



KOOPBANK

ANNUAL REPORT & ACCOUNTS 2015



Cyprus Turkish Cooperative Central Bank is a member of the
International Co-operative Alliance (ICA)

Cyprus Turkish Co-operative Central Bank Ltd

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BANK PROFILE

The Co-operative Movement in Cyprus, considered as one of the well organized and the strongest in the world, was introduced at the beginning of the 20th Century and the first Co-operative Society was founded in 1909.

In 1937 the Co-operative Central Bank was founded. Its purpose was to provide credit for those member societies that are in need, through self-financing within the Co-operative Movement.

According to the Constitution of Cyprus and the Treaty of Establishment enacted in 1959 when Cyprus acquired its independence, both the Cyprus Co-operative Central Bank and the Co-operative Movement on the island were split into two separate parts, as Turkish and Greek Cypriot.

Today, at the center of the Co-operative credit system of the Turkish Republic of Northern Cyprus is the Cyprus Turkish Co-operative Central Bank Ltd.(KOOPBANK), which was established in 1959 as a tertiary Co-operative Society. Members of the Bank are the Co-operative Societies, which are obliged by the Co-operative Law to deposit their liquid funds with the Bank.

KOOPBANK, in addition to its obligation to comply with the Co-operative Societies Law and Rules, is at the same time subject to the Banking Law of 2001.

Today, KOOPBANK provides the following services:

- It acts as the Central Banker to the local Co-operative Societies by giving loans to those Societies in need and accepting deposits from those with surplus funds.
- It is the lender of last resort for Co-operative Societies involved in banking activities.
- To assist the agricultural development, it provides government-subsidized loans directly to the farmers. These loans are usually long-term and at low rates of interest.
- Through its agricultural oriented subsidiaries, it provides a whole range of agricultural requisites including fertilizers, insecticides, machinery and equipment for farmers usually on credit basis until the ingathering of the crop.
- As part of its strategy to build an integrated financial services group, the Bank's wholly-owned subsidiary Şeker Insurance(Kıbrıs) Ltd. has been a major insurance company in the country providing insurance services to all sectors. Financing of farmers for land development and land leveling.
- Financing the local authorities and the State for several of their projects.

As well as the above specialized services, Koopbank offers a comprehensive range of retail, corporate and foreign banking services through its 20 branches and its numerous correspondents abroad. It is the major bank in the financial system of the country in terms of its size and the use of technology, such that at least one person from each household is a customer of the cooperative societies.



In its dedication to serve better for its customers and member societies, Koopbank has continuously been working towards improving its service quality and expanding the range of its products and services to meet the ever-changing demands.



BOARD OF DIRECTORS AND SENIOR OFFICERS

Board of Directors

Halil Enver Ulaş
Chairman

Muhammet Aygün
Member

Gültekin Boğaçhan
Member

Kemal Deniz Dana
Member

Emel Uzun
Member

Fahri Üçöz
Member

Senior Officers

Orhan Bürüncük
General Manager(Act.)

Kemal Ataman
Assistant General Manager(Act.)

Auditors

Akman & Konde
Audit & Assurance

As of 21 April 2016



REPORT OF THE DIRECTORS

1. The Board of Directors has pleased in submitting their Report for the year 2015 together with the Audited Balance Sheet and the Profit and Loss Account as of 31st December 2015.

2. Profit and Loss Account

The Net Profit of the Bank for the year 2015 arising from its ordinary activities in the Banking, Commercial and Industrial fields, before making any transfers to Provision for Doubtful Accounts, was TRY 24,313,376 compared to TRY 12,669,423 for the year 2014, reflecting an increase of 91,91% . In 2015, the Net Profit amounted to TRY 24,198,875 whereas corresponding amount for the previous year was TRY 10,698,404

The Bank also had an extraordinary income of TRY 49,821 consisting of TRY 3,936 Entrance Fees from New Shareholders, TRY 45,885 from Rental Income. The corresponding figure for the previous year was TRY 26,065 consisting of, TRY 4,898 from entrance fees, TRY 21,167 from rental income.

3. Taxation

In respect of 2015, a provision of TRY 165,813 was made for the taxation liability, leaving an overall Net Income of TRY 24,198,875 for the year, after taxation is deducted.

4. Under the Co-operative Societies Law, The Bank is subject to a levy, up to 15 % of its annual Net Profit from ordinary activities as compulsory contribution to the statutory Co-operative Societies Audit and Supervision Fund. The exact amount of such contribution is determined by the Registrar of Turkish Co-operative Societies. In the accounts for 2015 no provision was made for this purpose following an understanding with the registrar to that effect.
5. As explained above, the remaining balances of TRY 24,198,875 are credited to the General Reserve Account in accordance with the statutory regulations in force. Under the regulations made pursuant to the Cooperative Societies Law and Bank's by-Law; the Bank Reserves are not available for distribution as a dividend or appropriation for any purpose; hence they are of the nature of additional permanent capital.

6. Activities of the Bank

In the banking field, the Bank operating through nineteen banking branches in Northern Cyprus, provides a comprehensive range of domestic and foreign banking services. In the industrial and commercial fields, the Bank comprises mainly in agriculture-based production companies through its three Cooperative Subsidiaries. It makes a significant contribution to the economy of the Turkish Republic of Northern Cyprus.

7. The Bank also acts as a principal agent of the State, for financial support and other services provided for the agricultural sector through the network of rural Co-operative Societies, all of which are shareholder members of the Bank.

8. Deposits

Time deposits as of 31.12.2015 are amounted to TRY 3,316,790,065 compared to TRY 2,710,306,904 of the previous year, showing a 22,38% increase. On the other hand, demand deposits as of 31.12.2015 are amounted to 189,043,241 TRY as compared to TRY 213,175,713 of the previous year, which shows a 11,32% decrease.

9. Advances, Loans and other Accounts Receivable

The outstanding advances and loans together with other accounts receivable less provision for doubtful accounts, was TRY 2,533,645,147 compared to TRY 2,288,932,620 at the end of previous year, showing an increase of 10,69%.

10. Capital and Reserves

The Capital and Reserves of the Bank as of 31.12.2015 amounted to TRY 275,097,813 as compared to TRY 247,105,207 on 31.12.2014 showing an increase of 11,33%.

The reserves of the Bank increased to TRY 27,992,606 as compared with the previous year; this increase in reserves is due to the TRY 24,364,687 profit for 2015.

11. We wish to take this opportunity to express our sincere appreciation to our general Manager and his immediate assistance as well as to the managers and staff for their hard work and devotion to their duty during 2015.

On behalf of the Board

Halil Enver Ulař

Chairman



DIRECTORS' RESPONSIBILITIES IN RESPECT OF FINANCIAL STATEMENTS

1. **Rule 65 of the Rules, made under section 54 of the Cooperative Societies Law, Cap. 114.**

Preparation of Annual Report and Accounts

The Board of Directors shall within the period prescribed by the Turkish Cypriot Registrar of Co-operative Societies and as soon as possible;

- a) Ensure that the General Manager prepares the Bank's Balance Sheet as of 31st of December of the preceding year and its detailed Profit and Loss Account for the year then ended and submits it to the Turkish Cypriot Registrar of Co-operative Societies.
- b) Prepare a report concerning the activities of the Bank during the said year for submission to the Annual General Meeting.

2. **Rule 12 of the By-Law of the Cyprus Turkish Co-operative Central Bank Ltd. made under the Co-operative Societies Law.**

The Board of Directors shall manage the affairs of the Bank with prudence reserve and reason. They will otherwise be responsible for any loss arising from action contrary to the Co-operative Societies Law. The Rule made there under and these Rules.

CYPRUS TURKISH COOPERATIVE CENTRAL BANK LIMITED
INDEPENDENT AUDITORS' REPORT FOR THE ACCOUNTING PERIOD
1 JANUARY 2015-31 DECEMBER 2015

We have audited the accounts on pages 6 to 35 which have been prepared under the historical cost convention and in accordance with the accounting policies set out on page 9. As described on page 3 the directors of the bank are responsible for the preparation of accounts. Our responsibility is to express an opinion based on our audit.

We have conducted our audit in accordance with applicable auditing principles. Those principles require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement taking into consideration the operation of the Bank's internal systems, effectiveness of the internal control system, sufficient use of internal systems and the appropriateness of the infrastructure and the systems in use to the Bank's structure. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessment of the accounting principles used, significant accounting estimates made by the board of directors and the overall presentation of the financial statements. We believe that our audit provides reasonable basis for our opinion.

Report in accordance with Principles Relating to the Establishments Authorised to carry out Independent Audits of the Banks Decree

In our opinion, the said financial statements, with all material respects, have been examined on a test basis under Article 34 (3) of the Banking Law No:39/2001 and the following matter has been identified.

-The total of loans secured by State guarantee exceeded the limit as prescribed by the 39/2001 Banking Law by 1,725,840,634 (One billion seven hundred and twenty five million, eight hundred and forty thousand, six hundred and thirty four) Turkish Lira.

Except for the matter above the financial statements is in conformity with the uniform chart of accounts, uniform balance sheet and profit and loss statement, notes to the financial statements, accounting and valuation standards in accordance with Article 29 (3), the records of the bank in accordance with Article 30 of the above mentioned Law and as explained in note-IB (14). Internal systems and internal control procedures have been reviewed and found appropriate as stated in note IB-14.

Opinion Under Cooperative Companies Law Chapter 114

We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit. In our opinion, the bank has kept proper books of account, so far, as appears from our examination of those books. The balance sheet of the bank and profit and loss account dealt with by the report are in agreement with the books of account.



In our opinion and to the best of information obtained and according to the explanations given to us, the accounts in all material respects, give the information required by Chapter 114, the Cooperative Companies Law in the manner so required and give a true and fair view of the Bank's financial position as at 31 December 2015 and of the profit for the year 2015.

Responsible Partner

Akman-Konde Audit Assurance Co.

