey towards sustainable growth in 2014, albeit at a subdued pace.

3.2 million new jobs created will eventually lead to wage growth and an increase in disposable income, wide opening the path to sustainable growth. The rest of the Globe, however, failed to keep up with the U.S. and had to take steps to fight with faltering aggregate demand. Damaged by the crisis, Governments have not seen fiscal policies as a viable option, therefore the job has been assigned to Central Banks.

The picture of the Eurozone Economy has been remarkably disappointing. What was once called “the Engine” of the Eurozone, the German economy started to show signs of stagnation, by the beginning of the second half of the year. The rest of the Eurozone Economies are observed to be struggling to balance public finances and also fail to achieve a growth in 2014. No hint of pick-up in the demand is in sight and inflation continues to stay well under the targeted “slightly less than 2%” level, all of which eventually forced the ECB to take drastic, “FED style” measures.

The interest rates are expected to stay close to the record low levels for an extended period, deep into the year ahead while on the other side of the Atlantic, FED is getting prepared to shift to a tightening bias. This imbalance will continue to have a reflection on the exchange rates, putting pressure on the value of Euro against Dollar. Recent actions taken by the ECB shall have a delayed effect but will definitely support Eurozone’s troubled economies in the second half of the year.

On the other hand, steady increases in the global supply of oil at a time when demand coming under pressure mainly due to recent Global Crisis and unsustainably high commodity prices have reduced petroleum product prices to levels that are now modestly boosting the expansion of economic activity in many regions of the world. Europe, being

a major net importer, should enjoy a positive impact on its annual accounts due to larger trade surpluses, thanks to lower oil bills. Furthermore, consumers shall see their disposable income rising with less to spend for energy, which will have a direct reflection on the growth.

Based on these facts, the second half of what started as a difficult year seems to promise a better outlook.

Ziraat Bank in 2015 and beyond...

The Board of the Managing Directors is following the plan determined by the New Strategy Document put into force at the beginning of 2014, covering a 3 years period. The Plan reflects the Board’s general organizational policies and business strategies to achieve its targets set in accordance with the Shareholder’s values and the Bank’s Vision & Mission. The plan aims to change the business model and strategy of the Bank, eventually targeting a healthy return on its strong equity within the frame of the corporate risk appetite embraced by the Parent Bank whilst adopting the infrastructure of the Bank to this new environment.

This restructuring and reorganization of the Bank cover a wide range of subjects, ranging from business model to information technologies.

Ziraat Bank International AG is the largest international subsidiary of T.C. Ziraat Bank A.S. and therefore in a unique position to answer the financial needs of those conducting business in/between Germany and Turkey. From this point, the vision of the Bank is to become an important financial services provider in Europe, relatively equalling the value created and the level of quantifiable success achieved by its parent bank. This can only be achieved by the help of extensive corporate recognition and experience accumulated in almost half a century in the region as well as synergy & support provided by the parent bank.

In order to create a high skilled specialist employee profile that will support the Board of Managing Directors achieve this

vision and the quantitative targets those come along with it, periodic training and professional courses are being held focusing on new products and markets as well as managing the risks that come along with the new products.

The Representative Office in Istanbul, Turkey, which was among the important milestones of the new Strategy, fulfilled an important function of supporting the action plan by establishing the required environment for a healthy and reliable data flow from regional markets to keep the Board of Managing Directors and risk analysts updated in the most rapid and reliable way possible.

Another important part of the restructuring and reorganization targets the branches. The organizational structure of the branches is being redesigned in a way to enable an active participation on local Corporate Banking activities, new client acquisition and asset generation.

The Board puts great emphasis on required IT investment. Committees have been established under the supervision of the Board to implement large scale projects, expanding Bank’s operational capabilities to adopt new Business Model and new products whilst reducing the operational burden on Branch employees to enable more marketing activities.

Expanding geographical coverage and diversification will be explored within the conservative risk approach of the Bank. Utilization of the Parent Bank’s vast resources extending 16 countries with 85 points will present important opportunities in this regard.

Depending on the capabilities of the Bank with its strong shareholder and the expectations laid above, a relatively strong growth plan has been initiated without compromising prudent liquidity and capital management.

Liquidity ratios have been projected on a monthly basis until the end of the term the New Strategy Document covers, and reflect a profitable yet conservative liquidity approach. Capital planning has

General economic conditions, business environment & opportunities

been built over a more efficient utilization of the capital and a healthy, commercially acceptable return on equity ratio.

Among the quantitative targets determined by the Board of Managing Directors, the most important and significant is the corporate loans business, which will be main driving force of the New Main Strategy and core competence of the Bank. The Business Plan emphasizes a steady, consistent growth of corporate loans in order to achieve the targeted balance sheet size and profitability.

