KPMG

(Convenience Translation of Financial Statements and Related Disclosures and Footnotes Originally Issued in Turkish, See Note 2)

Doğal Afet Sigortaları Kurumu
("Turkish Catastrophe Insurance Pool")
31 December 2015

Financial Statements
Together With
Independent Auditors' Report Thereon

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

27 May 2016

This report includes 2 pages of independent auditors' report and 27 pages of financial information together with their explanatory notes.

Akis Bağımsız Denetim ve
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Convenience Translation of the Independent Auditors' Report Originally Prepared and Issued in Turkish (See *Note 2*)

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of Doğal Afet Sigortaları Kurumu

We have audited the accompanying balance sheet of Doğal Afet Sigortaları Kurumu ("Turkish Catastrophe Insurance Pool: TCIP or "Institution") as at 31 December 2015 the statements of profit or loss and other comprehensive income, change's in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Board of Director's Responsibility for the Financial Statements

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

Independent Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with audit standards in force as per the insurance legislation. Those standards require that we comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

Opinion

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Doğal Afet Sigortaları Kurumu as at 31 December 2015 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Istanbul,
27 May 2016

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

Alper Güvenç, SMMM
Partner

Additional Paragraph for Convenience Translation to English

As explained in Note 2, the accompanying financial statements are not intended to present the financial position and results of its operations in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than Turkey.

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DOĞAL AFET SİGORTALARI KURUMU
BALANCE SHEET AT 31 DECEMBER 2015
(Amounts expressed in Turkish Lira ("TL") unless otherwise stated.)

	Note	31 December 2015	31 December 2014
ASSETS			
Current assets			
Cash and cash equivalents	*4 and 5*	3,082,650,068	2,459,067,700
Available-for-sale financial assets	*4 and 6*	668,974,812	633,608,516
Premium receivables	*4 and 7*	97,442,128	96,613,963
Deferred commision expense	*16*	66,719,849	64,498,095
Other current assets	*8*	155,295,197	161,510,626
Total current assets		**4,071,082,054**	**3,415,298,900**
Non-current assets			
Tangible assets, net	*9*	2,704	11,888
Intangible assets, net	*10*	31,251,088	13,890,098
Other non-current assets	*8*	16,195,736	9,075,458
Total non-current assets		**47,449,528**	**22,977,444**
Total assets		**4,118,531,582**	**3,438,276,344**
LIABILITIES AND NET ASSETS			
Current liabilities			
Short-term trade payables	*4 and 11*	175,199,366	212,459,928
Unearned premium reserve	*12*	400,547,045	389,216,872
Outstanding claims provision	*4 and 12*	12,933,621	12,597,136
Total current liabilities		**588,680,032**	**614,273,936**
Non-current liabilities			
Long-term borrowings	*11*	16,195,736	9,017,943
Total non-current liabilities		**16,195,736**	**9,017,943**
Total liabilities		**604,875,768**	**623,291,879**
Accumulated fund reserve (Retained earnings)	*13*	3,527,914,697	2,812,602,516
Revaluation surplus of available – for sale financial assets	*13*	(14,258,883)	2,381,949
Total net assets		**3,513,655,814**	**2,814,984,465**
Total liabilities and net assets		**4,118,531,582**	**3,438,276,344**

The accompanying notes form an integral part of these financial statements.

DOĞAL AFET SİGORTALARI KURUMU
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2015
(Amounts expressed in Turkish Lira ("TL") unless otherwise stated.)

	Note	2015	2014
Revenues:			
Earned premiums	*14*	775,819,591	711,646,520
Total insurance revenue		**775,819,591**	**711,646,520**
Expenses:			
Cost of reinsurance coverage	*15*	(216,000,626)	(206,338,874)
Commission expenses	*16*	(127,835,375)	(116,732,572)
Incurred claims	*17*	(3,365,525)	(3,686,726)
Total insurance expenses		**(347,201,526)**	**(326,758,172)**
Insurance revenue, net		**428,618,065**	**384,888,348**
General administrative expenses	*18*	(17,007,001)	(35,769,443)
Operating income		**411,611,064**	**349,118,905**
Financial income, net	*19*	303,701,117	222,282,914
Profit for the year (Increase in fund reserve, net)		**715,312,181**	**571,401,819**
Other comprehensive income:			
Items to be classified profit or loss			
Revaluation surplus of available – for – sale financial assets		(16,640,832)	4,120,504
Total comprehensive income (Increase in comprehensive fund reserve)		**698,671,349**	**575,522,323**

The accompanying notes form an integral part of these financial statements.

DOĞAL AFET SİGORTALARI KURUMU
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED 31 DECEMBER 2015
(Amounts expressed in Turkish Lira ("TL") unless otherwise stated.)

	Revaluation surplus of available – for – sale financial assets	**Accumulated fund reserve (Retained earnings)**	**Total**
1 January 2014	**(1,738,555)**	**2,241,200,697**	**2,239,462,142**
Revaluation surplus of available – for – sale financial assets (Note 13.b)	4,120,504	-	4,120,504
Profit for the year	-	571,401,819	571,401,819
31 December 2014	**2,381,949**	**2,812,602,516**	**2,814,984,465**
Revaluation surplus of available – for – sale financial assets (Note 13.b)	(16,640,832)	-	(16,640,832)
Profit for the year	-	715,312,181	715,312,181
31 December 2015	**(14,258,883)**	**3,527,914,697**	**3,513,655,814**

The accompanying notes form an integral part of these financial statements.

DOĞAL AFET SİGORTALARI KURUMU
STATEMENT OF CASH FLOWS FOR
THE YEAR ENDED 31 DECEMBER 2015
(Amounts expressed in Turkish Lira ("TL") unless otherwise stated.)

