

FİBANKA A.Ş. AND ITS SUBSIDIARY

**LIMITED REVIEW REPORT,
CONSOLIDATED FINANCIAL
STATEMENTS AND FOOTNOTES
FOR THE INTERIM PERIOD
1 JANUARY – 30 JUNE 2015**

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

**LIMITED REVIEW REPORT
FOR THE INTERIM FINANCIAL INFORMATION****To the Board of Directors of Fibabanka A.Ş.***Introduction*

We have reviewed the accompanying consolidated statement of financial position of Fibabanka A.Ş. (“the Bank”) and its consolidated financial subsidiary (together will be referred as “the Group”) as at 30 June 2015, and the consolidated income statement, consolidated statement of income and expense items under shareholders’ equity, consolidated statement of changes in shareholders’ equity and consolidated statement of cash flows for the six-month period then ended and a summary of significant accounting policies and other explanatory notes. The Bank management is responsible for the preparation and fair presentation of the accompanying interim financial information in accordance with the “Regulation on Accounting Applications for Banks and Safeguarding of Documents” published in the Official Gazette no.26333 dated 1 November 2006, and other regulations on accounting records of banks published by the Banking Regulation and Supervision Board and circulars and pronouncements published by the Banking Regulation and Supervision Agency, (all together referred as the BRSA Accounting and Reporting Regulations) and Turkish Accounting Standard 34 “Interim Financial Reporting”, except for the matters regulated by the BRSA Accounting and Reporting Regulations. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with the Independent Auditing Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial reporting process, and applying analytical and other review procedures. A review of interim financial information is substantially less in scope than an independent audit performed in accordance with the Independent Auditing Standards and the objective of which is to express an opinion on the financial statements. Consequently, a review of the interim financial information does not provide assurance that the audit firm will be aware of all significant matters which would have been identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information does not present fairly, in all material respects, financial position of Fibabanka A.Ş. and its consolidated financial subsidiary as at 30 June 2015 and of the results of its operations and its cash flows for the six-month period then ended in accordance with the BRSA Accounting and Reporting Regulations and Turkish Accounting Standard 34 “Interim Financial Reporting”, except for the matters regulated by the BRSA Accounting and Reporting Regulations.

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 AŞ
Member of DELOITTE TOUCHE TOHMATSU LIMITEDMüjde Şehsuvaroğlu
Partner
Istanbul, 28 July 2015

THE CONSOLIDATED FINANCIAL REPORT OF FİBABANKA A.Ş. FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2015

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







- GENERAL INFORMATION ABOUT THE PARENT BANK
- CONSOLIDATED INTERIM PERIOD 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
- LIMITED AUDITORS' REPORT

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

Subsidiaries:

- Fiba Portföy Yönetimi A.Ş.

The consolidated financial statements for the six months period and the explanatory footnotes and disclosures, unless otherwise stated, 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 reviewed and presented as attached.

| | | | | | |
|--|--|--|--|--|---|
|  Hüsnü Mustafa Özyeğin |  Fevzi Bozer |  Mevlüt Hamdi Aydın |  Bekir Dildar |  Elif Alsev Utku Özbey |  Ayşe Akdaş |
| Chairman of Board of Directors | Deputy Chairman of Board of Directors and Chairman of the Audit Committee | Member of the Audit Committee | Member of Board of Directors and General Manager | Assistant General Manager | Financial Control and Reporting 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
Fax Number : (212) 258 37 78

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FİBABANKA A.Ş. AND ITS SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF 1 JANUARY – 30 JUNE 2015

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

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 1.4%.

The Parent Bank, applied to the BRSA on 14 January 2015 for permission of the subordinated loan provided from Fiba Holding A.Ş. in the amount of USD 50 million to be converted to share capital. Following the authorization of the BRSA on 4 March 2015, the Board of Directors decision was taken on 5 March 2015 to increase the share capital from TL 550,000 to TL 678,860. TL 127,045 of the increase was provided by Fiba Holding A.Ş. through the subordinated loan permitted to be converted to share capital, TL 1,815 was provided in cash by the other shareholders. The capital increase was accounted for in financial statements following the completion of the legal procedures on 7 May 2015.

As of 30 June 2015, the Parent Bank’s full paid in capital is TL 678,860.

FİBABANKA A.Ş. AND ITS SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF 1 JANUARY – 30 JUNE 2015

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

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> |
|-----------------------------------|--|------------------|
| Board of Directors | | |
| Hüsnü Mustafa Özyeğin | Chairman | 27 December 2010 |
| Fevzi Bozer | Deputy Chairman | 27 December 2010 |
| M. Erhan Polat | Member | 27 December 2010 |
| Mehmet Güleşçi | Member | 27 December 2010 |
| Mevlüt Hamdi Aydın | Member | 24 January 2013 |
| İsmet Kaya Erdem | Member | 11 February 2013 |
| Bekir Dildar* | Member-General Manager | 27 December 2010 |
| Audit Committee | | |
| Fevzi Bozer | Member | 27 December 2010 |
| Mevlüt Hamdi Aydın | Member | 24 January 2013 |
| Assistant General Managers | | |
| 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 | 2 May 2013 |
| Cengiz Sinanoğlu | Coordinator – Retail Credits | 7 February 2013 |
| Kerim Lokman Kuriş | Coordinator – Corporate & Commercial Banking | 1 May 2014 |
| Turgay Hasdiker | Coordinator - Corporate & Commercial Credits | 13 March 2014 |
| Ahu Dolu | Coordinator – Financial Institutions | 12 August 2013 |
| Ömer Rifat Gencal | Coordinator – Treasury | 2 February 2015 |

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

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

FİBABANKA A.Ş. AND ITS SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF 1 JANUARY – 30 JUNE 2015

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

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

66,932,928,414 shares of 67,885,957,764 total shares are owned by Fiba Holding A.Ş., 953,029,350 shares are owned by other shareholders.

| Name Surname/ Commercial Title | Share Amount (Nominal) | Share Ratios | Paid in Capital (Nominal) | Unpaid Shares |
|--------------------------------|------------------------|--------------|---------------------------|---------------|
| Fiba Holding A.Ş. | 669,329 | %98.6 | 669,329 | -- |
| Hüsnü Mustafa Özyeğin | 620,258 | %91.4 | 620,258 | -- |

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 30 June 2015, the Bank serves with 68 domestic branches and 1,285 employees.

VI. Other Information

| | |
|-----------------------------------|--|
| The Bank's Commercial Title: | Fibabanka Anonim Şirketi |
| The Bank's Head Office 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 2015 – 30 June 2015 |

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

VII. Information on application differences between consolidation practices as per the Regulation on Preparation of Consolidated Financial Statements of Banks and as per the Turkish Accounting Standards, and entities subject to full or proportional consolidation or deducted from equity or not subject to any of these three methods

As per the Regulation on Preparation of Consolidated Financial Statements of Banks, the investments in financial subsidiaries are subject to consolidation whereas as per the Turkish Accounting Standards, the investments in both financial and non-financial subsidiaries are subject to consolidation. There are no investments in entities subject to proportional consolidation or to deduction from equity.

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

FİBANKA A.Ş.
CONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)
AS OF 30 JUNE 2015

(Amount expressed in thousands of Turkish Lira)

| ASSETS | Note | CURRENT PERIOD | | | PRIOR PERIOD | | |
|---|----------|------------------|------------------|------------------|------------------|------------------|------------------|
| | | (30/06/2015) | | | (31/12/2014) | | |
| | | TL | FC | Total | TL | FC | Total |
| I. CASH AND BALANCES WITH THE CENTRAL BANK | (5.1.1) | 79,781 | 1,091,675 | 1,171,456 | 75,863 | 947,246 | 1,023,109 |
| II. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS (Net) | (5.1.2) | 46,452 | 7,638 | 54,090 | 26,752 | 5,888 | 32,640 |
| 2.1 Financial Assets Held for Trading | | 46,452 | 7,638 | 54,090 | 26,752 | 5,888 | 32,640 |
| 2.1.1 Government Debt Securities | | 16,580 | 3,795 | 20,375 | 16,072 | 3,499 | 19,571 |
| 2.1.2 Share Certificates | | - | - | - | - | - | - |
| 2.1.3 Derivative Financial Assets Held for Trading | | 29,865 | 3,435 | 33,300 | 10,680 | 2,111 | 12,791 |
| 2.1.4 Other Marketable Securities | | 7 | 408 | 415 | - | 278 | 278 |
| 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) | 230,586 | 48,429 | 279,015 | 225,488 | 37,391 | 262,879 |
| IV. MONEY MARKET PLACEMENTS | | - | - | - | - | 23,189 | 23,189 |
| 4.1 Interbank Money Market Placements | | - | - | - | - | - | - |
| 4.2 Istanbul Stock Exchange Money Market Placements | | - | - | - | - | 23,189 | 23,189 |
| 4.3 Receivables from Reverse Repurchase Agreements | | - | - | - | - | - | - |
| V. FINANCIAL ASSETS AVAILABLE FOR SALE (Net) | (5.1.4) | 85,677 | 464,940 | 550,617 | 18,070 | 363,839 | 381,909 |
| 5.1 Share Certificates | | - | - | - | - | - | - |
| 5.2 Government Securities | | 77,622 | 340 | 77,962 | 18,070 | - | 18,070 |
| 5.3 Other Marketable Securities | | 8,055 | 464,600 | 472,655 | - | 363,839 | 363,839 |
| VI. LOANS | (5.1.5) | 4,858,491 | 1,968,484 | 6,826,975 | 4,142,840 | 2,046,794 | 6,189,634 |
| 6.1 Loans | | 4,794,963 | 1,968,484 | 6,763,447 | 4,070,172 | 2,046,794 | 6,116,966 |
| 6.1.1 Loans to the Bank's Risk Group | | - | - | - | 188 | - | 188 |
| 6.1.2 Government Securities | | - | - | - | - | - | - |
| 6.1.3 Others | | 4,794,963 | 1,968,484 | 6,763,447 | 4,069,984 | 2,046,794 | 6,116,778 |
| 6.2 Non-Performing Loans | | 114,274 | - | 114,274 | 128,725 | - | 128,725 |
| 6.3 Specific Provisions (-) | | 50,746 | - | 50,746 | 56,057 | - | 56,057 |
| 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) | 197,667 | - | 197,667 | 31,494 | - | 31,494 |
| XV. INTANGIBLE ASSETS (Net) | (5.1.13) | 6,221 | - | 6,221 | 5,336 | - | 5,336 |
| 15.1 Goodwill | | - | - | - | - | - | - |
| 15.2 Other | | 6,221 | - | 6,221 | 5,336 | - | 5,336 |
| XVI. INVESTMENT PROPERTY (Net) | (5.1.14) | - | - | - | - | - | - |
| XVII. TAX ASSETS | | 1,525 | - | 1,525 | 2,338 | - | 2,338 |
| 17.1 Current Tax Asset | | 133 | - | 133 | 102 | - | 102 |
| 17.2 Deferred Tax Asset | (5.1.15) | 1,392 | - | 1,392 | 2,236 | - | 2,236 |
| XVIII. ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (Net) | (5.1.16) | 702 | - | 702 | 919 | - | 919 |
| 18.1 Held for Sale | | 702 | - | 702 | 919 | - | 919 |
| 18.2 Discontinued Operations | | - | - | - | - | - | - |
| XIX. OTHER ASSETS | (5.1.17) | 22,251 | 8,893 | 31,144 | 58,831 | 24,442 | 83,273 |
| TOTAL ASSETS | | 5,529,353 | 3,590,059 | 9,119,412 | 4,587,931 | 3,448,789 | 8,036,720 |

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

FİBANKA A.Ş.
CONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)
AS OF 30 JUNE 2015
(Amount expressed in thousands of Turkish Lira)

| LIABILITIES | Note | CURRENT PERIOD (30/06/2015) | | | PRIOR PERIOD (31/12/2014) | | |
|---|-----------|--------------------------------|------------------|------------------|------------------------------|------------------|------------------|
| | | TL | FC | Total | TL | FC | Total |
| I. DEPOSITS | (5.II.1) | 3.300.161 | 2.271.687 | 5.571.848 | 2.755.788 | 2.485.577 | 5.241.365 |
| 1.1 Deposits from the Bank's Risk Group | | 144.155 | 36.135 | 180.290 | 164.225 | 28.171 | 192.396 |
| 1.2 Other | | 3.156.006 | 2.235.552 | 5.391.558 | 2.591.563 | 2.457.406 | 5.048.969 |
| II. DERIVATIVE FINANCIAL LIABILITIES HELD FOR TRADING | (5.II.2) | 29.908 | 3.449 | 33.357 | 9.599 | 2.113 | 11.712 |
| III. FUNDS BORROWED | (5.II.3) | 16.762 | 1.198.791 | 1.215.553 | 22.216 | 824.133 | 846.349 |
| IV. MONEY MARKET FUNDS | | 142.237 | 384.328 | 526.565 | 19.320 | 306.657 | 325.977 |
| 4.1 Interbank Money Market Funds | | - | - | - | - | - | - |
| 4.2 Istanbul Stock Exchange Money Market Funds | | 75.022 | - | 75.022 | - | - | - |
| 4.3 Funds Provided Under Repurchase Agreements | | 67.215 | 384.328 | 451.543 | 19.320 | 306.657 | 325.977 |
| V. MARKETABLE SECURITIES ISSUED (Net) | (5.II.4) | 551.733 | - | 551.733 | 472.935 | - | 472.935 |
| 5.1 Bills | | 479.908 | - | 479.908 | 315.810 | - | 315.810 |
| 5.2 Asset-backed Securities | | - | - | - | - | - | - |
| 5.3 Bonds | | 71.825 | - | 71.825 | 157.125 | - | 157.125 |
| VI. FUNDS | | - | - | - | - | - | - |
| 6.1 Borrower Funds | | - | - | - | - | - | - |
| 6.2 Other | | - | - | - | - | - | - |
| VII. SUNDRY CREDITORS | (5.II.5) | 66.321 | 10.717 | 77.038 | 52.734 | 8.516 | 61.250 |
| VIII. OTHER LIABILITIES | (5.II.5) | 78.943 | 10.872 | 89.815 | 95.984 | 5.424 | 101.408 |
| IX. FACTORING PAYABLES | | - | - | - | - | - | - |
| X. LEASE PAYABLES (Net) | (5.II.6) | - | 199 | 199 | - | 211 | 211 |
| 10.1 Finance Lease Payables | | - | 216 | 216 | - | 233 | 233 |
| 10.2 Operating Lease Payables | | - | - | - | - | - | - |
| 10.3 Other | | - | - | - | - | - | - |
| 10.4 Deferred Finance Lease Expenses (-) | | - | 17 | 17 | - | 22 | 22 |
| 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) | 86.530 | - | 86.530 | 77.412 | - | 77.412 |
| 12.1 General Loan Loss Provision | | 69.045 | - | 69.045 | 60.513 | - | 60.513 |
| 12.2 Provision for Restructuring | | - | - | - | - | - | - |
| 12.3 Reserves for Employee Benefits | | 10.140 | - | 10.140 | 11.752 | - | 11.752 |
| 12.4 Insurance Technical Reserves (Net) | | - | - | - | - | - | - |
| 12.5 Other Provisions | | 7.345 | - | 7.345 | 5.147 | - | 5.147 |
| XIII. TAX LIABILITY | (5.II.9) | 24.055 | - | 24.055 | 20.399 | - | 20.399 |
| 13.1 Current Tax Liability | | 24.055 | - | 24.055 | 20.399 | - | 20.399 |
| 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) | - | 193.321 | 193.321 | - | 291.574 | 291.574 |
| XVI. SHAREHOLDERS' EQUITY | (5.II.12) | 758.501 | (9.103) | 749.398 | 594.376 | (8.248) | 586.128 |
| 16.1 Paid-in Capital | | 678.860 | - | 678.860 | 550.000 | - | 550.000 |
| 16.2 Capital Reserves | | (4.295) | (9.103) | (13.398) | (2.289) | (8.248) | (10.537) |
| 16.2.1 Share premium | | - | - | - | - | - | - |
| 16.2.2 Share Cancellation Profits | | - | - | - | - | - | - |
| 16.2.3 Marketable Securities Revaluation Reserve | | (2.121) | (9.103) | (11.224) | (115) | (8.248) | (8.363) |
| 16.2.4 Tangible Assets Revaluation Reserve | | - | - | - | - | - | - |
| 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 | | (2.174) | - | (2.174) | (2.174) | - | (2.174) |
| 16.3 Profit Reserves | | 46.786 | - | 46.786 | - | - | - |
| 16.3.1 Legal Reserves | | 3.711 | - | 3.711 | - | - | - |
| 16.3.2 Statutory Reserves | | - | - | - | - | - | - |
| 16.3.3 Extraordinary Reserves | | 43.075 | - | 43.075 | - | - | - |
| 16.3.4 Other Profit Reserves | | - | - | - | - | - | - |
| 16.4 Profit or Loss | | 37.097 | - | 37.097 | 46.612 | - | 46.612 |
| 16.4.1 Prior Years' Profit/Loss | | (174) | - | (174) | (27.527) | - | (27.527) |
| 16.4.2 Current Year Profit/Loss | | 37.271 | - | 37.271 | 74.139 | - | 74.139 |
| 16.5 Minority Interest | (5.II.13) | 53 | - | 53 | 53 | - | 53 |
| TOTAL LIABILITIES AND EQUITY | | 5.055.151 | 4.064.261 | 9.119.412 | 4.120.763 | 3.915.957 | 8.036.720 |

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

FİBANKA A.Ş.

