

**Capital and Risk
Management Pillar III
Disclosures 2015**

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Introduction

Anadolubank Nederland N.V.'s Capital and Risk Management Pillar III Disclosures contains information that enables an assessment of the risk profile and capital adequacy of Anadolubank Nederland N.V. This publication fulfils the requirements of the Basel III framework, as stipulated in the Capital Requirements Regulation and Directive IV (CRR/CRDIV).

This document contains the Pillar III disclosures of Anadolubank Nederland N.V (hereafter referred to as Anadolubank or the "Bank") as at 31 December 2015 and should be read in conjunction with the Annual Report of the Bank 2015.

The CRR/CRD IV contains three pillars:

- Pillar I: Minimum requirements for capital adequacy
- Pillar II: Assessment of overall capital adequacy (ICAAP), liquidity adequacy (ILAAP) and supervisory review and evaluation (SREP)
- Pillar III: Requirements for disclosure of financial information

Pillar I covers the regulatory minimum requirements for capital. The overall basis of calculation is the sum of capital needs for credit risk, market risk and operational risk. Pillar I allows banks to apply alternative methods of calculation. Some of these methods require prior approval from the De Nederlandsche Bank/Dutch Central Bank (DNB). Anadolubank applies the following methods for measuring minimum capital requirement under The CRR/CRD IV.

Credit risk

- The Bank uses the standardized approach to calculate the capital requirements for credit risk. This approach entails using standard risk weights from 0% to 150%, on the Bank's assets depending on the creditworthiness of the borrower, the collateral and the type of the exposure.

Market risk

- The Bank uses the standardized approach to calculate the capital requirements for market risk. This approach entails using a standard risk weights ranging from 0% to 100% for specific risk from traded debt instruments. The general risk is calculated in accordance with the maturity based approach. The capital requirements for currency imbalance is calculated based on the total net long position or the total net short position, whichever is the higher.

Operational risk

- The Bank uses the basic indicator approach to calculate capital requirements for operational risk. This approach entails using 15% of a three-year average of the sum of net interest income and net non interest income.

Pillar II defines the requirements for the Banks' own processes for assessing risk and capital adequacy through an Internal Capital Adequacy Assessment Process (ICAAP). Pillar II also provides guidelines for the supervisory review and evaluation. Since 2011, DNB also analyses the Internal Liquidity Adequacy Assessment Process (ILAAP).

Pillar III defines the requirements for the disclosure of financial information. The purpose of the requirements for disclosure of financial information is to ensure that market participants can evaluate the institutions' risk levels in different areas, their management and control of risks as well as the institution's level of capitalization.

Verification

The Bank's Pillar III Disclosures 2015 are not subject to external audit, and the document has been verified internally in accordance with the Bank's financial reporting and governance processes. Controls comparable to those for the Annual Report and Accounts 2015 have been applied to confirm with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU) and in accordance with the legal requirements for the annual accounts of Banks contained in Part 9, Book 2 of the Netherlands Civil Code. The Pillar III disclosures are prepared for the Bank on solo basis. The Annual Report 2015 contains more detailed information on the accounting policies used by the Bank.

Frequency

The pillar III disclosures are published annually on the Banks' website (www.anadolubank.nl).

Functional and presentation of currency

The financial statements are presented in Euros, which is the Bank's functional and presentation currency and all values are rounded to the nearest thousand Euros unless otherwise stated.

Key developments in 2015

The Bank needs to keep sufficient capital to cover all risks taken over a foreseeable future. The Bank strives to be efficient in its use of capital through active management of the balance sheet with respect to different asset, liability and risk categories. The Bank's goal is to enhance returns to shareholders while maintaining a prudent risk and return relationship.

This chapter describes the main areas of improvement in the field of administrative organization, internal control and risk management. The Management Board dedicated particular attention to the following items of improvement in 2015.

Developments in the Bank

Risk Culture

As described in page 6 of the Annual Report the Bank has embarked on a process with the ultimate objective of improving its risk culture. This will be a long term process in which the Bank is guided by external advisers.

Risk Management

The Bank uses the 'three lines of defense' principle, which provides a clear division of activities and responsibilities in risk management at different levels within the Bank. This was achieved by initiating the 'Risk Management Review Project' in 2013/14. The Bank's risk governance framework was established according to the risk strategy and appetite, which is embedded in the risk policies and methodologies, such as Credit Risk Policy, Liquidity Risk Policy and Market Risk/ALM Policy. The framework defines the roles and responsibilities of each line of defense, safeguards and controls the Bank's risk profile, supports efficient and effective risk management throughout the Bank, and ensures consistency between the Bank's risk management processes and risk appetite.

Throughout 2015 Risk Management focused on further implementing the earlier defined policies, adapting them where necessary and instituted a closer, more frequent monitoring rhythm in order to ensure compliance with the limits defined in the policies. A treasury mid-office function was defined to improve on some of the controls and limit monitoring.

Internal Control

The Internal Control Department is established in May 2015, with the main purpose to provide reasonable assurance regarding the achievement of objectives in effectiveness and efficiency of business, reliability of financial information services and compliance with applicable laws and regulations.

Risk Governance at Anadolubank Nederland N.V.

All significant risks within the institution arise from operations of the Bank. To achieve sound governance, risk management principles are designed, the risk appetite statement, ICAAP and other risk related documents are approved by the Supervisory Board.

Risk and capital management

To ensure an effective and appropriate process for risk management, internal control and capital management, the Bank applies a framework of 10 components:

1. Strategic targets

Risk and capital management is based on strategic targets which are included in the Bank's business plan and yearly budget.

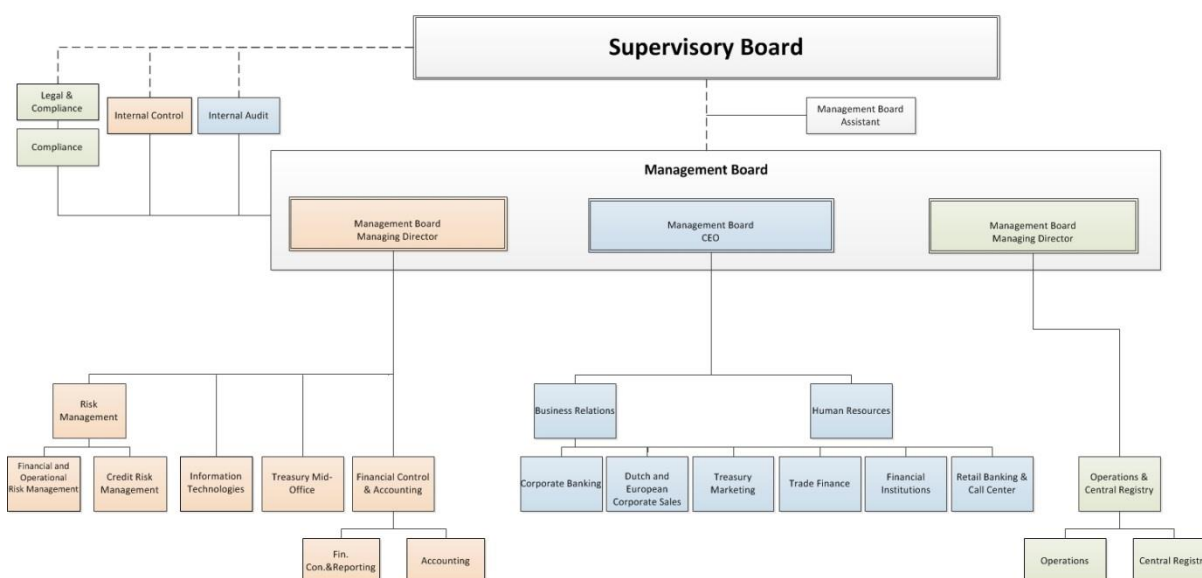
2. Organizational culture

In the process of risk and capital management, organizational culture is the foundation upon which the other elements are based. The organizational culture includes management style and people in the organization with their individual characteristics, such as integrity, ethical values and attitudes. A clear set of values and ethical guidelines that should be well known throughout the organization, shall be in place.

