

*(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 Year Ended

31 December 2014

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

With Independent Auditors' Report Thereon

DRT Bağımsız Denetim ve Serbest
Muhasebeci Mali Müşavirlik AŞ
3 February 2015

*This report contains "Independent Auditors' Report"
comprising 2 pages and;"Unconsolidated Financial
Statements and Related Disclosures and
Footnotes" comprising 117 pages.*

To the Board of Directors of
Türkiye Garanti Bankası AŞ
İstanbul

TÜRKİYE GARANTİ BANKASI ANONİM ŞİRKETİ

INDEPENDENT AUDITORS' REPORT FOR THE PERIOD OF 1 JANUARY-31 DECEMBER 2014

We have audited the accompanying balance sheet of Türkiye Garanti Bankası A.Ş. ("the Bank") as at 31 December 2014 and the related statements of income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

The Board of Directors of the Bank is responsible for the preparation and fair presentation of the financial statements in accordance with the regulation on "The Procedures and Principles Regarding Banks' Accounting Practices and Maintaining Documents" published in the Official Gazette dated 1 November 2006 with no. 26333 and Turkish Accounting Standards, Turkish Financial Reporting Standards and other regulations, circulars, communiqués and pronouncements in respect of accounting and financial reporting made by the Banking Regulation and Supervision Agency. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the regulation on "The Licensing and Operations of Audit Firms in Banking" published in the Official Gazette no. 26333 on 1 November 2006 and in accordance with Independent Auditing Standards which is a part of Turkish Auditing Standards published by Public Oversight Accounting and Auditing Standards Authority ("POA"). We planned and performed our audit to obtain reasonable assurance whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the consideration of the effectiveness of internal control and appropriateness of accounting policies applied relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis For Qualified Opinion

The accompanying financial statements include a general reserve amounting to TL 415,000 thousands, TL 105,000 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.

Independent Auditors' Opinion

In our opinion, except for the effect of the matter described in the fourth paragraph on the financial statements, the financial statements present fairly, in all material respects, the financial position of the Bank as at 31 December 2014 and the results of its operations and its cash flows for the year then ended in accordance with the prevailing accounting principles and standards set out as per the Article 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.

Report on Other Legal and Regulatory Requirements

In accordance with Article 402 of the Turkish Commercial Code No. 6102 ("TCC"), the Board of Directors provided us all the required information and documentation with respect to our audit; and nothing has come to our attention that may cause us to believe that the Bank's set of accounts prepared for the period 1 January-31 December 2014 does not comply with the TCC and the provisions of the Bank's articles of association in relation to financial reporting.

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, 3 February 2015

TÜRKİYE GARANTİ BANKASI ANONİM ŞİRKETİ
UNCONSOLIDATED FINANCIAL REPORT
AS OF AND FOR THE YEAR ENDED 31 DECEMBER 2014

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

1. General Information about the Bank
2. Unconsolidated Financial Statements of the Bank
3. Accounting Policies of Unconsolidated Financial Statements
4. Financial Position and Results of Operations, and Risk Management Applications of the Bank
5. Disclosures and Footnotes on Unconsolidated Financial Statements
6. Other Disclosures and Footnotes
7. Independent Auditors' Report

The unconsolidated financial statements and related disclosures and footnotes that were subject to independent audit, are prepared in accordance with the Regulation on Accounting Applications for Banks and Safeguarding of Documents, Turkish Accounting Standards, Turkish Financial Reporting Standards and the related statements and guidances, and in compliance with the financial records of our Bank and, unless stated otherwise, presented in **thousands of Turkish Lira (TL)**.

Ferit F. Şahenk
Board of Directors
Chairman

S. Ergun Özen
General Manager

İbrahim Aydın
Financial Reporting
Executive Vice President

Hakan Özdemir
General Accounting
Senior Vice President

M. Cüneyt Sezgin
Audit Committee Member

Manuel Pedro
Galatas Sanchez Harguindey
Audit Committee Member

The authorized contact person for questions on this financial report:
Name-Surname/Title: Handan SAYGIN/Senior Vice President of Investor Relations
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SECTION ONE

General Information

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

SECTION TWO

Unconsolidated Financial Statements

I.	Balance sheet - Assets	5
II.	Balance sheet - Liabilities	6
III.	Off-balance sheet items	7
IV.	Income statement	8
V.	Statement of income/expense items accounted under shareholders' equity	9
VI.	Statement of changes in shareholders' equity	10
VII.	Statement of cash flows	11
VIII.	Statement of profit distribution	12

SECTION THREE

Accounting Policies

I.	Basis of presentation	13
II.	Strategy for use of financial instruments and foreign currency transactions	13
III.	Investments in associates and subsidiaries	14
IV.	Forwards, options and other derivative transactions	14
V.	Interest income and expenses	15
VI.	Fees and commissions	16
VII.	Financial assets	16
VIII.	Impairment of financial assets	17
IX.	Netting and derecognition of financial instruments	17
X.	Repurchase and resale agreements and securities lending	18
XI.	Assets held for sale and discontinued operations	18
XII.	Goodwill and other intangible assets	18
XIII.	Tangible assets	19
XIV.	Leasing activities	20
XV.	Provisions and contingent liabilities	20
XVI.	Contingent assets	20
XVII.	Liabilities for employee benefits	20
XVIII.	Taxation	22
XIX.	Funds borrowed	24
XX.	Share issuances	24
XXI.	Confirmed bills of exchange and acceptances	24
XXII.	Government incentives	25
XXIII.	Segment reporting	25
XXIV.	Other disclosures	26

SECTION FOUR

Financial Position and Results of Operations, and Risk Management Applications

I.	Capital adequacy ratio	27
II.	Credit risk	34
III.	Market risk	43
IV.	Operational risk	45
V.	Currency risk	45
VI.	Interest rate risk	48
VII.	Position risk of equity securities in banking book	53
VIII.	Liquidity risk	54
IX.	Securitisation positions	56
X.	Credit risk mitigation techniques	57
XI.	Risk management objectives and policies	58
XII.	Fair values of financial assets and liabilities	59
XIII.	Transactions carried out on behalf of customers, items held in trust	60

SECTION FIVE

Disclosures and Footnotes on Unconsolidated Financial Statements

I.	Assets	61
II.	Liabilities	85
III.	Off-balance sheet items	95
IV.	Income statement	100
V.	Statement of changes in shareholders' equity	107
VI.	Statement of cash flows	108
VII.	Related party risks	110
VIII.	Domestic, foreign and off-shore branches or equity investments, and foreign representative offices	113
IX.	Matters arising subsequent to balance sheet date	114

SECTION SIX

Other Disclosures on Activities of Bank

I.	Bank's latest international risk ratings	115
II.	Dividend	116
III.	Other disclosures	116

SECTION SEVEN

Independent Auditors' Report

I.	Disclosures on independent auditors' report	117
II.	Disclosures and footnotes prepared by independent auditors	117

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 994 domestic branches, eight foreign branches and three representative offices abroad. The Bank’s head office is located in Istanbul.

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

As of 31 December 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, Doğuş Gayrimenkul Yatırım Ortaklığı AŞ and Volkswagen Doğuş Tüketici Finansmanı AŞ.

BBVA Group

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

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

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

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

Board of Directors Chairman and Members:

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
Jaime Saenz de Tejada Pulido	Member	02.10.2014	University	21 years
Angel Cano Fernandez	Member	22.03.2011	University	29 years
Belkıs Sema Yurdum	Independent Member	30.04.2013	University	26 years
Sait Ergun Özen	Member and CEO	14.05.2003	University	27 years

CEO and Executive Vice Presidents:

Name and Surname	Responsibility	Appointment Date	Education	Experience in Banking and Business Administration
Sait Ergun Özen	CEO	01.04.2000	University	27 years
Adnan Memiş	EVP-Support Services	03.06.1991	Master	36 years
Ali Fuat Erbil	EVP-Financial Institutions 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	39 years
Recep Baştuğ	EVP-Commercial Banking	01.01.2013	University	24 years
Turgay Gönensin	EVP-Coordination of Domestic and Foreign Subsidiaries	15.12.2001	University	29 years
Aydın Şenel	EVP-Purchasing and Tax Management	02.03.2006	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 Risk Monitoring	01.02.2009	Master	20 years
Betül Ebru Edin	EVP-Project Finance	25.11.2009	University	20 years
Murat Mergin	EVP-Financial and 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	19 years

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

1.4 Information on the bank's qualified shareholders

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

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

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

1.5 Summary information on the bank's activities and services

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

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

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

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

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

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

None.

2 Unconsolidated Financial Statements

(Convenience Translation of Financial Statements Originally Issued in Turkish)

Türkiye Garanti Bankası Anonim Şirketi Balance Sheet (Statement of Financial Position) At 31 December 2014

ASSETS		Footnotes	THOUSANDS OF TURKISH LIRA (TL)					
			CURRENT PERIOD 31 December 2014			PRIOR PERIOD 31 December 2013		
			TL	FC	Total	TL	FC	Total
I.	CASH AND BALANCES WITH CENTRAL BANK	(5.1.1)	1,759,994	23,312,658	25,072,652	2,751,642	19,776,456	22,528,098
II.	FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Net)	(5.1.2)	1,051,726	832,191	1,883,917	1,225,262	576,330	1,801,592
2.1	Financial assets held for trading		850,341	832,191	1,682,532	1,026,484	576,330	1,602,814
2.1.1	Government securities		37,988	8,112	46,100	90,491	308,282	398,773
2.1.2	Equity securities		63,609	-	63,609	30,825	-	30,825
2.1.3	Derivative financial assets held for trading		748,744	542,268	1,291,012	900,684	245,982	1,146,666
2.1.4	Other securities		-	281,811	281,811	4,484	22,066	26,550
2.2	Financial assets valued at fair value through profit or loss		201,385	-	201,385	198,778	-	198,778
2.2.1	Government securities		-	-	-	-	-	-
2.2.2	Equity securities		-	-	-	-	-	-
2.2.3	Loans	(5.1.2)	201,385	-	201,385	198,778	-	198,778
2.2.4	Other securities		-	-	-	-	-	-
III.	BANKS	(5.1.3)	1,419,891	7,020,058	8,439,949	2,074,021	7,676,370	9,750,391
IV.	INTERBANK MONEY MARKETS		-	80,446	80,446	-	190,802	190,802
4.1	Interbank money market placements		-	-	-	-	-	-
4.2	Istanbul Stock Exchange money market placements		-	80,446	80,446	-	190,802	190,802
4.3	Receivables from reverse repurchase agreements		-	-	-	-	-	-
V.	FINANCIAL ASSETS AVAILABLE-FOR-SALE (Net)	(5.1.4)	19,242,220	809,766	20,051,986	19,677,517	1,952,565	21,630,082
5.1	Equity securities		34,867	63,740	98,607	31,956	8,212	40,168
5.2	Government securities		17,500,522	604,159	18,104,681	18,092,718	906,247	18,998,965
5.3	Other securities		1,706,831	141,867	1,848,698	1,552,843	1,038,106	2,590,949
VI.	LOANS	(5.1.5)	85,488,518	48,569,280	134,057,798	73,474,973	45,196,426	118,671,399
6.1	Performing loans		84,861,650	48,569,280	133,430,930	72,993,011	45,196,426	118,189,437
6.1.1	Loans to bank's risk group	(5.7)	644,135	1,899,502	2,543,637	427,832	1,232,916	1,660,748
6.1.2	Government securities		-	-	-	-	-	-
6.1.3	Others		84,217,515	46,669,778	130,887,293	72,565,179	43,963,510	116,528,689
6.2	Loans under follow-up		3,300,829	-	3,300,829	2,538,430	-	2,538,430
6.3	Specific provisions (-)		2,673,961	-	2,673,961	2,056,468	-	2,056,468
VII.	FACTORING RECEIVABLES		-	-	-	-	-	-
VIII.	INVESTMENTS HELD-TO-MATURITY (Net)	(5.1.6)	13,387,858	7,626,644	21,014,502	13,120,328	864,107	13,984,435
8.1	Government securities		13,360,856	4,641,023	18,001,879	13,112,652	469,091	13,581,743
8.2	Other securities		27,002	2,985,621	3,012,623	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)	476,562	2,785,685	3,262,247	448,691	2,730,138	3,178,829
10.1	Unconsolidated financial investments in subsidiaries		372,326	2,785,685	3,158,011	344,606	2,730,138	3,074,744
10.2	Unconsolidated non-financial investments in subsidiaries		104,236	-	104,236	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)	46,202	120,050	166,252	103,975	11,009	114,984
13.1	Fair value hedges		31,158	83	31,241	65,943	-	65,943
13.2	Cash flow hedges		15,044	119,967	135,011	38,032	11,009	49,041
13.3	Net foreign investment hedges		-	-	-	-	-	-
XIV.	TANGIBLE ASSETS (Net)	(5.1.12)	1,357,239	178	1,357,417	1,361,270	96	1,361,366
XV.	INTANGIBLE ASSETS (Net)	(5.1.13)	173,942	24	173,966	58,770	-	58,770
15.1	Goodwill		-	-	-	-	-	-
15.2	Other intangibles		173,942	24	173,966	58,770	-	58,770
XVI.	INVESTMENT PROPERTY (Net)	(5.1.14)	147,465	-	147,465	149,632	-	149,632
XVII.	TAX ASSET		372,090	-	372,090	129,218	-	129,218
17.1	Current tax asset		-	-	-	-	-	-
17.2	Deferred tax asset	(5.1.15)	372,090	-	372,090	129,218	-	129,218
XVIII.	ASSETS HELD FOR SALE AND ASSETS OF DISCONTINUED OPERATIONS (Net)	(5.1.16)	171,016	-	171,016	146,104	-	146,104
18.1	Assets held for sale		171,016	-	171,016	146,104	-	146,104
18.2	Assets of discontinued operations		-	-	-	-	-	-
XIX.	OTHER ASSETS	(5.1.17)	2,150,700	479,403	2,630,103	2,935,298	228,510	3,163,808
TOTAL ASSETS			127,282,121	91,636,383	218,918,504	117,693,399	79,202,809	196,896,208

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

Balance Sheet (Statement of Financial Position)

At 31 December 2014

LIABILITIES AND SHAREHOLDERS' EQUITY		Footnotes	THOUSANDS OF TURKISH LIRA (TL)					
			CURRENT PERIOD 31 December 2014			PRIOR PERIOD 31 December 2013		
			TL	FC	Total	TL	FC	Total
I. DEPOSITS	(5.2.1)	62,264,002	58,043,979	120,307,981	59,655,722	46,817,866	106,473,588	
1.1 Deposits from bank's risk group	(5.7)	1,147,243	418,458	1,565,701	856,057	430,332	1,286,389	
1.2 Others		61,116,759	57,625,521	118,742,280	58,799,665	46,387,534	105,187,199	
II. DERIVATIVE FINANCIAL LIABILITIES HELD FOR TRADING	(5.2.2)	1,066,789	507,454	1,574,243	1,127,072	257,624	1,384,696	
III. FUNDS BORROWED	(5.2.3)	3,956,059	28,367,351	32,323,410	5,222,504	24,255,589	29,478,093	
IV. INTERBANK MONEY MARKETS		4,897,146	6,488,774	11,385,920	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)	4,897,146	6,488,774	11,385,920	11,424,006	3,160,228	14,584,234	
V. SECURITIES ISSUED (Net)	(5.2.4)	3,926,198	9,426,049	13,352,247	3,885,539	6,494,850	10,380,389	
5.1 Bills		1,088,546	-	1,088,546	1,347,962	-	1,347,962	
5.2 Asset backed securities		-	-	-	-	-	-	
5.3 Bonds		2,837,652	9,426,049	12,263,701	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)	6,094,877	721,753	6,816,630	5,099,413	534,436	5,633,849	
VIII. OTHER EXTERNAL FUNDINGS PAYABLE		1,798,344	585,551	2,383,895	2,280,478	597,280	2,877,758	
IX. FACTORING PAYABLES		-	-	-	-	-	-	
X. LEASE PAYABLES (Net)	(5.2.5)	538	-	538	480	-	480	
10.1 Financial lease payables		576	-	576	504	-	504	
10.2 Operational lease payables		-	-	-	-	-	-	
10.3 Others		-	-	-	-	-	-	
10.4 Deferred expenses (-)		38	-	38	24	-	24	
XI. DERIVATIVE FINANCIAL LIABILITIES HELD FOR RISK MANAGEMENT	(5.2.6)	99,572	179,811	279,383	-	39,105	39,105	
11.1 Fair value hedges		99,572	111,931	211,503	-	39,105	39,105	
11.2 Cash flow hedges		-	67,880	67,880	-	-	-	
11.3 Net foreign investment hedges		-	-	-	-	-	-	
XII. PROVISIONS	(5.2.7)	3,633,521	58,446	3,691,967	2,942,279	59,530	3,001,809	
12.1 General provisions		2,395,297	39,332	2,434,629	1,962,713	41,195	2,003,908	
12.2 Restructuring reserves		-	-	-	-	-	-	
12.3 Reserve for employee benefits		497,565	-	497,565	377,988	-	377,988	
12.4 Insurance technical provisions (Net)		-	-	-	-	-	-	
12.5 Other provisions		740,659	19,114	759,773	601,578	18,335	619,913	
XIII. TAX LIABILITY	(5.2.8)	638,471	22,179	660,650	298,865	10,867	309,732	
13.1 Current tax liability		638,471	22,179	660,650	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)	-	140,766	140,766	-	147,491	147,491	
XVI. SHAREHOLDERS' EQUITY	(5.2.11)	24,391,656	1,609,218	26,000,874	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		1,023,450	1,473,069	2,496,519	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		165,620	1,490,236	1,655,856	-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)		(51,516)	(17,167)	(68,683)	(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		720,541	-	720,541	770,673	-	770,673	
16.3 Profit reserves		15,967,958	136,149	16,104,107	13,411,262	119,977	13,531,239	
16.3.1 Legal reserves		1,120,009	11,113	1,131,122	1,098,509	11,639	1,110,148	
16.3.2 Status reserves		-	-	-	-	-	-	
16.3.3 Extraordinary reserves		14,847,949	1,638	14,849,587	12,312,753	-	12,312,753	
16.3.4 Other profit reserves		-	123,398	123,398	-	108,338	108,338	
16.4 Profit or loss		3,200,248	-	3,200,248	3,005,560	-	3,005,560	
16.4.1 Prior periods profit/loss		-	-	-	-	-	-	
16.4.2 Current period net profit/loss		3,200,248	-	3,200,248	3,005,560	-	3,005,560	
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		112,767,173	106,151,331	218,918,504	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 31 December 2014

