

FİNANSBANK ANONİM ŞİRKETİ

**INDEPENDENT ACCOUNTANT'S
LIMITED REVIEW REPORT,
UNCONSOLIDATED FINANCIAL
STATEMENTS AND NOTES
FOR THE PERIOD ENDED
SEPTEMBER 30, 2013**

*Translated into English from the
Original Turkish Report*

To the Board of Directors of
Finansbank A.Ş.
İstanbul

FİNANSBANK ANONİM ŞİRKETİ

INDEPENDENT ACCOUNTANT'S LIMITED REVIEW REPORT FOR THE INTERIM PERIOD JANUARY 1 – SEPTEMBER 30, 2013

We have reviewed the accompanying unconsolidated balance sheet of Finansbank A.Ş. ("The Bank") as of September 30, 2013 and the related unconsolidated statements of income, cash flows and changes in shareholders' equity for the period then ended. These financial statements are the responsibility of the Bank's management. As independent accountants our responsibility is to issue a report based on the review performed on these financial statements.

We conducted our review in accordance with the accounting rules and policies, and the accounting and auditing standards, set out as per the Banking Act No: 5411. Those standards require that we plan and perform the review to obtain limited assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to reviewing financial statements by applying analytical procedures, inquiring as to the integrity of the financial statements and making inquiries of management to obtain information, it is substantially less in scope than an audit and therefore provides a lesser assurance. We have not performed an audit and, accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying unconsolidated financial statements are not presented fairly, in all material respects, the financial position, the results of its operations and its cash flows, of Finansbank A.Ş. for the period ended September 30, 2013 in accordance with the prevailing accounting principles and standards set out as per the Article No: 37 of the Banking Act No: 5411, and other regulations, communiqués and circulars in respect of accounting and financial reporting and pronouncements made by the Banking Regulation and Supervision Agency.

Additional paragraph for English translation:

The effect of the differences between the accounting principles summarized in Section 3 and the accounting principles generally accepted in countries in which the accompanying financial statements are to be distributed and International Financial Reporting Standards (IFRS) have not been quantified and reflected in the accompanying financial statements. The accounting principles used in the preparation of the accompanying financial statements differ materially from IFRS. Accordingly, the accompanying financial statements are not intended to present the Bank's financial position and results of its operations in accordance with accounting principles generally accepted in such countries of users of the financial statements and IFRS.

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

Müjde Şehsuvaroğlu
Partner
Istanbul, November 8, 2013

**THE UNCONSOLIDATED FINANCIAL REPORT OF FİNANSBANK A.Ş.
FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2013**

The Bank's;

Address of the head office : Büyükdere Cad. No:129, 34394 Mecidiyeköy / İSTANBUL
Phone number : (0 212) 318 50 00
Facsimile number : (0 212) 318 58 50
Web page : www.finansbank.com.tr
E-mail address : name.surname@finansbank.com.tr

The unconsolidated financial report for the nine month period, designed by the Banking Regulation and Supervision Agency in line with Communiqué on Financial Statements to be Publicly Announced and the Related Policies and Disclosures consists of the sections below:

- GENERAL INFORMATION ABOUT THE BANK
- UNCONSOLIDATED INTERIM FINANCIAL STATEMENTS OF THE BANK
- EXPLANATIONS ON THE UNCONSOLIDATED INTERIM FINANCIAL STATEMENTS OF THE BANK
- INFORMATION ON FINANCIAL STRUCTURE OF THE BANK
- FOOTNOTES AND EXPLANATIONS ON UNCONSOLIDATED FINANCIAL STATEMENTS
- OTHER EXPLANATIONS
- LIMITED REVIEW REPORT

The unconsolidated financial statements and related disclosures and footnotes for the nine months, are prepared in accordance with the Regulation on Principles Related to Banks' Accounting Applications and Preserving the Documents, Turkish Accounting Standards, Turkish Financial Reporting Standards and the related statements and guidance and in compliance with the financial records of our Bank. Unless stated otherwise, the accompanying unconsolidated financial statements are presented in **thousands of Turkish Lira (TL)**.

**Ömer
A. Aras**
Chairman of the
Board of Directors

**Mustafa
A. Aysan**
Member of the Board
of Directors and Chairman of the Audit
Committee

Michail Oratis
Member of the Board of Directors
and of the Audit Committee

Temel Güzelođlu
General Manager and
Member of the Board of
Directors

Adnan Menderes Yayla
Executive Vice President Responsible
for Financial Control and Planning

Ümit Sönmez
Division Manager responsible for
Budget and Performance
Management

Information related to the responsible personnel to whom the questions about the financial report can be communicated:

Name-Surname/Title : Ümit Sönmez
Division Manager responsible for Budget and Performance Management
Phone Number : (0 212) 318 59 83
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(CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS AND RELATED DISCLOSURES
AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH)

FINANSBANK ANONİM ŞİRKETİ
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED SEPTEMBER 30, 2013

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

SECTION ONE

GENERAL INFORMATION

I. Explanatory note on the establishment date, nature of activities and history of the Bank

Finansbank Anonim Şirketi (the Bank) was incorporated in Istanbul on September 23, 1987. The Bank's shares have been listed on the Istanbul Stock Exchange since the first public offering on February 3, 1990.

II. Information about the Bank's shareholding structure, shareholders who individually or jointly have power to control the management and audit directly or indirectly, changes regarding these subjects during the year, if any, and information about the controlling group of the Bank

As of September 30, 2013, 77.23% of the Bank's shares are owned by National Bank of Greece S.A. ("NBG"), 9.68% by NBG Finance (Dollar) PLC, 7.90% by NBGI Holdings B.V. and 5.00% by International Finance Corporation ("IFC").

The Bank is a National Bank of Greece S.A (NBG) Group entity. NBG was founded in 1841 and its shares have been traded on Athens Stock Exchange since 1880 and traded on the New York Stock Exchange since 1999. NBG offers financial services to its customers such as retail banking, assets management, intermediary services and investment banking.

III. Information about the chairman and members of board of directors, members of audit committee, managing directors and executive vice presidents; any changes, and the information about the Bank shares they hold and their responsibilities

Name	Title	Date of Appointment	Education
Dr. Ömer A. Aras	Chairman and Executive Member	April 16, 2010	Phd
Sinan Şahinbaş	Deputy Chairman and Executive Member	April 16, 2010	Masters
Prof. Dr. Mustafa Aydın Aysan	Board Member and Head of Audit Committee	November 9, 2006	Phd
Michail Oratis	Board Member and Audit Committee Member	March 2, 2011	Masters
Antonios Grammatikopoulos	Board Member	June 7, 2012	Masters
Stefanos Pantzopoulos	Board Member	November 9, 2006	Masters
Dr. Paul Mylonas	Board Member	March 11, 2010	Phd
Christos Alexis Komninos	Board Member	February 16, 2011	Graduate
Temel Güzeloğlu	Board Member and Managing Director	April 16, 2010	Masters
Mustafa Hamdi Gürtin	Board Member	April 16, 2010	Masters
Ali Teoman Kerman	Board Member	April 16, 2013	Masters
Dimitrios Frangetis ^(*)	Board Member	September 20, 2012	Masters
Adnan Menderes Yayla	Assistant Managing Director	May 20, 2008	Masters
Metin Karabiber	Assistant Managing Director	October 8, 2010	Graduate
Murat Şakar	Assistant Managing Director	August 18, 2008	Graduate
Köksal Çoban	Assistant Managing Director	August 18, 2008	Masters
Saruhan Doğan	Assistant Managing Director	October 9, 2009	Masters
Dr. Mehmet Kürşad Demirkol	Assistant Managing Director	October 8, 2010	Phd
Özlem Cinemre	Assistant Managing Director	July 9, 1997	Graduate
Hakan Alp	Assistant Managing Director	July 7, 2010	Graduate
Tunç Erdal	Assistant Managing Director	October 8, 2010	Graduate
Filiz Sonat	Assistant Managing Director	September 19, 2007	Graduate
Levent Yörük	Assistant Managing Director	February 1, 2010	Graduate
Erkin Aydın	Assistant Managing Director	May 16, 2011	Masters
Kunter Kutluay ^(**)	Assistant Managing Director	May 16, 2011	Masters
Ömür Tan	Assistant Managing Director	October 28, 2011	Graduate
Şebnem Seniye Karaduman	Assistant Managing Director	January 9, 2012	Graduate
Halim Ersun Bilgici	Assistant Managing Director	March 15, 2013	Masters
Aytaç Aydın	Assistant Managing Director	June 13, 2013	Masters

^(*) In the Board of Director's Meeting on October 24, 2013, it has been decided to make the necessary notices to the Banking Regulation and Supervision Agency regarding the appointment of Paula Hadjisotiriou as a Board Member and acceptance of the resignation of the Board Member Dimitrios Frangetis.

^(**) Kunter Kutluay has been resigned from the Assistant Managing Director that responsible for payment systems, as of September 30, 2013.

The top level management listed above possesses immaterial number of shares of the Bank.

(CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS AND RELATED DISCLOSURES
AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH)

FINANSBANK ANONİM ŞİRKETİ
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED SEPTEMBER 30, 2013

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

IV. Information about the persons and institutions that have qualified shares

Name Surname/Trade Name	Amount of Shares	Percentage of Shares	Paid-up Shares	Unpaid Shares
National Bank of Greece S.A.	2,085,162	77.23%	2,085,162	-
NBG Finance (Dollar) PLC	261,343	9.68%	261,343	-
NBGI Holdings B.V.	213,300	7.90%	213,300	-

The Bank has 100 founder shares as stated in the Articles of Association. The profit distribution is performed according to the prevailing regulations and the Articles of Association. Accordingly, 5% of the distributable profit is appropriated as legal reserves, 5% of the paid up capital is paid out as first dividend and 10% of the remaining distributable profit might be distributed to the founder shares. In addition, 10% of dividends distributed to founder shares are provided as additional legal reserve.

V. Explanations on the Bank's services and activities

The Bank's activities include trade finance and corporate banking, treasury, retail banking and credit card operations. In addition, the Bank carries out insurance agency activities on behalf of insurance companies through its branches. As of September 30, 2013, the Bank operates through 656 domestic (December 31, 2012 - 580), 1 off-shore banking (December 31, 2012 - 1) and 1 Atatürk Airport Free Trade Zone (December 31, 2012 - 1) branches.

VI. Current or likely actual or legal barriers to immediate transfer of equity or repayment of debts between the Bank and its subsidiaries

None.

SECTION TWO

UNCONSOLIDATED FINANCIAL STATEMENTS

- I. Balance Sheet (Statement of Financial Position)
- II. Statement of Off-Balance Sheet Commitments and Contingencies
- III. Income Statement (Statement of Income / Loss)
- IV. Statement of Profit and Loss Accounted for Under Equity (Statement of Other Comprehensive Income and Loss)
- V. Statement of Changes in Shareholders' Equity
- VI. Statement of Cash Flows

**(CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS AND RELATED DISCLOSURES
AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH)**

**FINANSBANK ANONİM ŞİRKETİ
BALANCE SHEET AS OF SEPTEMBER 30, 2013 (STATEMENT OF FINANCIAL POSITION)
(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)**

I. BALANCE SHEET – ASSETS

		Reviewed 30.09.2013			Audited 31.12.2012			
		Section 5 Part I	TL	FC	Total	TL	FC	Total
I.	CASH AND BALANCES WITH THE CENTRAL BANK	(1)	967,964	6,825,699	7,793,663	1,024,990	4,302,891	5,327,881
II.	FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS (Net)	(2)	1,011,699	258,826	1,270,525	781,042	135,876	916,918
2.1	Financial assets held for trading		794,261	258,826	1,053,087	428,746	135,876	564,622
2.1.1	Public sector debt securities		115,280	2,868	118,148	69,614	2,869	72,483
2.1.2	Equity securities		-	-	-	-	-	-
2.1.3	Assets on trading derivatives		678,981	255,958	934,939	359,132	133,007	492,139
2.1.4	Other securities		-	-	-	-	-	-
2.2	Financial assets at fair value through profit and loss		217,438	-	217,438	352,296	-	352,296
2.2.1	Public sector debt securities		-	-	-	-	-	-
2.2.2	Equity securities		-	-	-	-	-	-
2.2.3	Loans		217,438	-	217,438	352,296	-	352,296
2.2.4	Other securities		-	-	-	-	-	-
III.	BANKS	(3)	6,689	229,363	236,052	3,024	107,792	110,816
IV.	MONEY MARKET PLACEMENTS		-	-	-	1,785,748	-	1,785,748
4.1	Interbank money market placements		-	-	-	-	-	-
4.2	Istanbul Stock Exchange money market placements		-	-	-	-	-	-
4.3	Receivables from reverse repurchase agreements	(4)	-	-	-	1,785,748	-	1,785,748
V.	INVESTMENT SECURITIES AVAILABLE-FOR-SALE (Net)	(5)	4,553,396	1,079,208	5,632,604	5,931,038	1,306,184	7,237,222
5.1	Equity securities		-	-	-	-	-	-
5.2	Public sector debt securities		4,514,017	1,062,935	5,576,952	5,730,803	1,208,574	6,939,377
5.3	Other securities		39,379	16,273	55,652	200,235	97,610	297,845
VI.	LOANS AND RECEIVABLES	(6)	37,546,331	4,270,960	41,817,291	33,013,733	3,426,511	36,440,244
6.1	Loans and receivables		37,041,634	4,270,960	41,312,594	32,636,211	3,426,511	36,062,722
6.1.1	Loans to risk group of the Bank		103,952	-	103,952	65,220	-	65,220
6.1.2	Public sector debt securities		-	-	-	-	-	-
6.1.3	Other		36,937,682	4,270,960	41,208,642	32,570,991	3,426,511	35,997,502
6.2	Non-performing loans		2,713,673	-	2,713,673	2,512,716	-	2,512,716
6.3	Specific provisions (-)		2,208,976	-	2,208,976	2,135,194	-	2,135,194
VII.	FACTORING RECEIVABLES		-	-	-	-	-	-
VIII.	INVESTMENT SECURITIES HELD TO MATURITY (Net)	(7)	2,040,073	224,815	2,264,888	-	-	-
8.1	Public sector debt securities		2,040,073	19,566	2,059,639	-	-	-
8.2	Other securities		-	205,249	205,249	-	-	-
IX.	INVESTMENT IN ASSOCIATES (Net)	(8)	3,766	-	3,766	7,977	-	7,977
9.1	Equity method associates		-	-	-	-	-	-
9.2	Unconsolidated		3,766	-	3,766	7,977	-	7,977
9.2.1	Financial Investments		-	-	-	-	-	-
9.2.2	Non-financial Investments		3,766	-	3,766	7,977	-	7,977
X.	INVESTMENT IN SUBSIDIARIES (Net)	(9)	386,692	-	386,692	491,603	-	491,603
10.1	Unconsolidated financial investments		368,646	-	368,646	476,617	-	476,617
10.2	Unconsolidated non-financial investments		18,046	-	18,046	14,986	-	14,986
XI.	ENTITIES UNDER COMMON CONTROL (JOINT VENTURES) (Net)	(10)	197,716	-	197,716	197,716	-	197,716
11.1	Equity method entities under common control		-	-	-	-	-	-
11.2	Unconsolidated		197,716	-	197,716	197,716	-	197,716
11.2.1	Financial investments		194,916	-	194,916	194,916	-	194,916
11.2.2	Non-financial Investments		2,800	-	2,800	2,800	-	2,800
XII.	LEASE RECEIVABLES (Net)	(11)	-	-	-	-	-	-
12.1	Financial lease receivables		-	-	-	-	-	-
12.2	Operational lease receivables		-	-	-	-	-	-
12.3	Others		-	-	-	-	-	-
12.4	Unearned income (-)		-	-	-	-	-	-
XIII.	DERIVATIVE FINANCIAL ASSETS HEDGING PURPOSES	(12)	1,343,921	69,773	1,413,694	202,567	37,919	240,486
13.1	Fair value hedge		1,115,978	69,773	1,185,751	202,567	37,919	240,486
13.2	Cash flow hedge		227,943	-	227,943	-	-	-
13.3	Hedging of a net investment in foreign subsidiaries		-	-	-	-	-	-
XIV.	TANGIBLE ASSETS (Net)		499,247	78	499,325	421,743	69	421,812
XV.	INTANGIBLE ASSETS (Net)		193,027	-	193,027	169,320	-	169,320
15.1	Goodwill		-	-	-	-	-	-
15.2	Others		193,027	-	193,027	169,320	-	169,320
XVI.	INVESTMENT PROPERTIES (Net)		-	-	-	-	-	-
XVII.	TAX ASSETS	(13)	-	-	-	-	-	-
17.1	Current tax assets		-	-	-	-	-	-
17.2	Deferred tax assets		-	-	-	-	-	-
XVIII.	ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (Net)	(14)	-	-	-	-	-	-
18.1	Held for sale		-	-	-	-	-	-
18.2	Discontinued operations		-	-	-	-	-	-
XIX.	OTHER ASSETS	(15)	928,727	380,272	1,308,999	769,542	284,323	1,053,865
TOTAL ASSETS			49,679,248	13,338,994	63,018,242	44,800,043	9,601,565	54,401,608

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

**(CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS AND RELATED DISCLOSURES
AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH)**

**FINANSBANK ANONİM ŞİRKETİ
BALANCE SHEET AS OF SEPTEMBER 30, 2013 (STATEMENT OF FINANCIAL POSITION)
(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)**

I. BALANCE SHEET – LIABILITIES AND EQUITY

		Reviewed 30.09.2013			Audited 31.12.2012			
		TL	FC	Total	TL	FC	Total	
		Section 5 Part II						
I.	DEPOSITS	(1)	25,925,710	11,994,063	37,919,773	22,718,197	10,203,309	32,921,506
1.1	Deposits from risk group of the Bank		217,418	473,169	690,587	260,465	169,440	429,905
1.2	Other		25,708,292	11,520,894	37,229,186	22,457,732	10,033,869	32,491,601
II.	DERIVATIVE FINANCIAL LIABILITIES HELD FOR TRADING	(2)	691,350	188,348	879,698	367,620	106,299	473,919
III.	FUNDS BORROWED	(3)	114,215	3,046,765	3,160,980	74,487	2,464,280	2,538,767
IV.	MONEY MARKET BORROWINGS		2,058,181	957,925	3,016,106	849,126	878,081	1,727,207
4.1	Interbank money markets takings		-	-	-	-	-	-
4.2	Istanbul Stock Exchange money markets takings		-	-	-	-	-	-
4.3	Funds provided under repurchase agreements	(4)	2,058,181	957,925	3,016,106	849,126	878,081	1,727,207
V.	SECURITIES ISSUED (Net)	(5)	1,479,339	1,750,064	3,229,403	2,789,390	1,288,923	4,078,313
5.1	Bills		1,354,845	-	1,354,845	2,789,390	-	2,789,390
5.2	Asset backed securities		-	-	-	-	-	-
5.3	Bonds		124,494	1,750,064	1,874,558	-	1,288,923	1,288,923
VI.	FUNDS		-	-	-	-	-	-
6.1	Borrower funds		-	-	-	-	-	-
6.2	Other		-	-	-	-	-	-
VII.	SUNDRY CREDITORS		1,377,725	1,373,493	2,751,218	1,140,403	113,572	1,253,975
VIII.	OTHER LIABILITIES	(6)	1,217,743	94,551	1,312,294	898,116	51,708	949,824
IX.	FACTORING PAYABLES		-	-	-	-	-	-
X.	LEASE PAYABLES (Net)	(7)	1,558	891	2,449	1,920	1	1,921
10.1	Financial lease payables		2,075	998	3,073	2,244	3	2,247
10.2	Operational lease payables		-	-	-	-	-	-
10.3	Others		-	-	-	-	-	-
10.4	Deferred financial lease expenses (-)		517	107	624	324	2	326
XI.	DERIVATIVE FINANCIAL LIABILITIES FOR HEDGING PURPOSES	(8)	28,175	83,145	111,320	291,541	121,330	412,871
11.1	Fair value hedge		2,339	83,145	85,484	257,139	121,330	378,469
11.2	Cash flow hedge		25,836	-	25,836	34,402	-	34,402
11.3	Hedge of net investments in foreign subsidiaries		-	-	-	-	-	-
XII.	PROVISIONS	(9)	1,116,296	93,055	1,209,351	957,435	51,993	1,009,428
12.1	General provisions		675,099	93,055	768,154	565,691	51,993	617,684
12.2	Restructuring provisions		-	-	-	-	-	-
12.3	Reserve for employee benefits		193,335	-	193,335	192,814	-	192,814
12.4	Insurance technical provisions (Net)		-	-	-	-	-	-
12.5	Other provisions		247,862	-	247,862	198,930	-	198,930
XIII.	TAX LIABILITY	(10)	49,551	-	49,551	114,187	-	114,187
13.1	Current tax liability		29,885	-	29,885	85,818	-	85,818
13.2	Deferred tax liability		19,666	-	19,666	28,369	-	28,369
XIV.	PAYABLES RELATED TO ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (NET)	(11)	-	-	-	-	-	-
14.1	Held for sale		-	-	-	-	-	-
14.2	Discontinued operations		-	-	-	-	-	-
XV.	SUBORDINATED LOANS	(12)	-	1,878,945	1,878,945	-	1,629,590	1,629,590
XVI.	SHAREHOLDERS' EQUITY		7,601,964	(104,810)	7,497,154	7,261,404	28,696	7,290,100
16.1	Paid-in capital	(13)	2,700,000	-	2,700,000	2,565,000	-	2,565,000
16.2	Capital reserves		272,306	(104,810)	167,496	558,776	28,696	587,472
16.2.1	Share Premium	(14)	714	-	714	714	-	714
16.2.2	Share cancellation profits		-	-	-	-	-	-
16.2.3	Securities value increase fund	(15)	252,378	(104,810)	147,568	602,314	28,696	631,010
16.2.4	Revaluation fund on tangible asset		-	-	-	-	-	-
16.2.5	Revaluation fund on intangible asset		-	-	-	-	-	-
16.2.6	Investment property revaluation differences		-	-	-	-	-	-
16.2.7	Bonus shares obtained from associates, subsidiaries and entities under common control (joint ventures)		2,689	-	2,689	2,689	-	2,689
16.2.8	Hedging funds (effective portion)		53,440	-	53,440	(10,026)	-	(10,026)
16.2.9	Accumulated valuation differences from assets held for sale and discontinued operations		-	-	-	-	-	-
16.2.10	Other capital reserves		(36,915)	-	(36,915)	(36,915)	-	(36,915)
16.3	Profit reserves		4,002,628	-	4,002,628	3,233,706	-	3,233,706
16.3.1	Legal reserves		328,655	-	328,655	283,538	-	283,538
16.3.2	Status reserves		-	-	-	-	-	-
16.3.3	Extraordinary reserves		3,673,973	-	3,673,973	2,950,168	-	2,950,168
16.3.4	Other profit reserves		-	-	-	-	-	-
16.4	Profit or loss		627,030	-	627,030	903,922	-	903,922
16.4.1	Prior years' income/ (losses)		-	-	-	-	-	-
16.4.2	Current period income/ (loss)		627,030	-	627,030	903,922	-	903,922
16.5	Minority shares		-	-	-	-	-	-
TOTAL LIABILITIES AND EQUITY			41,661,807	21,356,435	63,018,242	37,463,826	16,937,782	54,401,608

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

**(CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS AND RELATED DISCLOSURES
AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH)**

