

Deutsche Bank



Deutsche Bank A.Ş.

Annual Report 2016



## Our Values & Beliefs

Deutsche Bank operates by six core values. Our values show how we bring our brand to life each and every day.

### Integrity

- We live by the highest standards of integrity in everything we say and do.
- We will do what is right – not just what is allowed.
- We communicate openly; we invite, provide and respect challenging views.

### Sustainable Performance

- We drive value for shareholders by putting long-term success over short term gain.
- We encourage entrepreneurial spirit which responsibly balances risks and returns.
- We pursue lasting performance by developing, nurturing and investing in the best talent, and by managing based on merit.

### Client Centricity

- We earn our clients' trust by placing them at the core of our organisation.
- We deliver true value by understanding and serving our clients' needs best.
- We strive to pursue mutually beneficial client relationships in which the value created is shared fairly.

### Innovation

- We foster innovation by valuing intellectual curiosity in our people.
- We enable our clients' success by constantly seeking suitable solutions to their problems.
- We continuously improve our processes and platforms by embracing new and better ways of doing things.

### Discipline

- We protect the firm's resources by always thinking and acting like owners.
- We live by the rules and hold ourselves accountable to deliver on our promises – no excuses.
- We achieve operational excellence by striving to 'get it right the first time'.

### Partnership

- We build diverse teams to generate better ideas and reach more balanced decisions.
- We put the common goals of the firm before 'silo' loyalty by trusting, respecting and working with each other.
- We act as responsible partners with all our stakeholders and regulators, and in serving the wider interests of society.

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# Message from the Chairman and the CEO



Peter Tils  
Chairman of the Board of Directors



Ersin Akyüz  
CEO

Dear Shareholders,

We look back on 2016 as a year when overall global economic growth slightly decelerated. Pace of recovery in both Europe and the United States lost momentum, whilst economic expansion in emerging markets remained undisrupted. The recovery in global commodity prices also helped. The latter also provided some welcome inflationary pressure across the globe. The Federal Reserve Board carried on with its policy rate normalization process albeit very gradually with just one hike late in the year. Risk events, such as the Brexit and US elections, induced bouts of volatility in the markets during the course of 2016.

Having confronted adverse external and domestic shocks, Turkish economy slowed down visibly in 2016. Real GDP growth is expected to transpire around 2% following 6.1% recorded in 2015. (In late 2016, the Turkish Statistical Agency, TurkStat, shifted to the ESA 2010 system for National Accounts calculations. Real GDP growth in 2015 had been previously recorded as 4% in the former series.) Domestic private absorption softened markedly due to negative confidence shock in the aftermath of failed coup attempt in July and in light of a long episode of underperformance in Turkish assets following the Moody's decision to downgrade

Turkey back to non-investment grade. Public spending increased materially given the authorities' inclination to support growth while exports underperformed on the back of rising geopolitical risks in neighboring countries and also sanctions imposed by Russia. Loss in tourism revenues was almost fully offset by subdued import demand. Accordingly, external gap remained close to 4% of GDP. Inflation was fairly volatile during the year, on the back of sharp oscillation in food prices, and ended the year at 8.5% after 8.8% in 2015. After having lowered its O/N lending by 250bps through September as part of framework simplification, Central Bank lifted up its one-week repo policy rate by 50bps to 8% late in the year due to marked currency weakness and accelerating inflation. The average of all of the funding by the Central Bank throughout the year was 8.36%.

In this generally more challenging environment than the previous year, we recorded a Net Income of TL 69.2mn. Our previous year income was TL 72.5mn. The impact of declines in our revenue items were partially offset by better management of costs and by declines in general loan loss provisions. As a result, our net income has decreased by only TL 3mn. Our Balance Sheet increased from TL 3,012mn to TL 3,371mn. Although Loans decreased compared to prior year, this was more than offset by an increase in Marketable Securities.

Following the decrease in our Lending, our Capital Adequacy Ratio at year-end increased to 21.5%, from 20.7% in 2015, which is far above the regulatory limits and market-wide levels. Subject to regulatory approval, we expect to pay dividends of around TL 62mn. We are confident that we have ample room for further growth in our balance sheet.

In line with our parent, we maintained our focus on the Values and Beliefs drive with our employees. These values – Integrity, Sustainable Performance, Client Centricity,

Innovation, Discipline, and Partnership – are the core values of Deutsche Bank and a strong corporate culture, founded on these values and beliefs is essential to the Bank's long-term success.

We continue to remain committed to our corporate social responsibilities. We continue to encourage initiatives with wider participation by our employees. A large number of our employees participated in Istanbul Marathon for the third year in a row and we were able to contribute wheel-chairs to the Spinal Cord Paralytics Association of Turkey. We continue to support charitable activities aimed at improving the economic position of women with low incomes. We are working to help improve the awareness amongst our staff of down syndrome and engage with sufferers. We are working towards contributing to Unicef's efforts to improve the living conditions of children. These investments strengthen the fabric of the society and help enhance the environment in which we operate.

Looking ahead into the rest of 2017, the world economy is expected to grow at a mildly faster pace than in 2016. Economic activity in emerging markets is expected to pick up, whilst growth in Europe is likely to lose momentum due to political uncertainty and the Brexit. US momentum however accelerates markedly as the new administration pursues a substantial pro-growth fiscal and regulatory revamp. The Federal Reserve Board is expected to deliver two hikes this year. On the domestic front, we expect Turkey to grow at a slightly faster pace than in 2016. Easier macro-prudential conditions, the authorities' policies to buttress credit supply, and continued expansion in public consumption all suggest domestic absorption looks set to remain as main driver of growth. Despite a modest recovery in tourism receipts and

weaker lira, we think the current account deficit will widen to around 5% of GDP on the back of a higher energy bill. Inflation is likely to remain elevated on the back of rekindled FX pass-through and higher food prices, and end the year at 9.2% after oscillating within the 9-11% range. Fiscal balance is expected to widen, albeit only mildly. Central Bank is expected to bring its policy rate higher during course of the year in light of elevated inflation, ongoing TRY undervaluation, and further rate normalization in the US. Notwithstanding the above, the referendum in April on the constitutional changes and the executive presidency will add to political uncertainty which may persist into the rest of the year. This may have serious impact on growth and other economic variables.

We are very conscious of this highly challenging environment. We will strive to maintain revenues and operational efficiencies. Despite these challenges, we are very confident that we will deliver outstanding service to our clients, and sustainable value to our shareholders.



Peter Tils  
Chairman of the  
Board of Directors



Ersin Akyüz  
CEO

# 1

## Introduction

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## History of Deutsche Bank A.Ş.

- Established as Türk Merchant Bank A.Ş. in 1987.
- Renamed as Bankers Trust A.Ş. in 1997.
- Continued operations as Deutsche Bank A.Ş. as of 2000 following Deutsche Bank's acquisition of Bankers Trust.
- Having provided corporate banking services under an investment banking license until 2004, Deutsche Bank A.Ş. applied to the Banking Regulation and Supervision Agency (BRSA) for permission to accept deposits in an attempt to expand its product range.
- Obtained permission to accept deposits in October 2004.
- Added corporate cash management and custody and settlement services to its product portfolio in 2005.
- The Bank acquired the domestic custody unit of T. Garanti Bankası A.Ş. in 2007 and became the leader of the custodian banks that keep custody of securities portfolios of foreign institutional investors in terms of total rate of securities held in custody in 2016.
- Received authorization to participate in Treasury auctions as a market-maker in 2016 as every year since 2005.
- Received factoring and forfeiting licenses in February 2012, in accordance with the decision taken by the Banking Regulation and Supervision Agency.
- Upon the application made to the Capital Markets Board in accordance with the newly introduced capital markets legislation, the Bank was granted license to provide dealing on own account, limited custody and general custody services on 5.11.2015.
- The Bank has no branches.
- The Trade Registry Number of the Bank is 244378.
- The Central Registration System Number (MERSIS) of the Bank is: 0-8760-0487-2200015
- Bank's web address: www.db.com.tr
- Bank's E-mail address: muhaberat.ist@list.db.com
- Bank's Head Office address: Esentepe Mahallesi Büyükdere Caddesi Tekfen Tower No: 209 K: 17-18 Şişli 34394 İstanbul / Turkey

## Financial Highlights

December 31, 2016

### Summary Financial Highlights

(TL 000)	2016
Cash and Balances with the Central Bank	346.325
Trading Securities	1.172.604
Loans and Receivables	1.398.853
Total Assets	3.371.039
Deposits	914.052
Shareholders' Equity	515.331
Interest Income	205.329
Operating Profit	84.438

### Financial Ratios

(%)	2016
Capital Adequacy Ratio	21.60
Shareholders' Equity/Assets	15.29

### Off-Balance Sheet Items

(TL 000)	2016
Guarantees and Warranties	315.574
Commitments	1.069.373
Derivative Financial Instruments	2.951.357
Items Held in Custody	46.472.988

## Amendments to the Articles of Association

No amendments were made to the Articles of Association of Deutsche Bank A.Ş. during 2016.

## Extraordinary General Meetings in 2016

No Extraordinary General Meetings were held during 2016. Ordinary General Meeting of Deutsche Bank A.Ş. was held on March 31, 2016.

## Shareholder Structure, Changes during the Year, Qualified Shares and Management Shares

All shareholders of Deutsche Bank A.Ş. are Deutsche Bank Group companies.

The Bank holds no privileged shares.

There was no change in the shareholder structure in 2016.

The Bank did not acquire its own shares.

The most recent shareholder structure is presented in the table below.

Chairman and Members of the Board of Directors, Members of the Audit Committee, CEO and Assistant General Managers do not own any shares in the Bank.

Shareholder	Number of Shares	01.01.2016 - 31.12.2016	
		Shares	Capital (TL)
Deutsche Bank AG	1,349,999,730	134,999,973	99,99
Süddeutsche Vermögensverwaltung GmbH	68	6,8	<1
DB Industrial Holdings GmbH	68	6,8	<1
Nordwestdeutscher Wohnungsbauträger GmbH	67	6,7	<1
DB Capital Markets (Deutschland) GmbH	67	6,7	<1
<b>Total</b>	<b>1,350,000,000</b>	<b>135,000,000</b>	<b>100</b>

## Associates

The Bank does not have any associates, either directly or indirectly.

# Deutsche Bank A.Ş. within the Banking Industry

Operating in Turkey since 1987, leveraging the strong global banking network of its parent company Deutsche Bank AG, Deutsche Bank A.Ş. is primarily focused on corporate banking. Offering its corporate banking services with a workforce of 121 employees, Deutsche Bank A.Ş. is the Istanbul based subsidiary of Deutsche Bank Group, which has approximately 98,000 employees and EUR 1.709 billion in total assets (as of December 2016) throughout the world. Deutsche Bank A.Ş. targets the highest levels of quality in all product and service segments in which it is active, and strives to be one of the prime relationship banks of each client.

In 2016, the Bank continued to act as a leader in the outright purchases and sales market for bonds and bills and over-the counter fixed income securities and foreign currency vs. Turkish lira transactions. Having started to provide custody services as of 2005, Deutsche Bank A.Ş. has become an extremely reputable bank, preferred by foreign investors for its custody services. The bank has a 39% market share among all the custodian banks that keep custody of securities portfolios of foreign institutional investors in accordance with Central Bank's and Central Securities Depository of Turkey, MKK's records.

The bank mediates cash management circulation in domestic and international trade and provides services and consultancy to clients in Turkey in the fields of short and medium term trade financing and risk management via its specialist teams. Besides Conventional Foreign Trade products, the bank has become a reliable partner in its clients' banking transactions by providing customized solutions in terms of Trade Financing products and corporate cash management.

The bank provides consultancy services in preparation of major foreign company purchase offers and acquisition financing packages and actively works on buying and selling, capital issuance and financing transactions of various financial institutes.

Deutsche Bank A.Ş. aims to provide services in line with the priorities and requirements of its local and multinational customer segment, so as to develop strategic and longstanding relations with its prominent customers. In doing so, it takes advantage of Deutsche Bank's global know-how and maximizes the coordination within different product groups, thus providing the most effective solutions through exclusively designed financing techniques and banking services for its clients.

Bank's target for 2017 will be to reinforce its reputation as a reliable and permanent business partner by establishing longstanding relations with its clients.

## Research and Development

After many years of providing corporate banking services in Turkey under an investment banking license, Deutsche Bank A.Ş. also began offering commercial banking services in October 2004 after having been awarded a deposit taking license. Deutsche Bank A.Ş. continuously seeks to enhance the quality and diversity of service. To this end, the Bank implements system development studies required by its expanding services and cash management products. Having started as an extension of its main business line in 2006, Custody Services were structured to ensure compliance with the new capital markets legislation and upon the application made to the Capital Markets Board; the Bank was licensed to provide Dealing on Own Account, Limited Custody and General Custody services on 5.11.2015.

Combining its local experience with its main shareholder Deutsche Bank AG's global network, expertise and know-how in the areas of public offerings, block sales and derivative products, Deutsche Bank A.Ş. continues to provide capital markets and treasury solutions. Applications that strengthened our control structure were our main focus in 2016.

We will focus on risk controlling, service management and capacity expansion in 2017. In line with the bank's strategies, improvement operations in product development, risk management, hardware and software consolidation and operational continuity will go on.

# Operations in 2016

Deutsche Bank A.Ş. believes that Turkey, which has long stood out among emerging economies, offers tremendous potential for growth and investment in the years ahead. Corresponding to this perspective, the Bank is continuing its expansion into Turkey with a primary focus on corporate banking.

The organization of Deutsche Bank A.Ş. is composed of Markets, Global Transaction Banking, Corporate Finance, Support Functions and Internal Systems.

## Global Markets

The Global Markets business consists of Trading Unit, Institutional Client Group and Research.

**Trading:** This unit conducts the structuring and sales transactions of debt and money market instruments. It mediates the spot trading and derivatives trading transactions of financial institutions, insurance companies and corporations in foreign exchange and TL. The unit also conducts transactions of debt instruments, treasury bonds, trading of bonds and derivative products. Moreover, it provides clients with rate of exchange and interest risk management services by pursuing risk management policies.

Deutsche Bank A.Ş. is a leader in the Turkish capital markets in terms of fixed income products.

**Institutional Client Group:** The ICG Group is responsible for developing, marketing and selling products in order to meet the requirements of all financial institutions, primarily those of banks, brokerage houses and asset management companies based in Turkey. It offers a platform to financial institutions for all financial product transactions, especially exchange and fixed income securities. In addition the group also offers long-term funding and structured products by tailoring the design of the products for its clients, allowing them to benefit from the worldwide distribution network and product know-how of Deutsche Bank. The ICG group aims to continue to remain a key strategic partner for financial institutions.

**Research:** The Research Department monitors macroeconomic developments closely and provides internal Bank units and external clients with information through periodic and thematic reports.

## Global Transaction Banking

The Global Transaction Banking consists of three units providing services to corporations and financial institutions; which are Investor Services, Trade Finance and Cash Management Corporates, and Cash Management & Trade Fls.

**Investor Services:** With its Investor Services Unit, established by a highly competent and experienced team in 2005, Deutsche Bank A.Ş. has become an extremely reputable bank, preferred by foreign investors for its custody services. The Bank has a 39% market share among all the custodian banks that keep custody of securities portfolios of foreign institutional investors.



#### Executive Committee

From left to right: A.Orhan Özalp, Pınar Çapanoğlu Altuğ, Hakan Ulutaş, Özge Kutay, Ersin Akyüz, H. Sedat Eratalar\*, Nesrin Akyüz, S.Mert Haracı, Kubilay Öztürk\*, Cenk Esener,

Deutsche Bank A.Ş. continued to grow by expanding its client portfolio in 2016. Having received the general license for custody in accordance with the Capital Markets Law in 2015, the Bank has maintained its successful custody and intermediary services by increasing its transaction volume in a number of significant acquisitions, company takeovers transfers and in stock lending transactions. Unit's leadership especially in stock lending transactions in the market has led to an increase in both client number and transaction volumes in 2016, as in the previous years.

Deutsche Bank A.Ş. Investor Services maintained their 'TOP RATED' status, first granted in 2009, by repeatedly scoring high points in the annual customer poll conducted by the Global Custodian magazine in 2016, as in previous years. In this way, it has asserted its first class quality of client services.

In 2017, Deutsche Bank A.Ş. plans to increase its market share and maintain and develop its leading position in the market for clearing and custody activities through new products to be included in its already wide product range.

**Trade Finance and Cash Management Corporates:** This unit mediates cash management circulation in domestic and international trade. Its specialist teams have been providing services and consultancy to clients in Turkey in the fields of short and medium term trade financing and risk management. Deutsche Bank A.Ş. reflects the additional value of 100 years plus experience in more than 70 countries of Deutsche Bank AG, its main shareholder, to its clients. Besides Conventional Foreign Trade products, the bank has become a reliable partner in its clients' banking transactions. This is achieved by providing customized solutions in terms of Trade Financing products and corporate cash management.

\* Permanent attendee of meetings although not a member of the Committee.

In Corporate Banking, enhancing the efficiency of resources, managing liquidity and risks, and, for this purpose, setting the necessary targets and attaining them gain more and more importance with each passing day. As Deutsche Bank A.Ş., we contribute to efficient management of our clients' working capital via cash management products oriented to payment, collection, financing and reconciliation, and we pay our best efforts to meet their demands with innovative cash management solutions.

Although the competition is becoming fiercer, particularly in corporate banking as a result of rising interest to Turkey, as Deutsche Bank A.Ş. Trade Finance and Cash Management Corporates Unit, we develop suitable products which meet the needs of changing conditions and business models for more productive activities, as a result of which, we have gradually strengthened our market share.

**Cash Management and Trade Finance, Financial Institutions:** As one of the leading global banks in the field of Cash Management, Deutsche Bank continues to provide services as one of the solution partners and main correspondents for Turkish banks. Enjoying this position to provide cash management solutions to banks, the unit performs US Dollar money transfers through Deutsche Bank Trust Company Americas, New York; Euro transfers through Deutsche Bank AG, Frankfurt Branch and Sterling transfers through Deutsche Bank AG, London Branch. Services provided by the unit include Dollar and Euro based commercial and treasury money transfers, liquidity management and sales and support services for related products. While supporting clients with local, regional and global cash management solutions, the unit aims to provide the most efficient and the best services through its extensive global branch network.

Having been providing its clients with foreign trade services in more than 40 countries, Deutsche Bank offers solutions for foreign trade products and trade financing through its experience, knowledge and wide variety of products in order to maximize the level of its clients' efficiency in foreign trade transactions. By taking an active role in the guarantee transactions and in confirmation, financing and discounting of letters of credit from Turkish financial institutions to those abroad, the division performs the sales and marketing of similar products used in the financing of global trade.

Through difficult times in financial markets and the global economy, the Bank has maintained uninterrupted and consistent support for Financial Institutions. Thus, it aims to always be the most reliable and preferred business partner of Turkish banks by continuing to share its Cash Management and Foreign Trade products with clients, as well as to provide innovative solutions and global experience.

## Corporate Finance

Corporate Finance is composed of three units; Investment Banking Coverage & Advisory; Corporate Banking Coverage and Financial Solutions Group.

**Investment Banking Coverage & Advisory:** Investment Banking Coverage & Advisory provides consultancy services to Turkish companies as well as foreign companies seeking to invest in Turkey. These consultancy services include company mergers and acquisitions, public offerings and capital market and financing products.

In this respect, the Unit within 2016,

- advised various foreign companies and funds intending to invest in Turkish companies,
- took part in provision of long term financing loans during the process of expanding current areas of activities of various Turkish companies via new investments,
- advised Turkish groups on bidding for international assets and arranging acquisition financing for such bids,
- actively worked on mergers and acquisition, capital issuance, and financing projects of several financial institutions.

Investment Banking Coverage & Advisory unit currently continues to work on selected merger and acquisitions, equity offerings and financing projects, and through developments in ongoing projects aims to maintain its leading position in the market in 2017 as it did in 2016.

**Corporate Banking Coverage:** The Corporate Banking Coverage unit aims to provide services in line with the priorities and requirements of its local and multinational customer segment, so as to develop strategic and longstanding relations with its prominent customers. In doing so, the Group takes advantage of Deutsche Bank's global know-how and maximizes the coordination within different product groups, thus providing the most effective solutions through exclusively designed financing techniques and banking services for its clients. The Group's target for 2016 will be to reinforce its reputation as a reliable and permanent business partner by establishing longstanding relations with its clients.

**Financial Solutions Group:** The Financial Solutions unit offers Turkish companies, operating both in Turkey and abroad, access to Deutsche Bank's global platform and accumulation of knowledge in the field of structured finance and risk management. By working in cooperation with the Corporate Coverage, the Bank aims to comprehensively understand every facet of its clients' needs. The Bank is then able to efficiently and rapidly generate appropriate solutions by working with the right teams within Deutsche Bank.

## Support Functions and Internal Systems

Financial Reporting, Legal, Human Resources, Credit Allocation, Corporate Services, Technology and Operations are included under Support Functions; whereas, Internal Audit, Risk Management, Compliance and Internal Control, are included under Internal Systems.

### Support Functions

**Finance:** The Finance Unit examines the Bank's financial position through its daily and monthly reports and informs the Executive Management on the results. In order to adequately assess the performance of profit centers, the unit prepares the financial statements for these units on a daily and monthly basis. The unit is in charge of providing the information flow for the Bank's audit by the independent auditor and regulatory bodies. The Finance Unit generates new projects for Executive Management reporting and internal control systems and supports other related projects, the unit prepares the Bank's financial statements and related disclosures in the required format and submits them to entities such as the Banking Regulation and Supervision Agency, Central Bank of Turkey, Undersecretariat of Treasury, Capital Markets Board and The Banks Association of Turkey.

**Legal:** The Legal Unit provides legal consultancy services to the business and support service divisions of Deutsche Bank A.Ş. and performs Corporate Secretariat functions. It reviews the compliance of contracts to which the Bank is a party, as well as transactions and texts prepared by other divisions of the Bank with the applicable laws, and expresses its opinions with respect to legal implications to the divisions. The Legal Unit is also responsible for examining the Bank's new projects and recently developed products from a legal point of view, and where necessary, for offering legally compliance alternatives. The Unit also serves as the secretariat to General Assembly, Board of Directors, Audit Committee, Credit Committee, Executive Committee and Operations Committee meetings. The Legal Unit represents the Bank in lawsuits to which the Bank is a party or appoints 3<sup>rd</sup> party law firms for this purpose.

In 2017, the Legal Unit aims to continue providing legal consultancy services related to the finance sector and issues concerning the Bank, to provide legal support for potential projects, and to conduct the necessary studies in order for the Bank to be in compliance with the amended legislation.

**Human Resources:** Human Resources Unit acts in accordance with the principle that its employees are Bank's most valuable assets, draws its strength from the employees, and provides equal opportunities with innovative human resources applications supporting and improving the employees. In addition to a fair wage structure, which aims to increase loyalty of the employees towards the Bank and meet their needs under challenging conditions of competition, HR also provides conditions that will enable the employees to establish their work-life balance. In order to keep the organisational structure dynamic, the unit provides an efficient communication and motivation environment where the employees are able to use their creativity and to express their opinions, and adopts a transparent management policy that accommodates and embraces different opinions and knowledge. Human Resources Unit supports professional and personal





#### Operations Committee

From left to right: Ayhan Eryiğit, Nesrin Akyüz, G. Duygu Özcan, Abdullah Kaçmaz\*, Özge Kutay, Ersin Akyüz, Günce Çakır İldun, Özge Tuğtan, E. Kumru Besim, Ali Doğrusöz

development of the employees, reinforces their connection with the Bank and therefore plays a strategic role in attaining the Bank's targets with ease. The unit manages the relevant structures and processes in accordance with the policies and procedures stipulated in the laws and regulations. Possible impacts of legislation amendments to current practices are discussed at the EXCO and the Operations Committee. Furthermore, resolutions adopted regarding the matters such as issues that concern the Bank as a whole, personnel policies, exercise of rights granted to the personnel, appointment proposals up to the level of Managing Director, training and social organizations, etc. are, put into effect based on the resolutions adopted by the EXCO and, when deemed necessary, upon the approval of the Board of Directors, and announced to the employees by the Human Resources Unit.

**Credit Allocation:** Credit Allocation Unit is responsible from reviewing loan applications received from business units for the existing or new credit clients, assessment of their financial statements, accurate and proper reflection of the financial analyses to the credit packages and, subsequent to finalization of these processes, presentation of the credit packages to the appropriate credit authority (General Manager, Credit Committee or Board of Directors) in co-operation with the business units. The Unit will, if deemed necessary, be further responsible from paying visits to clients, conducting reviews to see whether there are any excesses in the credit limits assigned, evaluation of possible NPLs with Legal and Risk Management units and, if applicable, presentation of these credits to the appropriate authorities.

**Corporate Services:** The Unit is responsible for providing a working environment compliant with the necessary health and safety conditions in order to sustain the activities of Deutsche Bank A.Ş. in a productive, safe and efficient way. The unit is also responsible for the management of critical systems such as construction, real estate, decoration, rent management, building management, strategies for working spaces, security systems, office and building maintenance, generators, UPS and

\* Permanent attendee of meetings although not a member of the Committee.

mechanical and electrical systems, as well as conducting corporate services such as insurance, providing physical archive space, car rental, couriers and reception. The unit maintains its efforts to create a physical working environment in compliance with Deutsche Bank's global values and standards in order to better meet the internal client needs.

**Technology and Operations:** During 2016, Technology and Operations focused on compliance with the current legislation, risk management, service management and capacity increasing by increasing the capacity of the already established technical and operational structure, and improved the control structure.

**Technology Unit:** Employing the applicable legislation and standards established by both the main partner and the Bank, knowledge, risk approach and innovation culture; the Technology Unit establishes, develops and operates technological infra/super structure of the Bank. The Unit is responsible from governance and executing the procedural structure to ensure the integrity, safety and performance of the environment, where the data and processes of the Bank, which are vital for the operation of the Bank, are processed and retained.

**Operations Unit:** The Unit performs transactions of all business units required to provide banking services in accordance with the applicable legislation, Bank's standards and accepted high quality control and workflow practices. In an attempt to perform this function in the best conditions, the Unit establishes simple, clear-cut and transparent business processes. It follows-up the new technologies, processes, legislation, standards and market practices required to implement these processes and develops and builds them in the best possible manner at both the Bank and via the vendors used by the Bank.

In order to provide continuity of the technological infra/super structure, both data centers and subsequent user areas have been structured to operate with real time synchronization.

In 2017, in addition to on-going compliance with the current legislation and risk management projects, Technology and Operations will work on alternative communication and integration channels in order to provide different products to our clients.

## Internal Systems

**Internal Audit:** The Internal Audit Unit monitors the internal audit structure at all Deutsche Bank A.Ş. units regularly and independently on behalf of the Board of Directors. The Unit evaluates the unit's transactions and practices on the basis of targets, their compliance with internal/external regulations and their performance within the framework of risk analysis, and focuses on assisting the Board of Directors regarding the effectiveness of the corporate management. The Unit checks that the Bank's ethical standards have been fully implemented by the business units. In addition to monitoring the compliance with internal and external regulations, Internal Audit also conducts dynamic and effective monitoring of the working environment at all business and support units under a risk focused approach.

**Risk Management:** The Risk Management Unit is responsible for Bank-wide implementation of the standards “regarding the risk-return structure of the Bank’s cash flows and monitoring, controlling and, when necessary, modifying the nature and level of the operations” that were devised and put into effect by the Board of Directors within the framework of the BRSA regulations.

The Risk Management Unit is responsible from understanding risks and conducting sufficient evaluations before entering a transaction, setting risk management policies and practice methods based on risk management strategies, ensuring the application and adaptation of risk management policies and practice methods. Maintaining quantified risks within limits and reporting the risk measurements and risk monitoring results to the Board of Directors or Board Member responsible from Internal Systems and senior management, on a regular and timely basis are also included among the responsibilities of the Unit.

**Compliance and Internal Control:** Compliance and Internal Control conducts Bank’s compliance and internal control activities. Responsibilities of the unit in terms of compliance are to ensure compliance of internal by-laws and applications and each and every contract and similar legal text that may be binding on Deutsche Bank with the related applicable laws, regulations, ethical principles and widely-accepted Principles of Corporate Governance. Within this framework, it is responsible from conducting the necessary research and preparing the necessary reports regarding the businesses and transactions of the Bank’s clients by taking the relevant laws and regulations, especially the Banking Law no. 5411 and Law no. 5549 on Prevention of Laundering Proceeds of Crime as basis. It acts as a bridge between business units. The unit provides recommendations about maintaining the necessary legal compliance and cooperation in relations with the supervisory and regulatory institutions determined by laws and regulations. The unit also undertakes to give opinions and recommendations about the necessary issues to the Board of Directors, Executive Management and business units, in compliance with the related legislation.

The Compliance and Internal Control Unit is secondarily responsible for the internal control activities after the unit, which is liable from the operation of all control systems established within the body of Deutsche Bank A.Ş. in the first place, primarily the financial and operational systems. The Unit maintains its activities within the framework of “Compliance and Internal Control By-Law” confirmed by the Board of directors.

The principle of separation of powers has been established for the necessary control points within the Bank. The independence of the internal control process from the functional activity units has been sufficiently assured and tasks and responsibilities within the corporate structure have been separated on the basis of function. Thanks to this organizational structure, measures within the internal control system are implemented independently and objectively with the principle of the separation of powers. The internal control system is regulated in compliance with the types and levels of risks emerging in relation with the character and content of the Bank’s activities.

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## Management and Corporate Governance

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# Board of Directors



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# Board of Directors

- 1 Peter Johannes Maria Tils**  
**Chairman of the Board of Directors,**  
**Chief Executive Officer of Central and Eastern Europe Region**  
Born in 1952, Peter Tils graduated from the University of Cologne with an MBA. He has more than 39 years of experience in banking. Mr. Tils joined Deutsche Bank AG in 1977 and has been serving as the Chief Executive Officer for the Central and Eastern Europe Region at Deutsche Bank in Frankfurt since 2005. Tils was appointed as the Chairman of the Board of Directors of Deutsche Bank A.Ş. on November 21, 2012.
- 2 Ersin Akyüz**  
**Member of the Board of Directors,**  
**CEO**  
Born in 1961, Mr. Akyüz has a Bachelor's and Master's degree in Economics from the London School of Economics in addition to a Master's degree in Business Administration from the University of Chicago. Assuming various positions both in Turkey and abroad in his 28 - year banking career, Mr. Akyüz joined Deutsche Bank A.Ş. in February 2008 as the CEO and Board Member.
- 3 Tijen Gümüşdiş**  
**Member of the Board of Directors**  
**Deutsche Bank AG London, Markets, Head of Turkey Trading and CCE Rates,**  
**Managing Director**  
Born in 1965, Gümüşdiş holds a double major in Business Administration and Economy from Boğaziçi University. Gümüşdiş has 26 years of banking experience and she joined Deutsche Bank in 2007. Gümüşdiş works as Managing Director responsible from Turkey Trading and CCE Rates in Deutsche Bank AG London Branch and acts as Board Member of Deutsche Bank A.Ş. as of January 2014.
- 4 Kaya Didman**  
**Vice Chairman of the Board of Directors,**  
**Chairman of Audit Committee**  
Born in 1962, Mr. Didman is a graduate of Boğaziçi University, Department of Business Administration. Mr. Didman held senior positions in companies such as Türk Ekonomi Bank, Baring Securities (London) and Morgan Stanley & Co. (London). Appointed to the Board of Directors at Deutsche Bank A.Ş. with Board resolution dated June 14, 2007 with no. 26/07, Mr. Didman has also been serving as the Audit Committee Chairman since June 25, 2008.
- 5 Hamit Sedat Eratalar**  
**Member of the Board of Directors Responsible from Internal Systems**  
Born in 1952, Mr. Eratalar is a graduate of Ankara University, Department of Economics and Public Finance. He worked as a partner at Arthur Andersen between 1981 and 2001. Serving as a founding partner at Eratalar Management Consulting since 2001, Mr. Eratalar has been working as a Member of Board of Directors at Deutsche Bank A.Ş. since August 2001 and as a Board Member responsible from Internal Systems since 2006.

**6 Marco Kistner\***

**Member of the Board of Directors**

Born in 1964, Marco Kistner graduated with a degree in Banking Management from the Frankfurt School of Finance & Management. With 33 years of banking experience, Mr. Kistner has been working for Deutsche Bank AG since 1984. Currently serving as the Chief Risk Officer APAC, Global Director of Emerging Markets Credit Risk Management, Mr. Kistner was appointed as a member of Board of Directors of Deutsche Bank A.Ş. in September 2012.

**7 Satvinder Singh\*\***

**Member of the Board of Directors**

Born in 1970, Satvinder Singh graduated with an MBA from the University of Durham. Having worked for HSBC and Citibank before joining Deutsche Bank AG in 2011, Mr. Singh is the Global Director of Direct Securities Services and Cash Management FI. Mr. Singh was appointed as a member of the Board of Directors of Deutsche Bank A.Ş. in July 2012.

**8 Özge Kutay**

**Member of the Board of Directors responsible from Financial Reporting  
Chief Operating Officer**

Born in 1970, Ms. Kutay is a graduate of the Faculty of Business Administration at Istanbul University. Starting her career at the Turkey Office of KPMG in 1993, Ms. Kutay has 23 years of experience in banking and business administration. Having been employed by Deutsche Bank A.Ş. since 1998, she served as an Assistant General Manager between 2001 and 2012 before being appointed as a member of the Board of Directors in October 2012.

**9 Ann Maria Francine Vanhaeren, Member of the Board of Directors,  
Member of the Audit Committee**

Born in 1972, Ann Vanhaeren holds a License in Law from the Catholic University of Leuven, Belgium and a Master of Laws (LL.M.) degree from University College London, University of London, London. Having worked in ING and HSBC before joining Deutsche Bank AG in 2014, Vanhaeren is currently Head of Compliance, EMEA. Vanhaeren was appointed as a member of the Board of Directors and a member of the Audit Committee of Deutsche Bank A.Ş. in August 2015.

None of the members of the Board of Directors is involved in transactions with the Bank either in their own capacity or on behalf of third persons or engaged in operations considered under the prohibition of competition.

\*Marco Kistner resigned from his post on Board of Directors with the Board resolution dated August 25, 2016 no. 19/16.

\*\*Ajay Avtar Singh was appointed as Board Member to replace Satvinder Singh, resignation of whom was accepted with the Board of Directors resolution dated February 14, 2017.

## Senior Management

### **Ersin Akyüz, Member of the Board of Directors, CEO:**

Born in 1961, Mr. Akyüz has a Bachelor's and Master's degree in Economics from the London School of Economics in addition to a Master's degree in Business Administration from the University of Chicago. Assuming various positions both in Turkey and abroad in his 28-year banking career, Mr. Akyüz joined Deutsche Bank A.Ş. in February 2008 as the CEO and Member of the Board of Directors.

### **Özge Kutay, Member of the Board of Directors responsible for Financial Reporting Chief Operating Officer:**

Born in 1970, Ms. Kutay is a graduate of the Faculty of Business Administration at Istanbul University. Starting her career at the Turkey Office of KPMG in 1993, Ms. Kutay has 23 years of experience in banking and business administration. Having been employed by Deutsche Bank A.Ş. since 1998, she served as an Assistant General Manager between 2001 and 2012 before being appointed as a member of the Board of Directors in October 2012.

### **Ali Doğrusöz, Assistant General Manager - Technology and Operations:**

Born in 1963, Mr. Doğrusöz graduated from North Carolina State University, Department of Mechanical Engineering and received a master's degree in Mechanical Engineering from Middle East Technical University. With 28 years of professional experience, Mr. Doğrusöz has been working at Deutsche Bank A.Ş. as the Assistant General Manager since 2002.

### **Süleyman Mert Haracı, Assistant General Manager - Global Markets:**

Born in 1971, Mr. Haracı graduated with both undergraduate and master's degrees from Marmara University, Department of Finance. Serving in the banking sector since 1996, Mr. Haracı joined Deutsche Bank A.Ş. in 2000. He was appointed Assistant General Manager in 2009.

### **Hakan Ulutaş, Assistant General Manager - Global Transaction Banking, Investor Services:**

Born in 1965, Mr. Ulutaş is a graduate of Istanbul University, Department of Business Administration and holds a master's degree in Business Administration from Marmara University as well as a master's degree in Management from North Carolina State University. Mr. Ulutaş spent 24 years of his 27-year professional career in the banking sector. Hakan Ulutaş has been with Deutsche Bank A.Ş. since 2004. Ulutaş was appointed as the Assistant General Manager in October 2012.

### **Cenk Esener, Assistant General Manager - Global Transaction Banking, Trade Finance and Cash Management Corporates:**

Born in 1970, Mr. Esener graduated from Eastern Mediterranean University, in the Department of Economics. Having served for 15 years in similar positions in various banks, he joined Deutsche Bank A.Ş. in August 2009, and was appointed as Assistant General Manager in October 2012.

### **Pınar Çapanoğlu Altuğ, Director - Global Transaction Banking, Cash Management and Trade Finance, FI:**

Born in 1977, Mrs. Çapanoğlu graduated from the Middle East Technical University with a degree from the Department of Economics. Serving in the banking sector since 1999, Mrs. Çapanoğlu joined Deutsche Bank A.Ş. in 2008 and is working as Head of Global Transaction Banking, Cash Management and Trade Finance, FI.

### **Senem Ertuncay Kuzu, Director: Corporate and Investment Banking, Corporate Banking Coverage:**

Born in 1976, Ertuncay graduated from Middle Eastern Technical University, Department of Economics. Having worked in the banking sector since 1998, Ertuncay joined Deutsche Bank A.Ş. in 2007. Ertuncay works as a Manager in the Corporate Banking Coverage division.

### **Abidin Orhan Özalp, Director - Global Markets, Institutional Client Group:**

Born in 1982, Mr. Özalp graduated with a Bachelor's degree from the Economics and Business Administration Departments at Koç University. Having worked for Deutsche Bank A.Ş. since 2006, Özalp has been serving as the Manager in charge of Institutional Client Group since 2011.



**Kubilay M. Öztürk; Vice President - Global Markets, Research:**

Born in 1980, Mr Öztürk has a Bachelor's degree in Economics and Business Administration from Middle East Technical University and a Master's degree in Economics from the London School of Economics. Mr. Öztürk also undertook doctoral studies at the University of Oxford and worked at the Bank of England as a scholar. Having taught macroeconomics courses in Turkey and abroad, Mr. Öztürk joined Deutsche Bank AG London in 2010 and was appointed as Chief Economist in 2014. Mr. Öztürk has been working as the Chief Economist of Deutsche Bank A.Ş. since 2016.

**Abdullah Kaçmaz, Vice President - Internal Audit:**

Born in 1980, Kaçmaz graduated from Istanbul University, Department of Economics. Kaçmaz started his banking career in 2002 and joined Deutsche Bank A.Ş. in 2011. Kaçmaz holds CIA (Certified Internal Auditor), CISA (Certified Information Systems Auditor), CRMA (Certification in Risk Management Assurance) and CRISC (Certified in Risk and Information Systems Control) certificates. Kaçmaz was appointed as Head of Internal Audit of Deutsche Bank A.Ş. on November 17, 2014.

**Özge Tuğtan, Vice President - Compliance and Internal Control:**

Born in 1979, Özge Tuğtan graduated from Boğaziçi University, Department of Political Science and International Relations, and holds an LL.M in business law. Tuğtan started her banking career in 2001 and joined Deutsche Bank in 2006. Tuğtan was appointed as Head of Compliance and Internal Control and Compliance Officer of Deutsche Bank A.Ş. on October 16, 2014.

**Esra Kumru Besim, Vice President – Risk Management:**

Born in 1973, Kumru Besim graduated from Sankt Georg Austrian College and Istanbul University, Faculty of Business Administration (English). After completing a certificate program in University of California, Berkeley, Besim started her banking career in 1998 in Financial Control and Planning departments of various banks and joined Deutsche Bank A.Ş.'s Financial Control Unit in 2006. After establishing Internal Control under the Compliance and Internal Control Unit in 2011, she was appointed as the Vice President responsible from Risk Management in April 2015.

**Günce Çakır İldun, Director - Legal:**

Born in 1977, Mrs. İldun is a graduate of Ankara University, Faculty of Law and holds a Master of Laws (LL.M.) degree from State University of New York, Buffalo. Günce Çakır İldun has 17 years of professional experience, 16 of which were in the banking sector. Mrs. İldun has been with Deutsche Bank A.Ş. since December 2006.

