

**FİBABANKA A.Ş.**

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

We have reviewed the accompanying unconsolidated balance sheet of Fibabanka A.Ş. ("the Bank") as at 30 September 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 September 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, 6 November 2014

## THE UNCONSOLIDATED FINANCIAL REPORT OF FİBABANKA A.Ş. FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2014

Address : Emirhan Cad. Barbaros Plaza İş Merkezi  
No: 113 Dikilitaş/Beşiktaş 34349 İstanbul  
Telephone : (212) 381 82 00  
Fax : (212) 258 37 78  
Web Site : [www.fibabanka.com.tr](http://www.fibabanka.com.tr)  
Contact E-Mail : [alper.cilekar@fibabanka.com.tr](mailto:alper.cilekar@fibabanka.com.tr)

The unconsolidated financial report for the nine 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 nine 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	Mesut Hamdi Aydın	Bekir Dildar	Elif Alsev Utku Özbey	Ayşe Akdaş
Chairman of Board of Directors	Member of the Audit Committee	Member of the Audit Committee	General Manager	Assistant General Manager	Financial Control Department Head

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

Name-Surname/Title : **Ayşe Akdaş** / Financial Control Department Head  
Telephone Number : (212) 381 84 88  
Fax Number : (212) 258 37 78

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## **SECTION ONE**

### **GENERAL INFORMATION**

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

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

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

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

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

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

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

Credit Europe Bank N.V.’s share of capital increased from 95% to 97.6% after the capital increases during 2011 and 2012. Fiba Holding A.Ş. became the ultimate parent of the Bank after acquiring 97.6% of the shares from Credit Europe Bank N.V. on 3 December 2012 and 2.4% of the shares from Banco Comercial Portugues S.A. on 7 December 2012. There were sales of equity shares to the management of the Bank in 2013. Total share of the management is 1.4%.

As of 30 September 2014, the Bank’s paid in capital is TL 550,000. The Bank’s paid in capital which was TL 426,650 as of 31 March 2013 was decided to be increased to TL 550,000 on Board of Directors minutes held on 25 February 2013; increase of TL 17,416 is provided by inflation adjustment to share capital, TL 9,502 is provided by profit on disposal of immovable, and TL 96,432 is paid by Fiba Holding A.Ş. in cash; legal applications have been made for the total increase of TL 123,350 of paid in capital. As of 29 May 2013, legal procedure has been finalized and capital increase recorded in financial statements.

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF 1 JANUARY- 30 SEPTEMBER 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>
<b>Board of Directors</b>		
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
<b>Audit Committee</b>		
Fevzi Bozer	Member	27 December 2010
Mevlüt Hamdi Aydın	Member	24 January 2013
<b>Assistant General Managers</b>		
Elif Alsev Utku Özbey	AGM-Financial Control & Reporting	7 January 2011
Adem Aykın	AGM-Information Technologies	1 July 2011
Esra Osmanağaoğlu	AGM-Operations & Organization	29 February 2012
Emre Ergun	AGM-Retail Banking	2 May 2013
Cengiz Sinanoğlu	Coordinator – Retail Credits	7 February 2013
Ahu Dolu	Coordinator – Financial Institutions	12 August 2013
Turgay Hasdiker	Coordinator - Corporate & Commercial Credits	13 March 2014
Kerim Lokman Kuriş	Coordinator – Corporate & Commercial Banking	1 May 2014

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

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 SEPTEMBER 2014**

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

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#### **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 September 2014, the Bank serves with 66 domestic branches and 1,214 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:	<a href="http://www.fibabanka.com.tr">www.fibabanka.com.tr</a>
The Bank's E-Mail Address:	<a href="mailto:malikontrol@fibabanka.com.tr">malikontrol@fibabanka.com.tr</a>
Reporting Period:	1 January 2014 – 30 September 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**



## FİBABANKA A.Ş.

## UNCONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)

AS OF 30 SEPTEMBER 2014

(Amount expressed in thousands of Turkish Lira)

ASSETS	Note	CURRENT PERIOD			PRIOR PERIOD		
		(30/09/2014)			(31/12/2013)		
		TL	FC	Total	TL	FC	Total
<b>I. CASH AND BALANCES WITH THE CENTRAL BANK</b>	(5.1.1)	<b>77,619</b>	<b>875,344</b>	<b>952,963</b>	<b>106,360</b>	<b>698,167</b>	<b>804,527</b>
<b>II. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS (Net)</b>	(5.1.2)	<b>41,157</b>	<b>5,382</b>	<b>46,539</b>	<b>65,312</b>	<b>10,181</b>	<b>75,493</b>
2.1 Financial Assets Held for Trading		41,157	5,382	46,539	65,312	10,181	75,493
2.1.1 Government Debt Securities		15,238	3,309	18,547	13,436	3,407	16,843
2.1.2 Share Certificates		-	-	-	-	-	-
2.1.3 Derivative Financial Assets Held for Trading		25,919	1,201	27,120	51,876	6,631	58,507
2.1.4 Other Marketable Securities		-	872	872	-	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		-	-	-	-	-	-
<b>III. BANKS</b>	(5.1.3)	<b>80,343</b>	<b>59,733</b>	<b>140,076</b>	<b>78,358</b>	<b>135,800</b>	<b>214,158</b>
<b>IV. MONEY MARKET PLACEMENTS</b>		-	-	-	-	<b>46,697</b>	<b>46,697</b>
4.1 Interbank Money Market Placements		-	-	-	-	-	-
4.2 Istanbul Stock Exchange Money Market Placements		-	-	-	-	46,697	46,697
4.3 Receivables from Reverse Repurchase Agreements		-	-	-	-	-	-
<b>V. FINANCIAL ASSETS AVAILABLE FOR SALE (Net)</b>	(5.1.4)	<b>17,941</b>	<b>344,017</b>	<b>361,958</b>	<b>17,297</b>	<b>248,347</b>	<b>265,644</b>
5.1 Share Certificates		-	-	-	-	-	-
5.2 Government Securities		17,941	-	17,941	17,297	6,703	24,000
5.3 Other Marketable Securities		-	344,017	344,017	-	241,644	241,644
<b>VI. LOANS</b>	(5.1.5)	<b>4,224,211</b>	<b>1,944,605</b>	<b>6,168,816</b>	<b>3,550,940</b>	<b>1,629,014</b>	<b>5,179,954</b>
6.1 Loans		4,169,165	1,944,605	6,113,770	3,525,579	1,629,014	5,154,593
6.1.1 Loans to the Bank's Risk Group		188	-	188	189	-	189
6.1.2 Government Securities		-	-	-	-	-	-
6.1.3 Others		4,168,977	1,944,605	6,113,582	3,525,390	1,629,014	5,154,404
6.2 Non-Performing Loans		112,802	-	112,802	60,415	-	60,415
6.3 Specific Provisions (-)		57,756	-	57,756	35,054	-	35,054
<b>VII. FACTORING RECEIVABLES</b>		-	-	-	-	-	-
<b>VIII. INVESTMENTS HELD TO MATURITY (Net)</b>	(5.1.6)	-	-	-	-	-	-
8.1 Government Debt Securities		-	-	-	-	-	-
8.2 Other Marketable Securities		-	-	-	-	-	-
<b>IX. INVESTMENTS IN ASSOCIATES (Net)</b>	(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		-	-	-	-	-	-
<b>X. INVESTMENTS IN SUBSIDIARIES (Net)</b>	(5.1.8)	<b>5,445</b>	-	<b>5,445</b>	<b>5,445</b>	-	<b>5,445</b>
10.1 Unconsolidated Financial Subsidiaries		5,445	-	5,445	5,445	-	5,445
10.2 Unconsolidated Non-Financial Subsidiaries		-	-	-	-	-	-
<b>XI. JOINTLY CONTROLLED ENTITIES (JOINT VENTURES) (Net)</b>	(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		-	-	-	-	-	-
<b>XII. LEASE RECEIVABLES</b>	(5.1.10)	-	-	-	-	-	-
12.1 Finance Lease Receivables		-	-	-	-	-	-
12.2 Operating Lease Receivables		-	-	-	-	-	-
12.3 Other		-	-	-	-	-	-
12.4 Unearned Income (-)		-	-	-	-	-	-
<b>XIII. DERIVATIVE FINANCIAL ASSETS FOR HEDGING PURPOSES</b>	(5.1.11)	-	-	-	-	-	-
13.1 Fair Value Hedge		-	-	-	-	-	-
13.2 Cash Flow Hedge		-	-	-	-	-	-
13.3 Net Foreign Investment Hedge		-	-	-	-	-	-
<b>XIV. TANGIBLE ASSETS (Net)</b>	(5.1.12)	<b>31,264</b>	-	<b>31,264</b>	<b>32,766</b>	-	<b>32,766</b>
<b>XV. INTANGIBLE ASSETS (Net)</b>	(5.1.13)	<b>5,775</b>	-	<b>5,775</b>	<b>6,985</b>	-	<b>6,985</b>
15.1 Goodwill		-	-	-	-	-	-
15.2 Other		5,775	-	5,775	6,985	-	6,985
<b>XVI. INVESTMENT PROPERTY (Net)</b>	(5.1.14)	-	-	-	-	-	-
<b>XVII. TAX ASSETS</b>		<b>3,734</b>	-	<b>3,734</b>	<b>13,243</b>	-	<b>13,243</b>
17.1 Current Tax Asset		-	-	-	-	-	-
17.2 Deferred Tax Asset	(5.1.15)	3,734	-	3,734	13,243	-	13,243
<b>XVIII. ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (Net)</b>	(5.1.16)	<b>574</b>	-	<b>574</b>	<b>1,173</b>	-	<b>1,173</b>
18.1 Held for Sale		574	-	574	1,173	-	1,173
18.2 Discontinued Operations		-	-	-	-	-	-
<b>XIX. OTHER ASSETS</b>	(5.1.17)	<b>21,119</b>	<b>4,222</b>	<b>25,341</b>	<b>12,362</b>	<b>5,432</b>	<b>17,794</b>
<b>TOTAL ASSETS</b>		<b>4,509,182</b>	<b>3,233,303</b>	<b>7,742,485</b>	<b>3,890,241</b>	<b>2,773,638</b>	<b>6,663,879</b>

