

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

Türkiye Garanti Bankası Anonim Şirketi
Unconsolidated Financial Statements

As of and For the Three-Month Period Ended
31 March 2015

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

**With Independent Accountants’
Limited Review Report Thereon**

DRT Bağımsız Denetim ve Serbest
Muhasebeci Mali Müşavirlik AŞ
28 April 2015

*This report contains “Independent Accountants’
Limited Review Report” comprising 2 pages
and; “Unconsolidated Financial Statements and
Related Disclosures and Footnotes” comprising 93
pages.*

LIMITED REVIEW REPORT FOR THE INTERIM FINANCIAL INFORMATION

To the Board of Directors of
Türkiye Garanti Bankası A.Ş.
İstanbul

Introduction

We have reviewed the accompanying statement of financial position of Türkiye Garanti Bankası A.Ş. (“the Bank”) as at 31 March 2015, and the income statement, statement of income and expense items under shareholders’ equity, statement of changes in shareholders’ equity and statement of cash flows for the three-month period then ended, and summary of significant accounting policies and other explanatory notes. The Bank management is responsible for the preparation and fair presentation of the accompanying interim financial information 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 the Banking Regulation and Supervision Board and circulars and pronouncements published by the Banking Regulation and Supervision Agency, (together referred as the BRSA Accounting and Reporting Regulations) and Turkish Accounting Standard 34 “Interim Financial Reporting” except for the matters regulated by the BRSA Accounting and Reporting Regulations. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements (ISRE) 2410, “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 conducted in accordance with Independent Auditing Standards 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 audit opinion.

Basis for Qualified Conclusion

As of the balance sheet date, the accompanying interim financial statements include a general reserve amounting to TL 450,000 thousands, TL 35,000 thousands of which was charged to the income statement as expense in the current period, provided by the Bank management in line with conservatism principle considering the circumstances which may arise from any changes in the economy or market conditions.

Conclusion

Based on our review, except for the effect of the matter referred to in the preceding paragraph on the financial statements, nothing has come to our attention that causes us to believe that the accompanying interim financial information does not present fairly, in all material respects, the financial position of Türkiye Garanti Bankası A.Ş. as at 31 March 2015, and of the results of its operations and its cash flows for the three-month period then ended 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 the Banking Regulation and Supervision Board and circulars and pronouncements published by the Banking Regulation and Supervision Agency, (together referred as the BRSA Accounting and Reporting Regulations) and Turkish Accounting Standard 34 “Interim Financial Reporting” except for the matters regulated by the BRSA Accounting and Reporting Regulations.

Additional paragraph for English translation:

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

DRT BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK AŞ

Member of **DELOITTE TOUCHE TOHMATSU LIMITED**



Şule Firuzment Bekçe

Partner

Istanbul, 28 April 2015

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

TÜRKİYE GARANTİ BANKASI ANONİM ŞİRKETİ
UNCONSOLIDATED INTERIM FINANCIAL REPORT
AS OF AND FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2015

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The unconsolidated interim financial report for the three-month period prepared in accordance with the communiqué of Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks as regulated by Banking Regulation and Supervision Agency, is comprised of the following sections:

1. General Information about the Bank
2. Unconsolidated Financial Statements of the Bank
3. Accounting Policies of Unconsolidated Financial Statements
4. Financial Position and Results of Operations of the Bank
5. Disclosures and Footnotes on Unconsolidated Financial Statements
6. Limited Review Report

The unconsolidated quarterly financial statements and related disclosures and footnotes that were subject to independent review, are prepared in accordance with the Regulation on Accounting Applications for Banks and Safeguarding of Documents, Turkish Accounting Standards, Turkish Financial Reporting Standards and the related statements and guidances, and in compliance with the financial records of our Bank and, unless stated otherwise, presented in **thousands of Turkish Lira (TL)**.

Ferit F. Şahenk
Board of Directors
Chairman

S. Ergun Özen
General Manager

İbrahim Aydın
Financial Reporting
Executive Vice President

Hakan Özdemir
General Accounting
Senior Vice President

M. Cüneyt Sezgin
Audit Committee Member

Manuel Pedro
Galatas Sanchez Harguindey
Audit Committee Member

The authorized contact person for questions on this financial report:

Name-Surname/Title: Handan SAYGIN/Senior Vice President of Investor Relations

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1 General Information

1.1 History of the bank including its incorporation date, initial legal status, amendments to legal status

Türkiye Garanti Bankası Anonim Şirketi (the Bank) was established by the decree of Council of Ministers numbered 3/4010 dated 11 April 1946 and its “Articles of Association” was issued in the Official Gazette dated 25 April 1946. The Bank provides banking services through 995 domestic branches, eight foreign branches and three representative offices abroad. The Bank’s head office is located in Istanbul.

1.2 Bank’s shareholder structure, management and internal audit, direct and indirect shareholders, change in shareholder structure during the year and information on bank’s risk group

As of 31 March 2015, the group of companies under Doğuş Holding AŞ that currently owns 24.23% shares of the Bank, is named the Doğuş Group (the Group).

On 22 December 2005, Doğuş Holding AŞ had completed the sale of 53,550,000,000 shares composing 25.5% of the Bank’s issued share capital to “GE Araştırma ve Müşavirlik Limited Şti” of General Electric (GE) Group. Accordingly, GE acquired a joint control on the Bank’s management.

GE Araştırma ve Müşavirlik Limited Şti had sold 9,765,000,000 shares of Türkiye Garanti Bankası AŞ at a nominal value of TL 97,650 each to Doğuş Holding AŞ, representing 4.65% of the issued share capital of Türkiye Garanti Bankası AŞ on 27 December 2007.

Number of shares representing 20.85% ownership of GE Araştırma ve Müşavirlik Limited Şti increased to 87,571,249,898 subsequent to the capital increase through issuance of bonus shares. The company sold 83,371,249,899 shares at a total nominal value of TL 833,712 thousands representing 19.85% ownership in Türkiye Garanti Bankası AŞ, to GE Capital Corporation on 29 December 2010, and the remaining 1% ownership in the stock exchange market on 11 December 2012.

On 22 March 2011, Banco Bilbao Vizcaya Argentaria SA (“BBVA”) acquired;

- 78.120.000.000 shares of the Bank owned by GE Capital Corporation at a total nominal value of TL 781,200 thousands representing 18.60% ownership, and
- 26.418.840.000 shares of the Bank owned by Doğuş Holding AŞ at a total nominal value of TL 264,188 thousands representing 6.29% ownership.

BBVA, holding 24.89% shares of the Bank, had joint control on the Bank’s management together with Doğuş Group.

On 7 April 2011, BBVA acquired additional 503.160.000 shares at a nominal value of TL 5,032 thousands and increased its ownership in the Bank’s share capital to 25.01%. As per the agreement between Doğuş Holding AŞ and BBVA, if any of the parties acquires additional shares during the next five years, it is required to offer half of the acquired shares to other party, in case that other party does not accept to purchase the offered shares, usufruct rights shall be established on the voting rights of such shares in favour of other party. Accordingly, although BBVA has acquired additional shares in April 2011, this does not affect their joint control on the Bank’s management.

Doğuş Group

The Doğuş Group that was established in 1951 initially for investments in construction sector, operates in seven sectors namely financial services, automotive, construction, real estate, tourism, media and energy with 132 companies and more than 30 thousand employees.

The major worldwide joint ventures of the Group are; Volkswagen AG and TÜVSÜD in automotive, CNBC, MSNBC and Condé Nast in media and, Hyatt International Ltd and HMS International Hotel GmbH (Maritim) in tourism.

The major investments of the Group in financial sector are; Türkiye Garanti Bankası AŞ, Garanti Bank International NV, Garanti Bank Moscow, Garanti Bank SA, Garanti Finansal Kiralama AŞ, Garanti Faktoring Hizmetleri AŞ, Garanti Yatırım Menkul Kıymetler AŞ, Garanti Portföy Yönetimi AŞ, Garanti Emeklilik ve Hayat AŞ, Doğuş Gayrimenkul Yatırım Ortaklığı AŞ and Volkswagen Doğuş Tüketici Finansmanı AŞ.

BBVA Group

BBVA is operating for more than 150 years, providing variety of wide spread financial and non-financial services to over 47 million retail and commercial customers.

The Group's headquarter is in Spain, where the Group has concrete leadership in retail and commercial markets. BBVA adopting innovative, and customer and community oriented management style, besides banking, operates in insurance sector in Europe and portfolio management, private banking and investment banking in global markets.

BBVA that owns a bank being the largest financial institution in Mexico, the market leader in South America, and one of the largest 15 commercial banks in United States, operates in more than 30 countries with more than 100 thousand employees.

1.3 Information on the bank's board of directors chairman and members, audit committee members, chief executive officer, executive vice presidents and their shareholdings in the bank

Board of Directors Chairman and Members:

Name and Surname	Responsibility	Appointment Date	Education	Experience in Banking and Business Administration
Ferit Faik Şahenk	Chairman	18.04.2001	University	25 years
Süleyman Sözen	Vice Chairman	08.07.2003	University	33 years
Dr.Muammer Cüneyt Sezgin	Independent Member of BOD and Audit Committee	30.06.2004	PhD	27 years
Dr. Ahmet Kamil Esirtgen	Member	19.03.1992	PhD	41 years
Manuel Castro Aladro	Member	22.03.2011	Master	23 years
Manuel Pedro Galatas Sanchez Harguindey	Independent Member of BOD and Audit Committee	05.05.2011	University	31 years
Jaime Saenz de Tejada Pulido	Member	02.10.2014	University	22 years
Angel Cano Fernandez	Member	22.03.2011	University	30 years
Belkıs Sema Yurdum	Independent Member	30.04.2013	University	27 years
Sait Ergun Özen	Member and CEO	14.05.2003	University	28 years

CEO and Executive Vice Presidents:

Name and Surname	Responsibility	Appointment Date	Education	Experience in Banking and Business Administration
Sait Ergun Özen	CEO	01.04.2000	University	28 years
Adnan Memiş	EVP-Support Services	03.06.1991	Master	37 years
Ali Fuat Erbil	EVP-Financial Institutions and Corporate Banking	30.04.1999	PhD	23 years
Erhan Adalı	EVP-Loans	03.08.2012	University	25 years
Gökhan Erün	EVP-Treasury, Investment Banking, Human Resources and Training	01.09.2005	Master	21 years
Faruk Nafiz Karadere	EVP-SME Banking	01.05.1999	University	33 years
Halil Hüsnü Erel	EVP-Technology, Operations Management and Central Marketing	16.06.1997	University	40 years
Recep Baştuğ	EVP-Commercial Banking	01.01.2013	University	25 years
Turgay Gönensin	EVP-Coordination of Domestic and Foreign Subsidiaries	15.12.2001	University	30 years
Aydın Şenel	EVP-Purchasing and Tax Management	02.03.2006	University	34 years
İbrahim Aydınlı	EVP-General Accounting, Economic Research and Customer Satisfaction	06.06.2013	Master	21 years
Avni Aydın Düren	EVP-Legal Services and Risk Monitoring	01.02.2009	Master	21 years
Betül Ebru Edin	EVP-Project Finance	25.11.2009	University	21 years
Murat Mergin	EVP-Financial and Strategic Planning	01.01.2002	University	21 years
Onur Genç	EVP-Retail Banking	20.03.2012	Master	16 years
Didem Başer	EVP-Delivery Channels and Social Platforms Management	20.03.2012	Master	20 years

The top management listed above does not hold any unquoted shares of the Bank.

1.4 Information on the bank's qualified shareholders

Name / Company	Shares	Ownership	Paid-in Capital	Unpaid Portion
Doğuş Holding AŞ	857,315	20.4123%	857,315	-
Banco Bilbao Vizcaya Argentaria SA	1,050,420	25.0100%	1,050,420	-

According to the decision made at the “General Assembly of Founder Shares Owners” and the “Extraordinary General Shareholders” meetings held on 13 June 2008, the Bank repurchased all the 370 founder share-certificates issued in order to redeem and exterminate them, subsequent to the permissions obtained from the related legal authorities, at a value of TL 3,876 thousands each in accordance with the report prepared by the court expert and approved by the Istanbul 5th Commercial Court of First Instance. A total payment of TL 1,434,233 thousands has been made to the owners of 368 founder share-certificates from “extraordinary reserves”, and the value of remaining 2 founder share-certificates has been blocked in the bank accounts.

Subsequent to these purchases, the clauses 15, 16 and 45 of the Articles of Association of the Bank have been revised accordingly.

1.5 Summary information on the bank's activities and services

Activities of the Bank as stated at the third clause of its Articles of Association are as follows:

- All banking operations,
- Participating in, establishing, and trading the shares of enterprises at various sectors within the limits set forth by the Banking Law;
- Providing attorneyship, insurance agency, brokerage and freight services in relation with banking activities,
- Purchasing/selling debt securities, treasury bills, government bonds and other share certificates issued by Turkish government and other official and private institutions,
- Developing economical and financial relations with foreign organizations,
- Dealing with all economic operations in compliance with the Banking Law.

The Bank's activities are not limited to those disclosed in that third clause, but whenever the Board of Directors deems any operations other than those stated above to be of benefit to the Bank, it is recommended in the general meeting, and the launching of the related project depends on the decision taken during the General Assembly which results in a change in the Articles of Association and on the approval of this decision by the Ministry of Industry and Commerce. Accordingly, the approved decision is added to the Articles of Association.

The Bank is not a specialized bank but deals with all kinds of banking activities. Deposits are the main sources of the lendings to the customers. The Bank grants loans to companies operating in various sectors while aiming to maintain the required level of efficiency.

The Bank also grants non-cash loans to its customers; especially letters of guarantee, letters of credit and acceptance credits.

1.6 Current or likely actual or legal barriers to immediate transfer of equity or repayment of debts between the bank and its subsidiaries

None.

2 Unconsolidated Financial Statements

(Convenience Translation of Financial Statements Originally Issued in Turkish)

Türkiye Garanti Bankası Anonim Şirketi Balance Sheet (Statement of Financial Position) At 31 March 2015

ASSETS		Footnotes	THOUSANDS OF TURKISH LIRA (TL)					
			CURRENT PERIOD 31 March 2015			PRIOR PERIOD 31 December 2014		
			TL	FC	Total	TL	FC	Total
I.	CASH AND BALANCES WITH CENTRAL BANK	(5.1.1)	2,170,328	22,913,544	25,083,872	1,759,994	23,312,658	25,072,652
II.	FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Net)	(5.1.2)	1,711,199	609,750	2,320,949	1,051,726	832,191	1,883,917
2.1	Financial assets held for trading		1,511,280	609,750	2,121,030	850,341	832,191	1,682,532
2.1.1	Government securities		92,259	13,298	105,557	37,988	8,112	46,100
2.1.2	Equity securities		58,233	-	58,233	63,609	-	63,609
2.1.3	Derivative financial assets held for trading		1,360,788	570,744	1,931,532	748,744	542,268	1,291,012
2.1.4	Other securities		-	25,708	25,708	-	281,811	281,811
2.2	Financial assets valued at fair value through profit or loss		199,919	-	199,919	201,385	-	201,385
2.2.1	Government securities		-	-	-	-	-	-
2.2.2	Equity securities		-	-	-	-	-	-
2.2.3	Loans	(5.1.2)	199,919	-	199,919	201,385	-	201,385
2.2.4	Other securities		-	-	-	-	-	-
III.	BANKS	(5.1.3)	561,273	9,709,478	10,270,751	1,419,891	7,020,058	8,439,949
IV.	INTERBANK MONEY MARKETS		-	-	-	-	80,446	80,446
4.1	Interbank money market placements		-	-	-	-	-	-
4.2	Istanbul Stock Exchange money market placements		-	-	-	-	80,446	80,446
4.3	Receivables from reverse repurchase agreements		-	-	-	-	-	-
V.	FINANCIAL ASSETS AVAILABLE-FOR-SALE (Net)	(5.1.4)	18,871,753	716,772	19,588,525	19,242,220	809,766	20,051,986
5.1	Equity securities		37,777	62,439	100,216	34,867	63,740	98,607
5.2	Government securities		17,454,291	11,736	17,466,027	17,500,522	604,159	18,104,681
5.3	Other securities		1,379,685	642,597	2,022,282	1,706,831	141,867	1,848,698
VI.	LOANS	(5.1.5)	91,999,344	53,122,081	145,121,425	85,488,518	48,569,280	134,057,798
6.1	Performing loans		91,351,306	53,122,081	144,473,387	84,861,650	48,569,280	133,430,930
6.1.1	Loans to bank's risk group	(5.7)	818,183	2,003,593	2,821,776	644,135	1,899,502	2,543,637
6.1.2	Government securities		-	-	-	-	-	-
6.1.3	Others		90,533,123	51,118,488	141,651,611	84,217,515	46,669,778	130,887,293
6.2	Loans under follow-up		3,413,624	-	3,413,624	3,300,829	-	3,300,829
6.3	Specific provisions (-)		2,765,586	-	2,765,586	2,673,961	-	2,673,961
VII.	FACTORING RECEIVABLES		-	-	-	-	-	-
VIII.	INVESTMENTS HELD-TO-MATURITY (Net)	(5.1.6)	11,510,164	8,048,335	19,558,499	13,387,858	7,626,644	21,014,502
8.1	Government securities		11,400,682	5,094,761	16,495,443	13,360,856	4,641,023	18,001,879
8.2	Other securities		109,482	2,953,574	3,063,056	27,002	2,985,621	3,012,623
IX.	INVESTMENTS IN ASSOCIATES (Net)	(5.1.7)	36,698	-	36,698	36,698	-	36,698
9.1	Associates consolidated under equity accounting		-	-	-	-	-	-
9.2	Unconsolidated associates		36,698	-	36,698	36,698	-	36,698
9.2.1	Financial investments in associates		33,032	-	33,032	33,032	-	33,032
9.2.2	Non-financial investments in associates		3,666	-	3,666	3,666	-	3,666
X.	INVESTMENTS IN SUBSIDIARIES (Net)	(5.1.8)	472,658	2,786,991	3,259,649	476,562	2,785,685	3,262,247
10.1	Unconsolidated financial investments in subsidiaries		368,422	2,786,991	3,155,413	372,326	2,785,685	3,158,011
10.2	Unconsolidated non-financial investments in subsidiaries		104,236	-	104,236	104,236	-	104,236
XI.	INVESTMENTS IN JOINT-VENTURES (Net)	(5.1.9)	-	-	-	-	-	-
11.1	Joint-ventures consolidated under equity accounting		-	-	-	-	-	-
11.2	Unconsolidated joint-ventures		-	-	-	-	-	-
11.2.1	Financial investments in joint-ventures		-	-	-	-	-	-
11.2.2	Non-financial investments in joint-ventures		-	-	-	-	-	-
XII.	LEASE RECEIVABLES (Net)	(5.1.10)	-	-	-	-	-	-
12.1	Financial lease receivables		-	-	-	-	-	-
12.2	Operational lease receivables		-	-	-	-	-	-
12.3	Others		-	-	-	-	-	-
12.4	Unearned income (-)		-	-	-	-	-	-
XIII.	DERIVATIVE FINANCIAL ASSETS HELD FOR RISK MANAGEMENT	(5.1.11)	48,464	288,879	337,343	46,202	120,050	166,252
13.1	Fair value hedges		27,813	-	27,813	31,158	83	31,241
13.2	Cash flow hedges		20,651	288,879	309,530	15,044	119,967	135,011
13.3	Net foreign investment hedges		-	-	-	-	-	-
XIV.	TANGIBLE ASSETS (Net)	(5.1.12)	1,326,772	193	1,326,965	1,357,239	178	1,357,417
XV.	INTANGIBLE ASSETS (Net)	(5.1.13)	168,809	74	168,883	173,942	24	173,966
15.1	Goodwill		-	-	-	-	-	-
15.2	Other intangibles		168,809	74	168,883	173,942	24	173,966
XVI.	INVESTMENT PROPERTY (Net)	(5.1.14)	146,320	-	146,320	147,465	-	147,465
XVII.	TAX ASSET		493,103	-	493,103	372,090	-	372,090
17.1	Current tax asset		-	-	-	-	-	-
17.2	Deferred tax asset	(5.1.15)	493,103	-	493,103	372,090	-	372,090
XVIII.	ASSETS HELD FOR SALE AND ASSETS OF DISCONTINUED OPERATIONS (Net)	(5.1.16)	166,268	-	166,268	171,016	-	171,016
18.1	Assets held for sale		166,268	-	166,268	171,016	-	171,016
18.2	Assets of discontinued operations		-	-	-	-	-	-
XIX.	OTHER ASSETS	(5.1.17)	2,852,708	665,184	3,517,892	2,150,700	479,403	2,630,103
TOTAL ASSETS			132,535,861	98,861,281	231,397,142	127,282,121	91,636,383	218,918,504

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

Türkiye Garanti Bankası Anonim Şirketi
Balance Sheet (Statement of Financial Position)
At 31 March 2015

LIABILITIES AND SHAREHOLDERS' EQUITY		Footnotes	THOUSANDS OF TURKISH LIRA (TL)					
			CURRENT PERIOD 31 March 2015			PRIOR PERIOD 31 December 2014		
			TL	FC	Total	TL	FC	Total
I. DEPOSITS	(5.2.1)	62,750,744	66,052,689	128,803,433	62,264,002	58,043,979	120,307,981	
1.1 Deposits from bank's risk group	(5.7)	985,545	428,744	1,414,289	1,147,243	418,458	1,565,701	
1.2 Others		61,765,199	65,623,945	127,389,144	61,116,759	57,625,521	118,742,280	
II. DERIVATIVE FINANCIAL LIABILITIES HELD FOR TRADING	(5.2.2)	2,152,560	981,307	3,133,867	1,066,789	507,454	1,574,243	
III. FUNDS BORROWED	(5.2.3)	3,363,255	28,370,539	31,733,794	3,956,059	28,367,351	32,323,410	
IV. INTERBANK MONEY MARKETS		10,303,720	2,294,618	12,598,338	4,897,146	6,488,774	11,385,920	
4.1 Interbank money market takings		-	-	-	-	-	-	
4.2 Istanbul Stock Exchange money market takings		-	-	-	-	-	-	
4.3 Obligations under repurchase agreements	(5.2.4)	10,303,720	2,294,618	12,598,338	4,897,146	6,488,774	11,385,920	
V. SECURITIES ISSUED (Net)	(5.2.4)	3,562,354	10,132,228	13,694,582	3,926,198	9,426,049	13,352,247	
5.1 Bills		1,133,744	297,521	1,431,265	1,088,546	387,887	1,476,433	
5.2 Asset backed securities		-	-	-	-	-	-	
5.3 Bonds		2,428,610	9,834,707	12,263,317	2,837,652	9,038,162	11,875,814	
VI. FUNDS		-	-	-	-	-	-	
6.1 Borrower funds		-	-	-	-	-	-	
6.2 Others		-	-	-	-	-	-	
VII. MISCELLANEOUS PAYABLES	(5.2.4.3)	5,951,741	990,572	6,942,313	6,094,877	721,753	6,816,630	
VIII. OTHER EXTERNAL FUNDINGS PAYABLE		2,407,545	606,982	3,014,527	1,798,344	585,551	2,383,895	
IX. FACTORING PAYABLES		-	-	-	-	-	-	
X. LEASE PAYABLES (Net)	(5.2.5)	401	-	401	538	-	538	
10.1 Financial lease payables		424	-	424	576	-	576	
10.2 Operational lease payables		-	-	-	-	-	-	
10.3 Others		-	-	-	-	-	-	
10.4 Deferred expenses (-)		23	-	23	38	-	38	
XI. DERIVATIVE FINANCIAL LIABILITIES HELD FOR RISK MANAGEMENT	(5.2.6)	67,487	258,259	325,746	99,572	179,811	279,383	
11.1 Fair value hedges		67,487	179,438	246,925	99,572	111,931	211,503	
11.2 Cash flow hedges		-	78,821	78,821	-	67,880	67,880	
11.3 Net foreign investment hedges		-	-	-	-	-	-	
XII. PROVISIONS	(5.2.7)	3,769,978	59,659	3,829,637	3,633,521	58,446	3,691,967	
12.1 General provisions		2,581,097	38,989	2,620,086	2,395,297	39,332	2,434,629	
12.2 Restructuring reserves		-	-	-	-	-	-	
12.3 Reserve for employee benefits		524,029	-	524,029	497,565	-	497,565	
12.4 Insurance technical provisions (Net)		-	-	-	-	-	-	
12.5 Other provisions		664,852	20,670	685,522	740,659	19,114	759,773	
XIII. TAX LIABILITY	(5.2.8)	544,925	26,415	571,340	638,471	22,179	660,650	
13.1 Current tax liability		544,925	26,415	571,340	638,471	22,179	660,650	
13.2 Deferred tax liability		-	-	-	-	-	-	
XIV. LIABILITIES FOR ASSETS HELD FOR SALE AND ASSETS OF DISCONTINUED OPERATIONS (Net)	(5.2.9)	-	-	-	-	-	-	
14.1 Assets held for sale		-	-	-	-	-	-	
14.2 Assets of discontinued operations		-	-	-	-	-	-	
XV. SUBORDINATED DEBTS	(5.2.10)	-	138,249	138,249	-	140,766	140,766	
XVI. SHAREHOLDERS' EQUITY	(5.2.11)	25,034,745	1,576,170	26,610,915	24,391,656	1,609,218	26,000,874	
16.1 Paid-in capital		4,200,000	-	4,200,000	4,200,000	-	4,200,000	
16.2 Capital reserves		881,768	1,441,207	2,322,975	1,023,450	1,473,069	2,496,519	
16.2.1 Share premium		11,880	-	11,880	11,880	-	11,880	
16.2.2 Share cancellation profits		-	-	-	-	-	-	
16.2.3 Securities value increase fund		20,487	1,449,996	1,470,483	165,620	1,490,236	1,655,856	
16.2.4 Revaluation surplus on tangible assets		175,034	-	175,034	175,034	-	175,034	
16.2.5 Revaluation surplus on intangible assets		-	-	-	-	-	-	
16.2.6 Revaluation surplus on investment property		-	-	-	-	-	-	
16.2.7 Bonus shares of associates, subsidiaries and joint-ventures		1,891	-	1,891	1,891	-	1,891	
16.2.8 Hedging reserves (effective portion)		(48,065)	(8,789)	(56,854)	(51,516)	(17,167)	(68,683)	
16.2.9 Revaluation surplus on assets held for sale and assets of discontinued operations		-	-	-	-	-	-	
16.2.10 Other capital reserves		720,541	-	720,541	720,541	-	720,541	
16.3 Profit reserves		15,967,958	134,963	16,102,921	15,967,958	136,149	16,104,107	
16.3.1 Legal reserves		1,120,009	11,016	1,131,025	1,120,009	11,113	1,131,122	
16.3.2 Status reserves		-	-	-	-	-	-	
16.3.3 Extraordinary reserves		14,847,949	1,624	14,849,573	14,847,949	1,638	14,849,587	
16.3.4 Other profit reserves		-	122,323	122,323	-	123,398	123,398	
16.4 Profit or loss		3,985,019	-	3,985,019	3,200,248	-	3,200,248	
16.4.1 Prior periods profit/loss		3,200,248	-	3,200,248	-	-	-	
16.4.2 Current period net profit/loss		784,771	-	784,771	3,200,248	-	3,200,248	
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		119,909,455	111,487,687	231,397,142	112,767,173	106,151,331	218,918,504	

