

**2018
ANNUAL REPORT**

tb TURKISHBANK

ESTABLISHED 1901

TURKISH BANK LIMITED

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TURKISH BANK LIMITED

BOARD OF DIRECTORS

I. Hakan Börteçene	Chairman
C. Yenal Musannıf, FCA	Head of Internal Control Systems
Kıvanç M. Rıza	Director and Secretary
Erhan Raif, FCCA	Director and General Manager
M.A. Yunus Rahmiođlu	Director
Murat Arıđ	Director
A. Melis Börteçene	Director
Nazım Hikmet, FCCA, YMM	Director
Sertaç Özinal	Director

SENIOR MANAGEMENT

Erhan Raif, FCCA	General Manager and Director
Mustafa Kayahan	Asst. General Manager – Loans, Human Resources, Strategic Planning, Digital Banking Group
M. Mine Başkaya	Asst. General Manager – Financial Affairs, Organisation and Project Group
Mehmet Salih Havalı	Asst. General Manager – Corporate, Commercial and Private Banking Group

INTERNAL CONTROL SYSTEMS

Ufuk Türkan	Head of Internal Audit and Internal Control
Nazlı Erk Cellatođlu	Head of Risk Management
Alper Adakale	Deputy Head of Regulations and Compliance

AUDITORS

ERDAL & CO.	Chartered Accountants
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TURKISH BANK (UK) LTD.

BOARD OF DIRECTORS

İ. Hakan Börteçene	Chairman
J.Heales	Director and Head of Audit Committee
S. Betteridge	Director and Head of Risk Committee
S. Bennett	Director and C.E.O
J.Gillan	Director
M. Arıĝ	Director
M.A. Yunus Rahmioĝlu	Director

AUDITORS

Mazars L. L. P.	Chartered Accountants
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TURKISH INSURANCE LIMITED

BOARD OF DIRECTORS

İ. Hakan Börteçene	Chairman
M.A.Yunus Rahmioĝlu	Vice - Chairman
C. Yenal Musannıf, FCA	Head of Risk Committee
Kıvanç M. Rıza	Director
Murat Arıĝ	Director
Engin Arı	Director and General Manager
Ahmet Bilgen	Director

COMPANY SECRETARY

Mustafa Kayahan

AUDITORS

ERDAL & CO.	Chartered Accountants
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TURKISH BANK LIMITED

Distinguished Members of the General Assembly, Dear Shareholders,

Looking back at how the economy around the world and in our country was in 2018, I would like to talk about the type of stance our Group has demonstrated.

Overview to the Economy in the World and Turkey

2018 was a year in which the uncertainties in the global economy were high and the global growth forecasts were revised downwards. The global growth which was 3.2% in 2018 was, first, projected to be 3.9% for 2019 and then was revised as 2.9%.

Within the framework of policies moving away from globalization, the effects of world trade wars on economies that are on the agenda with the US and China are tried to be calculated by most analysts. The Brexit, which led to various political fluctuations over the past year, remains to be the hot topic as another important issue of uncertainty. Even at the time of writing this letter, the Brexit with an uncertain fate is still ongoing as an important threat to the UK and all markets, the EU markets in particular.

As of 2017, the monetary tightening initiated by the Federal Reserve Bank ("FED") continued in 2018 and USD interest rates were moved to the range of 2.25% - 2.50% with four interest rate increases in line with expectations. However, announcements by the FED, in October, that it would not be in a hurry to continue the interest rate hikes expected for three or four times in 2019 gave rise to expectations that the FED will increase the interest rate once or twice throughout the year 2019. The European Central Bank is not expected to change its interest rates, which stand at 0% in EUR, throughout 2019 and, likewise, the Bank of Japan, which has a share of approximately \$ 5 trillion in global liquidity, is not expected to change its loose monetary policy, while the Bank of England's asset acquisition program of £435 billion is in progress and it is expected to increase its interest rates, which stand at 0.75%, once in 2019.

When we look at Turkey's economy in 2018, although the economy that grew, in 2017, by 7.3% continued to grow by 7.4% and 5.2%, respectively, in the first two quarters of 2018, the growth rate that went down to 1.6% in the Q3 and turned into negative in the last quarter and the economic growth in 2018 materialized as 2.6%.

Inflation, which went up to 25.2% in October, declined to 20.3% at the end of 2018, with the decline in oil prices and exchange rate. The CBRT's tight monetary policy stance is expected to continue until a permanent decline in inflation is achieved; and the expectation that the central banks of the developed countries would not increase their interest rate with the growth concerns and the Turkish Lira has appreciated more than other emerging currencies, leading to a positive separation.

Interest rates declined in the last quarter of the year, just like the inflation and exchange rates, interest rates of domestic debt securities issued by the Treasury decreased by around 450 base points and closed the year with 19.7% for 2-year term and 16.5% for 10-year term.

TRNC Economy

In 2018, the depreciation of TRY had negative effects on the TRNC economy that depends on import. Significant price increases in both the food and energy sectors led to a significant decrease in purchasing power. When looking at the fourth quarter of 2018, price hikes at around 30% made a mark in the economy. As a result of effects of such hikes on education fees, our universities, which are the locomotive of the service sector, have had difficulty in filling the quota of students. The 'construction sector', another locomotive sector, came to a stop due to increased exchange rates. The government's stimulus packages are intended to support the sector. The negative developments in the economy caused a contraction of 13% in import and a 2% decrease in export during the period of October - November. Although the number of passengers transported to the country has decreased compared to the previous year, it seems to be above the average of the last five years. Although the occupancy rates of tourist facilities seem to have decreased compared to the previous year, this is due to the increased bed capacity as a result of facilities recently opened. This development is an indicator of the growth of tourism sector.

In this annual report, we're sharing the economic report presentation for the last time. I know that you, our esteemed stakeholders, have been closely following the publications of our Group on economies of various countries and markets which have been available for many years. These publications, which are highly respected and received well in the public, have been diversified both as content and as medium throughout 2018.

Instagram is among our broadcasting channels and we also render services through short videos apart from written reports. Above all, we have launched a publication concerning the TRNC Economy in early 2019, which was something we wanted to do for many years and we have not been able to do to date due to lack of sufficient and high quality data as well as something we have thought is the missing link in our publications.

TURKISH BANK LIMITED

I hope you'll enjoy the newsletter attached to this report which we published in cooperation with the European University of Lefke.

Thanks to this report, which is going to be published regularly from now on, I believe that a significant shortcoming of our island has been eliminated and that we have also created a good example for the Bank - University cooperation.

The Performance of our Group and our Bank in 2018

When we look at the previous year's letters, we have used the phrase "tough year" many times, but I think 2018 has been the year that deserved such phrase the most among last couple of years. Our Group's long-established policies and values have, as always, led us to the right path during these difficult times. During these tough times, our customers with whom we have been working for many years have found us standing by them as a result of relationship banking, notably, high liquidity, prudent banking. In spite of all these difficulties, in 2018, when we increased our product range, providing fast and high quality service to our customers was our priority, as usual. Besides all of the foregoing, last year was a year when several entities of our Group achieved bright results.

As a matter of fact, with regards to our "Bonus Share" policy which has been going on uninterruptedly for the last 7 years, we'll further increase the bar and establish this year's distribution rate as 7,5%. This result was achieved by increasing the pre-tax profit of the TurkishBank by 150% compared to the previous year without compromising its asset quality in 2018. As an indicator of our strong capital structure, our capital adequacy ratio materialized as 20,38%.

We started the "Digital Transformation" process in 2018 in order to render all processes at our Group more efficient, offer a more enhanced banking experience to our customers and implement the rapid change taking place in the world banking in the most excellent manner possible. Temenos T24, which we have been using since 2009, widely used across the world in 150 countries and 3000 banks, is our most important business partner in this journey. Thanks to our strengthened staff and studies conducted with many international consultants, we completed the relevant infrastructure efforts to a great extent in 2018. We have, now, a structure that will enable us to fully focus on implementation in 2019. In 2019, many innovations await us in terms of customer experience and the way our employees work. Within the framework of the VK1 concept branch, which was rolled out in Istanbul last year, our working environment, notably, our branches, will undergo a drastic change in 2019 and 2020.

"Turkish 2020" really thrills us.

The first hints of this transformation can be seen in our "Video Banking" application which has been commissioned in live and audio fashion with image. Also, messaging and video "Whatsapp Banking" are indispensable qualities of the future banking.

Within the framework of our social responsibility activities, we sponsored Cem Yılmaz's world premiere show in London. The show that hosted 7000 persons in two days helped our Bank to unite with the Turkish community in London once again. In 2019, we will continue to make an impact with various projects of ours in this field.

Within the scope of the Environmental Policy adopted by the Board of Directors, electricity generation from solar energy will be started in 2019 under the project entitled "solar project" thanks to the permit obtained from the competent authorities. We aspire to set an example for the business community with what we'll be doing as part of our initiative called "Green Bank" within scope of fight against the Global Climate Change.

In 2019, we'll add a new cooperation to the Foreign Trade Development Program we started, in 2017, with the European Bank for Reconstruction and Development (EBRD). We are so glad that our project, launched during this month, supporting increased participation of our women in the business life has received a great deal of interest.

For 2019 which we declared as the year of speed, our motto is 3 months equal to 1 year. In this context, our first quarter results have materialized in line with our budget and at satisfactory levels.

As a pioneer and long-established organization of the Turkish Republic of Northern Cyprus, Turkish Bank Ltd. will continue its service-oriented approach to individual, private, commercial and corporate customers in 2019, too, in an incremental and effective manner, without compromising on its modern values. Our Bank continues to serve our country within the framework of its social responsibility understanding. It will continue to fund those important projects for development of the country that are sensitive to the environment, innovation-oriented and that will highlight the technology.

Lastly, I would like to thank our distinguished customers and our esteemed shareholders for their trust and support, and the Turkish Bank family for their self-sacrificing works during this difficult period.

I. Hakan Börteçene
Chairman of the Board of Directors

TURKISH BANK LIMITED

NOTICE OF ANNUAL GENERAL ASSEMBLY

It has been resolved that the Bank's Ordinary Shareholders' Meeting be held on April 25, 2019, Thursday at 16.00 hours at the Registered Office of the Bank in Nicosia at 92, Girne Avenue and the agenda of the Ordinary General Assembly be composed of the following;

- 1) Presentation of the Board of Directors' Report;
- 2) Reading and discussion of the Bank's and Group's balance sheets dated December 31, 2018 and the Bank's and Group's Profit and Loss Accounts and Independent Audit Report for 2018;
- 3) Election of nine persons to replace the nine Members of the Board of Directors whose office term has expired;

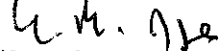
Note: The names of the members of the Board of Directors who have completed the one-year office term and who have the right to be re-elected are as follows:

Mr. İ. Hakan Börteçene
Mr. C. Yenal Musannıf,
Mr. Kıvanç M. Rıza,
Mr. M. A. Yunus Rahmiođlu,
Mr. Erhan Raif,
Mr. Murat Arıđ,
Ms. A. Melis Börteçene,
Mr. Nazım Hikmet
Mr. Sertaç Özinal.

- 4) Establishment of the allowance to be paid to Members of the Board of Directors;
- 5) Pursuant to article 87(2) of the Company's charter, appointment of those members of the Board of Directors who will hold an office at the bank in addition to Board of Directors membership and establishment by the General Assembly of their remunerations by taking into account their responsibilities, powers and other requirements of their positions, yet without associating it with the short-term performance of the Company; however, transfer by the power of General Assembly for establishing remunerations to be paid to persons appointed for the said offices to the Salary Committee of the Board of Directors;
- 6) Authorization of the Board of Directors for the appointment of an independent auditor and establishment of the salary.

Note: Erdal & Co., our current auditors, has stated their intention to continue to perform their duties. The Board of Directors recommends that Erdal & Co. continue to perform their duties and that their remuneration be determined by the Board of Directors.

Each shareholder who is entitled to attend to and vote at this meeting may appoint a proxy to attend and vote in his/her place; the proxy to be appointed in this manner does not have to be a shareholder. Relevant letters of proxy must have been sent to the Registered Office of the Bank at least 48 hours before the meeting time.


Kıvanç M. Rıza,
Secretary of the Company.

Nicosia, April 15, 2019

TURKISH BANK LIMITED

BOARD OF DIRECTORS' REPORT

The Bank's Board of Directors and auditors report, the balance sheet dated December 31, 2018 and the profit and loss account for 2018 are hereby submitted for the Board's information.

The strategic vision of our bank for 2018 was designed on niche opportunities, operational efficiency, increase of the group synergy and digitalization and efforts for sustainable development were made. T24 Temenos, the main banking package compatible with international standards we have been using since 2009 is being used in 150 countries by more than 3000 banks, whereas we plan to update it in a manner supporting the digital transformation in line with our strategies.

In line with its 2018 strategies, our aim is targeting niche areas and use opportunities in competitive market conditions. We have targeted strategies that could increase the competition through specialized products. In June 2018, our Bank became the first local bank to issue bank financing bonds amounting to TRY 10 million with a 92-day term in the TRNC banking sector. Owing to contribution of "Private Banking" and "Securities and Asset Management" divisions, the marketing efficiency of investment products has been increased. Also, "Woman Entrepreneur Banking" credit support package started to be marketed in April 2019 in collaboration with the European Bank for Reconstruction and Development.

Within scope of activities aimed at increasing the operational efficiency, process studies conducted by receiving consultancy at the Group basis are still ongoing. With the maturation of the process of specialization in the fields of Retail and Corporate Banking, our efforts to increase the customer satisfaction and to render services with sales-focused teams by decreasing the operational loads in our branches and units through process studies are in progress.

By leveraging the group synergy and using the advantage of "Expat Banking" segment and "Faster Payment" payment systems, "Sterling Express" and "Fast Cash" fast money transfer products have been launched for transferring Sterling to the UK. The target of "Digital Banking", the important and strategic motto for "Turkish Bank Group" for our future is provision of digitalized sales and operational services. In 2018, in line with the goal of reaching the paperless office within the context of digitalization, green policy applications were put into use.

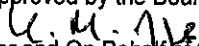
While rendering banking services for all kinds of financial needs of the society, Turkish Bank also serves our country in the fields of social responsibility. In order to reduce carbon emissions and costs within the framework of its green policies, our Bank decided to generate electricity to meet its own electricity needs. The Bank will continue to generate recycling projects for development of the country that are sensitive to the environment, innovation-oriented and that will highlight the technology.

On the other hand, as per the decision of the Extraordinary General Assembly held on April 25, 2019, our shareholders have been given Bonus Share at the rate of 7,5% and our paid-in capital has been increased to TRY 91,511,186. Under the new policy that was put into practice, subsidiaries have been valued with the equity method, added to our balance sheet with their fair values and our equity has increased to TRY 228,184,072. Despite the intense competition in the sector, our bank, which does not compromise on its transparent banking principle, has recorded a net operating profit of TRY 9.83 million.

All administrative and other expenses have been deducted and reserve has been set aside for accounts with limited probability of collection or are considered doubtful, as per the regulation that came into force under the former Law on Banks no. 39/2001 and a provision of TRY 2,777,750 in total has been set aside for corporate and income taxes. We kindly submit and advice to the Board distribution, as described below, of total profit amounting to TRY 11,173,635 which was found by adding the profit carried forward from year 2017 to TRY 9,831,499, the net profit for year 2018.

Transfer to Statutory Reserve	TRY	984.000
Transfer To Retained Earnings	TRY	10,189,635

Approved by the Board of Directors and signed on April 15, 2019.


For and On Behalf of the Board of Directors,
Kivanç M. Riza,
Secretary of the Company.
Nicosia, April 15, 2019

TURKISH BANK LIMITED

BOARD OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

Pursuant to the Banking Law, the Board of Directors is responsible for safely carrying out the Bank's activities within the framework of corporate governance principles and complying with applicable laws and other regulations.