	Note	2015	2014
Cash flows from institution's activities:			
Profit for the year		**715,312,181**	**571,401,819**
Adjustments for:			
Depreciation and amortisation charges	*18*	2,462,314	1,637,243
Net income from investments	*19*	(303,701,117)	(222,282,914)
Foreign exchange losses/(profits) associated with borrowings		-	1,239,601
Decrease/(increase) in receivables		(828,165)	(10,300,426)
Decrease/(increase) in other current assets		(904,849)	3,325,172
Decrease/(increase) in insurance reserves and deferred commision expense		9,444,904	33,990,502
Decrease/(increase) in short-term trade payables		(30,082,769)	(34,254,013)
Net cash provided by institution's activities		**391,702,499**	**344,756,984**
Cash flows from investing activities:			
Interest received from banks		257,407,168	217,848,155
Decrease/(increase) in available-for-sale financial assets		(16,310,145)	(418,832,265)
Purchases of tangible assets	*9*	-	(45,913)
Purchases of intangible assets	*10*	(19,814,120)	(12,931,538)
Net cash inflow related to investing activities		**221,282,903**	**(213,961,561)**
Cash flows from financing activities:			
Reimbursements of borrowings and interests		-	(13,439,421)
Net cash outflows from financing activities		**-**	**(13,439,421)**
Net increase in cash and cash equivalents		**612,985,402**	**117,356,002**
Foreign exchange profits associated with cash and cash equivalents		10,014,124	(519,541)
Cash and cash equivalents at the beginning of the year		2,448,021,535	2,331,185,074
Cash and cash equivalents at the end of the year	***5***	**3,071,021,061**	**2,448,021,535**

The accompanying notes form an integral part of these financial statements.

1 NATURE OF OPERATIONS AND ADMINISTRATION

Doğal Afet Sigortaları Kurumu ("Turkish Catastrophe Insurance Pool: TCIP" or "Institution"), was established as a public legal entity in order to provide insurance and to fulfil the other tasks assigned to it under Decree Law No. 587 ("Decree Law") issued by the Council of Ministers and published in the Official Gazette on 27 December 1999. As it is published and became valid in Official Gazette under Law No. 6305 "Afet Sigortaları Kanunu" ("Law") on 18 May 2012, Decree Law was abolished and all the actives and passives and all rights and liabilities of the Institution which was founded with decree law is transferred to found the Institution without any transaction on 18 May 2012. The main operation of the Institution is to provide Compulsory Earthquake Insurance to ensure that owners of the buildings are compensated for their losses that occur as a result of an earthquake. The organization is ruled by six member of the board of directors of Doğal Afet Sigortalar Kurumu who has been working in T.C. Prime Ministry of Turkish Treasury ("Treasury"), Eureko Sigorta, Insurance Association of Turkey, academic member appointed by Higher Education Board, Security Exchange Commission and Ministry of Environment and Urban Planning.

The Institution started policy sales on 27 September 2000.

The execution of technical and operational activities of the Institution is outsourced. Under the provisions of Law No. 6305, administration of the operations of the Institution has been assigned to Eureko Sigorta A.Ş., as the "Institution Administrator", by Treasury through a contract signed on 8 August 2005 for a period of 5 years. After the renewal of tender in July 2010 then August 2015, Eureko Sigorta A.Ş. has been re-assigned as the Institution Administrator for the period between 2015 and 2020 and the related contract was signed on 7 August 2015. The Institution Administrator, based on the principles set out by Treasury and decisions of Board of Directors of the Institution; and on behalf of the Institution, provides day-to-day administrative services with respect to executing technical and operational aspects of all insurance activities of the Institution regarding compulsory earthquake insurance, applying plans for risk transfer and reinsurance, management of resources of the Institution, carrying out the campaigns related to public relations, marketing and education, purchasing of goods and services related to operations of the Institution and bookkeeping services. Institution and funds generated by the Institution are exempt from any kind of taxation.

The organization is not subject to the law numbered 3346 Community Economical Attempts with the law about the auditing of of the funds by Türkiye Büyük Millet Meclisi, Court of Accounts Law numbered 6085, Travel Expense Law numbered 6245, Public Financial Management and Control law numbered 5018 and Public Bid Law numbered 4734.

Insurance premium receivables of the Institution are collected in accordance with Law related to the Procedures for the Collection of Public Receivables numbered 6183.

Annual financial statements, transactions and expenses of the Institution are audited by Treasury.

2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

The financial statements of the Institution at 31 December 2015 have been prepared in accordance with International Financial Reporting Standards ("IFRS").

The Institution maintains its books of account and prepares its statutory financial statements in Turkish Lira ("TL") in accordance with the Law numbered 6305. These financial statements are based on the statutory records, with adjustments and reclassifications, for the purpose of fair presentation in accordance with IFRS.

The financial statements of the Institution were authorised for issue by Institution Board of Directors on 27 May 2016.

2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

Amendments and interpretations, published as of 31 December 2015, but valid after 1 January 2016:

IFRS 9 Financial Instruments

IFRS 9, published in July 2014, replaces the existing guidance in IAS 39 *Financial Instruments: Recognition and Measurement*. IFRS 9 includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39. IFRS 9 is effective for annual reporting periods beginning on or after 1 January 2018, with early adoption permitted. The Company is in the process of assessing the impact of the standard on financial position or performance of the Company.

Additional paragraph for convenience translation to English

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

3 SUMMARY OF SIGNIFICANT RELEVANT ACCOUNTING POLICIES

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Institution's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in the respective accounting policy disclosures.

The principle accounting policies applied in the preparation of these financial statements are set out below. These policies have been applied to all the years presented, unless otherwise stated.

Premium revenue / Commission expense

Premiums are recognized as income proportionally over the period of coverage of earthquake policies issued on a daily pro-rata basis. The portion of premium revenues that relates to the following period is accounted as the unearned premium reserve for each policy and on a daily basis. The commission expenses incurred in acquiring the unearned portion of premiums are deferred on the same basis as the premiums to which they relate.