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

Türkiye Garanti Bankası Anonim Şirketi

Off-Balance Sheet Items

At 31 March 2015

OFF-BALANCE SHEET ITEMS	Footnotes	THOUSANDS OF TURKISH LIRA (TL)					
		CURRENT PERIOD			PRIOR PERIOD		
		31 March 2015			31 December 2014		
	TL	FC	Total	TL	FC	Total	
A. OFF-BALANCE SHEET COMMITMENTS AND CONTINGENCIES (I+II+III)		156,750,090	200,896,584	357,646,674	120,417,843	150,106,909	270,524,752
I. GUARANTEES AND SURETIES	(5.3.1)	12,820,817	27,565,350	40,386,167	12,149,324	24,592,541	36,741,865
1.1. Letters of guarantee		12,801,052	16,508,619	29,309,671	12,138,797	15,065,503	27,204,300
1.1.1. Guarantees subject to State Tender Law		-	866,755	866,755	-	883,228	883,228
1.1.2. Guarantees given for foreign trade operations		1,635,511	351,282	1,986,793	1,467,460	358,771	1,826,231
1.1.3. Other letters of guarantee		11,165,541	15,290,582	26,456,123	10,671,337	13,823,504	24,494,841
1.2. Bank acceptances		19,587	1,007,653	1,027,240	9,600	806,287	815,887
1.2.1. Import letter of acceptance		19,587	1,007,653	1,027,240	9,600	806,287	815,887
1.2.2. Other bank acceptances		-	-	-	-	-	-
1.3. Letters of credit		178	9,952,398	9,952,576	927	8,634,049	8,634,976
1.3.1. Documentary letters of credit		-	-	-	-	-	-
1.3.2. Other letters of credit		178	9,952,398	9,952,576	927	8,634,049	8,634,976
1.4. Guaranteed prefinancings		-	-	-	-	-	-
1.5. Endorsements		-	-	-	-	-	-
1.5.1. Endorsements to the Central Bank of Turkey		-	-	-	-	-	-
1.5.2. Other endorsements		-	-	-	-	-	-
1.6. Underwriting commitments		-	-	-	-	-	-
1.7. Factoring related guarantees		-	-	-	-	-	-
1.8. Other guarantees		-	96,680	96,680	-	86,702	86,702
1.9. Other sureties		-	-	-	-	-	-
II. COMMITMENTS	(5.3.1)	39,506,970	14,010,370	53,517,340	37,528,618	10,668,844	48,197,462
2.1. Irrevocable commitments		39,461,626	14,009,163	53,470,789	37,486,609	10,667,931	48,154,540
2.1.1. Asset purchase and sale commitments		2,886,577	6,292,090	9,178,667	1,580,333	3,423,488	5,003,821
2.1.2. Deposit purchase and sale commitments		-	25,750	25,750	-	-	-
2.1.3. Share capital commitments to associates and subsidiaries		-	6,006	6,006	-	6,059	6,059
2.1.4. Loan granting commitments		6,429,124	7,363,442	13,792,566	6,099,365	6,258,759	12,358,124
2.1.5. Securities issuance brokerage commitments		-	-	-	-	-	-
2.1.6. Commitments for reserve deposit requirements		-	-	-	-	-	-
2.1.7. Commitments for cheque payments		3,062,981	-	3,062,981	2,874,901	-	2,874,901
2.1.8. Tax and fund obligations on export commitments		16,278	-	16,278	15,861	-	15,861
2.1.9. Commitments for credit card limits		25,795,560	-	25,795,560	25,643,188	-	25,643,188
2.1.10. Commitments for credit cards and banking services related promotions		6,896	-	6,896	8,751	-	8,751
2.1.11. Receivables from "short" sale commitments on securities		-	-	-	-	-	-
2.1.12. Payables from "short" sale commitments on securities		-	-	-	-	-	-
2.1.13. Other irrevocable commitments		1,264,210	321,875	1,586,085	1,264,210	979,625	2,243,835
2.2. Revocable commitments		45,344	1,207	46,551	42,009	913	42,922
2.2.1. Revocable loan granting commitments		45,344	191	45,535	42,009	-	42,009
2.2.2. Other revocable commitments		-	1,016	1,016	-	913	913
III. DERIVATIVE FINANCIAL INSTRUMENTS	(5.3.2)	104,422,303	159,320,864	263,743,167	70,739,901	114,845,524	185,585,425
3.1. Derivative financial instruments held for risk management		7,230,420	10,398,256	17,628,676	8,124,272	9,306,282	17,430,554
3.1.1. Fair value hedges		3,184,200	5,466,896	8,651,096	4,034,049	4,802,991	8,837,040
3.1.2. Cash flow hedges		4,046,220	4,931,360	8,977,580	4,090,223	4,503,291	8,593,514
3.1.3. Net foreign investment hedges		-	-	-	-	-	-
3.2. Trading derivatives		97,191,883	148,922,608	246,114,491	62,615,629	105,539,242	168,154,871
3.2.1. Forward foreign currency purchases/sales		16,768,954	20,052,085	36,821,039	10,433,472	12,525,055	22,958,527
3.2.1.1. Forward foreign currency purchases		7,030,069	10,947,805	17,977,874	4,403,523	7,131,163	11,534,686
3.2.1.2. Forward foreign currency sales		9,738,885	9,104,280	18,843,165	6,029,949	5,393,892	11,423,841
3.2.2. Currency and interest rate swaps		49,278,359	77,434,918	126,713,277	31,064,877	56,429,954	87,494,831
3.2.2.1. Currency swaps-purchases		19,328,151	33,420,535	52,748,686	8,800,932	26,229,976	35,030,908
3.2.2.2. Currency swaps-sales		25,000,460	24,401,007	49,401,467	17,994,441	14,420,078	32,414,519
3.2.2.3. Interest rate swaps-purchases		2,474,874	9,806,688	12,281,562	2,134,752	7,889,950	10,024,702
3.2.2.4. Interest rate swaps-sales		2,474,874	9,806,688	12,281,562	2,134,752	7,889,950	10,024,702
3.2.3. Currency, interest rate and security options		30,909,210	40,272,300	71,181,510	21,093,743	27,697,990	48,791,133
3.2.3.1. Currency call options		13,605,257	19,202,086	32,807,343	9,341,992	12,822,408	22,164,400
3.2.3.2. Currency put options		17,303,953	16,926,134	34,230,087	11,751,751	11,557,585	23,309,336
3.2.3.3. Interest rate call options		-	4,144,080	4,144,080	-	3,317,397	3,317,397
3.2.3.4. Interest rate put options		-	-	-	-	-	-
3.2.3.5. Security call options		-	-	-	-	-	-
3.2.3.6. Security put options		-	-	-	-	-	-
3.2.4. Currency futures		209,639	231,468	441,107	19,583	19,928	39,511
3.2.4.1. Currency futures-purchases		152,014	74,653	226,667	-	19,099	19,099
3.2.4.2. Currency futures-sales		57,625	156,815	214,440	19,583	829	20,412
3.2.5. Interest rate futures		-	122,313	122,313	-	92,200	92,200
3.2.5.1. Interest rate futures-purchases		-	-	-	-	-	-
3.2.5.2. Interest rate futures-sales		-	122,313	122,313	-	92,200	92,200
3.2.6. Others		25,721	10,809,524	10,835,245	3,954	8,774,715	8,778,669
B. CUSTODY AND PLEDGED ITEMS (IV+V+VI)		498,512,195	345,142,539	843,654,734	500,962,234	368,379,650	869,341,884
IV. ITEMS HELD IN CUSTODY		37,367,412	29,983,760	67,351,172	37,477,599	24,023,822	61,501,381
4.1. Customers' securities held		4,222,562	-	4,222,562	3,821,959	-	3,821,959
4.2. Investment securities held in custody		20,242,482	11,030,803	31,273,285	21,117,192	6,385,801	27,502,993
4.3. Checks received for collection		10,706,601	2,259,602	12,966,203	10,464,807	2,057,634	12,522,441
4.4. Commercial notes received for collection		2,083,174	1,015,098	3,098,272	1,974,120	890,177	2,864,297
4.5. Other assets received for collection		74,404	14,299,067	14,373,471	67,738	13,485,525	13,553,263
4.6. Assets received through public offering		-	62,639	62,639	-	56,584	56,584
4.7. Other items under custody		38,189	1,316,551	1,354,740	31,743	1,148,101	1,179,844
4.8. Custodians		-	-	-	-	-	-
V. PLEDGED ITEMS		461,144,783	315,158,779	776,303,562	463,484,675	344,355,828	807,840,503
5.1. Securities		3,367,757	2,875	3,370,632	3,521,997	13,356	3,535,353
5.2. Guarantee notes		40,153,538	10,143,383	50,296,921	41,898,793	12,376,006	54,274,799
5.3. Commodities		530	-	530	2,234	-	2,234
5.4. Warranties		-	-	-	-	-	-
5.5. Real estates		99,535,730	70,509,110	170,044,840	94,499,117	65,824,939	160,324,056
5.6. Other pledged items		318,087,058	234,502,856	552,589,914	323,562,364	266,141,026	589,703,390
5.7. Pledged items-depository		170	555	725	170	501	671
VI. CONFIRMED BILLS OF EXCHANGE AND SURETIES		-	-	-	-	-	-
TOTAL OFF-BALANCE SHEET ITEMS (A+B)		655,262,285	546,039,123	1,201,301,408	621,380,077	518,486,559	1,139,866,636

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

Türkiye Garanti Bankası Anonim Şirketi
Income Statement
For the Three-Month Period Ended 31 March 2015

INCOME AND EXPENSE ITEMS	Footnotes	THOUSANDS OF TURKISH LIRA (TL)	
		CURRENT PERIOD 1 January 2015- 31 March 2015	PRIOR PERIOD 1 January 2014- 31 March 2014
I. INTEREST INCOME	(5.4.1)	3,891,795	3,569,928
1.1 Interest income on loans		3,108,843	2,570,675
1.2 Interest income on reserve deposits		6,302	-
1.3 Interest income on banks		26,617	45,018
1.4 Interest income on money market transactions		1,070	1,483
1.5 Interest income on securities portfolio		705,084	921,906
1.5.1 Trading financial assets		6,857	9,335
1.5.2 Financial assets valued at fair value through profit or loss		-	-
1.5.3 Financial assets available-for-sale		381,340	508,532
1.5.4 Investments held-to-maturity		316,887	404,039
1.6 Financial lease income		-	-
1.7 Other interest income		43,879	30,846
II. INTEREST EXPENSE	(5.4.2)	1,958,520	1,969,402
2.1 Interest on deposits		1,354,211	1,345,988
2.2 Interest on funds borrowed		236,587	257,757
2.3 Interest on money market transactions		156,080	195,628
2.4 Interest on securities issued		198,471	165,416
2.5 Other interest expenses		13,171	4,613
III. NET INTEREST INCOME (I - II)		1,933,275	1,600,526
IV. NET FEES AND COMMISSIONS INCOME		753,187	730,269
4.1 Fees and commissions received		942,076	890,341
4.1.1 Non-cash loans		65,538	58,296
4.1.2 Others		876,538	832,045
4.2 Fees and commissions paid		188,889	160,072
4.2.1 Non-cash loans		543	196
4.2.2 Others		188,346	159,876
V. DIVIDEND INCOME	(5.4.3)	-	-
VI. NET TRADING INCOME/LOSSES (Net)	(5.4.4)	(25,545)	55,957
6.1 Trading account income/losses		214,278	(76,732)
6.2 Income/losses from derivative financial instruments		(1,341,836)	(115,347)
6.3 Foreign exchange gains/losses		1,102,013	248,036
VII. OTHER OPERATING INCOME	(5.4.5)	353,868	130,410
VIII. TOTAL OPERATING PROFIT (III+IV+V+VI+VII)		3,014,785	2,517,162
IX. PROVISION FOR LOSSES ON LOANS AND OTHER RECEIVABLES (-)	(5.4.6)	592,845	411,298
X. OTHER OPERATING EXPENSES (-)	(5.4.7)	1,383,269	1,102,148
XI. NET OPERATING PROFIT/LOSS (VIII-IX-X)		1,038,671	1,003,716
XII. INCOME RESULTED FROM MERGERS		-	-
XIII. INCOME/LOSS FROM INVESTMENTS UNDER EQUITY ACCOUNTING		-	-
XIV. GAIN/LOSS ON NET MONETARY POSITION		-	-
XV. OPERATING PROFIT/LOSS BEFORE TAXES (XI+XII+XIII+XIV)	(5.4.8)	1,038,671	1,003,716
XVI. PROVISION FOR TAXES (±)	(5.4.9)	253,900	243,386
16.1 Current tax charge		342,470	237,884
16.2 Deferred tax charge/(credit)		(88,570)	5,502
XVII. NET OPERATING PROFIT/LOSS AFTER TAXES (XV±XVI)	(5.4.10)	784,771	760,330
XVIII. INCOME FROM DISCONTINUED OPERATIONS		-	-
18.1 Income from assets held for sale		-	-
18.2 Income from sale of associates, subsidiaries and joint-ventures		-	-
18.3 Others		-	-
XIX. EXPENSES FROM DISCONTINUED OPERATIONS (-)		-	-
19.1 Expenses on assets held for sale		-	-
19.2 Expenses on sale of associates, subsidiaries and joint-ventures		-	-
19.3 Others		-	-
XX. PROFIT/LOSS BEFORE TAXES ON DISCONTINUED OPERATIONS (XVIII-XIX)	(5.4.8)	-	-
XXI. PROVISION FOR TAXES OF DISCONTINUED OPERATIONS (±)	(5.4.9)	-	-
21.1 Current tax charge		-	-
21.2 Deferred tax charge/(credit)		-	-
XXII. NET PROFIT/LOSS AFTER TAXES ON DISCONTINUED OPERATIONS (XX+XXI)	(5.4.10)	-	-
XXIII. NET PROFIT/LOSS (XVII+XXII)	(5.4.11)	784,771	760,330
Earnings per Share		0.187	0.181

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

Türkiye Garanti Bankası Anonim Şirketi
Statement of Income/Expense Items Accounted for under Shareholders' Equity
For the Three-Month Period Ended 31 March 2015

INCOME AND EXPENSE ITEMS UNDER SHAREHOLDERS' EQUITY	THOUSANDS OF TURKISH LIRA (TL)	
	CURRENT PERIOD 1 January 2015- 31 March 2015	PRIOR PERIOD 1 January 2014- 31 March 2014
I. MARKET VALUE GAINS ON AVAILABLE FOR SALE ASSETS ACCOUNTED UNDER "SECURITIES VALUE INCREASE FUND"	(221,318)	(59,236)
II. REVALUATION SURPLUS ON TANGIBLE ASSETS	-	-
III. REVALUATION SURPLUS ON INTANGIBLE ASSETS	-	-
IV. TRANSLATION DIFFERENCES FOR TRANSACTIONS IN FOREIGN CURRENCIES	(1,186)	(234)
V. GAIN/LOSS ON DERIVATIVE FINANCIAL ASSETS HELD FOR CASH FLOW HEDGES (effective portion)	14,786	49,601
VI. GAIN/LOSS ON DERIVATIVE FINANCIAL ASSETS HELD FOR HEDGES OF NET INVESTMENT IN FOREIGN OPERATIONS (effective portion)	-	-
VII. EFFECTS OF CHANGES IN ACCOUNTING POLICIES AND CORRECTIONS	-	-
VIII. OTHER INCOME/EXPENSE ITEMS ACCOUNTED UNDER SHAREHOLDERS' EQUITY AS PER TAS	681	71,654
IX. DEFERRED TAXES ON VALUE INCREASES/DECREASES	32,307	2,812
X. NET INCOME/EXPENSE ITEMS ACCOUNTED DIRECTLY UNDER SHAREHOLDERS' EQUITY (I+II+III+IV+V+VI+VII+VIII+IX)	(174,730)	64,597
XI. CURRENT PERIOD PROFIT/LOSSES	784,771	760,330
1.1 Net changes in fair value of securities (transferred to income statement)	53,605	2,685
1.2 Gains/losses on derivative financial assets held for cash flow hedges, reclassified and recorded in income statement	(26,694)	(2,263)
1.3 Gains/losses on hedges of net investment in foreign operations, reclassified and recorded in income statement	-	-
1.4 Others	757,860	759,908
XII. TOTAL PROFIT/LOSS ACCOUNTED FOR THE CURRENT PERIOD (X+XI)	610,041	824,927

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

(Convenience Translation of Financial Statements Originally Issued in Turkish)

Türkiye Garanti Bankası Anonim Şirketi
Statement of Changes in Shareholders' Equity
For the Three-Month Period Ended 31 March 2015

		THOUSANDS OF TURKISH LIRA (TL)																
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY	Footnotes	Paid-In Capital	Capital Reserves from Inflation Adj.s to Paid-In Capital	Share Premium	Share Cancellation Profits	Legal Reserves	Status Reserves	Extraordinary Reserves	Other Reserves	Current Period Net Profit/(Loss)	Prior Period Profit/(Loss)	Securities Value Increase Fund	Revaluation Surplus on Tangible and Intangible Assets	Bonus Shares of Equity Participations	Hedging Reserves	Accu. Rev. Surp. on Assets Held for Sale and Assets of Discont. Op.s	Total Shareholders' Equity	
PRIOR PERIOD																		
(1 January - 31 March 2014)																		
I. Balances at beginning of the period		4,200,000	772,554	11,880	-	1,110,148	-	12,312,753	106,457	-	3,005,560	913,419	174,304	1,891	(23,982)	-	22,584,984	
II. Correction made as per TAS 8		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2.1. Effect of corrections		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2.2. Effect of changes in accounting policies		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
III. Adjusted balances at beginning of the period (I+II)	(5.5)	4,200,000	772,554	11,880	-	1,110,148	-	12,312,753	106,457	-	3,005,560	913,419	174,304	1,891	(23,982)	-	22,584,984	
Changes during the period																		
IV. Mergers		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
V. Market value changes of securities		-	-	-	-	-	-	-	-	-	-	25,151	-	-	-	-	25,151	
VI. Hedging reserves		-	-	-	-	-	-	-	-	-	-	-	-	-	39,680	-	39,680	
6.1. Cash flow hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	39,680	-	39,680	
6.2. Hedge of net investment in foreign operations		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
VII. Revaluation surplus on tangible assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
VIII. Revaluation surplus on intangible assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
IX. Bonus shares of associates, subsidiaries and joint-ventures		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
X. Translation differences		-	-	-	-	(22)	-	-	(212)	-	-	-	-	-	-	-	(234)	
XI. Changes resulted from disposal of assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
XII. Changes resulted from reclassification of assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
XIII. Effect of change in equities of associates on bank's equity		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
XIV. Capital increase		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
14.1. Cash		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
14.2. Internal sources		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
XV. Share issuance		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
XVI. Share cancellation profits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
XVII. Capital reserves from inflation adjustments to paid-in capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
XVIII. Others		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
XIX. Current period net profit/loss		-	-	-	-	-	-	-	-	760,330	-	-	-	-	-	-	760,330	
XX. Profit distribution		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
20.1. Dividends		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
20.2. Transfers to reserves		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
20.3. Others		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Balances at end of the period (III+IV+V+.....+XVIII+XIX+XX)		4,200,000	772,554	11,880	-	1,110,126	-	12,312,753	106,245	760,330	3,005,560	938,570	174,304	1,891	15,698	-	23,409,911	
CURRENT PERIOD																		
(1 January - 31 March 2015)																		
I. Balances at beginning of the period		4,200,000	772,554	11,880	-	1,131,122	-	14,849,587	71,385	-	3,200,248	1,655,856	175,034	1,891	(68,683)	-	26,000,874	
Changes during the period																		
II. Mergers	(5.5)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
III. Market value changes of securities		-	-	-	-	-	-	-	-	-	-	(185,373)	-	-	-	-	(185,373)	
IV. Hedging reserves		-	-	-	-	-	-	-	-	-	-	-	-	-	11,829	-	11,829	
4.1. Cash flow hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	11,829	-	11,829	
4.2. Hedge of net investment in foreign operations		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
V. Revaluation surplus on tangible assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
VI. Revaluation surplus on intangible assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
VII. Bonus shares of associates, subsidiaries and joint-ventures		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
VIII. Translation differences		-	-	-	-	(97)	-	(14)	(1,075)	-	-	-	-	-	-	-	(1,186)	
IX. Changes resulted from disposal of assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
X. Changes resulted from reclassification of assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
XI. Effect of change in equities of associates on bank's equity		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
XII. Capital increase		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
12.1. Cash		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
12.2. Internal sources		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
XIII. Share issuance		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
XIV. Share cancellation profits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
XV. Capital reserves from inflation adjustments to paid-in capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
XVI. Others		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
XVII. Current period net profit/loss		-	-	-	-	-	-	-	-	784,771	-	-	-	-	-	-	784,771	
XVIII. Profit distribution		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
18.1. Dividends		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
18.2. Transfers to reserves		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
18.3. Others		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Balances at end of the period (I+II+III+.....+XVI+XVII+XVIII)		4,200,000	772,554	11,880	-	1,131,025	-	14,849,573	70,310	784,771	3,200,248	1,470,483	175,034	1,891	(56,854)	-	26,610,915	

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

Türkiye Garanti Bankası Anonim Şirketi
Statement of Cash Flows
For the Three-Month Period Ended 31 March 2015

STATEMENT OF CASH FLOWS	Footnotes	THOUSANDS OF TURKISH LIRA (TL)	
		CURRENT PERIOD 1 January 2015- 31 March 2015	PRIOR PERIOD 1 January 2014- 31 March 2014
A. CASH FLOWS FROM BANKING OPERATIONS			
1.1 Operating profit before changes in operating assets and liabilities		497,600	1,498,815
1.1.1 Interests received		3,775,545	3,267,165
1.1.2 Interests paid		(2,234,822)	(1,917,955)
1.1.3 Dividend received		-	-
1.1.4 Fees and commissions received		942,076	890,341
1.1.5 Other income		567,293	145,627
1.1.6 Collections from previously written-off loans and other receivables		26,916	12,377
1.1.7 Payments to personnel and service suppliers		(971,327)	(808,851)
1.1.8 Taxes paid		(396,545)	(80,734)
1.1.9 Others	(5.6)	(1,211,536)	(9,155)
1.2 Changes in operating assets and liabilities		(2,530,936)	978,269
1.2.1 Net (increase) decrease in financial assets held for trading		180,165	5,591
1.2.2 Net (increase) decrease in financial assets valued at fair value through profit or loss		-	-
1.2.3 Net (increase) decrease in due from banks		(651,202)	340,921
1.2.4 Net (increase) decrease in loans		(11,087,740)	(2,760,570)
1.2.5 Net (increase) decrease in other assets		(883,715)	507,787
1.2.6 Net increase (decrease) in bank deposits		(776,432)	808,427
1.2.7 Net increase (decrease) in other deposits		9,287,951	2,453,347
1.2.8 Net increase (decrease) in funds borrowed		802,081	45,732
1.2.9 Net increase (decrease) in matured payables		-	-
1.2.10 Net increase (decrease) in other liabilities	(5.6)	597,956	(422,966)
I. Net cash flow from banking operations		(2,033,336)	2,477,084
B. CASH FLOWS FROM INVESTING ACTIVITIES			
II. Net cash flow from investing activities		2,347,659	(3,012,165)
2.1 Cash paid for purchase of associates, subsidiaries and joint-ventures		-	-
2.2 Cash obtained from sale of associates, subsidiaries and joint-ventures		-	-
2.3 Purchases of tangible assets		(25,449)	(28,032)
2.4 Sales of tangible assets		27,170	21,040
2.5 Cash paid for purchase of financial assets available-for-sale		(2,036,492)	(2,045,042)
2.6 Cash obtained from sale of financial assets available-for-sale		2,264,089	1,719,551
2.7 Cash paid for purchase of investments held-to-maturity		(525,793)	(2,679,682)
2.8 Cash obtained from sale of investments held-to-maturity		2,644,134	-
2.9 Others	(5.6)	-	-
C. CASH FLOWS FROM FINANCING ACTIVITIES			
III. Net cash flow from financing activities		420,637	195,781
3.1 Cash obtained from funds borrowed and securities issued		1,604,447	2,130,331
3.2 Cash used for repayment of funds borrowed and securities issued		(1,183,673)	(1,934,559)
3.3 Equity instruments issued		-	-
3.4 Dividends paid		-	-
3.5 Payments for financial leases		(137)	9
3.6 Others (payments for founder shares repurchased)	(5.6)	-	-
IV. Effect of change in foreign exchange rate on cash and cash equivalents	(5.6)	375,549	(23,020)
V. Net increase/(decrease) in cash and cash equivalents		1,110,509	(362,320)
VI. Cash and cash equivalents at beginning of period		7,585,868	7,363,966
VII. Cash and cash equivalents at end of period		8,696,377	7,001,646

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

3 Accounting policies

3.1 Basis of presentation

As per the Article 37 of “Accounting and Recording Rules” of the Turkish Banking Law no. 5411 published on the Official Gazette no.25983 dated 1 November 2005 and became effective, the Bank keeps its accounting records and prepares its unconsolidated financial statements and the related footnotes in accordance with accounting and valuation standards described in “Regulation on Accounting Applications for Banks and Safeguarding of Documents” published by the Banking Regulatory and Supervisory Agency (BRSA) and in effect since 1 November 2006, Turkish Accounting Standards (TAS), Turkish Financial Reporting Standards (TFRS) and the related statements and guidances.

The accompanying unconsolidated financial statements are prepared in accordance with the historical cost basis except for financial instruments at fair value through profit or loss, financial assets available for sale, investments in associates and subsidiaries that are quoted on the stock exchanges and that are in foreign currencies which are presented on a fair value basis.

The accounting policies and the valuation principles applied in the preparation of the accompanying financial statements are explained in Notes 3.2 to 3.24.

The financial statements are prepared based on the TAS/TFRS and the related statements and guidances announced by the Public Oversight, Accounting and Auditing Standards Authority (“POA”).

3.2 Strategy for use of financial instruments and foreign currency transactions

3.2.1 Strategy for use of financial instruments

The liability side of the Bank’s balance sheet is intensively composed of short-term deposits in line with the general trend in the banking sector. In addition to deposits, the Bank has access to longer-term borrowings via the borrowings from abroad.

In order to manage the interest rate risk arising from short-term deposits, the Bank is keen on maintaining floating rate instruments such as government bonds with quarterly coupon payments and instruments like credit cards and consumer loans providing regular cash inflows.

A portion of the fixed-rate securities and loans, and the bonds of the Bank are hedged under fair value hedges. The fair value risks of such fixed-rate assets and financial liabilities are hedged with interest rate swaps and cross currency swaps. The fair value changes of the hedged fixed-rate financial assets and financial liabilities together with the changes in the fair value of the hedging instruments, namely interest rate swaps and cross currency swaps, are accounted under net trading income/losses in the income statement. At the inception of the hedge and during the subsequent periods, the hedge is expected to achieve the offsetting of changes in fair value attributable to the hedged risk for which the hedge is designated, and accordingly, the hedge effectiveness tests are performed.

The Bank may classify its financial assets and liabilities as at fair value through profit or loss, at the initial recognition in order to eliminate any accounting inconsistency.

The fundamental strategy to manage the liquidity risk that may incur due to short-term structure of funding, is to expand the deposit base through customer-oriented banking philosophy, and to increase customer transactions and retention rates. The Bank’s widespread and effective branch network, advantage of primary dealership and strong market share in the treasury and capital markets, are the most effective tools in the realisation of this strategy. For this purpose, serving customers by introducing new products and services continuously and reaching the customers satisfaction are very important.

Another influential factor in management of interest and liquidity risks on balance sheet is product diversification both on asset and liability sides.

Exchange rate risk, interest rate risk and liquidity risk are controlled and measured by various risk management systems, and the balance sheet is managed under the limits set by these systems and the limits legally required. Asset-liability management and value at risk models, stress tests and scenario analysis are used for this purpose.

Purchase and sale of short and long-term financial instruments are allowed within the pre-determined limits to generate risk-free return on capital.

The foreign currency position is controlled by the equilibrium of a currency basket to eliminate the foreign exchange risk.

3.2.2 Foreign currency transactions

Foreign exchange gains and losses arising from foreign currency transactions are recorded at transaction dates. At the end of the periods, foreign currency assets and liabilities evaluated with the Bank's spot purchase rates and the differences are recorded as foreign exchange gain or loss in the income statement.

The Bank started to apply fair value hedge accounting as at 1 January 2009 by designating the exchange rate risk of these foreign investments that are recognized under fair value accounting as hedged item, in compliance with "TAS 39 *Financial Instruments: Recognition and Measurement*". Accordingly, the effective portion of the foreign exchange differences is recorded under income statement in the current period.

3.3 Investments in associates and subsidiaries

The unconsolidated investments in associates and subsidiaries are accounted for in accordance with the Turkish Accounting Standard 39 (TAS 39) "Financial Instruments: Recognition and Measurement". Investments in companies quoted in organized markets and for which their fair values can be reliably determined, are valued at their fair values. Others are valued at costs reduced by provisions for impairment losses, if any, in the accompanying financial statements.

