

T.C. Ziraat Bankasi A.S.

Athens Central Branch

Ermou Str. 2, 105 63, Syntagma Square, Athens

Reg. Num. 65242/06/B/08/03

General Electronic Commercial Registry (G.E.MI.) Num. 123207101001

The English version is a translation of the original Greek for information purposes only. In case of a discrepancy, the Greek original will prevail.

FINANCIAL STATEMENTS FOR FY

1 JANUARY - 31 DECEMBER 2016

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Independent Auditor's Report

To the Management of the Branch in Greece of T.C. Ziraat Bankasi A.S-Athens Central Branch

Report on the Financial Statements

We have audited the accompanying financial statements of the Branch in Greece of T.C Ziraat Bankasi A.S – Athens Central Branch, which comprise the statement of financial position as at December 31st, 2016 the income statement and profit and loss appropriation account for the year then ended, as well as the relevant notes to the Financial Statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the abovementioned financial statements present fairly, in all material respects, the financial position of the Branch in Greece of T.C. Ziraat Bankasi A.S-Athens

ANNUAL FINANCIAL STATEMENTS
FOR FY FROM JANUARY 1 TO DECEMBER 31, 2016

Central Branch as of December, 31st, 2016 and its financial performance for the year then ended in accordance with the Greek Accounting Standards.

Athens, July 21, 2017

The Certified Public Accountant

Dimitrios Gkikas

SOEL reg.no 35551



Statement of Financial Position

	Note	<u>31/12/2016</u>	<u>31/12/2015</u>
Assets			
Cash and Balances with Central Bank	7	1.187.045,39	1.540.558,17
Due from Banks	8	30.196.694,24	30.560.991,09
Loans and advances to customers	9	12.253.177,24	15.441.816,15
Investment Securities	10	20.694.670,60	21.037.513,82
Intangible Assets	11	115.186,80	144.974,06
Property, Plant and Equipment	12	906.978,02	1.066.131,79
Other Assets	13	1.275.070,18	1.204.581,62
Prepaid Expenses & Accrued income	14	732.968,33	755.551,63
Total		<u>67.361.790,81</u>	<u>71.752.118,33</u>
Liabilities			
Due to Banks	15	20.272.181,47	20.340.274,59
Due to customers	16	28.822.176,55	32.150.901,95
Other Liabilities	17	242.007,04	312.336,39
Accrued Expenses	18	201.518,00	241.596,59
Provisions	19	96.248,13	91.630,25
Total		<u>49.634.131,19</u>	<u>53.136.739,77</u>
Equity			
Capital	20	33.000.000,00	33.000.000,00
Other Reserves	21	883.299,39	1.229.007,91
Retained Earnings	22	(16.155.639,78)	(15.613.629,34)
Total		<u>17.727.659,61</u>	<u>18.615.378,56</u>
Total equity and liabilities		<u>67.361.790,81</u>	<u>71.752.118,33</u>

Income Statement

	Note	<u>1.1-31.12.2016</u>	<u>1.1-31.12.2015</u>
Interest and Similar Income	23	2.524.401,19	3.034.456,98
Interest expense and Similar Charges	24	(702.509,69)	(881.821,83)
Net interest income		1.821.891,50	2.152.635,15
Fee and commission income	25	161.911,46	196.236,98
Fee and commission expense	26	(563,70)	(718,50)
Net fee and commission expense		161.347,76	195.518,48
Other Operating Income	27	96.242,83	92.185,34
Operating Expenses	28	(2.540.078,80)	(2.502.308,49)
Impairment Provisions for Covering Credit Risk	30	(154.799,06)	(241.862,43)
Other provisions		(4.617,88)	(7.962,24)
Financial Transactions and Investment Portfolio	29	14.925,24	31.834,58
Other Expenses and Losses	32	(10.491,33)	(5.181,27)
Other Income and Profit	31	73.569,31	4.385,92
Profit / (loss) before tax		(542.010,43)	(280.754,96)
Income tax	33	-	-
Profit / (loss) for the period		(542.010,43)	(280.754,96)

Attachment to Financial Statements as of December 31st, 2016

1. General Information About the company

The Company T.C. Ziraat Bankasi A.S. - Athens Central Branch is domiciled at 2, Ermou Str., 105 63, Syntagma Square, Athens and is a Credit Institution.

T.C. Ziraat Bankasi A.S. - Athens Central Branch is the Greek Branch of the parent Bank T.C. Ziraat Bankasi A.S. - Turkey.

