

**FİNANSBANK ANONİM ŞİRKETİ
AND IT'S FINANCIAL SUBSIDIARIES**

**INDEPENDENT AUDITOR'S REPORT,
CONSOLIDATED FINANCIAL
STATEMENTS AND NOTES
FOR THE YEAR ENDED
DECEMBER 31, 2013**

*Translated into English from the
Original Turkish Report*

FİNANSBANK ANONİM ŞİRKETİ AND ITS FINANCIAL SUBSIDIARIES

INDEPENDENT AUDITOR'S REPORT FOR THE YEAR JANUARY 1 – DECEMBER 31, 2013

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

We have audited the accompanying consolidated balance sheet of Finansbank A.Ş. ("the Bank") and its financial subsidiaries ("the Group") as of December 31, 2013, and the related consolidated statements of income, cash flows and changes in shareholders' equity for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Board of Director's Responsibility for the Financial Statements

The Board of Directors of the Bank is responsible for the preparation and fair presentation of the financial statements in accordance with the regulation on "Procedures And Principles Regarding Banks" Accounting Practices And Maintaining Documents" published in the Official Gazette dated November 1, 2006 and numbered 26333 and Turkish Accounting Standards, Turkish Financial Reporting Standards and other regulations, circulars, communiqués and pronouncements in respect of accounting and financial reporting made by Banking Regulation and Supervision Agency. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the regulation on "Licensing and Operations of Audit Firms in Banking" published in the Official Gazette no: 26333 on November 1, 2006 and the International Standards on Auditing. We planned and performed our audit to obtain reasonable assurance whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the consideration of the effectiveness of internal control and appropriateness of accounting policies applied relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independent Auditor's Opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Group as at December 31, 2013 and the results of its operations and its cash flows for the year then ended in accordance with the prevailing accounting principles and standards set out as per the Articles 37 and 38 of the Banking Act No: 5411, and other regulations, communiqués, and circulars in respect of accounting and financial reporting made by the Banking Regulation and Supervision Board and pronouncements made by 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 Group'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.

Istanbul, February 27, 2014

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

Müjde Şehsuvaroğlu
Partner

**THE CONSOLIDATED FINANCIAL REPORT OF FINANSBANK A.Ş.
FOR THE YEAR ENDED DECEMBER 31, 2013**

The Parent Bank's;
Address of the Head Office : Büyükdere Caddesi No:129, 34394 Mecidiyeköy/İSTANBUL
Phone number : (0212) 318 50 00
Facsimile number : (0212) 318 58 50
Web page : www.finansbank.com.tr
E-mail address : name.surname@finansbank.com.tr

The consolidated financial report for the year ended December 31, 2013, 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 listed below:

- GENERAL INFORMATION ABOUT THE PARENT BANK
- CONSOLIDATED INTERIM FINANCIAL STATEMENTS OF THE PARENT BANK
- EXPLANATIONS ON THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS OF THE PARENT BANK
- INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE OF THE GROUP
- FOOTNOTES AND EXPLANATIONS ON CONSOLIDATED FINANCIAL STATEMENTS
- OTHER EXPLANATIONS
- INDEPENDENT AUDITOR'S REPORT

Within the context of this financial report, the consolidated subsidiaries and entities under common control are as follows. There are no associates included in the consolidation.

Subsidiaries

1. Finans Finansal Kiralama Anonim Şirketi
2. Finans Yatırım Menkul Değerler Anonim Şirketi
3. Finans Yatırım Ortaklığı Anonim Şirketi
4. Finans Portföy Yönetimi Anonim Şirketi
5. Finans Faktoring Hizmetleri Anonim Şirketi

Entities Under Common Control (Joint Ventures)

1. Cigna Finans Emeklilik ve Hayat Anonim Şirketi

The consolidated financial statements and related disclosures and footnotes for the year ended, 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 consolidated 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

Paul Mylonas

Member of the Board of
Directors and of the
Audit Committee

Ioannis Vagionitis

Member of the Board of
Directors and of the
Audit Committee

Temel Güzelöğlu

General Manager and
Member of the
Board of Directors

Adnan Menderes Yayla

Executive Vice President
Responsible of Financial Control and
Planning

Ercan Sakarya

Division Manager of Financial,
Statutory Reporting and Treasury
Control

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

Name - Surname/Title : Ercan Sakarya / Division Manager of Financial, Statutory Reporting and Treasury Control
Phone Number : (0 212) 318 52 92
Facsimile Number : (0 212) 318 55 78

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

FINANSBANK ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

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

SECTION ONE

GENERAL INFORMATION ABOUT THE PARENT BANK

I. History of the Parent Bank, including its establishment date, initial legal status and amendments to legal status, if any

Finansbank Anonim Şirketi (“the Bank” and/or “the Parent Bank”) was incorporated in Istanbul on September 23, 1987. The Parent Bank’s shares have been listed on the İstanbul Stock Exchange (currently as “BIST”) since the first public offering on February 3, 1990.

II. Explanations about the Parent 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 Parent Bank

As of December 31, 2013, 77.23% of the Parent 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 Parent 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. Explanations 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 Parent 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
Antonios Grammatikopoulos ^(*)	Board Member	June 7, 2012	Masters
Stefanos Pantzopoulos	Board Member	October 16, 2012	Graduate
Dr. Paul Mylonas ^(**)	Board Member and Audit Committee Member	February 23, 2010	PhD
Ioannis Vagionitis ^(***)	Board Member and Audit Committee Member	January 6, 2014	Masters
Christos Alexis Komninos	Board Member	February 16, 2011	Graduate
Temel Güzelöğlu	Board Member and Managing Director	April 16, 2010	Masters
Mustafa Hamdi Görtin	Board Member	April 16, 2010	Masters
Ali Teoman Kerman	Board Member	April 16, 2010	Masters
Paula Hadjisotiriou ^(****)	Board Member	December 16, 2013	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	Masters
Erkin Aydın	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

^(*) Antonios Grammatikopoulos resigned from the Board of Directors as of February 12, 2014.

^(**) Michail Oratis resigned from the Board of Directors and the Audit Committee as of November 21, 2013. Dr. Paul Mylonas has been appointed to the Audit Committee as of January 17, 2014.

^(***) Ioannis Vagionitis has been appointed to the Board of Directors as of January 6, 2014 and to the Audit Committee as of January 17, 2014.

^(****) In the Board of Director’s Meeting on October 24, 2013, resignation of the Board Member Dimitrios Frangetis has been accepted and Paula Hadjisotiriou has been appointed as a Board Member on December 16, 2013.

^(*****) Aytaç Aydın resigned from the Assistant Managing Director responsible for payment systems and central operations, as of January 31, 2014.

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

(CONVENIENCE TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS AND
RELATED DISCLOSURES AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH)
FİNANSBANK ANONİM ŞİRKETİ
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

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

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

Name Surname/Trade Name	Amount of Shares	Shareholding	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 Parent 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. Summary on the Parent Bank's services and activity

The Parent Bank's activities include trade finance and corporate banking, treasury, retail banking and credit card operations. In addition, the Parent Bank carries out insurance agency activities on behalf of insurance companies through its branches. As of December 31, 2013, the Parent Bank operates through 672 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. Information on application differences between consolidation practices as per the Regulation on Preparation of Consolidated Financial Statements of Banks and the Turkish Accounting Standards, and entities subject to full or proportional consolidation or deducted from equity or not subject to any of these three methods

As per the Regulation on Preparation of Consolidated Financial Statements of Banks, the investments in financial subsidiaries are subject to consolidation whereas per the Turkish Accounting Standards, the investments in both financial and non-financial subsidiaries are subject to consolidation. There are no significant consolidation differences between Turkish Accounting Standards and mentioned regulation. Consolidated financial statements contain the Bank's credit or financial institution partnership due to BRSA regulations and in the current period the Bank does not have any credit or financial subsidiaries that are not included to consolidation.

VII. Current or likely actual or legal barriers to immediate transfer of equity or repayment of debts between parent bank and its subsidiaries

None.

SECTION TWO

CONSOLIDATED FINANCIAL STATEMENTS

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

FİNANSBANK ANONİM ŞİRKETİ

CONSOLIDATED BALANCE SHEET AS OF DECEMBER 31, 2013

(STATEMENT OF FINANCIAL POSITION)

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

I. CONSOLIDATED BALANCE SHEET – ASSETS

		Audited 31.12.2013			Audited 31.12.2012			
		Section 5 Part I	TL	FC	Total	TL	FC	Total
I.	CASH AND BALANCES WITH THE CENTRAL BANK	(1)	887,790	7,320,692	8,208,482	1,025,036	4,302,907	5,327,943
II.	FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS (Net)	(2)	1,423,069	253,498	1,676,567	839,686	135,876	975,562
2.1	Financial assets held for trading		1,237,995	253,498	1,491,493	487,390	135,876	623,266
2.1.1	Public sector debt securities		198,580	1,973	200,553	105,400	2,869	108,269
2.1.2	Equity securities		-	-	-	-	-	-
2.1.3	Assets on trading derivatives		1,029,956	251,525	1,281,481	357,732	133,007	490,739
2.1.4	Other securities		9,459	-	9,459	24,258	-	24,258
2.2	Financial assets at fair value through profit and loss		185,074	-	185,074	352,296	-	352,296
2.2.1	Public sector debt securities		-	-	-	-	-	-
2.2.2	Equity securities		-	-	-	-	-	-
2.2.3	Loans		185,074	-	185,074	352,296	-	352,296
2.2.4	Other securities		-	-	-	-	-	-
III.	BANKS	(3)	5,987	470,167	476,154	95,410	109,827	205,237
IV.	MONEY MARKET PLACEMENTS	(4)	3,433	-	3,433	1,786,785	-	1,786,785
4.1	Interbank money market placements		-	-	-	-	-	-
4.2	Istanbul Stock Exchange money market placements		-	-	-	-	-	-
4.3	Receivables from reverse repurchase agreements		3,433	-	3,433	1,786,785	-	1,786,785
V.	INVESTMENT SECURITIES AVAILABLE-FOR-SALE (Net)	(5)	4,669,176	1,073,809	5,742,985	5,931,174	1,234,774	7,165,948
5.1	Equity Securities		-	-	-	-	-	-
5.2	Public sector debt securities		4,633,866	1,059,507	5,693,373	5,730,803	1,208,574	6,939,377
5.3	Other securities		35,310	14,302	49,612	200,371	26,200	226,571
VI.	LOANS AND RECEIVABLES	(6)	38,052,309	4,618,996	42,671,305	33,011,328	3,426,511	36,437,839
6.1	Loans and receivables		37,543,584	4,618,996	42,162,580	32,633,806	3,426,511	36,060,317
6.1.1	Loans to risk group of the Bank		-	-	-	-	-	-
6.1.2	Public sector debt securities		-	-	-	-	-	-
6.1.3	Other		37,543,584	4,618,996	42,162,580	32,633,806	3,426,511	36,060,317
6.2	Non-performing loans		2,965,853	-	2,965,853	2,512,716	-	2,512,716
6.3	Specific provisions (-)		2,457,128	-	2,457,128	2,135,194	-	2,135,194
VII.	FACTORING RECEIVABLES	(7)	512,851	7,806	520,657	364,145	2,622	366,767
VIII.	INVESTMENT SECURITIES HELD TO MATURITY (Net)	(8)	2,446,859	378,920	2,825,779	-	-	-
8.1	Public sector debt securities		2,446,859	20,820	2,467,679	-	-	-
8.2	Other securities		-	358,100	358,100	-	-	-
IX.	INVESTMENT IN ASSOCIATES (Net)	(9)	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)	(10)	18,048	-	18,048	14,986	-	14,986
10.1	Unconsolidated financial investments		-	-	-	-	-	-
10.2	Unconsolidated non-financial investments		18,048	-	18,048	14,986	-	14,986
XI.	ENTITIES UNDER COMMON CONTROL (JOINT VENTURES) (Net)	(11)	177,608	-	177,608	201,092	-	201,092
11.1	Equity method entities under common control		174,808	-	174,808	198,292	-	198,292
11.2	Unconsolidated		2,800	-	2,800	2,800	-	2,800
11.2.1	Financial investments		-	-	-	-	-	-
11.2.2	Non-financial Investments		2,800	-	2,800	2,800	-	2,800
XII.	LEASE RECEIVABLES (Net)	(12)	468,975	833,813	1,302,788	308,429	667,925	976,354
12.1	Financial lease receivables		561,460	921,274	1,482,734	376,532	738,253	1,114,785
12.2	Operational lease receivables		-	-	-	-	-	-
12.3	Others		-	-	-	-	-	-
12.4	Unearned income (-)		92,485	87,461	179,946	68,103	70,328	138,431
XIII.	DERIVATIVE FINANCIAL ASSETS HEDGING PURPOSES	(13)	1,866,369	61,426	1,927,795	202,567	37,919	240,486
13.1	Fair value hedge		1,487,743	61,426	1,549,169	202,567	37,919	240,486
13.2	Cash flow hedge		378,626	-	378,626	-	-	-
13.3	Hedging of a net investment in foreign subsidiaries		-	-	-	-	-	-
XIV.	TANGIBLE ASSETS (Net)	(14)	533,983	63	534,046	436,425	69	436,494
XV.	INTANGIBLE ASSETS (Net)	(15)	209,767	-	209,767	180,557	-	180,557
15.1	Goodwill		8,969	-	8,969	8,969	-	8,969
15.2	Others		200,798	-	200,798	171,588	-	171,588
XVI.	INVESTMENT PROPERTIES (Net)	(16)	-	-	-	-	-	-
XVII.	TAX ASSETS	(17)	107,583	-	107,583	10,215	-	10,215
17.1	Current tax assets		-	-	-	-	-	-
17.2	Deferred tax assets		107,583	-	107,583	10,215	-	10,215
XVIII.	ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (Net)	(18)	-	-	-	-	-	-
18.1	Held for sale		-	-	-	-	-	-
18.2	Discontinued operations		-	-	-	-	-	-
XIX.	OTHER ASSETS	(19)	800,887	458,068	1,258,955	788,855	312,473	1,101,328
TOTAL ASSETS			52,188,460	15,477,258	67,665,718	45,204,667	10,230,903	55,435,570

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

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

FİNANSBANK ANONİM ŞİRKETİ

CONSOLIDATED BALANCE SHEET AS OF DECEMBER 31, 2013

(STATEMENT OF FINANCIAL POSITION)

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

I. CONSOLIDATED BALANCE SHEET – LIABILITIES AND EQUITY

		Audited 31.12.2013			Audited 31.12.2012			
		Section 5 Part II	TL	FC	Total	TL	FC	Total
I.	DEPOSITS	(1)	26,304,628	11,802,374	38,107,002	22,643,757	10,061,260	32,705,017
1.1	Deposits from risk group of the Bank		153,012	27,593	180,605	186,025	27,391	213,416
1.2	Other		26,151,616	11,774,781	37,926,397	22,457,732	10,033,869	32,491,601
II.	DERIVATIVE FINANCIAL LIABILITIES HELD FOR TRADING	(2)	1,112,851	198,046	1,310,897	368,589	106,642	475,231
III.	FUNDS BORROWED	(3)	542,041	4,278,910	4,820,951	301,184	3,238,624	3,539,808
IV.	MONEY MARKET BORROWINGS		2,638,931	1,141,561	3,780,492	910,793	878,081	1,788,874
4.1	Interbank money markets takings		50,000	-	50,000	-	-	-
4.2	Istanbul Stock Exchange money markets takings		62,210	-	62,210	60,000	-	60,000
4.3	Funds provided under repurchase agreements	(4)	2,526,721	1,141,561	3,668,282	850,793	878,081	1,728,874
V.	SECURITIES ISSUED (Net)	(5)	2,160,812	1,793,767	3,954,579	2,789,390	1,288,923	4,078,313
5.1	Bills		2,057,078	-	2,057,078	2,789,390	-	2,789,390
5.2	Asset backed securities		-	-	-	-	-	-
5.3	Bonds		103,734	1,793,767	1,897,501	-	1,288,923	1,288,923
VI.	FUNDS		-	-	-	-	-	-
6.1	Borrower funds		-	-	-	-	-	-
6.2	Other		-	-	-	-	-	-
VII.	SUNDRY CREDITORS		1,417,764	2,031,963	3,449,727	1,154,828	138,539	1,293,367
VIII.	OTHER LIABILITIES	(6)	867,142	76,561	943,703	909,037	55,769	964,806
IX.	FACTORING PAYABLES		-	-	-	-	-	-
X.	LEASE PAYABLES (Net)	(7)	-	-	-	-	-	-
10.1	Financial lease payables		-	-	-	-	-	-
10.2	Operational lease payables		-	-	-	-	-	-
10.3	Others		-	-	-	-	-	-
10.4	Deferred financial lease expenses (-)		-	-	-	-	-	-
XI.	DERIVATIVE FINANCIAL LIABILITIES FOR HEDGING PURPOSES	(8)	7,648	75,101	82,749	291,541	121,330	412,871
11.1	Fair value hedge		-	75,101	75,101	257,139	121,330	378,469
11.2	Cash flow hedge		7,648	-	7,648	34,402	-	34,402
11.3	Hedge of net investments in foreign subsidiaries		-	-	-	-	-	-
XII.	PROVISIONS	(9)	1,207,228	84,572	1,291,800	969,314	51,993	1,021,307
12.1	General provisions		731,719	84,572	816,291	565,691	51,993	617,684
12.2	Restructuring provisions		-	-	-	-	-	-
12.3	Reserve for employee benefits		220,328	-	220,328	203,904	-	203,904
12.4	Insurance technical provisions (Net)		-	-	-	-	-	-
12.5	Other provisions		255,181	-	255,181	199,719	-	199,719
XIII.	TAX LIABILITY	(10)	109,638	-	109,638	114,102	-	114,102
13.1	Current tax liability		108,308	-	108,308	99,035	-	99,035
13.2	Deferred tax liability		1,330	-	1,330	15,067	-	15,067
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)	-	1,950,719	1,950,719	-	1,629,590	1,629,590
XVI.	SHAREHOLDERS' EQUITY	(13)	8,000,029	(136,568)	7,863,461	7,384,225	28,059	7,412,284
16.1	Paid-in capital	(13)	2,700,000	-	2,700,000	2,565,000	-	2,565,000
16.2	Capital reserves		(22,675)	(136,568)	(159,243)	121,086	28,059	149,145
16.2.1	Share premium	(14)	714	-	714	714	-	714
16.2.2	Share cancellation profits		-	-	-	-	-	-
16.2.3	Securities value increase fund	(15)	(85,632)	(136,568)	(222,200)	168,496	28,059	196,555
16.2.4	Revaluation funds on tangible assets		-	-	-	-	-	-
16.2.5	Revaluation funds on intangible assets		-	-	-	-	-	-
16.2.6	Investment property revaluation differences		-	-	-	-	-	-
16.2.7	Bonus shares obtained from associates, subsidiaries and entities under common control (joint ventures)		-	-	-	-	-	-
16.2.8	Hedging funds (effective portion)		95,987	-	95,987	(10,026)	-	(10,026)
16.2.9	Accumulated valuation differences from assets held for sale and discontinued operations		-	-	-	-	-	-
16.2.10	Other capital reserves		(33,744)	-	(33,744)	(38,098)	-	(38,098)
16.3	Profit reserves		4,210,843	-	4,210,843	3,394,920	-	3,394,920
16.3.1	Legal reserves		363,631	-	363,631	314,251	-	314,251
16.3.2	Status reserves		-	-	-	-	-	-
16.3.3	Extraordinary reserves		3,847,212	-	3,847,212	3,080,669	-	3,080,669
16.3.4	Other profit reserves		-	-	-	-	-	-
16.4	Profit or loss		948,925	-	948,925	1,153,457	-	1,153,457
16.4.1	Prior years' income/ (losses)		202,774	-	202,774	49,827	-	49,827
16.4.2	Current year income/ (loss)		746,151	-	746,151	1,103,630	-	1,103,630
16.5	Minority shares		162,936	-	162,936	149,762	-	149,762
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY			44,368,712	23,297,006	67,665,718	37,836,760	17,598,810	55,435,570

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

**(CONVENIENCE TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS AND
RELATED DISCLOSURES AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH)
FİNANSBANK ANONİM ŞİRKETİ
CONSOLIDATED STATEMENT OF OFF BALANCE SHEET COMMITMENTS AND
CONTINGENCIES AS OF DECEMBER 31, 2013**

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

**II. CONSOLIDATED STATEMENT OF OFF-BALANCE SHEET COMMITMENTS AND
CONTINGENCIES**

		Audited 31.12.2013			Audited 31.12.2012			
		Section 5 Part III	TL	FC	Total	TL	FC	Total
A.	OFF BALANCE SHEET CONTINGENCIES AND COMMITMENTS (I+II+III)		70,483,727	62,693,666	133,177,393	59,901,122	41,370,102	101,271,224
I.	GUARANTEES	(1), (2), (3),(4)	4,170,445	2,947,967	7,118,412	3,680,031	2,679,646	6,359,677
1.1	Letters of guarantee		4,162,774	1,777,802	5,940,576	3,677,256	1,533,101	5,210,357
1.1.1	Guarantees subject to State Tender Law		173,860	24,805	198,665	172,175	14,329	186,504
1.1.2	Guarantees given for foreign trade operations		2,619,423	1,752,997	4,372,420	2,535,231	1,518,772	4,054,003
1.1.3	Other letters of guarantee		1,369,491	-	1,369,491	969,850	-	969,850
1.2	Bank loans		7,668	602,163	609,831	2,771	543,143	545,914
1.2.1	Import letter of acceptance		7,668	602,163	609,831	2,771	543,143	545,914
1.2.2	Other bank acceptances		-	-	-	-	-	-
1.3	Letters of credit		3	548,603	548,606	4	579,347	579,351
1.3.1	Documentary letters of credit		3	531,441	531,444	4	539,429	539,433
1.3.2	Other letters of credit		-	17,162	17,162	-	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		-	19,399	19,399	-	24,055	24,055
1.9	Other collaterals		-	-	-	-	-	-
II.	COMMITMENTS	(6)	25,084,936	1,696,831	26,781,767	25,492,027	1,309,173	26,801,200
2.1	Irrevocable commitments		24,976,518	751,500	25,728,018	25,025,838	1,309,173	26,335,011
2.1.1	Forward asset purchase commitments		327,259	749,594	1,076,853	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		5,424,542	213	5,424,755	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		2,060,004	-	2,060,004	1,685,568	-	1,685,568
2.1.8	Tax and fund liabilities from export commitments		6,988	-	6,988	6,031	-	6,031
2.1.9	Commitments for credit card expenditure limits		17,067,174	-	17,067,174	18,492,777	-	18,492,777
2.1.10	Commitments for promotions related with credit cards and banking activities		38,002	-	38,002	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		52,549	1,693	54,242	52,292	6,213	58,505
2.2	Revocable commitments		108,418	945,331	1,053,749	466,189	-	466,189
2.2.1	Revocable loan granting commitments		108,418	351,395	459,813	466,189	-	466,189
2.2.2	Other revocable commitments		-	593,936	593,936	-	-	-
III.	DERIVATIVE FINANCIAL INSTRUMENTS	(5)	41,228,346	58,048,868	99,277,214	30,729,064	37,381,283	68,110,347
3.1	Derivative financial instruments for hedging purposes		10,309,736	13,695,907	24,005,643	8,484,346	9,596,825	18,081,171
3.1.1	Fair value hedge		6,675,930	10,559,020	17,234,950	7,943,461	9,596,825	17,540,286
3.1.2	Cash flow hedge		3,633,806	3,136,887	6,770,693	540,885	-	540,885
3.1.3	Hedge of net investment in foreign operations		-	-	-	-	-	-
3.2	Held for trading transactions		30,918,610	44,352,961	75,271,571	22,244,718	27,784,458	50,029,176
3.2.1	Forward foreign currency buy/sell transactions		3,023,815	3,576,802	6,600,617	1,873,860	2,185,881	4,059,741
3.2.1.1	Forward foreign currency transactions-buy		1,406,707	1,895,433	3,302,140	1,083,037	953,734	2,036,771
3.2.1.2	Forward foreign currency transactions-sell		1,617,108	1,681,369	3,298,477	790,823	1,232,147	2,022,970
3.2.2	Swap transactions related to foreign currency and interest rates		21,637,234	31,116,268	52,753,502	15,510,471	19,121,648	34,632,119
3.2.2.1	Foreign currency swap-buy		12,583,337	9,313,810	21,897,147	7,541,602	6,860,603	14,402,205
3.2.2.2	Foreign currency swap-sell		7,761,087	14,387,936	22,149,023	6,354,569	8,018,111	14,372,680
3.2.2.3	Interest rate swaps-buy		646,405	3,536,517	4,182,922	807,150	2,050,163	2,857,313
3.2.2.4	Interest rate swaps-sell		646,405	3,878,005	4,524,410	807,150	2,192,771	2,999,921
3.2.3	Foreign currency, interest rate and securities options		6,257,051	9,617,419	15,874,470	4,852,119	6,243,347	11,095,466
3.2.3.1	Foreign currency options-buy		3,031,745	4,927,476	7,959,221	2,465,716	3,108,568	5,574,284
3.2.3.2	Foreign currency options-sell		3,225,306	4,689,943	7,915,249	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		510	42,472	42,982	8,268	216,992	225,260
3.2.4.1	Foreign currency futures-buy		255	21,236	21,491	4,134	108,496	112,630
3.2.4.2	Foreign currency futures-sell		255	21,236	21,491	4,134	108,496	112,630
3.2.5	Interest rate futures		-	-	-	-	16,590	16,590
3.2.5.1	Interest rate futures-buy		-	-	-	-	8,295	8,295
3.2.5.2	Interest rate futures-sell		-	-	-	-	8,295	8,295
3.2.6	Other		-	-	-	-	-	-
B.	CUSTODY AND PLEDGED ITEMS (IV+V+VI)		315,542,822	66,407,768	381,950,590	238,580,965	55,698,574	294,279,539
IV.	ITEMS HELD IN CUSTODY		10,043,403	1,183,406	11,226,809	9,038,350	1,662,193	10,700,543
4.1	Assets under management		3,513,680	6,252	3,519,932	2,606,526	112,331	2,718,857
4.2	Investment securities held in custody		2,005,410	337,766	2,343,176	2,379,933	546,715	2,926,648
4.3	Checks received for collection		1,756,326	231,738	1,988,064	1,246,196	214,083	1,460,279
4.4	Commercial notes received for collection		521,071	93,224	614,295	453,802	88,021	541,823
4.5	Other assets received for collection		-	-	-	-	-	-
4.6	Assets received for public offering		-	-	-	-	-	-
4.7	Other items under custody		2,246,913	514,426	2,761,339	2,351,890	701,043	3,052,933
4.8	Custodians		3	-	3	3	-	3
V.	PLEDGED ITEMS		176,311,088	24,357,446	200,668,534	131,930,871	20,206,574	152,137,445
5.1	Marketable securities		503,325	643,935	1,147,260	524,393	458,219	982,612
5.2	Guarantee notes		142,011	38,261	180,272	119,772	50,678	170,450
5.3	Commodity		27,266	-	27,266	21,788	-	21,788
5.4	Warranty		-	-	-	-	-	-
5.5	Properties		46,396,463	7,993,070	54,389,533	38,013,600	6,867,934	44,881,534
5.6	Other pledged items		129,242,023	15,682,180	144,924,203	93,251,318	12,829,743	106,081,061
5.7	Pledged items-depository		-	-	-	-	-	-
VI.	ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES		129,188,331	40,866,916	170,055,247	97,611,744	33,829,807	131,441,551
TOTAL OFF BALANCE SHEET ACCOUNTS (A+B)			386,026,549	129,101,434	515,127,983	298,482,087	97,068,676	395,550,763

