

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

Türkiye Garanti Bankası Anonim Şirketi
Unconsolidated Financial Statements
As of and For the Nine-Month Period Ended
30 September 2014

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

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

DRT Bağımsız Denetim ve Serbest
Muhasebeci Mali Müşavirlik AŞ
27 October 2014

*This report contains “Independent Accountants’
Limited Review Report” comprising 2 pages
and; “Unconsolidated Financial Statements and
Related Disclosures and Footnotes” comprising 95
pages.*

To the Board of Directors of
Türkiye Garanti Bankası AŞ
İstanbul

TÜRKİYE GARANTİ BANKASI ANONİM ŞİRKETİ
INDEPENDENT ACCOUNTANTS' LIMITED REVIEW REPORT
FOR THE INTERIM PERIOD OF 1 JANUARY – 30 SEPTEMBER 2014

We have reviewed the accompanying balance sheet of Türkiye Garanti Bankası A.Ş. ("the Bank") as at 30 September 2014 and the related statements of income, changes in shareholders' equity and cash flows for the period then ended. These financial statements are the responsibility of the Bank's management. As independent accountants, our responsibility is to issue a report based on the review performed on these financial statements.

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

As of the balance sheet date, the accompanying financial statements include a general reserve amounting to TL 375,000 thousands, TL 65,000 thousands of which was charged to the income statement as expense in the current period, provided by the Bank management in line with conservatism principle considering the circumstances which may arise from any changes in the economy or market conditions.

Based on our review, except for the effect of the matter referred to in the preceding paragraph on the financial statements, nothing has come to our attention that causes us to believe that the accompanying financial statements do not give a true and fair view of the financial position, the results of its operations and its cash flows, of the Bank as of and for the period ended 30 September 2014 in accordance with the prevailing accounting principles and standards set out as per the Article No. 37 of the Banking Act No. 5411, and other regulations, communiqués and circulars in respect of accounting and financial reporting and pronouncements made by the Banking Regulation and Supervision Agency.

Additional paragraph for English translation:

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

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



Hasan Kılıç
Partner

Istanbul, 27 October 2014

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

TÜRKİYE GARANTİ BANKASI ANONİM ŞİRKETİ
UNCONSOLIDATED INTERIM FINANCIAL REPORT
AS OF AND FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2014

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

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

The unconsolidated 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

The authorized contact person for questions on this financial report:

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1 General Information

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

Türkiye Garanti Bankası Anonim Şirketi (the Bank) was established by the decree of Council of Ministers numbered 3/4010 dated 11 April 1946 and its “Articles of Association” was issued in the Official Gazette dated 25 April 1946. The Bank provides banking services through 987 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 2014, the group of companies under Doğuş Holding AŞ that currently owns 24.23% shares of the Bank, is named the Doğuş Group (the Group).

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

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

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

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

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

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

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

Doğuş Group

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

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

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

BBVA Group

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

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

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

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

Board of Directors Chairman and Members:

Name and Surname	Responsibility	Appointment Date	Education	Experience in Banking and Business Administration
Ferit Faik Şahenk	Chairman	18.04.2001	University	24 years
Süleyman Sözen	Vice Chairman	08.07.2003	University	32 years
Dr.Muammer Cüneyt Sezgin	Independent Member of BOD and Audit Committee	30.06.2004	PhD	26 years
Dr. Ahmet Kamil Esirtgen	Member	19.03.1992	PhD	40 years
Manuel Castro Aladro	Member	22.03.2011	Master	22 years
Manuel Pedro Galatas Sanchez Harguindey	Independent Member of BOD and Audit Committee	05.05.2011	University	30 years
Carlos Torres Vila (*)	Member	22.03.2011	Master	23 years
Angel Cano Fernandez	Member	22.03.2011	University	29 years
Belkıs Sema Yurdum	Independent Member	30.04.2013	University	26 years
Sait Ergun Özen	Member and CEO	14.05.2003	University	27 years

(*) Carlos Torres Vila resigned during the board meeting held on 3 October 2014 and Jaime Saenz De Tejada Pulido was decided to be assigned for the vacant position.

CEO and Executive Vice Presidents:

Name and Surname	Responsibility	Appointment Date	Education	Experience in Banking and Business Administration
Sait Ergun Özen	CEO	01.04.2000	University	27 years
Adnan Memiş	EVP-Support Services	03.06.1991	Master	36 years
Ali Fuat Erbil	EVP-Financial Institutions and Corporate Banking	30.04.1999	PhD	22 years
Erhan Adalı	EVP-Loans	03.08.2012	University	24 years
Gökhan Erün	EVP-Treasury, Investment Banking, Human Resources and Training	01.09.2005	Master	20 years
Faruk Nafiz Karadere	EVP-SME Banking	01.05.1999	University	32 years
Halil Hüsnü Erel	EVP-Technology, Operations Management and Central Marketing	16.06.1997	University	29 years
Recep Baştuğ	EVP-Commercial Banking	01.01.2013	University	24 years
Turgay Gönensin	EVP-Coordination of Domestic and Foreign Subsidiaries	01.01.2013	University	29 years
Aydın Şenel	EVP-Purchasing and Tax Management	06.06.2013	University	33 years
İbrahim Aydınlı	EVP-General Accounting, Economic Research and Customer Satisfaction	06.06.2013	Master	20 years
Avni Aydın Düren	EVP-Legal Services and Retail Risk Monitoring	01.02.2009	Master	20 years
Betül Ebru Edin	EVP-Project Finance	25.11.2009	University	20 years
Murat Mergin	EVP-Strategic Planning	01.01.2002	University	20 years
Onur Genç	EVP-Retail Banking	20.03.2012	Master	15 years
Didem Başer	EVP-Delivery Channels and Social Platforms Management	20.03.2012	Master	16 years

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

1.4 Information on the bank's qualified shareholders

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

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

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

1.5 Summary information on the bank's activities and services

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

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

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

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

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

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

None.

2 Unconsolidated Financial Statements

(Convenience Translation of Financial Statements Originally Issued in Turkish)

Türkiye Garanti Bankası Anonim Şirketi Balance Sheet (Statement of Financial Position) At 30 September 2014

ASSETS		Footnotes	THOUSANDS OF TURKISH LIRA (TL)					
			CURRENT PERIOD 30 September 2014			PRIOR PERIOD 31 December 2013		
			TL	FC	Total	TL	FC	Total
I.	CASH AND BALANCES WITH CENTRAL BANK	(5.1.1)	1.557.534	22.436.958	23.994.492	2.751.642	19.776.456	22.528.098
II.	FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Net)	(5.1.2)	982.611	751.079	1.733.690	1.225.262	576.330	1.801.592
2.1	Financial assets held for trading		785.094	751.079	1.536.173	1.026.484	576.330	1.602.814
2.1.1	Government securities		68.532	280.603	349.135	90.491	308.282	398.773
2.1.2	Equity securities		65.154	-	65.154	30.825	-	30.825
2.1.3	Derivative financial assets held for trading		651.408	447.183	1.098.591	900.684	245.982	1.146.666
2.1.4	Other securities		-	23.293	23.293	4.484	22.066	26.550
2.2	Financial assets valued at fair value through profit or loss		197.517	-	197.517	198.778	-	198.778
2.2.1	Government securities		-	-	-	-	-	-
2.2.2	Equity securities		-	-	-	-	-	-
2.2.3	Loans	(5.1.5)	197.517	-	197.517	198.778	-	198.778
2.2.4	Other securities		-	-	-	-	-	-
III.	BANKS	(5.1.3)	982.660	7.661.312	8.643.972	2.074.021	7.676.370	9.750.391
IV.	INTERBANK MONEY MARKETS		-	-	-	-	190.802	190.802
4.1	Interbank money market placements		-	-	-	-	-	-
4.2	Istanbul Stock Exchange money market placements		-	-	-	-	190.802	190.802
4.3	Receivables from reverse repurchase agreements		-	-	-	-	-	-
V.	FINANCIAL ASSETS AVAILABLE-FOR-SALE (Net)	(5.1.4)	20.429.086	792.134	21.221.220	19.677.517	1.952.565	21.630.082
5.1	Equity securities		31.834	59.400	91.234	31.956	8.212	40.168
5.2	Government securities		18.778.127	581.428	19.359.555	18.092.718	906.247	18.998.965
5.3	Other securities		1.619.125	151.306	1.770.431	1.552.843	1.038.106	2.590.949
VI.	LOANS	(5.1.5)	82.316.922	48.438.853	130.755.775	73.474.973	45.196.426	118.671.399
6.1	Performing loans		81.749.391	48.438.853	130.188.244	72.993.011	45.196.426	118.189.437
6.1.1	Loans to bank's risk group	(5.7)	218.685	2.086.572	2.305.257	427.832	1.232.916	1.660.748
6.1.2	Government securities		-	-	-	-	-	-
6.1.3	Others		81.530.706	46.352.281	127.882.987	72.565.179	43.963.510	116.528.689
6.2	Loans under follow-up		2.990.968	-	2.990.968	2.538.430	-	2.538.430
6.3	Specific provisions (-)		2.423.437	-	2.423.437	2.056.468	-	2.056.468
VII.	FACTORING RECEIVABLES		-	-	-	-	-	-
VIII.	INVESTMENTS HELD-TO-MATURITY (Net)	(5.1.6)	13.376.625	6.722.620	20.099.245	13.120.328	864.107	13.984.435
8.1	Government securities		13.350.170	4.297.057	17.647.227	13.112.652	469.091	13.581.743
8.2	Other securities		26.455	2.425.563	2.452.018	7.676	395.016	402.692
IX.	INVESTMENTS IN ASSOCIATES (Net)	(5.1.7)	36.698	-	36.698	36.698	-	36.698
9.1	Associates consolidated under equity accounting		-	-	-	-	-	-
9.2	Unconsolidated associates		36.698	-	36.698	36.698	-	36.698
9.2.1	Financial investments in associates		33.032	-	33.032	33.032	-	33.032
9.2.2	Non-financial investments in associates		3.666	-	3.666	3.666	-	3.666
X.	INVESTMENTS IN SUBSIDIARIES (Net)	(5.1.8)	466.259	2.886.147	3.352.406	448.691	2.730.138	3.178.829
10.1	Unconsolidated financial investments in subsidiaries		362.174	2.886.147	3.248.321	344.606	2.730.138	3.074.744
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)	74.856	141.498	216.354	103.975	11.009	114.984
13.1	Fair value hedges		35.655	500	36.155	65.943	-	65.943
13.2	Cash flow hedges		39.201	140.998	180.199	38.032	11.009	49.041
13.3	Net foreign investment hedges		-	-	-	-	-	-
XIV.	TANGIBLE ASSETS (Net)	(5.1.12)	1.235.595	141	1.235.736	1.361.270	96	1.361.366
XV.	INTANGIBLE ASSETS (Net)	(5.1.13)	167.039	15	167.054	58.770	-	58.770
15.1	Goodwill		-	-	-	-	-	-
15.2	Other intangibles		167.039	15	167.054	58.770	-	58.770
XVI.	INVESTMENT PROPERTY (Net)	(5.1.14)	139.193	-	139.193	149.632	-	149.632
XVII.	TAX ASSET		231.027	-	231.027	129.218	-	129.218
17.1	Current tax asset		-	-	-	-	-	-
17.2	Deferred tax asset	(5.1.15)	231.027	-	231.027	129.218	-	129.218
XVIII.	ASSETS HELD FOR SALE AND ASSETS OF DISCONTINUED OPERATIONS (Net)	(5.1.16)	150.778	-	150.778	146.104	-	146.104
18.1	Assets held for sale		150.778	-	150.778	146.104	-	146.104
18.2	Assets of discontinued operations		-	-	-	-	-	-
XIX.	OTHER ASSETS	(5.1.17)	2.396.958	516.722	2.913.680	2.935.298	228.510	3.163.808
TOTAL ASSETS			124.543.841	90.347.479	214.891.320	117.693.399	79.202.809	196.896.208

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 2014

LIABILITIES AND SHAREHOLDERS' EQUITY		Footnotes	THOUSANDS OF TURKISH LIRA (TL)					
			CURRENT PERIOD 30 September 2014			PRIOR PERIOD 31 December 2013		
			TL	FC	Total	TL	FC	Total
I. DEPOSITS	(5.2.1)	58.406.217	55.479.745	113.885.962	59.655.722	46.817.866	106.473.588	
1.1 Deposits from bank's risk group	(5.7)	1.187.303	497.395	1.684.698	856.057	430.332	1.286.389	
1.2 Others		57.218.914	54.982.350	112.201.264	58.799.665	46.387.534	105.187.199	
II. DERIVATIVE FINANCIAL LIABILITIES HELD FOR TRADING	(5.2.2)	989.523	455.460	1.444.983	1.127.072	257.624	1.384.696	
III. FUNDS BORROWED	(5.2.3)	4.298.157	27.751.489	32.049.646	5.222.504	24.255.589	29.478.093	
IV. INTERBANK MONEY MARKETS		8.671.841	5.995.096	14.666.937	11.424.006	3.160.228	14.584.234	
4.1 Interbank money market takings		-	-	-	-	-	-	
4.2 Istanbul Stock Exchange money market takings		-	-	-	-	-	-	
4.3 Obligations under repurchase agreements	(5.2.4)	8.671.841	5.995.096	14.666.937	11.424.006	3.160.228	14.584.234	
V. SECURITIES ISSUED (Net)	(5.2.4)	4.112.781	9.721.415	13.834.196	3.885.539	6.494.850	10.380.389	
5.1 Bills		1.396.646	-	1.396.646	1.347.962	-	1.347.962	
5.2 Asset backed securities		-	-	-	-	-	-	
5.3 Bonds		2.716.135	9.721.415	12.437.550	2.537.577	6.494.850	9.032.427	
VI. FUNDS		-	-	-	-	-	-	
6.1 Borrower funds		-	-	-	-	-	-	
6.2 Others		-	-	-	-	-	-	
VII. MISCELLANEOUS PAYABLES	(5.2.4.3)	6.250.147	665.429	6.915.576	5.099.413	534.436	5.633.849	
VIII. OTHER EXTERNAL FUNDINGS PAYABLE		2.216.075	567.275	2.783.350	2.280.478	597.280	2.877.758	
IX. FACTORING PAYABLES		-	-	-	-	-	-	
X. LEASE PAYABLES (Net)	(5.2.5)	263	-	263	480	-	480	
10.1 Financial lease payables		276	-	276	504	-	504	
10.2 Operational lease payables		-	-	-	-	-	-	
10.3 Others		-	-	-	-	-	-	
10.4 Deferred expenses (-)		13	-	13	24	-	24	
XI. DERIVATIVE FINANCIAL LIABILITIES HELD FOR RISK MANAGEMENT	(5.2.6)	41.123	76.338	117.461	-	39.105	39.105	
11.1 Fair value hedges		41.123	72.771	113.894	-	39.105	39.105	
11.2 Cash flow hedges		-	3.567	3.567	-	-	-	
11.3 Net foreign investment hedges		-	-	-	-	-	-	
XII. PROVISIONS	(5.2.7)	3.471.692	59.312	3.531.004	2.942.279	59.530	3.001.809	
12.1 General provisions		2.290.681	40.082	2.330.763	1.962.713	41.195	2.003.908	
12.2 Restructuring reserves		-	-	-	-	-	-	
12.3 Reserve for employee benefits		535.364	-	535.364	377.988	-	377.988	
12.4 Insurance technical provisions (Net)		-	-	-	-	-	-	
12.5 Other provisions		645.647	19.230	664.877	601.578	18.335	619.913	
XIII. TAX LIABILITY	(5.2.8)	395.848	18.318	414.166	298.865	10.867	309.732	
13.1 Current tax liability		395.848	18.318	414.166	298.865	10.867	309.732	
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)	-	142.119	142.119	-	147.491	147.491	
XVI. SHAREHOLDERS' EQUITY	(5.2.11)	23.352.728	1.752.929	25.105.657	21.113.386	1.471.598	22.584.984	
16.1 Paid-in capital		4.200.000	-	4.200.000	4.200.000	-	4.200.000	
16.2 Capital reserves		772.883	1.603.180	2.376.063	496.564	1.351.621	1.848.185	
16.2.1 Share premium		11.880	-	11.880	11.880	-	11.880	
16.2.2 Share cancellation profits		-	-	-	-	-	-	
16.2.3 Securities value increase fund		(154.042)	1.552.505	1.398.463	-429.394	1.342.813	913.419	
16.2.4 Revaluation surplus on tangible assets		175.034	-	175.034	174.304	-	174.304	
16.2.5 Revaluation surplus on intangible assets		-	-	-	-	-	-	
16.2.6 Revaluation surplus on investment property		-	-	-	-	-	-	
16.2.7 Bonus shares of associates, subsidiaries and joint-ventures		1.891	-	1.891	1.891	-	1.891	
16.2.8 Hedging reserves (effective portion)		(32.553)	50.675	18.122	(32.790)	8.808	(23.982)	
16.2.9 Revaluation surplus on assets held for sale and assets of discontinued operations		-	-	-	-	-	-	
16.2.10 Other capital reserves		770.673	-	770.673	770.673	-	770.673	
16.3 Profit reserves		15.957.162	149.749	16.106.911	13.411.262	119.977	13.531.239	
16.3.1 Legal reserves		1.120.009	11.325	1.131.334	1.098.509	11.639	1.110.148	
16.3.2 Status reserves		-	-	-	-	-	-	
16.3.3 Extraordinary reserves		14.837.153	1.670	14.838.823	12.312.753	-	12.312.753	
16.3.4 Other profit reserves		-	136.754	136.754	-	108.338	108.338	
16.4 Profit or loss		2.422.683	-	2.422.683	3.005.560	-	3.005.560	
16.4.1 Prior periods profit/loss		-	-	-	-	-	-	
16.4.2 Current period net profit/loss		2.422.683	-	2.422.683	3.005.560	-	3.005.560	
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		112.206.395	102.684.925	214.891.320	113.049.744	83.846.464	196.896.208	