3. Organization

The Bank has a two tier management system, the Management Board (MB) that is responsible for the day-to-day running of the Bank and the Supervisory Board (SB) is responsible for the supervision of the Bank. The Bank Supervisory and Management Boards have set policy-level standards in accordance with the regulations of the Dutch Central Bank and the guidelines published by the Basel Committee and the European Banking Authority.

The table below shows the organization chart.



The responsibility for the Bank's risk management is distributed as follows:

The risk management in the Bank is based on the three lines of defense principles for segregation of duties. With business units assuming the first line of defense function, the Risk Management Department, the Credit Risk Management Department, Internal Control Department along with the Compliance Department form the second line of defense. Those departments support the business units in their decision-making, but have also appropriate independence and countervailing power to avoid risk concentrations. The Internal Audit Department, as the third line of defense, oversees and assesses the functioning and effectiveness of the first two lines.

Within Anadolubank, several committees (including Boards) play a role in managing and maintaining ICAAP, ILAAP and Recovery Plan. This concerns the Supervisory Board, the Management Board and the Asset & Liability Committee (ALCO).

In general, management of ICAAP is done by the Management Board, whereas the Supervisory Board ratifies and reviews their proposals and decisions.

4. Risk identification

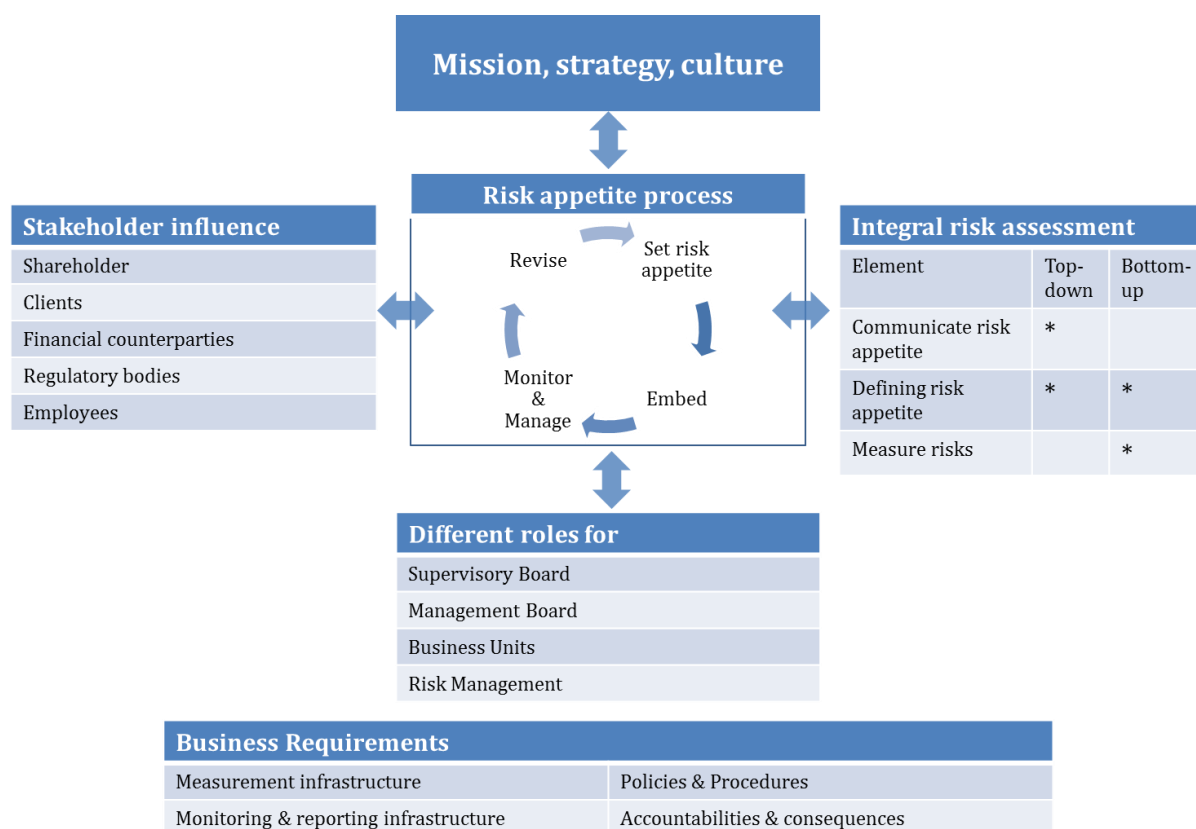
Risk identification is part of the strategy and budget process. The risks are identified and analyzed with respect to possible adverse events. Credit, market, operational, concentration, country, interest rate, organizational and IT risks shall be measured in terms of the need for capital requirement. These measurements will be based on generally accepted and adequate methods.

5. Risk analysis and stress tests

The risk analysis will form the basis for how the Bank understands and manages risks. All major risk categories will be assigned with a risk profile as part of the Bank's ICAAP and ILAAP. The stress test is an important tool for analyzing the impact of negative events on the Bank's financial performance, balance sheet, capital and liquidity adequacy. Both the single factor stress tests and scenario analyses are used to expose the Bank in a series of negative macroeconomic events during a three year period.

6. Risk appetite and risk strategies

The risk appetite framework sets the boundaries within which Anadolubank is comfortable to operate. It is set and reviewed in an annual process reflected in the below picture:



Anadolubank's vision is 'to be recognized for our quality, reliability and excellence and to become the bank of choice for customers.' The objective of the Business Plan can be calibrated into the following four components:

- **Earnings:** Delivering sustainable profitability based on long-term relationship with our customers that create value for both parties.
- **Capital:** Preserving a strong/consistent/stable capital by enforcing effective capital management.
- **Liquidity:** Ensuring strong liquidity position to fulfill financial requirements/obligations.
- **Reputation:** Establishing long-term relationship with customers by providing high quality and tailor made services and products based on the values; fair, honest and sincere.

7. Risk and capital management

Sound risk management is an important instrument to achieve the Bank's goals, and the aim of risk management in the Bank is to be an integrated part of its planning, strategy and decision-making processes. The Bank shall have a capital management process that ensures:

- An effective capital acquisition and optimal capital usage in relation to the Bank's strategic target and business strategies;
- A satisfactory capital adequacy based on chosen risk profile;
- Utilizing growth opportunities in the Bank's defined market.

8. Reporting, monitoring and surveillance

All managers and employees are responsible for the ongoing management of risk in their own areas. The Risk Management Department performs independent assessment of the overall risk exposure and trends through periodic reports to the SB and MB through ICAAP and ILAAP.

9. Contingency plans

Contingency plans (Business Continuity Plan (BCP), Contingency Funding Plan (CFP) and Recovery Plan (RP)) have been prepared addressing the Bank's operational, liquidity and capital situation under unforeseen events/crises.

- Business Continuity Plan tests organized annually for unforeseen events/disaster scenarios. The plan outlines the processes, procedures and people necessary to recover and continue critical business processes in the event of a service interruption or major disaster.
- The Contingency Funding Plan which is activated in case of a liquidity crisis.
- The Bank developed a robust Recovery Plan that has been set-up to comply with the requirements set by both the Dutch Central Bank and the Financial Stability Board. The Bank prepared a comprehensive recovery planning process to enhance the Bank's readiness and decisiveness to tackle financial crises on its own strength.

