

*(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 Nine-Month Period Ended
30 September 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
24 October 2013

*This report contains “Independent Accountants’
Limited Review Report” comprising 2 pages
and; “Unconsolidated Financial Statements and
Related Disclosures and Footnotes” comprising 89
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 SEPTEMBER 2013

We have reviewed the accompanying balance sheet of Türkiye Garanti Bankası A.Ş. (“the Bank”) as at 30 September 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 September 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, 24 October 2013

Türkiye Garanti Bankası Anonim Şirketi

Unconsolidated Interim Financial Report as of and for the Nine-Month Period Ended 30 September 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 financial statements for the nine-month period 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

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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 966 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 September 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, Doğuş Gayrimenkul Yatırım Ortaklığı AŞ and Volkswagen Doğuş Tüketici Finansmanı AŞ.

BBVA Group

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

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

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

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

Board of Directors Chairman and Members:

Name and Surname	Responsibility	Appointment Date	Education	Experience in Banking and Business Administration
Ferit Faik Şahenk	Chairman	18.04.2001	University	23 years
Süleyman Sözen	Vice Chairman	08.07.2003	University	31 years
Dr. Muammer Cüneyt Sezgin	Independent Member of BOD and Audit Committee	30.06.2004	PhD	25 years
Dr. Ahmet Kamil Esirtgen	Member	19.03.1992	PhD	39 years
Manuel Castro Aladro	Member	22.03.2011	Master	21 years
Manuel Pedro Galatas Sanchez Harguindey	Independent Member of BOD and Audit Committee	05.05.2011	University	29 years
Carlos Torres Vila	Member	22.03.2011	Master	22 years
Angel Cano Fernandez	Member	22.03.2011	University	28 years
Belkıs Sema Yurdum	Independent Member	30.04.2013	University	25 years
Sait Ergun Özen	Member and CEO	14.05.2003	University	26 years

CEO and Executive Vice Presidents:

Name and Surname	Responsibility	Appointment Date	Education	Experience in Banking and Business Administration
Sait Ergun Özen	CEO	01.04.2000	University	26 years
Adnan Memiş	EVP-Support Services	03.06.1991	Master	35 years
Ali Fuat Erbil	EVP-Financial Institutions & Corporate Banking	30.04.1999	PhD	21 years
Erhan Adalı	EVP-Loans	03.08.2012	University	23 years
Gökhan Erün	EVP-Treasury, Investment Banking, Human Resources & Training	01.09.2005	Master	19 years
Faruk Nafiz Karadere	EVP-SME Banking	01.05.1999	University	31 years
Halil Hüsnü Erel	EVP-Technology, Operations Management & Central Marketing	16.06.1997	University	28 years
Recep Baştuğ	EVP-Commercial Banking	01.01.2013	University	23 years
Turgay Gönensin	EVP-Coordination of Subsidiaries	01.01.2013	University	28 years
Aydın Şenel	EVP-Purchasing & Tax Management	06.06.2013	University	32 years
İbrahim 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 5th Commercial Court of First Instance. A total payment of TL 1,434,233 thousands has been made to the owners of 368 founder share-certificates from “extraordinary reserves”, and the value of remaining 2 founder share-certificates has been blocked in the bank accounts.

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

1.5 Summary information on the bank's activities and services

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

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

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

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

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

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

None.

2 Unconsolidated Financial Statements

(Convenience Translation of Financial Statements Originally Issued in Turkish)

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

ASSETS		Footnotes	THOUSANDS OF TURKISH LIRA (TL)					
			CURRENT PERIOD 30 September 2013			PRIOR PERIOD 31 December 2012		
			TL	FC	Total	TL	FC	Total
I.	CASH AND BALANCES WITH CENTRAL BANK	(5.1.1)	2,064,012	21,443,888	23,507,900	1,293,932	14,818,750	16,112,682
II.	FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Net)	(5.1.2)	1,019,545	524,942	1,544,487	675,550	507,926	1,183,476
2.1	Financial assets held for trading		815,248	524,942	1,340,190	453,369	507,926	961,295
2.1.1	Government securities		95,445	269,437	364,882	129,537	233,199	362,736
2.1.2	Equity securities		127,745	-	127,745	21,783	-	21,783
2.1.3	Derivative financial assets held for trading		587,303	234,391	821,694	297,832	252,873	550,705
2.1.4	Other securities		4,755	21,114	25,869	4,217	21,854	26,071
2.2	Financial assets valued at fair value through profit or loss		204,297	-	204,297	222,181	-	222,181
2.2.1	Government securities		-	-	-	-	-	-
2.2.2	Equity securities		-	-	-	-	-	-
2.2.3	Loans	(5.1.5)	204,297	-	204,297	222,181	-	222,181
2.2.4	Other securities		-	-	-	-	-	-
III.	BANKS	(5.1.3)	1,821,069	6,944,227	8,765,296	2,232,563	5,513,788	7,746,351
IV.	INTERBANK MONEY MARKETS		-	136,360	136,360	-	-	-
4.1	Interbank money market placements		-	-	-	-	-	-
4.2	Istanbul Stock Exchange money market placements		-	136,360	136,360	-	-	-
4.3	Receivables from reverse repurchase agreements		-	-	-	-	-	-
V.	FINANCIAL ASSETS AVAILABLE-FOR-SALE (Net)	(5.1.4)	20,987,181	1,859,521	22,846,702	34,866,196	1,008,583	35,874,779
5.1	Equity securities		43,084	6,917	50,001	25,163	4,785	29,948
5.2	Government securities		19,324,029	867,235	20,191,264	33,513,678	98,403	33,612,081
5.3	Other securities		1,620,068	985,369	2,605,437	1,327,355	905,395	2,232,750
VI.	LOANS	(5.1.5)	71,113,159	41,832,615	112,945,774	57,629,743	34,194,749	91,824,492
6.1	Performing loans		70,687,766	41,832,615	112,520,381	57,226,864	34,194,749	91,421,613
6.1.1	Loans to bank's risk group	(5.7)	45,230	1,076,796	1,122,026	142,230	1,023,994	1,166,224
6.1.2	Government securities		-	-	-	-	-	-
6.1.3	Others		70,642,536	40,755,819	111,398,355	57,084,634	33,170,755	90,255,389
6.2	Loans under follow-up		2,254,833	-	2,254,833	2,114,073	-	2,114,073
6.3	Specific provisions (-)		1,829,440	-	1,829,440	1,711,194	-	1,711,194
VII.	FACTORING RECEIVABLES		-	-	-	-	-	-
VIII.	INVESTMENTS HELD-TO-MATURITY (Net)	(5.1.6)	12,324,301	269,144	12,593,445	918,519	445,864	1,364,383
8.1	Government securities		12,316,697	169,748	12,486,445	911,245	445,864	1,357,109
8.2	Other securities		7,604	99,396	107,000	7,274	-	7,274
IX.	INVESTMENTS IN ASSOCIATES (Net)	(5.1.7)	36,698	-	36,698	21,099	-	21,099
9.1	Associates consolidated under equity accounting		-	-	-	-	-	-
9.2	Unconsolidated associates		36,698	-	36,698	21,099	-	21,099
9.2.1	Financial investments in associates		33,032	-	33,032	17,433	-	17,433
9.2.2	Non-financial investments in associates		3,666	-	3,666	3,666	-	3,666
X.	INVESTMENTS IN SUBSIDIARIES (Net)	(5.1.8)	452,595	2,493,165	2,945,760	470,998	2,117,536	2,588,534
10.1	Unconsolidated financial investments in subsidiaries		348,510	2,493,165	2,841,675	366,913	2,117,536	2,484,449
10.2	Unconsolidated non-financial investments in subsidiaries		104,085	-	104,085	104,085	-	104,085
XI.	INVESTMENTS IN JOINT-VENTURES (Net)	(5.1.9)	-	-	-	-	-	-
11.1	Joint-ventures consolidated under equity accounting		-	-	-	-	-	-
11.2	Unconsolidated joint-ventures		-	-	-	-	-	-
11.2.1	Financial investments in joint-ventures		-	-	-	-	-	-
11.2.2	Non-financial investments in joint-ventures		-	-	-	-	-	-
XII.	LEASE RECEIVABLES (Net)	(5.1.10)	-	-	-	-	-	-
12.1	Financial lease receivables		-	-	-	-	-	-
12.2	Operational lease receivables		-	-	-	-	-	-
12.3	Others		-	-	-	-	-	-
12.4	Unearned income (-)		-	-	-	-	-	-
XIII.	DERIVATIVE FINANCIAL ASSETS HELD FOR RISK MANAGEMENT	(5.1.11)	37,407	-	37,407	-	-	-
13.1	Fair value hedges		37,407	-	37,407	-	-	-
13.2	Cash flow hedges		-	-	-	-	-	-
13.3	Net foreign investment hedges		-	-	-	-	-	-
XIV.	TANGIBLE ASSETS (Net)	(5.1.12)	1,155,951	205	1,156,156	1,128,690	489	1,129,179
XV.	INTANGIBLE ASSETS (Net)	(5.1.13)	45,028	17	45,045	54,756	58	54,814
15.1	Goodwill		-	-	-	-	-	-
15.2	Other intangibles		45,028	17	45,045	54,756	58	54,814
XVI.	INVESTMENT PROPERTY (Net)	(5.1.14)	150,638	-	150,638	156,347	-	156,347
XVII.	TAX ASSET		164,711	-	164,711	177,515	-	177,515
17.1	Current tax asset		-	-	-	-	-	-
17.2	Deferred tax asset	(5.1.15)	164,711	-	164,711	177,515	-	177,515
XVIII.	ASSETS HELD FOR SALE AND ASSETS OF DISCONTINUED OPERATIONS (Net)	(5.1.16)	143,905	-	143,905	127,351	-	127,351
18.1	Assets held for sale		143,905	-	143,905	127,351	-	127,351
18.2	Assets of discontinued operations		-	-	-	-	-	-
XIX.	OTHER ASSETS	(5.1.17)	2,533,464	266,851	2,800,315	1,714,109	117,380	1,831,489
TOTAL ASSETS			114,049,664	75,770,935	189,820,599	101,467,368	58,725,123	160,192,491

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 September 2013

LIABILITIES AND SHAREHOLDERS' EQUITY		Footnotes	THOUSANDS OF TURKISH LIRA (TL)					
			CURRENT PERIOD 30 September 2013			PRIOR PERIOD 31 December 2012		
			TL	FC	Total	TL	FC	Total
I. DEPOSITS	(5.2.1)	62,659,406	45,911,908	108,571,314	49,998,883	37,483,536	87,482,419	
1.1 Deposits from bank's risk group	(5.7)	830,167	423,242	1,253,409	651,848	167,192	819,040	
1.2 Others		61,829,239	45,488,666	107,317,905	49,347,035	37,316,344	86,663,379	
II. DERIVATIVE FINANCIAL LIABILITIES HELD FOR TRADING	(5.2.2)	748,638	221,018	969,656	587,352	283,679	871,031	
III. FUNDS BORROWED	(5.2.3)	5,025,755	19,332,169	24,357,924	4,185,492	17,492,138	21,677,630	
IV. INTERBANK MONEY MARKETS		9,092,697	3,046,900	12,139,597	12,226,915	1,272,608	13,499,523	
4.1 Interbank money market takings		-	-	-	-	-	-	
4.2 Istanbul Stock Exchange money market takings		-	-	-	-	-	-	
4.3 Obligations under repurchase agreements	(5.2.4)	9,092,697	3,046,900	12,139,597	12,226,915	1,272,608	13,499,523	
V. SECURITIES ISSUED (Net)	(5.2.4)	3,739,072	6,208,030	9,947,102	1,930,133	3,932,007	5,862,140	
5.1 Bills		1,361,490	-	1,361,490	1,601,466	-	1,601,466	
5.2 Asset backed securities		-	-	-	-	-	-	
5.3 Bonds		2,377,582	6,208,030	8,585,612	328,667	3,932,007	4,260,674	
VI. FUNDS		-	-	-	-	-	-	
6.1 Borrower funds		-	-	-	-	-	-	
6.2 Others		-	-	-	-	-	-	
VII. MISCELLANEOUS PAYABLES	(5.2.4.3)	5,174,864	375,735	5,550,599	4,209,722	378,207	4,587,929	
VIII. OTHER EXTERNAL FUNDINGS PAYABLE		2,212,619	565,084	2,777,703	1,642,686	339,718	1,982,404	
IX. FACTORING PAYABLES		-	-	-	-	-	-	
X. LEASE PAYABLES (Net)	(5.2.5)	446	-	446	341	-	341	
10.1 Financial lease payables		467	-	467	365	-	365	
10.2 Operational lease payables		-	-	-	-	-	-	
10.3 Others		-	-	-	-	-	-	
10.4 Deferred expenses (-)		21	-	21	24	-	24	
XI. DERIVATIVE FINANCIAL LIABILITIES HELD FOR RISK MANAGEMENT	(5.2.6)	-	2,221	2,221	-	-	-	
11.1 Fair value hedges		-	2,221	2,221	-	-	-	
11.2 Cash flow hedges		-	-	-	-	-	-	
11.3 Net foreign investment hedges		-	-	-	-	-	-	
XII. PROVISIONS	(5.2.7)	2,838,890	55,249	2,894,139	2,239,130	37,837	2,276,967	
12.1 General provisions		1,704,991	38,082	1,743,073	1,269,819	32,733	1,302,552	
12.2 Restructuring reserves		-	-	-	-	-	-	
12.3 Reserve for employee benefits		487,363	-	487,363	343,997	-	343,997	
12.4 Insurance technical provisions (Net)		-	-	-	-	-	-	
12.5 Other provisions		646,536	17,167	663,703	625,314	5,104	630,418	
XIII. TAX LIABILITY	(5.2.8)	368,258	17,760	386,018	516,223	9,382	525,605	
13.1 Current tax liability		368,258	17,760	386,018	516,223	9,382	525,605	
13.2 Deferred tax liability		-	-	-	-	-	-	
XIV. LIABILITIES FOR ASSETS HELD FOR SALE AND ASSETS OF DISCONTINUED OPERATIONS (Net)	(5.2.9)	-	-	-	-	-	-	
14.1 Assets held for sale		-	-	-	-	-	-	
14.2 Assets of discontinued operations		-	-	-	-	-	-	
XV. SUBORDINATED DEBTS	(5.2.10)	-	135,028	135,028	-	117,251	117,251	
XVI. SHAREHOLDERS' EQUITY	(5.2.11)	20,748,576	1,340,276	22,088,852	20,229,723	1,079,528	21,309,251	
16.1 Paid-in capital		4,200,000	-	4,200,000	4,200,000	-	4,200,000	
16.2 Capital reserves		600,960	1,229,364	1,830,324	2,547,175	1,010,446	3,557,621	
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		(296,444)	1,229,364	932,920	1,082,545	1,010,446	2,092,991	
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		13,427,023	110,912	13,537,935	10,402,700	69,082	10,471,782	
16.3.1 Legal reserves		1,098,509	10,760	1,109,269	907,653	7,939	915,592	
16.3.2 Status reserves		-	-	-	-	-	-	
16.3.3 Extraordinary reserves		12,328,514	-	12,328,514	9,495,047	-	9,495,047	
16.3.4 Other profit reserves		-	100,152	100,152	-	61,143	61,143	
16.4 Profit or loss		2,520,593	-	2,520,593	3,079,848	-	3,079,848	
16.4.1 Prior periods profit/loss		-	-	-	-	-	-	
16.4.2 Current period net profit/loss		2,520,593	-	2,520,593	3,079,848	-	3,079,848	
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		112,609,221	77,211,378	189,820,599	97,766,600	62,425,891	160,192,491	

