

FİBANKA A.Ş.

**LIMITED REVIEW REPORT,
UNCONSOLIDATED FINANCIAL
STATEMENTS AND FOOTNOTES
FOR THE INTERIM PERIOD
1 JANUARY – 30 JUNE 2014**

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

To the Board of Directors of
Fibabanka A.Ş.
İstanbul

FİBABANKA A.Ş.

**INDEPENDENT AUDITORS' LIMITED REVIEW REPORT
FOR THE INTERIM PERIOD 1 JANUARY – 30 JUNE 2014**

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

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

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

Additional paragraph for English translation:

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

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

Şule Firuzment Bekçe
Partner



İstanbul, 11 August 2014



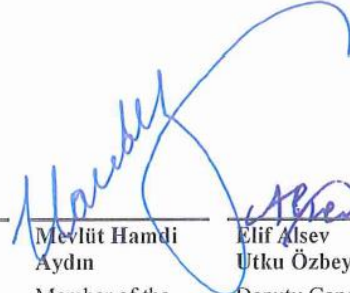



THE UNCONSOLIDATED FINANCIAL REPORT OF FİBABANKA A.Ş. FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2014

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

- GENERAL INFORMATION ABOUT THE BANK
- UNCONSOLIDATED INTERIM PERIOD 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 TO UNCONSOLIDATED FINANCIAL STATEMENTS
- OTHER DISCLOSURES AND FOOTNOTES
- LIMITED AUDITORS' REPORT

The unconsolidated financial statements for the six months period 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 reviewed and presented as attached.

					
Hüsnü Mustafa Özyeğin	Fevzi Bozer	Mevlüt Hamdi Aydın	Elif Alsev Utku Özbey	Elif Alsev Utku Özbey	Ayşe Akdaş
Chairman of Board of Directors	Member of the Audit Committee	Member of the Audit Committee	Deputy 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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FİBABANKA A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF 1 JANUARY-30 JUNE 2014

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

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 30 June 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.

FİBABANKA A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF 1 JANUARY-30 JUNE 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>
Board of Directors		
Hüsnü Mustafa Özyeğin	Chairman	27 December 2010
Fevzi Bozer	Deputy Chairman	27 December 2010
M. Erhan Polat	Member	27 December 2010
Mehmet Güleşçi	Member	27 December 2010
Bekir Dildar*	Member-General Manager	27 December 2010
Mevlüt Hamdi Aydın	Member	24 January 2013
İsmet Kaya Erdem	Member	11 February 2013
Audit Committee		
Fevzi Bozer	Member	27 December 2010
Mevlüt Hamdi Aydın	Member	24 January 2013
Assistant General Managers		
Elif Alev Utku Özbey	AGM-Financial Control & Reporting	7 January 2011
Adem Aykın	AGM-Information Technologies	1 July 2011
Esra Osmanağaoğlu	AGM-Operations & Organization	29 February 2012
Emre Ergun**	AGM-Retail Banking	1 June 2012
Cengiz Sinanoğlu	Coordinator – Retail Credits	7 February 2013
Ahu Dolu	Coordinator – Financial Institutions	12 August 2013
Turgay Hasdiker	Coordinator - Corporate & Commercial Credits	1 March 2014
Kerim Lokman Kuriş	Coordinator – Corporate & Commercial Banking	1 May 2014

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

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

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

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

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

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.

<u>Name Surname/ Commercial Title</u>	<u>Share Amount (Nominal)</u>	<u>Share Ratios</u>	<u>Paid in Capital (Nominal)</u>	<u>Unpaid Shares</u>
Fiba Holding A.Ş.	542,255	98.6%	542,255	--
Hüsnü Mustafa Özyeğin	502,508	91.4%	502,508	--

FİBABANKA A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF 1 JANUARY-30 JUNE 2014

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

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 30 June 2014, the Bank serves with 63 domestic branches and 1,152 employees.

VI. Other Information

The Bank's Commercial Title:	Fibabanka Anonim Şirketi
The Bank's Head Office Address:	Emirhan Cad. Barbaros Plaza İş Merkezi No:113 Dikilitaş/Beşiktaş 34349 İstanbul
The Bank's Phone and Fax Numbers:	Telephone : (0212) 381 82 00 Fax : (0212) 258 37 78
The Bank's Web Site Address:	www.fibabanka.com.tr
The Bank's E-Mail Address:	malikontrol@fibabanka.com.tr
Reporting Period:	1 January 2014 – 30 June 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

FİBANKA A.Ş.
UNCONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)
AS OF 30 JUNE 2014

(Amount expressed in thousands of Turkish Lira)

ASSETS	Note	CURRENT PERIOD			PRIOR PERIOD		
		(30/06/2014)			(31/12/2013)		
		TL	FC	Total	TL	FC	Total
I. CASH AND BALANCES WITH THE CENTRAL BANK	(5.1.1)	72,734	828,784	901,518	106,360	698,167	804,527
II. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS (Net)	(5.1.2)	33,550	5,155	38,705	65,312	10,181	75,493
2.1 Financial Assets Held for Trading		33,550	5,155	38,705	65,312	10,181	75,493
2.1.1 Government Debt Securities		15,266	3,148	18,414	13,436	3,407	16,843
2.1.2 Share Certificates		-	-	-	-	-	-
2.1.3 Derivative Financial Assets Held for Trading		18,284	1,796	20,080	51,876	6,631	58,507
2.1.4 Other Marketable Securities		-	211	211	-	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)	274,227	74,835	349,062	78,358	135,800	214,158
IV. MONEY MARKET PLACEMENTS		-	10,617	10,617	-	46,697	46,697
4.1 Interbank Money Market Placements		-	-	-	-	-	-
4.2 Istanbul Stock Exchange Money Market Placements		-	10,617	10,617	-	46,697	46,697
4.3 Receivables from Reverse Repurchase Agreements		-	-	-	-	-	-
V. FINANCIAL ASSETS AVAILABLE FOR SALE (Net)	(5.1.4)	17,851	243,726	261,577	17,297	248,347	265,644
5.1 Share Certificates		-	-	-	-	-	-
5.2 Government Securities		17,851	4,045	21,896	17,297	6,703	24,000
5.3 Other Marketable Securities		-	239,681	239,681	-	241,644	241,644
VI. LOANS	(5.1.5)	4,028,128	1,683,085	5,711,213	3,550,940	1,629,014	5,179,954
6.1 Loans		3,993,333	1,683,085	5,676,418	3,525,579	1,629,014	5,154,593
6.1.1 Loans to the Bank's Risk Group		189	-	189	189	-	189
6.1.2 Government Securities		-	-	-	-	-	-
6.1.3 Others		3,993,144	1,683,085	5,676,229	3,525,390	1,629,014	5,154,404
6.2 Non-Performing Loans		81,435	-	81,435	60,415	-	60,415
6.3 Specific Provisions (-)		46,640	-	46,640	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)	32,487	-	32,487	32,766	-	32,766
XV. INTANGIBLE ASSETS (Net)	(5.1.13)	5,737	-	5,737	6,985	-	6,985
15.1 Goodwill		-	-	-	-	-	-
15.2 Other		5,737	-	5,737	6,985	-	6,985
XVI. INVESTMENT PROPERTY (Net)	(5.1.14)	-	-	-	-	-	-
XVII. TAX ASSETS		4,913	-	4,913	13,243	-	13,243
17.1 Current Tax Asset		-	-	-	-	-	-
17.2 Deferred Tax Asset	(5.1.15)	4,913	-	4,913	13,243	-	13,243
XVIII. ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (Net)	(5.1.16)	1,038	-	1,038	1,173	-	1,173
18.1 Held for Sale		1,038	-	1,038	1,173	-	1,173
18.2 Discontinued Operations		-	-	-	-	-	-
XIX. OTHER ASSETS	(5.1.17)	21,444	4,251	25,695	12,362	5,432	17,794
TOTAL ASSETS		4,497,554	2,850,453	7,348,007	3,890,241	2,773,638	6,663,879

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

FIBABANKA A.Ş.

UNCONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)

AS OF 30 JUNE 2014

(Amount expressed in thousands of Turkish Lira)