**Ayhan Eryiğit, Vice President - Human Resources:**

Born in 1972, Eryiğit holds an undergraduate degree in business administration from Istanbul University and an MBA from Yeditepe University. Eryiğit started his professional career in 1996 and has been working in human resources field of the banking sector since 1998. Eryiğit joined Deutsche Bank A.Ş. in 2013.

**Gonca Duygu Özcan, Vice President - Corporate Services:**

Born in 1972, Mrs. Özcan is a graduate of Istanbul Technical University, Department of Architecture and holds an MBA from Istanbul Bilgi University/Manchester Business School. She has 24 years of professional experience, 21 of which are in the banking sector. Mrs. Özcan joined Deutsche Bank A.Ş. in 2006.

**Nesrin Akyüz, Vice President - Finance:**

Born in 1975, Nesrin Akyüz graduated from the Middle East Technical University with a degree from the Department of Business Administration. Having gained auditing experience in various banks since 1997, Akyüz joined Deutsche Bank A.Ş. in 2006.

# Independent Auditor

During the Ordinary General Assembly of the Bank held on March 31, 2016, it was resolved with unanimous vote to select Akis Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş.as the Independent Auditor for a period of 1 year.

## Committees

### Audit Committee

Kaya Didman, Chairman  
Ann Maria Francine Vanhaeren, Member

The Audit Committee was established on October 31, 2006, pursuant to the Board of Directors Resolution No. 48/6. The Audit Committee convened 17 times during the 2016 fiscal year.

### Credit Committee

Ersin Akyüz, Chairman  
H. Sedat Eratalar, Member  
Özge Kutay, Member  
Kaya Didman, Substitute Member

The Credit Committee was established to allocate credits under the authority delegated to the committee by the Board of Directors' decision No. 84 dated December 13, 2010. The Committee takes loan decisions within the limits determined for itself, and by determining the allocation conditions. The Credit Committee convenes twice a week or when deemed necessary.

### Executive Committee (EXCO)

Ersin Akyüz, Chairman  
Özge Kutay, Vice Chairman, Member  
S. Mert Haraççı, Member  
Hakan Ulutaş, Member  
Cenk Esener, Member  
Pınar Çapanoğlu Altuğ, Member  
A. Orhan Özalp, Member  
Nesrin Akyüz, Member

The Executive Committee meets once a month for a number of purposes including Deutsche Bank's global strategies to be followed in Turkey, generating ideas for the mutual development of coordination and new business ideas among the executive units established in Turkey, in addition to exploring cross-selling opportunities, coordination with the infrastructure units and assessing any risks regarding the reputation of Deutsche Bank's franchise.

### Operations Committee

Özge Kutay, Chairman  
Ali Doğrusöz, Vice Chairman, Member  
Özge Tuğtañ, Member  
G. Duygu Özcan, Member  
Ayhan Eryiğit, Member  
Günce Çakır İldun, Member  
E. Kumru Besim, Member  
Nesrin Akyüz, Member

The Operations Committee convenes once in every month for 2 hours and weekly for 45 minutes. The Committee is a platform where all Operations, Support and Control Units discuss the developments, changes and problems regarding the operations of the Bank, produce solutions and organize the effective utilization and allocation of resources.

#### **Assets and Liabilities Committee (ALCO)**

Ersin Akyüz, Chairman  
Özge Kutay, Member  
Cenk Esener, Member  
Hakan Ulutaş, Member  
S. Mert Haracı, Member  
Joachim Bartsch, Member  
Nesrin Akyüz, Member  
E. Kumru Besim, Member

The ALCO is responsible from analyzing the Bank's future capital requirements by overseeing the structure of the Bank's assets and liabilities, and evaluating risk-bearing assets, liquidity and market risk. The ALCO convenes quarterly under the presidency of the Bank's CEO.

#### **Risk Management Meetings**

Weekly meetings on "Market Risk" are held upon participation of the Board Member responsible from Internal Systems, Head of Markets Unit and Head of Deutsche Bank A.Ş. Risk Management Unit. If it is needed, General Manager is also invited to these meetings.

The objective of these meetings is to review the developments in the economy, (FX rates, Interest Rates etc.) discuss the position of the bank in terms of Government Bond portfolio and bank's FX position, (if any) and check whether the bank is within the Bank Limits for Market Risk (like PV01, the effect of 1 basis change in interest rates to the Bank's P/L). Stress test results are also discussed in these meetings before they are submitted to the Board of Directors for approval.

Monthly Risk Management meetings where Market Risk, Operational Risk and Credit Risk related matters are discussed are also held. Board Member responsible from Internal Systems, COO, Head of Markets Unit, Head of Compliance and Internal Control and Head of Deutsche Bank A.Ş. Risk Management Unit participate in these meetings. If it is needed, General Manager is also invited to these meetings.

The objective of these meetings is to review the developments in the economy, to discuss all kinds of credit, market or operational risk related matter and to check whether the bank is within the Bank Limits. Results of the stress test regarding credit, market and operational risk are also discussed in these meetings before they are submitted to the Board of Directors for approval.

### **Participation of Board Members and Committee Members in Meetings**

The Board of Directors meets at least twice a month in accordance with the Bank's Articles of Association and governing legislation to oversee matters related to the Bank and to make decisions (within the scope of its duties and responsibilities). When deemed necessary, the Chairman of the Board of Directors also calls for meetings. During 2016, members participated in Board meetings regularly, conforming to the criteria for a quorum to convene and make decisions.

The Audit Committee meets at least once a month. In principle, Committee members participate in all meetings. However, in the event that they are not present at the Bank, due to business travel arrangements or other reasons, they participate through teleconferencing to present their opinions and suggestions regarding agenda items. In 2016, the Committee Members participated in Committee meetings regularly.

### **Transactions conducted by Members of the Board of Directors with the Bank**

Pursuant to the permission granted by the Bank's General Assembly, none of the members of the Board of Directors is involved in transactions with the Bank either in their own capacity or on behalf of third persons or engaged in operations considered under the prohibition of competition.

### **Financial Benefits of the Senior Executives**

In the current period, the total benefits allocated to senior executives such as Chairman of the Board of Directors, members of the Board of Directors, the CEO and the Assistant General Managers amounting to TL 15.726 thousands and expenses such as the transportation and accommodation of senior executives amounting to TL 416 thousands.

# Information on Dividend Distribution Policy

The Bank has adopted as its dividend distribution policy to distribute all of its profit available for distribution to its shareholders by receiving the necessary BRSA approval, provided that there are no unfavorable conditions prevalent in the national and/or global economic conditions and Deutsche Bank's total equity adequacy ratio is at the target level. The allocation and the distribution of the net profit are decided at the Deutsche Bank A.Ş. shareholders' Annual General Assembly.

Banking Regulation and Supervision Agency's (BRSA) permission is sought for dividend distribution. Dividend distribution shown below was presented to the approval of the General Assembly of the Bank, provided that the necessary BRSA permission is received. In case permission of BRSA on dividend distribution is different from the dividend distribution plan herein below, dividend distribution will be made as permitted by the BRSA.

## Dividend Distribution Table for 2016 (TL Thousands)

2016 Dividend Distribution	TL k
Net Profit of the Period	69.235
Deferred Tax Income	1.235
Net Profit of the Period after the Deferred Tax Income	68.000
1 <sup>st</sup> Legal Reserves based on Article 519 of the Turkish Commercial Code	-
1 <sup>st</sup> Dividend to Shareholders	6.750
2 <sup>nd</sup> Dividend to Shareholders	55.682
2 <sup>nd</sup> Legal Reserves over paid and distributed amounts	5.568
Amounts allocated to Extraordinary Reserves	1.235

## Dividend Ratio Table

Group	Total Distributed Dividend		Total Distributed Dividend / Net Distributable Dividend	Dividend Amount Corresponding to Share With a Nominal Value of TL 0.1	
	Cash (TL)	Bonus (TL)	Ratio of the Period (%)	Amount (TL)	Ratio (%)
GROSS	-	62,432,120	91.81%	0.04625	46.24602
NET	-	59,310,513	87.22%	0.04393	43.93371

During the Annual General Assembly of the Bank to be held on March 31, 2017, it will be presented to the approval of the shareholders that out of the net profit for the period that ended on December 31, 2016 in the amount of TL 69.235 thousands, based on the approval of the BRSA to be received, TL 62.432 thousands will be distributed as dividend, TL 5.568 thousands will be set aside as legal reserves; whereas, TL 1.235 thousands, from deferred tax assets, will be allocated to Extraordinary Reserves.

# Human Resources

**Recruitment:** Employing the right persons with the right qualifications, who will apply Bank's strategy, adopt and appropriate Deutsche Bank's corporate culture, at the right positions is the basic principle underlying the recruitment policy. Managers, who are responsible from execution of their unit's activities in line with the applicable legislation, should have sufficient expertise in their unit's area of activity and employees of each unit should have the qualifications their duties, authorities and responsibilities require. It is essential that recruitment processes and applications be based on objective criteria and executed in accordance with the principle of equal opportunity.

Open positions are published at Deutsche Bank's career portal and intra-group requests and group employee references are primarily assessed; however, direct applications to the Bank are also taken into account. Contractual career portals and, when deemed necessary, human resources consultancy firms are engaged during the recruitment process. Recruitment process is executed via interviews held by Human Resources upon participation of heads of relevant units. During the interviews, candidates are assessed in terms of their suitability to the organization and conformity to the qualifications sought by the relevant position. These interviews enable recruitment of potential candidates in appropriate positions within the organization. Job offers are made to candidates whose processes are successfully completed; those candidates who cannot be recruited within the Bank as a result of their interviews are notified to this effect.

**Career Management:** The Bank provides various internal career development opportunities to its employees including internal recruitment, appointment, promotion, rotation and international assignments in accordance with DB Group's strategy and business requirements. International assignments are important for the Bank because of the experience they bring to the employees. Employees are given the chance to have access to global opportunities related to the unit in which they are currently employed and to apply to positions suitable for themselves. In the short and long-term assignments, it is aimed to ensure that employees are employed in the right place, at the right time and that human resource is used efficiently. Professional knowledge, skills and sense of responsibility of employees, who exceed the expectations with their high performance, make them candidates for higher positions.

**Promotions:** Managers of candidates for higher positions up to Managing Director level brief the EXCO on the performance of the employee. EXCO, based on the job definitions and performance criteria determined by the senior management, either approves the promotion request and sends it to the Board of Directors for further approval, delays it for further assessment on a future date or rejects the request.

**Appointments:** Human Resources communicates the criteria sought for senior management appointments with the EXCO by giving details such as experience, competence, license, certificates, etc. Appointment resolutions are adopted by the Board of Directors after opinion of the Human Resources is received.

**Performance Management:** Targets are assigned to each employee based on their duties and responsibilities, Bank's strategies, aims and values. It is essential that performance criteria be established so as not to give rise to any conflicts of interest. After the targets are communicated with the employees, their strengths as well as weaknesses are observed during the assessment process. After self-assessment of the employee is taken in light of the targets assigned, performance management continues with feedbacks received from managers. Results of performance assessment provide data for career planning and a basis to determine training and development needs and remuneration. Performance of internal systems personnel are assessed independent from the performance of executive units they control. In line with Bank's continuous learning and development strategy, career management and planning are made in order to increase skills and competencies of employees, to ensure that they realize their potentials by means of custom-made investments and to enrich career opportunities.



Ashok Aram, CEO of Deutsche Bank AG EMEA, participated as a speaker to the Townhall organized on December 5, 2016.

**Remuneration and Benefits:** Remuneration and benefits policy of the Bank is based on establishing a working environment in accordance with the general applications of the Bank and principles that foresee fair and balanced remuneration based on work and performance, in parallel to the remuneration data unique to the sector, which has the ability to compete in the labour market; rewards high performance; encourages success and is compatible with globally-acknowledged values. Payments made to employees are associated not only with the short-term performance of the Bank such as profit or revenue, but also determined so as to have a positive impact on the corporate values and be in harmony with objective criteria. Premium payments exceeding a certain limit are deferred. It is ensured that remunerations paid to employees are in harmony with the ethical values, interior balance and strategic targets of the Bank. Salaries of Internal Systems personnel are determined based on their performance regarding their own functions. Salaries are reviewed based on criteria such as market dynamics, medium and long term requirements, performance of the Bank and its employees, and revised when deemed fit. Benefits provided to employees other than annual salary payments are Private Health Insurance, Life Insurance, Transportation (Personnel Shuttles) Benefit and Lunch Ticket.

**Training and Development:** As of the first day of their employment, Bank employees are expected to complete training sessions on Bank's corporate culture, general compliance rules and compliance and risk rules unique to the Bank within 1 month.

Training requirements of the employees are determined in accordance with performance assessments, changing legislation and needs, in cooperation with their managers. Deutsche Bank employees, in addition to the locally executed training programs, also make use of the international opportunities and experience provided by Deutsche Bank Group. The Bank considers development of its employees in the international arena important; therefore, training sessions contributing to personal development of the employees are also provided. With a central internet based training management system, all training-related applications are consolidated and all employees have been provided with access with personal passwords.

As of December 31, 2016, Deutsche Bank A.Ş. had 121 employees and Personnel Transfer Rate during 2016 was 9%. 72% of our employees are university graduates, 26.4% hold Masters and/or PhD degrees and 1.6% are high school graduates.

As of December 31, 2016, 45.4% of our employees are male and 54.6% are female.

## Related - Party Transactions

Within the scope of its activities, the Bank enters into various transactions with Group companies. These transactions are conducted at market prices and for fully commercial purposes. The resulting profit/loss is reflected in the income statement.

The related party transactions of Deutsche Bank A.Ş. are reported in detail in the notes to the financial statements included in this annual report.

The Bank did not take part in any legal transactions with the controlling Company or with any party related to the controlling Company and/or with the direction of the controlling Company for the benefit of the controlling Company or its related parties. Since banking regulations and market conditions are taken into account as far as the relations with the Group companies are concerned, measures are neither taken nor specifically avoided to be taken for the benefit of the controlling Company or its related parties in the past fiscal year.

## Outsourced Services

The business lines and names of the entities that we have procured support services from in 2016 are listed below pursuant to Regulation on Bank's Procurement of Support Services.

Outsourcing Companies	Business Lines of Outsourced Services	Explanation of the Service
Akbasım Matbaacılık ve Ticaret Ltd. Şti.	Operations	Printing cheque books pursuant to the legal form requirements, safely and within the required time
BİS Çözüm Bilgisayar ve Entegrasyon Hiz. ve Tic. A.Ş.	Technology-software	Licensing and maintenance of the main banking system, optional application development (software) projects
BT Bilişim Hizmetleri A.Ş.	GTO	Provision of building to the secondary data center
CBRE GWS Limited, Headquarters in Milan, Italy, İstanbul Turkey Branch	CRES	Provision of correspondence services and management of internal courier, driver, reception and administrative services
Dataassist Bilgi Teknolojileri A.Ş.	Human Resources	Payrolling services
DBOI	Custody Ops	Client Information Services
Deutsche Bank AG	IT-Infrastructure	Used by Compliance and Internal Control for suspicious activity detection. Maintenance and repairs of the system; receiving L2 and L3 support and support in scenario writing.
Deutsche Bank AG	IT-Infrastructure	Identification, content and user management
Deutsche Bank AG	IT-Infrastructure	Network maintenance services
Deutsche Bank AG	IT-Infrastructure	Maintenance and support service for all applications that require a web server



Outsourcing Companies	Business Lines of Outsourced Services	Explanation of the Service
Deutsche Bank AG	IT-Infrastructure	Operational support services under Hotscan (embargo filtering) application
Deutsche Bank AG	Operations	Operational support services under Hotscan (embargo filtering) application (Operations)
Deutsche Bank AG	Ops and Custody Ops	SWIFT interface services between DBTrader, ETL and Winbank
Deutsche Bank AG	Ops and Custody Ops	Support services for receiving and sending SWIFT messages
Deutsche Bank AG	IT-Infrastructure	Operational support services under the application used for reconciliation
Deutsche Bank AG	Operations	Operational services for reconciliation
Deutsche Bank AG	IT-Infrastructure	Automatic applications and processes used by the Bank are aligned to ensure that user accounts of resigned personnel can be entirely deleted from the system within 24 hours after the IT request is filed. Therefore, it is ensured that a resigned ex-personnel is unable to have access to the system. User accounts of new personnel will be automatically opened after the IT request is filed and the necessary approvals are completed.
Global Bilişim Bilgisayar Yazılım Danışmanlık San. ve Tic. Ltd. Şti.	IT-Software	Developing application (interface) that ensures communication between the systems of the Central Bank and the Bank and maintenance of the same.
HCL	IT-Infrastructure	Incident Management, Problem Management, End User Services, Remote Connection Services and Remote Helpdesk Services
Iron Mountain Arşivleme Hizmetleri Anonim Şirketi	Archiving services	Archiving services of the Bank
Manpower İnsan Kaynakları Ltd. Şti.	Human Resources	Human resources services
Platin S.M.M.M. Ltd. Şti.	Finance	Accounting entries, issuance of tax returns, printing ledgers, filing accounting entries
Risk Yazılım Teknolojileri Dan. Eğt. Tic ve Ltd. Şti.	Risk Management	Calculation of Bank's Capital Adequacy Ratio and systemic control of the ratio to see its compliance with the limits pre-determined by the Bank
Seri Bilgi Teknolojileri Destek Hizmetleri ve Ticaret Limited Şti.	IT-Infrastructure	Provision of outsourcing services for the end user hardware and application support

# Corporate Social Responsibility

Deutsche Bank A.Ş. considers corporate social responsibility to be an area of importance and priority. The Bank takes a highly sensitive approach to the production of social responsibility projects and the support of existing projects. Deutsche Bank A.Ş. is aware of the fact that social responsibility is as important as providing customer satisfaction, employee motivation and a healthy, efficient and high-quality working environment.

Deutsche Bank A.Ş. pays prioritized attention to ensure that its employees are individuals who are socially and environmentally conscious, sensitive and prepared to take responsibility. Therefore, employees are encouraged to take responsibility individually and to carry out their own projects. With the “initiative plus” projects designed and implemented by the main partner Deutsche Bank AG in all Deutsche Bank offices all around the world, employees who actively design and develop individual projects on education, sustainability, arts and social issues are supported, it is ensured that they build up their own teams for the implementation and completion of their projects and they are given 2 work days of paid leave as well as monetary contribution. With social responsibility projects they develop on different areas and themes within the scope of “initiative plus” concept, Deutsche Bank employees both contribute to their own personal development and feel the satisfaction of being able to cater to the well-being of their society.

## **We continue to design and realize projects supporting children, education and women labor:**

In order to support UNICEF Turkey’s efforts to provide better life conditions to children, this year, with the slogan “with this gift that supports UNICEF, we help to put a smile on one more child’s face”, we celebrated the new year of our business partners with UNICEF greeting cards, notebooks and day planners.

With various activities and charity sales organized to underline the importance of the personal development and economic freedom of women in our society; handmade gifts, made by women on low incomes were purchased by Deutsche Bank employees in order to help promotion and development of handicrafts and to the economic freedom of women in our society.

In order to heal the wounds of those earthquake victims left homeless by the Van earthquake which struck in October 2011, Deutsche Bank had container homes constructed and provided the necessary furnishings. Visits were organized for families living in prefabricated towns and scholarships were provided to 15 primary school pupils on the recommendation of the Van Governorship Welfare and Solidarity Foundation during the school years of 2012-2014. Various gifts were sent to these school pupils on the 23rd April National Sovereignty and Children’s Day. Within the scope of the same project, which also continued during 2016, mentorship was provided to 5 children of a family on low income, father of whom was deceased, in order to assist them in their education and handicrafts produced by mother of these children were purchased by Deutsche Bank A.Ş. employees to provide financial aid to these families.



Deutsche Bank's team, which participated in the 38th Istanbul Marathon and ran for goodness, contributed to purchasing of battery operated wheelchairs for people with disabilities, and, thus, to their active participation to life, as in the previous year.

**We continue to pay efforts to increase active participation of people with disabilities to life in co-operation with the Spinal Cord Paralytics Association of Turkey:**

Deutsche Bank employees, who are sensitive towards people on low income and with spinal cord paralysis, who are considered as heavily disabled, and wish to assist them in pursuing their lives and going to work and school independently without being dependent on others, participate in the Istanbul Marathon every year and run for goodness as a part of individual projects they develop under Deutsche Bank's "Initiative Plus" projects since 2014. Furthermore, during the marathon, Deutsche Bank employees run with athletes with disabilities who use battery operated wheelchairs and contribute to their active participation to life.

Having participated in the 38th Istanbul Marathon Charity Race and ran the 15k course in participation with the Spinal Cord Paralytics Association of Turkey, which has been acting on national and international arenas to provide solutions for the medical, vocational, economic and social problems of people with orthopedic disabilities, particularly spinal cord paralysis and Adım Adım Oluşumu (Step by Step Organization), Deutsche Bank Corporate Team came in second among the corporations who ran for the Spinal Cord Paralytics Association of Turkey by collecting TRY 55,250 donation and 17 battery operated wheelchairs were delivered to those who need them with a ceremony held at the quarters of the Spinal Cord Paralytics Association of Turkey.

**We support the Spinal Cord Paralytics Association of Turkey's bottle cap collecting project:**

Deutsche Bank employees who believe that everyone should take responsibility for a better environment, support Spinal Cord Paralytics Association of Turkey's bottle cap collecting project. Spinal Cord Paralytics Association of Turkey delivers

the bottle caps collected for recycling and meet the requirements of people with disabilities with the income generated. Acting responsibly and sensibly, our employees collect the plastic bottle caps in recycling containers and these bottle caps are periodically sent to the headquarters of the Association. Therefore, we both contribute to this project of the Spinal Cord Paralytics Association of Turkey and protect our environment. Furthermore, we are currently discussing new opportunities of cooperation with the Spinal Cord Paralytics Association of Turkey.

**We paid our best efforts to create an awareness on Down Syndrome, a genetic condition:**

Due to significance of creating an awareness to help people with Down Syndrome to become happy, independent and productive individuals and to build lives to themselves that are integrated with the rest of the society, Deutsche Bank A.Ş. employees were briefed on Down Syndrome, which was a genetic condition rather than a disease, and to draw attention on this condition, the Feast following Ramadan was celebrated by gifting Deutsche Bank A.Ş. employees with chocolate and brochures of the Down Sendromu Derneği (Down Syndrome Society). Bank's employees provided support to ensure that a child with Down Syndrome, born to a family on low income, lives in better conditions. Furthermore, old newspapers were collected in Bank's headquarters in order to be sent to the Down Syndrome Society for recycling purposes.

**We contribute to protection of natural habitat for an environmental friendly and sustainable life:**

Deutsche Bank considers popularizing and developing environmental protection awareness, protecting greenery and leaving a green world to the future generations as its areas of utmost priority. In order to support TEMA (The Turkish Foundation for Combating Soil Erosion, for Reforestation and the Protection of Natural Habitats) Foundation's efforts to combat soil erosion and desertification, tree saplings were donated with projects launched since 2010 and Deutsche Bank Memorial Forest was established in 2014 on TEMA Foundation's Kepsut Memorial Forest, a forest land damaged during a fire in 2013 and located near the Sarıçayır Village, south of the District Kepsut of the County Balıkesir, within the jurisdiction of Kepsut Directorate of Forestry under Balıkesir Department of Forestry by donating 5000 saplings.

Necessary precautions were taken to promote the economical and correct use of water and energy resources and presentations and announcements aimed at raising environmental awareness were made. Deutsche Bank employees improved their individual projects and worked actively on collecting waste paper, plastic bags in an effort to create a more sustainable environment in 2016.

Our efforts to increase awareness towards environmental issues and to protect greenery will continue in 2017 as in 2016.

## Culture and Arts:

**Deutsche Bank believes in the universality of art, and will continue to closely follow and support young artists around the world:**

Art spawns new ideas for shaping our future. It questions, inspires people, opens up new perspectives, and thus enables them to embrace unusual and innovative solutions. The bank's involvement in art is a pillar of its "Art, Culture & Sports" division. The new global unit concentrates, cross-links and develops Deutsche Bank's activities and strengthens the company's cultural diversity.

In line with this motto "Art works" for more than 35 years Deutsche Bank offers employees, clients and the general public access to contemporary art – through its collection at the workplace, in international exhibitions, at the Deutsche Bank KunstHalle in Berlin, as well as through educational programmes. Deutsche Bank supports joint projects with museums, art fairs and other institutions to award and encourage emerging talents, which is best shown in the "Artist of the Year" award which provides a platform to contemporary artists. The magazine ArtMag provides insight into the international art scene and the bank's role within it: online and in print. These extensive global activities – designed and accompanied by a team of experts – enable increasing numbers of people to engage with contemporary art.

The starting point of the Deutsche Bank collection, the largest and most important corporate art collection in the world, can be considered as its decisiveness and sensibility in contributing to the development of art. The corporate collection, expanding since 1945, consists of paintings and photographs. In this respect Deutsche Bank has organized the exhibitions, Habersiz Buluşma (Blind Date) and Joseph Beuys ve Öğrencileri (Joseph Beuys and His Students) in Istanbul in previous years. As the sponsor of the '1st Contemporary Istanbul and Edge of Arabia Istanbul: Transition' exhibition, Deutsche Bank highlighted the importance it attributes to Istanbul as a bridge between civilizations.

Bank's parent company, Deutsche Bank AG has supported the Berlin Philharmonic Orchestra since 1989, which was established as an autonomous assemblage in 1882 and has been accepted as the most noteworthy musical constitution of our era. In 2002, Deutsche Bank was the exclusive partner and focused on the education of the talented youngsters. Deutsche Bank also extended an opportunity to open a digital concert hall as an innovative initiation in 2009 which would enable the orchestra to reach more people through the Internet.

# 3

## Financial Assessment and Risk Management

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# Report of the Audit Committee

The Audit Committee did not observe any adverse occurrences regarding the Bank's internal control, internal audit and risk management systems during the 2016 fiscal year. The Committee regularly corresponded with the Bank's internal systems department managers, closely monitored the Bank's risk and operations and ensured that all measures were taken for timely identification and elimination of any risk. Regarding the compliance of the Bank's accounting practices with the Banking Law No. 5411 and other applicable legislation, the Committee reviewed the assessments of the independent auditors and did not encounter any discrepancies.

## **Our observations and opinions on the Bank's risk management and internal control activities are as follows:**

**Supervision by the Board of Directors and Executive Management:** The Board of Directors consists of experienced members who work actively in the banking sector, are specialized in various fields of the banking profession and possess sufficient knowledge on different types of assumed risks, how these risks occur and how they can be managed.

The Executive Management works in close contact with the Board of Directors, is knowledgeable and experienced on risk and is capable of utilizing the know-how and experience of the parent bank, Deutsche Bank AG, in these areas.

Responsibilities regarding continuous risk reporting associated with developments in the financial markets, risk management practices and the Bank's operations have been identified. Risk reporting is performed on a daily basis.

The Board of Directors and the Executive Management monitor the reliability and functioning of accounting and reporting systems through specialists who are not users of these systems.

The Board of Directors, Executive Management and the parent company, Deutsche Bank AG, continuously review risk acceptance limits and implement the necessary preventive measures in response to changing market conditions.

The Board of Directors, Executive Management and the parent company, Deutsche Bank AG, act conscientiously to ensure that the Bank's business units and business lines employ personnel who possess the necessary knowledge, experience and expertise regarding the nature and scope of the tasks being performed.

In addition, employees are offered the opportunity to benefit from the Deutsche Bank AG specialists, their knowledge and experience.

Through "the Code of Business Conduct and Ethics for Deutsche Bank Group" document notified to the Deutsche Bank employees during the recruitment process against signature, the Board of Directors, Executive Management and the main partner, Deutsche Bank AG, have determined the general rules in order to form the human resources team to conduct the Bank's activities in a safe and reliable way. Thus, the necessary measures undertaken to carry out the Bank's operations in a safe and reliable manner and to ensure that employees are honest and ethical and that they behave consistently with the Bank's prudent management philosophy and conduct.

The Board of Directors, Executive Management and the parent company, Deutsche Bank AG, monitor all operations of the Bank adequately through various internal audit and control systems.

Before the Bank embarks on a new line of business or launches a new product, the Board of Directors, Executive Management and the parent company, Deutsche Bank AG, require the implementation of New Product Approval and New Business Approval procedures to assess all potential risk which may arise from such business or products, and provide the necessary infrastructure and internal controls for the management of such risk.

The New Product Approval and New Business Approval procedures intend to overview the adequacy of the Bank's infrastructure necessary for identifying, monitoring and controlling the potential risk before embarking on a new operation or launching a new product.

The Bank's risk in trading treasury bills and government bonds has been identified and policies, implementation methods and limits to measure, monitor and control these have been established.

These policies, implementation methods and limits are consistent with the level of experience, goals and objectives and financial strength of Deutsche Bank A.Ş. as well as of the parent bank, Deutsche Bank AG.

Hierarchical structure of the authorities and responsibilities in the Bank's operations are set out in the organization chart.

We did not identify any transaction that might result in any significant risk during 2016. The Bank's risk management and internal control systems are capable of identifying potential risk in advance.

On behalf of the Audit Committee  
Kaya Didman, Chairman

## Management Declaration

As a result of the assessment made by the Board of Directors of Deutsche Bank A.Ş. ("Bank") of the internal controls on information systems and banking processes for the audit period of January 1, 2016 – December 31, 2016 in terms of efficiency, adequacy and compliance pursuant to Regulation on Bank Information Systems and Banking Processes Audit to be Performed by External Audit Institutions, which became effective on December 31, 2009 and publicly announced at the Official Gazette on January 13, 2010 with issue no. 27461, by the Banking Regulation and Supervision Agency and the Circular Letter dated June 30, 2010 with no. B.02.1.BDK.0.77.00.00.010.06.02/3 on "Management Declaration", which specifies the particulars of the Management Declaration, preparation of which is stipulated in Article 33 of the Regulation above, we hereby declare that,

- Board of Directors of our Bank is responsible from establishment and performance of an efficient, adequate and compliant internal control system pursuant to Articles 29 and 30 of the Banking Law with no. 5411 and to paragraph 1 of Article 4 of the Regulation on the Internal Systems and Internal Capital Adequacy Assessment Process of the Banks, which was publicly announced at the Official Gazette of June 11, 2014 with issue no. 29057,



- Internal Control and Internal Audit Units of our Bank performed an examination on the internal control system for the banking processes included in Article 25 of the Regulation on Bank Information Systems and Banking Processes Audit to be Performed by External Audit Institutions and the Information Systems processes included in Article 24 of the same Regulation and an assessment in order to reveal all significant control deficiencies regarding this system,
- During the assessment made by the related units of our Bank on the internal control system, results of the works conducted by the related units of our Bank, not the results of the works of the external audit institution were used,
- No significant control deficiency was detected; whereas 2 noteworthy control deficiencies were detected on the Internal Control System of our Bank,
- No significant control deficiency, which may hinder the efficiency, adequacy or compliance of our internal control system in accordance with the procedures and principles set forth in the second chapter of the Regulation on the Internal Systems and Internal Capital Adequacy Assessment Process of the Banks, entitled "The Internal Control System", and the Communiqué on Principles to be Considered in Information Systems Management in Banks, which was publicly announced at the Official Gazette dated September 14, 2007 with issue no. 26643, was found,
- As a result of the assessment made on our internal control system, all control weaknesses and noteworthy control deficiencies detected on our internal control system are classified and presented to the external auditor, even if they were corrected by the end of the period,
- As a result of the audits performed by the Internal Audit Unit during 2016 as the declaration date, 6 Significant and 3 Important findings were determined in total and currently, 5 Significant and 2 Important findings are still open in accordance with the target dates of the management action plans, and all findings are presented to the external auditor,
- No act of misconduct or corruption, which may result in material misrepresentation in the Financial tables or materially impact the integrity, consistency, reliability and confidentiality, if and when a need for such confidentiality arises, of sensitive data of the Bank, especially the financial data, and continuity of the activities or in which managers, be it of important function or not, or other employees with critical duties in the internal control system of the Bank are involved, was detected,
- Current status of the findings, i.e. whether they are closed or not, determined in the previous external information systems and banking processes audits and presented to the bank, closure of which have not yet been approved by the external auditor are included,
- Subsequent to the examinations made on our internal control system, the open findings reported in 2015 are presented to the external auditor in a way that will include the corrective actions taken by the bank in control weaknesses.

Board of Directors of Deutsche Bank A.Ş.

## Audits

During the accounting period, Independent Auditor of the Bank performed interim quarterly reviews and an annual review.

## Other Information Regarding Corporate Actions

No legal action has been lodged against the Bank that would affect the Bank's fiscal position and actions.

During 2016, the Bank was ordered to pay an administrative monetary fine of TL 31.907 by the Banking Regulation and Supervision Agency due to inconsistencies found in Bank's application of the Communiqué on the Uniform Chart of Accounts and its Explanations, therefore to Article 37 of the Banking Law no. 5411 ("Law") and the Regulation on Measurement and Evaluation of Capital Adequacy of Banks. No administrative or legal sanction has been applied against the Bank's Board of Directors.

## Financial Assessment

As of December 31, 2016, the Bank's total assets amounted to TL 3,371,039 thousands, increased by 12% compared to the previous year.

At the end of 2015, loans amounted to TL 1,743,295 thousands; whereas, on December 31, 2016, they decreased by 20% and amounted to TL 1,398,353 thousands. All loans are short-term.

Whilst at the end of 2015, total deposits amounted to TL 606,882 thousands, they increased by 51% due to the increase in interbank deposits and amounted to TL 914,052 thousands on December 31, 2016. All interbank time deposits are overnight.

Off-balance sheet items increased from TL 4,075,199 thousands on December 31, 2015 to TL 4,336,304 thousands on December 31, 2016 due to the increase in derivative financial instruments.

By the end of 2016, the Bank's net profit after taxes was TL 69,235 thousands. 2015 net profit of the Bank was TL 72.489 thousands. The impact of decline in our revenue items were partially offset by better management of costs and by decrease in general loan loss provisions; resulting in a decrease of only 4% in the net profit of the period.

On and off-balance sheet foreign currency balances are managed concurrently. While loans and securities portfolio held for trading purposes comprise the majority of the Bank's assets, the majority of its profit is derived from interest from securities and loans and profits from derivative financial instruments. The Bank's liquidity and interest risk are managed diligently by taking into account its capital and the funding limit set by Deutsche Bank AG, for the risk exceeding a reasonable amount, by selling forward securities to Deutsche Bank AG, London.

The Bank's parent company, Deutsche Bank AG, undertakes that it will fulfill the contracted responsibilities of Deutsche Bank A.Ş. based on its declaration which was approved at the General Assembly and published in its annual report.

## Monitoring Targets

The annual budget is set by the Bank's Board of Directors in line with the targets and monitoring activities check whether or not operational results are in line with the budget. Profit/loss, balance sheet and risk weighted assets, established in accordance with the internal assessment process, are approved by the Board of Directors of the Bank. During the period in question, the profit attained was below the budgeted profit due to fluctuations in the market.

Decisions taken by General Assembly are fulfilled by the Board of Directors without exception.

## Risk Management Policies

### General Policies

Deutsche Bank A.Ş. maintains Turkish Lira denominated Treasury Bills and Government Bonds portfolio for trading purposes but is not engaged in equity/ stock trading. Bank's tenor cap for cash corporate loans is five years. The bank applies different limits for cash loans and for letters of guarantee and credit. Deutsche Bank A.Ş. also has country and sector concentration limits. The bank pays utmost attention not to engage in interbank money market transactions with a maturity exceeding six months.

Foreign currency transactions with banks and the other corporations are conducted on "delivery versus payment" basis; banks and corporations with a settlement limit are exceptions to this rule. The bank has an approval procedure for the new products and business lines. Insurance transactions regarding operational risk are coordinated with Deukona. Matters regarding reputational risk are discussed and resolved in the Executive Committee. Business Continuity and Disaster Recovery Plan is regularly reviewed and tested.

Compliance with the relevant policies and limits are checked daily. All kinds of breaches are reported to the senior management, relevant units and the Board Member responsible from Internal Systems.

No efforts / reporting procedure for early risk detection.

### Risk Management

Risk Management is an independent unit responsible from risk management for all types of market, operation and credit risk. It applies the policies defining the precautions regarding monitoring, managing and administering and reporting the risks determined under the Regulation on the Internal Systems of the Banks. Function of the Risk Management Unit is to ensure that all risks that the Bank is exposed to are defined, measured, monitored, controlled and reported in a consolidated and unconsolidated manner by means of the policies, procedures and limits specified to monitor, supervise and control, and if necessary, change the risk return structure contained by the future cash flows of the Bank, and accordingly the characteristics and level of the operations of the Bank. The basic risk management divisions that should be preliminarily assessed by our Bank are defined herein below:

## Market Risk

Market risk is the possibility to incur a loss arising from Bank's general market risk, exchange rate risk (potential losses that may be incurred by the Bank as a result of changes in exchange rates due to all of its foreign currency assets and liabilities), interest rate risk (potential losses that may be incurred by the Bank as a result of the movements in interest rates due to its positions regarding financial instruments), swap risk (potential losses that may be incurred by the Bank due to price fluctuations of securities, foreign exchanges or merchandise subject to transactions as a result of failure to realize a swap transaction on its due date in case of transactions which cover delivery of securities, foreign exchanges or merchandise on the basis of prices on a certain due date and foresee that both parties meet their obligations on such due dates) and counterparty credit risk in trading accounts. Market Risk Management also includes liquidity risk (the risk of Bank's failing to fulfil its responsibilities on time due to the fact that it does not have cash stock or flow that is sufficient to meet the cash outflow totally or on time as a result of an imbalance in the cash flow) management.

Board of Directors is the ultimate owner of managing market risk within DB A.S. Market risk is managed with an integrated approach taking into consideration various units across DB A.S where ultimate responsibility rests with Markets Business Unit. It is essential to structure a transparent and systematic market risk approach for market risk with clearly defined roles and responsibilities.

## Credit Risk

Credit risk is defined as the condition our Bank is in and the potential loss it may incur if and when a customer of our Bank or a counterparty that our Bank is in a business relationship fails to partially or totally fulfil its obligations arising from a contract it signed with the Bank on time. All processes pertaining to credit allocation by the Bank in favour of real persons or legal entities directly or indirectly, utilization, monitoring and operation of the said credit are regarded under the credit risk management. The principal amount of credit risk is the sum of the credit risk amounts regarding on-balance sheet assets, non-cash credits, liabilities and derivative financial instruments. It further includes Credit Risk, Counterparty credit risk management, Concentration risk management and Country risk management.

Before accepting credit risk, fundamental principle underlying the credit risk management is examining the client. Choosing clients in a prudent manner in accordance with the principle of "Know Your Client" is achieved through co-operation with business units working as the first line of defence of the Bank. New risk acceptance always requires approved plans for finalization of the risk position taken in accordance with the applicable rules. In spite of the fact that collaterals or other risk mitigating tools serve as alternative sources for repayment, they may not be used as substitutes to high quality credit approval standards or assessment of counterparty's ability to repay their debts in a comprehensive manner. Main aim of the Bank is to avoid excessive concentration, to establish a diversified and marketable credit portfolio in an attempt to minimize large scale risks and thus to protect Bank's capital under all market conditions. To achieve this, concentrations are assessed and managed taking Bank's risk appetite into account.

## Operational Risk

Operational risk is the possibility to incur a loss arising from insufficient or ineffective internal processes, failures related to employees and systems or external sources, and it includes legal risk. Aim of the Operational Risk Management is to early detect/ foresee the possible operational risks that the Bank may be exposed to and to protect the Bank from any possible losses that it may incur as a result of operational risks, to establish and ensure operation of the necessary mechanisms needed for efficient management of operational risks that may pose a delay or obstacle to achieving Deutsche Bank A.Ş.'s aims, and to decrease the possibility of being exposed to operational risk and, thereby, to participate into creation of a stronger capital base.

In order to manage operational risk in a transparent manner, responsibilities and duties related to operational risk management are clearly defined. Problems related to operational risk are escalated to the relevant authorities on time. Units are responsible from undertaking the financial impact associated with the operational risk incidents and costs arising from management, mitigation, transferring and acceptance of the same.

Risks breaching the applicable legislation or regulations are not accepted; these risks must always be mitigated once they are detected.

## Credit Ratings

Deutsche Bank A.Ş. is not rated by rating agencies.

