

Bank of Tokyo-Mitsubishi UFJ Turkey A.Ş.

Annual Report 2015



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**(CONVENIENCE TRANSLATION OF INDEPENDENT AUDITOR'S REPORT
ON THE MANAGEMENT'S ANNUAL REPORT
ORIGINALLY ISSUED IN TURKISH)**

INDEPENDENT AUDITOR'S REPORT ON THE MANAGEMENT'S ANNUAL REPORT

**To the Board of Directors of
Bank of Tokyo-Mitsubishi UFJ Turkey A.Ş.**

Report on the Audit of Management's Annual Report in accordance with Independent Auditing Standards

We have audited the annual report of Bank of Tokyo-Mitsubishi UFJ Turkey A.Ş. ("the Bank") for the period ended 31 December 2015.

Management's Responsibility for the Annual Report

The Bank Management is responsible for the preparation and fair presentation of the annual report which is consistent with the financial statements prepared in accordance with "the Banking Regulation and Supervision Agency ("BRSA") Accounting and Reporting Regulations" including the regulation on "The Procedures and Principles Regarding Banks' Accounting Practices and Maintaining Documents" published in the Official Gazette dated 1 November 2006 with No. 26333, and other regulations on accounting records of banks published by the Banking Regulation and Supervision Board and circulars and pronouncements published by the BRSA and Turkish Accounting Standards for the matters not legislated by the aforementioned regulations ("the financial statements") in accordance with the Article 514 of the Turkish Commercial Code No. 6102 ("TCC") and the regulation on "Preparing and Publishing the Annual Report by Banks" published in the Official Gazette dated 1 November 2006 and No. 26333, and for such internal control as management determines relevant to the preparation and fair presentation of such 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. Our audit involves whether the financial information provided in the annual report are fairly presented and consistent with the financial statements, based on our audit report dated 8 March 2016.

We conducted our audit in accordance with Independent Auditing Standards, which is a part of Turkish Auditing Standards issued 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 provided in the annual report are fairly presented and consistent with the financial statements and are free from material misstatement.

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 provided in the Management's annual report, in all material respects, are fairly presented and consistent with the audited financial statements.

Other Legal and Regulatory Requirements

In accordance with paragraph three of the Article 402 of the TCC, nothing significant has come to our attention that may cause us to believe that the Bank may not continue its activities for the foreseeable future in accordance with Independent Auditing Standard 570 "Going Concern".

DRT BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş.
Member of **DELOITTE TOUCHE TOHMATSU LIMITED**



Hasan Kılıç
Partner

İstanbul, 11 March 2016

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Agenda of the Ordinary General Assembly Meeting



Bank of Tokyo-Mitsubishi UFJ Turkey A.Ş.
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Agenda of the Ordinary General Assembly Meeting for the year 2015 of Bank of Tokyo-Mitsubishi UFJ Turkey Anonim Şirketi dated 28/03/2016

AGENDA

1. Opening and appointment of the Meeting Board,
2. Authorization of the Meeting Board to sign the minutes of the Ordinary General Assembly meeting,
3. Discussion and approval of the Annual Activity Report of the Board of Directors for the financial year 2015,
4. Discussion on the independent auditor's report for the financial year 2015,
5. Discussion and approval of the financial statements of the financial year 2015,
6. Release of the members of the Board of Directors,
7. Appointment of the members of the Board of Directors;
8. Discussion on use of profit and determination of dividend distribution,
9. Discussion on the remuneration payment to Board of Directors members,
10. Appointment of DRT Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. as the independent auditor for financial year 2016,
11. Discussion on the permission to Board of Directors members in line with articles 395 and 396 of TCC regarding to conduct business within the field of Bank's activity area or conduct such business on behalf of a third party,
12. Wishes and Closing.


Yasuo Asada
President


Dr. Oğuz Vecdi Öncü
Deputy President

OUR BANK

Bank of Tokyo-Mitsubishi UFJ Turkey A.Ş.

Paid in Capital	: 527,700,000 TL
Subscribed Capital	: 527,700,000 TL
Commercial Reg. No.	: 855649

The Bank of Tokyo-Mitsubishi UFJ Ltd. (BTMU) is one of the oldest Japanese companies operating in Turkey through a representative office that opened in 1986. In December 2012, BTMU obtained approval to establish a banking subsidiary in Turkey, a country of significant geostrategic importance serving as a bridge between Europe and Asia. Bank of Tokyo-Mitsubishi UFJ Turkey A.Ş. (BTMU Turkey) started operation in November 2013.

BTMU Turkey provides full banking facilities to its Japanese and non-Japanese corporate clients in Turkey. BTMU Turkey is dedicated to continuously be regarded among the top performing foreign-owned banks always striving to match the high standards of customer oriented service by providing value-added banking services, excellent operations and making full use of BTMU's global network

BTMU Global

The Bank of Tokyo-Mitsubishi UFJ, Ltd. (BTMU) was launched on 1st January, 2006, through the merger of The Bank of Tokyo-Mitsubishi, Ltd. and UFJ Bank Limited, and is one of the world's leading banks. With both banks having had more than a century of experience in both the Japanese domestic market as well as in the international financial markets, BTMU has the resources to respond quickly and efficiently to the growing range of its clients' needs.

BTMU's domestic network comprises more than 760 domestic branches, sub-branches and agencies. Overseas, BTMU consists of more than 75 overseas branches located in all the major financial and commercial centres of the world. BTMU offers an extensive scope of financial products and services to businesses, governments and private individuals. It provides a full spectrum of commercial, investment, trust banking products and services through its global branches and subsidiaries. BTMU is the premier commercial banking arm of Mitsubishi UFJ Financial Group, Inc. (MUFG) that comprehensively and flexibly responds, as an integrated unit, to all of the financial needs of its customers.

Our Mission

To contribute to the growth of Turkey by utilizing BTMU's global channel and financial strength

Our Vision

- Be the most trusted financial institution for our customers, stakeholders and communities.
- Be the Financial Bridge between Turkey and Japan, and between Turkey and the World
- Support our customers locally and globally

Our Values

- Integrity and Responsibility
- Professionalism and Teamwork
- Challenge Ourselves to Grow

Activities

Under the light of our mission, vision and values, BTMU Turkey opened its gates on 28 November 2013, targeting a mass of mainly Japanese companies active in Turkey, and the ventures and partnerships of financial organizations and multinational companies in Turkey, as well as large scale Turkish companies acting in the public and private industry.

The Bank started to work in the field of Corporate Banking to offer its Customers;

Loan

Foreign Trade

Treasury Transactions

Operation

Cash Management

Internet Banking

As of end of 2015, BTMU Turkey has **126** customers.

Capital Structure, Changes within the Year, Qualified Shares and Executive Shares

Shareholders	TL	(%)
The Bank of Tokyo-Mitsubishi UFJ, Ltd	527.699.996,00	%99,99 (Grup A)
Ayşe Bengi Özlüarda	1,00	% 0 (Grup B)
Ayşe Yahyaoğlu	1,00	% 0 (Grup B)
Ceni Gamliel	1,00	% 0 (Grup B)
Adem Ağdaş	1,00	% 0 (Grup B)
Total	527.700.000,00	%100

There have not been any changes in the capital structure of our Bank in 2015.