LIABILITIES	Note	CURRENT PERIOD (30/06/2014)			PRIOR PERIOD (31/12/2013)		
		TL	FC	Total	TL	FC	Total
		I. DEPOSITS	(5.II.1)	2,778,765	2,197,222	4,975,987	2,761,058
1.1 Deposits from the Bank's Risk Group		40,256	75,036	115,292	68,967	32,133	101,100
1.2 Other		2,738,509	2,122,186	4,860,695	2,692,091	1,754,986	4,447,077
II. DERIVATIVE FINANCIAL LIABILITIES HELD FOR TRADING	(5.II.2)	18,639	1,836	20,475	73,978	6,740	80,718
III. FUNDS BORROWED	(5.II.3)	20,203	598,219	618,422	19,389	539,692	559,081
IV. MONEY MARKET FUNDS		20,932	200,354	221,286	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		20,932	200,354	221,286	18,577	207,411	225,988
V. MARKETABLE SECURITIES ISSUED	(5.II.4)	473,497	-	473,497	297,160	-	297,160
5.1 Bills		285,956	-	285,956	108,725	-	108,725
5.2 Asset-backed Securities		-	-	-	-	-	-
5.3 Bonds		187,541	-	187,541	188,435	-	188,435
VI. FUNDS		-	-	-	-	-	-
6.1 Borrower Funds		-	-	-	-	-	-
6.2 Other		-	-	-	-	-	-
VII. SUNDRY CREDITORS	(5.II.5)	44,620	8,078	52,698	51,159	3,096	54,255
VIII. OTHER LIABILITIES	(5.II.5)	72,699	3,905	76,604	38,856	5,970	44,826
IX. FACTORING PAYABLES		-	-	-	-	-	-
X. LEASE PAYABLES (Net)	(5.II.6)	-	233	233	-	260	260
10.1 Finance Lease Payables		-	260	260	-	295	295
10.2 Operating Lease Payables		-	-	-	-	-	-
10.3 Other		-	-	-	-	-	-
10.4 Deferred Finance Lease Expenses (-)		-	27	27	-	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)	69,506	-	69,506	63,782	-	63,782
12.1 General Loan Loss Provision		55,939	-	55,939	52,237	-	52,237
12.2 Provision for Restructuring		-	-	-	-	-	-
12.3 Reserves for Employee Benefits		9,413	-	9,413	7,948	-	7,948
12.4 Insurance Technical Reserves (Net)		-	-	-	-	-	-
12.5 Other Provisions		4,154	-	4,154	3,597	-	3,597
XIII. TAX LIABILITY	(5.II.9)	18,754	-	18,754	17,039	-	17,039
13.1 Current Tax Liability		18,754	-	18,754	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)	-	273,267	273,267	-	275,420	275,420
XVI. SHAREHOLDERS' EQUITY	(5.II.12)	555,949	(8,671)	547,278	520,509	(23,336)	497,173
16.1 Paid-in Capital		550,000	-	550,000	550,000	-	550,000
16.2 Capital Reserves		(281)	(8,671)	(8,952)	(721)	(23,336)	(24,057)
16.2.1 Share premium		-	-	-	-	-	-
16.2.2 Share Cancellation Profits		-	-	-	-	-	-
16.2.3 Marketable Securities Revaluation Reserve		(281)	(8,671)	(8,952)	(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		-	-	-	-	-	-
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		6,230	-	6,230	(28,770)	-	(28,770)
16.4.1 Prior Years' Profit/Loss		(28,770)	-	(28,770)	(72,576)	-	(72,576)
16.4.2 Current Year Profit/Loss		35,000	-	35,000	43,806	-	43,806
16.5 Minority Interest	(5.II.13)	-	-	-	-	-	-
TOTAL LIABILITIES AND EQUITY		4,073,564	3,274,443	7,348,007	3,861,507	2,802,372	6,663,879

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

FİBANKA A.Ş.

UNCONSOLIDATED OFF-BALANCE SHEET COMMITMENTS

AS OF 30 JUNE 2014

(Amount expressed in thousands of Turkish Lira)

	Note	CURRENT PERIOD (30/06/2014)			PRIOR PERIOD (31/12/2013)		
		TL	FC	Total	TL	FC	Total
A. OFF-BALANCE SHEET CONTINGENCIES AND COMMITMENTS (I+II+III)		2,006,803	3,875,486	5,882,289	3,412,211	5,755,920	9,168,131
I. GUARANTEES AND SURETYSHIPS	(5.III.1)	296,856	496,497	793,353	260,466	466,671	727,137
1.1. Letters of Guarantee		296,379	196,962	493,341	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		296,379	196,962	493,341	260,316	176,831	437,147
1.2. Bank Loans		477	98,833	99,310	150	92,515	92,665
1.2.1. Import Letters of Acceptance		-	-	-	-	-	-
1.2.2. Other Bank Acceptances		477	98,833	99,310	150	92,515	92,665
1.3. Letters of Credit		-	200,702	200,702	-	197,325	197,325
1.3.1. Documentary Letters of Credit		-	-	-	-	-	-
1.3.2. Other Letters of Credit		-	200,702	200,702	-	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		334,423	296,800	631,223	533,825	375,045	908,870
2.1. Irrevocable Commitments	(5.III.1)	334,423	296,800	631,223	533,825	375,045	908,870
2.1.1. Forward asset purchase and Sales commitments		135,956	296,800	432,756	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		70,355	-	70,355	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		117,008	-	117,008	86,442	-	86,442
2.1.8. Tax and Fund Liabilities from Export Commitments		2,693	-	2,693	2,484	-	2,484
2.1.9. Commitments for Credit Card Expenditure Limits		6,510	-	6,510	9,180	-	9,180
2.1.10. Commitments for Promotions Related with Credit Cards and Banking Activities		3	-	3	-	-	-
2.1.11. Receivables from Short Sale Commitments		-	-	-	-	-	-
2.1.12. Payables for Short Sale Commitments		-	-	-	-	-	-
2.1.13. Other Irrevocable Commitments		1,898	-	1,898	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)	1,375,524	3,082,189	4,457,713	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		1,375,524	3,082,189	4,457,713	2,617,920	4,914,204	7,532,124
3.2.1. Forward Foreign Currency Buy/Sell Transactions		222,595	349,308	571,903	512,220	851,925	1,364,145
3.2.1.1. Forward Foreign Currency Transactions-Buy		115,806	170,331	286,137	191,533	490,373	681,906
3.2.1.2. Forward Foreign Currency Transactions-Sell		106,789	178,977	285,766	320,687	361,552	682,239
3.2.2. Swap Transactions Related to F.C. and Interest Rates		234,042	1,160,380	1,394,422	1,153,946	1,825,538	2,979,484
3.2.2.1. Foreign Currency Swap-Buy		156,384	536,264	692,648	983,311	498,355	1,481,666
3.2.2.2. Foreign Currency Swap-Sell		77,658	624,116	701,774	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		918,887	1,572,501	2,491,388	951,754	2,236,741	3,188,495
3.2.3.1. Foreign Currency Options-Buy		251,352	983,479	1,234,831	303,500	1,284,269	1,587,769
3.2.3.2. Foreign Currency Options-Sell		667,535	589,022	1,256,557	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)		41,556,126	22,550,351	64,106,477	34,553,221	21,196,482	55,749,703
IV. ITEMS HELD IN CUSTODY		327,047	124,552	451,599	218,243	81,073	299,316
4.1. Assets under Management		105,600	-	105,600	79,665	-	79,665
4.2. Investment Securities Held in Custody		-	41,477	41,477	3,799	40,137	43,936
4.3. Checks Received for Collection		140,366	80,508	220,874	116,783	36,390	153,173
4.4. Commercial Notes Received for Collection		77,373	2,567	79,940	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		41,229,079	22,425,799	63,654,878	34,334,978	21,115,409	55,450,387
5.1. Marketable Securities		48,016	168	48,184	21,510	468	21,978
5.2. Guarantee Notes		210,792	53,058	263,850	179,792	39,557	219,349
5.3. Commodity		271,711	-	271,711	189,641	-	189,641
5.4. Warranty		-	-	-	-	-	-
5.5. Properties		3,936,122	3,577,227	7,513,349	3,180,391	2,663,142	5,843,533
5.6. Other Pledged Items		36,762,438	18,795,346	55,557,784	30,763,644	18,412,242	49,175,886
5.7. Pledged Items-Depository		-	-	-	-	-	-
VI. ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES		-	-	-	-	-	-
TOTAL OFF-BALANCE SHEET ACCOUNTS (A+B)		43,562,929	26,425,837	69,988,766	37,965,432	26,952,402	64,917,834

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

FİBANKA A.Ş.
UNCONSOLIDATED INCOME STATEMENT
FOR THE PERIOD 1 JANUARY - 30 JUNE 2014
(Amount expressed in thousands of Turkish Lira)