**FINANSBANK ANONİM ŞİRKETİ
STATEMENT OF OFF BALANCE SHEET COMMITMENTS AND CONTINGENCIES
AS OF SEPTEMBER 30, 2013**

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

II. STATEMENT OF OFF-BALANCE COMMITMENTS AND CONTINGENCIES

	Section 5 Part III	Reviewed 30.09.2013			Audited 31.12.2012		
		TL	FC	TOTAL	TL	FC	TOTAL
A. OFF BALANCE SHEET CONTINGENCIES AND COMMITMENTS (I-II+III)		65,092,099	56,066,967	121,159,066	59,452,638	41,323,539	100,776,177
I. GUARANTEES	(1), (2), (3),(4)	3,948,491	2,961,999	6,910,490	3,680,031	2,679,646	6,359,677
1.1. Letters of guarantee		3,922,695	1,729,069	5,651,764	3,677,256	1,533,101	5,210,357
1.1.1. Guarantees subject to State Tender Law		167,358	22,627	189,985	172,175	14,329	186,504
1.1.2. Guarantees given for foreign trade operations		2,474,964	1,706,442	4,181,406	2,535,231	1,518,772	4,054,003
1.1.3. Other letters of guarantee		1,280,373	-	1,280,373	969,850	-	969,850
1.2. Bank loans		24,541	469,122	493,663	2,771	543,143	545,914
1.2.1. Import letter of acceptance		24,541	469,122	493,663	2,771	543,143	545,914
1.2.2. Other bank acceptances		-	-	-	-	-	-
1.3. Letters of credit		1,255	745,319	746,574	4	579,347	579,351
1.3.1. Documentary letters of credit		1,255	717,868	719,123	4	539,429	539,433
1.3.2. Other letters of credit		-	27,451	27,451	-	39,918	39,918
1.4. Prefinancing given as guarantee		-	-	-	-	-	-
1.5. Endorsements		-	-	-	-	-	-
1.5.1. Endorsements to the Central Bank of Turkey		-	-	-	-	-	-
1.5.2. Other endorsements		-	-	-	-	-	-
1.6. Securities issue purchase guarantees		-	-	-	-	-	-
1.7. Factoring guarantees		-	-	-	-	-	-
1.8. Other guarantees		-	18,489	18,489	-	24,055	24,055
1.9. Other collaterals		-	-	-	-	-	-
II. COMMITMENTS		24,354,670	2,393,013	26,747,683	25,025,838	1,309,173	26,335,011
2.1. Irrevocable commitments		23,758,939	1,278,210	25,037,149	25,025,838	1,309,173	26,335,011
2.1.1. Forward asset purchase commitments		491,432	1,276,405	1,767,837	233,925	1,302,960	1,536,885
2.1.2. Forward deposit purchase and sales commitments		-	-	-	-	-	-
2.1.3. Share capital commitment to associates and subsidiaries		-	-	-	-	-	-
2.1.4. Loan granting commitments		4,780,181	203	4,780,384	4,512,056	-	4,512,056
2.1.5. Securities underwriting commitments		-	-	-	-	-	-
2.1.6. Commitments for reserve deposit requirements		-	-	-	-	-	-
2.1.7. Payment commitment for checks		1,993,541	-	1,993,541	1,685,568	-	1,685,568
2.1.8. Tax and fund liabilities from export commitments		6,724	-	6,724	6,031	-	6,031
2.1.9. Commitments for credit card expenditure limits		16,414,392	-	16,414,392	18,492,777	-	18,492,777
2.1.10. Commitments for promotions related with credit cards and banking activities		41,775	-	41,775	43,189	-	43,189
2.1.11. Receivables from short sale commitments		-	-	-	-	-	-
2.1.12. Payables for short sale commitments		-	-	-	-	-	-
2.1.13. Other irrevocable commitments		30,894	1,602	32,496	52,292	6,213	58,505
2.2. Revocable commitments		595,731	1,114,803	1,710,534	-	-	-
2.2.1. Revocable loan granting commitments		595,731	558,912	1,154,643	-	-	-
2.2.2. Other revocable commitments		-	555,891	555,891	-	-	-
III. DERIVATIVE FINANCIAL INSTRUMENTS	(5)	36,788,938	50,711,955	87,500,893	30,746,769	37,334,720	68,081,489
3.1. Derivative financial instruments for hedging purposes		9,776,101	12,662,999	22,439,100	8,484,346	9,596,825	18,081,171
3.1.1. Fair value hedge		6,777,554	10,213,822	16,991,376	7,943,461	9,596,825	17,540,286
3.1.2. Cash flow hedge		2,998,547	2,449,177	5,447,724	540,885	-	540,885
3.1.3. Hedge of net investment in foreign operations		-	-	-	-	-	-
3.2. Held for trading transactions		27,012,837	38,048,956	65,061,793	22,262,423	27,737,895	50,000,318
3.2.1. Forward foreign currency buy/sell transactions		3,108,744	3,747,541	6,856,285	1,901,475	2,211,750	4,113,225
3.2.1.1. Forward foreign currency transactions-buy		1,572,732	1,864,322	3,437,054	1,110,652	953,734	2,064,386
3.2.1.2. Forward foreign currency transactions-sell		1,536,012	1,883,219	3,419,231	790,823	1,258,016	2,048,839
3.2.2. Swap transactions related to foreign currency and interest rates		17,057,610	24,953,816	42,011,426	15,500,561	19,049,216	34,549,777
3.2.2.1. Foreign currency swap-buy		9,714,107	7,408,073	17,122,180	7,541,602	6,851,667	14,393,269
3.2.2.2. Foreign currency swap-sell		6,170,693	11,094,629	17,265,322	6,344,659	8,018,111	14,362,770
3.2.2.3. Interest rate swaps-buy		586,405	3,062,821	3,649,226	807,150	2,825,565	2,825,565
3.2.2.4. Interest rate swaps-sell		586,405	3,388,293	3,974,698	807,150	2,161,023	2,968,173
3.2.3. Foreign currency, interest rate and securities options		6,830,451	9,198,745	16,029,196	4,852,119	6,243,347	11,095,466
3.2.3.1. Foreign currency options-buy		3,373,412	4,662,675	8,036,087	2,465,716	3,108,568	5,574,284
3.2.3.2. Foreign currency options-sell		3,457,039	4,536,070	7,993,109	2,384,387	3,134,779	5,519,166
3.2.3.3. Interest rate options-buy		-	-	-	-	-	-
3.2.3.4. Interest rate options-sell		-	-	-	-	-	-
3.2.3.5. Securities options-buy		-	-	-	1,008	-	1,008
3.2.3.6. Securities options-sell		-	-	-	1,008	-	1,008
3.2.4. Foreign currency futures		16,032	95,850	111,882	8,268	216,992	225,260
3.2.4.1. Foreign currency futures-buy		502	55,483	55,985	4,134	108,496	112,630
3.2.4.2. Foreign currency futures-sell		15,530	40,367	55,897	4,134	108,496	112,630
3.2.5. Interest rate futures		-	53,004	53,004	-	16,590	16,590
3.2.5.1. Interest rate futures-buy		-	26,502	26,502	-	8,295	8,295
3.2.5.2. Interest rate futures-sell		-	26,502	26,502	-	8,295	8,295
3.2.6. Other		-	-	-	-	-	-
B. CUSTODY AND PLEDGED ITEMS (IV+V+VI)		170,358,676	24,368,891	194,727,567	138,172,771	21,682,878	159,855,649
IV. ITEMS HELD IN CUSTODY		4,821,237	1,192,562	6,013,799	6,241,900	1,476,304	7,718,204
4.1. Assets under management		1,166,397	101,317	1,267,714	2,342,908	103,383	2,446,291
4.2. Investment securities held in custody		1,782,401	289,282	2,071,683	2,374,441	546,702	2,921,143
4.3. Checks received for collection		1,399,211	165,883	1,565,094	1,081,538	163,715	1,245,253
4.4. Commercial notes received for collection		473,184	90,644	563,828	442,977	86,981	529,958
4.5. Other assets received for collection		-	-	-	-	-	-
4.6. Assets received for public offering		-	-	-	-	-	-
4.7. Other items under custody		41	545,616	545,657	33	575,523	575,556
4.8. Custodians		3	-	3	3	-	3
V. PLEDGED ITEMS		165,537,439	23,176,329	188,713,768	131,930,871	20,206,574	152,137,445
5.1. Marketable securities		474,580	604,799	1,079,379	524,393	458,219	982,612
5.2. Guarantee notes		111,481	36,740	148,221	119,772	50,678	170,450
5.3. Commodity		27,228	-	27,228	21,788	-	21,788
5.4. Warranty		-	-	-	-	-	-
5.5. Properties		44,654,967	7,633,736	52,288,703	38,013,600	6,867,934	44,881,534
5.6. Other pledged items		120,269,183	14,901,054	135,170,237	93,251,318	12,829,743	106,081,061
5.7. Pledged items-depository		-	-	-	-	-	-
VI. ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES		-	-	-	-	-	-
TOTAL OFF BALANCE SHEET ACCOUNTS (A+B)		235,450,775	80,435,858	315,886,633	197,625,409	63,006,417	260,631,826

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

**(CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS AND RELATED DISCLOSURES
AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH)**

**FINANSBANK ANONİM ŞİRKETİ
INCOME STATEMENT FOR THE PERIOD ENDED SEPTEMBER 30, 2013
(STATEMENT OF INCOME/LOSS)
(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)**

III. INCOME STATEMENT

	Section 5 Part IV	Reviewed 01.01 - 30.09.2013	Reviewed 01.07 - 30.09.2013	Reviewed 01.01 - 30.09.2012	Reviewed 01.07 - 30.09.2012
I. INTEREST INCOME	(1)	4,219,305	1,450,615	4,143,667	1,409,204
1.1 Interest on loans		3,859,698	1,318,414	3,677,078	1,269,455
1.2 Interest received from reserve deposits		-	-	-	-
1.3 Interest received from banks		812	312	1,598	257
1.4 Interest received from money market placements		8,183	1,568	22,016	1
1.5 Interest received from marketable securities portfolio		349,290	129,894	441,972	139,098
1.5.1 Held-for-trading financial assets		7,695	2,964	9,080	3,030
1.5.2 Financial assets at fair value through profit and loss		-	-	-	-
1.5.3 Available-for-sale financial assets		304,375	93,195	432,892	136,068
1.5.4 Investments held-to-maturity		37,220	33,735	-	-
1.6 Finance lease income		-	-	-	-
1.7 Other interest income		1,322	427	1,003	393
II. INTEREST EXPENSE	(2)	1,784,207	661,953	2,071,774	673,594
2.1 Interest on deposits		1,411,191	534,400	1,794,593	568,065
2.2 Interest on funds borrowed		114,281	41,160	102,077	35,064
2.3 Interest on money market borrowings		59,328	20,706	89,164	32,141
2.4 Interest on securities issued		186,405	58,765	80,619	38,102
2.5 Other interest expense		13,002	6,922	5,321	222
III. NET INTEREST INCOME (I - II)		2,435,098	788,662	2,071,893	735,610
IV. NET FEES AND COMMISSIONS INCOME		769,133	238,153	766,832	258,720
4.1 Fees and commissions received		873,798	276,132	863,518	292,163
4.1.1 Non-cash loans		31,586	11,144	31,523	10,933
4.1.2 Other		842,212	264,988	831,995	281,230
4.2 Fees and commissions paid		104,665	37,979	96,686	33,443
4.2.1 Non-cash loans		528	146	499	172
4.2.2 Other		104,137	37,833	96,187	33,271
V. DIVIDEND INCOME	(3)	12,152	-	8,762	10
VI. NET TRADING INCOME	(4)	(163,394)	(72,063)	(267,793)	(64,127)
6.1 Securities trading gains/ (losses)		169,501	7,701	60,632	52,934
6.2 Gains / (losses) from financial derivatives transactions		(308,765)	(46,765)	(322,142)	(121,884)
6.3 Foreign exchange gains/ (losses)		(24,130)	(32,999)	(6,283)	4,823
VII. OTHER OPERATING INCOME	(5)	263,346	57,952	143,096	43,079
VIII. NET OPERATING INCOME (III+IV+V+VI+VII)		3,316,335	1,012,704	2,722,790	973,292
IX. PROVISION FOR LOAN LOSSES AND OTHER RECEIVABLES (-)	(6)	788,693	266,086	568,576	218,066
X. OTHER OPERATING EXPENSES (-)	(7)	1,696,529	563,961	1,275,859	442,931
XI. NET OPERATING INCOME/(LOSS) (VIII-IX-X)		831,113	182,657	878,355	312,295
XII. AMOUNT IN EXCESS RECORDED AS GAIN AFTER MERGER		-	-	-	-
XIII. GAIN / (LOSS) ON EQUITY METHOD		-	-	-	-
XIV. GAIN / (LOSS) ON NET MONETARY POSITION		-	-	-	-
XV. PROFIT/(LOSS) FROM CONTINUED OPERATIONS BEFORE TAXES (XI+...+XIV)	(8)	831,113	182,657	878,355	312,295
XVI. TAX CHARGE FOR CONTINUED OPERATIONS (±)	(9)	(204,083)	(58,834)	(218,421)	(81,560)
16.1 Current income tax charge		(128,094)	(30,218)	(296,996)	(108,955)
16.2 Deferred tax charge / benefit		(75,989)	(28,616)	78,575	27,395
XVII. NET PROFIT/(LOSS) FROM CONTINUED OPERATIONS (XV±XVI)	(10)	627,030	123,823	659,934	230,735
XVIII. INCOME ON DISCONTINUED OPERATIONS		-	-	-	-
18.1 Income on assets held for sale		-	-	-	-
18.2 Income on sale of associates, subsidiaries and entities under common control		-	-	-	-
18.3 Income on other discontinued operations		-	-	-	-
XIX. LOSS FROM DISCONTINUED OPERATIONS (-)		-	-	-	-
19.1 Loss from assets held for sale		-	-	-	-
19.2 Loss on sale of associates, subsidiaries and entities under common control		-	-	-	-
19.3 Loss from other discontinued operations		-	-	-	-
XX. PROFIT / (LOSS) ON DISCONTINUED OPERATIONS BEFORE TAXES (XVIII-XIX)	(8)	-	-	-	-
XXI. TAX CHARGE FOR DISCONTINUED OPERATIONS (±)	(9)	-	-	-	-
21.1 Current income tax charge		-	-	-	-
21.2 Deferred tax charge / benefit		-	-	-	-
XXII. NET PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XX±XXI)	(10)	-	-	-	-
XXIII. NET PROFIT/LOSS (XVII+XXII)	(11)	627,030	123,823	659,934	230,735
23.1 Group's profit/loss		627,030	123,823	659,934	230,735
23.2 Minority shares (-)		-	-	-	-
Earnings per share		0.02322	0.00459	0.02444	0.00855

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

(CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS AND RELATED DISCLOSURES
AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH)

FINANSBANK ANONİM ŞİRKETİ
STATEMENT OF PROFIT AND LOSS ACCOUNTED FOR UNDER EQUITY
FOR THE PERIOD ENDED SEPTEMBER 30, 2013
(STATEMENT OF OTHER COMPREHENSIVE INCOME / LOSS)
(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

IV. STATEMENT OF PROFIT AND LOSS ACCOUNTED FOR UNDER EQUITY

	Reviewed 01.01 - 30.09.2013	Reviewed 01.01 - 30.09.2012
I. ADDITIONS TO MARKETABLE SECURITIES REVALUATION DIFFERENCES FOR AVAILABLE FOR SALE FINANCIAL ASSETS	(514,476)	350,376
II. TANGIBLE ASSETS REVALUATION DIFFERENCES	-	-
III. INTANGIBLE ASSETS REVALUATION DIFFERENCES	-	-
IV. FOREIGN EXCHANGE DIFFERENCES FOR FOREIGN CURRENCY TRANSACTIONS	-	-
V. PROFIT/LOSS FROM DERIVATIVE FINANCIAL INSTRUMENTS FOR CASH FLOW HEDGE PURPOSES (Effective Portion of Fair Value Differences)	74,648	(7,454)
VI. PROFIT/LOSS FROM DERIVATIVE FINANCIAL INSTRUMENTS FOR HEDGE OF NET INVESTMENT IN FOREIGN OPERATIONS (Effective Portion of Fair Value Differences)	-	-
VII. THE EFFECT OF CORRECTIONS OF ERRORS AND CHANGES IN ACCOUNTING POLICIES	-	-
VIII. OTHER PROFIT LOSS ITEMS ACCOUNTED FOR UNDER EQUITY AS PER TURKISH ACCOUNTING STANDARDS	-	-
IX. DEFERRED TAX OF VALUATION DIFFERENCES	84,692	(66,684)
X. TOTAL NET PROFIT/LOSS ACCOUNTED FOR UNDER EQUITY (I+II+...+IX)	(355,136)	276,238
XI. PROFIT/LOSS	(64,840)	1,746
11.1 Change in fair value of marketable securities (Transfer to Profit/Loss)	(69,524)	(2,361)
11.2 Reclassification and transfer of derivatives accounted for cash flow hedge purposes recycled to Income Statement	4,684	4,107
11.3 Transfer of hedge of net investments in foreign operations recycled to Income Statement	-	-
11.4 Other	-	-
XII. TOTAL PROFIT/LOSS ACCOUNTED FOR IN THE PERIOD (X±XI)	(419,976)	277,984

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

(CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS AND RELATED DISCLOSURES AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH)

FINANSBANK ANONİM ŞİRKETİ
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE PERIOD ENDED SEPTEMBER 30, 2013

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

V. STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

Reviewed	Section 2	Paid-in Capital	Effect of inflation Accounting on Capital and Other Reserves	Share Premium	Share Certificate Cancellation Profits	Legal Reserves	Statutory Reserves	Extraordinary Reserves	Other Reserves	Current Period Net Income/(Loss)	Prior Period Net Income/(Loss)	Marketable Securities Value Increase Fund	Tangible and Intangible Assets Revaluation Differences	Bonus Shares Obtained from Associates	Hedging Funds	Acc. Val. Diff. from Assets Held for Sale and Assets from Disc.Op.	Total Equity Attributable to the Parent Shareholders	Minority Shares	Total Equity
Prior period – 01.01.-30.09.2012																			
I.		2,440,000	-	714	-	241,133	-	2,269,461	-	-	848,112	(99,792)	-	2,689	(6,361)	-	5,695,956	-	5,695,956
II.		-	-	-	-	-	-	-	(16,766)	-	-	-	-	-	-	-	(16,766)	-	(16,766)
2.1		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2		-	-	-	-	-	-	-	(16,766)	-	-	-	-	-	-	-	(16,766)	-	(16,766)
III.		2,440,000	-	714	-	241,133	-	2,269,461	(16,766)	-	848,112	(99,792)	-	2,689	(6,361)	-	5,679,190	-	5,679,190
Changes in period																			
IV.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V.		-	-	-	-	-	-	-	-	-	-	280,662	-	-	-	-	280,662	-	280,662
VI.		-	-	-	-	-	-	-	-	-	-	-	-	-	(2,678)	-	(2,678)	-	(2,678)
6.1		-	-	-	-	-	-	-	-	-	-	-	-	-	(2,678)	-	(2,678)	-	(2,678)
6.2		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XII.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIII.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV.		125,000	-	-	-	-	-	(125,000)	-	-	-	-	-	-	-	-	-	-	-
14.1		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14.2	Part XIX	125,000	-	-	-	-	-	(125,000)	-	-	-	-	-	-	-	-	-	-	-
XV.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVII.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVIII.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIX.		-	-	-	-	-	-	-	-	659,934	-	-	-	-	-	-	659,934	-	659,934
XX.		-	-	-	-	42,405	-	805,707	-	-	(848,112)	-	-	-	-	-	-	-	-
20.1		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20.2		-	-	-	-	42,405	-	805,707	-	-	(848,112)	-	-	-	-	-	-	-	-
20.3		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Closing balance (III+IV+V+.....+ XVIII+XIX+XX)		2,565,000	-	714	-	283,538	-	2,950,168	(16,766)	659,934	-	180,870	-	2,689	(9,039)	-	6,617,108	-	6,617,108

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

(CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS AND RELATED DISCLOSURES AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH)

FINANSBANK ANONİM ŞİRKETİ
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE PERIOD ENDED SEPTEMBER 30, 2013

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

V. STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

Reviewed	Section 2	Paid-in Capital	Effect of inflation Accounting on Other Capital Reserves	Share Premium	Share Certificate Cancellation Profits	Legal Reserves	Statutory Reserves	Extraordinary Reserves	Other Reserves	Current Period Net Income/(Loss)	Prior Period Net Income/(Loss)	Marketable Securities Value Increase Fund	Tangible and Intangible Assets Revaluation Differences	Bonus Shares Obtained from Associates	Hedging Funds	Acc. Val. Diff. from Assets Held for Sale and Assets from Disc. Op.	Total Equity Attributable to the Parent Shareholders	Minority Shares	Total Equity	
I.	Current period – 01.01 – 30.09.2013																			
	Beginning Balance	2,565,000	-	714	-	283,538	-	2,950,168	(36,915)	-	903,922	631,010	-	2,689	(10,026)	-	7,290,100	-	7,290,100	
	Changes in period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
II.	Increase/decrease related to merger	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
III.	Marketable securities valuation differences	-	-	-	-	-	-	-	-	-	-	(483,442)	-	-	-	-	(483,442)	-	(483,442)	
IV.	Hedging funds (effective portion)	-	-	-	-	-	-	-	-	-	-	-	-	-	63,466	-	63,466	-	63,466	
4.1	Cash-flow hedge	-	-	-	-	-	-	-	-	-	-	-	-	-	63,466	-	63,466	-	63,466	
4.2	Hedge of net investment in foreign operations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
V.	Tangible assets revaluation differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
VI.	Intangible assets revaluation differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
VII.	Bonus shares obtained from associates, subsidiaries and entities under common control	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
VIII.	Foreign exchange differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
IX.	The disposal of asset	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
X.	The reclassification of asset	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
XI.	The effect of change in associates' equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
XII.	Capital increase	135,000	-	-	-	-	-	(135,000)	-	-	-	-	-	-	-	-	-	-	-	
12.1	Cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
12.2	Internal sources	Part XIX	135,000	-	-	-	-	(135,000)	-	-	-	-	-	-	-	-	-	-	-	
XIII.	Share Premium	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
XIV.	Share cancellation profits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
XV.	Inflation adjustment to paid-in capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
XVI.	Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
XVII.	Period net income/(loss)	-	-	-	-	-	-	-	-	627,030	-	-	-	-	-	-	627,030	-	627,030	
XVIII.	Profit distribution	-	-	-	-	45,117	-	858,805	-	-	(903,922)	-	-	-	-	-	-	-	-	
18.1	Dividends distributed	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
18.2	Transfers to reserves	Part XXIII	-	-	-	45,117	-	857,229	-	-	(902,346)	-	-	-	-	-	-	-	-	
18.3	Other	Part XXIV	-	-	-	-	-	1,576	-	-	(1,576)	-	-	-	-	-	-	-	-	
	Closing balance (I+II+III+.....+XVI+XVII+XVIII)	2,700,000	-	714	-	328,655	-	3,673,973	(36,915)	627,030	-	147,568	-	2,689	53,440	-	7,497,154	-	7,497,154	

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

**(CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS AND RELATED DISCLOSURES
AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH)**

**FINANSBANK ANONİM ŞİRKETİ
STATEMENT OF CASH FLOWS**

FOR THE PERIOD ENDED SEPTEMBER 30, 2013

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

VI. STATEMENT OF CASH FLOWS

	Section 5 Part V.	Reviewed 01.01- 30.09.2013	Reviewed 01.01 – 30.09.2012
A. CASH FLOWS FROM / (TO) BANKING OPERATIONS			
1.1 Operating profit before changes in operating assets and liabilities (+)		2,735,673	2,258,624
1.1.1 Interest received (+)		4,245,888	4,277,286
1.1.2 Interest paid (-)		(1,514,691)	(1,992,672)
1.1.3 Dividend received (+)		12,152	8,762
1.1.4 Fees and commissions received (+)		874,693	863,518
1.1.5 Other income (+)		252,730	128,859
1.1.6 Collections from previously written off loans (+)		294,638	243,844
1.1.7 Payments to personnel and service suppliers (-)		(1,266,129)	(974,271)
1.1.8 Taxes paid (-)		(307,568)	(336,470)
1.1.9 Others (+/-)	(1)	143,960	39,768
1.2 Changes in operating assets and liabilities		(3,314)	(5,357,209)
1.2.1 Net (increase) decrease in financial assets held for trading (+/-)		(45,091)	(181,452)
1.2.2 Net (increase) decrease in financial assets at fair value through profit or loss (+/-)		(25,416)	173,044
1.2.3 Net (increase) decrease in due from banks (+/-)		(2,327,335)	(1,544,004)
1.2.4 Net (increase) decrease in loans (+/-)		(5,716,199)	(5,416,230)
1.2.5 Net (increase) decrease in other assets (+/-)	(1)	1,265,880	(23,410)
1.2.6 Net increase (decrease) in bank deposits (+/-)		186,750	715,193
1.2.7 Net increase (decrease) in other deposits (+/-)		3,291,287	806,517
1.2.8 Net increase (decrease) in funds borrowed (+/-)		229,230	(705,718)
1.2.9 Net increase (decrease) in matured payables (+/-)		-	-
1.2.10 Net increase (decrease) in other liabilities (+/-)	(1)	3,137,580	818,851
I. Net cash provided from / (used in) banking operations (+/-)		2,732,359	(3,098,585)
B. CASH FLOWS FROM INVESTING ACTIVITIES			
II. Net cash provided from / (used in) investing activities (+/-)		(2,985,063)	(191,526)
2.1 Cash paid for purchase of entities under common control, associates and subsidiaries (-)		(3,367)	(6,894)
2.2 Cash obtained from sale of entities under common control, associates and subsidiaries (+)		-	-
2.3 Fixed assets purchases (-)		(152,200)	(77,234)
2.4 Fixed assets sales (+)		289	282
2.5 Cash paid for purchase of financial assets available for sale (-)		(15,944,155)	(8,518,931)
2.6 Cash obtained from sale of financial assets available for sale (+)		15,470,542	8,479,123
2.7 Cash paid for purchase of investment securities (-)		(2,283,587)	-
2.8 Cash obtained from sale of investment securities (+)		-	-
2.9 Others (+/-)		(72,585)	(67,872)
C. CASH FLOWS FROM FINANCING ACTIVITIES			
III. Net cash provided from / (used in) financing activities (+/-)		(1,248,583)	1,522,984
3.1 Cash obtained from funds borrowed and securities issued (+)		2,528,946	1,904,423
3.2 Cash used for repayment of funds borrowed and securities issued (-)		(3,775,812)	(374,458)
3.3 Capital increase (+)		-	-
3.4 Dividends paid (-)		-	-
3.5 Payments for finance leases (-)		(1,717)	(6,981)
3.6 Other (+/-)		-	-
IV. Effect of change in foreign exchange rate on cash and cash equivalents (+/-)		(30,983)	9,934
V. Net increase / (decrease) in cash and cash equivalents (I+II+III+IV)		(1,532,270)	(1,757,193)
VI. Cash and cash equivalents at beginning of the period (+)	(1)	3,514,657	2,908,743
VII. Cash and cash equivalents at end of the period (V+VI)	(2)	1,982,387	1,151,550

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

**(CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS AND RELATED DISCLOSURES
AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH)**

**FINANSBANK ANONİM ŞİRKETİ
NOTES TO FINANCIAL STATEMENTS
FOR THE PERIOD ENDED SEPTEMBER 30, 2013**

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

SECTION THREE

ACCOUNTING POLICIES

I. Basis of presentation

1. Preparation of the financial statements and the accompanying footnotes in accordance with Turkish Accounting Standards and Regulation on Principles Related to Banks' Accounting Applications and Maintaining the Documents

The Turkish Banking Law No: 5411 is published in the Official Gazette No: 25983 dated November 1, 2005. The Bank prepared the accompanying financial statements as of September 30, 2013 and the related disclosures and footnotes in accordance with accounting and valuation standards as described in the "Regulation on Principles Related to Banks' Accounting Applications and Maintaining the Documents", dated November 1, 2006 which is published in the Official Gazette No: 26333, "Communiqué on Financial Statements and the Accompanying Explanations and Footnotes to be Announced to the Public", dated June 28, 2012 which is published in the Official Gazette No: 28337, Turkish Accounting Standards (TAS), Turkish Financial Reporting Standards (TFRS) and other circulars, communiqués and pronouncements in respect of accounting and financial reporting made by the Banking Regulation and Supervision Agency (BRSA).

