

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

**Türkiye Garanti Bankası Anonim Şirketi**  
**Unconsolidated Financial Statements**  
**As of and For the 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; “Unconsolidated Financial Statements and  
Related Disclosures and Footnotes” comprising 88  
pages.*

To the Board of Directors of  
Türkiye Garanti Bankası AŞ  
İstanbul

## **TÜRKİYE GARANTİ BANKASI ANONİM ŞİRKETİ**

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

We have reviewed the accompanying balance sheet of Türkiye Garanti Bankası A.Ş. (“the Bank”) as at 30 June 2013 and the related statements of income, changes in shareholders' equity and cash flows for the period then ended. These financial statements are the responsibility of the Bank's management. As independent accountants, our responsibility is to issue a report based on the review performed on these financial statements.

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

Subsequent to the reversal of TL 55,000 thousands in the current period, the accompanying financial statements include a general reserve amounting to TL 365,000 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 financial statements, nothing has come to our attention that causes us to believe that the accompanying financial statements do not give a true and fair view of the financial position, the results of its operations and its cash flows, of the Bank as of and for the period ended 30 June 2013 in accordance with the prevailing accounting principles and standards set out as per the Article No. 37 of the Banking Act No. 5411, and other regulations, communiqués and circulars in respect of accounting and financial reporting and pronouncements made by the Banking Regulation and Supervision Agency.

Additional paragraph for English translation:

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

DRT BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK AŞ

Member of **DELOITTE TOUCHE TOHMATSU LIMITED**



Hasan Kılıç  
Partner

Istanbul, 30 July 2013

## **Türkiye Garanti Bankası Anonim Şirketi**

### **Unconsolidated Interim Financial Report as of and for the Six-Month Period Ended 30 June 2013**

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

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

The unconsolidated 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**  
Board of Directors  
Chairman

**S. Ergun Özen**  
General Manager

**İbrahim Aydın**  
Financial Reporting  
Executive Vice President

**Hakan Özdemir**  
General Accounting  
Senior Vice President

**M. Cüneyt Sezgin**  
Audit Committee Member

**Manuel Pedro  
Galatas Sanchez Harguindey**  
Audit Committee Member

The authorized contact person for questions on this financial report:

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## **1 General Information**

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

Türkiye Garanti Bankası Anonim Şirketi (the Bank) was established by the decree of Council of Ministers numbered 3/4010 dated 11 April 1946 and its “Articles of Association” was issued in the Official Gazette dated 25 April 1946. The Bank provides banking services through 950 domestic branches, eight foreign branches and three representative offices abroad. The Bank’s head office is located in Istanbul.

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

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

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

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

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

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

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

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

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

**Doğuş Group**

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

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

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

#### **BBVA Group**

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

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

The Group owns a bank being the largest financial institution in Mexico, the market leader in South America, and one of the largest 15 commercial banks in United States. BBVA is among the few international groups that operates in China and Turkey, and operates in more than 30 countries with more than 100 thousand employees.

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

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

| <b>Name and Surname</b>                 | <b>Responsibility</b>                         | <b>Appointment Date</b> | <b>Education</b> | <b>Experience in Banking and Business Administration</b> |
|---|---|-------------------------|------------------|--|
| Ferit Faik Şahenk                       | Chairman                                      | 18.04.2001              | University       | 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 Aydınlı      | 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 the bank’s qualified shareholders**

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

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

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



## **1.5 Summary information on the bank's activities and services**

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

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

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

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

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

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

None.

## 2 Unconsolidated Financial Statements

(Convenience Translation of Financial Statements Originally Issued in Turkish)

### Türkiye Garanti Bankası Anonim Şirketi Balance Sheet (Statement of Financial Position) At 30 June 2013

| ASSETS              |   | Footnotes | THOUSANDS OF TURKISH LIRA (TL) |                   |                    |                                  |                   |                    |
|---------------------|---|-----------|--------------------------------|-------------------|--------------------|----------------------------------|-------------------|--------------------|
|                     |   |           | CURRENT PERIOD<br>30 June 2013 |                   |                    | PRIOR PERIOD<br>31 December 2012 |                   |                    |
|                     |   |           | TL                             | FC                | Total              | TL                               | FC                | Total              |
| <b>I.</b>           | <b>CASH AND BALANCES WITH CENTRAL BANK</b>                              | (5.1.1)   | <b>3,243,770</b>               | <b>14,507,124</b> | <b>17,750,894</b>  | <b>1,293,932</b>                 | <b>14,818,750</b> | <b>16,112,682</b>  |
| <b>II.</b>          | <b>FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Net)</b>      | (5.1.2)   | <b>878,271</b>                 | <b>579,958</b>    | <b>1,458,229</b>   | <b>675,550</b>                   | <b>507,926</b>    | <b>1,183,476</b>   |
| 2.1                 | Financial assets held for trading                                       |           | 668,462                        | 579,958           | 1,248,420          | 453,369                          | 507,926           | 961,295            |
| 2.1.1               | Government securities   |           | 87,117                         | 244,363           | 331,480            | 129,537                          | 233,199           | 362,736            |
| 2.1.2               | Equity securities   |           | 53,704                         | -                 | 53,704             | 21,783                           | -                 | 21,783             |
| 2.1.3               | Derivative financial assets held for trading                            |           | 512,989                        | 312,785           | 825,774            | 297,832                          | 252,873           | 550,705            |
| 2.1.4               | Other securities  |           | 14,652                         | 22,810            | 37,462             | 4,217                            | 21,854            | 26,071             |
| 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  |           | -                              | -                 | -                  | -                                | -                 | -                  |
| <b>III.</b>         | <b>BANKS</b>  | (5.1.3)   | <b>1,798,722</b>               | <b>6,388,977</b>  | <b>8,187,699</b>   | <b>2,232,563</b>                 | <b>5,513,788</b>  | <b>7,746,351</b>   |
| <b>IV.</b>          | <b>INTERBANK MONEY MARKETS</b>  |           | -                              | <b>76,203</b>     | <b>76,203</b>      | -                                | -                 | -                  |
| 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                          |           | -                              | -                 | -                  | -                                | -                 | -                  |
| <b>V.</b>           | <b>FINANCIAL ASSETS AVAILABLE-FOR-SALE (Net)</b>                        | (5.1.4)   | <b>33,771,677</b>              | <b>1,800,612</b>  | <b>35,572,289</b>  | <b>34,866,196</b>                | <b>1,008,583</b>  | <b>35,874,779</b>  |
| 5.1                 | Equity securities   |           | 41,774                         | 6,343             | 48,117             | 25,163                           | 4,785             | 29,948             |
| 5.2                 | Government securities   |           | 32,043,752                     | 786,914           | 32,830,666         | 33,513,678                       | 98,403            | 33,612,081         |
| 5.3                 | Other securities  |           | 1,686,151                      | 1,007,355         | 2,693,506          | 1,327,355                        | 905,395           | 2,232,750          |
| <b>VI.</b>          | <b>LOANS</b>  | (5.1.5)   | <b>67,413,919</b>              | <b>39,179,857</b> | <b>106,593,776</b> | <b>57,629,743</b>                | <b>34,194,749</b> | <b>91,824,492</b>  |
| 6.1                 | Performing loans  |           | 67,013,497                     | 39,179,857        | 106,193,354        | 57,226,864                       | 34,194,749        | 91,421,613         |
| 6.1.1               | Loans to bank's risk group  | (5.7)     | 200,819                        | 1,049,718         | 1,250,537          | 142,230                          | 1,023,994         | 1,166,224          |
| 6.1.2               | Government securities   |           | -                              | -                 | -                  | -                                | -                 | -                  |
| 6.1.3               | Others  |           | 66,812,678                     | 38,130,139        | 104,942,817        | 57,084,634                       | 33,170,755        | 90,255,389         |
| 6.2                 | Loans under follow-up   |           | 2,108,263                      | -                 | 2,108,263          | 2,114,073                        | -                 | 2,114,073          |
| 6.3                 | Specific provisions (-)   |           | 1,707,841                      | -                 | 1,707,841          | 1,711,194                        | -                 | 1,711,194          |
| <b>VII.</b>         | <b>FACTORING RECEIVABLES</b>  |           | -                              | -                 | -                  | -                                | -                 | -                  |
| <b>VIII.</b>        | <b>INVESTMENTS HELD-TO-MATURITY (Net)</b>                               | (5.1.6)   | <b>919,447</b>                 | -                 | <b>919,447</b>     | <b>918,519</b>                   | <b>445,864</b>    | <b>1,364,383</b>   |
| 8.1                 | Government securities   |           | 905,539                        | -                 | 905,539            | 911,245                          | 445,864           | 1,357,109          |
| 8.2                 | Other securities  |           | 13,908                         | -                 | 13,908             | 7,274                            | -                 | 7,274              |
| <b>IX.</b>          | <b>INVESTMENTS IN ASSOCIATES (Net)</b>                                  | (5.1.7)   | <b>36,683</b>                  | -                 | <b>36,683</b>      | <b>21,099</b>                    | -                 | <b>21,099</b>      |
| 9.1                 | Associates consolidated under equity accounting                         |           | -                              | -                 | -                  | -                                | -                 | -                  |
| 9.2                 | Unconsolidated associates   |           | 36,683                         | -                 | 36,683             | 21,099                           | -                 | 21,099             |
| 9.2.1               | Financial investments in associates                                     |           | 33,017                         | -                 | 33,017             | 17,433                           | -                 | 17,433             |
| 9.2.2               | Non-financial investments in associates                                 |           | 3,666                          | -                 | 3,666              | 3,666                            | -                 | 3,666              |
| <b>X.</b>           | <b>INVESTMENTS IN SUBSIDIARIES (Net)</b>                                | (5.1.8)   | <b>474,435</b>                 | <b>2,291,956</b>  | <b>2,766,391</b>   | <b>470,998</b>                   | <b>2,117,536</b>  | <b>2,588,534</b>   |
| 10.1                | Unconsolidated financial investments in subsidiaries                    |           | 370,350                        | 2,291,956         | 2,662,306          | 366,913                          | 2,117,536         | 2,484,449          |
| 10.2                | Unconsolidated non-financial investments in subsidiaries                |           | 104,085                        | -                 | 104,085            | 104,085                          | -                 | 104,085            |
| <b>XI.</b>          | <b>INVESTMENTS IN JOINT-VENTURES (Net)</b>                              | (5.1.9)   | -                              | -                 | -                  | -                                | -                 | -                  |
| 11.1                | Joint-ventures consolidated under equity accounting                     |           | -                              | -                 | -                  | -                                | -                 | -                  |
| 11.2                | Unconsolidated joint-ventures   |           | -                              | -                 | -                  | -                                | -                 | -                  |
| 11.2.1              | Financial investments in joint-ventures                                 |           | -                              | -                 | -                  | -                                | -                 | -                  |
| 11.2.2              | Non-financial investments in joint-ventures                             |           | -                              | -                 | -                  | -                                | -                 | -                  |
| <b>XII.</b>         | <b>LEASE RECEIVABLES (Net)</b>  | (5.1.10)  | -                              | -                 | -                  | -                                | -                 | -                  |
| 12.1                | Financial lease receivables   |           | -                              | -                 | -                  | -                                | -                 | -                  |
| 12.2                | Operational lease receivables   |           | -                              | -                 | -                  | -                                | -                 | -                  |
| 12.3                | Others  |           | -                              | -                 | -                  | -                                | -                 | -                  |
| 12.4                | Unearned income (-)   |           | -                              | -                 | -                  | -                                | -                 | -                  |
| <b>XIII.</b>        | <b>DERIVATIVE FINANCIAL ASSETS HELD FOR RISK MANAGEMENT</b>             | (5.1.11)  | <b>23,666</b>                  | -                 | <b>23,666</b>      | -                                | -                 | -                  |
| 13.1                | Fair value hedges   |           | 23,666                         | -                 | 23,666             | -                                | -                 | -                  |
| 13.2                | Cash flow hedges  |           | -                              | -                 | -                  | -                                | -                 | -                  |
| 13.3                | Net foreign investment hedges   |           | -                              | -                 | -                  | -                                | -                 | -                  |
| <b>XIV.</b>         | <b>TANGIBLE ASSETS (Net)</b>  | (5.1.12)  | <b>1,145,425</b>               | <b>301</b>        | <b>1,145,726</b>   | <b>1,128,690</b>                 | <b>489</b>        | <b>1,129,179</b>   |
| <b>XV.</b>          | <b>INTANGIBLE ASSETS (Net)</b>  | (5.1.13)  | <b>49,560</b>                  | <b>31</b>         | <b>49,591</b>      | <b>54,756</b>                    | <b>58</b>         | <b>54,814</b>      |
| 15.1                | Goodwill  |           | -                              | -                 | -                  | -                                | -                 | -                  |
| 15.2                | Other intangibles   |           | 49,560                         | 31                | 49,591             | 54,756                           | 58                | 54,814             |
| <b>XVI.</b>         | <b>INVESTMENT PROPERTY (Net)</b>  | (5.1.14)  | <b>154,323</b>                 | -                 | <b>154,323</b>     | <b>156,347</b>                   | -                 | <b>156,347</b>     |
| <b>XVII.</b>        | <b>TAX ASSET</b>  |           | <b>128,215</b>                 | -                 | <b>128,215</b>     | <b>177,515</b>                   | -                 | <b>177,515</b>     |
| 17.1                | Current tax asset   |           | -                              | -                 | -                  | -                                | -                 | -                  |
| 17.2                | Deferred tax asset  | (5.1.15)  | 128,215                        | -                 | 128,215            | 177,515                          | -                 | 177,515            |
| <b>XVIII.</b>       | <b>ASSETS HELD FOR SALE AND ASSETS OF DISCONTINUED OPERATIONS (Net)</b> | (5.1.16)  | <b>136,634</b>                 | -                 | <b>136,634</b>     | <b>127,351</b>                   | -                 | <b>127,351</b>     |
| 18.1                | Assets held for sale  |           | 136,634                        | -                 | 136,634            | 127,351                          | -                 | 127,351            |
| 18.2                | Assets of discontinued operations                                       |           | -                              | -                 | -                  | -                                | -                 | -                  |
| <b>XIX.</b>         | <b>OTHER ASSETS</b>   | (5.1.17)  | <b>1,966,399</b>               | <b>203,933</b>    | <b>2,170,332</b>   | <b>1,714,109</b>                 | <b>117,380</b>    | <b>1,831,489</b>   |
| <b>TOTAL ASSETS</b> |   |           | <b>112,141,146</b>             | <b>65,028,952</b> | <b>177,170,098</b> | <b>101,467,368</b>               | <b>58,725,123</b> | <b>160,192,491</b> |

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

(Convenience Translation of Financial Statements Originally Issued in Turkish)

**Türkiye Garanti Bankası Anonim Şirketi**  
**Balance Sheet (Statement of Financial Position)**  
**At 30 June 2013**

| LIABILITIES AND SHAREHOLDERS' EQUITY   |           | Footnotes          | THOUSANDS OF TURKISH LIRA (TL) |                    |                   |                                  |                    |       |
|--|-----------|--------------------|--------------------------------|--------------------|-------------------|----------------------------------|--------------------|-------|
|  |           |                    | CURRENT PERIOD<br>30 June 2013 |                    |                   | PRIOR PERIOD<br>31 December 2012 |                    |       |
|  |           |                    | TL                             | FC                 | Total             | TL                               | FC                 | Total |
| <b>I. DEPOSITS</b>   | (5.2.1)   | <b>61,015,632</b>  | <b>40,302,711</b>              | <b>101,318,343</b> | <b>49,998,883</b> | <b>37,483,536</b>                | <b>87,482,419</b>  |       |
| 1.1 Deposits from bank's risk group  | (5.7)     | 855,132            | 503,488                        | 1,358,620          | 651,848           | 167,192                          | 819,040            |       |
| 1.2 Others   |           | 60,160,500         | 39,799,223                     | 99,959,723         | 49,347,035        | 37,316,344                       | 86,663,379         |       |
| <b>II. DERIVATIVE FINANCIAL LIABILITIES HELD FOR TRADING</b>                                 | (5.2.2)   | <b>538,560</b>     | <b>235,761</b>                 | <b>774,321</b>     | <b>587,352</b>    | <b>283,679</b>                   | <b>871,031</b>     |       |
| <b>III. FUNDS BORROWED</b>   | (5.2.3)   | <b>5,343,792</b>   | <b>17,660,934</b>              | <b>23,004,726</b>  | <b>4,185,492</b>  | <b>17,492,138</b>                | <b>21,677,630</b>  |       |
| <b>IV. INTERBANK MONEY MARKETS</b>   |           | <b>9,195,167</b>   | <b>2,761,577</b>               | <b>11,956,744</b>  | <b>12,226,915</b> | <b>1,272,608</b>                 | <b>13,499,523</b>  |       |
| 4.1 Interbank money market takings   |           | -                  | -                              | -                  | -                 | -                                | -                  |       |
| 4.2 Istanbul Stock Exchange money market takings   |           | -                  | -                              | -                  | -                 | -                                | -                  |       |
| 4.3 Obligations under repurchase agreements  | (5.2.4)   | 9,195,167          | 2,761,577                      | 11,956,744         | 12,226,915        | 1,272,608                        | 13,499,523         |       |
| <b>V. SECURITIES ISSUED (Net)</b>  | (5.2.4)   | <b>3,268,720</b>   | <b>5,538,350</b>               | <b>8,807,070</b>   | <b>1,930,133</b>  | <b>3,932,007</b>                 | <b>5,862,140</b>   |       |
| 5.1 Bills  |           | 1,272,233          | -                              | 1,272,233          | 1,601,466         | -                                | 1,601,466          |       |
| 5.2 Asset backed securities  |           | -                  | -                              | -                  | -                 | -                                | -                  |       |
| 5.3 Bonds  |           | 1,996,487          | 5,538,350                      | 7,534,837          | 328,667           | 3,932,007                        | 4,260,674          |       |
| <b>VI. FUNDS</b>   |           | -                  | -                              | -                  | -                 | -                                | -                  |       |
| 6.1 Borrower funds   |           | -                  | -                              | -                  | -                 | -                                | -                  |       |
| 6.2 Others   |           | -                  | -                              | -                  | -                 | -                                | -                  |       |
| <b>VII. MISCELLANEOUS PAYABLES</b>   | (5.2.4.3) | <b>4,708,135</b>   | <b>300,055</b>                 | <b>5,008,190</b>   | <b>4,209,722</b>  | <b>378,207</b>                   | <b>4,587,929</b>   |       |
| <b>VIII. OTHER EXTERNAL FUNDINGS PAYABLE</b>   |           | <b>1,130,415</b>   | <b>489,051</b>                 | <b>1,619,466</b>   | <b>1,642,686</b>  | <b>339,718</b>                   | <b>1,982,404</b>   |       |
| <b>IX. FACTORING PAYABLES</b>  |           | -                  | -                              | -                  | -                 | -                                | -                  |       |
| <b>X. LEASE PAYABLES (Net)</b>   | (5.2.5)   | <b>491</b>         | -                              | <b>491</b>         | <b>341</b>        | -                                | <b>341</b>         |       |
| 10.1 Financial lease payables  |           | 519                | -                              | 519                | 365               | -                                | 365                |       |
| 10.2 Operational lease payables  |           | -                  | -                              | -                  | -                 | -                                | -                  |       |
| 10.3 Others  |           | -                  | -                              | -                  | -                 | -                                | -                  |       |
| 10.4 Deferred expenses (-)   |           | 28                 | -                              | 28                 | 24                | -                                | 24                 |       |
| <b>XI. DERIVATIVE FINANCIAL LIABILITIES HELD FOR RISK MANAGEMENT</b>                         | (5.2.6)   | -                  | <b>7,448</b>                   | <b>7,448</b>       | -                 | -                                | -                  |       |
| 11.1 Fair value hedges   |           | -                  | 7,448                          | 7,448              | -                 | -                                | -                  |       |
| 11.2 Cash flow hedges  |           | -                  | -                              | -                  | -                 | -                                | -                  |       |
| 11.3 Net foreign investment hedges   |           | -                  | -                              | -                  | -                 | -                                | -                  |       |
| <b>XII. PROVISIONS</b>   | (5.2.7)   | <b>2,803,012</b>   | <b>40,645</b>                  | <b>2,843,657</b>   | <b>2,239,130</b>  | <b>37,837</b>                    | <b>2,276,967</b>   |       |
| 12.1 General provisions  |           | 1,558,775          | 34,923                         | 1,593,698          | 1,269,819         | 32,733                           | 1,302,552          |       |
| 12.2 Restructuring reserves  |           | -                  | -                              | -                  | -                 | -                                | -                  |       |
| 12.3 Reserve for employee benefits   |           | 431,098            | -                              | 431,098            | 343,997           | -                                | 343,997            |       |
| 12.4 Insurance technical provisions (Net)  |           | -                  | -                              | -                  | -                 | -                                | -                  |       |
| 12.5 Other provisions  |           | 813,139            | 5,722                          | 818,861            | 625,314           | 5,104                            | 630,418            |       |
| <b>XIII. TAX LIABILITY</b>   | (5.2.8)   | <b>175,964</b>     | <b>13,249</b>                  | <b>189,213</b>     | <b>516,223</b>    | <b>9,382</b>                     | <b>525,605</b>     |       |
| 13.1 Current tax liability   |           | 175,964            | 13,249                         | 189,213            | 516,223           | 9,382                            | 525,605            |       |
| 13.2 Deferred tax liability  |           | -                  | -                              | -                  | -                 | -                                | -                  |       |
| <b>XIV. LIABILITIES FOR ASSETS HELD FOR SALE AND ASSETS OF DISCONTINUED OPERATIONS (Net)</b> | (5.2.9)   | -                  | -                              | -                  | -                 | -                                | -                  |       |
| 14.1 Assets held for sale  |           | -                  | -                              | -                  | -                 | -                                | -                  |       |
| 14.2 Assets of discontinued operations   |           | -                  | -                              | -                  | -                 | -                                | -                  |       |
| <b>XV. SUBORDINATED DEBTS</b>  | (5.2.10)  | -                  | <b>125,049</b>                 | <b>125,049</b>     | -                 | <b>117,251</b>                   | <b>117,251</b>     |       |
| <b>XVI. SHAREHOLDERS' EQUITY</b>   | (5.2.11)  | <b>20,498,420</b>  | <b>1,016,960</b>               | <b>21,515,380</b>  | <b>20,449,436</b> | <b>859,815</b>                   | <b>21,309,251</b>  |       |
| 16.1 Paid-in capital   |           | 4,200,000          | -                              | 4,200,000          | 4,200,000         | -                                | 4,200,000          |       |
| 16.2 Capital reserves  |           | 761,037            | 915,249                        | 1,676,286          | 2,547,175         | 790,733                          | 3,337,908          |       |
| 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  |           | (136,367)          | 915,249                        | 778,882            | 1,082,545         | 790,733                          | 1,873,278          |       |
| 16.2.4 Revaluation surplus on tangible assets  |           | 174,304            | -                              | 174,304            | 741,530           | -                                | 741,530            |       |
| 16.2.5 Revaluation surplus on intangible assets  |           | -                  | -                              | -                  | -                 | -                                | -                  |       |
| 16.2.6 Revaluation surplus on investment property  |           | -                  | -                              | -                  | -                 | -                                | -                  |       |
| 16.2.7 Bonus shares of associates, subsidiaries and joint-ventures                           |           | 1,891              | -                              | 1,891              | 1,891             | -                                | 1,891              |       |
| 16.2.8 Hedging reserves (effective portion)  |           | (63,225)           | -                              | (63,225)           | (63,225)          | -                                | (63,225)           |       |
| 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   |           | 13,646,736         | 101,711                        | 13,748,447         | 10,631,936        | 69,082                           | 10,701,018         |       |
| 16.3.1 Legal reserves  |           | 1,098,509          | 9,867                          | 1,108,376          | 907,653           | 7,939                            | 915,592            |       |
| 16.3.2 Status reserves   |           | -                  | -                              | -                  | -                 | -                                | -                  |       |
| 16.3.3 Extraordinary reserves  |           | 12,548,227         | -                              | 12,548,227         | 9,724,283         | -                                | 9,724,283          |       |
| 16.3.4 Other profit reserves   |           | -                  | 91,844                         | 91,844             | -                 | 61,143                           | 61,143             |       |
| 16.4 Profit or loss  |           | 1,890,647          | -                              | 1,890,647          | 3,070,325         | -                                | 3,070,325          |       |
| 16.4.1 Prior periods profit/loss   |           | -                  | -                              | -                  | -                 | -                                | -                  |       |
| 16.4.2 Current period net profit/loss  |           | 1,890,647          | -                              | 1,890,647          | 3,070,325         | -                                | 3,070,325          |       |
| <b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>  |           | <b>108,678,308</b> | <b>68,491,790</b>              | <b>177,170,098</b> | <b>97,986,313</b> | <b>62,206,178</b>                | <b>160,192,491</b> |       |