Management Board targets a total Corporate Loan growth of 10-12% to close to EUR 1,2 billion at the end of 2015. This will again be the main driver of the Balance Sheet as well as the profitability; which are expected to reach some EUR 1,5 billion and EUR 15-17 million respectively. This year-end Balance Sheet size reflects a growth of 12 - 14%, a rather moderate target compared to 2014 achievements. This, mainly, is to enable a more focused approach on structural issues those need to be addressed.

The Management Board decided to ask for authorization from the Supervisory Board for the sale of the Bank's participation in Turkish Ziraat Bank Bosnia dd's equity to the Parent Bank, T.C. Ziraat Bankası A.Ş. with a premium over the book value. The rationale of the decision is based on Management Board's targets and strategies.

A contribution of EUR 4,0 million to the total net profit is expected to be generated through the sale of this participation. Excluding this, the after tax net profit target for 2015 is EUR 11-13 million, which points to more than 30% increase reflecting a better distribution of assets, prompt financing strategy and strict but efficient cost control.

The shareholder will again see a positive development in the return of its investment; over 10% Return on Equity ratio target has been set for 2015. Excluding the one-time profit of participation sale, the ratio will still be above 7.5% vs. 6.6% in 2014, which means the achievement of a commercially acceptable return in just second year of the New Strategy Document adopted.

All these figures reflect a better and efficient utilization of the equity. The Capital Adequacy Ratio will continue to approach a conservative normalization from the heights of 2013 where inefficiency was far exceeding the commercial principals as well as market practices.

Given the Bank's recognition inherited from the parent bank, historical activities, experience and good track record in Turkey, the potential laid above presents valuable opportunities with acceptable risk/return parameters within the framework of the Bank's general risk appetite.

Therefore, for the sake of efficient use of existing potential and safety, the initial steps have been towards local companies with Turkish origins, local companies that have trade or other economic relations with Turkey. This not only provides efficient utilization of the natural potential but also a relative security given both the Bank's historical experiences and parent bank's capabilities in assessing risk related with Turkey.

With the support of the base created from this potential in terms of size and profit, further diversification is being targeted through local corporate and SMEs, with of course, keeping a close eye on costs and risks exposed.

To achieve the targets determined by the New Strategy Document, however, this core competence as laid above, must be supported with Treasury, Financial Institutions & Forfeiting functions, not forgetting initial steps of Trade Finance business, which will help achieve a balanced and liquid portfolio without compromising better yields.

Depending on the capabilities of the Bank with its strong shareholder and the expectations laid above, Board of Managing Directors will keep focusing on not only further growth and profitability but also structural and organizational issues to ensure the sustainability of the quantitative achievements supported and boosted by qualitative progress.

Statement by the Board of Managing Directors on relations with affiliated companies

Due to the majority shareholding of T.C. Ziraat Bankası A.Ş., a dependent company report was compiled in accordance with § 312 AktG ["Aktengesetz": German Stock Corporation Act], which closes with the following declaration of the Management Board: "We declare that Ziraat Bank International AG, according to the circumstances known to us at the time when the above stated legal transactions took place, always received adequate return."

Frankfurt am Main, April 29, 2015

ZIRAAT BANK INTERNATIONAL AG
The Board of Managing Directors

Ayten Türkmen



Ali Kıvanç Ünal



**Publicly Announced Unconsolidated Financial
Statements together with Independent Auditor's
Report at 31 December 2014**