Statutory Decree No: 660, which has been become effective and published in the Official Gazette on 2 November 2011, were nullified and accordingly, Public Oversight, Accounting and Audit Standards Institution (the "Institution") was established. The financial statements are prepared based on the Turkish Accounting Standards / Turkish Financial Reporting Standards ("TAS/TFRS") and the related statements and guidances announced by the Public Oversight, Accounting and Auditing Standards Authority.

Financial statements and the related disclosures and footnotes have been presented in thousands of Turkish Lira unless otherwise specified.

2. Classifications

None.

3. Accounting policies and valuation principles used in the preparation of the financial statements

Accounting policies and valuation principles used in the preparation of the financial statements are determined and applied in accordance with the requirements of TAS, TFRS, "Regulation on Principles Related to Banks' Accounting Applications and Maintaining the Documents", dated November 1, 2006 which is published in the Official Gazette No: 26333, "Communiqué on Financial Statements and the Accompanying Explanations and Footnotes to be Announced to the Public", dated June 28, 2012 which is published in the Official Gazette No: 28337 and other regulations, circulars, communiqués and pronouncements in respect of accounting and financial reporting made by BRSA.

**(CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS AND RELATED DISCLOSURES
AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH)**

**FINANSBANK ANONİM ŞİRKETİ
NOTES TO FINANCIAL STATEMENTS
FOR THE PERIOD ENDED SEPTEMBER 30, 2013**

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

II. Strategy for the use of financial instruments and the foreign currency transactions

1. Strategy for the use of financial instruments

The major funding sources of the Bank are customer deposits, bond issues and funds borrowed from international markets. The customer deposits bear fixed interest rate and have an average maturity of 1-3 months in accordance with sector. Domestic bond issues are realized within the maturity of 6 months and foreign bond issues are based on long maturities with fixed interests. Funds borrowed from abroad mostly bear floating rates and are reprised at an average period of 3-6 months. The Bank diverts its placements to assets with high return and sufficient collaterals. The Bank manages the liquidity structure to meet its liabilities when due by diversifying the funding sources and keeping sufficient cash and cash equivalents. The maturity of fund sources and maturity and yield of placements are considered to the extent possible within the current market conditions and higher return on long-term placements is aimed.

Among the operations of the Bank, the main activities generating yields higher than the calculated average yields are credit card transactions.

Besides customer deposits, the Bank funds its long term fixed interest rate TL loan portfolio with long term (up to 10 years) floating interest rate foreign currency funds obtained from international markets. The Bank converts the foreign currency liquidity obtained from the international markets to TL liquidity using long term swap transactions (fixed TL interest rate and floating FC interest rate). Thus, the Bank generates TL denominated resources for funding long term loans with fixed interest rates.

The Bank has determined securities portfolio limits based on the market risk limitations for money, capital and commodity markets. Products included in the securities portfolio are subject to position and risk limits. Position limits restrict the maximum nominal position based on the product. Risk limits are expressed in terms of "Value at Risk (VAR)" by taking the risk tolerance as a cap. The maximum VAR amounts are determined for the three main risk factors, which affect the securities portfolio that is subject to market risk, as well as determining the risk tolerance based on the total value at risk. The above mentioned limits are revised annually.

The strategies for hedging exchange rate risk generated from the Bank's foreign currency available-for-sale investment securities are explained in foreign currency risk section and the applications regarding the hedging of interest rate risk generated from deposits with fixed or floating interest rates are explained in the Interest Rate Risk section in detail.

Hedging strategies for foreign exchange risk resulting from other foreign currency transactions are explained in the foreign currency risk section.

2. Foreign currency transactions

2.1. Foreign currency exchange rates used in converting transactions denominated in foreign currencies and presentation of them in the financial statements

The Bank accounts for the transactions denominated in foreign currencies in accordance with TAS 21 "The Effects of Changes in Foreign Exchange Rates". Foreign exchange gains and losses arising from transactions that are completed as of September 30, 2013 are converted to TL by using historical foreign currency exchange rates. Balances of the foreign currency denominated assets and liabilities except for non-monetary amounts are converted into TL by using foreign currency exchange rates of the Bank for the period end and the resulting exchange differences are recorded as foreign exchange gains and losses. The Bank's foreign currency exchange rates for the related period ends are as follows:

	<u>September 30, 2013</u>	<u>December 31, 2012</u>
US Dollar	TL 2.0342	TL 1.7826
Euro	TL 2.7484	TL 2.3517

**(CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS AND RELATED DISCLOSURES
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**FINANSBANK ANONİM ŞİRKETİ
NOTES TO FINANCIAL STATEMENTS
FOR THE PERIOD ENDED SEPTEMBER 30, 2013**

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

2.2. Foreign exchange gains and losses included in the income statement

The net foreign exchange gain included in the income statement as of September 30, 2013 is TL 24,130 (September 30, 2012 – TL 6,283 net foreign exchange loss).

III. Information on associates and subsidiaries

Associates and subsidiaries are accounted for in accordance with the principles in TAS 39 “Financial Instruments: Recognition and Measurement” in the unconsolidated accompanying financial statements. Associates and subsidiaries that do not have a quoted market price in an active market or whose fair value cannot be reliably measured are recorded at cost after deducting related impairment provision.

IV. Explanations on forwards, option contracts and derivative instruments

The Bank enters into forward currency purchase/sale agreements and swap transactions to reduce the foreign currency risk and interest rate risk and manage foreign currency liquidity risk. The Bank also carries out currency and interest options, station, and credit default swap and futures agreements.

Besides customer deposits, the Bank funds its long term fixed interest rate TL loan portfolio with long term (up to 10 years) floating interest rate foreign currency funds obtained from international markets. The Bank changes the foreign currency liquidity obtained from the international markets to TL liquidity with long term swap transactions (fixed TL interest rate and floating FC interest rate). Therefore, the Bank not only funds its long term fixed interest rate loans with TL but also hedges itself against interest rate risk.

In accordance with TAS 39 “Financial Instruments: Recognition and Measurement”, derivative instruments are categorized as “hedging purpose” or “trading purpose” transactions. Derivatives are initially recognized at cost including the transaction costs. Also, the liabilities and receivables arising from the derivative transactions are recorded as off-balance sheet items at their contractual values. The derivative transactions are accounted for at fair value subsequent to initial recognition and are presented in the “Assets on Trading Derivatives” and “Liabilities on Trading Derivatives” or “Assets on Hedging Purpose Derivatives” and “Liabilities on Hedging Purpose Derivatives” items of the balance sheet depending on the resulting positive or negative amounts of the computed value. These amounts presented on the balance sheet, represent the fair value differences based on the valuation.

The fair value differences regarding the derivative financial instruments held for fair value hedge purposes are accounted for under “gains / (losses) from financial derivatives transactions”, except for the foreign currency valuation differences. These foreign currency valuation differences are accounted for under “Foreign Exchange Gains/Losses” account. Information on Eurobond portfolio, recognized as fair value hedged items, is presented in section 3, footnote VII, 2 and 4.

To avoid from the changes in interest rates of customer deposits that have an average maturity of 1 month, the Bank applies cash flow hedge using interest swaps. The Bank implements efficiency tests at the balance sheet dates for hedging purposes; the effective parts are accounted under equity “Hedging Funds”, whereas the amount concerning ineffective parts is associated with the income statement, as stated in TAS 39.

The Bank applies fair value hedge accounting to hedge itself against the changes in the interest rates related to the long term government bonds with fixed coupon held by the Bank using swaps as hedging instruments. The Bank performs hedge effectiveness tests at each balance sheet date.

The Bank applies fair value hedge accounting to hedge itself against the changes in the interest rates related to the foreign currency bonds issued by the Bank using interest rate swaps as hedging instruments. The Bank performs hedge effectiveness tests at each balance sheet date.

Fair values of forward foreign currency purchase and sales contracts, currency and interest rate swap transactions are calculated by using internal pricing models based on market data. Unrealized gains and losses are reflected in the income statement in the current period.

Fair values of option contracts are calculated with option pricing models and the resulting unrealized gains and losses are reflected in the current period income statement.

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**FINANSBANK ANONİM ŞİRKETİ
NOTES TO FINANCIAL STATEMENTS
FOR THE PERIOD ENDED SEPTEMBER 30, 2013**

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

Futures transactions are accounted for at settlement prices obtained from counterparties as of the balance sheet date and related unrealized gains and losses are presented in the current period income statement.

Credit default and swaption transactions are accounted for at market prices as of the balance sheet date and related unrealized gains and losses are reflected in the current period income statement.

V. Interest income and expenses

Interest income and expenses are recognized in the income statement for all interest bearing instruments on an accrual basis using the effective interest rate method. In accordance with the related regulation, the interest receivables and accruals of non-performing loans are cancelled and not recorded as interest income until collected.

VI. Fees and commission income and expenses

Fees and commission income and expenses are accounted for on an accrual basis or on effective interest rate method, except for the certain banking transactions that income is recognized immediately. Income generated through agreements or through the sale and purchases of assets on behalf of third parties, is recorded as income when collected.

Dividend income is accrued when the profit distribution decision of the related subsidiaries, associates and entities under common control, are approved.

VII. Explanations on financial assets

Financial assets comprise cash and cash equivalents and the contractual right to obtain cash or another financial asset from counterparty or to exchange financial assets with counterparty or the equity instrument transactions of the counterparty. Financial assets are classified in four categories; as “Financial Assets at Fair Value through Profit or Loss”, “Investment Securities Available-For-Sale”, “Investment Securities Held-To-Maturity”, and “Loans And Other Receivables”. The classification of the financial assets is determined at the initial inception of the related financial assets.

1. Financial assets at fair value through profit or loss

1.1. Trading securities

The Bank accounts for its trading securities at fair value. The interest income that is from trading securities is presented as interest income in the income statement, while the difference between the cost and the fair value of trading securities and the gain or loss resulting from the sale of these financial assets before their maturity are realized under securities trading gains / losses.

1.2. Financial assets at fair value through profit or loss

The Bank has classified its mortgage loans that were initiated between January 1, 2006 – December 31, 2007, as financial assets at fair value through profit or loss in compliance with TAS 39. These loans are presented under “Financial Assets at Fair Value through Profit or Loss” as loan in order to be in compliance with the balance sheet presentation. The Bank has not classified its mortgage loans that were initiated after January 1, 2008, as fair value through profit or loss. Interest on related loans is presented under “Income statement” as “Interest on Loans” and fair value differences are presented as “Securities Trading Gains (Losses)”.

Financial assets at fair value through profit or loss are initially recorded at cost and are measured at fair value in the following periods.

Fair value of loans that are classified as financial assets at fair value through profit or loss has been determined by using effective interest rates used for similar financial assets within the market. The fair values of public sector debt securities that are classified in the mentioned group have been determined by using the market prices as at the balance sheet date.

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**FINANSBANK ANONİM ŞİRKETİ
NOTES TO FINANCIAL STATEMENTS
FOR THE PERIOD ENDED SEPTEMBER 30, 2013**

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

2. Investment securities available for sale

Available for sale assets represent financial assets other than financial assets at fair value through profit or loss, loans and other receivables and investment securities held to maturity.

Premiums and discounts on investments securities available-for-sale are considered during the computation of the internal rate of return and are included in interest income in the income statement. Accrued interest income on investment securities available for sale is recognized in the income statement whereas gains and losses arising from the change in the fair values of such securities are reflected in equity under "Securities value increase fund" (Unrealized Gains/Losses on Securities). When investment securities available for sale are sold, collected or otherwise disposed of, the cumulative fair value adjustments under equity are transferred to the income statement.

Real coupons of consumer price indexed government bonds that are constant throughout their lives and their real principal amounts are preserved from inflation. In addition, payments are made considering the reference index as of the issue date, as stated in the explanations of Republic of Turkey Prime Ministry Undersecretariat of Treasury. In this context, cash flows calculated in line with T.R. Central Bank's inflation expectation are taken into account in the valuation of consumer price indexed government bonds in the Bank's portfolio.

Some portion of the Eurobond portfolio which has been recognized as available for sale securities are designated as fair value hedged items starting from March and April 2009. Those securities are disclosed under Investment Securities Available for Sale in order to be in line with balance sheet presentation. The fair value differences of hedged items are accounted for under "Securities Trading Gains/ Losses" in the income statement.

In cases where fair value hedge operations cannot be effectively performed as described in TAS 39, fair value hedge accounting is ceased. The fair value differences are amortized through equity until the maturity of related hedged securities. The fair value differences of related portfolio securities sold prior to maturity are immediately realized in the income statement.

3. Investment securities held to maturity

Investments held to maturity include securities with fixed or determinable payments and fixed maturity where there is an intention of holding until maturity and the relevant conditions for fulfillment of such intention, including the funding ability and excluding loans and receivables.

The Bank classified debt securities nominal amounted to TL 1,307,569 as investment securities held-to-maturity which is previously accounted under investment securities available-for-sale in the financial statements as due to the change in the intention of holding as of June 18, 2013. Detailed information regarding the classification given in section five 7.e.

4. Loans and specific provisions

The Bank initially records loans and receivables at cost; except for the loans that are recorded with fair value through profit or loss and loans subject to fair value hedge. In the following periods, these loans are carried at amortized cost by using the effective interest rate method.

The Bank as explained in part IV, "explanations on forwards, option contracts and derivative instruments", enters into swap transactions against TL in order to hedge the possible losses which might arise due to the changes in the fair value of a certain portion of its long-term loans and applies fair value hedge accounting as per TAS 39. The Bank accounted for the hedged part of the loan portfolio at fair value, together with the swap transactions used as the hedging instrument and the related net gain or loss was included in the income statement.

When the fair value hedge accounting cannot be effectively continued as stated in TAS 39, the fair value hedge accounting is ceased. The fair value differences of the hedged loans are amortized through income statement until the maturity of the hedged loans.

Provision is set for the loans that maybe doubtful and amount is charged in the current period income statement.

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In the case where there is an evidence for the possibility of uncollectibility of loans, the Bank classifies related loans and receivables in non-performing loans and provides specific provision in accordance with the Communiqué dated November 1, 2006, published on the Official Gazette No: 26333 which was revised with the most recent Communiqué dated December 25, 2012, published on the Official Gazette No: 28508 “Methods and Principles for the Determination of Loans and Other Receivables to be Reserved for and Allocation of Reserves”. The Bank provides specific provision for the loans under follow-up regarding credit risk and other factors, in accordance with the aforementioned regulation. Additionally, the Bank provides general provisions in accordance with the Communiqué dated November 1, 2006, published on the Official Gazette No: 26333 which was revised with the most recent Communiqué dated September 21, 2012, published on the Official Gazette No: 28418.

The Bank also provides specific provisions for the closely monitored loans as a result of risk assessment. These provisions accounted for in liabilities under other provisions as “Free Reserves for Possible Loan Losses”.

Except for specific provisions and free reserves for possible loan losses within the framework of the regulation referred to above, the Bank provides general loan loss provision and presents it in the liabilities as “General Provisions”.

The provisions provided for loans are accounted for under “Provision for Loan Losses and Other Receivables” in the statement of income.

The collections made in relation to amounts that provision is provided in the current period and the principle collections from the loans previously provisioned in the prior periods are offset against the “Provision for Loan and Other Receivables” in the income statement. The principal collections made related to the loans that were written-off are recorded under “Other Operating Income” and interest collections are recorded under the “Interest on Loans” account.

VIII. Impairment of financial assets

If the amount computed by discounting expected future cash flows of a financial asset using the effective interest rate method or (if any) the fair value is lower than the carrying value of financial assets, impairment can be recognized. Provision is provided for impairment of the financial assets and recorded to related expense accounts.

IX. Netting of financial instruments and derecognition of financial assets

In cases where the fair values of trading securities, securities available-for-sale, securities quoted at the stock exchanges, associates and subsidiaries are less than their carrying values, a provision for impairment is allocated, and the net value is presented on the balance sheet.

The Bank provides specific allowances for loans and other receivables in accordance with “Methods and Principles for the Determination of Loans and Other Receivables to be Reserved for and Allocation of Reserves” and offset against overdue loans in the assets.

Financial assets and liabilities other than those explained above are offset when the Bank has a legally enforceable right to set off, and the intention of collecting or paying the net amount of related assets and liabilities or the right to offset the assets and liabilities, simultaneously. Otherwise, no offsetting is made.

The Bank derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Bank neither transfers nor retains substantially all the risks and rewards of the ownership and continues to control the transferred asset, the Bank recognizes its retained interest in the asset and an associated liability for the amounts that it may have to pay. If the Bank retains substantially all the risks and rewards of ownership of a transferred financial asset, the Bank continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset’s carrying amount and the sum of the consideration received and the cumulative gain or loss that had been recognized in other comprehensive income and accumulated loss in equity is recognized in profit or loss.

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X. Sales and repurchase agreements and lending of securities

Securities sold under repurchase agreements are recorded on the balance in accordance with Uniform Chart of Accounts. Accordingly, government bonds and treasury bills sold to customers under repurchase agreements are classified as “Investments Subject to Repurchase Agreements” and valued based on the Bank management’s future intentions, either at market prices or using discounting method with internal rate of return. Funds received through repurchase agreements are classified separately under liability accounts and the related interest expenses are accounted for on an accrual basis.

Securities that are subject to repurchase agreements as at the balance sheet date amounted to TL 3,329,111 (December 31, 2012 – TL 1,984,750).

The Bank does not have any securities that are subject to lending transactions as of September 30, 2013 (December 31, 2012 – None).

Securities purchased with a commitment to resell (reverse repurchase agreements) are recorded in a separate account under “Money Market Placements” in the balance sheet. The difference resulting from purchase and resale prices is treated as interest income and accrued over the life of the agreement.

XI. Assets held for sale and discontinued operations

Assets held for sale are those with highly saleable condition requiring a plan by the management regarding the sale of the asset to be disposed, together with an active program for determination of buyers as well as for the completion of the plan. Also, the asset shall be actively marketed in conformity with its fair value. On the other hand, the sale is expected to be journalized as a completed sale within one year after the classification date; and the necessary transactions and procedures to complete the plan should demonstrate the fact that the possibility of making significant changes or canceling the plan is low.

As at the balance sheet date, the Bank does not have any assets held for sale.

A discontinued operation is a part of the Bank’s business classified as disposed or held-for-sale. The operating results of the discontinued operations are disclosed separately in the income statement.

XII. Goodwill and other intangible assets

The Bank’s intangible assets consist of softwares and intangible rights.

The intangible assets are recorded at their historical cost less accumulated amortization and provision for impairment, if any. Amortization is calculated on a straight-line basis.

Softwares have been classified as other intangible fixed assets. The useful life of softwares is determined as 3 years.

If there is objective evidence of impairment, the asset’s recoverable amount is estimated in accordance with the Turkish Accounting Standard on Impairment of Assets (TAS 36) and if the recoverable amount is less than the carrying value of the related asset, a provision for impairment loss is made. There is no goodwill regarding the associates and subsidiaries in the accompanying unconsolidated financial statements.

XIII. Tangible Assets

The tangible assets are recorded at their historical cost less accumulated depreciation and provision for impairment, if any.

Depreciation is calculated on a straight-line basis over the estimated useful life of tangible assets. The annual rates used are as follows:

Property	2 %
Movables purchased and acquired under finance lease contracts	7% - 25%

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The depreciation of leasehold improvements acquired before December 2009, under operating lease agreements, is calculated according to their useful lives. Depreciation of leasehold improvements acquired after this date is calculated over the lease period not exceeding 5 years where the lease duration is certain; or 5 years where the lease period is not certain in accordance with “Communiqué on the Amendment of Communiqué on Uniform Chart of Accounts and Explanatory Notes” dated January 10, 2011.

Depreciation is calculated on a pro-rata basis for the assets that have been placed in use for less than a year as of the balance sheet date.

Net book value of the property and leased assets under financial lease contracts are compared with the fair values determined by independent appraisers as of the year end and provision for impairment is recognized in “Other Operating Expenses” in the related period income statement when the fair value is below the net book value in accordance with “Turkish Accounting Standard on Impairment of Assets” (TAS 36).

Gains or losses resulting from disposals of the tangible assets are recorded in the income statement as the difference between the net proceeds and net book value of the asset.

Expenses for repairs are capitalized if the expenditure increases economic life of the asset; otherwise they are expensed.

There are no changes in the accounting estimates, which could have a significant impact on the current and future financial statements. There are no pledges, mortgages or other restrictions on the tangible assets.

There is no purchase commitments related to the fixed assets.

XIV. Leasing transactions

Fixed assets acquired under finance lease contracts are presented under “Tangible Fixed Assets” on the asset side and under “Financial Lease Payables” on the liability side at the initial date of the lease. The basis for the determination of related balance sheet amounts is the lower of fair value of the leased asset and the present value of the lease payments. The direct costs incurred for a finance lease transaction are capitalized as additions to the cost of the leased asset. Lease payments include the financing costs incurred due to the leasing transaction and the principal amount of the leased asset for the current period. Depreciation is calculated on a straight-line basis over the estimated useful life of the leased assets at the rate of 20% except for the buildings which are depreciated at the rate of 2%.

Total payments made under operating leases are charged to income statement on a straight-line basis over the period of the lease.

The Bank has no leasing transactions as lessor.

XV. Provisions and contingent liabilities

Provisions, other than specific and general provisions for loans and other receivables, and contingent liabilities are provided for in accordance with TAS 37 “Provisions, Contingent Liabilities and Contingent Assets”. Provisions are accounted for immediately when obligations arise as a result of past events and a reliable estimate of the obligation is made by the Bank. Whenever the amount of such obligations cannot be measured, they are regarded as “contingent”. If the possibility of an outflow of resources embodying economic benefits becomes probable and the amount of the obligation can reliably be measured, a provision is provided.

Provisions provided during the period other than specific and general provisions for loans and other receivables are recorded under “Other Operating Expenses”; provisions provided in the prior periods but reversed in the current year are accounted for under “Other Operating Income”.

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XVI. Obligations of the Bank concerning employee benefits

Provision for employee severance benefits has been accounted for in accordance with TAS 19 “Employee Benefits”.

In accordance with the existing social legislation in Turkey, the Bank is required to make lump-sum termination indemnities including retirement and notice payments to each employee whose employment is terminated due to resignation or for reasons other than misconduct. The retirement pay is calculated for every working year within the Bank over salary for 30 days or the official ceiling amount per year of employment and the notice pay is calculated for the relevant notice period time as determined based on the number of years worked for the Bank.

The Bank has reflected the retirement pay liability amount, which was calculated by an independent actuary, in the accompanying financial statements. As explained in details in Section 3 Part XXIV, amendments to IAS 19 change the accounting for defined benefit plans and termination benefits retrospectively. The most significant change relates to the accounting in defined benefit obligations. Hence, the Bank recognizes the changes in defined benefit obligations, “corridor approach” which was permitted in previous version of IAS 19 is eliminated and accelerate the recognition of past service costs. The Bank recognizes all actuarial gains and losses immediately through other comprehensive income.

The Bank does not have any employees who work under limited period contracts with remaining terms longer than 12 months after the balance sheet date.

Provision for the employees’ unused vacations has been booked and reflected to the financial statements.

There are no foundations, pension funds or similar associations of which the employees are members.

XVII. Taxation

1. Corporate tax

In accordance with the Corporate Tax Law No. 5520 published in the Official Gazette No: 26205 dated June 21, 2006, statutory income is subject to corporate tax at 20%. Advance corporate taxes paid are followed under “Current Tax Liability” or “Current Tax Asset” account and are deducted from the corporate taxes of the current year.

75% of gains on subsidiary shares and profits from real estate sales held in Bank assets for more than two years are exempt from tax according to Corporate Tax Law in condition with adding them into equity or allocating into a specific fund account in Bank’s liabilities for five years.

Companies file their tax returns between the 1st and the 25th day of the fourth month following the closing of the fiscal year to which they relate and the payments are made until the end of that month.

Losses occurred due to prior year’s financial statements can be deducted from corporate income under condition that each year amounts are shown separately on Corporate Tax declaration and are not carried more than five years.

Taxes that are not been levied or notified to tax payer in five years, starting from the beginning of the year following the calendar year that the tax asset emerged are prescribed. Therefore, the tax authority can perform tax audit up to five years backwards. Besides, in case of benefiting from the decision of the document that is subject to stamp duty, yet the tax and the penalty is prescribed, after period of limitation is expired, tax asset of aforementioned document is emerged again.

The provision for corporate and income taxes for the period is reflected as the “Current Tax Charge” in the income statement.

Undistributed profit for the period is not subject to withholding tax if it is added to capital or it is distributed to full-fledged taxpayer corporations. However, with the Council of Ministers’ decisions numbered 2009/14593 and 2009/14594; published in the Official Gazette No: 27130 dated February 3, 2009 and based on Corporate Tax Law No: 5520, 15th and 30th Articles, profit distribution for the period is subject to withholding tax by 15%, for full-fledged real person taxpayers, for those who are not responsible for corporate tax and income tax, for those exempt from corporate and income tax (except for those taxed through their businesses or permanent representatives in Turkey) and for foreign based real person taxpayers.

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2. Deferred taxes

In accordance with Turkish Accounting Standard on Income Taxes (TAS 12), the Bank accounts for deferred taxes based on the tax effect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

XVIII. Additional explanations on borrowings

The Bank generates funds from domestic and foreign sources when this is necessary. The funds borrowed from foreign sources are mainly in the form of syndications and securitizations. The funds borrowed are measured at amortized cost by using the internal rate of return method.