INCOME STATEMENT		Note	CURRENT PERIOD (01/01/2014- 30/06/2014)	PRIOR PERIOD (01/01/2013- 30/06/2013)	CURRENT PERIOD (01/04/2014- 30/06/2014)	PRIOR PERIOD (01/04/2013- 30/06/2013)
I	INTEREST INCOME	(5.IV.1)	336,163	201,296	178,849	104,131
1.1	Interest Income on Loans		324,375	195,699	172,976	100,997
1.2	Interest Received from Statutory Reserves		-	-	-	-
1.3	Interest Received from Banks		4,835	767	2,757	544
1.4	Interest Received from Money Market Placements		284	372	26	262
1.5	Interest Received from Marketable Securities Portfolio		6,646	4,445	3,077	2,324
1.5.1	Financial Assets Held for Trading		466	453	245	197
1.5.2	Financial Assets at Fair Value Through Profit and Loss		-	-	-	-
1.5.3	Financial Assets Available for Sale		6,180	3,992	2,832	2,127
1.5.4	Investments Held to Maturity		-	-	-	-
1.6	Finance Lease Income		-	-	-	-
1.7	Other Interest Income		23	13	13	4
II	INTEREST EXPENSE		192,189	103,810	100,571	52,997
2.1	Interest on Deposits	(5.IV.2)	152,942	84,858	78,596	42,912
2.2	Interest on Funds Borrowed	(5.IV.2)	16,134	8,184	7,868	4,259
2.3	Interest on Money Market Funds		12	-	12	-
2.4	Interest on Securities Issued	(5.IV.2)	21,403	9,440	13,245	5,165
2.5	Other Interest Expense		1,698	1,328	850	661
III	NET INTEREST INCOME/EXPENSE (I - II)		143,974	97,486	78,278	51,134
IV	NET FEES AND COMMISSIONS INCOME/EXPENSE		7,027	5,372	3,309	3,417
4.1	Fees and Commissions Received		11,816	7,977	5,882	4,885
4.1.1	Non-cash Loans		3,624	2,385	1,821	1,235
4.1.2	Other	(5.IV.12)	8,192	5,592	4,061	3,650
4.2	Fees and Commissions Paid		4,789	2,605	2,573	1,468
4.2.1	Non-cash Loans		19	14	10	7
4.2.2	Other	(5.IV.12)	4,770	2,591	2,563	1,461
V	DIVIDEND INCOME	(5.IV.3)	-	-	-	-
VI	TRADING INCOME / LOSS (Net)	(5.IV.4)	16,435	9,604	5,187	4,539
6.1	Gains/Losses on Securities Trading		1,992	(350)	1,702	(707)
6.2	Derivative Financial Transactions Gains/Losses		19,449	5,799	2,881	3,884
6.3	Foreign Exchange Gains/Losses		(5,006)	4,155	604	1,362
VII	OTHER OPERATING INCOME	(5.IV.5)	4,006	2,224	2,086	1,037
VIII	TOTAL OPERATING INCOME/EXPENSE (III+IV+V+VI+VII)		171,442	114,686	88,860	60,127
IX	PROVISION FOR LOSSES ON LOANS AND OTHER RECEIVABLES (-)	(5.IV.6)	29,064	22,087	19,829	11,248
X	OTHER OPERATING EXPENSES (-)	(5.IV.7)	97,335	65,261	49,420	35,678
XI	NET OPERATING INCOME / LOSS (VIII-IX-X)		45,043	27,338	19,611	13,201
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)	45,043	27,338	19,611	13,201
XVI	TAX PROVISION FOR CONTINUING OPERATIONS (±)	(5.IV.9)	(10,043)	(7,926)	(4,476)	(3,948)
16.1	Current Tax Charge		(5,490)	(5,629)	(5,490)	(5,629)
16.2	Deferred Tax Charge /(Benefit)		(4,553)	(2,297)	1,014	1,681
XVII	NET PERIOD PROFIT/LOSS FROM CONTINUING OPERATIONS (XV±XVI)	(5.IV.10)	35,000	19,412	15,135	9,253
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)	35,000	19,412	15,135	9,253
23.1	Group's Profit/Loss		35,000	19,412	15,135	9,253
23.2	Minority Interest Profit/Loss		-	-	-	-
	Earnings per Share		0.00064	0.00041	0.00028	0.00019

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 - 30 JUNE 2014

(Amount expressed in thousands of Turkish Lira)

	CURRENT PERIOD	PRIOR PERIOD
STATEMENT OF INCOME AND EXPENSE ITEMS ACCOUNTED UNDER EQUITY	(01/01/2014-30/06/2014)	(01/01/2013-30/06/2013)
I. ADDITIONS TO MARKETABLE SECURITIES REVALUATION RESERVES FROM FINANCIAL ASSETS AVAILABLE FOR SALE	21,448	(21,128)
II. TANGIBLE ASSETS REVALUATION RESERVES	-	-
III. INTANGIBLE ASSETS REVALUATION RESERVES	-	-
IV. TRANSLATION ADJUSTMENT FOR FOREIGN CURRENCY TRANSACTIONS	-	-
V. PROFIT/LOSS ON CASH FLOW HEDGE DERIVATIVE FINANCIAL ASSETS (Effective Portion of the Changes in Fair Value)	-	-
VI. PROFIT/LOSS ON NET FOREIGN INVESTMENT HEDGE DERIVATIVE FINANCIAL ASSETS (Effective Portion of the Changes in Fair Value)	-	-
VII. THE EFFECT OF CORRECTIONS OF THE ERRORS AND CHANGES IN THE ACCOUNTING POLICY	-	-
VIII. OTHER INCOME AND EXPENSES RECOGNISED IN EQUITY IN ACCORDANCE WITH TAS	-	-
IX. DEFERRED TAX EFFECT OF REVALUATION	(3,777)	4,500
X. NET INCOME/EXPENSE DIRECTLY RECOGNISED IN EQUITY (I+II+...+IX)	17,671	(16,628)
XI. PROFIT/LOSS FOR THE PERIOD	(2,566)	(1,375)
11.1 Net Changes in the Fair Values of Marketable Securities (Transfer to Profit/Loss)	(2,566)	(1,375)
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)	15,105	(18,003)

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 - 30 JUNE 2014
(Amount expressed in thousands of Turkish Lira)

CHANGES IN SHAREHOLDERS' EQUITY	Note	Paid-in Capital	Paid-in Capital Inflation Adjustment	Share Premium	Share Cancellation Profits	Legal Reserves	Statutory Reserves	Extraordinary Reserves	Other Reserves	Current Period Profit/Loss	Prior Period Profit/Loss	Marketable Securities Revaluation Reserve	Tangible and Intangible Assets Revaluation Reserve	Bonus Shares from Equity Participations	Hedge Funds	Accumulated Rev. Reserve on Assets Held for Sale and Discontinued Oper.	Total Equity Excluding Minority Interest	Minority Interests	Total Equity
PRIOR PERIOD (01/01/2013 - 30/06/2013)																			
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		-	-	-	-	-	-	-	-	-	-	(18,003)	-	-	-	-	(18,003)	-	(18,003)
VI. Hedge Funds (Effective Portion)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6.1 Cash Flow Hedges		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6.2 Net Foreign Investment Hedges		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII. Tangible Assets Revaluation Reserve		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII. Intangible Assets Revaluation Reserve		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX. Bonus Shares from Associates, Subsidiaries and Jointly Controlled Entities (Joint Ventures)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X. Foreign Exchange Differences		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI. The Effect of Disposal of Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XII. The Effect of Reclassification of Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIII. The Effect of Changes in the Equity of Subsidiaries on the Equity of the Bank		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV. Capital Increase		123,350	(17,416)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14.1 Cash		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		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIX. Net Profit/Loss for the Period		-	-	-	-	-	-	-	-	19,412	(1,346)	-	-	-	-	-	(1,346)	-	(1,346)
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	-	-	-	-	-	-	-	19,412	(72,569)	(17,679)	-	-	-	-	479,164	-	479,164
CURRENT PERIOD (01/01/2014 - 30/06/2014)																			
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		-	-	-	-	-	-	-	-	-	-	15,105	-	-	-	-	15,105	-	15,105
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		-	-	-	-	-	-	-	-	35,000	-	-	-	-	-	-	35,000	-	35,000
XVIII. Profit Distribution		-	-	-	-	-	-	-	-	(43,806)	43,806	-	-	-	-	-	-	-	-
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	-	-	-	-	-	-	-	35,000	(28,770)	(8,952)	-	-	-	-	547,278	-	547,278

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

FİBANKA A.Ş.
UNCONSOLIDATED CASH FLOW STATEMENT
FOR THE PERIOD 1 JANUARY - 30 JUNE 2014
(Amount expressed in thousands of Turkish Lira)

	Note	CURRENT PERIOD (01/01/2014- 30/06/2014)	PRIOR PERIOD (01/01/2013- 30/06/2013)
A. CASH FLOWS FROM BANKING OPERATIONS			
1.1 Operating Profit / Loss before Changes in Operating Assets and Liabilities		130,025	89,412
1.1.1 Interest Received (+)		327,560	208,165
1.1.2 Interest Paid (-)		178,623	97,856
1.1.3 Dividend Received (+)		-	-
1.1.4 Fees and Commissions Received (+)		12,212	8,293
1.1.5 Other Income (+)		2,926	7,685
1.1.6 Collections from Previously Written Off Loans (+)		2,136	196
1.1.7 Cash Payments to Personnel and Service Suppliers (-)		82,045	55,432
1.1.8 Taxes Paid (-)		3,849	3,002
1.1.9 Other (+/-)		49,708	21,363
1.2 Changes in Banking Operations Assets and Liabilities		(198,796)	56,115
1.2.1 Net (Increase) Decrease in Financial Assets Held for Trading (+/-)		303	5,626
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 (+/-)		145,030	(41,091)
1.2.4 Net (Increase) Decrease in Loans (+/-)		(619,087)	(725,659)
1.2.5 Net (Increase) Decrease in Other Assets (+/-)		(6,089)	(4,517)
1.2.6 Net Increase (Decrease) in Bank Deposits (+/-)		142,896	66,524
1.2.7 Net Increase (Decrease) in Other Deposits (+/-)		280,814	804,067
1.2.8 Net Increase (Decrease) in Borrower Funds (+/-)		59,250	44,693
1.2.9 Net Increase (Decrease) in Matured Payables (+/-)		-	-
1.2.10 Net Increase (Decrease) in Other Liabilities (+/-)		(201,913)	(93,528)
I Net Cash Flow Provided from Banking Operations (+/-)		(68,771)	145,527
B. CASH FLOW FROM INVESTING ACTIVITIES		-	-
II Net Cash Flow Provided from Investment Activities (+/-)		19,739	(162,296)
2.1 Cash Paid for Purchase of Associates, Subsidiaries and Jointly Controlled Entities (Joint Ventures) (-)		-	-
2.2 Cash Obtained from Sale of Associates, Subsidiaries and Jointly Controlled Entities (Joint Ventures) (+)		-	-
2.3 Tangible Asset Purchases (-)		4,331	6,595
2.4 Tangible Asset Sales (+)		1,322	1,846
2.5 Cash Paid for Purchase of Financial Assets Available for Sale (-)		30,080	235,722
2.6 Cash Obtained from Sales of Financial Assets Available for Sale (+)		53,673	78,995
2.7 Cash Paid for Purchase of Investment Securities (-)		-	-
2.8 Cash Obtained from Sales of Investment Securities (+)		-	-
2.9 Other (+/-)		(845)	(820)
C. CASH FLOWS FROM FINANCIAL ACTIVITIES		-	-
III Net Cash Provided from Financing Activities (+/-)		166,962	66,113
3.1 Cash Obtained from Funds Borrowed and Securities Issued (+)		272,215	94,681
3.2 Cash Used for Repayment of Funds Borrowed and Securities Issued (-)		105,253	125,000
3.3 Share Certificates Issued (+)		-	96,432
3.4 Dividends Paid (-)		-	-
3.5 Payments for Finance Leases (-)		-	-
3.6 Other (+/-)		-	-
IV. Effect of Change in Foreign Exchange Rate on Cash and Cash Equivalents (+/-)		1,629	5,336
V. Net Increase in Cash and Cash Equivalents (I+II+III+IV)		119,559	54,680
VI. Cash and Cash Equivalents at the Beginning of the Period (+)		195,522	100,478
VII. Cash and Cash Equivalents at the End of the Period (V+VI)		315,081	155,158

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

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF
1 JANUARY-30 JUNE 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, and Turkish Accounting Standards (“TAS”), Turkish Financial Reporting Standards (“TFRS”) and the related statements and guidance announced by the Public Oversight, Accounting and Auditing Standards Authority (“KGG”).