OFF-BALANCE SHEET ITEMS	Footnotes	THOUSANDS OF TURKISH LIRA (TL)					
		CURRENT PERIOD			PRIOR PERIOD		
		31 December 2014			31 December 2013		
		TL	FC	Total	TL	FC	Total
A. OFF-BALANCE SHEET COMMITMENTS AND CONTINGENCIES (I+II+III)		120,417,843	150,106,909	270,524,752	100,427,191	135,652,643	236,079,834
I. GUARANTEES AND SURETIES	(5.3.1)	12,149,324	24,592,541	36,741,865	9,959,792	23,181,147	33,140,939
1.1. Letters of guarantee		12,138,797	15,065,503	27,204,300	9,952,370	13,583,722	23,536,092
1.1.1. Guarantees subject to State Tender Law		-	883,228	883,228	-	845,257	845,257
1.1.2. Guarantees given for foreign trade operations		1,467,460	358,771	1,826,231	1,134,793	320,050	1,454,843
1.1.3. Other letters of guarantee		10,671,337	13,823,504	24,494,841	8,817,577	12,418,415	21,235,992
1.2. Bank acceptances		9,600	806,287	815,887	6,898	631,191	638,089
1.2.1. Import letter of acceptance		9,600	806,287	815,887	6,898	631,191	638,089
1.2.2. Other bank acceptances		-	-	-	-	-	-
1.3. Letters of credit		927	8,634,049	8,634,976	524	8,886,310	8,886,834
1.3.1. Documentary letters of credit		-	-	-	-	-	-
1.3.2. Other letters of credit		927	8,634,049	8,634,976	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		-	86,702	86,702	-	79,924	79,924
1.9. Other sureties		-	-	-	-	-	-
II. COMMITMENTS	(5.3.1)	37,528,618	10,668,844	48,197,462	34,668,117	15,249,746	49,917,863
2.1. Irrevocable commitments		37,486,609	10,667,931	48,154,540	34,642,613	15,248,903	49,891,516
2.1.1. Asset purchase and sale commitments		1,580,333	3,423,488	5,003,821	2,740,296	5,438,905	8,179,201
2.1.2. Deposit purchase and sale commitments		-	-	-	-	25,822	25,822
2.1.3. Share capital commitments to associates and subsidiaries		-	6,059	6,059	-	7,806	7,806
2.1.4. Loan granting commitments		6,099,365	6,258,759	12,358,124	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		2,874,901	-	2,874,901	2,658,815	-	2,658,815
2.1.8. Tax and fund obligations on export commitments		15,861	-	15,861	15,211	-	15,211
2.1.9. Commitments for credit card limits		25,643,188	-	25,643,188	22,259,934	-	22,259,934
2.1.10. Commitments for credit cards and banking services related promotions		8,751	-	8,751	-	-	-
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		1,264,210	979,625	2,243,835	1,474,210	901,000	2,375,210
2.2. Revocable commitments		42,009	913	42,922	25,504	843	26,347
2.2.1. Revocable loan granting commitments		42,009	-	42,009	25,504	-	25,504
2.2.2. Other revocable commitments		-	913	913	-	843	843
III. DERIVATIVE FINANCIAL INSTRUMENTS	(5.3.2)	70,739,901	114,845,524	185,585,425	55,799,282	97,221,750	153,021,032
3.1. Derivative financial instruments held for risk management		8,124,272	9,306,282	17,430,554	5,536,346	1,632,486	7,168,832
3.1.1. Fair value hedges		4,034,049	4,802,991	8,837,040	2,928,361	996,486	3,924,847
3.1.2. Cash flow hedges		4,090,223	4,503,291	8,593,514	2,607,985	636,000	3,243,985
3.1.3. Net foreign investment hedges		-	-	-	-	-	-
3.2. Trading derivatives		62,615,629	105,539,242	168,154,871	50,262,936	95,589,264	145,852,200
3.2.1. Forward foreign currency purchases/sales		10,433,472	12,525,055	22,958,527	8,595,511	10,118,008	18,713,519
3.2.1.1. Forward foreign currency purchases		4,403,523	7,131,163	11,534,686	2,857,352	6,528,366	9,385,718
3.2.1.2. Forward foreign currency sales		6,029,949	5,393,892	11,423,841	5,738,159	3,589,642	9,327,801
3.2.2. Currency and interest rate swaps		31,064,877	56,429,954	87,494,831	20,995,157	46,354,163	67,349,320
3.2.2.1. Currency swaps-purchases		8,800,932	26,229,976	35,030,908	11,516,738	13,608,131	25,124,869
3.2.2.2. Currency swaps-sales		17,994,441	14,420,078	32,414,519	6,080,851	15,462,054	21,542,905
3.2.2.3. Interest rate swaps-purchases		2,134,752	7,889,950	10,024,702	1,698,784	8,641,989	10,340,773
3.2.2.4. Interest rate swaps-sales		2,134,752	7,889,950	10,024,702	1,698,784	8,641,989	10,340,773
3.2.3. Currency, interest rate and security options		21,093,743	27,697,390	48,791,133	20,538,090	32,117,841	52,655,931
3.2.3.1. Currency call options		9,341,992	12,822,408	22,164,400	10,148,589	14,458,413	24,607,002
3.2.3.2. Currency put options		11,751,751	11,557,585	23,309,336	10,358,275	15,780,207	26,138,482
3.2.3.3. Interest rate call options		-	3,317,397	3,317,397	-	1,879,221	1,879,221
3.2.3.4. Interest rate put options		-	-	-	-	-	-
3.2.3.5. Security call options		-	-	-	29,776	-	29,776
3.2.3.6. Security put options		-	-	-	1,450	-	1,450
3.2.4. Currency futures		19,583	19,928	39,511	110,122	182,913	293,035
3.2.4.1. Currency futures-purchases		-	19,099	19,099	-	182,913	182,913
3.2.4.2. Currency futures-sales		19,583	829	20,412	110,122	-	110,122
3.2.5. Interest rate futures		-	92,200	92,200	-	-	-
3.2.5.1. Interest rate futures-purchases		-	-	-	-	-	-
3.2.5.2. Interest rate futures-sales		-	92,200	92,200	-	-	-
3.2.6. Others		3,954	8,774,715	8,778,669	24,056	6,816,339	6,840,395
B. CUSTODY AND PLEDGED ITEMS (IV+V+VI)		500,962,234	368,379,650	869,341,884	475,443,153	325,696,861	801,140,014
IV. ITEMS HELD IN CUSTODY		37,477,559	24,023,822	61,501,381	35,125,254	21,326,011	56,451,265
4.1. Customers' securities held		3,821,959	3,821,959	3,821,959	4,399,502	6,805	4,406,307
4.2. Investment securities held in custody		21,117,192	6,385,801	27,502,993	20,613,851	4,917,858	25,531,709
4.3. Checks received for collection		10,464,807	2,057,634	12,522,441	8,313,010	1,779,622	10,092,632
4.4. Commercial notes received for collection		1,974,120	890,177	2,864,297	1,728,205	822,948	2,551,153
4.5. Other assets received for collection		67,738	13,485,525	13,553,263	40,495	12,637,870	12,678,365
4.6. Assets received through public offering		-	56,584	56,584	-	52,622	52,622
4.7. Other items under custody		31,743	1,148,101	1,179,844	30,191	1,108,286	1,138,477
4.8. Custodians		-	-	-	-	-	-
V. PLEDGED ITEMS		463,484,675	344,355,828	807,840,503	440,317,899	304,370,850	744,688,749
5.1. Securities		3,521,997	13,356	3,535,353	1,570,628	11,304	1,581,932
5.2. Guarantee notes		41,898,793	12,376,006	54,274,799	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		94,499,117	65,824,939	160,324,056	79,449,434	64,892,546	144,341,980
5.6. Other pledged items		323,562,364	266,141,026	589,703,390	316,524,719	227,385,153	543,909,872
5.7. Pledged items-depository		170	501	671	170	466	636
VI. CONFIRMED BILLS OF EXCHANGE AND SURETIES		-	-	-	-	-	-
TOTAL OFF-BALANCE SHEET ITEMS (A+B)		621,380,077	518,486,559	1,139,866,636	575,870,344	461,349,504	1,037,219,848

Türkiye Garanti Bankası Anonim Şirketi
Income Statement
For the Year Ended 31 December 2014

INCOME AND EXPENSE ITEMS	Footnotes	THOUSANDS OF TURKISH LIRA (TL)	
		CURRENT PERIOD 1 January 2014- 31 December 2014	PRIOR PERIOD 1 January 2013- 31 December 2013
I. INTEREST INCOME	(5.4.1)	15,085,537	12,741,425
1.1 Interest income on loans		11,110,958	9,070,992
1.2 Interest income on reserve deposits		1,587	-
1.3 Interest income on banks		139,783	147,317
1.4 Interest income on money market transactions		4,096	2,218
1.5 Interest income on securities portfolio		3,687,727	3,408,445
1.5.1 Trading financial assets		34,536	37,091
1.5.2 Financial assets valued at fair value through profit or loss		-	-
1.5.3 Financial assets available-for-sale		1,961,190	2,781,257
1.5.4 Investments held-to-maturity		1,692,001	590,097
1.6 Financial lease income		-	-
1.7 Other interest income		141,386	112,453
II. INTEREST EXPENSE	(5.4.2)	7,642,849	6,385,794
2.1 Interest on deposits		5,106,074	4,468,817
2.2 Interest on funds borrowed		992,886	861,976
2.3 Interest on money market transactions		753,674	561,088
2.4 Interest on securities issued		778,497	467,861
2.5 Other interest expenses		11,718	26,052
III. NET INTEREST INCOME (I - II)		7,442,688	6,355,631
IV. NET FEES AND COMMISSIONS INCOME		2,949,020	2,615,473
4.1 Fees and commissions received		3,728,187	3,135,783
4.1.1 Non-cash loans		243,048	199,585
4.1.2 Others		3,485,139	2,936,198
4.2 Fees and commissions paid		779,167	520,310
4.2.1 Non-cash loans		1,150	1,048
4.2.2 Others		778,017	519,262
V. DIVIDEND INCOME	(5.4.3)	1,842	56,041
VI. NET TRADING INCOME/LOSSES (Net)	(5.4.4)	(194,167)	296,942
6.1 Trading account income/losses		(144,144)	192,563
6.2 Income/losses from derivative financial instruments		(1,102,829)	(118,984)
6.3 Foreign exchange gains/losses		1,052,806	223,363
VII. OTHER OPERATING INCOME	(5.4.5)	482,827	457,017
VIII. TOTAL OPERATING PROFIT (III+IV+V+VI+VII)		10,682,210	9,781,104
IX. PROVISION FOR LOSSES ON LOANS AND OTHER RECEIVABLES (-)	(5.4.6)	1,806,733	1,623,824
X. OTHER OPERATING EXPENSES (-)	(5.4.7)	4,713,014	4,206,165
XI. NET OPERATING PROFIT/LOSS (VIII-IX-X)		4,162,463	3,951,115
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)	4,162,463	3,951,115
XVI. PROVISION FOR TAXES (±)	(5.4.9)	962,215	945,555
16.1 Current tax charge		1,321,500	541,652
16.2 Deferred tax charge/(credit)		(359,285)	403,903
XVII. NET OPERATING PROFIT/LOSS AFTER TAXES (XV±XVI)	(5.4.10)	3,200,248	3,005,560
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)	3,200,248	3,005,560
Earnings per Share		0.762	0.716

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 Year Ended 31 December 2014

INCOME AND EXPENSE ITEMS UNDER SHAREHOLDERS' EQUITY	THOUSANDS OF TURKISH LIRA (TL)	
	CURRENT PERIOD 1 January 2014- 31 December 2014	PRIOR PERIOD 1 January 2013- 31 December 2013
I. MARKET VALUE GAINS ON AVAILABLE FOR SALE ASSETS ACCOUNTED UNDER "SECURITIES VALUE INCREASE FUND"	744,238	(1,797,703)
II. REVALUATION SURPLUS ON TANGIBLE ASSETS	730	-
III. REVALUATION SURPLUS ON INTANGIBLE ASSETS	-	-
IV. TRANSLATION DIFFERENCES FOR TRANSACTIONS IN FOREIGN CURRENCIES	(7,692)	24,644
V. GAIN/LOSS ON DERIVATIVE FINANCIAL ASSETS HELD FOR CASH FLOW HEDGES (effective portion)	(55,876)	49,054
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	75,655	254,774
IX. DEFERRED TAXES ON VALUE INCREASES/DECREASES	(116,413)	351,665
X. NET INCOME/EXPENSE ITEMS ACCOUNTED DIRECTLY UNDER SHAREHOLDERS' EQUITY (I+II+III+IV+V+VI+VII+VIII+IX)	640,642	(1,117,566)
XI. CURRENT PERIOD PROFIT/LOSSES	3,200,248	3,005,560
1.1 Net changes in fair value of securities (transferred to income statement)	(48,497)	375,815
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	3,248,745	2,629,745
XII. TOTAL PROFIT/LOSS ACCOUNTED FOR THE CURRENT PERIOD (X+XI)	3,840,890	1,887,994

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 Year Ended 31 December 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 - 31 December 2013)																	
I. Balances at beginning of the period		4,200,000	772,554	11,880	-	915,592	-	9,482,293	61,143	-	3,076,841	2,092,991	741,530	1,891	(63,225)	-	21,293,490
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	-	9,482,293	61,143	-	3,076,841	2,092,991	741,530	1,891	(63,225)	-	21,293,490
Changes during the period																	
IV. Mergers																	-
V. Market value changes of securities												(1,179,572)					(1,179,572)
VI. Hedging reserves															39,243		39,243
6.1. Cash flow hedge															39,243		39,243
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						2,390			22,254								24,644
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									(1,881)								(1,881)
XIX. Current period net profit/loss										3,005,560							3,005,560
XX. Profit distribution																	(596,500)
20.1. Dividends						192,166		2,830,460	24,941		(3,076,841)		(567,226)				(596,500)
20.2. Transfers to reserves						192,166		2,830,460	24,941		(596,500)		(567,226)				-
20.3. Others											(24,941)						-
Balances at end of the period (III+IV+V+.....+XVIII+XIX+XX)		4,200,000	772,554	11,880	-	1,110,148	-	12,312,753	106,457	3,005,560	-	913,419	174,304	1,891	(23,982)	-	22,584,984
CURRENT PERIOD (1 January - 31 December 2014)																	
I. Balances at beginning of the period	(5.5)	4,200,000	772,554	11,880	-	1,110,148	-	12,312,753	106,457	-	3,005,560	913,419	174,304	1,891	(23,982)	-	22,584,984
Changes during the period																	
II. Mergers																	-
III. Market value changes of securities												742,437					742,437
IV. Hedging reserves															(44,701)		(44,701)
4.1. Cash flow hedge															(44,701)		(44,701)
4.2. Hedge of net investment in foreign operations															-		-
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						(526)		(80)	(7,086)								(7,692)
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								11,900	(62,032)								(50,132)
XVII. Current period net profit/loss										3,200,248							3,200,248
XVIII. Profit distribution																	(425,000)
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	34,046		(425,000)						-
18.3. Others											(34,046)						-
Balances at end of the period (I+II+III+.....+XVI+XVII+XVIII)		4,200,000	772,554	11,880	-	1,131,122	-	14,849,587	71,385	3,200,248	-	1,655,856	175,034	1,891	(68,683)	-	26,000,874

(Convenience Translation of Financial Statements Originally Issued in Turkish)

Türkiye Garanti Bankası Anonim Şirketi
Statement of Cash Flows
For the Year Ended 31 December 2014

STATEMENT OF CASH FLOWS	Footnotes	THOUSANDS OF TURKISH LIRA (TL)	
		CURRENT PERIOD 1 January 2014- 31 December 2014	PRIOR PERIOD 1 January 2013- 31 December 2013
A. CASH FLOWS FROM BANKING OPERATIONS			
1.1 Operating profit before changes in operating assets and liabilities		4,549,761	4,552,144
1.1.1 Interests received		14,200,578	13,788,503
1.1.2 Interests paid		(7,201,807)	(6,290,098)
1.1.3 Dividend received		1,842	4,794
1.1.4 Fees and commissions received		3,728,187	3,135,783
1.1.5 Other income		336,581	562,588
1.1.6 Collections from previously written-off loans and other receivables		99,905	35,154
1.1.7 Payments to personnel and service suppliers		(3,663,963)	(3,390,278)
1.1.8 Taxes paid		(989,025)	(898,278)
1.1.9 Others	(5.6)	(1,962,537)	(2,396,024)
1.2 Changes in operating assets and liabilities		(3,245,571)	(4,356,736)
1.2.1 Net (increase) decrease in financial assets held for trading		59,105	(44,036)
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		(905,867)	(5,511,032)
1.2.4 Net (increase) decrease in loans		(16,588,535)	(27,261,470)
1.2.5 Net (increase) decrease in other assets		533,150	(1,333,423)
1.2.6 Net increase (decrease) in bank deposits		457,256	997,267
1.2.7 Net increase (decrease) in other deposits		13,321,462	17,843,243
1.2.8 Net increase (decrease) in funds borrowed		(694,335)	9,008,410
1.2.9 Net increase (decrease) in matured payables		-	-
1.2.10 Net increase (decrease) in other liabilities	(5.6)	572,193	1,944,305
I. Net cash flow from banking operations		1,304,190	195,408
B. CASH FLOWS FROM INVESTING ACTIVITIES			
II. Net cash flow from investing activities		(4,106,356)	(2,343,258)
2.1 Cash paid for purchase of associates, subsidiaries and joint-ventures		(543)	(10,494)
2.2 Cash obtained from sale of associates, subsidiaries and joint-ventures		-	-
2.3 Purchases of tangible assets		(329,369)	(489,027)
2.4 Sales of tangible assets		85,129	85,031
2.5 Cash paid for purchase of financial assets available-for-sale		(9,775,998)	(18,202,983)
2.6 Cash obtained from sale of financial assets available-for-sale		10,970,690	19,484,137
2.7 Cash paid for purchase of investments held-to-maturity		(6,705,853)	(3,705,796)
2.8 Cash obtained from sale of investments held-to-maturity		1,649,588	495,874
2.9 Others	(5.6)	-	-
C. CASH FLOWS FROM FINANCING ACTIVITIES			
III. Net cash flow from financing activities		2,495,175	3,872,779
3.1 Cash obtained from funds borrowed and securities issued		10,932,945	10,728,432
3.2 Cash used for repayment of funds borrowed and securities issued		(8,011,841)	(6,258,267)
3.3 Equity instruments issued		-	-
3.4 Dividends paid		(425,000)	(596,500)
3.5 Payments for financial leases		(929)	(886)
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)	528,895	1,376,361
V. Net increase/(decrease) in cash and cash equivalents		221,904	3,101,290
VI. Cash and cash equivalents at beginning of period		7,363,964	4,262,674
VII. Cash and cash equivalents at end of period		7,585,868	7,363,964

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

Türkiye Garanti Bankası Anonim Şirketi
Statement of Profit Distribution

At 31 December 2014

STATEMENT OF PROFIT DISTRIBUTION		THOUSANDS OF TURKISH LIRA (TL)	
		CURRENT PERIOD (*)	PRIOR PERIOD
		31 December 2014	31 December 2013
I.	DISTRIBUTION OF CURRENT YEAR PROFIT		
1.1	CURRENT PERIOD PROFIT	4,162,463	3,951,115
1.2	TAXES AND LEGAL DUTIES PAYABLE (-)	962,215	945,555
1.2.1	Corporate tax (income tax)	962,215	945,555
1.2.2	Withholding tax	-	-
1.2.3	Other taxes and duties	-	-
A.	NET PROFIT FOR THE PERIOD (1.1-1.2)	3,200,248	3,005,560
1.3	ACCUMULATED LOSSES (-)	-	-
1.4	FIRST LEGAL RESERVES (-)	-	-
1.5	OTHER STATUTORY RESERVES (-)	-	34,046
B.	NET PROFIT AVAILABLE FOR DISTRIBUTION [(A-(1.3+1.4+1.5)]	-	2,971,514
1.6	FIRST DIVIDEND TO SHAREHOLDERS (-)	-	210,000
1.6.1	To owners of ordinary shares	-	210,000
1.6.2	To owners of privileged shares	-	-
1.6.3	To owners of redeemed shares	-	-
1.6.4	To profit sharing bonds	-	-
1.6.5	To holders of profit and loss sharing certificates	-	-
1.7	DIVIDENDS TO PERSONNEL (-)	-	-
1.8	DIVIDENDS TO BOARD OF DIRECTORS (-)	-	-
1.9	SECOND DIVIDEND TO SHAREHOLDERS (-)	-	215,000
1.9.1	To owners of ordinary shares	-	215,000
1.9.2	To owners of privileged shares	-	-
1.9.3	To owners of redeemed shares	-	-
1.9.4	To profit sharing bonds	-	-
1.9.5	To holders of profit and loss sharing certificates	-	-
1.10	SECOND LEGAL RESERVES (-)	-	21,500
1.11	STATUS RESERVES (-)	-	-
1.12	EXTRAORDINARY RESERVES	-	2,525,014
1.13	OTHER RESERVES	-	-
1.14	SPECIAL FUNDS	-	-
II.	DISTRIBUTION OF RESERVES		
2.1	APPROPRIATED RESERVES	-	-
2.2	SECOND LEGAL RESERVES (-)	-	-
2.3	DIVIDENDS TO SHAREHOLDERS (-)	-	-
2.3.1	To owners of ordinary shares	-	-
2.3.2	To owners of privileged shares	-	-
2.3.3	To owners of redeemed shares	-	-
2.3.4	To profit sharing bonds	-	-
2.3.5	To holders of profit and loss sharing certificates	-	-
2.4	DIVIDENDS TO PERSONNEL (-)	-	-
2.5	DIVIDENDS TO BOARD OF DIRECTORS (-)	-	-
III.	EARNINGS PER SHARE (per YTL'000 face value each)		
3.1	TO OWNERS OF ORDINARY SHARES (per YTL'000 face value each)	0.762	0.716
3.2	TO OWNERS OF ORDINARY SHARES (%)	0.076	0.072
3.3	TO OWNERS OF PRIVILEGED SHARES	-	-
3.4	TO OWNERS OF PRIVILEGED SHARES (%)	-	-
IV.	DIVIDEND PER SHARE		
4.1	TO OWNERS OF ORDINARY SHARES (per YTL'000 face value each)	-	-
4.2	TO OWNERS OF ORDINARY SHARES (%)	-	-
4.3	TO OWNERS OF PRIVILEGED SHARES	-	-
4.4	TO OWNERS OF PRIVILEGED SHARES (%)	-	-

(*) Decision regarding to the 2013 profit distribution will be held at General Assembly meeting.

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:

	31 December 2014	31 December 2013
	%	%
Net Effective Discount Rate	2.36	3.06
Discount Rate	8.60	9.48
Expected Rate of Salary	7.60	7.73
Inflation Rate	6.10	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:

	31 December 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 7.50% 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 Share issuances

None.