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

Off-Balance Sheet Items

At 30 September 2013

OFF-BALANCE SHEET ITEMS	Footnotes	THOUSANDS OF TURKISH LIRA (TL)					
		CURRENT PERIOD			PRIOR PERIOD		
		30 September 2013			31 December 2012		
		TL	FC	Total	TL	FC	Total
A. OFF-BALANCE SHEET COMMITMENTS AND CONTINGENCIES (I+II+III)		88,829,820	114,373,941	203,203,761	66,368,386	143,680,211	210,048,597
I. GUARANTEES AND SURETIES	(5.3.1)	8,631,590	21,611,611	30,243,201	6,970,208	15,706,372	22,676,580
1.1. Letters of guarantee		8,623,343	12,650,080	21,273,423	6,958,156	9,465,698	16,423,854
1.1.1. Guarantees subject to State Tender Law		-	767,453	767,453	-	714,239	714,239
1.1.2. Guarantees given for foreign trade operations		447,192	281,144	728,336	438,392	182,077	620,469
1.1.3. Other letters of guarantee		8,176,151	11,601,483	19,777,634	6,519,764	8,569,382	15,089,146
1.2. Bank acceptances		5,958	741,496	747,454	5,028	715,868	720,896
1.2.1. Import letter of acceptance		5,958	741,496	747,454	5,028	715,868	720,896
1.2.2. Other bank acceptances		-	-	-	-	-	-
1.3. Letters of credit		2,289	8,144,848	8,147,137	7,024	5,458,506	5,465,530
1.3.1. Documentary letters of credit		-	-	-	-	-	-
1.3.2. Other letters of credit		2,289	8,144,848	8,147,137	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		-	75,187	75,187	-	66,300	66,300
1.9. Other sureties		-	-	-	-	-	-
II. COMMITMENTS	(5.3.1)	31,644,971	11,619,878	43,264,849	33,685,681	70,774,949	104,460,630
2.1. Irrevocable commitments		31,617,532	11,619,086	43,236,618	23,695,883	10,205,196	33,901,079
2.1.1. Asset purchase and sale commitments		19,682	2,608,652	2,628,334	892,893	4,192,191	5,085,084
2.1.2. Deposit purchase and sale commitments		29,300	21,321	50,621	165	44,053	44,218
2.1.3. Share capital commitments to associates and subsidiaries		-	7,892	7,892	-	7,944	7,944
2.1.4. Loan granting commitments		5,347,919	8,133,346	13,481,265	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		2,690,331	-	2,690,331	1,994,233	-	1,994,233
2.1.8. Tax and fund obligations on export commitments		15,206	-	15,206	18,075	-	18,075
2.1.9. Commitments for credit card limits		22,040,884	-	22,040,884	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	847,875	2,322,085	1,474,210	748,000	2,222,210
2.2. Revocable commitments		27,439	792	28,231	9,989,798	60,569,753	70,559,551
2.2.1. Revocable loan granting commitments		27,439	-	27,439	9,989,798	60,569,054	70,558,852
2.2.2. Other revocable commitments		-	792	792	-	699	699
III. DERIVATIVE FINANCIAL INSTRUMENTS	(5.3.2)	48,553,259	81,142,452	129,695,711	25,712,497	57,198,890	82,911,387
3.1. Derivative financial instruments held for risk management		924,144	668,727	1,592,871	-	-	-
3.1.1. Fair value hedges		924,144	668,727	1,592,871	-	-	-
3.1.2. Cash flow hedges		-	-	-	-	-	-
3.1.3. Net foreign investment hedges		-	-	-	-	-	-
3.2. Trading derivatives		47,629,115	80,473,725	128,102,840	25,712,497	57,198,890	82,911,387
3.2.1. Forward foreign currency purchases/sales		8,133,022	9,321,943	17,454,965	4,085,520	5,006,561	9,092,081
3.2.1.1. Forward foreign currency purchases		3,026,842	5,663,575	8,690,417	1,551,055	2,939,516	4,490,571
3.2.1.2. Forward foreign currency sales		5,106,180	3,658,368	8,764,548	2,534,465	2,067,045	4,601,510
3.2.2. Currency and interest rate swaps		18,305,172	39,015,829	57,321,001	12,119,404	34,000,856	46,120,260
3.2.2.1. Currency swaps-purchases		9,895,379	10,040,980	19,936,359	4,585,239	9,780,113	14,365,352
3.2.2.2. Currency swaps-sales		5,008,193	12,869,383	17,877,576	3,843,165	9,198,283	13,041,448
3.2.2.3. Interest rate swaps-purchases		1,700,800	8,052,733	9,753,533	2,045,500	7,317,810	9,363,310
3.2.2.4. Interest rate swaps-sales		1,700,800	8,052,733	9,753,533	1,645,500	7,704,650	9,350,150
3.2.3. Currency, interest rate and security options		21,032,546	28,959,308	49,991,854	9,477,773	15,053,943	24,531,716
3.2.3.1. Currency call options		10,577,024	12,942,039	23,519,063	4,094,590	7,005,282	11,099,872
3.2.3.2. Currency put options		10,401,762	14,285,328	24,687,090	5,326,678	6,166,142	11,492,820
3.2.3.3. Interest rate call options		-	1,731,941	1,731,941	-	1,857,738	1,857,738
3.2.3.4. Interest rate put options		-	-	-	-	-	-
3.2.3.5. Security call options		53,760	-	53,760	56,505	3,520	60,025
3.2.3.6. Security put options		-	-	-	-	21,261	21,261
3.2.4. Currency futures		134,334	163,055	297,389	28,384	183,525	211,909
3.2.4.1. Currency futures-purchases		696	150,205	150,901	28,384	155,278	183,662
3.2.4.2. Currency futures-sales		133,638	12,850	146,488	-	28,247	28,247
3.2.5. Interest rate futures		-	7,980	7,980	-	-	-
3.2.5.1. Interest rate futures-purchases		-	-	-	-	-	-
3.2.5.2. Interest rate futures-sales		-	7,980	7,980	-	-	-
3.2.6. Others		24,041	3,005,610	3,029,651	1,416	2,954,005	2,955,421
B. CUSTODY AND PLEDGED ITEMS (IV+V+VI)		463,791,168	299,154,378	762,945,546	390,886,010	239,193,950	630,079,960
IV. ITEMS HELD IN CUSTODY		36,723,220	20,486,417	57,209,637	34,939,625	17,844,295	52,783,920
4.1. Customers' securities held		4,703,493	5,616	4,709,109	4,571,834	3,666	4,575,500
4.2. Investment securities held in custody		21,432,266	4,423,713	25,855,979	20,865,091	3,906,395	24,771,486
4.3. Checks received for collection		8,705,191	1,553,773	10,258,964	7,743,022	1,331,553	9,074,575
4.4. Commercial notes received for collection		1,816,497	1,136,181	2,952,678	1,686,186	1,054,366	2,740,552
4.5. Other assets received for collection		36,403	12,044,449	12,080,852	45,605	10,387,378	10,432,983
4.6. Assets received through public offering		-	49,441	49,441	-	43,517	43,517
4.7. Other items under custody		29,370	1,273,244	1,302,614	27,887	1,117,420	1,145,307
4.8. Custodians		-	-	-	-	-	-
V. PLEDGED ITEMS		427,067,948	278,667,961	705,735,909	355,946,385	221,349,655	577,296,040
5.1. Securities		1,407,103	10,450	1,417,553	2,073,280	7,242	2,080,522
5.2. Guarantee notes		42,697,231	11,383,230	54,080,461	41,324,590	9,967,059	51,291,649
5.3. Commodities		2,237	-	2,237	3,620	-	3,620
5.4. Warranties		-	-	-	-	-	-
5.5. Real estates		76,844,182	60,425,582	137,269,764	60,830,116	51,076,849	111,906,965
5.6. Other pledged items		306,117,025	206,848,261	512,965,286	251,714,609	160,298,120	412,012,729
5.7. Pledged items-depository		170	438	608	170	385	555
VI. CONFIRMED BILLS OF EXCHANGE AND SURETIES		-	-	-	-	-	-
TOTAL OFF-BALANCE SHEET ITEMS (A+B)		552,620,988	413,528,319	966,149,307	457,254,396	382,874,161	840,128,557

(Convenience Translation of Financial Statements Originally Issued in Turkish)

Türkiye Garanti Bankası Anonim Şirketi
Income Statement
For the Nine-Month Period Ended 30 September 2013

INCOME AND EXPENSE ITEMS	Footnotes	THOUSANDS OF TURKISH LIRA (TL)			
		CURRENT PERIOD	PRIOR PERIOD	CURRENT PERIOD	PRIOR PERIOD
		1 January 2013- 30 September 2013	1 January 2012- 30 September 2012	1 July 2013- 30 September 2013	1 July 2012- 30 September 2012
I. INTEREST INCOME	(5.4.1)	9,408,974	9,294,169	3,084,320	2,853,808
1.1 Interest income on loans		6,688,535	6,247,122	2,297,086	2,157,380
1.2 Interest income on reserve deposits		-	-	-	-
1.3 Interest income on banks		107,533	175,916	38,354	53,884
1.4 Interest income on money market transactions		1,607	3,104	592	716
1.5 Interest income on securities portfolio		2,527,395	2,773,246	720,868	610,864
1.5.1 Trading financial assets		27,155	26,932	7,771	7,348
1.5.2 Financial assets valued at fair value through profit or loss		-	-	-	-
1.5.3 Financial assets available-for-sale		2,279,547	2,469,247	527,070	531,661
1.5.4 Investments held-to-maturity		220,693	277,067	186,027	71,855
1.6 Financial lease income		-	-	-	-
1.7 Other interest income		83,904	94,781	27,420	30,964
II. INTEREST EXPENSE	(5.4.2)	4,556,647	5,441,714	1,738,915	1,737,823
2.1 Interest on deposits		3,187,392	3,876,325	1,287,166	1,293,957
2.2 Interest on funds borrowed		621,706	668,221	220,225	227,904
2.3 Interest on money market transactions		408,024	658,380	97,941	138,017
2.4 Interest on securities issued		321,063	228,212	126,793	77,020
2.5 Other interest expenses		18,462	10,576	6,790	925
III. NET INTEREST INCOME (I - II)		4,852,327	3,852,455	1,345,405	1,115,985
IV. NET FEES AND COMMISSIONS INCOME		1,988,892	1,511,663	703,670	529,507
4.1 Fees and commissions received		2,361,722	1,884,747	845,869	667,652
4.1.1 Non-cash loans		146,603	116,776	51,202	44,592
4.1.2 Others		2,215,119	1,767,971	794,667	623,060
4.2 Fees and commissions paid		372,830	373,084	142,199	138,145
4.2.1 Non-cash loans		796	837	381	277
4.2.2 Others		372,034	372,247	141,818	137,868
V. DIVIDEND INCOME	(5.4.3)	56,041	2,444	46,154	-
VI. NET TRADING INCOME/LOSSES (Net)	(5.4.4)	256,662	613,836	16,482	442,216
6.1 Trading account income/losses		135,407	536,804	22,183	450,135
6.2 Income/losses from derivative financial instruments		24,256	(211,405)	(205,851)	30,069
6.3 Foreign exchange gains/losses		96,999	288,437	200,150	(37,988)
VII. OTHER OPERATING INCOME	(5.4.5)	326,777	237,197	57,155	68,774
VIII. TOTAL OPERATING PROFIT (III+IV+V+VI+VII)		7,480,699	6,217,595	2,168,866	2,156,482
IX. PROVISION FOR LOSSES ON LOANS AND OTHER RECEIVABLES (-)	(5.4.6)	1,101,858	720,977	143,011	329,519
X. OTHER OPERATING EXPENSES (-)	(5.4.7)	3,084,458	2,540,740	1,193,537	879,524
XI. NET OPERATING PROFIT/LOSS (VIII-IX-X)		3,294,383	2,955,878	832,318	947,439
XII. INCOME RESULTED FROM MERGERS		-	-	-	-
XIII. INCOME/LOSS FROM INVESTMENTS UNDER EQUITY ACCOUNTING		-	-	-	-
XIV. GAIN/LOSS ON NET MONETARY POSITION		-	-	-	-
XV. OPERATING PROFIT/LOSS BEFORE TAXES (XI+XII+XIII+XIV)	(5.4.8)	3,294,383	2,955,878	832,318	947,439
XVI. PROVISION FOR TAXES (±)	(5.4.9)	773,790	636,311	187,671	223,554
16.1 Current tax charge		440,689	887,389	178,836	326,224
16.2 Deferred tax charge/(credit)		333,101	(251,078)	8,835	(102,670)
XVII. NET OPERATING PROFIT/LOSS AFTER TAXES (XV±XVI)	(5.4.10)	2,520,593	2,319,567	644,647	723,885
XVIII. INCOME FROM DISCONTINUED OPERATIONS		-	-	-	-
18.1 Income from assets held for sale		-	-	-	-
18.2 Income from sale of associates, subsidiaries and joint-ventures		-	-	-	-
18.3 Others		-	-	-	-
XIX. EXPENSES FROM DISCONTINUED OPERATIONS (-)		-	-	-	-
19.1 Expenses on assets held for sale		-	-	-	-
19.2 Expenses on sale of associates, subsidiaries and joint-ventures		-	-	-	-
19.3 Others		-	-	-	-
XX. PROFIT/LOSS BEFORE TAXES ON DISCONTINUED OPERATIONS (XVIII-XIX)	(5.4.8)	-	-	-	-
XXI. PROVISION FOR TAXES OF DISCONTINUED OPERATIONS (±)	(5.4.9)	-	-	-	-
21.1 Current tax charge		-	-	-	-
21.2 Deferred tax charge/(credit)		-	-	-	-
XXII. NET PROFIT/LOSS AFTER TAXES ON DISCONTINUED OPERATIONS (XX±XXI)	(5.4.10)	-	-	-	-
XXIII. NET PROFIT/LOSS (XVII+XXII)	(5.4.11)	2,520,593	2,319,567	644,647	723,885
Earnings per Share		0.600	0.552	0.153	0.172

