

IMPORTANT NOTICE

THIS OFFERING IS AVAILABLE ONLY TO INVESTORS WHO ARE EITHER (1) QIBS WHO ARE ALSO QPS (EACH AS DEFINED BELOW) UNDER RULE 144A OR (2) PERSONS OTHER THAN U.S. PERSONS (AS DEFINED IN REGULATION S) OUTSIDE OF THE U.S.

IMPORTANT: You must read the following before continuing. The following applies to the Prospectus following this page, and you are therefore advised to read this carefully before reading, accessing or making any other use of the Prospectus. In accessing the Prospectus, you agree to be bound by the following terms and conditions, including any modifications to them any time you receive any information from the Bank as a result of such access.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN THE UNITED STATES OR ANY JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE OF THE U.S. OR OTHER JURISDICTION AND THE SECURITIES MAY NOT BE OFFERED OR SOLD WITHIN THE U.S. OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S ("REGULATION S")) UNDER THE SECURITIES ACT), EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS.

THE FOLLOWING PROSPECTUS MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER AND IN PARTICULAR MAY NOT BE FORWARDED TO ANY U.S. PERSON OR TO ANY U.S. ADDRESS. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS. IF YOU HAVE GAINED ACCESS TO THIS TRANSMISSION CONTRARY TO ANY OF THE FOREGOING RESTRICTIONS, YOU ARE NOT AUTHORISED AND WILL NOT BE ABLE TO PURCHASE ANY OF THE SECURITIES DESCRIBED THEREIN.

Confirmation of your Representation: In order to be eligible to view this Prospectus or make an investment decision with respect to the securities described herein, investors must be either (1) Qualified Institutional Buyers ("QIBs") (within the meaning of Rule 144A ("Rule 144A") under the Securities Act) that are also Qualified Purchasers ("QPs") as defined in Section 2(a)(51)(A) of the U.S. Investment Company Act of 1940, as amended (the "Investment Company Act") or (2) persons other than U.S. persons (as defined in Regulation S) outside of the U.S. This Prospectus is being sent at your request and by accepting the e mail and accessing this Prospectus, you shall be deemed to have represented to the Bank that (1) you and any customers you represent are either (a) QIBs that are also QPs or (b) outside of the U.S. and that the electronic mail address that you gave the Bank and to which this e mail has been delivered is not located in the U.S. and (2) that you consent to delivery of such Prospectus by electronic transmission.

You are reminded that this Prospectus has been delivered to you on the basis that you are a person into whose possession this Prospectus may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorised to, deliver or disclose the contents of this Prospectus to any other person.

The materials relating to the offering do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the offering be made by a licensed broker or dealer and the underwriters or any affiliate of the underwriters is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by the underwriters or such affiliate on behalf of the issuer in such jurisdiction.

This Prospectus has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently, none of Citigroup Global Markets Limited, HSBC Bank plc, ING Bank N.V., London Branch, Mitsubishi UFJ Securities International plc, Mizuho Securities USA Inc. or Standard Chartered Bank as Joint Lead Managers, or any person who controls any of them, nor any director, officer, employee nor agent of any of them or affiliate of any such person accepts any liability or responsibility whatsoever in respect of any difference between the Prospectus distributed to you in electronic format and the hard copy version available to you on request from any of the Joint Lead Managers.

You are responsible for protecting against viruses and other destructive items. Your use of this e mail is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.

This Prospectus is being distributed only to and directed only at (i) persons who are outside the United Kingdom, (ii) persons who have professional experience in matters relating to investments falling within Article 19(5) of The Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, or (iii) those persons to whom it may otherwise lawfully be distributed (all such persons together being referred to as "relevant persons"). This Prospectus is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this Prospectus relates is available only to relevant persons and will be engaged in only with relevant persons.



Türkiye İhracat Kredi Bankası A.Ş.
(Export Credit Bank of Turkey, Inc.)

a Turkish banking institution organised as a joint stock company

U.S.\$500,000,000 5.375 per cent. Notes due 2021

Under its U.S.\$1,500,000,000
Global Medium Term Note Programme

Issue Price: 99.568 per cent.

Türkiye İhracat Kredi Bankası A.Ş. (Export Credit Bank of Turkey, Inc.), a Turkish banking institution organised as a joint stock company (the "Bank" or the "Issuer"), is issuing U.S.\$500,000,000 5.375 per cent. Notes due 2021 (the "Notes") under its U.S.\$1,500,000,000 Global Medium Term Note Programme (the "Programme"). The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act") or any U.S. State securities laws and are being offered: (a) for sale in the United States (the "U.S. Offering") to qualified institutional buyers (each a "QIB") as defined in, and in reliance upon, Rule 144A ("Rule 144A") under the Securities Act that are also qualified purchasers ("QPs") as defined in Section 2(a)(51)(A) of the U.S. Investment Company Act of 1940, as amended (the "Investment Company Act") and (b) for sale outside the United States to persons other than U.S. persons (the "International Offering") and, with the U.S. Offering, the "Offering") in reliance upon Regulation S ("Regulation S") under the Securities Act. For a description of certain restrictions on sale and transfer of the Notes, see "Subscription and Sale and Transfer and Selling Restrictions" in the Base Prospectus (as defined under "Documents Incorporated by Reference") below.

INVESTING IN THE NOTES INVOLVES RISKS. PROSPECTIVE INVESTORS SHOULD CONSIDER THE FACTORS INCORPORATED BY REFERENCE FROM THE BASE PROSPECTUS (SEE "DOCUMENTS INCORPORATED BY REFERENCE" BELOW).

As described further herein, the net proceeds of the Notes will be used by the Issuer for the Issuer's general corporate purposes.

The Notes will bear interest from (and including) 8 February 2016 (the "Issue Date") to (but excluding) 8 February 2021 (the "Maturity Date") at a fixed rate of 5.375 per cent. per annum. Interest will be payable semi-annually in arrears on 8 February and 8 August in each year up to (and including) the Maturity Date, provided that if any such date is not a Payment Business Day (as defined in Condition 7.6), then such payment will be made on the next Payment Business Day. The Notes initially will be sold to investors at a price equal to 99.568 per cent. of the principal amount thereof. For a more detailed description of the Notes, see "Issue Terms" herein.

There is currently no public market for the Notes. This Prospectus has been approved by the Central Bank of Ireland as competent authority under Directive 2003/71/EC, as amended (the "Prospectus Directive"). The Central Bank of Ireland only approves this Prospectus as meeting the requirements imposed under Irish and European Union ("EU") law pursuant to the Prospectus Directive. Such approval relates only to the Notes which are to be admitted to trading on a regulated market for the purposes of Directive 2004/39/EC and/or which are to be offered to the public in any Member State of the European Economic Area. Application has been made to the Irish Stock Exchange (the "Irish Stock Exchange") for the Notes to be admitted to the official list (the "Official List") and trading on its regulated market (the "Main Securities Market"). This Prospectus constitutes a "Prospectus" for the purposes of the Prospectus Directive as implemented in Ireland by the Prospectus (Directive 2003/71/EC) Regulations 2005 (the "Prospectus Regulations"). References in this Prospectus to the Notes being listed (and all related references) shall mean that the Notes have been admitted to the Official List and have been admitted to trading on the Main Securities Market. The Main Securities Market is a regulated market for the purposes of Directive 2004/39/EC of the European Parliament and of the Council on markets in financial institutions.

Application has been made to the Capital Markets Board of Turkey (the "CMB") in its capacity as competent authority under Law No.6362 of the Republic of Turkey relating to capital markets (the "Capital Markets Law") for the approval of the issuance certificate relating to the Notes by the CMB and the issuance and sale of the Notes by the Bank outside Turkey. The Notes cannot be sold outside Turkey before the necessary approvals and an approved issuance certificate in respect of the Notes are obtained from the CMB. The CMB approval and the approved issuance certificate relating to the issuance of the Notes based upon which the offering of the Notes will be conducted was obtained on 18 September 2015 by the CMB's letter dated 18 September 2015 and numbered 29833736-105.03.01-E.10426 and the tranche issuance certificate relating to the Notes is expected to be obtained from the CMB on or prior to the Issue Date.

The Notes are expected on issue to be rated Baa3 by Moody's Deutschland GmbH ("Moody's"), BB+ by Standard & Poor's Credit Market Services Europe Limited and BBB- by Fitch Ratings Ltd. ("Fitch" and, together with Moody's and Standard & Poor's, the "Rating Agencies"). A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating organisation. As at the date of this Prospectus, each of the Rating Agencies is established in the EU and is registered under Regulation No 1060/2009 (as amended) (the "CRA Regulation"). In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the EU and registered under the CRA Regulation unless the rating is provided by a credit rating agency operating in the EU before 7 June 2010 which has submitted an application for registration in accordance with the CRA Regulation and such registration is not refused.

All payments in respect of the Notes by or on behalf of the Issuer shall be made without withholding or deduction for, or on account of, any present or future Taxes (as defined in Condition 9) imposed or levied by or on behalf of a Relevant Jurisdiction (as defined in Condition 9) unless the withholding or deduction of the Taxes is required by law. In that event, except as provided for in Condition 9, the Issuer will pay such additional amounts as may be necessary in order that the net amounts received by the Noteholders (as defined below) after the withholding or deduction shall equal the respective amounts which would have been receivable in respect of the Notes in the absence of such withholding or deduction. The withholding tax rate on interest payments in respect of bonds issued by Turkish entities outside of Turkey varies depending on the original maturity of such bonds as specified under decrees numbered 2010/1182 published on 29 December 2010 and numbered 2011/1854 published on 29 June 2011 (the "Decreets"). Pursuant to the Decreets, (i) with respect to bonds with a maturity of less than one year, the withholding tax rate on interest is 10 per cent., (ii) with respect to bonds with a maturity at least of one and less than three years, the withholding tax rate on interest is 7 per cent., (iii) with respect to bonds with a maturity at least of three and less than five years, the withholding tax rate on interest is 3 per cent., and (iv) with respect to bonds with a maturity of five years and more, the withholding tax rate on interest is 0 per cent. Accordingly, the withholding tax rate on interest on the Notes is 0 per cent. See "Taxation—Certain Turkish Tax Considerations" in the Base Prospectus.

If the Issuer were deemed to be a "covered fund", then, in the absence of regulatory relief, the provisions of Section 13 of the U.S. Bank Holding Company Act of 1956, as amended (the "Volcker Rule") and its related regulatory provisions would impact the ability of certain banking institutions to acquire or retain an "ownership interest" in the Issuer. Under the Volcker Rule, "ownership interest" is defined broadly to include any participation or other interest that entitles the holder of such interest to, amongst other things: (a) vote to remove management of the covered fund other than as a creditor exercising remedies upon an event of default, (b) share in the income, gains, profits or excess spread of the covered fund or (c) receive underlying assets of the covered fund. The Notes are not "ownership interests" within the meaning of the Volcker Rule, and as such, investment or trading in the Notes by banking entities would not violate the Volcker Rule. See "Subscription and Sale and Transfer and Selling Restrictions—Selling Restrictions—United States—Covered Fund" in the Base Prospectus.

The Notes are being offered under Rule 144A and under Regulation S by Citigroup Global Markets Limited, HSBC Bank plc, ING Bank N.V., London Branch, Mitsubishi UFJ Securities International plc, Mizuho Securities USA Inc. and Standard Chartered Bank (collectively, the "Joint Lead Managers"), subject to their acceptance and right to reject orders in whole or in part. The Notes will initially be represented by global certificates in registered form (the "Global Certificates"). The Notes offered and sold in the United States to QIBs that are also QPs in reliance on Rule 144A (the "Rule 144A Notes") will be represented by beneficial interests in one or more permanent global certificates in fully registered form without interest coupons (the "Restricted Global Certificate") and will be registered in the name of Cede & Co., as nominee for The Depository Trust Company ("DTC") and will be deposited on or about the Issue Date (as defined below) with Citibank, N.A., London Branch in its capacity as custodian (the "Custodian") for DTC. The Notes offered and sold outside the United States to persons other than U.S. persons in reliance on Regulation S (the "Regulation S Notes") will be represented by beneficial interests in a single, permanent global certificate in fully registered form without interest coupons, the "Unrestricted Global Certificate" and will be registered in the name of Citic Nominees Limited as nominee, and will be deposited on or about the Issue Date with Citibank Europe plc as common depository for, and in respect of interests held through, Euroclear Bank SA/NV ("Euroclear") and Clearstream Banking, société anonyme ("Clearstream, Luxembourg"). It is expected that the Global Certificates will be delivered against payment therefor in immediately available funds on the Issue Date.

Global Coordinator

Citigroup

Joint Lead Managers

Citigroup

HSBC

ING

Mizuho Securities

MUFG

Standard Chartered Bank

The date of this Prospectus is 4 February 2016.

This prospectus (“Prospectus”) comprises a prospectus for the purposes of the Prospectus Directive. This document does not constitute a prospectus for the purpose of Section 12(a)(2) of, or any other provision of or rule under, the Securities Act.

The Issuer accepts responsibility for the information contained in this Prospectus. To the best of the knowledge of the Issuer (having taken all reasonable care to ensure that such is the case) the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

This Prospectus is to be read in conjunction with all documents which are deemed to be incorporated herein by reference (see “*Documents Incorporated by Reference*”). This Prospectus shall be read and construed on the basis that such documents are incorporated in, and form part of, this Prospectus. Where there is any inconsistency between the Base Prospectus of the Bank dated 3 December 2015 (the “Base Prospectus”) relating to the Bank’s Global Medium Term Note Programme and this Prospectus, the language used in this Prospectus shall prevail.

This Prospectus does not constitute an offer of, or an invitation by or on behalf of the Issuer or the Joint Lead Managers to subscribe for or purchase, any Notes. The distribution of this Prospectus and the offer or sale of the Notes in certain jurisdictions is restricted by law. Persons into whose possession this Prospectus may come are required by the Issuer and the Joint Lead Managers to inform themselves about and to observe any such restrictions.

No person has been authorised in connection with the offering of the Notes to give any information or make any representation regarding the Issuer, the Joint Lead Managers or the Notes other than as contained in this Prospectus. Any such representation or information must not be relied upon as having been authorised by the Issuer or the Joint Lead Managers. The delivery of this Prospectus at any time does not imply that there has been no change in the Issuer’s affairs or that the information contained in it is correct as at any time subsequent to its date. This Prospectus may only be used for the purpose for which it has been published.

No representation or warranty, express or implied, is made by the Joint Lead Managers as to the accuracy or completeness of the information set forth in this document, and nothing contained in this document is, or shall be relied upon as, a promise or representation, whether as to the past or the future. None of the Joint Lead Managers assumes any responsibility for the accuracy or completeness of the information set forth in this document. Each person contemplating making an investment in the Notes must make its own investigation and analysis of the creditworthiness of the Issuer and its own determination of the suitability of any such investment, with particular reference to its own investment objectives and experience, and any other factors which may be relevant to it in connection with such investment.

None of the Issuer or the Joint Lead Managers or any of their respective representatives is making any representation to any offeree or purchaser of the Notes regarding the legality of any investment by such offeree or purchaser under appropriate legal investment or similar laws. Each investor should consult with his own advisers as to the legal, tax, business, financial and related aspects of a purchase of the Notes.

Unless otherwise indicated, “Noteholder” refers to the registered holder of any Note. “Beneficial Owner” refers to an owner of a beneficial interest in any Note.

Unless otherwise indicated, references to “resident” herein refer to tax residents of Turkey and references to “non-resident” herein refer to persons who are not tax residents of Turkey.

The Notes have not been and will not be registered under the Securities Act or under any U.S. State securities laws. Each investor, by purchasing a Note (or a beneficial interest therein), agrees that the Notes (or beneficial interests therein) may be reoffered, resold, pledged or otherwise transferred only upon registration under the Securities Act or pursuant to the exemptions therefrom described under “*Subscription and Sale and Transfer and Selling Restrictions*” in the Base Prospectus. Each investor also will be deemed to have made certain representations and agreements as described therein. Any resale or other transfer, or attempted resale or other attempted transfer that is not made in accordance with the transfer restrictions may subject the transferor and transferee to certain liabilities under applicable securities laws.

Prospective investors must determine the suitability of investment in the Notes in the light of their own circumstances. In particular, prospective investors should:

- (a) have sufficient knowledge and experience to make a meaningful evaluation of the Notes and the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Prospectus or any applicable supplement;
- (b) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on the investor’s overall investment portfolio;
- (c) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including where the currency for principal or interest payments is different from the investor’s currency;
- (d) understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant indices and financial markets; and
- (e) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect the investor’s investment and ability to bear the applicable risks.

The issuance of the Notes was approved by the CMB in its letter dated 18 September 2015 (No. 29833736-105.03.01-E.10426) (the “CMB Approval”), by the BRSA in its letter dated 27 July 2015 (No. 32521522-101.01[3]E.11218) (the “BRSA Approval”) and by the Undersecretariat of the Treasury in its letter dated 14 August 2015 (No. 13131620-204/24797) (the “Treasury Approval” and, together with the CMB Approval and the BRSA Approval, the “Approvals”). In addition, the required tranche issuance certificate relating to the Notes is expected to be obtained from the CMB on or prior to the Issue Date.

Pursuant to the Approvals, the offering of the Notes has been authorised by the CMB only for the purpose of the sale of the Notes outside of Turkey in accordance with Article 15(b) of Decree 32 on the Protection of the Value of the Turkish Currency (as amended from time to time, “Decree 32”), the Capital Markets Law No. 6362 and Communiqué Serial II, No 31.1 on Debt Instruments.

In addition, the Notes (or beneficial interests therein) have to be offered or sold outside of Turkey. Under the CMB Approval, the CMB has approved the offering of the Notes, *provided that*, following the primary sale of the Notes, no transaction that may be deemed as a sale of the Notes (or beneficial interests therein) in Turkey by way of private placement or public offering may be engaged in. Pursuant to Article 15(d)(ii) of Decree 32, there is no restriction on the purchase or sale of the Notes (or beneficial interests therein) by residents of Turkey offshore on an unsolicited (reverse inquiry) basis in the secondary markets; *provided that* they purchase or sell such Notes (or beneficial interests) in the financial markets outside of Turkey and such sale and purchase is made through licensed banks and/or licensed brokerage institutions authorised pursuant to the BRSA and/or CMB regulations and the purchase price is transferred through licensed banks authorised

pursuant to BRSA regulations. Monies paid for purchases of the Notes are not protected by the insurance coverage provided by the Savings Deposit Insurance Fund of Turkey (the “SDIF”).

In accordance with the Communiqué on Debt Instruments, the Notes are required under Turkish law to be issued in an electronically registered form in the Central Registry Agency (*Merkezi Kayıt Kuruluşu*) (the “CRA”) and the interests therein recorded in the CRA. However, upon the Issuer’s request, the CMB may resolve to exempt the Notes from this requirement if the Notes are to be issued outside of Turkey. Further to the Issuer’s submission of an exemption request to the CMB, such exemption has been granted by the CMB to the Issuer in its letter dated 18 September 2015 (No. 29833736-105.03.01-E.10426). As a result, this requirement will not be applicable to the Notes issued pursuant to the CMB Approval. Notwithstanding such exemption, the Issuer is required to notify the CRA within three Turkish business days from the Issue Date of the amount, issue date, ISIN code, first payment date, maturity date, interest rate, name of the custodian, currency of the Notes and the country of issuance. Except as described in this Prospectus, beneficial interests in the Global Certificates will be represented through accounts of financial institutions acting on behalf of beneficial owners as direct and indirect participants in DTC, Euroclear and Clearstream, Luxembourg. Except as described in this Prospectus, owners of beneficial interests in the Global Certificates will not be entitled to have the Notes registered in their names, will not receive or be entitled to receive physical delivery of the Notes in definitive form and will not be considered holders of the Notes under the Notes and the Agency Agreement (as defined below).

An application has been made to admit the Notes to listing on the Irish Stock Exchange; however, no assurance can be given that such application will be accepted.

This Prospectus has been filed with and approved by the Central Bank of Ireland as required by the Prospectus Regulations.

All references herein to “Turkey” are to the Republic of Turkey, all references to “Ireland” are to Ireland (exclusive of Northern Ireland) and all references to a “Member State” are to a Member State of the European Economic Area.

In connection with the issue of Notes to be underwritten by the Joint Lead Managers, Citigroup Global Markets Limited (the “Stabilising Manager”) (or persons acting on behalf of the Stabilising Manager) may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager (or persons acting on behalf of the Stabilising Manager) will undertake any stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant issue of Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the Issue Date and 60 days after the date of the allotment of the relevant Notes. Any stabilisation action or over-allotment must be conducted by the Stabilising Manager (or persons acting on behalf of the Stabilising Manager) in accordance with all applicable laws and rules. Notwithstanding anything herein to the contrary, the Bank may not (whether through over-allotment or otherwise) issue more Notes than have been approved by the CMB.

Other than the approval of the CMB, the Notes have not been approved or disapproved by any state securities commission or any other U.S., Turkish, United Kingdom, Irish or other regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of this Offering or the accuracy or adequacy of this Prospectus. Any representation to the contrary may be a criminal offence.

The distribution of this Prospectus and the offering of the Notes (and beneficial interests therein) in certain jurisdictions may be restricted by law. Persons that come into possession of this Prospectus are required by the Bank and the Joint Lead Managers to inform themselves about and to observe any such restrictions.

This Prospectus does not constitute an offer to sell or the solicitation of an offer to buy the Notes (or any beneficial interest therein) in any jurisdiction in which such offer or solicitation is unlawful. In particular, there are restrictions on the distribution of this Prospectus and the offer and sale of the Notes (and beneficial interests therein) in the United States, Turkey, the United Kingdom, Ireland and other jurisdictions.

RESPONSIBILITY STATEMENT

The Issuer accepts responsibility for the information contained in this Prospectus. To the best of the knowledge of the Issuer (having taken all reasonable care to ensure that such is the case) the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

The Issuer has derived substantially all of the information contained in this Prospectus concerning the Turkish market and its competitors, which may include estimates or approximations, from publicly available information, including press releases and filings made under various securities laws. Unless otherwise indicated, all data relating to the Turkish banking sector in this Prospectus has been obtained from the website of the BRSA at www.bddk.org.tr and the Banks' Association of Turkey's website at www.tbb.org.tr and all data relating to the Turkish economy, including statistical data, has been obtained from TurkStat's website at www.turkstat.gov.tr, the Central Bank of Turkey (the "Central Bank") website at www.tcmb.gov.tr and the Turkish Treasury's website at www.hazine.gov.tr. Data has been downloaded/observed on various days between the months of October 2015 and February 2016 and may be the result of calculations made by the Issuer and therefore may not appear in the exact same form on such websites or elsewhere. Such websites do not form a part of, and are not incorporated into, this Prospectus. Unless otherwise indicated, the sources for statements and data concerning the Issuer and its business are based on best estimates and assumptions of the Issuer's management. Management believes that these assumptions are reasonable and that its estimates have been prepared with due care. The data concerning the Issuer included herein, whether based on external sources or based on the Issuer's management internal research, constitute the best current estimates of the information described.

Any translation of information from Turkish into English for the purpose of inclusion in this Prospectus is direct and accurate.

Where third party information has been used in this Prospectus, the source of such information has been identified. In the case of the presented statistical information, similar statistics may be obtainable from other sources, although the underlying assumptions and methodology, and consequently the resulting data, may vary from source to source. Where information has been sourced from a third party, such publications generally state that the information they contain has been obtained from sources believed to be reliable, but that the accuracy and completeness of such information is not guaranteed. Such data, while believed to be reliable and accurately extracted by the Issuer for the purposes of this Prospectus, has not been independently verified by the Issuer or any other party and you should not place undue reliance on such data included in this Prospectus. As far as the Issuer is aware and able to ascertain from the information published by such third party sources, this information has been accurately reproduced and no facts have been omitted which would render the reproduction of this information inaccurate or misleading.

TURKISH TAX CONSIDERATIONS

All payments in respect of the Notes by or on behalf of the Issuer shall be made without withholding or deduction for, or on account of, any present or future Taxes (as defined in Condition 9) imposed or levied by or on behalf of any Relevant Jurisdiction (as defined in Condition 9), unless the withholding or deduction of the Taxes is required by law. In that event, except as provided for in Condition 9, the Issuer will pay such

additional amounts as may be necessary in order that the net amounts received by the Noteholders after the withholding or deduction shall equal the respective amounts which would have been receivable in respect of the Notes in the absence of such withholding or deduction. The withholding tax rate on interest payments in respect of bonds issued by Turkish entities outside of Turkey varies depending on the original maturity of such bonds as specified under the Decrees. Pursuant to the Decrees, (i) with respect to bonds with a maturity of less than one year, the withholding tax rate on interest is 10 per cent., (ii) with respect to bonds with a maturity of at least one and less than three years, the withholding tax rate on interest is 7 per cent., (iii) with respect to bonds with a maturity of at least three and less than five years, the withholding tax rate on interest is 3 per cent., and (iv) with respect to bonds with a maturity of five years and more, the withholding tax rate on interest is 0 per cent. Accordingly, the withholding tax rate on interest on the Notes is 0 per cent.

FORWARD-LOOKING STATEMENTS

This Prospectus contains statements that may be considered to be “forward-looking statements” as that term is defined in the U.S. Private Securities Litigation Act of 1995. Forward-looking statements appear in a number of places throughout this Prospectus, including, without limitation, under “*Risk Factors*”, “*Use of Proceeds*”, “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*”, “*Business of the Bank*” and elsewhere in this Prospectus, and include, but are not limited to, statements regarding:

- strategy and objectives;
- trends affecting the Bank’s results of operations and financial condition;
- asset portfolios;
- loan loss reserve;
- capital adequacy;
- legal proceedings; and
- the Bank’s potential exposure to market risk.

The forward-looking statements also may be identified by words such as “believes”, “expects”, “anticipates”, “projects”, “intends”, “should”, “seeks”, “estimates”, “probability”, “risk”, “target”, “goal”, “objective”, “future” or similar expressions or variations on such expressions.

Forward-looking statements involve risks, uncertainties and assumptions. Actual results may differ materially from those expressed in these forward-looking statements.

The Bank has identified some of the risks inherent in forward-looking statements under “*Risk Factors*” in the Base Prospectus. Factors that could cause actual results to differ materially from those in forward-looking statements include, among others:

- changes in the Turkish economy;
- changes in the banking and financial markets in Turkey;
- changes in the geopolitical environment, including any domestic instability or developments in the conflicts in Iraq, Syria or Ukraine;
- changes in the Undersecretariat of Treasury’s policy which may impact the Bank’s mandate, priorities and objectives;
- changes in applicable laws and regulations, including taxes, or accounting standards or practices;

- the monetary, interest rate and other policies of central banks in Turkey, the EU, the United States and elsewhere;
- changes or volatility in interest rates, foreign exchange rates, equity markets, inflation or deflation;
- the effects of competition in the markets in which the Bank operates, which may be influenced by regulation or deregulation;
- changes in government policies which may influence investment decisions;
- the Bank's ability to hedge certain risks economically;
- the Bank's ability to manage any mismatches between the Bank's interest earning assets and the Bank's interest bearing liabilities;
- the Bank's ability to manage operational risks, recruit and retain key management personnel and prevent security breaches;
- the Bank's ability to maintain high credit quality in the Bank's loan portfolio;
- the Bank's ability to compete in the Bank's business lines and increase or maintain market share;
- the Bank's ability to control expenses;
- the Bank's ability to manage liquidity risks, to receive periodic contributions of capital from the Treasury and to access financial markets;
- the Bank's success in managing the risks involved in the foregoing, which depends, among other things, on the Bank's ability to anticipate events that cannot be captured by the statistical models the Bank uses; and
- *force majeure* and other events beyond the Bank's control.

