

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

**Türkiye Garanti Bankası Anonim Şirketi
And Its Financial Affiliates**

Consolidated Financial Statements

As of and For the Six-Month Period Ended

30 June 2013

*(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
30 July 2013**

*This report contains "Independent Accountants'
Limited Review Report" comprising 2 pages and;
"Consolidated Financial Statements and Related
Disclosures and Footnotes" comprising 94 pages.*

To the Board of Directors of
Türkiye Garanti Bankası AŞ
İstanbul

TÜRKİYE GARANTİ BANKASI ANONİM ŞİRKETİ AND ITS FINANCIAL AFFILIATES

INDEPENDENT ACCOUNTANTS' LIMITED REVIEW REPORT FOR THE INTERIM PERIOD 1 JANUARY 2013 –30 JUNE 2013

We have reviewed the accompanying consolidated balance sheet of Türkiye Garanti Bankası A.Ş. ("the Bank") and its consolidated financial affiliates as at 30 June 2013 and the related consolidated 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 less assurance. We have not performed an audit and accordingly we do not express an audit opinion.

Subsequent to the reversal of TL 60,000 thousands in the current period, the accompanying consolidated financial statements include a general reserve amounting to TL 390,000 thousands as of the balance sheet date, provided by the Bank management in prior periods 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 consolidated financial statements, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not give a true and fair view of the financial position, the results of its operations and its cash flows, of the Bank and its consolidated financial affiliates as of and for the period ended 30 June 2013 in accordance with the prevailing accounting principles and standards set out as per the Article No. 37 and 38 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 and its consolidated financial affiliates' financial position and results of its operations in accordance with accounting principles generally accepted in such countries of users of the financial statements and IFRS.

DRT BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş.

Member of **DELOITTE TOUCHE TOHMATSU LIMITED**



Hasan Kılıç
Partner

Istanbul, 30 July 2013

**Türkiye Garanti Bankası Anonim Şirketi and Its Financial Affiliates
Consolidated Interim Financial Report
as of and for the Six-Month Period Ended 30 June 2013**

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The consolidated interim financial report for the six-month period ended 30 June 2013 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 Parent Bank
2. Consolidated Interim Financial Statements of Parent Bank
3. Accounting Policies
4. Consolidated Financial Position and Results of Operations of Group
5. Disclosures and Footnotes on Consolidated Financial Statements
6. Limited Review Report

The consolidated subsidiaries and special purpose entities in the scope of this consolidated financial report are the followings:

Subsidiaries

1. Garanti Bank International NV
2. Garanti Emeklilik ve Hayat AŞ
3. Garanti Holding BV
4. Garanti Finansal Kiralama AŞ
5. Garanti Faktoring Hizmetleri AŞ
6. Garanti Bank Moscow
7. Garanti Yatırım Menkul Kıymetler AŞ
8. Garanti Portföy Yönetimi AŞ

Special Purpose Entities

1. Garanti Diversified Payment Rights Finance Company

The consolidated semi annual 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	M. Cüneyt Sezgin	Manuel Pedro Galatas Sanchez - Harguindey	S. Ergun Özen	İbrahim Aydın	Aylin Aktürk
Board of Directors Chairman	Audit Committee Member	Audit Committee Member	General Manager	Executive Vice President Responsible of Financial Reporting	Coordinator

The authorized contact person for questions on this financial report:

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1 General Information

1.1 History of parent 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 950 domestic branches, eight foreign branches and three representative offices abroad. The Bank’s head office is located in Istanbul.

1.2 Parent bank’s shareholder structure, management and internal audit, direct and indirect shareholders, change in shareholder structure during period and information on its risk group

As of 30 June 2013, group of companies under Doğuř Holding AŞ that currently owns 24.23% shares of the Bank, is named the Doğuř Group (the Group).

On 22 December 2005, Doğuř Holding AŞ had completed the sale of 53,550,000,000 shares composing 25.5% of the Bank’s issued share capital to “GE Arařtırma ve Müřavirlik Limited řti” of General Electric (GE) Group. Accordingly, GE acquired a joint control on the Bank’s management. On 27 December 2007, this time GE Arařtırma ve Müřavirlik Limited řti. has sold 9,765,000,000 shares of Türkiye Garanti Bankası AŞ at a nominal value of TL 97,650 thousands each to Doğuř Holding AŞ, representing 4.65% of the issued share capital. Number of shares representing 20.85% ownership of GE Arařtırma ve Müřavirlik Limited řti 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 Doğuř 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 Doğuř Group.

On 7 April 2011, BBVA acquired 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 Doğuř 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.

Doğuř Group

The Doğuř 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 Doğuş 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 operate in China and Turkey, and operates in more than 30 countries with more than 100 thousand employees.

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

Board of Directors Chairman and Members:

Name and Surname	Responsibility	Appointment Date	Education	Experience in Banking and Business Administration
Ferit Faik Şahenk	Chairman	18.04.2001	University	23 years
Süleyman Sözen	Vice Chairman	08.07.2003	University	31 years
Dr. Muammer Cüneyt Sezgin	Independent Member of BOD and Audit Committee	30.06.2004	PhD	25 years
Dr. Ahmet Kamil Esirtgen	Member	19.03.1992	PhD	39 years
Manuel Castro Aladro	Member	22.03.2011	Master	21 years
Manuel Pedro Galatas Sanchez Harguindey	Independent Member of BOD and Audit Committee	05.05.2011	University	29 years
Carlos Torres Vila	Member	22.03.2011	Master	22 years
Angel Cano Fernandez	Member	22.03.2011	University	28 years
Belkıs Sema Yurdum	Independent Member	30.04.2013	University	25 years
Sait Ergun Özen	Member and CEO	14.05.2003	University	26 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	26 years
Adnan Memiş	EVP-Support Services	03.06.1991	Master	35 years
Ali Fuat Erbil	EVP-Financial Institutions & Corporate Banking	30.04.1999	PhD	21 years
Erhan Adalı	EVP-Loans	03.08.2012	University	23 years
Gökhan Erün	EVP-Treasury, Investment Banking, Human Resources & Training	01.09.2005	Master	19 years
Faruk Nafiz Karadere	EVP-SME Banking	01.05.1999	University	31 years
Halil Hüsnü Erel	EVP-Technology, Operations Management & Central Marketing	16.06.1997	University	28 years
Recep Baştuğ	EVP-Commercial Banking	01.01.2013	University	23 years
Turgay Gönensin	EVP-Coordination of Subsidiaries	01.01.2013	University	28 years
Aydın Şenel	EVP-Purchasing & Tax Management	06.06.2013	University	32 years
İbrahim Aydın	EVP-General Accounting & Financial Reporting	06.06.2013	Master	19 years
Avni Aydın Düren	EVP-Legal Services & Retail Risk Monitoring	01.02.2009	Master	19 years
Betül Ebru Edin	EVP-Project Finance	25.11.2009	University	19 years
Murat Mergin	Head of Strategic Planning	01.01.2002	University	19 years
Onur Genç	EVP-Retail Banking	20.03.2012	Master	14 years
Didem Başer	EVP-Delivery Channels & Customer Satisfaction	20.03.2012	Master	15 years

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

1.4 Information on parent bank's qualified shareholders

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 parent 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 Information on application differences between consolidation practices as per the Regulation on Preparation of Consolidated Financial Statements of Banks and as per the Turkish Accounting Standards, and entities subject to full or proportional consolidation or deducted from equity or not subject to any of these three methods

As per the Regulation on Preparation of Consolidated Financial Statements of Banks, the investments in financial subsidiaries are subject to consolidation whereas as per the Turkish Accounting Standards, the investments in both financial and non-financial subsidiaries are subject to consolidation. There are no investments in entities subject to proportional consolidation or to deduction from equity.

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

None.

2 Consolidated Financial Statements

(Convenience Translation of Financial Statements Originally Issued in Turkish)

Türkiye Garanti Bankası Anonim Şirketi and Its Financial Affiliates

Consolidated Balance Sheet (Statement of Financial Position)

At 30 June 2013

ASSETS		Footnotes	THOUSANDS OF TURKISH LIRA (TL)					
			CURRENT PERIOD			PRIOR PERIOD		
			30 June 2013			31 December 2012		
			TL	FC	Total	TL	FC	Total
I. CASH AND BALANCES WITH CENTRAL BANK		5.1.1	3,243,790	14,578,093	17,821,883	1,293,951	14,879,433	16,173,384
II. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Net)		5.1.2	974,913	550,276	1,525,189	755,945	451,276	1,207,221
2.1 Financial assets held for trading			765,104	550,276	1,315,380	533,764	451,276	985,040
2.1.1 Government securities			135,325	19,597	154,922	166,838	14,891	181,729
2.1.2 Equity securities			83,110	-	83,110	44,664	-	44,664
2.1.3 Derivative financial assets held for trading			515,872	507,869	1,023,741	298,964	411,671	710,635
2.1.4 Other securities			30,797	22,810	53,607	23,298	24,714	48,012
2.2 Financial assets valued at fair value through profit or loss			209,809	-	209,809	222,181	-	222,181
2.2.1 Government securities			-	-	-	-	-	-
2.2.2 Equity securities			-	-	-	-	-	-
2.2.3 Loans		5.1.5	209,809	-	209,809	222,181	-	222,181
2.2.4 Other securities			-	-	-	-	-	-
III. BANKS		5.1.3	1,914,338	8,772,165	10,686,503	2,473,466	7,689,962	10,163,428
IV. INTERBANK MONEY MARKETS			8,834	76,203	85,037	1,000	-	1,000
4.1 Interbank money market placements			-	-	-	-	-	-
4.2 Istanbul Stock Exchange money market placements			-	76,203	76,203	-	-	-
4.3 Receivables from reverse repurchase agreements			8,834	-	8,834	1,000	-	1,000
V. FINANCIAL ASSETS AVAILABLE-FOR-SALE (Net)		5.1.4	33,871,610	3,775,890	37,647,500	34,921,810	3,572,696	38,494,506
5.1 Equity securities			41,774	6,345	48,119	25,163	4,787	29,950
5.2 Government securities			32,049,608	973,019	33,022,627	33,519,493	304,794	33,824,287
5.3 Other securities			1,780,228	2,796,526	4,576,754	1,377,154	3,263,115	4,640,269
VI. LOANS		5.1.5	68,424,908	47,070,623	115,495,531	58,545,529	41,576,990	100,122,519
6.1 Loans			68,024,486	46,891,336	114,915,822	58,142,650	41,383,999	99,526,649
6.1.1 Loans to bank's risk group		5.7	57,828	319,696	377,524	116,597	286,378	402,975
6.1.2 Government securities			-	-	-	-	-	-
6.1.3 Other			67,966,658	46,571,640	114,538,298	58,026,053	41,097,621	99,123,674
6.2 Loans under follow-up			2,108,263	637,610	2,745,873	2,114,073	591,137	2,705,210
6.3 Specific provisions (-)			1,707,841	458,323	2,166,164	1,711,194	398,146	2,109,340
VII. FACTORING RECEIVABLES		5.1.6	1,385,113	277,869	1,662,982	1,545,798	288,536	1,834,334
VIII. INVESTMENTS HELD-TO-MATURITY (Net)		5.1.7	921,129	-	921,129	921,090	445,864	1,366,954
8.1 Government securities			905,641	-	905,641	911,349	445,864	1,357,213
8.2 Other securities			15,488	-	15,488	9,741	-	9,741
IX. INVESTMENTS IN ASSOCIATES (Net)		5.1.8	37,084	2	37,086	21,409	2	21,411
9.1 Associates consolidated under equity accounting			-	-	-	-	-	-
9.2 Unconsolidated associates			37,084	2	37,086	21,409	2	21,411
9.2.1 Financial investments in associates			33,154	-	33,154	17,480	-	17,480
9.2.2 Non-financial investments in associates			3,930	2	3,932	3,929	2	3,931
X. INVESTMENTS IN SUBSIDIARIES (Net)		5.1.9	114,085	811	114,896	146,199	664	146,863
10.1 Unconsolidated financial investments in subsidiaries			-	-	-	-	-	-
10.2 Unconsolidated non-financial investments in subsidiaries			114,085	811	114,896	146,199	664	146,863
XI. INVESTMENTS IN JOINT-VENTURES (Net)		5.1.10	-	-	-	-	-	-
11.1 Joint-ventures consolidated under equity accounting			-	-	-	-	-	-
11.2 Unconsolidated joint-ventures			-	-	-	-	-	-
11.2.1 Financial investments in joint-ventures			-	-	-	-	-	-
11.2.2 Non-financial investments in joint-ventures			-	-	-	-	-	-
XII. LEASE RECEIVABLES (Net)		5.1.11	941,655	2,263,487	3,205,142	857,997	2,010,913	2,868,910
12.1 Financial lease receivables			1,103,802	2,542,838	3,646,640	1,020,755	2,291,692	3,312,447
12.2 Operational lease receivables			-	-	-	-	-	-
12.3 Others			-	-	-	-	-	-
12.4 Unearned income (-)			162,147	279,351	441,498	162,758	280,779	443,537
XIII. DERIVATIVE FINANCIAL ASSETS HELD FOR RISK MANAGEMENT		5.1.12	23,666	-	23,666	-	-	-
13.1 Fair value hedges			23,666	-	23,666	-	-	-
13.2 Cash flow hedges			-	-	-	-	-	-
13.3 Net foreign investment hedges			-	-	-	-	-	-
XIV. TANGIBLE ASSETS (Net)		5.1.13	1,195,958	141,782	1,337,740	1,181,037	137,302	1,318,339
XV. INTANGIBLE ASSETS (Net)		5.1.14	74,865	9,992	84,857	76,930	5,779	82,709
15.1 Goodwill			6,388	-	6,388	6,388	-	6,388
15.2 Other intangibles			68,477	9,992	78,469	70,542	5,779	76,321
XVI. INVESTMENT PROPERTY (Net)		5.1.15	126,035	-	126,035	127,682	-	127,682
XVII. TAX ASSET			171,961	40,603	212,564	217,532	18,511	236,043
17.1 Current tax asset			-	6,241	6,241	-	4,823	4,823
17.2 Deferred tax asset		5.1.16	171,961	34,362	206,323	217,532	13,688	231,220
XVIII. ASSETS HELD FOR SALE AND ASSETS OF DISCONTINUED OPERATIONS (Net)		5.1.17	138,124	3,132	141,256	128,516	3,921	132,437
18.1 Asset held for resale			138,124	3,132	141,256	128,516	3,921	132,437
18.2 Assets of discontinued operations			-	-	-	-	-	-
XIX. OTHER ASSETS		5.1.18	5,952,319	309,865	6,262,184	5,285,437	196,197	5,481,634
TOTAL ASSETS			119,520,387	77,870,793	197,391,180	108,501,328	71,278,046	179,779,374

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

(Convenience Translation of Financial Statements Originally Issued in Turkish)

Türkiye Garanti Bankası Anonim Şirketi and Its Financial Affiliates
Consolidated Balance Sheet (Statement of Financial Position)
At 30 June 2013

LIABILITIES AND SHAREHOLDERS' EQUITY	Footnotes	THOUSANDS OF TURKISH LIRA (TL)					
		CURRENT PERIOD			PRIOR PERIOD		
		30 June 2013			31 December 2012		
		TL	FC	Total	TL	FC	Total
I. DEPOSITS	5.2.1	60,608,673	51,402,049	112,010,722	49,901,574	47,876,105	97,777,679
1.1 Deposits from bank's risk group	5.7	281,720	493,998	775,718	151,640	164,189	315,829
1.2 Other		60,326,953	50,908,051	111,235,004	49,749,934	47,711,916	97,461,850
II. DERIVATIVE FINANCIAL LIABILITIES HELD FOR TRADING	5.2.2	542,488	367,879	910,367	597,173	329,828	927,001
III. FUNDS BORROWED	5.2.3	6,463,118	20,374,090	26,837,208	5,578,336	20,166,076	25,744,412
IV. INTERBANK MONEY MARKETS		9,209,391	3,211,813	12,421,204	12,246,173	1,860,771	14,106,944
4.1 Interbank money market takings		-	-	-	-	-	-
4.2 Istanbul Stock Exchange money market takings		-	-	-	-	-	-
4.3 Obligations under repurchase agreements	5.2.4	9,209,391	3,211,813	12,421,204	12,246,173	1,860,771	14,106,944
V. SECURITIES ISSUED (Net)	5.2.4	3,552,334	5,513,419	9,065,753	2,168,049	3,908,986	6,077,035
5.1 Bills		1,363,941	-	1,363,941	1,766,215	-	1,766,215
5.2 Asset backed securities		-	-	-	-	-	-
5.3 Bonds		2,188,393	5,513,419	7,701,812	401,834	3,908,986	4,310,820
VI. FUNDS		-	-	-	-	-	-
6.1 Borrower funds		-	-	-	-	-	-
6.2 Other		-	-	-	-	-	-
VII. MISCELLANEOUS PAYABLES	5.2.4	8,514,288	405,010	8,919,298	7,578,235	484,818	8,063,053
VIII. OTHER EXTERNAL FUNDINGS PAYABLE		1,150,042	576,381	1,726,423	1,660,667	415,839	2,076,506
IX. FACTORING PAYABLES	5.2.5	-	-	-	-	-	-
X. LEASE PAYABLES (Net)	5.2.6	-	138	138	-	172	172
10.1 Financial lease payables		-	602	602	-	538	538
10.2 Operational lease payables		-	-	-	-	-	-
10.3 Others		-	-	-	-	-	-
10.4 Deferred expenses (-)		-	464	464	-	366	366
XI. DERIVATIVE FINANCIAL LIABILITIES HELD FOR RISK MANAGEMENT	5.2.7	-	7,448	7,448	-	-	-
11.1 Fair value hedges		-	7,448	7,448	-	-	-
11.2 Cash flow hedges		-	-	-	-	-	-
11.3 Net foreign investment hedges		-	-	-	-	-	-
XII. PROVISIONS	5.2.8	3,088,474	91,842	3,180,316	2,500,563	96,520	2,597,083
12.1 General provisions		1,558,775	65,495	1,624,270	1,269,819	72,271	1,342,090
12.2 Restructuring reserves		-	-	-	-	-	-
12.3 Reserve for employee benefits		447,126	8,978	456,104	353,557	8,454	362,011
12.4 Insurance technical provisions (Net)		243,224	-	243,224	221,009	-	221,009
12.5 Other provisions		839,349	17,369	856,718	656,178	15,795	671,973
XIII. TAX LIABILITY	5.2.9	207,909	40,949	248,858	556,780	47,083	603,863
13.1 Current tax liability		207,909	40,559	248,468	556,627	28,204	584,831
13.2 Deferred tax liability		-	390	390	153	18,879	19,032
XIV. LIABILITIES FOR ASSETS HELD FOR SALE AND ASSETS OF DISCONTINUED OPERATIONS (Net)	5.2.10	-	-	-	-	-	-
14.1 Asset held for sale		-	-	-	-	-	-
14.2 Assets of discontinued operations		-	-	-	-	-	-
XV. SUBORDINATED DEBTS	5.2.11	-	125,049	125,049	-	148,680	148,680
XVI. SHAREHOLDERS' EQUITY	5.2.12	21,811,861	126,535	21,938,396	21,466,110	190,836	21,656,946
16.1 Paid-in capital		4,200,000	-	4,200,000	4,196,934	-	4,196,934
16.2 Capital reserves		682,173	18,935	701,108	2,471,175	116,914	2,588,089
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		(244,857)	18,935	(225,922)	976,919	116,914	1,093,833
16.2.4 Revaluation surplus on tangible assets		197,026	-	197,026	764,252	-	764,252
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		947	-	947	947	-	947
16.2.8 Hedging reserves (effective portion)		(55,377)	-	(55,377)	(55,377)	-	(55,377)
16.2.9 Revaluation surplus on assets held for sale and assets of discontinued operations		-	-	-	-	-	-
16.2.10 Other capital reserves		772,554	-	772,554	772,554	-	772,554
16.3 Profit reserves		14,605,866	107,600	14,713,466	11,323,397	73,922	11,397,319
16.3.1 Legal reserves		1,132,328	15,756	1,148,084	940,560	12,779	953,339
16.3.2 Status reserves		-	-	-	-	-	-
16.3.3 Extraordinary reserves		13,441,642	-	13,441,642	10,355,274	-	10,355,274
16.3.4 Other profit reserves		31,896	91,844	123,740	27,563	61,143	88,706
16.4 Profit or loss		2,171,658	-	2,171,658	3,334,080	-	3,334,080
16.4.1 Prior periods profit/loss		-	-	-	-	-	-
16.4.2 Current period net profit/loss		2,171,658	-	2,171,658	3,334,080	-	3,334,080
16.5 Minority interest		152,164	-	152,164	140,524	-	140,524
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		115,148,578	82,242,602	197,391,180	104,253,660	75,525,714	179,779,374

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

(Convenience Translation of Financial Statements Originally Issued in Turkish)

