

FİBANKA A.Ş.

**INDEPENDENT AUDITOR'S REPORT,
UNCONSOLIDATED FINANCIAL
STATEMENTS AND FOOTNOTES
AS OF AND FOR THE YEAR ENDED
1 JANUARY – 31 DECEMBER 2014**

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



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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of Fibabanka A.Ş.

Report on the Unconsolidated Financial Statements

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

Management’s Responsibility for the Financial Statements

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

Auditors’ Responsibility

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Bank as at 31 December 2014 and the results of its operations and its cash flows for the year then ended in accordance with the prevailing accounting principles and standards set out as per the Article 37 of the Banking Act No: 5411, and other regulations, communiqués and circulars announced by the Banking Regulation and Supervision Board in respect of accounting and financial reporting and pronouncements made by the Banking Regulation and Supervision Agency.

Report on Other Legal and Regulatory Requirements

In accordance with paragraph four of the Article 402 of the Turkish Commercial Code No. 6102 (“TCC”), nothing has come to our attention that may cause us to believe that the Bank’s set of accounts and financial statements prepared for the period 1 January-31 December 2014 does not comply with TCC and the provisions of the Bank’s articles of association in relation to financial reporting.

In accordance with paragraph four of the Article 402 of TCC, the Board of Directors provided us all the required information and documentation with respect to our audit.

Additional Paragraph for English Translation

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

DRT BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş.
Member of **DELOITTE TOUCHE TOHMATSU LIMITED**

Şule Firuzment Bekçe
Partner



İstanbul, 10 February 2015







UNCONSOLIDATED FINANCIAL REPORT OF FİBABANKA A.Ş. AS OF AND FOR THE YEAR ENDED 31 DECEMBER 2014

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

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

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

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

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

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

GENERAL INFORMATION

I. History of the 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”).

II. Shareholder structure, shareholders having direct or indirect, joint or individual control over the management and internal audit of the Bank, changes in shareholder structure during the current period, if any and information on the 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%.

As of 31 December 2014, the Bank’s paid in capital is TL 550,000. The Bank’s paid in capital which was TL 426,650 as of 31 March 2013 was decided to be increased to TL 550,000 on Board of Directors minutes held on 25 February 2013; increase of TL 17,416 is provided by inflation adjustment to share capital, TL 9,502 is provided by profit on disposal of immovable, and TL 96,432 is paid by Fiba Holding A.Ş. in cash; legal applications have been made for the total increase of TL 123,350 of paid in capital. As of 29 May 2013, legal procedure has been finalized and capital increase recorded in financial statements.

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF
1 JANUARY-31 DECEMBER 2014**

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

III. Explanations regarding the shares of the Bank owned by and areas of responsibility of the chairman and the members of board of directors, audit committee members, chief executive officer, executive vice presidents

<u>Name Surname</u>	<u>Title</u>	<u>Date</u>
<i>Board of Directors</i>		
Hüsnü Mustafa Özyeğin	Chairman	27 December 2010
Fevzi Bozer	Deputy Chairman	27 December 2010
M. Erhan Polat	Member	27 December 2010
Mehmet 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
<i>Audit Committee</i>		
Fevzi Bozer	Member	27 December 2010
Mevlüt Hamdi Aydın	Member	24 January 2013
<i>Assistant General Managers</i>		
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

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

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

Ahmet İlerigelen resigned from his responsibility as Assistant General Manager responsible for Corporate & Commercial Credits on 28 February 2014.

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

FİBABANKA A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF 1 JANUARY-31 DECEMBER 2014

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

IV. Individuals and institutions that have qualified shares in the Bank

54,225,499,787 shares of 55,000,000,000 total shares are owned by Fiba Holding A.Ş., 774,500,213 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.	542,255	%98.6	542,255	--
Hüsnü Mustafa Özyeğin	502,500	%91.4	502,500	--

V. Summary information on the Bank's services and activity areas

The Bank was incorporated as a privately owned bank authorized for customer deposit acceptance and the Head Office of the Bank is located in Istanbul, Turkey. As of 31 December 2014, the Bank serves with 67 domestic branches and 1,222 employees.

VI. Other information

The Bank's Commercial Title:	Fibabanka Anonim Şirketi
The Bank's General Directorate Address:	Emirhan Cad. Barbaros Plaza İş Merkezi No:113 Dikilitaş/Beşiktaş 34349 İstanbul
The Bank's Phone and Fax Numbers:	Telephone : (0212) 381 82 00 Fax : (0212) 258 37 78
The Bank's Web Site Address:	www.fibabanka.com.tr
The Bank's E-Mail Address:	malikontrol@fibabanka.com.tr
Reporting Period:	1 January 2014 – 31 December 2014

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

VII. 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
UNCONSOLIDATED FINANCIAL STATEMENTS

FIBABANKA A.Ş.
UNCONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)
AS OF 31 DECEMBER 2014

(Amount expressed in thousands of Turkish Lira)

ASSETS	Note	CURRENT PERIOD			PRIOR PERIOD		
		(31/12/2014)			(31/12/2013)		
		TL	FC	Total	TL	FC	Total
I. CASH AND BALANCES WITH THE CENTRAL BANK	(5.1.1)	75,863	947,246	1,023,109	106,360	698,167	804,527
II. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS (Net)	(5.1.2)	26,752	5,888	32,640	65,312	10,181	75,493
2.1 Financial Assets Held for Trading		26,752	5,888	32,640	65,312	10,181	75,493
2.1.1 Government Debt Securities		16,072	3,499	19,571	13,436	3,407	16,843
2.1.2 Share Certificates		-	-	-	-	-	-
2.1.3 Derivative Financial Assets Held for Trading		10,680	2,111	12,791	51,876	6,631	58,507
2.1.4 Other Marketable Securities		-	278	278	-	143	143
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)	225,172	37,391	262,563	78,358	135,800	214,158
IV. MONEY MARKET PLACEMENTS		-	23,189	23,189	-	46,697	46,697
4.1 Interbank Money Market Placements		-	-	-	-	-	-
4.2 Istanbul Stock Exchange Money Market Placements		-	23,189	23,189	-	46,697	46,697
4.3 Receivables from Reverse Repurchase Agreements		-	-	-	-	-	-
V. FINANCIAL ASSETS AVAILABLE FOR SALE (Net)	(5.1.4)	18,070	363,839	381,909	17,297	248,347	265,644
5.1 Share Certificates		-	-	-	-	-	-
5.2 Government Securities		18,070	-	18,070	17,297	6,703	24,000
5.3 Other Marketable Securities		-	363,839	363,839	-	241,644	241,644
VI. LOANS	(5.1.5)	4,142,840	2,046,794	6,189,634	3,550,940	1,629,014	5,179,954
6.1 Loans		4,070,172	2,046,794	6,116,966	3,525,579	1,629,014	5,154,593
6.1.1 Loans to the Bank's Risk Group		188	-	188	189	-	189
6.1.2 Government Securities		-	-	-	-	-	-
6.1.3 Others		4,069,984	2,046,794	6,116,778	3,525,390	1,629,014	5,154,404
6.2 Non-Performing Loans		128,725	-	128,725	60,415	-	60,415
6.3 Specific Provisions (-)		56,057	-	56,057	35,054	-	35,054
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)	5,445	-	5,445	5,445	-	5,445
10.1 Unconsolidated Financial Subsidiaries		5,445	-	5,445	5,445	-	5,445
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)	31,482	-	31,482	32,766	-	32,766
XV. INTANGIBLE ASSETS (Net)	(5.1.13)	5,336	-	5,336	6,985	-	6,985
15.1 Goodwill		-	-	-	-	-	-
15.2 Other		5,336	-	5,336	6,985	-	6,985
XVI. INVESTMENT PROPERTY (Net)	(5.1.14)	-	-	-	-	-	-
XVII. TAX ASSETS		2,193	-	2,193	13,243	-	13,243
17.1 Current Tax Asset		-	-	-	-	-	-
17.2 Deferred Tax Asset	(5.1.15)	2,193	-	2,193	13,243	-	13,243
XVIII. ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (Net)	(5.1.16)	919	-	919	1,173	-	1,173
18.1 Held for Sale		919	-	919	1,173	-	1,173
18.2 Discontinued Operations		-	-	-	-	-	-
XIX. OTHER ASSETS	(5.1.17)	58,743	24,442	83,185	12,362	5,432	17,794
TOTAL ASSETS		4,592,815	3,448,789	8,041,604	3,890,241	2,773,638	6,663,879

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

FİBANKA A.Ş.

UNCONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)

AS OF 31 DECEMBER 2014

(Amount expressed in thousands of Turkish Lira)

LIABILITIES	Note	CURRENT PERIOD (31/12/2014)			PRIOR PERIOD (31/12/2013)		
		TL	FC	Total	TL	FC	Total
I. DEPOSITS	(5.II.1)	2,760,658	2,485,577	5,246,235	2,761,058	1,787,119	4,548,177
1.1 Deposits from the Bank's Risk Group		169,095	28,171	197,266	68,967	32,133	101,100
1.2 Other		2,591,563	2,457,406	5,048,969	2,692,091	1,754,986	4,447,077
II. DERIVATIVE FINANCIAL LIABILITIES HELD FOR TRADING	(5.II.2)	9,599	2,113	11,712	73,978	6,740	80,718
III. FUNDS BORROWED	(5.II.3)	22,216	824,133	846,349	19,389	539,692	559,081
IV. MONEY MARKET FUNDS		19,320	306,657	325,977	18,577	207,411	225,988
4.1 Interbank Money Market Funds		-	-	-	-	-	-
4.2 Istanbul Stock Exchange Money Market Funds		-	-	-	-	-	-
4.3 Funds Provided Under Repurchase Agreements		19,320	306,657	325,977	18,577	207,411	225,988
V. MARKETABLE SECURITIES ISSUED (Net)	(5.II.4)	472,935	-	472,935	297,160	-	297,160
5.1 Bills		315,810	-	315,810	108,725	-	108,725
5.2 Asset-backed Securities		-	-	-	-	-	-
5.3 Bonds		157,125	-	157,125	188,435	-	188,435
VI. FUNDS		-	-	-	-	-	-
6.1 Borrower Funds		-	-	-	-	-	-
6.2 Other		-	-	-	-	-	-
VII. SUNDRY CREDITORS	(5.II.5)	52,734	8,516	61,250	51,159	3,096	54,255
VIII. OTHER LIABILITIES	(5.II.5)	95,967	5,424	101,391	38,856	5,970	44,826
IX. FACTORING PAYABLES		-	-	-	-	-	-
X. LEASE PAYABLES (Net)	(5.II.6)	-	211	211	-	260	260
10.1 Finance Lease Payables		-	233	233	-	295	295
10.2 Operating Lease Payables		-	-	-	-	-	-
10.3 Other		-	-	-	-	-	-
10.4 Deferred Finance Lease Expenses (-)		-	22	22	-	35	35
XI. DERIVATIVE FINANCIAL LIABILITIES FOR HEDGING PURPOSES	(5.II.7)	-	-	-	-	-	-
11.1 Fair Value Hedge		-	-	-	-	-	-
11.2 Cash Flow Hedge		-	-	-	-	-	-
11.3 Net Foreign Investment Hedge		-	-	-	-	-	-
XII. PROVISIONS	(5.II.8)	77,360	-	77,360	63,782	-	63,782
12.1 General Loan Loss Provision		60,513	-	60,513	52,237	-	52,237
12.2 Provision for Restructuring		-	-	-	-	-	-
12.3 Reserves for Employee Benefits		11,700	-	11,700	7,948	-	7,948
12.4 Insurance Technical Reserves (Net)		-	-	-	-	-	-
12.5 Other Provisions		5,147	-	5,147	3,597	-	3,597
XIII. TAX LIABILITY	(5.II.9)	20,361	-	20,361	17,039	-	17,039
13.1 Current Tax Liability		20,361	-	20,361	17,039	-	17,039
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)	-	291,574	291,574	-	275,420	275,420
XVI. SHAREHOLDERS' EQUITY	(5.II.12)	594,497	(8,248)	586,249	520,509	(23,336)	497,173
16.1 Paid-in Capital		550,000	-	550,000	550,000	-	550,000
16.2 Capital Reserves		(2,289)	(8,248)	(10,537)	(721)	(23,336)	(24,057)
16.2.1 Share premium		-	-	-	-	-	-
16.2.2 Share Cancellation Profits		-	-	-	-	-	-
16.2.3 Marketable Securities Revaluation Reserve		(115)	(8,248)	(8,363)	(721)	(23,336)	(24,057)
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)	-	-	-
16.3 Profit Reserves		-	-	-	-	-	-
16.3.1 Legal Reserves		-	-	-	-	-	-
16.3.2 Statutory Reserves		-	-	-	-	-	-
16.3.3 Extraordinary Reserves		-	-	-	-	-	-
16.3.4 Other Profit Reserves		-	-	-	-	-	-
16.4 Profit or Loss		46,786	-	46,786	(28,770)	-	(28,770)
16.4.1 Prior Years' Profit/Loss		(27,424)	-	(27,424)	(72,576)	-	(72,576)
16.4.2 Current Year Profit/Loss		74,210	-	74,210	43,806	-	43,806
16.5 Minority Interest	(5.II.13)	-	-	-	-	-	-
TOTAL LIABILITIES AND EQUITY		4,125,647	3,915,957	8,041,604	3,861,507	2,802,372	6,663,879

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

FİBANKKA A.Ş.