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

FİBABANKA A.Ş.							
UNCONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)							
AS OF 30 SEPTEMBER 2014							
(Amount expressed in thousands of Turkish Lira)							
LIABILITIES	Note	CURRENT PERIOD (30/09/2014)			PRIOR PERIOD (31/12/2013)		
		TL	FC	Total	TL	FC	Total
<b>I. DEPOSITS</b>	(5.II.1)	2,745,085	2,343,606	5,088,691	2,761,058	1,787,119	4,548,177
1.1 Deposits from the Bank's Risk Group		153,020	13,376	166,396	68,967	32,133	101,100
1.2 Other		2,592,065	2,330,230	4,922,295	2,692,091	1,754,986	4,447,077
<b>II. DERIVATIVE FINANCIAL LIABILITIES HELD FOR TRADING</b>	(5.II.2)	18,882	1,250	20,132	73,978	6,740	80,718
<b>III. FUNDS BORROWED</b>	(5.II.3)	17,406	759,074	776,480	19,389	539,692	559,081
<b>IV. MONEY MARKET FUNDS</b>		19,746	287,558	307,304	18,577	207,411	225,988
4.1 Interbank Money Market Funds		-	-	-	-	-	-
4.2 Istanbul Stock Exchange Money Market Funds		-	-	-	-	-	-
4.3 Funds Provided Under Repurchase Agreements		19,746	287,558	307,304	18,577	207,411	225,988
<b>V. MARKETABLE SECURITIES ISSUED</b>	(5.II.4)	459,071	-	459,071	297,160	-	297,160
5.1 Bills		274,195	-	274,195	108,725	-	108,725
5.2 Asset-backed Securities		-	-	-	-	-	-
5.3 Bonds		184,876	-	184,876	188,435	-	188,435
<b>VI. FUNDS</b>		-	-	-	-	-	-
6.1 Borrower Funds		-	-	-	-	-	-
6.2 Other		-	-	-	-	-	-
<b>VII. SUNDRY CREDITORS</b>	(5.II.5)	47,827	11,358	59,185	51,159	3,096	54,255
<b>VIII. OTHER LIABILITIES</b>	(5.II.5)	76,310	5,113	81,423	38,856	5,970	44,826
<b>IX. FACTORING PAYABLES</b>		-	-	-	-	-	-
<b>X. LEASE PAYABLES (Net)</b>	(5.II.6)	-	226	226	-	260	260
10.1 Finance Lease Payables		-	251	251	-	295	295
10.2 Operating Lease Payables		-	-	-	-	-	-
10.3 Other		-	-	-	-	-	-
10.4 Deferred Finance Lease Expenses (-)		-	25	25	-	35	35
<b>XI. DERIVATIVE FINANCIAL LIABILITIES FOR HEDGING PURPOSES</b>	(5.II.7)	-	-	-	-	-	-
11.1 Fair Value Hedge		-	-	-	-	-	-
11.2 Cash Flow Hedge		-	-	-	-	-	-
11.3 Net Foreign Investment Hedge		-	-	-	-	-	-
<b>XII. PROVISIONS</b>	(5.II.8)	74,645	-	74,645	63,782	-	63,782
12.1 General Loan Loss Provision		60,359	-	60,359	52,237	-	52,237
12.2 Provision for Restructuring		-	-	-	-	-	-
12.3 Reserves for Employee Benefits		9,654	-	9,654	7,948	-	7,948
12.4 Insurance Technical Reserves (Net)		-	-	-	-	-	-
12.5 Other Provisions		4,632	-	4,632	3,597	-	3,597
<b>XIII. TAX LIABILITY</b>	(5.II.9)	18,548	-	18,548	17,039	-	17,039
13.1 Current Tax Liability		18,548	-	18,548	17,039	-	17,039
13.2 Deferred Tax Liability		-	-	-	-	-	-
<b>XIV. PAYABLES RELATED TO ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS</b>	(5.II.10)	-	-	-	-	-	-
14.1 Held for Sale		-	-	-	-	-	-
14.2 Discontinued Operations		-	-	-	-	-	-
<b>XV. SUBORDINATED LOANS</b>	(5.II.11)	-	291,506	291,506	-	275,420	275,420
<b>XVI. SHAREHOLDERS' EQUITY</b>	(5.II.12)	576,727	(11,453)	565,274	520,509	(23,336)	497,173
<b>16.1 Paid-in Capital</b>		550,000	-	550,000	550,000	-	550,000
<b>16.2 Capital Reserves</b>		(278)	(11,453)	(11,731)	(721)	(23,336)	(24,057)
16.2.1 Share premium		-	-	-	-	-	-
16.2.2 Share Cancellation Profits		-	-	-	-	-	-
16.2.3 Marketable Securities Revaluation Reserve		(278)	(11,453)	(11,731)	(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		-	-	-	-	-	-
<b>16.3 Profit Reserves</b>		-	-	-	-	-	-
16.3.1 Legal Reserves		-	-	-	-	-	-
16.3.2 Statutory Reserves		-	-	-	-	-	-
16.3.3 Extraordinary Reserves		-	-	-	-	-	-
16.3.4 Other Profit Reserves		-	-	-	-	-	-
<b>16.4 Profit or Loss</b>		27,005	-	27,005	(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		55,775	-	55,775	43,806	-	43,806
<b>16.5 Minority Interest</b>	(5.II.13)	-	-	-	-	-	-
<b>TOTAL LIABILITIES AND EQUITY</b>		4,054,247	3,688,238	7,742,485	3,861,507	2,802,372	6,663,879

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

FİBABANKA A.Ş.							
UNCONSOLIDATED OFF-BALANCESHEET COMMITMENTS							
AS OF 30 SEPTEMBER 2014							
(Amount expressed in thousands of Turkish Lira)							
	Note	CURRENT PERIOD (30/09/2014)			PRIOR PERIOD (31/12/2013)		
		TL	FC	Total	TL	FC	Total
<b>A. OFF-BALANCESHEET CONTINGENCIES AND COMMITMENTS (I+II+III)</b>		<b>2,461,373</b>	<b>4,144,861</b>	<b>6,606,234</b>	<b>3,412,211</b>	<b>5,755,920</b>	<b>9,168,131</b>
<b>I. GUARANTEES AND SURETYSHIPS</b>	(5.III.1)	<b>318,982</b>	<b>648,584</b>	<b>967,566</b>	<b>260,466</b>	<b>466,671</b>	<b>727,137</b>
1.1. Letters of Guarantee		318,655	238,124	556,779	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		318,655	238,124	556,779	260,316	176,831	437,147
1.2. Bank Loans		327	123,294	123,621	150	92,515	92,665
1.2.1. Import Letters of Acceptance		-	-	-	-	-	-
1.2.2. Other Bank Acceptances		327	123,294	123,621	150	92,515	92,665
1.3. Letters of Credit		-	287,166	287,166	-	197,325	197,325
1.3.1. Documentary Letters of Credit		-	-	-	-	-	-
1.3.2. Other Letters of Credit		-	287,166	287,166	-	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		-	-	-	-	-	-
<b>II. COMMITMENTS</b>		<b>654,507</b>	<b>659,189</b>	<b>1,313,696</b>	<b>533,825</b>	<b>375,045</b>	<b>908,870</b>
2.1. Irrevocable Commitments	(5.III.1)	654,507	659,189	1,313,696	533,825	375,045	908,870
2.1.1. Forward asset purchase and Sales commitments		433,597	659,189	1,092,786	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		89,636	-	89,636	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		118,845	-	118,845	86,442	-	86,442
2.1.8. Tax and Fund Liabilities from Export Commitments		2,354	-	2,354	2,484	-	2,484
2.1.9. Commitments for Credit Card Expenditure Limits		7,848	-	7,848	9,180	-	9,180
2.1.10. Commitments for Promotions Related with Credit Cards and Banking Activities		-	-	-	-	-	-
2.1.11. Receivables from Short Sale Commitments		-	-	-	-	-	-
2.1.12. Payables for Short Sale Commitments		-	-	-	-	-	-
2.1.13. Other Irrevocable Commitments		2,227	-	2,227	1,357	-	1,357
2.2. Revocable Commitments		-	-	-	-	-	-
2.2.1. Revocable Loan Granting Commitments		-	-	-	-	-	-
2.2.2. Other Revocable Commitments		-	-	-	-	-	-
<b>III. DERIVATIVE FINANCIAL INSTRUMENTS</b>	(5.III.5)	<b>1,487,884</b>	<b>2,837,088</b>	<b>4,324,972</b>	<b>2,617,920</b>	<b>4,914,204</b>	<b>7,532,124</b>
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		1,487,884	2,837,088	4,324,972	2,617,920	4,914,204	7,532,124
3.2.1. Forward Foreign Currency Buy/Sell Transactions		131,170	195,783	326,953	512,220	851,925	1,364,145
3.2.1.1. Forward Foreign Currency Transactions-Buy		65,247	98,114	163,361	191,533	490,373	681,906
3.2.1.2. Forward Foreign Currency Transactions-Sell		65,923	97,669	163,592	320,687	361,552	682,239
3.2.2. Swap Transactions Related to F.C. and Interest Rates		616,196	1,569,384	2,185,580	1,153,946	1,825,538	2,979,484
3.2.2.1. Foreign Currency Swap-Buy		315,974	780,644	1,096,618	983,311	498,355	1,481,666
3.2.2.2. Foreign Currency Swap-Sell		300,222	788,740	1,088,962	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		740,518	1,071,921	1,812,439	951,754	2,236,741	3,188,495
3.2.3.1. Foreign Currency Options-Buy		149,295	753,205	902,500	303,500	1,284,269	1,587,769
3.2.3.2. Foreign Currency Options-Sell		591,223	318,716	909,939	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>B. CUSTODY AND PLEDGED ITEMS (IV+V+VI)</b>		<b>43,694,977</b>	<b>24,554,025</b>	<b>68,249,002</b>	<b>34,553,221</b>	<b>21,196,482</b>	<b>55,749,703</b>
<b>IV. ITEMS HELD IN CUSTODY</b>		<b>306,509</b>	<b>128,448</b>	<b>434,957</b>	<b>218,243</b>	<b>81,073</b>	<b>299,316</b>
4.1. Assets under Management		100,616	-	100,616	79,665	-	79,665
4.2. Investment Securities Held in Custody		3,733	43,910	47,643	3,799	40,137	43,936
4.3. Checks Received for Collection		129,056	82,320	211,376	116,783	36,390	153,173
4.4. Commercial Notes Received for Collection		73,104	2,218	75,322	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		-	-	-	-	-	-
<b>V. PLEDGED ITEMS</b>		<b>43,388,468</b>	<b>24,425,577</b>	<b>67,814,045</b>	<b>34,334,978</b>	<b>21,115,409</b>	<b>55,450,387</b>
5.1. Marketable Securities		43,157	176	43,333	21,510	468	21,978
5.2. Guarantee Notes		257,514	53,000	310,514	179,792	39,557	219,349
5.3. Commodity		257,612	-	257,612	189,641	-	189,641
5.4. Warranty		-	-	-	-	-	-
5.5. Properties		4,001,898	3,827,355	7,829,253	3,180,391	2,663,142	5,843,533
5.6. Other Pledged Items		38,828,287	20,545,046	59,373,333	30,763,644	18,412,242	49,175,886
5.7. Pledged Items-Depository		-	-	-	-	-	-
<b>VI. ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL OFF-BALANCE SHEET ACCOUNTS (A+B)</b>		<b>46,156,350</b>	<b>28,698,886</b>	<b>74,855,236</b>	<b>37,965,432</b>	<b>26,952,402</b>	<b>64,917,834</b>

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

FİBABANKA A.Ş.						
UNCONSOLIDATED INCOME STATEMENT						
FOR THE PERIOD 1 JANUARY - 30 SEPTEMBER 2014						
(Amount expressed in thousands of Turkish Lira)						
INCOME STATEMENT		Note	CURRENT PERIOD (01/01/2014- 30/09/2014)	PRIOR PERIOD (01/01/2013- 30/09/2013)	CURRENT PERIOD (01/07/2014- 30/09/2014)	PRIOR PERIOD (01/07/2013- 30/09/2013)
I.	INTEREST INCOME	(5.IV.1)	518,236	318,388	182,073	117,092
1.1	Interest Income on Loans		499,799	306,930	175,424	111,231
1.2	Interest Received from Statutory Reserves		-	-	-	-
1.3	Interest Received from Banks		7,663	2,947	2,828	2,180
1.4	Interest Received from Money Market Placements		332	862	48	490
1.5	Interest Received from Marketable Securities Portfolio		10,397	7,630	3,751	3,185
1.5.1	Financial Assets Held for Trading		713	650	247	197
1.5.2	Financial Assets at Fair Value Through Profit and Loss		-	-	-	-
1.5.3	Financial Assets Available for Sale		9,684	6,980	3,504	2,988
1.5.4	Investments Held to Maturity		-	-	-	-
1.6	Finance Lease Income		-	-	-	-
1.7	Other Interest Income		45	19	22	6
II.	INTEREST EXPENSE		293,104	175,441	100,915	71,631
2.1	Interest on Deposits	(5.IV.2)	231,586	143,774	78,644	58,916
2.2	Interest on Funds Borrowed	(5.IV.2)	24,897	14,749	8,763	6,565
2.3	Interest on Money Market Funds		12	-	-	-
2.4	Interest on Securities Issued	(5.IV.2)	34,070	14,708	12,667	5,268
2.5	Other Interest Expense		2,539	2,210	841	882
III.	NET INTEREST INCOME/EXPENSE (I - II)		225,132	142,947	81,158	45,461
IV.	NET FEES AND COMMISSIONS INCOME/EXPENSE		12,462	9,517	5,435	4,145
4.1	Fees and Commissions Received		20,121	13,714	8,305	5,737
4.1.1	Non-cash Loans		5,688	3,992	2,064	1,607
4.1.2	Other	(5.IV.12)	14,433	9,722	6,241	4,130
4.2	Fees and Commissions Paid		7,659	4,197	2,870	1,592
4.2.1	Non-cash Loans		28	22	9	8
4.2.2	Other	(5.IV.12)	7,631	4,175	2,861	1,584
V.	DIVIDEND INCOME	(5.IV.3)	-	-	-	-
VI.	TRADING INCOME / LOSS (Net)	(5.IV.4)	19,182	23,493	2,747	13,889
6.1	Gains/Losses on Securities Trading		1,702	(440)	(290)	(90)
6.2	Derivative Financial Transactions Gains/Losses		21,980	11,535	2,531	5,736
6.3	Foreign Exchange Gains/Losses		(4,500)	12,398	506	8,243
VII.	OTHER OPERATING INCOME	(5.IV.5)	6,400	3,170	2,394	946
VIII.	TOTAL OPERATING INCOME/EXPENSE (III+IV+V+VI+VII)		263,176	179,127	91,734	64,441
IX.	PROVISION FOR LOSSES ON LOANS AND OTHER RECEIVABLES (-)	(5.IV.6)	44,592	34,149	15,528	12,062
X.	OTHER OPERATING EXPENSES (-)	(5.IV.7)	146,398	107,836	49,063	42,575
XI.	NET OPERATING INCOME / LOSS (VIII-IX-X)		72,186	37,142	27,143	9,804
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)	72,186	37,142	27,143	9,804
XVI.	TAX PROVISION FOR CONTINUING OPERATIONS (±)	(5.IV.9)	(16,411)	(11,240)	(6,368)	(3,314)
16.1	Current Tax Charge		(9,983)	(12,342)	(4,493)	(6,713)
16.2	Deferred Tax Charge /(Benefit)		(6,428)	1,102	(1,875)	3,399
XVII.	NET PERIOD PROFIT/LOSS FROM CONTINUING OPERATIONS (XV±XVI)	(5.IV.10)	55,775	25,902	20,775	6,490
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)	55,775	25,902	20,775	6,490
23.1	Group's Profit/Loss		55,775	25,902	20,775	6,490
23.2	Minority Interest Profit/Loss		-	-	-	-
	Earnings per Share		0.00101	0.00052	0.00038	0.00012