3.21 Confirmed bills of exchange and acceptances

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

3.22 Government incentives

As of 31 December 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	3,819,088	3,601,411	1,554,031	1,705,838	10,680,368
Other	-	-	-	-	-
Total Operating Profit	3,819,088	3,601,411	1,554,031	1,705,838	10,680,368
Net Operating Profit	355,471	1,717,172	984,718	1,103,260	4,160,621
Income from Associates and Subsidiaries	-	-	-	1,842	1,842
Net Operating Profit	355,471	1,717,172	984,718	1,105,102	4,162,463
Provision for Taxes	-	-	-	962,215	962,215
Net Profit	355,471	1,717,172	984,718	142,887	3,200,248
Segment Assets	47,269,132	86,790,051	74,339,828	7,220,548	215,619,559
Investments in Associates and Subsidiaries	-	-	-	3,298,945	3,298,945
Total Assets	47,269,132	86,790,051	74,339,828	10,519,493	218,918,504
Segment Liabilities	76,139,758	47,040,680	64,786,504	4,950,688	192,917,630
Shareholders' Equity	-	-	-	26,000,874	26,000,874
Total Liabilities and Shareholders' Equity	76,139,758	47,040,680	64,786,504	30,951,562	218,918,504
Other Segment Items					
Capital Expenditures	-	-	-	492,660	492,660
Depreciation Expenses	137,550	70,795	6,392	4,711	219,448
Impairment Losses	1,043,722	554,865	32,771	181,398	1,812,756
Other Non-Cash Income/Expenses	(71,574)	98,263	879,984	(117,369)	789,304
Restructuring Costs	-	-	-	-	-

<i>Prior Period</i>	Retail Banking	Corporate Banking	Investment Banking	Other	Total Operations
Total Operating Profit	3,966,757	3,148,482	2,373,908	235,916	9,725,063
Other	-	-	-	-	-
Total Operating Profit	3,966,757	3,148,482	2,373,908	235,916	9,725,063
Net Operating Profit	743,082	1,548,338	2,202,045	(598,391)	3,895,074
Income from Associates and Subsidiaries	-	-	-	56,041	56,041
Net Operating Profit	743,082	1,548,338	2,202,045	(542,350)	3,951,115
Provision for Taxes	-	-	-	945,555	945,555
Net Profit	743,082	1,548,338	2,202,045	(1,487,905)	3,005,560
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	140,309	69,026	5,737	(5,092)	209,980
Impairment Losses	912,105	496,580	36,616	182,683	1,627,984
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 15.23% as of 31 December 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	-	-	1,994,956	19,039,877	25,107,898	86,887,374	6,390,335	24,511,860	1,308,088
Exposure Categories	52,312,514	-	9,974,782	38,079,754	33,477,197	86,887,374	4,260,223	12,255,930	523,235
Conditional and unconditional exposures to central governments or central banks	49,904,231	-	13	7,253,564	-	3	-	-	-
Conditional and unconditional exposures to regional governments or local authorities	-	-	57,913	-	-	-	-	-	-
Conditional and unconditional exposures to administrative bodies and non-commercial undertakings	18	-	-	-	-	46,942	-	-	-
Conditional and unconditional exposures to multilateral development banks	-	-	-	-	-	-	-	-	-
Conditional and unconditional exposures to international organisations	-	-	-	-	-	-	-	-	-
Conditional and unconditional exposures to banks and brokerage houses	-	-	8,333,300	7,456,944	-	8,024	-	-	-
Conditional and unconditional exposures to corporates	-	-	1,578,473	2,294,483	-	75,926,104	-	-	-
Conditional and unconditional retail exposures	-	-	4,874	4,868	33,477,197	4,930,885	-	-	-
Conditional and unconditional exposures secured by real estate property	-	-	-	21,066,535	-	-	-	-	-
Past due items	-	-	-	3,360	-	435,309	-	-	-
Items in regulatory high-risk categories	-	-	-	-	-	15,394	4,260,223	12,255,930	523,235
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	33,877	-	-	-	-	20,574	-	-	-
Other items	2,374,388	-	209	-	-	5,504,139	-	-	-

<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)	13,219,231	11,882,342
Capital Requirement for Market Risk (MRCR)	367,344	301,025
Capital Requirement for Operational Risk (ORCR)	1,187,245	1,067,735
Total Capital	28,116,657	23,882,776
Total Capital/((CRCR+MRCR+ORCR) * 12.5) * 100	15.23%	14.42%
Total Tier I Capital/((CRCR+MRCR+ORCR) * 12.5) * 100	14.17%	-
Common Equity Tier I Capital/((CRCR+MRCR+ORCR) * 12.5) * 100	14.24%	-

(*) 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	16,104,107
Other Comprehensive Income according to TAS	1,830,890
Profit	3,200,248
Current Period Profit	3,200,248
Prior Period Profit	-
General Reserves for Possible Losses	415,000
Bonus Shares from Associates, Subsidiaries and Joint-Ventures not Accounted in Current Period's Profit	1,891
Common Equity Tier I Capital Before Deductions	26,536,570
Deductions From Common Equity Tier I Capital	
Current and Prior Periods' Losses not Covered by Reserves, and Losses Accounted under Equity according to TAS (-)	115,238
Leasehold Improvements on Operational Leases (-)	92,112
Goodwill and Other Intangible Assets and Related Deferred Taxes (-)	32,250
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	239,600
Total Common Equity Tier I Capital	26,296,970
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 (-)	129,000
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	26,167,970
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)	125,501
Pledged Assets of the Shareholders to be used for the Bank's Capital Increases	-
General Provisions	2,065,505
Tier II Capital before Deductions	2,191,006
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	2,191,006

	<i>Current Period</i>
CAPITAL BEFORE DEDUCTIONS	
Loans Granted against the Articles 50 and 51 of the Banking Law (-)	87
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 (-)	32,417
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 (-)	184,367
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 (-)	25,448
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	28,116,657
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	384.807

	<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)	125,501	125,501

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

"Garanti Bank's process of internal capital requirements is assessed under the regulation on the "Internal Systems and Internal Capital Adequacy Assessment Processes of Banks" published in the Official Gazette no. 29057 dated 11 July 2014. The ultimate aim of this internal capital requirements process is to maintain the continuity of capital adequacy under the Bank's strategies, lending growth expectations, asset-liability structure, future funding sources and liquidity, fluctuations in capital depending on dividend distribution policy and economics, in compliance with its risk profile and appetite.

Accordingly, the Bank's prospective internal capital requirements as per its current capital structure and the targets and strategies for the future are assessed considering its operations and risks every year in March. This assessment includes the interest rate risk, liquidity risk, reputational risk, residual risk, concentration risk, strategy risk, and country and transfer risks arising from banking activities besides the market, credit and operational risks directly affecting its legal capital adequacy ratio. The assessment methodology of internal capital requirements is a developing process, accordingly the future improvement areas are determined and the working plans are set.

4.2 Credit risk

Credit risk is defined as risks and losses that may occur if the counterparty fails to comply with the agreement's requirements and cannot perform its obligations partially or completely on the terms set. In compliance with the legislation, the credit limits are set for the financial position and credit requirements of customers within the authorization limits assigned for Branches, Lending Departments, Executive Vice President responsible of Lending, General Manager, Credit Committee and Board of Directors. The limits are subject to revision if necessary.

The debtors or group of debtors are subject to credit risk limits. Sectoral risk concentrations are reviewed on a monthly basis.

Credit worthiness of debtors is reviewed periodically in compliance with the legislation by the internal risk rating models. The credit limits are revised and further collateral is required if the risk level of debtor deteriorates. For unsecured loans, the necessary documentation is gathered in compliance with the legislation.

Geographical concentration of credit customers is reviewed monthly. This is in line with the concentration of industrial and commercial activities in Turkey.

In accordance with the Bank's lending policies, the debtor's creditworthiness is analysed and the adequate collateral is obtained based on the financial position of the company and the type of loan; like cash collateral, bank guarantees, mortgages, pledges, bills and corporate guarantees.

The Bank has control limits on the position held through forwards, options and other similar agreements. Credit risk of such instruments is managed together with the risk from market fluctuations. The Bank follows up the risk arising from such instruments and takes the necessary actions to decrease it when necessary.

The liquidated non-cash loans are subject to the same risk weight with the overdue loans.

The Bank performs foreign trade finance and other interbank credit transactions through widespread correspondents network. Accordingly, the Bank assigns limits to domestic and foreign banks and other financial institutions based on review of their credit worthiness, periodically.

The Bank's largest 100 and 200 cash loan customers compose 24.00% (31 December 2013: 23.70%) and 30.33% (31 December 2013: 30.30%) of the total cash loan portfolio, respectively.

The Bank's largest 100 and 200 non-cash loan customers compose 52.22% (31 December 2013: 54.80%) and 61.46% (31 December 2013: 64.35%) of the total non-cash loan portfolio, respectively.

The Bank's largest 100 ve 200 cash and non-cash loan customers represent 8.89% (31 December 2013: 9.24%) and 11.35% (31 December 2013: 11.79%) of the total "on and off balance sheet" assets, respectively.

The general provision for credit risks amounts to TL 2,434,629 thousands (31 December 2013: TL 2,003,908 thousands).

The Bank developed a statistical-based internal risk rating model for its credit portfolio of corporate/ commercial/medium-size companies. This internal risk rating model has been in use for customer credibility assessment since 2003. Risk rating has become a requirement for loan applications, and ratings are used both to determine branch managers' credit authorization limits and in credit assessment process.

The concentration table of the cash and non-cash loans for the Bank according to the risk rating system for its customers defined as corporate, commercial and medium-size enterprises is presented below:

	<i>Current Period</i>	<i>Prior Period</i>
	%	%
Above Average	40.26	40.14
Average	53.43	54.39
Below Average	6.31	5.47
Total	100.00	100.00

Total amount of exposures after offsetting transactions but before applying credit risk mitigations and the average exposure amounts that are classified in different risk groups and types, are disclosed below for the relevant period:

Exposure Categories	<i>Current Period</i>		<i>Prior Period</i>	
	<i>Risk Amount</i> (*)	<i>Average Risk Amount</i> (**)	<i>Risk Amount</i> (*)	<i>Average Risk Amount</i> (**)
Conditional and unconditional exposures to central governments or central banks	61,329,831	60,801,055	54,685,241	55,182,551
Conditional and unconditional exposures to regional governments or local authorities	57,972	57,079	40,082	26,613
Conditional and unconditional exposures to administrative bodies and non-commercial undertakings	53,808	46,332	157	15,787
Conditional and unconditional exposures to multilateral development banks	-	-	-	-
Conditional and unconditional exposures to international organisations	-	-	-	6
Conditional and unconditional exposures to banks and brokerage houses	25,956,876	26,137,735	32,494,945	21,949,465
Conditional and unconditional exposures to corporates	89,349,073	83,788,838	77,590,561	66,399,745
Conditional and unconditional retail exposures	39,232,414	35,869,331	32,844,346	33,267,298
Conditional and unconditional exposures secured by real estate property	21,152,746	19,781,771	17,782,183	15,286,011
Past due items	439,190	383,419	340,634	270,786
Items in regulatory high-risk categories	17,194,930	16,240,917	15,822,836	11,428,819
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	54,451	43,153	-	-
Other items	7,878,736	7,369,136	7,113,642	6,115,412

(*) Includes total risk amounts before the effect of credit risk mitigation but after credit conversions.

(**) Average risk amounts are the arithmetical average of the amounts in monthly reports prepared as per the Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks.

4.2.1 Profile of significant exposures in major regions

<i>Current Period</i> (***)	Conditional and unconditional exposures to central governments or central banks	Conditional and unconditional exposures to banks and brokerage houses	Conditional and unconditional exposures to corporates	Conditional and unconditional retail exposures	Conditional and unconditional exposures secured by real estate property	Items in regulatory high-risk categories	Other	Total
Domestic	60,975,515	4,984,526	79,096,484	39,026,129	21,117,741	17,071,608	5,322,603	227,594,606
European Union (EU) Countries	217,691	17,968,534	1,447,644	32,999	27,469	4,372	261	19,698,970
OECD Countries (*)	34	1,787,503	1,036,026	3,155	1,830	52	-	2,828,600
Off-Shore Banking Regions	-	6,722	22	1,668	-	2	-	8,414
USA, Canada	628	591,308	1,026,011	2,287	788	53	-	1,621,075
Other Countries	135,963	192,572	569,224	166,176	4,918	118,843	3,282	1,190,978
Associates, Subsidiaries and Joint –Ventures	-	425,711	6,173,662	-	-	-	3,158,011	9,757,384
Unallocated Assets/Liabilities (**)	-	-	-	-	-	-	-	-
Total	61,329,831	25,956,876	89,349,073	39,232,414	21,152,746	17,194,930	8,484,157	262,700,027

<i>Prior Period</i> (****)	Conditional and unconditional exposures to central governments or central banks	Conditional and unconditional exposures to banks and brokerage houses	Conditional and unconditional exposures to corporates	Conditional and unconditional retail exposures	Conditional and unconditional exposures secured by real estate property	Items in regulatory high-risk categories	Other	Total
Domestic	54,261,878	12,755,678	72,198,142	32,616,961	17,737,599	15,706,315	4,417,569	209,694,142
European Union (EU) Countries	257,098	17,278,198	2,333,181	27,569	37,447	2,751	147	19,936,391
OECD Countries (*)	62	168,295	802,547	2,043	2,082	100	-	975,129
Off-Shore Banking Regions	-	5,292	226,390	1,735	-	75	-	233,492
USA, Canada	680	1,333,987	555,840	1,838	804	53	1	1,893,203
Other Countries	165,523	199,605	449,462	194,200	4,251	113,541	2,054	1,128,636
Associates, Subsidiaries and Joint –Ventures	-	753,890	1,024,999	-	-	1	3,074,744	4,853,634
Unallocated Assets/Liabilities (**)	-	-	-	-	-	-	-	-
Total	54,685,241	32,494,945	77,590,561	32,844,346	17,782,183	15,822,836	7,494,515	238,714,627

(*) Includes OECD countries other than EU countries, USA and Canada.

(**) Includes assets and liability items that can not be allocated on a consistent basis.

(***) Includes risk amounts before the effect of credit risk mitigation but after the credit conversions.

4.2.2 Risk profile by sectors or counterparties

Current Period ^(*)	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	TL	FC	Total
Agriculture	-	-	-	-	-	-	290,792	481,861	293,989	10,401	43,857	-	-	-	-	-	959,566	161,334	1,120,900
Farming and Stockbreeding	-	-	-	-	-	-	230,227	458,586	281,101	10,151	42,607	-	-	-	-	-	921,547	101,125	1,022,672
Forestry	-	-	-	-	-	-	12,193	13,892	8,653	185	670	-	-	-	-	-	21,445	14,148	35,593
Fishery	-	-	-	-	-	-	48,372	9,383	4,235	65	580	-	-	-	-	-	16,574	46,061	62,635
Manufacturing	4	-	4	-	-	-	42,439,050	3,745,710	3,159,178	159,167	210,142	-	-	-	-	-	12,709,210	37,004,045	49,713,255
Mining and Quarrying	-	-	-	-	-	-	797,766	169,129	115,250	10,076	6,395	-	-	-	-	-	439,957	658,659	1,098,616
Production	-	-	3	-	-	-	23,273,533	3,508,914	2,907,382	147,843	195,327	-	-	-	-	-	10,771,728	19,261,274	30,033,002
Electricity, Gas and Water	4	-	1	-	-	-	18,367,751	67,667	136,546	1,248	8,420	-	-	-	-	-	1,497,525	17,084,112	18,581,637
Construction	-	-	18	-	-	-	4,005,740	1,637,766	1,745,976	32,602	115,479	-	-	-	-	-	4,759,777	2,777,804	7,537,581
Services	288	-	16,594	-	-	25,125,581	36,243,747	9,071,652	7,862,282	190,216	1,042,327	-	-	-	54,451	-	30,988,810	48,618,328	79,607,138
Wholesale and Retail Trade	277	-	358	-	-	-	10,917,280	6,994,242	3,877,172	126,657	476,140	-	-	-	-	-	15,894,062	6,498,064	22,392,126
Accommodation and Dining	-	-	374	-	-	-	2,557,975	439,607	1,824,884	38,162	36,802	-	-	-	-	-	1,325,821	3,571,983	4,897,804
Transportation and Telecom.	-	-	29	-	-	-	7,432,885	1,116,096	615,700	20,712	81,635	-	-	-	-	-	2,462,822	6,804,235	9,267,057
Financial Institutions	-	-	-	-	-	25,125,581	10,247,504	96,264	32,939	598	399,753	-	-	-	54,451	-	9,084,542	26,872,548	35,957,090
Real Estate and Rental Services	-	-	-	-	-	-	3,216,146	88,172	1,121,106	478	10,000	-	-	-	-	-	829,918	3,605,984	4,435,902
Professional Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Educational Services	3	-	3,723	-	-	-	315,137	75,640	170,987	826	9,840	-	-	-	-	-	466,044	110,112	576,156
Health and Social Services	8	-	12,110	-	-	-	1,556,820	261,631	219,494	2,783	28,157	-	-	-	-	-	925,601	1,155,402	2,081,003
Others	61,329,539	57,972	37,192	-	-	831,295	6,369,744	24,295,425	8,091,321	46,804	15,783,125	-	-	-	-	7,878,736	86,923,630	37,797,523	124,721,153
Total	61,329,831	57,972	53,808	-	-	25,956,876	89,349,073	39,232,414	21,152,746	439,190	17,194,930	-	-	-	54,451	7,878,736	136,340,993	126,359,034	262,700,027

1- Conditional and unconditional exposures to central governments or central banks

2- Conditional and unconditional exposures to regional governments or local authorities

3- Conditional and unconditional exposures to administrative bodies and non-commercial undertakings

4- Conditional and unconditional exposures to multilateral development banks

5- Conditional and unconditional exposures to international organisations

6- Conditional and unconditional exposures to banks and brokerage houses

7- Conditional and unconditional exposures to corporates

8- Conditional and unconditional retail exposures

9- Conditional and unconditional exposures secured by real estate property

10- Past due receivables

11- Receivables in regulatory high-risk categories

12- Exposures in the form of bonds secured by mortgages

13- Securitisation positions

14- Short term exposures to banks, brokerage houses and corporates

15- Exposures in the form of collective investment undertakings

16- Other receivables

(*) Includes risk amounts before the effect of credit risk mitigation but after the credit conversions.

Türkiye Garanti Bankası AŞ

Unconsolidated Financial Report as of and
for the Year Ended 31 December 2014
(Thousands of Turkish Lira (TL))

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

<i>Prior Period</i> (*)	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	TL	FC	Total
Agriculture	-	-	-	-	-	-	272,767	382,892	262,059	8,736	43,274	-	-	-	-	-	878,686	91,042	969,728
Farming and Stockbreeding	-	-	-	-	-	-	236,592	368,580	248,150	8,438	41,923	-	-	-	-	-	827,280	76,403	903,683
Forestry	-	-	-	-	-	-	6,420	9,049	8,091	246	590	-	-	-	-	-	18,603	5,793	24,396
Fishery	-	-	-	-	-	-	29,755	5,263	5,818	52	761	-	-	-	-	-	32,803	8,846	41,649
Manufacturing	-	-	-	-	-	-	31,978,926	2,520,516	2,469,276	106,354	220,248	-	-	-	-	-	11,105,583	26,189,737	37,295,320
Mining and Quarrying	-	-	-	-	-	-	939,613	114,797	87,437	7,510	8,201	-	-	-	-	-	498,564	658,994	1,157,558
Production	-	-	-	-	-	-	15,312,099	2,356,447	2,335,258	98,564	209,318	-	-	-	-	-	9,390,888	10,920,798	20,311,686
Electricity, Gas and Water	-	-	-	-	-	-	15,727,214	49,272	46,581	280	2,729	-	-	-	-	-	1,216,131	14,609,945	15,826,076
Construction	-	-	-	-	-	-	6,937,125	1,181,524	1,855,139	34,920	123,389	-	-	-	-	-	4,711,833	5,420,264	10,132,097
Services	346	-	-	-	-	32,467,349	28,254,998	6,164,457	5,768,575	157,588	681,476	-	-	-	-	-	37,966,801	35,527,988	73,494,789
Wholesale and Retail Trade	337	-	-	-	-	-	11,412,828	4,703,085	3,325,566	100,196	492,881	-	-	-	-	-	13,484,107	6,550,786	20,034,893
Accommodation and Dining	-	-	-	-	-	-	2,620,000	297,834	1,232,122	39,251	43,171	-	-	-	-	-	1,082,483	3,149,895	4,232,378
Transportation and Telecom.	-	-	-	-	-	-	8,251,797	822,388	458,045	13,743	76,049	-	-	-	-	-	2,260,108	7,361,914	9,622,022
Financial Institutions	-	-	-	-	-	32,467,349	3,374,222	56,732	22,321	666	21,451	-	-	-	-	-	19,711,186	16,231,555	35,942,741
Real Estate and Rental Services	-	-	-	-	-	-	971,356	50,578	381,861	600	7,600	-	-	-	-	-	308,659	1,103,336	1,411,995
Professional Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Educational Services	1	-	-	-	-	-	223,568	61,017	140,810	878	10,246	-	-	-	-	-	336,172	100,348	436,520
Health and Social Services	8	-	-	-	-	-	1,401,227	172,823	207,850	2,254	30,078	-	-	-	-	-	784,086	1,030,154	1,814,240
Others	54,684,895	40,082	157	-	-	27,596	10,146,745	22,594,957	7,427,134	33,036	14,754,449	-	-	-	-	7,113,642	84,066,775	32,755,918	116,822,693
Total	54,685,241	40,082	157	-	-	32,494,945	77,590,561	32,844,346	17,782,183	340,634	15,822,836	-	-	-	-	7,113,642	138,729,678	99,984,949	238,714,627

- 1- Conditional and unconditional exposures to central governments or central banks
- 2- Conditional and unconditional exposures to regional governments or local authorities
- 3- Conditional and unconditional exposures to administrative bodies and non-commercial undertakings
- 4- Conditional and unconditional exposures to multilateral development banks
- 5- Conditional and unconditional exposures to international organisations
- 6- Conditional and unconditional exposures to banks and brokerage houses
- 7- Conditional and unconditional exposures to corporates
- 8- Conditional and unconditional retail exposures
- 9- Conditional and unconditional exposures secured by real estate property
- 10- Past due receivables
- 11- Receivables in regulatory high-risk categories
- 12- Exposures in the form of bonds secured by mortgages
- 13- Securitisation positions
- 14- Short term exposures to banks, brokerage houses and corporates
- 15- Exposures in the form of collective investment undertakings
- 16- Other receivables

(*) Includes risk amounts before the effect of credit risk mitigation but after the credit conversions.