UNCONSOLIDATED OFF-BALANCESHEET COMMITMENTS

AS OF 31 DECEMBER 2014

(Amount expressed in thousands of Turkish Lira)

	Note	CURRENT PERIOD			PRIOR PERIOD		
		(31/12/2014)			(31/12/2013)		
		TL	FC	Total	TL	FC	Total
A. OFF-BALANCE SHEET CONTINGENCIES AND COMMITMENTS (I+II+III)		1.367.607	3.132.471	4.500.078	3.412.211	5.755.920	9.168.131
I. GUARANTEES AND SURETYSHIPS		330.142	717.539	1.047.681	260.466	466.671	727.137
1.1. Letters of Guarantee	(5.III.2)	329.927	236.904	566.831	260.316	176.831	437.147
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		329.927	236.904	566.831	260.316	176.831	437.147
1.2. Bank Loans		215	161.402	161.617	150	92.515	92.665
1.2.1. Import Letters of Acceptance		-	-	-	-	-	-
1.2.2. Other Bank Acceptances		215	161.402	161.617	150	92.515	92.665
1.3. Letters of Credit		-	319.233	319.233	-	197.325	197.325
1.3.1. Documentary Letters of Credit		-	-	-	-	-	-
1.3.2. Other Letters of Credit		-	319.233	319.233	-	197.325	197.325
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		409.273	323.241	732.514	533.825	375.045	908.870
2.1. Irrevocable Commitments	(5.III.1)	409.273	323.241	732.514	533.825	375.045	908.870
2.1.1. Forward Asset Purchase and Sales Commitments		168.630	323.241	491.871	246.970	375.045	622.015
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		93.359	-	93.359	187.392	-	187.392
2.1.5. Securities Underwriting Commitments		-	-	-	-	-	-
2.1.6. Commitments for Reserve Deposit Requirements		-	-	-	-	-	-
2.1.7. Payment Commitment for Checks		121.680	-	121.680	86.442	-	86.442
2.1.8. Tax and Fund Liabilities from Export Commitments		2.357	-	2.357	2.484	-	2.484
2.1.9. Commitments for Credit Card Expenditure Limits		20.444	-	20.444	9.180	-	9.180
2.1.10. Commitments for Promotions Related with Credit Cards and Banking Activities		-	-	-	-	-	-
2.1.11. Receivables from Short Sale Commitments		-	-	-	-	-	-
2.1.12. Payables for Short Sale Commitments		-	-	-	-	-	-
2.1.13. Other Irrevocable Commitments		2.803	-	2.803	1.357	-	1.357
2.2. Revocable Commitments		-	-	-	-	-	-
2.2.1. Revocable Loan Granting Commitments		-	-	-	-	-	-
2.2.2. Other Revocable Commitments		-	-	-	-	-	-
III. DERIVATIVE FINANCIAL INSTRUMENTS	(5.III.5)	628.192	2.091.691	2.719.883	2.617.920	4.914.204	7.532.124
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		628.192	2.091.691	2.719.883	2.617.920	4.914.204	7.532.124
3.2.1. Forward Foreign Currency Buy/Sell Transactions		26.593	167.277	193.870	512.220	851.925	1.364.145
3.2.1.1. Forward Foreign Currency Transactions-Buy		13.269	82.463	95.732	191.533	490.373	681.906
3.2.1.2. Forward Foreign Currency Transactions-Sell		13.324	84.814	98.138	320.687	361.552	682.239
3.2.2. Swap Transactions Related to F.C. and Interest Rates		182.598	1.198.868	1.381.466	1.153.946	1.825.538	2.979.484
3.2.2.1. Foreign Currency Swap-Buy		44.771	647.938	692.709	983.311	498.355	1.481.666
3.2.2.2. Foreign Currency Swap-Sell		137.827	550.930	688.757	170.635	1.327.183	1.497.818
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		419.001	725.546	1.144.547	951.754	2.236.741	3.188.495
3.2.3.1. Foreign Currency Options-Buy		115.694	448.009	563.703	303.500	1.284.269	1.587.769
3.2.3.2. Foreign Currency Options-Sell		303.307	277.537	580.844	648.254	952.472	1.600.726
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)		44.324.399	23.058.109	67.382.508	34.553.221	21.196.482	55.749.703
IV. ITEMS HELD IN CUSTODY		290.576	193.439	484.015	218.243	81.073	299.316
4.1. Assets under Management		109.121	-	109.121	79.665	-	79.665
4.2. Investment Securities Held in Custody		34.355	43.824	78.179	3.799	40.137	43.936
4.3. Checks Received for Collection		74.771	148.225	222.996	116.783	36.390	153.173
4.4. Commercial Notes Received for Collection		72.329	1.390	73.719	17.996	4.546	22.542
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		44.033.823	22.864.670	66.898.493	34.334.978	21.115.409	55.450.387
5.1. Marketable Securities		44.140	4.422	48.562	21.510	468	21.978
5.2. Guarantee Notes		301.859	47.744	349.603	179.792	39.557	219.349
5.3. Commodity		19.633	-	19.633	-	-	16.500
5.4. Warranty		-	-	-	-	-	-
5.5. Properties		4.164.382	3.845.047	8.009.429	3.180.391	2.663.142	5.843.533
5.6. Other Pledged Items		39.503.809	18.967.457	58.471.266	30.936.785	18.412.242	49.349.027
5.7. Pledged Items-Depository		-	-	-	-	-	-
VI. ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES		-	-	-	-	-	-
TOTAL OFF-BALANCE SHEET ACCOUNTS (A+B)		45.692.006	26.190.580	71.882.586	37.965.432	26.952.402	64.917.834

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

FİBABANKA A.Ş.
UNCONSOLIDATED INCOME STATEMENT
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2014
(Amount expressed in thousands of Turkish Lira)

INCOME STATEMENT		Note	CURRENT PERIOD (01/01/2014- 31/12/2014)	PRIOR PERIOD (01/01/2013- 31/12/2013)
I.	INTEREST INCOME	(5.IV.1)	708.306	460.062
1.1	Interest Income on Loans		682.000	441.046
1.2	Interest Received from Statutory Reserves		189	-
1.3	Interest Received from Banks		11.030	6.343
1.4	Interest Received from Money Market Placements		354	1.742
1.5	Interest Received from Marketable Securities Portfolio		14.645	10.903
1.5.1	Financial Assets Held for Trading		983	871
1.5.2	Financial Assets at Fair Value Through Profit and Loss		-	-
1.5.3	Financial Assets Available for Sale		13.662	10.032
1.5.4	Investments Held to Maturity		-	-
1.6	Finance Lease Income		-	-
1.7	Other Interest Income		88	28
II.	INTEREST EXPENSE		395.850	266.930
2.1	Interest on Deposits	(5.IV.2)	312.374	219.900
2.2	Interest on Funds Borrowed	(5.IV.2)	34.785	22.569
2.3	Interest on Money Market Funds		12	-
2.4	Interest on Securities Issued	(5.IV.2)	45.229	21.371
2.5	Other Interest Expense		3.450	3.090
III.	NET INTEREST INCOME/EXPENSE (I - II)		312.456	193.132
IV.	NET FEES AND COMMISSIONS INCOME/EXPENSE		17.582	13.327
4.1	Fees and Commissions Received		28.324	19.443
4.1.1	Non-cash Loans		8.402	5.687
4.1.2	Other	(5.IV.12)	19.922	13.756
4.2	Fees and Commissions Paid		10.742	6.116
4.2.1	Non-cash Loans		52	30
4.2.2	Other		10.690	6.086
V.	DIVIDEND INCOME	(5.IV.3)	-	-
VI.	TRADING INCOME / LOSS (Net)	(5.IV.4)	17.643	37.222
6.1	Gains/Losses on Securities Trading		2.980	(487)
6.2	Derivative Financial Transactions Gains/Losses		19.797	35.866
6.3	Foreign Exchange Gains/Losses		(5.134)	1.843
VII.	OTHER OPERATING INCOME	(5.IV.5)	10.668	9.962
VIII.	TOTAL OPERATING INCOME/EXPENSE (III+IV+V+VI+VII)		358.349	253.643
IX.	PROVISION FOR LOSSES ON LOANS AND OTHER RECEIVABLES (-)	(5.IV.6)	62.370	42.269
X.	OTHER OPERATING EXPENSES (-)	(5.IV.7)	200.789	152.446
XI.	NET OPERATING INCOME/LOSS (VIII-IX-X)		95.190	58.928
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)	95.190	58.928
XVI.	TAX PROVISION FOR CONTINUING OPERATIONS (±)	(5.IV.9)	(20.980)	(15.122)
16.1	Current Tax Charge		(13.646)	(16.578)
16.2	Deferred Tax Charge /(Benefit)		(7.334)	1.456
XVII.	NET PERIOD PROFIT/LOSS FROM CONTINUING OPERATIONS (XV±XVI)	(5.IV.10)	74.210	43.806
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)	74.210	43.806
23.1	Group's Profit/Loss		74.210	43.806
23.2	Minority Interest Profit /Loss		-	-
	Earnings per Share		0,00135	0,00086

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

FİBANKA A.Ş.

**UNCONSOLIDATED STATEMENT OF INCOME AND EXPENSE ITEMS ACCOUNTED UNDER SHAREHOLDERS' EQUITY
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2014**

(Amount expressed in thousands of Turkish Lira)

	CURRENT PERIOD (01/01/2014 -31/12/2014)	PRIOR PERIOD (01/01/2013 -31/12/2013)
STATEMENT OF INCOME AND EXPENSE ITEMS ACCOUNTED UNDER EQUITY		
I. ADDITIONS TO MARKETABLE SECURITIES REVALUATION RESERVES FROM FINANCIAL ASSETS AVAILABLE FOR SALE		
	26,634	(31,846)
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	(1,035)	(1,682)
IX. DEFERRED TAX EFFECT OF REVALUATION	(3,715)	6,431
X. NET INCOME/EXPENSE DIRECTLY RECOGNISED IN EQUITY (I+II+...+IX)	21,884	(27,097)
XI. PROFIT/LOSS FOR THE PERIOD	(7,018)	1,370
11.1 Net Changes in the Fair Values of Marketable Securities (Transfer to Profit/Loss)	(7,018)	1,370
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)	14,866	(25,727)

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

FIBABANK A.Ş.
UNCONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2014
(Amount expressed in thousands of Turkish Lira)

	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
CHANGES IN SHAREHOLDERS' EQUITY																			
PRIOR PERIOD (01/01/2013 - 31/12/2013)																			
I.	Beginning Balance	426.650	17.416	-	-	-	-	-	-	45.715	(116.938)	324	9.502	-	-	-	382.669	-	382.669
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)	426.650	17.416	-	-	-	-	-	-	45.715	(116.938)	324	9.502	-	-	-	382.669	-	382.669
Changes during the Period																			
IV.	Increase/Decrease Due to Mergers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V.	Marketable Securities Revaluation Reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI.	Hedge Funds (Effective Portion)	-	-	-	-	-	-	-	-	-	-	(24.381)	-	-	-	-	(24.381)	-	(24.381)
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	123.350	(17.416)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14.1	Cash	96.432	-	-	-	-	-	-	-	-	-	-	-	-	-	-	96.432	-	96.432
14.2	Internal Sources	26.918	(17.416)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XV.	Share Issue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI.	Share Cancellation Profits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVII.	Paid-in-Capital Inflation Adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVIII.	Other	-	-	-	-	-	-	-	-	-	(1.353)	-	-	-	-	-	(1.353)	-	(1.353)
XIX.	Net Profit/Loss for the Period	-	-	-	-	-	-	-	-	43.806	-	-	-	-	-	-	43.806	-	43.806
XX.	Profit Distribution	-	-	-	-	-	-	-	-	(45.715)	45.715	-	-	-	-	-	-	-	-
20.1	Dividend Paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20.2	Transfer to Reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20.3	Other	-	-	-	-	-	-	-	-	(45.715)	45.715	-	-	-	-	-	-	-	-
Ending Balance (III+IV+V+...+XVIII+XIX+XX)		550.000	-	-	-	-	-	-	-	43.806	(72.576)	(24.057)	-	-	-	-	497.173	-	497.173
CURRENT PERIOD (01/01/2014 - 31/12/2014)																			
I.	Prior Period End Balance	550.000	-	-	-	-	-	-	-	43.806	(72.576)	(24.057)	-	-	-	-	497.173	-	497.173
Changes during the Period																			
II.	Increase/Decrease Due to Mergers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.	Marketable Securities Revaluation Reserve	-	-	-	-	-	-	-	-	-	-	15.694	-	-	-	-	15.694	-	15.694
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	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.1	Cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
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	-	-	-	-	-	-	-	(2.174)	74.210	1.346	-	-	-	-	-	(828)	-	(828)
XVIII.	Profit Distribution	-	-	-	-	-	-	-	-	(43.806)	43.806	-	-	-	-	-	74.210	-	74.210
18.1	Dividend Paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18.2	Transfer to Reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18.3	Other	-	-	-	-	-	-	-	-	(43.806)	43.806	-	-	-	-	-	-	-	-
Ending Balance (I+II+III+...+XVI+XVII+XVIII)		550.000	-	-	-	-	-	-	(2.174)	74.210	(27.424)	(8.363)	-	-	-	-	586.249	-	586.249

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

FİBANKA A.Ş.
UNCONSOLIDATED CASH FLOW STATEMENT
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2014
(Amount expressed in thousands of Turkish Lira)

	Note	CURRENT PERIOD (01/01/2014- 31/12/2014)	PRIOR PERIOD (01/01/2013- 31/12/2013)
A. CASH FLOWS FROM BANKING OPERATIONS			
1.1 Operating Profit / Loss before Changes in Operating Assets and Liabilities		267,372	69,378
1.1.1 Interest Received (+)		697,656	447,622
1.1.2 Interest Paid (-)		355,239	249,997
1.1.3 Dividend Received (+)		-	-
1.1.4 Fees and Commissions Received (+)		27,157	19,803
1.1.5 Other Income (+)		33,079	45,613
1.1.6 Collections from Previously Written Off Loans (+)		2,811	425
1.1.7 Cash Payments to Personnel and Service Suppliers (-)		177,168	135,761
1.1.8 Taxes Paid (-)		8,209	8,066
1.1.9 Other (+/-)	(5.VI.3)	47,285	(50,261)
1.2 Changes in Banking Operations Assets and Liabilities		(332,621)	(118,850)
1.2.1 Net (Increase) Decrease in Financial Assets Held for Trading (+/-)		(226)	4,814
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 (+/-)		42,433	(259,187)
1.2.4 Net (Increase) Decrease in Loans (+/-)		(1,142,756)	(1,903,533)
1.2.5 Net (Increase) Decrease in Other Assets (+/-)	(5.VI.3)	(45,871)	(6,375)
1.2.6 Net Increase (Decrease) in Bank Deposits (+/-)		(60,222)	165,675
1.2.7 Net Increase (Decrease) in Other Deposits (+/-)		757,919	1,685,726
1.2.8 Net Increase (Decrease) in Borrower Funds (+/-)		285,483	247,387
1.2.9 Net Increase (Decrease) in Matured Payables (+/-)		-	-
1.2.10 Net Increase (Decrease) in Other Liabilities (+/-)	(5.VI.3)	(169,381)	(53,357)
I. Net Cash Flow Provided from Banking Operations (+/-)		(65,249)	(49,472)
B. CASH FLOW FROM INVESTING ACTIVITIES			
II. Net Cash Flow Provided from Investment Activities (+/-)		(119,541)	(218,245)
2.1 Cash Paid for Purchase of Associates, Subsidiaries and Jointly Controlled Entities (Joint Ventures) (-)		-	5,445
2.2 Cash Obtained from Sale of Associates, Subsidiaries and Jointly Controlled Entities (Joint Ventures) (+)		-	-
2.3 Tangible Asset Purchases (-)		7,944	22,931
2.4 Tangible Asset Sales (+)		866	3,984
2.5 Cash Paid for Purchase of Financial Assets Available for Sale (-)		236,473	268,243
2.6 Cash Obtained from Sales of Financial Assets Available for Sale (+)		141,509	78,995
2.7 Cash Paid for Purchase of Investment Securities (-)		-	-
2.8 Cash Obtained from Sales of Investment Securities (+)		-	-
2.9 Other (+/-)	(5.VI.3)	(17,499)	(4,605)
C. CASH FLOWS FROM FINANCIAL ACTIVITIES			
III. Net Cash Provided from Financing Activities (+/-)		137,311	333,403
3.1 Cash Obtained from Funds Borrowed and Securities Issued (+)		701,230	358,285
3.2 Cash Used for Repayment of Funds Borrowed and Securities Issued (-)		563,920	125,000
3.3 Share Certificates Issued (+)		-	96,432
3.4 Dividends Paid (-)		-	-
3.5 Payments for Finance Leases (-)		-	-
3.6 Other (+/-)		1	3,686
IV. Effect of Change in Foreign Exchange Rate on Cash and Cash Equivalents (+/-)		7,414	29,358
V. Net Increase in Cash and Cash Equivalents (I+II+III+IV)		(40,065)	95,044
VI. Cash and Cash Equivalents at the Beginning of the Period (+)	(5.VI.1)	195,522	100,478
VII. Cash and Cash Equivalents at the End of the Period (V+VI)	(5.VI.1)	155,457	195,522