The Bank has not issued convertible bonds. Debt instruments directly issued by the Bank are classified under "Securities Issued", while the funds obtained through the debt instruments issued by the special purpose vehicles (SPV's) are classified under funds borrowed.

XIX. Share issues

During the current period, the Bank issued TL 135,000 of bonus shares; where TL 128,250 was from first dividends, TL 6,750 were from share holding disposal funds. (January 1 – December 31, 2012: The Bank issued TL 125,000 of bonus shares; where TL 122,000 was from first dividends, TL 3,000 was from extraordinary reserves).

XX. Confirmed bills of exchange and acceptances

Confirmed bills of exchange and acceptances are realized simultaneously with the customer payments and recorded in off-balance sheet accounts as possible debt and commitment, if any.

There are no acceptances and confirmed bills of exchange presented as liabilities against any assets.

XXI. Explanations on government incentives

As of September 30, 2013, the Bank does not have any government incentives or grants.

XXII. Segment reporting

In addition to corporate banking, retail banking and commercial banking services, the Bank also provides private banking, SME banking, treasury operations and credit card services through branches and alternative channels. The Bank serves its retail banking clients with time and demand deposits, also overdraft services, automatic account services, consumer loans, vehicle loans, housing loans and investment fund services. The Bank provides services including deposit and loans, foreign trade financing, forward and option agreements to its corporate clients. The Bank also serves in trading financial instruments and treasury operations.

The calculations based on the income statement for corporate and commercial banking, consumer banking, SME banking, plastic cards, that have operational units designated as the main profit centers, have been made according to the product and customer types. During the profitability calculations, the pricing of transfers among these units and treasury unit are made by using cost/return ratios that are determined by the Bank's senior management and which are updated periodically. In this pricing method, general market conditions and the Bank's internal policies are considered.

The Corporate Marketing Unit provides services to firms that are institutional, big size, that have annual revenues of TL 100,000 and higher and multi-national firms operating in Turkey. The firms that have annual revenues between TL 2,000 and TL 100,000 are considered as "Commercial Enterprise". The Bank gives importance to the commercial segmentation in order to hedge risk and decrease the concentration of income. Moreover; The Bank also offers sectoral solution packages to these small and medium-size firms.

The Consumer Banking meets the needs and expectations of the retail banking customers. The Private Banking Unit has formed and started to operate to serve customers with high level income, in a more effective way. The installments, discounts and bonus advantages are provided to the users of Card Finans in the plastic cards line. The main function of Treasury Segment is managing the liquidity of the Bank and interest and foreign currency risks resulting from market conditions. This segment is in close relation with corporate, commercial, retail and private banking units in order to increase the number of customers and the volume of transactions in treasury products of the Bank.

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Current Period (January 1 – September 30, 2013)	Retail Banking	Corporate and Commercial Banking	Treasury and Head Office	Total Operations of the Bank
Net Interest Income	1,159,236	308,782	967,080	2,435,098
Net Fees and Commissions Income	1,155,106	81,814	(467,787)	769,133
Other Operating Income and Net Trading Income	134,787	95,248	(130,083)	99,952
Dividend Income	-	-	12,152	12,152
Operating Income	2,449,129	485,844	381,362	3,316,335
Other Operating Expenses	1,132,623	245,688	318,218	1,696,529
Provision for Loan Losses and Other Receivables	469,767	89,260	229,666	788,693
Profit Before Taxes	846,739	150,896	(166,522)	831,113
Tax Charge	-	-	-	(204,083)
Net Profit/Loss	-	-	-	627,030
Total Assets	33,242,884	8,074,549	17,534,951	63,018,242
Segment Assets	33,242,884	8,074,549	17,534,951	58,852,384
Associates, Subsidiaries and Entities Under Common Control	-	-	-	588,174
Undistributed Assets	-	-	-	3,577,684
Total Liabilities	24,863,523	11,540,539	13,591,590	63,018,242
Segment Liabilities	24,863,523	11,540,539	13,591,590	49,995,652
Undistributed Liabilities	-	-	-	5,525,436
Equity	-	-	-	7,497,154
Other Segment Accounts	-	-	-	360,120
Capital Expenditures	-	-	-	232,118
Depreciation and Amortization	-	-	-	128,001
Value Decrease/Increase	-	-	-	1

Prior Period (January 1 - September 30, 2012)	Retail Banking	Corporate and Commercial Banking	Treasury and Head Office	Total Operations of the Bank
Net Interest Income	1,145,514	361,313	565,066	2,071,893
Net Fees and Commissions Income	1,150,317	73,774	(457,259)	766,832
Other Operating Income and Net Trading Income	79,839	81,864	(286,400)	(124,697)
Dividend Income	-	-	8,762	8,762
Operating Income	2,375,670	516,951	(169,831)	2,722,790
Other Operating Expenses	863,674	199,638	212,547	1,275,859
Provision for Loan Losses and Other Receivables	341,308	116,106	111,162	568,576
Profit Before Taxes	1,170,688	201,207	(493,540)	878,355
Tax Charge	-	-	-	(218,421)
Net Profit/Loss	-	-	-	659,934
Other Segment Accounts	-	-	-	296,855
Capital Expenditures	-	-	-	187,386
Depreciation and Amortization	-	-	-	109,468
Value Decrease/Increase	-	-	-	1

Prior Period (December 31, 2012)	Retail Banking	Corporate and Commercial Banking	Treasury and Head Office	Total Operations of the Bank
Total Assets	29,154,171	6,531,574	14,653,095	54,401,608
Segment Assets	29,154,171	6,531,574	14,653,095	50,338,840
Associates, Subsidiaries and Entities Under Common Control	-	-	-	697,296
Undistributed Assets	-	-	-	3,365,472
Total Liabilities	19,964,569	11,682,875	12,007,423	54,401,608
Segment Liabilities	19,964,569	11,682,875	12,007,423	43,654,868
Undistributed Liabilities	-	-	-	3,456,640
Equity	-	-	-	7,290,100

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XXIII. Profit reserves and profit distribution

At the General Assembly dated March 29, 2013 it was decided to distribute the 2012 profit as follows:

2012 profit distribution table:

Current year profit	902,346
A – I. Legal Reserve (Turkish Commercial Code 519/1) at 5%	(45,117)
B – The First Dividend for Shareholders (*)	(128,250)
C – Gains on Real estate Sales Fund	(130,187)
D – Extraordinary Reserves	(598,792)

^(*)It was decided to distribute the shares issued by adding first dividend to shareholders amounting to TL 128,250 to the capital.

XXIV. Explanations on other matters

Changes in the financial statements of the prior period:

Within the scope of the revisions in TAS 19 ‘Employee Benefits’ which would be applied retrospectively; the Bank restated its prior period financial statements while preparing its current period financial statements. Accordingly, the effect of the restatement for the year 2012 is as follows:

	Previously Reported		Restated
	December 31, 2012	Effect of Adjustment	December 31, 2012
Reserve for employee termination benefits	148,460	44,174	192,814
Deferred tax liabilities	37,204	(8,835)	28,369
Other capital reserves	-	(36,915)	(36,915)
Period net income	902,346	1,576	903,922

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SECTION FOUR

INFORMATION ON FINANCIAL STRUCTURE

I. Explanations related to capital adequacy ratio

As of September 30, 2013, the Bank's unconsolidated capital adequacy ratio is 17.65%. (December 31 2012 - 18.85%).

Capital adequacy ratio is calculated within the scope of the "Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks (the "Regulation")", "Communiqué on Credit Risk Mitigation Techniques" and "Communiqué on Calculation of Risk Weighted Amounts for Securitizations" published in the Official Gazette No: 28337 dated June 28, 2012 and the "Communiqué on Equities of Banks" published in the Official Gazette No: 26333 dated November 1, 2006.

The Bank designates balance sheet items and non-balance sheet items as "trading book" and "banking book" according to capital adequacy account.

Calculation of the risk weighted assets is made on related assets by net basis after items deducted from capital base and depreciation and provisions are reduced.

The items classified as trading book are not included in the calculation of the credit risk. However, counterparty credit risk for all transactions stated in the Article 21 of the Regulation, are made as per the rates stated in the Appendix-2 of the Regulation.

Balance sheet items and the rates stated in the Article 5 of the Regulation, and non-balance sheet items whose credit equivalent risk amount are calculated, are included in the relevant exposure category defined in the Article 6 of the Regulation and weighted as per Appendix-1 of the Regulation.

The disclosures of credit risk mitigation techniques used under "Regulation on Credit Risk Mitigation Techniques" are presented in Section 4, Part VIII. under "Explanations related to Credit Risk Mitigation Techniques".

Capital requirement for the market risk is calculated by using the standard method. Market risk for the options is calculated within the scope of the regulation "Capital Requirement for Market Risk of Options - Standard Method" published in the Official Gazette No: 28337 dated June 28, 2012 by using Delta Factor Weighted Method.

Capital requirement for the operational risk is calculated within the scope of the "Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks (the Regulation)" published in the Official Gazette No: 28337 dated June 28, 2012 by using Basic Indicator Approach.

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Unconsolidated capital adequacy ratio

Current Period	Risk Weightings									
	0%	10%	20%	50%	75%	100%	150%	200%	1250%	
Value at Credit Risk	14,369,928	-	1,171,098	14,078,143	18,635,948	14,657,616	2,600,620	3,630,437	-	-
Exposure Categories:										
Conditional and unconditional receivables from central governments or central banks	13,521,131	-	-	1,292,505	-	-	-	-	-	-
Conditional and unconditional receivables from regional or local governments	-	-	2,915	-	-	-	-	-	-	-
Conditional and unconditional receivables from administrative units and non-commercial enterprises	-	-	-	-	-	972	-	-	-	-
Conditional and unconditional receivables from multilateral development banks	-	-	-	-	-	-	-	-	-	-
Conditional and unconditional receivables from international organizations	-	-	-	-	-	-	-	-	-	-
Conditional and unconditional receivables from banks and brokerage houses	-	-	1,168,087	926,088	-	7,243	-	-	-	-
Conditional and unconditional receivables from corporates	-	-	-	15,086	-	11,920,805	-	-	-	-
Conditional and unconditional retail receivables	-	-	-	-	18,635,948	-	-	-	-	-
Conditional and unconditional receivables secured by mortgages	-	-	-	11,814,106	-	-	-	-	-	-
Past due receivables	-	-	-	30,358	-	475,037	-	-	-	-
Receivables defined in high risk category by BRSA	-	-	-	-	-	-	2,600,620	3,630,437	-	-
Securities collateralized by mortgages	-	-	-	-	-	-	-	-	-	-
Securitization positions	-	-	-	-	-	-	-	-	-	-
Short-term receivables from banks, brokerage houses and corporates	-	-	-	-	-	-	-	-	-	-
Investments similar to collective investment funds	-	-	-	-	-	29,831	-	-	-	-
Other receivables	848,797	-	96	-	-	2,223,728	-	-	-	-

Summary information related to unconsolidated capital adequacy ratio

	Current Period	Prior Period
Capital Requirement for Credit Risk (Value at Credit Risk * 0.08) (CRCR)	3,765,574	3,319,893
Capital Requirement for Market Risk (MRCR)	90,726	64,494
Capital Requirement for Operational Risk (ORCR)	425,090	359,393
Shareholders' Equity ^(*)	9,446,280	8,820,860
Shareholders' Equity/(CRCR+MRCR+ORCR) * 12.5 * 100	17.65%	18.85%

^(*)In the prior period, the adjustments in Section 3, Part XXIV are applied.

CRCR : Capital Requirement for Credit Risk
MRCR : Capital Requirement for Market Risk
ORCR : Capital Requirement for Operational Risk

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Components of shareholders' equity items

	Current Period	Prior Period ^(*)
CORE CAPITAL		
Paid-in Capital	2,700,000	2,565,000
Nominal Capital	2,700,000	2,565,000
Capital Commitments (-)	-	-
Inflation Adjustments to Paid-in Capital	-	-
Share Premium	714	714
Share Cancellation Profits	-	-
Reserves	3,323,162	2,677,677
Inflation Adjustments to Reserves	-	-
Profit	627,030	903,922
Current Period's Profit	627,030	903,922
Prior Periods' Profit	-	-
Provision for Possible Losses (up to 25% of Core Capital)	106,753	99,747
Income on Sale of Equity Shares and Real Estates	642,551	519,114
Primary Subordinated Debts	-	-
Loss (in excess of Reserves) (-)	-	-
Current Period's Losses	-	-
Prior Periods' Losses	-	-
Leasehold Improvements on Operational Leases (-)	130,207	115,296
Intangible Assets (-)	193,027	169,320
Deferred Tax Asset in Excess of 10% of Core Capital (-)	-	-
Limit excesses as per the 3rd Paragraph of the Article 56 of the Banking Law (-)	-	-
Total Core Capital	7,076,976	6,481,558
SUPPLEMENTARY CAPITAL		
General Provisions	668,967	584,966
45% of Revaluation Surplus on Movables	-	-
45% of Revaluation Surplus on Immovables	-	-
Bonus Shares from Associates, Subsidiaries and Joint-Ventures not Accounted in Current Period's Profit	2,689	2,689
Primary Subordinated Debts excluding the Portion included in Core Capital	-	-
Secondary Subordinated Debts	1,746,880	1,479,952
45% of Securities Value Increase Fund	(34,526)	283,954
Inflation Adjustments to Other Capital and Profit Reserves and Prior Periods' Profit/Loss	-	-
Total Supplementary Capital	2,384,010	2,351,561
CAPITAL	9,460,986	8,833,119
DEDUCTIONS FROM CAPITAL	14,706	12,259
Unconsolidated Investments in Entities (Domestic/Foreign) Operating in Banking and Financial Sectors at 10% or more	-	-
Investments in Entities (Domestic/Foreign) Operating in Banking and Financial Sectors at Less than 10% Exceeding 10% or more of the Total Core and Supplementary Capitals	-	-
Loans to Banks, Financial Institutions (domestic/foreign) or Qualified Shareholders in the form of Secondary Subordinated Debts and Debt Instruments Purchased from Such Parties Qualified as Primary or Secondary Subordinated Debts	-	-
Loan Granted to Customer against the Articles 50 and 51 of the Banking Law	2,116	-
Net Book Values of Properties exceeding 50% of the Capital and of Assets Acquired against Overdue Receivables and Held for Sale as per the Article 57 of the Banking Law but Retained more than Five Years	12,587	12,216
Securitization Positions to be Deducted from Equity	-	-
Other	3	43
TOTAL SHAREHOLDERS' EQUITY	9,446,280	8,820,860

^(*)In the prior period, the adjustments in Section 3, Part XXIV are applied.

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II. Information on Market Risk

The Bank has established market risk operations and has taken the necessary measures in order to hedge market risk within its financial risk management purposes, in accordance with the regulation on “Banks’ Internal Control and Risk Management Systems” and the “Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks”.

Based on the proposal of High Level Risk Committee, the Board of Directors of the Bank determines risk management strategies and policies for managing market risk and ensures periodic monitoring of the application of strategies. The Board of Directors of the Bank determines the risk limits by considering the primary risk factors and those limits are revised as seen necessary. Additionally, the Board of Directors of the Bank requires risk management group and the top management of the Bank to take necessary actions in order to identify, measure, control and manage the risks that the Bank is exposed to.

The market risk is measured by using an internal model developed with Value-at-Risk (VaR) methodology. VaR is calculated daily with historical simulation and parametric methods, whereas historical simulation is used for internal risk tracking and limit identification. Parametric VaR calculations are performed for comparison and tracking. ‘Bank Risk Tolerance’ is determined in order to manage the market risk efficiently and keep the market risk within the desirable limits. Risk Management Group monitors the VaR balances daily for compliance with the Bank Risk Tolerance.

Periodic stress tests and scenario analysis are used to support results of VAR. Furthermore, conventional risk measurement methods such as cash flow projection, duration and variation analysis are also used.

The capital required for General Market Risk and Specific Risk is calculated and reported monthly in accordance with the Standard Method defined in the “Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks”.

1. Information on market risk

	Amount
(I) Capital Requirement against General Market Risk - Standard Method	22,264
(II) Capital Requirement against Specific Risks – Standard Method	26,309
Capital Requirement against Specific Risks of Securitization Positions– Standard Method	
(III) Capital Requirement against Currency Risk – Standard Method	17,851
(IV) Capital Requirement against Commodity Risks - Standard Method	905
(V) Capital Requirement against Settlement Risks - Standard Method	-
(VI) Capital Requirement against Market Risks of Options - Standard Method	862
(VII) Capital Requirement against Counterparty Credit Risk - Standard Method	22,535
(VIII) Capital Requirement against Market Risks of Banks applying Risk Measurement Models	
(IX) Total Capital Obligations against Market Risk (I+II+III+IV+V+VI+VII)	90,726
(X)Value-At-Market Risk (12,5 x VIII) or (12,5 x IX)	1,134,075

III. Explanations Related to the Operational Risk

Value at operational risk is calculated with basic indicator method by using the gross profits for the last three years’ (2012, 2011 and 2010) as per the “Calculation of Value at Operational Risk” of the article (3) of “Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks” which was published in the Official Gazette No: 28337 dated June 28, 2012. As of September 30, 2013, the value at operational risk is amounting to TL 5,313,630 (December 31, 2012 - TL 4,492,416).

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Basic Indicator Method	2 PP Amount	1 PP Amount	CP Amount	Total / No. of Years of Positive Gross	Rate (%)	Total
Gross Income	2,249,651	2,764,673	3,487,483	2,833,936	15	425,090
Value at operational risk (Total*12,5)						5,313,630

The annual gross income is composed of net interest income and net non-interest income after deducting realized gains/losses from the disposal of securities available-for-sale and held-to-maturity, extraordinary income and income derived from insurance claims at year-end.

IV. Explanations Related to Foreign Currency Exchange Rate Risk

1. Whether the Bank is exposed to foreign exchange risk, whether the effects of this situation are estimated, and whether the Board of Directors of the Bank sets limits for positions that are monitored daily

As of September 30, 2013, the net foreign currency exposure of the Bank is TL 222,277 short position (December 31, 2012–TL 437,231 short) resulting from on balance sheet short position amounting to TL 6,027,431 (December 31, 2012–TL 5,920,432 short) and off balance sheet long position amounting to TL 5,805,154 (December 31, 2012–TL 5,483,201 long). The long off balance sheet position amounting to TL 5,642,713 (December 31, 2012– TL 5,852,561) is related with the FC/TL swap transactions entered into with banks and customers. The Bank used these transactions to manage foreign currency liquidity risk and to hedge itself from interest rate risk.

The Bank enters into foreign currency forward transactions to decrease foreign currency position risk. The Bank also engages in foreign currency and Eurobond buy-sell option transactions.

Position limit related with currency risk is determined according to Foreign Currency Net Position Standard Ratio. Measurable and manageable risks are taken within legal limits.

Foreign Currency Exchange Rate Risk is monitored along with potential evaluation differences in foreign currency translations in accordance with “Regulations on Bank’s Internal Control and Risk Management Systems”. Standard method is used in measuring foreign currency exchange rate risk on a weekly basis.

2. The magnitude of hedging foreign currency debt instruments and net foreign currency investments by using derivatives

The Bank does not hedge foreign currency borrowings and net foreign currency investments by derivative instruments.

3. Bank’s spot foreign exchange bid rates of the Bank as of the balance sheet date and for each of the five days prior to that date

US Dollar purchase rate at the date of the balance sheet TL 2.0342
Euro purchase rate at the date of the balance sheet TL 2.7484

Date	US Dollar	Euro
September 30, 2013	TL 2.0342	TL 2.7484
September 27, 2013	TL 2.0123	TL 2.7171
September 26, 2013	TL 2.0034	TL 2.7049
September 25, 2013	TL 1.9946	TL 2.6910
September 24, 2013	TL 1.9856	TL 2.6835

4. The basic arithmetical average of the Bank’s foreign exchange bid rate for the last thirty days

The arithmetical average of the Bank’s US Dollar and Euro purchase rates for September 2013 are TL 2.0171 and TL 2.6902; respectively.

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5. Information on the foreign currency exchange rate risk of the bank

Current Period	EUR	USD	Other FC	Total
Assets				
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metal) and Balances with the T.R. Central Bank	2,346,091	2,889,705	1,589,903	6,825,699
Due From Banks	61,038	154,450	13,875	229,363
Financial Assets at Fair Value through Profit/Loss ⁽⁴⁾	73,681	162,666	8,469	244,816
Money Market Placements	-	-	-	-
Investment Securities Available-for-Sale	112,107	967,101	-	1,079,208
Loans and Receivables ⁽²⁾	2,637,817	3,558,997	91,286	6,288,100
Investments in Assoc., Subsidiaries and Entities under Common Control (Joint Vent.)	-	-	-	-
Investment Securities Held-to-Maturity	-	224,815	-	224,815
Derivative Financial Assets Hedging Purposes	-	69,773	-	69,773
Tangible Assets	-	-	78	78
Intangible Assets	-	-	-	-
Other Assets ⁽³⁾	305,805	72,130	50	377,985
Total Assets	5,536,539	8,099,637	1,703,661	15,339,837
Liabilities				
Bank Deposits	216,912	611,896	28,474	857,282
Foreign Currency Deposits	3,498,007	6,840,246	798,528	11,136,781
Money Market Borrowings	84,964	872,961	-	957,925
Funds Provided from Other Financial Institutions	1,156,113	3,764,128	5,469	4,925,710
Securities Issued	-	1,750,064	-	1,750,064
Sundry Creditors	896,170	475,968	1,355	1,373,493
Derivative Fin. Liabilities for Hedging Purposes	29,334	53,811	-	83,145
Other Liabilities ⁽⁵⁾	70,165	202,216	10,487	282,868
Total Liabilities	5,951,665	14,571,290	844,313	21,367,268
Net Balance Sheet Position	(415,126)	(6,471,653)	859,348	(6,027,431)
Net Off-Balance Sheet Position	561,740	6,112,078	(868,664)	5,805,154
Financial Derivative Assets	3,710,483	24,697,026	326,512	28,734,021
Financial Derivative Liabilities	3,148,743	18,584,948	1,195,176	22,928,867
Non-Cash Loans ⁽¹⁾	832,814	1,972,174	157,011	2,961,999
Prior Period				
Total Assets	3,761,268	5,850,125	1,324,349	10,935,742
Total Liabilities	4,132,944	12,132,288	590,942	16,856,174
Net Balance Sheet Position	(371,676)	(6,282,163)	733,407	(5,920,432)
Net Off-Balance Sheet Position	208,991	6,006,712	(732,502)	5,483,201
Financial Derivative Assets	1,962,825	19,706,843	166,420	21,836,088
Financial Derivative Liabilities	1,753,834	13,700,131	898,922	16,352,887
Non-Cash Loans ⁽¹⁾	752,944	1,769,661	157,041	2,679,646

¹⁾ Does not affect net off balance sheet position.

²⁾ Includes foreign currency-indexed loans amounting to TL 2,017,140 (December 31, 2012 – TL 1,345,845) that are classified as TL on the balance sheet.

³⁾ Does not include the prepaid expenses amounting to TL 2,287 (December 31, 2012 – TL 1,936) that are classified as FC on the balance sheet in accordance with the communiqué issued by BRSA and published in the Official Gazette No: 26085 dated February 19, 2006.

⁴⁾ Does not include foreign exchange income accruals amounting to TL 14,010 (December 31, 2012 – TL 9,732).

⁵⁾ Foreign exchange expense accruals amounting to TL 922 (December 31, 2012 – TL 919) on derivative transactions and the general loan loss provisions amounting to TL 93,055 (December 31, 2012 – TL 51,993) computed for foreign currency loans and accounted as foreign currency amount in order to be in compliance with the Uniform Chart of Accounts are excluded.

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V. Explanations Related to Interest Rate Risk

Interest rate risk that would arise from the changes in interest rates depending on the Bank's position is managed by the Asset/Liability Committee of the Bank.

Interest rate sensitivity of assets, liabilities and off balance sheet items is analyzed by top management in the Asset/Liability Committee meetings held every month by taking the market developments into consideration.

The management of the Bank follows the interest rates in the market on a daily basis and revises interest rates of the Bank when necessary.

Besides customer deposits, the Bank funds its long term fixed interest rate TL loan portfolio with long term (up to 10 years) floating interest rate foreign currency funds obtained from international markets. The Bank changes the foreign currency liquidity obtained from the international markets to TL liquidity with long term swap transactions (fixed TL interest rate and floating FC interest rate). Therefore, the Bank not only funds its long term fixed interest rate loans with TL but also hedges itself from interest rate and maturity risk.