Türkiye Garanti Bankası Anonim Şirketi and Its Financial Affiliates

Consolidated Off-Balance Sheet Items

At 30 June 2013

OFF-BALANCE SHEET ITEMS	Footnotes	THOUSANDS OF TURKISH LIRA (TL)					
		CURRENT PERIOD			PRIOR PERIOD		
		30 June 2013			31 December 2012		
		TL	FC	Total	TL	FC	Total
A. OFF-BALANCE SHEET COMMITMENTS AND CONTINGENCIES (I+II+III)		79,985,068	121,776,897	201,761,965	77,043,440	176,308,745	253,352,185
I. GUARANTEES AND SURETIES	5.3.1	8,161,505	20,372,609	28,534,114	6,972,159	16,809,147	23,781,306
1.1 Letters of guarantee		8,152,570	12,193,259	20,345,829	6,960,107	9,892,574	16,852,681
1.1.1 Guarantees subject to State Tender Law		-	752,129	752,129	-	714,239	714,239
1.1.2 Guarantees given for foreign trade operations		433,247	312,367	745,614	438,392	310,798	749,190
1.1.3 Other letters of guarantee		7,719,323	11,128,763	18,848,086	6,521,715	8,867,537	15,389,252
1.2 Bank acceptances		7,331	706,508	713,839	5,028	715,868	720,896
1.2.1 Import letter of acceptance		7,331	706,508	713,839	5,028	715,868	720,896
1.2.2 Other bank acceptances		-	-	-	-	-	-
1.3 Letters of credit		1,604	7,401,099	7,402,703	7,024	6,134,405	6,141,429
1.3.1 Documentary letters of credit		-	-	-	-	-	-
1.3.2 Other letters of credit		1,604	7,401,099	7,402,703	7,024	6,134,405	6,141,429
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		-	71,743	71,743	-	66,300	66,300
1.9 Other sureties		-	-	-	-	-	-
II. COMMITMENTS		29,334,676	10,783,453	40,118,129	34,012,313	76,773,791	110,786,104
2.1 Irrevocable commitments		29,244,602	10,730,460	39,975,062	23,957,472	9,843,686	33,801,158
2.1.1 Asset purchase and sale commitments		510,880	2,709,592	3,220,472	1,160,772	4,611,831	5,772,603
2.1.2 Deposit purchase and sale commitments		30,788	446,794	477,582	165	44,053	44,218
2.1.3 Share capital commitments to associates and subsidiaries		-	7,237	7,237	-	7,944	7,944
2.1.4 Loan granting commitments		5,364,642	6,457,110	11,821,752	5,094,551	4,268,900	9,363,451
2.1.5 Securities issuance brokerage commitments		-	-	-	-	-	-
2.1.6 Commitments for reserve deposit requirements		-	-	-	-	-	-
2.1.7 Commitments for cheque payments		2,808,985	-	2,808,985	1,994,132	-	1,994,132
2.1.8 Tax and fund obligations on export commitments		16,330	-	16,330	18,075	-	18,075
2.1.9 Commitments for credit card limits		19,038,767	109,761	19,148,528	14,215,567	107,726	14,323,293
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	999,966	2,474,176	1,474,210	803,232	2,277,442
2.2 Revocable commitments		90,074	52,993	143,067	10,054,841	66,930,105	76,984,946
2.2.1 Revocable loan granting commitments		51,174	1,840	53,014	9,989,798	66,755,866	76,745,664
2.2.2 Other revocable commitments		38,900	51,153	90,053	65,043	174,239	239,282
III. DERIVATIVE FINANCIAL INSTRUMENTS	5.3.2	42,488,887	90,620,835	133,109,722	36,058,968	82,725,807	118,784,775
3.1 Derivative financial instruments held for risk management		930,000	632,055	1,562,055	-	-	-
3.1.1 Fair value hedges		930,000	632,055	1,562,055	-	-	-
3.1.2 Cash flow hedges		-	-	-	-	-	-
3.1.3 Net foreign investment hedges		-	-	-	-	-	-
3.2 Trading derivatives		41,558,887	89,988,780	131,547,667	36,058,968	82,725,807	118,784,775
3.2.1 Forward foreign currency purchases/sales		5,979,730	7,708,323	13,688,053	4,148,423	5,665,366	9,813,789
3.2.1.1 Forward foreign currency purchases		1,791,906	5,017,731	6,809,637	1,552,077	3,299,650	4,851,727
3.2.1.2 Forward foreign currency sales		4,187,824	2,690,592	6,878,416	2,596,346	2,365,716	4,962,062
3.2.2 Currency and interest rate swaps		16,898,277	54,990,415	71,888,692	15,734,524	51,561,510	67,296,034
3.2.2.1 Currency swaps-purchases		7,324,955	18,580,614	25,905,569	6,091,801	18,313,154	24,404,955
3.2.2.2 Currency swaps-sales		6,171,722	18,858,344	25,030,066	5,951,723	17,015,822	22,967,545
3.2.2.3 Interest rate swaps-purchases		1,700,800	8,775,429	10,476,229	2,045,500	7,922,847	9,968,347
3.2.2.4 Interest rate swaps-sales		1,700,800	8,776,028	10,476,828	1,645,500	8,309,687	9,955,187
3.2.3 Currency, interest rate and security options		17,199,876	24,263,140	41,463,016	16,122,403	22,558,686	38,681,089
3.2.3.1 Currency call options		9,684,304	9,885,951	19,570,255	7,411,998	10,703,688	18,115,686
3.2.3.2 Currency put options		7,407,768	12,764,332	20,172,100	8,643,630	9,864,549	18,508,199
3.2.3.3 Interest rate call options		-	1,609,847	1,609,847	-	1,857,738	1,857,738
3.2.3.4 Interest rate put options		-	-	-	-	-	-
3.2.3.5 Security call options		81,910	1,505	83,415	61,630	57,485	119,115
3.2.3.6 Security put options		25,894	1,505	27,399	5,125	75,226	80,351
3.2.4 Currency futures		119,381	159,439	278,820	28,384	183,525	211,909
3.2.4.1 Currency futures-purchases		-	145,027	145,027	28,384	155,278	183,662
3.2.4.2 Currency futures-sales		119,381	14,412	133,793	-	28,247	28,247
3.2.5 Interest rate futures		-	-	-	-	-	-
3.2.5.1 Interest rate futures-purchases		-	-	-	-	-	-
3.2.5.2 Interest rate futures-sales		-	-	-	-	-	-
3.2.6 Others		1,361,623	2,867,463	4,229,086	25,234	2,756,720	2,781,954
B. CUSTODY AND PLEDGED ITEMS (IV+V+VI)		594,651,996	281,336,349	875,988,345	427,449,101	244,083,296	671,532,397
IV. ITEMS HELD IN CUSTODY		190,032,873	20,785,682	210,818,555	71,172,660	18,896,193	90,068,853
4.1 Customers' securities held		157,814,037	1,215	157,815,252	37,428,413	1,139	37,429,552
4.2 Investment securities held in custody		20,736,340	4,152,246	24,888,586	23,665,091	3,906,395	27,571,486
4.3 Checks received for collection		9,492,132	1,724,604	11,216,736	8,189,784	1,398,694	9,588,478
4.4 Commercial notes received for collection		1,910,232	1,161,576	3,071,808	1,691,573	1,064,089	2,755,662
4.5 Other assets received for collection		34,958	11,521,159	11,556,117	45,605	10,387,378	10,432,983
4.6 Assets received through public offering		-	47,044	47,044	-	43,517	43,517
4.7 Other items under custody		45,174	2,177,838	2,223,012	152,194	2,094,981	2,247,175
4.8 Custodians		-	-	-	-	-	-
V. PLEDGED ITEMS		404,619,123	260,550,667	665,169,790	356,276,441	225,187,103	581,463,544
5.1 Securities		1,441,492	7,732	1,449,224	2,103,397	7,248	2,110,645
5.2 Guarantee notes		42,598,336	10,880,073	53,478,409	41,326,572	10,005,309	51,331,881
5.3 Commodities		544	-	544	3,620	-	3,620
5.4 Warranties		-	1,190,801	1,190,801	-	1,171,673	1,171,673
5.5 Real estates		72,961,796	59,202,491	132,164,287	61,085,082	53,499,553	114,584,635
5.6 Other pledged items		287,616,785	189,269,153	476,885,938	251,757,600	160,502,935	412,260,535
5.7 Pledged items-depository		170	417	587	170	385	555
VI. CONFIRMED BILLS OF EXCHANGE AND SURETIES		-	-	-	-	-	-
TOTAL OFF-BALANCE SHEET ITEMS (A+B)		674,637,064	403,113,246	1,077,750,310	504,492,541	420,392,041	924,884,582

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

(Convenience Translation of Financial Statements Originally Issued in Turkish)

Türkiye Garanti Bankası Anonim Şirketi and Its Financial Affiliates
Consolidated Income Statement
At 30 June 2013

INCOME AND EXPENSE ITEMS		Footnotes	THOUSANDS OF TURKISH LIRA (TL)			
			CURRENT PERIOD 1 January 2013- 30 June 2013	PRIOR PERIOD 1 January 2012- 30 June 2012	CURRENT PERIOD 1 April 2013- 30 June 2013	PRIOR PERIOD 1 April 2012- 30 June 2012
I. INTEREST INCOME	5.4.1		6,887,787	6,993,141	3,380,991	3,535,127
1.1 Interest income on loans			4,670,606	4,384,271	2,359,428	2,210,136
1.2 Interest income on reserve deposits			1,529	2,097	751	1,034
1.3 Interest income on banks			92,037	142,790	40,347	73,549
1.4 Interest income on money market transactions			1,015	2,403	486	1,117
1.5 Interest income on securities portfolio			1,861,146	2,224,429	849,105	1,097,565
1.5.1 Trading financial assets			21,602	20,843	9,219	10,687
1.5.2 Financial assets valued at fair value through profit or loss			-	-	-	-
1.5.3 Financial assets available-for-sale			1,804,765	1,998,369	825,569	1,008,526
1.5.4 Investments held-to-maturity			34,779	205,217	14,317	78,352
1.6 Financial lease income			137,361	112,752	70,058	64,215
1.7 Other interest income			124,093	124,399	60,816	87,511
II. INTEREST EXPENSE	5.4.2		3,008,862	3,930,276	1,488,553	1,969,645
2.1 Interest on deposits			2,004,726	2,707,236	992,012	1,347,946
2.2 Interest on funds borrowed			478,347	534,673	240,030	268,719
2.3 Interest on money market transactions			314,747	527,940	144,358	268,239
2.4 Interest on securities issued			199,207	150,901	106,917	83,265
2.5 Other interest expenses			11,835	9,526	5,236	1,476
III. NET INTEREST INCOME (I - II)			3,878,925	3,062,865	1,892,438	1,565,482
IV. NET FEES AND COMMISSIONS INCOME			1,307,585	1,032,292	644,154	491,311
4.1 Fees and commissions received			1,547,448	1,279,643	773,567	624,257
4.1.1 Non-cash loans			109,498	86,794	54,735	50,987
4.1.2 Others			1,437,950	1,192,849	718,832	573,270
4.2 Fees and commissions paid			239,863	247,351	129,413	132,946
4.2.1 Non-cash loans			894	1,023	414	773
4.2.2 Others			238,969	246,328	128,999	132,173
V. DIVIDEND INCOME	5.4.3		10,314	2,920	7,668	2,845
VI. NET TRADING INCOME/LOSSES (Net)	5.4.4		388,424	144,459	152,667	71,511
6.1 Trading account income/losses (Net)			237,535	109,896	77,424	67,467
6.2 Income/losses from derivative financial instruments (Net)			222,368	(263,886)	93,386	(173,069)
6.3 Foreign exchange gains/losses (Net)			(71,479)	298,449	(18,143)	177,113
VII. OTHER OPERATING INCOME	5.4.5		488,685	346,813	236,399	177,684
VIII. TOTAL OPERATING PROFIT (III+IV+V+VI+VII)			6,073,933	4,589,349	2,933,326	2,308,833
IX. PROVISION FOR LOSSES ON LOANS AND OTHER RECEIVABLES (-)	5.4.6					
	5.4.7		1,037,540	432,805	457,858	302,642
X. OTHER OPERATING EXPENSES (-)			2,186,232	1,907,738	1,164,448	962,631
XI. NET OPERATING PROFIT/LOSS (VIII-IX-X)			2,850,161	2,248,806	1,311,020	1,043,560
XII. INCOME RESULTED FROM MERGERS			-	-	-	-
XIII. INCOME/LOSS FROM INVESTMENTS UNDER EQUITY ACCOUNTING			-	-	-	-
XIV. GAIN/LOSS ON NET MONETARY POSITION			-	-	-	-
XV. PROFIT/LOSS BEFORE TAXES (XI+XII+XIII+XIV)	5.4.8		2,850,161	2,248,806	1,311,020	1,043,560
XVI. PROVISION FOR TAXES (±)	5.4.9		664,756	466,822	306,470	223,767
16.1 Current tax charge			337,147	617,709	65,590	304,994
16.2 Deferred tax charge/(credit)			327,609	(150,887)	240,880	(81,227)
XVII. NET OPERATING PROFIT/LOSS AFTER TAXES (XV±XVI)	5.4.10		2,185,405	1,781,984	1,004,550	819,793
XVIII. INCOME FROM DISCONTINUED OPERATIONS			-	-	-	-
18.1 Income from assets held for sale			-	-	-	-
18.2 Income from sale of associates, subsidiaries and joint-ventures			-	-	-	-
18.3 Others			-	-	-	-
XIX. EXPENSES FROM DISCONTINUED OPERATIONS (-)			-	-	-	-
19.1 Expenses on assets held for sale			-	-	-	-
19.2 Expenses on sale of associates, subsidiaries and joint-ventures			-	-	-	-
19.3 Others			-	-	-	-
XX. PROFIT/LOSS BEFORE TAXES ON DISCONTINUED OPERATIONS (XVIII-XIX)	5.4.8		-	-	-	-
XXI. PROVISION FOR TAXES OF DISCONTINUED OPERATIONS (±)	5.4.9		-	-	-	-
21.1 Current tax charge			-	-	-	-
21.2 Deferred tax charge/(credit)			-	-	-	-
XXII. NET PROFIT/LOSS AFTER TAXES ON DISCONTINUED OPERATIONS (XX±XXI)	5.4.10		-	-	-	-
XXIII. NET PROFIT/LOSS (XVII+XXII)	5.4.11		2,185,405	1,781,984	1,004,550	819,793
23.1 Equity holders of the bank			2,171,658	1,765,724	998,244	812,894
23.2 Minority interest			13,747	16,260	6,306	6,899
Earnings per Share			0.517	0.420	0.238	0.194

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

(Convenience Translation of Financial Statements Originally Issued in Turkish)

Türkiye Garanti Bankası Anonim Şirketi and Its Financial Affiliates
Consolidated Statement of Income/Expense Items Accounted for under Shareholders' Equity
At 30 June 2013

INCOME AND EXPENSE ITEMS UNDER SHAREHOLDERS' EQUITY	THOUSANDS OF TURKISH LIRA (TL)	
	CURRENT PERIOD 1 January 2013 - 30 June 2013	PRIOR PERIOD 1 January 2012 - 30 June 2012
I. MARKET VALUE GAINS ON AVAILABLE FOR SALE ASSETS ACCOUNTED UNDER "SECURITIES VALUE INCREASE FUND"	(1,639,697)	304,873
II. REVALUATION SURPLUS ON TANGIBLE ASSETS	-	-
III. REVALUATION SURPLUS ON INTANGIBLE ASSETS	-	-
IV. TRANSLATION DIFFERENCES FOR TRANSACTIONS IN FOREIGN CURRENCIES	10,880	(17,710)
V. GAIN/LOSS ON DERIVATIVE FINANCIAL ASSETS HELD FOR CASH FLOW HEDGES (effective portion)	-	394
VI. GAIN/LOSS ON DERIVATIVE FINANCIAL ASSETS HELD FOR HEDGES OF NET INVESTMENT IN FOREIGN OPERATIONS (effective portion)	-	-
VII. EFFECTS OF CHANGES IN ACCOUNTING POLICIES AND CORRECTIONS	-	-
VIII. OTHER INCOME/EXPENSE ITEMS ACCOUNTED UNDER SHAREHOLDERS' EQUITY AS PER TAS	(575)	-
IX. DEFERRED TAXES ON VALUE INCREASES/DECREASES	319,915	(58,616)
X. NET INCOME/EXPENSE ITEMS ACCOUNTED DIRECTLY UNDER SHAREHOLDERS' EQUITY (I+II+III+IV+V+VI+VII+VIII+IX)	(1,309,477)	228,941
XI. CURRENT PERIOD PROFIT/LOSSES	2,185,405	1,781,984
1.1 Net changes in fair value of securities (transferred to income statement)	204,608	40,852
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	1,980,797	1,741,132
XII. TOTAL PROFIT/LOSS ACCOUNTED FOR THE CURRENT PERIOD (X+XI)	875,928	2,010,925

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

Türkiye Garanti Bankası Anonim Şirketi and Its Financial Affiliates
Consolidated Statement of Changes in Shareholders' Equity
At 30 June 2013

THOUSANDS OF TURKISH LIRA (TL)																				
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY		Footnotes	Paid-In Capital	Capital Reserves from Inflation Adjustments 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	Revaluation Surplus on Assets Held for Sale and Assets of Discontinued Operations	Shareholders' Equity before Minority Interest	Minority Interest	Total Shareholders' Equity
PRIOR PERIOD - 1 January-30 June 2012																				
I.	Balances at beginning of the period		4,198,641	772,554	11,880	-	754,627	-	8,016,504	69,688	-	3,326,299	92,933	598,953	947	(55,766)	-	17,787,260	112,527	17,899,787
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)		4,198,641	772,554	11,880	-	754,627	-	8,016,504	69,688	-	3,326,299	92,933	598,953	947	(55,766)	-	17,787,260	112,527	17,899,787
Changes during the period		5.5																		
IV.	Mergers		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V.	Market value changes of securities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI.	Hedging reserves		-	-	-	-	-	-	-	-	-	-	246,309	-	-	-	-	246,309	27	246,336
6.1.	Cash flow hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	315	-	315	-	315
6.2.	Hedge of net investment in foreign operations		-	-	-	-	-	-	-	-	-	-	-	-	-	315	-	315	-	315
VII.	Revaluation surplus on tangible assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII.	Revaluation surplus on intangible assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX.	Bonus shares of associates, subsidiaries and joint-ventures		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X.	Translation differences		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI.	Changes resulted from disposal of assets		-	-	-	-	(456)	-	-	(17,254)	-	-	-	-	-	-	-	(17,710)	-	(17,710)
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		(1,641)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,641)	-	(1,641)
XIX.	Current period net profit/loss		-	-	-	-	-	-	-	-	1,765,724	-	-	-	-	-	-	1,765,724	16,260	1,781,984
XX.	Profit distribution		-	-	-	-	198,549	-	2,339,050	23,401	-	(3,326,299)	-	165,299	-	-	-	(600,000)	-	(600,000)
20.1.	Dividends		-	-	-	-	-	-	-	-	-	(600,000)	-	-	-	-	-	(600,000)	-	(600,000)
20.2.	Transfers to reserves		-	-	-	-	198,549	-	2,339,050	-	-	(2,509,882)	-	(27,717)	-	-	-	-	-	-
20.3.	Others		-	-	-	-	-	-	-	23,401	-	(216,417)	-	193,016	-	-	-	-	-	-
Balances at end of the period (III+IV+V+.....+XVIII+XIX+XX)			4,197,000	772,554	11,880	-	952,720	-	10,355,554	75,835	1,765,724	-	339,242	764,252	947	(55,451)	-	19,180,257	128,814	19,309,071
CURRENT PERIOD - 1 January-30 June 2013																				
I.	Balances at beginning of the period	5.5	4,196,934	772,554	11,880	-	953,339	-	10,355,274	88,706	-	3,334,080	1,093,833	764,252	947	(55,377)	-	21,516,422	140,524	21,656,946
Changes during the period																				
II.	Mergers		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.	Market value changes of securities		-	-	-	-	-	-	-	-	-	-	(1,319,755)	-	-	-	-	(1,319,755)	(27)	(1,319,782)
IV.	Hedging reserves		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.1.	Cash flow hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
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		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX.	Changes resulted from disposal of assets		-	-	-	-	787	-	-	10,093	-	-	-	-	-	-	-	10,880	-	10,880
X.	Changes resulted from reclassification of assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI.	Effect of change in equities of associates on bank's equity		-	-	-	-	30	-	402	-	-	-	-	-	-	-	-	432	(1,007)	(575)
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		3,066	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,066	-	3,066
XVII.	Current period net profit/loss		-	-	-	-	-	-	-	-	2,171,658	-	-	-	-	-	-	2,171,658	13,747	2,185,405
XVIII.	Profit distribution		-	-	-	-	193,928	-	3,085,966	24,941	-	(3,334,080)	-	(567,226)	-	-	-	(596,471)	(1,073)	(597,544)
18.1.	Dividends		-	-	-	-	-	-	-	-	-	(596,471)	-	-	-	-	-	(596,471)	-	(597,544)
18.2.	Transfers to reserves		-	-	-	-	193,928	-	3,085,966	-	-	(2,712,668)	-	(567,226)	-	-	-	(596,471)	(1,073)	(597,544)
18.3.	Others		-	-	-	-	-	-	-	24,941	-	(24,941)	-	-	-	-	-	-	-	-
Balances at end of the period (I+II+III+.....+XVI+XVII+XVIII)			4,200,000	772,554	11,880	-	1,148,084	-	13,441,642	123,740	2,171,658	-	(225,922)	197,026	947	(55,377)	-	21,786,232	152,164	21,938,396

(Convenience Translation of Financial Statements Originally Issued in Turkish)

Türkiye Garanti Bankası Anonim Şirketi and Its Financial Affiliates
Consolidated Statement of Cash Flows
At 30 June 2013

STATEMENT OF CASH FLOWS	Footnotes	THOUSANDS OF TURKISH LIRA (TL)	
		CURRENT PERIOD	PRIOR PERIOD
		1 January 2013 30 June 2013	1 January 2012 30 June 2012
A. CASH FLOWS FROM BANKING OPERATIONS			
1.1 Operating profit before changes in operating assets and liabilities	5.6	2,429,885	2,623,033
1.1.1 Interests received		6,381,337	6,600,345
1.1.2 Interests paid		(3,136,163)	(4,011,788)
1.1.3 Dividend received		5,179	2,862
1.1.4 Fees and commissions received		1,547,448	1,279,643
1.1.5 Other income		672,858	312,656
1.1.6 Collections from previously written-off loans and other receivables		23,049	23,869
1.1.7 Payments to personnel and service suppliers		(1,713,917)	(1,538,062)
1.1.8 Taxes paid		(702,531)	(517,654)
1.1.9 Others		(647,375)	471,162
1.2 Changes in operating assets and liabilities	5.6	(2,645,441)	(30,921)
1.2.1 Net (increase) decrease in financial assets held for trading		(10,887)	(28,264)
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 and other financial institutions		(235,331)	976,506
1.2.4 Net (increase) decrease in loans		(15,717,442)	(5,062,779)
1.2.5 Net (increase) decrease in other assets		(952,993)	(1,058,443)
1.2.6 Net increase (decrease) in bank deposits		938,974	2,514,630
1.2.7 Net increase (decrease) in other deposits		13,308,936	1,251,852
1.2.8 Net increase (decrease) in funds borrowed		(482,860)	582,940
1.2.9 Net increase (decrease) in matured payables		-	-
1.2.10 Net increase (decrease) in other liabilities		506,162	792,637
I. Net cash flow from banking operations	5.6	(215,556)	2,592,112
B. CASH FLOWS FROM INVESTING ACTIVITIES			
II. Net cash flow from investing activities	5.6	(541,137)	(3,692,424)
2.1 Cash paid for purchase of associates, subsidiaries and joint-ventures		(10,539)	-
2.2 Cash obtained from sale of associates, subsidiaries and joint-ventures		-	-
2.3 Purchases of tangible assets		(142,195)	(64,729)
2.4 Sales of tangible assets		45,935	34,564
2.5 Cash paid for purchase of financial assets available-for-sale, net		(13,829,334)	(9,117,051)
2.6 Cash obtained from sale of financial assets available-for-sale, net		13,400,743	3,927,008
2.7 Cash paid for purchase of investments held-to-maturity		(13,749)	(7,960)
2.8 Cash obtained from sale of investments held-to-maturity		8,002	1,535,744
2.9 Others		-	-
C. CASH FLOWS FROM FINANCING ACTIVITIES			
III. Net cash flow from financing activities		2,435,382	(347,491)
3.1 Cash obtained from funds borrowed and securities issued		5,404,259	2,492,119
3.2 Cash used for repayment of funds borrowed and securities issued		(2,371,299)	(2,239,609)
3.3 Equity instruments issued		-	-
3.4 Dividends paid		(597,544)	(600,000)
3.5 Payments for financial leases		(34)	(1)
3.6 Others		-	-
IV. Effect of change in foreign exchange rate on cash and cash equivalents		343,001	(379,865)
V. Net increase/(decrease) in cash and cash equivalents (I+II+III+IV)	5.6	2,021,690	(1,827,668)
VI. Cash and cash equivalents at beginning of period	5.6	5,826,911	9,075,471
VII. Cash and cash equivalents at end of period (V+VI)	5.6	7,848,601	7,247,803

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

3 Accounting Policies

3.1 Basis of presentation

As per the Articles 37 and 38 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 consolidated 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 Regulation and Supervision Agency (BRSA) and in effect since 1 November 2006, Turkish Accounting Standards (TAS), Turkish Financial Reporting Standards (TFRS) and the related statements and guidances.