As of December 31, 2016, international rating agencies had attached the following ratings to the Bank's parent company, Deutsche Bank AG:

	Short-term Rating	Long-term Rating	Outlook	Individual Rating
Moody's Investors Service	P - 2	A3	Stable	ba1
Standard & Poor's	A - 2	BBB+	Positive	bbb
Fitch Ratings	F1	A	Negative	a -

## Summary of Five - Year Financial Highlights

<b>Assets (TL 000)</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>
Cash and Balances with the Central Bank	346.325	503.401	533.958	228.523	162.344
Trading Securities (Net)	1.146.777	345.170	578.215	797.082	618.241
Derivative Financial Assets Held-for-Trading	25.827	10.926	3.467	18.937	861
Banks and Other Financial Institutions	392.363	357.992	35.210	313.018	41.691
Receivables from Money Markets	-	-	550.169	-	-
Investment Securities Available-for-Sale (Net)	-	-	-	-	-
Loans and Receivables	1.398.853	1.743.295	1.090.757	904.029	381.905
Unconsolidated Subsidiaries (Net)	-	-	-	-	-
Tangible Assets (Net)	1.929	2.216	2.042	2.675	3.442
Intangible Assets (Net)	6.773	13.445	20.013	27.028	34.151
Tax Assets	4.659	-	827	1.673	-
Other Assets	47.533	36.405	107.189	66.665	54.331
<b>Total Assets</b>	<b>3.371.039</b>	<b>3.012.850</b>	<b>2.921.847</b>	<b>2.359.630</b>	<b>1.296.966</b>
<b>Liabilities (TL 000)</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>
Deposits	914.052	606.882	680.744	592.956	430.740
Derivative Financial Liabilities					
Held-for-Trading	26.572	10.504	3.192	18.145	1.065
Payables to Money Markets	945.000	99.124	31.283	187.512	59.753
Funds Borrowed	923.179	1.723.245	1.638.258	1.074.023	236.062
Securities Issued (Net)	-	-	-	-	-
Funds	-	-	-	-	-
Miscellaneous Payables	4.656	9.021	2.521	2.167	2.252
Other External Resources Payable	581	970	3.141	3.632	525
Factoring Payables	-	-	-	-	-
Lease Payables (Net)	-	-	-	-	-
Provisions and Tax Liability	41.668	52.386	55.485	54.488	51.688
Subordinated Loans	-	-	-	-	-
Shareholders' Equity	515.331	510.718	507.223	426.707	514.881
<b>Total Liabilities</b>	<b>3.371.039</b>	<b>3.012.850</b>	<b>2.921.847</b>	<b>2.359.630</b>	<b>1.296.966</b>
<b>Income Statement (TL 000)</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>
Interest Income	205.329	187.768	223.716	158.897	301.467
Interest Expense	70.734	63.934	77.012	26.805	51.318
Net Interest Income/(Expense)	134.595	123.834	146.704	132.092	250.149
Net Fees and Commissions Income/(Expense)	36.058	44.219	45.623	55.947	45.105
Net Trading Income/(Loss)	-2.867	6.360	1.619	-100.171	-85.818
Other Operating Income	20.597	15.886	12.441	16.433	7.511
Total Operating Profit	188.383	190.299	206.387	104.301	216.947
Provision for Losses on Loans or					
Other Receivables (-)	5.240	329	3.826	10.170	1.804
Other Operating Expenses (-)	98.705	99.427	100.522	89.999	84.511
Net Operating Profit/(Loss)	84.438	90.543	102.039	4.132	130.632
Gain/(Loss) on Net Monetary Position	-	-	-	-	-
Profit/(Loss) Before Taxes	84.438	90.543	102.039	4.132	130.632
Provision for Taxes (-)	15.203	18.054	21.468	2.045	26.525
Net Operating Profit/(Loss) after Taxes	69.235	72.489	80.571	2.087	104.107
Extraordinary Profit/(Loss) After Taxes	-	-	-	-	-
<b>Net Profit/(Loss)</b>	<b>69.235</b>	<b>72.489</b>	<b>80.571</b>	<b>2.087</b>	<b>104.107</b>
<b>Debt / Equity Ratio (%)</b>	<b>546.06</b>	<b>479.67</b>	<b>465,11</b>	<b>440,22</b>	<b>141,86</b>



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**CONVENIENCE TRANSLATION INTO ENGLISH OF THE INDEPENDENT  
AUDITOR'S REPORT RELATED TO ANNUAL REPORT ORIGINALLY ISSUED  
IN TURKISH**

To the Board of Directors of Deutsche Bank Anonim Şirketi

**Report on the Audit of Board of Directors' Annual Report Based on Standards  
on Auditing**

We have audited the accompanying annual report of Deutsche Bank Anonim Şirketi (the "Bank"), for the year ended 31 December 2016.

**Board of Directors' Responsibility for the Annual Report**

In accordance with the Article 514 of the Turkish Commercial Code No. 6102 ("TCC") and "Regulation on the Principles and Procedures Concerning the Preparation of and Publishing Annual Reports by Banks" published in the Official Gazette dated 1 November 2006 and No. 26333 in accordance with "Banking Regulation and Supervision Agency ("BRSA") Accounting and Reporting Legislation" which includes the "Regulation on Accounting Applications for Banks and Safeguarding of Documents" published in the Official Gazette No.26333 dated 1 November 2006, and other regulations on accounting records of Banks published by Banking Regulation and Supervision Board and circulars and interpretations published by BRSA and requirements of the Turkish Accounting Standards for the matters not regulated by the aforementioned legislations, and for such internal control as management determines is necessary to enable the preparation of the annual report.



## Auditor's Responsibility

Our responsibility is to express an opinion on the Bank's annual report based on our audit conducted in accordance with the provisions of the Article 397 of the TCC and the regulation on "Independent Auditing of Banks" published in the Official Gazette dated 2 April 2015 with No. 29314, whether the consolidated and unconsolidated financial information included in the accompanying annual report is consistent with the financial statements of the Bank and provides fair presentation.

We conducted our audit in accordance with the Independent Standards on Auditing which is a component of the Turkish Auditing Standards ("TAS") published by the Public Oversight Accounting and Auditing Standards Authority ("POA"). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial information included in the annual report is consistent with the consolidated and unconsolidated financial statements and provide fair presentation.

An audit involves performing procedures to obtain audit evidence about the historical financial information. The procedures selected depend on the auditor's judgment.

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 financial information included in the Board of Directors' annual report is consistent, in all material respects, with the audited financial statements and provides a fair presentation.

## Report on Other Regulatory Requirements

In accordance with the third clause of the Article 402 of TCC, no material issue has come to our attention that shall be reported about the Bank's ability to continue as a going concern in accordance with TAS 570 Going Concern.

Akis Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş.  
A member of KPMG International Cooperative

Funda Aslanoğlu, SMMM  
Partner

Istanbul  
15 March 2017



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## Independent Auditors' Report, Financial Statements and Disclosures

# DEUTSCHE BANK ANONİM ŐİRKETİ

## Financial Statements As of and For the Year Ended 31 December 2016 With Independent Auditors' Report Thereon

(Convenience Translation of Financial Statements and Related Disclosures and  
Footnotes Originally Issued in Turkish)



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Convenience Translation of the Independent Auditors' Report  
Originally Prepared and Issued in Turkish to English

To the Board of Directors of Deutsche Bank A.Ş.

#### Report on the Financial Statements

We have audited the accompanying financial statements of Deutsche Bank Anonim Şirketi ("the Bank") which comprise the balance sheet as at 31 December 2016 and the statements of income, income and expense items accounted under shareholders' equity, cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

#### *Management's Responsibility for the Financial Statements*

Bank's management is responsible for the preparation and fair presentation of the financial statements in accordance with the "Banking Regulation and Supervision Agency ("BRSA") Accounting and Reporting Legislation" which includes the "Regulation on Accounting Applications for Banks and Safeguarding of Documents" published in the Official Gazette No.26333 dated 1 November 2006, and other regulations on accounting records of Banks published by Banking Regulation and Supervision Board and circulars and interpretations published by BRSA and requirements of the Turkish Accounting Standards for the matters not regulated by the aforementioned legislations, and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

#### *Auditors' Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the "Regulation on Independent Audit of the Banks" published in the Official Gazette No.29314 dated 2 April 2015 by BRSA and Independent Standards on Auditing which is a component of the Turkish Auditing Standards published by the Public Oversight Accounting and Auditing Standards Authority ("POA"). 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 entity'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 entity'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 financial statements present fairly, in all material respects, the financial position of Deutsche Bank Anonim Şirketi as at 31 December 2016, and its financial performance and its cash flows for the year then ended in accordance with BRSA Accounting and Reporting Legislation.

#### **Report on Other Legal and Regulatory Requirements**

1) Pursuant to the fourth paragraph of Article 402 of the Turkish Commercial Code ("TCC") No.6102; no significant matter has come to our attention that causes us to believe that the Bank's bookkeeping activities for the period 1 January - 31 December 2016 are not in compliance with TCC and provisions of the Bank's articles of association in relation to financial reporting.

2) Pursuant to the fourth paragraph of Article 402 of the TCC; the Board of Directors provided us the necessary explanations and required documents in connection with the audit.

Akis Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş.  
A member of KPMG International Cooperative

  
Funda Aşlanoglu, SMMM  
Partner

15 March 2017  
Istanbul, Turkey



#### ***Additional paragraph for convenience translation to English***

The accounting principles summarized in note in section 3, may differ from the accounting principles generally accepted in countries in which the accompanying consolidated financial statements are to be distributed and International Financial Reporting Standards ("IFRS"). Accordingly, the accompanying financial statements are not intended to present the financial position and results of operations in accordance with accounting principles generally accepted in such countries of users of the financial statements and IFRS.

**THE FINANCIAL REPORT OF  
DEUTSCHE BANK A.Ş. AS OF 31 DECEMBER 2016**

Bank's Head Office Address : Esentepe Mahallesi, Eski Büyükdere Cad. Tekfen Tower No: 209  
Kat: 17-18 Şişli 34394 - ISTANBUL

Bank's Telephone and Fax Numbers : (0212) 317 01 00  
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Bank's Web Address : [www.db.com.tr](http://www.db.com.tr)

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The Deutsche Bank A.Ş.'s financial report prepared in accordance with the communiqué of Financial Statements and Related Disclosures and Footnotes to be announced to Public by Banks as regulated by Banking Regulation and Supervision Agency, is comprised of the following sections:

1. GENERAL INFORMATION ABOUT THE BANK
2. FINANCIAL STATEMENTS OF THE BANK
3. EXPLANATIONS ON THE CORRESPONDING ACCOUNTING POLICIES APPLIED IN THE RELATED PERIOD
4. INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK
5. EXPLANATIONS AND NOTES RELATED TO FINANCIAL STATEMENTS
6. OTHER EXPLANATIONS AND NOTES
7. INDEPENDENT AUDITORS' REPORT

The financial statements and related disclosures and footnotes that were subject to independent audit, are prepared in accordance with the Regulation on Accounting Applications for Banks and Safeguarding of Documents, Turkish Accounting Standards, Turkish Financial Reporting Standards and the related statements and guidances and in compliance with the financial records of our Bank. Unless stated otherwise, the accompanying financial statements are presented in **thousands of Turkish Lira (TL)**.

					
Peter Johannes Maria Tils	Kaya Didman	Ann Maria Francine Vanhaeren	Ersin Akyüz	Özge Kutay	Nesrin Akyüz
Chairman Of Board of Directors	Chairman of Audit Committee	Member of Audit Committee	General Manager	Board Member Responsible from Financial Reporting	Finance Manager

Information related with the personnel authorised to answer the questions regarding this financial report

Name-Surname/ Title: Nesrin Akyüz / Finance Manager

Tel No: 0 212 317 02 27

Fax No: 0 212 317 01 05

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# Deutsche Bank Anonim Şirketi

## Notes to the Financial Statements at 31 December 2016

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

### SECTION ONE

#### GENERAL INFORMATION ABOUT THE BANK

##### I. History of the Bank including its incorporation date, initial legal status, amendments to legal status

Deutsche Bank Anonim Şirketi ("the Bank") was established with Council of Ministers Permit No. 87/12432, dated 16 December 1987. This permit was published in the Official Gazette dated

26 December 1987 and it was registered on 4 April 1988. The "Articles of Association" of the Bank were published in the Trade Registry Gazette on 7 April 1988. The commercial title of the Bank upon its establishment was "Türk Merchant Bank A.Ş." which was changed to "Bankers Trust A.Ş." on 17 April 1997. After the global merger of Bankers Trust and Deutsche Bank, the Bank's commercial title has been changed to "Deutsche Bank Anonim Şirketi" at 1 March 2000. The Bank obtained the permission to accept deposits with the article numbered 1381 and dated 8 September 2004 of Banking Regulatory and Supervisory Agency ("BRSA"). This permission became valid after it was published in Official Gazette No. 25614 dated 15 October 2004. The Bank's head office is located in Istanbul and has no branches.

Based on the decision taken at General Assembly Meeting of the Deutsche Bank Anonim Şirketi held on 28 March 2013, the Articles of Association has been amended in compliance with the Turkish Commercial Code ("TCC") No. 6102. Accordingly, the "Articles of Association" of the Bank was updated and simplified in accordance with TCC no. 6012. The updated Articles of Association came into effect after being published in Trade Registry Gazette No. 8304 dated 19 April 2013.

##### II. Bank's shareholder structure, management and internal audit, direct and indirect shareholders, change in shareholder structure during the year and information on Bank's risk group

As of 31 December 2016, the Bank's paid-in capital is comprised of 1.350.000.000 shares whose historical nominal unit values are TL 0,1. The Bank is one of the group companies of Deutsche Bank Group and 99,99% of the Bank's capital is owned by Deutsche Bank AG.



## Deutsche Bank Anonim Şirketi

### Notes to the Financial Statements at 31 December 2016

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

III. Information on the Bank's board of directors' chairman and members, audit committee members, general manager, assistant general managers, change in top management and their shareholdings in the Bank

Title	Name & Surname	Responsibilities	Appointment Date	Education	Experience in Banking and Business Administration
Chairman	Peter Johannes Maria Tils		21 November 2012	Undergraduate: Bonn University Political Economics Master: Köln University Management	39 years
Vice Chairman and Chairman of the Audit Committee	Kaya Didman		27 March 2008	Undergraduate: Boğaziçi University Faculty of Administrative Sciences, Management	28 years
Board Member and General Manager	Ersin Akyüz		27 February 2008	Undergraduate: London School of Economics Master: University of Chicago	28 years
Members of Board	H. Sedat Erataklar	Internal Systems	2 August 2001	Undergraduate: Ankara University Economics and Public Finance Department	36 years
	Satvinder Singh(**)		12 July 2012	Undergraduate: Delhi College of Engineering Master: Durham University, Management	23 years
	Özge Kutay	Financial Reporting	18 October 2012	Undergraduate: İstanbul University Faculty of Economics and Administrative Sciences	23 years
	Tijen Gümüşdiş		16 January 2014	Undergraduate: Boğaziçi University Faculty of Administrative Sciences, Management and Economics	23 years
Member of Board and Audit Committee	Ann Maria Francine Vanhaeren		28 August 2015	Undergraduate: Belgium Catholic University Faculty of Law Master: University of London, Bachelor of Law	19 years
Assistant General Managers	Ali Doğrusöz	Technology and Operations	16 December 2002	Undergraduate: North Carolina University, Mechanical Engineering Master: METU Mechanical Engineering	28 years
	Süleyman Mert Haraççı	Global Markets	28 October 2009	Undergraduate and Master: Marmara University, Finance Department	22 years
	Hakan Ulutaş	Trade and Custody Service	18 October 2012	Undergraduate: İstanbul University Management Faculty Master: Marmara University Science Research and Application Center, Contemporary Business Education Directorate	24 years
	Cenk Esener	Corporate Cash	18 October 2012	Undergraduate: Eastern Mediterranean University Economics Department	21 years

# Deutsche Bank Anonim Şirketi

## Notes to the Financial Statements at 31 December 2016

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

Changes occurred for the year ended 31 December 2016:

Title	Outgoing within the period
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Member of Board and Audit committee member(*)	Marco Kistner
(*) The Board Member Mr. Marco Kistner has resigned from the membership of the board and it was approved as of 19/16 number of Board of minutes resolution, on 25 August 2016	
(**)The Board Member Satvinder Singh has resigned from the membership of the board, Ajay Avtar Singh has been assigned as a board member on 14 February 2016.	

#### IV. Information on the Bank's qualified shareholders

The Bank's qualified shareholder, which has direct or indirect control power, due to the definition of qualified portion on Banking Act No. 5411 and regarding to Article 13th of Communiqué on Transactions Subject to Bank's Permission and Indirect Portion Ownership, is shown below:

Name Surname Commercial Title	Share Amounts	Share Ratios	Paid Shares	Unpaid Shares
Deutsche Bank AG	134.999	99,99	134.999	-
Other	1	0,01	1	-
<b>Total</b>	<b>135.000</b>	<b>100</b>	<b>135.000</b>	<b>-</b>

# Deutsche Bank Anonim Şirketi

## Notes to the Financial Statements at 31 December 2016

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

### V. Summary information on the Bank's activities and services

Activities of the Bank as stated in its Articles of Association are as follows:

- All banking operations;
- Jointly establishing enterprises with the corporations or individuals, joint ventures, investing to the existing or newly established commercial and industrial institutions, banks and financial institutions and transferring the shares of those enterprises;
- Providing commercial and insurance activities on behalf of the Bank or the domestic and foreign institutions, acting as agencies, and providing commitments to public and non-public entities in compliance and not restricted with the regulations set by the Banking Law and the related legislations;
- Purchasing and selling marketable securities on behalf of the Bank or third parties, issuing debt securities by taking the necessary permissions in accordance with the related legislation, establishing and managing investment funds and performing other capital market transactions, which are allowed by the Banking Law and operating in stock exchange;
- Performing factoring and forfaiting;
- Performing any transactions in foreign currency markets including derivative transactions on behalf of the Bank or its' customers;
- Performing equipment leasing and real estate financing by way of leasing the extent permitted by legislation
- Acquiring intangible assets related with the Bank's operations and making savings on them;

The Bank, which has been providing investment banking services since its establishment date, has obtained the permission to accept deposits from BRSA Decision No. 1381 dated 8 September 2004, as a result of the Bank's growth and investment policies in Turkey. This permission became into force after it was published in Official Gazette No. 25614 dated 15 October 2004.

Under the Capital Markets Board Authorization Certificate, the Bank was allowed to perform the following activities and services as of November 5, 2015:

- Brokerage services
- Limited Custody Service
- General Custody Service

The main operations of the Bank are, Interbank Money Market transactions, purchasing and selling marketable securities, foreign currency transactions, corporate cash loan, providing collateralised non-cash loans related with commercial activities and custody services. After obtaining commercial banking licence, in addition to the Bank's current operations like commercial banking and money market transactions, the Bank became structured to meet all of the needs of its' customers by providing services such as accepting deposits, opening individual accounts and selling cash management products and services, accordingly.

As of 31 December 2016, the number of employees of the Bank is 121 (31 December 2015: 123).

# Deutsche Bank Anonim Şirketi

## Notes to the Financial Statements at 31 December 2016

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

### SECTION TWO

#### FINANCIAL STATEMENTS

##### I. BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)

ASSETS	Note (5 - I)	TL	Current period 31 December 2016			Prior period 31 December 2015		
			TL	FC	Total	TL	FC	Total
I. CASH AND BALANCES WITH THE CENTRAL BANK	(1)	53.596	292.729	346.325	20.847	482.554	503.401	
II. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT/LOSS (Net)	(2)	1.146.777	25.827	1.172.604	345.170	10.926	356.096	
2.1 Trading securities		1.146.777	25.827	1.172.604	345.170	10.926	356.096	
2.1.1 Government debt securities		1.146.777	-	1.146.777	345.170	-	345.170	
2.1.2 Share certificates		-	-	-	-	-	-	
2.1.3 Trading derivative instruments		-	25.827	25.827	-	10.926	10.926	
2.1.4 Other securities		-	-	-	-	-	-	
2.2 Financial assets at fair value through profit/loss		-	-	-	-	-	-	
2.2.1 Government debt securities		-	-	-	-	-	-	
2.2.2 Share certificates		-	-	-	-	-	-	
2.2.3 Loans		-	-	-	-	-	-	
2.2.4 Other securities		-	-	-	-	-	-	
III. BANKS	(3)	86.418	305.945	392.363	351.139	6.853	357.992	
IV. MONEY MARKET PLACEMENTS		-	-	-	-	-	-	
4.1 Interbank money market placements		-	-	-	-	-	-	
4.2 Istanbul Stock Exchange money market placements		-	-	-	-	-	-	
4.3 Receivables from reverse repurchase agreements		-	-	-	-	-	-	
V. AVAILABLE FOR SALE FINANCIAL ASSETS (Net)	(4)	-	-	-	-	-	-	
5.1 Share certificates		-	-	-	-	-	-	
5.2 Government debt securities		-	-	-	-	-	-	
5.3 Other securities		-	-	-	-	-	-	
VI. LOANS AND RECEIVABLES	(5)	874.798	524.055	1.398.853	1.046.563	696.732	1.743.295	
6.1 Loans		874.798	524.055	1.398.853	1.046.563	696.732	1.743.295	
6.1.1 The Bank's risk group's loans		-	-	-	-	-	-	
6.1.2 Government debt securities		-	-	-	-	-	-	
6.1.3 Others		874.798	524.055	1.398.853	1.046.563	696.732	1.743.295	
6.2 Loans at follow-up		-	-	-	-	-	-	
6.3 Specific provisions (-)		-	-	-	-	-	-	
VII. FACTORING RECEIVABLES		-	-	-	-	-	-	
VIII. HELD TO MATURITY FINANCIAL ASSETS (Net)	(6)	-	-	-	-	-	-	
8.1 Government bonds		-	-	-	-	-	-	
8.2 Other securities		-	-	-	-	-	-	
IX. INVESTMENTS IN ASSOCIATES (Net)	(7)	-	-	-	-	-	-	
9.1 Consolidated according to equity method		-	-	-	-	-	-	
9.2 Non-consolidated		-	-	-	-	-	-	
9.2.1 Financial associates		-	-	-	-	-	-	
9.2.2 Non-Financial associates		-	-	-	-	-	-	
X. INVESTMENTS IN SUBSIDIARIES (Net)	(8)	-	-	-	-	-	-	
10.1 Non-consolidated financial subsidiaries		-	-	-	-	-	-	
10.2 Non-consolidated non-financial subsidiaries		-	-	-	-	-	-	
XI. INVESTMENTS IN JOINT VENTURES (Net)	(9)	-	-	-	-	-	-	
11.1 Consolidated according to equity method		-	-	-	-	-	-	
11.2 Non-consolidated		-	-	-	-	-	-	
11.2.1 Financial joint ventures		-	-	-	-	-	-	
11.2.2 Non-financial joint ventures		-	-	-	-	-	-	
XII. FINANCIAL LEASE RECEIVABLES (Net)	(10)	-	-	-	-	-	-	
12.1 Financial lease receivables (Net)		-	-	-	-	-	-	
12.2 Operational lease receivables		-	-	-	-	-	-	
12.3 Other		-	-	-	-	-	-	
12.4 Unearned Income (-)		-	-	-	-	-	-	
XIII. DERIVATIVE FINANCIAL INSTRUMENTS HELD FOR RISK MANAGEMENT	(11)	-	-	-	-	-	-	
13.1 Fair value hedges		-	-	-	-	-	-	
13.2 Cash flow hedges		-	-	-	-	-	-	
13.3 Net foreign investment hedges		-	-	-	-	-	-	
XIV. TANGIBLE ASSETS (Net)	(12)	1.929	-	1.929	2.216	-	2.216	
XV. INTANGIBLE ASSETS (Net)	(13)	6.773	-	6.773	13.445	-	13.445	
15.1 Goodwill		-	-	-	-	-	-	
15.2 Other intangibles		6.773	-	6.773	13.445	-	13.445	
XVI. INVESTMENT PROPERTY (Net)	(14)	-	-	-	-	-	-	
XVII. TAX ASSET	(15)	4.659	-	4.659	-	-	-	
17.1 Current tax asset		3.921	-	3.921	-	-	-	
17.2 Deferred tax asset		738	-	738	-	-	-	
XVIII. ASSETS HELD FOR SALE OR FOR DISCONTINUED OPERATIONS (Net)	(16)	-	-	-	-	-	-	
18.1 Held for sale		-	-	-	-	-	-	
18.2 Related with discontinued operations		-	-	-	-	-	-	
XIX. OTHER ASSETS	(17)	20.597	26.936	47.533	8.323	28.082	36.405	
<b>TOTAL ASSETS</b>		<b>2.195.547</b>	<b>1.175.492</b>	<b>3.371.039</b>	<b>1.787.703</b>	<b>1.225.147</b>	<b>3.012.850</b>	

The notes between pages 12 and 94 are an integral part of these financial statements.

# Deutsche Bank Anonim Şirketi

## Balance Sheet (Statement of Financial Position)

### as at 31 December 2016

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

#### I. BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)

LIABILITIES	Note (5 - I)	Current period 31 December 2016			Prior period 31 December 2015		
		TL	FC	Total	TL	FC	Total
<b>I. DEPOSITS</b>	(1)	<b>431.720</b>	<b>482.332</b>	<b>914.052</b>	<b>460.969</b>	<b>145.913</b>	<b>606.882</b>
1.1 The Bank's risk group's deposits		133.563	96	133.659	76.986	-	76.986
1.2 Others		298.157	482.236	780.393	383.983	145.913	529.896
<b>II. DERIVATIVE FINANCIAL LIABILITIES</b>							
HELD FOR TRADING	(2)	-	26.572	26.572	-	10.504	10.504
<b>III. FUNDS BORROWED</b>	(3)	<b>204.000</b>	<b>719.179</b>	<b>923.179</b>	<b>507.129</b>	<b>1.216.116</b>	<b>1.723.245</b>
<b>IV. INTERBANK MONEY MARKET</b>		<b>945.000</b>	<b>-</b>	<b>945.000</b>	<b>99.124</b>	<b>-</b>	<b>99.124</b>
4.1 Interbank money market funds		945.000	-	945.000	-	-	-
4.2 Istanbul Stock Exchange money market funds		-	-	-	-	-	-
4.3 Obligations under repurchase agreements		-	-	-	99.124	-	99.124
<b>V. SECURITIES ISSUED (Net)</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
5.1 Bills		-	-	-	-	-	-
5.2 Asset backed securities		-	-	-	-	-	-
5.3 Bonds		-	-	-	-	-	-
<b>VI. FUNDS</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
6.1 Borrower funds		-	-	-	-	-	-
6.2 Others		-	-	-	-	-	-
<b>VII. MISCELLANEOUS PAYABLES</b>		<b>1.725</b>	<b>2.931</b>	<b>4.656</b>	<b>1.879</b>	<b>7.142</b>	<b>9.021</b>
<b>VIII. OTHER EXTERNAL RESOURCES PAYABLE</b>		<b>206</b>	<b>375</b>	<b>581</b>	<b>595</b>	<b>375</b>	<b>970</b>
<b>IX. FACTORING PAYABLES</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>X. LEASE PAYABLES</b>	(5)	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
10.1 Finance lease payables		-	-	-	-	-	-
10.2 Operational lease payables		-	-	-	-	-	-
10.3 Others		-	-	-	-	-	-
10.4 Deferred expenses (-)		-	-	-	-	-	-
<b>XI. DERIVATIVE FINANCIAL LIABILITIES HELD FOR RISK MANAGEMENT</b>	(6)	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
11.1 Fair value hedges		-	-	-	-	-	-
11.2 Cash flow hedges		-	-	-	-	-	-
11.3 Net foreign investment hedges		-	-	-	-	-	-
<b>XII. PROVISIONS</b>	(7)	<b>14.624</b>	<b>20.656</b>	<b>35.280</b>	<b>28.129</b>	<b>15.259</b>	<b>43.388</b>
12.1 General provisions		9.396	-	9.396	17.246	-	17.246
12.2 Restructuring reserves		-	-	-	-	-	-
12.3 Reserve for employee benefits	(7)	4.499	3.635	8.134	10.550	5.554	16.104
12.4 Insurance technical provisions (Net)		-	-	-	-	-	-
12.5 Other provisions		729	17.021	17.750	333	9.705	10.038
<b>XIII. TAX LIABILITY</b>	(8)	<b>6.388</b>	<b>-</b>	<b>6.388</b>	<b>8.998</b>	<b>-</b>	<b>8.998</b>
13.1 Current tax liability		6.388	-	6.388	8.445	-	8.445
13.2 Deferred tax liability		-	-	-	553	-	553
<b>XIV. LIABILITIES FOR ASSETS HELD FOR SALE AND ASSETS OF DISCONTINUED OPERATIONS (Net)</b>	(9)	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
14.1 Held for sale		-	-	-	-	-	-
14.2 Discontinued operations		-	-	-	-	-	-
<b>XV. SUBORDINATED DEBTS</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>XVI. SHAREHOLDERS' EQUITY</b>	(11)	<b>515.331</b>	<b>-</b>	<b>515.331</b>	<b>510.718</b>	<b>-</b>	<b>510.718</b>
16.1 Paid-in capital		135.000	-	135.000	135.000	-	135.000
16.2 Capital reserves		31.866	-	31.866	31.866	-	31.866
16.2.1 Share premium		-	-	-	-	-	-
16.2.2 Share cancellation profits		-	-	-	-	-	-
16.2.3 Marketable securities value increase fund		-	-	-	-	-	-
16.2.4 Tangible assets revaluation differences		-	-	-	-	-	-
16.2.5 Intangible assets revaluation differences		-	-	-	-	-	-
16.2.6 Investment property revaluation differences		-	-	-	-	-	-
16.2.7 Bonus shares from associates, subsidiaries and joint-ventures		-	-	-	-	-	-
16.2.8 Hedging reserves (effective portion)		-	-	-	-	-	-
16.2.9 Revaluation surplus on assets held for sale and assets of discontinued operations		-	-	-	-	-	-
16.2.10 Other capital reserves		31.866	-	31.866	31.866	-	31.866
16.3 Profit reserves		279.230	-	279.230	271.363	-	271.363
16.3.1 Legal reserves		74.869	-	74.869	67.873	-	67.873
16.3.2 Status reserves		-	-	-	-	-	-
16.3.3 Extraordinary reserves		204.402	-	204.402	203.301	-	203.301
16.3.4 Other profit reserves		(41)	-	(41)	189	-	189
16.4 Profit or loss		69.235	-	69.235	72.489	-	72.489
16.4.1 Prior periods profit / loss		-	-	-	-	-	-
16.4.2 Current period profit / loss		69.235	-	69.235	72.489	-	72.489
<b>TOTAL LIABILITIES</b>		<b>2.118.994</b>	<b>1.252.045</b>	<b>3.371.039</b>	<b>1.617.541</b>	<b>1.395.309</b>	<b>3.012.850</b>

The notes between pages 12 and 94 are an integral part of these financial statements.

# Deutsche Bank Anonim Şirketi

## Off-Balance Sheet Items as at 31 December 2016

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

### II. OFF-BALANCE SHEET ITEMS

OFF-BALANCE SHEET	Note (5 - III)	TL	Current period 31 December 2016		Total	Prior period 31 December 2015		Total
			FC	TL		FC	TL	
<b>A. OFF-BALANCE SHEET COMMITMENTS (I+II+III)</b>		<b>2.421.429</b>	<b>1.914.875</b>	<b>4.336.304</b>	<b>1.745.729</b>	<b>2.329.470</b>	<b>4.075.199</b>	
<b>I. GUARANTIES AND WARRANTIES</b>	<b>(1)</b>	<b>65.545</b>	<b>250.029</b>	<b>315.574</b>	<b>41.706</b>	<b>231.928</b>	<b>273.634</b>	
1.1 Letters of guarantee		65.498	248.696	314.194	41.682	193.084	234.766	
1.1.1 Guarantees subject to State Tender Law		-	-	-	-	-	-	
1.1.2 Guarantees given for foreign trade operations		-	-	-	-	-	-	
1.1.3 Other letters of guarantee		65.498	248.696	314.194	41.682	193.084	234.766	
1.2 Bank acceptances		-	-	-	-	-	-	
1.2.1 Import letter of acceptance		-	-	-	-	-	-	
1.2.2 Other bank acceptances		-	-	-	-	-	-	
1.3 Letters of credit		-	1.333	1.333	-	31.042	31.042	
1.3.1 Documentary letters of credit		-	1.333	1.333	-	31.042	31.042	
1.3.2 Other letters of credit		-	-	-	-	-	-	
1.4 Guaranteed prefinancings		-	-	-	-	-	-	
1.5 Endorsements		-	-	-	-	-	-	
1.5.1 Endorsements to the Central Bank of Turkey		-	-	-	-	-	-	
1.5.2 Other endorsements		-	-	-	-	-	-	
1.6 Underwriting commitments		-	-	-	-	-	-	
1.7 Factoring related guarantees		-	-	-	-	-	-	
1.8 Other guarantees		-	-	-	-	-	-	
1.9 Other sureties		47	-	47	24	7.802	7.826	
<b>II. COMMITMENTS</b>	<b>(1)</b>	<b>1.023.107</b>	<b>46.266</b>	<b>1.069.373</b>	<b>1.066.020</b>	<b>63.967</b>	<b>1.129.987</b>	
2.1 Irrevocable commitments		1.023.107	46.266	1.069.373	1.066.020	63.967	1.129.987	
2.1.1 Forward asset purchase and sales commitments		55.305	46.266	101.571	64.254	63.967	128.221	
2.1.2 Forward deposit purchase and sales commitments		-	-	-	-	-	-	
2.1.3 Share capital commitments to associates and subsidiaries		-	-	-	-	-	-	
2.1.4 Loan granting commitments		967.716	-	967.716	1.001.650	-	1.001.650	
2.1.5 Securities issuance brokerage commitments		-	-	-	-	-	-	
2.1.6 Commitments for reserve deposit requirements		-	-	-	-	-	-	
2.1.7 Commitments for cheque payments		49	-	49	88	-	88	
2.1.8 Tax and fund obligations on export commitments		37	-	37	28	-	28	
2.1.9 Commitments for credit card limits		-	-	-	-	-	-	
2.1.10 Commitments for credit cards and banking services related promotions		-	-	-	-	-	-	
2.1.11 Receivables from "short" sale commitments on securities		-	-	-	-	-	-	
2.1.12 Payables from "short" sale commitments on securities		-	-	-	-	-	-	
2.1.13 Other irrevocable commitments		-	-	-	-	-	-	
2.2 Revocable commitments		-	-	-	-	-	-	
2.2.1 Revocable loan granting commitments		-	-	-	-	-	-	
2.2.2 Other revocable commitments		-	-	-	-	-	-	
<b>III. DERIVATIVE FINANCIAL INSTRUMENTS</b>		<b>1.332.777</b>	<b>1.618.580</b>	<b>2.951.357</b>	<b>638.003</b>	<b>2.033.575</b>	<b>2.671.578</b>	
3.1 Derivative financial instruments held for risk management		-	-	-	-	-	-	
3.1.1 Fair value hedges		-	-	-	-	-	-	
3.1.2 Cash flow hedges		-	-	-	-	-	-	
3.1.3 Hedge of net investment in foreign operations		-	-	-	-	-	-	
3.2 Trading derivatives		1.332.777	1.618.580	2.951.357	638.003	2.033.575	2.671.578	
3.2.1 Forward foreign currency purchases/sales		676.932	719.251	1.396.183	355.477	331.159	686.636	
3.2.1.1 Forward foreign currency purchases		391.180	304.152	695.332	247.540	101.676	349.216	
3.2.1.2 Forward foreign currency sales		285.752	415.099	700.851	107.937	229.483	337.420	
3.2.2 Currency and interest rate swaps		655.845	899.329	1.555.174	282.526	1.702.416	1.984.942	
3.2.2.1 Currency swaps-purchases		321.139	458.864	780.003	73.883	912.883	986.766	
3.2.2.2 Currency swaps-sales		334.706	440.465	775.171	208.643	789.533	998.176	
3.2.2.3 Interest rate swaps-purchases		-	-	-	-	-	-	
3.2.2.4 Interest rate swaps-sales		-	-	-	-	-	-	
3.2.3 Foreign currency, interest rate and security options		-	-	-	-	-	-	
3.2.3.1 Foreign currency call options		-	-	-	-	-	-	
3.2.3.2 Foreign currency put options		-	-	-	-	-	-	
3.2.3.3 Interest rate call options		-	-	-	-	-	-	
3.2.3.4 Interest rate put options		-	-	-	-	-	-	
3.2.3.5 Security call options		-	-	-	-	-	-	
3.2.3.6 Security put options		-	-	-	-	-	-	
3.2.4 Foreign currency futures		-	-	-	-	-	-	
3.2.4.1 Foreign currency futures-purchases		-	-	-	-	-	-	
3.2.4.2 Foreign currency futures-sales		-	-	-	-	-	-	
3.2.5 Interest rate futures		-	-	-	-	-	-	
3.2.5.1 Interest rate futures-purchases		-	-	-	-	-	-	
3.2.5.2 Interest rate futures-sales		-	-	-	-	-	-	
3.2.6 Others		-	-	-	-	-	-	
<b>B. CUSTODY AND PLEDGED ITEMS (IV+V+VI)</b>		<b>46.437.670</b>	<b>35.318</b>	<b>46.472.988</b>	<b>44.108.029</b>	<b>29.880</b>	<b>44.133.909</b>	
<b>IV. ITEMS HELD IN CUSTODY</b>		<b>46.437.670</b>	<b>35.318</b>	<b>46.472.988</b>	<b>44.108.029</b>	<b>29.880</b>	<b>44.133.909</b>	
4.1 Customers' securities held		38.727.862	-	38.727.862	36.575.901	-	36.575.901	
4.2 Investment securities held in custody		7.706.806	-	7.706.806	7.516.157	-	7.516.157	
4.3 Checks received for collection		3.002	-	3.002	15.967	804	16.771	
4.4 Commercial notes received for collection		-	-	-	-	-	-	
4.5 Other assets received for collection		-	-	-	-	-	-	
4.6 Assets received through public offering		-	-	-	-	-	-	
4.7 Other items under custody		-	35.318	35.318	-	29.076	29.076	
4.8 Custodians		-	-	-	-	-	-	
<b>V. PLEDGED ITEMS</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
5.1 Marketable securities		-	-	-	-	-	-	
5.2 Guarantee notes		-	-	-	-	-	-	
5.3 Commodities		-	-	-	-	-	-	
5.4 Warranties		-	-	-	-	-	-	
5.5 Real estates		-	-	-	-	-	-	
5.6 Other pledged items		-	-	-	-	-	-	
5.7 Pledged items-depository		-	-	-	-	-	-	
<b>VI. CONFIRMED BILLS OF EXCHANGE AND SURETIES</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>TOTAL OFF-BALANCE SHEET ITEMS (A+B)</b>		<b>48.859.099</b>	<b>1.950.193</b>	<b>50.809.292</b>	<b>45.849.758</b>	<b>2.359.350</b>	<b>48.209.108</b>	

