

*(Convenience Translation of Financial Statements and Related Disclosures and Footnotes  
Originally Issued in Turkish, See Note 3.1.1)*

**Türkiye Garanti Bankası Anonim Şirketi**  
**Unconsolidated Financial Statements**  
**As of and For the Three-Month Period Ended**  
**31 March 2014**

*(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  
29 April 2014

*This report contains “Independent Accountants’  
Limited Review Report” comprising 1 page  
and; “Unconsolidated Financial Statements and  
Related Disclosures and Footnotes” comprising 95  
pages.*

To the Board of Directors of  
Türkiye Garanti Bankası AŞ  
İstanbul

**TÜRKİYE GARANTİ BANKASI ANONİM ŞİRKETİ**  
INDEPENDENT ACCOUNTANTS' LIMITED REVIEW REPORT  
FOR THE INTERIM PERIOD OF 1 JANUARY – 31 MARCH 2014

We have reviewed the accompanying balance sheet of Türkiye Garanti Bankası A.Ş. (“the Bank”) as at 31 March 2014 and the related statements of income, changes in shareholders' equity and cash flows for the period then ended. These financial statements are the responsibility of the Bank's management. As independent accountants, our responsibility is to issue a report based on the review performed on these financial statements.

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

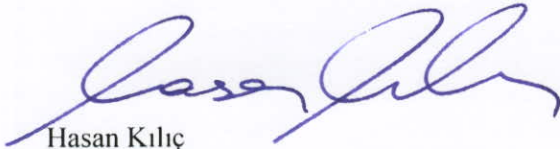
As of the balance sheet date, the accompanying financial statements include a general reserve amounting to TL 410,000 thousands, TL 100,000 thousands of which was charged to the income statement as expense in the current period, provided by the Bank management in line with conservatism principle considering the circumstances which may arise from any changes in the economy or market conditions.

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 financial statements do not give a true and fair view of the financial position, the results of its operations and its cash flows, of the Bank as of and for the period ended 31 March 2014 in accordance with the prevailing accounting principles and standards set out as per the Article No. 37 of the Banking Act No. 5411, and other regulations, communiqués and circulars in respect of accounting and financial reporting and pronouncements made by the Banking Regulation and Supervision Agency.

Additional paragraph for English translation:

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

DRT BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK AŞ  
Member of **DELOITTE TOUCHE TOHMATSU LIMITED**



Hasan Kılıç  
Partner

Istanbul, 29 April 2014

## **Türkiye Garanti Bankası Anonim Şirketi**

### **Unconsolidated Interim Financial Report as of and for the Three-Month Period Ended 31 March 2014**

Levent Nispetiye Mah.Aytar Cad.  
No:2 Beşiktaş 34340 Istanbul  
Telephone: 212 318 18 18  
Fax: 212 216 64 22  
[www.garanti.com.tr](http://www.garanti.com.tr)  
[investorrelations@garanti.com.tr](mailto:investorrelations@garanti.com.tr)

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
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

Phone no: 90 212 318 23 50

Fax no: 90 212 216 59 02

**SECTION ONE**

## General Information

I.	History of the bank including its incorporation date, initial legal status, amendments to legal status	1
II.	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	1
III.	Information on the bank's board of directors chairman and members, audit committee members, chief executive officer, executive vice presidents, changes incurred and their shareholdings in the bank	2
IV.	Information on the bank's qualified shareholders	3
V.	Summary information on the bank's activities and services	4
VI.	Current or likely actual or legal barriers to immediate transfer of equity or repayment of debts between the bank and its subsidiaries	4

**SECTION TWO**

## Unconsolidated Financial Statements

I.	Balance sheet - Assets	5
II.	Balance sheet - Liabilities	6
III.	Off-balance sheet items	7
IV.	Income statement	8
V.	Statement of income/expense items accounted under shareholders' equity	9
VI.	Statement of changes in shareholders' equity	10
VII.	Statement of cash flows	11

**SECTION THREE**

## Accounting Policies

I.	Basis of presentation	12
II.	Strategy for use of financial instruments and foreign currency transactions	12
III.	Investments in associates and subsidiaries	13
IV.	Forwards, options and other derivative transactions	13
V.	Interest income and expenses	14
VI.	Fees and commissions	15
VII.	Financial assets	15
VIII.	Impairment of financial assets	16
IX.	Netting and derecognition of financial instruments	16
X.	Repurchase and resale agreements and securities lending	17
XI.	Assets held for sale and discontinued operations	17
XII.	Goodwill and other intangible assets	17
XIII.	Tangible assets	17
XIV.	Leasing activities	18
XV.	Provisions and contingent liabilities	18
XVI.	Contingent assets	18
XVII.	Liabilities for employee benefits	19
XVIII.	Taxation	20
XIX.	Funds borrowed	22
XX.	Shares and share issuances	22
XXI.	Confirmed bills of exchange and acceptances	22
XXII.	Government incentives	22
XXIII.	Segment reporting	24
XXIV.	Other disclosures	24

**SECTION FOUR**

## Financial Position and Results of Operations and Risk Management

I.	Capital adequacy ratio	25
II.	Credit risk	32
III.	Market risk	32
IV.	Operational risk	33
V.	Currency risk	33
VI.	Interest rate risk	35
VII.	Position risk of equity securities in banking book	40
VIII.	Liquidity risk	41
IX.	Securitisation positions	42
X.	Credit risk mitigation techniques	43
XI.	Risk management objectives and policies	44
XII.	Fair values of financial assets and liabilities	45
XIII.	Transactions carried out on behalf of customers, items held in trust	45

**SECTION FIVE**

## Disclosures and Footnotes on Unconsolidated Financial Statements

I.	Assets	46
II.	Liabilities	69
III.	Off-balance sheet items	78
IV.	Income statement	80
V.	Statement of changes in shareholders' equity	86
VI.	Statement of cash flows	87
VII.	Related party risks	88
VIII.	Domestic, foreign and off-shore branches or equity investments, and foreign representative offices	91
IX.	Matters arising subsequent to balance sheet date	92

**SECTION SIX**

## Other Disclosures

I.	Bank's latest international risk ratings	93
II.	Dividend	94
III.	Other disclosures	94

**SECTION SEVEN**

## Limited Review Report

I.	Disclosures on limited review report	95
II.	Disclosures and footnotes prepared by independent accountants	95

## **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 984 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 2014, 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, 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.

The Group 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. BBVA is among the few international groups that operates in China and Turkey, and 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, changes incurred and their shareholdings in the bank**

#### **Board of Directors Chairman and Members:**

<b>Name and Surname</b>	<b>Responsibility</b>	<b>Appointment Date</b>	<b>Education</b>	<b>Experience in Banking and Business Administration</b>
Ferit Faik Şahenk	Chairman	18.04.2001	University	24 years
Süleyman Sözen	Vice Chairman	08.07.2003	University	32 years
Dr.Muammer Cüneyt Sezgin	Independent Member of BOD and Audit Committee	30.06.2004	PhD	26 years
Dr. Ahmet Kamil Esirtgen	Member	19.03.1992	PhD	40 years
Manuel Castro Aladro	Member	22.03.2011	Master	22 years
Manuel Pedro Galatas Sanchez Harguindey	Independent Member of BOD and Audit Committee	05.05.2011	University	30 years
Carlos Torres Vila	Member	22.03.2011	Master	23 years
Angel Cano Fernandez	Member	22.03.2011	University	29 years
Belkıs Sema Yurdum	Independent Member	30.04.2013	University	26 years
Sait Ergun Özen	Member and CEO	14.05.2003	University	27 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	27 years
Adnan Memiş	EVP-Support Services	03.06.1991	Master	36 years
Ali Fuat Erbil	EVP-Financial Institutions & Corporate Banking	30.04.1999	PhD	22 years
Erhan Adalı	EVP-Loans	03.08.2012	University	24 years
Gökhan Erün	EVP-Treasury, Investment Banking, Human Resources & Training	01.09.2005	Master	20 years
Faruk Nafiz Karadere	EVP-SME Banking	01.05.1999	University	32 years
Halil Hüsnü Erel	EVP-Technology, Operations Management & Central Marketing	16.06.1997	University	29 years
Recep Baştuğ	EVP-Commercial Banking	01.01.2013	University	24 years
Turgay Gönensin	EVP-Coordination of Domestic and Foreign Subsidiaries	01.01.2013	University	29 years
Aydın Şenel	EVP-Purchasing & Tax Management	06.06.2013	University	33 years
İbrahim Aydınlı	EVP-General Accounting & Economic Research & Customer Satisfaction	06.06.2013	Master	20 years
Avni Aydın Düren	EVP-Legal Services & Retail Risk Monitoring	01.02.2009	Master	20 years
Betül Ebru Edin	EVP-Project Finance	25.11.2009	University	20 years
Murat Mergin	EVP-Strategic Planning	01.01.2002	University	20 years
Onur Genç	EVP-Retail Banking	20.03.2012	Master	15 years
Didem Başer	EVP-Delivery Channels & Social Platforms Management	20.03.2012	Master	16 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 2014

ASSETS	Footnotes	THOUSANDS OF TURKISH LIRA (TL)					
		CURRENT PERIOD 31 March 2014			PRIOR PERIOD 31 December 2013		
		TL	FC	Total	TL	FC	Total
<b>I. CASH AND BALANCES WITH CENTRAL BANK</b>	(5.1.1)	<b>1,678,599</b>	<b>20,179,893</b>	<b>21,858,492</b>	<b>2,751,642</b>	<b>19,776,456</b>	<b>22,528,098</b>
<b>II. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Net)</b>	(5.1.2)	<b>1,361,176</b>	<b>646,479</b>	<b>2,007,655</b>	<b>1,225,262</b>	<b>576,330</b>	<b>1,801,592</b>
2.1 Financial assets held for trading		1,167,616	646,479	1,814,095	1,026,484	576,330	1,602,814
2.1.1 Government securities		69,815	281,749	351,564	90,491	308,282	398,773
2.1.2 Equity securities		67,714	-	67,714	30,825	-	30,825
2.1.3 Derivative financial assets held for trading		1,022,941	343,403	1,366,344	900,684	245,982	1,146,666
2.1.4 Other securities		7,146	21,327	28,473	4,484	22,066	26,550
2.2 Financial assets valued at fair value through profit or loss		193,560	-	193,560	198,778	-	198,778
2.2.1 Government securities		-	-	-	-	-	-
2.2.2 Equity securities		-	-	-	-	-	-
2.2.3 Loans	(5.1.5)	193,560	-	193,560	198,778	-	198,778
2.2.4 Other securities		-	-	-	-	-	-
<b>III. BANKS</b>	(5.1.3)	<b>1,289,383</b>	<b>8,488,878</b>	<b>9,778,261</b>	<b>2,074,021</b>	<b>7,676,370</b>	<b>9,750,391</b>
<b>IV. INTERBANK MONEY MARKETS</b>		<b>-</b>	<b>126,901</b>	<b>126,901</b>	<b>-</b>	<b>190,802</b>	<b>190,802</b>
4.1 Interbank money market placements		-	-	-	-	-	-
4.2 Istanbul Stock Exchange money market placements		-	126,901	126,901	-	190,802	190,802
4.3 Receivables from reverse repurchase agreements		-	-	-	-	-	-
<b>V. FINANCIAL ASSETS AVAILABLE-FOR-SALE (Net)</b>	(5.1.4)	<b>20,099,228</b>	<b>897,728</b>	<b>20,996,956</b>	<b>19,677,517</b>	<b>1,952,565</b>	<b>21,630,082</b>
5.1 Equity securities		36,712	55,057	91,769	31,956	8,212	40,168
5.2 Government securities		18,422,347	669,751	19,092,098	18,092,718	906,247	18,998,965
5.3 Other securities		1,640,169	172,920	1,813,089	1,552,843	1,038,106	2,590,949
<b>VI. LOANS</b>	(5.1.5)	<b>75,472,332</b>	<b>45,699,253</b>	<b>121,171,585</b>	<b>73,474,973</b>	<b>45,196,426</b>	<b>118,671,399</b>
6.1 Performing loans		74,964,179	45,699,253	120,663,432	72,993,011	45,196,426	118,189,437
6.1.1 Loans to bank's risk group	(5.7)	59,421	1,577,587	1,637,008	427,832	1,232,916	1,660,748
6.1.2 Government securities		-	-	-	-	-	-
6.1.3 Others		74,904,758	44,121,666	119,026,424	72,565,179	43,963,510	116,528,689
6.2 Loans under follow-up		2,679,063	-	2,679,063	2,538,430	-	2,538,430
6.3 Specific provisions (-)		2,170,910	-	2,170,910	2,056,468	-	2,056,468
<b>VII. FACTORING RECEIVABLES</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>VIII. INVESTMENTS HELD-TO-MATURITY (Net)</b>	(5.1.6)	<b>13,363,618</b>	<b>4,406,820</b>	<b>17,770,438</b>	<b>13,120,328</b>	<b>864,107</b>	<b>13,984,435</b>
8.1 Government securities		13,355,871	2,947,161	16,303,032	13,112,652	469,091	13,581,743
8.2 Other securities		7,747	1,459,659	1,467,406	7,676	395,016	402,692
<b>IX. INVESTMENTS IN ASSOCIATES (Net)</b>	(5.1.7)	<b>36,698</b>	<b>-</b>	<b>36,698</b>	<b>36,698</b>	<b>-</b>	<b>36,698</b>
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
<b>X. INVESTMENTS IN SUBSIDIARIES (Net)</b>	(5.1.8)	<b>452,595</b>	<b>2,795,114</b>	<b>3,247,709</b>	<b>448,691</b>	<b>2,730,138</b>	<b>3,178,829</b>
10.1 Unconsolidated financial investments in subsidiaries		348,510	2,795,114	3,143,624	344,606	2,730,138	3,074,744
10.2 Unconsolidated non-financial investments in subsidiaries		104,085	-	104,085	104,085	-	104,085
<b>XI. INVESTMENTS IN JOINT-VENTURES (Net)</b>	(5.1.9)	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
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		-	-	-	-	-	-
<b>XII. LEASE RECEIVABLES (Net)</b>	(5.1.10)	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
12.1 Financial lease receivables		-	-	-	-	-	-
12.2 Operational lease receivables		-	-	-	-	-	-
12.3 Others		-	-	-	-	-	-
12.4 Unearned income (-)		-	-	-	-	-	-
<b>XIII. DERIVATIVE FINANCIAL ASSETS HELD FOR RISK MANAGEMENT</b>	(5.1.11)	<b>161,979</b>	<b>51,179</b>	<b>213,158</b>	<b>103,975</b>	<b>11,009</b>	<b>114,984</b>
13.1 Fair value hedges		93,445	459	93,904	65,943	-	65,943
13.2 Cash flow hedges		68,534	50,720	119,254	38,032	11,009	49,041
13.3 Net foreign investment hedges		-	-	-	-	-	-
<b>XIV. TANGIBLE ASSETS (Net)</b>	(5.1.12)	<b>1,206,967</b>	<b>142</b>	<b>1,207,109</b>	<b>1,361,270</b>	<b>96</b>	<b>1,361,366</b>
<b>XV. INTANGIBLE ASSETS (Net)</b>	(5.1.13)	<b>176,022</b>	<b>22</b>	<b>176,044</b>	<b>58,770</b>	<b>-</b>	<b>58,770</b>
15.1 Goodwill		-	-	-	-	-	-
15.2 Other intangibles		176,022	22	176,044	58,770	-	58,770
<b>XVI. INVESTMENT PROPERTY (Net)</b>	(5.1.14)	<b>152,991</b>	<b>-</b>	<b>152,991</b>	<b>149,632</b>	<b>-</b>	<b>149,632</b>
<b>XVII. TAX ASSET</b>		<b>126,528</b>	<b>-</b>	<b>126,528</b>	<b>129,218</b>	<b>-</b>	<b>129,218</b>
17.1 Current tax asset		-	-	-	-	-	-
17.2 Deferred tax asset	(5.1.15)	126,528	-	126,528	129,218	-	129,218
<b>XVIII. ASSETS HELD FOR SALE AND ASSETS OF DISCONTINUED OPERATIONS (Net)</b>	(5.1.16)	<b>151,807</b>	<b>-</b>	<b>151,807</b>	<b>146,104</b>	<b>-</b>	<b>146,104</b>
18.1 Assets held for sale		151,807	-	151,807	146,104	-	146,104
18.2 Assets of discontinued operations		-	-	-	-	-	-
<b>XIX. OTHER ASSETS</b>	(5.1.17)	<b>2,426,394</b>	<b>240,238</b>	<b>2,666,632</b>	<b>2,935,298</b>	<b>228,510</b>	<b>3,163,808</b>
<b>TOTAL ASSETS</b>		<b>118,156,317</b>	<b>83,532,647</b>	<b>201,688,964</b>	<b>117,693,399</b>	<b>79,202,809</b>	<b>196,896,208</b>

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

# Balance Sheet (Statement of Financial Position)

## At 31 March 2014

LIABILITIES AND SHAREHOLDERS' EQUITY		Footnotes	THOUSANDS OF TURKISH LIRA (TL)					
			CURRENT PERIOD 31 March 2014			PRIOR PERIOD 31 December 2013		
			TL	FC	Total	TL	FC	Total
<b>I. DEPOSITS</b>	(5.2.1)	<b>57,145,846</b>	<b>52,648,637</b>	<b>109,794,483</b>	<b>59,655,722</b>	<b>46,817,866</b>	<b>106,473,588</b>	
1.1 Deposits from bank's risk group	(5.7)	877,632	322,476	1,200,108	856,057	430,332	1,286,389	
1.2 Others		56,268,214	52,326,161	108,594,375	58,799,665	46,387,534	105,187,199	
<b>II. DERIVATIVE FINANCIAL LIABILITIES HELD FOR TRADING</b>	(5.2.2)	<b>1,540,626</b>	<b>204,739</b>	<b>1,745,365</b>	<b>1,127,072</b>	<b>257,624</b>	<b>1,384,696</b>	
<b>III. FUNDS BORROWED</b>	(5.2.3)	<b>4,603,432</b>	<b>24,448,953</b>	<b>29,052,385</b>	<b>5,222,504</b>	<b>24,255,589</b>	<b>29,478,093</b>	
<b>IV. INTERBANK MONEY MARKETS</b>		<b>10,162,657</b>	<b>4,996,350</b>	<b>15,159,007</b>	<b>11,424,006</b>	<b>3,160,228</b>	<b>14,584,234</b>	
4.1 Interbank money market takings		-	-	-	-	-	-	
4.2 Istanbul Stock Exchange money market takings		-	-	-	-	-	-	
4.3 Obligations under repurchase agreements	(5.2.4)	10,162,657	4,996,350	15,159,007	11,424,006	3,160,228	14,584,234	
<b>V. SECURITIES ISSUED (Net)</b>	(5.2.4)	<b>4,357,817</b>	<b>6,193,580</b>	<b>10,551,397</b>	<b>3,885,539</b>	<b>6,494,850</b>	<b>10,380,389</b>	
5.1 Bills		1,771,039	-	1,771,039	1,347,962	-	1,347,962	
5.2 Asset backed securities		-	-	-	-	-	-	
5.3 Bonds		2,586,778	6,193,580	8,780,358	2,537,577	6,494,850	9,032,427	
<b>VI. FUNDS</b>		-	-	-	-	-	-	
6.1 Borrower funds		-	-	-	-	-	-	
6.2 Others		-	-	-	-	-	-	
<b>VII. MISCELLANEOUS PAYABLES</b>	(5.2.4.3)	<b>4,970,251</b>	<b>597,409</b>	<b>5,567,660</b>	<b>5,099,413</b>	<b>534,436</b>	<b>5,633,849</b>	
<b>VIII. OTHER EXTERNAL FUNDINGS PAYABLE</b>		<b>1,971,138</b>	<b>590,378</b>	<b>2,561,516</b>	<b>2,280,478</b>	<b>597,280</b>	<b>2,877,758</b>	
<b>IX. FACTORING PAYABLES</b>		-	-	-	-	-	-	
<b>X. LEASE PAYABLES (Net)</b>	(5.2.5)	<b>489</b>	-	<b>489</b>	<b>480</b>	-	<b>480</b>	
10.1 Financial lease payables		513	-	513	504	-	504	
10.2 Operational lease payables		-	-	-	-	-	-	
10.3 Others		-	-	-	-	-	-	
10.4 Deferred expenses (-)		24	-	24	24	-	24	
<b>XI. DERIVATIVE FINANCIAL LIABILITIES HELD FOR RISK MANAGEMENT</b>	(5.2.6)	<b>20,186</b>	<b>27,945</b>	<b>48,131</b>	-	<b>39,105</b>	<b>39,105</b>	
11.1 Fair value hedges		20,186	27,945	48,131	-	39,105	39,105	
11.2 Cash flow hedges		-	-	-	-	-	-	
11.3 Net foreign investment hedges		-	-	-	-	-	-	
<b>XII. PROVISIONS</b>	(5.2.7)	<b>3,165,960</b>	<b>59,667</b>	<b>3,225,627</b>	<b>2,942,279</b>	<b>59,530</b>	<b>3,001,809</b>	
12.1 General provisions		2,050,996	41,114	2,092,110	1,962,713	41,195	2,003,908	
12.2 Restructuring reserves		-	-	-	-	-	-	
12.3 Reserve for employee benefits		453,898	-	453,898	377,988	-	377,988	
12.4 Insurance technical provisions (Net)		-	-	-	-	-	-	
12.5 Other provisions		661,066	18,553	679,619	601,578	18,335	619,913	
<b>XIII. TAX LIABILITY</b>	(5.2.8)	<b>415,179</b>	<b>12,034</b>	<b>427,213</b>	<b>298,865</b>	<b>10,867</b>	<b>309,732</b>	
13.1 Current tax liability		415,179	12,034	427,213	298,865	10,867	309,732	
13.2 Deferred tax liability		-	-	-	-	-	-	
<b>XIV. LIABILITIES FOR ASSETS HELD FOR SALE AND ASSETS OF DISCONTINUED OPERATIONS (Net)</b>	(5.2.9)	-	-	-	-	-	-	
14.1 Assets held for sale		-	-	-	-	-	-	
14.2 Assets of discontinued operations		-	-	-	-	-	-	
<b>XV. SUBORDINATED DEBTS</b>	(5.2.10)	-	<b>145,780</b>	<b>145,780</b>	-	<b>147,491</b>	<b>147,491</b>	
<b>XVI. SHAREHOLDERS' EQUITY</b>	(5.2.11)	<b>21,842,977</b>	<b>1,566,934</b>	<b>23,409,911</b>	<b>21,113,386</b>	<b>1,471,598</b>	<b>22,584,984</b>	
16.1 Paid-in capital		4,200,000	-	4,200,000	4,200,000	-	4,200,000	
16.2 Capital reserves		465,825	1,447,191	1,913,016	496,564	1,351,621	1,848,185	
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		(481,888)	1,420,458	938,570	-429,394	1,342,813	913,419	
16.2.4 Revaluation surplus on tangible assets		174,304	-	174,304	174,304	-	174,304	
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)		(11,035)	26,733	15,698	(32,790)	8,808	(23,982)	
16.2.9 Revaluation surplus on assets held for sale and assets of discontinued operations		-	-	-	-	-	-	
16.2.10 Other capital reserves		770,673	-	770,673	770,673	-	770,673	
16.3 Profit reserves		13,411,262	119,743	13,531,005	13,411,262	119,977	13,531,239	
16.3.1 Legal reserves		1,098,509	11,617	1,110,126	1,098,509	11,639	1,110,148	
16.3.2 Status reserves		-	-	-	-	-	-	
16.3.3 Extraordinary reserves		12,312,753	-	12,312,753	12,312,753	-	12,312,753	
16.3.4 Other profit reserves		-	108,126	108,126	-	108,338	108,338	
16.4 Profit or loss		3,765,890	-	3,765,890	3,005,560	-	3,005,560	
16.4.1 Prior periods profit/loss		3,005,560	-	3,005,560	-	-	-	
16.4.2 Current period net profit/loss		760,330	-	760,330	3,005,560	-	3,005,560	
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>110,196,558</b>	<b>91,492,406</b>	<b>201,688,964</b>	<b>113,049,744</b>	<b>83,846,464</b>	<b>196,896,208</b>	