We do not have any qualified shareholders in our Bank, and our Chairman of the Board of Directors, Vice Chairman and Members as well as our President and Deputy Presidents do not own shares.

Modifications of Articles of Association within the Year

In 2015 any changes have not been made in the Articles of Association.

Extraordinary General Meetings within the Year

Extraordinary General Meetings was not held in 2015.

Subsidiaries

We do not have any subsidiaries.

Key Financial Highlights as of 31 December 2015

Assets	: TL 5,669 M
Loans	: TL 3,034 M
Customer Deposits	: TL 110 M
Shareholder's Equity	: TL 527 M
Capital Adequacy Ratio	: % 14.06

Evaluation of the Bank's Position in the Sector

BTMU Turkey operates as a single entity with the mission of acting as a boutique bank, mainly addressing the Japanese customers domiciled in Turkey, as well as top-tier Turkish corporates, multinational corporates with Asian and Western origin, financial institutions and the sovereign. The business model is entirely based on the concept of corporate banking, with no service designed for individuals and no utilization of effective cash. Whilst Japanese customer base forms the most important reason for BTMU Group's decision to start operations in Turkey, non-Japanese customer groups also have a strategic importance within the bank's group business policy, given the importance of Turkey as a country with significant business potential for MUFG as a whole.

BTMU Turkey's competitive edge is mainly derived from its capacity to build a solid and stable portfolio of Japanese customers in Turkey. Given MUFG's strong and long-standing relationship with Japanese corporates worldwide, as well as communication with the existing Japanese society in the country, the bank does not need to pursue building customer base from scratch. Despite the fact that many of the Japanese corporates are already multi-banked and have access to the services of local banks, they have an existing need to be served by a Japanese bank and given its first-comer status. These circumstances provide BTMU Turkey with an unmatched advantage compared to its peers and the wider group of small sized foreign banks with similar business policies.

Another crucial strength of BTMU Turkey is its capacity to operate over a wide span of foreign currencies (particularly those with Asian origin), by leveraging the extensive global network and expertise of MUFG. Finally, the relatively cheap foreign currency funding cost of BTMU Turkey stands out as a significant competitive advantage, when compared to peers and the sector as a whole.

Research and Development Implementations

The product portfolio of BTMU Turkey covers the basic commercial banking products including all types of cash and non-cash lending, cash management and trade finance on corporate banking, while spots, forwards and options are offered to customers on the treasury side. However our Treasury team works on setting the infrastructure to widen the product range to include interest rate and cross currency swaps and fixed-income securities. Furthermore in 2015, BTMU Turkey applied to the Capital Market Board and obtained a licence for "Portfolio Intermediation" and "Limited Clearing".

Message from Chairman and the President

Dear Stakeholders,

We would like to start our message by extending our deepest gratitude to you for your dedicated support to our Bank.

We present to you the results of the activities and financial statements of our Bank for the year 2015.

Following the opening of our Bank in November 2013, the past few years have been a period of strengthening the roots of our foundation and further developing our products and customer services. Over the course of 2015 we have continued to rapidly expand our customer base of Japanese, Turkish and multinational companies and fortified our structure based on long-term strategies. 2015 has been a year focused on increasing our asset size and activity areas. We saw serious advance in areas such as loans and treasury activities, in line with our desired objectives.

Looking back, 2015 has been a year with less global growth amid financial market turbulence. Although the US economy continued to expand at a moderate pace amid the first rate hike since 2006 in December, the slow-down of the Chinese economy, the Greek debt crisis, and the capital outflows in emerging markets were recorded as negative impacts which stagnated the global economy. Furthermore, geopolitical risk factors in various areas such as Russia and the Middle East also had a negative impact on the recovery of world economy.

On the other hand, the Turkish economy generally ended 2015 on a strong foot with the real GDP growth forecast rising up to 4% from 2.9% over to the previous year despite escalation in geopolitical tension and two election cycles. However, factors of concern, such as the on-going high levels in consumer prices and, the weakening of the Turkish Lira against foreign currencies, created a tough environment for businesses in the country.

Despite these challenging circumstances, BTMU Turkey, with its over a quarter century of experience in Turkey and solid relations with Japanese as well as local companies in the country, displayed a sound performance and significantly increased its asset size by 76 percent over to the previous year.

As of the end of 2015, our Bank's Total Asset volume reached TL 5,666.8 million from the Total Asset volume of TL 3,228.7 million as of the end of 2014 and the increased percentage in asset financials was realized as 76 percent on a yearly basis.

As the major component of our Bank assets, the loan volume reached TL 3,034 million and it was increased by TL 1,837 million from the end of 2014. Regarding the breakdown of our loan portfolio on a currency basis, 45 percent of our portfolio belongs to TL loans and 55 percent belongs to foreign currencies. As the other major component of our Bank Assets, receivables from Banks reached TL 1,377 million.

On the liabilities side the Funds Borrowed by our Bank reached TL 4,018 million, Demand and Time Deposits from clients reached TL 110 million. As of the end of 2015, the Equity of our Bank was realized as TL 548.5 million while the equity calculated for the Capital Adequacy ratio was realized as TL 524 million TL and the Capital Adequacy Ratio was recorded as 14.06 percent.

Considering the results of our income statement as of the end of 2015, Net Interest Income of the Bank reached TL 110.8 million. Income before Provision for Loans, Other Receivables Losses and before Taxes was realized as TL 28.6 million and the Net Income as TL 15.3 million.

Regardless of the global and domestic economic developments, as the only operating Japanese Bank with a Turkish banking license, BTMU Turkey remains committed to enhancing the variety and quality of its services to support Japanese, domestic and multinational clients, to assist Japanese and other investors seeking to expand their businesses in the region and continue to strive to be a solid foundation of trust to its business partners within the scope of the MUFG Group's vision to "Be the World's Most Trusted Financial Group".

With a strong sense of devotion and commitment to our customers and the Turkish market, we intend to continue to develop our business activities in 2016.

We would like to express our sincere gratitude to our valuable customers, strategic and business partners and our beloved employees for their dedicated support in the growing phase of our Bank in Turkey. We believe our solidarity and strong cooperation will lead to great prosperity for all parties involved, as well as to the domestic economy of Turkey and the region.