There may be other risks, including some risks of which the Bank is unaware, that could adversely affect the Bank's results or the accuracy of forward-looking statements in this Prospectus. Therefore, you should not consider the factors discussed here or under "*Risk Factors*" to be a complete set of all potential risks or uncertainties.

You should not place undue reliance on any forward-looking statements. The Bank does not have any intention or obligation to update forward-looking statements to reflect new information, future events or risks that may cause the forward-looking events the Bank discusses in this Prospectus not to occur or to occur in a manner different from what the Bank expects.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents which have previously been published or are published simultaneously with this Prospectus and have been filed with the Central Bank of Ireland shall be incorporated in, and form part of, this Prospectus:

- (a) the sections of the Base Prospectus (the “Base Prospectus”) of the Bank dated 3 December 2015 relating to the Programme, entitled as set out in the table below:

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which is published on the website of the Irish Stock Exchange at: <http://www.ise.ie/Market-Data-Announcements/Debt/Individual-Debt-Instrument-Data/Dept-Security-Documents/?progID=875&uID=7438&FIELDSORT=fileDate>

- (b) the independent auditors' audit report and audited BRSA Financial Statements of the Issuer as at and for the year ended 31 December 2014;
- (c) the independent auditors' audit report and audited BRSA Financial Statements of the Issuer as at and for the year ended 31 December 2013 (including 2012 comparatives);
- (d) the independent auditors' review report and the unaudited interim BRSA Financial Statements of the Issuer as at and for the nine months ended 30 September 2015 (with September 2014 comparatives);
- (e) the independent auditors' audit report and audited IFRS Financial Statements of the Issuer as at and for the year ended 31 December 2014; and
- (f) the independent auditors' audit report and audited IFRS Financial Statements of the Issuer as at and for the year ended 31 December 2013 (including 2012 comparatives).

The BRSA Financial Statements incorporated by reference into this Prospectus, all of which are in English, were prepared as convenience translations of the corresponding Turkish language BRSA Financial Statements (which translations the Issuer confirms were direct and accurate).

Copies of documents incorporated by reference into this Prospectus are available on the Bank's website within the documents available at the following links:

- (a) the independent auditors' audit report and audited BRSA Financial Statements of the Issuer for the year ended 31 December 2014: <http://www.eximbank.gov.tr/En/files/aboutUs/annual2014.pdf> (at pages 84 to 184 inclusive of the 2014 Annual Report available at such link);
- (b) the independent auditors' audit report and audited BRSA Financial Statements of the Issuer for the year ended 31 December 2013 (including 2012 comparatives): <http://www.eximbank.gov.tr/En/files/aboutUs/annual2013.pdf> (at pages 83 to 172 inclusive of the 2013 Annual Report available at such link);
- (c) the independent auditors' review report and the unaudited interim BRSA Financial Statements of the Issuer for the nine months ended 30 September 2015 (with September 2014 comparatives): <http://www.eximbank.gov.tr/En/files/aboutUs/financialreport20150930.pdf>;
- (d) the independent auditors' audit report and audited IFRS Financial Statements of the Issuer for the year ended 31 December 2014: <http://www.eximbank.gov.tr/En/files/aboutUs/financialreport201412.pdf>; and
- (e) the independent auditors' audit report and audited IFRS Financial Statements of the Issuer for the year ended 31 December 2013 (including 2012 comparatives): <http://www.eximbank.gov.tr/En/files/aboutUs/financialreport201312.pdf>.

No other part of the Bank's website forms a part of, or is incorporated into, this Prospectus. Any documents themselves incorporated by reference in the documents incorporated by reference in this Prospectus shall not form part of this Prospectus. Any information contained in any of the documents specified above which is not incorporated by reference in this Prospectus is either not relevant to investors or is covered elsewhere in this Prospectus.

Printed copies of the documents incorporated by reference will also be available, during usual business hours on any workday (Saturdays, Sundays and public holidays excepted), for inspection at the specified office of the Fiscal Agent and at the registered office of the Issuer.

Following the publication of this Prospectus a supplement may be prepared by the Issuer and approved by the Central Bank of Ireland in accordance with Article 16 of the Prospectus Directive, in the event of any significant new factor, material mistake or inaccuracy relating to information included in this Prospectus which is capable of affecting the assessment of the Notes. Statements contained in any such supplement (or contained in any document incorporated by reference therein) shall, to the extent applicable (whether expressly, by implication or otherwise) be deemed to modify or supersede statements contained in this Prospectus or in a document which is incorporated by reference in this Prospectus.

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RISK FACTORS

An investment in the Notes involves certain risks. Prior to making an investment decision, prospective purchasers of the Notes should carefully read this entire Prospectus and the entire Base Prospectus. In addition to the other information in this Prospectus and the Base Prospectus, prospective investors should carefully consider the information contained in this Prospectus and the documents (or parts thereof) that are incorporated herein reference, and in particular should consider all the risks inherent in making such an investment, including the information under the heading “Risk Factors” (as revised hereby) in the Base Prospectus (the “Programme Risk Factors”), before making a decision to invest in the Notes. If any of the risks outlined in the Programme Risk Factors actually occurs, the Bank’s business, financial condition, results of operations and prospects may be materially and adversely affected and the market value of the Notes may be adversely affected. In addition, factors that are material for the purpose of assessing the market risks associated with the Notes are also described below. The Bank believes that the Programme Risk Factors (as amended below) represent the principal risks inherent in investing in the Notes, but the Bank does not represent that the Programme Risk Factors regarding the risks of holding any Notes are exhaustive.

In addition, for the purposes of the Notes, the Programme Risk Factors shall be deemed to be revised as follows:

- (a) the risk factor entitled “*Risk Factors — Risks related to the Structure of a Particular Issue of Notes – If the Issuer has the right to convert the interest rate on any Notes from a fixed rate to a floating rate, or vice versa, this may affect the secondary market and the market value of the Notes concerned*” in the Base Prospectus is hereby deleted in its entirety;
- (b) the risk factor entitled “*Risk Factors — Risks related to the Structure of a Particular Issue of Notes – In certain circumstances, investors may need to open a bank account in the Specified Currency or payment may be made in a currency other than as elected by a Noteholder or the currency in which payment is made may affect the value of the Notes or such payment to the relevant Noteholder*” in the Base Prospectus is hereby deleted in its entirety; and
- (c) the risk factor entitled “*Risk Factors — Risks related to Notes Generally – Investors who purchase interests in Bearer Global Notes in denominations that are not an integral multiple of the Specified Denomination may be adversely affected if definitive bearer Notes are subsequently required to be issued*” in the Base Prospectus is hereby deleted in its entirety.

OVERVIEW OF THE OFFERING OF THE NOTES

The following is an overview of certain information relating to the offering of the Notes, including the principal provisions of the terms and conditions thereof. This overview is indicative only, does not purport to be complete and is qualified in its entirety by the more detailed information appearing elsewhere in this Prospectus (including in the Base Prospectus). See, in particular, “Terms and Conditions of the Notes” in the Base Prospectus and “Issue Terms” below. Terms used in this section and not otherwise defined shall have the meanings given to them in the Terms and Conditions of the Notes.

Issue	U.S.\$500,000,000 5.375 per cent. Notes due 2021
Interest and Interest Payment Dates	The Notes will bear interest from and including the Issue Date to (but excluding) the Maturity Date, at the rate of 5.375 per cent. per annum. Interest will be payable semi-annually in arrear on each of 8 February and 8 August in each year up to (and including) the Maturity Date, provided that if any such date is not a Payment Business Day (as defined in Condition 7.6), then the Noteholders will not be entitled to payment until the next following Payment Business Day in the relevant place and will not be entitled to further interest or other payment in respect of such delay. The first interest payment (representing a full six month period) will be made on 8 August 2016.
Issue Date	8 February 2016.
Maturity Date	8 February 2021.
Use of Proceeds	The net proceeds of the Offering will be used by the Issuer for general corporate purposes.
Status	The Notes will be direct, unconditional, unsubordinated and (subject to the provisions of Condition 3) unsecured obligations of the Issuer and (subject as provided above) will rank <i>pari passu</i> without any preference among themselves, with all other outstanding unsecured and unsubordinated obligations of the Issuer, present and future, but, in the event of insolvency, only to the extent permitted by applicable laws relating to creditors’ rights.
Negative Pledge	The terms of the Notes will contain a negative pledge provision as further described in Condition 4.
Certain Covenants	The Issuer will agree to certain covenants, including covenants limiting transactions with affiliates. See Condition 5.
Redemption for Taxation Reasons	See Condition 8.2.

Redemption on a Change of Control

See Condition 8.5

Taxation; Payment of Additional Amounts

See Condition 9.

As at the date of this Prospectus, withholding tax at the rate of 0 per cent. applies on interest on the Notes. See “*Taxation — Certain Turkish Tax Considerations*” in the Base Prospectus.

Events of Default

The Notes will be subject to certain events of default, including (among others) non-payment, breach of obligations, cross acceleration and certain bankruptcy and insolvency events. See Condition 11 in the Base Prospectus.

Form, Transfer and Denominations

The Regulation S Notes will be represented by beneficial interests in the Unrestricted Global Certificate in registered form, without interest coupons attached, which will be delivered to a common depository for, and registered in the name of a common nominee of, Euroclear and Clearstream, Luxembourg. The Rule 144A Notes will be represented by beneficial interests in the Restricted Global Certificate, in registered form, without interest coupons attached, which will be deposited with the Custodian, and registered in the name of Cede & Co., as nominee for, DTC. Except in limited circumstances, certificates for Notes will not be issued in exchange for beneficial interests in the Global Notes. See “*Conditions of the Notes — Condition 2*”.

Interests in the Rule 144A Notes will be subject to certain restrictions on transfer. See “*Subscription and Sale and Transfer and Selling Restrictions*” in the Base Prospectus. Interests in the Global Notes will be shown on, and transfers thereof will be effected only through, records maintained by Euroclear and Clearstream, Luxembourg, in the case of the Regulation S Notes, and by DTC and its direct and indirect participants, in the case of the Rule 144A Notes.

Notes will be issued in denominations of U.S.\$200,000 and integral multiples of U.S.\$1,000 thereafter. See Condition 1.

Governing Law

The Notes will be, and the Agency Agreement, the Deed of Covenant and the Deed Poll are, and any non-contractual obligations arising out of, or in connection with, any of them will be, governed by and construed

in accordance with English law.

Listing

An application has been made to the Irish Stock Exchange to admit the Notes to listing on the Official List and trading on the Main Securities Market. However, no assurance can be given that such application will be accepted.

Turkish Selling Restrictions

The offer and sale of the Notes (or beneficial interests therein) is subject to restrictions in Turkey in accordance with applicable CMB and BRSA laws and regulations. See “*Subscription and Sale and Transfer and Selling Restrictions—Selling Restrictions—Turkey*” in the Base Prospectus.

Selling Restrictions

The Notes have not been nor will be registered under the Securities Act or any state securities laws and may not be offered or sold within the United States or to, or for the account or benefit of, any U.S. person (as defined in Regulation S under the Securities Act), except to QIBs that are also QPs in reliance on the exemption from the registration requirements of the Securities Act provided by Rule 144A or otherwise pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. The offer and sale of Notes is also subject to restrictions in Turkey and the United Kingdom. See “*Subscription and Sale*” herein and “*Subscription and Sale and Transfer and Selling Restrictions — Selling Restrictions*” in the Base Prospectus.

Risk Factors

For a discussion of certain risk factors relating to Turkey, the Issuer and the Notes that prospective investors should carefully consider prior to making an investment in the Notes, see “*Risk Factors*” herein and in the Base Prospectus.

Issue Price

99.568 per cent. of the principal amount of the Notes payable in full in U.S. Dollars on the Issue Date

Yield

5.475 per cent. per annum. The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

Regulation S Security Codes

ISIN: XS1345632811

Common Code: 134563281

Rule 144A Security Codes

ISIN: US90015LAA52

CUSIP: 90015LAA5

Common Code: 134563338

Representation of Noteholders

There will be no trustee.

Expected Ratings

Baa3 by Moody's

BB+ by Standard & Poor's

BBB- by Fitch

Fiscal Agent, Exchange Agent, Principal Paying and Transfer Agent:

Citibank, N.A., London Branch

Registrar:

Citigroup Global Markets Deutschland AG

EXCHANGE RATES

The following table sets forth, for the periods indicated, information concerning the period average and period-end buying rates for U.S. Dollars for the periods indicated. The rates set forth below are provided solely for your convenience and were not used by the Issuer in the preparation of the Issuer's consolidated financial statements incorporated by reference in this Prospectus. No representation is made that Turkish Lira could have been, or could be, converted into U.S. Dollars at that rate or at any other rate.

Period Average⁽¹⁾	TL per U.S.\$	Period End⁽²⁾	TL per U.S.\$
2015 ⁽³⁾	2.7233	31 December 2015	2.9207
2014	2.1872	31 December 2014	2.3189
2013	1.8931	31 December 2013	2.1343
2012	1.7474	31 December 2012	1.7380
2011	1.6700	31 December 2011	1.8889
2010	1.5004	31 December 2010	1.5376
2009	1.5471	31 December 2009	1.4873
2008	1.2929	31 December 2008	1.5218
2007	1.3015	31 December 2007	1.1593
2006	1.4311	31 December 2006	1.4056
2005	1.3408	31 December 2005	1.3418
2004	1.4223	31 December 2004	1.3363
2003	1.4931	31 December 2003	1.3933
2002	1.5058	31 December 2002	1.6397
2001	1.2254	31 December 2001	1.4466
2000	0.6237	31 December 2000	0.6718

Source: Central Bank of Turkey

Notes:

- (1) For the periods between 2000 and 2008: Represents the arithmetic average of the month end closing rates of the TL/U.S.\$ exchange rates.
For the periods after 2008: Represents the arithmetic average of the monthly averages, where monthly averages were calculated by taking the daily average of the TL/U.S.\$ exchange rates.
Amounts in Turkish Lira with respect to periods before 2005 have been translated into New Turkish Lira at an exchange rate of TL 1,000,000 = TL 1.00.
- (2) Represents the TL/U.S.\$ exchange rates for the purchase of U.S. Dollars determined by the Central Bank on the previous working day. Amounts in Turkish Lira with respect to periods before 2005 have been translated into New Turkish Lira at an exchange rate of TL 1,000,000 = TL 1.00.
- (3) On 29 January 2016, the exchange rate between Turkish Lira and U.S. Dollars was: TL 2.9609 = U.S.\$1.00.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following is a discussion of the Bank's results of operations and financial condition as at and for the nine months ended 30 September 2015 and 2014 and as at and for the years ended 31 December 2014, 2013 and 2012. Unless otherwise specified, the financial information set forth and discussed herein is based on the BRSA Financial Statements. Prospective investors should read this discussion in conjunction with the section titled "Selected Statistical and Other Information" and the BRSA Financial Statements and the related notes thereto and the other financial information included in (including incorporated by reference in) this Prospectus (including the sections titled "Selected Financial Information" and "Capitalisation" in the Base Prospectus). The BRSA Financial Statements for such periods have been prepared in accordance with BRSA Principles as described in "Presentation of Financial and Other Information" in the Base Prospectus. For a discussion of significant differences between the BRSA Principles and IFRS, see "Appendix 1 — Overview of Significant Differences Between IFRS and BRSA Accounting Principles" in the Base Prospectus.

Overview

The primary mission of the Bank as Turkey's official export credit agency is to enhance the availability of export support by providing readily available, economical and affordable sources of funds in the form of loans, insurance and guarantee products and programs that satisfy the export financing needs of Turkish exporters and overseas contractors.

The Bank currently supports Turkish exporters, contractors and investors through various credit, guarantee and insurance programs similar to other international export credit agencies. Its most significant product is short-term loans, which as at 30 September 2015 accounted for 66 per cent. of its total loans. The Bank's activities include loan programs and insurance/guarantee programs. The Bank's income primarily includes interest income from loans and, to a lesser extent, fee and commission income and trading income. See "— Significant Factors Affecting Financial Condition and Results of Operations" for detail on significant factors affecting the Bank's results of operations and financial condition.

Although the Bank operates principally within Turkey, its business is subject to macroeconomic trends in many other regions of the world as well as macroeconomic trends within Turkey. The level of demand for the Bank's services and products is influenced by global demand for Turkish exports. The Bank's services and products are principally utilised by exporters to the United States, Western Europe, the regions of Russia and the CIS states, Central Europe, the Middle East, Asia and also Africa.

The Bank has played a crucial and expanding role in the implementation of the export-led growth strategies pursued by all Turkish governments since 1980, and its operations reflect Turkish government policies.

Under Basel II standards, the Bank's capital adequacy ratio reported to the BRSA was 18.2 per cent. as at 30 September 2015. As at 31 December 2014, 2013 and 2012, the Bank's capital adequacy ratio under Basel II standards was 24.1 per cent., 26.2 per cent. and 25.1 per cent. respectively.

As at 30 September 2015, the Bank's total assets amounted to TL 46.5 billion compared to TL 33.7 billion, TL 24.8 billion and TL 15.5 billion as at 31 December 2014, 2013 and 2012, respectively. The Bank had total liabilities of TL 41.9 billion, TL 29.4 billion, TL 20.9 billion and TL 11.8 billion and total equity of TL 4.6 billion, TL 4.3 billion, TL 3.9 billion and TL 3.7 billion as at 30 September 2015 and as at 31 December 2014, 2013 and 2012, respectively.

The Bank's operating income was TL 512.5 million for the nine months ended 30 September 2015, a 15.6 per cent. increase compared to TL 443 million for the nine months ended 30 September 2014. The Bank's operating income was TL 619.1 million for the year ended 31 December 2014 (a 46.7 per cent. year-on-year increase) and TL 422.2 million for the year ended 31 December 2013 (a 0.4 per cent. decrease compared to TL 423.8 million for the year ended 31 December 2012). The Bank's net profit was TL 346.2 million for the nine months ended 30 September 2015 compared to TL 298.9 million for the nine months ended 30 September 2014. The Bank's net profit was TL 427.0 million, TL 245.9 million and TL 221.2 million for the years ended 31 December 2014, 2013 and 2012, respectively.

Recent Developments

Since 30 September 2015, the Bank has entered into the following financing arrangements:

- a U.S.\$15 million bilateral loan from ABC International Bank in October 2015;
- a seven-year €50 million loan from the Council of Europe Development Bank (the "CEB") in October 2015;
- a one-year €100 million loan from Bank of Tokyo-Mitsubishi UFJ Turkey A.Ş. ("BTMU Turkey"), which was utilised in November 2015;
- a one-year U.S.\$20 million bilateral loan from Citibank in November 2015;
- a five-year €200 million covered loan from ING European Financial Services Plc;
- a U.S.\$12 million bilateral loan from ABC International Bank in November 2015;
- a one-year U.S.\$15 million bilateral loan from HSBC Bank Plc in November 2015;
- a one-year U.S.\$10 million bilateral loan from Dohabank QSC in November 2015;
- a one-year U.S.\$10 million trade loan from ABC International Bank in December 2015;
- a one-year U.S.\$11.8 million trade loan from Commercial Bank of Qatar in December 2015; and
- a one-year U.S.\$20 million trade loan from Citibank in December 2015.

Significant Factors Affecting Financial Condition and Results of Operations

Several factors have affected the Bank's results of operations and financial condition in the periods under review (the nine months ended 30 September 2015 and 2014 and the years ended 31 December 2014, 2013 and 2012) and may affect the Bank's results of operations and financial condition in the future, some of which are outside of the Bank's control. The following discussion identifies the most significant such factors.

Turkish Economy

As at 30 September 2015, 98.7 per cent. of the Bank's total assets were located in Turkey. Accordingly, the Bank's results of operations and financial condition have been and will continue to be significantly affected by Turkish political and economic factors, including the rate of economic growth, the level of exports, the rate of inflation and fluctuations in exchange and interest rates. See "*Risk Factors — Risk factors relating to the Bank*" and "*Risk Factors — Risk factors relating to Turkey*" in the Base Prospectus.

The following table sets forth selected economic indicators for Turkey as at and for the nine months ended 30 September 2015 and as at and for the years ended 31 December 2014, 2013 and 2012.

	As at and for the nine months ended 30 September	As at and for the year ended 31 December		
	2015	2014	2013	2012
	GDP (TL billions).....	1,834.5 ⁽¹⁾	1,764.0	1,565.1
GDP (U.S.\$ billions).....	772.3 ⁽¹⁾	810.3	822.0	786.3
GDP growth (%) (real) ⁽²⁾	4.0 ⁽¹⁾	3.3	4.1	2.1
GDP per capita (U.S.\$).....	9,987 ⁽¹⁾	10,429	10,781	10,459
Unemployment (%)	9.6 ⁽³⁾	9.6	9.0	8.4
Central Bank policy rate (period-end, %)	7.5	8.3	4.5	5.5
Benchmark yield (period-end, %).....	11.6	8.0	10.0	6.2
CPI (%).....	8.0	9.4	7.4	6.2
Exports (U.S.\$ billions).....	146.5	160.5	151.8	152.5
Imports (U.S.\$ billions).....	218.6	244.0	251.7	236.6
Trade deficit (U.S.\$ billions).....	(82.2)	(83.5)	(99.9)	(84.1)
Current account deficit (U.S.\$ billions)	(43.0)	(46.0)	(65.0)	(49.0)
Budget deficit (TL billions).....	(19.3)	(24.4)	(18.5)	(29.4)
Nominal appreciation (depreciation) of the Turkish Lira against the U.S. Dollar	(24.8)	(8.8)	(19)	6.5
Real effective exchange rate appreciation (depreciation) (%) ⁽⁴⁾	N/A	N/A	(9.5)	7.8

Sources: Central Bank, Turkish Statistical Institute and General Directorate of Budget and Fiscal Control.

Notes:

- (1) Data for the twelve months ended 30 June 2015.
- (2) Real GDP is an inflation-adjusted measure of gross domestic product that reflects the value of all goods and services produced in a given year, expressed in base-year prices.
- (3) Data as at 30 June 2015.
- (4) Real effective exchange rate is the weighted geometric average of the prices in Turkey relative to the prices of its principal trade partners in international markets. An increase in the real effective exchange rate represents an appreciation of the Turkish Lira in real terms, denoting a rise in the value of Turkish commodities in terms of foreign commodities.

Turkey's economic recovery began in 2010 and continued through 2013 following the global financial crisis and consequent recession of 2008 and 2009. Growth in Turkey slowed during the latter part of 2013 and early 2014 due to global monetary conditions resulting from anticipated tapering of asset purchases by the United States Federal Reserve and domestic political uncertainty due to Turkish elections and social conditions. Conditions stabilised somewhat in mid-2014, but the end of quantitative easing by the United States Federal Reserve in October 2014, domestic political tensions in relation to parliamentary elections in June and November 2015 and ongoing regional security concerns led to renewed instability.

Changes in Interest Rates

One of the primary factors affecting the Bank's profitability is the level of, and fluctuations in, interest rates in Turkey over time, which in turn (along with volume) influence the interest income generated by the Bank's assets (primarily loans) and the interest expense associated with its liabilities (primarily funds borrowed to

meet foreign currency loan demand). See “*Selected Statistical Information — Changes in Interest Income and Interest Expense — Volume and Rate Analysis*”.

The Bank’s Turkish Lira loans are partly funded from its equity, which has a zero cost compared to typical bank funding from deposits and borrowings, and partly by a Central Bank facility denominated in foreign currency and swapped into Turkish Lira. However, loans granted under the Bank’s Rediscount Credit Programme are extended to exporters both in Turkish Lira and in foreign currencies. Both the Bank’s funding and loan pricing dynamics are different from commercial banks in Turkey as a result of Turkish Treasury support and its government mandate. As a result of these factors, the Bank seeks to price its loans below the market rates of other Turkish banks (whose rates are set in large part based on market interest rates). The Bank’s foreign currency loans are funded by its borrowings, although its foreign currency loans also tend to be at more favourable rates than those available commercially, since the Bank does not seek to maximise profits, given its government mandate to support exports. For its foreign currency-denominated short-term loan portfolio (i.e. loans with a maturity of up to six months), the Bank charges fixed rates, determined at the inception of the loan, based on the London interbank offered rate (“LIBOR”), plus a spread, while for its medium-term and long-term loans (i.e. loans for six months or longer), the Bank generally charges floating rates based on LIBOR. Consequently, changes in LIBOR, as well as changes in the spreads charged by the Bank for its various foreign currency-denominated lending products, result in changes in the Bank’s interest rates charged on newly originated short-term foreign currency loans and outstanding medium-term and long-term foreign currency loans and, thus, in the Bank’s interest income.

Further, as the Bank borrows in foreign currencies to fund its foreign currency lending activities, changes in market interest rates affect its interest expense. As described in “—*Financial Condition—Liabilities—Funds Borrowed*”, the Bank borrows from the Central Bank and various Turkish and foreign commercial banks and other international financial institutions, and also issues debt securities into the capital markets from time to time.

The following table sets forth the average interest rates of the Bank’s total interest-bearing liabilities and net loans for the nine months ended 30 September 2015 and the years ended 31 December 2014, 2013 and 2012. See “*Selected Statistical and Other Information — Average Balance Sheet and Interest Rate Data*” for more information.

	Nine months ended 30 September 2015	Year ended 31 December		
		2014	2013	2012
Average Interest Rates on:				
Total interest-bearing liabilities.....	1.1%	1.3%	1.5%	1.9%
Net loans.....	2.3%	3.1%	3.2%	4.0%

As a result of the Bank’s asset and liability mix discussed above, the Bank’s net interest margin and net interest spread tends to decrease when overall market interest rates decline. In an environment of declining interest rates, the decrease in rates leads to a general decline in interest income as the Bank reduces the interest rates it charges on loans, while resulting in a limited reduction in interest expense due to borrowings (mainly foreign exchange funding) accounting for only a portion of the Bank’s funding. As a result, a decrease in market interest rates has a disparate impact on the Bank’s assets and liabilities, unlike for commercial banks, which would ordinarily benefit from a relatively larger decrease in interest expense (compared to the Bank) alongside a decrease in interest income. Additionally, when interest rates decline in a

robust economic environment, new lending by commercial banks generally increases; however, the Bank's loan volume is less affected by the economic environment, as its interest rates are generally lower than those charged by commercial banks due to its strategic mission to support Turkish exports.