10. Compliance

There are established processes to ensure compliance with current laws and regulations, industry standards and internal guidelines.

Credit risk

Credit risk arises principally from loans and advances to customers and from investments in debt securities, but also from commitments, guarantees and documentary credits, counterparty credit risk in derivatives contracts.

The Bank's asset portfolio is managed in accordance with the Bank's Credit Risk Policy, which applies qualitative and quantitative guidelines, with particular emphasis on avoiding unnecessary concentrations or aggregations of risk.

The Bank's credit risk exposure consists of an on-balance sheet exposure and an off-balance sheet exposure. The on-balance sheet exposure is the book value of assets whereas the off-balance sheet exposure represents the amount that the Bank has committed to customers.

At the end of 2015, the Bank's total credit risk exposure was EUR 665 million (2014: EUR 633 million). Loans to customers in 2015 were similar to 2014 and are the largest part of the Bank's total credit exposure. Based on the Bank's business plan, the share of credit institutions in total credit portfolio decreased from 29% (2013) to 22% by the end of 2014, and further decreased to 19% in 2015. Government bonds and corporate bonds represent 18% of the total credit risk exposure.

Breakdown of credit exposure	Dec 2014	Dec 2015	Share in total risk 2014	Share in total risk 2015
Cash and balances with Central Bank	108,428	154,201	17%	23%
Loans to credit institutions	142,250	125,284	22%	19%
Loans to customers	239,062	249,141	38%	37%
Bonds and debt instruments	126,817	118,557	20%	18%
Derivatives	1,999	717	0%	0%
Credit risk exposure on-balance sheet	618,556	647,900	98%	97%
Off-balance sheet items:			0%	0%
Loan commitments	14,486	17,278	2%	3%
Credit risk exposure off-balance sheet	14,486	17,278	2%	3%
Total credit risk exposure	633,042	665,178	100%	100%

Management and policy

The Bank's credit risk management is based on active monitoring by the Management Board, the CEO, the Credit Risk Department, the Credit Committee, and the business units. The Bank manages credit risk according to its risk appetite statement and Credit Risk Policy approved by the Supervisory Board as well as detailed lending rules prepared by the Management Board. The risk appetite statement and Credit Risk Policy include limits on large exposures to individual borrowers or groups of borrowers, concentration of risk and exposures to certain sectors. The Management Board ensures that the Credit Risk Policy is reflected in the Bank's internal framework of regulation and guidelines. The Bank's executives are responsible for the Bank's business units to execute the Credit Risk Policy appropriately as the Management Board is responsible for the oversight of the process as a whole.

The key credit risk parameters are reported on a regular basis. Trends and performance versus specified benchmarks for credit risk are regularly reported to the Management Board and related departments. Credit limits are prudent, and the Bank uses standard mitigation and credit control technologies.

Business units are responsible for day-to-day management of existing credit exposures, and for periodic review of the client and related risks, within the framework developed and maintained by the Credit Risk Department. Audit Department carries out separate risk asset reviews of business units, to provide an independent opinion on the quality of the credit exposures, and adherence to credit policies and procedures. These measures, collectively, constitute the main lines of defence against unnecessary risk for the Bank.

The Credit Risk Department is responsible for developing, enhancing and communicating an effective and consistent credit risk management framework across the Bank to ensure appropriate credit risk policies are in place to identify, measure, control and monitor such risks. Credit exposures are supervised more actively by the Credit Risk Department. Credit reviews are conducted at least once a year with updated information on customer's financial position, market position, industry and economic condition and account conduct. Corrective actions are taken when the accounts show signs of credit deterioration. Furthermore the Commercial and Credit Risk departments work together for the quarterly review of the entire customer portfolio.

Concentrations arise when a number of counterparties are engaged in similar business activities or activities in the same geographic region or have similar economic structures that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other macroeconomic factors. In order to avoid excessive concentrations of risk, policies and procedures include specific guidelines to focus on country, sector and counterparty limits and the importance of maintaining a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

Risk mitigation, collateral and other credit enhancements

The Bank takes a holistic approach when granting credit facilities and does so primarily based on the repayment capacity of the borrower, rather than place primary dependency on credit risk mitigation. As a fundamental credit principle, the Bank generally does not grant facilities only on the basis of collateral provided. Credit facilities are granted based on the credit standing of the borrower, source of repayment and debt service ability.

Nevertheless, collateral is taken whenever it is assumed to mitigate the credit risk. The Bank's Credit Risk Policy is to encourage the use of credit risk mitigation, justified by commercial prudence and good practice as well as capital efficiency. The value of collateral taken is also monitored periodically. The frequency of valuation depends on the type, liquidity and volatility of the collateral value. The main types of collateral taken by the Bank include cash and guarantees from banks and other eligible counterparties, marketable securities, real estate, equipment, inventory and receivables. The amount and type of collateral depends on the counterparty credit risk assessment.

Management monitors the market value of collateral and where required, requests additional collateral in accordance with the underlying agreement and monitors the market value of collateral obtained on an ongoing basis.

Collateral analysis is disclosed under section financial risk management of the Bank's Annual Report 2015 (page 46).

Large exposure

A large exposure is defined as an exposure to a group of related parties which exceeds 10% of the Bank's capital base. The Bank sets prudent exposure limits on large exposure risk related transaction in accordance with the Bank's overall strategy and policy, capital adequacy and provisions for potential risks, risk rating of each group, acceptable level of risk, and business opportunities in each counterparty or group of associated counterparties.

The Bank evaluates the customers' relationship both with respect to control and economic dependencies. Credit Risk Management monitors related party associations both prior to the granting of the loan and during the lifetime of the loan. Connections are stored in the Bank's system. Customers' exposures are updated daily and available at any time through the Bank's core banking system.

Credit risk exposure by sector

The Bank's loan book is diversified regarding to financial institutions and industry sectors. The largest exposures are to the banking sector. The largest corporate sectors are chemicals, transport and logistics and financial intermediation. The Bank uses an internal industry classification which is based on the on the NACE standard.

Concentration by sector	Loans and advances to customers		Loans and advances to banks		Interest bearing securities		Total	
	Dec-14	Dec-15	Dec-14	Dec-15	Dec-14	Dec-15	Dec-14	Dec-15
Corporate:								
Basic materials	29,231	15,125	-	-	-	-	29,231	15,125
Consumer products non-food	-	7,234	-	-	-	-	-	7,234
Building materials	35,605	17,974	-	-	-	-	35,605	17,974
Private individuals	493	565	-	-	-	-	493	565
Technology	12,423	13,071	-	-	2,207	845	14,630	13,916
Financial intermediation	57,466	38,317	-	-	34	3,552	57,500	41,869
Construction& Infrastructure	11,989	11,280	-	-	-	-	11,989	11,280
Automotive	9,912	8,507	-	-	-	-	9,912	8,507
Transport&Logistics	19,349	45,659	-	-	1,052	-	20,400	45,659
Food, Beverages&Tobacco	2,315	2,974	-	-	1,896	-	4,211	2,974
Agriculture &Fishing	-	3,089	-	-	-	-	-	3,089
Chemicals	24,528	46,935	-	-	-	-	24,528	46,935
Oil&Gas	7,406	11,239	-	-	7,166	8,293	14,571	19,532
Telecom	9,295	14,974	-	-	-	1,788	9,295	16,762
Others	-	765	-	-	-	1,935	-	2,700
Utilities	18,288	9,303	-	-	-	-	18,288	9,303
Healthcare (Inc. Social Work)	2,130	2,130	-	-	-	-	2,130	2,130
Government	-	-	-	-	26,349	30,056	26,349	30,056
Bank	-	-	142,250	125,284	88,113	72,088	230,363	197,372
							-	-
Provisions	(1,367)	-	-	-	-	-	(1,367)	-
Carrying amount	239,062	249,141	142,250	125,284	126,817	118,557	508,130	492,982

Breakdown by sector for assets is also provided in section financial risk management of the Bank's Annual Report 2015 (page 47).