Information related to the interest rate sensitivity of assets, liabilities and off-balance sheet items

(Based on reprising dates)

Current Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Non-Interest Bearing^(*)	Total
Assets							
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metal) and Balances with the T.R. Central Bank	-	-	-	-	-	7,793,663	7,793,663
Due from Banks	-	2,026	4,063	-	-	229,963	236,052
Financial Assets at Fair Value Through Profit/Loss ^(**)	106,990	124,360	592,320	1,251,079	303,222	306,248	2,684,219
Money Market Placements	-	-	-	-	-	-	-
Inv. Securities Available for Sale	1,429,399	766,236	1,808,945	440,099	1,148,546	39,379	5,632,604
Loans and Receivables	10,067,931	4,523,593	11,905,884	11,714,546	3,100,640	504,697	41,817,291
Inv. Securities Held to Maturity	485,391	832,961	526,209	295,893	124,434	-	2,264,888
Other Assets	84,215	-	-	-	-	2,505,310	2,589,525
Total Assets	12,173,926	6,249,176	14,837,421	13,701,617	4,676,842	11,379,260	63,018,242
Liabilities							
Bank Deposits	869,958	334,640	9,817	-	-	34,309	1,248,724
Other Deposits	18,993,521	10,757,895	2,006,327	7,146	444	4,905,716	36,671,049
Money Market Borrowings	781,385	2,972,137	1,221,798	64,605	-	-	5,039,925
Sundry Creditors	3,015,855	251	-	-	-	-	3,016,106
Securities Issued	104,424	1,250,424	1,874,555	-	-	-	3,229,403
Funds Borrowed	1,373,493	-	-	-	-	1,377,725	2,751,218
Other Liabilities ^(*)	119,673	391,570	161,757	5,712	-	10,383,105	11,061,817
Total Liabilities	25,258,309	15,706,917	5,274,254	77,463	444	16,700,855	63,018,242
On Balance Sheet Long Position	-	-	9,563,167	13,624,154	4,676,398	-	27,863,719
On Balance Sheet Short Position	(13,084,383)	(9,457,741)	-	-	-	(5,321,595)	(27,863,719)
Off-Balance Sheet Long Position	-	-	363,163	1,222,774	127,312	-	1,713,249
Off-Balance Sheet Short Position	(67,372)	(279,755)	-	-	-	-	(347,127)
Total Position	(13,151,755)	(9,737,496)	9,926,330	14,846,928	4,803,710	(5,321,595)	1,366,122

^(*) "Other Assets" in "Non-Interest Bearing" column include other assets amounting to TL 1,224,784, tangible assets amounting to TL 499,325, intangible assets amounting to TL 193,027, associates, subsidiaries and entities under common control amounting to TL 588,174 and "Other Liabilities" in the "Non-Interest Bearing" column include shareholders' equity amounting to TL 7,497,154, other liabilities amounting to TL 1,312,294, provisions amounting to TL 1,209,351, tax liabilities amounting to TL 49,551, derivative financial liabilities held for trading amounting to TL 341,755.

^(**) This line also includes derivative financial assets hedging purposes amounting to TL 1,413,694.

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Average interest rates applied to monetary financial instruments

Current Period	EUR	USD	JPY	TL
	%	%	%	%
Assets				
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased) and Balances with the T.R. Central Bank	-	-	-	-
Due from Banks	-	-	-	8.04
Financial Assets at Fair Value Through Profit/Loss	3.33	4.15	-	8.43
Money Market Placements	-	-	-	-
Investment Securities Available for Sale	4.81	5.19	-	7.02
Loans and Receivables	5.54	4.58	5.26	14.90 ^(*)
Investment Securities Held to Maturity	-	5.79	-	7.24
Liabilities				
Bank Deposits	3.05	2.83	-	8.83
Other Deposits	3.10	3.37	0.41	8.88
Money Market Borrowings	0.85	0.73	-	6.64
Sundry Creditors	0.12	0.08	-	-
Securities Issued	-	5.36	-	8.24
Funds Borrowed	1.72	3.12	-	8.40

^(*) The yield of loans and receivables is 12.63% excluding credit cards.

Information related to the interest rate sensitivity of assets, liabilities and off-balance sheet items

(Based on repricing dates)

Prior Period	Up to 1	1-3	3-12	1-5	5 Years	Non-Interest	Total
	Month	Months	Months	Years	and Over	Bearing ^(*)	
Assets							
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metal) and Balances with the T.R. Central Bank	-	-	-	-	-	5,327,881	5,327,881
Due from Banks	-	2,027	-	-	-	108,789	110,816
Financial Assets at Fair Value Through Profit/Loss ^(**)	118,010	314,428	216,383	146,925	283,119	78,539	1,157,404
Money Market Placements	1,785,748	-	-	-	-	-	1,785,748
Inv. Securities Available for Sale	1,183,866	2,533,350	1,642,514	436,654	1,250,593	190,245	7,237,222
Loans and Receivables	9,832,536	4,358,662	10,588,758	9,247,299	2,035,467	377,522	36,440,244
Inv. Securities Held to Maturity	-	-	-	-	-	-	-
Other Assets	234,043	-	-	-	-	2,108,250	2,342,293
Total Assets	13,154,203	7,208,467	12,447,655	9,830,878	3,569,179	8,191,226	54,401,608
Liabilities							
Bank Deposits	841,828	126,173	58,044	-	-	21,529	1,047,574
Other Deposits	21,554,601	6,290,529	615,290	20,598	-	3,392,914	31,873,932
Money Market Borrowings	175,557	914,253	3,031,277	38,021	9,249	-	4,168,357
Sundry Creditors	1,727,134	73	-	-	-	-	1,727,207
Securities Issued	-	865,427	3,212,886	-	-	-	4,078,313
Funds Borrowed	-	-	-	-	-	1,253,975	1,253,975
Other Liabilities ^(*)	150,709	93,607	239,667	320,247	46,993	9,401,027	10,252,250
Total Liabilities	24,449,829	8,290,062	7,157,164	378,866	56,242	14,069,445	54,401,608
On Balance Sheet Long Position	-	-	5,290,491	9,452,012	3,512,937	-	18,255,440
On Balance Sheet Short Position	(11,295,626)	(1,081,595)	-	-	-	(5,878,219)	(18,255,440)
Off-Balance Sheet Long Position	-	205,958	-	-	-	-	205,958
Off-Balance Sheet Short Position	(50,217)	-	(97,551)	(213,374)	(40,032)	-	(401,174)
Total Position	(11,345,843)	(875,637)	5,192,940	9,238,638	3,472,905	(5,878,219)	(195,216)

^(*) "Other Assets" in "Non-Interest Bearing" column include other assets amounting to TL 819,822, tangible assets amounting to TL 421,812, intangible assets amounting to TL 169,320, associates and subsidiaries amounting to TL 697,296 and "Other Liabilities" in the "Non-Interest Bearing" column include shareholders' equity amounting to TL 7,290,100, other liabilities amounting to TL 949,824, provisions amounting to TL 1,009,428, tax liability amounting to TL 114,187 and the fair value of the trading derivative financial liabilities amounting to TL 37,488.

^(**) This line also includes derivative financial assets hedging purposes amounting to TL 240,486.

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Average interest rates applied to monetary financial instruments

Prior Period	EUR	USD	JPY	TL
	%	%	%	%
Assets				
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased) and Balances with the T.R. Central Bank	-	-	-	-
Due from Banks	-	-	-	5.77
Financial Assets at Fair Value Through Profit/Loss	3.89	3.06	-	5.97
Money Market Placements	-	-	-	6.45
Investment Securities Available for Sale	4.81	5.37	-	8.24
Loans and Receivables	6.12	5.22	5.31	17.33 ^(*)
Investment Securities Held to Maturity	-	-	-	-
Liabilities				
Bank Deposits	2.44	2.28	-	7.67
Other Deposits	3.10	3.30	0.38	8.30
Money Market Borrowings	-	0.97	-	5.49
Sundry Creditors	-	-	-	-
Securities Issued	-	5.36	-	8.61
Funds Borrowed	1.65	3.65	-	8.40

^(*) The yield of loans and receivables is 14.89% excluding credit cards.

Interest rate risk on banking book

The interest rate risk resulting from banking book comprises of maturity mismatch risk, yield-curve risk, base risk and option risk. Within the scope of the interest rate risk, the Bank analyzes all these risks periodically, and considering market conditions, manages all aspects of interest rate risk on banking book effectively in accordance with the bank strategy. In order to this, within the scope of "Asset Liability Management Policy" risks are measured, monitored and limited on a regular basis.

In the calculation of the interest rate risk on banking book, income approach and the economic value approach are applied. The analysis of economic value, duration and gap analysis are calculated on a weekly basis, analysis of the standard economic value approach is supported by different scenarios. In addition, the sensitivity of the net interest income is monitored, the rates of early repayment of loans in the direction of the interest rate risk are considered.

In customer deposits, core deposits analyses are performed regularly on profit center base and the rate of core deposits in demand deposits are considered in economic value, gap and duration analyses. The interest rate risk of uncertain due credits is determined considering the nature of the credit and added to calculations.

All these analyses are reported to Asset and Liability Committee and Risk Committee and by considering market conditions and the bank strategy, the interest rate risk on banking book is managed within specified limits parallel to the Bank's appetite of risk.

Available for sale securities included in banking book are daily monitored by being added to the scope of market risk. In this context, the risk level of this portfolio is managed considering the sensitivity of nominal, interest rate and VAR limits.

The interest rate risk on banking book is measured legally as per the "Regulation on Measurement and Evaluation of Interest Rate Risk Resulted from Banking Book as per Standard Shock Method" published in the Official Gazette No: 28034 dated August 23, 2011, and the legal limit as per this measurement is monitored and reported monthly to the Assets and Liability Committee, the Risk Committee and the Board of Directors.

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Type of Currency	Shocks Applied (+/- x basis points)	Gains/Losses	Gains/Equity- Losses/Equity
1. TL	(+) 500	(852,255)	(9.02)%
	(-) 400	839,044	8.88%
2. EUR	(+) 200	(45,878)	(0.49)%
	(-) 200	53,642	0.57%
3. USD	(+) 200	(36,398)	(0.39)%
	(-) 200	43,723	0.46%
Total (of negative shocks)		936,409	9.91%
Total (of positive shocks)		(934,531)	(9.89)%

Position risk of equity securities in banking book

Equity Securities (shares)	Carrying Value	Comparison	
		Fair Value	Market Value
1. Investment in Shares- grade A	14,020	-	14,020
Quoted Securities	14,020	-	14,020
2. Investment in Shares- grade B	251,907	-	251,907
Quoted Securities	251,907	-	251,907
3. Investment in Shares- grade C	-	-	-
Quoted Securities	-	-	-
4. Investment in Shares- grade Other ^(*)	322,250	194,916 ^(**)	-

(*) Associates and subsidiaries not quoted to ISE and not classified as investment in shares by CMB.

(**) After the disposal of 51% of Finans Emeklilik ve Hayat A.Ş., the remaining 49% of the shares are accounted for at fair value, as explained in detail in Part 5, Footnote II-15.

Portfolio	Gains/Losses in Current Period	Revaluation Surpluses		Unrealized Gains and Losses		
		Total	Amount under Supplementary Capital	Total	Amount under Core Capital	Amount under Supplementary Capital
1. Private Equity Investments	-	-	-	-	-	-
2. Quoted Shares	575	-	-	(838)	-	(377)
3. Other Shares	-	-	-	-	-	-
4. Total	575	-	-	(838)	-	(377)

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VI. Explanations Related to Liquidity Risk

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

Liquidity risk represents risk insufficient cash or cash inflows to meet the cash outflows completely and on time, as a result of instable cash flows. Liquidity risk may also result from inability to penetrate to market and to close open positions quickly at suitable prices and with sufficient amounts due to market disruptions or barriers. To mitigate liquidity risk, the Bank diversifies funding sources as customer deposits and funds borrowed from abroad and keep certain level of assets as cash and cash equivalents.

In order to overcome the liquidity risk, the Bank diversifies its funding sources. Besides, in order to secure short term liquidity requirements, Bank heads for bond issuances and long term foreign borrowings.

The Bank evaluates its liquidity position on a daily basis. Liquidity reports, cash flow projections and scenarios are analyzed by the top management at Asset/Liability Committee meetings which are held monthly. Besides legal reports of liquidity adequacy, short-term liquidity position is monitored using the liquidity ratio, calculated daily by the Market Risk Committee. Liquidity reports in the context of Basel III are monitored monthly. Simulations for probable scenarios during crises are performed by calculating the liquidity life span according to various scenarios.

List of available limits, instruments and securities which can be used as collateral to create liquidity in the event of a possible liquidity crisis is updated weekly. Alternative funding strategies to be followed in case of a liquidity problem are evaluated within the current limits and positions to be taken are determined. Moreover, in terms of "Liquidity Emergency Action Plan" early warning signals, stress levels correlated with the level of liquidity risk and actions to be taken at each stress level are defined.

2. Whether the payments, assets and liabilities match with the interest rates, and whether the effect of mismatch on profitability is measured, if any

Bank's payments, assets and liabilities match with the interest rates.

3. Internal and external sources to meet the short and long-term liquidity needs, significant sources of liquidity that are not utilized

In order to meet urgent liquidity needs 12% (December 31, 2012 – 10%) of the balance sheet is allocated as cash and cash equivalents.

4. Evaluation of the Bank's cash flows and their resources

Cash flows of the Bank are mainly denominated in Turkish Lira, US Dollar and Euro.

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5. Presentation of assets and liabilities according to their remaining maturities

Current Period	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Unallocated (*)	Total
Assets								
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metal) and Balances with the T.R Central Bank	1,763,653	6,030,010	-	-	-	-	-	7,793,663
Due from Banks	229,963	-	2,026	4,063	-	-	-	236,052
Financial Assets at Fair Value Through Profit/Loss (**)	-	103,454	141,307	687,450	1,448,501	303,507	-	2,684,219
Money Markets Placements	-	-	-	-	-	-	-	-
Investment Securities Available for Sale	39,379	322,343	441,420	805,733	1,934,300	2,089,429	-	5,632,604
Loans and Receivables	-	10,073,501	4,523,755	11,904,947	11,710,337	3,100,054	504,697	41,817,291
Investment Securities Held to Maturity	-	-	-	-	762,216	1,502,672	-	2,264,888
Other Assets	-	1,138,550	-	-	170,449	-	1,280,526	2,589,525
Total Assets	2,032,995	17,667,858	5,108,508	13,402,193	16,025,803	6,995,662	1,785,223	63,018,242
Liabilities								
Bank Deposits	34,309	869,958	334,640	9,817	-	-	-	1,248,724
Other Deposits	4,905,716	18,993,521	10,757,895	2,006,327	7,146	444	-	36,671,049
Funds Borrowed	-	310,120	1,292,133	1,015,500	420,728	2,001,444	-	5,039,925
Money Market Borrowings	-	3,015,855	251	-	-	-	-	3,016,106
Securities Issued	-	104,424	1,250,424	-	1,874,555	-	-	3,229,403
Sundry Creditors	-	2,751,218	-	-	-	-	-	2,751,218
Other Liabilities (*)	-	1,427,735	133,359	339,007	468,821	37,849	8,655,046	11,061,817
Total Liabilities	4,940,025	27,472,831	13,768,702	3,370,651	2,771,250	2,039,737	8,655,046	63,018,242
Liquidity Gap	(2,907,030)	(9,804,973)	(8,660,194)	10,031,542	13,254,553	4,955,925	(6,869,823)	-
Prior Period								
Total Assets	1,917,155	16,004,767	4,395,309	11,597,735	13,012,011	5,808,681	1,665,950	54,401,608
Total Liabilities	3,414,443	26,550,816	7,854,399	4,217,854	2,312,547	1,810,124	8,241,425	54,401,608
Net Liquidity Gap	(1,497,288)	(10,546,049)	(3,459,090)	7,379,881	10,699,464	3,998,557	(6,575,475)	-

(*) The assets which are necessary to provide banking services and could not be liquidated in the short-term, such as fixed assets, investments in subsidiaries and associates, common shares unquoted on stock exchange, office stationery, and prepaid expenses are classified under this column.

Unallocated other liabilities include shareholders' equity amounting to TL 7,497,154 , unallocated provisions amounting to TL 1,138,226 and deferred taxes amounting to TL 19,666.

(**) This line also includes derivative financial assets hedging purposes amounting to TL 1,413,694 .

VII. Explanations Related to Securitization Positions

As of September 30, 2013, the Bank has no securitization positions.

VIII. Explanations Related to Credit Risk Mitigation Techniques

The Bank applies Comprehensive Financial Collateral Method with Standard Volatility Adjustment Approach in compliance with the Article 34 and 37 of the "Regulation on Credit Risk Mitigation Techniques". In this method, the volatility adjustments regarding the exposures and collaterals are made as per the standard deduction ratio that attached to the Regulation.

For mitigating the credit risk, cash and cash equivalents and high-credit-quality debt instruments are used.

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Exposure Categories (**)	Amount(*)	Financial Collaterals	Other/Physical Collaterals	Guaranties and Credit Derivatives
Conditional and unconditional receivables from central governments or central banks	14,813,636	-	-	-
Conditional and unconditional receivables from regional or local governments	2,915	-	-	-
Conditional and unconditional receivables from administrative units and non-commercial enterprises	1,405	-	-	-
Conditional and unconditional receivables from multilateral development banks	-	-	-	-
Conditional and unconditional receivables from international organizations	-	-	-	-
Conditional and unconditional receivables from banks and brokerage houses	3,240,985	960,903	-	-
Conditional and unconditional receivables from corporates	18,346,333	453,463	-	-
Conditional and unconditional retail receivables	34,170,891	233,468	-	-
Conditional and unconditional receivables secured by mortgages	12,196,286	-	-	-
Past due receivables	505,500	105	-	-
Receivables defined in high risk category by BRSA	6,282,860	51,803	-	-
Securities collateralized by mortgages	-	-	-	-
Securitization positions	-	-	-	-
Short-term receivables from banks, brokerage houses and corporates	-	-	-	-
Investments similar to collective investment funds	29,831	-	-	-
Other receivables	3,072,621	-	-	-
Total	92,663,263	1,699,742	-	-

(*) Includes total risk amounts before credit risk mitigation and liquidity conversions.

(**) The mortgages used for the determination of the risk categories as per the article 6 of the "Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks", are excluded.

IX Explanations Related to Risk management objectives and policies

The Bank's risk strategy is approved by the Board of Directors and implementation of this strategy is under the responsibility of the Bank's Risk Committee and senior management.

Besides the Bank's risk principles and targets, the aim of the risk strategy is to describe the Bank's current and targeted risk profile and appetite, risk management and organization and the Bank's general approach as defined by principal risk management capacities. The scope of the risk strategy includes the Bank and all of its subsidiaries in the financial sector.

The Risk Management's mission is to optimize the relationship between risk and returns, by taking into account the interests of customers and employees, creating value for shareholders in line with the Bank's business strategy, consistent with both the best practices and the Bank's risk strategy in accordance with legal obligations.

The general objectives of the Bank's Risk Management:

- In accordance with the Bank's risk management policies, in order to maximize the potential benefits and acquire the opportunities that creates value addition for shareholders, comprise the basic standards for bank-wide risk management,
- In order to maintain the stability of the yields against unpredictable losses, to support Bank's business strategy in the manner that control the risk by carrying out the business objectives,
- To improve the use and distribution of the capital and to increase the risk adjusted returns by adding risk to the measurement of the business performance,
- To support decision making process by providing the essential risk-related perspective,
- To comply with legal, qualitative and quantitative requirements and consistency with the best practices,
- Contribute to the continued position of ethics standards and strong corporate governance of the Bank, which is one of the leading and reputable financial institutions in Turkey,
- To promote risk awareness and risk management culture throughout the Bank.

X. Explanations related to transactions carried out on behalf of customers, items held in trust

None.

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SECTION FIVE

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS

I. EXPLANATIONS AND DISCLOSURES RELATED TO ASSETS

1.a) Cash and balances with the Central Bank of Turkey

	Current Period		Prior Period	
	TL	FC	TL	FC
Cash in TL/Foreign Currency	548,971	286,823	439,754	212,803
T.R. Central Bank	405,990	6,528,636	584,776	4,090,086
Other	13,003	10,240	460	2
Total	967,964	6,825,699	1,024,990	4,302,891

b) Balances with the Central Bank of Turkey

	Current Period		Prior Period	
	TL	FC	TL	FC
Unrestricted Demand Deposits	405,990	498,626	584,776	380,326
Restricted Time Deposits	-	6,030,010	-	3,709,760
Total	405,990	6,528,636	584,776	4,090,086

As of September 30, 2013, the compulsory rates for the reserve deposits at the Central Bank of Turkey for Turkish Lira are implemented within an interval from 5% to 11.5% depending on the maturity of deposits (December 31, 2012 – 5% to 11%) and the compulsory rates for the foreign currency liabilities are within an interval from 6% to 13% depending on the maturity of deposits (December 31, 2012 – 6% to 11.5%).

2. Further information on financial assets at fair value through profit/loss

a) Trading securities given as collateral or blocked

None (December 31, 2012 – None).

b) Trading securities subject to repurchase agreements

None (December 31, 2012 – None).

c) Assets on trading derivatives

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Transactions	93,425	-	20,007	-
Swap Transactions	585,556	75,210	338,376	96,083
Futures Transactions	-	1,154	-	6,109
Options	-	179,594	749	30,815
Other	-	-	-	-
Total	678,981	255,958	359,132	133,007

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3. a) Information on banks

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks				
Domestic	6,688	65	3,024	59
Foreign	1	229,298	-	107,733
Foreign Head Offices and Branches	-	-	-	-
Total	6,689	229,363	3,024	107,792

b) Information on foreign bank accounts

	Unrestricted Amount		Restricted Amount ^(**)	
	Current Period	Prior Period	Current Period	Prior Period
EU Countries	72,171	41,532	1,587	-
USA and Canada	152,732	60,881	1,435	778
OECD Countries ^(*)	1,103	2,864	-	-
Off-shore Banking Regions	-	-	-	-
Other	271	1,678	-	-
Total	226,277	106,955	3,022	778

^(*) Includes OECD countries other than the EU countries, USA and Canada.

^(**) Includes blocked placements at foreign banks amounting to TL 3,002 (December 31, 2012 - TL 778) for the syndication and securitization loans received.

4. Information on receivables from reverse repurchase agreements

	Current Period		Prior Period	
	TL	FC	TL	FC
Domestic Transactions	-	-	1,785,748	-
T.R. Central Bank	-	-	-	-
Banks	-	-	1,785,748	-
Intermediary Institutions	-	-	-	-
Other Financial Institutions and Organizations	-	-	-	-
Other Institutions and Organizations	-	-	-	-
Real Persons	-	-	-	-
Foreign Transactions	-	-	-	-
Central Banks	-	-	-	-
Banks	-	-	-	-
Intermediary Institutions	-	-	-	-
Other Financial Institutions and Organizations	-	-	-	-
Other Institutions and Organizations	-	-	-	-
Real Persons	-	-	-	-
Total	-	-	1,785,748	-

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5. Information on investment securities available for sale

a) Investment securities available-for-sale given as collateral or blocked

	Current Period		Prior Period	
	TL	FC	TL	FC
Share Certificates	-	-	-	-
Bond, Treasury Bill and Similar				
Marketable Securities	422,219	-	421,314	-
Other	-	-	-	-
Total	422,219	-	421,314	-

b) Investment securities available for sale subject to repurchase agreements

	Current Period		Prior Period	
	TL	FC	TL	FC
Government Bonds	1,222,702	973,563	859,279	1,125,471
Treasury Bills	-	-	-	-
Other Debt Securities	-	-	-	-
Bonds Issued or Guaranteed by Banks	-	-	-	-
Asset Backed Securities	-	-	-	-
Other	-	-	-	-
Total	1,222,702	973,563	859,279	1,125,471

c) Investment securities available for sale

	Current Period	Prior Period
Debt securities	5,772,530	7,050,106
Quoted on a stock exchange (*)	5,755,289	6,952,496
Unquoted on a stock exchange	17,241	97,610
Share certificates	35,582	190,353
Quoted on a stock exchange (**)	35,582	190,353
Unquoted on a stock exchange	-	-
Impairment provision(-)	(175,508)	(3,237)
Total	5,632,604	7,237,222

(*) The Eurobond Portfolio amounting to TL 858,052 (December 31, 2012 – TL 878,943) which is accounted for as investment securities available for sale was hedged under fair value hedge accounting starting from March and April 2009 and the government bonds portfolio amounting to TL 107,456 (December 31, 2012 – TL 198,512) which is accounted for as investment securities available for sale was hedged under fair value hedge accounting starting from August 2011. The mentioned financial assets are accounted for as Investment Securities Available for Sale in order to be in line with balance sheet presentation.

(**) Share certificates that are quoted on a stock exchange include “exchange traded mutual funds” amounting to TL 29,509 (December 31, 2012 – TL 181,995).

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6. Information related to loans

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

	Current Period		Prior Period	
	Cash	Non-Cash	Cash	Non-Cash
Direct Loans Granted to Shareholders	-	27,252	-	29,498
Corporate Shareholders	-	27,252	-	29,498
Individual Shareholders	-	-	-	-
Indirect Loans Granted to Shareholders	-	-	-	-
Loans Granted to Employees ^(*)	71,134	-	58,761	-
Total	71,134	27,252	58,761	29,498

^(*)Includes the advances given to the bank personnel.

b) Information on the first and second group loans and other receivables including rescheduled or restructured loans

Cash Loans ^(*)	Performing Loans and Other Receivables			Loans and Other Receivables Under Close Monitoring		
	Loans and Other Receivables	Loans and Receivables with Revised Contract Terms		Loans and Other Receivables	Loans and Receivables with Revised Contract Terms	
		Extension of Repayment Plan	Other		Extension of Repayment Plan	Other
Non-specialized Loans	37,860,220	1,080,358	-	1,974,232	615,222	-
Discount Notes	525,796	-	-	9,074	-	-
Export Loans	747,358	-	-	114,482	-	-
Import Loans	-	-	-	-	-	-
Loans Given to Financial Sector	514,946	-	-	-	-	-
Retail Loans	11,838,591	275,300	-	709,398	271,090	-
Credit Cards	10,118,342	446,495	-	374,105	174,732	-
Other	14,115,187	358,563	-	767,173	169,400	-
Specialized Loans	-	-	-	-	-	-
Other Receivables	-	-	-	-	-	-
Total	37,860,220	1,080,358	-	1,974,232	615,222	-

^(*) The loans amounting to TL 217,438 (December 31, 2012 – TL 352,296) are classified under “Loans at Fair Value Through Profit/Loss” in the financial statements.