Hilmi Konde
Certified Public Accountant (USA)

Niyazi Akman BA Acc. (Hons)

Nicosia, 21.04.2016

Independent Auditors Authorised by the Central Bank

Financial Highlights

(TRY, US\$ in actual)

	2015		2014		Growth	
	US\$	TRY	US\$	TRY	US\$%	TRY%
Total Assets	1,358,706,654	3,940,249,298	1,449,956,558	3,356,649,432	-6,29	17,39
Loans, Net	869,561,682	2,521,728,877	983,575,188	2,276,976,561	-11,59	10,75
Total Deposits	1,208,908,037	3,505,833,306	1,262,843,463	2,923,482,617	-4,27	19,92
Shareholders Equity & Reserves	94,861,315	275,097,813	106,740,910	247,105,207	-11,13	11,33
Net Interest Income	17,682,006	51,277,817	23,726,321	54,926,434	-25,48	-6,64
Net Profit/Loss	8,344,440	24,198,875	4,621,341	10,698,404	80,56	126,19

End Year Conversion Rates : 1 US \$ = 2.9000TRY for 2015

1 US \$ = 2.3150 TRY for 2014



BALANCE SHEETS

(As at 31.12.2015 and 31.12.2014)

ASSETS

(31/12/2015)

(31/12/2014)

	Note	LC	FC	TOTAL	LC	FC	TOTAL
CASH AND EQUIVALENTS		13,675,312	7,363,716	21,039,028	9,968,211	4,705,081	14,673,292
A. Cash balances -Turkish Lira		13,675,312	0	13,675,312	9,968,211	0	9,968,211
B. Cash balances -Foreign Currency		0	6,854,191	6,854,191	0	4,498,096	4,498,096
C. Others		0	509,525	509,525	0	206,985	206,985
BANKS	(1)	109,658,103	733,438,240	843,096,343	114,191,188	562,378,056	676,569,244
A. Due from the Central Bank		32,594,550	186,122,679	218,717,229	109,181,362	293,233,588	402,414,950
B. Due from banks		77,063,553	547,315,561	624,379,114	5,009,826	269,144,468	274,154,294
1) Domestic banks		64,000,084	199,332,500	263,332,584	3,484	1,157,500	1,160,984
2) Foreign banks		13,063,469	347,983,061	361,046,530	5,006,342	267,986,968	272,993,310
OTHER FINANCIAL INSTITUTIONS		0	0	0	0	0	0
MARKETABLE SECURITIES [Net]	(2)	46,823,427	202,947,565	249,770,992	43,793,290	80,457,981	124,251,271
A. Government bonds and treasury bills		0	0	0	0	0	0
B. Other bonds		0	0	0	0	0	0
C. Equity shares		0	0	0	0	0	0
D. Other marketable securities		46,823,427	202,947,565	249,770,992	43,793,290	80,457,981	124,251,271
LOANS	(3)	2,047,618,342	459,839,477	2,507,457,819	1,855,206,250	403,169,228	2,258,375,478
A. Short-term		1,997,793,557	406,698,951	2,404,492,508	1,815,315,874	338,509,006	2,153,824,880
B. Medium and Long term		49,824,785	53,140,526	102,965,311	39,890,376	64,660,222	104,550,598
LOANS IN ARREARS [Net]	(4)	5,762,540	8,508,518	14,271,058	2,245,283	16,355,800	18,601,083
A. Loans with limited recovery [Net]		3,264,184	5,417,192	8,681,376	1,315,762	16,101,510	17,417,272
1) Gross receivables		3,675,575	5,574,023	9,249,598	1,447,406	16,590,344	18,037,750
2) Provision for loan losses (-)		411,391	156,831	568,222	131,644	488,834	620,478
B. Loans with doubtful recovery [Net]		2,498,356	3,091,326	5,589,682	929,521	254,290	1,183,811
1) Gross receivables		3,771,150	3,364,417	7,135,567	1,063,839	316,516	1,380,355
2) Provision for loan losses (-)		1,272,794	273,091	1,545,885	134,318	62,226	196,544
C. Loans considered as loss [Net]		0	0	0	0	0	0
1) Gross receivables		9,886,440	66,145,690	76,032,130	8,634,624	55,434,350	64,068,974
2) Provision for loan losses (-)		9,886,440	66,145,690	76,032,130	8,634,624	55,434,350	64,068,974
INTEREST&OTHER INCOME ACCRUALS		2,779,897	672,716	3,452,613	2,424,900	485,521	2,910,421
A. Loans		1,251,613	23,906	1,275,519	927,775	36,173	963,948
B. Marketable securities		1,511,990	428,049	1,940,039	1,497,125	208,284	1,705,409
C. Other		16,294	220,761	237,055	0	241,064	241,064
LEASING RECEIVABLES [Net]		0	0	0	0	0	0
A. Leasing receivables		0	0	0	0	0	0
B. Unearned income (-)		0	0	0	0	0	0
RESERVE DEPOSITS AT THE CENTRAL BANK		171,829,143	87,728,110	259,557,253	153,979,925	65,754,254	219,734,179
MISCELLANEOUS RECEIVABLES	(5)	42,247	53,764	96,011	115,506	162,946	278,452
PARTICIPATIONS [Net]	(6)	0	0	0	0	0	0
A. Financial services		0	0	0	0	0	0
B. Others		0	0	0	0	0	0
SUBSIDIARIES [Net]	(6)	22,000,549	0	22,000,549	18,996,545	0	18,996,545
A. Financial services		8,426,507	0	8,426,507	7,587,833	0	7,587,833
B. Other		13,574,042	0	13,574,042	11,408,712	0	11,408,712
LONG-TERM SECURITIES [Net]	(7)	3,202	0	3,202	3,202	0	3,202
A. Equities		0	0	0	0	0	0
B. Other long-term securities		3,202	0	3,202	3,202	0	3,202
FIXED ASSETS [Net]	(8)	11,139,987	0	11,139,987	13,492,282	0	13,492,282
A. Book value		27,875,010	0	27,875,010	28,624,407	0	28,624,407
B. Accumulated depreciation (-)		16,735,023	0	16,735,023	15,132,125	0	15,132,125
OTHER ASSETS	(9)	8,284,649	79,794	8,364,443	8,610,364	153,618	8,763,982
TOTAL ASSETS	(19)	2,439,617,398	1,500,631,900	3,940,249,298	2,223,026,947	1,133,622,485	3,356,649,432

LIABILITIES		Note	(31/12/2015)			(31/12/2014)		
		(10)	LC	FC	TOTAL	LC	FC	TOTAL
DEPOSITS			2,208,252,514	1,297,580,792	3,505,833,306	1,965,976,402	957,506,215	2,923,482,617
	Saving deposits		1,513,358,597	943,743,750	2,457,102,347	1,321,812,597	714,451,754	2,036,264,351
A.			1,513,358,597	943,743,750	2,457,102,347	1,321,812,597	714,451,754	2,036,264,351
B.	Government deposits		321,713,486	30,554,789	352,268,275	297,712,280	22,477,655	320,189,935
C.	Commercial deposits		58,903,888	23,254,367	82,158,255	47,667,224	20,373,799	68,041,023
D.	Other deposits		273,363,619	182,639,235	456,002,854	262,133,572	125,111,971	387,245,543
E.	Bank deposits		40,912,924	117,388,651	158,301,575	36,650,729	75,091,036	111,741,765
F.	Gold deposit accounts		0	0	0	0	0	0
INTERBANK FUNDS BORROWED		(11)	0	0	0	0	0	0
FUNDS BORROWED		(12)	76,000,000	0	76,000,000	65,000,000	0	65,000,000
A.	The Central Bank funds borrowed		76,000,000	0	76,000,000	65,000,000	0	65,000,000
B.	Other funds borrowed		0	0	0	0	0	0
	1) Domestic banks and other institutions		0	0	0	0	0	0
	2) Foreign banks, institutions and funds		0	0	0	0	0	0
	3) Subordinated debts		0	0	0	0	0	0
FUNDS		(13)	578,027	0	578,027	677,145	0	677,145
SECURITIES ISSUED [Net] (12)		(14)	0	0	0	0	0	0
A.	Bond		0	0	0	0	0	0
B.	Asset-backed securities		0	0	0	0	0	0
C.	Bills		0	0	0	0	0	0
INTEREST & OTHER EXPENSES ACCRUALS			10,197,210	8,421,524	18,618,734	8,956,578	6,990,271	15,946,849
A.	Deposits		10,197,210	8,421,524	18,618,734	8,515,226	6,073,415	14,588,641
B.	Funds borrowed		0	0	0	0	0	0
C.	Other		0	0	0	441,352	916,856	1,358,208
LEASING PAYABLES [Net]			0	0	0	0	0	0
A.	Leasing payables		0	0	0	0	0	0
B.	Deferred leasing expenses (-)		0	0	0	0	0	0
TAXES, DUTIES AND FEES PAYABLE			8,457,903	307,626	8,765,529	5,108,840	232,604	5,341,444
IMPORT TRANSFER ORDERS			0	0	0	0	0	0
MISCELLANEOUS PAYABLES [13]		(15)	21,683,614	3,736,867	25,420,481	17,662,330	3,138,995	20,801,325
PROVISIONS			16,342,876	0	16,342,876	66,048,496	0	66,048,496
A.	Provision for end-of service benefits		0	0	0	47,347,723	0	47,347,723
B.	General provision for loan losses		2,771,888	0	2,771,888	3,318,514	0	3,318,514
C.	Provision for taxes		165,813	0	165,813	1,997,084	0	1,997,084
D.	Other provisions		13,405,175	0	13,405,175	13,385,175	0	13,385,175
OTHER LIABILITIES (10)		(16)	12,607,900	984,632	13,592,532	11,248,863	997,486	12,246,349
SHAREHOLDERS' EQUITY (16)		(17)	61,290,850	0	61,290,850	56,427,277	0	56,427,277
A.	Paid-in share capital (17)		22,108,408	0	22,108,408	21,921,491	0	21,921,491
	1) Registered share capital		50,000,000	0	50,000,000	50,000,000	0	50,000,000
	2) Unpaid capital (-)		27,891,592	0	27,891,592	28,078,509	0	28,078,509
B.	Legal reserves		21,892,160	0	21,892,160	20,822,318	0	20,822,318
	1) I. And II. legal reserves		21,892,160	0	21,892,160	20,822,318	0	20,822,318
	2) Share premiums		0	0	0	0	0	0
	3) Other legal reserves		0	0	0	0	0	0
C.	Optional reserves		0	0	0	0	0	0
D.	Revaluation surplus		7,718	0	7,718	1,179,473	0	1,179,473
E.	Revaluation differences (14)	(18)	17,282,564	0	17,282,564	12,503,995	0	12,503,995
F.	Loss		0	0	0	0	0	0
	1) Current period loss		0	0	0	0	0	0
	2) Previous years' losses		0	0	0	0	0	0
PROFIT			213,806,963	0	213,806,963	190,677,930	0	190,677,930
A.	Current period profit		24,198,875	0	24,198,875	10,698,404	0	10,698,404
B.	Previous years' profit		189,608,088	0	189,608,088	179,979,526	0	179,979,526
TOTAL LIABILITIES and (15)		(19)	2,629,217,857	1,311,031,441	3,940,249,298	2,387,783,861	968,865,571	3,356,649,432
CONTINGENCIES&COMMITMENTS		(2)	7,238,932	6,188,476	13,427,408	17,008,508	5,820,776	22,829,284
		(3)	131,075,001	5,335,174	136,410,175	74,985,840	4,913,369	79,899,209
		(4)	33,913,540	32,680,000	66,593,540	31,454,850	30,685,000	62,139,850
ENDORSEMENTS AND WARRANTIES			187,169,734	706,053,211	893,222,945	169,371,900	684,497,623	853,869,523
TOTAL			359,397,207	750,256,861	1,109,654,068	292,821,098	725,916,768	1,018,737,866



PROFIT AND LOSS ACCOUNTS

(For the years ended 31.12.2015 and 31.12.2014)