The Bank does not consider the bonus shares received through capital increases of its affiliates from their own equities as income in accordance with IAS 18, as such capital increases do not create any differences in the financial position or economic interest of the Bank and it is not certain that there is an economic benefit associated with such transactions that will flow to the Bank.

3.4 Forwards, options and other derivative transactions

As per the Turkish Accounting Standard 39 (TAS 39) "Financial Instruments: Recognition and Measurement"; forward foreign currency purchases/sales, swaps, options and futures are classified as either "hedging purposes" or "trading purposes".

3.4.1 Derivative financial instruments held for trading

The derivative transactions mainly consist of foreign currency and interest rate swaps, foreign currency options and forward foreign currency purchase/sale contracts. There are no embedded derivatives.

Derivatives are initially recorded in off-balance sheet accounts at their purchase costs including the transaction costs. Subsequently, derivative transactions are valued at their fair values and the changes in their fair values are recorded on balance sheet under "derivative financial assets held for trading" or "derivative financial liabilities held for trading", respectively depending on the fair values being positive or negative. Fair value changes for trading derivatives are recorded under income statement.

The spot legs of currency swap transactions are recorded on the balance sheet and the forward legs in the off-balance sheet accounts as commitment.

3.4.2 Derivative financial instruments held for risk management

The Bank enters into interest rate and cross currency swap transactions in order to hedge the change in fair values of fixed-rate financial instruments. While applying fair value hedge accounting, the changes in fair values of hedging instrument and hedged item are recognised in income statement. If the hedging is effective, the changes in fair value of the hedged item is presented in statement of financial position together with the fixed-rate loan, and in case of fixed-rate financial assets available for sale, such changes are reclassified from shareholders' equity to income statement.

The Bank enters into interest rate and cross currency swap transactions in order to hedge the changes in cash flows of the floating-rate financial instruments. While applying cash flow hedge accounting, the effective portion of the changes in the fair value of the hedging instrument is accounted for under hedging reserves in shareholders' equity, and the ineffective portion is recognised in income statement. The changes recognised in shareholders' equity is removed and included in income statement in the same period when the hedged cash flows effect the income or loss.

The Bank also applies fair value hedge to manage the foreign exchange rate risk resulted from its investments in foreign operations. The effective portion of the foreign exchange differences are recognised in income statement.

The Bank performs effectiveness test at the beginning of the hedge accounting period and at each reporting period. The effectiveness tests are carried out using the "Dollar off-set model" and the hedge accounting is applied as long as the test results are between the range of 80%-125% of effectiveness.

The hedge accounting is discontinued when the hedging instrument expires, is exercised, sold or no longer effective. When discontinuing fair value hedge accounting, the cumulative fair value changes in carrying value of the hedged item arising from the hedged risk are amortised to income statement over the life of the hedged item from that date of the hedge accounting is discontinued. While discontinuing cash flow hedge accounting, the cumulative gains/losses recognised in shareholders' equity and presented under hedging reserves are continued to be kept in this account. When the cash flows of hedged item are recognised in income statement, the gain/losses accounted for under shareholders' equity, are recognised in income statement.

3.5 Interest income and expenses

Interests are recorded according to the effective interest rate method (rate equal to the rate in calculation of present value of future cash flows of financial assets or liabilities) defined in the Turkish Accounting Standard 39 (TAS 39) "Financial Instruments: Recognition and Measurement".

In case an interest was accrued on a security before its acquisition, the collected interest is divided into two parts as interest before and after the acquisition and only the interest of the period after the acquisition is recorded as interest income in the financial statements.

The accrued interest income on non-performing loans are reversed and subsequently recognised as interest income only when collected.

3.6 Fees and commissions

Except for certain fees related with certain banking transactions and recognized when received, fees and commissions received or paid, and other fees and commissions paid to financial institutions are accounted under accrual basis of accounting. The income derived from agreements or asset purchases from real-person or corporate third parties are recognized as income when realized.

3.7 Financial assets

3.7.1 Financial assets at fair value through profit or loss

Such assets are valued at their fair values and gain/loss arising on those assets is recorded in the income statement. Interest income earned on trading securities and the difference between their acquisition costs and amortized costs are recorded as interest income in the income statement. The differences between the amortized costs and the fair values of such securities are recorded under trading account income/losses in the income statement. In cases where such securities are sold before their maturities, the gains/losses on such sales are recorded under trading income/losses.

The Bank classifies certain loans and securities issued at their origination dates, as financial assets/liabilities at fair value through profit or loss in compliance with TAS 39. The interest income/expense earned and the difference between the acquisition costs and the amortized costs of financial instruments are recorded under interest income/expense in income statement, the difference between the amortized costs and the fair values of financial instruments are recorded under trading account income/losses in income statement.

3.7.2 Investments held-to-maturity, financial assets available-for-sale and loans and receivables

Financial assets are initially recorded at their purchase costs including the transaction costs.

Investments held-to-maturity are financial assets with fixed maturities and pre-determined payment schedules that the Bank has the intent and ability to hold until maturity, excluding originated loans and receivables.

There are no financial assets that are not allowed to be classified as investments held-to-maturity for two years due to the tainting rules applied for the breach of classification rules.

Investments held-to-maturity are measured at amortized costs using internal rate of return after deducting impairments, if any.

Financial assets available-for-sale, are financial assets other than assets held for trading purposes, investments held-to-maturity and originated loans and receivables.

Financial assets available-for-sale are measured at their fair values subsequently. However, assets for which fair values can not be determined reliably, are valued at amortized costs by using discounting method with internal rate of return for floating-rate securities; and by using valuation models or discounted cash flow techniques for fixed-rate securities. Unrecognised gain/losses derived from the difference between their fair values and the discounted values are recorded in “securities value increase fund” under the shareholders’ equity. In case of sales, the gain/losses arising from fair value measurement under shareholders’ equity are recognized in income statement.

The real coupon rates for government bonds indexed to consumer price index are fixed throughout maturities. As per the statements made by the Turkish Treasury on the dates of issuance, such securities are valued taking into account the difference between the reference index at the issue date and the reference index at the balance sheet date to reflect the effects of inflation.

Purchase and sale transactions of securities are accounted at delivery dates.

Loans and receivables are financial assets raised by the Bank providing money, commodity and services to debtors.

Loans are financial assets with fixed or determinable payments and not quoted in an active market.

Loans and receivables are recognized at cost and measured at amortized cost using the effective interest method. Duties paid, transaction costs and other similar expenses on assets received against such risks are considered as a part of transaction cost and charged to customers.

3.8 Impairment of financial assets

Financial asset or group of financial assets are reviewed at each balance sheet date to determine whether there is objective evidence of impairment. If any such indication exists, the Bank estimates the amount of impairment.

Impairment loss incurs if, and only if, there is an objective evidence that the expected future cash flows of financial asset or group of financial assets are adversely effected by an event(s) (“loss event(s)”) incurred subsequent to recognition. The losses expected to incur due to future events are not recognized even if the probability of loss is high.

If there is an objective evidence that certain loans will not be collected, for such loans; the Bank provides specific and general allowances for loan and other receivables classified in accordance with the Regulation on Identification of and Provision against Non-Performing Loans and Other Receivables (the Provisioning Regulation) published on the Official Gazette no.2633 dated 1 November 2006. The allowances are recorded in income statement of the related period.

Provisions made during the period are recorded under “provision for losses on loans and other receivables”. Provisions booked in the prior periods and released in the current year are recorded under “other operating income”.

3.9 Netting and derecognition of financial instruments

3.9.1 Netting of financial instruments

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

The Bank provides specific allowances for non-performing loan and other receivables in accordance with the Regulation on Identification of and Provision against Non-Performing Loans and Other Receivables. Such allowances are recorded under “loans” as negative balances on the asset side.

Otherwise, the financial assets and liabilities are netted off only when there is a legal right to do so.

3.9.2 Derecognition of financial assets

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

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

In case an existing financial asset is replaced with another financial asset from the same counterparty where the terms on the initial financial asset are substantially modified, the existing financial asset is derecognized and a new financial asset is recognized. The difference between the carrying values of the respective financial assets is recognized in income statement.

3.10 Repurchase and resale agreements and securities lending

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

Securities purchased under resale agreements are classified under “interbank money markets” separately. An income accrual is accounted for the positive difference between the purchase and resale prices earned during the period.

3.11 Assets held for sale and discontinued operations

A tangible asset (or a disposal group) classified as “asset held for sale” is measured at lower of carrying value or fair value less costs to sell. 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 should be actively marketed at a price consistent with its fair value.

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

3.12 Goodwill and other intangible assets

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

Goodwill and other intangible assets are recorded at cost in compliance with the Turkish Accounting Standard 38 (TAS 38) “Intangible Assets”.

The costs of the intangible assets purchased before 31 December 2004 are restated from the purchasing dates to 31 December 2004, the date the hyperinflationary period is considered to be ended. The intangible assets purchased after this date are recorded at their historical costs. The intangible assets are amortised by the Bank over their estimated useful lives based on their inflation adjusted costs on a straight-line basis.

Estimated useful lives of the Bank’s intangible assets are 3-15 years, and amortisation rates are 6.67-33.3%.

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

3.13 Tangible assets

The cost of the tangible assets purchased before 31 December 2004 are restated from the purchasing dates to 31 December 2004, the date the hyperinflationary period is considered to be ended. The tangible assets purchased after this date are recorded at their historical costs.

Tangible assets are recorded at cost in compliance with the Turkish Accounting Standard 16 (TAS 16) “Tangible Assets”.

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

Gains/losses arising from the disposal of the tangible assets are calculated as the difference between the net book value and the net sale price.

Maintenance and repair costs incurred for tangible assets, are recorded as expense.

There are no restrictions such as pledges, mortgages or any other restriction on tangible assets.

There are no changes in the accounting estimates that are expected to have an impact in the current or subsequent periods. The depreciation rates and the estimated useful lives of tangible assets are:

Tangible assets	Estimated useful lives (years)	Depreciation Rates (%) from 1 January 2009	Depreciation Rates (%) from 1 January 2005	Depreciation Rates (%) before 1 January 2005
Buildings	50	2	4	2
Vaults	50	2	4	2
Motor vehicles	5-7	15-20	30-40	15-20
Other tangible assets	4-20	5-25	10-50	5-25

In prior periods, the tangible assets are depreciated over their estimated useful lives based on their inflation adjusted costs on a straight-line basis. The tangible assets purchased since 1 January 2005 are depreciated based on the declining balance method which is one of the accelerated depreciation methods. The straight-line depreciation method is in use for the tangible assets purchased since 1 January 2009.

The depreciation of an asset held for a period less than a full financial year is calculated as a proportion of the full year depreciation charge from the date of acquisition to the financial year end.

Investment properties

Land and buildings that are held to earn rentals or for capital appreciation or both rather than for use in production, supply of goods or services, administrative purposes or sale in the ordinary course of business are classified as investment property and carried at cost less accumulated depreciation under the cost method. Depreciation is provided on investment property (except land) on a straight-line basis.

Investment properties are reviewed for impairment losses. Where the carrying value of an investment property is greater than the estimated recoverable value, it is written down to its recoverable value. The recoverable value of an investment property is higher of discounted net future cash flows from the use of the related investment property or net sale price.

3.14 Leasing activities

Leased assets are recognized by recording an asset or a liability. In the determination of the related asset and liability amounts, the lower of the fair value of the leased asset and the present value of leasing payments is considered. Financial costs on leasing agreements are expanded in lease periods at a fixed interest rate.

In cases where leased assets are impaired or the expected future benefits of the assets are less than their book values, the book values of such leased assets are reduced to their net realizable values. Depreciation for assets acquired through financial leases is calculated consistently with the same principle as for the tangible assets.

In operating leases, the rent payments are charged to the statement of operations in equal installments.

3.15 Provisions and contingent liabilities

In the financial statements, a provision is made for an existing commitment resulted from past events if it is probable that the commitment will be settled and a reliable estimate can be made of the amount of the obligation. Provisions are calculated based on the best estimates of management on the expenses to incur as of the balance sheet date and, if material, such expenses are discounted for their present values. If the amount is not reliably estimated and there is no probability of cash outflow from the Bank to settle the liability, the related liability is considered as “contingent” and disclosed in the notes to the financial statements.

3.16 Contingent assets

The contingent assets usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits to the Bank. If an inflow of economic benefits to the Bank has become probable, then the contingent asset is disclosed in the footnotes to the financial statements. If it has become virtually certain that an inflow of economic benefits will arise, the asset and the related income are recognized in the financial statements of the period in which the change occurs.

3.17 Liabilities for employee benefits

Severance indemnities and short-term employee benefits

As per the existing labour law in Turkey, the Bank is required to pay certain amounts to the employees retired or fired except for resignations or misbehaviours specified in the Turkish Labour Law.

Accordingly, the Bank reserved for employee severance indemnities in the accompanying financial statements using actuarial method in compliance with the Turkish Accounting Standard 19 (TAS 19) “Employee Benefits” for all its employees who retired or whose employment is terminated, called up for military service or died. The major actuarial assumptions used in the calculation of the total liability are as follows:

	31 March 2015	31 December 2014
	%	%
Net Effective Discount Rate	2.36	2.36
Discount Rate	8.60	8.60
Expected Rate of Salary	7.60	7.60
Inflation Rate	6.10	6.10

The above rates are effective rates, whereas the rates applied for the calculation differ according to the employees' years-in-service.

The Bank provided for undiscounted short-term employee benefits earned during the financial periods as per services rendered in compliance with TAS 19.

The actuarial gains/losses are recognised under shareholders' equity as per the revised TAS 19.

Retirement benefit obligations

A defined benefit plan is a pension plan that defines an amount of pension benefit that an employee (and his/her dependents) will receive on retirement.

The Bank's defined benefit plan (the "Plan") is managed by "Türkiye Garanti Bankası Anonim Şirketi Memur ve Müstahdemleri Emekli ve Yardım Sandığı Vakfı" (the Fund) established as per the provisional article 20 of the Social Security Law no.506 and the Bank's employees are the members of this Fund.

The Plan is funded through contributions of both by the employees and the employer as required by Social Security Law numbered 506. These contributions are as follows:

	31 March 2015	
	Employer	Employee
Pension contributions	15.5%	10.0%
Medical benefit contributions	6.0%	5.0%

The Plan is composed of a) the contractual benefits of the employees, which are subject to transfer to Social Security Foundation ("SSF") as per the Social Security Law no.5754 ("the Law"), and b) other social rights and medical benefits provided by the Bank but not transferable to SSF.

a) Benefits transferable to SSF

The first paragraph of the provisional article 23 of Banking Law no.5411, published in the Official Gazette on 1 November 2005, no.25983, which requires the transfer of the members of the funds subject to the provisional article 20 of the Social Security Law no.506, and the persons who are paid under insurance coverage for disablement, old-age and mortality and their right-holders to the SSF within three years following the effective date of the related article was cancelled with the decision of the Constitutional Court dated 22 March 2007, no.2007/33. The reasoned ruling regarding the cancellation of the Constitutional Court was published in the Official Gazette no.26731, dated 15 December 2007. The Constitutional Court stated that the reason behind this cancellation was the possible loss of antecedent rights of the fund members.

Following the publication of the verdict, the Turkish Grand National Assembly ("Turkish Parliament") started to work on the new legal arrangements by taking the cancellation reasoning into account and the articles of the Law no.5754 regulating the principles related with such transfers were accepted and approved by Turkish Parliament on 17 April 2008, and enacted on 8 May 2008 after being published in the Official Gazette no.26870.

As per the Law, the present value of post-employment benefits as at the transfer date for the fund members to be transferred, are to be calculated by a commission composing from the representatives of the SSF, the Ministry of Finance, the Undersecretariat of Treasury, the Undersecretariat of State Planning Organisation, the BRSA, the Savings Deposit Insurance Fund, the banks and the funds, by using a technical discount rate of 9.80% taking into account the funds' income and expenses as per insurance classes and the transferable contributions and payments of the funds including any salary and income differences paid by the funds above the limits of SSF for such payments. The transfers are to take place within the three-year period starting from 1 January 2008. Subsequently, the transfer of the contributors and the persons receiving monthly or regular income and their right-holders from such funds established for employees of the banks, insurance and reinsurance companies, trade chambers, stock markets and unions that are part of these organizations subject to the provisional article 20 of the Social Security Law no.506 to the SSF, has been postponed for two years. The decision was made by the Council of Ministers on 14 March 2011 and published in the Official Gazette no. 27900 dated 9 April 2011 as per the decision of the Council of Ministers, no.2011/1559, and as per the letter no. 150 of the Ministry of Labor and Social Security dated 24 February 2011 and according to the provisional article 20 of the Social Security and Public Health Insurance Law no.5510.

On 19 June 2008, Cumhuriyet Halk Partisi ("CHP") applied to the Constitutional Court for the cancellation of various articles of the Law including the first paragraph of the provisional Article 20. At the meeting of the Constitutional Court on 30 March 2011, it was decided that the first paragraph of the provisional Article 20 of the Law is not contradictory to the Constitutional Law, and accordingly the dismissal of the cancellation request has been denied with the majority of votes.

b) Other benefits not transferable to SSF

Other social rights and payments provided in the existing trust indenture but not covered through the transfer of the funds' members and their right-holders to the SSF, are to be covered by the funds and the institutions that employ the funds' members.

The actuarial gains/losses are recognised under shareholders' equity as per the revised TAS 19.

3.18 Taxation

3.18.1 Corporate tax

Effective from 1 January 2006, statutory income is subject to corporate tax at 20% in Turkey. This rate is applied to accounting income modified for certain exemptions (like dividend income) and deductions (like investment incentives), and additions for certain non-tax deductible expenses and allowances for tax purposes. If there is no dividend distribution planned, no further tax charges are made.

Dividends paid to the resident institutions and the institutions working through local offices or representatives are not subject to withholding tax. As per the decisions no.2009/14593 and no.2009/14594 of the Council of Ministers published in the Official Gazette no.27130 dated 3 February 2009, certain duty rates included in the articles no.15 and 30 of the new Corporate Tax Law no.5520 are revised. Accordingly, the withholding tax rate on the dividend payments other than the ones paid to the nonresident institutions generating income in Turkey through their operations or permanent representatives and the resident institutions is 15%. In applying the withholding tax rates on dividend payments to the nonresident institutions and the individuals, the withholding tax rates covered in the related Double Tax Treaty Agreements are taken into account. Appropriation of the retained earnings to capital is not considered as profit distribution and therefore is not subject to withholding tax.

The prepaid taxes are calculated and paid at the rates valid for the earnings of the related years. The prepayments can be deducted from the annual corporate tax calculated for the whole year earnings.

In accordance with the tax legislation, tax losses can be carried forward to offset against future taxable income for up to five years. Tax losses cannot be carried back to offset profits from previous periods.

In Turkey, there is no procedure for a final and definite agreement on tax assessments. Companies file their tax returns with their tax offices by the end of 25th of the fourth month following the close of the accounting period to which they relate. Tax returns are open for five years from the beginning of the year that follows the date of filing during which time the tax authorities have the right to audit tax returns, and the related accounting records on which they are based, and may issue re-assessments based on their findings.

The tax applications for foreign branches;

NORTHERN CYPRUS

According to the Corporate Tax Law of the Turkish Republic of Northern Cyprus no.41/1976 as amended, the corporate earnings (including foreign corporations) are subject to a 10% corporate tax and 15% income tax. This tax is calculated based on the income that the taxpayers earn in an accounting period. Tax base is determined by modifying accounting income for certain exclusions and allowances for tax purposes. The corporations cannot benefit from the rights of offsetting losses, investment incentives and amortisation unless they prepare and have certified their balance sheets, income statements and accounting records used for tax calculations by an auditor authorized by the Ministry of Finance. In cases where it is revealed that the earnings of a corporation were not subject to taxation in prior years or the tax paid on such earnings are understated, additional taxes can be charged in the next twelve years following that the related taxation period. The corporate tax returns are filed in the tax administration office in April after following the end of the accounting year to which they relate. The corporate taxes are paid in two equal installments in May and October.

MALTA

The corporate earnings are subject to a 35% corporate tax. This rate is determined by modifying accounting income for certain exclusions and allowances for tax purposes. The earnings of the foreign corporations' branches in Malta are also subject to the same tax rate that the resident corporations in Malta are subject to. The earnings of such branches that are transferred to their head offices are not subject to an additional tax. The prepaid taxes are paid in April, August and December of the related years. The prepayments can be deducted from the annual corporate tax calculated for the whole year earnings. The excess part of the corporate tax that is not covered by such prepayments is paid to the tax office in September.

LUXEMBOURG

The corporate earnings are subject to a 21% corporate tax. This rate is determined by modifying accounting income for certain exclusions and allowances for tax purposes. An additional 7% of the calculated corporate income tax is paid as a contribution to unemployment insurance fund. 3% of the taxable income is paid as municipality tax in addition to corporate tax. The municipalities have the right to increase this rate up to 200%-350%. The municipality commerce tax, which the Bank's Luxembourg branch subject to currently is applied as 7.50% of the taxable income. The tax returns do not include any tax amounts to be paid. The tax calculation is done by the tax office and the amount to be paid is declared to corporate through an official letter called Note. The amounts and the payment dates of prepaid taxes are determined and declared by the tax office at the beginning of the taxation period. The corporations whose head offices are outside Luxembourg, are allowed to transfer the rest of their net income after tax following the allocation of 5% of it for legal reserves, to their head offices.

3.18.2 Deferred taxes

According to the Turkish Accounting Standard 12 (TAS 12) "Income Taxes"; deferred tax assets and liabilities are recognized, using the balance sheet method, on all taxable temporary differences arising between the carrying values of assets and liabilities in the financial statements and their corresponding balances considered in the calculation of the tax base, except for the differences not deductible for tax purposes and initial recognition of assets and liabilities which affect neither accounting nor taxable profit.

If transactions and events are recorded in the income statement, then the related tax effects are also recognized in the income statement. However, if transactions and events are recorded directly in the shareholders' equity, the related tax effects are also recognized directly in the shareholders' equity.

The deferred tax assets and liabilities are reported as net in the financial statements.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

3.18.3 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 Communiqué on Disguised Profit Distribution by Way of Transfer Pricing” published at 18 November 2007, explains the application related issues on this topic.

According to this communiqué, 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.

As stated in the “7.1 Annual Documentation” section of this communiqué, the 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.

3.19 Funds borrowed

The Bank, whenever required, generates funds from domestic and foreign sources in the form of borrowings, syndications, securitizations, and bill and bond issuances in the local and international markets. The funds borrowed are recorded at their purchase costs and valued at amortised costs using the effective interest method.

In cases where such funds are valued at their amortised costs and such application results in measurement or accounting inconsistencies due to having the relevant financial instruments valued using different methods or the related gains or losses are recorded differently, such fundings are valued and recorded at their fair values as per TAS 39 in order to minimise or prevent such inconsistencies.

3.20 Share issuances

None.

3.21 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.

3.22 Government incentives

As of 31 March 2015, the Bank does not have any government incentives or grants.

3.23 Segment reporting

The Bank operates in corporate, commercial, retail and investment banking. Accordingly, the banking products served to customers are; custody services, time and demand deposits, accumulating deposit accounts, repos, overdraft facilities, spot loans, foreign currency indexed loans, consumer loans, automobile and housing loans, working capital loans, discounted bills, gold loans, foreign currency loans, eximbank loans, pre-export loans, ECA covered financing, letters of guarantee, letters of credit, export factoring, acceptance credits, draft facilities, forfaiting, leasing, insurance, forward, futures, salary payments, investment account (ELMA), cheques, safety boxes, bill payments, tax collections, payment orders. GarantiCard, BonusCard, Miles&Smiles Card, FlexiCard, MoneyCard, BusinessCard under the brand names of Visa and Mastercard, virtual cards and also American Express credit cards and “Paracard” debit cards with Maestro, Electron, Visa and Mastercard brand names, are available.

The Bank provides service packages to its corporate, commercial and retail customers including deposit, loans, foreign trade transactions, investment products, cash management, leasing, factoring, insurance, credit cards, and other banking products. A customer-oriented branch network has been built in order to serve customers' needs effectively and efficiently. The Bank also utilizes alternative delivery channels intensively.

The Bank provides corporate banking products to international and national holdings in Turkey by coordinating regional offices, suppliers and intermediaries, utilizing cross-selling techniques. Mainly, it provides services through its commercial and mixed type of branches to export-revenue earning sectors like tourism and textile and exporters of Turkey's traditional agricultural products.

Additionally, the Bank provides banking services to enterprises and their employees working in retail and service sectors through product packages including overdraft accounts, POS machines, credit cards, cheque books, Turkish Lira and foreign currency deposits, investment accounts, internet banking and call-center, debit cards and bill payment modules.

Retail banking customers form a wide-spread and sustainable deposit base for the Bank. Individual customers' needs are met by diversified consumer banking products through branches and alternative delivery channels.

Information on the business segments is as follows:

<i>Current Period</i>	Retail Banking	Corporate / Commercial Banking	Investment Banking	Other	Total Operations
Total Operating Profit	1,358,459	979,247	298,185	378,894	3,014,785
Other	-	-	-	-	-
Total Operating Profit	1,358,459	979,247	298,185	378,894	3,014,785
Net Operating Profit	24,790	483,033	212,049	318,799	1,038,671
Income from Associates and Subsidiaries	-	-	-	-	-
Net Operating Profit	24,790	483,033	212,049	318,799	1,038,671
Provision for Taxes	-	-	-	253,900	253,900
Net Profit	24,790	483,033	212,049	64,899	784,771
Segment Assets	48,447,207	96,674,218	74,519,806	8,459,564	228,100,795
Investments in Associates and Subsidiaries	-	-	-	3,296,347	3,296,347
Total Assets	48,447,207	96,674,218	74,519,806	11,755,911	231,397,142
Segment Liabilities	81,769,170	50,653,352	66,801,466	5,562,239	204,786,227
Shareholders' Equity	-	-	-	26,610,915	26,610,915
Total Liabilities and Shareholders' Equity	81,769,170	50,653,352	66,801,466	32,173,154	231,397,142
Other Segment Items					
Capital Expenditures	-	-	-	36,612	36,612
Depreciation Expenses	38,227	18,514	1,358	117	58,216
Impairment Losses	391,423	121,376	32,258	49,285	594,342
Other Non-Cash Income/Expenses	74,335	281,852	(1,100,078)	(37,559)	(781,450)
Restructuring Costs	-	-	-	-	-

<i>Prior Period</i>	Retail Banking	Corporate / Commercial Banking	Investment Banking	Other	Total Operations
Total Operating Profit	980,525	880,677	220,471	435,489	2,517,162
Other	-	-	-	-	-
Total Operating Profit	980,525	880,677	220,471	435,489	2,517,162
Net Operating Profit	154,979	468,026	150,211	230,500	1,003,716
Income from Associates and Subsidiaries	-	-	-	-	-
Net Operating Profit	154,979	468,026	150,211	230,500	1,003,716
Provision for Taxes	-	-	-	243,386	243,386
Net Profit	154,979	468,026	150,211	(12,886)	760,330
Segment Assets	47,269,132	86,790,051	74,339,828	7,220,548	215,619,559
Investments in Associates and Subsidiaries	-	-	-	3,298,945	3,298,945
Total Assets	47,269,132	86,790,051	74,339,828	10,519,493	218,918,504
Segment Liabilities	76,139,758	47,040,680	64,786,504	4,950,688	192,917,630
Shareholders' Equity	-	-	-	26,000,874	26,000,874
Total Liabilities and Shareholders' Equity	76,139,758	47,040,680	64,786,504	30,951,562	218,918,504
Other Segment Items					
Capital Expenditures	-	-	-	492,660	492,660
Depreciation Expenses	37,106	19,159	1,618	(4,116)	53,767
Impairment Losses	185,938	103,907	11,460	110,445	411,750
Other Non-Cash Income/Expenses	(71,574)	98,263	879,984	(117,369)	789,304
Restructuring Costs	-	-	-	-	-

3.24 Other disclosures

None.

4 Financial position and results of operations

4.1 Capital adequacy ratio

As per the revised “Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks” effective from 1 July 2012, the Bank’s unconsolidated capital adequacy ratio is 14.46% as of 31 March 2015 (31 December 2014: 15.23%).