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.

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.

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF
1 JANUARY-30 JUNE 2014**

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

2. Foreign currency transactions

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

The 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 30 June 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:

	30 June 2014	31 December 2013
US Dollar	2.1234	2.1343
Euro	2.8919	2.9365

2.2 Foreign exchange gains and losses included in the income statement

As of 30 June 2014, net foreign exchange loss included in the income statement amounts is TL 5,006 (30 June 2013: TL 4,155 gain).

III. Explanations on Subsidiaries and Affiliates

At the unconsolidated financial statements; subsidiaries and affiliates are accounted according to 'Financial Instruments: Turkish Accounting Standard on Recognition and Measurement ("TAS 39")' announcement.

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.

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF
1 JANUARY-30 JUNE 2014**

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

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”.

2. Available for sale financial assets

Financial assets available-for-sale, are financial assets other than assets held for trading purposes, investments held-to-maturity and originated loans and receivables. Financial assets available-for-sale is 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 30 June 2014.

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF
1 JANUARY-30 JUNE 2014**

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

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.

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.

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF
1 JANUARY-30 JUNE 2014**

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

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

A tangible asset (or a disposal group) classified as “asset held for sale” is measured at the lower of the carrying value or fair value less costs to sell. Assets held for sale are not depreciated and presented in the financial statements separately. An asset (or a disposal group) is regarded as “asset held for sale” only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. For a highly probable sale, there must be a valid plan prepared by the management for the sale of asset including identification of possible buyers and completion of sale process. Furthermore, the asset should be actively marketed at a price consistent with its fair value.

Events or circumstances may extend the period to complete the sale beyond one year. An extension of the period required to complete a sale does not preclude an asset (or disposal group) from being classified as held for sale if the delay is caused by events or circumstances beyond the entity's control and there is sufficient evidence that the entity remains committed to its plan to sell the asset (or disposal group).

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

XII. Explanations on goodwill and other intangible assets

As at the balance sheet date, there is no goodwill in the accompanying financial statements. The intangible assets of the 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.

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF
1 JANUARY-30 JUNE 2014**

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

XIII. Explanations on tangible assets

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

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

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

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

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

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

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

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

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

XIV. Explanations on leasing transactions

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

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF
1 JANUARY-30 JUNE 2014**

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

XVI. Explanations on contingent assets

The contingent assets usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits to the 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 Standard on the Benefits Provided to Employees. Severance payment liability recognized in the balance sheet is calculated according to the net present value of expected amount in the future arising from all employees' retirements and represented in financial statements. All the actuarial gains and losses as are accounted for as other comprehensive income.

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

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

There is no employee foundation, fund or similar institutions.

XXIII. 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.

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF
1 JANUARY-30 JUNE 2014**

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

XXIII. Explanations on taxation (continued)

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

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

The tax liability of the Bank as of 30 June 2014 is TL 5,846 (31 December 2013: TL 16,578).

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 30 June 2014, the deferred tax asset is TL 4,913 (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 30 June 2014, deferred tax charge is TL 4,553 (30 June 2013: TL 2,297 charge). Deferred tax effects of the transactions and events recognized directly in the shareholders’ equity are also recognized directly in the shareholders’ equity which is TL 2,238 (benefit) as of 30 June 2014 (31 December 2013: TL 6,014 benefit).

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.

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF
1 JANUARY-30 JUNE 2014**

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

XIX. Additional explanations on borrowings

The Bank provides resources by using loans from domestic and foreign foundations and issuing bonds and bills.

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.

XX. Explanations on share certificates issued

None.

XXI. Explanations on bank acceptances and bills of guarantee

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

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

XXII. Explanation on government incentives

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

XXIII. Explanations on segment reporting

Explanations on segment reporting are presented in the Note VI. of part four.

XXIV. Other matters

None.

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SECTION FOUR

FINANCIAL POSITION AND RISK MANAGEMENT

I. Explanations on capital adequacy ratio

As of 30 June 2014, the unconsolidated capital adequacy ratio is 13.43%.

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

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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	--	--	64,597	768,649	767,450	3,943,469	118,302	228,808
Exposure Categories	1,122,761	--	322,984	1,537,298	1,023,267	3,943,469	78,868	114,404
Conditional and Unconditional Receivables from Central Governments or Central Banks	852,929	--	--	21,896	--	--	--	--
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	215,298	--	322,984	310,263	--	74	72	--
Conditional and Unconditional Corporate Receivables	500	--	--	8,209	--	3,520,368	--	--
Conditional and Unconditional Retail Receivables	--	--	--	--	1,023,267	--	--	--
Conditional and Unconditional Receivables Secured by Mortgages	--	--	--	1,190,533	--	300,231	--	--
Past Due Receivables	--	--	--	4,752	--	22,930	3,381	-
Receivables Defined in High Risk Category by BRSA	--	--	--	1,645	--	2,192	75,415	114,404
Securities Collateralised by Mortgages	--	--	--	--	--	--	--	--
Securitisation Positions	--	--	--	--	--	--	--	--
Short-term Receivables from banks, Brokerage Houses and Corporates	--	--	--	--	--	--	--	--
Investments Similar to Collective Investment Funds	--	--	--	--	--	--	--	--
Other Receivables	54,034	--	--	--	--	97,674	--	--
Total Risk Weighted Assets	1,122,761	--	322,984	1,537,298	1,023,267	3,943,469	78,868	114,404

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

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)	471,302	437,126
Capital Requirement for Market Risk (CRMR)	3,166	8,245
Capital Requirement for Operational Risk (CROR)	25,668	14,660
Equity	839,823	763,188
Equity/((CRCR+MRMR+ORCR) * 12.5 * 100)	13.43%	13.27%
Core Capital/((CRCR+MRMR+ORCR)*12.5*100)	8.25%	--
Tier 1 Capital/((CRCR+MRMR+ORCR)*12.5*100)	8.33%	--

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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	129,705
Current Period Profit	35,000
Prior Period Profit	94,705
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	679,705

Deductions From Tier I Capital

Current and Prior Periods' Losses not Covered by Reserves, and Losses Accounted under Equity according to TAS (-)	132,430
Leasehold Improvements on Operational Leases (-)	20,640
Goodwill and Other Intangible Assets and Related Deferred Taxes (-)	5,736
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	158,806
Total Tier I Capital	520,899

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 (-)	--
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	--

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	Current Period
Deductions from Core Capital	
Goodwill and Other Intangible Assets and Related Deferred Taxes not deducted from Tier I Capital as per the Temporary Article 2, Clause 1 of the Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks (-)	--
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 (-)	4,913
Total Core Capital	515,986
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)	268,229
Pledged Assets of the Shareholders to be used for the Bank's Capital	--
General Provisions	55,939
Tier II Capital before Deductions	324,168
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	324,168
CAPITAL	
	840,154
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 (-)	331
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	
	839,823
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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	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

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)	268,229	268,229

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II. 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.

Periodical 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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II. Explanations on market risk (continued)
1. Information related to market risk

Current Period	Amount
(I) Capital Requirement to be Employed For General Market Risk - Standard Method	355
(II) Capital Requirement to be Employed For Specific Risk - Standard Method	49
Capital Requirement against Specific Risks of Securitisation Positions – Standard Method	--
(III) Capital Requirement to be Employed For Currency Risk - Standard Method	610
(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	27
(VII) Capital Requirement against Counterparty Credit Risks – Standard Method	2,125
(VIII) Total Capital Requirement to be Employed For Market Risk in Banks Using Risk Measurement	--
(IX) Total Capital Requirement to be Employed For Market Risk (I+II+III+IV+V+VI+VII+VIII)	3,166
(X) Amount Subject to Market Risk (12.5 x VIII) or (12.5 x IX)	39,575
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. Monthly average values at market risk

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

3. Quantitative information on counterparty risk

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

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III. Explanations on currency risk

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

As of 30 June 2014, the Bank's net long position is TL 2,487 (31 December 2013: TL 6,986 net long position) resulting from long position on the balance sheet amounting to TL 125,181 (31 December 2013: TL 681,702 long position) and short position on the off-balance amounting to TL 122,694 (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 30 June 2014 and the previous five working days in full TL are as follows:

US Dollar purchase rate as at the balance sheet date	TL 2.1234
Euro purchase rate as at the balance sheet date	TL 2.8919

Date	USD	EUR
24 June 2014	2.1392	2.9070
25 June 2014	2.1312	2.9024
26 June 2014	2.1384	2.9104
27 June 2014	2.1292	2.8992
30 June 2014	2.1234	2.8919

Simple arithmetic means of foreign exchange rates in June 2014 are 2.1157 TL for US dollar, and 2.8758 TL for Euro.