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

FİBANKA A.Ş.**UNCONSOLIDATED PROFIT DISTRIBUTION TABLE****FOR THE PERIOD ENDED 31 DECEMBER 2014**

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

	CURRENT PERIOD (*) (01/01-31/12/2014)	PRIOR PERIOD (01/01-31/12/2013)
LDISTRIBUTION OF CURRENT YEAR PROFIT		
1.1. CURRENT PERIOD PROFIT	95,190	58,928
1.2. TAXES AND DUES PAYABLE (-)	20,980	15,122
1.2.1. Corporate Tax (Income Tax)	13,646	16,578
1.2.2. Income Tax Withholding	-	-
1.2.3. Other Taxes and Dues Payable	7,334	(1,456)
A. NET PROFIT FOR THE PERIOD (1.1-1.2)	74,210	43,806
1.3. PRIOR YEARS' LOSSES (-)	(28,770)	72,576
1.4. FIRST LEGAL RESERVES (-)	-	-
1.5. OTHER STATUTORY RESERVES (-)	-	-
B. NET PROFIT ATTRIBUTABLE TO [(A)-(1.3+1.4+1.5)]	45,440	(28,770)
1.6 FIRST DIVIDEND TO SHAREHOLDERS (-)	-	-
1.6.1 To Owners of Ordinary Shares	-	-
1.6.2 To Owners of Preferred Shares	-	-
1.6.3 To Preferred Shares (Preemptive Rights)	-	-
1.6.4 To Profit Sharing Bonds	-	-
1.6.5 To Holders of Profit / Loss Share Certificates	-	-
1.7 DIVIDENDS TO PERSONNEL (-)	-	-
1.8 DIVIDENDS TO THE BOARD OF DIRECTORS (-)	-	-
1.9 SECOND DIVIDEND TO SHAREHOLDERS (-)	-	-
1.9.1 To Owners of Ordinary Shares	-	-
1.9.2 To Owners of Preferred Shares	-	-
1.9.3 To Preferred Shares (Preemptive Rights)	-	-
1.9.4 To Profit Sharing Bonds	-	-
1.9.5 To Holders of Profit / Loss Share Certificates	-	-
1.10 SECOND LEGAL RESERVES (-)	-	-
1.11 STATUTORY RESERVES (-)	-	-
1.12 EXTRAORDINARY RESERVES	-	-
1.13 OTHER RESERVES	-	-
1.14 SPECIAL FUNDS	-	-
II. DISTRIBUTION FROM RESERVES		
2.1 DISTRIBUTED RESERVES	-	-
2.2 SECOND LEGAL RESERVES (-)	-	-
2.3 DIVIDENDS TO SHAREHOLDERS (-)	-	-
2.3.1 To Owners of Ordinary Shares	-	-
2.3.2 To Owners of Preferred Shares	-	-
2.3.3 To Preferred Shares (Preemptive Rights)	-	-
2.3.4 To Profit Sharing Bonds	-	-
2.3.5 To Holders of Profit / Loss Share Certificates	-	-
2.4 DIVIDENDS TO PERSONNEL (-)	-	-
2.5 DIVIDENDS TO THE BOARD OF DIRECTORS (-)	-	-
	0	0
III. EARNINGS PER SHARE		
3.1 TO OWNERS OF ORDINARY SHARES	0.00135	0.00086
3.2 TO OWNERS OF ORDINARY SHARES (%)	-	-
3.3 TO OWNERS OF PREFERRED SHARES	-	-
3.4 TO OWNERS OF PREFERRED SHARES (%)	-	-
IV. DIVIDEND PER SHARE		
4.1 TO OWNERS OF ORDINARY SHARES	-	-
4.2 TO OWNERS OF ORDINARY SHARES (%)	-	-
4.3 TO OWNERS OF PREFERRED SHARES	-	-
4.4 TO OWNERS OF PREFERRED SHARES (%)	-	-

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

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF
1 JANUARY-31 DECEMBER 2014**

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

SECTION THREE

ACCOUNTING PRINCIPLES

I. Explanations on the basis of presentation

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

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

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

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

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

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF
1 JANUARY-31 DECEMBER 2014**

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

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.

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 Bank recognizes the foreign currency transactions in accordance with TAS 21 “The Effects of Changes in Foreign Exchange Rates”. Foreign exchange gains and losses arising from the foreign currency transactions as of 31 December 2014 are translated into Turkish Lira by using the exchange rates at the date of the transaction and recognized in accounting records. At the end of the periods, foreign currency assets and liabilities are converted into Turkish Lira by using the spot foreign currency exchange rates of the Bank at the end of the period and the related currency translation differences are recognized as foreign exchange gains and losses.

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

	31 December 2014	31 December 2013
US Dollar	2.3189	2.1343
Euro	2.8207	2.9365

2.2 Foreign exchange gains and losses included in the income statement

As of 31 December 2014, net foreign exchange losses included in the income statement amounts is TL 5,134 (1 January - 31 December 2013: TL 1,843 gain).

III. Explanations on subsidiaries and affiliates

In the unconsolidated financial statements; subsidiaries and affiliates are accounted for in accordance with ‘Financial Instruments: Turkish Accounting Standard on Recognition and Measurement (“TAS 39”)’.

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF
1 JANUARY-31 DECEMBER 2014**

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

IV. Explanations on forward transactions, options and derivative instruments

The Bank's derivative transactions mainly consist of foreign currency swaps, foreign currency options and forward foreign currency purchase/sale contracts. The 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 Bank does not have any financial assets designated as "financial assets at fair value through profit or loss".

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF
1 JANUARY-31 DECEMBER 2014**

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

2. Financial assets available for sale

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 Bank does not have any held to maturity investments as of 31 December 2014.

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 Bank at each balance sheet date to determine whether there is objective evidence of impairment. If any such indicator exists, the Bank 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 Bank 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.

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF
1 JANUARY-31 DECEMBER 2014**

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

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.

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 Bank’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.

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF
1 JANUARY-31 DECEMBER 2014**

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

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 Bank 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.

XIII. Explanations on tangible assets

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

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

If there is objective evidence of impairment, the asset's recoverable amount is estimated in accordance with the Turkish Accounting Standard 36 (TAS 36) "Impairment of Assets" and if the recoverable amount is less than the carrying value of the related asset, an allowance for impairment is recognized.

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

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

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

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

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

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

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF
1 JANUARY-31 DECEMBER 2014**

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

XIV. Explanations on leasing transactions

Duration of financial leasing contracts is maximum 4 years. Tangible assets obtained via financial leasing are classified as the Bank'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".

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 Bank. If an inflow of economic benefits has become probable, then the contingent asset is disclosed in the notes to the financial statements. If it has become virtually certain that an inflow of economic benefits will arise, the asset and the related income are recognized in the financial statements of the period in which the change occurs.

XVII. Explanations on liabilities for employee benefits

As per the existing labour laws and agreements in Turkey, entities are required to pay severance for the employees retired or fired. These payments are qualified as recognized retirement benefit plan according to revised TAS 19 Employee Benefits. Severance payment liability recognized in the balance sheet is calculated according to the net present value of expected amount in the future arising from all employees' retirements and represented in financial statements. All actuarial gains and losses are recognized immediately through other comprehensive income. As of 31 December 2014, the Bank's severance payment provision is calculated by an actuarial firm and the effect of TL 828 actuarial loss (after deferred tax effect) is recognized in the "Other Capital Reserves" line in the Shareholders' Equity. The actuarial loss of TL 1,346 TL was recognized in the "Prior Years Profit/Loss" in the prior year and reclassified into the "Other Capital Reserves" line in the current year as the Bank selected to account the actuarial losses in the "Other Capital Reserves".

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.

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XVIII. Explanations on liabilities for employee benefits (continued)

- CSO 1980 mortality table is used for the death probabilities of male and female employees.

There is no employee foundation, fund or similar institutions.

XIX. 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 Bank calculates and recognizes tax for taxable temporary differences arising between the carrying values of assets and liabilities in the financial statements and their corresponding balances considered in the calculation of the tax base according to the Turkish Accounting Standard 12 (TAS 12) "Income Taxes".

As of 31 December 2014, the Bank recognized deferred tax assets of TL 2,193. (31 December 2013: TL 13,243). The deferred tax asset is calculated as the net of taxable and deductible temporary differences.

Deferred tax benefit/ (charge) is recognized within "Deferred tax benefit/ (charge)" in the income statement. As of 31 December 2014, deferred tax charge is TL 7,334 (31 December 2013: TL 1,456 benefit). 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 2,634 benefit as of 31 December 2014 (31 December 2013: TL 6,350 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 on time.

XX. Additional explanations on borrowings

The Bank provides resources from domestic and foreign foundations. Additionally, in current period, The Bank started to raise borrowing funds by issuing bill.

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 Bank’s spot foreign exchange buying rates and interest expenses incurred during the period relating to the borrowing funds are recognized in income statement.

The Bank 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.

XXI. Explanations on share certificates issued

None.

XXII. 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.

XXIII. Explanation on government incentives

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

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XXIV. 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.

Current Period 1 January – 31 December 2014	Retail Banking	Commercial & Corporate Banking	Treasury & Headquarters	Total Operations of the Bank
Operating Income	161,233	185,773	11,343	358,349
Operating Profit	6,408	104,241	(15,459)	95,190
Taxation				(20,980)
Net Profit/(Loss) for the Period				74,210
Current Period- 31 December 2014				
Segment Assets	2,018,668	4,098,298	1,924,638	8,041,604
Unallocated Assets				--
Total Assets				8,041,604
Segment Liabilities	3,763,662	1,323,725	2,367,968	7,455,355
Unallocated Liabilities				--
Shareholders' Equity				586,249
Total Liabilities				8,041,604

Prior Period 1 January – 31 December 2013	Retail Banking	Commercial & Corporate Banking	Treasury & Headquarters	Total Operations of the Bank
Operating Income	102,740	139,020	11,883	253,643
Operating Profit	12,324	63,202	(16,598)	58,928
Taxation				(15,122)
Net Profit/(Loss) for the Period				43,806
Prior Period- 31 December 2013				
Segment Assets	1,634,289	3,520,304	1,509,286	6,663,879
Unallocated Assets				--
Total Assets				6,663,879
Segment Liabilities	3,109,902	1,218,460	1,838,344	6,166,706
Unallocated Liabilities				--
Shareholders' Equity				497,173
Total Liabilities				6,663,879

XXV. Other matters

None.

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SECTION FOUR

INFORMATION ON FINANCIAL POSITION AND RISK MANAGEMENT

I. Explanations on capital adequacy ratio

As of 31 December 2014, the unconsolidated capital adequacy ratio is 13.24%. (31 December 2013: 13.27%)

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

The calculation of the capital adequacy 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 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 the 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.

The Bank, as part of its internal capital adequacy assessment; used the "Base", "Negative" and "Extreme Negative" scenarios; which were attached to the letter of BRSA dated 31 December 2014 and numbered 42233676-010-30571 regarding the scenarios to be used in the ISEDES report (Report on Internal Capital Adequacy Assessment"; as well as the "Base", "Negative" and "Extreme Negative" scenarios approved by the Risk Committee. There is no need for capital planning buffer according to stress tests performed; results of which have been approved at the meeting of the Board of Directors dated 26 January 2015.

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2. Information on the unconsolidated capital adequacy ratio

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

3. Summary information related to the unconsolidated capital adequacy ratio

	Current Period	Prior Period
Capital Requirement for Credit Risk (Value at Credit Risk*0.08) (CRCR)	520,013	437,126
Capital Requirement for Market Risk (CRMR)	2,144	8,245
Capital Requirement for Operational Risk (CROR)	25,668	14,660
Equity	906,455	763,188
Equity/((CRCR+MRMR+ORCR) * 12.5 * 100)	% 13.24	% 13.27
Core Capital/((CRCR+MRMR+ORCR)*12.5*100)	% 8.17	--
Tier 1 Capital/((CRCR+MRMR+ORCR)*12.5*100)	% 8.20	--

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4. Information related to the components of shareholders' equity

TIER I CAPITAL	Current Period
Paid-in Capital to be Entitled for Compensation after All Creditors	550,000
Share Premium	--
Share Cancellation Profits	--
Reserves	--
Other Comprehensive Income according to TAS	--
Profit	168,918
Current Period Profit	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	--
Tier I Capital Before Deductions	718,918
Deductions From Tier I Capital	
Current and Prior Periods' Losses not Covered by Reserves, and Losses Accounted under Equity according to TAS (-)	132,669
Leasehold Improvements on Operational Leases (-)	19,573
Goodwill and Other Intangible Assets and Related Deferred Taxes (-)	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 Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital (-)	--
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or 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 Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or more of the Issued Share Capital not deducted from Tier I Capital (-)	--
Mortgage Servicing Rights not deducted (-)	--
Excess Amount arising from Deferred Tax Assets from Temporary Differences (-)	--
Other items to be Defined by the BRSA (-)	--
Deductions from Tier I Capital in cases where there are no adequate Additional Tier I or Tier II Capitals (-)	--
Total Deductions from Tier I Capital	157,578
Total Tier I Capital	561,340
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)	--
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 Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital (-)	--
The Total of Net Long Position of the Direct or Indirect Investments in Additional Tier I Capital of Unconsolidated Banks and Financial Institutions where the Bank Owns more than 10% of the Issued Share Capital (-)	--
Other items to be Defined by the BRSA (-)	--

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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	2,193
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 (-)	2,193
Total Core Capital	559,147
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)	287,101
Pledged Assets of the Shareholders to be used for the Bank's Capital	--
General Provisions	60,513
Tier II Capital before Deductions	347,614
Deductions from Tier II Capital	
Direct and Indirect Investments of the Bank on its own Tier II Capital (-)	--
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital (-)	--
The Total of Net Long Position of the Direct or Indirect Investments in Additional Core Capital and Tier II Capital of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or more of the Issued Share Capital Exceeding the 10% Threshold of Tier I Capital (-)	--
Other items to be Defined by the BRSA (-)	--
Total Deductions from Tier II Capital	--
Total Tier II Capital	347,614
CAPITAL	906,761
Loans Granted against the Articles 50 and 51 of the Banking Law (-)	--
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 (-)	306
The Portion of Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital not deducted from Tier I Capital, Additional 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 Unconsolidated Banks and Financial Institutions where the Bank Owns more than 10% of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital not deducted from Additional 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 Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or more of the Issued Share Capital, of the Net Deferred Tax Assets arising from Temporary Differences and of the Mortgage Servicing Rights not deducted from Tier I Capital as per the Temporary Article 2, Clause 2, Paragraph (1) and (2) and Temporary Article 2, Clause 1 of the Regulation (-)	--
EQUITY	906,455
Amounts lower than Excesses as per Deduction Rules	--
Remaining Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital	--
Remaining Total of Net Long Positions of the Investments in Tier I Capital of Unconsolidated Banks and Financial Institutions where the Bank Owns more than 10% or less of the Tier I Capital	--
Remaining Mortgage Servicing Rights	--
Net Deferred Tax Assets arising from Temporary Differences	--

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**5. Information related to the components of shareholders' equity
(continued)**

	Prior Period
CORE CAPITAL	
Paid-in capital	550,000
Nominal capital	550,000
Capital commitments (-)	--
Inflation adjustment to share capital	--
Share premium	--
Share cancellation profits	--
Legal reserves	--
Inflation adjustment to legal reserves	--
Profit	94,708
Current period profit	43,806
Prior periods' profits	50,902
Provision for probable risks up to 25% of the Core Capital	--
Profit on disposal of associates, subsidiaries and immovable to be transferred to share capital	--
Primary subordinated loans	--
Portion of losses not covered with reserves (-)	123,478
Net current period loss	--
Prior years' losses	123,478
Leasehold improvements (-)	20,922
Intangible assets (-)	6,985
Deferred tax asset amount exceeding 10% of the Core Capital (-)	--
Limit Exceeding Amount Regarding the Third Clause of the Article 56 of the Law (-)	--
Total Core Capital	493,323
SUPPLEMENTARY CAPITAL	
General loan loss provisions	52,237
45% of the revaluation reserve for movable fixed assets	--
45% of the of revaluation reserve for properties	--
Bonus shares obtained from associates, subsidiaries and entities under common control	--
Primary subordinated loans that are not considered in the calculation of Core Capital	--
Secondary subordinated loans	241,685
45% of available-for-sale financial assets and investments in associates and subsidiaries' valuation funds	(24,057)
Inflation adjustment to capital reserve, profit reserve and prior years' income or loss (Except inflation adjustment to legal reserves, status reserves and extraordinary reserves)	--
Total Supplementary Capital	269,865
CAPITAL	763,188
DEDUCTIONS FROM THE CAPITAL	--
Unconsolidated investments in Entities (domestic/foreign) Operating in Banking and Financial Sectors at 10% or more	--
Investments in Entities (domestic/foreign) Operating in Banking and Financial Sectors at less than 10%, Exceeding 10% or More of the Total Core and Supplementary Capitals	--
Loans to Banks, Financial Institutions (domestic/foreign) or Qualified Shareholders in the form of Secondary Subordinated Debts and Debt Instruments Purchased from Such Parties Qualified as Primary or Secondary Subordinated Debts	--
Loans Granted against the Articles 50 and 51 of the Banking Law	--
Net Book Values of Immovable Exceeding 50% of the Equity and of Assets Acquired against Overdue Receivables and Held for Sale as per the Article 57 of the Banking Law but Retained More Than Five Years	--
Securitization Positions to be Deducted from Equity	--
Other	--
Total Shareholders' Equity	763,188

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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)	291,574	291,574

(*) Loans, granted to Bank's risk group have been deducted from equity calculation, considered as TL 287,101.