Cost of reinsurance coverage

The reinsurance agreements entered into by the Institution with reinsurers under which institution is compensated for losses on one or more policies, and that meet the classification requirements for insurance contracts are classified as reinsurance contracts. The cost of reinsurance, mainly consisting of excess of loss premiums, is incurred on an accrual basis.

The excess of loss reinsurance agreements are renewed annually and cover twelve-months-period from November of prior year up to the end of October of the current year. Accordingly, the cost of reinsurance accounted for under the current year include 10-month-portion of the excess of loss premium related to the reinsurance agreement ending October 2015 and 2-month-portion of the excess of loss premium related to the reinsurance agreement ending October 2016. The cost of reinsurance accounted in the current year also includes excess of loss premium adjustment accrued with respect to related reinsurance agreements as well as brokerage fees paid to and incurred for related intermediaries.

3 SUMMARY OF SIGNIFICANT RELEVANT ACCOUNTING POLICIES (Continued)

Claims

The organization books outstanding claim provision for the compensation cost which was accrued and located however not actually paid by the end of the period or if the cost is not calculated they book for estimated and incurred but not reported cost. The organization considered the average 31 December 2015 and 2014 paid claims for calculating incurred but not reported claims and compensation cost and the found amount by multiplying this amount and estimated incurred but not reported claim file unit was reflected as incurred but not reported claim provision in its records.

Property and equipment

Property and equipment are carried at cost less accumulated depreciation. Depreciation is calculated using the straight-line method over their estimated useful life based on the restated cost of such assets. The estimated useful lives of property and equipment are as follows:

The useful life of furniture and fixtures is 5 years.

If book value of an asset is more than its estimated recoverable value, book value of that asset is discounted to its recoverable amount. Profit or loss occurred due to disposal of tangible assets are determined by comparing the book value and collected amount and included to the calculation of increase in fund reserve.

Maintenance and reparation expenses are accounted under the current income statement. But the investment expenses for extending the capacity of the tangible assets' future benefits are included in the cost of the tangible assets.

Intangible assets

Intangible assets consist of the acquired information systems, franchise rights and software. Intangible assets are carried at acquisition cost and amortised by the straight-line method over their estimated useful lives after their acquisition date. If impairment exists, carrying amount of the intangible assets is written down immediately to its recoverable amount. The useful life of intangible assets is 4 years.

Financial assets

The Institution classifies its financial assets as "Available-for-sale financial assets", "Financial assets at fair value through profit or loss" and "Loans and receivables". The classification of the financial assets is decided by the Institution management at initial recognition based on the purpose for which such assets were acquired and reviewed at reporting periods.

a) Available- for- sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either held as available for sale or not classified in any other categories. Investments intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in interest rates, exchange rates or equity prices, are classified as available-for-sale financial assets.

3 SUMMARY OF SIGNIFICANT RELEVANT ACCOUNTING POLICIES (Continued)

b) Financial assets at fair value through profit or loss

The financial assets measured at fair value through profit or loss by the Institution are classified as "Financial assets at fair value through profit or loss" in the financial statements. Financial assets at fair value through profit or loss consist of financial instruments that are acquired principally for the purpose of generating a profit from short-term fluctuations in price or dealer's margin, formed as a part of a portfolio of financial assets that are managed together for which there is evidence of short-term profit taking, and classified as financial assets designated at fair value through profit or loss at inception since they are managed and their performance is evaluated on fair value basis.

c) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market other than those that the Institution intends to sell in the short term or that it has designated as at fair value through profit or loss or available-for-sale. Receivables arising from insurance contracts are classified in this category and are reviewed for impairment as part of the impairment review of loans and receivables.

Financial assets are initially recognised at fair value. Available-for-sale financial assets are subsequently carried at fair value based on quoted bid prices. Loans and receivables are carried at cost less any provision for impairment.

Unrealised gains and losses arising from changes in the fair value of available-for-sale financial assets are accounted in the fair value reserve as a part of net assets. When such financial assets are disposed or impaired, the accumulated fair value differences under net assets are transferred to the income statement. Interest on available-for-sale financial assets calculated using the effective interest method is recognised in profit or loss.

Financial assets at fair value through profit or loss are accounted for at their fair values at the inception date and measured at their fair values at subsequent periods. It is concluded that the fair value can not be reliably measured if the price that provides a basis for fair value is not set in active market conditions and "amortised cost value" that is calculated using the effective interest method is used as fair value. Valuation gains or losses are recognised in profit or loss. The interest income and dividend income on financial assets at fair value through profit or loss are classified in interest income and the dividend income, respectively.

Foreign currency translation

Transactions in foreign currencies during the period are translated into Turkish Lira at the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the Central Bank of Republic of Turkey exchange rates prevailing at the period end. Exchange gains and losses arising from translation of monetary assets and liabilities denominated in foreign currencies are included in the income statement.

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs. Borrowings are subsequently stated at amortised cost and any difference between the borrowing amount, net of transaction costs, and the balance sheet amount calculated using the effective yield method is recognised in profit or loss.

3 SUMMARY OF SIGNIFICANT RELEVANT ACCOUNTING POLICIES (Continued)

Fair value of financial instruments

Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced sale or liquidation, and is best evidenced by a quoted market price, if one exists.

The classifications used by the Institution with respect to fair values of its financial assets and liabilities are disclosed below:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1),
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2),
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

Available-for-sale financial assets and financial assets at fair value through profit or loss included in the balance sheet are the items that are recognised at fair value. Classification requires the utilisation of observable market data, if available.

The following methods and assumptions were used to estimate the fair value of the financial assets and liabilities for which it is practicable to estimate fair value:

Financial assets

The fair values of balances denominated in foreign currencies, which are translated at period end exchange rates, are considered to approximate their carrying values.

The carrying values of certain financial assets, including cash and cash equivalents along with the respective accrued interest are considered to approximate their fair values.

The fair values of available-for-sale financial assets and financial assets at fair value through profit or loss are determined by reference to the market values.

The carrying values of premiums receivable are considered to approximate their fair values due to their short-term nature.