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III. Explanations on currency risk (continued)

Current Period	EUR	USD	Other	Total
Assets				
Cash and Balances with the Central Bank of Turkey	7,311	737,010	84,463	828,784
Banks	58,418	7,807	8,610	74,835
Financial Assets at Fair Value through Profit/Loss (*)	966	2,393	--	3,359
Interbank Money Market Placements	--	10,617	--	10,617
Financial Assets Available for Sale	--	243,726	--	243,726
Loans (**)	1,021,618	1,133,738	88,800	2,244,156
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 (***)	446	533	3	982
Total Assets	1,088,759	2,135,824	181,876	3,406,459
Liabilities				
Banks Deposits	165,001	165,447	27,134	357,582
Foreign Currency Deposits	278,938	1,532,670	28,032	1,839,640
Interbank Money Market Received	--	200,354	--	200,354
Funds Borrowed from Other Financial Institutions	363,764	400,905	--	764,669
Sundry Creditors	958	7,095	25	8,078
Marketable Securities Issued	--	--	--	--
Derivative Financial Liabilities Held for Hedging Purposes	--	--	--	--
Other Liabilities(****)	1,544	109,410	1	110,955
Total Liabilities	810,205	2,415,881	55,192	3,281,278
Net Balance Sheet Position	278,554	(280,057)	126,684	125,181
Net Off-Balance Sheet Position	(277,656)	284,059	(129,097)	(122,694)
Financial Derivative Assets(*****)	428,799	1,091,795	63,178	1,583,772
Financial Derivative Liabilities(*****)	706,455	807,736	192,275	1,706,466
Non-Cash Loans (*****)	87,013	409,484	--	496,497
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)
Derivative Financial Assets(*****)	807,797	1,327,638	150,189	2,285,624
Derivative Financial 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 trading derivative assets amounting to TL 1,796.

(**) The balance includes foreign currency indexed loans and accruals amounting to TL 561,071.

(***) The balance does not include TL 3,269 of prepaid expenses.

(****) The balance does not include trading derivative liabilities amounting to TL 1,836.

(*****) In the current period, exchange purchase commitments within the derivative financial assets amounted to TL 86,679 (31 December 2013: TL 178,594), exchange sale commitments within the derivative financial liabilities amounted to TL 121,369 (31 December 2013: TL 153,168).

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

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF
1 JANUARY-30 JUNE 2014**

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

IV. 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	--	--	--	--	--	901,518	901,518
Banks	326,129	--	--	--	--	22,933	349,062
Financial Assets at Fair Value Through Profit or Loss	17,925	6,746	10,776	1,361	1,897	--	38,705
Interbank Money Market Placements	10,617	--	--	--	--	--	10,617
Financial Assets Available-for-Sale	--	--	17,850	132,297	111,430	--	261,577
Loans	504,417	2,043,099	975,043	1,679,152	474,707	34,795	5,711,213
Investment Securities Held-to-Maturity	--	--	--	--	--	--	--
Other Assets (*)	--	--	--	--	--	75,315	75,315
Total Assets	859,088	2,049,845	1,003,669	1,812,810	588,034	1,034,561	7,348,007
Liabilities							
Bank Deposits	301,849	4,248	--	--	--	56,175	362,272
Other Deposits	2,256,143	1,545,725	555,214	12,353	--	244,280	4,613,715
Interbank Money Market Received	221,286	--	--	--	--	--	221,286
Sundry Creditors	--	--	--	--	--	52,698	52,698
Marketable Securities Issued	--	347,563	125,934	--	--	--	473,497
Funds Borrowed from Other Financial Institutions	48,780	416,136	319,957	--	--	--	784,873
Other Liabilities (**)	4,275	6,186	9,952	62	106,816	712,375	839,666
Total Liabilities	2,832,333	2,139,858	1,011,057	12,415	106,816	1,065,528	7,348,007
Balance Sheet Long Position	--	--	--	1,800,395	481,218	--	2,281,613
Balance Sheet Short Position	(1,973,245)	(270,013)	(7,388)	--	--	(30,967)	(2,281,613)
Off-Balance Sheet Long Position	--	--	--	--	--	2,389,914	2,389,914
Off-Balance Sheet Short Position	--	--	--	--	--	(2,411,803)	(2,411,803)
Total Position	(1,973,245)	(270,013)	(7,388)	1,800,395	481,218	(52,856)	(21,889)

(*) Non-interest bearing column includes TL 5,445 subsidiaries, TL 32,487 tangible assets, TL 5,737 intangible assets, TL 4,913 tax assets, TL 1,038 non-current assets held for sale and TL 25,695 other assets.

(**) Non-interest bearing column includes TL 547,278 shareholders' equity, TL 76,604 other liabilities, TL 233 finance lease liabilities, TL 69,506 provisions and TL 18,754 tax liabilities.

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF
1 JANUARY-30 JUNE 2014**

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

IV. Explanations on interest rate risk (continued)

“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 finance lease liabilities, TL 63,782 provisions and TL 17,039 tax liabilities.

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

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

Current Period End	EUR	USD	JPY	TL
	%	%	%	%
Assets				
Cash (Cash in TL, Cash in Foreign Currency, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	--	--	--	--
Banks	2.00	--	--	9.50
Financial Assets at Fair Value Through Profit/ Loss	4.69	5.08	--	13.94
Interbank Money Market Placements	--	0.95	--	--
Financial Assets Available-for-Sale	--	4.18	--	5.59
Loans	6.74	6.07	--	15.06
Investment Securities Held-to-Maturity	--	--	--	--
Liabilities				
Bank Deposits	1.14	0.73	--	8.37
Other Deposits	2.29	2.63	--	10.83
Interbank Money Market Funds	--	0.71	--	8.82
Sundry Creditors	--	--	--	--
Marketable Securities Issued	--	--	--	11.29
Funds Borrowed from Other Financial Institutions	1.68	1.85	--	6.75
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

**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.)

IV. 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 casflows.

	Shock Applied (+ / - x bps)	Gains/ Losses	Gains / Equity - Losses / Equity
TRY	500	-62,921	%-7.49
TRY	-400	57,312	%6.82
USD Dollar	200	-28,087	%-3.34
USD Dollar	-200	15,641	%1.86
EURO	200	-39,884	%-4.75
EURO	-200	6,368	%0.76
Total (For Positive Shocks)		-130,892	%-15.59
Total (For Negative Shocks)		79,321	%9.45

V. 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 (%)	132.64	169.07	99.09	119.01
Max. (%)	160.61	194.21	106.52	135.69
Min. (%)	118.02	150.30	92.74	110.71

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF
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V. Explanation related to the liquidity risk (continued)

1. 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	186,135	715,383	--	--	--	--	--	901,518
Banks	22,933	326,129	--	--	--	--	--	349,062
Financial Assets at Fair Value Through Profit or Loss	--	3,646	6,486	10,583	1,623	16,367	--	38,705
Interbank Money Market Placements	--	10,617	--	--	--	--	--	10,617
Financial Assets Available-for-Sale	--	--	--	17,850	132,297	111,430	--	261,577
Loans	--	705,551	730,574	2,543,892	1,421,097	275,304	34,795	5,711,213
Investment Securities Held-to-Maturity	--	--	--	--	--	--	--	--
Other Assets (*)	--	--	--	--	--	--	75,315	75,315
Total Assets	209,068	1,761,326	737,060	2,572,325	1,555,017	403,101	110,110	7,348,007
Liabilities								
Bank Deposits	56,175	301,849	4,248	--	--	--	--	362,272
Other Deposits	244,280	2,256,143	1,545,725	555,214	12,353	--	--	4,613,715
Funds Borrowed from Other Financial Institutions	--	52,839	70,481	436,356	61,189	164,008	--	784,873
Interbank Money Market Received	--	221,286	--	--	--	--	--	221,286
Marketable Securities Issued	--	--	164,763	308,734	--	--	--	473,497
Sundry Creditors	--	52,698	--	--	--	--	--	52,698
Other Liabilities (**)	--	82,391	8,348	16,984	5,838	106,754	619,351	839,666
Total Liabilities	300,455	2,967,206	1,793,565	1,317,288	79,380	270,762	619,351	7,348,007
Net Liquidity Gap	(91,387)	(1,205,880)	(1,056,505)	1,255,037	1,475,637	132,339	(509,241)	--
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, stationary supplies and prepaid expenses are included in this column.

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

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V. Explanation related to the liquidity risk (continued)

2. Explanations on securitisation positions

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

3. 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.

Exposure Categories *	Amount	Financial Collaterals	Other/Physical Collaterals**	Guarantees and Credit Derivatives
Receivables from Central Governments	874,825	--	--	--
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	848,691	215,298	--	--
Corporate Receivables	3,529,077	500	--	--
Retail Receivables	1,023,267	--	--	--
Receivables that are Collateralized by Residential	1,490,764	--	2,281,344	--
Past due Receivables	31,063	--	24,874	--
Receivables Defined in High Risk Category by BRSA	193,656	--	26,359	--
Securities Collateralised by Mortgages	--	--	--	--
Short-term Receivables from Banks, Brokerage Houses and Corporates	--	--	--	--
Investments Similar to Collective Investment Funds	--	--	--	--
Other Receivables	151,708	--	--	--
Total	8,143,051	215,798	2,332,577	--

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

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

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V. Explanation related to the liquidity risk (continued)

4. 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 blokages 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.

