

FİNANSBANK ANONİM ŞİRKETİ

INDEPENDENT AUDITOR’S LIMITED REVIEW REPORT, CONSOLIDATED FINANCIAL STATEMENTS AND NOTES FOR THE PERIOD ENDED JUNE 30, 2015

(Convenience translation of the consolidated financial statements and independent auditor’s review report originally issued in Turkish, See Note I. of Section three)

(Convenience translation of the independent auditor's review report originally issued in Turkish, See Note I. of Section three)

FİNANSBANK ANONİM ŞİRKETİ

INDEPENDENT AUDITOR'S LIMITED REVIEW REPORT FOR THE INTERIM PERIOD JANUARY 1 –JUNE 30, 2015

To the Board of Directors of
Finansbank Anonim Şirketi

Introduction

We have reviewed the consolidated balance sheet of Finansbank A.Ş. ("the Bank") and its subsidiaries (together will be referred as "the Group") at 30 June 2015 and the related consolidated income statement, consolidated statement of income and expense items under shareholders' equity, consolidated statement of changes in shareholders' equity, consolidated statement of cash flows and a summary of significant accounting policies and other explanatory notes to the consolidated financial statements for the six-month-period then ended. The Bank Management is responsible for the preparation and fair presentation of interim financial statements in accordance with the "Regulation on Accounting Applications for Banks and Safeguarding of Documents" published in the Official Gazette no.26333 dated 1 November 2006, and other regulations on accounting records of Banks published by Banking Regulation and Supervision Agency and circulars and interpretations published by Banking Regulation and Supervision Authority, (together referred as BRSA Accounting and Reporting Legislation) and Turkish Accounting Standard 34 "Interim Financial Reporting" except for the matters regulated by BRSA Legislation. Our responsibility is to express a conclusion on these interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, "Limited Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial reporting process, and applying analytical and other review procedures. A review of interim financial information is substantially less in scope than an independent audit performed in accordance with the Independent Auditing Standards of Turkey and the objective of which is to express an opinion on the financial statements. Consequently, a review of the interim financial information does not provide assurance that the audit firm will be aware of all significant matters which would have been identified in an audit. Accordingly, we do not express an opinion.

Basis of Qualified Conclusion

Subsequent to the reversal of TL 36.000 thousands during the year 2015, the accompanying consolidated financial statements as at 30 June 2015 include a general reserve amounting to TL 46.000 thousands which is fully provided in 2014 by the Bank management for the possible results of the circumstances which may arise from any changes in the economy and market conditions.

Qualified Conclusion

Based on our review, except for the effect of the matter referred in the qualified conclusion basis of paragraph on the consolidated financial statements, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not give a true and fair view of the financial position of Finansbank A.Ş. and its subsidiaries at 30 June 2015 and of the results of its operations and its cash flows for the six-month-period then ended in all aspects in accordance with the “Regulation on Accounting Applications for Banks and Safeguarding of Documents” published in the Official Gazette no.26333 dated 1 November 2006, and other regulations on accounting records of Banks published by Banking Regulation and Supervision Agency and circulars and interpretations published by Banking Regulation and Supervision Authority, (together referred as BRSA Accounting and Reporting Legislation) and Turkish Accounting Standard 34 “Interim Financial Reporting” except for the matters regulated by BRSA Legislation.

Additional paragraph for convenience translation to English:

As explained in detail in Note 1 of Section Three, the effects of differences between accounting principles and standards set out by regulations in conformity with BRSA Accounting and Reporting Legislation and Turkish Accounting Standard 34 “Interim Financial Reporting” except for the matters regulated by BRSA Legislation., accounting principles generally accepted in countries in which the accompanying consolidated financial statements are to be distributed and International Financial Reporting Standards (“IFRS”) have not been quantified in the accompanying consolidated financial statements. Accordingly, the accompanying consolidated financial statements are not intended to present the financial position, results of operations and changes in financial position and cash flows in accordance with the accounting principles generally accepted in such countries and IFRS.

Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi
A member firm of Ernst & Young Global Limited



Istanbul, July 30, 2015

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**THE CONSOLIDATED FINANCIAL REPORT OF FINANSBANK A.Ş.
FOR THE SIX-MONTHS PERIOD ENDED JUNE 30, 2015**

The Parent Bank's;
Address of the Head Office : Esentepe Mahallesi Büyükdere Caddesi Kristal Kule Binası No:215 Şişli - 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 six-months period ended June 30, 2015, 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
- INDEPENDENT AUDITOR'S LIMITED REVIEW REPORT

Within the context of this financial report, the consolidated subsidiaries, entities under common control and structured entities 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 Under Liquidation
4. Finans Portföy Yönetimi Anonim Şirketi
5. Finans Faktoring Hizmetleri Anonim Şirketi

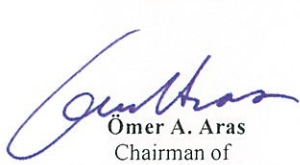
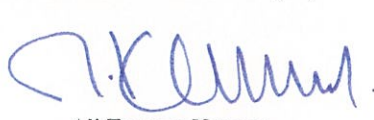


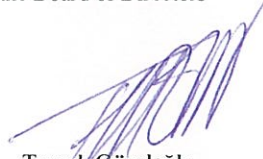
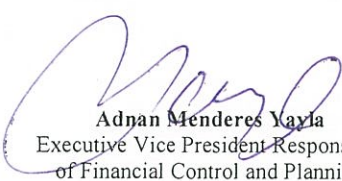

Entities Under Common Control (Joint Ventures)

1. Cigna Finans Emeklilik ve Hayat Anonim Şirketi

Structured Entities

1. Bosphorus Financial Services Limited
2. Istanbul Bond Company S.A.

The consolidated financial statements and related disclosures and footnotes for the six-months period ended June 30, 2015, 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	 Ali Teoman Kerman 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 Güzeoğlu 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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FINANSBANK ANONİM ŞİRKETİ
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED JUNE 30, 2015

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

SECTION ONE

GENERAL INFORMATION ABOUT THE GROUP

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

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 Borsa Istanbul ("BIST") (formerly known as Istanbul Stock Exchange ("ISE")) since the first public offering on February 3, 1990.

II. Information about the Parent Bank's shareholding structure, shareholders who individually or jointly have the 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 June 30, 2015, 82,23% 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.

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 and commercial banking, assets management, intermediary services and investment banking.

III. Information about the chairman and members of board of directors, members of audit committee, managing director 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	April 16, 2010	Phd
Sinan Şahinbaş	Deputy Chairman	April 16, 2010	Masters
Prof. Dr. Mustafa Aydın Aysan	Board Member	March 9, 1993	Phd
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 Güzeleğlu	Board Member and Managing Director	April 16, 2010	Masters
Mustafa Hamdi Gürtin	Board Member	April 16, 2010	Masters
Ali Teoman Kerman	Board Member and Head of Audit Committee	April 16, 2013	Masters
Georgios Koutsoudakis	Board Member	July 23, 2014	Graduate
Adnan Menderes Yayla	Executive Vice President	May 20, 2008	Masters
Metin Karabiber	Executive Vice President	October 8, 2010	Graduate
Murat Şakar	Executive Vice President	August 18, 2008	Graduate
Köksal Çoban	Executive Vice President	August 19, 2008	Masters
Dr. Mehmet Kürşad Demirkol	Executive Vice President	October 8, 2010	Phd
Özlem Cinemre	Executive Vice President	July 9, 1997	Graduate
Hakan Alp	Executive Vice President	July 7, 2010	Graduate
Filiz Sonat	Executive Vice President	September 19, 2007	Graduate
Erkin Aydın	Executive Vice President	May 16, 2011	Masters
Ömür Tan	Executive Vice President	October 28, 2011	Graduate
Şebnem Seniye Karaduman (*)	Executive Vice President	January 9, 2012	Graduate
Halim Ersun Bilgici	Executive Vice President	March 15, 2013	Masters
Enis Kurtuluş (**)	Executive Vice President	May 14, 2015	Masters
Murat Koraş (***)	Executive Vice President	May 14, 2015	Masters
Onur Özkan (***)	Executive Vice President	May 14, 2015	Masters
Elsa Pekmez Atan (**)	Executive Vice President	May 14, 2015	Masters

(*) Şebnem Seniye Karaduman, the Executive Vice President responsible for Legal Consultancy Department has resigned as of June 30, 2015.

(**) Enis Kurtuluş Kitle has been assigned as the Executive Vice President responsible for, Murat Koraş has been assigned as the Executive Vice President responsible for Retail Payment Systems, Onur Özkan has been assigned the Executive Vice President responsible for Private and Exclusive Banking and Elsa Pekmez Atan has been assigned the Executive Vice President responsible for Enpara.com and all necessary legal processes are completed as of May 14, 2015.

In addition to the explanations about members of Board of the Directors, Paula Hadjisotiriou has resigned from the Board of Directors as of June 24, 2015.

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

FİNANSBANK ANONİM ŞİRKETİ
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED JUNE 30, 2015

(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	Percentage of Shares	Paid-up Shares	Unpaid Shares
National Bank of Greece S.A.	2.331.170	82,23%	2.331.170	-
NBG Finance (Dollar) PLC	274.411	9,68%	274.411	-
NBGI Holdings B.V.	223.965	7,90%	223.965	-

According to the Board of Directors decision dated 16 September 2014, it has been decided that 100 founder shares issued to National Bank of Greece in accordance with the Bank's Article of associates will be cancelled at no cost. Subject decision has been approved at the Extraordinary General Meeting dated December 4, 2014. 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.

V. Explanations on the Parent Bank's services and activities

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 June 30, 2015, the Parent Bank operates through 652 domestic (December 31, 2014 - 656), 1 off-shore banking (December 31, 2014 - 1) and 1 Atatürk Airport Free Trade Zone (December 31, 2014 - 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

Parent Bank's joint venture Cigna Finans Emeklilik and Hayat Anonim Şirketi is consolidated using equity method as per the Regulation on Preparation of Consolidated Financial Statements of Banks and Turkish Accounting Standards.

Ibtech A.Ş. and E-finans Elektronik Ticaret ve Bilişim Hizmetleri A.Ş. included in investments in associates and Bantaş Nakit ve Kıymetli Mal Taşıma ve Güvenlik Hizmetleri A.Ş. included in joint ventures are not consolidated to accompanying financial statements as per the Regulation on Preparation of Consolidated Financial Statements of Banks since they are nonfinancial investments. Bankalararası Kart Merkezi included in subsidiaries is carried at cost and not consolidated since the Parent Bank does not have material control and presence over it.

All other subsidiaries are fully consolidated.

VII. Current or likely actual or legal barriers to immediate transfer of shareholders' equity or repayment of debts between parent the Parent Bank and its subsidiaries

None.

SECTION TWO

CONSOLIDATED FINANCIAL STATEMENTS

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

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

FİNANSBANK ANONİM ŞİRKETİ

CONSOLIDATED BALANCE SHEET AS OF JUNE 30, 2015

(STATEMENT OF FINANCIAL POSITION)

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

I. CONSOLIDATED BALANCE SHEET – ASSETS

		Reviewed 30.06.2015			Audited 31.12.2014			
		Section 5 Part I	TL	FC	Total	TL	FC	Total
I.	CASH AND BALANCES WITH THE CENTRAL BANK	(1)	1.029.815	6.679.985	7.709.800	1.503.288	7.160.632	8.663.920
II.	FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS (Net)	(2)	2.182.362	231.304	2.413.666	1.247.255	151.764	1.399.019
2.1	Financial assets held for trading		2.113.847	231.304	2.345.151	1.149.112	151.764	1.300.876
2.1.1	Public sector debt securities		37.358	3.363	40.721	38.671	2.299	40.970
2.1.2	Equity securities		-	-	-	-	-	-
2.1.3	Assets on trading derivatives		2.065.752	227.941	2.293.693	1.103.005	149.465	1.252.470
2.1.4	Other securities		10.737	-	10.737	7.436	-	7.436
2.2	Financial assets at fair value through profit and loss		68.515	-	68.515	98.143	-	98.143
2.2.1	Public sector debt securities		-	-	-	-	-	-
2.2.2	Equity securities		-	-	-	-	-	-
2.2.3	Loans		68.515	-	68.515	98.143	-	98.143
2.2.4	Other securities		-	-	-	-	-	-
III.	BANKS	(3)	10.479	411.759	422.238	39.783	260.651	300.434
IV.	MONEY MARKET PLACEMENTS		1.557.716	134.394	1.692.110	244.425	-	244.425
4.1	Interbank money market placements		-	-	-	-	-	-
4.2	Istanbul Stock Exchange money market placements		57.275	-	57.275	44.363	-	44.363
4.3	Receivables from reverse repurchase agreements	(4)	1.500.441	134.394	1.634.835	200.062	-	200.062
V.	INVESTMENT SECURITIES AVAILABLE-FOR-SALE (Net)	(5)	3.790.981	1.736.113	5.527.094	3.956.342	1.477.171	5.433.513
5.1	Equity securities		4.232	-	4.232	4.229	-	4.229
5.2	Public sector debt securities		3.772.647	1.706.091	5.478.738	3.924.071	1.444.438	5.368.509
5.3	Other securities		14.102	30.022	44.124	28.042	32.733	60.775
VI.	LOANS AND RECEIVABLES	(6)	45.745.687	8.589.721	54.335.408	42.749.678	7.333.602	50.083.280
6.1	Loans and receivables		45.014.959	8.589.721	53.604.680	42.178.321	7.333.602	49.511.923
6.1.1	Loans to risk group of the Bank		-	-	-	-	1.715	1.715
6.1.2	Public sector debt securities		-	-	-	-	-	-
6.1.3	Other		45.014.959	8.589.721	53.604.680	42.178.321	7.331.887	49.510.208
6.2	Non-performing loans		3.304.072	-	3.304.072	2.739.971	-	2.739.971
6.3	Specific provisions (-)		2.573.344	-	2.573.344	2.168.614	-	2.168.614
VII.	FACTORING RECEIVABLES	(7)	525.827	14.389	540.216	433.642	9.570	443.212
VIII.	INVESTMENT SECURITIES HELD TO MATURITY (Net)	(8)	2.870.125	797.786	3.667.911	3.052.566	674.657	3.727.223
8.1	Public sector debt securities		2.870.125	102.694	2.972.819	3.052.566	90.418	3.142.984
8.2	Other securities		-	695.092	695.092	-	584.239	584.239
IX.	INVESTMENT IN ASSOCIATES (Net)	(9)	3.766	-	3.766	3.766	-	3.766
9.1	Equity method associates		-	-	-	-	-	-
9.2	Unconsolidated		3.766	-	3.766	3.766	-	3.766
9.2.1	Financial Investments		-	-	-	-	-	-
9.2.2	Non-financial Investments		3.766	-	3.766	3.766	-	3.766
X.	INVESTMENT IN SUBSIDIARIES (Net)	(10)	18.054	-	18.054	18.054	-	18.054
10.1	Unconsolidated financial investments		-	-	-	-	-	-
10.2	Unconsolidated non-financial investments		18.054	-	18.054	18.054	-	18.054
XI.	ENTITIES UNDER COMMON CONTROL (JOINT VENTURES) (Net)	(11)	149.996	-	149.996	168.047	-	168.047
11.1	Equity method entities under common control		147.196	-	147.196	165.247	-	165.247
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)	717.632	1.042.597	1.760.229	617.794	912.498	1.530.292
12.1	Financial lease receivables		877.644	1.161.388	2.039.032	752.996	1.013.007	1.766.003
12.2	Operational lease receivables		-	-	-	-	-	-
12.3	Others		-	-	-	-	-	-
12.4	Unearned income (-)		160.012	118.791	278.803	135.202	100.509	235.711
XIII.	DERIVATIVE FINANCIAL ASSETS HEDGING PURPOSES	(13)	3.145.739	32.561	3.178.300	1.965.902	22.844	1.988.746
13.1	Fair value hedge		2.239.968	32.561	2.272.529	1.459.151	22.844	1.481.995
13.2	Cash flow hedge		905.771	-	905.771	506.751	-	506.751
13.3	Hedging of a net investment in foreign subsidiaries		-	-	-	-	-	-
XIV.	TANGIBLE ASSETS (Net)		1.505.812	13	1.505.825	1.472.085	10	1.472.095
XV.	INTANGIBLE ASSETS (Net)		243.453	-	243.453	235.294	-	235.294
15.1	Goodwill		8.969	-	8.969	8.969	-	8.969
15.2	Others		234.484	-	234.484	226.325	-	226.325
XVI.	INVESTMENT PROPERTIES (Net)		-	-	-	-	-	-
XVII.	TAX ASSETS	(14)	74.946	-	74.946	62.448	-	62.448
17.1	Current tax assets		334	-	334	269	-	269
17.2	Deferred tax assets		74.612	-	74.612	62.179	-	62.179
XVIII.	ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (Net)	(15)	-	-	-	63.090	-	63.090
18.1	Held for sale		-	-	-	63.090	-	63.090
18.2	Discontinued operations		-	-	-	-	-	-
XIX.	OTHER ASSETS	(16)	1.135.883	92.264	1.228.147	893.032	105.235	998.267
TOTAL ASSETS			64.708.273	19.762.886	84.471.159	58.726.491	18.108.634	76.835.125

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 JUNE 30, 2015

(STATEMENT OF FINANCIAL POSITION)

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

I. CONSOLIDATED BALANCE SHEET – LIABILITIES AND EQUITY

		Reviewed 30.06.2015			Audited 31.12.2014		
	Section 5 Part II	TL	FC	Total	TL	FC	Total
I. DEPOSITS	(1)	26.905.097	17.005.094	43.910.191	27.172.782	14.722.952	41.895.734
1.1 Deposits from risk group of the Bank		75.886	20.054	95.940	216.657	21.655	238.312
1.2 Other		26.829.211	16.985.040	43.814.251	26.956.125	14.701.297	41.657.422
II. DERIVATIVE FINANCIAL LIABILITIES HELD FOR TRADING	(2)	1.773.853	275.326	2.049.179	1.092.817	159.483	1.252.300
III. FUNDS BORROWED	(3)	547.109	6.514.249	7.061.358	498.271	5.354.813	5.853.084
IV. MONEY MARKET BORROWINGS		2.726.678	1.817.607	4.544.285	2.784.569	1.431.183	4.215.752
4.1 Interbank money markets takings		-	-	-	-	-	-
4.2 Istanbul Stock Exchange money markets takings		77.660	-	77.660	59.332	-	59.332
4.3 Funds provided under repurchase agreements	(4)	2.649.018	1.817.607	4.466.625	2.725.237	1.431.183	4.156.420
V. SECURITIES ISSUED (Net)	(5)	1.669.503	4.015.702	5.685.205	2.325.486	3.500.012	5.825.498
5.1 Bills		1.373.127	318.593	1.691.720	2.000.828	262.040	2.262.868
5.2 Asset backed securities		-	-	-	-	-	-
5.3 Bonds		296.376	3.697.109	3.993.485	324.658	3.237.972	3.562.630
VI. FUNDS		-	-	-	-	-	-
6.1 Borrower funds		-	-	-	-	-	-
6.2 Other		-	-	-	-	-	-
VII. SUNDRY CREDITORS		1.855.461	4.208.233	6.063.694	1.647.221	2.178.437	3.825.658
VIII. OTHER LIABILITIES	(6)	1.389.688	184.015	1.573.703	935.304	131.185	1.066.489
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)	33.570	144.315	177.885	202.104	149.976	352.080
11.1 Fair value hedge		518	144.315	144.833	70.738	149.976	220.714
11.2 Cash flow hedge		33.052	-	33.052	131.366	-	131.366
11.3 Hedge of net investments in foreign subsidiaries		-	-	-	-	-	-
XII. PROVISIONS	(9)	1.574.813	-	1.574.813	1.451.752	-	1.451.752
12.1 General provisions		1.113.711	-	1.113.711	942.661	-	942.661
12.2 Restructuring provisions		-	-	-	-	-	-
12.3 Reserve for employee benefits		208.527	-	208.527	211.867	-	211.867
12.4 Insurance technical provisions (Net)		-	-	-	-	-	-
12.5 Other provisions		252.575	-	252.575	297.224	-	297.224
XIII. TAX LIABILITY	(10)	75.942	-	75.942	177.452	-	177.452
13.1 Current tax liability		75.942	-	75.942	175.964	-	175.964
13.2 Deferred tax liability		-	-	-	1.488	-	1.488
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)	-	2.458.652	2.458.652	-	2.121.712	2.121.712
XVI. SHAREHOLDERS' EQUITY		9.404.914	(108.662)	9.296.252	8.854.233	(56.619)	8.797.614
16.1 Paid-in capital	(13)	2.835.000	-	2.835.000	2.835.000	-	2.835.000
16.2 Capital reserves		(29.079)	(108.662)	(137.741)	(84.398)	(56.619)	(141.017)
16.2.1 Share premium	(14)	714	-	714	714	-	714
16.2.2 Share cancellation profits		-	-	-	-	-	-
16.2.3 Securities value increase fund	(15)	(53.203)	(108.662)	(161.865)	4.763	(56.619)	(51.856)
16.2.4 Revaluation fund on tangible assets		-	-	-	-	-	-
16.2.5 Revaluation fund 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)		72.806	-	72.806	(40.479)	-	(40.479)
16.2.9 Accumulated valuation differences from assets held for sale and discontinued operations		-	-	-	-	-	-
16.2.10 Other capital reserves		(49.396)	-	(49.396)	(49.396)	-	(49.396)
16.3 Profit reserves		5.787.450	-	5.787.450	4.853.036	-	4.853.036
16.3.1 Legal reserves		452.868	-	452.868	402.779	-	402.779
16.3.2 Status reserves		-	-	-	-	-	-
16.3.3 Extraordinary reserves		5.334.582	-	5.334.582	4.450.257	-	4.450.257
16.3.4 Other profit reserves		-	-	-	-	-	-
16.4 Profit or loss		625.313	-	625.313	1.072.420	-	1.072.420
16.4.1 Prior years' income/ (losses)		137.500	-	137.500	171.732	-	171.732
16.4.2 Current period income/ (loss)		487.813	-	487.813	900.688	-	900.688
16.5 Minority shares		186.230	-	186.230	178.175	-	178.175
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY		47.956.628	36.514.531	84.471.159	47.141.991	29.693.134	76.835.125

The accompanying notes are an integral part of these consolidated financial statement