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

The accounting policies and the valuation principles applied in the preparation of the accompanying consolidated financial statements are explained in Notes 3.2 to 3.23.

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.

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 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 and its financial affiliates have 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 and its financial affiliates are keen on maintaining floating rate instruments such as government bonds with quarterly coupon payments and instruments like credit cards and consumer loans providing regular cash inflows.

A portion of the fixed-rate 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.

The fundamental strategy to manage the liquidity risk is to expand the deposit base through customer-oriented banking philosophy, and to increase customer transactions and retention rates. The 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 the management of the interest and liquidity risk on balance sheet is product diversification both on asset and liability sides.

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

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

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

3.2.2 Foreign currency transactions

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

During the consolidation of foreign affiliates, the assets and liabilities are translated into TL at exchange rates ruling at the balance sheet date, the income and expenses in income statement are translated into TL using monthly average exchange rates. Foreign exchange differences arising from the translation of income and expense items and other equity items, are recognized under other profit reserves of the shareholders' equity.

3.3 Information on consolidated subsidiaries

As of 30 June 2013, Türkiye Garanti Bankası Anonim Şirketi and the following financial affiliates are consolidated in the accompanying consolidated financial statements; Garanti Bank International (GBI), Garanti Bank Moscow (Garanti Moscow), Garanti Finansal Kiralama AŞ (Garanti Finansal Kiralama), Garanti Yatırım Menkul Kıymetler AŞ (Garanti Yatırım), Garanti Portföy Yönetimi AŞ (Garanti Portföy), Garanti Emeklilik ve Hayat AŞ (Garanti Emeklilik), Garanti Faktoring Hizmetleri AŞ (Garanti Faktoring) and Garanti Holding BV (Garanti Holding).

Garanti Finansal Kiralama was established in 1990 to perform financial lease activities and all related transactions and contracts. The company's head office is in Istanbul. The Bank owns 99.96% of the company's shares.

Garanti Faktoring was established in 1990 to perform import, export and domestic factoring activities. The company's head office is in Istanbul. The Bank owns 81.84% of Garanti Faktoring shares including the shares acquired in the market, T. İhracat Bankası AŞ owns 9.78% of the company's shares and the remaining 8.38% shares are held by public.

GBI was established in October 1990 to perform banking activities abroad. The head office of this bank is in Amsterdam. It is wholly owned by the Bank.

Garanti Yatırım was established in 1991 to perform brokerage activities for marketable securities, valuable papers and documents representing financial values or financial commitments of issuing parties other than securities. The company's head office is in Istanbul. It is wholly owned by the Bank. Garanti Yatırım Ortaklığı AŞ that Garanti Yatırım participated by 3.24%, has been consolidated in the accompanying consolidated financial statements due to the company's right to elect all the members of the board of directors as resulted from its privilege in election of board members.

In 1992, it was decided to operate life and health branches under a different company and accordingly Garanti Hayat Sigorta AŞ was established. Garanti Hayat Sigorta AŞ was converted into a private pension company in compliance with the legislation early in 2003 and its name was changed as Garanti Emeklilik ve Hayat AŞ. Following the sale transactions that took place on 21 June 2007, the Bank's ownership in Garanti Emeklilik decreased to 84.91%. The head office of this company is in Istanbul.

Garanti Moscow was established in 1996 to perform banking activities abroad. This bank's head office is in Moscow. The Bank owns 99.94% of its shares.

Garanti Portföy was established in June 1997 to manage the customer portfolios by using the capital market products in compliance with the principles and rules of the regulations regarding the company's purpose of establishment and the portfolio management agreements signed with the customers. The company's head office is in Istanbul. It is wholly owned by the Bank.

Garanti Holding was established in December 2007 in Amsterdam and all its shares was purchased by the Bank from Doğu Holding AŞ in May 2010. As of 27 January 2011 the consolidated subsidiary's legal named changed to Garanti Holding BV from D Netherlands BV.

Garanti Diversified Payment Rights Finance Company, a special purpose entity established for the parent Bank's securitization transactions, is consolidated in the accompanying consolidated financial statements. The Bank or any of its affiliates does not have any shareholding interests in this company.

3.4 Forwards, options and other derivative transactions

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.

In accordance with the Turkish Accounting Standard 39 (TAS 39) "Financial Instruments: Recognition and Measurement"; forward foreign currency purchases/sales, swaps, options and futures are classified "hedging purposes" and "trading purposes". Derivatives are initially recorded in off-balance sheet accounts at their purchase costs including the transaction costs. Subsequently, the 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. Subsequent fair value changes for trading and fair value hedge 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.

3.5 Interest income and expenses

General

Interest income and expenses 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 income 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.

Financial lease operations

Total of minimum rental payments including interests and principals are recorded under "financial lease receivables" as gross. The difference, i.e. the interest, between the total of rental payments and the cost of the related tangible asset is recorded under "unearned income". When the rent payment incurs, the rent amount is deducted from "financial lease receivables"; and the interest portion is recorded as interest income in the income statement.

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 account 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 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 and its financial affiliates have 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 the discounting method with the 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 shareholders’ equity. In case of sales, the gain/losses arising from fair value measurement accumulated 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 through 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 makes reclassification and provides specific and general allowances 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 and TAS. The allowances are recorded in the income statement of the related period.

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.

Specific allowances for non-performing loan and other receivables are provided in accordance with the Regulation on Identification of and Provision against Non-Performing Loans and Other Receivables. Such allowances are deducted from loans under follow-up 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

A financial asset is derecognized only when the contractual rights to the cash flows from this asset expire, or when the financial asset and substantially all its risks and rewards of ownership are transferred to another party. If all the risks and rewards of ownership are neither transferred nor retained substantially and the control of the transferred asset is maintained, the retained interest in asset and associated liability for amounts that may have to be paid, is recognized. If all the risks and rewards of ownership of a transferred financial asset is retained substantially the financial asset is continued to be recognized and a collateralized borrowing for the proceeds received is also recognized.

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

Securities 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 and related borrowings

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 the income statement. The Bank or its financial affiliates have no discontinued operations.

3.12 Goodwill and other intangible assets

The intangible assets consist of goodwill, softwares, intangible rights and other intangible assets.

Goodwill and other intangible assets are recorded at cost in accordance 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.

Goodwill represents the excess of the total acquisition costs over the shares owned in the net assets of the acquired company at the date of acquisition. The “net goodwill” resulted from the acquisition of the investment and to be included in the consolidated balance sheet, is calculated based on the financial statements of the investee company as adjusted according to the required accounting principles.

If any goodwill is computed at consolidation, it is recorded under intangible assets on the asset side of the consolidated balance sheet as an asset. It is assessed to identify whether there is any indication of impairment. If any such indication exists, the necessary provision is recorded as an expense in the income statement. The goodwill is not amortized.

Estimated useful lives of the intangible assets except for goodwill, 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 accordance 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 sales 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.

Depreciation rates and estimated useful lives are:

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

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

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

Investment properties

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

Investment properties are reviewed for possible 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.

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

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 or its financial affiliates. If an inflow of economic benefits 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 entities are 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 and its financial affiliates subject to the labour law, 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:

	30 June 2013	31 December 2012
Discount Rate	2.18%	2.18%
Interest Rate	6.95%	6.95%
Expected Rate of Salary Increase	6.17%	6.17%
Inflation Rate	4.67%	4.67%

The above rates are effective rates, whereas the rates applied for the calculation differ according to the employee’s 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:

	30 June 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, numbered 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") had 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 article 73 and the first paragraph of the provisional Article 20 added to the law no. 5510 are 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.

As per the revised TAS 19, the actuarial gains/losses will be recognised under shareholders' equity starting from 1 January 2013.

The consolidated affiliates do not have retirement benefit plans for their employees. The retirement related benefits of the employees of the consolidated affiliates are subject to the Social Security Institution in case of domestic investees and to the legislations of the related countries in case of foreign investee companies. There are no obligations not reflected in the accompanying consolidated financial statements.

3.18 Taxation

3.18.1 Corporate tax

In Turkey, 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 in Turkey are not subject to withholding tax. As per the decisions no. 2009/14593 and 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 Turkish tax legislation, the tax losses can be carried forward to offset against future taxable income for up to five years. Tax losses cannot be carried back to offset profits from previous periods.

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

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 5% 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 9% 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.

Tax applications for foreign financial affiliates

THE NETHERLANDS

In the Netherlands, corporate income tax is levied at the rate of 20% for tax profits up to EUR 200,000 and 25% for the excess part over this amount on the worldwide income of resident companies, which is determined by modifying accounting income for certain exclusions and allowances for tax purposes for the related year. A unilateral decree for the avoidance of double taxation provides relief for resident companies from Dutch tax on income, such as foreign business profits derived through a permanent establishment abroad, if no tax treaty applies. In general, there is an additional dividend tax of 5% computed only on the amounts of dividend distribution at the time of such payments. Under the Dutch taxation system, tax losses can be carried forward to offset against future taxable income for nine years. Tax losses can be carried back to the prior year. Companies must file their tax returns within nine months following the end of the tax year to which they relate, unless the company applies for an extension (normally an additional nine months). Tax returns are open for five years from the date of final assessment of the tax return 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 corporate income tax for the Germany branch is 30%.

RUSSIA

The applicable corporate tax rate in Russia is 20% (2% federal and 18% regional). The taxation system in the Russian Federation is relatively new and is characterised by frequent changes in legislation, official pronouncements and court decisions, which are often unclear, contradictory and subject to varying interpretation by different tax authorities. Taxes are subject to review and investigation by a number of authorities, which have the authority to impose severe fines, penalties and interest charges. A tax year remains open for review by the tax authorities during the three subsequent calendar years; however, under certain circumstances a tax year may remain open for a longer period.

ROMANIA

The applicable corporate tax rate in Romania is 16%. The taxation system in Romania is continuously developing and is subject to varying interpretations and constant changes, which may become rarely retroactive. In Romania, tax periods remain open for tax audits for seven years. Tax losses can be carried forward to offset against future taxable income for seven years.

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 of the Bank and its consolidated subsidiaries are reported as net in their individual financial statements.

In compliance with TAS 12, the deferred tax assets and liabilities of the consolidated affiliates are presented on the asset and liability sides of financial statements separately, without any offsetting.

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.

3.18.4 Investment allowance

The Temporary Article 69 added to the Income Tax Law no.193 with the Law no.5479, which became effective starting from 1 January 2006, upon being promulgated in the Official Gazette no.26133 dated 8 April 2006, stating that taxpayers can deduct the amount of the investment allowance exemption which they are entitled to according to legislative provisions effective at 31 December 2005 (including rulings on the tax rate) only from the taxable income of 2006, 2007 and 2008. Accordingly, the investment incentive allowance practice was ended as of 1 January 2006. At this perspective, an investment allowance which cannot be deducted partially or fully in three years time was not allowed to be carried forward to the following years and became unavailable as of 31 December 2008. On the other side, the Article 19 of the Income Tax Law was annulled and the investment allowance practice was ended as of 1 January 2006 with effectiveness of the Article 2 and the Article 15 of the Law no.5479 and the investment allowance rights on the investment expenditures incurred during the period of 1 January 2006 and 8 April 2006 became unavailable.

However, at 15 October 2009, the Turkish Constitutional Court decided to cancel the clause no.2 of the Article 15 of the Law no.5479 and the expressions of “2006, 2007, 2008” in the Temporary Article 69 related to investment allowance mentioned above that enables effectiveness of the Law as of 1 January 2006 rather than 8 April 2006, since it is against the Constitution. Accordingly, the time limitations for the carried forward investment allowances that were entitled to in the previous period of mentioned date and the limitations related with the investments expenditures incurred between the issuance date of the Law promulgated and 1 January 2006 were eliminated. According to the decision of Turkish Constitutional Court, cancellation related with the investment allowance became effective with promulgation of the decision on the Official Gazette and the decision of the Turkish Constitutional Court was promulgated in the Official Gazette no.27456 dated 8 January 2010.

The expression of "only for the years 2006, 2007 and 2008" in the temporary article no.69 of the Income Tax Law no.193 that was cancelled by the decision no.2009/144 of the Turkish Constitutional Court published in the Official Gazette dated 8 January 2010 is revised by the Article 5 of the Law no.6009 effective with the promulgation on the Official Gazette no.27659 dated 1 August 2010. As per the new regulation, the investment allowances that cannot be benefited and transferred to future periods due to insufficient income level of the relevant year, can be used without any year limitation, however the investment allowance amount to be considered in the determination of taxable income, will not exceed 25% of the income of the relevant year. In addition to this, it is also agreed that the corporate tax rate for the companies to benefit from investment allowance will be the current applicable tax rate (20%) instead of 30%. However, the statement of “However the investment allowance amount to be considered in the determination of taxable income, will not exceed 25% of the relevant income” in the temporary article no.69 of the Law no.6009 has been cancelled on 18 February 2012 by the decision of the Constitutional Court, as this statement is decided to be against the Constitution, dated 9 February 2012, E:2010/93, K:2012/9 (decision for abolishing) as announced in the Official Gazette no.28208.

According to the decision mentioned above, the investment allowances carried forward to the year 2006 due to the lack of taxable income and the investment allowances earned through the investments started before 1 January 2006 and continued after that date constituting economic and technical integrity will be used not only in 2006, 2007 and 2008, but also in the following years. In addition, 40% of investment expenditures that are realized between 1 January 2006 and 8 April 2006, within the context of the Article 19 of the Income Tax Law will have the right for investment allowance exemption.

3.19 Funds borrowed

Funds are generated from domestic and foreign sources whenever required. The funds borrowed from foreign sources are also in the form of syndications and securitizations. Besides, funding through bill and bond issuances in the local and international markets has commenced. The funds borrowed are recorded at their purchase costs and discounted by using the internal rate of return.

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 30 June 2013, the Bank or its financial affiliates do not have any government incentives or grants.

3.23 Segment reporting

The Bank operates in corporate, commercial, small and medium-size businesses, 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 name 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 on a consolidated basis is as follows:

<i>Current Period</i>	Retail Banking	Corporate Banking	Investment Banking	Other	Total Operations
Total Operating Profit	1,911,207	1,755,859	1,573,951	822,602	6,063,619
Other	-	-	-	-	-
Total Operating Profit	1,911,207	1,755,859	1,573,951	822,602	6,063,619
Net Operating Profit	452,404	955,418	1,494,837	(62,812)	2,839,847
Income from Associates and Subsidiaries	-	-	-	10,314	10,314
Net Operating Profit	452,404	955,418	1,494,837	(52,498)	2,850,161
Provision for Taxes	-	-	-	(664,756)	(664,756)
Net Profit	452,404	955,418	1,494,837	(717,254)	2,185,405
Segment Assets	39,436,622	77,038,348	62,792,333	17,971,895	197,239,198
Investments in Associates and Subsidiaries	-	-	-	151,982	151,982
Total Assets	39,436,622	77,038,348	62,792,333	18,123,877	197,391,180
Segment Liabilities	66,442,975	43,444,722	50,008,099	15,556,988	175,452,784
Shareholders’ Equity	-	-	-	21,938,396	21,938,396
Total Liabilities and Shareholders’ Equity	66,442,975	43,444,722	50,008,099	37,495,384	197,391,180
Other Segment Items					
Capital Expenditures	-	-	-	152,855	152,855
Depreciation Expenses	66,988	30,109	2,391	21,678	121,166
Impairment Losses	424,306	328,972	9,809	275,352	1,038,439
Other Non-Cash Income/Expenses	65,726	22,763	(691,992)	(110,274)	(713,777)
Restructuring Costs	-	25	-	-	-

<i>Prior Period</i>	Retail Banking	Corporate Banking	Investment Banking	Other	Total Operations
Total Operating Profit	1,472,593	1,657,086	547,923	908,827	4,586,429
Other	-	-	-	-	-
Total Operating Profit	1,472,593	1,657,086	547,923	908,827	4,586,429
Net Operating Profit	318,428	982,189	508,705	436,564	2,245,886
Income from Associates and Subsidiaries	-	-	-	2,920	2,920
Net Operating Profit	318,428	982,189	508,705	439,484	2,248,806
Provision for Taxes	-	-	-	(466,822)	(466,822)
Net Profit	318,428	982,189	508,705	(27,338)	1,781,984
Segment Assets	34,253,386	66,686,271	61,037,515	17,633,928	179,611,100
Investments in Associates and Subsidiaries	-	-	-	168,274	168,274
Total Assets	34,253,386	66,686,271	61,037,515	17,802,202	179,779,374
Segment Liabilities	62,139,441	33,704,733	46,011,331	16,266,923	158,122,428
Shareholders' Equity	-	-	-	21,656,946	21,656,946
Total Liabilities and Shareholders' Equity	62,139,441	33,704,733	46,011,331	37,923,869	179,779,374
Other Segment Items					
Capital Expenditures	-	-	-	261,242	261,242
Depreciation Expenses	51,131	27,264	1,563	33,879	113,837
Impairment Losses	269,140	162,102	(56,318)	59,845	434,769
Other Non-Cash Income/Expenses	50,546	102,336	1,213,882	249,716	1,616,480
Restructuring Costs	-	-	-	-	-

3.24 Other disclosures

None.

4 Consolidated Financial Position and Results of Operations

4.1 Consolidated capital adequacy ratio

As per the revised “Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks” effective from 1 July 2012, the Bank’s consolidated capital adequacy ratio is 15.24% (31 December 2012: 16.87%) as of 30 June 2013 (unconsolidated capital adequacy ratio: 16.23% (31 December 2012: 18.21%)).