The Financial Statements of the branch are incorporated into the Financial Statement of the parent company in Turkey.

The Bank operates in Greece, holding branches in Athens, Komotini, Xanthi and Rhodes.

The Financial Statements cover the reporting period from January 1 to December 31, 2016.

2. Basis for Presentation of Financial Statements

The Financial Statements of T.C. Ziraat Bankasi A.S. - Athens Central Branch (hereinafter “the Bank”) have been prepared in compliance with the Greek Accounting Standards (Greek GAAP) under Law 4308/2014, as amended and currently effective. The Bank belongs to the entities specified under par. 2(a) of Law 4308/2014 and is classified as a small entity.

The amounts are recorded in Euro (unless otherwise mentioned).

Where deemed necessary, the comparative sizes have been adjusted to facilitate compliance with changes in presentation within the current period, given the implementation of Law 4308.

The Financial Statements have been prepared under the historical cost principal, with the exception of available-for-sale investments, measured at fair value.

The preparation of the financial statements under the Greek GAAP requires that the Banks’s management carries out estimates and assumptions, which may affect both - the accounting balances and the required disclosures for contingent liabilities on the date of preparation of the financial statements. Using available data and making estimates and assumptions while applying the accounting policies is integral to making estimates in respect of the following issues: provisions for loan impairment, investment portfolio impairment, assessment of liabilities from employee end-of-service benefits, tax non-inspected FYs.

The Bank’s Financial Statements have been prepared based on going concern principle.

The current Financial Statements have been prepared in full compliance with Law 4308/2014.

3. Key Accounting Policies

The Bank applies the following accounting principles in order to monitor the separate items of Financial Statements:

3.1 Property, Plant and Equipment

a) Initial Recognition

Property, plant and equipment are initially recorded at acquisition cost, which includes every expenses incurred in order to achieve the current state or desired use of the assets.

b) Subsequent Depreciation

Subsequently to initial recognition, property, plant and equipment are carried at amortized cost (initial acquisition cost plus any subsequent expenses meeting the asset definition, less accumulated depreciation and impairment losses).

Depreciation of property, plant and equipment is calculated using the straight line method over the assets useful life, estimated as follows:

<u>Description</u>	<u>Depreciation Rate</u>
Buildings and buildings fixed installations	8,33%
Vehicles	10%
Furniture and other fixtures	10%
PC equipment	20%

3.2 Intangible Assets

a) Initial Recognition

In general, intangible assets include licenses - concessions - options, software, trade names and trademarks.

The value of licenses - concessions – options includes the acquisition cost of the aforementioned assets, and any expenditure subsequently performed to extend the duration of their validity, less accumulated amortization and impairment losses.

The Bank holds software licenses. Value of software includes computer software acquisition cost and any expenses incurred in order to put the software into operation, less the amount of accumulated depreciation and any impairment losses. Subsequent significant expenditure is capitalized when the software augments its performance beyond the initial specifications.

b) Subsequent Amortization

Following the initial recognition, intangible assets with definite useful life are carried at acquisition cost less amortisation and impairment losses when deemed that such losses are of permanent nature. Intangible assets with contractually defined useful life are amortized within the specifically defined time. Regarding intangible assets without contractually defined useful life, amortisation is carried out based on their estimated useful life.

Depreciation/Amortisation of all the aforementioned items is included in the income statement.

<u>Description</u>	<u>Depreciation Rate</u>
Software	20%
Other intangible assets	20%

Under the disposal of tangible, intangible and financial assets, the difference between the book value and the disposal consideration is recognised as profit/loss in the income statement.

3.3 Investment Securities

a) Initial Recognition

Investment securities are initially recognized at fair value (including transaction costs and premiums/discounts) and include securities classified as Available for Sale and Held to Maturity, based on the characteristics of the securities and the Bank's intention as at the acquisition date.

b) Subsequent Measurement

Available for sale - Following the initial recognition, available for sale securities are subsequently recorded at fair value. Unrealized gains and losses arising from changes in their fair value are recognized directly in equity in the appropriate Reserves account.

Available for sale investment securities can be disposed of in order to meet liquidity needs or address changes in interest rates, exchange rates and securities prices.

When investment securities available for sale are disposed of or impaired, the cumulative unrealized gains or losses, included in the equity reserves, are transferred from equity to the income statement in the account "Net trading income and investment portfolio".