4.2.3 Analysis of maturity-bearing exposures according to remaining maturities

<i>Current Period</i>	Term To Maturity				
	Up to 1 Month	1-3 Months	3-6 Months	6-12 Months	Over 1 Year
Exposure Categories (*)					
Conditional and unconditional exposures to central governments or central banks	4,833,654	22,030,952	416,771	10,089	30,826,277
Conditional and unconditional exposures to regional governments or local authorities	-	-	-	-	55,972
Conditional and unconditional exposures to administrative bodies and non-commercial undertakings	1,083	761	159	12,315	35,993
Conditional and unconditional exposures to multilateral development banks	-	-	-	-	-
Conditional and unconditional exposures to international organisations	-	-	-	-	-
Conditional and unconditional exposures to banks and brokerage houses	8,818,589	2,409,340	1,278,715	813,471	10,757,765
Conditional and unconditional exposures to corporates	7,263,150	5,066,572	7,524,356	8,758,888	57,552,646
Conditional and unconditional retail exposures	13,474,337	4,241,508	3,464,637	3,257,251	11,502,068
Conditional and unconditional exposures secured by real estate property	522,392	459,798	872,435	1,432,333	16,076,049
Past due items	-	-	-	-	-
Items in regulatory high-risk categories	565	383,330	4,525	812,404	15,805,955
Exposures in the form of bonds secured by mortgages	-	-	-	-	-
Short term exposures to banks, brokerage houses and corporates	-	-	-	-	-
Exposures in the form of collective investment undertakings	-	-	-	-	-
Other items	-	-	-	-	-
Total	34,913,770	34,592,261	13,561,598	15,096,751	142,612,725

(*) Includes risk amounts before the effect of credit risk mitigation but after the credit conversions.

<i>Prior Period</i>	Term To Maturity				
	Up to 1 Month	1-3 Months	3-6 Months	6-12 Months	Over 1 Year
Exposure Categories ^(*)					
Conditional and unconditional exposures to central governments or central banks	1,124,878	17,972,771	2,920,464	3,448,921	25,063,580
Conditional and unconditional exposures to regional governments or local authorities	-	-	-	-	40,082
Conditional and unconditional exposures to administrative bodies and non-commercial undertakings	2	113	-	-	42
Conditional and unconditional exposures to multilateral development banks	-	-	-	-	-
Conditional and unconditional exposures to international organisations	-	-	-	-	-
Conditional and unconditional exposures to banks and brokerage houses	11,677,776	1,279,221	806,487	2,152,382	9,813,245
Conditional and unconditional exposures to corporates	5,178,311	3,957,283	8,309,212	9,081,317	50,032,966
Conditional and unconditional retail exposures	8,263,032	4,350,717	8,324,853	2,745,042	9,046,381
Conditional and unconditional exposures secured by real estate property	681,046	686,353	1,285,799	1,314,139	13,717,240
Past due items	-	-	-	-	-
Items in regulatory high-risk categories	932	1,194	4,593	1,951,806	13,722,262
Exposures in the form of bonds secured by mortgages	-	-	-	-	-
Short term exposures to banks, brokerage houses and corporates	-	-	-	-	-
Exposures in the form of collective investment undertakings	-	-	-	-	-
Other items	-	-	-	-	-
Total	26,925,978	28,247,652	21,651,408	20,693,607	121,435,796

(*) Includes risk amounts before the effect of credit risk mitigation but after the credit conversions.

4.2.4 Exposure categories

An international rating firm, Fitch Ratings' external risk ratings are used to determine the risk weights of the risk categories as per the Article 6 of the "Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks".

The international risk ratings are used for the exposures to central governments and central banks, whereas for central governments and central banks that are not rated by Fitch Ratings, the published country ratings as announced by the Organisation for Economic Cooperation and Development (OECD) are used.

According to the regulation on capital adequacy, external risk ratings are used only for the exposures to banks and brokerage houses and to corporates where the counterparties are resident in abroad, to determine their risk weights. Where the counterparties are domestic, the related exposures are included in the calculation of capital adequacy as unrated.

In the determination of risk weights for items that are not included in trading book; if a relevant rating is available then such rating, but if it is an unrated exposure then the rating available for the issuer is used.

Fitch Ratings' risk ratings as per the credit quality grades and the risk weights according to exposure categories are presented below:

Credit Quality Grade	Fitch Risk Rating	Exposure Categories				
		Exposures to Central Governments or Central Banks	Exposures to Administrative Bodies and Non-Commercial Undertakings	Exposures to Banks and Brokerage Houses		Exposures to Corporates
				Exposures with Remaining Maturities Less Than 3 Months	Exposures with Remaining Maturities More Than 3 Months	
1	AAA	0%	20%	20%	20%	20%
	AA+					
	AA					
	AA-					
2	A+	20%	50%	20%	50%	50%
	A					
	A-					
3	BBB+	50%	100%	20%	50%	100%
	BBB					
	BBB-					
4	BB+	100%	100%	50%	100%	100%
	BB					
	BB-					
5	B+	100%	100%	50%	100%	150%
	B					
	B-					
6	CCC+	150%	150%	150%	150%	150%
	CCC					
	CCC-					
	CC					
	C					
D						

4.2.5 Exposures by risk weights

<i>Current Period</i>	0%	10%	20%	50%	75%	100%	150%	200%	250%	Deductions from Equity
Exposures before Credit Risk Mitigation	56,484,534	-	15,415,182	42,892,982	34,254,309	96,473,539	4,312,745	12,343,357	523,379	242,319
Exposures after Credit Risk Mitigation	52,312,514	-	9,974,782	38,079,754	33,477,197	86,887,374	4,260,223	12,255,930	523,235	242,319

<i>Prior Period</i>	0%	10%	20%	50%	75%	100%	150%	200%	250%	Deductions from Equity
Exposures before Credit Risk Mitigation	52,852,678	-	19,937,382	35,903,212	27,367,852	86,843,977	3,399,570	12,143,798	266,158	403,114
Exposures after Credit Risk Mitigation	51,971,249	-	9,270,022	29,286,260	26,642,831	82,326,561	3,333,477	12,029,517	265,682	403,114

4.2.6 Information by major sectors and type of counterparties

As per the TAS and TFRS;

Impaired Credits; are the credits that either overdue more than 90 days as of the reporting date or are treated as impaired due to their creditworthiness. For such credits, “specific provisions” are allocated as per the Provisioning Regulation.

Past Due Credits; are the credits that overdue upto 90 days but not impaired. For such credits, “general provisions” are allocated as per the Provisioning Regulation.

<i>Current Period</i>	Credit Risks			
	Impaired Credits	Past Due Credits	Value Adjustments	Provisions
Agriculture	31,153	9,147	131	14,346
Farming and Stockbreeding	30,161	8,939	127	13,853
Forestry	610	57	1	266
Fishery	382	151	3	227
Manufacturing	625,319	60,117	1,070	438,818
Mining and Quarrying	30,568	2,365	45	17,205
Production	589,535	51,576	903	418,382
Electricity, Gas and Water	5,216	6,176	122	3,231
Construction	175,053	51,080	1,390	87,284
Services	852,114	164,618	2,658	482,618
Wholesale and Retail Trade	604,288	111,043	1,884	330,297
Accommodation and Dining	122,401	9,341	131	76,993
Transportation and Telecommunication	94,346	27,830	430	56,957
Financial Institutions	8,025	477	10	6,695
Real Estate and Rental Services	2,517	1,831	22	1,403
Professional Services	-	-	-	-
Educational Services	5,344	1,740	31	2,998
Health and Social Services	15,193	12,356	150	7,275
Others	1,890,170	2,610,111	152,329	1,759,776
Total	3,573,809	2,895,073	157,578	2,782,842

<i>Prior Period</i>	Credit Risks			
	Impaired Credits	Past Due Credits	Value Adjustments	Provisions
Agriculture	23,749	7,108	107	11,191
Farming and Stockbreeding	22,793	7,041	106	10,666
Forestry	678	23	-	361
Fishery	278	44	1	164
Manufacturing	617,755	64,995	1,209	463,651
Mining and Quarrying	25,359	7,891	152	13,772
Production	591,303	50,538	758	449,384
Electricity, Gas and Water	1,093	6,566	299	495
Construction	138,982	37,456	723	64,620
Services	656,895	145,010	2,484	392,168
Wholesale and Retail Trade	428,666	105,241	1,796	248,709
Accommodation and Dining	146,989	10,387	182	92,394
Transportation and Telecommunication	62,001	20,859	356	38,805
Financial Institutions	5,547	656	7	4,423
Real Estate and Rental Services	1,488	635	11	669
Professional Services	-	-	-	-
Educational Services	2,637	1,524	23	1,240
Health and Social Services	9,567	5,708	109	5,928
Others	1,335,814	2,255,163	112,528	1,237,776
Total	2,773,195	2,509,732	117,051	2,169,406

4.2.7 Movements in value adjustments and provisions

<i>Current Period</i>	Opening Balance	Provision for Period	Provision Reversals	Other Adjustments(*)	Closing Balance
1 Specific Provisions	2,169,406	1,456,845	843,409	-	2,782,842
2 General Provisions	2,003,908	432,823	240	(1,862)	2,434,629

<i>Prior Period</i>	Opening Balance	Provision for Period	Provision Reversals	Other Adjustments(*)	Closing Balance
1 Specific Provisions	1,808,590	1,059,663	698,847	-	2,169,406
2 General Provisions	1,302,552	692,945	51	8,462	2,003,908

(*) Includes foreign exchange differences, mergers, acquisitions and disposals of subsidiaries.

4.3 Market risk

The Bank's risk management activities are managed under the responsibility of the board of directors in compliance with "the Internal Systems and Internal Capital Adequacy Assessment Processes of Banks".

In order to comply with the regulations, the Bank set its activities related with market risk management in accordance with "the Internal Systems and Internal Capital Adequacy Assessment Processes of Banks" published in the Official Gazette no. 29057 dated 11 July 2014.

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

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

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

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

4.3.1 Value at market risk

	<i>Current Period</i>	<i>Prior Period</i>
(I) Capital Requirement against General Market Risk - Standard Method	74,413	56,480
(II) Capital Requirement against Specific Risks - Standard Method	34,142	16,471
Capital Requirement against Specific Risks of Securitisation Positions– Standard Method	-	-
(III) Capital Requirement against Currency Position Risk - Standard Method	130,923	92,019
(IV) Capital Requirement against Commodity Risks - Standard Method	2,115	12,974
(V) Capital Requirement against Clearing Risks - Standard Method	-	-
(VI) Capital Requirement against Market Risks of Options - Standard Method	110,476	85,241
(VII) Capital Requirement against Counterparty Credit Risks - Standard Method	15,275	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)	367,344	301,025
(X) Value-At-Market Risk ((12.5*VIII) or (12.5*IX))	4,591,800	3,762,813

4.3.2 Monthly average values at market risk

	<i>Current Period</i>			<i>Prior Period</i>		
	<i>Average</i>	<i>Highest</i>	<i>Lowest</i>	<i>Average</i>	<i>Highest</i>	<i>Lowest</i>
Interest Rate Risk	88,649	128,752	64,717	52,581	92,773	10,056
Equity-Shares Position Risk	11,731	19,307	6,228	8,187	11,691	3,848
Currency Position Risk	130,508	164,148	104,516	72,488	94,499	36,623
Commodity Risk	6,653	12,033	2,115	9,354	13,256	5,528
Clearing Risk	-	-	-	-	-	-
Option Market Risk	69,001	111,474	41,946	61,126	93,657	28,524
Counterparty Credit Risk	14,845	26,234	10,576	14,987	37,840	7,396
Total Value at Risk	321,387	461,948	230,098	218,723	343,716	91,975

4.3.3 Quantitative information on counterparty risk

For repurchase transactions, security and commodity lendings and derivative transactions, counterparty credit risks are calculated. In counterparty credit risk calculations, the fair value methodology is used according to the Appendix-2 of the "Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks". In case of derivative transactions, the total of replacement costs and potential credit risks is considered as the exposure amount. The replacement costs are calculated valuing the contracts at their fair values and the potential credit risks are calculated multiplying the contract amounts with the credit conversion factors set in the appendix of the regulation.

	<i>Current Period</i> (*)	<i>Prior Period</i> (*)
Interest-Rate Contracts	923	1.306
Foreign-Exchange-Rate Contracts	178.363	393.541
Commodity Contracts	4.165	20.679
Equity-Shares Related Contracts	-	1.745
Other	-	-
Gross Positive Fair Values	295.543	401.808
Netting Benefits	-	-
Net Current Exposure Amount	-	-
Collaterals Received	9.830	26.077
Net Derivative Position	469.164	793.002

(*) Includes only the counterparty risks arising from trading book.

4.4 Operational risk

The value at operational risk is calculated according to the basic indicator approach as per the Article 14 of "Regulation regarding Measurement and Assessment of Capital Adequacy Ratios of Banks".

The annual gross income is composed of net interest income and net non-interest income after deducting realised gains/losses from the sale of securities available-for-sale and held-to-maturity, extraordinary income and income derived from insurance claims at year-end.

Basic Indicator Approach	31 December	31 December	31 December	Total/ No. of	Rate (%)	Total
Current Period	2011	2012	2013	Years of		
				Positive Gross		
Gross Income	6,749,862	7,814,126	9,180,910	7,914,966	15	1,187,245
Value at Operational Risk (Total x % 12.5)						14,840,562

Basic Indicator Approach	31 December	31 December	31 December	Total/ No. of	Rate (%)	Total
Priod Period	2010	2011	2012	Years of		
				Positive Gross		
Gross Income	6,761,231	6,765,949	7,827,511	7,118,230	15	1,067,735
Value at Operational Risk (Total x % 12.5)						13,346,682

4.5 Currency risk

Foreign currency position limit is set in compliance with the legal standard ratio of net foreign currency position. As of 31 December 2014, the Bank's net 'on balance sheet' foreign currency short position amounts to TL 7,867,042 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 6,276,952 thousands (31 December 2013: a foreign currency short position of TL 296,312 thousands), while net foreign currency short position amounts to TL 1,590,090 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, desk and stop-loss limits approved by the board of directors for the trading portfolio beside the foreign currency net position standard ratio and the VaR limit.

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

	USD	EUR
Foreign currency purchase rates at balance sheet date	2.3050	2.7889
<u>Exchange rates for the days before balance sheet date;</u>		
Day 1	2.3020	2.8004
Day 2	2.2930	2.7930
Day 3	2.2920	2.7897
Day 4	2.2940	2.8103
Day 5	2.2930	2.7948
Last 30-days arithmetical average rates	2.2708	2.7961

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	3,220,524	15,189,006	4,903,128	23,312,658
Banks	1,514,574	5,427,114	78,370	7,020,058
Financial Assets at Fair Value through Profit/Loss	339,027	315,559	35	654,621
Interbank Money Market Placements	-	80,446	-	80,446
Financial Assets Available-for-Sale	178,989	630,777	-	809,766
Loans (*)	15,025,656	37,884,137	384,211	53,294,004
Investments in Associates, Subsidiaries and Joint-Ventures	2,582,449	203,236	-	2,785,685
Investments Held-to-Maturity	-	7,626,644	-	7,626,644
Derivative Financial Assets Held for Risk Management	-	120,050	-	120,050
Tangible Assets	20	158	-	178
Intangible Assets	-	-	-	-
Other Assets	118,317	351,408	3,084	472,809
Total Assets	22,979,556	67,828,535	5,368,828	96,176,919
Liabilities				
Bank Deposits	664,174	2,566,121	1,175,733	4,406,028
Foreign Currency Deposits	16,479,609	34,226,090	1,308,525	52,014,224
Interbank Money Market Takings	-	6,292,505	196,269	6,488,774
Other Fundings	7,859,419	20,564,947	83,751	28,508,117
Securities Issued	1,672,439	7,073,786	679,824	9,426,049
Miscellaneous Payables	51,123	481,000	189,630	721,753
Derivative Financial Liabilities Held for Risk Management	48,215	68,537	63,059	179,811
Other Liabilities (**)	194,329	526,808	1,578,068	2,299,205
Total Liabilities	26,969,308	71,799,794	5,274,859	104,043,961
Net 'On Balance Sheet' Position	(3,989,752)	(3,971,259)	93,969	(7,867,042)
Net 'Off-Balance Sheet' Position	3,637,132	2,345,574	294,246	6,276,952
Derivative Assets	11,551,661	30,719,160	4,852,863	47,123,684
Derivative Liabilities	7,914,529	28,373,586	4,558,617	40,846,732
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 4,724,724 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 1,623,727 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	-	-	-	-	-	25,072,652	25,072,652
Banks	3,409,886	1,287,622	1,636,745	-	-	2,105,696	8,439,949
Financial Assets at Fair Value through Profit/Loss (**)	16,111	114,836	23,659	216,429	2,853	1,308,644	1,682,532
Interbank Money Market Placements	80,445	-	-	-	-	1	80,446
Financial Assets Available-for-Sale	1,613,924	7,768,940	4,996,785	2,744,401	1,431,427	1,496,509	20,051,986
Loans (**)	33,732,426	16,269,559	36,342,815	37,662,675	7,905,806	2,345,902	134,259,183
Investments Held-to-Maturity	728,378	4,177,637	5,589,282	3,296,123	5,864,176	1,358,906	21,014,502
Other Assets	6,144	-	-	-	3,071	8,308,039	8,317,254
Total Assets	39,587,314	29,618,594	48,589,286	43,919,628	15,207,333	41,996,349	218,918,504
Liabilities							
Bank Deposits	1,183,549	2,148,671	116,328	-	-	1,917,759	5,366,307
Other Deposits	56,667,997	24,500,044	8,759,624	64,961	153	24,948,895	114,941,674
Interbank Money Market Takings	8,051,352	1,312,907	-	1,997,965	-	23,696	11,385,920
Miscellaneous Payables	-	-	-	-	-	6,816,630	6,816,630
Securities Issued	1,527,276	1,495,978	1,847,139	5,696,356	2,511,311	274,187	13,352,247
Other Fundings	11,518,555	13,107,658	3,437,852	3,530,614	355,448	514,049	32,464,176
Other Liabilities	12,247	25,886	20,409	2	-	34,533,006	34,591,550
Total Liabilities	78,960,976	42,591,144	14,181,352	11,289,898	2,866,912	69,028,222	218,918,504
On Balance Sheet Long Position	-	-	34,407,934	32,629,730	12,340,421	-	79,378,085
On Balance Sheet Short Position	(39,373,662)	(12,972,550)	-	-	-	(27,031,873)	(79,378,085)
Off-Balance Sheet Long Position	5,269,642	6,150,351	4,630,864	4,792,315	1,296,240	-	22,139,412
Off-Balance Sheet Short Position	(1,294,542)	(2,676,922)	(4,598,308)	(9,614,462)	(4,315,227)	-	(22,499,461)
Total Position	(35,398,562)	(9,499,121)	34,440,490	27,807,583	9,321,434	(27,031,873)	(360,049)

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

(**) Loans amounting to TL 201,385 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	-	-	-	0.53
Banks	0.40	0.34	-	10.72
Financial Assets at Fair Value through Profit/Loss	4.63	8.49	-	9.69
Interbank Money Market Placements	-	0.45	-	-
Financial Assets Available-for-Sale	5.67	6.99	-	9.44
Loans	4.54	5.06	2.42	14.38
Investments Held-to-Maturity	-	5.41	-	9.96
Liabilities				
Bank Deposits	1.50	1.48	-	9.06
Other Deposits	1.23	1.43	1.68	7.35
Interbank Money Market Takings	-	1.09	1.49	8.33
Miscellaneous Payables	-	-	-	-
Securities Issued	3.48	4.62	0.98	9.36
Other Fundings	1.26	2.13	2.03	9.66

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

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

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

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

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

	<i>Current Period</i>	Shocks Applied (+/- basis points)	Gains/Losses	Gains/Equity- Losses/Equity
	Type of Currency			
1	TL	(+) 500bp	(3,934,726)	(13.99)%
2	TL	(-) 400bp	3,779,851	13.44%
3	USD	(+) 200bp	(897,224)	(3.19)%
4	USD	(-) 200bp	1,133,580	4.03%
5	EUR	(+) 200bp	(162,986)	(0.58)%
6	EUR	(-) 200bp	113,089	0.40%
	Total (of negative shocks)		5,026,520	17.87%
	Total (of positive shocks)		(4,994,936)	(17.76)%

<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	3,205,272	2,921,673	71,135
	Quoted Securities	71,136	-	71,135
2	Investment in Shares- grade B	91,949	-	64,852
	Quoted Securities	64,852	-	64,852
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		
			Total	Amount in Supplementary Capital ^(*)	Total	Amount in Core Capital	Amount in Supplementary Capital
1	Private Equity Investments	-	-	-	-	-	-
2	Quoted Shares	-	-	-	70,493	-	70,493
3	Other Shares	-	1,433,650	1,433,650	-	-	-
	Total		1,433,650	1,433,650	70,493	-	70,493

(*) The Securities Value Increase Fund under other Comprehensive Income according to TAS gives a positive result amounting to TL 1,433,650 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		
			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 years 2014 and 2013, are as follows:

<i>Current Period</i>	First Maturity Bracket (Weekly)		Second Maturity Bracket (Monthly)	
	FC	FC + TL	FC	FC + TL
Average (%)	181.39	138.72	132.48	108.51

<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 Contractual maturity analysis of liabilities according to remaining maturities

The remaining maturities table of the contractual liabilities includes the undiscounted future cash outflows for the principal amounts of the Bank's financial liabilities as per their earliest likely contractual maturities.