4.1.1 Risk measurement methods in calculation of consolidated 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 Consolidated capital adequacy ratio

Current Period	Risk Weights								
	Parent Bank Only								
	0%	10%	20%	50%	75%	100%	150%	200%	1250%
Value at Credit Risk	-	-	1,444,847	12,767,141	24,875,852	66,066,646	5,782,275	12,967,044	-
Exposure Categories	49,474,710	-	7,224,234	25,534,281	33,167,803	66,066,646	3,854,850	6,483,522	-
Conditional and unconditional exposures to central governments or central banks	48,271,686	-	7	2,717,621	-	19	-	-	-
Conditional and unconditional exposures to regional governments or local authorities	-	-	40,091	-	-	-	-	-	-
Conditional and unconditional exposures to administrative bodies and non-commercial undertakings	-	-	-	-	-	25	-	-	-
Conditional and unconditional exposures to multilateral development banks	-	-	-	-	-	-	-	-	-
Conditional and unconditional exposures to international organisations	-	-	-	-	-	-	-	-	-
Conditional and unconditional exposures to banks and brokerage houses	-	-	7,181,221	7,196,331	-	6,448	-	-	-
Conditional and unconditional exposures to corporates	-	-	-	-	-	60,943,692	-	-	-
Conditional and unconditional retail exposures	-	-	-	-	33,167,803	-	-	-	-
Conditional and unconditional exposures secured by real estate property	-	-	-	15,617,066	-	-	-	-	-
Past due items	-	-	-	3,263	-	257,072	-	-	-
Items in regulatory high-risk categories	-	-	-	-	-	9,096	3,854,850	6,483,522	-
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	1,203,024	-	2,915	-	-	4,850,294	-	-	-

<i>Prior Period</i>	Risk Weights								
	Parent Bank Only								
	<i>0%</i>	<i>10%</i>	<i>20%</i>	<i>50%</i>	<i>75%</i>	<i>100%</i>	<i>150%</i>	<i>200%</i>	<i>1250%</i>
Value at Credit Risk	-	-	845,544	10,808,347	22,837,083	57,750,707	4,734,597	8,791,156	-
Exposure Categories	53,152,361	-	4,227,718	21,616,694	30,449,444	57,750,707	3,156,398	4,395,578	-
Conditional and unconditional exposures to central governments or central banks	51,909,957	-	24	2,392,452	-	7,402	-	-	-
Conditional and unconditional exposures to regional governments or local authorities	-	-	38	-	-	-	-	-	-
Conditional and unconditional exposures to administrative bodies and non-commercial undertakings	-	-	-	-	-	46,478	-	-	-
Conditional and unconditional exposures to multilateral development banks	-	-	-	-	-	-	-	-	-
Conditional and unconditional exposures to international organisations	-	-	-	-	-	-	-	-	-
Conditional and unconditional exposures to banks and brokerage houses	-	-	4,222,594	7,663,925	-	44,758	-	-	-
Conditional and unconditional exposures to corporates	-	-	-	7,226	-	53,025,096	-	-	-
Conditional and unconditional retail exposures	-	-	-	-	30,449,444	-	-	-	-
Conditional and unconditional exposures secured by real estate property	-	-	-	11,552,964	-	-	-	-	-
Past due items	-	-	-	127	-	218,270	-	-	-
Items in regulatory high-risk categories	-	-	-	-	-	8,709	3,156,398	4,395,578	-
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	1,242,404	-	5,062	-	-	4,399,994	-	-	-

<i>Current Period</i>	Risk Weights								
	Consolidated								
	<i>0%</i>	<i>10%</i>	<i>20%</i>	<i>50%</i>	<i>75%</i>	<i>100%</i>	<i>150%</i>	<i>200%</i>	<i>1250%</i>
Value at Credit Risk	-	-	1,681,236	14,611,597	26,283,950	75,519,411	6,087,248	12,967,044	-
Exposure Categories	53,902,284	-	8,406,180	29,223,194	35,045,267	75,519,411	4,058,165	6,483,522	-
Conditional and unconditional exposures to central governments or central banks	50,149,295	-	7	3,195,593	-	19	-	-	-
Conditional and unconditional exposures to regional governments or local authorities	-	-	40,091	-	-	-	-	-	-
Conditional and unconditional exposures to administrative bodies and non-commercial undertakings	-	-	-	-	-	25	-	-	-
Conditional and unconditional exposures to multilateral development banks	5,307	-	-	-	-	-	-	-	-
Conditional and unconditional exposures to international organisations	-	-	-	-	-	-	-	-	-
Conditional and unconditional exposures to banks and brokerage houses	-	-	8,363,167	9,499,443	-	279,579	-	-	-
Conditional and unconditional exposures to corporates	-	-	-	-	-	70,906,648	-	-	-
Conditional and unconditional retail exposures	-	-	-	-	35,045,267	-	-	-	-
Conditional and unconditional exposures secured by real estate property	-	-	-	16,438,458	-	-	-	-	-
Past due items	-	-	-	10,360	-	417,681	-	-	-
Items in regulatory high-risk categories	-	-	-	23,429	-	57,697	4,058,165	6,483,522	-
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	2,473,669	-	-	55,911	-	1,266,543	-	-	-
Other items	1,274,013	-	2,915	-	-	2,591,219	-	-	-

<i>Prior Period</i>	Risk Weights								
	Consolidated								
	<i>0%</i>	<i>10%</i>	<i>20%</i>	<i>50%</i>	<i>75%</i>	<i>100%</i>	<i>150%</i>	<i>200%</i>	<i>1250%</i>
Value at Credit Risk	-	-	1,051,254	12,231,121	24,421,547	66,123,832	5,089,893	8,791,156	-
Exposure Categories	58,232,362	-	5,256,272	24,462,242	32,562,063	66,123,832	3,393,262	4,395,578	-
Conditional and unconditional exposures to central governments or central banks	54,477,421	-	24	2,677,220	-	7,402	-	-	-
Conditional and unconditional exposures to regional governments or local authorities	-	-	38	-	-	-	-	-	-
Conditional and unconditional exposures to administrative bodies and non-commercial undertakings	-	-	-	-	-	46,478	-	-	-
Conditional and unconditional exposures to multilateral development banks	5,211	-	-	-	-	-	-	-	-
Conditional and unconditional exposures to international organisations	-	-	-	-	-	-	-	-	-
Conditional and unconditional exposures to banks and brokerage houses	-	-	5,251,148	9,295,832	-	209,038	-	-	-
Conditional and unconditional exposures to corporates	-	-	-	7,226	-	62,221,681	-	-	-
Conditional and unconditional retail exposures	-	-	-	-	32,562,063	-	-	-	-
Conditional and unconditional exposures secured by real estate property	-	-	-	12,420,300	-	-	-	-	-
Past due items	-	-	-	127	-	402,115	-	-	-
Items in regulatory high-risk categories	-	-	-	352	-	10,416	3,393,262	4,395,578	-
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	2,446,626	-	-	61,185	-	831,357	-	-	-
Other items	1,303,104	-	5,062	-	-	2,395,345	-	-	-

4.1.3 Summary information related to consolidated capital adequacy ratio

	Parent Bank Only	
	<i>Current Period</i>	<i>Prior Period</i>
Capital Requirement for Credit Risk (Value at Credit Risk*0.08) (CRCR)	9,912,304	8,461,395
Capital Requirement for Market Risk (MRCR)	225,197	90,480
Capital Requirement for Operational Risk (ORCR)	1,067,735	1,043,016
Shareholders' Equity	22,737,407	21,835,440
Shareholders' Equity/((CRCR+MRCR+ORCR) * 12.5) * 100	16.23%	18.21%

	Consolidated	
	<i>Current Period</i>	<i>Prior Period</i>
Capital Requirement for Credit Risk (Value at Credit Risk*0.08) (CRCR)	10,972,039	9,416,704
Capital Requirement for Market Risk (MRCR)	268,453	141,604
Capital Requirement for Operational Risk (ORCR)	1,209,317	1,157,575
Shareholders' Equity	23,720,522	22,599,323
Shareholders' Equity/((CRCR+MRCR+ORCR) * 12.5) * 100	15.24 %	16.87%

4.1.4 Components of consolidated shareholders' equity

	Current Period	Prior Period
CORE CAPITAL		
Paid-in Capital	4,200,000	4,196,934
Nominal Capital	4,200,000	4,196,934
Capital Commitments (-)	-	-
Inflation Adjustments to Paid-in Capital	772,554	772,554
Share Premium	11,880	11,880
Share Cancellation Profits	-	-
Reserves	14,589,726	11,308,613
Profit	2,171,658	3,334,080
Current Period's Profit	2,171,658	3,334,080
Prior Periods' Profit	-	-
Provision for Possible Losses (upto 25% of Core Capital)	390,000	450,000
Income on Sale of Equity Shares and Real Estates	194,886	762,112
Primary Subordinated Debts	-	-
Minority Interest	152,128	140,462
Loss (excess of Reserves) (-)	-	-
Current Period's Losses	-	-
Prior Periods' Losses	-	-
Leasehold Improvements on Operational Leases (-)	98,650	110,049
Intangible Assets (-)	78,469	76,321
Deferred Tax Asset in Excess of 10% of Core Capital (-)	-	-
Limit Excesses as per the 3rd Paragraph of the Article 56 of the Banking Law (-)	-	-
Goodwill (Net) (-)	6,388	6,388
Total Core Capital	22,299,325	20,783,877
SUPPLEMENTARY CAPITAL		
General Provisions	1,624,270	1,342,090
45% of Revaluation Surplus on Movables	-	-
45% of Revaluation Surplus on Immovables	963	963
Bonus Shares from Associates, Subsidiaries and Joint-Ventures not Accounted in Current	947	947
Primary Subordinated Debts excluding the Portion included in Core Capital	-	-
Secondary Subordinated Debts	123,815	116,050
45% of Securities Value Increase Fund (*)	(270,599)	491,398
Minority Interest	16	28
Other Reserves	68,363	33,329
Total Supplementary Capital	1,547,775	1,984,805
CAPITAL	23,847,100	22,768,682
DEDUCTIONS FROM CAPITAL	126,578	169,359
Unconsolidated Investments in Entities Operating in Banking and Financial Sectors	-	-
Loans to Banks, Financial Institutions (domestic/foreign) or Qualified Shareholders in the form of Secondary Subordinated Debts and Debt Instruments Purchased from Such Parties Qualified as Primary or Secondary Subordinated Debts	60,175	41,776
Investment in Banks and Financial Institutions that are not Consolidated but Accounted under Equity Accounting	-	-
Loans Granted against the Articles 50 and 51 of the Banking Law	-	-
Net Book Values of Immovables Exceeding 50% of the Equity and of Assets Acquired against Overdue Receivables and Held for Sale as per the Article 57 of the Banking Law But Retained More Than Five Years	33,646	34,732
Securitization Positions to be Deducted from Equity	-	-
Other Deduction Items	32,757	92,851
TOTAL SHAREHOLDERS' EQUITY	23,720,522	22,599,323

(*) In cases where the Securities Value Increase Fund gives a positive result then only 45% of the amount is considered in the calculation, whereas if its is negative then the whole amount is considered in the calculation.

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

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”.

4.2 Consolidated credit 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 Consolidated 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. VaR is calculated using three different methods, namely historical simulation, monte carlo simulation and parametric methods. The Bank takes the historical VaR results as the basis for the internal management of market risk and determination of limits. The calculations made according to other two methods are used for comparison and monitoring purposes. In the VaR calculation, one year historical market data set is used, and 99% confidence interval and one-day retention period (10 days for legal capital calculation) are taken into account. In order to test the reliability of the VaR model, back tests are performed. Stress tests and scenario analysis are also applied in order to reflect the effects of prospective severe market fluctuations in the VaR calculations. Beside the VaR limits, the limits on transaction, dealer, desk, stop-loss approved by the board of directors for trading portfolio are also applied for limiting the market risk.

4.3.1 Value at market risk on a consolidated basis

	<i>Current Period</i>	<i>Prior Period</i>
(I) Capital Requirement against General Market Risk - Standard Method	43,842	9,090
(II) Capital Requirement against Specific Risks - Standard Method	25,541	4,817
Capital Requirement against Specific Risks of Securitisation Positions– Standard Method	-	-
(III) Capital Requirement against Currency Position Risk - Standard Method	44,341	54,842
(IV) Capital Requirement against Commodity Risks - Standard Method	6,095	8,541
(V) Capital Requirement against Clearing Risks - Standard Method	-	-
(VI) Capital Requirement against Market Risks of Options - Standard Method	131,234	55,537
(VII) Capital Requirement against Counterparty Credit Risks - Standard Method	17,400	8,777
(VIII) Capital Requirement against Market Risks of Banks applying Risk Measurement Model	-	-
(IX) Total Capital Requirement against Market Risk (I+II+III+IV+V+VI+VII)	268,453	141,604
(X) Value-At-Market Risk ((12.5*VIII) or (12.5*IX))	3,355,663	1,770,050

4.3.2 Average consolidated 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”.

4.4 Consolidated 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 Consolidated currency risk

Foreign currency open position limit is set in compliance with the legal standard ratio of net foreign currency position. As of 30 June 2013, the Bank and its financial affiliates’ net ‘on balance sheet’ foreign currency short position amounts to TL 973,065 thousands (31 December 2012: TL 1,598,721 thousands), net ‘off-balance sheet’ foreign currency short position amounts to TL 232,783 thousands (31 December 2012: a net foreign currency long position TL 1,275,531 thousands), while net foreign currency short position amounts to TL 1,205,848 thousands (31 December 2012: TL 323,190 thousands).

The foreign currency position risk 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 for the Bank. The foreign currency exchange risk is managed through transaction, dealer, desk and stop-loss limits approved by the board of directors for the trading portfolio beside the foreign currency net position standard ratio and the VaR limit.

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

	USD	EUR
The Bank’s foreign currency purchase rate at balance sheet date	1.9050	2.4763
Foreign currency rates for the days before balance sheet date:		
Day 1	1.9050	2.4763
Day 2	1.9050	2.4762
Day 3	1.9000	2.4705
Day 4	1.9100	2.4835
Day 5	1.9100	2.4970
Last 30-days arithmetical average rate	1.8735	2.4665

The Bank's consolidated currency risk

	EUR	USD	Other FCs	Total
Current Period				
Assets				
Cash (Cash on Hand, Money in Transit, Purchased Cheques) and Balances with the Central Bank of Turkey	4,831,500	6,810,297	2,936,296	14,578,093
Banks	3,661,443	4,734,235	376,487	8,772,165
Financial Assets at Fair Value through Profit/Loss	86,480	121,721	11,405	219,606
Interbank Money Market Placements	-	76,203	-	76,203
Financial Assets Available-for-Sale	943,010	2,594,594	238,286	3,775,890
Loans (*)	15,698,654	33,154,363	1,505,564	50,358,581
Investments in Associates, Subsidiaries and Joint-Ventures	811	-	2	813
Investments Held-to-Maturity	-	-	-	-
Derivative Financial Assets Held for Risk Management	-	-	-	-
Tangible Assets	46,380	73	82,722	129,175
Intangible Assets	-	-	-	-
Other Assets (**)	1,583,790	1,328,807	70,712	2,983,309
Total Assets	26,852,068	48,820,293	5,221,474	80,893,835
Liabilities				
Bank Deposits	1,372,883	3,395,958	509,007	5,277,848
Foreign Currency Deposits	17,773,881	24,114,056	1,940,181	43,828,118
Interbank Money Market Takings	211,546	2,865,482	134,785	3,211,813
Other Fundings	8,194,738	12,292,740	11,661	20,499,139
Securities Issued	-	5,005,990	507,429	5,513,419
Miscellaneous Payables	85,584	148,210	171,216	405,010
Derivative Financial Liabilities Held for Risk Management	-	-	-	-
Other Liabilities (***)	313,456	459,493	2,358,604	3,131,553
Total Liabilities	27,952,088	48,281,929	5,632,883	81,866,900
Net 'On Balance Sheet' Position	(1,100,020)	538,364	(411,409)	(973,065)
Net 'Off-Balance Sheet' Position	1,203,235	(2,326,251)	890,233	(232,783)
Derivative Assets	11,027,240	21,297,227	4,629,133	36,953,600
Derivative Liabilities	(9,824,005)	(23,623,478)	(3,738,900)	(37,186,383)
Non-Cash Loans	-	-	-	-
Prior Period				
Total Assets	25,860,398	42,394,354	5,311,182	73,565,934
Total Liabilities	26,051,089	44,270,178	4,843,388	75,164,655
Net 'On Balance Sheet' Position	(190,691)	(1,875,824)	467,794	(1,598,721)
Net 'Off-Balance Sheet' Position	(682,946)	1,886,842	71,635	1,275,531
Derivative Assets	9,993,422	20,954,187	4,225,391	35,173,000
Derivative Liabilities	(10,676,368)	(19,067,345)	(4,153,756)	(33,897,469)
Non-Cash Loans	-	-	-	-

(*) The foreign currency-indexed loans amounting TL 3,287,958 thousands included under TL loans in the accompanying consolidated financial statements are presented above under the related foreign currency code.

(**) The foreign currency indexed factoring receivables amounting TL 169,131 thousands included under TL assets in the accompanying consolidated financial statements are presented above under the related foreign currency code.

(***) The gold deposits of TL 2,296,083 thousands included under deposits in the accompanying consolidated financial statements are presented above under other liabilities.

4.6 Consolidated 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 on a bank-only basis.

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 on a bank-only basis, are carried out monthly using the maturity ladder table, while measurements for VaR calculations are done daily. The duration-gap and sensitivity analysis are run every two weeks period.

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

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

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

<i>Current Period</i>	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Non-Interest Bearing (*)	Total
Assets							
Cash (Cash on Hand, Money in Transit, Purchased Cheques) and Balances with the Central Bank of Turkey	2	-	-	-	-	17,821,881	17,821,883
Banks	4,296,450	1,963,992	1,991,574	201,196	-	2,233,291	10,686,503
Financial Assets at Fair Value through Profit/Loss (**)	12,526	67,773	72,798	55,252	49,698	1,057,333	1,315,380
Interbank Money Market Placements	85,030	-	-	-	-	7	85,037
Financial Assets Available-for-Sale	3,521,595	10,555,121	12,296,484	6,292,533	2,017,527	2,964,240	37,647,500
Loans (**)	24,120,382	10,448,726	17,263,933	38,866,320	22,992,759	2,013,220	115,705,340
Investments Held-to-Maturity	905,538	6,253	8,992	102	-	244	921,129
Other Assets	841,468	844,959	1,057,969	1,744,000	78,286	8,641,726	13,208,408
Total Assets	33,782,991	23,886,824	32,691,750	47,159,403	25,138,270	34,731,942	197,391,180
Liabilities							
Bank Deposits	4,544,853	633,211	342,975	46,463	-	955,758	6,523,260
Other Deposits	64,945,175	11,545,824	8,327,189	688,037	140	19,981,097	105,487,462
Interbank Money Market Takings	9,322,549	947,057	766,462	1,361,100	-	24,036	12,421,204
Miscellaneous Payables	-	-	-	-	-	8,919,298	8,919,298
Securities Issued	1,175,944	1,125,142	1,920,584	2,305,891	2,336,417	201,775	9,065,753
Other Fundings	8,403,679	8,079,370	4,540,337	3,685,918	2,080,417	172,536	26,962,257
Other Liabilities	4,632	28,531	23,626	-	-	27,955,157	28,011,946
Total Liabilities	88,396,832	22,359,135	15,921,173	8,087,409	4,416,974	58,209,657	197,391,180
On Balance Sheet Long Position	-	1,527,689	16,770,577	39,071,994	20,721,296	-	78,091,556
On Balance Sheet Short Position	(54,613,841)	-	-	-	-	(23,477,715)	(78,091,556)
Off-Balance Sheet Long Position	1,784,483	2,949,745	4,408,954	4,048,283	1,055,563	-	14,247,028
Off-Balance Sheet Short Position	(982,080)	(1,935,866)	(3,705,109)	(4,633,525)	(1,425,878)	-	(12,682,458)
Total Position	(53,811,438)	2,541,568	17,474,422	38,486,752	20,350,981	(23,477,715)	1,564,570

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

(**) Loans amounting to TL 209,809 thousands included under Financial Assets at Fair Value through Profit/Loss in the accompanying consolidated financial statements are presented above under Loans.

<i>Prior Period</i>	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Non-Interest Bearing (*)	Total
Assets							
Cash (Cash on Hand, Money in Transit, Purchased Cheques) and Balances with the Central Bank of Turkey	-	-	-	-	-	16,173,384	16,173,384
Banks	3,830,236	1,839,017	1,972,079	681,431	-	1,840,665	10,163,428
Financial Assets at Fair Value through Profit/Loss	16,408	37,342	120,019	44,559	28,755	737,957	985,040
Interbank Money Market Placements	1,000	-	-	-	-	-	1,000
Financial Assets Available-for-Sale	3,199,608	11,016,852	12,658,171	5,701,342	1,626,888	4,291,645	38,494,506
Loans (**)	20,956,393	12,020,509	15,738,573	32,816,562	17,023,973	1,788,690	100,344,700
Investments Held-to-Maturity	910,865	-	7,959	149,789	293,449	4,892	1,366,954
Other Assets	905,295	858,444	1,016,638	1,561,384	80,188	7,828,413	12,250,362
Total Assets	29,819,805	25,772,164	31,513,439	40,955,067	19,053,253	32,665,646	179,779,374
Liabilities							
Bank Deposits	3,524,855	1,129,067	1,015	109,811	-	819,038	5,583,786
Other Deposits	57,370,783	10,024,572	6,463,733	643,950	-	17,690,855	92,193,893
Interbank Money Market Takings	12,616,799	563,513	911,100	-	-	15,532	14,106,944
Miscellaneous Payables	-	-	-	-	-	8,063,053	8,063,053
Securities Issued	1,305,342	322,141	1,063,153	1,048,258	2,157,650	180,491	6,077,035
Other Fundings	7,076,180	2,267,587	8,774,682	5,531,591	1,928,300	314,752	25,893,092
Other Liabilities	20,523	-	-	-	-	27,841,048	27,861,571
Total Liabilities	81,914,482	14,306,880	17,213,683	7,333,610	4,085,950	54,924,769	179,779,374
On Balance Sheet Long Position	-	11,465,284	14,299,756	33,621,457	14,967,303	-	74,353,800
On Balance Sheet Short Position	(52,094,677)	-	-	-	-	(22,259,123)	(74,353,800)
Off-Balance Sheet Long Position	1,659,214	3,486,402	2,659,801	3,394,547	626,121	-	11,826,085
Off-Balance Sheet Short Position	(761,101)	(1,949,132)	(2,101,659)	(3,970,884)	(1,172,411)	-	(9,955,187)
Total Position	(51,196,564)	13,002,554	14,857,898	33,045,120	14,421,013	(22,259,123)	1,870,898

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

(**) Loans amounting to TL 222,181 thousands included under Financial Assets at Fair Value through Profit/Loss in the accompanying consolidated financial statements are presented above under Loans.