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.

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF
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VI. Explanations on segment reporting

The Bank operates in customer banking services, individual customer current accounts, deposit accounts, long term investment products, clearing and custody services, credit and atm services, retail loans, long term mortgage loans, and all other kinds of customer banking services and commercial services.

Current Period 1 January – 30 June 2014	Retail Banking	SME Banking	Commercial & Corporate Banking	Treasury & Headquarters	Total Operations of the Bank
Operating Income	32,846	46,971	91,902	(277)	171,442
Operating Profit	(1,733)	13,147	53,239	(19,610)	45,043
Taxation					(10,043)
Net Profit/(Loss) for the Period					35,000
Current Period- 30 June 2014					
Segment Assets	376,372	1,515,426	3,784,620	1,671,589	7,348,007
Unallocated Assets					--
Total Assets					7,348,007
Segment Liabilities	3,066,175	374,104	1,173,436	2,187,014	6,800,729
Unallocated Liabilities					--
Shareholders' Equity					547,278
Total Liabilities					7,348,007
Prior Period 1 January – 30 June 2013					
Operating Income	19,506	21,255	61,873	12,052	114,686
Operating Profit	578	5,037	28,567	(6,844)	27,338
Taxation					(7,926)
Net Profit/(Loss) for the Period					19,412
Prior Period- 31 December 2013					
Segment Assets	404,711	1,229,578	3,520,304	1,509,286	6,663,879
Unallocated Assets					--
Total Assets					6,663,879
Segment Liabilities	2,605,495	504,407	1,218,460	1,838,344	6,166,706
Unallocated Liabilities					--
Shareholders' Equity					497,173
Total Liabilities					6,663,879

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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	19,275	29,314	19,923	41,974
Balances with the Central Bank of Turkey	53,459	799,470	86,437	656,193
Other	--	--	--	--
Total	72,734	828,784	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	53,459	84,087	86,437	72,708
Unrestricted Time Deposits	--	--	--	--
Restricted Time Deposits	--	715,383	--	583,485
Total	53,459	799,470	86,437	656,193

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

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

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Share Certificates	--	--	--	--
Bonds, Treasury Bills and Similar Marketable Securities	7,519	--	5,686	--
Other	--	--	--	--
Total	7,519	--	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	6,000	--	5,858	--
Total	6,000	--	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	5,948	47	12,520	18
Swap Transactions	2,662	1	11,253	--
Futures Transactions	--	--	--	--
Options	9,674	1,748	28,103	6,613
Other	--	--	--	--
Total	18,284	1,796	51,876	6,631

3. Information on Banks

3.1 Information on banks

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks				
Domestic	274,161	52,097	78,081	14,940
Foreign	66	22,738	277	120,860
Foreign head-offices and branches	--	--	--	--
Total	274,227	74,835	78,358	135,800

3.2 Due from foreign banks

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

4. Information on financial assets available-for-sale

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Share Certificates	--	--	--	--
Bonds, Treasury Bills and Similar Marketable Securities	16,953	235,518	16,677	241,377
Other	--	--	--	--
Total	16,953	235,518	16,677	241,377

4.2 Details of financial assets available-for-sale

	Current Period		Prior Period	
	TL	FC	TL	FC
Debt instruments				
Quoted on Stock Exchange	261,577		265,644	
Unquoted on Stock Exchange		--		--
Share certificates				
Quoted on Stock Exchange		--		--
Unquoted on Stock Exchange		--		--
Impairment provision (-)		--		--
Total	261,577		265,644	

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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	2,369	--	1,927	--
Total	2,369	--	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	5,452,873	1,710	--	145,161	62,898	13,776
Working Capital Loans	--	--	--	--	--	--
Export Loans	241,757	--	--	1,951	--	--
Import Loans	--	--	--	--	--	--
Loans to Financial Sector	188,013	--	--	71	--	--
Consumer Loans	325,052	98	--	49,395	1,363	7,585
Credit Cards	2,493	--	--	--	--	--
Others	4,695,558	1,612	--	93,744	61,535	6,191
Specialization Loans	--	--	--	--	--	--
Other Receivables	--	--	--	--	--	--
Total	5,452,873	1,710	--	145,161	62,898	13,776

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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	1,710	62,898
1 or 2 times	1,710	62,892
3, 4 or 5 times	--	6
Over 5 times	--	--

	Standard Loans and Other Receivables	Loans and Other Receivables under Close Monitoring
Extension Periods	1,710	62,898
0-6 months	--	53
6 -12 months	5	225
1 – 2 years	1,647	15,303
2 – 5 years	58	9,512
5 years and over	--	37,805

The overdue analysis of close monitoring loans

Current Period	Corporate/ Commercial		Total
	Loans	Consumer Loans	
1-30 days	28,921	11,817	40,738
31-60 days	28,757	18,990	47,747
61-90 days	38,790	12,690	51,480
Total	96,468	43,497	139,965

Prior Period	Corporate/ Commercial		Total
	Loans	Consumer 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

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

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5.3

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

	Short-Term	Medium or Long Term	Total
Consumer Loans-TL	14,145	249,150	263,295
Real Estate Loans	1,704	38,521	40,225
Vehicle Loans	37	6,623	6,660
General Purpose Loans	12,404	204,006	216,410
Other	--	--	--
Consumer Loans-Indexed to FC	--	112,919	112,919
Real Estate Loans	--	108,531	108,531
Vehicle Loans	--	--	--
General Purpose Loans	--	4,388	4,388
Other	--	--	--
Consumer Loans-FC	--	106	106
Real Estate Loans	--	106	106
Vehicle Loans	--	--	--
General Purpose Loans	--	--	--
Other	--	--	--
Individual Credit Cards-TL	1,714	--	1,714
With Instalment	160	--	160
Without Instalment	1,554	--	1,554
Individual Credit Cards-FC	7	--	7
With Instalment	--	--	--
Without Instalment	7	--	7
Loans Given to Employees-TL	139	1,458	1,597
Real Estate Loans	--	--	--
Vehicle Loans	--	--	--
General Purpose Loans	139	1,458	1,597
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	772	--	772
With Instalment	161	--	161
Without Instalment	611	--	611
Personnel Credit Cards – FC	--	--	--
With Instalment	--	--	--
Without Instalment	--	--	--
Overdraft Loans-TL (Real Persons)	5,576	--	5,576
Overdraft Loans-FC (Real Persons)	--	--	--
Total	22,353	363,633	385,986

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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	140,643	877,391	1,018,034
Real Estate Loans	--	787	787
Vehicle Loans	1,083	27,239	28,322
General Purpose Loans	139,560	849,365	988,925
Other	--	--	--
Instalment Commercial Loans – Indexed to FC	2,099	173,605	175,704
Real Estate Loans	--	3,422	3,422
Vehicle Loans	--	18,129	18,129
General Purpose Loans	2,099	152,054	154,153
Other	--	--	--
Instalment Commercial Loans - FC	--	--	--
Real Estate Loans	--	--	--
Vehicle Loans	--	--	--
General Purpose Loans	--	--	--
Other	--	--	--
Corporate Credit Cards – TL	--	--	--
With Instalment	--	--	--
Without Instalment	--	--	--
Corporate Credit Cards – FC	--	--	--
With Instalment	--	--	--
Without Instalment	--	--	--
Overdraft Loans-TL (Legal Entities)	72,026	--	72,026
Overdraft Loans-FC (Legal Entities)	--	--	--
Total	214,768	1,050,996	1,265,764

5.5 Allocation of loans by customers

	Current Period	Prior Period
Public Sector	--	--
Private Sector	5,676,418	5,154,593
Total	5,676,418	5,154,593

5.6 Allocation of domestic and foreign loans

	Current Period	Prior Period
Domestic Loans	5,596,998	5,113,467
Foreign Loans	79,420	41,126
Total	5,676,418	5,154,593

5.7 Loans granted to subsidiaries and associates

The Bank does not have any loans granted to subsidiaries as of 30 June 2014.

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5.8 Specific provisions provided against loans

Specific Provisions	Current Period	Prior Period
Loans and Receivables with Limited Collectability	2,479	2,578
Loans and Receivables with Doubtful Collectability	11,206	3,857
Uncollectible Loans and Receivables	32,955	28,619
Total	46,640	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	--	81	253
(Gross Amounts before Specific Provisions)			
Restructured Loans and Other Receivables	--	81	253
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 (+)	38,701	4,014	196
Transfers from Other Categories of Non-Performing Loans (+)	--	32,515	21,709
Transfers to Other Categories of Non-Performing Loans (-)	32,515	21,709	--
Collections (-)	4,268	1,967	3,023
Write-offs (*) (-)	--	118	12,515
Corporate and Commercial Loans	--	--	11,822
Retail Loans	--	118	688
Credit Cards	--	--	5
Other	--	--	--
Balances at End of the Period	16,778	24,879	39,778
Specific Provisions (-)	2,479	11,206	32,955
Net Balance on Balance Sheet	14,299	13,673	6,823

(*) Non-performing loans amounting to TL 12,633 was sold on 31 March 2014.