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 Nine-Month Period Ended 30 September 2013

INCOME AND EXPENSE ITEMS UNDER SHAREHOLDERS' EQUITY	THOUSANDS OF TURKISH LIRA (TL)	
	CURRENT PERIOD 1 January 2013- 30 September 2013	PRIOR PERIOD 1 January 2012- 30 September 2012
I. MARKET VALUE GAINS ON AVAILABLE FOR SALE ASSETS ACCOUNTED UNDER "SECURITIES VALUE INCREASE FUND"	(1,609,786)	784,230
II. REVALUATION SURPLUS ON TANGIBLE ASSETS	-	-
III. REVALUATION SURPLUS ON INTANGIBLE ASSETS	-	-
IV. TRANSLATION DIFFERENCES FOR TRANSACTIONS IN FOREIGN CURRENCIES	15,579	(4,258)
V. GAIN/LOSS ON DERIVATIVE FINANCIAL ASSETS HELD FOR CASH FLOW HEDGES (effective portion)	-	479
VI. GAIN/LOSS ON DERIVATIVE FINANCIAL ASSETS HELD FOR HEDGES OF NET INVESTMENT IN FOREIGN OPERATIONS (effective portion)	-	-
VII. EFFECTS OF CHANGES IN ACCOUNTING POLICIES AND CORRECTIONS	-	-
VIII. OTHER INCOME/EXPENSE ITEMS ACCOUNTED UNDER SHAREHOLDERS' EQUITY AS PER TAS	129,418	184,526
IX. DEFERRED TAXES ON VALUE INCREASES/DECREASES	320,297	(145,661)
X. NET INCOME/EXPENSE ITEMS ACCOUNTED DIRECTLY UNDER SHAREHOLDERS' EQUITY (I+II+III+IV+V+VI+VII+VIII+IX)	(1,144,492)	819,316
XI. CURRENT PERIOD PROFIT/LOSSES	2,520,593	2,319,567
1.1 Net changes in fair value of securities (transferred to income statement)	325,039	(7,719)
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	2,195,554	2,327,286
XII. TOTAL PROFIT/LOSS ACCOUNTED FOR THE CURRENT PERIOD (X+XI)	1,376,101	3,138,883

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 Nine-Month Period Ended 30 September 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
PRIOR PERIOD (1 January - 30 September 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		-	-	-	-	-	-	(193,103)	-	-	(36,133)	229,236	-	-	-	-	-
2.1. Effect of corrections								(193,103)			(36,133)	229,236					-
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	-	7,419,112	40,528	-	3,034,442	837,770	598,953	1,891	(63,614)	-	17,576,819
Changes during the period																	
IV. Mergers																	-
V. Market value changes of securities												823,191					823,191
VI. Hedging reserves															383		383
6.1. Cash flow hedge															383		383
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						(382)			(3,876)								(4,258)
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										2,319,567							2,319,567
XX. Profit distribution						192,529		2,075,935	23,401		(3,034,442)		142,577				(600,000)
20.1. Dividends											(600,000)						(600,000)
20.2. Transfers to reserves						192,529		2,075,935			(2,240,747)		(27,717)				-
20.3. Others									23,401		(193,695)		170,294				-
Balances at end of the period (III+IV+V+.....+XVIII+XIX+XX)		4,200,000	772,554	11,880	-	915,450	-	9,495,047	60,053	2,319,567	-	1,660,961	741,530	1,891	(63,231)	-	20,115,702
CURRENT PERIOD (1 January - 30 September 2013)																	
I. Balances at beginning of the period		4,200,000	772,554	11,880	-	915,592	-	9,495,047	61,143	-	3,079,848	2,092,991	741,530	1,891	(63,225)	-	21,309,251
Changes during the period	(5.5)																
II. Mergers																	-
III. Market value changes of securities												(1,160,071)					(1,160,071)
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						1,511			14,068								15,579
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										2,520,593							2,520,593
XVIII. Profit distribution						192,166		2,833,467	24,941		(3,079,848)		(567,226)				(596,500)
18.1. Dividends											(596,500)						(596,500)
18.2. Transfers to reserves						192,166		2,833,467			(2,458,407)		(567,226)				-
18.3. Others									24,941		(24,941)						-
Balances at end of the period (I+II+III+.....+XVI+XVII+XVIII)		4,200,000	772,554	11,880	-	1,109,269	-	12,328,514	100,152	2,520,593	-	932,920	174,304	1,891	(63,225)	-	22,088,852

Türkiye Garanti Bankası Anonim Şirketi
Statement of Cash Flows
For the Nine-Month Period Ended 30 September 2013

STATEMENT OF CASH FLOWS	Footnotes	THOUSANDS OF TURKISH LIRA (TL)	
		CURRENT PERIOD 1 January 2013- 30 September 2013	PRIOR PERIOD 1 January 2012- 30 September 2012
A. CASH FLOWS FROM BANKING OPERATIONS			
1.1 Operating profit before changes in operating assets and liabilities		5,709,160	3,238,504
1.1.1 Interests received		10,717,963	9,518,404
1.1.2 Interests paid		(4,537,966)	(5,532,423)
1.1.3 Dividend received		4,794	2,386
1.1.4 Fees and commissions received		2,361,722	1,884,748
1.1.5 Other income		426,831	272,063
1.1.6 Collections from previously written-off loans and other receivables		26,043	26,831
1.1.7 Payments to personnel and service suppliers		(2,420,657)	(1,956,096)
1.1.8 Taxes paid		(664,191)	(762,843)
1.1.9 Others	(5.6)	(205,379)	(214,566)
1.2 Changes in operating assets and liabilities		(3,100,833)	(5,729,598)
1.2.1 Net (increase) decrease in financial assets held for trading		(109,865)	32,669
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		(4,695,954)	2,469,634
1.2.4 Net (increase) decrease in loans		(21,387,387)	(5,537,337)
1.2.5 Net (increase) decrease in other assets		(970,917)	(5,397,655)
1.2.6 Net increase (decrease) in bank deposits		878,042	1,302,828
1.2.7 Net increase (decrease) in other deposits		20,085,797	3,992,527
1.2.8 Net increase (decrease) in funds borrowed		1,444,519	(3,003,837)
1.2.9 Net increase (decrease) in matured payables		-	-
1.2.10 Net increase (decrease) in other liabilities	(5.6)	1,654,932	411,573
I. Net cash flow from banking operations		2,608,327	(2,491,094)
B. CASH FLOWS FROM INVESTING ACTIVITIES			
II. Net cash flow from investing activities		(3,131,929)	(1,726,790)
2.1 Cash paid for purchase of associates, subsidiaries and joint-ventures		(10,494)	(1,000)
2.2 Cash obtained from sale of associates, subsidiaries and joint-ventures		-	-
2.3 Purchases of tangible assets		(173,295)	(93,104)
2.4 Sales of tangible assets		60,519	60,217
2.5 Cash paid for purchase of financial assets available-for-sale		(15,477,598)	(11,212,839)
2.6 Cash obtained from sale of financial assets available-for-sale		14,577,414	6,010,963
2.7 Cash paid for purchase of investments held-to-maturity		(2,574,575)	(7,065)
2.8 Cash obtained from sale of investments held-to-maturity		466,100	3,516,038
2.9 Others	(5.6)	-	-
C. CASH FLOWS FROM FINANCING ACTIVITIES			
III. Net cash flow from financing activities		3,484,229	1,664,049
3.1 Cash obtained from funds borrowed and securities issued		8,329,896	4,467,635
3.2 Cash used for repayment of funds borrowed and securities issued		(4,248,568)	(2,203,586)
3.3 Equity instruments issued		-	-
3.4 Dividends paid		(596,500)	(600,000)
3.5 Payments for financial leases		(599)	-
3.6 Others (payments for founder shares repurchased)	(5.6)	-	-
IV. Effect of change in foreign exchange rate on cash and cash equivalents	(5.6)	898,458	(298,696)
V. Net increase/(decrease) in cash and cash equivalents		3,859,085	(2,852,531)
VI. Cash and cash equivalents at beginning of period		4,262,674	7,613,562
VII. Cash and cash equivalents at end of period		8,121,759	4,761,031

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:

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

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

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

Investment properties

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

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

3.14 Leasing activities

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

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

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

3.15 Provisions and contingent liabilities

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

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 September 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 September 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 25th of the fourth month following the close of the accounting period to which they relate. Tax returns are open for five years from the beginning of the year that follows the date of filing during which time the tax authorities have the right to audit tax returns, and the related accounting records on which they are based, and may issue re-assessments based on their findings.

The tax applications for foreign branches;

NORTHERN CYPRUS

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

MALTA

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

LUXEMBOURG

The corporate earnings are subject to a 21% corporate tax. This rate is determined by modifying accounting income for certain exclusions and allowances for tax purposes. An additional 7% of the calculated corporate income tax is paid as a contribution to unemployment insurance fund. 3% of the taxable income is paid as municipality tax in addition to corporate tax. The municipalities have the right to increase this rate up to 200%-350%. The municipality commerce tax, which the Bank's Luxembourg branch subject to currently is applied as 8.25% of the taxable income.

The tax returns do not include any tax amounts to be paid. The tax calculation is done by the tax office and the amount to be paid is declared to corporate through an official letter called Note. The amounts and the payment dates of prepaid taxes are determined and declared by the tax office at the beginning of the taxation period. The corporations whose head offices are outside Luxembourg, are allowed to transfer the rest of their net income after tax following the allocation of 5% of it for legal reserves, to their head offices.

3.18.2 Deferred taxes

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

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

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

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

3.18.3 Transfer pricing

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

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

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

3.19 Funds borrowed

The Bank 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 September 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>	Retail Banking	Corporate Banking	Investment Banking	Other	Total Operations
Total Operating Profit	2,921,704	2,487,160	1,928,417	87,377	7,424,658
Other	-	-	-	-	-
Total Operating Profit	2,921,704	2,487,160	1,928,417	87,377	7,424,658
Net Operating Profit	679,180	1,282,562	1,813,632	(537,032)	3,238,342
Income from Associates and Subsidiaries	-	-	-	56,041	56,041
Net Operating Profit	679,180	1,282,562	1,813,632	(480,991)	3,294,383
Provision for Taxes	-	-	-	773,790	773,790
Net Profit	679,180	1,282,562	1,813,632	(1,254,781)	2,520,593
Segment Assets	41,809,280	71,140,791	67,870,299	6,017,771	186,838,141
Investments in Associates and Subsidiaries	-	-	-	2,982,458	2,982,458
Total Assets	41,809,280	71,140,791	67,870,299	9,000,229	189,820,599
Segment Liabilities	64,025,918	46,266,769	52,510,421	4,928,639	167,731,747
Shareholders’ Equity	-	-	-	22,088,852	22,088,852
Total Liabilities and Shareholders’ Equity	64,025,918	46,266,769	52,510,421	27,017,491	189,820,599
Other Segment Items					
Capital Expenditures	-	-	-	208,511	208,511
Depreciation Expenses	100,087	44,571	3,683	9,330	157,671
Impairment Losses	607,660	372,674	10,819	112,055	1,103,208
Other Non-Cash Income/Expenses	116,211	160,574	(2,860,762)	(78,506)	(2,662,483)
Restructuring Costs	-	-	-	-	-

<i>Prior Period</i>	Retail Banking	Corporate Banking	Investment Banking	Other	Total Operations
Total Operating Profit	2,302,612	2,284,001	975,536	653,002	6,215,151
Other	-	-	-	-	-
Total Operating Profit	2,302,612	2,284,001	975,536	653,002	6,215,151
Net Operating Profit	485,825	1,289,100	892,328	286,181	2,953,434
Income from Associates and Subsidiaries	-	-	-	2,444	2,444
Net Operating Profit	485,825	1,289,100	892,328	288,625	2,955,878
Provision for Taxes	-	-	-	636,311	636,311
Net Profit	485,825	1,289,100	892,328	(347,686)	2,319,567
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
Total Assets	33,362,608	58,484,064	61,037,515	7,308,304	160,192,491
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
Total Liabilities and Shareholders' Equity	55,913,811	32,860,300	46,011,331	25,407,049	160,192,491
Other Segment Items					
Capital Expenditures	-	-	-	238,976	238,976
Depreciation Expenses	77,119	39,922	2,338	26,001	145,380
Impairment Losses	436,845	233,055	(47,126)	99,539	722,313
Other Non-Cash Income/Expenses	48,786	23,604	1,213,882	(76,609)	1,209,663
Restructuring Costs	-	-	-	-	-

3.24 Other disclosures

3.24.1 Changes in financial statements of prior periods

The effects of corrections to the prior periods' financial statements in compliance with TAS 8 due to the capital deduction of a foreign affiliate of the Bank in 2009, are disclosed below.

	<i>Reported</i>		<i>Restated</i>
	31 December 2011	Corrections	31 December 2011
Securities value increase fund	608,534	229,236	837,770
Extraordinary reserves	7,612,215	(193,103)	7,419,112
Current Period Net Profit/Loss (Foreign exchange gains/losses)	3,070,575	(36,133)	3,034,442

	<i>Reported</i>		<i>Restated</i>
	30 September 2012	Corrections	30 September 2012
Securities value increase fund	1,437,859	223,102	1,660,961
Extraordinary reserves	9,724,283	(229,236)	9,495,047
Current Period Net Profit/Loss (Foreign exchange gains/losses)	2,313,433	6,134	2,319,567

	<i>Reported</i>		<i>Restated</i>
	31 December 2012	Corrections	31 December 2012
Securities value increase fund	1,873,278	219,713	2,092,991
Extraordinary reserves	9,724,283	(229,236)	9,495,047
Current Period Net Profit/Loss (Foreign exchange gains/losses)	3,070,325	9,523	3,079,848

4 Financial position and results of operations and risk management

4.1 Capital adequacy ratio

The Bank's unconsolidated capital adequacy ratio is 15.43% (31 December 2012: 18.11%).