INTERNATIONAL AKTIENGESELLSCHAFT, Frankfurt am Main

Balance Sheet as at December 31, 2014

Assets	€	€	2013 K €
1 Liquid funds			
a) Cash	9,986,432.41		9,237
b) Balances with central banks thereof: With the German Federal Bank 10,080,107.50 € (prev. Y. € 67,843,918,11)	10,080,107.50	20,066,539.91	67,844
2 Debt instruments issued by public bodies and bills of exchange eligible for refinancing with central banks			
a) Treasury bills and non-interest bearing treasury notes and similar debt instruments issued by public bodies thereof: Refinancable at the German Federal Bank 0.00 EUR	-,-		-
b) Bills of exchange thereof: Refinancable at the German Federal Bank 0.00 EUR	-,-	-,-	-
3 Receivables from banks			
a) Due on demand	28,978,831.79		2,859
b) Other receivables	112,777,475.91	141,756,307.70	86,202
4 Receivables from customers		1,116,818,380.05	698,857
thereof: Secured by mortgage charges 14.708.103,81 EUR (prev. Y. 10.518 EUR k) Municipal loans 0.00 EUR (prev. Y. 0.00 EUR)			
5 Debentures and other fixed-interest securities			
a) Money market paper			
aa) Issued by public bodies	-,-		-
ab) Issued by others	-,-	-,-	-
b) Bonds and Debentures			
ba) Issued by public bodies thereof: Eligible as collateral at the German Federal Bank 0.00 € (prev. Y. € 0.00)	10,902,267.13		19,374
bb) Issued by others thereof: Eligible as collateral at the German Federal Bank 5,608,842.77 € (prev. Y. € 539.975,17)	15,649,431.66		10,585
c) Own debentures Nominal amount 0.00 EUR	-,-	26,551,698.79	-
6 Shares and other variable-yield securities		-,-	-
6a Held for trading		-,-	-
7 Investments		349,274.54	349
thereof: Investments in banks € 349,274.54			
thereof: Investments in financial service institutions 0.00 EUR			
8 Shares in affiliated undertakings		8,180,670.10	8,181
thereof: In banks 8,180,670.10 EUR			
thereof: In financial service institutions 0,00 EUR			
9 Trust assets		-,-	-
thereof: Trust loans 0.00 EUR			
10 Compensation receivables from public bodies, including debentures arising from their exchange		-,-	-
11 Intangible assets			
a) Self-created property rights and similar rights and values	-,-		-
b) Acquired concessions, industrial property rights and similar rights and licenses in such rights and values	534,357.96		404
c) Company- or goodwill value	-,-		-
d) Prepayments	1,508,000.00	2,042,357.96	-
12 Tangible fixed assets		704,887.17	939
13 Called, unpaid capital thereof: Called-up 0.00 EUR		-,-	-
14 Other assets		3,949,981.69	7,520
15 Prepaid and deferred items		208,046.12	139
16 Deferred tax assets		-,-	-
17 Positive difference from the asset accounts		-,-	-
18 Loss not covered by equity		-,-	-
Total assets		1,320,628,144.03	912,490

INTERNATIONAL AKTIENGESELLSCHAFT, Frankfurt am Main

Balance Sheet as at December 31, 2014

Liabilities and Equity	€	€	2013 K €
1 Liabilities to banks			
a) Payable on demand	34,004,441.96		8,897
b) With an agreed term or notice period	311,303,909.89	345,308,351.85	277,148
2 Liabilities to customers			
a) Savings deposits			
aa) With an agreed notice period of three months	3,856,938.00		3,044
ab) With an agreed notice period of more than three months	485,658.23	4,342,596.23	452
b) Other liabilities			
ba) Payable on demand	153,542,608.45		221,058
bb) With an agreed term or notice period	635,736,971.28	789,279,579.73	236,644
3 Certificated liabilities			
a) Debt securities issued		-,-	-
b) Other certificated liabilities		-,-	-
Thereof: Money market paper 0.00 EUR	-,-		
Own acceptances and promissory notes outstanding 0.00 EUR	-,-		
3a Held for trading		-,-	-
4 Trust liabilities		-,-	-
thereof: Trust loans 0.00 EUR			
5 Other liabilities		6,971,459.51	526
6 Deferred items		2,376,501.75	2,328
6a Passive deferred taxes		-,-	-,-
7 Accrued expenses			
a) Pensions and similar commitments		-,-	-
b) Tax accruals	642,067.35		43
c) Other accrued expenses	871,203.94	1,513,271.29	1,595
8 Untaxed reserves (cancelled)		-,-	-
9 Subordinated liabilities		-,-	-
10 Capital with participation rights		-,-	-
thereof: Due within two years 0.00 EUR			
11 Special accounts for general banking risks		-,-	-
12 Equity			
a) Called up capital			
Subscribed capital	130,000,000.00		130,000
Uncalled outstanding deposits not less	-,-	130,000,000.00	
b) Capital reserve		13,000,000.00	13,000
c) Revenue reserves		17,755,551.46	15,702
ca) Legal reserve	-,-		
cb) Reserve for shares in a controlling or majority of companies involved	-,-		
cc) Reserves set up under statutes or by-laws	-,-		
cd) Other revenue reserves	17,755,551.46		
d) Net earnings/loss		10,080,832.21	2,053
Total liabilities and equity		1,320,628,144.03	912,490
	€	€	K €
1 Contingent liabilities			
a) Contingent liabilities from the endorsement of bills rediscounted		-,-	-
b) Contingent liabilities from guarantees and indemnity agreements	14,891,471.83		18,349
c) Contingent liabilities from sureties pledged as collateral security	-,-	14,891,471.83	-
2 Other commitments			
a) Liabilities from non-genuine repurchase agreements		-,-	-
b) Placement and underwriting commitments		-,-	-
c) Irrevocable lines of credit granted	8,448,983.70	8,448,983.70	109,882