Also, the board of directors is responsible for recognition of the operations in compliance with procedures and principles specified under the Uniform Chart of Accounts for Banks and Retention of Documents enacted under the Banking Law, preparation, approval and auditing of the financial statements, establishing of the financial reporting system including submission to the competent authorities and publication thereof, establishing duties, powers and responsibilities, rendering information systems sufficient and oversight of the application. In connection with the aforesaid obligations, board of directors is responsible for, with regards to the accounting and reporting system, taking measures required for the determination of the basic policies, clearly preparing the job descriptions in accordance with the workflow diagram of duties, authorities, and responsibilities, rendering internal and external information flow system sufficient, clearly determining authorities and responsibilities, and oversight of application in this regard.

The Companies Act requires the Board of Directors to prepare the balance sheet that truly and completely shows the financial standing of the Bank and the Profit or Loss account showing the profit and loss of the Bank as of the end of the financial year. The Board of Directors is responsible for duly keeping books in a manner that truly and completely reflect the financial standing of the Bank, explain transactions and provide information required under the Companies Act, Section 113, and, therefore, for taking any and all reasonable measures aimed at preventing and revealing frauds and irregularities.

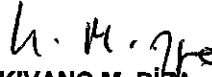
For and On Behalf of the Board of Directors,



İ. HAKAN BÖRTEÇENE
Chairman



ERHAN RAİF
General Manager and Director



KIVANÇ M. RİZA
Director and Secretary

Nicosia,
April 15, 2019.

TURKISH BANK LIMITED

ASSESSMENT OF THE OPERATIONS OF INTERNAL AUDIT - INTERNAL CONTROL, REGULATIONS - COMPLIANCE AND RISK MANAGEMENT SYSTEMS BY THE BOARD MEMBER RESPONSIBLE FOR INTERNAL SYSTEMS

Departments of Internal Audit & Internal Control, Compliance & Regulations, and Risk Management, carry out the functions of Internal Systems as stipulated by the regulations published by the Central Bank of Turkish Republic of Northern Cyprus. The three Units of the Internal Systems each have separate organizational structures, well defined duties and responsibilities which cover all the branches, operational departments of the Bank as well as the subsidiary company in Northern Cyprus. The aim of the Internal Systems is to ensure that the business strategy and internal policies of the Board are implemented and operations are carried out in line with the internal and external regulations. Units are responsible to assess and report on the risks that could have a negative impact, on the Bank's daily operations, growth and profitability, financial stability and reputation of the Bank. Reliable and timely external and internal financial and administrative reports are submitted to the Board by the Units, through the Board Member Responsible for Internal Systems.

The Internal Audit & Internal Control Department:

The Internal Audit & Internal Control Department carries out the internal audit and internal control functions covering all the branches, operation centers, the local subsidiary company as well as the departments of Risk Management and Compliance & Regulations. The audit function is implemented on a risk based approach and aim to ensure that the business activities and operations are in line with the Bank's strategy, policies and set objectives. The provisions of the audit plan for the year 2018 were fully implemented. Audit work carried out, to assess reliability of financial and other information, adequacy of measures in place to safeguard the assets, and the efficiency of the operations, do not indicate presence of any major weakness that could cause major disruptions to the operations of the Bank or in meeting its obligations on time. The operations of the Bank in general carry an acceptable level of risk and procedures followed with minor exceptions are in line with internal and external regulations. The Internal Control Unit of the Department also plays an essential role in the control and improvement of internal systems in place. Daily spot controls of selected transactions are carried out with the aim to prevent errors, unwanted events, and correct those that may have inadvertently occurred. The Department's total staff is seven as at the year end six of which are engaged in internal audit activities and the remaining one experienced personnel is responsible for the internal control function. As part of their career development plan, personnel regularly attend relevant in house and external courses.

The Bank's United Kingdom subsidiary Turkish Bank (UK) Ltd. is under the supervision of the Financial Conduct Authority as well as the Prudential Regulation Authority and is currently audited by external auditors Mazars LLP. The Bank and our local subsidiary company are audited by our statutory local auditors Erdal & Co. The Bank's consolidated annual financial reports are published both under local and IFRS standards. Accounts prepared under IFRS standards are audited by KPMG Istanbul.

To conclude, the internal audit and internal control functions based on a risk based approach and trained human resources, produced reports that highlighted areas of residual risks prevailing and provided valuable points for procedural improvements. The reports are submitted to the Board through the Board Member Responsible for Internal Systems.

Regulations and Compliance Unit:

The Regulations and Compliance Unit's operations are part of the Internal Systems of the Bank which aim to ensure that the business strategy and policies put in place by the Board, are abided by and operations and procedures are in line with internal and external rules and regulations and best banking practice.

The Regulator requires that the Unit must participate in the development of new products and services to ensure that they are in accordance with the internal and external rules, Banks' strategy and policies. The Unit is obliged and expected to provide all the relevant information under its responsibility as and when required by the Central Bank of Turkish Republic of Northern Cyprus. The Bank's personnel are kept informed by the Unit regarding new regulations and reporting requirements introduced by the Central Bank and other official authorities. Similarly any changes in the internal policies and procedures are brought to the attention of the personnel.

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Overseeing proper implementation of Anti Money Laundering procedures and operations is another major role and responsibility of the Unit. During the year Customer Acceptance Committee criteria were further enhanced to increase the effectiveness of the 'know your customer' procedures of new customers and new business proposals. Initiating major new business and account openings of customers originating from high risk countries are subject to the Committee approval. Bank utilize the Paygate System as part of its Anti Money Laundering procedures. All new customers are searched against international and local sanction lists using the Paygate Inspector system. Similarly scrutiny of the existing customers are carried out on a monthly basis. Daily transactions specially outgoing and incoming payment orders are automatically controlled for possible link to names involved with money laundering and in the finance of terrorism. As from October Paygate System has been extended by the introduction of the Paygate Analyser program. The Analyser program scrutinize customers transactions against pre determined transaction criteria and report major deviations. All suspicious transactions are dealt with as required by law. Sanction lists are updated regularly by following the relevant local and international developments.

Withdrawals from inactive deposit accounts are scrutinized on a real time basis. The Unit has established procedures and control systems to follow and ensure that all the official obligations are met on a timely basis. The Bank's web-site is updated on a regular basis, similarly web-site of the Central Bank and official gazette is monitored and relevant information is brought to the attention of the management and Bank personnel. Department, ensures that new instructions and procedures that are prepared and put into practice are implemented fully at the branches and the operating centers.

Risk Management Unit:

The Board of Directors, based on a risk reward relationship sets the risk appetite, tolerance limits, business and administrative policies, reporting and other procedures. The Risk Management Unit on the other hand is responsible to identify, measure, and quantify risks that are inherent in the procedures, business strategy and risk appetite levels. Risk Unit is also required to develop measures to mitigate risks that have been identified. The Unit submits its monthly activity reports to the Board through the Board Member Responsible for Internal Systems. The other major mission of the Unit is to foster the development of risk awareness culture at all levels of the organization. The Unit also is responsible to evaluate and report its assessment on risks associated with new products, procedures and other implementations. The Risk Management Unit measures and monitors the credit risk, market risk, liquidity risk and operational risk in accordance with the criteria and methodology set by the Central Bank and follow closely international standards for possible adoption.


Specific risks categories associated with the Bank's activities are:

- **Market Risk:** Market risk is the possible loss, in the financial institutions balance sheets interest bearing accounts, portfolios and foreign exchange positions held, due to adverse changes or fluctuations in interest and foreign exchange rates set by the markets. In order to mitigate its market risk Bank has set value at risk limits to its market risk amounts based on calculations defined as standard method by the Central Bank. Stress tests based on interest rate and exchange rate parity movements scenarios are in place to measure and evaluate unlikely events that are of low probability but with possible high impact on profits and capital adequacy positions of the Bank.
- **Credit Risk:** Credit risk is defined as the risk of a counterparty failing to meet its contractual obligations partially or in full when they are due. Bank loans and other counterparty obligations forms largest part of any Bank's risk exposure. Bank administers well established credit policies, rules, guides and procedures to monitor the counterparty risk such as lending limits, credit risk rating and sector based limits. It is also part of the Management's duties to oversee that risk taken are within the limits established and rules and procedures are followed in granting loans and when taking on other counterparty obligations.
- **Operational Risk:** Operational risk is defined as the possible risk of loss resulting from inadequate or failed internal processes, people and systems or from external events which includes legal risk. Bank's potential operational risks relating to products and service internal control procedures are periodically evaluated, quantified and reported by section managers. Risk Management Unit on the other hand follows and evaluates implementations of the policies and procedures established by

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- Board of Directors and reports its findings with suggestions for possible improvements. Business continuity and disaster recovery plans are continually updated, similarly new products and services prior to their implementation are scrutinized to minimize possible potential risks that may arise.
- **Liquidity Risk:** Liquidity risk is the risk that a bank due to the maturity mismatch of its assets and liabilities is unable to convert its assets to cash without incurring a loss. Similarly liquidity risk emerge due to the inability of a bank to meet its financial obligations on time because of lack of regular flow of funds, resulting in the deterioration in the level of its activities and general financial position. Asset and liability Committee determine the overall strategy of the asset and liability management function within the policy framework and risk appetite set by the Board of Directors. On the other hand Treasury Unit is responsible in the administration of the daily functions of liquidity and asset and liability management, bearing in mind profitability issues and daily fluctuations in interest and exchange rates. Risk Management Unit oversee that daily liquidity level is consistent with the Regulator's and the Board's requirements. In addition, based on the prevailing liquidity gap of assets and liabilities of the Bank, possible positive and negative effects of an increase or reduction in interest rates are analyzed on a monthly basis. Stress testing scenario analysis are also in place to measure the impact on the Bank's liquidity level of a run by deposit holders including the core deposit holders.

In conclusion, it is fair to state that the activities of the Internal Systems Units are of high quality and contribute positively, to the compliance functions of internal and external regulations, to the preparation of reliable and accurate reports, to the measures taken to increase the efficiency of operations and the reputation of the Bank.



C. Yenal Musannif

Board Member Responsible for Internal Systems.

TURKISH BANK LIMITED
INDEPENDENT AUDIT REPORT FOR THE ACCOUNTING PERIOD ENDED ON DECEMBER
31, 2018

We have audited the financial statements presented on pages 15 to 52, prepared in accordance with accounting principles and cost principle set forth on pages 20 to 22. As stated on page 9, it is the Board of Directors that is responsible for financial statements subject to the report. Our responsibility is to express an opinion on the financial statements based on our audit.

The audit has been conducted in accordance with the principles of independent auditing and provisions of the notifications regarding independent auditing institutions. These regulations include the assessment of the independent audit, functioning of the Bank's internal systems, its sufficient use and compliance of the infrastructure created for such purpose and systems used with the structure of the Bank and the Bank's having an effective internal control system in place. The audit also includes planning and execution of the audit in a manner offering reasonable assurance that financial statements do not contain any material errors, testing and examination of information regarding amounts and explanations shown on financial statements by way of sampling method, assessment of the presentation, as a whole, of accounting principles applied, material predictions made by the Board of Directors and financial statements. We believe that auditing evidences gained during the audit provide an appropriate and sufficient basis to form our opinion.

Opinion According to the Banking Law no. 62/2017

In our opinion, the financial report of Türk Bankası Limited, prepared as of December 31, 2018, has been found to be true in all important aspects, as explained in I-14, in accordance with the Banking Law No. 62/2017 and all relevant legislation published under this Law.

Opinion as per Chapter 113 of the Companies Act

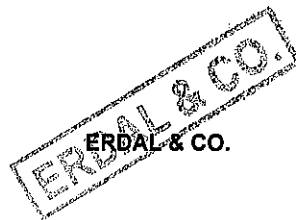
To the best of our knowledge and belief, we have received all the necessary information and explanations for the purposes of audit. In our opinion, as seen from the books we have audited, the Bank has duly kept the accounting books. The balance sheet and the profit and loss statement subject to the audit issue are in agreement with the accounting books kept by the Bank.

According to our opinion, the best information we have obtained and the explanations made to us, accounts provide the information as required by Chapter 113, Companies Act in the manner stipulated by the Law, the Balance Sheet shows the financial standing of the Bank as at December 31, 2018, the profit and loss statement shows the profit of 2018 truly in all aspects.

In our opinion, Group accounts are prepared in accordance with the rules of the Companies Act, Chapter 113 and, as far as shareholders are concerned, truly show the financial standing and profit of the Bank and its companies subject to consolidation in all material aspects.



Halil
Responsible auditor



Eral Erdal BSc FCA
Responsible Partner

Date: April 15, 2019
Nicosia

address: Bedrettin Demirel Cad, No: 100 Kat 2, PO Box 410 Nicosia, Cyprus, Mersin 10 – Turkey
phone: +90 (392) 227 26 63 fax: +90 (392) 227 71 51 mail: info@erdalco.com web: www.erdalco.com

TURKISH BANK LIMITED

THE BOARD OF DIRECTORS' AND SENIOR MANAGEMENT STATEMENT REGARDING FINANCIAL STATEMENTS PERTAINING TO THE ACCOUNTING PERIOD ENDED ON DECEMBER 31, 2018

The financial statements and the related explanations and footnotes on pages 15 to 52 have been found to be in compliance with the provisions of the Uniform Chart of Accounts for Banks and Retention of Documents enacted under the Banking Law and accounting records.



I.Hakan Borteçene
Chairman



Erhan Raif
General Manager and
Director



C.Yenal Musannif
The Board Member in
charge of Internal
Systems



M. Mine Baškaya
Assist. General Manager
Financial Affairs,
Organization and Project
Management Group



Üfey Yasakcı
Financial Affairs Supervisor

TURKISH BANK LIMITED


PROFIT AND LOSS ACCOUNT FOR THE YEAR 2018

	NOTE	CURRENT PERIOD PREVIOUS PERIOD	
		TL (31/12/18)	TL (31/12/17)
I - INTEREST INCOME	(1)	67,915,089	47,338,640
A. Interest income from loans		32,186,020	28,525,183
1) Interest income from TL loans		25,057,049	23,624,356
a - Short term		16,676,416	15,861,489
b - Medium and long term		8,480,634	7,772,867
2) Interest income from foreign currency loans		6,829,323	4,613,355
a - Short term		2,829,225	1,251,647
b - Medium and long term		4,000,098	3,361,708
3) Interest income from loans in arrears		299,649	207,472
B. Interest income from reserve deposits at the Central Bank		1,676,542	697,341
C. Interest income received from banks		23,043,446	10,451,287
1) TRNC Central Bank		2,803,546	1,412,749
2) Domestic banks		317,228	777,076
3) Foreign banks		19,922,673	8,260,662
4) Interest income from reverse repos		0	0
D. Interest income from securities portfolio		11,010,081	7,564,829
1) TRNC Development Bank securities		107,639	78,727
2) Other securities		10,902,442	7,586,102
E. Other interest income	(3)	0	0
II - INTEREST EXPENSES	(1)	33,387,835	24,499,025
A. Interest expense payable to deposits		20,397,455	14,516,833
1) Saving deposits		16,786,194	13,180,382
2) Official deposits		4,153	3,947
3) Commercial deposits		2,036,581	1,031,707
4) Other institution deposits		1,555,739	300,797
5) Bank deposits		14,788	0
B. Interest expense payable to foreign currency deposits		10,406,332	8,243,937
1) Saving deposits		8,271,209	6,676,397
2) Official deposits		53	40
3) Commercial deposits		2,049,067	1,525,317
4) Other institution deposits		41,220	10,267
5) Bank deposits		43,783	31,916
C. Reserve accounts		0	0
D. Interest expense on borrowings		16,103	504,694
1) TRNC Central Bank		1,830,786	1,231,212
2) Domestic banks		0	0
3) Foreign banks		0	0
4) Other institutions		1,830,786	1,231,212
E. Interest on debentures and securities issued		738,047	0
F. Other interest expense	(3)	112	2,349
III - NET INTEREST INCOME [I - II]		34,527,254	22,839,615
IV - OTHER INCOME	(1)	922,752,886	341,764,165
A. Fees and commissions received		7,335,246	6,594,834
1) From cash loans		467,922	624,799
2) From non-cash loans		250,990	287,101
3) Other		6,616,333	5,682,934
B. Profit from capital market operations		33,822	59,261
C. Foreign exchange profits		912,260,461	332,573,228
D. Dividends received from subsidiaries and participations		1,203,522	730,368
E. Extraordinary income		0	0
F. Other non-interest income	(3)	1,919,836	1,806,454
V - OTHER OPERATING EXPENSES	(1)	944,670,891	369,408,672
A. Fees and commissions paid		4,418,183	3,040,835
1) On cash loans		0	0
2) On non-cash loans		0	0
3) Other		4,418,183	3,040,835
B. Loss on capital market operations		0	0
C. Foreign exchange losses		905,040,029	328,147,195
D. Personnel expenses		16,068,931	14,255,362
E. Retirement pay compensation		0	0
F. Rental expenses		1,724,498	1,357,038
G. Depreciation		1,303,682	1,646,520
H. Taxes and duties		34,899	40,696
I. Extraordinary expenses		0	0
J. Provision for doubtful debts	(2)	305,572	1,986,639
K. Other provisions	(2)	706,345	934,749
L. Other non-interest expenses	(3)	15,068,752	7,999,638
VI - NET OTHER INCOME [IV - V]		(21,918,005)	(17,644,507)
VII - PROFIT BEFORE TAXATION [III + VI]		12,609,249	5,195,108
VIII - TAXATION		2,777,750	1,107,266
IX - NET PROFIT AFTER TAXATION [VII - VIII]		9,831,499	4,087,842

These financial statements were approved by the Board of Directors and signed on behalf of the Board Directors on 15 April 2019.


