

FİBABANKA A.Ş. AND ITS SUBSIDIARY

**INDEPENDENT AUDITOR'S REPORT,
CONSOLIDATED FINANCIAL
STATEMENTS AND FOOTNOTES
AS OF AND FOR THE YEAR ENDED
1 JANUARY – 31 DECEMBER 2013**

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

To the Board of Directors of
Fibabanka A.Ş.
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FİBABANKA A.Ş. AND ITS SUBSIDIARY

INDEPENDENT AUDITORS' REPORT FOR THE PERIOD OF 1 JANUARY - 31 DECEMBER 2013

We have audited the accompanying consolidated balance sheet of Fibabanka A.Ş. ("the Bank") and its financial subsidiary (together "the Group") as at 31 December 2013 and the related consolidated 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 and numbered 26333 and Turkish Accounting Standards ("TAS"), Turkish Financial Reporting Standards ("TFRS") 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 the International Standards on Auditing. 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.

Independent Auditors' Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Group as at 31 December 2013 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 and 38 of the Banking Act No: 5411, and other regulations, communiqués and circulars in respect of accounting and financial reporting and pronouncements made by the Banking Regulation and Supervision Agency.

Additional paragraph for English translation:

The effect of the differences between the accounting principles summarized in Section 3 and the accounting principles generally accepted in countries in which the accompanying consolidated financial statements are to be distributed and International Financial Reporting Standards (IFRS) have not been quantified and reflected in the accompanying consolidated financial statements. The accounting principles used in the preparation of the accompanying consolidated financial statements differ materially from IFRS. Accordingly, the accompanying consolidated 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 A.Ş.
Member of **DELOITTE TOUCHE TOHMATSU LIMITED**



Şule Firuzment Bekçe
Partner

İstanbul, 27 February 2014

**THE CONSOLIDATED FINANCIAL REPORT OF FİBABANKA A.Ş. AS OF AND
FOR THE YEAR ENDED 31 DECEMBER 2013**

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The consolidated 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:




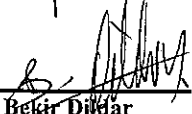

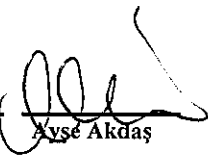
- GENERAL INFORMATION ABOUT THE PARENT BANK
- CONSOLIDATED FINANCIAL STATEMENTS OF THE PARENT BANK
- EXPLANATIONS ON THE CORRESPONDING ACCOUNTING POLICIES APPLIED IN THE RELATED PERIOD
- INFORMATION ON FINANCIAL STRUCTURE OF THE CONSOLIDATED GROUP
- EXPLANATORY DISCLOSURES AND FOOTNOTES TO CONSOLIDATED FINANCIAL STATEMENTS
- OTHER DISCLOSURES
- INDEPENDENT AUDITORS' REPORT

The consolidated subsidiaries included in this annual consolidated financial report are as follows:

Subsidiaries:

- Fiba Portföy Yönetimi A.Ş.

The consolidated financial statements and the explanatory footnotes and disclosures, unless otherwise indicated, are prepared in **thousands of Turkish Lira**, and in accordance with the Communiqué on Banks' Accounting Practice and Maintaining Documents, Turkish Accounting Standards, Turkish Financial Reporting Standards, related communiqués and the Banks' records, have been independently audited and presented as attached.

					
Hüsnü Mustafa Özyeğin	Fevzi Bozer	Mevlüt Hamdi Aydın	Bekir Dindar	Elif Alsev Utku Özbey	Ayşe Akdaş
Chairman of Board of Directors	Member of the Audit Committee	Member of the Audit Committee	General Manager	Assistant General Manager	Financial Control Department Head

Information related to personnel to whom questions related to this financial report may be directed.

Name-Surname/Title : **Ayşe Akdaş** / Financial Control Department Head
Telephone Number : (212) 381 84 88
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SECTION ONE

General Information

I.	History of the Parent Bank Including Its Incorporation Date, Initial Status and Amendments to the Initial Status	1
II.	Shareholder Structure, Shareholders Having Direct or Indirect, Joint or Individual Control Over the Management and Internal Audit of the Parent Bank, Changes in Shareholder Structure During the Current Period, if any and Information on the Parent Bank's Risk Group	1
III.	Explanations Regarding the Shares of the Parent Bank Owned by and Areas of Responsibility of the Chairman and the Members of Board of Directors, Audit Committee Members, Chief Executive Officer, Executive Vice Presidents	2
IV.	Individuals and Institutions That Have Qualified Shares in the Parent Bank	2
V.	Summary Information on the Parent Bank's Services and Activity Areas	3
VI.	Other Information	3
VII.	Explanations on the Differences Between the Communique Concerning Preparation of Consolidated Financial Statements of Banks and the Consolidation Process According to Turkish Accounting Standards and the Institutions which are Subject to Full Consolidation or Proportionate Consolidation, Deducted from Capital or not Included into the Three Methods that are Mentioned Above	3
VIII.	Current or likely actual or legal barriers to immediate transfer of equity or repayment of debts between parent bank and its subsidiaries	3

SECTION TWO

Consolidated Financial Statements

I.	Consolidated Balance Sheet	4
II.	Consolidated Statement of Off-Balance Sheet Contingencies and Commitments	6
III.	Consolidated Statement of Income	7
IV.	Consolidated Statement of Income and Expense Accounted under Shareholders' Equity	8
V.	Consolidated Statement of Changes in Shareholders' Equity	9
VI.	Consolidated Statement of Cash Flows	10
VII.	Consolidated Profit Distribution Table	11

SECTION THREE

Accounting Policies

I.	Explanations on the Basis of Presentation	12
II.	Explanations on the Usage Strategy of Financial Instruments and on Foreign Currency Transactions	12
III.	Explanations on Consolidated Subsidiaries	13
IV.	Explanations on Forward Transactions, Option and Derivative Instruments	14
V.	Explanations on Interest Income and Expenses	14
VI.	Explanations on Fee and Commission Income and Expenses	14
VII.	Explanations on Financial Assets	14
VIII.	Explanations on Impairment of Financial Assets	15
IX.	Explanations on Offsetting Financial Instruments	15
X.	Explanations on Sale and Repurchase Agreements and Securities Lending Transactions	16
XI.	Explanations on Non-current Assets Held for Sale and Discontinued Operations and Related Liabilities	16
XII.	Explanations on Goodwill and Other Intangible Assets	16
XIII.	Explanations on Tangible Assets	17
XIV.	Explanations on Leasing Transactions	17
XV.	Explanations on Provisions and Contingent Liabilities	17
XVI.	Explanations on Contingent Assets	18
XVII.	Explanations on Liabilities for Employee Benefits	18
XVIII.	Explanations on Taxation	19
XIX.	Additional Explanations on Borrowings	20
XX.	Explanations on Share Certificates Issued	20
XXI.	Explanations on Bank Acceptances and Bills of Guarantee	20
XXII.	Explanations on Government Incentives	20
XXIII.	Explanations on Segment Reporting	21
XXIV.	Other Matters	21

SECTION FOUR

Information on Financial Structure

I.	Explanations on Consolidated Capital Adequacy Standard Ratio	22
II.	Explanations on Consolidated Credit Risk	28
III.	Explanations on Consolidated Market Risk	39
IV.	Explanations on Consolidated Operational Risk	42
V.	Explanations on Consolidated Currency Risk	42
VI.	Explanations on Consolidated Interest Rate Risk	44
VII.	Explanations on Consolidated Equity Securities Position Risk	47
VIII.	Explanations on Consolidated Liquidity Risk	48
IX.	Explanations on Consolidated Securitisation Positions	50
X.	Explanations on Consolidated Credit Risk Mitigation Techniques	50
XI.	Explanations on Risk Management Objectives and Policies	51
XII.	Explanations on Presentation of Financial Assets and Liabilities at Fair Value	52
XIII.	Explanations on Transactions Carried out by Customers and Items Held in Trust	52

SECTION FIVE

Explanations and Notes on the Consolidated Financial Statements

I.	Explanations and Disclosures Related to the Consolidated Assets	53
II.	Explanations and Disclosures Related to the Consolidated Liabilities	70
III.	Explanations and Disclosures Related to the Consolidated Off-Balance Sheet Contingencies and Commitments	77
IV.	Explanations and Disclosures Related to the Consolidated Income Statement	80
V.	Explanations and Disclosures Related to the Consolidated Statements of Changes in Shareholders' Equity	85
VI.	Explanations and Disclosures Related to the Consolidated Statement of Cash Flows	86
VII.	Explanations on the Risk Group of the Parent Bank	87
VIII.	Explanations on the Parent Bank's Domestic, Foreign, Off-shore Branches or Investments in Associates and Foreign Representative Offices	90
IX.	Events After Balance Sheet Date	90

SECTION SIX

Other Explanations

I.	Other Explanations on Activities of the Parent Bank	91
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SECTION SEVEN

Independent Auditor's Report

I.	Explanations on the Independent Auditor's Report	91
II.	Other Footnotes and Explanations Prepared by the Independent Auditors	91

FİBABANKA A.Ş. AND ITS SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF 1 JANUARY-31 DECEMBER 2013

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise indicated.)

SECTION ONE

GENERAL INFORMATION

I. History of the Parent Bank Including Its Incorporation Date, Initial Status and Amendments to the Initial Status

On 21 December 2001, Share Transfer Agreement was signed with Novabank S.A. for the sale of all shares of Sitebank A.Ş. under the control of SDIF and the sale transaction was approved by the decision of BRSA No: 596 on 16 January 2002.

In the General Assembly held on 4 March 2003, the name of Sitebank A.Ş. was amended as BankEuropa Bankası A.Ş..

In the extraordinary General Assembly held on 28 November 2006, the name of Bank Europa Bankası A.Ş. was amended as Millennium Bank A.Ş.

In the extraordinary General Assembly held on 25 April 2011 the name of Millennium Bank A.Ş. has been amended as Fibabanka A.Ş. ("the Bank" or "the Parent Bank").

II. Shareholder Structure, Shareholders Having Direct or Indirect, Joint or Individual Control over the Management and Internal Audit of the Parent Bank, Changes in Shareholder Structure during the Current Period, if any and Information on the Parent Bank's Risk Group

On 10 February 2010, Banco Comercial Portugues S.A. and Credit Europe Bank N.V., which is an affiliate of Fiba Group, signed a share purchase agreement to transfer 95% of the Bank's shares to Credit Europe Bank N.V. and the legal approval process has been completed as of 27 December 2010. Credit Europe Bank N.V. is 100% owned by Credit Europe Group N.V. which is a banking group incorporated in Netherlands and an affiliate of Fiba Holding A.Ş.

Credit Europe Bank N.V.'s share of capital increased from 95% to 97.6% after the capital increases during 2011 and 2012. Fiba Holding A.Ş. became the ultimate parent of the Bank after acquiring 97.6% of the shares from Credit Europe Bank N.V. on 3 December 2012 and 2.4% of the shares from Banco Comercial Portugues S.A. on 7 December 2012. There were sales of equity shares to the management of the Bank in 2013. Total share of the management is 1.6%.

As of 31 December 2013, the Bank's paid in capital is TL 550,000. The Bank's paid in capital which was TL 426,650 as of 31 March 2013 was decided to be increased to TL 550,000 on Board of Directors minutes held on 25 February 2013; increase of TL 17,416 is provided by inflation adjustment to share capital, TL 9,502 is provided by profit on disposal of immovable, and TL 96,432 is paid by Fiba Holding A.Ş. in cash; legal applications have been made for the total increase of TL 123,350 of paid in capital. As of 29 May 2013, legal procedure has been finalized and capital increase recorded in financial statements.

FİBABANKA A.Ş. FİBABANKA A.Ş. AND ITS SUBSIDIARY**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF 1 JANUARY-31 DECEMBER 2013**

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise indicated.)

III. Explanations Regarding the Shares of the Parent Bank Owned by and Areas of Responsibility of the Chairman and the Members of Board of Directors, Audit Committee Members, Chief Executive Officer, Executive Vice Presidents

<u>Name Surname</u>	<u>Title</u>	<u>Date</u>
<i>Board of Directors</i>		
Hüsnü Mustafa Özyeğin	Chairman	27 December 2010
Fevzi Bozer	Deputy Chairman	27 December 2010
M. Erhan Polat	Member	27 December 2010
Mehmet Güleşci	Member	27 December 2010
Bekir Dildar*	Member-General Manager	27 December 2010
Mevlüt Hamdi Aydın	Member	24 January 2013
İsmet Kaya Erdem	Member	11 February 2013
<i>Audit Committee</i>		
Fevzi Bozer	Member	27 December 2010
Mevlüt Hamdi Aydın	Member	24 January 2013
<i>Assistant General Managers</i>		
Ahmet İlerigelen	AGM-Corporate & Commercial Credits	7 January 2011
Ali Murat Dinç**	AGM-Corporate & Commercial Banking	7 January 2011
Elif Alsev Utku Özbey	AGM-Financial Control & Reporting	7 January 2011
Adem Aykın	AGM-Information Technologies	1 July 2011
Esra Osmanağaoğlu	AGM-Operations & Organization	29 February 2012
Emre Ergun***	AGM-Retail Banking	1 June 2012
Cengiz Sinanoğlu	Coordinator – Retail Credits	7 February 2013
Ahu Dolu	Coordinator – Financial Institutions	12 August 2013

* Bekir Dildar was appointed as the General Manager on 7 January 2011.

** Ali Murat Dinç resigned from his responsibility as Assistant General Manager responsible for Corporate & Commercial Banking on 13 January 2014.

***Emre Ergun was appointed as the Assistant General Manager on 2 May 2013.

The Bank's equity shares owned by the individuals listed above are not material.

IV. Individuals and Institutions That Have Qualified Shares in the Parent Bank

54,127,499,787 shares of 55,000,000,000 total shares are owned by Fiba Holding A.Ş., 872,500,213 shares are owned by other shareholders.

<u>Name Surname/ Commercial Title</u>	<u>Share Amount (Nominal)</u>	<u>Share Ratios</u>	<u>Paid in Capital (Nominal)</u>	<u>Unpaid Shares</u>
Fiba Holding	541,275	%98.4	541,275	--
Hüsnü Mustafa Özyeğin	501,600	%91.2	501,600	--

FİBABANKA A.Ş. FİBABANKA A.Ş. AND ITS SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF 1 JANUARY-31 DECEMBER 2013

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise indicated.)

V. Summary Information on the Parent Bank's Services and Activity Areas

The Bank was incorporated as a privately owned bank authorized for customer deposit acceptance and the Head Office of the Bank is located in Istanbul, Turkey. As of 31 December 2013, the Bank serves with 62 domestic branches and 1,152 employees.

VI. Other Information

The Bank's Commercial Title:	Fibabanka Anonim Şirketi
The Bank's General Directorate Address:	Emirhan Cad. Barbaros Plaza İş Merkezi No:113 Dikilitaş/Beşiktaş 34349 İstanbul
The Bank's Phone and Fax Numbers:	Telephone : (0212) 381 82 00 Fax : (0212) 258 37 78
The Bank's Web Site Address:	www.fibabanka.com.tr
The Bank's E-Mail Address:	malikontrol@fibabanka.com.tr
Reporting Period:	1 January 2013 – 31 December 2013

The financial statements, related disclosures and notes in this report are prepared, unless otherwise indicated, in thousands of Turkish Lira (TL).

VII. Explanations on the differences between the Communiqué Concerning Preparation of Consolidated Financial Statements of Banks and the consolidation process according to Turkish Accounting Standards and the institutions which are subject to full consolidation or proportionate consolidation, deducted from capital or not included into the three methods that are mentioned above.

As per the Regulation on Preparation of Consolidated Financial Statements of Banks, the investments in financial subsidiaries are subject to consolidation whereas per the Turkish Accounting Standards, the investments in both financial and non-financial subsidiaries are subject to consolidation. There are no partnerships which are subject to proportionate consolidation and deducted from capital.

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

None.

SECTION TWO
CONSOLIDATED FINANCIAL STATEMENTS

FİBABANKA A.Ş. AND ITS SUBSIDIARY
CONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)
AS OF 31 DECEMBER 2013
(Amount expressed in thousands of Turkish Lira)

ASSETS	Note	CURRENT PERIOD (31/12/2013)			PRIOR PERIOD (31/12/2012)		
		TL	FC	Total	TL	FC	Total
I. CASH AND BALANCES WITH THE CENTRAL BANK	(5.1.1)	106,360	698,167	804,527	91,714	338,098	429,812
II. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS (Net)	(5.1.2)	65,312	10,181	75,493	39,647	4,062	43,709
2.1 Financial Assets Held for Trading		65,312	10,181	75,493	39,647	4,062	43,709
2.1.1 Government Debt Securities		13,436	3,407	16,843	21,010	2,636	23,646
2.1.2 Share Certificates		-	-	-	-	-	-
2.1.3 Derivative Financial Assets Held for Trading		51,876	6,631	58,507	18,637	1,380	20,017
2.1.4 Other Marketable Securities		-	143	143	-	46	46
2.2 Financial Assets Classified at Fair Value Through Profit and Loss		-	-	-	-	-	-
2.2.1 Government Securities		-	-	-	-	-	-
2.2.2 Share Certificates		-	-	-	-	-	-
2.2.3 Loans		-	-	-	-	-	-
2.2.4 Other Securities		-	-	-	-	-	-
III. BANKS	(5.1.3)	78,662	135,800	214,462	35	25,012	25,047
IV. MONEY MARKET PLACEMENTS		-	46,697	46,697	-	30,304	30,304
4.1 Interbank Money Market Placements		-	-	-	-	-	-
4.2 Istanbul Stock Exchange Money Market Placements		-	46,697	46,697	-	30,304	30,304
4.3 Receivables from Reverse Repurchase Agreements		-	-	-	-	-	-
V. FINANCIAL ASSETS AVAILABLE FOR SALE (Net)	(5.1.4)	17,297	248,347	265,644	506	108,227	108,733
5.1 Share Certificates		-	-	-	-	-	-
5.2 Government Securities		17,297	6,703	24,000	-	-	-
5.3 Other Marketable Securities		-	241,644	241,644	506	108,227	108,733
VI. LOANS	(5.1.5)	3,550,940	1,629,014	5,179,954	2,207,546	1,013,158	3,220,704
6.1 Loans		3,525,579	1,629,014	5,154,593	2,191,904	1,013,158	3,205,062
6.1.1 Loans to the Bank's Risk Group		189	-	189	20,829	-	20,829
6.1.2 Government Securities		-	-	-	-	-	-
6.1.3 Others		3,525,390	1,629,014	5,154,404	2,171,075	1,013,158	3,184,233
6.2 Non-Performing Loans		60,415	-	60,415	29,548	-	29,548
6.3 Specific Provisions (-)		35,054	-	35,054	13,906	-	13,906
VII. FACTORING RECEIVABLES		-	-	-	-	-	-
VIII. INVESTMENTS HELD TO MATURITY (Net)	(5.1.6)	-	-	-	-	-	-
8.1 Government Debt Securities		-	-	-	-	-	-
8.2 Other Marketable Securities		-	-	-	-	-	-
IX. INVESTMENTS IN ASSOCIATES (Net)	(5.1.7)	-	-	-	-	-	-
9.1 Associates Accounted for Using the Equity Method		-	-	-	-	-	-
9.2 Unconsolidated Associates		-	-	-	-	-	-
9.2.1 Financial Associates		-	-	-	-	-	-
9.2.2 Non-Financial Associates		-	-	-	-	-	-
X. INVESTMENTS IN SUBSIDIARIES (Net)	(5.1.8)	-	-	-	-	-	-
10.1 Unconsolidated Financial Subsidiaries		-	-	-	-	-	-
10.2 Unconsolidated Non-Financial Subsidiaries		-	-	-	-	-	-
XI. JOINTLY CONTROLLED ENTITIES (JOINT VENTURES) (Net)	(5.1.9)	-	-	-	-	-	-
11.1 Jointly Controlled Entities Accounted for Using the Equity Method		-	-	-	-	-	-
11.2 Unconsolidated Jointly Controlled Entities		-	-	-	-	-	-
11.2.1 Jointly Controlled Financial Entities		-	-	-	-	-	-
11.2.2 Jointly Controlled Non-Financial Entities		-	-	-	-	-	-
XII. LEASE RECEIVABLES	(5.1.10)	-	-	-	-	-	-
12.1 Finance Lease Receivables		-	-	-	-	-	-
12.2 Operating Lease Receivables		-	-	-	-	-	-
12.3 Other		-	-	-	-	-	-
12.4 Unearned Income (-)		-	-	-	-	-	-
XIII. DERIVATIVE FINANCIAL ASSETS FOR HEDGING PURPOSES	(5.1.11)	-	-	-	-	-	-
13.1 Fair Value Hedge		-	-	-	-	-	-
13.2 Cash Flow Hedge		-	-	-	-	-	-
13.3 Net Foreign Investment Hedge		-	-	-	-	-	-
XIV. TANGIBLE ASSETS (Net)	(5.1.12)	32,776	-	32,776	15,846	-	15,846
XV. INTANGIBLE ASSETS (Net)	(5.1.13)	6,985	-	6,985	6,211	-	6,211
15.1 Goodwill		-	-	-	-	-	-
15.2 Other		6,985	-	6,985	6,211	-	6,211
XVI. INVESTMENT PROPERTY (Net)	(5.1.14)	-	-	-	-	-	-
XVII. TAX ASSETS		13,266	-	13,266	5,369	-	5,369
17.1 Current Tax Asset		-	-	-	13	-	13
17.2 Deferred Tax Asset	(5.1.15)	13,266	-	13,266	5,356	-	5,356
XVIII. ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (Net)	(5.1.16)	1,173	-	1,173	6,393	-	6,393
18.1 Held for Sale		1,173	-	1,173	6,393	-	6,393
18.2 Discontinued Operations		-	-	-	-	-	-
XIX. OTHER ASSETS	(5.1.17)	12,327	5,432	17,759	4,906	3,198	8,104
TOTAL ASSETS		3,885,098	2,773,638	6,658,736	2,378,173	1,522,059	3,900,232

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

FIBABANK A.Ş. AND ITS SUBSIDIARY
CONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)
AS OF 31 DECEMBER 2013
(Amount expressed in thousands of Turkish Lira)

LIABILITIES	Note	CURRENT PERIOD (31/12/2013)			PRIOR PERIOD (31/12/2012)		
		TL	FC	Total	TL	FC	Total
I. DEPOSITS	(5.II.1)	2,755,930	1,787,119	4,543,049	1,532,161	1,157,280	2,689,441
1.1 Deposits from the Bank's Risk Group		63,839	32,133	95,972	87,168	35,468	122,636
1.2 Other		2,692,091	1,754,986	4,447,077	1,444,993	1,121,812	2,566,805
II. DERIVATIVE FINANCIAL LIABILITIES HELD FOR TRADING	(5.II.2)	73,978	6,740	80,718	11,707	1,989	13,696
III. FUNDS BORROWED	(5.II.3)	19,389	539,692	559,081	6,890	301,780	308,670
IV. MONEY MARKET FUNDS		18,577	207,411	225,988	10,441	86,806	97,247
4.1 Interbank Money Market Funds		-	-	-	-	-	-
4.2 Istanbul Stock Exchange Money Market Funds		-	-	-	-	-	-
4.3 Funds Provided Under Repurchase Agreements		18,577	207,411	225,988	10,441	86,806	97,247
V. MARKETABLE SECURITIES ISSUED (Net)	(5.II.4)	297,160	-	297,160	222,746	-	222,746
5.1 Bills		108,725	-	108,725	121,401	-	121,401
5.2 Asset-backed Securities		-	-	-	-	-	-
5.3 Bonds		188,435	-	188,435	101,345	-	101,345
VI. FUNDS		-	-	-	-	-	-
6.1 Borrower Funds		-	-	-	-	-	-
6.2 Other		-	-	-	-	-	-
VII. SUNDRY CREDITORS	(5.II.5)	51,165	3,096	54,261	7,413	1,951	9,364
VIII. OTHER LIABILITIES	(5.II.5)	38,859	5,970	44,829	31,926	2,907	34,833
IX. FACTORING PAYABLES		-	-	-	-	-	-
X. LEASE PAYABLES (Net)	(5.II.6)	-	260	260	-	-	-
10.1 Finance Lease Payables		-	295	295	-	-	-
10.2 Operating Lease Payables		-	-	-	-	-	-
10.3 Other		-	-	-	-	-	-
10.4 Deferred Finance Lease Expenses (-)		-	35	35	-	-	-
XI. DERIVATIVE FINANCIAL LIABILITIES FOR HEDGING PURPOSES	(5.II.7)	-	-	-	-	-	-
11.1 Fair Value Hedge		-	-	-	-	-	-
11.2 Cash Flow Hedge		-	-	-	-	-	-
11.3 Net Foreign Investment Hedge		-	-	-	-	-	-
XII. PROVISIONS	(5.II.8)	63,782	-	63,782	41,820	-	41,820
12.1 General Loan Loss Provision		52,237	-	52,237	35,616	-	35,616
12.2 Provision for Restructuring		-	-	-	-	-	-
12.3 Reserves for Employee Benefits		7,948	-	7,948	4,533	-	4,533
12.4 Insurance Technical Reserves (Net)		-	-	-	-	-	-
12.5 Other Provisions		3,597	-	3,597	1,671	-	1,671
XIII. TAX LIABILITY	(5.II.9)	17,064	-	17,064	10,053	-	10,053
13.1 Current Tax Liability		17,064	-	17,064	10,053	-	10,053
13.2 Deferred Tax Liability		-	-	-	-	-	-
XIV. PAYABLES RELATED TO ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS	(5.II.10)	-	-	-	-	-	-
14.1 Held for Sale		-	-	-	-	-	-
14.2 Discontinued Operations		-	-	-	-	-	-
XV. SUBORDINATED LOANS	(5.II.11)	-	275,420	275,420	-	89,693	89,693
XVI. SHAREHOLDERS' EQUITY	(5.II.12)	520,460	(23,336)	497,124	382,341	328	382,669
16.1 Paid-in Capital		550,000	-	550,000	426,650	-	426,650
16.2 Capital Reserves		(721)	(23,336)	(24,057)	26,914	328	27,242
16.2.1 Share premium		-	-	-	-	-	-
16.2.2 Share Cancellation Profits		-	-	-	-	-	-
16.2.3 Marketable Securities Revaluation Reserve		(721)	(23,336)	(24,057)	(4)	328	324
16.2.4 Tangible Assets Revaluation Reserve		-	-	-	9,502	-	9,502
16.2.5 Intangible Assets Revaluation Reserve		-	-	-	-	-	-
16.2.6 Investment Property Revaluation Reserve		-	-	-	-	-	-
16.2.7 Bonus Shares Obtained from Associates, Subsidiaries and Jointly Controlled Entities (Joint Ventures)		-	-	-	-	-	-
16.2.8 Hedge Funds (Effective Portion)		-	-	-	-	-	-
16.2.9 Accumulated Revaluation Reserves on Assets Held for Sale and Discontinued Operations		-	-	-	-	-	-
16.2.10 Other Capital Reserves		-	-	-	17,416	-	17,416
16.3 Profit Reserves		-	-	-	-	-	-
16.3.1 Legal Reserves		-	-	-	-	-	-
16.3.2 Statutory Reserves		-	-	-	-	-	-
16.3.3 Extraordinary Reserves		-	-	-	-	-	-
16.3.4 Other Profit Reserves		-	-	-	-	-	-
16.4 Profit or Loss		(28,873)	-	(28,873)	(71,223)	-	(71,223)
16.4.1 Prior Years' Profit/Loss		(72,576)	-	(72,576)	(116,938)	-	(116,938)
16.4.2 Current Year Profit/Loss		43,703	-	43,703	45,715	-	45,715
16.5 Minority Interest	(5.II.13)	54	-	54	-	-	-
TOTAL LIABILITIES AND EQUITY		3,856,364	2,802,372	6,658,736	2,257,498	1,642,734	3,900,232