**(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 JUNE 30, 2015

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

II. CONSOLIDATED STATEMENT OF OFF BALANCE SHEET COMMITMENTS AND CONTINGENCIES

		Reviewed 30.06.2015			Audited 31.12.2014			
		Section 5 Part III	TL	FC	TOTAL	TL	FC	TOTAL
A.	OFF BALANCE SHEET CONTINGENCIES AND COMMITMENTS (I+II+III)		89.749.285	87.756.415	177.505.700	88.950.232	81.070.293	170.020.525
I.	GUARANTEES	(1), (2), (3),(4)	5.619.029	4.243.303	9.862.332	5.214.732	3.945.677	9.160.409
1.1.	Letters of guarantee		5.598.894	2.537.212	8.136.106	5.205.798	2.208.929	7.414.727
1.1.1.	Guarantees subject to State Tender Law		285.062	29.522	314.584	238.293	28.417	266.710
1.1.2.	Guarantees given for foreign trade operations		3.019.811	2.507.690	5.527.501	2.895.013	2.180.512	5.075.525
1.1.3.	Other letters of guarantee		2.294.021	-	2.294.021	2.072.492	-	2.072.492
1.2.	Bank loans		20.133	936.795	956.928	8.934	903.353	912.287
1.2.1.	Import letter of acceptance		20.133	936.795	956.928	8.934	903.353	912.287
1.2.2.	Other bank acceptances		-	-	-	-	-	-
1.3.	Letters of credit		2	769.296	769.298	-	812.318	812.318
1.3.1.	Documentary letters of credit		2	746.220	746.222	-	614.869	614.869
1.3.2.	Other letters of credit		-	23.076	23.076	-	197.449	197.449
1.4.	Preinancing 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		-	-	-	-	-	-
1.9.	Other collaterals		-	-	-	-	21.077	21.077
II.	COMMITMENTS		32.304.564	3.180.635	35.485.199	29.112.513	2.365.704	31.478.217
2.1.	Irrevocable commitments		32.185.798	2.806.256	34.992.054	29.008.708	1.907.143	30.915.851
2.1.1.	Forward asset purchase commitments		698.547	2.756.515	3.455.062	688.063	1.862.257	2.550.320
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		11.707.004	269	11.707.273	8.536.833	232	8.537.065
2.1.5.	Securities underwriting commitments		-	-	-	-	-	-
2.1.6.	Commitments for reserve deposit requirements		-	-	-	-	-	-
2.1.7.	Payment commitment for checks		2.593.268	-	2.593.268	2.420.299	-	2.420.299
2.1.8.	Tax and fund liabilities from export commitments		8.524	-	8.524	7.626	-	7.626
2.1.9.	Commitments for credit card expenditure limits		16.651.976	-	16.651.976	16.812.040	-	16.812.040
2.1.10.	Commitments for promotions related with credit cards and banking activities		30.699	-	30.699	22.604	-	22.604
2.1.11.	Receivables from short sale commitments		-	-	-	-	-	-
2.1.12.	Payables for short sale commitments		-	-	-	-	-	-
2.1.13.	Other irrevocable commitments		495.780	49.472	545.252	521.243	44.654	565.897
2.2.	Revocable commitments		118.766	374.379	493.145	103.805	458.561	562.366
2.2.1.	Revocable loan granting commitments		118.766	374.379	493.145	103.805	458.561	562.366
2.2.2.	Other revocable commitments		-	-	-	-	-	-
III.	DERIVATIVE FINANCIAL INSTRUMENTS	(5)	51.825.692	80.332.477	132.158.169	54.622.987	74.758.912	129.381.899
3.1.	Derivative financial instruments for hedging purposes		12.100.656	17.640.816	29.741.472	13.357.379	16.633.829	29.991.208
3.1.1.	Fair value hedge		4.980.031	13.359.525	18.339.556	6.870.913	12.335.168	19.206.081
3.1.2.	Cash flow hedge		7.120.625	4.281.291	11.401.916	6.486.466	4.298.661	10.785.127
3.1.3.	Hedge of net investment in foreign operations		-	-	-	-	-	-
3.2.	Held for trading transactions		39.725.036	62.691.661	102.416.697	41.265.608	58.125.083	99.390.691
3.2.1.	Forward foreign currency buy/sell transactions		4.393.267	5.037.004	9.430.271	2.329.798	2.771.354	5.101.152
3.2.1.1.	Forward foreign currency transactions-buy		2.673.980	2.050.968	4.724.948	1.305.411	1.244.832	2.550.243
3.2.1.2.	Forward foreign currency transactions-sell		1.719.287	2.986.036	4.705.323	1.024.387	1.526.522	2.550.909
3.2.2.	Swap transactions related to foreign currency and interest rates		30.873.002	49.074.287	79.947.289	35.823.945	47.942.651	83.766.596
3.2.2.1.	Foreign currency swap-buy		13.805.122	19.825.765	33.630.887	19.228.003	17.891.715	37.119.718
3.2.2.2.	Foreign currency swap-sell		16.209.694	17.165.984	33.375.678	15.666.682	21.437.538	37.104.220
3.2.2.3.	Interest rate swaps-buy		429.093	6.068.132	6.497.225	464.630	4.306.699	4.771.329
3.2.2.4.	Interest rate swaps-sell		429.093	6.014.406	6.443.499	464.630	4.306.699	4.771.329
3.2.3.	Foreign currency, interest rate and securities options		4.457.945	7.943.338	12.401.283	3.110.969	6.955.232	10.066.201
3.2.3.1.	Foreign currency options-buy		2.046.830	4.141.795	6.188.625	1.502.096	3.520.388	5.022.484
3.2.3.2.	Foreign currency options-sell		2.411.115	3.801.543	6.212.658	1.608.873	3.434.844	5.043.717
3.2.3.3.	Interest rate options-buy		-	-	-	-	-	-
3.2.3.4.	Interest rate options-sell		-	-	-	-	-	-
3.2.3.5.	Securities options-buy		-	-	-	-	-	-
3.2.3.6.	Securities options-sell		-	-	-	-	-	-
3.2.4.	Foreign currency futures		822	32.614	33.436	896	38.444	39.340
3.2.4.1.	Foreign currency futures-buy		411	16.307	16.718	448	19.222	19.670
3.2.4.2.	Foreign currency futures-sell		411	16.307	16.718	448	19.222	19.670
3.2.5.	Interest rate futures		-	-	-	-	-	-
3.2.5.1.	Interest rate futures-buy		-	-	-	-	-	-
3.2.5.2.	Interest rate futures-sell		-	-	-	-	-	-
3.2.6.	Other		-	604.418	604.418	-	417.402	417.402
B.	CUSTODY AND PLEDGED ITEMS (IV+V+VI)		451.059.527	78.413.510	529.473.037	407.530.063	69.547.687	477.077.750
IV.	ITEMS HELD IN CUSTODY		20.986.147	2.399.800	23.385.947	15.754.863	2.011.045	17.765.908
4.1.	Assets under management		7.167.600	1.601	7.169.201	4.064.430	1.590	4.066.020
4.2.	Investment securities held in custody		756.601	898.857	1.655.458	1.232.314	757.722	1.990.036
4.3.	Checks received for collection		2.422.270	333.493	2.755.763	2.310.295	309.252	2.619.547
4.4.	Commercial notes received for collection		726.779	155.024	881.803	663.699	142.261	805.960
4.5.	Other assets received for collection		-	-	-	-	-	-
4.6.	Assets received for public offering		-	-	-	-	-	-
4.7.	Other items under custody		9.912.897	1.010.825	10.923.722	7.484.125	800.220	8.284.345
4.8.	Custodians		-	-	-	-	-	-
V.	PLEDGED ITEMS		257.427.761	40.239.489	297.667.250	234.715.130	31.709.225	266.424.355
5.1.	Marketable securities		558.572	3.171.396	3.729.968	620.378	2.260.821	2.881.199
5.2.	Guarantee notes		204.719	62.090	266.809	181.761	52.651	234.412
5.3.	Commodity		45.695	-	45.695	41.344	-	41.344
5.4.	Warranty		-	-	-	-	-	-
5.5.	Properties		64.567.846	19.864.814	84.432.660	57.209.764	11.327.616	68.537.380
5.6.	Other pledged items		192.050.929	17.141.189	209.192.118	176.661.883	18.068.137	194.730.020
5.7.	Pledged items-depository		-	-	-	-	-	-
VI.	ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES		172.645.619	35.774.221	208.419.840	157.060.070	35.827.417	192.887.487
TOTAL OFF BALANCE SHEET ACCOUNTS (A+B)			540.808.812	166.169.925	706.978.737	496.480.295	150.617.980	647.098.275

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 PERIOD ENDED JUNE 30, 2015
(STATEMENT OF INCOME/LOSS)
(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

III. CONSOLIDATED INCOME STATEMENT

		Reviewed 01.01 - 30.06.2015	Reviewed 01.04 - 30.06.2015	Reviewed 01.01 - 30.06.2014	Reviewed 01.04 - 30.06.2014
	Section 5 Part IV.				
I. INTEREST INCOME	(1)	3.689.552	1.911.454	3.169.057	1.626.147
1.1 Interest on loans		3.149.652	1.619.143	2.662.092	1.381.843
1.2 Interest received from reserve deposits		7.067	4.183	-	-
1.3 Interest received from banks		2.779	1.462	3.872	2.266
1.4 Interest received from money market placements		43.437	29.184	23.777	8.256
1.5 Interest received from marketable securities portfolio		371.909	198.247	384.032	183.117
1.5.1 Held-for-trading financial assets		1.369	946	4.542	1.766
1.5.2 Financial assets at fair value through profit and loss		5.328	2.447	10.040	4.627
1.5.3 Available-for-sale financial assets		207.694	109.310	223.803	106.686
1.5.4 Investments held-to-maturity		157.518	85.544	145.647	70.038
1.6 Finance lease income		79.639	41.388	62.830	31.564
1.7 Other interest income		35.069	17.847	32.454	19.101
II. INTEREST EXPENSE	(2)	1.811.050	922.644	1.780.005	924.784
2.1 Interest on deposits		1.339.478	684.478	1.392.275	718.643
2.2 Interest on funds borrowed		159.650	84.660	132.770	68.645
2.3 Interest on money market borrowings		107.185	54.817	115.633	61.276
2.4 Interest on securities issued		196.917	97.403	134.866	75.559
2.5 Other interest expense		7.820	1.286	4.461	661
III. NET INTEREST INCOME (I - II)		1.878.502	988.810	1.389.052	701.363
IV. NET FEES AND COMMISSIONS INCOME		697.092	347.330	757.939	365.881
4.1 Fees and commissions received		812.279	406.965	864.617	422.020
4.1.1 Non-cash loans		28.300	14.308	23.977	12.389
4.1.2 Other		783.979	392.657	840.640	409.631
4.2 Fees and commissions paid		115.187	59.635	106.678	56.139
4.2.1 Non-cash loans		720	325	815	510
4.2.2 Other		114.467	59.310	105.863	55.629
V. DIVIDEND INCOME	(3)	57	57	249	224
VI. NET TRADING INCOME	(4)	(263.211)	(138.796)	(112.343)	(70.531)
6.1 Securities trading gains/ (losses)		12.399	(182)	5.113	1.500
6.2 Gains / (losses) Financial derivative transactions		(254.403)	(152.108)	(77.256)	(87.673)
6.3 Foreign exchange gains/ (losses)		(21.207)	13.494	(40.200)	15.642
VII. OTHER OPERATING INCOME	(5)	235.498	71.508	233.592	173.710
VIII. NET OPERATING INCOME (III+IV+V+VI+VII)		2.547.938	1.268.909	2.268.489	1.170.647
IX. PROVISION FOR LOAN LOSSES AND OTHER RECEIVABLES (-)	(6)	551.538	270.674	542.715	313.173
X. OTHER OPERATING EXPENSES (-)	(7)	1.384.329	719.289	1.242.099	578.367
XI. NET OPERATING INCOME/(LOSS) (VIII-IX-X)		612.071	278.946	483.675	279.107
XII. AMOUNT IN EXCESS RECORDED AS GAIN AFTER MERGER		-	-	-	-
XIII. GAIN / (LOSS) ON EQUITY METHOD		(5.935)	(3.785)	1.137	490
XIV. GAIN / (LOSS) ON NET MONETARY POSITION		-	-	-	-
XV. PROFIT/(LOSS) FROM CONTINUED OPERATIONS BEFORE TAXES (XI+...+XIV)	(8)	606.136	275.161	484.812	279.597
XVI. TAX CHARGE FOR CONTINUED OPERATIONS (±)	(9)	(110.283)	(48.014)	(118.963)	(54.040)
16.1 Current income tax charge		(125.022)	(79.254)	(60.975)	(56.424)
16.2 Deferred tax charge / benefit		14.739	31.240	(57.988)	2.384
XVII. NET PROFIT/(LOSS) FROM CONTINUED OPERATIONS (XV±XVI)	(10)	495.853	227.147	365.849	225.557
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)	495.853	227.147	365.849	225.557
23.1 Group's profit/loss		487.813	223.188	357.557	220.947
23.2 Minority shares		8.040	3.959	8.292	4.610
Earnings per share		0,01721	0,00787	0,01261	0,00779

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 SHAREHOLDERS'
EQUITY FOR THE PERIOD ENDED JUNE 30, 2015**

(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**

	Reviewed 01. 01 - 30.06.2015	Reviewed 01. 01 - 30.06.2014
I. ADDITIONS TO MARKETABLE SECURITIES REVALUATION DIFFERENCES FOR AVAILABLE FOR SALE FINANCIAL ASSETS	(137.513)	212.640
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)	141.607	(168.425)
VI. PROFIT/LOSS FROM DERIVATIVE FINANCIAL INSTRUMENTS FOR HEDGE OF NET INVESTMENT IN FOREIGN OPERATIONS (EFFECTIVE PORTION OF FAIR VALUE DIFFERENCES)	-	-
VII. THE EFFECT OF CORRECTIONS OF ERRORS AND CHANGES IN ACCOUNTING POLICIES	-	-
VIII. OTHER PROFIT LOSS ITEMS ACCOUNTED FOR UNDER EQUITY AS PER TURKISH ACCOUNTING STANDARDS	-	-
IX. DEFERRED TAX OF VALUATION DIFFERENCES	(818)	(9.873)
X. TOTAL NET PROFIT/LOSS ACCOUNTED UNDER EQUITY (I+II+...+IX)	3.276	34.342
XI. PROFIT/LOSS	495.853	365.849
11.1 Change in fair value of marketable securities (Transfer to Profit/Loss)	6.109	(6.465)
11.2 Reclassification and transfer of derivatives accounted for cash flow hedge purposes recycled to Income Statement	(29.722)	-
11.3 Transfer of hedge of net investments in foreign operations recycled to Income Statement	-	-
11.4 Other	519.466	372.314
XII. TOTAL PROFIT/LOSS ACCOUNTED FOR IN THE PERIOD (X±XI)	499.129	400.191

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)

FINANSBANK ANONİM ŞİRKETİ
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE PERIOD ENDED JUNE 30, 2015
(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

V. CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	Reviewed	Section 5 Part II	Paid-in Capital	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 Period Net Income/ (Loss)	Prior Period Net Income/ (Loss)	Marketable Securities Value Increase Fund	Tangible and Intangible Assets Revaluation Differences	Bonus Shares Obtained From Associates	Helping Funds	Acc. Val. Diff. from Assets Held for Sale and Assets from Disc. Op.	Total Equity Attributable to the Parent Shareholders	Minority Shares	Total Shareholders' Equity
1. Prior period – 01.01 – 30.06.2014			2.700.000	-	714	-	363.631	-	3.847.212	(33.744)	-	948.925	(222.200)	-	-	95.987	-	7.700.525	162.936	7.863.461
II. Beginning Balance			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. Increase/decrease related to merger			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IV. Marketable securities valuation differences		(15)	-	-	-	-	-	-	-	-	-	-	169.082	-	-	-	-	169.082	-	169.082
4.1 Hedging funds (effective portion)			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(134.740)	-	(134.740)
4.2 Cash-flow hedge			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(134.740)	-	(134.740)
V. Hedge of net investment in foreign operations			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI. Tangible assets revaluation differences			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII. Intangible assets revaluation differences			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII. Bonus shares obtained from associates, subsidiaries and entities under common control			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX. Foreign exchange differences			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X. Disposal of assets			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI. Reclassification of assets			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XII. Effect of change in associates' equity			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.1 Capital increase		(13.3)	135.000	-	-	-	-	-	(135.000)	-	-	-	-	-	-	-	-	-	-	-
12.2 Cash			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIII. Internal sources			135.000	-	-	-	-	-	(135.000)	-	-	-	-	-	-	-	-	-	-	-
XIV. Share premium			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XV. Share cancellation profits			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI. Inflation adjustment to paid-in capital			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVII. Other (*)			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVIII. Period net income/(loss)			-	-	-	-	-	-	-	-	357.557	-	-	-	-	-	-	-	(12.000)	-
XIX. Profit distribution			-	-	-	-	-	-	-	-	-	(777.193)	-	-	-	-	-	357.557	8.292	365.849
18.1 Dividends distributed			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18.2 Transfers to reserves			-	-	-	-	-	-	-	-	-	(777.193)	-	-	-	-	-	-	-	-
18.3 Other			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Closing balance			2.835.000	-	714	-	402.779	-	4.450.257	(33.744)	357.557	171.732	(53.118)	-	-	(38.753)	-	8.092.424	171.216	8.263.640

(*) Due to raise in Group's share in Finans Yatırım Ortaklığı A.Ş. from 76,10% to 76,15% in prior period.

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)

FINANSBANK ANONİM ŞİRKETİ
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE PERIOD ENDED JUNE 30, 2015
(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

V. CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

Reviewed	Section 5 Part V.	Paid-in Capital	Effect of inflation Accounting on Other Capital Reserves	Share Premium	Share Certificate Cancellation on Profits	Legal Reserves	Statutory Reserves	Extraordinary Reserves	Other Reserves	Current Period Net Income/ (Loss)	Prior Period Net Income/ (Loss)	Marketable Securities Value Increase Fund	Tangible and Intangible Assets Revaluation Differences	Bonus Shares Obtained from Associates	Hedging Funds	Acc. Val. Diff. from Assets Held for Sale and Assets from Disc. Op.	Total Equity Attributable to the Parent Shareholders	Non- controlling Interest	Total Shareholders' Equity	
I.	Current period – 01.01 – 30.06.2015	2,835,000	-	714	-	402,779	-	4,450,257	(49,396)	-	1,072,420	(51,856)	-	-	-	(40,479)	-	8,619,439	178,175	8,797,614
II.	Changes in period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.	Increase/decrease related to merger	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IV.	Marketable securities valuation differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(110,009)	-	-	(110,009)
IV.1	Hedging funds (effective portion)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	113,285	-	-	113,285
IV.2	Cash-flow hedge	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	113,285	-	-	113,285
V.	Hedge of net investment in foreign operations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI.	Tangible assets revaluation differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII.	Intangible assets revaluation differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII.	Bonus shares obtained from associates, subsidiaries and entities under common control	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII.	Foreign exchange differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX.	Disposal of assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X.	Redclassification of assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI.	Effect of change in associates' equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XII.	Capital increase	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XII.1	Cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XII.2	Internal sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIII.	Share premium	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV.	Share cancellation profits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XV.	Inflation adjustment to paid-in capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI.	Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVII.	Period net income/(loss)	-	-	-	-	-	-	-	-	487,813	-	-	-	-	-	-	-	-	15	15
XVIII.	Profit distribution	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVIII.1	Dividends distributed	-	-	-	-	50,089	-	884,325	-	-	(934,920)	-	-	-	-	-	487,813	8,040	-	495,853
XVIII.2	Transfers to reserves	-	-	-	-	-	-	-	-	-	(506)	-	-	-	-	-	(506)	(506)	-	(506)
XVIII.3	Other	-	-	-	-	50,089	-	884,325	-	-	(934,414)	-	-	-	-	-	(506)	-	-	-
	Closing balance	2,835,000	-	714	-	452,868	-	5,334,582	(49,396)	487,813	137,500	(161,865)	-	-	-	72,806	-	9,110,022	186,230	9,296,252

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 FLOW STATEMENT
FOR THE PERIOD ENDED JUNE 30, 2015**

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

VI. CONSOLIDATED CASH FLOW STATEMENT

	Section 5 Part VI.	Reviewed 01.01 – 30.06.2015	Reviewed 01.01 – 30.06.2014
A. CASH FLOWS FROM / (TO) BANKING OPERATIONS			
1.1 Operating profit before changes in operating assets and liabilities (+)		537.526	1.917.455
1.1.1 Interest received (+)		3.313.007	3.237.181
1.1.2 Interest paid (-)		(1.776.651)	(1.714.128)
1.1.3 Dividend received (+)		57	249
1.1.4 Fees and commissions received (+)		796.442	865.502
1.1.5 Other income (+)		56.630	232.774
1.1.6 Collections from previously written off loans (+)		313.916	300.112
1.1.7 Payments to personnel and service suppliers (-)		(973.679)	(1.000.474)
1.1.8 Taxes paid (-)		(309.158)	(164.850)
1.1.9 Other (+/-)		(883.038)	161.089
1.2 Changes in operating assets and liabilities		1.370.552	(2.529.799)
1.2.1 Net (increase) decrease in financial assets held for trading (+/-)		(1.794)	(23.241)
1.2.2 Net (increase) decrease in financial assets at fair value through profit or loss (+/-)		(27.894)	153.310
1.2.3 Net (increase) decrease in due from banks (+/-)		669.841	25.356
1.2.4 Net (increase) decrease in loans (+/-)		(3.838.488)	(3.633.487)
1.2.5 Net (increase) decrease in other assets (+/-)		(211.310)	78.931
1.2.6 Net increase (decrease) in bank deposits (+/-)		(18.523)	(153.054)
1.2.7 Net increase (decrease) in other deposits (+/-)		1.479.076	803.174
1.2.8 Net increase (decrease) in funds borrowed (+/-)		373.983	325.146
1.2.9 Net increase (decrease) in matured payables (+/-)		-	-
1.2.10 Net increase (decrease) in other liabilities (+/-)		2.945.661	(105.934)
I. Net cash provided from / (used in) banking operations (+/-)		1.908.078	(612.344)
B. CASH FLOWS FROM INVESTING ACTIVITIES			
II. Net cash provided from / (used in) investing activities (+/-)		(72.949)	(763.696)
2.1 Cash paid for purchase of entities under common control, associates and subsidiaries (-)		12.116	-
2.2 Cash obtained from sale of entities under common control, associates and subsidiaries (+)		-	-
2.3 Fixed assets purchases (-)		(102.328)	(706.205)
2.4 Fixed assets sales (+)		235.522	235
2.5 Cash paid for purchase of financial assets available for sale (-)		(1.664.697)	(12.743.603)
2.6 Cash obtained from sale of financial assets available for sale (+)		1.232.905	13.248.593
2.7 Cash paid for purchase of investment securities (-)		(246.398)	(510.284)
2.8 Cash obtained from sale of investment securities (+)		512.035	-
2.9 Other (+/-)		(52.104)	(52.432)
C. CASH FLOWS FROM FINANCING ACTIVITIES			
III. Net cash provided from / (used in) financing activities (+/-)		(639.512)	1.327.245
3.1 Cash obtained from funds borrowed and securities issued (+)		1.827.105	3.901.431
3.2 Cash used for repayment of funds borrowed and securities issued (-)		(2.466.617)	(2.574.186)
3.3 Capital increase (+)		-	-
3.4 Dividends paid (-)		-	-
3.5 Payments for finance leases (-)		-	-
3.6 Other (+/-)		-	-
IV. Effect of change in foreign exchange rate on cash and cash equivalents (+/-)		92.355	88.592
V. Net increase / (decrease) in cash and cash equivalents (I+II+III+IV)		1.287.972	39.797
VI. Cash and cash equivalents at the beginning of the period (+)	(1)	2.969.178	2.272.098
VII. Cash and cash equivalents at end of the period (V+VI)	(2)	4.257.150	2.311.895

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 PERIOD ENDED JUNE 30, 2015**

(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 June 30, 2015 and the related disclosures and footnotes, in accordance with the regulations, communiqués, interpretations and legislations related to accounting and financial reporting principles published by the Banking Regulation and Supervision Agency ("BRSA"), and in case where a specific regulation is not made by BRSA, 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, which refers to "Turkish Accounting Standards" ("TAS"), put into effect by Public Oversight Accounting and Auditing Standards Authority ("KGK"), and "Turkish Financial Reporting Standards" ("TFRS") issued by the "Turkish Accounting Standards Board" ("TASB") and additional explanations and notes related to them and other decrees, notes and explanations related to accounting and financial reporting principles (all "Turkish Accounting Standards" or "TAS") published by the Banking Regulation and Supervision Agency ("BRSA"). The format and detail of the publicly announced consolidated financial statements and notes to these statements have been prepared in accordance with the "Communiqué on Publicly Announced Financial Statements, Explanations and Notes to These Financial Statements", published in Official Gazette no. 28337, dated 28 June 2012, and amendments to this Communiqué.