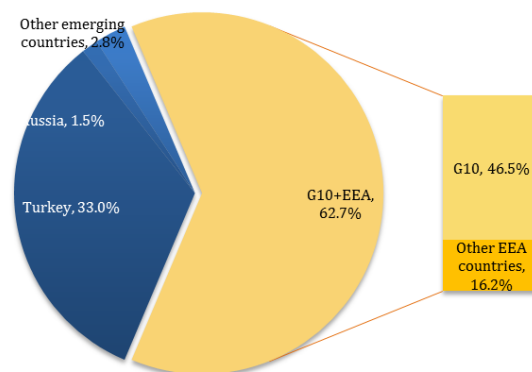
Credit risk exposure by country

Country risk is defined as an aggregate bank's exposure to a country. The exposures headed under country risk include all cross-border exposures to any counterparty in the relevant country as well as all sovereign exposures of the relevant country. Country risk applies to credit risk and forms an

integral part of the Credit Risk Policy. The Bank adopted the "Policy Rule on Country Concentration" that prescribes a pillar II calculation for credit risk.

On top of that, the Bank closely monitors its country exposures, total loans granted to the counterparties established in a specific country, for an effective monitoring of the collective debtor risk in a specific country.

The geographic distribution of credit risk exposure in 2015 is shown in below chart. Exposure to G10 and EEA countries amounted to EUR 403 million or 63% of the total exposure.



The geographical breakdown of assets is disclosed in section financial risk management of the Bank's Annual Report 2015 (page 48).

Portfolio credit quality

The Bank places great emphasis on monitoring and reporting the quality of the loan portfolio. To this end, it follows the development of credit rating, defaults, loan impairments and the progress of the recovery of distressed loans.

The Bank makes use of vendor rating models provided by Fitch, Bureau van Dijk and Zanders in order to assign external and internal ratings to its customers. All internal ratings are mapped to external rating scales.

Below table shows the rating status of the portfolio by type of external ratings.

Credit quality analysis	Loans and advances to customers		Loans and advances to banks		Interest bearing securities	
	Dec-14	Dec-15	Dec-14	Dec-15	Dec-14	Dec-15
Rated BBB- to AA	14,242	13,758	110,059	99,437	91,451	98,025
Rated B- to BB+	8,327	13,822	30,831	25,556	32,044	20,085
CCC	-	-	399	291	-	-
Unrated	217,860	221,560	961	-	3,322	446
Provisions	(1,367)	-	-	-	-	-
Carrying amount	239,062	249,141	142,250	125,284	126,817	118,557

Defaults and write-downs of loans

The Bank's accounts are prepared in accordance with IFRS regulations. This means that all items in the profit and loss statement and balance sheet, including recognition of receivables and

provisioning and losses on loans and credits, follow these principals. If there is objective evidence of impairment (indication of a fall in value) for an individual loan or group of loans, a provision (write-down) will be calculated for the fall in value that is equal to the difference between capitalized value and the net present value of estimated future cash flows, discounted by the financial asset's original effective interest.

Objective evidence that a loan has been impaired (fallen in value) includes significant problems for the debtor, non-payment or other significant breach of contract, and if it is considered likely that a debtor will enter debt negotiations or if other concrete events indicating possible impairment have occurred. If a borrower does not meet the contractual obligation of payment of installment or overdraws a credit beyond the limits granted then the loan will be considered to be in a state of default.

A final write-off is recognized when it is evident that the loan will not be repaid and in such instances any corresponding provision (write-down) taken will be reversed. In the unlikely event of a payment on previously written-off loan, these are recognized as a recovery on a previously written-off loan.

The following table shows the impairment and write-down as of 31 December 2014 and 31 December 2015:

Loan impairment charges and allowances	2014	2015
Balance at 1 January	13,914	15,523
New impairment allowances	78	6,065
Reversal of impaired loans	(340)	-
Amounts written off (-)	-	-
Effect of foreign currency movements	1,871	1,570
Balance at 31 December	15,523	23,158

Counterparty credit risk

Counterparty risk entails a risk of financial loss for both parties to a transaction. This is because the market value of a transaction changes over time with changes in underlying market factors. The market values can thus fluctuate between positive and negative amounts. It arises mainly from the derivative contracts and securities financing.

The Bank's policy is to manage tightly any and all counterparty risks while entering into the transactions necessary to maintain a sound operating environment.

Derivative financial instruments consisting of foreign currency forward contracts and currency swaps are initially recognized at cost, with subsequent measurement to their fair value at each balance sheet date. Fair values are obtained or determined from quoted market prices in active markets. All derivatives are separately evaluated and carried as assets when each transaction's fair value is positive and as liabilities when each transaction's fair value is negative. Derivative contracts are included in derivative financial instruments lines of assets and liabilities and changes in the fair value are included in the income statement, under net trading income. No hedge accounting has been applied.

In the ordinary course of business, the Bank enters into various types of transactions that involve derivative financial instruments. The Bank uses derivative financial instruments to manage its exposure to foreign currency risk. Counterparty credit risk is measured by considering the sum of replacement cost and potential future exposures of the derivative contracts. The notional amounts of long positions in currency forwards and currency swaps are:

31 December 2015

	Notional Amounts	Up to 1 months	Up to 3 months	Up to 1 year	Over 1 year	Fair value assets	Fair value liabilities
Currency swap purchase	167,714	62,445	25,495	40,174	39,600	717	
Currency swap sale	179,371	62,608	27,081	45,636	44,046		11,487
Total	347,085	125,053	52,576	85,810	83,646		11,487

31 December 2014

	Notional Amounts	Up to 1 months	Up to 3 months	Up to 1 year	Over 1 year	Fair value assets	Fair value liabilities
Currency swap purchase	232,199	98,539	35,813	46,876	50,971	1,999	
Currency swap sale	239,039	97,833	35,781	49,832	55,593		8,045
Total	471,238	196,372	71,594	96,708	106,564		8,045

Mitigation and control

In respect of its derivative transactions, to make the security completely effective, contracts entered into with counterparties make use of ISMA (International Securities Markets Association), GMRA (Global Master Repurchase Agreement) and ISDA (International Swaps and Derivatives Association) agreements, as well as the ISDA Credit Support Annex (ISDA-CSA) where ISDA-developed contract documents are being used. For such derivatives, the Bank may provide or require cash or high grade government securities as collateral that it is permitted by documentation.

In order to minimize the risk arising from counterparties, the Bank selects well known market participants for derivatives transactions. Counterparties with above investment grade rating composed 100% of the derivatives. The Bank's derivative position is shown in the following table:

Derivatives	31/12/2014			31/12/2015		
	Amount	%	Average Maturity	Amount	%	Average Maturity
External Credit Rating						
Above A-	158,543	68%	47	145,418	87%	333
BBB+ to BBB-	73,657	32%	529	22,296	13%	23
Below BBB-		0%		-	0%	-
Unrated		0%		-	0%	-
Total	232,200	100%	200	167,714	100%	292

The composition of the maturity profile of the derivatives is also displayed to give a clear view of the portfolio. According to the above table, the weighted average remaining maturity for the portfolio is 292 days.