4.1.1 Risk measurement methods in calculation of capital adequacy ratio

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 Securitisations” published in the Official Gazette no.28337 dated 28 June 2012 and the “Regulation on Equities of Banks” published in the Official Gazette no.28756 dated 5 September 2013.

In the calculation of capital adequacy ratio, the data prepared from accounting records in compliance with the current legislation are used. Such accounting data is included in the calculation of credit and market risks subsequent to their designation as “trading book” and “banking book” according to the Regulation.

The items classified as trading book and the items deducted from the equity are not included in the calculation of credit risk. In the calculation of risk weighted assets, the assets subject to amortisation or impairment, are taken into account on a net basis after being reduced by the related amortisations and provisions.

In the calculation of the value at credit risk for the non-cash loans and commitments and the receivables from counterparties in such transactions are weighted after netting with specific provisions that are classified under liabilities and calculated based on the “Regulation on Identification of and Provision against Non-Performing Loans and Other Receivables”. The net amounts are then multiplied by the rates stated in the Article 5 of the Regulation, reduced as per the “Regulation on Credit Risk Mitigation Techniques” and then included in the relevant exposure category defined in the article 6 of the Regulation and weighted as per Appendix-1 of the Regulation.

In the calculation of the value at credit risk for the derivative financial instruments and the credit derivatives classified in the banking book, the receivables from counterparties are multiplied by the rates stated in the Appendix-2 of the Regulation, reduced as per the “Regulation on Credit Risk Mitigation Techniques” and then included in the relevant exposure category defined in the article 6 of the Regulation and weighted as per Appendix-1 of the Regulation.

As per the article 5 of the Regulation, the “counterparty credit risk” is calculated for repurchase transactions, securities and commodities borrowing agreements.

4.1.2 Capital adequacy ratio

<i>Current Period</i>	Risk Weights								
	<i>0%</i>	<i>10%</i>	<i>20%</i>	<i>50%</i>	<i>75%</i>	<i>100%</i>	<i>150%</i>	<i>200%</i>	<i>250%</i>
Value at Credit Risk	-	-	2,539,953	21,280,611	26,821,489	95,578,125	6,688,398	22,655,374	1,686,625
Exposure Categories	50,950,214	-	12,699,766	42,561,221	35,761,985	95,578,125	4,458,932	11,327,687	674,650
Conditional and unconditional exposures to central governments or central banks	48,392,571	-	14	6,073,497	-	3	-	-	-
Conditional and unconditional exposures to regional governments or local authorities	-	-	64,552	-	-	-	-	-	-
Conditional and unconditional exposures to administrative bodies and non-commercial undertakings	-	-	-	1	-	42,038	-	-	-
Conditional and unconditional exposures to multilateral development banks	-	-	-	-	-	-	-	-	-
Conditional and unconditional exposures to international organisations	-	-	-	-	-	-	-	-	-
Conditional and unconditional exposures to banks and brokerage houses	-	-	9,984,079	11,128,874	-	8,914	-	-	-
Conditional and unconditional exposures to corporates	-	-	2,520,801	2,468,995	-	84,688,436	-	-	-
Conditional and unconditional retail exposures	-	-	4,938	2,945	35,761,985	4,794,212	-	-	-
Conditional and unconditional exposures secured by real estate property	-	-	-	22,883,856	-	-	-	-	-
Past due items	-	-	-	3,053	-	441,147	-	-	-
Items in regulatory high-risk categories	-	-	-	-	-	15,521	4,458,932	11,327,687	674,650
Exposures in the form of bonds secured by mortgages	-	-	-	-	-	-	-	-	-
Securitisation positions	-	-	-	-	-	-	-	-	-
Short term exposures to banks, brokerage houses and corporates	-	-	-	-	-	-	-	-	-
Exposures in the form of collective investment undertakings	34,165	-	-	-	-	17,361	-	-	-
Other items	2,523,478	-	125,382	-	-	5,570,493	-	-	-

<i>Prior Period</i>	Risk Weights								
	0%	10%	20%	50%	75%	100%	150%	200%	250%
Value at Credit Risk	-	-	1,994,956	19,039,877	25,107,898	86,887,374	6,390,335	24,511,860	1,308,088
Exposure Categories	52,312,514	-	9,974,782	38,079,754	33,477,197	86,887,374	4,260,223	12,255,930	523,235
Conditional and unconditional exposures to central governments or central banks	49,904,231	-	13	7,253,564	-	3	-	-	-
Conditional and unconditional exposures to regional governments or local authorities	-	-	57,913	-	-	-	-	-	-
Conditional and unconditional exposures to administrative bodies and non-commercial undertakings	18	-	-	-	-	46,942	-	-	-
Conditional and unconditional exposures to multilateral development banks	-	-	-	-	-	-	-	-	-
Conditional and unconditional exposures to international organisations	-	-	-	-	-	-	-	-	-
Conditional and unconditional exposures to banks and brokerage houses	-	-	8,333,300	7,456,944	-	8,024	-	-	-
Conditional and unconditional exposures to corporates	-	-	1,578,473	2,294,483	-	75,926,104	-	-	-
Conditional and unconditional retail exposures	-	-	4,874	4,868	33,477,197	4,930,885	-	-	-
Conditional and unconditional exposures secured by real estate property	-	-	-	21,066,535	-	-	-	-	-
Past due items	-	-	-	3,360	-	435,309	-	-	-
Items in regulatory high-risk categories	-	-	-	-	-	15,394	4,260,223	12,255,930	523,235
Exposures in the form of bonds secured by mortgages	-	-	-	-	-	-	-	-	-
Securitisation positions	-	-	-	-	-	-	-	-	-
Short term exposures to banks, brokerage houses and corporates	-	-	-	-	-	-	-	-	-
Exposures in the form of collective investment undertakings	33,877	-	-	-	-	20,574	-	-	-
Other items	2,374,388	-	209	-	-	5,504,139	-	-	-

4.1.3 Summary information related to capital adequacy ratio

	<i>Current Period</i> (*)	<i>Prior Period</i> (*)
Capital Requirement for Credit Risk (Value at Credit Risk*0.08) (CRCR)	14,180,046	13,219,231
Capital Requirement for Market Risk (MRCR)	457,572	367,344
Capital Requirement for Operational Risk (ORCR)	1,352,494	1,187,245
Total Capital	28,902,336	28,116,657
Total Capital/((CRCR+MRCR+ORCR) * 12.5) * 100	14.46%	15.23%
Total Tier I Capital/((CRCR+MRCR+ORCR) * 12.5) * 100	13.41%	14.17%
Common Equity Tier I Capital/((CRCR+MRCR+ORCR) * 12.5) * 100	13.46%	14.24%

(*) Starting from 1 January 2014, the Bank's total capital and capital adequacy ratio are calculated within the scope of the "Regulation on Equities of Banks" published in the Official Gazette no.28756 dated 5 September 2013.

4.1.4 Components of total capital

	<i>Current Period</i>	<i>Prior Period</i>
COMMON EQUITY TIER I CAPITAL		
Paid-in Capital to be Entitled for Compensation after All Creditors	4,972,554	4,972,554
Share Premium	11,880	11,880
Share Cancellation Profits	-	-
Reserves	16,102,921	16,104,107
Other Comprehensive Income according to TAS	1,704,178	1,830,890
Profit	3,985,019	3,200,248
Current Period Profit	784,771	3,200,248
Prior Period Profit	3,200,248	-
General Reserves for Possible Losses	450,000	415,000
Bonus Shares from Associates, Subsidiaries and Joint-Ventures not Accounted in Current Period's Profit	1,891	1,891
Common Equity Tier I Capital Before Deductions	27,228,443	26,536,570
Deductions From Common Equity Tier I Capital		
Current and Prior Periods' Losses not Covered by Reserves, and Losses Accounted under Equity according to TAS (-)	173,899	115,238
Leasehold Improvements on Operational Leases (-)	87,662	92,112
Goodwill and Other Intangible Assets and Related Deferred Taxes (-)	62,587	32,250
Net Deferred Tax Asset/Liability (-)	-	-
Shares Obtained against Article 56, Paragraph 4 of the Banking Law (-)	1,706	-
Direct and Indirect Investments of the Bank on its own Tier I Capital (-)	-	-
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital (-)	-	-
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or more of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital (-)	-	-
Mortgage Servicing Rights Exceeding the 10% Threshold of Tier I Capital (-)	-	-
Net Deferred Tax Assets arising from Temporary Differences Exceeding the 10% Threshold of Tier I Capital (-)	-	-
Amount Exceeding the 15% Threshold of Tier I Capital as per the Article 2, Clause 2 of the Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks (-)	-	-
The Portion of Net Long Position of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or more of the Issued Share Capital not deducted from Tier I Capital (-)	-	-
Mortgage Servicing Rights not deducted (-)	-	-
Excess Amount arising from Deferred Tax Assets from Temporary Differences (-)	-	-
Other items to be Defined by the BRSA (-)	-	-
Deductions from Tier I Capital in cases where there are no adequate Additional Tier I or Tier II Capitals (-)	-	-
Total Deductions from Common Equity Tier I Capital	325,854	239,600
Total Common Equity Tier I Capital	26,902,589	26,296,970
ADDITIONAL TIER I CAPITAL		
Preferred Stock not Included in Common Equity Tier I Capital and the Related Share Premiums	-	-
Debt Instruments and the Related Issuance Premiums Defined by the BRSA (Issued or Obtained after 1.1.2014)	-	-
Debt Instruments and the Related Issuance Premiums Defined by the BRSA (Issued or Obtained before 1.1.2014)	-	-
Shares of Third Parties in Additional Tier I Capital	-	-
Additional Tier I Capital before Deductions	-	-

	<i>Current Period</i>	<i>Prior Period</i>
Deductions from Additional Tier I Capital		
Direct and Indirect Investments of the Bank on its own Additional Tier I Capital (-)	-	-
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital (-)	-	-
The Total of Net Long Position of the Direct or Indirect Investments in Additional Tier I Capital of Unconsolidated Banks and Financial Institutions where the Bank Owns more than 10% of the Issued Share Capital (-)	-	-
Other items to be Defined by the BRSA (-)	-	-
Deductions from Additional Tier I Capital in cases where there are no adequate Tier II Capital (-)	-	-
Total Deductions from Additional Tier I Capital	-	-
Total Additional Tier I Capital		
Deductions from Tier I Capital		
Goodwill and Other Intangible Assets and Related Deferred Taxes not deducted from Tier I Capital as per the Temporary Article 2, Clause 1 of the Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks (-)	93,881	129,000
Net Deferred Tax Asset/Liability not deducted from Tier I Capital as per the Temporary Article 2, Clause 1 of the Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks (-)	-	-
Total Tier I Capital	26,808,708	26,167,970
TIER II CAPITAL		
Debt Instruments and the Related Issuance Premiums Defined by the BRSA (Issued or Obtained after 1.1.2014)	-	-
Debt Instruments and the Related Issuance Premiums Defined by the BRSA (Issued or Obtained before 1.1.2014)	125,559	125,501
Pledged Assets of the Shareholders to be used for the Bank's Capital Increases	-	-
General Provisions	2,215,632	2,065,505
Tier II Capital before Deductions	2,341,191	2,191,006
Deductions from Tier II Capital		
Direct and Indirect Investments of the Bank on its own Tier II Capital (-)	-	-
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital (-)	-	-
The Total of Net Long Position of the Direct or Indirect Investments in Additional Tier I Capital and Tier II Capital of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or more of the Issued Share Capital Exceeding the 10% Threshold of Tier I Capital (-)	-	-
Other items to be Defined by the BRSA (-)	-	-
Total Deductions from Tier II Capital	-	-
Total Tier II Capital	2,341,191	2,191,006

	<i>Current Period</i>	<i>Prior Period</i>
CAPITAL BEFORE DEDUCTIONS		
Loans Granted against the Articles 50 and 51 of the Banking Law (-)	91	87
Net Book Values of Movables and Immovables Exceeding the Limit Defined in the Article 57, Clause 1 of the Banking Law and the Assets Acquired against Overdue Receivables and Held for Sale but Retained more than Five Years (-)	31,863	32,417
Loans to Banks, Financial Institutions (domestic/foreign) or Qualified Shareholders in the form of Subordinated Debts or Debt Instruments Purchased from Such Parties and Qualified as Subordinated Debts (-)	191,923	184,367
Deductions as per the Article 20, Clause 2 of the Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks (-)	-	-
Other items to be Defined by the BRSA (-)	23,686	25,448
The Portion of Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital not deducted from Tier I Capital, Additional Tier I Capital or Tier II Capital as per the Temporary Article 2, Clause 1 of the Regulation (-)	-	-
The Portion of Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns more than 10% of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital not deducted from Additional Tier I Capital or Tier II Capital as per the Temporary Article 2, Clause 1 of the Regulation (-)	-	-
The Portion of Net Long Position of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or more of the Issued Share Capital, of the Net Deferred Tax Assets arising from Temporary Differences and of the Mortgage Servicing Rights not deducted from Tier I Capital as per the Temporary Article 2, Clause 2, Paragraph (1) and (2) and Temporary Article 2, Clause 1 of the Regulation (-)	-	-
TOTAL CAPITAL	28,902,336	28,116,657
Amounts lower than Excesses as per Deduction Rules		
Remaining Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital	-	-
Remaining Total of Net Long Positions of the Investments in Tier I Capital of Unconsolidated Banks and Financial Institutions where the Bank Owns more than 10% or less of the Issued Share Capital	-	-
Remaining Mortgage Servicing Rights	-	-
Net Deferred Tax Assets arising from Temporary Differences	505,520	384,807

4.1.5 Components of total capital subject to temporary applications

<i>Current Period</i>	Parent Bank Only	
	Amount Included in Total Capital Calculation	Total Amount
Debt Instruments and the Related Issuance Premiums Defined by the BRSA (Issued before 1.1.2014)	125,559	125,559

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

Not prepared in compliance with the Article 25 of the communique “Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks”.

4.2 Credit risk

Not prepared in compliance with the Article 25 of the communique “Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks”.

4.3 Market risk

The Bank’s risk management activities are managed under the responsibility of the board of directors in compliance with “the Internal Systems and Internal Capital Adequacy Assessment Processes of Banks”.

In order to comply with the regulations, the Bank set its activities related with market risk management in accordance with “the Internal Systems and Internal Capital Adequacy Assessment Processes of Banks” published in the Official Gazette no. 29057 dated 11 July 2014.

The top management is responsible for applying risk policies, principles and application procedures approved by the board of directors, ensuring timely and reliable reporting to the board of directors about the important risks identified, assessing internal control, internal audit and risk reports prepared for departments and either eliminating risks, deficiencies or defects identified in these departments or taking the necessary precautions to prevent those, and participating in determination of risk limits.

The board of directors monitors the effectiveness of risk management systems through audit committee, related other committees and top management, and in the light of various risk reports and the assessments made by the audit committee.

The risk policies and application procedures have been approved by the board of directors and regularly revisited. The market risk is also managed by risk mitigations through hedging transactions beside measuring the risks in compliance with international standards, limiting such risk and allocating capital accordingly.

Market risks arising from trading portfolios are measured as per “standard” and “value at risk (VaR)” methods. The measurements as per the standard method are performed on a monthly basis, and taken into consideration in the calculation of capital adequacy. Whereas, the measurements as per VaR method are performed on a daily basis. The Bank takes the historical VaR results as the basis for the internal management of market risk and determination of limits. In the VaR calculation, one year historical market data set is used, and 99% confidence interval and one-day retention period (10 days for legal capital calculation) are taken into account. In order to test the reliability of the VaR model, back tests are performed. Stress tests and scenario analysis are also applied in order to reflect the effects of prospective severe market fluctuations in the VaR calculations. Beside the VaR limits, the limits on transaction, dealer, desk, stop-loss approved by the board of directors for trading portfolio are also applied for limiting the market risk.

4.3.1 Value at market risk

	<i>Current Period</i>	<i>Prior Period</i>
(I) Capital Requirement against General Market Risk - Standard Method	75,153	74,413
(II) Capital Requirement against Specific Risks - Standard Method	35,280	34,142
Capital Requirement against Specific Risks of Securitisation Positions– Standard Method	-	-
(III) Capital Requirement against Currency Position Risk - Standard Method	151,426	130,923
(IV) Capital Requirement against Commodity Risks - Standard Method	2,739	2,115
(V) Capital Requirement against Clearing Risks - Standard Method	-	-
(VI) Capital Requirement against Market Risks of Options - Standard Method	162,126	110,476
(VII) Capital Requirement against Counterparty Credit Risks - Standard Method	30,848	15,275
(VIII) Capital Requirement against Market Risks of Banks applying Risk Measurement	-	-
(IX) Total Capital Requirement against Market Risk (I+II+III+IV+V+VI+VII)	457,572	367,344
(X) Value-At-Market Risk ((12.5*VIII) or (12.5*IX))	5,719,650	4,591,800

4.3.2 Monthly average values at market risk

Not prepared in compliance with the Article 25 of the communique “Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks”.

4.3.3 Quantitative information on counterparty risk

Not prepared in compliance with the Article 25 of the communique “Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks”.

4.4 Operational risk

Not prepared in compliance with the Article 25 of the communique “Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks”.

4.5 Currency risk

Foreign currency position limit is set in compliance with the legal standard ratio of net foreign currency position. As of 31 March 2015, the Bank’s net ‘on balance sheet’ foreign currency short position amounts to TL 5,456,180 thousands (31 December 2014: TL 7,867,042 thousands), net ‘off-balance sheet’ foreign currency long position amounts to TL 5,845,495 thousands (31 December 2014: TL 6,276,952 thousands), while net foreign currency long position amounts to TL 389,315 thousands (31 December 2014: net foreign currency short position of TL 1,590,090 thousands).

The foreign currency position risk of the Bank is measured by “standard method” and “value-at-risk (VaR) model”. Measurements by standard method are carried out monthly, whereas measurements by “VaR” are done daily. The foreign currency exchange risk is managed through transaction, dealer, desk and stop-loss limits approved by the board of directors for the trading portfolio beside the foreign currency net position standard ratio and the VaR limit.

The Bank’s effective exchange rates at the date of balance sheet and for the last five working days of the period announced by the Bank in TL are as follows:

	USD	EUR
Foreign currency purchase rates at balance sheet date	2.5750	2.7646
<u>Exchange rates for the days before balance sheet date:</u>		
Day 1	2.5750	2.7894
Day 2	2.5800	2.8109
Day 3	2.5650	2.8005
Day 4	2.5470	2.7980
Day 5	2.5420	2.7722
Last 30-days arithmetical average rates	2.5675	2.7787

The Bank's currency risk:

<i>Current Period</i>	EUR	USD	Other FCs	Total
Assets				
Cash (Cash on Hand, Money in Transit, Purchased Cheques) and Balances with the Central Bank of Turkey	3,759,374	13,951,244	5,202,926	22,913,544
Banks	1,660,668	7,940,318	108,492	9,709,478
Financial Assets at Fair Value through Profit/Loss	96,253	87,290	48	183,591
Interbank Money Market Placements	-	-	-	-
Financial Assets Available-for-Sale	62,439	654,333	-	716,772
Loans (*)	15,924,002	41,813,793	460,509	58,198,304
Investments in Associates, Subsidiaries and Joint-Ventures	2,559,948	227,043	-	2,786,991
Investments Held-to-Maturity	-	8,048,335	-	8,048,335
Derivative Financial Assets Held for Risk Management	-	288,879	-	288,879
Tangible Assets	22	171	-	193
Intangible Assets	-	-	-	-
Other Assets	144,132	504,775	5,565	654,472
Total Assets	24,206,838	73,516,181	5,777,540	103,500,559
Liabilities				
Bank Deposits	412,096	2,225,797	880,354	3,518,247
Foreign Currency Deposits	19,586,118	40,375,891	1,386,883	61,348,892
Interbank Money Market Takings	-	2,074,701	219,917	2,294,618
Other Fundings	7,188,120	21,228,773	91,895	28,508,788
Securities Issued	1,696,689	7,777,333	658,206	10,132,228
Miscellaneous Payables	60,746	715,417	214,409	990,572
Derivative Financial Liabilities Held for Risk Management	42,652	116,587	99,020	258,259
Other Liabilities (**)	197,441	597,942	1,109,752	1,905,135
Total Liabilities	29,183,862	75,112,441	4,660,436	108,956,739
Net 'On Balance Sheet' Position	(4,977,024)	(1,596,260)	1,117,104	(5,456,180)
Net 'Off-Balance Sheet' Position	6,236,112	927,215	(1,317,832)	5,845,495
Derivative Assets	13,970,029	48,245,811	5,379,015	67,594,855
Derivative Liabilities	7,733,917	47,318,596	6,696,847	61,749,360
Non-Cash Loans	-	-	-	-
Prior Period				
Total Assets	22,979,556	67,828,535	5,368,828	96,176,919
Total Liabilities	26,969,308	71,799,794	5,274,859	104,043,961
Net 'On Balance Sheet' Position	(3,989,752)	(3,971,259)	93,969	(7,867,042)
Net 'Off-Balance Sheet' Position	3,637,132	2,345,574	294,246	6,276,952
Derivative Assets	11,551,661	30,719,160	4,852,863	47,123,684
Derivative Liabilities	7,914,529	28,373,586	4,558,617	40,846,732
Non-Cash Loans	-	-	-	-

(*) The foreign currency-indexed loans amounting TL 5,076,223 thousands included under TL loans in the accompanying balance sheet are presented above under the related foreign currency codes.

(**) Other liabilities include gold deposits of TL 1,185,550 thousands.

4.6 Interest rate risk

The interest rate risk resulting from balance sheet maturity mismatch presents the possible losses that may arise due to the changes in interest rates of interest sensitive assets and liabilities in the on- and off-balance sheet. Interest sensitivity of assets, liabilities and off-balance sheet items is evaluated during the weekly Assets-Liabilities Committee meetings taking into consideration the developments in market conditions.

The Bank's interest rate risk is measured by the standard method, value at risk (VaR), duration-gap and sensitivity analysis.

Measurements for standard method are carried out monthly using the maturity ladder table, while measurements for VaR calculations are done daily. The duration-gap and sensitivity analysis are run every two weeks period.

During the daily VaR calculations, the interest rate risks of the Bank's TL and FC trading and investment securities available for sale and off-balance sheet position are measured. These are supported by scenario analysis and stress testing.

In the duration-gap analysis used for the quantification of market risk arising from maturity mismatches of assets and liabilities, the present values of interest sensitive asset and liability items are calculated based on their cash flows and yield curves developed from market interest rates. The results are supported by the sensitivity and scenario analysis performed periodically due to the possible instabilities in the markets. Furthermore, the interest rate risk is monitored according to the limits approved by the board of directors.

4.6.1 Interest rate sensitivity of assets, liabilities and off balance sheet items (based on repricing dates)

<i>Current Period</i>	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Non-Interest Bearing (*)	Total
Assets							
Cash (Cash on Hand, Money in Transit, Purchased Cheques) and Balances with the Central Bank of Turkey	-	-	-	-	-	25,083,872	25,083,872
Banks	3,393,234	1,639,578	1,441,638	-	-	3,796,301	10,270,751
Financial Assets at Fair Value through Profit/Loss (**)	11,389	29,308	64,498	32,198	40,118	1,943,519	2,121,030
Interbank Money Market Placements	-	-	-	-	-	-	-
Financial Assets Available-for-Sale	4,260,555	3,721,346	6,501,193	2,557,707	1,285,469	1,262,255	19,588,525
Loans (**)	40,124,249	18,580,800	36,316,105	39,141,507	8,447,148	2,711,535	145,321,344
Investments Held-to-Maturity	2,847,075	3,061,382	2,689,625	3,434,435	6,373,259	1,152,723	19,558,499
Other Assets	9,219	-	-	-	3,071	9,440,831	9,453,121
Total Assets	50,645,721	27,032,414	47,013,059	45,165,847	16,149,065	45,391,036	231,397,142
Liabilities							
Bank Deposits	1,000,475	2,033,796	286,492	-	-	1,271,921	4,592,684
Other Deposits	65,378,673	21,857,695	10,676,496	149,851	-	26,148,034	124,210,749
Interbank Money Market Takings	9,684,689	660,000	-	2,231,850	-	21,799	12,598,338
Miscellaneous Payables	-	-	-	-	-	6,942,313	6,942,313
Securities Issued	1,638,567	1,156,969	1,651,620	6,144,339	2,790,614	312,473	13,694,582
Other Fundings	11,885,659	12,702,977	2,285,843	4,291,926	371,488	334,150	31,872,043
Other Liabilities	9,496	20,319	21,971	1	-	37,434,646	37,486,433
Total Liabilities	89,597,559	38,431,756	14,922,422	12,817,967	3,162,102	72,465,336	231,397,142
On Balance Sheet Long Position	-	-	32,090,637	32,347,880	12,986,963	-	77,425,480
On Balance Sheet Short Position	(38,951,838)	(11,399,342)	-	-	-	(27,074,300)	(77,425,480)
Off-Balance Sheet Long Position	5,954,820	6,424,977	3,409,145	7,362,626	2,090,825	-	25,242,393
Off-Balance Sheet Short Position	(2,711,435)	(4,098,181)	(1,854,938)	(11,794,452)	(5,198,954)	-	(25,657,960)
Total Position	(35,708,453)	(9,072,546)	33,644,844	27,916,054	9,878,834	(27,074,300)	(415,567)

(*) Interest accruals are also included in non-interest bearing column.

(**) Loans amounting to TL 199,919 thousands included under “financial assets at fair value through profit or loss” in the accompanying balance sheet, are presented above under “Loans”.

<i>Prior Period</i>	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Non-Interest Bearing (*)	Total
Assets							
Cash (Cash on Hand, Money in Transit, Purchased Cheques) and Balances with the Central Bank of Turkey	-	-	-	-	-	25,072,652	25,072,652
Banks	3,409,886	1,287,622	1,636,745	-	-	2,105,696	8,439,949
Financial Assets at Fair Value through Profit/Loss(**)	16,111	114,836	23,659	216,429	2,853	1,308,644	1,682,532
Interbank Money Market Placements	80,445	-	-	-	-	1	80,446
Financial Assets Available-for-Sale	1,613,924	7,768,940	4,996,785	2,744,401	1,431,427	1,496,509	20,051,986
Loans (**)	33,732,426	16,269,559	36,342,815	37,662,675	7,905,806	2,345,902	134,259,183
Investments Held-to-Maturity	728,378	4,177,637	5,589,282	3,296,123	5,864,176	1,358,906	21,014,502
Other Assets	6,144	-	-	-	3,071	8,308,039	8,317,254
Total Assets	39,587,314	29,618,594	48,589,286	43,919,628	15,207,333	41,996,349	218,918,504
Liabilities							
Bank Deposits	1,183,549	2,148,671	116,328	-	-	1,917,759	5,366,307
Other Deposits	56,667,997	24,500,044	8,759,624	64,961	153	24,948,895	114,941,674
Interbank Money Market Takings	8,051,352	1,312,907	-	1,997,965	-	23,696	11,385,920
Miscellaneous Payables	-	-	-	-	-	6,816,630	6,816,630
Securities Issued	1,527,276	1,495,978	1,847,139	5,696,356	2,511,311	274,187	13,352,247
Other Fundings	11,518,555	13,107,658	3,437,852	3,530,614	355,448	514,049	32,464,176
Other Liabilities	12,247	25,886	20,409	2	-	34,533,006	34,591,550
Total Liabilities	78,960,976	42,591,144	14,181,352	11,289,898	2,866,912	69,028,222	218,918,504
On Balance Sheet Long Position	-	-	34,407,934	32,629,730	12,340,421	-	79,378,085
On Balance Sheet Short Position	(39,373,662)	(12,972,550)	-	-	-	(27,031,873)	(79,378,085)
Off-Balance Sheet Long Position	5,269,642	6,150,351	4,630,864	4,792,315	1,296,240	-	22,139,412
Off-Balance Sheet Short Position	(1,294,542)	(2,676,922)	(4,598,308)	(9,614,462)	(4,315,227)	-	(22,499,461)
Total Position	(35,398,562)	(9,499,121)	34,440,490	27,807,583	9,321,434	(27,031,873)	(360,049)

(*) Interest accruals are also included in non-interest bearing column.