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

Current Period	Risk Weights								
	Parent Bank Only								
	0%	10%	20%	50%	75%	100%	150%	200%	1250%
Value at Credit Risk	-	-	1,523,827	13,567,157	25,450,102	70,671,674	6,876,632	15,684,888	-
Exposure Categories	53,688,111	-	7,619,133	27,134,314	33,933,469	70,671,674	4,584,421	7,842,444	-
Conditional and unconditional exposures to central governments or central banks	52,125,026	-	7	2,983,527	-	44	-	-	-
Conditional and unconditional exposures to regional governments or local authorities	-	-	39,475	-	-	-	-	-	-
Conditional and unconditional exposures to administrative bodies and non-commercial undertakings	-	-	-	-	-	35	-	-	-
Conditional and unconditional exposures to multilateral development banks	-	-	-	-	-	-	-	-	-
Conditional and unconditional exposures to international organisations	-	-	-	-	-	-	-	-	-
Conditional and unconditional exposures to banks and brokerage houses	-	-	6,547,123	6,162,591	-	44,583	-	-	-
Conditional and unconditional exposures to corporates	-	-	1,030,470	1,066,709	-	65,301,285	-	-	-
Conditional and unconditional retail exposures	-	-	-	-	33,933,469	-	-	-	-
Conditional and unconditional exposures secured by real estate property	-	-	-	16,918,264	-	-	-	-	-
Past due items	-	-	-	3,223	-	253,335	-	-	-
Items in regulatory high-risk categories	-	-	-	-	-	9,078	4,584,421	7,842,444	-
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	1,563,085	-	2,058	-	-	5,063,314	-	-	-

<i>Prior Period</i>	Risk Weights								
	Parent Bank Only								
	0%	10%	20%	50%	75%	100%	150%	200%	1250%
Value at Credit Risk	-	-	845,544	10,808,347	22,837,083	57,750,707	4,734,597	8,791,156	-
Exposure Categories	53,152,361	-	4,227,718	21,616,694	30,449,444	57,750,707	3,156,398	4,395,578	-
Conditional and unconditional exposures to central governments or central banks	51,909,957	-	24	2,392,452	-	7,402	-	-	-
Conditional and unconditional exposures to regional governments or local authorities	-	-	38	-	-	-	-	-	-
Conditional and unconditional exposures to administrative bodies and non-commercial undertakings	-	-	-	-	-	46,478	-	-	-
Conditional and unconditional exposures to multilateral development banks	-	-	-	-	-	-	-	-	-
Conditional and unconditional exposures to international organisations	-	-	-	-	-	-	-	-	-
Conditional and unconditional exposures to banks and brokerage houses	-	-	3,967,622	7,118,171	-	44,758	-	-	-
Conditional and unconditional exposures to corporates	-	-	254,972	552,980	-	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

	Current Period	Priod Period
Capital Requirement for Credit Risk (Value at Credit Risk*0.08) (CRCR)	10,701,942	8,461,395
Capital Requirement for Market Risk (MRCR)	317,238	90,480
Capital Requirement for Operational Risk (ORCR)	1,067,735	1,043,016
Shareholders' Equity (*)	23,319,820	21,714,598
Shareholders' Equity/((CRCR+MRCR+ORCR) * 12.5) * 100	15.43%	18.11%

(*) In prior period, the changes disclosed in note 3.24.1 are included.

4.1.4 Components of shareholders' equity items

	<i>Current Period</i>	<i>Prior Period (*)</i>
CORE CAPITAL		
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	13,449,648	10,383,495
Inflation Adjustments to Reserves	51,141	51,141
Profit	2,520,593	3,079,848
Current Period's Profit	2,520,593	3,079,848
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 (-)	82,339	94,182
Intangible Assets (-)	45,045	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 (-)	-	-
Total Core Capital	21,415,596	19,509,312
SUPPLEMENTARY CAPITAL		
General Provisions	1,743,073	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	135,015	116,050
45% of Securities Value Increase Fund	209,432	927,303
Inflation Adjustments to Other Capital and Profit Reserves and Prior Periods' Profit/Loss	37,146	37,146
Total Supplementary Capital	2,127,520	2,385,905
CAPITAL	23,543,116	21,895,217
DEDUCTIONS FROM CAPITAL	223,296	180,619
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	171,030	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	33,264	34,690
Securitization Positions to be Deducted from Equity	-	-
Other Deduction Items	19,002	11,398
TOTAL SHAREHOLDERS' EQUITY	23,319,820	21,714,598

(*) In prior period, the changes disclosed in note 3.24.1 are included.

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

4.3.1 Value at market risk

	<i>Current Period</i>	<i>Prior Period</i>
(I) Capital Requirement against General Market Risk - Standard Method	79,674	6,086
(II) Capital Requirement against Specific Risks - Standard Method	22,729	9,270
Capital Requirement against Specific Risks of Securitisation Positions– Standard Method	-	-
(III) Capital Requirement against Currency Position Risk - Standard Method	94,499	31,586
(IV) Capital Requirement against Commodity Risks - Standard Method	13,256	8,534
(V) Capital Requirement against Clearing Risks - Standard Method	-	-
(VI) Capital Requirement against Market Risks of Options - Standard Method	87,149	27,608
(VII) Capital Requirement against Counterparty Credit Risks - Standard Method	19,931	7,396
(VIII) Capital Requirement against Market Risks of Banks applying Risk Measurement	-	-
(IX) Total Capital Requirement against Market Risk (I+II+III+IV+V+VI+VII)	317,238	90,480
(X) Value-At-Market Risk ((12.5*VIII) or (12.5*IX))	3,965,475	1,131,000

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 September 2013, the Bank’s net ‘on balance sheet’ foreign currency long position amounts to TL 3,329,564 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 2,638,650 thousands (31 December 2012: a foreign currency long position of TL 521,742 thousands), while net foreign currency long position amounts to TL 690,914 thousands (31 December 2012: 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:

	USD	EUR
Foreign currency purchase rates at balance sheet date	1.9950	2.7003
<u>Rates for the days before balance sheet date:</u>		
Day 1	2.0050	2.7151
Day 2	2.0050	2.7151
Day 3	2.0050	2.7151
Day 4	1.9930	2.6869
Day 5	1.9750	2.6683
Last 30-days arithmetical average rates	1.9924	2.6607

The Bank's currency risk:

<i>Current Period</i>	EUR	USD	Other FCs	Total
Assets				
Cash (Cash on Hand, Money in Transit, Purchased Cheques) and Balances with the Central Bank of Turkey	6,297,529	10,564,612	4,581,747	21,443,888
Banks	2,849,543	3,980,962	113,722	6,944,227
Financial Assets at Fair Value through Profit/Loss	343,237	123,752	-	466,989
Interbank Money Market Placements	-	136,360	-	136,360
Financial Assets Available-for-Sale	168,425	1,691,096	-	1,859,521
Loans (*)	14,012,184	30,868,396	365,258	45,245,838
Investments in Associates, Subsidiaries and Joint-Ventures	2,246,849	246,316	-	2,493,165
Investments Held-to-Maturity	-	265,144	-	269,144
Derivative Financial Assets Held for Risk Management	-	-	-	-
Tangible Assets	129	76	-	205
Intangible Assets	-	-	-	-
Other Assets	45,789	191,694	7,242	244,725
Total Assets	25,963,685	48,072,408	5,067,969	79,104,062
Liabilities				
Bank Deposits	855,325	2,374,809	747,681	3,977,815
Foreign Currency Deposits	13,324,103	25,292,057	873,447	39,489,607
Interbank Money Market Takings	-	3,046,898	2	3,046,900
Other Fundings	7,040,149	12,426,721	327	19,467,197
Securities Issued	-	5,641,713	566,317	6,208,030
Miscellaneous Payables	41,674	151,561	182,500	375,735
Derivative Financial Liabilities Held for Risk Management	-	-	-	-
Other Liabilities (**)	230,197	517,666	2,461,351	3,209,214
Total Liabilities	21,491,448	49,451,425	4,831,625	75,774,498
Net 'On Balance Sheet' Position	4,472,237	(1,379,017)	236,344	3,329,564
Net 'Off-Balance Sheet' Position	(2,654,772)	410,905	(394,783)	(2,638,650)
Derivative Assets	7,369,542	20,354,588	3,584,932	31,309,062
Derivative Liabilities	10,024,314	19,943,683	3,979,715	33,947,712
Non-Cash Loans	-	-	-	-
Prior Period				
Total Assets	21,484,183	35,790,107	3,761,867	61,036,157
Total Liabilities	16,818,740	40,900,538	3,530,196	61,249,474
Net 'On Balance Sheet' Position	4,665,443	(5,110,431)	231,671	(213,317)
Net 'Off-Balance Sheet' Position	(4,531,503)	5,274,280	(221,035)	521,742
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 3,413,223 thousands included under TL loans in the accompanying balance sheet are presented above under the related foreign currency codes.

(**) Other liabilities include gold deposits of TL 2,444,486 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>	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Non-Interest Bearing (*)	Total
Assets							
Cash (Cash on Hand, Money in Transit, Purchased Cheques) and Balances with the Central Bank of Turkey	-	-	-	-	-	23,507,900	23,507,900
Banks	2,158,891	2,082,740	1,962,545	204,981	-	2,356,139	8,765,296
Financial Assets at Fair Value through Profit/Loss (**)	1,633	19,130	104,114	249,847	27,804	937,662	1,340,190
Interbank Money Market Placements	136,358	-	-	-	-	2	136,360
Financial Assets Available-for-Sale	6,510,456	3,561,862	7,968,741	2,660,281	1,292,397	852,965	22,846,702
Loans (**)	21,116,225	9,406,860	15,000,647	40,400,510	25,228,337	1,997,492	113,150,071
Investments Held-to-Maturity	3,344,694	2,071,983	3,541,169	2,959,551	520,555	155,493	12,593,445
Other Assets	4,698	998	-	998	3,941	7,470,000	7,480,635
Total Assets	33,272,955	17,143,573	28,577,216	46,746,168	27,073,034	37,277,653	189,820,599
Liabilities							
Bank Deposits	1,803,658	1,838,351	318,567	-	-	825,325	4,785,901
Other Deposits	55,425,000	18,897,824	8,646,308	49,167	8	20,767,106	103,785,413
Interbank Money Market Takings	9,475,160	139,724	1,097,247	1,396,611	-	30,855	12,139,597
Miscellaneous Payables	-	-	-	-	-	5,550,599	5,550,599
Securities Issued	631,311	2,373,916	2,191,687	2,244,896	2,326,223	179,069	9,947,102
Other Fundings	5,947,287	8,262,258	4,746,416	3,171,501	2,206,590	158,900	24,492,952
Other Liabilities	1,689	7,613	19,208	1	-	29,090,524	29,119,035
Total Liabilities	73,284,105	31,519,686	17,019,433	6,862,176	4,532,821	56,602,378	189,820,599
On Balance Sheet Long Position	-	-	11,557,783	39,613,992	22,540,213	-	73,711,988
On Balance Sheet Short Position	(40,011,150)	(14,376,113)	-	-	-	(19,324,725)	(73,711,988)
Off-Balance Sheet Long Position	2,332,025	4,376,808	2,628,514	3,420,884	1,164,547	-	13,922,778
Off-Balance Sheet Short Position	(1,828,514)	(3,581,075)	(1,371,643)	(3,988,263)	(1,536,299)	-	(12,305,794)
Total Position	(39,507,639)	(13,580,380)	12,814,654	39,046,613	22,168,461	(19,324,725)	1,616,984

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

(**) Loans amounting to TL 204,297 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>	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Non-Interest Bearing (*)	Total
Assets							
Cash (Cash on Hand, Money in Transit, Purchased Cheques) and Balances with the Central Bank of Turkey	-	-	-	-	-	16,112,682	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
Total Assets	23,546,941	22,253,960	28,420,323	37,709,736	18,221,062	30,040,469	160,192,491
Liabilities							
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
Total Liabilities	73,715,281	12,758,933	13,351,588	5,961,796	4,108,614	50,296,279	160,192,491
On Balance Sheet Long Position	-	9,495,027	15,068,735	31,747,940	14,112,448	-	70,424,150
On Balance Sheet Short Position	(50,168,340)	-	-	-	-	(20,255,810)	(70,424,150)
Off-Balance Sheet Long Position	1,641,576	3,331,561	2,670,303	2,951,487	626,121	-	11,221,048
Off-Balance Sheet Short Position	(743,463)	(1,794,291)	(2,112,161)	(3,527,824)	(1,172,411)	-	(9,350,150)
Total Position	(49,270,227)	11,032,297	15,626,877	31,171,603	13,566,158	(20,255,810)	1,870,898

(*) 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>	EUR	USD	JPY	TL
	%	%	%	%
Assets				
Cash (Cash on Hand, Money in Transit, Purchased Cheques) and Balances with the Central Bank of Turkey	-	-	-	-
Banks	0.94	0.51	-	6.74
Financial Assets at Fair Value through Profit/Loss	4.63	7.70	-	8.13
Interbank Money Market Placements	-	0.40	-	-
Financial Assets Available-for-Sale	3.87	5.57	-	8.04
Loans	4.92	5.25	5.50	12.68
Investments Held-to-Maturity	-	6.16	-	7.94
Liabilities				
Bank Deposits	2.02	1.97	-	7.09
Other Deposits	1.92	2.20	0.79	7.21
Interbank Money Market Takings	-	1.80	-	7.25
Miscellaneous Payables	-	-	-	-
Securities Issued	-	4.03	-	7.81
Other Fundings	1.50	2.07	-	9.75