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

Türkiye Garanti Bankası Anonim Şirketi

Off-Balance Sheet Items

At 30 September 2014

OFF-BALANCE SHEET ITEMS	Footnotes	THOUSANDS OF TURKISH LIRA (TL)					
		CURRENT PERIOD			PRIOR PERIOD		
		30 September 2014			31 December 2013		
		TL	FC	Total	TL	FC	Total
A. OFF-BALANCE SHEET COMMITMENTS AND CONTINGENCIES (I+II+III)		121.615.726	155.034.028	276.649.754	100.427.191	135.652.643	236.079.834
I. GUARANTEES AND SURETIES	(5.3.1)	11.623.781	23.408.229	35.032.010	9.959.792	23.181.147	33.140.939
1.1. Letters of guarantee		11.613.935	13.871.610	25.485.545	9.952.370	13.583.722	23.536.092
1.1.1. Guarantees subject to State Tender Law		-	768.620	768.620	-	845.257	845.257
1.1.2. Guarantees given for foreign trade operations		1.435.074	355.794	1.790.868	1.134.793	320.050	1.454.843
1.1.3. Other letters of guarantee		10.178.861	12.747.196	22.926.057	8.817.577	12.418.415	21.235.992
1.2. Bank acceptances		9.161	759.815	768.976	6.898	631.191	638.089
1.2.1. Import letter of acceptance		9.161	759.815	768.976	6.898	631.191	638.089
1.2.2. Other bank acceptances		-	-	-	-	-	-
1.3. Letters of credit		685	8.692.110	8.692.795	524	8.886.310	8.886.834
1.3.1. Documentary letters of credit		-	-	-	-	-	-
1.3.2. Other letters of credit		685	8.692.110	8.692.795	524	8.886.310	8.886.834
1.4. Guaranteed prefinancings		-	-	-	-	-	-
1.5. Endorsements		-	-	-	-	-	-
1.5.1. Endorsements to the Central Bank of Turkey		-	-	-	-	-	-
1.5.2. Other endorsements		-	-	-	-	-	-
1.6. Underwriting commitments		-	-	-	-	-	-
1.7. Factoring related guarantees		-	-	-	-	-	-
1.8. Other guarantees		-	84.694	84.694	-	79.924	79.924
1.9. Other sureties		-	-	-	-	-	-
II. COMMITMENTS	(5.3.1)	39.295.995	15.348.686	54.644.681	34.668.117	15.249.746	49.917.863
2.1. Irrevocable commitments		39.263.413	15.347.704	54.611.117	34.642.613	15.248.903	49.891.516
2.1.1. Asset purchase and sale commitments		3.683.651	7.543.010	11.226.661	2.740.296	5.438.905	8.179.201
2.1.2. Deposit purchase and sale commitments		3.525	507.042	510.567	-	25.822	25.822
2.1.3. Share capital commitments to associates and subsidiaries		-	6.174	6.174	-	7.806	7.806
2.1.4. Loan granting commitments		5.946.220	6.335.228	12.281.448	5.494.147	8.875.370	14.369.517
2.1.5. Securities issuance brokerage commitments		-	-	-	-	-	-
2.1.6. Commitments for reserve deposit requirements		-	-	-	-	-	-
2.1.7. Commitments for cheque payments		2.863.806	-	2.863.806	2.658.815	-	2.658.815
2.1.8. Tax and fund obligations on export commitments		15.881	-	15.881	15.211	-	15.211
2.1.9. Commitments for credit card limits		25.267.750	-	25.267.750	22.259.934	-	22.259.934
2.1.10. Commitments for credit cards and banking services related promotions		8.370	-	8.370	-	-	-
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	956.250	2.430.460	1.474.210	901.000	2.375.210
2.2. Revocable commitments		32.582	982	33.564	25.504	843	26.347
2.2.1. Revocable loan granting commitments		32.582	88	32.670	25.504	-	25.504
2.2.2. Other revocable commitments		-	894	894	-	843	843
III. DERIVATIVE FINANCIAL INSTRUMENTS	(5.3.2)	70.695.950	116.277.113	186.973.063	55.799.282	97.221.750	153.021.032
3.1. Derivative financial instruments held for risk management		8.143.326	8.470.067	16.613.393	5.536.346	1.632.486	7.168.832
3.1.1. Fair value hedges		4.044.701	4.028.932	8.073.633	2.928.361	996.486	3.924.847
3.1.2. Cash flow hedges		4.098.625	4.441.135	8.539.760	2.607.985	636.000	3.243.985
3.1.3. Net foreign investment hedges		-	-	-	-	-	-
3.2. Trading derivatives		62.552.624	107.807.046	170.359.670	50.262.936	95.589.264	145.852.200
3.2.1. Forward foreign currency purchases/sales		13.591.732	15.343.375	28.935.107	8.595.511	10.118.008	18.713.519
3.2.1.1. Forward foreign currency purchases		5.991.026	8.307.294	14.298.320	2.857.352	6.528.366	9.385.718
3.2.1.2. Forward foreign currency sales		7.600.706	7.036.081	14.636.787	5.738.159	3.589.642	9.327.801
3.2.2. Currency and interest rate swaps		31.506.211	59.649.007	91.155.218	20.995.157	46.354.163	67.349.320
3.2.2.1. Currency swaps-purchases		9.012.599	26.377.891	35.390.490	11.516.738	13.608.131	25.124.869
3.2.2.2. Currency swaps-sales		17.620.076	15.468.734	33.088.810	6.080.851	15.462.054	21.542.905
3.2.2.3. Interest rate swaps-purchases		2.436.768	8.901.191	11.337.959	1.698.784	8.641.989	10.340.773
3.2.2.4. Interest rate swaps-sales		2.436.768	8.901.191	11.337.959	1.698.784	8.641.989	10.340.773
3.2.3. Currency, interest rate and security options		17.385.950	24.608.428	41.994.378	20.538.090	32.117.841	52.655.931
3.2.3.1. Currency call options		7.731.841	12.193.379	19.925.220	10.148.589	14.458.413	24.607.002
3.2.3.2. Currency put options		9.652.956	11.074.288	20.727.244	10.358.275	15.780.207	26.138.482
3.2.3.3. Interest rate call options		-	1.340.761	1.340.761	-	1.879.221	1.879.221
3.2.3.4. Interest rate put options		-	-	-	-	-	-
3.2.3.5. Security call options		575	-	575	29.776	-	29.776
3.2.3.6. Security put options		578	-	578	1.450	-	1.450
3.2.4. Currency futures		44.663	67.330	111.993	110.122	182.913	293.035
3.2.4.1. Currency futures-purchases		9.598	42.908	52.506	-	182.913	182.913
3.2.4.2. Currency futures-sales		35.065	24.422	59.487	110.122	-	110.122
3.2.5. Interest rate futures		-	106.875	106.875	-	-	-
3.2.5.1. Interest rate futures-purchases		-	-	-	-	-	-
3.2.5.2. Interest rate futures-sales		-	106.875	106.875	-	-	-
3.2.6. Others		24.068	8.032.031	8.056.099	24.056	6.816.339	6.840.395
B. CUSTODY AND PLEDGED ITEMS (IV+V+VI)		484.835.400	361.613.458	846.448.858	475.443.153	325.696.861	801.140.014
IV. ITEMS HELD IN CUSTODY		37.717.290	22.884.360	60.601.650	35.125.254	21.326.011	56.451.265
4.1. Customers' securities held		3.840.602	-	3.840.602	4.399.502	6.805	4.406.307
4.2. Investment securities held in custody		21.371.670	5.904.119	27.275.789	20.613.851	4.917.858	25.531.709
4.3. Checks received for collection		10.510.483	2.018.531	12.529.014	8.313.010	1.779.622	10.092.632
4.4. Commercial notes received for collection		1.917.665	891.930	2.809.595	1.728.205	822.948	2.551.153
4.5. Other assets received for collection		45.435	12.846.902	12.892.337	40.495	12.637.870	12.678.365
4.6. Assets received through public offering		-	55.429	55.429	-	52.622	52.622
4.7. Other items under custody		31.435	1.167.449	1.198.884	30.191	1.108.286	1.138.477
4.8. Custodians		-	-	-	-	-	-
V. PLEDGED ITEMS		447.118.110	338.729.098	785.847.208	440.317.899	304.370.850	744.688.749
5.1. Securities		3.478.747	12.455	3.491.202	1.570.628	11.304	1.581.932
5.2. Guarantee notes		42.171.933	12.298.670	54.470.603	42.766.417	12.081.381	54.847.798
5.3. Commodities		2.234	-	2,234	6.531	-	6,531
5.4. Warranties		-	-	-	-	-	-
5.5. Real estates		89.062.359	68.012.665	157.075.024	79.449.434	64.892.546	144.341.980
5.6. Other pledged items		312.402.667	258.404.817	570.807.484	316.524.719	227.385.153	543.909.872
5.7. Pledged items-depository		170	491	661	170	466	636
VI. CONFIRMED BILLS OF EXCHANGE AND SURETIES		-	-	-	-	-	-
TOTAL OFF-BALANCE SHEET ITEMS (A+B)		606.451.126	516.647.486	1.123.098.612	575.870.344	461.349.504	1.037.219.848

(Convenience Translation of Financial Statements Originally Issued in Turkish)

Türkiye Garanti Bankası Anonim Şirketi
Income Statement
For the Nine-Month Period Ended 30 September 2014

INCOME AND EXPENSE ITEMS	Footnotes	THOUSANDS OF TURKISH LIRA (TL)			
		CURRENT PERIOD 1 January 2014- 30 September 2014	PRIOR PERIOD 1 January 2013- 30 September 2013	CURRENT PERIOD 1 July 2014- 30 September 2014	PRIOR PERIOD 1 July 2013- 30 September 2013
I. INTEREST INCOME	(5.4.1)	11.111.920	9.408.974	3.715.032	3.084.320
1.1 Interest income on loans		8.120.402	6.688.535	2.856.244	2.297.086
1.2 Interest income on reserve deposits		-	-	-	-
1.3 Interest income on banks		117.038	107.533	31.995	38.354
1.4 Interest income on money market transactions		3.570	1.607	1.225	592
1.5 Interest income on securities portfolio		2.769.525	2.527.395	788.801	720.868
1.5.1 Trading financial assets		28.893	27.155	6.764	7.771
1.5.2 Financial assets valued at fair value through profit or loss		-	-	-	-
1.5.3 Financial assets available-for-sale		1.499.262	2.279.547	441.688	527.070
1.5.4 Investments held-to-maturity		1.241.370	220.693	340.349	186.027
1.6 Financial lease income		-	-	-	-
1.7 Other interest income		101.385	83.904	36.767	27.420
II. INTEREST EXPENSE	(5.4.2)	5.828.085	4.556.647	1.847.061	1.738.915
2.1 Interest on deposits		3.886.485	3.187.392	1.217.285	1.287.166
2.2 Interest on funds borrowed		750.952	621.706	246.164	220.225
2.3 Interest on money market transactions		612.255	408.024	168.655	97.941
2.4 Interest on securities issued		570.699	321.063	213.038	126.793
2.5 Other interest expenses		7.694	18.462	1.919	6.790
III. NET INTEREST INCOME (I - II)		5.283.835	4.852.327	1.867.971	1.345.405
IV. NET FEES AND COMMISSIONS INCOME		2.261.350	1.988.892	776.595	703.670
4.1 Fees and commissions received		2.833.931	2.361.722	988.507	845.869
4.1.1 Non-cash loans		180.528	146.603	60.831	51.202
4.1.2 Others		2.653.403	2.215.119	927.676	794.667
4.2 Fees and commissions paid		572.581	372.830	211.912	142.199
4.2.1 Non-cash loans		943	796	451	381
4.2.2 Others		571.638	372.034	211.461	141.818
V. DIVIDEND INCOME	(5.4.3)	1.842	56.041	1	46.154
VI. NET TRADING INCOME/LOSSES (Net)	(5.4.4)	(55.959)	256.662	10.801	16.482
6.1 Trading account income/losses		(51.729)	135.407	225.293	22.183
6.2 Income/losses from derivative financial instruments		(626.479)	24.256	(435.775)	(205.851)
6.3 Foreign exchange gains/losses		622.249	96.999	221.283	200.150
VII. OTHER OPERATING INCOME	(5.4.5)	406.742	326.777	165.406	57.155
VIII. TOTAL OPERATING PROFIT (III+IV+V+VI+VII)		7.897.810	7.480.699	2.820.774	2.168.866
IX. PROVISION FOR LOSSES ON LOANS AND OTHER RECEIVABLES (-)	(5.4.6)	1.304.064	1.101.858	516.442	143.011
X. OTHER OPERATING EXPENSES (-)	(5.4.7)	3.454.933	3.084.458	1.217.770	1.193.537
XI. NET OPERATING PROFIT/LOSS (VIII-IX-X)		3.138.813	3.294.383	1.086.562	832.318
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)	3.138.813	3.294.383	1.086.562	832.318
XVI. PROVISION FOR TAXES (±)	(5.4.9)	716.130	773.790	234.652	187.671
16.1 Current tax charge		895.936	440.689	217.868	178.836
16.2 Deferred tax charge/(credit)		(179.806)	333.101	16.784	8.835
XVII. NET OPERATING PROFIT/LOSS AFTER TAXES (XV±XVI)	(5.4.10)	2.422.683	2.520.593	851.910	644.647
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)	2.422.683	2.520.593	851.910	644.647
Earnings per Share		0,577	0,600	0,203	0,153

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 2014

INCOME AND EXPENSE ITEMS UNDER SHAREHOLDERS' EQUITY	THOUSANDS OF TURKISH LIRA (TL)	
	CURRENT PERIOD 1 January 2014- 30 September 2014	PRIOR PERIOD 1 January 2013- 30 September 2013
I. MARKET VALUE GAINS ON AVAILABLE FOR SALE ASSETS ACCOUNTED UNDER "SECURITIES VALUE INCREASE FUND"	346.376	(1.609.786)
II. REVALUATION SURPLUS ON TANGIBLE ASSETS	730	-
III. REVALUATION SURPLUS ON INTANGIBLE ASSETS	-	-
IV. TRANSLATION DIFFERENCES FOR TRANSACTIONS IN FOREIGN CURRENCIES	(4.888)	15.579
V. GAIN/LOSS ON DERIVATIVE FINANCIAL ASSETS HELD FOR CASH FLOW HEDGES (effective portion)	52.630	-
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	206.121	129.418
IX. DEFERRED TAXES ON VALUE INCREASES/DECREASES	(77.979)	320.297
X. NET INCOME/EXPENSE ITEMS ACCOUNTED DIRECTLY UNDER SHAREHOLDERS' EQUITY (I+II+III+IV+V+VI+VII+VIII+IX)	522.990	(1.144.492)
XI. CURRENT PERIOD PROFIT/LOSSES	2.422.683	2.520.593
1.1 Net changes in fair value of securities (transferred to income statement)	(26.345)	325.039
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	2.449.028	2.195.554
XII. TOTAL PROFIT/LOSS ACCOUNTED FOR THE CURRENT PERIOD (X+XI)	2.945.673	1.376.101

