

**CONVENIENCE TRANSLATION
OF PUBLICLY ANNOUNCED
CONSOLIDATED FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORT
AT 31 DECEMBER 2013,
SEE NOTE I OF SECTION THREE**

ARAP TURK BANK A.Ş.

**PUBLICLY ANNOUNCED
CONSOLIDATED FINANCIAL STATEMENTS
TOGETHER WITH INDEPENDENT AUDITOR'S REPORT
AT 31 DECEMBER 2013**



**CONVENIENCE TRANSLATION OF THE INDEPENDENT AUDITOR'S
REPORT ORIGINALLY PREPARED AND ISSUED IN TURKISH**

To the Board of Directors of Arap Türk Bank A.Ş.:

We have audited the accompanying consolidated balance sheet of Arap Türk Bank A.Ş. ("the Bank") and its consolidated subsidiaries at 31 December 2013 and the related consolidated statements of income, cash flows and changes in shareholders' equity for the year then ended and a summary of significant accounting policies and other explanatory notes to the financial statements.

Disclosure for the responsibility of the Bank's Board of Directors:

The Bank's Board of Directors is responsible for establishing and maintaining effective internal control over financial reporting to prevent the misstatements caused by error or fraud, that are material to the financial statements; and for selecting and applying appropriate accounting policies in compliance with the "Regulation on Accounting Applications for Banks and Safeguarding of Documents" published on the Official Gazette No.26333 dated 1 November 2006, Turkish Accounting Standards, Turkish Financial Reporting Standards and other regulations, interpretations and circulars published by the Banking Regulation and Supervision Agency (the "BRSA") on accounting and financial reporting principles.

Disclosure for the Responsibility of the Authorized Audit Firm:

Our responsibility, as independent auditors, is to express an opinion on these financial statements based on our audit. Our independent audit is conducted in accordance with "Regulation on Authorisation and Activities of Institutions to Conduct Independent Audit in Banks" published on the Official Gazette No.26333 dated 1 November 2006. We planned and conducted our audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement. Our audit includes using the audit techniques for the purpose of obtaining evidence supporting the amounts and disclosures in the financial statements; the selection of these audit techniques is made in accordance with our professional judgment by taking the effectiveness of the controls over financial reporting process into consideration and assessing the appropriateness of the applied accounting policies. We believe that our audit provides a reasonable basis for our opinion.

Basis for the Qualified Opinion:

As it is explained in the footnote II.7 of section No.5 " Explanations and Notes related to Consolidated Financial Statements", 5,000 Turkish Lira amount free provision which kept in 31 December 2012 has been canceled and recognised as income as of 31 December 2013 by the bank management.



Independent Auditor's Opinion:

In our opinion, except for the effect of the matter described in the "Basis for the qualified opinion" paragraph above on the financial statements, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Arap Türk Bank A.Ş. and its consolidated subsidiaries at 31 December 2013 and the results of its operations and its cash flows for the year then ended in accordance with accounting principles and standards set out by regulations in conformity with Articles 37 and 38 of Banking Act No. 5411 and other regulations, communiques, interpretations and circulars published by the BRSA on accounting and financial reporting principles.

Other Matter:

As of 31 December 2012, the consolidated financial statements of the bank have been audited by another independent audit company and qualified opinion has been expressed the audit report dated 7 February 2013 due to free provision.

Additional Paragraph for Convenience Translation:

As explained in Note I. of Section Three, the effects of differences between accounting principles and standards set out by regulations in conformity with Articles 37 and 38 of Banking Law No. 5411, accounting principles generally accepted in countries in which the accompanying consolidated financial statements are to be distributed and International Financial Reporting Standards ("IFRS") have not been quantified in the accompanying consolidated financial statements. Accordingly, the accompanying consolidated financial statements are not intended to present the financial position, results of operations and changes in financial position and cash flows in accordance with the accounting principles generally accepted in such countries and IFRS.

Başaran Nas Bağımsız Denetim ve
Serbest Muhasebeci Mali Müşavirlik A.Ş.
a member of
PricewaterhouseCoopers

Zeynep Uras, SMMM
Partner

Istanbul, 27 February 2014

**ARAP TÜRK BANKASI A.Ş. CONSOLIDATED FINANCIAL REPORT
AS OF 31 DECEMBER 2013**

Address of the Bank's Headquarters : Valikonağı Caddesi No:10, 34367 – ŞİŞLİ/İSTANBUL
Telephone and Fax Numbers : Tel : 0 212 225 05 00 Faks: 0 212 225 05 26
Website of the Bank : http://www.atbank.com.tr
E-mail address of the Bank : webmaster@atbank.com.tr


The consolidated financial report as of and for the year ended 31 December 2013 prepared in accordance with the communiqué of “Financial Statements and Related Disclosures and Footnotes to be Announced to Public” by Banks as regulated by Banking Regulation and Supervision Agency, is comprised of the following sections:


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

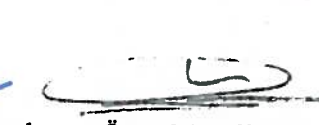
The subsidiaries, associates and jointly controlled companies included in the consolidated financial report are as follows:


| | Subsidiaries | Associates | Jointly Controlled Companies |
|---|----------------------------|------------|------------------------------|
| 1 | A&T Finansal Kiralama A.Ş. | - | - |


The consolidated financial statements and related disclosures and footnotes that were subject to independent audit, are prepared in accordance with the “Regulation on Accounting Applications for Banks and Safeguarding of Documents”, Turkish Accounting Standards, Turkish Financial Reporting Standards related appendices and interpretations on these. Unless stated otherwise, the accompanying consolidated financial statements are presented in thousands of Turkish Lira (TL) as of 31 December 2013 and independently audited and enclosed.



Osman Arslan
Chairman of the Board
of Directors



Abdurrahim İbrahim Şneba
Member of The Board
of Directors and Head of The
Audit Committee


Ömer Muzaffer Bakır
Member of The Board
of Directors and The
Audit Committee


Hüseyin Emre Yılmaz
Member of The Board
of Directors and The Audit
Committee


Sadık K.S. Abuhallala
General Manager


Salih Hatipoğlu
Assistant General Manager
Responsible For Financial
Reporting


Feyzullah Küpeli
Manager

Contact information of the personnel for addressing questions regarding this financial report:

Name / Title: Feyzullah Küpeli / Manager

Phone No : 0 212 225 05 00

Fax No : 0 212 225 05 26

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**CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED
CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED
IN TURKISH, SEE NOTE I OF SECTION THREE**

ARAP TURK BANK A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2013

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

SECTION ONE

GENERAL INFORMATION ABOUT THE PARENT BANK

I. PARENT BANK’S DATE OF ESTABLISHMENT, BEGINNING STATUTE, ITS HISTORY INCLUDING CHANGES ON ITS STATUTE

Arap Türk Bankası Anonim Şirketi (“the Bank”) has been established on 11 August 1975 as a joint stock entity in accordance with an agreement signed between the Republic of Turkey and the Libyan Arab Republic. The duration of the Bank is 50 years from the commencement of the Agreement. This period shall be renewable automatically unless agreed otherwise by an Extraordinary General Meeting held at least one year prior to expiration.

In accordance with the Articles of Association, the Board of Directors shall elect a Chairman among its Turkish members and a Deputy Chairman among its Arab members. The General Manager shall always be nominated by the Arab Shareholders assigned by the Board.

II. PARENT BANK’S SHARE CAPITAL STRUCTURE, SHAREHOLDERS DIRECTLY OR INDIRECTLY, ALONE OR TOGETHER HOLDING THE MANAGEMENT AND CONTROL OF THE BANK, RELATED CHANGES WITHIN THE YEAR AND INFORMATION ABOUT BANK’S GROUP

The Parent Bank is a foreign bank status incorporated in Turkey. The main shareholder Libyan Foreign Bank is %100 owned by Central Bank of Libya. The main shareholder Libyan Foreign Bank has financial investments in various countries.

The other shareholders are Türkiye İş Bankası A.Ş., and T.C. Ziraat Bankası A.Ş.

As of 31 December 2013, the Parent Bank’s share capital at the balance sheet date as follows:

| Shareholders | Share amounts | Share percentages |
|--------------------------|----------------------|--------------------------|
| Libyan Foreign Bank | 149,687 | %62.37 |
| T. İş Bankası A.Ş. | 49,382 | %20.58 |
| T.C. Ziraat Bankası A.Ş. | 37,036 | %15.43 |
| Kuwait Investment Co. | 3,895 | %1.62 |
| Total | 240,000 | %100 |

(*) Emek İnşaat ve İşletme A.Ş. has %0,0000014 share in the paid capital by 3,38 TL. (full digit in TL)

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ARAP TURK BANK A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2013

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

III. INFORMATION ABOUT THE PARENT BANK'S CHAIRMAN AND MEMBERS OF BOARD OF DIRECTORS, MEMBERS OF AUDIT COMMITTEE, GENERAL MANAGER AND ASSISTANT GENERAL MANAGERS AND THEIR QUALIFICATIONS, RELATED CHANGES WITHIN THE YEAR AND THEIR SHARES AT THE BANK

Chairmen of the Board of Directors and Board Members

| Name | Job Title – Description |
|-------------------------|--|
| Osman Arslan | Chairman of the Board of Directors |
| Ben Issa A. Hudanah | Deputy Chairman of the Board of Directors |
| Sadek K.S. Abuhallala | Member of the Board of Directors and General Manager |
| Abdurauf İbrahim Shneba | Member of the Board of Directors and Head of Audit Committee |
| Hüseyin Emre Yılmaz | Member of the Board of Directors and Audit Committee |
| Ömer Muzaffer Baktır | Member of the Board of Directors and Audit Committee |
| Abdulfatah A. Enami | Member of the Board of Directors |
| Bahattin Özarslantürk | Member of the Board of Directors |
| Esam Mustafa I. Elrayas | Member of the Board of Directors |

General Manager and Deputies

| Name | Job Title – Description |
|----------------------------|--|
| Sadek K.S. Abuhallala | Member of the Board of Directors and General Manager |
| Salih Hatipoğlu | Assistant General Manager - Financial Management and Planning Division |
| Özgür Erker | Assistant General Manager - Treasury and Financial Institutions Division |
| Abdulmonam Geat Ali Tbigha | Assistant General Manager – Credits Division |
| Abdussalam Elfituri | Assistant General Manager – Information Technologies and Operations Division |
| B.Abushagur | |

Members of the board and top level managers do not possess any share in the Bank.

IV. INFORMATION ON PEOPLE AND ENTITIES WHO HAVE QUALIFIED SHARE IN THE PARENT BANK

| Name Surname/Entity Title | Share Amount | Share Percentage % | Paid-in Capital | Unpaid Capital |
|----------------------------------|---------------------|---------------------------|------------------------|-----------------------|
| Libyan Foreign Bank | 149,687 | 62.37 | 149,687 | - |
| T. İş Bankası A.Ş. | 49,382 | 20.58 | 49,382 | - |
| T.C. Ziraat Bankası A.Ş. | 37,036 | 15.43 | 37,036 | - |

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CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED
IN TURKISH, SEE NOTE I OF SECTION THREE**

ARAP TURK BANK A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2013

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

V. INFORMATION ABOUT THE SERVICES AND NATURE OF ACTIVITIES OF THE PARENT BANK

The Parent Bank was established to incorporate commercial activities among Turkey, Middle East and North African countries. The Bank is authorized to collect deposits and operates in corporate banking areas.

The Bank has seven branches; three in Istanbul, one in Ankara, one in Kayseri, one in Konya and one in Gaziantep and has share participations in a subsidiary operating in financial leasing business.

VI. THE EXISTING OR POTENTIAL, ACTUAL OR LEGAL OBSTACLES ON THE TRANSFER OF SHAREHOLDER’S EQUITY BETWEEN THE PARENT BANK AND ITS SUBSIDIARIES OR THE REIMBURSEMENT OF LIABILITIES

Immediately transfer of the shareholder’s equity between the Parent Bank and its subsidiary is not available. Dividend distribution from shareholders equity is done according to related regulations.

There are no existing or potential, actual or legal obstacle to the reimbursement of liabilities between the Parent Bank and its subsidiary. The Bank charge or pay cost of the services according to the service agreements done between the Parent Bank and its subsidiary.

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IN TURKISH, SEE NOTE I OF SECTION THREE**

ARAP TURK BANK A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2013

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

SECTION TWO

CONSOLIDATED FINANCIAL STATEMENTS

- I. Consolidated Balance Sheet (Statement of Financial Position)**
- II. Statement of Consolidated Off Balance Sheet Items**
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- IV. Statement of Recognised Income and Expense in Consolidated Shareholders’ Equity**
- V. Statement of Changes in Consolidated Shareholders’ Equity**
- VI. Statement of Consolidated Cash Flows**
- VII. Statement of Consolidated Profit Distribution**

Arap Türk Bankası Anonim Şirketi
Consolidated Balance Sheet (Consolidated Statement of Financial Position)
As of 31 December 2013

(Thousands of Turkish Lira)

| ASSETS | Footnotes (5-1) | AUDITED | | | AUDITED | | |
|---|--------------------|----------------|-----------|-----------|--------------|-----------|-----------|
| | | CURRENT PERIOD | | | PRIOR PERIOD | | |
| | | TL | FC | TOTAL | TL | FC | TOTAL |
| I. CASH AND BALANCES WITH THE CENTRAL BANK OF TURKEY | (1) | 2,200 | 392,180 | 394,380 | 36,300 | 171,175 | 207,475 |
| II. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS | (2) | - | 84,771 | 84,771 | 120,943 | 71,577 | 192,520 |
| 2.1 Financial assets held for trading | | - | 84,771 | 84,771 | 120,943 | 71,577 | 192,520 |
| 2.1.1 Public sector debt securities | | - | - | - | 120,926 | - | 120,926 |
| 2.1.2 Securities representing a share in capital | | - | - | - | - | - | - |
| 2.1.3 Derivatives held for trading | | - | - | - | 17 | - | 17 |
| 2.1.4 Other marketable securities | | - | 84,771 | 84,771 | - | 71,577 | 71,577 |
| 2.2 Financial assets designated at fair value through profit or loss | | - | - | - | - | - | - |
| 2.2.1 Public sector debt securities | | - | - | - | - | - | - |
| 2.2.2 Equity securities | | - | - | - | - | - | - |
| 2.2.3 Loans granted | | - | - | - | - | - | - |
| 2.2.4 Other marketable securities | | - | - | - | - | - | - |
| III. BANKS | (3) | 33,582 | 1,084,839 | 1,118,421 | 73,574 | 739,052 | 812,626 |
| IV. MONEY MARKET PLACEMENTS | | 31,907 | - | 31,907 | 596,126 | - | 596,126 |
| 4.1 Interbank money market placements | | - | - | - | - | - | - |
| 4.2 İstanbul Stock Exchange money market placements | | - | - | - | - | - | - |
| 4.3 Receivables from reverse repurchase agreements | | 31,907 | - | 31,907 | 596,126 | - | 596,126 |
| V. FINANCIAL ASSETS AVAILABLE FOR SALE (Net) | (4) | 212 | 868 | 1,080 | 175 | 722 | 897 |
| 5.1 Securities representing a share in capital | | 212 | 868 | 1,080 | 175 | 722 | 897 |
| 5.2 Public sector debt securities | | - | - | - | - | - | - |
| 5.3 Other marketable securities | | - | - | - | - | - | - |
| VI. LOANS | (5) | 537,773 | 878,401 | 1,416,174 | 297,135 | 413,604 | 710,739 |
| 6.1 Loans | | 537,484 | 878,401 | 1,415,885 | 296,840 | 413,604 | 710,444 |
| 6.1.1 Loans granted to the Bank's risk group | | 20,028 | 32,111 | 52,139 | - | 10,522 | 10,522 |
| 6.1.2 Public sector debt securities | | - | - | - | - | - | - |
| 6.1.3 Other | | 517,456 | 846,290 | 1,363,746 | 296,840 | 403,082 | 699,922 |
| 6.2 Loans under follow-up | | 8,735 | - | 8,735 | 8,523 | - | 8,523 |
| 6.3 Specific provisions (-) | | 8,446 | - | 8,446 | 8,228 | - | 8,228 |
| VII. FACTORING RECEIVABLES | | - | - | - | - | - | - |
| VIII. INVESTMENTS HELD TO MATURITY (Net) | (6) | 65,279 | 123,905 | 189,184 | 25,974 | 109,175 | 135,149 |
| 8.1 Public sector debt securities | | 48,391 | 100,266 | 148,657 | 19,918 | 82,882 | 102,800 |
| 8.2 Other marketable securities | | 16,888 | 23,639 | 40,527 | 6,056 | 26,293 | 32,349 |
| IX. INVESTMENTS IN ASSOCIATES (Net) | (7) | - | - | - | - | - | - |
| 9.1 Consolidated by equity method | | - | - | - | - | - | - |
| 9.2 Unconsolidated associates | | - | - | - | - | - | - |
| 9.2.1 Financial investments in associates | | - | - | - | - | - | - |
| 9.2.2 Non-financial investments in associates | | - | - | - | - | - | - |
| X. INVESTMENTS IN SUBSIDIARIES (Net) | (8) | - | - | - | - | - | - |
| 10.1 Financial subsidiaries | | - | - | - | - | - | - |
| 10.2 Non-financial subsidiaries | | - | - | - | - | - | - |
| XI. INVESTMENTS IN JOINT- VENTURES (Net) | (9) | - | - | - | - | - | - |
| 11.1 Consolidated by equity method | | - | - | - | - | - | - |
| 11.2 Unconsolidated joint ventures | | - | - | - | - | - | - |
| 11.2.1 Financial investments in joint ventures | | - | - | - | - | - | - |
| 11.2.2 Non-financial investments in joint ventures | | - | - | - | - | - | - |
| XII. LEASE RECEIVABLES (Net) | (10) | 47,679 | 129,676 | 177,355 | 26,804 | 73,331 | 100,135 |
| 12.1 Finance lease receivables | | 59,048 | 143,038 | 202,086 | 33,157 | 81,566 | 114,723 |
| 12.2 Operational leasing receivables | | - | - | - | - | - | - |
| 12.3 Others | | - | - | - | - | - | - |
| 12.4 Unearned income (-) | | 11,369 | 13,362 | 24,731 | 6,353 | 8,235 | 14,588 |
| XIII. DERIVATIVE FINANCIAL ASSETS HELD FOR HEDGING | (11) | - | - | - | - | - | - |
| 13.1 Fair value hedges | | - | - | - | - | - | - |
| 13.2 Cash flow hedges | | - | - | - | - | - | - |
| 13.3 Hedges for investments made in foreign countries | | - | - | - | - | - | - |
| XIV. TANGIBLE ASSETS (Net) | (12) | 24,969 | - | 24,969 | 27,267 | - | 27,267 |
| XV. INTANGIBLE ASSETS (Net) | (13) | 2,870 | - | 2,870 | 2,055 | - | 2,055 |
| 15.1 Goodwill | | - | - | - | - | - | - |
| 15.2 Other | | 2,870 | - | 2,870 | 2,055 | - | 2,055 |
| XVI. INVESTMENT PROPERTY (Net) | (14) | - | - | - | - | - | - |
| XVII. TAX ASSET | (15) | 3,698 | - | 3,698 | 4,546 | - | 4,546 |
| 17.1 Current tax asset | | - | - | - | - | - | - |
| 17.2 Deferred tax asset | | 3,698 | - | 3,698 | 4,546 | - | 4,546 |
| XVIII. ASSET HELD FOR SALE AND ASSETS OF DISCONTINUED OPERATIONS (Net) | (16) | 11 | - | 11 | 288 | - | 288 |
| 18.1 Held for sale purpose | | 11 | - | 11 | 288 | - | 288 |
| 18.2 Held from discontinued operations | | - | - | - | - | - | - |
| XIX. OTHER ASSETS | (17) | 19,641 | 2,473 | 22,114 | 14,837 | 4,576 | 19,413 |
| TOTAL ASSETS | | 769,821 | 2,697,113 | 3,466,934 | 1,226,024 | 1,583,212 | 2,809,236 |