Ali Vefa Çelik
Chairman of the Board of Directors

Yasuo Asada
President

MANAGEMENT & CORPORATE GOVERNANCE POLICIES

Board of Directors



From the left: Çetin Özbek, Yasuo Asada, Masakazu Osawa, Aysun Mercan, Ali Vefa Çelik, Jeremy Quinton Broughton

ALİ VEFA ÇELİK **Board Chairman**

Ali Vefa Çelik graduated from the Business Management Department of the Administrative Sciences Faculty of Middle East Technical University, Turkey. He began his banking career at the Central Bank of the Republic of Turkey (CBRT) in 1978 after receiving his Master's degree from the Meiji University, Tokyo. He worked at CBRT between 1978-2006 in various high level posts as the General Manager of Banking, General Manager of Accounting, General Manager for Credits and as the Representative of CBRT in Japan. He also served as Second Chairman of the Banking Regulation and Supervision Agency of Turkey and the Savings Deposit and Insurance Fund in 2001 and as a Member of the Board of Directors of the Central Bank of the Turkish Republic of Northern Cyprus between 2002 and 2003. As a member of the Board of Directors of the Bank of Tokyo – Mitsubishi UFJ Turkey A.Ş. since June 2013, Çelik undertook the role of Chairman of the Audit Committee between 2013 and 2016. He was assigned the role of Vice Chairman in July 2015 and Chairman of the Board of Directors in February 2016.

MASAKAZU OSAWA
Board Vice Chairman

Masakazu Osawa graduated from the Faculty of Law of the University of Tokyo and has a Master of Laws from the University of Chicago Law School. He joined The Mitsubishi Bank in 1991 and then worked across corporate and investment banking for The Bank of Tokyo-Mitsubishi UFJ, Ltd. and Mitsubishi Securities Inc, before taking charge of strategic investments and alliances with Morgan Stanley and Merrill Lynch. More recently he established the governance framework over Bank of Ayudhya (Krungsri) in Thailand, and its integration with BTMU Bangkok branch. Since 2015 he has held a dual role as Chief Operating Officer for EMEA, Planning Division and Head of MUFG Group Strategy for EMEA ,MUFG Global. In August 2015, he was appointed as a member and in February 2016 as the Vice Chairman of the Board of Directors of Bank of Tokyo-Mitsubishi UFJ Turkey A.Ş.

YASUO ASADA
Board Member
President

Yasuo Asada graduated from Keio University Economy Department. His banking career started in 1987 at the Bank of Tokyo Ltd. (Japan). Within the Bank of Tokyo-Mitsubishi UFJ Ltd., he has taken part in commercial banking activities in Tokyo, New York and London and held senior executive roles including branch manager. In October 2014, he was appointed as the Deputy President and in March 2015 the President of BTMU Turkey.

ÇETİN ÖZBEK
Board Member
Audit Committee Chairman

Çetin Özbek graduated from the Economic and Administrative Sciences Department of Hacettepe University and the MBA programme of the Fox Business School of Temple University. He started his career in 1987 at a private bank. He served as an internal auditor as well as the Deputy Chief Audit Executive at the same bank until he was appointed as the Chief Audit Executive at the Central Bank of the Republic of Turkey (CBRT). Besides his post as a Chief Audit Executive, he served at various posts at CBRT including as the Representative of CBRT in Japan and Advisor until 2016. He was appointed as a Board Member of the Bank of Tokyo-Mitsubishi UFJ Turkey A.Ş. in January 2016.

JEREMY QUINTON BROUGHTON
Board Member

Jeremy Quinton Broughton graduated from the University of Wales and the University of Cambridge (UK) with Bachelors and PhD degrees respectively. He also has an MBA Degree from Yale University, USA. After a successful academic career in Physics, he transitioned to Finance working initially as an Executive Director and the Head of Structured Credit Risk Management at JP Morgan Chase and JP Morgan Securities Inc. (US) between 2000-2008 and then later as a Managing Director and Deputy Global Head of GBM Market Risk at the Royal Bank of Scotland (London). He assumed his current duty of Chief Risk Officer and General Manager of Risk Management for EMEA at The Bank of Tokyo-

Mitsubishi UFJ, Ltd., in 2013. He was appointed as a member of the Board of Directors of Bank of Tokyo-Mitsubishi UFJ Turkey A.Ş. in March 2014.

AYSUN MERCAN
Board Member

Aysun Mercan graduated from the Faculty of Administrative Sciences of the Middle East Technical University (BS) and the Executive MBA programme of the Manchester Business School at the University of Wales. She started her banking career in 1982 and undertook high level roles related to Corporate Banking, Credits, Foreign Transactions, Project Financing, and Corporate Governance in various local and foreign banks. She has led and managed many projects related to the collection of common debts via rehabilitation, management, sale and liquidation of the banks and companies affiliated under them that were taken over by the Banking Regulation and supervision Agency and the Savings Deposit Insurance Fund during the 2001 financial crisis in Turkey. She was appointed as a member of the Board of Directors of Bank of Tokyo-Mitsubishi UFJ Turkey A.Ş. in January 2016.

Board Member Changes

- **Masato Miyachi**, who had been Chairman of the Board since 27.10.2014 resigned from his duties on 16.02.2016.
- **Yuta Uchiyama**, who had been a Member of the Board since 27.10.2014 resigned from his duties on 11.01.2016.
- **David Ralph Rosenberg**, who had been a Member of the Board since 26.06.2013 resigned from his duties on 31.08.2015.
- **Hirofumi Noda**, who had been a Member of the Board since 06.02.2014 resigned from his duties on 27.07.2015.
- **Paul Antoon Ludwina Cardoen**, who had been a Member of the Board since 26.06.2013 resigned from his duties on 31.05.2015.

Top Management

Yasuo Asada, President

Yasuo Asada graduated from Keio University Economy Department. His banking career started in 1987 at the Bank of Tokyo (Japan). Within the Bank of Tokyo-Mitsubishi UFJ Ltd., he has taken part in commercial banking activities in Tokyo, New York and London and held senior executive roles including branch manager. In October 2014, he was appointed as the Deputy President and in March 2015 the President of BTMU Turkey.

Kenzo Okumura, Deputy President – Treasury and Corporate Banking

Kenzo Okumura graduated from Yokohama National University, Civil Engineering. His banking career started in 1990. He is currently the Deputy President of Treasury and Corporate Banking at BTMU Turkey.

Oğuz Vecdi Öncü, Deputy President – Operation and Support Services

Oğuz Vecdi Öncü graduated from the Middle East Technical University, Department of Political Science and Public Administration. He has a Master's degree from İstanbul Ticaret University in the field of International Trade, and Doctoral degree from Marmara University, Institute of Banking and Insurance. His banking career started in 1986. He is currently the Deputy President of Operation and Support Services at BTMU Turkey.

Takeshi Fujii, Deputy President – Planning

Takeshi Fujii graduated from Boston University, School of Management. His banking career started in 1993. He is currently the Deputy President of Planning at BTMU Turkey.

Önder Gökalp

Chief Financial Officer

Gökalp is a university graduate and he has a master's degree in International Business Management. 17 years of his 20 year work experience has been in the banking industry. He has been working at BTMU Turkey since May 2013.

Bengi Özlüarda

Director-Corporate Banking

Özlüarda is a university graduate. She has 27 years of experience in banking industry and she has been working at BTMU Turkey since July 2013.

Berna Canbulat

Director-Operation

Canbulat is a university graduate and she has 23 years of experience in banking industry. She has been working at BTMU Turkey since March 2013.