**Profit and Loss Account of ZIRAAT BANK INTERNATIONAL AG,
Frankfurt am Main for the period from January 1, 2014 to December 31, 2014**

Expenses	€	€	€	2013 K €
1. Interest expense			17,694,196.61	14,470
2. Commission expense			718,212.22	401
3. Net expenses for the trading portfolio			-	-
4. General and administrative expenses				
a) Personnel expenses				
aa) Wages and salaries	7,642,833.73			8,506
ab) Social security contributions, pensions and welfare expenses	1,333,443.49	8,976,277.22		1,339
thereof: For pensions 217.520,64 € (prev.Y. T€ 233)				
b) Other administrative expenses		5,466,772.88	14,443,050.10	4,796
5. Amortisation, depreciation and write-downs of intangible and tangible fixed assets			478,009.63	430
6. Other operating expenses			336,721.50	124
7. Write-offs and provisions on receivables and certain securities and write-ups on accruals relating to the credit business			2,394,828.69	1,725
8. Write-offs and provisions on investments, shares in affiliated companies and securities treated as non-current assets			-	-
9. Expenses from losses assumed			-	-
10. Transfers to untaxed reserves (no longer applicable)			-	-
11. Extraordinary expense			-	-
12. Taxes on income			4,974,061.33	689
13. Other taxes not covered by caption 6			518.00	2
14. Profits transferred as a result of profit pooling, profit transfer or partial profit transfer agreements			-	-
15. Net profit for the year			10,080,832.21	2,053
Total expenses			51,120,430.29	34,535

**Profit and Loss Account of ZIRAAT BANK INTERNATIONAL AG,
Frankfurt am Main for the period from January 1, 2014 to December 31, 2014**

Income	€	€	2013 K €
1. Interest income from			
a) Loans and money market transactions	40,330,861.18		24,275
b) Fixed-interest securities and debenture bonds	966,598.69	41,297,459.87	1,456
2. Current income from:			
a) Shares and other variable-yield securities	-		-
b) Participating interests	-		-
c) Shares in affiliated undertakings	-	-	-
3. Income from profit pooling, profit transfer and partial profit transfer agreements	-	-	-
4. Commission income		7,161,566.82	6,567
5. Net income for the trading portfolio		-	-
6. Income from write-ups on receivables and certain securities and dissolutions of provisions relating to the credit business		1,253,104.02	958
7. Income from write-ups on investments, shares in affiliated companies and securities treated as non-current assets		-	-
8. Other operating income		1,408,299.58	1,279
9. Income from dissolutions of untaxed reserves (no longer applicable)		-	-
10. Extraordinary income		-	-
11. Income from losses transferred		-	-
12. Net loss for the year		-	-
Total income		51,120,430.29	34,535

Notes to the Financial Statements For Fiscal Year 2014

1. ACCOUNTING AND VALUATION PRINCIPLES

The accounting and valuation methods applied to the items of the balance sheet and income statement comply with Secs. 242 et seq. and 340 et seq. HGB („Handelsgesetzbuch“ German Commercial Code), the RechKredV („Verordnung über die Rechnungslegung von Kreditinstitutionen“ German Bank Accounting Directive) and the German Stock Corporation Act („Aktiengesetz“: AktG).

The subscribed capital amounts to EUR 130,000 k and consists of 1,300,000 registered shares with a nominal value of EUR 100.

According to the balance sheet approach the bank has differences in results between the commercial and tax balance sheet amounting to EUR 553 k of deferred tax assets identified.

The calculation of the taxes was carried out with 15% corporate tax, 5.50% solidarity surcharge, and trade tax with the average trade tax rates of assessment of the competent local authorities. The added value results mainly from the educated care under § 340f HGB and the increase in risk provisions for loans to customers. The Bank did not use the activation of the election law. It remains undone in the balance sheet.

The **receivables and liabilities in foreign currency** contained in the individual items were converted (including accrued interest) at the exchange rates set by the European Central Bank at balance sheet date.

Provided Expenses from currency conversion are in the profit and loss account under the item “Other operating expenses”. Currency transactions that have been concluded as hedges are evaluated on basis of the cash price with swap accrual. Only from these transactions resulting gains (Sec. 256a HGB) are shown in the profit and loss account under the item “Other operating income”.

Liquid assets are stated at nominal value.

Receivables are disclosed with the nominal value, reduced by individual- and general provisions. Bills receivable, other receivables accepted and receivables purchased à forfait are discounted at the rate paid.