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

Explanation for Convenience Translation to English

The differences between accounting principles, as described in these preceding paragraphs and accounting principles generally accepted in countries in which consolidated financial statements are to be distributed and International Financial Reporting Standards ("IFRS") have not been quantified in these consolidated financial statements. Accordingly, these consolidated financial statements are not intended to present the financial position, results of operations and changes in financial position and cash flows in accordance with the accounting principles generally accepted in such countries and IFRS.

2. 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 regulations, communiqués, interpretations and legislations related to accounting and financial reporting principles published by the Banking Regulation and Supervision Agency ("BRSA"), and in case where a specific regulation is not made by BRSA, the requirements of TAS and are consistent with the accounting policies applied in the annual financial statements of the year ended December 31, 2014. The amendments of TAS and TFRS, effective as of January 1, 2015, have no material impact on the the Group's accounting policies, financial position and performance. The aforementioned accounting policies and valuation principles are explained in Notes II to XXVI below.

The consolidated financial statements have been prepared in TL, under the historical cost convention except for the financial assets and liabilities carried at fair value, which are financial assets designated at fair value through profit or loss, available for sale financial assets, trading derivative financial assets, and hedging derivative financial assets and liabilities. In addition, carrying value of assets subject to fair value hedge but are carried at historical cost is adjusted to reflect fair value changes related to risks being hedged.

(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 PERIOD ENDED JUNE 30, 2015

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

I. Basis of presentation (continued)

The preparation of consolidated financial statements in conformity with TAS requires the use of certain critical accounting estimates by the Group management to exercise its judgment on the assets and liabilities of the balance sheet and contingent matters as of the balance sheet date. These estimates, which include the fair value calculations of financial instruments and impairments of financial assets are being reviewed regularly and, when necessary, suitable corrections are made and the effects of these corrections are reflected to the income statement. Assumptions and estimates that are used in the preparation of the accompanying financial statements are explained in the following related disclosures.

The amendments of TAS and TFRS, except TFRS 9 Financial Instruments, which have been published as of reporting date but have not been effective yet, have no impact on the accounting policies, financial condition and performance of the Group. Aforementioned standard will mainly effect Group's classification and valuation of financial assets. Its impact has not yet been detected since it will change based on financial asset management model used and financial assets held as of transition date. The Group is still assessing the impact of TFRS 9 Financial Instruments standard.

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 in accordance with their sector. Domestic bond issues are realized within the maturity of 6 months and foreign bond issues are based on long maturities with fixed interests. Funds borrowed from abroad mostly bear floating rates and are repriced at an average period of 3-6 months. The Parent Bank diverts its placements to assets with high return, 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.

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 (fixed TL interest rate and 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 nominal position based on the product. Risk limits are expressed in terms of "Value at Risk (VAR)" by taking the risk tolerance as a cap. The maximum VAR amounts are determined for the three main risk factors, which affect the securities portfolio that is subject to market risk, as well as determining the risk tolerance based on the total value at risk. The above mentioned limits are revised annually.

The strategies for hedging exchange rate risk resulting from the Group's foreign currency available-for-sale debt securities are explained in foreign currency risk section and the applications regarding the hedging of interest rate cash flow risk resulting from deposits are explained in the Interest Rate Risk section in detail.

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

(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 PERIOD ENDED JUNE 30, 2015

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

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

2. Foreign currency transactions

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 June 30, 2015 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 period end and the resulting exchange differences are recorded as foreign exchange gains and losses. Foreign currency nonmonetary items measured at fair value are converted with currency exchange rates at the time of fair value measurement. The Bank's foreign currency exchange rates for the related period ends are as follows:

	<u>June 30, 2015</u>	<u>December 31, 2014</u>
US Dollar	2,6863 TL	2,3189 TL
Euro	2,9822 TL	2,8207 TL

III. Information on associates, subsidiaries and entities under common control

The accompanying consolidated financial statements are prepared in accordance with TFRS 10 "Turkish Financial Reporting Standard in regards to Consolidated Financial Statements" and BRSA's "Regulation on Preparation of Consolidated Financial Statements of Banks" published on the Official Gazette numbered 26340 and dated November 8, 2006.

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

		Consolidation Method	Place of Establishment	Subject of Operations	Effective Share of the Group (%)	
					June 30, 2015	December 31, 2014
1.	Finans Yatırım Menkul Değerler A.Ş. (Finans Yatırım)	Full consolidation	Turkey	Securities Intermediary Services	99,74	99,74
2.	Finans Portföy Yönetimi A.Ş. (Finans Portföy)	Full consolidation	Turkey	Portfolio Management	99,72	99,72
3.	Tasfiye Halinde Finans Yatırım Ortaklığı A.Ş. (Finans Yatırım Ortaklığı)	Full consolidation	Turkey	Mutual Fund	76,13	76,13
4.	Finans Finansal Kiralama A.Ş. (Finans Leasing)	Full consolidation	Turkey	Financial Leasing	69,00	69,00
5.	Finans Faktoring Hizmetleri A.Ş. (Finans Faktoring)	Full consolidation	Turkey	Factoring Services	100,00	100,00
6.	Cigna Finans Emeklilik ve Hayat A.Ş. (Cigna Finans Emeklilik)	Equity Method	Turkey	Private Pension and Insurance	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 ("CMB") 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 regulations, communiqués, interpretations and legislations related to accounting and financial reporting principles published by the Banking Regulation and Supervision Agency ("BRSA"), and in case where a specific regulation is not made by BRSA, in accordance with Turkish Accounting Standards ("TMS") and Turkish Reporting Standards ("TFRS") and related additions and interpretations published by Public Accounting and Auditing Oversight Authority ("KGK").

Differences between the accounting policies of subsidiaries and entities under common control and those of the Parent Bank are adjusted, if material. The financial statements of the subsidiaries and entities under common control are prepared as of June 30, 2015.

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III. Information on associates, subsidiaries and entities under common control (continued)

1. Subsidiaries

Subsidiaries are the entities controlled directly or indirectly by the Parent Bank.

Control is defined as the power over the investee, exposure or rights to variable returns from its involvement with the investee and the ability to use its power over the investee to affect the amount of the Bank's returns.

Subsidiaries are consolidated using the full consolidation method based on the size of their asset equity, and result of operations. Financial statements of related subsidiaries are consolidated from the date when the control is transferred to the Bank and are put out of consolidation's scope as soon as control is removed. Accounting policies applied by subsidiaries that are included in consolidated financial statements are not different from Parent Bank's accounting policies.

According to full consolidation method, 100% of subsidiaries' asset, liability, income, expense and off balance sheet items are consolidated with the Parent Bank's asset, liability, income, expense and off balance sheet items. Book value of the Group's investment in each subsidiary is netted off with Group's equity shares. Unrealized gains and losses and balances that arise due to transactions between subsidiaries within consolidation scope, have been net off. Non-controlling interests are shown separately from earnings per share on consolidated balance sheet and income statement.

2. Associates and entities under common control

The Parent Bank does not have any financial associates that are consolidated in the accompanying financial statements.

The joint venture is established locally, has its primary operations in private pension and insurance, is controlled jointly with another group with a partnership agreement, and is included in Parent Bank's capital. Subject joint venture is included in consolidated financial statements by using equity method.

Equity method is a method of accounting whereby the book value of the investor's share capital in the subsidiary or the joint venture is either added to or subtracted in proportion with investor's share from the change in the subsidiary's or joint venture's equity within the period. The method also foresees that profit will be deducted from the subsidiary's or joint venture's accordingly recalculated value.

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 (fixed TL interest rate and floating FC interest rate). Therefore, the Bank not only funds its long term fixed interest rate loans with TL but also hedges itself against interest rate risk.

In accordance with TAS 39 "Financial Instruments: Recognition and Measurement", derivative instruments are categorized as "hedging purpose" or "trading purpose" transactions. Derivatives are initially recognized at fair value and subsequently measured at fair value. 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.

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IV. Explanations on Forwards, Option Contracts and Derivative Instruments (continued)

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 of related stock market as of the balance sheet date and related unrealized gains and losses are presented in the current period income statement.

Fair value of credit default swaps is calculated using internal pricing models based on market data and related unrealized gains and losses are reflected in the current period income statement.

Upon valuation of derivative instruments that are not subject to hedge accounting, differences in fair value, except for currency revolution differences, are recorded in the income statement on Gains/Losses from Derivative transactions. These foreign currency valuation differences are accounted for under "Foreign Exchange Gains/Losses" account.

In cash flow hedge accounting:

The Bank applies cash flow hedge accounting using interest swaps to hedge its TL and FC customer deposits with an average maturity of 1 month against interest rate fluctuations. The Bank implements effectiveness tests at the balance sheet dates for hedge accounting; 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.

In cash flow hedge accounting, when the hedging instrument expires, is executed or sold and when the hedge relationship becomes ineffective or is discontinued as a result of the hedge relationship being revoked; the hedging gains and losses that were previously recognized under equity are transferred to profit or loss when the cash flows of the hedged item are realized.

In fair value hedge accounting:

The Parent Bank applies fair value hedge accounting within the framework of TAS 39 using swaps to hedge a portion of its long term, fixed rate mortgage and project finance loans against possible fair value change due to market interest rate fluctuations.

The Parent Bank applies fair value hedge accounting using fx swaps to hedge long term, fixed rate, foreign currency eurobonds in its portfolio against interest rate fluctuations.

The Parent Bank applies fair value hedge accounting to hedge itself against the changes in the interest rates related to long term TL government bonds with fixed coupon payment using swaps as hedging instruments.

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

At each balance sheet date the Parent Bank applies effectiveness tests for fair value hedge accounting.

When the hedging instrument expires, is executed or sold and when the hedge relationship becomes ineffective or is discontinued as a result of the hedge relationship being revoked, adjustments made to the carrying amount of the hedged item are transferred to profit and loss with straight line method for portfolio hedges or with effective interest rate method for micro hedges. In case the hedged item is derecognized, hedge accounting is discontinued and within context of fair value hedge accounting, adjustments made to the value of the hedged item are accounted in income statement.

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V. Explanations on 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 accruals of non-performing loans are cancelled and not recorded as interest income until collected.

VI. Explanations on fees and commission income and expenses

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

VII. Explanations and disclosures on financial assets

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

1. Financial assets at fair value through profit or loss

1.1. Trading securities

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

1.2. Financial assets at fair value through profit or loss

The 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, and fair value differences are presented as “Securities Trading Gains (Losses) in order to be in compliance with the balance sheet presentation.

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

The fair value of loans presented under “Financial Assets at Fair Value through Profit or Loss” are determined under current market conditions, taking into consideration the estimated price of a transaction at the measurement date depending on sale of an asset or transfer of a liability between market participants (in other words, exit price at measurement date from the perspective of an owner of an asset or from a debtor’s).

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

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VII. Explanations and disclosures on financial assets (continued)

The Bank has inflation indexed (CPI) government bonds in its available for sale and held-to-maturity portfolios. CPI government bonds that are constant throughout their lives and their real principal amounts are preserved from inflation. These marketable securities are valued and accounted by using effective interest rate method by considering the real coupon rates and reference inflation index at the issue date together with the index calculated by considering the estimated inflation rate as disclosed by the Turkish Treasury. As disclosed in 'Inflation Indexed Bonds Manual' published by Turkish Treasury, reference index used for the real payments is determined based on the inflation rates of two months before. The estimated inflation rate used is updated during the year when necessary.

Some portion of the Eurobond portfolio which has been recognized as available for sale securities are designated as fair value hedged items, hedged against interest rate fluctuations, starting from March and April 2009 and some portion of the TL government bond portfolio hedged against interest rate fluctuations, starting from July 2011. 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 Eurobond and TL government bond hedge items are accounted for under "Securities Trading Gains/ Losses" in the income statement.

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

3. Investments securities held to maturity

Held-to-maturity financial assets are non-derivative financial assets with fixed or determinable payments and fixed maturity that an entity has the positive intention and ability to held-to-maturity other than those that the entity upon initial recognition designates as at fair value through profit or loss, those that the entity designates as available-for-sale; and those that meet the definition of loans and receivables. Held-to-maturity financial assets are initially recognized at acquisition cost including the transaction costs which reflect the fair value of those instruments and subsequently recognized at amortized cost by using effective interest rate method. Interest income obtained from held-to-maturity financial assets is accounted in income statement.

There are no financial assets previously classified as held-to-maturity but which cannot be subject to this classification for two years due to the contradiction of classification principles.

4. Loans and specific provisions

Loans and receivables are carried initially by adding transaction cost to its purchase cost reflecting the fair value; 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 "Note IV- Section III on Forward, Option Contracts and Derivative Instruments", the Group enters into fx 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.

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VII. Explanations and disclosures on financial assets (continued)

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 Parent Bank provides general provisions in accordance with the Communiqué dated November 1, 2006, published on the Official Gazette No: 28789 "Methods and Principles for the Determination of Loans and Other Receivables to be Reserved for and Allocation of Reserves" and accounts such provision at the liability side of the balance sheet under general loan loss provision.

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.

The general provisions and special provisions provided for loans and other provisions provided for closely monitored 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 from the loans previously provisioned in the prior periods are offset against the "Provision for Loan and Other Receivables" in the income statement. The principal collections made related to the loans that were written-off and standard and closely monitored loans are recorded under "Other Operating Income" and interest collections are recorded under the "Interest on Loans" account.

VIII. Explanations on impairment of financial assets

It is assessed whether there is objective evidence for a financial asset or group of financial assets is impaired at each balance sheet date. Provision for impairment is provided when there is an objective evidence of impairment.

A financial asset or a group of financial assets can be impaired and impairment loss will occur only if there is objective evidence that one or more events ("loss/profit events") have occurred after the initial recording of subject asset and that subject loss event/s have an impairment effect on future, approximate cash flows which can accurately be guessed. Future events that are expected to occur are not accounted, no matter how probable.

Impairment for held-to-maturity financial assets carried at amortized cost is calculated as the difference between the present value of the expected future cash flows discounted based on the "Effective interest rate method" and its carrying value. Regarding available-for-sale financial assets, impairment loss is reclassified from equity to profit or loss and is the difference between acquisition cost (less all principal repayments and amortization) and fair value, after impairment losses previously accounted for under profit or loss have been deducted.

An explanation about the impairment of loans and receivables is given in Note VII.4 of Section III

IX. Explanations on netting of financial instruments and derecognition of financial assets

Financial assets and liabilities are offset and the net amount is reported on the balance sheet when the Group has a legally enforceable right to offset the recognized amounts and there is an intention to collect/pay the related financial assets and liabilities on a net basis, or to realize the asset and settle the liability simultaneously.

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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 lent against securities purchased under agreements to resell (“Reverse repos”) are accounted under “Receivables from reverse repurchase agreements” on the balance sheet. The difference between the purchase and resell price determined by these repurchase agreements is accrued over the life of repurchase agreements using the “Effective interest method”.

Securities that are subject to repurchase agreements as at the balance sheet date amounted to TL 4.828.315 (December 31, 2014 - TL 4.420.738).

Securities of the Parent Bank that are subject to lending transactions as at the balance sheet date amounted to TL 792 (December 31, 2014 – TL 1.345).

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

In accordance with IFRS 5 (“Assets Held for Sale and Discontinued Operations”), assets classified as held for sale are measured at lower of carrying value or fair value less costs to sell. Amortisation on subject asset is ended and these assets are presented separately on financial statements. An asset (or a disposal group) is regarded as “asset held for sale” only when the sale is highly probable and the asset (disposal group) is available for immediate sale in its present condition. For a highly probable sale, there must be a valid plan prepared by the management for the sale of asset including identification of possible buyers and completion of sale process. Furthermore, the asset (or a disposal group) should be actively marketed at a price consistent with its fair value. Various events and conditions may prolong the sale procedures for more than one year. In case subject delay is caused by the events and conditions beyond the entity’s control and there is enough evidence that plans to sell subject asset (or a disposal group) continue subject assets continue to be classified as assets held for sale.

A discontinued operation is a part of the Parent Bank’s business classified as disposed or held-for-sale. The operating results of the discontinued operations are disclosed separately in the income statement. The Parent Bank has no discounting operations.

The Parent Bank classifies tangible assets that were acquired due to non-performing receivables, and that do not comply with TFRS 5 criteria, in accordance with the “Communiqué Regarding the Principles and Procedures for the Disposals of Immovables and Commodities Acquired due to Receivables and for Trading of Precious Metal” published in the Official Gazette dated 1 November 2006, no.26333 as other assets and accounts for these tangible assets according to the aforementioned Communiqué.

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.

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

If there is objective evidence of impairment, the asset’s recoverable amount is estimated in accordance with the Turkish Accounting Standard on Impairment of Assets (TAS 36) and if the recoverable amount is less than the carrying value of the related asset, a provision for impairment loss is made.

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XIII. Explanations on tangible assets

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 amortization rates used are as follows:

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

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

The 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 "Communique on Accounting Principles and Financial Statements of Leasing, Factoring and Financing Companies". Those provisions are accounted under "Lease Receivables" at the accompanying financial statements.

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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. These provisions are accounted for under "Factoring Receivables" at the accompanying financial statements. The provisions for lease receivables are set as per BRSA communiqué numbered 28861 and dated December 24, 2013 "Communique on Accounting Principles 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 for immediately when obligations arise as a result of past events and a reliable estimate of the obligation is made by the Bank. Whenever the amount of such obligations cannot be measured, they are regarded as "contingent". If the possibility of an outflow of resources embodying economic benefits becomes probable and the amount of the obligation can reliably be measured, a provision is provided.

XVII. Explanations on obligations of the Group for employees 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 Group has reflected the retirement pay liability amount, which was calculated by an independent actuary, in the accompanying financial statements. According to IAS 19, the Group 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 in accordance with IAS 19 and reflected to the financial statements.

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

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XVIII. Explanations on taxation

1. Corporate tax

Turkish Tax Legislation does not allow the Parent Company to prepare tax declaration from the financial statements which subsidiaries and investment associates are consolidated into. Therefore, tax provision in accompanying consolidated financial statements is determined by calculating tax provision for each corporation in consolidation scope separately.

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 deducted from the corporate taxes of the current year and shown in current tax asset and current tax liabilities.

75% of gains on disposal of subsidiary shares and real estates held in Parent Bank assets for more than two years are excepted 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 recognized as "Current Tax Charge" in the income statement and current tax effect related to transactions directly recognized in equity are reflected to equity.

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 Bank accounts for deferred taxes based on the tax effect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. In calculating deferred tax, legalized tax rates effective as of balance sheet date are used as per tax legislations.

Deferred tax liabilities are recognized for all temporary differences whereas deferred tax assets calculated from deductible temporary differences are only recognized if it's highly probable that these will in the future create taxable profit would be available against which the deferred tax assets can be utilized. Deferred tax asset is not provided over general reserve for possible risks and general loan loss provisions according to the circular of BRSA numbered BRSA.DZM.2/13/1-a-3 and dated 8 December 2004.

Deferred tax effects of transactions directly accounted in equity are reflected in equity.

According to TAS 12, deferred taxes and liabilities resulting from different subsidiaries subject to consolidation are not presented as net; rather they are presented separately as assets and liabilities in the financial statements.

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XVIII. Explanations on taxation (continued)

3. Transfer Pricing

The article no.13 of the Corporate Tax Law describes the issue of transfer pricing under the title of “disguised profit distribution” by way of transfer pricing. “The General Communique on Disguised Profit Distribution by way of Transfer Pricing” published on November 18, 2007 explains the application related issues in detail. According to this Communique, if the taxpayers conduct transactions like purchase and sale of goods or services with the related parties where the prices are not determined according to the arm’s length principle, then it will be concluded that there is a disguised profit distribution by way of transfer pricing. Such disguised profit distributions will not be deducted from the corporate tax base for tax purposes.

Disguised profit distribution amount will be recognized as share in net profit and stoppage tax will be calculated depending on whether the profit distributing institution is a real or corporate entity, full fledged or foreign based taxpayer, is subject to or exempt from tax.

As discussed under subject Communique’s 7.1 Annual Documentation section, taxpayers are required to fill out the “Transfer Pricing, Controlled Foreign Entities and Thin Capitalization” form for the purchase and sale of goods or services conducted with their related parties in a taxation period, attach these forms to their corporate tax returns and submit to the tax offices.

XIX. Additional explanations on borrowings

The Parent Bank and consolidated Group companies generate funds from domestically and internationally resident people and institutions by using debt instruments such as syndication, securitization, collateralized debt and bond issuance. Aforementioned transactions are initially recorded at transaction cost plus acquisition cost, reflective of their fair value, and are subsequently measured at amortized cost by using effective interest rate method.

XX. Explanation on share issues

During the current period the Bank’s paid in capital hasn’t been changed. (January 1 – December 31, 2014 - paid from first dividend with bonus shares increased by TL 135.000).

XXI. Explanations on confirmed bills of exchange and acceptances

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

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

XXII. Explanations on government incentives

As of June 30, 2015, the Group does not have any governmental incentives or support. (as of December 31, 2014 - None)

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XXIII. Explanation on reporting according to segmentation

In addition to corporate banking, retail banking and commercial banking services, the Group also provides private banking, SME banking, treasury operations and credit card services through branches and alternative channels. The Group serves its retail banking clients with time, 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 finance lease operations.

The calculations based on the income statement for retail banking (consumer banking and plastic cards), corporate and commercial banking 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 annual revenues between TL 2.000 and TL 100.000 are considered as "Commercial Enterprise". The Bank gives importance to the commercial segmentation in order to hedge risk and decrease the concentration of income. Moreover; The Bank also offers sectoral solution packages to these small and medium-size firms.