Held to maturity – Such financial assets include securities that are not derivatives and have fixed and determinable payments and are of fixed maturities/ Moreover, the Bank intends and is in position to hold them to their maturity. The aforementioned securities are measured at amortized value, less any impairment, using the effective interest method or

the straight-line method. Calculating the amortized cost includes any Premium or discount amounts, plus transaction costs.

c) Impairment

At every Financial Statements preparation date, the Bank assesses whether or not there is objective evidence indicating that investment securities have been impaired. It is considered that indications of impairment pertain to the following cases:

- There are obvious, significant financial difficulties of the issuer or obligor of the financial asset, or
- The carrying amount is significantly higher than the fair value of the assets in question, or
- Unfavorable local, national or international conditions increase the likelihood of defaulting the major commitments arising from financial assets.

Impairment loss occurs when the carrying amount of the asset is higher than the amount that the entity expects to recover from the asset.

Available for sale - if there is objective evidence of impairment of available for sale financial assets, the cumulative loss, measured as the permanent and continuous difference between acquisition cost and current value (less costs to sell) is transferred from equity to the income statement.

Held to maturity - if there is objective evidence of impairment of held to maturity assets, the impairment amount, recognized in the income statement, is the balance between amortized cost and the recoverable amount that the Bank expects to recover. The recoverable amount is the present value estimated to be received from the asset, measured using the initial effective interest rate.

Impairment losses are recorded in the income statement and are reversed as profit when the conditions that have initially caused them are no longer effective. Losses are reversed up to the value the item would have in case no impairment loss had been recorded.

Loans and receivables denominated in foreign currency are measured at the exchange rate of foreign currency effective as at the balance sheet date. The related foreign currency exchange differences are recorded in the income statement.

3.4 Loans and Receivables

Loans and receivables from clients include loans granted directly to the borrowers.

a) Initial Recognition

Loans and receivables from clients are recognized in the financial statements as at the date the amounts are disbursed to the borrowers. Initially, loans and receivables are recognized at fair value, which, usually, represents the net amount of the initial disbursement plus the additional amount of initial disbursement and includes the additional costs directly related

to loan issuance and fees or commissions taken into account under the calculation of effective interest rate of the loan.

b) Subsequent Measurement

Subsequently, loans are measured at amortized cost applying the effective interest method if the amortized cost method has a significant effect on the amounts of the Financial Statements.

c) Impairment

At every Financial Statements preparation date, the Bank assesses whether or not there is objective evidence indicating that a loan or a group of loans have been impaired. It is considered that indications of impairment pertain to the following cases:

- There are obvious, significant financial difficulties of the issuer or obligor of the financial asset, or
- The carrying amount is significantly higher than the fair value of the assets in question, or
- Unfavorable local, national or international conditions increase the likelihood of defaulting the major commitments arising from financial assets.

Impairment loss occurs when the carrying amount of the loan is higher than the amount that the entity expects to recover from the loan.

3.5 Income Tax

a) Current Tax

The current income tax includes the income tax arising under the provisions of the applicable tax legislation.

Regarding the tax non-inspected FYs, the Company makes the relative provision depending on the extent, to which it estimates that differences will arise from the future tax inspection.

b) Deferred Tax

Deferred taxes arise when there are temporary (reversible) differences between book value and tax base of balance sheet items.

The Company's accounting policy is not record deferred taxes, based on the provisions of the Greek Accounting Standards.

3.6 Other Accounting Policies

Advance payments and other non-financial assets

Advance payments are initially recorded at acquisition cost (the amounts paid) and are subsequently measured at initial acquisition cost, less the amounts used under the accrued

basis and any impairment losses. Impairment of advance payments pertains to the case in which the recipient of the amount in question is not in a position either to meet the commitment or to repay the balance amount.

Other non-financial assets are initially recorded at acquisition cost and are subsequently measured at the lower of cost and recoverable amount, i.e. the amount expected to be received.

Write-off

A financial asset is derecognised when, and only when the contractual rights to the cash flows of the asset have expired or and substantially all the risks and rewards of ownership of the asset have been transferred.

Provisions for employee service termination benefits

Provisions for employee service termination benefits are recognised and measured at the legally estimated nominal amounts as at the Balance Sheet date.

Other Provisions

Other provisions are initially recognized and subsequently measured at the nominal amount expected to be demanded under their settlement.

Financial Liabilities

Financial liabilities are initially recognised and subsequently measured at their nominal amounts.

Revenue – Expenses

Revenue and expenses are recognised in the income statements when they become accrued.