I. Hakan Bortecene
Chairman


Erhan Raif
General Manager
and Director


C. Yenal Musannif
Head of Internal
Control Systems


M. Mine Başkaya
Asst. General Manager
Financial Affairs, Organisation
and Project Group


Ümit Yasaka
Financial Affairs
Supervisor

TURKISH BANK LIMITED

BALANCE SHEET AT 31 DECEMBER 2018


ASSETS	NOTE	CURRENT PERIOD (31/12/2018)			PREVIOUS PERIOD (31/12/2017) Restated		
		TL	FX	TOTAL	TL	FX	TOTAL
I. CASH BALANCES		7,167,612	7,298,590	14,466,202	4,170,487	4,128,022	8,298,509
A. Cash-TL balances		7,167,612	0	7,167,612	4,170,487	0	4,170,487
B. Cash-foreign exchange		0	7,298,590	7,298,590	0	4,128,022	4,128,022
C. Other liquid assets		0	0	0	0	0	0
II. BANK BALANCES	(1)	177,859,415	459,974,542	637,830,957	60,648,116	426,814,109	487,462,225
A. TRNC Central Bank		14,874,513	345,099,016	359,973,529	11,860,258	213,719,948	225,580,206
B. Other Banks		162,984,902	114,872,526	277,857,428	48,787,858	213,094,161	261,882,019
1) Domestic Banks		0	0	0	0	0	0
2) Foreign Banks		162,984,902	114,872,526	277,857,428	48,787,858	213,094,161	261,882,019
3) Reverse Repo Receivables		0	0	0	0	0	0
III. SECURITIES PORTFOLIO (NET)	(2)	36,738,576	92,043,032	128,781,608	43,995,445	67,040,276	111,035,721
A. Treasury Bills		0	0	0	0	0	0
B. Other bills		36,738,576	6,003,085	42,741,661	43,995,445	4,490,900	48,486,345
C. Equity shares		0	0	0	0	0	0
D. Other securities		0	86,039,947	86,039,947	0	62,549,376	62,549,376
IV. LOANS AND ADVANCES	(3)	104,452,913	119,762,082	224,214,995	150,013,387	81,594,635	231,608,022
A. Short term		43,463,104	71,525,933	114,989,037	108,514,602	35,025,044	143,539,646
B. Medium and long term		60,989,809	48,236,149	109,225,958	41,498,785	46,569,591	88,068,376
V. LOANS IN ARREARS (NET)	(4)	0	0	0	0	0	0
A. Loans and other receivables with limited repayment		0	0	0	0	0	0
1) Gross receivable balances		269,697	7,441	277,138	131,494	57,251	188,745
2) Specific provision		(269,697)	(7,441)	(277,138)	(131,494)	(57,251)	(188,745)
B. receivables (Net)		0	0	0	0	0	0
1) Gross receivable balances		59,100	434,127	493,227	139,615	499,078	638,693
2) Specific provision		(59,100)	(434,127)	(493,227)	(139,615)	(499,078)	(638,693)
C. Bad debts and receivables (Net)		0	0	0	0	0	0
1) Gross receivable balances		1,752,630	2,164,998	3,917,628	1,717,567	2,222,608	3,940,165
2) Specific provision		(1,752,630)	(2,164,998)	(3,917,628)	(1,717,567)	(2,222,608)	(3,940,165)
VI. PREPAYMENTS AND ACCRUED INCOME		2,337,370	1,516,088	3,853,458	2,940,187	1,893,147	4,833,334
A. Loans and advances		108,873	308,152	417,025	688,739	871,045	1,559,784
B. Securities portfolio		1,012,104	1,186,617	2,198,721	1,130,608	842,332	1,972,940
C. Other		1,216,393	21,319	1,237,712	1,120,840	179,770	1,300,610
VII. FINANCIAL LEASING RECEIVABLES (NET)		0	0	0	0	0	0
A. Financial leasing receivables		0	0	0	0	0	0
B. Unearned income		0	0	0	0	0	0
VIII. RESERVE DEPOSITS AT THE CENTRAL BANK		18,248,063	65,118,885	73,366,948	21,621,900	48,067,759	69,689,659
IX. SUNDRY RECEIVABLES	(5)	139,564	1,934,909	2,074,473	214,928	2,557,195	2,772,123
X. PARTICIPATIONS (NET)	(6)	0	0	0	0	0	0
A. Financial participations		0	0	0	0	0	0
B. Other participations		0	0	0	0	0	0
XI. SUBSIDIARIES (NET)	(6)	7,230,572	152,899,508	160,130,080	6,012,495	114,997,833	121,010,328
A. Financial subsidiaries		7,230,572	152,899,508	160,130,080	6,012,495	114,997,833	121,010,328
B. Other subsidiaries		0	0	0	0	0	0
XII. LONG TERM INVESTMENTS	(7)	44,619	58,274,260	58,318,879	787,654	41,784,416	42,572,070
A. Equity shares		44,619	0	44,619	45,355	0	45,355
B. Other pledged securities		0	58,274,260	58,274,260	742,299	41,784,416	42,526,715
XIII. FIXED ASSETS	(8)	5,372,703	0	5,372,703	5,883,436	0	5,883,436
A. Book value		24,604,405	0	24,604,405	24,063,858	0	24,063,858
B. Accumulated depreciation		(19,231,702)	0	(19,231,702)	(18,180,422)	0	(18,180,422)
XIV. OTHER ASSETS	(9)	1,164,361	544,282	1,708,643	686,855	653,558	1,340,413
TOTAL ASSETS	(19)	360,755,768	949,363,178	1,310,118,946	296,974,890	789,530,950	1,086,505,840

ERDAL & CO.
Sorumlu Ortak
Sorumlu Denetörler

These financial statements were approved by the Board of Directors and signed on behalf of the Board Directors on 15 April 2019.


Hakan Börteçene
Chairman


Erhan Raif
General Manager
and Director


C.Yenal Musannif
Head of Internal
Control Systems


M. Mine Başkaya
Asst. General Manager
Financial Affairs, Organisation
and Project Group


Üfret Yasekci
Financial Affairs
Supervisor

TURKISH BANK LIMITED

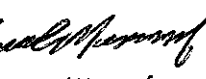
BALANCE SHEET AT 31 DECEMBER 2018

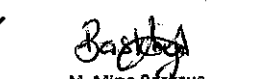
LIABILITIES	NOTE	CURRENT PERIOD (31/12/2018)			PREVIOUS PERIOD (31/12/2017) Restated		
		TL	FX	TOTAL	TL	FX	TOTAL
I - DEPOSITS	(10)	277,724,263	755,897,455	1,033,621,718	263,832,399	607,134,523	870,966,922
A. Saving deposits		225,576,769	650,448,812	876,025,581	226,672,317	516,392,210	743,064,527
B. Official deposits		1,124,468	184,686	1,309,154	1,605,406	71,957	1,677,363
C. Commercial deposits		34,470,852	99,166,813	133,637,665	27,638,944	88,055,663	115,694,607
D. Other institution deposits		16,523,259	5,918,055	22,441,314	7,887,765	2,486,153	10,373,918
E. Bank deposits		28,915	179,089	208,004	27,967	128,540	156,507
F. Gold reserve accounts		0	0	0	0	0	0
II - FUNDS OBTAINED FROM REPOS	(11)	0	0	0	543,020	0	543,020
III - FUNDS BORROWED	(12)	0	26,220,000	26,220,000	0	18,750,000	18,750,000
A. TRNC Central Bank		0	0	0	0	0	0
B. Other funds borrowed		0	26,220,000	26,220,000	0	18,750,000	18,750,000
1) Domestic bank and institutions		0	0	0	0	0	0
2) Foreign bank and institutions		0	0	0	0	0	0
3) Capital loans		0	26,220,000	26,220,000	0	18,750,000	18,750,000
IV - FUNDS	(13)	0	0	0	0	0	0
V - SECURITIES ISSUED (NET)	(14)	0	0	0	0	0	0
A. Bonds		0	0	0	0	0	0
B. Asset backed securities		0	0	0	0	0	0
C. Debentures		0	0	0	0	0	0
VI - EXPENSE ACCRUALS AND DEFERRED INCOME		1,306,687	3,035,295	4,341,982	1,046,517	2,133,474	3,179,991
A. Deposits		646,724	931,960	1,577,684	415,222	749,875	1,165,097
B. Borrowed funds		0	0	0	0	0	0
C. Other		660,963	2,103,335	2,764,298	631,295	1,383,599	2,014,894
VII - FINANCIAL LEASING PAYABLES (NET)		0	0	0	0	0	0
A. Financial leasing payables		0	0	0	0	0	0
B. Deferred financial leasing expenses		0	0	0	0	0	0
TAXES, DUTIES AND SOCIAL SECURITY PREMIUMS PAYABLE		1,452,956	289,569	1,742,525	1,139,662	130,340	1,270,002
IX - IMPORT TRANSFER ACCOUNTS		0	0	0	0	0	0
X - SUNDRY LIABILITIES	(15)	456,678	503,330	959,008	517,841	299,641	817,482
XI - PROVISIONS		3,716,873	3,026,580	6,743,453	2,590,396	3,292,753	5,883,149
A. Retirement pay compensation		0	0	0	0	0	0
B. General provision for loans		2,573,990	2,849,651	5,423,641	2,253,028	3,292,753	5,545,781
C. Corporation and Income Tax provisions		695,520	0	695,520	0	0	0
D. Other provisions		447,363	176,929	624,292	337,368	0	337,368
XII - OTHER LIABILITIES	(16)	7,198,935	1,107,252	8,306,187	3,102,313	1,737,437	4,839,750
XIII - SHAREHOLDERS' FUNDS	(17)	91,357,726	125,652,712	217,010,438	86,599,721	87,751,037	174,350,758
A. Share capital paid-up		85,126,685	0	85,126,685	81,072,525	0	81,072,525
1) Nominal share capital		85,126,685	0	85,126,685	81,072,525	0	81,072,525
2) Unpaid share capital		0	0	0	0	0	0
B. Statutory reserves		4,831,000	0	4,831,000	4,422,000	0	4,422,000
1) Statutory reserves		4,831,000	0	4,831,000	4,422,000	0	4,422,000
2) Share premium		0	0	0	0	0	0
3) Other legal reserves		0	0	0	0	0	0
C. General reserves		0	0	0	0	0	0
D. Statutory revaluation fund		0	0	0	0	0	0
E. Revaluation balances		1,400,041	125,652,712	127,052,753	1,205,196	87,751,037	88,956,233
F. Loss		0	0	0	0	0	0
1) Current period loss		0	0	0	0	0	0
2) Previous period losses		0	0	0	0	0	0
XIV - PROFIT		11,173,635	0	11,173,635	5,804,766	0	5,804,766
A. Current period profit		9,831,499	0	9,831,499	4,087,842	0	4,087,842
B. Previous period profits		1,342,136	0	1,342,136	1,716,924	0	1,716,924
TOTAL LIABILITIES	(19)	394,386,753	915,732,193	1,310,118,946	365,276,635	721,229,205	1,086,505,840
COMMITMENTS AND CONTINGENT LIABILITIES	(1)	2,634,929	14,048,114	16,683,043	2,626,680	5,801,484	8,428,164
I - GUARANTEES AND ACCEPTANCES	(2)	191,620,668	199,897,453	391,518,121	148,271,540	133,005,353	281,276,893
II - COMMITMENTS	(3)	0	0	0	40,990,721	301,023,529	342,014,250
III - FOREX & INTEREST RATES OPERATIONS	(4)	0	0	0	0	0	0
ASSETS HELD UNDER TRUST AND PLEDGED		103,887,357	229,923,046	333,810,403	133,164,323	174,540,079	307,704,402
ASSETS		298,142,954	443,868,613	742,011,567	325,053,264	614,370,445	939,423,709
TOTAL							

These financial statements were approved by the Board of Directors and signed on behalf of the Board Directors on 15 April 2019.