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 SEPTEMBER 2014**

(Amount expressed in thousands of Turkish Lira)

		CURRENT PERIOD	PRIOR PERIOD
		(01/01/2014-30/09/2014)	(01/01/2013-30/09/2013)
<b>STATEMENT OF INCOME AND EXPENSE ITEMS ACCOUNTED UNDER EQUITY</b>			
<b>I.</b>	<b>ADDITIONS TO MARKETABLE SECURITIES REVALUATION RESERVES FROM FINANCIAL ASSETS AVAILABLE FOR SALE</b>	17,853	(26,159)
<b>II.</b>	<b>TANGIBLE ASSETS REVALUATION RESERVES</b>	-	-
<b>III.</b>	<b>INTANGIBLE ASSETS REVALUATION RESERVES</b>	-	-
<b>IV.</b>	<b>TRANSLATION ADJUSTMENT FOR FOREIGN CURRENCY TRANSACTIONS</b>	-	-
<b>V.</b>	<b>PROFIT/LOSS ON CASH FLOW HEDGE DERIVATIVE FINANCIAL ASSETS (Effective Portion of the Changes in Fair Value)</b>	-	-
<b>VI.</b>	<b>PROFIT/LOSS ON NET FOREIGN INVESTMENT HEDGE DERIVATIVE FINANCIAL ASSETS (Effective Portion of the Changes in Fair Value)</b>	-	-
<b>VII.</b>	<b>THE EFFECT OF CORRECTIONS OF THE ERRORS AND CHANGES IN THE ACCOUNTING POLICY</b>	-	-
<b>VIII.</b>	<b>OTHER INCOME AND EXPENSES RECOGNISED IN EQUITY IN ACCORDANCE WITH TAS</b>	-	-
<b>IX.</b>	<b>DEFERRED TAX EFFECT OF REVALUATION</b>	(3,081)	5,505
<b>X.</b>	<b>NET INCOME/EXPENSE DIRECTLY RECOGNISED IN EQUITY (I+II+...+IX)</b>	14,772	(20,654)
<b>XI.</b>	<b>PROFIT/LOSS FOR THE PERIOD</b>	(2,446)	(1,370)
11.1	Net Changes in the Fair Values of Marketable Securities (Transfer to Profit/Loss)	(2,446)	(1,370)
11.2	The Portion of Cash-flow Hedge Derivative Financial Assets Reclassified in and Transferred to Income Statement	-	-
11.3	The Portion of Net Foreign Investment Hedge Derivative Financial Assets Reclassified in and Transferred to Income Statement	-	-
11.4	Other	-	-
<b>XII.</b>	<b>TOTAL PROFIT/LOSS RECOGNISED FOR THE PERIOD (X±XI)</b>	12,326	(22,024)

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 SEPTEMBER 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 - 30/09/2013)																			
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		-	-	-	-	-	-	-	-	-	-	(22,024)	-	-	-	-	(22,024)	-	(22,024)
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)	-	-	-	-	-	-	-	-	-	(9,502)	-	-	-	96,432	-	96,432
14.1 Cash		96,432	-	-	-	-	-	-	-	-	-	-	-	-	-	-	96,432	-	96,432
14.2 Internal Sources		26,918	(17,416)	-	-	-	-	-	-	-	-	-	(9,502)	-	-	-	-	-	-
XV. Share Issue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI. Share Cancellation Profits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVII. Paid-in-Capital Inflation Adjustment		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVIII. Other		-	-	-	-	-	-	-	-	-	(1,346)	-	-	-	-	-	(1,346)	-	(1,346)
XIX. Net Profit/Loss for the Period		-	-	-	-	-	-	-	-	25,902	-	-	-	-	-	-	25,902	-	25,902
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	-	-	-	-	-	-	-	25,902	(72,569)	(21,700)	-	-	-	-	481,633	-	481,633
CURRENT PERIOD (01/01/2014 - 30/09/2014)																			
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		-	-	-	-	-	-	-	-	-	-	12,326	-	-	-	-	12,326	-	12,326
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		-	-	-	-	-	-	-	-	55,775	-	-	-	-	-	-	55,775	-	55,775
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	-	-	-	-	-	-	-	55,775	(28,770)	(11,731)	-	-	-	-	565,274	-	565,274

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

	Note	CURRENT PERIOD (01/01/2014- 30/09/2014)	PRIOR PERIOD (01/01/2013- 30/09/2013)
<b>A. CASH FLOWS FROM BANKING OPERATIONS</b>			
<b>1.1 Operating Profit / Loss before Changes in Operating Assets and Liabilities</b>		<b>180,146</b>	<b>84,519</b>
1.1.1 Interest Received (+)		512,676	319,234
1.1.2 Interest Paid (-)		276,794	162,110
1.1.3 Dividend Received (+)		-	-
1.1.4 Fees and Commissions Received (+)		20,139	14,101
1.1.5 Other Income (+)		1,677	14,101
1.1.6 Collections from Previously Written Off Loans (+)		2,331	292
1.1.7 Cash Payments to Personnel and Service Suppliers (-)		127,150	96,866
1.1.8 Taxes Paid (-)		5,776	5,150
1.1.9 Other (+/-)		53,043	917
<b>1.2 Changes in Banking Operations Assets and Liabilities</b>		<b>(436,581)</b>	<b>91,344</b>
1.2.1 Net (Increase) Decrease in Financial Assets Held for Trading (+/-)		(654)	5,027
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 (+/-)		105,870	(141,811)
1.2.4 Net (Increase) Decrease in Loans (+/-)		(1,085,927)	(1,341,543)
1.2.5 Net (Increase) Decrease in Other Assets (+/-)		(7,802)	(7,017)
1.2.6 Net Increase (Decrease) in Bank Deposits (+/-)		(61,755)	163,764
1.2.7 Net Increase (Decrease) in Other Deposits (+/-)		594,407	1,340,410
1.2.8 Net Increase (Decrease) in Borrower Funds (+/-)		213,241	104,933
1.2.9 Net Increase (Decrease) in Matured Payables (+/-)		-	-
1.2.10 Net Increase (Decrease) in Other Liabilities (+/-)		(193,961)	(32,419)
<b>I Net Cash Flow Providedfrom Banking Operations (+/-)</b>		<b>(256,435)</b>	<b>175,863</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>			-
<b>II Net Cash Flow Provided from Investment Activities (+/-)</b>		<b>(85,683)</b>	<b>(191,838)</b>
2.1 Cash Paid for Purchase of Associates, Subsidiaries and Jointly Controlled Entities (Joint Ventures) (-)		-	5,445
2.2 Cash Obtained from Sale of Associates, Subsidiaries and Jointly Controlled Entities (Joint Ventures) (+)		-	-
2.3 Tangible Asset Purchases (-)		5,409	14,985
2.4 Tangible Asset Sales (+)		1,754	1,846
2.5 Cash Paid for Purchase of Financial Assets Available for Sale (-)		122,405	248,701
2.6 Cash Obtained from Sales of Financial Assets Available for Sale (+)		42,406	78,995
2.7 Cash Paid for Purchase of Investment Securities (-)		-	-
2.8 Cash Obtained from Sales of Investment Securities (+)		-	-
2.9 Other (+/-)		(2,029)	(3,548)
			#N/A
<b>C. CASH FLOWS FROM FINANCIAL ACTIVITIES</b>			-
<b>III Net Cash Provided from Financing Activities (+/-)</b>		<b>157,620</b>	<b>320,950</b>
3.1 Cash Obtained from Funds Borrowed and Securities Issued (+)		262,873	349,518
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 (+/-)		-	-
<b>IV. Effect of Change in Foreign Exchange Rate on Cash and Cash Equivalents (+/-)</b>		<b>10,721</b>	<b>15,367</b>
<b>V. Net Increase in Cash and Cash Equivalents (I+II+III+IV)</b>		<b>(173,777)</b>	<b>320,342</b>
<b>VI. Cash and Cash Equivalents at the Beginning of the Period (+)</b>		<b>195,522</b>	<b>100,478</b>
<b>VII. Cash and Cash Equivalents at the End of the Period (V+VI)</b>		<b>21,745</b>	<b>420,820</b>

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

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF  
1 JANUARY – 30 SEPTEMBER 2014**

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

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**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 (“KGK”).

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 SEPTEMBER 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 balance sheet date 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:

	<b>30 September 2014</b>	<b>31 December 2013</b>
US Dollar	2.2789	2.1343
Euro	2.8914	2.9365

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

As of 30 September 2014, net foreign exchange loss included in the income statement amounts is TL 4,500 (1 January - 30 September 2013: TL 12,398 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 communiqué, 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 SEPTEMBER 2014**

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

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**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 September 2014.

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF  
1 JANUARY – 30 SEPTEMBER 2014**

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

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**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 SEPTEMBER 2014**

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

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**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 SEPTEMBER 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:

<b>Tangible Asset</b>	<b>Estimated useful lives (Years)</b>	<b>Depreciation Rate (%)</b>
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 SEPTEMBER 2014**

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

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**XVI. Explanations on contingent assets**

The contingent assets usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits to the 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.

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**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 September 2014 is TL 4,493 (31 December 2013: TL 4,237).

**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 September 2014, the deferred tax asset is TL 3,734 (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 September 2014, deferred tax charge is TL 6,428 (1 January - 30 September 2013: TL 1,102 benefit). Deferred tax effects of the transactions and events recognized directly in the shareholders’ equity are also recognized directly in the shareholders’ equity which is TL 2,933 (benefit) as of 30 September 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.

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**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 September 2014, the unconsolidated capital adequacy ratio is 12.95 % (31 December 2013: 13.27 %).

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

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

The items deducted from the equity in the calculation of the shareholders' equity are not included in the calculation of risk-weighted assets, non-cash loans and contingent liabilities. In the calculation of risk weighted assets, the assets subject to amortisation or impairment, are taken into account on a net basis after being reduced by the related amortisations and provisions.

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

In the calculation of the value at credit risk for the non-cash loans and commitments such transactions are weighted after netting with specific provisions that are classified under liabilities and calculated based on the "Regulation on Identification of and Provision against Non-Performing Loans and Other Receivables" published in the Official Gazette No. 26333, dated 1 November 2006, The net amounts are then multiplied by the rate of; if the risk is high one hundred percent, if the risk is medium fifty percent if the risk is medium/low twenty percent and if the risk is low zero percent; reduced as per the "Regulation on Credit Risk Mitigation Techniques" and then included in the relevant exposure category defined in the Article 6 of the "Regulation on Measurement and Assessment of Capital Adequacy of Banks" and weighted as per "Appendix-1 of the Regulation on Measurement and Assessment of Capital Adequacy of Banks".