Arap Türk Bankası Anonim Şirketi
Consolidated Balance Sheet (Consolidated Statement of Financial Position)
As of 31 December 2013

(Thousands of Turkish Lira)

| LIABILITIES and SHAREHOLDERS' EQUITY | | Footnotes (5-11) | AUDITED | | | AUDITED | | |
|--|------|---------------------|------------------|------------------|------------------|------------------|------------------|--|
| | | | CURRENT PERIOD | | | PRIOR PERIOD | | |
| | | | (31/12/2013) | | | (31/12/2012) | | |
| | | TL | FC | TOTAL | TL | FC | TOTAL | |
| I. DEPOSITS | | 33,729 | 2,652,903 | 2,686,632 | 562,176 | 467,464 | 1,029,640 | |
| 1.1 Deposits held by the Bank's risk group | (1) | 8,115 | 1,878,119 | 1,886,234 | 536,328 | 127,430 | 663,758 | |
| 1.2 Other | | 25,614 | 774,784 | 800,398 | 25,848 | 340,034 | 365,882 | |
| II. DERIVATIVE FINANCIAL LIABILITIES HELD FOR TRADING | (2) | - | - | - | 3,554 | - | 3,554 | |
| III. FUNDS BORROWED | (3) | 7,571 | 202,317 | 209,888 | 2,815 | 1,304,152 | 1,306,967 | |
| IV. INTERBANK MONEY MARKET | | 36,508 | - | 36,508 | - | - | - | |
| 4.1 Interbank money market payables | | - | - | - | - | - | - | |
| 4.2 Istanbul Stock Exchange money market payables | | - | - | - | - | - | - | |
| 4.3 Funds provided under repurchase agreements | | 36,508 | - | 36,508 | - | - | - | |
| V. MARKETABLE SECURITIES ISSUED (Net) | | - | - | - | - | - | - | |
| 5.1 Bills | | - | - | - | - | - | - | |
| 5.2 Asset backed securities | | - | - | - | - | - | - | |
| 5.3 Bonds | | - | - | - | - | - | - | |
| VI. FUNDS | | - | - | - | - | - | - | |
| 6.1 Borrower funds | | - | - | - | - | - | - | |
| 6.2 Other | | - | - | - | - | - | - | |
| VII. MISCELLANEOUS PAYABLES | | 1,493 | 8,253 | 9,746 | 840 | 1,821 | 2,661 | |
| VIII. OTHER EXTERNAL RESOURCES | (4) | 14,002 | 4,288 | 18,290 | 12,949 | 3,047 | 15,996 | |
| IX. FACTORING PAYABLES | | - | - | - | - | - | - | |
| X. LEASE PAYABLES (Net) | (5) | - | - | - | - | - | - | |
| 10.1 Finance leasing payables | | - | - | - | - | - | - | |
| 10.2 Operational leasing payables | | - | - | - | - | - | - | |
| 10.3 Other | | - | - | - | - | - | - | |
| 10.4 Deferred finance leasing expenses (-) | | - | - | - | - | - | - | |
| XI. DERIVATIVE FINANCIAL LIABILITIES HELD FOR HEDGING | (6) | - | - | - | - | - | - | |
| 11.1 Fair value hedges | | - | - | - | - | - | - | |
| 11.2 Cash flow hedges | | - | - | - | - | - | - | |
| 11.3 Hedges for investments made in foreign countries | | - | - | - | - | - | - | |
| XII. PROVISIONS | (7) | 29,186 | 592 | 29,778 | 25,450 | 271 | 25,721 | |
| 12.1 General provisions | | 20,411 | - | 20,411 | 11,811 | - | 11,811 | |
| 12.2 Restructuring reserves | | - | - | - | - | - | - | |
| 12.3 Reserves for employee benefit | | 8,467 | 268 | 8,735 | 8,139 | - | 8,139 | |
| 12.4 Insurance technical reserves (Net) | | - | - | - | - | - | - | |
| 12.5 Other provisions | | 308 | 324 | 632 | 5,500 | 271 | 5,771 | |
| XIII. TAX LIABILITY | (8) | 6,394 | - | 6,394 | 3,222 | - | 3,222 | |
| 13.1 Current tax liability | | 6,394 | - | 6,394 | 3,222 | - | 3,222 | |
| 13.2 Deferred tax liability | | - | - | - | - | - | - | |
| XIV. LIABILITIES FOR ASSETS HELD FOR RESALE AND ASSETS OF DISCONTINUED OPERATIONS | (9) | - | - | - | - | - | - | |
| 14.1 Held for sale purpose | | - | - | - | - | - | - | |
| 14.2 Held from discontinued operations | | - | - | - | - | - | - | |
| XV. SUBORDINATED LOANS | (10) | - | - | - | - | - | - | |
| XVI. SHAREHOLDERS' EQUITY | (11) | 469,698 | - | 469,698 | 421,475 | - | 421,475 | |
| 16.1 Paid-in capital | | 240,000 | - | 240,000 | 240,000 | - | 240,000 | |
| 16.2 Supplementary capital | | 7,611 | - | 7,611 | 7,922 | - | 7,922 | |
| 16.2.1 Share premium | | - | - | - | - | - | - | |
| 16.2.2 Share cancellation profits | | - | - | - | - | - | - | |
| 16.2.3 Securities Value Increase Fund | | - | - | - | - | - | - | |
| 16.2.4 Revaluation surplus on tangible assets | | - | - | - | - | - | - | |
| 16.2.5 Revaluation surplus on intangible assets | | - | - | - | - | - | - | |
| 16.2.6 Revaluation surplus on investment property | | - | - | - | - | - | - | |
| 16.2.7 Bonus shares of associates, subsidiaries and joint-ventures | | - | - | - | - | - | - | |
| 16.2.8 Hedging reserves (effective portion) | | - | - | - | - | - | - | |
| 16.2.9 Revaluation surplus on assets held for sale and assets of discontinued operations | | - | - | - | - | - | - | |
| 16.2.10 Other capital reserves | | 7,611 | - | 7,611 | 7,922 | - | 7,922 | |
| 16.3 Profit reserves | | 10,920 | - | 10,920 | 8,088 | - | 8,088 | |
| 16.3.1 Legal reserves | | 10,917 | - | 10,917 | 7,941 | - | 7,941 | |
| 16.3.2 Status reserves | | - | - | - | - | - | - | |
| 16.3.3 Extraordinary reserves | | 3 | - | 3 | 147 | - | 147 | |
| 16.3.4 Other profit reserves | | - | - | - | - | - | - | |
| 16.4 Profit or loss | | 211,167 | - | 211,167 | 165,465 | - | 165,465 | |
| 16.4.1 Prior years income/loss | | 162,633 | - | 162,633 | 104,597 | - | 104,597 | |
| 16.4.2 Current year income/loss | | 48,534 | - | 48,534 | 60,868 | - | 60,868 | |
| 16.5 Minority Interest | | - | - | - | - | - | - | |
| TOTAL LIABILITIES | | 598,581 | 2,868,353 | 3,466,934 | 1,032,481 | 1,776,755 | 2,809,236 | |

Arap Türk Bankası Anonim Şirketi

Consolidated Off Balance Sheet Commitments As of 31 December 2013

(Thousands of Turkish Lira)

| | Footnotes (5-III) | AUDITED | | | AUDITED | | |
|--|----------------------|--------------------------------|------------------|------------------|------------------------------|------------------|------------------|
| | | CURRENT PERIOD (31/12/2013) | | | PRIOR PERIOD (31/12/2012) | | |
| | | TP | YP | TOPLAM | TP | YP | TOPLAM |
| A. OFF BALANCE SHEET COMMITMENTS | | 217,844 | 2,179,111 | 2,396,955 | 272,163 | 1,580,366 | 1,852,529 |
| I. GUARANTEES AND WARRANTIES | (1),(2),(3),(4) | 212,226 | 2,169,249 | 2,381,475 | 126,744 | 1,445,787 | 1,572,531 |
| 1.1 Letters of guarantee | | 211,678 | 1,577,824 | 1,789,502 | 121,194 | 1,126,146 | 1,247,340 |
| 1.1.1 Guarantees subject to State Tender Law | | 22,110 | 121 | 22,231 | 18,569 | 101 | 18,670 |
| 1.1.2 Guarantees given for foreign trade operations | | 50,525 | 1,479,268 | 1,529,793 | 7,815 | 1,100,960 | 1,108,775 |
| 1.1.3 Other letters of guarantee | | 139,043 | 98,435 | 237,478 | 94,810 | 25,085 | 119,895 |
| 1.2 Bank acceptances | | 548 | 116,180 | 116,728 | 5,550 | 63,485 | 69,035 |
| 1.2.1 Import letter of acceptance | | - | - | - | - | - | - |
| 1.2.2 Other bank acceptances | | 548 | 116,180 | 116,728 | 5,550 | 63,485 | 69,035 |
| 1.3 Letters of credit | | - | 475,245 | 475,245 | - | 256,156 | 256,156 |
| 1.3.1 Documentary letters of credit | | - | - | - | - | - | - |
| 1.3.2 Other letters of credit | | - | 475,245 | 475,245 | - | 256,156 | 256,156 |
| 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 Securities issue purchase guarantees | | - | - | - | - | - | - |
| 1.7 Factoring guarantees | | - | - | - | - | - | - |
| 1.8 Other guarantees | | - | - | - | - | - | - |
| 1.9 Other warranties | | - | - | - | - | - | - |
| II. COMMITMENTS | (1) | 5,618 | 9,862 | 15,480 | 5,775 | 357 | 6,132 |
| 2.1 Irrevocable commitments | | 5,618 | 9,862 | 15,480 | 5,775 | 357 | 6,132 |
| 2.1.1 Asset purchase and sales commitments | | - | - | - | - | - | - |
| 2.1.2 Deposit purchase and sales commitments | | - | 19 | 19 | - | - | - |
| 2.1.3 Share capital commitment to associates and subsidiaries | | - | - | - | - | - | - |
| 2.1.4 Loan granting commitments | | 2,525 | - | 2,525 | - | - | - |
| 2.1.5 Securities issue brokerage commitments | | - | - | - | - | - | - |
| 2.1.6 Commitments for reserve deposit requirements | | - | - | - | - | - | - |
| 2.1.7 Payment commitments for checks | | 3,093 | - | 3,093 | 5,775 | - | 5,775 |
| 2.1.8 Tax and fund liabilities from export commitments | | - | - | - | - | - | - |
| 2.1.9 Commitments for credit card expenditure limits | | - | - | - | - | - | - |
| 2.1.10 Commitments for credit cards and banking services promotions | | - | - | - | - | - | - |
| 2.1.11 Receivables from short sale commitments | | - | - | - | - | - | - |
| 2.1.12 Payables for short sale commitments | | - | - | - | - | - | - |
| 2.1.13 Other irrevocable commitments | | - | 9,843 | 9,843 | - | 357 | 357 |
| 2.2 Revocable commitments | | - | - | - | - | - | - |
| 2.2.1 Revocable loan granting commitments | | - | - | - | - | - | - |
| 2.2.2 Other revocable commitments | | - | - | - | - | - | - |
| III. DERIVATIVE FINANCIAL INSTRUMENTS | | - | - | - | 139,644 | 134,222 | 273,866 |
| 3.1 Derivative financial instruments held for hedging | | - | - | - | - | - | - |
| 3.1.1 Fair value hedges | | - | - | - | - | - | - |
| 3.1.2 Cash flow hedges | | - | - | - | - | - | - |
| 3.1.3 Hedges for investments made in foreign countries | | - | - | - | - | - | - |
| 3.2 Trading transactions | | - | - | - | 139,644 | 134,222 | 273,866 |
| 3.2.1 Forward foreign currency buy/sell transactions | | - | - | - | - | - | - |
| 3.2.1.1 Forward foreign currency transactions-buy | | - | - | - | - | - | - |
| 3.2.1.2 Forward foreign currency transactions-sell | | - | - | - | - | - | - |
| 3.2.2 Swap transactions related to foreign currency and interest rates | | - | - | - | 139,644 | 134,222 | 273,866 |
| 3.2.2.1 Foreign currency swap-buy | | - | - | - | - | - | - |
| 3.2.2.2 Foreign currency swap-sell | | - | - | - | - | 134,222 | 134,222 |
| 3.2.2.3 Interest rate swaps-buy | | - | - | - | 139,644 | - | 139,644 |
| 3.2.2.4 Interest rate swaps-sell | | - | - | - | - | - | - |
| 3.2.3 Foreign currency, interest rate and security option: | | - | - | - | - | - | - |
| 3.2.3.1 Foreign currency options-buy | | - | - | - | - | - | - |
| 3.2.3.2 Foreign currency options-sell | | - | - | - | - | - | - |
| 3.2.3.3 Interest rate options-buy | | - | - | - | - | - | - |
| 3.2.3.4 Interest rate options-sell | | - | - | - | - | - | - |
| 3.2.3.5 Securities options-buy | | - | - | - | - | - | - |
| 3.2.3.6 Securities options-sell | | - | - | - | - | - | - |
| 3.2.4 Foreign currency futures | | - | - | - | - | - | - |
| 3.2.4.1 Foreign currency futures-buy | | - | - | - | - | - | - |
| 3.2.4.2 Foreign currency futures-sell | | - | - | - | - | - | - |
| 3.2.5 Interest rate futures | | - | - | - | - | - | - |
| 3.2.5.1 Interest rate futures-buy | | - | - | - | - | - | - |
| 3.2.5.2 Interest rate futures-sell | | - | - | - | - | - | - |
| 3.2.6 Other | | - | - | - | - | - | - |
| B. CUSTODY AND PLEDGED SECURITIES (IV+V+VI) | | 356,035 | 276,475 | 632,510 | 243,213 | 215,532 | 458,745 |
| IV. ITEMS HELD IN CUSTODY | | 328,200 | 143,687 | 471,887 | 212,138 | 116,908 | 329,046 |
| 4.1 Assets under management | | - | - | - | - | - | - |
| 4.2 Investment securities held in custody | | - | - | - | - | - | - |
| 4.3 Checks received for collection | | 245,444 | 18,520 | 263,964 | 159,012 | 10,908 | 169,920 |
| 4.4 Commercial notes received for collection | | 82,006 | 125,167 | 207,173 | 53,126 | 106,000 | 159,126 |
| 4.5 Other assets received for collection | | - | - | - | - | - | - |
| 4.6 Assets received for public offering | | - | - | - | - | - | - |
| 4.7 Other items under custody | | 750 | - | 750 | - | - | - |
| 4.8 Custodians | | - | - | - | - | - | - |
| V. PLEDGED ITEMS | | 27,835 | 132,788 | 160,623 | 31,075 | 98,624 | 129,699 |
| 5.1 Marketable securities | | - | - | - | - | - | - |
| 5.2 Guarantee notes | | - | - | - | 250 | 196 | 446 |
| 5.3 Commodity | | - | - | - | - | - | - |
| 5.4 Warranty | | - | - | - | - | - | - |
| 5.5 Immovables | | 27,807 | 130,427 | 158,234 | 30,797 | 96,456 | 127,253 |
| 5.6 Other pledged items | | 28 | 2,361 | 2,389 | 28 | 1,972 | 2,000 |
| 5.7 Pledged items-depository | | - | - | - | - | - | - |
| VI. ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES | | - | - | - | - | - | - |
| TOTAL OFF BALANCE SHEET COMMITMENTS (A+B) | | 573,879 | 2,455,586 | 3,029,465 | 515,376 | 1,795,898 | 2,311,274 |