4.6.2 Average interest rates on monetary financial instruments (%)

<i>Current Period</i>	EUR	USD	JPY	TL
Assets				
Cash (Cash on Hand, Money in Transit, Purchased Cheques) and Balances with the Central Bank of Turkey	-	-	-	-
Banks	0.51-1.69	0.50-2.65	-	5.17-7.50
Financial Assets at Fair Value through Profit/Loss	4.63	7	-	2.79-13.29
Interbank Money Market Placements	-	0.55	-	5.50
Financial Assets Available-for-Sale	3.00-6.50	4.88-6.75	-	7.26-9.60
Loans	2.94-7.32	2.73-6.81	5.50	6.69-12.81
Investments Held-to-Maturity	-	-	-	6.45-8.00
Liabilities				
Bank Deposits	0.40-1.82	1.01-2.07	-	4.97-6.16
Other Deposits	1.60-2.55	1.85-3.00	0.91-1.49	5.00-5.78
Interbank Money Market Takings	2.54	0.95-1.70	-	2.50-5.83
Miscellaneous Payables	-	-	-	-
Securities Issued	-	4.30	-	5.84-6.78
Other Fundings	1.28-5.36	1.09-5.65	-	6.49-8.88

<i>Prior Period</i>	EUR	USD	JPY	TL
Assets				
Cash (Cash on Hand, Money in Transit, Purchased Cheques) and Balances with the Central Bank of Turkey	-	-	-	-
Banks	1.00-2.40	0.65-3.16	-	5.08-8.60
Financial Assets at Fair Value through Profit/Loss	0.89-4.63	0.37-7.24	-	5.01-13.00
Interbank Money Market Placements	-	-	-	5.25
Financial Assets Available-for-Sale	3.35-6.10	2.32-9.51	-	9.03-10.48
Loans	2.91-7.39	3.20-9.54	5.61	7.90-15.15
Investments Held-to-Maturity	-	6.86	-	8.15-9.00
Liabilities				
Bank Deposits	0.40-2.49	1.42-2.95	-	4.80-6.75
Other Deposits	1.98-3.00	1.82-2.19	1.48-1.71	5.94-7.10
Interbank Money Market Takings	3.50	1.30-2.04	-	4.50-5.67
Miscellaneous Payables	-	-	-	-
Securities Issued	-	4.98	-	6.71-9.06
Other Fundings	1.34-6.62	1.23-6.50	-	6.77-11.40

4.6.3 Interest rate risk on banking book

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

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

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

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

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

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

The interest rate risk resulting from the banking book is measured legally as per the “Regulation on Measurement and Evaluation of Interest Rate Risk Resulting from the 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 on a bank-only basis according to Regulation on Measurement and Evaluation of Interest Rate Risk Resulted from Banking Book as per Standard Shock Method

<i>Current Period</i>		Shocks Applied (+/- basis points)	Gains/Losses	Gains/Equity- Losses/Equity
Type of Currency				
1	TL	(+) 500 bps	(2,640,954)	(11.62)%
2	TL	(-) 400 bps	2,570,874	11.31%
3	USD	(+) 200 bps	(32,999)	(0.15)%
4	USD	(-) 200 bps	(47,127)	(0.21)%
5	EUR	(+) 200 bps	(99,516)	(0.44)%
6	EUR	(-) 200 bps	101,187	0.45%
Total (of negative shocks)			2,624,934	11.54%
Total (of positive shocks)			(2,773,469)	(12.20)%

<i>Prior Period</i>		Shocks Applied (+/- basis points)	Gains/Losses	Gains/Equity- Losses/Equity
Type of Currency				
1	TL	(+) 500 bps	(2,820,578)	(12.92)%
2	TL	(-) 400 bps	2,761,432	12.65%
3	USD	(+) 200 bps	14,983	0.07%
4	USD	(-) 200 bps	(62,230)	(0.28)%
5	EUR	(+) 200 bps	(76,545)	(0.35)%
6	EUR	(-) 200 bps	82,518	0.38%
	Total (of negative shocks)		2,781,720	12.75%
	Total (of positive shocks)		(2,882,140)	(13.20)%

4.7 Consolidated position risk of equity securities

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

<i>Current Period</i>		Comparison		
Equity Securities (shares)		Carrying Value	Fair Value	Market Value
1	Investment in Shares- grade A	123,176	-	-
	Quoted Securities	-	-	-
2	Investment in Shares- grade B	27,097	-	-
	Quoted Securities	-	-	-
3	Investment in Shares- grade C	647	-	-
	Quoted Securities	-	-	-
4	Investment in Shares- grade D	-	-	-
	Quoted Securities	-	-	-
5	Investment in Shares- grade E	1,014	-	-
	Quoted Securities	-	-	-
6	Investment in Shares- grade F	48	-	-
	Quoted Securities	-	-	-

<i>Prior Period</i>		Comparison		
Equity Securities (shares)		Carrying Value	Fair Value	Market Value
1	Investment in Shares- grade A	155,698	-	-
	Quoted Securities	-	-	-
2	Investment in Shares- grade B	11,514	-	-
	Quoted Securities	-	-	-
3	Investment in Shares- grade C	-	-	-
	Quoted Securities	-	-	-
4	Investment in Shares- grade D	-	-	-
	Quoted Securities	-	-	-
5	Investment in Shares- grade E	1,014	-	-
	Quoted Securities	-	-	-
6	Investment in Shares- grade F	48	-	-
	Quoted Securities	-	-	-

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

<i>Current Period</i>		Gains/Losses in Current Period	Revaluation Surpluses		Unrealized 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	-	-	-	14,162	-	6,373
3	Other Shares	-	528	238	-	-	-
	Total	-	528	238	14,162	-	6,373

<i>Prior Period</i>		Gains/Losses in Current Period	Revaluation Surpluses		Unrealized 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	-	-	-	3,147	-	1,416
3	Other Shares	-	495	223	-	-	-
	Total	-	495	223	3,147	-	1,416

4.8 Consolidated liquidity risk

The liquidity risk of the Bank and its financial affiliates 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 and its financial affiliates diversify their 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 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 on a bank-only basis for foreign currency assets/liabilities and total assets/liabilities should be minimum 80% and 100%, respectively. The Bank’s liquidity ratios for the first six months of 2013 and the year of 2012, are as follows:

<i>Current Period</i>	First Maturity Bracket (Weekly)		Second Maturity Bracket (Monthly)	
	FC	FC + TL	FC	FC + TL
Average (%)	136.44	134.35	94.83	103.00

<i>Prior Period</i>	First Maturity Bracket (Weekly)		Second Maturity Bracket (Monthly)	
	FC	FC + TL	FC	FC + TL
Average (%)	131.56	139.73	98.80	104.67

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
Current Period								
Assets								
Cash (Cash on Hand, Money in Transit, Purchased Cheques) And Balances with the Central Bank	5,308,650	12,513,233	-	-	-	-	-	17,821,883
Banks	2,326,977	2,458,689	397,722	1,716,376	1,710,349	2,076,390	-	10,686,503
Financial Assets at Fair Value through Profit/Loss (**)	31,554	366,059	154,808	431,762	218,789	112,408	-	1,315,380
Interbank Money Market Placements	-	85,037	-	-	-	-	-	85,037
Financial Assets Available-for-Sale	48,117	349,010	4,964,684	8,193,848	15,342,373	8,749,468	-	37,647,500
Loans (**)	3,925,409	19,457,109	5,230,700	15,925,234	43,165,431	27,421,749	579,708	115,705,340
Investments Held-to-Maturity	-	-	6,376	9,113	905,640	-	-	921,129
Other Assets	1,395,434	1,100,857	894,404	1,206,290	1,965,585	99,607	6,546,231	13,208,408
Total Assets	13,036,141	36,329,994	11,648,694	27,482,623	63,308,167	38,459,622	7,125,939	197,391,180
Liabilities								
Bank Deposits	1,179,903	4,301,296	629,368	248,472	164,221	-	-	6,523,260
Other Deposits	23,880,396	61,624,541	11,405,185	7,112,595	1,444,428	20,317	-	105,487,462
Other Fundings	-	3,735,195	1,234,212	10,568,355	8,120,528	3,303,967	-	26,962,257
Interbank Money Market Takings	-	9,330,305	950,282	768,820	1,371,797	-	-	12,421,204
Securities Issued	-	604,444	931,384	1,921,374	3,106,965	2,501,586	-	9,065,753
Miscellaneous Payables	543,142	4,568,129	4,380	7,151	-	3,796,496	-	8,919,298
Other Liabilities (***)	814,118	384,375	260,918	329,177	355,694	60,108	25,807,556	28,011,946
Total Liabilities	26,417,559	84,548,285	15,415,729	20,955,944	14,563,633	9,682,474	25,807,556	197,391,180
Liquidity Gap	(13,381,418)	(48,218,291)	(3,767,035)	6,526,679	48,744,534	28,777,148	(18,681,617)	-
Prior Period								
Total Assets	7,010,186	33,517,516	11,206,484	31,933,220	59,308,885	30,211,617	6,591,466	179,779,374
Total Liabilities	23,836,851	79,254,209	13,610,516	17,056,944	11,896,517	8,967,584	25,156,753	179,779,374
Liquidity Gap	(16,826,665)	(45,736,693)	(2,404,032)	14,876,276	47,412,368	21,244,033	(18,565,287)	-

- (*) 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 209,809 thousands (31 December 2012: TL 222,181 thousands) included under Financial Assets at Fair Value through Profit/Loss in the accompanying consolidated financial statements are presented above under Loans.
- (***) Shareholders' Equity is included in "Other liabilities" line under "Undistributed" column.

4.9 Consolidated securitisation positions

None.

4.10 Consolidated credit risk mitigation techniques

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

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

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

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

<i>Current Period</i>	Amount (**)	Financial Collateral	Other/Physical Collateral	Guaranties and Credit Derivatives
Exposure Categories				
Conditional and unconditional exposures to central governments or central banks	57,304,499	2,964,698	-	-
Conditional and unconditional exposures to regional governments or local authorities	40,108	-	-	-
Conditional and unconditional exposures to administrative bodies and non-commercial undertakings	120	24	-	-
Conditional and unconditional exposures to multilateral development banks	5,307	-	-	-
Conditional and unconditional exposures to international organisations	-	-	-	-
Conditional and unconditional exposures to banks and brokerage houses	36,336,564	13,976,082	-	-
Conditional and unconditional exposures to corporates	91,808,898	6,218,320	-	-
Conditional and unconditional retail exposures	55,598,031	991,762	-	-
Conditional and unconditional exposures secured by real estate property (*)	17,207,431	93,697	-	-
Past due items	429,632	1,256	-	-
Items in regulatory high-risk categories	10,788,480	129,364	-	-
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	3,796,123	-	-	-
Other items	3,868,147	-	-	-

(*) 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>	Amount (**)	Financial Collateral	Other/Physical Collateral	Guaranties and Credit Derivatives
Exposure Categories				
Conditional and unconditional exposures to central governments or central banks	57,174,167	-	-	-
Conditional and unconditional exposures to regional governments or local authorities	4,581	-	-	-
Conditional and unconditional exposures to administrative bodies and non-commercial undertakings	114,383	-	-	-
Conditional and unconditional exposures to multilateral development banks	5,211	-	-	-
Conditional and unconditional exposures to international organisations	-	-	-	-
Conditional and unconditional exposures to banks and brokerage houses	29,454,649	4,364,993	-	-
Conditional and unconditional exposures to corporates	131,399,214	4,824,441	-	-
Conditional and unconditional retail exposures	68,404,512	932,524	-	-
Conditional and unconditional exposures secured by real estate property (*)	13,681,622	65,057	-	-
Past due items	411,663	9,421	-	-
Items in regulatory high-risk categories	7,955,906	103,155	-	-
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	3,339,168	-	-	-
Other items	3,703,511	-	-	-

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

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

4.11 Risk management objectives and policies

The Risk Management Strategy of the parent 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 parent 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 and items held in trust

None.

5 Disclosures and Footnotes on Consolidated Financial Statements

5.1 Consolidated assets

5.1.1 Cash and balances with Central Bank

	<i>Current Period</i>		<i>Prior Period</i>	
	TL	FC	TL	FC
Cash in TL/Foreign Currency	819,912	407,357	800,979	459,761
Central Bank of Turkey	2,423,878	14,121,077	492,972	14,372,246
Others	-	49,659	-	47,426
Total	3,243,790	14,578,093	1,293,951	14,879,433

Balances with the Central Bank of Turkey

	<i>Current Period</i>		<i>Prior Period</i>	
	TL	FC	TL	FC
Unrestricted Demand Deposits	2,423,878	1,607,845	492,972	1,500,401
Unrestricted Time Deposits	-	-	-	-
Restricted Time Deposits	-	12,513,232	-	12,871,845
Total	2,423,878	14,121,077	492,972	14,372,246

The reserve deposits kept as per the Communiqué 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 Financial assets at fair value through profit/loss

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

	<i>Current Period</i>		<i>Prior Period</i>	
	TL	FC	TL	FC
Collateralised/Blocked Assets	-	230,461	-	223,894
Assets Subject to Repurchase Agreements	14,211	-	19,816	-
Total	14,211	230,461	19,816	223,894

5.1.2.2 Positive differences on derivative financial assets held for trading

	<i>Current Period</i>		<i>Prior Period</i>	
	TL	FC	TL	FC
Forward Transactions	60,522	32,240	43,805	5,533
Swap Transactions	303,095	413,224	208,444	370,089
Futures	55	12,422	158	5,776
Options	152,200	49,773	46,557	30,273
Others	-	210	-	-
Total	515,872	507,869	298,964	411,671

5.1.3 Banks

	<i>Current Period</i>		<i>Prior Period</i>	
	TL	FC	TL	FC
Banks				
Domestic banks	217,361	972,326	431,974	845,451
Foreign banks	1,696,977	7,799,839	2,041,492	6,844,511
Foreign headoffices and branches	-	-	-	-
Total	1,914,338	8,772,165	2,473,466	7,689,962

The placements at foreign banks include blocked accounts amounting TL 6,262,890 thousands (31 December 2012: TL 6,175,422 thousands) of which TL 70,433 thousands (31 December 2012: TL 82,876 thousands) and TL 35,481 thousands (31 December 2012: TL 26,402 thousands) are kept at the central banks of Malta and Turkish Republic of Northern Cyprus, respectively as reserve deposits and TL 6,156,976 thousands (31 December 2012: TL 6,066,144 thousands) as collateral against funds borrowed at various banks.

Furthermore, there are restricted deposits at various domestic banks amounting TL 92,170 thousands (31 December 2012: TL 108,694 thousands) as required for insurance activities.

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>	
	TL	FC	TL	FC
Collateralised/Blocked Assets	10,608,026	621,648	10,968,071	388,212
Assets subject to Repurchase Agreements	13,160,936	660,366	14,696,052	699,780
Total	23,768,962	1,282,014	25,664,123	1,087,992

5.1.4.2 Details of financial assets available-for-sale

	<i>Current Period</i>	<i>Prior Period</i>
Debt Securities	35,041,124	34,227,618
Quoted at Stock Exchange	32,404,359	32,025,799
Unquoted at Stock Exchange	2,636,765	2,201,819
Common Shares/Investment Fund	26,390	22,251
Quoted at Stock Exchange	5,081	5,081
Unquoted at Stock Exchange	21,309	17,170
Value Increase/Impairment Losses (-)	2,579,986	4,244,637
Total	37,647,500	38,494,506

As of 30 June 2013, the Bank and its consolidated financial affiliates' "financial assets available-for-sale" portfolio includes private sector bonds with "credit linked notes" at a total face value of USD 425,000,000 (31 December 2012: USD 426,111,240) and a total carrying value of TL 821,013 thousands (31 December 2012: TL 765,645 thousands).

5.1.5 Loans

5.1.5.1 Loans and advances to shareholders and employees of the Bank

	<i>Current Period</i>		<i>Prior Period</i>	
	Cash Loans	Non-Cash Loans	Cash Loans	Non-Cash Loans
Direct Lendings to Shareholders	42	179,433	21	121,141
Corporates	42	179,433	21	121,141
Real Persons	-	-	-	-
Indirect Lendings to Shareholders	366,724	454,013	368,707	495,947
Loans to Employees	204,897	29	175,918	-
Total	571,663	633,475	544,646	617,088

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

<i>Current Period</i>	Performing Loans and Other Receivables			Loans and Other Receivables under Follow-Up		
	Loans and Other Receivables (Total)	Loans and Receivables with Revised Contract Terms		Loans and Other Receivables (Total)	Loans and Receivables with Revised Contract Terms	
		Extension of Repayment Plan	Other Changes		Extension of Repayment Plan	Other Changes
Cash Loans						
Loans	112,212,196	1,748,897	85,342	2,913,435	1,190,822	676,340
Working Capital Loans	10,283,725	138,528	9,354	565,090	239,653	108,368
Export Loans	4,427,348	19,118	-	31,420	18,275	10,146
Import Loans	559,219	-	-	-	-	-
Loans to Financial Sector (*)	4,169,180	3	-	186	-	-
Consumer Loans	26,546,625	1,056,339	51,647	667,497	206,497	70,707
Credit Cards	12,963,005	-	-	474,354	-	382,896
Others	53,263,094	534,909	24,341	1,174,888	726,397	104,223
Specialization Loans	-	-	-	-	-	-
Other Receivables	-	-	-	-	-	-
Total	112,212,196	1,748,897	85,342	2,913,435	1,190,822	676,340

(*) Loans amounting to TL 209,809 thousands included under Financial Assets at Fair Value through Profit/Loss in the accompanying consolidated financial statements 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
Cash Loans						
Loans	97,197,474	1,508,528	77,093	2,551,356	875,596	571,771
Working Capital Loans	9,969,326	158,070	6,109	518,361	240,937	112,259
Export Loans	3,768,124	10,450	-	114,629	83,233	15,850
Import Loans	488,213	3,096	-	-	-	-
Loans to Financial Sector (*)	3,189,528	2	-	211	20	-
Consumer Loans	22,592,988	694,854	48,048	505,969	86,097	92,746
Credit Cards	11,615,309	-	-	338,376	-	252,722
Others	45,573,986	642,056	22,936	1,073,810	465,309	98,194
Specialization Loans	-	-	-	-	-	-
Other Receivables	-	-	-	-	-	-
Total	97,197,474	1,508,528	77,093	2,551,356	875,596	571,771

(*) Loans amounting to TL 222,181 thousands included under Financial Assets at Fair Value through Profit/Loss in the accompanying consolidated financial statements are presented above under "Loans to Financial Sector".

Collaterals received for loans under follow-up

<i>Current Period</i>	Corporate / Commercial Loans	Consumer Loans	Credit Cards	Total
Loans Collateralized by Cash	18,005	1,835	-	19,840
Loans Collateralized by Mortgages	909,583	228,836	-	1,138,419
Loans Collateralized by Pledged Assets	89,291	38,809	-	128,100
Loans Collateralized by Cheques and Notes	81,681	314,127	-	395,808
Loans Collateralized by Other Collaterals	539,773	42,288	-	582,061
Unsecured Loans	133,251	41,602	474,354	649,207
Total	1,771,584	667,497	474,354	2,913,435

<i>Prior Period</i>	Corporate / Commercial Loans	Consumer Loans	Credit Cards	Total
Loans Collateralized by Cash	13,419	2,375	-	15,794
Loans Collateralized by Mortgages	951,364	200,580	-	1,151,944
Loans Collateralized by Pledged Assets	121,406	25,234	-	146,640
Loans Collateralized by Cheques and Notes	96,309	204,960	-	301,269
Loans Collateralized by Other Collaterals	490,391	44,069	-	534,460
Unsecured Loans	34,122	28,751	338,376	401,249
Total	1,707,011	505,969	338,376	2,551,356

Delinquency periods of loans under follow-up

<i>Current Period</i>	Corporate / Commercial Loans	Consumer Loans	Credit Cards	Total
31-60 days	49,058	221,680	64,080	334,818
61-90 days	146,833	90,942	26,736	264,511
Other	1,575,693	354,875	383,538	2,314,106
Total	1,771,584	667,497	474,354	2,913,435

<i>Prior Period</i>	Corporate / Commercial Loans	Consumer Loans	Credit Cards	Total
31-60 days	74,070	177,183	60,066	311,319
61-90 days	106,752	72,061	24,868	203,681
Other	1,526,189	256,725	253,442	2,036,356
Total	1,707,011	505,969	338,376	2,551,356

Loans and other receivables with extended payment plans

<i>Current Period</i>	Performing Loans and Other Receivables	Loans and Other Receivables under Follow-up
No. of Extensions		
1 or 2 times	1,549,286	1,097,181
3, 4 or 5 times	183,910	81,686
Over 5 times	15,701	11,955
Total	1,748,897	1,190,822

<i>Prior Period</i>	Performing Loans and Other Receivables	Loans and Other Receivables under Follow-up
No. of Extensions		
1 or 2 times	1,304,863	833,038
3, 4 or 5 times	179,235	28,622
Over 5 times	24,430	13,936
Total	1,508,528	875,596

<i>Current Period</i>	Performing Loans and Other Receivables	Loans and Other Receivables under Follow-up
Extention Periods		
0 - 6 months	589,068	196,779
6 - 12 months	195,714	88,986
1 - 2 years	477,956	148,733
2 - 5 year	383,637	298,222
5 years and over	102,522	458,102
Total	1,748,897	1,190,822

<i>Prior Period</i>	Performing Loans and Other Receivables	Loans and Other Receivables under Follow-up
Extention Periods		
0 - 6 months	242,610	413,665
6 - 12 months	368,146	80,387
1 - 2 years	382,950	88,943
2 - 5 year	392,946	117,178
5 years and over	121,876	175,423
Total	1,508,528	875,596

5.1.5.3 Maturity analysis of cash loans

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

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

<i>Current Period</i>	Short-Term	Medium and Long-Term	Total
Consumer Loans – TL	568,098	24,625,868	25,193,966
Housing Loans	26,838	12,134,335	12,161,173
Automobile Loans	20,557	1,376,378	1,396,935
General Purpose Loans	95,218	1,607,255	1,702,473
Others	425,485	9,507,900	9,933,385
Consumer Loans – FC-indexed	-	239,607	239,607
Housing Loans	-	231,422	231,422
Automobile Loans	-	168	168
General Purpose Loans	-	6,421	6,421
Others	-	1,596	1,596
Consumer Loans – FC	163,387	1,124,994	1,288,381
Housing Loans	1,134	487,752	488,886
Automobile Loans	22	6,457	6,479
General Purpose Loans	4,760	365,764	370,524
Others	157,471	265,021	422,492
Retail Credit Cards – TL	11,695,202	487,848	12,183,050
With Installment	6,680,769	487,834	7,168,603
Without Installment	5,014,433	14	5,014,447
Retail Credit Cards – FC	51,391	63,469	114,860
With Installment	17,822	-	17,822
Without Installment	33,569	63,469	97,038
Personnel Loans – TL	17,583	49,271	66,854
Housing Loan	-	2,007	2,007
Automobile Loans	-	113	113
General Purpose Loans	4,208	7,944	12,152
Others	13,375	39,207	52,582
Personnel Loans - FC-indexed	188	14,397	14,585
Housing Loans	-	14,397	14,397
Automobile Loans	-	-	-
General Purpose Loans	188	-	188
Others	-	-	-
Personnel Loans – FC	2,867	64,290	67,157
Housing Loans	54	15,946	16,000
Automobile Loans	-	38	38
General Purpose Loans	168	28,421	28,589
Others	2,645	19,885	22,530
Personnel Credit Cards – TL	46,238	659	46,897
With Installment	37,523	659	38,182
Without Installment	8,715	-	8,715
Personnel Credit Cards – FC	1,818	694	2,512
With Installment	355	-	355
Without Installment	1,463	694	2,157
Deposit Accounts– TL (Real Persons)	343,572	-	343,572
Deposit Accounts– FC (Real Persons)	-	-	-
Total	12,890,344	26,671,097	39,561,441

<i>Prior Period</i>	Short-Term	Medium and Long-Term	Total
Consumer Loans – TL	574,505	20,570,250	21,144,755
Housing Loans	13,381	10,248,790	10,262,171
Automobile Loans	21,313	1,269,827	1,291,140
General Purpose Loans	107,615	1,283,909	1,391,524
Others	432,196	7,767,724	8,199,920
Consumer Loans – FC-indexed	-	274,002	274,002
Housing Loans	-	264,756	264,756
Automobile Loans	-	246	246
General Purpose Loans	-	6,858	6,858
Others	-	2,142	2,142
Consumer Loans – FC	151,370	1,025,824	1,177,194
Housing Loans	1,193	446,037	447,230
Automobile Loans	13	7,184	7,197
General Purpose Loans	7,969	347,577	355,546
Others	142,195	225,026	367,221
Retail Credit Cards – TL	10,891,301	264,632	11,155,933
With Installment	5,698,845	264,632	5,963,477
Without Installment	5,192,456	-	5,192,456
Retail Credit Cards – FC	46,460	62,124	108,584
With Installment	10,837	1,656	12,493
Without Installment	35,623	60,468	96,091
Personnel Loans – TL	18,465	37,051	55,516
Housing Loan	-	1,171	1,171
Automobile Loans	-	146	146
General Purpose Loans	4,265	5,866	10,131
Others	14,200	29,868	44,068
Personnel Loans - FC-indexed	224	15,302	15,526
Housing Loans	-	14,378	14,378
Automobile Loans	-	-	-
General Purpose Loans	224	924	1,148
Others	-	-	-
Personnel Loans – FC	2,389	48,823	51,212
Housing Loans	63	15,457	15,520
Automobile Loans	-	41	41
General Purpose Loans	174	27,666	27,840
Others	2,152	5,659	7,811
Personnel Credit Cards – TL	43,806	513	44,319
With Installment	34,769	513	35,282
Without Installment	9,037	-	9,037
Personnel Credit Cards – FC	810	1,500	2,310
With Installment	255	-	255
Without Installment	555	1,500	2,055
Deposit Accounts– TL (Real Persons)	380,752	-	380,752
Deposit Accounts– FC (Real Persons)	-	-	-
Total	12,110,082	22,300,021	34,410,103