<i>Prior Period</i>	EUR	USD	JPY	TL
	%	%	%	%
Assets				
Cash (Cash on Hand, Money in Transit, Purchased Cheques) and Balances with the Central Bank of Turkey	-	-	-	-
Banks	1.19	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
Liabilities				
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>			
	Type of Currency	Shocks Applied (+/- basis points)	Gains/Losses	Gains/Equity- Losses/Equity
1	TL	(+) 500bp	(3,071,945)	(13.17)%
2	TL	(-) 400bp	3,016,206	12.93%
3	USD	(+) 200bp	10,578	0.05%
4	USD	(-) 200bp	(44,712)	(0.19)%
5	EUR	(+) 200bp	(84,973)	(0.36)%
6	EUR	(-) 200bp	83,433	0.36%
	Total (of negative shocks)		3,054,927	13.10%
	Total (of positive shocks)		(3,146,340)	(13.49)%

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

4.7 Position risk of equity securities in banking book

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

<i>Current Period</i>		Comparison		
Equity Securities (shares)		Carrying Value	Fair Value	Market Value
1	Investment in Shares- grade A	2,899,956	2,605,729	58,882
	Quoted Securities	58,882	-	58,882
2	Investment in Shares- grade B	80,778	-	53,681
	Quoted Securities	53,681	-	53,681
3	Investment in Shares- grade C	662	-	-
	Quoted Securities	-	-	-
4	Investment in Shares- grade D	-	-	-
	Quoted Securities	-	-	-
5	Investment in Shares- grade E	1,014	-	-
	Quoted Securities	-	-	-
6	Investment in Shares- grade F	48	-	-
	Quoted Securities	-	-	-

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

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

<i>Current Period</i>		Gains/Losses in Current Period	Revaluation Surpluses		Unrealized Gains and Losses		
			Total	Amount in Supplementary Capital	Total	Amount in Core Capital	Amount in Supplementary Capital
1	Private Equity Investments	-	-	-	-	-	-
2	Quoted Shares	-	-	-	43,828	-	19,723
3	Other Shares	-	1,190,976	535,939	-	-	-
	Total	-	1,190,976	535,939	43,828	-	19,723

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

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 nine-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
Average (%)	147.17	136.79	99.35	103.32

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

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

	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Undistributed (*)	Total
Current Period								
Assets								
Cash (Cash on Hand, Money in Transit, Purchased Cheques) and Balances with the Central Bank of Turkey	6,612,052	16,895,848	-	-	-	-	-	23,507,900
Banks	2,329,681	817,877	180,049	1,338,562	1,892,537	2,206,590	-	8,765,296
Financial Assets at Fair Value through Profit/Loss (**)	98,650	118,237	171,578	349,701	509,205	92,819	-	1,340,190
Interbank Money Market Placements	-	136,360	-	-	-	-	-	136,360
Financial Assets Available-for-Sale	50,001	2,362,144	1,332,816	5,711,273	9,367,605	4,022,863	-	22,846,702
Loans (**)	3,991,672	11,941,023	7,075,724	17,491,562	43,629,682	28,595,015	425,393	113,150,071
Investments Held-to-Maturity	-	-	-	912,137	4,815,852	6,865,456	-	12,593,445
Other Assets	2,011,261	420,526	998	-	35,218	7,128	5,005,504	7,480,635
Total Assets	15,093,317	32,692,015	8,761,165	25,803,235	60,250,099	41,789,871	5,430,897	189,820,599
Liabilities								
Bank Deposits	816,696	1,807,172	1,668,143	320,406	173,484	-	-	4,785,901
Other Deposits	20,374,302	55,646,733	18,982,982	8,675,898	91,152	14,346	-	103,785,413
Other Fundings	-	419,765	3,736,191	8,438,265	8,475,392	3,423,339	-	24,492,952
Interbank Money Market Takings	-	9,484,042	139,791	1,112,724	1,403,040	-	-	12,139,597
Securities Issued	-	2,887	2,114,315	2,273,065	3,066,990	2,489,845	-	9,947,102
Miscellaneous Payables	636,513	4,914,086	-	-	-	-	-	5,550,599
Other Liabilities (***)	1,917,857	316,871	305,415	283,802	416,116	62,073	25,816,901	29,119,035
Total Liabilities	23,745,368	72,591,556	26,946,837	21,104,160	13,626,174	5,989,603	25,816,901	189,820,599
Liquidity Gap	(8,652,051)	(39,899,541)	(18,185,672)	4,699,075	46,623,925	35,800,268	(20,386,004)	-
Prior Period								
Total Assets	6,197,781	29,616,881	8,315,464	28,247,169	54,782,926	28,100,301	4,931,969	160,192,491
Total Liabilities	19,920,705	74,474,541	12,165,383	13,641,874	9,869,522	5,662,009	24,458,457	160,192,491
Liquidity Gap	(13,722,924)	(44,857,660)	(3,849,919)	14,605,295	44,913,404	22,438,292	(19,526,488)	-

(*) 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 204,297 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>	Amount ^(**)	Financial Collateral	Other/Physical Collateral	Guaranties and Credit Derivatives
Exposure Categories				
Conditional and unconditional exposures to central governments or central banks	56,829,171	690,319	-	-
Conditional and unconditional exposures to regional governments or local authorities	39,488	1	-	-
Conditional and unconditional exposures to administrative bodies and non-commercial undertakings	541	447	-	-
Conditional and unconditional exposures to multilateral development banks	-	-	-	-
Conditional and unconditional exposures to international organisations	-	-	-	-
Conditional and unconditional exposures to banks and brokerage houses	33,454,724	15,891,186	-	-
Conditional and unconditional exposures to corporates	89,670,280	7,277,359	-	-
Conditional and unconditional retail exposures	56,368,999	935,101	-	-
Conditional and unconditional exposures secured by real estate property ^(*)	17,717,535	92,019	-	-
Past due items	256,671	64	-	-
Items in regulatory high-risk categories	12,605,666	134,916	-	-
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	6,628,458	-	-	-

^(*) 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.

<i>Prior Period</i>	Amount ^(**)	Financial Collateral	Other/Physical Collateral	Guaranties and Credit Derivatives
Exposure Categories				
Conditional and unconditional exposures to central governments or central banks	56,704,672	2,415,166	-	-
Conditional and unconditional exposures to regional governments or local authorities	61	-	-	-
Conditional and unconditional exposures to administrative bodies and non-commercial undertakings	46,987	-	-	-
Conditional and unconditional exposures to multilateral development banks	-	-	-	-
Conditional and unconditional exposures to international organisations	-	-	-	-
Conditional and unconditional exposures to banks and brokerage houses	33,045,178	15,285,952	-	-
Conditional and unconditional exposures to corporates	69,149,393	4,490,416	-	-
Conditional and unconditional retail exposures	46,629,680	955,106	-	-
Conditional and unconditional exposures secured by real estate property ^(*)	12,055,043	59,004	-	-
Past due items	218,515	118	-	-
Items in regulatory high-risk categories	7,716,255	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>	
	TL	FC	TL	FC
Cash in TL/Foreign Currency	995,967	428,161	800,960	399,078
Central Bank of Turkey	1,068,045	20,874,711	492,972	14,372,246
Others	-	141,016	-	47,426
Total	2,064,012	21,443,888	1,293,932	14,818,750

Balances with the Central Bank of Turkey

	<i>Current Period</i>		<i>Prior Period</i>	
	TL	FC	TL	FC
Unrestricted Demand Deposits	1,068,045	3,978,863	492,972	1,500,401
Unrestricted Time Deposits	-	-	-	-
Restricted Time Deposits	-	16,895,848	-	12,871,845
Total	1,068,045	20,874,711	492,972	14,372,246

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

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

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

	<i>Current Period</i>		<i>Prior Period</i>	
	TL	FC	TL	FC
Collateralised/Blocked Assets	-	255,457	-	223,894
Assets Subject to Repurchase Agreements	-	-	-	-
Total	-	255,457	-	223,894

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

	<i>Current Period</i>		<i>Prior Period</i>	
	TL	FC	TL	FC
Forward Transactions	147,563	13,774	44,018	2,544
Swap Transactions	213,423	190,284	206,319	225,871
Futures	-	7,398	-	5,776
Options	226,317	22,935	47,495	18,682
Other	-	-	-	-
Total	587,303	234,391	297,832	252,873

5.1.3 Banks

	<i>Current Period</i>		<i>Prior Period</i>	
	TL	FC	TL	FC
Banks				
Domestic banks	101,079	50,399	191,158	52,949
Foreign banks	1,719,990	6,893,828	2,041,405	5,460,839
Foreign headoffices and branches	-	-	-	-
Total	1,821,069	6,944,227	2,232,563	5,513,788

The placements at foreign banks include blocked accounts amounting TL 6,634,968 thousands (31 December 2012: TL 5,658,771 thousands) of which TL 96,074 thousands (31 December 2012: TL 82,876 thousands) and TL 41,339 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 6,497,555 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>	
	TL	FC	TL	FC
Collateralised/Blocked Assets	7,272,801	507,433	10,954,245	96,816
Assets subject to Repurchase Agreements	6,804,830	359,024	14,696,052	-
Total	14,077,631	866,457	25,650,297	96,816

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

	<i>Current Period</i>	<i>Prior Period</i>
Debt Securities	22,196,713	31,750,364
Quoted at Stock Exchange	19,559,294	29,596,105
Unquoted at Stock Exchange	2,637,419	2,154,259
Common Shares/Investment Funds	26,915	22,249
Quoted at Stock Exchange (*)	7,669	5,081
Unquoted at Stock Exchange	19,246	17,168
Value Increases/Impairment Losses (-)	623,074	4,102,166
Total	22,846,702	35,874,779

As of 30 September 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 851,998 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
Direct Lendings to Shareholders	625	135,381	21	92,270
Corporates	625	135,381	21	92,270
Individuals	-	-	-	-
Indirect Lendings to Shareholders	378,860	282,053	314,839	256,913
Loans to Employees	157,992	47	107,541	48
Total	537,477	417,481	422,401	349,231

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

<i>Cash Loans</i>	<i>Performing Loans and Other Receivables</i>			<i>Loans and Other Receivables under Follow-Up</i>		
	<i>Loans and Other Receivables (Total)</i>	<i>Loans and Receivables with Revised Contract Terms</i>		<i>Loans and Other Receivables (Total)</i>	<i>Loans and Receivables with Revised Contract Terms</i>	
		<i>Extension of Repayment Plan</i>	<i>Other Changes</i>		<i>Extension of Repayment Plan</i>	<i>Other Changes</i>
Loans	109,656,576	1,575,903	-	3,068,102	1,301,068	686,314
Working Capital Loans	8,802,059	141,384	-	637,557	316,704	113,691
Export Loans	3,968,766	4,331	-	41,587	28,206	11,308
Import Loans	782	-	-	-	-	-
Loans to Financial Sector (*)	2,632,980	-	-	-	-	-
Consumer Loans	27,412,204	1,113,446	-	697,567	194,744	61,903
Credit Cards	14,011,428	-	-	524,585	-	390,975
Others	52,828,357	316,742	-	1,166,806	761,414	108,437
Specialization Loans	-	-	-	-	-	-
Other Receivables	-	-	-	-	-	-
Total	109,656,576	1,575,903	-	3,068,102	1,301,068	686,314

(*) Loans amounting to TL 204,297 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
Loans	89,217,584	1,269,093	-	2,426,210	872,130	561,099
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
Specialization Loans	-	-	-	-	-	-
Other Receivables	-	-	-	-	-	-
Total	89,217,584	1,269,093	-	2,426,210	872,132	561,099

(*) 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/ Commercial	Consumer Loans	Credit Cards	Total
	Loans			
Loans Collateralized by Cash	9,356	2,070	-	11,426
Loans Collateralized by Mortgages	1,043,909	259,887	-	1,303,796
Loans Collateralized by Pledged Assets	69,614	42,890	-	112,504
Loans Collateralized by Cheques and Notes	79,009	365,714	-	444,723
Loans Collateralized by Other Collaterals	594,756	2,002	-	596,758
Unsecured Loans	49,306	25,004	524,585	598,895
Total	1,845,950	697,567	524,585	3,068,102

<i>Prior Period</i>	Corporate/ Commercial	Consumer Loans	Credit Cards	Total
	Loans			
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
Total	1,643,486	446,106	336,618	2,426,210

Delinquency periods of loans under follow-up;

<i>Current Period</i>	Corporate/ Commercial	Consumer Loans	Credit Cards	Total
	Loans			
31-60 days	57,649	305,359	83,833	446,841
61-90 days	37,804	79,213	28,975	145,992
Others	1,750,497	312,995	411,777	2,475,269
Total	1,845,950	697,567	524,585	3,068,102

<i>Prior Period</i>	Corporate/ Commercial Loans	Consumer Loans	Credit Cards	Total
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
Total	1,643,486	446,106	336,618	2,426,210

Loans and other receivables with extended payment plans;

No. of Extensions	<i>Current Period</i>		<i>Prior Period</i>	
	Performing Loans and Other Receivables	Loans and Other Receivables under Follow-up	Performing Loans and Other Receivables	Loans and Other Receivables under Follow-up
1 or 2 times	1,474,037	1,273,526	1,170,683	830,194
3, 4 or 5 times	78,771	24,466	87,379	28,011
Over 5 times	23,095	3,076	11,031	13,927

Extention Periods	<i>Current Period</i>		<i>Prior Period</i>	
	Performing Loans and Other Receivables	Loans and Other Receivables under Follow-up	Performing Loans and Other Receivables	Loans and Other Receivables under Follow-up
0 - 6 months	525,205	248,633	222,024	411,970
6 - 12 months	193,132	70,651	284,389	80,138
1 - 2 years	336,868	148,375	272,693	88,897
2 - 5 year	453,637	332,071	375,218	116,133
5 years and over	67,061	501,338	114,769	174,994