Appropriate specific allowances for bad debts have been set up for all recognizable risks in the **lending business**. A general overall valuation adjustment for all potential risks in the lending business was set up in the amount of EUR 4,307 k (previous year EUR 3,081 k). This provision is based on internal criteria. The country risk provision contained therein was increased to EUR 2,746 k (previous year EUR 1,221 k).

The **bonds and debentures**, which are assigned liquidity reserve, were evaluated at acquisition costs respectively at continued book values or at the lower market values according to the strict minimum value principle. There have been deposited nominal EUR 5,500 k securities with Deutsche Bundesbank at the end of the year. Opposite to Deutsche Bundesbank in the context of open market transactions (longer-term quantity tender) accrued liabilities in the amount of EUR 5,000 k.

In the investment book is one of the credit linked notes issued by DZ Bank in the amount of nominal EUR 10,000 k. Securities of the capital assets are attached to the end of the year with the purchase costs less time proportionate depreciation on the repayment amount or with purchase costs below the nominal value plus time proportional writings up on the repayment amount, as far as a durable depreciation is not to be expected. The hidden reserves of the credit linked note amounts to EUR 138 k as of December 31, 2014.

Investments and shares in affiliated companies are accounted for in accordance with the applicable rules for fixed assets at cost. Arising from currency translation of foreign currencies resulting increase or depreciation are not reported profit and loss account.

Tangible and intangible assets were carried on at purchase cost on the basis of useful life expectancy recognized by tax law less a pro rata depreciation. The depreciations are deducted linear during the expected useful life. Inferior assets up to EUR 400 net were complete deducted in the year of purchase;

The Bank has the option to write off low value fixed assets of more than 150 EUR to 400 EUR immediately in the year of purchase applied as of 2013.

Notes to the Financial Statements For Fiscal Year 2014

The evaluation of the **other assets** was also carried out in accordance with the strict principle of the lower of cost or market.

Liabilities were assessed at the amounts repayable and appropriate accruals were made for all contingent liabilities known as of the balance sheet date.

Interest was accrued on receivables, bonds, debentures and liabilities and allocated to the respective balance sheet item.

Other expenses and income are recorded on an accrual basis.

Provisions are made in accordance with reasonable commercial assessment.

The bank uses a profit and loss- oriented approach to determine if a provision for contingent loss according to § 340a i.V.m § 249 para. 1 clause 1 altern. 2 German Commercial Code has to be formed. Valuation subject is the banking book that includes all balance-sheet and off balance-sheet interest-related financial instruments not booked in the trading portfolio (including securities of the liquidity reserve and securities of the investment portfolio). The accrual of the banking book's interest-related financial instruments is done on the basis of the bank's portfolio structure that is also the basis of the bank's internal management.

The periodic profit contributions from closed interest positions, from open interest positions as well as fictitious closing trades are finally netted per maturity range. The periodic (net-) profit contributions have been discounted as per balance sheet date. The discounted total amount is reduced with the future administration- and provision of risk expenses relating to the respective transactions. (The interest rate used for the discounting of the periodic profit contributions is also used for the calculation of administration- as well as provision of risk expenses.)

The Bank is in the consolidated financial statements of T.C. Ziraat Bankası A.Ş., Ankara included. The consolidated financial statements include all subsidiaries and associated companies (Largest and smallest parameter). The financial statement is stored on the website of the T.C. Ziraat Bankası A.Ş., Ankara (www.ziraat.com.tr) and the website of the Turkish Banking Association (www.tbb.org.tr) and the public information platform (www.kap.gov.tr).

2. EXPLANATIONS TO THE BALANCE SHEET AND INCOME STATEMENT

2.1 Maturity Breakdown

2.1.1 Loans and advances to banks with remaining period*

	2014 EUR k	2013 EUR k
up to three months	46,028	2,000
more than three months up to one year	65,366	71,623
between one and five years	2,103	12,916
more than five years	0	0

* proportional interest has not been allocated in accordance with the simplification rule of Sec. 11 Sentence 3 RechKred.V.

2.1.2 Loans and advances to customers with remaining period*

	2014 EUR k	2013 EUR k
up to three months	119,223	93,549
more than three months up to one year	124,828	55,102
between one and five years	829,095	516,035
more than five years	28,267	24,686
with indefinite term	14,480	5,367

* proportional interest has not been allocated in accordance with the simplification rule of Sec. 11 Sentence 3 RechKred.V.

Notes to the Financial Statements For Fiscal Year 2014

2.1.3 Bonds and debentures in the nominal amount of EUR 15,500 k and accordingly booking value of EUR 15,597 k will mature in 2016 (2015- no maturity).