No. of Extensions	Performing Loans and Other Receivables	Loans and Other Receivables under Follow-up
	1 or 2 times	1,079,320
3, 4 or 5 times	1,030	3,515
Over 5 times	8	5,350

Extension Periods	Performing Loans and Other Receivables	Loans and Other Receivables under Follow-up
	0 - 6 months	280,139
6 -12 months	81,296	48,827
1 - 2 years	292,857	157,582
2 - 5 years	262,941	282,740
5 years and over	163,125	61,166

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c) Loans according to their maturity structure

	Performing Loans and Other Receivables		Loans and Other Receivables Under Close Monitoring	
	Loans and Other Receivables	Loans and Receivables with Revised Contract Terms	Loans and Other Receivables	Loans and Receivables with Revised Contract Terms
Cash Loans (*)				
Short-term Loans	19,345,129	-	374,105	174,732
Non-specialized Loans	19,345,129	-	374,105	174,732
Specialized Loans	-	-	-	-
Other Receivables	-	-	-	-
Medium and Long-term Loans	18,515,091	1,080,358	1,600,127	440,490
Non-specialized Loans	18,515,091	1,080,358	1,600,127	440,490
Specialized Loans	-	-	-	-
Other Receivables	-	-	-	-
Total	37,860,220	1,080,358	1,974,232	615,222

(*) The loans amounting to TL 217,438 (December 31, 2012 – TL 352,296) are classified under “Loans at Fair Value Through Profit/Loss” in the financial statements.

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d) Information on consumer loans, individual credit cards, personnel loans and personnel credit cards

	Short Term	Medium and Long Term	Total	Interest and Income Accruals
Consumer Loans-TL	193,576	11,784,225	11,977,801	195,475
Housing Loans	3,299	6,605,322	6,608,621	146,009
Automobile Loans	729	77,149	77,878	641
Personal Need Loans	185,198	5,101,754	5,286,952	48,825
Other	4,350	-	4,350	-
Consumer Loans-FC Indexed	-	68,990	68,990	50,505
Housing Loans	-	64,649	64,649	47,967
Automobile Loans	-	3	3	3
Personal Need Loans	-	4,338	4,338	2,535
Other	-	-	-	-
Consumer Loans-FC	-	-	-	-
Housing Loans	-	-	-	-
Automobile Loans	-	-	-	-
Personal Need Loans	-	-	-	-
Other	-	-	-	-
Individual Credit Cards-TL	9,348,575	749,330	10,097,905	107,070
Installment	4,855,191	749,330	5,604,521	59,425
Non- Installment	4,493,384	-	4,493,384	47,645
Individual Credit Cards-FC	3,446	-	3,446	23
Installment	-	-	-	-
Non- Installment	3,446	-	3,446	23
Personnel Loans-TL	3,972	30,006	33,978	167
Housing Loans	-	514	514	2
Automobile Loans	-	121	121	-
Personal Need Loans	3,972	29,371	33,343	165
Other	-	-	-	-
Personnel Loans-FC Indexed	-	-	-	-
Housing Loans	-	-	-	-
Automobile Loans	-	-	-	-
Personal Need Loans	-	-	-	-
Other	-	-	-	-
Personnel Loans-FC	-	-	-	-
Housing Loans	-	-	-	-
Automobile Loans	-	-	-	-
Personal Need Loans	-	-	-	-
Other	-	-	-	-
Personnel Credit Cards-TL	32,408	-	32,408	-
Installment	17,884	-	17,884	-
Non-Installment	14,524	-	14,524	-
Personnel Credit Cards-FC	135	-	135	-
Installment	-	-	-	-
Non-Installment	135	-	135	-
Overdraft Accounts-TL (Real Persons)	721,577	-	721,577	45,886
Overdraft Accounts-FC (Real Persons)	-	-	-	-
Total	10,303,689	12,632,551	22,936,240	399,126

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e) Information on commercial loans with installments and corporate credit cards

	Short Term	Medium and Long Term	Total	Interest and Income Accruals
Commercial Loans with Installment Facility				
– TL	545,652	5,133,388	5,679,040	62,367
Real Estate Loans	168	119,999	120,167	1,559
Automobile Loans	7,996	312,403	320,399	5,089
Personal Need Loans	537,488	4,700,986	5,238,474	55,719
Other	-	-	-	-
Commercial Loans with Installment Facility				
- FC Indexed	46,726	677,946	724,672	118,847
Real Estate Loans	-	15,098	15,098	2,972
Automobile Loans	129	65,514	65,643	11,026
Personal Need Loans	46,597	597,334	643,931	104,849
Other	-	-	-	-
Commercial Loans with Installment Facility				
– FC	-	-	-	-
Real Estate Loans	-	-	-	-
Automobile Loans	-	-	-	-
Personal Need Loans	-	-	-	-
Other	-	-	-	-
Corporate Credit Cards –TL	859,351	3,440	862,791	9,120
Installment	404,492	3,440	407,932	4,312
Non-Installment	454,859	-	454,859	4,808
Corporate Credit Cards –FC	771	-	771	5
Installment	-	-	-	-
Non-Installment	771	-	771	5
Overdraft Accounts-TL (Legal Entities)	531,913	-	531,913	429
Overdraft Accounts-FC (Legal Entities)	-	-	-	-
Total	1,984,413	5,814,774	7,799,187	190,768

f) Loans according to borrowers (*)

	Current Period	Prior Period
Public	143,168	125,458
Private	41,386,864	36,289,560
Total	41,530,032	36,415,018

(*)The loans amounting to TL 217,438 (December 31, 2012 – TL 352,296) are classified under “Loans at Fair Value Through Profit/Loss” in the financial statements.

g) Domestic and foreign loans (*)

	Current Period	Prior Period
Domestic Loans	41,388,802	36,246,287
Foreign Loans	141,230	168,731
Total	41,530,032	36,415,018

(*)The loans amounting to TL 217,438 (December 31, 2012 – TL 352,296) are classified under “Loans at Fair Value Through Profit/Loss in the financial statements.

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h) **Loans granted to subsidiaries and associates**

	Current Period	Prior Period
Direct Loans Granted to Subsidiaries and Associates	103,952	65,220
Indirect Loans Granted to Subsidiaries and Associates	-	-
Total	103,952	65,220

i) **Specific provisions for loans**

	Current Period	Prior Period
Specific Provisions		
Loans and Receivables with Limited Collectability	200,652	217,150
Doubtful Loans and Other Receivables	467,133	340,379
Uncollectible Loans and Receivables	1,541,191	1,577,665
Total	2,208,976	2,135,194

j) **Non-performing loans (NPLs) (Net)**

j.1) **Non-performing loans and other receivables restructured or rescheduled**

	III. Group	IV. Group	V. Group
	Loans and receivables with limited collectability	Loans and receivables with doubtful collectability	Uncollectible loans and receivables
Current Period			
(Gross Amounts Before the Specific Provisions)	640	83,581	80,345
Restructured Loans and Other Receivables	-	-	-
Rescheduled Loans and Other Receivables	640	83,581	80,345
Prior Period			
(Gross Amounts Before the Specific Provisions)	8,516	3,171	58,461
Restructured Loans and Other Receivables	-	-	-
Rescheduled Loans and Other Receivables	8,516	3,171	58,461

j.2) **Movement of non-performing loans^(*)**

	III. Group	IV. Group	V. Group
	Loans and receivables with limited collectability	Loans and receivables with doubtful collectability	Uncollectible loans and receivables
Prior Period End Balance	440,683	494,368	1,577,665
Additions (+) ^(***)	1,100,551	64,833	33,947
Transfers from Other Categories of Non-Performing Loans (+)	-	991,020	689,667
Transfers to Other Categories of Non-Performing Loans (-)	991,020	689,667	-
Collections (-)	114,354	123,932	209,801
Write-offs (-)^(**)	-	-	550,287
Corporate and Commercial Loans	-	-	-
Consumer Loans	-	-	107,865
Credit Cards	-	-	393,261
Others	-	-	49,161
Current Period End Balance	435,860	736,622	1,541,191
Specific Provision (-)	200,652	467,133	1,541,191
Net Balances on Balance Sheet	235,208	269,489	-

^(*) Based on the "Regulation on Procedures and Principles for Determination of Qualifications of Loans and Other Receivables by Banks and Provisions to be set aside", the Bank provided specific provisions for its 3rd group commercial loans with 50% provision rate in the prior period, whereas in the current period the Bank provided provision by using minimum provision ratios. After the stated change, provision amount decreased by TL 6,412 in the current period as compared to the provisioning method used in the prior period.

^(**) In the current period, non-performing loans amounting to TL 542,337 and provisioned by 100%, sold at a price of TL 100,100 in cash.

^(***) Loan portfolio which was rescheduled and was under watch list amounting to TL 159,914 in prior years is classified in the 3. Group, in the June 30, 2013.

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j.3) Information on foreign currency non-performing loans and other receivables

None (December 31, 2012 - None).

j.4) Information regarding gross and net amounts of non-performing loans with respect to user groups

	III. Group	IV. Group	V. Group
	Loans and receivables with limited collectability	Loans and receivables with doubtful collectability	Uncollectible loans and receivables
Current Period (Net)	235,208	269,489	-
Loans to Real Persons and Legal Entities (Gross)	435,860	736,622	1,540,051
Specific provision (-)	(200,652)	(467,133)	(1,540,051)
Loans to Real Persons and Legal Entities (Net)	235,208	269,489	-
Banks (Gross)	-	-	-
Specific provision (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	1,140
Specific provision (-)	-	-	(1,140)
Other Loans and Receivables (Net)	-	-	-
Prior Period (Net)	223,533	153,989	-
Loans to Real Persons and Legal Entities (Gross)	440,683	494,368	1,568,817
Specific provision (-)	(217,150)	(340,379)	(1,568,817)
Loans to Real Persons and Legal Entities (Net)	223,533	153,989	-
Banks (Gross)	-	-	-
Specific provision (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	8,848
Specific provision (-)	-	-	(8,848)
Other Loans and Receivables (Net)	-	-	-

k) Liquidation policies for uncollectible loans and other receivables:

For the unrecoverable non-performing loans under legal follow-up, the loan quality, collateral quality, bona fide of the debtor and assessment of the emergency of legal follow-up are considered, before applying the best practice for unrecoverable non-performing loans under legal follow up. The bank prefers to liquidate the risk through negotiations with the debtors. If this cannot be possible, then the Bank starts the legal procedures for the liquidation of the risk. Ongoing legal follow-up procedures do not prevent negotiations with the debtors. An agreement is made with the debtor at all stage of the negotiations for the liquidation of the risk.

l) Write-off policy:

Unrecoverable non-performing loans under legal follow-up, for which 100% provision is provided in compliance with the "Provisioning Decree" and with no collateral that are deemed as uncollectible are written off by the Board of Directors' decision, in accordance with the laws and regulations.

7. Information on investment securities held-to-maturity

a) Information on financial assets held as collateral/blocked held-to-maturity

None. (December 31, 2012 – None).

b) Information on financial assets held-to-maturity subject to repurchase agreements

As of the balance sheet date, the Bank has financial assets held-to-maturity subject to repurchase agreements amounting to TL 1,132,846 (December 31, 2012 – None).

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c) Information on financial government debt securities held-to-maturity

	Current Period		Prior Period	
	TL	FC	TL	FC
Government Bond	2,040,073	19,566	-	-
Treasury Bill	-	-	-	-
Other Debt Securities	-	-	-	-
Total	2,040,073	19,566	-	-

d) Information on investment securities held-to-maturity

	Current Period		Prior Period	
	TL	FC	TL	FC
Debt Securities	2,040,073	224,815	-	-
Publicly-traded	2,040,073	224,815	-	-
Non-publicly traded	-	-	-	-
Provision for losses (-)	-	-	-	-
Total	2,040,073	224,815	-	-

e) Movement of held-to-maturity investments

	Current Period	Prior Period
Value at the beginning of the period	-	-
Exchange differences on monetary assets	-	-
Acquisitions during the year ^(*)	2,264,888	-
Disposals through sales and redemptions	-	-
Provision for losses (-)	-	-
The sum of end of the period	2,264,888	-

^(*) Debt securities with the nominal value of TL 1,307,569 reclassified to held-to-maturity investments from available for sale financial assets on June 18, 2013 are classified under acquisitions during the year.

8. Investments in associates (Net):

8.1. Investments in associates:

a) Information on the unconsolidated subsidiaries

Title	Address (City/ Country)	Bank's Share-If Different, Voting Rights (%)	Bank's Risk Group Share (%)
Bankalararası Kart Merkezi (BKM) ^(*)	Istanbul/Turkey	9.23%	9.23%

Total Assets	Shareholder's Equity	Total Fixed Assets	Interest Income	Income on Securities Portfolio	Current Period Profit/Loss	Prior Period Profit/Loss	Company's Fair Value
33,001	23,773	19,650	347	-	4,171	4,238	-

^(*) Current period information is obtained from financial statements as of September 30, 2013 while prior period profit and loss information is obtained from financial statements as of September 30, 2012.

b) Information on the consolidated subsidiaries: None.

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8.2. Movements of investments in associates

	Current Period	Prior Period
Balance at the Beginning of Period	7,977	6,769
Movements During the Period	(4,211)	1,208
Purchases	-	1,211 ^(*)
Bonus Shares Received	-	-
Dividends From Current Year Profit	-	-
Sales	-	(3) ^(**)
Reclassifications	(4,211) ^(***)	-
Increase/Decrease in Market Values	-	-
Currency Differences on Foreign Associates	-	-
Impairment Losses (-)	-	-
Balance at the End of the Period	3,766	7,977
Capital Commitments		
Share Percentage at the End of the Period (%)	-	-

^(*) The amount represents the share capital increase amounting to TL 1,000 in Kredi Garanti Fonu A.Ş and distribution of shares to shareholder banks amounting to TL 211 due to the fact that shares of Fortis Bank transferred to TEB infringe the joint venture principle.

^(**) The amount represents the Bank's share in the capital decrease of Gelişen Bilgi Teknolojileri A.Ş.

^(***) Represents the classification of the shares of Kredi Garanti Fonu A.Ş amounting to TL 4,211 to available for sale assets.

8.3. Sectoral distribution of associates

	Current Period	Prior Period
Banks	-	-
Insurance Companies	-	-
Factoring Companies	-	-
Leasing Companies	-	-
Finance Companies	-	-
Other Associates	3,766	7,977
Total	3,766	7,977

8.4. Quoted Associates

None (December 31, 2012 - None).

8.5. Valuation methods of investments in associates

	Current Period	Prior Period
Valued at Cost	3,766	7,977
Valued at Fair Value	-	-
Valued at Equity Method	-	-
Total	3,766	7,977

8.6. Investments in associates sold during the current period

None. (December 31, 2012 - None).

8.7. Investments in associates acquired during the current period

None. (December 31, 2012 - None).

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9. Investments in subsidiaries (Net)

a) Information on the unconsolidated subsidiaries

Title	Address (City/Country)	Bank's Share – If Different, Voting Rights (%)	Bank's Risk Group Share (%)
Ibtech Uluslararası Bilişim ve İletişim Teknolojileri Araştırma, Geliştirme, Danışmanlık, Destek San. ve Tic. A.Ş.	Istanbul/Turkey	99.91%	99.99%
EFINANS Elektronik Ticaret ve Bilişim Hizmetleri A.Ş.	İstanbul/Turkey	51.00%	51.00%

	Total Assets	Shareholders' Equity	Total Fixed Asset	Interest Income	Securities Income	Current Period Profit/Loss	Prior Period Profit/Loss	Company's Fair Value
(*)	26,601	17,547	19,016	-	-	5,653	3,177	-
	6,000	6,000 (**)	-	-	-	-	-	-

(*) Current period information is obtained from financial statements as of September 30, 2013, prior period profit and loss information is obtained from financial statements as of September 30, 2012.

(**) Represents the investment for the foundation of EFINANS Elektronik Ticaret ve Bilişim Hizmetleri A.Ş. amounting to TL 3,060. In the Board of Directors meeting on August 22, 2013, it has been decided that the Bank shall participate with 51% share and TL 3,060 capital in the foundation of EFINANS Elektronik Ticaret ve Bilişim Hizmetleri Anonim Şirketi which is located in Istanbul and is founded with a total of TL 6,000 capital. The foundation of the Company has been announced in Commercial Registry Gazette, dated September 16, 2013 and numbered 8405.

b) Information on the consolidated subsidiaries:

b.1) Information on the consolidated subsidiaries

Subsidiary	Address (City/Country)	Bank's Share – If Different, Voting Rights (%)	Bank's Risk Group Share (%)
1. Finans Yatırım Menkul Değerler A.Ş.	Istanbul/Turkey	99.60	99.74
2. Finans Finansal Kiralama A.Ş.	Istanbul/Turkey	51.06	69.01
3. Finans Yatırım Ortaklığı A.Ş.	Istanbul/Turkey	83.75 (*)	85.07
4. Finans Portföy Yönetimi A.Ş.	Istanbul/Turkey	0.01	99.71
5. Finans Faktoring Hizmetleri A.Ş.	Istanbul/Turkey	99.99	100

(*) The share of the Bank is 10.01%, the remaining 73.74% shareholding represents the purchases of publicly traded shares on the Istanbul Stock Exchange.

Information on subsidiaries in the order presented in the table above

	Total Assets	Shareholders' Equity	Total Fixed Assets	Interest Income	Income on Securities Portfolio	Current Period Profit/Loss	Prior Period Profit/Loss	Company's Fair Value (**)
1. (*)	226,382	146,559	12,777	6,801	1,009	1,621	8,273	-
2. (**)	1,765,459	504,005	273	11,724	-	35,937	31,810	493,350
3. (**)	20,949	20,704	11	46	-	(1,040)	3,352	16,740
4. (*)	13,686	12,657	866	643	9	967	976	-
5. (*)	474,625	27,977	738	25,957	-	1,189	2,727	-

(*) Current period information represents September 30, 2013 figures, and prior period profit/loss amounts represent September 30, 2012 figures as per the financial statements prepared in accordance with BRSA regulations.

(**) Fair values of publicly traded subsidiaries reflect their Istanbul Stock Exchange (ISE) values as of balance sheet date.

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b.2) Movement of investments in subsidiaries

	Current Period	Prior Period
Balance at the Beginning of the Period	476,617	397,409
Movements during the period	(101,971)	79,208
Purchases	307 ⁽⁴⁾	5,902 ⁽¹⁾
Bonus Shares Received	-	-
Dividends from Current Year Profit	-	-
Disposals	-	(27,950) ⁽²⁾
Changes Due to Reclassification	-	(22,050) ⁽³⁾
Revaluation Increase	(108,278)	123,306
Impairment Provision	-	-
Balance at the End of the Period	368,646	476,617
Capital Commitments	-	-
Share Percentage at the end of the Period (%)	-	-

⁽¹⁾ Purchases in the prior period include the participation to the capital of Bank's subsidiary Finans Yatırım Ortaklığı A.Ş. amounting to TL 5,902.

⁽²⁾ Disposals in the prior period include the sale of 51% shares of Finans Emeklilik ve Hayat A.Ş. to Cigna Nederland Gamma B.V. amounting to TL 22,950 and book value of Finans Tüketici Finansmanı A.Ş. amounting to TL 5,000 regarding its sale.

⁽³⁾ Changes due to reclassification in the prior period include the transfer of the book value of Finans Emeklilik ve Hayat A.Ş. from consolidated subsidiaries to the entities under common control.

⁽⁴⁾ Purchases in the current period represent the participation to the capital of Bank's subsidiary Finans Yatırım Ortaklığı A.Ş. amounting to TL 307.

b.3) Sectoral distribution of subsidiaries

	Current Period	Prior Period
Banks	-	-
Insurance Companies	-	-
Factoring Companies	20,000	20,000
Leasing Companies	251,905	357,012
Finance Companies	-	-
Other Subsidiaries	96,741	99,605
Total	368,646	476,617

b.4) Quoted subsidiaries within the context of consolidation

	Current Period	Prior Period
Quoted on Domestic Stock Exchanges	265,924	373,896
Quoted on International Stock Exchanges	-	-
Total	265,924	373,896

b.5) Explanation to capital adequacy of the significant subsidiaries

The Bank does not have any significant subsidiaries.

10. Investments in entities under common control:

	The Bank's Share	The Group's Share	Current Assets	Fixed Assets	Long Term Debt	Current Period Profit/Loss	Prior Period Profit/Loss
Bantaş Nakit ve Kıymetli Mal Taşıma ve Güvenlik Hizmetleri A.Ş. ^(*)	33.33%	33.33%	11,466	9,426	429	2,712	2,034
Cigna Finans Emeklilik ve Hayat A.Ş. ^(*)	49.00%	49.00%	571,280	5,392	59,979	8,403	17,476

^(*) Current period information represents September 30, 2013 figures, prior period information is obtained from the financial statements from September 30, 2012.

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11. Information on leasing receivables (Net)

None (December 31, 2012 - None).

12. Information on hedging purpose derivatives

	Current Period		Prior Period	
	TL	FC	TL	FC
Fair Value Hedge (*)	1,115,978	69,773	202,567	37,919
Cash Flow Hedge	227,943	-	-	-
Hedge of Net Investment in Foreign Operations	-	-	-	-
Total	1,343,921	69,773	202,567	37,919

(*) Derivative financial instruments designated for the fair value hedge purposes comprise of swaps. As of September 30, 2013, TL 87,614 (December 31, 2012 - TL 37,919) represents the fair value of derivatives which are designated as hedging instruments to hedge the fair value changes in securities and TL 1,098,137 (December 31, 2012 - TL 202,567) represents the fair value of derivatives which are designated as hedging instruments to hedge the fair value changes in loans.

13. Information on tax asset

As of September 30, 2013, there is none deferred tax asset calculated based on the related regulations. (December 31, 2012- None).

As of September 30, 2013, the Bank has TL 196,638 current tax liabilities (December 31, 2012- TL 368,855) and TL 166,753 prepaid taxes (December 31, 2012- TL 283,037) which are netted-off in the accompanying financial statements.

14. Information on assets held for sale and discontinued operations

None (December 31, 2012 - None).

15. Information on other assets

15.1. Information on prepaid expense, tax and similar items

	Current Period	Prior Period
Other Prepaid Expenses	288,792	213,159
Assets Held for Resale (Net)	170,449	158,841
Collateral Given for Derivative Transactions	34,627	248,533
Sundry Debtors	111,178	77,060
Other	59,680	64,855
Cheques Receivables from Other Banks	318,469	254,500
Prepaid Rent Expenses	33,996	25,307
Advances Given	288,768	4,956
Prepaid Agency Commissions	3,040	6,654
Total	1,308,999	1,053,865

15.2. If other assets exceed 10% of total assets excluding the off-balance sheet items, the name and the amount of the subaccounts which create at least 20% of them are:

Details of the other assets are described above in the 15.1 section of explanations and disclosures related to assets.

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16. Accrued interest and income

The details of accrued interest and income allocated to the related items on the assets side of the balance sheet are as follows:

	Current Period		Prior Period	
	TL	FC	TL	FC
Loans and Receivables	587,179	72,368	447,807	49,012
Assets on Trading Derivatives	678,981	255,958	359,132	133,007
Investments Securities Available for Sale	67,798	10,455	328,828	163,622
Derivative Financial Instruments Held for Hedging	1,343,921	69,773	202,567	37,919
Trading Securities	1,290	33	658	90
Banks	89	-	3	25
Investments Held-to-Maturity	16,891	1,808	-	-
Other Accruals	6,502	-	16,210	-
Total	2,702,651	410,395	1,355,205	383,675

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SECTION FIVE

II. EXPLANATIONS AND DISCLOSURES RELATED TO LIABILITIES

1. Information on maturity structure of deposits

Current Period

	Demand	7 Days Notice	Up to 1 Month	1-3 Months	3-6 Months	6-12 Months	1 Year and Over	Accumulated Deposit Accounts	Total
Saving Deposits	1,246,234	-	2,646,796	9,153,453	1,020,792	1,858,922	88,330	9,982	16,024,509
Foreign Currency Deposits	1,109,597	-	1,241,413	6,515,341	700,600	545,841	291,404	5,539	10,409,735
Residents in Turkey	1,080,104	-	1,226,475	6,415,354	658,512	527,961	229,059	5,539	10,143,004
Residents Abroad	29,493	-	14,938	99,987	42,088	17,880	62,345	-	266,731
Public Sector Deposits	522,072	-	11,584	37,298	2,043	1,279,723	61	-	1,852,781
Commercial Deposits	1,335,875	-	1,591,854	3,036,648	536,421	198,334	35,317	-	6,734,449
Other Ins. Deposits	22,195	-	80,821	482,483	246,558	89,863	609	-	922,529
Precious Metal Deposits	669,743	-	31,320	22,653	2,673	657	-	-	727,046
Bank Deposits	34,309	-	869,958	334,640	3,796	6,021	-	-	1,248,724
T.R Central Bank	-	-	-	-	-	-	-	-	-
Domestic Banks	6,832	-	76,213	47,956	2,079	6,021	-	-	139,101
Foreign Banks	25,181	-	793,745	286,684	1,717	-	-	-	1,107,327
Participation Banks	2,296	-	-	-	-	-	-	-	2,296
Other	-	-	-	-	-	-	-	-	-
Total	4,940,025	-	6,473,746	19,582,516	2,512,883	3,979,361	415,721	15,521	37,919,773

Prior Period

	Demand	7 Days Notice	Up to 1 Month	1-3 Months	3-6 Months	6-12 Months	1 Year and Over	Accumulated Deposit Accounts	Total
Saving Deposits	867,610	-	1,665,278	9,925,707	609,492	273,809	15,616	15,286	13,372,798
Foreign Currency Deposits	892,652	-	1,503,637	5,839,836	593,895	210,169	2,620	5,130	9,047,939
Residents in Turkey	854,653	-	1,482,461	5,739,827	560,225	120,732	2,620	5,130	8,765,648
Residents Abroad	37,999	-	21,176	100,009	33,670	89,437	-	-	282,291
Public Sector Deposits	162,871	-	2,687	837,007	1,464	61	-	-	1,004,090
Commercial Deposits	989,156	-	1,747,748	3,921,557	527,438	63,520	98	-	7,249,517
Other Ins. Deposits	18,476	-	32,675	572,391	54,064	710	-	-	678,316
Precious Metal Deposits	462,149	-	-	-	-	58,985	138	-	521,272
Bank Deposits	21,529	-	841,828	126,173	49,607	8,437	-	-	1,047,574
T.R Central Bank	-	-	-	-	-	-	-	-	-
Domestic Banks	1,492	-	216,197	2,020	4,202	4,114	-	-	228,025
Foreign Banks	18,858	-	625,631	124,153	45,405	4,323	-	-	818,370
Participation Banks	1,179	-	-	-	-	-	-	-	1,179
Other	-	-	-	-	-	-	-	-	-
Total	3,414,443	-	5,793,853	21,222,671	1,835,960	615,691	18,472	20,416	32,921,506

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1.1. Information on savings deposits insured by Saving Deposit Insurance Fund and the total amount of the deposits exceeding the insurance coverage limit

	Covered by Deposit Insurance Fund		Exceeding the Deposit Insurance Limit	
	Prior		Prior	
	Current Period	Period	Current Period	Prior Period
Saving Deposits	7,622,022	4,488,992	8,396,760	8,882,423
Foreign Currency Savings Deposits	1,523,302	909,501	4,870,119	4,809,767
Other Saving Deposits	-	-	-	-
Foreign Branches' Deposits Under Foreign Insurance Coverage	-	-	-	-
Off-Shore Deposits Under Foreign Insurance Coverage	-	-	-	-
Total	9,145,324	5,398,493	13,266,879	13,692,190

1.2. Savings deposits in Turkey are not covered under insurance in another country since the headquarter of the Bank is not located abroad.