The loan provided by Fiba Holding amounting to USD 50 million; which is still taken into account in the calculation of supplementary capital with the status of secondary subordinated debt; has been approved by BRSA to be continued to be considered as supplementary capital starting from 1/1/2015 in accordance with the prevailing regulations since the loan meets the conditions set by the "Regulation on the Banks' Equity" as a result of the articles incorporated in the loan agreement.

II. Explanations on credit risk

Credit risk is defined as risks and losses that may occur if the counterparty fails to comply with the agreement's requirements and cannot perform its obligations partially or completely on the terms set.

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

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

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

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

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

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

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

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

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

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

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

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF 1 JANUARY-31 DECEMBER 2014

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

II. Explanations on credit risk (continued)

<u>Industry</u>	<u>Proportional Limit</u>
Construction	% 20
Tourism	% 20
Factoring	% 15
Wholesale and Retail Sale	% 15

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

The Bank's largest 100 and 200 cash loan customers compose 47% and 57% of the total cash loan portfolio, respectively (31 December 2013: 49% and 61%, respectively).

The Bank's largest 100 and 200 non-cash loan customers compose 73% and 86% of the total non-cash loan portfolio, respectively (31 December 2013: 78% and 91%, respectively).

The Bank's largest 100 and 200 cash and non-cash loan customers represent 44% and 55% of the total "on and off balance sheet" assets, respectively (31 December 2013: 43% and 53%, respectively).

The general provision for consolidated credit risk amounts to TL 60,513 (31 December 2013: TL 52,537).

	Current Period Risk Amount *	Average Risk Amount
Exposure Categories		
Conditional and Unconditional Exposures to Central Governments or Central Banks	1,007,967	899,844
Conditional and Unconditional Exposures to Administrative Units and Non-Commercial Enterprises	-	1,535
Conditional and Unconditional Exposures to Banks and Brokerage Houses	1,003,438	809,410
Conditional and Unconditional Exposures to Corporates	4,010,375	3,614,574
Conditional and Unconditional Retail Exposures	1,266,451	1,109,739
Conditional and Unconditional Exposures Secured by Real Estate Property	1,345,594	1,405,765
Past Due Receivables	48,994	35,424
Receivables Defined in High Risk Category by BRSA	175,850	204,336
Other Receivables	225,256	154,289
Total	9,083,925	8,234,918

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

	Prior Period Risk Amount *	Average Risk Amount
Exposure Categories		
Conditional and Unconditional Exposures to Central Governments or Central Banks	779,873	631,842
Conditional and Unconditional Exposures to Banks and Brokerage Houses	6,855	1,851
Conditional and Unconditional Exposures to Corporates	753,495	677,070
Conditional and Unconditional Retail Exposures	3,436,848	3,096,259
Conditional and Unconditional Exposures Secured by Real Estate Property	815,898	402,576
Past Due Receivables	1,236,581	992,646
Receivables Defined in High Risk Category by BRSA	16,211	16,345
Other Receivables	216,772	127,544
Total	7,390,961	6,075,184

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

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

1. Profile of significant exposures in major regions:

	Conditional and Unconditional exposures to central governments or central banks	Conditional and Unconditional Exposures to Administrative Units and Non-Commercial Enterprises	Conditional and Unconditional exposures to banks and brokerage houses	Conditional and Unconditional exposures to corporates	Conditional and Unconditional retail exposures	Conditional and Unconditional exposures secured by real estate property	Past due receivables	Receivables defined in high risk category by BRSA	Other receivables	Total
Current Period*										
Domestic	1,007,967	--	639,516	4,008,965	1,266,451	1,345,594	48,994	175,850	--	8,493,337
European Union (EU) Countries	--	--	348,136	--	--	--	--	--	--	348,136
OECD Countries**	--	--	15,619	--	--	--	--	--	--	15,619
Off-Shore Banking Regions	--	--	--	--	--	--	--	--	--	--
USA, Canada	--	--	207	--	--	--	--	--	--	207
Other Countries	--	--	1,370	--	--	--	--	--	--	1,370
Associates, Subsidiaries and Joint –ventures	--	--	--	--	--	--	--	--	--	--
Unallocated Assets/Liabilities***	--	--	--	--	--	--	--	--	225,256	225,256
Total	1,007,967	--	1,004,848	4,008,965	1,266,451	1,345,594	48,994	175,850	225,256	9,083,925

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

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

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

	Conditional and Unconditional exposures to central governments or central banks	Conditional and Unconditional Exposures to Administrative Units and Non-Commercial Enterprises	Conditional and Unconditional exposures to banks and brokerage houses	Conditional and Unconditional exposures to corporates	Conditional and Unconditional retail exposures	Conditional and Unconditional exposures secured by real estate property	Past due receivables	Receivables defined in high risk category by BRSA	Other receivables	Total
Prior Period*										
Domestic	779,873	6,855	390,982	3,424,299	815,898	1,236,581	16,211	216,772	--	6,887,471
European Union (EU) Countries	--	--	289,925	--	--	--	--	--	--	289,925
OECD Countries**	--	--	45	--	--	--	--	--	--	45
Off-Shore Banking Regions	--	--	--	--	--	--	--	--	--	--
USA, Canada	--	--	34,333	--	--	--	--	--	--	34,333
Other Countries	--	--	38,210	12,549	--	--	--	--	--	50,759
Associates, Subsidiaries and Joint –ventures	--	--	--	--	--	--	--	--	--	--
Unallocated Assets/Liabilities***	--	--	--	--	--	--	--	--	128,428	128,428
Total	779,873	6,855	753,495	3,436,848	815,898	1,236,581	16,211	216,772	128,428	7,390,961

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

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

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

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

2. Risk profile by sectors or counterparties

Sectors / Counterparties Current Period	1	2	3	4	5	6	7	8	9	TL	FC	Total
Agricultural	--	--	--	107,441	62,898	31,255	1,368	345	--	134,134	69,173	203,307
Farming and Stockbreeding	--	--	--	45,407	51,854	27,361	1,363	345	--	112,688	13,642	126,330
Forestry	--	--	--	38,290	8,359	3,836	--	--	--	17,156	33,329	50,485
Fishing	--	--	--	23,744	2,685	58	5	--	--	4,290	22,202	26,492
Manufacturing	--	--	--	1,444,051	405,147	293,469	16,680	21,220	--	1,165,950	1,014,617	2,180,567
Mining and Quarrying	--	--	--	21,807	21,244	8,533	9,244	13	--	48,224	12,617	60,841
Production	--	--	--	1,226,318	373,251	281,578	7,436	21,207	--	923,105	986,685	1,909,790
Electricity, Gas and Water	--	--	--	195,926	10,652	3,358	--	--	--	194,621	15,315	209,936
Construction	--	--	--	582,232	138,299	290,217	10,457	1,546	--	853,016	169,735	1,022,751
Services	1,007,967	--	1,004,848	1,413,689	459,002	540,792	9,465	2,466	1,501	1,973,931	2,465,799	4,439,730
Wholesale and Retail Trade	--	--	--	362,439	322,503	93,665	8,518	1,505	--	609,995	178,635	788,630
Accommodation and Dining	--	--	--	419,598	32,844	359,531	184	63	--	104,805	707,415	812,220
Transportation and Telecommunication	--	--	--	151,118	40,617	36,602	708	95	--	125,200	103,940	229,140
Financial Institutions	1,007,967	--	1,004,848	248,402	8,388	7,261	6	605	--	957,416	1,320,061	2,277,477
Real Estate and Rental Services	--	--	--	154,769	11,175	19,882	--	--	--	36,002	149,824	185,826
Professional Services	--	--	--	16,947	20,819	4,778	33	5	--	41,185	1,397	42,582
Educational Services	--	--	--	9,519	4,460	4,800	--	7	1,501	20,092	195	20,287
Health and Social Services	--	--	--	50,897	18,196	14,273	16	186	--	79,236	4,332	83,568
Other	--	--	--	461,552	201,105	189,861	11,024	150,273	223,755	791,115	446,455	1,237,570
Total*	1,007,967	--	1,004,848	4,008,965	1,266,451	1,345,594	48,994	175,850	225,256	4,918,146	4,165,779	9,083,925

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

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

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

3: Conditional and Unconditional exposures to banks and brokerage houses

4: Conditional and Unconditional exposures to corporates

5: Conditional and Unconditional retail exposures

6: Conditional and Unconditional exposures secured by real estate property

7: Past due receivables

8: Receivables defined in high risk category by BRSA

9: Other receivables

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

2. Risk profile by sectors or counterparties (continued)

Sectors / Counterparties Prior Period	1	2	3	4	5	6	7	8	9	TL	FC	Total
Agricultural	--	--	--	67,678	26,630	8,203	935	--	--	51,167	52,279	103,446
Farming and Stockbreeding	--	--	--	36,673	20,178	5,713	935	--	--	39,689	23,810	63,499
Forestry	--	--	--	9,862	3,470	2,490	--	--	--	8,496	7,326	15,822
Fishing	--	--	--	21,143	2,982	--	--	--	--	2,982	21,143	24,125
Manufacturing	--	--	--	1,400,819	251,214	229,180	3,593	4,000	--	897,095	991,711	1,888,806
Mining and Quarrying	--	--	--	43,967	12,671	12,348	--	399	--	25,612	43,773	69,385
Production	--	--	--	1,257,439	234,712	216,832	3,593	3,601	--	781,161	935,016	1,716,177
Electricity, Gas and Water	--	--	--	99,413	3,831	--	--	--	--	90,322	12,922	103,244
Construction	--	--	--	507,635	85,724	247,723	5,201	1,540	--	546,927	300,896	847,823
Services	779,873	--	753,495	1,293,580	298,184	448,568	2,638	1,358	--	1,464,113	2,113,583	3,577,696
Wholesale and Retail Trade	--	--	--	378,911	185,839	52,812	2,534	1,255	--	452,552	168,799	621,351
Accommodation and Dining	--	--	--	435,009	25,287	315,096	1	5	--	100,800	674,598	775,398
Transportation and Telecommunication	--	--	--	96,240	34,999	29,459	37	--	--	84,927	75,808	160,735
Financial Institutions	779,873	--	753,495	140,886	7,046	8,328	--	--	--	649,239	1,040,389	1,689,628
Real Estate and Rental Services	--	--	--	137,244	3,331	23,070	--	--	--	21,008	142,637	163,645
Professional Services	--	--	--	9,518	23,523	2,632	66	98	--	35,487	350	35,837
Educational Services	--	--	--	7,575	4,456	3,937	--	--	--	15,968	--	15,968
Health and Social Services	--	--	--	88,197	13,703	13,234	--	--	--	104,132	11,002	115,134
Other	--	6,855	--	167,136	154,146	302,907	3,844	209,874	128,428	685,884	287,306	973,190
Total*	779,873	6,855	753,495	3,436,848	815,898	1,236,581	16,211	216,772	128,428	3,645,186	3,745,775	7,390,961

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

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

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

3: Conditional and Unconditional exposures to banks and brokerage houses

4: Conditional and Unconditional exposures to corporates

5: Conditional and Unconditional retail exposures

6: Conditional and Unconditional exposures secured by real estate property

7: Past due receivables

8: Receivables defined in high risk category by BRSA

9: Other receivables

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF
1 JANUARY-31 DECEMBER 2014**

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

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

Exposure Categories / Current Period	Term To Maturity				
	Up to 1 Month	1-3 Months	3-6 Months	6-12 Months	Over 1 Year
Conditional and Unconditional Exposures to Central Governments or Central Banks	20,275	--	12,917	--	--
Conditional and Unconditional Exposures to Administrative Units and Non-Commercial Enterprises	--	--	--	--	--
Conditional and Unconditional Exposures to Banks and Brokerage Houses	636,439	--	--	--	359,651
Conditional and Unconditional Exposures to Other Corporates	--	--	--	--	--
Conditional and Unconditional Exposures to SME Corporates	--	--	--	--	--
Conditional and Unconditional Exposures to Corporates	820,244	330,832	589,374	858,172	1,389,845
Conditional and Unconditional Retail Exposures	127,486	127,593	208,446	546,009	237,409
Conditional and Unconditional Exposures Secured by Real Estate Property	38,305	30,506	72,600	221,923	982,260
Past Due Receivables	--	--	--	--	--
Receivables Defined in High Risk Category by BRSA	25,146	--	--	--	150,704
Exposures in the Form of Bonds Secured by Mortgages	--	--	--	--	--
Short term Exposures to Banks, Brokerage Houses and Corporates	--	--	--	--	--
Exposures in the Form of Collective Investment Undertakings	--	--	--	--	--
Other Receivables	255	3,001	7,313	9,968	9,198
Total*	1,688,150	491,932	890,650	1,636,072	3,129,067

(*)Following items which do not have a maturity are not included in the table; Receivables from the Central Bank amounting to TL 974,775, non-cash credit lines and payment commitments amounting to TL 64,009, cash and equivalents amounting to TL 55,567, other receivables amounting to TL 104,709 and non-performing loans amounting to TL 48,994.

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

(*)Following items which do not have a maturity are not included in the table; Receivables from the Central Bank amounting to TL 755,873, non-cash credit lines and payment commitments amounting to TL 63,755, cash and equivalents amounting to TL 169,358, other receivables amounting to TL 51,855 and non-performing loans amounting to TL 16,211.