As at 30 September 2015, the effect of a hypothetical 5 per cent. increase in Turkish Lira interest rates, with all other variables held constant, would have been a TL 101.4 million decrease in net profit for the nine months ended 30 September 2015 and the effect of a hypothetical 4 per cent. decrease in Turkish Lira interest rates, with all other variables held constant, would have been a TL 87.9 million increase in net profit for the period. As at 30 September 2015, the effect of a hypothetical 2 per cent. increase in euro and U.S. Dollar interest rates, with all other variables held constant, would have been a TL 1.5 million decrease and a TL 122.0 million increase, respectively, in net profit for the nine months ended 30 September 2015. The effect of a hypothetical 2 per cent. decrease in euro and U.S. Dollar interest rates, with all other variables held constant, would have been a TL 1.1 million increase and a TL 138.7 million decrease, respectively, in net interest income for the period. These sensitivities reflect the impact of interest rate changes on monetary assets and liabilities only and include the impact of derivatives.

The following table sets forth the Bank's net interest income, net interest margin and net interest spread for the nine months ended 30 September 2015 and 2014 and the years ended 31 December 2014, 2013 and 2012. For further information, see "Selected Statistical and Other Information—Average Balance Sheet and Interest Rate Data."

	Nine months ended 30 September ⁽¹⁾		Year ended 31 December ⁽¹⁾		
	2015	2014	2014	2013	2012
	<i>(in thousands of TL, except percentages)</i>				
Net interest income	521,538	461,857	629,356	384,188	395,700
Net interest margin ⁽²⁾					
TL	5.9	5.71	7.7	6.4	8.6
Foreign Currency	0.3	0.3	0.4	0.3	0.2
Total	<u>1.4</u>	<u>1.6</u>	<u>2.1</u>	<u>2.1</u>	<u>3.0</u>
Net interest spread ⁽³⁾					
TL	(1.0)	(0.9)	(1.7)	1.9	2.4
Foreign Currency	0.4	0.4	0.6	0.5	0.3
Total ⁽¹⁾	<u>1.2</u>	<u>1.4</u>	<u>1.9</u>	<u>1.8</u>	<u>2.5</u>

Notes:

- (1) This table does not include loans funded by the Development and Support Fund, a fund created in 1991 during the crisis in the Gulf region (the "Gulf Crisis") by the Turkish Treasury to provide support to Turkish contractors who had been conducting business in Iraq. The Bank acted as the Turkish Treasury's agent in disbursing the funds and was the collections agent until May 2014.
- (2) Net interest margin is calculated as the Bank's net interest income divided by the average balance of the Bank's total interest-earning assets during the applicable period. Average balances of total interest-earning assets are calculated as the average of monthly balances during the applicable period.
- (3) Net interest spread is calculated as the difference between the average interest rate on the Bank's interest-earning assets and the average interest rate on the Bank's interest-bearing liabilities. Interest-earning assets and interest-bearing liabilities are calculated as the average of monthly balances during the applicable period.

Credit Risk and Provisioning for Impaired Loans

Managing the risk that a counterparty to a financial contract with the Bank will fail to perform according to the terms and conditions of the contract and cause the Bank to suffer a loss, or "credit risk", is a key aspect of

the Bank's financing and investment activities. See "*Risk Management — Credit Risk*" in the Base Prospectus for further information.

The Bank reviews its loan portfolios to assess impairment on a quarterly basis and, while it is not required to comply with BRSA loan impairment requirements, it voluntarily follows the requirements in all respects. The Bank has not set aside additional general provisions since September 2013 because it believes its current level of general provisions is appropriate for the level of credit risk to which the Bank is exposed. The Bank's general loan provisions as at 30 September 2015 were TL 130.2 million. Its provision for impaired (non-performing) loans to total impaired (non-performing) loans (i.e. the Bank's coverage ratio) as at 30 September 2015 was 100 per cent.

Additionally, in determining whether a provision should be recorded in the income statement, the Bank makes judgments as to whether there is any observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of loans before the decrease can be identified with an individual loan in that portfolio. The Bank generally provides a 100 per cent. impairment provision for non-performing loans (loans more than 90 days overdue) and other receivables without taking into account the relevant collateral. For loans that are less than 90 days overdue, the Bank records a provision of up to 100 per cent., on a case-by-case basis. In the case of impaired (non-performing) loans that are covered by commercial bank guarantees, the impairment charges are reversed when the Bank collects on the guarantee. As at 30 September 2015, provisions for impaired (non-performing) loans were TL 131.7 million, which represented a slight increase of 3.3 per cent. compared to TL 127.5 million as at 31 December 2014. This increase was primarily due to an increase in the Bank's receivables related to compensation payments arising from commercial and political risks and short-term domestic insurance as a result of the increased volume of insurance activity. The Short-Term Domestic Credit Insurance Programme is a relatively recent programme that the Bank first launched in 2013, and the Bank expects that it has higher credit risk than other parts of its portfolio due to its relatively concentrated and unseasoned nature. As with the Bank's other insurance programmes, a majority of the commercial risk borne by the Bank under the Short-Term Domestic Credit Insurance Programme is covered by reinsurance arrangements with overseas reinsurance companies. See "*Business—Banking Activities—Insurance*" in the Base Prospectus.

As at 30 September 2015, impaired (non-performing) loans amounted to TL 131.7 million compared to TL 127.5 million, TL 117.5 million and TL 112.4 million as at 31 December 2014, 2013 and 2012, respectively. The proportion of the Bank's impaired (non-performing) loans to gross loans was 0.3 per cent. as at 30 September 2015, compared to 0.4 per cent., 0.5 per cent. and 0.8 per cent. as at 31 December 2014, 2013 and 2012, respectively. The proportion of impaired loans to gross loans was 2.9 per cent. for the Turkish banking system as at 30 September 2015.

For further information on the Bank's loan provisioning policies, see Note 2.8 and Note 2.15 to the Interim BRSA Financial Statements, Note 2.7 and Note 2.14 to the BRSA Financial Statements as at and for the year ended 31 December 2014 and Note 2.8 and Note 2.15 to the BRSA Financial Statements as at and for the year ended 31 December 2013 incorporated by reference in this Prospectus.

Exchange Rate Fluctuations

A significant percentage of the Bank's assets and liabilities are denominated in foreign currencies, particularly in U.S. Dollars and euro. As a result, increases or decreases in the rate of exchange between the Turkish Lira on one hand and the euro and the U.S. Dollar on the other hand can impact the Bank's results of operations and financial condition, subject to the Bank's foreign exchange strategy.

At 30 September 2015, the Bank had U.S. Dollar and euro denominated assets of TL 23.0 billion and TL 16.1 billion, respectively, of which loans constituted TL 22.3 billion, or 96.8 per cent., and TL 15.7 billion, or 97.2 per cent., of the respective U.S. Dollar and euro denominated total assets. At 30 September 2015, U.S. Dollar

and euro denominated total liabilities amounted to TL 27.1 billion and TL 14.3 billion, respectively. Funds borrowed constituted TL 21.3 billion, or 78.5 per cent., and TL 13.7 billion, or 95.5 per cent., of the respective U.S. Dollar and euro denominated total liabilities. For further information on assets and liabilities denominated in foreign currencies, see Note 3 to the Interim BRSA Financial Statements incorporated by reference in this Prospectus. See “*Exchange Rates*” for more information on foreign exchange rates.

Transactions denominated in foreign currencies are accounted for at the exchange rates prevailing at the date of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement under foreign exchange gains/(losses).

For the nine months ended 30 September 2015, the Bank recorded a net foreign exchange loss of TL 714.2 million, compared to a net foreign exchange loss of TL 129 million for the nine months ended 30 September 2014. The increase in net foreign exchange loss was primarily due to the depreciation of the Turkish Lira against the U.S. Dollar in the first nine months of 2015. Trading gains/losses on securities and derivative financial assets amounted to TL 616.2 million for the nine months ended 30 September 2015 compared to TL 5.3 million for the nine months ended 30 September 2014.

Management believes that net foreign exchange gains/(losses) and net trading gains/(losses) (which consist of gains/(losses) on securities and gains/losses on derivative financial assets) should be considered together as the Bank’s strategy is to maintain no significant open positions. The Bank recorded an aggregate net loss of TL 98 million for of the nine months ended 30 September 2015 compared to a net loss of TL 123.7 million for the nine months ended 30 September 2014. The decrease in the aggregate net loss was due to the offsetting of losses arising from the Bank’s use of forward purchase transactions (within the context of its Rediscount Credit Programme) by other income-generating treasury activities in foreign exchange.

For the years ended 31 December 2014 and 2013, the Bank recorded a net foreign exchange loss of TL 201.8 million and TL 220.5 million, respectively. The Bank recorded net trading losses of TL 164.8 million in the year ended 2014, compared to net trading losses of TL 47.7 million in the year ended 31 December 2013. The increase in net trading losses was due to an increase in the Bank’s use of forward purchase transactions (within the context of its Rediscount Credit Programme) to hedge the Bank’s foreign exchange risk and should be considered in connection with the interest income earned from loans extended under the Rediscount Credit Programme (interest income on such loans was TL 218.0 million for the year ended 31 December 2014 (TL 91.0 million in 2013)).

In the year ended 31 December 2012, the Bank recorded a net foreign exchange loss of TL 76 million. TL 56 million of this amount was related to rediscount credits made available by the Central Bank and reflected on the Bank’s balance sheet on the day such rediscount credits were extended to the Bank at the current exchange rate in place at the time. The Bank entered into negotiations with the Central Bank regarding the adverse effect of such exchange rate differentials on the Bank’s financial statements. The negotiations resulted in a favourable outcome in February 2013 when the Central Bank agreed to set the exchange rate in accordance with market exchange rate levels. As a result, the Bank had net foreign exchange gains arising from rediscount credits in the amount of TL 10 million in 2013.

As part of its strategy to manage the impact of exchange rates and to hedge against foreign exchange exposure, the Bank enters into swap transactions and increased its hedging activities in the nine months ended 30 September 2015. As at 30 September 2015, the Bank had entered into swap purchase transactions involving long-term interest rate and cross currency swaps with notional amount of U.S.\$1.5 billion and a short-term currency swap for liquidity and currency risk purposes with a notional amount of U.S.\$315 million and JPY 30.4 million. As at 30 September 2015, the Bank had also entered into long-term interest rate and cross currency swap sale transactions of U.S.\$1.2 billion, €256 million and TL 36 million, and €274 million,

£3.1 million, JPY 275 million and U.S.\$0.3 million in a short-term currency swap sale transaction as at 30 September 2015. Additionally, in the nine months ended 30 September 2015, forward U.S. Dollar purchase/TL sale transactions were realised in order to obtain Turkish Lira from rediscount credits made available by the Central Bank in U.S. Dollars and euro and to hedge against foreign exchange rate risk. The balance of these transactions as at 30 September 2015 was U.S.\$0.8 billion in forward purchase transactions, and TL 2.2 billion in forward sale transactions.

Fair Value Hedge Accounting

At the beginning of 2013, the Bank began to apply fair value hedge accounting with respect to its interest rate swaps to minimise the effect of interest rate fluctuations due to volatile interest rates and spreads on Turkish Eurobonds on its income statement.

The Bank hedges its foreign exchange risk through the forward buying of US Dollars with the same maturity as its obligations to the Central Bank under its Turkish Lira Rediscount Credit Programme. In 2013, the maturity of these loans was extended from four months to eight months and in 2014, the outstanding balance of the Turkish Lira Rediscount Credit Programme increased significantly. This increase in the outstanding balance and maturity extension led to significant fluctuations on the Bank's income statement. In order to mitigate the impact of these fluctuations, the Bank applied fair value hedge accounting effective from 2 June 2014 in the amount of TL 2.5 billion. The Bank applied fair value hedge accounting for its U.S.\$120 million U.S. Dollar/euro and U.S.\$20 million U.S. Dollar/Turkish Lira cross-currency swaps on 13 August 2015.

Securities Portfolio

The Bank maintains a securities portfolio, which primarily consists of held-to-maturity securities and trading financial assets, consisting of Turkish government bonds, including bonds and treasury bills denominated in Turkish Lira and Eurobonds denominated in foreign currencies. The Bank maintains this securities portfolio to provide liquidity, if necessary, including through repo transactions. The Bank's basic strategy is to keep a significant portion of its securities portfolio in held-to-maturity securities in order to mitigate the exposure of the income statement to temporary price fluctuations in the portfolio. See "*Financial Condition—Assets—Securities Portfolio*" for further information. The Bank's securities portfolio amounted to TL 234.2 million as at 30 September 2015, of which TL 221.4 million, or 95 per cent., was classified as held-to-maturity and TL 12.8 million, or 5.5 per cent., was classified as trading. The Bank also had available-for-sale securities amounting to TL 17.8 million as at 30 September 2015. Interest income derived from the Bank's trading and investment securities amounted to TL 18.4 million for the nine months ended 30 September 2015, accounting for 2 per cent. of total interest income for the period, and amounted to TL 20.7 million for the nine months ended 30 September 2014, constituting 3 per cent. of the total interest income for such period. The Bank's securities portfolio decreased to 0.5 per cent. of total assets as at 30 September 2015 from 1.1 per cent. as at 31 December 2014, as demand for export credit in Turkey increased.

Significant Accounting Policies

Strategy of using financial instruments and foreign currency transactions

The Bank uses derivatives to balance its foreign currency asset liability positions for managing its exposure to currency risk.

Foreign currency denominated monetary assets and liabilities are translated based on the exchange rates of the Bank prevailing at the balance sheet date. Gains and losses arising from such transactions are recognised in the income statement under the account of "foreign exchange gains/losses".

As at 31 December 2014, the exchange rates used in the translation of foreign currency denominated monetary assets and liabilities into Turkish Lira were TL 2.3249 for U.S. Dollars, TL 2.8255 for euro, TL 1.9442 for 100 JPY and TL 3.6203 for GBP.

Forward transactions, options and derivative instruments

The Bank uses derivative financial instruments in order to mitigate exposure to foreign currency and interest rate risks.

The Bank has outstanding currency and interest rate swap purchases-sales contracts, forward transactions and option transactions in Turkish Lira and foreign currencies.

The Bank classifies its derivative instruments as “Held-for-hedging” or “Held-for-trading” in accordance with “Financial Instruments: Turkish Accounting Standard for Recognition and Measurement” (“TAS 39”). According to this standard, certain derivative transactions providing effective economic hedges under the Bank’s risk management position are recorded under the specific rules of TAS 39 and are treated as derivatives “Held-for-trading”.

Payables and receivables arising from derivative instruments are recorded in the off-balance sheet accounts at their contractual values. Derivative instruments are re-measured at fair value after initial recognition. If the fair value of a derivative financial instrument is positive, it is disclosed under the main account “Financial assets at fair value through profit or loss” in “Trading derivative financial instruments” and if the fair value difference is negative, it is disclosed under “Trading derivative financial liabilities”. Differences in the fair value of trading derivative instruments are recorded under “trading income/loss” on the income statement. The fair values of derivative financial instruments are calculated using quoted market prices or by using discounted cash flow models.

Derivatives which are classified as “Held-for-hedging” are initially recorded at fair value and the related transaction costs are recorded as at the contract date on the income statement. Subsequently, derivatives are measured at fair value. Aggregate changes in the value of derivatives are recorded on the Bank’s balance sheet as a contract-based single asset/liability. The treatment of the related gain or loss in the value of derivatives depends on whether the hedging instrument is deemed to be effective.

The Bank notifies the Board in writing of the relationship between the hedging instrument and designated hedged asset or liability, the risk management aims and strategy of the hedging instrument and the methods used to measure the effectiveness of the hedge. The Bank evaluates the effectiveness of a hedge based on the extent to which the hedging instrument offsets changes in fair value of the hedged item, and a hedge is considered effective if that offset falls within the range of 80 per cent. and 125 per cent.

If a hedging instrument is deemed to be ineffective, the gain (or loss) from the change in fair value of the hedging instrument is recorded on the income statement together with changes in the value of the hedged asset or liability. These gains (or losses) are recorded in the “Trading Gains/Losses on derivative financial instruments” account.

During periods for which a hedging instrument is deemed to be effective, hedge accounting is applied. On the balance sheet, changes in the fair value of the hedged asset or liability during the period for which the relevant hedging instrument is deemed to be effective are shown together with changes in the value of the hedged asset or liability. In such cases, corrections made to the value of hedge account using the straight-line amortisation method prior to maturity of the relevant hedging instrument are reflected in the “Trading Gains/Losses on derivative financial instruments” account on the income statement.

Interest income and expense

Interest income and expenses are recognised on the income statement on an accrual basis.

The Bank ceases accruing interest income on non-performing loans. Interest income is recorded for non-performing loans when the collection is made.

Fee and commission income and expenses

All fees and commission income/expenses are recognised on an accrual basis, except for certain commission incomes and fees for various banking services which are recorded as income at the time of collection.

Financial assets

The Bank categorises and recognises its financial assets as “Fair value through profit/loss”, “Available-for-sale”, “Loans and receivables” or “Held-to-maturity”. Financial assets are classified by the Bank’s management at the time of purchase, taking into consideration the purpose of holding the investment.

Financial assets at fair value through profit or loss category have two sub categories: “Trading financial assets” and “Financial assets designated at fair value through profit/loss at initial recognition.”

Trading financial assets are initially recognised at cost. Acquisition and sale transactions of trading financial assets are recognised and derecognised at the settlement date.

Government bonds and treasury bills recognised under trading financial assets which are traded on the Borsa Istanbul A.Ş. (“BIST”) are valued based on weighted average prices settled on the BIST as at the balance sheet date; and those government bonds and treasury bills traded on the BIST but which are not subject to trading on the BIST as at the balance sheet date are valued based on weighted average prices at the latest trading date.

Financial assets classified under trading financial assets and whose fair values cannot be measured reliably are carried at amortised cost using the “effective yield method”. The difference between the purchase cost and the amortised cost at the selling date is recorded as interest income.

If the selling price of a trading financial asset is above its amortised cost as at the sale date, the positive difference between the selling price and the amortised cost is recognised as income under trading gains on securities and if the selling price of a trading security is lower than its amortised cost as at the sale date, the negative difference between the selling price and the amortised cost is recognised as an expense under trading losses on securities.

Derivative financial instruments are classified as trading financial assets unless they are designated as hedging instruments. The principles regarding the accounting of derivative financial instruments are explained in detail in Note 2.4 to the BRSA Financial Statements for the year ended 31 December 2014.

The Bank does not have any financial assets designated as financial assets at fair value through profit or loss.

Held-to-maturity financial assets are assets that are not classified under loans and receivables with fixed maturities and fixed or determinable payments where management has the intent and ability to hold the financial assets to maturity. Loans and receivables are financial assets that are originated by the Bank by providing money, services or goods to borrowers other than trading financial assets and financial assets held for the purpose of short-term profit making. Available for sale financial assets are financial assets other than loans and receivables, held to maturity financial assets and financial assets at fair value through profit or loss. Held-to-maturity financial assets and available-for-sale financial assets are initially recognised at cost.

All ordinary course purchases and sales of financial assets are recognised and derecognised at the settlement date. The Bank holds government bonds, treasury bills and foreign currency bonds issued in Turkey and abroad by the Turkish Treasury in its held-to-maturity portfolio.

Held-to-maturity financial assets are initially recognised at cost and are subsequently carried at amortised cost using the effective yield method. Interest earned from held-to-maturity financial assets is recorded as interest income. All ordinary course purchases and sales of held-to-maturity financial assets are accounted at the settlement date.

There are no financial assets that were previously classified as held-to-maturity but which cannot be subject to this classification for two years due to the contradiction of classification principles.

Available-for-sale financial assets are financial assets other than “Held-to-maturity investments” and “Trading securities”. Available-for-sale financial assets are subsequently re-measured at fair value. Available-for-sale financial assets that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are carried at amortised cost, less provision for impairment.

“Unrealised gains and losses” arising from changes in the fair value of securities classified as available-for-sale are recognised under shareholders’ equity as “Marketable securities value increase fund”, until the collection of the fair value of financial assets, the sale of the financial assets, permanent impairment in the fair values of such assets or the disposal of the financial assets. When these securities are disposed of or the fair value of such securities is collected, the accumulated fair value differences in the shareholders’ equity are reflected on the income statement.

Impairment of financial assets

Where the estimated recoverable amount of the financial asset, being the present value of the expected future cash flows discounted based on the “effective yield method”, or the fair value if one exists, is lower than its carrying value, then the asset under consideration is determined to be impaired. A provision is made for the diminution in value of the impaired financial asset and this is recorded on the income statement for the relevant period.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported on the balance sheet when the Bank has a legally enforceable right to offset the recognised amounts and there is an intention to collect/pay related financial assets and liabilities on a net basis, or to realise the asset and settle the liability simultaneously. Otherwise, no offsetting is performed in relation with the financial assets and liabilities.

Assets held for sale and discontinued operations and explanations on liabilities related with these assets

Assets which meet the criteria to be classified as held for sale are measured by the book value and no more amortisation is made for these assets; and these assets are shown separately on the balance sheet. In order to classify an asset as an asset held for sale, the related asset (or the group of assets to be disposed of) should be able to be sold immediately and the probability of sale for such assets (or group of assets to be disposed of), should be high under current conditions. In order for the sale to be highly probable, a plan should have been made by the suitable management for the sale of the asset (or group of assets to be disposed of) and an active programme should have been started to determine the buyers and to carry out the plan.

Furthermore, the asset (or group of assets to be disposed of) should be actively marketed at a price consistent with its fair value. Various events and conditions may extend the period for the completion of the sales process to more than a year. If there is enough evidence that the related delay has occurred beyond the Bank’s control and that the Bank’s plans for selling the related asset (or group of assets to be disposed of) is still in progress, the related assets are continued to be classified as assets held for sale.

A discontinued operation is a division of a bank that is either disposed or held for sale. Results of discontinued operations are included in the income statement separately.

Goodwill and other intangible assets

The Bank does not have any goodwill recorded in its financial statements.

Intangible assets consist of computer software licenses. Intangible assets result in net book value as at the balance sheet date by deducting their acquisition cost to accumulated amortization. Intangible assets are amortised by the straight-line method, considering their useful life and amortisation rates published by Ministry of Finance. During the periods under review, there has been no change in the depreciation method. The Bank does not expect any changes in accounting estimates, useful lives, depreciation method and residual value during the current and the following periods.

For intangible assets, the implemented yearly redemption rate is 33 per cent.

Property and equipment

All property and equipment is initially recognised at cost. Subsequently, property and equipment is carried at cost less accumulated depreciation at the balance sheet date. Depreciation is calculated over the cost of property and equipment using the straight-line method over its estimated useful life. There has been no change in the depreciation method during the periods under review.

The depreciation rate for buildings and for furniture, fixtures and vehicles are 2-3 per cent. and 6-33 per cent., respectively.

The depreciation charge for items remaining in property and equipment for less than an accounting period at the balance sheet date is calculated in proportion to the period the item remained in property and equipment. Gains and losses on the disposal of property and equipment are booked to the income statement accounts for the period at an amount equal to the book value. Where the carrying amount of an asset is greater than its estimated “recoverable amount”, it is written down to its “recoverable amount” and the provision for the diminution in value is charged to the income statement. Expenditures for the repair and renewal of property and equipment are recognised as expense. The capital expenditures made in order to increase the capacity of the tangible asset or to increase the future benefit of the asset are capitalised over the cost of the tangible asset. The capital expenditures include the cost components that increase the useful life, capacity of the asset or quality of the product or that decrease the costs.

The Bank does not have any pledges, mortgages or any other contingencies and commitments over property and equipment that restrict their usage. The Bank does not expect any changes in accounting estimates that will have a material impact in future periods in relation with the property and equipment.

Lease agreements

Assets acquired under finance lease agreements are capitalised at the inception of the lease at the “lower of the fair value of the leased asset or the present value of the lease instalments that are going to be paid for the leased asset”. Leased assets are included in the property and equipment and depreciation is charged on a straight-line basis over the useful life of the asset. If there is any diminution in value of the leased asset, a “provision for value decrease” is recognised. Liabilities arising from the leasing transactions are included in “finance lease payables” in the balance sheet. Interest and foreign exchange expenses regarding lease transactions are charged to the income statement. The Bank does not perform financial leasing transactions as a “lessor”.

Transactions regarding operational agreements are accounted on an accrual basis in accordance with the terms of the related contracts.

Provisions and contingent liabilities

Provisions and contingent liabilities except for the specific and general provisions recognised for loans and other receivables are accounted in accordance with “Turkish Accounting Standard for Provisions, Contingent Liabilities and Contingent Assets” (“TAS 37”).

Provisions are recognised when the Bank has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. A provision for contingent liabilities arising from past events should be recognised in the same period of occurrence in accordance with the “matching principle”. When the amount of the obligation cannot be estimated reliably it is considered that a “contingent” liability exists. When the amount of the obligation can be estimated reliably and when there is a high possibility of an outflow of resources from the Bank, the Bank recognises a provision for such liability.

The Bank does not have any contingent liabilities based on past events for which there is a possibility of an outflow of resources and whose obligation can be reliably estimated.

Obligations related to employee rights

Under Turkish labour law, the Bank is required to pay a specified amount to employees who have retired or whose employment is terminated other than for the reasons specified in Turkish labour law. Obligations related to employee termination and vacation rights are calculated for in accordance with “Turkish Accounting Standard for Employee Rights” (“TAS 19”).

Revised TAS 19 became valid upon publication in the Official Gazette dated 12 March 2013 by the Public Oversight Accounting and Auditing Standards Authority. According to revised TAS 19, once actuarial gains and losses occur, they are recorded under equity and not on the income statement. Benefit costs arising due to being one year closer to the payment of benefit and service cost as a result of service given by an employee are required to be shown in income statement. For the year ended 31 December 2014, TL 1.0 million accounted as actuarial valuation difference was recorded under equity and TL 1.1 million was accounted as service and interest cost on the income statement. For purposes of these calculations, the Bank used a discount rate of 9.4 per cent., inflation of 6.4 per cent. and a change in salary of 7.4 per cent.

As at 31 December 2014, the calculated employment termination obligation amounted to TL 14.3 million. For the year ended 31 December 2014, the Bank also provided a 100 per cent. provision for vacation pay liability relating to prior periods amounting to TL 9.9 million.

Taxation

According to Act number 3332 and article 4/b of Act number 3659, dated 25 March 1987 and 26 September 1990, respectively, the Bank is exempt from corporate tax. Pursuant to the 3rd Article of the same Act, the above mentioned exemption became valid from 1 January 1988. In accordance with clause 9 of the Provisional Article 1 of Corporate Tax Law No. 5520, which states “The provision of Article 35 shall not apply to exemptions, allowances and deductions included in other laws in relation to Corporation Tax prior to the effective date of the Law No. 5520”, the exemption from Corporation Tax continues to apply. Accordingly, no deferred tax asset or liability is recognised in the financial statements.

Borrowings

Trading financial liabilities and derivative instruments are carried at their fair values and other financial liabilities including debt securities in issue are carried at “amortised cost” using the “effective interest method”.

The Bank has issued several Eurobonds since 2011 to support its lending programmes as it is not a deposit-taking institution. In October 2011, the Bank issued notes in the amount of U.S.\$500 million (TL 1.2 billion).