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

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

The Bank 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%
<b>Credit Risk Related Amount</b>	--	--	27,417	809,198	937,496	4,295,275	175,505	195,540
<b>Exposure Categories</b>	1,264,570	--	137,084	1,618,395	1,249,994	4,295,275	117,003	97,770
Conditional and Unconditional Receivables from Central Governments or Central Banks	918,064	--	--	17,941	--	--	--	--
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	287,557	--	137,084	391,032	--	--	119	--
Conditional and Unconditional Corporate Receivables	2,183	--	--	8,283	--	3,880,897	--	--
Conditional and Unconditional Retail Receivables	299	--	--	--	1,249,994	--	--	--
Conditional and Unconditional Receivables Secured by Mortgages	--	--	--	1,195,450	--	265,306	--	--
Past Due Receivables	--	--	--	4,850	--	36,605	8,282	-
Receivables Defined in High Risk Category by BRSA	--	--	--	839	--	3,433	108,602	97,770
Securities Collateralised by Mortgages	--	--	--	--	--	--	--	--
Securitisation Positions	--	--	--	--	--	--	--	--
Short-term Receivables from banks, Brokerage Houses and Corporates	--	--	--	--	--	--	--	--
Investments Similar to Collective Investment Funds	--	--	--	--	--	--	--	--
Other Receivables	56,467	--	--	--	--	109,034	--	--
<b>Total Risk Weighted Assets</b>	1,264,570	--	137,084	1,618,395	1,249,994	4,295,275	117,003	97,770

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

Prior Period	0%	10%	20%	50%	75%	100%	150%	200%
<b>Credit Risk Related Amount</b>	--	--	<b>38,840</b>	<b>674,507</b>	<b>609,741</b>	<b>3,763,507</b>	<b>119,681</b>	<b>257,794</b>
<b>Exposure Categories</b>	<b>1,062,567</b>	--	<b>194,201</b>	<b>1,349,014</b>	<b>812,988</b>	<b>3,763,507</b>	<b>79,787</b>	<b>128,897</b>
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	--	--
<b>Total Risk Weighted Assets</b>	<b>1,062,567</b>	--	<b>194,201</b>	<b>1,349,014</b>	<b>812,988</b>	<b>3,763,507</b>	<b>79,787</b>	<b>128,897</b>

**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)	515,234	437,126
Capital Requirement for Market Risk (CRMR)	2,944	8,245
Capital Requirement for Operational Risk (CROR)	25,668	14,660
Equity	880,402	763,188
Equity/((CRCR+MRCR+ORCR) * 12.5 * 100)	12.95%	13.27%
Core Capital/((CRCR+MRCR+ORCR)*12.5*100)	7.89%	--
Tier 1 Capital/((CRCR+MRCR+ORCR)*12.5*100)	7.94%	--

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF 1 JANUARY – 30 SEPTEMBER 2014

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

<b>TIER I CAPITAL</b>	<b>Current Period</b>
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	150,482
Current Period Profit	55,775
Prior Period Profit	94,707
General Reserves for Possible Losses	--
Bonus Shares from Associates, Subsidiaries and Joint-Ventures not Accounted in Current Period's Profit	--
<b>Tier I Capital Before Deductions</b>	<b>700,482</b>
<b>Deductions From Tier I Capital</b>	
Current and Prior Periods' Losses not Covered by Reserves, and Losses Accounted under Equity according to TAS (-)	135,209
Leasehold Improvements on Operational Leases (-)	19,559
Goodwill and Other Intangible Assets and Related Deferred Taxes (-)	5,775
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 (-)	--
<b>Total Deductions from Tier I Capital</b>	<b>160,543</b>
<b>Total Tier I Capital</b>	<b>539,939</b>
<b>ADDITIONAL CORE CAPITAL</b>	
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)	--
<b>Additional Core Capital before Deductions</b>	<b>--</b>
<b>Deductions from Additional Core Capital</b>	
Direct and Indirect Investments of the Bank on its own Additional Core Capital (-)	--
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital (-)	--
The Total of Net Long Position of the Direct or Indirect Investments in Additional Tier I Capital of Unconsolidated Banks and Financial Institutions where the Bank Owns more than 10% of the Issued Share Capital (-)	--
Other items to be Defined by the BRSA (-)	--

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Deductions from Additional Core Capital in cases where there are no adequate Tier II Capital (-)	--
<b>Total Deductions from Additional Core Capital</b>	--
<b>Total Additional Core Capital</b>	--

<b>Deductions from Core Capital</b>	<b>3,734</b>
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 (-)	3,734
<b>Total Core Capital</b>	<b>536,205</b>

**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)	284,157
Pledged Assets of the Shareholders to be used for the Bank's Capital	--
General Provisions	60,359
<b>Tier II Capital before Deductions</b>	<b>344,516</b>

**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 (-)	--
<b>Total Deductions from Tier II Capital</b>	--
<b>Total Tier II Capital</b>	<b>344,516</b>

**CAPITAL****880,721**

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 (-)	319
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****880,402**

<b>Amounts lower than Excesses as per Deduction Rules</b>	--
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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**Information related to the components of shareholders' equity(continued)**

	Prior Period
<b>CORE CAPITAL</b>	
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 (-)	--
<b>Total Core Capital</b>	<b>493,323</b>
<b>SUPPLEMENTARY CAPITAL</b>	
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)	--
<b>Total Supplementary Capital</b>	<b>269,865</b>
<b>CAPITAL</b>	<b>763,188</b>
<b>DEDUCTIONS FROM THE CAPITAL</b>	
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	--
<b>Total Shareholders' Equity</b>	<b>763,188</b>

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**Components of items of shareholders' equity subject to temporary applications**

Current Period	The Bank	
	Amount Included in Equity Calculation (*)	Total Amount (*)
Debt Instruments and the Related Issuance Premiums Defined by the BRSA (Issued before 1.1.2014)	291,506	291,506

(\*) Loans, granted to Bank's risk group has been deducted from equity calculation, considered as 284,157

The loan provided by Fiba Holding, still considered in contributed capital account as subordinated debt amounting to USD 50 million, with material added to the loan agreement due to meet the conditions laid down in the Regulation Regarding Banks' Equity as of 1 January 2015 within the provisions of the Regulation to continue to be considered as supplementary capital has been approved by the BRSA.

**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**

<b>Current Period</b>	<b>Amount</b>
(I) Capital Requirement to be Employed For General Market Risk - Standard Method	435
(II) Capital Requirement to be Employed For Specific Risk - Standard Method	59
Capital Requirement against Specific Risks of Securitisation Positions – Standard Method	--
(III) Capital Requirement to be Employed For Currency Risk - Standard Method	569
(IV) Capital Requirement to be Employed For Commodity Risk – Standard Method	--
(V) Capital Requirement to be Employed For Clearing Risk - Standard Method	--
(VI) Total Capital Requirement to be Employed For Market Risk Resulting From Options - Standard Method	35
(VII) Capital Requirement against Counterparty Credit Risks – Standard Method	1,846
<b>(VIII) Total Capital Requirement to be Employed For Market Risk in Banks Using Risk Measurement</b>	--
<b>(IX) Total Capital Requirement to be Employed For Market Risk (I+II+III+IV+V+VI+VII+VIII)</b>	2,944
<b>(X) Amount Subject to Market Risk (12.5 x VIII) or (12.5 x IX)</b>	<b>36,800</b>

<b>Prior Period</b>	<b>Amount</b>
(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
<b>(VIII) Total Capital Requirement to be Employed For Market Risk in Banks Using Risk Measurement</b>	--
<b>(IX) Total Capital Requirement to be Employed For Market Risk (I+II+III+IV+V+VI+VII+VIII)</b>	8,245
<b>(X) Amount Subject to Market Risk (12.5 x VIII) or (12.5 x IX)</b>	<b>103,063</b>

**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 September 2014, the Group's net foreign currency long position is TL 1,817 (31 December 2013: TL 6,986 net long position) resulting from long position on the balance sheet amounting to TL 16.023 (31 December 2013: TL 681,702 long position) and short position on the off-balance amounting to TL 14,206 (31 December 2013: TL 674,716 short position). "Standard Method" is used in legal reporting to measure the foreign exchange risk.

The announced current foreign exchange buying rates of the Bank at 30 September 2014 and the previous five working days in full TL are as follows:

US Dollar purchase rate as at the balance sheet date	TL 2.2789
Euro purchase rate as at the balance sheet date	TL 2.8914

<b>Date</b>	<b>USD(Full Basis)</b>	<b>EUR(Full Basis)</b>
24 September 2014	2.2319	2.8745
25 September 2014	2.2325	2.8677
26 September 2014	2.2482	2.8607
29 September 2014	2.2557	2.8748
30 September 2014	2.2789	2.8914

Simple arithmetic means of foreign exchange rates in September 2014 are 2.2036 TL for US dollar, and 2.8501 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	12,646	782,538	80,160	875,344
Banks	30,623	26,184	2,926	59,733
Financial Assets at Fair Value through Profit/Loss (*)	1,040	3,141	--	4,181
Interbank Money Market Placements	--	--	--	--
Financial Assets Available for Sale	50,567	293,450	--	344,017
Loans (**)	1,048,654	1,299,606	81,891	2,430,151
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 (***)	542	493	3	1,038
<b>Total Assets</b>	<b>1,144,072</b>	<b>2,405,412</b>	<b>164,980</b>	<b>3,714,464</b>
Liabilities				
Banks Deposits	57,833	68,635	10,267	136,735
Foreign Currency Deposits	688,921	1,433,656	84,294	2,206,871
Interbank Money Market Received	43,447	244,111	--	287,558
Funds Borrowed from Other Financial Institutions	478,489	455,059	--	933,548
Sundry Creditors	1,913	9,445	--	11,358
Marketable Securities Issued	--	--	--	--
Derivative Financial Liabilities Held for Hedging Purposes	--	--	--	--
Other Liabilities(****)	2,054	120,088	229	122,371
<b>Total Liabilities</b>	<b>1,272,657</b>	<b>2,330,994</b>	<b>94,790</b>	<b>3,698,441</b>
<b>Net Balance Sheet Position</b>	<b>(128,585)</b>	<b>74,418</b>	<b>70,190</b>	<b>16,023</b>
<b>Net Off-Balance Sheet Position</b>	<b>125,540</b>	<b>(70,026)</b>	<b>(69,720)</b>	<b>(14,206)</b>
Financial Derivative Assets(*****)	617,326	950,003	115,324	1,682,653
Financial Derivative Liabilities(*****)	491,786	1,020,029	185,044	1,696,859
Non-Cash Loans (*****)	117,535	531,049	--	648,584
<b>Prior Period</b>				
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
<b>Net Balance Sheet Position</b>	<b>490,865</b>	<b>146,712</b>	<b>44,125</b>	<b>681,702</b>
<b>Net Off-Balance Sheet Position</b>	<b>(487,582)</b>	<b>(142,687)</b>	<b>(44,447)</b>	<b>(674,716)</b>
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 1,201.

(\*\*) The balance includes foreign currency indexed loans and accruals amounting to TL 485,546.

(\*\*\*)The balance does not include TL 3,184 of prepaid expenses.

(\*\*\*\*)The balance does not include trading derivative liabilities amounting to TL 1,250.

(\*\*\*\*\*)In the current period, exchange purchase commitments within the derivative financial assets amounted to TL 267,735 (31 December 2013: TL 178,594), exchange sale commitments within the derivative financial liabilities amounted to TL 274,688 (31 December 2013: TL 153,168).