Financial liabilities

The fair value of bank borrowings for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rates that are available to the Institution for similar borrowings.

4 MANAGEMENT OF INSURANCE AND FINANCIAL RISK

Insurance risk

The Institution issues contracts (insurance policy) that carry insurance risk. This section summarises the risks associated with these contracts and how the Institution manages them.

The risk under insurance contacts is the possibility that the insured event occurs and the uncertainty of the amount of the resulting claim. By the very nature of the insurance contracts, this risk is random and therefore unpredictable.

For a portfolio of insurance contracts where the theory of probability is applied to pricing and provisioning, the principal risk that the Institution faces under its insurance contracts is that the actual claims and benefit payments exceed the carrying amount of insurance liabilities. The Institution management believes that the liability for claims carried at year-end is adequate.

The Institution is granting earthquake coverage to residential buildings. The payment ability of the Institution is limited to its accumulated funds and reinsurance protection that is purchased from the reinsurance market. The catastrophe model outputs are taken into consideration while setting the top limit and the priorities for the reinsurance protection. The limits are monitored in line with the aggregate developments as per the key zones. Premium amounts are based on pre-determined tariffs that vary according to the earthquake zones and types of buildings. The maximum guarantee provided for a residence via Compulsory Earthquake Insurance is TL 150,000 (31 December 2014: TL 150,000). Minimum policy premium is TL 25 (31 December 2014: TL 25) regardless of the type of building and earthquake zone.

The Institution manages such risks through its underwriting strategy and reinsurance protection purchased via excess of loss reinsurance agreement.

(Amounts expressed in Turkish Lira ("TL") unless otherwise stated.)

4 MANAGEMENT OF INSURANCE AND FINANCIAL RISK (Continued)

The concentration of insurance risk (maximum insured loss) is summarised below:

	31 December 2015	31 December 2014
Istanbul region	132,092,495,040	127,355,130,540
Other regions	377,457,466,280	354,098,197,540
Total	**509,549,961,320**	**481,453,328,080**

The concentration of insurance risk in terms of geographical risk zones in Turkey, Zone 1 having the highest earthquake risk, is summarized below:

	31 December 2015	31 December 2014
Zone 1	226,192,066,060	212,902,119,520
Zone 2	132,034,127,760	127,846,121,160
Zone 3	61,209,682,080	55,583,345,360
Zone 4	84,996,332,540	80,300,370,840
Zone 5	5,117,752,880	4,821,371,200
Total	**509,549,961,320**	**481,453,328,080**

Financial risk factors

The Institution is exposed to financial risk through its financial assets, financial liabilities (borrowings) and insurance liabilities. In particular, the key financial risk is that the proceeds from its financial assets are not sufficient to fund the obligations arising from its insurance contracts and not covered by the reinsurance agreement. The most important components of the financial risk are market risk (includes interest rate risk and currency risk), credit risk and liquidity risk. The Institution's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise its potential adverse effects on the Institution's financial performance. Risk management is carried out by the Institution Administrator under policies regulated by certain legal arrangements and approved by the Board of Directors. Board of Directors considers the liquidity and credibility of the investments in the first place and seeks the maximisation of profitability on investments. The Institution does not use derivative financial instruments to hedge risk exposures.

a) Market risk

i. Interest rate risk

The Institution is exposed to interest rate risk through the impact of rate changes on interest bearing assets and liabilities. This risk is managed by using natural hedges that arise from balancing interest rate sensitive assets and liabilities.

Available-for-sale financial assets with variable interest rates expose the Institution to interest rate risk. As of 31 December 2015, if market interest rates on financial assets with variable interest rates were higher/lower by 1%, with all other variables held constant, as a result of higher/lower interest income on financial assets with variable rates, increase in fund reserve would be higher/lower by TL 2,737,092 (31 December 2014: TL 1,034,941).

(Amounts expressed in Turkish Lira ("TL") unless otherwise stated.)

4 MANAGEMENT OF INSURANCE AND FINANCIAL RISK (Continued)

The Institution does not have any other financial assets or liabilities with variable interest rates.

The analysis of contractual repricing dates of financial assets at the balance sheet dates are as follows:

31 December 2015	**Up to 3 months**	**3 months-1 year**	**1 - 5 year**	**Over 5 years**	**Not subject to repricing**	**Total**
Available for sale financial assets	88,255,647	195,201,289	215,701,425	169,816,451	-	668,974,812
Total	**88,255,647**	**195,201,289**	**215,701,425**	**169,816,451**	**-**	**668,974,812**

31 December 2014	**Up to 3 months**	**3 months-1 year**	**1 - 5 year**	**Over 5 years**	**Not subject to repricing**	**Total**
Available for sale financial assets	56,367,770	219,096,679	212,143,754	146,000,313	-	633,608,516
Total	**56,367,770**	**219,096,679**	**212,143,754**	**146,000,313**	**-**	**633,608,516**

ii. Foreign currency risk

The Institution is exposed to foreign exchange rate risk through the impact of rate changes at the translation of Turkish Lira pertaining to foreign currency denominated assets and liabilities. These risks are monitored and limited by the analysis of the foreign currency position (Note 20).

The Institution is exposed to foreign exchange risk primarily with respect to Euro and USD. The foreign currency risk analysis associated with these foreign currencies is as follows:

At 31 December 2015, if TL appreciated/depreciated by 10% against Euro, with all other variables held constant, as a result of foreign exchange gains/lossess on the translation of Euro denominated assets and liabilities, net assets would be higher/lower by TL 2,687,313 (31 December 2014: TL 2,247,887).

At 31 December 2015, if TL appreciated/depreciated by 10% against USD with all other variables held constant, as a result of foreign exchange losses/gains on the translation of USD denominated assets and liabilities, net assets would be lower/higher by TL 1,306,113 (31 December 2014: TL 24,903).

(Amounts expressed in Turkish Lira ("TL") unless otherwise stated.)