Arap Türk Bankası Anonim Şirketi
Consolidated Balance Sheet (Consolidated Statement of Financial Position)
As of 31 December 2013
(Thousands of Turkish Lira)

| INCOME AND EXPENSES | | Footnotes (5-IV) | AUDITED | |
|---------------------|---|---------------------|---|---|
| | | | CURRENT PERIOD (01/01/2013-31/12/2013) | PRIOR PERIOD (01/01/2012-31/12/2012) |
| I. | INTEREST INCOME | (1) | 115,593 | 128,219 |
| 1.1 | Interest on loans | | 57,304 | 50,762 |
| 1.2 | Interest received from reserve deposits | | - | - |
| 1.3 | Interest received from banks | | 27,681 | 21,176 |
| 1.4 | Interest received from money market transactions | | 3,787 | 21,350 |
| 1.5 | Interest received from marketable securities portfolio | | 15,161 | 26,417 |
| 1.5.1 | Financial assets held for trading | | 4,091 | 12,598 |
| 1.5.2 | Financial assets where value change is reflected to income statement | | - | - |
| 1.5.3 | Financial assets available for sale | | - | - |
| 1.5.4 | Investments held to maturity | | 11,070 | 13,819 |
| 1.6 | Finance lease income | | 11,289 | 8,268 |
| 1.7 | Other interest income | | 371 | 246 |
| II. | INTEREST EXPENSE | (2) | 26,307 | 31,090 |
| 2.1 | Interest on deposits | | 8,192 | 20,003 |
| 2.2 | Interest on funds borrowed | | 17,259 | 7,449 |
| 2.3 | Interest on money market transactions | | 856 | 3,637 |
| 2.4 | Interest on securities issued | | - | - |
| 2.5 | Other interest expense | | - | 1 |
| III. | NET INTEREST INCOME/EXPENSE (I - II) | | 89,286 | 97,129 |
| IV. | NET FEES AND COMMISSIONS INCOME/EXPENSE | | 35,186 | 39,150 |
| 4.1 | Fees and commissions received | | 35,792 | 40,380 |
| 4.1.1 | Non-cash loans | | 14,420 | 13,542 |
| 4.1.2 | Other | | 21,372 | 26,838 |
| 4.2 | Fees and commissions paid | | 606 | 1,230 |
| 4.2.1 | Non-cash loans | | - | 4 |
| 4.2.2 | Other | | 606 | 1,226 |
| V. | DIVIDEND INCOME | (3) | 66 | 61 |
| VI. | NET TRADING INCOME/EXPENSE | (4) | (1,156) | (2,611) |
| 6.1 | Capital markets transactions | | - | 9 |
| 6.2 | Profit/losses on trading account securities | | (1,878) | (5,540) |
| 6.3 | Foreign exchange profit/losses | | 722 | 2,920 |
| VII. | OTHER OPERATING INCOME | (5) | 7,017 | 4,689 |
| VIII. | TOTAL OPERATING INCOME/EXPENSE (III+IV+V+VI+VII) | | 130,399 | 138,418 |
| IX. | PROVISION FOR LOAN LOSSES and OTHER RECEIVABLES (-) | (6) | 10,003 | 4,926 |
| X. | OTHER OPERATING EXPENSES (-) | (7) | 58,789 | 56,669 |
| XI. | NET OPERATING INCOME/LOSS (VIII-IX-X) | | 61,607 | 76,823 |
| XII. | INCOME RESULTED FROM MERGERS | | - | - |
| XIII. | INCOME/LOSS FROM INVESTMENTS UNDER EQUITY ACCOUNTING | | - | - |
| XIV. | NET MONETARY POSITION GAIN/LOSS | | - | - |
| XV. | INCOME/LOSS FROM CONTINUING OPERATIONS BEFORE TAXES (XI+...+XIV) | (8) | 61,607 | 76,823 |
| XVI. | PROVISION FOR TAXES FOR CONTINUING OPERATIONS (±) | (9) | (13,073) | (15,955) |
| 16.1 | Current tax provision | | (12,151) | (14,879) |
| 16.2 | Deferred tax provision | | (922) | (1,076) |
| XVII. | NET PROFIT/LOSSES FROM CONTINUING OPERATIONS (XV±XVI) | | 48,534 | 60,868 |
| XVIII. | INCOME FROM DISCONTINUED OPERATIONS | (10) | - | - |
| 18.1 | Income from asset held for sale | | - | - |
| 18.2 | Income from sale of associates, subsidiaries and joint-ventures | | - | - |
| 18.3 | Other income from discontinued operations | | - | - |
| XIX. | EXPENSES FROM DISCONTINUED OPERATIONS (-) | | - | - |
| 19.1 | Expenses on asset held for sale | | - | - |
| 19.2 | Expenses on sale of associates, subsidiaries and joint ventures | | - | - |
| 19.3 | Other expense from discontinued operations | | - | - |
| XX. | INCOME/EXPENSE BEFORE TAXES FROM DISCONTINUED OPERATIONS (XVIII-XIX) | | - | - |
| XXI. | PROVISION FOR TAXES ON INCOME FROM DISCONTINUED OPERATIONS (±) | | - | - |
| 21.1 | Current tax provision | | - | - |
| 21.2 | Deferred tax provision | | - | - |
| XXII. | NET PROFIT/LOSSES FROM DISCONTINUED OPERATIONS (XX±XXI) | | - | - |
| XXIII. | NET PROFIT/LOSSES (XVII+XXII) | | 48,534 | 60,868 |
| 23.1 | Group's profit/loss | | 48,534 | 60,868 |
| 23.2 | Minority shares | | - | - |
| | Earnings/Losses per share | | 0.0020 | 0.0025 |

Arap Türk Bankası Anonim Şirketi
Statement of Recognized Income and Expense In Consolidated Shareholders' Equity
For The Period Ended 31 December 2013
(Thousands of Turkish Lira)

| INCOME AND EXPENSE ITEMS ACCOUNTED IN SHAREHOLDERS' EQUITY | | AUDITED | AUDITED |
|--|---|---|---|
| | | CURRENT PERIOD (01/01/2013-31/12/2013) | PRIOR PERIOD (01/01/2012-31/12/2012) |
| I. | I. MARKET VALUE GAINS ON AVAILABLE FOR SALE ASSETS ACCOUNTED UNDER "SECURITIES VALUE INCREASE FUND" | - | - |
| II. | REVALUATION SURPLUS ON TANGIBLE ASSETS | - | - |
| III. | REVALUATION SURPLUS ON INTANGIBLE ASSETS | - | - |
| IV. | TRANSLATION DIFFERENCES FOR TRANSACTIONS IN FOREIGN CURRENCIES | - | - |
| V. | GAIN/LOSS ON DERIVATIVE FINANCIAL ASSETS HELD FOR CASH FLOW HEDGES (effective portion) | - | - |
| VI. | GAIN/LOSS ON DERIVATIVE FINANCIAL ASSETS HELD FOR HEDGES OF NET INVESTMENT (effective portion) | - | - |
| VII. | EFFECTS OF CHANGES IN ACCOUNTING POLICIES AND CORRECTIONS | - | - |
| VIII. | OTHER INCOME/EXPENSE ITEMS ACCOUNTED UNDER SHAREHOLDERS' EQUITY AS PER TAS | - | - |
| IX. | DEFERRED TAXES ON VALUE INCREASES/DECREASES | (388) | (1,260) |
| X. | NET INCOME/EXPENSE ITEMS ACCOUNTED DIRECTLY UNDER SHAREHOLDERS' EQUITY (I+II+...+IX) | 77 | 252 |
| XI. | CURRENT PROFIT/LOSSES | (311) | (1,008) |
| 11.1 | Net changes in fair value of securities (transferred to income statement) | 48,534 | 60,868 |
| 11.2 | Gains/losses on hedges of cash flow hedges, reclassified and recorded in income statement | - | - |
| 11.3 | Gains/losses on hedges of net investment in foreign operations, reclassified and recorded in income statement | - | - |
| 11.4 | Other | - | - |
| XII. | TOTAL PROFIT/(LOSS) ACCOUNTED FOR THE CURRENT PERIOD (X+XI) | 48,223 | 59,860 |

Arap Türk Bankası Anonim Şirketi

Statement of Changes in Consolidated Shareholders' Equity For the Period Ended 31 December 2013

(Thousands of Turkish Lira)

| | Capital Reserves from Millions Adjustments to Paid in Capital | Share Premium | Share Cancellation Profits | Legal Reserve | Statutory Reserves | Extraordinary Reserves | Other Reserves | Current Period Net Profit/Loss | Period Profit/Loss | Securities Value Increase Fund | Revaluation Surplus on Tangible and Intangible Assets | Bonus Shares of Equity Participation | Hedging Reserve | Accr. Rev. Surp. on Asset Held for Sale and Avoid of Discount Operations | Total Shareholders' Equity | Minority Interest | Total Shareholders' Equity |
|---|---|---------------|----------------------------|---------------|--------------------|------------------------|----------------|--------------------------------|--------------------|--------------------------------|---|--------------------------------------|-----------------|--|----------------------------|-------------------|----------------------------|
| STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY | | | | | | | | | | | | | | | | | |
| PERIOD (01/12/2013) | | | | | | | | | | | | | | | | | |
| I. | 240,000 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| II. | - | 9,096 | - | 5,037 | - | 147 | - | 47,824 | 59,181 | - | - | - | - | - | - | - | - |
| 2.1 | - | - | - | - | - | - | - | 166 | - | - | - | - | - | - | - | - | - |
| 2.2 | - | - | - | - | - | - | - | 166 | - | - | - | - | - | - | - | - | - |
| III. | 240,000 | 9,096 | - | 5,037 | - | 147 | - | 48,000 | 59,181 | - | - | - | - | - | - | - | - |
| IV. | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| V. | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| VI. | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 6.1 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 6.2 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| VII. | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| VIII. | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| IX. | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| X. | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| XI. | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| XII. | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| XIII. | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| XIV. | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 14.1 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 14.2 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| XV. | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| XVI. | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| XVII. | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| XVIII. | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| XIX. | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 20.1 | - | - | - | 2,504 | - | - | - | (60,568) | (1,000) | - | - | - | - | - | - | - | - |
| 20.2 | - | - | - | 2,504 | - | - | - | (48,000) | (1,000) | - | - | - | - | - | - | - | - |
| 20.3 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 20.4 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 20.5 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 20.6 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 20.7 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | 240,000 | 9,096 | - | 7,541 | - | 147 | - | 66,868 | 184,577 | - | - | - | - | - | 421,475 | - | 421,475 |
| CURRENT PERIOD (01/12/2013) | | | | | | | | | | | | | | | | | |
| I. | 240,000 | 9,096 | - | 7,541 | - | 147 | - | 66,868 | 184,577 | - | - | - | - | - | 421,475 | - | 421,475 |
| II. | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| III. | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| IV. | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 4.1 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 4.2 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| V. | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| VI. | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| VII. | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| VIII. | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| IX. | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| X. | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| XI. | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| XII. | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 12.1 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 12.2 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| XIII. | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| XIV. | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| XV. | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| XVI. | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| XVII. | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| XVIII. | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 18.1 | - | - | - | 2,976 | - | (144) | - | (60,568) | 58,036 | - | - | - | - | - | - | - | - |
| 18.2 | - | - | - | 2,976 | - | (144) | - | (60,568) | 58,036 | - | - | - | - | - | - | - | - |
| 18.3 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | 240,000 | 9,096 | - | 18,917 | - | 3 | (1,485) | 48,534 | 182,433 | - | - | - | - | - | 469,698 | - | 469,698 |

(*) Updated IAS 19 - Standard of Employee Benefits came into force as the date of 1 January 2013. Changes brought by the standard must be applied retrospectively. In this context, actuarial gain/loss is accounting to TL 1,008 and to TL 166 as of 31 December 2012 and 31 December 2011 respectively, has been accounted under the "Other Reserves" and profit of the retained period but from at the same rate.

Arap Türk Bankası Anonim Şirketi
Consolidated Statement of Cash Flow
For The Period Ended 31 December 2013

(Thousands of Turkish Lira)

| | | AUDITED | |
|-----------|---|--------------------------------|------------------------------|
| | | CURRENT PERIOD (31/12/2013) | PRIOR PERIOD (31/12/2012) |
| A. | CASH FLOWS FROM BANKING OPERATIONS | | |
| 1.1 | Operating Profit Before Changes in Operating Assets and Liabilities | 58,355 | 173,161 |
| 1.1.1 | Interests Received | 128,577 | 138,534 |
| 1.1.2 | Interest Paid | (22,464) | (33,288) |
| 1.1.3 | Dividend Received | 44 | 54 |
| 1.1.4 | Fees and Commissions Received | 35,792 | 40,380 |
| 1.1.5 | Other Income | 1,602 | 2,695 |
| 1.1.6 | Collections From Previously Written-off Loans and Other Receivables | 43 | 177 |
| 1.1.7 | Payments to Personnel and Service Suppliers | (48,905) | (48,475) |
| 1.1.8 | Taxes Paid | (9,053) | (17,256) |
| 1.1.9 | Others | (27,281) | 90,340 |
| | | (3) | |
| 1.2 | Changes in Operating Assets and Liabilities | (295,661) | (308,146) |
| 1.2.1 | Net Decrease in Financial Assets Held For Trading | 102,863 | (32,611) |
| 1.2.2 | Net (Increase) Decrease in Financial Assets Valued at Fair Value Through Profit or Loss | - | - |
| 1.2.3 | Net Decrease in Due From Banks and Other Financial Institutions | (58,663) | (65,708) |
| 1.2.4 | Net (Increase) in Loans | (750,075) | 137,420 |
| 1.2.5 | Net Decrease in Other Assets | (3,172) | (4,601) |
| 1.2.6 | Net Increase /(Decrease) in Bank Deposits | 1,350,672 | (1,030,441) |
| 1.2.7 | Net Increase (Decrease) in Other Deposits | 194,451 | 116,333 |
| 1.2.8 | Net Increase/ (Decrease) in Funds Borrowed | (1,179,783) | 773,637 |
| 1.2.9 | Net Increase/ (Decrease) in Matured Payables | - | - |
| 1.2.10 | Net Increase in Other Liabilities | 48,046 | (202,175) |
| | | (3) | |
| I. | Net Cash Flow From Banking Operations | (237,306) | (134,985) |
| B. | CASH FLOWS FROM INVESTING ACTIVITIES | - | - |
| II. | Net Cash Flow From Investing Activities | (25,480) | 58,333 |
| 2.1 | Cash Paid For Purchase of Associates, Subsidiaries, and Joint-Ventures | - | - |
| 2.2 | Cash Obtained From Sale of Associates, Subsidiaries and Joint-Ventures | - | - |
| 2.3 | Purchases of Tangible Assets | (565) | (2,606) |
| 2.4 | Sales of Tangible Assets | 346 | 32 |
| 2.5 | Cash Paid For Purchase of Financial Assets Available-For-Sale | - | (54) |
| 2.6 | Cash Obtained From Sale of Financial Assets Available-For-Sale | - | 334 |
| 2.7 | Cash Paid For Purchase of Investments Held-to-Maturity | (77,981) | (83,489) |
| 2.8 | Cash Obtained From Sale of Investments Held-to-Maturity | 54,556 | 144,735 |
| 2.9 | Others | (1,836) | (619) |
| C. | CASH FLOWS FROM FINANCING ACTIVITIES | - | - |
| III. | Net Cash Flows From Financing Activities | - | - |
| 3.1 | Cash Obtained From Funds Borrowed and Securities Issued | - | - |
| 3.2 | Cash Used For Repayment of Funds Borrowed and Securities Issued | - | - |
| 3.3 | Equity Instruments Issued | - | - |
| 3.4 | Dividends Paid | - | - |
| 3.5 | Payments For Financial Leases | - | - |
| 3.6 | Others | - | - |
| IV. | Effect of Change in Foreign Exchange Rate On Cash and Cash Equivalents | 115,007 | (94,131) |
| | | (3) | |
| V. | Net (Decrease)/Increase in Cash and Cash Equivalents | (147,779) | (170,783) |
| VI. | Cash and Cash Equivalents at Beginning of Period | 1,395,002 | 1,565,785 |
| | | (1) | |
| VII. | Cash and Cash Equivalents at the End of Period | 1,247,223 | 1,395,002 |
| | | (1) | |

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

Arap Türk Bankası Anonim Şirketi
Consolidated Statement of Profit Distribution
For The Year Ended 31 December 2013

(Thousands of Turkish Lira)

| | AUDITED | |
|---|------------------------------------|------------------------------|
| | CURRENT PERIOD(**) (31/12/2013) | PRIOR PERIOD (31/12/2012) |
| I. DISTRIBUTION OF CURRENT YEAR INCOME (*) | | |
| 1.1.CURRENT YEAR INCOME (***) | 61,819 | 74,364 |
| 1.2.TAXES AND DUTIES PAYABLE | (12,229) | (14,739) |
| 1.2.1. Corporate Tax (Income tax) | (12,151) | (14,879) |
| 1.2.2. Income withholding tax | - | - |
| 1.2.3. Other taxes and duties | (78) | 140 |
| A. NET INCOME FOR THE YEAR (1.1-1.2) | 49,590 | 59,625 |
| 1.3. PRIOR YEARS LOSSES (-) | - | - |
| 1.4. FIRST LEGAL RESERVES (-) | - | 2,916 |
| 1.5. OTHER STATUTORY RESERVES (-) | - | - |
| B. NET INCOME AVAILABLE FOR DISTRIBUTION [(A)-(1.3+1.4+1.5)] | 49,590 | 56,709 |
| 1.6. FIRST DIVIDEND TO SHAREHOLDERS (-) | - | - |
| 1.6.1. To owners of ordinary shares | - | - |
| 1.6.2. To owners of preferred shares | - | - |
| 1.6.3. To owners of preferred shares (preemptive rights) | - | - |
| 1.6.4. To profit sharing bonds | - | - |
| 1.6.5. To holders of profit and loss sharing certificates | - | - |
| 1.7. DIVIDENDS TO PERSONNEL (-) | - | - |
| 1.8. DIVIDENDS TO BOARD OF DIRECTORS (-) | - | - |
| 1.9. SECOND DIVIDEND TO SHAREHOLDERS (-) | - | - |
| 1.9.1. To owners of ordinary shares | - | - |
| 1.9.2. To owners of preferred shares | - | - |
| 1.9.3. To owners of preferred shares (preemptive rights) | - | - |
| 1.9.4. To profit sharing bonds | - | - |
| 1.9.5. To holders of profit and loss sharing certificates | - | - |
| 1.10. SECOND LEGAL RESERVES (-) | - | - |
| 1.11. STATUTORY RESERVES (-) | - | - |
| 1.12. GENERAL RESERVES | - | - |
| 1.13. OTHER RESERVES | - | - |
| 1.14. SPECIAL FUNDS | - | - |
| II. DISTRIBUTION OF RESERVES | | |
| 2.1. APPROPRIATED RESERVES | - | - |
| 2.2. SECOND LEGAL RESERVES (-) | - | - |
| 2.3. DIVIDENDS TO SHAREHOLDERS (-) | - | - |
| 2.3.1. To owners of ordinary shares | - | - |
| 2.3.2. To owners of preferred shares | - | - |
| 2.3.3. To owners of preferred shares (preemptive rights) | - | - |
| 2.3.4. To profit sharing bonds | - | - |
| 2.3.5. To holders of profit and loss sharing certificates | - | - |
| 2.4. DIVIDENDS TO PERSONNEL (-) | - | - |
| 2.5. DIVIDENDS TO BOARD OF DIRECTORS (-) | - | - |
| III. EARNINGS PER SHARE | | |
| 3.1. TO OWNERS OF ORDINARY SHARES | 0.0021 | 0.0025 |
| 3.2. TO OWNERS OF ORDINARY SHARES (%) | 0.21 | 0.25 |
| 3.3. TO OWNERS OF PRIVILEGED SHARES | - | - |
| 3.4. TO OWNERS OF PRIVILEGED SHARES (%) | - | - |
| IV. DIVIDEND PER SHARE | | |
| 4.1. TO OWNERS OF ORDINARY SHARES | - | - |
| 4.2. TO OWNERS OF ORDINARY SHARES (%) | - | - |
| 4.3. TO OWNERS OF PRIVILEGED SHARES | - | - |
| 4.4. TO OWNERS OF PRIVILEGED SHARES (%) | - | - |

(*) Statement of profit distribution has been prepared according to unconsolidated financial statements of the Parent Bank

(**) Since the General Assembly has not been made as of the announcement of the financial statement, the distribution of profit has not been decided yet.