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

**(CONVENIENCE TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS AND
RELATED DISCLOSURES AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH)
FİNANSBANK ANONİM ŞİRKETİ
CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED
DECEMBER 31, 2013 (STATEMENT OF INCOME/LOSS)
(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)**

III. CONSOLIDATED INCOME STATEMENT

		Audited 01.01-31.12.2013	Audited 01.01-31.12.2012	
Section 5 Part IV				
I.	INTEREST INCOME	(1)	5,818,835	5,719,226
1.1	Interest on loans		5,159,683	4,984,499
1.2	Interest received from reserve deposits		-	-
1.3	Interest received from banks		4,474	13,441
1.4	Interest received from money market placements		8,291	25,665
1.5	Interest received from marketable securities portfolio		502,993	572,105
1.5.1	Held-for-trading financial assets		13,341	18,278
1.5.2	Financial assets at fair value through profit and loss		9	1
1.5.3	Available-for-sale financial assets		406,058	553,816
1.5.4	Investments held-to-maturity		83,585	
1.6	Finance lease income		102,774	81,617
1.7	Other interest income		40,620	41,899
II.	INTEREST EXPENSE	(2)	2,549,868	2,720,107
2.1	Interest on deposits		1,972,161	2,288,984
2.2	Interest on funds borrowed		206,385	178,097
2.3	Interest on money market borrowings		103,651	107,666
2.4	Interest on securities issued		252,784	140,315
2.5	Other interest expense		14,887	5,045
III.	NET INTEREST INCOME (I - II)		3,268,967	2,999,119
IV.	NET FEES AND COMMISSIONS INCOME		1,086,758	1,114,569
4.1	Fees and commissions received		1,231,675	1,298,988
4.1.1	Non-cash loans		42,670	42,248
4.1.2	Other		1,189,005	1,256,740
4.2	Fees and commissions paid		144,917	184,419
4.2.1	Non-cash loans		1,088	1,173
4.2.2	Other		143,829	183,246
V.	DIVIDEND INCOME	(3)	147	248
VI.	NET TRADING INCOME	(4)	(205,454)	(348,650)
6.1	Securities trading gains/ (losses)		162,360	87,391
6.2	Gains / (losses) from financial derivative transactions		(270,990)	(432,009)
6.3	Foreign exchange gains/ (losses)		(96,824)	(4,032)
VII.	OTHER OPERATING INCOME	(5)	321,674	531,571
VIII.	NET OPERATING INCOME (III+IV+V+VI+VII)		4,472,092	4,296,857
IX.	PROVISION FOR LOAN LOSSES AND OTHER RECEIVABLES (-)	(6)	1,103,391	978,154
X.	OTHER OPERATING EXPENSES (-)	(7)	2,382,845	1,911,758
XI.	NET OPERATING INCOME/(LOSS) (VIII-IX-X)		985,856	1,406,945
XII.	AMOUNT IN EXCESS RECORDED AS GAIN AFTER MERGER		-	-
XIII.	GAIN / (LOSS) ON EQUITY METHOD		(11,338)	3,375
XIV.	GAIN / (LOSS) ON NET MONETARY POSITION		-	-
XV.	PROFIT/(LOSS) FROM CONTINUED OPERATIONS BEFORE TAXES (XI+...+XIV)	(8)	974,518	1,410,320
XVI.	TAX CHARGE FOR CONTINUED OPERATIONS (±)	(9)	(216,428)	(290,357)
16.1	Current income tax charge		(250,376)	(395,527)
16.2	Deferred tax charge / benefit		33,948	105,170
XVII.	NET PROFIT/(LOSS) FROM CONTINUED OPERATIONS (XV±XVI)	(10)	758,090	1,119,963
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)	758,090	1,119,963
23.1	Group's profit/loss		746,151	1,103,630
23.2	Minority shares		11,939	16,333
	Earnings per share		0.02763	0.04087

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

**(CONVENIENCE TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS AND
RELATED DISCLOSURES AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH)
FİNANSBANK ANONİM ŞİRKETİ
CONSOLIDATED STATEMENT OF PROFIT AND LOSS ACCOUNTED FOR UNDER EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2013
(STATEMENT OF OTHER COMPREHENSIVE INCOME/LOSS)
(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)**

**IV. CONSOLIDATED STATEMENT OF PROFIT AND LOSS ACCOUNTED FOR UNDER
EQUITY**

	Audited 01 .01 - 31.12.2013	Audited 01. 01 - 31.12.2012
I. ADDITIONS TO MARKETABLE SECURITIES REVALUATION DIFFERENCES FOR AVAILABLE FOR SALE FINANCIAL ASSETS	(443,111)	494,304
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)	127,832	(8,273)
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	5,443	(26,029)
IX. DEFERRED TAX OF VALUATION DIFFERENCES	77,157	(109,360)
X. TOTAL NET PROFIT/LOSS ACCOUNTED UNDER EQUITY (I+II+...+IX)	(232,679)	350,642
XI. PROFIT/LOSS	(75,709)	75,141
11.1 Change in fair value of marketable securities (Transfer to Profit/Loss)	(80,393)	71,449
11.2 Reclassification and transfer of derivatives accounted for cash flow hedge purposes recycled to Income Statement	4,684	3,692
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)	(308,388)	425,783

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

(CONVENIENCE TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS AND RELATED DISCLOSURES AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH)
FİNANSBANK ANONİM ŞİRKETİ
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2013

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

V. CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

			Effect of inflation		Share						Current	Prior	Marketable	Tangible and	Bonus Shares		Acc. Val.	Total Equity		
	Section 5	Paid-in	Accounting on	Share	Cancellation	Legal	Statutory	Extraordinary	Other	Income/	Year	Year	Securities	Intangible	Obtained	Hedging	Diff. from	Attributable	Minority	Total
	Part V	Capital	Capital Reserves	Premium	Profits	Reserves	Reserves	Reserves	Reserves	(Loss)	Net	Net	Value	Assets	from	Funds	Assets Held	to the Parent	Shares	Equity
																	for Sale and	Shareholders		
																	from Disc.			
																	Op.			
Audited																				
Prior period – 01.01.-31.12.2012																				
I. Beginning balance		2,440,000	-	714	-	269,937	-	2,402,433	-	-	898,412	(253,716)	-	-	(6,361)	-	-	5,751,419	159,904	5,911,323
II. Corrections according to TAS 8		-	-	-	-	-	-	-	(17,275)	1,798	-	-	-	-	-	-	-	(15,477)	-	(15,477)
2.1 The effect of corrections of errors		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2 The effects of changes in accounting policies		-	-	-	-	-	-	-	(17,275)	1,798	-	-	-	-	-	-	-	-	-	(15,477)
III. New balance (I+II)		2,440,000	-	714	-	269,937	-	2,402,433	(17,275)	1,798	898,412	(253,716)	-	-	(6,361)	-	-	5,735,942	159,904	5,895,846
Changes in period		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IV. Increase/decrease related to merger		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V. Marketable securities valuation differences	(1)	-	-	-	-	-	-	-	-	-	-	-	450,271	-	-	-	-	450,271	-	450,271
VI. Hedging funds (effective portion)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	(3,665)	-	(3,665)	-	(3,665)
6.1 Cash-flow hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	-	(3,665)	-	(3,665)	-	(3,665)
6.2 Hedge of net investment in foreign operations		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII. Tangible assets revaluation differences		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII. Intangible assets revaluation differences		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX. Bonus shares obtained from associates, subsidiaries and entities under common control		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X. Foreign exchange differences	(2)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI. Disposal of assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XII. Reclassification of assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIII. Effect of change in associates' equity		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV. Capital increase	(5)	125,000	-	-	-	-	-	(125,000)	-	-	-	-	-	-	-	-	-	-	-	-
14.1 Cash		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14.2 Internal sources		125,000	-	-	-	-	-	(125,000)	-	-	-	-	-	-	-	-	-	-	-	-
XV. Share issue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI. Share cancellation profits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVII. Inflation adjustment to paid-in capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVIII. Other		-	-	-	-	-	-	(1,035) ^(*)	(20,823)	-	-	-	-	-	-	-	-	(21,858)	(26,475) ^(*)	(48,333)
XIX. Period net income/(loss)	(3)	-	-	-	-	-	-	-	1,101,832	-	-	-	-	-	-	-	-	1,101,832	16,333	1,118,165
XX. Profit distribution		-	-	-	-	44,314	-	804,271	-	-	(848,585)	-	-	-	-	-	-	-	-	-
20.1 Dividends distributed		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20.2 Transfers to reserves		-	-	-	-	44,314	-	804,271	-	-	(848,585)	-	-	-	-	-	-	-	-	-
20.3 Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Closing balance																				
(III+IV+V+.....+ XVIII+XIX+XX)		2,565,000	-	714	-	314,251	-	3,080,669	(38,098)	1,103,630	49,827	196,555	-	-	(10,026)	-	-	7,262,522	149,762	7,412,284

^(*) Includes the effect of change in ownership of Finans Yatırım Ortaklığı A.Ş. from 49%.36 to 83.78% and Finans Finansal Kiralama A.Ş. from 64.32% to 68.94% in the current year.

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

(CONVENIENCE TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS AND RELATED DISCLOSURES AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH)
FİNANSBANK ANONİM ŞİRKETİ
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2013

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

V. CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

		Section 5	Paid-in	Effect of inflation Accounting on Capital and Other Capital Reserves	Share Premium	Share Certificate Cancellation Profits	Legal Reserves	Statutory Reserves	Extraordinary Reserves	Other Reserves	Current Year Net Income/ (Loss)	Prior Year Net Income/ (Loss)	Marketable Securities Value Increase Fund	Tangible and Intangible Assets Revaluation Differences	Bonus Shares Obtained from Associates	Hedging Funds	Acc. Valuation Diff. from Assets Held for Sale and Assets from Disc. Op.	Total Equity Attributable to the Parent Shareholders	Minority Shares	Total Equity
Audited	Part V	Capital																		
I.	Current period – 01.01.-31.12.2013		2,565,000	-	714	-	314,251	-	3,080,669	(38,098)	-	1,153,457	196,555	-	-	(10,026)	-	7,262,522	149,762	7,412,284
	Beginning Balance																			
	Changes in period		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
II.	Increase/decrease related to merger		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.	Marketable securities valuation differences	(1)	-	-	-	-	-	-	-	-	-	-	(418,755)	-	-	-	-	(418,755)	-	(418,755)
IV.	Hedging funds (effective portion)		-	-	-	-	-	-	-	-	-	-	-	-	-	106,013	-	106,013	-	106,013
4.1	Cash-flow hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	106,013	-	106,013	-	106,013
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	(2)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX.	Disposal of assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X.	Reclassification of assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI.	Effect of change in associates' equity		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XII.	Capital increase	(5)	135,000	-	-	-	-	-	(135,000)	-	-	-	-	-	-	-	-	-	-	-
12.1	Cash		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.2	Internal sources		135,000	-	-	-	-	-	(135,000)	-	-	-	-	-	-	-	-	-	-	-
XIII.	Share premium		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV.	Share cancellation profits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XV.	Inflation adjustment to paid-in capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI.	Other		-	-	-	-	-	-	240^(*)	4,354	-	-	-	-	-	-	-	4,594	1,235^(*)	5,829
XVII.	Period net income/(loss)		-	-	-	-	-	-	-	-	746,151	-	-	-	-	-	-	746,151	11,939	758,090
XVIII.	Profit distribution	(3)	-	-	-	-	49,380	-	901,303	-	-	(950,683)	-	-	-	-	-	-	-	-
18.1	Dividends distributed		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18.2	Transfers to reserves		-	-	-	-	49,380	-	901,303	-	-	(950,683)	-	-	-	-	-	-	-	-
18.3	Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Closing balance		2,700,000	-	714	-	363,631	-	3,847,212	(33,744)	746,151	202,774	(222,200)	-	-	95,987	-	7,700,525	162,936	7,863,461
	(I+II+III+.....+XVI+XVII+XVIII)																			

^(*) Includes the effect of change in ownership of Finans Yatırım Ortaklığı A.Ş. from 82.2 % to 76.10 % in the current year.

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

(CONVENIENCE TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS AND RELATED DISCLOSURES AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH)
FİNANSBANK ANONİM ŞİRKETİ
CONSOLIDATED CASH FLOWS STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2013
(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

VI. CONSOLIDATED CASH FLOWS STATEMENT

	Section 5 Part VI	Audited 01.01- 31.12.2013	Audited 01.01 – 31.12.2012
A. CASH FLOWS FROM / (TO) BANKING OPERATIONS			
1.1 Operating profit before changes in operating assets and liabilities (+)		1,902,909	2,756,529
1.1.1 Interest received (+)		5,765,623	5,833,877
1.1.2 Interest paid (-)		(2,314,638)	(2,711,387)
1.1.3 Dividend received (+)		147	248
1.1.4 Fees and commissions received (+)		1,232,690	1,299,567
1.1.5 Other income (+)		307,354	171,228
1.1.6 Collections from previously written off loans (+)		410,479	363,792
1.1.7 Payments to personnel and service suppliers (-)		(1,787,004)	(1,446,787)
1.1.8 Taxes paid (-)		(386,800)	(472,055)
1.1.9 Other (+/-)	(1)	(1,324,942)	(281,954)
1.2 Changes in operating assets and liabilities		(492,204)	(5,110,335)
1.2.1 Net (increase) decrease in financial assets held for trading (+/-)		(80,881)	(43,012)
1.2.2 Net (increase) decrease in financial assets at fair value through profit or loss (+/-)		(75,218)	221,070
1.2.3 Net (increase) decrease in due from banks (+/-)		(2,705,482)	(1,733,531)
1.2.4 Net (increase) decrease in loans (+/-)		(6,924,139)	(7,176,655)
1.2.5 Net (increase) decrease in other assets (+/-)	(1)	(323,001)	(702,562)
1.2.6 Net increase (decrease) in bank deposits (+/-)		248,659	752,999
1.2.7 Net increase (decrease) in other deposits (+/-)		4,507,911	2,912,019
1.2.8 Net increase (decrease) in funds borrowed (+/-)		607,526	147,524
1.2.9 Net increase (decrease) in matured payables (+/-)		-	-
1.2.10 Net increase (decrease) in other liabilities (+/-)	(1)	4,252,421	511,813
I. Net cash provided from / (used in) banking operations (+/-)		1,410,705	(2,353,806)
B. CASH FLOWS FROM INVESTING ACTIVITIES			
II. Net cash provided from / (used in) investing activities (+/-)		(2,334,555)	(84,658)
2.1 Cash paid for purchase of entities under common control, associates and subsidiaries (-)		(3,060)	(28,721)
2.2 Cash obtained from sale of entities under common control, associates and subsidiaries (+)		1,476	143,661
2.3 Fixed assets purchases (-)		(203,041)	(133,376)
2.4 Fixed assets sales (+)		439	2,272
2.5 Cash paid for purchase of financial assets available for sale (-)		(12,464,123)	(10,307,811)
2.6 Cash obtained from disposal of financial assets available for sale (+)		11,945,092	10,330,036
2.7 Cash paid for purchase of investment securities (-)		(1,222,906)	-
2.8 Cash obtained from disposal of investment securities (+)		-	-
2.9 Other (+/-)	(1)	(388,432)	(90,719)
C. CASH FLOWS FROM FINANCING ACTIVITIES			
III. Net cash provided from / (used in) financing activities (+/-)		(761,244)	2,998,586
3.1 Cash obtained from funds borrowed and securities issued (+)		4,613,983	4,448,586
3.2 Cash used for repayment of funds borrowed and securities issued (-)		(5,375,227)	(1,450,000)
3.3 Capital increase (+)		-	-
3.4 Dividends paid (-)		-	-
3.5 Payments for finance leases (-)		-	-
3.6 Other (+/-)	(1)	-	-
IV. Effect of change in foreign exchange rate on cash and cash equivalents (+/-)		348,374	30,467
V. Net increase / (decrease) in cash and cash equivalents (I+II+III+IV)		(1,336,720)	590,589
VI. Cash and cash equivalents at the beginning of the period (+)	(2)	3,608,818	3,018,229
VII. Cash and cash equivalents at end of the period (V+VI)	(3)	2,272,098	3,608,818

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

(CONVENIENCE TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS AND RELATED DISCLOSURES AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH)
FİNANSBANK ANONİM ŞİRKETİ
CONSOLIDATED STATEMENT OF PROFIT DISTRIBUTION
FOR THE YEAR ENDED DECEMBER 31, 2013

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

VII. CONSOLIDATED STATEMENT OF PROFIT DISTRIBUTION ^(*)

	Audited 31.12.2013^(**)	Audited 31.12.2012^(****)
I. DISTRIBUTION OF CURRENT YEAR INCOME		
1.1 CURRENT YEAR INCOME	937,594	1,167,608
1.2 TAXES AND DUTIES PAYABLE (-)	203,355	265,262
1.2.1 Corporate tax (Income tax)	229,625	383,179
1.2.2 Income withholding tax	-	-
1.2.3 Other taxes and duties	(26,270)	(117,917)
A. NET INCOME FOR THE YEAR (1.1-1.2)	734,239	902,346
1.3 PRIOR YEARS' LOSSES (-)	-	-
1.4 FIRST LEGAL RESERVES (-)	-	45,117
1.5 OTHER STATUTORY RESERVES (-)	-	-
B. NET INCOME AVAILABLE FOR DISTRIBUTION [(A-(1.3+1.4+1.5))]	734,239	857,229
1.6 FIRST DIVIDEND TO SHAREHOLDERS (-)	-	128,250
1.6.1 To owners of ordinary shares	-	128,250 ^(***)
1.6.2 To owners of preferred shares	-	-
1.6.3 To owners of preferred shares (preemptive rights)	-	-
1.6.4 To profit sharing bonds	-	-
1.6.5 To holders of profit and loss sharing certificates	-	-
1.7 DIVIDENDS TO PERSONNEL (-)	-	-
1.8 DIVIDENDS TO BOARD OF DIRECTORS (-)	-	-
1.9 SECOND DIVIDEND TO SHAREHOLDERS (-)	-	-
1.9.1 To owners of ordinary shares	-	-
1.9.2 To owners of preferred shares	-	-
1.9.3 To owners of preferred shares (preemptive rights)	-	-
1.9.4 To profit sharing bonds	-	-
1.9.5 To holders of profit and loss sharing certificates	-	-
1.10 SECOND LEGAL RESERVES (-)	-	-
1.11 STATUTORY RESERVES (-)	-	-
1.12 EXTRAORDINARY RESERVES	-	728,979
1.13 OTHER RESERVES	-	-
1.14 SPECIAL FUNDS	-	-
II. DISTRIBUTION OF RESERVES		
2.1 DISTRIBUTED RESERVES	-	-
2.2 SECOND LEGAL RESERVES (-)	-	-
2.3 DIVIDENDS TO SHAREHOLDERS (-)	-	-
2.3.1 To owners of ordinary shares	-	-
2.3.2 To owners of preferred shares	-	-
2.3.3 To owners of preferred shares (preemptive rights)	-	-
2.3.4 To profit sharing bonds	-	-
2.3.5 To holders of profit and loss sharing certificates	-	-
2.4 DIVIDENDS TO PERSONNEL (-)	-	-
2.5 DIVIDENDS TO BOARD OF DIRECTORS (-)	-	-
III. EARNINGS PER SHARE		
3.1 TO OWNERS OF ORDINARY SHARES	0.02719	0.03518
3.2 TO OWNERS OF ORDINARY SHARES (%)	2.72%	3.52%
3.3 TO OWNERS OF PREFERRED SHARES	-	-
3.4 TO OWNERS OF PREFERRED SHARES (%)	-	-
IV. DIVIDEND PER SHARE	-	-
4.1 TO OWNERS OF ORDINARY SHARES	-	-
4.2 TO OWNERS OF ORDINARY SHARES (%)	-	-
4.3 TO OWNERS OF PREFERRED SHARES	-	-
4.4 TO OWNERS OF PREFERRED SHARES (%)	-	-

^(*) Consolidated profit is not distributed by the companies according to the legislations in Turkey. Within this framework, the above table represents the stand-alone profit distribution of the Parent Bank.

^(**) Decision regarding the profit distribution for the 2013 will be taken at the General Meeting.

^(***) Distributed to shareholders as bonus shares.

^(****) Statement of profit distribution represents previously reported December 31, 2012 figures described in explanation on other matters, section XXII.

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

(CONVENIENCE TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS AND RELATED DISCLOSURES AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH)
FİNANSBANK ANONİM ŞİRKETİ
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

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

SECTION THREE
ACCOUNTING POLICIES

I. Basis of Presentation

1. Preparation of the consolidated 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 Parent Bank and its financial subsidiaries ("The Group") prepared the accompanying financial statements as of December 31, 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 ("TAS") and the related statements and guidance 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 the other regulations, circulars, communiqués and pronouncements in respect of accounting and financial reporting made by BRSA.

Explanation for Convenience Translation to English

The accounting principles used in the preparation of the accompanying financial statements differ from International Financial Reporting Standards (IFRS). The effects of the differences between these accounting principles and the accounting principles generally accepted in the countries in which the accompanying financial statements to be used and IFRS have not been quantified in the financial statements.

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

FİNANSBANK ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 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 Parent 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. Domestic bonds 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 generally bear floating rates and are repriced at an average period of 3-6 months. The Parent Bank diverts its placements to assets with high return and sufficient collaterals. The Parent 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 Parent Bank, the main activities generating yields higher than the calculated average yield are credit card transactions.

Besides customer deposits, the Parent 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 Parent Bank converts the foreign currency liquidity obtained from the international markets to TL liquidity using long term swap transactions (pay fixed TL interest rate and receive floating FC interest rate). Thus, the Parent Bank generates TL denominated resources for funding long term loans with fixed interest rates.

The Parent 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 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 resulting from the Group'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 resulting from deposits with fixed or floating interest rates are explained in the interest rate risk section in detail.

Hedging strategies for foreign exchange rate 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 Group 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 December 31, 2013 are translated to TL by using historical foreign currency exchange rates. Balances of the foreign currency denominated assets and liabilities except for non-monetary items are converted into TL by using foreign currency exchange rates of the Parent Bank for the year 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>December 31, 2013</u>	<u>December 31, 2012</u>
US Dollar	TL 2.1343	TL 1.7826
Euro	TL 2.9365	TL 2.3517

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

The net foreign exchange loss included in the consolidated income statement as of December 31, 2013 is TL 96,824 (December 31, 2012 - TL 4,032 net foreign exchange loss).

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2.3. Foreign subsidiaries

As of December 31, 2013 and December 31, 2012 the Parent Bank does not have any subsidiaries established abroad.

III. Information on Associates, Subsidiaries and Entities under Common Control

The accompanying consolidated financial statements are prepared in accordance with TAS 27 “Consolidated and Separate Financial Statements” and BRSA communiqué published on the Official Gazette numbered 26340 and dated November 8, 2006.