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

## Türkiye Garanti Bankası Anonim Şirketi

### Off-Balance Sheet Items

At 30 June 2013

| OFF-BALANCE SHEET ITEMS  | Footnotes | THOUSANDS OF TURKISH LIRA (TL) |                    |                      |                                  |                    |                    |
|--|-----------|--------------------------------|--------------------|----------------------|----------------------------------|--------------------|--------------------|
|  |           | CURRENT PERIOD<br>30 June 2013 |                    |                      | PRIOR PERIOD<br>31 December 2012 |                    |                    |
|  |           | TL                             | FC                 | Total                | TL                               | FC                 | Total              |
| <b>A. OFF-BALANCE SHEET COMMITMENTS AND CONTINGENCIES (I+II+III)</b>         |           | <b>74,503,431</b>              | <b>98,167,755</b>  | <b>172,671,186</b>   | <b>66,368,386</b>                | <b>143,680,211</b> | <b>210,048,597</b> |
| <b>I. GUARANTEES AND SURETIES</b>  | (5.3.1)   | <b>8,159,559</b>               | <b>19,195,560</b>  | <b>27,355,119</b>    | <b>6,970,208</b>                 | <b>15,706,372</b>  | <b>22,676,580</b>  |
| 1.1. Letters of guarantee  |           | 8,150,624                      | 11,774,791         | 19,925,415           | 6,958,156                        | 9,465,698          | 16,423,854         |
| 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                        | 271,756            | 705,003              | 438,392                          | 182,077            | 620,469            |
| 1.1.3. Other letters of guarantee  |           | 7,717,377                      | 10,750,906         | 18,468,283           | 6,519,764                        | 8,569,382          | 15,089,146         |
| 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                          | 6,642,518          | 6,644,122            | 7,024                            | 5,458,506          | 5,465,530          |
| 1.3.1. Documentary letters of credit   |           | -                              | -                  | -                    | -                                | -                  | -                  |
| 1.3.2. Other letters of credit   |           | 1,604                          | 6,642,518          | 6,644,122            | 7,024                            | 5,458,506          | 5,465,530          |
| 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  |           | -                              | -                  | -                    | -                                | -                  | -                  |
| <b>II. COMMITMENTS</b>   | (5.3.1)   | <b>29,209,818</b>              | <b>10,794,928</b>  | <b>40,004,746</b>    | <b>33,685,681</b>                | <b>70,774,949</b>  | <b>104,460,630</b> |
| 2.1. Irrevocable commitments   |           | 29,158,644                     | 10,793,565         | 39,952,209           | 23,695,883                       | 10,205,196         | 33,901,079         |
| 2.1.1. Asset purchase and sale commitments                                   |           | 419,436                        | 2,244,044          | 2,663,480            | 892,893                          | 4,192,191          | 5,085,084          |
| 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   |           | 5,369,682                      | 7,285,865          | 12,655,547           | 5,100,371                        | 5,213,008          | 10,313,379         |
| 2.1.5. Securities issuance brokerage commitments                             |           | -                              | -                  | -                    | -                                | -                  | -                  |
| 2.1.6. Commitments for reserve deposit requirements                          |           | -                              | -                  | -                    | -                                | -                  | -                  |
| 2.1.7. Commitments for cheque payments                                       |           | 2,809,058                      | -                  | 2,809,058            | 1,994,233                        | -                  | 1,994,233          |
| 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                                    |           | 19,039,140                     | -                  | 19,039,140           | 14,215,936                       | -                  | 14,215,936         |
| 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                      | 809,625            | 2,283,835            | 1,474,210                        | 748,000            | 2,222,210          |
| 2.2. Revocable commitments   |           | 51,174                         | 1,363              | 52,537               | 9,989,798                        | 60,569,753         | 70,559,551         |
| 2.2.1. Revocable loan granting commitments                                   |           | 51,174                         | 610                | 51,784               | 9,989,798                        | 60,569,054         | 70,558,852         |
| 2.2.2. Other revocable commitments   |           | -                              | 753                | 753                  | -                                | 699                | 699                |
| <b>III. DERIVATIVE FINANCIAL INSTRUMENTS</b>                                 | (5.3.2)   | <b>37,134,054</b>              | <b>68,177,267</b>  | <b>105,311,321</b>   | <b>25,712,497</b>                | <b>57,198,890</b>  | <b>82,911,387</b>  |
| 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   |           | 36,204,054                     | 67,545,212         | 103,749,266          | 25,712,497                       | 57,198,890         | 82,911,387         |
| 3.2.1. Forward foreign currency purchases/sales                              |           | 5,814,831                      | 7,002,740          | 12,817,571           | 4,085,520                        | 5,006,561          | 9,092,081          |
| 3.2.1.1. Forward foreign currency purchases                                  |           | 1,768,990                      | 4,602,900          | 6,371,890            | 1,551,055                        | 2,939,516          | 4,490,571          |
| 3.2.1.2. Forward foreign currency sales                                      |           | 4,045,841                      | 2,399,840          | 6,445,681            | 2,534,465                        | 2,067,045          | 4,601,510          |
| 3.2.2. Currency and interest rate swaps                                      |           | 13,691,949                     | 36,430,746         | 50,122,695           | 12,119,404                       | 34,000,856         | 46,120,260         |
| 3.2.2.1. Currency swaps-purchases  |           | 6,145,197                      | 9,716,206          | 15,861,403           | 4,585,239                        | 9,780,113          | 14,365,352         |
| 3.2.2.2. Currency swaps-sales  |           | 4,145,152                      | 10,903,337         | 15,048,489           | 3,843,165                        | 9,198,283          | 13,041,448         |
| 3.2.2.3. Interest rate swaps-purchases                                       |           | 1,700,800                      | 7,905,302          | 9,606,102            | 2,045,500                        | 7,317,810          | 9,363,310          |
| 3.2.2.4. Interest rate swaps-sales   |           | 1,700,800                      | 7,905,901          | 9,606,701            | 1,645,500                        | 7,704,650          | 9,350,150          |
| 3.2.3. Currency, interest rate and security options                          |           | 15,232,141                     | 20,874,338         | 36,106,479           | 9,477,773                        | 15,053,943         | 24,531,716         |
| 3.2.3.1. Currency call options   |           | 8,696,341                      | 8,196,532          | 16,892,873           | 4,094,590                        | 7,005,282          | 11,099,872         |
| 3.2.3.2. Currency put options  |           | 6,427,996                      | 11,067,959         | 17,495,955           | 5,326,678                        | 6,166,142          | 11,492,820         |
| 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                         | -                  | 81,910               | 56,505                           | 3,520              | 60,025             |
| 3.2.3.6. Security put options  |           | 25,894                         | -                  | 25,894               | -                                | 21,261             | 21,261             |
| 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  |           | 1,345,752                      | 3,077,949          | 4,423,701            | 1,416                            | 2,954,005          | 2,955,421          |
| <b>B. CUSTODY AND PLEDGED ITEMS (IV+V+VI)</b>                                |           | <b>588,984,622</b>             | <b>276,171,388</b> | <b>865,156,010</b>   | <b>420,969,854</b>               | <b>239,191,423</b> | <b>660,161,277</b> |
| <b>IV. ITEMS HELD IN CUSTODY</b>   |           | <b>184,696,155</b>             | <b>19,738,374</b>  | <b>204,434,529</b>   | <b>65,023,469</b>                | <b>17,841,768</b>  | <b>82,865,237</b>  |
| 4.1. Customers' securities held  |           | 154,813,587                    | 1,215              | 154,814,802          | 34,655,678                       | 1,139              | 34,656,817         |
| 4.2. Investment securities held in custody                                   |           | 18,936,340                     | 4,152,246          | 23,088,586           | 20,865,091                       | 3,906,395          | 24,771,486         |
| 4.3. Checks received for collection  |           | 8,983,689                      | 1,646,032          | 10,629,721           | 7,743,022                        | 1,331,553          | 9,074,575          |
| 4.4. Commercial notes received for collection                                |           | 1,897,632                      | 1,154,320          | 3,051,952            | 1,686,186                        | 1,054,366          | 2,740,552          |
| 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   |           | 29,949                         | 1,216,358          | 1,246,307            | 27,887                           | 1,117,420          | 1,145,307          |
| 4.8. Custodians  |           | -                              | -                  | -                    | -                                | -                  | -                  |
| <b>V. PLEDGED ITEMS</b>  |           | <b>404,288,467</b>             | <b>256,433,014</b> | <b>660,721,481</b>   | <b>355,946,385</b>               | <b>221,349,655</b> | <b>577,296,040</b> |
| 5.1. Securities  |           | 1,411,375                      | 7,726              | 1,419,101            | 2,073,280                        | 7,242              | 2,080,522          |
| 5.2. Guarantee notes   |           | 42,596,354                     | 10,854,124         | 53,450,478           | 41,324,590                       | 9,967,059          | 51,291,649         |
| 5.3. Commodities   |           | 544                            | -                  | 544                  | 3,620                            | -                  | 3,620              |
| 5.4. Warranties  |           | -                              | -                  | -                    | -                                | -                  | -                  |
| 5.5. Real estates  |           | 72,706,830                     | 56,533,790         | 129,240,620          | 60,830,116                       | 51,076,849         | 111,906,965        |
| 5.6. Other pledged items   |           | 287,573,194                    | 189,036,957        | 476,610,151          | 251,714,609                      | 160,298,120        | 412,012,729        |
| 5.7. Pledged items-depository  |           | 170                            | 417                | 587                  | 170                              | 385                | 555                |
| <b>VI. CONFIRMED BILLS OF EXCHANGE AND SURETIES</b>                          |           | -                              | -                  | -                    | -                                | -                  | -                  |
| <b>TOTAL OFF-BALANCE SHEET ITEMS (A+B)</b>                                   |           | <b>663,488,053</b>             | <b>374,339,143</b> | <b>1,037,827,196</b> | <b>487,338,240</b>               | <b>382,871,634</b> | <b>870,209,874</b> |

(Convenience Translation of Financial Statements Originally Issued in Turkish)

**Türkiye Garanti Bankası Anonim Şirketi**  
**Income Statement**  
**For the Six-Month Period Ended 30 June 2013**

| INCOME AND EXPENSE ITEMS   | Footnotes | THOUSANDS OF TURKISH LIRA (TL)                    |   |   |   |
|--|-----------|---|---|---|---|
|  |           | CURRENT PERIOD<br>1 January 2013-<br>30 June 2013 | PRIOR PERIOD<br>1 January 2012-<br>30 June 2012 | CURRENT PERIOD<br>1 April 2013-<br>30 June 2013 | PRIOR PERIOD<br>1 April 2012-<br>30 June 2012 |
| <b>I. INTEREST INCOME</b>  | (5.4.1)   | <b>6,324,654</b>                                  | <b>6,440,361</b>                                | <b>3,099,634</b>                                | <b>3,249,151</b>                              |
| 1.1 Interest income on loans   |           | 4,391,449   | 4,089,742                                       | 2,217,678                                       | 2,092,233                                     |
| 1.2 Interest income on reserve deposits                                      |           | -   | -   | -   | -   |
| 1.3 Interest income on banks   |           | 69,179  | 122,032   | 30,338  | 61,522  |
| 1.4 Interest income on money market transactions                             |           | 1,015   | 2,388   | 486   | 1,251   |
| 1.5 Interest income on securities portfolio                                  |           | 1,806,527   | 2,162,382                                       | 823,805   | 1,067,157                                     |
| 1.5.1 Trading financial assets   |           | 19,384  | 19,584  | 8,662   | 10,328  |
| 1.5.2 Financial assets valued at fair value through profit or loss           |           | -   | -   | -   | -   |
| 1.5.3 Financial assets available-for-sale                                    |           | 1,752,477   | 1,937,586                                       | 800,882   | 978,482                                       |
| 1.5.4 Investments held-to-maturity   |           | 34,666  | 205,212   | 14,261  | 78,347  |
| 1.6 Financial lease income   |           | -   | -   | -   | -   |
| 1.7 Other interest income  |           | 56,484  | 63,817  | 27,327  | 26,988  |
| <b>II. INTEREST EXPENSE</b>  | (5.4.2)   | <b>2,817,732</b>                                  | <b>3,703,891</b>                                | <b>1,395,716</b>                                | <b>1,854,745</b>                              |
| 2.1 Interest on deposits   |           | 1,900,226   | 2,582,368                                       | 941,970   | 1,285,190                                     |
| 2.2 Interest on funds borrowed   |           | 401,481   | 440,317   | 202,052   | 218,955                                       |
| 2.3 Interest on money market transactions                                    |           | 310,083   | 520,363   | 141,038   | 264,708                                       |
| 2.4 Interest on securities issued  |           | 194,270   | 151,192   | 105,388   | 84,243  |
| 2.5 Other interest expenses  |           | 11,672  | 9,651   | 5,268   | 1,649   |
| <b>III. NET INTEREST INCOME (I - II)</b>                                     |           | <b>3,506,922</b>                                  | <b>2,736,470</b>                                | <b>1,703,918</b>                                | <b>1,394,406</b>                              |
| <b>IV. NET FEES AND COMMISSIONS INCOME</b>                                   |           | <b>1,285,222</b>                                  | <b>982,156</b>                                  | <b>629,033</b>                                  | <b>475,055</b>                                |
| 4.1 Fees and commissions received  |           | 1,515,853   | 1,217,095                                       | 754,093   | 600,484                                       |
| 4.1.1 Non-cash loans   |           | 95,401  | 72,184  | 47,315  | 43,053  |
| 4.1.2 Others   |           | 1,420,452   | 1,144,911                                       | 706,778   | 557,431                                       |
| 4.2 Fees and commissions paid  |           | 230,631   | 234,939   | 125,060   | 125,429                                       |
| 4.2.1 Non-cash loans   |           | 415   | 560   | 190   | 367   |
| 4.2.2 Others   |           | 230,216   | 234,379   | 124,870   | 125,062                                       |
| <b>V. DIVIDEND INCOME</b>  | (5.4.3)   | <b>9,887</b>                                      | <b>2,444</b>                                    | <b>7,290</b>                                    | <b>2,386</b>                                  |
| <b>VI. NET TRADING INCOME/LOSSES (Net)</b>                                   | (5.4.4)   | <b>254,881</b>                                    | <b>156,152</b>                                  | <b>113,533</b>                                  | <b>67,252</b>                                 |
| 6.1 Trading account income/losses  |           | 113,224   | 86,669  | 41,387  | 59,007  |
| 6.2 Income/losses from derivative financial instruments                      |           | 230,107   | (241,474)                                       | 127,317   | (205,436)                                     |
| 6.3 Foreign exchange gains/losses  |           | (88,450)  | 310,957   | (55,171)  | 213,681                                       |
| <b>VII. OTHER OPERATING INCOME</b>   | (5.4.5)   | <b>269,622</b>                                    | <b>168,423</b>                                  | <b>124,014</b>                                  | <b>94,330</b>                                 |
| <b>VIII. TOTAL OPERATING PROFIT (III+IV+V+VI+VII)</b>                        |           | <b>5,326,534</b>                                  | <b>4,045,645</b>                                | <b>2,577,788</b>                                | <b>2,033,429</b>                              |
| <b>IX. PROVISION FOR LOSSES ON LOANS AND OTHER RECEIVABLES (-)</b>           | (5.4.6)   | <b>958,847</b>                                    | <b>391,458</b>                                  | <b>420,329</b>                                  | <b>282,459</b>                                |
| <b>X. OTHER OPERATING EXPENSES (-)</b>                                       | (5.4.7)   | <b>1,890,921</b>                                  | <b>1,661,216</b>                                | <b>997,485</b>                                  | <b>836,485</b>                                |
| <b>XI. NET OPERATING PROFIT/LOSS (VIII-IX-X)</b>                             |           | <b>2,476,766</b>                                  | <b>1,992,971</b>                                | <b>1,159,974</b>                                | <b>914,485</b>                                |
| <b>XII. INCOME RESULTED FROM MERGERS</b>                                     |           | -   | -   | -   | -   |
| <b>XIII. INCOME/LOSS FROM INVESTMENTS UNDER EQUITY ACCOUNTING</b>            |           | -   | -   | -   | -   |
| <b>XIV. GAIN/LOSS ON NET MONETARY POSITION</b>                               |           | -   | -   | -   | -   |
| <b>XV. OPERATING PROFIT/LOSS BEFORE TAXES (XI+XII+XIII+XIV)</b>              | (5.4.8)   | <b>2,476,766</b>                                  | <b>1,992,971</b>                                | <b>1,159,974</b>                                | <b>914,485</b>                                |
| <b>XVI. PROVISION FOR TAXES (±)</b>  | (5.4.9)   | <b>586,119</b>                                    | <b>412,757</b>                                  | <b>273,409</b>                                  | <b>195,985</b>                                |
| 16.1 Current tax charge  |           | 261,853   | 561,165   | 35,399  | 273,876                                       |
| 16.2 Deferred tax charge/(credit)  |           | 324,266   | (148,408)                                       | 238,010   | (77,891)                                      |
| <b>XVII. NET OPERATING PROFIT/LOSS AFTER TAXES (XV±XVI)</b>                  | (5.4.10)  | <b>1,890,647</b>                                  | <b>1,580,214</b>                                | <b>886,565</b>                                  | <b>718,500</b>                                |
| <b>XVIII. INCOME FROM DISCONTINUED OPERATIONS</b>                            |           | -   | -   | -   | -   |
| 18.1 Income from assets held for sale  |           | -   | -   | -   | -   |
| 18.2 Income from sale of associates, subsidiaries and joint-ventures         |           | -   | -   | -   | -   |
| 18.3 Others  |           | -   | -   | -   | -   |
| <b>XIX. EXPENSES FROM DISCONTINUED OPERATIONS (-)</b>                        |           | -   | -   | -   | -   |
| 19.1 Expenses on assets held for sale  |           | -   | -   | -   | -   |
| 19.2 Expenses on sale of associates, subsidiaries and joint-ventures         |           | -   | -   | -   | -   |
| 19.3 Others  |           | -   | -   | -   | -   |
| <b>XX. PROFIT/LOSS BEFORE TAXES ON DISCONTINUED OPERATIONS (XVIII-XIX)</b>   | (5.4.8)   | -   | -   | -   | -   |
| <b>XXI. PROVISION FOR TAXES OF DISCONTINUED OPERATIONS (±)</b>               | (5.4.9)   | -   | -   | -   | -   |
| 21.1 Current tax charge  |           | -   | -   | -   | -   |
| 21.2 Deferred tax charge/(credit)  |           | -   | -   | -   | -   |
| <b>XXII. NET PROFIT/LOSS AFTER TAXES ON DISCONTINUED OPERATIONS (XX±XXI)</b> | (5.4.10)  | -   | -   | -   | -   |
| <b>XXIII. NET PROFIT/LOSS (XVII+XXII)</b>                                    | (5.4.11)  | <b>1,890,647</b>                                  | <b>1,580,214</b>                                | <b>886,565</b>                                  | <b>718,500</b>                                |
| Earnings per Share   |           | 0.450   | 0.376   | 0.211   | 0.171   |

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

*(Convenience Translation of Financial Statements Originally Issued in Turkish)*

## **Türkiye Garanti Bankası Anonim Şirketi**

### **Statement of Income/Expense Items Accounted for under Shareholders' Equity**

**For the Six-Month Period Ended 30 June 2013**

| INCOME AND EXPENSE ITEMS UNDER SHAREHOLDERS' EQUITY   | THOUSANDS OF TURKISH LIRA (TL)                    |   |
|---|---|---|
|   | CURRENT PERIOD<br>1 January 2013-<br>30 June 2013 | PRIOR PERIOD<br>1 January 2012-<br>30 June 2012 |
| <b>I. MARKET VALUE GAINS ON AVAILABLE FOR SALE ASSETS ACCOUNTED UNDER "SECURITIES VALUE INCREASE FUND"</b>                      | <b>(1,456,706)</b>                                | <b>211,133</b>                                  |
| <b>II. REVALUATION SURPLUS ON TANGIBLE ASSETS</b>   | <b>-</b>  | <b>-</b>  |
| <b>III. REVALUATION SURPLUS ON INTANGIBLE ASSETS</b>  | <b>-</b>  | <b>-</b>  |
| <b>IV. TRANSLATION DIFFERENCES FOR TRANSACTIONS IN FOREIGN CURRENCIES</b>   | <b>6,378</b>                                      | <b>(4,893)</b>                                  |
| <b>V. GAIN/LOSS ON DERIVATIVE FINANCIAL ASSETS HELD FOR CASH FLOW HEDGES (effective portion)</b>                                | <b>-</b>  | <b>394</b>                                      |
| <b>VI. GAIN/LOSS ON DERIVATIVE FINANCIAL ASSETS HELD FOR HEDGES OF NET INVESTMENT IN FOREIGN OPERATIONS (effective portion)</b> | <b>-</b>  | <b>-</b>  |
| <b>VII. EFFECTS OF CHANGES IN ACCOUNTING POLICIES AND CORRECTIONS</b>   | <b>-</b>  | <b>-</b>  |
| <b>VIII. OTHER INCOME/EXPENSE ITEMS ACCOUNTED UNDER SHAREHOLDERS' EQUITY AS PER TAS</b>   | <b>87,344</b>                                     | <b>107,678</b>                                  |
| <b>IX. DEFERRED TAXES ON VALUE INCREASES/DECREASES</b>  | <b>274,966</b>                                    | <b>(38,980)</b>                                 |
| <b>X. NET INCOME/EXPENSE ITEMS ACCOUNTED DIRECTLY UNDER SHAREHOLDERS' EQUITY (I+II+III+IV+V+VI+VII+VIII+IX)</b>                 | <b>(1,088,018)</b>                                | <b>275,332</b>                                  |
| <b>XI. CURRENT PERIOD PROFIT/LOSSES</b>   | <b>1,890,647</b>                                  | <b>1,580,214</b>                                |
| 1.1 Net changes in fair value of securities (transferred to income statement)   | 93,857  | (21,361)  |
| 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  | 1,796,790   | 1,601,575                                       |
| <b>XII. TOTAL PROFIT/LOSS ACCOUNTED FOR THE CURRENT PERIOD (X+XI)</b>   | <b>802,629</b>                                    | <b>1,855,546</b>                                |

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



(Convenience Translation of Financial Statements Originally Issued in Turkish)

**Türkiye Garanti Bankası Anonim Şirketi**  
**Statement of Changes in Shareholders' Equity**  
**For the Six-Month Period Ended 30 June 2013**

| STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY                         | Footnotes | THOUSANDS OF TURKISH LIRA (TL) |  |               |                            |                |                 |                        |                |                                  |                            |                                |   |                                       |                  |  |                            |
|--|-----------|--------------------------------|--|---------------|----------------------------|----------------|-----------------|------------------------|----------------|----------------------------------|----------------------------|--------------------------------|---|---------------------------------------|------------------|--|----------------------------|
|  |           | Paid-In Capital                | Capital Reserves from Inflation Adj.s to Paid-In Capital | Share Premium | Share Cancellation Profits | Legal Reserves | Status Reserves | Extraordinary Reserves | Other Reserves | Current Period Net Profit/(Loss) | Prior Period Profit/(Loss) | Securities Value Increase Fund | Revaluation Surplus on Tangible and Intangible Assets | Bonus Shares of Equity Participations | Hedging Reserves | Accu. Rev. Surp. on Assets Held for Sale and Assets of Discont. Op.s | Total Shareholders' Equity |
| <b>PRIOR PERIOD</b><br>(1 January - 30 June 2012)                    |           |                                |  |               |                            |                |                 |                        |                |                                  |                            |                                |   |                                       |                  |  |                            |
| I. Balances at beginning of the period                               |           | 4,200,000                      | 772,554  | 11,880        | -                          | 723,303        | -               | 7,612,215              | 40,528         | -                                | 3,070,575                  | 608,534                        | 598,953   | 1,891                                 | (63,614)         | -  | 17,576,819                 |
| II. Correction made as per TAS 8                                     |           | -                              | -  | -             | -                          | -              | -               | -                      | -              | -                                | -                          | -                              | -   | -                                     | -                | -  | -                          |
| 2.1. Effect of corrections   |           | -                              | -  | -             | -                          | -              | -               | -                      | -              | -                                | -                          | -                              | -   | -                                     | -                | -  | -                          |
| 2.2. Effect of changes in accounting policies                        |           | -                              | -  | -             | -                          | -              | -               | -                      | -              | -                                | -                          | -                              | -   | -                                     | -                | -  | -                          |
| III. Adjusted balances at beginning of the period (I+II)             | (5.5)     | 4,200,000                      | 772,554  | 11,880        | -                          | 723,303        | -               | 7,612,215              | 40,528         | -                                | 3,070,575                  | 608,534                        | 598,953   | 1,891                                 | (63,614)         | -  | 17,576,819                 |
| Changes during the period  |           |                                |  |               |                            |                |                 |                        |                |                                  |                            |                                |   |                                       |                  |  |                            |
| IV. Mergers  |           | -                              | -  | -             | -                          | -              | -               | -                      | -              | -                                | -                          | -                              | -   | -                                     | -                | -  | -                          |
| V. Market value changes of securities                                |           | -                              | -  | -             | -                          | -              | -               | -                      | -              | -                                | -                          | 279,910                        | -   | -                                     | -                | -  | 279,910                    |
| VI. Hedging reserves   |           | -                              | -  | -             | -                          | -              | -               | -                      | -              | -                                | -                          | -                              | -   | -                                     | 315              | -  | 315                        |
| 6.1. Cash flow hedge   |           | -                              | -  | -             | -                          | -              | -               | -                      | -              | -                                | -                          | -                              | -   | -                                     | 315              | -  | 315                        |
| 6.2. Hedge of net investment in foreign operations                   |           | -                              | -  | -             | -                          | -              | -               | -                      | -              | -                                | -                          | -                              | -   | -                                     | -                | -  | -                          |
| VII. Revaluation surplus on tangible assets                          |           | -                              | -  | -             | -                          | -              | -               | -                      | -              | -                                | -                          | -                              | -   | -                                     | -                | -  | -                          |
| VIII. Revaluation surplus on intangible assets                       |           | -                              | -  | -             | -                          | -              | -               | -                      | -              | -                                | -                          | -                              | -   | -                                     | -                | -  | -                          |
| IX. Bonus shares of associates, subsidiaries and joint-ventures      |           | -                              | -  | -             | -                          | -              | -               | -                      | -              | -                                | -                          | -                              | -   | -                                     | -                | -  | -                          |
| X. Translation differences   |           | -                              | -  | -             | -                          | (455)          | -               | -                      | (4,438)        | -                                | -                          | -                              | -   | -                                     | -                | -  | (4,893)                    |
| XI. Changes resulted from disposal of assets                         |           | -                              | -  | -             | -                          | -              | -               | -                      | -              | -                                | -                          | -                              | -   | -                                     | -                | -  | -                          |
| XII. Changes resulted from reclassification of assets                |           | -                              | -  | -             | -                          | -              | -               | -                      | -              | -                                | -                          | -                              | -   | -                                     | -                | -  | -                          |
| XIII. Effect of change in equities of associates on bank's equity    |           | -                              | -  | -             | -                          | -              | -               | -                      | -              | -                                | -                          | -                              | -   | -                                     | -                | -  | -                          |
| XIV. Capital increase  |           | -                              | -  | -             | -                          | -              | -               | -                      | -              | -                                | -                          | -                              | -   | -                                     | -                | -  | -                          |
| 14.1. Cash   |           | -                              | -  | -             | -                          | -              | -               | -                      | -              | -                                | -                          | -                              | -   | -                                     | -                | -  | -                          |
| 14.2. Internal sources   |           | -                              | -  | -             | -                          | -              | -               | -                      | -              | -                                | -                          | -                              | -   | -                                     | -                | -  | -                          |
| XV. Share issuance   |           | -                              | -  | -             | -                          | -              | -               | -                      | -              | -                                | -                          | -                              | -   | -                                     | -                | -  | -                          |
| XVI. Share cancellation profits                                      |           | -                              | -  | -             | -                          | -              | -               | -                      | -              | -                                | -                          | -                              | -   | -                                     | -                | -  | -                          |
| XVII. Capital reserves from inflation adjustments to paid-in capital |           | -                              | -  | -             | -                          | -              | -               | -                      | -              | -                                | -                          | -                              | -   | -                                     | -                | -  | -                          |
| XVIII. Others  |           | -                              | -  | -             | -                          | -              | -               | -                      | -              | -                                | -                          | -                              | -   | -                                     | -                | -  | -                          |
| XIX. Current period net profit/loss                                  |           | -                              | -  | -             | -                          | -              | -               | -                      | -              | 1,580,214                        | -                          | -                              | -   | -                                     | -                | -  | 1,580,214                  |
| XX. Profit distribution  |           | -                              | -  | -             | -                          | 192,529        | -               | 2,112,068              | 23,401         | -                                | (3,070,575)                | -                              | 142,577   | -                                     | -                | -  | (600,000)                  |
| 20.1. Dividends  |           | -                              | -  | -             | -                          | -              | -               | -                      | -              | -                                | (600,000)                  | -                              | -   | -                                     | -                | -  | (600,000)                  |
| 20.2. Transfers to reserves  |           | -                              | -  | -             | -                          | 192,529        | -               | 2,112,068              | 23,401         | -                                | (2,276,880)                | -                              | (27,717)  | -                                     | -                | -  | -                          |
| 20.3. Others   |           | -                              | -  | -             | -                          | -              | -               | -                      | -              | -                                | (193,695)                  | -                              | 170,294   | -                                     | -                | -  | -                          |
| Balances at end of the period (III+IV+V+.....+XVIII+XIX+XX)          |           | 4,200,000                      | 772,554  | 11,880        | -                          | 915,377        | -               | 9,724,283              | 59,491         | 1,580,214                        | -                          | 888,444                        | 741,530   | 1,891                                 | (63,299)         | -  | 18,832,365                 |
| <b>CURRENT PERIOD</b><br>(1 January - 30 June 2013)                  |           |                                |  |               |                            |                |                 |                        |                |                                  |                            |                                |   |                                       |                  |  |                            |
| I. Balances at beginning of the period                               | (5.5)     | 4,200,000                      | 772,554  | 11,880        | -                          | 915,592        | -               | 9,724,283              | 61,143         | -                                | 3,070,325                  | 1,873,278                      | 741,530   | 1,891                                 | (63,225)         | -  | 21,309,251                 |
| Changes during the period  |           |                                |  |               |                            |                |                 |                        |                |                                  |                            |                                |   |                                       |                  |  |                            |
| II. Mergers  |           | -                              | -  | -             | -                          | -              | -               | -                      | -              | -                                | -                          | -                              | -   | -                                     | -                | -  | -                          |
| III. Market value changes of securities                              |           | -                              | -  | -             | -                          | -              | -               | -                      | -              | -                                | -                          | (1,094,396)                    | -   | -                                     | -                | -  | (1,094,396)                |
| 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  |           | -                              | -  | -             | -                          | 618            | -               | -                      | 5,760          | -                                | -                          | -                              | -   | -                                     | -                | -  | 6,378                      |
| IX. Changes resulted from disposal of assets                         |           | -                              | -  | -             | -                          | -              | -               | -                      | -              | -                                | -                          | -                              | -   | -                                     | -                | -  | -                          |
| X. Changes resulted from reclassification of assets                  |           | -                              | -  | -             | -                          | -              | -               | -                      | -              | -                                | -                          | -                              | -   | -                                     | -                | -  | -                          |
| XI. Effect of change in equities of associates on bank's equity      |           | -                              | -  | -             | -                          | -              | -               | -                      | -              | -                                | -                          | -                              | -   | -                                     | -                | -  | -                          |
| XII. Capital increase  |           | -                              | -  | -             | -                          | -              | -               | -                      | -              | -                                | -                          | -                              | -   | -                                     | -                | -  | -                          |
| 12.1. Cash   |           | -                              | -  | -             | -                          | -              | -               | -                      | -              | -                                | -                          | -                              | -   | -                                     | -                | -  | -                          |
| 12.2. Internal sources   |           | -                              | -  | -             | -                          | -              | -               | -                      | -              | -                                | -                          | -                              | -   | -                                     | -                | -  | -                          |
| XIII. Share issuance   |           | -                              | -  | -             | -                          | -              | -               | -                      | -              | -                                | -                          | -                              | -   | -                                     | -                | -  | -                          |
| XIV. Share cancellation profits                                      |           | -                              | -  | -             | -                          | -              | -               | -                      | -              | -                                | -                          | -                              | -   | -                                     | -                | -  | -                          |
| XV. Capital reserves from inflation adjustments to paid-in capital   |           | -                              | -  | -             | -                          | -              | -               | -                      | -              | -                                | -                          | -                              | -   | -                                     | -                | -  | -                          |
| XVI. Others  |           | -                              | -  | -             | -                          | -              | -               | -                      | -              | -                                | -                          | -                              | -   | -                                     | -                | -  | -                          |
| XVII. Current period net profit/loss                                 |           | -                              | -  | -             | -                          | -              | -               | -                      | -              | 1,890,647                        | -                          | -                              | -   | -                                     | -                | -  | 1,890,647                  |
| XVIII. Profit distribution   |           | -                              | -  | -             | -                          | 192,166        | -               | 2,823,944              | 24,941         | -                                | (3,070,325)                | -                              | (567,226)   | -                                     | -                | -  | (596,500)                  |
| 18.1. Dividends  |           | -                              | -  | -             | -                          | -              | -               | -                      | -              | -                                | (596,500)                  | -                              | -   | -                                     | -                | -  | (596,500)                  |
| 18.2. Transfers to reserves  |           | -                              | -  | -             | -                          | 192,166        | -               | 2,823,944              | 24,941         | -                                | (2,448,884)                | -                              | (567,226)   | -                                     | -                | -  | -                          |
| 18.3. Others   |           | -                              | -  | -             | -                          | -              | -               | -                      | -              | -                                | (24,941)                   | -                              | -   | -                                     | -                | -  | -                          |
| Balances at end of the period (I+II+III+.....+XVI+XVII+XVIII)        |           | 4,200,000                      | 772,554  | 11,880        | -                          | 1,108,376      | -               | 12,548,227             | 91,844         | 1,890,647                        | -                          | 778,882                        | 174,304   | 1,891                                 | (63,225)         | -  | 21,515,380                 |