(**) Loans amounting to TL 201,385 thousands included under “financial assets at fair value through profit or loss” in the accompanying balance sheet, are presented above under “Loans”.

4.6.2 Average interest rates on monetary financial instruments (%)

<i>Current Period</i>	EUR	USD	JPY	TL
	%	%	%	%
Assets				
Cash (Cash on Hand, Money in Transit, Purchased Cheques) and Balances with the Central Bank of Turkey	-	-	-	1.46
Banks	0.19	0.33	-	9.35
Financial Assets at Fair Value through Profit/Loss	4.50	8.01	-	8.99
Interbank Money Market Placements	-	-	-	-
Financial Assets Available-for-Sale	-	5.72	-	9.44
Loans	4.29	4.99	2.35	14.15
Investments Held-to-Maturity	-	5.51	-	9.66
Liabilities				
Bank Deposits	2.32	1.29	-	10.39
Other Deposits	1.33	1.59	1.10	7.28
Interbank Money Market Takings	-	2.1	1.49	8.84
Miscellaneous Payables	-	-	-	-
Securities Issued	3.43	4.62	0.94	9.01
Other Fundings	1.26	2.17	1.94	10.07

<i>Prior Period</i>	EUR	USD	JPY	TL
	%	%	%	%
Assets				
Cash (Cash on Hand, Money in Transit, Purchased Cheques) and Balances with the Central Bank of Turkey	-	-	-	0.53
Banks	0.40	0.34	-	10.72
Financial Assets at Fair Value through Profit/Loss	4.63	8.49	-	9.69
Interbank Money Market Placements	-	0.45	-	-
Financial Assets Available-for-Sale	5.67	6.99	-	9.44
Loans	4.54	5.06	2.42	14.38
Investments Held-to-Maturity	-	5.41	-	9.96
Liabilities				
Bank Deposits	1.50	1.48	-	9.06
Other Deposits	1.23	1.43	1.68	7.35
Interbank Money Market Takings	-	1.09	1.49	8.33
Miscellaneous Payables	-	-	-	-
Securities Issued	3.48	4.62	0.98	9.36
Other Fundings	1.26	2.13	2.03	9.66

4.6.3 Interest rate risk on banking book

4.6.3.1 *Nature of interest rate risk resulting from banking book, major assumptions on early repayment of loans and movements in deposits other than term deposits and frequency of measuring interest rate risk*

The interest rate risk resulting from the banking book is assessed in terms of repricing risk, yield-curve risk, base risk and option risk, measured as per international standards and managed through limitations and mitigations through hedging transactions.

The interest sensitivity of assets, liabilities and off balance-sheet items are evaluated at the weekly Asset-Liability Committee meetings considering also the market developments.

The measurement process of interest rate risk resulting from the banking book, is designed and managed by the Bank on a bank-only basis to include the interest rate positions defined as banking book by the Bank and to consider the relevant repricing and maturity data.

Duration gaps, gaps by maturity brackets and sensitivity analysis are used in monitoring of repricing risk resulting from maturity mismatch. The duration gap and sensitivity analysis are carried out every two weeks.

In the duration gap analysis, net present values of the interest-rate sensitive assets and liabilities are calculated by using yield curves developed from the market interest rates. In case of instruments with no maturities, the maturity is determined as per interest rate fixing periods and customer behaviors. Such results are supported by sensitivity and scenario analysis applied periodically for possible fluctuations in the markets.

The interest rate risk resulting from the banking book is measured legally as per the “Regulation on Measurement and Evaluation of Interest Rate Risk Resulting from Banking Book as per Standard Shock Method” published in the Official Gazette no.28034 dated 23 August 2011, and the legal limit as per this measurement is monitored and reported monthly. The capital level is maintained considering the interest rate risk resulting from the banking book.

The interest rate risk on the interest-rate-sensitive financial instruments of the trading portfolio is evaluated as part of the market risk.

The market risks of branches and business lines are transferred to the Asset Liability Management department through transfer pricing. This department applies a centralised market risk management and uses the balance sheet (long-term borrowing) and off balance sheet (derivative instruments) methods.

4.6.3.2 *Economic value differences resulted from interest rate instabilities calculated according to Regulation on Measurement and Evaluation of Interest Rate Risk Resulted from Banking Book as per Standard Shock Method*

<i>Current Period</i>		Shocks Applied (+/- basis points)	Gains/Losses	Gains/Equity- Losses/Equity
Type of Currency				
1	TL	(+) 500bp	(3,099,528)	(10.72)%
2	TL	(-) 400bp	3,034,861	10.50%
3	USD	(+) 200bp	(757,012)	(2.62)%
4	USD	(-) 200bp	991,768	3.43%
5	EUR	(+) 200bp	61,024	0.21%
6	EUR	(-) 200bp	(48,615)	(0.17)%
Total (of negative shocks)			3,978,014	13.76%
Total (of positive shocks)			(3,795,516)	(13.13)%

	<i>Prior Period</i>	Shocks Applied (+/- basis points)	Gains/Losses	Gains/Equity- Losses/Equity
	Type of Currency			
1	TL	(+) 500 bps	(3,213,578)	(11.43)%
2	TL	(-) 400 bps	3,139,075	11.16%
3	USD	(+) 200 bps	(730,443)	(2.60)%
4	USD	(-) 200 bps	977,780	3.48%
5	EUR	(+) 200 bps	54,777	0.19%
6	EUR	(-) 200 bps	(82,307)	(0.29)%
Total (of negative shocks)			4,034,548	14.35%
Total (of positive shocks)			(3,889,244)	(13.84)%

4.7 Position risk of equity securities in banking book

4.7.1 Comparison of carrying, fair and market values of equity shares

<i>Current Period</i>		Comparison		
Equity Securities (shares)		Carrying Value	Fair Value	Market Value
1	Investment in Shares- grade A	3,204,535	2,919,075	69,093
	Quoted Securities	69,093	-	69,093
2	Investment in Shares- grade B	90,088	-	62,990
	Quoted Securities	62,990	-	62,990
3	Investment in Shares- grade C	662	-	-
	Quoted Securities	-	-	-
4	Investment in Shares- grade D	-	-	-
	Quoted Securities	-	-	-
5	Investment in Shares- grade E	1,014	-	-
	Quoted Securities	-	-	-
6	Investment in Shares- grade F	48	-	-
	Quoted Securities	-	-	-

<i>Prior Period</i>		Comparison		
Equity Securities (shares)		Carrying Value	Fair Value	Market Value
1	Investment in Shares- grade A	3,205,272	2,921,673	71,136
	Quoted Securities	71,136	-	71,136
2	Investment in Shares- grade B	91,949	-	64,852
	Quoted Securities	64,852	-	64,852
3	Investment in Shares- grade C	662	-	-
	Quoted Securities	-	-	-
4	Investment in Shares- grade D	-	-	-
	Quoted Securities	-	-	-
5	Investment in Shares- grade E	1,014	-	-
	Quoted Securities	-	-	-
6	Investment in Shares- grade F	48	-	-
	Quoted Securities	-	-	-

4.7.2 Realised gains/losses, revaluation surpluses and unrealised gains/losses on equity securities and results included in core and supplementary capitals

<i>Current Period</i>		Gains/Losses in Current Period	Revaluation Surpluses		Unrealised Gains and Losses		
Portfolio			Total	Amount in Supplementary Capital ^(*)	Total	Amount in Core Capital	Amount in Supplementary Capital ^(*)
1	Private Equity Investments	-	-	-	-	-	
2	Quoted Shares	-	-	-	68,932	68,932	
3	Other Shares	-	1,438,228	1,438,228	-	-	
Total		-	1,438,228	1,438,228	68,932	68,932	

^(*) The Securities Value Increase Fund under other Comprehensive Income according to TAS gives a positive result amounting to TL 1,438,228 thousands and the whole amount is included in Common Equity Tier I Capital.

<i>Prior Period</i>		Gains/Losses in Current Period	Revaluation Surpluses		Unrealised Gains and Losses		
Portfolio			Total	Amount in Supplementary Capital ^(*)	Total	Amount in Core Capital	Amount in Supplementary Capital ^(*)
1	Private Equity Investments	-	-	-	-	-	
2	Quoted Shares	-	-	-	70,493	70,493	
3	Other Shares	-	1,433,650	1,433,650	-	-	
Total		-	1,433,650	1,433,650	70,493	70,493	

^(*) The Securities Value Increase Fund under other Comprehensive Income according to TAS gives a positive result amounting to TL 1,433,650 thousands and the whole amount is included in Common Equity Tier I Capital.

4.8 Liquidity risk

The liquidity risk of the Bank is defined as the risk of being unable to pay its liabilities ontime due to not having enough cash sources or cash inflows to finance its cash outflows fully and ontime due to cashflow instabilities.

In order to overcome the liquidity risk, the Bank diversifies its funding sources considering their short and long term liquidity requirements, through instruments such as customer deposits, repurchase transactions, bond issuances and foreign borrowings. Besides, in order to secure the maturity match between the assets and liabilities, the strategies for maturity extension of fundings exist. The liquidity needs in different currencies are also managed through transactions such as currency swaps. In order to meet the cash outflow requirements during crises periods, high-liquid asset reserves are maintained.

In the management of TL and foreign currency liquidity, the cashflows of existing assets and liabilities are monitored and the liquidity needs in future maturities are estimated. The necessary actions are taken for liquidity requirements by monitoring stress positions.

An emergency action plan that covers the solutions to prevent the increase in liquidity risks under the ordinary activities and the possible scenarios of liquidity constraints under different positions and stress levels, exist. As per this plan, the liquidity risk is monitored through possible actions and scenarios at various stress levels of liquidity risks and early warning signals.

4.8.1 Contractual maturity analysis of liabilities according to remaining maturities

Not prepared in compliance with the Article 25 of the communiqué "Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks".

4.8.2 Maturity analysis of assets and liabilities according to remaining maturities:

	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Undistributed (*)	Total
Current Period								
Assets								
Cash (Cash on Hand, Money in Transit, Purchased Cheques) and Balances with the Central Bank of Turkey	6,352,184	18,731,688	-	-	-	-	-	25,083,872
Banks	3,772,332	2,110,362	308,711	159,966	3,919,380	-	-	10,270,751
Financial Assets at Fair Value through Profit/Loss (**)	11,276	366,003	371,370	639,209	356,810	376,362	-	2,121,030
Interbank Money Market Placements	-	-	-	-	-	-	-	-
Financial Assets Available-for-Sale	100,216	730,954	314,287	533,195	9,511,712	8,398,161	-	19,588,525
Loans (**)	170,548	30,044,750	11,968,671	31,494,242	52,557,770	16,322,399	2,762,964	145,321,344
Investments Held-to-Maturity	-	42,642	18,417	539,476	3,834,568	15,123,396	-	19,558,499
Other Assets	2,185,904	858,832	-	6,153	279,211	55,050	6,067,971	9,453,121
Total Assets	12,592,460	52,885,231	12,981,456	33,372,241	70,459,451	40,275,368	8,830,935	231,397,142
Liabilities								
Bank Deposits	1,261,581	1,002,219	1,941,878	387,006	-	-	-	4,592,684
Other Deposits	25,691,713	65,630,407	21,955,742	10,732,989	189,908	9,990	-	124,210,749
Other Fundings	-	881,692	4,806,620	9,827,507	10,853,799	5,502,425	-	31,872,043
Interbank Money Market Takings	-	9,689,660	667,315	-	2,241,363	-	-	12,598,338
Securities Issued	-	795,299	1,057,220	1,711,249	7,159,717	2,971,097	-	13,694,582
Miscellaneous Payables	1,155,178	5,787,135	-	-	-	-	-	6,942,313
Other Liabilities (***)	2,219,707	1,170,994	630,303	879,735	955,273	265,138	31,365,283	37,486,433
Total Liabilities	30,328,179	84,957,406	31,059,078	23,538,486	21,400,060	8,748,650	31,365,283	231,397,142
Liquidity Gap	(17,735,719)	(32,072,175)	(18,077,622)	9,833,755	49,059,391	31,526,718	(22,534,348)	-
Prior Period								
Total Assets	9,401,780	48,048,266	14,275,385	33,011,105	65,199,680	40,689,820	8,292,468	218,918,504
Total Liabilities	28,728,743	75,371,022	32,007,265	23,857,155	20,270,558	7,934,649	30,749,112	218,918,504
Liquidity Gap	(19,326,963)	(27,322,756)	(17,731,880)	9,153,950	44,929,122	32,755,171	(22,456,644)	-

- (*) Certain assets on the balance sheet that are necessary for the banking operations but not convertible into cash in short period such as tangible assets, investments in associates and subsidiaries, stationary supplies, prepaid expenses and loans under follow-up, are included in this column.
- (**) Loans amounting to TL 199,919 thousands (31 December 2014: TL 201,385 thousands) classified under “financial assets at fair value through profit or loss” in the accompanying balance sheet, are included above under “Loans”.
- (***) Shareholders’ equity is included in “other liabilities” line under “undistributed” column.

4.9 Securitisation positions

None.

4.10 Credit risk mitigation techniques

The Bank applies credit risk mitigation according to the comprehensive method that includes risk mitigation calculations considering the volatility-adjusted values of financial collaterals in compliance with the article 34 of the “Regulation on Credit Risk Mitigation Techniques”.

In the credit risk mitigation, cash and cash equivalent items and high-credit-quality debt instruments are used.

The volatility adjustments regarding the receivables, collaterals and currency mismatch of the collaterals are made as per the standard volatility-adjustment approach defined in the article 37 of the above mentioned regulation.

In cases, where there are maturity mismatches resulting from shorter remaining life of collateral than of receivables, the value of collateral is considered as the volatility-adjusted value.

<i>Current Period</i>	Amount (**)	Financial Collateral	Other/Physical Collateral	Guaranties and Credit Derivatives
Exposure Categories				
Conditional and unconditional exposures to central governments or central banks	61,159,580	5,782,551	-	-
Conditional and unconditional exposures to regional governments or local authorities	64,724	145	-	-
Conditional and unconditional exposures to administrative bodies and non-commercial undertakings	52,610	3,616	-	-
Conditional and unconditional exposures to multilateral development banks	-	-	-	-
Conditional and unconditional exposures to international organisations	-	-	-	-
Conditional and unconditional exposures to banks and brokerage houses	36,584,087	7,126,618	-	-
Conditional and unconditional exposures to corporates	120,859,841	14,014,892	-	-
Conditional and unconditional retail exposures	67,086,001	1,111,361	-	-
Conditional and unconditional exposures secured by real estate property (*)	23,968,179	111,351	-	-
Past due items	444,725	520	-	-
Items in regulatory high-risk categories	16,652,611	131,513	-	-
Exposures in the form of bonds secured by mortgages	-	-	-	-
Securitisation positions	-	-	-	-
Short term exposures to banks, brokerage houses and corporates	-	-	-	-
Exposures in the form of collective investment undertakings	51,526	-	-	-
Other items	8,219,353	-	-	-

(*) 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.

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

<i>Prior Period</i>				
Exposure Categories	Amount ^(**)	Financial Collateral	Other/Physical Collateral	Guaranties and Credit Derivatives
Conditional and unconditional exposures to central governments or central banks	62,349,802	4,159,123	-	-
Conditional and unconditional exposures to regional governments or local authorities	58,056	117	-	-
Conditional and unconditional exposures to administrative bodies and non-commercial undertakings	75,453	13,771	-	-
Conditional and unconditional exposures to multilateral development banks	-	-	-	-
Conditional and unconditional exposures to international organisations	-	-	-	-
Conditional and unconditional exposures to banks and brokerage houses	31,824,025	10,622,460	-	-
Conditional and unconditional exposures to corporates	108,194,500	12,220,031	-	-
Conditional and unconditional retail exposures	64,700,150	1,061,892	-	-
Conditional and unconditional exposures secured by real estate property ^(*)	22,029,299	90,319	-	-
Past due items	439,219	523	-	-
Items in regulatory high-risk categories	17,238,709	140,316	-	-
Exposures in the form of bonds secured by mortgages	-	-	-	-
Securitisation positions	-	-	-	-
Short term exposures to banks, brokerage houses and corporates	-	-	-	-
Exposures in the form of collective investment undertakings	54,451	-	-	-
Other items	7,878,736	-	-	-

^(*) 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.

^(**) Includes total risk amounts before the effect of credit risk mitigation and liquidity conversions.

4.11 Risk management objectives and policies

The Risk Management Strategy of the Bank includes the optimum allocation of the capital and the realisation of growth framework, maintaining risk-return balance, measuring the risks by methods in compliance with international standards and local regulations in paralel with its activities and under its sustainable and value-creating growth strategy.

The Bank determines the necessary approaches in order to update, revise, apply and manage its policies set for the proper assessment and management of risks considering changes in conditions.

The top management is responsible of managing, developing the risk management strategies, policies and application principles approved by the board of directors, reporting of major risks that the Bank is facing to the board of directors, assessment of internal control, internal audit and risk reports of departments and either eliminating risks, deficiencies or defects identified in these departments or taking the necessary precautions to prevent those, and participating in determination of risk limits.

The risk management activities are structured under the responsibility of the Bank’s board of directors. The top management is responsible to the board of directors for monitoring and managing of risks. Besides, the following departments participate in monitoring of risks, independent from the departments having operational activities; Internal Control, Risk Management, Fraud, Compliance and Internal Audit.

The risks are evaluated on a continuously developing structure that is managed by internationally accepted applications and in compliance with the Bank’s policies and procedures, and the international and local regulations.

The risks are also managed through risk mitigations using hedging transactions beside measurement, limitation and capital allocation techniques. The data of the Bank and the market are regularly monitored for better risk monitoring and management. As part of limitation of risks, internal limits are also set beside the legal limits. The possible changes in economic conditions and the risks that can be faced under extraordinary conditions are taken into consideration.

4.12 Fair values of financial assets and liabilities

Not prepared in compliance with the Article 25 of the communique “Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks”.

4.13 Transactions carried out on behalf of customers, items held in trust

None.

5 Disclosures and Footnotes on Unconsolidated Financial Statements

5.1 Assets

5.1.1 Cash and balances with Central Bank

	<i>Current Period</i>		<i>Prior Period</i>	
	TL	FC	TL	FC
Cash in TL/Foreign Currency	1,057,925	590,954	1,089,200	589,326
Central Bank of Turkey	1,112,403	21,322,610	670,794	22,027,261
Others	-	999,980	-	696,071
Total	2,170,328	22,913,544	1,759,994	23,312,658

Balances with the Central Bank of Turkey

	<i>Current Period</i>		<i>Prior Period</i>	
	TL	FC	TL	FC
Unrestricted Demand Deposits	1,112,403	2,590,922	670,794	2,431,663
Unrestricted Time Deposits	-	-	-	-
Restricted Time Deposits	-	18,731,688	-	19,595,598
Total	1,112,403	21,322,610	670,794	22,027,261

The reserve deposits kept as per the Communique no. 2005/1 "Reserve Deposits" of the Central Bank of Turkey in Turkish Lira, foreign currencies and gold, are included in the table above.

5.1.2 Information on financial assets at fair value through profit/loss

5.1.2.1 *Financial assets at fair value through profit/loss subject to repurchase agreements and provided as collateral/blocked*

	<i>Current Period</i>		<i>Prior Period</i>	
	TL	FC	TL	FC
Collateralised/Blocked Assets	73	-	-	265,254
Assets Subject to Repurchase Agreements	-	-	-	-
Total	73	-	-	265,254

5.1.2.2 *Positive differences on derivative financial assets held for trading*

	<i>Current Period</i>		<i>Prior Period</i>	
	TL	FC	TL	FC
Forward Transactions	277,006	23,972	113,870	22,136
Swap Transactions	656,540	500,812	435,049	497,523
Futures	-	-	-	-
Options	427,242	45,960	199,825	22,609
Other	-	-	-	-
Total	1,360,788	570,744	748,744	542,268

5.1.2.3 *Financial assets at fair value through profit/loss*

The Bank classified certain fixed-rate loans amounting to TL 200,000 thousands at initial recognition under financial assets at fair value through profit/loss to eliminate accounting inconsistency. The carrying value of these financial assets and the related current period loss amounted to TL199,919 thousands (31 December 2014: TL 201,385 thousands) and TL 1,466 thousands (31 December 2014: a gain of TL 2,607 thousands), respectively.

5.1.3 Banks

	<i>Current Period</i>		<i>Prior Period</i>	
	TL	FC	TL	FC
Banks				
Domestic banks	282,654	40,246	1,186,762	144,712
Foreign banks	278,619	9,669,232	233,129	6,875,346
Foreign headoffices and branches	-	-	-	-
Total	561,273	9,709,478	1,419,891	7,020,058

The placements at foreign banks include blocked accounts amounting TL 7,481,897 thousands (31 December 2014: TL 5,578,016 thousands) of which TL 140,732 thousands (31 December 2014: TL 108,410 thousands) and TL 53,278 thousands (31 December 2014: TL 50,066 thousands) are kept at the central banks of Malta and Turkish Republic of Northern Cyprus, respectively as reserve deposits and TL 7,287,887 thousands (31 December 2014: TL 5,419,540 thousands) as collateral against funds borrowed at various banks.

Due from foreign banks

Not prepared in compliance with the Article 25 of the communiqué “Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks”.

5.1.4.1 *Financial assets subject to repurchase agreements and provided as collateral/blocked*

	<i>Current Period</i>		<i>Prior Period</i>	
	TL	FC	TL	FC
Collateralised/Blocked Assets	5,147,294	-	5,463,784	141,803
Assets subject to Repurchase Agreements	9,533,832	-	5,024,297	523,499
Total	14,681,126	-	10,488,081	665,302

5.1.4.2 *Details of financial assets available-for-sale*

	<i>Current Period</i>	<i>Prior Period</i>
Debt Securities	18,360,290	18,605,649
Quoted at Stock Exchange	17,039,004	16,961,989
Unquoted at Stock Exchange	1,321,286	1,643,660
Common Shares/Investment Funds	60,608	61,048
Quoted at Stock Exchange (*)	7,669	7,669
Unquoted at Stock Exchange	52,939	53,379
Value Increases/Impairment Losses (-)	1,167,627	1,385,289
Total	19,588,525	20,051,986

5.1.5 Loans

5.1.5.1 *Loans and advances to shareholders and employees of the Bank*

	<i>Current Period</i>		<i>Prior Period</i>	
	Cash Loans	Non-Cash Loans	Cash Loans	Non-Cash Loans
Direct Lendings to Shareholders	20	259,002	786	175,423
Corporates	20	259,002	786	175,423
Individuals	-	-	-	-
Indirect Lendings to Shareholders	1,585,872	258,669	1,532,539	534,359
Loans to Employees	172,077	73	165,305	68
Total	1,757,969	517,744	1,698,630	709,850

5.1.5.2 Loans and other receivables classified in groups I and II including contracts with revised terms

<i>Current Period</i>	Performing Loans and Other Receivables			Loans and Other Receivables under Follow-Up		
	Loans and Other Receivables (Total)	Loans and Receivables with Revised Contract Terms		Loans and Other Receivables (Total)	Loans and Receivables with Revised Contract Terms	
		Extension of Repayment Plan	Other Changes		Extension of Repayment Plan	Other Changes
Cash Loans						
Loans	140,187,772	1,993,165	-	4,485,534	2,180,471	388,424
Working Capital Loans	10,119,186	168,687	-	799,957	421,959	84,470
Export Loans	6,189,300	7,562	-	119,300	50,050	35,724
Import Loans	16,911	-	-	-	-	-
Loans to Financial Sector (*)	5,325,980	4,045	-	-	-	-
Consumer Loans	33,279,656	1,494,042	-	1,360,838	453,619	22,546
Credit Cards	14,506,431	-	-	344,414	-	129,506
Others	70,750,308	318,829	-	1,861,025	1,254,843	116,178
Specialization Loans	-	-	-	-	-	-
Other Receivables	-	-	-	-	-	-
Total	140,187,772	1,993,165	-	4,485,534	2,180,471	388,424

(*) Loans amounting to TL 199,919 thousands included under “financial assets at fair value through profit or loss” in the accompanying balance sheet, are presented above under “Loans to Financial Sector”.

As of 31 March 2015, loans amounting to TL 4,907,779 thousands (31December 2014: TL 4,462,373 thousands) are collateralized under funding transactions.

<i>Prior Period</i>	Performing Loans and Other Receivables			Loans and Other Receivables under Follow-Up		
	Loans and Other Receivables (Total)	Loans and Receivables with Revised Contract Terms		Loans and Other Receivables (Total)	Loans and Receivables with Revised Contract Terms	
		Extension of Repayment Plan	Other Changes		Extension of Repayment Plan	Other Changes
Cash Loans						
Loans	129,439,486	1,640,194	-	4,192,829	1,997,330	328,572
Working Capital Loans	9,408,051	142,850	-	756,677	390,281	84,370
Export Loans	5,628,789	1,238	-	107,215	50,771	36,519
Import Loans	11,583	-	-	-	-	-
Loans to Financial Sector (*)	4,455,628	7,159	-	-	-	-
Consumer Loans	32,150,830	1,212,387	-	1,279,181	403,716	17,043
Credit Cards	14,446,110	-	-	343,754	-	127,602
Others	63,338,495	276,560	-	1,706,002	1,152,562	63,038
Specialization Loans	-	-	-	-	-	-
Other Receivables	-	-	-	-	-	-
Total	129,439,486	1,640,194	-	4,192,829	1,997,330	328,572

(*) Loans amounting to TL 201,385 thousands included under “financial assets at fair value through profit or loss” in the accompanying balance sheet, are presented above under “Loans to Financial Sector”.

Collaterals received for loans under follow-up:

<i>Current Period</i>	Corporate/ Commercial	Consumer Loans	Credit Cards	Total
	Loans			
Loans Collateralized by Cash	48,617	2,594	-	51,211
Loans Collateralized by Mortgages	1,568,833	518,710	-	2,087,543
Loans Collateralized by Pledged Assets	62,258	53,953	-	116,211
Loans Collateralized by Cheques and Notes	50,298	462,920	-	513,218
Loans Collateralized by Other Collaterals	673,891	9,545	-	683,436
Unsecured Loans	376,385	313,116	344,414	1,033,915
Total	2,780,282	1,360,838	344,414	4,485,534

<i>Prior Period</i>	Corporate/ Commercial Loans	Consumer Loans	Credit Cards	Total
Loans Collateralized by Cash	55,698	2,557	-	58,255
Loans Collateralized by Mortgages	1,458,181	469,735	-	1,927,916
Loans Collateralized by Pledged Assets	65,422	53,246	-	118,668
Loans Collateralized by Cheques and Notes	36,397	464,607	-	501,004
Loans Collateralized by Other Collaterals	622,907	8,621	-	631,528
Unsecured Loans	331,289	280,415	343,754	955,458
Total	2,569,894	1,279,181	343,754	4,192,829

Delinquency periods of loans under follow-up;

<i>Current Period</i>	Corporate/ Commercial Loans	Consumer Loans	Credit Cards	Total
31-60 days	57,627	591,106	153,699	802,432
61-90 days	59,325	175,066	61,621	296,012
Others	2,663,330	594,666	129,094	3,387,090
Total	2,780,282	1,360,838	344,414	4,485,534

<i>Prior Period</i>	Corporate/ Commercial Loans	Consumer Loans	Credit Cards	Total
31-60 days	79,098	521,366	166,123	766,587
61-90 days	59,808	186,287	49,641	295,736
Others	2,430,988	571,528	127,990	3,130,506
Total	2,569,894	1,279,181	343,754	4,192,829

Loans and other receivables with extended payment plans;

No. of Extensions	<i>Current Period</i>		<i>Prior Period</i>	
	Performing Loans and Other Receivables	Loans and Other Receivables under Follow-up	Performing Loans and Other Receivables	Loans and Other Receivables under Follow-up
1 or 2 times	1,823,808	2,111,692	1,488,390	1,941,546
3, 4 or 5 times	99,423	55,351	82,054	43,603
Over 5 times	69,934	13,428	69,750	12,181
Total	1,993,165	2,180,471	1,640,194	1,997,330

Extention Periods	<i>Current Period</i>		<i>Prior Period</i>	
	Performing Loans and Other Receivables	Loans and Other Receivables under Follow-up	Performing Loans and Other Receivables	Loans and Other Receivables under Follow-up
0 - 6 months	905,572	337,735	753,862	297,097
6 - 12 months	222,188	68,646	199,948	60,275
1 - 2 years	527,844	195,146	438,171	166,395
2 - 5 year	282,576	1,136,690	196,502	747,346
5 years and over	54,985	442,254	51,711	726,217
Total	1,993,165	2,180,471	1,640,194	1,997,330

5.1.5.3 Maturity analysis of cash loans

Not prepared in compliance with the Article 25 of the communiqué “Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks”.