The notes bear interest at a rate of 5.38 per cent. payable semi-annually and have a maturity of five years. The Bank also issued notes in April 2012 in the amount of U.S.\$500 million (TL 1.2 billion), which bear interest at a rate of 5.9 per cent. payable semi-annually and have a maturity of seven years (the “2012 Notes”). In addition to these notes issuances, there was an additional issuance of 2012 Notes in the amount of U.S.\$250 million (TL 581.2 million) in October 2012. The Bank also issued notes in September 2014 in the amount of U.S.\$500 million (TL 1.2 billion) which bear interest at a rate of 5.0 per cent. payable semi-annually and have a maturity of seven years.

The Bank applied hedge accounting in relation to the derivative financial instruments it entered into in respect of the notes issued by it.

Issuance of share certificates

The Bank has not issued any shares and accordingly there is no cost related to such a transaction. As the Bank’s total paid-in capital is owned by the Turkish Treasury, there is no cost related to share issuance. The distribution of profits of the Bank is resolved at the General Assembly meeting.

Availed drafts and acceptances

The Bank records its guarantee bills and acceptances in off-balance sheet liabilities.

Segment reporting

The Bank emphasises the scope of business method for segment reporting by considering the Bank’s main source and character of risks and earnings. The Bank’s activities mainly concentrate on corporate and investment banking.

Other issues

The Bank does not accept deposits. The Bank’s mandate extends to export loan operations, export loan insurance and export grants. In addition, the Bank engages in domestic and foreign currency capital market operations as part of its treasury function.

The Bank engages in derivative transactions, currency and interest rate swaps, forward and option transactions and obtains funds by means of syndicated loans, subordinated loans, bond issuance and bank borrowings.

Analysis of Results of Operations for the Nine Months Ended 30 September 2015 and 2014 and the Years Ended 31 December 2014, 2013 and 2012

The table below sets forth the Bank’s income statement data for the nine months ended 30 September 2015 and 2014 and the years ended 31 December 2014, 2013 and 2012.

	Nine months ended		Year ended 31 December		
	30 September		2014	2013	2012
	2015	2014			
	<i>(in thousands of TL)</i>				
Net interest income/(expense).....	521,538	461,857	629,356	384,188	395,700
Interest income	883,704	698,348	962,847	603,088	573,737
Interest expense	(362,166)	(236,491)	(333,491)	(218,900)	(178,037)
Net fees and commissions income	7,123	21,558	29,779	(1,174)	(1,182)
Fees and commissions received.....	15,317	25,397	35,365	4,159	4,968

	Nine months ended		Year ended 31 December		
	30 September		2014	2013	2012
	2015	2014			
	<i>(in thousands of TL)</i>				
Fees and commissions paid	(8,194)	(3,839)	(5,586)	(5,333)	(6,150)
Trading income/(losses).....	(98,010)	(123,656)	(164,819)	(47,699)	(58,981)
Trading gains/(losses) on securities.....	(692)	66	(4,294)	2,390	6,833
Trading gains/(losses) on derivative financial assets.....	616,855	5,257	41,309	170,377	10,452
Foreign exchange losses	(714,173)	(128,979)	(201,834)	(220,466)	(76,266)
Other operating income	81,871	83,243	124,812	86,838	88,270
Total operating income.....	512,522	443,002	619,128	422,153	423,807
Provision for loan losses and other receivables	21,597	16,085	18,905	36,653	61,565
Other operating expenses.....	(144,732)	(128,015)	(173,214)	(139,573)	(141,051)
Net profit/(loss) for the period	346,193	298,902	427,009	245,927	221,191

Results of operations for the nine months ended 30 September 2015 and 2014

Net Interest Income

The table below sets forth the components of the Bank's net interest income for the nine months ended 31 September 2015 and 2014.

	Nine months ended		Change %	Change in Amount
	30 September			
	2015	2014		
	<i>(in thousands of TL, except percentages)</i>			
Interest income on:				
Interest on loans.....	839,866	648,217	29.6	191,649
Interest received from banks.....	22,968	19,974	15.0	2,994
Interest received from money market transactions	2,005	7,101	(71.8)	(5,096)
Interest received from marketable securities portfolio	18,410	20,676	(11.0)	(2,266)
Trading financial assets	1,616	6,258	(74.2)	(4,642)
Held-to-maturity investments	16,794	14,418	16.5	2,376
Other interest income.....	455	2,380	(80.9)	(1,925)
Total interest income	883,704	698,348	26.5	185,356
Interest expense on:				
Interest on funds borrowed	(138,090)	(114,273)	20.8	23,817

	Nine months ended 30 September		Change %	Change in Amount
	2015	2014		
<i>(in thousands of TL, except percentages)</i>				
Interest expense on money market transactions	—	—	—	—
Interest expense on securities issued	(208,996)	(114,090)	83.2	94,906
Other interest expenses	(15,080)	(8,128)	85.5	6,952
Total interest expense	(362,166)	(236,491)	53.1	125,675
Net interest income	521,538	461,857	12.9	59,681

Net interest income is the Bank's primary source of income. The Bank's net interest income increased to TL 521.5 million in the nine months ended 30 September 2015 from TL 461.9 million in the nine months ended 30 September 2014, a 12.9 per cent. increase. This increase primarily reflected an increase in the Bank's loan book, higher interest rates for Turkish Lira denominated loans and the depreciation of the Turkish Lira. The Bank's net interest margin in the nine months ended 30 September 2015 was 1.4 per cent. compared to 1.6 per cent. in the nine months ended 30 September 2014, while its net interest spread was 1.2 per cent. in the nine months ended 30 September 2015 compared to 1.4 per cent. in the nine months ended 30 September 2014. The changes in interest income and interest expense are discussed below.

Interest Income

The Bank's interest income during the period was primarily derived from interest on loans. For the nine months ended 30 September 2015, interest income from loans totalled TL 839.9 million and constituted 95 per cent. of total interest income, compared to 93 per cent. in the nine months ended 30 September 2014.

The Bank's interest income increased to TL 883.7 million in the nine months ended 30 September 2015 from TL 698.3 million in the nine months ended 30 September 2014, a 26.5 per cent. increase. This increase was primarily due to higher demand for loans and the depreciation of the Turkish Lira. The Bank's average balance of loans increased to TL 36.9 billion for the nine months ended 30 September 2015 from TL 28.2 billion for the nine months ended 30 September 2014, which represented a 31.0 per cent. increase.

Interest Expense

Substantially all of the Bank's interest expense is related to funds borrowed and debt securities (as the Bank is not a deposit-taking institution) and is driven by interest rates and the volume and mix of borrowings.

The Bank's interest expense increased by 53.1 per cent. to TL 362.2 million in the nine months ended 30 September 2015 from TL 236.5 million in the nine months ended 30 September 2014. This increase was primarily due to an increase in foreign exchange borrowings (including the issuance of notes in September 2014) and the depreciation of the Turkish Lira (which increased the cost of foreign exchange borrowings), partially offset by a decrease in interest expense on the Bank's rediscount facility. Interest on funds borrowed for the nine months ended 30 September 2015 totalled TL 138.1 million, compared to TL 114.3 million for nine months ended 30 September 2014, an increase of 20.8 per cent.

Net Fee and Commission Income

The Bank generates its fee and commission income primarily from its International Loans Programme. See “*Business — Banking Activities — Medium- and Long-term Export Credits — International Loans Programme*” in the Base Prospectus. Fee and commission expenses primarily comprise the fees paid under the Bank’s bilateral and club loans. The Bank recorded net fee and commission income of TL 7.1 million in the nine months ended 30 September 2015 compared to net fee and commission income of TL 21.6 million in the nine months ended 30 September 2014. This decrease was primarily due to an increase in fees paid on the Bank’s bilateral and syndicated loans, together with a decline in commissions received in connection with loans granted under the International Loans Programme. The decline in these commissions was due to a change in the accounting treatment of fee income from loans extended under the International Loans Programme with maturities of greater than one year. Prior to 2015, such fee income was recorded in the income statement. After the volume of long-term loans extended under the International Loans Programme increased significantly in the year ended 31 December 2014, the Bank began to record the fee income from such loans as a transitory item in the balance sheet in order to bring the accounting treatment of this fee income in line with that of fee income received through the Bank’s other long-term credits. As at September 30, 2015, this fee income amounted to TL 17 million.

Trading Income/(Losses)

The Bank’s net trading losses (which consists of gains/(losses) on securities and derivative financial assets, as well as foreign exchange gains/(losses)) were TL 98 million in the nine months ended 30 September 2015, compared to net trading losses of TL 123.7 million in the nine months ended 30 September 2014. The Bank recorded a foreign exchange loss of TL 714.2 million for the nine months ended 30 September 2015 compared to a foreign exchange loss of TL 129 million for nine months ended 30 September 2014. However, this was offset by TL 616.2 million in trading gains in the nine months ended 30 September 2015, compared to trading gains of TL 5.3 million in the nine months ended 30 September 2014. The decrease in net trading losses was primarily due to the offsetting of losses arising from the Bank’s use of forward purchase transactions (within the context of its Rediscount Credit Programme) by other income-generating treasury activities in foreign exchange.

Other Operating Income

Other operating income consists of insurance premium income and income stemming from non-performing loans recoveries. The Bank’s other operating income decreased to TL 81.9 million in nine months ended 30 September 2015 from TL 83.2 million in the nine months ended 30 September 2014, a 1.7 per cent. decrease. The Bank had higher insurance premium income and commissions from reinsurance companies as well as higher income from the sale of real property. However, this was offset by a decrease in the adjustment on the previous year’s expenses from the nine months ended 30 September 2014 to the nine months ended 30 September 2015 arising from the increase in value of marketable securities due to a recovery in the prices of government bonds, treasury bills and Eurobonds, as well as the release of free reserves consisting of provisions for possible risks stemming from insurance activities amounting to TL 5.4 million.

Provision for Loan Losses and Other Receivables

The Bank’s provision for loan losses and other receivables increased by 34 per cent. to TL 21.6 million in the nine months ended 30 September 2015 from TL 16.1 million in the nine months ended 30 September 2014, principally due to the increase in the Bank’s insurance activities and corresponding increase in specific provision expenses, including the provision for decreases in the value of marketable securities and free reserves consisting of provisions for possible risks stemming from insurance activities.

As at 30 September 2015, provisions for impaired (non-performing) loans were TL 131.8 million, accounting for 0.3 per cent. of gross loans, compared to TL 127.5 million as at 31 December 2014, which represented 0.4

per cent. of gross loans. Once collateral is collected on an impaired loan, the impairment is reversed. Since 2009, the Bank has required 100 per cent. collateral on all short-term lending and the Bank expects the ratio of non-performing loans to total loans to continue to decrease.

Operating Expenses

The Bank's operating expenses increased to TL 144.7 million in the nine months ended 30 September 2015 compared to TL 128.0 million in the nine months ended 30 September 2014, an increase of 13.1 per cent. The increase was mainly due to a slight increase in the number of personnel and an increase in salaries.

The following table sets forth the components of the Bank's operating expenses for the nine months ended 30 September 2015 and 2014.

	Nine months ended		Change %	Change in Amount
	30 September			
	2015	2014		
<i>(in thousands of TL, except percentages)</i>				
Personnel Expenses	68,379	53,533	27.7	14,846
Reserve for Employee Termination benefits	1,877	1,403	33.7	474
Bank Social Aid Provision Fund Deficit Provision.....	—	—	—	—
Vacation Pay Liability, Net	689	1,111	(37.9)	(422)
Impairment Expenses of Tangible Fixed Assets.....	—	—	—	—
Depreciation Expenses of Tangible Fixed Assets.....	3,645	3,544	2.5	101
Impairment Expenses of Intangible Fixed Assets.....	—	—	—	—
Impairment Expenses of Goodwill	—	—	—	—
Amortization Expenses of Intangible Assets.....	394	319	23.5	75
Impairment Expenses of Equity Participations for which Equity Method is Applied	—	—	—	—
Impairment Expenses of Assets Held for Sale	—	—	—	—
Depreciation Expenses of Assets Held for Sale	—	—	—	—
Impairment Expenses of Non-current Assets Held for Sale and Discounted Operations.....	—	—	—	—
Other Operating Expenses	14,714	14,354	2.5	360
Loss on Sale of Assets	—	—	—	—
Other ⁽¹⁾	55,034	53,751	2.3	1,283
Total Operating Expenses	144,732	128,015	13.0	16,717

Net Profit

As a result of the foregoing factors, the Bank's net profit increased by 15.8 per cent., or TL 47.3 million, to TL 346.2 million in the nine months ended 30 September 2015 from TL 298.9 million in the nine months ended 30 September 2014. Pursuant to Act No. 3332 and Article 4 of Act No. 3659, dated 25 March 1987 and 26 September 1990, respectively, the Bank is exempt from corporate tax.

Results of operations for the years ended 31 December 2014 and 2013

Net Interest Income

The table below sets forth the components of the Bank's net interest income for the years ended 31 December 2014 and 2013.

	Year ended 31 December			Change in Amount
	2014	2013	Change %	
	<i>(in thousands of TL, except percentages)</i>			
Interest income on:				
Interest on loans.....	886,588	546,059	62.4	340,529
Interest received from banks.....	29,564	8,957	230.1	20,607
Interest received from money market transactions.....	15,034	12,255	22.7	2,779
Interest received from marketable securities portfolio.....	29,164	34,720	(16.0)	(5,556)
Trading financial assets.....	8,609	16,037	(46.3)	(7,428)
Held-to-maturity investments.....	20,555	18,683	10.0	1,872
Other interest income.....	2,497	1,097	127.6	1,400
Total interest income.....	962,847	603,088	59.7	359,759
Interest expense on:				
Interest on funds borrowed.....	(153,580)	(80,928)	89.8	(72,652)
Interest expense on money market transactions.....	—	—	—	—
Interest expense on securities issued.....	(166,677)	(133,021)	25.3	(33,656)
Other interest expenses.....	(13,234)	(4,951)	167.3	(8,283)
Total interest expense.....	(333,491)	(218,900)	52.3	(114,591)
Net interest income.....	629,356	384,188	63.8	245,168

The Bank's net interest income increased to TL 629.4 million in the year ended 31 December 2014 from TL 384.2 million in the year ended 31 December 2013, a 63.8 per cent. increase. This increase was primarily due to an increase in loans and the depreciation of the Turkish Lira. The Bank's net interest margin in the year ended 31 December 2014 was 2.1 per cent., compared to 2.1 per cent. in the year ended 31 December 2013, while its net interest spread was 1.9 per cent. in the year ended 31 December 2014, compared to 1.8 per cent.

in the year ended 31 December 2013. The changes in interest income and interest expense are discussed below.

Interest Income

The Bank's interest income during 2014 was primarily derived from interest on loans. For the year ended 31 December 2014, interest income from loans totalled TL 962.9 million and constituted 92 per cent. of total interest income, compared to 91 per cent. in the year ended 31 December 2013, principally due to an increase in loans, as well as the increase in interest rates for Turkish Lira denominated loans.

The Bank's interest income increased to TL 962.9 million in the year ended 31 December 2014 from TL 603.1 million in the year ended 31 December 2013, a 59.7 per cent. increase. This increase was the result of the expansion of the loan portfolio, principally in Central Bank-funded rediscount credits, as well as an increase in interest rates on Turkish Lira denominated loans.

The Bank's average yield on total interest-earning assets decreased to 3.2 per cent. in the year ended 31 December 2014 from 3.3 per cent. for the year ended 31 December 2013, mainly due to the increase in the proportion of rediscount credits, which have lower margins than the Bank's other interest-earning assets, in the Bank's loan portfolio.

Interest Expense

The Bank's interest expense increased by 52.3 per cent. to TL 333.5 million in the year ended 31 December 2014 from TL 218.9 million in the year ended 31 December 2013. The increase was primarily due to the increase in interest expense on marketable securities issued, primarily as a result of the issuance of U.S.\$500 million of notes in September 2014. The increase was also due to the significant increase in foreign exchange borrowings, including the rediscount facility, partially offset by a decrease in interest rates.

Net Fee and Commission Expense

The Bank recorded fee and commission income of TL 29.8 million in the year ended 31 December 2014 compared to net fee and commission expense of TL 1.2 million in the year ended 31 December 2013. The Bank's fee and commission income increased as a result of the rising volume of loans granted under the International Loans Programme.

Trading Income/(Losses)

The Bank's net trading losses (which consists of gains/(losses) on securities and derivative financial assets, as well as foreign exchange gains/(losses)) were TL 164.8 million in the year ended 31 December 2014 compared to net trading losses of TL 47.7 million in the year ended 31 December 2013. The Bank recorded a foreign exchange loss of TL 201.8 million for the year ended 31 December 2014 compared to a foreign exchange loss of TL 220.5 million for year ended 31 December 2013. This decrease in foreign exchange loss was primarily due to exchange rate fluctuations. As at 31 December 2014, the Bank had an on-balance sheet short position in U.S. Dollars of TL 3.4 billion (and long position in euro) coupled with an off-balance sheet long derivative position in U.S. Dollars of TL 3.1 billion (and a short position in euro), resulting in a nearly neutral position in U.S. Dollars. These foreign exchange losses were offset by TL 37.0 million in trading gains in the year ended 31 December 2014 compared to trading gains of TL 172.8 million in the year ended 31 December 2013.

Other Operating Income

The Bank's other operating income increased to TL 124.8 million in the year ended 31 December 2014 from TL 86.8 million in the year ended 31 December 2013, a 44 per cent. increase. This increase was primarily due to increases in insurance premium income and commissions from reinsurance companies. Commissions from reinsurance companies are received in accordance with quota-share treaties, a type of reinsurance contract

under which the insurer and reinsurer share premiums and losses according to a fixed percentage, that the Bank has agreed with reinsurance companies pursuant to which the Bank reinsures 60 per cent. of the commercial risk, and in the case of exports to non-OECD countries, 60 per cent. of the political risk borne by the Bank under its export credit insurance programmes. Insurance premium income increased to TL 71.1 million for the year ended 31 December 2014, compared to TL 51.5 million for the year ended 31 December 2013. Commission from reinsurance companies increased to TL 19.5 million for the year ended 31 December 2014 compared to TL 12.4 million for the year ended 31 December 2013. These increases were partially offset by a decrease in income from sale of assets held for sale.

Provision for Loan Losses and Other Receivables

The Bank's provision for loan losses and other receivables decreased 48 per cent. to TL 18.9 million in the year ended 31 December 2014 from TL 36.7 million in the year ended 31 December 2013.

As at 31 December 2014, provisions for impaired (non-performing) loans were 127.5 million, which represented 0.4 per cent. of gross loans, compared to TL 117.5 million as at 31 December 2013, which represented 0.5 per cent. of gross loans.

Operating Expenses

The Bank's operating expenses increased to TL 173.2 million in the year ended 31 December 2014 from TL 139.6 million in the year ended 31 December 2013. This increase was mainly due to an increase in personnel expenses, premiums paid to reinsurance companies, the annual fee charged by the BRSA (equivalent to 0.015 per cent of the Bank's asset size) and the annual fee charged by the Small and Medium Enterprises Development Organization ("KOSGEB") (equivalent to 2 per cent. of the Bank's corporate tax base and paid as a result of the Bank's ownership structure). Other factors contributing to the increase were an increase in depreciation and amortisation charges. This increase was offset by a decrease in employment termination benefits and unused vacation provision expense.

The following table sets forth the components of the Bank's operating expenses for the years ended 31 December 2014 and 2013.

	Year ended 31 December		Change %	Change in Amount
	2014	2013		
	<i>(in thousands of TL, except percentages)</i>			
Personnel Expenses	77,378	65,657	17.6	11,721
Reserve for Employee Termination benefits	1,064	—	—	1,064
Bank Social Aid Provision Fund Deficit Provision.....	—	—	—	—
Vacation Pay Liability, Net	1,163	544	113.8	619
Impairment Expenses of Tangible Fixed Assets.....	—	—	—	—
Depreciation Expenses of Tangible Fixed Assets.....	4,179	3,868	8.0	311
Impairment Expenses of Intangible Fixed Assets.....	—	—	—	—
Impairment Expenses of Goodwill	—	—	—	—

	Year ended 31 December			Change in Amount
	2014	2013	Change %	
	<i>(in thousands of TL, except percentages)</i>			
Amortization Expenses of Intangible Assets.....	445	265	67.9	180
Impairment Expenses of Equity Participations for which Equity Method is Applied	—	—	—	—
Impairment Expenses of Assets Held for Sale	—	—	—	—
Depreciation Expenses of Assets Held for Sale	—	2,034	(100)	(2,034)
Impairment Expenses of Non-current Assets Held for Sale and Discounted Operations.....	—	—	—	—
Other Operating Expenses	18,972	16,804	(12.9)	2,168
Loss on Sale of Assets	—	—	—	—
Other ⁽¹⁾	71,077	50,401	(41.0)	20,676
Total Operating Expenses	173,214	139,573	(24.1)	33,641

Net Profit

As a result of the foregoing factors, the Bank's net profit increased by 73.6 per cent., or TL 181 million, to TL 427 million in the year ended 31 December 2014 from TL 245.9 million in the year ended 31 December 2013.

Results of operations for the years ended 31 December 2013 and 2012

Net Interest Income

The table below sets forth the components of the Bank's net interest income for the years ended 31 December 2013 and 2012.

	Year ended 31 December			Change in Amount
	2013	2012	Change %	
	<i>(in thousands of TL, except percentages)</i>			
Interest income on:				
Interest on loans.....	546,059	467,415	16.83	78,644
Interest received from banks.....	8,957	22,239	(59.7)	(13,282)
Interest received from money market transactions	12,255	13,014	(5.8)	(759)
Interest received from marketable securities	34,720	70,610	(50.8)	(35,890)

	Year ended 31 December		Change %	Change in Amount
	2013	2012		
<i>(in thousands of TL, except percentages)</i>				
portfolio				
Trading financial assets	16,037	39,259	(59.2)	(23,222)
Held-to-maturity investments	18,683	31,351	(40.4)	(12,668)
Other interest income	1,097	459	139.0	638
Total interest income	603,088	573,737	5.1	29,351
Interest expense on:			—	—
Interest on funds borrowed	(80,928)	(80,444)	0.6	484
Interest expense on money market transactions	—	—	—	—
Interest expense on securities issued	(133,021)	(90,785)	46.5	42,236
Other interest expenses	(4,951)	(6,808)	(27.3)	(1,857)
Total interest expense	(218,900)	(178,037)	23.0	40,863
Net interest income	384,188	395,700	(2.9)	(11,512)

The Bank's net interest income decreased to TL 384.2 million in the year ended 31 December 2013 from TL 395.7 million in the year ended 31 December 2012, a 2.9 per cent. decrease. This decrease was primarily due to increased interest expense. The Bank's net interest margin in the year ended 31 December 2013 was 2.1 per cent., as compared to 3.0 per cent. in the year ended 31 December 2012, while its net interest spread was 1.8 per cent. in the year ended 31 December 2013, compared to 2.5 per cent. in the year ended 31 December 2012. The changes in interest income and interest expense are discussed below.

Interest Income

The Bank's interest income during 2013 was primarily derived from interest on loans. For the year ended 31 December 2013, interest income from loans totalled TL 546.1 million and constituted 90.5 per cent. of total interest income, compared to 81.5 per cent. in the year ended 31 December 2012, due to an increase in loans.

The Bank's interest income increased to TL 603.1 million in the year ended 31 December 2013 from TL 573.7 million in the year ended 31 December 2012, a 5.1 per cent. increase. This increase was the result of the expansion of the loan portfolio, principally in Central Bank-funded rediscount credits, which was partially offset by a reduction in the Bank's interest rates.

The Bank's average yield on total interest-earning assets decreased to 3.3 per cent. in the year ended 31 December 2013 from 4.4 per cent. for the year ended 31 December 2012, mainly due to a decrease in net increase income, which was partially offset by an increase in average balances.

Interest Expense

The Bank's interest expense increased by 23.0 per cent. to TL 218.9 million in the year ended 31 December 2013 from TL 178.0 million in the year ended 31 December 2012. This increase was primarily due to the

increase in interest expense on marketable securities issued, primarily as a result of the issuances of notes in the value of U.S.\$500 million in April 2012 and U.S.\$250 million in October 2012.

Net Fee and Commission Expense

The Bank recorded net fee and commission expense of TL 1.2 million in each of the years ended 31 December 2013 and 2012.

Net Trading Income/(Losses)

The Bank's net trading losses (which consists of gains/(losses) on securities and derivative financial assets, as well as foreign exchange gains/(losses)) were TL 47.7 million in the year ended 31 December 2013 compared to net trading losses of TL 59.0 million in the year ended 31 December 2012. The Bank recorded a foreign exchange loss of TL 220.5 million for the year ended 31 December 2013 compared to a foreign exchange loss of TL 76.3 million for year ended 31 December 2012. This increase was primarily due to the depreciation of the Turkish Lira against the U.S. Dollar and declining interest rates. As at 31 December 2013, the Bank had an on-balance sheet short position in U.S. Dollars of TL 2.0 billion (and long positions in euro and Turkish Lira) coupled with an off-balance sheet long derivative position in U.S. Dollars of TL 1.9 billion (and short euro and Turkish Lira positions), resulting in a nearly neutral position in U.S. Dollars. The Bank's foreign exchange losses were offset by TL 172.8 million in trading gains in the year ended 31 December 2013 compared to trading gains of TL 17.3 million in the year ended 31 December 2012.

Other Operating Income

The Bank's other operating income increased to TL 86.8 million in the year ended 31 December 2013 from TL 88.3 million in the year ended 31 December 2012, a 1.6 per cent. decrease. This decrease was primarily due to the amount of provisions released in 2013 from the reversal of the "employee bonus provision" relating to unpaid bonuses in the second half of 2008 and the years 2009, 2010 and 2011 in the amount of TL 30 million. This amount was mostly offset by the income from the sale of the building of the Bank's previous head office in Ankara and the increase in the insurance premium income and commissions received from reinsurance companies.

Provision for Loan Losses and Other Receivables

The Bank's provision for loan losses and other receivables decreased 40.4 per cent. to TL 36.7 million in the year ended 31 December 2013 from TL 61.6 million in the year ended 31 December 2012. The decrease was attributable to the fact that the Bank considered its financial year-end 2012 level of provisioning for credit risk adequate. The Bank received consent from the BRSA allowing it to stop setting aside additional general provisions. As at 31 December 2013, provisions for impaired (non-performing) loans were TL 117.5 million, which represented 0.5 per cent. of gross loans, compared to TL 112.4 million as at 31 December 2012, which represented 0.8 per cent. of gross loans.

Operating Expenses

The Bank's operating expenses decreased to TL 139.6 million in the year ended 31 December 2013 from TL 141.8 million in the year ended 31 December 2012. This decrease was mainly due to the decrease in personnel expenses, which was partially offset by the increase in premiums paid to reinsurance companies and provision expenses related to premiums paid to reinsurance firms.

The following table sets forth the components of the Bank's operating expenses for the years ended 31 December 2013 and 2012.