(Convenience Translation of Financial Statements Originally Issued in Turkish)

**Türkiye Garanti Bankası Anonim Şirketi**  
**Statement of Cash Flows**  
**For the Six-Month Period Ended 30 June 2013**

| STATEMENT OF CASH FLOWS   | Footnotes | THOUSANDS OF TURKISH LIRA (TL)                    |   |
|---|-----------|---|---|
|   |           | CURRENT PERIOD<br>1 January 2013-<br>30 June 2013 | PRIOR PERIOD<br>1 January 2012-<br>30 June 2012 |
| <b>A. CASH FLOWS FROM BANKING OPERATIONS</b>  |           |   |   |
| <b>1.1 Operating profit before changes in operating assets and liabilities</b>                |           | <b>1,143,083</b>                                  | <b>2,254,140</b>                                |
| 1.1.1 Interests received  |           | 6,027,267   | 6,280,375                                       |
| 1.1.2 Interests paid  |           | (2,968,403)                                       | (3,837,211)                                     |
| 1.1.3 Dividend received   |           | 4,797   | 2,386   |
| 1.1.4 Fees and commissions received   |           | 1,515,853   | 1,217,094                                       |
| 1.1.5 Other income  |           | 207,005   | 146,216   |
| 1.1.6 Collections from previously written-off loans and other receivables                     |           | 17,235  | 20,808  |
| 1.1.7 Payments to personnel and service suppliers   |           | (1,418,148)                                       | (1,259,967)                                     |
| 1.1.8 Taxes paid  |           | (626,651)   | (461,848)                                       |
| 1.1.9 Others  | (5.6)     | (1,615,872)                                       | 146,287   |
| <b>1.2 Changes in operating assets and liabilities</b>  |           | <b>(650,838)</b>                                  | <b>393,126</b>                                  |
| 1.2.1 Net (increase) decrease in financial assets held for trading                            |           | (25,698)  | 4,492   |
| 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   |           | (40,806)  | 2,389,064                                       |
| 1.2.4 Net (increase) decrease in loans  |           | (14,403,491)                                      | (3,904,868)                                     |
| 1.2.5 Net (increase) decrease in other assets   |           | 81,878  | (1,782,643)                                     |
| 1.2.6 Net increase (decrease) in bank deposits  |           | 1,275,533   | 2,130,951                                       |
| 1.2.7 Net increase (decrease) in other deposits   |           | 12,583,733  | 760,620   |
| 1.2.8 Net increase (decrease) in funds borrowed   |           | (80,558)  | 740,519   |
| 1.2.9 Net increase (decrease) in matured payables   |           | -   | -   |
| 1.2.10 Net increase (decrease) in other liabilities   | (5.6)     | (41,429)  | 54,991  |
| <b>I. Net cash flow from banking operations</b>   |           | <b>492,245</b>                                    | <b>2,647,266</b>                                |
| <b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>  |           |   |   |
| <b>II. Net cash flow from investing activities</b>  |           | <b>(968,017)</b>                                  | <b>(3,762,376)</b>                              |
| 2.1 Cash paid for purchase of associates, subsidiaries and joint-ventures                     |           | (10,494)  | -   |
| 2.2 Cash obtained from sale of associates, subsidiaries and joint-ventures                    |           | -   | -   |
| 2.3 Purchases of tangible assets  |           | (131,984)   | (54,864)  |
| 2.4 Sales of tangible assets  |           | 42,460  | 37,636  |
| 2.5 Cash paid for purchase of financial assets available-for-sale                             |           | (12,568,993)                                      | (8,413,111)                                     |
| 2.6 Cash obtained from sale of financial assets available-for-sale                            |           | 11,706,741  | 3,211,235                                       |
| 2.7 Cash paid for purchase of investments held-to-maturity                                    |           | (13,749)  | (7,065)   |
| 2.8 Cash obtained from sale of investments held-to-maturity                                   |           | 8,002   | 1,463,793                                       |
| 2.9 Others  | (5.6)     | -   | -   |
| <b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>  |           |   |   |
| <b>III. Net cash flow from financing activities</b>   |           | <b>2,322,773</b>                                  | <b>(334,205)</b>                                |
| 3.1 Cash obtained from funds borrowed and securities issued                                   |           | 5,165,927   | 2,505,406                                       |
| 3.2 Cash used for repayment of funds borrowed and securities issued                           |           | (2,246,299)                                       | (2,239,609)                                     |
| 3.3 Equity instruments issued   |           | -   | -   |
| 3.4 Dividends paid  |           | (596,500)   | (600,000)                                       |
| 3.5 Payments for financial leases   |           | (355)   | (2)   |
| 3.6 Others (payments for founder shares repurchased)  | (5.6)     | -   | -   |
| <b>IV. Effect of change in foreign exchange rate on cash and cash equivalents</b>             | (5.6)     | <b>554,368</b>                                    | <b>(273,002)</b>                                |
| <b>V. Net increase/(decrease) in cash and cash equivalents</b>                                |           | <b>2,401,369</b>                                  | <b>(1,722,317)</b>                              |
| <b>VI. Cash and cash equivalents at beginning of period</b>                                   |           | <b>4,262,674</b>                                  | <b>7,613,562</b>                                |
| <b>VII. Cash and cash equivalents at end of period</b>  |           | <b>6,664,043</b>                                  | <b>5,891,245</b>                                |

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

### **3 Accounting policies**

#### **3.1 Basis of presentation**

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

As per the Decree Law no. 660 published in the Official Gazette and become effective on 2 November 2011, the Additional Clause 1 of the Law no. 2499 was abolished and the Public Oversight, Accounting and Auditing Standards Authority was established. The financial statements are prepared based on the TAS/TFRS and the related statements and guidances announced by the Public Oversight, Accounting and Auditing Standards Authority.

The accompanying unconsolidated financial statements are prepared in accordance with the historical cost basis except for financial 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 and that are in foreign currencies which are presented on a fair value basis.

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

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

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

#### **3.2 Strategy for use of financial instruments and foreign currency transactions**

##### **3.2.1 Strategy for use of financial instruments**

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

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

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

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

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

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

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

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

### **3.2.2 Foreign currency transactions**

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

The Bank had applied net investment hedge accounting for the exchange rate differences on the net investment risks on its foreign affiliates and its related financial liabilities in foreign currencies in the previous periods. The Bank prospectively discontinued this application as of 1 January 2009 within the framework of TFRIC 16 - Comment on Hedges of a Net Investment in a Foreign Operation, published in the Official Gazette dated 8 January 2009, no. 27104. The Bank started to apply fair value hedge accounting as at 1 January 2009 by designating the exchange rate risk of these foreign investments that are recognized under fair value accounting as hedged item, in compliance with "TAS 39 *Financial Instruments: Recognition and Measurement*". Accordingly, the effective portion of the foreign exchange differences is recorded under income statement in the current period.

### **3.3 Investments in associates and subsidiaries**

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

### **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.

According to 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.

### **3.5 Interest income and expenses**

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

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

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

### **3.6 Fees and commissions**

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

### **3.7 Financial assets**

#### **3.7.1 Financial assets at fair value through profit or loss**

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

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

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

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

*Assets available-for-sale*, are financial assets other than assets held for trading purposes, investments held-to-maturity and 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 by the Bank providing money, commodity and services to debtors.

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

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

### **3.8 Impairment of financial assets**

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

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

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

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

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

#### **3.9.2 Derecognition of financial assets**

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

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



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 profit or loss.

### **3.10 Repurchase and resale agreements and securities lending**

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

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

### **3.11 Assets held for sale and discontinued operations**

A tangible asset (or a disposal group) classified as “asset held for sale” is measured at lower of carrying value or fair value less costs to sell. An asset (or a disposal group) is regarded as “asset held for sale” only when the sale is highly probable and the asset (disposal group) is available for immediate sale in its present condition. For a highly probable sale, there must be a valid plan prepared by the management for the sale of asset including identification of possible buyers and completion of sale process. Furthermore, the asset should be actively marketed at a price consistent with its fair value.

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

### **3.12 Goodwill and other intangible assets**

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

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

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

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

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

### **3.13 Tangible assets**

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

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

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

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

The depreciation rates and the estimated useful lives of tangible assets are:

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

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

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

#### *Investment properties*

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

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

### **3.14 Leasing activities**

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

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

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

### **3.15 Provisions and contingent liabilities**

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

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. If an inflow of economic benefits to the Bank has become probable, then the contingent asset is disclosed in the footnotes to the financial statements. If it has become virtually certain that an inflow of economic benefits will arise, the asset and the related income are recognized in the financial statements of the period in which the change occurs.

### 3.17 Liabilities for employee benefits

#### *Severance Indemnities and Short-Term Employee Benefits*

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

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

|                                  | 30 June 2013 | 31 December 2012 | 31 December 2011 |
|----------------------------------|--------------|------------------|------------------|
|                                  | %            | %                | %                |
| Discount Rate                    | 2.18         | 2.18             | 4.25             |
| Interest Rate                    | 6.95         | 6.95             | 9.52             |
| Expected Rate of Salary Increase | 6.17         | 6.17             | 6.56             |
| Inflation Rate                   | 4.67         | 4.67             | 5.06             |

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

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

#### *Retirement Benefit Obligations*

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

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

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

|                               | 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, 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, numbered 2007/33. The reasoned ruling regarding the cancellation of the Constitutional Court was published in the Official Gazette numbered 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”) applied to the Constitutional Court for the cancellation of various articles of the Law including the first paragraph of the provisional Article 20. At the meeting of the Constitutional Court on 30 March 2011, it was decided that the first paragraph of the provisional Article 20 of the Law is not contradictory to the Constitutional Law, and accordingly the dismissal of the cancellation request has been denied with the majority of votes.

*b) Other benefits not transferable to SSF*

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

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

## **3.18 Taxation**

### **3.18.1 Corporate tax**

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

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

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

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

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

The tax applications for foreign branches;

#### *NORTHERN CYPRUS*

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

#### *MALTA*

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

#### *LUXEMBOURG*

The corporate earnings are subject to a 21% corporate tax. This rate is determined by modifying accounting income for certain exclusions and allowances for tax purposes. An additional 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.

### **3.18.2 Deferred taxes**

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

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

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

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

### **3.18.3 Transfer pricing**

The article no.13 of the Corporate Tax Law describes the issue of transfer pricing under the title of “Disguised Profit Distribution by Way of Transfer Pricing”. “The General Communiqué on Disguised Profit Distribution by Way of Transfer Pricing” published at 18 November 2007, explains the application related issues on this topic.

According to this communiqué, if the taxpayers conduct transactions like purchase and sale of goods or services with the related parties where the prices are not determined according to the arm’s length principle, then it will be concluded that there is a disguised profit distribution by way of transfer pricing. Such disguised profit distributions will not be deducted from the corporate tax base for tax purposes.

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

### **3.19 Funds borrowed**

The Bank generates funds 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 does not have any government incentives or grants.



### 3.23 Segment reporting

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

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

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

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

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

*Information on the business segments is as follows:*

| <i>Current Period</i>                             | <b>Retail Banking</b> | <b>Corporate Banking</b> | <b>Investment Banking</b> | <b>Other</b>      | <b>Total Operations</b> |
|---|-----------------------|--------------------------|---------------------------|-------------------|-------------------------|
| Total Operating Profit                            | 1,897,640             | 1,647,137                | 1,573,951                 | 197,919           | 5,316,647               |
| Other   | -                     | -                        | -                         | -                 | -                       |
| <b>Total Operating Profit</b>                     | <b>1,897,640</b>      | <b>1,647,137</b>         | <b>1,573,951</b>          | <b>197,919</b>    | <b>5,316,647</b>        |
| Net Operating Profit                              | 451,706               | 795,028                  | 1,494,837                 | (274,692)         | 2,466,879               |
| Income from Associates and Subsidiaries           | -                     | -                        | -                         | 9,887             | 9,887                   |
| <b>Net Operating Profit</b>                       | <b>451,706</b>        | <b>795,028</b>           | <b>1,494,837</b>          | <b>(264,805)</b>  | <b>2,476,766</b>        |
| Provision for Taxes                               | -                     | -                        | -                         | 586,119           | 586,119                 |
| <b>Net Profit</b>                                 | <b>451,706</b>        | <b>795,028</b>           | <b>1,494,837</b>          | <b>(850,924)</b>  | <b>1,890,647</b>        |
| Segment Assets                                    | 38,448,997            | 68,154,588               | 62,792,333                | 4,971,106         | 174,367,024             |
| Investments in Associates and Subsidiaries        | -                     | -                        | -                         | 2,803,074         | 2,803,074               |
| <b>Total Assets</b>                               | <b>38,448,997</b>     | <b>68,154,588</b>        | <b>62,792,333</b>         | <b>7,774,180</b>  | <b>177,170,098</b>      |
| Segment Liabilities                               | 59,870,151            | 42,202,993               | 50,008,099                | 3,573,475         | 155,654,718             |
| Shareholders’ Equity                              | -                     | -                        | -                         | 21,515,380        | 21,515,380              |
| <b>Total Liabilities and Shareholders’ Equity</b> | <b>59,870,151</b>     | <b>42,202,993</b>        | <b>50,008,099</b>         | <b>25,088,855</b> | <b>177,170,098</b>      |
| <b>Other Segment Items</b>                        |                       |                          |                           |                   |                         |
| Capital Expenditures                              | -                     | -                        | -                         | 132,414           | 132,414                 |
| Depreciation Expenses                             | 66,988                | 30,109                   | 2,391                     | 5,963             | 105,451                 |
| Impairment Losses                                 | 411,432               | 303,376                  | 9,809                     | 235,129           | 959,746                 |
| Other Non-Cash Income/Expenses                    | 80,786                | 145,214                  | (691,992)                 | (46,593)          | (512,585)               |
| Restructuring Costs                               | -                     | -                        | -                         | -                 | -                       |

| <i>Prior Period</i>                               | <b>Retail<br/>Banking</b> | <b>Corporate<br/>Banking</b> | <b>Investment<br/>Banking</b> | <b>Other</b>      | <b>Total<br/>Operations</b> |
|---|---------------------------|------------------------------|-------------------------------|-------------------|-----------------------------|
| Total Operating Profit                            | 1,471,614                 | 1,495,452                    | 547,923                       | 528,212           | 4,043,201                   |
| Other   | -                         | -                            | -                             | -                 | -                           |
| <b>Total Operating Profit</b>                     | <b>1,471,614</b>          | <b>1,495,452</b>             | <b>547,923</b>                | <b>528,212</b>    | <b>4,043,201</b>            |
| Net Operating Profit                              | 317,449                   | 818,672                      | 508,705                       | 345,701           | 1,990,527                   |
| Income from Associates and Subsidiaries           | -                         | -                            | -                             | 2,444             | 2,444                       |
| <b>Net Operating Profit</b>                       | <b>317,449</b>            | <b>818,672</b>               | <b>508,705</b>                | <b>348,145</b>    | <b>1,992,971</b>            |
| Provision for Taxes                               | -                         | -                            | -                             | 412,757           | 412,757                     |
| <b>Net Profit</b>                                 | <b>317,449</b>            | <b>818,672</b>               | <b>508,705</b>                | <b>(64,612)</b>   | <b>1,580,214</b>            |
| Segment Assets                                    | 33,362,608                | 58,484,064                   | 61,037,515                    | 4,698,671         | 157,582,858                 |
| Investments in Associates and Subsidiaries        | -                         | -                            | -                             | 2,609,633         | 2,609,633                   |
| <b>Total Assets</b>                               | <b>33,362,608</b>         | <b>58,484,064</b>            | <b>61,037,515</b>             | <b>7,308,304</b>  | <b>160,192,491</b>          |
| Segment Liabilities                               | 55,913,811                | 32,860,300                   | 46,011,331                    | 4,097,798         | 138,883,240                 |
| Shareholders' Equity                              | -                         | -                            | -                             | 21,309,251        | 21,309,251                  |
| <b>Total Liabilities and Shareholders' Equity</b> | <b>55,913,811</b>         | <b>32,860,300</b>            | <b>46,011,331</b>             | <b>25,407,049</b> | <b>160,192,491</b>          |
| <b>Other Segment Items</b>                        |                           |                              |                               |                   |                             |
| Capital Expenditures                              | -                         | -                            | -                             | 238,976           | 238,976                     |
| Depreciation Expenses                             | 51,131                    | 27,264                       | 1,563                         | 17,879            | 97,837                      |
| Impairment Losses                                 | 269,140                   | 162,102                      | (56,318)                      | 17,425            | 392,349                     |
| Other Non-Cash Income/Expenses                    | 48,786                    | 23,604                       | 1,213,882                     | (76,609)          | 1,209,663                   |
| Restructuring Costs                               | -                         | -                            | -                             | -                 | -                           |

### 3.24 Other disclosures

None.

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

### **4.1 Capital adequacy ratio**

The Bank's unconsolidated capital adequacy ratio is 16.23% (31 December 2012: 18.21%).

#### **4.1.1 Risk measurement methods in calculation of capital adequacy ratio**

Capital adequacy ratio is calculated within the scope of the "Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks (the "Regulation")", "Regulation on Credit Risk Mitigation Techniques" and "Regulation on Calculation of Risk Weighted Amounts for Securitisations" published in the Official Gazette no.28337 dated 28 June 2012 and the "Regulation on Equities of Banks" published in the Official Gazette no.26333 dated 1 November 2006.

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

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

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

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

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

#### 4.1.2 Capital adequacy ratio

| <i>Current Period</i>  | <b>Risk Weights</b>     |            |                  |                   |                   |                   |                  |                  |              |
|--|-------------------------|------------|------------------|-------------------|-------------------|-------------------|------------------|------------------|--------------|
|  | <b>Parent Bank Only</b> |            |                  |                   |                   |                   |                  |                  |              |
|  | <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> |
| <b>Value at Credit Risk</b>  | -                       | -          | 1,444,847        | 12,767,141        | 24,875,852        | 66,066,646        | 5,782,275        | 12,967,044       | -            |
| <b>Exposure Categories</b>   | <b>49,474,710</b>       | -          | <b>7,224,234</b> | <b>25,534,281</b> | <b>33,167,803</b> | <b>66,066,646</b> | <b>3,854,850</b> | <b>6,483,522</b> | -            |
| 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>  | <b>Risk Weights</b>     |            |                  |                   |                   |                   |                  |                  |              |
|--|-------------------------|------------|------------------|-------------------|-------------------|-------------------|------------------|------------------|--------------|
|  | <b>Parent Bank Only</b> |            |                  |                   |                   |                   |                  |                  |              |
|  | <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> |
| <b>Value at Credit Risk</b>  | -                       | -          | 845,544          | 10,808,347        | 22,837,083        | 57,750,707        | 4,734,597        | 8,791,156        | -            |
| <b>Exposure Categories</b>   | <b>53,152,361</b>       | -          | <b>4,227,718</b> | <b>21,616,694</b> | <b>30,449,444</b> | <b>57,750,707</b> | <b>3,156,398</b> | <b>4,395,578</b> | -            |
| 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         | -                | -                | -            |

#### 4.1.3 Summary information related to capital adequacy ratio

|  | <i>Current Period</i> | <i>Priod 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%              |

#### 4.1.4 Components of shareholders' equity items

|   | <i>Current Period</i> | <i>Prior Period</i> |
|---|-----------------------|---------------------|
| <b>CORE CAPITAL</b>   |                       |                     |
| Paid-in Capital   | 4,200,000             | 4,200,000           |
| Nominal Capital   | 4,200,000             | 4,200,000           |
| Capital Commitments (-)   | -                     | -                   |
| Inflation Adjustments to Paid-in Capital  | 772,554               | 772,554             |
| Share Premium   | 11,880                | 11,880              |
| Share Cancellation Profits  | -                     | -                   |
| Reserves  | 13,660,160            | 10,612,731          |
| Inflation Adjustments to Reserves   | 51,141                | 51,141              |
| Profit  | 1,890,647             | 3,070,325           |
| Current Period's Profit   | 1,890,647             | 3,070,325           |
| Prior Periods' Profit   | -                     | -                   |
| Provision for Possible Losses (upto 25% of Core Capital)  | 365,000               | 420,000             |
| Income on Sale of Equity Shares and Real Estates  | 172,164               | 739,390             |
| Primary Subordinated Debts  | -                     | -                   |
| Loss (in excess of Reserves) (-)  | -                     | -                   |
| Current Period's Losses   | -                     | -                   |
| Prior Periods' Losses   | -                     | -                   |
| Leasehold Improvements on Operational Leases (-)  | 83,522                | 94,182              |
| Intangible Assets (-)   | 49,591                | 54,814              |
| Deferred Tax Asset in Excess of 10% of Core Capital (-)   | -                     | -                   |
| Limit Excesses as per the 3rd Paragraph of the Article 56 of the Banking Law (-)  | -                     | -                   |
| <b>Total Core Capital</b>   | <b>20,990,433</b>     | <b>19,729,025</b>   |
| <b>SUPPLEMENTARY CAPITAL</b>  |                       |                     |
| General Provisions  | 1,593,698             | 1,302,552           |
| 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 Period's Profit  | 1,891                 | 1,891               |
| Primary Subordinated Debts excluding the portion included in Core Capital   | -                     | -                   |
| Secondary Subordinated Debts  | 123,815               | 116,050             |
| 45% of Securities Value Increase Fund   | 201,249               | 828,432             |
| Inflation Adjustments to Other Capital and Profit Reserves and Prior Periods' Profit/Loss   | 37,146                | 37,146              |
| <b>Total Supplementary Capital</b>  | <b>1,958,762</b>      | <b>2,287,034</b>    |
| <b>CAPITAL</b>  | <b>22,949,195</b>     | <b>22,016,059</b>   |
| <b>DEDUCTIONS FROM CAPITAL</b>  | <b>211,788</b>        | <b>180,619</b>      |
| Unconsolidated investments in Entities (domestic/foreign) Operating in Banking and Financial Sectors at 10% or more   | -                     | -                   |
| Investments in Entities (domestic/foreign) Operating in Banking and Financial Sectors at less than 10%, Exceeding 10% or More of the Total Core and Supplementary Capitals  | -                     | -                   |
| Loans to Banks, Financial Institutions (domestic/foreign) or Qualified Shareholders in the form of Secondary Subordinated Debts and Debt Instruments Purchased from Such Parties Qualified as Primary or Secondary Subordinated Debts | 159,227               | 134,531             |
| 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                             | 33,640                | 34,690              |
| Securitization Positions to be Deducted from Equity   | -                     | -                   |
| Other Deduction Items   | 18,921                | 11,398              |
| <b>TOTAL SHAREHOLDERS' EQUITY</b>   | <b>22,737,407</b>     | <b>21,835,440</b>   |

#### 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 communique "Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks".

## **4.2 Credit risk**

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

## **4.3 Market risk**

The Bank’s risk management activities are managed under the responsibility of the board of directors in compliance with the “Regulation on Banks’ Internal Control and Risk Management Systems” and “Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks”.

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

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

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

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

Market risks arising from trading portfolios are measured as per “standard” and “value at risk (VaR)” methods. The measurements as per the standard method are performed on a monthly basis, and taken into consideration in the calculation of capital adequacy. Whereas, the measurements as per VaR method are performed on a daily basis. 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

|   | <i>Current Period</i> | <i>Prior Period</i> |
|---|-----------------------|---------------------|
| (I) Capital Requirement against General Market Risk - Standard Method                     | 38,087                | 6,086               |
| (II) Capital Requirement against Specific Risks - Standard Method                         | 32,790                | 9,270               |
| Capital Requirement against Specific Risks of Securitisation Positions– Standard Method   | -                     | -                   |
| (III) Capital Requirement against Currency Position Risk - Standard Method                | 55,100                | 31,586              |
| (IV) Capital Requirement against Commodity Risks - Standard Method                        | 5,857                 | 8,534               |
| (V) Capital Requirement against Clearing Risks - Standard Method                          | -                     | -                   |
| (VI) Capital Requirement against Market Risks of Options - Standard Method                | 78,930                | 27,608              |
| (VII) Capital Requirement against Counterparty Credit Risks - Standard Method             | 14,433                | 7,396               |
| <b>(VIII) Capital Requirement against Market Risks of Banks applying Risk Measurement</b> | -                     | -                   |
| <b>(IX) Total Capital Requirement against Market Risk (I+II+III+IV+V+VI+VII)</b>          | <b>225,197</b>        | <b>90,480</b>       |
| <b>(X) Value-At-Market Risk ((12.5*VIII) or (12.5*IX))</b>                                | <b>2,814,963</b>      | <b>1,131,000</b>    |

#### 4.3.2 Monthly average values at market risk

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

#### 4.4 Operational risk

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

#### 4.5 Currency risk

Foreign currency position limit is set in compliance with the legal standard ratio of net foreign currency position. As of 30 June 2013, the Bank’s net ‘on balance sheet’ foreign currency long position amounts to TL 802,999 thousands (31 December 2012: a foreign currency short position of TL 213,317 thousands), net ‘off-balance sheet’ foreign currency short position amounts to TL 1,317,630 thousands (31 December 2012: a foreign currency long position of TL 521,742 thousands), while net foreign currency short position amounts to TL 514,631 thousands (31 December 2012: a foreign currency long position of TL 308,425 thousands).