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

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**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)”:

<b>Current Period End</b>	<b>Up to 1 Month</b>	<b>1-3 Months</b>	<b>3-12 Months</b>	<b>1-5 Years</b>	<b>Over 5 Years</b>	<b>Non- interest Bearing</b>	<b>Total</b>
<b>Assets</b>							
Cash (Cash in TL, Cash in Foreign Currency, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	--	--	--	--	--	952,963	952,963
Banks	128,310	--	--	--	--	11,766	140,076
Financial Assets at Fair Value Through Profit or Loss	13,125	11,192	18,792	1,518	1,912	--	46,539
Interbank Money Market Placements	--	--	--	--	--	--	--
Financial Assets Available-for-Sale	--	--	17,940	226,462	117,556	--	361,958
Loans	512,575	2,248,515	1,213,126	1,729,470	410,084	55,046	6,168,816
Investment Securities Held-to-Maturity	--	--	--	--	--	--	--
Other Assets (*)	--	--	--	--	--	72,133	72,133
<b>Total Assets</b>	<b>654,010</b>	<b>2,259,707</b>	<b>1,249,858</b>	<b>1,957,450</b>	<b>529,552</b>	<b>1,091,908</b>	<b>7,742,485</b>
<b>Liabilities</b>							
Bank Deposits	112,002	8,066	--	--	--	37,651	157,719
Other Deposits	2,780,563	1,549,515	231,777	109	--	369,008	4,930,972
Interbank Money Market Received	307,304	--	--	--	--	--	307,304
Sundry Creditors	--	--	--	--	--	59,185	59,185
Marketable Securities Issued	151,698	163,516	143,857	--	--	--	459,071
Funds Borrowed from Other Financial Institutions	33,520	556,312	361,122	--	--	--	950,954
Other Liabilities (**)	5,569	11,353	3,177	31	117,034	740,116	877,280
<b>Total Liabilities</b>	<b>3,390,656</b>	<b>2,288,762</b>	<b>739,933</b>	<b>140</b>	<b>117,034</b>	<b>1,205,960</b>	<b>7,742,485</b>
Balance Sheet Long Position	--	--	509,925	1,957,310	412,518	--	2,879,753
Balance Sheet Short Position	(2,736,646)	(29,055)	--	--	--	(114,052)	(2,879,753)
Off-Balance Sheet Long Position	--	--	--	--	--	2,650,463	2,650,463
Off-Balance Sheet Short Position	--	--	--	--	--	(2,651,096)	(2,651,096)
<b>Total Position</b>	<b>(2,736,646)</b>	<b>(29,055)</b>	<b>509,925</b>	<b>1,957,310</b>	<b>412,518</b>	<b>(114,685)</b>	<b>(633)</b>

(\*) Non-interest bearing column includes TL 5,445 subsidiaries, TL 31,264 tangible assets, TL 5,775 intangible assets, TL 3,734 tax assets, TL 574 non-current assets held for sale and TL 25,341 other assets.

(\*\*) Non-interest bearing column includes TL 565,274 shareholders' equity, TL 81,423 other liabilities, TL 226 finance lease liabilities, TL 74,645 provisions and TL 18,548 tax liabilities.

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

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

<b>Current Period End</b>	<b>EUR</b> %	<b>USD</b> %	<b>JPY</b> %	<b>TL</b> %
<b>Assets</b>				
Cash (Cash in TL, Cash in Foreign Currency, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	--	--	--	--
Banks	0.75	0.95	--	11.00
Financial Assets at Fair Value Through Profit/ Loss	4.35	5.57	--	14.08
Interbank Money Market Placements	--	--	--	--
Financial Assets Available-for-Sale	--	4.17	--	5.60
Loans	6.48	5.65	--	14.08
Investment Securities Held-to-Maturity	--	--	--	--
<b>Liabilities</b>				
Bank Deposits	0.83	0.67	--	8.95
Other Deposits	2.16	2.47	--	9.96
Interbank Money Market Funds	0.53	0.72	--	8.25
Sundry Creditors	--	--	--	--
Marketable Securities Issued	--	--	--	10.09
Funds Borrowed from Other Financial Institutions	2.18	1.94	--	7.03
<hr/>				
<b>Prior Period End</b>	<b>EUR</b> %	<b>USD</b> %	<b>JPY</b> %	<b>TL</b> %
<b>Assets</b>				
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	--	--	--	--
<b>Liabilities</b>				
Bank Deposits	1.05	0.68	--	7.20
Other Deposits	2.88	3.16	--	9.44
Interbank Money Market Received	--	1.28	--	4.50
Sundry Creditors	--	--	--	--
Marketable Securities Issued	--	--	--	9.61
Funds Borrowed from Other Financial Institutions	1.78	1.90	--	5.96

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**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.

	<b>Shock Applied</b> (+ / - x bps)	<b>Gains/ Losses</b>	<b>Gains / Equity - Losses / Equity</b>
TRY	500	-68,257	%-7.75
TRY	-400	61,180	%6.95
USD Dollar	200	-28,005	%-3.18
USD Dollar	-200	17,046	%1.94
EURO	200	-33,423	%-3.80
EURO	-200	1,214	%0.14
<b>Total (For Positive Shocks)</b>		<b>-129,685</b>	<b>%-14.73</b>
<b>Total (For Negative Shocks)</b>		<b>79,440</b>	<b>%9.03</b>

**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:

	<b>First Maturity Slice (Weekly)</b>		<b>Second Maturity Slice (Monthly)</b>	
	<b>FC</b>	<b>FC + TL</b>	<b>FC</b>	<b>FC+TL</b>
<b>Average (%)</b>	133.30	177.52	100.82	123.51
<b>Max. (%)</b>	160.61	231.70	111.34	148.31
<b>Min. (%)</b>	118.02	150.30	92.74	110.71

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**V. Explanation related to the liquidity risk (*continued*)****1. Presentation of assets and liabilities according to their remaining maturities:**

<b>Current Period</b>	<b>Demand</b>	<b>Up to 1 Month</b>	<b>1-3 Months</b>	<b>3-12 Months</b>	<b>1-5 Year</b>	<b>5 Years and Over</b>	<b>Unallocated</b>	<b>Total</b>
<b>Assets</b>								
Cash (Cash in TL, Cash in Foreign Currency, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	195,516	757,447	--	--	--	--	--	952,963
Banks	11,765	128,311	--	--	--	--	--	140,076
Financial Assets at Fair Value Through Profit or Loss	--	12,700	11,191	3,911	1,774	16,963	--	46,539
Interbank Money Market Placements	--	--	--	--	--	--	--	--
Financial Assets Available-for-Sale	--	--	--	17,940	226,462	117,556	--	361,958
Loans	--	724,671	680,371	2,898,497	1,572,148	238,083	55,046	6,168,816
Investment Securities Held-to-Maturity	--	--	--	--	--	--	--	--
Other Assets (*)	--	--	--	--	--	--	72,133	72,133
<b>Total Assets</b>	<b>207,281</b>	<b>1,623,129</b>	<b>691,562</b>	<b>2,920,348</b>	<b>1,800,384</b>	<b>372,602</b>	<b>127,179</b>	<b>7,742,485</b>
<b>Liabilities</b>								
Bank Deposits	37,651	112,002	8,066	--	--	--	--	157,719
Other Deposits	369,008	2,780,563	1,549,515	231,777	109	--	--	4,930,972
Funds Borrowed from Other Financial Institutions	--	35,188	375,417	189,070	179,506	171,773	--	950,954
Interbank Money Market Received	--	307,304	--	--	--	--	--	307,304
Marketable Securities Issued	--	151,698	163,516	143,857	--	--	--	459,071
Sundry Creditors	--	59,185	--	--	--	--	--	59,185
Other Liabilities (**)	--	89,042	16,669	9,180	5,215	114,453	642,721	877,280
<b>Total Liabilities</b>	<b>406,659</b>	<b>3,534,982</b>	<b>2,113,183</b>	<b>573,884</b>	<b>184,830</b>	<b>286,226</b>	<b>642,721</b>	<b>7,742,485</b>
<b>Net Liquidity Gap</b>	<b>(199,378)</b>	<b>(1,911,853)</b>	<b>(1,421,621)</b>	<b>2,346,464</b>	<b>1,615,554</b>	<b>86,376</b>	<b>(515,542)</b>	<b>--</b>
<b>Prior Period</b>								
<b>Total Assets</b>	<b>342,243</b>	<b>1,269,934</b>	<b>639,674</b>	<b>2,278,881</b>	<b>1,664,355</b>	<b>366,025</b>	<b>102,767</b>	<b>6,663,879</b>
<b>Total Liabilities</b>	<b>399,786</b>	<b>3,052,120</b>	<b>1,272,432</b>	<b>933,722</b>	<b>171,334</b>	<b>273,090</b>	<b>561,395</b>	<b>6,663,879</b>
<b>Net Liquidity Gap</b>	<b>(57,543)</b>	<b>(1,782,186)</b>	<b>(632,758)</b>	<b>1,345,159</b>	<b>1,493,021</b>	<b>92,935</b>	<b>(458,628)</b>	<b>--</b>

(\*) 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	936,005	16,123	--	--
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	815,792	287,558	--	--
Corporate Receivables	3,891,363	2,183	--	2,279
Retail Receivables	1,250,293	299	--	--
Receivables that are Collateralized by Residential	1,460,756	--	2,268,267	--
Past due Receivables	49,737	--	33,680	--
Receivables Defined in High Risk Category by BRSA	210,644	--	34,560	--
Securities Collateralised by Mortgages	--	--	--	--
Short-term Receivables from Banks, Brokerage Houses and Corporates	--	--	--	--
Investments Similar to Collective Investment Funds	--	--	--	--
Other Receivables	165,501	--	--	--
<b>Total</b>	<b>8,780,091</b>	<b>306,163</b>	<b>2,336,507</b>	<b>2,279</b>

(\*) 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.

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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.

<b>Current Period 1 January – 30 September 2014</b>	<b>Retail Banking</b>	<b>Commercial &amp; Corporate Banking</b>	<b>Treasury &amp; Headquarters</b>	<b>Total Operations of the Bank</b>
Operating Income	120,803	138,183	4,190	263,176
Operating Profit	12,084	77,651	(17,549)	72,186
Taxation				(16,411)
<b>Net Profit/(Loss) for the Period</b>				<b>55,775</b>
<b>Current Period- 30 September 2014</b>				
Segment Assets	1,958,341	4,155,429	1,628,715	7,742,485
Unallocated Assets				--
<b>Total Assets</b>				<b>7,742,485</b>
Segment Liabilities	3,583,794	1,347,177	2,246,240	7,177,211
Unallocated Liabilities				--
Shareholders' Equity				565,274
<b>Total Liabilities</b>				<b>7,742,485</b>
<b>Prior Period 1 January – 30 September 2013</b>	<b>Retail Banking</b>	<b>Commercial &amp; Corporate Banking</b>	<b>Treasury &amp; Headquarters</b>	<b>Total Operations of the Bank</b>
Operating Income	66,968	97,586	14,573	179,127
Operating Profit	7,071	44,267	(14,196)	37,142
Taxation				(11,240)
<b>Net Profit/(Loss) for the Period</b>				<b>25,902</b>
<b>Prior Period- 31 December 2013</b>				
Segment Assets	1,634,289	3,520,304	1,509,286	6,663,879
Unallocated Assets				--
<b>Total Assets</b>				<b>6,663,879</b>
Segment Liabilities	3,109,902	1,218,460	1,838,344	6,166,706
Unallocated Liabilities				--
Shareholders' Equity				497,173
<b>Total Liabilities</b>				<b>6,663,879</b>

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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	20,163	30,860	19,923	41,974
Balances with the Central Bank of Turkey	57,456	844,484	86,437	656,193
Other	--	--	--	--
<b>Total</b>	<b>77,619</b>	<b>875,344</b>	<b>106,360</b>	<b>698,167</b>

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Unrestricted Demand Deposits	57,456	87,038	86,437	72,708
Unrestricted Time Deposits	--	--	--	--
Restricted Time Deposits	--	757,446	--	583,485
<b>Total</b>	<b>57,456</b>	<b>844,484</b>	<b>86,437</b>	<b>656,193</b>

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. According to the Central Bank of Turkey’s press announcement No. 2014-72 dated October 21, 2014, the Reserve Deposits as from November of 2014 will be paid interest on the portion held in Turkish Lira.

**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	6,898	--	5,686	--
Other	--	--	--	--
<b>Total</b>	<b>6,898</b>	<b>--</b>	<b>5,686</b>	<b>--</b>

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.