<i>Current Period</i>	Carrying Value	Gross Nominal Outflows	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over
Bank Deposits	5,366,307	5,351,435	1,902,896	1,183,555	1,953,280	311,704	-	-
Other Deposits	114,941,674	114,473,631	24,480,852	56,663,312	24,490,955	8,725,278	104,222	9,012
Other Fundings	32,464,176	31,950,127	-	1,463,354	2,192,544	12,336,825	10,939,850	5,017,554
Interbank Money Market Takings	11,385,920	11,362,224	-	8,051,352	1,312,907	-	1,997,965	-
Securities Issued	13,352,247	13,078,060	-	766,997	1,426,508	1,900,470	6,472,774	2,511,311
Total	177,510,324	176,215,477	26,383,748	68,128,570	31,376,194	23,274,277	19,514,811	7,537,877

<i>Prior Period</i>	Carrying Value	Gross Nominal Outflows	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over
Bank Deposits	4,901,898	4,894,179	1,186,219	1,276,614	1,860,140	385,217	185,989	-
Other Deposits	101,571,690	101,152,169	20,885,662	54,181,573	17,792,901	8,223,123	55,781	13,129
Other Fundings	29,625,584	29,463,595	-	342,771	2,189,225	10,684,377	10,123,103	6,124,119
Interbank Money Market Takings	14,584,234	14,543,091	-	11,154,555	445,902	1,252,633	1,690,001	-
Securities Issued	10,380,389	10,156,870	-	393,859	1,321,583	2,460,497	3,515,531	2,465,400
Total	161,063,795	160,209,904	22,071,881	67,349,372	23,609,751	23,005,847	15,570,405	8,602,648

4.8.2 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	5,477,054	19,595,598	-	-	-	-	-	25,072,652
Banks	2,079,472	2,113,559	141,177	503,071	3,602,670	-	-	8,439,949
Financial Assets at Fair Value through Profit/Loss (**)	52	330,618	217,872	313,034	431,556	389,400	-	1,682,532
Interbank Money Market Placements	-	80,446	-	-	-	-	-	80,446
Financial Assets Available-for-Sale	98,607	629,826	531,790	1,441,005	7,264,057	10,086,701	-	20,051,986
Loans (**)	162,127	24,613,737	11,336,616	30,741,694	49,379,574	15,635,036	2,390,399	134,259,183
Investments Held-to-Maturity	-	23,088	2,047,930	11,705	4,376,211	14,555,568	-	21,014,502
Other Assets	1,584,468	661,394	-	596	145,612	23,115	5,902,069	8,317,254
Total Assets	9,401,780	48,048,266	14,275,385	33,011,105	65,199,680	40,689,820	8,292,468	218,918,504
Liabilities								
Bank Deposits	1,902,904	1,186,579	1,961,893	314,931	-	-	-	5,366,307
Other Deposits	24,480,852	56,898,361	24,639,011	8,809,622	104,741	9,087	-	114,941,674
Other Fundings	-	1,841,712	2,303,095	12,361,965	10,939,850	5,017,554	-	32,464,176
Interbank Money Market Takings	-	8,060,189	1,319,994	-	2,005,737	-	-	11,385,920
Securities Issued	-	768,425	1,427,496	1,902,909	6,577,071	2,676,346	-	13,352,247
Miscellaneous Payables	836,430	5,980,200	-	-	-	-	-	6,816,630
Other Liabilities (***)	1,508,557	635,556	355,776	467,728	643,159	231,662	30,749,112	34,591,550
Total Liabilities	28,728,743	75,371,022	32,007,265	23,857,155	20,270,558	7,934,649	30,749,112	218,918,504
Liquidity Gap	(19,326,963)	(27,322,756)	(17,731,880)	9,153,950	44,929,122	32,755,171	(22,456,644)	-
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 201,385 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	62,349,802	4,159,123	-	-
Conditional and unconditional exposures to regional governments or local authorities	58,056	117	-	-
Conditional and unconditional exposures to administrative bodies and non-commercial undertakings	75,453	13,771	-	-
Conditional and unconditional exposures to multilateral development banks	-	-	-	-
Conditional and unconditional exposures to international organisations	-	-	-	-
Conditional and unconditional exposures to banks and brokerage houses	31,824,025	10,622,460	-	-
Conditional and unconditional exposures to corporates	108,194,500	12,220,031	-	-
Conditional and unconditional retail exposures	64,700,150	1,061,892	-	-
Conditional and unconditional exposures secured by real estate property ^(*)	22,029,299	90,319	-	-
Past due items	439,219	523	-	-
Items in regulatory high-risk categories	17,238,709	140,316	-	-
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	54,451	-	-	-
Other items	7,878,736	-	-	-

^(*) 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

	Carrying Value		Fair Value	
	Current Period	Prior Period	Current Period	Prior Period
Financial Assets	206,544,121	185,331,724	208,650,991	185,623,513
Interbank Money Market Placements	80,446	190,802	80,446	190,802
Banks (*)	31,138,004	30,656,228	31,138,004	30,656,228
Financial Assets Available-for-Sale	20,051,986	21,630,082	20,051,986	21,630,082
Investments Held-to-Maturity	21,014,502	13,984,435	22,267,658	13,743,665
Loans	134,259,183	118,870,177	135,112,897	119,402,736
Financial Liabilities	172,941,034	152,113,410	172,941,034	152,113,410
Bank Deposits	5,366,307	4,901,898	5,366,307	4,901,898
Other Deposits	114,941,674	101,571,690	114,941,674	101,571,690
Other Fundings	32,464,176	29,625,584	32,464,176	29,625,584
Securities Issued	13,352,247	10,380,389	13,352,247	10,380,389
Miscellaneous Payables	6,816,630	5,633,849	6,816,630	5,633,849

(*) Including the balances at the Central Bank of Turkey

Fair values of financial assets available-for-sale and investments held-to-maturity are derived from market prices or in case of absence of such prices, market prices of other securities quoted in similar qualified markets and having substantially similar characteristics in terms of interest, maturity and other conditions.

Fair values of loans are calculated discounting future cash flows at current market interest rates for fixed-rate loans. The carrying values of floating-rate loans are deemed an approximation for their fair values.

Fair values of other financial assets and liabilities represent the total acquisition costs and accrued interest.

The table below analyses financial instruments carried at fair value, by valuation method:

Current Period	Level 1	Level 2	Level 3	Total
Financial Assets Available-for-Sale	15,599,111	3,395,457	1,057,418	20,051,986
Financial Assets Held for Trading	109,593	281,927	-	391,520
Derivative Financial Assets Held for Trading	-	1,291,012	-	1,291,012
Loans	-	201,385	-	201,385
Investments in Associates and Subsidiaries	135,988	-	2,785,685	2,921,673
Derivative Financial Assets Held for Risk Management	-	166,252	-	166,252
Financial Assets at Fair Value	15,844,692	5,336,033	3,843,103	25,023,828
Derivative Financial Liabilities Held for Trading	649	1,573,594	-	1,574,243
Funds Borrowed	-	4,899,376	-	4,899,376
Derivative Financial Liabilities Held for Risk Management	-	279,383	-	279,383
Financial Liabilities at Fair Value	649	6,752,353	-	6,753,002

<i>Prior Period</i>	Level 1	Level 2	Level 3	Total
Financial Assets Available-for-Sale	17,315,403	1,693,580	2,621,099	21,630,082
Financial Assets Held for Trading	155,403	274,200	26,545	456,148
Derivative Financial Assets Held for Trading	1,451	1,145,215	-	1,146,666
Loans	-	198,778	-	198,778
Investments in Associates and Subsidiaries	108,660	-	2,730,138	2,838,798
Derivative Financial Assets Held for Risk Management	-	114,984	-	114,984
Financial Assets at Fair Value	17,580,917	3,426,757	5,377,782	26,385,456
Derivative Financial Liabilities Held for Trading	-	1,384,696	-	1,384,696
Funds Borrowed	-	2,084,138	-	2,084,138
Derivative Financial Liabilities Held for Risk Management	-	39,105	-	39,105
Financial Liabilities at Fair Value	-	3,507,939	-	3,507,939

Level 1 : Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 : Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices)

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs)

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	1,089,200	589,326	1,007,643	545,114
Central Bank of Turkey	670,794	22,027,261	1,743,999	19,161,838
Others	-	696,071	-	69,504
Total	1,759,994	23,312,658	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	670,794	2,431,663	1,743,999	1,995,058
Unrestricted Time Deposits	-	-	-	-
Restricted Time Deposits	-	19,595,598	-	17,166,780
Total	670,794	22,027,261	1,743,999	19,161,838

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

5.1.2 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	-	265,254	-	280,860
Assets Subject to Repurchase Agreements	-	-	-	-
Total	-	265,254	-	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	113,870	22,136	297,734	16,495
Swap Transactions	435,049	497,523	310,057	190,404
Futures	-	-	-	1,451
Options	199,825	22,609	292,893	37,632
Other	-	-	-	-
Total	748,744	542,268	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 gains amounted to TL 201,385 thousands (31 December 2013: TL 198,778 thousands) and TL 2,607 thousands (31 December 2013: a loss of TL 23,403 thousands), respectively.

In the current period, the Bank classified foreign government securities with a face value of EUR 85,000,000 to “other securities” line. The carrying value of these securities at the reporting date amounted to TL 259,159 thousands.

5.1.3 Banks

	<i>Current Period</i>		<i>Prior Period</i>	
	TL	FC	TL	FC
Banks				
Domestic banks	1,186,762	144,712	361,414	254,705
Foreign banks	233,129	6,875,346	1,712,607	7,421,665
Foreign headoffices and branches	-	-	-	-
Total	1,419,891	7,020,058	2,074,021	7,676,370

Due from foreign banks

	Unrestricted Balances		Restricted Balances	
	<i>Current Period</i>	<i>Prior Period</i>	<i>Current Period</i>	<i>Prior Period</i>
EU Countries	1,309,551	1,058,241	5,427,779	6,876,690
USA and Canada	32,470	437,706	100,171	406,461
OECD Countries (*)	7,863	3,614	-	-
Off-Shore Banking Regions	62,748	121,644	50,066	43,094
Other	117,827	186,822	-	-
Total	1,530,459	1,808,027	5,578,016	7,326,245

(*) OECD countries other than the EU countries, USA and Canada

The placements at foreign banks include blocked accounts amounting TL 5,578,016 thousands (31 December 2013: TL 7,326,245 thousands) of which TL 108,410 thousands (31 December 2013: TL 116,271 thousands) and TL 50,066 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 5,419,540 thousands (31 December 2013: TL 7,166,880 thousands) as collateral against funds borrowed at various banks.

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	5,463,784	141,803	6,591,836	530,716
Assets subject to Repurchase Agreements	5,024,297	523,499	9,143,715	374,938
Total	10,488,081	665,302	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	18,605,649	21,064,852
Quoted at Stock Exchange	16,961,989	18,404,784
Unquoted at Stock Exchange	1,643,660	2,660,068
Common Shares/Investment Funds	61,048	18,163
Quoted at Stock Exchange (*)	7,669	7,669
Unquoted at Stock Exchange	53,379	10,494
Value Increases/Impairment Losses (-)	1,385,289	547,067
Total	20,051,986	21,630,082

5.1.5 Loans

5.1.5.1 Loans and advances to shareholders and employees of the Bank

	Current Period		Prior Period	
	Cash Loans	Non-Cash Loans	Cash Loans	Non-Cash Loans
Direct Lendings to Shareholders	786	175,423	65	135,482
Corporates	786	175,423	65	135,482
Individuals	-	-	-	-
Indirect Lendings to Shareholders	1,532,539	534,359	452,446	294,928
Loans to Employees	165,305	68	154,164	50
Total	1,698,630	709,850	606,675	430,460

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

Current Period	Performing Loans and Other Receivables			Loans and Other Receivables under Follow-Up		
	Loans and Other Receivables (Total)	Loans and Receivables with Revised Contract Terms		Loans and Other Receivables (Total)	Loans and Receivables with Revised Contract Terms	
		Extension of Repayment Plan	Other Changes		Extension of Repayment Plan	Other Changes
Loans	129,439,486	1,640,194	-	4,192,829	1,997,330	328,572
Working Capital Loans	9,408,051	142,850	-	756,677	390,281	84,370
Export Loans	5,628,789	1,238	-	107,215	50,771	36,519
Import Loans	11,583	-	-	-	-	-
Loans to Financial Sector (*)	4,455,628	7,159	-	-	-	-
Consumer Loans	32,150,830	1,212,387	-	1,279,181	403,716	17,043
Credit Cards	14,446,110	-	-	343,754	-	127,602
Others	63,338,495	276,560	-	1,706,002	1,152,562	63,038
Specialization Loans	-	-	-	-	-	-
Other Receivables	-	-	-	-	-	-
Total	129,439,486	1,640,194	-	4,192,829	1,997,330	328,572

(*) Loans amounting to TL 201,385 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".

As of 31 December 2014, loans amounting to TL 4,462,373 thousands (31December 2013: TL 863,526 thousands) are collateralized under funding transactions.

Prior Period	Performing Loans and Other Receivables			Loans and Other Receivables under Follow-Up		
	Loans and Other Receivables (Total)	Loans and Receivables with Revised Contract Terms		Loans and Other Receivables (Total)	Loans and Receivables with Revised Contract Terms	
		Extension of Repayment Plan	Other Changes		Extension of Repayment Plan	Other Changes
Loans	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	Consumer Loans	Credit Cards	Total
	Loans			
Loans Collateralized by Cash	55,698	2,557	-	58,255
Loans Collateralized by Mortgages	1,458,181	469,735	-	1,927,916
Loans Collateralized by Pledged Assets	65,422	53,246	-	118,668
Loans Collateralized by Cheques and Notes	36,397	464,607	-	501,004
Loans Collateralized by Other Collaterals	622,907	8,621	-	631,528
Unsecured Loans	331,289	280,415	343,754	955,458
Total	2,569,894	1,279,181	343,754	4,192,829

<i>Prior Period</i>	Corporate/ Commercial	Consumer Loans	Credit Cards	Total
	Loans			
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	Consumer Loans	Credit Cards	Total
	Loans			
31-60 days	79,098	521,366	166,123	766,587
61-90 days	59,808	186,287	49,641	295,736
Others	2,430,988	571,528	127,990	3,130,506
Total	2,569,894	1,279,181	343,754	4,192,829

<i>Prior Period</i>	Corporate/ Commercial	Consumer Loans	Credit Cards	Total
	Loans			
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	<i>Current Period</i>		<i>Prior Period</i>	
	Performing Loans and Other Receivables	Loans and Other Receivables under Follow-up	Performing Loans and Other Receivables	Loans and Other Receivables under Follow-up
1 or 2 times	1,488,390	1,941,546	2,074,651	1,362,038
3, 4 or 5 times	82,054	43,603	55,069	22,639
Over 5 times	69,750	12,181	32,185	7,421
Total	1,640,194	1,997,330	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	753,862	297,097	519,933	133,034
6 - 12 months	199,948	60,275	128,650	52,069
1 - 2 years	438,171	166,395	292,141	154,404
2 - 5 year	196,502	747,346	460,737	431,914
5 years and over	51,711	726,217	760,444	620,677
Total	1,640,194	1,997,330	2,161,905	1,392,098

5.1.5.3 Maturity analysis of cash loans

Current Period	Performing Loans and Other Receivables		Loans under Follow-Up and Other Receivables	
	Loans and Other Receivables	Loans and Receivables with Revised Contract Terms	Loans and Other Receivables	Loans and Receivables with Revised Contract Terms
Short-term Loans	39,126,122	177,852	549,278	163,638
Loans	39,126,122	177,852	549,278	163,638
Specialization Loans	-	-	-	-
Other Receivables	-	-	-	-
Medium and Long-term Loans	90,313,364	1,462,342	3,643,551	2,162,264
Loans	90,313,364	1,462,342	3,643,551	2,162,264
Specialization Loans	-	-	-	-
Other Receivables	-	-	-	-

Prior Period	Performing Loans and Other Receivables		Loans under Follow-Up and Other Receivables	
	Loans and Other Receivables	Loans and Receivables with Revised Contract Terms	Loans and Other Receivables	Loans and Receivables with Revised Contract Terms
Short-term Loans	32,774,688	101,607	689,252	450,233
Loans	32,774,688	101,607	689,252	450,233
Specialization Loans	-	-	-	-
Other Receivables	-	-	-	-
Medium and Long-term Loans	82,428,247	2,060,298	2,496,028	1,616,337
Loans	82,428,247	2,060,298	2,496,028	1,616,337
Specialization Loans	-	-	-	-
Other Receivables	-	-	-	-

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	690,325	32,082,213	32,772,538
Housing Loans	19,660	15,359,984	15,379,644
Automobile Loans	21,705	1,341,922	1,363,627
General Purpose Loans	127,056	2,240,482	2,367,538
Other	521,904	13,139,825	13,661,729
Consumer Loans – FC-indexed	-	172,451	172,451
Housing Loans	-	168,056	168,056
Automobile Loans	-	60	60
General Purpose Loans	-	3,235	3,235
Other	-	1,100	1,100
Consumer Loans – FC	5	33,457	33,462
Housing Loans	-	25,626	25,626
Automobile Loans	-	5,219	5,219
General Purpose Loans	-	652	652
Other	5	1,960	1,965
Retail Credit Cards – TL	12,837,030	470,688	13,307,718
With Installment	5,992,626	470,688	6,463,314
Without Installment	6,844,404	-	6,844,404
Retail Credit Cards – FC	42,780	-	42,780
With Installment	15,930	-	15,930
Without Installment	26,850	-	26,850
Personnel Loans – TL	16,348	62,853	79,201
Housing Loan	-	967	967
Automobile Loans	-	57	57
General Purpose Loans	4,382	11,834	16,216
Other	11,966	49,995	61,961
Personnel Loans - FC-indexed	-	279	279
Housing Loans	-	279	279
Automobile Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Personnel Loans – FC	-	110	110
Housing Loans	-	-	-
Automobile Loans	-	-	-
General Purpose Loans	-	110	110
Other	-	-	-
Personnel Credit Cards – TL	77,254	475	77,729
With Installment	30,149	475	30,624
Without Installment	47,105	-	47,105
Personnel Credit Cards – FC	726	-	726
With Installment	304	-	304
Without Installment	422	-	422
Deposit Accounts– TL (Real persons)	371,970	-	371,970
Deposit Accounts– FC (Real persons)	-	-	-
Total	14,036,438	32,822,526	46,858,964

<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	1,428,068	8,727,986	10,156,054
Real Estate Loans	1,767	643,270	645,037
Automobile Loans	72,896	1,724,661	1,797,557
General Purpose Loans	1,353,405	6,353,477	7,706,882
Other	-	6,578	6,578
Installment-based Commercial Loans - FC-indexed	149,234	1,373,897	1,523,131
Real Estate Loans	-	53,175	53,175
Automobile Loans	4,288	343,744	348,032
General Purpose Loans	144,946	976,978	1,121,924
Other	-	-	-
Installment-based Commercial Loans – FC	225	68,162	68,387
Real Estate Loans	-	1,088	1,088
Automobile Loans	20	6,725	6,745
General Purpose Loans	205	14,248	14,453
Other	-	46,101	46,101
Corporate Credit Cards – TL	1,353,768	515	1,354,283
With Installment	654,951	514	655,465
Without Installment	698,817	1	698,818
Corporate Credit Cards – FC	6,628	-	6,628
With Installment	136	-	136
Without Installment	6,492	-	6,492
Deposit Accounts– TL (Corporates)	716,754	-	716,754
Deposit Accounts– FC (Corporates)	-	-	-
Total	3,654,677	10,170,560	13,825,237

<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

	<i>Current Period</i>	<i>Prior Period</i>
Public Sector	976,922	1,267,471
Private Sector (*)	132,655,393	117,120,744
Total	133,632,315	118,388,215

(*) Loans amounting to TL 201,385 thousands (31 December 2012: TL 198,778 thousands) included under “Financial Assets at Fair Value through Profit/Loss” in the accompanying balance sheet, are presented above under “Private Sector”.