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

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

|  | <b>USD</b>    | <b>EUR</b>    |
|--|---------------|---------------|
| <b>Foreign currency purchase rates at balance sheet date</b> | 1.9050        | 2.4763        |
| <b><u>Rates for the days before balance sheet date:</u></b>  |               |               |
| 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        |
| <b>Last 30-days arithmetical average rates</b>               | <b>1.8735</b> | <b>2.4665</b> |



*The Bank's currency risk:*

| <i>Current Period</i>   | <b>EUR</b>         | <b>USD</b>         | <b>Other FCs</b> | <b>Total</b>       |
|---|--------------------|--------------------|------------------|--------------------|
| <b>Assets</b>   |                    |                    |                  |                    |
| Cash (Cash on Hand, Money in Transit, Purchased Cheques) and Balances with the Central Bank of Turkey | 4,813,812          | 6,804,926          | 2,888,386        | 14,507,124         |
| Banks   | 2,490,763          | 3,781,057          | 117,157          | 6,388,977          |
| Financial Assets at Fair Value through Profit/Loss  | 314,693            | 125,609            | -                | 440,302            |
| Interbank Money Market Placements   | -                  | 76,203             | -                | 76,203             |
| Financial Assets Available-for-Sale   | 164,422            | 1,636,190          | -                | 1,800,612          |
| Loans (*)   | 12,988,712         | 29,115,878         | 363,225          | 42,467,815         |
| Investments in Associates, Subsidiaries and Joint-Ventures  | 2,056,775          | 235,181            | -                | 2,291,956          |
| Investments Held-to-Maturity  | -                  | -                  | -                | -                  |
| Derivative Financial Assets Held for Risk Management  | -                  | -                  | -                | -                  |
| Tangible Assets   | 227                | 73                 | -                | 300                |
| Intangible Assets   | -                  | -                  | -                | -                  |
| Other Assets  | 38,339             | 145,202            | 4,839            | 188,380            |
| <b>Total Assets</b>   | <b>22,867,743</b>  | <b>41,920,319</b>  | <b>3,373,607</b> | <b>68,161,669</b>  |
| <b>Liabilities</b>  |                    |                    |                  |                    |
| Bank Deposits   | 967,802            | 2,768,725          | 110,857          | 3,847,384          |
| Foreign Currency Deposits   | 11,025,596         | 22,298,515         | 837,443          | 34,161,554         |
| Interbank Money Market Takings  | -                  | 2,761,575          | 2                | 2,761,577          |
| Other Fundings  | 6,419,089          | 11,366,604         | 290              | 17,785,983         |
| Securities Issued   | -                  | 5,030,921          | 507,429          | 5,538,350          |
| Miscellaneous Payables  | 36,553             | 107,614            | 155,888          | 300,055            |
| Derivative Financial Liabilities Held for Risk Management   | -                  | -                  | -                | -                  |
| Other Liabilities (**)  | 214,896            | 441,828            | 2,307,043        | 2,963,767          |
| <b>Total Liabilities</b>  | <b>18,663,936</b>  | <b>44,775,782</b>  | <b>3,918,952</b> | <b>67,358,670</b>  |
| <b>Net 'On Balance Sheet' Position</b>  | <b>4,203,807</b>   | <b>(2,855,463)</b> | <b>(545,345)</b> | <b>802,999</b>     |
| <b>Net 'Off-Balance Sheet' Position</b>   | <b>(3,093,725)</b> | <b>1,369,976</b>   | <b>406,119</b>   | <b>(1,317,630)</b> |
| Derivative Assets   | 5,106,386          | 18,003,707         | 2,618,353        | 25,728,446         |
| Derivative Liabilities  | 8,200,111          | 16,633,731         | 2,212,234        | 27,046,076         |
| Non-Cash Loans  | -                  | -                  | -                | -                  |
| <b>Prior Period</b>   |                    |                    |                  |                    |
| <b>Total Assets</b>   | <b>21,484,183</b>  | <b>35,790,107</b>  | <b>3,761,867</b> | <b>61,036,157</b>  |
| <b>Total Liabilities</b>  | <b>16,818,740</b>  | <b>40,900,538</b>  | <b>3,530,196</b> | <b>61,249,474</b>  |
| <b>Net 'On Balance Sheet' Position</b>  | <b>4,665,443</b>   | <b>(5,110,431)</b> | <b>231,671</b>   | <b>(213,317)</b>   |
| <b>Net 'Off-Balance Sheet' Position</b>   | <b>(4,531,503)</b> | <b>5,274,280</b>   | <b>(221,035)</b> | <b>521,742</b>     |
| Derivative Assets   | 4,669,704          | 15,333,890         | 2,325,626        | 22,329,220         |
| Derivative Liabilities  | 9,201,207          | 10,059,610         | 2,546,661        | 21,807,478         |
| Non-Cash Loans  | -                  | -                  | -                | -                  |

(\*) The foreign currency-indexed loans amounting TL 3,287,958 thousands included under TL loans in the accompanying balance sheet are presented above under the related foreign currency codes.

(\*\*) Other liabilities include gold deposits of TL 2,293,773 thousands.

#### **4.6 Interest rate risk**

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

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

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

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

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

**4.6.1 Interest rate mismatch for the Bank “Interest rate sensitivity of assets, liabilities and off balance sheet items based on repricing dates”**

| <i>Current Period</i>   | <b>Up to 1 Month</b> | <b>1-3 Months</b>  | <b>3-12 Months</b> | <b>1-5 Years</b>   | <b>5 Years and Over</b> | <b>Non-Interest Bearing (*)</b> | <b>Total</b>        |
|---|----------------------|--------------------|--------------------|--------------------|-------------------------|---------------------------------|---------------------|
| <b>Assets</b>   |                      |                    |                    |                    |                         |                                 |                     |
| Cash (Cash on Hand, Money in Transit, Purchased Cheques) and Balances with the Central Bank of Turkey | -                    | -                  | -                  | -                  | -                       | 17,750,894                      | 17,750,894          |
| Banks   | 2,599,624            | 1,928,830          | 1,342,390          | 193,639            | -                       | 2,123,216                       | 8,187,699           |
| Financial Assets at Fair Value through Profit/Loss (**)   | 6,007                | 43,746             | 49,401             | 265,491            | 44,627                  | 839,148                         | 1,248,420           |
| Interbank Money Market Placements   | 76,200               | -                  | -                  | -                  | -                       | 3                               | 76,203              |
| Financial Assets Available-for-Sale   | 3,500,792            | 10,490,678         | 12,151,015         | 5,460,109          | 972,035                 | 2,997,660                       | 35,572,289          |
| Loans (**)  | 20,203,542           | 7,735,915          | 15,852,378         | 38,273,107         | 22,962,094              | 1,776,549                       | 106,803,585         |
| Investments Held-to-Maturity  | 905,538              | 6,253              | 7,497              | -                  | -                       | 159                             | 919,447             |
| Other Assets  | 10,141               | 3,116              | 953                | 953                | 3,891                   | 6,592,507                       | 6,611,561           |
| <b>Total Assets</b>   | <b>27,301,844</b>    | <b>20,208,538</b>  | <b>29,403,634</b>  | <b>44,193,299</b>  | <b>23,982,647</b>       | <b>32,080,136</b>               | <b>177,170,098</b>  |
| <b>Liabilities</b>  |                      |                    |                    |                    |                         |                                 |                     |
| Bank Deposits   | 3,334,401            | 433,434            | 192,002            | 164,093            | -                       | 957,775                         | 5,081,705           |
| Other Deposits  | 60,269,007           | 10,493,758         | 6,079,924          | 95,886             | -                       | 19,298,063                      | 96,236,638          |
| Interbank Money Market Takings  | 8,962,105            | 947,057            | 662,664            | 1,361,100          | -                       | 23,818                          | 11,956,744          |
| Miscellaneous Payables  | -                    | -                  | -                  | -                  | -                       | 5,008,190                       | 5,008,190           |
| Securities Issued   | 1,197,605            | 1,125,142          | 1,730,419          | 2,192,208          | 2,360,958               | 200,738                         | 8,807,070           |
| Other Fundings  | 6,439,398            | 7,778,950          | 3,583,456          | 3,106,599          | 2,076,390               | 144,982                         | 23,129,775          |
| Other Liabilities   | 4,720                | 28,657             | 23,902             | 1                  | -                       | 26,892,696                      | 26,949,976          |
| <b>Total Liabilities</b>  | <b>80,207,236</b>    | <b>20,806,998</b>  | <b>12,272,367</b>  | <b>6,919,887</b>   | <b>4,437,348</b>        | <b>52,526,262</b>               | <b>177,170,098</b>  |
| <b>On Balance Sheet Long Position</b>   | -                    | -                  | <b>17,131,267</b>  | <b>37,273,412</b>  | <b>19,545,299</b>       | -                               | <b>73,949,978</b>   |
| <b>On Balance Sheet Short Position</b>  | <b>(52,905,392)</b>  | <b>(598,460)</b>   | -                  | -                  | -                       | <b>(20,446,126)</b>             | <b>(73,949,978)</b> |
| <b>Off-Balance Sheet Long Position</b>  | <b>1,765,629</b>     | <b>3,168,446</b>   | <b>4,081,337</b>   | <b>3,305,925</b>   | <b>1,055,563</b>        | -                               | <b>13,376,900</b>   |
| <b>Off-Balance Sheet Short Position</b>   | <b>(963,226)</b>     | <b>(2,154,567)</b> | <b>(3,377,492)</b> | <b>(3,891,167)</b> | <b>(1,425,878)</b>      | -                               | <b>(11,812,330)</b> |
| <b>Total Position</b>   | <b>(52,102,989)</b>  | <b>415,419</b>     | <b>17,835,112</b>  | <b>36,688,170</b>  | <b>19,174,984</b>       | <b>(20,446,126)</b>             | <b>1,564,570</b>    |

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

(\*\*) Loans amounting to TL 209,809 thousands classified under “financial assets at fair value through profit or loss” in the accompanying balance sheet, are included above under “Loans”.

| <i>Prior Period</i>   | <b>Up to 1<br/>Month</b> | <b>1-3<br/>Months</b> | <b>3-12<br/>Months</b> | <b>1-5 Years</b>   | <b>5 Years and<br/>Over</b> | <b>Non-Interest<br/>Bearing (*)</b> | <b>Total</b>        |
|---|--------------------------|-----------------------|------------------------|--------------------|-----------------------------|-------------------------------------|---------------------|
| <b>Assets</b>   |                          |                       |                        |                    |                             |                                     |                     |
| Cash (Cash on Hand, Money in Transit, Purchased Cheques) and Balances with the Central Bank of Turkey | -                        | -                     | -                      | -                  | -                           | 16,112,682                          | 16,112,682          |
| Banks   | 2,082,215                | 1,760,850             | 1,660,800              | 679,581            | -                           | 1,562,905                           | 7,746,351           |
| Financial Assets at Fair Value through Profit/Loss  | 4,743                    | 24,507                | 101,508                | 222,482            | 37,616                      | 570,439                             | 961,295             |
| Interbank Money Market Placements   | -                        | -                     | -                      | -                  | -                           | -                                   | -                   |
| Financial Assets Available-for-Sale   | 3,192,083                | 10,953,511            | 12,531,690             | 4,210,994          | 842,269                     | 4,144,232                           | 35,874,779          |
| Loans (**)  | 17,349,845               | 9,515,092             | 14,116,538             | 32,444,246         | 17,043,030                  | 1,577,922                           | 92,046,673          |
| Investments Held-to-Maturity  | 910,865                  | -                     | 7,064                  | 148,192            | 293,449                     | 4,813                               | 1,364,383           |
| Other Assets  | 7,190                    | -                     | 2,723                  | 4,241              | 4,698                       | 6,067,476                           | 6,086,328           |
| <b>Total Assets</b>   | <b>23,546,941</b>        | <b>22,253,960</b>     | <b>28,420,323</b>      | <b>37,709,736</b>  | <b>18,221,062</b>           | <b>30,040,469</b>                   | <b>160,192,491</b>  |
| <b>Liabilities</b>  |                          |                       |                        |                    |                             |                                     |                     |
| Bank Deposits   | 2,170,278                | 868,844               | 526                    | -                  | -                           | 764,953                             | 3,804,601           |
| Other Deposits  | 53,328,997               | 9,067,816             | 3,746,179              | 7,730              | -                           | 17,527,096                          | 83,677,818          |
| Interbank Money Market Takings  | 12,009,528               | 563,513               | 911,100                | -                  | -                           | 15,382                              | 13,499,523          |
| Miscellaneous Payables  | -                        | -                     | -                      | -                  | -                           | 4,587,929                           | 4,587,929           |
| Securities Issued   | 1,213,307                | 322,141               | 922,685                | 1,048,258          | 2,180,314                   | 175,435                             | 5,862,140           |
| Other Fundings  | 4,972,615                | 1,936,545             | 7,770,867              | 4,905,807          | 1,928,300                   | 280,747                             | 21,794,881          |
| Other Liabilities   | 20,556                   | 74                    | 231                    | 1                  | -                           | 26,944,737                          | 26,965,599          |
| <b>Total Liabilities</b>  | <b>73,715,281</b>        | <b>12,758,933</b>     | <b>13,351,588</b>      | <b>5,961,796</b>   | <b>4,108,614</b>            | <b>50,296,279</b>                   | <b>160,192,491</b>  |
| <b>On Balance Sheet Long Position</b>   | <b>-</b>                 | <b>9,495,027</b>      | <b>15,068,735</b>      | <b>31,747,940</b>  | <b>14,112,448</b>           | <b>-</b>                            | <b>70,424,150</b>   |
| <b>On Balance Sheet Short Position</b>  | <b>(50,168,340)</b>      | <b>-</b>              | <b>-</b>               | <b>-</b>           | <b>-</b>                    | <b>(20,255,810)</b>                 | <b>(70,424,150)</b> |
| <b>Off-Balance Sheet Long Position</b>  | <b>1,641,576</b>         | <b>3,331,561</b>      | <b>2,670,303</b>       | <b>2,951,487</b>   | <b>626,121</b>              | <b>-</b>                            | <b>11,221,048</b>   |
| <b>Off-Balance Sheet Short Position</b>   | <b>(743,463)</b>         | <b>(1,794,291)</b>    | <b>(2,112,161)</b>     | <b>(3,527,824)</b> | <b>(1,172,411)</b>          | <b>-</b>                            | <b>(9,350,150)</b>  |
| <b>Total Position</b>   | <b>(49,270,227)</b>      | <b>11,032,297</b>     | <b>15,626,877</b>      | <b>31,171,603</b>  | <b>13,566,158</b>           | <b>(20,255,810)</b>                 | <b>1,870,898</b>    |

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

(\*\*) Loans amounting to TL 222,181 thousands classified under “financial assets at fair value through profit or loss” in the accompanying balance sheet, are included above under “Loans”.

**4.6.2 Average interest rates on monetary financial instruments (%)**

| <i>Current Period</i>   | <b>EUR</b> | <b>USD</b> | <b>JPY</b> | <b>TL</b> |
|---|------------|------------|------------|-----------|
|   | <b>%</b>   | <b>%</b>   | <b>%</b>   | <b>%</b>  |
| <b>Assets</b>   |            |            |            |           |
| Cash (Cash on Hand, Money in Transit, Purchased Cheques) and Balances with the Central Bank of Turkey | -          | -          | -          | -         |
| Banks   | 0.87       | 0.50       | -          | 5.17      |
| Financial Assets at Fair Value through Profit/Loss  | 4.63       | 7.00       | -          | 6.57      |
| Interbank Money Market Placements   | -          | 0.55       | -          | -         |
| Financial Assets Available-for-Sale   | 3.69       | 5.60       | -          | 9.35      |
| Loans   | 4.94       | 5.27       | 5.50       | 12.81     |
| Investments Held-to-Maturity  | -          | -          | -          | 6.45      |
| <b>Liabilities</b>  |            |            |            |           |
| Bank Deposits   | 0.94       | 1.75       | -          | 6.16      |
| Other Deposits  | 1.60       | 1.85       | 0.91       | 5.36      |
| Interbank Money Market Takings  | -          | 1.7        | -          | 5.83      |
| Miscellaneous Payables  | -          | -          | -          | -         |
| Securities Issued   | -          | 4.30       | -          | 6.58      |
| Other Fundings  | 1.49       | 2.07       | -          | 8.88      |

| <i>Prior Period</i>   | <b>EUR</b> | <b>USD</b> | <b>JPY</b> | <b>TL</b> |
|---|------------|------------|------------|-----------|
|   | <b>%</b>   | <b>%</b>   | <b>%</b>   | <b>%</b>  |
| <b>Assets</b>   |            |            |            |           |
| Cash (Cash on Hand, Money in Transit, Purchased Cheques) and Balances with the Central Bank of Turkey | -          | -          | -          | -         |
| Banks   | 1.19       | 0.65       | -          | 5.88      |
| Financial Assets at Fair Value through Profit/Loss  | 4.63       | 7.24       | -          | 7.73      |
| Interbank Money Market Placements   | -          | -          | -          | -         |
| Financial Assets Available-for-Sale   | 3.35       | 5.17       | -          | 10.48     |
| Loans   | 5.30       | 5.65       | 5.61       | 15.15     |
| Investments Held-to-Maturity  | -          | 6.86       | -          | 8.15      |
| <b>Liabilities</b>  |            |            |            |           |
| Bank Deposits   | 1.55       | 2.03       | -          | 5.74      |
| Other Deposits  | 1.98       | 2.09       | 1.71       | 6.55      |
| Interbank Money Market Takings  | -          | 2.04       | -          | 5.67      |
| Miscellaneous Payables  | -          | -          | -          | -         |
| Securities Issued   | -          | 4.98       | -          | 7.23      |
| Other Fundings  | 1.59       | 2.50       | -          | 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 Banking Book as per Standard Shock Method” published in the Official Gazette no.28034 dated 23 August 2011, and the legal limit as per this measurement is monitored and reported monthly. The capital level is maintained considering the interest rate risk resulting from the banking book.

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

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

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

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

| <i>Prior Period</i>               |     | Shocks Applied<br>(+/- basis points) | Gains/Losses       | Gains/Equity-<br>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%                          |
| <b>Total (of negative shocks)</b> |     |                                      | <b>2,781,720</b>   | <b>12.75%</b>                  |
| <b>Total (of positive shocks)</b> |     |                                      | <b>(2,882,140)</b> | <b>(13.20)%</b>                |

#### 4.7 Position risk of equity securities in banking book

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

| <i>Current Period</i>      |                                      | Comparison       |                  |               |
|----------------------------|--------------------------------------|------------------|------------------|---------------|
| Equity Securities (shares) |                                      | Carrying Value   | Fair Value       | Market Value  |
| <b>1</b>                   | <b>Investment in Shares- grade A</b> | <b>2,710,171</b> | <b>2,426,360</b> | <b>70,307</b> |
|                            | Quoted Securities                    | 70,307           | -                | 70,307        |
| <b>2</b>                   | <b>Investment in Shares- grade B</b> | <b>91,194</b>    | <b>-</b>         | <b>64,097</b> |
|                            | Quoted Securities                    | 64,097           | -                | 64,097        |
| <b>3</b>                   | <b>Investment in Shares- grade C</b> | <b>647</b>       | <b>-</b>         | <b>-</b>      |
|                            | Quoted Securities                    | -                | -                | -             |
| <b>4</b>                   | <b>Investment in Shares- grade D</b> | <b>-</b>         | <b>-</b>         | <b>-</b>      |
|                            | Quoted Securities                    | -                | -                | -             |
| <b>5</b>                   | <b>Investment in Shares- grade E</b> | <b>1,014</b>     | <b>-</b>         | <b>-</b>      |
|                            | Quoted Securities                    | -                | -                | -             |
| <b>6</b>                   | <b>Investment in Shares- grade F</b> | <b>48</b>        | <b>-</b>         | <b>-</b>      |
|                            | Quoted Securities                    | -                | -                | -             |

| <i>Prior Period</i>        |                                      | Comparison       |                  |               |
|----------------------------|--------------------------------------|------------------|------------------|---------------|
| Equity Securities (shares) |                                      | Carrying Value   | Fair Value       | Market Value  |
| <b>1</b>                   | <b>Investment in Shares- grade A</b> | <b>2,534,600</b> | <b>2,117,536</b> | <b>68,509</b> |
|                            | Quoted Securities                    | 68,509           | -                | 68,509        |
| <b>2</b>                   | <b>Investment in Shares- grade B</b> | <b>73,971</b>    | <b>-</b>         | <b>62,457</b> |
|                            | Quoted Securities                    | 62,457           | -                | 62,457        |
| <b>3</b>                   | <b>Investment in Shares- grade C</b> | <b>-</b>         | <b>-</b>         | <b>-</b>      |
|                            | Quoted Securities                    | -                | -                | -             |
| <b>4</b>                   | <b>Investment in Shares- grade D</b> | <b>-</b>         | <b>-</b>         | <b>-</b>      |
|                            | Quoted Securities                    | -                | -                | -             |
| <b>5</b>                   | <b>Investment in Shares- grade E</b> | <b>1,014</b>     | <b>-</b>         | <b>-</b>      |
|                            | Quoted Securities                    | -                | -                | -             |
| <b>6</b>                   | <b>Investment in Shares- grade F</b> | <b>48</b>        | <b>-</b>         | <b>-</b>      |
|                            | Quoted Securities                    | -                | -                | -             |

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

| <i>Current Period</i> |                               | Gains/Losses<br>in Current<br>Period | Revaluation Surpluses |                                       | Unrealized Gains and Losses |                              |                                       |
|-----------------------|-------------------------------|--------------------------------------|-----------------------|---------------------------------------|-----------------------------|------------------------------|---------------------------------------|
|                       |                               |                                      | Total                 | Amount in<br>Supplementary<br>Capital | Total                       | Amount in<br>Core<br>Capital | Amount in<br>Supplementary<br>Capital |
| 1                     | Private Equity<br>Investments | -                                    | -                     | -                                     | -                           | -                            | -                                     |
| 2                     | Quoted Shares                 | -                                    | -                     | -                                     | 90,396                      | -                            | 40,678                                |
| 3                     | Other Shares                  | -                                    | 861,160               | 387,522                               | -                           | -                            | -                                     |
| <b>Total</b>          |                               | -                                    | <b>861,160</b>        | <b>387,522</b>                        | <b>90,396</b>               | -                            | <b>40,678</b>                         |

| <i>Prior Period</i> |                               | Gains/Losses<br>in Current<br>Period | Revaluation Surpluses |                                       | Unrealized Gains and Losses |                              |                                       |
|---------------------|-------------------------------|--------------------------------------|-----------------------|---------------------------------------|-----------------------------|------------------------------|---------------------------------------|
|                     |                               |                                      | Total                 | Amount in<br>Supplementary<br>Capital | Total                       | Amount in<br>Core<br>Capital | Amount in<br>Supplementary<br>Capital |
| 1                   | Private Equity<br>Investments | -                                    | -                     | -                                     | -                           | -                            | -                                     |
| 2                   | Quoted Shares                 | -                                    | -                     | -                                     | 76,631                      | -                            | 34,484                                |
| 3                   | Other Shares                  | -                                    | 777,220               | 349,749                               | -                           | -                            | -                                     |
| <b>Total</b>        |                               | -                                    | <b>777,220</b>        | <b>369,749</b>                        | <b>76,631</b>               | -                            | <b>34,484</b>                         |

#### 4.8 Liquidity risk

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

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

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

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

As per the BRSA Communiqué published on the Official Gazette no.26333 dated 1 November 2006 and became effective starting from June 2007, "Measurement and Assessment of the Adequacy of Banks' Liquidity", the weekly and monthly liquidity ratios for foreign currency assets/liabilities and total assets/liabilities should be minimum 80% and 100%, respectively. The liquidity ratios for the first six months of 2013 and the year 2012, are as follows:

| <i>Current Period</i> | First Maturity Bracket (Weekly) |         | Second Maturity Bracket (Monthly) |         |
|-----------------------|---------------------------------|---------|-----------------------------------|---------|
|                       | FC                              | FC + TL | FC                                | FC + TL |
| <b>Average (%)</b>    | 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 |
| <b>Average (%)</b>  | 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<br>Month    | 1-3<br>Months      | 3-12<br>Months    | 1-5 Years         | 5 Years<br>and Over | Undistributed<br>(*) | Total              |
|---|---------------------|---------------------|--------------------|-------------------|-------------------|---------------------|----------------------|--------------------|
| <b>Current Period</b>   |                     |                     |                    |                   |                   |                     |                      |                    |
| <b>Assets</b>   |                     |                     |                    |                   |                   |                     |                      |                    |
| Cash (Cash on Hand, Money in Transit, Purchased Cheques) and Balances with the Central Bank of Turkey | 5,237,662           | 12,513,232          | -                  | -                 | -                 | -                   | -                    | 17,750,894         |
| Banks   | 2,095,699           | 803,150             | 233,575            | 1,154,527         | 1,824,358         | 2,076,390           | -                    | 8,187,699          |
| Financial Assets at Fair Value through Profit/Loss (**)   | 2,148               | 281,521             | 115,419            | 317,717           | 424,004           | 107,611             | -                    | 1,248,420          |
| Interbank Money Market Placements   | -                   | 76,203              | -                  | -                 | -                 | -                   | -                    | 76,203             |
| Financial Assets Available-for-Sale   | 48,117              | 345,425             | 4,933,446          | 8,062,515         | 14,472,932        | 7,709,854           | -                    | 35,572,289         |
| Loans (**)  | 3,925,409           | 17,312,093          | 3,853,835          | 14,010,012        | 41,150,665        | 26,151,149          | 400,422              | 106,803,585        |
| Investments Held-to-Maturity  | -                   | -                   | 6,376              | 7,533             | 905,538           | -                   | -                    | 919,447            |
| Other Assets  | 1,395,434           | 421,456             | 3,116              | 953               | 22,951            | 5,559               | 4,762,092            | 6,611,561          |
| <b>Total Assets</b>   | <b>12,704,469</b>   | <b>31,753,080</b>   | <b>9,145,767</b>   | <b>23,553,257</b> | <b>58,800,448</b> | <b>36,050,563</b>   | <b>5,162,514</b>     | <b>177,170,098</b> |
| <b>Liabilities</b>  |                     |                     |                    |                   |                   |                     |                      |                    |
| Bank Deposits   | 952,352             | 3,337,668           | 435,285            | 192,307           | 164,093           | -                   | -                    | 5,081,705          |
| Other Deposits  | 19,050,445          | 60,432,329          | 10,523,129         | 6,078,040         | 136,008           | 16,687              | -                    | 96,236,638         |
| Other Fundings  | -                   | 1,916,314           | 929,434            | 9,448,808         | 7,535,279         | 3,299,940           | -                    | 23,129,775         |
| Interbank Money Market Takings  | -                   | 8,969,753           | 950,282            | 664,912           | 1,371,797         | -                   | -                    | 11,956,744         |
| Securities Issued   | -                   | 626,105             | 931,384            | 1,730,891         | 2,992,173         | 2,526,517           | -                    | 8,807,070          |
| Miscellaneous Payables  | 543,142             | 4,465,048           | -                  | -                 | -                 | -                   | -                    | 5,008,190          |
| Other Liabilities (***)   | 814,118             | 282,975             | 173,554            | 236,313           | 340,242           | 59,888              | 25,042,886           | 26,949,976         |
| <b>Total Liabilities</b>  | <b>21,360,057</b>   | <b>80,030,192</b>   | <b>13,943,068</b>  | <b>18,351,271</b> | <b>12,539,592</b> | <b>5,903,032</b>    | <b>25,042,886</b>    | <b>177,170,098</b> |
| <b>Liquidity Gap</b>  | <b>(8,655,588)</b>  | <b>(48,277,112)</b> | <b>(4,797,301)</b> | <b>5,201,986</b>  | <b>46,260,856</b> | <b>30,147,531</b>   | <b>(19,880,372)</b>  | <b>-</b>           |
| <b>Prior Period</b>   |                     |                     |                    |                   |                   |                     |                      |                    |
| <b>Total Assets</b>   | <b>6,197,781</b>    | <b>29,616,881</b>   | <b>8,315,464</b>   | <b>28,247,169</b> | <b>54,782,926</b> | <b>28,100,301</b>   | <b>4,931,969</b>     | <b>160,192,491</b> |
| <b>Total Liabilities</b>  | <b>19,920,705</b>   | <b>74,474,541</b>   | <b>12,165,383</b>  | <b>13,641,874</b> | <b>9,869,522</b>  | <b>5,662,009</b>    | <b>24,458,457</b>    | <b>160,192,491</b> |
| <b>Liquidity Gap</b>  | <b>(13,722,924)</b> | <b>(44,857,660)</b> | <b>(3,849,919)</b> | <b>14,605,295</b> | <b>44,913,404</b> | <b>22,438,292</b>   | <b>(19,526,488)</b>  | <b>-</b>           |

(\*) Certain assets on the balance sheet that are necessary for the banking operations but not convertible into cash in short period such as tangible assets, investments in associates and subsidiaries, stationary supplies, prepaid expenses and loans under follow-up, are included in this column.