5.1.5.4 Consumer loans, retail credit cards, personnel loans and personnel credit cards

<i>Current Period</i>	Short-Term	Medium and Long-Term	Total
Consumer Loans – TL	665,584	33,285,161	33,950,745
Housing Loans	18,259	15,935,720	15,953,979
Automobile Loans	21,149	1,312,726	1,333,875
General Purpose Loans	626,176	16,036,715	16,662,891
Other	-	-	-
Consumer Loans – FC-indexed	-	170,914	170,914
Housing Loans	-	166,660	166,660
Automobile Loans	-	51	51
General Purpose Loans	-	4,203	4,203
Other	-	-	-
Consumer Loans – FC	-	35,978	35,978
Housing Loans	-	25,687	25,687
Automobile Loans	-	5,276	5,276
General Purpose Loans	-	5,015	5,015
Other	-	-	-
Retail Credit Cards – TL	12,750,242	466,683	13,216,925
With Installment	5,914,122	466,683	6,380,805
Without Installment	6,836,120	-	6,836,120
Retail Credit Cards – FC	42,030	-	42,030
With Installment	11,635	-	11,635
Without Installment	30,395	-	30,395
Personnel Loans – TL	17,203	76,561	93,764
Housing Loan	-	6,395	6,395
Automobile Loans	16	771	787
General Purpose Loans	17,187	69,395	86,582
Other	-	-	-
Personnel Loans - FC-indexed	-	-	-
Housing Loans	-	-	-
Automobile Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Personnel Loans – FC	6	80	86
Housing Loans	-	-	-
Automobile Loans	-	-	-
General Purpose Loans	6	80	86
Other	-	-	-
Personnel Credit Cards – TL	77,094	445	77,539
With Installment	31,391	445	31,836
Without Installment	45,703	-	45,703
Personnel Credit Cards – FC	688	-	688
With Installment	179	-	179
Without Installment	509	-	509
Deposit Accounts– TL (Real persons)	389,007	-	389,007
Deposit Accounts– FC (Real persons)	-	-	-
Total	13,941,854	34,035,822	47,977,676

<i>Prior Period</i>	Short-Term	Medium and Long-Term	Total
Consumer Loans – TL	690,325	32,082,213	32,772,538
Housing Loans	19,660	15,359,984	15,379,644
Automobile Loans	21,705	1,341,922	1,363,627
General Purpose Loans	127,056	2,240,482	2,367,538
Other	521,904	13,139,825	13,661,729
Consumer Loans – FC-indexed	-	172,451	172,451
Housing Loans	-	168,056	168,056
Automobile Loans	-	60	60
General Purpose Loans	-	3,235	3,235
Other	-	1,100	1,100
Consumer Loans – FC	5	33,457	33,462
Housing Loans	-	25,626	25,626
Automobile Loans	-	5,219	5,219
General Purpose Loans	-	652	652
Other	5	1,960	1,965
Retail Credit Cards – TL	12,837,030	470,688	13,307,718
With Installment	5,992,626	470,688	6,463,314
Without Installment	6,844,404	-	6,844,404
Retail Credit Cards – FC	42,780	-	42,780
With Installment	15,930	-	15,930
Without Installment	26,850	-	26,850
Personnel Loans – TL	16,348	62,853	79,201
Housing Loan	-	967	967
Automobile Loans	-	57	57
General Purpose Loans	4,382	11,834	16,216
Other	11,966	49,995	61,961
Personnel Loans - FC-indexed	-	279	279
Housing Loans	-	279	279
Automobile Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Personnel Loans – FC	-	110	110
Housing Loans	-	-	-
Automobile Loans	-	-	-
General Purpose Loans	-	110	110
Other	-	-	-
Personnel Credit Cards – TL	77,254	475	77,729
With Installment	30,149	475	30,624
Without Installment	47,105	-	47,105
Personnel Credit Cards – FC	726	-	726
With Installment	304	-	304
Without Installment	422	-	422
Deposit Accounts– TL (Real persons)	371,970	-	371,970
Deposit Accounts– FC (Real persons)	-	-	-
Total	14,036,438	32,822,526	46,858,964

5.1.5.5 Installment based commercial loans and corporate credit cards

<i>Current Period</i>	Short-Term	Medium and Long-Term	Total
Installment-based Commercial Loans – TL	1,428,893	9,035,603	10,464,496
Real Estate Loans	2,474	668,823	671,297
Automobile Loans	69,042	1,817,420	1,886,462
General Purpose Loans	1,357,377	6,549,360	7,906,737
Other	-	-	-
Installment-based Commercial Loans - FC-indexed	168,302	1,541,833	1,710,135
Real Estate Loans	-	53,170	53,170
Automobile Loans	4,310	374,705	379,015
General Purpose Loans	163,992	1,113,958	1,277,950
Other	-	-	-
Installment-based Commercial Loans – FC	337	63,730	64,067
Real Estate Loans	-	1,065	1,065
Automobile Loans	10	6,179	6,189
General Purpose Loans	327	56,486	56,813
Other	-	-	-
Corporate Credit Cards – TL	1,502,805	850	1,503,655
With Installment	719,213	850	720,063
Without Installment	783,592	-	783,592
Corporate Credit Cards – FC	10,008	-	10,008
With Installment	234	-	234
Without Installment	9,774	-	9,774
Deposit Accounts– TL (Corporates)	799,633	-	799,633
Deposit Accounts– FC (Corporates)	-	-	-
Total	3,909,978	10,642,016	14,551,994

<i>Prior Period</i>	Short-Term	Medium and Long-Term	Total
Installment-based Commercial Loans – TL	1,428,068	8,727,986	10,156,054
Real Estate Loans	1,767	643,270	645,037
Automobile Loans	72,896	1,724,661	1,797,557
General Purpose Loans	1,353,405	6,353,477	7,706,882
Other	-	6,578	6,578
Installment-based Commercial Loans - FC-indexed	149,234	1,373,897	1,523,131
Real Estate Loans	-	53,175	53,175
Automobile Loans	4,288	343,744	348,032
General Purpose Loans	144,946	976,978	1,121,924
Other	-	-	-
Installment-based Commercial Loans – FC	225	68,162	68,387
Real Estate Loans	-	1,088	1,088
Automobile Loans	20	6,725	6,745
General Purpose Loans	205	14,248	14,453
Other	-	46,101	46,101
Corporate Credit Cards – TL	1,353,768	515	1,354,283
With Installment	654,951	514	655,465
Without Installment	698,817	1	698,818
Corporate Credit Cards – FC	6,628	-	6,628
With Installment	136	-	136
Without Installment	6,492	-	6,492
Deposit Accounts– TL (corporates)	716,754	-	716,754
Deposit Accounts– FC (corporates)	-	-	-
Total	3,654,677	10,170,560	13,825,237

5.1.5.6 Allocation of loans by customers

Not prepared in compliance with the Article 25 of the communique “Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks”.

5.1.5.7 Allocation of domestic and foreign loans

	<i>Current Period</i>	<i>Prior Period</i>
Domestic Loans	142,538,205	131,707,500
Foreign Loans (*)	2,135,101	1,924,815
Total	144,673,306	133,632,315

(*) Loans amounting to TL 199,919 thousands (31 December 2014: TL 201,385 thousands) included under “Financial Assets at Fair Value through Profit/Loss” in the accompanying balance sheet, are presented above under “Foreign Loans”.

5.1.5.8 Loans to associates and subsidiaries

	<i>Current Period</i>	<i>Prior Period</i>
Direct Lending	1,235,999	1,010,312
Indirect Lending	-	-
Total	1,235,999	1,010,312

5.1.5.9 Specific provisions for loans

	<i>Current Period</i>	<i>Prior Period</i>
Substandard Loans and Receivables - Limited Collectibility	321,777	309,887
Doubtful Loans and Receivables	523,274	596,107
Uncollectible Loans and Receivables	1,920,535	1,767,967
Total	2,765,586	2,673,961

5.1.5.10 Non-performing loans and other receivables (NPLs) (Net)

Non-performing loans and other receivables restructured or rescheduled

	Group III	Group IV	Group V
	Substandard Loans and Receivables	Doubtful Loans and Receivables	Uncollectible Loans and Receivables
<i>Current Period</i>			
(Gross Amounts before Specific Provisions)	99,288	157,780	263,877
Restructured Loans and Receivables	99,288	157,780	263,877
Rescheduled Loans and Receivables	-	-	-
<i>Prior Period</i>			
(Gross Amounts before Specific Provisions)	98,424	121,778	240,451
Restructured Loans and Receivables	98,424	121,778	240,451
Rescheduled Loans and Receivables	-	-	-

Movements in non-performing loans and other receivables

	Group III	Group IV	Group V
	Substandard Loans and Receivables	Doubtful Loans and Receivables	Uncollectible Loans and Receivables
<i>Current Period</i>			
Balances at Beginning of Period	405,091	748,030	2,147,708
Additions during the Period (+)	435,505	10,114	12,399
Transfer from Other NPL Categories (+)	-	357,704	399,524
Transfer to Other NPL Categories (-)	357,704	399,524	-
Collections during the Period (-)	69,512	53,795	142,696
Write-offs (-) (*)	147	-	79,073
Corporate and Commercial Loans	147	-	1,736
Retail Loans	-	-	33,412
Credit Cards	-	-	43,925
Others	-	-	-
Balances at End of Period	413,233	662,529	2,337,862
Specific Provisions (-)	321,777	523,274	1,920,535
Net Balance on Balance Sheet	91,456	139,255	417,327

(*) resulted from sale of non-performing loans.

<i>Prior Period</i>	Group III	Group IV	Group V
	Substandard Loans and Receivables	Doubtful Loans and Receivables	Uncollectible Loans and Receivables
Balances at Beginning of Period	378,430	402,395	1,757,605
Additions during the Period (+)	1,449,028	213,359	48,688
Transfer from Other NPL Categories (+)	-	1,198,736	865,678
Transfer to Other NPL Categories (-)	1,198,736	865,678	-
Collections during the Period (-)	223,631	200,231	242,518
Write-offs (-) (*)	-	551	281,745
Corporate and Commercial Loans	-	256	39,571
Retail Loans	-	295	57,734
Credit Cards	-	-	184,440
Others	-	-	-
Balances at End of Period	405,091	748,030	2,147,708
Specific Provisions (-)	309,887	596,107	1,767,967
Net Balance on Balance Sheet	95,204	151,923	379,741

(*) resulted from sale of non-performing loans.

Movements in specific loan provisions

<i>Current Period</i>	Corporate/ Commercial Loans	Consumer Loans	Credit Cards	Total
Balances at End of Prior Period	1,158,403	823,655	691,903	2,673,961
Additions during the Period(+)	62,322	190,330	130,571	383,223
Restructured/Rescheduled Loans (-)	-	-	-	-
Collections during the Period (-)	77,746	79,011	55,768	212,525
Write-offs (-) (*)	1,736	33,412	43,925	79,073
Balances at End of Period	1,141,243	901,562	722,781	2,765,586

(*) resulted from sale of non-performing loans.

<i>Prior Period</i>	Corporate/ Commercial Loans	Consumer Loans	Credit Cards	Total
Balances at End of Prior Period	936,813	510,037	609,618	2,056,468
Additions during the Period(+)	382,334	611,458	423,458	1,417,250
Restructured/Rescheduled Loans (-)	-	-	-	-
Collections during the Period (-)	128,055	239,811	156,733	524,599
Write-offs (-) (*)	32,689	58,029	184,440	275,158
Balances at End of Period	1,158,403	823,655	691,903	2,673,961

(*) resulted from sale of non-performing loans.

Non-performing loans and other receivables in foreign currencies

	Group III	Group IV	Group V
	Substandard Loans and Receivables	Doubtful Loans and Receivables	Uncollectible Loans and Receivables
<i>Current Period</i>			
Balance at End of Period	42,227	15,853	538,537
Specific Provisions (-)	33,014	5,064	423,144
Net Balance at Balance Sheet	9,213	10,789	115,393
<i>Prior Period</i>			
Balance at End of Period	24,020	41,143	581,702
Specific Provisions (-)	14,586	20,846	469,969
Net Balance at Balance Sheet	9,434	20,297	111,733

Gross and net non-performing loans and receivables as per customer categories

	Group III	Group IV	Group V
	Substandard Loans and Receivables	Doubtful Loans and Receivables	Uncollectible Loans and Receivables
<i>Current Period (Net)</i>			
	91,456	139,255	417,327
Loans to Individuals and Corporates (Gross)	413,233	662,529	2,330,970
Specific Provision (-)	321,777	523,274	1,913,643
Loans to Individuals and Corporates (Net)	91,456	139,255	417,327
Banks (Gross)	-	-	311
Specific Provision (-)	-	-	311
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	6,581
Specific Provision (-)	-	-	6,581
Other Loans and Receivables (Net)	-	-	-
<i>Prior Period (Net)</i>			
	95,204	151,923	379,741
Loans to Individuals and Corporates (Gross)	405,091	748,030	2,140,816
Specific Provision (-)	309,887	596,107	1,761,075
Loans to Individuals and Corporates (Net)	95,204	151,923	379,741
Banks (Gross)	-	-	311
Specific Provision (-)	-	-	311
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	6,581
Specific Provision (-)	-	-	6,581
Other Loans and Receivables (Net)	-	-	-

Collaterals received for non-performing loans

<i>Current Period</i>	Corporate/ Commercial Loans	Consumer Loans	Credit Cards	Total
Loans Collateralized by Cash	2,997	169	-	3,166
Loans Collateralized by Mortgages	831,053	73,653	-	904,706
Loans Collateralized by Pledged Assets	243,988	52,803	-	296,791
Loans Collateralized by Cheques and Notes	288,314	615,313	-	903,627
Loans Collateralized by Other Collaterals	284,994	5,951	-	290,945
Unsecured Loans	73,157	218,451	722,781	1,014,389
Total	1,724,503	966,340	722,781	3,413,624

<i>Prior Period</i>	Corporate/ Commercial Loans	Consumer Loans	Credit Cards	Total
Loans Collateralized by Cash	2,864	235	-	3,099
Loans Collateralized by Mortgages	813,345	70,508	-	883,853
Loans Collateralized by Pledged Assets	260,817	52,180	-	312,997
Loans Collateralized by Cheques and Notes	329,520	577,913	-	907,433
Loans Collateralized by Other Collaterals	244,617	5,667	-	250,284
Unsecured Loans	71,048	180,212	691,903	943,163
Total	1,722,211	886,715	691,903	3,300,829

5.1.5.11 *Liquidation policy for uncollectible loans and receivables*

Not prepared in compliance with the Article 25 of the communique “Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks”.

5.1.5.12 *“Write-off” policies*

Not prepared in compliance with the Article 25 of the communique “Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks”.

5.1.6 **Investments held-to-maturity**

5.1.6.1 *Investment subject to repurchase agreements and provided as collateral/blocked*

	<i>Current Period</i>		<i>Prior Period</i>	
	TL	FC	TL	FC
Collateralised/Blocked Investments	5,640,389	919,540	6,708,866	718,432
Investments subject to Repurchase Agreements	2,996,950	326,866	1,996,759	4,612,969
Total	8,637,339	1,246,406	8,705,625	5,331,401

5.1.6.2 *Government securities held-to-maturity*

	<i>Current Period</i>	<i>Prior Period</i>
Government Bonds	16,495,443	18,001,879
Treasury Bills	-	-
Other Government Securities	-	-
Total	16,495,443	18,001,879

5.1.6.3 *Investments held-to-maturity*

	<i>Current Period</i>	<i>Prior Period</i>
Debt Securities	18,407,054	19,655,596
Quoted at Stock Exchange	17,654,456	18,319,161
Unquoted at Stock Exchange	752,598	1,336,435
Valuation Increase/(Decrease)	1,151,445	1,358,906
Total	19,558,499	21,014,502

As of 31 March 2015, the Bank’s “investments held-to-maturity” portfolio includes private sector bonds with “credit linked notes” at a total face value of USD 125,000,000 (31 December 2014: USD 425,000,000) and a total carrying value of TL 322,593 thousands (31 December 2014: TL 993,074 thousands).

5.1.6.4 Movement of investments held-to-maturity

	<i>Current Period</i>	<i>Prior Period</i>
Balances at Beginning of Period	21,014,502	13,984,435
Foreign Currency Differences On Monetary Assets	869,799	74,753
Purchases during the Period (*)	525,793	7,689,505
Disposals through Sales/Redemptions (**)	(2,644,134)	(1,649,588)
Valuation Effect	(207,461)	915,397
Balances at End of Period	19,558,499	21,014,502

In the current period,

(**) As per the exceptions set out in the relevant accounting standards (TAS 39) for the sale or reclassification of securities originally classified under the securities held-to-maturity before maturity, certain credit linked notes with a total face value of USD 300,000,000 were sold.

In the prior period,

(*) The Bank reclassified private sector bonds with “credit linked notes” with a total face value of USD 425,000,000 from financial assets available-for-sale portfolio to investments held-to-maturity portfolio.

(**) As per the regulation on capital adequacy (Basel II) effective from 1 July 2012, the risk weight of securities in foreign currencies issued by the Turkish Treasury increased from 0% to 100%. As allowed by the relevant accounting standards (TAS 39) for the sale or reclassification of securities originally classified under the securities held-to-maturity in cases where the capital requirement increases due to regulatory changes, and as per the letter of the Public Oversight, Accounting and Auditing Standards Authority no. 602 dated 20 February 2013, in the prior period the Bank reclassified its eurobonds with a total face value of USD 248,209,999 to its available-for-sale portfolio.

5.1.7 Investments in associates

5.1.7.1 Investments in associates

	Associate	Address (City/ Country)	Bank's Share – If Different, Voting Rights (%)	Bank's Risk Group Share (%)
1	Bankalararası Kart Merkezi AŞ ⁽¹⁾	İstanbul/Turkey	10.15	10.15
2	Yatırım Finansman Menkul Değerler AŞ ⁽¹⁾	İstanbul/Turkey	0.77	0.77
3	İstanbul Takas ve Saklama Bankası AŞ ⁽¹⁾	İstanbul/Turkey	5.25	5.28
4	Borsa İstanbul AŞ ⁽¹⁾	İstanbul/Turkey	0.30	0.34
5	KKB Kredi Kayıt Bürosu AŞ ⁽¹⁾	İstanbul/Turkey	9.09	9.09
6	Türkiye Cumhuriyet Merkez Bankası AŞ ⁽¹⁾	Ankara /Turkey	2.48	2.48
7	Kredi Garanti Fonu AŞ ⁽¹⁾	Ankara /Turkey	1.75	1.75

	Total Assets	Shareholders' Equity	Total Fixed Assets (*)	Interest Income	Income on Securities Portfolio	Current Period Profit/Loss	Prior Period Profit/Loss	Company's Fair Value (if available)
1	56,641	25,774	32,679	1,009	-	3,490	2,644	-
2	719,241	74,986	3,873	14,134	1,568	(647)	2,923	-
3	5,495,623	800,244	18,538	155,165	24,158	121,492	81,809	-
4	689,124	560,710	82,473	18,668	2,407	94,146	23,976	-
5	115,240	91,597	59,454	4,246	-	21,834	32,665	-
6	371,590,359	38,642,079	654,695	4,032,420	2,313,892	8,529,957	13,198,929	-
7	289,395	284,079	3,274	14,246	-	10,288	8,436	-

(1) Financial information is as of 31 December 2014.

(*) Total fixed assets include tangible and intangible assets.

5.1.7.2 Movement of investments in associates

	<i>Current Period</i>	<i>Prior Period</i>
Balance at Beginning of Period	36,698	36,698
Movements during the Period	-	-
Acquisitions (*)	-	-
Bonus Shares Received (**)	-	-
Dividends from Current Year Profit	-	-
Sales	-	-
Increase in Market Values	-	-
Impairment Reversals/(Losses)	-	-
Balance at End of Period	36,698	36,698
Capital Commitments	-	-
Share Percentage at the End of Period (%)	-	-

5.1.7.3 Sectoral distribution of investments and associates

Investments in Associates	<i>Current Period</i>	<i>Prior Period</i>
Banks	-	-
Insurance Companies	-	-
Factoring Companies	-	-
Leasing Companies	-	-
Finance Companies	34,984	34,984
Other Associates	1,714	1,714

5.1.7.4 Quoted associates

None.

5.1.7.5 Valuation methods of investments in associates

Investments in Associates	<i>Current Period</i>	<i>Prior Period</i>
Valued at Cost	36,698	36,698
Valued at Fair Value	-	-

5.1.7.6 Investments in associates sold during the current period

None.

5.1.7.7 Investments in associates acquired during the current period

None.

5.1.8 Investments in subsidiaries

5.1.8.1 Information on capital adequacy of major subsidiaries

The Bank does not have any capital needs due to its subsidiaries included in the calculation of its consolidated capital adequacy standard ratio. Information on capital adequacy of major subsidiaries is presented below.

<i>Current Period</i>	Garanti Bank International NV	Garanti Finansal Kiralama AŞ	Garanti Holding BV
COMMON EQUITY TIER I CAPITAL			
Paid-in Capital to be Entitled for Compensation after All Creditors	383,054	357,848	1,020,384
Share Premium	-	-	35,868
Share Cancellation Profits	-	-	-
Reserves	719,852	238,680	(347,993)
Other Comprehensive Income according to TAS (*)	242,708	-	35,515
Current and Prior Periods' Profits	187,891	119,833	38,186
Common Equity Tier I Capital Before Deductions	1,533,505	716,361	781,960
Deductions From Common Equity Tier I Capital			
Current and Prior Periods' Losses not Covered by Reserves, and Losses Accounted under Equity according to TAS (-)	72,401	287	146,965
Leasehold Improvements on Operational Leases (-)	-	-	10,869
Goodwill and Other Intangible Assets and Related Deferred Taxes (-)	6,574	1,942	65,540
Net Deferred Tax Asset/Liability (-)	-	-	7,369
Total Deductions from Common Equity Tier I Capital	78,975	2,229	230,743
Total Common Equity Tier I Capital	1,454,530	714,132	551,217
Total Deductions From Tier I Capital	9,860	2,914	109,364
Total Tier I Capital	1,444,670	711,218	441,853
TIER II CAPITAL	82,938	-	51,776
CAPITAL BEFORE DEDUCTIONS	1,527,608	711,218	493,629
Net Book Values of Movables and Immovables Exceeding the Limit Defined in the Article 57, Clause 1 of the Banking Law and the Assets Acquired against Overdue Receivables and Held for Sale but Retained more than Five Years (-)	-	6	-
TOTAL CAPITAL	1,527,608	711,212	493,629

<i>Prior Period</i>	Garanti Bank International NV	Garanti Finansal Kiralama AŞ	Garanti Holding BV
COMMON EQUITY TIER I CAPITAL			
Paid-in Capital to be Entitled for Compensation after All Creditors	386,379	357,848	1,029,352
Share Premium	-	-	36,183
Share Cancellation Profits	-	-	-
Reserves	956,232	238,680	(507,545)
Other Comprehensive Income according to TAS (*)	19,907	-	33,626
Current and Prior Periods' Profits	139,784	91,034	18,788
Common Equity Tier I Capital Before Deductions	1,502,302	687,562	610,404
Deductions From Common Equity Tier I Capital			
Current and Prior Periods' Losses not Covered by Reserves, and Losses Accounted under Equity according to TAS (-)	85,138	287	2,253
Leasehold Improvements on Operational Leases (-)	-	-	12,053
Goodwill and Other Intangible Assets and Related Deferred Taxes (-)	3,378	833	32,486
Net Deferred Tax Asset/Liability (-)	-	-	6,048
Total Deductions from Common Equity Tier I Capital	88,516	1,120	52,840
Total Common Equity Tier I Capital	1,413,786	686,442	557,564
Total Deductions From Tier I Capital	13,513	3,332	154,137
Total Tier I Capital	1,400,273	683,110	403,427
TIER II CAPITAL	83,667	-	50,797
CAPITAL BEFORE DEDUCTIONS	1,483,940	683,110	454,224
Net Book Values of Movables and Immovables Exceeding the Limit Defined in the Article 57, Clause 1 of the Banking Law and the Assets Acquired against Overdue Receivables and Held for Sale but Retained more than Five Years (-)	-	6	-
TOTAL CAPITAL	1,483,940	683,104	454,224

5.1.8.2 Investments in subsidiaries

	Subsidiary	Address (City/ Country)	Bank's Share – If Different, Voting Rights (%)	Bank's Risk Group Share (%)
1	Garanti Bilişim Teknolojisi ve Tic. TAŞ	Istanbul/Turkey	100.00	100.00
2	Garanti Ödeme Sistemleri AŞ	Istanbul/Turkey	99.96	100.00
3	Garanti Hizmet Yönetimi AŞ	Istanbul/Turkey	96.40	99.40
4	Garanti Kültür AŞ	Istanbul/Turkey	100.00	100.00
5	Garanti Konut Finansmanı Danışmanlık Hiz. AŞ	Istanbul/Turkey	100.00	100.00
6	Garanti Finansal Kiralama AŞ	Istanbul/Turkey	100.00	100.00
7	Garanti Faktoring Hizmetleri AŞ	Istanbul/Turkey	81.84	81.84
8	Garanti Yatırım Menkul Kıymetler AŞ	Istanbul/Turkey	100.00	100.00
9	Garanti Portföy Yönetimi AŞ	Istanbul/Turkey	100.00	100.00
10	Garanti Emeklilik ve Hayat AŞ	Istanbul/Turkey	84.91	84.91
11	Garanti Bank International NV	Amsterdam/The Netherlands	100.00	100.00
12	Garanti Bank Moscow	Moscow/Russia	99.94	100.00
13	Garanti Holding BV	Amsterdam/The Netherlands	100.00	100.00

	Total Assets	Shareholders' Equity	Total Fixed Assets (*)	Interest Income	Income on Securities Portfolio	Current Period Profit/Loss	Prior Period Profit/Loss	Company's Fair Value
1	59,520	53,526	75	344	731	3,450	1,957	-
2	24,402	17,394	2,650	253	119	200	330	-
3	7,384	7,036	14	-	101	928	1,190	-
4	1,561	1,064	95	-	6	42	20	-
5	3,615	3,445	3	-	52	377	587	-
6	4,266,143	716,075	21,170	85,540	-	28,800	23,451	-
7	2,827,945	146,355	4,303	52,222	-	5,973	3,594	161,385
8	78,690	41,857	5,336	929	898	575	1,077	-
9	37,254	33,376	5,783	559	3	2,113	1,490	-
10	7,784,826	932,273	32,111	23,041	5,822	47,753	46,309	-
11	13,427,956	1,461,103	68,122	100,050	23,044	48,107	45,881	1,598,804
12	598,599	129,281	29,968	11,327	4,396	1,573	3,301	227,174
13	896,676	896,568	-	-	-	(41)	(44)	961,144

(*) Total fixed assets include tangible and intangible assets.

5.1.8.3 Movement of investments in subsidiaries

	Current Period	Prior Period
Balance at Beginning of Period	3,262,247	3,178,829
Movements during the Period	(2,598)	83,418
Acquisitions	-	543
Bonus Shares Received	-	-
Dividends from Current Year Profit	-	-
Sales/Liquidations	-	-
Reclassification of Shares	-	-
Increase/(Decrease) in Market Values	680	138,319
Currency Differences on Foreign Subsidiaries	(3,278)	(55,444)
Impairment Reversals/(Losses)	-	-
Balance at End of Period	3,259,649	3,262,247
Capital Commitments	-	-
Share Percentage at the End of Period (%)	-	-

5.1.8.4 Sectoral distribution of investments in subsidiaries

Subsidiaries	Current Period	Prior Period
Banks	1,825,847	1,816,094
Insurance Companies	56,545	56,545
Factoring Companies	132,083	135,988
Leasing Companies	111,135	111,134
Finance Companies	1,029,803	1,038,250
Other Subsidiaries	104,236	104,236

5.1.8.5 Quoted subsidiaries

Subsidiaries	Current Period	Prior Period
Quoted at Domestic Stock Exchanges	132,083	135,988
Quoted at International Stock Exchanges	-	-

5.1.8.6 Valuation methods of investments in subsidiaries

Subsidiaries	Current Period	Prior Period
Valued at Cost	340,574	340,574
Valued at Fair Value	2,919,075	2,921,673

5.1.8.7 Investments in subsidiaries disposed during the current period

None.