	Year ended 31 December			Change in Amount
	2013	2012	Change %	
	<i>(in thousands of TL, except percentages)</i>			
Personnel Expenses	65,657	75,212	(12.7)	(9,555)
Reserve for Employee Termination benefits	—	881	(100)	(881)
Bank Social Aid Provision Fund Deficit Provision.....	—	—	—	—
Vacation Pay Liability, Net	544	2,052	(73.5)	(1,508)
Impairment Expenses of Tangible Fixed Assets.....	—	—	—	—
Depreciation Expenses of Tangible Fixed Assets.....	3,868	1,150	236.4	2,718
Impairment Expenses of Intangible Fixed Assets.....	—	—	—	—
Impairment Expenses of Goodwill	—	—	—	—
Amortization Expenses of Intangible Assets.....	265	322	(17.7)	(57)
Impairment Expenses of Equity Participations for which Equity Method is Applied	—	—	—	—
Impairment Expenses of Assets Held for Sale	—	—	—	—
Depreciation Expenses of Assets Held for Sale	2,034	5,640	(63.9)	(3,606)
Impairment Expenses of Non-current Assets Held for Sale and Discounted Operations.....	—	—	—	—
Other Operating Expenses	16,804	12,218	37.5	4,586
Loss on Sale of Assets	—	—	—	—
Other ⁽¹⁾	50,401	43,576	15.7	6,825
Total Operating Expenses	139,573	141,051	(1.1)	(1,478)

Net Profit

As a result of the foregoing factors, the Bank's net profit increased by 11.2 per cent., or TL 24.7 million, to TL 245.9 million in the year ended 31 December 2013 from TL 221.2 million in the year ended 31 December 2012.

Financial Condition

The table below sets out balance sheet data for the Bank as at 30 September 2015 and as at 31 December 2014, 2013 and 2012.

	As at 30 September 2015	As at 31 December		
		2014	2013	2012
<i>(in thousands of TL)</i>				
Assets				
Cash and Balances with Central Bank	272	289	280	20,176
Financial Assets at Fair Value through Profit/Loss	19,921	71,924	172,046	511,352
Banks	897,047	991,359	1,019,105	798,936
Money Markets	—	75,105	—	396,439
Available-for-sale Financial Assets	17,818	20,538	17,351	19,220
Loans	44,440,483	31,889,864	23,035,036	13,352,060
Held-to-maturity Securities.....	221,408	296,954	238,371	300,349
Hedging Derivative Financial Assets.....	302,155	91,602	13,803	—
Property and Equipment	14,206	17,766	18,056	18,757
Intangible Assets.....	2,049	1,875	540	458
Assets Held for Sale and Related to Discontinued Operations.....	597	—	2,532	1,227
Other Assets.....	601,887	285,001	292,632	49,675
Total Assets	<u>46,517,843</u>	<u>33,742,277</u>	<u>24,809,762</u>	<u>15,468,467</u>
Liabilities				
Trading Derivative Financial Liabilities	21,753	2,260	46,211	29,058
Borrowings	34,983,723	24,251,343	17,127,725	8,944,730
Money Markets.....	180,049	220,064	163,945	10,006
Marketable Securities Issued	5,341,319	4,054,191	2,604,828	2,238,610
Funds.....	5,341,319	4,054,191	28	45
Miscellaneous Payables	893,786	492,076	434,107	126,674
Other Liabilities.....	76,426	65,215	156,783	111,760
Hedging Derivative Financial Liabilities	863	18,938	39,272	—
Provisions	224,117	182,768	172,115	165,391
General Loan Loss Provision	130,214	130,214	130,214	130,214
Reserve for Employee Rights	40,014	24,224	20,953	21,171
Other provisions	53,889	28,330	20,948	14,006
Tax Liability	5,834	4,682	3,908	3,067
Subordinated Loans	151,547	135,809	158,975	163,762
Total Liabilities	<u>46,517,843</u>	<u>33,742,277</u>	<u>24,809,762</u>	<u>15,468,467</u>
Shareholders' Equity				
Paid-in Capital	2,500,000	2,400,000	2,200,000	2,000,000
Capital Reserves	608,243	609,591	607,474	609,939
Profit Reserves.....	1,183,974	878,315	848,464	844,234
Profit or Loss	346,193	427,009	245,927	221,191

	As at 30 September 2015	As at 31 December		
		2014	2013	2012
		<i>(in thousands of TL)</i>		
Total Shareholders' Equity	4,638,410	4,314,915	3,901,865	3,675,364
Total Liabilities and Shareholders' Equity ..	46,517,843	33,742,277	24,809,762	15,468,467

Assets

As at 30 September 2015, the Bank's total assets amounted to TL 46.5 billion, an increase of 38.0 per cent. from TL 33.7 billion as at 31 December 2014, due to the depreciation of the Turkish Lira as well as an increase in loans stemming from the increase in demand for credit. As at 31 December 2014, the Bank's total assets increased by 36.0 per cent. from TL 24.8 billion as at 31 December 2013. As at 31 December 2013, assets increased by 60.0 per cent. from TL 15.4 billion as at 31 December 2012, as loans continued to increase due to the recovery in Turkish exports. The following describes the Bank's loans and investment securities, which together represented 96.0 per cent., 95.5 per cent., 94.2 per cent. and 91.3 per cent. of the Bank's total assets as at 30 September 2015 and 31 December 2014, 2013 and 2012, respectively.

Loans

Loans represented 95.5 per cent., 94.5 per cent., 92.8 per cent. and 86.2 per cent. of the Bank's total assets as at 30 September 2015 and as at 31 December 2014, 2013 and 2012, respectively. As at 30 September 2015, the Bank's loans amounted to TL 44.4 billion, an increase of 39.0 per cent. from TL 31.9 billion as at 31 December 2014. The increase was due to increasing demand for loans and the depreciation of the Turkish Lira, which increased the value in Turkish Lira of the Bank's foreign currency loan portfolio. As at 31 December 2014, the Bank's loans increased by 38.0 per cent. from TL 23,035 million as at 31 December 2013 primarily due to increasing demand for loans. As at December 2013, the Bank's loans increased by 72.0 per cent. from TL 13,352 million as at 31 December 2012, due to an increase in rediscount credits and medium-to long-term credits.

The following tables set forth the Bank's loans according to maturity and relevant bank type as at 31 December 2014 and 2013:

	As at 31 December 2014			
	<i>(in thousands of TL)</i>			
	Standard loans and other receivables		Loans under close monitoring and other receivables	
	Loans and Other Receivables	Loans and Other Receivables	Loans and Other Receivables	Restructured Loans and Other Receivables
Short-term Loans and other receivables.....	24,285,639	46,956	—	—
Non-specialised Loans.....	24,120,875	16,279	—	—
Specialised Loans.....	164,764	30,677	—	—
Other Receivables.....	—	—	—	—
Medium and Long –term Loans and Other	7,133,625	402,766	—	20,878

Receivables.....				
Non-specialised Loans.....	6,948,712	394,262	—	20,878
Specialised Loans.....	184,913	8,504	—	—
Other Receivables.....	—	—	—	—

As at 31 December 2013

(in thousands of TL)

	Standard loans and other receivables		Loans under close monitoring and other receivables	
	Loans and Other Receivables	Loans and Other Receivables	Loans and Other Receivables	Restructured Loans and Other Receivables
Short-term Loans and other receivables.....	17,575,578	—	—	63
Non-specialised Loans.....	17,447,583	—	—	63
Specialised Loans.....	127,995	—	—	—
Other Receivables.....	—	—	—	—
Medium and Long –term Loans and Other Receivables.....	5,130,999	288,772	—	39,624
Non-specialised Loans.....	5,033,265	288,772	—	39,624
Specialised Loans.....	97,734	—	—	—
Other Receivables.....	—	—	—	—

The following tables set forth the Bank's first and second group loans and other receivables that have been restructured or rescheduled as at 30 September 2015 and as at 31 December 2014 and 2013:

As at 30 September 2015

(in thousands of TL)

	Standard loans and other receivables		Loans under close monitoring and other receivables	
	Loans and Other Receivables	Amendments on Conditions of Contract	Loans and Other Receivables	Amendments on Conditions of Contract
Non-specialised loans.....	43,249,971	565,310	152	—
Corporation loans.....	—	—	—	—
Export loans.....	34,650,505	251,161	152	—
Import loans.....	—	—	—	—
Loans granted to financial sector.....	5,187,334	—	—	—
Consumer loans.....	7,323	—	—	—
Credit cards.....	—	—	—	—
Other.....	3,404,810	314,149	365	—

Specialised Loans	546,721	51,326	—	—
Other Receivables.....	—	—	—	—
Total	<u>43,796,693</u>	<u>616,636</u>	<u>517</u>	<u>—</u>

As at 31 December 2014

	Standard Loans and Other Receivables		Loans and Other Receivables under Close Monitoring		
	Loans and Other Receivables	Loans and Other Receivables	Loans and Other Receivables	Restructured Loans and Other Receivables	
		The ones whose payment plans have changed (extended)	Other	The ones whose payment plans have changed (extended)	Other
Non-specialised Loans.....	31,069,588	410,540	—	20,878	—
Working capital loans	—	—	—	—	—
Export Loans	25,341,403	170,527	—	20,878	—
Import Loans	—	—	—	—	—
Loans Granted to Financial Sector	4,353,900	12,718	—	—	—
Consumer Loans	6,017	—	—	—	—
Credit Cards.....	—	—	—	—	—
Other.....	1,368,268	227,295	—	—	—
Specialised Loans	349,677	39,181	—	—	—
Other Receivables.....	—	—	—	—	—
Total	<u>31,419,265</u>	<u>449,721</u>	<u>—</u>	<u>20,878</u>	<u>—</u>

As at 31 December 2013

	Standard Loans and Other Receivables		Loans and Other Receivables under Close Monitoring		
	Loans and Other Receivables	Loans and Other Receivables	Loans and Other Receivables	Restructured Loans and Other Receivables	
		The ones whose payment plans have changed (extended)	Other	The ones whose payment plans have changed (extended)	Other
Non-specialised Loans.....	22,480,848	288,772	—	39,687	—
Working capital loans	—	—	—	—	—
Export Loans	17,266,021	117,021	—	19,745	—
Import Loans	—	—	—	—	—

Loans Granted to Financial Sector	4,934,020	—	—	—	—	—
Consumer Loans	5,480	—	—	—	—	—
Credit Cards	—	—	—	—	—	—
Other	275,327	171,751	—	—	19,942	—
Specialised Loans	225,729	—	—	—	—	—
Other Receivables	—	—	—	—	—	—
Total	<u>22,706,577</u>	<u>288,772</u>	<u>—</u>	<u>—</u>	<u>39,687</u>	<u>—</u>

As at 30 September 2015, the Bank's impaired loans increased by 3.3 per cent. to TL 131.7 million, as compared to 31 December 2014, principally due to the compensation payments arising from insurance activities and insurance premium receivables. As at 31 December 2014, the Bank's impaired loans increased by 8.5 per cent. to TL 127.5 million due to an increase in bank receivables related to compensation and/or indemnification payments to exporters arising from commercial and political risks and short-term domestic insurance. As at 31 December 2013, the Bank's impaired loans increased by 4.5 per cent. to TL 117.5 million, as compared to 31 December 2012, principally due to an increase in bank receivables related to compensation and/or indemnification payments to exporters arising from commercial and political risks.

The proportion of the Bank's impaired loans to gross loans was 0.3 per cent. as at 30 September 2015, compared to 0.4 per cent. as at 31 December 2014, 0.5 per cent. as at 31 December 2013 and 0.8 per cent. as at 31 December 2012.

Banks

Receivables from banks represented 1.9 per cent. of the Bank's total assets as at 30 September 2015, compared to 2.9 per cent. of the Bank's total assets as at 31 December 2014, 4.1 per cent. as at 31 December 2013 and 5.1 per cent. as at 31 December 2012.

As at 30 September 2015, receivables from banks amounted to TL 897 million, a decrease of 9.5 per cent. from TL 991.4 million as at 31 December 2014. The decrease reflected the increasing share of loans in the Bank's assets. As at 31 December 2014, receivables from banks decreased by 2.7 per cent. from TL 1,019.1 million as at 31 December 2013, which decrease reflects increasing demand for loans. Receivables from banks increased by 27.5 per cent. at 31 December 2013 from TL 798.9 million as at 31 December 2012, which increase reflects the increasing share of loans in the Bank's assets.

Securities Portfolio

The Bank's securities portfolio consists of its trading financial assets and held-to-maturity securities, and represents a significant portion of the Bank's assets. The Bank's held-to-maturity securities consist principally of Turkish government bonds. As at 30 September 2015 and as at 31 December 2014, 2013 and 2012, held-to-maturity securities represented 0.5 per cent., 0.9 per cent., 1.0 per cent. and 1.9 per cent. of the Bank's total assets., respectively The tables that follow provide information as to the breakdown of the Bank's securities portfolio.

The following table sets forth the Bank's breakdown of trading financial assets and held-to-maturity securities as at 30 September 2015 and as at 31 December 2014, 2013 and 2012.

	As at 30 September 2015	As at 31 December		
		2014	2013	2012
<i>(in thousands of TL)</i>				
Debt Securities⁽¹⁾				
Total held-to-maturity securities.....	221,408	296,954	238,371	300,349
Total trading financial assets	12,774	71,924	172,046	511,352

Note:

- (4) As at 30 September 2015, the value of held-to-maturity securities subject to repurchase transactions was TL 188.2 million, compared to TL 205.9 million, TL 125.0 million and TL *nil* as at 31 December 2014, 2013 and 2012, respectively. As at 30 September 2015, government bonds and treasury bills amounting to TL 12.5 million (compared to TL 12.6 million, TL 65.1 million and TL 194.0 million as at 31 December 2014, 2013 and 2012, respectively) had been pledged as collateral with the CBRT and Istanbul Stock Exchange-Settlement and Custody Bank.

The following table sets forth the Bank's breakdown of available-for-sale financial assets as at 30 September 2015 and 31 December 2014, 2013 and 2012.

	As at 30 September 2015	As at 31 December		
		2014	2013	2012
<i>(in thousands of TL)</i>				
Equity securities				
Listed	13,448	16,168	12,981	15,010
Unlisted	4,370	4,370	4,370	4,210
Total.....	17,818	20,538	17,351	19,220

As at 30 September 2015, the Bank held listed equity securities consisting of a 9.8 per cent. share of Garanti Faktoring Hizmetleri A.Ş. and unlisted equity securities consisting of a 1.8 per cent. share of Kredi Garanti Fonu A. Ş. with an aggregate carrying amount of TL 21.4 million, including an amount of TL 0.2 million of equity securities held on Borsa Istanbul.

The Bank's total securities portfolio, comprising held-to-maturity securities, trading assets and available-for-sale financial assets, decreased from TL 368.7 million as at 31 December 2014 to TL 252 million as at 30 September 2015. The most significant change in the Bank's securities portfolio in the nine months ended 30 September 2015 was the redemption of securities, the proceeds of which were deployed as loans in order to meet the exporters' demand for loans.

Liabilities

As at 30 September 2015, the Bank's total liabilities amounted to TL 46.5 billion, an increase of 38 per cent. from TL 33.7 billion as at 31 December 2014. The increase was primarily attributable to the issuance of notes in September 2014, an increase in the Bank's borrowings and the depreciation of the Turkish Lira. The Bank's total liabilities increased 36 per cent. from TL 24.8 billion as at 31 December 2013. The increase was primarily attributable to bond issuances and increases in the Bank's borrowing (including rediscount credits).

As at 30 September 2015, the Bank had TL 180.0 million in interbank money market deposits due to funds provided under repurchase agreements and TL 492.1 million in miscellaneous payables, consisting mainly of cash guarantees obtained in relation to rediscount credits, which increased in line with the increase in the amount of rediscount credits and guarantees received in accordance with Credit Support Annexes, under which collateral is posted between swap counterparties. As at 31 December 2014, the Bank had TL 220 million in interbank money market deposits due to funds provided under repurchase agreements.

Borrowings

The following table sets forth the Bank's borrowings from domestic and foreign banks as at 30 September 2015 and 31 December 2014, 2013 and 2012.

	As at 30 September 2015	As at 31 December		
		2014	2013	2012
		<i>(in thousands of TL)</i>		
Domestic Banks ⁽¹⁾	24,683,025	19,598,579	13,305,065	6,908,957
Foreign Banks.....	10,300,698	4,652,764	3,822,660	2,035,773
Total funds borrowed	34,983,723	24,251,343	17,127,725	8,944,730

Note:

(1) Includes borrowings from the Central Bank.

The following table sets forth the Bank's breakdown of funds borrowed as at 30 September 2015 and as at 31 December 2014, 2013 and 2012.

	As at 30 September 2015	As at 31 December		
		2014	2013	2012
		<i>(in thousands of TL)</i>		
Syndicated loans ⁽¹⁾	4,552,914	1,798,723	1,272,371	823,070
CBRT loans ⁽²⁾	24,255,133	19,241,050	13,158,583	6,802,848
Subordinated loans ⁽³⁾	151,548	135,809	158,975	163,762
World Bank (EFIL) loans ⁽⁴⁾	733,744	601,612	589,695	477,869
European Investment Bank ⁽⁵⁾	1,632,671	1,060,972	634,449	406,713
National Bank of Kuwait.....	—	34,981	31,847	26,838
Mediobanca Banca Di Credito.....	—	—	52,971	—
International Islamic Trade.....	1,672,054	465,010	105,827	—
Al Ahli Bank Kuwait.....	—	—	—	44,814
Emirates NBD.....	75,607	—	—	26,871
Standard Chartered Bank.....	303,855	—	105,447	89,910
Doha Bank ⁽⁶⁾	257,116	139,598	127,407	44,980

	As at 30 September 2015	As at 31 December		
		2014	2013	2012
		<i>(in thousands of TL)</i>		
Garanti International.....	30,263	—	—	23,715
Demir Halkbank N.V. – Netherlands.....	—	—	—	—
ING Bank Amsterdam	—	—	—	—
Ziraat Int. AG	—	—	—	—
Mizuho Corporate Bank Ltd.....	509,363	283,431	292,596	59,172
ING Bank N.V.....	170,213	—	292,682	117,930
Bank of Tokyo Mitsubishi.....	340,348	282,984	146,390	—
Citibank Europe plc ⁽⁷⁾	268,807	185,992	317,460	—
J.P. Morgan Chase Bank.....	—	156,990	—	—
ABC International.....	331,116	—	—	—
ICBC.....	151,372	—	—	—
Comm. Bank of Qatar.....	98,607	—	—	—
CEB	119,036	—	—	—
HSBC.....	91,503	—	—	—
Total	35,135,270	24,387,152	17,286,700	9,108,492

Notes:

- (1) As at 30 September 2015, the total balance of syndicated borrowings amounted to TL 4,552,914 thousand and accruals on these borrowings amounted to TL 4,819 thousand.
- (2) The Bank obtained credit from the Central Bank within the framework of the Short Term Export Receivables Discount Loan and Rediscount Loan programs amounting to TL 24,255,133 thousand as at 30 September 2015. This credit was used to fund short-term export loans of typically four to eight months.
- (3) As at 30 September 2015, U.S.\$200 million of the Fiscal and Public Sector Adaptation Credit, with a maturity of 15 April 2018, provided by the World Bank to the Turkish Treasury in accordance with the agreement signed on 12 July 2001, was transferred to the Bank for the development and support of the export-oriented real sector. The accrual on this borrowing amounted to TL 515 thousand and the total balance amounted to TL 151,548 thousand as at 30 September 2015.
- (4) The outstanding balances of the two lines of credit from the World Bank guaranteed by the Turkish Treasury as at 30 September 2015 amounted to TL 564,285 thousand (equivalent to U.S.\$186,831 thousand) and TL 169,459 thousand (equivalent of €49,966 thousand). Total accruals on these borrowings amounted to TL 278 thousand and the total balance amounted to TL 733,744 thousand.

- (5) As at 30 September 2015, the Bank had four loan facilities with the European Investment Bank guaranteed by the Turkish Treasury in May 2008, October 2013, November 2014 and May 2015. The loans disbursed under the May 2008 facility as at 30 September 2015 totaled €175 million (TL 593,512 thousand) with a total maturity of 12 years with the principal repayment period starting after the fourth year in 2015. The loans disbursed under the October 2013 facility as at 30 September 2015 totaled €100 million (TL 339,150 thousand) with a total maturity of eight years with the principal repayment period starting the third year in 2017. The loans disbursed under the November 2014 facility as at 30 September 2015 totaled €100 million (TL 339,150 thousand) with a total maturity of eight years with the principal repayment period starting the third year in 2018. The loans disbursed under the May 2015 facility as at 30 September 2015 totaled €100 million (TL 339,150 thousand) with a total maturity of eight years with the principal repayment period starting the third year in 2019. Total accrual on the facilities amounted to TL 3,408 thousand and the total balance amounted to TL 1,632,671 thousand at 30 September 2015.
- (6) The total balance of the four loans with maturities of one year granted by Doha Bank is TL 256,726 thousand (equivalent to U.S.\$85 million). Total accrual on this borrowing amounted to TL 390 thousand and the total amount of the borrowings was TL 257,116 thousand as at 30 September 2015.
- (7) The total balance of the six discount loans with maturities of one year granted by Citibank is TL 268,807 thousand (equivalent to U.S.\$89 million) as at 30 September 2015.

Most of the Bank's loan agreements contain a financial covenant to maintain a minimum capital adequacy ratio at all times (currently 12 per cent. as recommended by the BRSA) and a cross-default provision triggered by non-payment of other external indebtedness which exceeds EUR 10 million.

The following table sets forth the maturity profile of funds borrowed as at 30 September 2015 and as at 31 December 2014, 2013 and 2012.

	As at 31 December							
	As at 30 September 2015		2014		2013		2012	
	TL	Foreign currency	TL	Foreign currency	TL	Foreign currency	TL	Foreign currency
	<i>(in thousands of TL)</i>							
Short-Term.....	—	30,955,998	—	22,553,779	—	15,871,734	—	8,033,309
Medium and Long-Term.....	—	4,179,272	—	1,833,373	—	1,414,966	—	1,075,183
Total.....	—	35,135,270	—	24,387,152	—	17,286,700	—	9,108,492

As at 30 September 2015, the Bank's total borrowings amounted to TL 35.1 billion, an increase of 44.0 per cent. from TL 24.6 billion as at 31 December 2014. The increase was primarily attributable to increased borrowings, mainly from the Central Bank, proceeds of which were used to fund additional loans to customers as loan demand increased.

For more information regarding indebtedness entered into since 30 September 2015, see "Capitalisation" in the Base Prospectus.

Marketable securities issued

As at 30 September 2015, the Bank had TL 5.3 billion in marketable securities, consisting of U.S.\$500 million (TL 1.5 billion) in notes issued in October 2011 which bear interest at a rate of 5.4 per cent. and have a maturity of five years; U.S.\$500 million (TL 1.5 billion) in notes issued in April 2012 which bear interest at a rate of 5.9 per cent. and have a maturity of seven years, of which an additional U.S.\$250 million was issued

in a tap transaction in October 2012; and U.S.\$500 million (TL 1.5 billion) in notes issued in September 2014 which bear interest at a rate of 5 per cent. and have a maturity of seven years.

Shareholders' Equity

As at 30 September 2015, the Bank's shareholders' equity amounted to 10.0 per cent. of the Bank's total assets, compared to 12.8 per cent. at 31 December 2014, due to the increase of the Bank's asset base and increased financial leverage.

The following table sets forth the capital contributions by the Turkish Treasury for the nine months ended 30 September 2015 and the years ended 31 December 2014, 2013 and 2012.

	As at 30 September 2015	For the year ended 31 December		
		2014	2013	2012
		<i>(in thousands of TL)</i>		
From extraordinary reserves	100,000	200,000	200,000	—

The Turkish Treasury has made, and may continue to make, periodic capital contributions to the Bank through new capital contributions or retained earnings. Any such contribution must be included within the proposed budget for the following year and the amount is only paid out after the budget is approved. The Bank does not currently expect to require a capital injection from the Treasury in the short-term, but may require contributions in the medium-term to achieve its growth strategy. The nominal capital of the Bank increased to TL 2.5 billion in April 2015 and the paid-in capital was fully paid as at April 2015. For details of the Bank's current capitalisation, see "*Capitalisation*" in the Base Prospectus.

Liquidity

The Bank's principal sources of funding are (i) direct funding from the Treasury through capital injections, (ii) Central Bank rediscount facilities, (iii) bilateral funding from commercial banks and (iv) funds raised in the international financial markets. The Bank receives capital contributions from the Treasury, political risk indemnification by the Treasury, loans from domestic and international banks, borrowings from the Central Bank and monies received from the issuance of notes and other debt securities. In recent years, funding services other than capital injections have become increasingly important and the Bank's leverage has increased. The Bank obtained rediscount loans from the Central Bank within the framework of "Short Term Export Receivables Discount Loan" and "Pre shipment Rediscount Loan" programs amounting to U.S.\$8 billion outstanding as at 30 September 2015. Unlike most commercial banks, the Bank does not accept any retail or corporate deposits, although it does, from time to time, accept certain interbank deposits. Accordingly, the Bank has a positive duration gap, with longer-term funding and shorter-term assets. As a result, the Bank's liquidity is more manageable than Turkish commercial banks, with its principal liquidity demands occurring as a result of repayments of its foreign currency borrowings and new credit activity. Accordingly, the Bank is generally able to plan for its principal liquidity demands in advance, typically through arranging further borrowings to pay off debts coming due or through increasing its cash on hand by retaining (and not re-lending) proceeds received upon repayment of loans extended by the Bank. Because most of the Bank's loan portfolio is comprised of short-term loans, it is able to rely on cash flow from its maturing loans as a substantial part of its liquidity management.

Capital Adequacy

Banks in Turkey are required to comply with capital adequacy guidelines promulgated by the BRSA, which are based upon the standards established by the Bank of International Settlements (“BIS”). These guidelines require banks to maintain adequate levels of regulatory capital against risk-bearing assets and off-balance sheet exposures.

Under these guidelines a bank’s capital adequacy ratio is calculated by taking the aggregate of its Tier I capital (which comprises paid-in capital, reserves, retained earnings and profit for the current period minus period loss (if any), prepaid expenses, leasehold improvements and intangible assets), its Tier II capital (which comprises general loan and free reserves, revaluation funds and subordinated loans obtained) and its Tier III capital (which comprises certain qualified subordinated loans in accordance with BIS guidelines) minus deductions (which comprises participations in financial institutions, special and preliminary and negative differences between fair and book values of subsidiaries, subordinated loans extended, goodwill and capitalized costs), and dividing this aggregate by risk weighted assets, which reflect both credit risk, market risk and operational risk. In accordance with these guidelines, banks must maintain a total capital adequacy ratio of a minimum of 8 per cent., although the BRSA recommended level is 12 per cent.