# Deutsche Bank Anonim Şirketi

## Income Statement for the Year Ended 31 December 2016

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

### III. INCOME STATEMENT

INCOME AND EXPENSE ITEMS	Note (5 - IV)	Current period 1 January- 31 December 2016	Prior period 1 January- 31 December 2015
<b>I. INTEREST INCOME</b>	<b>(1)</b>	<b>205.329</b>	<b>187.768</b>
1.1 Interest income from loans		130.217	87.084
1.2 Interest income from reserve deposits		2.002	448
1.3 Interest income from banks		12.806	14.959
1.4 Interest income from money market transactions		-	42.033
1.5 Interest income from securities portfolio		59.706	42.955
1.5.1 Trading financial assets		59.706	42.955
1.5.2 Financial assets valued at fair value through profit or loss		-	-
1.5.3 Financial assets available-for-sale		-	-
1.5.4 Investments held-to-maturity		-	-
1.6 Finance lease income		-	-
1.7 Other interest income		598	289
<b>II. INTEREST EXPENSE</b>	<b>(2)</b>	<b>70.734</b>	<b>63.934</b>
2.1 Interest on deposits		12.814	14.030
2.2 Interest on funds borrowed		40.085	44.948
2.3 Interest on money market transactions		17.709	4.951
2.4 Interest on securities issued		-	-
2.5 Other interest expenses		126	5
<b>III. NET INTEREST INCOME / EXPENSE (I - II)</b>		<b>134.595</b>	<b>123.834</b>
<b>IV. NET FEES AND COMMISSIONS INCOME / EXPENSE</b>		<b>36.058</b>	<b>44.219</b>
4.1 Fees and commissions received		52.038	56.181
4.1.1 Non-cash loans		1.878	1.746
4.1.2 Others	(12)	50.160	54.435
4.2 Fees and commissions paid		15.980	11.962
4.2.1 Non-cash loans		-	-
4.2.2 Others	(12)	15.980	11.962
<b>V. DIVIDEND INCOME</b>		<b>-</b>	<b>-</b>
<b>VI. NET TRADING INCOME/LOSSES (Net)</b>	<b>(4)</b>	<b>(2.867)</b>	<b>6.360</b>
6.1 Trading account income/losses		9.701	18.462
6.2 Income/losses from derivative financial instruments		(11.779)	25.017
6.3 Foreign exchange gains/losses		(789)	(37.119)
<b>VII. OTHER OPERATING INCOME</b>	<b>(5)</b>	<b>20.597</b>	<b>15.886</b>
<b>VIII. TOTAL OPERATING PROFIT (III+IV+V+VI+VII)</b>		<b>188.383</b>	<b>190.299</b>
<b>IX. PROVISION FOR LOSSES ON LOANS AND RECEIVABLES (-)</b>	<b>(6)</b>	<b>5.240</b>	<b>329</b>
<b>X. OTHER OPERATING EXPENSES (-)</b>	<b>(7)</b>	<b>98.705</b>	<b>99.427</b>
<b>XI. NET OPERATING PROFIT/LOSS (VIII-IX-X)</b>		<b>84.438</b>	<b>90.543</b>
<b>XII. INCOME RESULTED FROM MERGERS</b>		<b>-</b>	<b>-</b>
<b>XIII. INCOME/LOSS FROM INVESTMENTS UNDER EQUITY ACCOUNTING</b>		<b>-</b>	<b>-</b>
<b>XIV. GAIN/LOSS ON NET MONETARY POSITION</b>		<b>-</b>	<b>-</b>
<b>XV. PROFIT/LOSS BEFORE TAXES (XI+XII+XIII+XIV)</b>	<b>(8)</b>	<b>84.438</b>	<b>90.543</b>
<b>XVI. PROVISION FOR TAXES</b>	<b>(9)</b>	<b>15.203</b>	<b>18.054</b>
16.1 Current tax charge		16.438	19.155
16.2 Deferred tax charge/(credit)		(1.235)	(1.101)
<b>XVII. NET OPERATING PROFIT/LOSS AFTER TAXES (XV-XVI)</b>	<b>(10)</b>	<b>69.235</b>	<b>72.489</b>
<b>XVIII. INCOME FROM DISCONTINUED OPERATIONS</b>		<b>-</b>	<b>-</b>
18.1 Income from assets held for sale		-	-
18.2 Income from sale of associates, subsidiaries and joint-ventures		-	-
18.3 Others		-	-
<b>XIX. EXPENSES FROM DISCONTINUED OPERATIONS (-)</b>		<b>-</b>	<b>-</b>
19.1 Expenses on assets held for sale		-	-
19.2 Expenses on sale of associates, subsidiaries and joint-ventures		-	-
19.3 Others		-	-
<b>XX. PROFIT/LOSS BEFORE TAXES ON DISCONTINUED OPERATIONS (XVIII-XIX)</b>		<b>-</b>	<b>-</b>
<b>XXI. PROVISION FOR TAXES OF DISCONTINUED OPERATIONS</b>		<b>-</b>	<b>-</b>
21.1 Current tax charge		-	-
21.2 Deferred tax charge/(credit)		-	-
<b>XXII. NET PROFIT / LOSS AFTER TAXES ON DISCONTINUED OPERATIONS (XX+XXI)</b>		<b>-</b>	<b>-</b>
<b>XVIII. NET PERIOD PROFIT/LOSS (XVII+XXII)</b>	<b>(11)</b>	<b>69.235</b>	<b>72.489</b>
Earnings Per Share (TL Full)		0,0513	0,0537

# Deutsche Bank Anonim Şirketi

## Statement of Income/Expense Items Recognized Under Equity

### for the Year Ended 31 December 2016

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

#### IV. STATEMENT OF INCOME/EXPENSE ITEMS RECOGNIZED UNDER EQUITY

INCOME/EXPENSE ITEMS RECOGNIZED UNDER EQUITY	Current period 1 January- 31 December 2016	Prior period 1 January- 31 December 2015
I. MARKET VALUE GAINS ON AVAILABLE FOR SALE ASSETS	-	-
II. TANGIBLE ASSETS REVALUATION DIFFERENCES	-	-
III. INTANGIBLE ASSETS REVALUATION DIFFERENCES	-	-
IV. TRANSLATION DIFFERENCES FOR TRANSACTIONS IN FOREIGN CURRENCIES	-	-
V. GAIN/LOSS ON DERIVATIVE FINANCIAL ASSETS HELD FOR CASH FLOW HEDGES (effective portion)	-	-
VI. GAIN/LOSS ON DERIVATIVE FINANCIAL ASSETS HELD FOR HEDGES OF NET INVESTMENT IN FOREIGN OPERATIONS (effective portion)	-	-
VII. EFFECTS OF CHANGES IN ACCOUNTING POLICIES AND CORRECTIONS OF ERRORS	-	-
VIII. OTHER PROFIT/LOSS ITEMS ACCOUNTED FOR UNDER SHAREHOLDERS' EQUITY AS PER TAS	(286)	(31)
IX. DEFERRED TAX OF VALUATION DIFFERENCES	56	7
X. NET PROFIT/LOSS ACCOUNTED FOR DIRECTLY UNDER SHAREHOLDERS' EQUITY (I+II+...+IX)	(230)	(24)
XI. CURRENT YEAR PROFIT/LOSS	69,235	72,489
11.1 Net changes in fair value of securities (transferred to income statement)	-	-
11.2 Gains/losses on derivative financial assets held for cash flow hedges, reclassified and recorded in income statement	-	-
11.3 Gains/losses on hedges of net investment in foreign operations, reclassified and recorded in income statement	-	-
11.4 Others	69,235	72,489
<b>XII. TOTAL PROFIT/LOSS FOR THE YEAR (X+XI)</b>	<b>69,005</b>	<b>72,465</b>

The notes between pages 12 and 94 are an integral part of these financial statements.



# Deutsche Bank Anonim Şirketi Statement of Changes in Equity

for the Year Ended 31 December 2016

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

## V. STATEMENT OF CHANGES IN EQUITY

Note	Effect of Inflation on Paid in Capital	Inflation on Paid in Capital	Share Cancellation	Share Premiums	Share Profits	Legal Reserves	Status Reserves	Extraordinary Reserves	Other Reserves	Current Period Net Profit / Loss	Prior Period Net Profit / Loss	Marketable Securities Value Increase	Tangible Assets Revaluation Differences	Intangible Assets Revaluation Differences	Bonus Shares Obtained from Associates, Subs and Jointly Controlled Entities	Revaluation Surplus on Assets Held for sale and on Disc. Reserves	Total Equity
Prior Period - 1 January 2015																	
I.		135,000	31,866	-	-	57,693	-	201,880	213	80,571	-	-	-	-	-	-	507,223
II.	Changes during the period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.	Increase/Decrease related to merger	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IV.	Marketable securities value increase fund	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V.	Hedging (Effective portion)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.1	Cash-flow hedge	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.2	Hedge of net investment in foreign operations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V.	Tangible assets revaluation differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI.	Intangible assets revaluation differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII.	Bonus shares obtained from associates, subsidiaries and jointly controlled entities (Joint Vent.)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII.	Foreign exchange differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX.	Disposal of assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X.	Reclassification of assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI.	Effect of change in equities of associates on bank's equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XII.	Capital increase	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.1	Cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.2	Internal sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIII.	Share issuance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV.	Share cancellation profits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XV.	Effect of inflation on paid-in capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI.	Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVII.	Net profit for the period	-	-	-	-	-	-	-	(24)	-	-	-	-	-	-	-	(24)
XVIII.	Profit distribution	-	-	-	-	-	-	1,421	-	72,489	-	-	-	-	-	-	72,489
18.1	Dividends distributed	-	-	-	-	-	-	-	-	(80,571)	-	-	-	-	-	-	(80,571)
18.2	Transfers to reserves	-	-	-	-	-	-	1,421	-	(68,970)	-	-	-	-	-	-	(68,970)
18.3	Other	-	-	-	-	-	-	-	-	(11,601)	-	-	-	-	-	-	(11,601)
	Closing Balance (III+IV+V...+XVI+XVII+XX)	135,000	31,866	-	-	67,873	-	203,301	189	72,489	-	-	-	-	-	-	510,718
Current Period - 1 January 2016																	
I.		135,000	31,866	-	-	67,873	-	203,301	189	72,489	-	-	-	-	-	-	510,718
II.	Changes during the period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.	Increase/Decrease related to merger	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IV.	Marketable securities value increase fund	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V.	Hedging (Effective portion)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.1	Cash-flow hedge	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.2	Hedge of net investment in foreign operations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V.	Tangible assets revaluation differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI.	Intangible assets revaluation differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII.	Bonus shares obtained from associates, subsidiaries and jointly controlled entities (Joint Vent.)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII.	Foreign exchange differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX.	Disposal of assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X.	Reclassification of assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI.	Effect of change in equities of associates on bank's equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XII.	Capital increase	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.1	Cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.2	Internal sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIII.	Share issuance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV.	Share cancellation profits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XV.	Effect of inflation on paid-in capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI.	Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVII.	Net profit for the period	-	-	-	-	-	-	-	(230)	69,235	-	-	-	-	-	-	(230)
XVIII.	Profit distribution	-	-	-	-	-	-	1,101	-	(72,489)	-	-	-	-	-	-	(72,489)
18.1	Dividends distributed	-	-	-	-	-	-	-	-	(64,392)	-	-	-	-	-	-	(64,392)
18.2	Transfers to reserves	-	-	-	-	-	-	-	-	(8,097)	-	-	-	-	-	-	(8,097)
18.3	Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Closing Balance (III+IV+V...+XVI+XVII+XX)	135,000	31,866	-	-	74,869	-	204,402	(41)	69,235	-	-	-	-	-	-	515,331

The notes between pages 12 and 94 are an integral part of these financial statements.

# Deutsche Bank Anonim Şirketi

## Statement of Cash Flows for the Year Ended 31 December 2016

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

### VI. STATEMENT OF CASH FLOWS

	Note	Current period 1 January- 31 December 2016	Prior period 1 January- 31 December 2015
<b>A. CASH FLOWS FROM BANKING OPERATIONS</b>	<b>(5)</b>		
1.1 Operating profit before changes in operating assets and liabilities		24.834	65.510
1.1.1 Interests received		206.424	185.104
1.1.2 Interests paid		(73.438)	(58.069)
1.1.3 Dividend received		-	-
1.1.4 Fees and commissions received		52.038	56.181
1.1.5 Other income		30.298	59.365
1.1.6 Collections from previously written-off loans and receivables		-	-
1.1.7 Payments to personnel and service suppliers		(35.379)	(33.297)
1.1.8 Taxes paid		(23.279)	(23.783)
1.1.9 Others	(5.VI.1)	(131.830)	(119.991)
1.2 Changes in operating assets and liabilities		(68.263)	(327.120)
1.2.1 Net (increase) decrease in financial assets held for trading		(806.512)	227.785
1.2.2 Net (increase) decrease in financial assets valued at fair value through profit or loss		-	-
1.2.3 Net (increase) decrease in due from banks and other financial institutions		55.063	(27.735)
1.2.4 Net (increase) decrease in loans		348.252	(644.614)
1.2.5 Net (increase) decrease in other assets		(13.939)	38.611
1.2.6 Net increase (decrease) in bank deposits		461.123	7.081
1.2.7 Net increase (decrease) in other deposits		(154.399)	(80.943)
1.2.8 Net increase (decrease) in funds borrowed		(797.001)	79.198
1.2.9 Net increase (decrease) in matured payables		-	-
1.2.10 Net increase (decrease) in other liabilities	(5.VI.1)	839.150	73.497
I. Net cash used from banking operations		(43.429)	(261.610)
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
II. Net cash used in investing activities		(3.149)	(3.768)
2.1 Cash paid for purchase of associates, subsidiaries and joint-ventures		-	-
2.2 Cash obtained from sale of associates, subsidiaries and joint-ventures		-	-
2.3 Purchases of tangible assets	(5.I.12)	(794)	(1.457)
2.4 Sales of tangible assets		-	-
2.5 Cash paid for purchase of financial assets available-for-sale		-	-
2.6 Cash obtained from sale of financial assets available-for-sale		-	-
2.7 Cash paid for purchase of investments held-to-maturity		-	-
2.8 Cash obtained from sale of investments held-to-maturity		-	-
2.9 Others	(5.I.13)	(2.355)	(2.311)
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
III. Net cash used in financing activities		(64.392)	(68.970)
3.1 Cash obtained from funds borrowed and securities issued		-	-
3.2 Cash used for repayment of funds borrowed and securities issued		-	-
3.3 Equity instruments issued		-	-
3.4 Dividends paid	(5.V.5)	(64.392)	(68.970)
3.5 Payments for financial leases		-	-
3.6 Others		-	-
IV. Effect of change in foreign exchange rate on cash and cash equivalents	(5.VI.1)	43.328	48.669
V. Net increase in cash and cash equivalents		(67.642)	(285.679)
VI. Cash and cash equivalents at beginning of period	(5.VI.3)	569.567	855.246
VII. Cash and cash equivalents at the end of period	(5.VI.3)	501.925	569.567

The notes between pages 12 and 94 are an integral part of these financial statements.

# Deutsche Bank Anonim Şirketi

## Statement of Profit Distribution for the Year Ended 31 December 2016

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

### VII. STATEMENT OF PROFIT DISTRIBUTION

	Current period (*) 31 December 2016	Prior period 31 December 2015
<b>I. DISTRIBUTION OF CURRENT YEAR INCOME</b>		
1.1 CURRENT YEAR INCOME	84,438	90,543
1.2 TAXES AND DUTIES PAYABLE	(15,203)	(18,054)
1.2.1 Corporate tax (Income tax)	(16,438)	(19,155)
1.2.2 Income withholding tax	-	-
1.2.3 Other taxes and duties (**)	1,235	1,101
<b>A. NET INCOME FOR THE YEAR (1.1-1.2)</b>	<b>69,235</b>	<b>72,489</b>
1.3 PRIOR YEARS LOSSES (-)	-	-
1.4 FIRST LEGAL RESERVES (-)	-	1,132
1.5 OTHER STATUTORY RESERVES (-)	-	-
<b>B. NET INCOME AVAILABLE FOR DISTRIBUTION [(A)-(1.3+1.4+1.5)]</b>	<b>69,235</b>	<b>72,489</b>
1.6 FIRST DIVIDEND TO SHAREHOLDERS (-)	-	6,750
1.6.1 To owners of ordinary shares	-	6,750
1.6.2 To owners of preferred shares	-	-
1.6.3 To owners of preferred shares (pre-emptive rights)	-	-
1.6.4 To profit sharing bonds	-	-
1.6.5 To holders of profit and loss sharing certificates	-	-
1.7 DIVIDENDS TO PERSONNEL (-)	-	-
1.8 DIVIDENDS TO BOARD OF DIRECTORS (-)	-	-
1.9 SECOND DIVIDEND TO SHAREHOLDERS (-)	-	-
1.9.1 To owners of ordinary shares	-	57,642
1.9.2 To owners of preferred shares	-	57,642
1.9.3 To owners of preferred shares (pre-emptive rights)	-	-
1.9.4 To profit sharing bonds	-	-
1.9.5 To holders of profit and loss sharing certificates	-	-
1.10 SECOND LEGAL RESERVES (-)	-	5,764
1.11 STATUTORY RESERVES (-)	-	-
1.12 GENERAL RESERVES	-	1,101
1.13 OTHER RESERVES	-	-
1.14 SPECIAL FUNDS	-	-
<b>II. DISTRIBUTION OF RESERVES</b>		
2.1 APPROPRIATED RESERVES	-	-
2.2 SECOND LEGAL RESERVES (-)	-	-
2.3 DIVIDENDS TO SHAREHOLDERS (-)	-	-
2.3.1 To owners of ordinary shares	-	-
2.3.2 To owners of preferred shares	-	-
2.3.3 To owners of preferred shares (pre-emptive rights)	-	-
2.3.4 To profit sharing bonds	-	-
2.3.5 To holders of profit and loss sharing certificates	-	-
2.4 DIVIDENDS TO PERSONNEL (-)	-	-
2.5 DIVIDENDS TO BOARD OF DIRECTORS (-)	-	-
<b>III. EARNINGS PER SHARE</b>		
3.1 TO OWNERS OF ORDINARY SHARES	0,0513	0,0537
3.2 TO OWNERS OF ORDINARY SHARES (%)	5,13	5,37
3.3 TO OWNERS OF PRIVILAGED SHARES	-	-
3.4 TO OWNERS OF PRIVILAGED SHARES (%)	-	-
<b>IV. DIVIDEND PER SHARE</b>		
4.1 TO OWNERS OF ORDINARY SHARES	-	-
4.2 TO OWNERS OF ORDINARY SHARES (%)	-	-
4.3 TO OWNERS OF PRIVILAGED SHARES	-	-
4.4 TO OWNERS OF PRIVILAGED SHARES (%)	-	-

(\*) As of the date of this report the decision of profit distribution in the current year has not been made since the General Assembly meeting has not conducted yet.

(\*\*) According to BRSA circular numbered BDDK.DZM.2/13/1-a-3 and dated 8 December 2004 net deferred tax income is not subjected to profit distribution and capital increase.

(\*\*\*) At the Ordinary General Assembly Meeting held on 31 March, 2016, the Bank decided to distribute shareholders TL 64,392 as a dividend net profit of TL 72,389 as of 31 December 2015 in accordance with permission of the BRSA and it has been decided to allocate TL 6,996 legal reserve and TL 1,101 resulting from the deferred tax income to the extraordinary reserve. Related dividend payment was made to shareholders on 29 April, 2016. subjected to profit distribution and capital increase.

The notes between pages 12 and 94 are an integral part of these financial statements.

# Deutsche Bank Anonim Şirketi

## Notes to the Financial Statements at 31 December 2016

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

### SECTION THREE

#### EXPLANATIONS ON ACCOUNTING POLICIES

##### I. Basis of presentation

###### 1.a Disclosures on the preparation of financial statements and its explanatory notes in accordance with the Turkish Accounting Standards and the Regulation on Accounting Applications for Banks and Safeguarding of Documents

As prescribed in the Article 37 of the Banking Act No. 5411, the Bank prepares its financial statements and underlying documents in accordance with the "Regulation on the Procedures and Principles for Accounting Practices and Retention of Documents by Banks" and Turkish Accounting Standards ("TAS"), Turkish Financial Reporting Standards ("TFRS"), their explanations and interpretations (together "BRSA Accounting and Financial Reporting Regulations").

The financial statements have been prepared in TL, under the historical cost basis as modified in accordance with inflation adjustments until 31 December 2004, except for the financial assets and liabilities which are carried at fair value.

The preparation of financial statements in conformity with TAS requires the use of certain critical accounting estimates by the Bank management to exercise its judgment on the assets and liabilities of the balance sheet and contingent issues as of the balance sheet date. These estimates are being reviewed regularly and, when necessary, suitable corrections are made and the effects of these corrections are reflected to the income statement. The explanation on the impairment of intangible assets, one of the most important assumptions and estimations of the Bank, is presented below Note XIII.

The Bank has permission to perform the following activities and services from the Capital Markets Board authorization on 5 November 2015.

- Portfolio Brokerage Activities
- Restricted Custody Services
- General Custody Services

###### 1.b Accounting policies and measurement

The accounting policies and valuation principles applied in the preparation of these financial statements and valuation principles are defined and applied in accordance with TAS. Those accounting policies and valuation principles are explained in Notes II to XXIX below.

###### 1.c Additional paragraph for convenience translation into English

The differences between accounting principles, as described in the preceding paragraphs, and the accounting principles generally accepted in countries, in which the accompanying financial statements are to be distributed, and International Financial Reporting Standards ("IFRS"), may have significant influence on the accompanying financial statements. Accordingly, the accompanying financial statements are not intended to present the financial position and results of operations in accordance with the accounting principles generally accepted in such countries and IFRS.

##### II. Basis of presentation of financial statements

The accounting rules and the valuation principles used in the preparation of the financial statements were implemented as stated in the Reporting Standards.

Amendments and Standards not yet adapted as of 31 December 2016

A number of new standards, amendments to standards and interpretations are not yet effective as at 31 December 2016 and have not been applied in preparing these financial statements. These standards and interpretations:

- TFRS 9 Financial Instruments (see note (i))

# Deutsche Bank Anonim Şirketi

## Notes to the Financial Statements at 31 December 2016

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

### i. Financial Instruments

As amended in December 2012, the new standard is effective for annual periods beginning on or after 1 January 2018. Phase 1 of this new TFRS 9 introduces new requirements for classifying and measuring financial assets and liabilities. The amendments made to TFRS 9 will mainly affect the classification and measurement of financial assets and measurement of fair value option (FVO) liabilities and requires that the change in fair value of a FVO financial liability attributable to credit risk is presented under other comprehensive income. Early adoption is permitted. The Bank is in the process of assessing the impact of the standard on financial position or performance of the Bank

### III. Explanations on strategy of using financial instruments and foreign currency transactions

The main operations of the Bank are, interbank money market transactions, purchasing and selling marketable securities, foreign currency transactions and providing collateralised cash, non-cash loans and custody services.

The Bank's main funding sources are equity, deposit and borrowings from domestic and foreign financial institutions. Bank's assets mainly consist of placements in banks, reverse repo transactions, corporate loans and marketable securities portfolio held for trading.

Foreign currency risk, interest rate risk and liquidity risk are daily measured and monitored and the asset-liability management is performed within the internal risk limits and legal limits

The Bank has no foreign currency available for sale financial instruments.

The Bank has no investments in foreign associates.

### IV. Explanations on forward, options and other derivative transactions

In accordance with the Turkish Accounting Standard 39 (TAS 39) "Financial Instruments: Recognition and Measurement"; the forward foreign currency purchases/sales transactions and swap transactions, which are not considered as hedging instruments, are classified as trading derivative instruments. A provision is made for the diminution in value of the impaired financial asset and it is charged against the income for the year.

"Financial assets at fair value through profit or loss" are measured at fair value. If the fair value of derivative financial instruments is positive, it is disclosed under the main account "Financial assets at fair value through profit or loss" in "Trading derivative financial instruments" and if the fair value difference is negative, it is disclosed under "Trading derivative financial liabilities". Differences in the fair value of trading derivative instruments are accounted under "Trading income/loss" in the income statement.

The fair values of the trading forward foreign currency purchases/sales transactions are measured with the internal pricing models by taking the expectations from the market into account. The change in the fair values is recorded through the period's profit or loss.

The Bank records the spot legs of its currency swap transactions either on its balance sheet accounts or on its off balance sheet accounts together with its forward currency transactions by taking the maturity dates of those transactions.

The Bank has no derivative financial instruments designated as hedging instruments or embedded derivative financial instruments.

### V. Explanations on interest income and expenses

Interest income and expenses are recognised in the income statement on an accrual basis by using the effective interest method. (The net present value of the future cash flows of the financial asset or liability)

The Bank ceases accruing interest income on non-performing loans and, any interest income accruals from such loans are reversed and no income is accounted until the collection is made according to the related regulation.

# Deutsche Bank Anonim Şirketi

## Notes to the Financial Statements at 31 December 2016

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

### VI. Explanations on fee and commission income and expense

Commissions received for various banking services are recorded when they are collected and other income and expense items are recorded on an accrual basis. Fees and commissions paid or received loan fees and commission, expense/income considered as transaction cost and recognized according to effective interest rate methods. Income derived from agreements and asset purchases and custodian transactions made on behalf of third parties are recognised as income when they are realised.

### VII. Explanation on financial assets

The Bank classifies and accounts its financial assets as "Fair value through profit or loss", "Available-for-sale", "Loans and receivables" or "Held-to-maturity". The appropriate classification of financial assets of the Bank is determined at the time of purchase by the Bank management, taking into consideration the purpose of holding the investment.

The purchase and sale transactions of those financial instruments are recognised and derecognised according to their "Delivery dates". The fair value differences between the transaction date and the delivery date of financial assets and liabilities at fair value through profit or loss and financial assets available for sale are recorded.

#### a. Financial assets at fair value through profit or loss

Financial assets, classified as "Financial assets at fair value through profit or loss", are trading financial assets and are either acquired for generating profit from short-term fluctuations in the price or dealer's margin, or are financial assets included in a portfolio in which a pattern of short-term profit making exists independent from the acquisition purpose.

Trading financial assets are initially recognised at fair value and are subsequently re-measured at their fair value. However, if fair values cannot be obtained from the fair market transactions, it is accepted that the fair value cannot be measured reliably and that the financial assets are carried at "amortised cost" using the effective interest method.

All gains and losses arising from these evaluations are recognised in the income statement. Interest earned from trading financial assets is reported as interest income and dividends received are included separately in dividend income.

Derivative financial instruments are treated as trading financial assets unless they are not designated as hedge instruments. The principles regarding the accounting of derivative financial instruments are explained in detail in Note V of the related section.

The difference between the cost values and fair values of the financial assets at fair value through profit or loss, is recorded as accrued interest income or allowance for the impairment loss.

#### b. Loans and receivables

Loans and receivables are financial assets which are created by providing money, services or goods to a debtor. Loans and receivables originated by the Bank are carried initially at cost and subsequently recognised at the amortised cost value calculated using the effective interest method. The expenses incurred for the assets received as collateral are not considered as transaction costs and are recognised in the expense accounts.

The Bank provides general and specific provisions based on the assessments and estimates of the management, by considering the "Communiqué Related to Principles and Procedures on Determining the Qualifications of Banks' Loans and Other Receivables and the Provision for These Loans and Other Receivables" published in the Official Gazette No. 26333 dated 1 November 2006. In this context, the revised credit risk, general structure of the current loan portfolio, financial structure of the customers, non-financial information and economic conjuncture on the basis of the prudence principle are taken into consideration by the Bank in determining the estimates.

Provision expenses are deducted from the net income of the year. If there is a collection from a receivable that is provisioned previously, the amount is deducted from the "Specific Provisions" account and recorded as income to "Provision for Loan Losses and Other Receivables". Uncollectible receivables are written-off after all the legal procedures have been finalised.

Cash loans in Turkish Lira are comprised of the foreign currency indexed loans, export guaranteed loans, fund resourced loans and cash loans in foreign currency are comprised of the export loans and operating loans.

# Deutsche Bank Anonim Şirketi

## Notes to the Financial Statements at 31 December 2016

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

Foreign currency indexed loans are followed under the TL accounts by translating its original amount to TL by using the historical foreign exchange rate of its opening date. Repayments are calculated with the foreign exchange rate on the payment date and the incurred foreign exchange gains/losses are recorded through the period's profit or loss.

### c. Held-to-maturity financial assets

The Bank has no held-to-maturity financial assets.

### d. Available-for-sale financial assets

The Bank has no available-for-sale financial assets.

## VIII. Explanations on impairment of financial assets

Financial asset or group of financial assets are reviewed at each reporting date to determine whether there is objective evidence of impairment. If any such indication exists, the Bank estimates the amount of impairment.

Financial asset is audited at each balance sheet date to determine whether there is an objective indicator of impairment. If any such indicator exists, the Bank estimates the amount of impairment.

Impairment losses occurs if, and only if, there is an objective evidence that the expected future cash flows of financial asset or group of financial assets are adversely affected by an event(s) ("loss event(s)") incurred subsequent to recognition. The losses expected to incur due to future events are not recognised even if the probability of loss is high.

## IX. Explanations on offsetting financial assets

The Bank provides allowance for the impairment losses on the financial assets at fair value through profit or loss, when the fair values are less than their carrying values. This allowance is netted from the carrying value of the related financial assets group on the balance sheet.

The Bank provides specific provisions for loans and other receivables in accordance with the related regulations. This allowance is offset from the carrying value of the loans and receivables on the balance sheet.

Except for the matters explained above are offset and the net amount is reported in the balance sheet when the Bank has a legally enforceable right to offset the recognised amounts and there is an intention to collect/pay related financial assets and liabilities on a net basis, or to realise the asset and settle the liability simultaneously.

## X. Explanations on sales and repurchase agreements and securities lending transactions

Securities subject to repurchase agreements ("Repo") are classified as "Financial assets at fair value through profit or loss", "Available-for-sale" and "Held-to-maturity" according to the investment purposes of the Bank and measured according to the portfolio to which they belong. Funds obtained from repurchase agreements are accounted under "Funds Provided under Repurchase Agreements" in liabilities and the difference between the sale and repurchase price is accrued over the life of repurchase agreements using the effective interest method.

Funds given against securities purchased under agreements ("Reverse repo") to resell are accounted under "Receivables from Reverse Repurchase Agreements" on the balance sheet. The difference between the purchase and determined resell price is accrued over the life of repurchase agreements using the "effective interest method". The Bank has no securities lending transactions. As of 31 December 2016, the Bank has no reverse repo transaction (31 December 2015: None).

## XI. Explanations on assets held for resale and discontinued operations

There are no assets held for resale and discontinued operations as of 31 December 2016 and 31 December 2015.

# Deutsche Bank Anonim Şirketi

## Notes to the Financial Statements at 31 December 2016

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

### XII. Explanations on goodwill and other intangible assets

There are no goodwill and other intangible assets as of 31 December 2016 and 31 December 2015.

Intangible assets are measured at cost on initial recognition and any directly attributable costs of setting the asset to work for its intended use are included in the initial measurement. Subsequently, intangible assets are carried at historical costs after the deduction of accumulated amortisation and the provision for value decreases, if any.

Intangible assets are impaired when the book value exceeds the recoverable amount. Impairment indicates that losses may be realised. When the indicators are present the Bank makes estimation on the recoverable amount. If there are no indicators of impairment there is no need for the recoverable amount estimation.

Intangibles are amortised over their estimated useful lives using the straight-line method. The useful life of the asset is determined by assessing the expected useful life of the asset, technical, technological and other kinds of obsolescence and all required maintenance expenses necessary to utilise the economic benefit of the asset.

The Bank's intangible assets consist of rights and custody services acquired by the Bank on July 2007 (customer transactions). The intangible assets are amortised over their useful lives on a straight line basis. The amortisation method and the useful lives of the intangible assets are reassessed regularly at each year end. Rights and the customer relationship are amortised with straight line method over 5 and 10 years, respectively.

### XIII. Explanations on property and equipment

The property and equipment acquired before 31 December 2004 are recorded at restated historical costs in accordance with inflation accounting and subsequent additions to 31 December 2004 are recorded at their historical purchase costs.

The property and equipments are depreciated over their estimated useful lives on a straight-line basis.

If the recoverable amounts of the tangible assets are different than their restated net book values, the Bank records other income in the income statement or other expense or equity to be added to capital.

Expenditures for the repair and renewal of property and equipment are recognised as expense. The capital expenditures made in order to increase the capacity of the tangible asset or to increase its future benefits are capitalised on the cost of the tangible asset. The capital expenditures include the cost components which are used either to increase the useful life or the capacity of the asset, or the quality of the product or to decrease the costs.

There are no restrictions such as pledges, mortgages or any other restrictions on the property and equipment as of 31 December 2016 and 31 December 2015. There are no changes in the accounting estimates that would have significant effects in the current period or in the following periods.

Depreciation rates and the estimated useful lives of tangible assets are as follows:

Motor Vehicles	5 years
Office Machinery	3 - 5 years
Furnitures and fixtures	5 - 15 years

### XIV. Explanations on leasing transactions

Maximum length of the finance lease contracts is 4 years. The leased assets are classified under tangible assets and depreciated over their useful lives with the rate of 20%. The payables related with those finance lease agreements are recorded under "Lease payables" on the liability side of the balance sheet. The incurred interest expenses and foreign exchange differences are recorded through the income statement.

In case of the annulment of the operational lease contracts before its expiration date, the cash paid penalties are recognised as expense in the related period. There are no operational lease contracts which are annulled by the Bank before its expiration date.

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

The Bank, does not perform any finance lease transactions as "Lessor".



# Deutsche Bank Anonim Şirketi

## Notes to the Financial Statements at 31 December 2016

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

### XV. Explanations on provisions and contingent commitments

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

Provisions are recognised when the Bank has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. The provision for contingent liabilities arising from past events should be recognised in the same period of occurrence in accordance with the "Matching principle". When the amount of the obligation cannot be estimated and there is no possibility of an outflow of resources from the Bank, it is considered that a "Contingent" liability exists and it is disclosed in the related notes to the financial statements.

### XVI. Explanations on contingent assets

The contingent assets usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits to the Bank. If an inflow of economic benefits to the Bank has become probable, then the contingent asset is disclosed in the footnotes to the financial statements. If it has become virtually certain that an inflow of economic benefits will arise, the asset and the related income are recognised in the financial statements of the period in which the change occurs.

### XVII. Explanations on obligations related to employee rights

In accordance with the existing Turkish Labour Law, the Bank is required to make lump-sum termination indemnities to each employee who has completed one year of service with the Bank and whose employment is terminated due to retirement or for reasons other than resignation or misconduct and this amount is limited by the termination indemnity upper limit.

Employee severance indemnities are not subject to legal funding requirements.

The provision has been calculated by estimating the present value of the future probable obligation of the Bank arising from the retirement of employees. TAS 19 requires actuarial valuation methods to be developed to estimate the enterprise's obligation under defined benefit plans. Accordingly, assumptions on discount rate, expected rate of salary increase and employee turnover rate is used in the calculation of the total liability. These assumptions are reviewed on an annual basis.

### XVIII. Explanations on taxation

#### Current tax

Many clauses of Corporate Tax Law No. 5520 which are valid starting from 1 January 2006, came into effect after being published in Official Gazette No. 26205, dated 21 September 2006. According to the New Tax Law, the corporate tax rate in Turkey is payable at the rate of 20% for 2016 (2015: 20%). The corporate tax rate is calculated on the total income of the Bank after adjusting for certain disallowable expenses, exempt income and other allowances. No further tax is payable unless the profit is distributed.

Dividends paid to non-resident corporations, which have a place of business in Turkey or to resident corporations are not subject to withholding tax. Otherwise, dividends paid are subject to withholding tax at the rate of 15%. An increase in capital via issuing bonus shares is not considered as profit distribution and thus does not incur withholding tax.

Corporations are required to pay advance corporate tax quarterly at a rate of 20% on their corporate income. Advance tax is declared by the 14th and paid by the 17th day of the second month following each calendar quarter end. Advance tax paid by corporations which is for the current period is credited against the annual corporation tax calculated on their annual corporate income in the following year. Despite the offset, if there is temporary prepaid tax remaining, this balance can be refunded or used to offset any other financial liabilities to the government.

A 75% portion of the capital gains derived from the sale of equity investments and immovable properties held for at least two years is tax exempt, if such gains are added to paid-in capital or held in a special account under shareholder's equity for five years.

Under the Turkish Corporate Tax Law, losses can be carried forward to offset against future taxable income for up to five years. Losses cannot be carried back to offset profits from previous periods.

# Deutsche Bank Anonim Şirketi

## Notes to the Financial Statements at 31 December 2016

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

In Turkey, there is no procedure for a final and definitive agreement on tax assessments. Tax returns are required to be filled and delivered to the related tax office until the evening of the 25th of the fourth month following the balance sheet date. Tax returns are open for five years from the beginning of the year following the date of filing during which period the tax authorities have the right to audit tax returns, and the related accounting records on which they are based, and may issue re-assessments based on their findings.

### Deferred tax

According to the Turkish Accounting Standard 12 (TAS 12) "Income Taxes"; deferred tax assets and liabilities are recognized on all taxable temporary differences arising between the carrying values of assets and liabilities in the financial statements and their corresponding balances considered in the calculation of the tax base, except for the differences not deductible for tax purposes and initial recognition of assets and liabilities which affect neither accounting nor taxable profit.

If transactions and events are recorded in the income statement, then the related tax effects are also recognised in the income statement. However, if transactions and events are recorded directly in the shareholders' equity, the related tax effects are also recognised directly in the shareholders' equity.

The deferred tax assets and liabilities presented on the financial statements by net basis (off-set).

### Transfer pricing

The Article No. 13 of the Corporate Tax Law describes the issue of transfer pricing under the title of "disguised profit distribution" by way of transfer pricing. "The General Communiqué on Disguised Profit Distribution by Way of Transfer Pricing" published at 18 November 2007, explains the application related issues on this topic.

According to this Communiqué, if the taxpayers conduct transactions like purchase and sale of goods or services with the related parties where the prices are not determined according to the arm's length principle, then it will be concluded that there is a disguised profit distribution by way of transfer pricing. Such disguised profit distributions will not be deducted from the corporate tax base for tax purposes.

### XIX. Explanations on borrowings

Trading and derivative financial liabilities are valued with their fair values and the other financial liabilities are carried at "amortised cost" using the effective interest method.

The Bank utilises various hedging techniques to mitigate the currency, interest rate and liquidity risks of its financial liabilities. No convertible bonds have been issued by the Bank.

### XX. Explanations on issuance of share certificates

As of 31 December 2016, there is no issued share certificates.

### XXI. Explanations on avalized drafts and bill of guarantee

As of 31 December 2016, the Bank has no avalized drafts and bill of guarantees.

### XXII. Explanations on government grants

As of 31 December 2016, the Bank has no government grants.

### XXIII. Explanations on segment reporting

A business segment is a The Bank's product or service or an interrelated product or service engaged in providing product or services that are subject to risks and returns that are different from those of other business segments. Reporting according to the operational segment is presented in Note IX of Section Four.

### XXIV. Explanations on other matters

None.

# Deutsche Bank Anonim Şirketi

## Notes to the Financial Statements at 31 December 2016

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

### SECTION FOUR

#### INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK

##### I. Information about equity items

Total capital amount and Capital adequacy ratio have been calculated in accordance with the "Regulation on Equity of Banks" and "Regulation on Measurement and Assessment of Capital Adequacy of Banks".

As of 31 December 2016, Group's total capital has been calculated as TL 518.565, the capital adequacy ratio is 21,60%. As of 31 December 2015, The Bank's total capital amounted to TL 516.535, capital adequacy ratio was 20,72% calculated pursuant to former regulations. This ratio is above the minimum ratio required by the legislation.