2.1.4 Liabilities to banks with remaining period* of

	2014 EUR k	2013 EUR k
up to three months	2,472	0
more than three months up to one year	0	0
between one and five years	308,832	257,614
more than five years	0	18,229

* proportional interest has not been allocated in accordance with the simplification rule of Sec. 11 Sentence 3 RechKred.V.

2.1.5 Saving deposits with an agreed period of notice with remaining period* of

	2014 EUR k	2013 EUR k
up to three months	3,886	3,243
more than three months up to one year	0	0
between one and five years	351	177
more than five years	106	76

* proportional interest has not been allocated in accordance with the simplification rule of Sec. 11 Sentence 3 RechKred.V.

2.1.6 Other Liabilities to customers with remaining period* of

	2014 EUR k	2013 EUR k
up to three months	127,877	58,964
more than three months up to one year	245,445	64,540
between one and five years	257,938	111,493
more than five years	0	0

* proportional interest has not been allocated in accordance with the simplification rule of Sec. 11 Sentence 3 RechKred.V.

2.2 Balance Sheet Items in Foreign Currency

Assets and liabilities in foreign currency amount to totally EUR 630,262 k. Therein contained are EUR 375,349 k receivables, EUR 8,528 k investments and shares in affiliated companies/shareholdings, EUR 245,898 k liabilities and EUR 487 k contingent liabilities.

2.3 Affiliated Companies

	2014 EUR k	2013 EUR k
Loans and advances to banks	9,341	3,335
Loans and advances to customers	0	0
Liabilities to banks	309,461	282,887
Liabilities to customers	0	0
Contingent Liabilities to affiliated companies	478	421

* proportional interest has not been allocated in accordance with the simplification rule of Sec. 11 Sentence 3 RechKred.V.

Notes to the Financial Statements For Fiscal Year 2014

2.4 Securities Negotiable on the Stock Exchange

The loans and debentures shown in the financial statements of EUR 26,552 k are negotiable and listed on a stock exchange.

2.5 Analysis of Fixed Assets

Composition:

	Purchase Cost			Amortization/ Depreciation		Net Book Value	
	As of Jan. 1, 2014 EUR k	Additions EUR k	Disposals EUR k	Total- EUR k	Fiscal- Year EUR k	As of Dec. 31, 14 EUR k	As of Dec. 31, 13 EUR k
Property, plant and equipment	7,692	85	0	7,072	319	705	939
Intangible assets	2,741	289	0	2,496	159	534	404
Shares in affiliated companies	8,181	0	0	0	0	8,181	8,181
Investments	349	0	0	0	0	349	349
Securities	10,000	0	0	0	0	10,000	10,000
Total	28,963	374	0	9,568	478	19,769	19,873

2.6 Other Individual Items

	EUR k
Other assets	EUR k
Receivables from the tax office	627
VAT 2014	EUR 200 k
VAT 2013	EUR 427 k
Debt collection checks-send	11
Swap collateral	3,260
Other	52
Other liabilities	EUR k
Liabilities to the tax office	254
Wages- and church tax	EUR 114 k
Tax payable on directors' remuneration	EUR 9 k
VAT payable on directors' remuneration	EUR 20 k
VAT payable 2013	EUR 55 k
Withholding tax	EUR 5 k
Trade tax 2014 Köln/Nürnberg	EUR 51 k
Social insurance	9
Checks for collection	35
Debt collection checks-total	11
Foreign exchange valuation	83
SWAP- currency futures valuation	6,576
Other	3

2.7.1 Contingent Liabilities

Contingent liabilities	EUR k
Guarantees	14,012
Documentary credit confirmed and opened	879
Contingent Liabilities to affiliated companies	EUR k
Guarantees	478
Ziraat Bank BH d.d., Sarajevo	EUR 478 k

The item "contingent liabilities" includes a credit linked note in the amount of EUR 10,000 k. The Bank is due to the past experience of a very low (below 5%) availment.

2.7.2 Unconditional Loan commitments

The volume of Unconditional loan commitments amounts as of 31.12.2014 to EUR 8,449. The Bank assumes a usage of 50 %.

2.8 Securities Assigned

As of December 31, 2014 EUR 321,803 k of the liabilities to customers were assets assigned as collateral. The total amount of the assets assigned as security for contingent liabilities amounted to EUR 1,275 k.

2.9 Income Statement

The personnel expenses have been reduced in 2014 from EUR 9,845 k to EUR 8,976 k.