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

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

**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	3,606	--	5,858	--
<b>Total</b>	<b>3,606</b>	<b>--</b>	<b>5,858</b>	<b>--</b>

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Transactions	4,282	--	12,520	18
Swap Transactions	11,794	1	11,253	--
Futures Transactions	--	--	--	--
Options	9,843	1,200	28,103	6,613
Other	--	--	--	--
<b>Total</b>	<b>25,919</b>	<b>1,201</b>	<b>51,876</b>	<b>6,631</b>

**3. Information on Banks**
**3.1 Information on banks**

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks				
Domestic	80,271	48,782	78,081	14,940
Foreign	72	10,951	277	120,860
Foreign head-offices and branches	--	--	--	--
<b>Total</b>	<b>80,343</b>	<b>59,733</b>	<b>78,358</b>	<b>135,800</b>

**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	17,731	335,733	16,677	241,377
Other	--	--	--	--
<b>Total</b>	<b>17,731</b>	<b>335,733</b>	<b>16,677</b>	<b>241,377</b>

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

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

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

	Current Period	Prior Period
Debt instruments	361,958	265,644
Quoted on Stock Exchange	361,958	265,644
Unquoted on Stock Exchange	--	--
Share certificates	--	--
Quoted on Stock Exchange	--	--
Unquoted on Stock Exchange	--	--
Impairment provision (-)	--	--
<b>Total</b>	<b>361,958</b>	<b>265,644</b>

**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
<b>Direct Loans to Shareholders</b>	--	--	--	--
Corporate Shareholders	--	--	--	--
Individual Shareholders	--	--	--	--
<b>Indirect Loans to Shareholders</b>	--	--	--	--
<b>Loans to Employees</b>	<b>2,209</b>	--	<b>1,927</b>	--
<b>Total</b>	<b>2,209</b>	--	<b>1,927</b>	--

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

	Standard Loans and Other Receivables			Loans and Other Receivables under Close Monitoring		
	Loans and Other Receivables (Total)	Loan and Receivables with Revised Contract Terms		Loans and Other Receivables (Total)	Loan and Receivables with Revised Contract Terms	
		Extension of Repayment Plan	Other		Extension of Repayment Plan	Other
<b>Cash Loans</b>						
<b>Loans</b>	<b>5,872,998</b>	<b>733</b>	--	<b>170,830</b>	<b>58,143</b>	<b>11,066</b>
Working Capital Loans	--	--	--	--	--	--
Export Loans	289,973	--	--	892	--	--
Import Loans	--	--	--	--	--	--
Loans to Financial Sector	184,747	--	--	52	--	--
Consumer Loans	314,253	64	--	34,332	1,681	9,625
Credit Cards	2,828	--	--	--	--	--
Others	5,081,197	669	--	135,554	56,462	1,441
<b>Specialization Loans</b>	--	--	--	--	--	--
<b>Other Receivables</b>	--	--	--	--	--	--
<b>Total</b>	<b>5,872,998</b>	<b>733</b>	--	<b>170,830</b>	<b>58,143</b>	<b>11,066</b>

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

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

## 5.2

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

	Standard Loans and Other Receivables	Loans and Other Receivables under Close Monitoring
<b>Number of Extensions</b>	<b>733</b>	<b>58,143</b>
1 or 2 times	733	58,143
3, 4 or 5 times	--	--
Over 5 times	--	--

	Standard Loans and Other Receivables	Loans and Other Receivables under Close Monitoring
<b>Extension Periods</b>	<b>733</b>	<b>58,143</b>
0-6 months	--	1,230
6 -12 months	7	435
1 – 2 years	675	12,282
2 – 5 years	51	14,177
5 years and over	--	30,019

***The overdue analysis of close monitoring loans***

	Corporate/ Commercial Loans	Consumer Loans	Total
<b><i>Current Period</i></b>			
1-30 days	39,041	5,829	44,870
31-60 days	32,883	19,561	52,444
61-90 days	58,202	14,684	72,886
<b>Total</b>	<b>130,126</b>	<b>40,074</b>	<b>170,200</b>

	Corporate/ Commercial Loans	Consumer Loans	Total
<b><i>Prior Period</i></b>			
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
<b>Total</b>	<b>46,812</b>	<b>31,259</b>	<b>78,071</b>

***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
<b>Consumer Loans-TL</b>	<b>13,894</b>	<b>232,533</b>	<b>246,427</b>
Real Estate Loans	1,083	35,836	36,919
Vehicle Loans	27	6,035	6,062
General Purpose Loans	12,784	190,662	203,446
Other	--	--	--
<b>Consumer Loans-Indexed to FC</b>	<b>--</b>	<b>105,779</b>	<b>105,779</b>
Real Estate Loans	--	101,613	101,613
Vehicle Loans	--	--	--
General Purpose Loans	--	4,166	4,166
Other	--	--	--
<b>Consumer Loans-FC</b>	<b>--</b>	<b>558</b>	<b>558</b>
Real Estate Loans	--	558	558
Vehicle Loans	--	--	--
General Purpose Loans	--	--	--
Other	--	--	--
<b>Individual Credit Cards-TL</b>	<b>2,075</b>	<b>--</b>	<b>2,075</b>
With Instalment	127	--	127
Without Instalment	1,948	--	1,948
<b>Individual Credit Cards-FC</b>	<b>10</b>	<b>--</b>	<b>10</b>
With Instalment	--	--	--
Without Instalment	10	--	10
<b>Loans Given to Employees-TL</b>	<b>135</b>	<b>1,331</b>	<b>1,466</b>
Real Estate Loans	--	--	--
Vehicle Loans	--	--	--
General Purpose Loans	135	1,331	1,466
Other	--	--	--
<b>Loans Given to Employees - Indexed to FC</b>	<b>--</b>	<b>--</b>	<b>--</b>
Real Estate Loans	--	--	--
Vehicle Loans	--	--	--
General Purpose Loans	--	--	--
Other	--	--	--
<b>Loans Given to Employees - FC</b>	<b>--</b>	<b>--</b>	<b>--</b>
Real Estate Loans	--	--	--
Vehicle Loans	--	--	--
General Purpose Loans	--	--	--
Other	--	--	--
<b>Personnel Credit Cards – TL</b>	<b>740</b>	<b>--</b>	<b>740</b>
With Instalment	145	--	145
Without Instalment	595	--	595
<b>Personnel Credit Cards – FC</b>	<b>3</b>	<b>--</b>	<b>3</b>
With Instalment	--	--	--
Without Instalment	3	--	3
<b>Overdraft Loans-TL (Real Persons)</b>	<b>5,725</b>	<b>--</b>	<b>5,725</b>
<b>Overdraft Loans-FC (Real Persons)</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>Total</b>	<b>22,582</b>	<b>340,201</b>	<b>362,783</b>

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**5.4*****Information on commercial loans with instalments and corporate credit cards***

	Short Term	Medium or Long Term	Total
<b>Instalment Commercial Loans – TL</b>	<b>162,759</b>	<b>923,863</b>	<b>1,086,622</b>
Real Estate Loans	--	741	741
Vehicle Loans	1,752	26,994	28,746
General Purpose Loans	161,007	896,128	1,057,135
Other	--	--	--
<b>Instalment Commercial Loans – Indexed to FC</b>	<b>3,563</b>	<b>166,057</b>	<b>169,620</b>
Real Estate Loans	--	2,789	2,789
Vehicle Loans	--	15,612	15,612
General Purpose Loans	3,563	147,656	151,219
Other	--	--	--
<b>Instalment Commercial Loans - FC</b>	<b>--</b>	<b>--</b>	<b>--</b>
Real Estate Loans	--	--	--
Vehicle Loans	--	--	--
General Purpose Loans	--	--	--
Other	--	--	--
<b>Corporate Credit Cards – TL</b>	<b>--</b>	<b>--</b>	<b>--</b>
With Instalment	--	--	--
Without Instalment	--	--	--
<b>Corporate Credit Cards – FC</b>	<b>--</b>	<b>--</b>	<b>--</b>
With Instalment	--	--	--
Without Instalment	--	--	--
<b>Overdraft Loans-TL (Legal Entities)</b>	<b>71,499</b>	<b>--</b>	<b>71,499</b>
<b>Overdraft Loans-FC (Legal Entities)</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>Total</b>	<b>237,821</b>	<b>1,089,920</b>	<b>1,327,741</b>

**5.5*****Allocation of loans by customers***

	Current Period	Prior Period
Public Sector	--	--
Private Sector	6,113,770	5,154,593
<b>Total</b>	<b>6,113,770</b>	<b>5,154,593</b>

**5.6*****Allocation of domestic and foreign loans***

	Current Period	Prior Period
Domestic Loans	5,981,460	5,113,467
Foreign Loans	132,310	41,126
<b>Total</b>	<b>6,113,770</b>	<b>5,154,593</b>

**5.7*****Loans granted to subsidiaries and associates***

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



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**5.8 Specific provisions provided against loans**

Specific Provisions	Current Period	Prior Period
Loans and Receivables with Limited Collectability	3,085	2,578
Loans and Receivables with Doubtful Collectability	15,309	3,857
Uncollectible Loans and Receivables	39,362	28,619
<b>Total</b>	<b>57,756</b>	<b>35,054</b>

**5.9 Information on non-performing loans (Net)**
**5.9.1 Information on loans and other receivables included in non-performing loans which are restructured or rescheduled**

	Group III Loans and receivables with limited collectability	Group IV Loans and receivables with doubtful collectability	Group V Uncollectible loans and receivables
<b>Current Period</b>	<b>--</b>	<b>25</b>	<b>246</b>
(Gross Amounts before Specific Provisions)			
Restructured Loans and Other Receivables	--	25	246
Rescheduled Loans and Other Receivables	--	--	--
<b>Prior Period</b>	<b>9</b>	<b>71</b>	<b>274</b>
(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 Loans and receivables with limited collectability	Group IV Loans and receivables with doubtful collectability	Group V Uncollectible loans and receivables
<b>Balances at Beginning of Period</b>	<b>14,860</b>	<b>12,144</b>	<b>33,411</b>
Additions (+)	72,741	4,928	328
Transfers from Other Categories of Non-Performing Loans (+)	--	58,569	28,786
Transfers to Other Categories of Non-Performing Loans (-)	58,569	28,786	--
Collections (-)	6,312	2,902	3,763
Write-offs (*) (-)	--	118	12,515
Corporate and Commercial Loans	--	--	11,822
Retail Loans	--	118	688
Credit Cards	--	--	5
Other	--	--	--
<b>Balances at End of the Period</b>	<b>22,720</b>	<b>43,835</b>	<b>46,247</b>
Specific Provisions (-)	3,085	15,309	39,362
<b>Net Balance on Balance Sheet</b>	<b>19,635</b>	<b>28,526</b>	<b>6,885</b>

(\*) 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**

	<b>Group III</b>	<b>Group IV</b>	<b>Group V</b>
	Loans and receivables with limited collectability	Loans and receivables with doubtful collectability	Uncollectible loans and receivables
<b>Current Period</b>			
Balance as of the Period End	1,050	9,415	4,180
Specific Provisions (-)	157	1,177	3,170
<b>Net Balance on Balance Sheet</b>	<b>893</b>	<b>8,238</b>	<b>1,010</b>
<b>Prior Period</b>			
Balance as of the Period End	336	714	6,582
Specific Provisions (-)	42	258	4,202
<b>Net Balance on Balance Sheet</b>	<b>294</b>	<b>456</b>	<b>2,380</b>

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

	<b>Group III</b>	<b>Group IV</b>	<b>Group V</b>
	Loans and receivables with limited collectability	Loans and receivables with doubtful collectability	Uncollectible loans and receivables
<b>Current Period (Net)</b>	<b>19,635</b>	<b>28,526</b>	<b>6,885</b>
Loans Granted to Real Persons and Legal Entities (Gross)	22,720	43,835	46,247
Specific provisions (-)	3,085	15,309	39,362
Loans Granted to Real Persons and Legal Entities (Net)	19,635	28,526	6,885
Banks (Gross)	--	--	--
Specific Provisions (-)	--	--	--
Banks (Net)	--	--	--
Other Loan and Receivables (Gross)	--	--	--
Specific Provisions (-)	--	--	--
Other Loan and Receivables (Net)	--	--	--
<b>Prior Period (Net)</b>	<b>12,282</b>	<b>8,287</b>	<b>4,792</b>
Loans Granted to Real Persons and Legal Entities (Gross)	14,860	12,144	33,411
Specific provisions (-)	2,578	3,857	28,619
Loans Granted to Real Persons and Legal Entities (Net)	12,282	8,287	4,792
Banks (Gross)	--	--	--
Specific Provisions (-)	--	--	--
Banks (Net)	--	--	--
Other Loan and Receivables (Gross)	--	--	--
Specific Provisions (-)	--	--	--
Other Loan and Receivables (Net)	--	--	--

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF  
1 JANUARY – 30 SEPTEMBER 2014**

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

**5.10 Liquidation policy for uncollectible loans and other receivables**

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

**5.11 Explanations related to write-off policy**

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

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

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

**7. Information on associates**

The Bank has no associates as of 30 September 2014.