CONSOLIDATED OFF-BALANCESHEET COMMITMENTS

AS OF 30 JUNE 2015

(Amount expressed in thousands of Turkish Lira)

| | Note | CURRENT PERIOD (30/06/2015) | | | PRIOR PERIOD (31/12/2014) | | |
|---|-----------|--------------------------------|-------------------|-------------------|------------------------------|-------------------|-------------------|
| | | TL | FC | Total | TL | FC | Total |
| A. OFF-BALANCESHEET CONTINGENCIES AND COMMITMENTS (F+H+I+J) | | 1,947,939 | 3,770,620 | 5,718,559 | 1,367,607 | 3,132,471 | 4,500,078 |
| I. GUARANTEES AND SURETYSHIPS | (5.III.1) | 307,220 | 659,958 | 967,178 | 330,142 | 717,539 | 1,047,681 |
| 1.1. Letters of Guarantee | | 307,220 | 219,349 | 526,569 | 329,927 | 236,904 | 566,831 |
| 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 | | 307,220 | 219,349 | 526,569 | 329,927 | 236,904 | 566,831 |
| 1.2. Bank Loans | | - | 100,068 | 100,068 | 215 | 161,402 | 161,617 |
| 1.2.1. Import Letters of Acceptance | | - | - | - | - | - | - |
| 1.2.2. Other Bank Acceptances | | - | 100,068 | 100,068 | 215 | 161,402 | 161,617 |
| 1.3. Letters of Credit | | - | 340,541 | 340,541 | - | 319,233 | 319,233 |
| 1.3.1. Documentary Letters of Credit | | - | - | - | - | - | - |
| 1.3.2. Other Letters of Credit | | - | 340,541 | 340,541 | - | 319,233 | 319,233 |
| 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 | | 323,741 | 293,400 | 617,141 | 409,273 | 323,241 | 732,514 |
| 2.1. Irrevocable Commitments | (5.III.1) | 323,741 | 293,400 | 617,141 | 409,273 | 323,241 | 732,514 |
| 2.1.1. Forward asset purchase and Sales commitments | | 48,169 | 293,400 | 341,569 | 168,630 | 323,241 | 491,871 |
| 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 | | 94,549 | - | 94,549 | 93,359 | - | 93,359 |
| 2.1.5. Securities Underwriting Commitments | | - | - | - | - | - | - |
| 2.1.6. Commitments for Reserve Deposit Requirements | | - | - | - | - | - | - |
| 2.1.7. Payment Commitment for Checks | | 137,194 | - | 137,194 | 121,680 | - | 121,680 |
| 2.1.8. Tax and Fund Liabilities from Export Commitments | | - | 2,494 | 2,494 | - | 2,357 | 2,357 |
| 2.1.9. Commitments for Credit Card Expenditure Limits | | 38,028 | - | 38,028 | 20,444 | - | 20,444 |
| 2.1.10. Commitments for Promotions Related with Credit Cards and Banking Activities | | 4 | - | 4 | - | - | - |
| 2.1.11. Receivables from Short Sale Commitments | | - | - | - | - | - | - |
| 2.1.12. Payables for Short Sale Commitments | | - | - | - | - | - | - |
| 2.1.13. Other Irrevocable Commitments | | 3,303 | - | 3,303 | 2,803 | - | 2,803 |
| 2.2. Revocable Commitments | | - | - | - | - | - | - |
| 2.2.1. Revocable Loan Granting Commitments | | - | - | - | - | - | - |
| 2.2.2. Other Revocable Commitments | | - | - | - | - | - | - |
| III. DERIVATIVE FINANCIAL INSTRUMENTS | (5.III.5) | 1,316,978 | 2,817,262 | 4,134,240 | 628,192 | 2,091,691 | 2,719,883 |
| 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 | | 1,316,978 | 2,817,262 | 4,134,240 | 628,192 | 2,091,691 | 2,719,883 |
| 3.2.1. Forward Foreign Currency Buy/Sell Transactions | | 142,892 | 379,652 | 522,544 | 26,593 | 167,277 | 193,870 |
| 3.2.1.1. Forward Foreign Currency Transactions-Buy | | 96,034 | 163,511 | 259,545 | 13,269 | 82,463 | 95,732 |
| 3.2.1.2. Forward Foreign Currency Transactions-Sell | | 46,858 | 216,141 | 262,999 | 13,324 | 84,814 | 98,138 |
| 3.2.2. Swap Transactions Related to F.C. and Interest Rates | | 448,998 | 1,437,599 | 1,886,597 | 182,598 | 1,198,868 | 1,381,466 |
| 3.2.2.1. Foreign Currency Swap-Buy | | 106,607 | 835,280 | 941,887 | 44,771 | 647,938 | 692,709 |
| 3.2.2.2. Foreign Currency Swap-Sell | | 342,391 | 602,319 | 944,710 | 137,827 | 550,930 | 688,757 |
| 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 | | 725,088 | 1,000,011 | 1,725,099 | 419,001 | 725,546 | 1,144,547 |
| 3.2.3.1. Foreign Currency Options-Buy | | 309,667 | 546,894 | 856,561 | 115,694 | 448,009 | 563,703 |
| 3.2.3.2. Foreign Currency Options-Sell | | 415,421 | 453,117 | 868,538 | 303,307 | 277,537 | 580,844 |
| 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) | | 49,780,104 | 25,980,870 | 75,760,974 | 44,324,399 | 23,058,109 | 67,382,508 |
| IV. ITEMS HELD IN CUSTODY | | 301,234 | 139,205 | 440,439 | 290,576 | 193,439 | 484,015 |
| 4.1. Assets under Management | | 101,339 | - | 101,339 | 109,121 | - | 109,121 |
| 4.2. Investment Securities Held in Custody | | - | 46,895 | 46,895 | 34,355 | 43,824 | 78,179 |
| 4.3. Checks Received for Collection | | 99,699 | 91,342 | 191,041 | 74,771 | 148,225 | 222,996 |
| 4.4. Commercial Notes Received for Collection | | 72,053 | 968 | 73,021 | 72,329 | 1,390 | 73,719 |
| 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 | | 49,478,870 | 25,841,665 | 75,320,535 | 44,033,823 | 22,864,670 | 66,898,493 |
| 5.1. Marketable Securities | | 65,322 | 69,533 | 134,855 | 44,140 | 4,422 | 48,562 |
| 5.2. Guarantee Notes | | 179,166 | 17,825 | 196,991 | 301,859 | 47,744 | 349,603 |
| 5.3. Commodity | | - | - | - | 19,633 | - | 19,633 |
| 5.4. Warranty | | - | - | - | - | - | - |
| 5.5. Properties | | 4,904,402 | 3,956,421 | 8,860,823 | 4,164,382 | 3,845,047 | 8,009,429 |
| 5.6. Other Pledged Items | | 44,329,980 | 21,797,886 | 66,127,866 | 39,503,809 | 18,967,457 | 58,471,266 |
| 5.7. Pledged Items-Depository | | - | - | - | - | - | - |
| VI. ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES | | - | - | - | - | - | - |
| TOTAL OFF-BALANCE SHEET ACCOUNTS (A+B) | | 51,728,043 | 29,751,490 | 81,479,533 | 45,692,006 | 26,190,580 | 71,882,586 |

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

FİBABANKA A.Ş.
CONSOLIDATED INCOME STATEMENT
FOR THE PERIOD 1 JANUARY - 30 JUNE 2015
(Amount expressed in thousands of Turkish Lira)

| INCOME STATEMENT | Note | CURRENT PERIOD (01/01/2015- 30/06/2015) | PRIOR PERIOD (01/01/2014- 30/06/2014) | CARİ DÖNEM (01/04/2015- 30/06/2015) | ÖNCEKİ DÖNEM (01/04/2014- 30/06/2014) |
|--|-----------|---|---|---|---|
| I. INTEREST INCOME | (5.IV.1) | 398.494 | 336.178 | 205.026 | 178.857 |
| 1.1 Interest Income on Loans | | 377.753 | 324.375 | 194.333 | 172.976 |
| 1.2 Interest Received from Statutory Reserves | | 689 | - | 489 | - |
| 1.3 Interest Received from Banks | | 7.814 | 4.850 | 3.535 | 2.765 |
| 1.4 Interest Received from Money Market Placements | | 137 | 284 | 62 | 26 |
| 1.5 Interest Received from Marketable Securities Portfolio | | 12.015 | 6.646 | 6.561 | 3.077 |
| 1.5.1 Financial Assets Held for Trading | | 550 | 466 | 281 | 245 |
| 1.5.2 Financial Assets at Fair Value Through Profit and Loss | | - | - | - | - |
| 1.5.3 Financial Assets Available for Sale | | 11.465 | 6.180 | 6.280 | 2.832 |
| 1.5.4 Investments Held to Maturity | | - | - | - | - |
| 1.6 Finance Lease Income | | - | - | - | - |
| 1.7 Other Interest Income | | 86 | 23 | 46 | 13 |
| II. INTEREST EXPENSE | | 210.349 | 191.916 | 108.148 | 100.428 |
| 2.1 Interest on Deposits | (5.IV.2) | 162.379 | 152.669 | 83.683 | 78.453 |
| 2.2 Interest on Funds Borrowed | (5.IV.2) | 19.041 | 16.134 | 9.293 | 7.868 |
| 2.3 Interest on Money Market Funds | | 259 | 12 | 259 | 12 |
| 2.4 Interest on Securities Issued | (5.IV.2) | 25.756 | 21.403 | 13.246 | 13.245 |
| 2.5 Other Interest Expense | | 2.914 | 1.698 | 1.667 | 850 |
| III. NET INTEREST INCOME/EXPENSE (I - II) | | 188.145 | 144.262 | 96.878 | 78.429 |
| IV. NET FEES AND COMMISSIONS INCOME/EXPENSE | | 12.914 | 7.211 | 6.041 | 3.494 |
| 4.1 Fees and Commissions Received | | 21.438 | 12.008 | 10.443 | 6.074 |
| 4.1.1 Non-cash Loans | | 5.531 | 3.624 | 2.203 | 1.821 |
| 4.1.2 Other | (5.IV.12) | 15.907 | 8.384 | 8.240 | 4.253 |
| 4.2 Fees and Commissions Paid | | 8.524 | 4.797 | 4.402 | 2.580 |
| 4.2.1 Non-cash Loans | | 63 | 19 | 39 | 10 |
| 4.2.2 Other | (5.IV.12) | 8.461 | 4.778 | 4.363 | 2.570 |
| V. DIVIDEND INCOME | (5.IV.3) | - | - | - | - |
| VI. TRADING INCOME/ LOSS (Net) | (5.IV.4) | (15.342) | 16.435 | (10.372) | 5.187 |
| 6.1 Gains/Losses on Securities Trading | | (434) | 1.992 | (132) | 1.702 |
| 6.2 Derivative Financial Transactions Gains/Losses | | (16.459) | 19.449 | (6.669) | 2.881 |
| 6.3 Foreign Exchange Gains/Losses | | 1.551 | (5.006) | (3.571) | 604 |
| VII. OTHER OPERATING INCOME | (5.IV.5) | 17.711 | 3.938 | 6.782 | 2.042 |
| VIII. TOTAL OPERATING INCOME/EXPENSE (III+IV+V+VI+VII) | | 203.428 | 171.846 | 99.329 | 89.152 |
| IX. PROVISION FOR LOSSES ON LOANS AND OTHER RECEIVABLES (-) | (5.IV.6) | 39.028 | 29.064 | 17.607 | 19.829 |
| X. OTHER OPERATING EXPENSES (-) | (5.IV.7) | 116.302 | 97.867 | 60.134 | 49.714 |
| XI. NET OPERATING INCOME/LOSS (VIII-IX-X) | | 48.098 | 44.915 | 21.588 | 19.609 |
| 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) | 48.098 | 44.915 | 21.588 | 19.609 |
| XVI. TAX PROVISION FOR CONTINUING OPERATIONS (±) | (5.IV.9) | (10.827) | (10.017) | (5.141) | (4.474) |
| 16.1 Current Tax Charge | | (9.268) | (5.490) | (6.882) | (5.490) |
| 16.2 Deferred Tax Charge/(Benefit) | | (1.559) | (4.527) | 1.741 | 1.016 |
| XVII. NET PERIOD PROFIT/LOSS FROM CONTINUING OPERATIONS (XV±XVI) | (5.IV.10) | 37.271 | 34.898 | 16.447 | 15.135 |
| 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) | 37.271 | 34.898 | 16.447 | 15.135 |
| 23.1 Group's Profit/Loss | | 37.271 | 34.899 | 16.447 | 15.135 |
| 23.2 Minority Interest Profit/Loss | | - | (1) | - | - |
| Earnings per Share | | 0,00063 | 0,00064 | 0,00026 | 0,00028 |

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

FİBANKKA A.Ş.