1.3. Savings deposits that are not covered under the guarantee of deposit insurance fund

	Current Period	Prior Period
Deposits and accounts in branches abroad	-	-
Deposits of ultimate shareholders and their close family members	-	-
Deposits of chairman and members of the Board of Directors and their close family members	38,787	28,062
Deposits obtained through illegal acts defined in the 282 nd Article of the 5237 numbered Turkish Criminal Code dated September 26, 2004	-	-
Saving deposits in banks established in Turkey exclusively for off-shore banking activities	30,886	2,027
Total	69,673	30,089

2. Information on trading purpose derivatives

a) Negative value of trading purpose derivatives

	Current Period		Prior Period	
	TL	FC	TL	FC
Forwards	85,785	-	13,473	-
Swaps	605,565	55,507	354,146	84,122
Futures	-	614	-	100
Options	-	132,227	1	22,077
Other	-	-	-	-
Total	691,350	188,348	367,620	106,299

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3. Information on funds borrowed

a) Information on banks

	Current Period		Prior Period	
	TL	FC	TL	FC
T.R. Central Bank Loans	-	-	-	-
Domestic Bank and Institutions	114,215	125,706	74,487	85,717
Foreign Bank, Institutions and Funds	-	2,921,059	-	2,378,563
Total	114,215	3,046,765	74,487	2,464,280

b) Maturity information on funds borrowed

	Current Period		Prior Period	
	TL	FC	TL	FC
Short-Term	114,215	2,384,853	74,487	1,722,249
Medium and Long-Term	-	661,912	-	742,031
Total	114,215	3,046,765	74,487	2,464,280

In accordance with the diversified payment rights programme, the Bank obtained securitization loans amounting to USD 75 million and EUR 10 million with five years maturity and amounting to EUR 50 million with twelve years maturity on December 20, 2012.

According to the Board of Directors' decision No: 261 dated October 18, 2012, as of November 26, 2012, the Bank obtained securitization loan amounting to USD 188 million and EUR 211.9 million with one year maturity.

c) Additional information on concentrations of the Bank's liabilities

As of September 30, 2013, the Bank's liabilities comprise; 60% deposits (December 31, 2012 – 61%), 8% funds borrowed (December 31, 2012 – 8%) and 5% funds provided under repurchase agreements (December 31, 2012 – 3%).

4. Information on funds provided under repurchase agreements

	Current Period		Prior Period	
	TL	FC	TL	FC
From domestic transactions	2,046,125	-	844,583	-
Financial institutions and organizations	2,032,420	-	834,084	-
Other institutions and organizations	5,582	-	3,820	-
Real persons	8,123	-	6,679	-
From foreign transactions	12,056	957,925	4,543	878,081
Financial institutions and organizations	-	957,925	-	878,081
Other institutions and organizations	12,056	-	4,543	-
Real persons	-	-	-	-
Total	2,058,181	957,925	849,126	878,081

5. Information on securities issued (Net)

	Current Period		Prior Period	
	TL	FC	TL	FC
Bank Bonds	1,354,845	-	2,789,390	-
Bills	124,494	1,750,064	-	1,288,923
Total	1,479,339	1,750,064	2,789,390	1,288,923

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During the current period, on March 20, 2013 the Bank issued bonds with a nominal of TL 400,000, 7.15% interest rate and 6 months maturity, on April 4, 2013, with a nominal of TL 475,812, 6.95% interest rate and 6 months maturity, on June 26, 2013 with a nominal of TL 525,418, 7.36% interest rate and 6 months maturity, on July 11, 2013 with a nominal of TL 125,435, 7.90% interest rate and 155 days maturity, on July 18, 2013 with a nominal of TL 105,000, 8.50% interest rate and 99 days maturity, on July 25, 2013 with a nominal of TL 265,562, 8.25% interest rate and 106 days maturity, on August 29, 2013 with a nominal of TL 578,000, 9.15% interest rate and 92 days maturity. Besides the Bank issued a bond on April 19, 2013 with a nominal of TL 124,188 and one year maturity.

6. If other liabilities account exceeds 10% of total liabilities excluding the off-balance sheet items, information given about components of other liabilities account that exceeds 20% of the individual liability item in the unconsolidated balance sheet

Other liabilities do not exceed 10% of total liabilities excluding the off-balance sheet items. (December 31, 2012 - None).

7. Criteria used in the determination of lease installments in the financial lease contracts, renewal and purchase options, restrictions, and significant burdens imposed on the bank on such contracts

Interest rate and cash flow of the Bank are the main criteria which are taken into consideration determination of payment plans in the leasing contracts.

7.1. Changes in agreements and further commitments arising

No changes have been made to the leasing agreements in the current period (December 31, 2012- None).

7.2. Financial Lease Payables

	Current Period		Prior Period	
	Gross	Net	Gross	Net
Less than 1 year	889	708	1,771	1,513
Between 1 - 4 years	2,184	1,741	476	408
More than 4 years	-	-	-	-
Total	3,073	2,449	2,247	1,921

7.3. Information on operational lease

Operational lease payments are recognized as an expense in the income statement on a straight-line basis over the lease terms.

7.4. Information on “Sale -and- lease back” agreements

The Bank does not have any sale-and-lease back transactions in the current period (December 31, 2012- None).

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8. Information on liabilities arising from hedging purpose derivatives

	Current Period		Prior Period	
	TL	FC	TL	FC
Fair Value Hedge ^(*)	2,339	83,145	257,139	121,330
Cash Flow Hedge ^(**)	25,836	-	34,402	-
Net Investment Hedge	-	-	-	-
Total	28,175	83,145	291,541	121,330

^(*) Derivative financial instruments for hedging purposes include swaps. As of September 30, 2013, TL 22,917 (December 31, 2012 – TL 247,656) represents the fair value of derivatives which are the hedging instruments of hedged loan portfolio. TL 62,567 (December 31, 2012 – TL 130,813) represents the fair value of derivatives which are the hedging instruments of hedged investment securities available for sale portfolio.

^(**) Represents the fair values of derivatives which are the hedging instruments of deposits' cash flow risk.

9. Information on provisions

9.1. Information on general provisions

	Current Period	Prior Period
Provisions for Loans and Receivables in Group I	565,142	441,173
-Additional Provision for Loans and Receivables with Extended Maturities	50,396	29,599
Provisions for Loans and Receivables in Group II	89,504	79,834
-Additional Provision for Loans and Receivables with Extended Maturities	29,375	34,740
Provisions for Non - Cash Loans	63,427	60,135
Other	50,081	36,542
Total	768,154	617,684

9.2. Provision for currency exchange gain/loss on foreign currency indexed loans

	Current Period	Prior Period
Foreign Exchange Provision for Foreign Currency Indexed Loans ^(*)	178	6,906

^(*) The foreign exchange provision for foreign currency indexed loans netted against "Loans and Receivables" in asset.

9.3. Specific provisions for non-cash loans that are not indemnified and converted into cash

The specific provision for non-cash loans which are related with the non-performing cash loans in arrears or the loans which were written off from balance sheet is TL 53,467 (December 31, 2012 - TL 47,989).

9.4. Information on employee termination benefits and unused vacation accrual

The Bank has calculated reserve for employee termination benefits by using actuarial valuations as set out in TAS 19 and reflected these accompanying financial statements.

As of September 30, 2013, TL 92,380 (December 31, 2012 - TL 81,685) reserve for employee termination benefits was provided in the accompanying financial statements.

As of September 30, 2013, the Bank accrued TL 24,436 (December 31, 2012 – TL 18,973) for the unused vacations under reserve for employee benefits account in the accompanying financial statements.

As of September 30, 2013, TL 76,519 (December 31, 2012- TL 92,156) bonus and premium provisions have been provided under reserve for employee benefits account in the accompanying financial statements.

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9.4.1. Movement of employee termination benefits

	Current Period	Prior Period
	01.01-30.09.2013	01.01-30.09.2012
As of January 1	81,685	30,943
Service Cost	9,992	6,769
Interest Cost	4,524	3,492
Paid during the period	(3,821)	(12,338)
Total	92,380	28,866

9.5. Information on other provisions

9.5.1. Information on free reserves for possible loan losses

	Current Period	Prior Period
Free Reserves for Possible Loan Losses	106,753	99,747

As of September 30, 2013, the Bank has provided provision for possible risks of the loan portfolio regard to collection ratio of follow-up loans.

9.5.2 Information on other provisions

Apart from the information provided in 9.3 and 9.5.1, the other provisions are given below as follows:

	Current Period	Prior Period
Provision for Promotion Expenses of Credit Cards	19,113	16,187
Other Provisions	68,529	35,007
Total	87,642	51,194

10. Taxation

10.1. Current taxes

10.1.1. Current tax liability

As of September 30, 2013, the Bank has current tax liability of TL 196,638 (December 31, 2012 - TL 368,855) and advance taxes of TL 166,753 (December 31, 2012 - TL 283,037). The current tax liability and advance taxes are presented by net basis in the accompanying financial statements.

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10.1.2. Information on taxes payable

	Current Period	Prior Period
Corporate taxes payable	29,885	85,818
Banking and Insurance Transaction Tax (BITT)	28,125	32,499
Taxation on Securities Income	31,932	35,919
Taxation on Real Estates Income	2,585	1,522
Other	15,198	14,203
Total	107,725	169,961

The “Corporate Taxes Payable” balance is presented in the “Current Tax Liability” account and other taxes are presented in the “Other Liabilities” account in the accompanying unconsolidated financial statements.

10.1.3. Information on premiums

	Current Period	Prior Period
Social Security Premiums - Employee Share	6,505	5,323
Social Security Premiums - Employer Share	6,882	5,454
Unemployment Insurance - Employee Share	457	374
Unemployment Insurance - Employer Share	914	748
Total	14,758	11,899

10.1.4. Information on deferred tax liabilities

As of September 30, 2013, the bank has calculated deferred tax liability amounting to 19,666. (December 31, 2012 - TL 28,369 deferred tax liability).

According to the TAS 12, the deferred tax assets and liabilities are netted off in the accompanying financial statements after netting off. As of September 30, 2013 the Bank has presented the net amount of deferred tax asset TL 127,016 (December 31, 2012 –TL 136,495) and deferred tax liability of TL 146,682 (December 31, 2012 –TL 164,864) in the accompanying financial statements on all taxable temporary differences arising between the carrying amounts and the taxable amounts of assets and liabilities on the financial statements that will be considered in the calculation of taxable earnings in the future periods.

In cases whereby such differences are related with certain items under the shareholders’ equity accounts, the deferred tax benefits/charges are netted under these accounts. The deferred tax asset amounting to TL 24,322 (December 31, 2012 –TL 60,370 deferred tax liability) is netted in the equity.

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	Temporary Differences		Deferred Tax Asset / (Liability)	
	Sep. 30, 2013	Dec. 31, 2012	Sep. 30, 2013	Dec. 31, 2012
Reserve for Employee Benefits	193,334	192,814	38,667	38,563
The differences between carrying and taxable amounts of financial asset	269,317	153,559	53,863	30,712
Other	172,430	336,105	34,486	67,220
Deferred Tax Asset			127,016	136,495
The differences between carrying and taxable amounts of tangible assets	(127,640)	(119,956)	(25,528)	(23,991)
The differences between carrying and taxable amounts of financial assets	(322,194)	(550,674)	(64,439)	(110,135)
Other	(283,575)	(153,691)	(56,715)	(30,738)
Deferred Tax Liability			(146,682)	(164,864)
Deferred Tax Asset / (Liability), Net			(19,666)	(28,369)

	Current Period 01.01-30.09.2013	Prior Period 01.01-30.09.2012
Deferred Tax Asset/ (Liability) as of January 1 (Net)	(28,369)	(28,869)
Deferred Tax (Charge) / Benefit	(75,989)	78,575
Deferred Tax Items accounted for under the equity	84,692	(66,684)
Deferred Tax Asset/ (Liability) as of September 30 (Net)	(19,666)	(16,978)

11. Information on payables related to assets held for sale

None (December 31, 2012 – None).

12. Information on subordinated loans

	Current Period		Prior Period	
	TL	FC	TL	FC
From Domestic Banks	-	-	-	-
From Other Domestic Institutions	-	-	-	-
From Foreign Banks	-	1,878,945	-	1,629,590
From Other Foreign Institutions	-	-	-	-
Total	-	1,878,945	-	1,629,590

The Bank received USD 650 million of subordinated loans during 2008 and USD 325 million of subordinated loans during 2009 from its main shareholder, National Bank of Greece S.A. The maturity of the loan is 10 years with semi-annual interest payments and principle payment at maturity. There is a re-payment option at the end of the 5th year. In addition, interest is paid every six months and principal payment will be realized at maturity. The loan amounting to USD 325 million which was received in 2008 is closed in 2010 to be used in capital increase. In addition, the Bank received USD 260 million subordinated loan in 2011 from National Bank of Greece S.A.

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13. Information on shareholder's equity

13.1. Paid-in capital

	Current Period	Prior Period
Common Stock	2,700,000	2,565,000
Preferred Stock	-	-

13.2. Paid-in capital amount, explanation as to whether the registered share capital system is applicable at bank; if so the amount of registered share capital

Capital System	Paid-in Capital	Ceiling
Registered Capital System	2,700,000	6,000,000

13.3. Information on share capital increases and their sources; other information on any increase in capital shares during the current period

Date of Increase	Amount of Increase	Cash	Profit Reserves	Capital Reserves
June 25, 2013	135,000	-	128,250	6,750

13.4. Information on share capital increases from revaluation funds

None (December 31, 2012 – None).

13.5. Capital commitments in the last fiscal year and at the end of the following period, the general purpose of these commitments and projected resources required to meet these commitments

The Bank does not have any capital commitments, all of the capital is fully paid-in.

13.6. Prior periods' indicators related with the Bank's income, profit and liquidity and the possible effects of the uncertainties in these indicators on the Bank's equity

None (December 31, 2012 – None).

13.7. Information on the privileges given to stocks representing the capital

The Bank has 100 founder shares stated in the Articles of Association. The profit distribution of the Bank is calculated in accordance with prevailing statutory regulations and its Article of Association. According to the these regulations, after deducting the statutory and fiscal obligations of the Bank, five percent of the remaining net income is appropriated as legal reserves, five percent of the paid in capital might be distributed to shareholders as first dividend and ten percent of the remaining net profit might be distributed to founder shares. Moreover, additional ten percent legal reserve is provided from the dividends distributed to founder shares.

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14. Common stock issue premiums, shares and equity instruments

	Current Period		Prior Period	
	TL	FC	TL	FC
Number of Stocks (Thousands)	27,000,000		25,650,000	
Preferred Capital Stock	-		-	
Common Stock Issue Premiums ^(*)	714		714	
Common Stock Withdrawal Profits	-		-	
Other Capital Instruments	-		-	

^(*) Due to the Bank's capital increase at the prior periods, common stock issue premiums accounted amounting to TL 714.

15. Securities value increase fund

	Current Period		Prior Period	
	TL	FC	TL	FC
Associates, Subsidiaries and Entities under				
Common Control	331,081	-	433,945	-
Valuation Difference	331,081	-	433,945	-
Foreign Exchange Rate Difference	-	-	-	-
Securities Available-for-Sale	(78,703)	(104,810)	168,369	28,696
Valuation Difference	(78,703)	(104,810)	168,369	28,696
Foreign Exchange Rate Difference	-	-	-	-
Total	252,378	(104,810)	602,314	28,696

The Bank may account for the remaining shares of 49% of Finans Emeklilik ve Hayat A.Ş. (CFEHAŞ); at cost per TAS 27 "Consolidated and Separate Financial Statements" or at fair value per TAS 39 "Financial Instruments: Recognition and Measurement" in its unconsolidated financial statements. In this respect, fair value of CFEHAŞ has been calculated and the difference between the fair value and book value amounting to TL 164,223 (net off tax) has been booked under the shareholder's equity, "Securities Valuation Difference".

The Bank transferred a portion of its securities from "investment securities available-for sale" portfolio, with a nominal value of TL 1,307,569, to the "investment securities held to maturity" portfolio due to change in the intention of the holding, effective from 18 June 2013. The valuation differences amounting to TL 41,462 under equity will be amortized and recycled to profit/loss until the maturities of these securities. As of the balance sheet date, the recycled amount is TL 1,515.

16. Accrued interest and expenses

The details of accrued interest and expenses allocated to the related items on the liability side of the balance sheet are as follows:

	Current Period		Prior Period	
	TL	FC	TL	FC
Deposits	181,090	24,668	115,101	18,024
Derivative Financial Liabilities Held for Trading	691,350	188,348	367,620	106,299
Funds Borrowed	1,523	42,588	1,454	19,639
Money Market Borrowings	735	908	1,197	1,276
Derivative Financial Liabilities Held for Hedging				
Purposes	28,175	83,145	291,541	121,330
Other Accruals	51,412	65,267	25,293	44,536
Total	954,285	404,924	802,206	311,104

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SECTION FIVE

III. EXPLANATIONS AND DISCLOSURES RELATED TO OFF-BALANCE SHEET ITEMS

1. Information related to off-balance sheet contingencies

1.1. Type and amount of irrevocable commitments

	Current Period	Prior Period
Letters of Guarantee in FC	1,729,069	1,533,101
Letters of Guarantee in TL	3,922,695	3,677,256
Letters of Credit	746,574	579,351
Bank Loans	493,663	545,914
Other Guarantees	18,489	24,055
Total	6,910,490	6,359,677

1.2. Type and amount of possible losses from off-balance sheet items

Specific provision is provided for the non-cash loans amounting to TL 53,467 (December 31, 2012 - TL 47,989) followed in the off-balance sheet accounts that are not indemnified and liquidated yet.

1.3. Final guarantees, provisional guarantees, sureties and similar transactions

	Current Period	Prior Period
Provisional Letters of Guarantee	262,499	401,258
Final Letters of Guarantee	3,510,035	3,396,832
Advance Letters of Guarantee	199,405	179,659
Letters of Guarantee Given to Customs Offices	189,985	186,504
Other Letters of Guarantee	1,489,840	1,046,104
Total	5,651,764	5,210,357

2. Total amount of non-cash loans

	Current Period	Prior Period
Non-Cash Loans granted for Obtaining Cash Loans	303,465	306,450
Less Than or Equal to One Year with Original Maturity	7,841	23,503
More Than One Year with Original Maturity	295,624	282,947
Other Non-Cash Loans	6,607,025	6,053,227
Total	6,910,490	6,359,677

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3. Information on risk concentration in sector terms in non-cash loans

	Current Period				Prior Period			
	TL	%	FC	%	TL	%	FC	%
Agricultural	15,952	0.40	3,892	0.14	16,824	0.46	2,708	0.10
Farming and Raising Livestock	12,520	0.32	1,042	0.04	14,758	0.40	668	0.03
Forestry	1,769	0.04	-	-	740	0.02	-	-
Fishing	1,663	0.04	2,850	0.10	1,326	0.04	2,040	0.08
Manufacturing	792,174	20.06	1,456,846	49.49	644,791	17.52	1,289,546	48.56
Mining and Quarrying	26,009	0.66	2,223	0.08	21,904	0.60	1,736	0.07
Production	583,003	14.77	1,163,693	39.53	551,677	14.99	1,157,579	43.59
Electricity, gas and water	183,162	4.63	290,930	9.88	71,210	1.94	130,231	4.90
Construction	909,162	23.03	364,689	12.39	925,880	25.16	407,535	15.35
Services	2,160,257	54.71	1,106,309	37.58	2,037,904	55.38	934,644	35.20
Wholesale and Retail Trade	1,198,596	30.36	627,762	21.33	1,118,337	30.39	522,299	19.67
Hotel, Food and Beverage								
Services	44,844	1.14	12,360	0.42	45,221	1.23	15,262	0.57
Transportation&Communication	89,324	2.26	106,491	3.62	98,881	2.69	110,684	4.17
Financial Institutions	484,313	12.27	272,849	9.27	468,212	12.72	259,148	9.76
Real Estate and Renting Services	2,942	0.07	1,776	0.06	6,363	0.17	1,552	0.06
Self Employment Services	155,005	3.92	74,500	2.53	119,674	3.25	17,883	0.67
Educational Services	2,214	0.06	8	0.00	1,467	0.04	7	0.00
Health and Social Services	183,019	4.63	10,563	0.35	179,749	4.88	7,809	0.29
Other (*)	70,946	1.80	11,774	0.40	54,632	1.48	21,158	0.80
Total	3,948,491	100.00	2,943,510	100.00	3,680,031	100.00	2,655,591	100.00

(*) Does not include foreign currency balance of "Other Guarantees" amounting to TL 18,489 (December 31, 2012 - TL 24,055).

4. Information on non-cash loans classified in first and second groups (*)

	I. Group		II. Group	
	TL	FC	TL	FC
Letters of Guarantee	3,716,903	1,630,254	175,090	76,050
Bills of Exchange and Acceptances	24,541	461,276	-	7,846
Letters of Credit	1,255	744,921	-	398
Endorsements	-	-	-	-
Purchase Guarantees for Securities Issued	-	-	-	-
Factoring Related Guarantees	-	-	-	-
Other Collaterals and Sureties	-	18,489	-	-
Non-cash Loans	3,742,699	2,854,940	175,090	84,294

(*) Does not include non-cash loans amounting to TL 53,467, for which provision is provided, but which are not indemnified and not liquidated yet.

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5. Information on derivative financial instruments

	Current Period	Prior Period
Types of trading transactions		
Foreign Currency Related Derivative Transactions (I)	59,152,702	45,724,859
Forward transactions(*)	8,624,122	5,650,110
Swap transactions	34,387,502	28,756,039
Futures transactions	111,882	225,260
Option transactions	16,029,196	11,093,450
Interest Related Derivative Transactions (II)	7,676,928	5,812,344
Forward rate transactions	-	-
Interest rate swap transactions	7,623,924	5,793,738
Interest option transactions	-	-
Futures interest transactions	53,004	16,590
Security option transactions	-	2,016
Other trading derivative transactions (III)	-	-
A.Total Trading Derivative Transactions (I+II+III)	66,829,630	51,537,203
Types of hedging transactions		
Fair value hedges	16,991,376	17,540,286
Cash flow hedges	5,447,724	540,885
Net investment hedges	-	-
B.Total Hedging Related Derivatives	22,439,100	18,081,171
Total Derivative Transactions (A+B)	89,268,730	69,618,374

(*) This line also includes Forward Asset Purchase Commitments accounted for under Commitments.

5.1 Fair value hedge accounting

a) Loans

The Bank enters into swap transactions in order to hedge itself from the changes in the fair value due to the changes in market interest rates of a certain portion of its long-term loans and applies fair value hedge accounting as per TAS 39. As of balance sheet date; the mortgage loans amounting to TL 5,335,379 (December 31, 2012 – TL 5,777,912) were subject to hedge accounting by swaps with a nominal of TL 6,658,976 (December 31, 2012 – TL 7,711,610). On September 30, 2013, the net market valuation difference loss amounting to TL 8,381 due to the losses from loans amounting to TL 444,589 (September 30, 2012 – TL 153,412 gain) and gain from swaps amounting to TL 436,208 (September 30, 2012 – TL 142,614 loss) is accounted for under “gains / (losses) from financial derivatives transactions” line in the accompanying financial statements.

When the fair value hedge accounting cannot be effectively continued as stated in TAS 39, the fair value hedge accounting is ceased. The fair value differences of the hedged loans are amortized through income statement until the maturity of the hedged loans. The Bank has booked the valuation effect amounting to TL 42,854 (September 30, 2012 – TL 46,740) related to the loans that are ineffective for hedge accounting under “gains / (losses) from financial derivatives transactions” as loss during the current period.