	Note	(31/12/2015)	(31/12/2014)
INTEREST INCOME	(1)	293,066,825	262,509,062
A. Interest income on loans		268,541,086	242,397,775
1) Interest income on loans-Turkish Lira		228,666,631	207,769,610
a - Short-term		222,292,796	201,968,393
b - Medium and long-term		6,373,835	5,801,217
2) Interest income on loans-foreign currency		35,943,537	33,833,726
a - Short-term		30,735,421	27,125,759
b - Medium and long-term		5,208,116	6,707,967
3) Interest income on loans in arrears		3,930,918	794,439
B. Interest income on reserve deposits at the Central Bank		5,786,340	5,352,258
C. Interest income received from banks		13,279,597	11,809,067
1) The Central Bank		5,458,766	7,183,805
2) Domestic banks		2,780,547	126,059
3) Foreign banks		5,040,284	4,499,203
D. Interest income on interbank operations		0	0
E. Interest income on marketable securities		5,006,587	2,453,524
1) Development Bank of the TRNC Bonds		4,583,764	2,367,239
2) Other marketable securities		422,823	86,285
F. Other interest income	(3)	453,215	496,438
INTEREST EXPENSES	(1)	241,789,008	207,582,628
A. Interest paid for deposits		196,539,648	168,868,866
1) Savings deposits		147,568,718	134,660,442
2) Government deposits		18,427,374	8,407,027
3) Commercial deposits		26,285,571	22,701,780
4) Other deposits		116,853	58,109
5) Bank deposits		4,141,132	3,041,508
B. Interest paid for foreign currency deposits		39,711,423	33,118,259
1) Savings deposits		29,528,035	25,667,888
2) Government deposits		931,727	864,202
3) Commercial deposits		4,193,139	3,184,649
4) Other deposits		1,182,417	815,851
5) Bank deposits		3,876,105	2,585,669
6) Gold deposit accounts		0	0
C. Interest paid for interbank operations		0	86,723
D. Interest paid for funds borrowed		5,306,413	5,437,015
1) To the Central Bank		5,306,413	5,437,015
2) To domestic banks		0	0
3) To foreign banks		0	0
4) Other		0	0
E. Interest paid for securities issued		0	0
F. Other interest expenses	(3)	231,524	71,765
NET INTEREST INCOME		51,277,817	54,926,434
OPERATING INCOME	(1)	157,997,317	104,787,315
A. Fees and commissions received		8,751,451	8,371,194
1) Loans		2,347,212	2,267,542
2) Contingent liabilities		230,961	194,631
3) Other		6,173,278	5,909,021

B. Income on capital market operations	0	0
C. Income on foreign exchange operations	130,081,641	75,609,836
D. Dividend from participations and subsidiaries	9,941	123,612
E. Extraordinary income	0	0
F. Other operating income	(3) 19,154,284	20,682,673
OPERATING EXPENSES	(1) 184,910,446	147,018,261
A. Fees and commissions paid	1,049,184	669,520
1) Loans	97,861	95,608
2) Contingent liabilities	0	0
3) Other	951,323	573,912
B. Loss on capital market operations	0	0
C. Loss on foreign exchange operations	82,952,362	54,851,776
D. Personnel expenses	36,632,989	34,785,992
E. Provision for end-of-service benefits	95,830	13,767,910
F. Rental expenses	590,548	522,180
G. Depreciation expenses	1,635,994	1,630,949
H. Taxes and duties	564,226	296,573
I. Extraordinary expenses	0	0
J. Provision for loans in arrears	(2) 24,746,625	5,209,115
K. Other provisions	(2) 3,814,748	7,327,493
L. Other operating expenses	(3) 32,827,940	27,956,753
NET OPERATING INCOME	-26,913,129	-42,230,946
PROFIT/LOSS BEFORE TAX	24,364,688	12,695,488
PROVISION FOR TAX	165,813	1,997,084
NET PROFIT	24,198,875	10,698,404



Cash Flow Statements

For the years ended 31st December 2015 and 31st December 2014

	31st December 2015 (TRY)	31st December 2014 (TRY)
I- Cash Flows from Banking Activities (Core Business)		
Interest Income Received	293,066,825	262,509,062
Interest Expenses Paid	-241,789,008	-207,582,628
Dividend Received	9,941	123,612
Commissions and Fees Received	8,751,451	8,371,194
Other Income	19,154,284	20,682,673
Recoveries on Loans and other Receivables Written-Off	0	0
Payments to personnel and other service providers	-36,632,989	-34,785,992
Taxes Paid	-564,226	-296,573
Other Collections (_____)	0	0
Other Payments (_____)	-64,926,682	-59,081,004
Cash Flows from Banking Activities before Changes in Operating Assets and Liabilities	-22,930,404	-10,059,656
Changes in Operating Assets and Liabilities		
<u>Increase/Decrease in Operating Assets:</u>		
(Increase)/Decrease in Securities – Net	-125,519,721	-78,768,947
(Increase)/Decrease in Due from Banks – Net	-166,527,099	-53,126,126
(Increase)/Decrease in Loans – Net	-244,752,316	-207,578,170
(Increase)/Decrease in Other Assets	-42,787,289	-25,608,735
<u>(Increase)/Decrease in Operating Liabilities:</u>	0	0
Increase/(Decrease) in Deposits – Net	582,350,689	331,625,292
Increase/(Decrease) in Funds Borrowed – Net	11,000,000	6,365,000
Increase/(Decrease) in Securities Issued – Net	0	0
Increase/(Decrease) in Other Liabilities - Net	-37,743,429	16,310,907
Net Cash Inflows from Banking Activities	-46,909,569	-20,840,435
II- Cash Flows from Investing Activities		
Acquisition of Investments and Affiliated Companies	0	0
Sales of Investments and Affiliated Companies	0	0
Purchase of Bank Premises and Equipment	-536,103	-1,269,289
Sales of Bank Premises and Equipment	1,285,499	214,308
Purchases of Other Long-Term Investments		
Sales of Other Long-Term Investments		
Other Cash Inflows (_____)	0	0
Other Cash Outflows (_____)	1,602,899	1,417,142
Net Cash Outflows used in Investing Activities	2,352,295	362,161

Cash Flow Statements Continued:

II- Cash Flows from Capital Financing Activities

Cash Inflows through Funds Borrowed and Securities Issued	0	0
Repayments for Funds Borrowed and Securities Issued	0	0
Cash Increase in Share Capital	186,917	328,417
Dividends Paid	0	0
Other Cash Inflows (_____)	4,778,569	1,990,000
Other Cash Outflows (_____)	-1,171,755	-773,617

Net Cash Outflows used in Capital Financing Activities	3,793,731	1,544,800
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Effect of Changes in Foreign Currency Exchange Rates on Cash and Cash Equivalents	47,129,279	20,758,060
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Increase in Cash and Cash Equivalents	6,365,737	1,824,586
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Cash and Cash Equivalents at the Beginning of the Period	14,673,292	12,848,706
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Cash and Cash Equivalents at the End of the Period	21,039,028	14,673,292
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Statement Of Shareholders' Equity
For The Years Ended December 31,2015 and 2014
(TRY)

	Share Capital	Legal Reserves	Other Legal Reserves (x)	General Reserves	Accumulated Retained Profit (Loss)	Current Retained (Loss)	Year Profit	Total
Balances, January 1, 2014	21,593,074	18,658,919	0	12,435,085	160,508,932	21,633,993	0	234,830,003
Transfers to Legal and General Reserves	0	2,163,399	0	0	19,470,594	-21,633,993	0	0
Share Capital Increase	0	0	0	0	0	0	0	0
-Cash	328,417	0	0	0	0	0	0	328,417
-Retained Earnings Emission Premium	0	0	0	-773,617	0	0	0	-773,617
Revaluation Surplus	0	0	0	2,022,000	0	0	0	2,022,000
Others	0	0	0	0	0	0	0	0
Current Year Net Profit	0	0	0	0	0	10,698,404	0	10,698,404
Balances, January 1,2015	21,921,491	20,822,318	0	13,683,468	179,979,526	10,698,404	0	247,105,207
Transfer to Legal and General Reserves	0	1,069,840	0	0	9,628,564	-10,698,404	0	0
Share Capital Increase								
-Cash	186,917	0	0	0	0	0	0	186,917
-Retained Earnings Emission Premium	0	0	0	-1,171,755	0	0	0	-1,171,755
Revaluation Surplus	0	0	0	4,778,569	0	0	0	4,778,569
Others								
Current Year Net Profit	0	0	0	0	0	24,198,875	0	24,198,875
Balances, December 31,2015	22,108,408	21,892,158	0	17,290,282	189,608,090	24,198,875	0	275,097,813

I-NOTES, EXPLANATIONS AND INFORMATION REGARDING THE FINANCIAL STRUCTURE OF THE BANK:

Explanatory Notes of the Current Period Financial Statements;

(1) Information of the date that balance sheet definitely approved

Balance Sheet was approved on the date 21/04/2016 by Board of the Directors

(2) General information about the Bank

Information to be provided under Rule 12 of the Rules made by the TRNC Central Bank pursuant to section 34(3) of Banking Law, No 39/2001:

A.

a) Legal structure of the Bank:

Cyprus Turkish Cooperative Central Bank Limited is registered under Chapter 114, Cooperative Societies Law and in regard of its banking activities it is subject to the Banking Law, Law No 39/2001.

b) Information concerning the capital structure of the Bank and the shareholders possessing 10% or more of its shares is given under Note 11(14).

c) The Board of Directors of the Bank and its top managers are made up of the following persons:

<u>Board of Directors</u>	<u>Senior Officers</u>	<u>Audit Committee</u>	<u>External Auditor</u>	<u>Internal Auditors</u>
Halil Enver Ulaş Gültekin Boğaçhan Kemal Deniz Dana Muhammet Aygün Emel Uzun Fahri Üçöz	Orhan Bürüncük (General Manager Act.) Kemal Ataman		Akman& Konde	Mustafa Atagül Nevzat Üstün Cem Hakseven Nebahat Menteş Hakan Akgün Halil Koççat Fırat Göken Serhan Yorucu

d) General Manager and four of the members of the Board possess the qualifications required under section 15 and 16 of Part 4 of the Banking Law, No 39/2001.



(3) Principal accounting policies and related financial effects

Principle Accounting Policies

The principal accounting policies followed in the preparation of the accompanying financial statements are as follows:

a) Effect of Hyperinflation

International Accounting Standards No 29 and UITF abstract 9 “Accounting For Operations in Hyperinflationary Economies” recommend adjustments to financial statements using a relatively stable currency of measurement, where such financial statements are designated in the currency of an economy suffering from hyperinflation which is defined as cumulative inflation rate over three years approaching or exceeding 100 %.

Law 66/99 enacted on 23 November 1999 provides for the revaluation of certain items in the balance sheets of companies namely, paid up capital and reserves, fixed assets accumulated depreciation provision thereon, stocks and unquoted investments according to a factor provided in the law. The law provides also that as from January 1999 the revaluation loss or profit would be taken directly to the profit and loss account to increase or decrease the operational profit as the case may be.

The purpose is explained in the law to be the marking up of the amounts expressed in Turkish Lira to offset the loss in the value of the Turkish Lira since the dates of acquisition of the said assets and introduction of the capital funds including retained profits. According to the law the net result of the adjustments would be credited to equity capital or deducted according to whether it is a credit or debit balance.

This recommendation has not been applied in the TRNC. Due to the Parliament cancelled the said law (66/99) as from 1.1.2007, the bank has not made any adjustment to financial statements for the revaluation of paid up capital and reserves, fixed assets, accumulated depreciation items.

The value of freehold Immovable Property in London owned by the bank in 1982 for the purpose of to open a branch is marked up annually on every balance sheet date on the basis of TRY value of the sterling value. The sterling value is also adjusted on the basis of independent qualified valuers’ report. The valuers’ report was obtained for 31 December 1999 and valued GBP 320,000. Surplus on revaluation of this transaction is taken directly to the reserves.

b) Accounting Principles

- 1-** Fixed Assets are the ending balance of the accounts, which are calculated as Revaluation Cost minus Revaluated Depreciation Provisions.
- 2-** All income and expense items are recorded on accrual basis. Accrued interest and interest receivables that are classified as non-performing are cancelled and are not recorded as interest income until the actual date of the collection as per the relevant legislation.
- 3-** Full specific provision has been made for group 5 without considering of their collateral.

c) Foreign Currency Transactions

Foreign currency assets and liabilities at each year-end are converted into New Turkish Lira at the year-end foreign currency rates.