**CONSOLIDATED STATEMENT OF INCOME AND EXPENSE ITEMS ACCOUNTED UNDER SHAREHOLDERS' EQUITY
FOR THE PERIOD 1 JANUARY - 30 JUNE 2015**

(Amount expressed in thousands of Turkish Lira)

| | CURRENT PERIOD | PRIOR PERIOD |
|---|-------------------------|-------------------------|
| STATEMENT OF INCOME AND EXPENSE ITEMS ACCOUNTED UNDER EQUITY | (01/01/2015-30/06/2015) | (01/01/2014-30/06/2014) |
| I. ADDITIONS TO MARKETABLE SECURITIES REVALUATION RESERVES FROM FINANCIAL ASSETS AVAILABLE FOR SALE | (3,434) | 21,448 |
| 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 | 715 | (3,777) |
| X. NET INCOME/EXPENSE DIRECTLY RECOGNISED IN EQUITY (I+II+...+IX) | (2,719) | 17,671 |
| XI. PROFIT/LOSS FOR THE PERIOD | (142) | (2,566) |
| 11.1 Net Changes in the Fair Values of Marketable Securities (Transfer to Profit/Loss) | (142) | (2,566) |
| 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) | (2,861) | 15,105 |

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

FIBABANK A.Ş.
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE PERIOD 1 JANUARY - 30 JUNE 2015
(Amount expressed in thousands of Turkish Lira)

| CHANGES IN SHAREHOLDERS' EQUITY | Note | Paid-in Capital | Paid-in Capital Inflation Adjustment | Share Premium | Share Cancellation Profits | Legal Reserves | Statutory Reserves | Extraordinary Reserves | Other Reserves | Current Period Profit/Loss | Prior Period Profit/Loss | Marketable Securities Revaluation Reserve | Tangible and Intangible Assets Revaluation Reserve | Bonus Shares from Equity Participations | Hedge Funds | Accumulated Rev. Reserve on Assets Held for Sale and Discontinued Oper. | Total Equity Excluding Minority Interest | Minority Interests | Total Equity |
|--|-------------|-----------------|--------------------------------------|---------------|----------------------------|----------------|--------------------|------------------------|----------------|----------------------------|--------------------------|---|--|---|-------------|---|--|--------------------|--------------|
| PRIOR PERIOD (01/01/2014 - 30/06/2014) | | | | | | | | | | | | | | | | | | | |
| I. Beginning Balance | | 550.000 | - | - | - | - | - | - | - | 43.703 | (72.576) | (24.057) | - | - | - | - | 497.070 | 54 | 497.124 |
| II. Corrections made according TAS 8 | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 2.1 The Effect of Correction of Errors | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 2.2 The Effect of Changes in Account Policies | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| III. Adjusted Balance (I-II) | | 550.000 | - | - | - | - | - | - | - | 43.703 | (72.576) | (24.057) | - | - | - | - | 497.070 | 54 | 497.124 |
| Changes during the Period | | | | | | | | | | | | | | | | | | | |
| IV. Increase/Decrease Due to Mergers | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| V. Marketable Securities Revaluation Reserve | | - | - | - | - | - | - | - | - | - | - | 15.105 | - | - | - | - | 15.105 | - | 15.105 |
| VI. Hedge Funds (Effective Portion) | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 6.1 Cash Flow Hedges | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 6.2 Net Foreign Investment Hedges | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| VII. Tangible Assets Revaluation Reserve | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| VIII. Intangible Assets Revaluation Reserve | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| IX. Bonus Shares from Associates, Subsidiaries and Jointly Controlled Entities (Joint Ventures) | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| X. Foreign Exchange Differences | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| XI. The Effect of Disposal of Assets | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| XII. The Effect of Reclassification of Assets | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| XIII. The Effect of Changes in the Equity of Subsidiaries on the Equity of the Bank | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| XIV. Capital Increase | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 14.1 Cash | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 14.2 Internal Sources | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| XV. Share Issue | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| XVI. Share Cancellation Profits | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| XVII. Paid-in-Capital Inflation Adjustment | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| XVIII. Other | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| XIX. Net Profit/Loss for the Period | | - | - | - | - | - | - | - | - | 34.899 | - | - | - | - | - | - | 34.899 | (1) | 34.898 |
| XX. Profit Distribution | | - | - | - | - | - | - | - | - | (43.703) | 43.703 | - | - | - | - | - | - | - | - |
| 20.1 Dividend Paid | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 20.2 Transfer to Reserves | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 20.3 Other | | - | - | - | - | - | - | - | - | (43.703) | 43.703 | - | - | - | - | - | - | - | - |
| Ending Balance (III+IV+V+.....+XVIII+XIX+XX) | | 550.000 | - | - | - | - | - | - | - | 34.899 | (28.873) | (8.952) | - | - | - | - | 547.074 | 53 | 547.127 |
| CURRENT PERIOD (01/01/2015 - 30/06/2015) | | | | | | | | | | | | | | | | | | | |
| I. Prior Period End Balance | | 550.000 | - | - | - | - | - | - | (2.174) | 74.139 | (27.527) | (8.363) | - | - | - | - | 586.075 | 53 | 586.128 |
| Changes during the Period | | | | | | | | | | | | | | | | | | | |
| II. Increase/Decrease Due to Mergers | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| III. Marketable Securities Revaluation Reserve | | - | - | - | - | - | - | - | - | - | - | (2.861) | - | - | - | - | (2.861) | - | (2.861) |
| IV. Hedge Funds (Effective Portion) | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 4.1 Cash Flow Hedges | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 4.2 Net Foreign Investment Hedges | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| V. Tangible Assets Revaluation Reserve | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| VI. Intangible Assets Revaluation Reserve | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| VII. Bonus Shares from Associates, Subsidiaries and Jointly Controlled Entities (Joint Ventures) | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| VIII. Foreign Exchange Differences | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| IX. The Effect of Disposal of Assets | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| X. The Effect of Reclassification of Assets | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| XI. The Effect of Changes in the Equity of Subsidiaries on the Equity of the Bank | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| XII. Capital Increase | | 128.860 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 128.860 | - | 128.860 |
| 12.1 Cash | (5.II.12.3) | 128.860 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 128.860 | - | 128.860 |
| 12.2 Internal Sources | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| XIII. Share Issue | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| XIV. Share Cancellation Profits | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| XV. Paid-in-Capital Inflation Adjustment | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| XVI. Other | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| XVII. Net Profit/Loss for the Period | | - | - | - | - | - | - | - | - | 37.271 | - | - | - | - | - | - | 37.271 | - | 37.271 |
| XVIII. Profit Distribution | | - | - | - | - | - | - | - | - | (74.139) | 27.353 | - | - | - | - | - | - | - | - |
| 18.1 Dividend Paid | | - | - | - | - | 3.711 | - | 43.075 | - | - | - | - | - | - | - | - | - | - | - |
| 18.2 Transfer to Reserves | | - | - | - | - | 3.711 | - | 43.075 | - | - | (46.786) | - | - | - | - | - | - | - | - |
| 18.3 Other | | - | - | - | - | - | - | - | - | (74.139) | 74.139 | - | - | - | - | - | - | - | - |
| Ending Balance (I+II+III+....+XVI+XVII+XVIII) | | 678.860 | - | - | - | 3.711 | - | 43.075 | (2.174) | 37.271 | (174) | (11.224) | - | - | - | - | 749.345 | 53 | 749.398 |

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

FİBANKKA A.Ş.
CONSOLIDATED CASH FLOW STATEMENT
FOR THE PERIOD 1 JANUARY - 30 JUNE 2015
(Amount expressed in thousands of Turkish Lira)

| | Note | CURRENT PERIOD (01/01/2015- 30/06/2015) | PRIOR PERIOD (01/01/2014- 30/06/2014) |
|--|------|---|---|
| A. CASH FLOWS FROM BANKING OPERATIONS | | | |
| 1.1 Operating Profit / Loss before Changes in Operating Assets and Liabilities | | 131,511 | 129,897 |
| 1.1.1 Interest Received (+) | | 375,929 | 327,575 |
| 1.1.2 Interest Paid (-) | | 203,315 | 178,566 |
| 1.1.3 Dividend Received (+) | | - | - |
| 1.1.4 Fees and Commissions Received (+) | | 19,823 | 12,404 |
| 1.1.5 Other Income (+) | | 13,642 | 2,858 |
| 1.1.6 Collections from Previously Written Off Loans (+) | | 575 | 2,136 |
| 1.1.7 Cash Payments to Personnel and Service Suppliers (-) | | 96,711 | 82,361 |
| 1.1.8 Taxes Paid (-) | | 7,317 | 3,849 |
| 1.1.9 Other (+/-) | | 28,885 | 49,700 |
| 1.2 Changes in Banking Operations Assets and Liabilities | | (11,432) | (198,621) |
| 1.2.1 Net (Increase) Decrease in Financial Assets Held for Trading (+/-) | | (44,569) | 303 |
| 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 (+/-) | | 207,630 | 145,030 |
| 1.2.4 Net (Increase) Decrease in Loans (+/-) | | (717,375) | (619,087) |
| 1.2.5 Net (Increase) Decrease in Other Assets (+/-) | | 37,132 | (6,266) |
| 1.2.6 Net Increase (Decrease) in Bank Deposits (+/-) | | 183,790 | 143,112 |
| 1.2.7 Net Increase (Decrease) in Other Deposits (+/-) | | 140,805 | 281,126 |
| 1.2.8 Net Increase (Decrease) in Borrower Funds (+/-) | | 366,000 | 59,250 |
| 1.2.9 Net Increase (Decrease) in Matured Payables (+/-) | | - | - |
| 1.2.10 Net Increase (Decrease) in Other Liabilities (+/-) | | (184,845) | (202,089) |
| I Net Cash Flow Provided from Banking Operations (+/-) | | 120,079 | (68,724) |
| B. CASH FLOW FROM INVESTING ACTIVITIES | | - | |
| II Net Cash Flow Provided from Investment Activities (+/-) | | (325,020) | 19,727 |
| 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 (-) | | 156,473 | 4,331 |
| 2.4 Tangible Asset Sales (+) | | 4,681 | 1,310 |
| 2.5 Cash Paid for Purchase of Financial Assets Available for Sale (-) | | 194,721 | 30,080 |
| 2.6 Cash Obtained from Sales of Financial Assets Available for Sale (+) | | 24,256 | 53,673 |
| 2.7 Cash Paid for Purchase of Investment Securities (-) | | - | - |
| 2.8 Cash Obtained from Sales of Investment Securities (+) | | - | - |
| 2.9 Other (+/-) | | (2,763) | (845) |
| C. CASH FLOWS FROM FINANCIAL ACTIVITIES | | - | |
| III Net Cash Provided from Financing Activities (+/-) | | 82,671 | 166,962 |
| 3.1 Cash Obtained from Funds Borrowed and Securities Issued (+) | | 614,586 | 272,215 |
| 3.2 Cash Used for Repayment of Funds Borrowed and Securities Issued (-) | | 533,730 | 105,253 |
| 3.3 Share Certificates Issued (+) | | 1,815 | - |
| 3.4 Dividends Paid (-) | | - | - |
| 3.5 Payments for Finance Leases (-) | | - | - |
| 3.6 Other (+/-) | | - | - |
| IV Effect of Change in Foreign Exchange Rate on Cash and Cash Equivalents (+/-) | | 19,651 | 1,604 |
| V Net Increase in Cash and Cash Equivalents (I+II+III+IV) | | (102,619) | 119,569 |
| VI Cash and Cash Equivalents at the Beginning of the Period (+) | | 155,773 | 195,826 |
| VII Cash and Cash Equivalents at the End of the Period (V+VI) | | 53,154 | 315,395 |

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

FİBABANKA A.Ş. AND ITS SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF
1 JANUARY – 30 JUNE 2015

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

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, and Turkish Accounting Standards (“TAS”), Turkish Financial Reporting Standards (“TFRS”) and the related statements and guidance announced by the Public Oversight, Accounting and Auditing Standards Authority (“POA”). 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 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. Bank accounts its records in TL, in accordance with the Banking Law, Turkish Commercial Code and Turkish Tax Legislation.

The consolidated 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 regulations, communiqués, statements and guidance and if there is no special regulation by the BRSA in accordance with to the principles within IAS / IFRS, are consistent with the accounting policies applied in the annual financial statements prepared for the year ended 30 December 2014. 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 – 30 JUNE 2015

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

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 30 June 2015 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 foreign currency exchange rates are as follows:

| | 30 June 2015 | 31 December 2014 |
|-----------|---------------------|-------------------------|
| US Dollar | 2.6406 | 2.3189 |
| Euro | 2.9315 | 2.8207 |

2.2 Foreign exchange gains and losses included in the income statement

Net foreign exchange gain included in the income statement for the period ended 30 June 2015 is TL 1,551 (1 January – 30 June 2014: TL 5,006 loss).

III. Explanations on subsidiary

Fiba Portföy Yönetimi A.Ş. (“Fiba Portföy”); the subsidiary of the Bank was consolidated by using full consolidation method in the consolidated financial statements as of 30 June 2015. 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 PYS. 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 regulations 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.

FİBABANKA A.Ş. AND ITS SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF
1 JANUARY – 30 JUNE 2015

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

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".

FİBANKKA A.Ş. AND ITS SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF
1 JANUARY – 30 JUNE 2015

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

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 30 June 2015.

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.

FİBABANKA A.Ş. AND ITS SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF
1 JANUARY – 30 JUNE 2015

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

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.

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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 |
| Real Estate | 50 | 2 |
| 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".

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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 Standard on the Benefits Provided to Employees. 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. All the actuarial gains and losses as are accounted for as other comprehensive income.

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

- Calculation is based on discount rate is as 8.20%, inflation rate as 6.00% and real rate of rise in salary as 0.00%.
- As ceiling salary amount TL 3,438.22 (full basis TL) (in use as of 31 December 2014) 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.

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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.

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 30 June 2015, TL 1,392 of deferred tax asset was recognized in the Group's financial statements. (31 December 2014: TL 2,236, deferred tax asset). 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 and the deferred tax charge for the period is TL 1,559 (1 January – 30 June 2014: TL 4,527 charge). 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 3,350 (benefit) (31 December 2014: TL 2,634 benefit).

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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 by the Group 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

In the current period, the Parent Bank’s capital was increased by TL 128,860; TL 127,045 of the increase was provided by Fiba Holding A.Ş. through the subordinated loan permitted to be converted to share capital and TL 1,815 was paid in cash by the other shareholders.

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.

XXIII. Explanations on segment reporting

Segment reporting is presented under section four, note VI.

XXIV. Other matters

None.

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SECTION FOUR

FINANCIAL POSITION AND RISK MANAGEMENT

I. Explanations on consolidated capital adequacy ratio

As of 30 June 2015, the consolidated capital adequacy standard ratio is 12.40%. (31 December 2014: %13.23).

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 Bank 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.

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1. The risk measurement methods used in the determination of consolidated capital adequacy ratio (cont'd)

The Bank is developing an assessment method for internal capital adequacy utilising the concentration risks identified based on current risk profile and “Base”, “Negative” “Excessively Negative” scenarios approved by the Risk Committee and also “Base” and “Negative” scenarios appointed by BRSA in its appendix of Scenarios to be applied ISEDES Report dated 31 December 2014, numbered 42233676-010-30571. According to stress test application results which are authorized by the board of directors resolution dated 26 January 2015, no capital planning buffer is emerged.

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 | -- | -- | 64,032 | 956,147 | 1,011,471 | 4,790,444 | 106,217 | 134,904 |
| Exposure Categories | 1,776,335 | -- | 320,161 | 1,912,294 | 1,348,628 | 4,790,444 | 70,811 | 67,452 |
| Conditional and Unconditional Receivables from Central Governments or Central Banks | 1,254,638 | -- | -- | 340 | -- | -- | -- | -- |
| 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 | 384,328 | -- | 320,161 | 487,339 | -- | 11,172 | 290 | -- |
| Conditional and Unconditional Corporate Receivables | 25,393 | -- | -- | -- | -- | 4,091,665 | -- | -- |
| Conditional and Unconditional Retail Receivables | 687 | -- | -- | -- | 1,348,628 | -- | -- | -- |
| Conditional and Unconditional Receivables Secured by Mortgages | 49,996 | -- | -- | 1,417,480 | -- | 342,991 | -- | -- |
| Past Due Receivables | -- | -- | -- | 5,779 | -- | 55,403 | 510 | - |
| Receivables Defined in High Risk Category by BRSA | -- | -- | -- | 1,356 | -- | 1,809 | 70,011 | 67,452 |
| Securities Collateralised by Mortgages | -- | -- | -- | -- | -- | -- | -- | -- |
| Securitisation Positions | -- | -- | -- | -- | -- | -- | -- | -- |
| Short-term Receivables from banks, Brokerage Houses and Corporates | -- | -- | -- | -- | -- | -- | -- | -- |
| Investments Similar to Collective Investment Funds | -- | -- | -- | -- | -- | -- | -- | -- |
| Other Receivables | 61,293 | -- | -- | -- | -- | 287,404 | -- | -- |
| Total Risk Weighted Assets | 1,776,335 | -- | 320,161 | 1,912,294 | 1,348,628 | 4,790,444 | 70,811 | 67,452 |