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 2014

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY	Footnotes	THOUSANDS OF TURKISH LIRA (TL)															
		Paid-In Capital	Capital Reserves from Inflation Adj.s to Paid-In Capital	Share Premium	Share Cancellation Profits	Legal Reserves	Status Reserves	Extraordinary Reserves	Other Reserves	Current Period Net Profit/(Loss)	Prior Period Profit/(Loss)	Securities Value Increase Fund	Revaluation Surplus on Tangible and Intangible Assets	Bonus Shares of Equity Participations	Hedging Reserves	Accu. Rev. Surp. on Assets Held for Sale and Assets of Discont. Op.s	Total Shareholders' Equity
PRIOR 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
II. Correction made as per TAS 8		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1. Effect of corrections		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2. Effect of changes in accounting policies		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. Adjusted balances at beginning of the period (I+II)	(5.5)	4.200.000	772.554	11.880	-	915.592	-	9.495.047	61.143	-	3.079.848	2.092.991	741.530	1.891	(63.225)	-	21.309.251
Changes during the period																	
IV. Mergers																	
V. Market value changes of securities												(1.160.071)					(1.160.071)
VI. Hedging reserves																	
6.1. Cash flow hedge																	
6.2. Hedge of net investment in foreign operations																	
VII. Revaluation surplus on tangible assets																	
VIII. Revaluation surplus on intangible assets																	
IX. Bonus shares of associates, subsidiaries and joint-ventures																	
X. Translation differences						1.511			14.068								15.579
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										2.520.593							2.520.593
XX. Profit distribution																	
20.1. Dividends						192.166		2.833.467	24.941		(3.079.848)		(567.226)				(596.500)
20.2. Transfers to reserves						192.166		2.833.467	24.941		(2.458.407)		(567.226)				(596.500)
20.3. Others											(24.941)						
Balances at end of the period (III+IV+V+.....+XVIII+XIX+XX)		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
CURRENT PERIOD (1 January - 30 September 2014)																	
I. Balances at beginning of the period		4.200.000	770.673	11.880	-	1.110.148	-	12.312.753	108.338	-	3.005.560	913.419	174.304	1.891	(23.982)	-	22.584.984
Changes during the period	(5.5)																
II. Mergers																	
III. Market value changes of securities												485.044					485.044
IV. Hedging reserves																	
4.1. Cash flow hedge															42.104		42.104
4.2. Hedge of net investment in foreign operations															42.104		42.104
V. Revaluation surplus on tangible assets													730				730
VI. Revaluation surplus on intangible assets																	
VII. Bonus shares of associates, subsidiaries and joint-ventures																	
VIII. Translation differences								1.056	(5.630)								(4.888)
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										2.422.683							2.422.683
XVIII. Profit distribution																	
18.1. Dividends						21.500		2.525.014	34.046		(3.005.560)						(425.000)
18.2. Transfers to reserves						21.500		2.525.014			(425.000)						(425.000)
18.3. Others									34.046		(2.546.514)						
Balances at end of the period (I+II+III+.....+XVI+XVII+XVIII)		4.200.000	770.673	11.880	-	1.131.334	-	14.838.823	136.754	2.422.683	-	1.398.463	175.034	1.891	18.122	-	25.105.657

(Convenience Translation of Financial Statements Originally Issued in Turkish)

Türkiye Garanti Bankası Anonim Şirketi
Statement of Cash Flows
For the Nine-Month Period Ended 30 September 2014

STATEMENT OF CASH FLOWS	Footnotes	THOUSANDS OF TURKISH LIRA (TL)	
		CURRENT PERIOD 1 January 2014- 30 September 2014	PRIOR PERIOD 1 January 2013- 30 September 2013
A. CASH FLOWS FROM BANKING OPERATIONS			
1.1 Operating profit before changes in operating assets and liabilities		3.328.833	5.709.160
1.1.1 Interests received		10.345.657	10.717.963
1.1.2 Interests paid		(5.603.392)	(4.537.966)
1.1.3 Dividend received		1.842	4.794
1.1.4 Fees and commissions received		2.833.931	2.361.722
1.1.5 Other income		353.661	426.831
1.1.6 Collections from previously written-off loans and other receivables		87.228	26.043
1.1.7 Payments to personnel and service suppliers		(2.638.614)	(2.420.657)
1.1.8 Taxes paid		(759.442)	(664.191)
1.1.9 Others	(5.6)	(1.292.038)	(205.379)
1.2 Changes in operating assets and liabilities		(2.516.081)	(3.100.833)
1.2.1 Net (increase) decrease in financial assets held for trading		8.079	(109.865)
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		(845.523)	(4.695.954)
1.2.4 Net (increase) decrease in loans		(12.889.142)	(21.387.387)
1.2.5 Net (increase) decrease in other assets		253.202	(970.917)
1.2.6 Net increase (decrease) in bank deposits		2.042.780	878.042
1.2.7 Net increase (decrease) in other deposits		5.387.888	20.085.797
1.2.8 Net increase (decrease) in funds borrowed		2.434.853	1.444.519
1.2.9 Net increase (decrease) in matured payables		-	-
1.2.10 Net increase (decrease) in other liabilities	(5.6)	1.091.782	1.654.932
I. Net cash flow from banking operations		812.752	2.608.327
B. CASH FLOWS FROM INVESTING ACTIVITIES			
II. Net cash flow from investing activities		(4.772.339)	(3.131.929)
2.1 Cash paid for purchase of associates, subsidiaries and joint-ventures		-	(10.494)
2.2 Cash obtained from sale of associates, subsidiaries and joint-ventures		-	-
2.3 Purchases of tangible assets		(143.940)	(173.295)
2.4 Sales of tangible assets		80.866	60.519
2.5 Cash paid for purchase of financial assets available-for-sale		(9.045.325)	(15.477.598)
2.6 Cash obtained from sale of financial assets available-for-sale		8.813.672	14.577.414
2.7 Cash paid for purchase of investments held-to-maturity		(5.885.722)	(2.574.575)
2.8 Cash obtained from sale of investments held-to-maturity		1.408.110	466.100
2.9 Others	(5.6)	-	-
C. CASH FLOWS FROM FINANCING ACTIVITIES			
III. Net cash flow from financing activities		2.999.634	3.484.229
3.1 Cash obtained from funds borrowed and securities issued		10.870.727	8.329.896
3.2 Cash used for repayment of funds borrowed and securities issued		(7.445.876)	(4.248.568)
3.3 Equity instruments issued		-	-
3.4 Dividends paid		(425.000)	(596.500)
3.5 Payments for financial leases		(217)	(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)	282.315	898.458
V. Net increase/(decrease) in cash and cash equivalents		(677.638)	3.859.085
VI. Cash and cash equivalents at beginning of period		7.363.965	4.262.674
VII. Cash and cash equivalents at end of period		6.686.327	8.121.759

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

3 Accounting policies

3.1 Basis of presentation

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

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

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

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 (“POA”) was established. The financial statements are prepared based on the TAS/TFRS and the related statements and guidances announced by the POA.

3.2 Strategy for use of financial instruments and foreign currency transactions

3.2.1 Strategy for use of financial instruments

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

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

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

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

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

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

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

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

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

3.2.2 Foreign currency transactions

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

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

3.3 Investments in associates and subsidiaries

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

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

3.4 Forwards, options and other derivative transactions

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

3.4.1 Derivative financial instruments held for trading

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

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

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

3.4.2 Derivative financial instruments held for risk management

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

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

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

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

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

3.5 Interest income and expenses

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

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

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

3.6 Fees and commissions

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

3.7 Financial assets

3.7.1 Financial assets at fair value through profit or loss

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

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

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

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

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

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

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

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

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

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

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

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

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

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

3.8 Impairment of financial assets

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

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

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

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

3.9 Netting and derecognition of financial instruments

3.9.1 Netting of financial instruments

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

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

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

3.9.2 Derecognition of financial assets

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

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

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

3.10 Repurchase and resale agreements and securities lending

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

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

3.11 Assets held for sale and discontinued operations

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

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

3.12 Goodwill and other intangible assets

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

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

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

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

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

3.13 Tangible assets

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

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

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

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

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

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

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

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

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

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

Investment properties

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

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

3.14 Leasing activities

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

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

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

3.15 Provisions and contingent liabilities

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

3.16 Contingent assets

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

3.17 Liabilities for employee benefits

Severance indemnities and short-term employee benefits

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

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

	30 September 2014	31 December 2013
	%	%
Net Effective Discount Rate	3.06	3.06
Discount Rate	9.48	9.48
Expected Rate of Salary	7.73	7.73
Inflation Rate	6.23	6.23

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

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

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

Retirement benefit obligations

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

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

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

	30 September 2014	
	Employer	Employee
Pension contributions	15.5%	10.0%
Medical benefit contributions	6.0%	5.0%

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

a) Benefits transferable to SSF

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

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

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

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

b) Other benefits not transferable to SSF

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

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

3.18 Taxation

3.18.1 Corporate tax

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

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

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

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

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

The tax applications for foreign branches;

NORTHERN CYPRUS

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

MALTA

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

LUXEMBOURG

The corporate earnings are subject to a 21% corporate tax. This rate is determined by modifying accounting income for certain exclusions and allowances for tax purposes. An additional 7% of the calculated corporate income tax is paid as a contribution to unemployment insurance fund. 3% of the taxable income is paid as municipality tax in addition to corporate tax. The municipalities have the right to increase this rate up to 200%-350%. The municipality commerce tax, which the Bank's Luxembourg branch subject to currently is applied as 8.25% of the taxable income. The tax returns do not include any tax amounts to be paid. The tax calculation is done by the tax office and the amount to be paid is declared to corporate through an official letter called Note. The amounts and the payment dates of prepaid taxes are determined and declared by the tax office at the beginning of the taxation period. The corporations whose head offices are outside Luxembourg, are allowed to transfer the rest of their net income after tax following the allocation of 5% of it for legal reserves, to their head offices.

3.18.2 Deferred taxes

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

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

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

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

3.18.3 Transfer pricing

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

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

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

3.19 Funds borrowed

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

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

3.20 Shares and share issuances

None.

3.21 Confirmed bills of exchange and acceptances

Confirmed bills of exchange and acceptances are realized simultaneously with the customer payments and recorded in off-balance sheet accounts as possible debt and commitment, if any.

3.22 Government incentives

As of 30 September 2014, the Bank does not have any government incentives or grants.

3.23 Segment reporting

The Bank operates in corporate, commercial, retail and investment banking. Accordingly, the banking products served to customers are; custody services, time and demand deposits, accumulating deposit accounts, repos, overdraft facilities, spot loans, foreign currency indexed loans, consumer loans, automobile and housing loans, working capital loans, discounted bills, gold loans, foreign currency loans, eximbank loans, pre-export loans, ECA covered financing, letters of guarantee, letters of credit, export factoring, acceptance credits, draft facilities, forfaiting, leasing, insurance, forward, futures, salary payments, investment account (ELMA), cheques, safety boxes, bill payments, tax collections, payment orders.

GarantiCard, BonusCard, Miles&Smiles Card, FlexiCard, MoneyCard, BusinessCard under the brand names of Visa and Mastercard, virtual cards and also American Express credit cards and “Paracard” debit cards with Maestro, Electron, Visa and Mastercard brand names, are available.

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

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

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

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

Information on the business segments is as follows:

<i>Current Period</i>	Retail Banking	Corporate Banking	Investment Banking	Other	Total Operations
Total Operating Profit	3,094,048	2,754,799	740,752	1,306,369	7,895,968
Other	-	-	-	-	-
Total Operating Profit	3,094,048	2,754,799	740,752	1,306,369	7,895,968
Net Operating Profit	310,278	1,328,049	594,438	904,206	3,136,971
Income from Associates and Subsidiaries	-	-	-	1,842	1,842
Net Operating Profit	310,278	1,328,049	594,438	906,048	3,138,813
Provision for Taxes	-	-	-	716,130	716,130
Net Profit	310,278	1,328,049	594,438	189,918	2,422,683
Segment Assets	46,314,432	84,441,343	74,093,584	6,652,857	211,502,216
Investments in Associates and Subsidiaries	-	-	-	3,389,104	3,389,104
Total Assets	46,314,432	84,441,343	74,093,584	10,041,961	214,891,320
Segment Liabilities	73,968,011	41,490,998	69,313,118	5,013,536	189,785,663
Shareholders’ Equity	-	-	-	25,105,657	25,105,657
Total Liabilities and Shareholders’ Equity	73,968,011	41,490,998	69,313,118	30,119,193	214,891,320
Other Segment Items					
Capital Expenditures	-	-	-	307,841	307,841
Depreciation Expenses	104,100	53,641	4,986	(114)	162,613
Impairment Losses	743,222	446,409	28,318	91,678	1,309,627
Other Non-Cash Income/Expenses	(14,496)	182,573	604,222	(92,548)	679,751
Restructuring Costs	-	-	-	-	-

<i>Prior 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	43,417,715	75,253,684	68,383,330	6,625,952	193,680,681
Investments in Associates and Subsidiaries	-	-	-	3,215,527	3,215,527
Total Assets	43,417,715	75,253,684	68,383,330	9,841,479	196,896,208
Segment Liabilities	65,725,982	42,781,023	61,081,684	4,722,535	174,311,224
Shareholders' Equity	-	-	-	22,584,984	22,584,984
Total Liabilities and Shareholders' Equity	65,725,982	42,781,023	61,081,684	27,307,519	196,896,208
Other Segment Items					
Capital Expenditures	-	-	-	489,027	489,027
Depreciation Expenses	66,988	30,109	2,391	5,963	105,451
Impairment Losses	411,432	303,376	9,809	235,129	959,746
Other Non-Cash Income/Expenses	136,836	184,955	(2,675,611)	(101,663)	(2,455,483)
Restructuring Costs	-	-	-	-	-

3.24 Other disclosures

None.

4 Financial position and results of operations and risk management

4.1 Capital adequacy ratio

As per the revised “Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks” effective from 1 July 2012, the Bank’s unconsolidated capital adequacy ratio is 14.97% as of 30 September 2014 (31 December 2013: 14.42%).

4.1.1 Risk measurement methods in calculation of capital adequacy ratio

Capital adequacy ratio is calculated within the scope of the “Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks (the “Regulation”)”, “Regulation on Credit Risk Mitigation Techniques” and “Regulation on Calculation of Risk Weighted Amounts for Securitisations” published in the Official Gazette no.28337 dated 28 June 2012 and the “Regulation on Equities of Banks” published in the Official Gazette no.28756 dated 5 September 2013.

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

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

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

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

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

4.1.2 Capital adequacy ratio

<i>Current Period</i>	Risk Weights								
	0%	10%	20%	50%	75%	100%	150%	200%	250%
Value at Credit Risk	-	-	1,724,774	18,126,533	24,632,861	85,688,580	6,219,453	24,227,504	910,698
Exposure Categories	52,761,446	-	8,623,870	36,253,065	32,843,815	85,688,580	4,146,302	12,113,752	364,279
Conditional and unconditional exposures to central governments or central banks	50,905,982	-	1	6,979,426	-	6	-	-	-
Conditional and unconditional exposures to regional governments or local authorities	-	-	55,578	-	-	-	-	-	-
Conditional and unconditional exposures to administrative bodies and non-commercial undertakings	156	-	-	-	-	46,613	-	-	-
Conditional and unconditional exposures to multilateral development banks	-	-	-	-	-	-	-	-	-
Conditional and unconditional exposures to international organisations	-	-	-	-	-	-	-	-	-
Conditional and unconditional exposures to banks and brokerage houses	-	-	7,746,344	7,244,519	-	168,269	-	-	-
Conditional and unconditional exposures to corporates	-	-	812,102	1,733,999	-	74,733,785	-	-	-
Conditional and unconditional retail exposures	-	-	9,540	5,229	32,843,815	4,723,599	-	-	-
Conditional and unconditional exposures secured by real estate property	-	-	-	20,287,198	-	-	-	-	-
Past due items	-	-	-	2,694	-	404,158	-	-	-
Items in regulatory high-risk categories	-	-	-	-	-	15,234	4,146,302	12,113,752	364,279
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	31,944	-	-	-	-	17,990	-	-	-
Other items	1,823,364	-	305	-	-	5,578,926	-	-	-

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

4.1.3 Summary information related to capital adequacy ratio

	<i>Current Period</i> (*)	<i>Prior Period</i>
Capital Requirement for Credit Risk (Value at Credit Risk*0.08) (CRCR)	12,922,432	11,882,342
Capital Requirement for Market Risk (MRCR)	363,430	301,025
Capital Requirement for Operational Risk (ORCR)	1,187,245	1,067,735
Total Capital	27,075,678	23,882,776
Total Capital/((CRCR+MRCR+ORCR) * 12.5) * 100	14.97%	14.42%
Total Tier I Capital/((CRCR+MRCR+ORCR) * 12.5) * 100	13.91%	-
Common Equity Tier I Capital/((CRCR+MRCR+ORCR) * 12.5) * 100	13.98%	-

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

4.1.4 Components of total capital

	<i>Current Period</i>
COMMON EQUITY TIER I CAPITAL	
Paid-in Capital to be Entitled for Compensation after All Creditors	4,972,554
Share Premium	11,880
Share Cancellation Profits	-
Reserves	16,106,911
Other Comprehensive Income according to TAS	1,800,831
Profit	2,422,683
Current Period Profit	2,422,683
Prior Period Profit	-
General Reserves for Possible Losses	375,000
Bonus Shares from Associates, Subsidiaries and Joint-Ventures not Accounted in Current Period's Profit	1,891
Common Equity Tier I Capital Before Deductions	25,691,750
Deductions From Common Equity Tier I Capital	
Current and Prior Periods' Losses not Covered by Reserves, and Losses Accounted under Equity according to TAS (-)	292,440
Leasehold Improvements on Operational Leases (-)	80,730
Goodwill and Other Intangible Assets and Related Deferred Taxes (-)	31,890
Net Deferred Tax Asset/Liability (-)	-
Shares Obtained against Article 56, Paragraph 4 of the Banking Law (-)	-
Direct and Indirect Investments of the Bank on its own Tier I Capital (-)	-
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital (-)	-
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or more of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital (-)	-
Mortgage Servicing Rights Exceeding the 10% Threshold of Tier I Capital (-)	-
Net Deferred Tax Assets arising from Temporary Differences Exceeding the 10% Threshold of Tier I Capital (-)	-
Amount Exceeding the 15% Threshold of Tier I Capital as per the Article 2, Clause 2 of the Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks (-)	-
The Portion of Net Long Position of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or more of the Issued Share Capital not deducted from Tier I Capital (-)	-
Mortgage Servicing Rights not deducted (-)	-
Excess Amount arising from Deferred Tax Assets from Temporary Differences (-)	-
Other items to be Defined by the BRSA (-)	-
Deductions from Tier I Capital in cases where there are no adequate Additional Tier I or Tier II Capitals (-)	-
Total Deductions from Common Equity Tier I Capital	405,060
Total Common Equity Tier I Capital	25,286,690
ADDITIONAL TIER I CAPITAL	
Preferred Stock not Included in Common Equity Tier I Capital and the Related Share Premiums	-
Debt Instruments and the Related Issuance Premiums Defined by the BRSA (Issued or Obtained after 1.1.2014)	-
Debt Instruments and the Related Issuance Premiums Defined by the BRSA (Issued or Obtained before 1.1.2014)	-
Shares of Third Parties in Additional Tier I Capital	-
Additional Tier I Capital before Deductions	-