Hakan Bortegene
Chairman


Ertan Raif
General Manager
and Director


C.Yenal Musannif
Head of Internal
Control Systems


M. Mine Başkaya
Asst. General Manager
Financial Affairs, Organisation
and Project Group


Ufuk Yavaşcı
Financial Affairs
Supervisor


TURKISH BANK GROUP
CONSOLIDATED BALANCE SHEET AT 31 DECEMBER 2018

		CURRENT PERIOD TL (31/12/2018)	PREVIOUS PERIOD TL (31/12/2017) Restated
ASSETS			
I. CASH BALANCES	NOTE	748,366,924	347,480,117
II. BANK BALANCES		498,444,023	485,593,069
III. SECURITIES PORTFOLIO	I-(6)	134,024,761	115,142,817
IV. LOANS AND ADVANCES	I-(1)(ii)e	832,195,467	722,274,395
A. Short term		213,243,323	219,536,405
B. Medium and long term		618,952,144	502,737,990
V. LOANS IN ARREARS (NET)		28,491,761	9,463,462
A. Gross receivable balances		33,944,363	14,913,895
B. Specific provision		(5,452,602)	(5,450,433)
VI. DERIVATIVE FINANCIAL INSTRUMENT - ASSET VALUES		0	0
VII. PREPAYMENTS AND ACCRUED INCOME		3,906,423	4,889,933
VIII. RESERVE DEPOSITS AT THE CENTRAL BANK		73,366,948	69,689,659
IX. SUNDRY RECEIVABLES		2,074,473	2,772,123
X. LONG TERM INVESTMENTS	I-(6)	58,318,879	42,572,070
A. Equity shares		44,619	45,355
B. Other pledged securities		58,274,260	42,526,715
XI. FIXED ASSETS	I-(1)(ii)h, II-i-(8)a(ii)	67,293,790	54,397,823
A. Book value		109,572,330	88,138,215
B. Accumulated depreciation		(42,278,540)	(33,740,392)
XII. INTANGIBLE FIXED ASSETS	I-(1)(ii)i, II-i-(8)a(iii)	9,296,041	7,379,622
XIII. GOODWILL ON CONSOLIDATION		0	0
XIV. OTHER ASSETS		11,603,336	15,195,609
TOTAL ASSETS	II-ii-(19)e(ii)	2,467,382,826	1,876,850,699
LIABILITIES			
I. DEPOSITS		2,136,038,522	1,618,963,338
A. Savings deposits and other contractual accounts		2,011,139,108	1,603,781,935
B. Banks deposits		124,899,414	15,181,403
II. FUNDS DERIVED FROM REPO TRANSACTIONS		0	543,020
III. BORROWINGS		26,220,000	18,750,000
IV. DERIVATIVE FINANCIAL INSTRUMENT - LIABILITIES VALUES		0	0
V. EXPENSE ACCRUALS AND DEFERRED INCOME		4,341,976	3,179,970
VI. TAXES, DUTIES AND SOCIAL SECURITY PREMIUMS PAYABLE		2,252,373	1,675,463
VII. SUNDRY PAYABLES		2,074,719	1,418,739
VIII. PROVISIONS		11,630,591	9,216,065
A. General provision for loans		5,423,641	5,545,781
B. Corporation and Income Tax provisions	II-ii-(19)e(iii)	3,753,805	2,079,848
C. Other provisions		2,453,145	1,590,436
IX. OTHER LIABILITIES		19,157,975	14,109,112
X. MINORITY INTEREST	II-ii-(19)e(iv)	37,482,589	28,739,469
XI. SHAREHOLDERS' FUNDS	II-ii-(19)e(v)	228,184,081	180,255,523
A. Share capital-paid	II-ii-(17)a	85,126,685	81,072,525
B. Statutory reserves		4,831,000	4,422,000
C. Securities and Real Estate Revaluation Reserves		40,728,861	29,863,271
D. Consolidation Reserve		39,775,782	23,284,784
E. Profit and Loss Account		57,721,753	41,612,943
TOTAL LIABILITIES	II-ii-(19)e(ii)	2,467,382,826	1,876,850,699
COMMITMENTS AND CONTINGENT LIABILITIES			
I. GUARANTEES AND ACCEPTANCES		16,683,043	8,425,664
II. COMMITMENTS		3,008,652,003	1,843,077,056
III. FOREIGN EXCHANGE AND INTEREST RATES OPERATIONS		112,142,712	351,179,346
IV. ASSETS HELD UNDER TRUST AND PLEDGED ASSETS		333,810,403	307,704,402
TOTAL		3,471,288,161	2,510,386,468

These financial statements were approved by the Board of Directors and signed on behalf of the Board Directors on 15 April 2019.


I. Hakan Börteçene
Chairman


Erhan Raif
General Manager
and Director


C. Yenal Musannif
Head of Internal
Control Systems


M. Mine Başkaya
Asst. General Manager
Financial Affairs, Organisation
and Project Group


Üfret Başkaya
Financial Affairs
Supervisor

TURKISH BANK GROUP


CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR 2018

	NOTE	CURRENT PERIOD TL (31/12/2018)	PREVIOUS PERIOD TL (31/12/2017) Restated
I - INTEREST INCOME	I-(1)(ii)c	111,095,521	77,809,189
II - INTEREST EXPENSE		41,803,894	30,646,316
III - NET INTEREST INCOME		69,291,627	47,162,873
IV - OTHER INCOME		934,116,804	351,039,489
Commission and fee income	I-(1)(ii)c	15,042,125	13,154,379
Profits from capital market operations		33,822	59,281
Foreign exchange profits		914,814,228	333,921,232
Other non-interest income		1,730,327	1,643,247
Insurance business income		2,496,302	2,261,350
V - OTHER OPERATING EXPENSES		990,540,287	391,187,930
Fees and commissions paid		5,495,533	4,052,435
Loss on capital market operations		0	0
Foreign exchange losses		906,311,024	328,423,810
Personnel expenses		35,482,390	29,535,598
Depreciation	I-(1)(ii)h	5,683,087	4,343,134
Provision for doubtful debts	I-(1)(ii)e	426,300	2,032,162
Other provisions		706,345	934,749
Other non-interest expenses		36,435,608	21,866,042
VI - NET OTHER INCOME		(56,423,483)	(40,148,441)
VII - NET PROFIT BEFORE TAXATION	III-(4)	12,868,144	7,014,432
VIII - TAXATION	II-iii-(19)e(iii)	2,698,094	1,480,601
IX - NET PROFIT AFTER TAXATION		10,170,050	5,533,831
X - MINORITY INTERESTS	II-ii-(19)e(iv)	1,022,884	934,378
PROFIT ATTRIBUTABLE TO THE BANK			
XI - SHAREHOLDERS	II-ii-(19)e(v)	9,147,166	4,599,453

These financial statements were approved by the Board of Directors and signed on behalf of the Board of Directors on 15 April 2019.


I. Hakan Börteçene
Chairman


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General Manager
and Director


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Head of Internal
Control Systems


M. Mine Başkaya
Asst. General Manager
Financial Affairs, Organisation
and Project Group


Ümit Yaşako
Financial Affairs
Supervisor

TURKISH BANK LIMITED

I - NOTES TO THE ACCOUNTS AND DISCLOSURES REGARDING THE FINANCIAL STRUCTURE OF THE BANK:

(Amounts are shown in TRY)

Footnotes and explanations related to the current period:

(1) (i) The balance sheet became final after being approved by the Board of Directors on April 15, 2019.

(ii) Basic accounting policies applied by the Bank:

a. Accounting basis:

The Bank maintains its accounting records in Turkish Lira based on the acquisition cost in accordance with the Banking Law, Chapter 113, Companies Act and the tax legislation of TRNC, except for its subsidiaries. Subsidiaries have been valued with the equity method. The financial statements have been prepared in accordance with the Uniform Chart of Accounts and the accounting and evaluation principles, explained in the prospectus of the TRNC Banks Uniform Chart of Accounts issued by the TRNC Central Bank based on the provisions of the Banking Law No. 62/2017.

As at December 31, 2018, the Bank's and Group's consolidated financial statements are given with comparison against balances independently audited, dated December 31, 2017.

b. The Group's consolidated accounts:

These accounts have been prepared based on accounts of the Bank and its subsidiaries (affiliates, i.e. Turkish Bank (UK) Ltd. and Türk Sigorta Ltd.) for the fiscal year ended on December 31, 2018. According to the full consolidation method, the assets, liabilities, income, expenses and off-balance sheet items of the subsidiaries have been combined with the assets, liabilities, income, expenses and off-balance sheet items of the Parent Bank. The carrying value of the Bank's investments in subsidiaries and the portion of the subsidiaries' capital owned by the Bank have been netted. The balances and unrealized gains and losses arising from transactions between the subsidiaries within scope of the consolidation and the Parent Bank have been mutually written off.

c. Interest and commission revenues:

Interest, accrual, interests and commissions of non-performing receivables have been credited according to the principle of collection.

Turkish Bank (UK) Ltd. calculates its interest revenues with effective interest rate method. The commission revenues are considered as a part of the effective interest rate and spread over the term of the instrument. Fees and commissions derived from banking services are credited according to the principle of collection.

d. Foreign currencies:

Foreign currency transactions have been converted into Turkish Lira using the current exchange rates at the transaction date and booked. Foreign currency assets and liabilities, except for the non-performing loans, have been transferred to the accounts over the exchange rates effective on December 31, 2018. On the other hand, non-performing loans have been valued with the exchange rates effective at dates when they have been included in the scope of the illiquid claim as per the legislation.

e. Explanations on Financial Instruments:

Financial instruments consist of financial assets, financial liabilities and derivative instruments. Financial instruments constitute the basis of the Bank's commercial activities and operations. Risks related to these instruments constitute a substantial part of the total risk taken by the Bank. Financial instruments affect liquidity, credit and market risks in the Bank's balance sheet in all aspects. The Bank purchases and sells these instruments on behalf of its customers and in its own account.

Financial instruments mainly constitute the commercial activities and operations of the Bank. These instruments are capable of revealing, influencing and reducing the liquidity, credit and interest rate risk in the financial statements.

TURKISH BANK LIMITED

I - NOTES TO THE ACCOUNTS AND DISCLOSURES REGARDING THE FINANCIAL STRUCTURE OF THE BANK (continued):

(Amounts are shown in TRY)

f. Explanations on Strategy of Using Financial Instruments:

The Bank aims to continue its activities in all areas of banking. The Bank directs its strategies related to financial instruments depending on its resource structure. The resource structure mainly consists of deposits and loans utilized from time to time. Investment instruments are generally selected from among liquid instruments. Liquidity is provided which will cover liabilities. As of the balance sheet date, the assets and equity structure of the Bank is sufficient to meet its liabilities.

The Bank does not take serious foreign exchange positions due to the risks arising from the floating exchange rate regime.

Necessary investment decisions are made by taking into consideration the maturity structure and interest rates of balance sheet items. The limits for the balance sheet have been determined. The yield analysis of the active items of which distribution has been determined is carried out according to the distribution.

g. Loans and non-performing receivables:

The Bank's loans and non-performing receivables have been regulated by taking into account the "Regulation on Qualities of Bank's Loans and Other Receivables and Reserves", as published under the abolished Law on Banks no. 39/2001, article 23(6) and that is still in full force and effect under the Law on Banking no. 62/2017, and necessary special and general provisions have been set aside. Special provisions have been valued at the historical exchange rates of the related non-performing receivable accounts and 100% provision has been set aside for these accounts.

Turkish Bank (UK) Ltd., first, recognizes its loans and receivables at their fair values and then values them at their discounted cost values using the effective interest rate method. Fees and other similar expenses received as collateral thereof and paid in relation to assets that may not be collected are not considered as a part of the transaction cost and are recognized in the expense accounts. When problematic accounts are considered as non-performing loans, special provision is set aside in the profit and loss items for the impairments established in the said accounts.

h. Explanations regarding tax practices:

Türk Bankası Ltd and Türk Sigorta Ltd pay 10% corporate tax over their taxable income, and 15% income tax over the balance that remains after deducting Corporation tax. Total tax liability is 23.5%. (2017-%23.5)

Turkish Bank (U.K.) pays 19% corporate tax over its taxable income (2017-19.25%)

Deferred Tax Provision:

Deferred Tax Provision is a tax liability that can be incurred as a result of tax legislation and accounting application differences, and provision is made in accounts for the estimated taxes that are predicted to be finalized in the future.

i. Leasing Transactions:

The Bank has no fixed asset acquired by way of financial leasing. The Bank has no financial leasing transactions whereby it is the lessor.

The Bank recognizes as expense its rent payments effected by it as a result of the lease contracts within its operational activities in equal amounts over the lease term.

The assets obtained by financial leasing in Turkish Bank (UK) Ltd. are presented under "Fixed Assets" item and the unpaid portion of the costs of such fixed assets are presented under the "Other Liabilities" item. Interest is recognized as expense in equal amounts throughout the term of the lease contract.

TURKISH BANK LIMITED

I - NOTES TO THE ACCOUNTS AND DISCLOSURES REGARDING THE FINANCIAL STRUCTURE OF THE BANK (continued):

(Amounts are shown in TRY)

i. Fixed Assets (Tangible fixed assets)

(i) Buildings and fixtures owned by Türk Bankası Ltd. and Türk Sigorta Ltd., the subsidiary, have been subjected to depreciation with straight-line method at rates of 3 -33,33%, by taking into account their useful lives.

Tangible fixed assets are reflected at cost values corrected according to the effects of inflation as of December 31, 2006 for the items bought before January 1, 2007 as per the law no. 66/1999, and by deducting accumulated amortization from purchasing cost values for items bought in periods thereafter.

(ii) The immovable property owned by Turkish Bank (UK) Ltd., the subsidiary, was appraised by independent expert witnesses in December 2017. The valuation was carried out over the current market rate, based on the current use of the premises. Other tangible fixed assets have been reflected at the acquisition cost. Depreciation allowance has been set aside by using the straight-line method for tangible fixed assets other than land, taking into account the useful lives, at annual rates of 2% for bank buildings and 5-20% for other tangible fixed assets.

(iii) The expenses incurred for ordinary maintenance and repair of tangible assets are recognized as an expense. There are no liens, mortgages or similar restrictions on the tangible fixed assets.

j. Intangible fixed assets:

The intangible fixed assets consist of computer software used by Turkish Bank (UK) Ltd. Their useful life has been calculated as five years and they are amortized by using straight-line method at 20% annual rate.

k. Explanations on forward transactions, options and derivative instruments:

The derivative transactions of the Bank consist of TRY and FX swaps and foreign currency forward contracts. Derivative transactions are first recognized at acquisition cost and transaction costs related to them are included in the acquisition cost. Also, payables and receivables arising from the derivative transactions are followed in the off-balance sheet accounts at their contractual values.

Derivative transactions are valued at fair value in periods following their recognition and they are shown on the balance sheet within "Interest and Expense Accruals and Rediscounts" or "Interest and expense rediscounts", respectively, depending on whether the fair value is positive or negative. The difference in the fair value arising as a result of the valuation so conducted is reflected upon profit or loss.

(2) General Information about the Bank:

a) Legal structure of the bank:

Turkish Bank Limited is a publicly-traded company, registered under the Companies Act, Section 113, which is subject to the Banking Law no. 62/2017. 100% of the shares are listed in Northern Cyprus Stock Exchange.

b) The Board of Directors, senior executives, and Internal Systems managers, including Head of the Internal Audit and Internal Control, and the independent External Auditor are listed on page 4 of the financial report. Changes taking place in senior executives and auditors:

- As of April 26, 2018, M. A. Yunus Rahmioğlu has stepped down from his position as General Manager and has been appointed as the Member of the Board of Directors in charge of Affiliates.
- As of April 26, 2018, Erhan Raif has been appointed as the General Manager and a member of the Board of Directors.

TURKISH BANK LIMITED

I - NOTES TO THE ACCOUNTS AND DISCLOSURES REGARDING THE FINANCIAL STRUCTURE OF THE BANK (continued):

(Amounts are shown in TRY)

- Mehmet Salih Havalı, the Director of the Corporate and Commercial Banking Division, has been appointed as the Assistant General Manager in charge of Corporate, Commercial and Private Banking Group as of 01.06.2018.

- Erol Alakoç, Assistant General Manager in charge of Retail Banking, has left our Bank on 30.09.2018.

- Mustafa Biçercioğlu, Assistant General Manager in charge of Financial Affairs, has been appointed as the Assistant General Manager to Türk Sigorta Ltd. Şti., our subsidiary, as of 01.10.2018.

-Ms. Münire Mine Başkaya, the director of the Operation Center, was appointed as the Assistant General Manager in charge of Operation, Organization and Project Management on 01.06.2018. She has been holding the office as Assistant General Manager in charge of Financial Affairs, Organization and Project Management Group since 01.10.2018.

c) The Board of Directors, Member in charge of Internal System, senior executives and internal system unit staff are composed of persons bearing qualities set forth in Articles 18, 19 and 20 of Part Three of the Banking Law no 62/2017 and the "Legislation on Internal Audit, Risk Management, Internal Control and Management Systems at Banks".

d) The Bank's management has ascertained that the Bank's internal control system is reliable during its audits and controls.

e) Summary Information Regarding the Bank's Service Type and Fields of Activity

Main fields of activity of the Bank include credit and deposit transactions, payment transactions, domestic and foreign trade financing transactions, any and all national and international letters of guarantee, capital market brokerage transactions, foreign exchange transactions, securities transactions, safe deposit boxes, insurance agency and banking transactions stipulated by TRNC Central Bank and other legislation.

(3) Amendments to implementation of accounting policies and monetary effects:

No changes were made in accounting policies in 2018.