(***) Due to retrospectively implementation of TAS 19, TL 150 has been classified under the "Other Reserves".

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

SECTION THREE

EXPLANATIONS ON ACCOUNTING POLICIES

I. EXPLANATIONS FOR BASIS OF PRESENTATION AND NOTES

The Parent Bank maintains its books of accounts in Turkish Lira in accordance with the Banking Act No. 5411 (“Banking Act”), which are effective from 1 November 2005, the Turkish Commercial Code (“TCC”) and Turkish tax legislation.

The consolidated financial statements are prepared in accordance with the “Regulation on the Principles and Procedures Regarding Banks’ Accounting Application and Keeping Documents” published in the Official Gazette No. 26333 dated 1 November 2006 by the BRSA (“Banking Regulation and Supervision Agency”) which refers to “Turkish Accounting Standards” (“TAS”) and “Turkish Financial Reporting Standards”(“TFRS”) issued by the Public Oversight Accounting and Auditing Standards Authority (“POA”) and other decrees, notes and explanations related to the accounting and financial reporting principles published by the BRSA (all defined as “BRSA principles”). The format and the details of the publicly announced financial statements and related disclosures to these statements have been prepared in accordance with the “Communiqués Related to Publicly Announced Financial Statements of Banks and Explanations and Notes Related to these Financial Statements” published in the Official Gazette No. 28337 dated 28 June 2012.

Consolidated financial statements other than financial assets and liabilities that are presented with fair values, are prepared in thousands of TL and with cost value approach.

For a correct perception of the financial statements, the accounting policies and valuation principles are explained between in Notes No. II and XXIII.

There is not any different accounting policy applied while the preparation of the consolidated financial statements.

Explanation for convenience translation into English:

The differences between accounting principles, as described in these preceding paragraphs and accounting principles generally accepted in countries in which consolidated financial statements are to be distributed and International Financial Reporting Standards (“IFRS”) have not been quantified in these consolidated financial statements. Accordingly, these consolidated financial statements are not intended to present the financial position, results of operations and changes in financial position and cash flows in accordance with the accounting principles generally accepted in such countries and IFRS.

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**II. INFORMATION ON STRATEGY FOR THE USE OF FINANCIAL INSTRUMENTS
AND FOREIGN CURRENCY TRANSACTIONS**

The Bank's core business operation is banking activities including corporate banking, commercial banking, security transactions (treasury transactions) together with international banking services. The Parent Bank uses financial instruments intensively because of the nature of the Parent Bank. The main funding resources are deposits, borrowing and equity and these resources are invested in qualified financial assets. The Parent Bank follows the utilization of resources and the risk and return for the investments in various financial assets through an effective asset and liability management strategy.

The transactions in foreign currency are recorded in accordance with TAS 21 – Effects of Exchange Rate Changes. Related gain and loss occurred due to the changes in exchange rates resulted by the foreign currency transactions are translated into TL over the effective exchange rate prevailing at the date of the transaction and is recorded accordingly.

At the end of the related periods, foreign currency assets and liability balances outstanding are translated into Turkish Lira over the Group's exchange rates prevailing at the balance sheet date in the Parent Bank financial statements, whereas for other associations over CBRT rates subjected to evaluation.

III. INFORMATION ON CONSOLIDATED ASSOCIATES AND SUBSIDIARIES

The accompanying consolidated financial statements are prepared in accordance with "Communiqué on Preparation of Consolidated Financial Statements" which is published in the Official Gazette No. 26340 dated November 8, 2006. The Parent Bank directly owns the shares of A&T Finansal Kiralama A.Ş. and this subsidiary is consolidated accordingly. As at 31 December 2013 and 31 December 2012, the Parent Bank has no associates.

A&T Finansal Kiralama Anonim Şirketi, was founded in 1997 with the aim to provide financial leasing services.

The Parent Bank and its subsidiary A&T Finansal Kiralama A.Ş that is included in consolidation are together referred to as "Group" in the disclosures and footnotes related to the consolidated financial statements.

"Full Consolidation" method has been applied in consolidating the financial statements of the Bank with the financial statements of its subsidiary. In accordance with this method, the financial statements of the Parent Bank and its subsidiary are combined on a line-by-line basis by adding together the all items of assets, liabilities, income, expenses and off-balance sheet items, in preparing consolidated financial statements. Minority interests are presented separately in the consolidated balance sheet and consolidated statement of income.

The major principles applied in the consolidation of subsidiaries

The carrying amount of the Parent Bank's net investment in the subsidiary and the Parent Bank's portion of equity of the subsidiary are eliminated.

All intercompany transactions and intercompany balances between the consolidated subsidiary and the Parent Bank are eliminated.

The financial statements which have been used in the consolidation are prepared as of 31 December 2013 and appropriate adjustments are made to financial statements to use uniform accounting policies for similar transactions and events in similar circumstances.

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IV. INFORMATION ON FORWARD TRANSACTIONS, OPTIONS AND DERIVATIVE INSTRUMENTS

The Group financial derivatives are classified as “Held for Trading” in accordance with TAS - 39 Financial Instruments: Recognition and Measurement.

Derivatives are initially recorded at their purchase costs including the transaction costs. The notional amounts of derivative transactions are recorded in off-balance sheet accounts based on their contractual amounts.

The derivative transactions are measured at fair value subsequent to initial recognition and if the fair value of a derivative financial instrument is positive, it is disclosed under the main account fair values of financial assets through profit or loss” in trading derivative financial instruments and if the fair value difference is negative, it is disclosed under trading derivative financial liabilities.

Gains and losses arising from a change in fair value of trading derivatives after the re measurement are accounted in the income statement. The fair value of the derivative financial instruments is calculated using quoted market prices by using discounted cash flows model.

V. INFORMATION ON INTEREST INCOME AND EXPENSE

Interest income and expense are recognized according to the effective interest method based on accrual basis. Effective interest rate is the rate that discounts the expected cash flows of financial assets or liabilities during their lifetimes to their carrying values. Effective interest rate is calculated when a financial asset or a liability is initially recorded and is not modified thereafter.

The computation of effective interest rate comprises discounts and premiums, fees and commissions paid or received and transaction costs. Transaction costs are additional costs that are directly related to the acquisition, issuance or disposal of financial assets or liabilities.

In accordance with the related regulation, the accrued interest income on non-performing loans are reversed and subsequently recognized as interest income only when collected.

VI. INFORMATION ON FEES AND COMMISSION

Fees and commission received and paid are recognized according to either accrual basis of accounting or effective interest method depending on nature of fees and commission; incomes derived from agreements and asset purchases for third parties are recognized as income when realized.

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VII. INFORMATION ON FINANCIAL ASSETS

The Group categorizes and records its financial assets as financial assets at fair value through profit or loss, financial assets available-for-sale, loans and receivables or financial assets held to maturity.

Financial assets except for measured at fair value through profit or loss are recognized initially with their transaction costs that are directly attributable to the acquisition or issue of the financial asset. Purchase and sale transactions of securities are accounted at settlement dates.

a. Financial Assets at Fair Value through Profit or Loss

This category has two sub categories: financial assets for trading purposes and those recorded as financial assets designated at fair value through profit or loss at their initial recognition.

Financial assets held for trading are part of a portfolio aiming to generate a profit from short term fluctuations in prices or dealer’s margin or in which a pattern of short term profit making exists.

Financial derivative instruments are classified as financial assets held for trading unless they are stated as for hedging purposes. Accounting of derivative financial assets is explained in IV of Section Three.

The financial assets held for trading are initially recognized at cost which includes transaction costs. Subsequent to the initial recognition financial assets held for trading are re-measured at their fair value. The gains and losses arising from the change in fair value are recognized in the income statement. The interest income earned from financial assets held for trading is recorded in the interest income and share profit is recorded in the dividends account.

b. Financial Assets Available-for-Sale

Financial assets available for sale are financial assets other than those classified as loans and receivables, financial assets held to maturity and financial assets at fair value through profit or loss.

Debt securities classified as financial assets available-for-sale are subsequently re-measured at their fair values. Unrealized gains and losses arising from changes in the fair value of securities classified as financial assets available for sale is reflected in the equity marketable securities value increase fund. When these financial assets available for sale are disposed of or collected the fair value differences accumulated under equity are transferred to the income statement.

Financial assets available for sale that have a quoted market price in an active market and whose fair values can be reliably measured are carried at fair value. Financial assets available for sale that do not have a quoted market price and whose fair values cannot be reliably measured are carried at cost, less provision for impairment.

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VII. INFORMATION ON FINANCIAL ASSETS (Continued)

c. Loans and Receivables

Loans and receivables are the financial assets raised by the Bank providing money, commodity and services to debtors. Loans are financial assets with fixed or determinable payments and not quoted in an active market.

Loans and receivables are recorded at cost and measured at amortized cost by using effective interest method. The duties paid, transaction expenditures and other similar expenses on assets received against such risks are considered as a part of transaction cost and charged to customers.

d. Financial Assets Held to Maturity

Held-to-maturity securities are financial assets that are not classified as loans and receivables with fixed maturities and pre-determinable payments that the Bank has the intent and ability to hold until maturity. The financial assets held to maturity are initially recognized at cost and subsequently carried at amortized cost using effective interest method with internal rate of return after deducting impairments, if any. Interest earned on financial assets held-to-maturity is recognized as interest income in the statement of income.

There are no financial assets that were previously classified as held to maturity but cannot be subject to this classification for two years due to the violation of the tainting rule.

VIII. INFORMATION ON IMPAIRMENT OF FINANCIAL ASSETS

Financial assets or group of financial assets are reviewed at each balance sheet date to determine whether there is objective evidence of impairment. If any such indication exists, the Group estimates the amount of impairment.

Impairment loss incurs if, and only if, there is objective evidence that the expected future cash flows of financial asset or group of financial assets are adversely affected by an event(s) ("loss event(s)") incurred subsequent to recognition. The losses expected to incur due to future events are not recognized even if the probability of loss is high.

If there is an objective evidence that certain loans will not be collected, for such loans; the Group provides specific and general allowances for loan and other receivables classified in accordance with the Regulation on Identification of and Provision against Non-Performing Loans and Other Receivables published on the Official Gazette no. 26333 dated 1 November 2006 and the amendments to this regulation. The allowances are recorded in the statement of income of the related period.

Provision in prior periods has been collected which is provisioned accounts are recorded under other operating income is deducted. Is collected which is provisioned in the same year, the impairment loss is deducted from loans and other receivables.

If there is objective evidence that certain leasing receivables will not be collected; the Group assess that receivables in accordance with the Regulation on Identification of and Provision against Non-Performing Receivables of Financial Leasing, Factoring and Financing Companies published on the Official Gazette no.26588 dated 20 July 2007.

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IX. INFORMATION ON OFFSETTING FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

X. INFORMATION ON SALE AND REPURCHASE AGREEMENTS AND LENDING OF FINANCIAL ASSETS

Repurchase (“repo”) and resale (“reverse repo”) agreements of financial assets are followed at the balance sheet accounts. Financial assets which are sold to customers under repurchase agreements are categorized according to initial classification and are measured in accordance with the accounting policy of the related portfolio.

Funds obtained under repurchase agreements are accounted under funds provided under repurchase agreements in liability accounts. The interest expense accruals are calculated by means of internal rate of return method over the difference resulting from repurchase and sale prices for the relevant period.

Securities subject to repurchase (“reverse repo”) agreements are reflected under receivables from reverse repurchase agreements. The difference between the purchase and resell price which is related with the period is computed with the effective interest rate method for accrued interest income.

XI. INFORMATION ON ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

An asset that is classified as held for sale (or to be discarded fixed assets) is measured with its book value or cost deducted fair value, depending on the lower one. An asset to be classified asset held for sale, particular asset (or to be discarded fixed assets) should be similar to these types of assets and should be able to be sold immediately with commonly accepted terms and conditions. Asset should be marketed in line with its fair value. For selling probability to be high, relevant management level should plan the sale and should finalize the plan by determining the buyers.

Assets held for sale are comprised of tangible assets acquired due to non performing receivables, and are accounted in the financial statements in accordance with the “Regulation On The Disposals of The Commodities and Properties Acquired Due to Receivables and The Purchase and Sale of Precious Metals by Banks” dated 1 November 2006 and published on the Official Gazette No.26333.

A discontinued operation is classified as the Group’s assets discarded or assets held for sales. Information on discontinued operations is presented separately in consolidated income statement. As at reporting date, the Group does not have any discontinued operations.

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XII. INFORMATION ON GOODWILL AND OTHER INTANGIBLE ASSETS

There is no goodwill in the accompanying financial statements related to the acquisition of a subsidiary.

The Group’s intangible assets consist of software.

Intangible assets are initially recorded at their costs in compliance with the TAS 38 - Intangible Assets.

The costs of the intangible assets purchased before 31 December 2004 are restated from the purchasing dates to 31 December 2004, the date the hyperinflationary period is considered to be ended. The intangible assets purchased after this date are recorded at their historical costs. The intangible assets are amortized based on straight line amortization. The useful life of software is determined as 5 years.

If there is objective evidence of impairment, the asset’s recoverable amount is estimated in accordance with the TAS 36 - Impairment of Assets and if the recoverable amount is less than the carrying value of the related asset, a provision for impairment loss is made.

XIII. INFORMATION ON TANGIBLE ASSETS

The costs of the tangible assets purchased before 31 December 2004 are restated from the purchasing dates to 31 December 2004, the date the hyperinflationary period is considered to be ended. In subsequent periods no inflation adjustment is made for tangible assets, and costs which are restated as of 31 December 2004 are considered as their historical costs. Tangible assets purchased after 1 January 2005 are recorded at their historical costs after foreign exchange differences and financial expenses are deducted if any.

Gains and losses arising from the disposal of the tangible assets are calculated as the difference between the net book value and the net sales price and recognized in the income statement of the period.

Maintenance and repair costs incurred for tangible assets are recorded as expense. Expenditures incurred that extend the useful life and service capacity of the assets are capitalized.

The depreciation rates used approximate the rates of the useful life of the tangible assets are as follows:

| Tangible assets | Estimated useful life (Years) | Depreciation Rate (%) |
|---|--|----------------------------------|
| Buildings | 50 | 2 |
| Motor vehicles | 5 | 20 |
| Office equipment, furniture and fixture | 5-50 | 2-20 |

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

At each reporting date, the Bank evaluates whether there is objective evidence of impairment on its assets. If there is an objective evidence of impairment, the asset’s recoverable amount is estimated in accordance with the TAS 36 – Impairment of Assets and if the recoverable amount is less than the carrying value of the related asset, a provision for impairment loss is made.

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XIV. INFORMATION ON LEASING ACTIVITIES

Finance leasing activities as the lessee

Tangible assets acquired by way of finance leasing are recognized in tangible assets and the obligations under finance leases arising from the lease contracts are presented under "Finance Lease Payables" account in the consolidated financial statements. In the determination of the related assets and liabilities, the lower of the fair value of the leased asset and the present value of leasing payments is considered. Financial costs of leasing agreements are expanded in lease periods at a fixed interest rate.

If there is impairment in the value of the assets obtained through financial lease and in the expected future benefits, the leased assets are valued with net realizable value. Depreciation for assets obtained through financial lease is calculated in the same manner as tangible assets.

Interest and exchange rate expenses related to financial leasing are recognized in the income statement. The Group does not provide financial leasing services as a lessor.