	<i>Current Period</i>
Deductions from Additional Tier I Capital	
Direct and Indirect Investments of the Bank on its own Additional Tier I Capital (-)	-
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital (-)	-
The Total of Net Long Position of the Direct or Indirect Investments in Additional Tier I Capital of Unconsolidated Banks and Financial Institutions where the Bank Owns more than 10% of the Issued Share Capital (-)	-
Other items to be Defined by the BRSA (-)	-
Deductions from Additional Tier I Capital in cases where there are no adequate Tier II Capital (-)	-
Total Deductions from Additional Tier I Capital	-
Total Additional Tier I Capital	
Deductions from Tier I Capital	
Goodwill and Other Intangible Assets and Related Deferred Taxes not deducted from Tier I Capital as per the Temporary Article 2, Clause 1 of the Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks (-)	127,560
Net Deferred Tax Asset/Liability not deducted from Tier I Capital as per the Temporary Article 2, Clause 1 of the Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks (-)	-
Total Tier I Capital	25,159,130
TIER II CAPITAL	
Debt Instruments and the Related Issuance Premiums Defined by the BRSA (Issued or Obtained after 1.1.2014)	-
Debt Instruments and the Related Issuance Premiums Defined by the BRSA (Issued or Obtained before 1.1.2014)	142,105
Pledged Assets of the Shareholders to be used for the Bank's Capital Increases	-
General Provisions	2,019,130
Tier II Capital before Deductions	2,161,235
Deductions from Tier II Capital	
Direct and Indirect Investments of the Bank on its own Tier II Capital (-)	-
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital (-)	-
The Total of Net Long Position of the Direct or Indirect Investments in Additional Tier I Capital and Tier II Capital of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or more of the Issued Share Capital Exceeding the 10% Threshold of Tier I Capital (-)	-
Other items to be Defined by the BRSA (-)	-
Total Deductions from Tier II Capital	-
Total Tier II Capital	2,161,235

	<i>Current Period</i>
CAPITAL BEFORE DEDUCTIONS	
Loans Granted against the Articles 50 and 51 of the Banking Law (-)	113
Net Book Values of Movables and Immovables Exceeding the Limit Defined in the Article 57, Clause 1 of the Banking Law and the Assets Acquired against Overdue Receivables and Held for Sale but Retained more than Five Years (-)	32,611
Loans to Banks, Financial Institutions (domestic/foreign) or Qualified Shareholders in the form of Subordinated Debts or Debt Instruments Purchased from Such Parties and Qualified as Subordinated Debts (-)	184,757
Deductions as per the Article 20, Clause 2 of the Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks (-)	-
Other items to be Defined by the BRSA (-)	27,206
The Portion of Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital not deducted from Tier I Capital, Additional Tier I Capital or Tier II Capital as per the Temporary Article 2, Clause 1 of the Regulation (-)	-
The Portion of Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns more than 10% of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital not deducted from Additional Tier I Capital or Tier II Capital as per the Temporary Article 2, Clause 1 of the Regulation (-)	-
The Portion of Net Long Position of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or more of the Issued Share Capital, of the Net Deferred Tax Assets arising from Temporary Differences and of the Mortgage Servicing Rights not deducted from Tier I Capital as per the Temporary Article 2, Clause 2, Paragraph (1) and (2) and Temporary Article 2, Clause 1 of the Regulation (-)	-
TOTAL CAPITAL	27,075,678
Amounts lower than Excesses as per Deduction Rules	
Remaining Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital	-
Remaining Total of Net Long Positions of the Investments in Tier I Capital of Unconsolidated Banks and Financial Institutions where the Bank Owns more than 10% or less of the Issued Share Capital	-
Remaining Mortgage Servicing Rights	-
Net Deferred Tax Assets arising from Temporary Differences	238,633

	<i>Prior Period</i>
CORE CAPITAL	
Paid-in Capital	4.200.000
Nominal Capital	4.200.000
Capital Commitments (-)	-
Inflation Adjustments to Paid-in Capital	772.554
Share Premium	11.880
Share Cancellation Profits	-
Reserves	13.442.952
Inflation Adjustments to Reserves	51.141
Profit	3.005.560
Current Period's Profit	3.005.560
Prior Periods' Profit	-
Provision for Possible Losses (upto 25% of Core Capital)	310.000
Income on Sale of Equity Shares and Real Estates	172.164
Primary Subordinated Debts	-
Loss (in excess of Reserves) (-)	-
Current Period's Losses	-
Prior Periods' Losses	-
Leasehold Improvements on Operational Leases (-)	94.785
Intangible Assets (-)	58.770
Deferred Tax Asset in Excess of 10% of Core Capital (-)	-
Limit Excesses as per the 3rd Paragraph of the Article 56 of the Banking Law (-)	-
Total Core Capital	21.812.696
SUPPLEMENTARY CAPITAL	
General Provisions	2.003.908
45% of Revaluation Surplus on Movables	-
45% of Revaluation Surplus on Immovables	963
Bonus Shares from Associates, Subsidiaries and Joint-Ventures not Accounted in Current Period's	1.891
Primary Subordinated Debts excluding the portion included in Core Capital	-
Secondary Subordinated Debts	146.050
45% of Securities Value Increase Fund	129.681
Inflation Adjustments to Other Capital and Profit Reserves and Prior Periods' Profit/Loss	37.146
Total Supplementary Capital	2.319.639
CAPITAL BEFORE DEDUCTIONS	24.132.335
DEDUCTIONS FROM CAPITAL	249.559
Unconsolidated investments in Entities (domestic/foreign) Operating in Banking and	-
Investments in Entities (domestic/foreign) Operating in Banking and Financial Sectors at less than	-
Loans to Banks, Financial Institutions (domestic/foreign) or Qualified Shareholders in the form of	183.806
Loans Granted against the Articles 50 and 51 of the Banking Law	41
Net Book Values of Immovables Exceeding 50% of the Equity and of Assets Acquired against	33.923
Overdue Receivables and Held for Sale as per the Article 57 of the Banking Law but Retained	-
Securitization Positions to be Deducted from Equity	-
Other Deduction Items	31.789
TOTAL CAPITAL	23.882.776

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

4.1.5 Components of total capital subject to temporary applications

<i>Current Period</i>	Current Period	
	Amount Included in Total Capital Calculation	Total Amount
Debt Instruments and the Related Issuance Premiums Defined by the BRSA (Issued before 1.1.2014)	142,105	142,105

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

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

4.2 Credit risk

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

4.3 Market risk

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

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

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

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

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

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

4.3.1 Value at market risk

	<i>Current Period</i>	<i>Prior Period</i>
(I) Capital Requirement against General Market Risk - Standard Method	94,169	56,480
(II) Capital Requirement against Specific Risks - Standard Method	29,906	16,471
Capital Requirement against Specific Risks of Securitisation Positions– Standard Method	-	-
(III) Capital Requirement against Currency Position Risk - Standard Method	164,148	92,019
(IV) Capital Requirement against Commodity Risks - Standard Method	4,755	12,974
(V) Capital Requirement against Clearing Risks - Standard Method	-	-
(VI) Capital Requirement against Market Risks of Options - Standard Method	59,876	85,241
(VII) Capital Requirement against Counterparty Credit Risks - Standard Method	10,576	37,840
(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)	363,430	301,025
(X) Value-At-Market Risk ((12.5*VIII) or (12.5*IX))	4,542,875	3,762,813

4.3.2 Monthly average values at market risk

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

4.3.3 Quantitative information on counterparty risk

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

4.4 Operational risk

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

4.5 Currency risk

Foreign currency position limit is set in compliance with the legal standard ratio of net foreign currency position. As of 30 September 2014, the Bank’s net ‘on balance sheet’ foreign currency short position amounts to TL 5,729,288 thousands (31 December 2013: a foreign currency long position of TL 564,086 thousands), net ‘off-balance sheet’ foreign currency long position amounts to TL 5,030,042 thousands (31 December 2013: a foreign currency short position of TL 296,312 thousands), while net foreign currency short position amounts to TL 699,246 thousands (31 December 2013: a net foreign currency long position of TL 267,774 thousands).

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

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

	USD	EUR
Foreign currency purchase rates at balance sheet date	2.2500	2.8421
<u>Exchange rates for the days before balance sheet date:</u>		
Day 1	2.2500	2.8421
Day 2	2.2550	2.8607
Day 3	2.2380	2.8415
Day 4	2.2380	2.8415
Day 5	2.2380	2.8417
Last 30-days arithmetical average rates	2.1891	2.8212

The Bank's currency risk:

<i>Current Period</i>	EUR	USD	Other FCs	Total
Assets				
Cash (Cash on Hand, Money in Transit, Purchased Cheques) and Balances with the Central Bank of Turkey	3,124,253	14,938,229	4,374,476	22,436,958
Banks	1,395,094	6,116,296	149,922	7,661,312
Financial Assets at Fair Value through Profit/Loss	321,462	226,589	88	548,139
Interbank Money Market Placements	-	-	-	-
Financial Assets Available-for-Sale	187,163	604,971	-	792,134
Loans (*)	15,020,141	37,734,314	367,803	53,122,258
Investments in Associates, Subsidiaries and Joint-Ventures	2,601,513	284,634	-	2,886,147
Investments Held-to-Maturity	-	6,722,620	-	6,722,620
Derivative Financial Assets Held for Risk Management	26,202	115,276	20	141,498
Tangible Assets	11	130	-	141
Intangible Assets	-	-	-	-
Other Assets	122,507	381,971	4,833	509,311
Total Assets	22,798,346	67,125,030	4,897,142	94,820,518
Liabilities				
Bank Deposits	950,985	2,322,622	1,203,965	4,477,572
Foreign Currency Deposits	16,413,546	31,327,762	1,307,690	49,048,998
Interbank Money Market Takings	-	5,783,310	211,786	5,995,096
Other Fundings	7,822,443	19,990,230	80,935	27,893,608
Securities Issued	1,763,849	7,374,026	583,540	9,721,415
Miscellaneous Payables	57,845	417,513	190,071	665,429
Derivative Financial Liabilities Held for Risk Management	-	34,866	41,472	76,338
Other Liabilities (**)	232,147	510,880	1,928,323	2,671,350
Total Liabilities	27,240,815	67,761,209	5,547,782	100,549,806
Net 'On Balance Sheet' Position	(4,442,469)	(636,179)	(650,640)	(5,729,288)
Net 'Off-Balance Sheet' Position	5,088,644	(1,018,692)	960,090	5,030,042
Derivative Assets	13,727,784	30,114,745	5,788,935	49,631,464
Derivative Liabilities	8,639,140	31,133,437	4,828,845	44,601,422
Non-Cash Loans	-	-	-	-
Prior Period				
Total Assets	28,619,489	49,385,910	4,794,429	82,799,828
Total Liabilities	22,886,178	53,773,375	5,576,189	82,235,742
Net 'On Balance Sheet' Position	5,733,311	(4,387,465)	(781,760)	564,086
Net 'Off-Balance Sheet' Position	(3,311,416)	1,925,632	1,089,472	(296,312)
Derivative Assets	9,006,773	24,240,529	6,960,286	40,207,588
Derivative Liabilities	12,318,189	22,314,897	5,870,814	40,503,900
Non-Cash Loans	-	-	-	-

(*) The foreign currency-indexed loans amounting TL 4,683,405 thousands included under TL loans in the accompanying balance sheet are presented above under the related foreign currency codes.

(**) Other liabilities include gold deposits of TL 1,953,175 thousands.

4.6 Interest rate risk

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

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

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

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

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

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

<i>Current Period</i>	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Non-Interest Bearing (*)	Total
Assets							
Cash (Cash on Hand, Money in Transit, Purchased Cheques) and Balances with the Central Bank of Turkey	-	-	-	-	-	23,994,492	23,994,492
Banks	2,996,892	1,705,130	1,490,710	107,408	-	2,343,832	8,643,972
Financial Assets at Fair Value through Profit/Loss (**)	4,108	30,630	106,869	238,773	36,920	1,118,873	1,536,173
Interbank Money Market Placements	-	-	-	-	-	-	-
Financial Assets Available-for-Sale	4,002,188	3,610,798	7,700,987	2,881,322	1,817,370	1,208,555	21,221,220
Loans (**)	33,157,270	16,577,192	35,054,153	36,393,353	7,417,760	2,353,564	130,953,292
Investments Held-to-Maturity	2,869,236	3,249,141	4,528,003	3,034,450	5,350,417	1,067,998	20,099,245
Other Assets	10,444	1,036	-	-	3,055	8,428,391	8,442,926
Total Assets	43,040,138	25,173,927	48,880,722	42,655,306	14,625,522	40,515,705	214,891,320
Liabilities							
Bank Deposits	3,200,732	1,216,561	581,245	-	-	1,953,713	6,952,251
Other Deposits	52,652,477	19,798,267	10,047,486	65,964	187	24,369,330	106,933,711
Interbank Money Market Takings	10,908,956	1,603,051	162,907	1,968,108	-	23,915	14,666,937
Miscellaneous Payables	-	-	-	-	-	6,915,576	6,915,576
Securities Issued	1,201,896	1,649,202	2,692,682	3,896,161	4,141,866	252,389	13,834,196
Other Fundings	11,832,978	10,983,648	5,181,071	3,235,278	565,542	393,248	32,191,765
Other Liabilities	3,063	31,660	31,648	1	-	33,330,512	33,396,884
Total Liabilities	79,800,102	35,282,389	18,697,039	9,165,512	4,707,595	67,238,683	214,891,320
On Balance Sheet Long Position	-	-	30,183,683	33,489,794	9,917,927	-	73,591,404
On Balance Sheet Short Position	(36,759,964)	(10,108,462)	-	-	-	(26,722,978)	(73,591,404)
Off-Balance Sheet Long Position	4,473,198	7,382,891	3,999,801	4,936,107	1,249,443	-	22,041,440
Off-Balance Sheet Short Position	(2,112,999)	(4,915,604)	(1,805,104)	(9,226,673)	(4,302,284)	-	(22,362,664)
Total Position	(34,399,765)	(7,641,175)	32,378,380	29,199,228	6,865,086	(26,722,978)	(321,224)

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

(**) Loans amounting to TL 197,517 thousands included under “financial assets at fair value through profit or loss” in the accompanying balance sheet, are presented above under “Loans”.

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

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

(**) Loans amounting to TL 198,778 thousands included under “financial assets at fair value through profit or loss” in the accompanying balance sheet, are presented above under “Loans”.

4.6.2 Average interest rates on monetary financial instruments (%)

<i>Current Period</i>	EUR	USD	JPY	TL
	%	%	%	%
Assets				
Cash (Cash on Hand, Money in Transit, Purchased Cheques) and Balances with the Central Bank of Turkey	-	-	-	-
Banks	0.56	0.34	-	8.54
Financial Assets at Fair Value through Profit/Loss	4.63	7.41	-	9.08
Interbank Money Market Placements	-	-	-	-
Financial Assets Available-for-Sale	5.15	6.97	-	9.52
Loans	4.74	5.12	2.98	14.34
Investments Held-to-Maturity	-	5.41	-	9.52
Liabilities				
Bank Deposits	1.23	1.61		10.15
Other Deposits	1.38	1.49	1.43	6.93
Interbank Money Market Takings	-	1.10	1.49	9.28
Miscellaneous Payables	-	-	-	-
Securities Issued	3.39	4.38	-	9.47
Other Fundings	1.34	2.15	2.30	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	0.71	0.42	-	7.29
Financial Assets at Fair Value through Profit/Loss	4.63	7.45	-	12.95
Interbank Money Market Placements	-	0.40	-	-
Financial Assets Available-for-Sale	4.15	5.63	-	9.25
Loans	4.89	5.21	5.50	12.92
Investments Held-to-Maturity	-	4.98	-	10.12
Liabilities				
Bank Deposits	1.39	1.98	-	6.84
Other Deposits	1.70	1.82	0.69	6.90
Interbank Money Market Takings	-	1.78	1.49	7.45
Miscellaneous Payables	-	-	-	-
Securities Issued	3.46	4.25	-	8.23
Other Fundings	1.45	2.14	-	9.85

4.6.3 Interest rate risk on banking book

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

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

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

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

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

In case of instruments with no maturities, the maturity is determined as per interest rate fixing periods and customer behaviors. Such results are supported by sensitivity and scenario analysis applied periodically for possible fluctuations in the markets.