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2. Information on the consolidated capital adequacy ratio of the Parent Bank (cont'd)

| Prior Period | 0% | 10% | 20% | 50% | 75% | 100% | 150% | 200% |
|--|------------------|------------|----------------|------------------|------------------|------------------|----------------|----------------|
| Credit Risk Related Amount | -- | -- | 56,086 | 777,460 | 949,838 | 4,412,592 | 143,858 | 160,328 |
| Exposure Categories | 1,393,463 | -- | 280,430 | 1,554,920 | 1,266,451 | 4,412,592 | 95,905 | 80,164 |
| Conditional and Unconditional Receivables from Central Governments or Central Banks | 989,897 | -- | -- | 18,070 | -- | -- | -- | -- |
| 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 | 306,657 | -- | 280,430 | 417,222 | -- | -- | 539 | -- |
| Conditional and Unconditional Corporate Receivables | -- | -- | -- | -- | -- | 4,008,965 | -- | -- |
| Conditional and Unconditional Retail Receivables | -- | -- | -- | -- | 1,266,451 | -- | -- | -- |
| Conditional and Unconditional Receivables Secured by Mortgages | 1,850 | -- | -- | 1,115,701 | -- | 228,043 | -- | -- |
| Past Due Receivables | -- | -- | -- | 3,374 | -- | 41,536 | 4,084 | - |
| Receivables Defined in High Risk Category by BRSA | -- | -- | -- | 553 | -- | 3,851 | 91,282 | 80,164 |
| Securities Collateralised by Mortgages | -- | -- | -- | -- | -- | -- | -- | -- |
| Securitisation Positions | -- | -- | -- | -- | -- | -- | -- | -- |
| Short-term Receivables from banks, Brokerage Houses and Corporates | -- | -- | -- | -- | -- | -- | -- | -- |
| Investments Similar to Collective Investment Funds | -- | -- | -- | -- | -- | -- | -- | -- |
| Other Receivables | 95,059 | -- | -- | -- | -- | 130,197 | -- | -- |
| Total Risk Weighted Assets | 1,393,463 | -- | 280,430 | 1,554,920 | 1,266,451 | 4,412,592 | 95,905 | 80,164 |

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3. Information on the consolidated capital adequacy ratio

| Current Period | 0% | 10% | 20% | 50% | 75% | 100% | 150% | 200% |
|--|------------------|------------|----------------|------------------|------------------|------------------|----------------|----------------|
| Credit Risk Related Amount | -- | -- | 65,051 | 956,147 | 1,011,471 | 4,790,730 | 106,217 | 134,904 |
| Exposure Categories | 1,770,889 | -- | 325,253 | 1,912,294 | 1,348,628 | 4,790,730 | 70,811 | 67,452 |
| Conditional and Unconditional Receivables from Central Governments or Central Banks | 1,254,638 | -- | -- | 340 | -- | -- | -- | -- |
| 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 | 384,328 | -- | 325,253 | 487,339 | -- | 11,172 | 290 | -- |
| Conditional and Unconditional Corporate Receivables | 25,393 | -- | -- | -- | -- | 4,091,665 | -- | -- |
| Conditional and Unconditional Retail Receivables | 687 | -- | -- | -- | 1,348,628 | -- | -- | -- |
| Conditional and Unconditional Receivables Secured by Mortgages | 49,996 | -- | -- | 1,417,480 | -- | 342,991 | -- | -- |
| Past Due Receivables | -- | -- | -- | 5,779 | -- | 55,403 | 510 | -- |
| Receivables Defined in High Risk Category by BRSA | -- | -- | -- | 1,356 | -- | 1,809 | 70,011 | 67,452 |
| Securities Collateralised by Mortgages | -- | -- | -- | -- | -- | -- | -- | -- |
| Securitisation Positions | -- | -- | -- | -- | -- | -- | -- | -- |
| Short-term Receivables from banks, Brokerage Houses and Corporates | -- | -- | -- | -- | -- | -- | -- | -- |
| Investments Similar to Collective Investment Funds | -- | -- | -- | -- | -- | -- | -- | -- |
| Other Receivables | 55,847 | -- | -- | -- | -- | 287,690 | -- | -- |
| Total Risk Weighted Assets | 1,770,889 | -- | 325,253 | 1,912,294 | 1,348,628 | 4,790,730 | 70,811 | 67,452 |

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3. Information on the consolidated capital adequacy ratio (cont'd)

| Prior Period | 0% | 10% | 20% | 50% | 75% | 100% | 150% | 200% |
|--|------------------|-----|----------------|------------------|------------------|------------------|---------------|---------------|
| Credit Risk Related Amount | -- | -- | 56,151 | 777,460 | 949,838 | 4,412,792 | 143,858 | 160,328 |
| Exposure Categories | 1,388,018 | -- | 280,753 | 1,554,920 | 1,266,451 | 4,412,792 | 95,905 | 80,164 |
| Conditional and Unconditional Receivables from Central Governments or Central Banks | 989,897 | -- | -- | 18,070 | -- | -- | -- | -- |
| 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 | 306,657 | -- | 280,753 | 417,222 | -- | -- | 539 | -- |
| Conditional and Unconditional Corporate Receivables | -- | -- | -- | -- | -- | 4,008,965 | -- | -- |
| Conditional and Unconditional Retail Receivables | -- | -- | -- | -- | 1,266,451 | -- | -- | -- |
| Conditional and Unconditional Receivables Secured by Mortgages | 1,850 | -- | -- | 1,115,701 | -- | 228,043 | -- | -- |
| Past Due Receivables | -- | -- | -- | 3,374 | -- | 41,536 | 4,084 | -- |
| Receivables Defined in High Risk Category by BRSA | -- | -- | -- | 553 | -- | 3,851 | 91,282 | 80,164 |
| Securities Collateralised by Mortgages | -- | -- | -- | -- | -- | -- | -- | -- |
| Securitisation Positions | -- | -- | -- | -- | -- | -- | -- | -- |
| Short-term Receivables from banks, Brokerage Houses and Corporates | -- | -- | -- | -- | -- | -- | -- | -- |
| Investments Similar to Collective Investment Funds | -- | -- | -- | -- | -- | -- | -- | -- |
| Other Receivables | 89,614 | -- | -- | -- | -- | 130,397 | -- | -- |
| Total Risk Weighted Assets | 1,388,018 | -- | 280,753 | 1,554,920 | 1,266,451 | 4,412,792 | 95,905 | 80,164 |

4. 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) | 565,057 | 520,013 | 565,162 | 520,034 |
| Capital Requirement for Market Risk (CRMR) | 7,913 | 2,144 | 7,913 | 2,144 |
| Capital Requirement for Operational Risk (CROR) | 39,019 | 25,668 | 39,079 | 25,673 |
| Equity | 949,357 | 906,455 | 949,171 | 906,281 |
| Equity/((CRCR+MRMR+ORCR) * 12.5 * 100) | % 12.41 | % 13.24 | % 12.40 | % 13.23 |
| Core Capital /((CRCR+MRMR+ORCR)*12.5*100) | % 9.48 | % 8.17 | % 9.47 | % 8.16 |
| Tier 1 Capital /((CRCR+MRMR+ORCR)*12.5*100) | % 9.49 | % 8.20 | % 9.49 | % 8.20 |

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

| TIER I CAPITAL | Current Period | Prior Period |
|---|-----------------------|---------------------|
| Paid-in Capital to be Entitled for Compensation after All Creditors | 678,860 | 550,000 |
| Share Premium | -- | -- |
| Share Cancellation Profits | -- | -- |
| Reserves | 46,786 | -- |
| Other Comprehensive Income according to TAS | -- | -- |
| Profit | 37,271 | 168,918 |
| Current Period Profit | 37,271 | 74,210 |
| Prior Period Profit | -- | 94,708 |
| General Reserves for Possible Losses | -- | -- |
| Bonus Shares from Associates, Subsidiaries and Joint-Ventures not Accounted in Current Period's Profit | -- | -- |
| Minority Interest | 32 | 43 |
| Tier I Capital Before Deductions | 762,949 | 718,961 |
| Deductions From Tier I Capital | | |
| Current and Prior Periods' Losses not Covered by Reserves, and Losses Accounted under Equity according to TAS (-) | 13,572 | 132,843 |
| Leasehold Improvements on Operational Leases (-) | 16,962 | 19,573 |
| Goodwill and Other Intangible Assets and Related Deferred Taxes (-) | 6,221 | 5,336 |
| Net Deferred Tax Asset/Liability (-) | -- | -- |
| Shares Obtained against Article 56, Paragraph 4 of the Banking Law (-) | -- | -- |
| Direct and Indirect Investments of the Bank on its own Tier I Capital (-) | -- | -- |
| Total of Net Long Positions of the Investments in Equity Items of Consolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital (-) | -- | -- |
| Total of Net Long Positions of the Investments in Equity Items of Consolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital (-) | -- | -- |
| Mortgage Servicing Rights Exceeding the 10% Threshold of Tier I Capital (-) | -- | -- |
| Net Deferred Tax Assets arising from Temporary Differences Exceeding the 10% Threshold of Tier I Capital (-) | -- | -- |
| Amount Exceeding the 15% Threshold of Tier I Capital as per the Article 2, Clause 2 of the Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks (-) | -- | -- |
| The Portion of Net Long Position of the Investments in Equity Items of Consolidated Banks and Financial Institutions where the Bank Owns 10% or more of the Issued Share Capital not deducted from Tier I Capital (-) | -- | -- |
| Mortgage Servicing Rights not deducted (-) | -- | -- |
| Excess Amount arising from Deferred Tax Assets from Temporary Differences (-) | -- | -- |
| Other items to be Defined by the BRSA (-) | -- | -- |
| Deductions from Tier I Capital in cases where there are no adequate Additional Tier I or Tier II Capitals (-) | -- | -- |
| Total Deductions from Tier I Capital | 36,755 | 157,252 |
| Total Tier I Capital | 726,194 | 561,209 |
| ADDITIONAL CORE CAPITAL | | |
| Preferred Stock not Included in Tier I Capital and the Related Share Premiums | -- | -- |
| Debt Instruments and the Related Issuance Premiums Defined by the BRSA (Issued or Obtained after 1.1.2014) | -- | -- |
| Debt Instruments and the Related Issuance Premiums Defined by the BRSA (Issued or Obtained before 1.1.2014) | -- | -- |
| Shares in Additional Core Capital by third parties | -- | -- |
| Additional Core Capital before Deductions | -- | -- |
| Deductions from Additional Core Capital | | |
| Direct and Indirect Investments of the Bank on its own Additional Core Capital (-) | -- | -- |
| Total of Net Long Positions of the Investments in Equity Items of Consolidated Banks and | -- | -- |

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| | | |
|--|----|----|
| Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital (-) | | -- |
| The Total of Net Long Position of the Direct or Indirect Investments in Additional Tier I Capital of Consolidated Banks and Financial Institutions where the Bank Owns more than 10% of the Issued Share Capital (-) | -- | -- |
| Other items to be Defined by the BRSA (-) | -- | -- |
| Deductions from Additional Core Capital in cases where there are no adequate Tier II Capital (-) | -- | -- |
| Total Deductions from Additional Core Capital | -- | -- |
| Total Additional Core Capital | -- | -- |

| | | |
|---|----------------|----------------|
| Deductions from Core Capital | 1,392 | 2,236 |
| Goodwill and Other Intangible Assets and Related Deferred Taxes not deducted from Tier I Capital as per the Temporary Article 2, Clause 1 of the Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks (-) | -- | -- |
| Net Deferred Tax Asset/Liability not deducted from Tier I Capital as per the Temporary Article 2, Clause 1 of the Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks (-) | 1,392 | 2,236 |
| Total Core Capital | 724,802 | 558,973 |

TIER II CAPITAL

| | | |
|---|---------|---------|
| Debt Instruments and the Related Issuance Premiums Defined by the BRSA (Issued or Obtained after 1.1.2014) | -- | -- |
| Debt Instruments and the Related Issuance Premiums Defined by the BRSA (Issued or Obtained before 1.1.2014) | 155,600 | 287,101 |
| Pledged Assets of the Shareholders to be used for the Bank's Capital | -- | -- |
| General Provisions | 69,045 | 60,513 |
| Tier II Capital before Deductions | -- | -- |

Deductions from Tier II Capital

224,645 **347,614**

| | | |
|--|----|----|
| Direct and Indirect Investments of the Bank on its own Tier II Capital (-) | | |
| Total of Net Long Positions of the Investments in Equity Items of Consolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital (-) | -- | -- |
| The Total of Net Long Position of the Direct or Indirect Investments in Additional Core Capital and Tier II Capital of Consolidated Banks and Financial Institutions where the Bank Owns 10% or more of the Issued Share Capital Exceeding the 10% Threshold of Tier I Capital (-) | -- | -- |
| Other items to be Defined by the BRSA (-) | -- | -- |
| Total Deductions from Tier II Capital | -- | -- |
| Total Tier II Capital | -- | -- |

CAPITAL

224,645 **347,614**

| | | |
|--|----------------|----------------|
| Loans Granted against the Articles 50 and 51 of the Banking Law (-) | 949,447 | 906,587 |
| Net Book Values of Movables and Immovable Exceeding the Limit Defined in the Article 57, Clause 1 of the Banking Law and the Assets Acquired against Overdue Receivables and Held for Sale but Retained more than Five Years (-) | -- | -- |
| Loans to Banks, Financial Institutions (domestic/foreign) or Qualified Shareholders in the form of Subordinated Debts or Debt Instruments Purchased from Such Parties and Qualified as Subordinated Debts (-) | -- | -- |
| Deductions as per the Article 20, Clause 2 of the Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks (-) | -- | -- |
| Other items to be Defined by the BRSA (-) | 276 | 306 |
| The Portion of Total of Net Long Positions of the Investments in Equity Items of Consolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital not deducted from Tier I Capital, Additional Core Capital or Tier II Capital as per the Temporary Article 2, Clause 1 of the Regulation (-) | -- | -- |
| The Portion of Total of Net Long Positions of the Investments in Equity Items of Consolidated Banks and Financial Institutions where the Bank Owns more than 10% of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital not deducted from Additional Core Capital or Tier II Capital as per the Temporary Article 2, Clause 1 of the Regulation (-) | -- | -- |
| The Portion of Net Long Position of the Investments in Equity Items of Consolidated Banks and Financial Institutions where the Bank Owns 10% or more of the Issued Share Capital, of the Net Deferred Tax Assets arising from Temporary Differences and of the Mortgage Servicing Rights | -- | -- |

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| | | |
|---|----------------|----------------|
| not deducted from Tier I Capital as per the Temporary Article 2, Clause 2, Paragraph (1) and (2) and Temporary Article 2, Clause 1 of the Regulation (-) | | -- |
| EQUITY | 949,171 | 906,281 |
| Amounts lower than Excesses as per Deduction Rules | -- | -- |
| Remaining Total of Net Long Positions of the Investments in Equity Items of Consolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital | -- | -- |
| Remaining Total of Net Long Positions of the Investments in Tier I Capital of Consolidated Banks and Financial Institutions where the Bank Owns more than 10% or less of the Tier I Capital | -- | -- |
| Remaining Mortgage Servicing Rights | -- | -- |
| Net Deferred Tax Assets arising from Temporary Differences | -- | -- |

Components of items of shareholders' equity subject to temporary applications

| Current Period | The Bank | |
|---|--|---------------------|
| | Amount Included in Equity Calculation | Total Amount |
| Debt Instruments and the Related Issuance Premiums Defined by the BRSA (Issued before 1.1.2014) | 155,600 | 155,600 |

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II. 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 and “Regulation on Banks’ Internal Control and Assessment of Internal Capital Adequacy Ratios” published in the Official Gazette no. 29057 dated 11 July 2014.

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 reports.

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”.

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1. Information related to market risk

| Current Period | Amount |
|--|---------------|
| (I) Capital Requirement to be Employed For General Market Risk - Standard Method | 4,385 |
| (II) Capital Requirement to be Employed For Specific Risk - Standard Method | 58 |
| Capital Requirement against Specific Risks of Securitisation Positions – Standard Method | -- |
| (III) Capital Requirement to be Employed For Currency Risk - Standard Method | 316 |
| (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 | 126 |
| (VII) Capital Requirement against Counterparty Credit Risks – Standard Method | 3,028 |
| (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) | 7,913 |
| (X) Amount Subject to Market Risk (12.5 x VIII) or (12.5 x IX) | 98,913 |
| Prior Period | Amount |
| (I) Capital Requirement to be Employed For General Market Risk - Standard Method | 367 |
| (II) Capital Requirement to be Employed For Specific Risk - Standard Method | 58 |
| Capital Requirement against Specific Risks of Securitisation Positions – Standard Method | -- |
| (III) Capital Requirement to be Employed For Currency Risk - Standard Method | 527 |
| (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 | 1,157 |
| (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) | 2,144 |
| (X) Amount Subject to Market Risk (12.5 x VIII) or (12.5 x IX) | 26,800 |

2. Monthly average values at market risk

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

3. Quantitative information on counterparty risk

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

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III. 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 30 June 2015, the Group's net foreign currency long position is TL 4,176 (31 December 2014: TL 549 net short position) resulting from short position on the balance sheet amounting to TL 181,620 (31 December 2014: TL 92,047 short position) and long position on the off-balance amounting to TL 185,796 (31 December 2014: TL 91,498 long 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 30 June 2015 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 2.6406 |
| Euro purchase rate as at the balance sheet date | (Full Basis) | TL 2.9315 |

| Date | USD (Full Basis) | EUR (Full Basis) |
|--------------|-------------------------|-------------------------|
| 24 June 2015 | 2.6710 | 3.0017 |
| 25 June 2015 | 2,6770 | 3.0003 |
| 26 June 2015 | 2.6638 | 2.9813 |
| 29 June 2015 | 2.6587 | 2.9777 |
| 30 June 2015 | 2.6406 | 2.9315 |

Simple arithmetic means of foreign exchange rates in June 2015 are (Full Basis) TL 2.6991 for US dollar, and (Full Basis) TL 3.0244 for Euro.