Reserve Deposits amounting Cyprus Pound (CY£) 326,198 blocked in the Central Bank of Southern Cyprus since 1974 have been converted into New Turkish Lira at the year-end foreign currency rate 2.84. Full provision has been made for this amount.

(4) Fundamental Accounting Concepts

The accounts have been prepared in accordance with the Fundamental Accounting concepts.

(5) Valuation methods used, any change in the methodology during the current period and financial effects of such changes;

No change has been made

(6) Information on investment securities (subsidiaries, equity participations, and marketable securities);

Marketable Securities

Marketable securities are those which management mainly intend to hold until maturity and are stated at cost as adjusted for the amortization of premiums or discounts on purchases over the period to maturity.



Marketable Securities as of December 31, 2015 and 2014 are comprised of the following.

	2015	2014
	(TRY)	(TRY)
Development Bank of the Turkish Republic of Northern Cyprus Bonds	61,945,992	52,051,271
Turkish Republic Government Bonds and Treasury Bills	187,825,000*	72,200,000*
Total Securities Portfolio	249,770,992	124,251,271

- Development Bank of the Turkish Republic of Northern Cyprus bonds are issued under State Guaranty are not quoted on any stock exchange and are convertible to cash on demand. The banks are obliged to invest 2% of their total deposits in Development Bank Bonds.
- Republic of Turkey Government Bonds and Treasury Bills are quoted on Istanbul Stock Exchange and are stated at cost or prices quoted in the Official Gazette by Turkish Central Bank whichever is lower. The cost of foreign currency denominated securities is translated at year-end exchange rates. Interest earned for holding securities are included in interest income.

Equity Participations, Subsidiaries and Long-term Securities:

Equity Participations and subsidiaries value have been revaluated under the law 66/1999 for the year 2006. Since the said law (66/1999) has been cancelled as from 1.1.2007 equity participations and subsidiaries are not revaluated for the year 2015.

Depreciation method used, any change in the methodology during the current period and financial effects of such changes:

Depreciation has been calculated on the "straight-line basis" and no change has been made in the depreciation method during the current period.

(7) The composition of strategies for providing a hedge against the exchange rate risk resulting from other foreign currency transactions.

Market fluctuations of exchange rates, interest rates and prices are monitored instantaneously, while positions are taken with strict adherence to legal limitations as well as the Bank's own transaction and control limits, thus preventing any breaches of these limits. A long position exists of US Dollar.

(8) Foreign currency assets and liabilities at each year-end are translated into Turkish Lira at the year-end foreign currency rates. As at 31 December 2015 and 31 December 2014, foreign currency assets and liabilities of the Bank are mainly in GBP£ and US\$.

The exchange rate used in revaluation of foreign currency items during the preparation of the balance sheet and the Bank's published US dollar and GB Pound currencies purchase rates for the last five working days of the period are as follows:

	Current Period	Previous Period
The Bank's "Exchange rate for the Evaluation of Foreign Currency Items" (1 US dollar \$=.....TRY)	2,9000 TRY	2,3150 TRY
US dollar purchase rates for the 5 working days before balance sheet date:		
Purchase Rate of the 1st day	2,8900 TRY	2,3150 TRY
Purchase Rate of the 2nd day	2,8900 TRY	2,3110 TRY
Purchase Rate of the 3rd day	2,8900 TRY	2,3080 TRY
Purchase Rate of the 4th day	2,9000 TRY	2,3080 TRY
Purchase Rate of the 5th day	2,9000 TRY	2,3080 TRY
	Current Period	Previous Period
The Bank's "Exchange rate for the Evaluation of Foreign Currency Items" (1 Sterling Stg=.....TRY)	4,3000 TRY	3,6100 TRY
Sterling purchase rates for the 5 working days before balance sheet date:		
Purchase Rate of the 1st day	4,2900 TRY	3,6040 TRY
Purchase Rate of the 2nd day	4,2900 TRY	3,6010 TRY
Purchase Rate of the 3rd day	4,3200 TRY	3,5920 TRY
Purchase Rate of the 4th day	4,3300 TRY	3,5920 TRY
Purchase Rate of the 5th day	4,3400 TRY	3,5920 TRY



(9) Movable and Immovable Insured Values:

The book value of the movables and immovable, their accumulated depreciation and total insured value are given below:

Current Period: 31/12/2015

	Book Value	Accumulated Depreciation	Insurance Coverage
Movables	13,740,968	11,019,332	3,191,792
Immovables	14,134,042	5,715,691	3,386,684
Immovables held for resale	493,791	0	197,516

Previous Period: 31/12/2014

	Book Value	Accumulated Depreciation	Insurance Coverage
Movables	13,456,180	10,035,616	3,519,062
Immovables	15,168,227	5,096,509	3,130,113
Immovables held for resale	1,486,236	0	596,212

(10) Information on contingent losses and gains, which are significant but cannot be quantified:

All significant contingent losses and gains are quantified and stated in the balance sheet as of 31 December 2015.

(11)

a) Information on events occurring after the balance sheet date which effect the financial activities and/or financial structure significantly and therefore require explanation

None

b) Changes which occurred in exchange rates after the date of the balance sheet which are of mere importance to affect the use of and decisions based on the balance sheets and their impact on foreign currency transactions and items in the balance sheets as well as the effects on the Banks' foreign activities.

No significant exchange rate changed occurred after the date of the balance sheet.

(12) Other issues that significantly affect the balance sheet or require an explanation for the balance sheet to be clear and comprehensible:

The financial statements give a true and fair view of the financial position of the Bank as of 31 December 2015.

(13) INFORMATION REGARDING THE FINANCIAL STRUCTURE

a) Information related to capital adequacy standard ratio: % 30.90

	Risk Weights			
	0%	20%	50%	100%
Risk Weighted Assets, Liabilities and Non-Cash Loans	3,301,539,952	350,589,128	59,189,987	215,829,562
Balance Sheet Items (Net)	20,529,503	509,525	0	0
Cash	218,717,229	0	0	0
Due from Central Bank	263,332,584	0	0	0
Interbank Money Market Placements	0	349,842,286	0	11,204,244
Due from Banks	249,770,992	0	0	0
Reserve Deposits	259,557,253	0	0	0
Marketable Securities	0	0	0	0
Loans	2,286,662,528	0	59,124,265	161,671,026
Loans under Follow-Up (Net)	0	0		14,271,058
Interest and Income Accruals	2,969,863	237,317	65,722	179,711
Miscellaneous Receivables	0	0	0	13,574,042
Long-Term Securities	0	0	0	3,202
Immovables held for resale	0	0	0	0
Fixed Assets	0	0	0	10,167,767
Other Assets	0	0	0	4,758,512
Off Balance Sheet Items	11,426,906	412,903	5,896,493	44,248,370
Guarantees and Pledges	7,453,128	412,903	5,177,194	384,183
Commitments	3,973,778	0	719,299	43,864,175
Not Risk Weighted Accounts	0	0	0	12
Total Risk Weighted Assets	3,312,966,858	351,002,031	65,086,480	260,077,932
Currency Risk	0	0	0	499,751,000
Total	0	70,200,406	32,543,240	759,828,932

b) Information about the shareholders' equity items:

	Current Period	Previous Period
CORE CAPITAL	253,627,172	232,199,290
Paid-In Capital	22,108,408	21,921,491
Legal Reserves	21,892,160	20,822,318
Statutory and Extraordinary Reserves	0	0
Accumulated Retained Profit After Tax Provision and Current Retained Profit	213,806,963	190,677,930
Current Retained Loss and Accumulated Retained Loss	0	0
TOTAL SUPPLEMENTARY CAPITAL	29,701,598	26,641,410
General Provisions	2,771,888	3,318,514
Fixed Assets Revaluation Fund	7,718	1,179,473
Marketable Securities and Investment Securities Value Increased Fund	0	0



Provision For Possible Losses	9,639,428	9,639,428
Marketable Securities Revaluation Fund	17,282,564	12,503,995
TOTAL CAPITAL	283,328,770	258,840,700
Total Capital For The Ratio	275,452,724	253,603,304
DEDUCTIONS FROM THE CAPITAL	13,100,657	10,777,518
Investments in unconsolidated Financial Companies Whose main Activities are Money and Capital Markets, and that Operate with Licenses Provided in accordance with Special Laws	8,426,507	7,587,833
Special Cost Expenses	972,220	1,146,251
Prepaid Expenses	3,208,139	76,198
The Negative Difference Between the Market Values and the Carrying Amounts for Unconsolidated Investments, Subsidiaries, Other Investments, and Fixed Assets	493,791	1,486,236
Subordinated Loans given to Other Banks Which Operate in TRNC	0	0
Goodwill	0	0
Capitalized Expenses	0	481,000
Total Shareholders' Equity	266,532,426	244,048,235

c) Summary information about the capital adequacy ratio:

	Current Period	Previous Period
Total Risk-Weighted Assets	862,572,578	792,731,709
Shareholders' Equity	266,532,426	244,048,235
Shareholders' Equity / RWA (%) (*)	%30,90	%30,79

(*)RWA: Total Risk – Weighted Assets

(14) Opinion of the Independent Auditor Firm auditing the financial statements should be given (in accordance with the regulation).

- Cyprus Turkish Cooperative Central Bank Limited is registered under Chapter 114 Cooperative Societies Law and is subject to the Banking Law, No. 39/2001.
- Information concerning the capital structure of the Bank and the shareholders with shareholding of 10% and above is disclosed in note III (17)(e).
- The representation of the Bank's management on the reliability of its internal control systems is satisfactory.
- The Board of Directors, senior management and internal auditors are stated on the first page of the report. The changes are stated in Note I (2) B (c).
- Bank managers and auditors possess the qualifications as required by the Banking Law No.39/2001
- There has been no change made to the accounting policies since last year.
- After the balance sheet date, to the best of our knowledge, there have not been any
- Loans totaling 778,255 TL should be accounted for in Non-Performing Loans accounts as required by the Provision Decree. Out of these loans 172,178 TL have been corrected in the major changes and developments that may affect the position of the Bank. year 2016, 1,281 TL have been transferred to the None Performing Loans account.

I) Audit Reports of the Annual Accounts of the 3 out of 4 subsidiaries, that have been valued according to the Equity Method, were not available.

The Subsidiary that has been audited was not audited by our firm.

J) The period of assets held for resale of 493,791 TL as required by the Banking Law Article 28 have been exceeded.

k) The Bank has long position in US Dollar.

l) Establishment of the Internal Systems.

The non-executive Board Member responsible for Internal Systems has resigned on 3/6/2015 and the Board of Directors has appointed the successor on 11/02/2016.

The Bank currently carries out the Internal Systems under Internal Audit, Risk Management, Internal Control and Compliance Units. The qualifications of the employees in these units comply with the regulations, in the Decree.

ii. Internal Audit

The structuring of the Internal Audit Unit and making it function in line with the regulations is underway. Internal Audit planning, reporting and execution have been performed in accordance with the Decree.