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

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XXIII. Explanation on reporting according to segmentation (continued)

	Retail Banking	Corporate and Commercial Banking	Treasury and Head Office	Total Operations of the Group
Current Period (January 1 – June 30, 2015)				
Net Interest Income	765.713	622.468	490.321	1.878.502
Net Fees and Commissions Income	504.768	172.102	20.222	697.092
Other Operating Income and Net Trading Income	18.306	24.509	(70.528)	(27.713)
Dividend Income	-	-	57	57
Operating Income	1.288.787	819.079	440.072	2.547.938
Other Operating Expenses	822.022	419.857	142.450	1.384.329
Provision for Loan Losses and Other Receivables	337.264	254.618	(40.344)	551.538
Gain / Loss on joint venture accounted for at equity method	-	-	(5.935)	(5.935)
Profit Before Taxes	129.501	144.604	332.031	606.136
Provision for Tax	-	-	-	(110.283)
Net Profit/Loss	-	-	-	495.853
Total Assets	39.968.360	16.263.138	23.537.490	84.471.159
Segment Assets	39.968.360	16.263.138	23.537.490	79.768.988
Associates, Subsidiaries and Entities Under Common Control (Joint Ventures)	-	-	-	171.816
Undistributed Assets	-	-	-	4.530.355
Total Liabilities	32.431.520	10.028.314	23.426.921	84.471.159
Segment Liabilities	32.431.520	10.028.314	23.426.921	65.886.755
Undistributed Liabilities	-	-	-	9.288.152
Equity	-	-	-	9.296.252
Other Segment Accounts	112.759	53.836	82.546	249.141
Capital Expenditures	41.814	19.964	72.850	134.628
Depreciation and Amortization	70.945	33.872	9.696	114.513
Value Decrease/ (Increase)	-	-	-	-
Prior Period (January 1 - June 30, 2014)				
Net Interest Income	535.426	540.980	312.646	1.389.052
Net Fees and Commissions Income	610.608	129.257	18.074	757.939
Other Operating Income and Net Trading Income	202.131	43.265	(124.147)	121.249
Dividend Income	-	-	249	249
Operating Income	1.348.165	713.502	206.822	2.268.489
Other Operating Expenses	748.726	410.121	83.252	1.242.099
Provision for Loan Losses and Other Receivables	329.718	207.257	5.740	542.715
Gain / Loss on joint venture accounted for at equity method	-	-	1.137	1.137
Profit Before Taxes	269.721	96.124	118.967	484.812
Provision for Tax	-	-	-	(118.963)
Net Profit/Loss	-	-	-	365.849
Other Segment Accounts	143.136	74.068	971.597	1.188.801
Capital Expenditures	80.272	41.538	962.167	1.083.977
Depreciation and Amortization	62.864	32.530	9.430	104.824
Value Decrease/ (Increase)	-	-	-	-
Prior Period (December 31, 2014)				
Total Assets	37.337.427	14.437.762	20.819.549	76.835.125
Segment Assets	37.337.427	14.437.762	20.819.549	72.594.738
Associates and Subsidiaries and Entities Under Common Control (Joint Ventures)	-	-	-	189.867
Undistributed Assets	-	-	-	4.050.520
Total Liabilities	29.485.416	10.906.083	21.124.661	76.835.125
Segment Liabilities	29.485.416	10.906.083	21.124.661	61.516.160
Undistributed Liabilities	-	-	-	6.521.351
Equity	-	-	-	8.797.614

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XXIV. Profit Reserves and profit distribution

The Ordinary General Assembly Meeting of the Bank was held on 31 March 2015. In the Ordinary General Assembly, it was decided to distribute a TL 43.871 cash dividend over the TL 877.428 net income from 2014 operations to the Bank's shareholders. In accordance with the 26th clause of the Bank's Articles of Association, it has been decided in the Extraordinary General Assembly Meeting dated May 28, 2015 to distribute the net profit remaining after General Legal Reserve has been appropriated as of 2014 financials, amounting to TL 833.557.

Statement of Profit Distribution, 2014

Profit of the Period	877.428
A – 1 st Legal Reserve (TCC 519/A) 5%	(43.871)
B – Extraordinary Reserves	(833.557)

XXV. Profit Per Share

Profit per share listed on income statement is calculated by dividing net profit to weighted average amount of shares issued within respective year.

	Current Period	Prior Period
Group's Net Profit for the Period	487.813	357.557
Weighted Average Amount of Shares Issued (Thousands)	28.350.000	28.350.000
Earning Per Share	0,01721	0,01261

In Turkey, companies can increase capital through "bonus share" distributed from previous year earnings to current shareholders. Such "bonus share" distributions are accounted as issued shares while calculating profit per share. Accordingly, weighted average amount of shares issued used in these calculations is found through taking into consideration retroactive effects of subject share distributions. In case amount of shares issued increases after the balance sheet date but before the date of financial statement preparation due to distribution of "bonus share", profit per share is calculated taking into consideration new amount of shares.

There are no issued bonus shares in 2015 (December 31, 2014: 1.350.000).

XXVI. Explanations on Other Matters

In order to be consistent with the presentation of consolidated financial statements dated 30 June 2015, there are certain reclassifications made on consolidated Statement of Profit and Loss Account for Under Equity as of 30 June 2014.

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SECTION FOUR

INFORMATION ON GROUP'S FINANCIAL STRUCTURE

I. Explanations Related to Consolidated Capital Adequacy Ratio

As of June 30, 2015, the Parent Bank's consolidated capital adequacy ratio is 15,89%. (December 31, 2014 – 16,90%)

Capital adequacy ratio is calculated within the scope of the "Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks (the "Regulation")", "Regulation on Credit Risk Mitigation Techniques" and "Regulation on Calculation of Risk Weighted Amounts for Securitizations" published in the Official Gazette No.28337 dated June 28, 2012 and the "Regulation on Equities of Banks" published in the Official Gazette No.28756 dated September 5, 2013.

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

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

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

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

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

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

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

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Consolidated and unconsolidated capital adequacy ratio:

Current Period	Parent Bank								
	Risk Weightings								
	%0	%10	%20	%50	%75	%100	%150	%200	%250
Value at Credit Risk	-	-	316.967	10.277.520	16.175.231	22.516.030	3.556.286	8.265.756	615.930
Exposure Categories:	14.411.031	-	1.584.837	20.555.039	21.566.975	22.516.030	2.370.857	4.132.878	246.372
Conditional and unconditional receivables from central governments or central banks	13.407.280	-	-	1.997.708	-	-	-	-	-
Conditional and unconditional receivables from regional or local governments	-	-	3.034	-	-	-	-	-	-
Conditional and unconditional receivables from administrative units and non-commercial enterprises	-	-	-	-	-	162	-	-	-
Conditional and unconditional receivables from multilateral development banks	-	-	-	-	-	-	-	-	-
Conditional and unconditional receivables from international organizations	-	-	-	-	-	-	-	-	-
Conditional and unconditional receivables from banks and brokerage houses	-	-	1.581.581	2.316.296	-	37.118	-	-	-
Conditional and unconditional receivables from corporates	-	-	-	-	-	17.018.534	-	-	-
Conditional and unconditional retail receivables	-	-	-	-	21.566.975	1.768.758	-	-	-
Conditional and unconditional receivables secured by mortgages	-	-	-	16.241.035	-	-	-	-	-
Past due receivables	-	-	-	-	-	693.393	-	-	-
Receivables defined in high risk category by BRSA	-	-	-	-	-	-	2.370.857	4.132.878	246.372
Securities collateralized by mortgages	-	-	-	-	-	-	-	-	-
Securitization positions	-	-	-	-	-	-	-	-	-
Short-term receivables from banks, brokerage houses and corporates	-	-	-	-	-	-	-	-	-
Investments similar to collective investment funds	-	-	-	-	-	13.154	-	-	-
Other receivables	1.003.751	-	222	-	-	2.984.911	-	-	-

Current Period	Consolidated								
	Risk Weightings								
	%0	%10	%20	%50	%75	%100	%150	%200	%250
Value at Credit Risk	-	-	290.902	10.343.862	16.498.699	24.512.793	3.614.246	8.265.758	615.930
Exposure Categories:	14.411.099	-	1.454.510	20.687.723	21.998.265	24.512.793	2.409.497	4.132.879	246.372
Conditional and unconditional receivables from central governments or central banks	13.407.280	-	-	1.997.708	-	-	-	-	-
Conditional and unconditional receivables from regional or local governments	-	-	3.034	-	-	-	-	-	-
Conditional and unconditional receivables from administrative units and non-commercial enterprises	-	-	-	-	-	162	-	-	-
Conditional and unconditional receivables from multilateral development banks	-	-	-	-	-	-	-	-	-
Conditional and unconditional receivables from international organizations	-	-	-	-	-	-	-	-	-
Conditional and unconditional receivables from banks and brokerage houses	-	-	1.451.254	2.297.837	-	37.118	-	-	-
Conditional and unconditional receivables from corporates	-	-	-	-	-	18.665.713	-	-	-
Conditional and unconditional retail receivables	-	-	-	-	21.998.265	1.768.760	-	-	-
Conditional and unconditional receivables secured by mortgages	-	-	-	16.392.178	-	-	-	-	-
Past due receivables	-	-	-	-	-	731.312	-	-	-
Receivables defined in high risk category by BRSA	-	-	-	-	-	-	2.409.497	4.132.879	246.372
Securities collateralized by mortgages	-	-	-	-	-	-	-	-	-
Securitization positions	-	-	-	-	-	-	-	-	-
Short-term receivables from banks, brokerage houses and corporates	-	-	-	-	-	-	-	-	-
Investments similar to collective investment funds	-	-	-	-	-	13.154	-	-	-
Other receivables	1.003.819	-	222	-	-	3.296.574	-	-	-

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Parent Bank									
Risk Weightings									
Prior Period	%0	%10	%20	%50	%75	%100	%150	%200	%250
Value at Credit Risk	-	-	245.829	9.465.302	15.417.255	20.617.801	2.513.757	7.994.862	676.638
Exposure Categories:	15.690.061	-	1.229.146	18.930.604	20.556.340	20.617.801	1.675.838	3.997.431	270.655
Conditional and unconditional receivables from central governments or central banks	14.850.852	-	-	1.697.937	-	-	-	-	-
Conditional and unconditional receivables from regional or local governments	-	-	4.048	-	-	-	-	-	-
Conditional and unconditional receivables from administrative units and non-commercial enterprises	-	-	-	-	-	316	-	-	-
Conditional and unconditional receivables from multilateral development banks	-	-	-	-	-	-	-	-	-
Conditional and unconditional receivables from international organizations	-	-	-	-	-	-	-	-	-
Conditional and unconditional receivables from banks and brokerage houses	-	-	1.224.868	2.181.022	-	29.459	-	-	-
Conditional and unconditional receivables from corporates	-	-	-	-	-	15.318.399	-	-	-
Conditional and unconditional retail receivables	-	-	-	-	20.556.340	1.825.386	-	-	-
Conditional and unconditional receivables secured by mortgages	-	-	-	15.051.645	-	-	-	-	-
Past due receivables	-	-	-	-	-	541.919	-	-	-
Receivables defined in high risk category by BRSA	-	-	-	-	-	-	1.675.838	3.997.431	270.655
Securities collateralized by mortgages	-	-	-	-	-	-	-	-	-
Securitization positions	-	-	-	-	-	-	-	-	-
Short-term receivables from banks, brokerage houses and corporates	-	-	-	-	-	-	-	-	-
Investments similar to collective investment funds	-	-	-	-	-	26.414	-	-	-
Other receivables	839.209	-	230	-	-	2.875.908	-	-	-

Consolidated									
Risk Weightings									
Prior Period	%0	%10	%20	%50	%75	%100	%150	%200	%250
Value at Credit Risk	-	-	223.770	9.449.523	15.493.670	22.857.676	2.548.004	7.994.862	676.638
Exposure Categories:	15.690.064	-	1.118.848	18.899.046	20.658.226	22.857.676	1.698.669	3.997.431	270.655
Conditional and unconditional receivables from central governments or central banks	14.850.852	-	-	1.697.937	-	-	-	-	-
Conditional and unconditional receivables from regional or local governments	-	-	4.048	-	-	-	-	-	-
Conditional and unconditional receivables from administrative units and non-commercial enterprises	-	-	-	-	-	316	-	-	-
Conditional and unconditional receivables from multilateral development banks	-	-	-	-	-	-	-	-	-
Conditional and unconditional receivables from international organizations	-	-	-	-	-	-	-	-	-
Conditional and unconditional receivables from banks and brokerage houses	-	-	1.114.570	2.136.621	-	29.459	-	-	-
Conditional and unconditional receivables from corporates	-	-	-	-	-	17.459.834	-	-	-
Conditional and unconditional retail receivables	-	-	-	-	20.658.226	1.825.385	-	-	-
Conditional and unconditional receivables secured by mortgages	-	-	-	15.064.488	-	-	-	-	-
Past due receivables	-	-	-	-	-	575.708	-	-	-
Receivables defined in high risk category by BRSA	-	-	-	-	-	-	1.698.669	3.997.431	270.655
Securities collateralized by mortgages	-	-	-	-	-	-	-	-	-
Securitization positions	-	-	-	-	-	-	-	-	-
Short-term receivables from banks, brokerage houses and corporates	-	-	-	-	-	-	-	-	-
Investments similar to collective investment funds	-	-	-	-	-	26.414	-	-	-
Other receivables	839.212	-	230	-	-	2.940.560	-	-	-

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Summary information related to consolidated and unconsolidated capital adequacy ratio:

	Parent Bank	Consolidated	Parent Bank	Consolidated
	Current Period ^(*)	Current Period ^(*)	Prior Period	Prior Period
Capital Requirement for Credit Risk (Value at Credit Risk * 0.08) (CRCR)	4.937.898	5.131.375	4.554.516	4.739.531
Capital Requirement for Market Risk (MRCR)	93.708	96.004	98.679	98.483
Capital Requirement for Operational Risk (ORCR)	572.223	600.249	503.912	532.294
Shareholders' Equity	11.065.857	11.576.098	10.946.807	11.343.960
Shareholders' Equity/(CRCR+MRCR+ORCR) * 12.5 * 100	%15,80	%15,89	%16,98	%16,90
Additional Tier I Capital/((CRCR+CRMR+CROR)*12.5*100)	%12,29	%12,26	%12,97	%12,77
Common Equity/((CRCR+CRMR+CROR)*12.5*100)	%12,48	%12,46	%13,24	%13,05
CRCR : Capital Requirement for Credit Risk				
MRCR : Capital Requirement for Market Risk				
ORCR : Capital Requirement for Operational Risk				

(*) As of January 1, 2014 the Bank is calculating its equity according to "Communique on Banks' Equity" published on September 5, 2013 in the Official Gazette no 28756 and calculated Capital Adequacy Standard Ratio accordingly.

Components of consolidated shareholders' equity items:

COMMON EQUITY	30 June 2015	31 December 2014
Paid-in capital following all debts in terms of claim in liquidation of the Bank's	2.835.000	2.835.000
Share premium	714	714
Share cancellation profits	-	-
Reserves	5.738.054	4.803.640
Gains recognized in equity as per TAS	-	266
Profit	625.313	1.072.420
Current Period Profit	487.813	900.688
Prior Period Profit	137.500	171.732
Provisions for Possible Risks	46.000	82.000
Bonus Shares from Investments in Associates, Subsidiaries and Joint Ventures that are not recognized in Profit	-	-
Minority shares	186.230	178.175
Common Equity Before Deductions	9.431.311	8.972.215
Deductions from Common Equity		
Portion of the current and prior periods' losses which cannot be covered through reserves and losses reflected in equity in accordance with TAS (-).	161.865	52.122
Leasehold improvements (-)	96.682	114.885
Goodwill or other intangible assets and deferred tax liability related to these items (-)	97.454	47.095
Net deferred tax asset/liability (-)	-	-
Shares obtained contrary to the 4th clause of the 56th Article of the Law (-)	-	-
Direct and indirect investments of the Bank in its own common equity (-)	-	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank (-).	-	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank (-).	-	-
Portion of mortgage servicing rights exceeding 10% of the common equity (-).	-	-
Portion of deferred tax assets based on temporary differences exceeding 10% of the common equity (-).	-	-
Amount exceeding 15% of the common equity as per the 2nd clause of the Provisional Article 2 of the Regulation on the Equity of Banks (-)	-	-
Excess amount arising from the net long positions of investments in common equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital (-)	-	-
Excess amount arising from mortgage servicing rights (-).	-	-
Excess amount arising from deferred tax assets based on temporary differences (-).	-	-
Other items to be defined by the BRSA (-)	-	-
Deductions to be made from common equity in the case that adequate Additional Tier I Capital or Tier II Capital is not available (-)	-	-
Total Deductions From Common Equity	356.001	214.102
Total Common Equity	9.075.310	8.758.113

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	June 30, 2015	December 31, 2015
ADDITIONAL TIER I CAPITAL		
Capital amount and related premiums corresponding to preference shares that are not included in common equity	-	-
Debt instruments and premiums deemed suitable by BRSA (issued/obtained after 1.1.2014)	-	-
Debt instruments and premiums deemed suitable by BRSA (issued before 1.1.2014)	-	-
Additional Tier I Capital before Deductions	-	-
Deductions from Additional Tier I Capital	-	-
Direct and indirect investments of the Bank in its own Additional Tier I Capital (-)	-	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank (-)	-	-
Portion of the total of net long positions of investments made in Additional Tier I Capital and Tier II Capital items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank (-)	-	-
Other items to be defined by the BRSA (-)	-	-
Deductions to be made from common equity in the case that adequate Additional Tier I Capital or Tier II Capital is not available (-)	-	-
Total Deductions From Additional Tier I Capital	-	-
Total Additional Tier I Capital	-	-
DEDUCTIONS FROM TIER I CAPITAL	146.181	188.381
Portion of goodwill and other intangible assets and the related deferred tax liabilities which not deducted from the Common Equity as per the 1 st clause of Provisional Article 2 of the Regulation on the Equity of Banks (-)	146.181	188.381
Portion of net deferred tax assets/liabilities which is not deducted from the common equity pursuant to Paragraph 1 Provisional Article 2 of the Regulation on the Equity of Banks (-)	-	-
Total Tier I Capital	8.929.129	8.569.732
TIER II CAPITAL		
Debt instruments and premiums deemed suitable by the BRSA (issued/obtained after 1.1.2014)	-	-
Debt instruments and premiums deemed suitable by the BRSA (issued/obtained before 1.1.2014)	1.893.475	2.097.617
Sources pledged to the Bank by shareholders to be used in capital increases of the Bank	-	-
General Loan Loss Provisions	801.777	740.552
Share of 3 rd parties in Tier II Capital	-	-
Tier II Capital Before Deductions	2.695.252	2.838.169
DEDUCTIONS FROM TIER II CAPITAL		
Direct and indirect investments of the Bank in its own Tier II Capital (-)	-	-
Portion of the total of net long positions of investments made in Common Equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank (-)	-	-
Portion of the total of net long positions of investments made in Additional Tier I and Tier II Capital items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank (-)	-	-
Other items to be defined by the BRSA (-)	-	-
Total Deductions from Tier II Capital	-	-
Total Tier II Capital	2.695.252	2.838.169
CAPITAL BEFORE DEDUCTIONS	11.624.381	11.407.901
Loans granted contrary to the 50 th and 51 st Article of the Law (-)	1.506	1.856
Net book value of amounts exceeding the limit mentioned in the 1 st Paragraph of Article 57 of the Law and assets acquired against overdue receivables which could not be disposed of even though five years have passed since their acquisition date (-)	12.257	11.289
Loans granted to banks and financial institutions, including those established abroad, and to eligible shareholders of the Bank and investments made in the borrowing instruments issued by them (-)	-	-
Amounts to be deducted from equity as per the 2 nd Clause of Article 20 of the Regulation on Measurement and Evaluation of Capital Adequacy of Banks (-)	-	-
Other items to be defined by the BRSA (-)	34.520	50.796
Portion of the total of net long positions of investments made in Common Equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank not to be deducted from the Common Equity, Additional Tier I Capital, Tier II Capital as per the 1 st clause of the Provisional Article 2 of the Regulation on the Equity of Banks. (-)	-	-
Portion of the total of net long positions of direct or indirect investments made in Additional Tier I and Tier II Capital items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank not to be deducted from the Additional Tier I Capital and Tier II Capital as per the 1 st clause of the Provisional Article 2 of the Regulation on the Equity of Banks. (-)	-	-
Portion of the total of net long positions of investments made in Common Equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital, deferred tax assets based on temporary differences and mortgage servicing rights not deducted from Common Equity as per the 1 st and 2 nd Paragraph of the Provisional Article 2 of the Regulation on the Equity of Banks (-)	-	-
TOTAL CAPITAL	11.576.098	11.343.960
Amounts below the Excess Limits as per the Deduction Principles		
Amounts arising from the net long positions of investments made in Total Capital items of banks and financial institutions where the Bank owns 10% or less of the issued common share capital	-	-
Amounts arising from the net long positions of investments made in Tier I Capital items of banks and financial institutions where the Bank owns 10% or more of the issued common share capital	-	-
Amounts arising from mortgage servicing rights	-	-
Amounts arising from deferred tax assets based on temporary differences	-	-

Components of items of shareholders' equity subject to temporary applications:

	Parent Bank		Consolidated	
	Amount Included in Equity Calculation	Total Amount	Amount Included in Equity Calculation	Total Amount
Minority Interest in Tier I Capital	-	-	-	-
Shares of Third Parties in Additional Core Capital	-	-	-	-
Shares of Third Parties in Tier II Capital	-	-	-	-
Debt Instruments and the Related Issuance Premiums Defined by the BRSA (Issued before 1.1.2014)	1.736.305	1.736.305	1.893.475	1.893.475

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Information on debt instruments included in the calculation of equity:

	1	2	3	4
Issuer	NATIONAL BANK OF GREECE S.A.	NATIONAL BANK OF GREECE S.A.	NATIONAL BANK OF GREECE S.A.	NATIONAL BANK OF GREECE S.A.
Unique Identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	-	-	-	-
Governing law(s) of the instrument	BRSA	BRSA	BRSA	BRSA
Regulatory treatment	Supplementary Capital	Supplementary Capital	Supplementary Capital	Supplementary Capital
Transitional Basel III rules	Yes	Yes	Yes	Yes
Eligible at stand-alone / consolidated	Stand alone -Consolidated	Stand alone -Consolidated	Stand alone -Consolidated	Stand alone -Consolidated
Instrument type (types to be specified by each jurisdiction)	Loan	Loan	Loan	Loan
Amount recognised in regulatory capital (Currency in million, as of most recent reporting date)	668	419	262	544
Par value of instrument (Currency in million)	873	537	336	698
Accounting classification	Liability – Subordinated Loans- amortised cost	Liability – Subordinated Loans- amortised cost	Liability – Subordinated Loans- amortised cost	Liability – Subordinated Loans- amortised cost
Original date of issuance	April 24, 2008	October 06, 2009	December 28, 2009	December 20, 2011
Perpetual or dated	Dated	Dated	Dated	Dated
Original maturity date	12 years	12 years	12 years	10 years
Issue call subject to prior BRSA approval	Yes	Yes	Yes	Yes
Optional call date, contingent call dates and redemption amount	-	-	-	-
Subsequent call dates, if applicable	-	-	-	-
Coupons / dividends	6 months	6 months	6 months	6 months
Fixed or floating dividend/coupon	Floating	Floating	Floating	Floating
Coupon rate and any related index	LIBOR + %4.50	LIBOR + %4.34	LIBOR + %4.34	LIBOR + %4.50
Existence of a dividend stopper	-	-	-	-
Fully discretionary, partially discretionary or mandatory	-	-	-	-

Existence of step up or other incentive to redeem	1	2	3	4
Noncumulative or cumulative	-	-	-	-
Convertible or non-convertible	Noncumulative	Noncumulative	Noncumulative	Noncumulative
If convertible, conversion trigger (s)	None	None	None	None
If convertible, fully or partially	-	-	-	-
If convertible, conversion rate	-	-	-	-
If convertible, mandatory or optional conversion	-	-	-	-
If convertible, specify instrument type convertible into	-	-	-	-
If convertible, specify issuer of instrument it converts into	-	-	-	-
Write-down feature	None	None	None	None
If write-down, write-down trigger(s)	-	-	-	-
If write-down, full or partial	-	-	-	-
If write-down, permanent or temporary	-	-	-	-
If temporary write-down, description of write-up mechanism	-	-	-	-
Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	-	-	-	-
After the senior creditors, before the TIER 1 subdebt, same with TIER 2	After the senior creditors, before the TIER 1 subdebt, same with TIER 2	After the senior creditors, before the TIER 1 subdebt, same with TIER 2	After the senior creditors, before the TIER 1 subdebt, same with TIER 2	After the senior creditors, before the TIER 1 subdebt, same with TIER 2
Yes	Yes	Yes	Yes	Yes
8-2-g	8-2-g	8-2-g	8-2-g	8-2-g
Details of Incompliances with article number 7 and 8 of "Own fund regulation"	-	-	-	-

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II. Information on 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 High Level 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 desirable limits. Risk Management Group monitors the VaR balances daily for compliance with the Bank Risk Tolerance.