5.1.5.5 Installment based commercial loans and corporate credit cards

<i>Current Period</i>	Short-Term	Medium and Long-Term	Total
Installment-based Commercial Loans – TL	1,119,977	8,540,686	9,660,663
Real Estate Loans	1,212	636,110	637,322
Automobile Loans	49,199	1,656,115	1,705,314
General Purpose Loans	1,069,566	6,242,669	7,312,235
Others	-	5,792	5,792
Installment-based Commercial Loans - FC-indexed	91,323	898,344	989,667
Real Estate Loans	229	51,042	51,271
Automobile Loans	4,603	235,226	239,829
General Purpose Loans	86,491	612,076	698,567
Others	-	-	-
Installment-based Commercial Loans – FC	596,585	669,117	1,265,702
Real Estate Loans	-	1,329	1,329
Automobile Loans	92	5,640	5,732
General Purpose Loans	257	16,703	16,960
Others	596,236	645,445	1,241,681
Corporate Credit Cards – TL	1,082,421	870	1,083,291
With Installment	552,424	870	553,294
Without Installment	529,997	-	529,997
Corporate Credit Cards – FC	6,749	-	6,749
With Installment	64	-	64
Without Installment	6,685	-	6,685
Deposit Accounts– TL (Corporates)	556,512	-	556,512
Deposit Accounts– FC (Corporates)	-	-	-
Total	3,453,567	10,109,017	13,562,584

<i>Prior Period</i>	Short-Term	Medium and Long-Term	Total
Installment-based Commercial Loans – TL	1,113,031	7,756,447	8,869,478
Real Estate Loans	547	577,452	577,999
Automobile Loans	49,295	1,540,604	1,589,899
General Purpose Loans	1,063,189	5,631,924	6,695,113
Others	-	6,467	6,467
Installment-based Commercial Loans - FC-indexed	87,881	685,775	773,656
Real Estate Loans	-	39,880	39,880
Automobile Loans	2,545	211,094	213,639
General Purpose Loans	70,804	411,058	481,862
Others	14,532	23,743	38,275
Installment-based Commercial Loans – FC	625,038	942,040	1,567,078
Real Estate Loans	-	257,571	257,571
Automobile Loans	170	4,665	4,835
General Purpose Loans	246	10,074	10,320
Others	624,622	669,730	1,294,352
Corporate Credit Cards – TL	636,981	750	637,731
With Installment	375,502	750	376,252
Without Installment	261,479	-	261,479
Corporate Credit Cards – FC	4,808	-	4,808
With Installment	1	-	1
Without Installment	4,807	-	4,807
Deposit Accounts– TL (Corporates)	646,939	-	646,939
Deposit Accounts– FC (Corporates)	-	-	-
Total	3,114,678	9,385,012	12,499,690

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	106,492,481	91,700,234
Foreign Loans (*)	8,633,150	8,048,596
Total	115,125,631	99,748,830

(*) Loans amounting to TL 209,809 thousands (31 December 2012: TL 222,181 thousands) included under Financial Assets at Fair Value through Profit/Loss in the accompanying consolidated financial statements 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	10,758	34,247
Indirect Lending	-	-
Total	10,758	34,247

5.1.5.9 Specific provisions for loans

Specific Provisions	<i>Current Period</i>	<i>Prior Period</i>
Substandard Loans and Receivables - Limited Collectibility	180,504	153,280
Doubtful Loans and Receivables	332,620	468,299
Uncollectible Loans and Receivables	1,653,040	1,487,761
Total	2,166,164	2,109,340

5.1.5.10 Non-performing loans (net)

Non-performing loans and other receivables restructured or rescheduled

	Group III	Group IV	Group V
	Substandard Loans and Receivables	Doubtful Loans and Receivables	Uncollectible Loans and Receivables
<i>Current Period</i>			
(Gross amounts before specific provisions)			
Restructured Loans and Receivables	119,377	47,531	134,211
Rescheduled Loans and Receivables	-	-	45,960
Total	119,377	47,531	180,171
<i>Prior Period</i>			
(Gross amounts before specific provisions)			
Restructured Loans and Receivables	141,642	40,941	114,613
Rescheduled Loans and Receivables	-	-	38,274
Total	141,642	40,941	152,887

Movements in non-performing loan groups

	Group III	Group IV	Group V
<i>Current Period</i>	Substandard Loans and Receivables	Doubtful Loans and Receivables	Uncollectible Loans and Receivables
Balances at Beginning of Period	342,410	577,852	1,784,948
Additions (+)	501,404	32,705	166,701
Transfer from Other NPL Categories (+)	-	442,937	514,755
Transfer to Other NPL Categories (-)	446,293	511,399	-
Collections during the Period (-)	117,804	92,924	138,404
Write-offs (-) (*)	-	229	310,786
Corporate and Commercial Loans	-	226	29,209
Retail Loans	-	-	52,594
Credit Cards	-	3	228,983
Other	-	-	-
Balances at End of Period	279,717	448,942	2,017,214
Specific Provisions (-)	(180,504)	(332,620)	(1,653,040)
Net Balance on Balance Sheet	99,213	116,322	364,174

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

<i>Prior Period</i>	Group III Substandard Loans and Receivables	Group IV Doubtful Loans and Receivables	Group V Uncollectible Loans and Receivables
Balances at Beginning of Period	78,176	191,288	1,664,069
Additions (+)	878,790	179,605	256,959
Transfer from Other NPL Categories (+)	82,686	617,305	344,953
Transfer to Other NPL Categories (-)	607,810	345,163	93,396
Collections during the Period (-)	84,086	65,183	183,923
Write-offs (-) (*)	5,346	-	203,714
Corporate and Commercial Loans	5,211	-	10,441
Retail Loans	135	-	52,103
Credit Cards	-	-	140,667
Other	-	-	503
Balances at End of Period	342,410	577,852	1,784,948
Specific Provisions (-)	(153,280)	(468,299)	(1,487,761)
Net Balance on Balance Sheet	189,130	109,553	297,187

(*) TL 198,936 thousands of this amount is resulted from sale of non-performing loans.

Movements in specific loan provisions

<i>Current Period</i>	Corporate / Commercial Loans	Consumer Loans	Credit Cards	Total
Balances at End of Prior Period	955,670	537,104	616,566	2,109,340
Additions during the Period (+)	226,307	146,224	194,656	567,187
Restructured/Rescheduled Loans (-)	-	-	-	-
Collections during the Period (-)	97,912	47,163	68,800	213,875
Write-Offs (-)	16,472	51,030	228,986	296,488
Balances at End of Period	1,067,593	585,135	513,436	2,166,164

<i>Prior Period</i>	Corporate / Commercial Loans	Consumer Loans	Credit Cards	Total
Balances at End of Prior Period	561,503	401,108	565,921	1,528,532
Additions during the Period (+)	471,255	249,244	273,220	993,719
Restructured/Rescheduled Loans (-)	245	75	-	320
Collections during the Period (-)	62,022	66,914	81,908	210,844
Write-Offs (-)	14,821	46,259	140,667	201,747
Balances at End of Period	955,670	537,104	616,566	2,109,340

Non-performing loans in foreign currencies

	Group III	Group IV	Group V
	Substandard Loans and Receivables	Doubtful Loans and Receivables	Uncollectible Loans and Receivables
<i>Current Period</i>			
Balance at End of Period	82,438	64,286	969,902
Specific Provisions (-)	36,089	46,783	774,939
Net Balance at Balance Sheet	46,349	17,503	194,963
<i>Prior Period</i>			
Balance at End of Period	133,372	245,566	666,560
Specific Provisions (-)	45,693	206,553	524,537
Net Balance at Balance Sheet	87,679	39,013	142,023

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

	Group III	Group IV	Group V
	Substandard Loans and Receivables	Doubtful Loans and Receivables	Uncollectible Loans and Receivables
<i>Current Period (Net)</i>	99,213	116,322	364,174
Loans to Individuals and Corporates (Gross)	279,717	448,942	2,009,182
Specific Provision (-)	180,504	332,620	1,645,008
Loans to Individuals and Corporates (Net)	99,213	116,322	364,174
Banks (Gross)	-	-	311
Specific Provision (-)	-	-	311
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	7,721
Specific Provision (-)	-	-	7,721
Other Loans and Receivables (Net)	-	-	-
<i>Prior Period (Net)</i>	189,130	109,553	297,187
Loans to Individuals and Corporates (Gross)	342,410	577,852	1,776,918
Specific Provision (-)	153,280	468,299	1,479,731
Loans to Individuals and Corporates (Net)	189,130	109,553	297,187
Banks (Gross)	-	-	311
Specific Provision (-)	-	-	311
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	7,719
Specific Provision (-)	-	-	7,719
Other Loans and Receivables (Net)	-	-	-

Collaterals received for non-performing loans

<i>Current Period</i>	Corporate/ Commercial Loans	Consumer Loans	Credit Cards	Total
Loans Collateralized by Cash	1,935	222	-	2,157
Loans Collateralized by Mortgages	523,941	69,372	-	593,313
Loans Collateralized by Pledged Assets	287,744	42,271	-	330,015
Loans Collateralized by Cheques and Notes	256,797	284,655	-	541,452
Loans Collateralized by Other Collaterals	261,778	99,497	-	361,275
Unsecured Loans	210,731	190,138	516,792	917,661
Total	1,542,926	686,155	516,792	2,745,873

<i>Prior Period</i>	Corporate/ Commercial Loans	Consumer Loans	Credit Cards	Total
Loans Collateralized by Cash	10,166	213	-	10,379
Loans Collateralized by Mortgages	518,864	60,797	-	579,661
Loans Collateralized by Pledged Assets	258,097	39,971	-	298,068
Loans Collateralized by Cheques and Notes	252,037	253,795	-	505,832
Loans Collateralized by Other Collaterals	217,235	87,095	-	304,330
Unsecured Loans	158,185	195,277	653,478	1,006,940
Total	1,414,584	637,148	653,478	2,705,210

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 policy

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 Factoring 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”.

5.1.7 Investments held-to-maturity

5.1.7.1 Investment subject to repurchase agreements and provided as collateral/blocked

	<i>Current Period</i>		<i>Prior Period</i>	
	TL	FC	TL	FC
Collateralised/Blocked Investments	901,620	-	677,626	356,786
Investments subject to Repurchase Agreements	-	-	-	-
Total	901,620	-	677,626	356,786

5.1.7.2 Government securities held-to-maturity

	<i>Current Period</i>	<i>Prior Period</i>
Government Bonds	905,641	911,349
Treasury Bills	-	-
Other Government Securities	-	445,864
Total	905,641	1,357,213

5.1.7.3 Investments held-to-maturity

	<i>Current Period</i>	<i>Prior Period</i>
Debt Securities	926,211	1,362,063
Quoted at Stock Exchange	912,462	1,354,998
Unquoted at Stock Exchange	13,749	7,065
Valuation Increase / (Decrease)	(5,082)	4,891
Total	921,129	1,366,954

5.1.7.4 Movement of investments held-to-maturity

	<i>Current Period</i>	<i>Prior Period</i>
Balances at Beginning of Period	1,366,954	4,786,530
Foreign Currency Differences on Monetary Assets	-	(26,348)
Purchases during the Period	13,749	9,557
Disposals through Sales/Redemptions (*)	(459,796)	(3,407,676)
Valuation Effect	222	4,891
Balances at End of Period	921,129	1,366,954

(*) 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, in the prior period, the Bank sold a part of its eurobonds with a total face value of USD 595,638,000 from its held-to-maturity portfolio and in the current period, as per the letter of the Public Oversight, Accounting and Auditing Standards Authority no. 602 dated 20 February 2013, the Bank reclassified its eurobonds with a total face value of USD 248,209,999 to its available-for-sale portfolio.

5.1.8 Investments in associates

5.1.8.1 Unconsolidated investments in associates

	Associates	Address (City/ Country)	Parent Bank's Share – If Different, Voting Rights (%)	Bank Risk Group's Share (%)
1	Emeklilik Gözetim Merkezi AŞ	Istanbul/Turkey	-	6.67
2	Bankalararası Kart Merkezi AŞ	Istanbul/Turkey	10.15	10.15
3	Yatırım Finansman Menkul Değerler AŞ ⁽¹⁾	Istanbul/Turkey	0.77	0.77
4	İstanbul Takas ve Saklama Bankası AŞ ^{(1)(***)}	Istanbul/Turkey	5.83	5.83
5	Borsa İstanbul AŞ ^{(1)(**)}	Izmir/Turkey	6.00	6.00
6	KKB Kredi Kayıt Bürosu AŞ ⁽¹⁾	Istanbul/Turkey	9.09	9.09
7	Türkiye Cumhuriyet Merkez Bankası AŞ ⁽²⁾	Ankara/Turkey	2.48	2.48
8	Kredi Garanti Fonu AŞ ⁽¹⁾	Ankara/Turkey	1.75	1.75

	Total Assets	Shareholders' Equity	Total Fixed Assets (*)	Interest Income	Income on Securities Portfolio	Current Period Profit/Loss	Prior Period Profit/Loss	Company's Fair Value (if available)
1	7,417	6,571	678	111	1	642	1,191	-
2	27,657	20,724	16,916	239	11	1,116	1,998	-
3	567,647	70,445	2,355	6,817	263	2,291	581	-
4	3,501,964	343,248	14,007	20,970	-	15,338	13,489	-
5	26,096	17,062	2,996	817	12	(5,710)	3,342	-
6	84,370	56,141	46,387	496	-	5,365	7,881	-
7	251,407,290	23,683,777	274,340	3,079,573	2,404,666	(300,025)	18,381,955	-
8	267,347	263,124	3,789	2,137	-	2,148	1,927	-

(*) 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 name of İMKB Takas ve Saklama AŞ was changed as İstanbul Takas ve Saklama Bankası AŞ.

(1) Financial information is as of 31 March 2013.

(2) Financial information is as of 31 December 2012.

In the current period, the paid-in capital of İstanbul Takas ve Saklama Bankası AŞ was decided to be increased 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. The Bank and one of its consolidated financial affiliates participated in this increase in total by TL 10,539 thousands in cash and also acquired bonus shares of TL 5,135 thousands.

Unconsolidated investments in associates sold during the current period

None.

Unconsolidated investments in associates acquired during the current period

None.

5.1.8.2 Consolidated investments in associates

	Associates	Address (City/ Country)	Parent Bank's Share – If Different, Voting Rights (%)	Bank Risk Group's Share (%)
1	Garanti Yatırım Ortaklığı AŞ ⁽¹⁾	İstanbul / Türkiye	-	3.24

	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	37,277	35,295	196	104	2,634	927	1,943	22,200

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

(1) Financial information is as of 31 March 2013, however the fair value information is as of 30 June 2013.

Garanti Yatırım Ortaklığı AŞ that Garanti Yatırım participated by 3.24%, is consolidated in the accompanying consolidated financial statements under full consolidation method due to the company's right to elect all the members of the board of directors as resulted from its privilege in election of board members.

5.1.8.3 Movement of consolidated investments in associates

	<i>Current Period</i>	<i>Prior Period</i>
Balance at Beginning of Period	43	38
Movements during the Period	677	5
Acquisitions and Capital Increases	673	-
Bonus Shares Received	-	-
Allocation from Current Period Profit	-	-
Sales/Liquidations (-) (*)	-	-
Reclassifications	-	-
Increase/Decrease in Fair Values	4	5
Currency Differences on Foreign Associates	-	-
Impairment Losses (-)	-	-
Balance at End of Period	720	43
Capital Commitments	-	-
Share Percentage at the End of Period (%)	-	-

Valuation methods of consolidated investments in associates

Associates	<i>Current Period</i>	<i>Prior Period</i>
Valued at Cost	-	-
Valued at Fair Value	720	43
Valued by Equity Method of Accounting	-	-

Sectoral distribution of consolidated investments and associates

Associates	<i>Current Period</i>	<i>Prior Period</i>
Banks	-	-
Insurance Companies	-	-
Factoring Companies	-	-
Leasing Companies	-	-
Finance Companies	720	43
Other Associates	-	-

Quoted consolidated investments in associates

	<i>Current Period</i>	<i>Prior Period</i>
Quoted at Domestic Stock Exchanges	720	43
Quoted at International Stock Exchanges	-	-

Investments in associates sold during the current period

None.

Investments in associates acquired during the current period

None.

5.1.9 Investments in subsidiaries

Information on capital adequacy of major subsidiaries

<i>Current Period</i>	Garanti Bank International NV	Garanti Finansal Kiralama AS	Garanti Holding BV
CORE CAPITAL	1,055,099	563,897	427,200
Paid-in Capital	343,604	12,016	913,975
Inflation Adjustments to Paid-in Capital	-	68,832	-
Share Premium	-	-	32,128
Reserves	576,681	480,566	(407,947)
Current Period's Profit and Prior Periods' Profit	140,466	4,620	43,972
Current Period's Losses and Prior Periods' Losses	-	-	-
Leasehold Improvements on Operational Leases (-)	-	-	12,606
Intangible Assets (-)	5,652	2,137	3,730
Goodwill (Net) (-)	-	-	138,592
SUPPLEMENTARY CAPITAL	151,036	-	(38,074)
CAPITAL	1,206,135	563,897	389,126
DEDUCTIONS FROM CAPITAL	-	6	13,836
NET AVAILABLE EQUITY	1,206,135	563,891	375,290

<i>Prior Period</i>	Garanti Bank International NV	Garanti Finansal Kiralama AS	Garanti Holding BV
CORE CAPITAL	896,741	559,976	332,747
Paid-in Capital	322,353	12,016	856,656
Inflation Adjustments to Paid-in Capital	-	68,832	-
Share Premium	-	-	30,113
Reserves	474,900	419,008	(367,428)
Current Period's Profit and Prior Periods' Profit	101,782	61,560	-
Current Period's Losses and Prior Periods' Losses	-	-	(40,642)
Leasehold Improvements on Operational Leases (-)	-	-	12,821
Intangible Assets (-)	2,294	1,440	2,805
Goodwill (Net) (-)	-	-	130,326
SUPPLEMENTARY CAPITAL	178,282	-	9,720
CAPITAL	1,075,023	559,976	342,467
DEDUCTIONS FROM CAPITAL	-	42	81,453
NET AVAILABLE EQUITY	1,075,023	559,934	261,014

The parent Bank does not have any capital needs due to its subsidiaries included in the calculation of its consolidated capital adequacy standard ratio.

5.1.9.1 Unconsolidated investments in subsidiaries

	Subsidiaries	Address (City/ Country)	Parent Bank's Share – If Different, Voting Rights (%)	Bank Risk Group's 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	Trifoi Real Estate Company	Bucharest/Romania	-	100.00
7	United Custodian	Amsterdam/The Netherlands	-	100.00
8	Golden Clover Stichting Custody	Amsterdam/The Netherlands	-	100.00
9	Stichting Safekeeping	Amsterdam/The Netherlands	-	100.00
10	Garanti Filo Yönetim Hizmetleri AŞ	Istanbul/Turkey	-	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 (if available)	Amount of Equity Requirement
1	35,746	32,648	526	375	374	1,627	4,243	-	-
2	26,914	16,468	4,241	347	178	949	521	-	-
3	3,298	3,037	9	-	24	1,813	557	-	-
4	1,215	664	65	-	4	(9)	(4)	-	-
5	2,442	2,284	4	-	29	629	(290)	-	-
6	37	63	28	-	-	(2)	(1)	-	-
7	310	310	-	-	-	-	-	-	-
8	316	310	-	-	-	-	-	-	-
9	45	45	-	-	-	-	-	-	-
10	377,080	39,134	295,151	35	-	(2,980)	11,143	-	-

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

The liquidation process of Garanti Teknolojinet İletişim Hizmetleri ve Tic. AŞ has been completed in the current period.

Unconsolidated subsidiaries, reasons for not consolidating such investments and accounting treatments applied for such investments

The non-financial investments excluded from the consolidation process, are accounted under cost method of accounting.

5.1.9.2 Movement of consolidated investments in subsidiaries

	Current Period	Prior Period
Balance at Beginning of Period	2,484,453	2,064,495
Movements during the Period	177,857	419,958
Acquisitions and Capital Increases(*)	-	46,474
Bonus Shares Received	-	-
Dividends from Current Year Profit	-	-
Sales/Liquidations	-	-
Reclassifications	-	-
Increase/Decrease in Market Values	102,045	420,961
Currency Differences on Foreign Subsidiaries	75,812	(47,477)
Reversal of Impairment Losses / Impairment Losses (-)	-	-
Balance at End of Period	2,662,310	2,484,453
Capital Commitments	-	-
Share Percentage at the End of Period (%)	-	-

(*) In prior period; the paid-in capital of Garanti Holding BV was increased from EUR 349,088,600 to EUR 369,088,600 on 18 October 2012 as per the decision made at the board of directors' meeting held on 11 October 2012.