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

FIBABANK A.Ş. AND ITS SUBSIDIARY
CONSOLIDATED OFF-BALANCE SHEET COMMITMENTS
AS OF 31 DECEMBER 2013

(Amount expressed in thousands of Turkish Lira)

	Note	CURRENT PERIOD			PRIOR PERIOD		
		(31/12/2013)			(31/12/2012)		
		TL	FC	Total	TL	FC	Total
A. OFF-BALANCE SHEET CONTINGENCIES AND COMMITMENTS (I+II+III)		15,016,129	5,755,920	20,772,049	10,051,787	3,315,052	13,366,839
I. GUARANTEES AND SURETYSHIPS		260,466	466,671	727,137	119,302	188,307	307,609
1.1.	Letters of Guarantee	(5.III.2) 260,316	176,831	437,147	117,604	108,475	226,079
1.1.1.	Guarantees Subject to State Tender Law	-	-	-	-	-	-
1.1.2.	Guarantees Given for Foreign Trade Operations	-	-	-	-	-	-
1.1.3.	Other Letters of Guarantee	260,316	176,831	437,147	117,604	108,475	226,079
1.2.	Bank Loans	150	92,515	92,665	1,698	24,218	25,916
1.2.1.	Import Letters of Acceptance	-	-	-	-	-	-
1.2.2.	Other Bank Acceptances	150	92,515	92,665	1,698	24,218	25,916
1.3.	Letters of Credit	-	197,325	197,325	-	55,614	55,614
1.3.1.	Documentary Letters of Credit	-	-	-	-	-	-
1.3.2.	Other Letters of Credit	-	197,325	197,325	-	55,614	55,614
1.4.	Prefinancing Given as Guarantee	-	-	-	-	-	-
1.5.	Endorsements	-	-	-	-	-	-
1.5.1.	Endorsements to the Central Bank of Turkey	-	-	-	-	-	-
1.5.2.	Other Endorsements	-	-	-	-	-	-
1.6.	Purchase Guarantees for Securities Issued	-	-	-	-	-	-
1.7.	Factoring Guarantees	-	-	-	-	-	-
1.8.	Other Guarantees	-	-	-	-	-	-
1.9.	Other Suretyships	-	-	-	-	-	-
II. COMMITMENTS		12,137,743	375,045	12,512,788	8,865,463	186,278	9,051,741
2.1.	Irrevocable Commitments	(5.III.1) 533,825	375,045	908,870	306,984	116,013	422,997
2.1.1.	Forward asset purchase commitments	246,970	375,045	622,015	49,256	116,013	165,269
2.1.2.	Forward Deposit Purchase and Sales Commitments	-	-	-	-	-	-
2.1.3.	Share Capital Commitment to Associates and Subsidiaries	-	-	-	-	-	-
2.1.4.	Loan Granting Commitments	187,392	-	187,392	214,154	-	214,154
2.1.5.	Securities Underwriting Commitments	-	-	-	-	-	-
2.1.6.	Commitments for Reserve Deposit Requirements	-	-	-	-	-	-
2.1.7.	Payment Commitment for Checks	86,442	-	86,442	37,693	-	37,693
2.1.8.	Tax and Fund Liabilities from Export Commitments	2,484	-	2,484	1,640	-	1,640
2.1.9.	Commitments for Credit Card Expenditure Limits	9,180	-	9,180	3,664	-	3,664
2.1.10.	Commitments for Promotions Related with Credit Cards and Banking Activities	-	-	-	74	-	74
2.1.11.	Receivables from Short Sale Commitments	-	-	-	-	-	-
2.1.12.	Payables for Short Sale Commitments	-	-	-	-	-	-
2.1.13.	Other Irrevocable Commitments	1,357	-	1,357	503	-	503
2.2.	Revocable Commitments	11,603,918	-	11,603,918	8,558,479	70,265	8,628,744
2.2.1.	Revocable Loan Granting Commitments	11,603,918	-	11,603,918	8,558,479	70,265	8,628,744
2.2.2.	Other Revocable Commitments	-	-	-	-	-	-
III. DERIVATIVE FINANCIAL INSTRUMENTS		(5.III.5) 2,617,920	4,914,204	7,532,124	1,067,022	2,940,467	4,007,489
3.1.	Derivative Financial Instruments for Hedging Purposes	-	-	-	-	-	-
3.1.1.	Fair Value Hedge	-	-	-	-	-	-
3.1.2.	Cash Flow Hedge	-	-	-	-	-	-
3.1.3.	Hedge of Net Investment in Foreign Operations	-	-	-	-	-	-
3.2.	Held for Trading Transactions	2,617,920	4,914,204	7,532,124	1,067,022	2,940,467	4,007,489
3.2.1.	Forward Foreign Currency Buy/Sell Transactions	512,220	851,925	1,364,145	204,037	496,282	700,319
3.2.1.1.	Forward Foreign Currency Transactions-Buy	191,533	490,373	681,906	116,603	232,700	349,303
3.2.1.2.	Forward Foreign Currency Transactions-Sell	320,687	361,552	682,239	87,434	263,582	351,016
3.2.2.	Swap Transactions Related to F.C. and Interest Rates	1,153,946	1,825,538	2,979,484	431,863	1,651,919	2,083,782
3.2.2.1.	Foreign Currency Swap-Buy	983,311	498,355	1,481,666	386,781	659,936	1,046,717
3.2.2.2.	Foreign Currency Swap-Sell	170,635	1,327,183	1,497,818	45,082	991,983	1,037,065
3.2.2.3.	Interest Rate Swaps-Buy	-	-	-	-	-	-
3.2.2.4.	Interest Rate Swaps-Sell	-	-	-	-	-	-
3.2.3.	Foreign Currency, Interest Rate and Securities Options	951,754	2,236,741	3,188,495	431,122	792,266	1,223,388
3.2.3.1.	Foreign Currency Options-Buy	303,500	1,284,269	1,587,769	150,286	455,563	605,849
3.2.3.2.	Foreign Currency Options-Sell	648,254	952,472	1,600,726	280,836	336,703	617,539
3.2.3.3.	Interest Rate Options-Buy	-	-	-	-	-	-
3.2.3.4.	Interest Rate Options-Sell	-	-	-	-	-	-
3.2.3.5.	Securities Options-Buy	-	-	-	-	-	-
3.2.3.6.	Securities Options-Sell	-	-	-	-	-	-
3.2.4.	Foreign Currency Futures	-	-	-	-	-	-
3.2.4.1.	Foreign Currency Futures-Buy	-	-	-	-	-	-
3.2.4.2.	Foreign Currency Futures-Sell	-	-	-	-	-	-
3.2.5.	Interest Rate Futures	-	-	-	-	-	-
3.2.5.1.	Interest Rate Futures-Buy	-	-	-	-	-	-
3.2.5.2.	Interest Rate Futures-Sell	-	-	-	-	-	-
3.2.6.	Other	-	-	-	-	-	-
B. CUSTODY AND PLEDGED ITEMS (IV+V+VI)		34,553,221	21,196,482	55,749,703	18,501,619	10,973,711	29,475,330
IV. ITEMS HELD IN CUSTODY		218,243	81,073	299,316	210,940	63,714	274,654
4.1.	Assets under Management	79,665	-	79,665	107,920	-	107,920
4.2.	Investment Securities Held in Custody	3,799	40,137	43,936	14,902	20,493	35,395
4.3.	Checks Received for Collection	116,783	36,390	153,173	82,932	41,071	124,003
4.4.	Commercial Notes Received for Collection	17,996	4,546	22,542	5,186	2,150	7,336
4.5.	Other Assets Received for Collection	-	-	-	-	-	-
4.6.	Assets Received for Public Offering	-	-	-	-	-	-
4.7.	Other Items under Custody	-	-	-	-	-	-
4.8.	Custodians	-	-	-	-	-	-
V. PLEDGED ITEMS		34,334,978	21,115,409	55,450,387	18,290,679	10,909,997	29,200,676
5.1.	Marketable Securities	21,510	468	21,978	19,189	3,918	23,107
5.2.	Guarantee Notes	179,792	39,557	219,349	53,835	11,252	65,087
5.3.	Commodity	189,641	-	189,641	160,042	19,696	179,738
5.4.	Warranty	-	-	-	-	-	-
5.5.	Properties	3,180,391	2,663,142	5,843,533	1,912,052	2,113,958	4,026,010
5.6.	Other Pledged Items	30,763,644	18,412,242	49,175,886	16,145,561	8,761,173	24,906,734
5.7.	Pledged Items-Depository	-	-	-	-	-	-
VI. ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES		-	-	-	-	-	-
TOTAL OFF-BALANCE SHEET ACCOUNTS (A+B)		49,569,350	26,952,402	76,521,752	28,553,406	14,288,763	42,842,169

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

FIBABANKA A.Ş. AND ITS SUBSIDIARY
CONSOLIDATED INCOME STATEMENT
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2013
(Amount expressed in thousands of Turkish Lira)

INCOME STATEMENT		Note	CURRENT PERIOD (01/01/2013- 31/12/2013)	PRIOR PERIOD (01/01/2012- 31/12/2012)
I.	INTEREST INCOME	(5.IV.1)	460,066	335,525
1.1	Interest Income on Loans		441,046	330,701
1.2	Interest Received from Statutory Reserves		-	-
1.3	Interest Received from Banks		6,347	698
1.4	Interest Received from Money Market Placements		1,742	167
1.5	Interest Received from Marketable Securities Portfolio		10,903	3,868
1.5.1	Financial Assets Held for Trading		871	1,674
1.5.2	Financial Assets at Fair Value Through Profit and Loss		-	-
1.5.3	Financial Assets Available for Sale		10,032	2,194
1.5.4	Investments Held to Maturity		-	-
1.6	Finance Lease Income		-	-
1.7	Other Interest Income		28	91
II.	INTEREST EXPENSE		266,806	204,441
2.1	Interest on Deposits	(5.IV.2)	219,776	182,158
2.2	Interest on Funds Borrowed	(5.IV.2)	22,569	12,550
2.3	Interest on Money Market Funds		-	-
2.4	Interest on Securities Issued	(5.IV.2)	21,371	8,948
2.5	Other Interest Expense		3,090	785
III.	NET INTEREST INCOME/EXPENSE (I - II)		193,260	131,084
IV.	NET FEES AND COMMISSIONS INCOME/EXPENSE		13,326	6,984
4.1	Fees and Commissions Received		19,443	9,427
4.1.1	Non-cash Loans		5,687	2,845
4.1.2	Other	(5.IV.12)	13,756	6,582
4.2	Fees and Commissions Paid		6,117	2,443
4.2.1	Non-cash Loans		30	-
4.2.2	Other		6,087	2,443
V.	DIVIDEND INCOME	(5.IV.3)	-	-
VI.	TRADING INCOME / LOSS (Net)	(5.IV.4)	37,222	37,033
6.1	Gains/Losses on Securities Trading		(487)	6,156
6.2	Derivative Financial Transactions Gains/Losses		35,866	33,534
6.3	Foreign Exchange Gains/Losses		1,843	(2,657)
VII.	OTHER OPERATING INCOME	(5.IV.5)	9,935	4,725
VIII.	TOTAL OPERATING INCOME/EXPENSE (III+IV+V+VI+VII)		253,743	179,826
IX.	PROVISION FOR LOSSES ON LOANS AND OTHER RECEIVABLES (-)	(5.IV.6)	42,269	23,951
X.	OTHER OPERATING EXPENSES (-)	(5.IV.7)	152,673	95,557
XI.	NET OPERATING INCOME / LOSS (VIII-IX-X)		58,801	60,318
XII.	AMOUNT IN EXCESS RECORDED AS GAIN AFTER MERGER		-	-
XIII.	PROFIT/LOSS FROM ASSOCIATES ACCOUNTED FOR USING THE EQUITY METHOD		-	-
XIV.	NET MONETARY POSITION GAIN/LOSS		-	-
XV.	PROFIT/LOSS ON CONTINUING OPERATIONS BEFORE TAX (XI+...+XIV)	(5.IV.8)	58,801	60,318
XVI.	TAX PROVISION FOR CONTINUING OPERATIONS (±)	(5.IV.9)	(15,099)	(14,603)
16.1	Current Tax Charge		(16,578)	-
16.2	Deferred Tax Charge /(Benefit)		1,479	(14,603)
XVII.	NET PERIOD PROFIT/LOSS FROM CONTINUING OPERATIONS (XV±XVI)	(5.IV.10)	43,702	45,715
XVIII.	INCOME ON DISCONTINUED OPERATIONS		-	-
18.1	Income on Assets Held for Sale		-	-
18.2	Gain on Sale of Associates, Subsidiaries and Jointly Controlled Entities (Joint Ventures)		-	-
18.3	Other Income on Discontinued Operations		-	-
XIX.	EXPENSE ON DISCONTINUED OPERATIONS (-)		-	-
19.1	Expense on Assets Held for Sale		-	-
19.2	Loss on Sale of Associates, Subsidiaries and Jointly Controlled Entities (Joint Ventures)		-	-
19.3	Other Expense on Discontinued Operations		-	-
XX.	PROFIT/LOSS ON DISCONTINUED OPERATIONS BEFORE TAX (XVIII-XIX)		-	-
XXI.	TAX PROVISION FOR DISCONTINUED OPERATIONS (±)		-	-
21.1	Current Tax Charge		-	-
21.2	Deferred Tax Charge /(Benefit)		-	-
XXII.	NET PERIOD PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XX±XXI)		-	-
XXIII.	NET PERIOD PROFIT/LOSS (XVII+XXII)	(5.IV.11)	43,702	45,715
23.1	Group's Profit/Loss		43,703	45,715
23.2	Minority Interest		(1)	-
	Earnings per Share		0.00086	0.00103

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

FIBABANKA A.Ş. AND ITS SUBSIDIARY
CONSOLIDATED STATEMENT OF INCOME AND EXPENSE ITEMS ACCOUNTED UNDER SHAREHOLDERS' EQUITY
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2013
(Amount expressed in thousands of Turkish Lira)

STATEMENT OF INCOME AND EXPENSE ITEMS ACCOUNTED UNDER EQUITY		CURRENT PERIOD (01/01/2013 -31/12/2013)	PRIOR PERIOD (01/01/2012 -31/12/2012)
I.	ADDITIONS TO MARKETABLE SECURITIES REVALUATION RESERVES FROM FINANCIAL ASSETS AVAILABLE FOR SALE	(31,846)	4,292
II.	TANGIBLE ASSETS REVALUATION RESERVES	-	-
III.	INTANGIBLE ASSETS REVALUATION RESERVES	-	-
IV.	TRANSLATION ADJUSTMENT FOR FOREIGN CURRENCY TRANSACTIONS	-	-
V.	PROFIT/LOSS ON CASH FLOW HEDGE DERIVATIVE FINANCIAL ASSETS (Effective Portion of the Changes in Fair Value)	-	-
VI.	PROFIT/LOSS ON NET FOREIGN INVESTMENT HEDGE DERIVATIVE FINANCIAL ASSETS (Effective Portion of the Changes in Fair Value)	-	-
VII.	THE EFFECT OF CORRECTIONS OF THE ERRORS AND CHANGES IN THE ACCOUNTING POLICY	-	-
VIII.	OTHER INCOME AND EXPENSES RECOGNISED IN EQUITY IN ACCORDANCE WITH TAS	-	-
IX.	DEFERRED TAX EFFECT OF REVALUATION	6,095	(513)
X.	NET INCOME/EXPENSE DIRECTLY RECOGNISED IN EQUITY (I+II+...+IX)	(25,751)	3,779
XI.	PROFIT/LOSS FOR THE PERIOD	1,370	(1,728)
11.1	Net Changes in the Fair Values of Marketable Securities (Transfer to Profit/Loss)	1,370	(1,728)
11.2	The Portion of Cash-flow Hedge Derivative Financial Assets Reclassified in and Transferred to Income Statement	-	-
11.3	The Portion of Net Foreign Investment Hedge Derivative Financial Assets Reclassified in and Transferred to Income Statement	-	-
11.4	Other	-	-
XII.	TOTAL PROFIT/LOSS RECOGNISED FOR THE PERIOD (X+XI)	(24,381)	2,051

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

FIBABANKA A.Ş. AND ITS SUBSIDIARY
CONSOLIDATED CASH FLOW STATEMENT
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2013
(Amount expressed in thousands of Turkish Lira)

	Note	CURRENT PERIOD (01/01/2013- 31/12/2013)	PRIOR PERIOD (01/01/2012- 31/12/2012)
A. CASH FLOWS FROM BANKING OPERATIONS			
1.1 Operating Profit/Loss before Changes in Operating Assets and Liabilities		69,251	77,231
1.1.1 Interest Received (+)		447,626	316,523
1.1.2 Interest Paid (-)		255,001	200,270
1.1.3 Dividend Received (+)		-	-
1.1.4 Fees and Commissions Received (+)		19,803	10,654
1.1.5 Other Income (+)		45,586	41,648
1.1.6 Collections from Previously Written Off Loans (+)		425	1,227
1.1.7 Cash Payments to Personnel and Service Suppliers (-)		130,860	86,734
1.1.8 Taxes Paid (-)		8,066	4,033
1.1.9 Other (+/-)	(5.VI.3)	(50,262)	(1,784)
1.2 Changes in Banking Operations Assets and Liabilities		(123,902)	(317,535)
1.2.1 Net (Increase) Decrease in Financial Assets Held for Trading (+/-)		4,814	17,920
1.2.2 Net(Increase) Decrease in Financial Assets at Fair Value through Profit or Loss (+/-)		-	-
1.2.3 Net (Increase) Decrease in Due From Banks (+/-)		(259,187)	(150,173)
1.2.4 Net (Increase) Decrease in Loans (+/-)		(1,903,533)	(1,119,598)
1.2.5 Net (Increase) Decrease in Other Assets (+/-)	(5.VI.3)	(6,340)	(4,671)
1.2.6 Net Increase (Decrease) in Bank Deposits (+/-)		170,803	13,048
1.2.7 Net Increase (Decrease) in Other Deposits (+/-)		1,680,598	624,401
1.2.8 Net Increase (Decrease) in Borrower Funds (+/-)		247,387	277,575
1.2.9 Net Increase (Decrease) in Matured Payables (+/-)		-	-
1.2.10 Net Increase (Decrease) in Other Liabilities (+/-)	(5.VI.3)	(58,444)	23,963
I. Net Cash Flow Provided from Banking Operations (+/-)		(54,651)	(240,304)
B. CASH FLOW FROM INVESTING ACTIVITIES			
II. Net Cash Flow Provided from Investment Activities (+/-)		(212,762)	(94,846)
2.1 Cash Paid for Purchase of Associates, Subsidiaries and Jointly Controlled Entities (Joint Ventures) (-)		-	-
2.2 Cash Obtained from Sale of Associates, Subsidiaries and Jointly Controlled Entities (Joint Ventures) (+)		-	-
2.3 Tangible Asset Purchases (-)		22,931	7,779
2.4 Tangible Asset Sales (+)		3,974	7,111
2.5 Cash Paid for Purchase of Financial Assets Available for Sale (-)		268,195	146,477
2.6 Cash Obtained from Sales of Financial Assets Available for Sale (+)		78,995	55,721
2.7 Cash Paid for Purchase of Investment Securities (-)		-	-
2.8 Cash Obtained from Sales of Investment Securities (+)		-	-
2.9 Other (+/-)	(5.VI.3)	(4,605)	(3,422)
C. CASH FLOWS FROM FINANCIAL ACTIVITIES			
III. Net Cash Provided from Financing Activities (+/-)		333,403	311,094
3.1 Cash Obtained from Funds Borrowed and Securities Issued (+)		358,285	452,808
3.2 Cash Used for Repayment of Funds Borrowed and Securities Issued (-)		125,000	141,714
3.3 Share Certificates Issued (+)		96,432	-
3.4 Dividends Paid (-)		-	-
3.5 Payments for Finance Leases (-)		-	-
3.6 Other (+/-)		3,686	-
IV. Effect of Change in Foreign Exchange Rate on Cash and Cash Equivalents (+/-)		29,358	(493)
V. Net Increase in Cash and Cash Equivalents (I+II+III+IV)		95,348	(24,549)
VI. Cash and Cash Equivalents at the Beginning of the Period (+)	(5.VI.1)	100,478	125,027
VII. Cash and Cash Equivalents at the End of the Period (V+VI)	(5.VI.1)	195,826	100,478

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

FİBABANKA A.Ş. AND ITS SUBSIDIARY
CONSOLIDATED PROFIT DISTRIBUTION TABLE
FOR THE PERIOD ENDED 31 DECEMBER 2013
(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

	CURRENT PERIOD (01/01/2013- 31/12/2013)	PRIOR PERIOD (01/01/2012- 31/12/2012)
LDISTRIBUTION OF CURRENT YEAR PROFIT		
1.1. CURRENT PERIOD PROFIT	-	-
1.2.TAXES AND DUES PAYABLE (-)	-	-
1.2.1.Corporate Tax (Income Tax)	-	-
1.2.2.Income Tax Withholding	-	-
1.2.3.Other Taxes and Dues Payable	-	-
A. NET PROFIT FOR THE PERIOD (1.1-1.2)	-	-
1.3.PRIOR YEARS' LOSSES (-)	-	-
1.4.FIRST LEGAL RESERVES (-)	-	-
1.5. OTHER STATUTORY RESERVES (-)	-	-
B. NET PROFIT ATTRIBUTABLE TO [(A-(1.3+1.4+1.5)]	-	-
1.6 FIRST DIVIDEND TO SHAREHOLDERS (-)	-	-
1.6.1 To Owners of Ordinary Shares	-	-
1.6.2 To Owners of Preferred Shares	-	-
1.6.3 To Preferred Shares (Preemptive Rights)	-	-
1.6.4 To Profit Sharing Bonds	-	-
1.6.5 To Holders of Profit / Loss Share Certificates	-	-
1.7 DIVIDENDS TO PERSONNEL (-)	-	-
1.8 DIVIDENDS TO THE BOARD OF DIRECTORS (-)	-	-
1.9 SECOND DIVIDEND TO SHAREHOLDERS (-)	-	-
1.9.1 To Owners of Ordinary Shares	-	-
1.9.2 To Owners of Preferred Shares	-	-
1.9.3 To Preferred Shares (Preemptive Rights)	-	-
1.9.4 To Profit Sharing Bonds	-	-
1.9.5 To Holders of Profit / Loss Share Certificates	-	-
1.10 SECOND LEGAL RESERVES (-)	-	-
1.11 STATUTORY RESERVES (-)	-	-
1.12 EXTRAORDINARY RESERVES	-	-
1.13 OTHER RESERVES	-	-
1.14 SPECIAL FUNDS	-	-
II. DISTRIBUTION FROM RESERVES		
2.1 DISTRIBUTED 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 Preferred Shares	-	-
2.3.3 To Preferred Shares (Preemptive Rights)	-	-
2.3.4 To Profit Sharing Bonds	-	-
2.3.5 To Holders of Profit / Loss Share Certificates	-	-
2.4 DIVIDENDS TO PERSONNEL (-)	-	-
2.5 DIVIDENDS TO THE BOARD OF DIRECTORS (-)	-	-
III. EARNINGS PER SHARE		
3.1 TO OWNERS OF ORDINARY SHARES	-	-
3.2 TO OWNERS OF ORDINARY SHARES (%)	-	-
3.3 TO OWNERS OF PREFERRED SHARES	-	-
3.4 TO OWNERS OF PREFERRED SHARES (%)	-	-
IV. DIVIDEND PER SHARE		
4.1 TO OWNERS OF ORDINARY SHARES	-	-
4.2 TO OWNERS OF ORDINARY SHARES (%)	-	-
4.3 TO OWNERS OF PREFERRED SHARES	-	-
4.4 TO OWNERS OF PREFERRED SHARES (%)	-	-

As per the Turkish Commercial Code profit distributions are made based on unconsolidated financial statements.

The accompanying notes form an integral part of these financial statements.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF
1 JANUARY-31 DECEMBER 2013**

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise indicated.)

SECTION THREE

ACCOUNTING PRINCIPLES

I. Explanations on the basis of presentation

1. Preparation of the financial statements and the accompanying footnotes in accordance with Turkish Accounting Standards and the Communiqué on Principles and Procedures on the Accounting Practice and Documentation of Banks

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 consolidated financial statements and the related footnotes in accordance with accounting and valuation standards described in “Regulation on Accounting Applications for Banks and Safeguarding of Documents” published by the Banking 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 guidance.

As per the Decree Law no. 660 published in the Official Gazette and become effective on 2 November 2011, the Public Oversight, Accounting and Auditing Standards Authority (“Authority”) was established. The financial statements are prepared based on the TAS/TFRS and the related statements and guidance announced by the Public Oversight, Accounting and Auditing Standards Authority.

The financial statements are prepared in thousands of TL based on the historical cost convention, except for the financial assets and liabilities carried at fair value.