The assessment on the loans provided by the Bank and their analysis into risk categories have been reported to the Central Bank.

The Bank has followed and evaluated its risk compositions in the matrix as prescribed by Decree.

iii. Compliance

The operations and the reports have been executed in accordance with the Decree. The Bank has established the required structure and implemented the appropriate procedures to ensure compatibility with the rules and regulations.

The work is underway to meet the condition of minimum 2 personnel as prescribed by the Decree.

iv. Internal Control

The Internal Control Unit has fulfilled the requirements of the regulations.

- Internal System Units have been established, strategies and policies on the Bank's activities and their implementation methods have been documented and active control of the process has been achieved in accordance with the Bank's structure.
- Work is underway towards making the information systems compatible with scale of the Bank and also characteristics and complexity of the products and services offered by the Bank.
- Work is underway to activate the emergency and contingency plan.
- The Bank monitors its Non-Performing Loans by its branches.

v. Risk Management

Work is underway to fulfill the requirements of the regulations regarding the activities, responsibilities and report of the Risk Management Unit. The bank has carried out stress testing and scenario analysis.



II- FOOTNOTES AND EXPLANATIONS ON INTERNAL SYSTEMS:

Internal systems which embody Internal Audit, Risk Management, Internal Control and Compliance Units were established according to the “Internal Audit, Risk Management, Internal Control and Management Systems regulations dated 12 August 2008 under the Banking Law No 39/2001, are compatible with the diversity of the Bank’s activities and structured in a manner to respond to changing circumstances.

The goal of this structuring is to ensure the compatibility of the banking activities with the strategies defined by the senior officers, implementation of reliable financial and managerial reporting, and to minimize, monitor and control the unexpected risks that could affect the Bank’s reputation.

The instructions for Internal Audit Unit, Risk Management Unit, Internal Control Unit and Compliance Unit have been prepared and unit supervisors have been appointed by the Board of Directors.

Chief Auditor	: Mustafa Atagül
Risk Management Department Manager	: Hasan Uysal
Internal Control Department Manager	: Canan Özkıran
Compliance Officer	: Özlem Alemdar Aksu

The unit supervisors meet the necessary qualifications specified by the regulations. The reports on the activities that have been carried out, currently being carried out and planned to be carried out in the future by the unit supervisors, are presented to the Board of Directors by the Internal System Supervisor at times specified by the regulations.

Operation of the Internal Audit System

The Internal Audit Unit of the Bank reports to the Board of Directors and operates in accordance with the “Internal Audit, Risk Management, Internal Control and Management Systems” regulations issued under the Banking Law No.39/2001 clause 15(3).

In addition to the audits made in the domestic branches and head office, commercial, agricultural and personal loans and payment system audits are also have been made. The findings from these audits are being reported to the senior officers and necessary alterations are requested. Except the periodic routine inspections, complaints from customers are also assessed and required measures are taken. In the inspections held during 2015, no findings of importance that could affect the bank capital or income negatively have been found.

Our auditors that monitor the changes in the risk composition and inform the Board of Directors on the measures to be taken with their reports also contribute to the marketing vision of our Bank with their periodic findings and suggestions.

Our auditors will be working with a sense of responsibility and duty in the forthcoming period to help our Bank achieve its identified goals and to increase the added value of our Bank by benefiting from technological opportunities as well.

Operation of Internal Control System

The Internal Control activities of our bank are structured within the framework provided by the Banking Law No. 39/2001 Internal Systems regulations with a vision to cover all domestic branches and head office units.

The control programs for the branches are prepared to make all branches subject to periodic control and systematic and other deficiencies are found and suggestions are made to amend them.

The controls held in the branches and head office units are continuously reviewed and renewed parallel to the advances in technology, in order to keep them compatible with the Bank's objectives in every aspect, fast and up to date.

With the work and suggestions towards making Internal Control activities more effective, a healthier functioning of banking activities and an increased level of service quality are targeted.

Operation of Risk Management System

The basic approach of our bank in its risk management activities is to place the risk culture in the organization, identify, measure, monitor and control the risks that the bank is being or may be exposed to.

The risk management activities of our bank include balance sheet risks such as credit risk, market risk, operational risk, and liquidity risk. These risks have been identified and taken under control by constructing risk matrices.

The banks exchange rate and liquidity risks are held under control by the developed scenario analysis and stress tests.

Activities of the risk management unit are reported to the Board of Directors semi-annually along with the risk analysis test results and risk parameters.

Risk management activity results;

- The senior officers of the bank have been sensitive to comply with both the internal and external regulations. As a result of this, in line with the TRNC Central Bank criteria, capital adequacy ratio has been 30.90% and cash ratio has been 13.24%.



- Activities for the collection of government guaranteed loans have continued in 2015. It is of high importance that these loans are collected within the scope of a predetermined plan for the benefits of the bank and the sector.
- From the exchange rate risk point of view, we are working to minimize Bank's long-term position in US Dollar by balance sheet or off balance sheet transactions.

As a conclusion, our units that have been constituted under the Internal Systems regulations have not only been compatible with the internal and external regulations but at the same time they have continued to manage the risks arising from the banks activities with an increasing sensitivity. By this means, the increase in the trust and reputation of the bank have affected the deposits and size of assets in the Bank's balance sheet positively.

Operation of the Compliance Unit

Within the framework of the Internal Systems regulations, the control of the compatibility of Bank's internal policies and regulations with the activities of the Bank and the goods and services that Bank offers and will be planning to offer are held by the Compliance Unit.

Pursuant to the 4/2008 Prevention of Laundering Proceeds of Crime Law, Suspicious Transaction Notifications and Notifications for Cash Transactions that equal to €10,000 and above have been made. In order to raise awareness of the personnel on this matter, trainings that are part of the Compliance Program have been held. The personnel will be kept updated about this matter by ongoing trainings.

III- NOTES AND EXPLANATIONS ON THE BALANCE SHEET AND MEMORANDUM ACCOUNTS

i) INFORMATION AND DISCLOSURES RELATED TO ASSETS ITEMS

(1) Information about bank accounts

a) Information related to the account of the Central Bank of TRNC

	Current Period		Previous Period	
	LC	FC	LC	FC
Demand Unrestricted Amount	32,594,550	156,366,679	109,181,362	262,656,888
Time Unrestricted Amount	0	0	0	0
Restricted Amount	0	29,756,000	0	30,576,700
Total	32,594,550	186,122,679	109,181,362	293,233,588

b) Information of foreign bank accounts:

	Unrestricted Amount		Restricted Amount	
	Current Period	Previous Period	Current Period	Previous Period
Turkey	347,445,517	248,037,880	11,204,244	19,430,586
European Union Countries	2,396,769	5,524,844	0	0
USA, Canada	0	0	0	0
OECD Countries	0	0	0	0
Off-Shore Banking Regions	0	0	0	0
Other	0	0	0	0
Total	349,842,286	253,562,724	11,204,244	19,430,586

c) Information on receivables from reverse repo transactions;

	Current Period		Previous Period	
	LC	FC	LC	FC
From local transactions				
Central Bank of TRNC	0	0	0	0
Banks	0	0	0	0
Other Financial Institutions and Organizations	0	0	0	0
Other Institutions and Organizations	0	0	0	0
Real Persons	0	0	0	0
From International Transactions				
Central Banks	0	0	0	0
Banks	0	0	0	0
Other Financial Institutions and Organizations	0	0	0	0
Other Institutions and Organizations	0	0	0	0
Real Persons	0	0	0	0



(2) Information about Marketing Securities

(a)i- Surplus on revaluation of marketable securities is -0-.

ii- The Banks' marketable securities portfolio is stated at initial acquisition cost.

iii- Securities held to meet legal requirements.

Total of TRY 61,945,992 is held to meet legal requirements.

(b) Information on investment securities available for sale subject to repurchase agreements:

	Current Period		Previous Period	
	LC	FC	LC	FC
Development Bank of the TRNC Bonds	46,823,427	15,122,565	43,793,290	8,257,981
TR Government Bonds and Treasury Bills	0	0	0	0
TRNC Central Bank Notes	0	187,825,000	0	72,200,000
Total	46,823,427	202,947,565	43,793,290	80,457,981

(3) Information related to loans:

(a) Information on all types of loans and advances given to shareholders and employees of the Bank:

	Current Period		Previous Period	
	Cash	Non-Cash	Cash	Non-Cash
Direct Loans Granted to Shareholders				
Corporate Shareholders	26,001,090	2,057,324	23,721,927	11,025,786
Real Person Shareholders	0	0	0	0
Indirect Loans Granted to Shareholders	0	0	0	0
Loans Granted to Employees	11,358,032	0	12,587,214	0

(b) Information about the first and second group loans and other receivables including loans that have been restructured or rescheduled

Cash Loans	Standard Loans and Other Receivables		Loans and Other Receivables Under Close Monitoring	
	Loans and Other Receivables	Restructured or Rescheduled	Loans and Other Receivables	Restructured or Rescheduled
Discount Notes	2,651,202	0	0	0
Export Loans	0	0	0	0
Import Loans	2,544,166	0	0	0
Loans Given to Financial Sector	95,191,561	0	2,259,756,211	0
Specialized Loans	5,201,168	0	0	0
Consumer Loans	86,579,725	0	5,722,230	0
Credit Cards	43,794,149	0	17,056	0
Fund Purpose Loans	0	0	0	0
Central Bank Based Loans	0	0	0	0
Other	1,980,664	0	4,019,687	0
Total	237,942,635	0	2,269,515,184	0

(c) Loans according to type of borrowers:

	Current Period	Previous Period
Public Sector	2,258,832,553	1,960,826,642
Private Sector	248,625,266	297,548,836
Total	2,507,457,819	2,258,375,478

(d) International and domestic loans:

	Current Period	Previous Period
Domestic Loans	2,507,457,819	2,258,375,478
International Loans	0	0
Total	2,507,457,819	2,258,375,478

(e) Loans granted to subsidiaries and participations;

	Current Period	Previous Period
Direct Loans Granted to Subsidiaries and Participations	28,751,732	17,419,349
Indirect Loans Granted to Subsidiaries and Participations	0	0
TOTAL	28,751,732	17,419,349

(f) The share of the Bank's receivables from the top 100 cash borrowers in the overall cash loan portfolio stands at 90,98% and this figure represents 1 borrowers.

(g) The share of Bank's receivables from the top 100 non-cash borrowers in the overall non-cash portfolio stands at 66,79% and this figure represents 38 borrowers.

(h) The share of Bank's cash and non-cash receivables from the top 100 borrowers under balance-sheet and non-balance sheet assets portfolio stands at 91,80% and this figure represents 1 borrowers.