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF
1 JANUARY-31 DECEMBER 2014**

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

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

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

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

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

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

4. Exposures by risk weights

Risk Weights Current Period	%0	%10	%20	%50	%75	%100	%150	%200	Deductions from Equity	Total
Exposures Before Credit Risk Mitigation	1,084,956	--	570,085	454,811	1,687,302	5,110,702	95,905	80,164	--	9,083,925
Exposures After Credit Risk Mitigation	1,393,463	--	280,430	1,554,920	1,266,451	4,412,592	95,905	80,164	--	9,083,925

Risk Weights Prior Period	%0	%10	%20	%50	%75	%100	%150	%200	Deductions from Equity	Total
Exposures Before Credit Risk Mitigation	823,514	--	414,186	371,690	1,124,623	4,448,564	79,787	128,897	--	7,390,961
Exposures After Credit Risk Mitigation	1,062,567	--	194,201	1,349,014	812,988	3,763,507	79,787	128,897	--	7,390,961

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

5. Information by major sectors and type of counterparties

As per the TAS and TFRS;

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

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

Major Sectors / Counterparties (Current Period)	Loans			
	Impaired Loans	Past Due Loans	Value Adjustments*	Provisions**
Agriculture	9,287	5,862	151	8,165
Farming and Stockbreeding	8,368	1,317	60	7,946
Forestry	908	4,539	91	219
Fishery	11	6	-	--
Manufacturing	46,883	15,326	477	8,539
Mining and Quarrying	11,164	10,458	294	6,339
Production	35,719	4,817	182	2,200
Electricity, Gas and Water	--	51	1	--
Construction	26,731	36,707	937	--
Services	23,645	52,979	1,242	1,327
Wholesale and Retail Trade	20,378	36,213	861	1,327
Accommodation and Dining	1,186	2,586	52	--
Transportation and Telecommunication	899	291	6	--
Financial Institutions	399	11,143	268	--
Real Estate and Rental Services	555	671	13	--
Professional Services	11	11	-	--
Educational Services	--	89	2	--
Health and Social Services	217	1,975	40	--
Others	22,179	50,534	1,113	38,026
Total	128,725	161,408	3,920	56,057

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

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

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF 1 JANUARY-31 DECEMBER 2014

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

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

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

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

(**)Shows the specific provision amount for credits decreased in value.

6. Information on movements in value adjustments and provisions

	Opening Balance	Provision for Period	Provision Reversals	Other Adjustments (*)	Closing Balance
Current Period					
Specific Provisions	35,054	54,090	(33,087)	--	56,057
General Provisions	52,237	8,280	(4)	--	60,513

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

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

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

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF
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7. Information on collaterals, impairment, rating and maturity related to loans granted to individuals and corporates

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

	Standard Loans		Loans and Other Receivables Under Close Monitoring	
	Current Period	Prior Period	Current Period	Prior Period
Cash loans granted to individuals and corporates				
Secured Loans:	5,775,525	4,930,328	241,048	150,132
Secured by Cash Collateral	1,850	11,576	--	--
Secured by Mortgages	1,757,855	1,646,835	123,495	82,456
Secured by Treasury Guarantees or Securities Issued by Public Sector	--	--	--	--
Guarantees Issued by Financial Institutions	--	--	--	--
Other Collaterals (being on the pledges, corporate and personal guarantees, promissory notes)	4,015,821	3,271,917	117,553	67,676
Non-Secured Loans	84,469	61,532	15,924	12,601
Total	5,859,994	4,991,860	256,972	162,733

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

	Standard Loans		Loans and Other Receivables Under Close Monitoring	
	Current Period	Prior Period	Current Period	Prior Period
Non-cash loans granted to individuals and corporates				
Secured Loans:	1,017,641	699,482	10,513	14,437
Secured by Cash Collateral	23,776	7,791	88	--
Secured by Mortgages	41,536	24,909	1,339	--
Secured by Treasury Guarantees or Securities Issued by Public Sector	--	--	--	--
Guarantees Issued by Financial Institutions	--	--	--	--
Other Collaterals (being on the pledges, corporate and personal guarantees, promissory notes)	952,329	666,782	9,086	14,437
Non-Secured Loans	19,527	13,218	--	--
Total	1,037,168	712,700	10,513	14,437

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III. Explanations on market risk

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

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

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

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

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

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

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

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

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

	<i>Current Period</i>		
	Average	Highest	Lowest
Interest Rate Risk	945	2,541	404
Equity-Shares Position Risk	--	--	--
Currency Position Risk	612	1,087	386
Commodity Risk	--	--	--
Clearing Risk	--	--	--
Option Market Risk	26	35	19
Counterparty Credit Risk	2,808	7,030	1,157
Total Value at Risk	54,888	133,663	24,575
<hr/>			
	<i>Prior Period</i>		
	Average	Highest	Lowest
Interest Rate Risk	2,080	3,707	961
Equity-Shares Position Risk	--	--	--
Currency Position Risk	1,991	18,315	233
Commodity Risk	--	--	--
Clearing Risk	--	--	--
Option Market Risk	139	283	35
Counterparty Credit Risk	3,442	7,679	1,430
Total Value at Risk	95,650	374,800	33,238

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3. Quantitative information on counterparty risk

The counterparty risk amount is calculated in accordance with fair value measurement methodology stated in Appendix 2 and section 3 of "Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks".

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

Current Period	Value	Risk Weights					Total Value at Risk
		%0	%20	%50	%75	%100	
Interest-Rate Contracts (*)	142	142	--	--	--	--	--
Foreign-Exchange-Rate Contracts (**)	17,687	--	7,624	4,024	1,233	3,678	8,140
Commodity Contracts	--	--	--	--	--	--	--
Equity-Shares Related Contracts	--	--	--	--	--	--	--
Other	--	--	--	--	--	--	--
Gross Positive Fair Values	12,426	--	4,830	2,677	2,850	1,878	6,320
Netting Benefits	--	--	--	--	--	--	--
Net Current Exposure Amount	--	--	--	--	--	--	--
Collaterals Received	1,319	--	--	--	--	--	--
Net Derivative Position (***)	30,255	142	12,454	6,701	4,083	5,556	14,460

(*) Includes repo transactions

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

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

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

(*) Includes repo transactions

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

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

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF 1 JANUARY-31 DECEMBER 2014

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IV. Explanations on operational risk

The value at operational risk is calculated according to the basic indicator approach. Value at operational risk amount is calculated by using the last 3 years' (2013, 2012, 2011) gross incomes, in accordance with the Communiqué on "Measurement and Assessment of Capital Adequacy of Banks" issued on Official Gazette dated June 28, 2012 numbered 28337, "Calculation of Operational Risk". 15% of gross income which is TL 25,668 TL represents also the minimum capital requirement to recover the risk amount.

	31 December 2011	31 December 2012	31 December 2013	Total/ No. of Years of Positive Gross Income	Rate (%)	Total
Current Period						
Gross Income	87,630	176,882	248,854	171,122	15	25,668
Value at Operational Risk (Total*12.5)						320,853

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

V. Explanations on currency risk

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

As of 31 December 2014, the Bank's net short position is TL 549 (31 December 2013: TL 6,986 net long position) resulting from short position on the balance sheet amounting to TL 92,047 (31 December 2013: TL 681,702 long position) and long position on the off-balance amounting to TL 91,498 (31 December 2013: TL 674,716 short position). The Bank uses "Standard Method" used in legal reporting to measure the foreign exchange risk.

The announced current foreign exchange buying rates of the Bank at 31 December 2014 and the previous five working days in full TL are as follows:

US Dollar purchase rate as at the balance sheet date	TL 2.3189
Euro purchase rate as at the balance sheet date	TL 2.8207

Date	USD	EUR
25 December 2014	2.3209	2.8312
26 December 2014	2.3177	2.8368
29 December 2014	2.3182	2.8255
30 December 2014	2.3235	2.8339
31 December 2014	2.3189	2.8207

Simple arithmetic means of foreign exchange rates in December 2014 are 2.2877 TL for US dollar, and 2.8217 TL for Euro.(Full Basis TL)

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V. Explanations on currency risk (continued)

Current Period	EUR	USD	Other	Total
Assets				
Cash and Balances with the Central Bank of Turkey	10,012	859,708	77,526	947,246
Banks	1,806	35,216	369	37,391
Financial Assets at Fair Value through Profit/Loss (*)	1,058	2,719	--	3,777
Interbank Money Market Placements	--	23,189	--	23,189
Financial Assets Available for Sale	43,427	320,412	--	363,839
Loans (**)	996,836	1,367,035	74,461	2,438,332
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 (***)	849	15,422	--	16,271
Total Assets	1,053,988	2,623,701	152,356	3,830,045
Liabilities				
Banks Deposits	77,821	69,911	9,906	157,638
Foreign Currency Deposits	546,165	1,728,551	53,223	2,327,939
Interbank Money Market Received	37,418	269,239	--	306,657
Funds Borrowed from Other Financial Institutions	533,486	465,545	--	999,031
Sundry Creditors	4,285	4,231	--	8,516
Marketable Securities Issued	--	--	--	--
Derivative Financial Liabilities Held for Hedging Purposes	--	--	--	--
Other Liabilities(****)	1,983	120,328	--	122,311
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
Prior Period				
Total Assets	1,198,552	2,155,581	146,537	3,500,670
Total Liabilities	707,687	2,008,869	102,412	2,818,968
Net Balance Sheet Position	490,865	146,712	44,125	681,702
Net Off-Balance Sheet Position	(487,582)	(142,687)	(44,447)	(674,716)
Financial Derivative Assets(*****)	807,797	1,327,638	150,189	2,285,624
Financial Derivative Liabilities(*****)	1,295,379	1,470,325	194,636	2,960,340
Non-Cash Loans (*****)	104,579	362,056	36	466,671

(*) The balance does not include discount on trading derivative financial assets amounting to TL 2,111.

(**) The balance includes foreign currency indexed loans and accruals amounting to TL 391,538.

(***) The balance does not include 8,171 TL of prepaid expenses.

(****) The balance does not include discount on trading derivative financial liabilities amounting to TL 2,113.

(*****) In the current period, exchange purchase commitments within the financial derivative assets amounted to TL 160,029 (31 December 2013: TL 178,594), exchange sale commitments within the derivative financial liabilities amounted to TL 163,212 (31 December 2013: TL 153,168).

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

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V. Explanations on currency risk (continued)

The following table demonstrates prospective increase and decrease in equities and profit/loss as of 31 December 2014 and 2013 (excluding tax effect) on condition that 10 % decrease of TL against the currencies below. This analysis has been prepared under the assumption that all other variables, especially interest rates, are constant.

	Current Period		Prior Period	
	Profit/Loss	Equity	Profit/Loss	Equity
USD	1,125	(825)	2,736	(2,334)
EURO	(403)	--	328	--
Other FC	48	--	(32)	--
Total (Net)	770	(825)	3,032	(2,334)

VI. Explanations on 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	56,509	--	--	--	--	966,600	1,023,109
Banks	255,216	--	--	--	--	7,347	262,563
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 (*)	--	--	--	--	--	128,560	128,560
Total Assets	882,133	2,396,645	1,111,564	2,062,456	413,631	1,175,175	8,041,604
Liabilities							
Bank Deposits	156,003	--	--	--	--	2,845	158,848
Other Deposits	2,786,364	1,641,634	345,893	9,198	--	304,298	5,087,387
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	785,572	913,961
Total Liabilities	3,373,471	2,346,308	1,040,266	10,917	116,677	1,153,965	8,041,604

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VI. Explanations on interest rate risk (continued)

Balance Sheet Long Position	--	50,337	71,298	2,051,539	296,954	21,210	2,491,338
Balance Sheet Short Position	(2,491,338)	--	--	--	--	--	(2,491,338)
Off-Balance Sheet Long Position	--	--	--	--	--	1,598,016	1,598,016
Off-Balance Sheet Short Position	--	--	--	--	--	(1,613,738)	(1,613,738)
Total Position	(2,491,338)	50,337	71,298	2,051,539	296,954	5,488	(15,722)

(*) Non-interest bearing column includes TL 5,445 subsidiaries, TL 31,482 tangible assets, TL 5,336 intangible assets, TL 2,193 tax assets, TL 919 non-current assets held for sale and TL 83,185 other assets.

(**) Non-interest bearing column includes TL 586,249 shareholders' equity, TL 101,391 other liabilities, TL 211 liabilities due to leasing activities, TL 77,360 provisions and TL 20,361 tax liabilities.

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

Prior Period End	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Non- interest Bearing	Total
Assets							
Cash (Cash in TL, Cash in Foreign Currency, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	--	--	--	--	--	804,527	804,527
Banks	92,957	--	--	--	--	121,201	214,158
Financial Assets at Fair Value Through Profit or Loss	32,180	9,320	30,734	1,603	1,656	--	75,493
Interbank Money Market Placements	46,697	--	--	--	--	--	46,697
Financial Assets Available -for-Sale	--	--	--	160,485	105,159	--	265,644
Loans	327,106	1,630,796	995,470	1,696,115	505,106	25,361	5,179,954
Investment Securities Held-to-Maturity	--	--	--	--	--	--	--
Other Assets (*)	--	--	--	--	--	77,406	77,406
Total Assets	498,940	1,640,116	1,026,204	1,858,203	611,921	1,028,495	6,663,879
Liabilities							
Bank Deposits	151,377	5,874	--	--	--	62,563	219,814
Other Deposits	2,491,806	1,141,919	357,405	10	--	337,223	4,328,363
Interbank Money Market Received	225,988	--	--	--	--	--	225,988
Sundry Creditors	--	--	--	--	--	54,255	54,255
Marketable Securities Issued	49,803	247,357	--	--	--	--	297,160
Funds Borrowed from Other Financial Institutions	6,231	383,499	335,190	2,192	--	--	727,112
Other Liabilities (**)	27,042	21,996	31,680	--	107,389	623,080	811,187
Total Liabilities	2,952,247	1,800,645	724,275	2,202	107,389	1,077,121	6,663,879
Balance Sheet Long Position	--	--	301,929	1,856,001	504,532	--	2,662,462
Balance Sheet Short Position	(2,453,307)	(160,529)	--	--	--	(48,626)	(2,662,462)
Off-Balance Sheet Long Position	--	--	--	--	--	4,040,604	4,040,604
Off-Balance Sheet Short Position	--	--	--	--	--	(4,070,251)	(4,070,251)
Total Position	(2,453,307)	(160,529)	301,929	1,856,001	504,532	(78,273)	(29,647)

(*) Non-interest bearing column includes TL 5,445 subsidiaries TL 32,766 tangible assets, TL 6,985 intangible assets, TL 13,243 tax assets, TL 1,173 non-current assets held for sale and TL 17,794 other assets.

(**) Non-interest bearing column includes TL 497,173 shareholders' equity, TL 44,826 other liabilities, TL 260 liabilities due to leasing activities, TL 63,782 provisions and TL 17,039 tax liabilities.

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VI. Explanations on interest rate risk (continued)**Average interest rates applied to financial instruments**

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

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VI. Explanations on interest rate risk (continued)**Interest rate risk on banking book**

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

	Shock Applied (+ / - x bps)	Gains/ Losses	Gains / Equity - Losses / Equity
TRY	500	-71,015	%-7,83
TRY	-400	64,035	%7,06
USD Dollar	200	-22,099	%-2,44
USD Dollar	-200	9,627	%1,06
EURO	200	-31,667	%-3,49
EURO	-200	-562	%-0,06
Total (For Positive Shocks)		-124,781	%-13,76
Total (For Negative Shocks)		73,100	%8,06

VII. Position risk of equity securities resulted from banking book

The Bank has no position risk of equity securities as of 31 December 2014.