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

# Türkiye Garanti Bankası Anonim Şirketi

## Off-Balance Sheet Items

At 31 March 2014

OFF-BALANCE SHEET ITEMS	Footnotes	THOUSANDS OF TURKISH LIRA (TL)					
		CURRENT PERIOD 31 March 2014			PRIOR PERIOD 31 December 2013		
		TL	FC	Total	TL	FC	Total
<b>A. OFF-BALANCE SHEET COMMITMENTS AND CONTINGENCIES (I+II+III)</b>		<b>109,349,062</b>	<b>133,047,565</b>	<b>242,396,627</b>	<b>100,427,191</b>	<b>135,652,643</b>	<b>236,079,834</b>
<b>I. GUARANTEES AND SURETIES</b>	(5.3.1)	<b>10,969,938</b>	<b>23,300,316</b>	<b>34,270,254</b>	<b>9,959,792</b>	<b>23,181,147</b>	<b>33,140,939</b>
1.1. Letters of guarantee		10,962,305	13,659,909	24,622,214	9,952,370	13,583,722	23,536,092
1.1.1. Guarantees subject to State Tender Law		-	818,718	818,718	-	845,257	845,257
1.1.2. Guarantees given for foreign trade operations		1,408,937	371,919	1,780,856	1,134,793	320,050	1,454,843
1.1.3. Other letters of guarantee		9,553,368	12,469,272	22,022,640	8,817,577	12,418,415	21,235,992
1.2. Bank acceptances		6,932	674,165	681,097	6,898	631,191	638,089
1.2.1. Import letter of acceptance		6,932	674,165	681,097	6,898	631,191	638,089
1.2.2. Other bank acceptances		-	-	-	-	-	-
1.3. Letters of credit		701	8,886,505	8,887,206	524	8,886,310	8,886,834
1.3.1. Documentary letters of credit		-	-	-	-	-	-
1.3.2. Other letters of credit		701	8,886,505	8,887,206	524	8,886,310	8,886,834
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		-	79,737	79,737	-	79,924	79,924
1.9. Other sureties		-	-	-	-	-	-
<b>II. COMMITMENTS</b>	(5.3.1)	<b>35,112,575</b>	<b>10,659,090</b>	<b>45,771,665</b>	<b>34,668,117</b>	<b>15,249,746</b>	<b>49,917,863</b>
2.1. Irrevocable commitments		35,093,734	10,658,248	45,751,982	34,642,613	15,248,903	49,891,516
2.1.1. Asset purchase and sale commitments		1,522,118	2,398,940	3,921,058	2,740,296	5,438,905	8,179,201
2.1.2. Deposit purchase and sale commitments		-	27,017	27,017	-	25,822	25,822
2.1.3. Share capital commitments to associates and subsidiaries		-	7,791	7,791	-	7,806	7,806
2.1.4. Loan granting commitments		5,572,392	7,325,625	12,898,017	5,494,147	8,875,370	14,369,517
2.1.5. Securities issuance brokerage commitments		-	-	-	-	-	-
2.1.6. Commitments for reserve deposit requirements		-	-	-	-	-	-
2.1.7. Commitments for cheque payments		2,855,487	-	2,855,487	2,658,815	-	2,658,815
2.1.8. Tax and fund obligations on export commitments		15,828	-	15,828	15,211	-	15,211
2.1.9. Commitments for credit card limits		23,653,699	-	23,653,699	22,259,934	-	22,259,934
2.1.10. Commitments for credit cards and banking services related promotions		-	-	-	-	-	-
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		1,474,210	898,875	2,373,085	1,474,210	901,000	2,375,210
2.2. Revocable commitments		18,841	842	19,683	25,504	843	26,347
2.2.1. Revocable loan granting commitments		18,841	-	18,841	25,504	-	25,504
2.2.2. Other revocable commitments		-	842	842	-	843	843
<b>III. DERIVATIVE FINANCIAL INSTRUMENTS</b>	(5.3.2)	<b>63,266,549</b>	<b>99,088,159</b>	<b>162,354,708</b>	<b>55,799,282</b>	<b>97,221,750</b>	<b>153,021,032</b>
3.1. Derivative financial instruments held for risk management		7,265,352	3,741,631	11,006,983	5,536,346	1,632,486	7,168,832
3.1.1. Fair value hedges		4,657,367	3,107,131	7,764,498	2,928,361	996,486	3,924,847
3.1.2. Cash flow hedges		2,607,985	634,500	3,242,485	2,607,985	636,000	3,243,985
3.1.3. Net foreign investment hedges		-	-	-	-	-	-
3.2. Trading derivatives		56,001,197	95,346,528	151,347,725	50,262,936	95,589,264	145,852,200
3.2.1. Forward foreign currency purchases/sales		10,761,822	12,022,931	22,784,753	8,595,511	10,118,008	18,713,519
3.2.1.1. Forward foreign currency purchases		3,732,459	7,579,863	11,312,322	2,857,352	6,528,366	9,385,718
3.2.1.2. Forward foreign currency sales		7,029,363	4,443,068	11,472,431	5,738,159	3,589,642	9,327,801
3.2.2. Currency and interest rate swaps		27,258,431	50,030,097	77,288,528	20,995,157	46,354,163	67,349,320
3.2.2.1. Currency swaps-purchases		11,551,123	17,765,775	29,316,898	11,516,738	13,608,131	25,124,869
3.2.2.2. Currency swaps-sales		11,609,740	15,815,528	27,425,268	6,080,851	15,462,054	21,542,905
3.2.2.3. Interest rate swaps-purchases		2,048,784	8,224,397	10,273,181	1,698,784	8,641,989	10,340,773
3.2.2.4. Interest rate swaps-sales		2,048,784	8,224,397	10,273,181	1,698,784	8,641,989	10,340,773
3.2.3. Currency, interest rate and security options		17,868,998	26,820,368	44,689,366	20,538,090	32,117,841	52,655,931
3.2.3.1. Currency call options		8,885,358	12,143,942	21,029,300	10,148,589	14,458,413	24,607,002
3.2.3.2. Currency put options		8,965,648	12,801,074	21,766,722	10,358,275	15,780,207	26,138,482
3.2.3.3. Interest rate call options		-	1,875,352	1,875,352	-	1,879,221	1,879,221
3.2.3.4. Interest rate put options		-	-	-	-	-	-
3.2.3.5. Security call options		16,113	-	16,113	29,776	-	29,776
3.2.3.6. Security put options		1,879	-	1,879	1,450	-	1,450
3.2.4. Currency futures		88,089	100,095	188,184	110,122	182,913	293,035
3.2.4.1. Currency futures-purchases		-	84,262	84,262	-	182,913	182,913
3.2.4.2. Currency futures-sales		88,089	15,833	103,922	110,122	-	110,122
3.2.5. Interest rate futures		-	88,830	88,830	-	-	-
3.2.5.1. Interest rate futures-purchases		-	88,830	88,830	-	-	-
3.2.5.2. Interest rate futures-sales		-	-	-	-	-	-
3.2.6. Others		23,857	6,284,207	6,308,064	24,056	6,816,339	6,840,395
<b>B. CUSTODY AND PLEDGED ITEMS (IV+V+VI)</b>		<b>495,640,307</b>	<b>335,235,188</b>	<b>830,875,495</b>	<b>475,443,153</b>	<b>325,696,861</b>	<b>801,140,014</b>
<b>IV. ITEMS HELD IN CUSTODY</b>		<b>39,671,369</b>	<b>22,335,400</b>	<b>62,006,769</b>	<b>35,125,254</b>	<b>21,326,011</b>	<b>56,451,265</b>
4.1. Customers' securities held		7,525,904	-	7,525,904	4,399,502	6,805	4,406,307
4.2. Investment securities held in custody		20,862,276	5,209,481	26,071,757	20,613,851	4,917,858	25,531,709
4.3. Checks received for collection		9,356,684	2,020,775	11,377,459	8,313,010	1,779,622	10,092,632
4.4. Commercial notes received for collection		1,857,500	858,556	2,716,056	1,728,205	822,948	2,551,153
4.5. Other assets received for collection		38,779	13,061,338	13,100,117	40,495	12,637,870	12,678,365
4.6. Assets received through public offering		-	52,500	52,500	-	52,622	52,622
4.7. Other items under custody		30,226	1,132,750	1,162,976	30,191	1,108,286	1,138,477
4.8. Custodians		-	-	-	-	-	-
<b>V. PLEDGED ITEMS</b>		<b>455,968,938</b>	<b>312,899,788</b>	<b>768,868,726</b>	<b>440,317,899</b>	<b>304,370,850</b>	<b>744,688,749</b>
5.1. Securities		1,616,295	11,462	1,627,757	1,570,628	11,304	1,581,932
5.2. Guarantee notes		42,684,895	11,925,141	54,610,036	42,766,417	12,081,381	54,847,798
5.3. Commodities		187	-	187	6,531	-	6,531
5.4. Warranties		-	-	-	-	-	-
5.5. Real estates		82,546,745	67,037,842	149,584,587	79,449,434	64,892,546	144,341,980
5.6. Other pledged items		329,120,646	233,924,878	563,045,524	316,524,719	227,385,153	543,909,872
5.7. Pledged items-depository		170	465	635	170	466	636
<b>VI. CONFIRMED BILLS OF EXCHANGE AND SURETIES</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL OFF-BALANCE SHEET ITEMS (A+B)</b>		<b>604,989,369</b>	<b>468,282,753</b>	<b>1,073,272,122</b>	<b>575,870,344</b>	<b>461,349,504</b>	<b>1,037,219,848</b>

**Türkiye Garanti Bankası Anonim Şirketi**  
**Income Statement**  
**For the Three-Month Period Ended 31 March 2014**

INCOME AND EXPENSE ITEMS	Footnotes	THOUSANDS OF TURKISH LIRA (TL)	
		CURRENT PERIOD 1 January 2014- 31 March 2014	PRIOR PERIOD 1 January 2013- 31 March 2013
<b>I. INTEREST INCOME</b>	(5.4.1)	<b>3,571,150</b>	<b>3,225,020</b>
1.1 Interest income on loans		2,571,897	2,173,771
1.2 Interest income on reserve deposits		-	-
1.3 Interest income on banks		45,018	38,841
1.4 Interest income on money market transactions		1,483	529
1.5 Interest income on securities portfolio		921,906	982,722
1.5.1 Trading financial assets		9,335	10,722
1.5.2 Financial assets valued at fair value through profit or loss		-	-
1.5.3 Financial assets available-for-sale		508,532	951,595
1.5.4 Investments held-to-maturity		404,039	20,405
1.6 Financial lease income		-	-
1.7 Other interest income		30,846	29,157
<b>II. INTEREST EXPENSE</b>	(5.4.2)	<b>2,053,934</b>	<b>1,422,016</b>
2.1 Interest on deposits		1,345,988	958,256
2.2 Interest on funds borrowed		342,404	199,429
2.3 Interest on money market transactions		195,628	169,045
2.4 Interest on securities issued		165,301	88,882
2.5 Other interest expenses		4,613	6,404
<b>III. NET INTEREST INCOME (I - II)</b>		<b>1,517,216</b>	<b>1,803,004</b>
<b>IV. NET FEES AND COMMISSIONS INCOME</b>		<b>730,269</b>	<b>656,189</b>
4.1 Fees and commissions received		890,341	761,760
4.1.1 Non-cash loans		58,296	48,086
4.1.2 Others		832,045	713,674
4.2 Fees and commissions paid		160,072	105,571
4.2.1 Non-cash loans		196	225
4.2.2 Others		159,876	105,346
<b>V. DIVIDEND INCOME</b>	(5.4.3)	<b>-</b>	<b>2,597</b>
<b>VI. NET TRADING INCOME/LOSSES (Net)</b>	(5.4.4)	<b>145,707</b>	<b>141,348</b>
6.1 Trading account income/losses		13,018	71,837
6.2 Income/losses from derivative financial instruments		(115,347)	102,790
6.3 Foreign exchange gains/losses		248,036	(33,279)
<b>VII. OTHER OPERATING INCOME</b>	(5.4.5)	<b>130,410</b>	<b>145,608</b>
<b>VIII. TOTAL OPERATING PROFIT (III+IV+V+VI+VII)</b>		<b>2,523,602</b>	<b>2,748,746</b>
<b>IX. PROVISION FOR LOSSES ON LOANS AND OTHER RECEIVABLES (-)</b>	(5.4.6)	<b>417,738</b>	<b>538,518</b>
<b>X. OTHER OPERATING EXPENSES (-)</b>	(5.4.7)	<b>1,102,148</b>	<b>893,436</b>
<b>XI. NET OPERATING PROFIT/LOSS (VIII-IX-X)</b>		<b>1,003,716</b>	<b>1,316,792</b>
<b>XII. INCOME RESULTED FROM MERGERS</b>		-	-
<b>XIII. INCOME/LOSS FROM INVESTMENTS UNDER EQUITY ACCOUNTING</b>		-	-
<b>XIV. GAIN/LOSS ON NET MONETARY POSITION</b>		-	-
<b>XV. OPERATING PROFIT/LOSS BEFORE TAXES (XI+XII+XIII+XIV)</b>	(5.4.8)	<b>1,003,716</b>	<b>1,316,792</b>
<b>XVI. PROVISION FOR TAXES (±)</b>	(5.4.9)	<b>243,386</b>	<b>312,710</b>
16.1 Current tax charge		237,884	226,454
16.2 Deferred tax charge/(credit)		5,502	86,256
<b>XVII. NET OPERATING PROFIT/LOSS AFTER TAXES (XV±XVI)</b>	(5.4.10)	<b>760,330</b>	<b>1,004,082</b>
<b>XVIII. INCOME FROM DISCONTINUED OPERATIONS</b>		-	-
18.1 Income from assets held for sale		-	-
18.2 Income from sale of associates, subsidiaries and joint-ventures		-	-
18.3 Others		-	-
<b>XIX. EXPENSES FROM DISCONTINUED OPERATIONS (-)</b>		-	-
19.1 Expenses on assets held for sale		-	-
19.2 Expenses on sale of associates, subsidiaries and joint-ventures		-	-
19.3 Others		-	-
<b>XX. PROFIT/LOSS BEFORE TAXES ON DISCONTINUED OPERATIONS (XVIII-XIX)</b>	(5.4.8)	-	-
<b>XXI. PROVISION FOR TAXES OF DISCONTINUED OPERATIONS (±)</b>	(5.4.9)	-	-
21.1 Current tax charge		-	-
21.2 Deferred tax charge/(credit)		-	-
<b>XXII. NET PROFIT/LOSS AFTER TAXES ON DISCONTINUED OPERATIONS (XX±XXI)</b>	(5.4.10)	-	-
<b>XXIII. NET PROFIT/LOSS (XVII+XXII)</b>	(5.4.11)	<b>760,330</b>	<b>1,004,082</b>
Earnings per Share		0.181	0.239

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 Income/Expense Items Accounted for under Shareholders' Equity**

**For the Three-Month Period Ended 31 March 2014**

INCOME AND EXPENSE ITEMS UNDER SHAREHOLDERS' EQUITY	THOUSANDS OF TURKISH LIRA (TL)	
	CURRENT PERIOD 1 January 2014- 31 March 2014	PRIOR PERIOD 1 January 2013- 31 March 2013
<b>I. MARKET VALUE GAINS ON AVAILABLE FOR SALE ASSETS ACCOUNTED UNDER "SECURITIES VALUE INCREASE FUND"</b>	<b>(59,236)</b>	<b>(229,772)</b>
<b>II. REVALUATION SURPLUS ON TANGIBLE ASSETS</b>	<b>-</b>	<b>-</b>
<b>III. REVALUATION SURPLUS ON INTANGIBLE ASSETS</b>	<b>-</b>	<b>-</b>
<b>IV. TRANSLATION DIFFERENCES FOR TRANSACTIONS IN FOREIGN CURRENCIES</b>	<b>(234)</b>	<b>(991)</b>
<b>V. GAIN/LOSS ON DERIVATIVE FINANCIAL ASSETS HELD FOR CASH FLOW HEDGES (effective portion)</b>	<b>49,601</b>	<b>-</b>
<b>VI. GAIN/LOSS ON DERIVATIVE FINANCIAL ASSETS HELD FOR HEDGES OF NET INVESTMENT IN FOREIGN OPERATIONS (effective portion)</b>	<b>-</b>	<b>-</b>
<b>VII. EFFECTS OF CHANGES IN ACCOUNTING POLICIES AND CORRECTIONS</b>	<b>-</b>	<b>-</b>
<b>VIII. OTHER INCOME/EXPENSE ITEMS ACCOUNTED UNDER SHAREHOLDERS' EQUITY AS PER TAS</b>	<b>71,654</b>	<b>(3,420)</b>
<b>IX. DEFERRED TAXES ON VALUE INCREASES/DECREASES</b>	<b>2,812</b>	<b>55,324</b>
<b>X. NET INCOME/EXPENSE ITEMS ACCOUNTED DIRECTLY UNDER SHAREHOLDERS' EQUITY (I+II+III+IV+V+VI+VII+VIII+IX)</b>	<b>64,597</b>	<b>(178,859)</b>
<b>XI. CURRENT PERIOD PROFIT/LOSSES</b>	<b>760,330</b>	<b>1,004,082</b>
1.1 Net changes in fair value of securities (transferred to income statement)	2,685	55,373
1.2 Gains/losses on derivative financial assets held for cash flow hedges, reclassified and recorded in income statement	-	-
1.3 Gains/losses on hedges of net investment in foreign operations, reclassified and recorded in income statement	-	-
1.4 Others	757,645	948,709
<b>XII. TOTAL PROFIT/LOSS ACCOUNTED FOR THE CURRENT PERIOD (X+XI)</b>	<b>824,927</b>	<b>825,223</b>