Foreign Currency Transactions

A transaction in foreign currency is translated upon initial recognition into the currency in which the financial statements of an entity are prepared using the current FOREX exchange rate. At the end of every reporting period: (a) monetary items are translated as at the closing rate at the balance sheet date, (b) non-monetary items denominated in foreign currency, measured at historical cost. are translated at the initial recognition rate.

FOREX differences arising under the settlement of monetary items or from the translation at a rate that differs from that effective under translation or during the preparation of the previous financial statements, are recognized in the period in which they occur.

4. Risk Factors Regarding the Bank's Potential to Continue as Going Concern

No factors regarding the Bank's potential to continue as going concern have arisen.

5. Deviations from Legal Provisions in order to Ensure Fair Presentation of Financial Statements

No need for such deviations has arisen within the current period.

6. Assets or Liabilities Related to More than One Balance Sheet Item

There are no assets or liabilities related to more than one Balance Sheet item.

Information on Financial Statements Items

7. Cash and Balances with Central Bank

Cash and Balances with Central Bank

	31/12/2016 (amounts in €)	31/12/2015 (amounts in €)
Cash in Euro	745.284,77	852.803,42
Cash in foreign currency	29.690,62	47.991,21
Cash in Central Bank	412.070,00	462.690,00
<u>Checks receivables through DISEE</u>	<u>0,00</u>	<u>177.073,54</u>
Total	<u>1.187.045,39</u>	<u>1.540.558,17</u>

8. Due from Banks

Receivables are analysed as follows, per Credit Institution participating interest:

Due from Banks

	31/12/2016 (amounts in €)	31/12/2015 (amounts in €)
Sight deposits in Credit institutions in Greece - in foreign countries	1.526.088,76	310.629,75
Sight deposits in related parties	601.688,31	383.517,36
Time deposits	9.000.000,00	0,00
Current Nostro Accounts	381.302,01	612.777,15
Receivables from related parties	18.687.615,16	29.254.066,83
Receivables from other institutions	<u>0,00</u>	<u>0,00</u>
Total	<u>30.196.694,24</u>	<u>30.560.991,09</u>

There are no receivables from subordinated Credit Institutions.

9. Loans and advances to customers

Loans and advances to customers

	31/12/2016 (amounts in €)	31/12/2015 (amounts in €)
Receivables from Performing Loans	12.642.788,26	15.670.174,89
Receivables from Non Performing Loans	1.575.188,04	1.581.641,26
Less: Provisions for doubtful debts	<u>(1.964.799,06)</u>	<u>(1.810.000,00)</u>
Total	<u>12.253.177,24</u>	<u>15.441.816,15</u>

9.1 Time-based Analysis of Loans and Receivables from Clients

Receivables from clients are analysed as follows pertaining to their maturities:

Loans (in '000 €)	
- To one year	7.519
- More than one year	3.830
- Without particular duration	89
- Delays above 90 days	<u>2.780</u>
Total	<u>14.218</u>

9.2 Category-based Analysis of Loans and Receivables from Clients

	31/12/2016	31/12/2015
Consumer loans	2.088.808,55	2.474.545,78
Corporate loans	10.398.844,21	13.010.022,89
Mortgages	1.641.297,22	1.665.503,60
Overdrafts & legal expenses	<u>89.026,32</u>	<u>101.743,88</u>
Total	<u>14.217.976,30</u>	<u>17.251.816,15</u>

10. Investment Securities

Nominal value of total Bonds as at 31/12/2016 stands at € 21.622.500, as at 32/12/2015 at €21.622.500.

Investment Securities

	31/12/2016	31/12/2015
	(ποσά σε €)	(ποσά σε €)
Greek Government Bonds	3.622.500,00	3.622.500,00
Turkish Government Bonds	19.087.090,00	19.482.730,00
EFSF Bonds	0,00	0,00
<u>Provisions for impairment of Greek Government Bonds</u>	<u>(2.014.919,40)</u>	<u>(2.067.716,18)</u>
Total	<u>20.694.670,60</u>	<u>21.037.513,82</u>

10.1 Assets Held to Maturity

Changes in assets held to maturity for FYs 2016 and 2015 are analysed as follows:

	Greek Government Bonds
Balance 01.01.2015	1.480.298,96
Additions	0,00
Reduction due to maturity	0,00
<u>Premium / discount</u>	<u>74.484,87</u>
<u>Balance 31.12.2015</u>	<u>1.554.783,82</u>
Balance 01.01.2016	1.554.783,82
Additions	0,00
Reduction due to maturity	0,00
<u>Premium / discount</u>	<u>52.796,78</u>
<u>Balance 31.12.2016</u>	<u>1.607.580,60</u>

The aforementioned securities are measured at amortized cost.