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

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

1. Information on consolidated market risk

	Current Period Amount	Prior Period Amount
(I) Capital Requirement against General Market Risk - Standard Method	37.088	25.698
(II) Capital Requirement against Specific Risks – Standard Method	10.000	7.499
Capital Requirement against Specific Risks of Securitization Positions– Standard Method	-	-
(III) Capital Requirement against Currency Risk – Standard Method	12.711	44.929
(IV) Capital Requirement against Commodity Risks - Standard Method	241	320
(V) Capital Requirement against Settlement Risks - Standard Method	-	-
(VI) Capital Requirement against Market Risks of Options - Standard Method	3.355	2.692
(VII) Capital Requirement against Counterparty Credit Risk - Standard Method	32.609	17.345
(VIII) Capital Requirement against Market Risks of Banks applying Risk Measurement Models	-	-
(IX) Total Capital Obligations against Market Risk (I+II+III+IV+V+VI+VII+VIII)	96.004	98.483
(X) Value-At-Market Risk (12,5 x VIII) or (12,5 x IX)	1.200.050	1.231.038

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III. Explanations Related to the Operational Risk

Value at operational risk is calculated with basic indicator method by using the gross profits for the last three years' (2014, 2013 and 2012) as per the "Calculation of Value at Operational Risk" of the article (3) of "Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks" which was published in the Official Gazette No: 28337 dated June 28, 2012. As of June 30, 2015, the value at operational risk is amounting to TL 7.503.113 (December 31, 2014 - TL 6.653.675).

Current Period				Total / No. of	Rate	
Basic Indicator Method	2 PP Amount	1 PP Amount	CP Amount	Years of Positive Gross	(%)	Total
Gross Income	3.686.775	3.995.793	4.322.420	4.001.663	15	600.249
Value at operational risk (Total*12,5)						7.503.113

Prior Period				Total / No. of	Rate	
Basic Indicator Method	2 PP Amount	1 PP Amount	CP Amount	Years of Positive Gross	(%)	Total
Gross Income	2.963.312	3.686.775	3.995.793	3.548.627	15	532.294
Value at operational risk (Total*12,5)						6.653.675

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

IV. Explanations Related to Consolidated Foreign Exchange 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 June 30, 2015, the net foreign currency exposure of the Group is TL 83.937 short position (December 31, 2014 – TL – 1.218.736 short) resulting from on balance sheet short position amounting to TL 13.471.723 (December 31, 2014 – TL 8.707.677 short) and long off balance sheet position amounting to TL 13.387.786 (December 31, 2014 – TL 7.488.931 long). The long off balance sheet position amounting to TL 14.211.981 (December 31, 2014 – TL 7.991.220) is related with the FC/TL swap transactions performed with banks and customers. The Group used these transactions to manage the 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.

Board of Directors have determined the limits considering the consistency with the "Foreign Currency Net General Position." Positions are being followed daily and limits are reviewed at least once a year depending on economic conditions and Group strategy and updated as deemed necessary.

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 hedges foreign currency borrowings with derivative instruments. The Group does not hedge net foreign currency investments with derivative instruments.

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

US Dollars purchase rate in the balance sheet date	TL 2,6863
Euro purchase rate in the balance sheet date	TL 2,9822

<u>Date</u>	<u>US Dollar</u>	<u>Euro</u>
June 30, 2015	2,6863 TL	2,9822 TL
June 29, 2014	2,6587 TL	2,9777 TL
June 26, 2014	2,6638 TL	2,9813 TL
June 25, 2014	2,6770 TL	3,0003 TL
June 24, 2014	2,6710 TL	3,0017 TL
June 23, 2014	2,6786 TL	3,0401 TL

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

The arithmetical average of the Bank's US Dollar and Euro purchase rates for June 2015 are TL 2,7012 and TL 3,0267; respectively.

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5. Information on the consolidated foreign exchange risk of the Group (Thousands of TL)

Current Period	EUR	USD	Other FC	Total
Assets				
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metal) and Balances with the T.R.Central Bank ⁽¹⁾	1.395.609	3.939.347	1.345.029	6.679.985
Due From Banks	95.658	299.120	16.981	411.759
Financial Assets at Fair Value through Profit/Loss ⁽²⁾	124.775	97.087	-	221.862
Money Market Placements	-	134.394	-	134.394
Investment Securities Available-for-Sale	300.141	1.435.972	-	1.736.113
Loans and Receivables ⁽³⁾	4.859.562	7.011.119	20.968	11.891.649
Investments in Assoc., Subsidiaries and Entities under Common Control	-	-	-	-
Investment Securities Held-to-Maturity	12.989	784.797	-	797.786
Derivative Financial Assets Hedging Purposes	1.292	31.269	-	32.561
Tangible Assets	-	-	13	13
Intangible Assets	-	-	-	-
Other Assets ⁽⁴⁾	739.404	473.223	2.167	1.214.794
Total Assets	7.529.430	14.206.328	1.385.158	23.120.916
Liabilities				
Bank Deposits	243.685	1.073.724	53.220	1.370.629
Foreign Currency Deposits ⁽⁵⁾	5.223.163	9.786.331	624.971	15.634.465
Money Market Borrowings	262.532	1.555.075	-	1.817.607
Funds Provided from Other Financial Institutions ⁽⁶⁾	2.316.510	5.704.918	951.473	8.972.901
Securities Issued	179.755	3.835.947	-	4.015.702
Sundry Creditors	2.825.916	1.379.213	3.104	4.208.233
Derivative Fin. Liabilities Hedging Purposes	35.267	109.048	-	144.315
Other Liabilities ⁽⁶⁾	145.820	282.846	121	428.787
Total Liabilities	11.232.648	23.727.102	1.632.889	36.592.639
Net Balance Sheet Position	(3.703.218)	(9.520.774)	(247.731)	(13.471.723)
Net Off-Balance Sheet Position	3.606.163	9.535.653	245.970	13.387.786
Financial Derivative Assets	7.707.600	39.865.546	339.099	47.912.245
Financial Derivative Liabilities	4.101.437	30.329.893	93.129	34.524.459
Non-Cash Loans ⁽⁷⁾	1.246.797	2.932.229	64.277	4.243.303
Prior Period				
Total Assets	6.068.313	13.134.884	1.823.669	21.026.866
Total Liabilities	8.217.324	20.390.956	1.126.253	29.734.533
Net Balance Sheet Position	(2.149.011)	(7.256.072)	697.416	(8.707.667)
Net Off-Balance Sheet Position	1.456.668	6.663.293	(631.030)	7.488.931
Financial Derivative Assets	3.790.582	36.916.265	1.162.692	41.869.539
Financial Derivative Liabilities	2.333.914	30.252.972	1.793.722	34.380.608
Non-Cash Loans	1.093.104	2.718.582	133.991	3.945.677

(1) Cash and Balances with TR Central; Other FC include TL 1.329.585 (December 31, 2014 – 1.747.613 TL) precious metal deposit account.

(2) Does not include TL 9.442 (December 31, 2014 – 18.466 TL) of currency income accruals arising from derivative transactions.

(3) Includes TL 3.301.928 TL (December 31, 2014 – TL 2.876.246 TL) FC indexed loans.

(4) Does not include FC prepaid expenses amounting to TL 4.628 (December 31, 2014 – TL 4.474) as per BRSA's Communique published in Official Gazette no 26085 on 19 February 2006. Does not include repealed financial leasing receivables amounting to TL 1.484 (December 31, 2014 – TL 1.187) accounted as FC in balance sheet. Does not include FC indexed factoring receivables amounting to TL 71.656 (December 31, 2014 – TL 66.113) accounted as TL in balance sheet.

(5) Other foreign currency includes TL 455.188 (December 31, 2014 – TL 634.454) of precious metal deposit account.

(6) Does not include currency expense accruals of derivative financial instruments kept in FC accounts amounting to TL 30.554 (December 31, 2014 – TL 15.220)

(7) Does not have an effect on Net Off-Balance Sheet Position.

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V. 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.

Parent Bank's asset and liabilities carry positive interest rate income and are repriced every nine months. Therefore the Bank holds limited amount of interest rate risk.

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 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.

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	899.725	-	-	-	-	6.810.075	7.709.800
Due from Banks	48.034	6.000	-	-	-	368.204	422.238
Financial Assets at Fair Value Through Profit/Loss ^(**)	10.859	1.678	39.311	9.383	58.799	5.471.936	5.591.966
Money Market Placements	1.692.110	-	-	-	-	-	1.692.110
Inv. Securities Available for Sale	1.385.202	396.576	1.606.794	388.279	1.665.192	85.051	5.527.094
Loans and Receivables	11.415.496	5.511.422	15.473.903	14.754.273	5.423.738	1.756.576	54.335.408
Inv. Securities Held to Maturity	160.536	756.423	1.601.596	898.457	163.593	87.306	3.667.911
Other Assets	413.112	219.597	585.172	967.463	60.531	3.278.757	5.524.632
Total Assets	16.025.074	6.891.696	19.306.776	17.017.855	7.371.853	17.857.905	84.471.159
Liabilities							
Bank Deposits	1.077.241	319.499	30.229	-	-	22.831	1.449.800
Other Deposits	24.993.948	8.216.230	2.207.371	100.214	-	6.942.628	42.460.391
Money Market Borrowings	3.251.567	841.995	445.803	-	-	4.920	4.544.285
Sundry Creditors	4.161.413	-	-	-	-	1.902.281	6.063.694
Securities Issued	403.940	1.389.419	1.753.801	2.084.858	-	53.187	5.685.205
Funds Borrowed	1.790.709	568.418	6.692.466	436.905	2.067	29.445	9.520.010
Other Liabilities ^(***)	5.308	189	832	1.167	-	14.740.278	14.747.774
Total Liabilities	35.684.126	11.335.750	11.130.502	2.623.144	2.067	23.695.570	84.471.159
On Balance Sheet Long Position	-	-	8.176.274	14.394.711	7.369.786	-	29.940.771
On Balance Sheet Short Position	(19.659.052)	(4.444.054)	-	-	-	(5.837.665)	(29.940.771)
Off-Balance Sheet Long Position	4.769.486	6.917.804	3.010.913	-	-	-	14.698.203
Off-Balance Sheet Short Position	-	-	-	(9.362.926)	(1.882.570)	-	(11.245.496)
Total Position	(14.889.566)	2.473.750	11.187.187	5.031.785	5.487.216	(5.837.665)	3.452.707

(*) Non Interest Bearing column includes accruals, provision for losses and derivative financial instruments' fair value valuation difference.

(**) Financial Assets at Fair Value Through Profit/Loss include TL 3.178.300 derivative financial assets used for hedging purposes.

(***) Other Liabilities include derivative financial liabilities used for hedging purposes amounting to TL 177.885.

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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	912.654	-	-	-	-	7.751.266	8.663.920
Due from Banks	57.989	6.000	10.000	-	-	226.445	300.434
Financial Assets at Fair Value Through Profit/Loss ^(**)	7.630	6.560	35.955	12.576	82.786	3.242.258	3.387.765
Money Market Placements	244.425	-	-	-	-	-	244.425
Inv. Securities Available for Sale	1.347.973	677.591	1.454.350	195.492	1.508.473	249.634	5.433.513
Loans and Receivables	10.696.734	5.063.645	14.834.952	13.324.249	4.661.639	1.502.061	50.083.280
Inv. Securities Held to Maturity	158.930	811.585	1.759.766	684.905	256.315	55.722	3.727.223
Other Assets	388.039	202.054	464.215	830.031	26.133	3.084.093	4.994.565
Total Assets	13.814.374	6.767.435	18.559.238	15.047.253	6.535.346	16.111.479	76.835.125
Liabilities							
Bank Deposits	1.103.611	258.593	40.184	-	-	20.614	1.423.002
Other Deposits	24.402.663	7.764.205	2.199.172	102.961	-	6.003.731	40.472.732
Money Market Borrowings	3.481.177	730.965	-	-	-	3.610	4.215.752
Sundry Creditors	2.133.518	-	-	-	-	1.692.140	3.825.658
Securities Issued	241.279	1.588.783	1.090.068	2.848.641	-	56.727	5.825.498
Funds Borrowed	576.218	1.018.251	6.069.164	271.075	3.567	36.521	7.974.796
Other Liabilities ^(***)	87	154	3.345	1.551	-	13.092.550	13.097.687
Total Liabilities	31.938.553	11.360.951	9.401.933	3.224.228	3.567	20.905.893	76.835.125
On Balance Sheet Long Position	-	-	9.157.305	11.823.025	6.531.779	-	27.512.109
On Balance Sheet Short Position	(18.124.179)	(4.593.516)	-	-	-	(4.794.414)	(27.512.109)
Off-Balance Sheet Long Position	4.644.902	6.246.235	-	-	-	-	10.891.137
Off-Balance Sheet Short Position	-	-	(390.290)	(8.283.929)	(1.858.489)	-	(10.532.708)
Total Position	(13.479.277)	1.652.719	8.767.015	3.539.096	4.673.290	(4.794.414)	358.429

(*) Non Interest Bearing column includes accruals, provision for losses and derivative financial instruments' fair value valuation difference.

(**) Financial Assets at Fair Value Through Profit/Loss include TL 1.988.746 derivative financial assets used for hedging purposes.

(***) Other Liabilities include derivative financial liabilities used for hedging purposes amounting to TL 352.080.

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	-	0,15	-	2,09
Due from Banks	-	1,19	-	10,49
Financial Assets at Fair Value Through Profit/Loss	1,95	4,50	-	9,66
Money Market Placements	-	0,40	-	10,74
Investment Securities Available for Sale	3,68	4,98	-	9,16
Loans and Receivables	4,51	4,44	4,09	13,73
Investment Securities Held for Trading	2,96	5,22	-	9,91
Liabilities				
Bank Deposits	1,19	0,99	-	10,27
Other Deposits	1,62	1,99	0,25	10,58
Money Market Borrowings	0,46	0,80	-	7,90
Sundry Creditors	1,80	1,80	-	5,69
Securities Issued	-	6,27	-	10,58
Funds Borrowed	2,34	3,15	-	9,99

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Average interest rates applied to monetary financial instruments

Prior Period	EUR %	USD %	JPY %	TL %
Assets				
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased) and Balances with the T.R. Central Bank	-	-	-	1,51
Due from Banks	0,10	1,48	-	10,66
Financial Assets at Fair Value Through Profit/Loss	3,50	4,65	-	7,33
Money Market Placements	-	-	-	11,04
Investment Securities Available for Sale	3,79	5,40	-	9,78
Loans and Receivables	4,88	4,47	4,37	13,65
Investment Securities Held to Maturity	2,96	5,27	-	11,38
Liabilities				
Bank Deposits	0,51	0,90	-	10,60
Other Deposits	2,00	2,30	0,25	9,89
Money Market Borrowings	0,67	0,66	-	9,53
Sundry Creditors	2,00	1,97	-	5,67
Securities Issued	-	5,40	-	8,79
Funds Borrowed	3,40	3,68	-	10,10

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 Group 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, sensitivity of net interest income is monitored and the prepayment rates of loans is considered managing the interest rate risk.

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

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

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

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

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Type of Currency	Shocks Applied (+/- x basis points)	Gains/Losses	Gains/Equity- Losses/Equity
1. TL	(+) 500	(914.991)	%(8,27)
	(-) 400	879.489	%(7,95)
2. EURO	(+) 200	(15.697)	%(0,14)
	(-) 200	29.242	%(0,26)
3. USD	(+) 200	(94.391)	%(0,85)
	(-) 200	96.114	%(0,87)
Total (of negative shocks)		1.004.845	%(9,08)
Total (of positive shocks)		(1.025.079)	%(9,26)

VI. Position risk of equity securities in banking book

Equity Securities (shares)	Comparison		
	Carrying Value	Fair Value	Market Value
1. Equity Investments Group A	8.428	-	8.428
Quoted Securities	8.428	-	8.428
2 Equity Investments Group B	7	-	7
Quoted Securities	7	-	7
3. Equity Investments Group C	-	-	-
Quoted Securities	-	-	-
4. Equity Investments Group Other	171.816 (*)	183.417 (**)	-

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

(**) Refers to entity under common control accounted at fair value but not traded at the quoted markets.

Portfolio	Gains/Losses in Current Period	Revaluation Surpluses		Unrealized Gains and Losses		
		Total	Amount under Core Capital	Total	Amount under Core Capital	Amount under Supplementary Capital
1. Private Equity Investments	-	-	-	-	-	-
2. Quoted Shares	205	-	-	761	-	342
3. Other Shares	-	-	-	-	-	-
4. Total	205	-	-	761	-	342

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VII. Explanations Related to Consolidated Liquidity Risk

- 1. 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 insufficient cash or cash inflows to meet the cash outflows completely and on time, as a result of instable cash flows. Liquidity risk may also result from inability to penetrate to market and to close open positions quickly at suitable prices and with sufficient amounts due to market disruptions or barriers. To mitigate liquidity risk, the 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 overcome the liquidity risk, the Parent Bank diversifies its funding sources. Besides, in order to secure short term liquidity requirements, the Parent Bank heads for bond issuances and long term foreign borrowings.

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

Liquidity coverage ratios are calculated weekly and monthly starting from 1 January 2015 as per "Regulation on Liquidity Coverage Ratio Calculation" published in the Official Gazette no. 28948, dated 21 March 2014. Liquidity coverage ratios should be at least 40% for foreign currency denominated assets and liabilities and 60% for total assets and liabilities for 2015. Liquidity coverage ratios for the second quarter of 2015 are as follows:

Current Period - June 30, 2015	FC	FC+TL
Average (%)	91,0 (%)	89,5 (%)

- 2. 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.

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

In order to meet urgent liquidity needs 11% (December 31, 2014 – 12%) of the balance sheet is allocated as cash and equivalents.

- 4. Evaluation of the Group's cash flows and their resources**

Cash flows of the Group are mainly denominated in Turkish Lira, US Dollars 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	Un-Allocated ^(*)	Total
Assets								
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metal) and Balances with the T.R. Central Bank	2.172.603	5.537.197	-	-	-	-	-	7.709.800
Due from Banks	367.535	48.212	6.491	-	-	-	-	422.238
Financial Assets at Fair Value Through Profit/Loss ^(**)	-	397.066	516.307	1.724.567	2.758.093	195.933	-	5.591.966
Money Market Placements	-	1.692.110	-	-	-	-	-	1.692.110
Investment Securities Available for Sale	18.037	351	53.759	98.965	1.701.047	3.654.935	-	5.527.094
Loans and Receivables	-	12.457.051	5.512.497	15.473.335	14.749.154	5.423.161	720.210	54.335.408
Investment Securities Held to Maturity	-	-	-	-	1.647.159	2.020.752	-	3.667.911
Other Assets	80.104	1.260.570	239.701	724.728	1.103.679	60.601	2.055.249	5.524.632
Total Assets	2.638.279	21.392.557	6.328.755	18.021.595	21.959.132	11.355.382	2.775.459	84.471.159
Liabilities								
Bank Deposits	20.855	1.078.525	319.905	30.515	-	-	-	1.449.800
Other Deposits	6.738.009	25.103.472	8.258.135	2.258.299	102.476	-	-	42.460.391
Funds Borrowed	238	1.561.093	317.015	4.002.409	1.170.401	2.468.854	-	9.520.010
Money Market Borrowings	-	3.254.304	760.879	446.859	-	82.243	-	4.544.285
Securities Issued	-	364.509	820.254	1.938.459	2.412.176	149.807	-	5.685.205
Sundry Creditors	-	3.092.968	217.635	780.375	1.938.724	33.992	-	6.063.694
Other Liabilities ^(***)	251	1.704.726	293.113	919.283	682.036	201.358	10.947.007	14.747.774
Total Liabilities	6.759.353	36.159.597	10.986.936	10.376.199	6.305.813	2.936.254	10.947.007	84.471.159
Liquidity Gap	(4.121.074)	(14.767.040)	(4.658.181)	7.645.396	15.653.319	8.419.128	(8.171.548)	-
Prior Period								
Total Assets	2.723.132	19.386.201	5.861.286	17.062.543	18.436.960	10.636.185	2.728.818	76.835.125
Total Liabilities	5.842.443	34.537.259	10.769.884	8.805.712	4.109.794	2.519.179	10.250.854	76.835.125
Net Liquidity Gap	(3.119.311)	(15.151.058)	(4.908.598)	8.256.831	14.327.166	8.117.006	(7.522.036)	-

- (*) The assets which are necessary to provide banking services and could not be liquidated in the short-term, such as fixed assets, investments in subsidiaries and associates, common shares unquoted on stock exchange, office stationery, and prepaid expenses are classified under this column.
Unallocated other liabilities include shareholders' equity amounting to TL 9.296.252, unallocated provisions amounting to TL 1.574.813 and tax liability amounting to TL 75.942.
- (**) Financial Assets at Fair Value Through Profit/Loss include derivative financial assets held for hedging purposes amounting to TL 3.178.300
- (***) Other Liabilities also include derivative financial liabilities held for hedging purposes amounting to TL 177.885.

VIII. Explanations Related to Securitization Positions

As of June 30, 2015 the Group has no securitization positions. (As of December 31, 2014 the Group has no securitization positions)

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IX. Explanations Related to Credit Risk Mitigation Techniques

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

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

Exposure Categories (**)	Amount(*)	Financial Collaterals	Other/Physical Collaterals	Guaranties and Credit Derivatives
Conditional and unconditional receivables from central governments or central banks	18.021.018	2.616.030	-	-
Conditional and unconditional receivables from regional or local governments	3.177	43	-	-
Conditional and unconditional receivables from administrative units and non-commercial enterprises	781	-	-	-
Conditional and unconditional receivables from multilateral development banks	-	-	-	-
Conditional and unconditional receivables from international organizations	-	-	-	-
Conditional and unconditional receivables from banks and brokerage houses	10.395.540	6.133.290	-	-
Conditional and unconditional receivables from corporates	25.164.386	797.818	-	-
Conditional and unconditional retail receivables	47.030.884	392.389	-	-
Conditional and unconditional receivables secured by mortgages	17.066.505	-	-	-
Past due receivables	732.124	812	-	-
Receivables defined in high risk category by BRSA	6.857.456	68.708	-	-
Securities collateralized by mortgages	-	-	-	-
Securitization positions	-	-	-	-
Short-term receivables from banks, brokerage houses and corporates	-	-	-	-
Investments similar to collective investment funds	13.154	-	-	-
Other receivables	4.338.929	38.314	-	-
Total	129.623.954	10.047.404	-	-

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

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

X. 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 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 yield against unpredictable losses, to support Bank's business strategy in the manner that control the risk by carrying out the business objectives,
- To improve the use and distribution of the capital and to increase the risk adjusted returns by adding risk to the measurement of 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 management culture throughout the Group.