The subsidiaries included in consolidation and their places of incorporation, nature of activities and shareholding percentages are as follows:

		Place of Incorporation	Principal Activity	Effective Shareholding and Voting Rights (%)	
				December 31, 2013	December 31, 2012
1.	Finans Yatırım Menkul Değerler A.Ş. (Finans Invest)	Turkey	Securities Brokerage Intermediary	99.74	99.70
2.	Finans Portföy Yönetimi A.Ş. (Finans Portfolio)	Turkey	Portfolio Management	99.71	99.58
3.	Finans Yatırım Ortaklığı A.Ş. (Finans Investment Trust)	Turkey	Investment Trust	76.10	82.20
4.	Finans Finansal Kiralama A.Ş. (Finans Leasing)	Turkey	Financial Leasing	69.01	68.94
5.	Finans Emeklilik ve Hayat A.Ş. (Finans Pension Fund)	Turkey	Private Pension and Insurance	100.00	100.00
6.	Finans Faktoring Hizmetleri A.Ş.	Turkey	Factoring	49.00	49.00

Subsidiaries maintain their books of accounts and prepare their financial statements in accordance with the regulations on accounting and reporting framework and accounting standards which are determined by the accounting standards promulgated by the Turkish Commercial Code, Financial Leasing Law and Turkish Capital Markets Board regulations. Certain adjustments and reclassifications were made on the financial statements of the subsidiaries for the purpose of fair presentation in accordance with the prevailing regulations and accounting standards according to the Articles 37 and 38 of the Turkish Banking Law No 5411 and other regulations, circulars, communiqués and pronouncements in respect of accounting and financial reporting issued by the BRSA.

Differences between the accounting policies of the subsidiaries and the Parent Bank are adjusted, if material. The financial statements of the subsidiaries are prepared as of December 31, 2013.

1. Subsidiaries

As of December 31, 2013, the financial subsidiaries are fully consolidated and intercompany balances and income and expenses resulting from intercompany transactions are eliminated.

2. Associates and entities under common control

The Parent Bank does not have any associates that are consolidated in the accompanying financial statements. As of the balance sheet date, entities under common control are accounted using equity pickup method.

IV. Explanations on Forwards, Option Contracts and Derivative Instruments

The Group 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 Group also carries out currency and interest options, swaption, credit default swap and futures agreements.

Besides customer deposits, the Parent 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 Parent Bank converts the foreign currency liquidity obtained from the international markets to TL liquidity with long term swap transactions (pay fixed TL interest rate and receive floating FC interest rate). Therefore, the Group 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

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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”, “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 the 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 and loan portfolio, recognized as fair value hedged items, is presented in section 3, footnote VII, 2 and 4.

The Parent Bank implements cash flow hedge accounting by means of interest rate swaps in order to hedge itself for the changes in interest rates of deposits that have an average maturity of 1 month. The Bank implements effectiveness tests at the balance sheet dates for hedging purposes; the effective parts are accounted as defined in TAS 39, in financial statements under equity “Hedging Funds”, whereas the amount concerning ineffective parts is associated with income statement.

The Parent Bank applies fair value hedge accounting to hedge itself against the changes in the interest rates related to foreign currency bonds issued by the Parent Bank using interest rate swaps as hedging instruments. The Parent 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.

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

Credit default swap 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 an 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 subsidiaries’, associates’ and entities under common control’s profit distribution decisions are approved. Dividend income from subsidiaries is eliminated in the accompanying financial statements by adjusting in the retained earnings as part of the consolidation principles.

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.

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1. Financial assets at fair value through profit or loss

1.1. Trading securities

The Group accounts for its trading securities at fair value. The interest income that has been gained from trading securities is presented at 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 Parent 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 Parent 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.

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 investment securities available-for-sale are considered in computing 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 Under secretariat 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.

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

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 once realized in the income statement.

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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 Parent 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 21, 2013. Detailed information regarding the classification given in section five I/8.e.

4. Loans and specific provisions

The Group 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.

As mentioned in note “IV. Explanations on forward, option contracts and derivative instruments”, the Group 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 Parent 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 might be doubtful and amount is charged in the current period income statement.

In the case where there is an evidence for the possibility of uncollectibility of loans, the Parent 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 “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 and presents it in the liabilities as “General Provisions”.

The Parent 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”.

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 provided in the current period and the principle collections made in relation to amounts that provision provided 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. Explanations on Impairment of Financial Assets

If the amount computed by discounting expected future cash flows of a financial asset or of asset groups 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. Explanations on Netting of Financial Instruments

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

The Group 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.

The unearned interest income related to leasing agreements is netted off from the "Lease Receivables". Additionally, the specific provision is provided for non-performing lease receivables and netted off from lease receivables.

The unearned interest income related to factoring transactions is netted off from the "Factoring Receivables". Additionally, the specific provision is provided for non-performing factoring receivables and netted off from factoring receivables.

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 Group 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 Group neither transfers nor retains substantially all the risks and rewards of the ownership and continues to control the transferred asset, the Group recognizes its retained interest in the asset and an associated liability for the amounts that it may have to pay. If the Group 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.

X. Explanations on Sales and Repurchase Agreements and Lending of Securities

Securities sold under repurchase agreements are recorded on the balance sheet 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 Group 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 3,834,984 (December 31, 2012 - TL 1,986,434).

The Group does not have any securities that are subject to lending transactions as of December 31, 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. Explanations on 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 Group does not have assets held for sale.

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

XII. Explanations on Goodwill and Other Intangible Assets

The Group's intangible assets consist of software, intangible rights and goodwill.

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.

Software has been classified as other intangible fixed assets. The useful life of software is determined as 3 years.

If there is objective evidence of impairment, the asset's recoverable amount is estimated in accordance with 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.

XIII. Explanations on 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%

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. Explanations on Leasing Transactions

Fixed assets acquired under finance lease contracts are recorded 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%.

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

The gross lease receivables including interest and principal amounts regarding the Group's financial leasing activities as "Lessor" are stated under the "Finance Lease Receivables". The difference between the total of rental payments and the cost of the related fixed assets is reflected to the "unearned income" account. The interest income is recognized based on a pattern reflecting a constant periodic rate of return on the net investment outstanding.

The provisions for lease receivables are set as per BRSA communiqué numbered 28861 and dated December 24, 2013 "Principles of Accounting and Financial Statements of Leasing, Factoring and Financing Companies". Those provisions are accounted for under "Lease Receivables" at the accompanying financial statements.

XV. Explanations on Factoring Receivables

Factoring receivables are carried at amortized cost by using the effective interest rate method after unearned interest income is deducted and specific provisions for impairments are provided, if any. The provisions for factoring receivables are set as per BRSA communiqué numbered 28661 and dated December 24, 2013 "Principles of Accounting and Financial Statements of Leasing, Factoring and Financing Companies". Those provisions are accounted for under "Factoring Receivables" at the accompanying financial statements.

XVI. Explanations on 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 immediately when obligations arise as a result of past events and a reliable estimate of the obligation is made by the Group. 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 be reliably measured, a provision is provided.

Provisions provided during the period are accounted for under "Other Operating Expenses"; provisions provided in the prior periods and reversed in the current year are accounted for under "Other Operating Income".

XVII. Explanations on Obligations of the Group Concerning Employee Benefits

Provision for employee severance benefits of the Group has been accounted for in accordance with TAS 19 "Employee Benefits".

In accordance with the existing social legislation in Turkey, the Group 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 Group 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 Group.

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 Group 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.

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

XVIII. Explanations on 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 disposal of subsidiary shares and real estates held in Parent Bank assets for more than two years are exempted from tax, according to Corporate Tax Law under the condition with adding these gains into equity or allocating into a specific fund account as liability 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.

2. Deferred taxes

In accordance with Turkish Accounting Standard on Income Taxes (TAS 12), the Group 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.

XIX. Additional Explanations on Borrowings

The Group 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 effective internal rate of return method.

The Group has not issued convertible bonds. Debt instruments directly issued by the Group 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.

XX. Explanations on Share Issues

During the current period, the share capital of the Bank has been increased by TL 135,000 from bonus shares, TL 128,250, from first dividends, TL 6,750 from shareholding disposal funds. (January 1 – December 31, 2012: TL 125,000, from first dividends, TL 122,000 and from extraordinary reserves, TL 3,000 in cash).

XXI. Explanations on Confirmed Bills of Exchange and Acceptances

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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.

XXII. Explanations on Government Incentives

As of December 31, 2013, the Bank does not have any government incentives or grants. (December 31, 2012 – 2,968 TL).

XXIII. Explanations on Reporting According to Segmentation

In addition to corporate banking, retail banking and commercial banking services, the Group also provides private banking, treasury operations and credit card services through branches and alternative channels. The Group 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 Group provides services including deposit and loans, foreign trade financing, forward and option agreements to its corporate clients. Other than those mentioned above, the Group also serves in trading financial instruments, treasury operations, and performs insurance, factoring, and domestic and abroad financial lease operations.

The calculations based on the income statement on corporate and commercial banking, consumer 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 Parent Bank's senior management and which are updated periodically. In this pricing method, general market conditions and the Parent 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 revenue 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 Parent Bank also offers sectoral solution packages to 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 Parent 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 Parent Bank.

Current Period (Jan. 1-Dec. 31, 2013)	Retail Banking	Corporate and Commercial Banking	Treasury and Head Office	Total Operations of the Group
Net Interest Income	1,473,234	518,911	1,276,822	3,268,967
Net Fees and Commissions Income	1,573,479	119,828	(606,549)	1,086,758
Other Operating Income and Net Trading Income	175,762	138,559	(198,101)	116,220
Dividend Income			147	147
Operating Income	3,222,475	777,298	472,319	4,472,092
Other Operating Expenses	1,542,251	375,112	465,482	2,382,845
Provision for Loan Losses and Other Receivables(-)	651,737	184,657	266,997	1,103,391
Profit Before Taxes	1,028,487	217,529	(260,160)	985,856
Gain /Loss on Equity Method	-	-	(11,338)	(11,338)
Tax Charge	-	-	-	(216,428)
Net Profit/Loss	-	-	-	758,090
Total Assets	34,123,577	9,912,457	19,618,825	67,665,718
Segment Assets	34,123,577	9,912,457	19,618,825	63,654,859
Associates, Subsidiaries and Entities Under Common Control	-	-	-	199,422
Undistributed Assets	-	-	-	3,811,437
Total Liabilities	25,886,321	10,625,129	17,316,855	67,665,718
Segment Liabilities	25,886,321	10,625,129	17,316,855	53,828,305

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Undistributed Liabilities	-	-	-	5,973,952
Equity	-	-	-	7,863,461
Other Segment Accounts	-	-	-	474,308
Capital Expenditures	-	-	-	299,622
Depreciation and Amortization	-	-	-	172,933
Value Decrease/ (Increase)	-	-	-	1,753

	Retail Banking	Corporate and Commercial Banking	Treasury and Head Office	Total Operations of the Group
Prior Period (Jan. 1-Dec. 31, 2012)				
Net Interest Income	1,555,277	581,660	862,182	2,999,119
Net Fees and Commissions Income	1,513,891	113,548	(512,870)	1,114,569
Other Operating Income and Net Trading Income	113,076	107,665	(37,820)	182,921
Dividend Income	-	-	248	248
Operating Income	3,182,244	802,873	311,740	4,296,857
Other Operating Expenses	1,208,070	313,631	390,057	1,911,758
Provision for Loan Losses and Other Receivables(-)	471,705	158,632	347,817	978,154
Profit Before Taxes	1,502,469	330,610	(426,134)	1,406,945
Gain /Loss on Equity Method	-	-	3,375	3,375
Tax Charge	-	-	-	(290,357)
Net Profit/Loss	-	-	-	1,119,963
Total Assets	29,154,171	7,872,140	14,696,588	55,435,570
Segment Assets	29,154,171	7,872,140	14,696,588	51,722,899
Associates, Subsidiaries and Entities Under Common Control	-	-	-	224,055
Undistributed Assets	-	-	-	3,488,616
Total Liabilities	19,964,569	11,466,991	13,107,747	55,435,570
Segment Liabilities	19,964,569	11,466,991	13,107,747	44,539,307
Undistributed Liabilities	-	-	-	3,483,979
Equity	-	-	-	7,412,284
Other Segment Accounts	-	-	-	440,887
Capital Expenditures	-	-	-	285,399
Depreciation and Amortization	-	-	-	151,837
Value Decrease/ (Increase)	-	-	-	3,651

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 December 31, 2012	Effect of Adjustment	Restated December 31, 2012
Reserve for employee termination benefits	158,486	45,418	203,904
Deferred tax liabilities	24,185	(9,118)	15,067
Other capital reserves	-	(38,098)	(38,098)
Period net income	1,101,832	1,798	1,103,630

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SECTION FOUR

INFORMATION ON GROUP'S FINANCIAL STRUCTURE

I. Explanations Related to Consolidated Capital Adequacy Standard Ratio

As of December 31, 2013, the Group's consolidated capital adequacy ratio is 17.16%. (December 31, 2012 – 19.15%)

Capital adequacy ratio is calculated within the scope of the “Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks”, “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 Group designates balance sheet items and non-balance sheet items as “trading” and “banking book” according to capital adequacy account.

The risk weighted assets are calculated as the figures deducted from the capital base net off depreciations and provisions.

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 calculated using the rates stated in the Appendix-2 of the Regulation.

The balance sheet items and off balance sheet items for which credit equivalent risk is calculated within the scope of the rates stated in the Article 5 of the Regulation, 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 on credit risk mitigation techniques used under “Regulation on Credit Risk Mitigation Techniques” are presented in Section 4, Footnote X under “Explanations related to Credit Risk Mitigation Techniques”.

Capital requirement for the market risk is calculated using the standard method. Market risk for the options is calculated in line with the regulation “Capital Requirement for Market Risk of Options - Standard Method” published in the Official Gazette No: 28337 dated June 28, 2012.

Capital requirement for the operational risk is calculated in line with the “Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks” published in the Official Gazette No: 28337 dated June 28, 2012 by using Basic Indicator Approach.

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Consolidated and unconsolidated capital adequacy ratio:

Current Period	The Parent Bank								
	Risk Weightings								
	0%	10%	20%	50%	75%	100%	150%	200%	250%
Value at Credit Risk	-	-	179,588	7,476,755	11,903,243	18,675,739	1,992,405	8,987,942	1,356,358
Exposure Categories:	15,315,268	-	897,940	14,953,510	15,870,990	18,675,739	1,328,270	4,493,971	542,543
Conditional and unconditional receivables from central governances and central Banks	14,268,181	-	-	1,333,821	-	-	-	-	-
Conditional and unconditional receivables from regional or local governments	-	-	2,452	-	-	-	-	-	-
Conditional and unconditional receivables from administrative units and non-commercial enterprises	-	-	-	-	-	1,023	-	-	-
Conditional and unconditional receivables from multilateral development banks	-	-	-	-	-	-	-	-	-
Conditional and unconditional receivables from international organizations	-	-	-	-	-	-	-	-	-
Conditional and unconditional receivables from banks and brokerage houses	-	-	895,415	1,608,741	-	27,180	-	-	-
Conditional and unconditional receivables from corporates	-	-	-	16,039	-	12,719,917	-	-	-
Conditional and unconditional retail receivables	-	-	-	-	15,870,990	3,261,960	-	-	-
Conditional and unconditional receivables secured by mortgages	-	-	-	11,952,456	-	-	-	-	-
Past due receivables	-	-	-	42,453	-	454,259	-	-	-
Receivables defined in high risk category by BRSA	-	-	-	-	-	-	1,328,270	4,493,971	542,543
Securities collateralized by mortgages	-	-	-	-	-	-	-	-	-
Securitization positions	-	-	-	-	-	-	-	-	-
Short-term receivables from banks, brokerage houses and corporates	-	-	-	-	-	-	-	-	-
Investments similar to collective investment funds	-	-	-	-	-	23,640	-	-	-
Other receivables	1,047,087	-	73	-	-	2,187,760	-	-	-

Current Period	Consolidated								
	Risk Weightings								
	0%	10%	20%	50%	75%	100%	150%	200%	250%
Value at Credit Risk	-	-	158,471	7,561,842	12,328,796	20,062,864	2,044,314	8,987,942	1,356,358
Exposure Categories:	15,315,351	-	792,355	15,123,683	16,438,394	20,062,864	1,362,876	4,493,971	542,543
Conditional and unconditional receivables from central governances and central Banks	14,268,181	-	-	1,333,821	-	-	-	-	-
Conditional and unconditional receivables from regional or local governments	-	-	2,452	-	-	-	-	-	-
Conditional and unconditional receivables from administrative units and non-commercial enterprises	-	-	-	-	-	1,023	-	-	-
Conditional and unconditional receivables from multilateral development banks	-	-	-	-	-	-	-	-	-
Conditional and unconditional receivables from international organizations	-	-	-	-	-	-	-	-	-
Conditional and unconditional receivables from banks and brokerage houses	-	-	789,829	1,717,364	-	27,181	-	-	-
Conditional and unconditional receivables from corporates	-	-	-	16,039	-	13,945,683	-	-	-
Conditional and unconditional retail receivables	-	-	-	-	16,438,394	3,261,959	-	-	-
Conditional and unconditional receivables secured by mortgages	-	-	-	12,012,528	-	-	-	-	-
Past due receivables	-	-	-	43,931	-	486,837	-	-	-
Receivables defined in high risk category by BRSA	-	-	-	-	-	-	1,362,876	4,493,971	542,543
Securities collateralized by mortgages	-	-	-	-	-	-	-	-	-
Securitization positions	-	-	-	-	-	-	-	-	-
Short-term receivables from banks, brokerage houses and corporates	-	-	-	-	-	-	-	-	-
Investments similar to collective investment funds	-	-	-	-	-	23,640	-	-	-
Other receivables	1,047,170	-	74	-	-	2,316,541	-	-	-

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Prior Period	The Parent Bank								
	Risk Weightings								
	0%	10%	20%	50%	75%	100%	150%	200%	250%
Value at Credit Risk	-	-	161,174	6,019,267	13,911,243	11,448,093	4,156,287	5,802,598	-
Exposure Categories:	10,744,997	-	805,871	12,038,534	18,548,325	11,448,093	2,770,858	2,901,299	-
Conditional and unconditional receivables from central governances and central Banks	10,091,979	-	-	1,177,704	-	-	-	-	-
Conditional and unconditional receivables from regional or local governments	-	-	4,200	-	-	-	-	-	-
Conditional and unconditional receivables from administrative units and non-commercial enterprises	-	-	-	-	-	90	-	-	-
Conditional and unconditional receivables from multilateral development banks	-	-	-	-	-	-	-	-	-
Conditional and unconditional receivables from international organizations	-	-	-	-	-	-	-	-	-
Conditional and unconditional receivables from banks and brokerage houses	-	-	801,669	286,125	-	20,312	-	-	-
Conditional and unconditional receivables from corporates	-	-	-	13,196	-	9,151,879	-	-	-
Conditional and unconditional retail receivables	-	-	-	-	18,548,325	-	-	-	-
Conditional and unconditional receivables secured by mortgages	-	-	-	10,537,266	-	-	-	-	-
Past due receivables	-	-	-	24,243	-	309,988	-	-	-
Receivables defined in high risk category by BRSA	-	-	-	-	-	-	2,770,858	2,901,299	-
Securities collateralized by mortgages	-	-	-	-	-	-	-	-	-
Securitization positions	-	-	-	-	-	-	-	-	-
Short-term receivables from banks, brokerage houses and corporates	-	-	-	-	-	-	-	-	-
Investments similar to collective investment funds	-	-	-	-	-	182,692	-	-	-
Other receivables	653,018	-	2	-	-	1,783,132	-	-	-

Prior Period	Consolidated								
	Risk Weightings								
	0%	10%	20%	50%	75%	100%	150%	200%	250%
Value at Credit Risk	-	-	193,592	6,037,556	14,653,172	12,106,776	4,185,533	5,802,598	-
Exposure Categories:	10,745,058	-	967,959	12,075,112	19,537,563	12,106,776	2,790,355	2,901,299	-
Conditional and unconditional receivables from central governances and central Banks	10,091,979	-	-	1,177,704	-	-	-	-	-
Conditional and unconditional receivables from regional or local governments	-	-	4,200	-	-	-	-	-	-
Conditional and unconditional receivables from administrative units and non-commercial enterprises	-	-	-	-	-	90	-	-	-
Conditional and unconditional receivables from multilateral development banks	-	-	-	-	-	-	-	-	-
Conditional and unconditional receivables from international organizations	-	-	-	-	-	-	-	-	-
Conditional and unconditional receivables from banks and brokerage houses	-	-	963,757	282,531	-	20,312	-	-	-
Conditional and unconditional receivables from corporates	-	-	-	13,196	-	9,586,459	-	-	-
Conditional and unconditional retail receivables	-	-	-	-	19,537,563	-	-	-	-
Conditional and unconditional receivables secured by mortgages	-	-	-	10,576,698	-	-	-	-	-
Past due receivables	-	-	-	24,983	-	329,800	-	-	-
Receivables defined in high risk category by BRSA	-	-	-	-	-	-	2,790,355	2,901,299	-
Securities collateralized by mortgages	-	-	-	-	-	-	-	-	-
Securitization positions	-	-	-	-	-	-	-	-	-
Short-term receivables from banks, brokerage houses and corporates	-	-	-	-	-	-	-	-	-
Investments similar to collective investment funds	-	-	-	-	-	182,692	-	-	-
Other receivables	653,079	-	2	-	-	1,987,423	-	-	-

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Summary information related to consolidated and unconsolidated capital adequacy ratio:

	The Parent Bank	Consolidated
	Current Period	Current Period
Capital Requirement for Credit Risk (Value at Credit Risk*0.08) (CRCR)	4,045,762	4,200,047
Capital Requirement for Market Risk (MRCR)	80,017	94,166
Capital Requirement for Operational Risk (ORCR)	425,090	454,568
Shareholders' Equity	9,642,752	10,188,321
Shareholders' Equity/(CRCR+MRCR+ORCR) * 12.5 * 100	16.95%	17.16%

	The Parent Bank	Consolidated
	Prior Period	Prior Period
Capital Requirement for Credit Risk (Value at Credit Risk*0.08) (CRCR)	3,319,893	3,438,338
Capital Requirement for Market Risk (MRCR)	64,494	68,687
Capital Requirement for Operational Risk (ORCR)	359,393	390,558
Shareholders' Equity	8,820,860	9,327,985
Shareholders' Equity/(CRCR+MRCR+ORCR) * 12.5 * 100	18.85%	19.15%

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

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Components of consolidated 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	3,534,548	2,837,708
Inflation Adjustments to Reserves	-	-
Profit	948,925	1,153,457
Current Period's Profit	746,151	1,103,630
Prior Periods' Profit	202,774	49,827
Provision for Possible Losses (up to 25% of Core Capital)	102,025	99,747
Income on Sale of Equity Shares and Real Estates	642,551	519,114
Primary Subordinated Debts	-	-
Minority Interest	162,936	149,762
Loss (in excess of Reserves) (-)	-	-
Current Period's Losses	-	-
Prior Periods' Losses	-	-
Leasehold Improvements on Operational Leases (-)	140,275	116,864
Intangible Assets (-)	200,798	171,588
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 (-)	-	-
Goodwill (Net) (-)	8,969	8,969
Total Core Capital	7,741,657	7,028,081
SUPPLEMENTARY CAPITAL		
General Provisions	741,997	608,997
45% of Revaluation Surplus on Movables	-	-
45% of Revaluation Surplus on Immovable	-	-
Bonus Shares from Associates, Subsidiaries and Joint-Ventures not Accounted in Current Period's Profit	-	-
Primary Subordinated Debts excluding the Portion included in Core Capital	-	-
Secondary Subordinated Debts	1,941,738	1,614,716
45% of Securities Value Increase Fund	(222,200)	88,450
Inflation Adjustments to Other Capital and Profit Reserves and Prior Periods' Profit/Loss	-	-
Minority Interest	-	-
Total Supplementary Capital	2,461,535	2,312,163
CAPITAL	10,203,192	9,340,244
DEDUCTIONS FROM CAPITAL	14,871	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	2,015	-
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	12,855	12,216
Securitization Positions to be Deducted from Equity	-	-
Other	1	43
TOTAL SHAREHOLDERS' EQUITY	10,188,321	9,327,985

^(*) The prior period figures are adjusted as detailed in Section 3, Part XXIV.

Approaches for assessment of adequacy of internal capital requirements for current and future activities

The Parent Bank documented its strategy on the process of assessing the internal capital requirements in "Finansbank Risk Management Strategy" approved by its Board of Directors. The target capital adequacy ratio set within the scope of this process is a significant determining factor of the Bank's risk appetite.

The Parent Bank's strategy on the process of assessing the internal capital requirements results in planning of future needs of additional capital under the effects of long term business plans' stress tests reflecting

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adverse economic conditions in addition to determination of the additional need for capital for the types of risk that are not covered or partially covered by “Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks”.

II. Explanations Related to Consolidated Credit Risk

Credit risk represents the risk arising due to the counter party's not fulfilling its responsibilities stated in the agreement either partially or totally. Credit Risk Management Committee and Credit Department is responsible for managing credit risk.

Loan strategies and policies are determined by the Policy Committees. These policies and strategies are constituted in line with the applications of the Parent, and credit risk is managed according to these policies and strategies. The quality of loan portfolio is monitored regularly with the help of metrics which are in line with the Bank's risk appetite, as specified in Risk Management Strategies.

Credit Risk Management takes place in every steps of the Parent Bank's credit process from the beginning. Loan applications are evaluated by non-profit oriented independent loan granting departments. Loan Limits are determined on a product basis and in the aggregate for every individual, corporate customer and risk group. Furthermore, concentration on product, industry, region, are monitored within the frame of loan limits in line with the regulation.

The credibility of the debtors is monitored periodically in accordance with the related regulation. The statements presenting the financial position of the borrowers are obtained in accordance with the related regulation.

Loan limits of the loan customers are revised periodically in line with the Group's loan limit revision procedures.

The Parent Bank analyses the credibility of the loans within the framework of its loan policies and obtains collaterals for loans.