10.2 Assets Available for Sale

Changes in assets available for sale for FYs 2016 and 2015 are analysed as follows:

	Turkish Government Bonds
Balance 01.01.2015	19.998.135,89
Additions	0,00
Disposals	0,00
Premium / discount	(57.140,95)
<u>Impairment for the period</u>	<u>(458.264,94)</u>
<u>Balance 31.12.2015</u>	<u>19.482.730,00</u>
Balance 01.01.2016	19.482.730,00
Additions	0,00
Disposals	0,00
Premium / discount	37.723,01
<u>Impairment for the period</u>	<u>(433.363,01)</u>
<u>Balance 31.12.2016</u>	<u>19.087.090,00</u>

The aforementioned securities are measured at amortized cost.

11. Intangible Assets

The following tables show the movements in intangibles assets:

	Software	Other Intangible Assets	Total
Gross Carrying amount			
Balance 01.01.2015	589.722,53	343.922,67	933.645,20
Additions	17.220,00	0,00	17.220,00
Balance 31.12.2015	606.942,53	343.922,67	950.865,20
Amortisation and Impairment			
Balance 01.01.2015	(428.322,53)	(283.922,65)	(712.245,18)
Amortisation	(63.645,96)	(30.000,00)	(93.645,96)
Balance 31.12.2015	(491.968,49)	(313.922,65)	(805.891,14)
Carrying amount 31.12.2015	114.974,04	30.000,02	144.974,06
Gross Carrying amount			
Balance 01.01.2016	606.942,53	343.922,67	950.865,20
Additions	54.289,64	0,00	54.289,64
Balance 31.12.2016	661.232,17	343.922,67	1.005.154,84
Amortisation and Impairment			
Balance 01.01.2016	(491.968,49)	(313.922,65)	(805.891,14)
Amortisation	(54.076,90)	(30.000,00)	(84.076,90)
Balance 31.12.2016	(546.045,39)	(343.922,65)	(889.968,04)
Carrying amount 31.12.2016	115.186,78	0,02	115.186,80

The subcategory "Other intangibles" includes formation and set-up expenses. Under the provisions of Par. 5, Article 37, items of the balance sheet that do not meet the recognition criteria of the law, but are recognized under the previously effective accounting framework, can still appear in the Balance Sheet after 31 December 2014 and until their full amortization, in compliance with the effective tax provisions or any way of their disposal. The Bank has used the aforementioned provisions and, as at 31/12/2015, the net amount of € 30.000,02 pertains to the effect of that provision and within FY 2016 has been fully amortized.

12. Property, Plant and Equipment

The following tables show the movements in property, plant and equipment:

	Buildings	Vehicles	Furniture and other fixtures	Total
Gross Carrying amount				
Balance 01.01.2015	1.482.342,04	34.510,00	730.453,13	2.247.305,17
Additions	4.722,55	0,00	5.807,75	10.530,30
Balance 31.12.2015	1.487.064,59	34.510,00	736.260,88	2.257.835,47
Depreciation and Impairment				
Balance 01.01.2015	(531.383,78)	(16.234,08)	(433.487,78)	(981.105,64)
Depreciation	(124.015,82)	(3.451,00)	(83.131,22)	(210.598,04)
Balance 31.12.2015	(655.399,60)	(19.685,08)	(516.619,00)	(1.191.703,68)
Carrying amount 31.12.2015	831.664,99	14.824,92	219.641,88	1.066.131,79
Gross Carrying amount				
Balance 01.01.2016	1.487.064,59	34.510,00	736.260,88	2.257.835,47
Additions	0,00	0,00	31.860,41	31.860,41
Balance 31.12.2016	1.487.064,59	34.510,00	768.121,29	2.289.695,88
Depreciation and Impairment				
Balance 01.01.2016	(655.399,60)	(19.685,08)	(516.619,00)	(1.191.703,68)
Depreciation	(124.404,13)	(3.451,00)	(63.159,05)	(191.014,18)
Balance 31.12.2016	(779.803,73)	(23.136,08)	(579.778,05)	(1.382.717,86)
Carrying amount 31.12.2016	707.260,86	11.373,92	188.343,24	906.978,02

The Bank's assets are not burdened with liens or notices of charge.