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b) Investment securities available for sale

The Bank applies fair value hedge accounting to hedge itself against the changes in the interest rates related to long term foreign currency Eurobonds with fixed coupon held by the Bank using swaps as hedging instruments. As at the balance sheet date; Eurobonds with a nominal of USD 343 million and EUR 26 million (December 31, 2012 – USD 322 million and EUR 26 million) were subject to hedge accounting by interest rate swaps with the same nominal value. On September 30, 2013, the net market valuation difference loss amounting to TL 133 due to losses from Eurobonds amounting to TL 84,484 (September 30, 2012 – TL 4,780 gain) and gains from swaps amounting to TL 84,351 (September 30, 2012 – TL 4,480 loss) is accounted for under “gains / (losses) from financial derivatives transactions” line in the accompanying financial statements.

The Bank applies fair value hedge accounting to hedge itself against the changes in the interest rates related to long term TL government bonds with fixed coupon held by the Bank using swaps as hedging instruments. As at the balance sheet date; government bonds with a nominal of TL 198,305 (December 31, 2012 – TL 198,305) were subject to hedge accounting by swaps with the same nominal value. On September 30, 2013, the net market valuation difference gain amounting to TL 1,119 due to losses from government bonds amounting to TL 11,138 (September 30, 2012 – TL 9,063 gain) and gains from swaps amounting to TL 12,257 (September 30, 2012 – 9,548 loss) is accounted for under “gains / (losses) from financial derivatives transactions” line in the accompanying financial statements.

c) Bonds issued

The Bank applies fair value hedge accounting to hedge itself against the changes in the interest rates related to foreign currency bonds issued by the Bank using interest rate swaps as hedging instruments. As at the balance sheet date; bonds with a nominal of USD 367 million (December 31, 2012 – USD 367 million) were subject to hedge accounting by swaps with the same nominal value. As of September 30, 2013 net market valuation difference loss amounting to TL 57 due to gains from government bonds amounting to TL 6,327 (September 30, 2012 – TL 6,394 loss) and losses from swaps amounting to TL 6,384 (September 30, 2012 – TL 6,330 gain) is accounted for under “gains / (losses) from financial derivatives transactions” line in the accompanying financial statements.

5.2 Cash flow hedge accounting

a) Deposit

The Bank applies cash flow hedge accounting using interest rate swaps in order to hedge itself from the interest rate changes of deposits that have an average maturity of 1 month, the Bank implements cash flow hedge accounting with interest rate swaps. The Bank implements efficiency tests at the balance sheet dates for hedging purposes; the effective portions are accounted for under equity “Hedging Funds”, whereas the ineffective portions are accounted for at income statement as defined in TAS 39.

As at the balance sheet date, swaps amounting to TL 169,642 are subject to hedge accounting as hedging instruments (December 31, 2012 – TL 270,442). As a result of the mentioned hedge accounting, fair value gain before taxes amounting to TL 11,606 are accounted for under equity during the current period (September 30, 2012 – TL 7,454). The gains amounting to TL 136 (September 30, 2012 – TL 1,570 loss) concerning for the ineffective portions are accounted for at the income statement.

As at the balance sheet date, swaps amounting to USD 1,204 million are subject to hedge accounting as hedging instruments (December 31, 2012 –None). As a result of the mentioned hedge accounting, fair value gain before taxes amounting to TL 63,041 are accounted for under equity during the current period

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(September 30, 2012 – None). The gains amounting to TL 109 (September 30, 2012 – None) concerning for the ineffective portions are accounted for at the income statement.

When the fair value hedge accounting cannot be effectively continued as stated in TAS 39, the fair value hedge accounting is ceased. Effective parts classified under equity due to hedge accounting are amortized through income statement until the maturity of swaps in case of ineffectiveness. The Bank transferred loss amounting to TL 4,684 from equity to income statement due to swaps that are matured or whose effectiveness is deteriorated during the current period (September 30, 2012 – TL 4,107).

As of September 30, 2013, breakdown of the Bank's foreign currency forward and swap and interest rate swap transactions based on currencies are disclosed below in their TL equivalents:

	Forward Buy ^(**)	Forward Sell ^(**)	Swap Buy ^(*)	Swap Sell ^(*)	Option Buy	Option Sell	Future Buy	Future Sell
Current Period								
TL	1,798,758	1,801,418	10,470,155	16,363,556	3,373,412	3,457,039	502	15,530
USD	1,453,241	1,732,436	20,213,576	13,827,361	2,963,341	3,283,753	66,869	66,869
EURO	909,648	681,007	1,213,131	1,303,395	1,572,587	1,164,341	15,116	-
Other	159,445	88,169	40,321	1,019,031	126,747	87,976	-	-
Total	4,321,092	4,303,030	31,937,183	32,513,343	8,036,087	7,993,109	82,487	82,399

^(*) This column also includes hedging purpose derivatives.

^(**) This column also includes Forward Asset Purchase Commitments accounted for under Commitments.

	Forward Buy ^(**)	Forward Sell ^(**)	Swap Buy ^(*)	Swap Sell ^(*)	Option Buy	Option Sell	Future Buy	Future Sell
Prior Period								
TL	1,247,007	888,393	8,619,195	15,365,712	2,466,724	2,385,395	4,134	4,134
USD	711,151	1,276,449	16,549,012	10,068,256	2,348,440	2,399,794	116,067	116,067
EURO	773,666	586,699	583,508	566,649	740,150	734,985	724	724
Other	100,963	65,782	45,477	833,139	19,978	-	-	-
Total	2,832,787	2,817,323	25,797,192	26,833,756	5,575,292	5,520,174	120,925	120,925

^(*) This column also includes hedging purpose derivatives.

^(**) This column also includes Forward Asset Purchase Commitments and accounted for under Commitments.

As of September 30, 2013, the Bank has no derivative transactions for hedge of net investment.

6. Credit derivatives and risk exposures on credit derivatives

As of 30 September 2013, in the Bank's "other irrevocable commitments", there are commitments for "credit linked notes" with a nominal of USD 9,089,262 (31 December 2012: USD 13,494,490).

As of 30 September 2013, included in the Bank's "other derivative financial instruments", Bank has no "total return swaps" (31 December 2012: USD 100,000).

7. Information on contingent liabilities and assets

None (December 31, 2012 – None).

8. Information on the services in the name and account of third parties

The Bank acts as an investment agent for banking transactions on behalf of its customers and provides custody services. Such transactions are followed under off-balance sheet accounts.

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9. Information on the Bank's rating by international rating institutions

MOODY's June 2013		FITCH April 2013		CI February 2013	
Long-Term Deposit Rating (FC)	Ba2	Long-Term Foreign Curr.	BBB-	Long-Term Foreign Curr.	BB+ B
Long-Term Deposit Rating (TL)	Ba2	Short-Term Foreign Curr.	F3	Short-Term Foreign Curr.	BBB+
Short-Term Deposit Rating (TL)	NP	Long-term TL	BBB-	Financial strength at local market	
Financial Strength	E+	Short-term TL	F3	Support	3
		Long-term National Individual Support	AAA(tur) 3 bbb-		

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SECTION FIVE

IV. EXPLANATIONS AND DISCLOSURES RELATED TO THE INCOME STATEMENT

1. a) Information on interest income received from loans

	Current Period		Prior Period	
	TL	FC	TL	FC
Interest on loans				
Short-Term Loans	1,905,111	29,187	2,106,909	46,160
Medium and Long-Term Loans	1,727,241	116,901	1,354,675	96,178
Non-Performing Loans	81,258	-	73,156	-
Resource Utilization Support Fund	-	-	-	-
Premiums	-	-	-	-
Total	3,713,610	146,088	3,534,740	142,338

b) Information on interest income from banks

	Current Period		Prior Period	
	TL	FC	TL	FC
T.R. Central Bank	-	-	-	229
Domestic Banks	361	1	730	6
Foreign Banks	286	164	468	164
Foreign Headquarters and Branches	-	-	-	-
Total	647	165	1,198	400

c) Information on interest income from securities portfolio

	Current Period		Prior Period	
	TL	FC	TL	FC
Held-for-Trading Financial Assets	7,554	142	8,675	404
Financial Assets at FVTPL	-	-	-	-
Investment Securities Available for Sale	257,168	47,206	396,066	36,827
Investment Securities Held to Maturity	34,964	2,256	-	-
Total	299,686	49,604	404,741	37,231

d) Information on interest income received from associates and subsidiaries

	Current Period	Prior Period
Interest Received from Associates and Subsidiaries	2,443	952

2. a) Information on interest expense related to funds borrowed

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks			4,203	97,874
T.R. Central Bank	-	-	-	-
Domestic Banks	4,292	2,277	4,203	1,972
Foreign Banks	7	107,705	-	95,902
Foreign Head Offices and Branches	-	-	-	-
Other Institutions	-	-	-	-
Total	4,299	109,982	4,203	97,874

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b) Information on interest expense paid to associates and subsidiaries

	Current Period	Prior Period
Interest Paid to Associates and Subsidiaries	18,116	24,214

c) Information on interest expense paid to securities issued

The Bank issued bonds on September 14, 2012 with a nominal of TL 400,000 and on September 21, 2012 with a nominal of TL 500,000, on November 15, 2012 with a nominal of TL 750,000, on December 14, 2012 with a nominal of TL 650,000, on December 28, 2012 with a nominal of TL 600,000, on March 20, 2013 with a nominal of TL 400,000, on April 4, 2013 with a nominal of TL 475,812 are redeemed during the current period. Besides, the Bank issued bonds with a nominal of TL 400,000 and 7.15% interest rate on March 20, 2013 and on April 4, 2013 with a nominal of TL 475,812 and 6.95% interest rate, on June 26, 2013 with a nominal of TL 525,418 and 7.36% interest rate, on July 11, 2013 with a nominal of TL 125,435 and 7.90% interest rate, on July 18, 2013 with a nominal of TL 105,000 and 8.50% interest rate, on July 25, 2013 with a nominal of TL 265,562 and 8.25% interest rate, on August 29, 2013 with a nominal 578,000 and 9.15% interest rate and on April 19, 2013 with a nominal of TL 124,188 bonds were issued. As of September 30, 2013, interest expense amounting to TL 186,405 is booked for the bonds issued. (September 30, 2012 – TL 80,619).

d) Information on maturity structure of interest expenses on deposits

Account	Current Period						Accumulated Deposit Account	Total
	Time Deposits							
	Demand Deposits	Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	Over 1 Year		
Turkish Lira								
Bank Deposits	-	1,289	9,924	3,705	277	439	-	15,634
Saving Deposits Public Sector	8	104,839	460,575	107,554	75,211	3,671	408	752,266
Deposits	-	110	2,396	89	-	2	-	2,597
Commercial Deposits	-	94,501	191,797	36,275	9,137	1,160	-	332,870
Other Deposits	-	2,415	22,686	16,713	68,251	30	-	110,095
7 Days Call Accounts	-	-	-	-	-	-	-	-
Total	8	203,154	687,378	164,336	152,876	5,302	408	1,213,462
Foreign Currency								
Deposits	-	24,726	119,105	25,932	11,489	4,264	80	185,596
Bank Deposits	20	865	9,142	1,533	270	-	-	11,830
7 Days Call Accounts	-	-	-	-	-	-	-	-
Precious Metal Deposits	-	166	120	14	3	-	-	303
Total	20	25,757	128,367	27,479	11,762	4,264	80	197,729
Grand Total	28	228,911	815,745	191,815	164,638	9,566	488	1,411,191

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Information on maturity structure of interest expense on deposits

Prior Period	Time Deposits						Accumulated Deposit Account	Total
	Demand Deposits	Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	Over 1 Year		
Turkish Lira								
Bank Deposits	-	5,458	5,703	4,329	-	183	-	15,673
Saving Deposits	5	114,532	828,777	175,531	21,369	1,442	1,248	1,142,904
Public Sector Deposits	-	853	3,533	331	8	-	-	4,725
Commercial Deposits	2	90,916	192,974	49,542	10,826	3,582	-	347,842
Other Deposits	-	1,369	48,929	15,135	127	434	-	65,994
7 Days Call Accounts	-	-	-	-	-	-	-	-
Total	7	213,128	1,079,916	244,868	32,330	5,641	1,248	1,577,138
Foreign Currency								
Deposits	-	30,307	147,129	22,582	7,972	301	462	208,753
Bank Deposits	114	743	5,886	1,017	63	252	-	8,075
7 Days Call Accounts	-	-	-	-	-	-	-	-
Precious Metal Deposits	-	-	-	624	3	-	-	627
Total	114	31,050	153,015	24,223	8,038	553	462	217,455
Grand Total	121	244,178	1,232,931	269,091	40,368	6,194	1,710	1,794,593

e) Information on interest expense on repurchase agreements

	Current Period		Prior Period	
	TL	FC	TL	FC
Interest Expense on Repurchase Agreements (*)	54,713	4,426	83,812	5,190

(*) Disclosed in "Interest on Money Market Transactions".

f) Information on finance lease expenses

	Current Period	Prior Period
Finance Lease Expenses	227	702

g) Information on interest expense on factoring payables

None (September 30, 2012 – None)

3. Information on dividend income

	Current Period	Prior Period
Financial Assets Held for Trading	-	-
Financial Assets at Fair Value Through Profit or Loss	-	143
Financial Assets Available for Sale	7	9
Other	12,145	8,600
Total	12,152	8,762

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4. Information on trading income/loss

	Current Period	Prior Period
Trading Income	6,288,616	3,914,460
Gains on Capital Market Operations	214,875	90,874
Derivative Financial Instruments	1,850,057	1,533,203
Foreign Exchange Gains	4,223,684	2,290,383
Trading Loss (-)	6,452,010	4,182,253
Losses on Capital Market Operations	45,374	30,242
Derivative Financial Instruments	2,158,822	1,855,345
Foreign Exchange Losses	4,247,814	2,296,666
Net Trading Income/Loss	(163,394)	(267,793)

5. Information on other operating income

The Bank recorded the current year collections from loans written off in the previous period, portfolio management fees and commissions and expense accruals in "Other Operating Income" account.

6. Provision for losses on loans and other receivables

	Current Period	Prior Period
Specific Provisions For Loans and Other Receivables	624,069	377,665
Loans and Receivables in Group III	(16,498)	45,923
Loans and Receivables in Group IV	126,754	80,461
Loans and Receivables in Group V	513,813	251,281
Doubtful Fee, Commission and Other Receivables	-	-
General Provisions	150,470	156,875
Provision Expenses for Possible Losses	7,006	29,888
Impairment Losses on Securities	228	11
Financial assets at fair value through profit or loss	-	-
Investment securities available for sale	228	11
Impairment Losses on Associates, Subsidiaries and Investment Securities Held-to-Maturity	-	-
Associates	-	-
Subsidiaries	-	-
Entities under common control	-	-
Investment securities held-to-maturity	-	-
Other	6,920	4,137
Total	788,693	568,576

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7. Information on other operating expenses

	Current Period	Prior Period
Personnel costs	665,071	538,634
Reserve for employee termination benefits	10,695	-
Provision for pension fund deficits	-	-
Impairment losses on tangible assets	-	-
Depreciation charge of tangible assets	76,729	67,912
Impairment losses on intangible assets	-	-
Impairment losses on goodwill	-	-
Amortization charge of intangible assets	48,878	39,791
Impairment losses on investments under equity method of accounting	-	-
Impairment losses on assets to be disposed of	1	1
Depreciation on assets to be disposed	2,394	1,765
Impairment charge of assets held for sale and discontinued operations	-	-
Other operating expenses	590,883	446,882
Operational lease related expenses	126,127	101,587
Repair and maintenance expenses	42,645	37,722
Advertisement expenses	81,241	61,593
Other expenses	340,870	245,980
Losses on sales of assets	241	1,023
Other	301,637	179,851
Total	1,696,529	1,275,859

8. Information on profit/loss from continued and discontinued operations before taxes

For the period ended September 30, 2013, net interest income of TL 2,435,098 (September 30, 2012 – TL 2,071,893), net fees and commission income of TL 769,133 (September 30, 2012 – TL 766,832) and other operating income of TL 263,346 (September 30, 2012 – TL 143,096) constitute an important part of the income.

9. Explanations on tax provision for continued and discontinued operations

9.1. Current period taxation benefit or charge and deferred tax benefit or charge

As of September 30, 2013, the Bank recorded current tax charge of TL 128,094 (September 30, 2012 – TL 296,996) and a deferred tax charge of TL 75,989 (September 30, 2012 – TL 78,575 deferred tax benefit) from its continuing operations.

9.2. Explanations on operating profit/loss after taxes

None (September 30, 2012 – None).

10. Explanations on net profit/(loss) from continued and discontinued operations

Net profit of the Bank from continued operations is TL 627,030 (September 30, 2012 – TL 659,934).

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11. Explanations on net income/loss for the period

11.1. The nature and amount of certain income and expense items from ordinary operations is disclosed if the disclosure for nature, amount and repetition rate of such items is required for a complete understanding of the Bank's performance for the period

None (September 30, 2012 – None).

11.2. There is no material effect of changes in accounting estimates on income statement for the current and for subsequent periods.

11.3. There is no profit or loss attributable to minority shares.

11.4. There are no changes in the nature and amount of accounting estimates, which have a material effect on current period or expected to have a material effect on subsequent periods.

12. Information on the components of other items in the income statement exceeding 10% of the total, or items that comprise at least 20% of the income statement

Fees and commissions from credit cards, transfers and insurance intermediaries are recorded in the “Others” line under “Fees and Commissions Received” account, while fees and commissions given to credit cards are recorded in the “Others” line under “Fees and Commissions Paid” account by the Bank.

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V. EXPLANATIONS AND DISCLOSURES RELATED TO CASH FLOWS STATEMENT

1. Information regarding the balances of cash and cash equivalents at the beginning of the period

	Current Period January 1, 2013	Prior Period January 1, 2012
Cash	653,019	518,772
Cash in TL	439,754	320,851
Cash in Foreign Currencies	212,803	184,673
Other	462	13,248
Cash Equivalents	2,861,638	2,389,971
Balances with the T.R. Central Bank	965,102	480,213
Banks	110,816	829,462
Money Market Placements	1,785,748	1,091,322
Less: Placements with Banks with Maturities Longer than 3 Months	(28)	(10,428)
Less: Accruals	-	(598)
Cash and Cash Equivalents	3,514,657	2,908,743

2. Information regarding the balances of cash and cash equivalents at the end of the period

	Current Period September 30, 2013	Prior Period September 30, 2012
Cash	848,893	519,312
Cash in TL	548,971	333,116
Cash in Foreign Currencies	286,823	168,248
Other	13,099	17,948
Cash Equivalents	1,133,494	632,238
Balances with the T.R. Central Bank	904,616	468,425
Banks	233,030	163,816
Money Market Placements	-	-
Less: Placements with Banks with Maturities Longer than 3 Months	(4,063)	-
Less: Accruals	(89)	(3)
Cash and Cash Equivalents	1,982,387	1,151,550

3. Restricted cash and cash equivalents due to legal requirements or other reasons

A portion of foreign bank accounts amounting to TL 3,022 (December 31, 2012- TL 778) includes blocked cash for foreign money and capital market transactions and for borrowings from foreign markets.

4. Additional information

4.1. Restrictions on the Bank's potential borrowings that can be used for ordinary operations or capital commitment

None.

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SECTION FIVE

VI. EXPLANATIONS AND DISCLOSURES RELATED TO THE BANK'S RISK GROUP

1. Information on the volume of transactions with the Bank's risk group, lending and deposits outstanding at period end and income and expenses in the current period

- 1.1. As of September 30, 2013, the Bank's risk group has deposits, cash and non-cash loans at the Bank amounting to TL 690,587 (December 31, 2012 - TL 429,905), TL 103,952 (December 31, 2012 - TL 65,220) and TL 58,593 (December 31, 2012 - TL 42,521) respectively.

Current Period

Bank's Risk Group (*)	Associates and Subsidiaries		Bank's Direct and Indirect Shareholders		Other Legal and Real Persons in Risk Group (**)	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash

Loans and Other Receivables

Balance at the Beginning of the Period	65,220	13,023	-	29,498	-	-
Balance at the End of the Period	103,952	31,141	-	27,252	-	-
Interest and Commission Income	2,443	34	1	2	-	-

Prior Period

Bank's Risk Group (*)	Associates and Subsidiaries		Bank's Direct and Indirect Shareholders		Other Legal and Real Persons in Risk Group (**)	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash

Loans and Other Receivables

Balance at the Beginning of the Period	55,015	7,510	-	3,072	34,873	2
Balance at the End of the Period	65,220	13,023	-	29,498	-	-
Interest and Commission Income	952	20	-	24	1,695	-

(*) As described in the Article 49 of Banking Law No 5411.

(**) Includes the loans given to the Bank's indirect subsidiaries.

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1.2. Information on deposits held by the Bank's risk group

Bank's Risk Group (*)	Associates and Subsidiaries		Bank's Direct and Indirect Shareholders		Other Legal and Real Persons in Risk Group (**)	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Deposits						
Balance at the Beginning of the Period	403,106	340,624	18,692	31,009	8,107	2,115
Balance at the End of the Period	649,927	403,106	24,997	18,692	15,663	8,107
Interest on deposits	18,116	24,214	-	-	395	-

(*) As described in the Article 49 of Banking Law No 5411.

(**) Includes the deposits taken to the Bank's indirect subsidiaries.

1.3. Information on forward and option agreements and similar agreements made with the Bank's risk group

Bank's Risk Group (*)	Associates and Subsidiaries		Bank's Direct and Indirect Shareholders		Other Legal and Real Persons in Risk Group (**)	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Transactions for Trading Purposes						
Beginning of the Period	25,869	15,581	393,221	34,165	4,711	28,702
End of the Period	-	25,689	491,381	393,221	233,878	4,711
Total Income/Loss	(198)	1,301	13,488	4,918	686	3,137
Transactions for Hedging Purposes						
Beginning of the Period	-	-	-	-	-	-
End of the Period	-	-	-	-	-	-
Total Income/Loss (***)	-	-	-	-	-	-

(*) As described in the Article 49 of Banking Law No 5411.

(**) Includes the derivative transactions between the Bank's indirect subsidiaries.

(***) Profit and loss amounts of transactions for trading purposes made with risk group cannot be differentiated in total profit and loss accounts.

1.4. As of September 30 2013, the total amount of remuneration and bonuses paid to top management of the Bank is TL 35,328 (September 30, 2012- TL 27,569).

2. Disclosures of transactions with the Bank's risk group

2.1. Relations with entities in the risk group of / or controlled by the Bank regardless of the nature of relationship among the parties

Transactions with the risk group are made on an arms-length basis; terms are set according to the market conditions and in compliance with the Banking Law.

2.2 In addition to the structure of the relationship, type of transaction, amount, and share in total transaction volume, amount of significant items, and share in all items, pricing policy and other

As of September 30, 2013, cash loans of the risk group represented 0.3% of the Bank's total cash loans (December 31, 2012 - 0.2%), the deposits represented 1.8% of the Bank's total deposits (December 31, 2012 - 1.3%) and derivative transactions represented 1.6% of the Bank's total derivative transactions (December 31, 2012 - 1.2%).

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2.3. Explanations on purchase and sale of real estate and other assets, sales and purchases of services, agent contracts, financial lease agreements, transfer of data obtained from research and development, licensing agreements, financing (including loans and cash and in-kind capital support), guarantees and promissory notes, and management contracts

The Bank enters into finance lease agreements with Finans Finansal Kiralama A.Ş. As of September 30, 2013, the Bank has net finance lease payables to Finans Finansal Kiralama A.Ş. amounting to TL 2,449 (December 31, 2012 - TL 1,921) relating with finance lease agreements.

The Bank places certain amount of its funds from time to time to Finans Portföy Yönetimi A.Ş.

The Bank has signed an agreement with Ibtch Uluslararası Bilişim ve İletişim Teknolojileri Araştırma, Geliştirme, Danışmanlık, Destek Sanayi ve Ticaret A.Ş. regarding research, development, advisory and improvement services.

Bantaş Nakit ve Kıymetli Mal Taşıma ve Güvenlik Hizmetleri A.Ş., in which the Bank participated 33.33% shareholding, provides cash transfer services to the Bank.

Information about the Bank's subordinated loans obtained from National Bank of Greece is explained under Section 5, Part II. footnote 12.

The Bank provides agency services to Finans Emeklilik ve Hayat A.Ş., which is a jointly controlled entity with 49% shares held by the Bank.

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SECTION SIX

OTHER EXPLANATIONS AND DISCLOSURES

I. Other explanations related to the Bank's operations

1. Disclosure related to subsequent events and transactions that have not been finalized yet, and their impact on the financial statements

The Bank issued bonds with a nominal of TL 750,000 and 9.45% interest rate on October 11, 2013. Besides the Bank issued bonds with a nominal of TL 150,000 and 9.55% interest rate through a private placement on October 31, 2013.

2. Information about effects of significant changes in foreign exchange rates after balance sheet date that would affect decision making process of users and foreign operations of the bank

There are no significant fluctuations in the currency exchange rates after the balance sheet date that would affect the analysis and decision making process of the readers of the financial statements.

3. Other matters

The Bank signed a "Real Estate Purchase Commitment Agreement" with Koru Gayrimenkul Yatırım ve Ticaret A.Ş. on 28 June 2013, in order to acquire a new head quarter building that is located in İstanbul, Şişli District, Mecidiyeköy quarter, 304 Region, 1947 Section, 28 Parcel. The Bank is going to get the ownership right of the building when the construction is completed as stated in the agreement. In pursuit of the ownership right transition, the Bank is going to sell off its current headquarter buildings.

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SECTION SEVEN

LIMITED REVIEW REPORT

I. Explanations on the Limited Review Report

The unconsolidated financial statements of the Bank have been reviewed by DRT Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (Member of Deloitte Touche Tohmatsu Limited) and the limited review report dated November 8, 2013 is presented preceding the financial statements.

II. Explanations on the notes prepared by Independent Auditors

None (December 31, 2012 – None).