5.1.5.3 *Maturity analysis of cash loans*

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

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

<i>Current Period</i>	Short-Term	Medium and Long-Term	Total
Consumer Loans – TL	577,239	26,830,042	27,407,281
Housing Loans	22,826	12,954,531	12,977,357
Automobile Loans	19,125	1,451,965	1,471,090
General Purpose Loans	97,721	1,785,315	1,883,036
Other	437,567	10,638,231	11,075,798
Consumer Loans – FC-indexed	-	233,302	233,302
Housing Loans	-	225,252	225,252
Automobile Loans	-	151	151
General Purpose Loans	-	6,320	6,320
Other	-	1,579	1,579
Consumer Loans – FC	121	37,529	37,650
Housing Loans	81	29,323	29,404
Automobile Loans	11	6,342	6,353
General Purpose Loans	-	793	793
Other	29	1,071	1,100
Retail Credit Cards – TL	12,574,528	609,599	13,184,127
With Installment	7,452,134	609,584	8,061,718
Without Installment	5,122,394	15	5,122,409
Retail Credit Cards – FC	41,278	-	41,278
With Installment	17,773	-	17,773
Without Installment	23,505	-	23,505
Personnel Loans – TL	17,452	52,875	70,327
Housing Loan	-	1,465	1,465
Automobile Loans	-	102	102
General Purpose Loans	4,369	9,182	13,551
Other	13,083	42,126	55,209
Personnel Loans - FC-indexed	-	299	299
Housing Loans	-	299	299
Automobile Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Personnel Loans – FC	-	101	101
Housing Loans	-	-	-
Automobile Loans	-	-	-
General Purpose Loans	-	101	101
Other	-	-	-
Personnel Credit Cards – TL	78,103	764	78,867
With Installment	39,988	764	40,752
Without Installment	38,115	-	38,115
Personnel Credit Cards – FC	645	-	645
With Installment	294	-	294
Without Installment	351	-	351
Deposit Accounts– TL (Real persons)	360,811	-	360,811
Deposit Accounts– FC (Real persons)	-	-	-
Total	13,650,177	27,764,511	41,414,688

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

5.1.5.5 Installment based commercial loans and corporate credit cards

<i>Current Period</i>	Short-Term	Medium and Long-Term	Total
Installment-based Commercial Loans – TL	1,019,723	8,060,975	9,080,698
Real Estate Loans	1,592	652,342	653,934
Automobile Loans	43,086	1,592,199	1,635,285
General Purpose Loans	975,045	5,810,815	6,785,860
Other	-	5,619	5,619
Installment-based Commercial Loans - FC-indexed	84,205	963,407	1,047,612
Real Estate Loans	50	48,682	48,732
Automobile Loans	2,535	233,048	235,583
General Purpose Loans	81,620	681,677	763,297
Other	-	-	-
Installment-based Commercial Loans – FC	260	90,083	90,343
Real Estate Loans	-	1,391	1,391
Automobile Loans	51	5,503	5,554
General Purpose Loans	209	18,079	18,288
Other	-	65,110	65,110
Corporate Credit Cards – TL	1,222,288	1,003	1,223,291
With Installment	712,500	1,003	713,503
Without Installment	509,788	-	509,788
Corporate Credit Cards – FC	7,805	-	7,805
With Installment	140	-	140
Without Installment	7,665	-	7,665
Deposit Accounts– TL (Corporates)	648,239	-	648,239
Deposit Accounts– FC (Corporates)	-	-	-
Total	2,982,520	9,115,468	12,097,988

<i>Prior Period</i>	Short-Term	Medium and Long-Term	Total
Installment-based Commercial Loans – TL	1,113,031	7,756,447	8,869,478
Real Estate Loans	547	577,452	577,999
Automobile Loans	49,295	1,540,604	1,589,899
General Purpose Loans	1,063,189	5,631,924	6,695,113
Other	-	6,467	6,467
Installment-based Commercial Loans - FC-indexed	71,711	662,032	733,743
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	-	-	-
Installment-based Commercial Loans – FC	416	79,045	79,461
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
Corporate Credit Cards – TL	636,981	750	637,731
With Installment	375,502	750	376,252
Without Installment	261,479	-	261,479
Corporate Credit Cards – FC	4,808	-	4,808
With Installment	1	-	1
Without Installment	4,807	-	4,807
Deposit Accounts– TL (corporates)	646,939	-	646,939
Deposit Accounts– FC (corporates)	-	-	-
Total	2,473,886	8,498,274	10,972,160

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	110,078,096	88,964,587
Foreign Loans (*)	2,646,582	2,679,207
Total	112,724,678	91,643,794

(*) Loans amounting to TL 204,297 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	742,541	851,364
Indirect Lending	-	-
Total	742,541	851,364

5.1.5.9 Specific provisions for loans

	<i>Current Period</i>	<i>Prior Period</i>
Substandard Loans and Receivables - Limited Collectibility	158,221	112,647
Doubtful Loans and Receivables	323,925	460,160
Uncollectible Loans and Receivables	1,347,294	1,138,387
Total	1,829,440	1,711,194

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

Non-performing loans and other receivables restructured or rescheduled

	Group III	Group IV	Group V
	Substandard Loans and Receivables	Doubtful Loans and Receivables	Uncollectible Loans and Receivables
<i>Current Period</i>			
(Gross Amounts before Specific Provisions)	55,346	65,140	92,893
Restructured Loans and Receivables	55,346	65,140	92,893
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

	Group III	Group IV	Group V
	Substandard Loans and Receivables	Doubtful Loans and Receivables	Uncollectible Loans and Receivables
<i>Current Period</i>			
Balances at Beginning of Period	219,718	565,595	1,328,760
Additions during the Period (+)	734,380	43,554	82,951
Transfer from Other NPL Categories (+)	-	636,922	686,938
Transfer to Other NPL Categories (-)	636,922	686,938	-
Collections during the Period (-)	96,599	131,066	182,159
Write-offs (-)	-	229	310,072
Corporate and Commercial Loans	-	226	29,209
Retail Loans	-	-	51,880
Credit Cards	-	3	228,938
Others	-	-	-
Balances at End of Period	220,577	427,838	1,606,418
Specific Provisions (-)	158,221	323,925	1,347,294
Net Balance on Balance Sheet	62,356	103,913	259,124

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

<i>Prior Period</i>	Group III	Group IV	Group V
	Substandard Loans and Receivables	Doubtful Loans and Receivables	Uncollectible Loans and Receivables
Balances at Beginning of Period	78,176	191,288	1,262,623
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	-	-	-
Balances at End of Period	219,718	565,595	1,328,760
Specific Provisions (-)	112,647	460,160	1,138,387
Net Balance on Balance Sheet	107,071	105,435	190,373

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

Movements in specific loan provisions

<i>Current Period</i>	Corporate/ Commercial Loans	Consumer Loans	Credit Cards	Total
Balances at End of Prior Period	735,868	368,947	606,379	1,711,194
Additions during the Period(+)	241,276	186,963	272,978	701,217
Restructured/Rescheduled Loans (-)	-	-	-	-
Collections during the Period (-)	108,992	75,936	102,270	287,198
Write-offs (-)	16,472	50,315	228,986	295,773
Balances at End of Period	851,680	429,659	548,101	1,829,440

<i>Prior Period</i>	Corporate/ Commercial Loans	Consumer Loans	Credit Cards	Total
Balances at End of Prior Period	450,411	248,229	553,075	1,251,715
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
Balances at End of Period	735,868	368,947	606,379	1,711,194

Non-performing loans and other receivables in foreign currencies

	Group III	Group IV	Group V
	Substandard Loans and Receivables	Doubtful Loans and Receivables	Uncollectible Loans and Receivables
<i>Current Period</i>			
Balance at End of Period	6,251	48,728	431,344
Specific Provisions (-)	1,790	36,326	365,024
Net Balance at Balance Sheet	4,461	12,402	66,320
<i>Prior Period</i>			
Balance at End of Period	10,686	233,309	210,366
Specific Provisions (-)	5,059	198,414	175,164
Net Balance at Balance Sheet	5,627	34,895	35,202

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

	Group III	Group IV	Group V
	Substandard Loans and Receivables	Doubtful Loans and Receivables	Uncollectible Loans and Receivables
<i>Current Period (Net)</i>			
	62,356	103,913	259,124
Loans to Individuals and Corporates (Gross)	220,577	427,838	1,598,386
Specific Provision (-)	158,221	323,925	1,339,262
Loans to Individuals and Corporates (Net)	62,356	103,913	259,124
Banks (Gross)	-	-	311
Specific Provision (-)	-	-	311
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	7,721
Specific Provision (-)	-	-	7,721
Other Loans and Receivables (Net)	-	-	-
<i>Prior Period (Net)</i>			
	107,071	105,435	190,373
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>	Corporate/ Commercial Loans	Consumer Loans	Credit Cards	Total
Loans Collateralized by Cash	498	160	-	658
Loans Collateralized by Mortgages	427,222	57,717	-	484,939
Loans Collateralized by Pledged Assets	227,577	42,595	-	270,172
Loans Collateralized by Cheques and Notes	272,949	325,712	-	598,661
Loans Collateralized by Other Collaterals	229,720	3,727	-	233,447
Unsecured Loans	65,680	48,658	552,618	666,956
Total	1,223,646	478,569	552,618	2,254,833

<i>Prior Period</i>	Corporate/ Commercial Loans	Consumer Loans	Credit Cards	Total
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
Total	1,063,835	411,151	639,087	2,114,073

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>	
	TL	FC	TL	FC
Collateralised/Blocked Investments	4,150,868	-	677,522	356,786
Investments subject to Repurchase Agreements	6,045,092	237,837	-	-
Total	10,195,960	237,837	677,522	356,786

5.1.6.2 *Government securities held-to-maturity*

	<i>Current Period</i>	<i>Prior Period</i>
Government Bonds	12,486,445	911,245
Treasury Bills	-	-
Other Government Securities	-	445,864
Total	12,486,445	1,357,109

5.1.6.3 Investments held-to-maturity

	<i>Current Period</i>	<i>Prior Period</i>
Debt Securities	12,444,281	1,359,571
Quoted at Stock Exchange	12,337,389	1,352,506
Unquoted at Stock Exchange	106,892	7,065
Valuation Increase / (Decrease)	149,164	4,812
Total	12,593,445	1,364,383

5.1.6.4 Movement of investments held-to-maturity

	<i>Current Period</i>	<i>Prior Period</i>
Balances at Beginning of Period	1,364,383	4,786,530
Foreign Currency Differences On Monetary Assets	-	(26,348)
Purchases during the Period (*)	11,539,669	7,065
Disposals through Sales/Redemptions (**)	(466,100)	(3,407,676)
Valuation Effect	155,493	4,812
Balances at End of Period	12,593,445	1,364,383

(*) The Bank reclassified certain securities issued by the Turkish Treasury, with a total face value of TL 8,965,094 thousands from financial assets available-for-sale portfolio to investments held-to-maturity portfolio in the current period.

(**) 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

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

	Total Assets	Shareholders' Equity	Total Fixed Assets (*)	Interest Income	Income on Securities Portfolio	Current Period Profit/Loss	Prior Period Profit/Loss	Company's Fair Value (if available)
1	27,657	20,724	16,916	239	11	1,116	1,998	-
2	614,184	73,104	2,461	11,556	485	2,268	1,622	-
3	4,601,531	543,398	15,647	45,759	317	34,803	33,198	-
4	598,342	456,427	18,385	4,044	758	23,432	-	-
5	85,008	71,010	48,040	917	9	20,234	16,175	-
6	251,407,290	23,683,777	274,340	3,079,573	2,404,666	(300,025)	18,381,955	-
7	272,049	266,402	3,378	4,426	-	5,427	4,730	-

(1) Financial information is as of 30 June 2013.

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

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

(**) As the date of establishment of Borsa İstanbul AŞ is 3 April 2013, the Current Period Profit/Loss includes only the performance of the period from 3 April 2013 to 30 June 2013.

5.1.7.2 Movement of investments in associates

	<i>Current Period</i>	<i>Prior Period</i>
Balance at Beginning of Period	21,099	19,834
Movements during the Period	15,599	1,265
Acquisitions (*)	10,494	1,211
Bonus Shares Received (**)	5,105	57
Dividends from Current Year Profit	-	-
Sales (***)	-	(3)
Increase in Market Values	-	-
Impairment Reversals/(Losses)	-	-
Balance at End of Period	36,698	21,099
Capital Commitments	-	-
Share Percentage at the End of Period (%)	-	-

(*) 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.

According to the article 138-6/a of the Capital Markets Law no.6362, C group of shares of Borsa İstanbul AŞ were transferred as free shares to the existing members of İstanbul Altın Borsası as per the board of directors' meeting of Borsa İstanbul AŞ on 4 July 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

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

Investments in Associates	<i>Current Period</i>	<i>Prior Period</i>
Valued at Cost	36,698	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>	Garanti Bank International NV	Garanti Finansal Kiralama AS	Garanti Holding BV
CORE CAPITAL	1,116,517	582,321	515,448
Paid-in Capital	374,255	12,016	996,651
Inflation Adjustments to Paid-in Capital	-	68,832	-
Share Premium	-	-	35,034
Reserves	576,681	480,566	(407,759)
Current Period's Profit and Prior Periods' Profit	171,878	23,286	59,194
Current Period's Losses and Prior Periods' Losses	-	-	-
Leasehold Improvements on Operational Leases (-)	-	-	13,138
Intangible Assets (-)	6,297	2,379	3,439
Goodwill (Net) (-)	-	-	151,095
SUPPLEMENTARY CAPITAL	229,645	-	(71,679)
CAPITAL	1,346,162	582,321	443,769
DEDUCTIONS FROM CAPITAL	-	6	16,704
NET AVAILABLE EQUITY	1,346,162	582,315	427,065

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

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 ⁽¹⁾	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	36,455	32,021	70	625	576	1,001	6,080	-
2	26,914	16,468	4,241	347	178	949	521	-
3	3,993	3,753	18	-	49	2,529	848	-
4	972	746	63	-	4	73	61	-
5	2,782	2,603	4	-	60	948	(120)	-
6	3,352,427	584,700	17,866	199,244	-	55,397	45,956	-
7	1,492,411	117,912	2,866	84,991	-	12,901	16,639	137,541
8	56,797	36,965	2,228	267	2,937	6,915	(2,121)	-
9	25,233	20,887	1,825	710	149	2,686	2,496	-
10	5,103,852	681,811	18,344	35,610	4,288	105,716	102,558	-
11	11,586,781	1,272,896	56,445	279,997	50,825	171,878	91,357	1,341,771
12	977,071	189,414	44,181	28,114	13,555	11,617	12,144	246,458
13	876,107	876,093	-	5	-	(97)	(98)	905,078

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

(1) Financial information is as of 30 June 2013.

5.1.8.3 Movement of investments in subsidiaries

	<i>Current Period</i>	<i>Prior Period</i>
Balance at Beginning of Period	2,588,534	2,168,576
Movements during the Period	357,226	419,958
Acquisitions (*)	-	46,474
Bonus Shares Received (**)	46,142	-
Dividends from Current Year Profit	-	-
Sales/Liquidations	-	-
Reclassification of Shares	-	-
Increase/(Decrease) in Market Values	129,418	420,961
Currency Differences on Foreign Subsidiaries	181,666	(47,477)
Impairment Reversals/(Losses)	-	-
Balance at End of Period	2,945,760	2,588,534
Capital Commitments	-	-
Share Percentage at the End of Period (%)	-	-

(*) 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.