5.1.5.7 Allocation of domestic and foreign loans

	<i>Current Period</i>	<i>Prior Period</i>
Domestic Loans	131,707,500	115,622,241
Foreign Loans (*)	1,924,815	2,765,974
Total	133,632,315	118,388,215

(*) Loans amounting to TL 201,385 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	1,010,312	1,208,237
Indirect Lending	-	-
Total	1,010,312	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	309,887	277,414
Doubtful Loans and Receivables	596,107	302,070
Uncollectible Loans and Receivables	1,767,967	1,476,984
Total	2,673,961	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)	98,424	121,778	240,451
Restructured Loans and Receivables	98,424	121,778	240,451
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 (+)	1,449,028	213,359	48,688
Transfer from Other NPL Categories (+)	-	1,198,736	865,678
Transfer to Other NPL Categories (-)	1,198,736	865,678	-
Collections during the Period (-)	223,631	200,231	242,518
Write-offs (-) (*)	-	551	281,745
Corporate and Commercial Loans	-	256	39,571
Retail Loans	-	295	57,734
Credit Cards	-	-	184,440
Others	-	-	-
Balances at End of Period	405,091	748,030	2,147,708
Specific Provisions (-)	309,887	596,107	1,767,967
Net Balance on Balance Sheet	95,204	151,923	379,741

(*) 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(+)	382,334	611,458	423,458	1,417,250
Restructured/Rescheduled Loans (-)	-	-	-	-
Collections during the Period (-)	128,055	239,811	156,733	524,599
Write-offs (-) (*)	32,689	58,029	184,440	275,158
Balances at End of Period	1,158,403	823,655	691,903	2,673,961

(*) 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	24,020	41,143	581,702
Specific Provisions (-)	14,586	20,846	469,969
Net Balance at Balance Sheet	9,434	20,297	111,733
<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>			
	95,204	151,923	379,741
Loans to Individuals and Corporates (Gross)	405,091	748,030	2,140,816
Specific Provision (-)	309,887	596,107	1,761,075
Loans to Individuals and Corporates (Net)	95,204	151,923	379,741
Banks (Gross)	-	-	311
Specific Provision (-)	-	-	311
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	6,581
Specific Provision (-)	-	-	6,581
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	2,864	235	-	3,099
Loans Collateralized by Mortgages	813,345	70,508	-	883,853
Loans Collateralized by Pledged Assets	260,817	52,180	-	312,997
Loans Collateralized by Cheques and Notes	329,520	577,913	-	907,433
Loans Collateralized by Other Collaterals	244,617	5,667	-	250,284
Unsecured Loans	71,048	180,212	691,903	943,163
Total	1,722,211	886,715	691,903	3,300,829

<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*

Such loans and receivables are collected through legal follow-up and liquidation of collaterals.

5.1.5.12 *“Write-off” policies*

The Bank’s general policy for write-offs of loans and receivables under follow-up is to write off such loans and receivables that are proven to be uncollectible in legal follow-up process.

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	6,708,866	718,432	5,139,285	-
Investments subject to Repurchase Agreements	1,996,759	4,612,969	6,192,089	428,072
Total	8,705,625	5,331,401	11,331,374	428,072

5.1.6.2 *Government securities held-to-maturity*

	<i>Current Period</i>	<i>Prior Period</i>
Government Bonds	18,001,879	13,581,743
Treasury Bills	-	-
Other Government Securities	-	-
Total	18,001,879	13,581,743

5.1.6.3 *Investments held-to-maturity*

	<i>Current Period</i>	<i>Prior Period</i>
Debt Securities	19,655,596	13,540,925
Quoted at Stock Exchange	18,319,161	13,140,485
Unquoted at Stock Exchange	1,336,435	400,440
Valuation Increase/(Decrease)	1,358,906	443,510
Total	21,014,502	13,984,435

As of 31 December 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 993,074 thousands (31 December 2013: -).

5.1.6.4 Movement of investments held-to-maturity

	Current Period	Prior Period
Balances at Beginning of Period	13,984,435	1,364,383
Foreign Currency Differences On Monetary Assets	74,753	-
Purchases during the Period (*)	7,689,505	12,670,890
Disposals through Sales/Redemptions (**)	(1,649,588)	(495,874)
Valuation Effect	915,397	445,036
Balances at End of Period	21,014,502	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	52,777	30,264	32,405	681	-	7,882	4,171	-
2	675,205	74,312	3,701	11,103	1,130	(346)	2,423	-
3	5,265,146	776,726	15,915	116,803	18,797	96,179	53,588	-
4	754,651	580,504	60,292	13,853	2,397	113,940	45,686	-
5	105,453	88,452	52,574	3,178	-	18,547	28,150	-
6	342,205,270	32,780,467	645,252	1,857,993	2,531,419	13,198,929	(276,082)	-
7	287,208	282,357	2,731	9,979	-	10,212	10,729	-

(1) Financial information is as of 30 September 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 September 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	386,379	357,848	1,029,352
Share Premium	-	-	36,183
Share Cancellation Profits	-	-	-
Reserves	956,232	238,680	(507,545)
Other Comprehensive Income according to TAS (*)	19,907	-	33,626
Current and Prior Periods' Profits	139,784	91,034	18,788
Common Equity Tier I Capital Before Deductions	1,502,302	687,562	610,404
Deductions From Common Equity Tier I Capital			
Current and Prior Periods' Losses not Covered by Reserves, and Losses Accounted under Equity according to TAS (-)	85,138	287	2,253
Leasehold Improvements on Operational Leases (-)	-	-	12,053
Goodwill and Other Intangible Assets and Related Deferred Taxes (-)	3,378	833	32,486
Net Deferred Tax Asset/Liability (-)	-	-	6,048
Total Deductions from Common Equity Tier I Capital	88,516	1,120	52,840
Total Common Equity Tier I Capital	1,413,786	686,442	557,564
Total Deductions From Tier I Capital	13,513	3,332	154,137
Total Tier I Capital	1,400,273	683,110	403,427
TIER II CAPITAL	83,667	-	50,797
CAPITAL BEFORE DEDUCTIONS	1,483,940	683,110	454,224
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	1,483,940	683,104	454,224

<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	99.96	100.00
3	Garanti Hizmet Yönetimi AŞ	Istanbul/Turkey	96.40	99.40
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	100.00	100.00
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	55,630	50,075	58	1,424	2,280	13,978	5,156	-
2	22,159	17,204	3,009	1,096	576	912	1,453	-
3	6,583	6,095	14	-	310	2,464	2,422	-
4	1,288	968	99	-	8	140	125	-
5	3,483	3,068	4	-	196	774	641	-
6	4,134,086	687,274	20,294	332,882	-	91,034	67,292	-
7	2,989,573	140,383	4,031	171,583	-	20,516	15,302	166,155
8	55,598	41,282	3,800	1,483	2,695	4,536	7,674	-
9	39,821	31,264	5,926	1,557	79	10,777	2,665	-
10	7,363,292	884,578	30,120	77,787	10,094	171,424	139,818	-
11	13,592,822	1,417,164	69,698	456,277	83,207	139,784	143,170	1,612,857
12	549,443	98,428	26,544	42,377	21,509	12,384	15,038	203,354
13	904,588	904,490	-	8	-	(234)	(210)	969,592

(*) 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	83,418	590,295
Acquisitions	543	-
Bonus Shares Received (*)	-	46,142
Dividends from Current Year Profit	-	-
Sales/Liquidations	-	-
Reclassification of Shares	-	-
Increase/(Decrease) in Market Values	138,319	257,126
Currency Differences on Foreign Subsidiaries	(55,444)	287,027
Impairment Reversals/(Losses)	-	-
Balance at End of Period	3,262,247	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	1,816,094	1,784,026
Insurance Companies	56,545	56,545
Factoring Companies	135,988	108,660
Leasing Companies	111,134	110,743
Finance Companies	1,038,250	1,014,770
Other Subsidiaries	104,236	104,085

5.1.8.5 Quoted subsidiaries

Subsidiaries	<i>Current Period</i>	<i>Prior Period</i>
Quoted at Domestic Stock Exchanges	135,988	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	340,574	340,031
Valued at Fair Value	2,921,673	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	31,158	83	65,943	-
Cash Flow Hedges	15,044	119,967	38,032	11,009
Net Foreign Investment Hedges	-	-	-	-
Total	46,202	120,050	103,975	11,009

As of 31 December 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	12,215,225	46,285	168,109	4,928,361	103,975	-
-TL	6,034,049	46,202	99,572	4,928,361	103,975	-
-FC	6,181,176	83	68,537	-	-	-
Cross Currency Swaps	5,215,329	119,967	111,274	2,240,471	11,009	39,105
-TL	2,090,223	-	-	607,985	-	-
-FC	3,125,106	119,967	111,274	1,632,486	11,009	39,105
Total	17,430,554	166,252	279,383	7,168,832	114,984	39,105

5.1.11.1.1 Fair value hedge accounting

Current Period		Type of Risk	Fair Value Change of Hedged Item	Net Fair Value Change of Hedging Item		Income Statement Effect (gains/losses from derivative financial instruments)
Hedging Item	Hedged Item			Asset	Liability	
Interest Rate Swaps	Fixed-rate commercial loans	Interest rate risk	39,256	3,000	(57,277)	(15,021)
Interest Rate Swaps	Fixed-rate securities	Interest rate risk	42,104	28,241	(91,167)	(20,822)
Cross Currency Swaps	Fixed-rate securities issued	Interest rate and foreign currency exchange rate risk	(12,511)	-	(63,059)	(75,570)

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	15,044	(19,665)	(41,815)	(16,302)	-
Cross Currency Swaps	Fixed-rate securities issued	Cash flow risk resulted from change in market interest rates and foreign currency exchange rates	76,306	-	(8,749)	27,285	-
Cross Currency Swaps	Floating-rate funds borrowed	Cash flow risk resulted from change in market interest rates and foreign currency exchange rates	43,661	(48,215)	(5,312)	(13,246)	-

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

	Real Estates	Leased Tangible Assets	Vehicles	Other Tangible Assets	Total
At End of Prior Period:					
Cost	1,075,583	369,420	17,857	1,448,224	2,911,084
Accumulated Depreciation (-)	(287,831)	(357,994)	(14,117)	(889,776)	(1,549,718)
Net Book Value at End of Prior Period	787,752	11,426	3,740	558,448	1,361,366
At End of Current Period:					
Additions	123,319	975	1,437	217,805	343,536
Disposals (Costs)	(12,611)	(46,286)	(4,659)	(195,535)	(259,091)
Disposals (Accumulated Depreciation)	2,498	46,276	4,322	37,237	90,333
Impairment/Reversal of Impairment Losses	(723)	-	-	-	(723)
Depreciation Expense for Current Period (-)	(22,193)	(3,222)	(1,304)	(151,285)	(178,004)
Currency Translation Differences on Foreign Operations	-	-	-	-	-
Cost at End of Current Period	1,185,568	324,109	14,635	1,470,494	2,994,806
Accumulated Depreciation at End of Current Period	(307,526)	(314,940)	(11,099)	(1,003,824)	(1,637,389)
Net Book Value at End of Current Period	878,042	9,169	3,536	466,670	1,357,417

5.1.12.1 Disclosure for impairment losses or releases individually material for financial statements

Conditions for allocating/releasing any impairment:

None.

Amount of impairment losses provided or released in financial statements during current period:

None.

5.1.12.2 Other impairment losses provided or released in current period that are immaterial individually but material aggregately for financial statements

In 2014, TL 723 thousands was provisioned against (31 December 2013: TL 956 thousands was reversed) in accordance with Turkish Accounting Standard 36 (TAS 36) "Impairment of Assets".

5.1.13 Intangible assets

5.1.13.1 Useful lives and amortisation rates

Intangible assets include softwares and other intangible assets. The estimated useful lives of such assets vary between 3 and 15 years.

5.1.13.2 Amortisation methods

Intangible assets are amortised on a straight-line basis from the date of capitalisation.

5.1.13.3 Balances at beginning and end of current period

	Beginning of Period		End of Period	
	Cost	Accumulated Amortisation	Cost	Accumulated Amortisation
Intangible Assets	331,479	157,513	182,614	123,844

5.1.13.4 Movements of intangible assets for current period

	Current Period	Prior Period
Net Book Value at End of Prior Period	58,770	54,814
Internally Generated Intangibles	-	-
Additions due to Mergers, Transfers and Acquisition	149,124	36,796
Disposals (-)	(108)	(285)
Impairment Losses/Reversals to/from Revaluation Surplus	-	-
Impairment Losses Recorded in Income Statement	-	-
Impairment Losses Reversed from Income Statement	-	-
Amortisation Expense for Current Period (-)	(33,820)	(32,559)
Currency Translation Differences on Foreign Operations	-	4
Other Movements	-	-
Net Book Value at End of Current Period	173,966	58,770

5.1.13.5 Details for any individually material intangible assets

None.

5.1.13.6 Intangible assets capitalised under government incentives at fair values

None.

5.1.13.7 Revaluation method of intangible assets capitalised under government incentives and valued at fair values at capitalisation dates

None.

5.1.13.8 Net book value of intangible asset that are restricted in usage or pledged

None.

5.1.13.9 Commitments to acquire intangible assets

None.

5.1.13.10 Disclosure on revalued intangible assets

None.

5.1.13.11 Research and development costs expensed during current period

None.

5.1.13.12 Goodwill

None.

5.1.13.13 Movements in goodwill during current period

None.

5.1.14 Investment property

<i>Current Period</i>				
Real Estate Type	Cost	Accumulated Depreciation (-)	Impairment Losses	Intend of Use
Building	191,020	(43,555)	-	Operational lease
Land	-	-	-	-

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

5.1.15 Deferred tax asset

As of 31 December 2014, the Bank has a deferred tax asset of TL 372,090 thousands (31 December 2013: TL 129,218 thousands) calculated as the net amount remaining after netting of tax deductible timing differences and taxable timing differences.

The Bank does not have any deferred tax assets on tax losses carried forward or tax deductions and exemptions as of 31 December 2014. However, there is a deferred tax asset of TL 550,271 thousands (31 December 2013: TL 369,090 thousands) and deferred tax liability of TL 178,181 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 (*)	656,754	131,351	525,719	105,144
Differences between the Carrying Values and Taxable Values of Financial Assets (**)	964,681	191,276	17,483	(7,501)
Other	247,317	49,463	157,873	31,575
Total Deferred Tax Asset, Net	1,868,752	372,090	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 31 December 2014, TL 359,285 thousands of deferred tax income (31 December 2013: TL 403,903 thousands of deferred tax expense) and TL 116,413 thousands of deferred tax expenses (31 December 2013: TL 351,665 thousands of deferred tax income) are recognised in the income statement and the shareholders' equity, respectively.

5.1.16 Assets held for sale and assets of discontinued operations

	<i>Current Period</i>	<i>Prior Period</i>
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	106,021	92,305
Disposals (Cost)	(77,188)	(69,875)
Disposals (Accumulated Depreciation)	1,212	867
Impairment Losses (-)	(1,941)	(1,799)
Depreciation Expense for Current Period (-)	(3,192)	(2,745)
Currency Translation Differences on Foreign Operations	-	-
Cost	178,986	152,094
Accumulated Depreciation (-)	(7,970)	(5,990)
Net Book Value	171,016	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 26,361 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	1,062	3,033
Sale of Other Assets	3,071	3,038
Total	4,133	6,071

5.1.17.2 Prepaid expenses, taxes and similar items

	<i>Current Period</i>	<i>Prior Period</i>
Prepaid Expenses	363,379	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	866	-	-	-
Financial Assets at Fair Value through Profit or Loss	180	17,399	117	21,735
Banks	11,994	14,892	16,128	14,772
Interbank Money Markets	-	1	-	2
Financial Assets Available-for-Sale	1,327,998	69,904	711,891	85,764
Loans	1,110,738	608,296	1,098,042	545,781
Investments Held-to-Maturity	1,242,349	116,557	437,561	7,476
Other Accruals	5,054	-	5,609	-
Total	3,699,179	827,049	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	6,244,814	-	3,665,685	29,247,066	2,183,560	1,004,915	648,068	4,235	42,998,343
Foreign Currency Deposits	10,542,357	-	6,007,500	21,251,376	4,374,215	3,978,925	5,803,385	56,466	52,014,224
Residents in Turkey	9,743,242	-	5,841,715	18,773,727	3,215,937	1,352,314	563,655	54,785	39,545,375
Residents in Abroad	799,115	-	165,785	2,477,649	1,158,278	2,626,611	5,239,730	1,681	12,468,849
Public Sector Deposits	757,159	-	2,386	25,054	149	55	28	-	784,831
Commercial Deposits	5,327,908	-	2,997,233	5,755,260	266,108	222,962	642,621	-	15,212,092
Other	141,075	-	120,899	1,619,081	25,053	398,009	4,340	-	2,308,457
Precious Metal Deposits	1,467,539	-	958	52,885	19	2,041	100,285	-	1,623,727
Bank Deposits	1,902,904	-	455,715	346,384	2,174,233	257,984	229,087	-	5,366,307
Central Bank of Turkey	-	-	-	-	-	-	-	-	-
Domestic Banks	3,839	-	453,565	102,842	-	114,754	29,231	-	704,231
Foreign Banks	664,890	-	2,150	243,542	2,174,233	143,230	199,856	-	3,427,901
Special Financial Institutions	1,234,175	-	-	-	-	-	-	-	1,234,175
Other	-	-	-	-	-	-	-	-	-
Total	26,383,756	-	13,250,376	58,297,106	9,023,337	5,864,891	7,427,814	60,701	120,307,981

<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 ^(*)	22,432,735	19,316,340	20,244,528	18,901,123
Foreign Currency Saving Deposits	6,086,988	4,974,910	18,217,256	14,048,805
Other Saving Deposits	999,391	1,469,173	575,691	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

None.

5.2.1.3 Saving deposits not covered by insurance limits

	Current Period	Prior Period
Deposits and Other Accounts held at Foreign Branches	608,592	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	554,203	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	193,167	31,322	120,653	17,228
Swap transactions	667,600	463,857	822,849	212,391
Futures	-	649	-	-
Options	206,022	11,626	183,570	28,005
Other	-	-	-	-
Total	1,066,789	507,454	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	223,949	265,357	238,147	354,491
Foreign Banks, Institutions and Funds	3,732,110	28,101,994	4,984,357	23,901,098
Total	3,956,059	28,367,351	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	399,929	8,208,084	469,559	7,777,277
Medium and Long-Term	3,556,130	20,159,267	4,752,945	16,478,312
Total	3,956,059	28,367,351	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 31 December 2014, the accumulated negative credit risk change and the negative credit risk change recognised in the income statement amounted to TL 289,376 thousands and TL 325,238 thousands, respectively. The carrying value of the related financial liability amounted to TL 4,899,376 thousands, and the related current period loss amounted to TL 325,238 thousands.