5.1.8.8 Investments in subsidiaries acquired during the current period

None.

5.1.9 Investments in Joint-Ventures

None.

5.1.10 Lease receivables

None.

5.1.11 Derivative financial assets held for risk management

5.1.11.1 Positive differences on derivative financial instruments held for risk management

Derivative Financial Assets Held for Risk Management	Current Period		Prior Period	
	TL	FC	TL	FC
Fair Value Hedges	27,813	-	31,158	83
Cash Flow Hedges	20,651	288,879	15,044	119,967
Net Foreign Investment Hedges	-	-	-	-
Total	48,464	288,879	46,202	120,050

As of 31 March 2015, the face values and the net fair values, recognised in the balance sheet, of the derivative financial instruments held for risk management purposes, are summarized below:

	Current Period			Prior Period		
	Face Value	Asset	Liability	Face Value	Asset	Liability
Interest Rate Swaps	12,277,614	48,480	184,074	12,215,225	46,285	168,109
-TL	5,184,200	48,464	67,487	6,034,049	46,202	99,572
-FC	7,093,414	16	116,587	6,181,176	83	68,537
Cross Currency Swaps	5,351,062	288,863	141,672	5,215,329	119,967	111,274
-TL	2,046,220	-	-	2,090,223	-	-
-FC	3,304,842	288,863	141,672	3,125,106	119,967	111,274
Total	17,628,676	337,343	325,746	17,430,554	166,252	279,383

5.1.11.1.1 Fair value hedge accounting

Current Period						
Hedging Item	Hedged Item	Type of Risk	Fair Value Change of Hedged Item	Net Fair Value Change of Hedging Item		Income Statement Effect (gains/losses from derivative financial instruments)
				Asset	Liability	
Interest Rate Swaps	Fixed-rate commercial loans	Interest rate risk	63,106	3,848	(78,606)	(11,652)
Interest Rate Swaps	Fixed-rate securities	Interest rate risk	28,010	23,965	(69,299)	(17,324)
Cross Currency Swaps	Fixed-rate securities issued	Interest rate and foreign currency exchange rate risk	(16,928)	-	(99,020)	(115,948)

Prior Period						
Hedging Item	Hedged Item	Type of Risk	Fair Value Change of Hedged Item	Net Fair Value Change of Hedging Item		Income Statement Effect (gains/losses from derivative financial instruments)
				Asset	Liability	
Interest Rate Swaps	Fixed-rate commercial loans	Interest rate risk	39,256	3,000	(57,277)	(15,021)
Interest Rate Swaps	Fixed-rate securities	Interest rate risk	42,104	28,241	(91,167)	(20,822)
Cross Currency Swaps	Fixed-rate securities issued	Interest rate and foreign currency exchange rate risk	(12,511)	-	(63,059)	(75,570)

The Bank also applies fair value hedge to hedge the foreign exchange rate risks of its investments in Garanti Bank International, Garanti Bank Moscow and Garanti Holding BV amounting to USD 29,329,123 and EUR 460,783,575 in total. The effective portion of the foreign exchange differences are recognised in the income statement.

5.1.11.1.2 Cash flow hedge accounting

Current Period							
Hedging Item	Hedged Item	Type of Risk	Fair Value Change of Hedged Item		Gains/Losses Accounted under Shareholders' Equity in the Period	Gains/Losses Accounted under Income Statement in the Period	Ineffective Portion (net)Accounted under Income Statement
			Asset	Liability			
Interest Rate Swaps	Floating-rate funds borrowed	Cash flow risk resulted from change in market interest rates	20,651	(36,169)	(10,214)	3,850	(1,586)
Cross Currency Swaps	Floating-rate securities issued	Cash flow risk resulted from change in market interest rates and foreign currency exchange rates	163,313	-	5,303	(7,284)	-
Cross Currency Swaps	Floating-rate funds borrowed	Cash flow risk resulted from change in market interest rates and foreign currency exchange rates	125,566	(42,652)	19,697	(21,674)	-

Prior Period							
Hedging Item	Hedged Item	Type of Risk	Fair Value Change of Hedged Item		Gains/Losses Accounted under Shareholders' Equity in the Period	Gains/Losses Accounted under Income Statement in the Period	Ineffective Portion (net)Accounted under Income Statement
			Asset	Liability			
Interest Rate Swaps	Floating-rate funds borrowed	Cash flow risk resulted from change in market interest rates	15,044	(19,665)	(41,815)	(16,302)	-
Cross Currency Swaps	Floating-rate securities issued	Cash flow risk resulted from change in market interest rates and foreign currency exchange rates	76,306	-	(8,749)	27,285	-
Cross Currency Swaps	Floating-rate funds borrowed	Cash flow risk resulted from change in market interest rates and foreign currency exchange rates	43,661	(48,215)	(5,312)	(13,246)	-

5.1.12 Tangible assets

Not prepared in compliance with the Article 25 of the communique “Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks”.

5.1.13 Intangible assets

Not prepared in compliance with the Article 25 of the communique “Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks”.

5.1.14 Investment property

<i>Current Period</i>	Cost	Accumulated Depreciation (-)	Impairment Losses	Intend of Use
Real Estate Type				
Building	191,021	(44,701)	-	Operational lease
Land	-	-	-	-

<i>Prior Period</i>	Cost	Accumulated Depreciation (-)	Impairment Losses	Intend of Use
Real Estate Type				
Building	191,020	(43,555)	-	Operational lease
Land	-	-	-	-

5.1.15 Deferred tax asset

As of 31 March 2015, the Bank has a deferred tax asset of TL 493,103 thousands (31 December 2014: TL 372,090 thousands) calculated as the net amount remaining after netting of tax deductible timing differences and taxable timing differences.

The Bank does not have any deferred tax assets on tax losses carried forward or tax deductions and exemptions as of 31 March 2015. However, there is a deferred tax asset of TL 699,193 thousands (31 December 2014: TL 550,271 thousands) and deferred tax liability of TL 206,090 thousands (31 December 2014: TL 178,181 thousands) presented as net in the accompanying financial statements on all taxable temporary differences arising between the carrying amounts and the taxable amounts of assets and liabilities on the financial statements that will be considered in the calculation of taxable earnings in the future periods.

For the cases where such differences are related with certain items on the shareholders’ equity accounts, the deferred taxes are charged or credited directly to these accounts.

	<i>Current Period</i>		<i>Prior Period</i>	
	Tax Base	Deferred Tax Amount	Tax Base	Deferred Tax Amount
Provisions (*)	683,703	136,741	656,754	131,351
Differences between the Carrying Values and Taxable Values of Financial Assets (**)	1,765,462	342,479	964,681	191,276
Other	69,414	13,883	247,317	49,463
Total Deferred Tax Asset, Net	2,518,579	493,103	1,868,752	372,090

(*) Consists of reserve for employee benefits, provision for promotion expenses of credit cards and other provisions.

(**) Calculations are performed at the relevant tax rates applicable in the country of the foreign branches’ financial assets.

As of 31 March 2015, TL 88,570 thousands of deferred tax income (31 December 2014: TL 359,285 thousands) and TL 32,307 thousands of deferred tax expense (31 December 2014: TL 116,413 thousands of deferred tax expense) are recognised in the income statement and the shareholders’ equity, respectively.

5.1.16 Assets held for sale and assets of discontinued operations

	<i>Current Period</i>	<i>Prior Period</i>
End of Prior Period		
Cost	178,986	152,094
Accumulated Depreciation (-)	(7,970)	(5,990)
Net Book Value	171,016	146,104
End of Current Period		
Additions	16,935	106,021
Disposals (Cost)	(20,439)	(77,188)
Disposals (Accumulated Depreciation)	399	1,212
Impairment Losses (-)	(463)	(1,941)
Depreciation Expense for Current Period (-)	(1,180)	(3,192)
Currency Translation Differences on Foreign Operations		-
Cost	175,019	178,986
Accumulated Depreciation (-)	(8,751)	(7,970)
Net Book Value	166,268	171,016

As of balance sheet date, the net book values of assets held for sale on which rights of repurchase exist amounting to TL 48,396 thousands (31 December 2014: TL 26,361 thousands).

5.1.17 Other assets

5.1.17.1 Receivables from term sale of assets

	<i>Current Period</i>	<i>Prior Period</i>
Sale of Investments in Associates, Subsidiaries and Joint Ventures	-	-
Sale of Real Estates	-	1,062
Sale of Other Assets	3,071	3,071
Total	3,071	4,133

5.1.17.2 Prepaid expenses, taxes and similar items

	<i>Current Period</i>	<i>Prior Period</i>
Prepaid Expenses	452,982	363,379
Prepaid Taxes	-	-

5.1.18 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:

	<i>Current Period</i>		<i>Prior Period</i>	
	TL	FC	TL	FC
Central Bank of Turkey	6,302	-	866	-
Financial Assets at Fair Value through Profit or Loss	397	314	180	17,399
Banks	11,758	14,993	11,994	14,892
Interbank Money Markets	-	-	-	1
Financial Assets Available-for-Sale	1,147,825	14,214	1,327,998	69,904
Loans	1,344,466	719,031	1,110,738	608,296
Investments Held-to-Maturity	1,098,370	54,353	1,242,349	116,557
Other Accruals	9,128	-	5,054	-
Total	3,618,246	802,905	3,699,179	827,049

5.2 Liabilities

5.2.1 Maturity profile of deposits

<i>Current Period</i>	Demand	7 Days Notice	Up to 1 Month	1-3 Months	3-6 Months	6-12 Months	1 Year and Over	Accumulating Deposit Accounts	Total
Saving Deposits	6,608,579	-	4,160,859	31,280,525	1,139,245	891,089	655,121	4,413	44,739,831
Foreign Currency Deposits	11,399,710	-	6,099,401	27,982,455	4,563,778	4,429,404	6,818,618	55,526	61,348,892
Residents in Turkey	10,790,382	-	5,814,412	24,624,425	2,248,543	1,302,029	638,177	54,226	45,472,194
Residents in Abroad	609,328	-	284,989	3,358,030	2,315,235	3,127,375	6,180,441	1,300	15,876,698
Public Sector Deposits	1,029,694	-	4,464	21,370	162	18	31	-	1,055,739
Commercial Deposits	5,470,655	-	3,695,461	3,788,379	373,661	457,376	430,928	-	14,216,460
Other	146,720	-	134,255	898,066	18,526	8,997	457,713	-	1,664,277
Precious Metal Deposits	1,036,355	-	105	47,544	-	1,497	100,049	-	1,185,550
Bank Deposits	1,261,581	-	841,610	551,582	849,442	829,225	259,244	-	4,592,684
Central Bank of Turkey	-	-	-	-	-	-	-	-	-
Domestic Banks	4,165	-	834,853	-	-	57,318	27,641	-	923,977
Foreign Banks	520,881	-	6,757	551,582	849,442	771,907	231,603	-	2,932,172
Special Financial Institutions	736,535	-	-	-	-	-	-	-	736,535
Other	-	-	-	-	-	-	-	-	-
Total	26,953,294	-	14,936,155	64,569,921	6,944,814	6,617,606	8,721,704	59,939	128,803,433

<i>Prior Period</i>	Demand	7 Days Notice	Up to 1 Month	1-3 Months	3-6 Months	6-12 Months	1 Year and Over	Accumulating Deposit Accounts	Total
Saving Deposits	6,244,814	-	3,665,685	29,247,066	2,183,560	1,004,915	648,068	4,235	42,998,343
Foreign Currency Deposits	10,542,357	-	6,007,500	21,251,376	4,374,215	3,978,925	5,803,385	56,466	52,014,224
Residents in Turkey	9,743,242	-	5,841,715	18,773,727	3,215,937	1,352,314	563,655	54,785	39,545,375
Residents in Abroad	799,115	-	165,785	2,477,649	1,158,278	2,626,611	5,239,730	1,681	12,468,849
Public Sector Deposits	757,159	-	2,386	25,054	149	55	28	-	784,831
Commercial Deposits	5,327,908	-	2,997,233	5,755,260	266,108	222,962	642,621	-	15,212,092
Other	141,075	-	120,899	1,619,081	25,053	398,009	4,340	-	2,308,457
Precious Metal Deposits	1,467,539	-	958	52,885	19	2,041	100,285	-	1,623,727
Bank Deposits	1,902,904	-	455,715	346,384	2,174,233	257,984	229,087	-	5,366,307
Central Bank of Turkey	-	-	-	-	-	-	-	-	-
Domestic Banks	3,839	-	453,565	102,842	-	114,754	29,231	-	704,231
Foreign Banks	664,890	-	2,150	243,542	2,174,233	143,230	199,856	-	3,427,901
Special Financial Institutions	1,234,175	-	-	-	-	-	-	-	1,234,175
Other	-	-	-	-	-	-	-	-	-
Total	26,383,756	-	13,250,376	58,297,106	9,023,337	5,864,891	7,427,814	60,701	120,307,981

5.2.1.1 Saving deposits and other deposit accounts insured by Saving Deposit Insurance Fund

Saving deposits covered by deposit insurance and total amount of deposits exceeding insurance coverage limit:

	Covered by Deposit Insurance		Over Deposit Insurance Limit	
	Current Period	Prior Period	Current Period	Prior Period
Saving Deposits	23,221,192	22,432,735	21,222,914	20,244,528
Foreign Currency Saving Deposits	6,557,716	6,086,988	22,001,468	18,217,256
Other Saving Deposits	640,732	999,391	518,346	575,691
Deposits held at Foreign Branches Under Foreign Insurance Coverage	-	-	-	-
Deposits held at Off-Shore Branches Under Foreign Insurance Coverage	-	-	-	-

5.2.1.2 Saving deposits at domestic branches of foreign banks in Turkey under the coverage of foreign insurance

Not prepared in compliance with the Article 25 of the communique “Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks”.

5.2.1.3 Saving deposits not covered by insurance limits

	Current Period	Prior Period
Deposits and Other Accounts held at Foreign Branches	599,590	608,592
Deposits and Other Accounts held by Shareholders and their Relatives	-	-
Deposits and Other Accounts of the Chairman and Members of Board of Directors, Chief Executive Officer, Senior Executive Officers and their Relatives	663,973	554,203
Deposits and Other Accounts held as Assets subject to the Crime defined in the Article 282 of the Turkish Criminal Code no. 5237 dated 26 September 2004	-	-
Deposits at Depository Banks established for Off-Shore Banking Activities in Turkey	-	-

5.2.2 Negative differences on derivative financial liabilities held for trading

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward transactions	466,613	92,241	193,167	31,322
Swap transactions	1,314,788	856,283	667,600	463,857
Futures	-	905	-	649
Options	371,159	31,878	206,022	11,626
Other	-	-	-	-
Total	2,152,560	981,307	1,066,789	507,454

5.2.3 Funds borrowed

	Current Period		Prior Period	
	TL	FC	TL	FC
Central Bank of Turkey	-	-	-	-
Domestic Banks and Institutions	202,243	262,703	223,949	265,357
Foreign Banks, Institutions and Funds	3,161,012	28,107,836	3,732,110	28,101,994
Total	3,363,255	28,370,539	3,956,059	28,367,351

5.2.3.1 Maturities of funds borrowed

	<i>Current Period</i>		<i>Prior Period</i>	
	TL	FC	TL	FC
Short-Term	202,208	7,179,146	399,929	8,208,084
Medium and Long-Term	3,161,047	21,191,393	3,556,130	20,159,267
Total	3,363,255	28,370,539	3,956,059	28,367,351

The Bank classified certain borrowings obtained through securitisations amounting to USD 2,000,000,000 as financial liability at fair value through profit/loss at the initial recognition. As of 31 March 2015, the accumulated negative credit risk change and the positive credit risk change recognised in the income statement amounted to TL 165,939 thousands and TL 123,436 thousands, respectively. The carrying value of the related financial liability amounted to TL 5,315,939 thousands, and the related current period income amounted to TL 123,436 thousands.

5.2.3.2 Disclosures for concentration areas of bank's liabilities

Not prepared in compliance with the Article 25 of the communique "Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks".

5.2.4 Other external funds

5.2.4.1 Securities issued

<i>Current Period</i>	TL		FC	
	Short-Term	Medium and Long-Term	Short-Term	Medium and Long-Term
	Nominal	1,196,584	2,548,090	295,688
Cost	1,170,327	2,391,804	295,688	10,041,239
Carrying Value ^(*)	1,133,744	2,428,610	297,521	9,834,707

<i>Prior Period</i>	TL		FC	
	Short-Term	Medium and Long-Term	Short-Term	Medium and Long-Term
	Nominal	1,200,782	2,955,871	385,959
Cost	1,170,442	2,742,947	385,959	9,243,275
Carrying Value ^(*)	1,088,546	2,837,652	387,887	9,038,162

^(*) The Bank repurchased its own TL securities with a total face value of TL 104,093 thousands (31 December 2014: TL 149,501 thousands) and foreign currency securities with a total face value of USD 206,730,000 (31 December 2014: USD 206,730,000) and netted off such securities in the accompanying financial statements.

The Bank classified certain securities amounting to RON 34,500,000 as financial liability at fair value through profit/loss at the initial recognition. As of 31 March 2015, the accumulated negative credit risk change and the negative credit risk change recognised in the income statement amounted to TL 2,347 thousands and TL 232 thousands, respectively. The carrying value of the related financial liability amounted to TL 24,434 thousands, and the related current period loss amounted to TL 265 thousands.

5.2.4.2 Funds provided through repurchase transactions

	<i>Current Period</i>		<i>Prior Period</i>	
	TL	FC	TL	FC
Domestic Transactions	9,636,436	-	4,230,145	-
Financial Institutions and Organizations	9,597,491	-	4,163,450	-
Other Institutions and Organizations	9,198	-	24,652	-
Individuals	29,747	-	42,043	-
Foreign Transactions	667,284	2,294,618	667,001	6,488,774
Financial Institutions and Organizations	667,248	2,294,618	666,879	6,488,774
Other Institutions and Organizations	-	-	120	-
Individuals	36	-	2	-
Total	10,303,720	2,294,618	4,897,146	6,488,774

5.2.4.3 Miscellaneous payables

	<i>Current Period</i>		<i>Prior Period</i>	
	TL	FC	TL	FC
Payables from credit card transactions	5,670,323	64,735	5,879,730	49,304
Other	281,418	925,837	215,147	672,449
Total	5,951,741	990,572	6,094,877	721,753

5.2.5 Lease payables (Net)

5.2.5.1 Financial lease payables

	<i>Current Period</i>		<i>Prior Period</i>	
	Gross	Net	Gross	Net
Up to 1 Year	423	400	573	536
1-4 Years	1	1	3	2
More than 4 Years	-	-	-	-
Total	424	401	576	538

5.2.5.2 Operational lease agreements

The operational leasing agreements are signed for some branches and ATM's. The agreements are prepared annually and annual rents are paid in advance and recorded as prepaid expense in "other assets". The Bank does not have any commitments arising on the existing operational lease agreements.

5.2.6 Derivative financial liabilities held for risk management

Derivative Financial Liabilities held for Risk Management	<i>Current Period</i>		<i>Prior Period</i>	
	TL	FC	TL	FC
Fair Value Hedges	67,487	179,438	99,572	111,931
Cash Flow Hedges	-	78,821	-	67,880
Net Foreign Investment Hedges	-	-	-	-
Total	67,487	258,259	99,572	179,811

5.2.7 Provisions

5.2.7.1 General provisions

	<i>Current Period</i>	<i>Prior Period</i>
General Provision for	2,620,086	2,434,629
Loans and Receivables in Group I	2,262,092	2,105,409
- Additional Provision for Loans and Receivables with Extended Maturities	95,057	82,754
Loans and Receivables in Group II	217,055	188,973
- Additional Provision for Loans and Receivables with Extended Maturities	61,364	56,332
Non-Cash Loans	140,939	140,247
Others	-	-

5.2.7.2 Provisions for foreign exchange differences on foreign currency indexed loans and financial lease receivables

	<i>Current Period</i>	<i>Prior Period</i>
Short-Term Loans	11,768	13,320
Medium and Long-Term Loans	13,543	11,208
Total	25,311	24,528

Foreign exchange differences on foreign currency indexed loans are netted with loans on the asset side.

5.2.7.3 Provisions for non-cash loans that are not indemnified or converted into cash

Not prepared in compliance with the Article 25 of the communique “Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks”.

5.2.7.4 Other provisions

5.2.7.4.1 General reserves for possible losses

	<i>Current Period</i>	<i>Prior Period</i>
General Reserves for Possible Losses	450,000	415,000

5.2.7.4.2 Other provisions

	<i>Current Period</i>	<i>Prior Period</i>
Reserve for Employee Benefits	524,029	497,565
Provision for Promotion Expenses of Credit Cards (*)	83,970	82,436
Provision for Lawsuits	31,565	30,062
Other Provisions	41,253	123,394
Total	680,817	733,457

(*) The Bank provides full allowance for the committed promotion expenses of credit cards as of the balance sheet date.

Recognized liability for defined benefit plan obligations

The Bank obtained an actuarial report dated 22 December 2014 from an independent actuary reflecting the principles and procedures on determining the application of transfer transactions in accordance with the Law and it is determined that the assets of the Plan are above the amount that will be required to be paid to transfer the obligation and the asset surplus amounts to TL 2,086,877 thousands at 31 December 2014 as details are given in the table below.

Furthermore, an actuarial report was prepared as of 31 December 2014 as per the requirements of the Law explained in Note 3.17, the accounting policies related with “employee benefits” for the benefits transferable to the SSF and as per TAS 19 for other benefits not transferable to the SSF and arising from other social rights and payments covered by the existing trust indenture of the Fund and medical benefits provided for employees. Based on the actuary’s 22 December 2014 dated report, the asset surplus over the fair value of the plan assets to be used for the payment of the obligations also fully covers the benefits not transferable and still a surplus of TL 1,287,303 thousands remains as of 31 December 2014 as details are given in the table below.

The Bank’s management, acting prudently, did not consider the health premium surplus amounting TL 512,563 thousands as stated above and resulted from the present value of medical benefits and health premiums transferable to SSF as of 31 December 2014. However, despite this treatment there are no excess obligation that needs to be provided against.

	<i>31 December 2014</i>
Transferable Pension and Medical Benefits:	
Net present value of pension benefits transferable to SSF	(528,752)
Net present value of medical benefits and health premiums transferable to SSF	512,563
General administrative expenses	(29,291)
Present Value of Pension and Medical Benefits Transferable to SSF (1)	(45,480)
Fair Value of Plan Assets (2)	2,132,357
Asset Surplus over Transferable Benefits ((2)-(1)=(3))	2,086,877
Non-Transferable Benefits:	
Other pension benefits	(538,185)
Other medical benefits	(261,389)
Total Non-Transferable Benefits (4)	(799,574)
Asset Surplus over Total Benefits ((3)-(4)=(5))	1,287,303
Net Present Value of Medical Benefits and Health Premiums Transferable to SSF – but not considered acting prudently (6)	(512,563)
Present Value of Asset Surplus/(Defined Benefit Obligation) ((5)-(6))	774,740

The major actuarial assumptions used in the calculation of other benefits not transferable to SSF in compliance with TAS 19 are as follows:

	<i>31 December 2014</i>
Discount Rate (*)	8.80
Inflation Rate (*)	6.10
Future Real Salary Increase Rate	1.5
Medical Cost Trend Rate	40% above inflation
Future Pension Increase Rate (*)	6.10

(*) The above rates are effective rates, whereas the rates applied for the calculation differ according to the employees’ years-in-service.

Assumptions regarding future mortality are based on published statistics and mortality tables. The average life expectancy of an individual retiring at age 60 is 17 for males, and at age 58 for females is 23.

5.2.8 Tax liability

5.2.8.1 Current tax liability

5.2.8.1.1 Tax liability

As of 31 March 2015, the Bank had a current tax liability of TL 372,398 thousands (31 December 2014: TL 426,915 thousands) after offsetting with prepaid taxes. For the cases where the differences between the carrying values and the taxable values of assets subject to tax are related with certain items in the shareholders' equity accounts, the deferred taxes are charged or credited directly to these accounts.

5.2.8.1.2 Taxes payable

	<i>Current Period</i>	<i>Prior Period</i>
Corporate Taxes Payable	372,398	426,915
Taxation on Securities Income	89,075	86,086
Taxation on Real Estates Income	3,398	3,040
Banking Insurance Transaction Tax	76,759	76,956
Foreign Exchange Transaction Tax	61	68
Value Added Tax Payable	3,714	4,993
Others	22,753	60,005
Total	568,158	658,063

5.2.8.1.3 Premiums

	<i>Current Period</i>	<i>Prior Period</i>
Social Security Premiums-Employees	46	42
Social Security Premiums-Employer	56	52
Bank Pension Fund Premium-Employees	122	16
Bank Pension Fund Premium-Employer	154	18
Pension Fund Membership Fees and Provisions-Employees	-	-
Pension Fund Membership Fees and Provisions-Employer	-	-
Unemployment Insurance-Employees	891	782
Unemployment Insurance-Employer	1,877	1,649
Others	36	28
Total	3,182	2,587

5.2.8.2 Deferred tax liability

None.

5.2.9 Liabilities for assets held for sale and assets of discontinued operations

Not prepared in compliance with the Article 25 of the communique "Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks".

5.2.10 Subordinated debts

Not prepared in compliance with the Article 25 of the communique "Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks".

5.2.11 Shareholders' equity

5.2.11.1 Paid-in capital

	<i>Current Period</i>	<i>Prior Period</i>
Common Shares	4,200,000	4,200,000
Preference Shares	-	-

5.2.11.2 Registered share capital system

Capital	Paid-in Capital	Ceiling per Registered Share Capital
Registered Shares	4,200,000	10,000,000

5.2.11.3 Capital increases in current period

None.

5.2.11.4 Capital increases from capital reserves in current period

None.

5.2.11.5 Capital commitments for current and future financial periods

None.

5.2.11.6 Possible effect of estimations made for the parent bank's revenues, profitability and liquidity on equity considering prior period indicators and uncertainties

None.

5.2.11.7 Information on privileges given to stocks representing the capital

None.

5.2.11.8 Securities value increase fund

	Current Period		Prior Period	
	TL	FC	TL	FC
Investments in Associates, Subsidiaries and Joint-Ventures	79,148	1,437,586	83,052	1,433,002
Valuation difference	46,831	1,437,586	50,735	1,433,002
Exchange rate difference	32,317	-	32,317	-
Securities Available-for-Sale	(58,661)	12,410	82,568	57,234
Valuation difference	(58,661)	12,410	82,568	57,234
Exchange rate difference	-	-	-	-
Total	20,487	1,449,996	165,620	1,490,236

5.2.11.9 Revaluation surplus

	Current Period		Prior Period	
	TL	FC	TL	FC
Movables	-	-	-	-
Real Estates	2,140	-	2,140	-
Gain on Sale of Investments in Associates and Subsidiaries and Real Estates allocated for Capital Increases	172,894	-	172,894	-
Revaluation Surplus on Leasehold Improvements	-	-	-	-

5.2.11.10 Bonus shares of associates, subsidiaries and joint-ventures

	Current Period	Prior Period
Garanti Yatırım Menkul Değerler AŞ	942	942
Kredi Kartları Bürosu AŞ	481	481
Garanti Ödeme Sistemleri AŞ	401	401
Tat Konserve AŞ	36	36
Doğuş Gayrimenkul Yatırım Ortaklığı AŞ	22	22
Yatırım Finansman Menkul Değerler AŞ	9	9
Total	1,891	1,891

5.2.11.11 Legal reserves

	<i>Current Period</i>	<i>Prior Period</i>
I. Legal Reserve	956,585	956,682
II. Legal Reserve	174,440	174,440
Special Reserves	-	-

5.2.11.12 Extraordinary reserves

	<i>Current Period</i>	<i>Prior Period</i>
Legal reserves that was allocated to be in compliance with the decisions made on the Annual General Assembly	14,849,573	14,849,587
Retained Earnings	-	-
Accumulated Losses	-	-
Exchange Rate Difference on Foreign Currency Capital	-	-

5.2.12 Accrued interest and expenses

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

	<i>Current Period</i>		<i>Prior Period</i>	
	TL	FC	TL	FC
Deposits	329,297	137,551	356,411	126,504
Funds Borrowed	68,953	265,197	124,965	389,084
Interbank Money Markets	12,219	9,580	11,247	12,449
Other Accruals	67,915	641,070	74,176	554,889
Total	478,384	1,053,398	566,799	1,082,926

5.3 Off-Balance Sheet Items

5.3.1 Off-balance sheet contingencies

5.3.1.1 Irrevocable credit commitments

The Bank has term asset purchase and sale commitments of TL 9,178,667 thousands (31 December 2014: TL 5,003,821 thousands), commitments for cheque payments of TL 3,062,981 thousands (31 December 2014: TL 2,874,901 thousands) and commitments for credit card limits of TL 25,795,560 thousands (31 December 2014: TL 25,643,188 thousands).