The Parent Bank has control limits over the positions of forward transactions, options and other similar agreements. The credit risk arising from these instruments are managed together with the risks resulting from market fluctuations.

The Parent Bank monitors risks of forward transactions, options and other similar agreements and reduces the risk if necessary.

Indemnified non-cash loans are weighted in the same risk group with the past due but not impaired loans.

The restructured and rescheduled loans are monitored by the Parent Bank in line with the Parent Bank's credit risk management procedures. The debtor's financial position and commercial activities are continuously analyzed and the principal and interest payments of rescheduled loans are monitored by the related departments.

The restructured and rescheduled loans are evaluated in the Parent Bank's current internal rating system besides the follow up method determined in the related regulation.

The risk of banking operation abroad and credit transactions is acceptable and there is no significant credit risk density in international banking market.

Based on “Regulation on Procedures and Principles for Determination of Qualifications of Loans and Other Receivables by Banks and Provisions to be set aside”, the Parent Bank considers Second Group loans whose principal or interest payments are not collected at the determined dates as overdue loans. Loans whose principal or interest payments are delayed for more than 90 days and loans of borrowers which the Parent Bank believes that the borrower lost his creditworthiness are considered as impaired loans.

The Parent Bank calculates general loan provision for overdue loans and specific loan provision for impaired loans based on “Regulation on Procedures and Principles for Determination of Qualifications of Loans and Other Receivables by Banks and Provisions to be set aside”.

The receivables of the Group from its top 100 cash loan customers are 10% in the total cash loans (December 31, 2012 – 14%).

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The receivables of the Group from its top 200 cash loan customers are 12% in the total cash loans (December 31, 2012 – 17%).

The receivables of the Group from its top 100 non-cash loan customers are 45% in the total non-cash loans (December 31, 2012 – 44%).

The receivables of the Group from its top 200 non-cash loan customers are 54% in the total non-cash loans (December 31, 2012 – 54%).

The share of cash and non-cash receivables of the Group from its top 100 loan customers in total cash and non-cash loans is 13% (December 31, 2012 – 11%).

The share of cash and non-cash receivables of the Group from its top 200 loan customers in total cash and non-cash loans is 16% (December 31, 2012 – 13%).

The general loan loss provision related with the credit risk taken by the Group is TL 816,291 (December 31, 2012 – TL 617,684).

Provision for probable risks in the Group's loan portfolio amounted to TL 102,025 (December 31, 2012 – TL 99,747).

Exposure Categories	Current Period Risk Amount(**)	Average Risk Amount	Prior Period Risk Amount(**)	Average Risk Amount(*)
Conditional and unconditional receivables from central governments or central banks	15,602,002	12,973,783	11,269,683	10,909,145
Conditional and unconditional receivables from regional or local governments	2,473	3,665	4,200	4,643
Conditional and unconditional receivables from administrative units and non-commercial enterprises	1,040	880	90	769
Conditional and unconditional receivables from multilateral development banks	-	-	-	-
Conditional and unconditional receivables from international organizations	-	-	-	-
Conditional and unconditional receivables from banks and brokerage houses	4,045,252	2,002,151	1,317,785	1,110,212
Conditional and unconditional receivables from corporates	14,406,938	12,107,421	9,985,106	11,458,728
Conditional and unconditional retail receivables	19,902,934	19,782,744	19,734,200	19,745,023
Conditional and unconditional receivables secured by mortgages	12,012,527	10,742,185	10,576,698	9,224,410
Past due receivables	530,867	475,415	354,791	386,313
Receivables defined in high risk category by BRSA	6,456,484	5,948,744	5,734,568	5,491,950
Securities collateralized by mortgages	-	-	-	-
Securitization positions	-	-	-	-
Short-term receivables from banks, brokerage houses and corporates	-	99,232	-	-
Investments similar to collective investment funds	23,640	78,577	182,692	182,692
Other receivables	3,363,786	2,694,659	2,640,504	2,386,522

(*)Average risk amount is determined by calculating the arithmetical average of the amounts after credit conversion for the period July-December 2012.

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

Credit rating system

The Parent Bank uses internal credit rating system effectively in order to track the quality of credit portfolio and determine the actions required, based on customer groups and types of loans. The parent Bank uses the behavioral rating systems in order to measure the probability of default of the current customers in a determined period of time and to perform limit management. These rating systems are monitored regularly in line with generally accepted applications and methods.

The table below indicates the ratings of the corporate / commercial and enterprise banking cash loans:

	Current Period (%)	Prior Period (%)
Debtor has a very strong financial structure	10	6
Debtor has a good financial structure	60	59
Debtor has a medium financial structure	19	22
Debtor has a financial structure which needs attention in medium term	8	10
Not graded	3	3
Total	100	100

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Profile of significant exposures in major regions:

	Exposure Categories ^(*)																Total
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	
Current Period																	
1. Domestic	15,602,002	2,473	1,040	-	-	896,606	14,135,816	19,898,563	12,009,077	530,867	6,456,078	-	-	-	23,640	3,164,205	72,720,367
2. European Union Countries	-	-	-	-	-	2,775,100	211,294	152	3,155	-	146	-	-	-	-	-	2,989,847
3. OECD Countries ^(**)	-	-	-	-	-	47,892	-	207	-	-	-	-	-	-	-	-	48,099
4. Off-Shore Banking Regions	-	-	-	-	-	813	38,075	-	-	-	-	-	-	-	-	-	38,888
5. USA, Canada	-	-	-	-	-	293,097	16,773	9	-	-	-	-	-	-	-	-	309,879
6. Other Countries	-	-	-	-	-	31,744	4,980	4,003	295	-	260	-	-	-	-	-	41,282
7. Associates, Subsidiaries and Joint –Ventures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	199,581	199,581
8. Unallocated Assets/Liabilities ^(***)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	15,602,002	2,473	1,040	-	-	4,045,252	14,406,938	19,902,934	12,012,527	530,867	6,456,484	-	-	-	23,640	3,363,786	76,347,943

	Exposure Categories ^(*)																Total
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	
Prior Period																	
1. Domestic	11,269,683	4,200	90	-	-	379,860	9,671,357	19,725,799	10,575,815	354,696	5,713,087	-	-	-	182,692	2,416,447	60,293,726
2. European Union Countries	-	-	-	-	-	535,213	235,103	2,622	645	-	98	-	-	-	-	-	773,681
3. OECD Countries ^(**)	-	-	-	-	-	17,453	-	2	-	-	21,366	-	-	-	-	-	38,821
4. Off-Shore Banking Regions	-	-	-	-	-	230,167	31,709	-	-	-	-	-	-	-	-	-	261,876
5. USA, Canada	-	-	-	-	-	96,495	28,716	10	9	-	17	-	-	-	-	-	125,247
6. Other Countries	-	-	-	-	-	58,597	18,221	5,767	229	95	-	-	-	-	-	-	82,909
7. Associates, Subsidiaries and Joint –Ventures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	224,057	224,057
8. Unallocated Assets/Liabilities ^(***)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	11,269,683	4,200	90	-	-	1,317,785	9,985,106	19,734,200	10,576,698	354,791	5,734,568	-	-	-	182,692	2,640,504	61,800,317

(*) Exposure categories based on "Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks".

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

(***) Includes assets and liability items that cannot be allocated on a consistent basis.

1- Conditional and unconditional exposures from central governments or central banks

2- Conditional and unconditional exposures to regional governments or local authorities

3- Conditional and unconditional exposures to administrative bodies and non-commercial undertakings

4- Conditional and unconditional exposures to multilateral development banks

5- Conditional and unconditional exposures to international organizations

6- Conditional and unconditional exposures to banks and brokerage houses

7- Conditional and unconditional exposures to corporates

8- Conditional and unconditional retail exposures

9- Conditional and unconditional exposures secured by real estate property

10- Past due items

11- Items in regulatory high-risk categories

12- Exposures in the form of bonds secured by mortgages

13- Short term exposures to banks, brokerage houses and corporates

14- Exposures in the form of collective investment undertakings

15- Other items

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Risk profile by sectors or counterparties:

Current Period	Exposure Categories ^(*)																TL	FC	Total
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16			
Agricultural	-	-	-	-	-	-	324,150	92,758	214,095	3,070	12	-	-	-	-	-	595,295	38,790	634,085
Farming and Raising Livestock	-	-	-	-	-	-	313,815	83,910	204,219	2,984	11	-	-	-	-	-	574,077	30,862	604,939
Forestry	-	-	-	-	-	-	254	3,627	3,269	31	1	-	-	-	-	-	7,182	-	7,182
Fishing	-	-	-	-	-	-	10,081	5,221	6,607	55	-	-	-	-	-	-	14,036	7,928	21,964
Manufacturing	-	-	-	-	-	-	4,050,590	1,319,408	1,051,403	46,930	257	-	-	-	-	-	3,037,305	3,431,283	6,468,588
Mining and Quarrying	-	-	-	-	-	-	68,899	24,400	23,576	924	2	-	-	-	-	-	71,378	46,423	117,801
Production	-	-	-	-	-	-	3,158,953	1,288,093	1,019,375	45,943	255	-	-	-	-	-	2,787,449	2,725,170	5,512,619
Electricity, gas and water	-	-	-	-	-	-	822,738	6,915	8,452	63	-	-	-	-	-	-	178,478	659,690	838,168
Construction	-	-	-	-	-	-	1,405,988	523,786	1,074,050	26,128	50	-	-	-	-	-	1,935,037	1,094,965	3,030,002
Services	7,160,645	-	1,040	-	-	3,764,591	5,174,491	3,378,222	2,693,971	107,565	854	-	-	-	-	-	17,488,438	4,792,941	22,281,379
Wholesale and Retail Trade	-	-	-	-	-	-	2,837,800	2,632,911	1,725,391	80,604	701	-	-	-	-	-	5,810,470	1,466,937	7,277,407
Hotel, Food and Beverage	-	-	-	-	-	-	161,373	32,757	360,298	566	7	-	-	-	-	-	118,143	436,858	555,001
Services	-	-	-	-	-	-	807,259	367,745	197,492	21,342	81	-	-	-	-	-	789,523	604,396	1,393,919
Transportation & Communication	-	-	-	-	-	-	324,428	24,171	15,630	217	7	-	-	-	-	-	9,761,860	1,527,829	11,289,689
Financial Institutions	7,160,645	-	-	-	-	-	404,825	41,504	50,062	1,542	15	-	-	-	-	-	109,515	388,433	497,948
Real Estate and Renting	-	-	-	-	-	-	338,612	158,447	175,527	1,930	19	-	-	-	-	-	391,046	283,489	674,535
Services	-	-	-	-	-	-	29,254	28,774	32,113	552	9	-	-	-	-	-	83,056	8,686	91,742
Self-Employment Services	-	-	1,040	-	-	-	270,940	91,913	137,458	812	15	-	-	-	-	-	424,825	76,313	501,138
Educational Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health and Social Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	8,441,357	2,473	-	-	-	280,661	3,451,719	14,588,760	6,979,008	347,174	6,455,311	-	-	-	23,640	3,363,786	41,148,414	2,785,475	43,933,899
Total	15,602,002	2,473	1,040	-	-	4,045,252	14,406,938	19,902,934	12,012,527	530,867	6,456,484	-	-	-	23,640	3,363,786	64,204,489	12,143,454	76,347,943

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

- 1- Conditional and unconditional exposures from central governments or central banks
- 2- Conditional and unconditional exposures to regional governments or local authorities
- 3- Conditional and unconditional exposures to administrative bodies and non-commercial undertakings
- 4- Conditional and unconditional exposures to multilateral development banks
- 5- Conditional and unconditional exposures to international organizations
- 6- Conditional and unconditional exposures to banks and brokerage houses
- 7- Conditional and unconditional exposures to corporates
- 8- Conditional and unconditional retail exposures
- 9- Conditional and unconditional exposures secured by real estate property
- 10- Past due items
- 11- Items in regulatory high-risk categories
- 12- Exposures in the form of bonds secured by mortgages
- 13- Short term exposures to banks, brokerage houses and corporates
- 14- Exposures in the form of collective investment undertakings
- 15- Other items

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Prior Period	Exposure Categories ^(*)																TL	FC	Total
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16			
Agricultural	-	-	-	-	-	-	150,629	80,262	93,527	3,978	2,658	-	-	-	-	-	309,244	21,810	331,054
Farming and Raising Livestock	-	-	-	-	-	-	143,013	73,432	86,961	3,640	2,617	-	-	-	-	-	294,743	14,920	309,663
Forestry	-	-	-	-	-	-	51	3,246	1,696	194	19	-	-	-	-	-	5,206	-	5,206
Fishing	-	-	-	-	-	-	7,565	3,584	4,870	144	22	-	-	-	-	-	9,295	6,890	16,185
Manufacturing	-	-	-	-	-	-	3,137,729	1,049,676	907,289	23,175	34,473	-	-	-	-	-	2,473,887	2,678,455	5,152,342
Mining and Quarrying	-	-	-	-	-	-	40,334	23,253	15,656	273	291	-	-	-	-	-	52,001	27,806	79,807
Production	-	-	-	-	-	-	2,539,004	1,022,766	886,580	22,847	34,058	-	-	-	-	-	2,329,699	2,175,556	4,505,255
Electricity, gas and water	-	-	-	-	-	-	558,391	3,657	5,053	55	124	-	-	-	-	-	92,187	475,093	567,280
Construction	-	-	-	-	-	-	1,001,558	441,554	676,697	13,878	9,472	-	-	-	-	-	1,491,054	652,105	2,143,159
Services	4,674,860	-	90	-	-	1,317,785	3,756,205	2,720,655	1,995,693	55,933	25,694	-	-	-	-	-	11,114,683	3,432,232	14,546,915
Wholesale and Retail Trade	-	-	-	-	-	-	1,995,332	2,088,962	1,292,331	39,266	20,734	-	-	-	-	-	4,291,621	1,145,004	5,436,625
Hotel, Food and Beverage	-	-	-	-	-	-	112,078	34,284	275,867	349	97	-	-	-	-	-	104,441	318,234	422,675
Services	-	-	-	-	-	-	112,078	34,284	275,867	349	97	-	-	-	-	-	104,441	318,234	422,675
Transportation & Communication	-	-	-	-	-	-	552,174	334,023	139,835	13,963	2,675	-	-	-	-	-	594,003	448,667	1,042,670
Financial Institutions	4,674,860	-	-	-	-	1,317,785	400,034	19,692	16,343	75	202	-	-	-	-	-	5,384,313	1,044,678	6,428,991
Real Estate and Renting	-	-	-	-	-	-	292,963	26,265	40,056	166	210	-	-	-	-	-	64,728	294,932	359,660
Services	-	-	-	-	-	-	292,963	26,265	40,056	166	210	-	-	-	-	-	64,728	294,932	359,660
Self-Employment Services	-	-	-	-	-	-	148,099	116,568	85,467	752	662	-	-	-	-	-	254,113	97,435	351,548
Educational Services	-	-	90	-	-	-	13,907	20,756	19,741	130	158	-	-	-	-	-	46,230	8,552	54,782
Health and Social Services	-	-	-	-	-	-	241,618	80,105	126,053	1,232	956	-	-	-	-	-	375,234	74,730	449,964
Other	6,594,823	4,200	-	-	-	-	1,938,985	15,442,053	6,903,492	257,827	5,662,271	-	-	-	182,692	2,640,504	37,631,872	1,994,975	39,626,847
Total	11,269,683	4,200	90	-	-	1,317,785	9,985,106	19,734,200	10,576,698	354,791	5,734,568	-	-	-	182,692	2,640,504	52,734,288	9,066,029	61,800,317

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

- 1- Conditional and unconditional exposures from central governments or central banks
- 2- Conditional and unconditional exposures to regional governments or local authorities
- 3- Conditional and unconditional exposures to administrative bodies and non-commercial undertakings
- 4- Conditional and unconditional exposures to multilateral development banks
- 5- Conditional and unconditional exposures to international organizations
- 6- Conditional and unconditional exposures to banks and brokerage houses
- 7- Conditional and unconditional exposures to corporates
- 8- Conditional and unconditional retail exposures
- 9- Conditional and unconditional exposures secured by real estate property
- 10- Past due items
- 11- Items in regulatory high-risk categories
- 12- Exposures in the form of bonds secured by mortgages
- 13- Short term exposures to banks, brokerage houses and corporates
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Analysis of maturity-bearing exposures according to remaining maturities ^(*):

Current Period	Term To Maturity				
	Up to 1 month	1-3 Months	3-6 Months	6-12 Months	Over 1 year
Exposure Categories					
Conditional and unconditional exposures from central governments or central banks	-	173,747	482,125	121,119	7,664,366
Conditional and unconditional exposures to regional governments or local authorities	-	-	-	1,177	1,296
Conditional and unconditional exposures to administrative bodies and non-commercial undertakings	84	-	850	-	61
Conditional and unconditional exposures from multilateral development banks	-	-	-	-	-
Conditional and unconditional exposures from international organizations	-	-	-	-	-
Conditional and unconditional exposures to banks and brokerage houses	342,190	104,980	503,955	30,891	2,966,041
Conditional and unconditional exposures to corporates	2,224,875	1,249,108	1,818,472	1,533,218	6,225,592
Conditional and unconditional retail exposures	340,287	662,363	1,141,575	1,485,038	3,017,380
Conditional and unconditional exposures secured by real estate property	119,130	251,095	560,335	691,675	10,357,885
Past due items	-	-	-	-	4,582,316
Items defined in high risk categories	-	-	-	-	-
Exposures in the form of bonds secured by mortgages	-	-	-	-	-
Securitization positions	-	-	-	-	-
Short-term exposure to banks, brokerage houses and corporates	-	-	-	-	-
Exposures in the form of collective investment undertakings	-	-	-	-	-
Other items	109,602	-	-	-	214
Total	3,136,168	2,441,293	4,507,312	3,863,118	34,815,151

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

Prior Period	Term To Maturity				
	Up to 1 month	1-3 Months	3-6 Months	6-12 Months	Over 1 year
Exposure Categories					
Conditional and unconditional exposures from central governments or central banks	40,488	-	29,954	778,187	5,746,195
Conditional and unconditional exposures to regional governments or local authorities	-	-	-	-	4,200
Conditional and unconditional exposures to administrative bodies and non-commercial undertakings	-	-	-	-	46
Conditional and unconditional exposures from multilateral development banks	-	-	-	-	-
Conditional and unconditional exposures from international organizations	-	-	-	-	-
Conditional and unconditional exposures to banks and brokerage houses	306,468	280,635	102,983	11,992	261,256
Conditional and unconditional exposures to corporates	1,783,511	1,312,941	1,443,921	1,057,315	3,740,043
Conditional and unconditional retail exposures	1,332,874	2,304,826	2,714,462	1,113,669	2,856,392
Conditional and unconditional exposures secured by real estate property	140,887	291,813	545,084	553,115	8,931,565
Past due items	-	-	-	-	-
Items defined in high risk categories	-	-	-	1,538,325	4,097,580
Exposures in the form of bonds secured by mortgages	-	-	-	-	-
Securitization positions	-	-	-	-	-
Short-term exposure to banks, brokerage houses and corporates	-	-	-	-	-
Exposures in the form of collective investment undertakings	-	-	-	-	-
Other items	-	-	-	-	-
Total	3,604,228	4,190,215	4,836,404	5,052,603	25,637,277

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

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Explanations on exposure categories

Within the scope of "Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks", public ratings appointed to exposures to central governments of banks and exposures to foreign banks and corporates by Fitch Ratings International Rating Institution are used. Exposures and asset groups to counterparties without public ratings appointed by the mentioned institution or other rating institutions are also weighted as per Appendix-1 of the Regulation.

The below mapping between the ratings appointed by Fitch Ratings International Rating Institution and credit quality levels as per Appendix-1 of the Regulation is used.

Credit Quality Grade	Fitch Risk Rating	Exposure Categories				
		Exposures to Central Governments or Central Banks	Exposures to Administrative Bodies and Non-Commercial Undertakings	Exposures to Banks and Brokerage Houses		Exposures to Corporates
				Exposures with Remaining Maturities Less Than 3 Months	Exposures with Remaining Maturities More Than 3 Months	
1	AAA	0%	20%	20%	20%	20%
	AA+					
	AA					
	AA-					
2	A+	20%	50%	20%	50%	50%
	A					
	A-					
3	BBB+	50%	100%	20%	50%	100%
	BBB					
	BBB-					
4	BB+	100%	100%	50%	100%	100%
	BB					
	BB-					
5	B+	100%	100%	50%	100%	150%
	B					
	B-					
6	CCC+	150%	150%	150%	150%	150%
	CCC					
	CCC-					
	CC					
	C					
	D					

Exposures by risk weights:

Current Period

Risk Weights	0%	10%	20%	50%	75%	100%	150%	200%	250%	Deductions from Equity
1. Exposures Before Credit Risk Mitigation	15,315,351	-	795,876	4,574,603	25,803,952	23,401,676	1,385,242	4,528,700	542,543	355,944
2. Exposures After Credit Risk Mitigation	15,315,351	-	792,355	15,123,683	16,438,394	20,062,864	1,362,876	4,493,971	542,543	355,944

Prior Period

Risk Weights	0%	10%	20%	50%	75%	100%	150%	200%	250%	Deductions from Equity
1. Exposures Before Credit Risk Mitigation	10,745,058	-	974,039	12,095,232	19,734,200	12,517,221	2,809,049	2,925,518	-	309,680
2. Exposures After Credit Risk Mitigation	10,745,058	-	967,959	12,075,112	19,537,563	12,106,776	2,790,355	2,901,299	-	309,680

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Information by major sectors and type of counterparties:

Information about impaired credits and past due credits and value adjustments and provisioning methods are described in Part IV Footnote 2.

Major Sectors / Counterparties	Credit Risks ^(*) (**)			
	Impaired Loans	Past Due Loans	Value Adjustments	Provisions
Current Period				
1. Agriculture	23,371	8,128	218	20,162
1.1. Farming and Raising Livestock	22,371	7,854	209	19,279
1.2. Forestry	375	59	1	320
1.3. Fishing	625	215	8	563
2. Manufacturing	232,446	68,863	2,012	173,964
2.1. Mining and Quarrying	5,440	840	26	4,502
2.2. Production	226,829	67,774	1,981	169,364
2.3. Electricity, gas and water	177	249	5	98
3. Construction	141,532	38,739	1,079	114,446
4. Services	564,974	224,326	6,315	438,101
4.1. Wholesale and Retail Trade	357,294	141,546	4,028	266,826
4.2. Hotel, Food and Beverage Services	100,426	24,740	713	92,109
4.3. Transportation & Communication	79,581	26,388	757	57,285
4.4. Financial Institutions	9,103	2,868	84	7,548
4.5. Real Estate and Renting Services	1,577	9,427	199	1,156
4.6. Self-Employment Services	8,230	7,308	215	6,071
4.7. Educational Services	1,516	2,164	65	877
4.8. Health and Social Services	7,247	9,885	254	6,229
5. Other	2,003,530	1,122,964	73,762	1,710,455
6. Total	2,965,853	1,463,020	83,386	2,457,128

Major Sectors / Counterparties	Credit Risks ^(*) (**)			
	Impaired Loans	Past Due Loans	Value Adjustments	Provisions
Prior Period				
1. Agriculture	20,156	4,768	133	14,723
1.1. Farming and Raising Livestock	19,214	4,582	128	14,186
1.2. Forestry	312	4	-	84
1.3. Fishing	630	182	5	453
2. Manufacturing	165,054	42,465	1,054	120,284
2.1. Mining and Quarrying	4,199	652	25	3,598
2.2. Production	160,543	41,713	1,027	116,511
2.3. Electricity, gas and water	312	100	2	175
3. Construction	113,974	36,442	932	94,182
4. Services	337,399	171,357	4,303	258,345
4.1. Wholesale and Retail Trade	229,235	102,611	2,683	170,641
4.2. Hotel, Food and Beverage Services	39,427	16,447	446	35,571
4.3. Transportation & Communication	48,108	24,628	539	35,768
4.4. Financial Institutions	6,596	2,191	61	5,982
4.5. Real Estate and Renting Services	400	11,345	230	267
4.6. Self-Employment Services	5,391	7,288	184	3,839
4.7. Educational Services	700	2,147	51	358
4.8. Health and Social Services	7,542	4,700	109	5,919
5. Other	1,876,133	1,003,999	34,163	1,647,660
6. Total	2,512,716	1,259,031	40,585	2,135,194

(*) Represents the distribution of cash loans.

(**) Information about impaired credits and past due excluded

Movements in value adjustments and provisions

Current Period	Opening Balance	Provision for Period	Provision Reversals	Other Adjustments(*)	Closing Balance
1. Specific Provisions (**)	2,135,194	1,259,820	(386,043)	(551,843)	2,457,128
2. General Provisions	617,684	198,607	-	-	816,291

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Prior Period	Opening Balance	Provision for Period	Provision Reversals	Other Adjustments(*)	Closing Balance
1. Specific Provisions ^(**)	1,446,137	951,457	(257,325)	(5,075)	2,135,194
2. General Provisions	400,441	217,243	-	-	617,684

(*)Represents the provision of loans written-off.

(**) Specific provision line does not include specific provision for lease receivables and factoring receivables.