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

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

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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	627.266	354.197	590.505	248.656
T.R. Central Bank	380.408	6.324.278	912.650	6.911.681
Others	22.141	1.510	133	295
Total	1.029.815	6.679.985	1.503.288	7.160.632

b) Balances with the Central Bank of Turkey

	Current Period		Prior Period	
	TL	FC	TL	FC
Unrestricted Demand Deposits	380.408	787.081	912.650	689.015
Restricted Time Deposits	-	5.537.197	-	6.222.666
Total	380.408	6.324.278	912.650	6.911.681

As of June 30, 2015, the compulsory rates for the reserve deposits at the Central Bank of Turkey for Turkish Lira are implemented within an interval from 5% to 11,5% depending on the maturity of deposits (December 31, 2014 – 5% to 11,5%) and the compulsory rates for the foreign currency liabilities are within an interval from 6% to 20% depending on the maturity of deposits (December 31, 2014 – 6% and 13%).

According to T. C. Central Bank press release No. 2014-72 dated October 21, 2014, starting from November 2014, interest is paid on reserve requirements held in TL. Additionally, according to T. C. Central Bank press release No. 2015-35 dated May 2, 2015, starting from May 5, 2015 interest is paid on USD reserve deposits, reserve options and unrestricted deposits. Interest rates used in subject interest payments are determined daily according to the changing global and local market conditions.

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 (*)	29.559	-	25.285	-
Other	-	-	-	-
Total	29.559	-	25.285	-

(*) Government bonds given as collateral 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 (*)	2.866	-	4.902	-
Treasury Bills	-	-	-	-
Other Debt Securities	-	-	4.952	-
Bonds Issued and Guaranteed by Banks (*)	3.642	-	961	-
Asset Backed Securities	-	-	-	-
Other	-	-	-	-
Total	6.508	-	10.815	-

(*) Government bonds, other public debt securities, bank bills and bank guaranteed bills subject to repurchase agreements presented 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	118.482	-	43.664	-
Swap Transactions	1.947.270	86.103	1.059.341	83.399
Futures	-	246	-	126
Options	-	141.592	-	65.940
Other	-	-	-	-
Total	2.065.752	227.941	1.103.005	149.465

3. a) Information on banks

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks				
Domestic	10.347	685	19.605	773
Foreign	132	411.074	20.178	259.878
Foreign Head Offices and Branches	-	-	-	-
Total	10.479	411.759	39.783	260.651

b) Information on foreign bank accounts

	Unrestricted Amount		Restricted Amount ^(**)	
	Current Period	Prior Period	Current Period	Prior Period
EU Countries	102.231	53.161	1.652	1.550
USA and Canada	234.435	158.377	22.222	3.923
OECD Countries ^(*)	4.245	2.946	-	-
Off-shore Banking Regions	44.760	54.881	-	-
Other	1.661	5.218	-	-
Total	387.332	274.583	23.874	5.473

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

^(**) Includes blocked placements at foreign banks amounting to TL 23.874 (December 31, 2014 - TL 5.473).

4. Information on receivables from reverse repurchase agreements

	Current Period		Prior Period	
	TL	FC	TL	FC
Domestic Transactions	1.500.441	134.394	200.062	-
T.R. Central Bank	-	-	-	-
Banks	1.500.441	134.394	200.062	-
Intermediary Institutions	-	-	-	-
Other Financial Institutions	-	-	-	-
Other Institutions	-	-	-	-
Real Persons	-	-	-	-
Foreign Transactions	-	-	-	-
T.R. Central Banks	-	-	-	-
Banks	-	-	-	-
Intermediary Institutions	-	-	-	-
Other Financial Institutions	-	-	-	-
Other Institutions	-	-	-	-
Real Persons	-	-	-	-
Total	1.500.441	134.394	200.062	-

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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	315.376	324.354	413.810	284.954
Other	-	-	-	-
Total	315.376	324.354	413.810	284.954

b) Investment securities available for sale subject to repurchase agreements

	Current Period		Prior Period	
	TL	FC	TL	FC
Government bonds	1.082.600	1.406.371	1.744.037	1.111.796
Treasury bills	-	-	-	-
Other debt securities	-	-	-	-
Bonds issued or bank guaranteed by banks	-	-	-	-
Asset backed securities	-	-	-	-
Other	-	-	-	-
Total	1.082.600	1.406.371	1.744.037	1.111.796

c) Investment securities available for sale

	Current Period	Prior Period
Debt securities	5.581.330	5.416.289
Quoted on a stock exchange (*)	5.581.330	5.409.632
Unquoted on a stock exchange	-	6.657
Share certificates	18.576	32.418
Quoted on a stock exchange (**)	14.054	27.912
Unquoted on a stock exchange	4.522	4.506
Impairment provision (-)	(72.812)	(15.194)
Total	5.527.094	5.433.513

(*) The Eurobond Portfolio amounting to TL 1.371.884 (December 31, 2014 - TL 1.199.653) which is accounted for as investment securities available for sale was hedged under fair value hedge accounting starting from March and April 2009. In the current period, government bonds portfolio hedged under fair value hedge accounting is nil (December 31, 2014 - TL 106.392). 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 13.941 (December 31, 2014 - TL 27.757).

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	-	40.655	1.715	34.288
Corporate Shareholders	-	40.655	1.715	34.288
Individual Shareholders	-	-	-	-
Indirect Loans Granted to Shareholders	-	-	-	-
Loans Granted to Employees (*)	70.075	-	66.957	-
Total	70.075	40.655	68.672	34.288

(*) Include the advances given to the bank personnel.

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

Cash Loans ^(*)	Performing Loans and Other Receivables			Loans and Other Receivables Under Close Monitoring		
	Loans and Other Receivables	Loans and Receivables with Revised Contract Terms		Loans and Other Receivables	Loans and Receivables with Revised Contract Terms	
		Extension of Repayment Plan	Other		Extension of Repayment Plan	Other
Non-specialized Loans	50.740.160	613.843	-	2.933.035	1.083.381	-
Discount Notes	995.619	-	-	16.947	-	-
Export Loans	1.258.714	-	-	109.595	-	-
Import Loans	9.692	-	-	-	-	-
Loans Given to Financial Sector	869.050	-	-	-	-	-
Retail Loans	12.942.132	80.030	-	939.161	181.755	-
Credit Cards	7.952.564	360.609	-	603.715	331.615	-
Other	26.712.389	173.204	-	1.263.617	570.011	-
Specialized Loans	-	-	-	-	-	-
Other Receivables	-	-	-	-	-	-
Total	50.740.160	613.843	-	2.933.035	1.083.381	-

^(*) The loans and other receivables amounting to TL 68.515 (December 31, 2014 – TL 98.143) are classified under “Loans at Fair Value Through Profit/Loss” in the financial statements.

No. of Extensions	Performing Loans and Other Receivables	Loans and Other Receivables under Follow-up
1 or 2 times	576.895	950.259
3, 4 or 5 times	36.948	1.719
Over 5 times	-	131.403
Total	613.843	1.083.381

Extension Periods	Performing Loans and Other Receivables	Loans and Other Receivables under Follow-up
0 - 6 months	89.529	191.653
6 -12 months	50.323	84.502
1 - 2 years	158.138	241.906
2 - 5 years	275.413	427.593
5 years and over	40.440	137.727
Total	613.843	1.083.381

c) Loans according to their maturity structure

Cash Loans ^(*)	Performing Loans and Other Receivables		Loans and Other Receivables Under Close Monitoring	
	Loans and Other Receivables	Loans and Receivables with Revised Contract Terms	Loans and Other Receivables	Loans and Receivables with Revised Contract Terms
Short-term Loans	22.554.070	360.609	603.715	331.615
Non-specialized Loans	22.554.070	360.609	603.715	331.615
Specialized Loans	-	-	-	-
Other Receivables	-	-	-	-
Medium and Long-term Loans	28.186.090	253.234	2.329.320	751.766
Non-specialized Loans	28.186.090	253.234	2.329.320	751.766
Specialized Loans	-	-	-	-
Other Receivables	-	-	-	-
Total	50.740.160	613.843	2.933.035	1.083.381

^(*) The loans and other receivables amounting to TL 68.515 (December 31, 2014 – TL 98.143) are classified under “Loans at Fair Value Through Profit/Loss” in the financial statements.

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

	Short Term	Medium and Long Term	Total	Interest and Income Accruals
Consumer Loans-TL	160.768	11.450.301	11.611.069	108.438
Housing Loans	751	5.147.833	5.148.584	61.492
Automobile Loans	238	38.959	39.197	331
Personal Need Loans	159.779	6.263.509	6.423.288	46.615
Other	-	-	-	-
Consumer Loans-FC Indexed	-	17.520	17.520	16.385
Housing Loans	-	16.834	16.834	15.617
Automobile Loans	-	-	-	-
Personal Need Loans	-	686	686	768
Other	-	-	-	-
Consumer Loans-FC	-	-	-	-
Housing Loans	-	-	-	-
Automobile Loans	-	-	-	-
Personal Need Loans	-	-	-	-
Other	-	-	-	-
Individual Credit Cards-TL	6.892.977	323.822	7.216.799	87.271
Installment	2.400.440	323.822	2.724.262	32.949
Non- Installment	4.492.537	-	4.492.537	54.322
Individual Credit Cards-FC	3.724	-	3.724	26
Installment	-	-	-	-
Non- Installment	3.724	-	3.724	26
Personnel Loans-TL	3.920	35.773	39.693	229
Housing Loans	-	387	387	-
Automobile Loans	-	43	43	-
Personal Need Loans	3.920	35.343	39.263	229
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	26.635	-	26.635	-
Installment	10.477	-	10.477	-
Non-Installment	16.158	-	16.158	-
Personnel Credit Cards-FC	82	-	82	-
Installment	-	-	-	-
Non-Installment	82	-	82	-
Overdraft Accounts-TL (Real Persons)	1.978.034	-	1.978.034	109.925
Overdraft Accounts-FC (Real Persons)	-	-	-	-
Total	9.066.140	11.827.416	20.893.556	322.274

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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	476.895	9.564.032	10.040.927	162.798
Real Estate Loans	210	254.317	254.527	2.798
Automobile Loans	3.813	352.636	356.449	5.404
Personal Need Loans	472.872	8.957.079	9.429.951	154.596
Other	-	-	-	-
Commercial Loans with Installment Facility - FC Indexed	34.382	1.364.948	1.399.330	198.556
Real Estate Loans	-	24.827	24.827	8.659
Automobile Loans	320	83.690	84.010	8.111
Personal Need Loans	34.062	1.256.431	1.290.493	181.786
Other	-	-	-	-
Commercial Loans with Installment Facility - FC	-	-	-	-
Real Estate Loans	-	-	-	-
Automobile Loans	-	-	-	-
Personal Need Loans	-	-	-	-
Other	-	-	-	-
Corporate Credit Cards –TL	1.205.314	1.439	1.206.753	14.539
Installment	367.998	1.439	369.437	4.451
Non-Installment	837.316	-	837.316	10.088
Corporate Credit Cards –FC	447	-	447	3
Installment	-	-	-	-
Non-Installment	447	-	447	3
Overdraft Accounts-TL (Legal Entities)	968.530	-	968.530	2.572
Overdraft Accounts-FC (Legal Entities)	-	-	-	-
Total	2.685.568	10.930.419	13.615.987	378.468

f) Loans according to borrowers ^(*)

	Current Period	Prior Period
Public	188.923	163.249
Private	53.484.272	49.446.817
Total	53.673.195	49.610.066

^(*) The loans and other receivables amounting to TL 68.515 (December 31, 2014 – TL 98.143) are classified under “Loans at Fair Value Through Profit/Loss” in the financial statements.

g) Domestic and foreign loans ^(*)

	Current Period	Prior Period
Domestic Loans	53.447.046	49.403.189
Foreign Loans	226.149	206.877
Total	53.673.195	49.610.066

^(*) The loans and other receivables amounting to TL 68.515 (December 31, 2014 – TL 98.143) are classified under “Loans at Fair Value Through Profit/Loss” in the financial statements.

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h) Loans granted to subsidiaries and associates

There are no loans granted to subsidiaries and associates

i) Specific provisions for loans

Specific Provisions	Current Period	Prior Period
Loans and Receivables with Limited Collectability	88.740	85.654
Loans and Receivables with Doubtful Collectability	385.918	440.187
Uncollectible Loans and Receivables	2.098.686	1.642.773
Total	2.573.344	2.168.614

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

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

	III. Group	IV. Group	V. Group
	Loans and receivables with limited collectability	Loans and receivables with doubtful collectability	Uncollectible loans and receivables
Current Period			
(Gross Amounts Before the Specific Provisions)	2.082	1.199	73.741
Restructured Loans and Other Receivables	-	-	-
Rescheduled Loans and Other Receivables	2.082	1.199	73.741
Prior Period			
(Gross Amounts Before the Specific Provisions)	133	4.457	78.247
Restructured Loans and Other Receivables	-	-	-
Rescheduled Loans and Other Receivables	133	4.457	78.247

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

	III. Group	IV. Group	V. Group
	Loans and receivables with limited collectability	Loans and receivables with doubtful collectability	Uncollectible loans and receivables
Prior Period End Balance	424.415	672.783	1.642.773
Additions (+)	791.728	52.091	33.608
Transfers from Other Categories of Non-Performing Loans (+)	-	711.878	591.218
Transfers to Other Categories of Non-Performing Loans (-)	711.878	591.218	-
Collections (-)	60.502	83.911	168.913
Write-offs (-)	-	-	-
Corporate and Commercial Loans	-	-	-
Consumer Loans	-	-	-
Credit Cards	-	-	-
Others	-	-	-
Current Period End Balance	443.763	761.623	2.098.686
Specific Provision (-)	88.740	385.918	2.098.686
Net Balances on Balance Sheet	355.023	375.705	-

^(*) 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 Parent Bank provided specific provisions for its 4th group commercial loans with 100% provision rate in the prior period, whereas in the current period the Parent Bank provided provision by using minimum provision ratios. After the stated change, the Bank has provided TL 106.803 less provision in the current period as compared to the provisioning method used in the prior period.

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

None (December 31, 2014 – 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)	355.023	375.705	-
Loans to Real Persons and Legal Entities (Gross)	443.763	761.623	2.083.001
Specific provision (-)	88.740	385.918	2.083.001
Loans to Real Persons and Legal Entities (Net)	355.023	375.705	-
Banks (Gross)	-	-	-
Specific provision (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	15.685
Specific provision (-)	-	-	15.685
Other Loans and Receivables (Net)	-	-	-
Prior Period (Net)	335.981	232.192	-
Loans to Real Persons and Legal Entities (Gross)	420.940	671.976	1.627.696
Specific provision (-)	84.959	439.784	1.627.696
Loans to Real Persons and Legal Entities (Net)	335.981	232.192	-
Banks (Gross)	-	-	-
Specific provision (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	10.887
Specific provision (-)	-	-	10.887
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 in 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.

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7. Information on factoring receivables

	Current Period		Prior Period	
	TL	FC	TL	FC
Short Term	523.585	14.389	432.339	9.570
Medium and Long Term	2.242	-	1.303	-
Total	525.827	14.389	433.642	9.570

As of June 30, 2015 and June 30, 2014, changes in provision for non-performing factoring receivables are as follows:

	Current Period	Prior Period
Prior Period End Balance	13.416	7.120
Provided Provision / (reversal), Net	4.440	3.123
Collections	(233)	(45)
Written off	-	-
Current Period End Balance	17.623	10.198

8. Information on investment securities held-to-maturity

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

	Current Period		Prior Period	
	TP	YP	TP	YP
Share certificates	-	-	-	-
Bond, Treasury bill and similar marketable securities	524.367	-	398.384	-
Other	-	-	-	-
Toplam	524.367	-	398.384	-

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

Held-to-maturity financial assets subject to repurchase agreements amount to TL 2.332.836 TL (31December 2014: TL 1.554.090) as of balance sheet date.

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Government Bond	2.792.418	102.694	3.003.772	90.418
Treasury Bill	77.707	-	48.794	-
Other Public Sector Debt Securities	-	-	-	-
Total	2.870.125	102.694	3.052.566	90.418

d) Information on investment securities held-to-maturity

	Current Period		Prior Period	
	TL	FC	TL	FC
Debt Securities	2.870.125	797.786	3.052.566	674.657
Publicly-traded	2.870.125	797.786	3.052.566	674.657
Non-publicly traded	-	-	-	-
Provision for losses (-)	-	-	-	-
Total	2.870.125	797.786	3.052.566	674.657

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e) Movement of held-to-maturity investments

	Current Period	Prior Period
Value at the beginning of the period	3.727.223	2.825.779
Exchange differences on monetary assets	106.559	32.352
Acquisitions during the year	246.398	631.486
Disposals through sales and redemptions	(512.035)	-
Provision for losses (-)	-	-
Valuation Effect	99.766	237.606
The sum of end of the period	3.667.911	3.727.223

9. Investments in associates (Net)

9.1. 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
57.389	30.944	36.771	411	-	5.165	3.980	-

^(*) Current period information is obtained from financial statements as of June 30, 2015, prior period profit and loss information is obtained from financial statements as of June 30, 2014.

9.2. Movements of investments in associates:

	Current Period	Prior Period
Balance at the Beginning of Period	3.766	3.766
Movements During the Period	-	-
Acquisitions	-	-
Bonus Shares Received	-	-
Dividends From Current Year Profit	-	-
Sales	-	-
Reclassifications	-	-
Increase/Decrease in Market Values	-	-
Currency Differences on Foreign Associates	-	-
Impairment Losses (-)	-	-
Balance at the End of the Period	3.766	3.766
Capital Commitments	-	-
Share Percentage at the end of the Period	-	-

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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	3.766
Total	3.766	3.766

9.4. Quoted Associates:

None (December 31, 2014 - None).

9.5. Valuation of investments in associates:

	Current Period	Prior Period
Valued at Cost	3.766	3.766
Valued at Fair Value	-	-
Valued at Equity Method	-	-
Total	3.766	3.766

9.6. Investments in associates sold during the current period:

None (December 31, 2014 - None).

9.7. Investments in associates acquired during the current period:

None (December 31, 2014 - None).

10. Investments in subsidiaries (Net)

a) Information on the Parent Bank's unconsolidated subsidiaries:

Subsidiaries below have not been consolidated since they are non financial investments, they are instead valued by cost method.

Title	Address (City/Country)	Bank's Share – If Different, Voting Rights (%)	Bank's Risk Group Share (%)
1. İbtech Uluslararası Bilişim ve İletişim Teknolojileri Araştırma, Geliştirme, Danışmanlık, Destek San. Ve Tic. A.Ş.	Istanbul/Turkey	%99,91	%99,99
2. EFİNANS Elektronik Ticaret ve Bilişim Hizmetleri A.Ş.	Istanbul/Turkey	%51,00	%51,00

(*)	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.	38.051	24.091	16.696	-	-	3.187	4.038	-
2. (**)	7.257	5.808	4.764	54	-	(559)	731	-

(*) Current period information is obtained from financial statements as of June 30, 2015, prior period profit and loss information is obtained from financial statements as of June 30, 2014.

(**) Represents the investment for the foundation of EFİNANS Elektronik Ticaret ve Bilişim Hizmetleri A.Ş. amounting to TL 3.060. In the Board of Directors meeting on August 22, 2013, it has been decided that the Bank shall participate with 51% share and TL 3.060 capital in the foundation of EFİNANS 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.

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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.	İstanbul/Turkey	99,60	99,74
2. Finans Finansal Kiralama A.Ş.	İstanbul/Turkey	51,06	69,00
3. Finans Yatırım Ortaklığı A.Ş. Under Liquidation ^(*)	İstanbul/Turkey	76,06(*)	76,13
4. Finans Portföy Yönetimi A.Ş.	İstanbul/Turkey	0,01	99,72
5. Finans Faktoring Hizmetleri A.Ş.	İstanbul/Turkey	99,99	100,00

^(*) The share of the Parent Bank is 10,01 %, the remaining 66,05% shareholding represents the purchases of publicly traded shares on the Borsa İstanbul (BIST).

^(**) As per Board of Directors meeting dated 21 May 2014, it has been decided for the liquidation of Finans Investment Trust. Liquidation decision will be presented for the approval of the shareholders at the General Board Meeting and those who vote and oppose will be granted the right to resign from the Company. The decisions of The Extraordinary General Meeting have been registered as of November 7, 2014. The shares of Finans Yatırım Ortaklığı A.Ş. have been unquoted from the exchange list and markets of Istanbul Stock exchange and banned for trade as of November 10, 2014. Finans Yatırım Ortaklığı A.Ş. is referred to as "Finans Yatırım Ortaklığı A.Ş. Under Liquidation" since November 7, 2014. Liquidation process is still in progress.

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

	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. ^(*)	236.852	115.168	3.347	6.657	581	38.135	2.989	93.868
2. ^(*)	2.090.665	582.486	4.584	83.363	-	24.931	25.520	168.524 ^(**)
3. ^(*)	22.070	22.017	1	1.133	-	884	1.611	14.512 ^{(**)(***)}
4. ^(*)	12.305	11.369	240	546	4	1.108	728	-
5. ^(*)	562.447	36.298	1.078	27.393	-	721	1.667	39.425

^(*) Current period information represents June 30, 2015 figures, and prior period profit/loss amounts represent June 30, 2014 figures as per the financial statements prepared in accordance with the BRSA regulations.

^(**) Fair values of publicly traded subsidiaries reflect their Borsa İstanbul (BIST) values as of the balance sheet date.

^(***) The market value of Finansbank Yatırım Ortaklığı A.Ş. as of November 7, 2014.

b.2) Movement of investments in subsidiaries

	Current Period	Prior Period
Balance at the Beginning of the Period	426.813	405.170
Movements during the Period	(110.483)	21.643
Purchases ^(*)	10.000	-
Bonus Shares Received	-	-
Dividends from Current Year Profit	-	-
Sales	-	-
Changes Due to Reclassification	-	-
Revaluation Difference	(120.483)	21.643
Impairment Provision	-	-
Balance at the End of the Period	316.330	426.813
Capital Commitments	-	-
Share Percentage at the end of the Period (%)	-	-

^(*) In the current period, Finans Faktoring Hizmetleri A.Ş. increased its' share capital by TL 10.000 in cash.

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b.3) Sectoral distribution of the consolidated subsidiaries

	Current Period	Prior Period
Banks	-	-
Insurance Companies	-	-
Factoring Companies	39.425	39.565
Leasing Companies	168.524	260.125
Finance Companies	-	-
Other Subsidiaries	108.381	127.123
Total	316.330	426.813

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	183.036	274.637
Quoted on International Stock Exchanges	-	-
Total	183.036	274.637

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

None.

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 Year Profit/Loss
Cigna Finans Emeklilik ve Hayat A.Ş. ^(*)	49,00%	49,00%	244.193	531.564	591.789	2.742	17.045
Bantaş Nakit ve Kıymetli Mal Taşıma ve Güvenlik Hizmetleri A.Ş. ^(*)	33,33%	33,33%	17.567	10.198	886	3.174	(320)

^(*) Current period information represents June 30, 2015 figures, and prior period profit/loss amounts represent June 30, 2014 figures.

12. Information on finance lease receivables (Net)

12.1. Maturity analysis of financial lease receivables

	Current Period		Prior Period	
	Gross	Net	Gross	Net
Less than 1 year	804.200	680.255	726.887	616.586
Between 1-4 years	1.083.497	940.700	942.507	824.705
Over 4 years	151.335	139.274	96.609	89.001
Total	2.039.032	1.760.229	1.766.003	1.530.292

Finance lease receivables include non-performing finance lease receivables amounting to TL 161.634 (December 31, 2014 – TL 143.955) and specific provisions amounting to TL 106.890 (December 31, 2014 – TL 96.339).