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III. Explanations on consolidated currency risk (cont'd)

| Current Period | EUR | USD | Other | Total |
|--|------------------|------------------|------------------|------------------|
| Assets | | | | |
| Cash and Balances with the Central Bank of Turkey | 8,434 | 985,701 | 97,540 | 1,091,675 |
| Banks | 7,035 | 39,655 | 1,739 | 48,429 |
| Financial Assets at Fair Value through Profit/Loss (*) | 1,376 | 2,827 | -- | 4,203 |
| Interbank Money Market Placements | -- | -- | -- | -- |
| Financial Assets Available for Sale | 53,337 | 411,603 | -- | 464,940 |
| Loans (**) | 858,298 | 1,344,252 | 75,410 | 2,277,960 |
| 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 (***) | 431 | 657 | -- | 1,088 |
| Total Assets | 928,911 | 2,784,695 | 174,689 | 3,888,295 |
| Liabilities | | | | |
| Banks Deposits | 152,445 | 136,000 | 4,614 | 293,059 |
| Foreign Currency Deposits | 431,469 | 1,506,011 | 41,148 | 1,978,628 |
| Interbank Money Market Received | 46,637 | 337,691 | -- | 384,328 |
| Funds Borrowed from Other Financial Institutions | 622,684 | 769,428 | -- | 1,392,112 |
| Sundry Creditors | 1,473 | 8,344 | 900 | 10,717 |
| Marketable Securities Issued | -- | -- | -- | -- |
| Derivative Financial Liabilities Held for Hedging Purposes | -- | -- | -- | -- |
| Other Liabilities(****) | 1,555 | 9,516 | -- | 11,071 |
| Total Liabilities | 1,256,263 | 2,766,990 | 46,662 | 4,069,915 |
| Net Balance Sheet Position | (327,352) | 17,705 | 128,027 | (181,620) |
| Net Off-Balance Sheet Position | 323,538 | (10,228) | (127,514) | 185,796 |
| Financial Derivative Assets(*****) | 609,880 | 965,809 | 45,504 | 1,621,193 |
| Financial Derivative Liabilities(*****) | 286,342 | 976,037 | 173,018 | 1,435,397 |
| Non-Cash Loans (*****) | 138,590 | 521,368 | -- | 659,958 |
| Prior Period | | | | |
| Total Assets | 1,053,988 | 2,623,701 | 152,356 | 3,830,045 |
| Total Liabilities | 1,201,158 | 2,657,805 | 63,129 | 3,922,092 |
| Net Balance Sheet Position | (147,170) | (34,104) | 89,227 | (92,047) |
| Net Off-Balance Sheet Position | 143,138 | 37,105 | (88,745) | 91,498 |
| Financial Derivative Assets(*****) | 369,306 | 739,318 | 144,591 | 1,253,215 |
| Financial Derivative Liabilities(*****) | 226,168 | 702,213 | 233,336 | 1,161,717 |
| Non-Cash Loans (*****) | 163,667 | 553,872 | -- | 717,539 |

(*) The balance does not include trading derivative financial assets amounting to TL 3,435.

(**)The balance includes foreign currency indexed loans and accruals amounting to TL 309,476.

(***)The balance does not include TL 7,805 of prepaid expenses.

(****)The balance does not include trading derivative financial liabilities amounting to TL 3,449.

(*****) In the current period, exchange purchase commitments within the financial derivative assets amounted to TL 176,465 (31 December 2014: TL 160,029), exchange sale commitments within the derivative financial liabilities amounted to TL 116,935 (31 December 2014: TL 163,212).

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

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IV. 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 | 56,128 | -- | -- | -- | -- | 1,115,328 | 1,171,456 |
| Banks | 256,243 | -- | -- | -- | -- | 22,772 | 279,015 |
| Financial Assets at Fair Value Through Profit or Loss | 20,560 | 7,984 | 12,000 | 11,013 | 2,533 | -- | 54,090 |
| Interbank Money Market Placements | -- | -- | -- | -- | -- | -- | -- |
| Financial Assets Available-for-Sale | -- | -- | 16,618 | 466,220 | 67,779 | -- | 550,617 |
| Loans | 794,062 | 2,408,064 | 1,154,821 | 2,027,921 | 378,579 | 63,528 | 6,826,975 |
| Investment Securities Held-to-Maturity | -- | -- | -- | -- | -- | -- | -- |
| Other Assets (*) | -- | -- | -- | -- | -- | 237,259 | 237,259 |
| Total Assets | 1,126,993 | 2,416,048 | 1,183,439 | 2,505,154 | 448,891 | 1,438,887 | 9,119,412 |
| Liabilities | | | | | | | |
| Bank Deposits | 389,345 | -- | -- | -- | -- | 14,649 | 403,994 |
| Other Deposits | 2,994,336 | 1,410,497 | 376,571 | 21,779 | -- | 364,671 | 5,167,854 |
| Interbank Money Market Received | 526,565 | -- | -- | -- | -- | -- | 526,565 |
| Sundry Creditors | -- | -- | -- | -- | -- | 77,038 | 77,038 |
| Marketable Securities Issued | 119,002 | 166,013 | 266,718 | -- | -- | -- | 551,733 |
| Funds Borrowed from Other Financial Institutions | 75,887 | 767,441 | 563,324 | 2,222 | -- | -- | 1,408,874 |
| Other Liabilities (**) | 4,474 | 9,260 | 12,388 | 2,359 | 4,876 | 949,997 | 983,354 |
| Total Liabilities | 4,109,609 | 2,353,211 | 1,219,001 | 26,360 | 4,876 | 1,406,355 | 9,119,412 |
| Off-Balance Sheet Items | | | | | | | |
| Balance Sheet Long Position | -- | 62,837 | -- | 2,478,794 | 444,015 | 32,532 | 3,018,178 |
| Balance Sheet Short Position | (2,982,616) | -- | (35,562) | -- | -- | -- | (3,018,178) |
| Off-Balance Sheet Long Position | 54,072 | -- | -- | -- | -- | 2,201,081 | 2,255,153 |
| Off-Balance Sheet Short Position | -- | -- | -- | -- | -- | (2,220,656) | (2,220,656) |
| Total Position | (2,928,544) | 62,837 | (35,562) | 2,478,794 | 444,015 | 12,957 | 34,497 |

(*) Non-interest bearing column includes TL 197,667 tangible assets, TL 6,221 intangible assets, TL 1,525 tax asset, TL 702 non-current assets held for sale, and TL 31,144 other assets.

(**) Non-interest bearing column includes TL 749,398 shareholders' equity, TL 89,815 other liabilities, TL 199 lease liabilities, TL 86,530 provisions and TL 24,055 tax liabilities.

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IV. Explanations on consolidated interest rate risk (cont'd)

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 | 56,509 | -- | -- | -- | -- | 966,600 | 1,023,109 |
| Banks | 255,532 | -- | -- | -- | -- | 7,347 | 262,879 |
| Financial Assets at Fair Value Through Profit or Loss | 18,572 | 2,917 | 5,799 | 3,252 | 2,100 | -- | 32,640 |
| Interbank Money Market Placements | 23,189 | -- | -- | -- | -- | -- | 23,189 |
| Financial Assets Available -for-Sale | 5,154 | -- | 19,737 | 257,336 | 99,682 | -- | 381,909 |
| Loans | 523,493 | 2,393,728 | 1,086,028 | 1,801,868 | 311,849 | 72,668 | 6,189,634 |
| Investment Securities Held-to-Maturity | -- | -- | -- | -- | -- | -- | -- |
| Other Assets (*) | -- | -- | -- | -- | -- | 123,360 | 123,360 |
| Total Assets | 882,449 | 2,396,645 | 1,111,564 | 2,062,456 | 413,631 | 1,169,975 | 8,036,720 |
| Liabilities | | | | | | | |
| Bank Deposits | 156,003 | -- | -- | -- | -- | 2,845 | 158,848 |
| Other Deposits | 2,781,561 | 1,641,634 | 345,893 | 9,198 | -- | 304,231 | 5,082,517 |
| Interbank Money Market Received | 325,977 | -- | -- | -- | -- | -- | 325,977 |
| Sundry Creditors | -- | -- | -- | -- | -- | 61,250 | 61,250 |
| Marketable Securities Issued | 46,305 | 163,385 | 263,245 | -- | -- | -- | 472,935 |
| Funds Borrowed from Other Financial Institutions | 56,687 | 538,917 | 425,642 | -- | -- | -- | 1,021,246 |
| Other Liabilities (**) | 2,135 | 2,372 | 5,486 | 1,719 | 116,677 | 785,558 | 913,947 |
| Total Liabilities | 3,368,668 | 2,346,308 | 1,040,266 | 10,917 | 116,677 | 1,153,884 | 8,036,720 |
| Balance Sheet Long Position | -- | 50,337 | 71,298 | 2,051,539 | 296,954 | 16,091 | 2,486,219 |
| Balance Sheet Short Position | (2,486,219) | -- | -- | -- | -- | -- | (2,486,219) |
| Off-Balance Sheet Long Position | -- | -- | -- | -- | -- | 1,598,016 | 1,598,016 |
| Off-Balance Sheet Short Position | -- | -- | -- | -- | -- | (1,613,738) | (1,613,738) |
| Total Position | (2,486,219) | 50,337 | 71,298 | 2,051,539 | 296,954 | 369 | (15,722) |

(*) Non-interest bearing column includes TL 31,494 tangible assets, TL 5,336 intangible assets, TL 2,338 tax assets, TL 919 non-current assets held for sale and TL 83,273 other assets.

(**) Non-interest bearing column includes TL 586,128 shareholders' equity, TL 101,408 other liabilities, TL 211 lease liabilities, TL 77,412 provisions and TL 20,399 tax liabilities.

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IV. Explanations on consolidated interest rate risk (cont'd)

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 | -- | 0.13 | -- | 1.27 |
| Banks | -- | 0.15 | -- | 10.82 |
| Financial Assets at Fair Value Through Profit/ Loss | 3.74 | 5.26 | -- | 14.97 |
| Interbank Money Market Placements | -- | -- | -- | -- |
| Financial Assets Available-for-Sale | 3.35 | 4.30 | -- | 8.82 |
| Loans | 6.36 | 5.83 | -- | 14.28 |
| Investment Securities Held-to-Maturity | -- | -- | -- | -- |
| Liabilities | | | | |
| Bank Deposits | 0.34 | 0.38 | -- | 10.82 |
| Other Deposits | 1.79 | 2.28 | -- | 11.44 |
| Interbank Money Market Received | 0.53 | 0.71 | -- | 9.21 |
| Sundry Creditors | -- | -- | -- | -- |
| Marketable Securities Issued | -- | -- | -- | 10.36 |
| Funds Borrowed from Other Financial Institutions | 2.02 | 1.70 | -- | 6.78 |
| 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 | -- | -- | -- | 1.48 |
| Banks | -- | 0.56 | -- | 11.11 |
| Financial Assets at Fair Value Through Profit/Loss | 4.28 | 5.07 | -- | 14.53 |
| Interbank Money Market Placements | -- | 0.45 | -- | -- |
| Financial Assets Available-for-Sale | 3.39 | 4.17 | -- | 5.59 |
| Loans | 6.51 | 5.80 | -- | 14.17 |
| Investment Securities Held-to-Maturity | -- | -- | -- | -- |
| Liabilities | | | | |
| Bank Deposits | 0.60 | 0.63 | -- | 7.50 |
| Other Deposits | 2.41 | 2.67 | -- | 10.46 |
| Interbank Money Market Received | 0.53 | 0.69 | -- | 8.25 |
| Sundry Creditors | -- | -- | -- | -- |
| Marketable Securities Issued | -- | -- | -- | 9.86 |
| Funds Borrowed from Other Financial Institutions | 2.02 | 1.65 | -- | 7.23 |

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IV. Explanations on consolidated interest rate risk (cont'd)

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 | -98,516 | %-10.38 |
| TRY | -400 | 91,129 | %9.60 |
| USD Dollar | 200 | -37,612 | %-3.96 |
| USD Dollar | -200 | 28,964 | %3.05 |
| EURO | 200 | -28,317 | %-2.98 |
| EURO | -200 | 1,739 | %0.18 |
| Total (For Positive Shocks) | | -164,445 | %-17.32 |
| Total (For Negative Shocks) | | 121,832 | %12.83 |

V. 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 28948, dated 21 March 2014; liquidity ratio is required to be minimum 40 % for foreign currency assets/liabilities and 60 % for total assets/liabilities in the calculation of the bank’s weekly and monthly reporting effective from 5 January 2015. As of 26 June 2015, liquidity ratios for the year 2015 are shown below:

| | Liquidity Adequacy (Consolidated) | |
|--------------------|--|----------------|
| | FC | FC + TL |
| Average (%) | 106.39 | 78.79 |
| Max. (%) | 117.92 | 88.97 |
| Min. (%) | 94.70 | 70.98 |

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V. Explanations on consolidated liquidity risk (cont'd)

1. Presentation of assets and liabilities according to their remaining maturities:

| Current Period End | 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 | 228,072 | 943,384 | -- | -- | -- | -- | -- | 1,171,456 |
| Banks | 22,772 | 256,243 | -- | -- | -- | -- | -- | 279,015 |
| Financial Assets at Fair Value Through Profit or Loss | -- | 5,477 | 7,953 | 11,830 | 11,436 | 17,394 | -- | 54,090 |
| Interbank Money Market Placements | -- | -- | -- | -- | -- | -- | -- | -- |
| Financial Assets Available-for-Sale | -- | -- | -- | 16,618 | 466,220 | 67,779 | -- | 550,617 |
| Loans | -- | 820,819 | 870,499 | 2,904,085 | 1,899,663 | 268,381 | 63,528 | 6,826,975 |
| Investment Securities Held-to-Maturity | -- | -- | -- | -- | -- | -- | -- | -- |
| Other Assets (*) | -- | -- | -- | -- | -- | -- | 237,259 | 237,259 |
| Total Assets | 250,844 | 2,025,923 | 878,452 | 2,932,533 | 2,377,319 | 353,554 | 300,787 | 9,119,412 |
| Liabilities | | | | | | | | |
| Bank Deposits | 14,649 | 389,345 | -- | -- | -- | -- | -- | 403,994 |
| Other Deposits | 364,671 | 2,994,336 | 1,410,497 | 376,571 | 21,779 | -- | -- | 5,167,854 |
| Funds Borrowed from Other Financial Institutions | -- | 84,829 | 270,739 | 605,620 | 257,027 | 190,659 | -- | 1,408,874 |
| Interbank Money Market Received | -- | 526,565 | -- | -- | -- | -- | -- | 526,565 |
| Marketable Securities Issued | -- | 48,502 | 166,013 | 337,218 | -- | -- | -- | 551,733 |
| Sundry Creditors | -- | 77,038 | -- | -- | -- | -- | -- | 77,038 |
| Other Liabilities (**) | -- | 103,952 | 10,836 | 16,484 | 7,359 | 5,243 | 839,480 | 983,354 |
| Total Liabilities | 379,320 | 4,224,567 | 1,858,085 | 1,335,893 | 286,165 | 195,902 | 839,480 | 9,119,412 |
| Liquidity Surplus/Gap | (128,476) | (2,198,644) | (979,633) | 1,596,640 | 2,091,154 | 157,652 | (538,693) | -- |
| Prior Period | | | | | | | | |
| Total Assets | 208,161 | 1,727,479 | 737,894 | 2,874,241 | 1,935,710 | 357,207 | 196,028 | 8,036,720 |
| Total Liabilities | 307,076 | 3,557,109 | 1,898,775 | 1,116,409 | 204,393 | 288,665 | 664,293 | 8,036,720 |
| Liquidity Surplus/Gap | (98,915) | (1,829,630) | (1,160,881) | 1,757,832 | 1,731,317 | 68,542 | (468,265) | -- |

(*) 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, stationary supplies and prepaid expenses are included in this column.