III . Explanations Related to Consolidated Market Risk

The Group 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 Risk Committee, the Board of Directors of the Parent 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 Parent 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 Parent Bank requires risk management group and the top management of the Group to take necessary actions in order to identify, measure, control and manage the risks that the Group 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 tolerable 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 consolidated market risk

		Current Period Amount	Prior Period Amount
(I)	Capital Requirement against General Market Risk - Standard Method	27,165	20,900
(II)	Capital Requirement against Specific Risks – Standard Method	6,593	20,539
	Capital Requirement against Specific Risks of Securitization Positions – Standard Method	-	-
(III)	Capital Requirement against Currency Risk – Standard Method	34,596	10,522
(IV)	Capital Requirement against Commodity Risks - Standard Method	908	3,415
(V)	Capital Requirement against Settlement Risks - Standard Method	-	-
(VI)	Capital Requirement against Market Risks of Options - Standard Method	1,762	696
(VII)	Capital Requirement against Counterparty Credit Risk - Standard Method	23,142	12,615
(VIII)	Capital Requirement against Market Risks of Banks applying Risk Measurement Models	-	-
(IX)	Total Capital Requirement against Market Risk (I+II+III+IV+V+VI+VII)	94,166	68,687
(X)	Value-At-Market Risk (12,5 x VIII) or (12,5 x IX)	1,177,075	858,588

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2. Average market risk table calculated at the end of the months during the period

	Current Period			Prior Period		
	Average	Maximum	Minimum	Average	Maximum	Minimum
Interest Rate Risk	38,164	49,714	30,207	41,681	47,609	35,753
Common Share Risk	2,616	3,290	1,366	3,659	5,686	1,632
Currency Risk	19,888	34,596	11,700	9,666	10,522	8,809
Commodity Risk	1,464	3,947	94	5,477	7,538	3,415
Settlement Risk	-	-	-	-	-	-
Option Risk	1,024	1,762	631	5,904	11,111	696
Counterparty Credit Risk	18,454	23,142	12,151	9,685	12,615	6,755
Total Value at Risk^(*)	81,610	116,451	56,149	76,072	95,081	57,060

(*)Total VaR is the sum of risk values, therefore total VaR values are not the maximum or minimum values of the relevant period. The maximum and minimum values of VaR for 2013 are 94,166 and 66,311 respectively. The maximum and minimum values of VaR for the last six months of 2012 were 83,454 and 68,687.

3. Quantitative information on counterparty risk^(*)

	Current Period	Prior Period
	Amount	Amount
Interest-Rate Contracts	3,536,949	2,002,705
Foreign-Exchange-Rate Contracts	99,983,614	64,398,386
Commodity Contracts	948,684	901,889
Equity-Shares Related Contracts	510	12,197
Other	385,188	206,009
Gross Positive Fair Values	1,187,949	409,748
Netting Benefits	762,885	244,412
Net Current Exposure Amount	425,064	165,336
Collaterals Received	153,107	35,374
Net Derivative Position	271,957	129,962

(*)Includes only the counterparty risks arising from trading book and derivative instruments.

For derivative transactions, repurchase agreements' security and commodity lending, counterparty credit risk is calculated using the fair value methodology described in the Appendix-2, Section 3 of the "Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks". According to this methodology, counterparty credit risk is calculated by adding potential credit risk amounts calculated by multiplying the contract amounts with the credit conversion factors set in the appendix of the regulation, to replacement costs calculated using the fair value amounts of contracts.

IV. Explanations Related to Operational Risk

Value at operational risk is calculated by the basic indicator approach by using the gross profits for the last three years (2011, 2010 and 2009) in line with 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 December 31, 2013, the value at operational risk amounts to TL 5,682,100.

Current Period	2 PY	1 PY	Total/ No. of			
Basic Indicator Approach	Amount	Amount	CY Amount	Positive Gross	Rate (%)	Total
Gross Income	2,441,279	2,963,312	3,686,775	3,030,455	15	454,568
Value at Operational Risk (Total*12,5)						5,682,100
Prior Period	2 PY	1 PY	Total/ No. of			
Basic Indicator Approach	Amount	Amount	CY Amount	Positive Gross	Rate (%)	Total
Gross Income	2,406,565	2,441,278	2,963,312	2,603,718	15	390,558
Value at Operational Risk						4,881,972

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(Total*12,5)

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

V. Explanations Related to Consolidated Foreign Currency Exchange Rate Risk

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

As of December 31, 2013, the net foreign currency exposure of the Group is TL 119,111 foreign currency short position (December 31, 2012 –TL 409,610 net foreign currency short) resulting from on balance sheet short position amounting to TL 5,744,613 TL (December 31, 2012 – TL 5,927,616 short) and off balance sheet long position amounting to TL 5,625,502 (December 31, 2012 – TL 5,518,006 long). The long off balance sheet position amounting to TL 5,074,126 (December 31, 2012 – TL 5,852,561) is related with the FC/TL swap transactions entered into with banks and customers. The Group makes these transactions to manage foreign currency liquidity risk and to hedge itself from interest rate risk.

The Group enters into foreign currency forward transactions to decrease foreign currency position risk. The Group 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 Group does not hedge foreign currency borrowings and net foreign currency investments by derivative instruments.

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

US Dollar purchase rate in the balance sheet date	TL 2.1343
Euro purchase rate in the balance sheet date	TL 2.9365

<u>Date</u>	<u>US Dollar</u>	<u>Euro</u>
December 31, 2013	2.1343	2.9365
December 30, 2013	2.1604	2.9844
December 27, 2013	2.0957	2.8693
December 26, 2013	2.0710	2.8353
December 25, 2013	2.0812	2.8466
December 24, 2013	2.0877	2.8573

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

The arithmetical average of the Parent Bank’s US Dollar and Euro purchase rates for December 2013 are TL 2.0578 and TL 2.8180, respectively.

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5. Information on the consolidated foreign currency exchange rate risk

Current Period	EUR	USD	Other FC	Total
Assets				
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased) and Balances with the T.R. Central Bank	2,509,420	3,101,207	1,710,065	7,320,692
Due From Banks	179,395	250,741	40,031	470,167
Financial Assets at Fair Value through Profit/Loss ⁽⁴⁾	105,016	134,254	10,096	249,366
Money Market Placements	-	-	-	-
Investment Securities Available-for-Sale	120,908	952,901	-	1,073,809
Loans and Receivables ⁽²⁾	2,945,635	3,686,084	86,090	6,717,809
Investments in Assoc., Subsidiaries and Entities under Common Control	-	-	-	-
Investment Securities Held-to-Maturity	-	378,920	-	378,920
Derivative Financial Assets Hedging Purposes	-	61,426	-	61,426
Tangible Assets	-	-	63	63
Other Assets ⁽³⁾	954,251	374,421	2,220	1,330,892
Total Assets	6,814,625	8,939,954	1,848,565	17,603,144
Liabilities				
Bank Deposits	229,095	717,660	38,845	985,600
Foreign Currency Deposits	3,112,776	6,825,955	878,043	10,816,774
Money Market Borrowings	90,976	1,050,585	-	1,141,561
Funds Provided from Other Financial Institutions	2,268,714	3,957,536	3,379	6,229,629
Securities Issued	-	1,793,767	-	1,793,767
Sundry Creditors	1,366,585	662,489	2,889	2,031,963
Derivative Fin. Liabilities for Hedging Purposes	30,662	44,439	-	75,101
Other Liabilities ⁽⁵⁾	91,968	178,394	3,000	273,362
Total Liabilities	7,190,776	15,230,825	926,156	23,347,757
Net Balance Sheet Position	(376,151)	(6,290,871)	922,409	(5,744,613)
Net Off-Balance Sheet Position	632,637	5,873,795	(880,930)	5,625,502
Financial Derivative Assets	4,514,153	27,344,817	182,268	32,041,238
Financial Derivative Liabilities	3,881,516	21,471,022	1,063,198	26,415,736
Non-Cash Loans ⁽¹⁾	839,099	1,940,762	168,107	2,947,968
Prior Period				
Total Assets	4,265,517	5,999,238	1,325,468	11,590,223
Total Liabilities	4,678,932	12,248,013	590,894	17,517,839
Net Balance Sheet Position	(413,415)	(6,248,775)	734,574	(5,927,616)
Net Off-Balance Sheet Position	243,796	6,006,712	(732,502)	5,518,006
Financial Derivative Assets	2,003,509	19,706,843	166,420	21,876,772
Financial Derivative Liabilities	1,759,713	13,700,131	898,922	16,358,766
Non-Cash Loans ⁽¹⁾	752,944	1,769,661	157,041	2,679,646

(1) Has no effect on the net off balance sheet position.

(2) Includes foreign currency indexed loans amounting to TL 2,098,813 (December 31, 2012 – TL 1,339,570) that are classified as TL on the balance sheet.

(3) Does not include the prepaid expenses amounting to TL 2,338 (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, yet includes FC indexed factoring receivables amounting to TL 1,402 (December 31, 2012 – TL 983) Includes foreign currency indexed factoring receivables amounting to TL 34,945 (December 31, 2012 – TL 32,401) that are classified as TL on the balance sheet.

(4) Does not include foreign exchange income accruals amounting to TL 4,132 (December 31, 2012 – TL 9,732) on derivative transactions.

(5) Foreign exchange expense accruals amounting to TL 1,245 (December 31, 2012 – TL 919) on derivative transactions and the general loan loss provisions amounting to TL 84,572 (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 Charts of Accounts are excluded.

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6. Foreign currency sensitivity

The Group is mainly exposed to EUR and USD currencies.

The following table details the Group's sensitivity to a 10% increase and decrease in USD and EUR. Other variables are assumed to be unchanged.

Change in Currency Rate in %		Net Effect on Profit or Loss (After Tax)	Net Effect on Equity ^(*)	Net Effect on Profit or Loss (After Tax)	Net Effect on Equity ^(*)
		Current Period	Current Period	Prior Period	Prior Period
USD	10% increase	18,804	8,167	(2,087)	(4,226)
	10% decrease	(18,804)	(8,167)	2,087	4,226
EUR	10% increase	20,847	(21,134)	(4,088)	(4,245)
	10% decrease	(20,847)	21,134	4,088	4,245

^(*) Effect on equity also includes the effect of the change in foreign currency rates in the income statement.

VI. Explanations Related to Consolidated Interest Rate Risk

Interest rate risk that would arise from the changes in interest rates depending on the Parent Bank's position is managed by the Asset/Liability Committee of the Parent 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 two weeks by taking the market developments into consideration.

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

Besides customer deposits, the Parent Bank funds its long term fixed interest rate TL loan portfolio with long term floating interest rate foreign currency funds obtained from international markets. The Parent 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 Parent Bank not only funds its long term fixed interest rate loans with TL but also hedges itself from interest rate and maturity risk.

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

(Based on repricing 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	13	-	-	-	-	8,208,469	8,208,482
Due from Banks	90,812	77,697	4,144	-	-	303,501	476,154
Financial Assets at Fair Value Through Profit/Loss ^(**)	2,965	153,499	47,243	29,547	151,514	3,219,594	3,604,362
Money Market Placements	3,433	-	-	-	-	-	3,433
Investment Securities Available for Sale	1,100,642	1,990,745	752,897	616,251	1,343,457	(61,007)	5,742,985
Loans and Receivables	9,474,287	4,610,988	12,621,186	11,295,599	3,353,664	1,315,581	42,671,305
Investment Securities Held to Maturity	-	726,128	1,461,877	426,414	183,148	28,212	2,825,779
Other Assets ^(*)	352,283	255,471	454,554	686,507	12,142	2,372,261	4,133,218
Total Assets	11,024,435	7,814,528	15,341,901	13,054,318	5,043,925	15,386,611	67,665,718
Liabilities							
Bank Deposits	891,681	407,569	16,286	-	-	25,957	1,341,493
Other Deposits	18,515,174	10,291,432	2,083,492	12,200	373	5,862,838	36,765,509
Money Market Borrowings	3,392,340	385,695	-	-	-	2,457	3,780,492
Sundry Creditors	1,984,510	-	-	-	-	1,465,217	3,449,727
Securities Issued	710,291	370,997	1,054,971	1,752,158	-	66,162	3,954,579
Funds Provided from Other Financial Institutions	723,982	997,749	4,489,359	519,124	18,035	23,421	6,771,670
Other Liabilities ^(*)	-	-	652	10,601	-	11,590,995	11,602,248
Total Liabilities	26,217,978	12,453,442	7,644,760	2,294,083	18,408	19,037,047	67,665,718
On Balance Sheet Long Position	-	-	7,697,141	10,760,235	5,025,517	-	23,482,893
On Balance Sheet Short Position	(15,193,543)	(4,638,914)	-	-	-	(3,650,436)	(23,482,893)
Off-Balance Sheet Long Position	3,427,681	9,295,931	-	-	-	-	12,723,612
Off-Balance Sheet Short Position	-	-	(2,125,543)	(8,387,856)	(1,831,338)	-	(12,344,737)
Total Position	(11,765,862)	4,657,017	5,571,598	2,372,379	3,194,179	(3,650,436)	378,875

(*) Non-interest bearing column includes accruals.

(**) This line also includes hedging purpose derivatives amounting to TL 1,927,795.

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	1.46	0.21	-	8.73
Financial Assets at Fair Value Through Profit/Loss	3.33	4.15	-	8.35
Money Market Placements	-	-	-	7.07
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 for Trading	-	5.79	-	7.24
Liabilities				
Bank Deposits	2.14	2.29	-	8.37
Other Deposits	2.96	3.05	2.09	8.91
Money Market Borrowings	0.85	0.77	-	7.27
Sundry Creditors	0.12	0.08	-	-
Securities Issued	-	5.36	-	8.24
Funds Provided from Other Financial Institutions	1.16	2.89	-	8.40

(*) The yield of loans is 12.62% excluding credit cards.

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Information related to the interest rate sensitivity of assets, liabilities and off-balance sheet items
(Based on repricing dates)

Prior 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	-	-	-	-	-	5,327,943	5,327,943
Due from Banks	1,150	93,266	-	-	-	110,821	205,237
Financial Assets at Fair Value Through Profit/Loss ^(**)	17,462	30,264	88,763	45,848	274,063	759,648	1,216,048
Money Market Placements	1,786,037	-	-	-	-	748	1,786,785
Investment Securities Available for Sale	1,154,949	2,305,071	1,515,258	412,921	1,090,141	687,608	7,165,948
Loans and Other Receivables	8,852,707	4,358,662	10,588,758	9,247,299	2,035,467	1,354,946	36,437,839
Inv. Securities Held to Maturity	-	-	-	-	-	-	-
Other Assets ^(*)	209,096	127,669	472,806	528,930	4,622	1,952,647	3,295,770
Total Assets	12,021,401	6,914,932	12,665,585	10,234,998	3,404,293	10,194,361	55,435,570
Liabilities							
Bank Deposits	836,890	125,829	57,506	-	-	27,349	1,047,574
Other Deposits	21,345,863	6,290,532	615,290	20,598	-	3,385,160	31,657,443
Money Market Borrowings	1,787,604	73	-	-	-	1,197	1,788,874
Sundry Creditors	-	-	-	-	-	1,293,367	1,293,367
Securities Issued	-	841,463	3,157,887	-	-	78,963	4,078,313
Funds Provided from Other Financial Institutions	931,013	837,467	3,080,786	197,962	17,476	104,694	5,169,398
Other Liabilities ^(*)	683	712	457	407	-	10,398,342	10,400,601
Total Liabilities	24,902,053	8,096,076	6,911,926	218,967	17,476	15,289,072	55,435,570
On Balance Sheet Long Position	-	-	5,753,659	10,016,033	3,386,817	-	19,156,507
On Balance Sheet Short Position	(12,880,651)	(1,181,145)	-	-	-	(5,094,713)	(19,156,507)
Off-Balance Sheet Long Position	2,035,618	5,679,422	-	-	-	7,729,743	15,444,783
Off-Balance Sheet Short Position	-	-	(983,546)	(6,696,837)	(950,507)	(8,643,802)	(17,274,692)
Total Position	(10,845,034)	4,498,278	4,770,113	3,319,194	2,436,310	(6,008,770)	(1,829,909)

^(*) Non-interest bearing column includes accruals.

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

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	0.51	-	-	5.88
Financial Assets at Fair Value Through Profit/Loss	3.89	3.06	-	5.54
Money Markets Placements	-	-	-	6.66
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	-	5.54
Sundry Creditors	-	-	-	-
Securities Issued	-	5.36	-	8.61
Funds Provided from Other Financial Institutions	2.06	3.61	-	8.40

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

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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 Parent 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 Asset and Liability Committee, the Risk Committee and the Board of Directors.

Type of Currency	Shocks Applied (+/- x basis points)	Gains/Losses	Gains/Equity- Losses/Equity
1. TL	(+) 500	(849,598)	(8.81%)
	(-) 400	836,386	8.67%
2. EUR	(+) 200	(44,205)	(0.46%)
	(-) 200	51,391	0.53%
3. USD	(+) 200	(23,929)	(0.25%)
	(-) 200	34,735	0.36%
Total (of negative shocks)		922,512	9.57%
Total (of positive shocks)		(917,732)	(9.52%)

VII. Explanations Related to Position Risk of Equity Securities

Equity Securities (shares)	Comparison		
	Carrying Value	Fair Value (**)	Market Value
1. Investment in Shares- grade A	9,691	-	9,691
Quoted Securities	9,691	-	9,691
2. Investment in Shares- grade B	2	-	2
Quoted Securities	2	-	2
3. Investment in Shares- grade C	-	-	-
Quoted Securities	-	-	-
4. Investment in Shares- grade Other^(*)	199,422	194,916^(**)	-

^(*) Associates, subsidiaries and entities under common control not quoted to BIST and not classified as investment in shares by CMB.

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(**) Refers to associates, subsidiaries and entities under common control accounted at fair value but not traded at the quoted markets.

Portfolio	Gains/Losses in Current Period	Total	Revaluation Surpluses		Unrealized Gains and Losses	
			Amount under Supplementary Capital	Total	Amount under Core Capital	Amount under Supplementary Capital
1. Private Equity Investments	-	-	-	-	-	-
2. Quoted Shares	3,183	-	-	2,308	-	1,039
3. Other Shares	-	-	-	-	-	-
Total	3,183	-	-	2,308	-	1,039

VIII. Explanations Related to Consolidated Liquidity Risk

- The sources of the current liquidity risk of the Group; whether the necessary precautions have been taken, whether the Board of Directors of the Parent Bank 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 of not having sufficient 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 Group 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 limit the liquidity risk, the Parent Bank diversifies its funding sources. Besides, in order to secure short term liquidity requirements, Parent Bank heads for bond issuances and long term foreign borrowings.

The Parent Bank evaluates liquidity position on a daily basis. Cash flow projections and scenarios are analyzed every two weeks by the top management at Asset/Liability Committee meetings. Liquidity ratio, calculated monthly by the Market Risk Committee is used as preliminary indicator of the general liquidity position of the Group. 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.

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.

- Whether the payments, assets and liabilities match with the interest rates, and whether the effect of mismatch on profitability is measured, if any**
Group's payments, assets and liabilities match with the interest rates.
- 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 balances.
- Evaluation of the Group's cash flows and their resources**
Cash flows of the Group 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, Money in Transit, Cheques Purchased, Precious Metal) and Balances with the T.R. Central Bank	1,800,643	6,407,839	-	-	-	-	-	8,208,482
Due from Banks	304,084	91,495	76,432	4,143	-	-	-	476,154
Financial Assets at Fair Value Through Profit/Loss ^(**)	-	71,506	155,934	795,556	2,090,298	491,068	-	3,604,362
Money Market Placements	-	3,433	-	-	-	-	-	3,433
Investment Securities Available for Sale	35,014	297	177,829	619,088	2,454,291	2,456,466	-	5,742,985
Loans and Receivables	-	9,700,888	4,501,399	12,351,625	12,135,837	3,472,831	508,725	42,671,305
Investment Securities Held to Maturity	-	-	-	-	894,271	1,931,508	-	2,825,779
Other Assets	16,570	1,356,345	234,011	464,307	867,864	12,167	1,181,954	4,133,218
Total Assets	2,156,311	17,631,803	5,145,605	14,234,719	18,442,561	8,364,040	1,690,679	67,665,718
Liabilities								
Bank Deposits	21,521	893,657	409,834	16,481	-	-	-	1,341,493
Other Deposits	5,683,752	18,624,444	10,336,704	2,107,868	12,361	380	-	36,765,509
Funds Provided from Other Financial Institutions	-	433,599	605,451	2,460,757	1,869,699	1,402,164	-	6,771,670
Money Market Borrowings	-	3,394,291	386,201	-	-	-	-	3,780,492
Securities Issued	-	725,829	375,466	1,059,573	1,793,711	-	-	3,954,579
Sundry Creditors	10,638	3,403,065	1,239	749	-	34,036	-	3,449,727
Other Liabilities(*)	3,000	1,173,974	175,874	447,342	565,008	182,329	9,054,721	11,602,248
Total Liabilities	5,718,911	28,648,859	12,290,769	6,092,770	4,240,779	1,618,909	9,054,721	67,665,718
Liquidity Gap	(3,562,600)	(11,017,056)	(7,145,164)	8,141,949	14,201,782	6,745,131	(7,364,042)	-

Prior Period

Total Assets	1,924,101	16,187,060	4,535,801	11,941,813	13,557,624	5,814,329	1,474,842	55,435,570
Total Liabilities	3,416,830	26,494,425	7,823,498	4,717,556	2,692,798	1,839,075	8,451,388	55,435,570
Net Liquidity Gap	(1,492,729)	(10,307,365)	(3,287,697)	7,224,257	10,864,826	3,975,254	(6,976,546)	-

(*) 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 column includes shareholders' equity amounting to TL 7,863,461 unallocated provisions amounting to TL 1,081,622 and tax liability of TL 109,638.

(**) This line also includes derivative financial assets for hedging purposes amounting to TL 1,927,795.

6. Analysis of financial liabilities by remaining contractual maturities

The table below shows the Group's maturity distribution of certain financial liabilities other than derivatives.

The tables below are prepared by considering the future cash flows expected on the earliest cash flow dates.

The total interest that will be paid for these liabilities is included in the table below.

Current Period	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Total	Carrying Amount
Bank deposits	21,521	893,593	413,105	16,891	-	-	1,345,110	1,341,493
Other deposits	5,683,752	18,883,466	10,483,143	2,125,988	3,500	-	37,179,849	36,765,509
Money market borrowings	-	3,395,138	386,550	-	-	-	3,781,688	3,780,492
Funds provided from other financial institutions	-	435,568	613,100	2,609,713	2,227,996	1,544,425	7,430,802	6,771,670
Securities issued	-	728,985	381,751	1,221,119	1,959,070	-	4,290,925	3,954,579

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Prior Period	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Total	Carrying Amount
Bank deposits	21,529	842,770	127,381	59,541	-	-	1,051,221	1,047,574
Other deposits	3,385,162	21,604,280	6,349,522	631,693	21,211	-	31,991,868	31,657,443
Money market borrowings	-	1,789,537	73	-	-	-	1,789,610	1,788,874
Funds provided from other financial institutions	-	396,734	497,176	1,907,458	952,457	1,743,953	5,497,778	5,169,398
Securities issued	-	-	882,312	2,045,791	1,466,363	-	4,394,466	4,078,313

The table below shows the remaining maturities of derivative financial assets and liabilities.

Current Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Total
Forward Contracts Buy ^(*)	1,620,526	745,984	1,373,474	100,451	-	3,840,435
Forward Contracts Sell ^(**)	1,622,199	749,966	1,367,453	97,417	-	3,837,035
Swap Contracts Buy ^(*)	7,269,352	2,932,703	9,059,645	16,169,103	2,785,259	38,216,062
Swap Contracts Sell ^(*)	7,430,478	2,938,724	8,742,226	16,554,593	2,877,062	38,543,083
Futures Buy	255	17,832	3,404	-	-	21,491
Futures Sell	255	17,832	3,404	-	-	21,491
Options Buy	2,266,981	1,282,435	4,409,805	-	-	7,959,221
Options Sell	2,266,008	1,292,245	4,356,996	-	-	7,915,249
Total	22,476,054	9,977,721	29,316,407	32,921,564	5,662,321	100,354,067

(*) This line also includes hedging purpose derivatives.

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

Prior Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Total
Forward Contracts Buy ^(*)	1,452,326	425,031	565,077	227,514	135,223	2,805,171
Forward Contracts Sell ^(**)	1,447,856	420,506	563,033	224,836	135,223	2,791,454
Swap Contracts Buy ^(*)	3,533,900	2,289,320	6,742,020	11,478,686	1,793,950	25,837,876
Swap Contracts Sell ^(*)	3,511,589	2,217,831	6,655,070	12,441,683	2,049,242	26,875,415
Futures Buy	-	117,353	3,572	-	-	120,925
Futures Sell	-	117,353	3,572	-	-	120,925
Options Buy	2,841,611	1,302,027	1,431,654	-	-	5,575,292
Options Sell	2,831,112	1,292,041	1,397,021	-	-	5,520,174
Total	15,618,394	8,181,462	17,361,019	24,372,719	4,113,638	69,647,232

(*) This line also includes hedging purpose derivatives.

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

IX. Explanations Related to Securitization Positions

As of December 31, 2013, the Bank has no securitization positions.

X. Explanations Related to Credit Risk Mitigation Techniques

The Group applies Comprehensive Financial Collateral Method with standard volatility adjustments in compliance with the Article 34 and 37 of the "Regulation on Credit Risk Mitigation Techniques". In this method, volatility of financial collateral and receivables adjustments are made with using the standard deduction rates in the Communiqué.