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 2014**

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY	Footnotes	THOUSANDS OF TURKISH LIRA (TL)															
		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
<b>PRIOR PERIOD</b> (1 January - 31 March 2013)																	
I. Balances at beginning of the period		4,200,000	772,554	11,880	-	915,592	-	9,724,283	61,143	-	3,070,325	1,873,278	741,530	1,891	(63,225)	-	21,309,251
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	-	915,592	-	9,724,283	61,143	-	3,070,325	1,873,278	741,530	1,891	(63,225)	-	21,309,251
Changes during the period																	
IV. Mergers		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V. Market value changes of securities		-	-	-	-	-	-	-	-	-	-	(177,868)	-	-	-	-	(177,868)
VI. Hedging reserves		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6.1. Cash flow hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
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		-	-	-	-	(114)	-	-	(877)	-	-	-	-	-	-	-	(991)
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		-	-	-	-	-	-	-	-	1,004,082	-	-	-	-	-	-	1,004,082
XX. Profit distribution		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20.1. Dividends		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20.2. Transfers to reserves		-	-	-	-	0	-	0	-	-	-	-	-	-	-	-	-
20.3. Others		-	-	-	-	-	-	-	0	-	-	-	-	-	-	-	-
Balances at end of the period (III+IV+V+.....+XVIII+XIX+XX)		4,200,000	772,554	11,880	-	915,478	-	9,724,283	60,266	1,004,082	3,070,325	1,695,410	741,530	1,891	(63,225)	-	22,134,474
<b>CURRENT PERIOD</b> (1 January - 31 March 2014)																	
I. Balances at beginning of the period		4,200,000	770,673	11,880	-	1,110,148	-	12,312,753	108,338	-	3,005,560	913,419	174,304	1,891	(23,982)	-	22,584,984
Changes during the period	(5.5)																
II. Mergers		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. Market value changes of securities		-	-	-	-	-	-	-	-	-	-	25,151	-	-	-	-	25,151
IV. Hedging reserves		-	-	-	-	-	-	-	-	-	-	-	-	-	39,680	-	39,680
4.1. Cash flow hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	39,680	-	39,680
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		-	-	-	-	(22)	-	-	(212)	-	-	-	-	-	-	-	(234)
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		-	-	-	-	-	-	-	-	760,330	-	-	-	-	-	-	760,330
XVIII. Profit distribution		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18.1. Dividends		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18.2. Transfers to reserves		-	-	-	-	0	-	0	-	-	-	-	-	-	-	-	-
18.3. Others		-	-	-	-	-	-	-	0	-	-	-	-	-	-	-	-
Balances at end of the period (I+II+III+.....+XVI+XVII+XVIII)		4,200,000	770,673	11,880	-	1,110,126	-	12,312,753	108,126	760,330	3,005,560	938,570	174,304	1,891	15,698	-	23,409,911

(Convenience Translation of Financial Statements Originally Issued in Turkish)

**Türkiye Garanti Bankası Anonim Şirketi**  
**Statement of Cash Flows**  
**For the Three-Month Period Ended 31 March 2014**

STATEMENT OF CASH FLOWS	Footnotes	THOUSANDS OF TURKISH LIRA (TL)	
		CURRENT PERIOD 1 January 2014- 31 March 2014	PRIOR PERIOD 1 January 2013- 31 March 2013
<b>A. CASH FLOWS FROM BANKING OPERATIONS</b>			
<b>1.1 Operating profit before changes in operating assets and liabilities</b>		<b>1,498,815</b>	<b>897,035</b>
1.1.1 Interests received		3,267,165	3,068,415
1.1.2 Interests paid		(1,917,955)	(1,517,641)
1.1.3 Dividend received		-	2,597
1.1.4 Fees and commissions received		890,341	761,761
1.1.5 Other income		145,627	85,802
1.1.6 Collections from previously written-off loans and other receivables		12,377	8,602
1.1.7 Payments to personnel and service suppliers		(808,851)	(656,639)
1.1.8 Taxes paid		(80,734)	(317,022)
1.1.9 Others	(5.6)	(9,155)	(538,840)
<b>1.2 Changes in operating assets and liabilities</b>		<b>978,269</b>	<b>(505,820)</b>
1.2.1 Net (increase) decrease in financial assets held for trading		5,591	(247,813)
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		340,921	374,549
1.2.4 Net (increase) decrease in loans		(2,760,570)	(4,692,009)
1.2.5 Net (increase) decrease in other assets		507,787	(1,233,171)
1.2.6 Net increase (decrease) in bank deposits		808,427	508,351
1.2.7 Net increase (decrease) in other deposits		2,453,347	7,206,121
1.2.8 Net increase (decrease) in funds borrowed		45,732	(1,837,261)
1.2.9 Net increase (decrease) in matured payables		-	-
1.2.10 Net increase (decrease) in other liabilities	(5.6)	(422,966)	(584,587)
<b>I. Net cash flow from banking operations</b>		<b>2,477,084</b>	<b>391,215</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<b>II. Net cash flow from investing activities</b>		<b>(3,012,165)</b>	<b>(1,911,931)</b>
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		(28,032)	(61,399)
2.4 Sales of tangible assets		21,040	17,763
2.5 Cash paid for purchase of financial assets available-for-sale		(2,045,042)	(4,519,973)
2.6 Cash obtained from sale of financial assets available-for-sale		1,719,551	2,657,931
2.7 Cash paid for purchase of investments held-to-maturity		(2,679,682)	(6,253)
2.8 Cash obtained from sale of investments held-to-maturity		-	-
2.9 Others	(5.6)	-	-
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<b>III. Net cash flow from financing activities</b>		<b>195,781</b>	<b>1,232,789</b>
3.1 Cash obtained from funds borrowed and securities issued		2,130,331	2,300,926
3.2 Cash used for repayment of funds borrowed and securities issued		(1,934,559)	(1,067,992)
3.3 Equity instruments issued		-	-
3.4 Dividends paid		-	-
3.5 Payments for financial leases		9	(145)
3.6 Others (payments for founder shares repurchased)	(5.6)	-	-
<b>IV. Effect of change in foreign exchange rate on cash and cash equivalents</b>	(5.6)	<b>(23,020)</b>	<b>95,581</b>
<b>V. Net increase/(decrease) in cash and cash equivalents</b>		<b>(362,320)</b>	<b>(192,346)</b>
<b>VI. Cash and cash equivalents at beginning of period</b>		<b>7,363,966</b>	<b>4,262,674</b>
<b>VII. Cash and cash equivalents at end of period</b>		<b>7,001,646</b>	<b>4,070,328</b>

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.

As per the Decree Law no. 660 published in the Official Gazette and become effective on 2 November 2011, the Additional Clause 1 of the Law no. 2499 was abolished and the Public Oversight, Accounting and Auditing Standards Authority was established. 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.

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.

##### **3.1.1 Additional paragraph for convenience translation to English**

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

#### **3.2 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.

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.

A portion of the fixed-rate TL bonds and loans, and the foreign currency bonds of the Bank are hedged under fair value hedges. The fair value risks of such fixed-rate TL assets and financial liabilities in foreign currency are hedged with TL interest rate swaps and cross currency swaps. The fair value changes of the hedged fixed-rate TL financial assets and financial liabilities in foreign currencies 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.

### **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 had applied net investment hedge accounting for the exchange rate differences on the net investment risks on its foreign affiliates and its related financial liabilities in foreign currencies in the previous periods. The Bank prospectively discontinued this application as of 1 January 2009 within the framework of TFRIC 16 - Comment on Hedges of a Net Investment in a Foreign Operation, published in the Official Gazette dated 8 January 2009, no. 27104. 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 at their origination dates, as financial assets at fair value through profit or loss in compliance with TAS 39. Financial assets at fair value through profit or loss are initially recorded at cost and measured at fair value in subsequent periods by the Bank.

#### **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:

<b>Tangible assets</b>	<b>Estimated useful lives (years)</b>	<b>Depreciation Rates (%) from 1 January 2009</b>	<b>Depreciation Rates (%) from 1 January 2005</b>	<b>Depreciation Rates (%) before 1 January 2005</b>
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 2014	31 December 2013
	%	%
Net Effective Discount Rate	3.06	3.06
Discount Rate	9.48	9.48
Expected Rate of Salary	7.73	7.73
Inflation Rate	6.23	6.23

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.

#### *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 December 2013	
	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%. 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 25<sup>th</sup> 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 8.25% 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 Shares and 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 2014, 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>	<b>Retail Banking</b>	<b>Corporate Banking</b>	<b>Investment Banking</b>	<b>Other</b>	<b>Total Operations</b>
Total Operating Profit	980,525	880,677	226,911	435,489	2,523,602
Other	-	-	-	-	-
<b>Total Operating Profit</b>	<b>980,525</b>	<b>880,677</b>	<b>226,911</b>	<b>435,489</b>	<b>2,523,602</b>
Net Operating Profit	154,979	468,026	150,211	230,500	1,003,716
Income from Associates and Subsidiaries	-	-	-	-	-
<b>Net Operating Profit</b>	<b>154,979</b>	<b>468,026</b>	<b>150,211</b>	<b>230,500</b>	<b>1,003,716</b>
Provision for Taxes	-	-	-	243,386	243,386
<b>Net Profit</b>	<b>154,979</b>	<b>468,026</b>	<b>150,211</b>	<b>(12,886)</b>	<b>760,330</b>
Segment Assets	43,288,584	77,883,001	71,018,496	6,214,476	198,404,557
Investments in Associates and Subsidiaries	-	-	-	3,284,407	3,284,407
<b>Total Assets</b>	<b>43,288,584</b>	<b>77,883,001</b>	<b>71,018,496</b>	<b>9,498,883</b>	<b>201,688,964</b>
Segment Liabilities	68,089,736	43,104,178	62,411,492	4,673,647	178,279,053
Shareholders’ Equity	-	-	-	23,409,911	23,409,911
<b>Total Liabilities and Shareholders’ Equity</b>	<b>68,089,736</b>	<b>43,104,178</b>	<b>62,411,492</b>	<b>28,083,558</b>	<b>201,688,964</b>
<b>Other Segment Items</b>					
Capital Expenditures	-	-	-	171,094	171,094
Depreciation Expenses	37,106	19,159	1,618	(4,116)	53,767
Impairment Losses	185,938	103,907	17,900	110,445	418,190
Other Non-Cash Income/Expenses	(73,417)	(13,970)	139,120	(30,012)	21,721
Restructuring Costs	-	-	-	-	-

<i>Prior Period</i>	<b>Retail Banking</b>	<b>Corporate Banking</b>	<b>Investment Banking</b>	<b>Other</b>	<b>Total Operations</b>
Total Operating Profit	936,759	812,591	788,599	210,797	2,748,746
Other	-	-	-	-	-
<b>Total Operating Profit</b>	<b>936,759</b>	<b>812,591</b>	<b>788,599</b>	<b>210,797</b>	<b>2,748,746</b>
Net Operating Profit	288,488	393,193	761,418	(128,904)	1,314,195
Income from Associates and Subsidiaries	-	-	-	2,597	2,597
<b>Net Operating Profit</b>	<b>288,488</b>	<b>393,193</b>	<b>761,418</b>	<b>(126,307)</b>	<b>1,316,792</b>
Provision for Taxes	-	-	-	312,710	312,710
<b>Net Profit</b>	<b>288,488</b>	<b>393,193</b>	<b>761,418</b>	<b>(439,017)</b>	<b>1,004,082</b>
Segment Assets	43,417,715	75,253,684	68,383,330	6,625,952	193,680,681
Investments in Associates and Subsidiaries	-	-	-	3,215,527	3,215,527
<b>Total Assets</b>	<b>43,417,715</b>	<b>75,253,684</b>	<b>68,383,330</b>	<b>9,841,479</b>	<b>196,896,208</b>
Segment Liabilities	65,725,982	42,781,023	61,081,684	4,722,535	174,311,224
Shareholders' Equity	-	-	-	22,584,984	22,584,984
<b>Total Liabilities and Shareholders' Equity</b>	<b>65,725,982</b>	<b>42,781,023</b>	<b>61,081,684</b>	<b>27,307,519</b>	<b>196,896,208</b>
<b>Other Segment Items</b>					
Capital Expenditures	-	-	-	489,027	489,027
Depreciation Expenses	33,497	15,391	1,233	2,727	52,848
Impairment Losses	176,590	152,302	(4,181)	214,252	538,963
Other Non-Cash Income/Expenses	136,836	184,955	(2,675,611)	(101,663)	(2,455,483)
Restructuring Costs	-	-	-	-	-

### 3.24 Other disclosures

None.

## **4 Financial position and results of operations and risk management**

### **4.1 Capital adequacy ratio**

The Bank's unconsolidated capital adequacy ratio is 14.75%. (31 December 2013: 14.42%)

#### **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.26333 dated 1 November 2006.

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>	<b>Risk Weights</b>								
	<b>0%</b>	<b>10%</b>	<b>20%</b>	<b>50%</b>	<b>75%</b>	<b>100%</b>	<b>150%</b>	<b>200%</b>	<b>250%</b>
<b>Value at Credit Risk</b>	-	-	1,902,095	16,753,734	20,835,487	83,977,469	5,242,508	23,174,904	831,600
<b>Exposure Categories</b>	<b>52,662,971</b>	-	<b>9,510,474</b>	<b>33,507,467</b>	<b>27,780,649</b>	<b>83,977,469</b>	<b>3,495,005</b>	<b>11,587,452</b>	<b>332,640</b>
Conditional and unconditional exposures to central governments or central banks	50,894,179	-	3	5,633,984	-	48	-	-	-
Conditional and unconditional exposures to regional governments or local authorities	-	-	58,407	-	-	-	-	-	-
Conditional and unconditional exposures to administrative bodies and non-commercial undertakings	16	-	-	409	-	47,496	-	-	-
Conditional and unconditional exposures to multilateral development banks	-	-	-	-	-	-	-	-	-
Conditional and unconditional exposures to international organisations	-	-	-	-	-	-	-	-	-
Conditional and unconditional exposures to banks and brokerage houses	-	-	8,850,663	7,325,322	-	13,665	-	-	-
Conditional and unconditional exposures to corporates	-	-	600,122	1,106,733	-	73,039,989	-	-	-
Conditional and unconditional retail exposures	-	-	1,020	2,005	27,780,649	4,977,488	-	-	-
Conditional and unconditional exposures secured by real estate property	-	-	-	19,435,640	-	-	-	-	-
Past due items	-	-	-	3,374	-	359,755	-	-	-
Items in regulatory high-risk categories	-	-	-	-	-	17,495	3,495,005	11,587,452	332,640
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	30,325	-	-	-	-	15,438	-	-	-
Other items	1,738,451	-	259	-	-	5,506,095	-	-	-

<i>Prior Period</i>	<b>Risk Weights</b>								
	<b>0%</b>	<b>10%</b>	<b>20%</b>	<b>50%</b>	<b>75%</b>	<b>100%</b>	<b>150%</b>	<b>200%</b>	<b>1250%</b>
<b>Value at Credit Risk</b>	-	-	<b>1,854,004</b>	<b>14,643,130</b>	<b>19,982,123</b>	<b>82,326,561</b>	<b>5,000,216</b>	<b>24,059,034</b>	<b>664,205</b>
<b>Exposure Categories</b>	<b>51,971,249</b>	-	<b>9,270,022</b>	<b>29,286,260</b>	<b>26,642,831</b>	<b>82,326,561</b>	<b>3,333,477</b>	<b>12,029,517</b>	<b>265,682</b>
Conditional and unconditional exposures to central governments or central banks	50,354,334	-	3	3,442,625	-	6,849	-	-	-
Conditional and unconditional exposures to regional governments or local authorities	-	-	40,082	-	-	-	-	-	-
Conditional and unconditional exposures to administrative bodies and non-commercial undertakings	-	-	-	-	-	43	-	-	-
Conditional and unconditional exposures to multilateral development banks	-	-	-	-	-	-	-	-	-
Conditional and unconditional exposures to international organisations	-	-	-	-	-	-	-	-	-
Conditional and unconditional exposures to banks and brokerage houses	-	-	8,453,942	6,874,026	-	11,950	-	-	-
Conditional and unconditional exposures to corporates	-	-	770,648	1,290,840	-	70,988,621	-	-	-
Conditional and unconditional retail exposures	-	-	-	-	26,642,831	5,476,494	-	-	-
Conditional and unconditional exposures secured by real estate property	-	-	-	17,676,198	-	-	-	-	-
Past due items	-	-	-	2,571	-	337,955	-	-	-
Items in regulatory high-risk categories	-	-	-	-	-	13,269	3,333,477	12,029,517	265,682
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	-	-	-	-	-	-	-	-	-
Other items	1,616,915	-	5,347	-	-	5,491,380	-	-	-

#### 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)	12,217,424	11,882,342
Capital Requirement for Market Risk (MRCR)	308,407	301,025
Capital Requirement for Operational Risk (ORCR)	1,187,245	1,067,735
Shareholders' Equity	25,283,888	23,882,776
Shareholders' Equity/((CRCR+MRCR+ORCR) * 12.5) * 100	14.75%	14.42%
Core Capital/((CRCR+MRCR+ORCR) * 12.5) * 100	13.70%	-
Tier I Capital/((CRCR+MRCR+ORCR) * 12.5) * 100	13.78%	-

(\*) The Bank's equity 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 shareholders' equity items

	<i>Current Period</i>
<b>TIER I CAPITAL</b>	
Paid-in Capital to be Entitled for Compensation after All Creditors	4,972,554
Share Premium	11,880
Share Cancellation Profits	-
Reserves	13,531,004
Other Comprehensive Income according to TAS	1,654,390
Profit	3,765,890
Current Period Profit	760,330
Prior Period Profit	3,005,560
General Reserves for Possible Losses	410,000
Bonus Shares from Associates, Subsidiaries and Joint-Ventures not Accounted in Current Period's Profit	1,891
<b>Tier I Capital Before Deductions</b>	<b>24,347,609</b>
<b>Deductions From Tier I Capital</b>	
Current and Prior Periods' Losses not Covered by Reserves, and Losses Accounted under Equity according to TAS (-)	606,622
Leasehold Improvements on Operational Leases (-)	86,682
Goodwill and Other Intangible Assets and Related Deferred Taxes (-)	34,241
Net Deferred Tax Asset/Liability (-)	-
Shares Obtained against Article 56, Paragraph 4 of the Banking Law (-)	1,098
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 less 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 (-)	-
<b>Total Deductions from Tier I Capital</b>	<b>728,643</b>
<b>Total Tier I Capital</b>	<b>23,618,966</b>
<b>ADDITIONAL CORE CAPITAL</b>	
Preferred Stock not Included in 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 Core Capital	-
<b>Additional Core Capital before Deductions</b>	<b>-</b>

	<i>Current Period</i>
<b>Deductions from Additional Core Capital</b>	
Direct and Indirect Investments of the Bank on its own Additional Core 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 Core Capital in cases where there are no adequate Tier II Capital (-)	-
<b>Total Deductions from Additional Core Capital</b>	-
<b>Total Additional Core Capital</b>	-
<b>Deductions from Core Capital</b>	
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 (-)	136,964
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 (-)	-
<b>Total Core Capital</b>	<b>23,482,002</b>
<b>TIER II CAPITAL</b>	
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)	145,765
Pledged Assets of the Shareholders to be used for the Bank's Capital Increases	-
General Provisions	1,908,972
<b>Tier II Capital before Deductions</b>	<b>2,054,737</b>
<b>Deductions from Tier II Capital</b>	
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 Core 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 (-)	-
<b>Total Deductions from Tier II Capital</b>	-
<b>Total Tier II Capital</b>	<b>2,054,737</b>

	<i>Current Period</i>
<b>CAPITAL</b>	
Loans Granted against the Articles 50 and 51 of the Banking Law (-)	25
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 (-)	33,690
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 (-)	183,421
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 (-)	35,715
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 Core 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 Core 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 (-)	-
<b>EQUITY</b>	<b>25,283,888</b>
<b>Amounts lower than Excesses as per Deduction Rules</b>	
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 Tier I Capital	-
Remaining Mortgage Servicing Rights	-
Net Deferred Tax Assets arising from Temporary Differences	130,945

	<i>Prior Period</i>
<b>CORE CAPITAL</b>	
Paid-in Capital	4.200.000
Nominal Capital	4.200.000
Capital Commitments (-)	-
Inflation Adjustments to Paid-in Capital	772.554
Share Premium	11.880
Share Cancellation Profits	-
Reserves	13.442.952
Inflation Adjustments to Reserves	51.141
Profit	3.005.560
Current Period's Profit	3.005.560
Prior Periods' Profit	-
Provision for Possible Losses (upto 25% of Core Capital)	310.000
Income on Sale of Equity Shares and Real Estates	172.164
Primary Subordinated Debts	-
Loss (in excess of Reserves) (-)	-
Current Period's Losses	-
Prior Periods' Losses	-
Leasehold Improvements on Operational Leases (-)	94.785
Intangible Assets (-)	58.770
Deferred Tax Asset in Excess of 10% of Core Capital (-)	-
Limit Excesses as per the 3rd Paragraph of the Article 56 of the Banking Law (-)	-
<b>Total Core Capital</b>	<b>21.812.696</b>
<b>SUPPLEMENTARY CAPITAL</b>	
General Provisions	2.003.908
45% of Revaluation Surplus on Movables	-
45% of Revaluation Surplus on Immovables	963
Bonus Shares from Associates, Subsidiaries and Joint-Ventures not Accounted in Current Period's	1.891
Primary Subordinated Debts excluding the portion included in Core Capital	-
Secondary Subordinated Debts	146.050
45% of Securities Value Increase Fund	129.681
Inflation Adjustments to Other Capital and Profit Reserves and Prior Periods' Profit/Loss	37.146
<b>Total Supplementary Capital</b>	<b>2.319.639</b>
<b>CAPITAL</b>	<b>24.132.335</b>
<b>DEDUCTIONS FROM CAPITAL</b>	<b>249.559</b>
Unconsolidated investments in Entities (domestic/foreign) Operating in Banking and	-
Investments in Entities (domestic/foreign) Operating in Banking and Financial Sectors at less than	-
Loans to Banks, Financial Institutions (domestic/foreign) or Qualified Shareholders in the form of	183.806
Loans Granted against the Articles 50 and 51 of the Banking Law	41
Net Book Values of Immovables Exceeding 50% of the Equity and of Assets Acquired against	33,923
Overdue Receivables and Held for Sale as per the Article 57 of the Banking Law but Retained	-
Securitization Positions to be Deducted from Equity	-
Other Deduction Items	31,789
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>23.882.776</b>

(\*) In the prior periods, in cases where the Securities Value Increase Fund gave a positive result then only 45% of the amount used to be considered in the calculation, whereas if it was negative then the whole amount.