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

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

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VIII. Explanations on liquidity risk

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

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

	First Maturity Slice (Weekly)		Second Maturity Slice (Monthly)	
	FC	FC + TL	FC	FC+TL
Average (%)	139.49	182.54	102.71	123.76
Max. (%)	197.98	245.63	115.49	148.31
Min. (%)	118.02	150.30	92.74	110.71

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VIII. Explanation related to the liquidity risk (continued)

Presentation of assets and liabilities according to their remaining maturities:

Current Period	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Year	5 Years and Over	Unallocated	Total
Assets								
Cash (Cash in TL, Cash in Foreign Currency, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	200,491	822,618	--	--	--	--	--	1,023,109
Banks	7,347	255,216	--	--	--	--	--	262,563
Financial Assets at Fair Value Through Profit or Loss	--	3,251	2,908	5,627	3,513	17,341	--	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	--	618,058	734,986	2,848,877	1,674,861	240,184	72,668	6,189,634
Investment Securities Held-to-Maturity	--	--	--	--	--	--	--	--
Other Assets (*)	--	--	--	--	--	--	128,560	128,560
Total Assets	207,838	1,727,486	737,894	2,874,241	1,935,710	357,207	201,228	8,041,604
Liabilities								
Bank Deposits	2,845	156,003	--	--	--	--	--	158,848
Other Deposits	304,298	2,786,364	1,641,634	345,893	9,198	--	--	5,087,387
Funds Borrowed from Other Financial Institutions	--	74,414	89,486	496,004	188,983	172,359	--	1,021,246
Interbank Money Market Received	--	325,977	--	--	--	--	--	325,977
Marketable Securities Issued	--	46,305	163,385	263,245	--	--	--	472,935
Sundry Creditors	--	61,250	--	--	--	--	--	61,250
Other Liabilities (**)	--	111,599	4,270	11,267	6,212	116,306	664,307	913,961
Total Liabilities	307,143	3,561,912	1,898,775	1,116,409	204,393	288,665	664,307	8,041,604
Net Liquidity Gap	(99,305)	(1,834,426)	(1,160,881)	1,757,832	1,731,317	68,542	(463,079)	--
Prior Period								
Total Assets	342,243	1,269,934	639,674	2,278,881	1,664,355	366,025	102,767	6,663,879
Total Liabilities	399,786	3,052,120	1,272,432	933,722	171,334	273,090	561,395	6,663,879
Net Liquidity Gap	(57,543)	(1,782,186)	(632,758)	1,345,159	1,493,021	92,935	(458,628)	--

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

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

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VIII. Explanation related to the liquidity risk (continued)

Contractual maturity analysis of liabilities according to remaining maturities

31 December 2014	Carrying Value	Gross Nominal Outflows	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over
Bank Deposits	158,848	158,889	2,845	156,044	--	--	--	--
Other Deposits	5,087,387	5,128,176	304,298	2,794,054	1,658,513	360,225	11,086	--
Interbank Money Market Borrowings	325,977	326,051	--	326,051	--	--	--	--
Marketable Securities Issued	472,935	488,338	--	46,887	166,424	275,027	--	--
Funds Borrowed from Other Financial Institutions	846,349	848,746	--	74,438	86,698	498,627	188,983	--
Subordinated Loans	291,574	473,435	--	--	2,753	18,887	86,664	365,131
Total	7,183,070	7,423,635	307,143	3,397,474	1,914,388	1,152,766	286,733	365,131

31 December 2013	Carrying Value	Gross Nominal Outflows	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over
Bank Deposits	219,814	219,866	62,563	151,419	5,884	--	--	--
Other Deposits	4,328,363	4,362,552	337,223	2,500,140	1,154,141	371,037	11	--
Interbank Money Market Borrowings	225,988	226,024	--	226,024	--	--	--	--
Marketable Securities Issued	297,160	314,607	--	50,000	64,210	111,246	89,151	--
Funds Borrowed from Other Financial Institutions	559,081	571,696	--	7,332	36,628	444,499	83,237	--
Subordinated Loans	275,420	467,638	--	--	2,853	17,619	81,805	365,361
Total	5,905,826	6,162,383	399,786	2,934,915	1,263,716	944,401	254,204	365,361

IX. Explanations on securitisation positions

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

X. Information on credit risk mitigation techniques

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

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

The 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.

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X. Information on credit risk mitigation techniques (continued)

Exposure Categories *	Amount	Financial Collaterals	Other/Physical Collaterals**	Guarantees and Credit Derivatives
Receivables from Central Governments	1,007,967	15,122	--	--
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	1,004,848	306,657	--	--
Corporate Receivables	4,008,965	--	--	2,821
Retail Receivables	1,266,451	--	--	--
Receivables that are Collateralized by Residential Past due Receivables	1,345,594	1,850	2,363,050	--
Receivables Defined in High Risk Category by BRSA	48,994	--	32,798	--
Securities Collateralised by Mortgages	175,850	--	34,803	--
Short-term Receivables from Banks, Brokerage Houses and Corporates	--	--	--	--
Investments Similar to Collective Investment Funds	--	--	--	--
Other Receivables	225,256	--	--	--
Total	9,083,925	323,629	2,430,651	2,821

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

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

XI. Information on risk management objectives and policies

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

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

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

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

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

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

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

	Carrying Value		Fair Value	
	Current Period	Prior Period	Current Period	Prior Period
Financial Assets	6,857,295	5,706,453	6,940,839	5,757,466
Interbank Money Market Placements	23,189	46,697	23,189	46,697
Banks	262,563	214,158	262,563	214,158
Financial Assets Available-for-Sale	381,909	265,644	381,909	265,644
Investments Held-to-Maturity	--	--	--	--
Loans	6,189,634	5,179,954	6,273,178	5,230,967
Financial Liabilities	6,801,666	5,626,704	6,801,666	5,626,704
Bank Deposits	158,848	219,814	158,848	219,814
Other Deposits	5,087,387	4,328,363	5,087,387	4,328,363
Funds Borrowed from Other Financial Institutions	1,021,246	727,112	1,021,246	727,112
Marketable Securities Issued	472,935	297,160	472,935	297,160
Sundry Creditors	61,250	54,255	61,250	54,255

	Level 1 TL		Level 2 TL		Level 3 TL	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Financial Assets						
Financial Assets at Fair Value through Profit and Loss	19,849	16,986	12,791	58,507	--	--
Financial Assets Available for Sale	381,909	265,644	--	--	--	--
Total	401,758	282,630	12,791	58,507	--	--
Financial Liabilities						
Financial Liabilities at Fair Value through Profit and Loss	--	--	11,712	80,718	--	--
Total	--	--	11,712	80,718	--	--

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

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

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

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

None.

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF
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SECTION FIVE

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

I. Explanations and disclosures related to the assets

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Cash in TL /Foreign Currency	19,354	28,867	19,923	41,974
Balances with the Central Bank of Turkey	56,509	918,379	86,437	656,193
Other	--	--	--	--
Total	75,863	947,246	106,360	698,167

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Unrestricted Demand Deposits	56,509	95,761	86,437	72,708
Unrestricted Time Deposits	--	--	--	--
Restricted Time Deposits	--	822,618	--	583,485
Total	56,509	918,379	86,437	656,193

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% - 18% and denominated mainly in EUR and USD for FC liabilities. Reserve deposits do not earn interest. The Central Bank of Republic of Turkey has started to pay for interest on the reserve deposits held in TL regarding to the press release No:2014-72 dated 21 October 2014.

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	7,258	--	5,686	--
Other	--	--	--	--
Total	7,258	--	5,686	--

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

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Share Certificates	--	--	--	--
Bonds, Treasury Bills and Similar Marketable Securities	4,244	--	5,858	--
Total	4,244	--	5,858	--

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Transactions	780	--	12,520	18
Swap Transactions	5,475	1	11,253	--
Futures Transactions	--	--	--	--
Options	4,425	2,110	28,103	6,613
Other	--	--	--	--
Total	10,680	2,111	51,876	6,631

3. Information on banks

3.1 Information on banks

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks				
Domestic	225,120	30,146	78,081	14,940
Foreign	52	7,245	277	120,860
Foreign head-offices and branches	--	--	--	--
Total	225,172	37,391	78,358	135,800

3.2 Due from foreign banks

	Unrestricted Balances		Restricted Balances	
	Current Period	Prior Period	Current Period	Prior Period
EU Countries	1,377	5,741	2,374	7,670
USA and Canada	387	12,637	2,435	30,712
OECD Countries (*)	724	42,372	--	22,005
Off-Shore Banking Regions	--	--	--	--
Other	--	--	--	--
Total	2,488	60,750	4,809	60,387

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

4. Information on financial assets available-for-sale

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Share Certificates	--	--	--	--
Bonds, Treasury Bills and Similar Marketable Securities	16,523	357,017	16,677	241,377
Other	--	--	--	--
Total	16,523	357,017	16,677	241,377

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

	Current Period	Prior Period
Debt instruments	381,909	265,644
Quoted on Stock Exchange	381,909	265,644
Unquoted on Stock Exchange	--	--
Share certificates	--	--
Quoted on Stock Exchange	--	--
Unquoted on Stock Exchange	--	--
Impairment provision (-)	--	--
Total	381,909	265,644

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	2,143	--	1,927	--
Total	2,143	--	1,927	--

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	5,859,938	56	--	199,155	47,919	9,898
Working Capital Loans	--	--	--	--	--	--
Export Loans	252,119	--	--	4,007	--	--
Import Loans	--	--	--	--	--	--
Loans to Financial Sector	127,890	--	--	--	--	--
Consumer Loans	284,470	--	--	42,795	1,412	9,898
Credit Cards	5,993	--	--	--	--	--
Others	5,189,466	56	--	152,353	46,507	--
Specialization Loans	--	--	--	--	--	--
Other Receivables	--	--	--	--	--	--
Total	5,859,938	56	--	199,155	47,919	9,898

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

	Standard Loans and Other Receivables	Loans and Other Receivables under Close Monitoring
Number of Extensions	56	47,919
1 or 2 times	56	47,919
3, 4 or 5 times	--	--
Over 5 times	--	--

	Standard Loans and Other Receivables	Loans and Other Receivables under Close Monitoring
Extension Periods	56	47,919
0-6 Months	--	1,179
6 -12 Months	56	7,794
1 – 2 Years	--	16,320
2 – 5 Years	--	19,105
5 Years and over	--	3,521

The overdue analysis of close monitoring loans

<i>Current Period</i>	Corporate/ Commercial	Consumer Loans	Total
	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

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

Maturity analysis of cash loans

	Standard Loans and Other Receivables		Loans and Other Receivables under Close Monitoring	
	Loans and Other Receivables	Loans and Receivables with Revised Contract Terms	Loans and Other Receivables	Loans and Receivables with Revised Contract Terms
Current Period				
Short-term Loans and Other Receivables	2,772,250	56	64,959	3,706
Loans	2,772,250	56	64,959	3,706
Specialization Loans	--	--	--	--
Other Loans	--	--	--	--
Medium and Long-term Loans and Other Receivables	3,087,688	--	134,196	54,111
Loans	3,087,688	--	134,196	54,111
Specialization Loans	--	--	--	--
Other Loans	--	--	--	--

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

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

	Short-Term	Medium or Long Term	Total
Consumer Loans-TL	14,962	218,935	233,897
Real Estate Loans	--	40,898	40,898
Vehicle Loans	28	5,292	5,320
General Purpose Loans	14,934	172,745	187,679
Other	--	--	--
Consumer Loans-Indexed to FC	--	95,840	95,840
Real Estate Loans	--	92,479	92,479
Vehicle Loans	--	--	--
General Purpose Loans	--	3,361	3,361
Other	--	--	--
Consumer Loans-FC	--	881	881
Real Estate Loans	--	881	881
Vehicle Loans	--	--	--
General Purpose Loans	--	--	--
Other	--	--	--
Individual Credit Cards-TL	2,510	--	2,510
With Instalment	147	--	147
Without Instalment	2,363	--	2,363
Individual Credit Cards-FC	13	--	13
With Instalment	--	--	--
Without Instalment	13	--	13
Loans Given to Employees-TL	73	1,319	1,392
Real Estate Loans	--	--	--
Vehicle Loans	--	--	--
General Purpose Loans	73	1,319	1,392
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	750	--	750
With Instalment	105	--	105
Without Instalment	645	--	645
Personnel Credit Cards – FC	1	--	1
With Instalment	--	--	--
Without Instalment	1	--	1
Overdraft Loans-TL (Real Persons)	6,565	--	6,565
Overdraft Loans-FC (Real Persons)	--	--	--
Total	24,874	316,975	341,849

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5.4 Information on commercial loans with instalments and corporate credit cards

	Short Term	Medium or Long Term	Total
Instalment Commercial Loans – TL	152,186	1,070,502	1,222,688
Real Estate Loans	--	321	321
Vehicle Loans	2,807	27,064	29,871
General Purpose Loans	149,379	1,043,117	1,192,496
Other	--	--	--
Instalment Commercial Loans – Indexed to FC	2,229	140,765	142,994
Real Estate Loans	--	2,550	2,550
Vehicle Loans	--	14,498	14,498
General Purpose Loans	2,229	123,717	125,946
Other	--	--	--
Instalment Commercial Loans - FC	--	--	--
Real Estate Loans	--	--	--
Vehicle Loans	--	--	--
General Purpose Loans	--	--	--
Other	--	--	--
Corporate Credit Cards – TL	2,704	--	2,704
With Instalment	202	--	202
Without Instalment	2,502	--	2,502
Corporate Credit Cards – FC	15	--	15
With Instalment	--	--	--
Without Instalment	15	--	15
Overdraft Loans-TL (Legal Entities)	76,317	--	76,317
Overdraft Loans-FC (Legal Entities)	--	--	--
Total	233,451	1,211,267	1,444,718

5.5 Allocation of loans by customers

	Current Period	Prior Period
Public Sector	--	--
Private Sector	6,116,966	5,154,593
Total	6,116,966	5,154,593

5.6 Allocation of Domestic and Foreign Loans

	Current Period	Prior Period
Domestic Loans	5,832,593	5,113,467
Foreign Loans	284,373	41,126
Total	6,116,966	5,154,593

5.7 Loans granted to subsidiaries and associates

The Bank does not have any loans granted to subsidiaries as of 31 December 2014.

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5.8 Specific provisions provided against loans

Specific Provisions	Current Period	Prior Period
Loans and Receivables with Limited Collectability	3,854	2,578
Loans and Receivables with Doubtful Collectability	14,716	3,857
Uncollectible Loans and Receivables	37,487	28,619
Total	56,057	35,054

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	--	--	221
(Gross Amounts before Specific Provisions)	--	--	--
Restructured Loans and Other Receivables	--	--	221
Rescheduled Loans and Other Receivables	--	--	--
Prior Period	9	71	274
(Gross Amounts before Specific Provisions)	--	--	--
Restructured Loans and Other Receivables	9	71	274
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	14,860	12,144	33,411
Additions (+)	111,296	5,584	1,285
Transfers from Other Categories of Non-Performing Loans (+)	--	79,762	48,082
Transfers to Other Categories of Non-Performing Loans (-)	79,762	48,082	--
Collections (-)	9,010	4,072	5,586
Write-offs (*) (-)	--	1,533	29,654
Corporate and Commercial Loans	--	811	24,989
Retail Loans	--	722	4,660
Credit Cards	--	--	5
Other	--	--	--
Balances at End of the Period	37,384	43,803	47,538
Specific Provisions (-)	3,854	14,716	37,487
Net Balance on Balance Sheet	33,530	29,087	10,051

(*) Non-performing loans amounting TL 12,633 in March 2014 and TL 18,544 in December 2014 has been sold.