2. Accounting policies and valuation principles applied in preparation of consolidated financial statements

The accounting policies and valuation principles used in the preparation of the financial statements are selected and applied in accordance with the requirements set out in TAS, TFRS, the Communiqué “Principles and Procedures on the Accounting Procedures and Retention of Banking Documentation” published in the Official Gazette numbered 26333 on 1 November 2006, the Communiqué “Publicly Disclosed Financial Statements and the Accompanying Explanations and Footnotes by Banks” published in the Official Gazette numbered 28337 on 28 June 2012. The accounting policies and valuation principles applied in the preparation of the accompanying financial statements are explained in Notes II and XXIV below.

II. Explanations on the usage strategy of financial instruments and on foreign currency transactions

1. Usage strategy of the financial instruments

The major factor in managing interest rate and liquidity risk at the balance sheet is parallel movement of asset and liability side.

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. Value at risk models are used for this purpose.

Purchase-sale transactions of short and long-term financial instruments are realized within pre-determined risk limits that are allowed for the purpose of increasing risk-free return on capital.

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

FİBABANKA A.Ş. AND ITS SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF 1 JANUARY-31 DECEMBER 2013

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise indicated.)

2. Foreign currency transactions

2.1 *Foreign currency exchange rates used in converting transactions denominated in foreign currencies and their presentation in the financial statements*

The Group recognizes the foreign currency transactions in accordance with TAS 21 "The Effects of Changes in Foreign Exchange Rates". Foreign exchange gains and losses arising from the foreign currency transactions as of 31 December 2013 are translated into Turkish Lira by using the exchange rates at the date of the transaction and recognized in accounting records. At the end of the periods, foreign currency assets and liabilities are converted into Turkish Lira by using the spot foreign currency exchange rates of the Bank at the end of the period and the related currency translation differences are recognized as foreign exchange gains and losses.

As at the end of the related periods, the Bank's foreign currency exchange rates are as follows:

	31 December 2013	31 December 2012
US Dollar	2.1343	1.7826
Euro	2.9365	2.3517

2.2 *Foreign exchange gains and losses included in the income statement*

As of 31 December 2013, net foreign exchange gains included in the income statement amounts is TL 1,843 (31 December 2012: TL 2,657 loss).

III. Explanations on Subsidiary

Fiba Portföy Yönetimi A.Ş. ("Fiba Portföy"); the subsidiary of the Bank established in November 2013; was consolidated by using full consolidation method in the consolidated financial statements dated 31 December 2013. Fibabanka A.Ş. and Fiba Portföy Yönetimi A.Ş. together are referred to as "the Group" in the report.

Capital Markets Board ("CMB") approved Fiba Portföy's licence application for portfolio management activity and the licence numbered PYŞ. PY 56/1267 and dated 12 December 2013 was assigned to Fiba Portföy.

The objective of Fiba Portföy is to manage portfolios consisting of financial assets as a representative by entering into portfolio management contracts in accordance with CMB laws and relevant regulation and also to perform capital markets operations. Besides, Fiba Portföy can manage the portfolios of local and foreign investment funds, investment trusts, local/foreign real persons, brokerage companies and other similar legal entities within the context of the related regulation as portfolio management activities. On the condition that, the requirements of the Capital Markets regulations are fulfilled and necessary approvals and licences from the Capital Markets Board are obtained; Fiba Portföy can also perform investment advisory services, market consultancy in Borsa İstanbul A.Ş. Emerging Companies Market, and intermediary services for the trading of investment fund certificates. The Bank owns 99% of the equity of Fiba Portföy whose headquarters is located in Istanbul.

According to full consolidation method, the subsidiary's 100% of assets, liabilities, revenues, expenditures and off-balance sheet liabilities were combined with the Parent Bank's assets, liabilities, revenues, expenditures and off-balance sheet liabilities. Book value of the investment in the Group's subsidiary and the portion of the cost of subsidiary's capital belonging to the Group are eliminated. All intragroup balances and income and expenses relating to transactions between the Bank and its subsidiary are eliminated in full on consolidation. Minority shares in the net income of consolidated subsidiary determined the net income of the Group and were demonstrated as a separate item in the income statement. Minority shares were presented under equity in the consolidated financial statement.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF
1 JANUARY-31 DECEMBER 2013**

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise indicated.)

IV. Explanations on forward transactions, options and derivative instruments

The Parent Bank's derivative transactions mainly consist of foreign currency swaps, foreign currency options and forward foreign currency purchase/sale contracts. The Parent Bank does not have any embedded derivatives separated from the host contract.

In accordance with TAS 39 "Financial Instruments: Recognition and Measurement", forward foreign currency purchase/sale contracts, swaps and options are classified as "hedging purpose" and "trading purpose" transactions. Derivatives are initially recognized at cost including the transaction costs. Also, the assets and liabilities arising from the derivative transactions are recorded as off-balance sheet items at their contractual notional amounts. The derivative transactions held for trading are valued at fair-value using market prices or pricing models subsequent to initial recognition and are presented in "derivative financial assets held for trading" or "derivative financial liabilities held for trading" items of the balance sheet depending on the difference's being positive or negative. The derivative transactions held for hedging are valued at fair value using market prices or pricing models subsequent to initial recognition and are presented in "derivative financial assets held for hedging purpose" or "derivative financial liabilities held for hedging" items of the balance sheet depending on the difference's being positive or negative. Gains and losses arising from a change in the fair value are recognized in the income statement.

V. Explanations on interest income and expenses

Interest income and expenses calculated using internal rate of return are recognized on accrual basis. In accordance with Banking Act No: 5411 Articles 53 and 93, based on the prevailing communique, interest accruals on loans becoming non-performing are reversed and also ceased to accrue interest on such loans until these loans are classified as performing or collected.

VI. Explanations on fee and commission income and expenses

Fee and commission income / expenses are recognized based on cash basis or accrual basis upon the nature of the transaction.

VII. Explanations on financial assets

Financial assets include cash on hand, contractual rights to receive cash or another financial asset from the counterparty or the right to exchange of financial instruments or equity instrument transactions of the counterparty. Financial assets are classified into four groups as financial assets at fair value through profit or loss, held to maturity investments, loans and receivables and available-for-sale financial assets.

1. Financial assets at fair value through profit or loss

1.1 *Financial assets held for trading*

Financial assets held for trading are recognized at their fair values and any gain or losses resulting from such valuation are recorded in the profit and loss accounts. Interests received during the holding period of such financial assets and the difference between the amortized cost (calculated using internal rate of return) and the acquisition cost are recognized as interest income in the income statement. Gains and losses on sale of held for trading financial assets before their maturity and the difference between market value and amortized cost (calculated using internal rate of return) of such financial assets are recognized in gains and losses on securities trading under income statement.

1.2 *Financial assets at fair value through profit or loss*

The Group does not have any financial assets designated as "financial assets at fair value through profit or loss".

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF
1 JANUARY-31 DECEMBER 2013**

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise indicated.)

2. Available for sale financial assets

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.

Interest income of the investments securities available-for-sale; based on the internal rate of return; are included in the income statement. Unrecognized gain/losses derived from the difference between their fair value and the discounted values are recorded in "Marketable Securities Revaluation Reserve" under the shareholders' equity. In case of disposal, gains/losses recognized under equity are realized and recognized directly in the income statement.

Purchase and sale transactions of securities are accounted for on a settlement date basis.

3. Held to maturity investments

The Group does not have any held to maturity investments as of 31 December 2013.

4. Loans and receivables

Loans and receivables are financial assets, which are generated by providing funds, goods or services to the debtor.

Loans and receivables are financial assets with fixed or determinable repayment schedules and they are not traded in an active market.

Loans are initially measured at their acquisition cost and subsequently measured at amortized cost calculated using effective interest rate method in accordance with TAS 39 "Financial Instruments: Recognition and Measurement". Duty charges, transaction fees and other expenses paid for the collaterals of the loans are considered as part of the transaction costs and charged to the customers.

VIII. Explanations on impairment of financial assets

Financial asset or groups of financial assets are reviewed by the Group at each balance sheet date to determine whether there is objective evidence of impairment. If any such indicator exists, the Group determines the amount of impairment.

Impairment loss incurs if, and only if, there is objective evidence that the reliably estimated future cash flows of financial asset or group of financial assets are adversely affected by an event(s) ("loss event(s)") incurred subsequent to initial recognition.

The Group provides specific and general allowances for loan and other receivables classified in accordance with the Communiqué published on the Official Gazette No.2633 dated November 1, 2006. The allowances are recorded in the income statement of the related period.

IX. Explanations on offsetting financial instruments

If the fair values of equity shares held for trading and quoted at the stock exchanges are lower than their carrying values, allowance for impairment is recognized and the recognized impairment is offset with the related assets on the face of the balance sheet.

Specific allowances for non-performing loan and other receivables are provided in accordance with "Methods and Principles for the Determination of Loans and Other Receivables to be Reserved for and Allocation of Reserves". Such allowances are offset with loans under follow-up on the asset side. Other financial assets and liabilities are offset when the Bank has a legally enforceable right to offset.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF
1 JANUARY-31 DECEMBER 2013**

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise indicated.)

X. Explanations on sale and repurchase agreements and securities lending transactions

Securities subject to repo (repurchase agreements) are classified as “Financial assets at fair value through profit and loss”, “Financial assets available for sale” or “Investments held to maturity” according to their purposes to be held in the Group’s portfolio and evaluated within the principles of the relevant portfolio. Funds obtained from repurchase agreements are followed under the “Funds from repo transactions” account in liabilities, and interest expense accruals are calculated using the effective interest (internal rate of return) method on the difference between the sales and repurchase prices corresponding to the period designated by a repurchase agreement.

Reverse repo transactions are recorded under the “Receivables from reverse repurchase agreements” account.

XI. Explanations on noncurrent assets held for sale and discontinued operations and the related liabilities

A tangible asset (or a disposal group) classified as “asset held for sale” is measured at the lower of the carrying value or fair value less costs to sell. Assets held for sale are not depreciated and presented in the financial statements separately. An asset (or a disposal group) is regarded as “asset held for sale” only when the sale is highly probable and the asset (or 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. Events or circumstances may extend the period to complete the sale beyond one year. An extension of the period required to complete a sale does not preclude an asset (or disposal group) from being classified as held for sale if the delay is caused by events or circumstances beyond the entity's control and there is sufficient evidence that the entity remains committed to its plan to sell the asset (or disposal group).

A discontinued operation is a part of the Bank’s business classified as disposed or held-for-sale. The operating results of the discontinued operations are disclosed separately in the income statement.

XII. Explanations on goodwill and other intangible assets

As at the balance sheet date, there is no goodwill in the accompanying financial statements. The intangible assets of the Group consist of software, intangible rights and other intangible assets.

The costs of the intangible assets purchased before 1 January 2005 are recognized at their inflation adjusted costs as of 31 December 2004 and intangible assets purchased after 1 January 2005 are recognized at their acquisition cost less accumulated amortization and impairment, if any.

Estimated useful lives of the intangible assets are 3 to 10 years, and amortization rates are 10% to 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, an allowance for impairment is recognized.

FİBABANKA A.Ş. AND ITS SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF 1 JANUARY-31 DECEMBER 2013

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise indicated.)

XIII. Explanations on tangible assets

Tangible assets are measured at cost in accordance with the Turkish Accounting Standard 16 (TAS 16) "Tangible Assets".

The costs of the tangible assets purchased before 1 January 2005 are recognized at their inflation adjusted costs as of 31 December 2004 and tangible assets purchased after 1 January 2005 are recognized at their acquisition cost less accumulated depreciation and impairment, if any.

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, an allowance for impairment is recognized.

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

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

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

There are no changes in the accounting estimates that are expected to have an impact in the current or subsequent periods.

Depreciation rates and estimated useful lives used for the tangible assets are as follows:

Tangible Asset	Estimated useful lives (Years)	Depreciation Rate (%)
Safe boxes	2-50	2-50
Vehicles	5	20
Other Tangible Assets	4-50	2-25

XIV. Explanations on leasing transactions

Duration of financial leasing contracts is maximum 4 years. Tangible assets obtained via financial leasing are classified as the Group's assets or liabilities resulting from financial leasing according to its nature. Assets obtained via financial leasing are depreciated in accordance with the principals for tangible assets. Rent payments for operating leases are recorded at equal amounts as expense during the payment period.

XV. Explanations on provisions and contingent liabilities

Provisions and contingent liabilities are accounted in accordance with TAS 37 "Provisions, Contingent Liabilities and Contingent Assets". In the financial statements, a provision is made if there is a present obligation that arises from past events as of the balance sheet date, if it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and if a reliable estimate can be made of the amount of the obligation. If the amount is not reliably estimated and there is no probability of cash outflow from the Bank to settle the liability, the related liability is considered as "contingent" and disclosed in the notes to the financial statements.

Provisions recognized during the period are recognized within "other operating expenses"; reversals of provisions recognized in the prior periods are recognized within "other operating income".

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF
1 JANUARY-31 DECEMBER 2013**

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise indicated.)

XVI. Explanations on 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 Group. If an inflow of economic benefits has become probable, then the contingent asset is disclosed in the notes 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.

XVII. Explanations on liabilities for employee benefits

As per the existing labour laws and agreements in Turkey, entities are required to pay severance for the employees retired or fired. These payments are qualified as recognized retirement benefit plan according to revised TAS 19 Employee Benefits. Severance payment liability recognized in the balance sheet is calculated according to the net present value of expected amount in the future arising from all employees' retirements and represented in financial statements. The amendments to TAS 19 have changed the accounting of defined benefit plans and severance indemnity. The amendments require all actuarial gains and losses to be recognized immediately through other comprehensive income in order for the net pension asset or liability recognized in the balance sheet to reflect the full value of the plan deficit or surplus. The amendments to IAS 19 require retrospective application.

Due to the requirement of retrospective application of amendments to TAS 19, the Group management has evaluated the effects of this accounting policy change on the financial statements and decided not to restate the prior year financial statements as the post-tax effect is deemed to be immaterial. As of 31 December 2013, the Group's severance payment provision is calculated by an actuarial firm and the effect of TL 1,346 is disclosed in the "Other" line in the Statement of Changes in Shareholders' Equity.

The major assumptions used in the actuarial calculation are as follows:

- Calculation is based on discount rate is as 9.75%, inflation rate as 6.45% and real rate of rise in salary as 0.00%.
- As ceiling salary amount TL 3,254.44 (full basis TL) (in use as of 31 December 2013) is based on.
- Individuals' earliest retirement age is considered as retirement age.
- CSO 1980 mortality table is used for the death probabilities of male and female employees.

There is no employee foundation, fund or similar institutions.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF
1 JANUARY-31 DECEMBER 2013**

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise indicated.)

XVIII. Explanations on taxation

1. Current Tax

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

Dividends paid to the resident institutions and the institutions working through local offices or representatives are not subject to withholding tax. As per the decisions no.2009/14593 and no.2009/14594 of the Council of Ministers published in the Official Gazette no.27130 dated 3 February 2009, certain duty rates included in the articles no.15 and 30 of the new Corporate Tax Law no.5520 are revised. Accordingly, the withholding tax rate on the dividend payments other than the ones paid to the non-resident 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 non-resident 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.

Corporate tax liability of the Group as of 31 December 2013 is TL 16,578.

2. Deferred tax

The Group calculates and recognizes tax for 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 according to the Turkish Accounting Standard 12 (TAS 12) "Income Taxes".

As of 31 December 2013, TL 13,266 of deferred tax asset was recognized in the Group's financial statements. (31 December 2012: TL 5,356). The deferred tax asset is calculated as the net of taxable and deductible temporary differences.

Deferred tax benefit/ (charge) is recognized within "Deferred tax benefit/ (charge)" in the income statement. As of 31 December 2013, deferred tax benefit is TL 1,479 (31 December 2012: TL 14,603). Deferred tax effects of the transactions and events recognized directly in the shareholders' equity are also recognized directly in the shareholders' equity which is TL 6,014 (benefit) as of 31 December 2013 (31 December 2012: TL 81 charge).

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF
1 JANUARY-31 DECEMBER 2013**

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise indicated.)

3. Transfer pricing

The article 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. Related forms are submitted to tax offices on time.

XIX. Additional explanations on borrowings

The Group provides resources from both domestic and foreign foundations and real persons through borrowings and securities issued.

Borrowing funds are initially measured at acquisition cost and subsequently measured at amortized cost. In the accompanying financial statements, foreign currency denominated borrowing funds are translated to Turkish Lira with the Group’s spot foreign exchange buying rates and interest expenses incurred during the period relating to the borrowing funds are recognized in income statement.

The Group applies general hedging techniques for mitigating the liquidity risk, interest rate risk and currency risk of the borrowing funds. Those techniques do not meet the definition of hedge accounting according to TAS 39. There are no convertible bonds or any other bonds issued by the Bank as at the balance sheet date.

XX. Explanations on share certificates issued

None.

XXI. Explanations on bank acceptances and bills of guarantee

Bank acceptances and bills of guarantee are presented within off-balance sheet liabilities as being possible liabilities and commitments. Cash transactions relating to bank acceptances and bills of guarantee are realized concurrently with the customer payments.

As of the balance sheet date, there are no bank acceptances and bills of guarantee recognized as liability against an asset.

XXII. Explanation on government incentives

As of the balance sheet date, the Group does not have any government incentives.

FİBABANKA A.Ş. AND ITS SUBSIDIARY**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF
1 JANUARY-31 DECEMBER 2013**

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise indicated.)

XXIII. Explanations on segment reporting

The Bank operates in customer banking services, individual customer current accounts, deposit accounts, long term investment products, clearing and custody services, credit and atm services, retail loans, long term mortgage loans, and all other kinds of customer banking services and commercial services. The Bank's consolidated subsidiary Fiba Portföy, is operating in the area of portfolio management.

Current Period 1 January – 31 December 2013	Retail Banking	SME Banking	Commerical & Corporate Banking	Treasury & Headquarters	Total Operations of the Bank
Operating Income	50,537	52,203	139,020	11,983	253,743
Operating Profit	2,369	9,955	63,202	(16,725)	58,801
Taxation					(15,099)
Net Profit/(Loss) for the Period					43,702
Current Period- 31 December 2013					
Segment Assets	404,711	1,229,578	3,520,304	1,504,143	6,658,736
Unallocated Assets					--
Total Assets					6,658,736
Segment Liabilities	2,605,495	504,407	1,218,460	1,833,750	6,161,612
Unallocated Liabilities					--
Shareholders' Equity					497,124
Total Liabilities					6,658,736
Prior Period 1 January – 31 December 2012	Retail Banking	Corporate & Commercial Banking	Treasury & Headquarters		Total Operations of the Bank
Operating Income	24,350	121,014	34,462		179,826
Operating Profit	2,955	61,906	(4,543)		60,318
Taxation					(14,603)
Net Profit/(Loss) for the Period					45,715
Current Period- 31 December 2012					
Segment Assets	266,393	2,938,669	653,245		3,858,309
Unallocated Assets					41,923
Total Assets					3,900,232
Segment Liabilities	1,571,841	1,065,029	820,253		3,457,123
Unallocated Liabilities					60,440
Shareholders' Equity					382,669
Total Liabilities					3,900,232

XXIV. Other matters

None.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF
1 JANUARY-31 DECEMBER 2013**

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise indicated.)

SECTION FOUR

FINANCIAL POSITION AND RISK MANAGEMENT

I. Explanations on consolidated capital adequacy ratio

As of 31 December 2013, the consolidated capital adequacy standard ratio is 13.27%.

1. The risk measurement methods used in the determination of consolidated capital adequacy ratio

The calculation of the capital adequacy standard ratio is performed in accordance with "Regulation on Measurement and Assessment of Capital Adequacy of Banks" which was published in the Official Gazette No. 28337, dated 28 June 2012. In the calculation of capital adequacy standard ratio, the data prepared from accounting records in compliance with the current legislation are used.

The items deducted from the equity in the calculation of the shareholders' equity are not included in the calculation of risk-weighted assets, non-cash loans and contingent liabilities. 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.

Credit risk is calculated by using Standardized Approach the CSA simple method. Cash risk amount is classified in accordance with Article 6 of the "Regulation on Measurement and Assessment of Capital Adequacy of Banks". Risk weights are applied as per "Regulation on Measurement and Assessment of Capital Adequacy of Banks-Annex 1" after applying the risk mitigation techniques in accordance with the "The Regulation on Credit Risk Mitigation Techniques".

In the calculation of the value at credit risk for the non-cash loans and commitments 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" published in the Official Gazette No. 26333, dated 1 November 2006, The net amounts are then multiplied by rate of; if the risk is high one hundred percent, if the risk is medium fifty percent if the risk is medium/low twenty percent and if the risk is low zero percent; 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 on Measurement and Assessment of Capital Adequacy of Banks" and weighted as per "Appendix-1 of the Regulation on Measurement and Assessment of Capital Adequacy of Banks".

In the calculation of the value at credit risk for the derivative financial instruments, the receivables from counterparties are multiplied by the rates stated in the Article 21 and Appendix-2 of "the Regulation on Measurement and Assessment of Capital Adequacy of Banks", reduced as per the "Regulation on Credit Risk Mitigation Techniques" and then included in the relevant exposure category and weighted for a second time. The risk amount related to the Bank's derivative financial instruments are calculated using the "Fair Value Method".

The Group determines its risk profile, in accordance with the Regulation on Internal Systems of Banks, by setting the measurement criteria for credit risk, market risk, operational risk, and interest risk arising from the banking book, concentration risk, liquidity risk, reputation risk, strategic risk and the other type of risks identified at the minimum.

The Group is developing an assessment method for internal capital adequacy utilising the concentration risks identified based on current risk profile and stress tests approved by the Risk Committee.

FİBABANKA A.Ş. AND ITS SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF 1 JANUARY-31 DECEMBER 2013

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise indicated.)

2. Information on the consolidated capital adequacy ratio of the Parent Bank

Current Period	%0	%10	%20	%50	%75	%100	%150	%200
Credit Risk Related Amount	--	--	38,840	674,507	609,741	3,763,507	119,681	257,794
Exposure Categories	1,062,567	--	194,201	1,349,014	812,988	3,763,507	79,787	128,897
Conditional and Unconditional Receivables from Central Governments or Central Banks	755,873	--	--	24,000	--	--	--	--
Conditional and Unconditional Receivables from Regional or Local Governments	--	--	--	--	--	--	--	--
Conditional and Unconditional Receivables from Administrative Units and Non-Commercial Enterprises	--	--	--	--	--	6,855	--	--
Conditional and Unconditional Receivables from Multilateral Development Banks	--	--	--	--	--	--	--	--
Conditional and Unconditional Receivables from International Organisations	--	--	--	--	--	--	--	--
Conditional and Unconditional Receivables from Banks and Brokerage Houses	219,985	--	194,201	339,221	--	88	--	--
Conditional and Unconditional Corporate Receivables	16,457	--	--	6,971	--	3,413,420	--	--
Conditional and Unconditional Retail Receivables	2,910	--	--	--	812,988	--	--	--
Conditional and Unconditional Receivables Secured by Mortgages	--	--	--	975,855	--	260,726	--	--
Past Due Receivables	--	--	--	2,269	--	13,644	298	-
Receivables Defined in High Risk Category by BRSA	--	--	--	698	--	7,688	79,489	128,897
Securities Collateralised by Mortgages	--	--	--	--	--	--	--	--
Securitisation Positions	--	--	--	--	--	--	--	--
Short-term Receivables from banks, Brokerage Houses and Corporates	--	--	--	--	--	--	--	--
Investments Similar to Collective Investment Funds	--	--	--	--	--	--	--	--
Other Receivables	67,342	--	--	--	--	61,086	--	--
Total Risk Weighted Assets	1,062,567	--	194,201	1,349,014	812,988	3,763,507	79,787	128,897

FIBABANKA A.Ş. AND ITS SUBSIDIARY

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF
1 JANUARY-31 DECEMBER 2013**

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise indicated.)

2. Information on the consolidated capital adequacy ratio of the Parent Bank (continued)

Prior Period	%0	%10	%20	%50	%75	%100	%150	%200
Credit Risk Related Amount	--	--	3,703	419,838	31,476	2,688,920	25,823	59,942
Exposure Categories	578,334	--	18,517	839,675	41,968	2,688,920	17,218	29,971
Conditional and Unconditional Receivables from Central Governments or Central Banks	409,357	--	--	--	--	--	--	--
Conditional and Unconditional Receivables from Regional or Local Governments	--	--	--	--	--	--	--	--
Conditional and Unconditional Receivables from Administrative Units and Non-Commercial Enterprises	--	--	--	--	--	--	--	--
Conditional and Unconditional Receivables from Multilateral Development Banks	--	--	--	--	--	--	--	--
Conditional and Unconditional Receivables from International Organisations	--	--	--	--	--	--	--	--
Conditional and Unconditional Receivables from Banks and Brokerage Houses	69,797	--	18,517	128,806	--	1,635	23	--
Conditional and Unconditional Corporate Receivables	74,947	--	--	30,991	--	2,446,353	--	--
Conditional and Unconditional Retail Receivables	3,777	--	--	--	41,968	--	--	--
Conditional and Unconditional Receivables Secured by Mortgages	--	--	--	678,803	--	153,402	--	--
Past Due Receivables	--	--	--	1,048	--	8,574	1,834	--
Receivables Defined in High Risk Category by BRSA	--	--	--	27	--	332	15,361	29,971
Securities Collateralised by Mortgages	--	--	--	--	--	--	--	--
Securitisation Positions	--	--	--	--	--	--	--	--
Short-term Receivables from banks, Brokerage Houses and Corporates	--	--	--	--	--	--	--	--
Investments Similar to Collective Investment Funds	--	--	--	--	--	--	--	--
Other Receivables	20,456	--	--	--	--	78,624	--	--
Total Risk Weighted Assets	578,334	--	18,517	839,675	41,968	2,688,920	17,218	29,971

FİBABANKA A.Ş. AND ITS SUBSIDIARY

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF
1 JANUARY-31 DECEMBER 2013**

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise indicated.)