Muhittin Zayas

Director-Human Resources and General Affairs

Zayas, is a university graduate and he has a master's degree. He has 15 years-long career in banking and he started to work for BTMU Turkey on May 2015.

Nil Güven**Director-Planning**

Güven is a university graduate and has 28 years of experience in industry. She has been working at BTMU Turkey since May 2013.

Shin Takada**Director-Corporate Banking**

Takada is a university graduate. He has 22 years of experience in banking industry and he has been working at BTMU Turkey since July 2015.

Mehmet Ersoylu**Manager-Information Technologies**

Ersoylu is a university graduate. 15 years of his 21 year work experience has been in the field of Information Technologies in banking industry. He has been working at BTMU Turkey since June 2013.

Onur İlgen**Manager-Treasury**

İlgen is a university graduate and has a master degree on Financial Engineering. He has 8-years of experience in banking industry and he has been working at BTMU Turkey since May 2013.

Yasemin Akyel**Manager-Loans**

Akyel is a university graduate. She has 10 years of experience in banking industry and she has been working at BTMU Turkey since May 2013.

Managers of Internal Systems Departments

Hülya Erođlu**Director-Internal Audit**

Erođlu is a university graduate. She has 29 years of experience in banking industry in finance, 18 years of which has been in banking. She has been working at BTMU Turkey since March 2013.

Ođuzhan Öner**Director-Risk Management**

Öner is a university graduate and master degree. He has 16 years of experience in banking industry. He has been working at BTMU Turkey since October 2015.

Sinan Gürlen**Senior Manager-Compliance and Internal Control**

Gürlen is a university graduate. He has 21 years of experience in banking industry and he has been working at BTMU Turkey since March 2013.

Committees

Corporate Governance Committee

Mr. Ali Vefa Çelik – Chairman (as of 16.02.2016)
(Mr. Masato Miyachi –Chairman (up to the date of 16.02.2016))
Mr. Yasuo Asada -Member

The Corporate Governance Committee is made up of members from the Board of Directors to monitor the compliance to Corporate Governance principles, execute improvement studies and present recommendations to the Board. The committee is made up of at least 2 members and convenes at least 1 times a year. The Chairman of Board is also the Chairman of the Corporate Governance Committee. The committee held 1 meeting in 2015.

Audit Committee

Mr. Çetin Özbek – Chairman (as of 16.02.2016)
(Mr. Ali Vefa Çelik –Chairman (up to the date of 16.02.2016))
Mr. Jeremy Q. Broughton -Member

Created further to Article 24 of the Banking Law 5411, the Audit Committee is responsible for monitoring and ensuring the effectiveness, eligibility and compliance of the Bank's internal systems to laws, regulations and internal policies of the Bank; assess whether the required methods, tools and application procedures are available for identifying, measuring, monitoring and controlling the risks of the Bank; supervise the operation of the accounting and reporting systems and the integrity of the data produced, perform the required preliminary assessments in the selection of the independent audit organizations and grading, assessment and outsourcing organizations by the Board of Directors; and regularly monitor the activities of these organizations chosen by the Board of Directors and with whom contracts are signed. The Chairman of the Audit Committee is also a member of the Board of Directors responsible for Internal Systems. The Audit Committee convened 9 times in 2015.

Remuneration Committee

Mr. Ali Vefa Çelik – Chairman (as of 16.02.2016)
(Mr. Masato Miyachi –Chairman (up to the date of 16.02.2016))
Mr. Yasuo Asada -Member

The purpose of the Remuneration Committee is to monitor, audit and evaluate the Remuneration policies and procedures, on behalf of the Board of Directors. In this scope, the Committee works on the review of the trends related to human resources management, compare the Bank's remuneration to those in the market and take the necessary measures to continue to recruit and retain the most talented employees for the Bank. The committee meets, at least one time per year, additionally when necessary,

and reports their activities to the Board of Directors annually. The Remuneration Committee held 1 meeting in 2015.

Risk Committee

- Mr. Çetin Özbek – Chairman (as of 16.02.2016)
(Mr. Ali Vefa Çelik –Chairman (up to the date of 16.02.2016))
Mr. Oğuzhan Öner, Member
Mr. Sinan Gürten, Member

The Board of Directors is responsible for instituting the Bank's risk appetite, review and approval of the risk framework and policies, analyzing periodic risk reports and activities related to the alignment of risk management policies and procedures. The Risk Committee's purpose is to provide information and present reports to the Board of Directors so that they may fulfill their risk management responsibilities. The Risk Committee meets once a month and it is chaired by the Member of the Board responsible for Internal Systems. Committee convened 12 times in 2015

Asset Liability Committee

- Mr. Yasuo Asada, Chairman
Mr. Kenzo Okumura, Member
Mr. Oğuz Vecdi Öncü, Member
Mr. Takeshi Fujii, Member
Mr. Önder Gökcalp, Member
Mr. Onur İlgen, Member
Ms. Bengi Özlüarda, Member
Mr. Oğuzhan Öner, Member
Ms. Yasemin Akyel, Member
Mr. Shin Takada, Member
Ms. Nil Güven, Member
Mr. Muhittin Zayas, Member

The Assets & Liability Committee is in charge of carrying out the management of the assets and liabilities of the Bank in order to maximize revenues within the scope of the risk appetite and tolerance identified by the Board of Directors; assessing the interest, exchange rate, liquidity and market risks under the light of the strategy and competition conditions of the Bank, taking the decisions to be executed by the related Departments to manage the Bank's balance sheet. The Committee is chaired by the President at its meetings. The Committee convened 17 times in 2015.

Other Committees

In addition to the above, the below mentioned committees are also working to ensure the efficient implementation of corporate governance principles and our bank strategies.

Executive Committee

Disciplinary Committee

Outsourcing and Procurement Committee

Compliance Committee

Operational Control Committee

New Product Committee

Business Continuity and Crises Management Committee

IT Strategy and Steering Committee

Details on the Participation of the Members of the Board of Directors and Committees to Meetings

At our Bank, meetings of the Board of Directors are held minimum 4 times a year as a rule. Additional meetings are held at required extents and frequencies.

The meeting agendas are prepared by consideration of the proposals received from the departments of our Bank.

The agenda and related files are distributed to the members by a certain period before the meeting, and the meetings are held further to article 390/4 of the Turkish Code of Commerce unless the members request a physical meeting.