The Bank has complied with the minimum capital adequacy ratio requirement, stated above, for the nine months ended 30 September 2015 and the years ended 31 December 2014, 2013 and 2012. As at 30 September 2015, the Bank’s capital adequacy ratio was 18.24 per cent. (under Basel II). As at 31 December 2014, 2013 and 2012, the Bank’s capital adequacy ratio was 24.11 per cent., 26.19 per cent. and 25.12 per cent. (each under Basel II), respectively. As at 30 September 2015 and 31 December 2014, 2013 and 2012, the Bank’s Tier 1 capital adequacy ratio was 17.7 per cent., 23.4 per cent., 25.3 per cent. and 24.2 per cent., respectively.

The following table sets forth the Bank’s regulatory capital position at 30 September 2015 and 31 December 2014, 2013 and 2012 (each under Basel II).

	As at 30 September 2015	For the year ended 31 December		
		2014	2013	2012
Bank				
<i>(in thousands of TL)</i>				
Capital Liability Required for Credit Risk (Amount Subject to Credit Risk*0.08) (ASCR).....	2,022,832	1,411,587	1,059,350	1,042,485
Amount Subject to Market risk (ASMR).....	17,652	17,809	125,588	112,860
Amount Subject to Operational Risk (ASOR).....	66,088	51,298	48,194	55,951
Shareholders’ Equity	4,802,214	4,463,152	4,036,256	3,803,588
Shareholders’ Equity/ ((ASCR+ASMR+ASOR)*12.5) *100	18.24%	24.11%	26.19%	25.12%

Effective from 1 July 2012, the Bank’s capital adequacy ratio under Basel II has been reported to the BRSA. Under Basel II standards, the Bank’s capital adequacy ratio reported to the BRSA was 18.24 per cent. as at 30

September 2015, principally reflecting a change to 50 per cent. risk weighting for exposures to other Turkish banks as well as corporate loans guaranteed by Turkish commercial banks from the 100 per cent. risk weighting. The Bank's risk weight has declined to 50 per cent. from 100 per cent. due to the upgrade of Turkey's credit ratings to investment grade status by Fitch and Moody's. Accordingly, any downgrade below investment grade would have a significant adverse effect on the Bank's capital adequacy ratio.

Off balance sheet liabilities

In the normal course of banking activities, the Bank undertakes various commitments and incurs certain contingent liabilities that are not presented in its balance sheets, including insurance activities, letters of guarantee, other guarantees and off-balance sheet derivative instruments. The Bank's management does not expect any material losses as a result of these transactions. The following is a summary of significant commitments and contingent liabilities:

Derivative Financial Instruments

The Bank uses currency and interest rate swaps, which are commitments to exchange one set of cash flows for another. Swaps result in an economic exchange of currencies or interest rates. Currency swaps involve the exchange of principal as well. The Bank's credit risk with respect to swap transactions represents the potential cost of replacing the swap contracts if counterparties fail to perform their obligations. This risk is monitored on an ongoing basis with reference to the current fair value, a proportion of the notional amount of the contracts and the liquidity of the market. To control the level of credit risk taken, the Bank assesses counterparties using the same techniques as for its lending activities.

The notional amounts of certain types of financial instruments provide a basis for comparison with instruments recognized on the balance sheet but do not necessarily indicate the amounts of future cash flows involved or the current fair value of the instruments and, therefore, do not indicate the Bank's exposure to credit or price risks. The derivative instruments become favourable (as assets) or unfavourable (as liabilities) as a result of fluctuations in foreign exchange rates and interest rates. The aggregate contractual or notional amount of derivative financial instruments on hand, the extent to which instruments are favourable or unfavourable and, thus, the aggregate fair values of derivative financial assets and liabilities can fluctuate significantly from time to time.

The following table sets forth the Bank's derivative transactions by type as at 31 December 2014 and 2013.

	As at 31 December	
	2014	2013
	<i>(in thousands of TL)</i>	
Types of Trading Transactions		
Foreign Currency Related Derivative Transactions: (I)	1,651,197	3,837,950
Forward Transactions	34,556	2,696,147
Swap Transactions.....	1,606,155	1,124,990
Futures Transactions	—	—
Option Transactions	10,486	16,813
Interest Related Derivative Transactions (II)	471,954	143,916
Forward Interest Rate Agreements	—	—
Interest Rate Swaps.....	471,954	143,916

	As at 31 December	
	2014	2013
	<i>(in thousands of TL)</i>	
Interest Rate Options.....	—	—
Interest Rate Futures	—	—
Other Trading Derivative Transactions:⁽¹⁾ (III)	—	—
A. Total Trading Derivative Transactions (I+II+III).....	2,123,151	3,981,866
Types of Hedging Derivative Transactions	—	—
Fair Value Hedges	9,608,854	4,698,408
Cash Flow Hedges	—	—
Foreign Currency Investment Hedges	—	—
B. Total Hedging Derivative Transactions (IV).....	9,608,854	4,698,408
Total Derivative Transactions (A+B)	11,732,005	8,680,274

Note:

(1) Includes currency and interest swap transactions.

The following table sets forth the Bank's derivative transactions by currency as at 31 December 2014:

	TL	USD⁽¹⁾	GBP⁽¹⁾	EURO⁽¹⁾	JPY⁽¹⁾
Trading Derivative Financial Instruments	311,514,711	557,504,260	1,154,000	177,043,957	569,874,734
Forward Transactions	9,668,561	5,415,520	1,154,000	540,000	39,112,500
Forward Foreign Exchange Purchase Transactions	7,272,828	4,057,788	—	270,000	—
Forward Foreign Exchange Sell Transactions	2,395,733	1,357,732	1,154,000	270,000	—
Swap Transactions	296,446,150	726,792,697	—	—	230,762,234
Swap Money Sale Transactions	296,446,150	—	—	—	—
Swap Money purchase Transactions FC-TL	—	133,000,000	—	—	—
Swap Money purchase Transactions FC-FC	—	216,088,740	—	—	—
Swap Money Sale Transactions FC-FC	—	—	—	174,703,957	230,762,234
Swap Money purchase Transactions FC-FC	—	101,500,000	—	—	—
Swap Interest Sale Transactions FC-FC	—	101,500,000	—	—	—
Option Money Purchase Transactions.....	5,400,000	—	—	1,800,000	—
Money Purchase of Options	2,700,000	—	—	900,000	—
Money Sale of Options	2,700,000	—	—	900,000	—
Hedging Derivative Financial Assets	2,204,802,941	3,184,675,000	—	—	—
Forward Transactions	2,204,802,941	964,675,000	—	—	—
Forward Foreign Exchange Purchase Transactions	—	964,675,000	—	—	—
Forward Foreign Exchange Sell Transactions	2,204,802,941	—	—	—	—
Swap Transactions	—	2,220,000,000	—	—	—
Swap Interest Purchase Transactions	—	1,110,000,000	—	—	—

SELECTED STATISTICAL AND OTHER INFORMATION

The following tables set forth certain selected statistical information and ratios for the Bank as at and for the periods indicated. The selected statistical information should be read in conjunction with the BRSA Financial Statements, and the information included in "Management's Discussion and Analysis of Financial Condition and Results of Operations." Certain information presented in this section has been prepared on the basis of the IFRS Financial Statements, as indicated herein. Certain other information presented in this section has been presented on the basis of the Bank's internal accounts prepared in accordance with BRSA Principles, as indicated herein.

Average Balance Sheet and Interest Rate Data

The following tables set forth the average balances of interest-bearing assets and interest-bearing liabilities of the Bank for the nine months ended 30 September 2015 and 2014 and for the years ended 31 December 2014, 2013 and 2012 based on the BRSA Financial Statements and other financial information prepared in accordance with BRSA Principles. The table also sets forth the amounts of interest income earned and interest expense incurred by the Bank in the nine months ended 30 September 2015 and 2014, and the years ended 31 December 2014, 2013 and 2012, as well as the average interest rates at which interest income was earned on such assets and interest expense was incurred on such liabilities based on the BRSA Financial Statements and other financial information prepared in accordance with BRSA Principles.

For the purposes of the following tables, average balances of assets and liabilities for the Bank for the nine months ended 30 September 2015 and 2014 represent the average of the opening balances as at 31 December of the prior year, the unaudited balances as at month end for each of the months of January to August of the applicable period and the closing balance as at the end of the applicable period. For the purposes of the following tables, average balances of assets and liabilities for the Bank for the years ended 31 December 2014, 2013 and 2012 represent the average of the opening balances as at 31 December of the prior year, the unaudited balances as at month end for each of the months of January to November of the applicable year and the closing balance as at the end of the applicable period. Unaudited balances as at the end of the months of January to August of the year 2015 and unaudited balances as at the end of the months of January to November of each of the years 2014, 2013 and 2012 were extracted from the Bank's internal accounts prepared in accordance with BRSA Principles. See "Presentation of Financial and Other Information" in the Base Prospectus. The results of the analysis would likely be different if alternative or more frequent averaging methods were used and such differences could be material. For the purposes of the following tables, the average interest rate for any line item is calculated by dividing interest income or interest expense, as applicable, by the average balance for such line item for the relevant period. Average interest rates in this and the following table are distinct from the period-end effective interest rates discussed in the BRSA Financial Statements.

	Nine months ended 30 September 2015			Nine months ended 30 September 2014		
	Average Balance	Interest Income	Average Rate %	Average Balance	Interest Income	Average Rate %

(in thousands of TL, except percentages)

ASSETS

Interest-earning deposits in banks & reserve requirements & interbank money:

TL.....	270,230	23,473	8.7	361,355	25,009	6.9
Foreign currency	642,228	1,500	0.2	764,534	2,066	0.3
Total	912,458	24,973	2.7	1,125,889	27,075	2.4

Marketable securities:

TL.....	280,487	17,544	6.3	266,455	14,478	5.4
Foreign currency	15,358	866	5.6	117,623	6,198	5.3
Total	295,845	18,410	6.2	384,078	20,676	5.4

Loans:⁽¹⁾

TL.....	6,424,151	391,874	6.1	6,096,536	352,688	5.8
Foreign currency	30,493,906	447,992	1.5	22,049,012	295,529	1.3
Total	36,918,057	839,866	2.3	28,145,549	648,217	2.3

Other:⁽²⁾

TL.....	0	181	0.0	0	166	0.0
Foreign currency	0	267	0.0	0	2,214	0.0
Total	0	448	0.0	0	2,380	0.0

Total interest-earning assets:

TL.....	6,974,868	433,072	6.2	6,724,347	392,341	5.9
Foreign currency	31,151,492	450,625	1.5	22,931,169	306,007	1.3
Total	38,126,360	883,697	2.3	29,655,516	698,348	2.4

Notes:

- (1) Calculated on the basis of net loans, excluding accruals and loans funded by the Development and Support Fund.
(2) Includes overdue/penalty interest and interest income from reverse repo transactions.

	Year ended 31 December 2014			Year ended 31 December 2013			Year ended December 2012		
	Average Balance	Interest Income	Average Rate %	Average Balance	Interest Income	Average Rate %	Average Balance	Interest Income	Average Rate %

(in thousands of TL, except percentages)

ASSETS

Interest-earning deposits in banks & reserve requirements & interbank money:

TL.....	420,889	41,862	10.0	322,159	19,131	5.9	438,495	34,286	7.8
Foreign currency.....	748,910	2,736	0.4	494,171	2,081	0.4	391,498	967	0.3

	Year ended 31 December 2014			Year ended 31 December 2013			Year ended December 2012		
	Average Balance	Interest Income	Average Rate %	Average Balance	Interest Income	Average Rate %	Average Balance	Interest Income	Average Rate %
	<i>(in thousands of TL, except percentages)</i>								
Total	1,169,799	44,598	3.9	816,330	21,212	2.6	829,993	35,253	4.3
Marketable securities:									
TL.....	276,711	20,679	7.5	477,445	29,498	6.2	661,117	65,988	10.0
Foreign currency.....	114,274	8,485	7.4	99,432	5,222	5.3	66,011	4,622	7.0
Total	390,985	29,164	7.5	576,877	34,720	6.0	727,128	70,610	9.7
Loans:⁽¹⁾									
TL.....	6,118,907	477,960	7.8	4,569,227	297,111	6.5	3,322,992	284,762	8.6
Foreign currency.....	22,597,753	408,628	1.8	12,328,510	248,948	2.0	8,297,549	182,653	2.2
Total	28,716,659	886,588	3.1	16,897,737	546,059	3.2	11,620,541	467,415	4.0
Other:⁽²⁾									
TL.....	0	223	0.0	0	196	0.0	0	235	0.0
Foreign currency.....	0	2,274	0.0	0	901	0.0	0	224	0.0
Total	0	2,497	0.0	0	1,097	0.0	0	459	0.0
Total interest-earning assets:									
TL.....	6,816,507	540,724	7.9	5,368,831	345,936	6.4	4,422,604	385,271	8.7
Foreign currency.....	23,460,936	422,123	1.8	12,922,113	257,152	2.0	8,755,058	188,466	2.2
Total	30,277,443	962,847	3.2	18,290,944	603,088	3.3	13,177,662	573,737	4.4

Notes:

- (1) Calculated on the basis of net loans and advances to customers, excluding accruals and loans funded by the Development and Support Fund.
- (2) Includes overdue/penalty interest and interest income from reverse repo transactions.

	Nine months ended 30 September 2015			Nine months ended 30 September 2014		
	Average Balance	Interest income	Average Rate %	Average Balance	Interest income	Average Rate %

(in thousands of TL, except percentages)

LIABILITIES

Funds provided under repurchase agreements⁽¹⁾

TL.....	213,500	15,051	7.1	121,384	8,106	6.7
Foreign currency.....	0	0	0.0	0	0	0.0
Total	213,500	15,051	7.1	121,384	8,106	6.7

	Nine months ended 30 September 2015			Nine months ended 30 September 2014		
	Average Balance	Interest income	Average Rate %	Average Balance	Interest income	Average Rate %
<i>(in thousands of TL, except percentages)</i>						
Borrowings						
TL	0	418	0.0	0	1	0.0
Foreign currency	28,627,556	137,672	0.5	22,289,725	114,272	0.5
Total	28,627,556	138,090	0.5	22,289,725	114,273	0.5
Debt Securities in Issue⁽¹⁾						
TL	0	0	0.0	0	0	0.0
Foreign currency	4,601,365	208,996	4.5	2,761,822	114,090	4.1
Total	4,601,365	208,996	4.5	2,761,822	114,090	4.1
Other⁽²⁾						
TL	0	0	0.0	0	2	0.0
Foreign currency	0	29	0.0	0	20	0.0
Total	0	29	0.0	0	22	0.0
Total interest-bearing liabilities						
TL	213,500	15,469	7.3	121,384	8,109	6.7
Foreign currency	33,228,921	346,697	1.0	25,051,547	228,382	0.9
Total	33,442,421	362,166	1.1	25,172,931	236,491	0.9

Notes:

- (1) Average balances of liabilities for the Bank for the nine months ended 30 September 2015 and 2014 represent the average of the opening balances as at 31 December of the prior year, the unaudited balances as at month end for each of the months of January to August of the applicable period and the closing balance as at the end of the applicable period. Notwithstanding this method of calculation, the yields on 'Funds provided under repurchase agreements' and 'Debt securities in issue' are calculated on a different basis, i.e. as the interest expense divided by the average balances of monthly balances only for the period where an outstanding balance exists. Given that there was no balance in the other months, using 13-month average balances would produce distorted results.
- (2) Includes interest expense accrued during a waiting period (of at most 120 days) for claims to be paid to exporters arising from the credit insurance facility.

	Year ended 31 December 2014			Year ended 31 December 2013			Year ended 31 December 2012		
	Average Balance	Interest Income	Average Rate %	Average Balance	Interest Income	Average Rate %	Average Balance	Interest Income	Average Rate %
<i>(in thousands of TL, except percentages)</i>									
LIABILITIES									
Funds provided under repurchase agreements⁽¹⁾									
TL.....	136,450	13,202	9.7	108,732	4,928	4.5	75,682	4,762	6.3
Foreign currency	0	0	0.0	0	0	0.0	91,361	2,025	2.2
Total	136,450	13,202	9.7	108,732	4,928	4.5	167,043	6,787	4.1
Borrowings									
TL.....	0	1	0.0	0	4	0.0	0	0	0.0

	Year ended 31 December 2014			Year ended 31 December 2013			Year ended 31 December 2012		
	Average Balance	Interest Income	Average Rate %	Average Balance	Interest Income	Average Rate %	Average Balance	Interest Income	Average Rate %
	<i>(in thousands of TL, except percentages)</i>								
Foreign currency	22,616,03	153,579	0.7	11,798,0	80,924	0.7	7,579,22	80,444	1.1
	7			13			2		
Total	22,616,03	153,580	0.7	11,798,0	80,928	0.7	7,579,22	80,444	1.1
	7			13			2		
Debt Securities in Issue⁽¹⁾									
TL.....	0	0	0.0	0	0	0.0	0	0	0.0
Foreign currency	3,018,351	166,677	5.5	2,347,88	133,021	5.7	1,614,45	90,785	5.6
				5			1		
Total	3,018,351	166,677	5.5	2,347,88	133,021	5.7	1,614,45	90,785	5.6
				5			1		
Other⁽²⁾									
TL.....	0	2	0.0	0	0	0.0	0	0	0.0
Foreign currency	0	30	0.0	0	23	0.0	0	21	0.0
Total	0	32	0.0	0	23	0.0	0	21	0.0
Total interest-bearing liabilities									
TL.....	136,450	13,205	9.7	108,732	4,932	4.5	75,682	4,762	6.3
Foreign currency	25,634,38	320,286	1.3	14,145,8	213,968	1.5	9,285,03	173,275	1.9
	8			98			5		
Total	25,770,83	333,491	1.3	14,254,6	218,900	1.5	9,360,71	178,037	1.9
	7			31			7		

Notes:

- (1) Average balances of assets and liabilities for the Bank for the years ended 31 December 2014, 2013 and 2012 represent the average of the opening balances as at 31 December of the prior year, the unaudited balances as at month end for each of the months of January to November of the applicable year and the closing balance as at the end of the applicable period. Notwithstanding this method of calculation, the yields on 'Funds provided under repurchase agreements' and 'Debt securities in issue' are calculated on a different basis, i.e. as the interest expense divided by the average balances of monthly balances only for the period where an outstanding balance exists. Given that there was no balance in the other months, using 13-month average balances would produce distorted results.
- (2) Includes interest expense accrued during a waiting period (of at most 120 days) for claims to be paid to exporters arising from the credit insurance facility.

Interest-Earning Assets: Yield, Margin and Spread

The following table sets forth the Bank's net interest income, yields on interest-earning assets and interest-bearing liabilities, net interest margins and net interest spreads for the nine months ended 30 September 2015 and 2014 and the years ended 31 December 2014, 2013 and 2012.

	Nine months ended 30 September		Year ended 31 December		
	2015	2014	2014	2013	2012
<i>(in thousands of TL, except percentages)</i>					
Net interest income					
TL	417,603	384,232	527,519	341,004	380,509
Foreign Currency	103,935	77,625	101,837	43,184	15,191
Total	521,538	461,857	629,356	384,188	395,700
Yield on interest-earning assets					
TL	6.21	5.83	7.93	6.44	8.71
Foreign Currency	1.45	1.33	1.80	1.99	2.15
Total	2.32	2.35	3.18	3.30	4.36
Yield on interest-bearing liabilities⁽¹⁾					
TL	7.25	6.68	9.68	4.54	6.29
Foreign Currency	1.04	0.91	1.25	1.51	1.87
Total	1.08	0.94	1.29	1.54	1.90
Net Interest Margin⁽²⁾					
TL	5.99	5.71	7.74	6.35	8.60
Foreign Currency	0.33	0.34	0.43	0.33	0.17
Total	1.37	1.56	2.08	2.10	3.00
Net Interest Spread⁽³⁾					
TL	(1.04)	(0.85)	(1.74)	1.91	2.42
Foreign Currency	0.40	0.42	0.55	0.48	0.29
Total	1.23	1.42	1.89	1.76	2.45

Notes:

- (1) See footnote 1 to the third and fourth tables set forth under “—Average Balance Sheet and Interest Rate Data”.
- (2) Net interest margin is calculated as the Bank’s net interest income divided by the average balance of the Bank’s total interest-earning assets during the applicable period. Average balances of total interest-earning assets are calculated as the average of monthly balances during the applicable period.
- (3) Net interest spread is calculated as the difference between the average interest rate on the Bank’s interest-earning assets and the average interest rate on the Bank’s interest-bearing liabilities. Interest-earning assets and interest-bearing liabilities are calculated as the average of monthly balances during the applicable period.
- (4) The table above does not include loans funded by the Development and Support Fund, a fund created in 1991 during the Gulf Crisis by the Turkish Treasury to provide support to Turkish contractors who had been conducting business in Iraq.

Changes in Interest Income and Interest Expense—Volume and Rate Analysis

The following tables set forth a comparative analysis of changes in interest income and interest expense of the Bank for the nine months ended 30 September 2015 and 2014, and the years ended 31 December 2014, 2013 and 2012. Changes in interest income or interest expense are attributed to either (i) changes in average balances (volume change) of interest-earning assets or interest-bearing liabilities or (ii) changes in average rates (rate change) at which interest income was earned on such assets or at which interest expense was incurred on such liabilities. Changes in interest income and expense due to changes in volume have been calculated as the change in volume times the prior year’s average rate. Changes in interest income and

expense due to changes in rate have been calculated as the residual amount which can be expressed as the difference between the total changes in interest income and expense and the changes in interest income and expense due to changes in volume.

Analysis of Changes in Net Interest Income

	Change from nine months ended 30 September 2015 to nine months ended 30 September 2014			Change from 31 December 2014 to 31 December 2013			Change from 31 December 2013 to 31 December 2012		
	Increase/(decrease) Due to changes in			Increase/(decrease) Due to changes in			Increase/(decrease) Due to changes in		
	Volume	Rate	Net Change	Volume	Rate	Net Change	Volume	Rate	Net Change
	<i>(in thousands of TL)</i>								
Interest-earning deposits in banks & reserve requirements & interbank money:									
TL	(6,307)	4,771	(1,536)	5,863	16,868	22,731	(9,096)	(6,059)	(15,155)
Foreign currency	(331)	(235)	(566)	1,073	(418)	655	254	860	1,114
Total	(5,133)	3,031	(2,102)	9,185	14,201	23,386	(580)	(13,461)	(14,041)
Marketable securities:									
TL	762	2,304	3,066	(12,402)	3,583	(8,819)	(18,333)	(18,157)	(36,490)
Foreign currency	(5,389)	57	(5,332)	779	2,484	3,263	2,340	(1,740)	600
Total	(4,750)	2,484	(2,266)	(11,188)	5,632	(5,556)	(14,591)	(21,299)	(35,890)
Loans:									
TL	18,953	20,233	39,186	100,767	80,082	180,849	106,795	(94,446)	12,349
Foreign currency	113,189	39,274	152,463	207,365	(47,685)	159,680	88,733	(22,438)	66,295
Total	202,039	(10,390)	191,649	381,935	(41,406)	340,529	212,266	(133,622)	78,644
Total interest-earning assets:									
TL	14,617	26,114	40,731	93,280	101,508	194,788	82,430	(121,765)	(39,335)
Foreign currency	109,697	34,921	144,618	209,724	(44,753)	164,971	89,702	(21,016)	68,686
Total	199,477	(14,128)	185,349	395,218	(35,459)	359,759	222,625	(193,274)	29,351

Analysis of Changes in Net Interest Expense

	Change from nine months ended 30 September 2015 to nine months ended 30 September 2014			Change from 31 December 2014 to 31 December 2013			Change from 31 December 2013 to 31 December 2012		
	Increase/(decrease) Due to changes in			Increase/(decrease) Due to changes in			Increase/(decrease) Due to changes in		
	Volume	Rate	Net Change	Volume	Rate	Net Change	Volume	Rate	Net Change
	<i>(in thousands of TL)</i>								
Funds from Interbank									
Money Market::									
TL	—	—	—	—	—	—	—	—	—
Foreign currency	—	—	—	—	—	—	—	—	—
Total	—	—	—	—	—	—	—	—	—
Funds provided under repurchase agreements:									
TL	6,151	794	6,945	1,256	7,018	8,274	2,080	(1,914)	166
Foreign currency	0	0	0	0	0	0	(2,025)	0	(2,025)
Total	6,151	794	6,945	1,256	7,018	8,274	(2,369)	510	(1,859)
Borrowings:									
TL	0		417	0	(3)	(3)	—	4	4
Foreign currency	32,492	(9,092)	23,400	74,202	(1,547)	72,655	44,777	(44,297)	480
Total	32,492	(8,675)	23,817	74,206	(1,554)	72,652	44,777	(44,293)	484
Debt securities in issue:									
TL	-	-	-	-	-	-	—	—	—
Foreign currency	75,991	18,915	94,906	37,986	(4,330)	33,656	41,243	993	42,236
Total	75,991	18,915	94,906	37,986	(4,330)	33,656	41,243	993	42,236
Total interest-earning liabilities:									
TL	6,154	1,206	7,360	1,257	7,016	8,273	2,080	(1,910)	170
Foreign currency	74,549	43,766	118,315	173,773	(67,455)	106,318	90,712	(50,019)	40,693
Total	77,689	47,986	125,675	176,848	(62,257)	114,591	93,080	(52,217)	40,863

Loan Portfolio

All of the Bank's loans are forms of export or project finance.

The following table sets forth the Bank's gross and net loans as at 31 December 2014, 2013 and 2012. The information set forth below has been derived from the IFRS Financial Statements.

	As at 31 December		
	2014	2013	2012
	<i>(in thousands of TL)</i>		
Short-term			
Financial institutions.....	3,875,800	3,484,511	3,078,761
Export guaranteed loans.....	952,470	626,372	795,489
Fund sourced loans.....	—	—	—
Specialised loans.....	195,078	127,995	133,639
Discount loans.....	19,290,780	13,329,406	6,891,590
Other guaranteed loans.....	153	7,353	17,790
Total	24,314,281	17,575,637	10,917,269
Medium- and long-term			
Financial institutions.....	490,631	1,449,509	648,992
Export guaranteed loans.....	5,270,782	3,133,260	1,202,370
Foreign country loans (political risks).....	394,072	202,620	182,011
Specialised loans.....	193,417	97,734	14,675
Export guaranteed investment loans.....	886,946	313,745	66,697
Funds sourced loans.....	—	871	2,237
Other.....	299,582	111,212	201,444
Total	7,535,430	5,308,951	2,318,426
Performing loans	31,849,711	22,884,588	13,235,695
Loans under close monitoring.....	20,766	39,687	56,445
Impaired loans and advances.....	127,478	117,478	112,383
Gross loans	31,997,955	23,041,753	13,404,523
Allowance for loan losses.....	(256,460)	(246,460)	(241,365)
Net loans and advances to customers	31,741,495	22,795,293	13,163,158

Distribution of Loans by Sector

The following table sets forth a summary of the Bank's net risk profile (outstanding balances, including non-cash loans) by principal category of economic sector based on outstanding balances as at 31 December 2014, 2013 and 2012.