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

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V. Explanations on consolidated liquidity risk (cont'd)

2. Explanations on consolidated securitisation positions

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

3. Information on consolidated credit risk mitigation techniques

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

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 Project Finance and Valuation Department.

The Bank's guarantees are mainly composed of cheques, notes, mortgages, guarantees, vehicle pledges and deposit pledges. The Bank'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.

| Exposure Categories * | Amount | Financial Collaterals | Other/Physical Collaterals** | Guarantees and Credit Derivatives |
|--|-------------------|------------------------------|-------------------------------------|--|
| Receivables from Central Governments | 1,254,978 | 61,900 | -- | -- |
| Receivables, Coins, Purchased Cheques from Regional or Local Governments and CBT Banks | -- | -- | -- | -- |
| Receivables from Administrative Units and Non-Commercial Enterprises | -- | -- | -- | -- |
| Receivables from Multilateral Development Banks | -- | -- | -- | -- |
| Receivables from International Organisations | -- | -- | -- | -- |
| Receivables from Banks and Brokerage Houses | 1,208,382 | 384,328 | -- | -- |
| Corporate Receivables | 4,117,058 | 25,393 | -- | -- |
| Retail Receivables | 1,349,315 | 687 | -- | -- |
| Receivables that are Collateralized by Residential | 1,810,467 | 49,996 | 2,740,873 | -- |
| Past due Receivables | 61,692 | -- | 51,203 | -- |
| Receivables Defined in High Risk Category by BRSA | 140,628 | -- | 33,816 | -- |
| Securities Collateralised by Mortgages | -- | -- | -- | -- |
| Short-term Receivables from Banks, Brokerage Houses and Corporates | -- | -- | -- | -- |
| Investments Similar to Collective Investment Funds | -- | -- | -- | -- |
| Other Receivables | 343,537 | -- | -- | -- |
| Total | 10,286,057 | 522,304 | 2,825,892 | -- |

(*) 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.

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V. Explanations on consolidated liquidity risk (cont'd)

4. Information on risk management objectives and policies

The Bank does not apply any netting on balance sheet and off-balance sheet. Guarantees and financial collaterals consisting of cash blokages are used as credit mitigation techniques in accordance with Basic Financial Collateral Method.

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.

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.

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VI. 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. Fiba Portföy, the Bank's consolidated subsidiary, operates in portfolio management field.

| Current Period 1 January – 30 June 2015 | Retail Banking | Commerical & Corporate Banking | Treasury & Headquarters | Total Operations of the Bank |
|--|---------------------------------|---|--|---|
| Operating Income | 84,454 | 105,344 | 13,620 | 203,428 |
| Operating Profit | (9,702) | 67,723 | (9,923) | 48,098 |
| Taxation | | | | (10,827) |
| Net Profit/(Loss) for the Period | | | | 37,271 |
| Current Period- 30 June 2015 | | | | |
| Segment Assets | 2,348,313 | 4,415,134 | 2,355,965 | 9,119,412 |
| Unallocated Assets | | | | |
| Total Assets | | | | 9,119,412 |
| Segment Liabilities | 4,099,250 | 1,068,635 | 3,202,129 | 8,370,014 |
| Unallocated Liabilities | | | | |
| Shareholders' Equity | | | | 749,398 |
| Total Liabilities | | | | 9,119,412 |

| Prior Period 1 January – 30 June 2014 | Retail Banking | Commerical & Corporate Banking | Treasury & Headquarters | Total Operations of the Bank |
|--|---------------------------------|---|--|---|
| Operating Income | 79,817 | 91,902 | 127 | 171,846 |
| Operating Profit | 11,414 | 53,239 | (19,738) | 44,915 |
| Taxation | | | | (10,017) |
| Net Profit/(Loss) for the Period | | | | 34,898 |
| Prior Period- 31 December 2014 | | | | |
| Segment Assets | 2,018,668 | 4,098,298 | 1,919,754 | 8,036,720 |
| Unallocated Assets | | | | -- |
| Total Assets | | | | 8,036,720 |
| Segment Liabilities | 3,763,662 | 1,323,725 | 2,363,203 | 7,450,592 |
| Unallocated Liabilities | | | | -- |
| Shareholders' Equity | | | | 586,128 |
| Total Liabilities | | | | 8,036,720 |

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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 | 23,653 | 32,195 | 19,354 | 28,867 |
| Balances with the Central Bank of Turkey | 56,128 | 1,059,480 | 56,509 | 918,379 |
| Other | -- | -- | -- | -- |
| Total | 79,781 | 1,091,675 | 75,863 | 947,246 |

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

| | Current Period | | Prior Period | |
|------------------------------|----------------|------------------|---------------|----------------|
| | TL | FC | TL | FC |
| Unrestricted Demand Deposits | 56,128 | 116,096 | 56,509 | 95,761 |
| Unrestricted Time Deposits | -- | -- | -- | -- |
| Restricted Time Deposits | -- | 943,384 | -- | 822,618 |
| Total | 56,128 | 1,059,480 | 56,509 | 918,379 |

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% - 20% and denominated mainly in EUR and USD for FC liabilities. According to the press announcement of the Central Bank of Turkey numbered 2014-72 dated October 21, 2014, interest is paid on the portion of reserve deposits held in Turkish Lira effective from November 2014; and according to the press announcement numbered 2015-35 dated May 2, 2015 interest is paid on the portion of reserve deposits held in US Dollars effective from May 2015.

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 | 10,282 | -- | 7,258 | -- |
| Other | -- | -- | -- | -- |
| Total | 10,282 | -- | 7,258 | -- |

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.

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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 | 5,506 | -- | 4,244 | -- |
| Total | 5,506 | -- | 4,244 | -- |

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

| | Current Period | | Prior Period | |
|----------------------|----------------|--------------|---------------|--------------|
| | TL | FC | TL | FC |
| Forward Transactions | 1,679 | -- | 780 | -- |
| Swap Transactions | 13,703 | 1 | 5,475 | 1 |
| Futures Transactions | -- | -- | -- | -- |
| Options | 14,483 | 3,434 | 4,425 | 2,110 |
| Other | -- | -- | -- | -- |
| Total | 29,865 | 3,435 | 10,680 | 2,111 |

3. Information on Banks

3.1 *Information on banks*

| | Current Period | | Prior Period | |
|-----------------------------------|----------------|---------------|----------------|---------------|
| | TL | FC | TL | FC |
| Banks | | | | |
| Domestic | 230,480 | 26,444 | 225,436 | 30,146 |
| Foreign | 106 | 21,985 | 52 | 7,245 |
| Foreign head-offices and branches | -- | -- | -- | -- |
| Total | 230,586 | 48,429 | 225,488 | 37,391 |

3.2 *Due from foreign banks*

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

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 | 76,999 | 456,042 | 16,523 | 357,017 |
| Other | -- | -- | -- | -- |
| Total | 76,999 | 456,042 | 16,523 | 357,017 |

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

| | Current Period | Prior Period |
|----------------------------|-----------------------|---------------------|
| Debt instruments | 550,617 | 381,909 |
| Quoted on Stock Exchange | 550,617 | 381,909 |
| Unquoted on Stock Exchange | -- | -- |
| Share certificates | -- | -- |
| Quoted on Stock Exchange | -- | -- |
| Unquoted on Stock Exchange | -- | -- |
| Impairment provision (-) | -- | -- |
| Total | 550,617 | 381,909 |

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 | 2,235 | -- | 2,143 | -- |
| Total | 2,235 | -- | 2,143 | -- |

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 | | |
|-----------------------------|---|---|--------------|---|---|--------------|
| | <i>Loans and Other Receivables (Total)</i> | <i>Loan and Receivables with Revised Contract Terms</i> | | <i>Loans and Other Receivables (Total)</i> | <i>Loan and Receivables with Revised Contract Terms</i> | |
| | | <i>Extension of Repayment Plan</i> | <i>Other</i> | | <i>Extension of Repayment Plan</i> | <i>Other</i> |
| Cash Loans | | | | | | |
| Loans | 6,388,182 | 1,801 | -- | 236,261 | 129,140 | 8,063 |
| Working Capital Loans | -- | -- | -- | -- | -- | -- |
| Export Loans | 300,687 | -- | -- | 21,051 | -- | -- |
| Import Loans | -- | -- | -- | -- | -- | -- |
| Loans to Financial Sector | 207,914 | -- | -- | 33 | -- | -- |
| Consumer Loans | 370,036 | 43 | -- | 30,190 | 8,223 | 5,030 |
| Credit Cards | 31,991 | -- | -- | 2,001 | -- | -- |
| Others | 5,477,554 | 1,758 | -- | 182,986 | 120,917 | 3,033 |
| Specialization Loans | -- | -- | -- | -- | -- | -- |
| Other Receivables | -- | -- | -- | -- | -- | -- |
| Total | 6,388,182 | 1,801 | -- | 236,261 | 129,140 | 8,063 |

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5.2 *Information on the first and second group loans and other receivables including restructured or rescheduled loans (cont'd)*

| | Standard Loans and Other Receivables | Loans and Other Receivables under Close Monitoring |
|-----------------------------|---|---|
| Number of Extensions | 1,801 | 129,140 |
| 1 or 2 times | 1,801 | 129,140 |
| 3, 4 or 5 times | -- | -- |
| Over 5 times | -- | -- |

| | Standard Loans and Other Receivables | Loans and Other Receivables under Close Monitoring |
|--------------------------|---|---|
| Extension Periods | 1,801 | 129,140 |
| 0-6 months | 343 | 22,441 |
| 6 -12 months | 57 | 10,037 |
| 1 – 2 years | 1,401 | 26,293 |
| 2 – 5 years | -- | 60,345 |
| 5 years and over | -- | 10,024 |

The overdue analysis of close monitoring loans

| <i>Current Period</i> | Corporate/ Commercial | | Total |
|-----------------------|--------------------------|----------------|----------------|
| | Loans | Consumer Loans | |
| 1-30 days | 67,379 | 5,874 | 73,253 |
| 31-60 days | 30,028 | 17,452 | 47,480 |
| 61-90 days | 97,392 | 15,391 | 112,783 |
| Total | 194,799 | 38,717 | 233,516 |

| <i>Prior Period</i> | Corporate/ Commercial | | Total |
|---------------------|--------------------------|----------------|----------------|
| | Loans | Consumer Loans | |
| 1-30 days | 32,285 | 6,761 | 39,046 |
| 31-60 days | 42,511 | 24,188 | 66,699 |
| 61-90 days | 43,037 | 12,626 | 55,663 |
| Total | 117,833 | 43,575 | 161,408 |

Maturity analysis of cash loans

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

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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 | 11,773 | 299,906 | 311,679 |
| Real Estate Loans | 1,004 | 139,075 | 140,079 |
| Vehicle Loans | 75 | 5,973 | 6,048 |
| General Purpose Loans | 10,694 | 154,858 | 165,552 |
| Other | -- | -- | -- |
| Consumer Loans-Indexed to FC | -- | 93,326 | 93,326 |
| Real Estate Loans | -- | 90,014 | 90,014 |
| Vehicle Loans | -- | -- | -- |
| General Purpose Loans | -- | 3,312 | 3,312 |
| Other | -- | -- | -- |
| Consumer Loans-FC | -- | 1,066 | 1,066 |
| Real Estate Loans | -- | 1,066 | 1,066 |
| Vehicle Loans | -- | -- | -- |
| General Purpose Loans | -- | -- | -- |
| Other | -- | -- | -- |
| Individual Credit Cards-TL | 3,088 | -- | 3,088 |
| With Instalment | 295 | -- | 295 |
| Without Instalment | 2,793 | -- | 2,793 |
| Individual Credit Cards-FC | 68 | -- | 68 |
| With Instalment | -- | -- | -- |
| Without Instalment | 68 | -- | 68 |
| Loans Given to Employees-TL | 108 | 1,289 | 1,397 |
| Real Estate Loans | -- | -- | -- |
| Vehicle Loans | -- | -- | -- |
| General Purpose Loans | 108 | 1,289 | 1,397 |
| 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 | 835 | -- | 835 |
| With Instalment | 154 | -- | 154 |
| Without Instalment | 681 | -- | 681 |
| Personnel Credit Cards – FC | 3 | -- | 3 |
| With Instalment | -- | -- | -- |
| Without Instalment | 3 | -- | 3 |
| Overdraft Loans-TL (Real Persons) | 6,054 | -- | 6,054 |
| Overdraft Loans-FC (Real Persons) | -- | -- | -- |
| Total | 21,929 | 395,587 | 417,516 |

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5.4 Information on commercial loans with installments and corporate credit cards

| | Short Term | Medium or Long Term | Total |
|--|----------------|------------------------|------------------|
| Instalment Commercial Loans – TL | 260,778 | 1,339,654 | 1,600,432 |
| Real Estate Loans | -- | 5,331 | 5,331 |
| Vehicle Loans | 1,535 | 32,648 | 34,183 |
| General Purpose Loans | 259,243 | 1,301,675 | 1,560,918 |
| Other | -- | -- | -- |
| Instalment Commercial Loans – Indexed to FC | 1,360 | 127,299 | 128,659 |
| Real Estate Loans | -- | 2,521 | 2,521 |
| Vehicle Loans | -- | 11,797 | 11,797 |
| General Purpose Loans | 1,360 | 112,981 | 114,341 |
| Other | -- | -- | -- |
| Instalment Commercial Loans - FC | -- | -- | -- |
| Real Estate Loans | -- | -- | -- |
| Vehicle Loans | -- | -- | -- |
| General Purpose Loans | -- | -- | -- |
| Other | -- | -- | -- |
| Corporate Credit Cards – TL | 29,961 | -- | 29,961 |
| With Instalment | 4,818 | -- | 4,818 |
| Without Instalment | 25,143 | -- | 25,143 |
| Corporate Credit Cards – FC | 37 | -- | 37 |
| With Instalment | -- | -- | -- |
| Without Instalment | 37 | -- | 37 |
| Overdraft Loans-TL (Legal Entities) | 86,384 | -- | 86,384 |
| Overdraft Loans-FC (Legal Entities) | -- | -- | -- |
| Total | 378,520 | 1,466,953 | 1,845,473 |

5.5 Allocation of loans by customers

| | Current Period | Prior Period |
|----------------|------------------|------------------|
| Public Sector | -- | -- |
| Private Sector | 6,763,447 | 6,116,966 |
| Total | 6,763,447 | 6,116,966 |

5.6 Allocation of Domestic and Foreign Loans

| | Current Period | Prior Period |
|----------------|------------------|------------------|
| Domestic Loans | 6,536,359 | 5,832,593 |
| Foreign Loans | 227,088 | 284,373 |
| Total | 6,763,447 | 6,116,966 |

5.7 Loans granted to subsidiaries and associates

None.