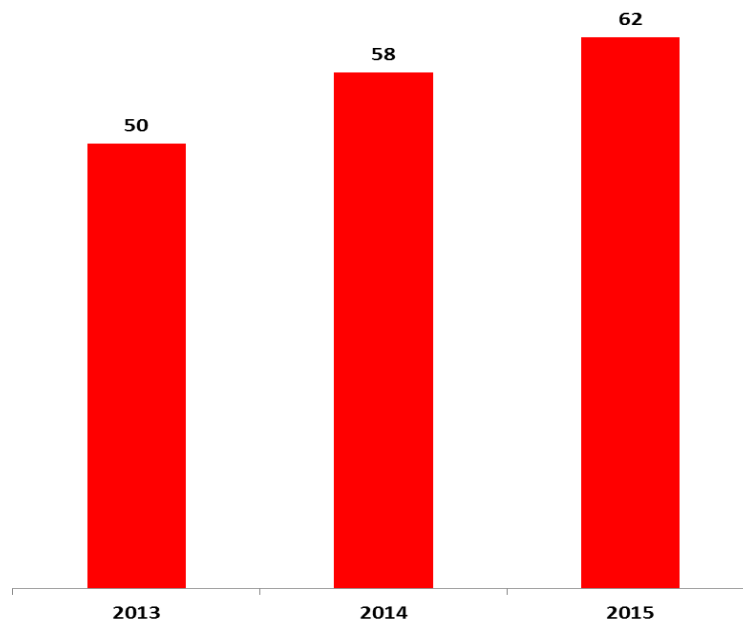
67 meetings of the Board of Directors were held throughout 2015, and the attendances were regular with respect to quorum.

Human Resources

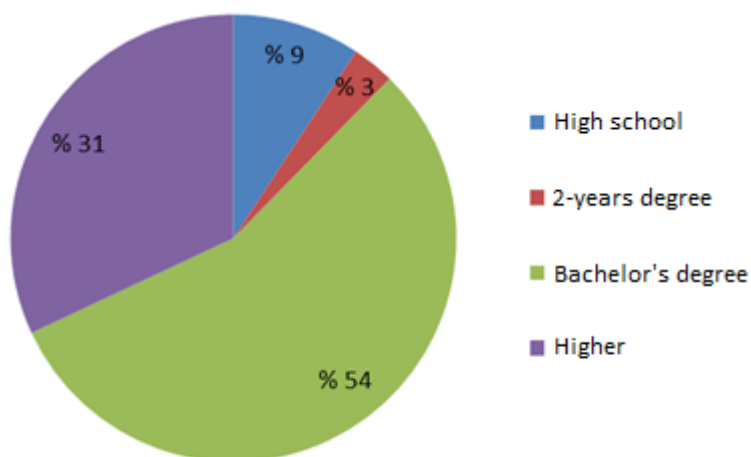
Following the receipt of establishment permit from BRSA on December 20th 2012 (no. 5108), and operation permit on September 24th 2013, our Bank started to serve on 28th November 2013.

In line with our corporate vision “to be the world’s most trusted financial group of the world”, we paid special attention to gather high calibre professionals committed to this vision.

Our team has grown from 50 (2013 EoY) to 62 people by the end of Y2015:

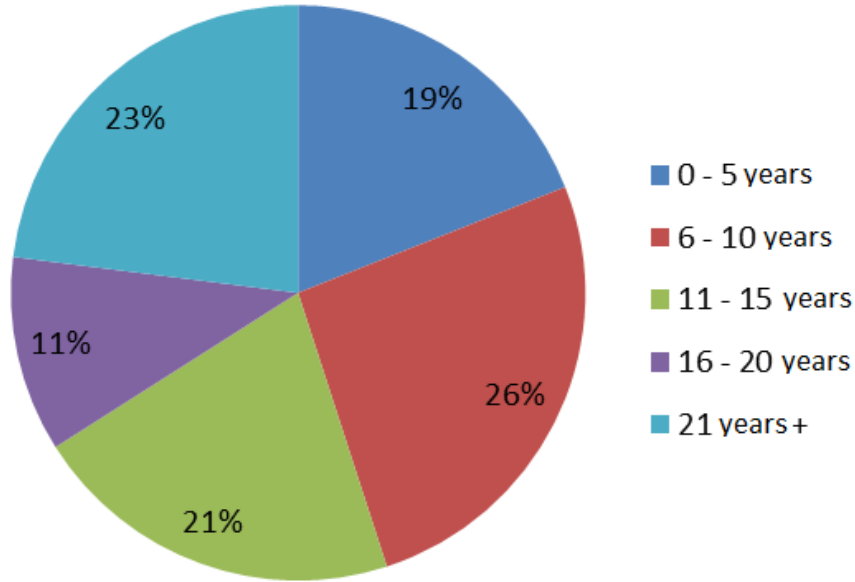


85% of our employees with an average age of 39, hold bachelor’s degree or higher:



Bank of Tokyo-Mitsubishi Turkey AS is keen to onboard seasoned and qualified bankers to secure the high standard of service provided.

Average seniority of our employees in banking industry is 13 years:



A fair and objective remuneration policy applies to all employees at BTMU Turkey. To assure a transparent and methodical approach to remuneration, BTMU Turkey launched a new organizational grading structure with partnership of HAY consultancy.

Employee performance and development is closely monitored both via online tools and informal one-to-one feedbacks by line managers.

In 2015, 52 members of staff received 1.414 hours of professional training, 513 hours of which were provided internally and 901 hours by third parties. Throughout the year, each BTMU employee received an average 27.2 hours of training.

Employees are provided with certain benefits to attract and retain our talent in a highly competitive market.

Throughout 2015, BTMU successfully accomplished two corporate social responsibility projects. In the meantime, BTMU Turkey launched “BTMU Turkey Junior Achievement Company Programme” with Junior Achievement Foundation to create more value added social responsibility projects.

Transactions of BTMU Turkey with the Related Risk Group

Risk Group of the Bank	Subsidiaries, associates and jointly controlled entities		Direct and indirect shareholders of the Bank		Other entities included in the risk group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Loans and other receivables	0	0	0	0	0	0
Balance at beginning of period	0	0	0	1.253	33.152	0
Balance at end of period	0	0	2.690	62.865	8.064	0
Interest and commission income	0	0	0	111	0	0

Risk Group of the Bank	Subsidiaries, associates and jointly controlled entities		Direct and indirect shareholders of the Bank		Other entities included in the risk group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Deposits						
Balance at beginning of period	0	0	0	0	83.403	0
Balance at end of period	0	0	0	0	880.809	83.403
Deposit Interest Expense	0	0	0	0	2.139	86

Risk Group of the Bank	Subsidiaries, associates and jointly controlled entities		Direct and indirect shareholders of the Bank		Other entities included in the risk group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Credits Obtained						
Balance at beginning of period	0	0	0	0	2.470.881	118.016
Balance at end of period	0	0	0	0	4.012.675	2.470.881
Interest Expense	0	0	0	0	6.593	2.169

Risk Group of the Bank	Subsidiaries, associates and jointly controlled entities		Direct and indirect shareholders of the Bank		Other entities included in the risk group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Fair Value Difference through PL	0	0	0	0	0	0
Balance at beginning of period	0	0	0	0	1.530.646	1.598
Balance at end of period	0	0	0	0	3.900.651	1.530.646
Total Profit/Lost	0	0	0	0	14.006	11.517

Information on Outsourced Operations and the Individuals, Organizations Supplying the Outsourced Services