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

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

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

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

	<i>Current Period</i>	Shocks Applied (+/- basis points)	Gains/Losses	Gains/Equity- Losses/Equity
	Type of Currency			
1	TL	(+) 500bp	(2,811,852)	(10.39)%
2	TL	(-) 400bp	2,716,576	10.03%
3	USD	(+) 200bp	(636,587)	(2.35)%
4	USD	(-) 200bp	791,554	2.92%
5	EUR	(+) 200bp	5,484	0.02%
6	EUR	(-) 200bp	5,694	0.02%
	Total (of negative shocks)		3,513,824	12.98%
	Total (of positive shocks)		(3,442,955)	(12.72)%

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

4.7 Position risk of equity securities in banking book

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

<i>Current Period</i>		Comparison		
Equity Securities (shares)		Carrying Value	Fair Value	Market Value
1	Investment in Shares- grade A	3,300,086	3,012,375	66,030
	Quoted Securities	66,030	-	66,030
2	Investment in Shares- grade B	87,294	-	60,197
	Quoted Securities	60,197	-	60,197
3	Investment in Shares- grade C	662	-	-
	Quoted Securities	-	-	-
4	Investment in Shares- grade D	-	-	-
	Quoted Securities	-	-	-
5	Investment in Shares- grade E	1,014	-	-
	Quoted Securities	-	-	-
6	Investment in Shares- grade F	48	-	-
	Quoted Securities	-	-	-

<i>Prior Period</i>		Comparison		
Equity Securities (shares)		Carrying Value	Fair Value	Market Value
1	Investment in Shares- grade A	3,134,887	2,838,798	56,840
	Quoted Securities	56,840	-	56,840
2	Investment in Shares- grade B	78,916	-	51,819
	Quoted Securities	51,819	-	51,819
3	Investment in Shares- grade C	662	-	-
	Quoted Securities	-	-	-
4	Investment in Shares- grade D	-	-	-
	Quoted Securities	-	-	-
5	Investment in Shares- grade E	1,014	-	-
	Quoted Securities	-	-	-
6	Investment in Shares- grade F	48	-	-
	Quoted Securities	-	-	-

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

<i>Current Period</i>		Gains/Losses in Current Period	Revaluation Surpluses		Unrealised Gains and Losses		
Portfolio			Total	Amount in Supplementary Capital ^(*)	Total	Amount in Core Capital	Amount in Supplementary Capital
1	Private Equity Investments	-	-	-	-	-	
2	Quoted Shares	-	-	-	58,350	58,350	
3	Other Shares	-	1,511,224	1,511,224	-	-	
	Total	-	1,511,224	1,511,224	58,350	58,350	

(*) The Securities Value Increase Fund under other Comprehensive Income according to TAS gives a positive result amounting to TL 1,511,224 thousands and the whole amount is included in Common Equity Tier I Capital.

<i>Prior Period</i>		Gains/Losses in Current Period	Revaluation Surpluses		Unrealised Gains and Losses		
Portfolio			Total	Amount in Supplementary Capital	Total	Amount in Core Capital	Amount in Supplementary Capital
1	Private Equity Investments	-	-	-	-	-	
2	Quoted Shares	-	-	-	40,893	17,788	
3	Other Shares	-	1,322,634	595,185	-	-	
	Total	-	1,322,634	595,185	40,893	17,788	

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 2014 and the year of 2013, are as follows:

<i>Current Period</i>	First Maturity Bracket (Weekly)		Second Maturity Bracket (Monthly)	
	FC	FC + TL	FC	FC + TL
Average (%)	181.23	137.22	130.89	107.38

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

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

	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Undistributed (*)	Total
Current Period								
Assets								
Cash (Cash on Hand, Money in Transit, Purchased Cheques) and Balances with the Central Bank of Turkey	4,626,186	19,368,306	-	-	-	-	-	23,994,492
Banks	2,316,726	1,730,236	406,112	529,367	3,661,531	-	-	8,643,972
Financial Assets at Fair Value through Profit/Loss (**)	3,850	240,256	139,121	381,359	451,189	320,398	-	1,536,173
Interbank Money Market Placements	-	-	-	-	-	-	-	-
Financial Assets Available-for-Sale	91,234	1,162,344	43,533	2,487,944	7,286,083	10,150,082	-	21,221,220
Loans (**)	167,098	23,964,952	11,865,465	29,999,390	47,263,957	15,342,727	2,349,703	130,953,292
Investments Held-to-Maturity	-	-	228,035	2,003,175	4,054,924	13,813,111	-	20,099,245
Other Assets	1,803,959	694,286	1,036	-	169,341	50,068	5,724,236	8,442,926
Total Assets	9,009,053	47,160,380	12,683,302	35,401,235	62,887,025	39,676,386	8,073,939	214,891,320
Liabilities								
Bank Deposits	1,938,827	3,207,245	1,027,046	687,836	91,297	-	-	6,952,251
Other Deposits	23,975,675	52,851,990	19,886,879	10,102,267	106,871	10,029	-	106,933,711
Other Fundings	-	820,588	3,788,562	11,120,748	11,245,660	5,216,207	-	32,191,765
Interbank Money Market Takings	-	10,918,867	1,605,335	164,581	1,978,154	-	-	14,666,937
Securities Issued	-	457,100	1,597,339	2,708,667	4,725,226	4,345,864	-	13,834,196
Miscellaneous Payables	757,902	6,157,674	-	-	-	-	-	6,915,576
Other Liabilities (***)	1,970,532	552,225	355,478	355,740	557,661	122,288	29,482,960	33,396,884
Total Liabilities	28,642,936	74,965,689	28,260,639	25,139,839	18,704,869	9,694,388	29,482,960	214,891,320
Liquidity Gap	(19,633,883)	(27,805,309)	(15,577,337)	10,261,396	44,182,156	29,981,998	(21,409,021)	-
Prior Period								
Total Assets	15,972,804	32,440,193	11,421,464	36,752,020	61,514,900	31,204,279	7,590,548	196,896,208
Total Liabilities	24,771,335	72,958,590	24,055,521	23,655,724	16,214,349	8,867,913	26,372,776	196,896,208
Liquidity Gap	(8,798,531)	(40,518,397)	(12,634,057)	13,096,296	45,300,551	22,336,366	(18,782,228)	-

(*) 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 197,517 thousands (31 December 2013: TL 198,778 thousands) classified under “financial assets at fair value through profit or loss” in the accompanying balance sheet, are included above under “Loans”.

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

4.9 Securitisation positions

None.

4.10 Credit risk mitigation techniques

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

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

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

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

<i>Current Period</i>	Amount ^(**)	Financial Collateral	Other/Physical Collateral	Guaranties and Credit Derivatives
Exposure Categories				
Conditional and unconditional exposures to central governments or central banks	64,059,157	5,122,745	-	-
Conditional and unconditional exposures to regional governments or local authorities	55,720	117	-	-
Conditional and unconditional exposures to administrative bodies and non-commercial undertakings	57,527	3,152	-	-
Conditional and unconditional exposures to multilateral development banks	-	-	-	-
Conditional and unconditional exposures to international organisations	-	-	-	-
Conditional and unconditional exposures to banks and brokerage houses	40,236,729	12,993,465	-	-
Conditional and unconditional exposures to corporates	104,917,412	11,812,973	-	-
Conditional and unconditional retail exposures	63,363,774	1,040,513	-	-
Conditional and unconditional exposures secured by real estate property ^(*)	21,178,474	101,104	-	-
Past due items	407,534	552	-	-
Items in regulatory high-risk categories	16,832,837	150,026	-	-
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	49,934	-	-	-
Other items	7,402,595	-	-	-

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

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

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

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

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

4.11 Risk management objectives and policies

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

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

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

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

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

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

4.12 Fair values of financial assets and liabilities

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

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

None.

5 Disclosures and Footnotes on Unconsolidated Financial Statements

5.1 Assets

5.1.1 Cash and balances with Central Bank

	<i>Current Period</i>		<i>Prior Period</i>	
	TL	FC	TL	FC
Cash in TL/Foreign Currency	1,099,182	518,137	1,007,643	545,114
Central Bank of Turkey	458,352	21,712,471	1,743,999	19,161,838
Others	-	206,350	-	69,504
Total	1,557,534	22,436,958	2,751,642	19,776,456

Balances with the Central Bank of Turkey

	<i>Current Period</i>		<i>Prior Period</i>	
	TL	FC	TL	FC
Unrestricted Demand Deposits	458,352	2,344,165	1,743,999	1,995,058
Unrestricted Time Deposits	-	-	-	-
Restricted Time Deposits	-	19,368,306	-	17,166,780
Total	458,352	21,712,471	1,743,999	19,161,838

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	-	268,100	-	280,860
Assets Subject to Repurchase Agreements	-	-	-	-
Total	-	268,100	-	280,860

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	136,992	26,186	297,734	16,495
Swap Transactions	406,005	394,601	310,057	190,404
Futures	-	845	-	1,451
Options	108,411	25,551	292,893	37,632
Other	-	-	-	-
Total	651,408	447,183	900,684	245,982

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

The Bank classified certain fixed-rate loans amounting to TL 200,000 thousands at initial recognition under financial assets at fair value through profit/loss to eliminate accounting inconsistency. The carrying value of these financial assets and the related current period loss amounted to TL 197,517 thousands (31 December 2013: TL 198,778 thousands) and TL 1,261 thousands (30 September 2013: TL 17,884 thousands), respectively.

5.1.3 Banks

	<i>Current Period</i>		<i>Prior Period</i>	
	TL	FC	TL	FC
Banks				
Domestic banks	318,083	55,539	361,414	254,705
Foreign banks	664,577	7,605,773	1,712,607	7,421,665
Foreign headoffices and branches	-	-	-	-
Total	982,660	7,661,312	2,074,021	7,676,370

The placements at foreign banks include blocked accounts amounting TL 6,034,562 thousands (31 December 2013: TL 7,326,245 thousands) of which TL 98,294 thousands (31 December 2013: TL 116,271 thousands) and TL 54,323 thousands (31 December 2013: TL 43,094 thousands) are kept at the central banks of Malta and Turkish Republic of Northern Cyprus, respectively as reserve deposits and TL 5,881,945 thousands (31 December 2013: TL 7,166,880 thousands) as collateral against funds borrowed at various banks.

Due from foreign banks

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

5.1.4 Financial assets available-for-sale

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

	<i>Current Period</i>		<i>Prior Period</i>	
	TL	FC	TL	FC
Collateralised/Blocked Assets	5,917,676	139,021	6,591,836	530,716
Assets subject to Repurchase Agreements	6,582,999	444,585	9,143,715	374,938
Total	12,500,675	583,606	15,735,551	905,654

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

	<i>Current Period</i>	<i>Prior Period</i>
Debt Securities	20,176,269	21,064,852
Quoted at Stock Exchange	18,489,778	18,404,784
Unquoted at Stock Exchange	1,686,491	2,660,068
Common Shares/Investment Funds	62,011	18,163
Quoted at Stock Exchange (*)	7,669	7,669
Unquoted at Stock Exchange	54,342	10,494
Value Increases/Impairment Losses (-)	982,940	547,067
Total	21,221,220	21,630,082

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	726	159,539	65	135,482
Corporates	726	159,539	65	135,482
Individuals	-	-	-	-
Indirect Lendings to Shareholders	1,402,044	478,599	452,446	294,928
Loans to Employees	165,330	68	154,164	50
Total	1,568,100	638,206	606,675	430,460

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

<i>Current Period</i>	Performing Loans and Other Receivables			Loans and Other Receivables under Follow-Up		
	Loans and Other Receivables (Total)	Loans and Receivables with Revised Contract Terms		Loans and Other Receivables (Total)	Loans and Receivables with Revised Contract Terms	
		Extension of Repayment Plan	Other Changes		Extension of Repayment Plan	Other Changes
Cash Loans						
Loans	126,736,111	2,010,223	-	3,649,650	1,370,118	386,255
Working Capital Loans	9,525,431	164,995	-	649,304	375,618	87,654
Export Loans	4,983,380	3,536	-	89,789	48,570	32,792
Import Loans	9,072	-	-	-	-	-
Loans to Financial Sector (*)	3,223,375	5,710	-	-	-	-
Consumer Loans	31,343,080	983,764	-	1,167,725	308,106	65,839
Credit Cards	14,304,175	-	-	325,610	-	127,919
Others	63,347,598	852,218	-	1,417,222	637,824	72,051
Specialization Loans	-	-	-	-	-	-
Other Receivables	-	-	-	-	-	-
Total	126,736,111	2,010,223	-	3,649,650	1,370,118	386,255

(*) Loans amounting to TL 197,517 thousands included under “financial assets at fair value through profit or loss” in the accompanying balance sheet, are presented above under “Loans to Financial Sector”.

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

(*) Loans amounting to TL 198,778 thousands included under “financial assets at fair value through profit or loss” in the accompanying balance sheet, are presented above under “Loans to Financial Sector”.

Collaterals received for loans under follow-up;

<i>Current Period</i>	Corporate/ Commercial Loans	Consumer Loans	Credit Cards	Total
Loans Collateralized by Cash	49,039	2,512	-	51,551
Loans Collateralized by Mortgages	957,661	436,697	-	1,394,358
Loans Collateralized by Pledged Assets	70,906	51,412	-	122,318
Loans Collateralized by Cheques and Notes	61,995	452,355	-	514,350
Loans Collateralized by Other Collaterals	674,732	6,841	-	681,573
Unsecured Loans	341,982	217,908	325,610	885,500
Total	2,156,315	1,167,725	325,610	3,649,650

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

Delinquency periods of loans under follow-up;

<i>Current Period</i>	Corporate/ Commercial Loans	Consumer Loans	Credit Cards	Total
31-60 days	70,299	464,830	132,180	667,309
61-90 days	66,280	176,740	53,098	296,118
Others	2,019,736	526,155	140,332	2,686,223
Total	2,156,315	1,167,725	325,610	3,649,650

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

Loans and other receivables with extended payment plans;

No. of Extensions	Current Period		Prior Period	
	Performing Loans and Other Receivables	Loans and Other Receivables under Follow-up	Performing Loans and Other Receivables	Loans and Other Receivables under Follow-up
1 or 2 times	1,819,184	1,327,697	2,074,651	1,362,038
3, 4 or 5 times	126,260	40,417	55,069	22,639
Over 5 times	64,779	2,004	32,185	7,421
Total	2,010,223	1,370,118	2,161,905	1,392,098

Extention Periods	Current Period		Prior Period	
	Performing Loans and Other Receivables	Loans and Other Receivables under Follow-up	Performing Loans and Other Receivables	Loans and Other Receivables under Follow-up
0 - 6 months	624,223	230,400	519,933	133,034
6 - 12 months	132,190	51,027	128,650	52,069
1 - 2 years	433,657	160,392	292,141	154,404
2 - 5 year	230,510	434,900	460,737	431,914
5 years and over	589,643	493,399	760,444	620,677
Total	2,010,223	1,370,118	2,161,905	1,392,098

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	666,819	31,169,240	31,836,059
Housing Loans	18,569	14,728,608	14,747,177
Automobile Loans	14,347	1,286,729	1,301,076
General Purpose Loans	127,632	2,236,789	2,364,421
Other	506,271	12,917,114	13,423,385
Consumer Loans – FC-indexed	-	188,020	188,020
Housing Loans	-	181,962	181,962
Automobile Loans	-	72	72
General Purpose Loans	-	4,777	4,777
Other	-	1,209	1,209
Consumer Loans – FC	15	35,774	35,789
Housing Loans	-	27,081	27,081
Automobile Loans	-	5,470	5,470
General Purpose Loans	-	918	918
Other	15	2,305	2,320
Retail Credit Cards – TL	12,751,203	504,893	13,256,096
With Installment	5,957,720	504,882	6,462,602
Without Installment	6,793,483	11	6,793,494
Retail Credit Cards – FC	43,819	-	43,819
With Installment	14,019	-	14,019
Without Installment	29,800	-	29,800
Personnel Loans – TL	16,916	62,112	79,028
Housing Loan	-	1,090	1,090
Automobile Loans	-	67	67
General Purpose Loans	4,663	12,081	16,744
Other	12,253	48,874	61,127
Personnel Loans - FC-indexed	-	276	276
Housing Loans	-	276	276
Automobile Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Personnel Loans – FC	-	124	124
Housing Loans	-	-	-
Automobile Loans	-	-	-
General Purpose Loans	-	124	124
Other	-	-	-
Personnel Credit Cards – TL	76,362	479	76,841
With Installment	29,957	479	30,436
Without Installment	46,405	-	46,405
Personnel Credit Cards – FC	849	-	849
With Installment	318	-	318
Without Installment	531	-	531
Deposit Accounts– TL (Real persons)	371,509	-	371,509
Deposit Accounts– FC (Real persons)	-	-	-
Total	13,927,492	31,960,918	45,888,410

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

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	1,246,145	8,012,743	9,258,888
Real Estate Loans	2,027	640,350	642,377
Automobile Loans	58,415	1,611,625	1,670,040
General Purpose Loans	1,185,696	5,753,490	6,939,186
Other	7	7,278	7,285
Installment-based Commercial Loans - FC-indexed	119,048	1,311,119	1,430,167
Real Estate Loans	-	56,497	56,497
Automobile Loans	3,723	321,940	325,663
General Purpose Loans	115,325	932,682	1,048,007
Other	-	-	-
Installment-based Commercial Loans – FC	53	74,950	75,003
Real Estate Loans	-	1,179	1,179
Automobile Loans	30	6,941	6,971
General Purpose Loans	23	13,334	13,357
Other	-	53,496	53,496
Corporate Credit Cards – TL	1,242,141	456	1,242,597
With Installment	554,882	455	555,337
Without Installment	687,259	1	687,260
Corporate Credit Cards – FC	9,583	-	9,583
With Installment	302	-	302
Without Installment	9,281	-	9,281
Deposit Accounts– TL (Corporates)	757,491	-	757,491
Deposit Accounts– FC (Corporates)	-	-	-
Total	3,374,461	9,399,268	12,773,729

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

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	127,861,016	115,622,241
Foreign Loans (*)	2,524,745	2,765,974
Total	130,385,761	118,388,215

(*) Loans amounting to TL 197,517 thousands (31 December 2013: TL 198,778 thousands) included under “Financial Assets at Fair Value through Profit/Loss” in the accompanying balance sheet, are presented above under “Foreign Loans”.