The income from the write-up of claims and certain securities as well as from the release of provisions for credit transactions amount to:

- Price gains of securities of liquidity reserve EUR 671 k
- Income from the liquidation of value adjustments EUR 582 k

The write-downs and adjustments to claims and certain securities as well as allocations to provisions for credit transactions amount to:

- Additions valuation adjustments EUR 2,389 k
- Depreciation of securities of liquidity reserve EUR 6 k

The total amount of the revenues shown in § 34 para. 2 no. 1 RechKredV relate to Germany with EUR 11,597 k (EUR 5,795 k commission income / EUR 4,386 k interest income / EUR 1,416 k other income), to other EU-countries with EUR 725 k (EUR 714 k interest income/ EUR 11 k commission income) and with EUR 38,798 k (EUR 36,197 k interest income / EUR 1,356 k commission income/ EUR 1,245 other income) to other countries.

Income taxes for the fiscal year 2014 amount to EUR 4,974 k. This figure comprises income taxes for the current year.

The other operating income in the amount of EUR 1,408 k is related mainly to receivables from the VAT in the amount of EUR 327 k (2014 EUR 200 k, 2013 EUR 127 k).

Income from foreign exchange transactions, which were completed on special cover, we received EUR 178 k, and gains on foreign exchange with customer in Turkish lira we earned EUR 748 k. Furthermore, the Bank received reimbursements for the financial year 2013 of the company Bosch, Stuttgart, in the amount of EUR 59 k and the Bank Verlag in Cologne in the amount of EUR 62 k.

The other operating expenses in the amount of EUR 337 k amongst others include expenditures and side cost of previous years. Repayment to the liquidator of a insolvency case amounted to EUR 181 k. legal expenses for 2013 amounted to EUR 26k. Furthermore, were EUR 19 k for project work, EUR 8 k for cable network setup and EUR 11 k posted for the relocation of the emergency center.

3 OTHER SPECIFICATIONS**3.1 Other financial obligations**

Long-term obligations (EUR 6,228 k) resulting mainly from rental and lease agreements for business premises for the head office and ten branches.

3.2 Open forward transactions

USD-forward exchange contracts with a volume of EUR 123,801 k (nominal USD 150,362 k) and TRY-forward exchange contracts with a volume of EUR 4,944 k (nominal TRY 14,000 k) that were pending as of balance sheet day relate to money market transactions that serve the liquidity management.

3.3 Equity investments and shares in affiliated companies

The participation in the capital of Azerbaijan Türkiye Birge Sehimdar Kommersiya Bank, Baku, Azerbaijan, was reduced from 4% to 1.08% since the Ziraat Bank in the capital increase of the Bank of 13.4 million AZN to 50.0 million AZN did not take part. The participation amount of USD 100 k and AZN 312,296.88 is equivalent to the acquisition cost in the amount of EUR 347,603.07.

The participation share in affiliated companies, Ziraat Bank BH d.d., Sarajevo, amounted to BAM (International currency code of Bosnia-Herzegovina) 19,200,000.- in the fiscal year 2014. The participation amount represents 32% of the capital stock and equivalent to a booking value of EUR 8,180,670.10. The net profit of Ziraat Bank BH d.d., Sarajevo for 2013 amounted to BAM 1,907,000 (EUR 975 k). The capital of the company amounts to BAM 60,000,000.- (EUR 30,678 k) in 2014.

3.4 Profits and Proposal for the Distribution of Profits

In accordance with the resolution passed by the shareholders' meeting of June 11, 2014 EUR 2,053,061.46 have been allocated to the retained earnings.

We propose to the shareholders' meeting to carry the profit of 2014 EUR 10,080,832.21 to the retained earnings.

3.5 Remuneration of Board Members

The total remuneration of Board Members in 2014 was as follows:

The total remuneration of the Board Members	EUR
Board of Managing Directors	453,030.17
Supervisory Board	140,891.82

The credits to executives and staff amounted as of 31.12.2014 to EUR 8,850.00 to the Board of Managing Directors.

3.6 Number of Employees

In 2014 131 staff members have been employed on an annual average (including the ten branches). They are divided as follows as of the end of the year:

Proxy holders	5
Authorized signatories	78
Other employees	52

3.7 Total remuneration of the Auditor in 2014

a) Auditing benefits		2014	2013
- Year end auditing	EUR	110,000.00*	120,000.00*
b) Other confirmation benefits	EUR	1,336.88	1,092.00
c) Tax-Office benefits			
d) Other benefits			
* without VAT			

Notes to the Financial Statements For Fiscal Year 2014

3.8 Shareholders and Executive Bodies of the Bank

3.8.1 Shareholders

Name of the shareholder : Türkiye Cumhuriyeti Ziraat Bankası A.Ş., Ankara, Turkey
Share of capital : 100,00%