(\*\*) Loans amounting to TL 209,809 thousands (31 December 2012: TL 222,181 thousands) classified under “financial assets at fair value through profit or loss” in the accompanying balance sheet, are included above under “Loans”.

(\*\*\*) Shareholders’ equity is included in “other liabilities” line under “undistributed” column.

#### 4.9 Securitisation positions

None.

#### 4.10 Credit risk mitigation techniques

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

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

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

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

| <i>Current Period</i>  | <b>Amount (**)</b> | <b>Financial Collateral</b> | <b>Other/Physical Collateral</b> | <b>Guaranties and Credit Derivatives</b> |
|--|--------------------|-----------------------------|----------------------------------|--|
| <b>Exposure Categories</b>   |                    |                             |                                  |  |
| Conditional and unconditional exposures to central governments or central banks                  | 54,835,581         | 2,829,915                   | -                                | -  |
| 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                        | -                  | -                           | -                                | -  |
| Conditional and unconditional exposures to international organisations                           | -                  | -                           | -                                | -  |
| Conditional and unconditional exposures to banks and brokerage houses                            | 32,766,905         | 13,481,721                  | -                                | -  |
| Conditional and unconditional exposures to corporates  | 80,734,188         | 5,842,096                   | -                                | -  |
| Conditional and unconditional retail exposures   | 53,563,033         | 969,472                     | -                                | -  |
| Conditional and unconditional exposures secured by real estate property (*)                      | 16,383,011         | 92,152                      | -                                | -  |
| Past due items   | 261,891            | 1,222                       | -                                | -  |
| Items in regulatory high-risk categories   | 10,512,851         | 129,081                     | -                                | -  |
| 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  | 6,056,233          | -                           | -                                | -  |

(\*) 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 credit risk mitigation and liquidity conversions.

| <i>Prior Period</i>  | Amount (**) | Financial Collateral | Other/Physical Collateral | Guaranties and Credit Derivatives |
|--|-------------|----------------------|---------------------------|-----------------------------------|
| <b>Exposure Categories</b>   |             |                      |                           |                                   |
| Conditional and unconditional exposures to central governments or central banks                  | 54,314,898  | -                    | -                         | -                                 |
| 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                        | -           | -                    | -                         | -                                 |
| Conditional and unconditional exposures to international organisations                           | -           | -                    | -                         | -                                 |
| Conditional and unconditional exposures to banks and brokerage houses                            | 25,722,458  | 4,257,753            | -                         | -                                 |
| Conditional and unconditional exposures to corporates  | 115,953,954 | 4,453,127            | -                         | -                                 |
| Conditional and unconditional retail exposures   | 66,052,250  | 920,759              | -                         | -                                 |
| Conditional and unconditional exposures secured by real estate property (*)                      | 12,760,036  | 58,941               | -                         | -                                 |
| Past due items   | 218,515     | 118                  | -                         | -                                 |
| Items in regulatory high-risk categories   | 7,716,270   | 102,442              | -                         | -                                 |
| 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  | 5,647,458   | -                    | -                         | -                                 |

(\*) 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 credit risk mitigation and liquidity conversions.

#### 4.11 Risk management objectives and policies

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

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

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

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

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

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

**4.12 Fair values of financial assets and liabilities**

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

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

None.

## 5 Disclosures and Footnotes on Unconsolidated Financial Statements

### 5.1 Assets

#### 5.1.1 Cash and balances with Central Bank

|                             | <i>Current Period</i> |                   | <i>Prior Period</i> |                   |
|-----------------------------|-----------------------|-------------------|---------------------|-------------------|
|                             | <b>TL</b>             | <b>FC</b>         | <b>TL</b>           | <b>FC</b>         |
| Cash in TL/Foreign Currency | 819,892               | 336,388           | 800,960             | 399,078           |
| Central Bank of Turkey      | 2,423,878             | 14,121,077        | 492,972             | 14,372,246        |
| Others                      | -                     | 49,659            | -                   | 47,426            |
| <b>Total</b>                | <b>3,243,770</b>      | <b>14,507,124</b> | <b>1,293,932</b>    | <b>14,818,750</b> |

#### *Balances with the Central Bank of Turkey*

|                              | <i>Current Period</i> |                   | <i>Prior Period</i> |                   |
|------------------------------|-----------------------|-------------------|---------------------|-------------------|
|                              | <b>TL</b>             | <b>FC</b>         | <b>TL</b>           | <b>FC</b>         |
| 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        |
| <b>Total</b>                 | <b>2,423,878</b>      | <b>14,121,077</b> | <b>492,972</b>      | <b>14,372,246</b> |

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

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

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

|   | <i>Current Period</i> |                | <i>Prior Period</i> |                |
|---|-----------------------|----------------|---------------------|----------------|
|   | <b>TL</b>             | <b>FC</b>      | <b>TL</b>           | <b>FC</b>      |
| Collateralised/Blocked Assets           | -                     | 230,461        | -                   | 223,894        |
| Assets Subject to Repurchase Agreements | -                     | -              | -                   | -              |
| <b>Total</b>                            | <b>-</b>              | <b>230,461</b> | <b>-</b>            | <b>223,894</b> |

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

|                      | <i>Current Period</i> |                | <i>Prior Period</i> |                |
|----------------------|-----------------------|----------------|---------------------|----------------|
|                      | <b>TL</b>             | <b>FC</b>      | <b>TL</b>           | <b>FC</b>      |
| Forward Transactions | 60,514                | 24,300         | 44,018              | 2,544          |
| Swap Transactions    | 300,525               | 257,203        | 206,319             | 225,871        |
| Futures              | -                     | 12,422         | -                   | 5,776          |
| Options              | 151,950               | 18,860         | 47,495              | 18,682         |
| Other                | -                     | -              | -                   | -              |
| <b>Total</b>         | <b>512,989</b>        | <b>312,785</b> | <b>297,832</b>      | <b>252,873</b> |

### 5.1.3 Banks

|                                  | <i>Current Period</i> |                  | <i>Prior Period</i> |                  |
|----------------------------------|-----------------------|------------------|---------------------|------------------|
|                                  | <b>TL</b>             | <b>FC</b>        | <b>TL</b>           | <b>FC</b>        |
| Banks                            |                       |                  |                     |                  |
| Domestic banks                   | 105,036               | 496              | 191,158             | 52,949           |
| Foreign banks                    | 1,693,686             | 6,388,481        | 2,041,405           | 5,460,839        |
| Foreign headoffices and branches | -                     | -                | -                   | -                |
| <b>Total</b>                     | <b>1,798,722</b>      | <b>6,388,977</b> | <b>2,232,563</b>    | <b>5,513,788</b> |

The placements at foreign banks include blocked accounts amounting TL 6,183,998 thousands (31 December 2012: TL 5,658,771 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 6,078,084 thousands (31 December 2012: TL 5,549,493 thousands) as collateral against funds borrowed at various banks.

#### *Due from foreign banks*

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

### 5.1.4 Financial assets available-for-sale

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

|   | <i>Current Period</i> |                | <i>Prior Period</i> |               |
|---|-----------------------|----------------|---------------------|---------------|
|   | <b>TL</b>             | <b>FC</b>      | <b>TL</b>           | <b>FC</b>     |
| Collateralised/Blocked Assets           | 10,597,128            | 575,633        | 10,954,245          | 96,816        |
| Assets subject to Repurchase Agreements | 13,160,936            | 152,880        | 14,696,052          | -             |
| <b>Total</b>                            | <b>23,758,064</b>     | <b>728,513</b> | <b>25,650,297</b>   | <b>96,816</b> |

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

|  | <i>Current Period</i> | <i>Prior Period</i> |
|--|-----------------------|---------------------|
| <b>Debt Securities</b>                       | <b>32,927,571</b>     | <b>31,750,364</b>   |
| Quoted at Stock Exchange                     | 30,300,233            | 29,596,105          |
| Unquoted at Stock Exchange                   | 2,627,338             | 2,154,259           |
| <b>Common Shares/Investment Funds</b>        | <b>26,388</b>         | <b>22,249</b>       |
| Quoted at Stock Exchange (*)                 | 5,081                 | 5,081               |
| Unquoted at Stock Exchange                   | 21,307                | 17,168              |
| <b>Value Increases/Impairment Losses (-)</b> | <b>2,618,330</b>      | <b>4,102,166</b>    |
| <b>Total</b>                                 | <b>35,572,289</b>     | <b>35,874,779</b>   |

As of 30 June 2013, the Bank’s “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 425,000,000) and a total carrying value of TL 821,013 thousands (31 December 2012: TL 763,661 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 |
| <b>Direct Lendings to Shareholders</b>   | <b>53</b>             | <b>179,432</b> | <b>21</b>           | <b>118,418</b> |
| Corporates                               | 53                    | 179,432        | 21                  | 118,418        |
| Individuals                              | -                     | -              | -                   | -              |
| <b>Indirect Lendings to Shareholders</b> | <b>350,418</b>        | <b>454,013</b> | <b>314,839</b>      | <b>495,947</b> |
| <b>Loans to Employees</b>                | <b>121,758</b>        | <b>41,292</b>  | <b>107,541</b>      | <b>41,581</b>  |
| <b>Total</b>                             | <b>472,229</b>        | <b>674,737</b> | <b>422,401</b>      | <b>655,946</b> |

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

| <b>Cash Loans</b>             | <b>Performing Loans and Other Receivables</b> |  |                      | <b>Loans and Other Receivables under Follow-Up</b> |  |                      |
|-------------------------------|---|--|----------------------|--|--|----------------------|
|                               | <b>Loans and Other Receivables (Total)</b>    | <b>Loans and Receivables with Revised Contract Terms</b> |                      | <b>Loans and Other Receivables (Total)</b>         | <b>Loans and Receivables with Revised Contract Terms</b> |                      |
|                               |   | <b>Extension of Repayment Plan</b>                       | <b>Other Changes</b> |  | <b>Extension of Repayment Plan</b>                       | <b>Other Changes</b> |
| <b>Loans</b>                  | <b>103,685,867</b>                            | <b>1,445,227</b>   | <b>-</b>             | <b>2,717,296</b>                                   | <b>1,182,779</b>   | <b>668,815</b>       |
| Working Capital Loans         | 8,532,733                                     | 135,014  | -                    | 564,607  | 239,653  | 108,368              |
| Export Loans                  | 3,889,890                                     | 15,200   | -                    | 31,420   | 18,275   | 10,146               |
| Import Loans                  | 764   | -  | -                    | -  | -  | -                    |
| Loans to Financial Sector (*) | 2,584,803                                     | -  | -                    | -  | -  | -                    |
| Consumer Loans                | 25,278,400                                    | 1,000,981  | -                    | 601,366  | 198,884  | 67,520               |
| Credit Cards                  | 12,886,023                                    | -  | -                    | 472,487  | -  | 382,896              |
| Others                        | 50,513,254                                    | 294,032  | -                    | 1,047,416  | 725,967  | 99,885               |
| <b>Specialization Loans</b>   | <b>-</b>                                      | <b>-</b>   | <b>-</b>             | <b>-</b>   | <b>-</b>   | <b>-</b>             |
| <b>Other Receivables</b>      | <b>-</b>                                      | <b>-</b>   | <b>-</b>             | <b>-</b>   | <b>-</b>   | <b>-</b>             |
| <b>Total</b>                  | <b>103,685,867</b>                            | <b>1,445,227</b>   | <b>-</b>             | <b>2,717,296</b>                                   | <b>1,182,779</b>   | <b>668,815</b>       |

(\*) Loans amounting to TL 209,809 thousands classified under “financial assets at fair value through profit or loss” in the accompanying balance sheet, are included above under “Loans to Financial Sector”.

| <i>Prior Period</i>           | Performing Loans and Other Receivables |   |               | Loans and Other Receivables under Follow-Up |   |                |
|-------------------------------|--|---|---------------|---|---|----------------|
|                               | Loans and Other Receivables (Total)    | Loans and Receivables with Revised Contract Terms |               | Loans and Other Receivables (Total)         | Loans and Receivables with Revised Contract Terms |                |
|                               |  | Extension of Repayment Plan                       | Other Changes |   | Extension of Repayment Plan                       | Other Changes  |
| <b>Loans</b>                  | <b>89,217,584</b>                      | <b>1,269,093</b>                                  | <b>-</b>      | <b>2,426,210</b>                            | <b>872,130</b>                                    | <b>561,099</b> |
| Working Capital Loans         | 7,887,360                              | 142,378   | -             | 517,047                                     | 240,937   | 111,553        |
| Export Loans                  | 3,514,477                              | 10,450  | -             | 114,629                                     | 83,233  | 15,850         |
| Import Loans                  | 955                                    | -   | -             | -   | -   | -              |
| Loans to Financial Sector (*) | 2,296,887                              | -   | -             | -   | -   | -              |
| Consumer Loans                | 21,449,583                             | 670,575   | -             | 446,106                                     | 83,604  | 88,987         |
| Credit Cards                  | 11,539,424                             | -   | -             | 336,618                                     | -   | 252,722        |
| Others                        | 42,528,898                             | 445,690   | -             | 1,011,810                                   | 464,358   | 91,987         |
| <b>Specialization Loans</b>   | <b>-</b>                               | <b>-</b>  | <b>-</b>      | <b>-</b>                                    | <b>-</b>  | <b>-</b>       |
| <b>Other Receivables</b>      | <b>-</b>                               | <b>-</b>  | <b>-</b>      | <b>-</b>                                    | <b>-</b>  | <b>-</b>       |
| <b>Total</b>                  | <b>89,217,584</b>                      | <b>1,269,093</b>                                  | <b>-</b>      | <b>2,426,210</b>                            | <b>872,132</b>                                    | <b>561,099</b> |

(\*) Loans amounting to TL 222,181 thousands classified under “financial assets at fair value through profit or loss” in the accompanying balance sheet, are included above under “Loans to Financial Sector”.

Collaterals received for loans under follow-up;

| <i>Current Period</i>                     | Corporate/<br>Commercial<br>Loans | Consumer Loans | Credit Cards   | Total            |
|---|-----------------------------------|----------------|----------------|------------------|
| Loans Collateralized by Cash              | 17,967                            | 1,835          | -              | 19,802           |
| Loans Collateralized by Mortgages         | 904,747                           | 220,392        | -              | 1,125,139        |
| Loans Collateralized by Pledged Assets    | 78,976                            | 38,747         | -              | 117,723          |
| Loans Collateralized by Cheques and Notes | 81,681                            | 314,127        | -              | 395,808          |
| Loans Collateralized by Other Collaterals | 512,078                           | 2,001          | -              | 514,079          |
| Unsecured Loans                           | 47,994                            | 24,264         | 472,487        | 544,745          |
| <b>Total</b>                              | <b>1,643,443</b>                  | <b>601,366</b> | <b>472,487</b> | <b>2,717,296</b> |

| <i>Prior Period</i>                       | Corporate/<br>Commercial<br>Loans | Consumer Loans | Credit Cards   | Total            |
|---|-----------------------------------|----------------|----------------|------------------|
| Loans Collateralized by Cash              | 13,419                            | 2,375          | -              | 15,794           |
| Loans Collateralized by Mortgages         | 949,022                           | 191,960        | -              | 1,140,982        |
| Loans Collateralized by Pledged Assets    | 96,573                            | 25,191         | -              | 121,764          |
| Loans Collateralized by Cheques and Notes | 96,309                            | 204,960        | -              | 301,269          |
| Loans Collateralized by Other Collaterals | 474,088                           | 1,640          | -              | 475,728          |
| Unsecured Loans                           | 14,075                            | 19,980         | 336,618        | 370,673          |
| <b>Total</b>                              | <b>1,643,486</b>                  | <b>446,106</b> | <b>336,618</b> | <b>2,426,210</b> |

Delinquency periods of loans under follow-up;

| <i>Current Period</i> | Corporate/<br>Commercial<br>Loans | Consumer Loans | Credit Cards   | Total            |
|-----------------------|-----------------------------------|----------------|----------------|------------------|
| 31-60 days            | 48,824                            | 207,750        | 64,068         | 320,642          |
| 61-90 days            | 42,381                            | 60,178         | 25,523         | 128,082          |
| Others                | 1,552,238                         | 333,438        | 382,896        | 2,268,572        |
| <b>Total</b>          | <b>1,643,443</b>                  | <b>601,366</b> | <b>472,487</b> | <b>2,717,296</b> |



| <i>Prior Period</i> | <b>Corporate/<br/>Commercial<br/>Loans</b> | <b>Consumer Loans</b> | <b>Credit Cards</b> | <b>Total</b>     |
|---------------------|--|-----------------------|---------------------|------------------|
| 31-60 days          | 74,070                                     | 165,086               | 60,002              | 299,158          |
| 61-90 days          | 62,489                                     | 42,195                | 23,894              | 128,578          |
| Others              | 1,506,927                                  | 238,825               | 252,722             | 1,998,474        |
| <b>Total</b>        | <b>1,643,486</b>                           | <b>446,106</b>        | <b>336,618</b>      | <b>2,426,210</b> |

Loans and other receivables with extended payment plans;

| <b>No. of Extensions</b> | <i>Current Period</i>                                 |  | <i>Prior Period</i>                                   |  |
|--------------------------|---|--|---|--|
|                          | <b>Performing Loans<br/>and Other<br/>Receivables</b> | <b>Loans and Other<br/>Receivables under<br/>Follow-up</b> | <b>Performing Loans<br/>and Other<br/>Receivables</b> | <b>Loans and Other<br/>Receivables under<br/>Follow-up</b> |
| 1 or 2 times             | 1,397,119   | 1,090,267  | 1,170,683   | 830,194  |
| 3, 4 or 5 times          | 45,616  | 80,569   | 87,379  | 28,011   |
| Over 5 times             | 2,492   | 11,943   | 11,031  | 13,927   |

| <b>Extention Periods</b> | <i>Current Period</i>                                 |  | <i>Prior Period</i>                                   |  |
|--------------------------|---|--|---|--|
|                          | <b>Performing Loans<br/>and Other<br/>Receivables</b> | <b>Loans and Other<br/>Receivables under<br/>Follow-up</b> | <b>Performing Loans<br/>and Other<br/>Receivables</b> | <b>Loans and Other<br/>Receivables under<br/>Follow-up</b> |
| 0 - 6 months             | 502,428   | 190,661  | 222,024   | 411,970  |
| 6 - 12 months            | 183,941   | 88,102   | 284,389   | 80,138   |
| 1 - 2 years              | 285,630   | 148,733  | 272,693   | 88,897   |
| 2 - 5 year               | 377,738   | 297,791  | 375,218   | 116,133  |
| 5 years and over         | 95,490  | 457,492  | 114,769   | 174,994  |

### 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>                      | <b>Short-Term</b> | <b>Medium and Long-Term</b> | <b>Total</b>      |
|--|-------------------|-----------------------------|-------------------|
| <b>Consumer Loans – TL</b>                 | <b>568,055</b>    | <b>24,625,868</b>           | <b>25,193,923</b> |
| 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         |
| Other                                      | 425,442           | 9,507,900                   | 9,933,342         |
| <b>Consumer Loans – FC-indexed</b>         | <b>-</b>          | <b>239,607</b>              | <b>239,607</b>    |
| Housing Loans                              | -                 | 231,422                     | 231,422           |
| Automobile Loans                           | -                 | 168                         | 168               |
| General Purpose Loans                      | -                 | 6,421                       | 6,421             |
| Other                                      | -                 | 1,596                       | 1,596             |
| <b>Consumer Loans – FC</b>                 | <b>65</b>         | <b>35,343</b>               | <b>35,408</b>     |
| Housing Loans                              | -                 | 27,402                      | 27,402            |
| Automobile Loans                           | 14                | 6,112                       | 6,126             |
| General Purpose Loans                      | -                 | 769                         | 769               |
| Other                                      | 51                | 1,060                       | 1,111             |
| <b>Retail Credit Cards – TL</b>            | <b>11,695,202</b> | <b>487,848</b>              | <b>12,183,050</b> |
| With Installment                           | 6,680,769         | 487,834                     | 7,168,603         |
| Without Installment                        | 5,014,433         | 14                          | 5,014,447         |
| <b>Retail Credit Cards – FC</b>            | <b>37,809</b>     | <b>-</b>                    | <b>37,809</b>     |
| With Installment                           | 17,466            | -                           | 17,466            |
| Without Installment                        | 20,343            | -                           | 20,343            |
| <b>Personnel Loans – TL</b>                | <b>17,583</b>     | <b>49,271</b>               | <b>66,854</b>     |
| Housing Loan                               | -                 | 2,007                       | 2,007             |
| Automobile Loans                           | -                 | 113                         | 113               |
| General Purpose Loans                      | 4,208             | 7,944                       | 12,152            |
| Other                                      | 13,375            | 39,207                      | 52,582            |
| <b>Personnel Loans - FC-indexed</b>        | <b>-</b>          | <b>292</b>                  | <b>292</b>        |
| Housing Loans                              | -                 | 292                         | 292               |
| Automobile Loans                           | -                 | -                           | -                 |
| General Purpose Loans                      | -                 | -                           | -                 |
| Other                                      | -                 | -                           | -                 |
| <b>Personnel Loans – FC</b>                | <b>-</b>          | <b>110</b>                  | <b>110</b>        |
| Housing Loans                              | -                 | -                           | -                 |
| Automobile Loans                           | -                 | -                           | -                 |
| General Purpose Loans                      | -                 | 110                         | 110               |
| Other                                      | -                 | -                           | -                 |
| <b>Personnel Credit Cards – TL</b>         | <b>46,238</b>     | <b>659</b>                  | <b>46,897</b>     |
| With Installment                           | 37,523            | 659                         | 38,182            |
| Without Installment                        | 8,715             | -                           | 8,715             |
| <b>Personnel Credit Cards – FC</b>         | <b>714</b>        | <b>-</b>                    | <b>714</b>        |
| With Installment                           | 355               | -                           | 355               |
| Without Installment                        | 359               | -                           | 359               |
| <b>Deposit Accounts– TL (Real persons)</b> | <b>343,572</b>    | <b>-</b>                    | <b>343,572</b>    |
| <b>Deposit Accounts– FC (Real persons)</b> | <b>-</b>          | <b>-</b>                    | <b>-</b>          |
| <b>Total</b>                               | <b>12,709,238</b> | <b>25,438,998</b>           | <b>38,148,236</b> |

| <i>Prior Period</i>                        | <b>Short-Term</b> | <b>Medium and Long-Term</b> | <b>Total</b>      |
|--|-------------------|-----------------------------|-------------------|
| <b>Consumer Loans – TL</b>                 | <b>574,438</b>    | <b>20,570,250</b>           | <b>21,144,688</b> |
| 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         |
| Other                                      | 432,129           | 7,767,724                   | 8,199,853         |
| <b>Consumer Loans – FC-indexed</b>         | <b>-</b>          | <b>274,002</b>              | <b>274,002</b>    |
| Housing Loans                              | -                 | 264,756                     | 264,756           |
| Automobile Loans                           | -                 | 246                         | 246               |
| General Purpose Loans                      | -                 | 6,858                       | 6,858             |
| Other                                      | -                 | 2,142                       | 2,142             |
| <b>Consumer Loans – FC</b>                 | <b>-</b>          | <b>40,621</b>               | <b>40,621</b>     |
| Housing Loans                              | -                 | 31,337                      | 31,337            |
| Automobile Loans                           | -                 | 6,748                       | 6,748             |
| General Purpose Loans                      | -                 | 1,161                       | 1,161             |
| Other                                      | -                 | 1,375                       | 1,375             |
| <b>Retail Credit Cards – TL</b>            | <b>10,891,301</b> | <b>264,632</b>              | <b>11,155,933</b> |
| With Installment                           | 5,698,845         | 264,632                     | 5,963,477         |
| Without Installment                        | 5,192,456         | -                           | 5,192,456         |
| <b>Retail Credit Cards – FC</b>            | <b>32,690</b>     | <b>-</b>                    | <b>32,690</b>     |
| With Installment                           | 10,462            | -                           | 10,462            |
| Without Installment                        | 22,228            | -                           | 22,228            |
| <b>Personnel Loans – TL</b>                | <b>18,465</b>     | <b>37,051</b>               | <b>55,516</b>     |
| Housing Loan                               | -                 | 1,171                       | 1,171             |
| Automobile Loans                           | -                 | 146                         | 146               |
| General Purpose Loans                      | 4,265             | 5,866                       | 10,131            |
| Other                                      | 14,200            | 29,868                      | 44,068            |
| <b>Personnel Loans - FC-indexed</b>        | <b>-</b>          | <b>58</b>                   | <b>58</b>         |
| Housing Loans                              | -                 | 58                          | 58                |
| Automobile Loans                           | -                 | -                           | -                 |
| General Purpose Loans                      | -                 | -                           | -                 |
| Other                                      | -                 | -                           | -                 |
| <b>Personnel Loans – FC</b>                | <b>-</b>          | <b>52</b>                   | <b>52</b>         |
| Housing Loans                              | -                 | -                           | -                 |
| Automobile Loans                           | -                 | -                           | -                 |
| General Purpose Loans                      | -                 | 52                          | 52                |
| Other                                      | -                 | -                           | -                 |
| <b>Personnel Credit Cards – TL</b>         | <b>43,806</b>     | <b>513</b>                  | <b>44,319</b>     |
| With Installment                           | 34,769            | 513                         | 35,282            |
| Without Installment                        | 9,037             | -                           | 9,037             |
| <b>Personnel Credit Cards – FC</b>         | <b>561</b>        | <b>-</b>                    | <b>561</b>        |
| With Installment                           | 255               | -                           | 255               |
| Without Installment                        | 306               | -                           | 306               |
| <b>Deposit Accounts– TL (Real persons)</b> | <b>380,752</b>    | <b>-</b>                    | <b>380,752</b>    |
| <b>Deposit Accounts– FC (Real persons)</b> | <b>-</b>          | <b>-</b>                    | <b>-</b>          |
| <b>Total</b>                               | <b>11,942,013</b> | <b>21,187,179</b>           | <b>33,129,192</b> |