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5.8 Specific provisions provided against loans

| Specific Provisions | Current Period | Prior Period |
|--|-----------------------|---------------------|
| Loans and Receivables with Limited Collectability | 2,523 | 3,854 |
| Loans and Receivables with Doubtful Collectability | 17,900 | 14,716 |
| Uncollectible Loans and Receivables | 30,323 | 37,487 |
| Total | 50,746 | 56,057 |

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 | Group IV | Group V |
|--|---|--|-------------------------------------|
| | Loans and receivables with limited collectability | Loans and receivables with doubtful collectability | Uncollectible loans and receivables |
| Current Period | -- | -- | 117 |
| (Gross Amounts before Specific Provisions) | -- | -- | |
| Restructured Loans and Other Receivables | -- | -- | 117 |
| Rescheduled Loans and Other Receivables | -- | -- | -- |
| Prior Period | -- | -- | 221 |
| (Gross Amounts before Specific Provisions) | -- | -- | |
| Restructured Loans and Other Receivables | -- | -- | 221 |
| Rescheduled Loans and Other Receivables | -- | -- | -- |

5.9.2 Movement on non-performing loans

| | Group III | Group IV | Group V |
|---|---|--|-------------------------------------|
| | Loans and receivables with limited collectability | Loans and receivables with doubtful collectability | Uncollectible loans and receivables |
| Balances at Beginning of Period | 37,384 | 43,803 | 47,538 |
| Additions (+) | 40,206 | 1,635 | 909 |
| Transfers from Other Categories of Non-Performing Loans (+) | -- | 56,712 | 30,303 |
| Transfers to Other Categories of Non-Performing Loans (-) | 56,839 | 30,176 | -- |
| Collections (-) | 6,507 | 11,305 | 6,048 |
| Write-offs (-) (*) | -- | 3,837 | 29,504 |
| Corporate and Commercial Loans | -- | 2,805 | 22,848 |
| Retail Loans | -- | 1,029 | 6,631 |
| Credit Cards | -- | 3 | 25 |
| Other | -- | -- | -- |
| Balances at End of the Period | 14,244 | 56,832 | 43,198 |
| Specific Provisions (-) | 2,523 | 17,900 | 30,323 |
| Net Balance on Balance Sheet | 11,721 | 38,932 | 12,875 |

(*) Loan amounting to TL 33,341 was sold to asset management company in June 2015.

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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 | -- | 22,033 | 2,785 |
| Specific Provisions (-) | -- | 2,754 | 1,898 |
| Net Balance on Balance Sheet | -- | 19,279 | 887 |
| Prior Period | | | |
| Balance as of the Period End | 21,624 | 10,091 | 3,333 |
| Specific Provisions (-) | 1,081 | 1,511 | 2,654 |
| Net Balance on Balance Sheet | 20,543 | 8,580 | 679 |

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) | | | |
| Loans Granted to Real Persons and Legal Entities (Gross) | 14,244 | 56,832 | 43,198 |
| Specific provisions (-) | 2,523 | 17,900 | 30,323 |
| Loans Granted to Real Persons and Legal Entities (Net) | 11,721 | 38,932 | 12,875 |
| Banks (Gross) | -- | -- | -- |
| Specific Provisions (-) | -- | -- | -- |
| Banks (Net) | -- | -- | -- |
| Other Loan and Receivables (Gross) | -- | -- | -- |
| Specific Provisions (-) | -- | -- | -- |
| Other Loan and Receivables (Net) | -- | -- | -- |
| Prior Period (Net) | | | |
| Loans Granted to Real Persons and Legal Entities (Gross) | 37,384 | 43,803 | 47,538 |
| Specific provisions (-) | 3,854 | 14,716 | 37,487 |
| Loans Granted to Real Persons and Legal Entities (Net) | 33,530 | 29,087 | 10,051 |
| Banks (Gross) | -- | -- | -- |
| Specific Provisions (-) | -- | -- | -- |
| Banks (Net) | -- | -- | -- |
| Other Loan and Receivables (Gross) | -- | -- | -- |
| Specific Provisions (-) | -- | -- | -- |
| Other Loan and Receivables (Net) | -- | -- | -- |

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5.10 *Liquidation policy for uncollectible loans and other receivables*

100% provision is provided for uncollectible loans. In case of having collaterals, non-performing loans and other receivables are collected through liquidation of these collaterals. In the absence of collateral, periodical market intelligence is performed to determine the assets acquired subsequently by the debtor and the legal follow-up process is applied.

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 30 June 2015.

Information on capital adequacy of major subsidiary

| Current Period | Fiba Portföy Yönetimi A.Ş. |
|---|---------------------------------------|
| CORE CAPITAL | 5,323 |
| 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 | 177 |
| Leasehold Improvements on Operational Leases (-) | -- |
| Intangible Assets (-) | -- |
| Goodwill (Net) (-) | -- |
| SUPPLEMENTARY CAPITAL | -- |
| CAPITAL | 5,323 |
| DEDUCTIONS FROM CAPITAL | -- |
| NET AVAILABLE EQUITY | 5,323 |

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*

There are no subsidiaries which are not subject to consolidation.

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

8.2 *Movement of consolidated investment in subsidiary*

| | Current Period | Prior Period |
|---|----------------|--------------|
| Balances at Beginning of Period | 5,445 | 5,445 |
| Movements during the Period | | |
| Acquisitions and Capital Increases (*) | -- | -- |
| 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 Loses/ Impairment Losses (-) | -- | -- |
| Balances at the End of Period | 5,445 | 5,445 |
| Capital Commitments | -- | -- |
| Share of Capital at the end of Period (%) | 99 | 99 |

(*)Fiba Portföy Yönetimi A.Ş. was established on 26 September 2013 with 99% participation of Fibabanka A.Ş.

Valuation methods of consolidated investments in subsidiary

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

Quoted consolidated investments in subsidiary

None.

FİBABANKA A.Ş. AND ITS SUBSIDIARY

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8.2 *Movement of consolidated investment in subsidiary (cont'd)*

Other Information on subsidiaries within the scope of consolidation

| Subsidiary | 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 |
|--------------|--------------------------|---------------------------|--------------------|--------------------------------------|--------------------------------------|--------------------------------|-------------------------|
| 5,443 | 5,323 | 12 | 271 | -- | (1) | (102) | 5,323 |

(*) 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.

12. **Information on tangible assets**

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

13. **Information on intangible assets**

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

14. **Information on investment properties**

None.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF
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(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

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 30 June 2015, the deferred tax asset amounting to TL 1,392 is calculated by netting of carry forward tax losses, deductible temporary differences and taxable temporary differences (31 December 2014: TL 2,236 deferred tax asset)

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 of the Group 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 |
| Unearned Commission Income | 6,361 | 1,273 |
| Retirement Pay and Unused Vacation Provision | 8,892 | 1,779 |
| Tangible Assets Base Differences | (4,025) | (805) |
| Carry Forward Tax Losses | 185 | 37 |
| Financial Assets Valuation | (1,999) | (400) |
| Other | (2,451) | (492) |
| Deferred Tax Assets | 6,963 | 1,392 |
| | Prior Period | |
| | Deferred Tax Base | Deferred Tax Asset/ Liability |
| Financial Assets Valuation | 3,029 | 606 |
| Unearned Commission Income | 7,709 | 1,542 |
| Retirement Pay and Unused Vacation Provision | 7,751 | 1,550 |
| Tangible Assets Base Differences | (6,293) | (1,259) |
| Carry Forward Tax Losses | 161 | 32 |
| Other | (1,179) | (235) |
| Deferred Tax Assets | 11,181 | 2,236 |

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

| | 1 January – 30 June 2015 | 1 January-31 December 2014 |
|---|-------------------------------------|---------------------------------------|
| Deferred Tax Asset, Beginning of the Period | 2,236 | 13,266 |
| Deferred Tax Income / (Expense) | (1,559) | (7,316) |
| Deferred Tax Recognized Directly Under Equity | 715 | (3,716) |
| Other | -- | 2 |
| Deferred Tax Asset, End of the Period | 1,392 | 2,236 |

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF
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(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

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*

As of 30 June 2015, the Group has recognised TL 37 of deferred tax assets over the carry forward tax losses amounting to TL 185. TL 120 of the tax losses can be used until 2018 and the remaining TL 65 can be used until 2019.

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 30 June 2015, the Group has TL 702 assets held for sale (31 December 2014: TL 919).

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 30 June 2015, total prepaid expenses are TL 16,769 (31 December 2014: TL 14,993).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF
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(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

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 | 42,720 | -- | 28,994 | 1,553,343 | 229,637 | 121,752 | 17,074 | -- | 1,993,520 |
| Foreign Currency | | | | | | | | | |
| Deposits | 157,903 | -- | 107,545 | 1,404,454 | 148,379 | 22,214 | 135,161 | -- | 1,975,656 |
| Residents in Turkey | 138,714 | -- | 107,379 | 1,370,403 | 146,012 | 20,322 | 8,418 | -- | 1,791,248 |
| Residents Abroad | 19,189 | -- | 166 | 34,051 | 2,367 | 1,892 | 126,743 | -- | 184,408 |
| Public Sector Deposits | 9,874 | -- | -- | -- | -- | -- | -- | -- | 9,874 |
| Commercial Deposits | 149,491 | -- | 158,163 | 464,029 | 126,376 | 129,082 | 52,490 | -- | 1,079,631 |
| Other Ins. Deposits | 1,711 | -- | 250 | 38,745 | 65,495 | -- | -- | -- | 106,201 |
| Precious Metal | | | | | | | | | |
| Deposits | 2,972 | -- | -- | -- | -- | -- | -- | -- | 2,972 |
| Interbank Deposits | 14,649 | -- | 338,795 | 50,550 | -- | -- | -- | -- | 403,994 |
| Central Bank of Turkey | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| Domestic Banks | 10 | -- | 261,644 | -- | -- | -- | -- | -- | 261,654 |
| Foreign Banks | 14,386 | -- | 77,151 | 50,550 | -- | -- | -- | -- | 142,087 |
| Special Finan.Inst. | 253 | -- | -- | -- | -- | -- | -- | -- | 253 |
| Other | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| Total | 379,320 | -- | 633,747 | 3,511,121 | 569,887 | 273,048 | 204,725 | -- | 5,571,848 |

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 | 30,095 | -- | 21,238 | 1,335,821 | 225,947 | 148,556 | 29,334 | -- | 1,790,991 |
| Foreign Currency | | | | | | | | | |
| Deposits | 131,150 | -- | 51,395 | 1,836,067 | 171,957 | 17,941 | 117,600 | -- | 2,326,110 |
| Residents in Turkey | 101,508 | -- | 49,226 | 1,802,940 | 166,241 | 17,163 | 7,471 | -- | 2,144,549 |
| Residents Abroad | 29,642 | -- | 2,169 | 33,127 | 5,716 | 778 | 110,129 | -- | 181,561 |
| Public Sector Deposits | 397 | -- | -- | -- | -- | -- | -- | -- | 397 |
| Commercial Deposits | 140,051 | -- | 90,371 | 460,747 | 103,648 | 86,244 | 32,026 | -- | 913,087 |
| Other Ins. Deposits | 705 | -- | -- | 47,346 | 961 | 1,075 | 12 | -- | 50,099 |
| Precious Metal | | | | | | | | | |
| Deposits | 1,833 | -- | -- | -- | -- | -- | -- | -- | 1,833 |
| Interbank Deposits | 2,845 | -- | 89,566 | 66,437 | -- | -- | -- | -- | 158,848 |
| Central Bank of Turkey | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| Domestic Banks | 4 | -- | 53,837 | -- | -- | -- | -- | -- | 53,841 |
| Foreign Banks | 2,731 | -- | 35,729 | 66,437 | - | -- | -- | -- | 104,897 |
| Special Finan. Inst. | 110 | -- | -- | -- | -- | -- | -- | -- | 110 |
| Other | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| Total | 307,076 | -- | 252,570 | 3,746,418 | 502,513 | 253,816 | 178,972 | -- | 5,241,365 |

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF
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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 | 595,747 | 514,443 | 1,378,286 | 1,252,784 |
| Foreign Currency Saving Deposits | 151,333 | 128,316 | 1,341,106 | 1,462,145 |
| 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 | 747,080 | 642,759 | 2,719,392 | 2,714,929 |

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 | 20,881 | 21,159 |
| Deposits of Chairman and Members of the Board of Directors and their Close Families | 1,544 | 2,641 |
| 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 | 5,441 | -- | 2,955 | -- |
| Swap Transactions | 9,793 | -- | 2,027 | -- |
| Futures Transactions | -- | -- | -- | -- |
| Options | 14,674 | 3,449 | 4,617 | 2,113 |
| Other | -- | -- | -- | -- |
| Total | 29,908 | 3,449 | 9,599 | 2,113 |

FİBABANKA A.Ş. AND ITS SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF 1 JANUARY – 30 JUNE 2015

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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 | 16,762 | 27,869 | 22,216 | 33,265 |
| From Foreign Banks, Institutions and Funds | -- | 1,170,922 | -- | 790,868 |
| Total | 16,762 | 1,198,791 | 22,216 | 824,133 |

Syndicated loan maturing in December 2014 in the amount of USD 30.5 million and EUR 69.5 million has been renovated in the same month as USD 30 million and EUR 70 million.

3.2 Maturity analysis of borrowings

| | Current Period | | Prior Period | |
|----------------------|----------------|------------------|---------------|----------------|
| | TL | FC | TL | FC |
| Short-Term | 16,762 | 958,475 | 21,703 | 601,088 |
| Medium and Long Term | -- | 240,316 | 513 | 223,045 |
| Total | 16,762 | 1,198,791 | 22,216 | 824,133 |

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

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

4. Informations related with issued instruments

| | TL | | FC | |
|-----------------|------------|----------------------|------------|----------------------|
| | Short Term | Medium and Long Term | Short Term | Medium and Long Term |
| Nominal | 493,000 | 70,500 | -- | -- |
| Cost | 479,908 | 70,500 | -- | -- |
| Carrying Amount | 479,908 | 71,825 | -- | -- |

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5. Sundry Creditors and Other Liabilities

Sundry creditors and other liabilities do not exceed 10% of total assets excluding the off-balance sheet items.

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.

6.2 Obligations under financial leases

| | Current Period | | Prior Period | |
|-------------------|----------------|------------|--------------|------------|
| | Gross | Net | Gross | Net |
| Less than 1 Year | -- | -- | -- | -- |
| Between 1-4 Years | 216 | 199 | 233 | 211 |
| More than 4 Years | -- | -- | -- | -- |
| Total | 216 | 199 | 233 | 211 |

6.3 Information on operational leases

The Group has operational lease agreements for the headquarters and some of its 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 Group does not incur any liability as a result of any changes in operational lease agreements. The Group 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.

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8. Information on provisions

8.1 Information on general provisions

| | Current Period | Prior Period |
|--|-----------------------|---------------------|
| Loans and Receivables in Group 1 | 54,572 | 51,305 |
| - Additional Provision for Loan and Receivables with Extended Maturities | 90 | 3 |
| Loans and Receivables in Group 2 | 11,344 | 6,577 |
| - Additional Provision for Loan and Receivables with Extended Maturities | 6,457 | 2,396 |
| Non-Cash Loans | 3,129 | 2,631 |
| Others | -- | -- |
| Total | 69,045 | 60,513 |

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 30 June 2015, amounting to TL 457 (31 December 2014: TL 1,939) are deducted from loans on the balance sheet.

8.3 The specific provisions provided for unindemnified non cash loans

As of 30 June 2015, the specific provision provided for unindemnified non-cash loans is TL 1,223 (31 December 2014: TL 894).

8.4 Explanation on other provisions

8.4.1 Provisions for probable losses

None.

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 30 June 2015, the Group has reserves for employee benefits amounting to TL 10,140 (31 December 2014: TL 11,752) comprise TL 5,097 reserve for employee termination benefits (31 December 2014: TL 4,609), TL 3,793 unused vacation pay liability (31 December 2014: TL 3,143) and TL 1,250 personnel premium accrual (31 December 2014: TL 4,000).

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF
1 JANUARY – 30 JUNE 2015**

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

9. Explanations on tax liabilities

9.1 Explanations on current tax liability

9.1.1 Explanations on tax provision

As of 30 June 2015, the Group's current tax liability is TL 24,055 (31 December 2014: TL 20,399). As of 30 June 2015 the Group's corporate tax liability is TL 8,330, and after netting of TL 2,386 of prepaid taxes the Group's corporate taxes payable is TL 5,944. (31 December 2014: corporate tax liability is TL 14,089 and after netting of TL 10,427 of prepaid taxes corporate taxes payable is TL 3,662).