5.3.1.2 Possible losses, commitments and contingencies resulted from off-balance sheet items

	<i>Current Period</i>	<i>Prior Period</i>
Letters of Guarantee in Foreign Currency	16,508,619	15,065,503
Letters of Guarantee in TL	12,801,052	12,138,797
Letters of Credit	9,952,576	8,634,976
Bills of Exchange and Acceptances	1,027,240	815,887
Prefinancings	-	-
Other Guarantees	96,680	86,702
Total	40,386,167	36,741,865

A specific provision of TL 78,734 thousands (31 December 2014: TL 108,881 thousands) is made for unliquidated non-cash loans of TL 238,740 thousands (31 December 2014: TL 272,978 thousands) recorded under the off-balance sheet items in the accompanying financial statements.

The detailed information for commitments, guarantees and sureties are provided under the statement of “off-balance sheet items”.

5.3.1.3 Non-cash loans

	<i>Current Period</i>	<i>Prior Period</i>
Non-Cash Loans against Cash Risks	3,602,113	2,838,901
With Original Maturity of 1 Year or Less	380,902	402,876
With Original Maturity of More Than 1 Year	3,221,211	2,436,025
Other Non-Cash Loans	36,784,054	33,902,964
Total	40,386,167	36,741,865

5.3.1.4 Sectoral risk concentration of non-cash loans

Not prepared in compliance with the Article 25 of the communique “Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks”.

5.3.1.5 Non-cash loans classified under Group I and II

Not prepared in compliance with the Article 25 of the communique “Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks”.

5.3.2 Financial derivative instruments

Not prepared in compliance with the Article 25 of the communique “Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks”.

5.3.3 Credit derivatives and risk exposures on credit derivatives

Not prepared in compliance with the Article 25 of the communique “Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks”.

5.3.4 Contingent liabilities and assets

Not prepared in compliance with the Article 25 of the communique “Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks”.

5.3.5 Services rendered on behalf of third parties

Not prepared in compliance with the Article 25 of the communique “Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks”.

5.4 Income Statement

5.4.1 Interest Income

5.4.1.1 Interest income from loans (*)

	<i>Current Period</i>		<i>Prior Period</i>	
	TL	FC	TL	FC
Short-term loans	923,904	41,321	705,035	38,820
Medium and long-term loans	1,477,319	654,036	1,222,818	592,325
Loans under follow-up	12,263	-	11,677	-
Premiums Received from Resource Utilization Support Fund	-	-	-	-
Total	2,413,486	695,357	1,939,530	631,145

(*) Includes also the fee and commission income on cash loans

5.4.1.2 Interest income from banks

	<i>Current Period</i>		<i>Prior Period</i>	
	TL	FC	TL	FC
Central Bank of Turkey	-	-	-	-
Domestic Banks	12,803	59	7,024	55
Foreign Banks	4,348	9,407	30,743	7,196
Foreign Head Offices and Branches	-	-	-	-
Total	17,151	9,466	37,767	7,251

5.4.1.3 Interest income from securities portfolio

	<i>Current Period</i>		<i>Prior Period</i>	
	TL	FC	TL	FC
Financial Assets Held for Trading	4,298	2,559	4,797	4,538
Financial Assets Valued at Fair Value through Profit or Loss	-	-	-	-
Financial Assets Available-for-Sale	360,629	20,711	478,500	30,032
Investments Held-to-Maturity	197,316	119,571	368,565	35,474
Total	562,243	142,841	851,862	70,044

5.4.1.4 Interest income received from associates and subsidiaries

	<i>Current Period</i>	<i>Prior Period</i>
Interest Received from Investments in Associates and Subsidiaries	18,025	12,250

5.4.2 Interest Expenses

5.4.2.1 Interest expenses on funds borrowed (*)

	<i>Current Period</i>		<i>Prior Period</i>	
	TL	FC	TL	FC
Banks	86,345	95,041	129,930	9,337
Central Bank of Turkey	-	206	-	617
Domestic Banks	3,512	1,526	3,781	2,755
Foreign Banks	82,833	93,309	126,149	5,965
Foreign Head Offices and Branches	-	-	-	-
Other Institutions	-	55,201	-	118,490
Total	86,345	150,242	129,930	127,827

(*) Includes also the fee and commission expenses on borrowings

5.4.2.2 Interest expenses paid to associates and subsidiaries

	<i>Current Period</i>	<i>Prior Period</i>
Interest Paid to Investments in Associates and Subsidiaries	14,561	13,710

5.4.2.3 Interest expenses on securities issued

Not prepared in compliance with the Article 25 of the communique “Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks”.

5.4.2.4 Maturity structure of interest expense on deposits

<i>Current Period</i>	Demand Deposits	Time Deposits					Accumulating Deposit Accounts	Total
		Up to 1 Month	1-3 Months	3-6 Months	6-12 Months	1 Year and Over		
Turkish Lira								
Bank Deposits	186	17,477	-	-	-	-	-	17,663
Saving Deposits	7	75,376	683,744	39,060	22,683	15,460	-	836,330
Public Sector Deposits	-	142	517	3	-	1	-	663
Commercial Deposits	3	59,808	126,186	10,514	6,306	15,478	-	218,295
Other	4	3,933	36,228	511	4,243	5,039	-	49,958
“7 Days Notice” Deposits	-	-	-	-	-	-	-	-
Total TL	200	156,736	846,675	50,088	33,232	35,978	-	1,122,909
Foreign Currency								
Foreign Currency Deposits	4	11,467	125,365	19,868	23,077	40,934	236	220,951
Bank Deposits	-	9,990	-	-	-	-	-	9,990
“7 Days Notice” Deposits	-	-	-	-	-	-	-	-
Precious Metal Deposits	-	-	28	-	4	329	-	361
Total FC	4	21,457	125,393	19,868	23,081	41,263	236	231,302
Grand Total	204	178,193	972,068	69,956	56,313	77,241	236	1,354,211

<i>Prior Period</i>		Time Deposits						Total
		Demand Deposits	Up to 1 Month	1-3 Months	3-6 Months	6-12 Months	1 Year and Over	
Turkish Lira								
Bank Deposits	112	28,832	-	-	-	-	-	28,944
Saving Deposits	4	75,812	626,203	38,912	11,033	8,482	-	760,446
Public Sector Deposits	-	70	174	37	20,279	-	-	20,560
Commercial Deposits	10	72,750	159,381	17,508	19,566	6,881	-	276,096
Other	-	4,003	13,695	1,068	21,761	7	-	40,534
“7 Days Notice” Deposits	-	-	-	-	-	-	-	-
Total TL	126	181,467	799,453	57,525	72,639	15,370	-	1,126,580
Foreign Currency								
Foreign Currency Deposits	76	15,429	115,247	24,203	34,940	15,353	305	205,553
Bank Deposits	-	13,277	-	-	-	-	-	13,277
“7 Days Notice” Deposits	-	-	-	-	-	-	-	-
Precious Metal Deposits	-	-	21	-	230	327	-	578
Total FC	76	28,706	115,268	24,203	35,170	15,680	305	219,408
Grand Total	202	210,173	914,721	81,728	107,809	31,050	305	1,345,988

5.4.2.5 *Interest expense on repurchase agreements*

Not prepared in compliance with the Article 25 of the communique “Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks”.

5.4.2.6 *Financial lease expenses*

Not prepared in compliance with the Article 25 of the communique “Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks”.

5.4.2.7 *Interest expenses on factoring payables*

Not prepared in compliance with the Article 25 of the communique “Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks”.

5.4.3 **Dividend income**

Not prepared in compliance with the Article 25 of the communique “Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks”.

5.4.4 **Trading income/losses (Net)**

	<i>Current Period</i>	<i>Prior Period</i>
Income	27,087,617	7,855,879
Trading Account Income	283,725	80,687
Gains from Derivative Financial Instruments	4,402,280	1,682,386
Foreign Exchange Gains	22,401,612	6,092,806
Losses (-)	27,113,162	7,799,922
Trading Account Losses	69,447	157,419
Losses from Derivative Financial Instruments	5,744,116	1,797,733
Foreign Exchange Losses	21,299,599	5,844,770
Total	(25,545)	55,957

TL 1,730,277 thousands (31 March 2014: TL 534,496 thousands) of foreign exchange gains and TL 1,099,668 thousands (31 March 2014: TL 472,272 thousands) of foreign exchange losses are resulted from the exchange rate changes of derivative financial transactions.

The Bank enters into interest rate swap agreements in order to hedge the change in fair values of its fixed rate financial instruments due to fluctuations in market interest rates. In this respect, the Bank applied fair value hedge accounting for the fixed rate eurobonds issued in 2011 with a total face value of USD 500,000,000, maturity of 10 years and maturity date of 20 April 2021 which were priced at 6.375% originally and had a coupon rate of 6.25%, by designating interest rate swaps with the same face value amount and conditions. In June 2012, the Bank ceased to apply hedge accounting and accordingly fair value calculations for these bonds. The accumulated fair value differences incurred starting from the date of hedge accounting up to the date on which it was ceased, are amortized as per the effective interest-rate method in compliance with TAS 39.

The Bank also enters into interest rate and cross currency swap agreements in order to hedge the change in cash flows of floating rate financial instruments due to fluctuations in market interest rates. In this respect, the Bank applied cash flow hedge accounting for its eurobonds with a total face value of USD 310,000,000, funds borrowed amounting to USD 107,766,486 and EUR 50,000,000, securitization borrowings amounting to USD 175,000,000 and EUR 240,095,263 by designating cross currency swaps with the same face value amount and conditions, and for the collateralised borrowings amounting to TL 1,000,000 thousands and commercial loans amounting to USD 500,000,000 by designating interest rate swaps with the same face value amount and conditions. Accordingly, in the current period, a gain of TL 21,951 thousands (31 March 2014: TL 33,416 thousands) and a loss of TL 13,985 thousands (31 March 2014: a gain of TL 65,238 thousands) resulting from cross currency and interest rate swap agreements were recognised under shareholders' equity, respectively.

The Bank also applied fair value hedge accounting for its fixed-rate loans with a total principal of TL 267,647 thousands and USD 667,105,869 and for its bonds with a total face value of TL 1,325,000 thousands and USD 32,900,000 and fixed-rate coupons by designating interest rate swaps with the same face values and terms. Accordingly, in the current period, a gain of TL 63,106 thousands (31 March 2014: TL 2,725 thousands) and a gain of TL 28,010 thousands (31 March 2014: a loss of TL 73,937 thousands) resulted from the related fair value calculations for the hedged loans and bonds were accounted for under net trading income/losses in the income statement, respectively.

In addition, the Bank also entered into cross currency swap agreements in order to hedge its fixed-rate bonds issued for a total principal value of AUD 175,000,000, RON 85,500,000 and CZK 423,000,000 with the same face value amount and conditions. Accordingly, a loss of TL 16,928 thousands (31 March 2014: a gain of TL 2,132 thousands) resulted from the fair value changes of the securities issued and funds borrowed subject to hedge accounting were accounted for under trading income/losses in the income statement.

5.4.5 Other operating income

The items under "other operating income" consists of collection or reversals of prior year provisions, banking services related costs charged to customers and income in custody services.

In the current period, a part of non-performing receivables of the Bank amounting to TL 79,220 thousands were sold for a consideration of TL 14,653 thousands. Considering the related provision of TL 79,073 thousands made in the financial statements, a gain of TL 14,506 thousands is recognized under "Other Operating Income".

5.4.6 Provision for losses on loans or other receivables

	<i>Current Period</i>	<i>Prior Period</i>
Specific Provisions for Loans and Other Receivables	351,497	203,070
<i>Loans and Receivables in Group III</i>	<i>307,163</i>	<i>169,142</i>
<i>Loans and Receivables in Group IV</i>	<i>14,406</i>	<i>11,398</i>
<i>Loans and Receivables in Group V</i>	<i>29,928</i>	<i>22,530</i>
General Provisions	186,310	88,522
Provision for Possible Losses	35,000	100,000
Impairment Losses on Securities	5,007	2,371
<i>Financial Assets at Fair Value through Profit or Loss</i>	<i>4,989</i>	<i>2,344</i>
<i>Financial Assets Available-for-Sale</i>	<i>18</i>	<i>27</i>
Impairment Losses on Associates, Subsidiaries and Investments Held-to-Maturity	-	-
<i>Associates</i>	<i>-</i>	<i>-</i>
<i>Subsidiaries</i>	<i>-</i>	<i>-</i>
<i>Joint Ventures</i>	<i>-</i>	<i>-</i>
<i>Investments Held-to-Maturity</i>	<i>-</i>	<i>-</i>
Others	15,031	17,335
Total	592,845	411,298

5.4.7 Other operating expenses

	<i>Current Period</i>	<i>Prior Period</i>
Personnel Costs	512,669	456,876
Reserve for Employee Termination Benefits	12,560	9,860
Defined Benefit Obligation	-	-
Impairment Losses on Tangible Assets	1,034	-
Depreciation Expenses of Tangible Assets	47,572	43,571
Impairment Losses on Intangible Assets	-	-
Impairment Losses on Goodwill	-	-
Amortisation Expenses of Intangible Assets	8,318	8,230
Impairment Losses on Investments Accounted under Equity Method	-	-
Impairment Losses on Assets to be Disposed	463	452
Depreciation Expenses of Assets to be Disposed	1,180	802
Impairment Losses on Assets Held for Sale	-	-
Other Operating Expenses	528,163	460,625
<i>Operational Lease related Expenses</i>	<i>79,025</i>	<i>69,117</i>
<i>Repair and Maintenance Expenses</i>	<i>9,013</i>	<i>9,549</i>
<i>Advertisement Expenses</i>	<i>18,751</i>	<i>21,377</i>
<i>Other Expenses (*)</i>	<i>421,374</i>	<i>360,582</i>
Loss on Sale of Assets	2,562	681
Others (**)	268,748	121,051
Total	1,383,269	1,102,148

(*) Includes lawsuits, execution and other legal expenses borne by the Bank in the current period, of fees and commissions income recognized in prior years but reimbursed, in the amount of TL 12,157 thousands (31 March 2014: TL 4,302 thousands), as per the decision of the Turkish Competition Board or the related courts.

(**) Includes repayments, by the Bank in the current period, of fees and commissions income recognised in prior years in the amount of TL 62,387 thousands (31 March 2014: TL 14,792 thousands), as per the decision of the Turkish Competition Board or the related courts.

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

Not prepared in compliance with the Article 25 of the communique “Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks”.

5.4.9 Information on provision for taxes from continued and discontinued operations

As of 31 March 2015, the Bank recorded a tax charge of TL 342,470 thousands (31 March 2014: TL 237,884 thousands) and a deferred tax income of TL 88,570 thousands (31 March 2014: a deferred tax expense of TL 5,502 thousands).

Deferred tax benefit/charge on timing differences:

Deferred tax benefit/(charge) on timing differences	Current Period	Prior Period
Increase in tax deductible timing differences (+)	178,498	54,966
Decrease in tax deductible timing differences (-)	(63,620)	(19,158)
Increase in taxable timing differences (-)	(32,879)	(47,519)
Decrease in taxable timing differences (+)	6,571	6,209
Total	88,570	(5,502)

Deferred tax benefit/charge in the income statement arising on timing differences, tax losses and tax deductions and exemptions:

Deferred tax benefit/(charge) arising on timing differences, tax losses and tax deductions and exemptions	Current Period	Prior Period
Increase/(decrease) in tax deductible timing differences (net)	114,878	35,808
Increase/(decrease) in taxable timing differences (net)	(26,308)	(41,310)
Increase/(decrease) in tax losses (net)	-	-
Increase/(decrease) in tax deductions and exemptions (net)	-	-
Total	88,570	(5,502)

5.4.10 Net operating profit/loss after taxes including net profit/loss from discontinued operations

Not prepared in compliance with the Article 25 of the communique “Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks”.

5.4.11 Net profit/loss

5.4.11.1 Any further explanation on operating results needed for better understanding of the Bank’s performance

None.

5.4.11.2 Any changes in estimations that might have a material effect on current and subsequent period results

None.

5.4.12 Components of other items in income statement

Other items do not exceed 10% of the total of income statement.

5.5 Statement of Changes in Shareholders' Equity

Not prepared in compliance with the Article 25 of the communique "Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks".

5.6 Statement of Cash Flows

Not prepared in compliance with the Article 25 of the communique “Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks”.

5.7 Related Party Risks

5.7.1 Transactions with the Bank's risk group; lendings and deposits and other related party transactions outstanding at period end and income and expenses from such transactions incurred during the period

5.7.1.1 Loans and other receivables

Current Period

Bank's Risk Group	Associates, Subsidiaries and Joint-Ventures		Bank's Direct and Indirect Shareholders		Other Components in Risk Group	
	Cash	Non-cash	Cash	Non-cash	Cash	Non-cash
Loans and Other Receivables						
Balance at beginning of period	3,318,634	1,522,279	399,748	316,606	1,537,174	702,845
Balance at end of period	3,662,128	1,891,690	620,928	1,049,247	1,590,507	488,316
Interest and Commission Income	18,179	87	84	2	21,608	63

Prior Period

Bank's Risk Group	Associates, Subsidiaries and Joint-Ventures		Bank's Direct and Indirect Shareholders		Other Components in Risk Group	
	Cash	Non-cash	Cash	Non-cash	Cash	Non-cash
Loans and Other Receivables						
Balance at beginning of period	3,811,321	1,586,707	9,250	264,878	454,736	472,119
Balance at end of period	3,318,634	1,522,279	399,748	316,606	1,537,174	702,845
Interest and Commission Income	12,252	64	118	1	9,372	230

5.7.1.2 Deposits

Bank's Risk Group	Associates, Subsidiaries and Joint-Ventures		Bank's Direct and Indirect Shareholders		Other Components in Risk Group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Deposits						
Balance at beginning of period	681,112	651,174	535,204	304,643	349,385	330,572
Balance at end of period	632,871	681,112	411,889	535,204	369,529	349,385
Interest Expense	14,561	13,710	1,152	1,040	3,107	3,831

5.7.1.3 Derivative transactions

Bank's Risk Group	Associates, Subsidiaries and Joint-Ventures		Bank's Direct and Indirect Shareholders		Other Components in Risk Group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Transactions for Trading:						
Balance at beginning of period	848,391	1,200,843	10,292,901	8,871,339	5,770	-
Balance at end of period	514,524	848,391	18,683,105	10,292,901	-	5,770
Total Profit/(Loss)	145,244	(10,452)	(247,167)	(23,247)	56	-
Transactions for Hedging:						
Balance at beginning of period	-	-	-	-	-	-
Balance at end of period	-	-	-	-	-	-
Total Profit/(Loss)	-	-	-	-	-	-

5.7.2 The Bank's risk group

5.7.2.1 Relations with companies in risk group of/or controlled by the Bank regardless of nature of current transactions

Transactions with the risk group, are held under arm's-length conditions; terms are set according to the market conditions and in compliance with the Banking Law. The Bank's policy is to keep the balances and transaction volumes with the risk group at reasonable levels preventing any high concentration risk on balance sheet.

5.7.2.2 Concentration of transaction volumes and balances with risk group and pricing policy

The cash loans of the risk group amounting TL 2,821,776 thousands (31 December 2014: TL 2,543,637 thousands) compose 1.94% (31 December 2014: 1.90%) of the Bank's total cash loans and 1.22% (31 December 2014: 1.16%) of the Bank's total assets. The total loans and similar receivables amounting TL 5,873,563 thousands (31 December 2014: TL 5,255,556 thousands) compose 2.54% (31 December 2014: TL 2.40%) of the Bank's total assets. The non-cash loans of the risk group amounting TL 3,429,253 thousands (31 December 2014: TL 2,541,730 thousands) compose 8.49% (31 December 2014: 6.92%) of the Bank's total non-cash loans.

The deposits of the risk group amounting TL 1,414,289 thousands (31 December 2014: TL 1,565,701 thousands) compose 1.10% (31 December 2014: 1.30%) of the Bank's total deposits. The funds borrowed by the Bank from its risk group amounting TL 9,531,373 thousands (31 December 2014: TL 9,074,365 thousands) compose 30.04% (31 December 2014: 28.07%) of the Bank's total funds borrowed. The pricing in transactions with the risk group companies is set on an arms-length basis.

The credit card (POS) payables to the related parties, amounted to TL 112,189 thousands (31 December 2014: TL 88,494 thousands). A total rent income of TL 1,999 thousands (31 March 2014: TL 1,672 thousands) was recognized for the real estates rented to the related parties.

Operating expenses for TL 2,559 thousands (31 March 2014: TL 1,988 thousands) were incurred for the IT services rendered by the related parties. Banking services fees of TL 690 thousands (31 March 2014: TL 733 thousands) were recognized from the related parties.

Insurance brokerage fee of TL 27,964 thousands (31 March 2014: TL 21,797 thousands), shares brokerage fee of TL 21,572 thousands (31 March 2014: -), leasing customer acquisition fee of TL 1,615 thousands (31 March 2014: TL 2,474 thousands) factoring customer acquisition fee of TL 635 thousands (31 March 2014: TL 786 thousands), fleet business customer acquisition fee of TL 163 thousands (31 March 2014: TL 110 thousands) and fund brokerage fee of TL 31 thousands (31 March 2014: -) were recognized as income from the services rendered for the affiliates.

Operating expenses of TL 1,975 thousands (31 March 2014: TL 848 thousands) for advertisement and broadcasting services, of TL 8,197 thousands (31 March 2014: TL 7,866 thousands) for operational leasing services, and of TL 1,688 thousands (31 March 2014: TL 1,554 thousands) for travelling services rendered by the related parties were recognized as expense.

As of 31 March 2015, the net payment provided or to be provided to the key management of the Bank amounts to TL 22,032 thousands (31 March 2014: TL 22,022 thousands).

5.7.2.3 Other matters not required to be disclosed

None.

5.7.2.4 Transactions accounted for under equity method

Please refer to Note 5.1.8 investments in subsidiaries.

5.7.2.5 All kind of agreements signed like asset purchases/sales, service rendering, agencies, leasing, research and development, licences, funding, guarantees, management services

The Bank has agency contracts with Garanti Yatırım Menkul Kıymetler AŞ and Garanti Emeklilik ve Hayat AŞ. Accordingly, all the branches of the Bank serve as agencies to sell the products of these entities to customers. Agency services for trading of securities on behalf of customers are rendered by the Bank's specialised branches (Investment Centers).

Purchase of equipments for the Bank's internal use are partly arranged through financial leasing.

5.8 Domestic, Foreign and Off-Shore Branches or Equity Investments, and Foreign Representative Offices

Not prepared in compliance with the Article 25 of the communique “Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks”.

5.9 Matters Arising Subsequent to Balance Sheet Date

As per the decision made at the annual general assembly of shareholders of the Bank on 9 April 2015, the distribution of the net profit of the year 2014, will be as follows:

2014 PROFIT DISTRIBUTION TABLE	
2014 Net Profit	3,200,248
A – I. Legal reserve (Turkish Commercial Code 519/1) at 5%	-
Undistributable funds	(31,946)
B – First dividend at 5% of the paid-in capital	(210,000)
C – Extraordinary reserves at 5% after above deductions	(149,512)
D – Second dividend to the shareholders	(357,000)
E – Extraordinary reserves	(2,416,090)
F – II. Legal reserve (Turkish Commercial Code 519/2)	(35,700)

5.10 Other Disclosures on Activities of the Bank

5.10.1 Bank's latest international risk ratings

MOODY'S (30 March 2015)^(*)

Outlook	Negative
Long Term FC Deposit	Baa3
Long Term TL Deposit	Baa3
Short Term FC Deposit	Prime-3
Short Term TL Deposit	Prime-3
Basic Loan Assessment	ba1
Adjusted Loan Assessment	ba1
Long Term National Scale Rating (NSR)	Aa3.tr
Short Term NSR	TR-1

STANDARD AND POORS (27 June 2014)^(*)

Long Term FC Obligations	BB+
Long Term TL Deposit	BB+
Outlook	Negative
Credit Profile (independent from the bank's shareholders and the rating of its resident country)	bb+

FITCH RATINGS (1 December 2014)^(*)

Outlook	Stable ^(**)
Long Term FC Outlook	BBB- ^(**)
Short Term FC Outlook	F3 ^(**)
Long Term TL Outlook	BBB- ^(**)
Short Term TL Outlook	F3 ^(**)
Financial Capacity	bbb-
Support	3 ^(**)
NSR	AA+(tur) ^(**)

^(**) As of 1 December 2014, Fitch started positive follow-up for risk ratings.

JCR EURASIA RATINGS (28 June 2014)^(*)

International FC Outlook	Stable
Long Term International FC	BBB
Short Term International FC	A-3
International TL Outlook	Stable
Long Term International TL	BBB+
Short Term International TL	A-2
National Outlook	Stable
Long Term NSR	AAA(Trk)
Short Term NSR	A-1+(Trk)
Independency from Shareholders	A
Support	1

^(*) Latest dates in risk ratings or outlooks.

5.10.2 Other disclosures

Doğuş Group and BBVA have entered into a share purchase agreement dated 19 November 2014 for the sale of shares of the Bank representing 14.89% of the paid-up share capital with a total face value of TL 625,380 thousands. The parties agreed that the total purchase price for the shares being sold would be TL 5,497,090 thousands with a purchase price per share of TL 8.79. In addition, the parties have agreed that Doğuş Group would be entitled to receive up to TL 0.11 of the dividend distributed per share sold with respect to distributable profit for the year 2014.

Following the completion of the share transfers, Doğuş Group's stake in the Bank will be 10%. The transfer of title for the shares sold from Doğuş Group to BBVA will be finalized once the transaction is approved by the relevant authorities in and outside of Turkey including the BRSA, the Capital Markets Board and the Competition Board.

The shareholders agreement dated 1 November 2010 relating to governance and management of the Bank signed between Doğuş Group and BBVA has been also amended on 19 November 2014. The revised shareholders agreement shall become effective simultaneously with the consummation of the share transfers following the approval of all necessary regulators. Under the revised shareholders agreement Doğuş Group and BBVA have agreed that: (i) the board of directors of the Bank would comprise of ten members ; (ii) seven of the board members would be nominated by BBVA at the general assembly and two of these seven members would also be the members of the audit committee of the Bank whom, in line with the applicable regulations, shall be deemed as independent board members; (iii) two members would be nominated by Doğuş Group at the general assembly and (iv) the last independent member would be jointly nominated by the shareholders at the general assembly. The call option previously granted by Doğuş Group to BBVA with respect to acquisition of further shares of the Bank by BBVA representing 1% of the share capital has been revoked.

6 Limited Review Report

6.1 Disclosure on limited review

The unconsolidated financial statements of the Bank as of 31 March 2015, have been reviewed by DRT Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik AŞ (a member of Deloitte Touche Tohmatsu Limited) and the independent limited review report dated 28 April 2015, is presented before the accompanying financial statements.

6.2 Disclosures and footnotes prepared by independent accountants

None.

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