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

5.1.8.4 Sectoral distribution of investments in subsidiaries

Subsidiaries	<i>Current Period</i>	<i>Prior Period</i>
Banks	1,588,087	1,357,098
Insurance Companies	56,545	56,545
Factoring Companies	112,563	130,967
Leasing Companies	110,743	110,743
Finance Companies	973,737	829,096
Other Subsidiaries	104,085	104,085

5.1.8.5 Quoted subsidiaries

Subsidiaries	<i>Current Period</i>	<i>Prior Period</i>
Quoted at Domestic Stock Exchanges	112,563	130,967
Quoted at International Stock Exchanges	-	-

5.1.8.6 Valuation methods of investments in subsidiaries

Subsidiaries	<i>Current Period</i>	<i>Prior Period</i>
Valued at Cost	340,031	340,031
Valued at Fair Value	2,605,729	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	37,407	-	-	-
Cash Flow Hedges	-	-	-	-
Net Foreign Investment Hedges	-	-	-	-
Total	37,407	-	-	-

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		188,433	(37,749)	(46)	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 September 2013, the Bank has a deferred tax asset of TL 164,711 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 September 2013. However, there is a deferred tax asset of TL 345,155 thousands (31 December 2012: TL 253,239 thousands) and deferred tax liability of TL 180,444 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>	
	Tax Base	Deferred Tax Amount	Tax Base	Deferred Tax Amount
Provisions (*)	636,578	127,316	457,084	91,417
Differences between the Carrying Values and Taxable Values of Financial Assets (**)	192,898	24,466	419,887	89,911
Other	64,645	12,929	(19,068)	(3,813)
Total Deferred Tax Asset, Net	894,121	164,711	857,903	177,515

(*) 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 September 2013, TL 333,101 thousands (31 December 2012: TL 340,751 thousands) of deferred tax expense and TL 320,297 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>
End of Prior Period		
Cost	131,463	124,203
Accumulated Depreciation (-)	(4,112)	(2,444)
Net Book Value	127,351	121,759
End of Current Period		
Additions	69,443	71,425
Disposals (Cost)	(50,053)	(62,393)
Disposals (Accumulated Depreciation)	625	517
Impairment Losses (-)	(1,350)	(1,772)
Depreciation Expense for Current Period (-)	(2,111)	(2,185)
Currency Translation Differences on Foreign Operations	-	-
Cost	149,503	131,463
Accumulated Depreciation (-)	(5,598)	(4,112)
Net Book Value	143,905	127,351

As of balance sheet date, the net book values of assets held for sale on which rights of repurchase exist amounting to TL 27,776 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	2,914	7,733
Sale of Other Assets	3,022	3,007
Total	5,936	12,102

5.1.17.2 Prepaid expenses, taxes and similar items

	<i>Current Period</i>	<i>Prior Period</i>
Prepaid Expenses	346,654	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>	
	TL	FC	TL	FC
Central Bank of Turkey	-	-	-	-
Financial Assets at Fair Value through Profit or Loss	906	16,412	270	18,201
Banks	15,997	12,453	15,330	17,636
Interbank Money Markets	-	2	-	-
Financial Assets Available-for-Sale	718,958	84,006	4,081,030	33,254
Loans	995,122	576,977	755,137	419,906
Investments Held-to-Maturity	154,400	1,093	590	4,223
Other Accruals	4,623	-	6,713	-
Total	1,890,006	690,943	4,859,070	493,220

5.2 Liabilities

5.2.1 Maturity profile of deposits

<i>Current Period</i>	Demand	7 Days Notice	Up to 1 Month	1-3 Months	3-6 Months	6-12 Months	1 Year and Over	Accumulating Deposit Accounts	Total
Saving Deposits	4,569,720	-	3,598,584	28,470,983	1,048,311	473,662	314,059	3,360	38,478,679
Foreign Currency Deposits	7,236,331	-	4,364,895	18,220,296	3,021,571	5,497,460	1,074,603	74,451	39,489,607
Residents in Turkey	6,766,497	-	4,216,510	16,509,102	1,258,292	684,702	468,586	72,739	29,976,428
Residents in Abroad	469,834	-	148,385	1,711,194	1,763,279	4,812,758	606,017	1,712	9,513,179
Public Sector Deposits	1,602,116	-	6,573	9,826	1,735	1,248,861	104	-	2,869,215
Commercial Deposits	4,638,178	-	3,575,839	7,318,826	2,343,878	1,038,519	236,940	-	19,152,180
Other	139,305	-	144,131	530,358	361,805	273,557	564	-	1,449,720
Precious Metal Deposits	2,188,652	-	774	49,785	-	2,131	104,670	-	2,346,012
Bank Deposits	816,696	-	817,739	1,102,656	1,516,531	325,567	206,712	-	4,785,901
Central Bank of Turkey	-	-	-	-	-	-	-	-	-
Domestic Banks	3,404	-	570,763	12,081	59,928	6,087	20,244	-	672,507
Foreign Banks	239,040	-	246,976	1,090,575	1,456,603	319,480	186,468	-	3,539,142
Special Financial Institutions	574,252	-	-	-	-	-	-	-	574,252
Other	-	-	-	-	-	-	-	-	-
Total	21,190,998	-	12,508,535	55,702,730	8,293,831	8,859,757	1,937,652	77,811	108,571,314

<i>Prior Period</i>	Demand	7 Days Notice	Up to 1 Month	1-3 Months	3-6 Months	6-12 Months	1 Year and Over	Accumulating Deposit Accounts	Total
Saving Deposits	3,547,678	-	3,249,553	25,946,859	283,170	83,893	236,802	2,619	33,350,574
Foreign Currency Deposits	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
Public Sector Deposits	676,056	-	24,344	13,628	8	-	-	-	714,036
Commercial Deposits	3,943,349	-	2,657,913	7,443,111	485,952	185,025	27,938	-	14,743,288
Other	66,997	-	39,804	189,564	5,226	347	372	-	302,310
Precious Metal Deposits	2,300,584	-	25,929	19,023	-	2,274	27,271	-	2,375,081
Bank Deposits	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	-	-	-	-	-	-	-	-	-
Total	18,015,475	-	12,255,218	50,433,842	2,093,743	3,227,605	1,374,714	81,822	87,482,419

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 (*)	18,783,921	12,716,833	19,376,176	20,341,572
Foreign Currency Saving Deposits	4,717,411	3,276,116	12,891,657	12,611,000
Other Saving Deposits	1,503,652	1,132,858	741,994	1,114,691
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	572,011	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	455,697	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	65,905	19,793	64,245	11,967
Swap transactions	525,875	181,260	469,195	253,497
Futures	-	-	-	-
Options	156,858	19,965	53,912	18,215
Other	-	-	-	-
Total	748,638	221,018	587,352	283,679

5.2.3 Funds borrowed

	Current Period		Prior Period	
	TL	FC	TL	FC
Central Bank of Turkey	-	-	-	-
Domestic Banks and Institutions	279,775	370,076	234,007	349,317
Foreign Banks, Institutions and Funds	4,745,980	18,962,093	3,951,485	17,142,821
Total	5,025,755	19,332,169	4,185,492	17,492,138

5.2.3.1 Maturities of funds borrowed

	<i>Current Period</i>		<i>Prior Period</i>	
	TL	FC	TL	FC
Short-Term	501,569	8,153,254	222,386	4,254,951
Medium and Long-Term	4,524,186	11,178,915	3,963,106	13,237,187
Total	5,025,755	19,332,169	4,185,492	17,492,138

5.2.3.2 Disclosures for concentration areas of bank's liabilities

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

5.2.4 Other external funds

5.2.4.1 Securities issued

<i>Current Period</i>	TL		FC	
	Short-Term	Medium and Long-Term	Short-Term	Medium and Long-Term
Nominal	1,487,165	2,485,866	1,327,946	4,881,772
Cost	1,451,120	2,361,598	1,326,852	4,847,589
Carrying Value (*)	1,361,490	2,377,582	1,330,602	4,877,428

<i>Prior Period</i>	TL		FC	
	Short-Term	Medium and Long-Term	Short-Term	Medium and Long-Term
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 150,248 thousands and FC securities with total face value of USD 74,257,000 (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>	
	TL	FC	TL	FC
Domestic Transactions	7,165,655	-	11,478,900	-
Financial Institutions and Organizations	7,126,738	-	11,440,063	-
Other Institutions and Organizations	18,168	-	17,361	-
Individuals	20,749	-	21,476	-
Foreign Transactions	1,927,042	3,046,900	748,015	1,272,608
Financial Institutions and Organizations	1,926,754	3,046,900	747,723	1,272,608
Other Institutions and Organizations	230	-	186	-
Individuals	58	-	106	-
Total	9,092,697	3,046,900	12,226,915	1,272,608

5.2.4.3 Miscellaneous payables

	<i>Current Period</i>		<i>Prior Period</i>	
	TL	FC	TL	FC
Payables from credit card transactions	4,814,865	45,162	3,937,158	12,313
Other	359,999	330,573	272,564	365,894
Total	5,174,864	375,735	4,209,722	378,207

5.2.5 Lease payables (Net)

5.2.5.1 Financial lease payables

	<i>Current Period</i>		<i>Prior Period</i>	
	Gross	Net	Gross	Net
Up to 1 Year	465	445	363	340
1-4 Years	2	1	2	1
More than 4 Years	-	-	-	-
Total	467	446	365	341

5.2.5.2 Operational lease agreements

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

5.2.6 Derivative financial liabilities held for risk management

Derivative Financial Liabilities Held for Risk Management	<i>Current Period</i>		<i>Prior Period</i>	
	TL	FC	TL	FC
Fair Value Hedges	-	2,221	-	-
Cash Flow Hedges	-	-	-	-
Net Foreign Investment Hedges	-	-	-	-
Total	-	2,221	-	-

5.2.7 Provisions

5.2.7.1 General provisions

	<i>Current Period</i>	<i>Prior Period</i>
General Provision for	1,743,073	1,302,552
Loans and Receivables in Group I	1,439,799	1,082,935
- Additional Provision for Loans and Receivables with Extended Maturities	84,217	66,313
Loans and Receivables in Group II	44,607	33,734
- Additional Provision for Loans and Receivables with Extended Maturities	69,597	45,215
Non-Cash Loans	104,853	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	899	6,635
Medium and Long-Term Loans	153	4,749
Total	1,052	11,384

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	487,363	343,997
Provision for Promotion Expenses of Credit Cards (*)	50,432	37,760
Provision for Lawsuits	31,909	19,928
Other Provisions	103,597	55,334
Total	673,301	457,019

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

Recognized liability for defined benefit plan obligations

The Bank obtained an actuarial report dated 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>
Transferable Pension and Medical Benefits:		
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)
Present Value of Pension and Medical Benefits Transferable to SSF (1)	(111,230)	(90,768)
Fair Value of Plan Assets (2)	1,479,105	1,233,840
Asset Surplus over Transferable Benefits ((2)-(1)=(3))	1,367,875	1,143,072
Non-Transferable Benefits:		
Other pension benefits	(426,261)	(264,514)
Other medical benefits	(107,178)	(137,859)
Total Non-Transferable Benefits (4)	(533,439)	(402,373)
Asset Surplus over Total Benefits ((3)-(4)=(5))	834,436	740,699
Net Present Value of Medical Benefits and Health Premiums Transferable to SSF – but not considered acting prudently (6)	(369,726)	(305,628)
Present Value of Asset Surplus/(Defined Benefit Obligation) ((5)-(6))	464,710	435,071

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>
	%	%
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 inflation	1.40% above 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 September 2013, the Bank had a current tax liability of TL 200,128 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	200,128	303,089
Taxation on Securities Income	99,198	99,573
Taxation on Real Estates Income	2,766	2,071
Banking Insurance Transaction Tax	55,764	50,999
Foreign Exchange Transaction Tax	50	39
Value Added Tax Payable	1,707	3,456
Others	24,197	64,403
Total	383,810	523,630

5.2.8.1.3 Premiums

	<i>Current Period</i>	<i>Prior Period</i>
Social Security Premiums-Employees	33	2
Social Security Premiums-Employer	39	-
Bank Pension Fund Premium-Employees	55	75
Bank Pension Fund Premium-Employer	81	28
Pension Fund Membership Fees and Provisions-Employees	-	-
Pension Fund Membership Fees and Provisions-Employer	-	-
Unemployment Insurance-Employees	657	625
Unemployment Insurance-Employer	1,334	1,234
Others	9	11
Total	2,208	1,975

5.2.8.2 Deferred tax liability

None.

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

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

5.2.10 Subordinated debts

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

5.2.11 Shareholders’ equity

5.2.11.1 Paid-in capital

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

5.2.11.2 Registered share capital system

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

5.2.11.3 Capital increases in current period

None.

5.2.11.4 Capital increases from capital reserves in current period

None.

5.2.11.5 Capital commitments for current and future financial periods

None.

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

None.

5.2.11.7 Information on privileges given to stocks representing the capital

None.

5.2.11.8 Securities value increase fund

	<i>Current Period</i>		<i>Prior Period</i>	
	TL	FC	TL	FC
Investments in Associates, Subsidiaries and Joint-Ventures	59,628	1,190,400	105,801	996,438
Valuation difference	27,311	1,190,400	73,484	996,438
Exchange rate difference	32,317	-	32,317	-
Securities Available-for-Sale	(356,072)	38,964	976,744	14,008
Valuation difference	(356,072)	38,964	976,744	14,008
Exchange rate difference	-	-	-	-
Total	(296,444)	1,229,364	1,082,545	1,010,446

5.2.11.9 Revaluation surplus

	<i>Current Period</i>		<i>Prior Period</i>	
	TL	FC	TL	FC
Movables	-	-	-	-
Real Estates	2,140	-	2,140	-
Gain on Sale of Investments in Associates and Subsidiaries and Real Estates allocated for Capital Increases	172,164	-	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
Total	1,891	1,891

5.2.11.11 Legal reserves

	<i>Current Period</i>	<i>Prior Period</i>
I. Legal Reserve	956,329	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 (*)	12,328,514	9,495,047
Retained Earnings	-	-
Accumulated Losses	-	-
Exchange Rate Difference on Foreign Currency Capital	-	-

(*) In prior period, the changes disclosed in note 3.24.1 are included.