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

Exposure Categories ^(**)	Amount ^(*)	Financial Collaterals	Other/Physical Collaterals	Guaranties and Credit Derivatives
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Conditional and unconditional exposures to central governments or central banks	15,602,002	-	-	-
Conditional and unconditional exposures to regional governments or local authorities	2,495	43	-	-
Conditional and unconditional exposures to administrative bodies and non-commercial undertakings	1,415	35	-	-
Conditional and unconditional exposures to multilateral development banks	-	-	-	-
Conditional and unconditional exposures to international organizations	-	-	-	-
Conditional and unconditional exposures to banks and brokerage houses	4,234,362	1,516,508	-	-
Conditional and unconditional exposures to corporates	21,368,038	465,114	-	-
Conditional and unconditional retail exposures	36,082,354	263,013	-	-
Conditional and unconditional exposures secured by real estate property	12,418,477	-	-	-
Past due items	530,866	98	-	-
Items in regulatory high-risk categories	6,456,485	57,095	-	-
Exposures in the form of bonds secured by mortgages	-	-	-	-
Securitization positions	-	-	-	-
Short term exposures to banks, brokerage houses and corporates	-	-	-	-
Exposures in the form of collective investment undertakings	23,640	-	-	-
Other items	3,363,786	-	-	-
Total	100,083,920	2,301,906	-	-

(*) Includes total risk amounts before credit risk mitigation.

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

XI. Explanations Related to Risk Management Objectives and Policies

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

Besides the Group's risk principles and targets, the aim of the risk strategy is to describe the Group's current and targeted risk profile and appetite, risk management and organization and the Group's general approach as defined by principle risk management capacities. The scope of the risk strategy includes the Parent 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 Parent 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 Group's Risk Management:

- In accordance with the Group'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 Group'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 Group, which is one of the leading and reputable financial institutions in Turkey,
- To promote risk awareness and risk management culture throughout the Group.

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XII. Explanations Related to Presentation of Financial Assets and Liabilities at Their Fair Value

The fair value of the loans and lease receivables is determined based on discounted cash flows using the current market interest rates.

The estimated fair value of the demand deposits is the amount payable on demand. The fair values of the floating rate placements and overnight deposits are considered to approximate the carrying values due to short maturities. The estimated fair value of the deposits with fixed rates is determined by calculating discounted cash flows by using the market interest rates used for other liabilities with similar quality and maturities.

The fair value of funds provided from other financial institutions, is determined based on discounted cash flows using current market interest rates.

In the table below; the fair values and the carrying values of some of the financial assets and liabilities are presented.

	Carrying Value		Fair Value	
	Current Period	Prior Period	Current Period	Prior Period
Financial Assets	44,974,337	39,772,982	44,320,456	39,920,299
Banks	476,154	205,237	476,154	205,237
Money Market Placements	3,433	1,786,785	3,433	1,786,785
Loans and Receivables	42,671,305	36,437,839	41,990,085	36,553,135
Factoring Receivables	520,657	366,767	520,657	366,767
Lease Receivables	1,302,788	976,354	1,330,127	1,008,375
Financial Liabilities	56,063,470	45,034,969	56,512,158	44,963,351
Bank Deposits	1,341,493	1,047,574	1,341,742	1,047,669
Other Deposits	36,765,509	31,657,443	36,784,491	31,664,129
Funds Provided from Other Financial Institutions	6,771,670	5,169,398	6,279,287	5,112,944
Money Market Borrowings	3,780,492	1,788,874	3,780,492	1,788,874
Securities Issued	3,954,579	4,078,313	3,918,667	4,056,368
Sundry Creditors	3,449,727	1,293,367	3,449,727	1,293,367

TFRS 7 sets classification of valuation techniques according to the inputs used in valuation techniques based on fair value calculations which are whether observable or not.

The classification of fair value calculation is as follows:

- a) Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities (market value);
- b) Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices);
- c) Level 3: Inputs that are not observable for the asset and liability (Fair value calculations which are not observable).

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In the table below the fair value classification of the financial instruments that are recorded at fair value at the financial statements is presented:

Current Period	Level 1	Level 2	Level 3	Total
Financial Assets	5,939,184	3,223,089	185,074	9,347,347
Financial Assets at Fair Value through Profit/Loss	210,012	-	-	210,012
Assets on Trading Derivatives	489	1,280,992	-	1,281,481
Investment Securities Available for Sale	5,728,683	14,302	-	5,742,985
Loans and Receivables (*)	-	-	185,074	185,074
Subsidiaries, Associates and Entities Under Common Control	-	-	-	-
Derivative Financial Assets Hedging Purposes	-	1,927,795	-	1,927,795
Financial Liabilities	168	1,393,478	-	1,393,646
Liabilities on Trading Derivatives	168	1,310,729	-	1,310,897
Derivative Financial Liabilities for Hedging Purposes	-	82,749	-	82,749

(*) Loans and Receivables are presented in "Financial Assets at Fair Value through Profit/Loss".

Confirmation for fair value of financial assets under Level 3 is as below:

	Current Period	Prior Period
Opening Balance(*)		
	352,296	567,612
Change in total gain/loss	(19,163)	9,789
Accounted in income statement	(19,163)	9,789
Accounted in other comprehensive income	-	-
Purchases	-	-
Disposals	-	-
Matured Loans (*)	(148,059)	(225,105)
Sales from Level 3	-	-
Closing Balance	185,074	352,296

(*) Includes loans that are repaid before their maturity.

Prior Period	Level 1	Level 2	Level 3	Total
Financial Assets	7,278,386	751,314	352,296	8,381,996
Financial Assets at Fair Value through Profit/Loss	132,527	-	-	132,527
Assets on Trading Derivatives	6,112	484,627	-	490,739
Investment Securities Available for Sale	7,139,747	26,201	-	7,165,948
Loans and Receivables (*)	-	-	352,296	352,296
Subsidiaries, Associates and Entities Under Common Control	-	240,486	-	240,486
Derivative Financial Assets Hedging Purposes	-	-	-	-
Financial Liabilities	103	887,999	-	888,102
Liabilities on Trading Derivatives	103	475,128	-	475,231
Derivative Financial Liabilities for Hedging Purposes	-	412,871	-	412,871

(*) Loans and Receivables are presented in "Financial Assets at Fair Value through Profit/Loss".

XIII. Explanations Related to Transactions Carried on Behalf of Others and Fiduciary Transactions

The Parent Bank provides buying, selling and custody services and management and financial advisory services in the name of the third parties. The Parent Bank does not involve in fiduciary activities.

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SECTION FIVE

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS

I. EXPLANATIONS AND DISCLOSURES RELATED TO CONSOLIDATED 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	633,575	413,150	439,800	212,819
T.R. Central Bank	253,764	6,906,881	584,776	4,090,086
Others	451	661	460	2
Total	887,790	7,320,692	1,025,036	4,302,907

b) Balances with the Central Bank of Turkey

	Current Period		Prior Period	
	TL	FC	TL	FC
Unrestricted Demand Deposits	253,764	499,042	584,776	380,326
Unrestricted Time Deposits	-	-	-	-
Restricted Time Deposit	-	6,407,839	-	3,709,760
Total	253,764	6,906,881	584,776	4,090,086

As of December 31, 2013, the reserve 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 the deposits (December 31, 2012 – 5% to 11%) and the reserve rates for the foreign currency liabilities are within an interval from 6% to 13% depending on the maturity of the deposits (December 31, 2012 – 6% to 11.5%).

2. Further information on financial assets at fair value through profit/loss (net amounts are expressed)

a) Trading securities given as collateral or blocked

	Current Period		Prior Period	
	TL	FC	TL	FC
Share Certificates	-	-	-	-
Bonds, Treasury Bills and Similar Marketable Securities ^(*)	103	-	9,105	-
Other	-	-	-	-
Total	103	-	9,105	-

^(*) Government bonds given as collateral shown above are classified under Held-for-Trading Financial Assets in the financial statements.

b) Trading securities subject to repurchase agreements

	Current Period		Prior Period	
	TL	FC	TL	FC
Government Bonds ^(*)	140,916	-	-	-
Treasury Bills ^(*)	-	-	1,684	-
Other Debt Securities	-	-	-	-
Bonds Issued or Guaranteed by Banks	4,818	-	-	-
Asset Backed Securities	-	-	-	-
Other	-	-	-	-
Total	145,734	-	1,684	-

^(*) Government bonds and treasury bills subject to repurchase agreements shown above are classified under Held-for-Trading Financial Assets in the financial statements.

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c) Positive differences on trading derivative instruments

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Transactions	107,327	-	18,607	-
Swap Transactions	922,629	61,661	338,376	96,083
Futures Transactions	-	486	-	6,109
Options	-	189,378	749	30,815
Other	-	-	-	-
Total	1,029,956	251,525	357,732	133,007

3. a) Information on banks

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks				
Domestic	5,985	2,301	4,168	809
Foreign	2	302,327	91,242	109,018
Foreign Head Offices and Branches	-	165,539	-	-
Total	5,987	470,167	95,410	109,827

b) Information on foreign bank accounts

	Unrestricted Amount		Restricted Amount ^(**)	
	Current Period	Prior Period	Current Period	Prior Period
EU Countries	44,881	42,809	1,730	-
USA and Canada	233,566	60,881	1,528	778
OECD Countries ^(*)	17,147	2,873	-	-
Off-shore Banking Regions	165,538	91,241	-	-
Other	3,478	1,678	-	-
Total	464,610	199,482	3,258	778

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

^(**)Includes blocked placements at foreign banks amounting to TL 3,258 (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	3,433	-	1,786,785	-
T.R Central Bank	-	-	-	-
Banks	-	-	1,785,748	-
Intermediary Institutions	3,433	-	97	-
Other Financial Institutions and Organizations	-	-	-	-
Other Institutions and Organizations	-	-	940	-
Real Persons	-	-	-	-
Foreign Transactions	-	-	-	-
Central Banks	-	-	-	-
Banks	-	-	-	-
Intermediary Institutions	-	-	-	-
Other Financial Institutions	-	-	-	-
Other Institutions	-	-	-	-
Real Persons	-	-	-	-
Total	3,433	-	1,786,785	-

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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	393,114	-	430,419	-
Other	-	-	-	-
Total	393,114	-	430,419	-

b) Investment securities available for sale subject to repurchase agreements

	Current Period		Prior Period	
	TL	FC	TL	FC
Government Bonds	1,290,612	973,547	859,279	1,125,471
Treasury Bills	-	-	-	-
Other Debt Securities	-	-	-	-
Bonds Issued or Guaranteed by Banks	-	-	-	-
Asset Backed Securities	-	-	-	-
Other	-	-	-	-
Total	1,290,612	973,547	859,279	1,125,471

c) Investment securities available for sale

	Current Period	Prior Period
Debt securities	5,444,796	6,978,832
Quoted on a stock exchange(*)	5,429,359	6,952,631
Unquoted on a stock exchange	15,437	26,201
Share certificates	512,730	190,353
Quoted on a stock exchange(**)	512,570	190,353
Unquoted on a stock exchange	160	-
Impairment provision(-)	(214,541)	(3,237)
Total	5,742,985	7,165,948

(*)The Eurobond Portfolio amounting to TL 851,341 (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 102,502 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 505,309 (December 31, 2012 – TL 181,995).

6. Information related to loans

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

	Current Period		Prior Period	
	Cash	Non-Cash	Cash	Non-Cash
Direct Loans Granted to Shareholders	-	32,895	-	29,498
Corporate Shareholders	-	32,895	-	29,498
Individual Shareholders	-	-	-	-
Indirect Loans Granted to Shareholders	-	-	-	-
Loans Granted to Employees ^(*)	71,031	-	58,761	-
Total	71,031	32,895	58,761	29,498

(*)Included advances also given to the personnel.

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

Cash Loans ^(*)	Standard Loans and Other Receivables		Loans and Other Receivables Under Close Monitoring			
	Loans and Other Receivables	Loans and Receivables with Revised Contract Terms	Loans and Receivables with Revised Contract Terms			
			Extension of Repayment Plan		Extension of Repayment Plan	
			Other		Other	
Non-specialized Loans	38,723,072	1,237,400	-	1,676,855	652,827	-
Discount Notes	600,115	-	-	4,558	-	-
Export Loans	681,213	-	-	127,637	-	-
Import Loans	282	-	-	-	-	-
Loans Given to Financial Sector	527,335	-	-	-	-	-
Retail Loans	11,856,266	233,707	-	636,366	305,136	-
Credit Cards	9,957,589	621,078	-	234,999	187,621	-
Other	15,100,272	382,615	-	673,295	160,070	-
Specialized Loans	-	-	-	-	-	-
Other Receivables	57,500	-	-	-	-	-
Total	38,780,572	1,237,400	-	1,676,855	652,827	-

(*)The loans and other receivables amounting to TL185,074 (December 31, 2012 – TL 352,296) are disclosed as “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	1,237,217	648,029
3, 4 or 5 times	183	3,682
Over 5 times	-	1,116

Extension Periods	Performing Loans and Other Receivables ^(*)	Loans and Other Receivables under Follow-up ^(*)
0 - 6 months	285,655	46,723
6 -12 months	88,929	48,177
1 - 2 years	411,293	177,340
2 - 5 years	293,836	298,552
5 years and over	157,687	82,035

(*) The credit balances are based on fourth article, a and b clauses, fourth paragraph of the “Regulation on Procedures and Principles for Determination of Qualifications of Loans and Other Receivables by Banks and Provisions to be set aside” dated May 28, 2011 published in the Official Gazette No: 2794

c) Loans according to their maturity structure

Cash Loans ^(*)	Standard Loans and Other Receivables		Loans and Other Receivables Under Close Monitoring	
	Loans and Other Receivables	Restructured or Rescheduled	Loans and Other Receivables	Restructured or Rescheduled
Short-term Loans	19,229,769	-	234,999	187,621
Non-specialized Loans	19,172,269	-	234,999	187,621
Specialized Loans	-	-	-	-
Other Receivables	57,500	-	-	-
Medium and Long-term Loans	19,550,803	1,237,400	1,441,856	465,206
Non-specialized Loans	19,550,803	1,237,400	1,441,856	465,206
Specialized Loans	-	-	-	-
Other Receivables	-	-	-	-
Total	38,780,572	1,237,400	1,676,855	652,827

(*)The loans and other receivables amounting to TL 185,074 (December 31, 2012 – TL 352,296) are disclosed as “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	190,802	11,629,159	11,819,961	185,872
Housing Loans	3,323	6,401,505	6,404,828	133,530
Automobile Loans	1,312	70,819	72,131	585
Personal Need Loans	181,560	5,156,835	5,338,395	51,757
Other	4,607	-	4,607	-
Consumer Loans-FC Indexed	-	60,081	60,081	48,287
Housing Loans	-	58,111	58,111	46,510
Automobile Loans	-	-	-	-
Personal Need Loans	-	1,970	1,970	1,777
Other	-	-	-	-
Consumer Loans-FC	-	-	-	-
Housing Loans	-	-	-	-
Automobile Loans	-	-	-	-
Personal Need Loans	-	-	-	-
Other	-	-	-	-
Individual Credit Cards-TL	9,156,351	738,032	9,894,383	86,433
Installment	4,880,692	738,032	5,618,724	49,076
Non- Installment	4,275,659	-	4,275,659	37,357
Individual Credit Cards-FC	3,806	-	3,806	22
Installment	-	-	-	-
Non- Installment	3,806	-	3,806	22
Personnel Loans-TL	3,681	30,740	34,421	188
Housing Loans	-	422	422	2
Automobile Loans	-	117	117	1
Personal Need Loans	3,681	30,201	33,882	185
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	32,198	-	32,198	-
Installment	17,488	-	17,488	-
Non-Installment	14,710	-	14,710	-
Personnel Credit Cards-FC	33	-	33	-
Installment	-	-	-	-
Non-Installment	33	-	33	-
Overdraft Accounts-TL (Real Persons)	836,328	-	836,328	46,337
Overdraft Accounts-FC (Real Persons)	-	-	-	-
Total	10,223,199	12,458,012	22,681,211	367,139

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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	747,163	5,914,839	6,662,002	70,738
Real Estate Loans	528	129,440	129,968	1,461
Automobile Loans	7,217	307,910	315,127	4,293
Personal Need Loans	739,418	5,477,489	6,216,907	64,984
Other	-	-	-	-
Commercial Loans with Installment Facility - FC Indexed	54,766	746,873	801,639	152,241
Real Estate Loans	-	32,121	32,121	4,767
Automobile Loans	310	67,754	68,064	14,471
Personal Need Loans	54,456	646,998	701,454	133,003
Other	-	-	-	-
Commercial Loans with Installment Facility - FC	-	-	-	-
Real Estate Loans	-	-	-	-
Automobile Loans	-	-	-	-
Personal Need Loans	-	-	-	-
Other	-	-	-	-
Corporate Credit Cards -TL	972,558	2,880	975,438	8,493
Installment	441,934	2,880	444,814	3,873
Non-Installment	530,624	-	530,624	4,620
Corporate Credit Cards -FC	478	-	478	3
Installment	-	-	-	-
Non-Installment	478	-	478	3
Overdraft Accounts-TL (Legal Entities)	550,213	-	550,213	387
Overdraft Accounts-FC (Legal Entities)	-	-	-	-
Total	2,325,178	6,664,592	8,989,770	231,862

f) Loans according to borrowers ^(*)

	Current Period	Prior Period
Public	150,108	125,458
Private	42,197,546	36,287,155
Total	42,347,654	36,412,613

^(*) The loans and other receivables amounting to TL 185,074 (December 31, 2012 – TL 352,296) are presented in “Loans at Fair Value through Profit/Loss” in the financial statements.

g) Domestic and foreign loans ^(*)

	Current Period	Prior Period
Domestic Loans	42,155,909	36,243,882
Foreign Loans	191,745	168,731
Total	42,347,654	36,412,613

^(*) The loans and other receivables amounting to TL 185,074 (December 31, 2012 – TL 352,296) are presented in “Loans at Fair Value through Profit/Loss” in the financial statements.

h) Loans granted to subsidiaries and associates

Loans granted to subsidiaries and associates are eliminated reciprocally in the accompanying consolidated financial statements.

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i) Specific provisions for loans

	Current Period	Prior Period
Specific Provisions		
Loans and Receivables with Limited Collectability	167,353	217,150
Loans and Receivables with Doubtful Collectability	483,952	340,379
Uncollectible Loans and Receivables	1,805,823	1,577,665
Total	2,457,128	2,135,194

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

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

	III. Group Loans and receivables with limited collectability	IV. Group Loans and receivables with doubtful collectability	V. Group Uncollectible loans and receivables
Current Period			
(Gross Amounts Before the Specific Provisions)	221	1,700	159,808
Restructured Loans and Other Receivables	-	-	-
Rescheduled Loans and Other Receivables	221	1,700	159,808
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 Loans and receivables with limited collectability	IV. Group Loans and receivables with doubtful collectability	V. Group Uncollectible loans and receivables
Prior Period End Balance	440,683	494,368	1,577,665
Additions (+)	1,439,804	101,590	85,317
Transfers from Other Categories of Non-Performing Loans (+)	-	1,297,877	969,043
Transfers to Other Categories of Non-Performing Loans (-)	1,297,877	969,043	-
Collections (-)	163,515	183,857	274,359
Write-offs (-) (**)	-	-	551,843
Corporate and Commercial Loans	-	-	-
Consumer Loans	-	-	108,353
Credit Cards	-	-	394,329
Others	-	-	49,161
Current Period End Balance	419,095	740,935	1,805,823
Specific Provision (-) ^(*)	167,353	483,952	1,805,823
Net Balances on Balance Sheet	251,742	256,983	-

^(*) 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 in the prior period using the minimum provision ratios specified in the regulation for its non-performing consumer and commercial loans, whereas again in accordance with the regulation in the current period the Bank provided specific provision for its 3rd and 4th group consumer loans with 100% provision rate and for its 3rd group commercial loans with 50% provision rate. After the stated change, the provision amount increased by TL 24,625 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% were, sold at a price of TL 100,100 in cash.

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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)	251,742	256,983	-
Loans to Real Persons and Legal Entities (Gross)	419,095	740,935	1,804,591
Specific provision (-)	(167,353)	(483,952)	(1,804,591)
Loans to Real Persons and Legal Entities (Net)	251,742	256,983	-
Banks (Gross)	-	-	-
Specific provision (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	1,232
Specific provision (-)	-	-	(1,232)
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 Parent Bank prefers to liquidate the risk through negotiations with the debtors. If this cannot be possible, then the Parent 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) Explanations on 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 factoring receivables

	Current Period		Prior Period	
	TL	FC	TL	FC
Short-Term	512,851	7,806	364,145	2,622
Medium and Long-Term	-	-	-	-
Total	512,851	7,806	364,145	2,622

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As of December 31, 2013 and 2012, changes in provision for non-performing factoring receivables are as follows:

	Current Period	Prior Period
End of Prior Period	2,936	4,060
Provided Provision / (reversal), Net	4,924	5,052
Collections	(740)	(106)
Written off	-	(6,070)
Provision at the end of the period	7,120	2,936

8. Information on investment securities held-to-maturity

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Share Certificates	-	-	-	-
Bond, Treasury Bill and Similar				
Marketable Securities	126,049	-	-	-
Other	-	-	-	-
Total	126,049	-	-	-

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 1,425,091. (December 31, 2012: None).

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Government Bond	2,446,859	20,820	-	-
Treasury Bill	-	-	-	-
Other Debt Securities	-	-	-	-
Total	2,446,859	20,820	-	-

d) Information on investment securities held-to-maturity

	Current Period		Prior Period	
	TL	FC	TL	FC
Debt Securities	2,446,859	378,920	-	-
Publicly-traded	2,446,859	378,920	-	-
Non-publicly traded	-	-	-	-
Provision for losses (-)	-	-	-	-
Total	2,446,859	378,920	-	-

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 (*)	2,825,779	-
Disposals through sales and redemptions	-	-
Provision for losses (-)	-	-
The sum of end of the period	2,825,779	-

(*) 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 21, 2013 are presented under “acquisitions during the year” in the table above.

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9. Information on investments in associates (Net)

9.1. Information on investments in associates

Description	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
35,583	22,322	19,770	511	-	2,644	1,247	-

9.2. 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
Acquisitions	-	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.

(***) The amount represents the reclassification of Kredi Garanti Fonu A.Ş shares amounting to TL 4,211 to investment securities available for sale.

9.3. Sectoral distribution and the related carrying amounts on 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

9.4. Quoted associates

None (December 31, 2012 – None).

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9.5. Valuation 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

9.6. Investments in associates sold during the current period

None (December 31, 2012-None).

9.7. Investments in associates acquired during the current period

None (December 31, 2012 - None).

10. Investments in subsidiaries (Net)

a) Information on the Parent Bank's unconsolidated subsidiaries

	Title	Address (City/Country)	Bank's Share – If Different, Voting Rights (%)	Bank's Risk Group Share (%)
1	Ibtech Uluslararası Bilişim ve İletişim Teknolojileri Araştırma, Geliştirme, Danışmanlık, Destek San. ve Tic. A.Ş.	Istanbul/ Turkey	99.91%	99.91%
2	EFINANS Elektronik Ticaret ve Bilişim Hizmetleri A.Ş.	Istanbul/ 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
1	23,859	19,928	19,020	-	-	3,782	(2,253)	-
2 ^(*)	6,000	6,000	-	-	-	-	-	-

^(*)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 held 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	76.06 ^(*)	76.10
4.	Finans Portföy Yönetimi A.Ş.	Istanbul/Turkey	0.01	99.71
5.	Finans Faktoring Hizmetleri A.Ş.	Istanbul/Turkey	99.99	100.00

^(*)The share of the Parent Bank is 10.01% whereas the remaining 66.05% shareholding represents the purchases of publicly traded shares on the BIST.

Information on subsidiaries in the order presented in the table above:

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	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 (**)
1. ^(*)	261,934	157,316	12,065	9,333	1,068	1,570	10,231	-
2. ^(*)	1,673,217	509,564	807	16,233	-	41,496	46,984	557,750
3. ^(*)	19,888	19,640	3	62	881	(2,101)	3,352	23,220
4. ^(*)	14,010	12,723	799	919	9	991	1,050	-
5. ^(*)	535,448	28,422	722	37,410	-	1,612	3,521	-

^(*)Current period information represents December 31, 2013 figures, and prior period profit/loss amounts represent December 31, 2012 figures as per the financial statements prepared in accordance with BRSA regulations.

^(**)Fair values of publicly traded subsidiaries reflect their values announced at the stock exchange as of the balance sheet date.

b.2) Movement of investments in consolidated subsidiaries

	Current Period	Prior Period
Balance at the Beginning of the Period	476,617	397,409
Movements during the period	(71,447)	79,208
Purchases	-	5,902 ⁽¹⁾
Bonus Shares Received	-	-
Dividends from Current Year Profit	-	-
Disposals	(1,069)	(27,950) ⁽²⁾
Changes due to Reclassification	-	(22,050) ⁽³⁾
Revaluation Increase	(70,378)	123,306
Impairment Provision	-	-
Balance at the End of the Period	405,170	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 disposal of 51% shares of Finans Emeklilik ve Hayat A.Ş. to Cigna Nederland Gamma B.V. amounting to TL 22,950 and disposal of Finans Tüketici Finansmanı A.Ş. amounting to TL 5,000.

⁽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.

b.3) Sectoral distribution of the consolidated subsidiaries

	Current Period	Prior Period
Banks	-	-
Insurance Companies	-	-
Factoring Companies	20,000	20,000
Leasing Companies	284,787	357,012
Finance Companies	-	-
Other Subsidiaries	100,383	99,605
Total	405,170	476,617

The balances of the subsidiaries have been eliminated as part of the consolidation principles.

b.4) Quoted subsidiaries within the context of consolidation

	Current Period	Prior Period
Quoted on Domestic Stock Exchanges	302,448	373,896
Quoted on International Stock Exchanges	-	-
Total	302,448	373,896

b.5) Explanation to capital adequacy of major subsidiaries

The Parent Bank does not have any major subsidiaries.