(4) The changes in total loans under follow-up:**(a)**

	Group III Loans and Receivables with Limited Collectibility	Group IV Doubtful Loans and Receivables	Group V Loans and Receivables Qualified as Loss
Previous Period End Balance	18,037,750	1,380,355	64,068,974
Additions (+)	16,701,917	0	0
Transfers from Other categories of Loans Under Follow-Up(+)	0	23,678,238	17,541,753
Transfers from Other categories of Loans Under Follow-Up(-)	-23,678,238	-17,541,753	0
Collections (-)	-1,811,831	-381,273	-5,578,597
Write-Offs(-)	0	0	0
Current Period End Balance	9,249,598	7,135,567	76,032,130
Specific Provisions (-)	-568,222	-1,545,885	-76,032,130
Net Balance on Balance Sheet	8,681,376	5,589,682	0



(b) Information on foreign currency loans and other receivables under follow-up:

	Group III	Group IV	Group V
	Loans and Receivables with Limited Collectibility	Doubtful Loans and Receivables	Loans and Receivables Qualified as Loss
Current Period:			
Period End Balance	5,574,023	3,364,417	66,145,690
Specific Provisions (-)	156,831	273,091	66,145,690
Net Balance on Balance Sheet	5,417,192	3,091,326	0
Previous Period:			
Period End Balance	16,590,344	316,516	55,434,350
Specific Provisions (-)	488,834	62,226	55,434,350
Net Balance on Balance Sheet	16,101,510	254,290	0

(c) Breakdown of Uncollectible Loans and Receivables and Specific Provisions provided;

Collateral Group	Loan	Specific Provision
Without Collateral	14,833,087	14,833,087
Group I	83,384	83,384
Group II	55,311,137	55,311,137
Group III	5,803,981	5,803,981
Group IV	541	541

*Full specific provision has been made for group 5 without considering of their collateral.

(d) Main Features of uncollectible loans and other receivables liquidation policy.

In order to ensure liquidation of non-performing loans, all possible alternatives within the existing legislation are evaluated in a way that repayments are maximized. First administrative initiatives are taken to reach an agreement with the borrower and his guarantors; in case the negotiations for collection, liquidation or fail restructuring of receivables action is taken for collection.

(5) Information on receivables arising from term of sales of assets included in miscellaneous receivables;

	Current Period	Previous Period
From sale of equity participations and subsidiaries	0	0
From sale of immovables	0	0
From sale of other assets	0	0

(6) Information on subsidiaries and equity participations;

(a) Surplus on revaluation of subsidiaries and equity participations stock exchange value is -0-.

(b) Sectoral information on financial participations and the related carrying amounts:

Participations	Participations		Subsidiaries	
	Current Period	Previous Period	Current Period	Previous Period
Banks	0	0	0	0
Insurance Companies	0	0	8,426,507	7,587,833
Finance Companies	0	0	0	0
Other Non Financial Participations and Subsidiaries	0	0	13,574,042	11,408,712

(c) Bank's share percentage on equity participations and subsidiaries;

Title	Address (City/ Country)	Bank's Share Percentage- If Different, Voting Percentage (%)	Bank's Risk Group Share Percentage (%)	Current Period Net Profit / Loss	Fair Value
Şeker Sigorta (Kıbrıs) Ltd	Lefkoşa	%100	%100	838,674	8,426,507
Süt Koop	Lefkoşa	%79,41	%100	1,427,050	1,464,977
Yem Koop	Gönyeli	%97.78	%100	681,408	11,834,212
Zirai Makine Koop	Lefkoşa	%97.78	%100	192,313	274,853
Vaka Ltd	Lefkoşa	%40	%40	0	0
Ada Havacılık ve Taşımacılık	Lefkoşa	%15	%15	0	0

(d) Equity Participations quoted to a stock exchange ;

	Current Period	Previous Period
Quoted to domestic stock exchanges	0	0
Quoted to international stock exchanges	0	0

(e) Subsidiaries quoted to a stock exchange ;

	Current Period	Previous Period
Quoted to domestic stock exchanges	0	0
Quoted to international stock exchanges	0	0

(f) Bonus Shares obtained by using internal funds from subsidiaries and equity participations;

Bonus Share obtained	Current Period	Previous Period
Equity Participations	0	0
Subsidiaries	1,504,955	1,990,000



(g) The below table summarizes the amount of assets and liabilities of the Banks' participations and subsidiaries:

	The Participation and Subsidiaries of Financial Services	The Other Participations and Subsidiaries
RECEIVABLES		
I- The Banks and other financial institutions	0	0
• The Bonds and similar securities	0	0
• Loans (including the loans in arrears)	0	28,751,732
• Interest & Income Accruals	0	0
• Leasing Receivables (Net)	0	0
• Other Assets	0	0
PAYABLES		
• Deposits	2,161,455	1,230,203
• Funds Borrowed	0	0
• Securities Issued	0	0
• Interest & Expense Accruals	0	0
• Leasing Payables	0	0
• Other Liabilities	0	0
NON-CASH LOANS		
• Letter of Credit Commitments	0	0

(7) Information on investment securities held-to-maturity:

	Current Period	Previous Period
Debt Securities		
Quoted in a Stock Exchange		
Not Quoted	3,202	3,202
Impairment Provision (-)		
Total	3,202	3,202

(8)

(a) Information on tangible fixed assets (TFA):

	Immovables	Vehicles	Other Fixed Asset	Total
End of Previous Period:				
Cost of Acquisition	15,168,227	986,099	12,470,081	28,624,407
Accumulated Depreciation (-)	5,096,509	710,416	9,325,200	15,132,125
Net Book Value	10,071,718	275,683	3,144,881	13,492,282
End of Current Period				
Net Book Value at the Beginning of the Period	10,071,718	275,683	3,144,881	13,492,282
Additions	221,786	26,322	287,995	536,103
Disposals (-)	1,255,970	26,322	3,207	1,285,499
Impairment				
Depreciation (-)	619,183	75,348	908,368	1,602,899
Currency Translation Differences Resulting from Foreign Investments(+)				
Closing Net Book value	8,418,351	200,335	2,521,301	11,139,987

(b) Movable and immovable that were acquired in return for receivables and were held for resale in accordance with the TRNC Banking Law (Law No 39/2001) amounted to TRY 493,791.

(9)

(a) Information on other assets;

The "other assets" item of the balance sheet does not exist 10% of total assets.

(b) Information on withholding tax and prepayments.

All co-operative institutions including the Bank were wholly exempt from Corporation and Income Tax until 1.1.1987 Amendments to the Corporation and Income Tax Laws in 1987 made effective from 1st January . In 1987 the tax exemption privilege enjoyed by all cooperatives was removed, except for those in rural areas. However the Banks' Tax Liability for 2015 was calculated in accordance with the relevant laws. On this basis the total taxation provision made for 2015 is TRY 1,360,426. Withholding tax paid in TRNC and in Turkey TRY 504,113 has been discharged by set off against the taxation liabilities.



ii) INFORMATION AND DISCLOSURES RELATED TO LIABILITIES

(10) Information on deposit:

a) The maturity structure of deposits (Current period):

	Demand	With 7 Days Maturity	Up to 1 Month	1-3 Months	3-6 Months	6 Months to 1 Year
Residents in TRNC						
Saving Deposits	56,092,233	0	1,405,942,970	7,172,554	241,650	39,455,316
Deposit of Public Institutions and other	93,825,988	0	549,839,258	8,059,314	312,582	1,943,852
Foreign Currency Savings Deposits	18,613,455	0	633,481,763	17,957,954	14,692,799	243,202,811
Foreign Currency Deposit of Public Institutions and other	18,913,505	0	158,546,187	4,762,352	15,291,175	38,935,172
Residents in Abroad						
Saving Deposits	209,684	0	4,216,852	12,697	8,009	6,632
Deposit of Public Institutions and other	0	0	0	0	0	0
Foreign Currency Saving Deposits	98,147	0	8,054,897	229,063	67,130	7,345,730
Foreign Currency Deposit of Public Institutions and other	0	0	0	0	0	0
Bank Deposits						
Domestic Banks	1,290,229	0	157,011,346	0	0	0
Foreign Banks	0	0	0	0	0	0
Off-Shore Banks	0	0	0	0	0	0
Other	0	0	0	0	0	0
Total	189,043,241	0	2,917,093,273	38,193,934	30,613,345	330,889,513

The Maturity structure of deposits (Previous Period):

	Demand	With 7 Days Maturity	Up to 1 Month	1-3 Months	3-6 Months	6 Months to 1 Year
Residents in TRNC						
Saving Deposits	65,801,526	0	1,237,046,912	7,090,880	226,753	7,807,341
Deposit of Public Institutions and other	110,179,436	0	487,252,157	7,949,502	290,980	1,841,003
Foreign Currency Savings Deposits	16,146,988	0	466,920,913	14,226,237	12,735,059	191,878,219
Foreign Currency Deposit of Public Institutions and other	14,828,995	0	109,069,170	3,920,245	12,131,156	28,013,859
Residents in Abroad						
Saving Deposits	200,840	0	3,612,588	11,927	7,510	6,319
Deposit of Public Institutions and other	0	0	0	0	0	0
Foreign Currency Saving Deposits	381,581	0	7,217,781	279,260	355,204	4,310,511
Foreign Currency Deposit of Public Institutions and other	0	0	0	0	0	0
Bank Deposits						
Domestic Banks	5,636,347	0	106,105,418	0	0	0
Foreign Banks	0	0	0	0	0	0
Off-Shore Banks	0	0	0	0	0	0
Other	0	0	0	0	0	0
Total	213,175,713	0	2,417,224,939	33,478,051	25,746,662	233,857,252

b) Saving deposits under the guarantee of Saving Deposits Insurance Fund

Saving Deposits	Current Period		Previous Period	
	LC	FC	LC	FC
Saving Deposits	1,512,104,262	943,587,964	1,321,476,959	714,134,403
Other Deposits in the Form of Saving Deposits	101,607,304	26,351,981	160,984,179	18,079,854
Total	1,613,711,566	969,939,945	1,482,461,138	732,214,257

(11) Information on funds provided from repurchase agreement transactions:

	Current Period		Previous Period	
	LC	FC	LC	FC
From Domestic Transactions	0	0	0	0
Financial Institutions and Organizations	0	0	0	0
Other Institutions and Organizations	0	0	0	0
Real Persons	0	0	0	0
From Foreign Transactions	0	0	0	0
Financial Institutions and Organizations	0	0	0	0
Other Institutions and Organizations	0	0	0	0
Real Persons	0	0	0	0

(12)

a) Information on funds borrowed;

	Current Period		Previous Period	
	LC	FC	LC	FC
Short-term	76,000,000	0	65,000,000	0
Medium and long-term	0	0	0	0



(13) Explanation on funds**a) Current Period**

Maturity Structure		Interest Structure		Type of Currency			
Short	Medium or Long	Fixed	Variable	EURO	USD	TRY	Other
0	131,274	%5	0	0	0	131,274	0
0	446,753	%12	0	0	0	446,753	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0

b) Previous Period

Maturity Structure		Interest Structure		Type of Currency			
Short	Medium or Long	Fixed	Variable	EURO	USD	TRY	Other
0	189,881	%5	0	0	0	189,881	0
0	487,264	%12	0	0	0	487,264	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0

(14) Information on Securities issued by the Bank by maturity, interest rate structure and currency.**a) Current Period**

Maturity Structure		Interest Structure		Type of Currency			
Short	Medium or Long	Fixed	Variable	EURO	USD	TRY	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

Maturity Structure		Interest Structure		Type of Currency			
Short	Medium or Long	Fixed	Variable	EURO	USD	TRY	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) Explanations on miscellaneous payables

	Current Period	Previous Period
Total amount of cash collateral obtained	0	0

b) Information on cash collateral obtained.

None

(16) Other External Sources;

Items constituting at least 20% thereof, in the event that they exceed 10% of the balance sheet total:
Other external sources do not exceed 10% of the balance sheet total.