4 MANAGEMENT OF INSURANCE AND FINANCIAL RISK (Continued)

iii. Price risk

The financial assets of the Institution expose the Institution to price risk.

The Institution's available-for-sale financial assets with fixed interest rate are measured at market value as of 31 December 2015. If market prices increased/decreased by 5%, with all other variables held constant, net assets would be higher/lower by TL 33,448,741 (31 December 2014: TL 31,680,426).

b) Credit risk

Ownership of financial assets involves the risk that counterparties may be unable to meet the terms of the agreements or will be unable to pay amounts in full when due. The Institution's exposure to credit risk arises mainly from banks deposits, financial assets, premium receivables from insurance companies and reinsurers' share of insurance liabilities.

The assets bearing credit risk are analysed in the tables below using the ratings of rating institutions, namely Standard & Poors ("S&P"), Moody's and Fitch:

i. Bank deposits

	31 December 2015			31 December 2014		
S&P	**TL**	**FC**	**Total**	**TL**	**FC**	**Total**
B	623,396,354	-	623,396,354	789,409,245	-	789,409,245
BB	-	-	-	-	-	-
Not rated	2,454,471,488	4,782,226	2,459,253,714	1,171,848,870	70,612,127	1,242,460,997
Total	**3,077,867,842**	**4,782,226**	**3,082,650,068**	**1,961,258,115**	**70,612,127**	**2,031,870,242**

	31 December 2015			31 December 2014		
Moody's	**TL**	**FC**	**Total**	**TL**	**FC**	**Total**
P2	-	-	-	-	-	-
P3	1,165,416,863	4,782,226	1,170,199,089	1,961,258,115	70,612,127	2,031,870,242
NP	-	-	-	-	-	-
Not rated	1,912,450,979	-	1,912,450,979	-	-	-
Total	**3,077,867,842**	**4,782,226**	**3,082,650,068**	**1,961,258,115**	**70,612,127**	**2,031,870,242**

	31 December 2015			31 December 2014		
Fitch	**TL**	**FC**	**Total**	**TL**	**FC**	**Total**
F3	3,066,234,811	4,782,226	3,071,017,037	1,961,258,115	70,612,127	2,031,870,242
B	-	-	-	-	-	-
Not rated	11,633,031	-	11,633,031	-	-	-
Total	**3,077,867,842**	**4,782,226**	**3,082,650,068**	**1,961,258,115**	**70,612,127**	**2,031,870,242**

(Amounts expressed in Turkish Lira ("TL") unless otherwise stated.)

4 MANAGEMENT OF INSURANCE AND FINANCIAL RISK (Continued)

ii. Available-for-sale financial assets

31 December 2015	Amount	S&P	Moody's	Fitch
Short term - TL	283,456,936	BBB-	-	-
Long term - TL	385,517,876	BB+	Baa3	BBB-
Total	**668,974,812**			

31 December 2014	Amount	S&P	Moody's	Fitch
Short term - TL	275,464,449	B+	-	-
Long term - TL	358,144,067	BB+	Baa3	BB
Total	**633,608,516**			

iii. Premium receivables

	31 December 2015	31 December 2014
Premium receivables from insurance companies	97,442,128	96,613,963
Total	**97,442,128**	**96,613,963**

The Institution has premium receivables from the insurance companies operating in Turkey which are subject to capital adequacy requirements of Treasury, main regulatory body regarding operational and financial activities of insurance companies in Turkey. Insurance premium receivables of the Institution are collected in accordance with Law related to the Procedures for the Collection of Public Receivables numbered 6183.

As of 31 December 2015 and 2014, the entity does not have impaired or overdue financial assets.

iv. Reinsurers' share of insurance liabilities

The institution has an excess of loss reinsurance agreement in force via Aon for the 2014-2015 period (first 10 months) and brokers panel led by Türker Sigorta for the period 2015-2016 (last 2 months of 2015) to reinsure insurance risk arising on its earthquake insurance portfolio.

The above-mentioned reinsurance agreement consists of different layers shared by various reinsurance companies and the reinsurance coverage amounts provided by these reinsurance companies in accordance with terms of the excess of loss reinsurance agreements as of 31 December 2015 and 2014 are as follows:

Limits to reinsurance coverage	EUR Foreign currency amount		TL equivalent	
	31 December 2015	31 December 2014	31 December 2015	31 December 2014
Lower limit	450,000,000	450,000,000	1,429,920,000	1,269,315,000
Upper limit	3,250,000,000	3,250,000,000	10,327,200,000	9,167,275,000

In addition to the reinsurance coverages above, catasrophic bond coverage obtained during year 2015 amounts to USD 500,000,000.

(Amounts expressed in Turkish Lira ("TL") unless otherwise stated.)

4 MANAGEMENT OF INSURANCE AND FINANCIAL RISK (Continued)

The analysis of the credibility of the reinsurance companies with the highest risk shares with respect to the above-mentioned excess of loss reinsurance agreement using the ratings of rating institutions, as of 31 December 2015 and 2014 is as follows:

31 December 2015	**S&P**	**Moody's**	**Fitch**
Munich RE	AA-	Aa3	AA
Swiss RE	AA-	Aa3	-
Scor RE	AA-	A1	AA-
Hannover RE	AA-	-	-

31 December 2014	**S&P**	**Moody's**	**Fitch**
Munich RE	AA-	Aa3	AA-
Swiss RE	AA-	Aa3	-
Scor RE	A+	A1	A+
Hannover RE	AA-	-	-

The Institution, aims to provide protection against the financial risk which can be caused by a potential earthquake in İstanbul, by exporting USD 400,000,000 catastrophe bond with three-year maturity via Bosphorus 1 RE which was established in 2013, Bermuda. Bosphorus 1 RE get BB+ degree from Standard & Poor's. Bosphorus 1 Re was not evaluated as a special purpose vehicle according to IFRS 10 and has not been consolidated in the accompanying financial statements.