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11. Investments in entities under common control

	The Parent Bank's Share	The Group's Share	Current Assets	Fixed Assets	Long Term Debt	Current Period Profit/Loss	Prior Period Profit/Loss
Cigna Finans Emeklilik ve Hayat A.Ş. ^(*)	49.00%	49.00%	588,762	7,756	63,565	11,762	29,031
Bantaş Nakit ve Kıymetli Mal Taşıma ve Güvenlik Hizmetleri A.Ş. ^(*)	33.33%	33.33%	12,442	9,803	342	3,018	2,145

^(*) Current period information represents December 31, 2013 figures.

12. Information on financial lease receivables (Net)

12.1. Maturity analysis of financial lease receivables

	Current Period		Prior Period	
	Gross	Net	Gross	Net
Less than 1 year	629,447	543,853	503,606	436,353
Between 1-4 years	797,021	706,442	579,471	512,100
Over 4 years	56,266	52,493	31,708	27,901
Total	1,482,734	1,302,788	1,114,785	976,354

Financial lease receivables include non performing financial lease receivables amounting to TL 133,655 (December 31, 2012 – TL 110,833) and specific provisions amounting to TL 83,006 (December 31, 2012 – TL 64,549).

Changes in non-performing financial lease receivables provision as of December 31, 2013 and 2012 are as follows:

	Current Period	Prior Period
End of prior period	64,549	69,348
Provided provision / (reversed), Net	23,831	11,896
Collections	(5,374)	(4,119)
Written off ^(*)	-	(12,576)
Provision at the end of the period	83,006	64,549

^(*)On November 30, 2012, Finans Finansal Kiralama A.Ş., transferred financial lease receivables amounting to TL 17,630 as of sales date total of TL 550 in cash. TL 4,678 of mentioned receivables comprises of receivables previously written-off. The remaining amount of TL 12,952 which is non-performing leases receivables and TL 12,576 which is provision for non-performing lease receivables are written-off.

12.2. Information on net investments in financial leases

	Current Period	Prior Period
Gross Financial Lease Investments	1,482,734	1,114,785
Unearned Finance Income (-)	(179,946)	(138,431)
Cancelled Leasing Agreements (-)	-	-
Net Investment on Leases	1,302,788	976,354

12.3. Information of financial lease contracts of the Parent Bank

The leasing balances between the Parent Bank and the subsidiaries have been eliminated as part of the consolidation principles.

13. Information on hedging purpose derivatives

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	Current Period		Prior Period	
	TL	FC	TL	FC
Fair Value Hedge (*)	1,487,743	61,426	202,567	37,919
Cash Flow Hedge	378,626	-	-	-
Hedge of Net Investment in Foreign Operations	-	-	-	-
Total	1,866,369	61,426	202,567	37,919

(*) Derivative financial instruments designated for the fair value hedge purposes comprise of swaps. TL 84,918 (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 1,464,251 (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 as of December 31, 2013.

14. Explanations on tangible assets

	Land and Buildings	Fixed Assets under Finance Lease	Vehicles	Other Fixed Assets	Total
Prior Period End					
Cost	64,462	326,700	2,471	752,805	1,146,438
Accumulated Depreciation (-)	7,159	242,179	1,335	460,797	711,470
Net Book Value	57,303	84,521	1,136	292,008	434,968
Current Period End					
Cost at the Beginning of the Period	64,462	326,700	2,471	752,805	1,146,438
Additions	4,023	3,786	2	200,271	208,082
Disposals (-)	-	15	226	459	700
Impairment (-) / (increase)	706	-	-	-	706
Current Period Cost	67,779	330,471	2,247	952,617	1,353,114
Accumulated Depreciation at the Beginning of the Period	7,159	242,179	1,335	460,797	711,470
Disposals (-)	-	15	35	297	347
Depreciation amount	1,425	7,216	298	99,006	107,945
Accumulated Depreciation at the End of the Period (-)	8,584	249,380	1,598	559,506	819,068
Net Book Value at the End of the Period	59,195	81,091	649	393,111	534,046

- a) **If impairment on individual asset recorded or reversed in the current period is material for the overall financial statements:**

Events and conditions for recording or reversing impairment and amount of recorded or reversed impairment in the financial statements:

The fair values of the buildings are determined by the licensed expertise companies and as a result of the changes in the fair value of these buildings, the impairment loss of TL 705 has been booked. (December 31, 2012 - TL 1,651 impairment loss has been reversed).

- b) **The impairment provision set or cancelled in the current period according to the asset groups not individually significant but materially affecting the overall financial statements, and the reason and conditions for this:**

None (December 31, 2012 - None)

- c) **Pledges, mortgages and other restrictions (if any) on the tangible fixed assets, expenses arising from the construction for tangible fixed assets, commitments given for the purchases of tangible fixed assets:**

None (December 31, 2012 - None)

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15. Explanations on intangible assets

	Rights	Goodwill	Total
Prior Period End			
Cost	381,561	19,209	400,770
Accumulated Amortization (-)	209,919	10,229	220,148
Net Book Value	171,642	8,980	180,622
Current Period End			
Cost at the Beginning of the Period	381,561	19,209	400,770
Additions	91,780	-	91,780
Disposals (-)	-	-	-
Current Period Cost	473,341	19,209	492,550
Acc. Amort. at the Beginning of the Period	209,919	10,229	220,148
Disposals (-)	-	-	-
Amortization charge	62,635	-	62,635
Current Period Accumulated Amortization (-)	272,554	10,229	282,783
Net Book Value-End of the Period	200,787	8,980	209,767

- a) **Disclosures for book value, description and remaining life to be amortized for a specific intangible fixed asset that is material to the financial statements:** None (December 31, 2012 - None).
- b) **Disclosure for intangible fixed assets acquired through government grants and accounted for at fair value at initial recognition:** None (December 31, 2012 - None).
- c) **The method of subsequent measurement for intangible fixed assets that are acquired through government incentives and recorded at fair value at the initial recognition:** None (December 31, 2012 - None).
- d) **The book value of intangible fixed assets that are pledged or restricted for use:** None (December 31, 2012 - None).
- e) **Amount of purchase commitments for intangible fixed assets:** None (December 31, 2012 - None).
- f) **Information on revalued intangible assets according to their types:** None (December 31, 2012 - None).
- g) **Amount of total research and development expenses recorded in income statement within the period if any:**
Amount of total research expenses recorded in income statement within the period is TL 4,525 (December 31, 2012 – TL 4,981).
- h) **Positive or negative consolidation goodwill on entity basis:**
The goodwill amounting to TL 8,969 recorded to the accompanying consolidated financial statements for the Parent Bank purchasing its subsidiary Finans Finansal Kiralama A.Ş. (December 31, 2012 – TL 8,969).
- i) **Information on book value of goodwill at the beginning of the period, end of the period and movement for the period:**
The details have been disclosed at explanations and disclosures related to asset section, at disclosure 15.

16. Explanations on investment property

None (December 31, 2012 - None).

17. Explanations on tax asset

The Group does not have any current tax asset calculated in line with related regulations (December 31, 2012 – None). The Group has deferred tax asset of TL 107,583 (December 31, 2012 – TL 10,215). The information about current and deferred tax is presented in the disclosures and explanations about liability accounts in footnote number 10.1 and 10.2.

18. Explanations on assets held for sale and discontinued operations

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None (December 31, 2012 – None).

19. Information on other assets

19.1. Information on prepaid expense, tax and similar items

	Current Period	Prior Period
Advances Given	307,905	4,972
Other Prepaid Expenses	299,361	224,223
Cheques Receivables from Other Banks	188,161	254,500
Assets Held for Resale (Net)	159,080	158,966
Collateral Given for Derivative Transactions	109,767	249,618
Sundry Debtors	83,362	79,171
Prepaid Rent Expenses	30,352	25,318
Prepaid Agency Commissions	3,643	6,671
Given for Financial Leasing Purposes	-	28,210
Other	77,324	69,679
Total	1,258,955	1,101,328

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

Details of the other assets are described in note 19.1 section of disclosure.

20. Information on 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
Assets on Trading Derivatives	1,029,956	251,525	357,732	133,007
Derivative Financial Instruments Held for Hedging	1,866,369	61,426	202,567	37,919
Loans and Receivables	632,960	73,137	447,956	49,012
Investment Securities Available for Sale	95,011	11,539	328,828	161,758
Lease Receivables	4,135	6,869	2,853	4,353
Investment Securities Held for Trading	(1,164)	37	2,178	90
Banks	143	-	614	25
Factoring Receivables	-	-	542	62
Money Market Receivables	-	-	748	-
Other Accruals	1,418	105	16,008	-
Total	3,652,164	409,514	1,360,026	386,226

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II. EXPLANATIONS AND DISCLOSURES RELATED TO CONSOLIDATED 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	1,633,745	-	1,986,642	10,796,200	979,428	436,045	312,848	5,859	16,150,767
Foreign Currency Deposits	1,531,397	-	781,342	6,221,329	644,676	461,652	351,038	5,695	9,997,129
Residents in Turkey	1,483,341	-	768,882	6,120,438	597,287	441,805	283,983	5,695	9,701,431
Residents Abroad	48,056	-	12,460	100,891	47,389	19,847	67,055	-	295,698
Public Sector Deposits	304,915	-	607	49,520	254	1,352,508	-	-	1,707,804
Commercial Deposits	1,457,168	-	1,748,841	3,706,500	209,984	123,627	52,502	-	7,298,622
Other Ins. Deposits	22,666	-	149,047	511,418	104,932	45,464	613	-	834,140
Precious Metal Deposits	734,417	-	24,330	11,191	6,948	161	-	-	777,047
Bank Deposits	21,521	-	893,646	409,845	11,499	4,982	-	-	1,341,493
T.R. Central Bank	-	-	-	-	-	-	-	-	-
Domestic Banks	2,101	-	-	48,672	4,103	2,045	-	-	56,921
Foreign Banks	19,419	-	893,646	361,173	7,396	2,937	-	-	1,284,571
Participation Banks	1	-	-	-	-	-	-	-	1
Other	-	-	-	-	-	-	-	-	-
Total	5,705,829	-	5,584,455	21,706,003	1,957,721	2,424,439	717,001	11,554	38,107,002

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	891,467	-	1,362,776	5,839,836	593,895	210,169	2,620	5,130	8,905,893
Residents in Turkey	853,468	-	1,341,600	5,739,827	560,225	120,732	2,620	5,130	8,623,602
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	982,592	-	1,679,869	3,921,557	527,438	63,520	98	-	7,175,074
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	3,406,694	-	5,585,113	21,222,671	1,835,960	615,691	18,472	20,416	32,705,017

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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	
	Current Period	Prior Period	Current Period	Prior Period
Saving Deposits	7,860,834	4,488,992	8,280,585	8,882,423
Foreign Currency Savings Deposits	1,653,084	909,501	5,382,496	4,809,767
Other Saving Deposits	-	-	-	-
Foreign Branches' Deposits Under Foreign Insurance Coverage	-	-	-	-
Off-Shore Deposits Under Foreign Insurance Coverage	-	-	-	-
Total	9,513,918	5,398,493	13,663,081	13,692,190

1.2. Savings deposits in Turkey are not covered under insurance in another country since the headquarters of the Group 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	32,736	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	32,652	2,027
Total	65,388	30,089

2. Information on trading purpose derivatives

a) Negative value of trading purpose derivatives

	Current Period		Prior Period	
	TL	FC	TL	FC
Forwards	108,202	-	13,473	-
Swaps	1,004,649	62,406	355,115	84,465
Futures	-	168	-	100
Options	-	135,472	1	22,077
Other	-	-	-	-
Total	1,112,851	198,046	368,589	106,642

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3. a) Information on banks and other financial institutions

	Current Period		Prior Period	
	TL	FC	TL	FC
T.R. Central Bank Loans	-	-	-	-
Domestic Bank and Institutions	391,541	313,408	227,540	145,058
Foreign Bank, Institutions and Funds	150,500	3,965,502	73,644	3,093,566
Total	542,041	4,278,910	301,184	3,238,624

b) Maturity information on funds borrowed

	Current Period		Prior Period	
	TL	FC	TL	FC
Short-Term	461,350	2,553,062	301,184	1,722,249
Medium and Long-Term	80,691	1,725,848	-	1,516,375
Total	542,041	4,278,910	301,184	3,238,624

In accordance with the diversified payment rights program, the Parent 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.

The Parent Bank signed a syndicated loan agreement on November 28, 2013 amounting to EUR 264.5 million and on November 27, 2013 amounting to USD 167 million with one year maturity in line with the Board of Director's decision no:261 dated September 17, 2013.

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

As of December 31, 2012, the Group's liabilities comprise; 56% deposits (December 31, 2012 – 59%), 10% funds borrowed (December 31, 2012 – 9%) 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	2,518,556	-	846,251	-
Financial institutions and organizations	2,470,009	-	834,084	-
Other institutions and organizations	32,319	-	4,239	-
Real persons	16,228	-	7,928	-
From foreign transactions	8,165	1,141,561	4,542	878,081
Financial institutions and organizations	-	1,141,561	-	878,081
Other institutions and organizations	8,165	-	4,542	-
Real persons	-	-	-	-
Total	2,526,721	1,141,561	850,793	878,081

5. Information on securities issued (Net)

	Current Period		Prior Period	
	TL	FC	TL	FC
Bank Bonds	2,057,078	-	2,789,390	-
Bills	103,734	1,793,767	-	1,288,923
Total	2,160,812	1,793,767	2,789,390	1,288,923

The Bank issued bonds with TL 750,000 nominal value, 91 days maturity and 9.45% interest rate on October 11, 2013, and issued bonds with TL 150,000 nominal value, 96 days maturity and 9.55% interest rate on October 31, 2013 and issued bonds with TL 244,585 nominal value, 101 days maturity and 9.02% interest rate on November 26, 2013 and issued bonds with TL 899,136 nominal value, 120 days maturity and 8.69% interest rate on December 12, 2013 and issued bonds with TL 116,190 nominal value, 115 days

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maturity and 8.97% interest rate on December 24, 2013 and issued bonds with TL 124,188 nominal value, 1 year maturity on April 19, 2013.

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 exceed 20% of the individual liability item in the consolidated balance sheet

Other liabilities account does not exceed 10% of total liabilities excluding the off-balance sheet items (December 31, 2012 – does not exceed).

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 flows of the Group are the main criteria which are taken into consideration for the determination of payment plans in the leasing contracts.

7.1. Explanations on 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. Explanations on financial lease payables

The leasing balances between the Parent Bank and the subsidiaries have been eliminated as part of the consolidation principles.

7.3. Explanations and footnotes 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. Explanations on “Sale -and- lease back” agreements

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

8. Information on liabilities arising from hedging purpose derivatives

	Current Period		Prior Period	
	TL	FC	TL	FC
Fair Value Hedge ^(*)	-	75,101	257,139	121,330
Cash Flow Hedge ^(**)	7,648	-	34,402	-
Net Investment Hedge	-	-	-	-
Total	7,648	75,101	291,541	121,330

^(*)Derivative financial instruments for hedging purposes include swaps. As of December 31, 2013, TL 20,901 (December 31, 2012 – TL 247,656) represents the fair value of derivatives which are the hedging instruments of hedged loan portfolio. TL 54,200 (December 31, 2012 – TL 130,813) represents the fair value of loans which are the hedging instruments of hedged investment securities available for sale portfolio.

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

9. Explanations on provisions

9.1. Information on general provisions

	Current Period	Prior Period
Provisions for Loans and Receivables in Group I	608,997	441,173
-Additional Provision for Loans and Receivables with Extended Maturities	56,116	29,599
Provisions for Loans and Receivables in Group II	88,573	79,834
-Additional Provision for Loans and Receivables with Extended Maturities	30,920	34,740
Provisions for Non - Cash Loans	63,599	60,135
Other	55,122	36,542
Total	816,291	617,684

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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 ^(*)	146	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 53,760 (December 31, 2012 - TL 47,989).

9.4 Information on employee termination benefits and unused vacation accrual

The Group 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 December 31, 2013, TL 90,390 (December 31, 2012 - TL 85,243) reserve for employee termination benefits was provided in the accompanying financial statements.

As of December 31, 2013, the Group accrued TL 30,354 (December 31, 2012 - TL 21,351) for the unused vacations under reserve for employee benefits account in the accompanying financial statements.

As of December 31, 2013, TL 99,584 (December 31, 2012 - TL 97,310) bonus and premium provisions have been provided under reserve for employee benefits account in the accompanying financial statements.

9.4.1 Movement of employee termination benefits

	Current Period 01.01-31.12.2013	Previous Period 01.01-31.12.2012
As of January 1	85,243	53,745
Service cost	13,845	8,468
Interest cost	6,298	4,880
Settlement/ curtailment/ termination loss	5,558	8,564
Actuarial differences	(5,443)	26,578
Paid during the period	(15,111)	(16,992)
Total	90,390	85,243

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	102,025	99,747

As of December 31, 2013 the Group has provided TL 102,025 provision (December 31, 2012 - TL 99,747) for possible losses that could arise for loans in the watch list, considering their recovery rates.

9.5.2 Information on other provisions

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

	Current Period	Prior Period
Provision for Promotion Expenses of Credit	20,138	16,187
Other Provisions	79,258	35,796
Total	99,396	51,983

10. Information on tax liability

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10.1. Information on current tax liability

10.1.1. Information on tax provision

As of December 31, 2013, the Group has current tax liability of TL 319,023 (December 31, 2012 - TL 382,188) and advance taxes of TL 210,715 (December 31, 2012 - TL 283,153).

The current tax liability and the advance taxes of the consolidated subsidiaries have been offset separately in their financial statements. As of December 31, 2013, after the offsetting, the current tax liability amounting TL 108,308 (December 31, 2012 – TL 99,035) is disclosed. The Group does not have current tax asset (December 31, 2012 – None).

10.1.2. Information on taxes payable

	Current Period	Prior Period
Corporate taxes payable	103,500	99,035
Banking and Insurance Transaction Tax (BITT)	32,349	33,110
Taxation on Securities Income	33,750	36,055
Taxation on Real Estates Income	1,803	1,522
Other	18,403	18,856
Total	189,805	188,578

10.1.3 Information on premiums

	Current Period	Prior Period
Social Security Premiums - Employee Share	7,336	5,590
Social Security Premiums – Employer Share	7,881	5,762
Unemployment Insurance - Employee Share	517	394
Unemployment Insurance - Employer Share	1,032	786
Other	11	-
Total	16,777	12,532

10.2. Information on deferred tax liabilities

According to TAS 12, the deferred tax assets and liabilities of the consolidated subsidiaries are netted off separately in their financial statements.

Deferred tax asset is TL 107,583 (December 31, 2012 – TL 10,215) and deferred tax liability is TL 1,330 (December 31, 2012- TL 15,067) after deferred tax asset and liability balances in the financial statements of the consolidated subsidiaries are netted off separately.

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 assets amounting to TL 28,697 are netted under equity. (December 31, 2012 – TL 48,460 deferred tax liability).

	Temporary Differences		Deferred Tax Asset/(Liability)	
	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
Reserve for employee benefits	220,328	204,075	44,066	40,815

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The differences between carrying and taxable amounts of financial assets	457,250	191,770	91,450	38,354
Unused investment incentive certificates	-	2,968	-	6
Other	392,946	353,813	78,590	70,763
Deferred Tax Assets			214,106	149,938
The differences between carrying and taxable amounts of tangible assets	(144,882)	(120,173)	(28,976)	(24,035)
The differences between carrying and taxable amounts of financial assets	(145,362)	(557,890)	(29,072)	(111,578)
Other	(249,018)	(95,887)	(49,805)	(19,177)
Deferred Tax Liability			(107,853)	(154,790)
Deferred Tax Asset/(Liability), Net			106,253	(4,852)
	Current Period		Prior Period	
Deferred Tax Asset/(Liability) as of January 1 (Net)		(4,852)		(662)
Deferred Tax (Charge)/Benefit		33,948		105,170
Deferred Tax Accounted for under the Equity		77,157		(109,360)
Deferred Tax Asset/(Liability) as of December 31 (Net)		106,253		(4,852)

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	-	1,950,719	-	1,629,590
From Other Foreign Institutions	-	-	-	-
Total	-	1,950,719	-	1,629,590

The Parent 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 repayment 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 2011 to be used in capital increase. In addition, the Parent Bank received USD 260 million of subordinated loans 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 Subject to Increase	Capital Reserves Subject to Increase
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 Group does not have any capital commitment; the capital is fully paid-in.

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

None (December 31, 2012 - None).

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

The Parent Bank has 100 founder shares stated in the Articles of Association. The profit distribution of the Parent Bank is calculated in accordance with prevailing statutory regulations and its Article of Association. According to these regulations, after deducting the statutory and fiscal obligations of the Parent Bank, 5% of the remaining net income is appropriated as legal reserves, 5% of the paid in capital might be distributed to shareholders as first dividend and 10% of the remaining net profit might be distributed to founder shares. Moreover, additional 10% legal reserve is provided from the dividends distributed to founder shares.

14. Common stock issue premiums, shares and equity instruments

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

^(*) Due to the Parent Bank's prior year's capital increase, common stock issue premiums accounted amounting to TL 714, respectively

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15. Information on marketable securities value increase fund

	Current Period		Prior Period	
	TL	FC	TL	FC
Associates, Subsidiaries and Entities under Common Control	-	-	-	-
Valuation Difference	-	-	-	-
Foreign Exchange Rate Difference	-	-	-	-
Securities Available-for-Sale	(85,632)	(136,568)	168,496	28,059
Valuation Difference	(85,632)	(136,568)	168,496	28,059
Foreign Exchange Rate Difference	-	-	-	-
Total	(85,632)	(136,568)	168,496	28,059

The Parent 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 of the securities, effective from 21 June 2013. The valuation differences amounting to TL 67,974 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 7,636.

16. Information on accrued interest and expenses

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Deposits	157,980	25,541	114,732	17,784
Derivative Financial Liabilities Held for Trading	1,112,851	198,046	368,589	106,642
Funds Borrowed	6,281	31,700	3,432	21,181
Money Market Borrowings	821	1,660	1,197	1,276
Derivative Financial Liabilities for Hedging Purposes	7,648	75,101	291,541	121,330
Other Accruals	27,734	41,583	25,325	44,535
Total	1,313,315	373,631	804,816	312,748

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

1. Information related to consolidated off-balance sheet contingencies

1.1. Type and amount of irrevocable commitments

	Current Period	Prior Period
Letters of Guarantee in FC	1,777,802	1,533,101
Letters of Guarantee in TL	4,162,774	3,677,256
Letters of Credit	548,606	579,351
Bank Loans	609,831	545,914
Other Guarantees	19,399	24,055
Total	7,118,412	6,359,677

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

Specific provision is provided for the non-cash loans amounting to TL 53,760 (December 31, 2012 – TL 47,989) followed in the off-balance sheet accounts that are not indemnified and not liquidated yet.

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

	Current Period	Prior Period
Provisional Letters of Guarantee	290,037	401,258
Final Letters of Guarantee	3,640,553	3,396,832
Advance Letters of Guarantee	191,920	179,659
Letters of Guarantee Given to Customs Offices	198,665	186,504
Other Letters of Guarantee	1,619,401	1,046,104
Total	5,940,576	5,210,357

2. Total amount of non-cash loans

	Current Period	Prior Period
Non-Cash Loans granted for Obtaining Cash Loans	317,804	306,450
Less Than or Equal to One Year with Original Maturity	14,451	23,503
More Than One Year with Original Maturity	303,353	282,947
Other Non-Cash Loans	6,800,608	6,053,227
Total	7,118,412	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	16,207	0.39	2,362	0.08	16,824	0.46	2,708	0.10
Farming and Raising Livestock	13,627	0.33	2,033	0.07	14,758	0.40	668	0.03
Forestry	1,440	0.03	-	-	740	0.02	-	-
Fishing	1,140	0.03	329	0.01	1,326	0.04	2,040	0.08
Manufacturing	882,213	21.15	1,523,356	52.02	644,791	17.52	1,289,546	48.56
Mining and Quarrying	25,599	0.61	771	0.03	21,904	0.60	1,736	0.07
Production	554,277	13.29	1,213,207	41.43	551,677	14.99	1,157,579	43.59
Electricity, gas and water	302,337	7.25	309,378	10.56	71,210	1.94	130,231	4.90
Construction	932,925	22.37	369,150	12.61	925,880	25.16	407,535	15.35
Services	2,256,615	54.11	1,016,629	34.71	2,037,904	55.38	934,644	35.20
Wholesale and Retail Trade	1,289,108	30.91	504,487	17.23	1,118,337	30.39	522,299	19.67
Hotel, Food and Beverage Services	36,356	0.87	13,353	0.46	45,221	1.23	15,262	0.57
Transportation & Communication	94,292	2.26	97,140	3.32	98,881	2.69	110,684	4.17
Financial Institutions	491,441	11.78	301,735	10.3	468,212	12.72	259,148	9.76
Real Estate and Renting Services	2,684	0.06	1,868	0.06	6,363	0.17	1,552	0.06
Self-Employment Services	155,682	3.73	84,051	2.87	119,674	3.25	17,883	0.67
Educational Services	4,044	0.1	9	-	1,467	0.04	7	-
Health and Social Services	183,008	4.39	13,986	0.48	179,749	4.88	7,809	0.29
Other (*)	82,485	1.98	17,071	0.58	54,632	1.48	21,158	0.80
Total	4,170,445	100.00	2,928,568	100.00	3,680,031	100.00	2,655,591	100.00

(*) Does not include "Other Guarantees" amounting to TL 19,399 (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	3,969,871	1,676,732	162,256	77,957
Bills of Exchange and Acceptances	7,668	592,933	-	9,230
Letters of Credit	3	546,224	-	2,379
Endorsements	-	-	-	-
Purchase Guarantees for Securities Issued	-	-	-	-
Factoring Related Guarantees	-	-	-	-
Other Collaterals and Sureties	-	19,399	-	-
Non-cash Loans	3,977,542	2,835,288	162,256	89,566

(*) Does not include non-cash loans amounting to TL 53,760 for which provision is provided, but that are not indemnified and not liquidated yet.