Finance leasing activities as the lessor

The total of minimum rent amounts are recorded at "finance lease receivables" account in gross amounts comprising the principal amounts and interests. The interest, the difference between the total of rent amounts and the cost of the fixed assets, is recorded at "unearned income" account. As the rents are collected, "finance lease receivables" account is decreased by the rent amount; and the interest component is recorded at consolidated income statement as interest income.

Operational leases

Transactions regarding operational lease agreements are accounted on an accrual basis in accordance with the terms of the related contracts.

Transactions regarding operational leases are accounted on an accrual basis in accordance with the term of the related contracts.

XV. INFORMATION ON PROVISIONS AND CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions and contingent liabilities are provided for in accordance with the TAS 37 - Provisions, Contingent Liabilities and Contingent Assets, except for the general and specific provisions set aside for the loans and other receivables.

Provisions are recognized when the Bank has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of obligation can be made.

A provision for contingent liabilities arising from past events should be recognized in the same period of occurrence if it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate the amount of the obligation can be made.

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XVI. INFORMATION ON LIABILITIES REGARDING EMPLOYEE BENEFITS

Reserve for employee termination benefits

In accordance with existing Turkish Labour Law, the Group is required to make lump-sum termination indemnities to each employee who has completed one year of service with the Bank and whose employment is terminated due to retirement or for reasons other than resignation or misconduct. The computation of the liability is based upon the retirement pay ceiling announced. The applicable ceiling amount as at 30 December 2013 is TL 3,254 (full TL) (31 December 2012: TL 3,034 (full TL)).

The Group reserved for employee severance indemnities in the accompanying consolidated financial statements using actuarial method in compliance with the updated TAS 19 - Employee Benefits. Accumulated all actuarial gains and losses in equity are recognized in retained earnings.

As at 31 December 2013 and 31 December 2012, the major actuarial assumptions used in the calculation of the total liability are as follows:

| The Parent Bank | Current Period | Prior Period |
|--|-----------------------|---------------------|
| Discount Rate | %2.83 | %2.86 |
| Expected Rate of Salary/Limit Increase | %6.00 | %5.00 |
| Estimated Employee Turnover Rate | %5.42 | %5.42 |

| Subsidiary | Current Period | Prior Period |
|--|-----------------------|---------------------|
| Discount Rate | %2.38 | %2.38 |
| Expected Rate of Salary/Limit Increase | %5.00 | %5.00 |
| Estimated Employee Turnover Rate | %0.00 | %0.00 |

Other benefits to employees

The Group has provided provision for undiscounted short-term employee benefits earned during the financial period as per services rendered in compliance with the updated TAS 19 - Employee Benefits in the accompanying consolidated financial statements.

XVII. INFORMATION ON TAX APPLICATIONS

Corporate tax

The corporate tax rate is 20%. Corporate tax rate is calculated on the total income of the Group after adjusting for certain disallowable expenses, exempt income and other allowances. No further tax is payable unless the profit is distributed.

Dividends paid to the resident institutions and the institutions working through local offices or representatives are not subject to withholding tax. 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%.

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XVII. INFORMATION ON TAX APPLICATIONS (Continued)

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 payments can be deducted from the annual corporate tax calculated for the whole year earnings.

Tax losses can be carried forward for a maximum period of five years following the year in which the losses were incurred. Tax losses cannot be carried back.

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 declarations and related accounting entries can be investigated by tax authorities 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.

Investment incentive

Investment incentive certificates which are obtained prior to April 24, 2003, can deduct 19.8% investment allowance tax withholding. After this date, encouraging, undocumented activities directly related to the investment expenses of companies can deduct 40%. There is no withholding tax for The investments without investment incentive certificates.

As per "Law regarding amendments to the Income Tax Law and Some Other Certain Laws and Decree Laws" accepted on 23 July 2010 at the Grand National Assembly of Turkey, the expression of "can be deducted from the earnings again in the context of this legislation (including the legislation regarding the tax rate) valid at this date" has been amended as "can be deducted from the earnings again in the context of this legislation (including the legislation regarding the tax rate as explained in the second clause of the temporary article no 61 of the Law) valid at this date" and the following expression of " Investment incentive amount used in determination of the tax base shall not exceed 25% of the associated taxable income. Tax is computed on the remaining income per the enacted tax rate" has been added. This Law has been published in the Official Gazette on 1 August 2010.

The clause "The amount which to be deducted as investment incentive to estimate tax base can not exceed 25% of related income" which has been added to first clause of the temporary 69th article of Law No: 193 with the 5th article of Law No: 6009 on Amendments to Income Tax Law and Some Other Laws and Decree Laws has been abrogated with the 9 February 2012 dated decisions no: E.2010/93 and K.2012/20. Accordingly, the Group's subsidiary operating in finance lease sector have taken these effects into account while arranging corporate tax declaration for the year 2011.

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XVII. INFORMATION ON TAX APPLICATIONS (Continued)

Deferred taxes

The Group calculates and accounts deferred tax assets and liabilities in accordance with the TAS 12 - Income Taxes; deferred tax assets and liabilities are recognized on all taxable temporary differences arising between the carrying values of assets and liabilities in the consolidated financial statements and their corresponding balances used for taxation purposes except for the differences not deductible for tax purposes and initial recognition of assets and liabilities which affect neither accounting nor taxable profit.

If transactions and events are recorded in the statement of income, then the related tax effects are also recognized in the statement of income. However, if transactions and events are recorded directly in the shareholders’ equity, the related tax effects are also recognized directly in the shareholders’ equity.

The net amount of deferred tax receivables and deferred tax payables is shown on the financial tables.

Transfer Pricing

In Turkey, the transfer pricing provisions has been stated under the Article 13 of Corporate Tax Law with the heading of “disguised profit distribution via transfer pricing”. The General Communiqué on disguised profit distribution via Transfer Pricing, dated 18 November 2007 sets details about implementation.

If the companies enter into transactions concerning to the sale or the purchase of the goods or services with the related parties by setting the prices or amounts which are not in line with the arm’s length principle, related profits will be treated as having been wholly or partially distributed in a disguised way via transfer pricing. This kind of disguised profit distribution via transfer pricing cannot be deducted from tax base in accordance with corporate tax.

XVIII. ADDITIONAL INFORMATION ON BORROWINGS

Except for financial liabilities that are classified as held for trading derivatives which carried at fair values, all other financial liabilities are initially recognized at cost including transaction costs and re-measured at amortized cost using the effective interest rate method.

The Group did not issue any stocks convertible into bonds.

The Group does not have borrowing instruments issued by itself.

XIX. INFORMATION ON SHARE ISSUANCES

The Group has not issued any share in the year.

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XX. INFORMATION ON BILLS OF EXCHANGES AND ACCEPTANCES

Acceptances are realized simultaneously with the payment dates of the clients and they are presented as commitments in off-balance sheet accounts.

There are no acceptances presented as liabilities against any assets.

XXI. INFORMATION ON GOVERNMENT INCENTIVES

As of 31 December 2013, A&T Finansal Kiralama A.Ş has TL 10,366 (31 December 2012: TL 13,517) of unutilized investment incentive.

XXII. INFORMATION ON SEGMENT REPORTING

Operating segment is the unit that operates in only one product or service of the Group or the group of products or services which are related each other and differs from other units from the point of risk and profit. Operating segments are presented in the footnote VI of Fourth Section.

XXIII. OTHER DISCLOSURES

Profit reserves and profit distribution

Retained earnings as per the statutory consolidated financial statements other than legal reserves are available for distribution, subject to legal reserve requirement referred to below.

The legal reserves are comprised of first and second reserves, in accordance with the Turkish Commercial Code (“TCC”). The first legal reserve is appropriated out of the profits at the rate of 5% until the total reserve reaches a maximum of 20% of the Parent Bank’s paid in capital. The second legal reserve is appropriated at the rate of 10% of all distributions in excess of the 5% of the Company’s share capital; however holding companies are not subject to this application. First and second legal reserves can only be used to compensate accumulated losses and cannot be used for profit distribution unless they exceed 50% of paid-in capital.

Related parties

In accompanying consolidated financial statements, shareholders, key management personnel and board members together with their families and companies controlled by or affiliated by them associated and jointly controlled entities are considered as Related Parties in compliance with TAS 24 - Related Party Disclosures Standard.

Cash and cash equivalents

In the cash flows statements “Cash” refers to cash in vault, cash in transit, bank cheques purchased and demand deposits in banks including Central Bank of Turkey; “Cash equivalent” refers to money market placements and time deposits at banks which has original maturity less than three months.

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SECTION FOUR

INFORMATION ON THE FINANCIAL POSITION OF THE GROUP

I. INFORMATION ON CONSOLIDATED CAPITAL ADEQUACY RATIO

The capital adequacy ratio calculations are applied in accordance with the “Regulation on Measurement and Evaluation of Capital Adequacy of Banks” published in Official Journal No 28337 of 28 June 2012 from 1 July 2012. The consolidated basis capital adequacy ratio of the Bank in accordance with the “Regulation on Measurement and Evaluation of Capital Adequacy of Banks” is 14.31% as of 31 December 2013 (31 December 2012: 22.34%).

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

In the calculation process of capital adequacy ratio, the data which are compatible with current regulations are used. In this case, the market and credit risk are also taken into account as “Trading Accounts” and “Banking Accounts.

The items which are deducted from trading accounts and shareholders’ equity are not considered in the calculation of the credit risk. Depleted and amortized assets are taken into consideration by net amounts which are calculated by the deduction of depreciation cost and provisions.

The amount subject to credit risk for non cash loans and commitments are converted credit by using the conversion rates which are defined in the 5th article of “Regulation on Measurement and Evaluation of Capital Adequacy of Banks”. Besides, the provisions which are defined in “Regulation on Procedures and Principles for Determination of Qualifications of Loans and Other Receivables by Banks and Provisions to Be Set Aside” and taken place at the liability side of the balance sheet are also taken into consideration. And classified to the relevant risk class by regarding the 6th article of “Regulation on credit risk mitigation techniques” and the risk is weighted in accordance with the same regulations Annex-1.

Value at operational risk (VOR) is calculated in accordance with the “Basic Indicator Method” and is included in the capital adequacy ratio calculation.

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I. INFORMATION ON CONSOLIDATED CAPITAL ADEQUACY RATIO (Continued)

Information on Parent Bank and consolidated capital adequacy standard ratio

| | The Parent Bank | | | | | | | |
|--|-----------------|-----|----------------|------------------|-----|------------------|----------------|------|
| | %0 | %10 | %20 | %50 | %75 | %100 | %150 | %200 |
| The amount subject to credit risk | 477,221 | - | 219,733 | 2,068,921 | - | 1,571,566 | 165,736 | - |
| <i>Risk Types</i> | | | | | | | | |
| Contingent and Non-Contingent Receivables from Sovereign Governments and Central Banks | 438,519 | - | - | 100,265 | - | - | - | - |
| Contingent and Non-Contingent Receivables from Regional Governments and Local Authorities | - | - | - | - | - | - | - | - |
| Contingent and Non-Contingent Receivables from Administrative Units and Non-commercial Enterprises | - | - | - | - | - | - | - | - |
| Contingent and Non-Contingent Receivables from Multilateral Development Banks | - | - | - | - | - | - | - | - |
| Contingent and Non-Contingent Receivables from International Organizations | - | - | - | - | - | - | - | - |
| Contingent and Non-Contingent Receivables from Banks and Financial Intermediaries | 31,907 | - | 219,733 | 1,930,878 | - | 14,656 | - | - |
| Contingent and Non-Contingent Corporate Receivables | - | - | - | - | - | 1,446,360 | - | - |
| Contingent and Non-Contingent Retail Receivables | - | - | - | - | - | - | - | - |
| Contingent and Non-Contingent Receivables Secured by Property | - | - | - | 37,778 | - | 24,093 | - | - |
| Past Due Loans | - | - | - | - | - | 289 | - | - |
| Higher-Risk Receivables Defined by BRSA | - | - | - | - | - | - | 165,736 | - |
| Marketable Securities Collateralized Mortgages | - | - | - | - | - | - | - | - |
| Securitization Exposures | - | - | - | - | - | - | - | - |
| Short-Term Receivables from Banks and Corporate | - | - | - | - | - | - | - | - |
| Undertakings for Collective Investments in Mutual Funds | - | - | - | - | - | - | - | - |
| Other Receivables | 6,795 | - | - | - | - | 86,168 | - | - |

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I. INFORMATION ON CONSOLIDATED CAPITAL ADEQUACY RATIO (Continued)

| | Consolidated | | | | | | | |
|--|----------------|-----|----------------|------------------|-----|------------------|----------------|------|
| | %0 | %10 | %20 | %50 | %75 | %100 | %150 | %200 |
| The amount subject to credit risk | 478,802 | - | 234,962 | 2,047,632 | - | 1,695,981 | 165,736 | - |
| <i>Risk Types</i> | | | | | | | | |
| Contingent and Non-Contingent Receivables from Sovereign Governments and Central Banks | 440,099 | - | - | 100,265 | - | - | - | - |
| Contingent and Non-Contingent Receivables from Regional Governments and Local Authorities | - | - | - | - | - | - | - | - |
| Contingent and Non-Contingent Receivables from Administrative Units and Non-commercial Enterprises | - | - | - | - | - | - | - | - |
| Contingent and Non-Contingent Receivables from Multilateral Development Banks | - | - | - | - | - | - | - | - |
| Contingent and Non-Contingent Receivables from International Organizations | - | - | - | - | - | - | - | - |
| Contingent and Non-Contingent Receivables from Banks and Financial Intermediaries | 31,907 | - | 234,962 | 1,909,589 | - | 14,656 | - | - |
| Contingent and Non-Contingent Corporate Receivables | - | - | - | - | - | 1,623,715 | - | - |
| Contingent and Non-Contingent Retail Receivables | - | - | - | - | - | - | - | - |
| Contingent and Non-Contingent Receivables Secured by Property | - | - | - | 37,778 | - | 24,092 | - | - |
| Past Due Loans | - | - | - | - | - | 289 | - | - |
| Higher-Risk Receivables Defined by BRSA | - | - | - | - | - | - | 165,736 | - |
| Marketable Securities Collateralized Mortgages | - | - | - | - | - | - | - | - |
| Securitization Exposures | - | - | - | - | - | - | - | - |
| Short-Term Receivables from Banks and Corporate | - | - | - | - | - | - | - | - |
| Undertakings for Collective Investments in Mutual Funds | - | - | - | - | - | - | - | - |
| Other Receivables | 6,796 | - | - | - | - | 33,229 | - | - |

Capital adequacy ratio

| | Parent Bank | Consolidated |
|--|--------------|--------------|
| A Required Capital for Credit Risk (Amount Based to Credit Risk*0.08) (RCFCR) | 231,886 | 241,231 |
| B Required Capital for Market Risk (RCFMR) | 14,018 | 13,993 |
| C Required Capital for Operational Risk (RCFOR) ^(*) | 15,319 | 16,469 |
| Shareholders' Equity | 478,474 | 485,955 |
| Shareholders' Equity/((RCFCR+RCFMR+RCFOR) *12.5*100) | 14.65 | 14.31 |

^(*) In accordance with the BDDK.BYD.126.01 numbered and 7 February 2008 dated BRSA circular, capital adequacy ratio as at 2013, value at operational risk is being calculated based on gross incomes for the years ended 2012, 2011 and 2010.

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Information on Consolidated Shareholder’s Equity**

| | Current Period | Prior Period |
|--|-----------------------|---------------------|
| CORE CAPITAL | | |
| Paid-in Capital | 240,000 | 240,000 |
| Nominal capital | 240,000 | 240,000 |
| Capital Commitments (-) | - | - |
| Inflation adjustment to paid-in capital | 7,611 | 9,096 |
| Share Premium | - | - |
| Share Cancellation profit | - | - |
| Legal reserves | 10,920 | 8,088 |
| Inflation adjustment to legal reserves | - | - |
| Profit | 211,167 | 164,291 |
| Net income for the period | 48,534 | 60,868 |
| Prior period profit | 162,633 | 103,423 |
| Provisions for possible risks up to 25% of Core Capital | - | 5,000 |
| Income on Sale of Equity Shares and Real Estates to be used up for Capital Increase | - | - |
| Primary Subordinated Debt (up to 15% of Core Capital) | - | - |
| Loss excess of Reserves (-) | - | - |
| Current Period Loss | - | - |
| Prior Periods Loss | - | - |
| Leasehold Improvements (-) | 1,273 | 2,061 |
| Intangible Assets (-) | 2,870 | 2,055 |
| Deferred Tax | - | - |
| Limit excesses as per the 3rd Paragraph of the Article 56 of the Banking Law (-) | - | - |
| Total Core Capital | 465,555 | 422,359 |
| SUPPLEMENTARY CAPITAL | | |
| General Provisions | 20,411 | 11,811 |
| 45% of Revaluation Surplus on Movables | - | - |
| 45% of Revaluation Surplus on Immovable’s | - | - |
| Bonus shares of Associates, Subsidiaries and Joint-Ventures | - | - |
| Primary Subordinated Debt excluding the Portion included in Core Capital | - | - |
| Secondary Subordinated Debt | - | - |
| Marketable Securities and Investment Securities Value Increase Fund | - | - |
| Adjustment to paid-in capital, profit reserves and previous years losses(except adjustment to legal, status and extraordinary reserves) | - | - |
| Minority Shares | - | - |
| Total Supplementary Capital | 20,411 | 11,811 |
| CAPITAL | 485,966 | 434,170 |
| DEDUCTIONS FROM CAPITAL | | |
| Partnership share on banks and financial institutions (domestic and abroad) that are not consolidated, with a shareholding of 10% and above | 11 | 288 |
| The sum of partnership share on banks and financial institutions (domestic and abroad), with shareholding of less than 10%, but exceeding 10% and more of the sum of core and supplementary capital of the bank | - | - |
| Loans extended to banks, financial institutions (domestic and abroad) and qualified shareholders, like secondary subordinated loan and debt instruments purchased from these institutions issued, like primary and secondary subordinated loan | - | - |
| Loans extended being noncompliant with articles 50 and 51 of the Law | - | - |
| Net book values of properties owned, exceeding 50% of banks’ equity and properties, and trade goods overtaken in exchange for loans and receivables that should be disposed within five years in accordance with article 57 of the Law, but not yet disposed | 11 | 288 |
| Securitization positions preferred to deduct from equity | - | - |
| Other | - | - |
| TOTAL SHAREHOLDER’S EQUITY | 485,955 | 433,882 |

(*) The amount contains TL (-) 1,485 actuarial loss/gain amount that accounted under “Other Reserves” according to TAS 19.