The Institution, aims to provide protection against the financial risk which can be caused by a potential earthquake in İstanbul, by exporting USD 100,000,000 catastrophe bond with three-year maturity via Bosphorus Ltd which was established in 2015, Bermuda. Bosphorus Ltd was not evaluated as a special purpose vehicle according to IFRS 10 and has not been consolidated in the accompanying financial statements.

Liquidity risk

The Institution uses its available cash resources to pay claims arising from insurance contracts. Liquidity risk is the risk that cash may not be available to pay obligations when due at a reasonable cost. Management sets the limits of the minimum level of funds available to meet such liabilities. Cash outflows due to the borrowing payments are managed by considering the amounts of unreserved cash flow from its operations. Hence, on one hand it is possible to pay debts with the cash generated from operating activities when necessary, and on the other hand, sufficient and reliable sources of high quality borrowings are available.

The tables below present a maturity analysis for the Institution's financial liabilities, on an undiscounted basis, in accordance with relevant maturity groupings based on the remaining period at the balance sheet dates to the expected or contractual maturity date:

(Amounts expressed in Turkish Lira ("TL") unless otherwise stated.)

4 MANAGEMENT OF INSURANCE AND FINANCIAL RISK (Continued)

	Contractual or expected cash flows					
31 December 2015	**Up to 3 months**	**3 months-1 year**	**1-5 year**	**Over 5 years**	**No maturity**	**Total**
Liabilities						
Trade payables	30,586,318	144,613,048	16,195,736	-	-	191,395,102
Outstanding claims provision[1]	-	-	12,933,621	-	-	12,933,621
Total	**30,586,318**	**144,613,048**	**29,129,357**	**-**	**-**	**204,328,723**

	Contractual or expected cash flows					
31 December 2014	**Up to 3 months**	**3 months-1 year**	**1-5 year**	**Over 5 years**	**No maturity**	**Total**
Liabilities						
Trade payables	133,343,051	79,116,877	9,017,943	-	-	221,477,871
Outstanding claims provision[1]	204,731	-	12,392,405	-	-	12,597,136
Total	**133,547,782**	**79,116,877**	**21,410,348**	**-**	**-**	**234,075,007**

[1] Provision for outstanding claims is presented in the short term liabilities of accompanying financial statements.

Fund reserve risk management

The Institution's objectives when managing the fund reserve are to safeguard the Institution's ability to perform claim and borrowing payments including interests and to maximise the accumulation of fund reserve to maintain financial strength of the Institution so that the Institution can meet all commitments under its insurance contracts which are not covered by reinsurance agreements

5 CASH AND CASH EQUIVALENTS

The Institution's time and demand deposits are placed in public banks in accordance with the regulation about the operation principles and procedures for the Turkish Catastrophe Insurance Pool.

	31 December 2015	**31 December 2014**
Bank deposits	3,082,650,068	2,031,870,242
Receivables from repurchase agreements	-	427,176,708
Other liquid assets	-	20,750
Total	**3,082,650,068**	**2,459,067,700**

Bank deposits are further analysed as follows:

	31 December 2015	**31 December 2014**
Bank deposits in TL		
- time deposits	3,077,843,309	1,961,254,584
- demand deposits	24,533	3,531
Foreign currency denominated bank deposits		
- time deposits	4,782,226	70,612,127
Total	**3,082,650,068**	**2,031,870,242**

(Amounts expressed in Turkish Lira ("TL") unless otherwise stated.)

5 CASH AND CASH EQUIVALENTS (Continued)

Foreign currencies denominated time deposits are as follows:

	Amount in foreign currency		**TL equivalent**	
	31 December 2015	**31 December 2014**	**31 December 2015**	**31 December 2014**
EUR	-	25,016,804	-	70,612,127
USD	1,644,733	-	4,782,226	-
Total	**1,644,733**	**25,016,804**	**4,782,226**	**70,612,127**

Maturities of time deposits are 1.5 months and weighted average annual interest rates are as follows:

	31 December 2015	**31 December 2014**
Interest rate per annum (%)		
TL	10.93	8.98
USD	1.40	-
EUR	-	1.45

There is no foreign currency denominated demand deposits.

Cash and cash equivalents included in the statements of cash flows are as follows:

	31 December 2015	**31 December 2014**
Cash and cash equivalents	3,082,650,068	2,459,067,700
Less: Interest accrued	(11,629,007)	(11,046,165)
Total cash and cash equivalents	**3,071,021,061**	**2,448,021,535**

(Amounts expressed in Turkish Lira ("TL") unless otherwise stated.)

6 AVAILABLE-FOR-SALE FINANCIAL ASSETS

	31 December 2015	31 December 2014
Available-for-sale financial assets		
Government bonds and treasury bills	668,974,812	633,608,516
Total	**668,974,812**	**633,608,516**

As of 31 December 2015, the interest rate range of the available-for-sale financial assets is 7.58% – 10.95% (31 December 2014: 5.10% – 10.53%).

A portion of marketable securities amounting to TL 273,709,220 (31 December 2014: TL 103,530,960) have variable interest rates.

The analysis of the financial assets by maturity is as follows:

31 December 2015	1-3 months	3-6 months	6-12 months	1-5 year	Over 5 years	No maturity	Total
Government bonds and treasury bills	88,255,647	73,524,402	121,676,887	215,701,425	169,816,451	-	668,974,812
Total	**88,255,647**	**73,524,402**	**121,676,887**	**215,701,425**	**169,816,451**	**-**	**668,974,812**

31 December 2014	1-3 months	3-6 months	6-12 months	1-5 year	Over 5 years	No maturity	Total
Government bonds and treasury bills	56,367,770	147,853,768	71,242,911	212,143,754	146,000,313	-	633,608,516
Total	**56,367,770**	**147,853,768**	**71,242,911**	**212,143,754**	**146,000,313**	**-**	**633,608,516**

7 PREMIUM RECEIVABLES

	31 December 2015	31 December 2014
Premium receivables from insurance companies	97,442,128	96,613,963
Total	**97,442,128**	**96,613,963**

The average turnover of the Institution's premium receivables is 1.5 months (31 December 2014: 1.5 months). The Institution does not have any impaired or overdue receivables as of 31 December 2015 and 2014.