##### a. Information about equity items:

	31 December 2016 Current Period	Amounts related to treatment before 1/1/2014(*) Prior Period
<b>TIER 1 CAPITAL</b>		
Paid-in Capital to be Entitled for Compensation after All Creditors	166.866	-
Share Premium	-	-
Legal Reserves	279.271	-
Other Comprehensive Income/losses e according to TAS	(41)	-
Profit	69.235	-
Net Current Period Profit	69.235	-
Prior Period Profit	-	-
Provisions for Possible Losses	-	-
Bonus Shares from Associates, Subsidiaries and Joint-Ventures not Accounted in Current Period's Profit Minority Shareholder	-	-
<b>Tier I Capital Before Deductions</b>	<b>515.331</b>	-
<b>Deductions From Tier I Capital</b>		
Common Equity as per the 1st clause of Provisional Article 9 of the Regulation on the Equity of Banks	-	-
Current and Prior Periods' Losses not Covered by Reserves, and Losses Accounted under Equity according to TAS	-	-
Leasehold Improvements on Operational Leases	74	-
Goodwill after deduction from tax liability	-	-
Other intangibles other than mortgage-servicing rights, net of related tax liability	3.653	6.088
Deferred tax assets that rely on future profitability excluding those arising from temporary differences, net of related tax liability	-	-
Differences are not recognized at the fair value of assets and liabilities subject to hedge of cash flow risk	-	-
Communiqué Related to Principles of the amount credit risk calculated with the Internal Ratings Based Approach, total expected loss amount exceeds the total provision	-	-
Gains arising from securitization transactions	-	-
-Unrealized gains and losses due to changes in own credit risk on fair valued liabilities	-	-
-Net Amount Of Defined Benefit Plan Assets	-	-
-Direct or indirect investments in own common equity	-	-
Shares Obtained against Article 56, Paragraph 4 of the Banking Law	-	-
Total of Net Long Positions of the Investments in Equity Items of Banks and Financial Institutions where the Bank does not own 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital	-	-
Total of Net Long Positions of the Investments in Equity Items of Banks and Financial Institutions where the Bank owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital	-	-
Mortgage Servicing Rights Exceeding the 10% Threshold of Tier I Capital	-	-
Net Deferred Tax Assets arising from Temporary Differences Exceeding the 10% Threshold of Tier I Capital(-)	-	-
Amount Exceeding the 15% Threshold of Tier I Capital as per the Article 2, Clause 2 of the Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks	-	-
The Portion of Net Long Position of the Investments in Equity Items of Banks and Financial Institutions where the Bank Owns 10% or more of the Issued Share Capital not deducted from Tier I Capital (-)	-	-
Mortgage Servicing Rights not deducted	-	-
Deferred tax assets arising from temporary differences	-	-
Other items to be Defined by the Council	-	-
Total Deductions from Tier I Capital in cases where there are no adequate Additional Tier I or Tier II Capitals	-	-
<b>Total Deductions from Tier I Capital</b>	<b>3.727</b>	-
<b>Total Tier 1 capital</b>	<b>511.604</b>	-

# Deutsche Bank Anonim Şirketi

## Notes to the Financial Statements at 31 December 2016

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

	31 December 2016 Current Period	Amounts related to treatment before 1/1/2014 (*) Prior Period
<b>ADDITIONAL CORE CAPITAL</b>		
Preferred Stock not Included in Tier I Capital and the Related Share Premiums	-	-
Debt Instruments and the Related Issuance Premiums Defined by the BRSA (Issued or Obtained after 1.1.2014)	-	-
Debt Instruments and the Related Issuance Premiums Defined by the BRSA (Issued or Obtained before 1.1.2014)	-	-
<b>Additional Core Capital before Deductions</b>	-	-
<b>Deductions from Additional Core Capital</b>		
Direct and Indirect Investments of the Bank on its own Additional Core Capital (-)	-	-
Investments of Bank to Banks that invest in Bank's additional equity and components of equity issued by financial institutions with compatible with Article 7		
Total of Net Long Positions of the Investments in Equity Items of Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital (-)	-	-
The Total of Net Long Position of the Direct or Indirect Investments in Additional Tier I Capital of Banks and Financial Institutions where the Bank Owns more than 10% of the Issued Share Capital (-)	-	-
Other items to be Defined by the BRSA (-)	-	-
<b>Transition from the Core Capital to Continue to deduce Components</b>		
Goodwill or other intangibles and deferred tax liabilities of which the regulation concerning transitional Article 2 of subsection of core capital not reduced from	2.435	-
Net deferred tax asset/liability which is not deducted from Common Equity Tier 1 capital for the purposes of the sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-	-
Deductions to be made from common equity in the case that adequate Additional Tier I Capital or Tier II Capital is not available (-)	-	-
<b>Total Deductions From Additional Tier I Capital</b>	-	-
<b>Total Additional Tier I Capital</b>	-	-
<b>Total Tier I Capital (Tier I Capital=Common Equity+Additional Tier I Capital)</b>	<b>509.169</b>	-
<b>TIER II CAPITAL</b>		
Debt instruments and share issue premiums deemed suitable by the BRSA	-	-
Debt instruments and share issue premiums deemed suitable by BRSA (Temporary Article 4)	-	-
Provisions (Article 8 of the Regulation on the Equity of Banks)	9.936	-
<b>Tier II Capital before Deductions</b>	<b>9.936</b>	-
<b>Deductions from Tier II Capital</b>		
Direct and Indirect Investments of the Bank on its own Tier II Capital (-)	-	-
Investments of Bank to Banks that invest on Bank's Tier 2 and components of equity issued by financial institutions with the conditions declared in Article 8		
Total of Net Long Positions of the Investments in Equity Items of Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital (-)	-	-
The Total of Net Long Position of the Direct or Indirect Investments in Additional Core Capital and Tier I Capital of Banks and Financial Institutions where the Bank Owns 10% or more of the Issued Share Capital Exceeding the 10% Threshold of Tier I Capital (-)	-	-
Other items to be Defined by the BRSA (-)	-	-
<b>Total Deductions from Tier II Capital</b>	-	-
<b>Total Tier II Capital</b>	<b>9.936</b>	-
<b>Total Tier II Capital(Core Capital and Tier II Capital)</b>	<b>518.565</b>	-

# Deutsche Bank Anonim Şirketi

## Notes to the Financial Statements at 31 December 2016

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

	31 December 2015 Current Period	Amounts related to treatment before 1/1/2014 (*) Prior Period
<b>Core Capital And Tier II Capital ( Total Capital)</b>		
Loans Granted against the Articles 50 and 51 of the Banking Law (-)	518.565	-
Net Book Values of Movables and Immovables Exceeding the Limit Defined in the Article 57, Clause 1 of the Banking Law and the Assets Acquired against Overdue Receivables and Held for Sale but Retained more than Five Years (-)	-	-
Other items to be Defined by the BRSA (-)	-	-
<b>In transition from Total Core Capital and Supplementary Capital (the capital) to Continue to Download Components</b>		
The Sum of net long positions of investments (the portion which exceeds the 10% of Banks Common Equity) in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity which will not deducted from Common Equity Tier 1 capital, Additional Tier 1 capital, Tier 2 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)		
	-	-
The Sum of net long positions of investments in the Additional Tier 1 capital and Tier 2 capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity which will not deducted from Common Equity Tier 1 capital, Additional Tier 1 capital, Tier 2 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)		
	-	-
The Sum of net long positions of investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity, mortgage servicing rights, deferred tax assets arising from temporary differences which will not deducted from Common Equity Tier 1 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)		
	-	-
<b>EQUITY</b>		
Total capital ( Core capital and Tier II capital)	516.535	-
Total risk weighted items	2.401.227	-
	<b>31 December 2016 Current Period</b>	<b>31 December 2015 Prior Period</b>
<b>CAPITAL ADEQUACY RATIOS</b>		
Core Capital Adequacy Ratio (%)	21,31	20,30
Tier 1 Capital Adequacy Ratio (%)	21,21	20,02
Capital Adequacy Standard Ratio (%)	21,60	20,72

## Deutsche Bank Anonim Şirketi

### Notes to the Financial Statements at 31 December 2016

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

	31 December 2016 Current Period	Amounts related to treatment before 1/1/2014 (*)
<b>BUFFERS</b>		
Total buffer requirement	0,625	-
Capital conservation buffer requirement (%)	0,625	-
Bank specific countercyclical buffer requirement (%)	-	-
The ratio of Additional Common Equity Tier 1 capital which will be calculated by the first paragraph of the Article 4 of Regulation on Capital Conservation and Countercyclical Capital buffers to Risk Weighted Assets	13,31	-
<b>Amounts below the thresholds for deduction</b>		
Portion of the total of net long positions of investments in equity items of unconsolidated banks and financial institutions where the bank owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier I capital	-	-
Portion of the total of investments in equity items of unconsolidated banks and financial institutions where the bank owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier I capital	-	-
Mortgage servicing rights (net of related tax liability)	-	-
Amount arising from deferred tax assets based on temporary differences	-	-
Limits related to provisions considered in Tier II calculation		-
General provisions for standard based receivables (before tenthousandtwentyfive limitation)	9,396	-
Up to 1.25% of total risk-weighted amount of general reserves for receivables where the standard approach used	9,396	-
Excess amount of total provision amount to credit risk Amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation	-	-
Excess amount of total provision amount to &0,6 of risk weighted receivables of credit risk Amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation	-	-
<b>Debt instruments subjected to Article 4 (to be implemented between January 1, 2018 and January 1, 2022)</b>		
Upper limit for Additional Tier I Capital subjected to temporary Article 4	-	-
Amounts Excess the Limits of Additional Tier I Capital subjected to temporary Article 4	-	-
Upper limit for Additional Tier II Capital subjected to temporary Article 4	-	-
Amounts Excess the Limits of Additional Tier II Capital subjected to temporary Article 4	-	-

(\*) Amounts in this column represent the amounts of items that are subject to transition provisions in accordance with the temporary articles of "Regulations regarding to changes on Regulation on Equity of Banks" and taken into consideration at the end of transition process

# Deutsche Bank Anonim Şirketi

## Notes to the Financial Statements at 31 December 2016

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

	31 December 2015 (*) Prior Period
<b>CORE CAPITAL</b>	
Paid-in capital following all debts in terms of claim in liquidation of the Bank	166.866
Share premium	-
Share cancellation profits	-
Reserves	271.174
Gains reflected in equity in accordance with TAS	189
<b>Profit</b>	<b>72.489</b>
Current Period Profit	72.489
Prior Years' Profit	-
Provisions for Possible Risks	-
Bonus Shares from Investments in Associates, Subsidiaries and Joint Ventures that are not recognized in Profit	-
Minority Shares	-
<b>Core Capital Before Deductions</b>	<b>510.718</b>
<b>Deductions from Core CAPITAL</b>	
Portion of the current and prior periods' losses which cannot be covered through reserves and losses reflected in equity in accordance with TAS (-)	-
Leasehold improvements (-)	38
Goodwill or other intangible assets and deferred tax liability related to these items (-)	4.557
Net deferred tax asset/liability (-)	-
Shares obtained contrary to the 4th clause of the 56th Article of the Law (-)	-
Direct and indirect investments of the Bank in its own Common Equity (-)	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank (-)	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank (-)	-
Portion of mortgage servicing rights exceeding 10% of the Common Equity (-)	-
Portion of deferred tax assets based on temporary differences exceeding 10% of the Common Equity (-)	-
Amount exceeding 15% of the common equity as per the 2nd clause of the Provisional Article 2 of the Regulation on the Equity of Banks (-)	-
Excess amount arising from the net long positions of investments in common equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital (-)	-
Excess amount arising from mortgage servicing rights (-)	-
Excess amount arising from deferred tax assets based on temporary differences (-)	-
Other items to be defined by the BRSA (-)	-
Deductions to be made from common equity in the case that adequate Additional Tier I Capital or Tier II Capital is not available (-)	-
<b>Total Deductions From Core Capital</b>	<b>4.595</b>
<b>Total Core Capital</b>	<b>506.123</b>

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## Notes to the Financial Statements at 31 December 2016

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

	31 December 2015(*)
	Prior Period
<b>ADDITIONAL TIER I CAPITAL</b>	
Capital amount and related premiums corresponding to preference shares that are not included in common equity	-
Debt instruments and premiums deemed suitable by the BRSA (issued/obtained after 1.1.2014)	-
Debt instruments and premiums deemed suitable by the BRSA (issued before 1.1.2014)	-
Third parties' shares in the Additional Tier I Capital	-
<b>Additional Tier I Capital before Deductions</b>	
<b>-Deductions from Additional Tier I Capital</b>	-
Direct and indirect investments of the Bank in its own Additional Tier I Capital (-)	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank (-)	-
Portion of the total of net long positions of investments made in Additional Tier I Capital and Tier II Capital items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank (-)	-
Other items to be defined by the BRSA (-)	-
Deductions to be made from Additional Tier I Capital in the case that adequate Tier II Capital is not available (-)	-
<b>Total Deductions From Additional Tier I Capital</b>	-
<b>Total Additional Tier I Capital</b>	-
<b>Deductions from Tier I Capital</b>	
Portion of goodwill and other intangible assets and the related deferred tax liabilities which not deducted from the Common Equity as per the 1st clause of Provisional Article 2 of the Regulation on the Equity of Banks (-)	6.834
Portion of net deferred tax assets/liabilities which is not deducted from the common equity pursuant to Paragraph 1 Provisional Article 2 of the Regulation on the Equity of Banks (-)	-
<b>Total Tier I Capital</b>	<b>499.289</b>
<b>TIER II CAPITAL</b>	
Debt instruments and premiums deemed suitable by the BRSA (issued/obtained after 1.1.2014)	-
Debt instruments and premiums deemed suitable by the BRSA (issued/obtained before 1.1.2014)	-
Sources pledged to the Bank by shareholders to be used in capital increases of the Bank	-
General Loan Loss Provisions	17.246
<b>Tier II Capital Before Deductions</b>	<b>17.246</b>
<b>Deductions From Tier II Capital</b>	
Direct and indirect investments of the Bank in its own Tier II Capital (-)	-
Portion of the total of net long positions of investments made in Common Equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank (-)	-
Portion of the total of net long positions of investments made in Additional Tier I and Tier II Capital items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank (-)	-
Other items to be defined by the BRSA (-)	-
<b>Total Deductions from Tier II Capital</b>	-
<b>Total Tier II Capital</b>	<b>17.246</b>



# Deutsche Bank Anonim Şirketi

## Notes to the Financial Statements at 31 December 2016

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

	31 December 2015(*)
	Prior Period
<b>CAPITAL</b>	<b>516.535</b>
Loans granted contrary to the 50th and 51th Article of the Law (-)	-
Net book value of amounts exceeding the limit mentioned in the 1st Paragraph of Article 57 of the Law and assets acquired against overdue receivables which could not be disposed of even though five years have passed since their acquisition date (-)	-
Loans granted to banks and financial institutions, including those established abroad, and to bank's qualified shareowners or investments made to debt instruments issued by them (-) (**)	-
Deductions as per the Article 20, Clause 2 of the Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks (-)	-
Other items to be defined by the BRSA (-) (*)	-
Portion of the total of net long positions of investments made in Common Equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank not to be deducted from the Common Equity, Additional Tier I Capital, Tier II Capital as per the 1st clause of the Provisional Article 2 of the Regulation on the Equity of Banks. (-)	-
Portion of the total of net long positions of direct or indirect investments made in Additional Tier I and Tier II Capital items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank not to be deducted from the Additional Tier I Capital and Tier II Capital as per the 1st clause of the Provisional Article 2 of the Regulation on the Equity of Banks. (-)	-
Portion of the total of net long positions of investments made in Common Equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital, deferred tax assets based on temporary differences and mortgage servicing rights not deducted from Common Equity as per the 1st and 2nd Paragraph of the 2nd clause of the Provisional Article 2 of the Regulation on the Equity of Banks (-)	-
<b>EQUITY</b>	<b>516.335</b>
<b>Amounts below the Excess Limits as per the Deduction Principles</b>	
Amounts arising from the net long positions of investments made in Total Capital items of banks and financial institutions where the Bank owns 10% or less of the issued common share capital	-
Amounts arising from the net long positions of investments made in Tier I Capital items of banks and financial institutions where the Bank owns 10% or more of the issued common share capital	-
Amounts arising from mortgage servicing rights	-
Amounts arising from deferred tax assets based on temporary differences	-

(\*) Total capital has been calculated in accordance with the "Regulations regarding to changes on Regulation on Equity of Banks" effective from date 31 March 2016, the information given in the prior period column has been calculated pursuant to former regulation.

**b) Information about instruments that will be included in total capital calculation:**

None.

c) The difference between Total Capital and Equity in the consolidated balance sheet mainly arises from the general provision. In the calculation of Total Capital, general provision up to 1,25% credit risk is taken into consideration as Tier II Capital. Besides, losses that are subject to deductions from Common Equity Tier I and reflected to Equity in line with the TAS, are determined by excluding the losses related to cash flow hedge transactions. On the other hand, in the calculation of the Total Capital, improvement costs for operating leases followed under tangible assets in the balance sheet, intangible assets and related deferred tax liabilities, net book value of immovables that are acquired against overdue receivables and retained more than five years, other items defined by the regulator are taken into consideration as amounts deducted from Total Capital.

# Deutsche Bank Anonim Şirketi

## Notes to the Financial Statements at 31 December 2016

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

### II. Explanations on credit risk

Credit borrowers are subject to risk limits approved by the Board of Directors in terms of geographic region, group and sectorial concentration. Moreover, all banking activities are acted with the principle of not working with the persons and institutions who are involved in the international black lists required by the legislation.

In the process of credit allocation and disbursement, futures and other derivative transactions, the approval levels of the daily cash financing limits and risks of the customers are passed through the approval stages of the management level depending on the approval limits. Risk limits and distributions are monitored on a daily basis in relation to on-balance sheet and off-balance sheet transactions.

The credit risk assumed for future transactions is managed together with the potential risks arising from market movements and transactions that are exposed to significant credit risk are avoided.

The creditworthiness of borrowers of loans and other receivables is monitored at regular intervals and in accordance with the regulation of provisions. Care is taken to ensure that the account status documents received for creditors are audited as provided for in the applicable legislation.

As of 31 December 2016, the Bank's non-cash loan portfolio consists of 55 customers and non-cash loans portfolio consist of 80 customers (31 December 2015: cash loans portfolio 68 and non-cash loans portfolio 146).

The share of cash and cash equivalents of the Bank from its top 100 loan customers in total cash and non-cash loan portfolio is 100% (31 December 2015: 100%).

The sum of cash receivables from the first 100 credit customers constitutes 41% of the total balance sheet assets and the amount of non-cash receivables from the first 100 credit customers constitutes 7% of the total off-balance sheet assets (31 December 2015: 58% and 7%).

As of 31 December, 2016, the general provision of the Bank for credit risk is 9.396 TL (31 December 2015: TL 17.246).

#### a) Type of loans and specific provisions

31 December 2016	Corporate	Consumer	Factoring Receivables	Total
Standard Loans	1.398.853	-	-	1.398.853
Loans under close monitoring	-	-	-	-
Non-performing loans	-	-	-	-
Specific provision (-)	-	-	-	-
<b>Total</b>	<b>1.398.853</b>	<b>-</b>	<b>-</b>	<b>1.398.853</b>

  

31 December 2015	Corporate	Consumer	Factoring Receivables	Total
Standard Loans	1.743.295	-	-	1.743.295
Loans under close monitoring	-	-	-	-
Non-performing loans	-	-	-	-
Specific provision (-)	-	-	-	-
<b>Total</b>	<b>1.743.295</b>	<b>-</b>	<b>-</b>	<b>1.743.295</b>

#### b) Type of loans and specific provisions

None (31 December 2015: None).

# Deutsche Bank Anonim Şirketi

## Notes to the Financial Statements at 31 December 2016

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

c) Loans and receivables past due but not impaired

31 December 2016	Financial Assets at Fair Value through P/L (Net)	Available for Sale Financial Assets (Net)	Held to Maturity Securities (Net)	Total
Moody's Ba1 (*)	- 1.146.777	- -	- -	- 1.146.777
<b>Total</b>	<b>1.146.777</b>	<b>-</b>	<b>-</b>	<b>1.146.777</b>

31 December 2015	Financial Assets at Fair Value through P/L (Net)	Available for Sale Financial Assets (Net)	Held to Maturity Securities (Net)	Total
Moody's Baaa3(*)	- 345.170	- -	- -	- 345.170
<b>Total</b>	<b>345.170</b>	<b>-</b>	<b>-</b>	<b>345.170</b>

(\*) Consists of Turkish Republic government bonds and treasury bills.

d) Information on rating concentration

The Bank does not have any credit rating policy.

e) Fair value of collaterals (loans and advances to customers)

Guarantees received as at 31 December 2016 are presented in "Credit Risk Mitigation Techniques" disclosure.

f) Credit risk is the risk reduction effects without taking into consideration the total amount of exposures after offsetting transactions with different risk classes according to the types and amounts of disaggregated risks are listed below the average for the period

Risk classifications:	Current Period Risk Amount (*)	Average Risk Amount (**)
Conditional and unconditional exposures to central governments or central banks	1.497.762	1.061.894
Conditional and unconditional exposures to regional governments or local authorities	-	-
Conditional and unconditional exposures to administrative bodies and non-commercial undertakings	-	-
Conditional and unconditional exposures to multilateral development banks	-	-
Conditional and unconditional exposures to international organisations	-	-
Conditional and unconditional exposures to banks and brokerage houses	668.977	291.856
Conditional and unconditional exposures to corporates	1.556.880	1.780.854
Conditional and unconditional retail exposures	826	1.165
Conditional and unconditional exposures secured by real estate property	-	-
Past due items	-	-
Items in regulatory high-risk categories	-	-
Exposures in the form of bonds secured by mortgages	-	-
Securitisation positions	-	-
Short term exposures to banks, brokerage houses and corporates	-	-
Exposures in the form of collective investment undertakings	-	-
Other receivables	29.980	39.505

(\*) Includes risk amounts given before the effect of credit risk mitigation but after the credit conversions.

(\*\*) Average risk amounts are the arithmetical average of the risk amounts after conversion in January-December period.

## Deutsche Bank Anonim Şirketi

### Notes to the Financial Statements at 31 December 2016

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

Risk classifications:	Prior Period Risk Amount(*)	Average Risk Amount (**)
Conditional and unconditional exposures to central governments or central banks	502.954	409.979
Conditional and unconditional exposures to regional governments or local authorities	-	-
Conditional and unconditional exposures to administrative bodies and non-commercial undertakings	-	-
Conditional and unconditional exposures to multilateral development banks	-	-
Conditional and unconditional exposures to international organisations	-	-
Conditional and unconditional exposures to banks and brokerage houses	553.392	370.959
Conditional and unconditional exposures to corporates	1.934.485	1.601.734
Conditional and unconditional retail exposures	1.472	1.128
Conditional and unconditional exposures secured by real estate property	-	-
Past due items	-	-
Items in regulatory high-risk categories	-	-
Exposures in the form of bonds secured by mortgages	-	-
Securitisation positions	-	-
Short term exposures to banks, brokerage houses and corporates	-	-
Exposures in the form of collective investment undertakings	-	-
Other receivables	10.877	11.545

(\*) Includes risk amounts given before the effect of credit risk mitigation but after the credit conversions.

(\*\*) Average risk amounts are the arithmetical average of the risk amounts after conversion in January-December period.

#### g) Profile of significant exposures in major regions

31 December 2016	Conditional and unconditional exposures to central governments or central banks	Conditional and unconditional exposures to banks and brokerage houses	Conditional and unconditional exposures to corporates	Conditional and unconditional retail exposures	Other receivables	Total
1. Domestic	1.497.762	188.005	1.549.526	826	29.968	3.266.087
2. European Union (EU) countries	-	372.044	3.010	-	-	330.054
3. OECD countries (**)	-	17.647	-	-	-	17.647
4. Off-shore banking regions	-	214	-	-	-	214
5. USA, Canada	-	73.494	2.553	-	-	76.047
6. Other countries	-	62.514	1.706	-	12	64.232
7. Associates, subsidiaries and joint ventures	-	-	-	-	-	-
8. Unallocated assets / liabilities (***)	-	59	85	-	-	144
<b>Total (*)</b>	<b>1.497.762</b>	<b>668.977</b>	<b>1.556.880</b>	<b>826</b>	<b>29.980</b>	<b>3.754.425</b>

(\*) Includes risk amounts given before the effect of credit risk mitigation but after the credit conversions.

(\*\*) OECD countries other than EU countries, USA and Canada

(\*\*\*) Assets and liabilities that cannot be allocated on a consistent basis

## Deutsche Bank Anonim Şirketi

### Notes to the Financial Statements at 31 December 2016

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

#### h) Risk profile according to sectors and counterparties

31 December 2015	Conditional and unconditional exposures to central governments or central banks	Conditional and unconditional exposures to banks and brokerage houses	Conditional and unconditional exposures to corporates	Conditional and unconditional retail exposures	Other receivables	Total
1. Domestic	502.954	381.567	1.847.020	1.472	10.877	2.743.890
2. European Union (EU) countries	-	75.333	44.138	-	-	119.471
3. OECD countries (**)	-	9.948	-	-	-	9.448
4. Off-shore banking regions	-	4.792	184	-	-	4.976
5. USA, Canada	-	45.608	28.904	-	-	74.512
6. Other countries	-	36.144	14.239	-	-	50.383
7. Associates, subsidiaries and joint ventures	-	-	-	-	-	-
8. Unallocated assets / liabilities (***)	-	-	-	-	-	-
<b>Total (*)</b>	<b>502.954</b>	<b>553.392</b>	<b>1.934.485</b>	<b>1.472</b>	<b>10.877</b>	<b>3.003.180</b>

(\*)Includes risk amounts given before the effect of credit risk mitigation but after the credit conversions.

(\*\*)OECD countries other than EU countries, USA and Canada.

(\*\*\*)Assets and liabilities that cannot be allocated on a consistent basis.

#### i) Risk profile according to sectors and counterparties

31 December 2016	Conditional and unconditional exposures to central governments or central banks	Conditional and unconditional exposures to banks and brokerage houses	Conditional and unconditional exposures to corporates	Conditional and unconditional retail exposures	Other receivables	Total
<b>Agriculture</b>	-	-	8.176	-	-	8.176
Farming and raising livestock	-	-	8.176	-	-	8.176
Forestry	-	-	-	-	-	-
Fishing	-	-	-	-	-	-
<b>Manufacturing</b>	-	-	955.210	506	-	955.716
Mining	-	-	-	-	-	-
Production	-	-	950.610	506	-	951.116
Electric, gas and water	-	-	4.600	-	-	4.600
<b>Construction</b>	-	-	145	-	-	145
<b>Services</b>	1.497.762	645.092	588.470	293	12	2.731.629
Wholesale and retail trade	-	-	249.482	174	-	249.656
Hotel, food and beverage services	-	-	-	-	-	-
Transportation and telecommunication	-	-	23.100	119	-	23.219
Financial institutions	1.497.762	645.092	315.417	-	12	2.458.283
Real estate and renting services	-	-	-	-	-	-
Self-employment services	-	-	-	-	-	-
Education services	-	-	-	-	-	-
Health and social services	-	-	471	-	-	471
<b>Other</b>	-	23.885	4.879	27	29.968	58.759
<b>Total (*)</b>	<b>1.497.762</b>	<b>668.977</b>	<b>1.556.880</b>	<b>826</b>	<b>29.968</b>	<b>3.754.425</b>

(\*) Includes risk amounts given before the effect of credit risk mitigation but after the credit conversions.

## Deutsche Bank Anonim Şirketi

### Notes to the Financial Statements at 31 December 2016

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

31 December 2015	Conditional and unconditional exposures to central governments or central banks	Conditional and unconditional exposures to banks and brokerage houses	Conditional and unconditional exposures to corporates	Conditional and unconditional retail exposures	Other receivables	Total
Agriculture	-	-	14.825	-	-	14.825
Farming and raising livestock	-	-	14.825	-	-	14.825
Forestry	-	-	-	-	-	-
Fishing	-	-	-	-	-	-
Manufacturing	-	-	1.004.554	536	-	1.005.090
Mining	-	-	247.360	-	-	247.360
Production	-	-	649.641	454	-	650.095
Electric, gas and water	-	-	107.553	82	-	107.635
Construction	-	-	11.177	-	-	11.177
Services	502.301	524.427	903.898	936	-	1.931.562
Wholesale and retail trade	-	-	454.191	156	-	454.347
Hotel, food and beverage services	-	-	7	-	-	7
Transportation and telecommunication	-	-	57.695	598	-	58.293
Financial institutions	502.301	524.427	361.757	-	-	1.388.485
Real estate and renting services	-	-	-	-	-	-
Self-employment services	-	-	72	-	-	72
Education services	-	-	-	-	-	-
Health and social services	-	-	30.176	182	-	30.358
Other	653	28.965	31	-	10.877	40.526
<b>Total (*)</b>	<b>502.954</b>	<b>553.392</b>	<b>1.934.485</b>	<b>1.472</b>	<b>10.877</b>	<b>3.003.180</b>

(\*) Includes risk amounts given before the effect of credit risk mitigation but after the credit conversions.

#### i) Risk profile on cyclical capital buffer:

The bank-specific cyclical capital buffer refers to the additional core capital amount expected to be held in the banks in order to avoid insufficiencies in the equity capital adequacy regulations when the credit expansion reaches levels that could increase the overall risk level of the financial sector. There is no risk involved in the circular capital buffer calculation in the bank.

#### j) Distribution of maturity risk factors according to their outstanding maturities

Current Period	Term to maturity					Total
	1 month	1 - 3 months	3 - 6 months	6-12 months	Over 1 year	
Conditional and unconditional exposures to central governments or central banks	325.952	3.754	20.493	-	1.147.563	1.497.762
Conditional and unconditional exposures to banks and brokerage houses	525.660	19.559	6.817	35.473	81.468	668.977
Conditional and unconditional exposures to corporates	570.246	576.040	130.378	187.225	92.991	1.556.880
Conditional and unconditional retail exposures	523	3	11	223	66	826
Other receivables	29.980	-	-	-	-	29.980
<b>Total (*)</b>	<b>1.452.361</b>	<b>599.356</b>	<b>157.699</b>	<b>222.921</b>	<b>1.322.088</b>	<b>3.754.425</b>

(\*) Includes risk amounts given before the effect of credit risk mitigation but after the credit conversions.

## Deutsche Bank Anonim Şirketi

### Notes to the Financial Statements at 31 December 2016

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

Prior Period	Term to maturity					Total
	1 month	1 - 3 months	3 - 6 months	6-12 months	Over 1 year	
Conditional and unconditional exposures to central governments or central banks	502.954	-	-	-	-	502.954
Conditional and unconditional exposures to banks and brokerage houses	439.701	18.806	31.019	62.853	1.013	553.392
Conditional and unconditional exposures to corporates	832.258	371.227	198.606	456.951	75.443	1.934.485
Conditional and unconditional retail exposures	247	20	149	252	804	1.472
Other receivables	10.887	-	-	-	-	10.877
<b>Total (*)</b>	<b>1.786.037</b>	<b>390.053</b>	<b>229.774</b>	<b>520.056</b>	<b>77.260</b>	<b>3.003.180</b>

(\*) Includes risk amounts given before the effect of credit risk mitigation but after the credit conversions.

#### k) Information on risk classifications

According to the 6th article of the Communiqué on "Measurement and Assessment of Capital Adequacy of Banks", in the process of risk weighted assets calculation, risk weights are determined by central management or the credit ratings of the receivables from the central banks are taken into account by the ratings of the Fitch Ratings international credit rating agency.

TL exposures of Central Government of Turkey and Central Bank of Turkey and all reserve requirement balances have 0% risk weight.

The Fitch Ratings, risk ratings as per the credit quality grades are presented below:

Ratings to match	Credit Quality Grades	Fitch
	1	AAA and AA-
	2	A+ and A-
Long-term Credit Rating	3	BBB+ and BBB-
	4	BB+ and BB-
	5	B+ and B-
	6	CCC+ and Below

#### l) Risk amount based on risk weight

Risk Weight	Risk Weight (*)							Deductions From Equity
	0%	10%	20%	50%	75%	100%	150%	
1. Exposures Before Credit Risk Mitigation	1.408.969	-	237.619	523.773	826	1.583.238	-	3.727
2. Exposures After Credit Risk Mitigation	1.417.458	-	229.916	523.773	826	1.582.453	-	3.727

(\*) The Bank does not have risk weighted balances neither 200% nor 1.250%

# Deutsche Bank Anonim Şirketi

## Notes to the Financial Statements at 31 December 2016

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

### m) Information according to sector and counterparty types

31 December 2016	Loans			Provisions
	Impaired	Past due	Value adjustments(*)	
<b>Agriculture</b>	-	-	-	-
Farming and raising livestock	-	-	-	-
Forestry	-	-	-	-
Fishing	-	-	-	-
<b>Manufacturing</b>	-	-	3.872	-
Mining	-	-	134	-
Production	-	-	2.610	-
Electric, gas and water	-	-	1.128	-
<b>Construction</b>	-	-	-	-
<b>Services</b>	-	-	5.286	-
Wholesale and retail trade	-	-	7	-
Hotel, food and beverage services	-	-	-	-
Transportation and telecommunication	-	-	467	-
Financial institutions	-	-	4.812	-
Real estate and renting services	-	-	-	-
Self-employment services	-	-	-	-
Education services	-	-	-	-
Health and social services	-	-	-	-
<b>Other</b>	-	-	238	-
<b>Total</b>	-	-	9.396	-

(\*) Represents general provisions.

31 December 2015	Loans			Provisions
	Impaired	Past due	Value adjustments(*)	
<b>Agriculture</b>	-	-	-	-
Farming and raising livestock	-	-	-	-
Forestry	-	-	-	-
Fishing	-	-	-	-
<b>Manufacturing</b>	-	-	7.890	-
Mining	-	-	2.312	-
Production	-	-	4.205	-
Electric, gas and water	-	-	1.373	-
<b>Construction</b>	-	-	45	-
<b>Services</b>	-	-	9.291	-
Wholesale and retail trade	-	-	3.503	-
Hotel, food and beverage services	-	-	-	-
Transportation and telecommunication	-	-	217	-
Financial institutions	-	-	5.366	-
Real estate and renting services	-	-	-	-
Self-employment services	-	-	-	-
Education services	-	-	-	-
Health and social services	-	-	205	-
<b>Other</b>	-	-	20	-
<b>Total</b>	-	-	17.246	-

(\*) Represents general provisions.

### n) Information about value adjustments and provisions

Impaired loans; are the credits that either overdue more than 90 days as of the reporting date or are treated as impaired due to their credibility. For such credits, "specific provisions" are allocated as per the Provisioning Regulation. The Bank does not have impaired loans as at the reporting date.

Past due loans; are the credits that overdue up to 90 days but not impaired. For such credits, "general provisions" are allocated as per the Provisioning Regulation. The Bank does not have past due loans as at the reporting date. The bank has no overdue credits. (31 December 2015: None)



## Deutsche Bank Anonim Şirketi

### Notes to the Financial Statements at 31 December 2016

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

	Opening balance	Provisions for the period	Provision reversals	Other adjustments	Closing balance
<b>31 December 2016</b>					
1. Specific provisions	-	-	-	-	-
2. General provisions	17.246	-	7.850	-	9.396
<b>31 December 2015</b>					
1. Specific provisions	-	-	-	-	-
2. General provisions	18.477	-	1.231	-	17.246

#### III. Explanation on currency risk

The Bank manages its foreign currency balance sheet by paying maximum attention to comply with the regulations of the public authorities and by selecting the most appropriate methods to the Bank's liquidity and profitability policies.

The position limit regarding the foreign currency risk is determined as parallel to the net foreign currency position standard rate. As of 31 December 2016, the Bank's net 'on balance sheet' foreign currency long position amounting to TL 148.631, net 'off-balance sheet' foreign currency long position amounting to TL 82.820, while this net foreign currency long position amounting to TL 58.811.

"Standard method", which is also used for the statutory reporting purposes, is used to measure the Bank's foreign currency risk.

The Bank's effective exchange rates on the date of 31 December 2016 and 2015 and for the last five working days of the period announced by the Bank in TL are as follows:

	26 December 2016	27 December 2016	28 December 2016	29 December 2016	30 December 2016
USD	3,5077	3,5041	3,5135	3,5326	3,5318
CHF	3,4116	3,4075	3,4090	3,4277	3,4393
GBP	4,2962	4,2963	4,3040	4,3231	4,3222
EUR	3,6647	3,6639	3,6711	3,6901	3,6939
	25 December 2015	28 December 2015	29 December 2015	30 December 2015	31 December 2015
USD	2,9187	2,9123	2,9157	2,9084	2,9076
CHF	2,9510	2,9424	2,9445	2,9368	2,9278
GBP	4,3414	4,3439	4,3417	4,3141	4,3007
EUR	3,1968	3,1904	3,2006	3,1921	3,1776

The arithmetical average of the Bank's main foreign currency purchase rates for the last 30 days before the balance sheet date are listed below:

Monthly average purchase rate	Current Period	Prior Period
USD	3,4810	2,9156
CHF	3,4084	2,9201
GBP	4,3432	4,3640
EUR	3,6755	3,1687

#### a) Exposure to foreign currency risk

10% percent depreciation of the TL against the following currencies as at 31 December 2016 and 31 December 2015 would have increased or decreased equity and profit or loss (excluding tax effects) by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

	Current Period Income Statement	Prior Period Equity (*)	Income Statement	Equity (*)
USD	6.164	6.164	1.856	1.856
EUR	(280)	(280)	1.991	1.991
Other foreign currencies	(3)	(3)	86	86
<b>Total, net</b>	<b>5.881</b>	<b>5.881</b>	<b>3.933</b>	<b>3.933</b>

(\*) Equity includes profit/loss effect.

# Deutsche Bank Anonim Şirketi

## Notes to the Financial Statements at 31 December 2016

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

### b) Information on currency risk of the Bank

Current Period	Euro	USD	Other FC	Total
<b>Assets</b>				
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques Purchased) and Balances with Central Bank of Turkey	200	292.529	-	292.729
Banks	193.682	111.139	1.124	305.945
Financial Assets at Fair Value Through Profit or Loss	-	-	-	-
Interbank Money Market Placements	-	-	-	-
Available-for-sale Financial Assets	-	-	-	-
Loans and Receivables (*)	445.848	304.439	-	750.287
Investments in Associates, Subsidiaries and Joint Ventures	-	-	-	-
Held-to-maturity Financial Assets	-	-	-	-
Derivative Financial Assets Held for Risk Management	-	-	-	-
Tangible Assets	-	-	-	-
Intangible Assets	-	-	-	-
Other Assets (***)	23.165	1.887	29	25.081
<b>Total Assets</b>	<b>662.895</b>	<b>709.994</b>	<b>1.153</b>	<b>1.374.042</b>
<b>Liabilities</b>				
Bank Deposits	4	353.209	-	353.213
Foreign Currency Deposits	80.964	47.491	664	129.119
Funds From Interbank Money Market	-	-	-	-
Funds Borrowed From Other Financial Institutions	683.425	35.754	-	719.179
Marketable Securities Issued	-	-	-	-
Miscellaneous Payables	1.489	936	506	2.931
Derivative Financial Liabilities Held for Risk Management	-	-	-	-
Other Liabilities (***)	20.717	237	15	20.969
<b>Total Liabilities</b>	<b>786.599</b>	<b>437.627</b>	<b>1.185</b>	<b>1.225.411</b>
<b>Net On-Balance Sheet Position</b>	<b>(123.704)</b>	<b>272.367</b>	<b>(32)</b>	<b>148.631</b>
<b>Net Off-Balance Sheet Position (**)</b>	<b>120.900</b>	<b>(210.726)</b>	<b>6</b>	<b>(89.820)</b>
Derivative Assets	346.207	446.117	21.435	813.759
Derivative Liabilities	225.307	656.843	21.429	903.579
Non-Cash Loans (****)	144.541	77.293	28.195	250.029
<b>Net Position</b>	<b>(2.804)</b>	<b>61.641</b>	<b>(26)</b>	<b>58.811</b>
<b>Prior Period</b>				
Total Asset	490.319	918.198	2.158	1.410.675
Total Liabilities	1.190.178	193.165	1.308	1.384.651
<b>Net On-Balance Sheet Position</b>	<b>(699.859)</b>	<b>725.033</b>	<b>850</b>	<b>26.024</b>
<b>Net Off-Balance Sheet Position</b>	<b>719.773</b>	<b>(706.471)</b>	<b>5</b>	<b>13.307</b>
Derivative Assets	789.665	252.925	23.652	1.066.242
Derivative Liabilities	69.892	959.396	23.647	1.052.935
Non-Cash Loans (****)	117.015	95.658	19.255	231.928
<b>Net Position</b>	<b>19.914</b>	<b>18.562</b>	<b>855</b>	<b>39.331</b>

(\*) The loans balances amounting to TL 226.232 includes the foreign exchange loans.

(\*\*) Indicates the net amount of derivative financial assets and liabilities. Spot foreign exchange buy and sell transactions shown under "Asset purchase commitments" in the financial statements are included in the "Net off-balance position". Derivative financial assets and liabilities include accruals amounting to TL 25.827 and TL 26.572, respectively.

(\*\*\*) Accruals from spot foreign exchange buy and sell transactions are not included in "Other Assets" and "Other Liabilities". Income and expense accruals from spot foreign exchange buy and sell transactions are TL 31 income and TL 62 expense accrual, respectively. Foreign currency prepaid expenses amounting to TL 1.824 is excluded from other assets.

(\*\*\*\*) There is no impact on net off-balance sheet position.

# Deutsche Bank Anonim Şirketi

## Notes to the Financial Statements at 31 December 2016

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

### IV. Explanations on Interest Rate Risk

The interest rate sensitivity of assets, liabilities and off-balance sheet items are evaluated quarterly at Asset-Liability Committee meetings.

The Bank's interest rate risk is measured by using the standard method. The Bank provides information to its main shareholder Deutsche Bank AG for their, Value at Risk (VAR), risk measurement methods and performs sensitivity analyses. Standard method measurements are performed monthly by using the maturity distribution.