5.2.12 Accrued interest and expenses

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

	<i>Current Period</i>		<i>Prior Period</i>	
	TL	FC	TL	FC
Deposits	292,391	109,246	187,476	89,104
Funds Borrowed	92,091	66,809	204,066	76,681
Interbank Money Markets	20,883	9,972	7,802	7,580
Other Accruals	215,415	177,660	134,095	178,931
Total	620,780	363,687	533,439	352,296

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 2,628,334 thousands (31 December 2012: TL 5,085,084 thousands), commitments for cheque payments of TL 2,690,331 thousands (31 December 2012: TL 1,994,233 thousands) and commitments for credit card limits of TL 22,040,884 thousands (31 December 2012: TL 14,215,936 thousands).

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

	<i>Current Period</i>	<i>Prior Period</i>
Letters of Guarantee in Foreign Currency	12,650,080	9,465,698
Letters of Guarantee in TL	8,623,343	6,958,156
Letters of Credit	8,147,137	5,465,530
Bills of Exchange and Acceptances	747,454	720,896
Prefinancings	-	-
Other Guarantees	75,187	66,300
Total	30,243,201	22,676,580

A specific provision of TL 112,765 thousands (31 December 2012: TL 97,396 thousands) is made for unliquidated non-cash loans of TL 225,725 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

	<i>Current Period</i>	<i>Prior Period</i>
Non-Cash Loans against Cash Risks	1,736,252	1,404,045
With Original Maturity of 1 Year or Less	296,892	164,145
With Original Maturity of More Than 1 Year	1,439,360	1,239,900
Other Non-Cash Loans	28,506,949	21,272,535
Total	30,243,201	22,676,580

5.3.1.4 Sectoral risk concentration of non-cash loans

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

5.3.1.5 Non-cash loans classified under Group I and II

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

5.3.2 Financial derivative instruments

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

5.3.3 Credit derivatives and risk exposures on credit derivatives

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

5.3.4 Contingent liabilities and assets

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

5.3.5 Services rendered on behalf of third parties

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

5.4 Income Statement

5.4.1 Interest Income

5.4.1.1 Interest income from loans (*)

	<i>Current Period</i>		<i>Prior Period</i>	
	TL	FC	TL	FC
Short-term loans	1,806,601	119,151	2,108,897	147,003
Medium and long-term loans	3,209,940	1,526,800	2,660,034	1,304,357
Loans under follow-up	26,043	-	26,831	-
Premiums Received from Resource Utilization Support Fund	-	-	-	-
Total	5,042,584	1,645,951	4,795,762	1,451,360

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

5.4.1.2 Interest income from banks

	<i>Current Period</i>		<i>Prior Period</i>	
	TL	FC	TL	FC
Central Bank of Turkey	-	-	36	-
Domestic Banks	7,912	297	7,725	235
Foreign Banks	74,873	24,451	131,199	36,721
Foreign Head Offices and Branches	-	-	-	-
Total	82,785	24,748	138,960	36,956

5.4.1.3 Interest income from securities portfolio

	<i>Current Period</i>		<i>Prior Period</i>	
	TL	FC	TL	FC
Financial Assets Held for Trading	16,995	10,160	21,127	5,805
Financial Assets Valued at Fair Value through Profit or Loss	-	-	-	-
Financial Assets Available-for-Sale	2,217,701	61,846	2,423,355	45,892
Investments Held-to-Maturity	213,517	7,176	203,696	73,371
Total	2,448,213	79,182	2,648,178	125,068

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	33,798	45,375

5.4.2 Interest Expenses

5.4.2.1 Interest expenses on funds borrowed (*)

	<i>Current Period</i>		<i>Prior Period</i>	
	TL	FC	TL	FC
Banks	331,863	261,608	352,411	297,163
Central Bank of Turkey	-	2,018	-	1,145
Domestic Banks	14,548	7,709	15,100	7,154
Foreign Banks	317,315	251,881	337,311	288,864
Foreign Head Offices and Branches	-	-	-	-
Other Institutions	-	28,235	-	18,647
Total	331,863	289,843	352,411	315,810

(*) 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	31,784	33,553

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>	Account Description	Demand Deposits	Time Deposits					Accumulating Deposit Accounts	Total
			Up to 1 Month	1-3 Months	3-6 Months	6-12 Months	1 Year and Over		
Turkish Lira									
	Bank Deposits	213	42,499	-	-	-	-	-	42,712
	Saving Deposits	17	164,804	1,470,193	31,094	13,354	16,633	-	1,696,095
	Public Sector Deposits	-	262	2,198	51	11,893	5	-	14,409
	Commercial Deposits	53	155,729	579,694	42,041	25,335	8,944	-	811,796
	Other	5	6,665	46,697	5,070	4,568	33	-	63,038
	“7 Days Notice” Deposits	-	-	-	-	-	-	-	-
	Total TL	288	369,959	2,098,782	78,256	55,150	25,615	-	2,628,050
Foreign Currency									
	Foreign Currency Deposits	135	41,180	346,276	32,333	74,713	22,759	1,095	518,491
	Bank Deposits	-	40,019	-	-	-	-	-	40,019
	“7 Days Notice” Deposits	-	-	-	-	-	-	-	-
	Precious Metal Deposits	-	-	31	-	342	459	-	832
	Total FC	135	81,199	346,307	32,333	75,055	23,218	1,095	559,342
	Grand Total	423	451,158	2,445,089	110,589	130,205	48,833	1,095	3,187,392

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		
Turkish Lira								
Bank Deposits	174	63,874	-	-	-	-	-	64,048
Saving Deposits	92	229,640	1,883,576	43,996	13,421	17,755	-	2,188,480
Public Sector Deposits	-	209	2,348	118	-	-	-	2,675
Commercial Deposits	84	157,900	617,873	110,256	17,209	16,024	-	919,346
Other	4	1,126	18,081	10,939	41	15	-	30,206
“7 Days Notice” Deposits	-	-	-	-	-	-	-	-
Total TL	354	452,749	2,521,878	165,309	30,671	33,794	-	3,204,755
Foreign Currency								
Foreign Currency Deposits	418	63,218	400,062	36,335	93,073	45,951	1,049	640,106
Bank Deposits	-	31,285	-	-	-	-	-	31,285
“7 Days Notice” Deposits	-	-	-	-	-	-	-	-
Precious Metal Deposits	-	-	8	-	171	-	-	179
Total FC	418	94,503	400,070	36,335	93,244	45,951	1,049	671,570
Grand Total	772	547,252	2,921,948	201,644	123,915	79,745	1,049	3,876,325

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
Income	55,102,751	39,018,870
Trading Account Income	191,276	561,658
Gains from Derivative Financial Instruments	3,391,207	2,289,068
Foreign Exchange Gains	51,520,268	36,168,144
Losses (-)	54,846,089	38,405,034
Trading Account Losses	55,869	24,854
Losses from Derivative Financial Instruments	3,366,951	2,500,473
Foreign Exchange Losses	51,423,269	35,879,707
Total	256,662	613,836

TL 521,992 thousands (30 September 2012: TL 328,415 thousands) of foreign exchange gains and TL 416,084 thousands (30 September 2012: TL 340,098 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 3,924 thousands and TL 33,372 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 3,691 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>
Specific Provisions for Loans and Other Receivables	579,420	493,685
<i>Loans and Receivables in Group III</i>	<i>158,145</i>	<i>118,688</i>
<i>Loans and Receivables in Group IV</i>	<i>323,015</i>	<i>268,648</i>
<i>Loans and Receivables in Group V</i>	<i>98,260</i>	<i>106,349</i>
General Provisions	435,172	131,283
Provision for Possible Losses	-	82,000
Impairment Losses on Securities	662	74
<i>Financial Assets at Fair Value through Profit or Loss</i>	<i>662</i>	<i>74</i>
<i>Financial Assets Available-for-Sale</i>	<i>-</i>	<i>-</i>
Impairment Losses on Associates, Subsidiaries and Investments Held-to-Maturity	-	-
<i>Associates</i>	<i>-</i>	<i>-</i>
<i>Subsidiaries</i>	<i>-</i>	<i>-</i>
<i>Joint Ventures</i>	<i>-</i>	<i>-</i>
<i>Investments Held-to-Maturity</i>	<i>-</i>	<i>-</i>
Others	86,604	13,935
Total	1,101,858	720,977

5.4.7 Other operating expenses

	<i>Current Period</i>	<i>Prior Period</i>
Personnel Costs	1,238,298	1,096,383
Reserve for Employee Termination Benefits	27,236	18,835
Deficit Provision for Pension Fund	-	-
Impairment Losses on Tangible Assets	-	-
Depreciation Expenses of Tangible Assets	127,588	127,587
Impairment Losses on Intangible Assets	-	-
Impairment Losses on Goodwill	-	-
Amortisation Expenses of Intangible Assets	24,570	16,224
Impairment Losses on Investments Accounted under Equity Method	-	-
Impairment Losses on Assets to be Disposed	1,350	1,336
Depreciation Expenses of Assets to be Disposed	2,111	1,568
Impairment Losses on Assets Held for Sale	-	-
Other Operating Expenses	1,393,516	1,056,892
<i>Operational Lease related Expenses</i>	182,698	158,713
<i>Repair and Maintenance Expenses</i>	25,277	18,458
<i>Advertisement Expenses</i>	75,581	73,049
<i>Other Expenses</i>	1,109,960	806,672
Loss on Sale of Assets	2,899	957
Others (*)	266,890	220,958
Total	3,084,458	2,540,740

(*) As per the decision of the Turkish Competition Board dated 8 March 2013 and resulted from the investigation 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 $\frac{3}{4}$ of such administrative fine as TL 160,038 thousands. The reasoned decision of the Turkish Competition Board was notified as of the reporting date and the stated amount was paid in the current period.

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 September 2013, the Bank recorded a tax charge of TL 440,689 thousands (30 September 2012: TL 887,389 thousands) and a deferred tax expense of TL 333,101 thousands (30 September 2012: a deferred tax income of TL 251,078 thousands).

Deferred tax benefit/charge on timing differences:

Deferred tax benefit/(charge) on timing differences	<i>Current Period</i>	<i>Prior Period</i>
Increase in tax deductible timing differences (+)	55,647	229,815
Decrease in tax deductible timing differences (-)	248,822	12,817
Increase in taxable timing differences (-)	160,643	4,189
Decrease in taxable timing differences (+)	20,717	38,269
Total	(333,101)	251,078

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

Deferred tax benefit/(charge) arising on timing differences, tax losses and tax deductions and exemptions	<i>Current Period</i>	<i>Prior Period</i>
Increase/(decrease) in tax deductible timing differences (net)	(193,175)	216,998
Increase/(decrease) in taxable timing differences (net)	(139,926)	34,080
Increase/(decrease) in tax losses (net)	-	-
Increase/(decrease) in tax deductions and exemptions (net)	-	-
Total	(333,101)	251,078

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	3,060,216	1,460,897	232,429	135,686	380,986	449,926
Interest and Commission Income	34,781	197	561	4	19,997	307

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	45,385	147	556	4	13,890	756

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	665,580	511,151	228,142	101,958	359,687	205,931
Interest Expense	31,784	33,553	7,606	12,849	11,797	11,620

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	744,216	1,119,747	7,462,037	2,895,692	-	-
Total Profit/(Loss)	(61,833)	10,775	15,077	(11,845)	-	957
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 1,122,026 thousands (31 December 2012: TL 1,166,224 thousands) compose 0.99% (31 December 2012: 1.27%) of the Bank's total cash loans and 0.59% (31 December 2012: 0.73%) of the Bank's total assets. The total loans and similar receivables amounting TL 3,673,631 thousands (31 December 2012: TL 3,516,021 thousands) compose 1.94% (31 December 2012: TL 2.19%) of the Bank's total assets. The non-cash loans of the risk group amounting TL 2,046,509 thousands (31 December 2012: TL 2,344,456 thousands) compose 6.77% (31 December 2012: 8.37%) of the Bank's total non-cash loans. The deposits of the risk group amounting TL 1,253,409 thousands (31 December 2012: TL 819,040 thousands) compose 1.15% (31 December 2012: 0.94%) of the Bank's total deposits. The funds borrowed by the Bank from its risk group amounting TL 135,690 thousands (31 December 2012: TL 145,643 thousands) compose 0.56% (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.

The credit card (POS) payables to the related parties, amounted to TL 66,855 thousands (31 December 2012: TL 64,596 thousands). A total rent income of TL 3,578 thousands (30 September 2012: TL 2,884 thousands) was recognized for the real estates rented to the related parties.

Operating expenses for TL 0 thousands (30 September 2012: TL 4,779 thousands) were incurred for the IT services rendered by the related parties. Other income of TL 4,979 thousands (30 September 2012:-) for IT services rendered and banking services fee of TL 1,280 thousands (30 September 2012: TL 945 thousands) were recognized from the related parties.

Insurance brokerage fee of TL 60,733 thousands (30 September 2012: TL 50,638 thousands), leasing customer acquisition fee of TL 7,090 thousands (30 September 2012: TL5,074 thousands) factoring customer acquisition fee of TL 2,824 thousands (30 September 2012: TL 2,660 thousands), fleet business customer acquisition fee of TL 132 thousands (30 September 2012: TL 96 thousands) and stocks brokerage fee of TL 0 thousands (30 September 2012: TL 3,678 thousands) were recognized as income from the services rendered for the affiliates.

Operating expenses of TL 6,882 thousands (30 September 2012: TL 7,481 thousands) for advertisement and broadcasting services, of TL 16,839 thousands (30 September 2012: TL 12,710 thousands) for operational leasing services, and of TL 6,755 thousands (30 September 2012: TL 4,794 thousands) for travelling services rendered by the related parties were recognized as expense.

As of 30 September 2013, the net payment provided or to be provided to the key management of the Bank amounts to TL 54,791 thousands (30 September 2012: TL 57,718 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)^(*)

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

STANDARD AND POORS (April 2013)^(*)

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

FITCH RATINGS (December 2012)^(*)

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

JCR EURASIA RATINGS (May 2013)^(*)

Long Term International FC	BBB
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:

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

7 Limited Review Report

7.1 Disclosure on limited review report

The unconsolidated financial statements and footnotes of the Bank as of 30 September 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 24 October 2013, is presented before the accompanying financial statements.

7.2 Disclosures and footnotes prepared by independent accountants

None.

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