(4) Concepts of continuity, periodicity and consistency are fully adhered to.

(5) There has been no change in the valuation methods applied for the determination of the period results at the Bank.

(6) Methods used in the valuation of securities (including subsidiaries, affiliates, long term securities):

Securities of Türk Bankası Ltd. and Türk Sigorta Ltd.:

Securities have been valued at acquisition cost. They have been valued after premium paid for acquisition costs in case of purchase or discounts received are calculated according to the accrual principle and by taking into account final increases in value and impairments.

Securities of Turkish Bank (UK) Ltd.:

(i) Securities purchases consist of papers tracked in classes of available for sale financial assets and financial assets held to maturity in the light of Bank's purpose for acquisition. All of them are presented in the consolidated balance sheet within "Securities Wallet".

TURKISH BANK LIMITED

I - NOTES TO THE ACCOUNTS AND DISCLOSURES REGARDING THE FINANCIAL STRUCTURE OF THE BANK (continued):

(Amounts are shown in TRY)

After available-for-sale financial assets are recognized, they are valued at their fair value. Changes that occur in fair value of available for sale financial assets are reflected under equity accounts. If the relevant asset is disposed of or impaired, the amount in equity accounts is transferred to the income statement as profit/loss. The exchange rate difference and interest calculated according to the effective interest rate method are reflected upon the income statement.

(ii) Held-to-maturity financial assets are subjected to valuation at their amortized cost using the internal rate of return method, and provision is set aside for impairment, if any. The interest calculated according to the effective interest rate method is reflected upon the income statement.

Affiliates, subsidiaries and share certificates:

Share certificates purchased before January 1, 2007 are monitored at cost values corrected according to the effects of inflation as of December 31, 2006 as per the law no. 66/1999. Subsidiaries have been valued with the equity method since 2015.

- (7) **The exchange risk the Bank is exposed to due to foreign currency transactions and our hedging strategies:**
Purchase and sales agreements made in connection with assets and liabilities in foreign currency result in foreign currency risk. Our Group carries out foreign exchange asset and liability management in accordance with the limits of matching all kinds of price, liquidity and credit risks with targeted maturity and currency type.
- (8) **The breakdown of valuation exchange rate used for preparation of the balance sheet and foreign exchange buying rates for the US\$ and STG announced by the Bank during the five business days prior to the balance sheet date is as follows:**

	Current Period		Previous Period
US Dollar:	5.24400		3.75000
Previous:			
1. Foreign Exchange Buying Rate of the Day	5.21750	TL.	3.74900 TL.
2. Foreign Exchange Buying Rate of the Day	5.24400	TL.	3.79200 TL.
3. Foreign Exchange Buying Rate of the Day	5.24700	TL.	3.77400 TL.
4. Foreign Exchange Buying Rate of the Day	5.26600	TL.	3.76800 TL.
5. Foreign Exchange Buying Rate of the Day	5.26000	TL.	3.78600 TL.
	Current Period		Previous Period
STG:	6.70710		5.05800
Previous:			
1. Foreign Exchange Buying Rate of the Day	6.59960	TL.	5.03100 TL.
2. Foreign Exchange Buying Rate of the Day	6.63370	TL.	5.07100 TL.
3. Foreign Exchange Buying Rate of the Day	6.65320	TL.	5.03100 TL.
4. Foreign Exchange Buying Rate of the Day	6.68200	TL.	5.03100 TL.
5. Foreign Exchange Buying Rate of the Day	6.66280	TL.	5.05600 TL.

- (9) **Total Insurance amounts of assets are as follows.**

	<u>Current Period: 31/12/2018</u>		
	<u>Book Value</u>	<u>Depreciation</u>	<u>Insurance Amount</u>
Our Assets	24,604,405	19,231,702	23,905,370
Movables	16,640,969	14,607,685	14,821,145
Immovable Properties	7,963,436	4,624,067	9,084,225
Assets To Be Disposed of	-	-	-
	<u>Previous Period: 31/12/2017</u>		
	<u>Book Value</u>	<u>Depreciation</u>	<u>Insurance Amount</u>
Our Assets	24,063,858	18,180,422	19,565,006
Movables	15,868,288	13,526,592	10,549,420
Immovable Properties	8,195,570	4,653,830	9,015,586
Assets To Be Disposed of	-	-	-

TURKISH BANK LIMITED

I - NOTES TO THE ACCOUNTS AND DISCLOSURES REGARDING THE FINANCIAL STRUCTURE OF THE BANK (continued):

(Amounts are shown in TRY)

(10) Material contingent losses and earnings amounts of which cannot be estimated:

There are no material contingent losses and earnings amounts of which cannot be estimated.

(11) Issues about which new piece of information has been received by the Bank with regards to a situation existing as at the date of balance sheet and which require an up-to-date explanation:

a) **Transactions not yet finalized with regards to post-balance sheet and their effects on the financial statements:** There are no issued that affect the financial statements following the balance sheet date.

b) **Effect of those changes in the exchange rates that have occurred after the balance sheet date which are so material that they may affect assessment on the financial statement and decision taking by users of the financial statement if not disclosed on foreign currency transactions, items and financial statements:** There are no material changes.

(12) Any other issue which materially affects the balance sheet, or should be disclosed for making the balance sheet clear, interpretable and understandable: Unless otherwise specified, amounts are expressed in Turkish Lira (TRY).

(13) Bank's Standard Capital Adequacy Ratio:

a) **Information on Risk Weighted Items;**

	Current Period
I.MARKET RISK	28,775
II.OPERATIONAL RISK	70,875
III.CREDIT RISK(a+b+c+c)	249,856
a. 20% RISK WEIGHTED ASSETS	69,661
b. 50% RISK WEIGHTED ASSETS	26,596
c. 100% RISK WEIGHTED ASSETS	153,599
c. COUNTERPARTY CREDIT RISK	0
IV.TOTAL RISK WEIGHTED ASSETS (I + II + III)	349,506

b) **Information on Equity Items;**

	Current Period
I. TOTAL CAPITAL (II + III)	
II. TIER I CAPITAL	100,132
III. ADDITIONAL CAPITAL	0
IV. CONTRIBUTED CAPITAL	-24,455
V. NET CAPITAL (I + IV)	75,677

c) **Summarized Information related to Standard Capital Adequacy Ratio;**

	TL. %	TL. %
	Current Period	Previous Period
Total Risk-Weighted Assets	349,506	395,799
Net Capital	75,677	62,906
Capital Adequacy Ratio (%)	% 21.65	% 15.89

TURKISH BANK LIMITED

I - NOTES TO THE ACCOUNTS AND DISCLOSURES REGARDING THE FINANCIAL STRUCTURE OF THE BANK (continued):

(Amounts are shown in TRY)

(14) Opinion of the Independent Audit Institution auditing the financial statements (consistent with the legislation):

Information that must be provided in accordance with Article 12 of the legislation on the Principles Regarding the Institutions that are to Perform Independent Audit at Banks, as issued by the Central Bank of TRNC:

a) Legal structure of the bank:

Turkish Bank Limited is a publicly-traded company, registered under the Companies Act, Chapter 113, which is subject to the Banking Law no. 62/2017. 100% of the shares are listed in Northern Cyprus Stock Exchange.

b) The capital structure and shareholders of the Bank are as follows. Information on changes made in the capital of the bank is given in the balance sheet footnote II (17) c).

Shareholders	Share Type	Amount of Shares	Share Value	Total Amount of Shares	Ratio (%)
T.Özyol Yatırımları Limited.	A	11,349	0,10	1,134.90	%78.33
	B	66,666,472	1,00	66,666,472	
Özyol Holding A.Ş	A	10,436,034	1,00	10,436,034	%12,26
Saray Kredi Şirketi Limited.	A	960	0,10	96	%5
	B	4,254,798	1,00	4,254,798	
Diğerleri	A	8,071	0,10	807,10	%4,41
	B	3,767,343	1,00	3,767,343	

c) The Board of Directors and senior executives and managers of the internal systems are listed on page 3 of the financial report. Changes taking place in senior executives and auditors.

- As of April 26, 2018, M. A. Yunus Rahmioğlu has stepped down from his position as General Manager and has been appointed as the Member of the Board of Directors in charge of Affiliates.
- As of April 26, 2018, Erhan Raif has been appointed as the General Manager and a member of the Board of Directors.
- Mehmet Salih Havalı, the Director of the Corporate and Commercial Banking Division, has been appointed as the Assistant General Manager in charge of Corporate, Commercial and Private Banking Group as of 01.06.2018.
- Erol Alakoç, Assistant General Manager in charge of Retail Banking, has left our Bank on 30.09.2018.
- Mustafa Biçercioğlu, Assistant General Manager in charge of Financial Affairs, has been appointed as the Assistant General Manager to Türk Sigorta Ltd. Şti., our subsidiary, as of 01.10.2018.
- Ms. Münire Mine Başkaya, our Assistant General Manager, has been appointed as the Assistant General Manager in charge of Financial Affairs, Organization and Project Management Group as at 01.10.2018. Qualifications of the Bank's Board of Directors and senior executives as well as managers of internal systems are consistent with the Banking legislation.

ç) After the balance sheet period, to the best of our knowledge, there were no material changes or developments that may affect the Bank's situation.

d) The Bank's statement regarding the reliability of the Bank's internal control system is satisfactory.

e) Long net position of TRY 162.811 thousand in total has been detected in currencies of GBP, AUD and JPY.

TURKISH BANK LIMITED

I - NOTES TO THE ACCOUNTS AND DISCLOSURES REGARDING THE FINANCIAL STRUCTURE OF THE BANK (continued):

(Amounts are shown in TRY)

f) i. Establishment of Internal Systems

- Internal Systems Unit was established within the framework of the procedure stipulated in the Internal Audit, Risk Management, Internal Control and Management Systems regulations issued by the Central Bank of TRNC, and the non-executive member of the Board of Directors was appointed as the Member in charge of Internal Systems. Duties and powers of the Internal Systems Unit are consistent with the regulations.
- The Bank manages its Internal Systems together with Internal Audit and Internal Control, Legislation Compliance and Risk Management Units. Qualifications of employees working at these units are consistent with the legislation. Units report to the Board of Directors through the Member in charge of Internal Systems.

ii. Internal Audit and Internal Control Department

The Internal Audit has been planned, performed in accordance with the legislation and reporting has been fulfilled.

- The Bank has reported to the Central Bank the assessment of the loans extended by the Bank and separation of such loans according to the appropriate risk categories.
- The Bank has followed and evaluated the risk compositions it carries according to the matrix the legislation deems appropriate.
- Internal Audit and Internal Control Department reports to the Board of Directors through the member in charge of Internal Systems.
- The Bank has an effective internal control system and internal systems are sufficiently used and the infrastructure created for such purpose and systems used are in compliance with the structure of the Bank.
- The Internal Audit and Internal Control Department fulfills its tasks with one chairperson, four inspectors and two assistant inspectors. In 2018, fifteen ordinary branch audits, two division audits and eight process audits were conducted.

iii. Legislation and Compliance Unit

- The Bank has notified the Bank personnel of any changes in laws, legislation, new transactions and products as soon as possible.
- Anti-Money Laundering package is in use.
- The unit has classified its controls as daily, weekly, monthly and yearly.
- The Legislation and Compliance Unit carries out its activities with 1 Deputy Manager. As per the regulation, efforts are ongoing to fulfill number of personnel in the due course.
- It has been ensured that information systems are consistent with the Company's scale, nature and complexity of operations and products offered.
- Communication structure and communication channels are under effective use and control.
- Emergency and contingency plan has been put into use.

TURKISH BANK LIMITED

I - NOTES TO THE ACCOUNTS AND DISCLOSURES REGARDING THE FINANCIAL STRUCTURE OF THE BANK (continued):

(Amounts are shown in TRY)

iv. Risk Management

- The activities, responsibilities and reports specified in the regulation are performed by the Risk Management Directorate. In accordance with the legislation, it ensured that risks are defined, measured, monitored, controlled and planned.
- Risk Management Unit carries out its activities with 1 unit manager. As per the legislation, efforts are ongoing to fulfill number of personnel in the due course.
- The Bank uses a standard risk model.
- The Bank has ascertained and measures types of risk as credit risk, market risk, foreign currency risk, liquidity risk, operational risk and legislation risk. The Bank has ascertained that the risk profile control effectiveness is strong.
- Risk Assessment Matrix, 4/5 Credits Report and Annual Risk Assessment Reports have been sent to the Board of Directors and the Central Bank of TRNC. Software studies have been completed to generate 4/5 Credits Report from the system on a monthly basis and the said software has been commissioned.
- The Bank has determined the sector limits for loan extension.
- Survey questions have been reviewed.
- Internal risk assessment criteria (six criteria group) have been updated.
- The Bank's activities have been considered in a manner integrated with the sub-items.
- The Bank has conducted stress test and scenario analyses. The Bank evaluates and updates assumptions.

TURKISH BANK LIMITED

II- NOTES TO THE ACCOUNTS AND DISCLOSURES REGARDING THE BALANCE SHEET AND MEMORANDUM ACCOUNTS:

(Amounts unless expressed otherwise are in Turkish Lira)

i) NOTES AND DISCLOSURES REGARDING ASSETS:

(1) Bank Accounts:

a) Balances with TRNC Central Bank;

	Current Period		Previous Period	
	TP	FX	TP	FX
Unpledged Current Balances	14,874,513	229,401,547	11,860,258	108,100,148
Unpledged Deposit Balances	0	0	0	0
Interbank Money Market Transactions	0	115,697,475	0	105,619,800
Pledged Balances	0	0	0	0
TOTAL	14,874,513	345,099,022	11,860,258	213,719,948

* Unpledged deposits accounts consists of Interbank Money Market transactions.

b) Bank Balances with Overseas Banks;

	Unpledged Balances		Pledged Balances	
	Current Period	Previous Period	Current Period	Previous Period
Turkey	230,082,548	232,123,734	0	0
EU Countries	47,774,880	29,758,284	0	0
USA and Canada	0	0	0	0
OECD Countries' *	0	0	0	0
Offshore Zone	0	0	0	0
Other	0	0	0	0
TOTAL	277,857,428	261,882,018	0	0

* OECD Countries other than Turkey, EU Countries, USA and Canada.

c) Reverse Repo Receivables: None

	Current Period		Previous Period	
	TP	FX	TP	FX
Domestic Transactions				
TRNC Central Bank	0	0	0	0
Banks	0	0	0	0
Other Financial Institutions and Corporations	0	0	0	0
Other Institutions and Corporations	0	0	0	0
Real Persons	0	0	0	0
Overseas Transactions				
Central Banks	0	0	0	0
Banks	0	0	0	0
Other Financial Institutions and Corporations	0	0	0	0
Other Institutions and Corporations	0	0	0	0
Real Persons	0	0	0	0

TURKISH BANK LIMITED

II- NOTES TO THE ACCOUNTS AND DISCLOSURES REGARDING THE BALANCE SHEET AND MEMORANDUM ACCOUNTS(continued):

(Amounts unless expressed otherwise are in Turkish Lira)

(2) Securities Portfolio;

a) i- Fair value increases in the securities portfolio are not recorded in the accounts.

ii- Shares have been shown at cost.

iii- 22,482,447 TL of the securities portfolio balance is held for legal requirements.

b) Analysis of securities portfolio:

Types of Securities	Current Period		Previous Period	
	TP	FX	TP	FX
TRNC Central Bank Securities	0	63,557,500	0	44,940,000
TRNC Development Bank Securities	0	22,482,447	0	17,609,376
Turkish Treasury Bills	0	0	0	0
Turkish Government Bonds	9,755,271	0	6,452,460	0
Other OECD Countries Bonds and Bills	26,983,305	6,003,085	37,542,985	4,490,900
Other Countries Bonds and Bills	0	0	0	0
Other	0	0	0	0
TOPLAM	36,738,576	92,043,032	43,995,445	67,040,276

Note: The "Other" line is comprised of TRNC Central Bank Securities and Development Bank Securities. The book value of the securities portfolio on the balance sheet is TL 128,781,609. As at 31.12.2018, the market value has been calculated as TL129,067,624.