Changes in non-performing finance lease receivables provision as of June 30, 2015 and June 30, 2014, are as follows:

	Current Period	Prior Period
End of prior period	96.339	83.006
Provided provision / (reversal), Net	11.458	9.605
Collections	(907)	(5.233)
Provision at the end of the period	106.890	87.378

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12.2. Information on net investments in finance leases

	Current Period	Prior Period
Gross Finance Lease Investments	2.039.032	1.766.003
Unearned Finance Income (-)	278.803	(235.711)
Cancelled Leasing Agreements (-)	-	-
Net Investment on Leases	1.760.229	1.530.292

12.3. Information of finance 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:

	Current Period		Prior Period	
	TL	FC	TL	FC
Fair Value Hedge (*)	2.239.968	32.561	1.459.151	22.844
Cash Flow Hedge	905.771	-	506.751	-
Net Investment Hedge	-	-	-	-
Total	3.145.739	32.561	1.965.902	22.844

(*) Derivative financial instruments designated for the fair value hedge purposes comprise of swaps. As of June 30, 2015, TL 10.835 (December 31, 2014 - TL 36.343) represents the fair value of derivatives which are designated as hedging instruments to hedge the fair value changes in securities and TL 21.726 (December 31, 2014 - TL 20.170) represents the amount of issued bonds, TL 2.239.968 (December 31, 2014 - TL 1.425.482), represents the fair value of derivatives which are designated as hedging instruments to hedge the fair value changes in loans.

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14. Information on tax asset

According to TAS 12, the deferred tax assets and liabilities are netted off in the consolidated financial statements. The Bank has calculated TL 74.612 deferred tax asset (December 31, 2014 – TL 62.179) and there is no deferred tax liability. (December 31, 2014 – TL 1.488)

In case the difference between the book value of assets subject to deferred tax and their value subject to taxation is related to equity, deferred tax income or expense is netted off with related accounts in this group. TL 33.726 deferred tax asset has been netted off under equity. (December 31, 2014 – TL 34.544 deferred tax asset).

	Accumulated Temporary Differences		Deferred Tax Assets/(Liabilities)	
	June 30, 2015	December 31, 2014	June 30, 2015	December 31, 2014
Provision for Employee Rights	208.527	211.867	41.705	42.373
Difference Between the Book Value of Financial Assets and Tax Base	449.069	698.434	89.814	139.687
Unused Investment Incentives	298.103	191.234	59.621	38.247
Other				
Deferred Tax Assets			191.140	220.307
Difference Between the Book Value Financial Fixed Assets and Tax Base	(148.886)	(257.159)	(29.777)	(51.432)
Difference Between the Book Value of Financial Assets and Tax Base	(164.395)	(289.395)	(32.879)	(57.879)
Other	(269.362)	(251.523)	(53.872)	(50.305)
Deferred Tax Liabilities			(116.528)	(159.616)
Deferred Tax Assets/(Liabilities), Net			74.612	60.691
			Current Period	Prior Period
Deferred Tax as of January 1 Active/ (Passive) - Net			60.691	106.253
Deferred Tax (Loss) / Gain			14.739	(57.988)
Deferred Tax that is Realized Under Shareholder's Equity			(818)	(9.873)
June 30 Deferred Tax Active/ (Passive) - Net			74.612	38.392

15. Information on assets held for sale and discontinued operations

As of June 30, 2015, the Bank's assets held for sale is nil (December 31, 2014: TL 63.090).

Transfer of titles for the Bank's Gayrettepe Headquarter Building on Istanbul, Şişli, Mecidiyeköy, map section 307, Isle 1956, Parcel 41 and Polat Residence on Istanbul, Şişli, Mecidiyeköy, map section 303, Isle 1997 has been completed in March 25, 2015 and April 27, 2015, respectively. Subject buildings, which were accounted as assets held for sale, have been sold for USD 65.250.000 and USD 28.000.000, respectively. Additionally, it has been decided for the Akmerkez floors to be sold for USD 19.670.000 and the sale has occurred as of March 24, 2015.

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16. Information on other assets:

16.1. Information on prepaid expense, tax and similar items

	Current Period	Prior Period
Cheques Receivables from Other Banks	430.018	254.690
Other Prepaid Expenses	361.875	325.068
Assets Held for Resale (net)	113.149	138.126
Miscellaneous Receivables	75.425	66.453
Collateral Given for Derivative Transactions	60.808	73.789
Prepaid rent expenses	35.031	31.765
Advances Given	13.012	9.670
Prepaid Agency Commissions	3.035	6.564
Other	135.794	92.142
Total	1.228.147	998.267

16.2 If other assets exceed 10% of total assets, excluding off balance sheet commitments, the names and the balances of these accounts, the name and the amount of the subaccounts which create at least 20% of them are:

Details of the other assets are described in note 16.1 section of disclosure.

17. 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
Derivative Financial Instruments Held for Hedging	3.145.739	32.561	1.965.902	22.844
Assets on Trading Derivatives	2.065.752	227.941	1.103.007	149.465
Loans	877.885	123.703	670.666	119.800
Investment Securities Available for Sale	78.125	61.459	132.088	100.324
Investment securities held to maturity	77.707	9.599	48.794	6.927
Lease Receivables	6.365	7.671	5.461	7.455
Central Bank	4.183	-	-	-
Trading Securities	2.014	26	664	116
Banks	675	-	997	31
Other Accruals	38.421	393	4.954	173
Total	6.296.866	463.353	3.932.533	407.135

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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	1.644.613	-	2.292.231	12.680.220	349.364	175.572	953.421	3.021	18.098.442
Foreign Currency									
Deposits	2.812.304	-	1.508.613	9.839.429	432.631	162.479	419.980	3.840	15.179.276
Residents in Turkey	2.727.820	-	1.485.736	9.593.721	418.393	148.448	382.493	3.840	14.760.451
Residents Abroad	84.484	-	22.877	245.708	14.238	14.031	37.487	-	418.825
Public Sector Deposits	295.151	-	14.620	17.850	158	369	-	-	328.148
Commercial Deposits	1.547.729	-	1.212.226	2.671.972	192.835	112.554	171.550	-	5.908.866
Other Ins. Deposits	28.589	-	101.623	1.403.919	191.231	550.983	214.125	-	2.490.470
Precious Metal Deposits	409.623	-	-	3.174	5.484	103	36.805	-	455.189
Bank Deposits	20.855	-	38.738	1.118.784	243.759	27.215	449	-	1.449.800
T.R. Central Bank	-	-	-	-	-	-	-	-	-
Domestic Banks	4.362	-	-	-	-	8.365	-	-	12.727
Foreign Banks	16.493	-	38.738	1.118.784	243.759	18.850	449	-	1.437.073
Participation Banks	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total	6.758.864	-	5.168.051	27.735.348	1.415.462	1.029.275	1.796.330	6.861	43.910.191

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	1.478.602	-	2.302.799	11.989.509	479.169	287.251	1.491.669	3.859	18.032.858
Foreign Currency									
Deposits	1.839.631	-	1.415.763	8.626.554	441.796	159.241	482.581	3.521	12.969.087
Residents in Turkey	1.780.013	-	1.396.851	8.445.573	417.655	141.878	456.424	3.521	12.641.915
Residents Abroad	59.618	-	18.912	180.981	24.141	17.363	26.157	-	327.172
Public Sector Deposits	329.657	-	7.469	44.378	506	281	-	-	382.291
Commercial Deposits	1.560.852	-	1.398.650	4.157.214	139.228	121.681	89.369	-	7.466.994
Other Ins. Deposits	26.723	-	67.314	556.455	42.042	117.491	176.947	-	986.972
Precious Metal Deposits	582.107	-	-	3.920	42.910	5.586	7	-	634.530
Bank Deposits	17.791	-	1.105.752	259.084	34.475	5.900	-	-	1.423.002
T.R. Central Bank	-	-	-	-	-	-	-	-	-
Domestic Banks	2.259	-	-	14.220	-	4.081	-	-	20.560
Foreign Banks	15.299	-	1.105.752	244.864	34.475	1.819	-	-	1.402.209
Participation Banks	233	-	-	-	-	-	-	-	233
Other	-	-	-	-	-	-	-	-	-
Total	5.835.363	-	6.297.747	25.637.114	1.180.126	697.431	2.240.573	7.380	41.895.734

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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	9.656.495	9.502.043	8.440.373	8.529.289
Foreign Currency Savings Deposits	2.293.248	1.833.144	7.943.858	5.793.036
Other Saving Deposits	-	-	-	-
Foreign Branches' Deposits Under Foreign Insurance Coverage	-	-	-	-
Off-Shore Deposits Under Foreign Insurance Coverage	-	-	-	-
Total	11.949.743	11.335.187	16.384.231	14.322.325

1.2. Savings deposits in Turkey are not covered under insurance in another country since the headquarter 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	55.923	38.539
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	3.522	2.632
Total	59.445	41.171

2. Information on trading purpose derivatives

a) Negative value of trading purpose derivatives

	Current Period		Prior Period	
	TL	FC	TL	FC
Forwards	111.129	-	51.369	-
Swaps	1.662.724	145.097	1.041.448	109.145
Futures	-	123	-	47
Options	-	130.106	-	50.291
Other	-	-	-	-
Total	1.773.853	275.326	1.092.817	159.483

3. Informations on Funds Borrowed

a) Information on banks and other financial institutions

	Current Period		Prior Period	
	TL	FC	TL	FC
T.R. Central Bank Loans	-	-	-	-
Domestic Banks and Institutions	411.343	596.039	437.490	384.554
Foreign Banks, Institutions and Funds	135.766	5.918.210	60.781	4.970.259
Total	547.109	6.514.249	498.271	5.354.813

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b) Maturity information on funds borrowed

	Current Period		Prior Period	
	TL	FC	TL	FC
Short-Term	349.364	4.601.964	329.764	3.914.272
Medium and Long-Term	197.745	1.912.285	168.507	1.440.541
Total	547.109	6.514.249	498.271	5.354.813

The Bank obtained securitization loan amounting to USD 397 million in November 26, 2014 and EUR 356 million in November 27, 2014 with one year maturity according to the Board of Directors' decision No: 221 dated October 23, 2014.

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

As of June 30, 2015, the Group's liabilities comprise; 52% deposits (December 31, 2014 – 55%), 8% funds borrowed (December 31, 2014 – 8%), 7% issued bonds (December 31, 2014 – 8%) and 5% funds provided under repurchase agreements (December 31, 2014 – 5%).

4. Information on funds provided under repurchase agreements

	Current Period		Prior Period	
	TL	FC	TL	FC
From domestic transactions	2.644.004	-	2.715.336	-
Financial institutions and organizations	2.620.996	-	2.679.239	-
Other institutions and organizations	6.148	-	12.101	-
Real persons	16.860	-	23.996	-
From foreign transactions	5.014	1.817.607	9.901	1.431.183
Financial institutions and organizations	-	1.817.607	-	1.431.183
Other institutions and organizations	5.011	-	9.901	-
Real persons	3	-	-	-
Total	2.649.018	1.817.607	2.725.237	1.431.183

5. Information on securities issued (Net)

	Current Period		Prior Period	
	TL	FC	TL	FC
Bank Bonds	1.373.127	318.593	2.000.828	262.040
Bills	296.376	3.697.109	324.658	3.237.972
Total	1.669.503	4.015.702	2.325.486	3.500.012

The Parent Bank has government bond issue program (Global Medium Term Note Programme) amounting to USD 2 Billion.

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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 does not exceed 10% of total liabilities excluding the off-balance sheet items (December 31, 2014 – Does not exceed 10%).

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. Changes in agreements and further commitments arising

No changes have been made to the leasing agreements in the current period (December 31, 2014 – None).

- 7.2. Financial lease payables

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

- 7.3. Information on operational lease

Operational lease payments are recognized as an expense in the income statement on a straight-line basis over the lease terms. The Bank arranges operating lease arrangements for some of its ATM and branches. The lease contract is done on a yearly basis and the payment is made upfront each year and realized as an expense under the "Other Assets" account.

- 7.4. Information on "Sale -and- lease back" agreements

The Group does not have any sale-and-lease back transactions in the current period (December 31, 2014 – None).

8. Information on liabilities arising from hedging purpose derivatives

	Current Period		Prior Period	
	TL	FC	TL	FC
Fair Value Hedge ^(*)	518	144.315	70.738	149.976
Cash Flow Hedge ^(**)	33.052	-	131.366	-
Net Investment Hedge	-	-	-	-
Total	33.570	144.315	202.104	149.976

^(*) Derivative financial instruments for hedging purposes include swaps. As of June 30, 2015, TL 24.799 (December 31, 2014 – TL 98.050) represents the fair value of derivatives which are the hedging instruments of hedged loan portfolio, TL 120.034 represents the issued securities (December 31, 2014 – TL 122.664) represents the fair value of derivatives which are the hedging instruments of hedged investment securities available for sale portfolio.

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

9. Information on provisions

- 9.1. Information on general provisions

	Current Period	Prior Period
Provisions for Loans and Receivables in Group I	806.852	680.928
-Additional Provision for Loans and Receivables with Extended Maturities	56.262	55.947
Provisions for Loans and Receivables in Group II	155.356	125.096
-Additional Provision for Loans and Receivables with Extended Maturities	27.201	36.679
Provisions for Non - Cash Loans	83.700	75.473
Other	67.803	61.164
Total	1.113.711	942.661

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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 (*)	5.624	21.043

(*) 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 36.315 (December 31, 2014 - TL 47.736).

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 June 30, 2015, TL 127.091 (December 31, 2014 - TL 120.546) reserve for employee termination benefits was provided in the accompanying financial statements.

As of June 30, 2015, the Group accrued TL 39.868 (December 31, 2014 - TL 33.190) for the unused vacations under reserve for employee benefits account in the accompanying financial statements.

As of June 30, 2015, TL 41.568 (December 31, 2014 - TL 58.131) 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 01.01-30.06.2015	Prior Period 01.01-30.06.2014
As of January 1	120.546	90.390
Service cost	9.423	7.324
Interest Cost	4.883	4.321
Settlement / curtailment / termination loss	4.059	1.216
Paid during the period	(11.820)	(6.695)
Total	127.091	96.556

9.5. Information on other provisions

9.5.1. Information on General Reserves for Possible Risks

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

	Current Period	Prior Period
Provision for Closely Monitored Loans	113.318	106.334
General Reserves for Possible Risks	46.000	82.000
Provision for Promotion Expenses of Credit Cards	7.862	12.495
Other Provisions	49.080	48.659
Total	216.260	249.488

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10. Taxation

10.1. Current taxes

10.1.1. Current tax liability

As of June 30, 2015, the Group has current tax liability of TL 125.213 (December 31, 2014 - TL 240.905) and advance taxes of TL 49.271 (December 31, 2014 – TL 64.941).

The Group, reflected the current tax liability and prepaid taxes to the consolidated financial statements of subsidiaries to be clarified by the amounts in the financial statements. As a result of subjected net off, there is an amount of TL 75.942 (December 31, 2014 – 175.964) current tax liability in the consolidated financial statements.

10.1.2. Information on taxes payable

	Current Period	Prior Period
Corporate taxes payable	75.942	175.964
Banking and Insurance Transaction Tax (BITT)	44.406	39.417
Taxation on Securities Income	42.812	41.034
Taxation on Real Estates Income	2.536	1.893
VAT Payable	2.592	1.879
Other	20.325	19.157
Total	188.613	279.344

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

10.1.3 Information on premiums

	Current Period	Prior Period
Social Security Premiums - Employee Share	7.609	7.054
Social Security Premiums - Employer Share	8.507	7.687
Pension Fund Fee and Provisions – Employee Share	4	4
Pension Fund Fee and Provisions – Employer Share	12	12
Unemployment Insurance - Employee Share	541	495
Unemployment Insurance - Employer Share	1.082	992
Other	12	12
Total	17.767	16.256

11. Information on payables related to assets held for sale

None. (December 31, 2014: None)

12. Information on subordinated loans

	Current Period		Prior Period	
	TL	FC	TL	FC
From Domestic Banks	-	-	-	-
From Other Domestic Institutions	-	-	-	-
From Foreign Banks	-	2.458.652	-	2.121.712
From Other Foreign Institutions	-	-	-	-
Total	-	2.458.652	-	2.121.712

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 loan amounting to USD 325 million which was received in 2008 was paid back in 2010 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. Aforementioned loans are subject to interest payment every 6 months and principal payment at maturity. USD 585 million of existing subordinate loans will mature in 2021, USD 325 million will mature in 2020.

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13. Information on shareholder's equity

13.1. Paid-in capital

	Current Period	Prior Period
Common Stock	2.835.000	2.835.000
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	2.835.000	12.000.000

(*) According to the Board of Directors decision dated September 16, 2014, the Bank has decided to increase the registered capital ceiling from TL 6.000.000 to TL 12.000.000 and subject decision will be submitted to the Extraordinary General Assembly for approval dated December 4, 2014.

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

None (December 31, - 135.000 TL)

13.4. Information on share capital increases from revaluation funds

None (December 31, 2014 - 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 commitments, all of 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, 2014 - None).

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

According to the Board of Directors decision dated 16 September 2014, it has been founder that 100 dividend shares issued to National Bank of Greece in accordance with the Bank's Articles of Association will be cancelled at no cost. Subject decision will be presented for approval in the Extraordinary General Assembly for approval dated December 4, 2014. 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.

14. Common stock issue premiums, shares and equity instruments

	Current Period	Prior Period
Number of Stocks (Thousands)	28.350.000	28.350.000
Preferred Capital Stock	-	-
Common Stock Issue Premiums (*)	714	714
Common Stock Withdrawal Profits	-	-

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

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15. Marketable securities value increase fund

	Current Period		Prior Period	
	TL	FC	TL	FC
Associates, Subsidiaries and Entities under Common Control	-	-	-	-
Valuation Differences	-	-	-	-
Foreign Exchange Rate Differences	-	-	-	-
Securities Available-for-Sale	(53.203)	(108.662)	4.763	(56.619)
Valuation Differences	(53.203)	(108.662)	4.763	(56.619)
Foreign Exchange Rate Differences	-	-	-	-
Total	(53.203)	(108.662)	4.763	(56.619)

16. 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	186.152	19.724	169.606	19.121
Derivative Financial Liabilities Held for Trading	1.773.853	275.326	1.092.817	159.483
Funds Borrowed	24.961	37.908	25.513	38.708
Money Market Borrowings	2.074	2.847	2.227	1.382
Derivative Financial Liabilities Held for Hedging	33.570	144.315	202.104	149.976
Issued Securities	1.352	49.691	10.545	44.198
Other Accruals	59.843	85	33.675	39
Total	2.081.805	529.896	1.536.487	412.907

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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
Credit Cards Limit Commitments	16.651.976	16.812.040
Commitment For Use Guaranteed Credit Allocation	11.707.273	8.537.065
Forward Asset Purchase Commitments	3.455.062	2.550.320
Payment Commitments for Cheques	2.593.268	2.420.299
Other Irrevocable Commitments	545.252	565.897
Credit Cards and Promosions in regards to Banking Services	30.699	22.604
Tax and Fund Liabilities due to Export Commitments	8.524	7.626
Total	34.992.054	30.915.851

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

Specific provision is provided for the non-cash loans amounting to TL 36.315 (December 31, 2014 – TL 47.736) followed in the off-balance sheet accounts that are not indemnified and not liquidated yet. Tax and Fund Liabilities due to Export Commitments

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

	Current Period	Prior Period
Bank Loans	956.928	912.287
Letters of Credit	769.298	812.318
Other Guarantees	-	21.077
Total	1.726.226	1.745.682

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

	Current Period	Prior Period
Provisional Letters of Guarantee	352.147	412.514
Final Letters of Guarantee	4.411.202	4.054.914
Advance Letters of Guarantee	241.598	201.394
Letters of Guarantee Given to Customs Offices	314.584	266.710
Other Letters of Guarantee	2.816.575	2.479.195
Total	8.136.106	7.414.727

2. Total amount of non-cash loans

	Current Period	Prior Period
Non-Cash Loans granted for Obtaining Cash Loans	573.860	477.125
Less Than or Equal to One Year with Original Maturity	66.739	63.872
More Than One Year with Original Maturity	507.121	413.253
Other Non-Cash Loans	9.288.472	8.683.284
Total	9.862.332	9.160.409

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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	30.552	0,54	2.441	0,06	38.340	0,73	10.157	0,26
Farming and Raising Livestock	27.498	0,49	2.381	0,06	35.181	0,67	8.106	0,21
Forestry	960	0,02	-	-	746	0,01	-	-
Fishing	2.094	0,04	60	-	2.413	0,05	2.051	0,05
Manufacturing	1.016.869	18,10	2.424.492	57,14	977.016	18,74	1.987.079	50,63
Mining and Quarrying	35.647	0,63	11.915	0,28	27.120	0,52	-	-
Production	735.678	13,09	1.855.285	43,72	692.665	13,28	1.557.967	39,70
Electricity, gas and water	245.544	4,37	557.292	13,13	257.231	4,93	429.112	10,93
Construction	1.431.362	25,47	575.104	13,55	1.274.329	24,44	550.172	14,02
Services	3.057.546	54,41	1.232.799	29,05	2.838.584	54,43	1.364.461	34,77
Wholesale and Retail Trade	1.777.219	31,63	532.240	12,54	1.663.568	31,90	699.396	17,82
Hotel, Food and Beverage Services	76.500	1,36	64.942	1,53	54.015	1,04	60.312	1,54
Transportation&Communication	119.533	2,13	53.969	1,27	109.173	2,09	47.105	1,20
Financial Institutions	662.140	11,78	468.770	11,05	602.922	11,56	402.638	10,26
Real Estate and Renting Services	5.659	0,10	2.452	0,06	2.517	0,05	2.158	0,05
Self Employment Services	175.307	3,12	21.026	0,50	173.592	3,33	30.618	0,78
Educational Services	4.999	0,09	-	-	5.087	0,10	10	-
Health and Social Services	236.189	4,20	89.400	2,11	227.710	4,37	122.224	3,11
Other (*)	82.700	1,47	8.467	0,20	86.463	1,66	12.731	0,32
Total	5.619.029	100,00	4.243.303	100,00	5.214.732	100,00	3.924.600	100,00

(*) Does not include foreign currency balance of "Other Guarantees" TL 21.077 as of December 31, 2014.