At the time of the computations on daily basis sensitivity analysis, interest rate risk of FC and TL trading securities and available for sale financial assets as well as placements and forwards are measured in the Bank's portfolio.

#### 1. Interest rate sensitivity of assets, liabilities and off balance sheet items

(Based on repricing dates)

Current Period	Up to 1 Month	1-3 Month	3-12 Month	1-5 Years	5 Years and Over	Non- Interest Bearing	Total
<b>Assets</b>							
Cash and Balances with the Central Bank of Turkey	344.302	-	-	-	-	2.023	346.325
Banks	86.184	-	-	-	-	306.179	392.363
Financial Assets at Fair Value through Profit/Loss	25.017	320.822	305.950	332.125	162.863	25.827	1.172.604
Money Market Placements	-	-	-	-	-	-	-
Available-for-Sale Financial Assets	-	-	-	-	-	-	-
Loans and Receivables	515.917	431.792	451.144	-	-	-	1.398.853
Held-to-Maturity Financial Assets	-	-	-	-	-	-	-
Other Assets (*)	-	-	-	-	-	60.894	60.894
<b>Total Assets</b>	<b>971.420</b>	<b>752.614</b>	<b>757.094</b>	<b>332.125</b>	<b>162.863</b>	<b>394.923</b>	<b>3.371.039</b>
<b>Liabilities</b>							
Bank Deposits	353.655	-	-	-	-	238.661	592.316
Other Deposits	136.453	-	-	-	-	185.283	321.736
Money Market Funds	945.000	-	-	-	-	-	945.000
Miscellaneous Payable	-	-	-	-	-	4.656	4.656
Securities Issued	-	-	-	-	-	-	-
Funds Borrowed	35.754	887.425	-	-	-	-	923.179
Other Liabilities (**)	-	-	-	-	-	584.152	584.152
<b>Total Liabilities</b>	<b>1.470.862</b>	<b>887.425</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1.012.752</b>	<b>3.371.039</b>
<b>On Balance Sheet Long Position</b>	<b>-</b>	<b>-</b>	<b>757.094</b>	<b>332.125</b>	<b>162.863</b>	<b>-</b>	<b>1.252.082</b>
<b>On Balance Sheet Short Position</b>	<b>(499.442)</b>	<b>(134.811)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(617.829)</b>	<b>(1.252.082)</b>
Off-Balance Sheet Long Position	888.288	290.740	298.003	40.827	-	-	1.517.858
Off-Balance Sheet Short Position	889.177	290.677	297.924	40.800	-	-	1.518.578
<b>Off-Balance Sheet Open Interest Sensitive</b>	<b>(889)</b>	<b>63</b>	<b>79</b>	<b>27</b>	<b>-</b>	<b>-</b>	<b>(720)</b>
<b>Total Position</b>	<b>(500.331)</b>	<b>(134.748)</b>	<b>757.173</b>	<b>332.152</b>	<b>162.863</b>	<b>(617.829)</b>	<b>(720)</b>

(\*) Tangible assets amounting to TL 1.929, intangible assets amounting to TL 6.773, tax assets amounting to TL 4.659 and other assets amounting to TL 47.533 are presented in the other assets.

(\*\*) Equity amounting to TL 515.331, provisions amounting to TL 35.280, other liabilities amounting to TL 581, derivative instruments held for trading amounting to TL 26.572 and tax liabilities amounting to TL 6.388 are presented in the other liabilities.

## Deutsche Bank Anonim Şirketi

### Notes to the Financial Statements at 31 December 2016

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

Prior Period	Up to 1 Month	1-3 Month	3-12 Month	1-5 Years	5 Years and Over	Non- Interest Bearing	Total
<b>Assets</b>							
Cash and Balances with the Central Bank of Turkey	502.954	-	-	-	-	447	503.401
Banks	350.848	-	-	-	-	7.144	357.992
Financial Assets at Fair Value through Profit/Loss	99.535	26.386	20.240	187.864	11.145	10.926	356.096
Money Market Placements	-	-	-	-	-	-	-
Available-for-Sale Financial Assets	-	-	-	-	-	-	-
Loans and Receivables	804.647	130.755	778.764	29.129	-	-	1.743.295
Held-to-Maturity Financial Assets	-	-	-	-	-	-	-
Other Assets(*)	-	-	-	-	-	52.066	52.066
<b>Total Assets</b>	<b>1.757.984</b>	<b>157.141</b>	<b>799.004</b>	<b>216.993</b>	<b>11.145</b>	<b>70.583</b>	<b>3.012.850</b>
<b>Liabilities</b>							
Bank Deposits	-	-	-	-	-	130.747	130.747
Other Deposits	248.403	-	-	-	-	227.732	476.135
Money Market Funds	99.124	-	-	-	-	-	99.124
Miscellaneous Payable	-	-	-	-	-	9.021	9.021
Securities Issued	-	-	-	-	-	-	-
Funds Borrowed	230.684	1.295.123	197.438	-	-	-	1.723.245
Other Liabilities(**)	-	-	-	-	-	574.578	574.578
<b>Total Liabilities</b>	<b>578.211</b>	<b>1.295.123</b>	<b>197.438</b>	<b>-</b>	<b>-</b>	<b>942.078</b>	<b>3.012.850</b>
On Balance Sheet Long Position	1.179.773	-	601.566	216.993	11.145	-	2.009.477
On Balance Sheet Short Position	-	(1.137.982)	-	-	-	(871.495)	(2.009.477)
Off-Balance Sheet Long Position	912.079	57.333	430.618	-	-	-	1.400.030
Off-Balance Sheet Short Position	912.227	57.311	430.231	-	-	-	1.399.769
Off-Balance Sheet Open Interest Sensitive	(148)	22	387	-	-	-	261
<b>Total Position</b>	<b>1.179.625</b>	<b>(1.137.960)</b>	<b>601.953</b>	<b>216.993</b>	<b>11.145</b>	<b>(871.495)</b>	<b>261</b>

(\*)Tangible assets amounting to TL 2.216, intangible assets amounting to TL 13.445, and other assets amounting to TL 36.405 are presented in the other assets.

(\*\*)Equity amounting to TL 510.718, provisions amounting to TL 43.388, other liabilities amounting to TL 970, derivative instruments held for trading amounting to TL 10.504 and tax liabilities amounting to TL 8.998 are presented in the other liabilities.

#### 2. Average interest rates on monetary financial instruments

Current Period	EUR %	USD %	JPY%	TL %
<b>Assets</b>				
Cash and Balances with the Central Bank of Turkey	-	0,56	-	1,36
Banks	-	-	-	10,32
Financial Assets at Fair Value through Profit/Loss	-	-	-	11,53
Money Market Placements	-	-	-	-
Available-for-Sale Financial Assets (Net)	-	-	-	-
Loans and Receivables	2,12	3,12	-	10,83
Held-to-Maturity Financial Assets (Net)	-	-	-	-
<b>Liabilities</b>				
Bank Deposits	-	-	-	-
Other Deposits	-	0,35	-	7,75
Money Market Funds	-	-	-	8,50
Miscellaneous Payable	-	-	-	-
Securities Issued	-	-	-	-
Funds Borrowed from other Financial Institutions	0,06	1,36	-	8,00

# Deutsche Bank Anonim Şirketi

## Notes to the Financial Statements at 31 December 2016

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

Prior Period	EUR %	USD %	JPY%	TL %
<b>Assets</b>				
Cash and Balances with the Central Bank of Turkey	-	0,36	-	1,43
Banks	-	-	-	9,72
Financial Assets at Fair Value through Profit/Loss	-	-	-	10,62
Money Market Placements	-	-	-	-
Available-for-Sale Financial Assets (Net)	-	-	-	-
Loans and Receivables	2,05	2,29	-	12,25
Held-to-Maturity Financial Assets (Net)	-	-	-	-
<b>Liabilities</b>				
Bank Deposits	-	-	-	-
Other Deposits	-	0,10	-	9,59
Money Market Funds	-	-	-	7,50
Miscellaneous Payable	-	-	-	-
Securities Issued	-	-	-	-
Funds Borrowed from other Financial Institutions	0,19	1,03	-	10,57

### V. Explanation on the position risk of securities

None.

### VI. Explanations on liquidity risk management and liquidity coverage ratio

The general principles and related implementation methods with respect to liquidity and financial emergency procedures are determined within the scope of "Deutsche Bank Turkey Liquidity Policy".

The Bank calculates liquidity adequacy ratio and reports to BRSA on a weekly and monthly basis in accordance with the "Measurement and Assessment of Liquidity Adequacy of Banks" issued in the Official Gazette numbered 28948 and dated 21 March 2014. In 2016, the liquidity adequacy ratio of the Bank at least 50% asset denominated with foreign currency and at least 70% total asset and liabilities.

**The resources of the current liquidity risk; whether the necessary precautions have been taken, whether the Board of Directors sets limits on the funds available to meet the urgent liquidity requirements and to be able to pay borrowings when they become due**

Liquidity risk is managed by considering the main criteria such as (1) the expected cash flows at related time intervals, (2) the possibility and capacity of borrowing from the market, (3) the credit quality of the assets on the balance sheet.

In addition to the compliance with the legal limitations regarding the liquidity, the Bank monitors from the cash flow reports that there are matching borrowing opportunities with the cash out-flows within the same time interval.

The ultimate responsibility for liquidity risk management rests on the Bank's board of directors. The Bank's Asset and Liability Committee (ALCO) manages the liquidity adequacy and liquidity risk profile and control the executive committee. During the regular ALCO meetings, the liquidity position that forms the permanent agenda and liquidity risks are discussed. Liquidity risk management is a governance function to be tightly linked to the minimum obligation to report to any of the business units and a robust liquidity risk as well as risk management policy for the management of Basel. DB Group Treasury Department, a comprehensive and robust liquidity risk group and their level of participation of all concerned parties is the legal entity responsible for coordinating the management process. Moreover, the application serves as the central point of the function to the questions asked in the framework of WB's liquidity risk.

The Board of Directors is to ensure the Group's liquidity risk management strategy with determination and implementation of a business strategy and liquidity risk for the bank within a tight fit. ALCO reports ensures the transparency of local senior management level of liquidity risk issues. The Treasury Department and the General Manager, and all liquidity risk management of the banking regulatory agencies' responsibilities is to answer questions posed by the audit authority or other agencies authorized to discuss the issue with these institutions. All reports prepared for the regulatory agencies related to the Bank's internal risk management model is being prepared by the Liquidity Risk Control or Finance department. Regarding the public disclosure of information relating to liquidity risk, Deutsche Bank is subject to prior approval by the public lighting policies and guidelines.

## Deutsche Bank Anonim Şirketi

### Notes to the Financial Statements at 31 December 2016

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

The Treasury Department, the Bank's liquidity risk profile, the DB Group prepares policies that are needed to keep the Board of Directors to determine the risk tolerance level and to empowered to take measures. All business units comply with the liquidity risk limits and are required to comply with the Treasury's policies. Employees give them adequate training in the subject of liquidity risk; liquidity risk limits that affect their activities are responsible to inform the Treasury Department's measures.

ALCO; In accordance with the Bank's risk profile and risk appetite and capitalization requirements, it is responsible for the observance of the harmony between liquidity and funding needs. Capital is monitored by liquidity and funding profiles, and is monitored every three months to revise the legal limits and / or decide on measures to be taken in order to avoid violation of the Bank's internal limits. Group acts in accordance with the parameters set by the Capital and Risk Committee of the DB Group and manages local resources in line with the standards.

At the country level, the daily funding, liquidity and cash management, Treasury and Corporate Banking and Securities acting according to the parameters set by ALCO has been undertaken by Global Markets Unit. Continuous liquidity management is one of the issues discussed regularly in the ALCO meeting. In each ALCO meeting, limits in the use of the Bank is submitted to the committee for adaptation to changes in policy and liquidity risks. Another issue to be discussed among active subjects is changes to be made in the liability profile, if needed because of the stress test results / changes to be made in the liability profile, can take place by reviewing the evaluation of additional funding capacity and other potential sources of liquidity.

Deutsche Bank A.Ş., from the DB Group contains ordinary and funding lines which provide funding in stressful situations. Treasury conducts stress tests on a monthly basis at Group level; These tests - DB Group, with predetermined stress situation (market-wide, bank-specific or a combination of both) makes it possible to fulfil the responsibility for the Deutsche Bank provided to Turkey funding line. The process of this line is to ensure that a reliable funding source in each case is provided.

In liquidity stress testing, management of liquidity risk is one of the key tools used to assess the short-term liquidity position. In liquidity stress testing, the Bank determines some time to analyse the ability to withstand stress scenarios throughout the planned 8-week. To determine the future potential liquidity crunch such as adjusting limit of MCO; the size of the branch line between funding or limit is an important factor for determining appropriate countermeasures.

Analysis contains funding markets under stress, withdrawal of deposits, additional collateral obligations; it covers all local liquidity of the relevant factors, such as funding requirements arising from off balance sheet commitments and evaluates the balance capacity against the intra-group funding line. First, it is based on specific parameters of the DB Group, it ensures that local characteristics are reflected in the re-adjusted and is necessary and appropriate for Deutsche Bank Turkey. Liquidity stress test assumptions are reviewed on an annual basis. Liquidity stress test analysis is performed on a monthly basis by the Risk Management and Audit Committee and are submitted there; except they're submitted to ALCO every three months and are negotiated.

Deutsche Bank Group, in the event of a market-related stress or DB, in order to ensure the ability to continue its operations; the Treasury Department and all banks have the responsibility of creating emergency wide funding plans. It is said that emergency procedures will be applied in the case of liquidity stress.

Overall, the Bank's business model adapts to the market and the structural changes occurring on average on funding conditions has the flexibility to adapt over a period of eight weeks. This section includes a description of the measures to be implemented in the event of stress tactics.

In the case of stress situation exceeding eight weeks, the reduction of the balance sheet can be funded by additional strategic measures such as increasing the stable funding sources as much as possible. Such a situation is likely to affect the Bank as a whole and the initiatives will be taken by the Global Liquidity Management Committee.

## Deutsche Bank Anonim Şirketi

### Notes to the Financial Statements at 31 December 2016

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

Current Period	Total Unweighted Value (average) (*)		Total Weighted Value (average) (*)	
	TL+FC	FC	TL+FC	FC
<b>High Quality Liquid Assets</b>				
High Quality Liquid Assets			1.511.949	251.349
<b>Cash Outflows</b>				
Retail and Small Business Customers, of which;	29.668	14.507	2.967	1.451
Stable Deposits	-	-	-	-
Less Stable Deposits	29.668	14.507	2.967	1.451
Unsecured wholesale funding , of which;	1.994.065	716.344	1.609.573	611.289
Operational Deposits	241.587	4	60.397	1
Non-operational Deposits	658.507	410.124	455.205	305.073
Other Unsecured Funding	1.093.971	306.216	1.093.971	306.215
Secured Funding			-	-
Other cash outflows, of which;	1.270.851	738.658	1.114.177	738.658
Derivatives cash outflow and liquidity needs related to market	1.009.726	738.658	1.009.726	738.658
valuation changes on derivatives or other transactions	-	-	-	-
Obligations related to structured financial products	261.125	-	104.451	-
Commitments related to debts to financial markets and other off-balance sheet obligations	4.519	2.386	4.519	2.385
Other revocable off-balance sheet commitments and contractual obligations.	352.646	-	185.090	-
<b>Total Cash outflows</b>			<b>2.916.324</b>	<b>1.353.783</b>
<b>Cash Inflows</b>				
Secured Lending	7.623	7.623	7.623	7.623
Unsecured Lending	587.269	130.831	587.269	130.831
Other Cash Inflows	1.010.491	840.356	1.010.492	840.356
<b>Total Cash Inflows</b>	<b>1.605.383</b>	<b>978.810</b>	<b>1.605.384</b>	<b>978.810</b>
			<b>Max limit applied values</b>	
Total HQLA Stock			1.511.949	251.349
Total Net Cash Outflows			1.310.941	410.917
Liquidity Coverage Ratio(%)			115,33	61,17

(\*) Simple arithmetic average calculated for the last three months of values calculated by taking the simple arithmetic average was used for calculating the average in last days of the related last three months.

## Deutsche Bank Anonim Şirketi

### Notes to the Financial Statements at 31 December 2016

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

Prior Period	Total Unweighted Value (average) (*)		Total Weighted Value (average) (*)	
	TL+FC	FC	TL+FC	FC
<b>High Quality Liquid Assets</b>				
High Quality Liquid Assets			740.793	249.195
<b>Cash Outflows</b>				
Retail and Small Business Customers, of which;	24.355	11.328	2.435	1.133
Stable Deposits	-	-	-	-
Less Stable Deposits	24.355	11.328	2.435	1.133
Unsecured wholesale funding , of which;	1.254.826	619.895	904.048	533.882
Operational Deposits	209.648	1.255	52.412	314
Non-operational Deposits	632.048	326.706	438.506	241.634
Other Unsecured Funding	413.130	291.934	413.130	291.934
Secured Funding			-	-
Other cash outflows, of which;	1.391.543	740.019	1.189.531	740.019
Derivatives cash outflow and liquidity needs related to market valuation changes on derivatives or other transactions	1.054.858	740.019	1.054.858	740.019
Obligations related to structured financial products	336.685	-	134.673	-
Commitments related to debts to financial markets and other off- balance sheet obligations	91.901	69.474	4.595	3.474
Other revocable off-balance sheet commitments and contractual obligations.	609.835	-	185.232	-
<b>Total Cash outflows</b>			<b>2.285.841</b>	<b>1.278.508</b>
<b>Cash Inflows</b>				
Secured Lending	7.549	7.549	7.549	7.549
Unsecured Lending	553.608	62.591	553.608	62.591
Other Cash Inflows	1.055.169	840.494	1.055.169	840.494
<b>Total Cash Inflows</b>	<b>1.616.326</b>	<b>910.634</b>	<b>1.616.326</b>	<b>910.634</b>
			<b>Max limit applied values</b>	
<b>Total HQLA Stock</b>			740.793	249.195
<b>Total Net Cash Outflows</b>			755.250	400.717
<b>Liquidity Coverage Ratio(%)</b>			98,09	62,19

(\*) Simple arithmetic average calculated for the last three months of values calculated by taking the simple arithmetic average was used for calculating the average in last days of the related last three months.

To meet net cash outflows that may occur in the short term in the banks and to ensure that they have presence of the stock of high quality liquid levels aka "liquidity coverage ratio"; published by "Regulations on the Banks' Liquidity Coverage Ratio Calculator" is calculated in such context. Concerning the level of rates, they can be turned into cash at any time by the Bank and the Bank's assets. Concerning the level of liquid assets that are not subject to any guarantees, liabilities and balance sheet arising from foreign operations are directly affected by the likely net cash inflows and outflows.

There are periodic increases in the liquidity coverage ratio in the weeks when foreign currency reserve options are used in the CBRT reserve requirement accounts, when there are high consistency balances in the bank accounts or when the repo transaction volumes are decreased. On the other hand, there may be fluctuations in the liquidity coverage ratio in the weeks when the share of institutional and bank-originated funds in funding sources increases and long-term foreign funds enter a one month maturity window. The liquidity coverage ratio of the Bank has increased in the Turkish currency in 2016 compared to the year 2015 due to the increase in the cash inflows and it has been observed in the Foreign Currency at the same level as the year 2015

The Bank's stock of high quality liquid assets; as well as the accounts of the Central Bank of Turkey, issued by the Republic of Turkey Treasury and repurchase agreements have not been subject to collateral, it consists of bonds. The main funding source of the Bank consists of loans and deposits received.

The swap transactions are mostly conducted under interest rate risk and foreign currency risk of the forward transactions since these items hold the most important place in the derivatives used as hedging.

The Bank's high quality liquid assets mainly comprise of CBRT accounts by 19 % and securities issued by Treasury of Republic of Turkey by 80%. Funding sources are mainly distributed derivative liabilities by 46% and borrowings from banks by 45%



# Deutsche Bank Anonim Şirketi

## Notes to the Financial Statements at 31 December 2016

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

### 1. The matching of the payments, assets and liabilities and the interest rates, and the possible impact of the current mismatch on the profitability of the Bank

The Bank's assets and liabilities carry positive interest earnings. Whether government debt securities which are classified in trading securities are most liquid securities that are liquidated in changes in market conditions.

### 2. Internal and external resources that meets the short and long term liquidity needs of the Bank and unutilised significant liquidity resources

The Bank monitors that the maturity matching of the assets and liabilities are kept. The Bank keeps sufficient liquid assets to meet liquidity needs caused by the fluctuations in the market.

Beginning from 1 January 2015, the Bank calculates liquidity adequacy ratio and reports to BRSA on a weekly and monthly basis in accordance with the "Measurement and Assessment of Liquidity Adequacy of Banks" issued in the Official Gazette numbered 28948 and dated 21 March 2014. The liquidity adequacy ratio of the Bank should be at least 50% asset denominated with foreign currency and should be at least 70% total asset and liabilities as for 2016.

The liquidity ratios as of 31 December 2016 and 31 December 2015 are as follows:

	Current Period		Prior Period	
	FC	FC + TL	FC	FC + TL
<b>Min.</b>	%53,96	%94,75	%41,12	%65,28
<b>Week</b>	7 October 2016	9 December 2016	23 October 2015	30 October 2015
<b>Min.</b>	%84,68	%149,68	%104,07	%157,66
<b>Week</b>	28 October 2016	7 October 2016	25 December 2016	27 November 2016

### 3. The assessment of the amounts and resources of the Bank's cash flows

As explained above, the Bank has sufficient cash and cash inflows in order to be able to timely meet the cash outflows. Maturity analysis of residual values of contractual financial liabilities:

Current period	Carrying Value	Gross		Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over
		Nominal Outflow	Demand					
Bank Deposits	592.316	592.288	238.661	353.712	-	-	-	-
Other Deposits	321.736	321.752	185.283	136.469	-	-	-	-
Funds Borrowed from other Financial Institutions	923.179	924.733	-	35.757	888.976	-	-	-
Interbank Money								
Market Funds	945.000	945.446	-	945.446	-	-	-	-
Miscellaneous Payables	4.654	4.654	4.654	-	-	-	-	-
<b>Total</b>	<b>2.786.885</b>	<b>2.788.958</b>	<b>428.598</b>	<b>525.856</b>	<b>888.898</b>	<b>-</b>	<b>-</b>	<b>-</b>
Prior period	Carrying Value	Gross		Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over
		Nominal Outflow	Demand					
Bank Deposits	130.747	130.747	130.747	-	-	-	-	-
Other Deposits	476.135	476.312	227.732	248.580	-	-	-	-
Funds Borrowed from other Financial Institutions	1.723.245	1.733.652	-	230.698	1.302.058	200.896	-	-
Interbank Money Market Funds	99.124	99.125	-	99.125	-	-	-	-
Miscellaneous Payables	9.021	9.021	9.021	-	-	-	-	-
<b>Total</b>	<b>2.438.272</b>	<b>2.448.857</b>	<b>367.500</b>	<b>578.403</b>	<b>1.302.058</b>	<b>200.896</b>	<b>-</b>	<b>-</b>

The above table shows the undiscounted estimated cash outflows of the financial liabilities in accordance with their contracts.

# Deutsche Bank Anonim Şirketi

## Notes to the Financial Statements at 31 December 2016

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

### 4. Maturity analysis of assets and liabilities according to remaining maturities

Current period	Demand	Up to 1 Months	1-3 Months	3-12 Months	1-5 Years	Years5 and Over	Unallocated	Total
<b>Assets</b>								
Cash and Balances with the Central Bank of Turkey	54.105	292.220	-	-	-	-	-	346.325
Banks	306.179	86.184	-	-	-	-	-	392.363
Financial Assets At Fair Value								
Through Profit or Loss	-	5.453	3.754	16.572	910.263	236.562	-	1.172.604
Interbank Money Market Placements	-	-	-	-	-	-	-	-
Available-for-Sale Financial Assets	-	-	-	-	-	-	-	-
Loans and Receivables	-	515.917	431.792	451.144	-	-	-	1.398.853
Held-to-Maturity Financial Assets	-	-	-	-	-	-	-	-
Other Assets (*)	-	2.450	1.573	22.650	-	-	34.221	60.894
<b>Total Assets</b>	<b>360.284</b>	<b>902.224</b>	<b>437.119</b>	<b>490.366</b>	<b>910.263</b>	<b>236.562</b>	<b>34.221</b>	<b>3.371.039</b>
<b>Liabilities</b>								
Bank Deposits	238.661	353.655	-	-	-	-	-	592.316
Other Deposits	185.283	136.453	-	-	-	-	-	321.736
Funds Borrowed from other								
Financial Institutions	-	35.754	887.425	-	-	-	-	923.179
Interbank Money Market Funds	-	945.000	-	-	-	-	-	945.000
Miscellaneous Payables	4.656	-	-	-	-	-	-	4.656
Other Liabilities (**)	18.263	13.343	3.815	33.035	365	-	515.331	584.152
<b>Total Liabilities</b>	<b>446.863</b>	<b>1.484.205</b>	<b>891.240</b>	<b>33.035</b>	<b>365</b>	<b>-</b>	<b>515.331</b>	<b>3.371.039</b>
<b>Liquidity Gap / Surplus</b>	<b>(86.579)</b>	<b>(581.981)</b>	<b>(454.121)</b>	<b>457.331</b>	<b>909.898</b>	<b>236.562</b>	<b>(481.110)</b>	<b>-</b>
<b>Net Off Balance Sheet Position</b>								
Derivative Financial Assets	-	888.288	290.740	298.003	40.827	-	-	1.517.858
Derivative Financial Liabilities	-	889.177	290.677	297.924	40.800	-	-	1.518.578
Non-Cash Loans	-	13.594	36.440	54.645	129.284	81.611	-	315.574
<b>Prior Period</b>								
Total Assets	27.626	1.743.731	135.183	819.464	241.417	19.486	25.583	3.012.850
Total Liabilities	405.317	587.613	1.296.260	212.942	-	-	510.718	3.012.850
<b>Liquidity (Gap) / Surplus</b>	<b>(490.492)</b>	<b>563.848</b>	<b>(237.674)</b>	<b>121.422</b>	<b>445.688</b>	<b>29.669</b>	<b>(485.135)</b>	<b>-</b>
<b>Net Off Balance Sheet Position</b>								
Derivative Financial Assets	-	912.079	57.333	430.618	-	-	-	1.400.030
Derivative Financial Liabilities	-	912.227	57.311	430.231	-	-	-	1.399.769
Non-Cash Loans	-	10.732	11.831	107.762	78.846	64.463	-	273.634

(\*) Tangible assets amounting to TL 1.929, intangible assets amounting to TL 6.773, tax assets TL 4.659 and other assets amounting to TL 47.532 are presented in the other assets.

(\*\*) Equity amounting to TL 515.331, provisions amounting to TL 35.280, other liabilities amounting to TL 581, derivative instruments held for trading amounting to TL 26.572 and tax liabilities amounting to TL 6.388 are presented in the other liabilities.

## Deutsche Bank Anonim Şirketi

### Notes to the Financial Statements at 31 December 2016

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

#### 5. Contractual maturity analysis of the Bank's derivative instruments

31 December 2016	Up to 1 month	1-3 months	3-12 months	1-5 years	5 years and over	Total
<b>Derivative instruments held for trading</b>						
Foreign exchange derivatives:	1.692.386	581.418	595.926	81.628	-	2.951.357
- Inflow	845.764	290.741	298.002	40.828	-	1.475.335
- Outflow (-)	846.621	290.677	297.924	40.800	-	1.476.022
Interest rate derivatives:	-	-	-	-	-	-
- Inflow	-	-	-	-	-	-
- Outflow (-)	-	-	-	-	-	-
<b>Derivative instruments held for risk management</b>						
Foreign exchange derivatives:	-	-	-	-	-	-
- Inflow	-	-	-	-	-	-
- Outflow (-)	-	-	-	-	-	-
Interest rate derivatives:	-	-	-	-	-	-
- Inflow	-	-	-	-	-	-
- Outflow (-)	-	-	-	-	-	-
<b>Total cash inflow</b>	<b>845.764</b>	<b>290.741</b>	<b>298.002</b>	<b>40.828</b>	<b>-</b>	<b>1.475.335</b>
<b>Total cash outflow</b>	<b>846.621</b>	<b>290.677</b>	<b>297.924</b>	<b>40.800</b>	<b>-</b>	<b>1.476.022</b>
31 December 2015	Up to 1 month	1-3 months	3-12 months	1-5 years	5 years and over	Total
<b>Derivative instruments held for trading</b>						
Foreign exchange derivatives:	1.696.085	114.644	860.849	-	-	2.671.578
- Inflow	848.031	57.333	430.618	-	-	1.335.982
- Outflow (-)	848.054	57.311	430.231	-	-	1.335.596
Interest rate derivatives:	-	-	-	-	-	-
- Inflow	-	-	-	-	-	-
- Outflow (-)	-	-	-	-	-	-
<b>Derivative instruments held for risk management</b>						
Foreign exchange derivatives:	-	-	-	-	-	-
- Inflow	-	-	-	-	-	-
- Outflow (-)	-	-	-	-	-	-
Interest rate derivatives:	-	-	-	-	-	-
- Inflow	-	-	-	-	-	-
- Outflow (-)	-	-	-	-	-	-
<b>Total cash inflow</b>	<b>848.031</b>	<b>57.333</b>	<b>430.618</b>	<b>-</b>	<b>-</b>	<b>1.335.982</b>
<b>Total cash outflow</b>	<b>848.054</b>	<b>57.311</b>	<b>430.231</b>	<b>-</b>	<b>-</b>	<b>1.335.596</b>

# Deutsche Bank Anonim Şirketi

## Notes to the Financial Statements at 31 December 2016

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

### VII. Explanations on Leverage Ratio

The capital leverage ratio increased due to a decrease on off-balance sheet transactions.

#### On-Balance Sheet Items

	Current Period(*)	Prior Period(*)
On-balance sheet items (excluding derivatives and SFTs, but including collateral) (Assets that are deducted from core capital)	3.496.547 (6.590)	3.081.438 (11.975)
Total on balance sheet exposures ( Sum of 1st and 2nd rows)	3.489.957	3.069.463
<b>Derivative exposures and credit derivatives</b>		
Replacement cost associated with derivative financial instruments and credit derivatives	10.407	15.824
The potential amount of credit risk with derivative financial instruments and credit derivatives	34.854	15.280
The total amount of risk on derivative financial instruments and credit derivatives (Sum of 4th and 5th rows)	45.261	31.104
<b>Investment securities or commodity collateral financing transactions</b>		
The amount of risk investment securities or commodity collateral financing transactions (Excluding on balance sheet items)	-	-
Risk amount of exchange brokerage operations	-	-
Total risks related with securities or commodity financing transactions (Sum of 7th and 8th rows)	-	-
<b>Off -Balance Sheet Items</b>		
Gross notional amount of off-balance sheet items	1.357.604	2.020.916
Adjustments for conversion to credit equivalent amounts	-	-
The total risk of off-balance sheet items (Sum of 10th and 11th rows)	1.357.604	2.020.916
<b>Capital and Total Exposures</b>		
Tier 1 Capital	506.188	498.722
Total Exposures (sum of 3th, 6th,9th and 12nd rows)	4.892.822	5.121.483
<b>Leverage Ratio</b>		
Leverage Ratio	10,37	9,84

(\*) Three months average values.

### VIII. Explanations regarding the presentation of financial assets and liabilities at their fair values

It has been assumed that fair value of financial assets and liabilities at the Bank's financial statement which have not been presented by fair value approximates their carrying value due to short-term maturity structure.

IFRS 7, Financial instruments: Disclosures requires the classification of fair value measurements into a fair value hierarchy by reference to the observability and significance of the inputs used in measuring fair value of financial instruments measured at fair value to be closed. This classification basically relies on whether the relevant inputs are observable or not. This distinction brings about a fair value measurement classification generally as follows:

- Level 1: Fair value measurements using quoted prices (unadjusted) in active markets for identical assets of liabilities;
- Level 2: Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).
- Level 3: Fair value measurements using inputs for the assets or liability that are not based on observable market data (unobservable inputs).

# Deutsche Bank Anonim Şirketi

## Notes to the Financial Statements at 31 December 2016

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

This classification of fair value measurements of financial assets and liabilities measured at fair value is as follows:

31 December 2016	Level 1	Level 2	Level 3	Total
Financial Assets at Fair Value Through Profit or Loss	1.146.777	25.827	-	1.172.604
Government Debt Securities	1.146.777	-	-	1.146.777
Share Certificates	-	-	-	-
Derivative Financial Assets Held for Trading	-	25.827	-	25.827
Other Securities	-	-	-	-
Available for Sale Financial Assets	-	-	-	-
Government Debt Securities	-	-	-	-
Other Securities	-	-	-	-
Derivative Financial Assets Held for Risk Management	-	-	-	-
<b>Total Assets</b>	<b>1.146.777</b>	<b>25.827</b>	<b>-</b>	<b>1.172.604</b>
Derivative Financial Liabilities Held for Trading	-	26.572	-	26.572
Derivative Financial Liabilities Held for Risk Management	-	-	-	-
<b>Total Liabilities</b>	<b>-</b>	<b>26.572</b>	<b>-</b>	<b>26.572</b>
<b>31 December 2015</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Financial Assets at Fair Value Through Profit or Loss	345.170	10.926	-	356.096
Government Debt Securities	345.170	-	-	345.170
Share Certificates	-	-	-	-
Derivative Financial Assets Held for Trading	-	10.926	-	10.926
Other Securities	-	-	-	-
Available for Sale Financial Assets	-	-	-	-
Government Debt Securities	-	-	-	-
Other Securities	-	-	-	-
Derivative Financial Assets Held for Risk Management	-	-	-	-
<b>Total Assets</b>	<b>345.170</b>	<b>10.926</b>	<b>-</b>	<b>356.096</b>
Derivative Financial Liabilities Held for Trading	-	10.504	-	10.504
Derivative Financial Liabilities Held for Risk Management	-	-	-	-
<b>Total Liabilities</b>	<b>-</b>	<b>10.504</b>	<b>-</b>	<b>10.504</b>

### IX. Explanation regarding the activities carried out on behalf and account of other parties based on trust

#### 1. Purchasing, selling, custody, management and advisory services which are carried out by the Bank on behalf of customers

The Bank provides security custody and advisory services to its customers.

#### 2. Whether operations with financial institutions and financial services in the context of transaction agreements held in trust effect the financial situation of the Bank significantly

The Bank is not involved in trust activities.

### X. Explanations on risk management

Notes and explanations in this section have been prepared in accordance with the Communiqué on Disclosures about Risk Management to Be Announced to Public by Banks that have been published in Official Gazette no. 29511 on 23 October 2015 and became effective as of 31 March 2016. Due to usage of standard approach for the calculation of capital adequacy ratio by the Bank, tables, which have to be prepared within the scope of internal rating-based (IRB) approach, are not presented.

# Deutsche Bank Anonim Şirketi

## Notes to the Financial Statements at 31 December 2016

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

### a. Explanations on Risk Management and Risk Weighted Amount

#### 1. The Bank's risk management approach

Bank's Risk management system is assessed as a critical process which includes all units starting from the Board of Directors level. General strategies regarding Bank's risk management are given below:

1. Identification of risks,
2. Measuring the risks,,
3. Monitoring of risks,
4. The control and reporting of risks

The basic risk managements that should be evaluated first in our bank are defined below.

1. Credit Risk Management
2. Markets Risk Management (Liquidity, Currency and Interest Risk)
3. Operational Risk Management

The Risk Management Unit is responsible for managing these risks. Risk management is based on risk policy principles. In the determination of risk management policy and implementation procedures, strategies, policies and implementation procedures related to the activities of the Bank, volume, quality and complexity of activities, risk strategy and risk level, risk monitoring and managing capacity, past experience and performance, The level of expertise in the respective fields and the obligations laid down in its law and other relevant legislation. It is imperative that the policy and implementation procedures of the management of the bank comply with the changing circumstances. The Board of Directors or the relevant Internal Systems Officer periodically evaluates the adequacy of these and makes any necessary changes. The Bank sets written limits for quantifiable risks such as credit risk, market risk, interest rate risk and liquidity risk arising from its activities and these limits are approved by the Board of Directors. The risk limits are determined together with the relevant senior management, including the relevant internal systems officer, the risk management unit manager and the bank general manager. The Board of Directors passes the authority to open credits to the Credit Committee or to the General Manager in line with the principles set out in the Bank's Credit policies and procedures. Risk Management, with its daily limit overrun risk report, And regularly reports to the Executive Management and the Board of Directors. Measures the impact of the change in the bank's risk factor on revenues and expenses. The Bank conducts periodic stress tests and scenario analyses to assess the impact of unexpected market conditions on core business activities. When necessary, the results of scenario analysis and stress tests are reflected in policies and limits.

# Deutsche Bank Anonim Şirketi

## Notes to the Financial Statements at 31 December 2016

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

### 2. General Information on Risk Management and Risk Weighted Amount

	Risk Weighted Amount		Minimum capital requirement
	Current Period	Prior Period	Current Period
1 Credit risk (excluding counterparty credit risk)	1.882.404	2.029.154	150.592
2 Standardised approach	1.882.404	2.029.154	150.592
3 Internal rating-based approach	-	-	-
4 Counterparty credit risk	8.538	5.476	683
5 Standardised approach for counterparty credit risk	8.538	5.476	683
6 Internal model method	-	-	-
7 Basic risk weight approach to internal models equity position in the banking account	-	-	-
8 Investments made in collective investment companies – look-through approach	-	-	-
9 Investments made in collective investment companies – mandate-based approach	-	-	-
10 Investments made in collective investment companies - 1250% weighted risk approach	-	-	-
11 Settlement risk	-	-	-
12 Securitization positions in banking accounts	-	-	-
13 IRB ratings-based approach	-	-	-
14 IRB Supervisory Formula Approach	-	-	-
15 SA/simplified supervisory formula approach	-	-	-
16 Market risk	212.443	138.956	16.995
17 Standardised approach	212.443	138.956	16.995
18 Internal model approaches	-	-	-
19 Operational risk	297.842	320.004	23.827
20 Basic Indicator Approach	297.842	320.004	23.827
21 Standard Approach	-	-	-
22 Advanced measurement approach	-	-	-
23 The amount of the discount threshold under the equity (subject to a 250% risk weight)	-	-	-
24 Floor adjustment	-	-	-
<b>25 Total (1+4+7+8+9+10+11+12+16+19+23+24)</b>	<b>2.401.227</b>	<b>2.493.590</b>	<b>192.097</b>

# Deutsche Bank Anonim Şirketi

## Notes to the Financial Statements at 31 December 2016

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

### b. Connections between Financial Statements and Risk Amounts

#### 1. Main sources of differences between risk amounts and amounts in financial statements which are evaluated in accordance with TAS

	a	b	c	d	e	f	g
	Carrying values of items in accordance with Turkish Accounting Standards						Not subject to capital requirements or subject to deduction from capital
	Carrying values in financial statements prepared as per TAS	Amount assessed in accordance with TAS under regulatory consolidation	Credit Risk	Counterparty credit risk	Securitization positions	Market Risk	
<b>Assets</b>							
Cash and Balances with the Central Bank	345.325	345.325	345.325				
Available-for-Sale Financial Assets	-	-	-				
Financial assets at fair value through profit and loss	1.172.604	1.172.604	1.146.777	25.827		1.146.777	
Banks	392.363	392.363	392.363				
Receivables from Money markets	-	-	-				
Financial assets available for sale (net)	-	-	-				
Loans and receivables	1.198.853	1.398.853	1.398.853				
Receivables from factoring	-	-	-				
Investments held to maturity (net)	-	-	-				
Subsidiaries (net)	-	-	-				
Associates (net)	-	-	-				
Jointly controlled entities (joint ventures) (net)	-	-	-				
Finance lease receivables	-	-	-				
Derivative financial liabilities held for risk management	-	-	-				74
Tangible Assets (net)	1.929	1.929	1.855				6.773
Intangible Assets (net)	6.773	6.773	-				-
Real estate for investment purpose (net)	-	-	-				-
Tax asset	4.659	4.659	5.344				685.000
Assets Held For Sale and Discontinued Operations (net)	-	-	-				-
Other assets	47.533	47.532	47.532				-
<b>Total Assets</b>	<b>3.371.039</b>	<b>3.371.038</b>	<b>3.339.049</b>	<b>25.827</b>	<b>-</b>	<b>1.146.777</b>	<b>7.532</b>
<b>Liabilities</b>							
Deposits	914.052	914.052	-				914.052
Derivative financial liabilities held for trading	26.572	26.572	-	26.572			26.572
Loans	923.179	923.179	-				923.179
Money market borrowings	945.000	945.000	-				945.000
Securities issued	-	-	-				-
Funds	-	-	-				-
Miscellaneous payables	4.656	4.656	-				4.656
Other liabilities	581	581	-				581
Factoring payables	-	-	-				-
Finance lease payables	-	-	-				-
Derivative financial liabilities held for risk management	-	-	-				-
Provisions	35.280	35.280	-				35.280
Tax Liability	6.388	6.388	-				6.388
Liabilities regarding assets held for sale and discontinued operations (net)	-	-	-				-
Subordinated Loans	-	-	-				-
Shareholders' equity	515.331	515.331	-				515.331
<b>Total liabilities</b>	<b>3.371.039</b>	<b>3.371.039</b>	<b>-</b>	<b>26.572</b>	<b>-</b>	<b>-</b>	<b>3.371.039</b>



# Deutsche Bank Anonim Şirketi

## Notes to the Financial Statements at 31 December 2016

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

### 2. Main sources of differences between risk amounts and amounts in financial statements which are evaluated in accordance with TAS

	a	b	c	d	e
	Total	Credit risk	Securitization positions	Counterparty credit risk	Market Risk(*)
1 Asset carrying value amount under scope of TAS	3.364.876	3.339.049	-	25.827	1.146.777
2 Liabilities carrying value amount under TAS	-	-	-	-	-
3 Total net amount under regulatory	3.364.876	3.339.049	-	25.827	1.146.777
4 Off-balance Sheet Amounts	1.384.947	392.441	-	-	-
5 Differences in valuations	-	-	-	-	-
6 Differences due to different netting rules, other than those already included in row 2	-	-	-	-	-
7 Differences due to consideration of provisions	-	-	-	-	(934.334)
8 Differences due to prudential filters	-	-	-	(17.829)	-
9 Differences due to risk mitigation	-	22.935	-	-	-
10 Risk exposure	4.749.823	3.754.425	-	8.538	212.443

(\*) According to the "Regulation on Measurement and Assessment of Capital Adequacy of Banks", risk amounts include the financial instruments included in trading accounts and market risk arising from the calculated capital requirement for currency risk

### c. Explanations on credit risk

#### 1. General Qualitative Information Related to Credit Risk

##### a) Scope of accounting and legal consolidation:

There is no difference between the Bank's accounting and legal consolidation scope.