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I. INFORMATION ON CONSOLIDATED CAPITAL ADEQUACY RATIO (Continued)

The Parent Bank’s internal capital requirements within the scope of the internal capital adequacy assessment process in order to evaluate the adequacy of the approach in terms of current and future activities

The Parent Bank has procedures and reports under the name of internal capital assessment process. In order to assess the capital adequacy of the 2013, the Parent Bank analyse the legal ratios and budget expectations to qualitate them for the effect on the legal capital adequacy and economic capital of the Parent Bank. With these procedures and reports the Parent Bank covers all risk in capital adequacy requirements.

II. INFORMATION ON CONSOLIDATED CREDIT RISK

1. For Credit Risk Analysis;

Information on risk concentrations by debtors or group of debtors or geographical regions and sectors, basis for risk limits and the frequency of risk appraisals

For credit risk analysis, cash and non-cash loans granted to a debtor or debtors’ group is subject to a risk classification in proportion to the Bank’s shareholders’ equity. In addition the geographical regions and sectoral distribution is investigated periodically and distributions are revised according to the market conditions. The general and other periodical limits of a firm are renewed every year and the extending of loans throughout the day is made with the mentioned limits.

Information on determination and distribution of risk limits for daily transactions, monitoring of risk concentrations related to off-balance sheet items per customer and dealer basis

Limit assignments, controls over loan granting process, marketing strategies, matters related to the daily operations and pay-back process are determined in the Bank’s credit procedures. Issues related to the daily based transactions (especially extending of cash loans) are managed in coordination with Credits Division, Risk Management Department, Treasury, Financial Institutions Division and Central Operations Departments

Information on periodical analysis of creditworthiness of loans and other receivables per legislation, inspection of account vouchers taken against new loans, if not inspected, the reasons for it, credit limit renewals, collaterals against loans and other receivables

Loans and other receivables are being followed periodically as per the “Regulation on the Principals and Procedures Related to the Determination of the Loans and Other Receivables for which Provisions shall be set aside By Banks and to the Provisions to be set aside”.

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II. INFORMATION ON CONSOLIDATED CREDIT RISK (Continued)

1. For Credit Risk Analysis; (continued)

Consolidated financial statements of the debtors are examined as per the regulation, loan limits are being updated in parallel to the economic conditions under the authorization of the Credit Evaluation Committee and the Top Management. The Bank obtains sufficient guarantees for the loans and the other receivables. Firms that the Bank works with credit is composed of the top level firms of Turkey, therefore most of the collaterals taken are "firm signature or guarantee". Beside from this third party guarantees, furthermore mortgage, other bank guarantees, cash blockage, customer or personal checks are also obtained. The guarantees obtained are in parallel with the market conditions and other banks collateral conditions.

The new rating system announced in 2013. System is rating to all credit customers based on qualification and quantity estimating to accomplish financial data entries and answering subjective questions. Scala of the grating is between "D" and "AAA+". D is the minimum grade, AAA+ is the maximum grade and there is 22 grades in scala.

The table below shows the distribution of corporate and commercial loans grades in respect of weight as of 31 December 2013;

| Grade | Description | Weight |
|--------------|------------------------|---------------|
| BBB | Reliable and Qualified | %17 |
| BBB+ | Reliable and Qualified | %16 |
| A- | Very Good Firm | %14 |
| A+ | Very Good Firm | %11 |
| A | Very Good Firm | %11 |
| BBB- | Reliable and Qualified | %10 |
| AA- | Maximum Reliability | %7 |
| BB+ | Low Reliably and risky | %7 |
| BB | Low Reliably and risky | %5 |
| BB- | Low Reliably and risky | %1 |
| B+ | Weak | %1 |

The table below shows the distribution of corporate and commercial loans grades in respect of weight as of 31 December 2012;

| | 31 December 2012 |
|--------------------|-------------------------|
| Very good firm | % 50.82 |
| Good firm | %27.01 |
| Satisfactory firm | %11.73 |
| Average firm | %9.03 |
| Weak firm | - |
| Very weak firm | - |
| Liquidation | %0.94 |
| Follow up | %0.03 |
| Not rated | %0.44 |
| Total loans | %100 |

(*) *The rating distribution above does not include retail loans and loans granted to banks.*

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II. INFORMATION ON CONSOLIDATED CREDIT RISK (Continued)

1. For Credit Risk Analysis; (continued)

Accounting applications, the definition of non-performing and impaired elements

Determining the Nature of Loans and Other Receivables and Allocation Regulation on Procedures and Principles Regarding Provisions under Article 4, Third, Fourth and Fifth classified in groups of all receivables, accrued interest and similar charges interest on the principal amount owed whether or not additional or refinance, regardless of whether or not the non-performing loans are considered impaired.

Although there are probable repayment, interest due to various reasons justify the collection of principal or interest payments, more than thirty days from the maturity date or dates to be paid late, but without the condition of the third group delay time required for classification as non-performing receivables are defined.

Value adjustments and provisions methods and approaches

Classification of the elements described above, and taking into account the Bank's loans and other receivables, from the date of the third group of at least twenty percent (20%), from the date of the fourth group of at least fifty percent (50%), from the date of the fifth Group One hundred percent (% 100) by a special provision.

In addition to the specific provisions of qualified cash loans of the Bank's standard one percent of the total (1%), and letters of credit, guarantees and sureties and other non-cash loans the two thousandth of the total (0.2%) percent and two percent of the total cash loans under close monitoring (2%), and letters of credit, guarantees and sureties and other four thousandths of the total non-cash loans (0.4%) rate the overall provision.

The subsidiary of the Parent Bank that operates in financial leasing sector provide at least 20% provision for the leasing receivables if both or one of the principal or interest are overdue by 90 days, provide at least 50% provision for overdue by 180 days, provide 100% provision for overdue by a year.

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II. INFORMATION ON CONSOLIDATED CREDIT RISK (Continued)

1. For Credit Risk Analysis; (continued)

As at 31 December 2013 the rating distribution of Parent Bank's financial instruments is as follows:

| Financial asset at fair value through profit or loss | Rating Agency | Government Bonds | Private Sector Bonds | Private Bank Bonds | Derivatives | Total |
|---|----------------------|-------------------------|-----------------------------|---------------------------|--------------------|---------------|
| Aaa | Moody's | - | - | - | - | - |
| Between Aa3 Aa1 | Moody's | - | - | - | - | - |
| Between A3 A1 | Moody's | - | - | - | - | - |
| Between Baa3 Baa1 | Moody's | - | - | - | - | - |
| Between BBB-BBB + | Fitch | - | 3,005 | 76,946 | - | 79,951 |
| Between Ba3 Ba1 | Moody's | - | - | - | - | - |
| Between BB – BB + | Fitch | - | - | - | - | - |
| Between B3 B1 | Moody's | - | - | 4,820 | - | 4,820 |
| Between Caa1 and less | Moody's | - | - | - | - | - |
| Not rated | | - | - | - | - | - |
| Total | | - | 3,005 | 81,766 | - | 84,771 |

| Investments held to maturity | Rating Agency | Government Bonds | Private Sector Bonds | Private Bank Bonds | Derivatives | Total |
|-------------------------------------|----------------------|-------------------------|-----------------------------|---------------------------|--------------------|----------------|
| Aaa | Moody's | - | - | - | - | - |
| Between Aa3 Aa1 | Moody's | - | - | - | - | - |
| Between A3 A1 | Moody's | - | - | - | - | - |
| Between Baa3 Baa1 | Moody's | - | - | - | - | - |
| Between BBB-BBB + | Fitch | 102,370 | - | 3,070 | - | 105,440 |
| Between Ba3 Ba1 | Moody's | - | - | - | - | - |
| Between BB – BB + | Fitch | - | - | - | - | - |
| Between B3 B1 | Moody's | - | - | - | - | - |
| Between Caa1 and less | Moody's | - | - | - | - | - |
| Not rated | | 46,287 | 12,898 | 24,559 | - | 83,744 |
| Total | | 148,657 | 12,898 | 27,629 | - | 189,184 |

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1. For Credit Risk Analysis; (continued)

As at 31 December 2013 the rating distribution of Parent Bank's financial instruments is as follows:

| Financial asset at fair value through profit or loss | Rating Agency | Government Bonds | Private Sector Bonds | Private Bank Bonds | Derivatives | Total |
|---|----------------------|-------------------------|-----------------------------|---------------------------|--------------------|----------------|
| Aaa | Moody's | - | - | - | - | - |
| Between Aa3 Aa1 | Moody's | - | - | - | - | - |
| Between A3 A1 | Moody's | - | - | - | - | - |
| Between Baa3 Baa1 | Moody's | - | - | 15,470 | - | 15,470 |
| Between BBB-BBB + | Fitch | 120,926 | - | 19,233 | - | 140,159 |
| Between Ba3 Ba1 | Moody's | - | 2,682 | 30,168 | - | 32,850 |
| Between BB – BB + | Fitch | - | - | - | - | - |
| Between B3 B1 | Moody's | - | - | 4,024 | - | 4,024 |
| Between Caa1 and less | Moody's | - | - | - | - | - |
| Not rated | | - | - | - | 17 | 17 |
| Total | | 120,926 | 2,682 | 68,895 | 17 | 192,520 |

| Investments held to maturity | Rating Agency | Government Bonds | Private Sector Bonds | Private Bank Bonds | Derivatives | Total |
|-------------------------------------|----------------------|-------------------------|-----------------------------|---------------------------|--------------------|----------------|
| Aaa | Moody's | - | - | - | - | - |
| Between Aa3 Aa1 | Moody's | - | - | - | - | - |
| Between A3 A1 | Moody's | - | - | - | - | - |
| Between Baa3 Baa1 | Moody's | - | - | 264 | - | 264 |
| Between BBB-BBB + | Fitch | 19,918 | - | - | - | 19,918 |
| Between Ba3 Ba1 | Moody's | 82,882 | - | - | - | 82,882 |
| Between BB – BB + | Fitch | - | - | - | - | - |
| Between B3 B1 | Moody's | - | - | - | - | - |
| Between Caa1 and less | | - | 6,056 | 26,029 | - | 32,085 |
| Not rated | | 102,800 | 6,056 | 26,293 | - | 135,149 |

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II. INFORMATION ON CONSOLIDATED CREDIT RISK (Continued)

1. For Credit Risk Analysis; (continued)

Credit risk is the risk reduction effects without taking into consideration the total amount of exposures after offsetting transactions with the related risks are differentiated according to the different risk classes and the types of the average amount for the period

| Risk Classifications | 2013 | | | | |
|--|------------------|------------------|------------------|------------------|------------------|
| | March | June | September | December | Average |
| Contingent and Non-Contingent Receivables from Sovereign Governments and Central Banks | 393,881 | 436,659 | 509,050 | 540,364 | 469,989 |
| Contingent and Non-Contingent Receivables from Regional Governments and Local Authorities | - | - | - | - | - |
| Contingent and Non-Contingent Receivables from Administrative Units and Non-commercial Enterprises | - | - | - | - | - |
| Contingent and Non-Contingent Receivables from Multilateral Development Banks | - | - | - | - | - |
| Contingent and Non-Contingent Receivables from International Organizations | - | - | - | - | - |
| Contingent and Non-Contingent Receivables from Banks and Financial Intermediaries | 2,078,780 | 2,216,628 | 2,215,048 | 2,191,113 | 2,175,392 |
| Contingent and Non-Contingent Corporate Receivables | 894,242 | 1,086,498 | 1,317,307 | 1,627,904 | 1,231,488 |
| Contingent and Non-Contingent Retail Receivables | - | - | - | - | - |
| Contingent and Non-Contingent Receivables Secured by Property | 44,280 | 57,241 | 60,630 | 61,870 | 56,005 |
| Past Due Loans | 289 | 177 | 374 | 289 | 282 |
| Higher-Risk Receivables Defined by BRSA | 404,336 | 361,478 | 386,328 | 444,537 | 399,170 |
| Marketable Securities Collateralized Mortgages | - | - | - | - | - |
| Securitization Exposures | - | - | - | - | - |
| Short-Term Receivables from Banks and Corporate | - | - | - | - | - |
| Undertakings for Collective Investments in Mutual Funds | - | - | - | - | - |
| Other Receivables | 50,587 | 38,771 | 35,767 | 40,025 | 41,288 |
| Total exposure to risks | 3,866,395 | 4,197,452 | 4,524,504 | 4,906,102 | 4,373,613 |

2. Information on the control limits of the Parent Bank for forward transactions, options and similar contracts, management of credit risk for these instruments together with the potential risks arising from market conditions

The Parent Bank evaluates and manages credit risks that are generated from forward transactions and similar contracts together with potential risks in the market.

3. Information on whether the Parent Bank decreases the risk by liquidating its forward transactions, options and similar contracts in case of facing a significant credit risk or not

The Parent Bank tries to mitigate the total risk if it's exposed to huge amount of risk over the forward transactions.

4. For Credit Risk Analysis;

Information on whether the indemnified non-cash loans are evaluated as having the same risk weight with non-performing loans or not

Indemnified non-cash loans are evaluated as having the same risk weight with cash loans which are collected upon maturity. These loans are classified according to their commitments and are recorded under the follow-up accounts.

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II. INFORMATION ON CONSOLIDATED CREDIT RISK (Continued)

4. For Credit Risk Analysis; (continued)

Information on whether the loans that are structured and rescheduled are included in a new rating group as determined by the Bank's risk management system, other than the follow-up plan defined in the banking regulations or not; whether new precautions are taken for these methods or not; whether the Bank's risk management accepts long term commitments as having more risk than short term commitments which results in a diversification of risk or not

The Parent Bank acts in frame of the related regulations for the loans that are structured and rescheduled. On the other hand, while doing risk evaluation of the loans and commitments, maturity issue is also taken into consideration.

5. For Credit Risk Analysis;

Evaluation of the significance of country specific risk if the banks have foreign operations and credit transactions in a few countries or these operations are coordinated with a few financial entities

The Parent Bank has no banking activities abroad on the branch level. However in the loan lending processes to the foreign based firms, the economic conditions of the country and the financial structure of the company in question is taken into consideration.

Evaluation of the Parent Bank's competitive credit risk being an active participant of the international banking transactions market

The Parent Bank has significant relationship with the North Africa and Middle East Region within the international trade transactions. However in the volume of the banking transactions the Parent Bank defines its credit risk concentration as limited from these regions.

6. For Credit Risk Analysis;

The share of the top 100 and 200 cash loan customers in total loan cash loans portfolio

The share of the top 100 and 200 cash loan customers comprises 93.99% and %99.96 of the total cash loans portfolio of the Parent Bank respectively.

The share of the top 100 and 200 non-cash loan customers in total loan non-cash loans portfolio

The share of the top 100 and 200 non-cash loan customers comprises 99.42% and 100% of the total non-cash loans portfolio of the Parent Bank respectively.

The share of the total cash and non-cash loan balance of the top 100 and 200 loan customers in total assets and off-balance sheet items:

The Parent Bank's total cash and non-cash loans from its top 100 and 200 loan customers comprise 77.87% and 84.31% of the total assets and off-balance sheet items.

7. The general provision amount provided by the Bank for credit risk

The general provision amount provided by Bank for the credit risk is TL 20,411 (31 December 2012: TL 11,811).

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II. INFORMATION ON CONSOLIDATED CREDIT RISK (Continued)

8. Geographical distribution of risk amounts decomposed as part of significant risk groups (*)

| | Central Governments and Central Banks | Banks and Financial Intermediaries | Corporate Receivables | Receivables Secured by Residential Property | Past due loans ^(****) | Higher-Risk Receivables Defined by BRSB | Other receivables | Total |
|--|--|---------------------------------------|--------------------------|---|-------------------------------------|--|----------------------|------------------|
| Domestic | 540,364 | 2,028,397 | 1,627,904 | 61,870 | 289 | 694 | 39,157 | 4,298,675 |
| European Union Countries | - | 39,618 | - | - | - | - | 68 | 39,686 |
| OECD Countries ^(**) | - | 1,670 | - | - | - | - | - | 1,670 |
| Off-Shore Banking Regions | - | - | - | - | - | - | - | - |
| USA, Canada | - | 350 | - | - | - | - | - | 350 |
| Other Countries | - | 89,471 | - | - | - | 443,843 | 800 | 534,114 |
| Associates, subsidiaries and jointly controlled partnership | - | 31,607 | - | - | - | - | - | 31,607 |
| Unallocated Assets/Liabilities ^(***) | - | - | - | - | - | - | - | - |
| Total | 540,364 | 2,191,113 | 1,627,904 | 61,870 | 289 | 444,537 | 40,025 | 4,906,102 |

^(*) Regulation on Measurement and Assessment of Capital Adequacy of Banks in the risk classes are taken into consideration.