#### 4.1.5 Components of items of shareholders' equity subject to temporary applications

<i>Current Period</i>	<b>Parent Bank Only</b>	
	<b>Amount Included in Equity Calculation</b>	<b>Total Amount</b>
Debt Instruments and the Related Issuance Premiums Defined by the BRSA (Issued before 1.1.2014)	145,765	145,765

**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 “Regulation on Banks’ Internal Control and Risk Management Systems” and “Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks”.

In order to comply with the regulations, the Bank set its activities related with market risk management in accordance with “Regulation on Banks’ Internal Control and Risk Management Systems” and “Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks” published in the Official Gazette no. 28337 dated 28 June 2012.

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, position, 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	69,037	56,480
(II) Capital Requirement against Specific Risks - Standard Method	26,548	16,471
Capital Requirement against Specific Risks of Securitisation Positions– Standard Method	-	-
(III) Capital Requirement against Currency Position Risk - Standard Method	119,969	92,019
(IV) Capital Requirement against Commodity Risks - Standard Method	9,266	12,974
(V) Capital Requirement against Clearing Risks - Standard Method	-	-
(VI) Capital Requirement against Market Risks of Options - Standard Method	66,516	85,241
(VII) Capital Requirement against Counterparty Credit Risks - Standard Method	17,071	37,840
<b>(VIII) Capital Requirement against Market Risks of Banks applying Risk Measurement</b>	-	-
<b>(IX) Total Capital Requirement against Market Risk (I+II+III+IV+V+VI+VII)</b>	<b>308,407</b>	<b>301,025</b>
<b>(X) Value-At-Market Risk ((12.5*VIII) or (12.5*IX))</b>	<b>3,855,088</b>	<b>3,762,813</b>

#### 4.3.2 Monthly average values at market risk

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”.

#### 4.3.2 Quantitative information on counterparty risk

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”.

#### 4.4 Operational risk

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”.

#### 4.5 Currency risk

Foreign currency position limit is set in compliance with the legal standard ratio of net foreign currency position. As of 31 March 2014, the Bank’s net ‘on balance sheet’ foreign currency short position amounts to TL 2,221,914 thousands (31 December 2013: a foreign currency long position of TL 564,086 thousands), net ‘off-balance sheet’ foreign currency long position amounts to TL 5,470,537 thousands (31 December 2013: a foreign currency short position of TL 296,312 thousands), while net foreign currency long position amounts to TL 3,248,623 thousands (31 December 2013: TL 267,774 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, position 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:

	<b>USD</b>	<b>EUR</b>
<b>Foreign currency purchase rates at balance sheet date</b>	2.1150	2.9153
<b><u>Exchange rates for the days before balance sheet date:</u></b>		
Day 1	2.1150	2.9153
Day 2	2.1500	2.9583
Day 3	2.1650	2.9774
Day 4	2.1650	2.9772
Day 5	2.1600	2.9675
<b>Last 30-days arithmetical average rates</b>	<b>2.1860</b>	<b>3.0227</b>

*The Bank's currency risk:*

<i>Current Period</i>	<b>EUR</b>	<b>USD</b>	<b>Other FCs</b>	<b>Total</b>
<b>Assets</b>				
Cash (Cash on Hand, Money in Transit, Purchased Cheques) and Balances with the Central Bank of Turkey	6,801,228	9,392,034	3,986,631	20,179,893
Banks	3,523,570	4,652,905	312,403	8,488,878
Financial Assets at Fair Value through Profit/Loss	356,915	164,257	98	521,270
Interbank Money Market Placements	-	126,901	-	126,901
Financial Assets Available-for-Sale	208,185	689,543	-	897,728
Loans (*)	15,788,601	33,724,354	391,599	49,904,554
Investments in Associates, Subsidiaries and Joint-Ventures	2,520,306	274,808	-	2,795,114
Investments Held-to-Maturity	-	4,406,820	-	4,406,820
Derivative Financial Assets Held for Risk Management	-	51,038	141	51,179
Tangible Assets	11	131	-	142
Intangible Assets	-	-	-	-
Other Assets	73,528	156,364	2,073	231,965
<b>Total Assets</b>	<b>29,272,344</b>	<b>53,639,155</b>	<b>4,692,945</b>	<b>87,604,444</b>
<b>Liabilities</b>				
Bank Deposits	729,582	2,527,229	1,043,708	4,300,519
Foreign Currency Deposits	14,585,423	30,795,032	926,154	46,306,609
Interbank Money Market Takings	-	4,785,883	210,467	4,996,350
Other Fundings	7,982,266	16,534,920	77,547	24,594,733
Securities Issued	190,002	5,178,648	824,930	6,193,580
Miscellaneous Payables	37,526	375,601	184,282	597,409
Derivative Financial Liabilities Held for Risk Management	-	14,035	13,910	27,945
Other Liabilities (**)	246,950	529,762	2,032,501	2,809,213
<b>Total Liabilities</b>	<b>23,771,749</b>	<b>60,741,110</b>	<b>5,313,499</b>	<b>89,826,358</b>
<b>Net 'On Balance Sheet' Position</b>	<b>5,500,595</b>	<b>(7,101,955)</b>	<b>(620,554)</b>	<b>(2,221,914)</b>
<b>Net 'Off-Balance Sheet' Position</b>	<b>(3,632,384)</b>	<b>7,616,999</b>	<b>1,485,922</b>	<b>5,470,537</b>
Derivative Assets	7,734,948	27,988,320	5,548,157	41,271,425
Derivative Liabilities	11,367,332	20,371,321	4,062,235	35,800,888
Non-Cash Loans	-	-	-	-
<b>Prior Period</b>				
<b>Total Assets</b>	<b>28,619,489</b>	<b>49,385,910</b>	<b>4,794,429</b>	<b>82,799,828</b>
<b>Total Liabilities</b>	<b>22,886,178</b>	<b>53,773,375</b>	<b>5,576,189</b>	<b>82,235,742</b>
<b>Net 'On Balance Sheet' Position</b>	<b>5,733,311</b>	<b>(4,387,465)</b>	<b>(781,760)</b>	<b>564,086</b>
<b>Net 'Off-Balance Sheet' Position</b>	<b>(3,311,416)</b>	<b>1,925,632</b>	<b>1,089,472</b>	<b>(296,312)</b>
Derivative Assets	9,006,773	24,240,529	6,960,286	40,207,588
Derivative Liabilities	12,318,189	22,314,897	5,870,814	40,503,900
Non-Cash Loans	-	-	-	-

(\*) The foreign currency-indexed loans amounting TL 4,205,301 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 2,041,509 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>	<b>Up to 1 Month</b>	<b>1-3 Months</b>	<b>3-12 Months</b>	<b>1-5 Years</b>	<b>5 Years and Over</b>	<b>Non-Interest Bearing (*)</b>	<b>Total</b>
<b>Assets</b>							
Cash (Cash on Hand, Money in Transit, Purchased Cheques) and Balances with the Central Bank of Turkey	-	-	-	-	-	21,858,492	21,858,492
Banks	3,114,252	2,209,940	1,254,553	211,100	-	2,988,416	9,778,261
Financial Assets at Fair Value through Profit/Loss (**)	299	57,060	102,025	200,806	29,613	1,424,292	1,814,095
Interbank Money Market Placements	126,900	-	-	-	-	1	126,901
Financial Assets Available-for-Sale	4,566,020	3,860,101	7,559,200	2,620,099	1,437,316	954,220	20,996,956
Loans (**)	30,746,084	16,286,813	30,548,079	34,438,255	7,583,975	1,761,939	121,365,145
Investments Held-to-Maturity	3,649,206	2,555,703	4,643,721	2,862,634	3,405,175	653,999	17,770,438
Other Assets	18,322	1,058	-	974	3,038	7,955,284	7,978,676
<b>Total Assets</b>	<b>42,221,083</b>	<b>24,970,675</b>	<b>44,107,578</b>	<b>40,333,868</b>	<b>12,459,117</b>	<b>37,596,643</b>	<b>201,688,964</b>
<b>Liabilities</b>							
Bank Deposits	2,277,139	2,092,786	161,312	-	-	1,182,940	5,714,177
Other Deposits	55,936,015	18,146,338	7,954,164	36,365	72	22,007,352	104,080,306
Interbank Money Market Takings	10,601,535	777,358	2,054,828	1,690,205	-	35,081	15,159,007
Miscellaneous Payables	-	-	-	-	-	5,567,660	5,567,660
Securities Issued	1,608,543	2,150,428	1,942,950	2,389,734	2,261,073	198,669	10,551,397
Other Fundings	9,090,069	10,521,682	3,830,164	2,925,237	2,561,340	269,673	29,198,165
Other Liabilities	94	5,681	23,961	1	-	31,388,515	31,418,252
<b>Total Liabilities</b>	<b>79,513,395</b>	<b>33,694,273</b>	<b>15,967,379</b>	<b>7,041,542</b>	<b>4,822,485</b>	<b>60,649,890</b>	<b>201,688,964</b>
<b>On Balance Sheet Long Position</b>	-	-	<b>28,140,199</b>	<b>33,292,326</b>	<b>7,636,632</b>	-	<b>69,069,157</b>
<b>On Balance Sheet Short Position</b>	<b>(37,292,312)</b>	<b>(8,723,598)</b>	-	-	-	<b>(23,053,247)</b>	<b>(69,069,157)</b>
<b>Off-Balance Sheet Long Position</b>	<b>3,035,530</b>	<b>7,328,987</b>	<b>2,814,970</b>	<b>4,385,227</b>	<b>1,113,317</b>	-	<b>18,678,031</b>
<b>Off-Balance Sheet Short Position</b>	<b>(2,081,322)</b>	<b>(4,881,799)</b>	<b>(1,808,977)</b>	<b>(7,023,273)</b>	<b>(3,150,801)</b>	-	<b>(18,946,172)</b>
<b>Total Position</b>	<b>(36,338,104)</b>	<b>(6,276,410)</b>	<b>29,146,192</b>	<b>30,654,280</b>	<b>5,599,148</b>	<b>(23,053,247)</b>	<b>(268,141)</b>

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

(\*\*) Loans amounting to TL 193,560 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>	<b>Up to 1 Month</b>	<b>1-3 Months</b>	<b>3-12 Months</b>	<b>1-5 Years</b>	<b>5 Years and Over</b>	<b>Non-Interest Bearing (*)</b>	<b>Total</b>
<b>Assets</b>							
Cash (Cash on Hand, Money in Transit, Purchased Cheques) and Balances with the Central Bank of Turkey	-	-	-	-	-	22,528,098	22,528,098
Banks	2,851,072	2,593,050	1,368,300	218,881	-	2,719,088	9,750,391
Financial Assets at Fair Value through Profit/Loss(**)	3,171	11,580	86,602	266,584	47,559	1,187,318	1,602,814
Interbank Money Market Placements	190,800	-	-	-	-	2	190,802
Financial Assets Available-for-Sale	3,737,185	5,326,410	6,727,324	3,589,775	1,411,565	837,823	21,630,082
Loans (**)	31,095,683	13,661,323	30,795,733	34,338,389	7,354,333	1,624,716	118,870,177
Investments Held-to-Maturity	1,481,535	3,286,520	5,125,938	2,772,062	873,343	445,037	13,984,435
Other Assets	5,707	996	1,060	977	3,038	8,327,631	8,339,409
<b>Total Assets</b>	<b>39,365,153</b>	<b>24,879,879</b>	<b>44,104,957</b>	<b>41,186,668</b>	<b>9,689,838</b>	<b>37,669,713</b>	<b>196,896,208</b>
<b>Liabilities</b>							
Bank Deposits	1,276,619	2,045,284	385,217	848	-	1,193,930	4,901,898
Other Deposits	54,187,361	17,803,698	8,261,332	14,116	-	21,305,183	101,571,690
Interbank Money Market Takings	11,154,555	445,902	1,252,633	1,690,001	-	41,143	14,584,234
Miscellaneous Payables	-	-	-	-	-	5,633,849	5,633,849
Securities Issued	1,127,130	1,578,864	2,399,487	2,585,989	2,465,400	223,519	10,380,389
Other Fundings	9,070,984	10,253,973	4,742,164	2,829,924	2,566,550	161,989	29,625,584
Other Liabilities	2,823	3,688	6,871	1	-	30,185,181	30,198,564
<b>Total Liabilities</b>	<b>76,819,472</b>	<b>32,131,409</b>	<b>17,047,704</b>	<b>7,120,879</b>	<b>5,031,950</b>	<b>58,744,794</b>	<b>196,896,208</b>
<b>On Balance Sheet Long Position</b>	<b>-</b>	<b>-</b>	<b>27,057,253</b>	<b>34,065,789</b>	<b>4,657,888</b>	<b>-</b>	<b>65,780,930</b>
<b>On Balance Sheet Short Position</b>	<b>(37,454,319)</b>	<b>(7,251,530)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(21,075,081)</b>	<b>(65,780,930)</b>
<b>Off-Balance Sheet Long Position</b>	<b>1,808,664</b>	<b>4,610,394</b>	<b>5,219,098</b>	<b>3,548,955</b>	<b>1,331,133</b>	<b>-</b>	<b>16,518,244</b>
<b>Off-Balance Sheet Short Position</b>	<b>(2,168,277)</b>	<b>(2,529,682)</b>	<b>(3,654,152)</b>	<b>(6,956,356)</b>	<b>(1,407,758)</b>	<b>-</b>	<b>(16,716,225)</b>
<b>Total Position</b>	<b>(37,813,932)</b>	<b>(5,170,818)</b>	<b>28,622,199</b>	<b>30,658,388</b>	<b>4,581,263</b>	<b>(21,075,081)</b>	<b>(197,981)</b>

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

(\*\*) Loans amounting to TL 198,778 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>	<b>EUR</b>	<b>USD</b>	<b>JPY</b>	<b>TL</b>
	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>
<b>Assets</b>				
Cash (Cash on Hand, Money in Transit, Purchased Cheques) and Balances with the Central Bank of Turkey	-	-	-	-
Banks	0.74	0.37	-	10.24
Financial Assets at Fair Value through Profit/Loss	4.63	8.30	-	14.65
Interbank Money Market Placements	-	0.40	-	-
Financial Assets Available-for-Sale	4.46	6.90	-	10.45
Loans	4.95	5.25	2.30	13.88
Investments Held-to-Maturity	-	5.85	-	11.96
<b>Liabilities</b>				
Bank Deposits	2.09	2.04	-	11.50
Other Deposits	1.69	1.90	0.60	8.41
Interbank Money Market Takings	-	1.46	1.49	10.66
Miscellaneous Payables	-	-	-	-
Securities Issued	3.48	4.34	-	9.33
Other Fundings	1.50	2.13	2.30	10.87

<i>Prior Period</i>	<b>EUR</b>	<b>USD</b>	<b>JPY</b>	<b>TL</b>
	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>
<b>Assets</b>				
Cash (Cash on Hand, Money in Transit, Purchased Cheques) and Balances with the Central Bank of Turkey	-	-	-	-
Banks	0.71	0.42	-	7.29
Financial Assets at Fair Value through Profit/Loss	4.63	7.45	-	12.95
Interbank Money Market Placements	-	0.40	-	-
Financial Assets Available-for-Sale	4.15	5.63	-	9.25
Loans	4.89	5.21	5.50	12.92
Investments Held-to-Maturity	-	4.98	-	10.12
<b>Liabilities</b>				
Bank Deposits	1.39	1.98	-	6.84
Other Deposits	1.70	1.82	0.69	6.90
Interbank Money Market Takings	-	1.78	1.49	7.45
Miscellaneous Payables	-	-	-	-
Securities Issued	3.46	4.25	-	8.23
Other Fundings	1.45	2.14	-	9.85

#### **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 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>	<b>Shocks Applied (+/- basis points)</b>	<b>Gains/Losses</b>	<b>Gains/Equity- Losses/Equity</b>
	<b>Type of Currency</b>			
1	TL	(+) 500bp	(3,006,645)	(11.89) %
2	TL	(-) 400bp	2,939,838	11.63%
3	USD	(+) 200bp	(406,724)	(1.61) %
4	USD	(-) 200bp	563,201	2.23 %
5	EUR	(+) 200bp	(88,095)	(0.35) %
6	EUR	(-) 200bp	66,007	0.26 %
	<b>Total (of negative shocks)</b>		<b>3,569,046</b>	<b>14.12 %</b>
	<b>Total (of positive shocks)</b>		<b>(3,501,464)</b>	<b>(13.85) %</b>

<i>Prior Period</i>		Shocks Applied (+/- basis points)	Gains/Losses	Gains/Equity- Losses/Equity
Type of Currency				
1	TL	(+) 500 bps	(3,104,076)	(13.00)%
2	TL	(-) 400 bps	3,041,950	12.74%
3	USD	(+) 200 bps	(37,444)	(0.16) %
4	USD	(-) 200 bps	6,990	0.03%
5	EUR	(+) 200 bps	(112,317)	(0.47)%
6	EUR	(-) 200 bps	89,257	0.37%
<b>Total (of negative shocks)</b>			<b>3,138,197</b>	<b>13.14%</b>
<b>Total (of positive shocks)</b>			<b>(3,253,837)</b>	<b>(13.62)%</b>

#### 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
<b>1</b>	<b>Investment in Shares- grade A</b>	<b>3,201,905</b>	<b>2,907,678</b>	<b>58,882</b>
	Quoted Securities	58,882	-	58,882
<b>2</b>	<b>Investment in Shares- grade B</b>	<b>80,778</b>	<b>-</b>	<b>53,681</b>
	Quoted Securities	53,681	-	53,681
<b>3</b>	<b>Investment in Shares- grade C</b>	<b>662</b>	<b>-</b>	<b>-</b>
	Quoted Securities	-	-	-
<b>4</b>	<b>Investment in Shares- grade D</b>	<b>-</b>	<b>-</b>	<b>-</b>
	Quoted Securities	-	-	-
<b>5</b>	<b>Investment in Shares- grade E</b>	<b>1,014</b>	<b>-</b>	<b>-</b>
	Quoted Securities	-	-	-
<b>6</b>	<b>Investment in Shares- grade F</b>	<b>48</b>	<b>-</b>	<b>-</b>
	Quoted Securities	-	-	-

<i>Prior Period</i>		Comparison		
Equity Securities (shares)		Carrying Value	Fair Value	Market Value
<b>1</b>	<b>Investment in Shares- grade A</b>	<b>3,134,887</b>	<b>2,838,798</b>	<b>56,840</b>
	Quoted Securities	56,840	-	56,840
<b>2</b>	<b>Investment in Shares- grade B</b>	<b>78,916</b>	<b>-</b>	<b>51,819</b>
	Quoted Securities	51,819	-	51,819
<b>3</b>	<b>Investment in Shares- grade C</b>	<b>662</b>	<b>-</b>	<b>-</b>
	Quoted Securities	-	-	-
<b>4</b>	<b>Investment in Shares- grade D</b>	<b>-</b>	<b>-</b>	<b>-</b>
	Quoted Securities	-	-	-
<b>5</b>	<b>Investment in Shares- grade E</b>	<b>1,014</b>	<b>-</b>	<b>-</b>
	Quoted Securities	-	-	-
<b>6</b>	<b>Investment in Shares- grade F</b>	<b>48</b>	<b>-</b>	<b>-</b>
	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 <sup>(*)</sup>	Total	Amount in Core Capital	Amount in Supplementary Capital
1	Private Equity Investments	-	-	-	-	-	
2	Quoted Shares	-	-	-	48,624	48,624	
3	Other Shares	-	1,390,383	1,390,383	-	-	
	<b>Total</b>	<b>-</b>	<b>1,390,383</b>	<b>1,390,383</b>	<b>48,624</b>	<b>48,624</b>	

<sup>(\*)</sup> The Securities Value Increase Fund under other Comprehensive Income according to TAS gives a positive result amounting to TL 1,390,383 thousands and the whole amount is included in 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	-	-	-	40,893	17,788	
3	Other Shares	-	1,322,634	595,185	-	-	
	<b>Total</b>	<b>-</b>	<b>1,322,634</b>	<b>595,185</b>	<b>40,893</b>	<b>17,788</b>	

**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.

As per the BRSA Communiqué published on the Official Gazette no.26333 dated 1 November 2006 and became effective starting from June 2007, "Measurement and Assessment of the Adequacy of Banks' Liquidity", the weekly and monthly liquidity ratios for foreign currency assets/liabilities and total assets/liabilities should be minimum 80% and 100%, respectively. The liquidity ratios for the first three months of 2014 and the year of 2013, are as follows:

<i>Current Period</i>	First Maturity Bracket (Weekly)		Second Maturity Bracket (Monthly)	
	FC	FC + TL	FC	FC + TL
<b>Average (%)</b>	173.95	132.64	120.53	104.92

<i>Prior Period</i>	First Maturity Bracket (Weekly)		Second Maturity Bracket (Monthly)	
	FC	FC + TL	FC	FC + TL
<b>Average (%)</b>	156.07	136.67	104.26	103.75