	As at 31 December		
	2014	2013	2012
	<i>(in thousands of TL)</i>		
Sectors and third parties			
Agriculture	4,284,746	3,024,237	2,063,497
Farming and raising livestock	3,723,391	2,750,153	1,864,701
Forestry	561,355	274,084	198,796
Fishery.....	—	—	—
Industry	26,443,017	19,417,047	11,092,658
Mining and Quarry Sector.....	1,491,652	710,227	466,626
Manufacturing Industry.....	24,951,365	18,706,820	10,626,032
Electric, Gas and Water.....	—	—	—
Construction	307,956	123,778	212,429
Services	1,066,464	1,019,045	1,194,392
Wholesale and Retail Trade.....	—	—	—
Hotel and Restaurant Services.....	—	—	—
Transportation and Telecommunication	—	—	—
Financial Institutions	1,066,464	1,019,045	1,194,392
Real Estate and Leasing Services	—	—	—
Training Services.....	—	—	—
Health and Social Services	—	—	—
Other	3,782,404	2,651,370	1,197,627
Total	35,884,587	26,235,477	15,740,603

Distribution of Loans by Type of Borrower

The following table sets forth the breakdown of the Bank's gross loans by type of borrower and the percentage contribution to the total loan portfolio as at 30 September 2015 and as at 31 December 2014, 2013 and 2012.

	As at 31 December							
	As at 30 September 2015		2014		2013		2012	
	Amount	%	Amount	%	Amount	%	Amount	%
<i>(in thousands of TL, except percentages)</i>								
Public sector loans ⁽¹⁾	1,865,771	4%	1,513,444	5%	1,443,588	6%	963,538	7%
Private sector loans.....	42,574,711	96%	30,376,420	95%	21,591,448	94%	12,388,522	93%
Total	44,440,482	100%	31,889,864	100%	23,035,036	100%	13,352,060	100%

Note:

- (1) Includes country loans granted to foreign government entities amounting to TL 577.4 million as at 30 September 2015 (31 December 2014: TL 397.1 million).

Maturity Profile of the Bank's Loan Portfolio

The following table sets forth the maturity analysis of loans as at 30 September 2015 and as at 31 December 2014, 2013 and 2012.

	Up to one month	One to three months	3-12 months	1-5 years	Over 5 years	Total
	<i>(in thousands of TL)</i>					
30 September 2015	583,403	10,002,178	21,945,065	11,754,933	154,904	44,440,483
31 December 2014	5,490,584	7,543,809	13,576,549	5,205,120	73,802	31,889,864
31 December 2013	2,257,059	2,823,318	14,545,227	3,326,317	83,115	23,035,036
31 December 2012	2,286,261	4,607,359	5,031,406	1,338,858	88,176	13,352,060

Geographical Distribution of the Bank's Loan Portfolio

The following table sets forth the amount of the Bank's net loans by geographical distribution within Turkey's regions based on the location of the exporter's business as at 31 December 2014, 2013 and 2012.

	As at 31 December					
	2014		2013		2012	
	<i>(in thousands of TL, except percentages)</i>					
Istanbul Region	17,357,967	54%	12,802,967	56%	7,646,119	57%
Southeastern Anatolia Region	1,597,115	5%	1,416,463	6%	613,816	5%
Marmara Region (except Istanbul)	2,558,780	8%	1,439,670	6%	586,481	4%
Black Sea Region	787,487	2%	418,176	2%	439,817	3%
Central Anatolia Region	3,256,550	10%	3,388,608	15%	1,943,216	15%
Mediterranean Region	2,133,796	7%	1,169,820	5%	921,830	7%
Aegean Region	3,992,671	13%	2,353,741	10%	1,192,859	9%
Eastern Anatolia Region	187,494	1%	44,720	0.2%	5,685	0.0%
Total Loans ⁽¹⁾	31,889,864	100%	23,034,165	100%	13,349,823	100%

Note:

- (1) The table above does not include loans to Iraq funded by the Development and Support Fund.

Non-Performing Loans and Loans Under Close Monitoring

The following table sets forth information on the Bank's impaired loans (non-performing loans) and other loans under close monitoring as at 30 September 2015 and 31 December 2014, 2013 and 2012.

	As at 30 September 2015	As at 31 December		
		2014	2013	2012
<i>(in thousands of TL)</i>				
Loans under close monitoring ⁽¹⁾	27,154	20,878	39,687	56,445
Impaired loans (non-performing loans).....	131,748	127,478	117,478	112,383

Note:

- (1) Loans under close monitoring include not only loans that are past due by one to 90 days (amounting to TL 141 thousand as at 30 September 2015) but also loans that are not yet due that have been extended to customers with other past due loans (amounting to TL 27,013 thousand as at 30 September 2015).

The following table sets forth the breakdown of the Bank's loans under close monitoring that were overdue as at 30 September 2015 and 31 December 2014, 2013 and 2012.

	As at 30 September 2015	Year ended 31 December		
		2014	2013	2012
<i>(in thousands of TL)</i>				
Past due up to 30 days	27,154	—	—	2,845
Past due 30-60 days.....	0	546	39,687	—
Past due 60-90 days.....	0	20,332	—	53,600
Total	27,154	20,878	39,687	56,445

Changes in Credit Provisions

The following table sets forth details of movements in the Bank's general and special provisions for loan losses for the years ended 31 December 2014, 2013 and 2012.

	Year ended 31 December		
	2014	2013	2012
<i>(in thousands of TL)</i>			
Opening balance.....	247,692	242,597	184,138
Provision amounts allocated within the period.....	16,834	92,707	79,880
Cancellation of provisions.....	(6,834)	(87,612)	(21,421)
Other adjustments.....	—	—	—

Ending balance	257,692	247,692	242,597
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Securities Portfolio

The following table sets forth a summary of the Bank's securities portfolio (excluding available-for-sale securities) as at 30 September 2015 and as at 31 December 2014, 2013 and 2012.

	As at 30 September 2015	As at 31 December		
		2014	2013	2012
<i>(in thousands of TL)</i>				
Held-to-Maturity Securities				
Turkish Government bonds	221,408	249,381	193,318	258,398
Turkish Treasury bills	—	—	—	—
Turkish Eurobonds..	—	47,573	45,053	41,951
Total held-to-maturity securities	221,408	296,954	238,371	300,349
Trading Securities				
Turkish Government bonds	12,774	42,599	49,189	475,382
Turkish Treasury bills	—	—	—	—
Turkish Eurobonds..	—	8,684	64,091	8,189
Total trading securities	12,774	51,283	113,270	483,571

As at 30 September 2015, government bonds and treasury bills constituting held-to-maturity securities and trading securities amounting to TL 188.3 million (compared to TL 205.9 million as at 31 December 2014) were subject to repurchase transactions.

As at 30 September 2015, government bonds and treasury bills constituting held-to-maturity securities and trading securities amounting to TL 12.5 million (compared to TL 12.6 million as at 31 December 2014) had been pledged as collateral with the Central Bank and Istanbul Stock Exchange-Settlement and Custody Bank.

The following table sets forth a breakdown of the Bank's available-for-sale securities as at 30 September 2015 and as at 31 December 2014, 2013 and 2012.

	As at 30 September	As at 31 December		
	2015	2014	2013	2012
<i>(in thousands of TL)</i>				
Equity securities				
Listed.....	13,448	16,168	12,981	15,010

Unlisted.....	4,370	4,370	4,370	4,210
Total available-for-sale-securities	17,818	20,538	17,351	19,220

As at 30 September 2015, the Bank held listed equity securities consisting of a 9.8 per cent. share of Garanti Faktoring Hizmetleri A.Ş. and unlisted equity securities consisting of a 1.8 per cent. share of Borsa Istanbul with an aggregate carrying amount of TL 0.2 million.

Maturity Distribution

The following tables set forth the maturity analysis of the Bank's held-to-maturity and trading securities portfolio (excluding available-for-sale securities) as at 30 September 2015 and 31 December 2014, 2013 and 2012.

As at 30 September 2015

	Up to three months	Three months to one year	One year to five years	Over five years	Total
<i>(in thousands of TL)</i>					
Turkish Government bonds.....	33,000	77,800	117,200	10,000	238,000
Fixed.....	33,000	5,800	30,826	10,000	79,626
Floating	0	0	86,734	0	86,374
Zero Rate	0	72,000	0	0	72,000
Turkish Eurobonds.....	0	0	0	0	0
Total	33,000	77,800	117,200	10,000	238,000

As at 31 December 2014

	Up to three months	Three months to one year	One year to five years	Over five years	Total
<i>(in thousands of TL)</i>					
Turkish Government bonds.....	5,000	189,639	91,374	10,000	296,031
Fixed.....	5,000	64,900	5,000	10,000	84,900
Floating	0	0	86,374	0	86,374
Zero Rate	0	124,739	0	0	124,739
Turkish Eurobonds.....	20,000	0	0	3,000	23,000
Total	25,000	189,639	91,374	13,000	319,013

As at 31 December 2013

	Up to three months	Three months to one year	One year to five years	Over five years	Total
	<i>(in thousands of TL)</i>				
Turkish Government bonds.....	21,016	44,374	167,844	9,273	242,507
Fixed.....	15,494	21,208	78,861	9,273	124,836
Floating	5,522	23,166	88,983	0	117,671
Turkish Eurobonds.....	1,569	0	43,484	64,082	109,135
Total	22,585	44,374	211,328	73,355	351,642

As at 31 December 2012

	Up to three months	Three months to one year	One year to five years	Over five years	Total
	<i>(in thousands of TL)</i>				
Turkish Government bonds.....	222,788	278,826	228,047	0	729,661
Fixed.....	222,788	265,063	114,618	0	602,469
Floating	0	13,760	117,547	0	131,307
Turkish Eurobonds.....	3,822	0	38,129	8,189	50,140
Total	226,610	278,823	270,294	8,189	783,916

Risk Concentration

Cash Loans

The following tables set forth the Bank's exposure to customers (identified by sector and/or type) with the twenty largest balances of outstanding cash loans, which in the aggregate constituted 22 per cent., 22 per cent., 34 per cent. and 34 per cent. of net loans as at 30 September 2015 and as at 31 December 2014, 2013 and 2012, respectively.

**As at
30 September
2015**
*(in thousands of
TL)*

Borrower/Debtor

Turkish Financial Institution (State Bank)	639,327
Iron and Steel Industry.....	624,681
Turkish Financial Institution (Private Bank).....	591,335

	As at 30 September 2015
	<i>(in thousands of TL)</i>
Iron and Steel Industry.....	564,623
Rubber and Plastic Industry.....	560,415
Foreign Trade Company.....	522,795
Foreign Trade Company.....	504,850
Foreign Trade Company.....	495,860
Turkish Financial Institution (Private Bank).....	475,027
Motor Vehicles Industry.....	473,302
Iron and Steel Industry.....	466,970
Turkish Financial Institution (State Bank).....	458,970
Iron and Steel Industry.....	452,200
Iron and Steel Industry.....	449,215
Turkish Financial Institution (Private Bank).....	436,291
Food and Agriculture.....	405,112
Iron and Steel Industry.....	386,167
Machinery and Electrical Appliances.....	368,418
Food and Agriculture.....	350,872
Turkish Financial Institution (Private Bank).....	332,801
Total⁽¹⁾	9,559,239

Note:

(1) This table does not include loans funded by the Development and Support Fund.

	As at 31 December 2014
	<i>(in thousands of TL)</i>
Borrower/Debtor	
Turkish Financial Institution (State Bank).....	545,009
Turkish Financial Institution (Private Bank).....	519,039
Foreign Trade Company.....	502,306
Foreign Trade Company.....	406,565
Machinery and Electrical Appliances.....	402,751

	As at 31 December 2014
	<i>(in thousands of TL)</i>
Rubber and Plastic Industry	386,847
Motor Vehicles Industry	383,691
Turkish Financial Institution (Private Bank)	358,251
Turkish Financial Institution (State Bank)	340,823
Turkish Financial Institution (Private Bank)	336,547
Iron and Steel Industry	336,457
Iron and Steel Industry	331,096
Foreign Trade Company	323,392
Turkish Financial Institution (Private Bank)	298,554
Motor Vehicles Industry	285,208
Iron and Steel Industry	278,682
Turkish Financial Institution (Private Bank)	276,103
Foreign Trade Company	275,388
Turkish Financial Institution (Private Bank)	269,418
Iron and Steel Industry	256,409
Total⁽¹⁾	7,112,546

Note:

(1) This table does not include loans funded by the Development and Support Fund.

	As at 31 December 2013
	<i>(in thousands of TL)</i>
Borrower/Debtor	
Turkish Financial Institution (Private Bank)	742,191
Turkish Financial Institution (State Bank)	529,917
Turkish Financial Institution (Private Bank)	506,192
Turkish Financial Institution (Private Bank)	449,528
Turkish Financial Institution (Private Bank)	423,979
Turkish Financial Institution (Private Bank)	403,777
Turkish Financial Institution (Private Bank)	386,389

	As at 31 December 2013
	<i>(in thousands of TL)</i>
Turkish Financial Institution (Private Bank).....	372,089
Turkish Financial Institution (Private Bank).....	369,126
Foreign Trade Company	352,812
Foreign Trade Company	347,048
Turkish Financial Institution (Private Bank).....	326,601
Iron and Steel Industry.....	301,262
Iron and Steel Industry.....	294,623
Petrochemical Industry	292,571
Turkish Financial Institution (Private Bank).....	284,410
Foreign Trade Company	257,132
Foreign Trade Company	243,055
Foreign Trade Company	232,130
Foreign Trade Company	228,738
Total ⁽¹⁾	7,343,570

Note:

(1) This table does not include loans funded by the Development and Support Fund.

	As at 31 December 2012
	<i>(in thousands of TL)</i>
Borrower/Debtor	
Turkish Financial Institution (Private Bank).....	472,611
Turkish Financial Institution (State Bank).....	444,002
Turkish Financial Institution (Private Bank).....	407,053
Turkish Financial Institution (Private Bank).....	393,714
Turkish Financial Institution (Private Bank).....	273,936
Turkish Financial Institution (Private Bank).....	215,810
Turkish Financial Institution (Private Bank).....	214,128
Turkish Financial Institution (Private Bank).....	202,643
Turkish Financial Institution (Private Bank).....	179,079

	As at 31 December 2012
	<i>(in thousands of TL)</i>
Foreign Trade Company	167,969
Foreign Trade Company	163,248
Turkish Financial Institution (Private Bank)	162,930
Iron and Steel Industry	160,192
Iron and Steel Industry	160,151
Petrochemical Industry	160,117
Turkish Financial Institution (Private Bank)	158,120
Foreign Trade Company	131,305
Foreign Trade Company	150,209
Foreign Trade Company	139,728
Foreign Trade Company	130,984
Total⁽¹⁾	4,507,933

Note:

(1) This table does not include loans funded by the Development and Support Fund.

Export Credit Insurance

The following table sets forth the twenty countries, buyers in which represented the largest risk exposures under the Bank's export credit insurance programmes, which in the aggregate constituted 73 per cent., 74 per cent., 72 per cent. and 73 per cent. of total insurance exposure as at 30 September 2015 and 31 December 2014, 2013 and 2012, respectively.

Country	As at 30 September 2015		
	Political Risk	Commercial Risk	Risk Exposure
		<i>(USD)</i>	
Germany	15,174	87,758,937	87,774,112
England	0	76,909,146	76,909,146
Italy	0	57,293,351	57,293,351
USA	0	48,005,226	48,005,226
France	0	39,717,017	39,717,017
Spain	0	38,570,039	38,570,039
Switzerland	0	29,072,205	29,072,205

As at 30 September 2015

	Political Risk	Commercial Risk	Risk Exposure
		(USD)	
Holland	5,518	24,053,554	24,059,073
Israel	0	23,562,937	23,562,937
Egypt	241,224	20,246,377	20,487,602
Romania	0	19,959,206	19,959,206
Poland	0	18,552,071	18,552,071
Sweden	0	17,726,043	17,726,043
Belgium	0	16,491,002	16,491,002
Saudi Arabia	0	15,871,930	15,871,930
United Arab Emirates	620,069	15,183,058	15,803,128
Russia	38,436	13,796,390	13,834,827
Bulgaria	0	13,518,900	13,518,900
China	5,119,890	8,259,957	13,379,848
Algeria	3,603,671	6,910,048	10,513,720
Total	9,643,987	591,457,404	601,101,391

Source: Internal accounts

As at 31 December 2014

Country	Political Risk	Commercial Risk	Risk Exposure
		(USD)	
England	0	72,516,332	72,516,332
Germany	12,337	67,949,929	67,962,267
Italy	0	50,873,249	50,873,249
France	0	34,798,308	34,798,308
Spain	0	32,666,429	32,666,429
U.S.A	0	29,846,577	29,846,577
Switzerland	0	22,337,418	22,337,418
Holland	0	17,896,152	17,896,152
Romania	0	16,578,146	16,578,146
Israel	336,049	16,102,875	16,438,925
Poland	0	13,490,754	13,490,754
Egypt	26,086	12,018,719	12,044,805
Bulgaria	0	11,638,854	11,638,854

As at 31 December 2014

	Political Risk	Commercial Risk	Risk Exposure
		(USD)	
Russia	18,382	11,526,521	11,544,904
Belgium	0	11,351,290	11,351,290
Saudi Arabia	0	11,038,734	11,038,734
Sweden	0	11,031,504	11,031,504
China	5,967,928	4,773,311	10,741,240
United Arab Emirates	398,800	8,778,191	9,176,992
Austria	0	7,828,879	7,828,879
Total	6,759,582	465,042,172	471,801,754

Source: Internal accounts

As at 31 December 2013

	Political Risk	Commercial Risk	Risk Exposure
		(USD)	
Country			
Germany	—	59,588,809	59,588,809
England	—	55,253,249	55,253,249
Italy	—	49,697,921	49,697,921
France	—	31,254,342	31,254,342
USA	—	29,935,985	29,935,985
Spain	—	26,095,701	26,095,701
Israel	486,141	16,049,672	16,535,813
Romania	—	14,123,051	14,123,051
China	6,027,016	7,791,170	13,818,186
Holland	—	13,373,921	13,373,921
Switzerland	—	12,423,664	12,423,664
Saudi Arabia	—	12,275,261	12,275,261
Bulgaria	29,036	11,143,209	11,172,245
Poland	41,069	11,031,583	11,072,652
Egypt	28,350	9,776,648	9,804,998
Belgium	—	9,644,639	9,644,639
Sweden	—	9,510,501	9,510,501
Russia	15,309	9,116,585	9,131,894
Austria	—	8,773,449	8,773,449
U.A.E		8,688,575	8,688,575

As at 31 December 2013

	Political Risk	Commercial Risk (USD)	Risk Exposure
Total	6,626,921	405,547,936	412,174,857

Source: Internal accounts

Note:

(1) This exposure relates to private sector Greek importers, not Greek sovereign debt.

As at 31 December 2012

Country	Political Risk	Commercial Risk (USD)	Risk Exposure
Germany	35,122	47,550,673	47,585,795
England.....	—	36,227,269	36,227,269
Italy.....	—	27,016,734	27,016,734
France	—	23,579,747	23,579,747
USA	—	19,091,078	19,091,078
Spain.....	—	14,156,976	14,156,976
Israel.....	336,461	11,958,478	12,294,939
Romania.....	—	9,583,607	9,583,607
Egypt	90,379	9,399,717	9,490,096
Holland	—	8,926,695	8,926,695
Bulgaria	9,512	8,356,774	8,366,286
Switzerland.....	—	8,205,757	8,205,757
Poland.....	—	7,905,496	7,905,496
Sweden	—	7,502,959	7,502,959
China	2,397,874	4,660,412	7,058,286
Saudi Arabia	—	6,989,611	6,989,611
United Arab Emirates	676,341	5,728,725	6,405,066
Belgium	—	6,349,125	6,349,125
Austria	—	6,339,340	6,339,340
Algeria.....	1,369,650	3,269,285	4,638,935
	4,915,339	272,798,458	277,713,797

Source: Internal accounts

Note:

(1) This exposure relates to private sector Greek importers, not Greek sovereign debt.

Return on Assets and Equity

The following table sets forth certain financial information for the Bank as at and for nine months ended 30 September 2015 and as at and for the years ended 31 December 2014, 2013 and 2012.

	As at and for the nine months ended 30 September		As at or for the year ended 31 December		
	2015	2014	2014	2013	2012
	<i>(in thousands of TL, except percentages)</i>				
Net Profit	346,193	298,902	427,009	245,927	221,191
Average Total Assets	38,945,529	30,136,709	30,768,379	18,603,246	13,369,089
Average Shareholders' Equity	4,462,667	4,038,465	4,092,144	3,788,615	3,635,894
Return on Average Assets					
(Net Profit/Average Total Assets) ⁽¹⁾	0.9%	1.0%	1.4%	1.3%	1.7%
Return on Average Equity					
(Net Profit/Average Equity) ⁽¹⁾	8.4%	8.0%	11.7%	7.0%	6.5%
Earnings per Share	0.1403	0.1280	0.1816	0.1143	0.1106
Equity to Assets Ratio					
(Average Equity/Average Total Assets)	11.5%	13.4%	13.3%	20.3%	23.8%

Note:

(1) Ratios for the nine months ended 30 September 2015 and 2014 are not annualised.

ISSUE TERMS

The terms and conditions of the Notes shall consist of the terms and conditions set out in the Base Prospectus (the “Base Conditions”) as amended or supplemented by the terms set out below in this section. References in the Base Conditions to “Final Terms” shall be deemed to refer to the terms of the Notes substantially in the form set out below. See also “*Overview of the Offering of the Notes*” appearing elsewhere in this Prospectus for further information.

4 February 2016

TÜRKİYE İHRACAT KREDİ BANKASI A.Ş. (EXPORT CREDIT BANK OF TURKEY, INC.)

Issue of U.S.\$500,000,000 5.375 per cent. Notes due 2021 (the “Notes”)

under the U.S.\$1,500,000,000

Global Medium Term Note Programme

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated 3 December 2015 and the Prospectus dated 4 February 2016, which together constitute a prospectus for the purposes of Directive 2003/71/EC as amended (including the amendments made by Directive 2010/73/EU) (the “Prospectus Directive”) (the “Prospectus”). This document constitutes the Issue Terms of the Notes and must be read in conjunction with the Prospectus. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Issue Terms and the Prospectus. The Prospectus has been published on the website of the Irish Stock Exchange (www.ise.ie).

1	Issuer:	Türkiye İhracat Kredi Bankası A.Ş.
2	(a) Series Number:	1
	(b) Tranche Number:	1
	(c) Date on which the Notes will be consolidated and form a single Series:	Not Applicable
3	Specified Currency:	United States dollars (“U.S.\$”)
4	Aggregate Nominal Amount:	
	(a) Series:	U.S.\$500,000,000
	(b) Tranche:	U.S.\$500,000,000
5	Issue Price:	99.568 per cent. of the Aggregate Nominal Amount of the Tranche
6	(a) Specified Denomination(s):	U.S.\$200,000 and integral multiples of U.S.\$1,000 in excess thereof
	(b) Calculation Amount:	U.S.\$1,000
7	(a) Issue Date:	8 February 2016
	(b) Interest Commencement Date:	Issue Date
8	Maturity Date:	8 February 2021
9	Interest Basis:	5.375 per cent. Fixed Rate

		<i>(see paragraph 14 below)</i>
10	Redemption Basis:	Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at 100 per cent. of their nominal amount
11	Change of Interest Basis:	Not Applicable
12	Put/Call Options:	Change of Control Put <i>(see paragraph 19 below)</i>
13	Status of the Notes:	Senior
	Date Board approval for issuance of Notes obtained:	Not Applicable

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

14	Fixed Rate Note Provisions:	Applicable
	(a) Rate(s) of Interest:	5.375 per cent. per annum payable in arrear on each Interest Payment Date
	(b) Interest Payment Date(s):	8 February and 8 August in each year up to and including the Maturity Date
	(c) Fixed Coupon Amount(s):	U.S.\$26.875 per Calculation Amount
	(d) Broken Amount(s):	Not Applicable
	(e) Day Count Fraction:	30/360
	(f) Determination Date(s):	Not Applicable
	(g) Modified Fixed Rate Notes:	Not Applicable
15	Floating Rate Note Provisions	Not Applicable
16	Zero Coupon Note Provisions	Not Applicable

PROVISIONS RELATING TO REDEMPTION

17	Issuer Call:	Not Applicable
18	Investor Put:	Not Applicable
19	Change of Control Put:	Applicable
	(a) Optional Redemption Amount:	U.S.\$1,000 per Calculation Amount
	(b) Notice periods:	Minimum period: 30 days Maximum period: 60 days
20	Final Redemption Amount:	U.S.\$1,000 per Calculation Amount
21	Early Redemption Amount payable on redemption for taxation reasons or on event of default:	U.S.\$1,000 per Calculation Amount

GENERAL PROVISIONS APPLICABLE TO THE NOTES

22	Form of Notes:	
	(a) Form:	Registered Notes:

Regulation S Global Note registered in the name of a nominee for a common depository for Euroclear and Clearstream, Luxembourg exchangeable for Definitive Registered Notes upon an Exchange Event

Rule 144A Global Note(s) registered in the name of a nominee for DTC exchangeable for Definitive Registered Notes upon an Exchange Event

	(b) New Global Note:	No
23	Specified Financial Centre(s):	Not Applicable
24	Talons for future Coupons to be attached to Definitive Notes:	No

PROVISIONS APPLICABLE TO TURKISH LIRA NOTES

25	USD Payment Election:	Not Applicable
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Signed on behalf of TÜRKİYE İHRACAT KREDİ BANKASI A.Ş.

By:

Duly authorised

By:

Duly authorised

PART B – OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

2. (a) Listing and Admission to trading: Application has been made to the Irish Stock Exchange for the Notes to be admitted to the Official List and trading on its regulated market with effect from 8 February 2016
- (b) Estimate of total expenses related to admission to trading: EUR 3,000

3. RATINGS

- Ratings: The Notes to be issued are expected to be rated: BBB- by Fitch Ratings Ltd. (“Fitch”), Baa3 by Moody’s Deutschland GmbH (“Moody’s”) and BB+ by Standard & Poor’s Credit Market Services Europe Limited (“Standard & Poor’s”) and, together with Fitch and Moody’s, the “Rating Agencies”).
- Each of the Rating Agencies is established in the EU and is registered under Regulation No 1060/2009 (as amended)

4. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

Save for any fees payable to the Joint Lead Managers, so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer. The Joint Lead Managers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business.