Market risk

Market risk is the risk of loss from movements in market factors, i.e. prices and rates (including interest rates, credit spreads, equity prices, and foreign exchange rates), the correlations between them, and the volatilities. Market risk stems from all the positions included in banks' trading book and foreign exchange risk positions in the whole balance sheet.

The Bank applies the Standardized Approach to capture the market risk capital requirement in its trading book under Pillar I risk calculation. Market risk incorporates a range of risks, from which the exchange rate risk and price risk due to the bond position in the trading book are the most important ones.

The following table shows the breakdown of capital requirement for market risk at the end of 2014 and 2015 respectively.

	31/12/2014		31/12/2015	
	Risk weighted assets	Pillar I capital requirement	Risk weighted assets	Pillar I capital requirement
Market Risk (Standardised Method)	1,449	116	1,158	93
Traded debt ins. trading book	900	72	-	-
Foreign exchange	549	44	1,158	93

Foreign currency risk

Currency risk arises when an entity's equity is under threat as a result of exchange rate fluctuations. Naturally, the Bank does business in multiple currencies and would be exposed to currency risks unless these risks are properly hedged. Any sizeable transaction that would be causing currency risk is immediately hedged with a banking counterpart, or smaller transactions are gathered until they form a sizeable amount for hedging. The foreign currency risk is hedged generally by using derivatives to reduce currency exposures to acceptable levels. After taking into account foreign currency derivatives, the Bank has no material net exposure to foreign exchange rate fluctuations.

The Management Board sets limits on the level of exposure by currency and in total for both overnight and intra-day positions, which are monitored daily. The capital requirement for foreign currency risk of the Bank under Pillar I is reached after calculating the net short or long position in each foreign currency (excluding the base currency, Euro), it is converted at spot rates into the reporting currency. In line with the 'shorthand' method of Basel II, all currencies are treated equally and the net open position is measured by aggregating the sum of the net short positions or the sum of net long positions, whichever is the greater. This overall net open foreign currency position will be subject to a capital requirement of 8% thereof. The Bank's exposure to foreign currency exchange rate risk at 31 December 2015, on the basis of the Bank's assets and liabilities at carrying amounts, categorized by currency, is disclosed in risk management section of the Bank's Annual Report 2015 (page 53).

Interest Rate Risk

The Bank measures the minimum capital requirement for interest rate risk in the trading book by applying 'specific risk' and 'general market risk'.

Interest rate risk on banking book

Interest Rate Risk in the Banking Book (IRRBB) is the risk a bank faces due to interest rate re-pricing mismatches (ie fixed-rate versus floating-rate assets or liabilities) and interest maturity mismatches between its assets and liabilities, as well as the non-repricing elements of its balance-sheet including equity. The repricing mismatch between the two sides of the balance-sheet makes the Bank vulnerable to changes in interest rates, a risk against which the Bank therefore needs to hold capital.

Since IRRBB is not separately identified by Pillar I regulatory capital under Basel III, the Bank captures this under Pillar II in the ICAAP.

Anadolubank calculates the capital requirement by using measures listed below and reports these on quarterly basis. These measures strongly relate to the 8035 report that is sent to DNB every quarter. As can be observed, the interest typical gap profile is an important ingredient for the calculations.

Earnings at Risk

Earnings at Risk (EaR) intend to quantify the volatility of the expected future earnings, depending on future (movements of) interest rates and new products entered into over the predefined horizon of this measure (one year). Obviously, these future interest rates, and new products, are not known in advance and consequently future earnings are uncertain as well.

However, by applying several interest rate scenarios, the volatility of these earnings can be investigated over a particular future period. The Earnings at Risk is the level of earnings that correspond to a pre-defined scenario compared to the 'best estimate' on earnings, i.e. the expected value of earnings.

The stress scenarios were based on dynamic simulation approach which takes future course of interest rates and expected changes in the Bank's business activities into account. Moreover, the behavior of the non-maturing balance sheet items, such as sight deposits was analyzed for this assessment.

Overall, the Bank aims to use matched currency funding and usually converts fixed rate instruments to floating rate to better manage the duration in the asset book. The following tables indicate the Bank's interest rate sensitivities in the Banking book from the income perspective at the end of 2015.

Earnings at Risk		
Sensitivity of earnings to interest rate movement	31/12/2014	31/12/2015
200bps parallel shift up (gradual 1 year)	(1,095)	953
200bps parallel shift down (gradual 1 year)	940	542

Economic Value of Equity

Next to the EaR measure the Economic Value of Equity (EVE) is also used. This values the entire balance sheet against current rates compared to a valuation in scenarios with a 200 basis point parallel shift, up and down. The result for EVE is shown below.

Economic Value of Equity		
Sensitivity of equity to interest rate movement	31/12/2014	31/12/2015
200bps parallel shift up	(4,202)	(8,108)
200bps parallel shift down	1,907	7,417

IRRBB strategy, governance, policy and processes

The MB retains ultimate responsibility for the effective management of IRRBB. The ALCO proactively manages IRRBB and the Treasury Department provides strategic insight and motivation in managing IRRBB to ALCO, risk management provides appropriate risk reporting and analytics.

Appropriate limits have been set to measure this risk for both earnings and own funds, within which this risk must be managed. Compliance with these limits is measured and reported to the ALCO and the MB on a monthly basis.

Liquidity risk

Liquidity risk is commonly defined as the ability of an institution to fund increases in assets and meet obligations as they come due, without incurring unacceptable losses.

In order to ensure effective liquidity risk management, the Liquidity Risk Policy has been designed. The Policy describes the manner in which the Bank identifies, evaluates, measures, monitors, manages and reports its liquidity. The Policy clearly outlines the structure, responsibilities and controls for managing liquidity risk and overseeing the liquidity positions of the Bank. The Bank's Liquidity Risk Policy includes the Contingency Funding Plan, along with the communication strategy. The contingency planning provides a framework for detecting an upcoming liquidity event with predefined early warnings and actions for preventing temporary or longer term liquidity disruptions.

Management

The objective of the Liquidity Risk Policy is to ensure that sufficient liquid assets and funding capacity are available to meet financial obligations and sustain withdrawals of confidence sensitive deposits in a timely manner and at a reasonable cost, even in times of stress.

The Policy aims to ensure that the Bank does maintain an adequate level of unencumbered, high-quality liquid assets that can be converted into cash, even in times of stress. The Bank has also implemented stringent stress tests that have a realistic basis in the Bank's operating environment to further measure the Bank's ability to withstand different and adverse scenarios of stressed operating environments.

The Bank's liquidity risk is managed centrally by the Treasury Department and is monitored by the Risk Management Department. This allows management to monitor and manage liquidity risk throughout the Bank. The Risk Management Department monitors the Bank's liquidity risk, while the Bank's Internal Audit function assesses whether the liquidity management process is designed properly and operating effectively.

The Bank monitors short-term 30 day liquidity risk, liquidity risk with a one year horizon and risk arising from mismatches of longer term assets and liabilities. The Bank's liquidity management process includes: projecting expected cash flows in a behavioural maturity profile rather than relying merely on contractual maturities; monitoring balance sheet liquidity; monitoring and managing the maturity profile of liabilities and off-balance sheet commitments; monitoring the concentration of liquidity risk in order to avoid undue reliance on large financing counterparties projecting cash flows arising from future business; and, maintaining liquidity and contingency plans which outline measures to take in the event of difficulties arising from a liquidity crisis. The contractual maturity breakdown of assets and liabilities are disclosed in the section financial risk management of the Bank's Annual Report 2015 (page 52), shows that the Bank does not carry a large maturity mismatch. 60% of loans/advances to corporate and banks, matures in one year.