Supplier	Service Outsourced
KDDI Europe LTD	IT Products purchase and procurement
Intertech Bilgi İşlem ve Pazarlama Tic. A.S.	Core Banking System procurement and consultancy
Vega Bilgisayar Hiz. Ltd. Şti	Rapokon licence usage and maintenance
Fineksus Bilişim Çözümleri Ticaret A.Ş.	Paygate Suite Systems purchase and procurement
MARO Uluslararası Bilgi Teknolojileri Danışmanlık Geliştirme Destek Hizm. San. Tic. LTD ŞTİ	Banking Technologies and consultancy services
Teknotel Telekomünikasyon San. Ve Tic. A.Ş.	Data Center hosting service
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Third level support service
Manpower İnsan Kaynakları Danışmanlık Ltd. Şti.	Contingent workforce supply

FINANCIAL EVALUATIONS AND RISK MANAGEMENT

Assessment of the Functioning of the Internal Control and Internal Audit Systems by the Audit Committee

The internal systems have been structured under the responsibility of the Bank's Board of Directors, and the Internal Audit, Compliance and Internal Control and Risk Management departments act in coordination as independent from the units with executive activities. The Bank's Audit Committee is authorized and responsible for supervising the effectiveness and eligibility of the Bank's internal systems on behalf of the Board of Directors; seeking the operation of these systems and the accounting and reporting systems in accordance with the Banking Law (the Law) and related regulations and the integrity of the information produced; conducting the required preliminary assessments for the selection of independent audit organizations and grading, appraisal and outsourcing services organizations by the Board of Directors; regularly monitoring the activities of these contracted organizations; continuing and ensuring the coordination of internal audit activities.

Internal Audit System:

Internal Audit Department reports to the Audit Committee.

The Internal Audit Department is responsible for and in charge of ensuring the conduct of the banking activities in accordance with Law and other related regulations, the Bank's strategy, policy and objectives; realizing the periodical and risk-based internal audit activities of the Bank, preparing the Bank's internal audit plan, enforcing the internal audit plan, reporting the results to the Internal Systems Officer and to the related departments' management, to the Audit Committee, and to the Board of Directors via the Audit Committee, and monitoring the actions taken by the related departments' managers within the framework of audit reports and reporting to the Board of Directors via the Audit Committee. The sufficiency and effectiveness of the internal control and risk management systems during periodical and risk-based audits; validation and reliability of the accounting records and financial reports; information systems of the Bank; its operational activities and functioning of the related internal control application procedures; Compliance of the transactions to the Law and other related regulations, internal strategies, policies and codes of conduct of the Bank; accuracy, reliability and compliance to deadlines of the reporting to the Board of Directors and Audit Committee and legal reporting.

Annual audit plans are prepared by the Head of Internal Audit Department, reviewed by the Audit Committee and revised if necessary, before the plan takes its final form. The final plan is approved by the Audit Committee and the Board of Directors and the audit activities are carried out according to that plan. An Internal Audit system has been established in accordance with the Internal Systems Directive published by the Banking Regulation and Supervision Agency, which conforms to the scope and structure of the activities to ensure the monitoring and control of the risks exposed by the Bank to ensure the sustainability and continuity of its activities.

Compliance and Internal Control System

Board of Directors responsible for Internal Systems, who is also the chairman of the Audit Committee; and aims to establish an effective internal control system, fulfil the internal control applications completely, establish a strong internal control culture and conform to legal regulations and the general practices of BTMU. For this purpose, preventive control points are defined to identify and prevent proactively the discrepancies related with the legal regulations and internal regulations; system and function faults, human error or malicious conducts and related material damages or legal sanctions that the Bank might face; efforts are also spent to identify the already realized wrong practices within the scope of the controls and preventing the damages that may occur.

At Bank of Tokyo-Mitsubishi UFJ Turkey A.Ş., Internal Control activities are accepted as a business culture practiced throughout the Bank, beyond just being a function that is under the responsibility of the Internal Control Department. Therefore, control activities at different levels have been added to all regulations and application procedures issued by the Bank, and the above mentioned control culture has been adapted as a part of the daily activities of all employees from the lowest level to the highest. Compliance and Internal Control Department carries out Internal Control activities independent from other departments, and it also functions as a supervisor to design and ensure the sound operation of such control activities within the departments.

The Compliance and Internal Control Department executes periodic controls that are required on the business processes in accordance with the objectives specified above, and identifies the control defects with an integral approach towards critical activities of the Bank's departments, identifies the control defects as soon as possible, and ensures taking the necessary actions. The mentioned control activities may be 2nd level controls that are implemented by the Compliance and Internal Control Department directly in certain circumstances, and they may also include the control of the effectiveness of internal 1st level controls of a department under certain circumstances.

The preventive control function of the Compliance and Internal Control Department at the Bank is very influential. The Compliance and Internal Control Department's opinion is taken and controlled to ensure compliance with legal and internal regulations both before new products and services are applied, and for all actions and decisions which are considered to have a potential of creating a material or legal risk, including all procurements and payments to 3rd parties. As the continuity of these activities by the departments of the Bank without any flaws is also made a subject of inspection during the internal control activities realized, it is also secured by the internal regulations approved by the Bank's Board of Directors.

In addition, different systematic infrastructures have been created at the Bank to prevent Anti-Money Laundering and the Financing of Terrorism, and to maintain compliance with the generally accepted international rules and principles in this regard. In this scope, in order to ensure the inspection of all account openings in accordance with legal regulations and the principles of the Bank, in addition to the approval of compliance from the Compliance and Internal Control Department, the payments made at the Bank are held subject to electronic filters, and the transactions retained at the filters are inspected by the Compliance and Internal Control Department before they are finalized. Besides, as an effective post-control method and in accordance with the regulations of the Financial Crimes Investigation Board, the transactions made at the bank are held subject to comparative analyses with suspected transaction typologies by means of special computer software, and the results are automatically reported to the Compliance and Internal Control Department to ensure the implementation of additional control activities.

The Bank considers that effective control of the complicated banking systems and transactions is only possible with effective internal control personnel. Therefore, Compliance and Internal Control employees are both held subject to hands-on training in the department, and the international training means of the BTMU family are utilized and the required training and information activities to increase the knowledge and skills of the employees are organized.

Risk Management System

The Risk Management Department conducts the risk management activities in accordance with the "Banking Law 5411", "The Regulation on Banks' Internal Systems and Internal Capital Adequacy Assessment Process" published in the Official Gazette dated 11 July 2014 and no. 29057, and with other legal regulations.

BTMU Turkey risk management activities are conducted in accordance with the regulations, independent from the executive functions, by three members of staff reporting to the member of the Board of Directors responsible for internal systems. The Risk Management Department executes credit risk, operational risk, market risk, liquidity risk and business continuity management.

Risk Management policies consist of Market Risk - Trading Accounts, Market Risk-Banking Accounts, Credit Risk, Liquidity Risk and Operational Risk, as well as Business Continuity Management policies. The Bank's risk appetite and risk limits are identified in the risk policies. The functions and powers of the Departments and committees included in the risk control processes identified in the risk policies are also comprised. The policies related with risk management are approved by the Board of Directors, and regarding the risk management activities, the member of the board responsible for internal systems and the Board of Directors are regularly informed.