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

	I. Group		II. Group	
	TL	FC	TL	FC
Letters of Guarantee	5.448.897	2.493.182	122.378	35.402
Bill of Exchange and Acceptances	20.133	934.388	-	2.339
Letters of Credit	2	769.295	-	1
Endorsements	-	-	-	-
Purchase Guarantees for Securities Issued	-	-	-	-
Factoring Related Guarantees	-	-	-	-
Other Collaterals and Sureties	-	-	-	-
Non-cash Loans	5.469.032	4.196.865	122.378	37.742

(*) Does not include non-cash loans amounting to TL 36.315 for which provision is provided, but which 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)	92.326.617	91.980.951
Forward transactions ^(*)	12.885.333	7.651.472
Swap transactions	67.006.565	74.223.938
Futures transactions	33.436	39.340
Option transactions	12.401.283	10.066.201
Interest Related Derivative Transactions (II)	12.940.724	9.542.658
Forward rate transactions	-	-
Interest rate swap transactions	12.940.724	9.542.658
Interest option transactions	-	-
Futures interest transactions	-	-
Security option transactions	-	-
Other trading derivative transactions (III)	604.418	417.402
A. Total Trading Derivative Transactions (I+II+III)	105.871.759	101.941.011
Types of hedging transactions	29.741.472	29.991.208
Fair value hedges	18.339.556	19.206.081
Cash flow hedges	11.401.916	10.785.127
Net investment hedges	-	-
B. Total Hedging Related Derivatives	29.741.472	29.991.208
Total Derivative Transactions (A+B)	135.613.231	131.932.219

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

The breakdown of the Group's foreign currency forward and currency 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	Other
Current Period									
TL	3.134.514	1.957.300	16.149.345	26.824.313	2.046.830	2.411.115	411	411	-
USD	1.870.438	3.568.944	35.244.625	24.238.412	2.787.902	2.500.374	16.307	16.307	604.418
EURO	1.394.924	874.883	4.971.312	1.937.913	1.341.365	1.288.641	-	-	-
Other	52.103	32.227	274.468	48.373	12.528	12.528	-	-	-
Total	6.451.979	6.433.354	56.639.750	53.049.011	6.188.625	6.212.658	16.718	16.718	604.418

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

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

	Forward Buy ^(**)	Forward Sell ^(**)	Swap Buy ^(*)	Swap Sell ^(*)	Option Buy	Option Sell	Future Buy	Future Sell	Other
Prior Period									
TL	1.824.574	1.193.287	20.750.021	28.431.303	1.502.096	1.608.873	448	448	-
USD	1.158.737	2.152.924	33.457.398	25.860.241	2.234.524	2.220.577	19.222	19.222	417.402
EURO	505.723	379.428	2.685.574	1.297.779	599.284	656.707	-	-	-
Other	335.237	101.562	140.878	1.134.610	686.580	557.560	-	-	-
Total	3.824.271	3.827.201	57.033.871	56.723.933	5.022.484	5.043.717	19.670	19.670	417.402

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

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

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5.1 Fair value hedge accounting

a) Loans

The Parent Bank enters into swap transactions in order to hedge itself from the changes in the fair value due to the changes in market interest rates of a certain portion of its long-term loans and applies fair value hedge accounting as per TAS 39. As of balance sheet date; the mortgage loans amounting to TL 4.912.211 (December 31, 2014 – TL 5.529.871) were subject to hedge accounting by swaps with a nominal of TL 4.980.031 (December 31, 2014 – TL 5.683.996). On June 30, 2015 the net market valuation difference loss amounting to TL 10.977 due to the losses from the loans amounting to TL 151.843 (June 30, 2014 – TL 154.049 gain) and gain from swaps amounting to TL 140.866 (June 30, 2014 – TL 143.793 loss) is accounted for under “gains / (losses) from financial derivatives transactions” line in the accompanying financial statements.

As of balance sheet date project finance loans amounting to TL 152.237 (December 31, 2014 – TL 148.712) have been subject to hedge accounting with swaps with a nominal amount of TL 146.873 (December 31, 2014 – TL 144.000). In 2015 TL 31 net fair valuation difference income, net of TL 3.255 (June 30, 2014 – TL 5.610 income) expense from loans and TL 3.286 (June 30, 2014 – TL 143.793 loss) income from swaps has been recorded under “Gains / (losses) from financial derivatives transactions” on 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 Parent Bank has booked the valuation effect amounting to TL 11.712 (June 30, 2014 – TL 16.527) 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 Parent Bank applies fair value hedge accounting to hedge itself against the changes in the interest rates related to long term foreign currency Eurobonds with fixed coupon held by the Bank using swaps as hedging instruments. As at the balance sheet date; Eurobonds with a nominal of USD 344,7 million and EUR 75,8 million (December 31, 2014 – USD 301 million and EUR 70,8 million) were subject to hedge accounting by interest rate swaps with the same nominal value. On June 30, 2015, the net market valuation difference gain amounting to TL 30 due to expense from Eurobonds amounting to TL 13.079 (June 30, 2014 – TL 58.164 gain) and gain from swaps amounting to TL 13.108 (June 30, 2014 – TL 58.242 loss) is accounted for under “gains / (losses) from financial derivatives transactions” line in the accompanying financial statements.

The Parent Bank does not apply fair value hedge on TL government bonds in the current period. (As of December 31, 2014, government bonds with a nominal of TL 102.030 were subject to hedge accounting by swaps with the same nominal value.)

c) Bonds issued

The Parent Bank applies fair value hedge accounting to hedge itself against the changes in the interest rates related to the foreign currency bonds issued using interest rate swaps as hedging instruments. As of the balance sheet date, bonds with nominal amount of USD 650 million (December 31, 2014 – USD 650 Million) have been subject to hedge accounting with the same nominal amount of swaps. As of June 30, 2015, TL 1.557 net fair valuation difference gain, net of TL 554 (June 30, 2014 – TL 5.924 gain) income from issued bonds and TL 1.003 (June 30, 2014 – TL 6.055 loss) income from swaps, has been recorded under “Gains / (losses) from financial derivatives transactions” on accompanying financial statements.

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d) Tangible Assets

The Parent Bank designates fair value hedge accounting through foreign currency fundings to be hedged from fair value changes resulting from currency changes in real estate property which has been bought in foreign currency and has a market value denominated in foreign currency until June 30, 2014. As of December 30, 2014, The Parent bank accounted fair value foreign currency gain amounting to TL 59.663 (June 30, 2014 – None) and the real estate that will be subject to hedge accounting is amortized over the economic life.

As of June 30, 2015, the effectiveness tests of abovementioned hedge is found to be effective.

5.2 Cash flow hedge accounting

a) Deposit

The Parent Bank applies cash flow hedge accounting using interest rate swaps in order to hedge itself from the interest rate changes of deposits that have an average maturity of 1 month, the Parent Bank implements cash flow hedge accounting with interest rate swaps. The Parent Bank implements efficiency tests at the balance sheet dates for hedging purposes; the effective portions are accounted for under equity “Hedging Funds”, whereas the ineffective portions are accounted for at income statement as defined in TAS 39. As at the balance sheet date, swaps amounting to TL 1.915.130 are subject to hedge accounting as hedging instruments (December 31, 2014 – TL 1.057.388). As a result of the mentioned hedge accounting, fair value gain before taxes amounting to TL 48.750 are accounted for under equity during the current period (June 30, 2014 – TL 20.463 loss). The ineffective portion of gain amounting to TL 1 (June 30, 2014 – TL 884 loss) is accounted for at the income statement.

As at the balance sheet date, swaps amounting to USD 1.594 million are subject to hedge accounting as hedging instruments (December 31, 2014 – USD 1.854 million). As a result of the mentioned hedge accounting, fair value gain before taxes amounting to TL 82.720 are accounted for under equity during the current period (June 30, 2014 – TL 147.961 loss). The gain amounting to TL 265 (June 30, 2014 – TL 4.220 gain) 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 at periods when the expected cash flows subject to hedge accounting affect profit or loss (as in periods when interest income or expense is recognized). In the current period there is loss of TL 2.531 transferred amount from equity to income statement due to ineffectiveness or matured swaps. (June 30, 2014 – None).

The measurements as of June 30, 2015, hedge of cash flow transactions stated above are determined as effective.

6. Credit derivatives and risk exposures on credit derivatives

As of June 30, 2015, the Parent Bank has no commitments “credit linked notes”.(As of December 31, 2014, in the Parent Bank’s “other irrevocable commitments”, there are commitments for “credit linked notes” with a nominal of USD 9.089.264.)

As of June 30, 2015, “Other Derivative Financial Instruments” with nominal amount of USD 225.000.000 (December 31, 2014: USD 180.000.000) are included in Parent Bank’s “Swap Interest Sell Transactions.” In aforementioned transaction, Bank is the seller of the protection.

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7. Information on contingent liabilities and assets

None (December 31, 2014 – 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 May 2015		FITCH March 2015		CI August 2014	
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 (YP)	NP	Long-Term TL	BBB-	Foreign Currency Rating	Stable
Short-Term Deposit Rating (TL)	NP	Short-Term TL	F3	TL Rating	Stable
Financial Strength	E+ (b1)	Long-Term National	AA+(tur)	Long Term (TL)	BB+
Appearance	Negative	Appearance	Stable	Short Term (TL)	B
		Support	3	Financial Strength Rating	BBB+
		Individual	bbb-	Financial Strength Apperance	Stable
				Support	3

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IV. EXPLANATIONS ON 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	1.466.088	28.869	1.211.140	27.558
Medium and Long-Term Loans	1.444.468	170.666	1.271.101	101.889
Non-Performing Loans	39.561	-	50.404	-
Resource Utilization Support Fund Premiums	-	-	-	-
Total	2.950.117	199.535	2.532.645	129.447

b) Information on interest income from banks

	Current Period		Prior Period	
	TL	FC	TL	FC
T.R. Central Bank	-	-	-	-
Domestic Banks	1.794	4	456	5
Foreign Banks	213	768	300	3.111
Foreign Headquarters and Branches	-	-	-	-
Total	2.007	772	756	3.116

c) Information on interest income from securities portfolio

	Current Period		Prior Period	
	TL	FC	TL	FC
Held-for-Trading Financial Assets	1.247	122	4.505	37
Financial Assets at FVTPL	5.008	320	9.531	509
Investment Securities Available for Sale	156.483	51.211	191.987	31.816
Investment Securities Held to Maturity	137.069	20.449	134.760	10.887
Total	299.807	72.102	340.783	43.249

As stated in Section Three disclosure VII, the Bank has inflation indexed (CPI) government bonds in its availablefor sale and held-to-maturity portfolios. As disclosed in 'Inflation Indexed Bonds Manual' published by Turkish Treasury, reference index used for the actual payments is determined based on the inflation rates of two months before. The Bank determines the estimated inflation rates used for valuation of securities in line with this. In this context, as of 30 June 2015, valuation of such assets is made according to estimated annual inflation rate of 7,5 %. If valuation of these securities indexed to the CPI had been done by the reference index valid through 30 June 2015, the Group's equity security value decrease fund would decrease by TL 7 million, net profit would increase by TL 21 million and would be TL 516 million.

d) Information on interest income received from associates and subsidiaries

None (June 30, 2014 – None)

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks	29.376	124.645	20.485	112.285
T.R. Central Bank	-	-	-	-
Domestic Banks	20.103	7.883	14.454	5.902
Foreign Banks	14.902	116.762	6.031	106.383
Foreign Headquarters and Branches	-	-	-	-
Other Institutions	-	-	-	-
Total	35.005	124.645	20.485	112.285

b) Information on interest expense paid to associates and subsidiaries

	Current Period	Prior Period
Interest Paid to Associates and Subsidiaries	3.728	2.888

c) Information on interest expense paid to securities issued

As of June 30, 2015 the interest amount paid to securities issued is TL 196.917 (June 30, 2014 – TL 134.866).

d) Information on maturity structure of interest expenses on deposits

Current Period		Time Deposits					Accumulated Deposit Account	Total
Account Name	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	-	3.018	5.623	846	-	-	-	9.487
Saving Deposits	-	91.782	608.769	12.775	11.209	61.246	-	785.781
Public Sector Deposits	-	544	2.658	20	17	-	-	3.239
Commercial Deposits	-	77.702	202.176	11.901	5.424	5.816	-	303.019
Other Deposits	-	3.996	78.875	1.509	17.372	11.791	-	113.543
7 Days Call Accounts	-	-	-	-	-	-	-	-
Total	-	177.042	898.101	27.051	34.022	78.853	-	1.215.069
Foreign Currency								
Deposits	-	10.708	92.885	3.130	1.756	5.642	-	114.121
Bank Deposits	16	7.758	2.055	175	3	-	-	10.007
7 Days Call Accounts	-	-	-	-	-	-	-	-
Precious Metal Deposits	-	281	-	-	-	-	-	281
Total	16	18.747	94.940	3.305	1.759	5.642	-	124.409
Grand Total	16	195.789	993.041	30.356	35.781	84.495	-	1.339.478

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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	-	3.059	5.147	2.375	-	97	-	10.678
Saving Deposits	3	64.802	608.449	57.151	20.193	36.023	103	786.724
Public Sector Deposits	-	103	1.915	13	69.301	-	-	71.332
Commercial Deposits	-	78.922	225.568	9.412	8.258	2.368	-	324.528
Other Deposits	-	1.625	29.731	11.357	28.691	285	-	71.689
7 Days Call Accounts	-	-	-	-	-	-	-	-
Total	3	148.511	870.810	80.308	126.443	38.773	103	1.264.951
Foreign Currency								
Deposits	-	9.403	84.137	6.181	4.658	6.569	47	110.995
Bank Deposits	22	839	13.057	309	46	41	-	14.314
7 Days Call Accounts	-	-	-	-	-	-	-	-
Precious Metal Deposits	-	820	1.085	100	10	-	-	2.015
Total	22	11.062	98.279	6.590	4.714	6.610	47	127.324
Grand Total	25	159.573	969.089	86.898	131.157	45.383	150	1.392.275

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Interest Expenses on Repurchase Agreements ^(*)	98.472	6.688	108.769	3.681

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

f) **Information on finance lease expenses**

None (June 30, 2014 – None).

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

None (June 30, 2014 – None).

3. **Information on dividend income**

	Current Period	Prior Period
Financial Assets Held for Trading	57	249
Financial Assets at Fair Value Through Profit or Loss	-	-
Financial Assets Available for Sale	-	-
Other	-	-
Total	57	249

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4. Information on trading income/loss

	Current Period	Prior Period
Trading Gain	9.445.622	6.165.245
Gains on Capital Market Operations	48.906	63.520
Derivative Financial Instruments	2.277.346	2.008.003
Foreign Exchange Gains	7.119.370	4.093.722
Trading Loss (-)	(9.708.833)	(6.277.588)
Losses on Capital Market Operations	(36.507)	(58.407)
Derivative Financial Instruments	(2.531.749)	(2.085.259)
Foreign Exchange Losses	(7.140.577)	(4.133.922)
Net Trading Income/Loss	(263.211)	(112.343)

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 expense accruals cancelations in "Other Operating Income" account. As stated in Section Five disclosure I.15, in the current period, Gayrettepe Head Office's, Polat Residence's and Akmerkez floors' property titles are transferred to the new owner as of March 25, 2015, April 27, 2015 and March 24, 2015, respectively. The Parent Bank has recorded the profit from the sale of these buildings under "Other Operating Income" amounting to TL 195.427.

6. Provision for losses on loans and other receivables

	Current Period	Prior Period
Specific Provisions For Loans and Other Receivables	405.753	433.748
Loans and Receivables in Group III	104.538	28.849
Loans and Receivables in Group IV	86.297	198.866
Loans and Receivables in Group V	214.918	206.033
Doubtful Fee, Commission and Other Receivables	-	-
General Provisions	171.050	95.775
General reserves for possible risks	(36.000)	-
Provision for Free Reserves on Possible Losses	6.984	6.000
Impairment Losses on Securities	94	-
Financial assets at fair value through profit or loss	94	-
Investment Securities available for sale	-	-
Impairment Losses on Associates, Subsidiaries and	-	-
Investment Securities Held-to-Maturity	-	-
Associates	-	-
Subsidiaries	-	-
Entities under common control	-	-
Investment securities held-to-maturity	-	-
Other	3.657	7.192
Total	551.538	542.715

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7. Information on other operating expenses

	Current Period	Prior Period
Personnel costs	549.871	490.042
Reserve for employee termination benefits	6.545	6.278
Provision for pension fund deficits	-	-
Impairment losses on tangible assets	-	-
Depreciation charge of tangible assets	68.867	64.711
Impairment losses on intangible assets	-	-
Impairment losses on goodwill	-	-
Amortization charge of intangible assets	43.945	38.063
Impairment losses on investments under equity method of accounting	-	-
Impairment losses on assets to be disposed of	-	-
Depreciation on assets to be disposed	1.701	2.050
Impairment charge of assets held for sale and discontinued operations	-	-
Other operating expenses	432.924	452.992
<i>Operational lease related expenses</i>	<i>110.134</i>	<i>102.535</i>
<i>Repair and maintenance expenses</i>	<i>42.084</i>	<i>35.688</i>
<i>Advertisement expenses</i>	<i>33.202</i>	<i>48.404</i>
<i>Other expenses</i>	<i>247.504</i>	<i>266.365</i>
Losses on sales of assets	35	28
Other ^(*)	280.441	187.935
Total	1.384.329	1.242.099

^(*) Comprising repayments amounting to TL 82.995 (June 30, 2014: TL 29.573) in respect of Consumer Arbitration Committee and courts' decision, which was fees and commissions recognised in previous year as income.

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

For the period ended June 30, 2015, net interest income of TL 1.878.502 (June 30, 2014 – TL 1.389.052), net fees and commission income of TL 697.092 (June 30, 2014 – TL 757.939) and other operating income of TL 235.498 (June 30, 2014 – TL 233.592) constitute an important part of the period 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 June 30, 2015, the Group recorded current tax charge of TL 125.022 (June 30, 2014 - TL 60.975) and a deferred tax charge of TL 14.739 (June 30, 2014 – TL 57.988 deferred tax loss).

	Current Period	Prior Period
Current Tax Provision	(125.022)	(60.975)
Correction in regards to Corporate Tax from Prior Period	-	-
Deferred Tax Income/Expense	14.739	(57.988)
Total	(110.283)	(118.963)

9.2. Explanations on operating profit/loss after taxes

None (June 30, 2014 – None).

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

Net profit of the Group from continued operations is TL 495.853 (June 30, 2014 – TL 365.849).

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11. Explanations on net income/loss for the period

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

None (June 30, 2014 – 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.

None (June 30, 2014 – None).

11.3. Profit or loss attributable to minority shares

	Current Period	Prior Period
Profit / Loss Attributable to Minority Shares	8.040	8.292

11.4. There is no change 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, while fees and commissions given to credit cards are recorded in the "Others" line under "Fees and Commissions Paid" account by the Parent Bank.

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V. EXPLANATIONS AND DISCLOSURES RELATED TO CONSOLIDATED CASH FLOWS STATEMENT

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

	Current Period	Prior Period
	January 1, 2015	January 1, 2014
Cash	839.524	1.047.250
Cash in TL	590.505	633.575
Cash in Foreign Currencies	248.656	413.150
Other	363	525
Cash Equivalents	2.129.654	1.224.848
Balances with the T.R. Central Bank	1.601.665	752.806
Banks and Other Financial Institutions	294.961	472.895
Money Market Placements	244.425	3.433
Less: Placements with Banks with Maturities Longer than 3 Months	(10.369)	(4.143)
Less: Accruals	(1.028)	(143)
Cash and Cash Equivalents	2.969.178	2.272.098

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

	Current Period	Prior Period
	June 30, 2015	June 30, 2014
Cash	1.004.045	1.030.894
Cash in TL	627.266	615.779
Cash in Foreign Currencies	354.197	391.628
Other	22.582	23.487
Cash Equivalents	3.253.105	1.281.001
Balances with the T.R. Central Bank	1.167.489	854.070
Banks and Other Financial Institutions	398.364	402.549
Money Market Placements	1.692.110	24.919
Less: Placements with Banks with Maturities Longer than 3 Months	-	-
Less: Accruals	(4.858)	(537)
Cash and Cash Equivalents	4.257.150	2.311.895

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

A portion of foreign bank accounts amounting to TL 23.874 (December 31, 2014- TL 5.473) includes blocked cash for foreign money and capital market transactions and for borrowings from foreign markets.

4. Additional information

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

None.

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VI. 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 June 30, 2015, the Parent Bank's risk group has deposits amounting to TL 95.940 (December 31, 2014 – TL 238.312). The Parent Bank has not non cash loans (December 31, 2014 – TL 34.991) and cash loans granted to the risk group (December 31, 2014- TL 1.715).

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	-	-	1.715	34.288	-	702
Balance at the End of the Period	-	-	-	40.655	-	1.288
Interest and Commission Income	-	-	-	18	-	6

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	-	-	-	32.895	-	307
Balance at the End of the Period	-	-	1.715	34.288	-	702
Interest and Commission Income ^(**)	-	-	3	16	-	-

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

^(**) Represents June 30, 2014 balance.

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	202.176	145.235	17.036	18.776	19.100	16.594
Balance at the End of the Period	72.062	202.176	16.673	17.036	7.205	19.100
Interest on deposits ^(**)	3.728	13.438	4.776	-	125	322

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

^(**) Prior Period represents June 30, 2014 balance.

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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	-	-	134.496	130.397	102.824	177.748
End of the Period	-	-	155.805	134.496	85.844	102.824
Total Income/Loss (**)	-	-	(2.082)	(2.748)	1.091	869
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.

(**) Prior Period represents June 30, 2014 balance.

- 1.4.** As of June 30, 2015, the total amount of remuneration and bonuses paid to top management of the Group is TL 47.446 (June 30, 2014- TL 37.538).

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 matters

As of June 30, 2015, the rate of cash loans of the risk group divided by to total loans is not calculated due to fact that there are no loans provided to the risk group; (December 31, 2014 – 0,3%); the deposits represented 0,2% (December 31, 2014 – 0,5%) of the Parent Bank's total deposits and the derivative transactions represented 0,2% (December 31, 2014 – 0,2%) of the total derivative transactions.

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.

Total of investment 20 funds established by The Parent Bank are all managed by Finans Portföy Yönetimi A.Ş.

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

Bantaş Nakit ve Kıymetli Mal Taşıma ve Güvenlik Hizmetleri A.Ş., in which the Parent Bank participated with 33,33% shareholding, provides cash transfer services to the Parent Bank.

Information in regards to subordinate loans the Bank received from National Bank of Greece S.A. is explained in Section 5 Note II. 12.

The Parent Bank offers agency services to Cigna Finans Emeklilik and Hayat A.Ş. that is 49,00% jointly controlled for its insurance services.

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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

The Bank has issued, on July 3, 2015, bonds with a nominal amount of TL 34.452.000 with 11,53% interest rate and 77 days maturity. The Parent Bank has issued, on July 23, 2015, bonds with a nominal amount of TL 27.520.000 with 10,80% interest rate and 180 days maturity, on July 29, 2015 bonds with a nominal amount of TL 133.900.000, 10,80% interest rate and 86 days maturity.

On July 15, 2015, the Bank's Board of Directors has decided to acquire PSA Finansman Anonim Şirketi to provide consumer financing services and signed a share purchase agreement with Banque PSA Finance, PSA Financial Holding B.V., Peugeot Finance International N.V., Marcin Bartosz Kruczkowski, BPF Pazarlama ve Acentelik Hiz. A.Ş. Transfer of subject shares to the Bank will be realized following release of necessary authorizations from BRSA.

As at July 22, 2015, the Bank's Board of Directors has decided to increase its paid-in capital from TL 2.835.000 to TL 3.000.000 as bonus shares through internal reserves amounting to TL 165.000. TL 141.750 of the bonus shares will be provided from first dividend of the year 2014 and TL 23.250 of the bonus shares will be provided from subsidiary and real estate sales fund. The dematerialized shares will be allocated to the shareholders in accordance with the Capital Market legislation. General Management will be authorized in the process to apply to BRSA, the Capital Markets Board and other related institutions in order to obtain the necessary permissions.

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

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

3. Other matters

None.

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SECTION SEVEN

INDEPENDENT LIMITED REVIEW REPORT

I. Explanations on Independent Limited Review Report

The consolidated financial statements for the period ended June 30, 2015 have been reviewed by Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (a member firm of Ernst&Young Global Limited). The auditor's review report dated July 30, 2015 is presented preceding the consolidated financial statements.

II. Explanations on the notes prepared by Independent Auditors

None (December 31, 2014 – None).