^(**) OECD Countries excluding European countries, USA and Canada

^(***) Assets and liabilities that cannot be allocated on a consistent basis

^(****) Net value of non performing loans

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II. INFORMATION ON CONSOLIDATED CREDIT RISK (Continued)

9. Sectoral distribution of risks according to risk classifications (*)

| Current Period | Central Governments and Central Banks | Banks and Financial Intermediaries | Corporate Receivables | Receivables Secured by Residential Property | Past due loans | Higher-Risk Receivables Defined by BRSA | Other Receivables | TL | FC | Total |
|--------------------------------------|--|---|------------------------------|--|-----------------------|--|--------------------------|----------------|------------------|------------------|
| Agricultural | - | - | 137,636 | - | - | - | - | 93,308 | 44,328 | 137,636 |
| Farming and Stockbreeding | - | - | 136,866 | - | - | - | - | 92,538 | 44,328 | 136,866 |
| Forestry | - | - | 770 | - | - | - | - | 770 | - | 770 |
| Fishing | - | - | - | - | - | - | - | - | - | - |
| Manufacturing | - | - | 759,698 | 16,946 | 164 | 120 | 68 | 229,373 | 547,623 | 776,996 |
| Mining | - | - | 19,515 | 12,929 | - | - | - | 7,242 | 25,202 | 32,444 |
| Production | - | - | 739,418 | 4,017 | 164 | 120 | 68 | 221,381 | 522,406 | 743,787 |
| Electric, gas and water | - | - | 765 | - | - | - | - | 750 | 15 | 765 |
| Construction | - | - | 621,502 | 44,924 | - | 106 | 1,068 | 150,516 | 517,084 | 667,600 |
| Services | 540,364 | 2,191,113 | 101,242 | - | 125 | 443,912 | 20,282 | 355,502 | 2,941,536 | 3,297,038 |
| Wholesale and retail trade | - | - | 75,647 | - | 125 | - | - | 30,628 | 45,144 | 75,772 |
| Hotel, food and beverage services | - | - | 47 | - | - | - | - | - | 47 | 47 |
| Transportation and telecommunication | - | - | 5,701 | - | - | 30 | - | 4,800 | 931 | 5,731 |
| Financial institutions | 540,364 | 2,191,113 | - | - | - | 443,882 | 20,282 | 313,172 | 2,882,469 | 3,195,641 |
| Real estate and Leasing services | - | - | 12,642 | - | - | - | - | 6,446 | 6,196 | 12,642 |
| “Self-employment” type Services | - | - | - | - | - | - | - | - | - | - |
| Education services | - | - | 317 | - | - | - | - | 317 | - | 317 |
| Health and social services | - | - | 6,888 | - | - | - | - | 139 | 6,749 | 6,888 |
| Other | - | - | 7,826 | - | - | 399 | 18,607 | 14,394 | 12,438 | 26,832 |
| Total | 540,364 | 2,191,113 | 1,627,904 | 61,870 | 289 | 444,537 | 40,025 | 843,093 | 4,063,009 | 4,906,102 |

(*) Regulation on Measurement and Assessment of Capital Adequacy of Banks in the risk classes are taken into consideration.

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II. INFORMATION ON CONSOLIDATED CREDIT RISK (Continued)

10. Presentation of maturity risk bearing based on their outstanding maturities

| Risk Classifications | Days to maturity | | | | |
|---|------------------|----------------|----------------|----------------|----------------|
| | 1 Month | 1-3 Month | 3-6 Month | 6-12 Month | Over 1 year |
| Contingent and Non-Contingent Receivables from Central Governments and Central Banks | 103,357 | - | - | - | 135,280 |
| Contingent and Non-Contingent Receivables from Regional Governments and Local Authorities | - | - | - | - | - |
| Contingent and Non-Contingent Receivables from Administrative Units and Non-commercial Enterprises | - | - | - | - | - |
| Contingent and Non-Contingent Receivables from Multilateral Development Banks | - | - | - | - | - |
| Contingent and Non-Contingent Receivables from International Organizations | - | - | - | - | - |
| Contingent and Non-Contingent Receivables from Banks and Financial Intermediaries | 1,069,346 | 478,674 | 263,828 | 272,887 | 88,475 |
| Contingent and Non-Contingent Corporate Receivables | 398,366 | 297,648 | 298,242 | 464,658 | 556,430 |
| Contingent and Non-Contingent Retail Receivables | - | - | - | - | - |
| Contingent and Non-Contingent Receivables Secured by Residential Property | 33,209 | 3,880 | 5,638 | 9,105 | 12,419 |
| Past Due Loans | - | - | - | - | - |
| Higher-Risk Receivables Defined by BRSA | 187,668 | 203,166 | 43,920 | 7,632 | - |
| Marketable Securities Collateralized Mortgages | - | - | - | - | - |
| Securitization Exposures | - | - | - | - | - |
| Short-Term Receivables from Banks and Corporate Undertakings for Collective Investments in Mutual Funds | - | - | - | - | - |
| Other Receivables | - | - | - | - | - |
| Total | 1,791,946 | 983,368 | 611,628 | 754,282 | 792,604 |

11. Information on risk classes

Assigned credit rating agencies and export credit agencies changed the names and the reasons for these organizations

The Parent Bank uses the announced ratings of international credit rating agency Fitch Ratings and OECD for receivables from central governments and central banks. The Parent Bank does not use credit rating for the domestic domicile counterparties.

With the export credit agency of a credit rating agency assigned to each risk classes are used

The Parent Bank uses Fitch Ratings for receivables from central governments, central banks and foreign domicile receivables. The Bank does not use credit rating for the domestic resident customers. The Bank uses the country risk classification of OECD, if these counterparties do not rated by Fitch Ratings.

The Bank does not use credit rating for the domestic resident customers and banks.

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The absence of the credit rating of trading for items that are not included in the calculation, instead of the credit rating of the issuer, or if there is for export of these items that are available for information on the process of using credit ratings

For the short term receivables that has been issued by banks and financial intermediaries that has not any short term rating, risk weight of the issuer is used in the context of related regulation Annex-1 29.

Assigned to each grade credit rating agencies and export credit agency ratings of the Regulation on Measurement and Assessment of Capital Adequacy of Banks to which of the credit quality of the stages

| Credit Quality Level | Fitch Ratings | | | | | | | |
|-----------------------------|------------------------|--|--|--|--|--|--|--|
| 1 | Between AAA and AA- | | | | | | | |
| 2 | Between A+ and A- | | | | | | | |
| 3 | Between BBB+ and BBB- | | | | | | | |
| 4 | Between BB+ and BB- | | | | | | | |
| 5 | Between B+ and B- | | | | | | | |
| 6 | Between CCC+ and below | | | | | | | |

| OECD Country Risk Classification | 0 | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
|---|---|---|----|----|-----|-----|-----|-----|
| Credit Quality Levels | | | | | | | | |
| Risk weight (%) | 0 | 0 | 20 | 50 | 100 | 100 | 100 | 150 |

Risk weight of the total amount of risk before and after credit risk mitigation and equity deducted amounts

Risk amount based on weight of risks

| Risk weights | Before credit risk mitigation | After credit risk mitigation |
|---------------------|--------------------------------------|-------------------------------------|
| %0 | 478,802 | 478,802 |
| %10 | - | - |
| %20 | 234,962 | 234,962 |
| %50 | 2,047,632 | 2,047,632 |
| %75 | - | - |
| %100 | 1,700,169 | 1,695,981 |
| %150 | 444,537 | 165,736 |
| %200 | - | - |
| %1250 | - | - |
| Equity Deductions | - | - |

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II. INFORMATION ON CONSOLIDATED CREDIT RISK (Continued)

12. Sector or counterparty type, individually impaired loans and non-performing loan amounts, value adjustments and provisions during the period information on value adjustments and provisions

Miscellaneous information based on important sectors

| Sectors | Loans | | | Provisions |
|-----------------------------------|----------------|---------------------------|----------------------|--------------|
| | Impaired Loans | Past Due But Not Impaired | Value Adjustment (*) | |
| Agricultural | 529 | - | 1,054 | 529 |
| Farming and Stockbreeding | 529 | - | 1,046 | 529 |
| Forestry | - | - | 8 | - |
| Fishing | - | - | - | - |
| Manufacturing | 2,542 | - | 5,122 | 2,378 |
| Mining | - | - | 200 | - |
| Production | 2,542 | - | 4,914 | 2,378 |
| Electric, gas and water | - | - | 8 | - |
| Construction | 998 | 2,410 | 4,028 | 998 |
| Services | 4,666 | - | 5,409 | 4,541 |
| Wholesale and retail trade | 2,534 | - | 796 | 2,409 |
| Hotel, food and beverage services | 2,032 | - | - | 2,032 |
| Transportation and | - | - | 27 | - |
| Financial institutions | 100 | - | 4,585 | 100 |
| Real estate and Leasing services | - | - | - | - |
| "Self-employment" type Services | - | - | - | - |
| Education services | - | - | - | - |
| Health and social services | - | - | 1 | - |
| Other | - | - | 8 | - |
| Total | 8,735 | 2,410 | 15,621 | 8,446 |

(*) General Loan Loss provision for cash loans were distributed in value adjustments section.

13. Value adjustments and provisions for impaired loans memorandum of understanding between the changes in (if possible on the basis of geographic regions)

Value adjustments and provisions on the exchange of credit information

| | Specific Provision | General Provision |
|---|--------------------|-------------------|
| Opening Balance | 8,228 | 11,811 |
| The amount of provision during the period | 225 | 8,600 |
| Reversal of provision | (7) | - |
| Other adjustments (*) | - | - |
| Closing Balance | 8,446 | 20,411 |

(*) According to set exchange rate differences, business combinations, acquisitions transactions and disposals of subsidiaries

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II. INFORMATION ON CONSOLIDATED CREDIT RISK (Continued)

Value adjustments and provisions type

Value of the Parent Bank's specific and general provision for loans losses suffered. Except that this provision does not apply to any adjustment of a value.

Value adjustments and recoveries recorded directly to the income statement

General loan loss provision amounting to TL 20,411 is accounted as at 31 December 2013.

Set aside for estimated probable losses on loans in the current period or the release of the amounts and exchange rate differences, business combinations, acquisitions transactions and disposal of subsidiaries and other adjustments including those determined by the transfers between provisions

There is no change.

14. Other information on Credit risk

Sectoral concentrations for cash loans

| | Current Period | | | | Prior Period | | | |
|----------------------------|----------------|---------------|----------------|---------------|----------------|---------------|----------------|---------------|
| | TL | (%) | FC | (%) | TL | (%) | FC | (%) |
| Agricultural | 83,290 | 15.50 | 14,354 | 1.63 | 32,251 | 10.86 | 9,604 | 2.32 |
| Farming and Raising | | | | | | | | |
| Livestock | 82,540 | 15.36 | 14,354 | 1.63 | 32,251 | 10.86 | 8,918 | 2.16 |
| Forestry | 750 | 0.14 | - | - | - | - | 686 | 0.16 |
| Fishing | - | - | - | - | - | - | - | - |
| Manufacturing | 177,701 | 33.06 | 296,886 | 33.80 | 64,236 | 21.64 | 184,762 | 44.67 |
| Mining | 3,974 | 0.74 | 14,528 | 1.65 | - | - | 10,855 | 2.62 |
| Production | 172,977 | 32.18 | 282,358 | 32.14 | 64,236 | 21.64 | 173,907 | 42.05 |
| Electric, gas and water | 750 | 0.14 | - | - | - | - | - | - |
| Construction | 65,141 | 12.12 | 308,135 | 35.08 | 56,821 | 19.14 | 95,009 | 22.97 |
| Services | 210,656 | 39.19 | 259,026 | 29.49 | 143,006 | 48.18 | 70,935 | 17.15 |
| Wholesale and retail trade | 30,435 | 5.66 | 43,323 | 4.93 | 10,632 | 3.58 | 10,090 | 2.44 |
| Hotel, food and beverage | | | | | | | | |
| Services | - | - | - | - | - | - | - | - |
| Transportation and | | | | | | | | |
| Telecommunication | 2,501 | 0.47 | - | - | - | - | - | - |
| Financial institutions | 177,582 | 33.04 | 215,703 | 24.56 | 131,180 | 44.19 | 60,549 | 14.64 |
| Real estate and Leasing | | | | | | | | |
| Services | - | - | - | - | - | - | - | - |
| “Self-employment” type | | | | | | | | |
| Services | - | - | - | - | - | - | - | - |
| Education services | - | - | - | - | - | - | - | - |
| Health and social services | 138 | 0.03 | - | - | 1,194 | 0.40 | 296 | 0.07 |
| Other | 696 | 0.13 | - | - | 526 | 0.18 | 53,294 | 12.89 |
| Total | 537,484 | 100.00 | 878,401 | 100.00 | 296,840 | 100.00 | 413,604 | 100.00 |

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II. INFORMATION ON CONSOLIDATED CREDIT RISK (Continued)

The Parent Bank's distribution of Standard Cash Loans and Non-cash Loans according to their collateral structure

| Cash Loans | 31 December 2013 | 31 December 2012 |
|---|-------------------------|-------------------------|
| Personal guarantees | 1,069,706 | 268,575 |
| Secured by Customer Cheques & Notes | 214,642 | 131,770 |
| Secured by cash collateral | - | - |
| Secured by mortgages | 45,265 | 32,909 |
| Secured by export LC | 48,367 | 58,114 |
| Secured loans | 1,377,980 | 491,368 |
| FX differences on the principals of FX | - | (509) |
| Accrued interest | 33,123 | 4,983 |
| Non secured cash loans | 4,782 | 214,602 |
| Total Cash Loans | 1,415,885 | 710,444 |
| Non-Cash Loans | 31 December 2013 | 31 December 2012 |
| Guarantees issued by financial institutions | 1,067,983 | 882,595 |
| Personal guarantees | 794,430 | 308,699 |
| Secured by mortgages | 36,355 | 32,928 |
| Secured by cash collateral | 7,976 | 4,216 |
| Secured by Customer Cheques & Notes | 5,117 | 5,576 |
| Secured Non-cash loans | 1,911,861 | 1,234,014 |
| Non-secured Non-cash Loans | 469,614 | 338,517 |
| Total Non-cash Loans | 2,381,475 | 1,572,531 |

Sectoral and regional concentration of impaired loans and receivables

| Sectoral | 31 December 2013 | 31 December 2012 |
|---|-------------------------|-------------------------|
| Farming and Stockbreeding | 528 | 529 |
| Manufacturing | 2,544 | 2,198 |
| Construction | 998 | 1,367 |
| Financial institutions | 100 | 100 |
| Hotel and Restaurant Services | 2,032 | 2,032 |
| Wholesale and retail trade | 2,533 | 2,297 |
| Total impaired loans and receivables | 8,735 | 8,523 |
| Regional | 31 December 2013 | 31 December 2012 |
| Algeria | 100 | 100 |
| Turkey | 8,635 | 8,423 |
| Total impaired loans and receivables | 8,735 | 8,523 |

Past due but not impaired loans and receivables

| | 31 December 2013 | 31 December 2012 |
|--|-------------------------|-------------------------|
| Degree 1: Low risk loans and receivables | - | 113 |
| Degree 2: close monitoring loans and receivables | 2,410 | - |
| Total | 2,410 | 113 |

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II. INFORMATION ON CONSOLIDATED CREDIT RISK (Continued)

Past due but not impaired loans and receivables aging

| | 31 December 2013 | 31 December 2012 |
|-----------------|-------------------------|-------------------------|
| 0-30 days | - | 113 |
| 30-60 days | - | - |
| 60-90 days | 2,410 | - |
| 90 days or more | - | - |
| Total | 2,410 | 113 |

III. INFORMATION ON CONSOLIDATED MARKET RISK

Whether the Parent 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

The Parent Bank’s operations about risk management are carried out complying with “Regulation on Bank’s regulation about internal systems” and “Regulation on Measurement and Evaluation of Capital Adequacy of Banks”.

To be in compliance with governances, Bank has regulated its operations about market risk management within the scope of “Regulation on Internal Systems of Banks” and “Regulation on Measurement and Evaluation of Capital Adequacy of Banks” published in Official Journal No 28337 as of 28 June 2012 lastly.

To implement methods of risk managements’ policy, strategy, implementations that approved by board of directors; to report bank’s potential important risks to board of directors on time and accurately, internal control about units, to evaluate risk and internal auditing reports and to correct risks, faults, inadequacies occurred in those units or to take necessary measures and to be incorporate into process of determining risk limits are in charge of senior management.

Board of directors is reviewing efficiency of risk management systems through the agency of auditing committee, other relevant committees, senior management and also in consideration of various risk reports and evaluations made by auditing committee.

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III. INFORMATION ON CONSOLIDATED MARKET RISK (Continued)

Risk policies and methods of implementations which are determined for market risk that the parent bank is exposed to, is approved by board of directors and being reviewed regularly. Market risk is managed by the way of measuring, limiting risks in compliance with international standards and putting capital aside according to those results.

Risk Management Department is analyzing and calculating bank interest rate in consideration of various dimensions within the scope of market risk management operations.

Interest rate and currency risk is being measured within the scope of market risk that calculated according to standard method and included to calculation of capital requirement standard ratio.

Besides of standard method, value at risk method (VRM) is used for calculating changes in risk factors and its’ effects on bank portfolio. Subjected method is tested by retrospective test method.

Stress tests are made to analyze the possible effects of Interest and rate fluctuations on bank on a monthly basis.

Moreover, scenario analyses are made to classify expectations of possible changes at risk factors based on various interest rate and exchange rate level expectations.

Board of directors determined limits to evaluate the results of standard methods and daily value at risk method results. Also limits are determined for credit risk and capital requirements ratio by board of directors.

The Parent Bank’s market risk is calculated on a monthly basis using the “Standard Method”. Interest rate risks and exchange rate risks, factors of the market risks, are periodically analyzed using different methods (ratio analysis, duration, gap, sensitivity, etc.).

With stress testing methods, the effect of extraordinary fluctuations of risk factors on the Bank is measured on a monthly basis and in case the necessity arises. Different scenarios based on changes in risk factors are measured with scenario analysis. All the analysis mentioned above are tested in a retrospective manner to ensure the reliability of the tests.