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF
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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	21,624	10,091	3,333
Specific Provisions (-)	1,081	1,511	2,654
Net Balance on Balance Sheet	20,543	8,580	679
Prior Period			
Balance as of the Period End	336	714	6,582
Specific Provisions (-)	42	258	4,202
Net Balance on Balance Sheet	294	456	2,380

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)	33,530	29,087	10,051
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)	--	--	--
Prior Period (Net)	12,282	8,287	4,792
Loans Granted to Real Persons and Legal Entities (Gross)	14,860	12,144	33,411
Specific provisions (-)	2,578	3,857	28,619
Loans Granted to Real Persons and Legal Entities (Net)	12,282	8,287	4,792
Banks (Gross)	--	--	--
Specific Provisions (-)	--	--	--
Banks (Net)	--	--	--
Other Loan and Receivables (Gross)	--	--	--
Specific Provisions (-)	--	--	--
Other Loan and Receivables (Net)	--	--	--

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF 1 JANUARY - 31 DECEMBER 2014

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

5.10 Liquidation policy for uncollectible loans and other receivables

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

5.11 Explanations related to write-off policy

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

6. Information on held-to-maturity investments

None.

7. Information on associates

None.

8. Information on subsidiaries

The Bank has TL 5,445 of subsidiaries as of 31 December 2014.

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
5,431	5,326	12	551	--	(72)	(102)	5,326

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

Movement of consolidated investment in subsidiaries

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

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

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8. Information on subsidiaries (continued)

Sectoral distribution of consolidated investments in subsidiaries

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

Quoted consolidated investments in subsidiaries

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.

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12. Information on tangible assets

Current Period	Vehicles	Other Tangible Assets(*)	Total
Cost			
Beginning Balance, 1 January 2014	31	58,450	58,481
Additions	13	7,934	7,947
Disposals	-	(683)	(683)
Ending Balance, 31 December 2014	44	65,701	65,745
Accumulated Depreciation			
Beginning Balance, 1 January 2014	(16)	(25,699)	(25,715)
Depreciation	(7)	(9,268)	(9,275)
Disposals	23	704	727
Ending Balance, 31 December 2014	-	(34,263)	(34,263)
Net Book Value, 31 December 2014	44	31,438	31,482

Prior Period	Vehicles	Other Tangible Assets(*)	Total
Cost			
Beginning Balance, 1 January 2013	31	35,526	35,557
Additions	--	22,931	22,931
Disposals	-	(7)	(7)
Ending Balance, 31 December 2013	31	58,450	58,481
Accumulated Depreciation			
Beginning Balance, 1 January 2013	(10)	(19,701)	(19,711)
Depreciation	(6)	(5,998)	(6,004)
Disposals	--	--	--
Ending Balance, 31 December 2013	(16)	(25,699)	(25,715)
Net Book Value, 31 December 2013	15	32,751	32,766

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

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

12.1.1 Conditions for allocating/releasing any impairment:

None.

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

None.

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

None.

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13. Information on intangible assets

13.1 Useful lives and amortisation rates

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

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

13.2 Amortisation methods

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

13.3 Balances at beginning and end of current period

	Current Period		Prior Period	
	Gross book value	Accumulated Amortisation	Gross book value	Accumulated Amortisation
Intangible Assets (*)	44,392	39,056	41,614	34,629

(*)Includes the software and other intangible assets

13.4 Movements of intangible assets for the current period

	Current Period	Prior Period
Cost		
Beginning Balance, 1 January	41,614	36,958
Additions	2,778	4,656
Ending Balance, 31 December	44,392	41,614
Accumulated Depreciation		
Beginning Balance, 1 January	(34,629)	(30,747)
Depreciation Expense for Current Period (-)	(4,427)	(3,882)
Ending Balance, 31 December	(39,056)	(34,629)
Net Book Value, 31 December	5,336	6,985

13.5 Details for any individually material intangible assets

None.

13.6 Intangible assets capitalised under government incentives at fair values

None.

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

None.

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

None.

13.9 *Commitments to acquire intangible assets*

None.

13.10 *Disclosure on revalued intangible assets*

None.

13.11 *Research and development costs expensed during current period*

None.

13.12 *Goodwill*

None.

14. Information on investment properties

None.

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15. Information on deferred tax asset

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

As of 31 December 2014, the deferred tax asset amounting to TL 2,193 is calculated by netting of deductible temporary differences and taxable temporary differences (31 December 2013: TL 13,243)

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

	Current Period	
	Deferred Tax Base	Deferred Tax Asset/ Liability
Financial Assets Valuation	3,029	606
Unearned commission income	7,709	1,542
Retirement Pay and Unused Vacation Provision	7,699	1,540
Tangible Assets Base Differences	(6,293)	(1,259)
Other Provisions	(1,181)	(236)
Deferred Tax Assets	10,963	2,193

	Prior Period	
	Deferred Tax Base	Deferred Tax Asset/ Liability
Financial Assets Valuation	52,577	10,515
Unearned Commission Income	14,352	2,870
Retirement Pay and Unused Vacation Provision	5,036	1,007
Tangible Assets Base Differences	(5,428)	(1,086)
Other Provisions	(324)	(63)
Deferred Tax Assets	66,213	13,243

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

	Current Period	Prior Period
Deferred Tax Asset, 1 January	13,243	5,356
Deferred Tax Income / (Expense)	(7,334)	1,456
Deferred Tax Recognized Directly Under Equity	(3,716)	6,431
Deferred Tax Asset 31 December	2,193	13,243

As of 31 December 2014, the Bank has no carry forward tax losses.

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

None.

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

None.

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

As of 31 December 2014, the Bank has TL 919 assets held for sale (31 December 2013: TL 1,173).

17. Information on other assets

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

The Bank has signed a Real Estate Purchase Agreement, with a total purchase price of USD 65,250,000 on 30 October, 2014 relating to the purchase of premises. 10 % of the purchase price of the property subject to the contract; USD 6,525,000; has been paid in advance. The remaining amount will be paid at the latest on 25 March 2015 upon the transfer of the title of the property to the Bank.

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

As of 31 December 2014, total prepaid expenses are TL 14,992 (31 December 2013: TL 9,494).

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF
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II. Explanations and disclosures related to liabilities

1. Information on deposits

1.1 Information on maturity structure of deposits

Current Period

	Demand	7 Day Notice 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	140,118	--	95,174	460,747	103,648	86,244	32,026	--	917,957
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	307,143	--	257,373	3,746,418	502,513	253,816	178,972	--	5,246,235

Prior Period

	Demand	7 Day Notice Accounts	Up to 1 Month	1-3 Months	3-6 Months	6 Months -1 Year	1 Year and Over	Cumulative Deposit	Total
Saving Deposits	18,962	--	26,834	1,292,133	255,626	129,168	21,465	--	1,744,188
Foreign Currency Deposits	182,740	--	101,830	1,056,876	168,351	17,121	50,491	--	1,577,409
Residents in Turkey	105,147	--	90,733	1,034,352	156,891	14,625	5,646	--	1,407,394
Residents Abroad	77,593	--	11,097	22,524	11,460	2,496	44,845	--	170,015
Public Sector Deposits	-	--	--	5,256	--	--	--	--	5,256
Commercial Deposits	132,375	--	56,483	363,229	120,856	99,919	55,035	--	827,897
Other Ins. Deposits	586	--	300	147,695	22,028	--	444	--	171,053
Precious Metal Deposits	2,560	--	--	--	--	--	--	--	2,560
Interbank Deposits	62,563	--	102,254	54,997	--	--	--	--	219,814
Central Bank of Turkey	--	--	--	--	--	--	--	--	--
Domestic Banks	1	--	82,451	4,275	--	--	--	--	86,727
Foreign Banks	6,324	--	19,803	50,722	--	--	--	--	76,849
Special Finan. Inst.	56,238	--	--	--	--	--	--	--	56,238
Other	--	--	--	--	--	--	--	--	--
Total	399,786	--	287,701	2,920,186	566,861	246,208	127,435	--	4,548,177

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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	514,443	487,357	1,252,784	1,248,254
Foreign Currency Saving Deposits	128,316	98,420	1,462,145	834,801
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	642,759	585,777	2,714,929	2,083,055

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	21,159	4,722
Deposits of Chairman and Members of the Board of Directors and their Close Families	2,641	4,268
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	2,955	--	12,532	90
Swap Transactions	2,027	--	33,406	--
Futures Transactions	--	--	--	--
Options	4,617	2,113	28,040	6,650
Other	--	--	--	--
Total	9,599	2,113	73,978	6,740

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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	22,216	33,265	19,389	24,275
From Foreign Banks, Institutions and Funds	--	790,868	--	515,417
Total	22,216	824,133	19,389	539,692

Syndicated loan of U.S. \$ 80 million which was due in December 2014 was renewed as U.S. \$ 115 million in the same month.

3.2 Maturity analysis of borrowings

	Current Period		Prior Period	
	TL	FC	TL	FC
Short-Term	21,703	601,088	11,450	428,918
Medium and Long Term	513	223,045	7,939	110,774
Total	22,216	824,133	19,389	539,692

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

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

4. Informations related with issued instruments

	TL		FC	
	Short Term	Medium and Long Term	Short Term	Medium and Long Term
Nominal	323,460	153,300	--	--
Cost	315,810	153,300	--	--
Carrying Amount	315,810	157,125	--	--

5. Sundry creditors and other liabilities

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

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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 lease

	Current Period		Prior Period	
	Gross	Net	Gross	Net
Less than 1 Year	--	--	--	--
Between 1-4 Years	233	211	295	260
More than 4 Years	--	--	--	--
Total	233	211	295	260

6.3 Information on operational leases and footnotes

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

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

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

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

7. Information on derivative financial liabilities for hedging purposes

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

8. Information on provisions

8.1 Information on general provisions

	Current Period	Prior Period
Loans and Receivables in Group 1	51,305	45,027
- Additional Provision for Loan and Receivables with Extended Maturities	3	12
Loans and Receivables in Group 2	6,577	4,576
- Additional Provision for Loan and Receivables with Extended Maturities	2,396	2,012
Non-Cash Loans	2,631	2,634
Others	--	--
Total	60,513	52,237

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

The foreign exchange losses on the foreign currency indexed loans as of 31 December 2014, amounting to TL 1,939 (31 December 2013: TL 24) are netted off from loans on the balance sheet.

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8.3 The specific provisions provided for unindemnified non cash loans

As of 31 December 2014, the specific provision provided for unindemnified non cash loans is TL 894 (31 December 2013: TL 1,380).

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 31 December 2014, reserves for employee benefits amounting to TL 11,700 (31 December 2013: TL 7,948) comprise TL 4,587 reserve for employee termination benefits (31 December 2013: TL 2,880), TL 3,113 unused vacation pay liability (31 December 2013: TL 2,568) and TL 4,000 personnel premium accrual (31 December 2013: TL 2,500).

9. Explanations on tax liabilities

9.1 Explanations on current tax liability

9.1.1 Explanations on tax provision

As of 31 December 2014, The Bank's current tax liability is TL 20,361 (31 December 2013: TL 17,039). After offsetting prepaid taxes with the corporate tax liability which is TL 13,646 (31 December 2013: 16,578), the Bank's remaining corporate tax liability is TL 3,662 (31 December 2013: TL 4,237).

9.1.2 Information on taxes payable

	Current Period	Prior Period
Corporate taxes payable	3,662	4,237
Taxation on securities	6,438	4,851
Property tax	288	213
Banking and Insurance Transaction Tax (BITT)	5,761	4,111
Taxes on foreign exchange transactions	--	--
Value added taxes payable	180	143
Income tax ceased from wages	1,895	1,632
Other	199	157
Total	18,423	15,344

9.1.3 Information on premiums

	Current Period	Prior Period
Social Security Premiums- Employee	825	725
Social Security Premiums- Employer	941	817
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	58	51
Unemployment Insurance- Employer	114	102
Other	--	--
Total	1,938	1,695

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9.2 Explanations on deferred tax liabilities

None.

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

None.

11. Explanations on subordinated loans

	<i>Current Period</i>		<i>Prior Period</i>	
	TL	FC	TL	FC
Domestic Banks	--	--	--	--
Domestic Other Institutions	--	116,678	--	107,389
Foreign Banks	--	81,845	--	82,403
Foreign Other Institutions	--	93,051	--	85,628
Total	--	291,574	--	275,420

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

12. Information on shareholders' equity

12.1 Paid-in capital

	Current Period	Prior Period
Common Stock	550,000	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

None.

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.

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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	(115)	(8,248)	(721)	(23,336)
Exchange Difference	--	--	--	--
Total	(115)	(8,248)	(721)	(23,336)

12.10 Information on revaluation reserve

None.

12.11 Bonus shares of subsidiaries, associates and joint ventures

None.

12.12 Information on legal reserves

None.

12.13 Information on extraordinary reserves

None.

13. Information on minority shares

None.