#### 4.8.1 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
<b>Current Period</b>								
<b>Assets</b>								
Cash (Cash on Hand, Money in Transit, Purchased Cheques) and Balances with the Central Bank of Turkey	4,407,330	17,451,162	-	-	-	-	-	21,858,492
Banks	2,961,126	1,714,354	720,861	602,209	1,424,621	2,355,090	-	9,778,261
Financial Assets at Fair Value through Profit/Loss (**)	36,557	424,675	335,893	347,858	475,858	193,254	-	1,814,095
Interbank Money Market Placements	-	126,901	-	-	-	-	-	126,901
Financial Assets Available-for-Sale	91,769	169,648	3,004,709	3,588,213	7,328,882	6,813,735	-	20,996,956
Loans (**)	146,614	20,262,650	10,579,961	28,275,649	45,189,958	14,775,381	2,134,932	121,365,145
Investments Held-to-Maturity	-	4,667	62,431	3,024,488	3,812,450	10,866,402	-	17,770,438
Other Assets	1,734,684	453,813	1,058	7,033	198,930	11,207	5,571,951	7,978,676
<b>Total Assets</b>	<b>9,378,080</b>	<b>40,607,870</b>	<b>14,704,913</b>	<b>35,845,450</b>	<b>58,430,699</b>	<b>35,015,069</b>	<b>7,706,883</b>	<b>201,688,964</b>
<b>Liabilities</b>								
Bank Deposits	1,171,474	2,282,336	1,912,401	163,243	184,723	-	-	5,714,177
Other Deposits	21,532,562	56,203,945	18,256,644	7,998,900	76,708	11,547	-	104,080,306
Other Fundings	-	594,129	4,692,855	8,619,276	9,242,606	6,049,299	-	29,198,165
Interbank Money Market Takings	-	10,621,038	778,138	2,062,287	1,697,544	-	-	15,159,007
Securities Issued	-	856,107	1,894,521	2,006,745	3,367,886	2,426,138	-	10,551,397
Miscellaneous Payables	716,915	4,850,745	-	-	-	-	-	5,567,660
Other Liabilities (***)	1,785,674	666,690	484,597	278,701	592,574	95,799	27,514,217	31,418,252
<b>Total Liabilities</b>	<b>25,206,625</b>	<b>76,074,990</b>	<b>28,019,156</b>	<b>21,129,152</b>	<b>15,162,041</b>	<b>8,582,783</b>	<b>27,514,217</b>	<b>201,688,964</b>
<b>Liquidity Gap</b>	<b>(15,828,545)</b>	<b>(35,467,120)</b>	<b>(13,314,243)</b>	<b>14,716,298</b>	<b>43,268,658</b>	<b>26,432,286</b>	<b>(19,807,334)</b>	<b>-</b>
<b>Prior Period</b>								
<b>Total Assets</b>	<b>15,972,804</b>	<b>32,440,193</b>	<b>11,421,464</b>	<b>36,752,020</b>	<b>61,514,900</b>	<b>31,204,279</b>	<b>7,590,548</b>	<b>196,896,208</b>
<b>Total Liabilities</b>	<b>24,771,335</b>	<b>72,958,590</b>	<b>24,055,521</b>	<b>23,655,724</b>	<b>16,214,349</b>	<b>8,867,913</b>	<b>26,372,776</b>	<b>196,896,208</b>
<b>Liquidity Gap</b>	<b>(8,798,531)</b>	<b>(40,518,397)</b>	<b>(12,634,057)</b>	<b>13,096,296</b>	<b>45,300,551</b>	<b>22,336,366</b>	<b>(18,782,228)</b>	<b>-</b>

(\*) 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 193,560 thousands (31 December 2013: TL 198,778 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>	<b>Amount (**)</b>	<b>Financial Collateral</b>	<b>Other/Physical Collateral</b>	<b>Guaranties and Credit Derivatives</b>
<b>Exposure Categories</b>				
Conditional and unconditional exposures to central governments or central banks	63,424,979	5,922,736	-	-
Conditional and unconditional exposures to regional governments or local authorities	58,439	-	-	-
Conditional and unconditional exposures to administrative bodies and non-commercial undertakings	50,338	592	-	-
Conditional and unconditional exposures to multilateral development banks	-	-	-	-
Conditional and unconditional exposures to international organisations	-	-	-	-
Conditional and unconditional exposures to banks and brokerage houses	32,646,594	12,426,012	-	-
Conditional and unconditional exposures to corporates	100,366,517	9,348,476	-	-
Conditional and unconditional retail exposures	56,626,949	905,411	-	-
Conditional and unconditional exposures secured by real estate property (*)	20,400,252	96,721	-	-
Past due items	363,964	664	-	-
Items in regulatory high-risk categories	15,640,187	164,176	-	-
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	45,763	-	-	-
Other items	7,244,806	-	-	-

(\*) 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>	<b>Amount <sup>(**)</sup></b>	<b>Financial Collateral</b>	<b>Other/Physical Collateral</b>	<b>Guaranties and Credit Derivatives</b>
<b>Exposure Categories</b>				
Conditional and unconditional exposures to central governments or central banks	55,716,807	901,582	-	-
Conditional and unconditional exposures to regional governments or local authorities	40,112	-	-	-
Conditional and unconditional exposures to administrative bodies and non-commercial undertakings	549	454	-	-
Conditional and unconditional exposures to multilateral development banks	-	-	-	-
Conditional and unconditional exposures to international organisations	-	-	-	-
Conditional and unconditional exposures to banks and brokerage houses	43,560,059	17,774,735	-	-
Conditional and unconditional exposures to corporates	96,574,831	6,916,663	-	-
Conditional and unconditional retail exposures	54,910,518	898,039	-	-
Conditional and unconditional exposures secured by real estate property <sup>(*)</sup>	18,543,668	111,092	-	-
Past due items	340,709	108	-	-
Items in regulatory high-risk categories	15,861,940	181,020	-	-
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	-	-	-	-
Other items	7,113,642	-	-	-

<sup>(\*)</sup> 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.

<sup>(\*\*)</sup> 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

	Current Period		Prior Period	
	TL	FC	TL	FC
Cash in TL/Foreign Currency	1,047,361	396,854	1,007,643	545,114
Central Bank of Turkey	631,238	19,488,544	1,743,999	19,161,838
Others	-	294,495	-	69,504
<b>Total</b>	<b>1,678,599</b>	<b>20,179,893</b>	<b>2,751,642</b>	<b>19,776,456</b>

#### Balances with the Central Bank of Turkey

	Current Period		Prior Period	
	TL	FC	TL	FC
Unrestricted Demand Deposits	631,238	2,037,382	1,743,999	1,995,058
Unrestricted Time Deposits	-	-	-	-
Restricted Time Deposits	-	17,451,162	-	17,166,780
<b>Total</b>	<b>631,238</b>	<b>19,488,544</b>	<b>1,743,999</b>	<b>19,161,838</b>

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Collateralised/Blocked Assets	-	278,379	-	280,860
Assets Subject to Repurchase Agreements	-	-	-	-
<b>Total</b>	<b>-</b>	<b>278,379</b>	<b>-</b>	<b>280,860</b>

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Transactions	289,410	11,870	297,734	16,495
Swap Transactions	516,919	299,659	310,057	190,404
Futures	-	606	-	1,451
Options	216,612	31,268	292,893	37,632
Other	-	-	-	-
<b>Total</b>	<b>1,022,941</b>	<b>343,403</b>	<b>900,684</b>	<b>245,982</b>

##### 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.

### 5.1.3 Banks

	<i>Current Period</i>		<i>Prior Period</i>	
	<b>TL</b>	<b>FC</b>	<b>TL</b>	<b>FC</b>
Banks				
Domestic banks	134,983	10,975	361,414	254,705
Foreign banks	1,154,400	8,477,903	1,712,607	7,421,665
Foreign headoffices and branches	-	-	-	-
<b>Total</b>	<b>1,289,383</b>	<b>8,488,878</b>	<b>2,074,021</b>	<b>7,676,370</b>

The placements at foreign banks include blocked accounts amounting TL 6,865,397 thousands (31 December 2013: TL 7,326,245 thousands) of which TL 107,933 thousands (31 December 2013: TL 116,271 thousands) and TL 40,025 thousands (31 December 2013: TL 43,094 thousands) are kept at the central banks of Malta and Turkish Republic of Northern Cyprus, respectively as reserve deposits and TL 6,717,439 thousands (31 December 2013: TL 7,166,880 thousands) as collateral against funds borrowed at various banks.

#### *Due from foreign banks*

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”.

### 5.1.4 Financial assets available-for-sale

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

	<i>Current Period</i>		<i>Prior Period</i>	
	<b>TL</b>	<b>FC</b>	<b>TL</b>	<b>FC</b>
Collateralised/Blocked Assets	6,543,075	343,348	6,591,836	530,716
Assets subject to Repurchase Agreements	8,692,568	389,639	9,143,715	374,938
<b>Total</b>	<b>15,235,643</b>	<b>732,987</b>	<b>15,735,551</b>	<b>905,654</b>

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

	<i>Current Period</i>	<i>Prior Period</i>
<b>Debt Securities</b>	<b>20,348,172</b>	<b>21,064,852</b>
Quoted at Stock Exchange	18,609,499	18,404,784
Unquoted at Stock Exchange	1,738,673	2,660,068
<b>Common Shares/Investment Funds</b>	<b>61,878</b>	<b>18,163</b>
Quoted at Stock Exchange (*)	7,669	7,669
Unquoted at Stock Exchange	54,209	10,494
<b>Value Increases/Impairment Losses (-)</b>	<b>586,906</b>	<b>547,067</b>
<b>Total</b>	<b>20,996,956</b>	<b>21,630,082</b>

### 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>	
	<b>Cash Loans</b>	<b>Non-Cash Loans</b>	<b>Cash Loans</b>	<b>Non-Cash Loans</b>
<b>Direct Lendings to Shareholders</b>	<b>609</b>	<b>143,169</b>	<b>65</b>	<b>135,482</b>
Corporates	609	143,169	65	135,482
Individuals	-	-	-	-
<b>Indirect Lendings to Shareholders</b>	<b>781,930</b>	<b>492,623</b>	<b>452,446</b>	<b>294,928</b>
<b>Loans to Employees</b>	<b>152,457</b>	<b>50</b>	<b>154,164</b>	<b>50</b>
<b>Total</b>	<b>934,996</b>	<b>635,842</b>	<b>606,675</b>	<b>430,460</b>

**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
<b>Cash Loans</b>						
<b>Loans</b>	<b>116,724,645</b>	<b>1,353,721</b>	-	<b>4,132,347</b>	<b>2,097,880</b>	<b>700,604</b>
Working Capital Loans	9,266,814	92,347	-	658,616	365,162	87,662
Export Loans	4,240,400	17,246	-	60,299	25,258	24,902
Import Loans	965	-	-	-	-	-
Loans to Financial Sector (*)	2,901,481	-	-	-	-	-
Consumer Loans	28,816,055	946,114	-	982,999	261,083	86,311
Credit Cards	13,780,195	-	-	599,597	-	442,175
Others	57,718,735	298,014	-	1,830,836	1,446,377	59,554
<b>Specialization Loans</b>	-	-	-	-	-	-
<b>Other Receivables</b>	-	-	-	-	-	-
<b>Total</b>	<b>116,724,645</b>	<b>1,353,721</b>	-	<b>4,132,347</b>	<b>2,097,880</b>	<b>700,604</b>

(\*) Loans amounting to TL 193,560 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”.

<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
<b>Cash Loans</b>						
<b>Loans</b>	<b>115,202,935</b>	<b>2,161,905</b>	-	<b>3,185,280</b>	<b>1,392,098</b>	<b>674,472</b>
Working Capital Loans	8,892,266	146,715	-	635,501	363,054	85,052
Export Loans	4,257,583	11,321	-	46,569	25,371	11,365
Import Loans	-	-	-	-	-	-
Loans to Financial Sector (*)	3,375,977	-	-	-	-	-
Consumer Loans	28,438,417	1,068,031	-	785,216	186,004	64,352
Credit Cards	14,562,828	-	-	523,176	-	401,241
Others	55,675,864	935,838	-	1,194,818	817,669	112,462
<b>Specialization Loans</b>	-	-	-	-	-	-
<b>Other Receivables</b>	-	-	-	-	-	-
<b>Total</b>	<b>115,202,935</b>	<b>2,161,905</b>	-	<b>3,185,280</b>	<b>1,392,098</b>	<b>674,472</b>

(\*) Loans amounting to TL 198,778 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>	<b>Corporate/ Commercial Loans</b>	<b>Consumer Loans</b>	<b>Credit Cards</b>	<b>Total</b>
Loans Collateralized by Cash	5,872	2,922	-	8,794
Loans Collateralized by Mortgages	1,731,776	345,364	-	2,077,140
Loans Collateralized by Pledged Assets	71,088	57,015	-	128,103
Loans Collateralized by Cheques and Notes	59,587	438,187	-	497,774
Loans Collateralized by Other Collaterals	633,976	6,268	-	640,244
Unsecured Loans	47,452	133,243	599,597	780,292
<b>Total</b>	<b>2,549,751</b>	<b>982,999</b>	<b>599,597</b>	<b>4,132,347</b>

<i>Prior Period</i>	<b>Corporate/ Commercial Loans</b>	<b>Consumer Loans</b>	<b>Credit Cards</b>	<b>Total</b>
Loans Collateralized by Cash	41,599	2,331	-	43,930
Loans Collateralized by Mortgages	1,034,971	293,855	-	1,328,826
Loans Collateralized by Pledged Assets	77,307	46,495	-	123,802
Loans Collateralized by Cheques and Notes	61,852	353,512	-	415,364
Loans Collateralized by Other Collaterals	613,547	4,236	-	617,783
Unsecured Loans	47,612	84,787	523,176	655,575
<b>Total</b>	<b>1,876,888</b>	<b>785,216</b>	<b>523,176</b>	<b>3,185,280</b>

Delinquency periods of loans under follow-up;

<i>Current Period</i>	<b>Corporate/ Commercial Loans</b>	<b>Consumer Loans</b>	<b>Credit Cards</b>	<b>Total</b>
31-60 days	69,682	361,930	96,707	528,319
61-90 days	57,022	88,272	30,205	175,499
Others	2,423,047	532,797	472,685	3,428,529
<b>Total</b>	<b>2,549,751</b>	<b>982,999</b>	<b>599,597</b>	<b>4,132,347</b>

<i>Prior Period</i>	<b>Corporate/ Commercial Loans</b>	<b>Consumer Loans</b>	<b>Credit Cards</b>	<b>Total</b>
31-60 days	51,992	311,313	68,724	432,029
61-90 days	35,264	83,177	27,507	145,948
Others	1,789,632	390,726	426,945	2,607,303
<b>Total</b>	<b>1,876,888</b>	<b>785,216</b>	<b>523,176</b>	<b>3,185,280</b>

Loans and other receivables with extended payment plans;

No. of Extensions	Current Period		Prior Period	
	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	1,196,031	2,065,072	2,074,651	1,362,038
3, 4 or 5 times	100,332	25,961	55,069	22,639
Over 5 times	57,358	6,847	32,185	7,421

Extention Periods	Current Period		Prior Period	
	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	530,409	167,724	519,933	133,034
6 - 12 months	97,840	53,257	128,650	52,069
1 - 2 years	321,528	136,914	292,141	154,404
2 - 5 year	347,762	439,783	460,737	431,914
5 years and over	56,182	1,300,202	760,444	620,677

#### 5.1.5.3 Maturity analysis of 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”.

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

<i>Current Period</i>	<b>Short-Term</b>	<b>Medium and Long-Term</b>	<b>Total</b>
<b>Consumer Loans – TL</b>	<b>547,841</b>	<b>28,541,202</b>	<b>29,089,043</b>
Housing Loans	16,340	13,690,365	13,706,705
Automobile Loans	14,610	1,370,604	1,385,214
General Purpose Loans	99,984	1,985,177	2,085,161
Other	416,907	11,495,056	11,911,963
<b>Consumer Loans – FC-indexed</b>	<b>-</b>	<b>217,285</b>	<b>217,285</b>
Housing Loans	-	210,552	210,552
Automobile Loans	-	106	106
General Purpose Loans	-	5,180	5,180
Other	-	1,447	1,447
<b>Consumer Loans – FC</b>	<b>94</b>	<b>36,780</b>	<b>36,874</b>
Housing Loans	36	28,057	28,093
Automobile Loans	2	5,918	5,920
General Purpose Loans	-	916	916
Other	56	1,889	1,945
<b>Retail Credit Cards – TL</b>	<b>12,316,343</b>	<b>681,869</b>	<b>12,998,212</b>
With Installment	6,501,310	681,844	7,183,154
Without Installment	5,815,033	25	5,815,058
<b>Retail Credit Cards – FC</b>	<b>37,640</b>	<b>-</b>	<b>37,640</b>
With Installment	13,457	-	13,457
Without Installment	24,183	-	24,183
<b>Personnel Loans – TL</b>	<b>14,695</b>	<b>53,295</b>	<b>67,990</b>
Housing Loan	-	1,402	1,402
Automobile Loans	-	122	122
General Purpose Loans	3,797	9,617	13,414
Other	10,898	42,154	53,052
<b>Personnel Loans - FC-indexed</b>	<b>-</b>	<b>265</b>	<b>265</b>
Housing Loans	-	265	265
Automobile Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
<b>Personnel Loans – FC</b>	<b>-</b>	<b>66</b>	<b>66</b>
Housing Loans	-	-	-
Automobile Loans	-	-	-
General Purpose Loans	-	66	66
Other	-	-	-
<b>Personnel Credit Cards – TL</b>	<b>75,436</b>	<b>765</b>	<b>76,201</b>
With Installment	32,847	765	33,612
Without Installment	42,589	-	42,589
<b>Personnel Credit Cards – FC</b>	<b>617</b>	<b>-</b>	<b>617</b>
With Installment	214	-	214
Without Installment	403	-	403
<b>Deposit Accounts– TL (Real persons)</b>	<b>387,531</b>	<b>-</b>	<b>387,531</b>
<b>Deposit Accounts– FC (Real persons)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>13,380,197</b>	<b>29,531,527</b>	<b>42,911,724</b>



<i>Prior Period</i>	<b>Short-Term</b>	<b>Medium and Long-Term</b>	<b>Total</b>
<b>Consumer Loans – TL</b>	<b>571,192</b>	<b>27,931,131</b>	<b>28,502,323</b>
Housing Loans	18,051	13,425,912	13,443,963
Automobile Loans	17,232	1,463,542	1,480,774
General Purpose Loans	98,945	1,877,475	1,976,420
Other	436,964	11,164,202	11,601,166
<b>Consumer Loans – FC-indexed</b>	<b>-</b>	<b>232,720</b>	<b>232,720</b>
Housing Loans	-	225,465	225,465
Automobile Loans	-	132	132
General Purpose Loans	-	5,547	5,547
Other	-	1,576	1,576
<b>Consumer Loans – FC</b>	<b>143</b>	<b>39,918</b>	<b>40,061</b>
Housing Loans	62	30,971	31,033
Automobile Loans	7	6,393	6,400
General Purpose Loans	-	828	828
Other	74	1,726	1,800
<b>Retail Credit Cards – TL</b>	<b>12,942,722</b>	<b>713,232</b>	<b>13,655,954</b>
With Installment	7,609,148	713,207	8,322,355
Without Installment	5,333,574	25	5,333,599
<b>Retail Credit Cards – FC</b>	<b>47,871</b>	<b>-</b>	<b>47,871</b>
With Installment	24,959	-	24,959
Without Installment	22,912	-	22,912
<b>Personnel Loans – TL</b>	<b>15,064</b>	<b>51,603</b>	<b>66,667</b>
Housing Loan	-	1,284	1,284
Automobile Loans	-	101	101
General Purpose Loans	3,716	9,248	12,964
Other	11,348	40,970	52,318
<b>Personnel Loans - FC-indexed</b>	<b>-</b>	<b>269</b>	<b>269</b>
Housing Loans	-	269	269
Automobile Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
<b>Personnel Loans – FC</b>	<b>-</b>	<b>96</b>	<b>96</b>
Housing Loans	-	-	-
Automobile Loans	-	-	-
General Purpose Loans	-	96	96
Other	-	-	-
<b>Personnel Credit Cards – TL</b>	<b>77,845</b>	<b>831</b>	<b>78,676</b>
With Installment	38,772	831	39,603
Without Installment	39,073	-	39,073
<b>Personnel Credit Cards – FC</b>	<b>760</b>	<b>-</b>	<b>760</b>
With Installment	458	-	458
Without Installment	302	-	302
<b>Deposit Accounts– TL (Real persons)</b>	<b>381,497</b>	<b>-</b>	<b>381,497</b>
<b>Deposit Accounts– FC (Real persons)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>14,037,094</b>	<b>28,969,800</b>	<b>43,006,894</b>