The Bank risks are calculated according to the capital adequacy regulations issued by the BRSA.

Responsibilities of the Risk Management Department

The Risk Management Department is responsible for measuring, monitoring and controlling the risks the Bank may be exposed to, with reference to the methods compatible with international standards. The design and application of the risk management system, preparation of the risk management policies and procedures, their revision and update at least once a year, operational risk, market risk and credit risk capital adequacy calculations and reporting, submission of the risk measurement and risk monitoring results to the Board of Directors, member of the Board responsible for internal systems and senior management through regular reporting; ensuring the retention of quantifiable risks within the determined limits and monitoring the use of these limits; execution of stress test activities are carried out by the Risk Management Department.

Within the scope of the business continuity plans, the employees are educated on business continuity management and disaster recovery through relevant trainings. The Risk Management Department is responsible for the organization of business continuity and crisis management cascades.

The Risk Management Department undertakes the secretarial duties of the Risk Committee, Assets & Liabilities Committee, New Product Committee and the Business Continuity and Crisis Management Committee.

Market Risk

Considering the limits defined in the Market Risk Trading Account and the Market Risk Banking Account policies, risk measurements and daily limit checks are realized. Market risk reports regarding capital liability are prepared and reported to legal bodies. Besides, stress tests and scenario analyses are regularly made in accordance with the regulations. All calculations and analyses are regularly shared with senior management and the Risk Committee.

Credit Risk

Credit risk expresses the risks and damages encountered by the Bank when the counter parties fail to fulfil their obligations according to the requirements of the contracts they execute with the Bank.

Corporate loans constitute the credit portfolio of the Bank. Loan is allocated according to the financial situations and loan requirements of loan customers within the framework of the limits of lending powers of the President, the Credit Committee and the Board of Directors. The mentioned limits may be changed by the Bank if required.

The Bank monitors and manages credit risks after lending, until the loan is completely reimbursed, cancelled or deleted. The Bank has control limits on forward transactions and the positions held in other similar contracts, and the limits in question are followed.

The Bank monitors the debtors of the loans and other receivables of the Bank for their credit worthiness further to the related regulations. The Bank uses a credit grading system to effectively measure and assess the credit risk. The grading system assesses the total credit risk of each credit and debtor.

Operational Risk

Operational risk is the risk caused by inadequate internal process, people, systems and external events. Operational risk activities are the identification, measurement and reduction of the Bank's operational risks. Operational Risk activities are the identification, measurement and reduction of the Bank's operational risks. The policies are reviewed every year and updated when necessary and submitted to the approval of the Board of Directors. The Bank conducts operational risk assessment on a quarterly basis and monitors the operational risks with the key risk indicators. Operational risk activities are presented to the Risk Committee on a monthly basis.

Liquidity Risk

The liquidity risk is managed in order to ensure taking the required measures in a timely and correct manner against the liquidity tightness which may arise from the Bank's balance sheet structure and the market conditions within the framework of the risk management policies approved by the Board of Directors. The liquidity risk is monitored in a corporate framework taking into account the risk levels mentioned in the risk policy and the stress scenarios related with the Bank's cash flows. The reports related with liquidity risk are shared with the senior management and Risk Committee.

Business Continuity Management

The Bank's business continuity management policy aims to minimize the risks which may endanger the continuity of the Bank's activities, and make the critical products and services functional within

acceptable time periods in the cases of potential deductions. The required applications regarding business continuity management are made and the employees are trained. The business continuity management policy approved by the Board of Directors is regularly reviewed.

Credit Evaluation System

Rating and Assessment Models: The Bank utilizes rating and assessment models that comply with Basel II standards for all its customers. The credit allocation is performed on a debtor and a debtor group basis within the limits and updated on a defined frequency based on market developments. In the credit allocation process, many financial and non-financial criteria are taken into account within the framework of the internal rating procedures of the Bank.

In accordance with the Bank's loan policy, the rating of the companies, credit limits and guarantees are considered together, and credit risks incurred are monitored.

The Bank uses three main factors for internal credit rating system. These are financial data, non-financial data and specialist decisions. Financial data consists of safety, profitability, growth, asset size and cash generation ratios and turnover volume. Non-financial data consist of industry, management, funding availability and legal risks as well as business model, location and intercompany relation analysis. The Bank also measures the credit rating of companies by making comparisons with the external ratings. In the existing rating system, the collateral assigned to loans are not taken into account in the rating.

Assessments regarding Financial Status, Profitability and Discharging Capacity

Bank of Tokyo Mitsubishi UFJ, Ltd. (BTMU) carried out representative duties through the launch of its Representative Office in 1986. BTMU was granted the permit to establish a deposit bank in Turkey through the Banking Regulation and Supervision Agency's 5108 numbered and 20 December, 2012 dated resolution. Bank of Tokyo Mitsubishi UFJ Turkey A.Ş. ("BTMU Turkey" or the "Bank") received its operational permit through the Banking Regulation and Supervision Agency's 5520 numbered and 19 September, 2013 dated resolution, issued in the 28775 numbered and 24 September, 2013 dated Official Gazette and launched its operations on 28 November, 2013, as a foreign capital bank established in Turkey.

As of 31 December, 2015, the Bank's total assets stood at TL 5.669 million, total loans at TL 3.034 million and customer deposits at TL 110 million. Based on its specific needs, the Bank receives short, medium and long term funding from international markets.

In its second year of operations, the Bank's net profit stood at TL 15.3 million. As of 31 December 2015, the Bank's equity has been reported as TL 548.5 million, while its capital adequacy ratio stood at 14, 06 percent well above the local banking sector average.

BANK OF TOKYO-MITSUBISHI UFJ TURKEY ANONİM ŐİRKETİ

2015 FISCAL PERIOD

AFFILIATE REPORT

MARCH 2016

1. INTRODUCTION

1.1. Reference

This Affiliate Report (hereinafter shall be referred as the “Report”) has been prepared in line with the liabilities of the board of directors of the controlled companies in accordance with the article 199/1 and 3 of TCC titled as “Reports of controlled and controlling company”. The referred article reads as follows;

“(1) The BoD of the dependent company shall prepare a report regarding the company’s relations with controlling and dependent companies within the first quarter of the activity year. All legal transactions which the company conducted in the previous activity year with the controlling company, with a company dependent on the controlling company, through the direction of the controlling company that serves to its advantage or the advantage of its dependent company and all other measures taken or refrained from being taken to the advantage of the controlling company or of its dependent company in the previous activity year shall be explained in the report. In legal proceedings, the performances and counterperformances and the measures used to assess them shall be specified, as well as their advantages and disadvantages to the company. Where there is a provision for compensation for disadvantages, the way the compensation was obtained within the activity year or the advantages gained by the company which provided a right to claim shall also be declared.

....