(3) Loans Details:

a) Loans given to bank personnel and shareholders:

	Current Period		Previous Period	
	Cash	Non-Cash	Cash	Non-Cash
Loans directly given to shareholders	73,748	40,000	68,740	40,000
Loans given to corporate body shareholders	24,012	40,000	5,233	40,000
Loans given to individual shareholders	49,736	0	63,507	0
Indirect loans given to shareholders	436,841	15,011	363,263	20,223
Loans given to personnel	2,902,098	0	2,207,356	0

TURKISH BANK LIMITED

II- NOTES TO THE ACCOUNTS AND DISCLOSURES REGARDING THE BALANCE SHEET AND MEMORANDUM ACCOUNTS (continued):

(Amounts unless expressed otherwise are in Turkish Lira)

b) Group I and Group II loans, other receivables and restructured and/or rescheduled loans and other receivables:

Loans	Standard, Performing Loans and Other Receivables		Loans and Other Receivables Under Follow-up	
	Loans and Other Receivables	Rescheduled Loans and Other Receivables	Loans and Other Receivables	Rescheduled Loans and Other Receivables
Bills Discounted	1,117,077	0	0	0
Export Loans	0	0	0	0
Import Loans	0	0	0	0
Export Guarantee Investment Loans	0	0	0	0
Other Investment Loans	0	0	0	0
Business Loans	52,823,347	23,847	10,676,707	0
Special Loans	0	0	0	0
Funded Loans	0	0	0	0
Consumer Loans	58,567,177	1,923,747	540,659	0
Credit Cards	4,452,793	0	81,629	0
Security Purchase Loans For Customers	0	0	0	0
TRNC Central Bank Funded Loans	0	0	0	0
Loans Given Through TRNC Central Bank	0	0	0	0
Other Loans	93,811,689	0	196,323	0
TOTAL	210,772,083	1,947,594	11,495,318	0

c) Loan Classification by Users:

	Current Period	Previous Period
Public	43,310,112	19,699,335
Private	180,904,883	211,908,687
TOTAL	224,214,995	231,608,022

d) Loan Classification-Domestic and Overseas:

	Current Period	Previous Period
Domestic Loans	198,196,113	138,893,165
Overseas Loans	26,018,882	92,714,857
TOTAL	224,214,995	231,608,022

TURKISH BANK LIMITED

II- NOTES TO THE ACCOUNTS AND DISCLOSURES REGARDING THE BALANCE SHEET AND MEMORANDUM ACCOUNTS (continued):

(Amounts unless expressed otherwise are in Turkish Lira)

e) Loans Given to Participations and Subsidiaries: None

	Current Period	Previous Period
Direct Loans to Participations and Subsidiaries	0	0
Indirect Loans to Participations and Subsidiaries	0	0
TOTAL	0	0

f) The first hundred largest cash loan customers make up 77% of the total cash loan portfolio and ten cash loan customers make up 50% of the cash loan portfolio.

g) The first hundred largest non-cash loan customers make up 93% of the total non-cash loan portfolio and three customers holds 50% thereof.

h) The first hundred largest cash and non-cash loan customers make up 9% of the total assets (including off-balance-sheet items) and eleven customers make up 50% of the total cash and non-cash loan portfolio of the bank.

(4) Loans in Arrears:

a) Total Non-performing Loans -Movements in the Year:

	III. Group	IV. Group	V. Group
	Loans and Other Receivables with Limited Repayment Capacity	Doubtful Debts and Other Receivables	Bad Debts and Other ve Receivables
Balances Brought Forward	188,745	638,693	3,940,165
Additions in the Year (+)	223,968	31,477	80,507
Transfer from Other Non-Performing Loans	0	27,526	80,577
Transfer to Other Non-Performing Loans	37,091	100,724	0
Collections in the Period (-)	98,483	103,744	213,334
Write Offs (-)	0	0	9,095
Balances at the end of Period	277,138	493,227	3,917,628
Specific provision (-)	277,138	493,227	3,917,628
Net Book Value	0	0	0

Note: Current period write-off details approved by Board of Directors and Jurisdiction.

Loans;

- The loan amount USD.947,509.69, Turkish Lira equivalent TL.4,948,740.81 from communication sector has been write-off.

Loans in Bad Debts and Receivables;

- Consumer credits TL.1,383.50 and EUR.849.58, Turkish Lira equivalent TL.3,826.34.
- Reseach, advisory, advertising and other financing resourced loans TL.2,824.26,
- Credit card financing TL.1,060.78 as in total TL. 9,094.87 have been write-off.

TURKISH BANK LIMITED

II- NOTES TO THE ACCOUNTS AND DISCLOSURES REGARDING THE BALANCE SHEET AND MEMORANDUM ACCOUNTS (continued):

(Amounts unless expressed otherwise are in Turkish Lira)

b) Foreign Currency Non-Performing Loans-Movements in the Year:

	III. Group	IV. Group	V. Group
	Loans and Other Receivables with Limited Repayment Capacity	Doubtful Debts and Other Receivables	Bad Debts and Other Receivables
Current Period:			
Balances Brought Forward	7,441	434,127	2,164,998
Specific Provision (-)	7,441	434,127	2,164,998
Net Book Value	0	0	0
Previous Period:			
Balance Brought Forward	57,251	499,078	2,222,608
Specific Provision (-)	57,251	499,078	2,222,608
Net Book Value	0	0	0

c) Bad Debts and Other Receivables Analyzed By Types of Securities and Provisions Made:

Security Group	Loans Given	Provision
Unsecured	417,790	417,790
Group I - Cash Security	0	0
Group II - Immovable Security	2,605,912	2,605,912
Group III - Movable Security	893,926	893,926
Group IV - Other Security	0	0

d) Bad Debts and Receivables Policy of the Bank:

After giving written notice, non-performing loans are referred to bank lawyers for legal action. Legal procedures are followed up and installments are collected in accordance with judgment obtained.

(5) Details of Installment Sales balances included in Other Receivables:

	Current Period	Previous Period
Sale of participations, subsidiaries and joint ventures	0	0
Sale of immovable property	0	0
Other asset sales	0	0

(6) Details Regarding Participations, Subsidiaries:

a) Subsidiaries are valued using the equity method. Subsidiaries are not quoted on any stock exchange.

TURKISH BANK LIMITED

II- NOTES TO THE ACCOUNTS AND DISCLOSURES REGARDING THE BALANCE SHEET AND MEMORANDUM ACCOUNTS (continued):

(Amounts unless expressed otherwise are in Turkish Lira)

b) Analysis and Book Values of participations and subsidiaries by sector:

	Participations		Subsidiaries	
	Current Period	Previous Period	Current Period	Previous Period
Banks	0	0	152,899,508	112,317,094
Insurance Companies	0	0	7,230,572	6,012,495
Finance Companies	0	0	0	0
Other financial participations	0	0	0	0
Other non-financial participations and subsidiaries	0	0	0	0

c) Bank Share of Investment in Participations and Subsidiaries:

Title	Address	Banks Share of Investment and Voting Right If Different (%)	Group Holding (%)	Current Year Profit	Market Value
Turkish Bank (UK) Ltd	84-86 Borough High Street London SE1 1LN UK	83	100	241,456	183,479,428
Turkish Insurance Ltd	182 Girne Caddesi Lefkoşa TRNC	51	98	2,380,463	14,133,252

d) Participations Quoted on Stock Exchange; None

	Current Period	Previous Period
Quoted on local Stock Exchange	0	0
Quoted on overseas Stock Exchange	0	0

e) Subsidiaries quoted on Stock Exchange; None

	Current Period	Previous Period
Quoted on local Stock Exchange	0	0
Quoted on overseas Stock Exchange	0	0

f) Number of bonus shares received from participations and subsidiaries as a result of capitalizing of reserves;

Number of bonus shares received	Current Period	Previous Period
Participations	0	0
Subsidiaries	0	0

TURKISH BANK LIMITED

II- NOTES TO THE ACCOUNTS AND DISCLOSURES REGARDING THE BALANCE SHEET AND MEMORANDUM ACCOUNTS (continued):

(Amounts unless expressed otherwise are in Turkish Lira)

g) Details of receivables from and debts due to Participations and Subsidiaries;

	Financial Participations and Subsidiaries Balance	Non-Financial Participations and Subsidiaries Balance
RECEIVABLES		
-Banks and Other Financial Institutions	1,764,253	0
-Debentures and Similar Securities	0	0
-Loans (Including Doubtful Debts)	0	0
-Interest and Income Accruals	0	0
-Financial Leasing Receivables (NET) (*)	0	0
-Other Receivables	0	0
BORROWINGS		
-Deposits	2,611,170	0
-Borrowed Funds	0	0
Securities Issued	0	0
-Interest and expense prepayments	6	0
-Financial leasing liabilities	0	0
-Other liabilities	0	0
OFF-BALANCE-SHEET COMMITMENTS AND LIABILITIES	3,919	0

(*)To be used by banks, authorized by law.

(7) Details about Long-Term Investments;

Held-to-maturity Investments:	Current Period	Previous Period
1- Debt securities	58,274,260	41,819,130
2- Repo related items	0	707,586
3- Other: Investment in share capital	44,619	45,355
4- Provision for loss in value (-)	0	0
TOTAL	58,318,879	42,572,071

(8) (a) (i) Details Regarding Fixed Assets of The Bank;

	Immovable Property	Vehicles	Other Fixed Assets	Total
Balance from previous year:				
Cost	8,195,570	900,950	14,967,338	24,063,858
Accumulated depreciation (-)	(4,653,830)	(487,787)	(13,038,805)	(18,180,422)
Net Book Value	3,541,739	413,163	1,928,533	5,883,435
Current Period:				
Net book value at the beginning of the year	3,541,739	413,163	1,928,533	5,883,435
Purchases	0	0	798,630	798,630
Sales and disposals - Net (-)	0	0	(5,681)	(5,681)
Diminution in value	0	0	0	0
Depreciation charge (-)	(202,370)	(95,716)	(1,005,596)	(1,303,682)
Net Exchange differences (-)	0	0	0	0
Closing Net Book Value	3,339,369	317,447	1,715,887	5,372,703

TURKISH BANK LIMITED

II- NOTES TO THE ACCOUNTS AND DISCLOSURES REGARDING THE BALANCE SHEET AND MEMORANDUM ACCOUNTS (continued):

(Amounts unless expressed otherwise are in Turkish Lira)

a) (ii) Details Regarding Fixed Assets of the Group;

	Immovable Property	Other Fixed Assets	Total
Balance from previous year:			
Cost	67,058,584	41,330,579	108,389,163
Accumulated depreciation (-)	-4,810,044	-33,902,384	-38,712,428
Net Book Value	62,248,540	7,428,195	69,676,735
Current Period:			
Net book value at the beginning of the year	62,248,540	7,428,195	69,676,735
Purchases	0	1,890,625	1,890,625
Sales and disposals - Net (-)	0	-86,165	-86,165
Diminution in value	0	0	0
Depreciation charge (-)	-1,374,527	-2,812,877	-4,187,404
Closing Net Book Value	60,874,013	6,419,778	67,293,791

(a) (iii) Details of Intangible Fixed Assets of the Group;

	TOTAL
Previous Period:	
Cost	22,837,676
Accumulated Depreciation (-)	-13,052,017
Net Book Value	9,785,659
Current Period:	
Beginning Net Book Value	9,785,659
Purchases	1,006,065
Disposals-Net Value(-)	0
Statutory Valuation	0
Depreciation	-1,495,683
Closing Net Book Value	9,296,041

(b) No assets have been acquired in lieu of any receivables that according to Banking Law have to be disposed of.

TURKISH BANK LIMITED

II- NOTES TO THE ACCOUNTS AND DISCLOSURES REGARDING THE BALANCE SHEET AND MEMORANDUM ACCOUNTS (continued):

(Amounts unless expressed otherwise are in Turkish Lira)

(9) Details of Other Assets;

a) Other assets do not exceed 10% of total assets of the Bank.

b) Prepaid Expenses, tax and other similar transactions details:

Expenses Paid in Advance	Total
Software Maintenance and Licensing Cost	524,436
VISA Membership Cost	199,041
Insurance Expenses	117,805
Rent	4,794
Other Expenses	153,345
Total	999,421

ii) NOTES AND DISCLOSURES REGARDING LIABILITIES:

(10) Breakdown of Deposits

a) Details of Deposits Analyzed By Residual Maturity

Current Period:

	On Demand	7 Days Notice	Within 1 Month	Within 3 Months	Within 6 Months	Within 1 Year	Over 1 Year
Resident Accounts							
1) Savings Accounts	43,107,908	0	155,422,650	20,345,584	1,843,690	717,095	437,416
2) Official, Commercial and Other Institutions Deposits	26,872,690	0	20,616,353	4,576,445	3,257	2,264	40,416
3) Foreign Currency Savings	56,278,888	0	394,974,571	83,945,192	25,979,819	37,475,542	7,545,586
4) Foreign Currency Official, Commercial and Other institutions Deposits	24,819,238	0	12,089,515	20,044,569	41,533,284	6,377,581	373,063
Non-Resident Accounts							
1) Savings Accounts	700,893	0	2,160,554	752,782	7,663	69,697	10,837
2) Official, Commercial and Other Institutions Deposits	7,154	0	0	0	0	0	0
3) Foreign Currency Savings	4,043,545	0	23,506,797	6,622,138	3,554,649	4,906,649	1,615,436
4) Foreign Currency Official, Commercial	32,304	0	0	0	0	0	0
Banks Deposit							
Local Banks	148,362	0	0	0	0	0	0
Overseas Banks	0	0	0	0	0	0	0
Off-Shore Banks	59,642	0	0	0	0	0	0
Other	0	0	0	0	0	0	0
TOTAL	156,070,624	0	608,770,440	136,286,710	72,922,362	49,548,828	10,022,755

TURKISH BANK LIMITED

II- NOTES TO THE ACCOUNTS AND DISCLOSURES REGARDING THE BALANCE SHEET AND MEMORANDUM ACCOUNTS (continued):

(Amounts unless expressed otherwise are in Turkish Lira)

Previous Period:

	On Demand	7 Days Notice	Within 1 Month	Within 3 Months	Within 6 Months	Within 1 Year	Over 1 Year
Resident Accounts							
1) Savings Accounts	39,296,348	0	28,213,812	153,062,456	2,023,713	987,534	162,516
2) Official, Commercial and Other Institutions Deposits	23,169,549	0	3,513,112	10,383,385	18,695	39,518	760
3) Foreign Currency Savings	54,302,616	0	48,381,302	316,816,631	21,184,755	27,295,651	6,327,499
4) Foreign Currency Official, Commercial and Other institutions Deposits	19,093,483	0	5,365,502	17,901,989	41,433,414	6,796,394	0
Non-Resident Accounts							
1) Savings Accounts	723,030	0	535,588	1,585,145	7,279	64,823	10,074
2) Official, Commercial and Other Institutions Deposits	7,096	0	0	0	0	0	0
3) Foreign Currency Savings	2,958,948	0	4,319,293	19,648,905	7,036,253	6,863,589	1,256,767
4) Foreign Currency Official, Commercial and Other institutions Deposits	22,992	0	0	0	0	0	0
Banks Deposit							
Local Banks	109,144	0	0	0	0	0	0
Overseas Banks	0	0	0	0	0	0	0
Off-Shore Banks	47,362	0	0	0	0	0	0
Other	0	0	0	0	0	0	0
TOTAL	139,730,568	0	90,328,609	519,398,511	71,704,109	42,047,509	7,757,616

b) Deposits covered by the Savings Insurance Fund Scheme;

SAVINGS ACCOUNTS	Current Period		Previous Period	
	TL	FX	TL	FX
Savings Accounts *	225,576,863	650,448,759	225,107,647	501,969,837
Other Covered Accounts	14,519,953	520,165	6,009,639	362,299
TOTAL	240,096,816	650,968,924	231,117,286	502,332,136

* As per clause 11. (4) of the Banking Law deposit totalling TL 1,264,312 and FX 12,485,483 are exempt and have been deducted from savings accounts totals.