13. Other Assets

Other assets are analysed as follows:

<u>Other Assets</u>	31/12/2016 (amounts in €)	31/12/2015 (amounts in €)
Other accounts receivables	18.306,00	10.733,42
Withholding taxes	616.853,28	562.359,33
Debit credit accounts	140,51	25,45
Long term receivables from guarantees	639.770,39	631.463,42
Total	<u>1.275.070,18</u>	<u>1.204.581,62</u>

Receivables arising from guarantees are presented below as follows:

<u>Long term receivables from guarantees</u>	31/12/2016 (amounts in €)	31/12/2015 (amounts in €)
Guarantees for rents - Public Power Corporation - Water Supply & Sewerage Systems Company	10.606,16	10.606,16
Guarantees for car leasing	4.940,00	4.940,00
Other guarantees	595,00	595,00
Deposits Guarantee Fund	<u>623.629,23</u>	<u>615.322,26</u>
Total	<u>639.770,39</u>	<u>631.463,42</u>

14. Prepaid Expenses & Accrued income

The Bank's prepaid expenses are analysed as follows:

<u>Prepaid Expenses & Accrued income</u>	31/12/2016 (amounts in €)	31/12/2015 (amounts in €)
Prepaid expenses		
Third parties fees	48.496,29	45.669,08
Prepaid taxes - duties	2.112,49	1.173,96
Other expenses	6.320,47	3.481,61
Accrued income		
Other accrued interest	117.060,38	144.828,97
Accrued interest on loans	33.018,64	34.735,68
Accrued interest on bonds	<u>525.960,06</u>	<u>525.662,33</u>
Total	<u>732.968,33</u>	<u>755.551,63</u>

15. Due to Banks

Due to Banks

	31/12/2016	31/12/2015
	(amounts in €)	(amounts in €)
Deposits		
Interbank deposits	20.202.299,41	20.340.274,59
Other liabilities		
Checks receivables through DISEE	<u>69.882,06</u>	<u>0,00</u>
Total	<u>20.272.181,47</u>	<u>20.340.274,59</u>

16. Due to customers

Due to customers

	31/12/2016	31/12/2015
	(amounts in €)	(amounts in €)
Deposits		
Sigh deposits / savings	17.396.008,26	19.476.900,75
Time deposits	11.426.168,29	12.674.001,19
Other liabilities	<u>0,00</u>	<u>0,00</u>
Total	<u>28.822.176,55</u>	<u>32.150.901,95</u>

17. Other Liabilities

The Bank's other liabilities are analysed as follows:

Other liabilities

	31/12/2016	31/12/2015
	(amounts in €)	(amounts in €)
VAT	1.299,78	456,20
Tax on salaries	42.446,83	52.312,21
Contribution of law 128 /75	45,65	52,91
Tax on interest of deposits	5.019,89	10.644,01
Tax on interest of bonds	0,00	32.625,00
Other taxes - duties	365,00	0,00
Amounts owed to social security	51.382,70	51.799,11
Other	8.057,70	1.768,46
Amounts owed to suppliers accounts	89.585,36	48.352,34
Customer accounts advances security boxes	22.800,00	23.400,00
Budgeted revenue from commissions	7.468,74	8.197,46
Crebit dedit accounts	12.609,64	81.889,73
Other accounts	<u>925,75</u>	<u>838,96</u>
Total	<u>242.007,04</u>	<u>312.336,39</u>

18. Accrued Expenses

Accrued Expenses

	31/12/2016 (amounts in €)	31/12/2015 (amounts in €)
Accrued expenses (payable)	103.084,39	102.034,53
Accrued interest on deposits (payable)	<u>98.433,61</u>	<u>139.562,06</u>
Total	<u>201.518,00</u>	<u>241.596,59</u>

19. Provisions

Provisions

	Provisions for employee retirement or redundancy compensation
Balance 01.01.2015	83.668,01
Additions	7.962,24
Balance 31.12.2015	91.630,25
Balance 01.01.2016	91.630,25
Additions	4.617,88
Balance 31.12.2016	96.248,13

20. Capital

Athens Branch T.C. Ziraat Bankasi A.S. holds no capital, which is replaced by an amount of € 33.000.00,00 of endowment account.