3.8.2 Supervisory Board

Muharrem Karslı Chairman (until 16.01.2014)	Chairman of the Board of T.C. Ziraat Bankası A.Ş., Ankara, Turkey resident in: İstanbul / Turkey
Osman Arslan Member Chairman (as of 16.01.2014 until 23.02.2015)	Assistant General Manager - International Banking & Subsidiaries of T.C. Ziraat Bankası A.Ş., Ankara / Turkey resident in: Ankara / Turkey
Feyzi Çutur Vice Chairman (until 16.01.2014)	Member of the Board of T.C. Ziraat Bankası A.Ş., Ankara, Turkey resident in: İstanbul / Turkey
Ömer M. Baktır Member Vice Chairman (as of 16.01.2014 until 23.02.2015) Chairman (as of 23.02.2015)	Assistant General Manager - Marketing of T.C. Ziraat Bankası A.Ş., Ankara / Turkey resident in: İstanbul / Turkey
M. Cengiz Göğebakan Member (until 16.01.2014)	Assistant General Manager of T.C. Ziraat Bankası A.Ş., Ankara, Turkey resident in: Ankara / Turkey
Bilgehan Kuru Member (until 16.01.2014)	Assistant General Manager of T.C. Ziraat Bankası A.Ş., Ankara, Turkey resident in: İstanbul / Turkey
Can Örüng Member (as of 16.01.2014)	Head of Subsidiaries & Foreign Units Coordination of T.C. Ziraat Bankası A.Ş., Ankara, Turkey resident in: İstanbul / Turkey
Süleyman Türetken Member (as of 16.01.2014 until 23.02.2015) Vice Chairman (as of 23.02.2015)	Head of Corporate Marketing of T.C. Ziraat Bankası A.Ş., Ankara, Turkey resident in: İstanbul / Turkey
Mehmet Turgut Member (as of 16.01.2014 until 23.02.2015)	Head of Credit Processes of T.C. Ziraat Bankası A.Ş., Ankara, Turkey resident in: Ankara / Turkey

Notes to the Financial Statements For Fiscal Year 2014

Yavuz Yeter Member (as of 16.01.2014 until 23.02.2015)	Head of Financial Institutions & International Banking of T.C. Ziraat Bankası A.Ş., Ankara, Turkey resident in: Istanbul / Turkey
Battal Arslan Member (as of 23.02.2015)	Head of Corporate Loans of T.C. Bankası A.Ş., Ankara, Turkey resident in: Istanbul / Turkey
Bilge Levent Member (as of 23.02.2015)	Head of Financial Markets Department of T.C. Bankası A.Ş., Ankara, Turkey resident in: Istanbul / Turkey
Taha Çakmak Member (as of 23.02.2015)	Head of Financial Markets Department of T.C. Bankası A.Ş., Ankara, Turkey resident in: Ankara / Turkey

3.8.3 Board of Managing Directors

Ayten Türkmen, Banker, Frankfurt am Main, Chairman

Ali Kivanç Ünal, Banker, Frankfurt am Main

İsmail Eroğlu, Banker, Karben (excreted 31.07.2014)

Frankfurt am Main, April 29, 2015

Ziraat Bank International AG

The Board of Managing Directors



Ayten Türkmen



Ali Kivanç Ünal

We audited the annual financial statements, comprising the balance sheet, the income statement, the notes to the financial statements, together with the bookkeeping system, and the management report of ZIRAAT BANK INTERNATIONAL AKTIENGESELLSCHAFT, Frankfurt am Main for the financial year from January 1 through December 31, 2014. Maintenance of the books and records and preparation of the annual financial statements and the management report in accordance with German commercial law provisions are the responsibility of the Company's management board. Our responsibility is to express an opinion on the annual financial statements, together with the bookkeeping system, and the management report based on our audit.

We conducted our audit of the annual financial statements in accordance with § (Art.) 317 HGB [Handelsgesetzbuch; German Commercial Code] and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the annual financial statements in accordance with [German] principles of proper accounting and in the management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Company and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the books and records, the annual financial statements and the management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the accounting principles used and significant estimates made by the Company's management board as well as evaluating the overall presentation of the annual financial statements and management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion and based on the findings of our audit, the annual financial statements comply with the legal provisions and provide a true and fair view of the net assets, financial position and results of operations of the Company in accordance with [German] principles of proper accounting. The management report is consistent with the annual financial statements and as a whole provides a suitable view of the position of the Company, and suitably presents the opportunities and risks of future development.

Frankfurt am Main, Germany, April 29, 2015

PricewaterhouseCoopers
Aktiengesellschaft
Wirtschaftsprüfungsgesellschaft

Eva Handrick	ppa. Fatih Agirman
Wirtschaftsprüfer	Wirtschaftsprüfer
(German Public Auditor)	(German Public Auditor)

(The translated auditor's report is not signed since the German text is authoritative.)