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III. Explanations and disclosures related to off-balance sheet contingencies and commitments
1. Information on off-balance sheet commitments
1.1 Nature and amount of irrevocable loan commitments

	Current Period	Prior Period
Asset Sale and Purchase Commitments	491,871	622,015
Credit Card Limit Commitments	20,444	9,180
Commitments for Credit Allocation with the Guarantee of Usage	93,359	187,392
Export Commitments	2,357	2,484
Commitment for Cheques	121,680	86,442
Other Irrevocable Commitments	2,803	1,357
Total	732,514	908,870

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	329,927	260,316
Letters of Guarantee FC	236,904	176,831
Letters of Credit	319,233	197,325
Bills of Exchange and Acceptances	161,617	92,665
Total	1,047,681	727,137

1.2.2 Revocable, irrevocable guarantees and other similar commitments and contingencies

	Current Period	Prior Period
Revocable Letters of Guarantee	23,275	22,833
Irrevocable Letters of Guarantee	442,234	340,093
Letters of Guarantee Given in Advance	40,132	16,017
Letters of Guarantee Given to Customs	12,151	9,569
Other Letters of Guarantee	49,039	48,635
Total	566,831	437,147

2. Total amount of non-cash loans

	Current Period	Prior Period
Non-Cash Loans Given against Cash Loans	31,786	31,975
With Original Maturity of 1 Year or Less Than 1 Year	--	14,460
With Original Maturity of More Than 1 Year	31,786	17,515
Other Non-Cash Loans	1,015,895	695,162
Total	1,047,681	727,137

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

	<i>Current Period</i>				<i>Prior Period</i>			
	TL	(%)	FC	(%)	TL	(%)	FC	(%)
Agricultural	4,713	1.43	57,496	8.01	2,198	0.84	18,269	3.91
Farming and Stockbreeding	2,532	0.77	4,047	0.56	1,017	0.39	6,767	1.45
Forestry	2,181	0.66	47,808	6.66	1,181	0.45	11,502	2.46
Fishing	--	--	5,641	0.79	--	--	--	--
Manufacturing	73,976	22.41	451,016	62.86	39,159	15.03	196,849	42.19
Mining and Quarrying	3,080	0.93	507	0.07	1,834	0.70	9,604	2.06
Production	54,801	16.60	449,777	62.68	32,267	12.39	186,696	40.01
Electricity, Gas and Water	16,095	4.88	732	0.10	5,058	1.94	549	0.12
Construction	62,259	18.86	53,374	7.44	61,262	23.52	54,384	11.65
Services	131,711	39.90	130,393	18.17	104,828	40.25	56,826	12.18
Wholesale and Retail Trade	54,350	16.46	85,356	11.90	30,437	11.69	21,830	4.68
Accommodation and Dining	5,443	1.65	20,430	2.85	17,689	6.79	19,183	4.11
Transportation and								
Telecommunication	8,980	2.72	5,097	0.71	10,932	4.20	1,491	0.32
Financial institutions	15,327	4.64	14,340	2.00	11,830	4.54	9,829	2.11
Real Estate and Rental								
Services	764	0.23	--	--	1,400	0.54	--	--
Professional Services	7,164	2.17	--	--	536	0.21	29	0.01
Educational Services	31,017	9.40	--	--	24,639	9.46	--	--
Health and Social services	8,666	2.62	5,170	0.72	7,365	2.83	4,464	0.96
Other	57,483	17.41	25,260	3.52	53,019	20.36	140,343	30.07
Total	330,142	100.00	717,539	100.00	260,466	100.00	466,671	100.00

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

	Group I		Group II	
	TL	FC	TL	FC
Letters of Guarantee	323,226	233,092	6,701	3,812
Bills of Exchange and Bank				
Acceptances	215	161,402	--	--
Letters of Credit	--	319,233	--	--
Endorsements	--	--	--	--
Underwriting Commitments	--	--	--	--
Factoring Related Guarantees	--	--	--	--
Other Guarantees and Sureties	--	--	--	--
Non-Cash Loans	323,441	713,727	6,701	3,812

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5. Information related to derivative financial instruments

	Current Period	Prior Period
Types of trading transactions		
Foreign Currency Related Derivative Transactions (I)	2,719,883	7,532,124
Forward Transactions	193,870	1,364,145
Swap Transactions	1,381,466	2,979,484
Futures Transactions	--	--
Option Transactions	1,144,547	3,188,495
Interest Related Derivative Transactions (II)	--	--
Forward Rate Transactions	--	--
Interest Rate Swap Transactions	--	--
Interest Option Transactions	--	--
Futures Interest Transactions	--	--
Other Trading Derivative Transactions (III)	--	--
A. Total Derivative Transactions Held for Trading (I+II+III)	2,719,883	7,532,124
Types of hedging transactions		
Fair Value Hedges	--	--
Cash Flow Hedges	--	--
Net Investment Hedges	--	--
B. Total Derivative Transactions Held for Hedging Purposes	--	--
Total Derivative Transactions (A+B)	2,719,883	7,532,124

6. Credit derivatives and risk exposures on credit derivatives

None.

7. Explanations on contingent liabilities and assets

The Bank provided provision of TL 969 for the legal cases pending against the Bank where the cash out flows are highly probable. (31 December 2013: TL 918).

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 income statement

1. Interest income

1.1 Information on interest on loans (*)

	Current Period		Prior Period	
	TL	FC	TL	FC
Interest on loans	554,489	124,700	348,146	92,475
Short Term Loans	344,841	25,398	219,115	21,474
Medium and Long Term Loans	209,648	99,302	129,031	71,001
Interest on Non-Performing Loans	2,811	--	425	--
Premiums received from Resource Utilization Support Fund	--	--	--	--
Total	557,300	124,700	348,571	92,475

*Includes fees and commissions obtained from cash loans.

1.2 Information on interest income received from banks

	Current Period		Prior Period	
	TL	FC	TL	FC
The Central Bank of Turkey	--	--	82	--
Domestic Banks	10,585	422	6,047	194
Foreign Banks	--	23	--	20
Branches and Head Office Abroad	--	--	--	--
Total	10,585	445	6,129	214

1.3 Interest received from marketable securities portfolio

	Current Period		Prior Period	
	TL	FC	TL	FC
Financial Assets Held for Trading	821	162	729	142
Financial Assets at Fair Value Through Profit or Loss	--	--	--	--
Financial Assets Available-for-Sale	990	12,672	641	9,391
Investment Securities Held-to-Maturity	--	--	--	--
Total	1,811	12,834	1,370	9,533

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	1,414	7,757	976	4,325
The Central Bank of Turkey	--	--	--	--
Domestic Banks	1,308	724	972	595
Foreign Banks	106	7,033	4	3,730
Branches and Head Office Abroad	--	--	--	--
Other Institutions	--	25,614	--	17,268
Total	1,414	33,371	976	21,593

2.2 Information on interest expenses to associates and subsidiaries

Total interest expense to subsidiaries is TL 483 (1 January - 31 December 2013: TL 124).

2.3 Information on interest expenses to securities issued

	Current Period		Prior Period	
	TL	FC	TL	FC
Interest Paid to Securities Issued	45,229	--	21,371	--

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	--	708	--	--	--	--	--	708
Saving Deposits	--	1,741	134,052	20,785	15,298	2,907	--	174,783
Public Sector Deposits	--	--	228	--	--	--	--	228
Commercial Deposits	--	4,908	42,999	10,432	12,513	3,602	--	74,454
Other	--	51	8,058	4,770	94	14	--	12,987
7 Day Notice Accounts	--	--	--	--	--	--	--	--
Total	--	7,408	185,337	35,987	27,905	6,523	--	263,160
Foreign Currency								
Foreign Currency Deposits	--	1,093	38,032	3,610	1,555	3,229	--	47,519
Bank Deposits	--	1,695	--	--	--	--	--	1,695
7 Day Notice Accounts	--	--	--	--	--	--	--	--
Precious Metal Deposits	--	--	--	--	--	--	--	--
Total	--	2,788	38,032	3,610	1,555	3,229	--	49,214
Grand Total	--	10,196	223,369	39,597	29,460	9,752	--	312,374

3. Information on dividend income

None.

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4. Information on net trading income / loss

	Current Period	Prior Period
Income	686,374	676,104
Gains on Capital Market Operations	4,201	1,860
Gains on Derivative Financial Instruments	112,041	200,502
Foreign Exchange Gains	570,132	473,742
Loss (-)	668,731	638,882
Losses on Capital Market Operations	1,221	2,347
Losses on Derivative Financial Instruments	92,244	164,636
Foreign Exchange Losses	575,266	471,899
Net Trading Income / (Loss)	17,643	37,222

5. Information on other operating income

Other operating income consists of profit from disposal of real estate, reversal of specific provision, commissions from cheques and notes and other commissions.

6. Impairment on loans and other receivables

	Current Period	Prior Period
Specific Provisions on Loans and Other Receivables:	54,090	25,648
<i>III. Group Loans and Receivables</i>	3,856	2,578
<i>IV. Group Loans and Receivables</i>	14,954	3,857
<i>V. Group Loans and Receivables</i>	35,280	19,213
General Loan Loss Provisions	8,280	16,621
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	62,370	42,269

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7. Information related to other operational expenses

	Current Period	Prior Period
Personnel Expenses	112,495	84,573
Provision for Employee Termination Benefits	671	788
Provision for Bank's Social Aid Fund Deficit	--	--
Impairment Losses on Tangible Assets	--	--
Depreciation Charges of Tangible Assets	9,275	6,004
Impairment Losses on Intangible Assets	--	--
Depreciation Charges of Intangible Assets	4,427	3,882
Impairment Losses on Investment Accounted for under Equity Method	--	--
Impairment of Assets to be Disposed	--	--
Depreciation of Assets to be Disposed	64	93
Impairment of Assets Held for Sale	--	--
Other Operating Expenses	48,724	34,624
<i>Operational Leases Expenses</i>	25,494	17,474
<i>Repair and Maintenance Expenses</i>	865	641
<i>Advertisement Expenses</i>	1,781	515
<i>Other Expenses</i>	20,584	15,994
Losses on Sale of Assets	16	858
Other	25,117	21,624
Total	200,789	152,446

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

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

	Current Period	Prior Period
Interest Income	708,306	460,062
Interest Expenses (-)	395,850	266,930
Net Fee and Commission income	17,582	13,327
Trading Profit/Loss (Net)	17,643	37,222
Other Operating Income	10,668	9,962
Provision for Impairment in Loans and Other Receivables	62,370	42,269
Other Operating Expenses (-)	200,789	152,446
Profit(loss) Before Tax	95,190	58,928

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

For the period ended as of 31 December 2014, current tax charge of the Bank is TL 13,646 (31 December 2013:16,578) and the deferred tax charge of the Bank is TL 7,334 (1 January -31 December 2013: TL 1,456).

	Current Period	Prior Period
Deferred Tax Income/ (Expense)	(7,334)	1,456
Provision of Deferred Tax	--	--
Deferred Tax Income/ (Expense)	(7,334)	1,456

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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 (+)	402	6,475
Arising from Reversal of Deductible Temporary Differences (-)	(6,073)	(505)
Arising from Origination of Taxable Temporary Differences (-)	(1,880)	(1,343)
Arising from Reversal of Taxable Temporary Differences (+)	217	2,864
Arising from Origination of Financial Losses (+)	--	--
Arising from Reversal of Financial Losses (-)	--	(6,035)
Arising from Origination of Tax Deductions and Exemptions (+)	--	--
Arising from Reversal of Tax Deductions and Exemptions (-)	--	--
Total	(7,334)	1,456
Provision	--	--
Net deferred tax	(7,334)	1,456

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

Sources of deferred tax benefit/charge	Current Period	Prior Period
Arising from Origination (+)/ Reversal (-) of Deductible Temporary Differences	(5,671)	5,970
Arising from Origination (-)/ Reversal (+) of Taxable Temporary Differences	(1,663)	1,521
Arising from Origination (+)/ Reversal (-) of Tax Losses	--	(6,035)
Arising from Origination (+)/ Reversal (-) of Unused Tax Credits	--	--
Total	(7,334)	1,456
Provision	--	--
Net deferred tax	(7,334)	1,456

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

	Current Period	Prior Period
Profit/(Loss) Before Tax from Continuing Operations	95,190	58,928
Tax Benefit/(Charge) on Continuing Operations	(20,980)	(15,122)
Net Profit/(Loss) from Continuing Operations	74,210	43,806

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 Bank'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.

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11.2 *Changes in estimations made by the Bank with respect to the financial statement items do not have a material effect on profit/loss.*

11.3 *As there is no minority share in shareholders' equity, there is no profit or loss attributable to the minority shares.*

12. If "other" lines of the income statement exceeds 10% of the period profit/loss, information on components making up at least 20% of "other" items

Current year "net fees and commissions income-other" mainly comprised of investment fund commissions, insurance commissions, credit cards commissions and other commissions

Current year "net fees and commissions expense-other" mainly comprised of borrowing commissions, commissions paid to banks and commissions paid to securities issued.

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

1. Information on inflation adjustment difference of shareholders' equity

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

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

2. Information on profit distribution

The decision relating to distribution of profit of 2014 will be made in General Board Meeting.

3. Information on foreign exchange difference

None.

4. Information on available for sale financial assets

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

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VI. Explanations and disclosures related to the statement of cash flows

1. Information on cash and cash equivalents

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

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

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

	1 January 2014	1 January 2013
Cash	61,897	20,456
Banks and Other Financial Institutions	312,916	146,965
Money Market Placements	46,697	30,304
Borrowings from Money Markets	(225,988)	(97,247)
Total Cash and Cash Equivalent Assets	195,522	100,478

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

	31 December 2014	31 December 2013
Cash	48,221	61,897
Banks and Other Financial Institutions	410,024	312,916
Money Market Placements	23,189	46,697
Borrowings from Money Markets	(325,977)	(225,988)
Total Cash and Cash Equivalents Assets	155,457	195,522

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

In the current period, demand deposits of TL 4,809 which is blocked at foriegn banks as the gurantee of derivative transacitons and and required reserves at the Central Bank of Turkish Republic are not included in cash and cash equilavent assets. (31 December 2013: TL 60,387)

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

“Other items” amounting to TL 47,285 in “operating profit before changes in operating assets and liabilities” consists of other operating expenses and realized derivative losses (31 December 2013: TL (50,261)).

“Net increase/decrease in other liabilities” amounting to TL (169,381) in “Changes in operating assets and liabilities” consists of changes in sundry creditors, taxes and due payables, other liabilities (31 December 2013: TL (53,357)).

“Net increase/decrease in other assets” amounting to TL (45,871) in “Changes in operating assets and liabilities” consists of changes in sundry receivables, other receivables (31 December 2013: TL (6,375)).

Investment activities arised from net cash flow including “Other” account of TL (17,499) consists of purchases of intangible asset (31 December 2013: TL (4,605)).

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

VII. Explanations and disclosures on the risk group of the 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	--	--	--	87	2,475	18,736
Balance at the End of the Period	--	--	--	20	770	15,000
Interest and Commission Income Received	--	--	--	--	341	92

(*) 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	--	--	--	--	31,845	4,959
Balance at the End of the Period	--	--	--	87	2,475	18,736
Interest and Commission Income Received	--	--	5	--	869	53

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

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

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1.2 Information on deposits to the Bank's risk group

Bank's Risk Group (*)	Associates and Subsidiaries		Bank's Direct and Indirect Shareholder		Other Real Persons and Legal Entities in Risk Group	
	Current	Prior Period	Current	Prior Period	Current	Prior Period
	Period	Period	Period	Period	Period	Period
Deposits						
Balance at the Beginning of the Period	5,128	--	16,769	2,644	79,203	119,992
Balance at the End of the Period	4,872	5,128	31,138	16,769	161,257	79,203
Deposit Interest Expense	483	124	841	1,419	10,712	5,941

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

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

Subordinated loan amount obtained from Bank's risk group is TL 116,677 (31 December 2013: TL 107,389). Funds obtained from other related parties amount to TL 30,858 (31 December 2013: TL 101,655).

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	Prior Period	Current	Prior Period	Current	Prior Period
	Period	Period	Period	Period	Period	Period
Financial Assets at Fair Value Through Profit and Loss:						
Balance at the Beginning of the Period	--	--	--	--	146,863	165,714
Balance at the End of the Period	--	--	--	--	76,728	146,863
Total Income/Loss	--	--	--	--	2,084	3,297
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 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 31 December 2014, the ratio of the loans and other receivables used by the entities of risk group to total loans and receivables is 0.01% and the ratio of the deposits of entities of risk group to total deposits is 3.75%. Ratio of funds obtained from entities of risk group to total funds borrowed is 10.3%. In current period benefits provided to the key management is TL 5,355 (1 January - 31 December 2013: TL 5,084).

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF
1 JANUARY - 31 DECEMBER 2014**

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

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.

VIII. Explanations on the 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	67	1,222			
			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-		

IX. Events after balance sheet

None.

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF
1 JANUARY - 31 DECEMBER 2014**

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

SECTION SIX

OTHER EXPLANATIONS ON THE OPERATIONS OF THE BANK

None.

SECTION SEVEN

EXPLANATIONS ON AUDITORS' REPORT

I. Explanations on the auditors' report

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

II. Other footnotes and explanations prepared by the independent auditors

None.