**8. Information on subsidiaries**

The Bank has TL 5,445 investment in a subsidiary as of 30 September 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
5,421	5,337	11	420	--	(59)	--	5,337

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

**Movement of consolidated investment in subsidiary**

	Current Period	Prior Period
<b>Balance at Beginning of the Period</b>	5,445	--
<b>Movements during the Period</b>		
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 (-)	--	--
<b>Balance at the End of Period</b>	<b>5,445</b>	<b>5,445</b>
<b>Capital Commitments</b>	<b>--</b>	<b>--</b>
<b>Share of Percentage at the end of Period (%)</b>	<b>99</b>	<b>99</b>

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

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF  
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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 September 2014.

**10. Information on lease receivables**

The Bank has no leasing receivables as of 30 September 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 September 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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1 JANUARY – 30 SEPTEMBER 2014**

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

**15. Information on deferred tax asset**

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

As of 30 September 2014, the deferred tax asset amounting to TL 3,734 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.

<b>Current Period</b>		
	<b>Deferred Tax Base</b>	<b>Deferred Tax Asset/ Liability</b>
Financial Assets Valuation	4,908	982
Unearned Commission Income	12,454	2,491
Retirement Pay and Unused Vacation Provision	6,241	1,248
Tangible Assets Base Differences	(5,665)	(1,133)
Other Provisions	728	146
<b>Deferred Tax Assets</b>	<b>18,666</b>	<b>3,734</b>
<b>Prior Period</b>		
	<b>Deferred Tax Base</b>	<b>Deferred Tax Asset/ Liability</b>
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)
<b>Deferred Tax Assets</b>	<b>66,213</b>	<b>13,243</b>

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

	<b>1 January – 30 September 2014</b>	<b>1 January – 31 December 2013</b>
Deferred Tax Asset, at the beginning of the period	13,243	5,356
Deferred Tax Income / (Expense)	(6,428)	1,456
Deferred Tax Recognized Directly Under Equity	(3,081)	6,431
<b>Deferred Tax Asset , at the end of the period</b>	<b>3,734</b>	<b>13,243</b>

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

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF  
1 JANUARY – 30 SEPTEMBER 2014**

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

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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 September 2014, the Bank has TL 574 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 September 2014, total prepaid expenses are TL 10,094 (31 December 2013: TL 9,494).

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF  
1 JANUARY – 30 SEPTEMBER 2014**

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

**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
<b>Saving Deposits</b>	<b>25,864</b>	--	<b>28,239</b>	<b>1,236,897</b>	<b>134,565</b>	<b>185,914</b>	<b>33,032</b>	--	<b>1,644,511</b>
<b>Foreign Currency</b>									
<b>Deposits</b>	<b>220,523</b>	--	<b>57,063</b>	<b>1,612,216</b>	<b>158,045</b>	<b>44,390</b>	<b>112,477</b>	--	<b>2,204,714</b>
Residents in Turkey	182,540	--	49,378	1,590,271	154,023	44,236	5,191	--	2,025,639
Residents Abroad	37,983	--	7,685	21,945	4,022	154	107,286	--	179,075
<b>Public Sector Deposits</b>	<b>1,064</b>	--	--	<b>4,032</b>	--	--	--	--	<b>5,096</b>
<b>Commercial Deposits</b>	<b>117,670</b>	--	<b>80,489</b>	<b>485,176</b>	<b>136,946</b>	<b>139,884</b>	<b>26,641</b>	--	<b>986,806</b>
<b>Other Ins. Deposits</b>	<b>1,730</b>	--	--	<b>36,838</b>	<b>48,062</b>	<b>1,046</b>	<b>12</b>	--	<b>87,688</b>
<b>Precious Metal</b>									
<b>Deposits</b>	<b>2,157</b>	--	--	--	--	--	--	--	<b>2,157</b>
<b>Interbank Deposits</b>	<b>37,651</b>	--	<b>76,354</b>	<b>43,714</b>	--	--	--	--	<b>157,719</b>
Central Bank of Turkey	--	--	--	--	--	--	--	--	--
Domestic Banks	2	--	27,348	6,242	--	--	--	--	33,592
Foreign Banks	17,134	--	49,006	37,472	--	--	--	--	103,612
Special Finan.Inst.	20,515	--	--	--	--	--	--	--	20,515
Other	--	--	--	--	--	--	--	--	--
<b>Total</b>	<b>406,659</b>	--	<b>242,145</b>	<b>3,418,873</b>	<b>477,618</b>	<b>371,234</b>	<b>172,162</b>	--	<b>5,088,691</b>

**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
<b>Saving Deposits</b>	<b>18,962</b>	--	<b>26,834</b>	<b>1,292,133</b>	<b>255,626</b>	<b>129,168</b>	<b>21,465</b>	--	<b>1,744,188</b>
<b>Foreign Currency</b>									
<b>Deposits</b>	<b>182,740</b>	--	<b>101,830</b>	<b>1,056,876</b>	<b>168,351</b>	<b>17,121</b>	<b>50,491</b>	--	<b>1,577,409</b>
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
<b>Public Sector Deposits</b>	--	--	--	<b>5,256</b>	--	--	--	--	<b>5,256</b>
<b>Commercial Deposits</b>	<b>132,375</b>	--	<b>56,483</b>	<b>363,229</b>	<b>120,856</b>	<b>99,919</b>	<b>55,035</b>	--	<b>827,897</b>
<b>Other Ins. Deposits</b>	<b>586</b>	--	<b>300</b>	<b>147,695</b>	<b>22,028</b>	--	<b>444</b>	--	<b>171,053</b>
<b>Precious Metal</b>									
<b>Deposits</b>	<b>2,560</b>	--	--	--	--	--	--	--	<b>2,560</b>
<b>Interbank Deposits</b>	<b>62,563</b>	--	<b>102,254</b>	<b>54,997</b>	--	--	--	--	<b>219,814</b>
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	--	--	--	--	--	--	--	--	--
<b>Total</b>	<b>399,786</b>	--	<b>287,701</b>	<b>2,920,186</b>	<b>566,861</b>	<b>246,208</b>	<b>127,435</b>	--	<b>4,548,177</b>

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF  
1 JANUARY – 30 SEPTEMBER 2014**

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

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

	Under the Guarantee of Deposit Insurance		Exceeding the limit of Deposit Insurance	
	Current Period	Prior Period	Current Period	Prior Period
Saving Deposits	502,689	487,357	1,139,773	1,248,254
Foreign Currency Saving Deposits	126,071	98,420	1,441,371	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	--	--	--	--
<b>Total</b>	<b>628,760</b>	<b>585,777</b>	<b>2,581,144</b>	<b>2,083,055</b>

**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	134	4,722
Deposits of Chairman and Members of the Board of Directors and their Close Families	2,359	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	4,508	--	12,532	90
Swap Transactions	4,238	--	33,406	--
Futures Transactions	--	--	--	--
Options	10,136	1,250	28,040	6,650
Other	--	--	--	--
<b>Total</b>	<b>18,882</b>	<b>1,250</b>	<b>73,978</b>	<b>6,740</b>



# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF 1 JANUARY – 30 SEPTEMBER 2014

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

## 3. Information on banks and other financial institutions

### 3.1 Information on banks and other financial institutions

	Current Period		Prior Period	
	TL	FC	TL	FC
Loans from Central Bank of Turkey	--	--	--	--
From Domestic Banks and Institutions	17,406	33,209	19,389	24,275
From Foreign Banks, Institutions and Funds	--	725,865	--	515,417
<b>Total</b>	<b>17,406</b>	<b>759,074</b>	<b>19,389</b>	<b>539,692</b>

### 3.2 Maturity analysis of borrowings

	Current Period		Prior Period	
	TL	FC	TL	FC
Short-Term	15,308	545,456	11,450	428,918
Medium and Long Term	2,098	213,618	7,939	110,774
<b>Total</b>	<b>17,406</b>	<b>759,074</b>	<b>19,389</b>	<b>539,692</b>

### 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 with, in June 2014 issued bonds with a nominal value of TL 80,000, in September 2014 issued bonds with a nominal value of TL 63,100; all with 6 months to maturity and in March 2014 issued bonds with nominal value of TL 75,000, and in August 2014 issued bonds with nominal value of TL 85,820 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	278,920	182,800	--	--
Cost	274,195	182,800	--	--
Carrying Amount	274,195	184,876	--	--

## 5. Sundry creditors and other liabilities

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

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

None.

**6.2 Obligations under financial leases**

	Current Period		Prior Period	
	Gross	Net	Gross	Net
Less than 1 Year	--	--	--	--
Between 1-4 Years	251	226	295	260
More than 4 Years	--	--	--	--
<b>Total</b>	<b>251</b>	<b>226</b>	<b>295</b>	<b>260</b>

**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	51,206	45,027
- Additional Provision for Loan and Receivables with Extended Maturities	37	12
Loans and Receivables in Group 2	6,545	4,576
- Additional Provision for Loan and Receivables with Extended Maturities	2,907	2,012
Non-Cash Loans	2,608	2,634
Others	--	--
<b>Total</b>	<b>60,359</b>	<b>52,237</b>

**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 September 2014, amounting to TL 1,247 (31 December 2013: TL 24) are deducted from loans on the balance sheet.

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1 JANUARY – 30 SEPTEMBER 2014**

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

**8.3 The specific provisions provided for unindemnified non cash loans**

As of 30 September 2014, the specific provision provided for unindemnified non cash loans is TL 3,665 (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 September 2014, reserves for employee benefits amounting to TL 9,654 (31 December 2013: TL 7,948) comprise of TL 3,780 reserve for employee termination benefits (31 December 2013: TL 2,880), TL 2,874 unused vacation pay liability (31 December 2013: TL 2,568) and TL 3,000 personnel premium accrual (31 December 2013: TL 2,500).

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

As of 30 September 2014, The Bank's current tax liability is TL 18,548 (31 December 2013: TL 17,039). The corporate tax liability of the Bank is TL 4,493 (31 December 2013: TL 4,237).

**9.1.2 Information on taxes payable**

	Current Period	Prior Period
Corporate taxes payable	4,493	4,237
Taxation on securities	5,179	4,851
Property tax	230	213
Banking and Insurance Transaction Tax (BITT)	4,732	4,111
Taxes on foreign exchange transactions	--	--
Value added taxes payable	60	143
Income tax ceased from wages	1,798	1,632
Other	147	157
<b>Total</b>	<b>16,639</b>	<b>15,344</b>

**9.1.3 Information on premiums**

	Current Period	Prior Period
Social Security Premiums- Employee	813	725
Social Security Premiums- Employer	926	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	57	51
Unemployment Insurance- Employer	113	102
Other	--	--
<b>Total</b>	<b>1,909</b>	<b>1,695</b>

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF  
1 JANUARY – 30 SEPTEMBER 2014**

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

**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	--	117,034	--	107,389
Foreign Banks	--	82,916	--	82,403
Foreign Other Institutions	--	91,556	--	85,628
<b>Total</b>	<b>--</b>	<b>291,506</b>	<b>--</b>	<b>275,420</b>

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**

	<b>Current Period</b>	<b>Prior Period</b>
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.