The Liquidity Risk Policy is built on international standards on liquidity risk measurements developed by the Basel Committee on Banking Supervision (e.g. the Liquidity Coverage ratio (LCR) and the Net Stable Funding Ratio (NSFR)) and it also applies measurements that best suit the operating environment of the Bank.

Measurement

Key indicators are used to measure and monitor liquidity risk: DNB monthly liquidity test and Basel III liquidity ratios.

The Basel III liquidity ratios: Liquidity Coverage Ratio is well above the minimum regulatory requirement (as of end 2015, 189%). NSFR will be implemented in 2018, and the Bank is already in line with the minimum regulatory requirement. At the end of 2015, NSFR was 125%.

Stress test / sensitivity analysis

Various stress tests have been constructed to measure how different scenarios affect the liquidity position and liquidity risk of the Bank. The stress tests are conducted monthly and measure the Bank's ability to withstand deposit withdrawals under various levels of adverse conditions. These stress tests are set up to measure the Bank's ability to operate in its current economic environment.

The stress test scenarios defined are in line with the requirements in the Internal Liquidity Adequacy Assessment Process (ILAAP), but is also be applicable for internal purposes. For that reason, 'business as usual', 'bank specific' and 'market wide stress scenarios' are designed to serve this purpose.

Control and monitoring

The Management Board reviews the Bank's Risk Appetite every year with regards to liquidity risk and, furthermore, the Board also discusses the Bank's balance sheet with respect to liquidity position in their monthly meetings. Risk-related matters are also discussed in detail by the Supervisory Board of the Bank, including the comprehensive Liquidity Risk Report published by Risk Management Department. ALCO is also responsible for deciding on strategies, policies and practices on liquidity risk in accordance with the risk tolerance while taking into account key business units, products, legal structures and regulatory requirements

The Bank's Treasury Department is responsible for day-to-day liquidity management within the Bank and that entails closely monitoring current trends and potential market developments that may present significant and complex challenges for the Bank's liquidity strategy. The stock of high quality liquid assets is under the control of Treasury Department which must manage the assets in accordance with the Bank's Liquidity Risk Policy. The Risk Management Department regularly evaluates the Bank's liquidity position, monitors internal and external events and factors that may affect the liquidity position and also ensures compliance with the Bank's liquidity management policy.

Furthermore, the Bank has carried out an internal liquidity adequacy assessment process (ILAAP) based on DNB's ILAAP Policy Rule and submitted the required documentation to DNB for purposes of Supervisory Review and Evaluation Process (SREP). The internal process, governance and consultative dialogue with the regulatory supervisory body required to meet the ILAAP rules are similar to the ICAAP.

The Bank manages its liquidity buffer so as to ensure compliance with regulatory requirements and internal limits determined by stress tests. Besides, to ensure funding in situations where bank is in urgent need of cash and the normal funding sources do not suffice, the Bank holds a liquidity buffer that consists of ECB eligible debt securities and highly liquid assets.

The ILAAP Supervision Manual is the main reference for the Bank's liquidity risk management. It gives an all-encompassing qualitative and quantitative guidance for liquidity risks management as well for the implementation of the liquidity regulation with the Basel III accord.

Early warning indicators and escalation procedures

There are escalation procedures that are applied if there is a danger that the lower limit of any early warning indicators is breached. Escalation is applied using what is known as a traffic-lights model. This is a system of warning signals that lead to an increased level of alert with respect to the liquidity situation. When none of the escalation criteria have been activated, this is known as green (safe). This can be escalated to yellow (warning) and finally red (trigger).

Contingency Funding Plan

The Bank has in place a Contingency Funding Plan which is set to provide a framework for detecting an upcoming liquidity event with predefined early warning indicators and actions for preventing temporary or longer term liquidity disruptions.

The Liquidity Contingency Plan stipulates the actions which shall be taken to monitor if the occurrence of a liquidity event or a confidence crisis is likely or imminent. It also includes a detailed action plan and procedures for managing of liquidity events.

Residual contractual maturities of financial assets and liabilities

The tables below show the undiscounted cash flows on the Bank's financial liabilities on the basis of their earliest possible contractual maturity, comparing 31 December 2015 figures with those of 31 December 2014. The Bank's expected cash flows on these instruments vary significantly from this analysis. For example, demand deposits from customers are expected to maintain a stable or an increasing balance. Daily liquidity and the liquidity maturity calendar are part of the Bank's Risk Management. Liquidity tests and stress test scenarios are made under ICAAP, ILAAP and Recovery Plan.

The liquidity test and the stress test scenario show that the liquidity is sufficiently above the requirements.

The following table provides a maturity analysis of assets and liabilities according to their contractual remaining maturity:

	Carrying				> 3			
	amount	Demand	<= 1 month	1-3	months <=	> 1 year		Not
Assets				months	1 year	<= 5 years	> 5 years	distributable
Cash and cash equivalents	154,201	139,937	14,263	-	-	-	-	-
Banks	125,284	-	9,029	8,002	85,607	22,647	-	-
Loans and advances	249,141	-	26,531	37,177	57,791	105,193	22,449	-
Interest bearing securities	118,557	-	-	-	17,769	52,013	48,775	-
Current tax assets	1,773	-	-	-	-	1,773	-	-
Deferred tax assets	333	-	-	-	-	-	-	333
Other assets	1,479	-	69	330	33	212	247	588
Total assets	650,768	139,937	49,892	45,509	161,200	181,838	71,471	921

Liabilities								
Banks	157,752	14,000	50,422	51,611	41,719	-	-	-
Funds entrusted*	381,520	31,511	189,080	33,250	41,514	86,165	-	-
Current tax liabilities	-	-	-	-	-	-	-	-
Other liabilities	32,169	-	758	4,527	22,161	3,517	653	552
Total liabilities	571,441	45,511	240,260	89,389	105,395	89,682	653	552
Shareholders' equity	79,327	-	-	-	-	-	-	79,327
Total liabilities and equity	650,768	45,511	240,260	89,389	105,395	89,682	653	79,879
Net liquidity		94,427	(190,368)	(43,879)	55,805	92,156	70,818	(78,958)

* Including on demand saving accounts which has on average a longer term characteristic

	Carrying				> 3			
	amount	Demand	<= 1 month	1-3	months <=	> 1 year		Not
31 December 2014				months	1 year	<= 5 years	> 5 years	distributable
Total assets	620,662	101,386	55,029	41,202	144,522	204,142	70,276	4,105
Total liabilities	620,662	35,381	220,820	60,188	118,430	97,206	-	88,637
Net liquidity		66,005	(165,791)	(18,986)	26,092	106,936	70,276	(84,532)

Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Bank's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risk such as those occur from legal and regulatory requirements and generally accepted standards of corporate behavior. Operational risks emerge from all of the Bank's operations.

The Bank uses the basic indicator approach of the Capital Requirements Directive (CRD) to calculate risk weighted assets for operational risk. The calculation is based on a single indicator: gross income. Risk weighted assets are calculated as 15% of the average of previous three years gross income. In fiscal 2015, the Bank has not had any material or potentially material operational risk loss events. Operational risk losses continue to be within the acceptable level.