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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	--	148	4,217
Specific Provisions (-)	--	74	3,111
Net Balance on Balance Sheet	--	74	1,106
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)			
Loans Granted to Real Persons and Legal Entities (Gross)	16,778	24,879	39,778
Specific provisions (-)	2,479	11,206	32,955
Loans Granted to Real Persons and Legal Entities (Net)	14,299	13,673	6,823
Banks (Gross)	--	--	--
Specific Provisions (-)	--	--	--
Banks (Net)	--	--	--
Other Loan and Receivables (Gross)	--	--	--
Specific Provisions (-)	--	--	--
Other Loan and Receivables (Net)	--	--	--
Prior Period (Net)			
Loans Granted to Real Persons and Legal Entities (Gross)	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
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(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

The Bank has no held-to-maturity investments as of 30 June 2014.

7. Information on associates

The Bank has no associates as of 30 June 2014.

8. Information on subsidiaries

The Bank has TL 5,445 investment in a subsidiary as of 30 June 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
5,368	5,294	12	288	--	(102)	--	5,294

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

Movement of consolidated investment in subsidiary

	Current Period	Prior Period
Balance at Beginning of the 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 26 September 2013 with 99% participation of Fibabanka A.Ş.

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8. Information on subsidiaries (continued)

Sectoral distribution of consolidated investments in subsidiary

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

Quoted consolidated investments in subsidiary

None.

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

The Bank has no joint ventures as of 30 June 2014.

10. Information on lease receivables

The Bank has no leasing receivables as of 30 June 2014.

11. Information on derivative financial assets held for hedging purposes

11.1 Positive valuation derivative financial assets held for hedging purposes

The Bank has no derivative financial assets held for hedging purposes as of 30 June 2014.

12. Information on tangible assets

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

13. Information on intangible assets

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

14. Information on investment properties

None.

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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 30 June 2014, the deferred tax asset amounting to TL 4,913 is calculated by netting of carry forward tax losses, 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	10,213	2,043
Unearned Commission Income	13,501	2,700
Retirement Pay and Unused Vacation Provision	6,741	1,348
Tangible Assets Base Differences	(5,397)	(1,079)
Other Provisions	2,260	452
Other	(2,752)	(551)
Deferred Tax Assets	24,566	4,913
	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	(324)	(63)
Deferred Tax Assets	66,213	13,243

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

	1 January – 30 June 2014	1 January – 31 December 2013
Deferred Tax Asset, at the beginning of the period	13,243	5,356
Deferred Tax Income / (Expense)	(4,553)	1,456
Deferred Tax Recognized Directly Under Equity	(3,777)	6,431
Deferred Tax Asset , at the end of the period	4,913	13,243

As of 30 June 2014, the Bank has no carry forward tax losses.

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF
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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 30 June 2014, the Bank has TL 1,038 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.

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

As of 30 June 2014, total prepaid expenses are TL 11,781 (31 December 2013: TL 9,494).

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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 Call Accounts	Up to 1 Month	1-3 Months	3-6 Months	6 Months -1 Year	1 Year and Over	Cumulative Deposit	Total
Saving Deposits	25,196	--	21,446	1,219,388	324,749	174,329	35,107	--	1,800,215
Foreign Currency Deposits	112,505	--	67,625	1,377,574	132,396	75,396	72,082	--	1,837,578
Residents in Turkey	106,039	--	60,275	1,342,458	121,222	74,608	5,391	--	1,709,993
Residents Abroad	6,466	--	7,350	35,116	11,174	788	66,691	--	127,585
Public Sector Deposits	22,174	--	--	819	--	--	--	--	22,993
Commercial Deposits	82,047	--	26,962	389,075	120,780	96,803	52,618	--	768,285
Other Ins. Deposits	293	--	1,056	68,622	63,699	48,898	11	--	182,579
Precious Metal Deposits	2,065	--	--	--	--	--	--	--	2,065
Interbank Deposits	56,175	--	264,229	41,868	--	--	--	--	362,272
Central Bank of Turkey	-	--	--	--	--	--	--	--	--
Domestic Banks	1	--	181,587	--	--	--	--	--	181,588
Foreign Banks	12,671	--	82,642	41,868	--	--	--	--	137,181
Special Finan.Inst.	43,503	--	--	--	--	--	--	--	43,503
Other	--	--	--	--	--	--	--	--	--
Total	300,455	--	381,318	3,097,346	641,624	395,426	159,818	--	4,975,987

Prior Period

	Demand	7 Day Call Accounts	Up to 1 Month	1-3 Months	3-6 Months	6 Months -1 Year	1 Year and Over	Cumulative Deposit	Total
Saving Deposits	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	527,688	487,357	1,270,035	1,248,254
Foreign Currency Saving Deposits	118,299	98,420	1,216,691	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	645,987	585,777	2,486,726	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	693	4,722
Deposits of Chairman and Members of the Board of Directors and their Close Families	2,413	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	5,450	85	12,532	90
Swap Transactions	3,311	--	33,406	--
Futures Transactions	--	--	--	--
Options	9,878	1,751	28,040	6,650
Other	--	--	--	--
Total	18,639	1,836	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	20,203	28,306	19,389	24,275
From Foreign Banks, Institutions and Funds	--	569,913	--	515,417
Total	20,203	598,219	19,389	539,692

3.2 Maturity analysis of borrowings

	Current Period		Prior Period	
	TL	FC	TL	FC
Short-Term	13,851	504,790	11,450	428,918
Medium and Long Term	6,352	93,429	7,939	110,774
Total	20,203	598,219	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 by deposits, bank borrowings and bond issuance.

4. Informations related with issued instruments

In February 2014, the Bank has issued bonds with a nominal value of TL 100,000, in March 2014 issued bonds with a nominal value of TL 63,100, in April 2014 issued bonds with a nominal value of TL 50,000, in June 2014 issued bonds with a nominal value of TL 80,000; all with 6 months to maturity and in March 2014 issued bonds with nominal value of TL 75,000 with 3 months to maturity. The Bank also has bills with a nominal value of TL 182,800 with 2 years to maturity.

	TL		FC	
	Short Term	Medium and Long Term	Short Term	Medium and Long Term
Nominal	293,100	182,800	--	--
Cost	285,956	182,800	--	--
Carrying Amount	285,956	187,541	--	--

5. Sundry creditors and other liabilities

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

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF
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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 leases

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

6.3 Information on operational leases and footnotes

The Bank has operational lease agreements for headquarter and 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	47,369	45,027
- Additional Provision for Loan and Receivables with Extended Maturities	85	12
Loans and Receivables in Group 2	6,324	4,576
- Additional Provision for Loan and Receivables with Extended Maturities	3,145	2,012
Non-Cash Loans	2,246	2,634
Others	--	--
Total	55,939	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 30 June 2014, amounting to TL 3,173 (31 December 2013: TL 24) are deducted from loans on the balance sheet.

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8.3 The specific provisions provided for unindemnified non cash loans

As of 30 June 2014, the specific provision provided for unindemnified non cash loans is TL 1,223 (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 30 June 2014, reserves for employee benefits amounting to TL 9,413 (31 December 2013: TL 7,948) comprise of TL 3,480 reserve for employee termination benefits (31 December 2013: TL 2,880), TL 3,673 unused vacation pay liability (31 December 2013: TL 2,568) and TL 2,260 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 30 June 2014, The Bank's current tax liability is TL 18,754 (31 December 2013: TL 17,039) The corporate tax liability of the Bank is TL 5,846 (31 December 2013: 4,237).

9.1.2 Information on taxes payable

	Current Period	Prior Period
Corporate taxes payable	5,846	4,237
Taxation on securities	4,466	4,851
Property tax	283	213
Banking and Insurance Transaction Tax (BITT)	4,592	4,111
Taxes on foreign exchange transactions	--	--
Value added taxes payable	9	143
Income tax ceased from wages	1,605	1,632
Other	168	157
Total	16,969	15,344

9.1.3 Information on premiums

	Current Period	Prior Period
Social Security Premiums- Employee	759	725
Social Security Premiums- Employer	867	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	53	51
Unemployment Insurance- Employer	106	102
Other	--	--
Total	1,785	1,695

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9.2 Explanations on deferred tax liabilities

The Bank has no deferred tax liabilities in the current period.

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	--	106,817	--	107,389
Foreign Banks	--	82,916	--	82,403
Foreign Other Institutions	--	83,534	--	85,628
Total	--	273,267	--	275,420

The Bank acquired subordinated loan from its parent company, Fiba Holding A.Ş., amounting to U.S \$ 50 million with 10 years maturity in 2012. The bank also acquired loans from international financial institutions and banks amounting U.S \$ 50 million and € 20 million with 10 years maturity in 2013.

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.

12.7 Information on privileges given to stocks representing the capital

The Bank does not have any preferred shares.

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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	(281)	(8,671)	(721)	(23,336)
Exchange Difference	--	--	--	--
Total	(281)	(8,671)	(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	432,756	622,015
Credit Card Limit Commitments	6,510	9,180
Commitments for Promotion on Credit Cards and Banking Services	3	--
Commitments for Credit Allocation with the Guarantee of Usage	70,355	187,392
Export Commitments	2,693	2,484
Commitment for Cheques	117,008	86,442
Other Irrevocable Commitments	1,898	1,357
Total	631,223	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	296,379	260,316
Letters of Guarantee FC	196,962	176,831
Letters of Credit	200,702	197,325
Bills of Exchange and Acceptances	99,310	92,665
Total	793,353	727,137

1.2.2 Revocable, irrevocable guarantees and other similar commitments and contingencies

	Current Period	Prior Period
Revocable Letters of Guarantee	18,236	22,833
Irrevocable Letters of Guarantee	391,917	340,093
Letters of Guarantee Given in Advance	10,173	16,017
Letters of Guarantee Given to Customs	10,683	9,569
Other Letters of Guarantee	62,332	48,635
Total	493,341	437,147

2. Total amount of non-cash loans

	Current Period	Prior Period
Non-Cash Loans Given against Cash Loans	44,944	31,975
With Original Maturity of 1 Year or Less Than 1 Year	17,247	14,460
With Original Maturity of More Than 1 Year	27,697	17,515
Other Non-Cash Loans	748,409	695,162
Total	793,353	727,137

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

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

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

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

5. Information related to derivative financial instruments

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

6. Credit derivatives and risk exposures on credit derivatives

None.