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF  
1 JANUARY – 30 SEPTEMBER 2014**

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

**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	(278)	(11,453)	(721)	(23,336)
Exchange Difference	--	--	--	--
<b>Total</b>	<b>(278)</b>	<b>(11,453)</b>	<b>(721)</b>	<b>(23,336)</b>

**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.

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF  
1 JANUARY – 30 SEPTEMBER 2014**

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

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

**1. Information on off-balance sheet commitments**

**1.1 Nature and amount of irrevocable loan commitments**

	<b>Current Period</b>	<b>Prior Period</b>
Asset Sale and Purchase Commitments	1,092,786	622,015
Credit Card Limit Commitments	7,848	9,180
Commitments for Credit Allocation with the Guarantee of Usage	89,636	187,392
Export Commitments	2,354	2,484
Commitment for Cheques	118,845	86,442
Other Irrevocable Commitments	2,227	1,357
<b>Total</b>	<b>1,313,696</b>	<b>908,870</b>

**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**

	<b>Current Period</b>	<b>Prior Period</b>
Letters of Guarantee TL	318,655	260,316
Letters of Guarantee FC	238,124	176,831
Letters of Credit	287,166	197,325
Bills of Exchange and Acceptances	123,621	92,665
<b>Total</b>	<b>967,566</b>	<b>727,137</b>

**1.2.2 Revocable, irrevocable guarantees and other similar commitments and contingencies**

	<b>Current Period</b>	<b>Prior Period</b>
Revocable Letters of Guarantee	18,474	22,833
Irrevocable Letters of Guarantee	453,736	340,093
Letters of Guarantee Given in Advance	20,364	16,017
Letters of Guarantee Given to Customs	11,092	9,569
Other Letters of Guarantee	53,113	48,635
<b>Total</b>	<b>556,779</b>	<b>437,147</b>

**2. Total amount of non-cash loans**

	<b>Current Period</b>	<b>Prior Period</b>
Non-Cash Loans Given against Cash Loans	33,598	31,975
With Original Maturity of 1 Year or Less Than 1 Year	3,077	14,460
With Original Maturity of More Than 1 Year	30,521	17,515
Other Non-Cash Loans	933,968	695,162
<b>Total</b>	<b>967,566</b>	<b>727,137</b>

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF  
1 JANUARY – 30 SEPTEMBER 2014**

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

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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**

As of balance sheet date, the Bank provided provision of TL 959 for the legal cases pending against the Bank where the cash out flows are highly probable. (31 December 2013: TL 918).

**8. Custodian and intermediary services**

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

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

**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
<b>Interest on loans</b>				
Short Term Loans	252,506	18,628	154,035	16,239
Medium and Long Term Loans	154,552	71,782	86,770	49,594
Interest on Non-Performing Loans	2,331	--	292	--
Premiums received from Resource Utilization Support Fund	--	--	--	--
<b>Total</b>	<b>409,389</b>	<b>90,410</b>	<b>241,097</b>	<b>65,833</b>

\*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	7,394	247	2,694	157
Foreign Banks	--	22	--	14
Branches and Head Office Abroad	--	--	--	--
<b>Total</b>	<b>7,394</b>	<b>269</b>	<b>2,776</b>	<b>171</b>

**1.3 Interest received from marketable securities portfolio**

	Current Period		Prior Period	
	TL	FC	TL	FC
Financial Assets Held for Trading	591	122	552	98
Financial Assets at Fair Value Through Profit or Loss	--	--	--	--
Financial Assets Available-for-Sale	740	8,944	391	6,589
Investment Securities Held-to-Maturity	--	--	--	--
<b>Total</b>	<b>1,331</b>	<b>9,066</b>	<b>943</b>	<b>6,687</b>

**1.4 Information on interest income received from associates and subsidiaries**

None.



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1 JANUARY – 30 SEPTEMBER 2014**

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

**2. Interest expense**
**2.1 Information on interest on funds borrowed**

	Current Period		Prior Period	
	TL	FC	TL	FC
<b>Banks</b>	<b>959</b>	<b>5,045</b>	<b>705</b>	<b>2,988</b>
The Central Bank of Turkey	--	--	--	--
Domestic Banks	959	518	701	432
Foreign Banks	--	4,527	4	2,556
Branches and Head Office Abroad	--	--	--	--
<b>Other Institutions</b>	<b>--</b>	<b>18,893</b>	<b>--</b>	<b>11,056</b>
<b>Total</b>	<b>959</b>	<b>23,938</b>	<b>705</b>	<b>14,044</b>

**2.2 Information on interest expenses to associates and subsidiaries**

Total interest expense given to subsidiaries is TL 401 (1 January - 30 September 2013: 1).

**2.3 Information on interest expenses to securities issued**

	Current Period		Prior Period	
	TL	FC	TL	FC
Interest Paid to Securities Issued	34,070	--	14,708	--

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

Account Description	Demand Deposits	Time Deposits					Cumulative Deposit	Total
		Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	1 Year and Over		
<i>Turkish Lira</i>								
Bank Deposits	--	479	--	--	--	--	--	479
Saving Deposits	--	1,154	99,169	17,302	10,790	2,114	--	130,529
Public Sector Deposits	--	--	150	--	--	--	--	150
Commercial Deposits	--	2,973	30,053	7,834	9,086	2,934	--	52,880
Other	--	46	6,973	3,672	65	14	--	10,770
7 Day Call Accounts	--	--	--	--	--	--	--	--
<b>Total</b>	<b>--</b>	<b>4,652</b>	<b>136,345</b>	<b>28,808</b>	<b>19,941</b>	<b>5,062</b>	<b>--</b>	<b>194,808</b>
<i>Foreign Currency</i>								
Foreign Currency								
Deposits	--	800	28,361	2,641	1,332	2,203	--	35,337
Bank Deposits	--	1,441	--	--	--	--	--	1,441
7 Day Call Accounts	--	--	--	--	--	--	--	--
Precious Metal Deposits	--	--	--	--	--	--	--	--
<b>Total</b>	<b>--</b>	<b>2,241</b>	<b>28,361</b>	<b>2,641</b>	<b>1,332</b>	<b>2,203</b>	<b>--</b>	<b>36,778</b>
<b>Grand Total</b>	<b>--</b>	<b>6,893</b>	<b>164,706</b>	<b>31,449</b>	<b>21,273</b>	<b>7,265</b>	<b>--</b>	<b>231,586</b>

**3. Information on dividend income**

None.

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF  
1 JANUARY – 30 SEPTEMBER 2014**

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

**4. Information on net trading income / loss**

	Current Period	Prior Period
<b>Income</b>	<b>559,366</b>	<b>455,389</b>
Gains on Capital Market Operations	2,507	1,845
Gains on Derivative Financial Instruments	95,168	138,872
Foreign Exchange Gains	461,691	314,672
<b>Loss (-)</b>	<b>540,184</b>	<b>431,896</b>
Losses on Capital Market Operations	805	2,285
Losses on Derivative Financial Instruments	73,188	127,337
Foreign Exchange Losses	466,191	302,274
<b>Net Trading Income / ( Loss )</b>	<b>19,182</b>	<b>23,493</b>

**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:	36,444	15,878
<i>III. Group Loans and Receivables</i>	3,085	1,178
<i>IV. Group Loans and Receivables</i>	14,803	6,944
<i>V. Group Loans and Receivables</i>	18,556	7,756
General Loan Loss Provisions	8,148	18,271
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	--	--
<b>Total</b>	<b>44,592</b>	<b>34,149</b>

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF  
1 JANUARY – 30 SEPTEMBER 2014**

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

**7. Information related to other operational expenses**

	<b>Current Period</b>	<b>Prior Period</b>
Personnel Expenses	83,173	61,605
Provision for Employee Termination Benefits	900	519
Provision for Bank's Social Aid Fund Deficit	--	--
Impairment Losses on Tangible Assets	--	--
Depreciation Charges of Tangible Assets	6,911	4,056
Impairment Losses on Intangible Assets	--	--
Amortization Charges of Intangible Assets	3,238	2,709
Impairment Losses on Investment Accounted for under Equity Method	--	--
Impairment of Assets to be Disposed	--	--
Depreciation of Assets to be Disposed	42	100
Impairment of Assets Held for Sale	--	--
Other Operating Expenses	34,300	23,301
<i>Operational Leases Expenses</i>	18,599	11,959
<i>Repair and Maintenance Expenses</i>	665	383
<i>Advertisement Expenses</i>	366	313
<i>Other Expenses</i>	14,670	10,646
Losses on Sale of Assets	8	65
Other	17,826	15,481
<b>Total</b>	<b>146,398</b>	<b>107,836</b>

**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 September 2014, deferred tax charge of the Bank is TL 6,428 and current tax provision of the Bank is TL 9,983 (1 January - 30 September 2013: TL 1,102 deferred tax benefit, TL 12,342 current tax charge).

	<b>Current Period</b>	<b>Prior Period</b>
Deferred Tax Benefit/ (Charge)	(6,428)	1,102
Allowance for Deferred Taxes	--	--
<b>Net Deferred Tax Charge</b>	<b>(6,428)</b>	<b>1,102</b>

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF  
1 JANUARY – 30 SEPTEMBER 2014**

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

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

<i>Deferred tax benefit / (charge) arising from origination or reversal of temporary differences</i>	<b>Current Period</b>	<b>Prior Period</b>
Arising from Origination of Deductible Temporary Differences (+)	911	4,843
Arising from Reversal of Deductible Temporary Differences (-)	(5,101)	(5)
Arising from Origination of Taxable Temporary Differences (-)	(2,503)	(528)
Arising from Reversal of Taxable Temporary Differences (+)	265	2,828
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 (-)	--	--
<b>Total</b>	<b>(6,428)</b>	<b>1,102</b>
<b>Allowance</b>	<b>--</b>	<b>--</b>
<b>Net deferred tax benefit / (charge)</b>	<b>(6,428)</b>	<b>1,102</b>

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

<b>Sources of deferred tax benefit/charge</b>	<b>Current Period</b>	<b>Prior Period</b>
Arising from Origination (+)/ Reversal (-) of Deductible Temporary Differences	(4,190)	4,838
Arising from Origination (-)/ Reversal (+) of Taxable Temporary Differences	(2,238)	2,300
Arising from Origination (+)/ Reversal (-) of Tax Losses	--	(6,036)
Arising from Origination (+)/ Reversal (-) of Unused Tax Credits	--	--
<b>Total</b>	<b>(6,428)</b>	<b>1,102</b>
<b>Allowance</b>	<b>--</b>	<b>--</b>
<b>Net deferred tax income / (expense)</b>	<b>(6,428)</b>	<b>1,102</b>

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

Not prepared in compliance with the Article 25 of the communiqué “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.

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF  
1 JANUARY – 30 SEPTEMBER 2014**

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

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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.

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF 1 JANUARY – 30 SEPTEMBER 2014

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

## 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	--	--	--	98	638	16,192
Interest and Commission Income Received	--	--	--	--	181	72

(\*) 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	--	--	2	--	658	48

(\*) 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	4,868	5,128	6,898	16,769	154,630	79,203
Deposit Interest Expense	401	1	585	1,029	7,577	4,576

(\*) 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 117,034 (31 December 2013: TL 107,389). There is no funds obtained from other real persons and legal entities in risk group (31 December 2013: TL 101,655).

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF  
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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		Current		Current	
	Period	Prior Period	Period	Prior Period	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	--	--	--	--	121,493	146,863
Total Income/Loss	--	--	--	--	1,440	2,662
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 September 2014, the ratio of the loans and other receivables used by the entities of risk group to total loans and receivables is 0.01% and the ratio of the deposits of entities of risk group to total deposits is 3.27%. Ratio of funds obtained from entities of risk group to total funds borrowed is 10.96%.

In current period benefits provided to the key management is TL 4,048 (1 January - 30 September 2013:TL 3,968).

**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.

**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.)

**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	66	1,214			
			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**

Tender took place on 15 October 2014 for the sale of the property belonging to Finansbank A.Ş. registered in Istanbul, Şişli district, Mecidiyeköy quarter, plot 307, block 1956, parcel number 41, independent part numbered 2 has been resulted in favor of Fibabanka A.Ş. and the tender process has ended on 30 October 2014 with the signing of the Real Estate Sales Contract



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