##### b) Differences between the amounts in accordance with TAS and the risk amounts:

The differences between the amounts in accordance with TAS and the amounts after post-risk reduction in the transactions subject to counterparty credit risk stem from the addition of the potential risk amounts to the renewal costs of the derivative transactions subject to CCR and the volatility adjustments for repo / reverse repo transactions .

The fair values of marketable securities subject to TAS are fair value of trading financial instruments. On the other hand, the amount in the risk amount line represents the amount of the market risk based on the calculated capital requirement for the losses that the market risk can be caused by factors such as interest rate risk, stock price risk and currency rate risk in accordance with the "Regulation on Measurement and Assessment of Capital Adequacy of Banks".

c) Explanations on the systems and controls used to ensure the prudence and reliability of the Bank's valuation estimates in accordance with the prudent valuation principles and principles in Appendix 3 appended to the Regulation on the Measurement and Assessment of Banks' Capital Adequacy:

If financial instruments that are accounted for at fair value are traded in an active market, valuation based on market price is made. The fair value of the market price used in valuation is confirmed periodically. Fair valuation of financial instruments that do not have an active market is made in accordance with TAS 39.

Credits Principles on risk management constitute part of the Bank's containment risk principles:

- Risk is taken within the framework of a defined risk appetite.
- Any risks that you may receive must be approved within the risk management framework.
- The receivable must be compensated appropriately
- Risk should be monitored continuously and regularly reported.

A strong culture of risk management helps strengthen the Bank's resistance.

# Deutsche Bank Anonim Şirketi

## Notes to the Financial Statements at 31 December 2016

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

Credit risk arises from any counterparty, borrower or obligor (all of them collectively named "counterparty"), every transaction in which a contingent or probable receipt occurs. Similar to the classification of the DB Group, the Bank recognizes three types of credit risk: counterparty risk, country risk and exchange risk. The Bank manages its credit risk through local policies and procedures prepared in line with the Group's policy and rules.

Before accepting the credit risk, the basic principle of credit risk management is to examine the customers. In accordance with the principle of "recognition of the customer", prudent customer selection is achieved in cooperation with the business units that see the first line of defense on behalf of the Bank.

The Bank may designate a portfolio risk appetite for specific business segments, industries, countries, certain products, or individual counterparties to provide diversification, avoid concentration, and obtain a marketable portfolio. When determining the risk appetite and risk limits, the Board of Directors also takes into account the "Country and Sector Concentration Risks".

The Risk Management Unit is independent of business units. The DB Group's credit policies are accordingly developed and the Risk Management Department is responsible for ensuring that these policies are maintained in accordance with the Bank's business. The Risk Management Department is responsible for the ongoing monitoring of credit risks, based on predetermined credit strategies. Credit strategies are coordinated with the management staff to ensure coordinated business and risk strategies are created.

All new credit risks in the bank should be approved according to the information of those who have the necessary credit authority according to the principle of "single debtor". All credit risk decisions related to the Bank are subject to the Bank's credit authority's approval. The bank aggregates and combines all the risk measures of the same borrower ("one borrower principle"). At the legal personality level, the ultimate responsibility for managing credit risk limits belongs to the Board of Directors. All current credit limits and risks are monitored at least once every three months in a manner consistent with the Risk and Capital Report.

In the Bank, the Board of Directors may use the methods of mitigating credit risk as mentioned in section 5.

Credit risk is avoided in our strategy without any intensive concentration in our portfolio. Significant concentration in credit risk is the risk that the Bank has entered into significant risks due to certain counterparties with similar economic characteristics or similar activities and that these similarities between the counterparties are not due to the contractual obligations arising from contracts of these parties in the economic or industrial circumstances if they are likely to affect the ability to fulfil their obligations in the same way. Concentration of credit risk may also exist at a single counterparty level.

Internal Auditing "IA" provides stakeholders with independent and impartial assurance on the adequacy of the design and effectiveness of internal control systems, as well as the effectiveness of risk management and audit processes. ID is objective and neutral. Its function is independent of the day-to-day business of the bank, and the ID staff is not responsible for neither the work nor the operations. The ID has the right to access all facilities, employees, information and documentation in order to fulfil its duties. ID acts with the authority provided by the Board of Directors and is expected to prepare and implement a dynamic and risk-based audit from the ID. The audit result is reported to the management in the form of individual audit reports.

Internal control activities cover daily activities performed by the Bank. The second line of defense is the internal control unit that checks whether the activities are carried out in accordance with the rules laid down by the Bank, while forming the first lines of defense to check whether rules and restrictions are followed during the execution of the transactions. All Bank employees are required to be informed about the rules and restrictions on the activities and affairs of the internal control unit.

### 2. Credit quality of assets

	Gross carrying value as per TAS	Allowances/amortisation and impairments		Net values	
		Defaulted	Non-defaulted	Current Period(*)	Prior Period
1 Loans	-	1.398.853	7.881	1.390.972	
2 Debt Securities	-	1.146.777	5.234	1.141.543	
3 Off-balance sheet exposures	-	1.384.947	1.722	1.383.225	
<b>4 Total</b>	<b>-</b>	<b>3.930.577</b>	<b>14.837</b>	<b>3.915.740</b>	

(\*) Consist of general provision.

# Deutsche Bank Anonim Şirketi

## Notes to the Financial Statements at 31 December 2016

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

### 3. Changes in nominal defaulted receivables and borrowing instruments

The Bank has no defaulted receivables.

### 4. Additional information on credit quality of assets

#### 4.1 Geographical distribution of receivables amounts

	Loans		Borrowings Instruments		Off-balance sheet receivables		Provisions/ Amortisation and impairment	Removed from As sets
	Defaulted	Not defaulted	Defaulted	Not defaulted	Defaulted	Not defaulted		
Defaulted Receivables	-	1.394.125	-	1.146.777	-	767.344	14.136	-
2 European Union Countries	-	3.824	-	-	-	434.625	497	-
3 OECD Countries	-	-	-	-	-	-	-	-
4 Off-Shore Banking Regions	-	-	-	-	-	-	-	-
5 USA, Canada	-	13	-	-	-	180.078	197	-
6 Other Countries	-	891	-	-	-	2.900	7	-
<b>7 Total</b>	<b>-</b>	<b>1.398.853</b>	<b>-</b>	<b>1.146.777</b>	<b>-</b>	<b>1.384.947</b>	<b>14.837</b>	<b>-</b>

#### 4.2 Credit Quality of Assets - Sectoral risk concentrations

	Loans		Borrowings Instruments		Off-balance sheet receivables		Provisions/ Amortisation and impairment	Removed from Assets
	Defaulted	Non defaulted	Defaulted	Non defaulted	Defaulted	Non defaulted		
<b>Agriculture</b>	-	8.176	-	-	-	-	-	-
Farming and Stockbreeding	-	8.176	-	-	-	-	-	-
Forestry	-	-	-	-	-	-	-	-
Fishery	-	-	-	-	-	-	-	-
<b>Manufacturing</b>	-	1.117.624	-	-	-	1.069.373	7.881	-
Mining and Quarrying	-	-	-	-	-	-	-	-
Production	-	1.113.024	-	-	-	1.069.373	7.881	-
Electric, Gas and Water	-	4.600	-	-	-	-	-	-
<b>Construction</b>	-	-	-	-	-	157	-	-
<b>Services</b>	-	273.053	-	1.146.777	-	315.417	6.956	-
Wholesale and Retail Trade	-	249.482	-	-	-	-	-	-
Hotel, Food and Beverage	-	-	-	-	-	-	-	-
Transportation and Telecommunication	-	23.100	-	-	-	-	-	-
Financial Institutions	-	-	-	1.146.777	-	315.417	6.956	-
Real Estate and Rental Services	-	-	-	-	-	-	-	-
Professional Services	-	-	-	-	-	-	-	-
Educational Services	-	-	-	-	-	-	-	-
Health and Social Services	-	471	-	-	-	-	-	-
<b>Other</b>	-	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>1.398.853</b>	<b>-</b>	<b>1.146.777</b>	<b>-</b>	<b>1.384.947</b>	<b>14.837</b>	<b>-</b>

## Deutsche Bank Anonim Şirketi

### Notes to the Financial Statements at 31 December 2016

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

#### 4.3 Credit Quality of Assets-Distribution according to remaining flows

	Non-distributed	1 Month	1-3 Months	3-6 Months	6-12 Months	Over 1 Year	Total
<b>Non-Defaulted Receivables</b>	<b>1.069.373</b>	<b>529.511</b>	<b>468.298</b>	<b>324.582</b>	<b>181.268</b>	<b>1.357.275</b>	<b>3.930.577</b>
1 Loans	-	515.917	431.792	269.876	181.268	-	1.398.853
2 Borrowing Instruments	-	-	66	331	-	1.146.380	1.146.777
3 Off-Balance Receivables	1.069.373	13.594	36.440	54.645	-	210.895	1.384.947
<b>Defaulted Receivables</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
1 Loans	-	-	-	-	-	-	-
2 Borrowing Instruments	-	-	-	-	-	-	-
3 Off-Balance Receivables	-	-	-	-	-	-	-
<b>Provisions/ Amortization and present value</b>							
<b>Total</b>	<b>1.069.373</b>	<b>529.511</b>	<b>468.298</b>	<b>324.852</b>	<b>181.268</b>	<b>1.357.275</b>	<b>3.930.577</b>

#### 4.4 Quality of Assets - Aging analysis for overdue receivables

None.

#### 4.5 Quality of Assets – Provisions for Restructured Receivables

None.

#### 5. Qualitative requirements to be disclosed to the public regarding credit risk mitigation techniques

In the Bank, the Board of Directors may use the following methods of mitigating credit risk, including but not limited to:

- On-balance sheet cash settlement
- Netting and cash collateral transactions for derivative instruments
- Set-off transactions of third party guarantees received on stock lending transactions
- Offsetting of collateral received / given for repo transactions
- Other appropriate collateral
- Warranty from DB AG.

The main purpose of collateralizing any loan is to mitigate the credit risk.

In case of the loan is established with a guarantee condition, it is necessary to enter the guarantees into the banking system. Loan disbursement is the result of the systematic comparison of the collateral with the conditions of the communiqué regarding the credit

Collateral matching is using in the system for each loan. In addition, for each collateral, the appropriateness of the collateral margin is also controlled.

The credit risk the bank is exposed to and the credit risk mitigation techniques used to mitigate this risk are taken into account in the standards set out in the legislation. Credit risk mitigation is performed according to the comprehensive financial guarantee method, where the risk mitigation effects of financial collateral are calculated through volatility adjusted values. After applying risk mitigation techniques, standard risk weights are applied to the unprotected portion. Cash or similar assets and borrowing instruments with a high credit quality level are used to reduce credit risk.

# Deutsche Bank Anonim Şirketi

## Notes to the Financial Statements at 31 December 2016

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

### 6. Credit risk mitigation techniques- Overview

	Exposures unsecured of (according to TAS)	Exposures secured by collateral	Exposures secured by collateral, of which secured amount	Exposures secured by financial guarantees	financial guarantees, of which secured amount	Exposures secured by credit derivatives	Exposures secured by credit derivatives, of which secured amount
1 Loans	1.398.853	-	-	-	-	-	-
2 Debt Instruments	1.146.777	-	-	-	-	-	-
3 Total	2.545.260	-	-	-	-	-	-
4 Of which defaulted	-	-	-	-	-	-	-

### 7. Qualitative disclosures on banks' use of external credit ratings under the standardised approach for credit risk:

The capital adequacy calculation uses the ratios given by Fitch Ratings, limited to Receivables from Central Government or Central Banks.

### 8. Standardised Approach- Credit Risk Exposure and Credit Risk Mitigation Techniques

Risk Classification	On- balance sheet amount	Off- balance sheet amount	On- balance sheet amount	Off- balance sheet amount	RWA	RWA density
1 Claims on sovereigns and Central Banks	1.497.762	-	1.497.762	-	145.725	9,73%
2 Claims on regional governments or local authorities	-	-	-	-	-	-
3 Claims on administrative bodies and other non-commercial undertakings	-	-	-	-	-	-
4 Claims on multilateral development banks	-	-	-	-	-	-
5 Claims on international organizations	-	-	-	-	-	-
6 Claims on banks and intermediary institutions	424.486	859.803	395.327	82.270	164.564	34,46%
7 Claims on corporates	1.383.636	481.107	1.377.106	149.404	1.556.795	101,98%
8 Claims included in the regulatory retail portfolios	-	1.653	-	7.764	7.144	92,02%
9 Claims secured by residential property	-	-	-	-	-	-
10 Claims secured by commercial property	-	-	-	-	-	-
11 Overdue loans	-	-	-	-	-	-
12 Higher risk categories decided by the Board	-	-	-	-	-	-
13 Secured by mortgages	-	-	-	-	-	-
14 Short-term claims and short-term corporate claims on banks and intermediary institutions	-	-	-	-	-	-
15 Undertakings for collective investments in mutual funds	-	-	-	-	-	-
16 Other receivables	29.980	-	29.980	-	23.132	77,16%
17 Equity share investments	-	-	-	-	-	-
<b>18 Total</b>	<b>3.335.864</b>	<b>1.342.563</b>	<b>3.300.175</b>	<b>239.438</b>	<b>1.897.360</b>	<b>53,60%</b>



# Deutsche Bank Anonim Şirketi

## Notes to the Financial Statements at 31 December 2016

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

Credit risk (CCR) explanations:

### 1. Qualitative disclosure related to counterparty credit risk:

The Board has not yet decided to use any of the techniques of "Sub-Participation Unfinished or Loaned", "Credit Derivatives" (Credit Borrowing Settlement Agreement and / or Total Return Settlement) techniques in terms of "Risk Reduction Techniques".

The Bank currently uses "Cross Guarantees in Trade Transactions", "Bills in Reverse Repurchase Transactions" and "Bonds in DB AG Group Transactions" as risk reduction techniques.

### 2. Analysis of counterparty credit risk exposure by approach:

31 December 2016	Replacement cost	Potential future exposure	EEPE(*)	Alpha used for computing regulatory EAD	Exposure at Default post-CRM	Risk Weighted Amount
1 Standard Approach-CCR (for derivatives)	146	16.658	-	-	16.804	8.431
2 Internal Model Method (for derivatives and SFTs)	-	-	-	-	-	-
3 Simple Approach for credit risk mitigation (for SFTs)	-	-	-	-	-	-
4 Comprehensive Approach for credit risk mitigation (for SFTs)	-	-	-	-	-	-
5 VaR for SFTs	-	-	-	-	-	-
<b>6 Total</b>	<b>146</b>	<b>16.658</b>	<b>-</b>	<b>-</b>	<b>16.804</b>	<b>8.431</b>

(\*)Effective expected positive exposure.

### 3. Credit valuation adjustment (CVA) capital charge:

31 December 2016	Exposure at default post-CRM	Risk Weighted Amount
Total portfolios subject to the Advanced CVA capital charge	-	-
1 (i) VaR component (including the 3*multiplier)	-	-
2 (ii) Stressed VaR component (including the 3*multiplier)	-	-
3 All portfolios subject to the Standardised CVA capital charge	16.804	8.431
<b>4 Total subject to the CVA capital charge</b>	<b>8.431</b>	<b>8.431</b>

## Deutsche Bank Anonim Şirketi

### Notes to the Financial Statements at 31 December 2016

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

#### 4. Standardised approach – Credit Counterparty Risk Exposures by regulatory portfolio and risk weights:

	0%	10%	20%	50%	75%	100%	150%	Other	Total Credit Risk(*)
Sovereigns and their central banks	-	-	-	-	-	-	-	-	-
Non-central government public sector entities	-	-	-	-	-	-	-	-	-
Regional governments or local authorities	-	-	-	-	-	-	-	-	-
Multilateral development banks	-	-	-	-	-	-	-	-	-
International organizations	-	-	-	-	-	-	-	-	-
Multilateral development banks	-	-	8.011	3.714	-	-	-	-	11.725
Corporate	-	-	-	-	-	-	5.079	-	5.079
Regulatory retail portfolios	-	-	-	-	-	-	-	-	-
Secured by residential property	-	-	-	-	-	-	-	-	-
Past-due loans	-	-	-	-	-	-	-	-	-
Higher-risk categories	-	-	-	-	-	-	-	-	-
Secured by mortgages	-	-	-	-	-	-	-	-	-
Securitization positions	-	-	-	-	-	-	-	-	-
Short-term claims and short-term corporate claims on banks and intermediary institutions	-	-	-	-	-	-	-	-	-
Undertakings for collective investments in mutual funds	-	-	-	-	-	-	-	-	-
Investments on securities	-	-	-	-	-	-	-	-	-
Other receivables	-	-	-	-	-	-	-	-	-
Other assets(**)	-	-	8.011	3.714	-	-	5.079	-	16.804
<b>Total</b>	-	-	8.011	3.714	-	-	5.079	-	16.804

(\*) Total credit exposure: The amount relevant for the capital requirements calculation, having applied CRM techniques.

(\*\*) Other assets: The amount excludes exposures to "Central counterparty" which are reported in Counterparty credit risk.



# Deutsche Bank Anonim Şirketi

## Notes to the Financial Statements at 31 December 2016

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

### 5. Composition of collateral for CCR exposure:

The bank has no composition of collateral for CCR exposure.

### 6. Credit Derivative Exposures:

None.

### 7. Exposures to central counterparties (CCP):

None.

### e. Securitization Explanations:

The bank has no securitization transaction.

### f. Market risk disclosures

The bank has no securitization transaction.

#### 1. Qualitative requirements for public disclosure on Market risk:

Market risk is the risk that a Bank's positions will experience a possible loss of value due to market fluctuations. Market risk is due to uncertainties arising from changes in market prices and ratios, correlations between them and volatility levels. In accordance with the Regulation on Measurement and Assessment of Capital Adequacy of Banks, market risks can be classified as follows:

- **General market risk:** The probability that the Bank will be exposed to interest rate risk and exposure to market risk due to the position of the financial instruments in the trading accounts
- **Specific risk:** The probability of loss that may arise due to the problems that may arise from the management and financial structures of the institutions that issue or guarantee the financial instruments constituting these positions, except for extraordinary market movements, in the positions regarding the financial instruments included in the bank's trading accounts,
- **Exchange risk:** The probability of loss that the Bank may incur as a result of changes that may occur in exchange rates due to all foreign currency assets and liabilities,
- **Commodity risk:** The probability of the loss that the Bank may incur due to positional conditions related to derivative and derivative financial instruments due to movements in commodity prices,
- **Compensation risk:** Exposure to the bank due to changes in the price of securities, foreign exchange or commodities subject to the processing of a securities, foreign exchange or commodity for the delivery of a certain price at the agreed price and foreseeing that both parties fulfil their obligations at the time of maturity probability of damage.

All market risks are monitored according to certain limits set by the Board of Directors. The above types of market risk are monitored by the Risk Management Unit. Types of risks undertaken by the Bank may include one or more of these types of market risk; Risk assessments are determined during the new product acceptance (LOI) process and at the time of application to purchase authorization certificates.

DB A.Ş. The Market Risks Management process outlines the following transactions:

- Identification of the market risk,
- Limit structure definition,
- The development and implementation of the policies of market risk and the principles of implementation,
- Analysis and monitoring of market risk,
- Control and reporting of market risk.

# Deutsche Bank Anonim Şirketi

## Notes to the Financial Statements at 31 December 2016

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

Market Risk Limits of DB A.Ş. are defined in "Market Risk Policy of DB A.Ş.". Market risk limits, as a result of agreement reached with related parties, DB A.Ş. Presented to the Board of Directors for review by the Risk Management Unit. The Board of Directors reviews and approves market risk limits at least once a year.

Finance and Operations units are responsible for daily monitoring and reporting of defined limits. Limit overruns are monitored daily by the Risk Management Unit through limit overrun reports.

### 2. Standardised approach:

	Risk Weighted Amount
<b>Outright products(*)</b>	<b>212.443</b>
1 Interest rate risk (general and specific)	149.293
2 Equity risk (general and specific)	-
3 Foreign exchange risk	63.150
4 Commodity risk	-
<b>Options</b>	
5 Simplified approach	-
6 Delta-plus method	-
7 Scenario approach	-
8 Securitisation	-
<b>9 Total</b>	<b>212.443</b>

(\*)Outright products refer to positions in products that are not optional.

### g. Operational Risk

In the calculation of the Bank's operational risk, the "Basic Indicator Method" is used. The amount subject to operational risk is calculated once a year in accordance with the Regulation on "Measurement and Assessment of the Capital Adequacy of Banks" published in the Official Gazette numbered 25911 on 23 October 2015. In the basic indicator method, the operational risk base amount is calculated by multiplying the last three years by the average of fifteen percent of the year-end gross income amount realized by the last three years. The amount subject to operational risk is TL 297.842 for the current period.

## II. Explanations and Notes Related to Liabilities

### 1. Information on maturity structure of deposits

Current Period	31.12.2013	31.12.2014	31.12.2015	Total / Number of years for which gross income is positive	Rate(%)	Total
Gross Income	97.214	198.202	181.131	158.849	15	23.827
Amount subject to operational risk (Total*12,5)						297.842

### h. Interest rate risk on banking books

The interest rate risk of the banking books is measured and monitored within the scope of the Regulation about Measurement and Assessment of Interest Rate Risk in the Banking Accounts by Standard Shock Method.

## Deutsche Bank Anonim Şirketi

### Notes to the Financial Statements at 31 December 2016

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

Current Period	Shock Applied (+/- x basis point)	Gains/ (Losses)	Gains/Equity- (Losses)/Equity
Type of Currency			
TL	(+) 500bp	(225)	(0,04%)
TL	(-) 400bp	-	-
EUR	(+) 200bp	(759)	(0,15%)
EUR(*)	(-) 200bp	(13.715)	(2,64%)
USD	(+) 200bp	(828)	(0,16%)
USD	(-) 200bp	168	0,03%
<b>Total (of positive shocks)</b>		<b>(1.812)</b>	<b>(0,35%)</b>
<b>Total (of negative shocks)</b>		<b>(13.547)</b>	<b>(2,62%)</b>

Prior Period	Shock Applied (+/- x basis point)	Gains/ (Losses)	Gains/Equity- (Losses)/Equity
Type of Currency			
TL	(+) 500bp	44	0,01%
TL	(-) 400bp	19	0,00%
EUR	(+) 200bp	930	0,18%
EUR(*)	(-) 200bp	21.096	4,08%
USD	(+) 200bp	(1.333)	(0,26%)
USD	(-) 200bp	1.352	0,00%
<b>Total (of positive shocks)</b>		<b>(359)</b>	<b>(0,07%)</b>
<b>Total (of negative shocks)</b>		<b>22.467</b>	<b>4,09%</b>

(\*) Standard negative shocks causes high income in consequence of the Bank's high Euro liabilities and negative eurobor rates in short term.

The structural interest rate of the Bank is at a very low level, as can be seen in this table prepared on 31 December, 2016 and 31 December 2015, and therefore no additional compensation was required for these accounts within the scope of ICAAP.

#### XI. Explanations on operating segments

Financial information on operational segments as of 31 December 2016 and 31 December 2015 are as follows:

Current period	Global Transaction Banking	Global Markets	Other	Unallocated	Bank's Total Operating
Operating Profit	90.428	46.687	51.268	-	188.383
Net Operating Profit / (Loss)	28.863	4.538	51.037	-	84.438
Profit/(Loss) Before Tax	28.863	4.538	51.037	-	84.438
Tax Provision	-	-	-	(15.203)	(15.203)
Net Period Profit/(Loss)	28.863	4.538	-	15.203	69.235
<b>31 December 2016</b>					
Segment Assets	1.449.294	1.911.549	10.197	-	3.371.040
Segment Liabilities	545.201	2.297.408	13.099	-	2.855.709
Equity	-	-	-	515.331	515.331
Prior period	Global Transaction Banking	Global Markets	Other	Unallocated	Bank's Total Operating
Operating Profit	81.739	60.949	47.611	-	190.299
Net Operating Profit / (Loss)	37.449	20.460	32.634	-	90.543
Profit/(Loss) Before Tax	37.449	20.460	32.634	-	90.543
Tax Provision	-	-	-	(18.054)	(18.054)
Net Period Profit/(Loss)	37.449	20.460	32.634	(18.054)	72.489
<b>31 December 2015</b>					
Segment Assets	1.777.565	1.229.873	5.412	-	3.012.850
Segment Liabilities	614.956	1.884.274	2.902	-	2.502.132
Equity	-	-	-	510.718	510.718

# Deutsche Bank Anonim Şirketi

## Notes to the Financial Statements at 31 December 2016

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

### SECTION FIVE

#### EXPLANATIONS AND NOTES TO FINANCIAL STATEMENTS

##### I. Explanations and Notes Related to Assets

##### 1. Information related to cash and balances with the Central Bank of the Republic of Turkey

##### 1.a Information on cash and balances with the Central Bank of the Republic of Turkey

	Current Period		Prior Period	
	TL	FC	TL	FC
Cash in TL/ Foreign currency	743	1.281	159	288
Central Bank of Turkey	52.853	291.448	20.688	482.266
Other	-	-	-	-
<b>Total</b>	<b>53.596</b>	<b>292.729</b>	<b>20.847</b>	<b>482.554</b>

##### 1.b Information on balances with the Central Bank of the Republic of Turkey

	Current Period		Prior Period	
	TL	FC	TL	FC
Unrestricted Demand Deposits	52.081	-	20.035	-
Unrestricted Time Deposits	-	54.685	-	190.440
Restricted Time Deposits	772	236.763	653	291.826
<b>Total</b>	<b>52.853</b>	<b>291.448</b>	<b>20.688</b>	<b>482.266</b>

##### 1.c Information on reserve deposits

As per the Communiqué no. 2013/15 "Reserve Deposits" of the Central Bank of the Republic of Turkey (CBRT), banks keep reserve deposits at the CBRT for their TL and FC liabilities mentioned in the communiqué. CBRT started paying interest on reserve balances held in USD starting from May 2015 and held in TL starting from November 2014.

As of 31 December 2016, the rates for Turkish Lira required reserves are between 5% and 10,5% (31 December 2015: between 5% and 11,5%), depending on the maturity structure; The rates for foreign currency reserve requirements are between 5% and 24,5% (31 December 2015: between 5% and 25%) depending on the maturity structure.

##### 2. Information on financial assets at fair value through profit or loss

##### 2.a Financial assets at fair value through profit or loss

##### 2.a.1 Financial assets at fair value through profit/loss subject to repurchase agreements and provided as collateral/blocked

	Current Period		Prior Period	
	TL	FC	TL	FC
Government Securities, Treasury Bills, and Other Securities	49.856	-	47.159	-
Share Certificates	-	-	-	-
Others	-	-	-	-
<b>Total</b>	<b>49.856</b>	<b>-</b>	<b>47.159</b>	<b>-</b>

# Deutsche Bank Anonim Şirketi

## Notes to the Financial Statements at 31 December 2016

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

### 2.a.2 Financial assets at fair value through profit/loss subject to repurchase agreements

	Current Period		Prior Period	
	TL	FC	TL	FC
Government Bonds	-	-	99.056	-
Treasury Bills	-	-	-	-
Other Securities	-	-	-	-
Bond Issued or Guaranteed By Banks	-	-	-	-
Asset Backed Securities	-	-	-	-
Others	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>99.056</b>	<b>-</b>

### 2.b Positive differences on derivative financial assets held for trading

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Transactions	-	16.127	-	8.797
Swap Transactions	-	9.700	-	2.129
Futures	-	-	-	-
Options	-	-	-	-
Other	-	-	-	-
<b>Total</b>	<b>-</b>	<b>25.827</b>	<b>-</b>	<b>10.926</b>

### 3. Information on banks

#### 3.a. Information on banks

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks				
Domestic	75.269	109.554	350.386	69
Foreign	11.149	196.391	753	6.784
Foreign head offices and branches	-	-	-	-
<b>Total</b>	<b>86.418</b>	<b>305.945</b>	<b>351.139</b>	<b>6.853</b>

#### 3.b Information on foreign banks account

	Unrestricted amount		Restricted amount	
	Current Period	Prior Period	Current Period	Prior Period
EU Countries	205.377	3.594	-	-
USA, Canada	1.583	2.014	-	-
OECD Countries (*)	580	1.929	-	-
Off-shore Banking Regions	-	-	-	-
Other	-	-	-	-
<b>Total</b>	<b>207.540</b>	<b>7.537</b>	<b>-</b>	<b>-</b>

(\*) OECD countries other than EU countries, USA and Canada.

### 4. Information on financial assets available for sale

None (31 December 2015: None).

# Deutsche Bank Anonim Şirketi

## Notes to the Financial Statements at 31 December 2016

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

### 5. Explanations on loans and receivables

#### 5.a Information on all types of loan or advance balances given to shareholders and employees of the Bank

	Current Period		Prior Period	
	Cash	Non-cash	Cash	Non-cash
Direct Lending to Shareholders	-	109.879	-	93.214
Corporate Shareholders	-	109.879	-	93.214
Individual Shareholders	-	-	-	-
Indirect Lending to Shareholders	222.132	-	31.851	-
Loans to Employees	-	-	-	-
<b>Total</b>	<b>222.132</b>	<b>109.879</b>	<b>31.851</b>	<b>93.214</b>

#### 5.b Information on the first and second group loans and receivables including loans that have been restructured or rescheduled and other receivable

Current Period		Rescheduled Extension of the payment plan	Other	Total / Number of years for Rescheduled		Extension of the payment plan	Other
Non-Specialized Loans	1.369.331	29.522	-	-	-	-	-
Commercial loans	454.322	13.436	-	-	-	-	-
Export Loans	244.993	16.086	-	-	-	-	-
Import Loans	-	-	-	-	-	-	-
Loans Given to Financial Sector	302.911	-	-	-	-	-	-
Consumer Loans	-	-	-	-	-	-	-
Credit Cards	-	-	-	-	-	-	-
Other	367.105	-	-	-	-	-	-
Specialized Lending	-	-	-	-	-	-	-
Other Receivables	-	-	-	-	-	-	-
<b>Total</b>	<b>1.369.331</b>	<b>29.522</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Information on loans whose terms are extended as of 31 December 2016:

Number of extensions	Current Period	
	Standard Loans and Other Receivables	Loans and Other Receivables Under Close Monitoring
1 or 2 Times	22.648	-
3, 4 or 5 Times	6.521	-
Over 5 Times	353	-
<b>Total</b>	<b>29.522</b>	<b>-</b>

Extension Periods(*)	Current Period	
	Standard Loans and Other Receivables	Loans and Other Receivables Under Close Monitoring
0 - 6 Months	9.818	-
6 Months - 12 Months	11.920	-
1 - 2 Years	7.784	-
2 - 5 Years	-	-
5 Years and Over	-	-
<b>Total</b>	<b>29.522</b>	<b>-</b>

# Deutsche Bank Anonim Şirketi

## Notes to the Financial Statements at 31 December 2016

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

### 5.c Loans according to their maturity structure

Current Period	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
<b>Cash Loans</b>				
Short-term Loans and Receivables	1.369.331	29.522	-	-
Non-specialised Loans	1.369.331	29.522	-	-
Specialised Loans	-	-	-	-
Other Receivables	-	-	-	-
Medium and Long-Term Loans and Receivables	-	-	-	-
Non-specialised Loans	-	-	-	-
Specialised Loans	-	-	-	-
Other Receivables	-	-	-	-
<b>Total</b>	<b>1.369.331</b>	<b>29.522</b>	<b>-</b>	<b>-</b>

Prior Period	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
<b>Cash Loans</b>				
Short-term Loans and Receivables	1.730.203	13.092	-	-
Non-specialised Loans	1.730.203	13.092	-	-
Specialised Loans	-	-	-	-
Other Receivables	-	-	-	-
Medium and Long-Term Loans and Receivables	-	-	-	-
Non-specialised Loans	-	-	-	-
Specialised Loans	-	-	-	-
Other Receivables	-	-	-	-
<b>Total</b>	<b>1.730.203</b>	<b>13.092</b>	<b>-</b>	<b>-</b>

### 5.d Information on consumer loans, individual credit cards, personnel loans and personnel credit cards

The Bank has no consumer loans, consumer credit cards, personnel credit cards, short term personnel loans as of 31 December 2016 (31 December 2015: None).

### 5.e Information on instalment based commercial loans and corporate credit cards

The Bank's overdraft account amount is TL 69.560 as of 31 December 2016 (31 December 2015: TL 126.932).

### 5.f Information on allocation of loan customers

	Current Period	Prior Period
Public Sector	-	-
Private Sector	1.398.853	1.743.295
<b>Total</b>	<b>1.398.853</b>	<b>1.743.295</b>

### 5.g Distribution of domestic and foreign loans

	Current Period	Prior Period
Domestic Loans	1.395.008	1.743.293
Foreign Loans	3.845	2
<b>Total</b>	<b>1.398.853</b>	<b>1.743.295</b>

# Deutsche Bank Anonim Şirketi

## Notes to the Financial Statements at 31 December 2016

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

### 5.h Loans to associates and subsidiaries

None (31 December 2015: None).

### 5.i Specific provisions for loans

None (31 December 2015: None).

### 5.j Information on non-performing loans (Net)

#### 5.j.1 Information on non-performing loans and receivables restructured or rescheduled:

None (31 December 2015: None).

#### 5.j.2 Information on the movement of total non-performing loans:

None (31 December 2015: None).

#### 5.j.3 Information on foreign currency non-performing loans and receivables

None (31 December 2015: None).

### 5.k Main principles of liquidating for uncollectible loans and receivables

The Bank has no uncollectible loans and receivables as of 31 December 2016 (31 December 2015: None).

### 6. Information on held-to-maturity financial assets

None (31 December 2015: None).

### 7. Information on investments in associates

None (31 December 2015: None).

### 8. Information on investments in subsidiaries

None (31 December 2015: None).

### 9. Information on investments in joint ventures

None (31 December 2015: None).

### 10. Information on finance lease receivables

None (31 December 2015: None).

### 11. Information on derivative financial assets held for risk management

None (31 December 2015: None).



## Deutsche Bank Anonim Şirketi

### Notes to the Financial Statements at 31 December 2016

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

#### 12. Information on property and equipment

Current Period	Real Estates	Other Tangible Assets	Total
<b>1 January 2016</b>			
Cost	-	19.697	19.697
Accumulated Depreciation (-)	-	(17.481)	(17.481)
<b>Net Carrying Value</b>	-	<b>2.216</b>	<b>2.216</b>
<b>31 December 2016</b>			
Net Carrying Value at the Beginning of the Period	-	2.216	2.216
Additions	-	794	794
Disposals (-) (net)	-	-	-
Depreciation (-)	-	(1.081)	(1.081)
Cost at the End of the Period	-	20.491	20.491
Accumulated Depreciation at the End of the Period (-)	-	(18.562)	(18.562)
<b>Net Carrying Value</b>	-	<b>1.929</b>	<b>1.929</b>
Prior Period	Real Estates	Other Tangible Assets	Total
<b>1 January 2015</b>			
Cost	-	18.240	18.240
Accumulated Depreciation (-)	-	(16.198)	(16.198)
<b>Net Carrying Value</b>	-	<b>2.042</b>	<b>2.042</b>
<b>31 December 2015</b>			
Net Carrying Value at the Beginning of the Period	-	2.042	2.042
Additions	-	1.457	1.457
Disposals (-) (net)	-	-	-
Depreciation (-)	-	(1.823)	(1.823)
Cost at the End of the Period	-	19.697	19.697
Accumulated Depreciation at the End of the Period (-)	-	(17.481)	(17.481)
<b>Net Carrying Value</b>	-	<b>2.216</b>	<b>2.216</b>

As of 31 December 2016 and 31 December 2015, there is not impairment losses or reversal of impairment losses on tangible assets.

As of 31 December 2016 and 31 December 2015, there is no pledge on tangible assets.

#### 13. Additionally necessary information on each intangible asset type:

The Bank has intangible assets amounting to TL 6.773 as of 31 December 2016 (31 December 2015: 13.445 TL). The Bank acquired the custody operations (customer list) of a local Bank in Turkey on 11 May 2007 and the transaction was settled on 2 July 2007. Purchase amount was amounting to TL 150.976, a provision of TL 59.823 has been recorded after revaluation in April 2010 because of changes in expected cash flows. The Bank performs impairment tests annually for this to intangible asset and there is no identified impairment as of 31 December 2016. As of 31 December 2016, the net carrying value of aforesaid intangible asset amounting to TL 3.423. Besides, the Bank's purchased in 2007 but not used software has been impaired amounting to TL 1.199.

#### 13.a Carrying value and accumulated amortization balances at current and prior period

	Current Period			Prior Period		
	Carrying Value	Impairment	Accumulated Amortisation	Carrying Value	Impairment	Accumulated Amortisation
Intangible Assets	168.967	61.950	100.244	166.612	61.950	91.217

# Deutsche Bank Anonim Şirketi

## Notes to the Financial Statements at 31 December 2016

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

### 13.b Information on movements between the beginning and end of the period

	Current Period	Prior Period
Beginning of the Period	13.445	20.013
Additions due to Mergers, Transfers and Acquisitions	2.355	2.311
Amortization (-)	(9.027)	(8.879)
<b>End of the Period</b>	<b>6.773</b>	<b>13.445</b>

### 14. Information on investment property

None (31 December 2015: None).

### 15. Information on tax assets

The Bank has booked TL 3.921 as current tax assets after deduction of provision amounting to TL 16.539 from 20.460 prepaid tax as of 31 December 2016 (31 December 2015: None).

As of 31 December 2016, the Bank has a deferred tax liability of TL 738 calculated as the net amount remaining after netting of tax deductible timing differences and taxable timing differences (31 December 2015: TL 553 net deferred tax liabilities). There is no deductible temporary differences that are not included in calculation of deferred tax asset and not reflected to financial statements in prior periods.