5.2.3.2 Disclosures for concentration areas of bank's liabilities

The Bank finances its ordinary banking activities through deposits and funds borrowed. Its deposit structure has a balanced TL and foreign currency concentration. The Bank's other funding sources specifically consist of foreign currency funds borrowed from abroad, TL funds obtained through repurchase transactions, and TL and foreign currency securities issued.

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	1,200,782	2,955,871	544,114
Cost	1,170,442	2,742,947	544,110	9,085,124
Carrying Value (*)	1,088,546	2,837,652	547,127	8,878,922

<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 149,501 thousands (31 December 2013: TL 154,218 thousands) and foreign currency securities with a total face value of USD 206,730,000 (31 December 2013: USD 111,757,000) and netted off such securities in the accompanying financial statements.

The Bank classified certain securities amounting to RON 34,500,000 as financial liability at fair value through profit/loss at the initial recognition. As of 31 December 2014, the accumulated negative credit risk change and the negative credit risk change recognised in the income statement amounted to TL 2,558 thousands and TL 1,103 thousands, respectively. The carrying value of the related financial liability amounted to TL 24,495 thousands, and the related current period loss amounted to TL 884 thousands.

5.2.4.2 Funds provided through repurchase transactions

	<i>Current Period</i>		<i>Prior Period</i>	
	TL	FC	TL	FC
Domestic Transactions	4,230,145	-	9,477,016	-
Financial Institutions and Organizations	4,163,450	-	9,428,331	-
Other Institutions and Organizations	24,652	-	16,249	-
Individuals	42,043	-	32,436	-
Foreign Transactions	667,001	6,488,774	1,946,990	3,160,228
Financial Institutions and Organizations	666,879	6,488,774	1,946,487	3,160,228
Other Institutions and Organizations	120	-	463	-
Individuals	2	-	40	-
Total	4,897,146	6,488,774	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	5,879,730	49,304	4,906,607	25,729
Other	215,147	672,449	192,806	508,707
Total	6,094,877	721,753	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	573	536	502	479
1-4 Years	3	2	2	1
More than 4 Years	-	-	-	-
Total	576	538	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	99,572	111,931	-	39,105
Cash Flow Hedges	-	67,880	-	-
Net Foreign Investment Hedges	-	-	-	-
Total	99,572	179,811	-	39,105

5.2.7 Provisions

5.2.7.1 General provisions

	<i>Current Period</i>	<i>Prior Period</i>
General Provision for	2,434,629	2,003,908
Loans and Receivables in Group I	2,105,409	1,745,309
- Additional Provision for Loans and Receivables with Extended Maturities	82,754	101,408
Loans and Receivables in Group II	188,973	133,959
- Additional Provision for Loans and Receivables with Extended Maturities	56,332	40,195
Non-Cash Loans	140,247	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	13,320	526
Medium and Long-Term Loans	11,208	92
Total	24,528	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

	<i>Current Period</i>	<i>Prior Period</i>
Substandard Loans and Receivables - Limited Collectibility	16,964	15,150
Doubtful Loans and Receivables	13,006	17,933
Uncollectible Loans and Receivables	78,911	79,855
Total	108,881	112,938

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	415,000	310,000

5.2.7.4.2 Other provisions

	<i>Current Period</i>	<i>Prior Period</i>
Reserve for Employee Benefits	497,565	377,988
Provision for Promotion Expenses of Credit Cards (*)	82,436	53,441
Provision for Lawsuits	30,062	33,100
Other Provisions	123,394	110,434
Total	733,457	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 22 December 2014 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 2,086,877 thousands at 31 December 2014 (31 December 2013: TL 1,639,833 thousands) as details are given in the table below.

Furthermore, an actuarial report was prepared as of 31 December 2014 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 22 December 2014 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 1,287,303 thousands (31 December 2013: TL 1,080,014 thousands) remains as of 31 December 2014 as details are given in the table below.

The Bank’s management, acting prudently, did not consider the health premium surplus amounting TL 512,563 thousands (31 December 2013: TL 385,587 thousands) as stated above and resulted from the present value of medical benefits and health premiums transferable to SSF as of 31 December 2014. However, despite this treatment there are no excess obligation that needs to be provided against.

	<i>Current Period</i>	<i>Prior Period</i>
Transferable Pension and Medical Benefits:		
Net present value of pension benefits transferable to SSF	(528,752)	(474,544)
Net present value of medical benefits and health premiums transferable to SSF	512,563	385,587
General administrative expenses	(29,291)	(26,165)
Present Value of Pension and Medical Benefits Transferable to SSF (1)	(45,480)	(115,122)
Fair Value of Plan Assets (2)	2,132,357	1,754,955
Asset Surplus over Transferable Benefits ((2)-(1)=(3))	2,086,877	1,639,833
Non-Transferable Benefits:		
Other pension benefits	(538,185)	(408,757)
Other medical benefits	(261,389)	(151,062)
Total Non-Transferable Benefits (4)	(799,574)	(559,819)
Asset Surplus over Total Benefits ((3)-(4)=(5))	1,287,303	1,080,014
Net Present Value of Medical Benefits and Health Premiums Transferable to SSF – but not considered acting prudently (6)	(512,563)	(385,587)
Present Value of Asset Surplus/(Defined Benefit Obligation) ((5)-(6))	774,740	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>Current Period</i>	<i>Prior Period</i>
		%
Discount Rate (*)	8.80	9.60
Inflation Rate (*)	6.10	6.20
Future Real Salary Increase Rate	1.5	1.5
Medical Cost Trend Rate	40% above inflation	40% above inflation
Future Pension Increase Rate (*)	6.10	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 31 December 2014, the Bank had a current tax liability of TL 426,915 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	426,915	97,107
Taxation on Securities Income	86,086	79,849
Taxation on Real Estates Income	3,040	2,560
Banking Insurance Transaction Tax	76,956	63,017
Foreign Exchange Transaction Tax	68	58
Value Added Tax Payable	4,993	5,377
Others	60,005	59,401
Total	658,063	307,369

5.2.8.1.3 Premiums

	<i>Current Period</i>	<i>Prior Period</i>
Social Security Premiums-Employees	42	54
Social Security Premiums-Employer	52	66
Bank Pension Fund Premium-Employees	16	27
Bank Pension Fund Premium-Employer	18	28
Pension Fund Membership Fees and Provisions-Employees	-	-
Pension Fund Membership Fees and Provisions-Employer	-	-
Unemployment Insurance-Employees	782	714
Unemployment Insurance-Employer	1,649	1,464
Others	28	10
Total	2,587	2,363

5.2.8.2 Deferred tax liability

None.

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

None.

5.2.10 Subordinated debts

On 23 February 2009, the Bank obtained a subordinated debt of EUR 50 millions from Proparco (Societe de Promotion et de Participation pour la Cooperation Economique SA), a company of the French Development Agency Group with an interest of Euribor+3.5% and maturity of 12 years with a repayment option at the end of the seventh year to finance the clean energy projects.

This debt is qualified as secondary subordinated debt to be included in the supplementary capital by the BRSA in the calculation of the Bank's capital adequacy ratio in compliance with the conditions set forth in the "Regulation on Equities of Banks" issued by the BRSA and published in the Official Gazette no.26333 dated 1 November 2006.

	<i>Current Period</i>		<i>Prior Period</i>	
	TL	FC	TL	FC
Domestic Banks	-	-	-	-
Domestic Other Institutions	-	-	-	-
Foreign Banks	-	-	-	-
Foreign Other Institutions	-	140,766	-	147,491
Total	-	140,766	-	147,491

5.2.11 Shareholders' equity

5.2.11.1 *Paid-in capital*

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

5.2.11.2 *Registered share capital system*

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

5.2.11.3 *Capital increases in current period*

None.

5.2.11.4 *Capital increases from capital reserves in current period*

None.

5.2.11.5 *Capital commitments for current and future financial periods*

None.

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

None.

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

None.

5.2.11.8 Securities value increase fund

	<i>Current Period</i>		<i>Prior Period</i>	
	TL	FC	TL	FC
Investments in Associates, Subsidiaries and Joint-Ventures	83,052	1,433,002	55,724	1,322,011
Valuation difference	50,735	1,433,002	23,407	1,322,011
Exchange rate difference	32,317	-	32,317	-
Securities Available-for-Sale	82,568	57,234	(485,118)	20,802
Valuation difference	82,568	57,234	(485,118)	20,802
Exchange rate difference	-	-	-	-
Total	165,620	1,490,236	(429,394)	1,342,813

5.2.11.9 Revaluation surplus

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

5.2.11.10 Bonus shares of associates, subsidiaries and joint-ventures

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

5.2.11.11 Legal reserves

	<i>Current Period</i>	<i>Prior Period</i>
I. Legal Reserve	956,682	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	14,849,587	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	356,411	126,504	314,317	112,923
Funds Borrowed	124,965	389,084	123,715	38,274
Interbank Money Markets	11,247	12,449	28,862	12,281
Other Accruals	74,176	554,889	69,306	392,280
Total	566,799	1,082,926	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 5,003,821 thousands (31 December 2013: TL 8,179,201 thousands), commitments for cheque payments of TL 2,874,901 thousands (31 December 2013: TL 2,658,815 thousands) and commitments for credit card limits of TL 25,643,188 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	15,065,503	13,583,722
Letters of Guarantee in TL	12,138,797	9,952,370
Letters of Credit	8,634,976	8,886,834
Bills of Exchange and Acceptances	815,887	638,089
Prefinancings	-	-
Other Guarantees	86,702	79,924
Total	36,741,865	33,140,939

A specific provision of TL 108,881 thousands (31 December 2013: TL 112,938 thousands) is made for unliquidated non-cash loans of TL 272,978 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	2,838,901	2,358,859
With Original Maturity of 1 Year or Less	402,876	336,123
With Original Maturity of More Than 1 Year	2,436,025	2,022,736
Other Non-Cash Loans	33,902,964	30,782,080
Total	36,741,865	33,140,939

5.3.1.4 Sectoral risk concentration of non-cash loans

	<i>Current Period</i>				<i>Prior Period</i>			
	TL	(%)	FC	(%)	TL	(%)	FC	(%)
Agriculture	60,259	0.49	18,947	0.08	55,299	0.56	46,156	0.19
Farming and Stockbreeding	55,270	0.45	9,682	0.04	51,384	0.52	42,147	0.18
Forestry	3,528	0.03	4,723	0.02	1,863	0.02	3,417	0.01
Fishery	1,461	0.01	4,542	0.02	2,052	0.02	592	-
Manufacturing	4,030,137	33.17	14,086,467	57.29	3,281,654	32.96	9,334,555	40.26
Mining and Quarrying	115,972	0.95	271,787	1.11	112,116	1.13	273,692	1.18
Production	2,283,718	18.80	8,803,109	35.80	1,784,508	17.92	4,657,858	20.09
Electricity, Gas, Water	1,630,447	13.42	5,011,571	20.38	1,385,030	13.91	4,403,005	18.99
Construction	1,608,826	13.24	2,997,222	12.19	1,519,801	15.26	2,864,120	12.36
Services	5,500,413	45.27	6,079,358	24.72	4,320,198	43.37	8,968,509	38.69
Wholesale and Retail Trade	3,895,475	32.06	2,687,384	10.93	3,080,420	30.93	5,526,121	23.84
Accommodation and Dining	238,277	1.96	147,958	0.60	211,911	2.13	130,032	0.56
Transportation and Telecommunication	419,462	3.45	728,527	2.96	344,767	3.46	975,326	4.21
Financial Institutions	607,819	5.00	2,283,006	9.28	538,905	5.41	2,140,651	9.23
Real Estate and Rental Services	228,174	1.88	186,376	0.76	48,832	0.49	181,239	0.78
Professional Services	-	-	-	-	-	-	-	-
Educational Services	22,990	0.19	10,234	0.04	20,178	0.20	11,632	0.05
Health and Social Services	88,216	0.73	35,873	0.15	75,185	0.75	3,508	0.02
Others	949,689	7.83	1,410,547	5.72	782,840	7.85	1,967,807	8.50
Total	12,149,324	100.00	24,592,541	100.00	9,959,792	100.00	23,181,147	100.00

5.3.1.5 Non-cash loans classified under Group I and II

	<i>Group I</i>		<i>Group II</i>	
	TL	FC	TL	FC
Current Period				
Non-Cash Loans	12,052,431	24,395,260	96,893	197,281
Letters of Guarantee	12,041,904	14,871,540	96,893	193,963
Bills of Exchange and Bank Acceptances	9,600	803,128	-	3,159
Letters of Credit	927	8,633,890	-	159
Endorsements	-	-	-	-
Underwriting Commitments	-	-	-	-
Factoring Related Guarantees	-	-	-	-
Other Guarantees and Surities	-	86,702	-	-

	<i>Group I</i>		<i>Group II</i>	
	TL	FC	TL	FC
Prior Period				
Non-Cash Loans	9,884,653	23,119,937	75,139	61,210
Letters of Guarantee	9,877,231	13,528,714	75,139	55,008
Bills of Exchange and Bank Acceptances	6,898	626,300	-	4,891
Letters of Credit	524	8,884,999	-	1,311
Endorsements	-	-	-	-
Underwriting Commitments	-	-	-	-
Factoring Related Guarantees	-	-	-	-
Other Guarantees and Surities	-	79,924	-	-

5.3.2 Financial derivative instruments

<i>Current Period</i>	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Total
Derivative Financial Instruments held for Risk Management						
A. Total Derivative Financial Instruments held for Risk Management	-	-	683,517	10,927,869	5,819,168	17,430,554
Fair Value Hedges	-	-	683,517	3,815,434	4,338,089	8,837,040
Cash Flow Hedges	-	-	-	7,112,435	1,481,079	8,593,514
Net Foreign Investment Hedges	-	-	-	-	-	-
Trading Derivatives						
Foreign Currency related Derivative Transactions (I)	56,352,980	25,124,292	43,371,292	11,068,637	-	135,917,201
Currency Forwards-Purchases	4,470,251	1,721,442	4,621,347	721,646	-	11,534,686
Currency Forwards-Sales	4,400,413	1,536,471	4,686,307	800,650	-	11,423,841
Currency Swaps-Purchases	19,946,721	4,963,974	6,976,251	3,143,962	-	35,030,908
Currency Swaps-Sales	16,863,036	4,984,200	7,120,045	3,447,238	-	32,414,519
Currency Options-Purchases	5,290,073	5,786,269	9,705,702	1,382,356	-	22,164,400
Currency Options-Sales	5,382,486	6,092,425	10,261,640	1,572,785	-	23,309,336
Currency Futures-Purchases	-	19,099	-	-	-	19,099
Currency Futures-Sales	-	20,412	-	-	-	20,412
Interest Rate related Derivative Transactions (II)	29,966	92,200	2,364,359	15,565,144	5,407,332	23,459,001
Interest Rate Swaps-Purchases	14,983	-	579,777	6,726,276	2,703,666	10,024,702
Interest Rate Swaps-Sales	14,983	-	579,777	6,726,276	2,703,666	10,024,702
Interest Rate Options-Purchases	-	-	1,204,805	2,112,592	-	3,317,397
Interest Rate Options-Sales	-	-	-	-	-	-
Securities Options-Purchases	-	-	-	-	-	-
Securities Options-Sales	-	-	-	-	-	-
Interest Rate Futures-Purchases	-	-	-	-	-	-
Interest Rate Futures-Sales	-	92,200	-	-	-	92,200
Other Trading Derivatives (III)	3,299,635	670,392	198,642	1,152,500	3,457,500	8,778,669
B. Total Trading Derivatives (I+II+III)	59,682,581	25,886,884	45,934,293	27,786,281	8,864,832	168,154,871
Total Derivative Transactions (A+B)	59,682,581	25,886,884	46,617,810	38,714,150	14,684,000	185,585,425

<i>Prior Period</i>	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Total
Derivative Financial Instruments held for Risk Management						
A. Total Derivative Financial Instruments held for Risk Management	-	-	-	6,977,597	191,235	7,168,832
Fair Value Hedges	-	-	-	3,733,612	191,235	3,924,847
Cash Flow Hedges	-	-	-	3,243,985	-	3,243,985
Net Foreign Investment Hedges	-	-	-	-	-	-
Trading Derivatives						
Foreign Currency related Derivative Transactions (I)	44,701,580	25,608,730	38,077,450	8,032,052	-	116,419,812
Currency Forwards-Purchases	3,333,335	1,599,926	4,021,420	431,037	-	9,385,718
Currency Forwards-Sales	3,296,764	1,626,781	3,973,203	431,053	-	9,327,801
Currency Swaps-Purchases	13,356,677	3,494,008	5,190,909	3,083,275	-	25,124,869
Currency Swaps-Sales	9,450,510	3,432,435	5,235,793	3,424,167	-	21,542,905
Currency Options-Purchases	7,314,716	7,441,199	9,519,975	331,112	-	24,607,002
Currency Options-Sales	7,949,578	7,787,855	10,069,641	331,408	-	26,138,482
Currency Futures-Purchases	-	116,404	66,509	-	-	182,913
Currency Futures-Sales	-	110,122	-	-	-	110,122
Interest Rate related Derivative Transactions (II)	1,082,593	36,037	3,471,101	12,715,716	5,286,546	22,591,993
Interest Rate Swaps-Purchases	537,830	14,803	1,479,286	5,665,581	2,643,273	10,340,773
Interest Rate Swaps-Sales	537,830	14,803	1,479,286	5,665,581	2,643,273	10,340,773
Interest Rate Options-Purchases	-	-	494,667	1,384,554	-	1,879,221
Interest Rate Options-Sales	-	-	-	-	-	-
Securities Options-Purchases	6,933	4,981	17,862	-	-	29,776
Securities Options-Sales	-	1,450	-	-	-	1,450
Interest Rate Futures-Purchases	-	-	-	-	-	-
Interest Rate Futures-Sales	-	-	-	-	-	-
Other Trading Derivatives (III)	3,951,111	146,835	318,285	282,964	2,141,200	6,840,395
B. Total Trading Derivatives (I+II+III)	49,735,284	25,791,602	41,866,836	21,030,732	7,427,746	145,852,200
Total Derivative Transactions (A+B)	49,735,284	25,791,602	41,866,836	28,008,329	7,618,981	153,021,032

5.3.3 Credit derivatives and risk exposures on credit derivatives

As of 31 December 2014, in the Bank's "other irrevocable commitments", there are commitments for "credit linked notes" with a total face value of USD 425,000,000 (31 December 2013: USD 425,000,000).

As of 31 December 2014, there are total return swaps of the Bank with a total face value of EUR 85,000,000 (31 December 2013: EUR 85,000,000) classified under "other derivative financial instruments", where the Bank is on the buying side of the protection.

As of 31 December 2014, there are total return swaps of the Bank with a total face value of USD 2,000,000,000 (31 December 2013: USD 1,000,000,000) classified under "other derivative financial instruments", where the Bank is on the selling side of the protection.

5.3.4 Contingent liabilities and assets

The Bank made a total provision amounting to TL 30,062 thousands (31 December 2013: TL 33,100 thousands) for the lawsuits filed by various customers and institutions against the Bank which are likely to occur and for which cash outflow might be necessary, and disclosed it under Note 5.2.7.4.2, other provisions. The Bank has various other lawsuits which are unlikely to occur and for which cash outflow is not expected to incur.

It is possible that the Bank may be required to provide additional collateral for the derivative transactions involved due to changes in certain financials indicators such as CDS levels, currency exchange rates, interest rates etc. As of 31 December 2014, there was no payment made related with such contingent liabilities.

5.3.5 Services rendered on behalf of third parties

The Bank acts as an investment agent for banking transactions on behalf of its customers and provides custody services. Such transactions are followed under off-balance sheet accounts.