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

| <i>Current Period</i>                                  | <b>Short-Term</b> | <b>Medium and Long-Term</b> | <b>Total</b>      |
|--|-------------------|-----------------------------|-------------------|
| <b>Installment-based Commercial Loans – TL</b>         | <b>1,119,977</b>  | <b>8,540,686</b>            | <b>9,660,663</b>  |
| 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         |
| Other  | -                 | 5,792                       | 5,792             |
| <b>Installment-based Commercial Loans - FC-indexed</b> | <b>91,323</b>     | <b>898,344</b>              | <b>989,667</b>    |
| 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           |
| Other  | -                 | -                           | -                 |
| <b>Installment-based Commercial Loans – FC</b>         | <b>349</b>        | <b>86,803</b>               | <b>87,152</b>     |
| Real Estate Loans                                      | -                 | 1,329                       | 1,329             |
| Automobile Loans                                       | 92                | 5,640                       | 5,732             |
| General Purpose Loans                                  | 257               | 16,703                      | 16,960            |
| Other  | -                 | 63,131                      | 63,131            |
| <b>Corporate Credit Cards – TL</b>                     | <b>1,082,421</b>  | <b>870</b>                  | <b>1,083,291</b>  |
| With Installment                                       | 552,424           | 870                         | 553,294           |
| Without Installment                                    | 529,997           | -                           | 529,997           |
| <b>Corporate Credit Cards – FC</b>                     | <b>6,749</b>      | <b>-</b>                    | <b>6,749</b>      |
| With Installment                                       | 64                | -                           | 64                |
| Without Installment                                    | 6,685             | -                           | 6,685             |
| <b>Deposit Accounts– TL (Corporates)</b>               | <b>556,512</b>    | <b>-</b>                    | <b>556,512</b>    |
| <b>Deposit Accounts– FC (Corporates)</b>               | <b>-</b>          | <b>-</b>                    | <b>-</b>          |
| <b>Total</b>   | <b>2,857,331</b>  | <b>9,526,703</b>            | <b>12,384,034</b> |

| <i>Prior Period</i>                                    | <b>Short-Term</b> | <b>Medium and Long-Term</b> | <b>Total</b>      |
|--|-------------------|-----------------------------|-------------------|
| <b>Installment-based Commercial Loans – TL</b>         | <b>1,113,031</b>  | <b>7,756,447</b>            | <b>8,869,478</b>  |
| 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         |
| Other  | -                 | 6,467                       | 6,467             |
| <b>Installment-based Commercial Loans - FC-indexed</b> | <b>71,711</b>     | <b>662,032</b>              | <b>733,743</b>    |
| Real Estate Loans                                      | -                 | 39,880                      | 39,880            |
| Automobile Loans                                       | 2,545             | 211,094                     | 213,639           |
| General Purpose Loans                                  | 69,166            | 411,058                     | 480,224           |
| Other  | -                 | -                           | -                 |
| <b>Installment-based Commercial Loans – FC</b>         | <b>416</b>        | <b>79,045</b>               | <b>79,461</b>     |
| Real Estate Loans                                      | -                 | 1,460                       | 1,460             |
| Automobile Loans                                       | 170               | 4,665                       | 4,835             |
| General Purpose Loans                                  | 246               | 10,074                      | 10,320            |
| Other  | -                 | 62,846                      | 62,846            |
| <b>Corporate Credit Cards – TL</b>                     | <b>636,981</b>    | <b>750</b>                  | <b>637,731</b>    |
| With Installment                                       | 375,502           | 750                         | 376,252           |
| Without Installment                                    | 261,479           | -                           | 261,479           |
| <b>Corporate Credit Cards – FC</b>                     | <b>4,808</b>      | <b>-</b>                    | <b>4,808</b>      |
| With Installment                                       | 1                 | -                           | 1                 |
| Without Installment                                    | 4,807             | -                           | 4,807             |
| <b>Deposit Accounts– TL (corporates)</b>               | <b>646,939</b>    | <b>-</b>                    | <b>646,939</b>    |
| <b>Deposit Accounts– FC (corporates)</b>               | <b>-</b>          | <b>-</b>                    | <b>-</b>          |
| <b>Total</b>   | <b>2,473,886</b>  | <b>8,498,274</b>            | <b>10,972,160</b> |

#### 5.1.5.6 Allocation of loans by customers

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

#### 5.1.5.7 Allocation of domestic and foreign loans

|                   | <i>Current Period</i> | <i>Prior Period</i> |
|-------------------|-----------------------|---------------------|
| Domestic Loans    | 103,796,239           | 88,964,587          |
| Foreign Loans (*) | 2,606,924             | 2,679,207           |
| <b>Total</b>      | <b>106,403,163</b>    | <b>91,643,794</b>   |

(\*) 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 balance sheet, are included above under “Foreign Loans”.

#### 5.1.5.8 Loans to associates and subsidiaries

|                  | <i>Current Period</i> | <i>Prior Period</i> |
|------------------|-----------------------|---------------------|
| Direct Lending   | 901,038               | 851,364             |
| Indirect Lending | -                     | -                   |
| <b>Total</b>     | <b>901,038</b>        | <b>851,364</b>      |

**5.1.5.9 Specific provisions for loans**

|  | <i>Current Period</i> | <i>Prior Period</i> |
|--|-----------------------|---------------------|
| Substandard Loans and Receivables - Limited Collectibility | 149,824               | 112,647             |
| Doubtful Loans and Receivables                             | 322,808               | 460,160             |
| Uncollectible Loans and Receivables                        | 1,235,209             | 1,138,387           |
| <b>Total</b>   | <b>1,707,841</b>      | <b>1,711,194</b>    |

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

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

|  | <b>Group III</b>                                 | <b>Group IV</b>                               | <b>Group V</b>                                     |
|--|--|---|--|
|  | <b>Substandard<br/>Loans and<br/>Receivables</b> | <b>Doubtful<br/>Loans and<br/>Receivables</b> | <b>Uncollectible<br/>Loans and<br/>Receivables</b> |
| <i>Current Period</i>                      |  |   |  |
| (Gross Amounts before Specific Provisions) | 41,140   | 47,531  | 81,704   |
| Restructured Loans and Receivables         | 41,140   | 47,531  | 81,704   |
| Rescheduled Loans and Receivables          | -  | -   | -  |
| <i>Prior Period</i>                        |  |   |  |
| (Gross Amounts before Specific Provisions) | 23,914   | 40,941  | 75,043   |
| Restructured Loans and Receivables         | 23,914   | 40,941  | 75,043   |
| Rescheduled Loans and Receivables          | -  | -   | -  |

*Movements in non-performing loans and other receivables*

|  | <b>Group III</b>                                 | <b>Group IV</b>                               | <b>Group V</b>                                     |
|--|--|---|--|
|  | <b>Substandard<br/>Loans and<br/>Receivables</b> | <b>Doubtful<br/>Loans and<br/>Receivables</b> | <b>Uncollectible<br/>Loans and<br/>Receivables</b> |
| <i>Current Period</i>                  |  |   |  |
| <b>Balances at Beginning of Period</b> | <b>219,718</b>                                   | <b>565,595</b>                                | <b>1,328,760</b>                                   |
| Additions during the Period (+)        | 484,569  | 29,627  | 76,333   |
| Transfer from Other NPL Categories (+) | -  | 440,778                                       | 511,399  |
| Transfer to Other NPL Categories (-)   | 440,778  | 511,399                                       | -  |
| Collections during the Period (-)      | 58,165   | 92,924  | 134,949  |
| Write-offs (-)                         | -  | 229   | 310,072  |
| Corporate and Commercial Loans         | -  | 226   | 29,209   |
| Retail Loans                           | -  | -   | 51,880   |
| Credit Cards                           | -  | 3   | 228,983  |
| Others                                 | -  | -   | -  |
| <b>Balances at End of Period</b>       | <b>205,344</b>                                   | <b>431,448</b>                                | <b>1,471,471</b>                                   |
| Specific Provisions (-)                | 149,824  | 322,808                                       | 1,235,209  |
| <b>Net Balance on Balance Sheet</b>    | <b>55,520</b>                                    | <b>108,640</b>                                | <b>236,262</b>                                     |

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

| <i>Prior Period</i>                    | <b>Group III</b>                                 | <b>Group IV</b>                               | <b>Group V</b>                                     |
|--|--|---|--|
|  | <b>Substandard<br/>Loans and<br/>Receivables</b> | <b>Doubtful<br/>Loans and<br/>Receivables</b> | <b>Uncollectible<br/>Loans and<br/>Receivables</b> |
| <b>Balances at Beginning of Period</b> | <b>78,176</b>                                    | <b>191,288</b>                                | <b>1,262,623</b>                                   |
| Additions during the Period (+)        | 832,319  | 176,843                                       | 71,104   |
| Transfer from Other NPL Categories (+) | -  | 607,810                                       | 344,953  |
| Transfer to Other NPL Categories (-)   | 607,810  | 345,163                                       | 1,217  |
| Collections during the Period (-)      | 82,967   | 65,183  | 178,719  |
| Write-offs (-) (*)                     | -  | -   | 169,984  |
| Corporate and Commercial Loans         | -  | -   | 2,864  |
| Retail Loans                           | -  | -   | 33,577   |
| Credit Cards                           | -  | -   | 133,543  |
| Others                                 | -  | -   | -  |
| <b>Balances at End of Period</b>       | <b>219,718</b>                                   | <b>565,595</b>                                | <b>1,328,760</b>                                   |
| Specific Provisions (-)                | 112,647  | 460,160                                       | 1,138,387  |
| <b>Net Balance on Balance Sheet</b>    | <b>107,071</b>                                   | <b>105,435</b>                                | <b>190,373</b>                                     |

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

***Movements in specific loan provisions***

| <i>Current Period</i>                  | <b>Corporate/<br/>Commercial Loans</b> | <b>Consumer Loans</b> | <b>Credit Cards</b> | <b>Total</b>     |
|--|--|-----------------------|---------------------|------------------|
| <b>Balances at End of Prior Period</b> | <b>735,868</b>                         | <b>368,946</b>        | <b>606,380</b>      | <b>1,711,194</b> |
| Additions during the Period(+)         | 190,118                                | 113,998               | 190,480             | 494,596          |
| Restructured/Rescheduled Loans (-)     | -                                      | -                     | -                   | -                |
| Collections during the Period (-)      | 86,664                                 | 46,711                | 68,800              | 202,175          |
| Write-offs (-)                         | 16,472                                 | 50,316                | 228,986             | 295,774          |
| <b>Balances at End of Period</b>       | <b>822,850</b>                         | <b>385,917</b>        | <b>499,074</b>      | <b>1,707,841</b> |

| <i>Prior Period</i>                    | <b>Corporate/<br/>Commercial Loans</b> | <b>Consumer Loans</b> | <b>Credit Cards</b> | <b>Total</b>     |
|--|--|-----------------------|---------------------|------------------|
| <b>Balances at End of Prior Period</b> | <b>450,411</b>                         | <b>248,229</b>        | <b>553,075</b>      | <b>1,251,715</b> |
| Additions during the Period(+)         | 347,290                                | 220,956               | 268,211             | 836,457          |
| Restructured/Rescheduled Loans (-)     | 245                                    | 75                    | -                   | 320              |
| Collections during the Period (-)      | 58,724                                 | 66,586                | 81,364              | 206,674          |
| Write-offs (-)                         | 2,864                                  | 33,577                | 133,543             | 169,984          |
| <b>Balances at End of Period</b>       | <b>735,868</b>                         | <b>368,947</b>        | <b>606,379</b>      | <b>1,711,194</b> |

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

|                                     | <b>Group III</b>                                 | <b>Group IV</b>                               | <b>Group V</b>                                     |
|-------------------------------------|--|---|--|
|                                     | <b>Substandard<br/>Loans and<br/>Receivables</b> | <b>Doubtful<br/>Loans and<br/>Receivables</b> | <b>Uncollectible<br/>Loans and<br/>Receivables</b> |
| <b><i>Current Period</i></b>        |  |   |  |
| <b>Balance at End of Period</b>     | <b>8,067</b>                                     | <b>46,791</b>                                 | <b>424,158</b>                                     |
| Specific Provisions (-)             | 5,409  | 36,971  | 357,108  |
| <b>Net Balance at Balance Sheet</b> | <b>2,658</b>                                     | <b>9,820</b>                                  | <b>67,050</b>                                      |
| <b><i>Prior Period</i></b>          |  |   |  |
| <b>Balance at End of Period</b>     | <b>10,686</b>                                    | <b>233,309</b>                                | <b>210,366</b>                                     |
| Specific Provisions (-)             | 5,059  | 198,414                                       | 175,164  |
| <b>Net Balance at Balance Sheet</b> | <b>5,627</b>                                     | <b>34,895</b>                                 | <b>35,202</b>                                      |

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

|   | <b>Group III</b>                                 | <b>Group IV</b>                               | <b>Group V</b>                                     |
|---|--|---|--|
|   | <b>Substandard<br/>Loans and<br/>Receivables</b> | <b>Doubtful<br/>Loans and<br/>Receivables</b> | <b>Uncollectible<br/>Loans and<br/>Receivables</b> |
| <b><i>Current Period (Net)</i></b>          |  |   |  |
|   | <b>55,520</b>                                    | <b>108,640</b>                                | <b>236,262</b>                                     |
| Loans to Individuals and Corporates (Gross) | 205,344  | 431,448                                       | 1,463,439  |
| Specific Provision (-)                      | 149,824  | 322,808                                       | 1,227,177  |
| Loans to Individuals and Corporates (Net)   | 55,520   | 108,640                                       | 236,262  |
| Banks (Gross)                               | -  | -   | 311  |
| Specific Provision (-)                      | -  | -   | 311  |
| Banks (Net)                                 | -  | -   | -  |
| Other Loans and Receivables (Gross)         | -  | -   | 7,721  |
| Specific Provision (-)                      | -  | -   | 7,721  |
| Other Loans and Receivables (Net)           | -  | -   | -  |
| <b><i>Prior Period (Net)</i></b>            |  |   |  |
|   | <b>107,071</b>                                   | <b>105,435</b>                                | <b>190,373</b>                                     |
| Loans to Individuals and Corporates (Gross) | 219,718  | 565,595                                       | 1,320,730  |
| Specific Provision (-)                      | 112,647  | 460,160                                       | 1,130,357  |
| Loans to Individuals and Corporates (Net)   | 107,071  | 105,435                                       | 190,373  |
| 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>                     | <b>Corporate/<br/>Commercial Loans</b> | <b>Consumer<br/>Loans</b> | <b>Credit Cards</b> | <b>Total</b>     |
|---|--|---------------------------|---------------------|------------------|
| Loans Collateralized by Cash              | 1,793                                  | 222                       | -                   | 2,015            |
| Loans Collateralized by Mortgages         | 415,473                                | 56,201                    | -                   | 471,674          |
| Loans Collateralized by Pledged Assets    | 217,610                                | 42,152                    | -                   | 259,762          |
| Loans Collateralized by Cheques and Notes | 256,797                                | 284,655                   | -                   | 541,452          |
| Loans Collateralized by Other Collaterals | 221,389                                | 4,504                     | -                   | 225,893          |
| Unsecured Loans                           | 59,220                                 | 48,857                    | 499,390             | 607,467          |
| <b>Total</b>                              | <b>1,172,282</b>                       | <b>436,591</b>            | <b>499,390</b>      | <b>2,108,263</b> |

| <i>Prior Period</i>                       | <b>Corporate/<br/>Commercial Loans</b> | <b>Consumer<br/>Loans</b> | <b>Credit Cards</b> | <b>Total</b>     |
|---|--|---------------------------|---------------------|------------------|
| Loans Collateralized by Cash              | 549                                    | 213                       | -                   | 762              |
| Loans Collateralized by Mortgages         | 385,422                                | 46,929                    | -                   | 432,351          |
| Loans Collateralized by Pledged Assets    | 205,991                                | 39,865                    | -                   | 245,856          |
| Loans Collateralized by Cheques and Notes | 251,960                                | 253,795                   | -                   | 505,755          |
| Loans Collateralized by Other Collaterals | 172,110                                | 5,610                     | -                   | 177,720          |
| Unsecured Loans                           | 47,803                                 | 64,739                    | 639,087             | 751,629          |
| <b>Total</b>                              | <b>1,063,835</b>                       | <b>411,151</b>            | <b>639,087</b>      | <b>2,114,073</b> |

**5.1.5.11 *Liquidation policy for uncollectible loans and receivables***

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”.

**5.1.5.12 *“Write-off” policies***

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”.

**5.1.6 *Investments held-to-maturity***

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

|  | <i>Current Period</i> |           | <i>Prior Period</i> |                |
|--|-----------------------|-----------|---------------------|----------------|
|  | <b>TL</b>             | <b>FC</b> | <b>TL</b>           | <b>FC</b>      |
| Collateralised/Blocked Investments           | 901,518               | -         | 677,522             | 356,786        |
| Investments subject to Repurchase Agreements | -                     | -         | -                   | -              |
| <b>Total</b>                                 | <b>901,518</b>        | <b>-</b>  | <b>677,522</b>      | <b>356,786</b> |

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

|                             | <i>Current Period</i> | <i>Prior Period</i> |
|-----------------------------|-----------------------|---------------------|
| Government Bonds            | 905,539               | 911,245             |
| Treasury Bills              | -                     | -                   |
| Other Government Securities | -                     | 445,864             |
| <b>Total</b>                | <b>905,539</b>        | <b>1,357,109</b>    |

### 5.1.6.3 Investments held-to-maturity

|  | <i>Current Period</i> | <i>Prior Period</i> |
|--|-----------------------|---------------------|
| <b>Debt Securities</b>                 | <b>924,614</b>        | <b>1,359,571</b>    |
| Quoted at Stock Exchange               | 910,865               | 1,352,506           |
| Unquoted at Stock Exchange             | 13,749                | 7,065               |
| <b>Valuation Increase / (Decrease)</b> | <b>(5,167)</b>        | <b>4,812</b>        |
| <b>Total</b>                           | <b>919,447</b>        | <b>1,364,383</b>    |

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

|   | <i>Current Period</i> | <i>Prior Period</i> |
|---|-----------------------|---------------------|
| <b>Balances at Beginning of Period</b>          | <b>1,364,383</b>      | <b>4,786,530</b>    |
| Foreign Currency Differences On Monetary Assets | -                     | (26,348)            |
| Purchases during the Period                     | 13,749                | 7,065               |
| Disposals through Sales/Redemptions (*)         | (458,844)             | (3,407,676)         |
| Valuation Effect                                | 159                   | 4,812               |
| <b>Balances at End of Period</b>                | <b>919,447</b>        | <b>1,364,383</b>    |

(\*) 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.

### 5.1.7 Investments in associates

#### 5.1.7.1 Investments in associates

|   | <b>Associate</b>                                      | <b>Address (City/<br/>Country)</b> | <b>Bank's Share – If<br/>Different, Voting<br/>Rights (%)</b> | <b>Bank's Risk<br/>Group Share (%)</b> |
|---|---|------------------------------------|---|--|
| 1 | Bankalararası Kart Merkezi AŞ                         | İstanbul / Türkiye                 | 10.15   | 10.15                                  |
| 2 | Yatırım Finansman Menkul Değerler AŞ <sup>(1)</sup>   | İstanbul / Türkiye                 | 0.77  | 0.77                                   |
| 3 | İstanbul Takas ve Saklama Bankası AŞ <sup>(***)</sup> | İstanbul / Türkiye                 | 5.83  | 5.83                                   |
| 4 | Borsa İstanbul AŞ <sup>(1)(**)</sup>                  | İzmir / Türkiye                    | 6.00  | 6.00                                   |
| 5 | KKB Kredi Kayıt Bürosu AŞ <sup>(1)</sup>              | İstanbul / Türkiye                 | 9.09  | 9.09                                   |
| 6 | Türkiye Cumhuriyet Merkez Bankası AŞ <sup>(2)</sup>   | Ankara / Türkiye                   | 2.48  | 2.48                                   |
| 7 | Kredi Garanti Fonu AŞ <sup>(1)</sup>                  | Ankara / Türkiye                   | 1.75  | 1.75                                   |

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

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

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

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

(\*\*) The shares in Vadeli İşlem ve Opsiyon Borsası AŞ were replaced by the shares of Borsa İstanbul A.Ş. according to the article 138-6/b of the Capital Markets Law no. 6362.

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

**5.1.7.2 Movement of investments in associates**

|  | <i>Current Period</i> | <i>Prior Period</i> |
|--|-----------------------|---------------------|
| <b>Balance at Beginning of Period</b>            | <b>21,099</b>         | <b>19,834</b>       |
| <b>Movements during the Period</b>               | <b>15,584</b>         | <b>1,265</b>        |
| Acquisitions (*)                                 | 10,494                | 1,211               |
| Bonus Shares Received (**)                       | 5,090                 | 57                  |
| Dividends from Current Year Profit               | -                     | -                   |
| Sales (***)                                      | -                     | (3)                 |
| Increase in Market Values                        | -                     | -                   |
| Impairment Reversals/(Losses)                    | -                     | -                   |
| <b>Balance at End of Period</b>                  | <b>36,683</b>         | <b>21,099</b>       |
| <b>Capital Commitments</b>                       | -                     | -                   |
| <b>Share Percentage at the End of Period (%)</b> | -                     | -                   |

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

In the prior period, TL 1,000 thousands of the acquisitions resulted from the payment of capital commitment amounting to TL 1,000 thousands to Kredi Garanti Fonu AŞ as per the capital increase of TL 4,000 thousands as of 11 September 2009, and TL 211 thousands from the reallocation of the shares previously held by Fortisbank that was acquired by TEB in order to rebuild the equal shareholders principle.

(\*\*) In the current period, the increase of TL 5,090 thousands was due to the increase in the paid-in capital of İstanbul Takas ve Saklama Bankası AŞ, from TL 60,000 thousands to TL 420,000 thousands by TL 360,000 thousands of which TL 180,000 thousands was in cash, at the ordinary general meeting held on 29 March 2013.

(\*\*\*) In the prior period, this decrease is due to the liquidation of Gelişen Bilgi Teknolojileri AŞ in 9 May 2012.

**5.1.7.3 Sectoral distribution of investments and associates**

| <b>Investments in Associates</b> | <i>Current Period</i> | <i>Prior Period</i> |
|----------------------------------|-----------------------|---------------------|
| Banks                            | -                     | -                   |
| Insurance Companies              | -                     | -                   |
| Factoring Companies              | -                     | -                   |
| Leasing Companies                | -                     | -                   |
| Finance Companies                | 34,969                | 19,385              |
| Other Associates                 | 1,714                 | 1,714               |

**5.1.7.4 Quoted associates**

None.

**5.1.7.5 Valuation methods of investments in associates**

| <b>Investments in Associates</b> | <i>Current Period</i> | <i>Prior Period</i> |
|----------------------------------|-----------------------|---------------------|
| Valued at Cost                   | 36,683                | 21,099              |
| Valued at Fair Value             | -                     | -                   |

**5.1.7.6 Investments in associates sold during the current period**

None.

**5.1.7.7 Investments in associates acquired during the current period**

None.

## 5.1.8 Investments in subsidiaries

### 5.1.8.1 Information on capital adequacy of major subsidiaries

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

| <i>Current Period</i>                             | <b>Garanti Bank<br/>International NV</b> | <b>Garanti Finansal<br/>Kiralama AS</b> | <b>Garanti Holding<br/>BV</b> |
|---|--|---|-------------------------------|
| <b>CORE CAPITAL</b>                               | <b>1,055,099</b>                         | <b>563,897</b>                          | <b>427,200</b>                |
| 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                       |
| <b>SUPPLEMENTARY CAPITAL</b>                      | <b>151,036</b>                           | <b>-</b>                                | <b>(38,074)</b>               |
| <b>CAPITAL</b>                                    | <b>1,206,135</b>                         | <b>563,897</b>                          | <b>389,126</b>                |
| <b>DEDUCTIONS FROM CAPITAL</b>                    | <b>-</b>                                 | <b>6</b>                                | <b>13,836</b>                 |
| <b>NET AVAILABLE EQUITY</b>                       | <b>1,206,135</b>                         | <b>563,891</b>                          | <b>375,290</b>                |

| <i>Prior Period</i>                               | <b>Garanti Bank<br/>International NV</b> | <b>Garanti Finansal<br/>Kiralama AS</b> | <b>Garanti Holding<br/>BV</b> |
|---|--|---|-------------------------------|
| <b>CORE CAPITAL</b>                               | <b>896,741</b>                           | <b>559,976</b>                          | <b>332,747</b>                |
| 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                       |
| <b>SUPPLEMENTARY CAPITAL</b>                      | <b>178,282</b>                           | <b>-</b>                                | <b>9,720</b>                  |
| <b>CAPITAL</b>                                    | <b>1,075,023</b>                         | <b>559,976</b>                          | <b>342,467</b>                |
| <b>DEDUCTIONS FROM CAPITAL</b>                    | <b>-</b>                                 | <b>42</b>                               | <b>81,453</b>                 |
| <b>NET AVAILABLE EQUITY</b>                       | <b>1,075,023</b>                         | <b>559,934</b>                          | <b>261,014</b>                |

**5.1.8.2 Investments in subsidiaries**

|    | Subsidiary                                   | Address (City/ Country)   | Bank's Share – If Different, Voting Rights (%) | Bank's Risk Group Share (%) |
|----|--|---------------------------|--|-----------------------------|
| 1  | Garanti Bilişim Teknolojisi ve Tic. TAŞ      | Istanbul/Turkey           | 100.00   | 100.00                      |
| 2  | Garanti Ödeme Sistemleri AŞ                  | Istanbul/Turkey           | 99.92  | 100.00                      |
| 3  | Garanti Hizmet Yönetimi AŞ                   | Istanbul/Turkey           | 93.40  | 96.40                       |
| 4  | Garanti Kültür AŞ                            | Istanbul/Turkey           | 100.00   | 100.00                      |
| 5  | Garanti Konut Finansmanı Danışmanlık Hiz. AŞ | Istanbul/Turkey           | 100.00   | 100.00                      |
| 6  | Garanti Finansal Kiralama AŞ                 | Istanbul/Turkey           | 99.96  | 99.96                       |
| 7  | Garanti Faktoring Hizmetleri AŞ              | Istanbul/Turkey           | 81.84  | 81.84                       |
| 8  | Garanti Yatırım Menkul Kıymetler AŞ          | Istanbul/Turkey           | 100.00   | 100.00                      |
| 9  | Garanti Portföy Yönetimi AŞ                  | Istanbul/Turkey           | 100.00   | 100.00                      |
| 10 | Garanti Emeklilik ve Hayat AŞ                | Istanbul/Turkey           | 84.91  | 84.91                       |
| 11 | Garanti Bank International NV                | Amsterdam/The Netherlands | 100.00   | 100.00                      |
| 12 | Garanti Bank Moscow                          | Moscow/Russia             | 99.94  | 100.00                      |
| 13 | Garanti Holding BV                           | Amsterdam/The Netherlands | 100.00   | 100.00                      |

|    | Total Assets | Shareholders' Equity | Total Fixed Assets (*) | Interest Income | Income on Securities Portfolio | Current Period Profit/Loss | Prior Period Profit/Loss | Company's Fair Value |
|----|--------------|----------------------|------------------------|-----------------|--------------------------------|----------------------------|--------------------------|----------------------|
| 1  | 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  | 3,158,999    | 566,035              | 17,729                 | 128,863         | -                              | 36,731                     | 31,189                   | -                    |
| 7  | 1,677,702    | 115,790              | 2,623                  | 58,671          | -                              | 10,779                     | 11,015                   | 164,220              |
| 8  | 58,573       | 35,743               | 2,305                  | 168             | 958                            | 5,693                      | (2,608)                  | -                    |
| 9  | 24,306       | 20,229               | 2,001                  | 393             | 113                            | 2,028                      | 1,409                    | -                    |
| 10 | 4,814,612    | 645,958              | 17,369                 | 22,774          | 3,049                          | 69,894                     | 75,242                   | -                    |
| 11 | 10,833,805   | 1,138,735            | 51,805                 | 183,805         | 34,946                         | 140,466                    | 61,950                   | 1,228,128            |
| 12 | 866,194      | 173,110              | 41,851                 | 17,750          | 8,663                          | 7,882                      | 6,740                    | 235,317              |
| 13 | 803,502      | 803,470              | -                      | -               | -                              | (37)                       | (72)                     | 828,647              |

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

### 5.1.8.3 Movement of investments in subsidiaries

|  | <i>Current Period</i> | <i>Prior Period</i> |
|--|-----------------------|---------------------|
| <b>Balance at Beginning of Period</b>            | <b>2,588,534</b>      | <b>2,168,576</b>    |
| <b>Movements during the Period</b>               | <b>177,857</b>        | <b>419,958</b>      |
| Acquisitions (*)                                 | -                     | 46,474              |
| Bonus Shares Received                            | -                     | -                   |
| Dividends from Current Year Profit               | -                     | -                   |
| Sales/Liquidations                               | -                     | -                   |
| Reclassification of Shares                       | -                     | -                   |
| Increase/(Decrease) in Market Values             | 102,045               | 420,961             |
| Currency Differences on Foreign Subsidiaries     | 75,812                | (47,477)            |
| Impairment Reversals/(Losses)                    | -                     | -                   |
| <b>Balance at End of Period</b>                  | <b>2,766,391</b>      | <b>2,588,534</b>    |
| <b>Capital Commitments</b>                       | -                     | -                   |
| <b>Share Percentage at the End of Period (%)</b> | -                     | -                   |

(\*) In the 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.