Detailed information on net deferred tax assets is as follows:

	Current period		Prior period	
	Accumulated Temporary Differences	Deferred Tax Asset/ (Liability)	Accumulated Temporary Differences	Deferred Tax Asset/ (Liability)
Provisions for depreciation difference on tangible assets	59.823	11.965	59.823	11.965
Provisions for employee rights	6.823	1.365	8.794	1.795
Provisions	215	43	127	25
Derivative financial instruments	772	154	-	-
Other	654	131	493	99
<b>Deferred Tax Assets</b>	<b>68.287</b>	<b>13.658</b>	<b>69.237</b>	<b>13.848</b>
Difference between fair value of tangible and intangible assets and tax value	(64.599)	(12.920)	(71.685)	(14.337)
Derivative income accruals	-	-	(319)	(64)
<b>Deferred tax liability</b>	<b>(64.599)</b>	<b>(12.920)</b>	<b>(72.004)</b>	<b>(14.401)</b>
<b>Deferred tax asset / (liability), net</b>	<b>3.688</b>	<b>738</b>	<b>(2.767)</b>	<b>(553)</b>

### 16. Information on assets held for sale and discontinued operations

None (31 December 2015: None).

### 17. Information on other assets

#### 17.a Information on prepaid expenses, tax and similar transactions

	Current Period	Prior Period
Income accruals (*)	28.001	26.629
Guarantees given	17.166	7.078
Prepaid expenses	2.217	1.763
Other	149	935
<b>Total</b>	<b>47.533</b>	<b>36.405</b>

(\*) TL 24.223 of income accruals comprise service income accruals (31 December 2015: TL 24.117).

# Deutsche Bank Anonim Şirketi

## Notes to the Financial Statements at 31 December 2016

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

### 17.b Breakdown of other assets which constitute at least 20% of grand total

None.

## II. Explanations and Notes Related to Liabilities

### 1. Information on maturity structure of deposits

Current Period	Demand	With 7 days notifications	Up to 1 month	1-3 months	3-6 months	6 months -1 year	1 year and over	Total
Saving Deposits	-	-	-	-	-	-	-	-
Foreign Currency Deposits	97.508	-	31.611	-	-	-	-	129.119
Residents in Turkey	53.115	-	31.611	-	-	-	-	84.726
Residents Abroad	44.393	-	-	-	-	-	-	44.393
Public Sector Deposits	-	-	-	-	-	-	-	-
Commercial Deposits	87.771	-	99.052	2.100	-	-	-	188.923
Other Institutions Deposits	4	-	3.690	-	-	-	-	3.694
Precious Metal Deposits	-	-	-	-	-	-	-	-
Bank Deposits	238.661	-	353.655	-	-	-	-	592.316
The Central Bank of Turkey	-	-	-	-	-	-	-	-
Domestic Banks	-	-	353.655	-	-	-	-	353.655
Foreign Banks	238.661	-	-	-	-	-	-	238.661
Special Financial Institutions	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
<b>Total</b>	<b>423.944</b>	<b>-</b>	<b>488.008</b>	<b>2.100</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>914.052</b>

Prior Period	Demand	With 7 days notifications	Up to 1 month	1-3 months	3-6 months	6 months -1 year	1 year and over	Total
Saving Deposits	-	-	-	-	-	-	-	-
Foreign Currency Deposits	131.351	-	13.346	-	-	-	-	144.697
Residents in Turkey	109.731	-	13.346	-	-	-	-	123.077
Residents Abroad	21.620	-	-	-	-	-	-	21.620
Public Sector Deposits	-	-	-	-	-	-	-	-
Commercial Deposits	96.381	-	228.228	-	-	-	-	324.609
Other Institutions Deposits	-	-	6.829	-	-	-	-	6.829
Precious Metal Deposits	-	-	-	-	-	-	-	-
Bank Deposits	130.747	-	-	-	-	-	-	130.747
The Central Bank of Turkey	-	-	-	-	-	-	-	-
Domestic Banks	-	-	-	-	-	-	-	-
Foreign Banks	130.747	-	-	-	-	-	-	130.747
Special Financial Institutions	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
<b>Total</b>	<b>358.479</b>	<b>-</b>	<b>248.403</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>606.882</b>

#### 1a. Saving deposits covered by deposit insurance and total amount of deposits exceeding insurance coverage limit

None (31 December 2015: None).

#### 1b. Saving deposits at domestic branches of foreign banks in Turkey under the coverage of foreign insurance

None (31 December 2015: None).

#### 1c. Saving deposits out of the insurance coverage limits of Saving Deposit Insurance Fund

None (31 December 2015: None).

# Deutsche Bank Anonim Şirketi

## Notes to the Financial Statements at 31 December 2016

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

### 2. Information on derivative financial liabilities held for trading

Negative differences on derivative financial liabilities held for trading

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Transactions	-	24.966	-	3.056
Swap Transactions	-	1.606	-	7.448
Futures Transactions	-	-	-	-
Options	-	-	-	-
Other	-	-	-	-
<b>Total</b>	-	<b>26.572</b>	-	<b>10.504</b>

### 3. Information on funds borrowed

#### 3.a Information on banks and other financial institutions

	Current Period		Prior Period	
	TL	FC	TL	FC
Central Bank of Turkey	-	-	-	-
Domestic Banks and Institutions	-	-	-	-
Foreign Banks, Institutions and Funds	204.000	719.179	507.129	1.216.116
<b>Total</b>	<b>204.000</b>	<b>719.179</b>	<b>507.129</b>	<b>1.216.116</b>

#### 3.b Information on maturity structure of funds borrowed

	Current Period		Prior Period	
	TL	FC	TL	FC
Short-Term	204.000	719.179	507.129	1.216.116
Medium and Long-Term	-	-	-	-
<b>Total</b>	<b>204.000</b>	<b>719.179</b>	<b>507.129</b>	<b>1.216.116</b>

#### 3.c Additional information on the major concentration of the Bank's liabilities

The Bank funds its assets within the normal course of its banking business with bank deposits, funds borrowed and interbank money markets.

#### 4. At least 20% of account of other liabilities on the balance sheet, exceeding 10% of the total liabilities excluding the off balance sheet items

Account of other liabilities on the balance sheet does not exceeds 10% of total liabilities excluding the off-balance sheet items.

### 5. Information on financial lease payables (Net)

#### 5.1 General information on the criteria used for the lease instalment arrangements, renewal or buy options and restrictions in the agreements

None (31 December 2015: None).

#### 5.2 Changes in the conditions of the agreements and new requirements for the Bank

None (31 December 2015: None).

#### 5.3 Information on financial lease payables

None (31 December 2015: None).

# Deutsche Bank Anonim Şirketi

## Notes to the Financial Statements at 31 December 2016

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

### 5.4 Operational lease agreements

The Bank's operational leasing activities comprise of vehicles, photocopy machines and office buildings.

### 5.5 Information on sales and lease-back agreements

In the current period there are no sales and lease-back agreements (31 December 2015: None).

### 5.6 Information on derivative financial liabilities held for risk management

None (31 December 2015: None).

## 7. Information on provisions and subordinated loans

### 7.a Information on general provisions

	Current Period	Prior Period
General Provisions		
Loans and Receivables in Group I	7.881	14.755
- Additional Provision for Loans and Receivables with Extended Maturities	-	3.694
Loans and Receivables in Group II	-	-
- Additional Provision for Loans and Receivables with Extended Maturities	-	-
Non-cash Loans	1.515	2.491
Other	-	-
<b>Total</b>	<b>9.396</b>	<b>17.246</b>

### 7.b Information on provisions for foreign exchange differences on foreign currency indexed loans

As of 31 December 2016, provision for the foreign exchange differences on foreign currency indexed loans is TL 256 (31 December 2015: TL 5.712) and this amount is netted with loans on the asset side of the financial statements.

### 7.c Provisions for non-cash loans that are not indemnified or converted into cash

The Bank has specific provisions provided for indemnified non cash loans amounting to TL 208 (31 December 2015: TL 176). It is recognized under "Other Revenues".

### 7.d Reserve for employment benefits

#### Information on reserve for employment termination benefits

	Current Period	Prior Period
Personnel Bonus Provision	4.946	12.864
Provision for Employee Severance Indemnities	1.048	936
Vacation Pay Liability	2.140	2.304
<b>Total</b>	<b>8.134</b>	<b>16.104</b>

In accordance with the existing Turkish Labour Law, the Bank is required to make lump-sum termination indemnities to each employee who has completed one year of service with the Bank and whose employment is terminated due to retirement or for reasons other than resignation or misconduct and this amount is limited by the termination indemnity upper limit.

Employee severance indemnities are not subject to legal funding requirements.

The provision has been calculated by estimating the present value of the future probable obligation of the Bank arising from the retirement of employees. TAS 19 requires actuarial valuation methods to be developed to estimate the enterprise's obligation under defined benefit plans. Accordingly, assumptions on discount rate, expected rate of salary increase and employee turnover rate is used in the calculation of the total liability. Each assumption is reviewed on an annual basis. The major actuarial assumptions used in the calculation of the total liability are as follows:

# Deutsche Bank Anonim Şirketi

## Notes to the Financial Statements at 31 December 2016

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

	Current Period	Prior Period
Net discount rate	4,25%	5,24%
Rate of expected inflation increase	6,00%	5,00%
Turnover rate to estimate the probability of retirement	91,90%	91,90%

Movement of provision for severance indemnities during the year is presented below:

	Current Period	Prior Period
Balance at the beginning of the period	936	794
Termination Cost	-	-
The provision of the current year	99	114
Interest Cost	122	69
The provision is paid during the period (-)	(395)	(72)
The provision is cancelled during period (-)	-	-
Actuarial gains/(losses) (*)	286	31
<b>Total</b>	<b>1.048</b>	<b>936</b>

(\*) Actuarial gains/(losses) are recognized under equity.

### 7.e Information on other provisions

#### 7.e.1 General reserve for possible losses

None (31 December 2015: None).

#### 7.e.2 Information on other provisions exceeding 10% of total provisions

As of 31 December 2016, other provisions amounting to TL 17.750 (31 December 2015: TL 10.038) includes provisions amounting to TL 16.845 (31 December 2015: TL 9.559) that will be paid in accordance with the service agreement signed with Deutsche Bank Group.

### 8. Information on tax liability

#### 8.a.1 Information on tax liability

As of 31 December 2016, the Bank's corporate tax payable is amounting to TL 6.388 (31 December 2015: 8.445).

#### 8.a.2 Information on taxes payable

##### Information on taxes payable

	Current Period	Prior Period
Corporate Taxes Payable	-	2.919
Taxation on Securities Income	175	389
Tax on Real Estates Income	-	-
Banking Insurance Transaction tax (BITT)	2.511	2.169
Foreign Exchange Transactions tax	-	-
Value Added Tax Payable	2.419	1.759
Others (*)	915	899
<b>Total</b>	<b>6.020</b>	<b>8.135</b>

(\*) Includes withholding income taxes amounting to TL 859 (31 December 2015: TL 842).

# Deutsche Bank Anonim Şirketi

## Notes to the Financial Statements at 31 December 2016

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

### 8.a.3 Information on premium payables

	Current Period	Prior Period
Social Security Premiums-Employee	155	132
Social Security Premiums-Employer	180	151
Bank Pension Fund Premium-Employees	-	-
Bank Pension Fund Premium-Employer	-	-
Pension Fund Membership Fee and Provisions-Employee	-	-
Pension Fund Membership Fee and Provisions-Employer	-	-
Unemployment Insurance-Employee	11	9
Unemployment Insurance-Employer	22	18
Others	-	-
<b>Total</b>	<b>368</b>	<b>310</b>

### 8.b Information on deferred tax liability

The Bank has no deferred tax liability in the current period (31 December 2015: TL 553 deferred tax liability). Detailed information on the net deferred tax asset / liability is presented in Note 15 to Section Five.

### 9. Information on liabilities related to assets held for sale and discontinued operations

None (31 December 2015: None).

10. Explanations on the number of subordinated loans the group used, maturity, interest rate, institution that the loan was borrowed from, and conversion option, if any

None (31 December 2015: None).

### 11. Information on shareholders' equity

#### 11.1 Presentation of paid-in capital

	Current Period	Prior Period
Common Stock	135.000	135.000
Preferred Stock	-	-
<b>Total</b>	<b>135.000</b>	<b>135.000</b>

11.2 Paid-in capital amount, explanation as to whether the registered share capital system ceiling is applicable at bank, if so amount of registered share capital

The Bank is not subject to registered share capital system.

#### 11.3 Information on the share capital increases during the period and their sources

None (31 December 2015: None).

#### 11.4 Information on share capital increases from revaluation funds

None (31 December 2015: None).

11.5 Capital commitments in the last fiscal year and at the end of the following interim period, the general purpose of these commitments and estimated resources required to meet these commitments

None (31 December 2015: None).

#### 11.6 Information on privileges given to shares representing the capital

None (31 December 2015: None).

# Deutsche Bank Anonim Şirketi

## Notes to the Financial Statements at 31 December 2016

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

### 11.7 Information on securities value increase fund

None (31 December 2015: None).

### 11.8 Information on the distribution of profits

The related explanation is disclosed under the Note 5 of Section V.5.

## III. Explanations and Notes Related to Off-Balance Sheet Items

### 1. Information on off balance sheet liabilities

#### 1.a The amount and type of irrevocable commitments

Type of irrevocable commitments	Current Period	Prior Period
Loan Granting Commitments	976.716	1.001.650
Two Days Forward Buy/Sell Commitments	101.571	128.221
Payment Commitments for Checks	49	88
Tax and Fund Liabilities from Export Commitments	37	28
<b>Total</b>	<b>1.069.373</b>	<b>1.129.987</b>

#### 1.b Possible losses and commitments resulted from off-balance sheet items including the following

##### 1.b.1 Non-cash loans including guarantees, bank acceptances, letters of guarantee substitute for financial guarantees and other letters of credit

As of 31 December 2016, amount of letters of guarantee, letters of credit, import letter of acceptance and sureties are amounting to TL 314.194 (31 December 2015: TL 234.776), TL 1.333 (31 December 2015: TL 31.042) and TL 47 (31 December 2015: TL 7.826), respectively.

##### 1.b.2 Certain guarantees, tentative guarantees, sureties and similar transactions

None except the items explained above in note 1.b.1.

#### 1.c Non-cash loans

##### 1.c.1 Total Non-cash loans

	Current Period	Prior Period
Non-Cash Loans against Cash Loans	-	-
With Original Maturity up to 1 Year	-	-
With Original Maturity of More Than 1 Year	-	-
Other Non-Cash Loans	315.574	273.634
<b>Total</b>	<b>315.574</b>	<b>273.634</b>



# Deutsche Bank Anonim Şirketi

## Notes to the Financial Statements at 31 December 2016

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

### 1.c.1 Sector risk concentration of non-cash loans

	Current Period				Prior Period			
	TL	(%)	FC	(%)	TL	(%)	FC	(%)
Agriculture	-	-	-	-	-	-	-	-
Farming and Stockbreeding	-	-	-	-	-	-	-	-
Forestry	-	-	-	-	-	-	-	-
Fishery	-	-	-	-	-	-	-	-
Manufacturing	30.556	47	32.186	13	31.388	75	51.182	22
Mining	-	-	-	-	5.309	13	888	-
Production	30.556	47	32.186	13	25.974	62	51.294	22
Electricity, Gas, Water	-	-	-	-	105	-	-	-
Construction	43	-	247	-	842	2	2.232	1
Services	34.844	53	217.518	87	9.330	23	163.348	71
Wholesale and Retail Trade	2.060	3	4.714	2	1.856	4	3.674	2
Hotel, Food and Beverage Services	-	-	-	-	-	-	-	-
Transportation and Telecommunication	3.072	5	1.617	1	7.253	18	1.222	1
Financial Institutions	28.770	44	211.187	84	31	-	158.296	68
Real Estate and Renting Services	-	-	-	-	-	-	143	-
"Self-Employment" Type Services	-	-	-	-	-	-	-	-
Educational Services	-	-	-	-	-	-	-	-
Health and Social Services	942	1	-	-	190	1	13	-
Other	102	-	78	-	146	-	14.166	6
<b>Total</b>	<b>65.545</b>	<b>100</b>	<b>250.029</b>	<b>100</b>	<b>41.706</b>	<b>100</b>	<b>231.928</b>	<b>100</b>

### 1.c.2 Non-cash loans classified under Group I and II

	Group I		Group II	
	TL	FC	TL	FC
Letters of Guarantee	65.498	248.696	-	-
Bank Acceptances	-	-	-	-
Letters of Credit	-	1.333	-	-
Endorsements	-	-	-	-
Underwriting Commitments	-	-	-	-
Factoring Related Guarantees	-	-	-	-
Other Commitments and Contingencies	47	-	-	-
<b>Total</b>	<b>65.545</b>	<b>250.029</b>	<b>-</b>	<b>-</b>

### 2. Information on financial derivative instruments

	Derivative Transactions per Their Purposes			
	Trading		Risk Management	
	Current Period	Prior Period	Current Period	Prior Period
<b>Derivatives Held for Trading</b>				
Foreign Currency Related Derivative Transactions (I)	2.951.357	2.671.578	-	-
Currency Forwards	1.396.183	686.636	-	-
Currency Swaps	1.555.174	1.984.942	-	-
Currency Futures	-	-	-	-
Currency Options	-	-	-	-
Interest Rate Related Derivative Transactions (II)	-	-	-	-
Interest Rate Forwards	-	-	-	-
Interest Rate Swaps	-	-	-	-
Interest Rate Futures	-	-	-	-
Interest Rate Options	-	-	-	-
Other Derivatives Held for Trading (III)	-	-	-	-
<b>A. Total Derivatives Held for Trading (I+II+III)</b>	<b>2.951.357</b>	<b>2.671.578</b>	<b>-</b>	<b>-</b>
<b>Derivatives Held for Risk Management</b>				
Fair Value Hedge (1)	-	-	-	-
Cash Flow Hedge (2)	-	-	-	-
Net Foreign Investment Hedge	-	-	-	-
<b>B. Total Derivatives Held for Risk Management</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Derivative Transactions (A+B)</b>	<b>2.951.357</b>	<b>2.671.578</b>	<b>-</b>	<b>-</b>

# Deutsche Bank Anonim Şirketi

## Notes to the Financial Statements at 31 December 2016

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

### 3. Information on credit derivatives and risk exposures on credit derivatives

None (31 December 2015: None).

### 4. Explanations on contingent liabilities and assets

As of 31 December 2016 there are on-going lawsuits against the Bank but since the cash outflow risk is low there is no provision provided.

### 5. Explanations on services provided on behalf of third parties

The Bank provides purchase and sales of the financial instruments and custody services on behalf of the third parties.

Financial instruments (notional values) held on behalf of the individuals and corporates by the Bank are as follows:

	Current Period	Prior Period
Treasury Bonds- TL	-	-
Government Bonds- TL	35.228.417	35.572.566
Government Bonds- FC	-	-
Private Sector Bonds- TL	531.846	654.866
Warrants	2.967.599	2.344.473
Issued Eurobonds from Treasury- USD	-	-
Issued Eurobonds from Treasury- EURO	-	-
Stocks- TL	7.706.806	7.516.157
Stocks- FC	-	-
Cheques in Portfolio- TL	3.002	15.967
Cheques in Portfolio- FC	-	804
Other	35.318	29.076
<b>Total</b>	<b>46.472.988</b>	<b>44.133.909</b>

## IV. Explanations and Notes Related to Income Statement

### 1. Information on interest income:

#### 1.a Information on interest income on loans (\*)

	Current Period		Prior Period	
	TL	FC	TL	FC
Short-Term Loans	113.380	11.889	73.965	3.941
Medium/Long-Term Loans	-	4.948	-	9.178
Interest on Non-Performing Loans	-	-	-	-
Premiums Received from Resource Utilisation Support Fund	-	-	-	-
<b>Total</b>	<b>113.380</b>	<b>16.837</b>	<b>73.965</b>	<b>13.119</b>

(\*) Includes also the fee and commission income on cash loans.

#### 1.b Information on interest income on banks

	Current Period		Prior Period	
	TL	FC	TL	FC
Central Bank of Turkey	1.364	-	983	-
Domestic Banks	7.004	18	8.477	2
Foreign Banks	4.420	-	5.497	-
Foreign Head Offices and Branches	-	-	-	-
<b>Total</b>	<b>12.788</b>	<b>18</b>	<b>14.957</b>	<b>2</b>

# Deutsche Bank Anonim Şirketi

## Notes to the Financial Statements at 31 December 2016

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

### 1.c Information on interest income on marketable securities

	Current Period		Prior Period	
	TL	FC	TL	FC
Financial Assets Held for Trading	59.706	-	42.955	-
Financial Assets At Fair Value Through Profit or Loss	-	-	-	-
Available-for-Sale Financial Assets	-	-	-	-
Held-to-Maturity Financial Assets	-	-	-	-
<b>Total</b>	<b>59.706</b>	<b>-</b>	<b>42.955</b>	<b>-</b>

### 1.d Information on interest income received from associates and subsidiaries

None (31 December 2015: None).

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks	38.925	1.160	41.822	3.126
Central Bank of Turkey	-	-	-	-
Domestic Banks	-	-	-	-
Foreign Banks	38.925	1.160	41.822	3.126
Foreign Head Offices and Branches	-	-	-	-
Other Institutions	-	-	-	-
<b>Total</b>	<b>38.925</b>	<b>1.160</b>	<b>41.822</b>	<b>3.126</b>

(\*) Includes also the fee and commission expense on funds borrowed.

### 2.b Information on interest expense paid to associates and subsidiaries

None (31 December 2015: None).

### 2.c Interest expense on securities issued

None (31 December 2015: None).

### 2.d Maturity structure of the interest expense on deposits

Current Period	Demand Deposits	Up to 1 month	Time Deposits				Total
			1-3 months	3-6 months	6-12 months	1 year and over	
<b>TL</b>							
Bank Deposits	414	2.994	-	-	-	-	3.408
Saving Deposits	-	-	-	-	-	-	-
Public Sector Deposits	-	-	-	-	-	-	-
Commercial Deposits	110	7.590	16	-	-	-	7.716
Other Deposits	-	481	-	-	-	-	481
"7 Days Notice" Deposits	-	-	-	-	-	-	-
<b>Total</b>	<b>524</b>	<b>11.065</b>	<b>16</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11.605</b>
<b>FC</b>							
Foreign Currency Deposits	-	14	-	-	-	-	14
"7 Days Notice" Deposits	-	-	-	-	-	-	-
Precious Metal Deposits	-	-	-	-	-	-	-
Bank Deposits	-	1.195	-	-	-	-	1.195
<b>Total</b>	<b>-</b>	<b>1.209</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1.209</b>
<b>Grand Total</b>	<b>524</b>	<b>12.274</b>	<b>16</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>12.814</b>

## Deutsche Bank Anonim Şirketi

### Notes to the Financial Statements at 31 December 2016

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

Prior Period	Demand Deposits	Up to 1 month	Time Deposits				Total
			1-3 months	3-6 months	6 -12 months	1 year and over	
<b>TL</b>							
Bank Deposits	434	2.446	-	-	-	-	2.880
Saving Deposits	-	-	-	-	-	-	-
Public Sector Deposits	-	-	-	-	-	-	-
Commercial Deposits	97	9.989	-	-	-	-	10.086
Other Deposits	-	571	-	-	-	-	571
"7 Days Notice" Deposits	-	-	-	-	-	-	-
<b>Total</b>	<b>531</b>	<b>13.006</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>13.537</b>
<b>FC</b>							
Foreign Currency Deposits	-	17	-	-	-	-	17
"7 Days Notice" Deposits	-	-	-	-	-	-	-
Precious Metal Deposits	-	-	-	-	-	-	-
Bank Deposits	-	476	-	-	-	-	476
<b>Total</b>	<b>-</b>	<b>493</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>493</b>
<b>Grand Total</b>	<b>531</b>	<b>13.499</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>14.030</b>

#### 3. Information on dividend income

None (31 December 2015: None).

#### 4. Information on trading loss/income (Net)

	Current Period	Prior Period
<b>Profit</b>	<b>1.946.952</b>	<b>2.385.135</b>
Capital Market Transactions	89.361	74.013
Derivative Financial Transactions (*)	768.338	1.008.830
Foreign Exchange Gains	1.089.253	1.302.292
<b>Losses (-)</b>	<b>1.949.819</b>	<b>2.378.775</b>
Capital Market Transactions	79.660	55.551
Derivative Financial Transactions (*)	780.117	983.813
Foreign Exchange Losses	1.090.042	1.339.411
<b>Net Income/(Losses) (Net)</b>	<b>(2.867)</b>	<b>6.360</b>

(\*) Foreign exchange gain from derivative transactions is amounting to TL 6.496 (31 December 2015: TL 40.132).

#### 5. Information on other operating income

As of 31 December 2016, the Bank's other operating income is amounting to TL 20.597 (31 December 2015: TL 15.886).

	Current Period	Prior Period
<b>Other Service Income</b>		
Service Income – FC	7.176	5.854
Service Income – TL	4.251	4.598
Provision Reverse Income	7.859	3.767
Other	1.320	4.203
<b>Total</b>	<b>20.597</b>	<b>15.886</b>

# Deutsche Bank Anonim Şirketi

## Notes to the Financial Statements at 31 December 2016

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

### 6. Provisions for losses on loans and receivables

	Current Period	Prior Period
Specific Provisions for Loans and Receivable	-	-
Loans and Receivables in Group III	-	-
Loans and Receivables in Group IV	-	-
Loans and Receivables in Group V	-	-
General Provisions	-	-
Provision for Possible Losses	-	-
Foreign Exchange Losses on Foreign Currency	-	-
Impairment Losses on Securities	5.240	329
Financial Assets at Fair Value through Profit or Loss	5.240	329
Available-for-sale Financial Assets	-	-
Other Impairment Losses	-	-
Associates	-	-
Subsidiaries	-	-
Joint Ventures	-	-
Held to Maturity Financial Securities	-	-
Other	-	-
<b>Total</b>	<b>5.240</b>	<b>329</b>

### 7. Information on other operational expenses

	Current Period	Prior Period
Personnel Expenses	35.379	32.657
Reserve for Employee Termination Benefits	-	113
Bank Pension Fund Deficit Provisions	-	-
Impairment Losses on Tangible Assets	-	-
Depreciation Expenses of Tangible Assets	1.081	1.283
Impairment Losses on Intangible Assets	-	-
Impairment Losses on Goodwill	-	-
Amortization Expenses of Intangible Assets	9.027	8.879
Impairment Losses on Investments Accounted Under Equity Method	-	-
Impairment Losses on Assets to be Disposed	-	-
Depreciation Expenses of Assets to be Disposed	-	-
Impairment Losses on Assets Held for Sale	-	-
Other Operating Expenses	41.493	37.817
Operational Lease Related Expenses	4.533	3.958
Repair and Maintenance Expenses	1.027	1.238
Advertisement Expenses	-	-
Other Expenses (*)	35.933	32.621
Loss on Sale of Assets	-	-
Other (**)	11.725	18.678
<b>Total</b>	<b>98.705</b>	<b>99.427</b>

(\*) The "Other operating expenses" includes communication expenses amounting to TL 7.450 (31 December 2015: TL 7.653), benefits and services obtained from third parties amounting to TL 2.342 (31 December 2015: TL 2.400), information and technology expenses amounting to TL 4.789 (31 December 2015: TL 4.222) and Deutsche Bank Group management service expenses amounting to TL 6.612 (31 December 2015: TL 3.992).

(\*\*) As of 31 December 2016 "Other" includes short term employee benefits amounting to TL 3.032 (31 December 2015: TL 12.811).

### 8. Profit/loss before taxes from continuing and discontinued operations

As of 31 December 2015 the Bank has a profit before tax amounting to TL 84.438 (31 December 2015: profit of TL 90.543).

### 9. Information on provision for taxes from continuing and discontinued operations

None ( 31 December 2015: None).

# Deutsche Bank Anonim Şirketi

## Notes to the Financial Statements at 31 December 2016

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

### 10. Information on net operating profit/loss after taxes of continuing operations and discontinued operations

None (31 December 2015: None)

### 11. Information on net profit and loss for the period

11.1 The nature and amount of certain income and expense items from ordinary operation is disclosed if the disclosure for nature, amount and repetition rate of such items is required for the complete understanding of the Bank's performance for the period

The main operations of the Bank are interbank money market transactions, marketable securities transactions, foreign currency transactions, custody services and providing collateralised non-cash loans. Therefore; net interest income, net trading income, net foreign exchange gain and fees and commission income from custody services are the most important captions of the Bank's income statement.

	Current Period	Prior Period
Interest Income/(Expense), Net	134.595	123.834
Income/(Loss) from Capital Market Transactions, Net	9.701	18.462
Gain/(Loss) from Derivative Financial Transactions, Net	(11.779)	25.017
Foreign Exchange Gains/(Losses), Net	(789)	(37.119)
Commissions from Custody Operations	30.073	29.745
Commissions from Non-cash Loans	17.130	21.283
Commissions from Intermediary Services	1.878	1.746
Other Commission Income	2.957	3.407

### 11.2 Effects of changes in accounting estimates on the current and following periods' profit/loss

There is no significant change in accounting estimates which would affect the current or following period.

### 12. Components of other items in income statement, as each sub-account exceeding 20% of the total separately, exceeding 10% of total income statement

Other fee and commission income:

	Current Period		Prior Period	
	TL	FC	TL	FC
Commissions from Custody Operations	30.073	-	29.745	-
Commissions from Intermediary Services	-	17.130	-	21.283
Other Fee and Commissions	2.587	370	3.396	11
<b>Total</b>	<b>32.660</b>	<b>17.500</b>	<b>33.141</b>	<b>21.294</b>

Other fee and commission expense:

	Current Period		Prior Period	
	TL	FC	TL	FC
Commissions due to Custody Operations	8.184	-	7.806	-
Commissions Paid to Intermediary Services	-	1.296	-	1.202
Commissions Paid to Correspondent Banks	-	808	-	813
Other Fee and Commissions	966	4.726	1.746	395
<b>Total</b>	<b>9.150</b>	<b>6.830</b>	<b>9.552</b>	<b>2.410</b>

### V.Explanations and Notes Related to Changes in Shareholders' Equity

#### 1. Information on increase due to revaluation of available for sale financial assets

None (31 December 2015: None).

#### 2. Information on increases due to cash flow hedges

None (31 December 2015: None).

# Deutsche Bank Anonim Şirketi

## Notes to the Financial Statements at 31 December 2016

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

### 3. Reconciliation of foreign exchange differences at beginning and end of current period

None (31 December 2015: None).

### 4. Information on decrease due to revaluation of available for sale financial assets

None (31 December 2015: None).

### 5. Information on distribution of profit

Based on the decision taken at General Assembly meeting of the Bank held on 31 March 2016, dividend amounting to TL 72.489 is distributed to shareholders after allocating first legal reserves amounting to TL 64.392 from the net profit amounting TL 6.996 and allocated the balance arise from deferred tax income amounts to TL 1.101 is transferred to extraordinary reserves. The dividends is paid to shareholders on 29 April 2016.

## VI. Explanations and Notes Related to Statement of Cash Flows

### 1. Information on other items and effect of exchange rate on cash and cash equivalents in Cash Flow Statement;

The "others" account included in "operating profit before changes in operating assets and liabilities" are comprised of net trading gain/loss, impairment loss provision on loans and receivables and other operating income/loss. The "net increase/ (decrease) in other liabilities" account in "changes in operating assets and liabilities" is comprised of the changes in miscellaneous liabilities, other liabilities, provision expenses, lease payables and tax liabilities. The effect of change in foreign exchange rate on cash and cash equivalents as of 31 December 2016 is approximately realized as increase amounting to TL 43.328 (31 December 2015: increase of TL 48,669). The exchange rates in the last five working days have been taken into consideration as of the balance sheet dates, while the exchange rate changes are calculated.

### 2. Cash and cash equivalents at the beginning of the period

Cash contains, cash and cash in foreign currency, cash equivalents contain unrestricted deposits in Central Bank of Turkey, money market operations and bank deposits and money market placements whose original maturities are up to 3 months as of 31 December 2016 and 31 December 2015.

	1 January 2016	1 January 2015
Cash	447	366
Cash Equivalents	569.120	854.880
Balances with Central Bank of Turkey	211.128	269.501
Banks' Demand Deposits and Time Deposits Whose Original Maturities Up to 3 Months	357.992	35.210
Money Market Receivables	-	550.169
<b>Total</b>	<b>569.567</b>	<b>855.246</b>

### 3. Cash and cash equivalents at the end of the period

	31 December 2016	31 December 2015
Cash	2.024	447
Cash Equivalents	499.901	569.120
Balances with Central Bank of Turkey	107.538	211.128
Banks' Demand Deposits and Time Deposits Whose Original Maturities Up to 3 Months	392.363	357.992
Money Market Receivables	-	-
<b>Total</b>	<b>501.925</b>	<b>569.567</b>

### 4 Restricted cash and cash equivalents due to legal requirements or other reasons

There are no cash and cash equivalents restricted for the usage of the Bank by legal limitations and other reasons (31 December 2015: None).

There is no additional information that needs to be disclosed in addition to those disclosed in Note 1.

# Deutsche Bank Anonim Şirketi

## Notes to the Financial Statements at 31 December 2016

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

### VII. Explanations and Notes Related to Bank's Risk Group

1. Transactions with the Bank's risk group; lendings and deposits and other related party transactions outstanding at period end and income and expenses from such transactions incurred during the period

#### 1.1 Current period

Bank's Risk Group	Associates, Subsidiaries and Joint Ventures		Direct and Indirect Shareholders of the Bank		Other Components in Risk Group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Loans and Receivables						
Balance at the Beginning of the Period	-	-	31.239	93.214	612	-
Balance at the End of the Period	-	-	221.089	109.879	1.043	-
Funds Borrowed						
Balance at the Beginning of the Period	-	-	1.723.245	-	-	-
Balance at the End of the Period	-	-	923.178	-	-	-
Interest and Commission Income	-	-	19.477	626	-	-
Interest and Commission Expense	-	-	48.426	-	-	-

#### 1.2 Prior Period

Bank's Risk Group	Associates, Subsidiaries and Joint Ventures		Direct and Indirect Shareholders of the Bank		Other Components in Risk Group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Loans and Receivables						
Balance at the Beginning of the Period	-	-	120.845	111.884	1.042	-
Balance at the End of the Period	-	-	31.239	93.214	612	-
Funds Borrowed						
Balance at the Beginning of the Period	-	-	1.636.369	-	-	-
Balance at the End of the Period	-	-	1.723.245	-	-	-
Interest and Commission Income	-	-	23.717	295	-	-
Interest and Commission Expense	-	-	48.902	-	-	-

#### 1.3 Information on deposits of the Bank's risk group

Bank's Risk Group	Associates, Subsidiaries and Joint Ventures		Direct and Indirect Shareholders of the Bank		Other Components in Risk Group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Deposits						
Balance at the Beginning of the Period	-	-	40.557	33.346	36.429	1.546
Balance at the End of the Period	-	-	98.705	40.557	34.954	36.429
Interest Expenses	-	-	258	402	2.915	-

#### 1.4 Information on forward and option agreements and other similar agreements with the Bank's risk group

Bank's Risk Group	Associates, Subsidiaries and Joint Ventures		Direct and Indirect Shareholders of the Bank		Other Components in Risk Group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Transactions at Fair Value Through Profit and Loss						
Beginning of the Period	-	-	1.043.796	589.496	-	-
End of the Period	-	-	523.756	1.043.796	-	-
Total Profit / Loss	-	-	(77.943)	(9.307)	13	-
Transactions for hedging purposes						
Beginning of the Period	-	-	-	-	-	-
End of the Period	-	-	-	-	-	-
Total Profit / Loss	-	-	-	-	-	-



# Deutsche Bank Anonim Şirketi

## Notes to the Financial Statements at 31 December 2016

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

### 2. Information on the Bank's risk group

#### 2.1 The relations with entities that are included in the Bank's risk group and controlled by the Bank

The Bank performs various transactions with the group companies as a part of the banking transactions in accordance with the ordinary bank-client relationship and market conditions within the limitations determined by the Banking Law.

#### 2.2 The type of transaction, the amount and its ratio to total transaction volume, the amount of significant items and their ratios to total items, pricing policy and other issues

	Current Period		Prior Period	
	Amount	According to the Amounts in the Financial Statements%	Amount	According to the Amounts in the Financial Statements%
Banks	195.808	50%	4.855	1%
Loans and Other Receivables	26.324	2%	26.996	2%
Non-cash Loans	109.879	35%	93.214	34%
Deposits	133.659	15%	76.986	13%
Interest Income on Loans	2.347	2%	2.433	3%
Interest Expense on Deposits	3.172	25%	402	3%
Interest Expense on Funds Borrowed	40.085	100%	44.948	100%
Funds Borrowed	923.178	100%	1.723.245	100%
Fees and Commissions Received	17.755	34%	21.578	38%
Fees and Commissions Paid	5.169	32%	867	7%
Interest Expense on Money Market Placements	-	-	3.086	62%
Other Operating Income	7.908	38%	10.451	66%
Other Operating Expense	9.339	9%	6.453	6%
Derivative Financial Instruments	523.756	36%	1.043.796	39%

Terms of transactions made with group companies are set in accordance with the market prices, if market prices do not exist cost plus method is used. Except for the situations requiring separate disclosure, there is not any account balance that is similar in nature and presented as an aggregate line.

#### 2.2 Transactions recognized according to equity pick-up method

The bank has no transactions recognized according to equity pick-up method.

#### 2.4 Information on transactions such as purchase-sale of immovable and other assets, purchase-sale of service, agent agreements, financial lease agreements, transfer of the information gained as a result of research and development, licence agreements, financing (including loans and cash or in kind capital), guarantees, collaterals and management contracts

The Bank has no agreement signed for asset purchases/sales, service rendering, agencies, finance lease contracts, research and development and licences with the group companies as of 31 December 2016.

The Bank is involved in information technology and software services from Deutsche Bank Group companies. In addition, Deutsche Bank Group companies are also involved in information technology and operation services

The service agreement signed with Deutsche Bank AG includes the conditions of calculation of service fee and cost based on the annual defined rates and transfer of the calculated amount to the service-rendering bank's account in cash, for intermediary services performed by Bank's sales executives in the transactions of other group companies and intermediary services performed by sales executives of other group banks.

In accordance with the agreement signed with Deutsche Bank AG, which is valid since January 2004, the Bank pays a service fee to Deutsche Bank AG in return for global and regional management, leadership and coordination activities provided to the Bank by the top management of Deutsche Bank AG.

In accordance with the agreement signed at 2015 with Bebek Varlık Yönetimi AŞ, Bebek Varlık Yönetimi AŞ pays a service fee to the Bank in return for the operational services that is provided by the Bank.

# Deutsche Bank Anonim Şirketi

## Notes to the Financial Statements at 31 December 2016

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

In accordance with the agreement signed with Deutsche Bank AG, which is valid since January 2005, Deutsche Bank AG pays a service fee to the Bank in return for the services related to financial sector cash management products.

Deutsche Securities Menkul Değerler A.Ş. is paying service fee to the Bank for the services and services it uses due to it is benefiting from the support services provided by the Bank itself.

### 2.5 Information on benefits provided to top management

Benefits paid to key management personnel in the current period amounting to TL 15.726 (31 December 2015: TL 19.854).

### VIII. Explanations and notes to the domestic, foreign, off-shore branches and foreign representatives of the Bank

Bank has no domestic, foreign or off-shore branches.

### IX. Explanations and notes related to subsequent events

#### 1. Significant events and matters arising subsequent to reporting date and their financial statement effects

None.

## SECTION SIX

### OTHER EXPLANATIONS AND NOTES

#### I. Other explanations related to the Bank's operations

None.

## SECTION SEVEN

### EXPLANATIONS ON INDEPENDENT AUDITORS' REPORT

#### I. Explanations on the independent auditors' report

The unconsolidated financial statements and financial information together with its explanatory notes as at 31 December 2016 have been audited by Akis Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. ("the Turkish member firm of KPMG International Cooperative, a Swiss entity") and Independent Auditors' Report dated 15 March 2017 is presented before the unconsolidated financial statements.

#### II. Explanations and notes prepared by the independent auditor

None.

We aspire to be the leading client-centric global universal bank

We serve shareholders best by putting our clients first and by building a global network of balanced businesses underpinned by strong capital and liquidity.

We value our German roots and remain dedicated to our global presence.

We commit to a culture that aligns risks and rewards, attracts and develops talented individuals, fosters teamwork and partnership and is sensitive to the society in which we operate.

Deutsche Bank A.Ş.  
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