5.1.5.8 Loans to associates and subsidiaries

	<i>Current Period</i>	<i>Prior Period</i>
Direct Lending	902,487	1,208,237
Indirect Lending	-	-
Total	902,487	1,208,237

5.1.5.9 Specific provisions for loans

	<i>Current Period</i>	<i>Prior Period</i>
Substandard Loans and Receivables - Limited Collectibility	265,991	277,414
Doubtful Loans and Receivables	594,090	302,070
Uncollectible Loans and Receivables	1,563,356	1,476,984
Total	2,423,437	2,056,468

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)	81,855	83,846	178,369
Restructured Loans and Receivables	81,855	83,846	178,369
Rescheduled Loans and Receivables	-	-	-
<i>Prior Period</i>			
(Gross Amounts before Specific Provisions)	58,625	92,870	118,125
Restructured Loans and Receivables	58,625	92,870	118,125
Rescheduled Loans and Receivables	-	-	-

Movements in non-performing loans and other receivables

	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	378,430	402,395	1,757,605
Additions during the Period (+)	983,832	204,665	35,586
Transfer from Other NPL Categories (+)	-	865,670	542,247
Transfer to Other NPL Categories (-)	865,670	542,247	-
Collections during the Period (-)	159,195	154,658	175,652
Write-offs (-) (*)	-	295	281,745
Corporate and Commercial Loans	-	-	39,569
Retail Loans	-	295	57,734
Credit Cards	-	-	184,442
Others	-	-	-
Balances at End of Period	337,397	775,530	1,878,041
Specific Provisions (-)	265,991	594,090	1,563,356
Net Balance on Balance Sheet	71,406	181,440	314,685

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

(*) 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	936,813	510,037	609,618	2,056,468
Additions during the Period(+)	311,665	405,470	304,000	1,021,135
Restructured/Rescheduled Loans (-)	-	-	-	-
Collections during the Period (-)	98,099	168,526	112,386	379,011
Write-offs (-) (*)	32,684	58,029	184,442	275,155
Balances at End of Period	1,117,695	688,952	616,790	2,423,437

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

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

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

Non-performing loans and other receivables in foreign currencies

	Group III	Group IV	Group V
	Substandard Loans and Receivables	Doubtful Loans and Receivables	Uncollectible Loans and Receivables
<i>Current Period</i>			
Balance at End of Period	10,533	163,068	454,318
Specific Provisions (-)	4,522	102,841	382,946
Net Balance at Balance Sheet	6,011	60,227	71,372
<i>Prior Period</i>			
Balance at End of Period	141,370	17,319	456,840
Specific Provisions (-)	88,761	7,149	389,076
Net Balance at Balance Sheet	52,609	10,170	67,764

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

	Group III	Group IV	Group V
	Substandard Loans and Receivables	Doubtful Loans and Receivables	Uncollectible Loans and Receivables
<i>Current Period (Net)</i>			
	71,406	181,440	314,685
Loans to Individuals and Corporates (Gross)	337,397	775,530	1,871,148
Specific Provision (-)	265,991	594,090	1,556,463
Loans to Individuals and Corporates (Net)	71,406	181,440	314,685
Banks (Gross)	-	-	311
Specific Provision (-)	-	-	311
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	6,582
Specific Provision (-)	-	-	6,582
Other Loans and Receivables (Net)	-	-	-
<i>Prior Period (Net)</i>			
	101,016	100,325	280,621
Loans to Individuals and Corporates (Gross)	378,430	402,395	1,749,573
Specific Provision (-)	277,414	302,070	1,468,952
Loans to Individuals and Corporates (Net)	101,016	100,325	280,621
Banks (Gross)	-	-	311
Specific Provision (-)	-	-	311
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	7,721
Specific Provision (-)	-	-	7,721
Other Loans and Receivables (Net)	-	-	-

Collaterals received for non-performing loans

<i>Current Period</i>	Corporate/ Commercial Loans	Consumer Loans	Credit Cards	Total
Loans Collateralized by Cash	1,076	146	-	1,222
Loans Collateralized by Mortgages	743,386	63,220	-	806,606
Loans Collateralized by Pledged Assets	232,641	49,662	-	282,303
Loans Collateralized by Cheques and Notes	341,484	493,734	-	835,218
Loans Collateralized by Other Collaterals	241,640	5,005	-	246,645
Unsecured Loans	69,510	132,673	616,791	818,974
Total	1,629,737	744,440	616,791	2,990,968

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

5.1.5.11 *Liquidation policy for uncollectible loans and receivables*

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

5.1.5.12 *“Write-off” policies*

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

5.1.6 **Investments held-to-maturity**

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

	<i>Current Period</i>		<i>Prior Period</i>	
	TL	FC	TL	FC
Collateralised/Blocked Investments	5,890,778	695,938	5,139,285	-
Investments subject to Repurchase Agreements	4,257,530	4,176,497	6,192,089	428,072
Total	10,148,308	4,872,435	11,331,374	428,072

5.1.6.2 *Government securities held-to-maturity*

	<i>Current Period</i>	<i>Prior Period</i>
Government Bonds	17,647,227	13,581,743
Treasury Bills	-	-
Other Government Securities	-	-
Total	17,647,227	13,581,743

5.1.6.3 *Investments held-to-maturity*

	<i>Current Period</i>	<i>Prior Period</i>
Debt Securities	19,031,248	13,540,925
Quoted at Stock Exchange	17,726,434	13,140,485
Unquoted at Stock Exchange	1,304,814	400,440
Valuation Increase/(Decrease)	1,067,997	443,510
Total	20,099,245	13,984,435

As of 30 September 2014, the Bank’s “investments held-to-maturity” portfolio includes private sector bonds with “credit linked notes” at a total face value of USD 425,000,000 (31 December 2013: -) and a total carrying value of TL 960,737 thousands (31 December 2013: -).

5.1.6.4 Movement of investments held-to-maturity

	<i>Current Period</i>	<i>Prior Period</i>
Balances at Beginning of Period	13,984,435	1,364,383
Foreign Currency Differences On Monetary Assets	52,529	-
Purchases during the Period (*)	6,845,903	12,670,890
Disposals through Sales/Redemptions (**)	(1,408,110)	(495,874)
Valuation Effect	624,488	445,036
Balances at End of Period	20,099,245	13,984,435

(*) In the prior period, the Bank reclassified certain securities issued by the Turkish Treasury, with a total face value of TL 8,965,094 thousands from financial assets available-for-sale portfolio to investments held-to-maturity portfolio. Also in the current period, the Bank reclassified private sector bonds with "credit linked notes" with a total face value of USD 425,000,000 from financial assets available-for-sale portfolio to investments held-to-maturity portfolio.

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

5.1.7 Investments in associates

5.1.7.1 Investments in associates

	Associate	Address (City/ Country)	Bank's Share – If Different, Voting Rights (%)	Bank's Risk Group Share (%)
1	Bankalararası Kart Merkezi AŞ ⁽¹⁾	İstanbul/Turkey	10.15	10.15
2	Yatırım Finansman Menkul Değerler AŞ ⁽¹⁾	İstanbul/Turkey	0.77	0.77
3	İstanbul Takas ve Saklama Bankası AŞ ⁽¹⁾	İstanbul/Turkey	5.25	5.28
4	Borsa İstanbul AŞ ^{(**)(1)}	İstanbul/Turkey	0.30	0.34
5	KKB Kredi Kayıt Bürosu AŞ ⁽¹⁾	İstanbul/Turkey	9.09	9.09
6	Türkiye Cumhuriyet Merkez Bankası AŞ ⁽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	52,068	26,332	32,553	411	-	3,980	1,116	-
2	684,196	74,368	4,061	6,105	830	(4)	2,268	-
3	4,704,329	747,237	15,525	80,450	12,170	66,776	34,803	-
4	730,190	550,669	53,713	9,136	2,378	84,105	23,432	-
5	92,728	78,246	43,963	2,214	-	15,164	20,234	-
6	342,205,270	32,780,467	645,252	1,857,993	2,531,419	13,198,929	(276,082)	-
7	282,171	278,200	2,786	6,716	-	6,055	5,292	-

⁽¹⁾ Financial information is as of 30 June 2014.

⁽²⁾ Financial information is as of 31 December 2013.

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

(**) As the date of establishment of Borsa İstanbul AŞ is 3 April 2013, the prior period profit includes only the performance results of the period 3 April - 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	36,698	21,099
Movements during the Period	-	15,599
Acquisitions (*)	-	10,494
Bonus Shares Received (**)	-	5,105
Dividends from Current Year Profit	-	-
Sales	-	-
Increase in Market Values	-	-
Impairment Reversals/(Losses)	-	-
Balance at End of Period	36,698	36,698
Capital Commitments	-	-
Share Percentage at the End of Period (%)	-	-

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

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

5.1.7.3 Sectoral distribution of investments and associates

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

5.1.7.4 Quoted associates

None.

5.1.7.5 Valuation methods of investments in associates

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

5.1.7.6 Investments in associates sold during the current period

None.

5.1.7.7 Investments in associates acquired during the current period

None.

5.1.8 Investments in subsidiaries

5.1.8.1 Information on capital adequacy of major subsidiaries

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

<i>Current Period</i>	Garanti Bank International NV	Garanti Finansal Kiralama AŞ	Garanti Holding BV
COMMON EQUITY TIER I CAPITAL			
Paid-in Capital to be Entitled for Compensation after All Creditors	393,659	357,848	1,048,987
Share Premium	-	-	36,873
Share Cancellation Profits	-	-	-
Reserves	977,152	238,680	(505,525)
Other Comprehensive Income according to TAS (*)	6,011	-	24,124
Current and Prior Periods' Profits	150,954	72,759	57,297
Common Equity Tier I Capital Before Deductions	1,527,776	669,287	661,756
Deductions From Common Equity Tier I Capital			
Current and Prior Periods' Losses not Covered by Reserves, and Losses Accounted under Equity according to TAS (-)	52,255	45	80
Leasehold Improvements on Operational Leases (-)	-	-	12,586
Goodwill and Other Intangible Assets and Related Deferred Taxes (-)	3,467	716	33,496
Net Deferred Tax Asset/Liability (-)	-	-	7,917
Total Deductions from Common Equity Tier I Capital	55,722	761	54,079
Total Common Equity Tier I Capital	1,472,054	668,526	607,677
Total Deductions From Tier I Capital	13,875	2,864	165,655
Total Tier I Capital	1,458,179	665,662	442,022
TIER II CAPITAL	85,263	-	54,163
CAPITAL BEFORE DEDUCTIONS	1,543,442	665,662	496,185
Net Book Values of Movables and Immovables Exceeding the Limit Defined in the Article 57, Clause 1 of the Banking Law and the Assets Acquired against Overdue Receivables and Held for Sale but Retained more than Five Years (-)	-	6	-
TOTAL CAPITAL	1,543,442	665,656	496,185

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

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

5.1.8.2 Investments in subsidiaries

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

	Total Assets	Shareholders' Equity	Total Fixed Assets (*)	Interest Income	Income on Securities Portfolio	Current Period Profit/Loss	Prior Period Profit/Loss	Company's Fair Value
1	49,407	43,530	68	1,088	1,522	7,269	1,001	-
2	24,013	17,202	3,479	829	372	910	973	-
3	6,649	6,398	12	-	219	2,767	2,529	-
4	1,301	921	62	-	3	100	73	-
5	3,791	3,592	5	-	141	1,038	948	-
6	3,889,501	669,242	19,351	247,785	-	72,759	55,397	-
7	2,477,042	136,006	3,956	125,543	-	15,940	12,901	154,230
8	54,907	40,025	3,873	1,075	1,667	3,106	6,915	-
9	37,426	29,579	3,375	1,123	77	9,025	2,686	-
10	6,659,989	847,030	26,917	56,276	8,532	133,216	105,716	-
11	12,547,568	1,475,521	71,595	347,681	63,369	150,954	171,878	1,613,426
12	875,984	178,102	39,556	34,263	16,831	10,510	11,617	284,798
13	921,878	921,844	-	6	-	(153)	(97)	988,087

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

5.1.8.3 Movement of investments in subsidiaries

	<i>Current Period</i>	<i>Prior Period</i>
Balance at Beginning of Period	3,178,829	2,588,534
Movements during the Period	173,577	590,295
Acquisitions	-	-
Bonus Shares Received ^(*)	-	46,142
Dividends from Current Year Profit	-	-
Sales/Liquidations	-	-
Reclassification of Shares	-	-
Increase/(Decrease) in Market Values	206,120	257,126
Currency Differences on Foreign Subsidiaries	(32,543)	287,027
Impairment Reversals/(Losses)	-	-
Balance at End of Period	3,352,406	3,178,829
Capital Commitments	-	-
Share Percentage at the End of Period (%)	-	-

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

5.1.8.4 Sectoral distribution of investments in subsidiaries

Subsidiaries	<i>Current Period</i>	<i>Prior Period</i>
Banks	1,898,060	1,784,026
Insurance Companies	56,545	56,545
Factoring Companies	126,227	108,660
Leasing Companies	110,743	110,743
Finance Companies	1,056,746	1,014,770
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	126,227	108,660
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	3,012,375	2,838,798

5.1.8.7 Investments in subsidiaries disposed during the current period

None.

5.1.8.8 Investments in subsidiaries acquired during the current period

None.

5.1.9 Investments in Joint-Ventures

None.

5.1.10 Lease receivables

None.

5.1.11 Derivative financial assets held for risk management

5.1.11.1 Positive differences on derivative financial instruments held for risk management

Derivative Financial Assets Held for Risk Management	Current Period		Prior Period	
	TL	FC	TL	FC
Fair Value Hedges	35,655	500	65,943	-
Cash Flow Hedges	39,201	140,998	38,032	11,009
Net Foreign Investment Hedges	-	-	-	-
Total	74,856	141,498	103,975	11,009

As of 30 September 2014, the face values and the net fair values, recognised in the balance sheet, of the derivative financial instruments held for risk management purposes, are summarized below:

	Current Period			Prior Period		
	Face Value	Asset	Liability	Face Value	Asset	Liability
Interest Rate Swaps	11,391,307	75,336	75,989	4,928,361	103,975	-
-TL	6,044,702	74,856	41,123	4,928,361	103,975	-
-FC	5,346,605	480	34,866	-	-	-
Cross Currency Swaps	5,222,086	141,018	41,472	2,240,471	11,009	39,105
-TL	2,098,624	-	-	607,985	-	-
-FC	3,123,462	141,018	41,472	1,632,486	11,009	39,105
Total	16,613,393	216,354	117,461	7,168,832	114,984	39,105

5.1.11.1.1 Fair value hedge accounting

Current Period						
Hedging Item	Hedged Item	Type of Risk	Fair Value Change of Hedged Item	Net Fair Value Change of Hedging Item		Income Statement Effect (gains/losses from derivative financial instruments)
				Asset	Liability	
Interest Rate Swaps	Fixed-rate commercial loans	Interest rate risk	16,531	8,013	(32,561)	(8,017)
Interest Rate Swaps	Fixed-rate securities	Interest rate risk	(35,837)	28,121	(39,861)	(47,577)
Cross Currency Swaps	Fixed-rate securities issued	Interest rate and foreign currency exchange rate risk	(4,845)	21	(41,472)	(46,296)

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

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

5.1.11.1.2 Cash flow hedge accounting

Current Period							
Hedging Item	Hedged Item	Type of Risk	Fair Value Change of Hedged Item		Gains/Losses Accounted under Shareholders' Equity in the Period	Gains/Losses Accounted under Income Statement in the Period	Ineffective Portion (net) Accounted under Income Statement
			Asset	Liability			
Interest Rate Swaps	Fixed-rate funds borrowed	Cash flow risk resulted from change in market interest rates	39,202	(3,567)	(3,271)	(12,601)	-
Cross Currency Swaps	Fixed-rate securities issued	Cash flow risk resulted from change in market interest rates and foreign currency exchange rates	78,957	-	10,195	14,309	-
Cross Currency Swaps	Floating-rate funds borrowed	Cash flow risk resulted from change in market interest rates and foreign currency exchange rates	62,040	-	45,706	4,592	-

Prior Period							
Hedging Item	Hedged Item	Type of Risk	Fair Value Change of Hedged Item		Gains/Losses Accounted under Shareholders' Equity in the Period	Gains/Losses Accounted under Income Statement in the Period	Ineffective Portion (net) Accounted under Income Statement
			Asset	Liability			
Interest Rate Swaps	Fixed-rate funds borrowed	Cash flow risk resulted from change in market interest rates	38,032	-	38,044	-	-
Cross Currency Swaps	Fixed-rate securities issued	Cash flow risk resulted from change in market interest rates and foreign currency exchange rates	11,009	-	11,009	-	-

5.1.12 Tangible assets

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

5.1.13 Intangible assets

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

5.1.14 Investment property

<i>Current Period</i>	Cost	Accumulated Depreciation (-)	Impairment Losses	Intend of Use
Real Estate Type				
Building	181,616	(42,423)	-	Operational lease
Land	-	-	-	-

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

5.1.15 Deferred tax asset

As of 30 September 2014, the Bank has a deferred tax asset of TL 231,027 thousands (31 December 2013: TL 129,218 thousands) calculated as the net amount remaining after netting of tax deductible timing differences and taxable timing differences.