5. YIELD

- Indication of yield: 5.475 per cent. per annum
- The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

6. OPERATIONAL INFORMATION

- (a) ISIN: Regulation S Notes: XS1345632811
Rule 144A Notes: US90015LAA52
- (b) Common Code: Regulation S Notes: 134563281
Rule 144A Notes: 134563338
- (c) CUSIP: Rule 144A Notes: 90015LAA5
- (d) Any clearing system(s) other than DTC, Euroclear and Clearstream, Luxembourg and the relevant identification number(s): Not Applicable
- (e) Delivery: Delivery against payment

- | | | |
|-----|--|---|
| (f) | Names and addresses of additional Paying Agent(s) (if any): | Not Applicable |
| (g) | Deemed delivery of clearing system notices for the purposes of Condition 15: | Any notice delivered to Noteholders of Notes held through a clearing system will be deemed to have been given on the second business day after the day on which it was given to the relevant clearing system. |
| (h) | Intended to be held in a manner which would allow Eurosystem eligibility: | No. Whilst the designation is specified as “no” at the date of these Issue Terms, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as common safekeeper or registered in the name of a nominee of one of the ICSDs acting as common safekeeper. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met. |

7. **DISTRIBUTION**

- | | | |
|-----|---|---|
| (a) | Method of distribution: | Syndicated |
| (b) | If syndicated, names of Managers: | Citigroup Global Markets Limited
HSBC Bank plc
ING Bank N.V., London Branch
Mitsubishi UFJ Securities International plc
Mizuho Securities USA Inc.
Standard Chartered Bank |
| (c) | Date of Subscription Agreement: | 4 February 2016 |
| (d) | Stabilisation Manager(s) (if any): | Citigroup Global Markets Limited |
| (e) | If non-syndicated, name of relevant Dealer: | Not Applicable |
| (f) | U.S. Selling Restrictions: | Regulation S Compliance Category 2 and Rule 144A |

FORM OF THE NOTES

For the purposes of this Prospectus, the sections entitled “*Registered Notes*” and “*Transfer of Interests*” in the “*Form of the Notes*” section of the Base Prospectus on pages 55 to 56 should be disregarded and instead read with the following sections.

Registered Notes

The Notes offered and sold in reliance on Regulation S in offshore transactions to persons other than U.S. persons will initially be represented by a global note in registered form (an “Unrestricted Global Certificate”). Prior to expiry of the distribution compliance period (as defined in Regulation S) applicable to the Notes, the Notes offered and sold in reliance on Regulation S (including Definitive Regulation S Registered Notes) or beneficial interests therein may not be offered or sold to, or for the account or benefit of, a U.S. person save as otherwise provided in Condition 2 and such beneficial interests in an Unrestricted Global Certificate may not be held otherwise than through Euroclear or Clearstream, Luxembourg and such Notes will bear a legend regarding such restrictions on transfer.

The Notes (or beneficial interests therein) offered and sold in the United States or to, or for the account or benefit of, U.S. persons may only be offered and sold in private transactions to QIBs that are also QPs. The Notes sold to QIBs that are also QPs pursuant to Rule 144A will be represented by a global note in registered form (a “Restricted Global Certificate”).

The Notes will either be (i) deposited with a custodian for, and registered in the name of a nominee of, the Depository Trust Company (“DTC”) or (ii) deposited with a common depository for Euroclear and Clearstream, Luxembourg, and registered in the name of a nominee of that common depository, as specified in the Terms and Conditions of the Notes in the Base Prospectus. Persons holding beneficial interests in the Notes will be entitled or required, as the case may be, under the circumstances described below, to receive physical delivery of definitive Notes in fully registered form.

Payments of principal, interest and any other amount in respect of the Registered Global Notes will, in the absence of provision to the contrary, be made to the person shown on the Register (as defined in Condition 7.4) as the registered holder of the Notes on the relevant Record Date. None of the Issuer, any Paying Agent or the Registrar will have any responsibility or liability for any aspect of the records relating to or payments or deliveries made on account of beneficial ownership interests in the Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests. Payments of principal, interest or any other amount in respect of the Notes in definitive form will, in the absence of provision to the contrary, be made to the persons shown on the Register on the relevant Record Date (as defined in Condition 7.4) immediately preceding the due date for payment in the manner provided in that Condition.

Interests in a Registered Global Note will be exchangeable (free of charge), in whole but not in part, for definitive Registered Notes without interest coupons or talons attached only upon the occurrence of an Exchange Event. For these purposes, “Exchange Event” means that (i) an Event of Default has occurred and is continuing, (ii) in the case of Notes registered in the name of a nominee for DTC, either DTC has notified the Issuer that it is unwilling or unable to continue to act as depository for the Notes and no alternative clearing system is available or DTC has ceased to constitute a clearing agency registered under the U.S. Securities Exchange Act of 1934, as amended (the “Exchange Act”) and no alternative clearing system is available, (iii) in the case of Notes registered in the name of a nominee for a common depository for Euroclear and Clearstream, Luxembourg, the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and, in any

such case, no successor clearing system is available or (iv) the Issuer has or will become subject to adverse tax consequences which would not be suffered were the Notes represented by the Registered Global Note in definitive form. The Issuer will promptly give notice to Noteholders in accordance with Condition 15 if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, DTC, Euroclear and/or Clearstream, Luxembourg or any person acting on their behalf (acting on the instructions of any holder of an interest in such Registered Global Note) may give notice to the Registrar requesting exchange and, in the event of the occurrence of an Exchange Event as described in (iv) above, the Issuer may also give notice to the Registrar requesting exchange. Any such exchange shall occur not later than ten days after the date of receipt of the first relevant notice by the Registrar.

Transfer of Interests

Interests in a Registered Global Note may, subject to compliance with all applicable restrictions, be transferred to a person who wishes to hold such interest in another Registered Global Note. No beneficial owner of an interest in a Registered Global Note will be able to transfer such interest, except in accordance with the applicable procedures of DTC, Euroclear and Clearstream, Luxembourg, in each case to the extent applicable. The Notes are also subject to the restrictions on transfer set forth therein and will bear a legend regarding such restrictions, see “*Subscription and Sale and Transfer and Selling Restrictions*” in the Base Prospectus.

General

A Note may be accelerated by the holder thereof in certain circumstances described in Condition 11. In such circumstances, where any Note is still represented by a Global Note and the Global Note (or any part thereof) has become due and repayable in accordance with the Conditions and payment in full of the amount due has not been made in accordance with the provisions of the Global Note then the Global Note will become void at 8.00 p.m. (London time) on such day. At the same time holders of interests in such Global Note credited to their accounts with Euroclear and/or Clearstream, Luxembourg and/or DTC, as the case may be, will become entitled to proceed directly against the Issuer on the basis of statements of account provided by Euroclear, Clearstream, Luxembourg and DTC on and subject to the terms of a deed of covenant dated 3 December 2015 and executed by the Issuer.

TAXATION

See the section in the Base Prospectus entitled “*Taxation*” for the other tax considerations applicable to the Notes.

Certain U.S. Federal Income Tax Considerations

The following is a summary of certain U.S. federal income tax consequences of the acquisition, ownership and disposition of Notes by a U.S. Holder (as defined below). This summary deals only with initial purchasers of Notes at the “issue price” (the first price at which a substantial amount of Notes are sold for money, excluding sales to underwriters, placement agents or wholesalers) in the initial offering that will hold the Notes as capital assets. The discussion does not cover all aspects of U.S. federal income taxation that may be relevant to, or the actual tax effect that any of the matters described herein will have on, the acquisition, ownership or disposition of Notes by particular investors (including consequences under the alternative minimum tax or Medicare tax on net investment income), and does not address state, local, non-U.S. or other tax laws. This summary also does not discuss all of the tax considerations that may be relevant to certain types of investors subject to special treatment under U.S. federal income tax law (such as financial institutions, insurance companies, individual retirement accounts and other tax-deferred accounts, tax-exempt organisations, dealers in securities or currencies, investors that will hold the Notes as part of straddles, hedging transactions or conversion transactions for U.S. federal income tax purposes, persons that have ceased to be U.S. citizens or lawful permanent residents of the United States, investors holding the Notes in connection with a trade or business conducted outside of the United States, U.S. citizens or lawful permanent residents living abroad or investors whose functional currency is not the U.S. dollar).

As used herein, the term “U.S. Holder” means a beneficial owner of Notes that is, for U.S. federal income tax purposes, (i) an individual citizen or resident of the United States, (ii) a corporation created or organised under the laws of the United States or any State thereof, (iii) an estate the income of which is subject to U.S. federal income tax without regard to its source or (iv) a trust if a court within the United States is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust, or the trust has validly elected to be treated as a domestic trust for U.S. federal income tax purposes.

The U.S. federal income tax treatment of a partner in an entity treated as a partnership for U.S. federal income tax purposes that holds Notes will depend on the status of the partner and the activities of the partnership. Prospective purchasers that are entities treated as partnerships for U.S. federal income tax purposes should consult their tax advisers concerning the U.S. federal income tax consequences to them and their partners of the acquisition, ownership and disposition of Notes by the partnership.

This summary is based on the tax laws of the United States, including the Internal Revenue Code of 1986, as amended (the “Code”), its legislative history, existing and proposed regulations thereunder, published rulings and court decisions, all as at the date hereof and all subject to change at any time, possibly with retroactive effect.

THE SUMMARY OF U.S. FEDERAL INCOME TAX CONSEQUENCES SET OUT BELOW IS FOR GENERAL INFORMATION ONLY. ALL PROSPECTIVE PURCHASERS SHOULD CONSULT THEIR TAX ADVISERS AS TO THE PARTICULAR TAX CONSEQUENCES TO THEM OF ACQUIRING, OWNING, AND DISPOSING OF THE NOTES, INCLUDING THE APPLICABILITY AND EFFECT OF STATE, LOCAL, NON-U.S. AND OTHER TAX LAWS AND POSSIBLE CHANGES IN TAX LAW.

Payments of interest

The Issuer does not expect the Notes to be, and this discussion assumes that the Notes will not be, issued with original issue discount (“OID”). Payments of stated interest on the Notes, including additional amounts, if any, generally will be taxable to a U.S. Holder as ordinary income at the time that such payments are received or accrued depending on such U.S. Holder’s method of accounting for U.S. federal income tax purposes. Interest paid on a Note and any additional amounts generally will constitute foreign source income for U.S. federal income tax purposes. U.S. Holders should consult their own tax advisers concerning the applicability of the foreign tax credit and source of income rules to income attributable to the Notes.

Sale and retirement of the Notes

A U.S. Holder generally will recognise gain or loss on the sale or retirement of a Note equal to the difference between the amount realised on the sale or retirement and the U.S. Holder’s adjusted tax basis of the Note. A U.S. Holder’s adjusted tax basis in a Note generally will be its U.S. dollar cost. The amount realised does not include any amount attributable to accrued but unpaid interest, which will be taxable as interest income to the extent not previously included in income. Gain or loss recognised by a U.S. Holder on the sale, exchange or other disposition of a Note generally will be capital gain or loss and will be long term capital gain or loss if the Note was held by the U.S. Holder for more than one year. The deductibility of capital losses is subject to significant limitations. Gain or loss realised by a U.S. Holder on the sale or retirement of a Note generally will be U.S. source. U.S. Holders should consult their own advisers as to the foreign tax credits implications of the sale or retirement of Notes.

Information reporting and backup withholding

Payments of principal and interest on, and the proceeds of sale or other disposition of Notes by a U.S. paying agent or other U.S. intermediary will be reported to the IRS and to the U.S. Holder as may be required under applicable regulations. Backup withholding may apply to these payments if the U.S. Holder fails to provide an accurate taxpayer identification number or certification of exempt status or fails to comply with applicable certification requirements. Certain U.S. Holders are not subject to backup withholding. U.S. Holders should consult their tax advisers about these rules and any other reporting obligations that may apply to the ownership or disposition of Notes, including requirements related to the holding of certain foreign financial assets.

CERTAIN CONSIDERATIONS FOR ERISA AND OTHER U.S. EMPLOYEE BENEFIT PLANS

Subject to the following discussion, the Notes may be acquired with assets of pension, profit-sharing or other employee benefit plans, as well as individual retirement accounts, Keogh plans and other plans and retirement arrangements, and any entity deemed to hold “plan assets” of the foregoing (each, a “Plan”). Section 406 of the United States Employee Retirement Income Security Act of 1974, as amended (“ERISA”) and Section 4975 of the Code prohibit a Plan subject to those provisions (each, a “Benefit Plan Investor”) from engaging in certain transactions with persons that are “parties in interest” under ERISA or “disqualified persons” under the Code with respect to such Benefit Plan Investor. A violation of these “prohibited transaction” rules may result in an excise tax or other penalties and liabilities under ERISA and the Code for such persons or the fiduciaries of such Benefit Plan Investor. In addition, Title I of ERISA requires fiduciaries of a Benefit Plan Investor subject to ERISA to make investments that are prudent, diversified and in accordance with the governing plan documents. Employee benefit plans that are U.S. governmental plans (as defined in Section 3(32) of ERISA), certain church plans (as defined in Section 3(33) of ERISA) and non-U.S. plans (as described in Section 4(b)(4) of ERISA) are not subject to the fiduciary and prohibited transaction provisions of ERISA or Section 4975 of the Code; however, such plans may be subject to similar restrictions under applicable state, local, other federal or non-U.S. law (“Similar Law”).

An investment in the Notes by or on behalf of a Benefit Plan Investor could give rise to a prohibited transaction if the Issuer is a party in interest or a disqualified person with respect to such Benefit Plan Investor. Certain exemptions from the prohibited transaction rules could be applicable to an investment in the Notes by a Benefit Plan Investor depending upon the type and circumstances of the plan fiduciary making the decision to acquire such investment and the relationship of the party in interest to the Benefit Plan Investor. Included among these exemptions are: Section 408(b)(17) of ERISA and Section 4975(d)(20) of the Code for certain transactions between a Benefit Plan Investor and non-fiduciary service providers to the Benefit Plan Investor; Prohibited Transaction Class Exemption (“PTCE”) 96-23, regarding transactions effected by “in-house asset managers;” PTCE 95-60, regarding investments by insurance company general accounts; PTCE 91-38, regarding investments by bank collective investment funds; PTCE 90-1, regarding investments by insurance company pooled separate accounts; and PTCE 84-14, regarding transactions effected by “qualified professional asset managers.” Even if the conditions specified in one or more of these exemptions are met, the scope of the relief provided by these exemptions might or might not cover all acts that might be construed as prohibited transactions. There can be no assurance that any of these, or any other exemption, will be available with respect to any particular transaction involving the Notes, and prospective investors that are Benefit Plan Investors and other Plans should consult with their legal advisers regarding the applicability of any such exemption and other applicable legal requirements.

By acquiring a Note, each purchaser and transferee (and if the purchaser or transferee is a Plan, its fiduciary) is deemed to represent and warrant that either: (a) it is not, and for so long as it holds the Note will not be, acquiring or holding a Note with the assets of a Benefit Plan Investor, or a U.S. governmental plan, church plan or non-U.S. plan that is subject to Similar Law, or (b) the acquisition, holding and disposition of the Note will not give rise to a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or a violation of Similar Law.

Prospective investors are advised to consult their advisers with respect to the consequences under ERISA and similar laws of the acquisition, ownership or disposition of the Notes.

SUBSCRIPTION AND SALE

None of the Issuer and the Joint Lead Managers represents that the Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale. The Issuer intends to offer the Notes through the Joint Lead Managers and their broker-dealer affiliates, as applicable, named below. Subject to the terms and conditions stated in a subscription agreement dated on or about 4 February 2016 (the “Subscription Agreement”), among the Joint Lead Managers and the Issuer, each of the Joint Lead Managers has severally agreed to purchase, and the Issuer has agreed to sell to each of the Joint Lead Managers, the principal amount of the Notes set forth opposite each Joint Lead Manager’s name below.

	Principal Amount of Notes
	<i>(U.S. dollars)</i>
Joint Lead Managers	
Citigroup Global Markets Limited.....	83,334,000
HSBC Bank plc	83,334,000
ING Bank N.V., London Branch	83,333,000
Mitsubishi UFJ Securities International plc.....	83,333,000
Mizuho Securities USA Inc.	83,333,000
Standard Chartered Bank.....	83,333,000
Total	500,000,000

The Subscription Agreement provides that the obligations of the Joint Lead Managers to purchase the Notes are subject to approval of legal matters by counsel and to other conditions. The Joint Lead Managers must purchase all the Notes if they purchase any of the Notes. The offering of the Notes by the Joint Lead Managers is subject to receipt and acceptance and subject to the Joint Lead Managers’ right to reject any order in whole or in part.

The Issuer has been informed that the Joint Lead Managers propose to resell the Notes at the offering prices set forth on the cover page of this Prospectus within the United States to persons reasonably believed to be qualified institutional buyers (as defined in Rule 144A) in reliance upon Rule 144A, and to non-U.S. persons outside the United States in reliance upon Regulation S. See “*Subscription and Sale and Transfer and Selling Restrictions*” in the Base Prospectus. The prices at which the Notes are offered may be changed at any time without notice.

Broker commissions

To the extent permitted by local law, the Joint Lead Managers and Issuer have agreed that commissions may be offered to certain brokers, financial advisers and other intermediaries based upon the amount of investment in the Notes purchased by such intermediary and/or its customers. Each such intermediary is required by law to comply with any disclosure and other obligations related thereto, and each customer of any such intermediary is responsible for determining for itself whether an investment in the Notes is consistent with its investment objectives.

Selling Restrictions

See the section in the Base Prospectus entitled “Selling Restrictions” (other than the section entitled “United States”) for the other selling restrictions applicable to the Notes.

United States of America

Offers and sales of the Notes in the United States will be made by those Joint Lead Managers or their affiliates that are registered broker-dealers under the Exchange Act, or in accordance with Rule 15a-6 thereunder.

Certain Joint Lead Managers are not broker-dealers registered with the SEC and, therefore, may not make sales of any Notes in the United States or to U.S. persons except in compliance with applicable U.S. laws and regulations. To the extent that such Joint Lead Managers intend to effect sales of the Notes in the United States, they will do so only through one or more U.S. registered broker-dealers or otherwise, as permitted by applicable U.S. law.

The Notes have not been registered under the Securities Act or any U.S. State securities laws and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act) except in transactions exempt from, or not subject to, the registration requirements of the Securities Act. See “*Subscription and Sale and Transfer and Selling Restrictions*” in the Base Prospectus.

Accordingly, until 40 days after the commencement of this offering, an offer or sale of the Notes within the United States by a dealer that is not participating in this offering may violate the registration requirements of the Securities Act if that offer or sale is made otherwise than in accordance with Rule 144A.

The Notes will constitute a new class of securities of the Bank with no established trading market. The Bank cannot assure you that the prices at which the Notes will sell in the market after this offering will not be lower than the initial offering price or that an active trading market for the Notes will develop and continue after this offering. The Joint Lead Managers have advised the Bank that they currently intend to make a market in the Notes. However, they are not obligated to do so, and they may discontinue any market-making activities with respect to the Notes at any time without notice. Accordingly, the Bank cannot assure you as to the liquidity of or the trading market for the Notes.

In connection with the offering, the Joint Lead Managers may purchase and sell the Notes in the open market. These transactions may include over-allotment, syndicate covering transactions and stabilising transactions. Over-allotment involves the sale of Notes in excess of the principal amount of Notes to be purchased by the Joint Lead Managers in this offering, which creates a short position for the Joint Lead Managers. Covering transactions involve the purchase of the Notes in the open market after the distribution has been completed in order to cover short positions. Stabilising transactions consist of certain bids or purchases of Notes made for the purpose of preventing or retarding a decline in the market price of the Notes while the offering is in progress. Any of these activities may have the effect of preventing or retarding a decline in the market price of the Notes. They may also cause the price of the Notes to be higher than the price that otherwise would exist in the open market in the absence of these transactions. The Joint Lead Managers may conduct these transactions in the over-the-counter market or otherwise. If the Joint Lead Managers commence any of these transactions, they may discontinue them at any time.

The Joint Lead Managers and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities. The Joint Lead Managers or their respective affiliates may have performed investment banking and advisory

services for the Issuer and its affiliates from time to time for which they may have received customary fees and expenses. The Joint Lead Managers or their respective affiliates may, from time to time, engage in transactions with and perform advisory and other services for the Issuer and its affiliates in the ordinary course of their business.

In the ordinary course of their various business activities, the Joint Lead Managers and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments of the Issuer or the Issuer's affiliates. Certain of the Joint Lead Managers or their affiliates that have a lending relationship with the Issuer hedge their credit exposure to the Issuer consistent with their customary risk management policies. These hedging activities could have an adverse effect on the future trading prices of the Notes offered hereby. Typically, such Joint Lead Managers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes. Any such short positions could adversely affect future trading prices of the Notes. The Joint Lead Managers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

The Issuer has agreed to indemnify the several Joint Lead Managers against certain liabilities, including liabilities under the Securities Act, or to contribute to payments that the Joint Lead Managers may be required to make because of those liabilities.

GENERAL INFORMATION

Authorisation

The establishment of the Programme and the issue of any Notes under the Programme within a year following 7 July 2015 (being the date of the resolution of the Board of Directors of the Issuer authorising the same) have been duly authorised by a resolution of the Board of Directors of the Issuer.

Listing of Notes

This Prospectus has been approved by the Central Bank of Ireland as a prospectus. Application has also been made to the Irish Stock Exchange for Notes issued under the Programme to be admitted to the Official List and to trading on the Main Securities Market. The Main Securities Market is a regulated market for the purposes of the MiFID.

Documents Available

For the period of 12 months following the date of this Prospectus, copies of the following documents will, when published, be available in physical form for inspection from the registered office of the Issuer and from the specified office of the Fiscal Agent for the time being in London:

- (a) the articles of association (with a certified English translation thereof) of the Issuer;
- (b) the independent auditors' audit reports and audited BRSA Financial Statements of the Issuer as at and for the year ended 31 December 2014;
- (c) the independent auditors' audit reports and audited BRSA Financial Statements of the Issuer as at and for the year ended 31 December 2013 (including 2012 comparatives);
- (d) the independent auditors' review report and the unaudited interim BRSA Financial Statements of the Issuer as at and for the nine months ended 30 September 2015 (with September 2014 comparatives);
- (e) the independent auditors' audit reports and audited IFRS Financial Statements of the Issuer as at and for the year ended 31 December 2014;
- (f) the independent auditors' audit reports and audited IFRS Financial Statements of the Issuer as at and for the year ended 31 December 2013 (including 2012 comparatives);
- (g) the Agency Agreement, the Deed of Covenant and the Deed Poll, and the forms of the Global Notes, the Notes in definitive form and the Coupons;
- (h) a copy of this Prospectus and the Base Prospectus (including any supplements thereto); and
- (i) any future base prospectuses, prospectuses, information memoranda, supplements and Final Terms (save that a Final Terms relating to a Note which is neither admitted to trading on a regulated market in the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published under the Prospectus Directive will only be available for inspection by a holder of such Note and such holder must produce evidence satisfactory to the Issuer and the Fiscal Agent as to its holding of Notes and identity) to this Prospectus and any other documents incorporated herein or therein by reference.

In addition, copies of the documents incorporated by reference herein will be available in electronic format on the Issuer's website, and a copy of this Prospectus will be available in electronic format on the Irish Stock Exchange's website.

See “*Documents Incorporated by Reference*” above. Each Final Terms relating to Notes which are admitted to trading on the Irish Stock Exchange’s regulated market will also be available on the Irish Stock Exchange’s website.

Clearing Systems

The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg which are the entities in charge of keeping the records. The appropriate Common Code and ISIN for each Tranche of Notes allocated by Euroclear and Clearstream, Luxembourg will be specified in the applicable Final Terms. In addition, the Issuer may make an application for any Notes in registered form to be accepted for trading in book-entry form by DTC. The CUSIP and/or CINS numbers for each Tranche of such Registered Notes, together with the relevant ISIN and (if applicable) Common Code, will be specified in the applicable Final Terms. If the Notes are to clear through an additional or alternative clearing system the appropriate information will be specified in the applicable Final Terms.

The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels. The address of Clearstream, Luxembourg is Clearstream Banking, 42 Avenue JF Kennedy, L-1855 Luxembourg. The address of DTC is 55 Water Street, New York, New York 10041, United States of America.

Conditions for determining price

The price and amount of Notes to be issued under the Programme will be determined by the Issuer and the relevant Dealer at the time of issue in accordance with prevailing market conditions.

Significant or Material Change

There has been no significant change in the financial or trading position of the Bank since 30 September 2015. There has been and no material adverse change in the financial position or prospects of the Bank since 31 December 2014.

Litigation

The Issuer is not and or has not been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) in the 12 months preceding the date of this document which may have or have in such period had a significant effect on the financial position or profitability of the Issuer.

Auditors

The BRSA Financial Statements as at and for the years ended 31 December 2014 and 2013 have been audited in accordance with the “Regulation Regarding the Authorisation and Activities of Institutions that will perform Independent Audit at Banks” published in the Official Gazette no: 26333 on 1 November 2006 and the International Standards on Auditing by KPMG, independent auditors, as stated in their report incorporated by reference herein. The IFRS Financial Statements as at and for the years ended 31 December 2014 and 2013 have been audited by KPMG in accordance with International Standards on Auditing.

KPMG, which is located at Kavacık Rüzgarlı Bahçe Mah. Kavak Sok. No 29, 34805 Beykoz, İstanbul, Turkey, is an independent certified public accountant in Turkey and is authorised by the BRSA to conduct independent audits of banks in Turkey.

With respect to the unaudited interim financial information as at 30 September 2015, and for the nine months then ended, incorporated by reference herein, the independent auditor has reported that they applied limited

procedures in accordance with professional standards for a review of such information. However, their report with respect thereto, incorporated by reference herein, states that they did not audit and they do not express an opinion on that interim financial information. Accordingly, the degree of reliance on their report on such information should be restricted in light of the limited nature of the review procedures applied.

Dealers transacting with the Issuer

Certain of the Dealers, the Arrangers and their respective affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services to, the Issuer and its affiliates in the ordinary course of business.

In addition, in the ordinary course of their business activities, the Arrangers, the Dealers and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or Issuer's affiliates. The Arrangers, certain of the Dealers and their respective affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, the Arrangers, such Dealers and their respective affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes issued under the Programme. Any such short positions could adversely affect future trading prices of Notes issued under the Programme. The Arrangers, the Dealers and their respective affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

Material Contracts

The Bank has not entered into any material contract outside the ordinary course of its business, which could result in the Bank being under an obligation or entitlement that is material to its ability to meet its obligations in respect of the Notes.

Foreign Text

The language of this Prospectus is English. Certain legislative references and technical terms have been cited in their original language in order that the correct technical meaning may be ascribed to them under applicable law.

ISSUER

Türkiye İhracat Kredi Bankası A.Ş.

Türkiye İhracat Kredi Bankası A.Ş.
Saray Mahallesi
Ahmet Tevfik İleri Caddesi No: 19
34768 Ümraniye, İstanbul
Turkey

FISCAL AGENT

Citibank, N.A., London Branch

Citigroup Centre
Canada Square, Canary Wharf
London E14 5LB
United Kingdom

REGISTRAR

Citigroup Global Markets Deutschland AG

Reuterweg 16
D-60323 Frankfurt am Main
Germany

JOINT LEAD MANAGERS

Citigroup Global Markets Limited

Citigroup Centre
Canada Square
Canary Wharf
London E14 5LB
United Kingdom

HSBC Bank plc

8 Canada Square
London E14 5HQ
United Kingdom

ING Bank N.V., London Branch

60 London Wall
London EC2M 5TQ
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