7. Explanations on contingent liabilities and assets

The Bank provided provision of TL 932 for the legal cases pending against the Bank where the cash out flows are highly probable.

8. Custodian and intermediary services

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

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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				
Short Term Loans	160,278	13,090	100,968	11,665
Medium and Long Term Loans	101,244	47,627	51,806	31,064
Interest on Non-Performing Loans	2,136	--	196	--
Premiums received from Resource Utilization Support Fund	--	--	--	--
Total	263,658	60,717	152,970	42,729

*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	4,626	188	583	97
Foreign Banks	--	21	--	5
Branches and Head Office Abroad	--	--	--	--
Total	4,626	209	665	102

1.3 Interest received from marketable securities portfolio

	Current Period		Prior Period	
	TL	FC	TL	FC
Financial Assets Held for Trading	386	80	390	63
Financial Assets at Fair Value Through Profit or Loss	--	--	--	--
Financial Assets Available-for-Sale	491	5,689	139	3,853
Investment Securities Held-to-Maturity	--	--	--	--
Total	877	5,769	529	3,916

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	628	3,195	409	1,819
The Central Bank of Turkey	--	--	--	--
Domestic Banks	628	321	409	272
Foreign Banks	--	2,874	--	1,547
Branches and Head Office Abroad	--	--	--	--
Other Institutions	--	12,311	--	5,956
Total	628	15,506	409	7,775

2.2 Information on interest expenses to associates and subsidiaries

Total interest expense given to subsidiaries is TL 274 (30 June 2013: None).

2.3 Information on interest expenses to securities issued

	Current Period		Prior Period	
	TL	FC	TL	FC
Interest Paid to Securities Issued	21,403	--	9,440	--

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	--	156	--	--	--	--	--	156
Saving Deposits	--	772	69,129	10,405	5,845	1,214	--	87,365
Public Sector Deposits	--	--	91	--	--	--	--	91
Commercial Deposits	--	2,049	19,091	3,695	4,415	2,079	--	31,329
Other	--	42	5,772	2,016	824	14	--	8,668
7 Day Call Accounts	--	--	--	--	--	--	--	--
Total	--	3,019	94,083	16,116	11,084	3,307	--	127,609
Foreign Currency								
Foreign Currency Deposits	--	578	20,190	1,594	762	1,160	--	24,284
Bank Deposits	--	1,049	--	--	--	--	--	1,049
7 Day Call Accounts	--	--	--	--	--	--	--	--
Precious Metal Deposits	--	--	--	--	--	--	--	--
Total	--	1,627	20,190	1,594	762	1,160	--	25,333
Grand Total	--	4,646	114,273	17,710	11,846	4,467	--	152,942

3. Information on dividend income

None.

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4. Information on net trading income / loss

	Current Period	Prior Period
Income	442,328	210,833
Gains on Capital Market Operations	2,554	1,821
Gains on Derivative Financial Instruments	79,476	53,222
Foreign Exchange Gains	360,298	155,790
Loss (-)	425,893	201,229
Losses on Capital Market Operations	562	2,171
Losses on Derivative Financial Instruments	60,027	47,423
Foreign Exchange Losses	365,304	151,635
Net Trading Income / (Loss)	16,435	9,604

5. Information on other operating income

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

6. Impairment on loans and other receivables

	Current Period	Prior Period
Specific Provisions on Loans and Other Receivables:	24,974	10,283
<i>III. Group Loans and Receivables</i>	2,479	609
<i>IV. Group Loans and Receivables</i>	6,373	7,998
<i>V. Group Loans and Receivables</i>	16,122	1,676
General Loan Loss Provisions	4,090	11,804
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	29,064	22,087

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7. Information related to other operational expenses

	Current Period	Prior Period
Personnel Expenses	54,114	37,077
Provision for Employee Termination Benefits	600	346
Provision for Bank's Social Aid Fund Deficit	--	--
Impairment Losses on Tangible Assets	--	--
Depreciation Charges of Tangible Assets	4,614	2,468
Impairment Losses on Intangible Assets	--	--
Amortization Charges of Intangible Assets	2,094	1,671
Impairment Losses on Investment Accounted for under Equity Method	--	--
Impairment of Assets to be Disposed	--	--
Depreciation of Assets to be Disposed	29	36
Impairment of Assets Held for Sale	--	--
Other Operating Expenses	22,356	13,966
<i>Operational Leases Expenses</i>	12,103	7,069
<i>Repair and Maintenance Expenses</i>	407	251
<i>Advertisement Expenses</i>	265	226
<i>Other Expenses</i>	9,581	6,420
Losses on Sale of Assets	8	65
Other	13,520	9,632
Total	97,335	65,261

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

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

9. Information on tax provision from continued and discontinued operations

9.1 Current period taxation benefit or charge and deferred tax benefit or charge

For the period ended as of 30 June 2014, deferred tax charge of the Bank is TL 4,553 and current tax provision of the Bank is TL 5,490. (30 June 2013: TL 2,297 deferred tax charge, TL 5,629 current tax provision).

	Current Period	Prior Period
Deferred Tax Benefit/ (Charge)	(4,553)	(2,297)
Allowance for Deferred Taxes	--	--
Net Deferred Tax Charge	(4,553)	(2,297)

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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 (+)	901	1,215
Arising from Reversal of Deductible Temporary Differences (-)	(4,498)	(311)
Arising from Origination of Taxable Temporary Differences (-)	(1,195)	(192)
Arising from Reversal of Taxable Temporary Differences (+)	239	3,027
Arising from Origination of Financial Losses (+)	--	--
Arising from Reversal of Financial Losses (-)	--	(6,036)
Arising from Origination of Tax Deductions and Exemptions (+)	--	--
Arising from Reversal of Tax Deductions and Exemptions (-)	--	--
Total	(4,553)	(2,297)
Allowance	--	--
Net deferred tax benefit / (charge)	(4,553)	(2,297)

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	(3,597)	904
Arising from Origination (-)/ Reversal (+) of Taxable Temporary Differences	(956)	2,835
Arising from Origination (+)/ Reversal (-) of Tax Losses	--	(6,036)
Arising from Origination (+)/ Reversal (-) of Unused Tax Credits	--	--
Total	(4,553)	(2,297)
Allowance	--	--
Net deferred tax income / (expense)	(4,553)	(2,297)

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

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

11. Information on net profit/loss for the period

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

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

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

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V. 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	--	--	--	88	1,286	16,190
Interest and Commission Income Received	--	--	--	--	139	57

(*) 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	--	--	--	--	610	23

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

1.2 Information on deposits of the Bank's risk group

Bank's Risk Group (*)	Associates, Subsidiaries and Joint-Ventures		Bank's Direct and Indirect Shareholder		Other Real Persons and Legal Entities in Risk Group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
	Deposits					
Balance at the Beginning of the Period	5,128	--	16,769	2,644	79,203	119,992
Balance at the End of the Period	4,818	5,128	16,447	16,769	94,027	79,203
Deposit Interest Expense	274	--	462	379	2,172	3,256

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

1.3 Information on funds obtained from Bank's risk group

Subordinated loan amount obtained from the Bank's Direct and Indirect Shareholders is TL 106,816 (31 December 2013: TL 107,389). There are TL 14,470 of funds obtained from other real persons and legal entities in risk group (31 December 2013: TL 101,655).

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

Bank's Risk Group (*)	Associates, Subsidiaries and Joint-Ventures		Bank's Direct and Indirect Shareholder		Other Real Persons and Legal Entities in Risk Group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
	Financial Assets at Fair Value Through Profit and Loss:					
Balance at the Beginning of the Period	--	--	--	--	146,863	165,714
Balance at the End of the Period	--	--	--	--	12,181	146,863
Total Income/Loss	--	--	--	--	344	1,928
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 30 June 2014, the ratio of the loans and other receivables used by the entities of risk group to total loans and receivables is 0.02% and the ratio of the deposits of entities of risk group to total deposits is 2.32%. Ratio of funds obtained from entities of risk group to total funds borrowed is 13.6%.

In current period benefits provided to the key management is TL 2,775 (30 June 2013: TL 2,886).

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.

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VI. 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	63	1,152			
			Country of Incorporations		
Foreign Representation Office			1-		
			2-		
			3-		
				Total Assets	Statutory Share Capital
Foreign Branch			1-		
			2-		
			3-		
Off-shore Banking Region Branches			1-		
			2-		
			3-		

VII. Events after balance sheet

None.

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SECTION SIX

OTHER EXPLANATIONS ON THE OPERATIONS OF THE BANK

None.

SECTION SEVEN

EXPLANATIONS ON AUDITORS' REVIEW REPORT

I. Explanations on the auditors' review report

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

II. Other footnotes and explanations prepared by the independent auditors

None.