9.1.2 Information on taxes payable

| | Current Period | Prior Period |
|--|-----------------------|---------------------|
| Corporate taxes payable | 5,944 | 3,662 |
| Taxation on securities | 6,687 | 6,438 |
| Property tax | 389 | 288 |
| Banking and Insurance Transaction Tax (BITT) | 6,545 | 5,765 |
| Taxes on foreign exchange transactions | -- | -- |
| Value added taxes payable | 65 | 180 |
| Income tax ceased from wages | 2,153 | 1,916 |
| Other | 188 | 199 |
| Total | 21,971 | 18,448 |

9.1.3 Information on premiums

| | Current Period | Prior Period |
|---|-----------------------|---------------------|
| Social Security Premiums- Employee | 888 | 830 |
| Social Security Premiums- Employer | 1,010 | 948 |
| 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 | 62 | 58 |
| Unemployment Insurance- Employer | 124 | 115 |
| Other | -- | -- |
| Total | 2,084 | 1,951 |

9.2 Explanations on deferred tax liabilities

None. (31 December 2014: None).

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

None.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF
1 JANUARY – 30 JUNE 2015**

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

11. Explanations on subordinated loans

| | <i>Current Period</i> | | <i>Prior Period</i> | |
|-----------------------------|-----------------------|----------------|---------------------|----------------|
| | TL | FC | TL | FC |
| Domestic Banks | -- | -- | -- | -- |
| Domestic Other Institutions | -- | -- | -- | 116,678 |
| Foreign Banks | -- | 87,376 | -- | 81,845 |
| Foreign Other Institutions | -- | 105,945 | -- | 93,051 |
| Total | -- | 193,321 | -- | 291,574 |

12. Information on shareholders' equity

12.1 Paid-in capital

| | Current Period | Prior Period |
|-----------------|-----------------------|---------------------|
| Common Stock | 678,860 | 550,000 |
| 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

In the current period, the Bank's capital was increased by TL 128,860; TL 127,045 of the increase was provided by Fiba Holding A.Ş. through the subordinated loan permitted to be converted to share capital and TL 1,815 was paid in cash by the other shareholders.

12.4 Information on share capital increases from revaluation funds

None.

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
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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 | (2,121) | (9,103) | (115) | (8,248) |
| Exchange Difference | -- | -- | -- | -- |
| Total | (2,121) | (9,103) | (115) | (8,248) |

12.10 Information on revaluation reserve

None.

12.11 Bonus shares of Subsidiaries, Associates and Joint Ventures

None.

12.12 Information on legal reserves

| | Current Period | Prior Period |
|--|----------------|--------------|
| Primary Legal Reserves | 3,711 | -- |
| Secondary Legal Reserve | -- | -- |
| Other Legal Reserves Per Special Legislation | -- | -- |

12.13 Information on extraordinary reserves

| | Current Period | Prior Period |
|--|----------------|--------------|
| Reserves allocated by the General Assembly | 43,075 | -- |
| Retained Earnings | -- | -- |
| Accumulated Losses | -- | -- |
| Foreign Currency Capital Exchange Difference | -- | -- |

13. Information on minority shares

| | Current Period | Prior Period |
|---|----------------|--------------|
| Beginning Balance | 53 | 54 |
| 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 | -- | -- |
| Ending Balance | 53 | 53 |

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF
1 JANUARY – 30 JUNE 2015**

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

1. Information on consolidated off-balance sheet commitments

1.1 Nature and amount of irrevocable loan commitments

| | Current Period | Prior Period |
|--|-----------------------|---------------------|
| Asset Sale and Purchase Commitments | 341,569 | 491,871 |
| Credit Card Limit Commitments | 38,028 | 20,444 |
| Commitments for Credit Cards and Banking Services Related Promotions | 4 | -- |
| Commitments for Credit Allocation with the Guarantee of Usage | 94,549 | 93,359 |
| Export Commitments | 2,494 | 2,357 |
| Commitment for Cheques | 137,194 | 121,680 |
| Other Irrevocable Commitments | 3,303 | 2,803 |
| Total | 617,141 | 732,514 |

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 | 307,220 | 329,927 |
| Letters of Guarantee FC | 219,349 | 236,904 |
| Letters of Credit | 340,541 | 319,233 |
| Bills of Exchange and Acceptances | 100,068 | 161,617 |
| Total | 967,178 | 1,047,681 |

1.2.2 Revocable, irrevocable guarantees and other similar commitments and contingencies

| | Current Period | Prior Period |
|---------------------------------------|-----------------------|---------------------|
| Revocable Letters of Guarantee | 22,026 | 23,275 |
| Irrevocable Letters of Guarantee | 414,187 | 442,234 |
| Letters of Guarantee Given in Advance | 27,949 | 40,132 |
| Letters of Guarantee Given to Customs | 12,930 | 12,151 |
| Other Letters of Guarantee | 49,477 | 49,039 |
| Total | 526,569 | 566,831 |

2. Total amount of non-cash loans

| | Current Period | Prior Period |
|--|-----------------------|---------------------|
| Non-Cash Loans Given against Cash Loans | 35,381 | 31,786 |
| With Original Maturity of 1 Year or Less Than 1 Year | -- | -- |
| With Original Maturity of More Than 1 Year | 35,381 | 31,786 |
| Other Non-Cash Loans | 931,797 | 1,015,895 |
| Total | 967,178 | 1,047,681 |

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF
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(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

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

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

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

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

5. Information related to derivative financial instruments

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

6. Credit derivatives and risk exposures on credit derivatives

None.

7. Explanations on contingent liabilities and assets

As of balance sheet date, the Group provided provision of TL 1,246 for the legal cases pending against the Group where the cash out flows are highly probable (31 December 2014: TL 969).

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.

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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 | 309,206 | 67,745 | 261,522 | 60,717 |
| Short Term Loans | 186,273 | 12,775 | 160,278 | 13,090 |
| Medium and Long Term Loans | 122,933 | 54,970 | 101,244 | 47,627 |
| Interest on Non-Performing Loans | 575 | 227 | 2,136 | -- |
| Premiums received from Resource Utilization Support Fund | -- | -- | -- | -- |
| Total | 309,781 | 67,972 | 263,658 | 60,717 |

*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 | -- | -- | -- | -- |
| Domestic Banks | 7,670 | 139 | 4,641 | 188 |
| Foreign Banks | -- | 5 | -- | 21 |
| Branches and Head Office Abroad | -- | -- | -- | -- |
| Total | 7,670 | 144 | 4,641 | 209 |

1.3 Interest received from marketable securities portfolio

| | Current Period | | Prior Period | |
|---|----------------|--------------|--------------|--------------|
| | TL | FC | TL | FC |
| Financial Assets Held for Trading | 445 | 105 | 386 | 80 |
| Financial Assets at Fair Value Through Profit or Loss | -- | -- | -- | -- |
| Financial Assets Available-for-Sale | 2,066 | 9,399 | 491 | 5,689 |
| Investment Securities Held-to-Maturity | -- | -- | -- | -- |
| Total | 2,511 | 9,504 | 877 | 5,769 |

1.4 Information on interest income received from associates and subsidiaries

None.

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2. Interest expense

2.1 Information on interest on funds borrowed

| | Current Period | | Prior Period | |
|---------------------------------|----------------|---------------|--------------|---------------|
| | TL | FC | TL | FC |
| Banks | 733 | 7,254 | 628 | 3,195 |
| The Central Bank of Turkey | -- | -- | -- | -- |
| Domestic Banks | 733 | 332 | 628 | 321 |
| Foreign Banks | -- | 6,922 | -- | 2,874 |
| Branches and Head Office Abroad | -- | -- | -- | -- |
| Other Institutions | -- | 11,054 | -- | 12,311 |
| Total | 733 | 18,308 | 628 | 15,506 |

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 | 25,756 | -- | 21,403 | -- |

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 | | |
| Turkish Lira | | | | | | | | |
| Bank Deposits | -- | 1,009 | -- | -- | -- | -- | -- | 1,009 |
| Saving Deposits | -- | 1,313 | 63,148 | 13,844 | 8,833 | 1,395 | -- | 88,533 |
| Public Sector Deposits | -- | -- | -- | -- | -- | -- | -- | -- |
| Commercial Deposits | -- | 7,145 | 17,022 | 8,078 | 6,394 | 2,199 | -- | 40,838 |
| Other | -- | 14 | 1,864 | 185 | 1 | 1 | -- | 2,065 |
| 7 Day Call Accounts | -- | -- | -- | -- | -- | -- | -- | -- |
| Total | -- | 9,481 | 82,034 | 22,107 | 15,228 | 3,595 | -- | 132,445 |
| Foreign Currency | | | | | | | | |
| Foreign Currency Deposits | -- | 603 | 24,149 | 2,377 | 368 | 1,898 | -- | 29,395 |
| Bank Deposits | -- | 539 | -- | -- | -- | -- | -- | 539 |
| 7 Day Call Accounts | -- | -- | -- | -- | -- | -- | -- | -- |
| Precious Metal Deposits | -- | -- | -- | -- | -- | -- | -- | -- |
| Total | -- | 1,142 | 24,149 | 2,377 | 368 | 1,898 | -- | 29,934 |
| Grand Total | -- | 10,623 | 106,183 | 24,484 | 15,596 | 5,493 | -- | 162,379 |

3. Information on dividend income

None.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF
1 JANUARY – 30 JUNE 2015**

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

4. Information on net trading income / loss

| | Current Period | Prior Period |
|--|-----------------------|---------------------|
| Income | 362,625 | 442,328 |
| Gains on Capital Market Operations | 168 | 2,554 |
| Gains on Derivative Financial Instruments | 66,713 | 79,476 |
| Foreign Exchange Gains | 295,744 | 360,298 |
| Loss (-) | 377,967 | 425,893 |
| Losses on Capital Market Operations | 602 | 562 |
| Losses on Derivative Financial Instruments | 83,172 | 60,027 |
| Foreign Exchange Losses | 294,193 | 365,304 |
| Net Trading Income / (Loss) | (15,342) | 16,435 |

5. Information on other operating income

In the current period, other operating income consists of reversal of general and specific provisions, profit from sale of assets, commissions on cheques and notes and costs recharged.

6. Impairment on loans and other receivables

| | Current Period | Prior Period |
|--|-----------------------|---------------------|
| Specific Provisions on Loans and Other Receivables: | 30,496 | 24,974 |
| <i>III. Group Loans and Receivables</i> | 579 | 2,479 |
| <i>IV. Group Loans and Receivables</i> | 1,574 | 6,373 |
| <i>V. Group Loans and Receivables</i> | 28,343 | 16,122 |
| General Loan Loss Provisions | 8,532 | 4,090 |
| 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 | -- | -- |
| Total | 39,028 | 29,064 |

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

7. Information related to other operational expenses

| | Current Period | Prior Period |
|---|-----------------------|---------------------|
| Personnel Expenses | 61,384 | 54,551 |
| Provision for Employee Termination Benefits | 500 | 600 |
| Provision for Bank's Social Aid Fund Deficit | -- | -- |
| Impairment Losses on Tangible Assets | -- | -- |
| Depreciation Charges of Tangible Assets | 5,381 | 4,615 |
| Impairment Losses on Intangible Assets | -- | -- |
| Amortization Charges of Intangible Assets | 1,902 | 2,094 |
| Impairment Losses on Investment Accounted for under Equity Method | -- | -- |
| Impairment of Assets to be Disposed | -- | -- |
| Depreciation of Assets to be Disposed | 28 | 29 |
| Impairment of Assets Held for Sale | -- | -- |
| Other Operating Expenses | 27,266 | 22,463 |
| <i>Operational Leases Expenses</i> | 14,724 | 12,103 |
| <i>Repair and Maintenance Expenses</i> | 402 | 407 |
| <i>Advertisement Expenses</i> | 730 | 265 |
| <i>Other Expenses</i> | 11,410 | 9,688 |
| Losses on Sale of Assets | -- | 8 |
| Other | 19,841 | 13,507 |
| Total | 116,302 | 97,867 |

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

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

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 30 June 2015, deferred tax charge of the Group is TL 1,559 and current tax charge of the Group is TL 9,268. (1 January – 30 June 2014: TL 4,527 deferred tax charge, TL 5,490 current tax charge).

| | Current Period | Prior Period |
|------------------------------------|-----------------------|---------------------|
| Deferred Tax Benefit/ (Charge) | (1,559) | (4,527) |
| Provision for Deferred Tax | -- | -- |
| Net Deferred Tax Benefit/ (Charge) | (1,559) | (4,527) |

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 (+) | 1,275 | 901 |
| Arising from Reversal of Deductible Temporary Differences (-) | (252) | (4,498) |
| Arising from Origination of Taxable Temporary Differences (-) | (3,461) | (1,169) |
| Arising from Reversal of Taxable Temporary Differences (+) | 879 | 239 |
| Arising from Origination of Financial Losses (+) | -- | -- |
| Arising from Reversal of Financial Losses (-) | -- | -- |
| Arising from Origination of Tax Deductions and Exemptions (+) | -- | -- |
| Arising from Reversal of Tax Deductions and Exemptions (-) | -- | -- |
| Total | (1,559) | (4,527) |
| Provision | -- | -- |
| Net deferred tax | (1,559) | (4,527) |

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF
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(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

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 | 1,023 | (3,597) |
| Arising from Origination (-)/ Reversal (+) of Taxable Temporary Differences | (2,582) | (930) |
| Arising from Origination (+)/ Reversal (-) of Tax Losses | -- | -- |
| Arising from Origination (+)/ Reversal (-) of Unused Tax Credits | -- | -- |
| Total | (1,559) | (4,527) |
| Provision | -- | -- |
| Net deferred tax income/(expense) | (1,559) | (4,527) |

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

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

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.

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 period “fees and commissions income” majorly comprised of transfer commissions, insurance commissions, investment fund commissions, credit cards commissions and account maintenance fee.

Current period “fees and commissions expense” majorly comprised of borrowing commissions, commissions to correspondent banks and commission on issuance of securities.

FİBABANKA A.Ş. AND ITS SUBSIDIARY

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF
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V. 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 | -- | -- | -- | 20 | 770 | 15,000 |
| Balance at the End of the Period | -- | -- | -- | 20 | 1,082 | 23,630 |
| Interest and Commission Income Received | -- | -- | -- | 2 | 88 | 89 |

(*) 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 | -- | -- | -- | 87 | 2,475 | 18,736 |
| Balance at the End of the Period | -- | -- | -- | 20 | 770 | 15,000 |
| Interest and Commission Income Received | -- | -- | -- | -- | 139 | 57 |

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

1.2 Information on deposits of the 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 |
| | Deposits | | | | | |
| Balance at the Beginning of the Period | -- | -- | 31,138 | 16,769 | 161,258 | 79,203 |
| Balance at the End of the Period | -- | -- | 25,079 | 31,138 | 155,211 | 161,258 |
| Deposit Interest Expense | -- | -- | 1,840 | 462 | 6,712 | 2,172 |

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

1.3 Information on funds obtained from the Parent Bank’s risk group

As of 31 December 2014, subordinated loan amount obtained from the Group’s Direct and Indirect Shareholders is TL 116,677 and funds (repo) obtained from other real persons and legal entities in risk group is 30,858 TL. As of 30 June 2015, there is no funds obtained from other real persons and legal entities in risk group.

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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 | -- | -- | -- | -- | 76,728 | 146,863 |
| Balance at the End of the Period | -- | -- | -- | -- | 150,162 | 76,728 |
| Total Income/Loss | -- | -- | -- | -- | 347 | 344 |
| 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.

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 30 June 2015, the ratio of the loans and other receivables used by the entities of risk group to total loans and receivables is 0.02% and the ratio of the deposits of entities of risk group to total deposits is 3.24%.

In current period benefits provided to the key management of the Group is TL 4,732 (1 January – 30 June 2014: TL 2,896).

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 – 30 JUNE 2015**

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VI. 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 | 68 | 1,285 | | | |
| | | | 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 domestic financial subsidiaries

| | Number of Employees | Total Assets | Legal Capital |
|------------------|---------------------|--------------|---------------|
| Fiba Porföy A.Ş. | 4 | 5,443 | 5,323 |

VII. Events after balance sheet date

None.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF
1 JANUARY – 30 JUNE 2015**

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SECTION SIX

OTHER EXPLANATIONS ON THE OPERATIONS OF THE PARENT BANK

None.

SECTION SEVEN

EXPLANATIONS ON AUDITORS' LIMITED REVIEW REPORT

I. Explanations on the auditors' review report

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

II. Other footnotes and explanations prepared by the independent auditors

None.