2. Information on the consolidated capital adequacy ratio (continued)

Current Period	%0	%10	%20	%50	%75	%100	%150	%200
Credit Risk Related Amount	--	--	38,901	674,507	609,741	3,763,481	119,681	257,794
Exposure Categories	1,057,145	--	194,505	1,349,014	812,988	3,763,481	79,787	128,897
Conditional and Unconditional Receivables from Central Governments or Central Banks	755,896	--	--	24,000	--	--	--	--
Conditional and Unconditional Receivables from Regional or Local Governments	--	--	--	--	--	--	--	--
Conditional and Unconditional Receivables from Administrative Units and Non-Commercial Enterprises	--	--	--	--	--	6,855	--	--
Conditional and Unconditional Receivables from Multilateral Development Banks	--	--	--	--	--	--	--	--
Conditional and Unconditional Receivables from International Organisations	--	--	--	--	--	--	--	--
Conditional and Unconditional Receivables from Banks and Brokerage Houses	219,985	--	194,505	339,221	--	88	--	--
Conditional and Unconditional Corporate Receivables	16,457	--	--	6,971	--	3,413,420	--	--
Conditional and Unconditional Retail Receivables	2,910	--	--	--	812,988	--	--	--
Conditional and Unconditional Receivables Secured by Mortgages	--	--	--	975,855	--	260,726	--	--
Past Due Receivables	--	--	--	2,269	--	13,644	298	-
Receivables Defined in High Risk Category by BRSA	--	--	--	698	--	7,688	79,489	128,897
Securities Collateralised by Mortgages	--	--	--	--	--	--	--	--
Securitisation Positions	--	--	--	--	--	--	--	--
Short-term Receivables from banks, Brokerage Houses and Corporates	--	--	--	--	--	--	--	--
Investments Similar to Collective Investment Funds	--	--	--	--	--	--	--	--
Other Receivables	61,897	--	--	--	--	61,060	--	--
Total Risk Weighted Assets	1,057,145	--	194,505	1,349,014	812,988	3,763,481	79,787	128,897

FIBABANKA A.Ş. AND ITS SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF 1 JANUARY-31 DECEMBER 2013

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise indicated.)

2. Information on the consolidated capital adequacy ratio (continued)

Prior Period	%0	%10	%20	%50	%75	%100	%150	%200
Credit Risk Related Amount	--	--	3,703	419,838	31,476	2,688,920	25,823	59,942
Exposure Categories	578,334	--	18,517	839,675	41,968	2,688,920	17,218	29,971
Conditional and Unconditional Receivables from Central Governments or Central Banks	409,357	--	--	--	--	--	--	--
Conditional and Unconditional Receivables from Regional or Local Governments	--	--	--	--	--	--	--	--
Conditional and Unconditional Receivables from Administrative Units and Non-Commercial Enterprises	--	--	--	--	--	--	--	--
Conditional and Unconditional Receivables from Multilateral Development Banks	--	--	--	--	--	--	--	--
Conditional and Unconditional Receivables from International Organisations	--	--	--	--	--	--	--	--
Conditional and Unconditional Receivables from Banks and Brokerage Houses	69,797	--	18,517	128,806	--	1,635	23	--
Conditional and Unconditional Corporate Receivables	74,947	--	--	30,991	--	2,446,353	--	--
Conditional and Unconditional Retail Receivables	3,777	--	--	--	41,968	--	--	--
Conditional and Unconditional Receivables Secured by Mortgages	--	--	--	678,803	--	153,402	--	--
Past Due Receivables	--	--	--	1,048	--	8,574	1,834	--
Receivables Defined in High Risk Category by BRSA	--	--	--	27	--	332	15,361	29,971
Securities Collateralised by Mortgages	--	--	--	--	--	--	--	--
Securitisation Positions	--	--	--	--	--	--	--	--
Short-term Receivables from banks, Brokerage Houses and Corporates	--	--	--	--	--	--	--	--
Investments Similar to Collective Investment Funds	--	--	--	--	--	--	--	--
Other Receivables	20,456	--	--	--	--	78,624	--	--
Total Risk Weighted Assets	578,334	--	18,517	839,675	41,968	2,688,920	17,218	29,971

3. Summary information related to the consolidated capital adequacy ratio

	BANK		CONSOLIDATED	
	Current Period	Prior Period	Current Period	Prior Period
Capital Requirement for Credit Risk (Value at Credit Risk*0.08) (CRCR)	437,126	258,376	437,128	258,376
Capital Requirement for Market Risk (CRMR)	8,245	3,083	8,245	3,083
Capital Requirement for Operational Risk (CROR)	14,660	7,300	14,660	7,300
Shareholders' Equity	763,188	481,160	763,139	481,160
Shareholders' Equity/((CRCR+MRMR+ORCR)*12.5)*100	13.27%	%14.32	%13.27	%14.32

FİBABANKA A.Ş. AND ITS SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF 1 JANUARY-31 DECEMBER 2013

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise indicated.)

4. Information related to the consolidated components of shareholders' equity

	Current Period	Prior Period
CORE CAPITAL		
Paid-in capital	550,000	426,650
Nominal capital	550,000	426,650
Capital commitments (-)	--	--
Inflation adjustment to share capital	--	17,416
Share premium	--	--
Share cancellation profits	--	--
Legal reserves	--	--
Inflation adjustment to legal reserves	--	--
Profit	94,605	50,902
Current period profit	43,703	45,715
Prior periods' profits	50,902	5,187
Provision for probable risks up to 25% of the Core Capital	--	--
Profit on disposal of associates, subsidiaries and immovable to be transferred to share capital	--	9,502
Primary subordinated loans	--	--
Minority Interest	54	--
Portion of losses not covered with reserves (-)	123,478	122,125
Net current period loss	--	--
Prior years' losses	123,478	122,125
Leasehold improvements (-)	20,922	8,848
Intangible assets (-)	6,985	6,211
Deferred tax asset amount exceeding 10% of the Core Capital (-)	--	--
Limit Exceeding Amount Regarding the Third Clause of the Article 56 of the Law (-)	--	--
Goodwill (Net)	--	--
Total Core Capital	493,274	367,286
SUPPLEMENTARY CAPITAL		
General loan loss provisions	52,237	35,616
45% of the revaluation reserve for movable fixed assets	--	--
45% of the of revaluation reserve for properties	--	--
Bonus shares obtained from associates, subsidiaries and entities under common control	--	--
Primary subordinated loans that are not considered in the calculation of Core Capital	--	--
Secondary subordinated loans (*)	241,685	78,114
45% of available-for-sale financial assets and investments in associates and subsidiaries' valuation funds	(24,057)	144
Inflation adjustment to capital reserve, profit reserve and prior years' income or loss (Except inflation adjustment to legal reserves, status reserves and extraordinary reserves)	--	--
Minority Interest	--	--
Total Supplementary Capital	269,865	113,874
CAPITAL	763,139	481,160
DEDUCTIONS FROM THE CAPITAL		
Unconsolidated Investments in Entities Operating in Banking and Financial Sectors	--	--
Loans to Banks, Financial Institutions (domestic/foreign) or Qualified Shareholders in the form of	--	--
Secondary Subordinated Debts and Debt Instruments Purchased from Such Parties Qualified as Primary	--	--
or Secondary Subordinated Debts	--	--
Investment in Banks and Financial Institutions that are not Consolidated but Accounted under Equity	--	--
Accounting	--	--
Loans Granted against the Articles 50 and 51 of the Banking Law	--	--
Net Book Values of Immovable Exceeding 50% of the Equity and of Assets Acquired against Overdue	--	--
Receivables and Held for Sale as per the Article 57 of Banking Law but Retained More Than Five Years	--	--
Securitization Positions to be Deducted from Equity	--	--
Other Deduction Items	--	--
Total Shareholders' Equity	763,139	481,160

FİBABANKA A.Ş. AND ITS SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF 1 JANUARY-31 DECEMBER 2013

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise indicated.)

II. Explanations on consolidated 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.

The debtors or group of debtors are subject to credit risk limits. The debtors' or group of debtors' and industrial risk limitations are monitored weekly. Industry concentration is followed monthly.

Credit risk limits and breakdowns for daily transactions are watched daily. Risk concentrations of non-balance sheet risks are followed by remote and on-site inspections.

Credit worthiness of both commercial loans' and other receivables' debtors are being regularly monitored in accordance with the regulations. By utilizing risk rating models which were developed for these purposes, in case the debtors' risk level increases, credit lines are readjusted and additional collaterals are received if needed. The necessary documentation for utilized loans is taken in compliance with the related legislation.

In accordance with the Parent 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; such as cash collateral, bank guarantees, mortgages, pledges, bills and corporate guarantees.

There are control limits based on VaR over the positions of the Parent Bank which are held as futures, option contracts and other similar contracts. The credit risks carried for such instruments are managed together with the risks arising from market fluctuations.

Indemnified non-cash loans are subject to the same risk weight with overdue loans. As of 31 December 2013, the Bank does not have any indemnified loans.

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

As being an active participant in the international banking market and considered together with the other financial institutions' financial operations, the Bank's is not exposed to significant credit risk.

Within the Bank's risk appetite policy, the following concentrations are measured. They are presented to the Asset and Liability Committee weekly and to the Risk Committee monthly.

As per Customer Group Concentration, Top 20 corporate debtor's / risk group's credit risk sum shall not exceed 35% of the Bank's total credit risk.

Within the industry concentration, the Bank has set its risk appetite as "reasonable", not to exceed 10% of total loans per sector except the industries listed below.

Industry	Proportional Limit
Construction	%20
Tourism	%20
Factoring	%15
Wholesale and Retail Sale	%15

FİBABANKA A.Ş. AND ITS SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF 1 JANUARY-31 DECEMBER 2013

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise indicated.)

II. Explanations on Consolidated Credit Risk (Continued)

Within the framework of risk appetite policy, the sum of long-term loans which have a maturity more than 1 year, shall not exceed 45% of the bank's total loans. This ratio is monitored on a weekly basis at the Asset and Liability Committee and on a monthly basis at the Risk Committee.

The Parent Bank's largest 100 and 200 cash loan customers compose 49% and 61% of the total cash loan portfolio, respectively (31 December 2012: 58% and 71%, respectively).

The Parent Bank's largest 100 and 200 non-cash loan customers compose 78% and 91% of the total non-cash loan portfolio, respectively (31 December 2012: 90% and 99%, respectively).

The Parent Bank's largest 100 and 200 cash and non-cash loan customers represent 43% and 53% of the total "on and off balance sheet" assets, respectively (31 December 2012: 46% and 57%, respectively).

The general provision for consolidated credit risk amounts to TL 52,237 (31 December 2012: TL 35,616).

	Current Period Risk Amount *	Average Risk Amount
Exposure Categories		
Conditional and Unconditional Exposures to Central Governments or Central Banks	779,896	631,844
Conditional and Unconditional Exposures to Administrative Units and Non-Commercial Enterprises	6,855	1,851
Conditional and Unconditional Exposures to Banks and Brokerage Houses	753,799	677,096
Conditional and Unconditional Exposures to Corporates	3,436,848	3,096,259
Conditional and Unconditional Retail Exposures	815,898	402,576
Conditional and Unconditional Exposures Secured by Real Estate Property	1,236,581	992,645
Past Due Receivables	16,211	16,345
Receivables Defined in High Risk Category by BRSA	216,772	127,544
Other Receivables	122,957	128,595
Total	7,385,817	6,074,755

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

	Prior Period Risk Amount *	Average Risk Amount **
Exposure Categories		
Conditional and Unconditional Exposures to Central Governments or Central Banks	409,357	334,888
Conditional and Unconditional Exposures to Banks and Brokerage Houses	218,778	79,342
Conditional and Unconditional Exposures to Corporates	2,552,291	2,181,117
Conditional and Unconditional Retail Exposures	45,745	166,080
Conditional and Unconditional Exposures Secured by Real Estate Property	832,205	657,692
Past Due Receivables	11,456	9,905
Receivables Defined in High Risk Category by BRSA	45,691	35,947
Other Receivables	99,080	151,571
Total	4,214,603	3,616,542

(*) 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 starting from the date of publication of the Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks" (28 June 2012) to the period end.

FİBABANKA A.Ş. AND ITS SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF 1 JANUARY-31 DECEMBER 2013

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise indicated.)

II. Explanations on Consolidated Credit Risk (Continued)

1. Profile of significant exposures in major regions:

	Conditional and Unconditional exposures to central governments or central banks	Conditional and Unconditional Exposures to Administrative Units and Non-Commercial Enterprises	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	Past due receivables	Receivables defined in high risk category by BRSA	Other receivables	Total
Current Period *										
Domestic	779,896	6,855	391,286	3,424,299	815,898	1,236,581	16,211	216,772	--	6,887,790
European Union (EU) Countries	--	--	289,925	--	--	--	--	--	--	289,925
OECD Countries **	--	--	45	--	--	--	--	--	--	45
Off-Shore Banking Regions	--	--	--	--	--	--	--	--	--	--
USA, Canada	--	--	34,333	--	--	--	--	--	--	34,333
Other Countries	--	--	38,210	12,549	--	--	--	--	--	50,759
Associates, Subsidiaries and Joint –ventures	--	--	--	--	--	--	--	--	--	--
Unallocated Assets/Liabilities ***	--	--	--	--	--	--	--	--	122,957	122,957
Total	779,896	6,855	753,799	3,436,848	815,898	1,236,581	16,211	216,772	122,957	7,385,811

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

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

*** Includes assets and liability items that cannot be allocated on a consistent basis.

FİBABANKA A.Ş. AND ITS SUBSIDIARY

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF
1 JANUARY-31 DECEMBER 2013**

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise indicated.)

II. Explanations on Consolidated Credit Risk (Continued)

1. Profile of significant exposures in major regions: (Continued)

	Conditional and Unconditional exposures to central government s 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	Past due receivables	Receivables defined in high risk category by BRSA	Other receiva bles	Total
Prior Period *									
Domestic	409,357	171,260	2,454,165	45,624	831,369	11,456	45,691	--	3,968,922
European Union (EU) Countries	--	9,627	77,109	60	--	--	--	--	86,796
OECD Countries **	--	19	--	43	485	--	--	--	547
Off-Shore Banking Regions	--	--	--	--	--	--	--	--	--
USA, Canada	--	5,261	--	--	15	--	--	--	5,276
Other Countries	--	32,611	21,017	18	336	--	--	--	53,982
Associates, Subsidiaries and Joint -ventures	--	--	--	--	--	--	--	--	--
Unallocated Assets/Liabilities ***	--	--	--	--	--	--	--	99,080	99,080
Total	409,357	218,778	2,552,291	45,745	832,205	11,456	45,691	99,080	4,214,603

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

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

*** Includes assets and liability items that cannot be allocated on a consistent basis.

FİBABANKA A.Ş. AND ITS SUBSIDIARY

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF
1 JANUARY-31 DECEMBER 2013**

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise indicated.)

II. Explanations on Consolidated Credit Risk (Continued)

2. Risk profile by sectors or counterparties

Sectors / Counterparties Current Period	1	2	3	4	5	6	7	8	9	TL	FC	Total
Agricultural	--	--	--	67,678	26,630	8,203	935	--	--	51,167	52,279	103,446
Farming and Stockbreeding	--	--	--	36,673	20,178	5,713	935	--	--	39,689	23,810	63,499
Forestry	--	--	--	9,862	3,470	2,490	--	--	--	8,496	7,326	15,822
Fishing	--	--	--	21,143	2,982	--	--	--	--	2,982	21,143	24,125
Manufacturing	--	--	--	1,400,819	251,214	229,180	3,593	4,000	--	897,095	991,711	1,888,806
Mining and Quarrying	--	--	--	43,967	12,671	12,348	--	399	--	25,612	43,773	69,385
Production	--	--	--	1,257,439	234,712	216,832	3,593	3,601	--	781,161	935,016	1,716,177
Electricity, Gas and Water	--	--	--	99,413	3,831	--	--	--	--	90,322	12,922	103,244
Construction	--	--	--	507,635	85,724	247,723	5,201	1,540	--	546,927	300,896	847,823
Services	779,896	--	753,799	1,293,580	298,184	448,568	2,638	1,358	--	1,464,440	2,113,583	3,578,023
Wholesale and Retail Trade	--	--	--	378,911	185,839	52,812	2,534	1,255	--	452,552	168,799	621,351
Accommodation and Dining	--	--	--	435,009	25,287	315,096	1	5	--	100,800	674,598	775,398
Transportation and	--	--	--	--	--	--	--	--	--	--	--	--
Telecommunication	--	--	--	96,240	34,999	29,459	37	--	--	84,927	75,808	160,735
Financial Institutions	779,896	--	753,799	140,886	7,046	8,328	--	--	--	649,566	1,040,389	1,689,955
Real Estate and Rental	--	--	--	--	--	--	--	--	--	--	--	--
Services	--	--	--	137,244	3,331	23,070	--	--	--	21,008	142,637	163,645
Professional Services	--	--	--	9,518	23,523	2,632	66	98	--	35,487	350	35,837
Educational Services	--	--	--	7,575	4,456	3,937	--	--	--	15,968	--	15,968
Health and Social Services	--	--	--	88,197	13,703	13,234	--	--	--	104,132	11,002	115,134
Other	--	6,855	--	167,136	154,146	302,907	3,844	209,874	122,957	680,413	287,306	967,719
Total*	779,896	6,855	753,799	3,436,848	815,898	1,236,581	16,211	216,772	122,957	3,640,042	3,745,775	7,385,817

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

1: Conditional and Unconditional exposures to central governments or central banks

2: Conditional and Unconditional Exposures to Administrative Units and Non-Commercial Enterprises

3: Conditional and Unconditional exposures to banks and brokerage houses

4: Conditional and Unconditional exposures to corporates

5: Conditional and Unconditional retail exposures

6: Conditional and Unconditional exposures secured by real estate property

7: Past due receivables

8: Receivables defined in high risk category by BRSA

9: Other receivables

FİBABANKA A.Ş. AND ITS SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF 1 JANUARY-31 DECEMBER 2013

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise indicated.)

II. Explanations on Consolidated Credit Risk (Continued)

2. Risk profile by sectors or counterparties (Continued)

Sectors / Counterparties Prior Period	1	2	3	4	5	6	7	8	TL	FC	Total
Agricultural	--	--	67,887	627	4,798	--	--	--	54,916	18,396	73,312
Farming and Stockbreeding	--	--	39,536	482	4,798	--	--	--	37,290	7,526	44,816
Forestry	--	--	10,904	140	--	--	--	--	10,031	1,013	11,044
Fishing	--	--	17,447	5	--	--	--	--	7,595	9,857	17,452
Manufacturing	--	--	851,042	9,597	184,308	3,950	119	--	616,836	432,180	1,049,016
Mining and Quarrying	--	--	24,218	1,669	11,938	85	23	--	13,432	24,501	37,933
Production	--	--	726,816	7,928	172,370	3,818	96	--	522,527	388,501	911,028
Electricity, Gas and Water	--	--	100,008	--	--	47	--	--	80,877	19,178	100,055
Construction	--	--	388,567	2,688	128,549	3,262	44	--	367,203	155,907	523,110
Services	409,357	218,778	1,104,459	7,238	309,740	1,488	952	--	872,579	1,179,433	2,052,012
Wholesale and Retail Trade	--	--	306,445	3,570	30,552	791	11	--	295,164	46,205	341,369
Accommodation and Dining	--	--	280,775	956	243,663	268	18	--	73,010	452,670	525,680
Transportation and	--	--	130,475	1,150	16,703	427	483	--	64,189	85,049	149,238
Telecommunication	--	--	130,475	1,150	16,703	427	483	--	64,189	85,049	149,238
Financial Institutions	409,357	218,778	163,345	881	1,897	--	307	--	338,205	456,360	794,565
Real Estate and Rental	--	--	142,693	100	5,112	--	--	--	10,256	137,649	147,905
Services	--	--	25	--	--	--	--	--	25	--	25
Professional Services	--	--	8,503	144	234	2	62	--	8,711	234	8,945
Educational Services	--	--	72,198	437	11,579	--	71	--	83,019	1,266	84,285
Health and Social Services	--	--	72,198	437	11,579	--	71	--	83,019	1,266	84,285
Other	--	--	140,336	25,595	204,810	2,756	44,576	99,080	299,220	217,933	517,153
Total*	409,357	218,778	2,552,291	45,745	832,205	11,456	45,691	99,080	2,210,754	2,003,849	4,214,603

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

1: Conditional and Unconditional exposures to central governments or central banks

2: Conditional and Unconditional exposures to banks and brokerage houses

3: Conditional and Unconditional exposures to corporates

4: Conditional and Unconditional retail exposures

5: Conditional and Unconditional exposures secured by real estate property

6: Past due receivables

7: Receivables defined in high risk category by BRSA

8: Other receivables

FIBABANKA A.Ş. AND ITS SUBSIDIARY

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF
1 JANUARY-31 DECEMBER 2013**

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise indicated.)

II. Explanations on Consolidated Credit Risk (Continued)

3. Analysis of maturity-bearing exposures according to remaining maturities

Exposure Categories / Current Period	Term To Maturity				
	Up to 1 Month	1-3 Months	3-6 Months	6-12 Months	Over 1 Year
Conditional and Unconditional Exposures to Central Governments or Central Banks	--	--	--	--	24,000
Conditional and Unconditional Exposures to Administrative Units and Non-Commercial Enterprises	156	--	4,298	2,401	--
Conditional and Unconditional Exposures to Banks and Brokerage Houses	393,563	--	--	--	237,259
Conditional and Unconditional Exposures to Other Corporates	--	--	--	--	--
Conditional and Unconditional Exposures to SME Corporates	--	--	--	--	--
Conditional and Unconditional Exposures to Corporates	720,058	413,091	527,000	703,518	1,054,805
Conditional and Unconditional Retail Exposures	116,972	86,084	119,362	320,419	157,570
Conditional and Unconditional Exposures Secured by Real Estate Property	39,050	28,120	65,348	101,472	1,002,591
Past Due Receivables	--	--	--	--	--
Receivables Defined in High Risk Category by BRSA	10,620	--	--	--	206,152
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 Receivables	--	--	--	--	--
Total*	1,280,419	527,295	716,008	1,127,810	2,682,377

(*)Following items which do not have a maturity are not included in the table; Receivables from the Central Bank amounting to TL 755,896, non-cash credit lines and payment commitments amounting to TL 63,755, cash and equivalents amounting to TL 169,661, other receivables amounting to TL 46,385 and non-performing loans amounting to TL 16,211.

Exposure Categories / Prior Period	Term To Maturity				
	Up to 1 Month	1-3 Months	3-6 Months	6-12 Months	Over 1 Year
Conditional and Unconditional Exposures to Central Governments or Central Banks	--	--	--	--	--
Conditional and Unconditional Exposures to Banks and Brokerage Houses	111,096	--	--	--	82,640
Conditional and Unconditional Exposures to Other Corporates	--	--	--	--	--
Conditional and Unconditional Exposures to SME Corporates	--	--	--	--	--
Conditional and Unconditional Exposures to Corporates	470,823	355,564	445,836	640,143	615,646
Conditional and Unconditional Retail Exposures	6,438	4,453	5,017	14,834	13,497
Conditional and Unconditional Exposures Secured by Real Estate Property	32,898	67,737	38,006	84,027	609,537
Past Due Receivables	--	--	--	--	--
Receivables Defined in High Risk Category by BRSA	382	--	--	--	45,309
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 Receivables	--	--	--	--	--
Total*	621,637	427,754	488,859	739,004	1,366,629

(*)Following items which do not have a maturity are not included in the table; Receivables from the Central Bank amounting to TL 409,357, non-cash credit lines and payment commitments amounting to TL 76,697, cash and equivalents amounting to TL 45,498, other receivables amounting to TL 27,702 and non-performing loans amounting to TL 11,456.

FİBABANKA A.Ş. AND ITS SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF 1 JANUARY-31 DECEMBER 2013

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise indicated.)

II. Explanations on Consolidated Credit Risk (Continued)

3. Analysis of maturity-bearing exposures according to remaining maturities (Continued)

The Parent Bank uses long-term credit ratings announced by an international rating firm, Fitch rating. Such ratings are used in compliance with regulation on "The Licencing and Operations of the Rating Firms". For the Bank's capital adequacy calculation, only the latest credit ratings are used that are currently accepted as valid by the issuing Credit Rating Agency.

Credit ratings are used only for the classification of receivables from banks and brokerage houses. There is a credit rating for the securities in the trading book. Therefore, no credit rating is used for issuer or issue.

Based on "Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks" Appendix 1, Fitch's credit ratings corresponds to credit grades below:

	BRSA Credit Quality Grades	Fitch Risk Rating
Long Term Credit Quality Grades	1	AAA and AA-
	2	A+ and A-
	3	BBB+ and BBB-
	4	BB+ and BB-
	5	B+ and B-
	6	CCC+ and below

4. Exposures by risk weights

Risk Weights Current Period	%0	%10	%20	%50	%75	%100	%150	%200	Deductio ns from Equity	Total
Exposures Before Credit Risk Mitigation	817,792	-	414,490	371,690	1,124,623	4,448,538	79,787	128,897	-	7,385,817
Exposures After Credit Risk Mitigation	1,057,145	-	194,505	1,349,014	812,988	3,763,481	79,787	128,897	-	7,385,817

Risk Weights Prior Period	%0	%10	%20	%50	%75	%100	%150	%200	Deductio ns from Equity	Total
Exposures Before Credit Risk Mitigation	516,614	--	18,517	160,872	240,166	3,227,672	20,791	29,971	--	4,214,603
Exposures After Credit Risk Mitigation	578,334	--	18,517	839,675	41,968	2,688,920	17,218	29,971	--	4,214,603

FİBABANKA A.Ş. AND ITS SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF 1 JANUARY-31 DECEMBER 2013

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise indicated.)

II. Explanations on Consolidated Credit Risk (Continued)

5. 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 up to 90 days but not impaired. For such credits, "general provisions" are allocated as per the Provisioning Regulation.

Major Sectors / Counterparties (Current Period)	Loans			
	Impaired Loans	Past Due Loans	Value Adjustments*	Provisions**
Agriculture	3,410	2,176	44	2,475
Farming and Stockbreeding	3,245	1,995	40	2,310
Forestry	165	181	4	165
Fishery	--	--	--	--
Manufacturing	21,535	13,773	306	11,988
Mining and Quarrying	4,233	11,826	236	3,322
Production	17,208	1,947	70	8,572
Electricity, Gas and Water	94	--	--	94
Construction	17,860	20,720	647	12,189
Services	7,159	7,223	153	3,970
Wholesale and Retail Trade	5,506	4,567	91	2,505
Accommodation and Dining	676	831	17	671
Transportation and Telecommunication	655	890	18	617
Financial Institutions	--	--	--	--
Real Estate and Rental Services	--	325	7	--
Professional Services	9	334	15	9
Educational Services	292	173	3	147
Health and Social Services	21	103	2	21
Others	10,451	34,179	700	4,432
Total	60,415	78,071	1,850	35,054

(*) Shows the general provision amount for past due loans.

(**) Shows the specific provision amount for impaired loans.

FİBABANKA A.Ş. AND ITS SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF 1 JANUARY-31 DECEMBER 2013

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise indicated.)