(11) Funds Derived From Repo Transactions:

	Current Period		Previous Period	
	TL	FX	TL	FX
Local Transactions	0	0	0	0
Financial Institutions and Corporations	0	0	0	0
Other Institutions and Corporations	0	0	0	0
Real Persons	0	0	543,020	0
Overseas Transactions	0	0	0	0
Financial Institutions and Corporations	0	0	0	0
Other Institutions and Corporations	0	0	0	0
Real Persons	0	0	0	0

TURKISH BANK LIMITED

II- NOTES TO THE ACCOUNTS AND DISCLOSURES REGARDING THE BALANCE SHEET AND MEMORANDUM ACCOUNTS (continued):

(Amounts unless expressed otherwise are in Turkish Lira)

(12) Funds Borrowed:

a) Funds Borrowed From Central Bank

	Current Period		Previous Period	
	TL	FX	TL	FX
Short-Term	0	0	0	0
Medium and Long-Term	0	0	0	0

b) Other Funds Borrowed

	Current Period		Previous Period	
	TL	FX	TL	FX
Short-Term	0	0	0	0
Medium and Long-Term	0	26,220,000	0	18,750,000

c) The Bank borrowed USD 5,000,000 subordinated capital loan from an oversea financial institution.

(13) The Bank has no borrowing liabilities from funds.

a) Current Period

Term of Borrowing		Interest Details		Currency			
Short	Medium and Long	Fixed-Rate	Variable	EURO	USD	TL	Other
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0

(b) Previous Period

Term of Borrowing		Interest Details		Currency			
Short	Medium and Long	Fixed-Rate	Variable	EURO	USD	TL	Other
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0

(14) The Bank has not issued any securities.

a) Current Period

Term of Borrowing		Interest Details		Currency			
Short	Medium and Long	Fixed-Rate	Variable	EURO	USD	TL	Other
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0

TURKISH BANK LIMITED

II- NOTES TO THE ACCOUNTS AND DISCLOSURES REGARDING THE BALANCE SHEET AND MEMORANDUM ACCOUNTS (continued):

(Amounts unless expressed otherwise are in Turkish Lira)

b) Previous Period

Term of Borrowing		Interest Details		Currency			
Short	Medium and Long	Fixed-Rate	Variable	EURO	USD	TL	Other
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0

(15) a) Details of Sundry Liabilities

	Current Period	Previous Period
Cash Value of the Securities Obtained	393,302	293,606

b) Cash securities obtained are associated with company formations and commitments for cheque books.

(16) Details of Other Liabilities

Other liabilities do not exceed 10% of the total assets of the bank.

(17) Details of Shareholders' Funds

(a) Paid-up capital;

	Current Period	Previous Period
Ordinary Share Capital	85,126,685	81,072,525
Preferential, Privileged Share Capital	0	0

(b) Whether the registered capital system is applied in the bank and if so, the ceiling of the authorized capital:

Capital System	Paid-up Capital	Ceiling of Authorized Capital
Registered Capital System	85,126,685	86,000,000

(c) Details of increase made to the authorized and paid-up capital in the current period:

Date of Increase	Value of Increase	Cash Issue	Capitalised Reserves	Capitalised Revaluation Funds
24.05.2018	4,054,160	534	4,053,626	0

(d) Details of capitalized revaluation fund in the current period: None

Fixed Assets Revaluation	Revaluation of Participations	Profit on Sale of Immovable Property	Profit on Sale of Participations	Revaluation of Intangible Assets
0	0	0	0	0

TURKISH BANK LIMITED

II- NOTES TO THE ACCOUNTS AND DISCLOSURES REGARDING THE BALANCE SHEET AND MEMORANDUM ACCOUNTS (continued):

(Amounts unless expressed otherwise are in Turkish Lira)

(e) Disclosure of Institutions and persons who have 10% or more voting rights and/or share in the capital:

Name/Title	Value of Holding	Ratio of Holding	Paid-up Holding	Unpaid Holding
T.Özyol Yatırımları Ltd.	66,667,610	%78.33	66,667,610	0
Özyol Holding A.Ş.	10,436,034	%12.26	10,436,034	0

(f) No call has been made on the unissued shares of the bank since the year-end to date.

(g) Privileges of the 'A' and 'B' Shares of the Bank:

Authorized share capital is made up of 20,380 'A' Shares of 10 Kr each and 85,997,962 'B' Shares of 1 TL each. Both 'A' and 'B' shares carry one vote each and on other matters have equal rights.

(18) Statutory Revaluation Fund:

	Current Period		Previous Period(Restated)	
	TL	FX	TL	FX
Participations and Subsidiaries	1,400,041	125,652,712	1,205,196	87,751,038
Revaluation Fund	0	0	0	0

(19) (a) Determining the sources of liquidity risk and steps taken, if any, to manage the risk; whether or not constraints have been placed on the the board of directors' limiting the usage of funds in order to meet urgent liquidity needs, and pay maturing liabilities:

The major source of the liquidity risk is the maturity mismatch arising from the overall short-term structure of the customer deposits. The group manages liquidity risk by maintaining sufficient cash and cash equivalents to fund existing and prospective debt commitments and settle open market positions.

(b) Bank's Policy on interest rate risk and whether there is harmony between assets' and Liabilities' interest rates and whether cost of mismatching is measured.

The group is exposed to interest rate risk through the impact of rate changes on interest bearing assets and liabilities. The group manages these exposures by using natural hedges that arise from offsetting interest rate sensitive assets by matching them with interest rate sensitive liabilities.

(c) The Bank's Policy regarding funding of short and long term liquidity needs and untapped liquid sources:

The Bank monitors its liquidity requirements on a daily basis to ensure that it has sufficient cash or near cash liquid reserves available to continue operations. The Bank maintains a highly liquid securities portfolio to ensure that liquidity requirements can be met under any condition.

TURKISH BANK LIMITED

II- NOTES TO THE ACCOUNTS AND DISCLOSURES REGARDING THE BALANCE SHEET AND MEMORANDUM ACCOUNTS (continued):

(Amounts unless expressed otherwise are in Turkish Lira)

(d) Maturity breakdown of certain balance sheet items:

	On Demand	Within 1-3 Months	Within 3-6 Months	Within 6-12 Months	Over 1 Year	Unallocated (*)	Total
Current Period							
Assets							
Liquid Funds (Foreign Exchange, Cash in Transit and TRNC CB Bank Balance)	374,439,730						374,439,730
Bank Balances	271,371,988	6,485,440	0	0	0	0	277,857,428
Securities Portfolio	83,401,505	22,924,898	19,124,876	3,330,330	0	0	128,781,609
Loans	92,915,632	759,671	1,175,279	29,961,123	99,403,290	0	224,214,995
Long Term Investments	26,249,538	0	0	0	32,069,340	0	58,318,879
Other Assets	78,283,553	1,156,093	157,075	35,006	0	166,874,580	246,506,307
Total Assets	926,661,947	31,326,102	20,457,230	33,326,459	131,472,630	166,874,580	1,310,118,947
Liabilities							
Bank Deposits	208,004	0	0	0	0	0	208,004
Other Deposits	847,820,646	55,402,185	32,501,551	28,969,437	68,719,894	0	1,033,413,714
Funds obtained from other financial institutions	0	0	0	0	26,220,000	0	26,220,000
Securities issued	0	0	0	0	0	0	0
Sundry Liabilities	959,008	0	0	0	0	0	959,008
Other Liabilities	13,715,417	246,252	120,878	308,129	0	234,927,545	249,318,221
Total Liabilities	862,703,076	55,648,437	32,622,429	29,277,567	94,939,894	234,927,545	1,310,118,947
Net Asset Liquidity Gap	63,958,870	-24,322,335	12,165,200	4,048,892	36,532,736	-68,052,965	0
Previous Period							
Total Assets	755,840,786	50,623,950	30,395,068	5,304,565	113,897,029	130,444,442	1,086,505,840
Total Liabilities	763,906,510	68,130,051	27,667,727	21,795,576	18,750,000	186,255,976	1,086,505,840
Net Asset Liquidity Gap	-8,065,724	-17,506,101	2,727,341	- 16,491,011	95,147,029	-55,811,534	0

e) Disclosures and footnotes regarding other matters:

i) Tax:

Bank	Current Period	Previous Period
2018 corporation and income tax provision	2,777,750	1,028,918
Taxes and withholding tax paid	0	78,349
Total Tax provision for the year	2,777,750	1,107,267
Tax brought forward from previous years	0	760,397
Less: Withholding tax paid in 2018 and previous years withholding tax written off	(2,082,230)	(1,867,664)
Taxes Payable	695,520	760,397

TURKISH BANK LIMITED

II- NOTES TO THE ACCOUNTS AND DISCLOSURES REGARDING THE BALANCE SHEET AND MEMORANDUM ACCOUNTS (continued):

(Amounts unless expressed otherwise are in Turkish Lira)

ii) Maturity breakdown of certain balance sheet items of Turkish Bank Group:

Current Period	Up to 3 Months	Within 3-6 Months	Within 6-12 Months	Over 1 Year	Unallocated	Total
Assets						
Liquid Funds (Foreign Exchange, Cash in Transit and TRNC CB Bank Balance)	748,366,924	0	0	0	0	748,366,924
Bank Balances	486,552,335	0	11,891,688	0	0	498,444,023
Securities Portfolio	108,229,419	19,124,876	3,330,330	3,340,136	0	134,024,761
Loans	150,294,868	2,219,813	89,203,755	618,968,792	0	860,687,228
Long Term Investments	26,249,539	0	0	32,069,340	0	58,318,879
Other Assets	88,005,639	157,075	1,416,669	9,296,041	68,665,587	167,541,011
Total Assets	1,607,698,724	21,501,764	105,842,442	663,674,309	68,665,587	2,467,382,826
Liabilities						
Bank Deposits	124,899,414	0	0	0	0	124,899,414
Other Deposits	1,666,394,804	32,501,551	217,405,412	94,837,341	0	2,011,139,108
Funds obtained from other financial institutions	0	0	0	26,220,000	0	26,220,000
Securities issued	0	0	0	0	0	0
Sundry Liabilities	2,049,719	25,000	0	0	0	2,074,719
Other Liabilities	16,933,018	606,020	372,815	7,874,135	277,263,597	303,049,585
Total Liabilities	1,810,276,955	33,132,571	217,778,227	128,931,476	277,263,597	2,467,382,826
Net Asset Liquidity Gap	-202,578,231	-11,630,807	-111,935,785	534,742,833	-208,598,010	0
Previous Period						
Total Assets	1,182,944,153	31,053,186	56,768,414	544,525,033	61,559,913	1,876,850,699
Total Liabilities	1,415,011,555	28,042,701	163,100,518	52,754,934	217,940,991	1,876,850,699
Net Asset Liquidity Gap	-232,067,402	3,010,485	-106,332,104	491,770,099	-156,381,078	0

iii) Tax – Group;

	Current Period	Previous Period (Re-calculated)
2018 corporation and income tax provision	3,509,653	1,687,979
Deferred tax adjustments	-811,559	-207,378
Total provision	2,698,094	1,480,601
Taxes brought forward from previous years	1,135,561	1,086,646
Foreign Exchange revaluation difference	298,487	24,651
Withholding tax paid in 2018	-1,961,213	-2,899,426
Deferred tax provision - 2018 net movement	201,213	1,623,618
Tax receivables brought forward	1,381,663	763,758
Taxes Payable	3,753,805	2,079,848

TURKISH BANK LIMITED

II- NOTES TO THE ACCOUNTS AND DISCLOSURES REGARDING THE BALANCE SHEET AND MEMORANDUM ACCOUNTS (continued):

(Amounts unless expressed otherwise are in Turkish Lira)

iv) Minority Interest;

Minority interest consists of shares with nominal value of TL 5,519,894 in Turkish Insurance Ltd. and GBP 2 million in Turkish Bank (UK) Limited.

v) Shareholders' equity group table:

	Current Period	Previous Period
Balance Brought Forward	99,182,998	74,164,776
Exchange Differences and Minority Interest adjustments	21,350,862	10,794,536
Movements in 2018		
Retained Earnings for the Year	9,147,165	4,599,453
Dividend Paid	0	0
Consolidated reserves	16,490,998	7,469,999
Revaluation Increases - Net	938,999	6,014,801
Capitalized Reserves	-4,053,626	-3,860,567
Year End Balance of Reserves	143,057,396	99,182,998
Paid Up capital	85,126,685	81,072,525
Shareholders' Funds at Year End	228,184,081	180,255,523

vi) Adjustment to Prior Year Figures:

The prior year comparative figures of Turkish Bank Ltd. for the financial year 2017 have been corrected retrospectively to reflect the corrections carried out by Turkish Bank (UK) Ltd. regarding the unrecognised deferred tax liability on revaluation of freehold land and properties. The adjustments carried out to the 2017 foreign currency figures of Financial Subsidiaries Account and Revaluation Balances Account are set out below.

	31.12.2017	Adjustment	31.12.2017 Adjusted Figures
XI - A. Financial Subsidiaries - Foreign Currency	112,317,098	2,680,740	114,997,834
XIII - E. Revaluation balances - Foreign Currency	85,070,298	2,680,740	87,751,038

TURKISH BANK LIMITED

II- NOTES TO THE ACCOUNTS AND DISCLOSURES REGARDING THE BALANCE SHEET AND MEMORANDUM ACCOUNTS (continued):

(Amounts unless expressed otherwise are in Turkish Lira)

(iii) OFF-BALANCE-SHEET LIABILITIES

(1) Details of Major Off-Balance-Sheet Liabilities

The Bank makes short-term swap transactions with banks in Turkey and European Union countries, with the aim of increasing foreign exchange income without taking any foreign currency risk. Other liabilities comprise of documentary credits and guarantees given to bank customers for transactions within TRNC, Turkey and Europe.