Measurement, mitigation and processes

The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management within each business unit. This responsibility is supported by the development of compliance to overall the Bank's standards for the management of operational risk in the following areas:

- Risk culture, human resource management practices, organizational changes and employee turnover;
- Requirements for appropriate segregation of duties, including the independent authorization of transactions;
- Requirements for the reconciliation and monitoring of transactions;
- Compliance with regulatory and other legal requirements;
- Documentation of controls and procedures;
- Requirements for the reporting of operational losses and proposed remedial action;
- Development of contingency plans;
- Training and professional development;
- Ethical and business standards;
- Risk mitigation, including insurance where this is effective; and;
- An independent internal audit department responsible for verifying that significant risks are identified and assessed and for testing controls to ensure that overall risk is at an acceptable level.

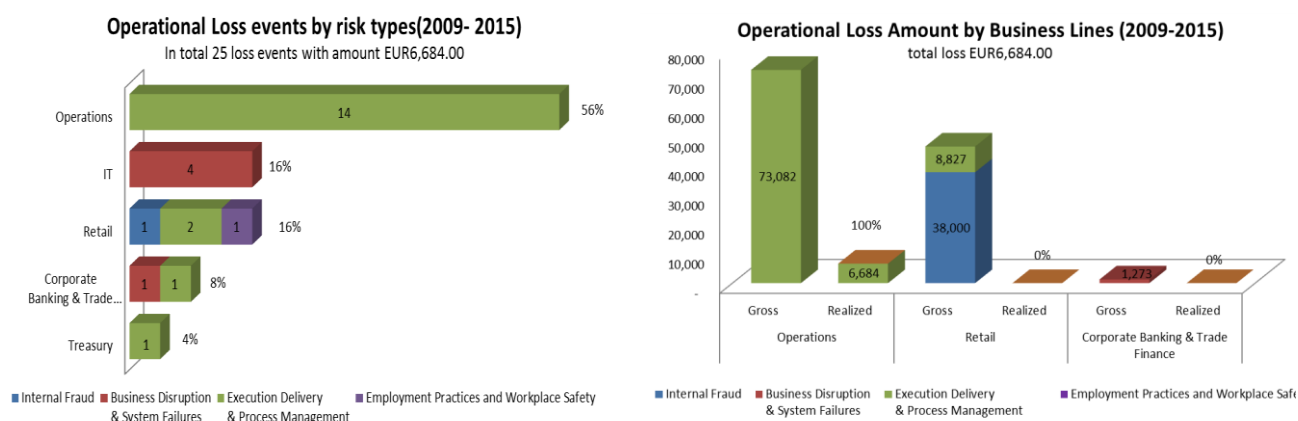
During the last 3 years, the Bank continuously has internal and external projects running to ensure that it can continue to comply with changing legislation and regulation. The Bank devoted much attention to this area since 2013. Many of the changes to the internal organization have now been realized. Legislation and regulation in the financial sector continued to be subject to rapid change and increasing complexity in 2015. Compliance, Risk, Internal Control and Internal Audit departments have been strengthened accordingly. There has also been significant investment in systems in order to ensure the ethical business operations and controlled conduct of our business.

- Devote sufficient resource;
- Adequate procedures;
- Senior management involvement;

- Monitoring on a regular basis;
- Independent control function.

Each department of the Bank is individually accountable for its results as well as for the risks associated with its operations. A balance must be struck between risk and return, and this must comply with the relevant risk limits.

The Bank collects operational loss events in a database, which is managed and maintained by the Risk Management Department to capture key information on operational losses. This data is analyzed, and then reported to Management Board to provide insight into operational risk exposures, appetites and trends. During the last 7 years, the number and magnitude of loss events was very minor, which are presented in the following graph.



The following table shows the regulatory capital requirement for operational risk, by using basic indicator approach, which is EUR 1.5 million over performance year 2015.

Operational Risk	31/12/2014	31/12/2015
Operational Risk Exposures	18,863	19,317
Capital Requirement	1,509	1,545

Capital management

The Bank had a capital ratio at the end of 2015 of 18.4%. In light of continued uncertainty in the financial environment, the Bank chooses to maintain its financial strength. DNB stringent requirements on required capital ratio and liquidity, and the even higher demands made by the Bank's Supervisory Board and Management Board in this respect, have proven to be an important part of the Bank's strategy. As long as uncertainties remain in the Eurozone and emerging countries, it is useful for the Bank to maintain strong capital ratios.

The capital planning is subject to two overall considerations:

- i. Optimization of the Bank's risk and maximization of earnings;
- ii. Taking advantage of the situation in the market to increase the Banking activities with an acceptable risk.

Capital structure

The Bank's capital base is composed of core Tier 1 capital as shown in below table. Tier 1 capital comprises of paid-in capital, reserves, the profits retained in prior years and the result for the current year. Intangible assets, deferred tax assets and the unrealized loss on investments carried as available for sale (AFS) are deducted from Tier 1 capital.

Calculation of capital requirements under Pillar I and Pillar II

The table presents an overview of the capital requirements and the risk-weighted exposure amounts at 31 December 2015 and 31 December 2014 for the different risk types. The risk-weighted assets (RWA) are calculated by using the external ratings provided by the eligible credit assessment institutions (ECAIs), namely Moodys, S&P and Fitch. According to the Basel II rules on capital requirements, the capital base of a financial undertaking is required to correspond to a minimum of 8% of the sum of RWA of credit risk, market risk, and operational risk as calculated under Pillar I. Additional capital requirements and other factors are determined under Pillar II.

Capital requirements	Dec 2014	Dec 2015
<i>thousands of Euros</i>		
Total risk weighted assets	442,155	430,456
Credit risk	418,131	407,804
Market risk	1,449	1,158
Operational risk	18,863	19,317
CVA	3,713	2,177
Tier 1 capital	79,029	79,294
Paid-in capital	70,000	70,000
Retained earnings	4,019	9,829
Revaluation reserves	(117)	(1,000)
Net profit	5,810	499
Regulatory adjustments	(683)	(33)
Tier 2 capital	-	-
Total capital	79,029	79,294
Tier 1 ratio %	17.9%	18.4%
Solvency ratio %	17.9%	18.4%

The largest part of the capital requirement relates to credit risk (93%). Market risk accounts for 0.3% of the capital requirements and operational risk comprises 4.5% of the capital requirements as of 31 December 2015.

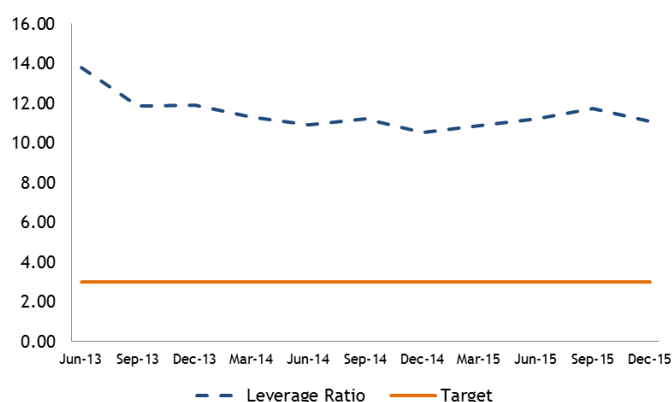
Risk-weighted assets amounted to EUR 430,456 thousand at the end of 2015 compared to EUR 442,155 thousands at the end of 2014.

Below table represents the Bank's exposure, RWA and minimum capital requirements under Pillar I for the end of 2015 and 2014 and are broken down by different risk types, and exposure classes.