21. Other Reserves

Other Reserves

	31/12/2016 (amounts in €)	31/12/2015 (amounts in €)
Reserve from Turkish Government Bonds valuation at fair value	883.299,39	1.229.007,91
Reserve from Greek Government Bonds valuation at fair value	<u>0.00</u>	<u>0.00</u>
Total	<u>883.299,39</u>	<u>1.229.007,91</u>

22. Retained Earnings

Retained Earnings

	(amounts in €)
Retained Earnings 1.1.2015	(15.332.874,38)
Profit / (loss) for the period 2015	(280.754,96)
Reserve from Greek Government Bonds valuation at fair value	(2.334.619,65)
Retained Earnings 31.12.2015	(15.613.629,34)
Retained Earnings 1.1.2016	(15.613.629,34)
Profit / (loss) for the period 2016	(542.010,43)
Retained Earnings 31.12.2016	(16.155.639,78)

23. Interest and Similar Income

The Bank's interest and similar income are analysed as follows:

Interest and Similar Income

	31/12/2016 (amounts in €)	31/12/2015 (amounts in €)
Interest on securities with fixed yields	945.588,03	961.656,25
<u>Other interest and similar income:</u>		
Interest from loans	778.200,29	978.095,69
Other income receivable	<u>800.612,87</u>	<u>1.094.705,04</u>
Total	<u>2.524.401,19</u>	<u>3.034.456,98</u>

24. Interest expense and Similar Charges

The Bank's interest and similar charges are analysed as follows:

Interest expense and Similar Charges

	31/12/2016 (amounts in €)	31/12/2015 (amounts in €)
Contributions of Bank (L 128)	72.328,89	84.120,94
Depreciation / reduction in interest from Turkish government bond	0,00	0,00
Interest payable due to deposits (Sight deposits, Savings, Time deposits)	<u>630.180,80</u>	<u>797.700,89</u>
Total	<u>702.509,69</u>	<u>881.821,83</u>

25. Fee and commission income

Revenue from bank fees and commissions is analysed as follows:

Fee and commission income

	31/12/2016 (amounts in €)	31/12/2015 (amounts in €)
Commissions from letters of guarantee	24.057,90	23.634,54
Commissions from working capital	19.908,70	17.748,65
Commissions from foreign exchange	31.198,98	58.773,89
Commissions from other operations	86.745,88	<u>96.079,90</u>
Total	<u>161.911,46</u>	<u>196.236,98</u>

26. Fee and commission expense

Expenses from bank fees and commissions are analysed as follows:

Fee and commission expense

	31/12/2016 (amounts in €)	31/12/2015 (amounts in €)
Commission expenses	<u>563,70</u>	<u>718,50</u>
Total	<u>563,70</u>	<u>718,50</u>

27. Other Operating Income

Other operating income is analysed as follows:

Other Operating Income

	31/12/2016 (amounts in €)	31/12/2015 (amounts in €)
Contribution of Parent Company to the Branch's expenses	83.554,99	86.124,83
Other Income	<u>12.687,84</u>	<u>6.060,51</u>
Total	<u>96.242,83</u>	<u>92.185,34</u>

28. Operating Expenses

Operating expenses are analysed as follows:

Operating Expenses

	31/12/2016 (amounts in €)	31/12/2015 (amounts in €)
Wages and salaries	1.065.969,74	1.094.441,47
Employee related other expenses and allowances	36.521,56	26.056,00
Employer contributions	237.820,89	239.711,77
Lawyers fees	31.392,13	13.393,06
Auditors fees	19.500,00	32.000,00
Valuers, Engineering, Notaries, Translators fees	2.116,00	1.746,63
Other third parties fees	31.766,03	19.203,91
Telecommunication services	42.157,10	40.793,56
Rent expenses	287.453,88	291.581,41
Insurance expenses	11.705,69	10.620,74
Repair and maintenance expenses	64.163,59	44.854,72
Electricity	39.169,93	40.638,60
Water	482,23	557,04
Security	50.765,48	27.909,55
Cleaning expenses	24.850,00	23.381,00
Taxes - duties	101.156,60	89.501,87
Stamp duty on rent	9.677,16	9.769,68
Withholding taxes	6.900,00	0,00
Transportation expenses	10.232,13	12.538,67
Travelling expenses	3.768,08	3.468,66
Promotion and advertisement expenses	13.289,48	8.863,29
Subscriptions - contributions	21.607,72	20.200,21
Donations - Grants	500,00	500,00
Printed material and office supply expenses	4.354,76	8.198,67
Supplies of immediate consumption	3.790,14	1.819,14
Publication expenses	273,87	150,00
Other expenses	44.221,70	41.599,65
IT support expenses	64.407,65	60.615,92
Expenses for supervision and extraordinary missions	4.359,18	4.545,95
TEKE expense	30.615,00	29.403,32
Depreciation	275.091,08	304.244,00
Total	<u>2.540.078,80</u>	<u>2.502.308,49</u>