(17) Information on shareholders' equity:

a) Presentation of paid-in capital:

	Current Period	Previous Period
Common Stock	22,108,408	21,921,491
Preferred Stock	0	0

b) Explanation as to whether the registered share capital system ceiling applicable at bank, if so amount of registered share capital:

Capital System	Paid-in Capital	Ceiling
Registered Variable Capital System	22,108,408	50,000,000

c) Information on share capital increases and their sources; other information on increased capital share in current period:

Date of Increase	Amount Increased	Cash	Reserves	Increase in the Value of Revaluation Fund
1/1/2015-31/12/2015	186,917	186,917	0	0

The Cyprus Turkish Cooperative Central Bank is a cooperative bank formed under cap 114 of the Laws of Cyprus owned by registered Cooperative Societies. Each member society is entitled to representation at the general meeting of the Cyprus Turkish Cooperative Central Bank. Without exception each member society has only one vote. Real and legal persons may also become members which is prerequisite for obtaining credit but do not have voting power at the general meeting. The new shares sold to new real and legal persons during the period 1.1.2015 – 31.12.2015 transferred to paid in capital.



d) Information on share capital increases from revaluation fund;

Fixed Assets Value increase	Participations Value increase	Real estates sales profit	Participations sales profit	Revaluation fund of leasehold improvement
0	0	0	0	0

e) Real persons and institutions with an equity participation and/or voting right of 10% or more;

Name/ Commercial Title	Share	Shareholding (%)	Paid-in Capital	Unpaid Capital
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0

f) Information on commitments of capital commitments and resources. None

g) Information on shareholders equity and preferred stock.

There is no preferred stock holder in accordance with Cooperative Societies Law (Law No 114) .

(18) Explanations on marketable securities value increase fund;

	Current Period		Previous Period	
	LC	FC	LC	FC
From participants and subsidiaries	17,282,564	0	12,503,995	0
From investment Securities Available for sale	0	0	0	0

(19)

a) In order to meet the liquidity requirements that may emerge from market fluctuations great care is taken to preserve liquid values.

b) In order to preserve the impacts of interest rate increases and decreases that can arise in the value of interest sensitive assets and liabilities great care is taken by Bank's internal audit and assets and liabilities management

c)The Bank's principal source funding is the internal deposits.

(d) Presentation of assets and liabilities according to their remaining maturities

Current Period	Demand	1-3 Months	3-6 Months	6-12 Months	1 Year and Longer	Total
Assets						
Cash (Cash in Vault, Foreign Currency, Money in Transit, Cheques Purchased) and Balances with the Central Bank of TRNC	239,756,257	0	0	0	0	239,756,257
Due from Banks	333,905,349	290,473,765	0	0	0	624,379,114
Investment Securities	249,770,992	0	0	0	0	249,770,992
Loans	107,517,988	1,440,751	48,009,228	5,948,585	2,344,541,267	2,507,457,819
Investment Securities Held to Maturity	3,202	0	0	0	0	3,202
Other Assets	7,966,663	0	0	0	0	318,881,914
Total Assets	938,920,451	291,914,516	48,009,228	5,948,585	2,344,541,267	3,940,249,298
Liabilities						
Banks Deposits	1,290,229	98,780,885	17,791,696	40,438,766	0	158,301,575
Other Deposits	993,625,709	2,031,041,829	103,650,873	162,079,386	57,133,934	3,347,531,731
Funds Provided from Other Financial Institutions	76,000,000	0	0	0	0	76,000,000
Marketable Securities Issued	0	0	0	0	0	0
Miscellaneous Payables	25,420,481	0	0	0	0	25,420,481
Other Liabilities	56,955,889	3,096	6,654	37,570	894,490	332,995,511
Total Liabilities	1,153,292,308	2,129,825,810	121,449,223	202,555,722	58,028,424	3,940,249,298
Net Liquidity Gap	-214,371,857	-1,837,911,294	-73,439,995	-196,607,137	2,286,512,843	0
Previous Period						
Total Assets	709,503,339	246,755,598	53,487,524	15,310,706	2,056,371,519	3,356,649,432
Total Liabilities	766,303,651	2,050,017,612	101,302,161	167,352,351	24,568,449	3,356,649,432
Net Liquidity Gap	-56,800,312	-1,803,262,014	-47,814,637	-152,041,645	2,031,803,070	0

e) Other disclosures on Bank's activities.



iii) INFORMATION AND DISCLOSURES RELATED TO OFF- BALANCE SHEET ITEMS

(1) Concentration of off-balance sheet liabilities.

Off – balance sheet Liabilities are concentrated on Letters of Guarantee in parallel with the improvement of the business volume in the country.

(2)

a) Total amount of non-cash loans:

	Current Period	Previous Period
Guarantees given against cash loans	0	0
With maturity of 1 year or less than 1 year	0	0
With maturity of more than 1 year	0	0
Other non-cash loans	13,427,408	22,829,284
Total	13,427,408	22,829,284

b) Information about non-cash loans:

	Current Period		Previous Period	
	LC	FC	LC	FC
Non-Cash Loans				
Letters of Guarantee	7,193,043	5,837,251	16,890,233	5,355,184
Bank Acceptances	45,889	0	118,275	210,708
Letters of Credit	0	351,225	0	254,884
Endorsements	0	0	0	0
Underwriting Commitments	0	0	0	0
Factoring Guarantees	0	0	0	0
Other Guarantees and Warranties	0	0	0	0
Total	7,238,932	6,188,476	17,008,508	5,820,776

(3) Information on commitments;

	Current Period	Previous Period
Irrecoverable Commitments	136,410,175	79,899,210
Recoverable Commitments	0	0
Total	136,410,175	79,899,210

(4) Information related to financial derivative instruments;

	Current Period	Previous Period
Forward FC Transactions	66,593,540	62,139,850
FC and Interest Swap Transactions	0	0
FC and Interest Option Transactions	0	0
FC Future Transactions	0	0
Future Interest Rate Transactions	0	0
Other	0	0
Total	66,593,540	62,139,850

IV. INFORMATION AND DISCLOSURES RELATED TO INCOME STATEMENT

(1)

a) Information on interest and commissions received from participations and subsidiaries:

	Current Period	Previous Period
Interest received from participations and subsidiaries	2,669,678	2,369,879
Commissions and fees received from participations and subsidiaries	0	0

b) Information on interest and commissions paid to participations and subsidiaries:

	Current Period	Previous Period
Interest paid to participations and subsidiaries	1,103,378	1,410,233
Commissions and fees paid to participations and subsidiaries	0	0

c) Interest received from reverse repurchase agreement transactions;

	Current Period		Previous Period	
	LC	FC	LC	FC
Interest received from reverse repurchase agreement transactions	0	0	0	0

d) Interest paid to repurchase agreement transactions:

	Current Period		Previous Period	
	LC	FC	LC	FC
Interest paid to repurchase agreement transactions	0	0	0	86,723

(2) Provisions expenses due to Bank's loans and other receivables:

	Current Period	Previous Period
Specific Provisions for Loans and Other Receivables	24,746,625	5,209,115
General Provision Expenses	2,040,183	3,697,886
Marketable Securities Impairment Expense	0	0
Impairment Provision Expense	1,774,565	629,607
Other	0	3,000,000



(3) Description of individual items, which makes up 10% of the category, and “Other” categories in the income and expense groups II, IV, V, and I comprises to 20% or more of the total within these groups.

3.1 Other Incomes

	2015	2014
	(TRY)	(TRY)
Income from previous year expenses	0	8,650,672
Income on special provision for loans	10,462,939	1,639,745
Income on general provision for loans	2,586,808	4,053,737

3.2 Other Expenses

	2015	2014
	(TRY)	(TRY)
Saving Deposits Insurance Fund	21,423,264	18,958,412

4. Notes on Other Significant Matters

4.1 Net Profit / Loss Before Taxation

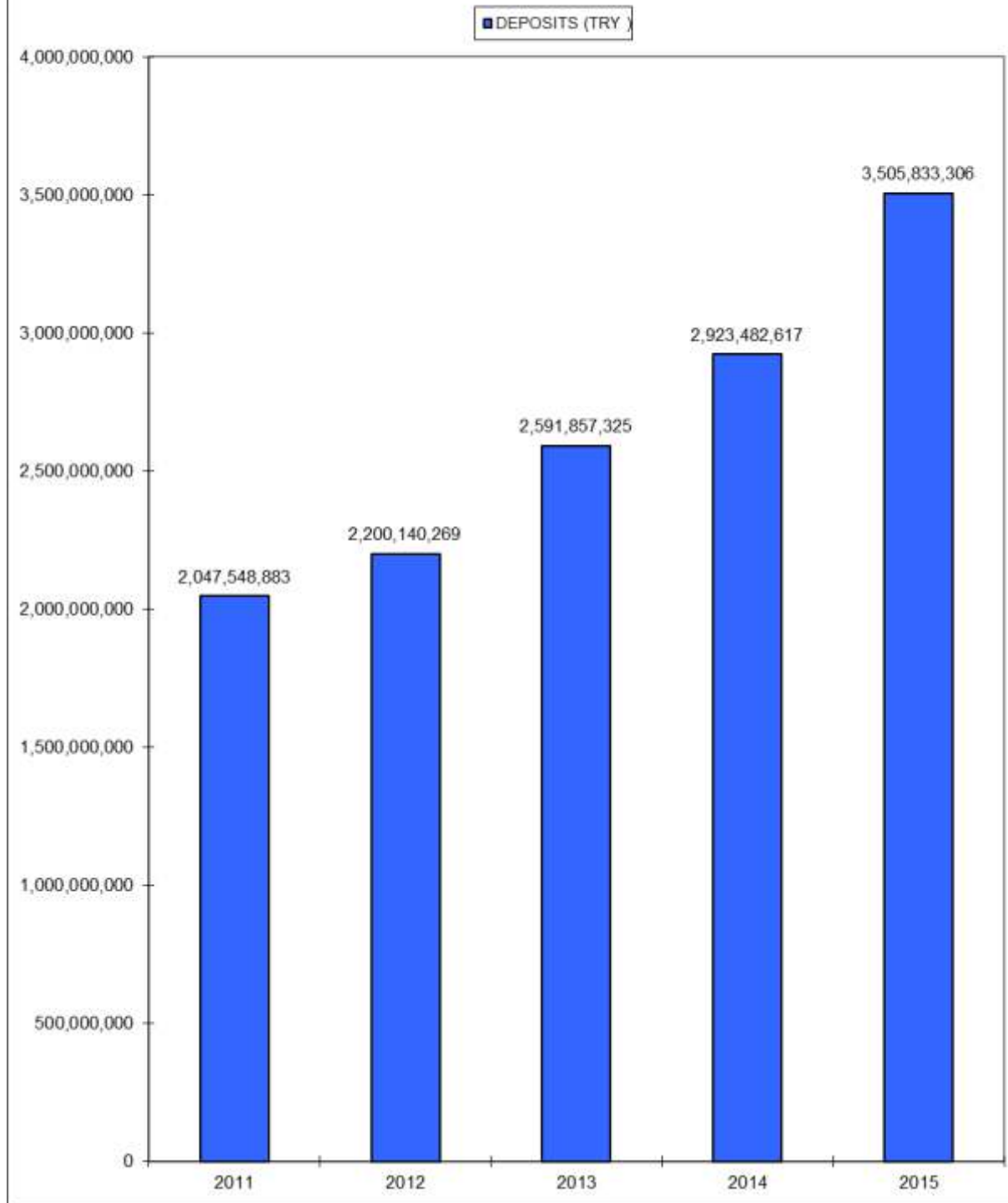
Net profit/ (loss) before taxation was shown after reduction of provision for doubtful debts, depreciation, personnel expenses, rental expenses and the expenses in the following table.