The Bank does not have any deferred tax assets on tax losses carried forward or tax deductions and exemptions as of 30 September 2014. However, there is a deferred tax asset of TL 483,407 thousands (31 December 2013: TL 369,090 thousands) and deferred tax liability of TL 252,380 thousands (31 December 2013: TL 239,872 thousands) presented as net in the accompanying financial statements on all taxable temporary differences arising between the carrying amounts and the taxable amounts of assets and liabilities on the financial statements that will be considered in the calculation of taxable earnings in the future periods.

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

	<i>Current Period</i>		<i>Prior Period</i>	
	Tax Base	Deferred Tax Amount	Tax Base	Deferred Tax Amount
Provisions (*)	692,692	138,538	525,719	105,144
Differences between the Carrying Values and Taxable Values of Financial Assets (**)	537,874	98,392	17,483	(7,501)
Other	(29,518)	(5,903)	157,873	31,575
Total Deferred Tax Asset, Net	1,201,048	231,027	701,075	129,218

(*) 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 2014, TL 179,806 thousands (31 December 2013: TL 403,903 thousands) of deferred tax income and TL 77,979 thousands (31 December 2013: TL 351,665 thousands) of deferred tax expenses are recognised in the income statement and the shareholders' equity, respectively.

5.1.16 Assets held for sale and assets of discontinued operations

	<i>Current Period</i>	<i>Prior Period</i>
End of Prior Period		
Cost	152,094	131,463
Accumulated Depreciation (-)	(5,990)	(4,112)
Net Book Value	146,104	127,351
End of Current Period		
Additions	73,578	92,305
Disposals (Cost)	(66,286)	(69,875)
Disposals (Accumulated Depreciation)	1,017	867
Impairment Losses (-)	(1,445)	(1,799)
Depreciation Expense for Current Period (-)	(2,190)	(2,745)
Currency Translation Differences on Foreign Operations	-	-
Cost	157,941	152,094
Accumulated Depreciation (-)	(7,163)	(5,990)
Net Book Value	150,778	146,104

As of balance sheet date, the net book values of assets held for sale on which rights of repurchase exist amounting to TL 23,293 thousands (31 December 2013: TL 27,725 thousands).

5.1.17 Other assets

5.1.17.1 Receivables from term sale of assets

	<i>Current Period</i>	<i>Prior Period</i>
Sale of Investments in Associates, Subsidiaries and Joint Ventures	-	-
Sale of Real Estates	1,036	3,033
Sale of Other Assets	3,055	3,038
Total	4,091	6,071

5.1.17.2 Prepaid expenses, taxes and similar items

	<i>Current Period</i>	<i>Prior Period</i>
Prepaid Expenses	388,566	346,741
Prepaid Taxes	-	-

5.1.18 Accrued interest and income

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

	<i>Current Period</i>		<i>Prior Period</i>	
	TL	FC	TL	FC
Central Bank of Turkey	-	-	-	-
Financial Assets at Fair Value through Profit or Loss	99	16,333	117	21,735
Banks	16,722	15,465	16,128	14,772
Interbank Money Markets	-	-	-	2
Financial Assets Available-for-Sale	1,053,162	64,159	711,891	85,764
Loans	1,098,832	687,201	1,098,042	545,781
Investments Held-to-Maturity	1,025,365	42,633	437,561	7,476
Other Accruals	8,681	2	5,609	-
Total	3,202,861	825,793	2,269,348	675,530

5.2 Liabilities

5.2.1 Maturity profile of deposits

<i>Current Period</i>	Demand	7 Days Notice	Up to 1 Month	1-3 Months	3-6 Months	6-12 Months	1 Year and Over	Accumulating Deposit Accounts	Total
Saving Deposits	6,074,595	-	3,648,780	27,235,673	2,490,419	737,438	627,838	4,082	40,818,825
Foreign Currency Deposits	9,954,613	-	4,932,692	20,535,510	4,617,704	3,760,061	5,188,182	60,236	49,048,998
Residents in Turkey	9,404,590	-	4,737,301	18,094,049	3,674,955	1,262,856	650,377	58,464	37,882,592
Residents in Abroad	550,023	-	195,391	2,441,461	942,749	2,497,205	4,537,805	1,772	11,166,406
Public Sector Deposits	822,188	-	3,979	10,534	146	54	29	-	836,930
Commercial Deposits	5,387,849	-	2,818,701	3,886,723	743,534	104,188	409,701	-	13,350,696
Other	139,799	-	123,108	412,749	43,820	415,720	533	-	1,135,729
Precious Metal Deposits	1,596,631	-	894	49,008	19	737	95,244	-	1,742,533
Bank Deposits	1,938,827	-	1,381,442	808,938	2,176,006	421,698	225,340	-	6,952,251
Central Bank of Turkey	-	-	-	-	-	-	-	-	-
Domestic Banks	5,524	-	1,280,688	253,093	-	107,921	28,582	-	1,675,808
Foreign Banks	774,401	-	100,754	555,845	2,176,006	313,777	196,758	-	4,117,541
Special Financial Institutions	1,158,902	-	-	-	-	-	-	-	1,158,902
Other	-	-	-	-	-	-	-	-	-
Total	25,914,502	-	12,909,596	52,939,135	10,071,648	5,439,896	6,546,867	64,318	113,885,962

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

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 ^(*)	21,942,005	19,316,340	18,563,682	18,901,123
Foreign Currency Saving Deposits	6,008,321	4,974,910	18,087,567	14,048,805
Other Saving Deposits	1,082,693	1,469,173	606,677	750,900
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	606,049	544,316
Deposits and Other Accounts held by Shareholders and their Relatives	-	-
Deposits and Other Accounts of the Chairman and Members of Board of Directors, Chief Executive Officer, Senior Executive Officers and their Relatives	539,236	486,656
Deposits and Other Accounts held as Assets subject to the Crime defined in the Article 282 of the Turkish Criminal Code no. 5237 dated 26 September 2004	-	-
Deposits at Depository Banks established for Off-Shore Banking Activities in Turkey	-	-

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward transactions	180,642	43,143	120,653	17,228
Swap transactions	664,956	392,253	822,849	212,391
Futures	-	258	-	-
Options	143,925	19,806	183,570	28,005
Other	-	-	-	-
Total	989,523	455,460	1,127,072	257,624

5.2.3 *Funds borrowed*

	Current Period		Prior Period	
	TL	FC	TL	FC
Central Bank of Turkey	-	-	-	-
Domestic Banks and Institutions	264,395	304,427	238,147	354,491
Foreign Banks, Institutions and Funds	4,033,762	27,447,062	4,984,357	23,901,098
Total	4,298,157	27,751,489	5,222,504	24,255,589

5.2.3.1 Maturities of funds borrowed

	<i>Current Period</i>		<i>Prior Period</i>	
	TL	FC	TL	FC
Short-Term	395,386	7,875,608	469,559	7,777,277
Medium and Long-Term	3,902,771	19,875,881	4,752,945	16,478,312
Total	4,298,157	27,751,489	5,222,504	24,255,589

The Bank classified certain borrowings obtained through securitisations amounting to USD 2,000,000,000 as financial liability at fair value through profit/loss at the initial recognition. As of 30 September 2014, the accumulated negative credit risk change and the negative credit risk change recognised in the income statement amounted to TL 189,477 thousands and TL 225,338 thousands, respectively. The carrying value of the related financial liability amounted to TL 4,689,477 thousands, and the related current period loss amounted to TL 225,338 thousands.

5.2.3.2 Disclosures for concentration areas of bank's liabilities

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

5.2.4 Other external funds

5.2.4.1 Securities issued

<i>Current Period</i>	TL		FC	
	Short-Term	Medium and Long-Term	Short-Term	Medium and Long-Term
	Nominal	1,499,429	2,887,854	1,143,936
Cost	1,452,989	2,678,316	1,143,905	8,780,037
Carrying Value ^(*)	1,396,646	2,716,135	1,149,905	8,571,510

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

^(*) The Bank repurchased its own TL securities with a total face value of TL 147,331 thousands (31 December 2013: TL 154,218 thousands) and foreign currency securities with a total face value of USD 206,730,000 (31 December 2013: USD 111,757,000) and netted off such securities in the accompanying financial statements.

The Bank classified certain securities amounting to RON 34,500,000 as financial liability at fair value through profit/loss at the initial recognition. As of 30 September 2014, the accumulated negative credit risk change and the negative credit risk change recognised in the income statement amounted to TL 2,334 thousands and TL 827 thousands, respectively. The carrying value of the related financial liability amounted to TL 24,910 thousands, and the related current period loss amounted to TL 417 thousands.

5.2.4.2 Funds provided through repurchase transactions

	<i>Current Period</i>		<i>Prior Period</i>	
	TL	FC	TL	FC
Domestic Transactions	7,886,554	-	9,477,016	-
Financial Institutions and Organizations	7,842,506	-	9,428,331	-
Other Institutions and Organizations	12,407	-	16,249	-
Individuals	31,641	-	32,436	-
Foreign Transactions	785,287	5,995,096	1,946,990	3,160,228
Financial Institutions and Organizations	785,202	5,995,096	1,946,487	3,160,228
Other Institutions and Organizations	-	-	463	-
Individuals	85	-	40	-
Total	8,671,841	5,995,096	11,424,006	3,160,228

5.2.4.3 Miscellaneous payables

	<i>Current Period</i>		<i>Prior Period</i>	
	TL	FC	TL	FC
Payables from credit card transactions	6,018,765	72,574	4,906,607	25,729
Other	231,382	592,855	192,806	508,707
Total	6,250,147	665,429	5,099,413	534,436

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	274	262	502	479
1-4 Years	2	1	2	1
More than 4 Years	-	-	-	-
Total	276	263	504	480

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	41,123	72,771	-	39,105
Cash Flow Hedges	-	3,567	-	-
Net Foreign Investment Hedges	-	-	-	-
Total	41,123	76,338	-	39,105

5.2.7 Provisions

5.2.7.1 General provisions

	<i>Current Period</i>	<i>Prior Period</i>
General Provision for	2,330,763	2,003,908
Loans and Receivables in Group I	2,045,090	1,745,309
- Additional Provision for Loans and Receivables with Extended Maturities	94,133	101,408
Loans and Receivables in Group II	151,038	133,959
- Additional Provision for Loans and Receivables with Extended Maturities	38,347	40,195
Non-Cash Loans	134,635	124,640
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	8,393	526
Medium and Long-Term Loans	7,321	92
Total	15,714	618

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	375,000	310,000

5.2.7.4.2 Other provisions

	<i>Current Period</i>	<i>Prior Period</i>
Reserve for Employee Benefits	535,364	377,988
Provision for Promotion Expenses of Credit Cards (*)	83,354	53,441
Provision for Lawsuits	31,822	33,100
Other Provisions	73,126	110,434
Total	723,666	574,963

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

Recognized liability for defined benefit plan obligations

The Bank obtained an actuarial report dated 16 December 2013 from an independent actuary reflecting the principles and procedures on determining the application of transfer transactions in accordance with the Law and it is determined that the assets of the Plan are above the amount that will be required to be paid to transfer the obligation and the asset surplus amounts to TL 1,639,833 thousands at 31 December 2013 (31 December 2012: TL 1,367,875 thousands) as details are given in the table below.

Furthermore, an actuarial report was prepared as of 31 December 2013 as per the requirements of the Law explained in Note 3.17, the accounting policies related with “employee benefits” for the benefits transferable to the SSF and as per TAS 19 for other benefits not transferable to the SSF and arising from other social rights and payments covered by the existing trust indenture of the Fund and medical benefits provided for employees. Based on the actuary’s 16 December 2013 dated report, the asset surplus over the fair value of the plan assets to be used for the payment of the obligations also fully covers the benefits not transferable and still a surplus of TL 1,080,014 thousands (31 December 2012: TL 834,436 thousands) remains as of 31 December 2013 as details are given in the table below.

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

	<i>31 December 2013</i>
Transferable Pension and Medical Benefits:	
Net present value of pension benefits transferable to SSF	(474,544)
Net present value of medical benefits and health premiums transferable to SSF	385,587
General administrative expenses	(26,165)
Present Value of Pension and Medical Benefits Transferable to SSF (1)	(115,122)
Fair Value of Plan Assets (2)	1,754,955
Asset Surplus over Transferable Benefits ((2)-(1)=(3))	1,639,833
Non-Transferable Benefits:	
Other pension benefits	(408,757)
Other medical benefits	(151,062)
Total Non-Transferable Benefits (4)	(559,819)
Asset Surplus over Total Benefits ((3)-(4)=(5))	1,080,014
Net Present Value of Medical Benefits and Health Premiums Transferable to SSF – but not considered acting prudently (6)	(385,587)
Present Value of Asset Surplus/(Defined Benefit Obligation) ((5)-(6))	694,427

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

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

(*) 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 2014, the Bank had a current tax liability of TL 233,601 thousands (31 December 2013: TL 97,107 thousands) after offsetting with prepaid taxes. For the cases where the differences between the carrying values and the taxable values of assets subject to tax are related with certain items in the shareholders' equity accounts, the deferred taxes are charged or credited directly to these accounts.

5.2.8.1.2 Taxes payable

	<i>Current Period</i>	<i>Prior Period</i>
Corporate Taxes Payable	233,601	97,107
Taxation on Securities Income	77,715	79,849
Taxation on Real Estates Income	3,089	2,560
Banking Insurance Transaction Tax	67,003	63,017
Foreign Exchange Transaction Tax	66	58
Value Added Tax Payable	3,164	5,377
Others	26,885	59,401
Total	411,523	307,369

5.2.8.1.3 Premiums

	<i>Current Period</i>	<i>Prior Period</i>
Social Security Premiums-Employees	41	54
Social Security Premiums-Employer	50	66
Bank Pension Fund Premium-Employees	97	27
Bank Pension Fund Premium-Employer	132	28
Pension Fund Membership Fees and Provisions-Employees	-	-
Pension Fund Membership Fees and Provisions-Employer	-	-
Unemployment Insurance-Employees	739	714
Unemployment Insurance-Employer	1,553	1,464
Others	31	10
Total	2,643	2,363

5.2.8.2 Deferred tax liability

None.

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

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

5.2.10 Subordinated debts

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

5.2.11 Shareholders' equity

5.2.11.1 Paid-in capital

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

5.2.11.2 Registered share capital system

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

5.2.11.3 Capital increases in current period

None.

5.2.11.4 Capital increases from capital reserves in current period

None.

5.2.11.5 Capital commitments for current and future financial periods

None.

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

None.

5.2.11.7 Information on privileges given to stocks representing the capital

None.