II. Explanations on Consolidated Credit Risk (Continued)

5. Information by major sectors and type of counterparties (Continued)

Major Sectors / Counterparties (Prior Period)	Loans			
	Impaired Loans	Past Due Loans	Value Adjustments(*)	Provisions(**)
Agriculture	180	802	16	36
Farming and Stockbreeding	--	--	--	--
Forestry	180	802	16	36
Fishery	--	--	--	--
Manufacturing	9,984	4,731	95	5,397
Mining and Quarrying	1,344	176	4	1,259
Production	8,526	4,555	91	4,071
Electricity, Gas and Water	114	--	--	67
Construction	8,378	16,516	654	2,935
Services	8,809	3,071	57	4,712
Wholesale and Retail Trade	5,061	2,051	37	3,448
Accommodation and Dining	1,019	--	--	751
Transportation and Telecommunication	828	271	5	116
Financial Institutions	--	--	--	--
Real Estate and Rental Services	8	328	7	8
Professional Services	--	--	--	--
Educational Services	3	--	--	2
Health and Social Services	1,890	421	8	387
Others	2,197	13,302	271	826
Total	29,548	38,422	1,093	13,906

(*) Shows the general provision amount for past due loans.

(**) Shows the specific provision amount for impaired loans.

6. Information on movements in value adjustments and provisions

	Opening Balance	Provision for Period	Provision Reversals	Other Adjustments (*)	Closing Balance
Current Period					
Specific Provisions	13,906	25,648	(4,500)	--	35,054
General Provisions	35,616	16,621	--	--	52,237

(*) Determined based on exchange rate differences, mergers, acquisition and disposal of subsidiaries.

	Opening Balance	Provision for Period	Provision Reversals	Other Adjustments (*)	Closing Balance
Prior Period					
Specific Provisions	4,727	11,087	(1,908)	--	13,906
General Provisions	22,753	12,863	--	--	35,616

(*) Determined based on exchange rate differences, mergers, acquisition and disposal of subsidiaries.

FİBANKA A.Ş. AND ITS SUBSIDIARY**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF
1 JANUARY-31 DECEMBER 2013**

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise indicated.)

II. Explanations on Consolidated Credit Risk (Continued)**7. Information on collaterals, impairment, rating and maturity related to loans granted to individuals and corporates**

Detail of collaterals of standard and close monitoring loans granted to individuals and corporates is as follows:

	Standard Loans		Loans and Other Receivables Under Close Monitoring	
	Current Period	Prior Period	Current Period	Prior Period
Cash loans granted to individuals and corporates				
Secured Loans:	4,930,328	3,114,820	150,132	70,768
Secured by Cash Collateral	11,576	91,850	--	221
Secured by Mortgages	1,646,835	1,067,939	82,456	54,308
Secured by Treasury Guarantees or Securities Issued by Public Sector	--	--	--	--
Guarantees Issued by Financial Institutions	--	--	--	--
Other Collaterals (being on the pledges, corporate and personal guarantees, promissory notes)	3,271,917	1,955,031	67,676	16,239
Non-Secured Loans	61,532	15,933	12,601	3,541
Total	4,991,860	3,130,753	162,733	74,309

Detail of collaterals of non-cash loans granted to real persons and corporate entities is as follows:

	Standard Loans		Loans and Other Receivables Under Close Monitoring	
	Current Period	Prior Period	Current Period	Prior Period
Non-cash loans granted to individuals and corporates				
Secured Loans:	699,482	286,414	14,437	6,644
Secured by Cash Collateral	7,791	11,445	--	234
Secured by Mortgages	24,909	18,966	--	--
Secured by Treasury Guarantees or Securities Issued by Public Sector	--	--	--	--
Guarantees Issued by Financial Institutions	--	--	--	--
Other Collaterals (being on the pledges, corporate and personal guarantees, promissory notes)	666,782	256,003	14,437	6,410
Non-Secured Loans	13,218	11,011	--	3,540
Total	712,700	297,425	14,437	10,184

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF
1 JANUARY-31 DECEMBER 2013**

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise indicated.)

III. Explanations on consolidated market risk

Whether the bank within the financial risk management objectives hedges itself against market risk, the precautions taken by the Board of Directors for market risk, the methods used for measuring market risk and time intervals for measurement of market risk

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

Being exposed to market risk, Bank’s Board of Directors have defined risk management strategies and policies about risk managements in line with application and recommendation of group and have led to follow-up strategies periodically. The limits of risks are identified and these limits are revised periodically. Board of Directors ensure that risk management group and executive managers should identify, measure, control and manage the Bank’s risk.

Market risk arising from trading transactions is limited through the risk appetite policy approved by Board of Directors as “low” and measured by taking into consideration BRSA’s standart methodology. Additionally Financial Control Department reports the market value of daily purchases and sales and realized profit. The risk management and asset liability committee continuously monitor compliance of trading transactions with the risk appetite policy. Market risk occurred between mismatches of asset-liability maturity is also monitored through GAP report.

Stress tests and scenario analysis are also applied in order to reflect the effects of prospective severe market fluctuations in the VaR calculations. Risk measurement methods such as cash flow projection, GAP analysis are also applied.

Capital to be kept for general market risk and specific risk are calculated by using a standard method in accordance with “Measurement and Assessment of Bank Capital Adequacy Regulation” and reported monthly.

In the calculation of the value at credit risk for the derivative financial instruments, the receivables from counterparties are multiplied by the rates stated in the Article 21 and Appendix-2 of “the Regulation on Measurement and Assessment of Capital Adequacy of Banks”, reduced as per the “Regulation on Credit Risk Mitigation Techniques” and then included in the relevant exposure category and weighted for a second time. The risk amount related to the Bank’s derivative financial instruments are calculated using the “Fair Value Method”.

FİBABANKA A.Ş. AND ITS SUBSIDIARY
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF
1 JANUARY-31 DECEMBER 2013**

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise indicated.)

1. Information related to market risk

Current Period	Amount
(I) Capital Requirement to be Employed For General Market Risk - Standard Method	2,282
(II) Capital Requirement to be Employed For Specific Risk - Standard Method	47
Capital Requirement against Specific Risks of Securitisation Positions – Standard Method	--
(III) Capital Requirement to be Employed For Currency Risk - Standard Method	233
(IV) Capital Requirement to be Employed For Commodity Risk – Standard Method	--
(V) Capital Requirement to be Employed For Clearing Risk - Standard Method	--
(VI) Total Capital Requirement to be Employed For Market Risk Resulting From Options - Standard Method	35
(VII) Capital Requirement against Counterparty Credit Risks – Standard Method	5,648
(VIII) Total Capital Requirement to be Employed For Market Risk in Banks Using Risk Measurement	--
(IX) Total Capital Requirement to be Employed For Market Risk (I+II+III+IV+V+VI+VII+VIII)	8,245
(X) Amount Subject to Market Risk (12.5 x VIII) or (12.5 x IX)	103,063
Prior Period	
(I) Capital Requirement to be Employed For General Market Risk - Standard Method	843
(II) Capital Requirement to be Employed For Specific Risk - Standard Method	41
Capital Requirement against Specific Risks of Securitisation Positions – Standard Method	--
(III) Capital Requirement to be Employed For Currency Risk - Standard Method	453
(IV) Capital Requirement to be Employed For Commodity Risk – Standard Method	--
(V) Capital Requirement to be Employed For Clearing Risk - Standard Method	1
(VI) Total Capital Requirement to be Employed For Market Risk Resulting From Options - Standard Method	50
(VII) Capital Requirement against Counterparty Credit Risks – Standard Method	1,695
(VIII) Total Capital Requirement to be Employed For Market Risk in Banks Using Risk Measurement	--
(IX) Total Capital Requirement to be Employed For Market Risk (I+II+III+IV+V+VI+VII+VIII)	3,083
(X) Amount Subject to Market Risk (12.5 x VIII) or (12.5 x IX)	38,534

2. Average market risk table calculated at the end of the period

Current Period			
	Average	Highest	Lowest
Interest Rate Risk	2,080	3,707	961
Equity-Shares Position Risk	--	--	--
Currency Position Risk	1,991	18,315	233
Commodity Risk	--	--	--
Clearing Risk	--	--	--
Option Market Risk	139	283	35
Counterparty Credit Risk	3,442	7,679	1,430
Total Value at Risk	95,650	374,800	33,238
Prior Period			
	Average	Highest	Lowest
Interest Rate Risk	1,346	2,046	884
Equity-Shares Position Risk	1,624	4,556	--
Currency Position Risk	528	936	244
Commodity Risk	--	--	--
Clearing Risk	--	1	--
Option Market Risk	152	323	7
Counterparty Credit Risk	1,103	2,470	294
Total Value at Risk	59,406	129,147	17,863

FİBABANKA A.Ş. AND ITS SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF 1 JANUARY-31 DECEMBER 2013

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise indicated.)

3. Quantitative information on counterparty risk

The counterparty risk amount is calculated in accordance with fair value measurement methodology stated in Appendix 1 and section 3 of "Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks".

It is determined replacement cost of the contracts having positive value through using fair value of such contracts. The potential credit risk amount is calculated by multiplying contract or transaction amounts with certain ratios determined in accordance with days to maturity and contract type. Total of replacement cost and potential credit risk make up counterparty risk amount. Counterparty credit risk mitigation considers only cash collaterals.

Current Period	Value	Risk Weights					Total Value at Risk
		%0	%20	%50	%75	%100	
Interest-Rate Contracts (*)	20	20	--	--	--	--	--
Foreign-Exchange-Rate Contracts (**)	35,445	--	16,399	7,184	360	13,814	20,956
Commodity Contracts	--	--	--	--	--	--	--
Equity-Shares Related Contracts	--	--	--	--	--	--	--
Other	--	--	--	--	--	--	--
Gross Positive Fair Values	58,046	--	8,274	1,542	1,662	45,969	49,641
Netting Benefits	--	--	--	--	--	--	--
Net Current Exposure Amount	--	--	--	--	--	--	--
Collaterals Received	735	--	--	--	--	--	--
Net Derivative Position (***)	93,511	20	24,673	8,726	2,022	59,783	70,597

(*) Includes repo transactions

(**) Includes option, swap and forward contracts.

(***) Consists of foreign exchange rate and interest rate contracts and gross values of positive fair value amounts.

Prior Period	Value	Risk Weights					Total Value at Risk
		%0	%20	%50	%75	%100	
Interest-Rate Contracts (*)	174	174	--	--	--	--	--
Foreign-Exchange-Rate Contracts (**)	20,871	63	12,958	1,621	--	6,229	9,631
Commodity Contracts	--	--	--	--	--	--	--
Equity-Shares Related Contracts	--	--	--	--	--	--	--
Other	--	--	--	--	--	--	--
Gross Positive Fair Values	20,016	754	7,936	2,712	--	8,614	11,557
Netting Benefits	--	--	--	--	--	--	--
Net Current Exposure Amount	--	--	--	--	--	--	--
Collaterals Received	817	--	--	--	--	--	--
Net Derivative Position (***)	41,061	991	20,894	4,333	--	14,843	21,188

(*) Includes repo transactions

(**) Includes option, swap and forward contracts.

(***) Consists of foreign exchange rate and interest rate contracts and gross values of positive fair value amounts.

FİBABANKA A.Ş. AND ITS SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF 1 JANUARY-31 DECEMBER 2013

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise indicated.)

IV. Explanations on consolidated operational risk

The value at operational risk is calculated according to the basic indicator approach. Value at operational risk amount is calculated by using the last 3 years' (2012, 2011, 2010) gross incomes, in accordance with the Communiqué on "Measurement and Assessment of Capital Adequacy of Banks" issued on Official Gazette dated 28 June 2012 and numbered 28337 and 3rd section of the regulation, "Calculation of Operational Risk". 15% of gross income which is TL 14,660 TL represents also the minimum capital requirement to recover the risk amount.

	31 December 2010	31 December 2011	31 December 2012	Total/ No. of Years of Positive Gross Income	Rate (%)	Total
Current Period						
Gross Income	28,694	87,630	176,882	97,735	15	14,660
Value at Operational Risk (Total*12.5)						183,250

	31 December 2009	31 December 2010	31 December 2011	Total/ No. of Years of Positive Gross Income	Rate (%)	Total
Prior Period						
Gross Income	29,677	28,694	87,630	48,667	15	7,300
Value at Operational Risk (Total*12.5)						91,250

V. Explanations on consolidated currency risk

Position limit on currency risk is determined in line with net general position standard ratio on foreign currency. The Bank does not take foreign exchange and parity risk; transactions are usually hedged. Measurable and manageable risks are taken within legal limits.

As of 31 December 2013, the Group's net long position is TL 6,986 (31 December 2012: TL 51 net long position) resulting from long position on the balance sheet amounting to TL 681,702 (31 December 2012: TL 325,147 long position) and short position on the off-balance amounting to TL 674,716 (31 December 2012: TL 325,096 short position). "Standard Method" is used in legal reporting to measure the foreign exchange risk.

The announced current foreign exchange buying rates of the Bank at 31December 2013 and the previous five working days in full TL are as follows:

US Dollar purchase rate as at the balance sheet date	(Full Basis)	TL 2.1343
Euro purchase rate as at the balance sheet date	(Full Basis)	TL 2.9365

Date	USD	EUR
25 December 2013	2.0812	2.8466
26 December 2013	2.0710	2.8353
27 December 2013	2.0957	2.8693
30 December 2013	2.1604	2.9844
31 December 2013	2.1343	2.9365

Simple arithmetic means of foreign exchange rates in 2013 are (Full Basis) 2.0578 TL for US dollar, and (Full Basis) 2.8180 TL for Euro.

FİBABANKA A.Ş. AND ITS SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF 1 JANUARY-31 DECEMBER 2013

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise indicated.)

V. Explanations on consolidated currency risk (continued)

Current Period	EUR	USD	Other	Total
Assets				
Cash and Balances with the Central Bank of Turkey	16,695	679,488	1,984	698,167
Banks	23,313	69,432	43,055	135,800
Financial Assets at Fair Value through Profit/Loss (*)	1,185	2,365	--	3,550
Interbank Money Market Placements	14,683	32,014	--	46,697
Financial Assets Available for Sale	--	248,347	--	248,347
Loans (**)	1,141,942	1,123,644	101,488	2,367,074
Subsidiaries, Associates and Entities Under Common Control (Joint Vent.)	--	--	--	--
Investments Held to Maturity	--	--	--	--
Derivative Financial Assets Held for Hedging Purposes	--	--	--	--
Tangible Assets	--	--	--	--
Intangible Assets	--	--	--	--
Other Assets (***)	734	291	10	1,035
Total Assets	1,198,552	2,155,581	146,537	3,500,670
Liabilities				
Banks Deposits	111,892	86,468	8,793	207,153
Foreign Currency Deposits	267,336	1,219,017	93,613	1,579,966
Interbank Money Market Received	--	207,411	--	207,411
Funds Borrowed from Other Financial Institutions	324,973	382,751	--	707,724
Sundry Creditors	1,350	1,746	--	3,096
Marketable Securities Issued	--	--	--	--
Derivative Financial Liabilities Held for Hedging Purposes	--	--	--	--
Other Liabilities(****)	2,136	111,476	6	113,618
Total Liabilities	707,687	2,008,869	102,412	2,818,968
Net Balance Sheet Position	490,865	146,712	44,125	681,702
Net Off-Balance Sheet Position	(487,582)	(142,687)	(44,447)	(674,716)
Financial Derivative Assets(*****)	807,797	1,327,638	150,189	2,285,624
Financial Derivative Liabilities(*****)	1,295,379	1,470,325	194,636	2,960,340
Non-Cash Loans (*****)	104,579	362,056	36	466,671
Prior Period				
Total Assets	728,426	1,088,135	149,003	1,965,564
Total Liabilities	490,936	1,123,873	25,608	1,640,417
Net Balance Sheet Position	237,490	(35,738)	123,395	325,147
Net Off-Balance Sheet Position	(235,573)	41,881	(131,404)	(325,096)
Financial Derivative Assets(*****)	327,607	881,663	156,422	1,365,692
Financial Derivative Liabilities(*****)	563,180	839,782	287,826	1,690,788
Non-Cash Loans (*****)	70,152	117,700	455	188,307

(*) The balance does not include trading derivative financial assets amounting to TL 6,631.

(**) The balance includes foreign currency indexed loans and accruals amounting to TL738,060

(***) The balance does not include 4,397 TL of prepaid expenses.

(****) The balance does not include trading derivative financial liabilities amounting to TL 6,740

(*****) In the current period, exchange purchase commitments within the financial derivative assets amounted to TL 178,594 (31 December 2012: TL 76,452), exchange sale commitments within the derivative financial liabilities amounted to TL 153,168 (31 December 2012: TL 39,562).

(*****) There is no effect on the net off-balance sheet position.

FİBABANKA A.Ş. AND ITS SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF 1 JANUARY-31 DECEMBER 2013

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise indicated.)

V. Explanations on consolidated currency risk (continued)

The following table demonstrates prospective increase and decrease in equities and profit/loss as of 31 December 2013 and 2012 (excluding tax effect) on condition that 10 % decrease of TL against the currencies below. This analysis has been prepared under the assumption that all other variables, especially interest rates, are constant.

	Current Period		Prior Period	
	Profit/Loss	Equity	Profit/Loss	Equity
USD	2,736	(2,334)	581	33
EURO	328	--	192	--
Other FC	(32)	--	(801)	--
Total (Net)	3,032	(2,334)	(28)	33

VI. Explanations on consolidated interest rate risk

Interest sensitivity of assets, liabilities and off-balance sheet items are evaluated weekly by considering market developments in the Asset-Liability Committee.

Standard method and Asset-Liability risk measurement methods are used to measure the Bank's interest rate risk.

Measurements by employing the standard method are carried out monthly by using maturity ladder. Bank applies interest rate shock analysis to interest rate sensitive assets and liabilities considering historic economic crises. Change in the net present value of the net assets of the Bank are monitored within the limits set by the Board of Directors.

"Interest rate sensitivity of assets, liabilities and off-balance sheet items (Based on repricing dates)":

Current Period End	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Non- interest Bearing	Total
Assets							
Cash (Cash in TL, Cash in Foreign Currency, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	--	--	--	--	--	804,527	804,527
Banks	93,261	--	--	--	--	121,201	214,462
Financial Assets at Fair Value Through Profit or Loss	32,180	9,320	30,734	1,603	1,656	--	75,493
Interbank Money Market Placements	46,697	--	--	--	--	--	46,697
Financial Assets Available-for-Sale	--	--	--	160,485	105,159	--	265,644
Loans	327,106	1,630,796	995,470	1,696,115	505,106	25,361	5,179,954
Investment Securities Held-to-Maturity	--	--	--	--	--	--	--
Other Assets (*)	--	--	--	--	--	71,959	71,959
Total Assets	499,244	1,640,116	1,026,204	1,858,203	611,921	1,023,048	6,658,736
Liabilities							
Bank Deposits	151,377	5,874	--	--	--	62,563	219,814
Other Deposits	2,486,688	1,141,919	357,405	10	--	337,213	4,323,235
Interbank Money Market Received	225,988	--	--	--	--	--	225,988
Sundry Creditors	--	--	--	--	--	54,261	54,261
Marketable Securities Issued	49,803	247,357	--	--	--	--	297,160
Funds Borrowed from Other Financial Institutions	6,231	383,499	335,190	2,192	--	--	727,112
Other Liabilities (**)	27,042	21,996	31,680	--	107,389	623,059	811,166
Total Liabilities	2,947,129	1,800,645	724,275	2,202	107,389	1,077,096	6,658,736

FİBABANKA A.Ş. AND ITS SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF 1 JANUARY-31 DECEMBER 2013

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise indicated.)

VI. Explanations on interest rate risk (continued)

Balance Sheet Long Position	5,422	--	301,929	1,856,001	504,532	--	2,667,884
Balance Sheet Short Position	(2,453,307)	(160,529)	--	--	--	(54,048)	(2,667,884)
Off-Balance Sheet Long Position	--	--	--	--	--	4,040,604	4,040,604
Off-Balance Sheet Short Position	--	--	--	--	--	(4,070,251)	(4,070,251)
Total Position	(2,447,885)	(160,529)	301,929	1,856,001	504,532	(83,695)	(29,647)

(*) Non-interest bearing column includes TL 32,766 tangible assets, TL 6,985 intangible assets, TL 13,266 tax assets, TL 1,173 non-current assets held for sale and TL 17,759 other assets.

(**) Non-interest bearing column includes TL 497,124 shareholders' equity, TL 44,829 other liabilities, TL 260 liabilities from leasing activities, TL 63,782 provisions and TL 17,064 tax liabilities.

Interest rate sensitivity of assets, liabilities and off-balance sheet items (Based on repricing dates):

Prior Period End	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Non- interest Bearing	Total
Assets							
Cash (Cash in TL, Cash in Foreign Currency, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	--	--	--	--	--	429,812	429,812
Banks	--	--	--	--	--	25,047	25,047
Financial Assets at Fair Value Through Profit or Loss	20,885	10,999	8,834	1,181	1,810	--	43,709
Interbank Money Market Placements	30,304	--	--	--	--	--	30,304
Financial Assets Available -for-Sale	506	--	--	77,740	30,487	--	108,733
Loans	238,560	1,253,776	539,919	825,830	346,977	15,642	3,220,704
Investment Securities Held-to-Maturity	--	--	--	--	--	--	--
Other Assets (*)	--	--	--	--	--	41,923	41,923
Total Assets	290,255	1,264,775	548,753	904,751	379,274	512,424	3,900,232
Liabilities							
Bank Deposits	33,971	--	--	--	--	18,600	52,571
Other Deposits	1,296,866	874,650	291,201	131	--	174,022	2,636,870
Interbank Money Market Received	97,247	--	--	--	--	--	97,247
Sundry Creditors	--	--	--	--	--	9,364	9,364
Marketable Securities Issued	--	101,345	121,401	--	--	--	222,746
Funds Borrowed from Other Financial Institutions	2,827	201,615	102,902	1,326	--	--	308,670
Other Liabilities (**)	2,853	2,367	8,476	--	89,693	469,375	572,764
Total Liabilities	1,433,764	1,179,977	523,980	1,457	89,693	671,361	3,900,232
Balance Sheet Long Position	--	84,798	24,773	903,294	289,581	--	1,302,446
Balance Sheet Short Position	(1,143,509)	--	--	--	--	(158,937)	(1,302,446)
Off-Balance Sheet Long Position	--	--	--	--	--	2,084,430	2,084,430
Off-Balance Sheet Short Position	--	--	--	--	--	(2,088,328)	(2,088,328)
Total Position	(1,143,509)	84,798	24,773	903,294	289,581	(162,835)	(3,898)

(*) Non-interest bearing column includes TL 15,846 tangible assets, TL 6,211 intangible assets, TL 5,369 tax assets, TL 6,393 non-current assets held for sale and TL 8,104 other assets.

(**) Non-interest bearing column includes TL 382,669 shareholders' equity, TL 34,833 other liabilities, TL 41,820 provisions and TL 10,053 tax liabilities.

FİBABANKA A.Ş. AND ITS SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF 1 JANUARY-31 DECEMBER 2013

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise indicated.)

VI. Explanations on interest rate risk (continued)

Average interest rates applied to financial instruments

Current Period End	EUR %	USD %	JPY %	TL %
Assets				
Cash (Cash in TL, Cash in Foreign Currency, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	--	--	--	--
Banks	--	0.39	--	7.72
Financial Assets at Fair Value Through Profit/ Loss	4.41	4.64	--	12.88
Interbank Money Market Placements	0.40	0.45	--	--
Financial Assets Available-for-Sale	--	4.17	--	5.59
Loans	6.77	6.12	--	13.46
Investment Securities Held-to-Maturity	--	--	--	--
Liabilities				
Bank Deposits	1.05	0.68	--	7.20
Other Deposits	2.88	3.16	--	9.44
Interbank Money Market Received	--	1.28	--	4.50
Sundry Creditors	--	--	--	--
Marketable Securities Issued	--	--	--	9.61
Funds Borrowed from Other Financial Institutions	1.78	1.90	--	5.96
Prior Period End	EUR %	USD %	JPY %	TL %
Assets				
Cash (Cash in TL, Cash in Foreign Currency, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	--	--	--	--
Banks	--	--	--	--
Financial Assets at Fair Value Through Profit/Loss	4.53	5.06	--	10.37
Interbank Money Market Placements	--	0.55	--	--
Financial Assets Available-for-Sale	--	4.52	--	12.19
Loans	7.63	7.13	--	13.68
Investment Securities Held-to-Maturity	--	--	--	--
Liabilities				
Bank Deposits	--	2.25	--	--
Other Deposits	3.11	3.54	--	8.82
Interbank Money Market Received	--	1.63	--	5.50
Sundry Creditors	--	--	--	--
Marketable Securities Issued	--	--	--	7.88
Funds Borrowed from Other Financial Institutions	3.53	4.11	--	8.23

FİBABANKA A.Ş. AND ITS SUBSIDIARY

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF
1 JANUARY-31 DECEMBER 2013**

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise indicated.)

VI. Explanations on interest rate risk (continued)

Interest rate risk on banking book

As per the “Regulation on Measurement and Evaluation of Interest Rate Risk Resulted from Banking Book as per Standard Shock Method” published by the BRSA in 23 August 2011, the Bank analyses and reports to the Bank’s senior management the interest rate sensitivity of equity on a monthly basis by applying positive and negative shocks to the interest sensitive on balance sheet and off-balance sheet positions which are distributed into groups based on their cashflows.

	Shock Applied (+ / - x bps)	Gains/ Losses	Gains / Equity - Losses / Equity
TRY	500	-73,101	%-9.58
TRY	-400	67,032	%8.78
USD Dollar	200	-30,894	%-4.05
USD Dollar	-200	19,408	%2.54
EURO	200	-43,041	%-5.64
EURO	-200	14,380	%1.88
Total (For Positive Shocks)		-147,036	%-19.27
Total (For Negative Shocks)		100,820	%13.21

VII. Position risk of equity securities resulted from banking book

There has been no position risk of equity securities as of 31 December 2013.

Equity Securities (Shares)	Comparison		
	Carrying Value	Fair Value	Market Value
Share Investment Group A	--	--	--
Quoted Securities	--	--	--
Share Investment Group B	--	--	--
Quoted Securities	--	--	--
Share Investment Group C	--	--	--
Quoted Securities	--	--	--

Portfolio	Gains/Losses In the Current Period	Valuation Surpluses		Unrealized Gains and Losses	
		Total	Amount under Supplementary Capital	Amount under Core Capital	Amount under Supplementary Capital
Private Equity Investments	--	--	--	--	--
Quoted Shares	676	--	--	--	--
Other Share	--	--	--	--	--
Total	--	--	--	--	--

FİBABANKA A.Ş. AND ITS SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF 1 JANUARY-31 DECEMBER 2013

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise indicated.)