**5.1.5.5 Installment based commercial loans and corporate credit cards**

<i>Current Period</i>	<b>Short-Term</b>	<b>Medium and Long-Term</b>	<b>Total</b>
<b>Installment-based Commercial Loans – TL</b>	<b>1,029,456</b>	<b>7,775,491</b>	<b>8,804,947</b>
Real Estate Loans	4,923	655,254	660,177
Automobile Loans	45,497	1,488,770	1,534,267
General Purpose Loans	979,026	5,623,810	6,602,836
Other	10	7,657	7,667
<b>Installment-based Commercial Loans - FC-indexed</b>	<b>116,235</b>	<b>1,161,675</b>	<b>1,277,910</b>
Real Estate Loans	-	46,753	46,753
Automobile Loans	3,640	308,115	311,755
General Purpose Loans	112,595	806,807	919,402
Other	-	-	-
<b>Installment-based Commercial Loans – FC</b>	<b>161</b>	<b>85,328</b>	<b>85,489</b>
Real Estate Loans	-	1,283	1,283
Automobile Loans	-	6,741	6,741
General Purpose Loans	161	17,357	17,518
Other	-	59,947	59,947
<b>Corporate Credit Cards – TL</b>	<b>1,258,098</b>	<b>872</b>	<b>1,258,970</b>
With Installment	674,521	872	675,393
Without Installment	583,577	-	583,577
<b>Corporate Credit Cards – FC</b>	<b>8,152</b>	<b>-</b>	<b>8,152</b>
With Installment	351	-	351
Without Installment	7,801	-	7,801
<b>Deposit Accounts– TL (Corporates)</b>	<b>748,225</b>	<b>-</b>	<b>748,225</b>
<b>Deposit Accounts– FC (Corporates)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>3,160,327</b>	<b>9,023,366</b>	<b>12,183,693</b>

<i>Prior Period</i>	<b>Short-Term</b>	<b>Medium and Long-Term</b>	<b>Total</b>
<b>Installment-based Commercial Loans – TL</b>	<b>917,999</b>	<b>7,852,874</b>	<b>8,770,873</b>
Real Estate Loans	2,443	657,385	659,828
Automobile Loans	44,069	1,524,823	1,568,892
General Purpose Loans	871,487	5,665,918	6,537,405
Other	-	4,748	4,748
<b>Installment-based Commercial Loans - FC-indexed</b>	<b>88,127</b>	<b>1,076,813</b>	<b>1,164,940</b>
Real Estate Loans	-	48,110	48,110
Automobile Loans	3,569	260,595	264,164
General Purpose Loans	84,558	768,108	852,666
Other	-	-	-
<b>Installment-based Commercial Loans – FC</b>	<b>278</b>	<b>91,008</b>	<b>91,286</b>
Real Estate Loans	-	1,413	1,413
Automobile Loans	-	7,421	7,421
General Purpose Loans	278	18,216	18,494
Other	-	63,958	63,958
<b>Corporate Credit Cards – TL</b>	<b>1,295,213</b>	<b>1,092</b>	<b>1,296,305</b>
With Installment	783,440	1,088	784,528
Without Installment	511,773	4	511,777
<b>Corporate Credit Cards – FC</b>	<b>6,438</b>	<b>-</b>	<b>6,438</b>
With Installment	237	-	237
Without Installment	6,201	-	6,201
<b>Deposit Accounts– TL (corporates)</b>	<b>637,296</b>	<b>-</b>	<b>637,296</b>
<b>Deposit Accounts– FC (corporates)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>2,945,351</b>	<b>9,021,787</b>	<b>11,967,138</b>

#### 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	118,010,416	115,622,241
Foreign Loans (*)	2,846,576	2,765,974
<b>Total</b>	<b>120,856,992</b>	<b>118,388,215</b>

(\*) Loans amounting to TL 193,560 thousands (31 December 2013: TL 198,778 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	854,469	1,208,237
Indirect Lending	-	-
<b>Total</b>	<b>854,469</b>	<b>1,208,237</b>

**5.1.5.9 Specific provisions for loans**

	<i>Current Period</i>	<i>Prior Period</i>
Substandard Loans and Receivables - Limited Collectibility	254,392	277,414
Doubtful Loans and Receivables	333,597	302,070
Uncollectible Loans and Receivables	1,582,921	1,476,984
<b>Total</b>	<b>2,170,910</b>	<b>2,056,468</b>

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

*Non-performing loans and other receivables restructured or rescheduled*

	<b>Group III</b>	<b>Group IV</b>	<b>Group V</b>
	<b>Substandard Loans and Receivables</b>	<b>Doubtful Loans and Receivables</b>	<b>Uncollectible Loans and Receivables</b>
<i>Current Period</i>			
(Gross Amounts before Specific Provisions)	56,127	103,168	135,324
Restructured Loans and Receivables	56,127	103,168	135,324
Rescheduled Loans and Receivables	-	-	-
<i>Prior Period</i>			
(Gross Amounts before Specific Provisions)	58,625	92,870	118,125
Restructured Loans and Receivables	58,625	92,870	118,125
Rescheduled Loans and Receivables	-	-	-

*Movements in non-performing loans and other receivables*

	<b>Group III</b>	<b>Group IV</b>	<b>Group V</b>
	<b>Substandard Loans and Receivables</b>	<b>Doubtful Loans and Receivables</b>	<b>Uncollectible Loans and Receivables</b>
<i>Current Period</i>			
<b>Balances at Beginning of Period</b>	<b>378,430</b>	<b>402,395</b>	<b>1,757,605</b>
Additions during the Period (+)	269,597	3,927	8,467
Transfer from Other NPL Categories (+)	-	228,399	180,236
Transfer to Other NPL Categories (-)	228,399	180,236	-
Collections during the Period (-)	39,498	36,946	61,696
Write-offs (-) (*)	-	-	3,218
Corporate and Commercial Loans	-	-	3,218
Retail Loans	-	-	-
Credit Cards	-	-	-
Others	-	-	-
<b>Balances at End of Period</b>	<b>380,130</b>	<b>417,539</b>	<b>1,881,394</b>
Specific Provisions (-)	254,392	333,597	1,582,921
<b>Net Balance on Balance Sheet</b>	<b>125,738</b>	<b>83,942</b>	<b>298,473</b>

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

<i>Prior Period</i>	<b>Group III</b>	<b>Group IV</b>	<b>Group V</b>
	<b>Substandard Loans and Receivables</b>	<b>Doubtful Loans and Receivables</b>	<b>Uncollectible Loans and Receivables</b>
<b>Balances at Beginning of Period</b>	<b>219,718</b>	<b>565,595</b>	<b>1,328,760</b>
Additions during the Period (+)	1,141,762	48,537	98,195
Transfer from Other NPL Categories (+)	-	849,404	897,761
Transfer to Other NPL Categories (-)	849,404	897,761	-
Collections during the Period (-)	133,646	163,151	257,039
Write-offs (-) (*)	-	229	310,072
Corporate and Commercial Loans	-	226	29,209
Retail Loans	-	-	51,880
Credit Cards	-	3	228,983
Others	-	-	-
<b>Balances at End of Period</b>	<b>378,430</b>	<b>402,395</b>	<b>1,757,605</b>
Specific Provisions (-)	277,414	302,070	1,476,984
<b>Net Balance on Balance Sheet</b>	<b>101,016</b>	<b>100,325</b>	<b>280,621</b>

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

***Movements in specific loan provisions***

<i>Current Period</i>	<b>Corporate/ Commercial Loans</b>	<b>Consumer Loans</b>	<b>Credit Cards</b>	<b>Total</b>
<b>Balances at End of Prior Period</b>	<b>936,813</b>	<b>510,037</b>	<b>609,618</b>	<b>2,056,468</b>
Additions during the Period(+)	57,177	92,432	76,562	226,171
Restructured/Rescheduled Loans (-)	-	-	-	-
Collections during the Period (-)	24,795	42,316	41,400	108,511
Write-offs (-)	3,218	-	-	3,218
<b>Balances at End of Period</b>	<b>965,977</b>	<b>560,153</b>	<b>644,780</b>	<b>2,170,910</b>

<i>Prior Period</i>	<b>Corporate/ Commercial Loans</b>	<b>Consumer Loans</b>	<b>Credit Cards</b>	<b>Total</b>
<b>Balances at End of Prior Period</b>	<b>735,868</b>	<b>368,947</b>	<b>606,379</b>	<b>1,711,194</b>
Additions during the Period(+)	365,790	305,019	371,193	1,042,002
Restructured/Rescheduled Loans (-)	-	-	-	-
Collections during the Period (-)	148,373	113,613	138,968	400,954
Write-offs (-)	16,472	50,316	228,986	295,774
<b>Balances at End of Period</b>	<b>936,813</b>	<b>510,037</b>	<b>609,618</b>	<b>2,056,468</b>

***Non-performing loans and other receivables in foreign currencies***

	<b>Group III</b>	<b>Group IV</b>	<b>Group V</b>
	<b>Substandard Loans and Receivables</b>	<b>Doubtful Loans and Receivables</b>	<b>Uncollectible Loans and Receivables</b>
<b><i>Current Period</i></b>			
<b>Balance at End of Period</b>	<b>154,405</b>	<b>19,040</b>	<b>464,480</b>
Specific Provisions (-)	100,872	7,733	390,453
<b>Net Balance at Balance Sheet</b>	<b>53,533</b>	<b>11,307</b>	<b>74,027</b>
<b><i>Prior Period</i></b>			
<b>Balance at End of Period</b>	<b>141,370</b>	<b>17,319</b>	<b>456,840</b>
Specific Provisions (-)	88,761	7,149	389,076
<b>Net Balance at Balance Sheet</b>	<b>52,609</b>	<b>10,170</b>	<b>67,764</b>

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

	<b>Group III</b>	<b>Group IV</b>	<b>Group V</b>
	<b>Substandard Loans and Receivables</b>	<b>Doubtful Loans and Receivables</b>	<b>Uncollectible Loans and Receivables</b>
<b><i>Current Period (Net)</i></b>			
	<b>125,738</b>	<b>83,942</b>	<b>298,473</b>
Loans to Individuals and Corporates (Gross)	380,130	417,539	1,874,502
Specific Provision (-)	254,392	333,597	1,576,029
Loans to Individuals and Corporates (Net)	125,738	83,942	298,473
Banks (Gross)	-	-	311
Specific Provision (-)	-	-	311
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	6,581
Specific Provision (-)	-	-	6,581
Other Loans and Receivables (Net)	-	-	-
<b><i>Prior Period (Net)</i></b>			
	<b>101,016</b>	<b>100,325</b>	<b>280,621</b>
Loans to Individuals and Corporates (Gross)	378,430	402,395	1,749,573
Specific Provision (-)	277,414	302,070	1,468,952
Loans to Individuals and Corporates (Net)	101,016	100,325	280,621
Banks (Gross)	-	-	311
Specific Provision (-)	-	-	311
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	7,721
Specific Provision (-)	-	-	7,721
Other Loans and Receivables (Net)	-	-	-

***Collaterals received for non-performing loans***

<b><i>Current Period</i></b>	<b>Corporate/ Commercial Loans</b>	<b>Consumer Loans</b>	<b>Credit Cards</b>	<b>Total</b>
Loans Collateralized by Cash	1,209	320	-	1,529
Loans Collateralized by Mortgages	510,480	55,642	-	566,122
Loans Collateralized by Pledged Assets	231,261	45,337	-	276,598
Loans Collateralized by Cheques and Notes	315,254	430,779	-	746,033
Loans Collateralized by Other Collaterals	284,963	4,415	-	289,378
Unsecured Loans	66,916	72,152	660,335	799,403
<b>Total</b>	<b>1,410,083</b>	<b>608,645</b>	<b>660,335</b>	<b>2,679,063</b>

<i>Prior Period</i>	<b>Corporate/ Commercial Loans</b>	<b>Consumer Loans</b>	<b>Credit Cards</b>	<b>Total</b>
Loans Collateralized by Cash	523	183	-	706
Loans Collateralized by Mortgages	502,325	57,620	-	559,945
Loans Collateralized by Pledged Assets	229,285	45,622	-	274,907
Loans Collateralized by Cheques and Notes	304,756	398,069	-	702,825
Loans Collateralized by Other Collaterals	262,161	3,951	-	266,112
Unsecured Loans	66,934	55,055	611,946	733,935
<b>Total</b>	<b>1,365,984</b>	<b>560,500</b>	<b>611,946</b>	<b>2,538,430</b>

#### 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>	
	<b>TL</b>	<b>FC</b>	<b>TL</b>	<b>FC</b>
Collateralised/Blocked Investments	5,726,102	382,768	5,139,285	-
Investments subject to Repurchase Agreements	5,126,534	2,846,633	6,192,089	428,072
<b>Total</b>	<b>10,852,636</b>	<b>3,229,401</b>	<b>11,331,374</b>	<b>428,072</b>

#### 5.1.6.2 *Government securities held-to-maturity*

	<i>Current Period</i>	<i>Prior Period</i>
Government Bonds	16,303,032	13,581,743
Treasury Bills	-	-
Other Government Securities	-	-
<b>Total</b>	<b>16,303,032</b>	<b>13,581,743</b>

#### 5.1.6.3 *Investments held-to-maturity*

	<i>Current Period</i>	<i>Prior Period</i>
<b>Debt Securities</b>	<b>17,121,159</b>	<b>13,540,925</b>
Quoted at Stock Exchange	15,999,787	13,140,485
Unquoted at Stock Exchange	1,121,372	400,440
<b>Valuation Increase/(Decrease)</b>	<b>649,279</b>	<b>443,510</b>
<b>Total</b>	<b>17,770,438</b>	<b>13,984,435</b>

As of 31 March 2014, the Bank’s “investments held-to-maturity” portfolio includes private sector bonds with “credit linked notes” at a total face value of USD 425,000,000 (31 December 2013: -) and a total carrying value of TL 903,316 thousands (31 December 2013: -).

#### 5.1.6.4 Movement of investments held-to-maturity

	Current Period	Prior Period
<b>Balances at Beginning of Period</b>	<b>13,984,435</b>	<b>1,364,383</b>
Foreign Currency Differences On Monetary Assets	(2,020)	-
Purchases during the Period (*)	3,582,252	12,670,890
Disposals through Sales/Redemptions (**)	-	(495,874)
Valuation Effect	205,771	445,036
<b>Balances at End of Period</b>	<b>17,770,438</b>	<b>13,984,435</b>

(\*) In the prior period, the Bank reclassified certain securities issued by the Turkish Treasury, with a total face value of TL 8,965,094 thousands from financial assets available-for-sale portfolio to investments held-to-maturity portfolio. Also in the current 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	İstanbul/Turkey	10.15	10.15
2	Yatırım Finansman Menkul Değerler AŞ <sup>(1)</sup>	İstanbul/Turkey	0.77	0.77
3	İstanbul Takas ve Saklama Bankası AŞ	İstanbul/Turkey	5.83	5.83
4	Borsa İstanbul AŞ <sup>(**)(1)</sup>	İstanbul/Turkey	6.00	6.00
5	KKB Kredi Kayıt Bürosu AŞ	İstanbul/Turkey	9.09	9.09
6	Türkiye Cumhuriyet Merkez Bankası AŞ <sup>(1)</sup>	Ankara /Turkey	2.48	2.48
7	Kredi Garanti Fonu AŞ <sup>(1)</sup>	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	46,506	25,427	31,918	189	-	3,047	282	-
2	733,968	73,195	4,243	18,884	1,375	2,923	2,850	-
3	6,011,558	619,447	15,051	40,524	5,967	32,815	15,338	-
4	620,781	456,971	32,961	14,926	3,345	23,976	-	-
5	95,900	71,874	43,225	1,112	-	8,792	5,365	-
6	342,205,270	32,780,467	645,252	1,857,993	2,531,419	13,198,929	(276,082)	-
7	277,001	272,886	3,328	11,248	-	8,436	5,107	-

<sup>(1)</sup> Financial information is as of 31 December 2013.

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

(\*\*) The shares in Vadeli İşlem ve Opsiyon Borsası A.Ş. were replaced by the shares of Borsa İstanbul A.Ş. according to the article 138-6/b of the Capital Market Law no.6362. The Current Period Profit/Loss includes the performance of the period from 3 April 2013 to 31 December 2013, starting from the date of establishment of Borsa İstanbul A.Ş. on 3 April 2013.



**5.1.7.2 Movement of investments in associates**

	<i>Current Period</i>	<i>Prior Period</i>
<b>Balance at Beginning of Period</b>	<b>36,698</b>	<b>21,099</b>
<b>Movements during the Period</b>	<b>-</b>	<b>15,599</b>
Acquisitions (*)	-	10,494
Bonus Shares Received (**)	-	5,105
Dividends from Current Year Profit	-	-
Sales	-	-
Increase in Market Values	-	-
Impairment Reversals/(Losses)	-	-
<b>Balance at End of Period</b>	<b>36,698</b>	<b>36,698</b>
<b>Capital Commitments</b>	<b>-</b>	<b>-</b>
<b>Share Percentage at the End of Period (%)</b>	<b>-</b>	<b>-</b>

(\*) In the prior period, the increase of TL 10,494 thousands was due to the increase in the paid-in capital of İstanbul Takas ve Saklama Bankası AŞ, from TL 60,000 thousands to TL 420,000 thousands by TL 360,000 thousands of which TL 180,000 thousands was in cash, at the ordinary general meeting held on 29 March 2013.

(\*\*) In the prior period, the increase of TL 5,105 thousands composes of;  
-the increase of TL 5,090 thousands resulted from the increase in the paid-in capital of İstanbul Takas ve Saklama Bankası AŞ, from TL 60,000 thousands to TL 420,000 thousands by TL 360,000 thousands of which TL 180,000 thousands was in cash, at the ordinary general meeting held on 29 March 2013, and  
-the C group of shares of Borsa İstanbul AŞ in the amount of TL 15 thousands received as bonus shares from the distribution to the existing members of İstanbul Altın Borsası as per the board of directors' meeting of Borsa İstanbul AŞ on 4 July 2013 according to the article 138-6/a of the Capital Markets Law no.6362.

**5.1.7.3 Sectoral distribution of investments and associates**

<b>Investments in Associates</b>	<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**

<b>Investments in Associates</b>	<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>	<b>Garanti Bank International NV</b>	<b>Garanti Finansal Kiralama AŞ</b>	<b>Garanti Holding BV</b>
<b>TIER I CAPITAL</b>			
Paid-in Capital to be Entitled for Compensation after All Creditors	403,675	357,848	1,076,005
Share Premium	-	-	37,823
Share Cancellation Profits	-	-	-
Reserves	860,592	203,566	(582,887)
Other Comprehensive Income according to TAS (*)	6,845	-	18,379
Current and Prior Periods' Profits	189,051	58,555	88,922
<b>Tier I Capital Before Deductions</b>	<b>1,460,163</b>	<b>619,969</b>	<b>638,242</b>
<b>Deductions From Tier I Capital</b>			
Current and Prior Periods' Losses not Covered by Reserves, and Losses Accounted under Equity according to TAS (-)	66,664	45	831
Leasehold Improvements on Operational Leases (-)	-	-	12,724
Goodwill and Other Intangible Assets and Related Deferred Taxes (-)	2,769	612	34,078
Net Deferred Tax Asset/Liability (-)	-	-	6,916
<b>Total Deductions from Tier I Capital</b>	<b>69,433</b>	<b>657</b>	<b>54,549</b>
<b>Total Tier I Capital</b>	<b>1,390,730</b>	<b>619,312</b>	<b>583,693</b>
<b>Total Deductions From Core Capital</b>	<b>11,077</b>	<b>2,447</b>	<b>163,977</b>
<b>Total Core Capital</b>	<b>1,379,653</b>	<b>616,865</b>	<b>419,716</b>
<b>TIER II CAPITAL</b>	<b>87,459</b>	-	<b>58,559</b>
<b>CAPITAL</b>	<b>1,467,112</b>	<b>616,865</b>	<b>478,275</b>
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	-
<b>NET AVAILABLE EQUITY</b>	<b>1,467,112</b>	<b>616,859</b>	<b>478,275</b>

<i>Prior Period</i>	<b>Garanti Bank International NV</b>	<b>Garanti Finansal Kiralama AS</b>	<b>Garanti Holding BV</b>
<b>CORE CAPITAL</b>	<b>1,112,637</b>	<b>594,053</b>	<b>588,776</b>
Paid-in Capital	404,455	12,016	1,078,109
Inflation Adjustments to Paid-in Capital	-	68,832	-
Share Premium	-	-	37,897
Reserves	576,681	480,566	(407,076)
Current and Prior Periods' Profit	143,170	35,113	59,456
Current and Prior Periods' Losses	-	-	-
Leasehold Improvements on Operational Leases (-)	-	-	13,055
Intangible Assets (-)	11,669	2,474	3,402
Goodwill (Net) (-)	-	-	163,153
<b>SUPPLEMENTARY CAPITAL (*)</b>	<b>303,368</b>	<b>(45)</b>	<b>(105,871)</b>
<b>CAPITAL</b>	<b>1,416,005</b>	<b>594,008</b>	<b>482,905</b>
<b>DEDUCTIONS FROM CAPITAL</b>	-	<b>6</b>	-
<b>NET AVAILABLE EQUITY</b>	<b>1,416,005</b>	<b>594,002</b>	<b>482,905</b>

(\*) In the prior period, in cases where the Securities Value Increase Fund under Supplementary Capital gives a positive result then only 45% of the amount is considered in the calculation, whereas if its is negative the whole amount; however, in the current period 100% of the amount of the Securities Value Increase Fund under Other Comprehensive Income/(Losses) according to TAS, is considered in the calculation.