Valuation methods of consolidated investments in subsidiaries

	Current Period	Prior Period
Valued at Cost	235,950	235,950
Valued at Fair Value	2,426,360	2,248,503

Sectoral distribution of consolidated investments in subsidiaries

	<i>Current Period</i>	<i>Prior Period</i>
Banks	1,463,309	1,357,098
Insurance Companies	56,545	56,545
Factoring Companies	134,404	130,967
Leasing Companies	110,743	110,743
Finance Companies	897,309	829,100
Other Subsidiaries	-	-

Quoted consolidated investments in subsidiaries

	<i>Current Period</i>	<i>Prior Period</i>
Quoted at Domestic Stock Exchanges	134,404	130,967
Quoted at International Stock Exchanges	-	-

Other information on consolidated investments in subsidiaries

	Subsidiaries	Address (City/ Country)	Parent Bank's Share – If Different, Voting Rights (%)	Shares of Other Consolidated Subsidiaries (%)	Method of Consolidation
1	Garanti Finansal Kiralama AŞ	Istanbul/Turkey	99.96	-	Full Consolidation
2	Garanti Faktoring Hizmetleri AŞ	Istanbul/Turkey	81.84	-	Full Consolidation
3	Garanti Yatırım Menkul Kıymetler AŞ	Istanbul/Turkey	100.00	-	Full Consolidation
4	Garanti Portföy Yönetimi AŞ	Istanbul/Turkey	100.00	-	Full Consolidation
5	Garanti Emeklilik ve Hayat AŞ	Istanbul/Turkey	84.91	-	Full Consolidation
6	Garanti Bank International NV	Amsterdam/The Netherlands	100.00	-	Full Consolidation
7	Garanti Bank Moscow	Moscow/Russia	99.94	-	Full Consolidation
8	Garanti Holding BV(**)	Amsterdam/The Netherlands	100.00	-	Full Consolidation
9	G Netherlands BV	Amsterdam/The Netherlands	-	100.00	Full Consolidation
10	Garanti Bank SA	Bucharest/Romania	-	100.00	Full Consolidation
11	Motoractive IFN SA	Bucharest/Romania	-	100.00	Full Consolidation
12	Ralfi IFN SA	Bucharest/Romania	-	100.00	Full Consolidation
13	Domenia Credit IFN SA	Bucharest/Romania	-	100.00	Full Consolidation

	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	3,158,999	566,035	17,729	128,863	-	36,731	31,189	-
2	1,677,702	115,790	2,623	58,671	-	10,779	11,015	164,220
3	58,573	35,743	2,305	168	958	5,693	(2,608)	-
4	24,306	20,229	2,001	393	113	2,028	1,409	-
5	4,814,612	645,958	17,369	22,774	3,049	69,894	75,242	-
6	10,833,805	1,138,735	51,805	183,805	34,946	140,466	61,950	1,228,128
7	866,194	173,110	41,851	17,750	8,663	7,882	6,740	235,317
8	803,502	803,470	-	-	-	(37)	(72)	828,647
9	856,051	726,245	-	159	-	6,110	(5,120)	-
10	3,640,625	508,139	48,069	108,022	9,242	42,226	10,998	-
11	226,233	36,725	6,653	9,183	-	3,296	2,726	-
12	189,722	21,855	2,459	19,500	-	2,274	2,855	-
13	292,070	33,805	603	7,892	-	1,271	2,981	-

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

(**) The fair value stated above for Garanti Holding BV covers all the consolidated affiliates under the company; namely G Netherlands BV, Garanti Bank SA, Motoractive IFN SA, Ralfi IFN SA and Domenia Credit IFN SA.

Consolidated investments in subsidiaries disposed during the current period
None.

Consolidated investments in subsidiaries acquired during the current period
None.

5.1.10 Investments in joint-ventures

None.

5.1.11 Lease receivables

5.1.11.1 Financial lease receivables according to remaining maturities

	<i>Current Period</i>		<i>Prior Period</i>	
	Gross	Net	Gross	Net
Less than 1 Year	1,321,518	1,214,755	1,174,890	1,063,248
Between 1-5 Years	2,210,901	1,896,946	2,029,321	1,717,707
Longer than 5 Years	114,221	93,441	108,236	87,955
Total	3,646,640	3,205,142	3,312,447	2,868,910

5.1.11.2 Net financial lease receivables

	<i>Current Period</i>	<i>Prior Period</i>
Gross Financial Lease Receivables	3,646,640	3,312,447
Unearned Income on Financial Lease Receivables (-)	(441,498)	(443,537)
Terminated Lease Contracts (-)	-	-
Net Financial Lease Receivables	3,205,142	2,868,910

5.1.11.3 Financial lease agreements

Criteria applied for financial lease agreements

The customer applied for a financial lease is evaluated based on the lending policies and criteria taking into account the legal legislation. A “customer analysis report” according to the type and amount of the application is prepared for the evaluation of the customer by the Credit Committee and certain risk rating models such as “customer risk rating” and “equipment rating/scoring” are applied.

In compliance with the legal legislation and the authorization limits of the general manager, credit committee and board of directors, it is decided whether the loan will be granted considering the financial position and the qualitative characteristics of the customer and the criterias mentioned above, if yes, which conditions will be applied. At this stage, collateral such as bank guarantees, mortgages, asset pledges, promissory notes or the personal or corporate guarantees, may be required depending on the creditworthiness of the customer and the characteristics of the product to be sold.

The sectoral, equipment type and pledged asset concentration of the customers are monitored regularly.

Details monitored subsequent to signing of financial lease agreements

Subsequent to granting of loan, the fulfillment of monetary aspects such as lending procedures, timely collection of rental payments are monitored. Furthermore, updated information on the performance of companies is reported by the credit monitoring unit even for the performing customers.

The reports prepared by the credit monitoring unit for the performing companies and the assessments made by the administration follow-up and the legal units for the problematic companies, are presented to the top management following the assessments made by the related internal committees and the necessary actions are taken.

5.1.12 Derivative financial assets held for risk management

5.1.12.1 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	23,666	-	-	-
Cash Flow Hedges	-	-	-	-
Net Foreign Investment Hedges	-	-	-	-
Total	23,666	-	-	-

5.1.13 Tangible assets

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

5.1.14 Intangible assets

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

5.1.15 Investment property

<i>Current Period</i>	Cost	Accumulated Depreciation (-)	Impairment Losses	Intend of Use
Real Estate Type				
Building	157,662	(31,516)	(111)	Operational lease
Land	-	-	-	-

<i>Prior Period</i>	Cost	Accumulated Depreciation (-)	Impairment Losses	Intend of Use
Real Estate Type				
Building	157,544	(29,621)	(241)	Operational lease
Land	-	-	-	-

5.1.16 Deferred tax asset

As of 30 June 2013, on a consolidated basis the Bank has a deferred tax asset of TL 206,323 thousands (31 December 2012: TL 231,220 thousands) calculated as the net amount remaining after netting of tax deductible timing differences and taxable timing differences in its consolidated financial statements.

As of 30 June 2013, there is a deferred tax asset of TL 363,023 thousands (31 December 2012: TL 316,089 thousands) and deferred tax liability of TL 156,700 thousands (31 December 2012: TL 84,869 thousands) presented as net in the accompanying consolidated 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.

As per the annulment decision of the Turkish Constitutional Court as explained in Note 3.18.4, Garanti Finansal Kiralama, a consolidated subsidiary of the Bank, is subject to investment allowance ruling and can use its available allowances to reduce its taxable corporate income without any time limitations. Accordingly, a deferred tax asset amounting TL 1,912 thousands is recorded in the accompanying consolidated financial statements as of 31 December 2012 considering the fact that Garanti Finansal Kiralama may use its right of deducting investment allowances from its corporate income in the future. In the accompanying consolidated financial statements as of 30 June 2013, a deferred tax asset amounting TL 1,395 thousands is included in this respect.

For the cases where the differences between the carrying values and the taxable values of assets subject to tax are related with certain items on the shareholders' equity accounts, the deferred taxes are charged or credited directly to these accounts.

	<i>Current Period</i>		<i>Prior Period</i>	
	Tax Base	Deferred Tax Amount	Tax Base	Deferred Tax Amount
Provisions (*)	741,409	148,072	578,979	115,325
Differences between the Carrying Values and Taxable Values of Financial Assets (**)	161,729	27,359	483,603	103,887
Other	175,251	30,892	80,812	12,008
Deferred Tax Asset, Net	1,078,389	206,323	1,143,394	231,220

(*) 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 and subsidiaries' financial assets.

In the first six months of 2013, TL 327,609 thousands of deferred tax expense (in 2012: deferred tax income of TL 353,065 thousands) and TL 319,915 thousands of deferred tax income (in 2012: a deferred tax expense of TL 235,830 thousands) were recognised in the income statement and the shareholders' equity, respectively.

5.1.17 Assets held for sale and assets of discontinued operations

	<i>Current Period</i>	<i>Prior Period</i>
End of Prior Period		
Cost	136,551	130,102
Accumulated Depreciation (-)	(4,114)	(2,446)
Net Book Value	132,437	127,656
End of Current Period		
Additions	53,634	79,074
Disposals (Cost)	(43,675)	(72,163)
Disposals (Accumulated Depreciation)	402	517
Reversal of Impairment / Impairment Losses (-)	(389)	(151)
Depreciation Expense for Current Period (-)	(1,403)	(2,185)
Currency Translation Differences on Foreign Operations	250	(311)
Cost	146,371	136,551
Accumulated Depreciation (-)	(5,115)	(4,114)
Net Book Value	141,256	132,437

As of balance sheet date, the net book values of assets held for sale on which rights of repurchase exist amounting to TL 19,914 thousands (31 December 2012: TL 5,313 thousands).

5.1.18 Other Assets

5.1.18.1 Receivables from term sale of assets

	<i>Current Period</i>	<i>Prior Period</i>
Sale of Investments in Associates, Subsidiaries and Joint – Ventures	-	1,362
Sale of Real Estates	5,899	7,733
Sale of Other Assets	3,014	3,007
Total	8,913	12,102

5.1.18.2 Prepaid expenses

	<i>Current Period</i>	<i>Prior Period</i>
Prepaid Expenses	394,664	311,590

5.2 Consolidated 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	Total
Saving Deposits	4,497,221	-	4,109,735	26,913,571	808,043	380,801	286,393	3,172	36,998,936
Foreign Currency Deposits	11,293,774	-	4,762,519	17,784,625	1,649,179	4,879,461	3,379,304	79,256	43,828,118
Residents in Turkey	6,250,680	-	4,161,774	16,081,180	904,704	693,300	382,340	77,704	28,551,682
Residents in Abroad	5,043,094	-	600,745	1,703,445	744,475	4,186,161	2,996,964	1,552	15,276,436
Public Sector Deposits	427,851	-	1,102	26,165	1,691	-	-	-	456,809
Commercial Deposits	5,406,910	-	3,923,429	9,276,742	899,069	390,029	211,799	-	20,107,978
Others	90,147	-	114,572	1,528,669	60,280	5,452	418	-	1,799,538
Precious Metal Deposits	2,164,493	-	7,703	38,874	3,359	1,820	79,834	-	2,296,083
Bank Deposits	1,179,903	-	1,691,258	2,713,622	497,500	260,097	180,880	-	6,523,260
Central Bank of Turkey	-	-	-	-	-	-	-	-	-
Domestic Banks	1,149	-	472,901	154,420	63,249	-	479	-	692,198
Foreign Banks	515,833	-	1,218,357	2,559,202	434,251	260,097	180,401	-	5,168,141
Special Financial Institutions	662,921	-	-	-	-	-	-	-	662,921
Others	-	-	-	-	-	-	-	-	-
Total	25,060,299	-	14,610,318	58,282,268	3,919,121	5,917,660	4,138,628	82,428	112,010,722

<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	Total
Saving Deposits	3,550,602	-	3,270,706	25,970,388	288,667	92,810	250,950	2,619	33,426,742
Foreign Currency Deposits	10,042,224	-	5,812,532	15,896,903	1,349,877	3,846,762	3,925,922	79,203	40,953,423
Residents in Turkey	6,425,612	-	5,277,773	13,653,606	616,530	610,312	403,708	77,700	27,065,241
Residents in Abroad	3,616,612	-	534,759	2,243,297	733,347	3,236,450	3,522,214	1,503	13,888,182
Public Sector Deposits	676,056	-	24,344	13,628	8	-	-	-	714,036
Commercial Deposits	3,939,619	-	2,681,424	6,993,879	592,397	187,093	27,882	-	14,422,294
Others	67,004	-	39,804	189,564	5,226	347	372	-	302,317
Precious Metal Deposits	2,300,584	-	25,929	19,023	-	2,274	27,271	-	2,375,081
Bank Deposits	1,327,590	-	1,707,350	2,122,870	86,364	118,807	220,805	-	5,583,786
Central Bank of Turkey	-	-	-	-	-	-	-	-	-
Domestic Banks	115,385	-	379,143	2,018	4	9	57,550	-	554,109
Foreign Banks	722,881	-	1,328,207	2,120,852	86,360	118,798	163,255	-	4,540,353
Special Financial Institutions	489,324	-	-	-	-	-	-	-	489,324
Others	-	-	-	-	-	-	-	-	-
Total	21,903,679	-	13,562,089	51,206,255	2,322,539	4,248,093	4,453,202	81,822	97,777,679

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

5.2.1.1.1 Deposits exceeding insurance limit

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 (*)	17,835,183	17,415,528	18,889,251	18,027,353
Foreign Currency Saving Deposits	10,798,148	10,554,069	13,620,654	13,378,974
Other Saving Deposits	1,493,861	1,535,104	796,045	893,971
Foreign Branches' Deposits Under Foreign Insurance Coverage	-	-	-	-
Off-Shore Branches' Deposits Under Foreign Insurance Coverage	-	-	-	-

(*) 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

5.2.1.3.1 Saving deposits of individuals not covered by insurance limits:

	Current Period	Prior Period
Deposits and Other Accounts held at Foreign Branches	502,299	509,167
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	515,829	251,263
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

Trading Derivatives	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Transactions	53,253	41,541	64,201	13,104
Swap Transactions	355,468	277,098	479,897	286,895
Futures	12	1,590	-	-
Options	133,755	47,493	53,075	29,681
Others	-	157	-	148
Total	542,488	367,879	597,173	329,828

5.2.3 Funds borrowed

	Current Period		Prior Period	
	TL	FC	TL	FC
Central Bank of Turkey	-	-	-	-
Domestic Banks and Institutions	1,285,093	1,348,175	1,488,444	1,178,481
Foreign Banks, Institutions and Funds	5,178,025	19,025,915	4,089,892	18,987,595
Total	6,463,118	20,374,090	5,578,336	20,166,076

5.2.3.1 Maturities of funds borrowed

	<i>Current Period</i>		<i>Prior Period</i>	
	TL	FC	TL	FC
Short-Term	1,953,178	10,128,238	1,615,231	6,275,413
Medium and Long-Term	4,509,940	10,245,852	3,963,105	13,890,663
Total	6,463,118	20,374,090	5,578,336	20,166,076

5.2.3.2 Disclosures for concentration areas of bank's liabilities

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

5.2.4 Other external funds

5.2.4.1 Securities issued

<i>Current Period</i>	TL		FC	
	Short-Term	Medium and Long-Term	Short-Term	Medium and Long-Term
Nominal	1,498,428	2,242,349	793,019	4,570,217
Cost	1,470,659	2,156,049	792,172	4,536,329
Carrying Value (*)	1,363,941	2,188,393	792,909	4,720,510

<i>Prior Period</i>	TL		FC	
	Short-Term	Medium and Long-Term	Short-Term	Medium and Long-Term
Nominal	1,925,009	422,201	-	3,761,131
Cost	1,872,073	398,121	-	3,731,017
Carrying Value (*)	1,766,215	401,834	-	3,908,986

(*) The Bank and/or its financial affiliates repurchased the Bank's own TL securities with a total face value of TL 177,935 thousands (31 December 2012: TL 177,169 thousands) and foreign currency securities with a total face value of TL 24,612 thousands (31 December 2012: TL 22,869 thousands) and netted off such securities in the accompanying consolidated financial statement.

5.2.4.2 Funds provided through repurchase transactions

	<i>Current Period</i>		<i>Prior Period</i>	
	TL	FC	TL	FC
Domestic Transactions	7,040,407	-	11,498,158	-
Financial Institutions and Organizations	6,988,939	-	11,440,064	-
Other Institutions and Organizations	10,893	-	19,898	-
Individuals	40,575	-	38,196	-
Foreign Transactions	2,168,984	3,211,813	748,015	1,860,771
Financial Institutions and Organizations	2,167,154	3,211,813	747,723	1,860,771
Other Institutions and Organizations	1,680	-	186	-
Individuals	150	-	106	-
Total	9,209,391	3,211,813	12,246,173	1,860,771

5.2.4.3 Miscellaneous payables

	<i>Current Period</i>		<i>Prior Period</i>	
	TL	FC	TL	FC
Payables from credit card transactions	4,376,937	39,392	3,937,158	12,313
Payables from insurance transactions	3,839,499	36,081	3,346,707	36,198
Other	297,852	329,537	294,370	436,307
Total	8,514,288	405,010	7,578,235	484,818

5.2.5 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”.

5.2.6 Lease payables

5.2.6.1 Financial lease payables

	Current Period		Prior Period	
	Gross	Net	Gross	Net
Less than 1 Year	339	87	336	93
Between 1-5 Years	263	51	202	79
Longer than 5 Years	-	-	-	-
Total	602	138	538	172

5.2.6.2 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.

5.2.7 Derivative financial liabilities held for risk management

Derivative Financial Liabilities Held for Risk Management	Current Period		Prior Period	
	TL	FC	TL	FC
Fair Value Hedges	-	7,448	-	-
Cash Flow Hedges	-	-	-	-
Net Foreign Investment Hedges	-	-	-	-
Total	-	7,448	-	-

5.2.8 Provisions

5.2.8.1 General provisions

	Current Period	Prior Period
General Provision for	1,624,270	1,342,090
Loans and Receivables in Group I	1,419,431	1,178,931
- Additional Provision for Loans and Receivables with Extended Maturities	85,126	74,557
Loans and Receivables in Group II	107,037	88,693
- Additional Provision for Loans and Receivables with Extended Maturities	64,310	46,781
Non-Cash Loans	97,802	74,466
Others	-	-

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

	Current Period	Prior Period
Short-Term Loans	689	6,635
Medium and Long Term Loans	115	4,749
Total	804	11,384

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

5.2.8.3 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”.

5.2.8.4 Other provisions

5.2.8.4.1 General reserves for possible losses

	<i>Current Period</i>	<i>Prior Period</i>
General Reserves for Possible Losses	390,000	450,000

5.2.8.4.2 Other provisions for possible losses

	<i>Current Period</i>	<i>Prior Period</i>
Reserve for Employee Benefits	456,104	362,011
Insurance Technical Provisions, Net	243,224	221,009
Provision for Promotion Expenses of Credit Cards (*)	46,757	39,168
Provision for Lawsuits	20,822	19,942
Other Provisions (**)	282,604	65,467
Total	1,049,511	707,597

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

(**) As a result of the investigation of the Turkish Competition Board initiated based on its decision no. 11-55/1438-M dated 2 November 2011, an administrative fine amounting to TL 213,385 thousands was imposed against the economic group composed of Garanti Bankası AŞ, Garanti Ödeme Sistemleri AŞ and Garanti Konut Finansmanı Danışmanlık AŞ. In accordance with the Article 17 of the Law on Crime no. 5326, it is possible to pay only ¼ of such administrative fine which is TL 160,038 thousands. The reasoned decision of the Turkish Competition Board has not been notified as of the date of this report. Since a cash outflow is likely to settle the obligation and a reliable estimate of the obligation amount can be made, the Bank has provided a provision amounting TL 160,038 thousands in accordance with TAS 37 in the accompanying consolidated financial statements.

Recognized liability for defined benefit plan obligations

The Bank obtained an actuarial report dated 27 December 2012 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 1,367,875 thousands at 31 December 2012 as details are given in the table below.

Furthermore, an actuarial report was prepared as of 31 December 2012 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 27 December 2012 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 834,436 thousands remains as of 31 December 2012 as details are given in the table below.

The Bank’s management, acting prudently, did not consider the health premium surplus amounting 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 2012. However, despite this treatment there are no excess obligation that needs to be provided against.

	31 December 2012
Transferable Pension and Medical Benefits:	
Net present value of pension benefits transferable to SSF	(458,057)
Net present value of medical benefits and health premiums transferable to SSF	369,726
General administrative expenses	(22,899)
Present Value of Pension and Medical Benefits Transferable to SSF (1)	(111,230)
Fair Value of Plan Assets (2)	1,479,105
Asset Surplus over Transferable Benefits ((2)-(1)=(3))	1,367,875
Non-Transferable Benefits:	
Other pension benefits	(426,261)
Other medical benefits	(107,178)
Total Non-Transferable Benefits (4)	(533,439)
Asset Surplus over Total Benefits ((3)-(4)=(5))	834,436
Net Present Value of Medical Benefits and Health Premiums Transferable to SSF – but not considered acting prudently (6)	(369,726)
Present Value of Asset Surplus/(Defined Benefit Obligation) ((5)-(6))	464,710

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

	31 December 2012
	%
Discount Rate (*)	6.97
Inflation Rate (*)	4.67
Future Real Salary Increase Rate	1.5
Medical Cost Trend Rate	40% above inflation
Future Pension Increase Rate (*)	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.

5.2.9 Tax liability

5.2.9.1 Current tax liability

5.2.9.1.1 Tax liability

As of 30 June 2013, the corporate tax liability amounts to TL 76,829 thousands (31 December 2012: TL 344,819 thousands) after offsetting with prepaid taxes.

5.2.9.1.2 Taxes payable

	<i>Current Period</i>	<i>Prior Period</i>
Corporate Taxes Payable	76,829	344,819
Taxation on Securities Income	75,364	99,573
Taxation on Real Estates Income	2,694	2,072
Banking Insurance Transaction Tax	55,920	52,347
Foreign Exchange Transaction Tax	34	39
Value Added Tax Payable	1,869	6,473
Others	26,582	75,811
Total	239,292	581,134

5.2.9.1.3 Premiums payable

	<i>Current Period</i>	<i>Prior Period</i>
Social Security Premiums-Employees	1,430	699
Social Security Premiums-Employer	1,527	901
Bank Pension Fund Premium-Employees	820	75
Bank Pension Fund Premium-Employer	1,030	28
Pension Fund Membership Fees and Provisions-Employees	-	-
Pension Fund Membership Fees and Provisions-Employer	-	-
Unemployment Insurance-Employees	1,446	658
Unemployment Insurance-Employer	2,910	1,325
Others	13	11
Total	9,176	3,697

5.2.9.2 Deferred tax liability

In the accompanying consolidated financial statements, the Bank had a deferred tax liability of TL 390 thousands as of 30 June 2013 (31 December 2012: TL 19,032 thousands).

5.2.10 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”.

5.2.11 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”.