VIII. Explanations on consolidated liquidity risk

The Bank diversifies its funding resources with deposits and bank borrowings to avoid the liquidity risk. Maturity compliance between assets and liabilities are monitored and liquid assets are kept to meet probable liquidity needs that might result from market fluctuations.

According to BRSA's "Legislation on Measurement and Assessment of Liquidity Adequacy of the Banks"; published in the Official Gazette numbered 26333, dated 1 November 2006; liquidity ratio is required to be 80 % for foreign currency assets/liabilities and 100 % for total assets/liabilities in the calculation of the bank's weekly and monthly reporting effective from 1 September 2007. Liquidity ratios for the current period are shown below:

	First Maturity Slice (Weekly)		Second Maturity Slice (Monthly)	
	FC	FC + TL	FC	FC+TL
Average (%)	118.83	167.88	94.38	120.40
Max. (%)	240.10	335.76	102.26	136.27
Min. (%)	99.85	130.38	85.92	105.28

FİBABANKA A.Ş. AND ITS SUBSIDIARY

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF
1 JANUARY - 31 DECEMBER 2013**

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise indicated.)

VIII. Explanation related to the consolidated liquidity risk (continued)

Presentation of assets and liabilities according to their remaining maturities:

Current Period	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Year	5 Years and Over	Unallocated	Total
Assets								
Cash (Cash in TL, Cash in Foreign Currency, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	221,042	583,485	--	--	--	--	--	804,527
Banks	121,504	92,958	--	--	--	--	--	214,462
Financial Assets at Fair Value Through Profit or Loss	--	19,476	9,078	30,588	2,084	14,267	--	75,493
Interbank Money Market Placements	--	46,697	--	--	--	--	--	46,697
Financial Assets Available-for-Sale	--	--	--	--	160,485	105,159	--	265,644
Loans	--	527,319	630,596	2,248,293	1,501,786	246,599	25,361	5,179,954
Investment Securities Held-to-Maturity	--	--	--	--	--	--	--	--
Other Assets (*)	--	--	--	--	--	--	71,959	71,959
Total Assets	342,546	1,269,935	639,674	2,278,881	1,664,355	366,025	97,320	6,658,736
Liabilities								
Bank Deposits	62,563	151,377	5,874	--	--	--	--	219,814
Other Deposits	337,213	2,486,688	1,141,919	357,405	10	--	--	4,323,235
Funds Borrowed from Other Financial Institutions	--	7,332	38,048	437,874	78,413	165,445	--	727,112
Interbank Money Market Received	--	225,988	--	--	--	--	--	225,988
Marketable Securities Issued	--	49,803	62,357	100,000	85,000	--	--	297,160
Sundry Creditors	--	54,261	--	--	--	--	--	54,261
Other Liabilities (**)	--	71,559	24,234	38,443	7,911	107,645	561,374	811,166
Total Liabilities	399,776	3,047,008	1,272,432	933,722	171,334	273,090	561,374	6,658,736
Liquidity Surplus/Gap	(57,230)	(1,777,073)	(632,758)	1,345,159	1,493,021	92,935	(464,054)	--
Prior Period								
Total Assets	171,319	721,333	464,771	1,502,268	832,822	150,154	57,565	3,900,232
Total Liabilities	192,622	1,476,916	940,172	580,759	193,837	91,407	424,519	3,900,232
Liquidity Surplus/Gap	(21,303)	(755,583)	(475,401)	921,509	638,985	58,747	(366,954)	--

(*) Certain assets on the balance sheet that are necessary for the banking operations but not convertible into cash in the short term such as tangible assets, investments in associates, joint ventures and subsidiaries, stationary supplies and prepaid expenses are included in this column.

(**) Shareholders' equity and provisions are classified in other liabilities in unallocated column.

FİBABANKA A.Ş. AND ITS SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF 1 JANUARY - 31 DECEMBER 2013

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise indicated.)

VIII. Explanation related to the consolidated liquidity risk (continued)

Contractual maturity analysis of liabilities according to remaining maturities

31 December 2013	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	219,814	219,866	62,563	151,419	5,884	--	--	--
Other Deposits	4,323,235	4,357,420	337,213	2,495,018	1,154,141	371,037	11	--
Interbank Money Market								
Borrowings	225,988	226,024	--	226,024	--	--	--	--
Marketable Securities Issued	297,160	314,607	--	50,000	64,210	111,246	89,151	--
Funds Borrowed from Other								
Financial Institutions	559,081	571,696	--	7,332	36,628	444,499	83,237	--
Subordinated Loans	275,420	467,638	--	--	2,853	17,619	81,805	365,361
Total	5,900,698	6,157,251	399,776	2,929,793	1,263,716	944,401	254,204	365,361

31 December 2012	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	52,571	52,617	18,600	34,017	--	--	--	--
Other Deposits	2,636,870	2,660,916	174,022	1,300,775	884,763	301,213	143	--
Interbank Money Market								
Borrowings	97,247	97,261	--	97,261	--	--	--	--
Marketable Securities Issued	222,746	242,680	--	--	2,210	131,679	108,791	--
Funds Borrowed from Other								
Financial Institutions	308,670	322,413	--	3,296	60,844	161,504	96,769	--
Subordinated Loans	89,693	152,387	--	--	--	6,326	25,320	120,741
Total	3,407,797	3,528,274	192,622	1,435,349	947,817	600,722	231,023	120,741

IX. Explanations on consolidated securitisation positions

The Group does not have any securitization positions as of balance sheet date.

X. Information on consolidated credit risk mitigation techniques

The Group does not apply any netting on balance sheet and off-balance sheet. Guarantees and derivatives are not used as credit mitigation technique; but only financial collaterals consisting of cash blockages are used.

Applications related to the valuation and management of collaterals are defined as follows: Appraisals for the mortgages that are received as collaterals are only performed by the firms that have been approved by the BRSA and licensed by the CMB. Appraisal reports for the real estate that are received as collaterals for commercial loans are renewed each year as long as the risk continues. As a rule, each year a different appraisal firm is preferred. Management of the appraisal process is carried out by the Credits Department. Vehicle pledges are followed through their insurance values. Regular investigations are performed for the cheques and bills that are received as collaterals and in case of any negative finding the Bank seeks to replace the collateral.

The Group's guarantees are mainly composed of cheques, notes, mortgages, guarantees, vehicle pledges and deposit pledges. The Group's credit risk concentration is mainly consists of corporate receivables and followed by receivables that are collateralized with mortgage, SME receivables and retail receivables, respectively.

FİBABANKA A.Ş. AND ITS SUBSIDIARY

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF
1 JANUARY - 31 DECEMBER 2013**

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise indicated.)

X. Information on consolidated credit risk mitigation techniques (continued)

Exposure Categories*	Amount	Financial Collaterals	Other/Physical Collaterals**	Guarantees and Credit Derivatives
Receivables from Central Governments	779,896	--	--	--
Receivables, Coins, Purchased Cheques from Regional or Local Governments and CBT Banks	--	--	--	--
Receivables from Administrative Units and Non-Commercial Enterprises	6,855	--	--	--
Receivables from Multilateral Development Banks	--	--	--	--
Receivables from International Organisations	--	--	--	--
Receivables from Banks and Brokerage Houses	753,799	219,985	--	--
Corporate Receivables	3,436,848	16,457	--	--
Retail Receivables	815,898	2,910	--	--
Receivables that are Collateralized by Residential	1,236,581	--	1,896,763	--
Past due Receivables	16,211	--	19,791	--
Receivables Defined in High Risk Category by BRSA	216,772	--	24,570	--
Securities Collateralised by Mortgages	--	--	--	--
Short-term Receivables from Banks, Brokerage Houses and Corporates	--	--	--	--
Investments Similar to Collective Investment Funds	--	--	--	--
Other Receivables	122,957	--	--	--
Total	7,385,817	239,352	1,941,124	--

(*) Non-cash risks presented above are subject to credit conversion.

(**) Other / Physical Collaterals are shown with full amounts which are possible to be used, in line with the Regulation on Measurement and Assessment of Capital Adequacy of Banks and Credit Risk Mitigation Techniques.

XI. Information on risk management objectives and policies

The Bank does not apply any netting on balance sheet and off-balance sheet. Guarantees and derivatives are not used as credit mitigation techniques; but only financial collaterals consisting of cash blockages are used.

Risk Management System refers to the Board of Directors, the Audit Committee, the Risk Management Committee, the Asset-Liability Committee and the Risk Management Department which have been composed in order to manage systemic risks that the Bank is exposed to. The Board of Directors is the owner of the Bank's Risk Management System and ensures the establishment of an effective, sufficient and appropriate risk management system as well as the continuity of the system. The main objective of the Bank's Risk Management System is to identify, measure, monitor and control the risks that the Bank is exposed to, by determining the policies, limits and procedures to control, to monitor, and if necessary to change the risk-return structure of the Bank's future cash flows and the level & the quality of related activities.

As part of the Risk Management System, the Asset and Liability Committee presentation is prepared on a weekly basis and the Risk Committee and the Board of Directors presentations are made on a monthly basis. The presentations mainly consists of the Bank's financial statements, profit and loss Analysis, Credit Risk, Market Risk, Liquidity Risk, Concentration Risk, Interest Rate Risk due to Banking Book, and Operational Risk as well as the risk that the Bank is currently exposed to or possible risks.

FİBABANKA A.Ş. AND ITS SUBSIDIARY

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF
1 JANUARY - 31 DECEMBER 2013**

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise indicated.)

XI. Information on risk management objectives and policies (continued)

The Board of Directors of the Bank delegated the authorization related to the hedge accounting to the Asset and Liability Committee with the condition of providing regular information. At the same time the Bank has organised credit policies and risk mitigation policies due to credit risk. All processes of the Bank are controlled by the Bank's Internal Audit Department's control matrices regularly and are subject to supervision by the Internal Inspection Department at the same time.

XII. Explanations on presentation of financial assets and liabilities at their fair values

Valuation methods of the financial instruments valued with their fair value are shown below.

	Carrying Value		Fair Value	
	Current Period	Prior Period	Current Period	Prior Period
Financial Assets	5,706,757	3,384,788	5,732,828	3,410,859
Interbank Money Market Placements	46,697	30,304	46,697	30,304
Banks	214,462	25,047	214,462	25,047
Financial Assets Available-for-Sale	265,644	108,733	265,644	108,733
Investments Held-to-Maturity	--	--	--	--
Loans	5,179,954	3,220,704	5,206,025	3,246,775
Financial Liabilities	5,621,582	3,230,221	5,621,582	3,230,203
Bank Deposits	219,814	52,571	219,814	52,571
Other Deposits	4,323,235	2,636,870	4,323,235	2,636,870
Funds Borrowed from Other Financial Institutions	727,112	308,670	727,112	308,652
Marketable Securities Issued	297,160	222,746	297,160	222,746
Sundry Creditors	54,261	9,364	54,261	9,364

	Level 1 TL		Level 2 TL		Level 3 TL	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Financial Assets						
Financial Assets at Fair Value through Profit and Loss	16,986	23,692	58,507	20,017	--	--
Financial Assets Available for Sale	265,644	108,227	--	506	--	--
Total	282,630	131,919	58,507	20,523	--	--
Financial Liabilities						
Financial Liabilities at Fair Value through Profit and Loss	--	--	80,718	13,696	--	--
Total	--	--	80,718	13,696	--	--

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)

XIII. Explanations on transactions carried out on behalf of customers and fiduciary activities

None.

FİBABANKA A.Ş. AND ITS SUBSIDIARY

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF
1 JANUARY - 31 DECEMBER 2013**

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise indicated.)

SECTION FIVE

**EXPLANATIONS AND NOTES ON THE CONSOLIDATED FINANCIAL
STATEMENTS**

I. Explanations and disclosures related to the consolidated assets

1. Information on cash and balances with the Central Bank of Turkey

	Current Period		Prior Period	
	TL	FC	TL	FC
Cash in TL /Foreign Currency	19,923	41,974	6,151	14,304
Balances with the Central Bank of Turkey	86,437	656,193	85,563	323,794
Other	--	--	--	--
Total	106,360	698,167	91,714	338,098

1.1 Information related to the account of the Central Bank of Turkey

	Current Period		Prior Period	
	TL	FC	TL	FC
Unrestricted Demand Deposits	86,437	72,708	85,563	40,254
Unrestricted Time Deposits	--	--	--	--
Restricted Time Deposits	--	583,485	--	283,540
Total	86,437	656,193	85,563	323,794

According to the communiqué No: 2005/1 on "Reserve Deposits", the banks operating in Turkey are required to keep reserve deposit at the rates varying from 5% - 11.50% for TL liabilities depending on maturities of liabilities, and at the rate 6% - 13% and denominated mainly in EUR and USD for FC liabilities. Reserve deposits do not earn interest.

2. Information on financial assets at fair value through profit or loss:

2.1 Information on financial assets at fair value through profit and loss given as collateral or blocked

	Current Period		Prior Period	
	TL	FC	TL	FC
Share Certificates	--	--	--	--
Bonds, Treasury Bills and Similar Marketable Securities	5,686	--	7,505	--
Other	--	--	--	--
Total	5,686	--	7,505	--

Trading securities given as collateral represent those collaterals given to the Central Bank of Turkey, and Istanbul Stock Exchange Clearing and Custody Bank (Takasbank) for liquidity, interbank money market, foreign exchange market and other transactions, as of balance sheets dates.

2.2 Financial assets at fair value through profit and loss subject to repurchase agreements

	Current Period		Prior Period	
	TL	FC	TL	FC
Share Certificates	--	--	--	--
Bonds, Treasury Bills and Similar Marketable Securities	5,858	--	10,407	--
Total	5,858	--	10,407	--

FİBABANKA A.Ş. AND ITS SUBSIDIARY

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF
1 JANUARY - 31 DECEMBER 2013**

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise indicated.)

2.3 Positive differences relating to derivative financial assets held-for-trading

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Transactions	12,520	18	1,739	97
Swap Transactions	11,253	--	15,433	253
Futures Transactions	--	--	--	--
Options	28,103	6,613	1,465	1,030
Other	--	--	--	--
Total	51,876	6,631	18,637	1,380

3. Information on Banks

3.1 Information on banks

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks				
Domestic	78,385	14,940	13	5
Foreign	277	120,860	22	25,007
Foreign head-offices and branches	--	--	--	--
Total	78,662	135,800	35	25,012

3.2 Due from foreign banks

	Unrestricted Balances		Restricted Balances	
	Current Period	Prior Period	Current Period	Prior Period
EU Countries	5,741	4,448	7,670	1,679
USA and Canada	12,637	5,048	30,712	2,215
OECD Countries (*)	42,372	11,639	22,005	--
Off-Shore Banking Regions	--	--	--	--
Other	--	--	--	--
Total	60,750	21,135	60,387	3,894

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

4. Information on financial assets available-for-sale

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Share Certificates	--	--	--	--
Bonds, Treasury Bills and Similar Marketable Securities	16,677	241,377	--	100,845
Other	--	--	--	--
Total	16,677	241,377	--	100,845

FİBABANKA A.Ş. AND ITS SUBSIDIARY
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF
1 JANUARY - 31 DECEMBER 2013**

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise indicated.)

4.2 Details of financial assets available-for-sale

	Current Period	Prior Period
Debt instruments	265,644	108,733
Quoted on Stock Exchange	265,644	108,227
Unquoted on Stock Exchange	--	506
Share certificates	--	--
Quoted on Stock Exchange	--	--
Unquoted on Stock Exchange	--	--
Impairment provision (-)	--	--
Total	265,644	108,733

5. Information on loans
5.1 Information on all types of loans and advances given to shareholders and employees of the Bank

	Current Period		Prior Period	
	Cash	Non-Cash	Cash	Non-Cash
Direct Loans to Shareholders	--	--	--	--
Corporate Shareholders	--	--	--	--
Individual Shareholders	--	--	--	--
Indirect Loans to Shareholders	--	--	--	--
Loans to Employees	1,927	--	542	--
Total	1,927	--	542	--

5.2 Information on the first and second group loans and other receivables including restructured or rescheduled loans

	Standard Loans and Other Receivables			Loans and Other Receivables under Close Monitoring		
	Loans and Other Receivables (Total)	Loan and Receivables with Revised Contract Terms		Loans and Other Receivables (Total)	Loan and Receivables with Revised Contract Terms	
		Extension of Repayment Plan	Other		Extension of Repayment Plan	Other
Cash Loans						
Loans	4,985,939	245	--	120,839	40,249	7,321
Working Capital Loans	--	--	--	--	--	--
Export Loans	215,268	--	--	2,316	--	--
Import Loans	--	--	--	--	--	--
Loans to Financial Sector	94,874	--	--	--	--	--
Consumer Loans	364,377	104	--	39,019	727	4,487
Credit Cards	481	--	--	--	--	--
Others	4,310,939	141	--	79,504	39,522	2,834
Specialization Loans	--	--	--	--	--	--
Other Receivables	--	--	--	--	--	--
Total	4,985,939	245	--	120,839	40,249	7,321

FİBABANKA A.Ş. AND ITS SUBSIDIARY

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF
1 JANUARY - 31 DECEMBER 2013**

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise indicated.)

5.2

Information on the first and second group loans and other receivables including restructured or rescheduled loans (continued)

	Standard Loans and Other Receivables	Loans and Other Receivables under Close Monitoring
Number of Extensions	245	40,249
1 or 2 times	245	40,249
3, 4 or 5 times	--	--
Over 5 times	--	--

	Standard Loans and Other Receivables	Loans and Other Receivables under Close Monitoring
Extension Periods	245	40,249
0-6 Months	141	8
6 -12 Months	7	258
1 – 2 Years	66	7,404
2 – 5 Years	31	7,478
5 Years and over	--	25,101

The overdue analysis of close monitoring loans

<i>Current Period</i>	Corporate/ Commercial Loans	Consumer Loans	Total
1-30 days	26,785	7,688	34,473
31-60 days	5,426	15,781	21,207
61-90 days	14,601	7,790	22,391
Total	46,812	31,259	78,071

<i>Prior Period</i>	Corporate/ Commercial Loans	Consumer Loans	Total
1-30 days	10,146	1,513	11,659
31-60 days	4,397	8,169	12,566
61-90 days	10,808	3,389	14,197
Total	25,351	13,071	38,422

FİBABANKA A.Ş. AND ITS SUBSIDIARY

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF
1 JANUARY - 31 DECEMBER 2013**

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise indicated.)

5.2 Information on the first and second group loans and other receivables including restructured or rescheduled loans (continued)

Maturity analysis of cash loans

	Standard Loans and Other Receivables		Loans and Other Receivables under Close Monitoring	
	Loans and Other Receivables	Loans and Receivables with Revised Contract Terms	Loans and Other Receivables	Loans and Receivables with Revised Contract Terms
<i>Current Period</i>				
Short-term Loans and Other Receivables	2,231,920	141	43,788	1,013
Loans	2,231,920	141	43,788	1,013
Specialization Loans	--	--	--	--
Other Loans	--	--	--	--
Medium and Long-term Loans and Other Receivables	2,754,019	104	77,051	46,557
Loans	2,754,019	104	77,051	46,557
Specialization Loans	--	--	--	--
Other Loans	--	--	--	--

FİBABANKA A.Ş. AND ITS SUBSIDIARY
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF
1 JANUARY - 31 DECEMBER 2013**

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise indicated.)

5.3
Information on consumer loans, individual credit cards and credit cards given to personnel:

	Short-Term	Medium or Long Term	Total
Consumer Loans-TL	14,242	257,402	271,644
Real Estate Loans	--	38,451	38,451
Vehicle Loans	160	7,593	7,753
General Purpose Loans	14,082	211,358	225,440
Other	--	--	--
Consumer Loans-Indexed to FC	--	130,632	130,632
Real Estate Loans	--	125,619	125,619
Vehicle Loans	--	--	--
General Purpose Loans	--	5,013	5,013
Other	--	--	--
Consumer Loans-FC	--	--	--
Real Estate Loans	--	--	--
Vehicle Loans	--	--	--
General Purpose Loans	--	--	--
Other	--	--	--
Individual Credit Cards-TL	344	--	344
With Instalment	1	--	1
Without Instalment	343	--	343
Individual Credit Cards-FC	7	--	7
With Instalment	--	--	--
Without Instalment	7	--	7
Loans Given to Employees-TL	98	1,701	1,799
Real Estate Loans	--	--	--
Vehicle Loans	--	--	--
General Purpose Loans	98	1,701	1,799
Other	--	--	--
Loans Given to Employees - Indexed to FC	--	--	--
Real Estate Loans	--	--	--
Vehicle Loans	--	--	--
General Purpose Loans	--	--	--
Other	--	--	--
Loans Given to Employees - FC	--	--	--
Real Estate Loans	--	--	--
Vehicle Loans	--	--	--
General Purpose Loans	--	--	--
Other	--	--	--
Personnel Credit Cards – TL	128	--	128
With Instalment	27	--	27
Without Instalment	101	--	101
Personnel Credit Cards – FC	--	--	--
With Instalment	--	--	--
Without Instalment	--	--	--
Overdraft Loans-TL (Real Persons)	4,639	--	4,639
Overdraft Loans-FC (Real Persons)	--	--	--
Total	19,458	389,735	409,193

FİBABANKA A.Ş. AND ITS SUBSIDIARY

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF
1 JANUARY - 31 DECEMBER 2013**

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise indicated.)

5.4

Information on commercial loans with instalments and corporate credit cards

	Short Term	Medium or Long Term	Total
Instalment Commercial Loans – TL	104,130	696,295	800,425
Real Estate Loans	--	2,569	2,569
Vehicle Loans	1,094	23,370	24,464
General Purpose Loans	103,036	670,356	773,392
Other	--	--	--
Instalment Commercial Loans – Indexed to FC	6,422	184,954	191,376
Real Estate Loans	--	3,920	3,920
Vehicle Loans	154	21,148	21,302
General Purpose Loans	6,268	159,886	166,154
Other	--	--	--
Instalment Commercial Loans - FC	--	--	--
Real Estate Loans	--	--	--
Vehicle Loans	--	--	--
General Purpose Loans	--	--	--
Other	--	--	--
Corporate Credit Cards – TL	2	--	2
With Instalment	--	--	--
Without Instalment	2	--	2
Corporate Credit Cards – FC	--	--	--
With Instalment	--	--	--
Without Instalment	--	--	--
Overdraft Loans-TL (Legal Entities)	48,563	--	48,563
Overdraft Loans-FC (Legal Entities)	--	--	--
Total	159,117	881,249	1,040,366

5.5

Allocation of loans by customers

	Current Period	Prior Period
Public Sector	--	--
Private Sector	5,154,593	3,205,062
Total	5,154,593	3,205,062

5.6

Allocation of Domestic and Foreign Loans

	Current Period	Prior Period
Domestic Loans	5,113,467	3,127,999
Foreign Loans	41,126	77,063
Total	5,154,593	3,205,062

5.7

Loans granted to subsidiaries and associates

None.

FİBABANKA A.Ş. AND ITS SUBSIDIARY

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF
1 JANUARY - 31 DECEMBER 2013**

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise indicated.)

5.8 Specific provisions provided against loans

Specific Provisions	Current Period	Prior Period
Loans and Receivables with Limited Collectability	2,578	1,737
Loans and Receivables with Doubtful Collectability	3,857	3,401
Uncollectible Loans and Receivables	28,619	8,768
Total	35,054	13,906

5.9 Information on non-performing loans (Net)

5.9.1 Information on loans and other receivables included in non-performing loans which are restructured or rescheduled

	Group III Loans and receivables with limited collectability	Group IV Loans and receivables with doubtful collectability	Group V Uncollectible loans and receivables
Current Period	9	71	274
(Gross Amounts before Specific Provisions)			
Restructured Loans and Other Receivables	9	71	274
Rescheduled Loans and Other Receivables	--	--	--
Prior Period	--	188	13
(Gross Amounts before Specific Provisions)			
Restructured Loans and Other Receivables	--	188	13
Rescheduled Loans and Other Receivables	--	--	--

5.9.2 Movement on non-performing loans

	Group III Loans and receivables with limited collectability	Group IV Loans and receivables with doubtful collectability	Group V Uncollectible loans and receivables
Balances at Beginning of Period	9,986	8,743	10,819
Additions (+)	45,445	312	300
Transfers from Other Categories of Non-Performing Loans (+)	--	34,672	29,134
Transfers to Other Categories of Non-Performing Loans (-)	34,672	29,134	--
Collections (-)	5,893	2,449	3,101
Write-offs (*) (-)	6	--	3,741
Corporate and Commercial Loans	6	--	3,339
Retail Loans	--	--	370
Credit Cards	--	--	32
Other	--	--	--
Balances at End of the Period	14,860	12,144	33,411
Specific Provisions (-)	2,578	3,857	28,619
Net Balance on Balance Sheet	12,282	8,287	4,792

(*) Non-performing loans with 100% provision amounting to TL 3,741 was written-off on 29 March 2013.

FİBABANKA A.Ş. AND ITS SUBSIDIARY
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF
1 JANUARY - 31 DECEMBER 2013**

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise indicated.)

5.9.3 Information on non-performing loans and other receivables in foreign currencies

	Group III	Group IV	Group V
	Loans and receivables with limited collectability	Loans and receivables with doubtful collectability	Uncollectible loans and receivables
Current Period			
Balance as of the Period End	336	714	6,582
Specific Provisions (-)	42	258	4,202
Net Balance on Balance Sheet	294	456	2,380
Prior Period			
Balance as of the Period End	504	2,688	4,001
Specific Provisions (-)	25	344	2,884
Net Balance on Balance Sheet	479	2,344	1,117

5.9.4 Information regarding gross and net amounts of non-performing loans with respect to user groups

	Group III	Group IV	Group V
	Loans and receivables with limited collectability	Loans and receivables with doubtful collectability	Uncollectible loans and receivables
Current Period (Net)	12,282	8,287	4,792
Loans Granted to Real Persons and Legal Entities (Gross)	14,860	12,144	33,411
Specific provisions (-)	2,578	3,857	28,619
Loans Granted to Real Persons and Legal Entities (Net)	12,282	8,287	4,792
Banks (Gross)	--	--	--
Specific Provisions (-)	--	--	--
Banks (Net)	--	--	--
Other Loan and Receivables (Gross)	--	--	--
Specific Provisions (-)	--	--	--
Other Loan and Receivables (Net)	--	--	--
Prior Period (Net)	8,249	5,342	2,051
Loans Granted to Real Persons and Legal Entities (Gross)	9,986	8,743	10,819
Specific provisions (-)	1,737	3,401	8,768
Loans Granted to Real Persons and Legal Entities (Net)	8,249	5,342	2,051
Banks (Gross)	--	--	--
Specific Provisions (-)	--	--	--
Banks (Net)	--	--	--
Other Loan and Receivables (Gross)	--	--	--
Specific Provisions (-)	--	--	--
Other Loan and Receivables (Net)	--	--	--

FİBABANKA A.Ş. AND ITS SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF 1 JANUARY - 31 DECEMBER 2013

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise indicated.)