### 5.1.8.4 Sectoral distribution of investments in subsidiaries

| <b>Subsidiaries</b> | <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   | 897,305               | 829,096             |
| Other Subsidiaries  | 104,085               | 104,085             |

### 5.1.8.5 Quoted subsidiaries

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

### 5.1.8.6 Valuation methods of investments in subsidiaries

| <b>Subsidiaries</b>  | <i>Current Period</i> | <i>Prior Period</i> |
|----------------------|-----------------------|---------------------|
| Valued at Cost       | 340,031               | 340,031             |
| Valued at Fair Value | 2,426,360             | 2,248,503           |

### 5.1.8.7 Investments in subsidiaries disposed during the current period

None.

### 5.1.8.8 Investments in subsidiaries acquired during the current period

None.

### 5.1.9 Investments in Joint-Ventures

None.

### 5.1.10 Lease receivables

None.

#### 5.1.11 Derivative financial assets held for risk management

##### 5.1.11.1 Positive differences on derivative financial instruments held for risk management

| Derivative Financial Assets Held for Risk Management | Current Period |          | Prior Period |          |
|--|----------------|----------|--------------|----------|
|  | TL             | FC       | TL           | FC       |
| Fair Value Hedges                                    | 23,666         | -        | -            | -        |
| Cash Flow Hedges                                     | -              | -        | -            | -        |
| Net Foreign Investment Hedges                        | -              | -        | -            | -        |
| <b>Total</b>   | <b>23,666</b>  | <b>-</b> | <b>-</b>     | <b>-</b> |

#### 5.1.12 Tangible assets

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

#### 5.1.11 Intangible assets

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

#### 5.1.14 Investment property

| Current Period   | Cost    | Accumulated Depreciation (-) | Impairment Losses | Intend of Use     |
|------------------|---------|------------------------------|-------------------|-------------------|
| Real Estate Type |         |                              |                   |                   |
| Building         | 191,677 | (37,243)                     | (111)             | Operational lease |
| Land             | -       | -                            | -                 | -                 |

| Prior Period     | Cost    | Accumulated Depreciation (-) | Impairment Losses | Intend of Use     |
|------------------|---------|------------------------------|-------------------|-------------------|
| Real Estate Type |         |                              |                   |                   |
| Building         | 191,559 | (34,971)                     | (241)             | Operational lease |
| Land             | -       | -                            | -                 | -                 |

#### 5.1.15 Deferred tax asset

As of 30 June 2013, the Bank has a deferred tax asset of TL 128,215 thousands (31 December 2012: TL 177,515 thousands) calculated as the net amount remaining after netting of tax deductible timing differences and taxable timing differences.

The Bank does not have any deferred tax assets on tax losses carried forward or tax deductions and exemptions as of 30 June 2013. However, there is a deferred tax asset of TL 273,598 thousands (31 December 2012: TL 253,239 thousands) and deferred tax liability of TL 145,383 thousands (31 December 2012: TL 75,724 thousands) presented as net in the accompanying financial statements on all taxable temporary differences arising between the carrying amounts and the taxable amounts of assets and liabilities on the financial statements that will be considered in the calculation of taxable earnings in the future periods.

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

|   | <i>Current Period</i> |                            | <i>Prior Period</i> |                            |
|---|-----------------------|----------------------------|---------------------|----------------------------|
|   | <b>Tax Base</b>       | <b>Deferred Tax Amount</b> | <b>Tax Base</b>     | <b>Deferred Tax Amount</b> |
| Provisions (*)  | 580,755               | 116,151                    | 457,084             | 91,417                     |
| Differences between the Carrying Values and Taxable Values of Financial Assets (**) | 1,832                 | (9,394)                    | 419,887             | 89,911                     |
| Other   | 107,290               | 21,458                     | (19,068)            | (3,813)                    |
| <b>Total Deferred Tax Asset, Net</b>  | <b>689,877</b>        | <b>128,215</b>             | <b>857,903</b>      | <b>177,515</b>             |

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

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

As of 30 June 2013, TL 324,266 thousands (31 December 2012: TL 340,751 thousands) of deferred tax expense and TL 274,966 thousands (31 December 2012: TL 200,568 thousands) of deferred tax income were recognised in the income statement and the shareholders' equity, respectively.

#### 5.1.16 Assets held for sale and assets of discontinued operations

|  | <i>Current Period</i> | <i>Prior Period</i> |
|--|-----------------------|---------------------|
| <b>End of Prior Period</b>                             |                       |                     |
| <b>Cost</b>  | <b>131,463</b>        | <b>124,203</b>      |
| <b>Accumulated Depreciation (-)</b>                    | <b>(4,112)</b>        | <b>(2,444)</b>      |
| <b>Net Book Value</b>                                  | <b>127,351</b>        | <b>121,759</b>      |
| <b>End of Current Period</b>                           |                       |                     |
| Additions  | 49,891                | 71,425              |
| Disposals (Cost)                                       | (38,708)              | (62,393)            |
| Disposals (Accumulated Depreciation)                   | 402                   | 517                 |
| Impairment Losses (-)                                  | (899)                 | (1,772)             |
| Depreciation Expense for Current Period (-)            | (1,403)               | (2,185)             |
| Currency Translation Differences on Foreign Operations | -                     | -                   |
| <b>Cost</b>  | <b>141,747</b>        | <b>131,463</b>      |
| <b>Accumulated Depreciation (-)</b>                    | <b>(5,113)</b>        | <b>(4,112)</b>      |
| <b>Net Book Value</b>                                  | <b>136,634</b>        | <b>127,351</b>      |

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).

#### 5.1.17 Other assets

##### 5.1.17.1 Receivables from term sale of assets

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

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

|                  | <i>Current Period</i> | <i>Prior Period</i> |
|------------------|-----------------------|---------------------|
| Prepaid Expenses | 329,318               | 258,578             |
| Prepaid Taxes    | -                     | -                   |



**5.1.18 Accrued interest and income**

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

|   | <i>Current Period</i> |                | <i>Prior Period</i> |                |
|---|-----------------------|----------------|---------------------|----------------|
|   | <b>TL</b>             | <b>FC</b>      | <b>TL</b>           | <b>FC</b>      |
| Central Bank of Turkey                                | -                     | -              | -                   | -              |
| Financial Assets at Fair Value through Profit or Loss | 156                   | 11,070         | 270                 | 18,201         |
| Banks   | 12,633                | 16,333         | 15,330              | 17,636         |
| Interbank Money Markets                               | -                     | 3              | -                   | -              |
| Financial Assets Available-for-Sale                   | 2,852,511             | 97,032         | 4,081,030           | 33,254         |
| Loans   | 901,616               | 474,511        | 755,137             | 419,906        |
| Investments Held-to-Maturity                          | 159                   | -              | 590                 | 4,223          |
| Other Accruals  | 9,912                 | -              | 6,713               | -              |
| <b>Total</b>  | <b>3,776,987</b>      | <b>598,949</b> | <b>4,859,070</b>    | <b>493,220</b> |

## 5.2 Liabilities

### 5.2.1 Maturity profile of deposits

| <i>Current Period</i>            | Demand            | 7 Days Notice | Up to 1 Month     | 1-3 Months        | 3-6 Months       | 6-12 Months      | 1 Year and Over  | Accumulating Deposit Accounts | Total              |
|----------------------------------|-------------------|---------------|-------------------|-------------------|------------------|------------------|------------------|-------------------------------|--------------------|
| <b>Saving Deposits</b>           | 4,494,514         | -             | 4,074,514         | 26,895,447        | 792,407          | 368,908          | 286,393          | 3,172                         | 36,915,355         |
| <b>Foreign Currency Deposits</b> | 6,461,637         | -             | 4,234,516         | 17,084,359        | 1,462,078        | 3,940,884        | 898,824          | 79,256                        | 34,161,554         |
| Residents in Turkey              | 6,058,276         | -             | 4,064,916         | 16,031,100        | 892,771          | 682,177          | 378,266          | 77,704                        | 28,185,210         |
| Residents in Abroad              | 403,361           | -             | 169,600           | 1,053,259         | 569,307          | 3,258,707        | 520,558          | 1,552                         | 5,976,344          |
| <b>Public Sector Deposits</b>    | 427,850           | -             | 1,102             | 26,165            | 1,691            | -                | -                | -                             | 456,808            |
| <b>Commercial Deposits</b>       | 5,414,118         | -             | 3,917,524         | 9,400,470         | 955,721          | 709,875          | 211,912          | -                             | 20,609,620         |
| <b>Other</b>                     | 90,143            | -             | 114,572           | 1,528,669         | 60,280           | 5,446            | 418              | -                             | 1,799,528          |
| <b>Precious Metal Deposits</b>   | 2,162,183         | -             | 7,703             | 38,874            | 3,359            | 1,820            | 79,834           | -                             | 2,293,773          |
| <b>Bank Deposits</b>             | 952,352           | -             | 1,210,422         | 2,174,170         | 361,677          | 202,671          | 180,413          | -                             | 5,081,705          |
| Central Bank of Turkey           | -                 | -             | -                 | -                 | -                | -                | -                | -                             | -                  |
| Domestic Banks                   | 896               | -             | 472,900           | 211,570           | 6,051            | -                | -                | -                             | 691,417            |
| Foreign Banks                    | 288,535           | -             | 737,522           | 1,962,600         | 355,626          | 202,671          | 180,413          | -                             | 3,727,367          |
| Special Financial Institutions   | 662,921           | -             | -                 | -                 | -                | -                | -                | -                             | 662,921            |
| Other                            | -                 | -             | -                 | -                 | -                | -                | -                | -                             | -                  |
| <b>Total</b>                     | <b>20,002,797</b> | <b>-</b>      | <b>13,560,353</b> | <b>57,148,154</b> | <b>3,637,213</b> | <b>5,229,604</b> | <b>1,657,794</b> | <b>82,428</b>                 | <b>101,318,343</b> |

| <i>Prior Period</i>              | Demand            | 7 Days Notice | Up to 1 Month     | 1-3 Months        | 3-6 Months       | 6-12 Months      | 1 Year and Over  | Accumulating Deposit Accounts | Total             |
|----------------------------------|-------------------|---------------|-------------------|-------------------|------------------|------------------|------------------|-------------------------------|-------------------|
| <b>Saving Deposits</b>           | 3,547,678         | -             | 3,249,553         | 25,946,859        | 283,170          | 83,893           | 236,802          | 2,619                         | 33,350,574        |
| <b>Foreign Currency Deposits</b> | 6,719,900         | -             | 5,444,260         | 14,902,375        | 1,236,891        | 2,947,701        | 862,199          | 79,203                        | 32,192,529        |
| Residents in Turkey              | 6,357,525         | -             | 5,251,086         | 13,455,872        | 612,405          | 608,255          | 386,623          | 77,700                        | 26,749,466        |
| Residents in Abroad              | 362,375           | -             | 193,174           | 1,446,503         | 624,486          | 2,339,446        | 475,576          | 1,503                         | 5,443,063         |
| <b>Public Sector Deposits</b>    | 676,056           | -             | 24,344            | 13,628            | 8                | -                | -                | -                             | 714,036           |
| <b>Commercial Deposits</b>       | 3,943,349         | -             | 2,657,913         | 7,443,111         | 485,952          | 185,025          | 27,938           | -                             | 14,743,288        |
| <b>Other</b>                     | 66,997            | -             | 39,804            | 189,564           | 5,226            | 347              | 372              | -                             | 302,310           |
| <b>Precious Metal Deposits</b>   | 2,300,584         | -             | 25,929            | 19,023            | -                | 2,274            | 27,271           | -                             | 2,375,081         |
| <b>Bank Deposits</b>             | 760,911           | -             | 813,415           | 1,919,282         | 82,496           | 8,365            | 220,132          | -                             | 3,804,601         |
| Central Bank of Turkey           | -                 | -             | -                 | -                 | -                | -                | -                | -                             | -                 |
| Domestic Banks                   | 249               | -             | 346,634           | 2,017             | -                | -                | 56,877           | -                             | 405,777           |
| Foreign Banks                    | 271,338           | -             | 466,781           | 1,917,265         | 82,496           | 8,365            | 163,255          | -                             | 2,909,500         |
| Special Financial Institutions   | 489,324           | -             | -                 | -                 | -                | -                | -                | -                             | 489,324           |
| Other                            | -                 | -             | -                 | -                 | -                | -                | -                | -                             | -                 |
| <b>Total</b>                     | <b>18,015,475</b> | <b>-</b>      | <b>12,255,218</b> | <b>50,433,842</b> | <b>2,093,743</b> | <b>3,227,605</b> | <b>1,374,714</b> | <b>81,822</b>                 | <b>87,482,419</b> |

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

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

|  | Covered by Deposit Insurance |              | Over Deposit Insurance Limit |              |
|--|------------------------------|--------------|------------------------------|--------------|
|  | Current Period               | Prior Period | Current Period               | Prior Period |
| Saving Deposits (*)  | 17,809,296                   | 17,387,986   | 18,831,964                   | 17,815,518   |
| Foreign Currency Saving Deposits                                     | 4,395,256                    | 4,561,427    | 11,170,682                   | 11,214,655   |
| Other Saving Deposits  | 1,486,982                    | 1,535,104    | 735,130                      | 893,971      |
| Deposits held at Foreign Branches Under Foreign Insurance Coverage   | -                            | -            | -                            | -            |
| Deposits held at Off-Shore Branches 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

|  | 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    | 513,721        | 244,756      |
| Deposits and Other Accounts held as Assets subject to the Crime defined in the Article 282 of the Turkish Criminal Code no. 5237 dated 26 September 2004 | -              | -            |
| Deposits at Depository Banks established for Off-Shore Banking Activities in Turkey  | -              | -            |

### 5.2.2 Negative differences on derivative financial liabilities held for trading

|                      | Current Period |                | Prior Period   |                |
|----------------------|----------------|----------------|----------------|----------------|
|                      | TL             | FC             | TL             | FC             |
| Forward transactions | 53,711         | 38,413         | 64,245         | 11,967         |
| Swap transactions    | 351,320        | 178,608        | 469,195        | 253,497        |
| Futures              | -              | 1,590          | -              | -              |
| Options              | 133,529        | 17,150         | 53,912         | 18,215         |
| Other                | -              | -              | -              | -              |
| <b>Total</b>         | <b>538,560</b> | <b>235,761</b> | <b>587,352</b> | <b>283,679</b> |

### 5.2.3 Funds borrowed

|                                       | Current Period   |                   | Prior Period     |                   |
|---------------------------------------|------------------|-------------------|------------------|-------------------|
|                                       | TL               | FC                | TL               | FC                |
| Central Bank of Turkey                | -                | -                 | -                | -                 |
| Domestic Banks and Institutions       | 301,919          | 343,409           | 234,007          | 349,317           |
| Foreign Banks, Institutions and Funds | 5,041,873        | 17,317,525        | 3,951,485        | 17,142,821        |
| <b>Total</b>                          | <b>5,343,792</b> | <b>17,660,934</b> | <b>4,185,492</b> | <b>17,492,138</b> |

**5.2.3.1 Maturities of funds borrowed**

|                      | <i>Current Period</i> |                   | <i>Prior Period</i> |                   |
|----------------------|-----------------------|-------------------|---------------------|-------------------|
|                      | <b>TL</b>             | <b>FC</b>         | <b>TL</b>           | <b>FC</b>         |
| Short-Term           | 833,852               | 8,004,182         | 222,386             | 4,254,951         |
| Medium and Long-Term | 4,509,940             | 9,656,752         | 3,963,106           | 13,237,187        |
| <b>Total</b>         | <b>5,343,792</b>      | <b>17,660,934</b> | <b>4,185,492</b>    | <b>17,492,138</b> |

**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> | <b>TL</b>         |                             | <b>FC</b>         |                             |
|-----------------------|-------------------|-----------------------------|-------------------|-----------------------------|
|                       | <b>Short-Term</b> | <b>Medium and Long-Term</b> | <b>Short-Term</b> | <b>Medium and Long-Term</b> |
| Nominal               | 1,405,180         | 2,051,524                   | 793,019           | 4,594,829                   |
| Cost                  | 1,379,536         | 1,965,206                   | 792,172           | 4,562,215                   |
| Carrying Value (*)    | 1,272,233         | 1,996,487                   | 792,909           | 4,745,441                   |

| <i>Prior Period</i> | <b>TL</b>         |                             | <b>FC</b>         |                             |
|---------------------|-------------------|-----------------------------|-------------------|-----------------------------|
|                     | <b>Short-Term</b> | <b>Medium and Long-Term</b> | <b>Short-Term</b> | <b>Medium and Long-Term</b> |
| Nominal             | 1,757,435         | 350,000                     | -                 | 3,784,000                   |
| Cost                | 1,710,878         | 325,920                     | -                 | 3,755,070                   |
| Carrying Value (*)  | 1,601,466         | 328,667                     | -                 | 3,932,007                   |

(\*) The Bank repurchased its own TL securities with total face value of TL 146,474 thousands (31 December 2012: TL 139,248 thousands) and netted off such securities in the accompanying financial statement.

**5.2.4.2 Funds provided through repurchase transactions**

|  | <i>Current Period</i> |                  | <i>Prior Period</i> |                  |
|--|-----------------------|------------------|---------------------|------------------|
|  | <b>TL</b>             | <b>FC</b>        | <b>TL</b>           | <b>FC</b>        |
| <b>Domestic Transactions</b>             | <b>7,026,183</b>      | -                | <b>11,478,900</b>   | -                |
| Financial Institutions and Organizations | 6,988,939             | -                | 11,440,063          | -                |
| Other Institutions and Organizations     | 10,893                | -                | 17,361              | -                |
| Individuals                              | 26,351                | -                | 21,476              | -                |
| <b>Foreign Transactions</b>              | <b>2,168,984</b>      | <b>2,761,577</b> | <b>748,015</b>      | <b>1,272,608</b> |
| Financial Institutions and Organizations | 2,167,154             | 2,761,577        | 747,723             | 1,272,608        |
| Other Institutions and Organizations     | 1,680                 | -                | 186                 | -                |
| Individuals                              | 150                   | -                | 106                 | -                |
| <b>Total</b>                             | <b>9,195,167</b>      | <b>2,761,577</b> | <b>12,226,915</b>   | <b>1,272,608</b> |

#### 5.2.4.3 *Miscellaneous payables*

|  | <i>Current Period</i> |                | <i>Prior Period</i> |                |
|--|-----------------------|----------------|---------------------|----------------|
|  | <b>TL</b>             | <b>FC</b>      | <b>TL</b>           | <b>FC</b>      |
| Payables from credit card transactions | 4,376,937             | 38,142         | 3,937,158           | 12,313         |
| Other                                  | 331,198               | 261,913        | 272,564             | 365,894        |
| <b>Total</b>                           | <b>4,708,135</b>      | <b>300,055</b> | <b>4,209,722</b>    | <b>378,207</b> |

#### 5.2.5 **Lease payables (Net)**

##### 5.2.5.1 *Financial lease payables*

|                   | <i>Current Period</i> |            | <i>Prior Period</i> |            |
|-------------------|-----------------------|------------|---------------------|------------|
|                   | <b>Gross</b>          | <b>Net</b> | <b>Gross</b>        | <b>Net</b> |
| Up to 1 Year      | 517                   | 490        | 363                 | 340        |
| 1-4 Years         | 2                     | 1          | 2                   | 1          |
| More than 4 Years | -                     | -          | -                   | -          |
| <b>Total</b>      | <b>519</b>            | <b>491</b> | <b>365</b>          | <b>341</b> |

##### 5.2.5.2 *Operational lease agreements*

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

#### 5.2.6 **Derivative financial liabilities held for risk management**

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

#### 5.2.7 **Provisions**

##### 5.2.7.1 *General provisions*

|   | <i>Current Period</i> | <i>Prior Period</i> |
|---|-----------------------|---------------------|
| <b>General Provision for</b>  | <b>1,593,698</b>      | <b>1,302,552</b>    |
| Loans and Receivables in Group I  | 1,318,407             | 1,082,935           |
| - Additional Provision for Loans and Receivables with Extended Maturities | 77,279                | 66,313              |
| Loans and Receivables in Group II   | 36,639                | 33,734              |
| - Additional Provision for Loans and Receivables with Extended Maturities | 63,661                | 45,215              |
| Non-Cash Loans  | 97,712                | 74,355              |
| Others  | -                     | -                   |

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

|                            | <i>Current Period</i> | <i>Prior Period</i> |
|----------------------------|-----------------------|---------------------|
| Short-Term Loans           | 689                   | 6,635               |
| Medium and Long-Term Loans | 115                   | 4,749               |
| <b>Total</b>               | <b>804</b>            | <b>11,384</b>       |

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

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

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

### 5.2.7.4 Other provisions

#### 5.2.7.4.1 General reserves for possible losses

|                                      | <i>Current Period</i> | <i>Prior Period</i> |
|--------------------------------------|-----------------------|---------------------|
| General Reserves for Possible Losses | 365,000               | 420,000             |

#### 5.2.7.4.2 Other provisions

|  | <i>Current Period</i> | <i>Prior Period</i> |
|--|-----------------------|---------------------|
| Reserve for Employee Benefits                        | 431,098               | 343,997             |
| Provision for Promotion Expenses of Credit Cards (*) | 45,101                | 37,760              |
| Provision for Lawsuits                               | 20,161                | 19,928              |
| Other Provisions (**)                                | 272,064               | 55,334              |
| <b>Total</b>   | <b>768,424</b>        | <b>457,019</b>      |

(\*) 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 ¾ 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 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 (31 December 2011: TL 1,143,072 thousands) 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 (31 December 2011: TL 740,699 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 (31 December 2011: TL 305,628 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.

|  | <i>31 December 2012</i> | <i>31 December 2011</i> |
|--|-------------------------|-------------------------|
| <b>Transferable Pension and Medical Benefits:</b>  |                         |                         |
| Net present value of pension benefits transferable to SSF  | (458,057)               | (376,357)               |
| Net present value of medical benefits and health premiums transferable to SSF  | 369,726                 | 305,628                 |
| General administrative expenses  | (22,899)                | (20,039)                |
| <b>Present Value of Pension and Medical Benefits Transferable to SSF (1)</b>   | <b>(111,230)</b>        | <b>(90,768)</b>         |
| <b>Fair Value of Plan Assets (2)</b>   | <b>1,479,105</b>        | <b>1,233,840</b>        |
| <b>Asset Surplus over Transferable Benefits ((2)-(1)=(3))</b>  | <b>1,367,875</b>        | <b>1,143,072</b>        |
| <b>Non-Transferable Benefits:</b>  |                         |                         |
| Other pension benefits   | (426,261)               | (264,514)               |
| Other medical benefits   | (107,178)               | (137,859)               |
| <b>Total Non-Transferable Benefits (4)</b>   | <b>(533,439)</b>        | <b>(402,373)</b>        |
| <b>Asset Surplus over Total Benefits ((3)-(4)=(5))</b>   | <b>834,436</b>          | <b>740,699</b>          |
| <b>Net Present Value of Medical Benefits and Health Premiums Transferable to SSF – but not considered acting prudently (6)</b> | <b>(369,726)</b>        | <b>(305,628)</b>        |
| <b>Present Value of Asset Surplus/(Defined Benefit Obligation) ((5)-(6))</b>   | <b>464,710</b>          | <b>435,071</b>          |

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

|                                  | <i>31 December 2012</i>  | <i>31 December 2011</i>  |
|----------------------------------|--------------------------|--------------------------|
|                                  | <b>%</b>                 | <b>%</b>                 |
| Discount Rate (*)                | 6.97                     | 9.52                     |
| Inflation Rate (*)               | 4.67                     | 5.06                     |
| Future Real Salary Increase Rate | 1.5                      | 1.5                      |
| Medical Cost Trend Rate          | 1.40% above<br>inflation | 1.40% above<br>inflation |
| Future Pension Increase Rate (*) | 4.67                     | 5.06                     |

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

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

## **5.2.8 Tax liability**

### **5.2.8.1 Current tax liability**

#### **5.2.8.1.1 Tax liability**

As of 30 June 2013, the Bank had a current tax liability of TL 29,241 thousands (31 December 2012: TL 303,089 thousands) after offsetting with prepaid taxes.

**5.2.8.1.2 Taxes payable**

|                                   | <i>Current Period</i> | <i>Prior Period</i> |
|-----------------------------------|-----------------------|---------------------|
| Corporate Taxes Payable           | 29,241                | 303,089             |
| Taxation on Securities Income     | 75,364                | 99,573              |
| Taxation on Real Estates Income   | 2,694                 | 2,071               |
| Banking Insurance Transaction Tax | 54,570                | 50,999              |
| Foreign Exchange Transaction Tax  | 34                    | 39                  |
| Value Added Tax Payable           | 1,336                 | 3,456               |
| Others                            | 19,908                | 64,403              |
| <b>Total</b>                      | <b>183,147</b>        | <b>523,630</b>      |

**5.2.8.1.3 Premiums**

|   | <i>Current Period</i> | <i>Prior Period</i> |
|---|-----------------------|---------------------|
| Social Security Premiums-Employees                    | 33                    | 2                   |
| Social Security Premiums-Employer                     | 38                    | -                   |
| 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                      | 1,374                 | 625                 |
| Unemployment Insurance-Employer                       | 2,762                 | 1,234               |
| Others  | 9                     | 11                  |
| <b>Total</b>  | <b>6,066</b>          | <b>1,975</b>        |

**5.2.8.2 Deferred tax liability**

None.