5.2.12 Shareholders’ equity

5.2.12.1 Paid-in capital

	<i>Current Period</i>	<i>Prior Period</i>
Common shares	4,200,000	4,200,000
Shares repurchased	-	(3,066)
Paid-in common shares	4,200,000	4,196,934
Preference shares	-	-

5.2.12.2 Registered share capital system

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

5.2.12.3 Capital increases in current period

None.

5.2.12.4 Capital increases from capital reserves in current period

None.

5.2.12.5 Capital commitments for current and future financial periods

None.

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

None.

5.2.12.7 Information on privileges given to stocks representing the capital

None.

5.2.12.8 Securities value increase fund

	Current Period		Prior Period	
	TL	FC	TL	FC
Investments in Associates, Subsidiaries and Joint-Ventures	-	-	-	-
Valuation Difference	-	-	-	-
Exchange Rate Difference	-	-	-	-
Securities Available-for-Sale	(244,857)	18,935	976,919	116,914
Valuation Difference	(244,857)	18,935	976,919	116,914
Exchange Rate Difference	-	-	-	-
Total	(244,857)	18,935	976,919	116,914

5.2.12.9 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 to be used for Capital Increases	194,886	-	762,112	-
Revaluation Surplus on Leasehold Improvements	-	-	-	-
Total	197,026	-	764,252	-

5.2.12.10 Bonus shares of associates, subsidiaries and joint-ventures

Bonus shares resulted from non-cash capital increases from the following investee companies; Doğuş Gayrimenkul Yatırım Ortaklığı AŞ by TL 20 thousands, Garanti Ödeme Sistemleri AŞ by TL 401 thousands, Kredi Kartları Bürosu by TL 481 thousands, Tat Konserve AŞ by TL 36 thousands and Yatırım Finansman Menkul Değerler AŞ by TL 9 thousands.

5.2.12.11 Legal reserves

	<i>Current Period</i>	<i>Prior Period</i>
I. Legal Reserve	991,721	835,626
II. Legal Reserve	156,363	117,713
Special Reserves	-	-
Total	1,148,084	953,339

5.2.12.12 Extraordinary reserves

	<i>Current Period</i>	<i>Prior Period</i>
Legal Reserves allocated in compliance with the Decisions Made on the Annual General Assembly	13,441,642	10,355,274
Retained Earnings	-	-
Accumulated Losses	-	-
Exchange Rate Difference on Foreign Currency Capital	-	-
Total	13,441,642	10,355,274

5.2.12.13 Minority interest

	<i>Current Period</i>	<i>Prior Period</i>
Balance at Beginning of Period	140,524	112,527
Profit Share of Subsidiaries Net Profits	13,747	27,971
Prior Period Dividend	(1,073)	-
Increase/(Decrease) in Minority Interest due to Sales	-	-
Others	(1,034)	26
Balance at End of Period	152,164	140,524

5.3 Consolidated off-balance sheet items

5.3.1 Off-balance sheet contingencies

5.3.1.1 Irrevocable credit commitments

The Bank and its consolidated financial affiliates have term asset purchase and sale commitments of TL 3,220,472 thousands (31 December 2012: TL 5,772,603 thousands), commitments for cheque payments of TL 2,808,985 thousands (31 December 2012: TL 1,994,132 thousands) and commitments for credit card limits of TL 19,148,528 thousands (31 December 2012: TL 14,323,293 thousands).

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

	<i>Current Period</i>	<i>Prior Period</i>
Letters of Guarantee in Foreign Currency	12,193,259	9,892,574
Letters of Guarantee in TL	8,152,570	6,960,107
Letters of Credit	7,402,703	6,141,429
Bills of Exchange and Acceptances	713,839	720,896
Prefinancings	-	-
Other Guarantees	71,743	66,300
Total	28,534,114	23,781,306

A specific provision of TL 116,535 thousands (31 December 2012: TL 97,396 thousands) is made for unliquidated non-cash loans of TL 227,282 thousands (31 December 2012: TL 184,169 thousands) recorded under the off-balance sheet items as of 30 June 2013.

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	1,430,855	1,405,272
<i>With Original Maturity of 1 Year or Less</i>	<i>231,520</i>	<i>165,372</i>
<i>With Original Maturity of More Than 1 Year</i>	<i>1,199,335</i>	<i>1,239,900</i>
Other Non-Cash Loans	27,103,259	22,376,034
Total	28,534,114	23,781,306

5.3.1.4 Other information on 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 Consolidated income statement

5.4.1 Interest income

5.4.1.1 Interest income from loans (*)

	<i>Current Period</i>		<i>Prior Period</i>	
	TL	FC	TL	FC
Interest Income from Loans				
Short-term loans	1,270,444	214,554	1,466,268	233,839
Medium and long-term loans	2,093,552	1,069,007	1,719,865	940,430
Loans under follow-up	17,235	5,814	20,808	3,061
Premiums Received from Resource Utilization Support Fund	-	-	-	-
Total	3,381,231	1,289,375	3,206,941	1,177,330

(*) Includes also fees and commissions income on cash loans

5.4.1.2 Interest income from banks

	<i>Current Period</i>		<i>Prior Period</i>	
	TL	FC	TL	FC
Central Bank of Turkey	-	-	36	-
Domestic Banks	10,120	15,090	11,370	16,644
Foreign Banks	48,311	18,516	91,154	23,586
Foreign Head Offices and Branches	-	-	-	-
Total	58,431	33,606	102,560	40,230

5.4.1.3 Interest income from securities portfolio

	<i>Current Period</i>		<i>Prior Period</i>	
	TL	FC	TL	FC
Financial Assets Held for Trading	14,058	7,544	17,490	3,353
Financial Assets Valued at Fair Value Through Profit	-	-	-	-
Financial Assets Available-for-Sale	1,718,754	86,011	1,907,842	90,527
Investments Held-to-Maturity	28,695	6,084	153,435	51,782
Total	1,761,507	99,639	2,078,767	145,662

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	491	1,581

5.4.2 Interest expenses

5.4.2.1 Interest expenses on funds borrowed (*)

	<i>Current Period</i>		<i>Prior Period</i>	
	TL	FC	TL	FC
Banks				
Central Bank of Turkey	-	1,172	-	646
Domestic Banks	27,860	26,655	46,461	26,259
Foreign Banks	213,596	190,703	240,156	209,313
Foreign Head Offices and Branches	-	-	-	-
Other Institutions	-	18,361	-	11,838
Total	241,456	236,891	286,617	248,056

(*) Includes also fees and commissions 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	716	487

5.4.2.3 Interest expenses on securities issued

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”.

5.4.2.4 Maturity structure of interest expense on deposits

Current Period	Demand Deposits	Time Deposits						Total
		Up to 1 Month	1-3 Months	3-6 Months	6-12 Months	Over 1 Year	Accumulating Deposit Accounts	
Turkish Lira								
Bank Deposits	410	29,414	2	-	-	5,317	-	35,143
Saving Deposits	1,340	101,504	904,662	12,416	6,740	11,752	-	1,038,414
Public Sector Deposits	-	162	1,468	12	-	-	-	1,642
Commercial Deposits	1,327	79,575	350,546	8,616	8,461	5,538	-	454,063
Others	2	1,502	20,232	338	121	15	-	22,210
“7 Days Notice” Deposits	-	-	-	-	-	-	-	-
Total TL	3,079	212,157	1,276,910	21,382	15,322	22,622	-	1,551,472
Foreign Currency								
Foreign Currency Deposits	50,061	33,282	221,329	17,205	56,930	39,297	738	418,842
Bank Deposits	1,979	24,465	5,810	1,181	496	20	-	33,951
“7 Days Notice” Deposits	-	-	-	-	-	-	-	-
Precious Metal Deposits	-	2	32	4	97	326	-	461
Total FC	52,040	57,749	227,171	18,390	57,523	39,643	738	453,254
Grand Total	55,119	269,906	1,504,081	39,772	72,845	62,265	738	2,004,726

Prior Period	Demand Deposits	Time Deposits						Total
		Up to 1 Month	1-3 Months	3-6 Months	6-12 Months	Over 1 Year	Accumulating Deposit Accounts	
Turkish Lira								
Bank Deposits	783	37,876	2,834	-	-	7,311	-	48,804
Saving Deposits	968	159,877	1,230,242	34,149	11,841	11,734	-	1,448,811
Public Sector Deposits	-	142	1,780	118	-	-	-	2,040
Commercial Deposits	2,798	107,602	366,941	91,592	15,708	12,564	-	597,205
Others	3	884	11,858	8,176	31	10	-	20,962
“7 Days Notice” Deposits	-	-	-	-	-	-	-	-
Total TL	4,552	306,381	1,613,655	134,035	27,580	31,619	-	2,117,822
Foreign Currency								
Foreign Currency Deposits	37,459	55,787	286,753	34,726	93,208	50,023	696	558,652
Bank Deposits	3,220	21,529	3,483	723	1,026	665	-	30,646
“7 Days Notice” Deposits	-	-	-	-	-	-	-	-
Precious Metal Deposits	-	1	10	-	105	-	-	116
Total FC	40,679	77,317	290,246	35,449	94,339	50,688	696	589,414
Grand Total	45,231	383,698	1,903,901	169,484	121,919	82,307	696	2,707,236

5.4.2.5 Interest expense on repurchase agreements

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”.

5.4.2.6 Financial lease expenses

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”.

5.4.2.7 Interest expenses on factoring payables

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”.

5.4.3 Dividend income

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”.

5.4.4 Trading income/losses (net)

	<i>Current Period</i>	<i>Prior Period</i>
Income	47,163,263	28,506,884
Trading Account Income	954,088	605,776
Derivative Financial Instruments	3,006,224	2,029,850
Foreign Exchange Gain	43,202,951	25,871,258
Losses (-)	46,774,839	28,362,425
Trading Account Losses	716,553	495,880
Derivative Financial Instruments	2,783,856	2,293,736
Foreign Exchange Losses	43,274,430	25,572,809
Total	388,424	144,459

TL 915,250 thousands (30 June 2012: TL 885,707 thousands) of foreign exchange gains and TL 745,926 thousands (30 June 2012: TL 875,232 thousands) of foreign exchange losses are resulted from the exchange rate changes of derivative transactions.

The Bank enters into interest rate swap agreements in order to hedge the change in fair value 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.

In this respect, the Bank also applied fair value hedge accounting for its fixed-rate loans with a total principal of TL 65,000 thousands and for its bonds with a total face value of TL 400,000 thousands and fixed-rate coupons by designating interest rate swaps with the same face values and terms in the current period. Accordingly, in the current period the losses of TL 2,727 thousands and TL 21,848 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 in the current period with the same notional amount and conditions. Accordingly, a gain of TL 4,414 thousands resulting from the fair value changes of the securities issued subject to hedge accounting, was accounted for under trading income/losses in the income statement.

5.4.5 Other operating income

The items under “other operating income” generally consists of collection or reversals of prior year provisions, banking services related costs recharged to customers and income on custody services.

In the current period, a part of non-performing receivables of the Bank and its financial affiliates amounting to TL 310,301 thousands (30 June 2012: TL 210,388 thousands) and a part of their receivables written-off in prior periods in the amount of TL 3,857 thousands were sold for a consideration of TL 58,400 thousands (30 June 2012: TL 33,502 thousands). Considering the related provisions of TL 299,631 thousands in the consolidated financial statements, a gain of TL 43,873 thousands (30 June 2012: TL 31,142 thousands) is recognized under “Other Operating Income”.

5.4.6 Provision for losses on loans or other receivables

	<i>Current Period</i>	<i>Prior Period</i>
Specific Provisions for Loans and Other Receivables	471,881	349,958
<i>Loans and receivables in Group III</i>	<i>151,849</i>	<i>153,178</i>
<i>Loans and receivables in Group IV</i>	<i>225,610</i>	<i>113,943</i>
<i>Loans and receivables in Group V</i>	<i>94,422</i>	<i>82,837</i>
General Provisions	289,355	54,905
Provision for Possible Losses	-	-
Impairment Losses on Financial Assets	6,472	279
<i>Financial assets at fair value through profit or loss</i>	<i>6,472</i>	<i>279</i>
<i>Financial assets available-for-sale</i>	-	-
Impairment Losses on Associates, Subsidiaries and Investments Held-to-Maturity	-	-
<i>Associates</i>	-	-
<i>Subsidiaries</i>	-	-
<i>Joint ventures (business partnership)</i>	-	-
<i>Investments held-to-maturity</i>	-	-
Others	269,832	27,663
Total	1,037,540	432,805

5.4.7 Other operating expenses

	<i>Current Period</i>	<i>Prior Period</i>
Personnel Costs	949,164	837,276
Reserve for Employee Termination Benefits	18,323	12,576
Defined Benefit Obligation	-	-
Impairment Losses on Tangible Assets	-	1,073
Depreciation Expenses of Tangible Assets	94,931	96,039
Impairment Losses on Intangible Assets	-	-
Goodwill Impairment Losses	-	-
Amortisation Expenses of Intangible Assets	22,944	16,766
Decrease in Value of Equity Accounting Shares	-	-
Impairment Losses on Assets to be Disposed	899	891
Depreciation Expenses of Assets to be Disposed	1,403	1,031
Impairment Losses on Assets Held for Sale and Discontinued Assets	-	-
Other Operating Expenses	811,451	707,540
<i>Operational lease related expenses</i>	<i>127,165</i>	<i>111,811</i>
<i>Repair and maintenance expenses</i>	<i>18,408</i>	<i>14,800</i>
<i>Advertisement expenses</i>	<i>56,839</i>	<i>52,595</i>
<i>Other expenses</i>	<i>609,039</i>	<i>528,334</i>
Loss on Sale of Assets	3,096	4,522
Others (*)	284,021	230,024
Total	2,186,232	1,907,738

(*) Includes saving-deposits-insurance-fund related expenses of TL 60,333 thousands (30 June 2012: TL 51,010 thousands) and insurance-business claim losses of TL 27,441 thousands (30 June 2012: TL 22,816 thousands) as of 30 June 2013.

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

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

5.4.9 Information on provision for taxes for continued and discontinued operations

As of 30 June 2013, on a consolidated basis, the Bank recorded a current tax expense of TL 337,147 thousands (30 June 2012: TL 617,709 thousands) and a deferred tax expense of TL 327,609 thousands (30 June 2012: a deferred tax income of TL 150,887 thousands).

Deferred tax benefit/charge on timing differences

Deferred tax (benefit)/charge on timing differences	Current Period	Prior Period
Increase in Tax Deductable Timing Differences (+)	(56,192)	(136,953)
Decrease in Tax Deductable Timing Differences (-)	312,534	21,194
Increase in Taxable Timing Differences (-)	87,183	4,213
Decrease in Taxable Timing Differences (+)	(15,916)	(39,341)
Total	327,609	(150,887)

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

Deferred tax (benefit)/charge arising on timing differences, tax losses and tax deductions and exemptions	Current Period	Prior Period
(Increase)/Decrease in Tax Deductable Timing Differences (net)	261,014	(115,759)
(Increase)/Decrease in Taxable Timing Differences (net)	71,267	(35,128)
(Increase)/Decrease in Tax Losses (net)	(4,672)	-
(Increase)/Decrease in Tax Deductions and Exemptions (net)	-	-
Total	327,609	(150,887)

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 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.

5.4.11.3 Minority interest’s profit/loss

	Current Period	Prior Period
Net Profit/(Loss) of Minority Interest	13,747	16,260

5.4.12 Components of other items in income statement

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

5.5 Consolidated 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 Consolidated 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 parent bank's risk group

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	88,612	3,531	263,859	469,641	442,665	495,947
Balance at end of period	31,577	3,568	390,928	179,433	450,078	454,013
Interest and Commission Income	624	3	338	3	17,144	235

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	54,938	3,280	188,278	35,339	356,435	551,004
Balance at end of period	88,612	3,531	263,859	121,141	442,665	495,947
Interest and Commission Income	2,125	-	422	3	20,049	723

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	6,679	5,737	101,958	1,109,063	207,192	342,796
Balance at end of period	20,844	6,679	306,672	101,958	448,202	207,192
Interest Expenses	716	487	6,371	10,391	8,326	8,057

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 at Fair Value Through Profit or Loss:						
Balance at beginning of period	6,963	-	3,373,361	1,066,781	-	28,710
Balance at end of period	-	6,963	3,655,228	3,373,361	-	-
Total Profit/(Loss)	(342)	12,310	8,859	(8,898)	-	1,096
Transactions for Hedging:						
Balance at beginning of period	-	-	-	-	-	-
Balance at end of period	-	-	-	-	-	-
Total Profit/(Loss)	-	-	-	-	-	-

5.7.2 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 377,524 thousands (31 December 2012: TL 402,975 thousands) compose 0.33% (31 December 2012: 0.40%) of the Bank's total consolidated cash loans and 0.19% (31 December 2012: 0.22%) of the Bank's total consolidated assets. The total loans and similar receivables amounting TL 872,583 thousands (31 December 2012: TL 795,136 thousands) compose 0.44% (31 December 2012: 0.44%) of the Bank's total consolidated assets. The non-cash loans of the risk group amounting TL 637,014 thousands (31 December 2012: TL 969,119 thousands) compose 2.23% (31 December 2012: 4.08%) of the Bank's total consolidated non-cash loans. The deposits of the risk group amounting TL 775,718 thousands (31 December 2012: TL 315,829 thousands) compose 0.69% (31 December 2012: 0.32%) of the Bank's total consolidated deposits. The funds borrowed by the Bank and its consolidated financial affiliates from their risk group amounting to TL 124,542 thousands (31 December 2012: TL 37,136 thousands) compose 0.46% (31 December 2012: 0.14%) of the Bank's total consolidated funds borrowed. The pricing in transactions with the risk group companies is set on an arms-length basis.

There is a credit card (POS) payable amounting TL 9,854 thousands (31 December 2012: TL 20,707 thousands) to related parties.

Operating expenses of TL 5,731 thousands (30 June 2012: TL 6,244 thousands) for IT services, of TL 3,588 thousands (30 June 2012: TL 3,984 thousands) for advertisement and broadcasting services, of TL 12,264 thousands (30 June 2012: TL 9,811 thousands) for operational leasing services, and of TL 3,571 thousands (30 June 2012: TL 3,731 thousands) for travelling services rendered by related parties and rent income of TL 605 thousands (30 June 2012: TL 486 thousands) for the real estates rented to related parties, are recorded.

The net payment provided or to be provided to the key management of the Bank and its consolidated financial affiliates amounts to TL 64,518 thousands as of 30 June 2013 (30 June 2012: TL 61,356 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 certain consolidated subsidiaries namely 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 internal use are partly arranged through financial leasing.

5.8 Domestic, foreign and off-shore branches or equity investments, and foreign representative offices of parent bank

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 the balance sheet date

None.

5.10 Other disclosures on activities of parent bank

5.10.1 Summary information on international risk ratings

5.10.1.1 Parent bank's international risk ratings

MOODY'S (May 2013) (*)

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	Stable
Financial Strength Rate (FSR)	D+ (baa3)
FSR Outlook	Stable
Long Term National	Aa2.tr
Short Term National	TR-1

STANDARD AND POORS (April 2013) (*)

Long Term FC Obligations	BB+
Long Term TL Deposit	BB+
Outlook	Stable
Credit Profile Independent from the Bank's Shareholders and the Rating of its Resident Country	bbb-

FITCH RATINGS (December 2012) (*)

Foreign Currency	
Long Term	BBB
Long Term FC Outlook	Stable
Short Term	F3
Financial Capacity Rate	bbb
Support	3
Turkish Lira	
Long Term	BBB
Long Term TL Outlook	Stable
Short Term	F3
National	AAA (Trk)
Outlook	Stable

JCR EURASIA RATINGS (May 2013) (*)

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

(*) Latest dates in risk ratings or outlooks.

5.10.1.2 International risk ratings of Garanti Bank International NV, a consolidated affiliate

MOODY'S (June 2013) (*)

Long Term FC Deposit	Baa2
Short Term FC Deposit	Prime-2
Long Term Subordinated Funding	Baa2
FSR	C-
Outlook	Stable

(*) Latest date in risk ratings or outlooks.

5.10.1.3 International risk ratings of Garanti Faktoring, a consolidated affiliate

FITCH RATINGS (May 2013) (*)

Foreign Currency	
Long Term	BBB (Stable)
Short Term	F3
Outlook	Stable
Support	2
Turkish Lira	
Long Term	BBB (Stable)
Short Term	F3
Outlook	Stable
National	AAA
Outlook	Stable

(*) Latest date in risk ratings or outlooks.

5.10.1.4 International risk ratings of Garanti Finansal Kiralama, a consolidated affiliate

FITCH RATINGS (December 2012) (*)

Foreign Currency	
Long Term	BBB
Short Term	F3
Outlook	Stable
Support	2
Turkish Lira	
Long Term	BBB
Short Term	F3
Outlook	Stable
National	AAA
Outlook	Stable

(*) Latest date in risk ratings or outlooks.

STANDARD AND POORS (April 2013) (*)

Foreign Currency	
Long Term	BB+
Short Term	B
Outlook	Stable
Turkish Lira	
Long Term	BB
Short Term	B
Outlook	Stable

(*) Latest date in risk ratings or outlooks.

5.10.1.5 International risk ratings of Garanti Bank SA, a consolidated affiliate

FITCH RATINGS (December 2012) (*)

Foreign Currency	
Long Term	BBB-
Short Term	F3
Outlook	Stable
Support	2

(*) Latest date in risk ratings or outlooks.

5.10.2 Other disclosures

At the annual general assembly of the Bank dated 30 April 2013, it was decided to distribute the profit of the year 2012 as follows:

2012 PROFIT DISTRIBUTION TABLE	
2012 Net Profit	3,070,325
A – I. Legal reserve (Turkish Commercial Code 519/1) at 5%	(153,516)
Undistributable funds	(24,941)
B – First dividend at 5% of the paid-in capital	(210,000)
C – Extraordinary reserves at 5% after above deductions	(135,341)
D – Second dividend to the shareholders	(386,500)
E – Extraordinary reserves	(2,121,377)
F – II. Legal reserve (Turkish Commercial Code 519/2)	(38,650)

6 Limited Review Report

6.1 Disclosure on limited review report

The consolidated financial statements of the Bank and its financial affiliates as of 30 June 2013, have been reviewed by DRT Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik AŞ (a member of Deloitte Touche Tohmatsu Limited). The independent limited review report dated 30 July 2013, is presented before the accompanying consolidated financial statements.

6.2 Disclosures and footnotes prepared by independent accountants

None.

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