5.10 *Liquidation policy for uncollectible loans and other receivables*

The Bank allocates 100% provision for uncollectible loans. If the Bank has collateral, non-performing loans and other receivables are collected through liquidation of these collaterals. In the absence of collateral, the Bank performs periodical market intelligence and tries to determine the assets acquired subsequently by the debtor and applies to the legal follow-up process.

5.11 *Explanations related to write-off policy*

In case of all necessary conditions based on the relevant regulation occur, all impaired loans are written-off by the Board of Directors' decision.

6. **Information on held-to-maturity investments**

None.

7. **Information on associates**

None.

8. **Information on consolidated subsidiary**

The Bank has TL 5,445 of consolidated subsidiaries in its consolidated financial statements as of 31 December 2013.

Information on capital adequacy of major subsidiary.

Current Period	Fiba Portföy Yönetimi A.Ş.
CORE CAPITAL	5,396
Paid-in Capital	5,500
Inflation Adjustments to Paid-in Capital	--
Share Premium	--
Reserves	--
Current Period's Profit and Prior Periods' Profit	--
Current Period's Losses and Prior Periods' Losses	104
Leasehold Improvements on Operational Leases (-)	--
Intangible Assets (-)	--
Goodwill (Net) (-)	--
SUPPLEMENTARY CAPITAL	--
CAPITAL	5,396
DEDUCTIONS FROM CAPITAL	--
NET AVAILABLE EQUITY	5,396

The Parent Bank does not have any capital needs for its subsidiary included in the calculation of its consolidated capital adequacy standard ratio.

8.1 *Information on the subsidiaries which are not subject to consolidation*

The Group does not have any subsidiaries which are not subject to consolidation.

FİBABANKA A.Ş. AND ITS SUBSIDIARY**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF
1 JANUARY - 31 DECEMBER 2013**

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise indicated.)

8. Information on consolidated subsidiary (continued)**8.2 Movement of consolidated investment in subsidiary**

	Current Period	Prior Period
Balances at Beginning of Period	--	--
Movements during the Period		
Acquisitions and Capital Increases (*)	5,445	--
Bonus Shares Received	--	--
Dividends from the Current Year Profit	--	--
Sales/Liquidations	--	--
Reclassification of shares	--	--
Increase / (Decrease) in Market Values	--	--
Currency Differences on Foreign Subsidiaries	--	--
Reversal of Impairment Losses/ Impairment Losses (-)	--	--
Balances at the End of Period	5,445	--
Capital Commitments	--	--
Share of Capital at the end of Period (%)	99	--

(*)Fiba Portföy Yönetimi A.Ş. is established on 26 September 2013 with 99% participation of Fibabanka A.Ş. in the current period.

Valuation methods of consolidated in subsidiary

	Current Period	Prior Period
Valued at Cost	5,445	--
Valued at Fair	--	--

Sectoral distribution of consolidated investments in subsidiary

	Current Period	Prior Period
Banks	--	--
Insurance Companies	--	--
Factoring Companies	--	--
Leasing Companies	--	--
Finance Companies	--	--
Other Subsidiaries	5,445	--

Quoted consolidated investments in subsidiary

None.

FİBABANKA A.Ş. AND ITS SUBSIDIARY**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF
1 JANUARY - 31 DECEMBER 2013**

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise indicated.)

Other Information on subsidiaries within the scope of consolidation

Title	Address (City / Country)	Bank's share- If different voting rights (%)	Bank's risk group share (%)	Consolidation Method
Fiba Portföy Yönetimi A.Ş.	İstanbul	%99.0	% 99.0	Full Consolidation

Total Assets	Shareholders' Equity	Total Fixed Assets (*)	Interest Income	Income on Securities Portfolio	Current Period Profit/ Loss	Prior Period Profit/Loss	Company's Fair Value
5,474	5,396	10	128	--	(104)	--	5,396

(*)Total fixed assets consist of tangible and intangible assets.

Information on the subsidiaries within the scope of consolidation which are sold out in the current period

None

Information on the subsidiaries within the scope of consolidation which are acquired in the current period

None

9. Information on entities under common control (Joint Ventures)

None.

10. Information on lease receivables

None.

11. Information on derivative financial assets held for hedging purposes**11.1 Positive valuation derivative financial assets held for hedging purposes**

None.

FİBABANKA A.Ş. AND ITS SUBSIDIARY

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF
1 JANUARY - 31 DECEMBER 2013**

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise indicated.)

12. Information on tangible assets

Current Period	Vehicles	Other Tangible Assets(*)	Total
Cost			
Beginning Balance, 1 January 2013	31	35,526	35,557
Additions	10	22,931	22,941
Disposals	--	7	7
Ending Balance, 31 December 2013	41	58,450	58,491
Accumulated Depreciation			
Beginning Balance, 1 January 2013	(10)	(19,701)	(19,711)
Depreciation	(6)	(5,998)	(6,004)
Disposals	--	--	--
Ending Balance, 31 December 2013	(16)	(25,699)	(25,715)
Net Book Value, 31 December 2013	25	32,751	32,776

Prior Period	Vehicles	Other Tangible Assets(*)	Total
Cost			
Beginning Balance, 1 January 2012	117	27,983	28,100
Additions	--	7,723	7,723
Disposals	(86)	(180)	(266)
Ending Balance, 31 December 2012	31	35,526	35,557
Accumulated Depreciation			
Beginning Balance, 1 January 2012	(84)	(16,353)	(16,437)
Depreciation	(12)	(3,528)	(3,540)
Disposals	86	180	266
Ending Balance, 31 December 2012	(10)	(19,701)	(19,711)
Net Book Value, 31 December 2012	21	15,825	15,846

(*) Other tangible fixed assets consist of leasehold improvements, office machinery, furniture and other movables.

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

12.1.1 Conditions for allocating/releasing any impairment:

None.

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

None.

12.2 Other impairment losses provided or released in current period that are immaterial for the financial statement individually

None.

FİBABANKA A.Ş. AND ITS SUBSIDIARY**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF
1 JANUARY - 31 DECEMBER 2013**

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise indicated.)

13. Information on intangible assets**13.1 Useful lives and amortisation rates**

The useful life of an asset is determined by taking the asset's expected economic life, technical, technological or other kinds of obsolescence, and maintenance costs into account. The amortization rates used are in accordance with the useful lives of the underlying assets. The useful lives are determined as defined by TAS 38 "Intangible Assets".

The Group's intangible assets, software programs, establishment and restructuring expenses, intangible rights, and their useful life is considered from 3 to 10 years.

13.2 Amortisation methods

The depreciation charge for items remaining in the property and equipment for less than an accounting period at the balance sheet date is calculated in proportion to the period the item remains in property and equipment account.

13.3 Balances at beginning and end of current period

	Current Period		Prior Period	
	Gross book value	Accumulated Amortisation	Gross book value	Accumulated Amortisation
Intangible Assets	41,614	34,629	36,958	30,747

(*)Includes the software and other intangible assets

13.4 Movements of intangible assets for the current period

	Current Period	Prior Period
Cost		
Beginning Balance, 1 January	36,958	33,478
Additions	4,656	3,480
Ending Balance, 31 December	41,614	36,958
Accumulated Depreciation		
Beginning Balance, 1 January	(30,747)	(27,404)
Depreciation Expense for Current Period (-)	(3,882)	(3,343)
Ending Balance, 31 December	(34,629)	(30,747)
Net Book Value, 31 December	6,985	6,211

13.5 Details for any individually material intangible assets

None.

13.6 Intangible assets capitalised under government incentives at fair values

None.

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

None.

FİBABANKA A.Ş. AND ITS SUBSIDIARY

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF
1 JANUARY - 31 DECEMBER 2013**

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise indicated.)

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

None.

13.9 *Commitments to acquire intangible assets*

None.

13.10 *Disclosure on revalued intangible assets*

None.

13.11 *Research and development costs expensed during current period*

None.

13.12 *Goodwill*

None.

14. *Information on investment properties*

None.

FİBABANKA A.Ş. AND ITS SUBSIDIARY

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF
1 JANUARY - 31 DECEMBER 2013**

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise indicated.)

15. Information on deferred tax asset

15.1 Amount of deferred tax asset recognized in the balance sheet in respect of deductible temporary differences, unused tax losses and unused tax credits

As of 31 December 2013, the deferred tax asset amounting to TL 13,266 is calculated by netting of carry forward tax losses, deductible temporary differences and taxable temporary differences (31 December 2012: TL 5,356)

Deferred tax assets consist of deferred tax asset and liability items recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases which is used in the computation of taxable profit. The deferred tax assets and liabilities are presented as net in the accompanying financial statements.

Current Period		
	Deferred Tax Base	Deferred Tax Asset/ Liability
Financial Assets Valuation	52,577	10,515
Unearned Commission Income	14,352	2,870
Retirement Pay and Unused Vacation Provision	5,036	1,007
Tangible Assets Base Differences	(5,430)	(1,086)
Other	(204)	(40)
Deferred Tax Assets	66,331	13,266

Prior Period		
	Deferred Tax Base	Deferred Tax Asset/ Liability
Carry Forward Tax Losses	30,168	6,034
Unearned Commission Income	8,622	1,724
Other Provisions	2,500	500
Retirement Pay and Unused Vacation Provision	2,033	407
Tangible Assets Base Differences	(2,544)	(509)
Financial Assets Valuation	(13,211)	(2,642)
Other	(789)	(158)
Deferred Tax Assets	26,779	5,356

The movement of the current year and prior year deferred tax assets is shown below:

	Current Period	Prior Period
Deferred Tax Asset, 1 January	5,356	20,472
Deferred Tax Income / (Expense)	1,479	(14,603)
Deferred Tax Recognized Directly Under Equity	6,431	(513)
Deferred Tax Asset 31 December	13,266	5,356

As of 31 December 2013, the Bank has no carry forward tax losses.

FİBABANKA A.Ş. AND ITS SUBSIDIARY

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF
1 JANUARY - 31 DECEMBER 2013**

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise indicated.)

15.2 *Amount and expiry date of deductible temporary differences, unused tax losses, unused tax credits for which no deferred tax asset is recognized in prior periods in the balance sheet*

None.

15.3 *Deferred tax asset resulting from the cancellation of the provision for impairment losses related to the deferred taxes*

None.

16. Information on assets held for sale and non-current assets related to discontinued operations

As of 31 December 2013, the Bank has TL 1,173 assets held for sale (31 December 2012: TL 6,393).

17. Information on other assets

Other assets do not exceed 10% of total assets excluding the off-balance sheet items.

17.1 *Information on prepaid expenses, tax and similar items*

As of 31 December 2013, total prepaid expenses are TL 9,497 (31 December 2012: TL 5,069).

FİBABANKA A.Ş. AND ITS SUBSIDIARY

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF
1 JANUARY - 31 DECEMBER 2013**

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise indicated.)

II. Explanations and disclosures related to consolidated liabilities

1. Information on deposits

1.1 Information on maturity structure of deposits

Current Period

	Demand	7 Day Call Accounts	Up to 1 Month	1-3 Months	3-6 Months	6 Months -1 Year	1 Year and Over	Cumulative Deposit	Total
Saving Deposits	18,962	--	26,834	1,292,133	255,626	129,168	21,465	--	1,744,188
Foreign Currency									
Deposits	182,740	--	101,830	1,056,876	168,351	17,121	50,491	--	1,577,409
Residents in Turkey	105,147	--	90,733	1,034,352	156,891	14,625	5,646	--	1,407,394
Residents Abroad	77,593	--	11,097	22,524	11,460	2,496	44,845	--	170,015
Public Sector Deposits	--	--	--	5,256	--	--	--	--	5,256
Commercial Deposits	132,365	--	51,365	363,229	120,856	99,919	55,035	--	822,769
Other Ins. Deposits	586	--	300	147,695	22,028	--	444	--	171,053
Precious Metal									
Deposits	2,560	--	--	--	--	--	--	--	2,560
Interbank Deposits	62,563	--	102,254	54,997	--	--	--	--	219,814
Central Bank of Turkey	--	--	--	--	--	--	--	--	--
Domestic Banks	1	--	82,451	4,275	--	--	--	--	86,727
Foreign Banks	6,324	--	19,803	50,722	--	--	--	--	76,849
Special Finan.Inst.	56,238	--	--	--	--	--	--	--	56,238
Other	--	--	--	--	--	--	--	--	--
Total	399,776	--	282,583	2,920,186	566,861	246,208	127,435	--	4,543,049

Prior Period

	Demand	7 Day Call Accounts	Up to 1 Month	1-3 Months	3-6 Months	6 Months -1 Year	1 Year and Over	Cumulative Deposit	Total
Saving Deposits	7,443	--	7,637	482,065	371,829	52,535	3,325	--	924,834
Foreign Currency									
Deposits	84,570	--	120,733	708,648	86,787	28,724	75,617	--	1,105,079
Residents in Turkey	71,926	--	102,884	696,814	82,895	28,724	6,710	--	989,953
Residents Abroad	12,644	--	17,849	11,834	3,892	--	68,907	--	115,126
Public Sector Deposits	5	--	--	3,038	--	--	--	--	3,043
Commercial Deposits	80,920	--	75,837	133,300	103,448	127,748	28,425	--	549,678
Other Ins. Deposits	76	--	--	49,830	3,307	15	--	--	53,228
Precious Metal									
Deposits	1,008	--	--	--	--	--	--	--	1,008
Interbank Deposits	18,600	--	--	33,971	--	--	--	--	52,571
Central Bank of Turkey	--	--	--	--	--	--	--	--	--
Domestic Banks	--	--	--	12,499	--	--	--	--	12,499
Foreign Banks	18,600	--	--	21,472	--	--	--	--	40,072
Special Finan. Inst.	--	--	--	--	--	--	--	--	--
Other	--	--	--	--	--	--	--	--	--
Total	192,622	--	204,207	1,410,852	565,371	209,022	107,367	--	2,689,441

FİBABANKA A.Ş. AND ITS SUBSIDIARY
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF
1 JANUARY - 31 DECEMBER 2013**

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise indicated.)

1.2 Information on saving deposits under the guarantee of saving deposit insurance and exceeding the limit of saving deposit insurance:

	Under the Guarantee of Deposit Insurance		Exceeding the limit of Deposit Insurance	
	Current Period	Prior Period	Current Period	Prior Period
Saving Deposits	487,357	171,627	1,248,254	747,983
Foreign Currency Saving Deposits	98,420	53,519	834,801	599,297
Other Deposits in the Form of Saving Deposits	--	--	--	--
Foreign Branches' Deposits Under Insurance of Foreign Authorities	--	--	--	--
Off-shore Banking Regions' Deposits Under Foreign Authorities' Insurance	--	--	--	--
Total	585,777	225,146	2,083,055	1,347,280

1.3 Saving deposits in Turkey are not covered by any insurance in any other countries since the Bank's headquarter is not located abroad.
1.4 Saving deposits that are not under the guarantee of deposit insurance fund

	Current Period	Prior Period
Deposits and Accounts in Branches Abroad	--	--
Deposits of Ultimate Shareholders and Their Close Families	4,722	3
Deposits of Chairman and Members of the Board of Directors and their Close Families	4,268	5,221
Deposits Obtained through Illegal Acts Defined in the 282nd Article of the 5237 Numbered Turkish Criminal Code dated 26 September 2004.	--	--
Saving Deposits in Banks Established in Turkey Exclusively for Off Shore Banking Activities	--	--

2. Information on derivative financial liabilities held for trading
2.1 Information on negative differences relating to derivative financial liabilities held for trading

Trading Purpose Derivative Financial Liabilities	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Transactions	12,532	90	4,071	57
Swap Transactions	33,406	--	6,079	910
Futures Transactions	--	--	--	--
Options	28,040	6,650	1,557	1,022
Other	--	--	--	--
Total	73,978	6,740	11,707	1,989

FİBABANKA A.Ş. AND ITS SUBSIDIARY**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF
1 JANUARY - 31 DECEMBER 2013**

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise indicated.)

3. Information on banks and other financial institutions**3.1 Information on banks and other financial institutions**

	Current Period		Prior Period	
	TL	FC	TL	FC
Loans from Central Bank of Turkey	--	--	--	--
From Domestic Banks and Institutions	19,389	24,275	6,890	9,211
From Foreign Banks, Institutions and Funds	--	515,417	--	292,569
Total	19,389	539,692	6,890	301,780

Syndicated loan of U.S. \$ 80 million which was due in December 2013 was renewed as U.S. \$ 125 million in the same month.

3.2 Maturity analysis of borrowings

	Current Period		Prior Period	
	TL	FC	TL	FC
Short-Term	11,450	428,918	5,689	210,933
Medium and Long Term	7,939	110,774	1,201	90,847
Total	19,389	539,692	6,890	301,780

3.3 Additional explanation related to the concentrations of the Bank's major liabilities:

In the scope of normal banking operations, the Bank funds itself through funds provided deposits, bank borrowings and bond issuance.

4. Informations related with issued instruments

In March 2013, the Bank has issued bonds with a nominal value of TL 85,000 with 2 years to maturity, and in July bills with a nominal value of TL 50,000 6 months to maturity, in September bills with a nominal value of TL 60,000 6 months to maturity. The Bank also has bills with a nominal value of TL 100,000 with 720 days to maturity.

	TL		FC	
	Short Term	Medium and Long Term	Short Term	Medium and Long Term
Nominal	110,000	185,000	--	--
Cost	105,253	185,000	--	--
Carrying Amount	108,725	188,435	--	--

5. Sundry Creditors and Other Liabilities

Sundry creditors and other liabilities of balance sheet does not exceed %10 of the balance sheet total.

6. Criteria used in the determination of lease instalments in the finance lease contracts, renewal and purchase options, restrictions, and significant burdens imposed on the bank on such contracts**6.1 Changes in agreements and further commitments arising**

None.

FİBABANKA A.Ş. AND ITS SUBSIDIARY**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF
1 JANUARY - 31 DECEMBER 2013**

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise indicated.)

6.2 Obligations under financial lease

	Current Period		Prior Period	
	Gross	Net	Gross	Net
Less than 1 Year	--	--	--	--
Between 1-4 Years	295	260	--	--
More than 4 Years	--	--	--	--
Total	295	260	--	--

6.3 Information on operational leases and footnotes

The Bank has operational lease agreements for some of its bank branches. If the rental payments is made in advance, the paid amount is accounted under prepaid expenses in "Other Assets", in the following months, the rental expenses belonging to those months are recorded in profit/loss accounts.

The Bank does not incur any liability as a result of any changes in operational lease agreements. The Bank does not have any obligation from operational lease agreements.

6.4 Information on "Sale-and-lease back" agreements

In the current period, there is no sale and lease back agreements.

7. Information on derivative financial liabilities for hedging purposes

There are no derivative financial liabilities for hedging purposes in the current period.

8. Information on provisions**8.1 Information on general provisions**

	Current Period	Prior Period
Loans and Receivables in Group 1	45,027	32,260
- Additional Provision for Loan and Receivables with Extended Maturities	12	576
Loans and Receivables in Group 2	4,576	1,901
- Additional Provision for Loan and Receivables with Extended Maturities	2,012	700
Non-Cash Loans	2,634	1,455
Others	--	--
Total	52,237	35,616

8.2 Foreign exchange losses on the foreign currency indexed loans and finance lease receivables

The foreign exchange losses on the foreign currency indexed loans as of 31 December 2013, amounting to TL 24 (31 December 2012: TL 759) are netted off from loans on the balance sheet.

8.3 The specific provisions provided for unindemnified non cash loans

As of 31 December 2013, the specific provision provided for unindemnified non cash loans is TL 1,380 (31 December 2012: TL 47).

8.4 Explanation on other provisions**8.4.1 Provisions for probable losses**

None.

FİBABANKA A.Ş. AND ITS SUBSIDIARY**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF
1 JANUARY - 31 DECEMBER 2013**

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise indicated.)

8.4.2 The breakdown of the subsidiary accounts if other provisions exceed 10% of the grand total provisions

None.

8.4.3 Explanations on reserves for employee benefits

As of 31 December 2013, reserves for employee benefits amounting to TL 7,948 (31 December 2012: TL 4,553) comprise TL 2,880 reserve for employee termination benefits (31 December 2012: TL 410), TL 2,568 unused vacation pay liability (31 December 2012: TL 1,623) and TL 2,500 personnel premium accrual (31 December 2012: TL 2,500).

9. Explanations on tax liabilities**9.1 Explanations on current tax liability****9.1.1 Explanations on tax provision**

As of 31 December 2013, total current tax liability of the Group is TL 17,064 (31 December 2012: TL 10,053). As of 31 December 2013 corporate tax liability is TL 16,578 and the corporate tax payable is TL 4,237 after deducting the prepaid taxes (31 December 2012: None).

9.1.2 Information on taxes payable

	Current Period	Prior Period
Corporate taxes payable	4,237	--
Taxation on securities	4,851	4,090
Property tax	213	176
Banking and Insurance Transaction Tax (BITT)	4,111	2,528
Taxes on foreign exchange transactions	--	--
Value added taxes payable	143	111
Income tax ceased from wages	1,645	1,049
Other	157	94
Total	15,357	8,048

9.1.3 Information on premiums

	Current Period	Prior Period
Social Security Premiums- Employee	729	762
Social Security Premiums- Employer	824	1,084
Bank Social aid Pension Fund Premium- Employee	--	--
Bank Social Aid Pension Fund Premium- Employer	--	--
Pension Fund Membership Fees and Provisions- Employee	--	--
Pension Fund Membership Fees and Provisions- Employer	--	--
Unemployment Insurance- Employee	51	53
Unemployment Insurance- Employer	103	106
Other	--	--
Total	1,707	2,005

9.2 Explanations on deferred tax liabilities

None.

10. Information on liabilities regarding assets held for sale and discontinued operations

None.

FİBABANKA A.Ş. AND ITS SUBSIDIARY**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF
1 JANUARY - 31 DECEMBER 2013**

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise indicated.)

11. Explanations on subordinated loans

	<i>Current Period</i>		<i>Prior Period</i>	
	TL	FC	TL	FC
Domestic Banks	--	--	--	--
Domestic Other Institutions	--	107,389	--	89,693
Foreign Banks	--	82,403	--	--
Foreign Other Institutions	--	85,628	--	--
Total	--	275,420	--	89,693

The Bank acquired subordinated loan from its parent company, Fiba Holding A.Ş., amounting to USD 50 million with 10 years maturity. The bank also acquired loans from international financial institutions and banks amounting U.S \$ 50 million and € 20 million with 10 years maturity.

12. Information on shareholders' equity**12.1 Paid-in capital**

	<i>Current Period</i>	<i>Prior Period</i>
Common Stock	550,000	426,650
Preferred Stock	--	--

12.2 Paid-in capital amount, explanation as to whether the registered share capital system is applied at the bank; if so the amount of registered share capital ceiling:

Registered share capital system is not applied.

12.3 Information on share capital increases and their sources; other information on increased capital shares in current period

The Bank's paid in capital which was TL 426,650 was decided to be increased to TL 550,000 on Board of Directors minutes held on 25 February 2013; increase of TL 17,416 is to be provided by inflation adjustment to share capital, TL 9,502 is to be provided by profit on disposal of immovable, and TL 96,432 is to be paid by Fiba Holding A.Ş. in cash; legal applications have been made for the total increase of TL 123,350 of paid in capital. As of 29 May 2013, legal procedures have been finalized and capital increase recorded in the financial statements.

12.4 Information on share capital increases from revaluation funds

The Bank's capital reserve which was TL 17,416 is to be provided by inflation adjustment to share capital and TL 9,502 is to be provided by profit on disposal of immovable on Board of Directors minutes held on 25 February 2013. As of 29 May 2013, legal procedures has been finalized and the amount recorded to paid-in capital.

12.5 Information on capital commitments the purpose and the sources until the end of the fiscal year and the subsequent interim period:

The capital is totally paid in and there are no capital commitments.

12.6 Indicators of the Bank's income, profitability and liquidity for the prior periods and possible effects of these future assumptions due to the uncertainty of these indicators on the Bank's equity:

None.

FİBABANKA A.Ş. AND ITS SUBSIDIARY**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF
1 JANUARY - 31 DECEMBER 2013**

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise indicated.)

12.7 Information on privileges given to stocks representing the capital

The Bank does not have any preferred shares.

12.8 Common stock issue premiums, shares and equity instruments

None.

12.9 Information on marketable securities value increase fund

	Current Period		Prior Period	
	TL	FC	TL	FC
From Subsidiaries, Associates, and Entities Under Common Control (Joint Ventures)	--	--	--	--
Security Valuation Difference	(721)	(23,336)	(4)	328
Exchange Difference	--	--	--	--
Total	(721)	(23,336)	(4)	328

12.10 Information on revaluation reserve

TL 12,669 gain on sale of the head office building in the year 2008 had been recognized as income in accordance with Turkish Accounting Standards. With decision of the General Assembly dated 16 March 2009, 75% of the gain, which corresponds to TL 9,502 were decided to be transferred to a special funds account at the stage of distribution of profit for the year 2008 and it will not be transferred to any other account except for share capital for a 5-year period in order to benefit from the tax exemptions stated in Corporate Tax Law No: 5520, article 5/e. The Bank has transferred this amount to "Fixed Assets Revaluation Reserve" account. The amount of fund was decided to be increased on Board of Directors minutes held on 25 February 2013 and legal applications have been made for increasing capital. As of 29 May 2013, legal procedures have been finalized and fund amount transferred to the paid in capital.

12.11 Bonus shares of Subsidiaries, Associates and Joint Ventures

None.

12.12 Information on legal reserves

None.

12.13 Information on extraordinary reserves

None.

13. Information on minority shares

	Current Period	Prior Period
Beginning Balance	--	--
Minority Shares in Net Income of Subsidiaries	(1)	--
Dividend Paid in the Prior Period	--	--
Increase/(Decrease) in Minority Shares as a Result of Sales	--	--
Other	55	--
Ending Balance	54	--

FİBABANKA A.Ş. AND ITS SUBSIDIARY

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF
1 JANUARY - 31 DECEMBER 2013**

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise indicated.)