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

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

**5.2.10 Subordinated debts**

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

**5.2.11 Shareholders’ equity**

**5.2.11.1 Paid-in capital**

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

**5.2.11.2 Registered share capital system**

| <b>Capital</b>    | <b>Paid-in Capital</b> | <b>Ceiling per Registered Share Capital</b> |
|-------------------|------------------------|---|
| Registered Shares | 4,200,000              | 10,000,000                                  |



**5.2.11.3 Capital increases in current period**

None.

**5.2.11.4 Capital increases from capital reserves in current period**

None.

**5.2.11.5 Capital commitments for current and future financial periods**

None.

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

None.

**5.2.11.7 Information on privileges given to stocks representing the capital**

None.

**5.2.11.8 Securities value increase fund**

|   | <i>Current Period</i> |                | <i>Prior Period</i> |                |
|---|-----------------------|----------------|---------------------|----------------|
|   | <b>TL</b>             | <b>FC</b>      | <b>TL</b>           | <b>FC</b>      |
| <b>Investments in Associates, Subsidiaries and Joint-Ventures</b> | <b>108,551</b>        | <b>860,632</b> | <b>105,801</b>      | <b>776,725</b> |
| Valuation difference  | 76,234                | 860,632        | 73,484              | 776,725        |
| Exchange rate difference  | 32,317                | -              | 32,317              | -              |
| <b>Securities Available-for-Sale</b>                              | <b>(244,918)</b>      | <b>54,617</b>  | <b>976,744</b>      | <b>14,008</b>  |
| Valuation difference  | (244,918)             | 54,617         | 976,744             | 14,008         |
| Exchange rate difference  | -                     | -              | -                   | -              |
| <b>Total</b>  | <b>(136,367)</b>      | <b>915,249</b> | <b>1,082,545</b>    | <b>790,733</b> |

**5.2.11.9 Revaluation surplus**

|   | <i>Current Period</i> |           | <i>Prior Period</i> |           |
|---|-----------------------|-----------|---------------------|-----------|
|   | <b>TL</b>             | <b>FC</b> | <b>TL</b>           | <b>FC</b> |
| Movables  | -                     | -         | -                   | -         |
| Real Estates  | 2,140                 | -         | 2,140               | -         |
| Gain on Sale of Investments in Associates and Subsidiaries and Real Estates allocated for Capital Increases | 172,164               | -         | 739,390             | -         |
| Revaluation Surplus on Leasehold Improvements   | -                     | -         | -                   | -         |

**5.2.11.10 Bonus shares of associates, subsidiaries and joint-ventures**

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

**5.2.11.11 Legal reserves**

|                   | <i>Current Period</i> | <i>Prior Period</i> |
|-------------------|-----------------------|---------------------|
| I. Legal Reserve  | 955,436               | 801,302             |
| II. Legal Reserve | 152,940               | 114,290             |
| Special Reserves  | -                     | -                   |

**5.2.11.12 Extraordinary reserves**

|  | <i>Current Period</i> | <i>Prior Period</i> |
|--|-----------------------|---------------------|
| Legal reserves that was allocated to be in compliance with the decisions made on the Annual General Assembly | 12,548,227            | 9,724,283           |
| Retained Earnings  | -                     | -                   |
| Accumulated Losses   | -                     | -                   |
| Exchange Rate Difference on Foreign Currency Capital   | -                     | -                   |

**5.2.12 Accrued interest and expenses**

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

|                         | <i>Current Period</i> |                | <i>Prior Period</i> |                |
|-------------------------|-----------------------|----------------|---------------------|----------------|
|                         | <b>TL</b>             | <b>FC</b>      | <b>TL</b>           | <b>FC</b>      |
| Deposits                | 175,140               | 78,098         | 187,476             | 89,104         |
| Funds Borrowed          | 87,281                | 57,701         | 204,066             | 76,681         |
| Interbank Money Markets | 15,006                | 8,812          | 7,802               | 7,580          |
| Other Accruals          | 203,726               | 184,392        | 134,095             | 178,931        |
| <b>Total</b>            | <b>481,153</b>        | <b>329,003</b> | <b>533,439</b>      | <b>352,296</b> |

### 5.3 Off-Balance Sheet Items

#### 5.3.1 Off-balance sheet contingencies

##### 5.3.1.1 Irrevocable credit commitments

The Bank has asset purchase and sale commitments of TL 2,663,480 thousands (31 December 2012: TL 5,085,084 thousands), commitments for cheque payments of TL 2,809,058 thousands (31 December 2012: TL 1,994,233 thousands) and commitments for credit card limits of TL 19,039,140 thousands (31 December 2012: TL 14,215,936 thousands).

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

|  | Current Period    | Prior Period      |
|--|-------------------|-------------------|
| Letters of Guarantee in Foreign Currency | 11,774,791        | 9,465,698         |
| Letters of Guarantee in TL               | 8,150,624         | 6,958,156         |
| Letters of Credit                        | 6,644,122         | 5,465,530         |
| Bills of Exchange and Acceptances        | 713,839           | 720,896           |
| Prefinancings                            | -                 | -                 |
| Other Guarantees                         | 71,743            | 66,300            |
| <b>Total</b>                             | <b>27,355,119</b> | <b>22,676,580</b> |

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 in the accompanying financial statements.

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

##### 5.3.1.3 Non-cash loans

|  | Current Period    | Prior Period      |
|--|-------------------|-------------------|
| Non-Cash Loans against Cash Risks          | 1,430,855         | 1,404,045         |
| With Original Maturity of 1 Year or Less   | 231,520           | 164,145           |
| With Original Maturity of More Than 1 Year | 1,199,335         | 1,239,900         |
| Other Non-Cash Loans                       | 25,924,264        | 21,272,535        |
| <b>Total</b>                               | <b>27,355,119</b> | <b>22,676,580</b> |

##### 5.3.1.4 Sectoral risk concentration of non-cash loans

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

##### 5.3.1.5 Non-cash loans classified under Group I and II

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

#### 5.3.2 Financial derivative instruments

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

#### 5.3.3 Credit derivatives and risk exposures on credit derivatives

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

**5.3.4 Contingent liabilities and assets**

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

**5.3.5 Services rendered on behalf of third parties**

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

## 5.4 Income Statement

### 5.4.1 Interest Income

#### 5.4.1.1 Interest income from loans (\*)

|  | <i>Current Period</i> |                  | <i>Prior Period</i> |                |
|--|-----------------------|------------------|---------------------|----------------|
|  | <b>TL</b>             | <b>FC</b>        | <b>TL</b>           | <b>FC</b>      |
| Short-term loans   | 1,226,153             | 80,491           | 1,387,859           | 99,650         |
| Medium and long-term loans                               | 2,093,552             | 974,018          | 1,719,865           | 861,560        |
| Loans under follow-up                                    | 17,235                | -                | 20,808              | -              |
| Premiums Received from Resource Utilization Support Fund | -                     | -                | -                   | -              |
| <b>Total</b>   | <b>3,336,940</b>      | <b>1,054,509</b> | <b>3,128,532</b>    | <b>961,210</b> |

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

#### 5.4.1.2 Interest income from banks

|                                   | <i>Current Period</i> |               | <i>Prior Period</i> |               |
|-----------------------------------|-----------------------|---------------|---------------------|---------------|
|                                   | <b>TL</b>             | <b>FC</b>     | <b>TL</b>           | <b>FC</b>     |
| Central Bank of Turkey            | -                     | -             | 36                  | -             |
| Domestic Banks                    | 4,538                 | 140           | 4,014               | 194           |
| Foreign Banks                     | 48,633                | 15,868        | 92,560              | 25,228        |
| Foreign Head Offices and Branches | -                     | -             | -                   | -             |
| <b>Total</b>                      | <b>53,171</b>         | <b>16,008</b> | <b>96,610</b>       | <b>25,422</b> |

#### 5.4.1.3 Interest income from securities portfolio

|  | <i>Current Period</i> |               | <i>Prior Period</i> |               |
|--|-----------------------|---------------|---------------------|---------------|
|  | <b>TL</b>             | <b>FC</b>     | <b>TL</b>           | <b>FC</b>     |
| Financial Assets Held for Trading                            | 12,020                | 7,364         | 15,675              | 3,909         |
| Financial Assets Valued at Fair Value through Profit or Loss | -                     | -             | -                   | -             |
| Financial Assets Available-for-Sale                          | 1,715,919             | 36,558        | 1,906,126           | 31,460        |
| Investments Held-to-Maturity                                 | 28,582                | 6,084         | 153,430             | 51,782        |
| <b>Total</b>   | <b>1,756,521</b>      | <b>50,006</b> | <b>2,075,231</b>    | <b>87,151</b> |

#### 5.4.1.4 Interest income received from associates and subsidiaries

|   | <i>Current Period</i> | <i>Prior Period</i> |
|---|-----------------------|---------------------|
| Interest Received from Investments in Associates and Subsidiaries | 23,149                | 31,427              |

## 5.4.2 Interest Expenses

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

|                                   | <i>Current Period</i> |                | <i>Prior Period</i> |                |
|-----------------------------------|-----------------------|----------------|---------------------|----------------|
|                                   | <b>TL</b>             | <b>FC</b>      | <b>TL</b>           | <b>FC</b>      |
| <b>Banks</b>                      | <b>209,284</b>        | <b>174,207</b> | <b>235,274</b>      | <b>193,205</b> |
| Central Bank of Turkey            | -                     | 1,172          | -                   | 646            |
| Domestic Banks                    | 9,581                 | 5,005          | 9,236               | 4,264          |
| Foreign Banks                     | 199,703               | 168,030        | 226,038             | 188,295        |
| Foreign Head Offices and Branches | -                     | -              | -                   | -              |
| <b>Other Institutions</b>         | <b>-</b>              | <b>17,990</b>  | <b>-</b>            | <b>11,838</b>  |
| <b>Total</b>                      | <b>209,284</b>        | <b>192,197</b> | <b>235,274</b>      | <b>205,043</b> |

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

### 5.4.2.2 Interest expenses paid to associates and subsidiaries

|   | <i>Current Period</i> | <i>Prior Period</i> |
|---|-----------------------|---------------------|
| Interest Paid to Investments in Associates and Subsidiaries | 20,273                | 22,026              |

### 5.4.2.3 Interest expenses on securities issued

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

### 5.4.2.4 Maturity structure of interest expense on deposits

| <i>Current Period</i>   | <b>Account Description</b> | <b>Demand Deposits</b> | <b>Time Deposits</b> |                   |                   |                    |                        | <b>Accumulating Deposit Accounts</b> | <b>Total</b>     |
|-------------------------|----------------------------|------------------------|----------------------|-------------------|-------------------|--------------------|------------------------|--------------------------------------|------------------|
|                         |                            |                        | <b>Up to 1 Month</b> | <b>1-3 Months</b> | <b>3-6 Months</b> | <b>6-12 Months</b> | <b>1 Year and Over</b> |                                      |                  |
| <b>Turkish Lira</b>     |                            |                        |                      |                   |                   |                    |                        |                                      |                  |
|                         | Bank Deposits              | 129                    | 28,947               | -                 | -                 | -                  | -                      | -                                    | 29,076           |
|                         | Saving Deposits            | 8                      | 101,408              | 904,585           | 12,390            | 6,477              | 11,011                 | -                                    | 1,035,879        |
|                         | Public Sector Deposits     | -                      | 162                  | 1,468             | 12                | -                  | -                      | -                                    | 1,642            |
|                         | Commercial Deposits        | 51                     | 82,874               | 365,557           | 8,963             | 8,572              | 5,066                  | -                                    | 471,083          |
|                         | Other                      | 2                      | 1,502                | 20,232            | 338               | 121                | 15                     | -                                    | 22,210           |
|                         | “7 Days Notice” Deposits   | -                      | -                    | -                 | -                 | -                  | -                      | -                                    | -                |
|                         | <b>Total TL</b>            | <b>190</b>             | <b>214,893</b>       | <b>1,291,842</b>  | <b>21,703</b>     | <b>15,170</b>      | <b>16,092</b>          | <b>-</b>                             | <b>1,559,890</b> |
| <b>Foreign Currency</b> |                            |                        |                      |                   |                   |                    |                        |                                      |                  |
|                         | Foreign Currency Deposits  | 93                     | 25,864               | 212,138           | 15,340            | 46,949             | 14,706                 | 739                                  | 315,829          |
|                         | Bank Deposits              | -                      | 24,046               | -                 | -                 | -                  | -                      | -                                    | 24,046           |
|                         | “7 Days Notice” Deposits   | -                      | -                    | -                 | -                 | -                  | -                      | -                                    | -                |
|                         | Precious Metal Deposits    | -                      | 2                    | 32                | 4                 | 97                 | 326                    | -                                    | 461              |
|                         | <b>Total FC</b>            | <b>93</b>              | <b>49,912</b>        | <b>212,170</b>    | <b>15,344</b>     | <b>47,046</b>      | <b>15,032</b>          | <b>739</b>                           | <b>340,336</b>   |
|                         | <b>Grand Total</b>         | <b>283</b>             | <b>264,805</b>       | <b>1,504,012</b>  | <b>37,047</b>     | <b>62,216</b>      | <b>31,124</b>          | <b>739</b>                           | <b>1,900,226</b> |

| Prior Period              | Demand Deposits | Time Deposits  |                  |                |               |                 | Accumulating Deposit Accounts | Total            |
|---------------------------|-----------------|----------------|------------------|----------------|---------------|-----------------|-------------------------------|------------------|
|                           |                 | Up to 1 Month  | 1-3 Months       | 3-6 Months     | 6-12 Months   | 1 Year and Over |                               |                  |
| <b>Turkish Lira</b>       |                 |                |                  |                |               |                 |                               |                  |
| Bank Deposits             | 108             | 37,565         | -                | -              | -             | -               | -                             | 37,673           |
| Saving Deposits           | 87              | 159,596        | 1,230,242        | 33,897         | 11,051        | 11,252          | -                             | 1,446,125        |
| Public Sector Deposits    | -               | 142            | 1,780            | 118            | -             | -               | -                             | 2,040            |
| Commercial Deposits       | 66              | 110,591        | 380,225          | 94,127         | 13,825        | 11,524          | -                             | 610,358          |
| Other                     | 3               | 884            | 11,858           | 8,176          | 31            | 10              | -                             | 20,962           |
| “7 Days Notice” Deposits  | -               | -              | -                | -              | -             | -               | -                             | -                |
| <b>Total TL</b>           | <b>264</b>      | <b>308,778</b> | <b>1,624,105</b> | <b>136,318</b> | <b>24,907</b> | <b>22,786</b>   | <b>-</b>                      | <b>2,117,158</b> |
| <b>Foreign Currency</b>   |                 |                |                  |                |               |                 |                               |                  |
| Foreign Currency Deposits | 358             | 41,880         | 279,617          | 25,014         | 64,644        | 33,066          | 696                           | 445,275          |
| Bank Deposits             | -               | 19,819         | -                | -              | -             | -               | -                             | 19,819           |
| “7 Days Notice” Deposits  | -               | -              | -                | -              | -             | -               | -                             | -                |
| Precious Metal Deposits   | -               | 1              | 10               | -              | 105           | -               | -                             | 116              |
| <b>Total FC</b>           | <b>358</b>      | <b>61,700</b>  | <b>279,627</b>   | <b>25,014</b>  | <b>64,749</b> | <b>33,066</b>   | <b>696</b>                    | <b>465,210</b>   |
| <b>Grand Total</b>        | <b>622</b>      | <b>370,478</b> | <b>1,903,732</b> | <b>161,332</b> | <b>89,656</b> | <b>55,852</b>   | <b>696</b>                    | <b>2,582,368</b> |

#### 5.4.2.5 Interest expense on repurchase agreements

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

#### 5.4.2.6 Financial lease expenses

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

#### 5.4.2.7 Interest expenses on factoring payables

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

#### 5.4.3 Dividend income

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

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

|  | Current Period    | Prior Period      |
|--|-------------------|-------------------|
| <b>Income</b>                                | <b>43,599,001</b> | <b>23,798,223</b> |
| Trading Account Income                       | 159,887           | 94,667            |
| Gains from Derivative Financial Instruments  | 2,506,417         | 1,581,907         |
| Foreign Exchange Gains                       | 40,932,697        | 22,121,649        |
| <b>Losses (-)</b>                            | <b>43,344,120</b> | <b>23,642,071</b> |
| Trading Account Losses                       | 46,663            | 7,998             |
| Losses from Derivative Financial Instruments | 2,276,310         | 1,823,381         |
| Foreign Exchange Losses                      | 41,021,147        | 21,810,692        |
| <b>Total</b>                                 | <b>254,881</b>    | <b>156,152</b>    |

TL 301,832 thousands (30 June 2012: TL 367,198 thousands) of foreign exchange gains and TL 482,714 thousands (30 June 2012: TL 331,947 thousands) of foreign exchange losses are resulted from the exchange rate changes of derivative financial transactions.

The Bank enters into interest rate swap agreements in order to hedge the change in fair 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. 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” 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 amounting to TL 310,301 thousands and a part of its receivables written-off in prior periods in the amount of TL 3,857 thousands were sold to a local asset management company for a consideration of TL 58,400 thousands. Considering the related provisions of TL 299,631 thousands in the financial statements, a gain of TL 43,873 thousands is recognized under “Other Operating Income”.

#### 5.4.6 Provision for losses on loans or other receivables

|   | <i>Current Period</i> | <i>Prior Period</i> |
|---|-----------------------|---------------------|
| <b>Specific Provisions for Loans and Other Receivables</b>                            | <b>426,299</b>        | <b>313,710</b>      |
| <i>Loans and Receivables in Group III</i>   | <i>149,745</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>50,944</i>         | <i>46,589</i>       |
| <b>General Provisions</b>   | <b>289,355</b>        | <b>66,243</b>       |
| <b>Provision for Possible Losses</b>  | -                     | -                   |
| <b>Impairment Losses on Securities</b>  | <b>6,472</b>          | <b>279</b>          |
| <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>  | -                     | -                   |
| <b>Impairment Losses on Associates, Subsidiaries and Investments Held-to-Maturity</b> | -                     | -                   |
| <i>Associates</i>   | -                     | -                   |
| <i>Subsidiaries</i>   | -                     | -                   |
| <i>Joint Ventures</i>   | -                     | -                   |
| <i>Investments Held-to-Maturity</i>   | -                     | -                   |
| <b>Others</b>   | <b>236,721</b>        | <b>11,226</b>       |
| <b>Total</b>  | <b>958,847</b>        | <b>391,458</b>      |



#### 5.4.7 Other operating expenses

|  | <i>Current Period</i> | <i>Prior Period</i> |
|--|-----------------------|---------------------|
| Personnel Costs  | 811,189               | 713,743             |
| Reserve for Employee Termination Benefits                      | 18,057                | 12,511              |
| Deficit Provision for Pension Fund                             | -                     | -                   |
| Impairment Losses on Tangible Assets                           | -                     | -                   |
| Depreciation Expenses of Tangible Assets                       | 85,683                | 86,147              |
| Impairment Losses on Intangible Assets                         | -                     | -                   |
| Impairment Losses on Goodwill                                  | -                     | -                   |
| Amortisation Expenses of Intangible Assets                     | 16,093                | 10,659              |
| Impairment Losses on Investments Accounted under Equity Method | -                     | -                   |
| 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                      | -                     | -                   |
| Other Operating Expenses                                       | 771,029               | 689,059             |
| <i>Operational Lease related Expenses</i>                      | <i>117,281</i>        | <i>102,450</i>      |
| <i>Repair and Maintenance Expenses</i>                         | <i>13,631</i>         | <i>10,583</i>       |
| <i>Advertisement Expenses</i>                                  | <i>52,544</i>         | <i>47,988</i>       |
| <i>Other Expenses</i>  | <i>587,573</i>        | <i>528,038</i>      |
| Loss on Sale of Assets   | 1,690                 | 547                 |
| Others   | 184,878               | 146,628             |
| <b>Total</b>   | <b>1,890,921</b>      | <b>1,661,216</b>    |

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

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

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

As of 30 June 2013, the Bank recorded a tax charge of TL 261,853 thousands (30 June 2012: TL 561,165 thousands) and a deferred tax expense of TL 324,266 thousands (30 June 2012: a deferred tax income of TL 148,408 thousands).

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

| <b>Deferred tax benefit/(charge) on timing differences</b> | <i>Current Period</i> | <i>Prior Period</i> |
|--|-----------------------|---------------------|
| Increase in tax deductible timing differences (+)          | 41,449                | 129,144             |
| Decrease in tax deductible timing differences (-)          | 304,062               | 17,382              |
| Increase in taxable timing differences (-)                 | 77,489                | 2,695               |
| Decrease in taxable timing differences (+)                 | 15,836                | 39,341              |
| <b>Total</b>   | <b>(324,266)</b>      | <b>148,408</b>      |

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

| <b>Deferred tax benefit/(charge) arising on timing differences,<br/>tax losses and tax deductions and exemptions</b> | <b><i>Current Period</i></b> | <b><i>Prior Period</i></b> |
|--|------------------------------|----------------------------|
| (Increase)/decrease in tax deductible timing differences (net)   | (262,613)                    | 111,762                    |
| (Increase)/decrease in taxable timing differences (net)  | (61,653)                     | 36,646                     |
| (Increase)/decrease in tax losses (net)  | -                            | -                          |
| (Increase)/decrease in tax deductions and exemptions (net)   | -                            | -                          |
| <b>Total</b>   | <b>(324,266)</b>             | <b>148,408</b>             |

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

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

**5.4.11 Net profit/loss**

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

None.

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

None.

**5.4.12 Components of other items in income statement**

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

## **5.5 Statement of Changes in Shareholders' Equity**

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

## **5.6 Statement of Cash Flows**

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

## 5.7 Related Party Risks

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

#### 5.7.1.1 Loans and other receivables

##### Current Period

| Bank's Risk Group              | Associates, Subsidiaries and Joint-Ventures |           | Bank's Direct and Indirect Shareholders |          | Other Components in Risk Group |          |
|--------------------------------|---|-----------|---|----------|--------------------------------|----------|
|                                | Cash  | Non-cash  | Cash                                    | Non-cash | Cash                           | Non-cash |
| Loans and Other Receivables    |   |           |   |          |                                |          |
| Balance at beginning of period | 2,940,871                                   | 1,381,591 | 260,311                                 | 466,918  | 314,839                        | 495,947  |
| Balance at end of period       | 2,877,904                                   | 1,422,531 | 390,771                                 | 179,432  | 350,418                        | 454,013  |
| Interest and Commission Income | 71,584                                      | 129       | 308                                     | 3        | 15,878                         | 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 | 3,746,072                                   | 1,359,135 | 186,803                                 | 34,925   | 245,679                        | 478,356  |
| Balance at end of period       | 2,940,871                                   | 1,381,591 | 260,311                                 | 466,918  | 314,839                        | 495,947  |
| Interest and Commission Income | 74,141                                      | 96        | 370                                     | 3        | 9,118                          | 582      |

#### 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 | 511,151                                     | 386,511      | 101,958                                 | 1,109,031    | 205,931                        | 341,540      |
| Balance at end of period       | 605,323                                     | 511,151      | 306,672                                 | 101,958      | 446,625                        | 205,931      |
| Interest Expense               | 20,273                                      | 22,026       | 6,371                                   | 10,391       | 8,324                          | 8,053        |

#### 5.7.1.3 Derivative transactions

| Bank's Risk Group              | Associates, Subsidiaries and Joint-Ventures |              | Bank's Direct and Indirect Shareholders |              | Other Components in Risk Group |              |
|--------------------------------|---|--------------|---|--------------|--------------------------------|--------------|
|                                | Current Period                              | Prior Period | Current Period                          | Prior Period | Current Period                 | Prior Period |
| Transactions for Trading:      |   |              |   |              |                                |              |
| Balance at beginning of period | 1,119,747                                   | 951,574      | 2,895,692                               | 1,066,781    | -                              | 28,710       |
| Balance at end of period       | 965,308                                     | 1,119,747    | 3,444,252                               | 2,895,692    | -                              | -            |
| Total Profit/(Loss)            | 12,422                                      | 17,649       | 11,064                                  | (8,850)      | -                              | 1,096        |
| Transactions for Hedging:      |   |              |   |              |                                |              |
| Balance at beginning of period | -   | -            | -                                       | -            | -                              | -            |
| Balance at end of period       | -   | -            | -                                       | -            | -                              | -            |
| Total Profit/(Loss)            | -   | -            | -                                       | -            | -                              | -            |

## **5.7.2 The Bank's risk group**

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

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

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

The cash loans of the risk group amounting TL 1,250,537 thousands (31 December 2012: TL 1,166,224 thousands) compose 1.17% (31 December 2012: 1.27%) of the Bank's total cash loans and 0.71% (31 December 2012: 0.73%) of the Bank's total assets. The total loans and similar receivables amounting TL 3,619,093 thousands (31 December 2012: TL 3,516,021 thousands) compose 2.04% (31 December 2012: TL 2.19%) of the Bank's total assets. The non-cash loans of the risk group amounting TL 2,055,976 thousands (31 December 2012: TL 1,897,296 thousands) compose 7.52% (31 December 2012: 8.37%) of the Bank's total non-cash loans. The deposits of the risk group amounting TL 1,358,620 thousands (31 December 2012: TL 819,040 thousands) compose 1.34% (31 December 2012: 0.94%) of the Bank's total deposits. The funds borrowed by the Bank from its risk group amounting TL 124,434 thousands (31 December 2012: TL 145,643 thousands) compose 0.54% (31 December 2012: 0.17%) of the Bank's total funds borrowed. The pricing in transactions with the risk group companies is set on an arms-length basis.

Furthermore, there is a credit card (POS) payable amounting TL 66,219 thousands (31 December 2012: TL 64,596 thousands) to related parties.

Operating expenses of TL 3,190 thousands (30 June 2012: TL 3,510 thousands) for advertisement and broadcasting services, of TL 10,690 thousands (30 June 2012: TL 8,336 thousands) for operational leasing services, and of TL 3,034 thousands (30 June 2012: TL 3,168 thousands) for travelling services rendered by related parties and rent income of TL 2,196 thousands (30 June 2012: TL 1,830 thousands) for the real estates rented to related parties, are recorded.

As of 30 June 2013, the net payment provided or to be provided to the key management of the Bank amounts to TL 40,898 thousands (30 June 2012: TL 37,559 thousands).

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

None.

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

None.

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

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

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

## **5.8 Domestic, Foreign and Off-shore Branches or Equity Investments, and Foreign Representative Offices**

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

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

None.



## 6 Other Disclosures

### 6.1 Other disclosures on activities of the bank

#### 6.1.1 Bank's latest international risk ratings

##### **MOODY'S (May 2013)<sup>(\*)</sup>**

|                               |           |
|-------------------------------|-----------|
| Long Term FC Deposit          | Baa3      |
| Long Term TL Deposit          | Baa2      |
| Short Term TL Deposit         | Prime-2   |
| Short Term FC Deposit         | Prime-3   |
| Long Term FC Deposit Outlook  | 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)<sup>(\*)</sup>**

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

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

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

|                                |                     |
|--------------------------------|---------------------|
| Long Term International FC     | BBB- (Stable)       |
| Long Term International TL     | BBB+ (Stable)       |
| Long Term National             | 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.

## 6.1.2 Dividend

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

| <b>2012 PROFIT DISTRIBUTION TABLE</b>                      |                  |
|--|------------------|
| <b>2012 Net Profit</b>                                     | <b>3,070,325</b> |
| 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)         |

## **7 Limited Review Report**

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

The unconsolidated financial statements and footnotes of the Bank 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 financial statements.

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

None.

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