5.2.11.8 Securities value increase fund

	Current Period		Prior Period	
	TL	FC	TL	FC
Investments in Associates, Subsidiaries and Joint-Ventures	73,292	1,510,564	55,724	1,322,011
Valuation difference	40,975	1,510,564	23,407	1,322,011
Exchange rate difference	32,317	-	32,317	-
Securities Available-for-Sale	(227,334)	41,941	(485,118)	20,802
Valuation difference	(227,334)	41,941	(485,118)	20,802
Exchange rate difference	-	-	-	-
Total	(154,042)	1,552,505	(429,394)	1,342,813

5.2.11.9 Revaluation surplus

	Current Period		Prior Period	
	TL	FC	TL	FC
Movables	-	-	-	-
Real Estates	2,140	-	2,140	-
Gain on Sale of Investments in Associates and Subsidiaries and Real Estates allocated for Capital Increases	172,894	-	172,164	-
Revaluation Surplus on Leasehold Improvements	-	-	-	-

5.2.11.10 Bonus shares of associates, subsidiaries and joint-ventures

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

5.2.11.11 Legal reserves

	<i>Current Period</i>	<i>Prior Period</i>
I. Legal Reserve	956,894	957,208
II. Legal Reserve	174,440	152,940
Special Reserves	-	-

5.2.11.12 Extraordinary reserves

	<i>Current Period</i>	<i>Prior Period</i>
Legal reserves that was allocated to be in compliance with the decisions made on the Annual General Assembly	14,838,823	12,312,753
Retained Earnings	-	-
Accumulated Losses	-	-
Exchange Rate Difference on Foreign Currency Capital	-	-

5.2.12 Accrued interest and expenses

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

	<i>Current Period</i>		<i>Prior Period</i>	
	TL	FC	TL	FC
Deposits	289,412	119,534	314,317	112,923
Funds Borrowed	97,119	296,129	123,715	38,274
Interbank Money Markets	6,836	17,079	28,862	12,281
Other Accruals	77,729	508,349	69,306	392,280
Total	471,096	941,091	536,200	555,758

5.3 Off-Balance Sheet Items

5.3.1 Off-balance sheet contingencies

5.3.1.1 Irrevocable credit commitments

The Bank has term asset purchase and sale commitments of TL 11,226,661 thousands (31 December 2013: TL 8,179,201 thousands), commitments for cheque payments of TL 2,863,806 thousands (31 December 2013: TL 2,658,815 thousands) and commitments for credit card limits of TL 25,267,750 thousands (31 December 2013: TL 22,259,934 thousands).

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

	<i>Current Period</i>	<i>Prior Period</i>
Letters of Guarantee in Foreign Currency	13,871,610	13,583,722
Letters of Guarantee in TL	11,613,935	9,952,370
Letters of Credit	8,692,795	8,886,834
Bills of Exchange and Acceptances	768,976	638,089
Prefinancings	-	-
Other Guarantees	84,694	79,924
Total	35,032,010	33,140,939

A specific provision of TL 101,575 thousands (31 December 2013: TL 112,938 thousands) is made for unliquidated non-cash loans of TL 246,844 thousands (31 December 2013: TL 234,765 thousands) recorded under the off-balance sheet items in the accompanying financial statements.

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

5.3.1.3 Non-cash loans

	<i>Current Period</i>	<i>Prior Period</i>
Non-Cash Loans against Cash Risks	2,775,411	2,358,859
With Original Maturity of 1 Year or Less	427,674	336,123
With Original Maturity of More Than 1 Year	2,347,737	2,022,736
Other Non-Cash Loans	32,256,599	30,782,080
Total	35,032,010	33,140,939

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	2,310,019	117,121	1,806,601	119,151
Medium and long-term loans	3,867,777	1,793,814	3,209,940	1,526,800
Loans under follow-up	31,671	-	26,043	-
Premiums Received from Resource Utilization Support Fund	-	-	-	-
Total	6,209,467	1,910,935	5,042,584	1,645,951

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

5.4.1.2 Interest income from banks

	<i>Current Period</i>		<i>Prior Period</i>	
	TL	FC	TL	FC
Central Bank of Turkey	-	-	-	-
Domestic Banks	23,806	430	7,912	297
Foreign Banks	70,096	22,706	74,873	24,451
Foreign Head Offices and Branches	-	-	-	-
Total	93,902	23,136	82,785	24,748

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	18,282	10,611	16,995	10,160
Financial Assets Valued at Fair Value through Profit or Loss	-	-	-	-
Financial Assets Available-for-Sale	1,431,009	68,253	2,217,701	61,846
Investments Held-to-Maturity	1,060,099	181,271	213,517	7,176
Total	2,509,390	260,135	2,448,213	79,182

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	34,237	34,766

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	352,157	263,981	331,863	261,608
Central Bank of Turkey	-	1,731	-	2,018
Domestic Banks	12,299	6,580	14,548	7,709
Foreign Banks	339,858	255,670	317,315	251,881
Foreign Head Offices and Branches	-	-	-	-
Other Institutions	-	134,814	-	28,235
Total	352,157	398,795	331,863	289,843

(*) 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	43,694	31,784

5.4.2.3 Interest expenses on securities issued

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

5.4.2.4 Maturity structure of interest expense on deposits

<i>Current Period</i>	Demand Deposits	Time Deposits					Accumulating Deposit Accounts	Total
		Up to 1 Month	1-3 Months	3-6 Months	6-12 Months	1 Year and Over		
Turkish Lira								
Bank Deposits	415	68,303	-	-	-	-	-	68,718
Saving Deposits	14	224,191	1,908,841	155,888	37,477	34,140	-	2,360,551
Public Sector Deposits	-	251	636	50	20,408	1	-	21,346
Commercial Deposits	28	197,976	395,496	54,345	41,999	26,653	-	716,497
Other	8	9,934	38,917	2,269	49,458	23	-	100,609
“7 Days Notice” Deposits	-	-	-	-	-	-	-	-
Total TL	465	500,655	2,343,890	212,552	149,342	60,817	-	3,267,721
Foreign Currency								
Foreign Currency Deposits	625	36,244	312,580	66,255	85,169	65,333	810	567,016
Bank Deposits	-	48,490	-	-	-	-	-	48,490
“7 Days Notice” Deposits	-	-	-	-	-	-	-	-
Precious Metal Deposits	-	-	15	-	2,848	395	-	3,258
Total FC	625	84,734	312,595	66,255	88,017	65,728	810	618,764
Grand Total	1,090	585,389	2,656,485	278,807	237,359	126,545	810	3,886,485

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	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

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	20,490,549	55,102,751
Trading Account Income	242,313	191,276
Gains from Derivative Financial Instruments	3,730,098	3,391,207
Foreign Exchange Gains	16,518,138	51,520,268
Losses (-)	20,546,508	54,846,089
Trading Account Losses	294,042	55,869
Losses from Derivative Financial Instruments	4,356,577	3,366,951
Foreign Exchange Losses	15,895,889	51,423,269
Total	(55,959)	256,662

TL 798,879 thousands (30 September 2013: TL 521,992 thousands) of foreign exchange gains and TL 967,369 thousands (30 September 2013: TL 416,084 thousands) of foreign exchange losses are resulted from the exchange rate changes of derivative financial transactions.

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

The Bank also enters into interest rate and cross currency swap agreements in order to hedge the change in cash flows of floating rate financial instruments due to fluctuations in market interest rates. In this respect, the Bank applied cash flow hedge accounting for the floating rate eurobonds issued in 2011 with a total face value of USD 300,000,000, maturity of five years and maturity date of 20 April 2016, funds borrowed amounting to USD 119,740,541 and EUR 50,000,000 and securitization borrowings amounting to USD 175,000,000 and EUR 253,278,948 by designating cross currency swaps with the same face value amount and conditions, and for the collateralised borrowings amounting to TL 1,000,000 thousands and commercial loans amounting to USD 500,000,000 by designating interest rate swaps with the same face value amount and conditions. Accordingly, in the current period TL 66,911 thousands and TL 34,773 thousands (30 September 2013: nil) resulting from cross currency and interest rate swap agreements were recognised under shareholders' equity.

The Bank also applies fair value hedge accounting for its fixed-rate loans with a total principal of TL 399,547 thousands and USD 655,234,527 and for its bonds with a total face value of TL 1,623,000 thousands and USD 32,900,000 and fixed-rate coupons by designating interest rate swaps with the same face values and terms. Accordingly, in the current period, a gain of TL 16,531 thousands (30 September 2013: a loss of TL 3,924 thousands) and a loss of TL 35,837 thousands (30 September 2013: a loss of 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, RON 85,500,000 and CZK 423,000,000 with the same face value amount and conditions. Accordingly, a loss of TL 4,845 thousands (30 September 2013: a gain of TL 3,691 thousands) resulted from the fair value changes of the securities issued and funds borrowed subject to hedge accounting were accounted for under trading income/losses in the income statement.

5.4.5 Other operating income

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

In the current period, a part of non-performing receivables of the Bank amounting to TL 282,040 thousands were sold for a consideration of TL 55,557 thousands. Considering the related provision of TL 275,155 thousands made in the financial statements, a gain of TL 48,592 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	866,513	579,420
<i>Loans and Receivables in Group III</i>	265,949	158,145
<i>Loans and Receivables in Group IV</i>	534,223	323,015
<i>Loans and Receivables in Group V</i>	66,341	98,260
General Provisions	328,207	435,172
Provision for Possible Losses	65,000	-
Impairment Losses on Securities	5,067	662
<i>Financial Assets at Fair Value through Profit or Loss</i>	5,067	662
<i>Financial Assets Available-for-Sale</i>	-	-
Impairment Losses on Associates, Subsidiaries and Investments Held-to-Maturity	-	-
<i>Associates</i>	-	-
<i>Subsidiaries</i>	-	-
<i>Joint Ventures</i>	-	-
<i>Investments Held-to-Maturity</i>	-	-
Others	39,277	86,604
Total	1,304,064	1,101,858

5.4.7 Other operating expenses

	<i>Current Period</i>	<i>Prior Period</i>
Personnel Costs	1,440,324	1,238,298
Reserve for Employee Termination Benefits	29,908	27,236
Defined Benefit Obligation	-	-
Impairment Losses on Tangible Assets	4,118	-
Depreciation Expenses of Tangible Assets	131,931	127,588
Impairment Losses on Intangible Assets	-	-
Impairment Losses on Goodwill	-	-
Amortisation Expenses of Intangible Assets	25,192	24,570
Impairment Losses on Investments Accounted under Equity Method	-	-
Impairment Losses on Assets to be Disposed	1,445	1,350
Depreciation Expenses of Assets to be Disposed	2,190	2,111
Impairment Losses on Assets Held for Sale	-	-
Other Operating Expenses	1,440,315	1,393,516
<i>Operational Lease related Expenses</i>	218,859	182,698
<i>Repair and Maintenance Expenses</i>	32,784	25,277
<i>Advertisement Expenses</i>	71,171	75,581
<i>Other Expenses</i>	1,117,501	1,109,960
Loss on Sale of Assets	2,421	2,899
Others (*)	377,089	266,890
Total	3,454,933	3,084,458

(*) Includes cancellations/repayments, by the Bank in the current period, of fees and commissions income recognised in prior years in the amount of TL 81,602 thousands (30 September 2013: TL 9,391 thousands).

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 2014, the Bank recorded a tax charge of TL 895,936 thousands (30 September 2013: TL 440,689 thousands) and a deferred tax income of TL 179,806 thousands (30 September 2013: a deferred tax expense of TL 333,101 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 (+)	150,255	55,647
Decrease in tax deductible timing differences (-)	27,564	248,822
Increase in taxable timing differences (-)	63,510	160,643
Decrease in taxable timing differences (+)	120,625	20,717
Total	179,806	(333,101)

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)	122,691	193,175
Increase/(decrease) in taxable timing differences (net)	57,115	139,926
Increase/(decrease) in tax losses (net)	-	-
Increase/(decrease) in tax deductions and exemptions (net)	-	-
Total	179,806	(333,101)

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

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

5.4.11 Net profit/loss

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

None.

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

None.

5.4.12 Components of other items in income statement

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

5.5 Statement of Changes in Shareholders' Equity

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

5.6 Statement of Cash Flows

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

5.7 Related Party Risks

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

5.7.1.1 Loans and other receivables

Current Period

Bank's Risk Group	Associates, Subsidiaries and Joint-Ventures		Bank's Direct and Indirect Shareholders		Other Components in Risk Group	
	Cash	Non-cash	Cash	Non-cash	Cash	Non-cash
Loans and Other Receivables						
Balance at beginning of period	3,811,321	1,586,707	9,250	264,878	454,736	472,119
Balance at end of period	3,152,297	1,544,959	188,951	182,630	1,407,555	670,581
Interest and Commission Income	34,604	201	267	7	52,129	991

Prior Period

Bank's Risk Group	Associates, Subsidiaries and Joint-Ventures		Bank's Direct and Indirect Shareholders		Other Components in Risk Group	
	Cash	Non-cash	Cash	Non-cash	Cash	Non-cash
Loans and Other Receivables						
Balance at beginning of period	2,940,871	1,381,591	260,311	466,918	314,839	495,947
Balance at end of period	3,811,321	1,586,707	9,250	264,878	454,736	472,119
Interest and Commission Income	34,781	197	561	4	19,997	307

5.7.1.2 Deposits

Bank's Risk Group	Associates, Subsidiaries and Joint-Ventures		Bank's Direct and Indirect Shareholders		Other Components in Risk Group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Deposits						
Balance at beginning of period	651,174	511,151	304,643	101,958	330,572	205,931
Balance at end of period	634,030	651,174	654,970	304,643	395,698	330,572
Interest Expense	43,694	31,784	3,881	7,606	11,590	11,797

5.7.1.3 Derivative transactions

Bank's Risk Group	Associates, Subsidiaries and Joint-Ventures		Bank's Direct and Indirect Shareholders		Other Components in Risk Group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Transactions for Trading:						
Balance at beginning of period	1,200,843	1,119,747	8,871,339	2,895,692	-	-
Balance at end of period	480,845	1,200,843	9,242,104	8,871,339	-	-
Total Profit/(Loss)	(47,048)	(61,833)	(33,577)	15,077	-	-
Transactions for Hedging:						
Balance at beginning of period	-	-	-	-	-	-
Balance at end of period	-	-	-	-	-	-
Total Profit/(Loss)	-	-	-	-	-	-

5.7.2 The Bank's risk group

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

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

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

The cash loans of the risk group amounting TL 2,305,257 thousands (31 December 2013: TL 1,660,748 thousands) compose 1.76% (31 December 2013: 1.40%) of the Bank's total cash loans and 1.07% (31 December 2013: 0.84%) of the Bank's total assets. The total loans and similar receivables amounting TL 4,748,803 thousands (31 December 2013: TL 4,275,308 thousands) compose 2.21% (31 December 2013: TL 2.17%) of the Bank's total assets. The non-cash loans of the risk group amounting TL 2,398,170 thousands (31 December 2013: TL 2,323,704 thousands) compose 6.85% (31 December 2013: 7.01%) of the Bank's total non-cash loans. The deposits of the risk group amounting TL 1,684,698 thousands (31 December 2013: TL 1,286,389 thousands) compose 1.48% (31 December 2013: 1.21%) of the Bank's total deposits.

The funds borrowed by the Bank from its risk group amounting TL 9,027,739 thousands (31 December 2013: TL 6,729,132 thousands) compose 28.17% (31 December 2013: 22.83%) of the Bank's total funds borrowed. The pricing in transactions with the risk group companies is set on an arms-length basis.

The credit card (POS) payables to the related parties, amounted to TL 114,012 thousands (31 December 2013: TL 70,805 thousands). A total rent income of TL 4,762 thousands (30 September 2013: TL 3,578 thousands) was recognized for the real estates rented to the related parties.

Operating expenses for TL 5,832 thousands (30 September 2013: TL 4,979 thousands) were incurred for the IT services rendered by the related parties. Banking services fees of TL 1,932 thousands (30 September 2013: TL 1,280 thousands) were recognized from the related parties.

Insurance brokerage fee of TL 69,302 thousands (30 September 2013: TL 60,733 thousands), shares brokerage fee of TL 50,669 thousands (30 September 2013: TL 54,703 thousands), leasing customer acquisition fee of TL 8,666 thousands (30 September 2013: TL 7,090 thousands) factoring customer acquisition fee of TL 2,286 thousands (30 September 2013: TL 2,824 thousands) and fleet business customer acquisition fee of TL 382 thousands (30 September 2013: TL 132 thousands) were recognized as income from the services rendered for the affiliates.

Operating expenses of TL 7,520 thousands (30 September 2013: TL 6,882 thousands) for advertisement and broadcasting services, of TL 23,775 thousands (30 September 2013: TL 16,839 thousands) for operational leasing services, and of TL 5,271 thousands (30 September 2013: TL 6,755 thousands) for travelling services rendered by the related parties were recognized as expense.

As of 30 September 2014, the net payment provided or to be provided to the key management of the Bank amounts to TL 66,359 thousands (30 September 2013: TL 54,791 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 Matters Arising Subsequent to Balance Sheet Date

None.

5.10 Other Disclosures on Activities of the Bank

5.10.1 Bank's latest international risk ratings

MOODY'S (24 September 2014)^(*)

Long Term FC Deposit	Baa3
Long Term TL Deposit	Baa3
Short Term TL Deposit	Prime-3
Short Term FC Deposit	Prime-3
Long Term FC Deposit Outlook	Negative
Financial Strength (FSR)	D+ (ba1)
FSR Outlook	Stable
Long Term National Scale Rating (NSR)	Aa3.tr
Short Term NSR	TR-1

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

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

FITCH RATINGS (22 July 2014)^(*)

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

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

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

() Latest dates in risk ratings or outlooks.*

5.10.2 Dividend

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

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

5.10.3 Other disclosures

None.

6 Limited Review Report

6.1 Disclosure on limited review report

The unconsolidated financial statements of the Bank as of 30 September 2014, have been reviewed by DRT Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik AŞ (a member of Deloitte Touche Tohmatsu Limited) and the independent limited review report dated 27 October 2014, is presented before the accompanying financial statements.

6.2 Disclosures and footnotes prepared by independent accountants

None.

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