III. Explanations and disclosures related to off-balance sheet contingencies and commitments

1. Information on off-balance sheet commitments

1.1 Nature and amount of irrevocable loan commitments

	Current Period	Prior Period
Asset Sale and Purchase Commitments	622,015	165,269
Credit Card Limit Commitments	9,180	3,664
Commitments for Promotion on Credit Cards and Banking Services	--	74
Commitments for Credit Allocation with the Guarantee of Usage	187,392	214,154
Export Commitments	2,484	1,640
Commitment for Cheques	86,442	37,693
Other Irrevocable Commitments	1,357	503
Total	908,870	422,997

1.2 Possible losses and commitments related to off-balance sheet items, including the ones listed below

1.2.1 Non-cash loans including guarantees, acceptances, financial guarantee and other letters of credits

	Current Period	Prior Period
Letters of Guarantee TL	260,316	117,604
Letters of Guarantee FC	176,831	108,475
Letters of Credit	197,325	55,614
Bills of Exchange and Acceptances	92,665	25,916
Total	727,137	307,609

1.2.2 Revocable, irrevocable guarantees and other similar commitments and contingencies

	Current Period	Prior Period
Revocable Letters of Guarantee	22,833	12,396
Irrevocable Letters of Guarantee	340,093	169,402
Letters of Guarantee Given in Advance	16,017	21,706
Letters of Guarantee Given to Customs	9,569	971
Other Letters of Guarantee	48,635	21,604
Total	437,147	226,079

2. Total amount of non-cash loans

	Current Period	Prior Period
Non-Cash Loans Given against Cash Loans	31,975	5,347
With Original Maturity of 1 Year or Less Than 1 Year	14,460	--
With Original Maturity of More Than 1 Year	17,515	5,347
Other Non-Cash Loans	695,162	302,262
Total	727,137	307,609

FİBABANKA A.Ş. AND ITS SUBSIDIARY

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF
1 JANUARY - 31 DECEMBER 2013**

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise indicated.)

3. Information on sectoral risk concentrations of non-cash loans

	<i>Current Period</i>				<i>Prior Period</i>			
	TL	(%)	FC	(%)	TL	(%)	FC	(%)
Agricultural	2,198	0.84	18,269	3.91	--	--	4,210	2.24
Farming and Stockbreeding	1,017	0.39	6,767	1.45	--	--	734	0.39
Forestry	1,181	0.45	11,502	2.46	--	--	1,124	0.60
Fishing	--	--	--	--	--	--	2,352	1.25
Manufacturing	39,159	15.03	196,849	42.19	20,417	17.11	65,640	34.86
Mining and Quarrying	1,834	0.70	9,604	2.06	4,985	4.18	22,835	12.13
Production	32,267	12.39	186,696	40.01	15,432	12.94	42,805	22.73
Electricity, Gas and Water	5,058	1.94	549	0.12	--	--	--	--
Construction	61,262	23.52	54,384	11.65	38,065	31.91	51,044	27.11
Services	104,828	40.25	56,826	12.18	54,435	45.63	63,207	33.57
Wholesale and Retail Trade	30,437	11.69	21,830	4.68	17,526	14.69	25,853	13.73
Accommodation and Dining	17,689	6.79	19,183	4.11	4,195	3.52	13,095	6.95
Transportation and								
Telecommunication	10,932	4.20	1,491	0.32	2,786	2.34	14,753	7.83
Financial institutions	11,830	4.54	9,829	2.11	5,266	4.41	9,404	4.99
Real Estate and Rental								
Services	1,400	0.54	--	--	2,727	2.29	84	0.04
Professional Services	536	0.21	29	0.01	893	0.75	18	0.01
Educational Services	24,639	9.46	--	--	18,685	15.66	--	--
Health and Social services	7,365	2.83	4,464	0.96	2,357	1.98	--	--
Other	53,019	20.36	140,343	30.07	6,385	5.35	4,206	2.23
Total	260,466	100.00	466,671	100.00	119,302	100.00	188,307	100.00

4. Information on the first and second group of non-cash loans

	Group I		Group II	
	TL	FC	TL	FC
Letters of Guarantee	253,475	169,582	6,841	7,249
Bills of Exchange and Bank				
Acceptances	150	92,152	--	363
Letters of Credit	--	197,325	--	--
Endorsements	--	--	--	--
Underwriting Commitments	--	--	--	--
Factoring Related Guarantees	--	--	--	--
Other Guarantees and Sureties	--	--	--	--
Non-Cash Loans	253,625	459,059	6,841	7,612

FİBABANKA A.Ş. AND ITS SUBSIDIARY**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF
1 JANUARY - 31 DECEMBER 2013**

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise indicated.)

5. Information related to derivative financial instruments

	Current Period	Prior Period
Types of trading transactions		
Foreign Currency Related Derivative Transactions (I)	7,532,124	4,007,489
Forward Transactions	1,364,145	700,319
Swap Transactions	2,979,484	2,083,782
Futures Transactions	--	--
Option Transactions	3,188,495	1,223,388
Interest Related Derivative Transactions (II)	--	--
Forward Rate Transactions	--	--
Interest Rate Swap Transactions	--	--
Interest Option Transactions	--	--
Futures Interest Transactions	--	--
Other Trading Derivative Transactions (III)	--	--
A. Total Derivative Transactions Held for Trading (I+II+III)	7,532,124	4,007,489
Types of hedging transactions		
Fair Value Hedges	--	--
Cash Flow Hedges	--	--
Net Investment Hedges	--	--
B. Total Derivative Transactions Held for Hedging Purposes	--	--
Total Derivative Transactions (A+B)	7,532,124	4,007,489

6. Credit derivatives and risk exposures on credit derivatives

None.

7. Explanations on contingent liabilities and assets

The Group provided provision of TL 918 for the legal cases pending against the Group where the cash out flows are highly probable.

8. Custodian and intermediary services

The Bank provides trading and safe keeping services in the name and account of third parties, which are presented in the statement of contingencies and commitments.

FİBABANKA A.Ş. AND ITS SUBSIDIARY**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF
1 JANUARY - 31 DECEMBER 2013**

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise indicated.)

IV. Explanations and disclosures related to the consolidated income statement**1. Interest income****1.1 Information on interest on loans (*)**

	Current Period		Prior Period	
	TL	FC	TL	FC
Interest on loans	348,146	92,475	269,952	59,522
Short Term Loans	219,115	21,474	202,150	17,544
Medium and Long Term Loans	129,031	71,001	67,802	41,978
Interest on Non-Performing Loans	425	--	1,227	--
Premiums received from Resource Utilization Support Fund	--	--	--	--
Total	348,571	92,475	271,179	59,522

*Includes fees and commissions obtained from cash loans.

1.2 Information on interest income received from banks

	Current Period		Prior Period	
	TL	FC	TL	FC
The Central Bank of Turkey	82	--	209	--
Domestic Banks	6,051	194	420	63
Foreign Banks	--	20	2	4
Branches and Head Office Abroad	--	--	--	--
Total	6,133	214	631	67

1.3 Interest received from marketable securities portfolio

	Current Period		Prior Period	
	TL	FC	TL	FC
Financial Assets Held for Trading	729	142	1,181	493
Financial Assets at Fair Value Through Profit or Loss	--	--	--	--
Financial Assets Available-for-Sale	641	9,391	125	2,069
Investment Securities Held-to-Maturity	--	--	--	--
Total	1,370	9,533	1,306	2,562

1.4 Information on interest income received from associates and subsidiaries

None.

FİBABANKA A.Ş. AND ITS SUBSIDIARY

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF
1 JANUARY - 31 DECEMBER 2013**

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise indicated.)

2. Interest expense

2.1 Information on interest on funds borrowed

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks	976	4,325	224	9,512
The Central Bank of Turkey	--	--	--	--
Domestic Banks	972	595	224	117
Foreign Banks	4	3,730	--	9,395
Branches and Head Office Abroad	--	--	--	--
Other Institutions	--	17,268	--	2,814
Total	976	21,593	224	12,326

2.2 Information on interest expenses to associates and subsidiaries

None.

2.3 Information on interest expenses to securities issued

	Current Period		Prior Period	
	TL	FC	TL	FC
Interest Paid to Securities Issued	21,371	--	8,948	--

2.4 Distribution of interest expense on deposits based on maturity of deposits:

Account Description	Demand Deposits	Time Deposits					Cumulative Deposit	Total
		Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	1 Year and Over		
<i>Turkish Lira</i>								
Bank Deposits	--	177	--	--	--	--	--	177
Saving Deposits	--	1,416	71,573	21,832	11,796	686	--	107,303
Public Sector Deposits	--	17	394	16	--	--	--	427
Commercial Deposits	--	3,034	37,840	11,342	8,091	3,032	--	63,339
Other	--	49	10,019	1,045	3	19	--	11,135
7 Day Call Accounts	--	--	--	--	--	--	--	--
Total	--	4,693	119,826	34,235	19,890	3,737	--	182,381
<i>Foreign Currency</i>								
Foreign Currency Deposits	--	1,345	27,327	3,546	989	2,679	--	35,886
Bank Deposits	--	1,509	--	--	--	--	--	1,509
7 Day Call Accounts	--	--	--	--	--	--	--	--
Precious Metal Deposits	--	--	--	--	--	--	--	--
Total	--	2,854	27,327	3,546	989	2,679	--	37,395
Grand Total	--	7,547	147,153	37,781	20,879	6,416	--	219,776

3. Information on dividend income

None.

FİBABANKA A.Ş. AND ITS SUBSIDIARY**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF
1 JANUARY - 31 DECEMBER 2013**

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise indicated.)

4. Information on net trading income / loss

	Current Period	Prior Period
Income	676,104	320,858
Gains on Capital Market Operations	1,860	7,112
Gains on Derivative Financial Instruments	200,502	93,805
Foreign Exchange Gains	473,742	219,941
Loss (-)	638,882	283,825
Losses on Capital Market Operations	2,347	956
Losses on Derivative Financial Instruments	164,636	60,271
Foreign Exchange Losses	471,899	222,598
Net Trading Income / (Loss)	37,222	37,033

5. Information on other operating income

In the current period, other operating income consists of TL 3,531 SGK (social security agency) incentive refund, TL 51 profit from disposal of fixed assets, TL 354 profit from disposal of real estate, TL 755 reversal of specific provision and TL 5,244 other income. In the period ended at 31 December 2012, other operating income consists of TL 757 profit from disposal of real estate, TL 67 profit from disposal of fixed assets, TL 2,009 reversal of specific provision and TL 1,892 other income.

6. Impairment on loans and other receivables

	Current Period	Prior Period
Specific Provisions on Loans and Other Receivables:	25,648	11,087
<i>III. Group Loans and Receivables</i>	2,578	1,737
<i>IV. Group Loans and Receivables</i>	3,857	3,401
<i>V. Group Loans and Receivables</i>	19,213	5,949
General Loan Loss Provisions	16,621	12,863
Free Provision for Probable Risks	--	--
Impairment Losses on Securities:	--	--
<i>Financial Assets at Fair Value Through Profit or Loss</i>	--	--
<i>Financial Assets Available-for-Sale</i>	--	--
Impairment Losses on Associates, Subsidiaries, Joint Ventures and		
Investment Securities Held to Maturity:	--	--
<i>Associates</i>	--	--
<i>Subsidiaries</i>	--	--
<i>Joint Ventures</i>	--	--
<i>Investments Held to Maturity</i>	--	--
Other	--	1
Total	42,269	23,951

FİBABANKA A.Ş. AND ITS SUBSIDIARY**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF
1 JANUARY - 31 DECEMBER 2013**

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise indicated.)

7. Information related to other operational expenses

	Current Period	Prior Period
Personnel Expenses	84,721	55,181
Provision for Employee Termination Benefits	788	87
Provision for Bank's Social Aid Fund Deficit	--	--
Impairment Losses on Tangible Assets	--	--
Depreciation Charges of Tangible Assets	6,004	3,540
Impairment Losses on Intangible Assets	--	--
Depreciation Charges of Intangible Assets	3,882	3,343
Impairment Losses on Investment Accounted for under Equity Method	--	--
Impairment of Assets to be Disposed	--	--
Depreciation of Assets to be Disposed	93	--
Impairment of Assets Held for Sale	--	--
Other Operating Expenses	34,697	22,048
<i>Operational Leases Expenses</i>	17,474	10,646
<i>Repair and Maintenance Expenses</i>	641	332
<i>Advertisement Expenses</i>	515	258
<i>Other Expenses</i>	16,067	10,812
Losses on Sale of Assets	858	33
Other	21,630	11,325
Total	152,673	95,557

8. Information on profit/loss before tax from continued and discontinued operations

All profit/loss before tax of the Group is from ongoing operations. The Group has no discontinued operations.

	Current Period	Prior Period
Interest Income	460,066	335,525
Interest Expenses (-)	266,806	204,441
Net Fee and Commission income	13,326	6,984
Trading Profit/Loss (Net)	37,222	37,033
Other Operating Income	9,935	4,725
Provision for Impairment in Loans and Other Receivables	42,269	23,951
Other Operating Expenses (-)	152,673	95,557
Profit(loss) Before Tax	58,801	60,318

9. Information on tax provision from continued and discontinued operations**9.1 Current period taxation benefit or charge and deferred tax benefit or charge**

For the period ended as of 31 December 2013, current tax charge of the Group is TL 16,578 and the deferred tax income is TL 1,479 (2012: TL 14,603 deferred tax expense).

	Current Period	Prior Period
Deferred Tax Income/ (Expense)	1,479	(14,603)
Provision for Deferred Tax	--	--
Net Deferred Tax Income/ (Expense)	1,479	(14,603)

FİBABANKA A.Ş. AND ITS SUBSIDIARY**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF
1 JANUARY - 31 DECEMBER 2013**

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise indicated.)

9.2 Deferred tax benefit / (charge) arising from origination or reversal of temporary differences

<i>Deferred tax benefit / (charge) arising from origination or reversal of temporary differences</i>	Current Period	Prior Period
Arising from Origination of Deductible Temporary Differences (+)	6,475	1,727
Arising from Reversal of Deductible Temporary Differences (-)	(505)	(138)
Arising from Origination of Taxable Temporary Differences (-)	(1,320)	(1,157)
Arising from Reversal of Taxable Temporary Differences (+)	2,864	9
Arising from Origination of Financial Losses (+)	--	--
Arising from Reversal of Financial Losses (-)	(6,035)	(15,044)
Arising from Origination of Tax Deductions and Exemptions (+)	--	--
Arising from Reversal of Tax Deductions and Exemptions (-)	--	--
Total	1,479	(14,603)
Provision	--	--
Net deferred tax	1,479	(14,603)

9.3 Deferred tax benefit / (charge) arising from temporary differences, tax losses or unused tax credits

Sources of deferred tax benefit/charge	Current Period	Prior Period
Arising from Origination (+)/ Reversal (-) of Deductible Temporary Differences	5,970	1,589
Arising from Origination (-)/ Reversal (+) of Taxable Temporary Differences	1,544	(1,148)
Arising from Origination (+)/ Reversal (-) of Tax Losses	(6,035)	(15,044)
Arising from Origination (+)/ Reversal (-) of Unused Tax Credits	--	--
Total	1,479	(14,603)
Provision	--	--
Net deferred tax	1,479	(14,603)

10. Information on profit/loss from continued and discontinued operations

	Current Period	Prior Period
Profit/(Loss) Before Tax from Continuing Operations	58,801	60,318
Tax Benefit/(Charge) on Continuing Operations	(15,099)	(14,603)
Net Profit/(Loss) from Continuing Operations	43,702	45,715

11. Information on net profit/loss for the period**11.1 The nature and amount of certain income and expense items from ordinary operations is disclosed if the disclosure for nature, amount and repetition rate of such items is required for the complete understanding of the Bank's performance for the period**

In the current and prior periods, the Group's income from ordinary banking transactions is interest income from loans and marketable securities and other banking service income. Main expenses are interest expense on deposits and similar debt items which are funding resources of loans and marketable securities.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF
1 JANUARY - 31 DECEMBER 2013**

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise indicated.)

-
- 11.2** *Changes in estimations made by the Bank with respect to the financial statement items do not have a material effect on profit/loss.*
- 11.3** *As there is no minority share in shareholders' equity, there is no profit or loss attributable to the minority shares.*
- 12.** **If "other" lines of the income statement exceeds 10% of the period profit/loss, information on components making up at least 20% of "other" items**

Current year "net fees and commissions income-other" figure of TL 13,756 mainly comprised of investment fund commissions of TL 1,533, insurance commissions of TL 2,852, and other commissions of TL 9,371. Previous year, "net fees and commissions income-other" figure of TL 6,582 mainly comprised of investment fund commissions of TL 808, insurance commissions of TL 858 and other commissions of TL 4,916.

Current year "net fees and commissions expense-other" figure of TL 6,087 mainly comprised of borrowing commissions of TL 3,135. Previous year, "net fees and commissions expense-other" figure of TL 2,443 mainly comprised of borrowing commissions of TL 313.

V. Explanations and disclosures related to consolidated statements of changes in shareholders' equity

1. Information on inflation adjustment difference of shareholders' equity

Per the circular issued by the BRSA on 28 April 2005 and the decision of BRSA No: 1623 on 21 April 2005, the inflation accounting applied in banking system has been decided to be ceased as at 1 January 2005.

In accordance with the circular, TL 17,416 inflation adjustments to paid-in-capital until 31 December 2005 have been transferred to "Other Capital Reserves" account which was formerly recognized in "Inflation Adjustment to Paid-in-Capital" account. Mentioned inflation adjustment was used in the capital increase from TL 426,650 to TL 550,000 together with TL 9,502 profit from the disposal of real estate and TL 96,432 cash contribution of Fiba Holding A.Ş. in accordance with the Board of Directors decision dated 25 February 2013. Legal procedures were completed on 29 May 2013 and capital increase was accounted for in the financial statements.

2. Information on profit distribution

None.

3. Information on foreign exchange difference

None.

4. Information on available for sale financial assets

Mark to market gains and losses on available for sale securities are not reflected to profit and loss but recognized in equity under "Securities Valuation Reserve" account until such securities are sold, redeemed, disposed of or impaired.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF
1 JANUARY - 31 DECEMBER 2013

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise indicated.)

VI. Explanations and disclosures related to the consolidated statement of cash flows**1. Information on cash and cash equivalents**

Cash and cash equivalents components and accounting policies defining these components:

Cash, foreign currency storage, money on road, purchased bank cheques and deposits in all banks including Central Bank of Turkey are defined as "Cash", interbank money market placements with original maturity less than 3 months and investments on smarketable securities are defined as " Cash equivalents".

a) Cash and cash equivalents at the beginning of the period:

	1 January 2013	1 January 2012
Cash	20,456	16,104
Banks and Other Financial Institutions	146,965	115,754
Money Market Placements	30,304	---
Borrowings from Money Markets	(97,247)	(6,831)
Total Cash and Cash Equivalent Assets	100,478	125,027

b) Cash and cash equivalents at the end of the period:

	31 December 2013	31 December 2012
Cash	61,897	20,456
Banks and Other Financial Institutions	313,220	146,965
Money Market Placements	46,697	30,304
Borrowings from Money Markets	(225,988)	(97,247)
Total Cash and Cash Equivalents Assets	195,826	100,478

2. Information on cash and cash equivalent assets of the Bank that is not available for free use due to legal restrictions or other reasons

In the current period, demand deposits of TL 60,387 which is blocked at foriegn banks as the gurantee of derivative transacitons and and required reserves at the Central Bank of Turkish Republic are not included in cash and cash equilavent assets. (31 December 2012: TL 3,894)

FİBABANKA A.Ş. AND ITS SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF 1 JANUARY - 31 DECEMBER 2013

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise indicated.)

3. Information on other item in cash flow statement and the effect of the exchange rate change on cash and cash equivalents

“Other items” amounting to TL (50,262) in “operating profit before changes in operating assets and liabilities” consists of other operating expenses and realized derivative losses (31 December 2012: TL (1,784)).

“Net increase/decrease in other liabilities” amounting to TL (58,444) in “Changes in operating assets and liabilities” consists of changes in sundry creditors, taxes and due payables, other liabilities (31 December 2012: TL 23,693).

“Net increase/decrease in other assets” amounting to TL (6,340) in “Changes in operating assets and liabilities” consists of changes in sundry receivables, other receivables (31 December 2012: TL (4,671)).

Investment activities arised from net cash flow including “Other” account of TL (4,605) consists of purchases of intangible asset (31 December 2012: TL (3,422)).

The change effect of exchange rate on cash and cash equivalents are shown in foreign exchange transactions profit/loss account. That gain/loss is shown in cash flow statement as "the effect of exchange rate changes on cash and cash equivalents".

VII. Explanations and disclosures on the risk group of the Parent Bank

1. Information on the volume of transactions with the Bank's risk group, lending and deposits outstanding at period end and income and expenses in the current period

1.1 Current Period

Bank's Risk Group (*)	Associates, Subsidiaries and Joint-Ventures		Bank's Direct and Indirect Shareholder		Other Real Persons and Legal Entities in Risk Group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Loans and Other Receivables (**)						
Balance at the Beginning of the Period	--	--	--	--	31,845	4,959
Balance at the End of the Period	--	--	--	87	2,475	18,736
Interest and Commission Income Received	--	--	5	--	869	53

(*) Described in article 49 of the Banking Act No: 5411.

(**) Includes all transactions accepted as loans in article 48 of the Banking Act No: 5411.

Prior Period

Bank's Risk Group (*)	Associates, Subsidiaries and Joint-Ventures		Bank's Direct and Indirect Shareholder		Other Real Persons and Legal Entities in Risk Group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Loans and Other Receivables						
Balance at the Beginning of the Period	--	--	6,161	9,702	3,696	1,817
Balance at the End of the Period	--	--	--	--	31,845	4,959
Interest and Commission Income Received	--	--	--	1	583	34

(*) Described in article 49 of the Banking Act No: s5411.

FİBABANKA A.Ş. AND ITS SUBSIDIARY

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF
1 JANUARY - 31 DECEMBER 2013**

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise indicated.)

1.2 Information on deposits to the Bank's risk group

Bank's Risk Group (*)	Associates and Subsidiaries		Bank's Direct and Indirect Shareholder		Other Real Persons and Legal Entities in Risk Group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Deposits						
Balance at the Beginning of the Period	--	--	2,644	2	119,992	95,201
Balance at the End of the Period	--	--	16,769	2,644	79,203	119,992
Deposit Interest Expense	--	--	1,419	1,823	5,941	1,828

(*) Described in article 49 of the Banking Act No: 5411.

1.3 Information on funds obtained from the Bank's risk group

Subordinated loan amount obtained from Bank's risk group is TL 107,389 (31 December 2012: TL 89,693). Funds obtained from other related parties amount to TL 101,655 (31 December 2012: TL 59,197).

1.4 Information on forward and option agreements and similar agreements made with Bank's risk group

Bank's Risk Group (*)	Associates, Subsidiaries and Joint-Ventures		Bank's Direct and Indirect Shareholder		Other Real Persons and Legal Entities in Risk Group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Financial Assets at Fair Value Through Profit and Loss:						
Balance at the Beginning of the Period	--	--	--	3,401,356	165,714	--
Balance at the End of the Period	--	--	--	--	146,863	165,714
Total Income/Loss	--	--	--	--	3,297	27,796
Transactions for Hedging Purposes:						
Balance at the Beginning of the Period	--	--	--	--	--	--
Balance at the End of the Period	--	--	--	--	--	--
Total Income/Loss	--	--	--	--	--	--

(*) As described in the Article 49 of Banking Act no.5411.

2. Information on transactions with the Parent Bank's risk group

2.1 Relations with entities in the risk group of / or controlled by the Bank regardless of the nature of relationship among the parties

The terms of related party transactions are equivalent to those that prevail in arm's length transactions only if such terms can be substantiated regarding the limits exposed by the Banking Act. Adopted Bank policy is that assets and liabilities will not be dominated by the risk group and the balances with the risk group will have a reasonable share in the total balance sheet.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF
1 JANUARY - 31 DECEMBER 2013**

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise indicated.)

-
- 2.2** *In addition to the structure of the relationship, type of transaction, amount, and share in total transaction volume, amount of significant items, and share in all items, pricing policy and other*
- As of 31 December 2013, the ratio of the loans and other receivables used by the entities of risk group to total loans and receivables is 0.05% and the ratio of the deposits of entities of risk group to total deposits is 2.11%. Ratio of funds obtained from entities of risk group to total funds borrowed is 12.9%.
- In current period benefits provided to the key management is TL 5,084 (31 December 2012: TL 3,528).
- 2.3** *Total of similar type of transactions together, unless a separate disclosure is required to present the effect of the transactions on financial statements*
- None.
- 2.4** *Transactions accounted for under equity method*
- None.
- 2.5** *Explanations on purchase and sale of real estate and other assets, sales and purchases of services, agency contracts, finance lease agreements, transfer of data obtained from research and development, licensing agreements, financing (including loans and cash and in-kind capital support), guarantees and promissory notes, and management contracts*
- None.

FİBABANKA A.Ş. AND ITS SUBSIDIARY**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF
1 JANUARY - 31 DECEMBER 2013**

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise indicated.)

VIII. Explanations on the Parent Bank's domestic, foreign, off-shore branches or investments in associates and foreign representative offices**1. Information related to the Bank's domestic and foreign branch and representatives**

	Number	Number of Employees			
Domestic Branch	62	1,152			
			Country of Incorporations		
Foreign Representation Office			1-		
			2-		
			3-		
				Total Assets	Statutory Share Capital
Foreign Branch			1-		
			2-		
			3-		
Off-shore Banking Region Branches			1-		
			2-		
			3-		

Information on consolidated financial subsidiary of parent bank

	Number of Employees	Total Assets	Legal Capital
Fiba Porföy A.Ş.	5	5,474	5,396

IX. Events after balance sheet

None.

SECTION SIX

OTHER EXPLANATIONS ON THE OPERATIONS OF THE PARENT BANK

None.

SECTION SEVEN

EXPLANATIONS ON AUDITORS' REPORT

I. Explanations on the auditors' report

The Bank's publicly available consolidated financial statements and footnotes have been audited by DRT Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (Member of Deloitte Touche Tohmatsu Limited) and the independent auditors' report is presented in front of the financial statements.

II. Other footnotes and explanations prepared by the independent auditors

None.