	31/12/14				31/12/15				
	Exposure on and off-balance sheet	Risk-weighted assets	Exposure /RWA	Pillar 1 capital requirement	Exposure on and off-balance sheet	Risk-weighted assets	Exposure /RWA	Pillar 1 capital requirement	% of Distribution
Credit risk (Standardised approach)	687,346	418,131	61%	33,450	647,756	407,804	63%	32,624	94.7%
Central governments	126,741	5,203	4%	416	168,083	6,478	4%	518	
Corporate	387,284	343,746	89%	27,500	335,958	334,128	99%	26,730	
Institutions	168,719	64,704	38%	5,176	140,280	66,169	47%	5,294	
Retail	496	373	75%	30	566	425	75%	34	
Other	4,106	4,105	100%	328	2,869	604	21%	48	
Market risk (Standardised approach)		1,449		116		1,158		93	0.3%
Equity, trading book		-		-		-		-	
Traded debt inst. trading book		900		72		-		-	
Foreign exchange		549		44		1,158		93	
Operational risk (Basic approach)		18,863		1,509		19,317		1,545	4.5%
CVA		3,713		297		2,177		174	0.5%
Total		442,155		35,372		430,456		34,436	

Leverage Ratio

Anadolubank does not carry large amounts of assets with (very) low risk weights. As a result, Anadolubank has a very healthy, high leverage ratio. For capital management purposes the leverage ratio is not a restrictive factor and as a consequence less relevant.



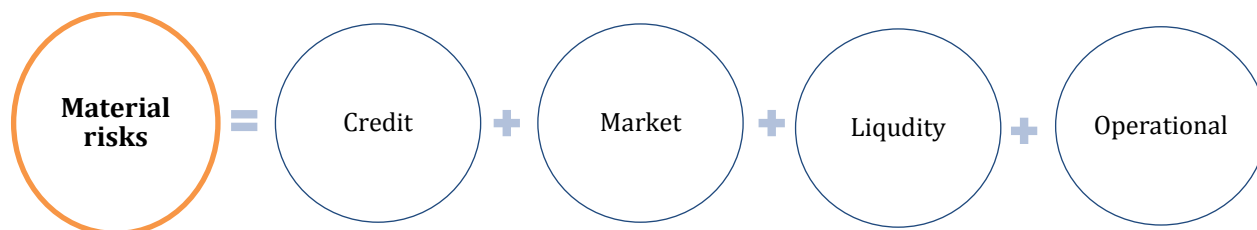
Thousands of EUR

Leverage ratio	Dec 31, 2015
Tier 1 capital	79,294
Total exposure	714,676
Leverage ratio	11.1%
CET1 capital	17.9%

Internal Capital Adequacy Assessment Process

The ICAAP is the Bank's internal assessment of its capital needs. The ICAAP is carried out in accordance with the CRD's Pillar II requirement with the aim to ensure that the Bank has in place sufficient risk management processes and systems to identify, measure and manage the Bank's total risk exposure.

The Bank is exposed to the following material risks which arise from financial instruments:



The Bank's ICAAP methodology involves assessing key risks which are not believed to be adequately addressed by Pillar I. For each such risk, a capital add-on is applied on top of the regulatory capital requirements, which are 8% of RWA. The ICAAP is aimed at identifying and measuring the Bank's risk across all risk types, which are mentioned in the following table and at ensuring that the Bank has sufficient capital for its risk profile.

Risk Type	Covered in
Credit Risk	Pillar I and Pillar II
Concentration Risk	Pillar II
Market Risk	Pillar I and Pillar II
Interest Rate Risk on the Banking Book	Pillar II
Operational Risk	Pillar I and Pillar II
Strategic Risk	Pillar II
Other Risks	Pillar II
Liquidity Risk	ILAAP Framework

The Bank's ICAAP report is prepared by the Management Board and approved by the Supervisory Board then submitted to the DNB annually or more frequently if there is a material change in strategy or risk profile of the Bank. The DNB reviews the Bank's ICAAP report and sets capital requirements following its SREP.

In addition to the above the Bank uses the ICAAP to:

- Raise risk-awareness to all the Bank's activities and to ensure that the Supervisory Board and Management Board understand the Bank's risk profile;
- Perform a process to adequately identify and measure the Bank's risk factors;
- Carry out a process to monitor whether the Bank's capital is adequate in relation to its risk profile;
- Review the soundness of the Bank's risk management systems and controls that are used to assess, quantify and monitor the Bank's risks.

The ICAAP is embedded into the Bank's risk management framework. Management Board and senior management participate in the process of identifying and evaluating their high risk areas, in cooperation with Risk Management Department. The result from the identification phase serves as the basis for the risk identification within the Bank's ICAAP, ILAAP and Recovery Plan.

Remuneration policy

Remuneration is aligned with business strategy, balanced between short term and long term achievements, differentiated and relative to the realization of performance objectives and the results of the Bank-managed in an integrated, total compensation manner. In case variable remuneration for employees is in place, these payments are not profit-related.

This chapter describes the Remuneration Policy of Anadolubank Nederland N.V. The Bank's Remuneration Policy was last evaluated and adjusted in line with the Dutch Corporate Governance Code, the Dutch Banking Code, and the EBA Guidelines on Sound Remuneration Policies, including additional DNB guidance on the implementation of the DNB Principles and the Committee of European Banking Supervisors Guidelines on Remuneration Policies and Practices and CRR/CRD IV in 2015.

Scope

The Bank's remuneration strategy, total reward framework, policies and practices all reflect the sound risk management that is fundamental to the way we operate.

The following four key principles: remuneration is

- Aligned with business strategy of the Bank;
- Appropriately balanced between short term and long term;
- Differentiated and relative to the realization of performance objectives and the results of the Bank;
- Externally competitive and internally fair.

The 'Remuneration Policy and the 'Remuneration Plan' describe further details. The Policy concerns Anadolubank Nederland N.V. and it reflects and supports the business plan, strategy, objectives, values and long-term interests of the Bank and stakeholders. It facilitates the achievement of the strategic, collective and individual targets. The Policy corresponds to sound and effective risk management and it will not encourage the taking of risks that are not acceptable to the Bank. It takes into account the interests of the customers, staff members, shareholders, other stakeholders and Anadolubank Nederland N.V.

Governance

Different bodies and functions that have an important role in the determination, implementation and control of the Policy are the following:

The Management Board

The Management Board is responsible for the implementation of the Policy, except in relation to its own Remuneration policy.

The Management Board will present a remuneration proposal annually to the Supervisory Board. The remuneration of the senior officers in the risk management, audit and compliance functions is directly overseen by the Supervisory Board.

The Supervisory Board

The Supervisory Board approves the general principles of the Policy and oversees its implementation by the Management Board. The Supervisory Board shall also be responsible for the implementation and evaluation of the Policy, adopted with regard to the members of the Management Board. Given its size, Anadolubank Nederland N.V. will not establish a separate Remuneration Committee. A Supervisory Board charter is available with respect to the composition, tasks and responsibilities, appointment of members and the required expertise and knowledge of the Supervisory Board and its individual members.

Control functions

Internal Audit, Risk Management, and Compliance (Control Functions) are involved in the annual risk analysis of the remuneration policy, are independent from the business units they oversee and have appropriate authority to advise the Management Board and the Supervisory Board. These Control Functions act in joint cooperation with respect to the set-up, execution, evaluation and required amendments to the remuneration policy. Adequate processes are implemented for this within Anadolubank Nederland N.V., including an escalation procedure towards the Supervisory Board.

The remuneration of Control Functions is sufficient to acquire and maintain qualified personnel. Performance criteria are mainly linked to their functions and independent of the performance or the financial results of the business or the business unit which is monitored or controlled by the individual Control Function staff member.

The Bank's Annual Report 2015 contains a detailed overview of the quantitative information on Remuneration (page 40).