(3) At the end of the BoD report it shall be explained whether the company, in the circumstances and conditions known to the board at the time at which the company conducted the legal proceeding or took or refrained from taking the measure, obtained appropriate counterperformance in relation to each legal proceeding and whether the company incurred any loss due to taking or refraining from taking the measure. If the company incurred loss, the BoD shall specify whether the loss has been compensated for. This explanation shall be only made in the annual report.”

1.2. Principles of the Report

This Report has been prepared in line with the true and fairview accounting principle.

1.3. Period of the Report

This report includes the transactions which carried out by BANK OF TOKYO-MITSUBISHI UFJ TURKEY ANONİM ŞİRKETİ (“Company”) with the controlling company and the other controlled companies of the controlling company in 2015 fiscal period.

1.4. Subject Transactions of the Report

The legal transactions of our Company with the group companies realized in 2015 fiscal year is given below and are subject to detailed explanation with the aim to inform within the content of this Report.

Company	Transaction Detail	Amount (FCY)
The Bank of Tokyo-Mitsubishi UFJ Ltd., London Branch	Pledge fee due to pledged deposit agreement	105.816,38 EUR
The Bank of Tokyo-Mitsubishi UFJ Ltd., London Branch	Pledge fee due to pledged deposit agreement	364.467,60 USD
The Bank of Tokyo-Mitsubishi UFJ Ltd., London Branch	Payment for Video Call Line and Video Call Equipment Support	22.354,94 GBP
The Bank of Tokyo-Mitsubishi UFJ Ltd., London Branch	Payment for Video Call Line and Video Call Equipment Support	17.911,03 GBP
The Bank of Tokyo-Mitsubishi UFJ Ltd., London Branch	Payment for the annual support service which is utilised for IT systems.	56.486,00 GBP
The Bank of Tokyo-Mitsubishi UFJ Ltd., Tokyo	Payment fee for customer screening Services from global risk management and compliance division	15.907,00 JPY
The Bank of Tokyo-Mitsubishi UFJ Ltd., Tokyo	License and fee for global system for institutional credit policies	463.984,00 JPY
The Bank of Tokyo-Mitsubishi UFJ Ltd., Tokyo	Payment fee for e-learning license	10.585,00 JPY
The Bank of Tokyo-Mitsubishi UFJ Ltd., Tokyo	Payment fee for customer screening Services from global risk management and compliance division	14.871,00 JPY
The Bank of Tokyo-Mitsubishi UFJ Ltd., Tokyo	Fee for Windows Server 2003	289.595,00 JPY
The Bank of Tokyo-Mitsubishi UFJ Ltd., Tokyo	Payment for Global Zeus application which provides transcription of customer data	83.000,00 JPY
The Bank of Tokyo-Mitsubishi UFJ Ltd., Tokyo	Payment for ECS application which provides online banking service for monitorizing Euro accounts in London to Operation Department.	808.000,00 JPY
The Bank of Tokyo-Mitsubishi UFJ Ltd., Tokyo	Fee for transition project from Lotus Notes to Exchange	3.076.000,00 JPY

2. GENERAL INFORMATION REGARDING THE COMPANY

2.1. Bank of Tokyo-Mitsubishi UFJ Anonim Şirketi

Our Company is registered to the İstanbul Trade Registry with the trade registry number of 855649 and located at the address of Fatih Sultan Mehmet Mahallesi, Poligon Caddesi, Buyaka 2 Sitesi No: 8B, K. 20-21 34771 Tepeüstü, Ümraniye, İstanbul with the activity and scope of engaging in all kinds of banking activities and performing all activities set forth in

the relevant articles of Banking Law and other activities as permitted by relevant legislation and Articles of Association of the Company, to be carried out and performed by banks. The Company is registered to the Sarıgazi Tax Office with the tax number of 1400361237.

The contact details of the Company are given as follows:

Type	Number
Telephone	0216 600 3000
Fax

The Company has been established as a Joint Stock Company and operating as a bank in line with the operational license permission of Banking Regulation and Supervision Board announced at Official Gazette dated 24.09.2013 and numbered 28755. The Company is not subject to any public offer.

Web site of the Company is <http://www.tu.bk.mufg.jp/index-tr.html> .

2.2. Capital and Organization Structure of the Company

The capital of the Company amounting to TL 527.700.000,00 has been fully paid in cash prior to its' establishment in line with article 7/f of Banking Law numbered as 5411 and the title of the shareholders, share group, number of shares, share amount, and the ratios have been listed as follows.

Title of the Shareholder	Share Number	Share Amount (TL)
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	527.699.996	527.699.996,00
Ayşe Bengi Özlüarda	1	1,00
Ayşe Yahyaoğlu	1	1,00
Ceni Gamliel	1	1,00
Adem Ağdaş	1	1,00
TOPLAM	527.700.000	527.700.000,00

3. CONTROLLING AND CONTROLLED COMPANIES

3.1. Information regarding the Controlling and Controlled Companies

The information of the controlling company and the controlled companies of the controlling company which the Company has engaged a legal transaction in 2015 fiscal period is summarized as below.

Title	Tax ID Number	Address	Status in the Group Companies
The Bank of Tokyo-Mitsubishi UFJ Ltd.	8430357946	7-1, Marunouchi 2-chome, Chiyoda-ku, Tokyo 100-8388 Japan	Parent Company
The Bank of Tokyo Mitsubishi UFJ Ltd, London Branch	2689255625962	Ropemaker Place, 25 Ropemaker Street, London, EC2Y 9AN, United Kingdom	Branch of Parent Company
Mitsubishi UFJ Financial Group, INC	-		Ultimate Parent Company

4. LEGAL TRANSACTIONS REALIZED WITH THE GROUP COMPANIES

The details of the transactions with the group companies are provided in section 1.4. The major transactions with The Bank of Tokyo Mitsubishi UFJ LTD, Head Office are related with the license and service fees paid to Tokyo for the systems and applications with an amount of JPY 4.761.942.

Apart from Head Office, transactions realized with The Bank of Tokyo Mitsubishi UFJ LTD, London Branch mainly for the paid pledge fees due to pledged deposit agreement.

5. PREVENTIONS

With respect to the above stated transactions of our Company with the controlling company and the controlled companies of the controlling company, there is no provided or avoided prevention which may result against our Company.

All legal transactions had been subjected to same procedure, principals and conditions as conducting with other parties outside the group companies by considering Transfer Pricing rules and intercompany SLA. No prevention had been taken as the result of a loss as per the interest or enterprise of the parent and affiliate companies.

6. BOARD OF DIRECTORS DECLARATION

All suitable counter acts has been provided for each legal transaction in line with the known circumstances and conditions on the dates of the realization of the legal transactions mentioned in this report. There is no provided or avoided prevention and within this framework our Company has no losses.

As a consequence of the evaluation, made in line with the article 199 of TCC, of the transactions of our company with the controlling company and the controlled companies of the controlling company; it is understood that all the transactions realized has been made in

line with the market conditions and precedents/market values applicable at the date of the transaction as it is made with the third parties.