As of 31 December 2015 and 2014, there are no guarantees received for the receivables.

(Amounts expressed in Turkish Lira ("TL") unless otherwise stated.)

8 OTHER CURRENT/NON CURRENT ASSETS

	31 December 2015	31 December 2014
Excess of loss premiums related to the following months	170,681,533	167,274,318
Brokerage fees related to the following months	794,400	3,296,766
Other prepaid expenses	15,000	15,000
Total	**171,490,933**	**170,586,084**

Excess of loss premiums and brokerage fees related to the following months consist of the costs of reinsurance coverage received and brokerage fees for the subsequent period according to the reinsurance agreement in force.

9 PROPERTY AND EQUIPMENT

For the years ended 31 December 2015 and 31 December 2014, movement of the tangible assets are as follows:

	Furniture and fixtures
Cost	
Opening balance, 1 January 2014	7,697,123
Additions	45,913
Disposals	-
Ending balance, 31 December 2014	**7,743,036**
Opening balance, 1 January 2015	7,743,036
Additions	-
Disposals	-
Ending balance, 31 December 2015	**7,743,036**
Accumulated depreciation	
Opening balance, 1 January 2014	7,683,535
Current year charge	47,613
Disposals	-
Ending balance, 31 December 2014	**7,731,148**
Opening balance, 1 January 2015	7,731,148
Current year charge	9,184
Disposals	-
Ending balance, 31 December 2015	**7,740,332**
Net book value	
1 January 2014	13,588
31 December 2014	11,888
31 December 2015	2,704

(Amounts expressed in Turkish Lira ("TL") unless otherwise stated.)

10 INTANGIBLE ASSETS

	Rights	Investment in progress [1]	Total
Cost			
Opening balance, 1 January 2014	3,717,469	-	3,717,469
Additions	4,318,150	8,613,388	12,931,538
Ending balance, 31 December 2014	**8,035,619**	**8,613,388**	**16,649,007**
Opening balance, 1 January 2015	8,035,619	8,613,388	16,649,007
Additions	3,609,770	16,204,350	19,814,120
Ending balance, 31 December 2015	**11,645,389**	**24,817,738**	**36,463,127**
Accumulated amortisation			
Opening balance, 1 January 2014	1,169,279	-	1,169,279
Current year charge	1,589,630	-	1,589,630
Ending balance, 31 December 2014	**2,758,909**	**-**	**2,758,909**
Opening balance, 1 January 2015	2,758,909	-	2,758,909
Current year charge	2,453,130	-	2,453,130
Ending balance, 31 December 2015	**5,212,039**	**-**	**5,212,039**
Net book value			
1 January 2014			2,548,190
31 December 2014			13,890,098
31 December 2015			31,251,088

[1] Investment in progres comprises of claim management software related to emergency disaster action plan which is not in use as of the reporting date.

(Amounts expressed in Turkish Lira ("TL") unless otherwise stated.)

11 SHORT-TERM TRADE PAYABLES

	31 December 2015	31 December 2014
Reinsurance payables [(1)]	161,238,802	185,868,776
Catasrophic bond payables[(2)]	28,831,362	32,586,528
Other	1,324,938	3,022,567
Total	**191,395,102**	**221,477,871**

(1) Reinsurance payables consist of the costs of reinsurance coverage to be paid in the subsequent period according to the reinsurance agreement in force.

(2) Catasrophic bond payables consist of the costs of cat bond premium coverage to be paid in the subsequent period according to the Bosphorus 1 Re and Bosphorus Ltd reinsurance agreement in force.

12 INSURANCE PROVISIONS

12.1 Insurance provisions

	31 December 2015	31 December 2014
Unearned premium reserve	400,547,045	389,216,872
Reported claims provision	12,539,514	12,143,784
Outstanding claims provision (IBNR)	394,107	453,352
Total	**413,480,666**	**401,814,008**

12.2 Movements in insurance provisions

a) Unearned premium reserve

	2015	2014
Opening balance - 1 January	**389,216,872**	**346,877,328**
Premiums written during the year (Note 14)	787,149,764	753,986,064
Earned premiums during the year	(775,819,591)	(711,646,520)
Closing balance - 31 December	**400,547,045**	**389,216,872**

b) Outstanding claims provision

	2015	2014
Opening balance - 1 January	**12,597,136**	**13,493,400**
Outstanding claim files notified during the year	3,365,525	3,671,470
Changes in paid claims and provisions [(1)]	(2,969,795)	(4,387,113)
Incurred but not reported claims	(59,245)	(180,621)
Closing balance - 31 December	**12,933,621**	**12,597,136**

(1) The amounts consist of paid amounts for outstanding claims in the beginning of the period and claim files closed without payment.

(Amounts expressed in Turkish Lira ("TL") unless otherwise stated.)

13 ACCUMULATED EARNINGS AND AVAILABLE FOR SALE FINANCIAL ASSETS

a) Accumulated fund reserve (Retained earnings)

The movements of accumulated fund reserve in the period are as follows:

	2015	2014
Opening balance - 1 January	**2,812,602,516**	**2,241,200,697**
Increase in net fund reserve	715,312,181	571,401,819
Closing balance - 31 December	**3,527,914,697**	**2,812,602,516**

According to 9th article of the Law numbered 6305 published in the Official Gazette dated 18 May 2012, the resources and accumulated fund reserve of the Institution can only be used in claim payments to policy holders, operational costs for the administration of the Institution and commission payments to the Institution Administrator, reinsurance payments, hedging costs, payments regarding scientific research studies on the subject matters related to the Institution's jurisdiction, consultation payments, payments related to public relations and marketing campaigns, commission payments to authorized insurance companies and payments related to loss adjustment procedures.