**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	99.92	100.00
3	Garanti Hizmet Yönetimi AŞ	Istanbul/Turkey	93.40	96.40
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	99.96	99.96
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	42,659	38,217	95	306	400	1,957	1,058	-
2	23,242	16,621	3,323	325	30	330	720	-
3	5,206	4,820	14	-	54	1,190	989	-
4	1,252	841	72	-	-	20	85	-
5	3,033	2,881	7	-	33	587	285	-
6	3,721,312	619,924	18,947	78,935	-	23,451	22,373	-
7	1,730,267	123,660	3,468	41,383	-	3,594	5,546	137,535
8	51,421	37,995	1,916	377	564	1,077	349	-
9	25,713	22,043	1,720	350	49	1,490	775	-
10	5,761,993	760,149	24,975	16,165	4,238	46,309	36,326	-
11	12,655,306	1,393,499	69,819	116,535	24,301	45,881	80,906	1,539,911
12	905,796	183,013	41,754	11,415	5,574	3,301	4,430	274,967
13	945,755	945,700	-	-	-	(44)	(5)	980,395

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

**5.1.8.3 Movement of investments in subsidiaries**

	<i>Current Period</i>	<i>Prior Period</i>
<b>Balance at Beginning of Period</b>	<b>3,178,829</b>	<b>2,588,534</b>
<b>Movements during the Period</b>	<b>68,880</b>	<b>590,295</b>
Acquisitions	-	-
Bonus Shares Received <sup>(*)</sup>	-	46,142
Dividends from Current Year Profit	-	-
Sales/Liquidations	-	-
Reclassification of Shares	-	-
Increase/(Decrease) in Market Values	71,653	257,126
Currency Differences on Foreign Subsidiaries	(2,773)	287,027
Impairment Reversals/(Losses)	-	-
<b>Balance at End of Period</b>	<b>3,247,709</b>	<b>3,178,829</b>
<b>Capital Commitments</b>	-	-
<b>Share Percentage at the End of Period (%)</b>	-	-

(\*) In prior period, the paid-in capital of Garanti Faktoring Hizmetleri AŞ was increased from TL 21,000 thousands to TL 79,500 thousands as per the decision made at the board of directors' meeting held on 3 May 2013.

**5.1.8.4 Sectoral distribution of investments in subsidiaries**

<b>Subsidiaries</b>	<i>Current Period</i>	<i>Prior Period</i>
Banks	1,814,719	1,784,026
Insurance Companies	56,545	56,545
Factoring Companies	112,564	108,660
Leasing Companies	110,743	110,743
Finance Companies	1,049,053	1,014,770
Other Subsidiaries	104,085	104,085

**5.1.8.5 Quoted subsidiaries**

<b>Subsidiaries</b>	<i>Current Period</i>	<i>Prior Period</i>
Quoted at Domestic Stock Exchanges	112,564	108,660
Quoted at International Stock Exchanges	-	-

**5.1.8.6 Valuation methods of investments in subsidiaries**

<b>Subsidiaries</b>	<i>Current Period</i>	<i>Prior Period</i>
Valued at Cost	340,031	340,031
Valued at Fair Value	2,907,678	2,838,798

**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	93,445	459	65,943	-
Cash Flow Hedges	68,534	50,720	38,032	11,009
Net Foreign Investment Hedges	-	-	-	-
<b>Total</b>	<b>161,979</b>	<b>51,179</b>	<b>103,975</b>	<b>11,009</b>

As of 31 March 2014, 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:

	Face Value	Current Period		Prior Period		
		Asset	Liability	Face Value	Asset	Liability
Interest Rate Swaps	8,947,146	162,297	34,221	4,928,361	103,975	-
-TL	6,657,367	161,979	20,186	4,928,361	103,975	-
-FC	2,289,779	318	14,035	-	-	-
Cross Currency Swaps	2,059,837	50,861	13,910	2,240,471	11,009	39,105
-TL	607,985	-	-	607,985	-	-
-FC	1,451,852	50,861	13,910	1,632,486	11,009	39,105
<b>Total</b>	<b>11,006,983</b>	<b>213,158</b>	<b>48,131</b>	<b>7,168,832</b>	<b>114,984</b>	<b>39,105</b>

#### 5.1.11.1.1 Fair value hedge accounting

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.

Current Period		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)
Hedging Item	Hedged Item			Asset	Liability	
Interest Rate Swaps	Fixed-rate commercial loans	Interest rate risk	2,725	11,898	(13,159)	1,464
Interest Rate Swaps	Fixed-rate securities	Interest rate risk	(73,937)	81,865	(21,062)	(13,134)
Cross Currency Swaps	Fixed-rate securities issued	Interest rate and foreign currency exchange rate risk	2,132	141	(13,910)	(11,637)

<b>Prior Period</b>				<b>Net Fair Value Change of Hedging Item</b>		<b>Income Statement Effect (gains/losses from derivative financial instruments)</b>
<b>Hedging Item</b>	<b>Hedged Item</b>	<b>Type of Risk</b>	<b>Fair Value Change of Hedged Item</b>	<b>Asset</b>	<b>Liability</b>	
Interest Rate Swaps	Fixed-rate commercial loans	Interest rate risk	(7,901)	7,101	-	(800)
Interest Rate Swaps	Fixed-rate securities	Interest rate risk	(59,998)	58,842	-	(1,156)
Cross Currency Swaps	Fixed-rate securities issued	Interest rate and foreign currency exchange rate risk	4,000	-	(36,541)	(32,541)
Cross Currency Swaps	Fixed-rate funds borrowed	Interest rate and foreign currency exchange rate risk	251	-	(2,564)	(2,313)

**5.1.11.1.2 Cash flow hedge accounting**

<b>Current Period</b>			<b>Fair Value Change of Hedged Item</b>		<b>Gains/Losses Accounted under Shareholders' Equity in the Period</b>	<b>Gains/Losses Accounted under Income Statement in the Period</b>	<b>Ineffective Portion (net) Accounted under Income Statement</b>
<b>Hedging Item</b>	<b>Hedged Item</b>	<b>Type of Risk</b>	<b>Asset</b>	<b>Liability</b>			
Interest Rate Swaps	Fixed-rate funds borrowed	Cash flow risk resulted from change in market interest rates	68,534	-	27,193	3,252	-
Cross Currency Swaps	Fixed-rate securities issued	Cash flow risk resulted from change in market interest rates and foreign currency exchange rates	50,720	-	22,408	(9,211)	-

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	Fixed-rate funds borrowed	Cash flow risk resulted from change in market interest rates	38,032	-	38,044	-	-
	Cross Currency Swaps	Fixed-rate securities issued	Cash flow risk resulted from change in market interest rates and foreign currency exchange rates	11,009	-	11,009	-	-

#### 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

Current Period	Cost	Accumulated Depreciation (-)	Impairment Losses	Intend of Use
Real Estate Type				
Building	194,528	(41,537)	-	Operational lease
Land	-	-	-	-

Prior Period	Cost	Accumulated Depreciation (-)	Impairment Losses	Intend of Use
Real Estate Type				
Building	188,500	(38,868)	-	Operational lease
Land	-	-	-	-

#### 5.1.15 Deferred tax asset

As of 31 March 2014, the Bank has a deferred tax asset of TL 126,528 thousands (31 December 2013: TL 129,218 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 2014. However, there is a deferred tax asset of TL 404,933 thousands (31 December 2013: TL 369,090 thousands) and deferred tax liability of TL 278,405 thousands (31 December 2013: TL 239,872 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>	
	<b>Tax Base</b>	<b>Deferred Tax Amount</b>	<b>Tax Base</b>	<b>Deferred Tax Amount</b>
Provisions (*)	580,446	116,089	525,719	105,144
Differences between the Carrying Values and Taxable Values of Financial Assets (**)	(19,746)	(14,451)	17,483	(7,501)
Other	124,451	24,890	157,873	31,575
<b>Total Deferred Tax Asset, Net</b>	<b>685,151</b>	<b>126,528</b>	<b>701,075</b>	<b>129,218</b>

(\*) 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 2014, TL 5,502 thousands (31 December 2013: TL 403,903) of deferred tax expenses and TL 2,812 thousands (31 December 2013: TL 351,665) of deferred tax income 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>
<b>End of Prior Period</b>		
<b>Cost</b>	<b>152,094</b>	<b>131,463</b>
<b>Accumulated Depreciation (-)</b>	<b>(5,990)</b>	<b>(4,112)</b>
<b>Net Book Value</b>	<b>146,104</b>	<b>127,351</b>
<b>End of Current Period</b>		
Additions	24,495	92,305
Disposals (Cost)	(17,934)	(69,875)
Disposals (Accumulated Depreciation)	396	867
Impairment Losses (-)	(452)	(1,799)
Depreciation Expense for Current Period (-)	(802)	(2,745)
Currency Translation Differences on Foreign Operations	-	-
<b>Cost</b>	<b>158,203</b>	<b>152,094</b>
<b>Accumulated Depreciation (-)</b>	<b>(6,396)</b>	<b>(5,990)</b>
<b>Net Book Value</b>	<b>151,807</b>	<b>146,104</b>

As of balance sheet date, the net book values of assets held for sale on which rights of repurchase exist amounting to TL 20,482 thousands (31 December 2013: TL 27,725 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	2,032	3,033
Sale of Other Assets	3,038	3,038
<b>Total</b>	<b>5,070</b>	<b>6,071</b>

##### 5.1.17.2 Prepaid expenses, taxes and similar items

	<i>Current Period</i>	<i>Prior Period</i>
Prepaid Expenses	448,527	346,741
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>	
	<b>TL</b>	<b>FC</b>	<b>TL</b>	<b>FC</b>
Central Bank of Turkey	-	-	-	-
Financial Assets at Fair Value through Profit or Loss	1,871	19,519	117	21,735
Banks	17,155	11,348	16,128	14,772
Interbank Money Markets	-	1	-	2
Financial Assets Available-for-Sale	792,003	70,448	711,891	85,764
Loans	1,001,872	609,832	1,098,042	545,781
Investments Held-to-Maturity	630,367	23,632	437,561	7,476
Other Accruals	5,647	10,573	5,609	-
<b>Total</b>	<b>2,448,915</b>	<b>745,353</b>	<b>2,269,348</b>	<b>675,530</b>

## 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
<b>Saving Deposits</b>	4,813,286	-	3,616,764	27,318,223	1,983,172	540,875	411,156	3,622	38,687,098
<b>Foreign Currency Deposits</b>	9,154,837	-	5,784,389	19,291,555	3,394,659	5,764,029	2,850,233	66,907	46,306,609
Residents in Turkey	8,603,813	-	5,659,922	17,383,365	2,222,676	832,029	593,239	65,141	35,360,185
Residents in Abroad	551,024	-	124,467	1,908,190	1,171,983	4,932,000	2,256,994	1,766	10,946,424
<b>Public Sector Deposits</b>	1,136,361	-	5,231	6,658	1,836	444,326	20	-	1,594,432
<b>Commercial Deposits</b>	4,722,150	-	2,658,428	4,957,341	594,974	869,669	357,872	-	14,160,434
<b>Other</b>	134,326	-	134,026	385,429	42,488	916,839	524	-	1,613,632
<b>Precious Metal Deposits</b>	1,571,602	-	2,785	48,118	-	3,530	92,066	-	1,718,101
<b>Bank Deposits</b>	1,171,474	-	833,777	1,451,083	1,699,410	247,842	310,591	-	5,714,177
Central Bank of Turkey	-	-	-	-	-	-	-	-	-
Domestic Banks	3,467	-	807,084	2,920	-	8,206	59,381	-	881,058
Foreign Banks	320,305	-	26,693	1,448,163	1,699,410	239,636	251,210	-	3,985,417
Special Financial Institutions	847,702	-	-	-	-	-	-	-	847,702
Other	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>22,704,036</b>	<b>-</b>	<b>13,035,400</b>	<b>53,458,407</b>	<b>7,716,539</b>	<b>8,787,110</b>	<b>4,022,462</b>	<b>70,529</b>	<b>109,794,483</b>

<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
<b>Saving Deposits</b>	4,844,126	-	3,832,387	27,610,532	1,368,665	470,100	377,994	3,605	38,507,409
<b>Foreign Currency Deposits</b>	8,019,045	-	5,589,147	16,061,670	3,866,476	4,988,913	1,745,117	70,945	40,341,313
Residents in Turkey	7,440,307	-	5,413,488	14,630,780	1,488,631	577,889	588,808	69,149	30,209,052
Residents in Abroad	578,738	-	175,659	1,430,890	2,377,845	4,411,024	1,156,309	1,796	10,132,261
<b>Public Sector Deposits</b>	699,412	-	1,415	7,093	118	1,280,747	13	-	1,988,798
<b>Commercial Deposits</b>	5,047,125	-	3,478,508	6,172,495	966,929	948,039	318,132	-	16,931,228
<b>Other</b>	140,389	-	181,254	371,170	22,635	796,172	444	-	1,512,064
<b>Precious Metal Deposits</b>	2,135,565	-	807	47,403	-	1,612	105,491	-	2,290,878
<b>Bank Deposits</b>	1,186,219	-	501,627	1,768,135	752,350	442,215	251,352	-	4,901,898
Central Bank of Turkey	-	-	-	-	-	-	-	-	-
Domestic Banks	2,451	-	372,537	45	-	65,225	20,658	-	460,916
Foreign Banks	179,676	-	129,090	1,768,090	752,350	376,990	230,694	-	3,436,890
Special Financial Institutions	1,004,092	-	-	-	-	-	-	-	1,004,092
Other	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>22,071,881</b>	<b>-</b>	<b>13,585,145</b>	<b>52,038,498</b>	<b>6,977,173</b>	<b>8,927,798</b>	<b>2,798,543</b>	<b>74,550</b>	<b>106,473,588</b>

### 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 <sup>(*)</sup>	20,347,726	19,316,340	18,048,402	18,901,123
Foreign Currency Saving Deposits	5,652,731	4,974,910	16,192,506	14,048,805
Other Saving Deposits	1,069,958	1,469,173	596,119	750,900
Deposits held at Foreign Branches Under Foreign Insurance Coverage	-	-	-	-
Deposits held at Off-Shore Branches Under Foreign Insurance Coverage	-	-	-	-

<sup>(\*)</sup> As per the decision published in the Official Gazette no. 28560 dated 15 February 2013, the deposit insurance limit has been increased from TL 50,000 thousands to TL 100,000 thousands.

### 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	560.179	544.316
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	543,337	486,656
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	204,902	10,195	120,653	17,228
Swap transactions	1,144,868	170,571	822,849	212,391
Futures	-	26	-	-
Options	190,856	23,947	183,570	28,005
Other	-	-	-	-
<b>Total</b>	<b>1,540,626</b>	<b>204,739</b>	<b>1,127,072</b>	<b>257,624</b>

### 5.2.3 **Funds borrowed**

	Current Period		Prior Period	
	TL	FC	TL	FC
Central Bank of Turkey	-	-	-	-
Domestic Banks and Institutions	230,627	386,342	238,147	354,491
Foreign Banks, Institutions and Funds	4,372,805	24,062,611	4,984,357	23,901,098
<b>Total</b>	<b>4,603,432</b>	<b>24,448,953</b>	<b>5,222,504</b>	<b>24,255,589</b>

**5.2.3.1 Maturities of funds borrowed**

	<i>Current Period</i>		<i>Prior Period</i>	
	<b>TL</b>	<b>FC</b>	<b>TL</b>	<b>FC</b>
Short-Term	410,750	8,185,247	469,559	7,777,277
Medium and Long-Term	4,192,682	16,263,706	4,752,945	16,478,312
<b>Total</b>	<b>4,603,432</b>	<b>24,448,953</b>	<b>5,222,504</b>	<b>24,255,589</b>

The Bank classified certain borrowings obtained through securitisations amounting to USD 1,000,000,000 as financial liability at fair value through profit/loss at the initial recognition. As of 31 March 2014, a negative credit risk change amounting to TL 120,424 thousands (31 December 2013: TL 35,862 thousands) is recognised in the income statement.

**5.2.3.2 Disclosures for concentration areas of bank's liabilities**

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".

**5.2.4 Other external funds**

**5.2.4.1 Securities issued**

<i>Current Period</i>	<b>TL</b>		<b>FC</b>	
	<b>Short-Term</b>	<b>Medium and Long-Term</b>	<b>Short-Term</b>	<b>Medium and Long-Term</b>
	Nominal	1,894,834	2,753,098	1,004,871
Cost	1,835,324	2,572,529	1,004,496	5,420,353
Carrying Value (*)	1,771,039	2,586,778	1,009,169	5,184,411

<i>Prior Period</i>	<b>TL</b>		<b>FC</b>	
	<b>Short-Term</b>	<b>Medium and Long-Term</b>	<b>Short-Term</b>	<b>Medium and Long-Term</b>
	Nominal	1,486,011	2,642,735	1,143,312
Cost	1,444,744	2,496,413	1,142,935	5,374,372
Carrying Value (*)	1,347,962	2,537,577	1,148,120	5,346,730

(\*) The Bank repurchased its own TL securities with a total face value of TL 163,503 thousands (31 December 2013: TL 154,218 thousands) and foreign currency securities with a total face value of USD 206,730,000 (31 December 2013: USD 111,757,000) 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 2014, the credit risk change amounting to TL 165 thousands is recognised in the income statement.

#### 5.2.4.2 Funds provided through repurchase transactions

	<i>Current Period</i>		<i>Prior Period</i>	
	<b>TL</b>	<b>FC</b>	<b>TL</b>	<b>FC</b>
<b>Domestic Transactions</b>	<b>8,228,239</b>	<b>83,000</b>	<b>9,477,016</b>	-
Financial Institutions and Organizations	8,186,973	83,000	9,428,331	-
Other Institutions and Organizations	10,431	-	16,249	-
Individuals	30,835	-	32,436	-
<b>Foreign Transactions</b>	<b>1,934,418</b>	<b>4,913,350</b>	<b>1,946,990</b>	<b>3,160,228</b>
Financial Institutions and Organizations	1,934,347	4,913,350	1,946,487	3,160,228
Other Institutions and Organizations	40	-	463	-
Individuals	31	-	40	-
<b>Total</b>	<b>10,162,657</b>	<b>4,996,350</b>	<b>11,424,006</b>	<b>3,160,228</b>

#### 5.2.4.3 Miscellaneous payables

	<i>Current Period</i>		<i>Prior Period</i>	
	<b>TL</b>	<b>FC</b>	<b>TL</b>	<b>FC</b>
Payables from credit card transactions	4,767,130	20,102	4,906,607	25,729
Other	203,121	577,307	192,806	508,707
<b>Total</b>	<b>4,970,251</b>	<b>597,409</b>	<b>5,099,413</b>	<b>534,436</b>

#### 5.2.5 Lease payables (Net)

##### 5.2.5.1 Financial lease payables

	<i>Current Period</i>		<i>Prior Period</i>	
	<b>Gross</b>	<b>Net</b>	<b>Gross</b>	<b>Net</b>
Up to 1 Year	511	488	502	479
1-4 Years	2	1	2	1
More than 4 Years	-	-	-	-
<b>Total</b>	<b>513</b>	<b>489</b>	<b>504</b>	<b>480</b>

##### 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

<b>Derivative Financial Liabilities held for Risk Management</b>	<i>Current Period</i>		<i>Prior Period</i>	
	<b>TL</b>	<b>FC</b>	<b>TL</b>	<b>FC</b>
Fair Value Hedges	20,186	27,945	-	39,105
Cash Flow Hedges	-	-	-	-
Net Foreign Investment Hedges	-	-	-	-
<b>Total</b>	<b>20,186</b>	<b>27,945</b>	<b>-</b>	<b>39,105</b>

## 5.2.7 Provisions

### 5.2.7.1 General provisions

	<i>Current Period</i>	<i>Prior Period</i>
<b>General Provision for</b>	<b>2,092,110</b>	<b>2,003,908</b>
Loans and Receivables in Group I	1,689,306	1,661,072
- Additional Provision for Loans and Receivables with Extended Maturities	84,217	84,217
Loans and Receivables in Group II	121,531	64,362
- Additional Provision for Loans and Receivables with Extended Maturities	69,597	69,597
Non-Cash Loans	127,459	124,660
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	35,550	526
Medium and Long-Term Loans	7,359	92
<b>Total</b>	<b>42,909</b>	<b>618</b>

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	410,000	310,000

#### 5.2.7.4.2 Other provisions

	<i>Current Period</i>	<i>Prior Period</i>
Reserve for Employee Benefits	453,898	377,988
Provision for Promotion Expenses of Credit Cards (*)	56,566	53,441
Provision for Lawsuits	32,472	33,100
Other Provisions	68,954	110,434
<b>Total</b>	<b>611,890</b>	<b>574,963</b>

(\*) 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 16 December 2013 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 1,639,833 thousands at 31 December 2013 (31 December 2012: TL 1,367,875 thousands) as details are given in the table below.

Furthermore, an actuarial report was prepared as of 31 December 2013 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 16 December 2013 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 1,080,014 thousands (31 December 2012: TL 834,436 thousands) remains as of 31 December 2013 as details are given in the table below.

The Bank’s management, acting prudently, did not consider the health premium surplus amounting TL 385,587 thousands (31 December 2012: TL 369,726 thousands) as stated above and resulted from the present value of medical benefits and health premiums transferable to SSF as of 31 December 2013. However, despite this treatment there are no excess obligation that needs to be provided against.