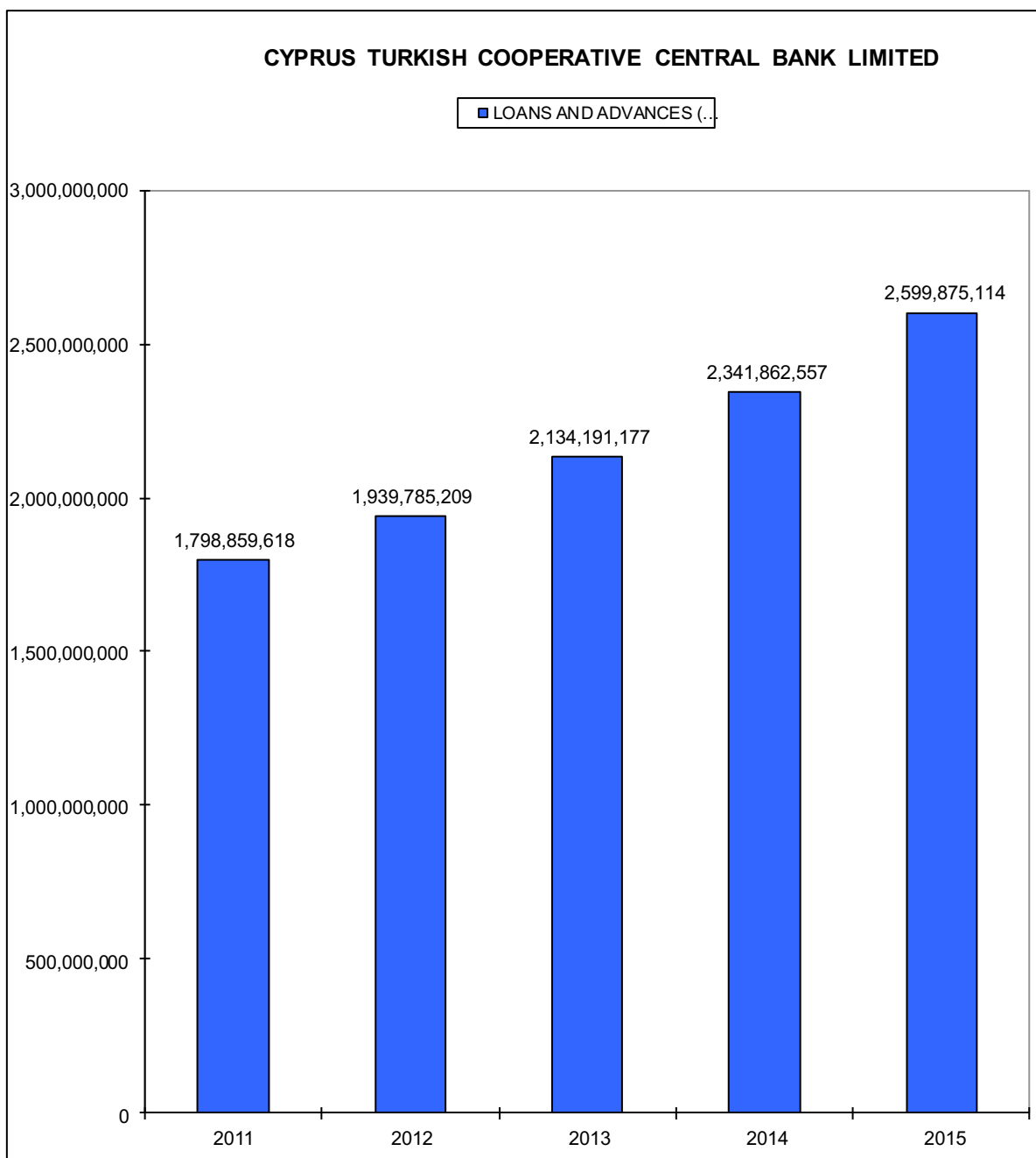
	2015	2014
	(TRY)	(TRY)
Directors' Fees	11,061	956
Auditors' Fees	63,829	68,673
Legal Advisor	164,807	126,330
Total	239,697	195,959

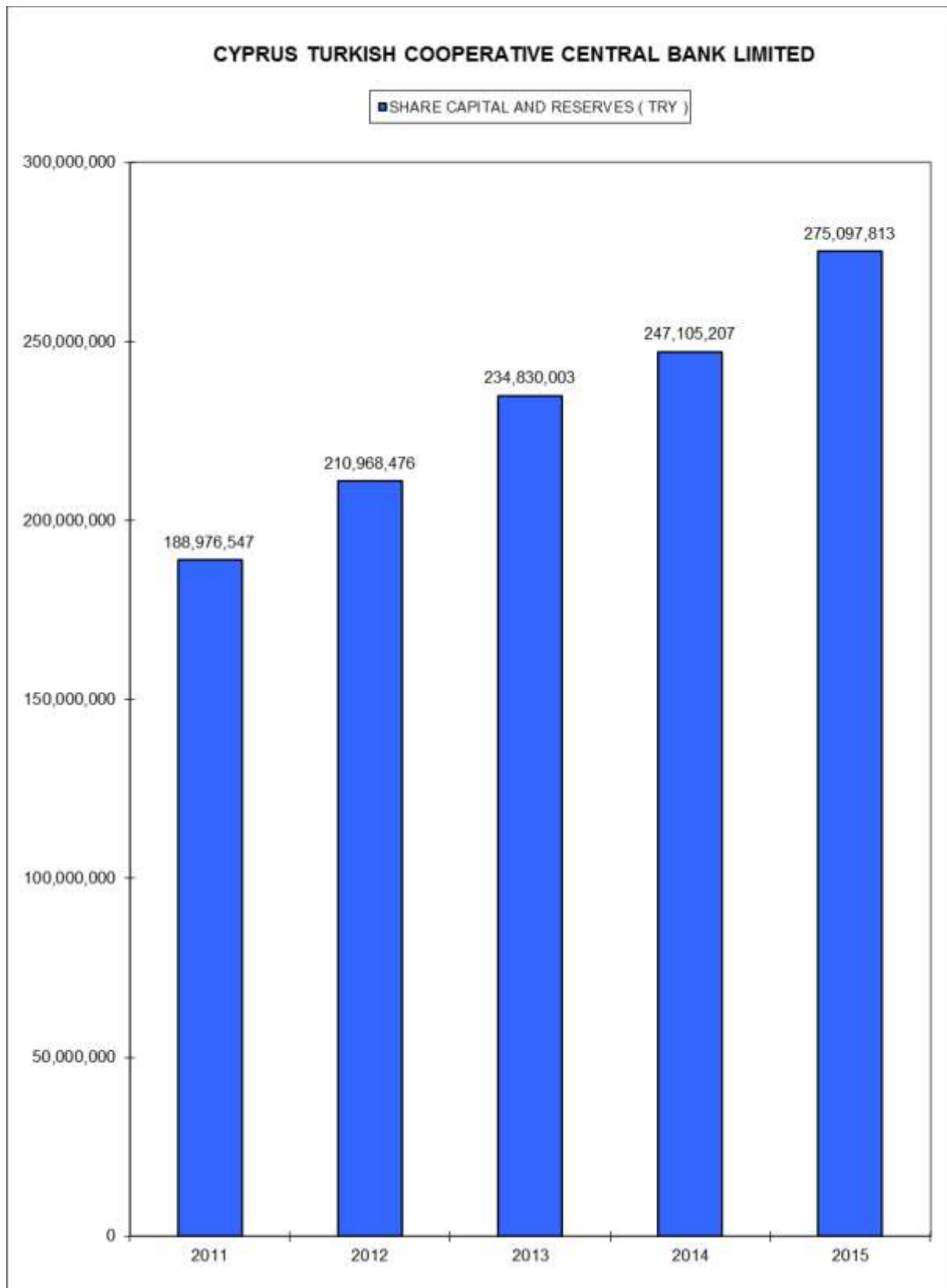
4.2 As of the Balance Sheet date, Total debt amounts to TRY 2,599,875,114. The amount of TRY 2,258,905,486 is guaranteed by the government. From the remaining amount of TRY 340,969,628 the amount of TRY 92,417,295 provisions were made in accordance with the communique made by the Central Bank. This provision was made in respect of non-performing loans which amounts to TRY 78,146,237 and is 84,56% of the total provision.

4.3 The Banks' Net Profit before taxation is TRY 24,364,688.

CYPRUS TURKISH COOPERATIVE CENTRAL BANK LIMITED







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Treasury Department	+90 392 228 3207	+90 392 227 6787
Information Technology	+90 392 229 0444	+90 392 227 6787
Loans Department	+90 392 227 4153	+90 392 227 4139
Foreign Transactions and Trade Department	+90 392 228 2931	+90 392 227 2079
Internal Audit Department	+90 392 227 1682	+90 392 229 0086
Internal Control Department	+90 392 229 0084	+90 392 229 0086
Human Resources Department	+90 392 228 3207	+90 392 227 6787
Compliance Department	+90 392 228 3207	+90 392 227 2168
Risk Assessment Department	+90 392 228 3207	+90 392 227 6787
Administrative Affairs Department	+90 392 228 3207	+90 392 227 6787
Insurance Agency	+90 392 228 5875	+90 392 227 9208

BANKING BRANCHES

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Gönyeli, Nicosia	+90 392 223 5185	+90 392 223 5981
Vadili, Nicosia	+90 392 377 7691	+90 392 377 7693
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Suriçi (Old City), Famagusta	+90 392 366 5304	+90 392 366 6304
Maraş, Famagusta	+90 392 367 0230	+90 392 367 0233
Eastern Med. Univ.1, Famagusta	+90 392 365 3682	+90 392 365 3416
Eastern Med. Univ.2, Famagusta	+90 392 365 0797	+90 392 365 0795
Sanayi, Famagusta	+90 392 365 6090	+90 392 365 6092
İskele - Downtown	+90 392 371 2523	+90 392 371 2095
Geçitkale, İskele	+90 392 373 3139	+90 392 373 3139
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Kyrenia - Downtown	+90 392 815 2469	+90 392 815 3770
Karakum, Kyrenia	+90 392 816 1069	+90 392 816 1079
Karaoğluanoğlu, Kyrenia	+90 392 822 4445	+90 392 822 4447
Güzelyurt - Downtown	+90 392 714 2197	+90 392 714 3527
Gemikonağı, Güzelyurt	+90 392 727 8162	+90 392 721 8165

SUBSIDIARIES & PARTICIPATIONS

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Dairy and Oil Production and Marketing Cooperative Ltd.	+90 392 227 1748	+90 392 228 4216
Animal Fodder, Carobs Kibbling and LP Gas Production and Marketing Cooperative Ltd.	+90 392 223 1314	+90 392 223 2766
Agricultural Requisites, Machinery Equipment and Foodstuffs Marketing Cooperative Ltd.	+90 392 228 3123	+90 392 228 2764
Şeker Sigorta (Kıbrıs) Ltd.	+90 392 444 0404	+90 392 227 4074