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5. Information related to derivative financial instruments

	Current Period	Prior Period
Types of trading transactions		
Foreign Currency Related Derivative Transactions (I)	67,641,092	45,690,221
Forward transactions (*)	7,677,470	5,596,626
Swap transactions	44,046,170	28,774,885
Futures transactions	42,982	225,260
Option transactions	15,874,470	11,093,450
Interest Related Derivative Transactions (II)	8,707,332	5,875,840
Forward rate transactions	-	-
Interest rate swap transactions	8,707,332	5,857,234
Interest option transactions	-	-
Futures interest transactions	-	16,590
Securities sales/purchases option transactions	-	2,016
Other trading derivative transactions (III)	-	-
A. Total Trading Derivative Transactions (I+II+III)	76,348,424	51,566,061
Types of hedging transactions	24,005,643	18,081,171
Fair value hedges	17,234,950	17,540,286
Cash flow hedges	6,770,693	540,885
Net investment hedges	-	-
B. Total Hedging Related Derivatives	24,005,643	18,081,171
Total Derivative Transactions (A+B)	100,354,067	69,647,232

(*)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 December 31, 2013; the mortgage loans amounting to TL 5,098,190 (December 31, 2012 – TL 5,777,912) were subject to hedge accounting by swaps with the nominal values of TL 6,557,217 (December 31, 2012 – TL 7,711,610). The net market valuation difference losses amounting to TL 13,721 gain (December 31, 2012 - TL 3,787 gain) due to the losses from loans amounting to TL 523,221 (December 31, 2012 – TL 218,951 gain) and gains from swaps amounting to TL 536,942 (December 31, 2012 - TL 215,164 loss) is accounted for under “gains / (losses) from financial derivatives transactions” line in the accompanying financial statements.

As of the balance sheet date, the project finance loan amounting to TL 164,290 (December 31, 2012 - None) were subject to hedge accounting using swaps with the nominal values of TL 159,372 (December 31, 2012 - None). The net market valuation gains amounting to TL 956, which results from the losses from swaps amounting to TL 16,536 (December 31, 2012 - None) and gain from loans amounting to TL 17,393 (December 31, 2012 - None) 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 52,638 (December 31, 2012 – 61,360) related to the loans that are ineffective for hedge accounting under “gains / (losses) from financial derivatives transactions” as loss during the current period.

b) Investment securities available for sale

The Bank applies fair value hedge accounting to hedge 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 the nominal values of USD 333 million and EUR 26 million (December 31, 2012 – USD 322 million and EUR 26 million) were subject to hedge

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accounting by interest rate swaps with the same nominal value. The net market valuation difference loss amounting to TL 226 (December 31, 2012 – TL 142 gain) due to losses from Eurobonds amounting to TL 100,381 (December 31, 2012 – TL 5,789 loss) and gains from swaps amounting to TL 100,155 (December 31, 2012 – TL 5,931 gain) 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 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 the nominal values of TL 198,305 (December 31, 2012 – TL 198,305) were subject to hedge accounting by swaps with the same nominal value. The net market valuation difference gains amounting to TL 1,253 (December 31, 2012 - TL 907 loss) due to loss from government bonds amounting to TL 12,760 (December 31, 2012 – TL 10,688 gains) and gains from swaps amounting to TL 14,013 (December 31, 2012- TL 11,595 loss) is accounted for under “securities trading gains/losses” line in the accompanying financial statements.

c) Bonds issued

The Bank applies fair value hedge accounting to hedge 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 the nominal values of USD 367 million (December 31, 2012 – USD 367 million) were subject to hedge accounting by swaps with the same nominal value. Net market valuation difference loss amounting to TL 10 (December 31, 2012 – TL 1 loss) due to gains from government bonds amounting to TL 7,034 (December 31, 2012 – TL 6,004 gain) and losses from swaps amounting to TL 7,044 (December 31, 2012 – TL 6,005 loss) is accounted for under “securities trading gains/losses” 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 the interest rate changes of deposits that have an average maturity of 1 month. The Bank implements efficiency tests at the balance sheet dates for hedging purposes; the effective portions are accounting for under equity “Hedging Funds”, whereas the amount concerning ineffective portions are accounted for at income statement as defined in TAS 39. Swaps amounting to TL 169,642 (December 31, 2012 – TL 270,442) are subject to hedge accounting as hedging instruments. As a result of the mentioned hedge accounting, fair value loss before taxes amounting to TL 15,383 (December 31, 2012 – TL 8,273 gain) are accounted for under equity during the current period. The losses amounting to TL 5 (December 31, 2012 – TL 97 loss) concerning for the ineffective portions are accounted for at the income statement.

As at the balance sheet date, swaps amounting to USD 1,470 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 112,448 are accounted for under equity during the current period (December 31, 2012 – None). The gains amounting to TL 164 (December 31, 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 (December 31, 2012 – TL 3,692 loss).

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As of December 31, 2013 breakdown of the Group's foreign currency forward 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	1,564,585	1,786,489	13,399,384	18,547,585	3,031,745	3,225,306	255	255
USD	1,379,951	1,493,252	23,467,275	17,336,298	2,476,355	2,961,723	21,236	21,236
EURO	852,426	533,866	1,326,918	1,653,592	2,334,809	1,694,057	-	-
Other	43,473	23,428	22,485	1,005,608	116,312	34,163	-	-
Total	3,840,435	3,837,035	38,216,062	38,543,083	7,959,221	7,915,249	21,491	21,491

(*) 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	1,219,391	888,393	8,619,195	15,375,623	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	560,830	624,192	598,397	740,150	734,985	724	724
Other	100,963	65,782	45,477	833,139	19,978	-	-	-
Total	2,805,171	2,791,454	25,837,876	26,875,415	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 accounted for under Commitments

As of December 31, 2013, the Group has no derivatives transactions for hedge of net investment.

6. Credit derivatives and risk exposures on credit derivatives

As of 31 December 2013, other irrevocable commitments include commitments for "credit linked notes" with a nominal of USD 15,345,550 (31 December 2012: USD 13,494,490).

As of 31 December 2013, the Bank has no other derivative financial instruments include "credit default swaps" (31 December 2012: USD 100,000,000). The Parent Bank is the protection buyer in these transactions.

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 Parent 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.

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

MOODY'S December 2013		FITCH April 2013		CI February 2013	
Long-Term Deposit Rating (FC)	Ba2	Long-Term Foreign Curr.	BBB-	Long-Term Foreign Curr.	BB+
Long-Term Deposit Rating (TL)	Ba2	Short-Term Foreign Curr.	F3	Short-Term Foreign Curr.	B
Short-Term Deposit Rating (TL)	NP	Long-Term TL	BBB-	Financial Strength	BBB+
Financial Strength	E+	Short-Term TL	F3	Support	3
		Long-Term National	AAA(tur)		
		Support	3		
		Viability	bbb-		

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IV. EXPLANATIONS AND DISCLOSURES RELATED TO CONSOLIDATED 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	2,493,761	38,922	2,844,868	58,388
Medium and Long-Term Loans	2,355,921	162,136	1,855,576	128,132
Non-Performing Loans	108,943	-	97,535	-
Premiums Received from Resource Utilization Support Fund	-	-	-	-
Total	4,958,625	201,058	4,797,979	186,520

b) Information on interest income from banks

	Current Period		Prior Period	
	TL	FC	TL	FC
T.R. Central Bank	-	-	-	229
Domestic Banks	525	8	9,435	10
Foreign Banks	2,144	1,797	3,512	255
Foreign Headquarters and Branches	-	-	-	-
Total	2,669	1,805	12,947	494

c) Information on interest income from securities portfolio

	Current Period		Prior Period	
	TL	FC	TL	FC
Held-for-Trading Financial Assets	13,166	175	17,812	466
Financial Assets at FVTPL	9	-	11	-
Investment Securities Available for Sale	343,729	62,329	503,054	50,762
Investment Securities Held to Maturity	76,789	6,796	-	-
Total	433,693	69,300	520,877	51,228

d) Information on interest income received from associates and subsidiaries

None (December 31, 2012 – None).

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks				
T.R. Central Bank	-	-	-	-
Domestic Banks	19,073	8,509	14,847	3,041
Foreign Banks	9,989	168,814	9,889	150,320
Foreign Head Offices and Branches	-	-	-	-
Other Institutions	-	-	-	-
Total	29,062	177,323	24,736	153,361

b) Information on interest expense paid to associates and subsidiaries

None (December 31, 2012 – None).

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c) Information on interest expense paid to securities issued

The bonds issued by the Bank in September 14, 2012, with TL 400,000 nominal value, in November 15, 2012 TL 750,000 nominal value, in December 14, 2012, with TL 650,000 nominal value, in December 28, 2012 TL 600,000 nominal value, in March 20, 2013, with TL 400,000 nominal value, in April 4, 2013 with TL 475,812 nominal value, in June 26, 2013, with TL 525,418 nominal value, in July 11, 2013, with TL 125,435, in July 18, 2013, with TL 105,000 nominal value, in July 25, 2013 with TL 265,562 nominal value and in November 29, 2013 with TL 578,000 has matured during the current period. In addition, the Bank has issued TL 750,000 nominal value with 9.45% interest rate on October 11, 2013 and issued bonds with TL 150,000 nominal value with 9.55% interest rate on October 31, 2013 and issued bonds with TL 244,585 nominal value with 9.02% interest rate on November 26, 2013 and issued bonds with TL 899,136 nominal value with 8.69% interest rate on December 12, 2013 and issued bonds with TL 116,190 nominal value with 8.97% interest rate on December 24, 2013 and issued bonds with TL 124,188 nominal value on April 19, 2013. As of December 31, 2013, interest expense amounting to TL 252,784 is accounted for the bonds issued. (December 31, 2012 – TL 140,315).

d) Information on maturity structure of interest expenses on deposits (Current Period)

Account Name	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	-	2,057	13,445	7,028	269	269	-	23,068
Saving Deposits	9	142,805	692,559	133,170	94,624	7,930	149	1,071,246
Public Sector Deposits	-	129	2,598	93	45,904	3	-	48,727
Commercial Deposits	-	125,494	259,797	48,066	11,808	2,215	-	447,380
Other Deposits	-	3,457	36,581	21,315	52,512	41	-	113,906
7 Days Call Accounts	-	-	-	-	-	-	-	-
Total	9	273,942	1,004,980	209,672	205,117	10,458	149	1,704,327
Foreign Currency								
Foreign Currency								
Deposits	-	23,384	171,242	31,844	15,605	7,193	117	249,385
Bank Deposits	27	904	16,076	919	92	44	-	18,062
7 Days Call Accounts	-	-	-	-	-	-	-	-
Precious Metal Deposits	-	212	153	18	4	-	-	387
Total	27	24,500	187,471	32,781	15,701	7,237	117	267,834
Grand Total	36	298,442	1,192,451	242,453	220,818	17,695	266	1,972,161

Information on maturity structure of interest expense on deposits (Prior Period)

Account Name	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	-	2,274	6,438	14,477	292	748	-	24,229
Saving Deposits	2	149,645	1,046,214	196,943	25,772	1,790	1,752	1,422,118
Public Sector Deposits	-	1,003	4,167	331	9	-	-	5,510
Commercial Deposits	1	109,240	263,300	72,404	12,937	4,168	-	462,050
Other Deposits	-	2,096	71,149	21,497	157	434	-	95,333
7 Days Call Accounts	-	-	-	-	-	-	-	-
Total	3	264,258	1,391,268	305,652	39,167	7,140	1,752	2,009,240
Foreign Currency								
Foreign Currency								
Deposits	-	34,042	192,347	29,467	10,486	282	552	267,176
Bank Deposits	124	1,983	8,149	1,131	401	-	-	11,788
7 Days Call Accounts	-	-	-	-	-	-	-	-
Precious Metal Deposits	-	-	-	-	778	2	-	780
Total	124	36,025	200,496	30,598	11,665	284	552	279,744
Grand Total	127	300,283	1,591,764	336,250	50,832	7,424	2,304	2,288,984

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e) **Information on interest expenses on repurchase agreements**

	Current Period		Prior Period	
	TL	FC	TL	FC
Interest Expenses on Repurchase Agreements ^(*)	93,486	6,498	97,477	7,206

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

f) **Information on finance lease expenses**

None (December 31, 2012 – None).

g) **Information on interest expenses on factoring payables**

None (December 31, 2012 – None).

3. **Information on dividend income**

	Current Period	Prior Period
Financial Assets Held for Trading	140	62
Financial Assets at Fair Value Through Profit or Loss	-	-
Financial Assets Available for Sale	7	186
Other	-	-
Total	147	248

4. **Information on trading income/loss**

	Current Period	Prior Period
Trading Income	8,941,514	5,122,117
Gains on Capital Market Operations	275,775	144,820
Derivative Financial Instruments	2,582,412	1,952,427
Foreign Exchange Gains	6,083,327	3,024,870
Trading Loss (-)	(9,146,968)	(5,470,767)
Losses on Capital Market Operations	113,415	(57,429)
Derivative Financial Instruments	2,853,402	(2,384,436)
Foreign Exchange Losses	6,180,151	(3,028,902)
Net Trading Income/Loss	(205,454)	(348,650)

5. **Information on other operating income**

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

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6. Provision for losses on loans and other receivables

	Current Period	Prior Period
Specific Provisions For Loans and Other Receivables	873,777	694,132
Loans and Receivables in Group III	(49,797)	151,005
Loans and Receivables in Group IV	143,573	193,226
Loans and Receivables in Group V	780,001	349,901
Doubtful Fee, Commission and Other Receivables	-	-
General Provisions	198,607	217,243
Provision Expenses for Possible Losses	2,278	36,045
Impairment Losses on Securities	103	-
Financial assets at fair value through profit or loss	-	-
Investment securities available for sale	103	-
Impairment Losses on Associates, Subsidiaries and Investment Securities Held-to-Maturity	-	-
Associates	-	-
Subsidiaries	-	-
Entities under common control	-	-
Investment securities held-to-maturity	-	-
Other	28,626	30,734
Total	1,103,391	978,154

7. Information on other operating expenses

	Current Period	Prior Period
Personnel costs	959,234	818,567
Reserve for employee termination benefits	10,590	4,920
Provision for pension fund deficits	-	-
Impairment losses on tangible assets	705	1,651
Depreciation charge of tangible assets	104,429	93,175
Impairment losses of intangible assets	-	-
Impairment losses of goodwill	-	-
Amortization charge of intangible assets	63,034	56,415
Impairment losses on investments under equity method of accounting	-	-
Impairment losses on assets to be disposed	1,048	2,000
Depreciation on assets to be disposed	5,470	2,247
Impairment charge of assets held for sale and discontinued operations	-	-
Other operating expenses	838,870	676,688
Operational lease related expenses	175,785	142,009
Repair and maintenance expenses	63,714	53,705
Advertisement expenses	105,271	87,378
Other expenses	494,100	393,595
Losses on sales of assets	334	1,497
Other	399,131	256,756
Total	2,382,845	1,913,916

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

For the period ended December 31, 2013, net interest income of TL 3,268,967 (December 31, 2012 – TL 2,999,119), net fees and commission income of TL 1,086,758 (December 31, 2012 – TL 1,114,569) and other operating income of TL 321,674 (December 31, 2012 – TL 531,571) 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 December 31, 2013, the Group recorded tax charge of TL 250,376 (December 31, 2012 – TL 395,527) and a deferred tax income of TL 33,948 (December 31, 2012 – TL 105,170 benefit).

	Current Period	Prior Period
Current Tax Provision	(250,376)	(395,527)
Deferred Tax Income Income/(Expense)	33,948	105,170
Total	(216,428)	(290,357)

9.2. Explanations on operating profit/loss after taxes

None (December 31, 2012 – None).

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

In the current period, there is no profit of the Group from discontinued operations (December 31, 2012 – TL - None), whereas the net profit of the Group from continued operations is TL 758,090 (December 31, 2012 – TL 1,118,165).

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 Group's performance for the period

None (December 31, 2012 – None).

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

11.3. Profit or loss attributable to minority shares

	Current Period	Prior Period
Profit / Loss Attributable to Minority Shares	11,939	16,333

11.4. There are no changes in the 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 and fees and commissions given to credit cards are recorded to the “Others” line under “Fees and Commissions Paid” account by the Parent Bank.

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V. EXPLANATIONS AND DISCLOSURES RELATED TO STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

1. Changes resulting from valuation of available for sale securities

Net decrease of TL 418,755 (December 31, 2012 – TL 450,271 net increase) after tax effect resulting from valuation of available for sale securities at fair values is included in “Securities Value Increase Fund” account under shareholders’ equity.

2. Explanations on foreign exchange differences

None.

3. Explanations on dividend

3.1. Dividends declared subsequent to the balance sheet date, but before the announcement of the financial statements

There is no announcement of dividend distribution before the release of the accompanying financial statements. At the General Assembly dated March 28, 2013, it was decided to distribute the 2012 profit as follow:

2012 profit distribution table:

Current year profit	902,346
A - I. Legal Reserve (Turkish Commercial Code 466/1) at 5%	(45,117)
B - The First Dividend for Shareholders ^(*)	(128,250)
C – Profit from Disposal of Associates	-
D II. Legal Reserves	-
E- Gains on Real Estate Sales Fund	(130,187)
F- Extraordinary Reserves	(598,792)

^(*) Distributed as bonus shares.

3.2. Dividends per share proposed subsequent to the balance sheet date

No decision is taken concerning the profit distribution by the General Assembly, as of the balance sheet date (December 31, 2012 - Profit distribution for 2012 is detailed in footnote 3.1).

3.3. Transfers to legal reserves

	Current Period	Prior Period
Amount Transferred to Reserves from Retained Earnings	49,380	44,314

4. Information on issuance of share certificates

4.1. The rights, priorities and restrictions regarding the share capital including distribution of income and repayment of the capital

None (December 31, 2012 - None).

5. Information on the other capital increase items in the statement of changes in shareholders' equity

Capital increase amounting to TL 135,000 presented in the Statement of Changes in Shareholder's Equity in 2013 is entirely provided from extraordinary reserves. TL 125,000 of the total capital increase presented in the Statement of Changes in Shareholder's Equity in 2012 has been provided in from extraordinary reserves.

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VI. EXPLANATIONS AND DISCLOSURES RELATED TO CONSOLIDATED CASH FLOWS STATEMENT

1. The effects of the other items stated in the cash flow statement and the changes in foreign currency exchange rates on cash and cash equivalents

“Other items” amounting to TL 964,651 (December 31, 2012 – TL 281,954) in “Operating profit before changes in operating assets and liabilities” consist of commissions paid amounting to TL 144,917 (December 31, 2012 – TL 185,584), net trading income/loss amounting to TL 281,632 (December 31, 2012 – TL 161,010 net trading income/loss) and other operating expenses amounting to TL 538,102 (December 31, 2012 – TL 257,379).

“Other items” in changes in operating assets amounting to TL 316,887 (December 31, 2012 – TL 702,562) consist of the decrease in collaterals given amounting to TL 139,851 (December 31, 2012 - TL 180,548 increase), the increase in lease receivables amounting to TL 3,798 (December 31, 2012 – TL 22,402 decrease), the increase in factoring receivables amounting to TL 2,614 (December 31, 2012 – TL 110,936 decrease) and the decrease in other assets amounting to TL 183,448 (December 31, 2012 - TL 749,772 decrease).

“Other items” in changes in operating liabilities amounting to TL 4,252,421 (December 31, 2012 - TL 511,813) consist of the increase in money market borrowings by TL , 1,991,618 (December 31, 2012 - TL 253,309 increase) and the increase in sundry debtors and other liabilities by TL 2,260,803 (December 31, 2012 - TL 258,504 increase).

“Other items” in changes in net cash provided from banking operations amounting to TL 388,432 (December 31, 2012 – TL 90,719) consists of the increase in intangible assets by TL 91,780 and advances given amounting to TL 296,652 (December 31, 2012 – None).

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

	Current Period	Prior Period
	January 1, 2013	January 1, 2012
Cash	653,081	524,265
Cash	439,800	320,914
Cash in Foreign Currencies	212,819	184,674
Other	462	18,677
Cash Equivalents	2,955,737	2,493,964
Balances with the T.R. Central Bank	965,102	480,213
Banks and Other Financial Institutions	205,237	932,227
Money Market Placements	1,786,785	1,093,505
Less: Placements with Banks with Maturities		
Longer than 3 Months	-	(10,428)
Less: Accruals	(1,387)	(1,553)
Cash and Cash Equivalents	3,608,818	3,018,229

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

	Current Period	Prior Period
	December 31, 2013	December 31, 2012
Cash	1,047,250	653,081
Cash	633,575	439,800
Cash in Foreign Currencies	413,150	212,819
Other	525	462
Cash Equivalents	1,224,848	2,955,737
Balances with the T.R. Central Bank	752,806	965,102
Banks and Other Financial Institutions	472,895	205,237
Money Market Placements	3,433	1,786,785
Less: Placements with Banks with Maturities Longer than 3 Months		-
Less: Accruals	(4,286)	(1,387)
Cash and Cash Equivalents	2,272,098	3,608,818

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

Foreign bank balances include TL 3,259 (December 31, 2012 - TL 778) of cash blocked at foreign banks held for transactions made for foreign money markets and capital markets and borrowings from foreign markets.

5. Additional information

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

None (December 31, 2012 – None).

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

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

- 1.1.** As of December 31, 2013, the Parent Bank's risk group has deposits and non-cash loans at the Bank amounting to TL 180,605 (December 31, 2012 - TL 213,416), TL 32,895 (December 31, 2012 - TL 29,498) respectively. The Parent Bank's risk group does not have cash loan at the bank as of balance sheet date (December 31, 2012- TL None)

Current Period

Parent 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	-	-	-	29,498	-	-
Balance at the End of the Period	-	-	-	32,895	-	-
Interest and Commission Income	-	-	1	-	-	-

Prior Period

Parent 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	-	-	-	3,072	34,873	2
Balance at the End of the Period	-	-	-	29,498	-	-
Interest and Commission Income	-	-	5	20	2,195	1

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

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

Parent 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	186,538	58,340	18,692	31,009	8,186	2,116
Balance at the End of the Period	145,235	186,538	18,776	18,692	16,594	8,186
Interest on deposits	229	906	-	-	395	-

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

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

Parent 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	-	15,581	393,221	34,165	4,711	28,702
End of the Period	-	25,869	130,397	393,221	177,748	4,711
Total Income/Loss ^(**)	-	-	22,706	4,918	1,367	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.

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

1.4. As of December 31, 2013 the total amount of remuneration and bonuses paid to the top management of the Group is TL 47,104 (December 31, 2012 – TL 43,129).

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

2.1. Relations with entities in the risk group of / or controlled by the Parent 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

The pricing of transactions with the risk group companies is set in compliance with the market prices. As of December 31, 2013, the risk group does not have cash loans at the Bank (December 31, 2012 – None.), the deposits represented 0.5% of the Parent Bank's total deposits (December 31, 2012 – 0.7%) and derivative transactions with the risk group represented 0.3% of the Parent Bank's total derivative transactions (December 31, 2012 – 1.6%).

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 Parent Bank enters into finance lease agreements with Finans Finansal Kiralama A.Ş.

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

The Parent Bank has signed an agreement with Ibttech 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 Parent Bank participated with 33.33% shareholding, provides cash transfer services to the Parent Bank.

Information about the Parent Bank's subordinated loans obtained from NBG S.A. 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 49.00% shares held by the Bank.

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VIII. EXPLANATIONS ON THE PARENT BANK’S DOMESTIC, FOREIGN AND OFF-SHORE BANKING BRANCHES AND FOREIGN REPRESENTATIVES OF THE GROUP

1. Information relating to the Parent Bank’s domestic and foreign branch and representatives

	Number	Employees			
Domestic Branch	673	13,960			
				Country	
Foreign Representation	-	-	1-		
			2-		
			3-		
				Total Assets	Capital
Foreign Branch	-	-	1-	-	-
			2-		
			3-		
Off-shore Banking and Region Branches	1	7	1- Bahrain	8,430,434	

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SECTION SIX

OTHER EXPLANATIONS AND DISCLOSURES

I. OTHER EXPLANATIONS RELATED TO THE GROUP'S OPERATIONS

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

In the meeting of the Board of Directors dated February 27, 2014, the Parent Bank decided to hold the ordinary general assembly meeting on March 27, 2014.

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 Group

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

None.

SECTION SEVEN

INDEPENDENT AUDITOR'S REPORT

I. EXPLANATIONS ON THE INDEPENDENT AUDITOR'S REPORT

The consolidated financial statements of the Group have been audited by DRT Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (Member of Deloitte Touche Tohmatsu Limited) and the independent auditor's report dated February 27, 2014 is presented preceding the financial statements.

II. EXPLANATIONS ON THE NOTES PREPARED BY INDEPENDENT AUDITOR

None. (December 31, 2012 – None)