29. Financial Transactions and Investment Portfolio

Financial transactions and investment portfolio are analysed as follows:

Financial Transactions and Investment Portfolio

	31/12/2016 (amounts in €)	31/12/2015 (amounts in €)
Foreign currency gains	8.256.895,09	5.102.995,86
Foreign currency losses	(8.241.969,85)	(5.071.161,28)
Losses from premium of bonds	<u>0,00</u>	<u>0,00</u>
Total	<u>14.925,24</u>	<u>31.834,58</u>

30. Impairment Provisions for Covering Credit Risk

Impairment Provisions for Covering Credit Risk

	31/12/2016 (amounts in €)	31/12/2015 (amounts in €)
Provision for Doubtful Debts	154.799,06	241.862,43
Total	<u>154.799,06</u>	<u>241.862,43</u>

31. Other Income and Profit

Extraordinary and non-operating income amounted to € 73.569,31 as at 31.12.2016 and to € 4.385,92 as at 31.12.2015.

32. Other Expenses and Losses

Extraordinary and non-operating expenses amounted to € 10.491.33 as at 31.12.2016 and to € 5.181,27 as at 31.12.2015.

33. Income Tax

Under the Greek effective tax legislation, the income tax rate for legal entities is defined as that of 29%. The Bank has tax losses both – in the current and previous FYs – which, in line with the accounting policy option not to record deferred assets, results in the financial statements not being affected by current and deferred income tax.

34. Number of Headcount and Personnel Fees

The Bank's average headcount analysed per category and FY is as follows:

Average of bank's personnel

	31/12/2016	31/12/2015
Bank's personnel	27	27

The Bank's personnel fees are analysed as follows:

Employee compensation and expenses

	31/12/2016	31/12/2015
	(amounts in €)	(amounts in €)
Wages and salaries	1.065.969,74	1.094.441,47
Employer contributions	237.820,89	239.711,77
Employee related other expenses and allowances	<u>36.521,56</u>	<u>26.056,00</u>
Total	<u>1.340.312,19</u>	<u>1.360.209,24</u>

35. Financial Commitments

The Bank has operating lease agreements pertaining to leasing buildings and vehicles. The rentals to be paid in the following years are analysed below as follows:

Amounts in euro	Buildings	Cars
Not later than one year	269.962,32	16.403,48
Later than one year and no later than five years	778.793,99	32.855,91
Later than five years	<u>100.857,34</u>	<u>0,00</u>
Total	<u>1.149.613,65</u>	<u>49.259,39</u>

36. Guarantees

The Bank has issued the following guarantees:

Contingent liabilities	31/12/2016	31/12/2015
Beneficiaries assets	1.422.746,19	1.263.909,83
Contracts and agreements weighted risk	4.824.562,47	4.322.877,59
Assets from bilateral agreements	3.379.416,36	1.275.050,12
Debit memo accounts	<u>55.974.931,64</u>	<u>52.184.256,90</u>
Total off-balancesheet items	<u>65.601.656,66</u>	<u>59.046.094,44</u>

37. Contingent Liabilities

There are no litigations or legal disputes under arbitration that may have a significant effect on the financial position of the Bank.

The Bank has been tax-inspected for the period (29/01/2008-31/12/2009), while its tax liabilities for FY 01/01/2010- 31/12/2010 have not been finalized. Regarding FYs 2011 – 2016, the Bank is subject to tax audit of Chartered Accountants in compliance with provisions of Article 82, par. 5, Law 2238/1994 and Article 65A, par. 1, Law 4174/2013. For 2016, the tax audit is in progress and the relative tax certificate will be issued following the publication of the financial statement for FY 2016. If additional tax obligations arise till the finalization of the tax audit, it is not expected that they will significantly affect the Financial Statements.

38. Advance Payments and Credits to Members of the Management, Administrative and Supervisory Bodies

The fees of the members of the branch administration and management stand at € 445.160 as at 31.12.2016 and € 433.770 as at 31.12.2015.

Athens, 20 July 2017

Senior Country Manager

Country Director & Financial Manager

Operations Manager

Ozcan Asanoğlu

Vassilios K. Fotiou

Aikaterini Vinga

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