Accumulated fund reserve can not be used except for the abovementioned payments and can not be transferred to any other instution.

b) Revaluation surplus of available – for sale financial assets

The movements of fair value reserve in the period are as follows:

	2015	2014
Opening balance - 1 January	**2,381,949**	**(1,738,555)**
Disposals arising from sales in the period, net	1,737,307	594,442
Additions arising from financial asset purchases in the period, net	(18,378,139)	3,526,062
Closing balance - 31 December	**(14,258,883)**	**2,381,949**

(Amounts expressed in Turkish Lira ("TL") unless otherwise stated.)

14 EARNED PREMIUMS

	2015	2014
Premiums written	787,149,764	753,986,064
Unearned premium reserve	(400,547,045)	(389,216,872)
Prior year unearned premium reserve	389,216,872	346,877,328
Total	**775,819,591**	**711,646,520**

15 COST OF REINSURANCE COVERAGE

	2015	2014
Excess of loss reinsurance agreement premiums	143,777,504	134,534,189
Cat-bond premium	41,830,731	22,561,147
Excess of loss reinsurance agreement adjustment premiums	26,714,254	44,297,955
Brokerage fees related to excess of loss reinsurance agreements	3,678,137	4,945,583
Total	**216,000,626**	**206,338,874**

16 COMMISSION EXPENSES

	2015	2014
Commisions paid to insurance companies	130,057,129	124,185,956
Deferred commission expense	(66,719,849)	(64,498,095)
Prior year deferred commission expense	64,498,095	57,044,711
Total	**127,835,375**	**116,732,572**

17 INCURRED CLAIMS

	2015	2014
Claims paid in the period	3,029,040	4,582,990
Outstanding claims provision at the period-end	12,933,621	12,597,136
Prior year outstanding claims provision	(12,597,136)	(13,493,400)
Total	**3,365,525**	**3,686,726**

(Amounts expressed in Turkish Lira ("TL") unless otherwise stated.)

18 GENERAL AND ADMINISTRATIVE EXPENSES

	2015	**2014**
Expenses paid to the Institution Administrator	4,445,532	5,277,202
Information technology expenses	3,002,222	2,707,039
Advertisement expenses	2,959,850	18,066,926
Depreciation and amortisation expenses (Notes 9 and 10)	2,462,314	1,637,243
Call center services	1,187,467	2,085,066
Office expenses	756,992	691,423
Personnel expenses	297,065	321,484
Emergency disaster action expenses [1]	-	2,785,822
Other	1,895,559	2,197,238
Total	**17,007,001**	**35,769,443**

[1] Emergency disaster action advisory expenses related to the project of claim Management softwares.

19 FINANCIAL INCOME, NET

	2015	**2014**
Interest income, net	191,450,985	148,184,018
Sales income from marketable securities	73,631,677	60,406,627
Net foreign exchange gains	25,534,763	-
Reverse repurchase transaction	13,083,692	14,577,771
Total financial income	**303,701,117**	**223,168,416**
Interest expenses	-	(404,371)
Net foreign exchange loss	-	(481,131)
Total financial expenses	**-**	**(885,502)**
Financial income, net	**303,701,117**	**222,282,914**

(Amounts expressed in Turkish Lira ("TL") unless otherwise stated.)

20 FOREIGN CURRENCY POSITION

The assets and liabilities denominated in foreign currencies are as follows:

	31 December 2015	**31 December 2014**
Assets	176,258,159	241,183,211
Liabilities	(190,070,164)	(218,455,304)
Net foreign currency (liabilities)/assets position	**(13,812,005)**	**22,727,907**

		31 December 2015	
	Amount in foreign currency	**Foreign exchange rate**	**Amount TL**
Cash and cash equivalents			
USD	1,644,733	2.9076	4,782,226
Total	**1,644,733**		**4,782,226**
Other current assets			
EUR	42,285,268	3.1776	134,365,669
USD	12,763,194	2.9076	37,110,264
Total	**55,048,463**		**171,475,933**
Trade payables			
EUR	50,742,322	3.1776	161,238,802
USD	9,915,863	2.9076	28,831,362
Total	**60,658,185**		**190,070,164**

(Amounts expressed in Turkish Lira ("TL") unless otherwise stated.)

20 FOREIGN CURRENCY POSITION (Continued)

	31 December 2014		
	Amount in foreign currency	**Foreign exchange rate**	**Amount TL**
Cash and cash equivalents			
EUR	25,016,696	2.8226	70,612,127
Total	**25,016,696**		**70,612,127**
Other current assets			
EUR	48,830,263	2.8207	137,735,522
USD	14,159,973	2.3189	32,835,562
Total	**62,990,236**		**170,571,084**
Trade payables			
EUR	65,775,630	2.8258	185,868,776
USD	14,028,381	2.3229	32,586,528
Total	**79,804,011**		**218,455,304**

21 PROVISIONS AND CONTINGENT LIABILITIES

As of 31 December 2015, the total risk of litigation claims pending against the Institution amount to TL 12,442,889 (31 December 2014: TL 12,283,521). The total estimated ultimate cost of settling such litigation claims are provided for under claims provision in the balance sheet.

22 SUBSEQUENT EVENTS

"The decision concerning the state support of excess of loss reinsurance for the risk of compulsory earthquake insurance is bared by Turkish Catastrophe Insurance Pool". This decision went in effect as of 1 January 2014, and issued on 10 January 2014. In regarding to the decision and the judgment of the Catastrophe Insurance Boards 8. Article 2012/6305 based on reinsurance agreement and protection programme between 1 November 2015-31 October 2016 by the board of management, The State provides totally Euro 238,000,000 excess of loss reinsurance protection for the institution. (10% share on each layer which is valued more than Euro 870,000,000 is given to the State). Euro 4,937,400, calculated with respect of the market price of reinsurance layer, paid due on 28 February 2016 to the Secretariat of Treasury.