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	3,178,882	156,526	2,419,341	159,611
Medium and long-term loans	5,314,493	2,417,034	4,371,285	2,085,601
Loans under follow-up	44,023	-	35,154	-
Premiums Received from Resource Utilization Support Fund	-	-	-	-
Total	8,537,398	2,573,560	6,825,780	2,245,212

(*) 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	33,797	579	11,196	519
Foreign Banks	78,192	27,215	104,093	31,509
Foreign Head Offices and Branches	-	-	-	-
Total	111,989	27,794	115,289	32,028

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	20,533	14,003	22,886	14,205
Financial Assets Valued at Fair Value through Profit or Loss	-	-	-	-
Financial Assets Available-for-Sale	1,874,621	86,569	2,689,835	91,422
Investments Held-to-Maturity	1,413,217	278,784	576,035	14,062
Total	3,308,371	379,356	3,288,756	119,689

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	45,094	46,590

5.4.2 Interest Expenses

5.4.2.1 Interest expenses on funds borrowed (*)

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks	448,445	356,743	458,120	349,515
Central Bank of Turkey	-	2,229	-	2,959
Domestic Banks	15,245	7,958	19,080	10,296
Foreign Banks	433,200	346,556	439,040	336,260
Foreign Head Offices and Branches	-	-	-	-
Other Institutions	-	187,698	-	54,341
Total	448,445	544,441	458,120	403,856

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

5.4.2.2 Interest expenses paid to associates and subsidiaries

	Current Period	Prior Period
Interest Paid to Investments in Associates and Subsidiaries	58,594	45,209

5.4.2.3 Interest expenses on securities issued

	Current Period		Prior Period	
	TL	FC	TL	FC
Interest Paid on Securities Issued	393,901	384,596	234,730	233,131

5.4.2.4 Maturity structure of interest expense on deposits

Current Period	Account Description	Demand Deposits	Time Deposits					Accumulating Deposit Accounts	Total
			Up to 1 Month	1-3 Months	3-6 Months	6-12 Months	1 Year and Over		
	Turkish Lira								
	Bank Deposits	633	88,233	-	-	-	-	-	88,866
	Saving Deposits	25	291,466	2,532,474	211,522	58,629	48,713	-	3,142,829
	Public Sector Deposits	-	330	956	53	20,409	2	-	21,750
	Commercial Deposits	31	254,708	509,528	65,854	46,649	39,223	-	915,993
	Other	13	12,609	54,831	3,159	59,485	74	-	130,171
	“7 Days Notice” Deposits	-	-	-	-	-	-	-	-
	Total TL	702	647,346	3,097,789	280,588	185,172	88,012	-	4,299,609
	Foreign Currency								
	Foreign Currency Deposits	889	44,918	404,969	89,040	105,655	96,552	1,014	743,037
	Bank Deposits	-	59,010	-	-	-	-	-	59,010
	“7 Days Notice” Deposits	-	-	-	-	-	-	-	-
	Precious Metal Deposits	-	-	8	-	4,018	392	-	4,418
	Total FC	889	103,928	404,977	89,040	109,673	96,944	1,014	806,465
	Grand Total	1,591	751,274	3,502,766	369,628	294,845	184,956	1,014	5,106,074

<i>Prior 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	307	58,909	-	-	-	-	-	59,216
Saving Deposits	34	226,566	2,073,795	59,154	23,097	24,063	-	2,406,709
Public Sector Deposits	-	307	2,343	80	42,304	7	-	45,041
Commercial Deposits	55	214,629	723,461	95,028	46,702	14,449	-	1,094,324
Other	8	9,071	56,290	10,246	16,757	39	-	92,411
“7 Days Notice” Deposits	-	-	-	-	-	-	-	-
Total TL	404	509,482	2,855,889	164,508	128,860	38,558	-	3,697,701
Foreign Currency								
Foreign Currency Deposits	209	54,396	457,875	59,336	108,821	32,126	1,336	714,099
Bank Deposits	-	55,499	-	-	-	-	-	55,499
“7 Days Notice” Deposits	-	-	-	-	-	-	-	-
Precious Metal Deposits	-	-	29	-	1,013	476	-	1,518
Total FC	209	109,895	457,904	59,336	109,834	32,602	1,336	771,116
Grand Total	613	619,377	3,313,793	223,844	238,694	71,160	1,336	4,468,817

5.4.2.5 Interest expense on repurchase agreements

	<i>Current Period</i>		<i>Prior Period</i>	
	TL	FC	TL	FC
Interest Paid on Repurchase Agreements	694,565	59,109	516,396	44,692

5.4.2.6 Financial lease expenses

	<i>Current Period</i>	<i>Prior Period</i>
Financial Lease Expenses	69	80

5.4.2.7 Interest expenses on factoring payables

None.

5.4.3 Dividend income

	<i>Current Period</i>	<i>Prior Period</i>
Trading Financial Assets	1	6
Financial Assets Valued at Fair Value through Profit or Loss	-	-
Financial Assets Available-for-Sale	610	675
Others	1,231	55,360
Total	1,842	56,041

5.4.4 Trading income/losses (Net)

	<i>Current Period</i>	<i>Prior Period</i>
Income	34,947,998	61,831,292
Trading Account Income	266,923	260,970
Gains from Derivative Financial Instruments	5,439,104	4,611,436
Foreign Exchange Gains	29,241,971	56,958,886
Losses (-)	35,142,165	61,534,350
Trading Account Losses	411,067	68,407
Losses from Derivative Financial Instruments	6,541,933	4,730,420
Foreign Exchange Losses	28,189,165	56,735,523
Total	(194,167)	296,942

TL 1,047,502 thousands (31 December 2013: TL 897,053 thousands) of foreign exchange gains and TL 1,153,209 thousands (31 December 2013: TL 554,278 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, negative amounts of TL 3,051 thousands (31 December 2013: TL 38,044 thousands) and TL 3,771 thousands (31 December 2013: TL 11,009 thousands) resulting from cross currency and interest rate swap agreements were recognised under shareholders' equity, respectively.

The Bank also applies fair value hedge accounting for its fixed-rate loans with a total principal of TL 394,229 thousands and USD 807,919,340 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 39,256 thousands (31 December 2013: a loss of TL 7,901 thousands) and a gain of TL 42,104 thousands (31 December 2013: a loss of TL 59,998 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 12,511 thousands (31 December 2013: a gain of TL 4,251 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 282,296 thousands were sold for a consideration of TL 55,882 thousands. Considering the related provision of TL 275,158 thousands made in the financial statements, a gain of TL 48,662 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	1,164,441	853,222
<i>Loans and Receivables in Group III</i>	309,844	277,338
<i>Loans and Receivables in Group IV</i>	600,869	301,784
<i>Loans and Receivables in Group V</i>	253,728	274,100
General Provisions	432,823	692,945
Provision for Possible Losses	105,000	-
Impairment Losses on Securities	1,250	890
<i>Financial Assets at Fair Value through Profit or Loss</i>	1,250	890
<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	103,219	76,767
Total	1,806,733	1,623,824

5.4.7 Other operating expenses

	<i>Current Period</i>	<i>Prior Period</i>
Personnel Costs	1,928,327	1,666,456
Reserve for Employee Termination Benefits	28,277	31,807
Defined Benefit Obligation	-	-
Impairment Losses on Tangible Assets	4,082	2,361
Depreciation Expenses of Tangible Assets	178,004	170,154
Impairment Losses on Intangible Assets	-	-
Impairment Losses on Goodwill	-	-
Amortisation Expenses of Intangible Assets	33,820	32,559
Impairment Losses on Investments Accounted under Equity Method	-	-
Impairment Losses on Assets to be Disposed	1,941	1,799
Depreciation Expenses of Assets to be Disposed	3,192	2,745
Impairment Losses on Assets Held for Sale	-	-
Other Operating Expenses	1,996,628	1,935,226
<i>Operational Lease related Expenses</i>	297,813	251,168
<i>Repair and Maintenance Expenses</i>	50,562	44,464
<i>Advertisement Expenses</i>	111,612	114,578
<i>Other Expenses</i>	1,536,641	1,525,016
Loss on Sale of Assets	2,816	3,666
Others ^(*) ^(**)	535,927	359,392
Total	4,713,014	4,206,165

(*) Includes cancellations/repayments, by the Bank in the current period, of fees and commissions income recognised in prior years in the amount of TL 141,427 thousands (31 December 2013: TL 12,486 thousands).

(**) As per the decision of the Turkish Competition Board dated 8 March 2013 and resulted from the investigation initiated based on its decision no. 11-55/1438-M dated 2 November 2011, an administrative fine amounting to TL 213,385 thousands was imposed against the economic group composed of Garanti Bankası AŞ, Garanti Ödeme Sistemleri AŞ and Garanti Konut Finansmanı Danışmanlık AŞ. In accordance with the Article 17 of the Law on Crime no. 5326, it is possible to pay $\frac{3}{4}$ of such administrative fine as TL 160,038 thousands. The reasoned decision of the Turkish Competition Board was notified as of the reporting date and the stated amount was paid in the current period.

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

The profit before taxes includes a net interest income of TL 7,422,688 thousands (31 December 2013: TL 6,355,631 thousands), a net fees and commissions income of TL 2,949,020 thousands (31 December 2013: TL 2,615,473 thousands) and operating expenses of TL 4,713,014 thousands (31 December 2013: TL 4,206,165 thousands). The Bank's profit before taxes realized at TL 4,162,463 thousands increasing by 5.35% as compared to prior year.

5.4.9 Information on provision for taxes from continued and discontinued operations

As of 31 December 2014, the Bank recorded a tax charge of TL 1,321,500 thousands (31 December 2013: TL 541,652 thousands) and a deferred tax income of TL 359,285 thousands (31 December 2013: a deferred tax expense of TL 403,903 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 (+)	(274,983)	(72,432)
Decrease in tax deductible timing differences (-)	26,714	237,655
Increase in taxable timing differences (-)	16,781	255,269
Decrease in taxable timing differences (+)	(127,797)	(16,589)
Total	(359,285)	403,903

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)	(248,269)	165,223
Increase/(decrease) in taxable timing differences (net)	(111,016)	238,680
Increase/(decrease) in tax losses (net)	-	-
Increase/(decrease) in tax deductions and exemptions (net)	-	-
Total	(359,285)	403,903

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

None.

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

5.5.1 Any increases arising from application of accounting for financial instruments

5.5.1.1 Increases from valuation of financial assets available-for-sale

None.

5.5.1.2 Increases due to cash flow hedges

The Bank enters into swap contracts to convert variable interest rates on its borrowings to fixed interest rates for cash flow hedging purposes. After netting with the related deferred tax effect, a decrease of TL 44,701 thousands (31 December 2013: an increase of TL 39,243 thousands) is presented in the shareholders' equity for such hedges assessed as effective.

5.5.1.3 Reconciliation of foreign exchange differences at beginning and end of current period

A decrease of TL 5,811 thousands (31 December 2013: an increase of TL 24,644 thousands) that was resulted from the foreign currency translation of Luxembourg branch performance, is presented under translation differences in the shareholders' equity

5.5.2 Any decreases arising from application of accounting for financial instruments

5.5.2.1 Decreases from valuation of financial assets available-for-sale

As of 31 December 2014, an increase of TL 790,934 thousands (31 December 2013: a decrease of TL 803,757 thousands) resulted from the revaluation of financial assets available-for-sale at fair value after being netted with the related deferred tax liability effect and a gain of TL 48,497 thousands (31 December 2013: TL 375,815 thousands) that was transferred to the income statement from "securities value increase fund" are presented as the current period movements in securities value increase fund in the statement of changes in shareholders' equity.

5.5.2.2 Decreases due to cash flow hedges

None.

5.5.3 Transfers to legal reserves

	<i>Current Period</i>	<i>Prior Period</i>
Transfers to Legal Reserves from Prior Year Profits	21,500	192,166
Transfers to Extraordinary Reserves from Prior Year Profits	2,525,014	2,830,460

5.5.4 Issuance of share certificates

Please refer to Note 5.2.11.3.

5.5.5 Effects of prior years' corrections to beginning balances of current period

Please refer to Note 3.24.

5.5.6 Compensation of prior period losses

None.

5.6 Statement of Cash Flows

5.6.1 Disclosures for “other” items and “effect of change in foreign currency rates cash and cash equivalents” in statement of cash flows

The net cash inflow arising from banking operations amount to TL 1,304,190 thousands (31 December 2013: net cash outflows of TL 195,408 thousands). TL 3,245,571 thousands (31 December 2013: TL 4,356,736 thousands) of this amount is generated from the change in operating assets and liabilities and TL 4,549,761 thousands (31 December 2013: TL 4,552,144 thousands) from operating profit. The “net increase/(decrease) in other liabilities” under the changes in operating assets and liabilities is resulted from the changes in the funds obtained through repurchase agreements, miscellaneous payables, other external funding payables and taxes, duties and premiums payables and amounts to TL 572,193 thousands (31 December 2013: TL 1,944,305 thousands). The “others” item under operating income composes of fees and commissions paid, foreign exchange gains, other operating income and other operating expenses excluding employee costs, and amounts to TL 1,962,537 thousands (31 December 2013: TL 2,396,024 thousands).

The net cash inflows from financing activities is TL 2,495,175 thousands (31 December 2013: TL 3,872,779 thousands).

The effect of changes in foreign exchange rates on cash and cash equivalents includes the foreign exchange differences resulted from the translations of cash and cash equivalents in foreign currencies into TL at the exchange rates prevailing at the beginning and end of the year, and amounts to TL 528,895 thousands (31 December 2013: TL 1,376,361 thousands).

5.6.2 Cash outflows from acquisition of associates, subsidiaries and joint-ventures

Please refer to Note 5.1.8.2 of investments in subsidiaries.

5.6.3 Cash inflows from disposal of associates, subsidiaries and joint-ventures

None.

5.6.4 Cash and cash equivalents at beginning of period

	<i>Current Period</i>	<i>Prior Period</i>
Cash on Hand	1,552,757	1,200,038
Cash in TL	1,007,643	800,960
Cash in Foreign Currency	545,114	399,078
Cash Equivalents	5,811,207	3,062,636
Other	5,811,207	3,062,636
TOTAL	7,363,964	4,262,674

5.6.5 Cash and cash equivalents at end of period

	<i>Current Period</i>	<i>Prior Period</i>
Cash on Hand	1,678,527	1,552,757
Cash in TL	1,089,201	1,007,643
Cash in Foreign Currency	589,326	545,114
Cash Equivalents	5,907,341	5,811,207
Other	5,907,341	5,811,207
TOTAL	7,585,868	7,363,964

5.6.6 Restricted cash and cash equivalents due to legal requirements or other reasons

The placements at foreign banks include blocked accounts amounting TL 5,578,016 thousands (31 December 2013: TL 7,326,245 thousands) of which TL 108,410 thousands (31 December 2013: TL 116,271 thousands) and TL 50,066 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 5,419,540 thousands (31 December 2013: TL 7,166,880 thousands) as collateral against funds borrowed at various banks.

The blocked account at the Central Bank of Turkey with a principal of TL 19,595,598 thousands (31 December 2013: TL 17,166,780 thousands) is for the reserve deposits in foreign currency and gold against the Banks' liabilities in Turkish Lira, foreign currencies and gold.

5.6.7 Additional information

5.6.7.1 Restrictions on the Bank's potential borrowings

None.

5.6.7.2 Cash inflows presenting increase in operating capacity of the Bank

None.

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	3,318,634	1,522,279	399,748	316,606	1,537,174	702,845
Interest and Commission Income	45,464	285	286	9	72,438	1,047

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	46,607	257	687	9	25,260	399

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	681,112	651,174	535,204	304,643	349,385	330,572
Interest Expense	58,594	45,209	4,016	9,910	16,035	15,088

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	848,391	1,200,843	10,292,901	8,871,339	5,770	-
Total Profit/(Loss)	(132,802)	(85,747)	(102,479)	(49,308)	(56)	-
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 2,543,637 thousands (31 December 2013: TL 1,660,748 thousands) compose 1.90% (31 December 2013: 1.40%) of the Bank's total cash loans and 1.16% (31 December 2013: 0.84%) of the Bank's total assets. The total loans and similar receivables amounting TL 5,255,556 thousands (31 December 2013: TL 4,275,308 thousands) compose 2.40% (31 December 2013: TL 2.17%) of the Bank's total assets. The non-cash loans of the risk group amounting TL 2,541,730 thousands (31 December 2013: TL 2,323,704 thousands) compose 6.92% (31 December 2013: 7.01%) of the Bank's total non-cash loans. The deposits of the risk group amounting TL 1,565,701 thousands (31 December 2013: TL 1,286,389 thousands) compose 1.30% (31 December 2013: 1.21%) of the Bank's total deposits.

The funds borrowed by the Bank from its risk group amounting TL 9,074,365 thousands (31 December 2013: TL 6,729,132 thousands) compose 28.07% (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 88,494 thousands (31 December 2013: TL 70,805 thousands). A total rent income of TL 6,486 thousands (31 December 2013: TL 5,116 thousands) was recognized for the real estates rented to the related parties.

Operating expenses for TL 8,863 thousands (31 December 2013: TL 7,329 thousands) were incurred for the IT services rendered by the related parties. Banking services fees of TL 2,745 thousands (31 December 2013: TL 2,026 thousands) were recognized from the related parties.

Insurance brokerage fee of TL 93,413 thousands (31 December 2013: TL 78,493 thousands), shares brokerage fee of TL 70,413 thousands (31 December 2013: TL 68,250 thousands), leasing customer acquisition fee of TL 10,762 thousands (31 December 2013: TL 9,739 thousands) factoring customer acquisition fee of TL 3,131 thousands (31 December 2013: TL 3,853 thousands) and fleet business customer acquisition fee of TL 578 thousands (31 December 2013: TL 200 thousands) were recognized as income from the services rendered for the affiliates.

Operating expenses of TL 10,790 thousands (31 December 2013: TL 11,453 thousands) for advertisement and broadcasting services, of TL 32,534 thousands (31 December 2013: TL 23,648 thousands) for operational leasing services, and of TL 13,616 thousands (31 December 2013: TL 12,237 thousands) for travelling services rendered by the related parties were recognized as expense.

As of 31 December 2014, the net payment provided or to be provided to the key management of the Bank amounts to TL 78,212 thousands (31 December 2013: TL 68,918 thousands).

5.7.2.3 Other matters not required to be disclosed

None.

5.7.2.4 Transactions accounted for under equity method

Please refer to Note 5.1.8 investments in subsidiaries.

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

5.8.1 Domestic and foreign branches and representative offices

	Number of Branches	Number Of Employees			
Domestic Branches	994	18,909			
			Country		
Foreign Representative Offices	1	1	1-Germany		
	1	1	2-England		
	1	1	3-China		
				Total Assets	Legal Capital
Foreign Branches	1	17	1- Luxembourg	13,161,762	1,115,560
	1	12	2- Malta	31,384,505	-
	6	95	3- NCTR	907,568	15,520

5.8.2 Opening or closing of domestic and foreign branches and representative offices and significant changes in organisational structure

In 2014, 22 new domestic branches were opened and 18 branches were closed.

5.9 Matters Arising Subsequent to Balance Sheet Date

None.

6 Other Disclosures on Activities of the Bank

6.1 Bank's latest international risk ratings

MOODY'S (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 (1 December 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 ^(**)
NSR	AA+(tur) ^(**)

^(**) As of 1 December 2014, Fitch started positive follow-up for risk ratings.

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.

6.2 Dividend

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

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)

6.3 Other disclosures

Doğuş Group and BBVA have entered into a share purchase agreement dated 19 November 2014 for the sale of shares of the Bank representing 14.89% of the paid-up share capital with a total face value of TL 625,380 thousands. The parties agreed that the total purchase price for the shares being sold would be TL 5,497,090 thousands with a purchase price per share of TL 8.79. In addition, the parties have agreed that Doğuş Group would be entitled to receive up to TL 0.11 of the dividend distributed per share sold with respect to distributable profit for the year 2014.

Following the completion of the share transfers, Doğuş Group's stake in the Bank will be 10%. The transfer of title for the shares sold from Doğuş Group to BBVA will be finalized once the transaction is approved by the relevant authorities in and outside of Turkey including the BRSA, the Capital Markets Board and the Competition Board.

The shareholders agreement dated 1 November 2010 relating to governance and management of the Bank signed between Doğuş Group and BBVA has been also amended on 19 November 2014. The revised shareholders agreement shall become effective simultaneously with the consummation of the share transfers following the approval of all necessary regulators. Under the revised shareholders agreement Doğuş Group and BBVA have agreed that: (i) the board of directors of the Bank would comprise of ten members ; (ii) seven of the board members would be nominated by BBVA at the general assembly and two of these seven members would also be the members of the audit committee of the Bank whom, in line with the applicable regulations, shall be deemed as independent board members; (iii) two members would be nominated by Doğuş Group at the general assembly and (iv) the last independent member would be jointly nominated by the shareholders at the general assembly. The call option previously granted by Doğuş Group to BBVA with respect to acquisition of further shares of the Bank by BBVA representing 1% of the share capital has been revoked.

7 Disclosures on Independent Auditors' Report

7.1 Disclosure on independent auditors' report

The unconsolidated financial statements of the Bank as of 31 December 2014, have been audited by DRT Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik AŞ (a member of Deloitte Touche Tohmatsu Limited) and the independent auditors' report dated 3 February 2015, is presented before the accompanying financial statements.

7.2 Disclosures and footnotes prepared by independent accountants

None.

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