	<i>31 December 2013</i>	<i>31 December 2012</i>
<b>Transferable Pension and Medical Benefits:</b>		
Net present value of pension benefits transferable to SSF	(474,544)	(458,057)
Net present value of medical benefits and health premiums transferable to SSF	385,587	369,726
General administrative expenses	(26,165)	(22,899)
<b>Present Value of Pension and Medical Benefits Transferable to SSF (1)</b>	<b>(115,122)</b>	<b>(111,230)</b>
<b>Fair Value of Plan Assets (2)</b>	<b>1,754,955</b>	<b>1,479,105</b>
<b>Asset Surplus over Transferable Benefits ((2)-(1)=(3))</b>	<b>1,639,833</b>	<b>1,367,875</b>
<b>Non-Transferable Benefits:</b>		
Other pension benefits	(408,757)	(426,261)
Other medical benefits	(151,062)	(107,178)
<b>Total Non-Transferable Benefits (4)</b>	<b>(559,819)</b>	<b>(533,439)</b>
<b>Asset Surplus over Total Benefits ((3)-(4)=(5))</b>	<b>1,080,014</b>	<b>834,436</b>
<b>Net Present Value of Medical Benefits and Health Premiums Transferable to SSF – but not considered acting prudently (6)</b>	<b>(385,587)</b>	<b>(369,726)</b>
<b>Present Value of Asset Surplus/(Defined Benefit Obligation) ((5)-(6))</b>	<b>694,427</b>	<b>464,710</b>

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 2013</i>	<i>31 December 2012</i>
	<i>%</i>	<i>%</i>
Discount Rate (*)	9.60	6.97
Inflation Rate (*)	6.20	4.67
Future Real Salary Increase Rate	1.5	1.5
Medical Cost Trend Rate	40% above inflation	40% above inflation
Future Pension Increase Rate (*)	6.20	4.67

(\*) 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 2014, the Bank had a current tax liability of TL 254,042 thousands (31 December 2013: TL 97,107 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	254,042	97,107
Taxation on Securities Income	88,650	79,849
Taxation on Real Estates Income	3,000	2,560
Banking Insurance Transaction Tax	59,651	63,017
Foreign Exchange Transaction Tax	44	58
Value Added Tax Payable	1,825	5,377
Others	17,581	59,401
<b>Total</b>	<b>424,793</b>	<b>307,369</b>

#### 5.2.8.1.3 Premiums

	<i>Current Period</i>	<i>Prior Period</i>
Social Security Premiums-Employees	38	54
Social Security Premiums-Employer	47	66
Bank Pension Fund Premium-Employees	96	27
Bank Pension Fund Premium-Employer	117	28
Pension Fund Membership Fees and Provisions-Employees	-	-
Pension Fund Membership Fees and Provisions-Employer	-	-
Unemployment Insurance-Employees	684	714
Unemployment Insurance-Employer	1,425	1,464
Others	13	10
<b>Total</b>	<b>2,420</b>	<b>2,363</b>

#### 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
<b>Investments in Associates, Subsidiaries and Joint-Ventures</b>	<b>59,628</b>	<b>1,389,761</b>	<b>55,724</b>	<b>1,322,011</b>
Valuation difference	27,311	1,389,761	23,407	1,322,011
Exchange rate difference	32,317	-	32,317	-
<b>Securities Available-for-Sale</b>	<b>(541,516)</b>	<b>30,697</b>	<b>(485,118)</b>	<b>20,802</b>
Valuation difference	(541,516)	30,697	(485,118)	20,802
Exchange rate difference	-	-	-	-
<b>Total</b>	<b>(481,888)</b>	<b>1,420,458</b>	<b>(429,394)</b>	<b>1,342,813</b>

**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	172,164	-	172,164	-
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
<b>Total</b>	<b>1,891</b>	<b>1,891</b>

**5.2.11.11 Legal reserves**

	<i>Current Period</i>	<i>Prior Period</i>
I. Legal Reserve	957,186	957,208
II. Legal Reserve	152,940	152,940
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	12,312,753	12,312,753
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>	
	<b>TL</b>	<b>FC</b>	<b>TL</b>	<b>FC</b>
Deposits	347,864	138,497	314,317	112,923
Funds Borrowed	88,247	181,426	123,715	38,274
Interbank Money Markets	18,122	16,959	28,862	12,281
Other Accruals	73,338	404,018	69,306	392,280
<b>Total</b>	<b>527,571</b>	<b>740,900</b>	<b>536,200</b>	<b>555,758</b>

### 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 3,921,058 thousands (31 December 2013: TL 8,179,201 thousands), commitments for cheque payments of TL 2,855,487 thousands (31 December 2013: TL 2,658,815 thousands) and commitments for credit card limits of TL 23,653,699 thousands (31 December 2013: TL 22,259,934 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	13,659,909	13,583,722
Letters of Guarantee in TL	10,962,305	9,952,370
Letters of Credit	8,887,206	8,886,834
Bills of Exchange and Acceptances	681,097	638,089
Prefinancings	-	-
Other Guarantees	79,737	79,924
<b>Total</b>	<b>34,270,254</b>	<b>33,140,939</b>

A specific provision of TL 111,627 thousands (31 December 2013: TL 112,938 thousands) is made for unliquidated non-cash loans of TL 244,775 thousands (31 December 2013: TL 234,765 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	2,425,317	2,358,859
With Original Maturity of 1 Year or Less	385,481	336,123
With Original Maturity of More Than 1 Year	2,039,836	2,022,736
Other Non-Cash Loans	31,844,937	30,782,080
<b>Total</b>	<b>34,270,254</b>	<b>33,140,939</b>

##### 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>	
	<b>TL</b>	<b>FC</b>	<b>TL</b>	<b>FC</b>
Short-term loans	705,035	38,820	637,056	40,714
Medium and long-term loans	1,224,040	592,325	1,037,558	449,841
Loans under follow-up	11,677	-	8,602	-
Premiums Received from Resource Utilization Support Fund	-	-	-	-
<b>Total</b>	<b>1,940,752</b>	<b>631,145</b>	<b>1,683,216</b>	<b>490,555</b>

(\*) 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>	
	<b>TL</b>	<b>FC</b>	<b>TL</b>	<b>FC</b>
Central Bank of Turkey	-	-	-	-
Domestic Banks	7,024	55	2,647	22
Foreign Banks	30,743	7,196	28,154	8,018
Foreign Head Offices and Branches	-	-	-	-
<b>Total</b>	<b>37,767</b>	<b>7,251</b>	<b>30,801</b>	<b>8,040</b>

#### 5.4.1.3 Interest income from securities portfolio

	<i>Current Period</i>		<i>Prior Period</i>	
	<b>TL</b>	<b>FC</b>	<b>TL</b>	<b>FC</b>
Financial Assets Held for Trading	4,797	4,538	7,538	3,184
Financial Assets Valued at Fair Value through Profit or Loss	-	-	-	-
Financial Assets Available-for-Sale	478,500	30,032	936,079	15,516
Investments Held-to-Maturity	368,565	35,474	14,321	6,084
<b>Total</b>	<b>851,862</b>	<b>70,044</b>	<b>957,938</b>	<b>24,784</b>

#### 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	12,250	11,813

## 5.4.2 Interest Expenses

### 5.4.2.1 Interest expenses on funds borrowed (\*)

	<i>Current Period</i>		<i>Prior Period</i>	
	<b>TL</b>	<b>FC</b>	<b>TL</b>	<b>FC</b>
<b>Banks</b>	<b>129,930</b>	<b>93,984</b>	<b>100,948</b>	<b>89,769</b>
Central Bank of Turkey	-	617	-	462
Domestic Banks	3,781	2,755	4,857	2,819
Foreign Banks	126,149	90,612	96,091	86,488
Foreign Head Offices and Branches	-	-	-	-
<b>Other Institutions</b>	<b>-</b>	<b>118,490</b>	<b>-</b>	<b>8,712</b>
<b>Total</b>	<b>129,930</b>	<b>212,474</b>	<b>100,948</b>	<b>98,481</b>

(\*) 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	13,710	9,585

### 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>	<b>Demand Deposits</b>	<b>Time Deposits</b>					<b>Accumulating Deposit Accounts</b>	<b>Total</b>
		<b>Up to 1 Month</b>	<b>1-3 Months</b>	<b>3-6 Months</b>	<b>6-12 Months</b>	<b>1 Year and Over</b>		
<b>Turkish Lira</b>								
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	-	-	-	-	-	-	-	-
<b>Total TL</b>	<b>126</b>	<b>181,467</b>	<b>799,453</b>	<b>57,525</b>	<b>72,639</b>	<b>15,370</b>	<b>-</b>	<b>1,126,580</b>
<b>Foreign Currency</b>								
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
<b>Total FC</b>	<b>76</b>	<b>28,706</b>	<b>115,268</b>	<b>24,203</b>	<b>35,170</b>	<b>15,680</b>	<b>305</b>	<b>219,408</b>
<b>Grand Total</b>	<b>202</b>	<b>210,173</b>	<b>914,721</b>	<b>81,728</b>	<b>107,809</b>	<b>31,050</b>	<b>305</b>	<b>1,345,988</b>

Prior Period	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		
<b>Turkish Lira</b>								
Bank Deposits	61	13,547	-	-	-	-	-	13,608
Saving Deposits	5	48,990	472,257	4,854	2,352	5,503	-	533,961
Public Sector Deposits	-	103	909	-	-	-	-	1,012
Commercial Deposits	3	37,089	187,981	3,543	3,315	1,194	-	233,125
Other	1	521	7,085	49	44	6	-	7,706
“7 Days Notice” Deposits	-	-	-	-	-	-	-	-
<b>Total TL</b>	<b>70</b>	<b>100,250</b>	<b>668,232</b>	<b>8,446</b>	<b>5,711</b>	<b>6,703</b>	<b>-</b>	<b>789,412</b>
<b>Foreign Currency</b>								
Foreign Currency Deposits	54	14,777	103,554	7,683	23,873	6,822	355	157,118
Bank Deposits	-	11,497	-	-	-	-	-	11,497
“7 Days Notice” Deposits	-	-	-	-	-	-	-	-
Precious Metal Deposits	-	1	8	-	84	136	-	229
<b>Total FC</b>	<b>54</b>	<b>26,275</b>	<b>103,562</b>	<b>7,683</b>	<b>23,957</b>	<b>6,958</b>	<b>355</b>	<b>168,844</b>
<b>Grand Total</b>	<b>124</b>	<b>126,525</b>	<b>771,794</b>	<b>16,129</b>	<b>29,668</b>	<b>13,661</b>	<b>355</b>	<b>958,256</b>

#### 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)

	Current Period	Prior Period
<b>Income</b>	<b>7,855,764</b>	<b>13,203,688</b>
Trading Account Income	80,572	84,276
Gains from Derivative Financial Instruments	1,682,386	1,372,114
Foreign Exchange Gains	6,092,806	11,747,298
<b>Losses (-)</b>	<b>7,710,057</b>	<b>13,062,340</b>
Trading Account Losses	67,554	12,439
Losses from Derivative Financial Instruments	1,797,733	1,269,324
Foreign Exchange Losses	5,844,770	11,780,577
<b>Total</b>	<b>145,707</b>	<b>141,348</b>

TL 534,496 thousands (31 March 2013: TL 86,135 thousands) of foreign exchange gains and TL 472,272 thousands (31 March 2013: TL 190,101 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 the floating rate eurobonds issued in 2011 with a total face value of USD 300,000,000, maturity of 5 years and maturity date of 20 April 2016 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 by designating interest rate swaps with the same face value amount and conditions. Accordingly, in the current period TL 33,416 thousands (31 March 2013: -) and TL 65,238 thousands (31 March 2013: -) resulting from cross currency and interest rate swap agreements were recognised under shareholders' equity.

The Bank also applies fair value hedge accounting for its fixed-rate loans with a total principal of TL 405,874 thousands and USD 508,418,969 and for its bonds with a total face value of TL 1,923,000 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 2,725 thousands (31 March 2013: a loss of TL 549 thousands) and a loss of TL 73,937 thousands (31 March 2013: TL 1,575 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 and RON 85,500,000 with the same face value amount and conditions. Accordingly, a gain of TL 2,132 thousands (31 March 2013: -) resulting from the fair value changes of the securities issued 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 3,218 thousands were sold for a consideration of TL 700 thousands. Considering the related provision of TL 3,218 thousands made in the financial statements in the prior periods, a gain of TL 700 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>
<b>Specific Provisions for Loans and Other Receivables</b>	<b>203,070</b>	<b>204,799</b>
<i>Loans and Receivables in Group III</i>	<i>169,142</i>	<i>137,030</i>
<i>Loans and Receivables in Group IV</i>	<i>11,398</i>	<i>51,693</i>
<i>Loans and Receivables in Group V</i>	<i>22,530</i>	<i>16,076</i>
<b>General Provisions</b>	<b>88,522</b>	<b>105,217</b>
<b>Provision for Possible Losses</b>	<b>100,000</b>	-
<b>Impairment Losses on Securities</b>	<b>2,371</b>	<b>388</b>
<i>Financial Assets at Fair Value through Profit or Loss</i>	<i>2,344</i>	<i>388</i>
<i>Financial Assets Available-for-Sale</i>	<i>27</i>	-
<b>Impairment Losses on Associates, Subsidiaries and Investments Held-to-Maturity</b>	-	-
<i>Associates</i>	-	-
<i>Subsidiaries</i>	-	-
<i>Joint Ventures</i>	-	-
<i>Investments Held-to-Maturity</i>	-	-
<b>Others</b>	<b>23,775</b>	<b>228,114</b>
<b>Total</b>	<b>417,738</b>	<b>538,518</b>

#### 5.4.7 Other operating expenses

	<i>Current Period</i>	<i>Prior Period</i>
Personnel Costs	456,876	399,942
Reserve for Employee Termination Benefits	9,860	8,979
Defined Benefit Obligation	-	-
Impairment Losses on Tangible Assets	-	-
Depreciation Expenses of Tangible Assets	43,571	43,425
Impairment Losses on Intangible Assets	-	-
Impairment Losses on Goodwill	-	-
Amortisation Expenses of Intangible Assets	8,230	7,572
Impairment Losses on Investments Accounted under Equity Method	-	-
Impairment Losses on Assets to be Disposed	452	446
Depreciation Expenses of Assets to be Disposed	802	716
Impairment Losses on Assets Held for Sale	-	-
Other Operating Expenses	460,625	359,947
<i>Operational Lease related Expenses</i>	<i>69,117</i>	<i>56,815</i>
<i>Repair and Maintenance Expenses</i>	<i>9,549</i>	<i>5,332</i>
<i>Advertisement Expenses</i>	<i>21,377</i>	<i>26,159</i>
<i>Other Expenses</i>	<i>360,582</i>	<i>271,641</i>
Loss on Sale of Assets	681	266
Others	121,051	72,143
<b>Total</b>	<b>1,102,148</b>	<b>893,436</b>

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

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”.

**5.4.9 Information on provision for taxes from continued and discontinued operations**

As of 31 March 2014, the Bank recorded a tax charge of TL 237,884 thousands (31 March 2013: TL 226,454 thousands) and a deferred tax expense of TL 5,502 thousands (31 December 2012: TL 86,256 thousands).

***Deferred tax benefit/charge on timing differences:***

<b>Deferred tax (benefit)/charge on timing differences</b>	<b><i>Current Period</i></b>	<b><i>Prior Period</i></b>
Increase in tax deductible timing differences (+)	(54,966)	(19,017)
Decrease in tax deductible timing differences (-)	19,158	106,579
Increase in taxable timing differences (-)	47,519	13,914
Decrease in taxable timing differences (+)	(6,209)	(15,220)
<b>Total</b>	<b>5,502</b>	<b>86,256</b>

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

<b>Deferred tax (benefit)/charge arising on timing differences, tax losses and tax deductions and exemptions</b>	<b><i>Current Period</i></b>	<b><i>Prior Period</i></b>
(Increase)/decrease in tax deductible timing differences (net)	(35,808)	87,562
(Increase)/decrease in taxable timing differences (net)	41,310	(1,306)
(Increase)/decrease in tax losses (net)	-	-
(Increase)/decrease in tax deductions and exemptions (net)	-	-
<b>Total</b>	<b>5,502</b>	<b>86,256</b>

**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	3,811,321	1,586,707	9,250	264,878	454,736	472,119
Balance at end of period	3,782,923	1,577,894	218,161	312,429	784,294	648,375
Interest and Commission Income	12,252	64	118	1	9,372	230

##### 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	2,940,871	1,381,591	260,311	466,918	314,839	495,947
Balance at end of period	3,811,321	1,586,707	9,250	264,878	454,736	472,119
Interest and Commission Income	11,813	58	172	2	5,669	69

#### 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	651,174	511,151	304,643	101,958	330,572	205,931
Balance at end of period	673,622	651,174	178,184	304,643	348,302	330,572
Interest Expense	13,710	9,585	1,040	1,571	3,831	3,149

#### 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	1,200,843	1,119,747	8,871,339	2,895,692	-	-
Balance at end of period	445,018	1,200,843	8,022,754	8,871,339	-	-
Total Profit/(Loss)	(10,452)	889	(23,247)	(8,564)	-	-
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 1,637,008 thousands (31 December 2013: TL 1,660,748 thousands) compose 1.35% (31 December 2013: 1.40%) of the Bank's total cash loans and 0.81% (31 December 2013: 0.84%) of the Bank's total assets. The total loans and similar receivables amounting TL 4,785,378 thousands (31 December 2013: TL 4,275,307 thousands) compose 2.37% (31 December 2013: TL 2.17%) of the Bank's total assets. The non-cash loans of the risk group amounting TL 2,538,698 thousands (31 December 2013: TL 2,323,704 thousands) compose 7.41% (31 December 2013: 7.01%) of the Bank's total non-cash loans. The deposits of the risk group amounting TL 1,200,108 thousands (31 December 2013: TL 1,286,389 thousands) compose 1.09% (31 December 2013: 1.21%) of the Bank's total deposits. The funds borrowed by the Bank from its risk group amounting TL 6,531,789 thousands (31 December 2013: TL 6,729,132 thousands) compose 22.48% (31 December 2013: 22.83%) 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 84,066 thousands (31 December 2013: TL 70,805 thousands). A total rent income of TL 1,672 thousands (31 March 2013: TL 1,089 thousands) was recognized for the real estates rented to the related parties.

Operating expenses for TL 1,988 thousands (31 March 2013: -) were incurred for the IT services rendered by the related parties.

Banking services fees of TL 733 thousands (31 March 2013: TL 521 thousands) were recognized from the related parties. Insurance brokerage fee of TL 21,797 thousands (31 March 2013: TL 19,825 thousands), leasing customer acquisition fee of TL 2,474 thousands (31 March 2013: TL 2,531 thousands) factoring customer acquisition fee of TL 786 thousands (31 March 2013: TL 1,028 thousands), and fleet business customer acquisition fee of TL 110 thousands (31 March 2013: TL 30 thousands) were recognized as income from the services rendered for the affiliates.

Operating expenses of TL 848 thousands (31 March 2013: TL 1,503 thousands) for advertisement and broadcasting services, of TL 7,866 thousands (31 March 2013: TL 5,375 thousands) for operational leasing services, and of TL 1,554 thousands (31 March 2013: TL 1,237 thousands) for travelling services rendered by the related parties were recognized as expense.

As of 31 March 2014, the net payment provided or to be provided to the key management of the Bank amounts to TL 22,022 thousands (31 March 2013: TL 20,619 thousands).

### **5.7.2.3 Other matters not required to be disclosed**

None.

### **5.7.2.4 Transactions accounted for under equity method**

None.

**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 Significant Events and Matters Arising Subsequent to Balance Sheet Date**

None.

## 6 Other Disclosures on Activities of the Bank

### 6.1 Bank's latest international risk ratings

#### **MOODY'S (18 March 2014)<sup>(\*)</sup>**

Long Term FC Deposit	Baa3*
Long Term TL Deposit	Baa2*
Short Term TL Deposit	Prime-2*
Short Term FC Deposit	Prime-3*
Long Term FC Deposit Outlook	Under review
Financial Strength (FSR)	D+ (baa3)
FSR Outlook	Stable
Long Term National Scale Rating (NSR)	Aa2.tr*
Short Term NSR	TR-1*

\* Under review for possible downgrade

#### **STANDARD AND POORS (5 March 2014)<sup>(\*)</sup>**

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 (31 October 2013)<sup>(\*)</sup>**

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
Long Term NSR	AAA(tur)
Long Term NSR Outlook	Stable

#### **JCR EURASIA RATINGS (21 June 2013)<sup>(\*)</sup>**

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

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

## 6.2 Dividend

As per the decision made at the annual general assembly of shareholders of the Bank on 3 April 2014, the distribution of the net profit of the year 2013, will be as follows:

<b>2013 PROFIT DISTRIBUTION TABLE</b>	
<b>2013 Net Profit</b>	<b>3,005,560</b>
A – I. Legal reserve (Turkish Commercial Code 519/1) at 5%	-
Undistributable funds	(34,046)
B – First dividend at 5% of the paid-in capital	(210,000)
C – Extraordinary reserves at 5% after above deductions	(139,778)
D – Second dividend to the shareholders	(215,000)
E – Extraordinary reserves	(2,385,236)
F – II. Legal reserve (Turkish Commercial Code 519/2)	(21,500)

## 6.3 Other disclosures

As per the Communiqué published on the Official Gazette no.28704 dated 11 July 2013, “Standards on Investment Banking Services and Activities and the related Services Rendered”, the Bank will be transferring a part of its activities under investment banking segment to Garanti Yatırım Menkul Kıymetler AŞ as of 1 July 2014.

## **7 Limited Review Report**

### **7.1 Disclosure on limited review report**

The unconsolidated financial statements of the Bank as of 31 March 2014, 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 29 April 2014, is presented before the accompanying financial statements.

### **7.2 Disclosures and footnotes prepared by independent accountants**

None.

.....