(2) a) Summary of off-balance-sheet liabilities;

	Current Period	Previous Period
Details of Non-cash Loans Opened as Security for Cash Loans		
Accounts with maturity of less than 1 year	0	0
Accounts with maturity of more than 1 year	0	0
Other off-balance-sheet liabilities	16,683,043	8,428,163
TOTAL	16,683,043	8,428,163

b) Details of off-balance-sheet liabilities;

Off-Balance-Sheet Liabilities	Current Period		Previous Period	
	TL	FX	TL	FX
Letter of guarantees	2,634,929	6,129,674	2,626,680	5,238,983
Acceptances	0	0	0	0
Documentary credits	0	7,918,440	0	562,500
Endorsements, transfers	0	0	0	0
Undertaking of Repurchasing	0	0	0	0
Other guarantees and acceptances	0	0	0	0
TOTAL	2,634,929	14,048,114	2,626,680	5,801,483

(3) Commitments;

	Current Period	Previous Period
Irrevocable commitments	60,149,597	54,616,742
Revocable commitments	331,368,523	226,660,151
TOTAL	391,518,120	281,276,893

TURKISH BANK LIMITED

II- NOTES TO THE ACCOUNTS AND DISCLOSURES REGARDING THE BALANCE SHEET AND MEMORANDUM ACCOUNTS (continued):

(Amounts unless expressed otherwise are in Turkish Lira)

(4) Foreign Exchange and Interest Rate Operations;

	Current Period	Previous Period
Forward FX Transactions	0	342,014,249
Currency and interest swap transactions	0	0
Currency and interest options	0	0
FX Future Contracts	0	0
Interest future contracts	0	0
Other	0	0
TOTAL		342,014,249

TURKISH BANK LIMITED

III-NOTES TO THE ACCOUNTS AND DISCLOSURES REGARDING PROFIT AND LOSS ACCOUNT:

(Amounts unless expressed otherwise are in Turkish Lira)

(1) a) Interest and commissions received from Participations and Subsidiaries:

	Current Period	Previous Period
Interest received from Subsidiaries and Participations	47	0
Commissions and fees received from Subsidiaries and Participations	17,036	10,797

b) Interest and commissions paid to Participations and Subsidiaries;

	Current Period	Previous Period
Interest paid to Subsidiaries and Participations	135,491	8,296
Commissions and fees paid to Subsidiaries and Participations	15,907	0

c) Interest received from reverse repo transactions;

	Current Period		Previous Period	
	TL	FX	TL	FX
Interest received from reverse repos	0	0	0	0

d) Interest paid to repo transactions;

	Current Period		Previous Period	
	TL	FX	TL	FX
Interest paid to repo transactions	16,103	0	504,694	0

(2) Breakdown of provisions charge for Loans and Other Receivables;

	Current Period	Previous Period
Specific provision for non-performing loans and other receivables	305,572	1,986,640
For unsecured accounts	48,632	68,853
For other accounts	256,940	1,917,787
General provision for loans	380,983	884,924
Provision for the diminution of value of participations, subsidiaries and investments to be held up to maturity	0	0
Provision for exchange difference on Statutory Reserve	0	0
Others	325,362	49,825

TURKISH BANK LIMITED

III-NOTES TO THE ACCOUNTS AND DISCLOSURES REGARDING PROFIT AND LOSS ACCOUNT (continued):

(Amounts unless expressed otherwise are in Turkish Lira)

- (3) There are no items of income and expense in groups numbered I, II, IV and V that are in excess of 10% of the relevant group total.

- (4) Other issues, the disclosure of which is found to be useful:

Net profit before taxation is stated after deducting provision for doubtful accounts, other provisions, depreciation and after charging the following expenses:

Bank:	Current Period	Previous Period
Directors' emoluments	1,722,713	1,394,364
Auditors' Fees	179,800	161,240

Group:	Current Period	Previous Period
Directors' emoluments	4,077,766	3,160,399
Auditors' Fees	1.084,172	747,236

TURKISH BANK GROUP

V- A) STATEMENT OF CASH FLOW	CURRENT PERIOD	PREVIOUS PERIOD
	TL (31/12/2018)	TL (31/12/2017)
I- Cash Flow From Banking Operations (Main Activities)		
Interest income and similar items	111,304,725	78,529,833
Interest expenses and similar items	(41,265,449)	(30,733,929)
Dividends received	0	0
Fees and commissions received	16,270,152	14,145,615
Income from insurance business	2,898,861	2,005,357
Other income	7,746,326	5,257,579
Collections from previously written-off loans and other receivables	(2,843)	0
Personnel and administration expenses	(71,864,469)	(55,504,476)
Taxes paid	(1,961,213)	(2,899,426)
Other	(7,533,628)	(4,441,594)
Operating Profit Before Changes in Operating Assets and Liabilities	15,592,462	6,358,959
Changes in Operating Assets and Liabilities:		
(Increase) Decrease in Operating Assets:		
Net (increase) / decrease in securities portfolio	(15,986,827)	(56,527,409)
Net (increase) / decrease in banks and loans	8,021,560	(74,464,652)
Net (increase) / decrease in other assets	8,043,363	(10,233,839)
Increase (decrease) in operating liabilities:		
Net increase (decrease) in deposits	277,574,533	24,476,069
Net increase (decrease) in funds borrowed	6,926,980	(17,483,081)
Net increase (decrease) in other liabilities	3,675,969	943,149
Net Cash Provided from Banking and Commercial Operations	303,848,040	(126,930,804)
II- Cash Flow from Investing Activities		
Cash paid for purchase of equity participations	0	0
Purchase of property and equipment	(1,890,625)	(3,256,517)
Sale of property and equipment	25,802	129
Purchase of Intangible Assets	(1,006,065)	(5,058,000)
Cash paid for purchase of investment securities	(15,746,809)	0
Sale of investment securities	0	34,012,538
Net Cash (Used in) Provided from Investing Activities	(18,617,697)	25,698,150
III- Cash Flow from Financing Activities		
Capital increase	977,312	593,289
Dividends paid	0	0
Dividends paid to minority shareholders of a subsidiary	(976,610)	(592,666)
Net Cash Provided from Financing Activities	702	623
Effect of change in foreign currency evaluation rate of cash and cash equivalents	112,232,790	79,537,685
Net Increase / (Decrease) in Cash and Cash Equivalents	397,463,835	(21,694,346)
Cash and Cash Equivalents at the Beginning of the Year	552,991,716	574,686,062
Cash and Cash Equivalents at the End of the Year	950,455,551	552,991,716

TURKISH BANK LIMITED

V- B) STATEMENT OF CASH FLOW	CURRENT PERIOD	PREVIOUS PERIOD
	TL (31/12/2018)	TL (31/12/2017)
I- Cash Flow From Banking Operations (Main Activities)		
Interest income and similar items	68,124,336	48,059,284
Interest expenses and similar items	(32,849,433)	(24,586,639)
Dividend income	1,203,522	730,368
Fees and commissions received	7,340,366	6,594,834
Other income	1,068,198	845,161
Collections from previously written-off loans and other receivables	(2,843)	0
Personnel and administration expenses	(31,712,185)	(26,759,843)
Taxes paid	(2,082,230)	(1,867,663)
Other Collection items income	0	0
Other Paid items	0	0
Operating Profit Before Changes in Operating Assets and Liabilities	11,089,731	3,015,502
Changes in Operating Assets and Liabilities:		
(Increase) Decrease in Operating Assets:		
Net (increase) decrease in securities portfolio	(17,745,887)	(57,169,775)
Net (increase) decrease in banks	(19,652,698)	(20,056,131)
Net (increase) decrease in loans	2,493,147	79,114,660
Net (increase) decrease in other assets	329,420	(509,740)
Increase (decrease) in operating liabilities:		
Net increase in deposits	162,654,796	68,028,085
Net (decrease) in funds borrowed	6,926,980	(17,483,081)
Net increase (decrease) in securities issued	0	0
Net increase in other liabilities	4,080,486	(558,954)
Net Cash Provided from Banking and Commercial Operations	150,175,975	54,380,566
II- Cash Flow from Investing Activities		
Cash paid for purchase of equity participations	(1,023,232)	(620,823)
Cash obtained from sale of equity participations	0	0
Purchase of property and equipment	(798,630)	(1,483,603)
Sale of property and equipment	5,681	129
Cash paid for purchase of investment securities	(15,746,809)	0
Cash obtained from sale of investment securities	0	34,012,538
Other cash inflow	0	0
Other cash outflow	0	0
Net Cash (Used in) Provided from Investing Activities	(17,562,990)	31,908,241
III- Cash Flow from Financing Activities		
Cash obtained from funds borrowed and securities issued	0	0
Cash used for repayment of funds borrowed and securities issued	0	0
Capital increase	534	622
Dividends paid	0	0
Other cash inflow	0	0
Other cash outflow	0	0
Net Cash Provided from Financing Activities	534	622
Effect of change in foreign currency evaluation rate of cash and cash equivalents	7,985,940	4,595,376
Net Increase / (Decrease) in Cash and Cash Equivalents	140,599,459	90,884,805
Cash and Cash Equivalents at the Beginning of the Year	233,878,715	142,993,911
Cash and Cash Equivalents at the End of Year	374,478,174	233,878,716

TURKISH BANK LIMITED

VI- PROFIT APPROPRIATION TABLE

	CURRENT PERIOD TL (31/12/2018)	PREVIOUS PERIOD TL (31/12/2017)
A. APPROPRIATION OF CURRENT YEAR INCOME		
1. CURRENT YEAR INCOME	12,609,249	5,195,108
2. TAXES AND DUTIES PAYABLE (-)	(2,777,750)	(1,107,266)
- Corporation tax	(1,105,201)	(391,218)
- Income tax	(1,672,549)	(637,700)
- Other taxes and duties	-	(78,348)
NET INCOME FOR THE YEAR	9,831,499	4,087,842
3. PRIOR YEARS' LOSSES (-)	-	-
4. LEGAL RESERVES (-)	(984,000)	(409,000)
5. OTHER STATUTORY RESERVES (-)	-	-
NET INCOME AVAILABLE FOR DISTRIBUTION	8,847,499	3,678,842
6. FIRST DIVIDEND TO SHAREHOLDERS (-)	-	-
- To owners of ordinary shares	-	-
- To owners of privileged shares	-	-
7. DIVIDENDS TO PERSONNEL (-)	-	-
8. DIVIDENDS TO BOARD OF DIRECTORS (-)	-	-
9. SECOND DIVIDEND TO SHAREHOLDERS (-)	-	-
- To owners of ordinary shares	-	-
- To owners of privileged shares	-	-
10. STATUTORY RESERVES (Allocated according to "Memorandum and Articles of Association" of the Bank)	-	-
11. GENERAL RESERVE (Retained Profits)	-	-
12. OTHER RESERVES (Allocated by the decision of General Assembly)	-	-
13. SPECIAL FUNDS (Allocated as per certain regulations)	-	-
B. DISTRIBUTION OF RESERVES		
1. DISTRIBUTION OF RESERVES	-	-
Reserves allocated in prior years and distributed in the current year	-	-
2. DIVIDEND TO SHAREHOLDERS (-)	-	-
- To owners of ordinary shares('A' and 'B')	-	-
- To owners of privileged shares	-	-
3. DIVIDENDS TO PERSONNEL (-)	-	-
4. DIVIDENDS TO BOARD OF DIRECTORS (-)	-	-
C. NET PROFIT TRANSFERRED TO 2014		
D. EARNINGS PER SHARE	0,011TL(%11)	0,005TL(%5)
1. TO OWNERS OF 'A' SHARES (TL, %)	0,11TL(%11)	0,05TL(%5)
2. TO OWNERS OF 'B' SHARES (TL, %)		
E. DIVIDEND PER SHARE	0	0
1. TO OWNERS OF 'A' SHARES (TL, %)	0	0
2. TO OWNERS OF 'B' SHARES (TL, %)	0	0

TURKISH BANK LIMITED

BRANCH	ADDRESS	TEL NO	FAX NO
Genel Müdürlük	92, Gime Cad. Lefkoşa e-mail: mdh@turkishbank.net www.turkishbank.net	(392) 600 33 33	(392) 227 94 47
Lefkoşa/Merkez Bireysel Şube	92, Gime Cad. Lefkoşa	(392) 600 33 33	(392) 229 15 53
Lefkoşa/Merkez Kurumsal Şube	92, Gime Cad. Lefkoşa	(392) 600 33 33	(392) 228 13 17
Lefkoşa/Köşklüçiftlik	Mehmet Akif Cad. Çığır Apt.No2 Köşklüçiftlik, Lefkoşa	(392) 227 21 15 (392) 227 85 17	(392) 228 65 54
Lefkoşa/Kaymaklı	Kemal Aşık Caddesi No:66, K.Kaymaklı, Lefkoşa	(392) 227 73 80 (392) 228 38 14	(392) 228 56 95
Lefkoşa/Taşkinköy	Şehit Kemal Ünal Sok. No:104/A Taşkinköy, Lefkoşa	(392) 225 69 03 (392) 225 69 04	(392) 225 33 95
Lefkoşa/Çarşı	Uray Sok. Belediye Pazarı yanı, Lefkoşa	(392) 227 48 25 (392) 229 11 67	(392) 228 38 17
Lefkoşa/Önder	Bedrettin Demirel Cad. No:87/1 Önder Alışveriş Merkezi, Lefkoşa	(392) 228 08 30	(392) 227 05 10
Lefkoşa/Gönyeli	Atatürk Cad., No:104 Gönyeli, Lefkoşa	(392) 223 17 68 (392) 223 14 15	(392) 223 43 32
Lefkoşa/Yenikent	Belediye Bulvarı Akview Apt. No:93D, Gönyeli, Lefkoşa	(392) 223 38 53	(392) 223 39 07
Gazi Mağusa/Mağusa Suriçi	24, Limanyolu Gazi Mağusa	(392) 366 53 27 (392) 366 90 85	(392) 366 45 10
Gazi Mağusa/Mağusa	Ayluka Mahallesi, İsmet İnönü Bulvarı, No:2-3, Salamis Yolu, Gazi Mağusa	(392) 365 53 67 (392) 365 58 99	(392) 365 53 69
Gime/Gime	Ramadan Cemil Meydanı No:1, Gime	(392) 815 21 01 (392) 815 38 12	(392) 815 28 50
Gime/Karaoğlanoğlu	Karaoğlanoğlu Cad., Karaoğlanoğlu, Gime	(392) 822 40 30 (392) 822 40 32	(392) 822 40 31
Gime/Karakum	Hz. Ömer Cad. Ozanköy Kavşağı Ozanköy, Gime	(392) 815 44 85 (392) 815 47 13	(392) 815 59 43
Gime/Alsancak	206 Karaoğlanoğlu Caddesi Engindereci Dükkanları No.6-7, Alsancak, Gime	(392) 821 33 98 (392) 821 33 99	(392) 821 89 02
Güzelyurt	Ecevit Cad., Piyale Paşa Mah. No.3-4, Güzelyurt	(392) 714 21 98 (392) 714 42 14	(392) 714 54 54
Gemikonağı	Ecevit Cad., No:42, Gemikonağı	(392) 727 73 52 (392) 727 78 58	(392) 727 83 25
Lefke	Fadil Nekibzade Cad., No.3 Lefke	(392) 728 75 45 (392) 728 80 52	(392) 728 82 51

TURKISH BANK (UK) LTD.

BRANCH	ADDRESS	TEL NO	FAX NO
Main	84-86 Borough High Str. London SE1 1LN SWIFT CODE: TUBA GB 2L	(44-20)7403 5656	(44-20)7407 7406
Harringay	577-579 Green Lanes, Harringay London N8 0RG	(44-20)8342 7783	(44-20)8348 6375
Palmers Green	391 Green Lanes, London N13 4JG	(44-20)8447 6870	(44-20)8920 6830
Edmonton	Unit 2A, 92-94 Fore St., Edmonton, N18 2XA	(44-20)8887 8080	(44-20)8807 0701
Dalston	121 Kingsland High Str. Dalston London E8 2PB	(44-20)7923 3339	(44-20)7923 3454
Lewisham	83 Lewisham High Street London SE13 5JX	(44-20)8852 3089	(44-20)8297 3171
Relationship Banking, Mayfair	20 North Audley Street, Mayfair, London, W1K 6LX	(44-20)7403 5656	(44-20)7499 3382

TÜRK SİGORTA LTD.

BRANCH	ADDRESS	TEL NO	FAX NO
Merkez	182, Gime Cad. Lefkoşa	(392) 600 34 00	(392) 227 90 01

TURKISH BANK LIMITED

Our Off Site ATM's

Çatalköy Off Site ATM KYRENIA

Beşparmaklar Street
Back Side of Düzkaya Nihat Bağcier
Stadium
Çatalköy

Esentepe Off Site ATM KYRENIA

Batıbeniz Petrol Station
İstiklal Street
Esentepe

Lapta Off Site ATM KYRENIA

Mareşal Fevzi Çakmak Street
No:217
Lapta

Alsancak Off Site ATM KYRENIA

Atakara Super Market
Ankara Street
Alsancak

İskele Boğaz Off Site ATM İSKELE

Atatürk Street
Boğaz-İskele

Lefke Avrupa University Off Site ATM LEFKE

Lefke Avrupa University
Lefke