The Board of Directors has determined limits at the level of risk factors in order to restrain the market risk. The ratio of the Market Risk / Equity rate can be maximum 50% and for limiting daily VAR results, the amount under daily risk / equity rate can be maximum 1%.

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III. INFORMATION ON CONSOLIDATED MARKET RISK (Continued)

1. Information related to consolidated market risk

| | Current Period | Prior Period |
|---|-----------------------|---------------------|
| (I) Capital requirement to be employed for general market risk - | 1,624 | 2,210 |
| (II) Capital requirement to be employed for specific risk - Standard | 1,503 | 1,403 |
| (III) Standard method for specific risk of necessary capital requirement on securitization positions | - | - |
| (IV) Capital requirement to be employed for currency risk - | 10,866 | 3,384 |
| (V) Capital requirement to be employed for commodity risk - | - | - |
| (VI) Capital requirement to be employed for settlement risk - | - | - |
| (VII) Total capital requirement to be employed for market risk resulting from options–Standard method | - | - |
| (VIII) Counterparty credit risk capital requirement - Standard | - | 35 |
| (IX) Total capital requirement to be employed for market risk in banks using risk measurement model | - | - |
| (X) Total capital requirement to be employed for market risk (I+II+III+IV+V+VI+VII+VIII) | 13,993 | 7,032 |
| (XI) Market Value at Risk (12.5 x IX) or (12.5 x X) | 174,913 | 87,900 |

2. Information related to market risk calculated by the month ends of the current period

| | Current Period | | |
|----------------------------|-----------------------|----------------|---------------|
| | Average | Highest | Lowest |
| Interest Rate Risk | 39,159 | 39,563 | 38,625 |
| Share Certificates Risk | - | - | - |
| Currency Risk | 80,844 | - | 53,413 |
| Commodity Risk | - | - | - |
| Exchange Risk | - | - | - |
| Option Risk | - | - | - |
| Counterparty Risk | 76 | 167 | - |
| Total Value at Risk | 120,079 | 175,555 | 92,038 |

| | Prior Period | | |
|----------------------------|---------------------|----------------|---------------|
| | Average | Highest | Lowest |
| Interest Rate Risk | 37,300 | 45,163 | 29,438 |
| Share Certificates Risk | - | - | - |
| Currency Risk | 39,469 | 42,300 | 36,638 |
| Commodity Risk | - | - | - |
| Exchange Risk | - | - | - |
| Option Risk | - | - | - |
| Counterparty Risk | 400 | 438 | 363 |
| Total Value at Risk | 77,169 | 87,901 | 66,439 |

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III. INFORMATION ON CONSOLIDATED MARKET RISK (Continued)

3. Information on counterparty credit risk

Credit limits for counterparty credit risks and internal capital allocation and distribution method

Risk Assessment process, Customer Credit Packs all the potential risk factors associated with taking into account the analysis, evaluation and assessment, which will further Department of Credits to present. "Limit Allocation" process as a result of the evaluation of loan packages give customers credit limits. General limits and sub-limits are negotiated and determined by the Department of Credits submitted to the Senior Management. The main task of Department of Credits is evaluation of the Credit Package according to customer's basic capabilities and financial strength by measuring the adequacy.

Provisions for guarantees and credit policies

The credit worthiness of the debtors of loans and other receivables monitored in accordance "Determination of Loans and Other Receivables to be Reserved for and Allocation of Reserves Regulation on the Procedures and Principles".

The necessary documentation for the loans, as provided for in the legislation are audited and credit limits at the discretion of the Bank's Department of Credit and Executive Management and updated in line with economic conditions. The Bank has sufficient collateral for the loans and other receivables. Credit studied the vast majority of companies guarantees the majority of the leading companies in Turkey due to the "firm's signature and / or the surety" is. In addition, real estate mortgages, bank counter-guarantee, cash blockage, financial securities and real customer checks / securities as collateral taken. Guarantees received, market conditions and other conditions of guarantee are in parallel banks.

Determination of Loans and Other Receivables to be Reserved for and Allocation of Reserves in accordance with Article 4 of the Regulation on the Procedures and Principles, Third, Fourth and Fifth classified in groups of all receivables, accrued interest and similar charges interest on the principal amount owed, or whether or not additional regardless of whether or not to refinance the non-performing loans are considered impaired.

Classifications described above, and taking into account the elements of the Bank's loans and other receivables from the date of the third group of at least twenty percent (20%), from the date of the fourth group of at least fifty percent (50%) percent of the face from the date of the fifth group (100%), by special provision.

The Bank, in addition to specific provisions, standard qualities one percent of the total cash loans (1%) and letters of credit, guarantees and sureties two thousand and other non-cash loans (0.2%) percent, two per cent of the total cash loans under close monitoring (2%) and letters of credit, guarantees and sureties and other four thousandths of the total non-cash loans (0.4%) rate the overall provision.

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III. INFORMATION ON CONSOLIDATED MARKET RISK (Continued)

Regulation on Measurement and Assessment of Capital Adequacy of Banks reverse the trend described in Annex-2 amounts of risk policies related to risk

The Parent Bank do not use an internal model and calculate the probability of default. In this context, risk is not calculated in the opposite tendency.

Assessing the amount of collateral required to provide to the credit rating of the bank in the event of decrease

The Parent Bank's management, corporate credit risk ratings and credit worthiness of all the companies customer rating system established with the purpose of detection and identification. "Customer Rating" process, a variety of pre-set customer credit worthiness "qualitative" (the company's market position, competitiveness, customer and supplier portfolio, certificates and documents issued by independent organizations, organizational structure, such as relations with other financial institutions) and "financial" (current ratio, liquidity ratio, profitability and debt), the factors to be analyzed according to the process. After the completion of financial data inputs which constituting the basis for qualitative and quantitative measurement and answers to subjective questions, the system grades all loan customers. Grading scale has a wide range vary from minimum "D" to maximum "AAA+" up to 22 stages.

Gross positive fair value of contracts, netting benefits, net of current risk amount, the amount of the net position held for guarantees and derivatives

The Bank does not have any derivative agreement in this context.

Credit Regulation on Measurement and Assessment of Capital Adequacy of Banks in Annex 2 of the 3 to 5 risk amount obtained by the method specified in Sections

There is no agreement in this context.

The amount of the credit derivative and the current credit risk, risk classes, with the distribution of the guards

There is no protection with credit derivatives.

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III. INFORMATION ON CONSOLIDATED MARKET RISK (Continued)

Protection purchased and sold within each product group based on the distribution of the credit derivatives products, including the bank's loan portfolio, credit derivative transactions or the amount used in intermediary activities

None.

Measurement and Assessment of Capital Adequacy of Banks within the scope of Annex-2 "α" if the estimated value to obtain permission from the Authority, "α" value estimation

Measurement and Assessment of Capital Adequacy of Banks within the scope of Annex-2, the Internal Model Method is not used.

Quantitative information on counterparty credit risk

| | Amount |
|----------------------------------|---------------|
| Interest rate-based contract | - |
| Exchange rate-based contract | - |
| Commodity Based Contract | - |
| Interest Rate-Based Contract | - |
| Shares Based Contract | - |
| Other | 31,907 |
| Gross Positive Fair Value | - |
| Benefits to clarify | - |
| Net Current Risk Amount | - |
| Securities Held | - |
| Derivatives on the Net Positions | - |

IV. INFORMATION RELATED TO VALUE AT OPERATIONAL RISK

“Basic Indicator Method” is used to calculate Bank’s value at operational risk. Value at operational risk is calculated in accordance with the “Regulation Regarding Measurement and Assessment of Capital Adequacy Ratio of Banks” that published at 1 November 2006 official gazette numbered 26333 and according to the 4th section of the regulation “Computation of the Value at Operational Risk” which became valid at 1 June 2007 using the Bank’s the last three years; 2012, 2011 and 2010 year end gross revenues.

| | 2010 | 2011 | 2012 | Total/Positive BG year Count | Ratio (%) | Total |
|-------------------------------|-------------|-------------|-------------|---|------------------|--------------|
| Gross Income | 75,487 | 116,541 | 137,342 | 109,790 | 15 | 16,469 |
| Operational Risk (Total*12,5) | | | | | | 205,863 |

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V. INFORMATION ON CONSOLIDATED FOREIGN CURRENCY EXCHANGE RATE RISK

Whether the Group is exposed to foreign exchange risk, whether the effects of this situation are estimated, and whether the board of directors of the Bank sets limits for positions that are monitored daily

The Group complies with net general position-shareholder's equity limits. The Bank has the possibility to borrow a significant amount of foreign currency. Within the context of the market risk management work of the Risk Management Department, the Bank's Exchange rate risk is calculated and analyzed taking different dimensions of the issue in consideration. The Exchange rate risk is measured according to market risk calculated using the Standard Method and is included in the capital adequacy ratio. For testing effects of the unexpected exchange rate fluctuations on the Bank monthly basis stress test analysis are done. In addition, by classifying the changes in risk factors different scenario analysis are done based on different exchange rate expectations. The sensitivity of assets, liabilities and off-balance sheets against exchange rate are measured by an analysis on a monthly basis.

The magnitude of hedging foreign currency debt instruments and net foreign currency investments by using hedging derivatives

The Group does not have any financial derivatives used for hedging.

Foreign exchange risk management policy

Transactions are being hedged according to the Central Bank of Turkey's basket of currencies instantly. Managable and measurable risks are taken in the scope of the regulatory limits.

Foreign exchange buying rates of the last five business days before the balance sheet date as publicly announced by the Parent Bank are as follows

| Date | US Dollars | EUR |
|------------------|-------------------|------------|
| 24 December 2013 | TL 2.0877 | TL 2.8573 |
| 25 December 2013 | TL 2.0812 | TL 2.8466 |
| 26 December 2013 | TL 2.0710 | TL 2.8353 |
| 27 December 2013 | TL 2.0957 | TL 2.8693 |
| 30 December 2013 | TL 2.1604 | TL 2.9844 |
| 31 December 2013 | TL 2.1343 | TL 2.9365 |

The basic arithmetical average of the Parent Bank's foreign exchange bid rate for the last thirty days

The basic arithmetical average of the Bank's foreign exchange bid rate for December 2013 is TL 2.0630 for USD and TL 2.8266 for EUR.

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V. INFORMATION ON CONSOLIDATED FOREIGN CURRENCY EXCHANGE RATE RISK (Continued)

Information on currency risk of the Group

| Current Period | Euro | US Dollars | Other | Total |
|---|----------------|-------------------|----------------|------------------|
| Assets | | | | |
| Cash (Cash in Vault, Foreign currencies, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey | 114,840 | 277,185 | 155 | 392,180 |
| Banks | 602,014 | 482,053 | 772 | 1,084,839 |
| Financial Assets through Profit or Loss | - | 84,771 | - | 84,771 |
| Interbank Money Market Placements | - | - | - | - |
| Investment Securities Available-for-Sale | 68 | 800 | - | 868 |
| Loans ¹ | 61,464 | 990,815 | - | 1,052,279 |
| Investments in Subsidiaries and Associates | - | - | - | - |
| Investment Securities Held-to-Maturity | 27,207 | 96,698 | - | 123,905 |
| Financial Derivative held for Hedging (Assets) | - | - | - | - |
| Tangible Assets | - | - | - | - |
| Intangible Assets | - | - | - | - |
| Other Assets ² | 99,634 | 32,515 | - | 132,149 |
| Total Assets | 905,227 | 1,964,837 | 927 | 2,870,991 |
| Liabilities | | | | |
| Bank Deposits | 675,172 | 1,624,663 | 9 | 2,299,844 |
| Foreign Currency Deposits | 146,644 | 205,771 | 644 | 353,059 |
| Money Market Borrowings | - | - | - | - |
| Funds Borrowed from Other Financial Institutions | 74,727 | 127,590 | - | 202,317 |
| Marketable Securities Issued | - | - | - | - |
| Miscellaneous Payables | 7,123 | 1,126 | 4 | 8,253 |
| Financial Derivatives held for Hedging (Liabilities) | - | - | - | - |
| Other Liabilities | 1,772 | 3,032 | 76 | 4,880 |
| Total Liabilities | 905,438 | 1,962,182 | 733 | 2,868,353 |
| Net “Balance Sheet Position” | (211) | 2,655 | 194 | 2,638 |
| Net “Off Balance Sheet Position” | - | - | - | - |
| Financial Derivatives (Assets) | - | - | - | - |
| Financial Derivatives (Liabilities) | - | - | - | - |
| Non-Cash Loans | 758,132 | 1,043,885 | 367,232 | 2,169,249 |
| Prior Period | - | - | - | - |
| Total Assets | 462,014 | 1,180,639 | 483 | 1,643,136 |
| Total Liabilities | 461,472 | 1,314,816 | 467 | 1,776,755 |
| Balance Sheet Position, net | 542 | (134,177) | 16 | (133,619) |
| Off Balance Sheet Position, net | - | 134,222 | - | 134,222 |
| Financial Derivatives (Assets) | - | 134,222 | - | 134,222 |
| Financial Derivatives (Liabilities) | - | - | - | - |
| Non-cash Loans | 598,245 | 612,562 | 234,980 | 1,445,787 |

¹ As of 31 December 2013 loan balance includes foreign currency indexed loans amounting to TL 173,878 (31 December 2012: TL 59,924).

² As of 31 December 2013 there is no prepaid expenses in foreign currency (31 December 2012: None)

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V. INFORMATION ON CONSOLIDATED FOREIGN CURRENCY EXCHANGE RATE RISK (Continued)

Exposed currency risk

The possible increases or decreases in the shareholders' equity and the profit/loss as per an assumption of devaluation/appreciation by 10% of TL against currencies mentioned below as of 31 December 2013 and 2012 are presented in the below table. The other variables, especially the interest rates, are assumed to be fixed in this analysis.

Assuming 10% devaluation of TL;

| | Current Period | | Prior Period | |
|------------------|------------------|--------------------------|------------------|--------------------------|
| | Income Statement | Shareholders' Equity (*) | Income Statement | Shareholders' Equity (*) |
| US Dollar | (266) | (266) | (56) | (56) |
| Euro | 21 | 21 | 54 | 54 |
| Other Currencies | (19) | (19) | - | - |
| Toplam | (264) | (264) | (2) | (2) |

(*) The effect on shareholders' equity also includes the effect on the profit/loss.

Assuming 10% appreciation of TL;

| | Current Period | | Prior Period | |
|------------------|------------------|--------------------------|------------------|--------------------------|
| | Income Statement | Shareholders' Equity (*) | Income Statement | Shareholders' Equity (*) |
| US Dollar | 266 | 266 | 56 | 56 |
| Euro | (21) | (21) | (54) | (54) |
| Other Currencies | 19 | 19 | - | - |
| Toplam | 264 | 264 | 2 | 2 |

(*) The effect on shareholders' equity also includes the effect on the profit/loss.

VI. INFORMATION ON CONSOLIDATED INTEREST RATE RISK

Interest rate sensitivity of the assets, liabilities and off-balance sheet items

Within the context of the market risk management of the Risk Management Department, the Parent Bank's interest rate risk is calculated and analyzed taking different dimensions of the issue in consideration. The interest rate risk is measured according to market risk calculated using the standard method and is included in the capital adequacy ratio. To test the effect of the interest rate fluctuations on the Parent Bank monthly based stress test analysis are done.

In addition, by classifying the changes in risk factors different scenario analysis are done based on different interest rate expectations. The sensitivity of assets, liabilities and off-balance sheets against interest rate are measured by an analysis on a monthly basis.

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VI. INFORMATION ON CONSOLIDATED INTEREST RATE RISK (Continued)

The expected effects of the fluctuations of market interest rates on the Parent Bank's financial position and cash flows, the expectations for interest income, and the limits the board of directors has established on daily interest rates

The Board of Directors has determined limits for the amount exposed to market risk/ shareholder's equity, to be maximum %45 for the early warning limit, %50 for limit maximum, and maximum %55 for limit exception in order to follow interest rate risk, exchange rate risk and equity price risk.

The precautions taken for the interest rate risk the Parent Bank was exposed to during the current year and their expected effects on net income and shareholders' equity in the future periods

Although the increase in interest rates has a limited negative effect on the Parent Bank's financial position, the Parent Bank's Equity structure is able to confront the negative effects of possible fluctuations in the interest rates.

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VI. INFORMATION ON CONSOLIDATED INTEREST RATE RISK (Continued)

Information related to interest rate sensitivity of assets, liabilities and off-balance sheet items (based on re-pricing dates)

| Current Period | Up to 1 Month | 1-3 Months | 3-12 Months | 1-5 Years | 5 Years and Over | Non- Interest Bearing | Total |
|---|--------------------------|-----------------------|------------------------|----------------------|---------------------------------|--------------------------------------|------------------|
| Assets | | | | | | | |
| Cash (cash in vault, foreign currencies, cash in transit, cheques purchased) and balances with the Central Bank of Turkey | - | - | - | - | - | 394,380 | 394,380 |
| Banks | 774,384 | 338,438 | - | - | - | 5,599 | 1,118,421 |
| Financial assets at fair value through Profit or Loss | 225 | 330 | 709 | 83,507 | - | - | 84,771 |
| Interbank Money Market Placements | 31,907 | - | - | - | - | - | 31,907 |
| Financial assets available-for-sale | - | - | - | - | - | 1,080 | 1,080 |
| Loans | 403,475 | 281,577 | 411,125 | 319,708 | - | 289 | 1,416,174 |
| Investment securities held-to-maturity | 17,601 | 27,159 | 56,336 | 46,648 | 41,440 | - | 189,184 |
| Other assets ¹ | 18,754 | 14,780 | 44,996 | 98,889 | 967 | 52,631 | 231,017 |
| Total assets | 1,246,346 | 662,284 | 513,166 | 548,752 | 42,407 | 453,979 | 3,466,934 |
| Liabilities | | | | | | | |
| Bank deposits | 768,300 | 1,007,575 | 528,486 | - | - | - | 2,304,361 |
| Other deposits | 24,925 | 4,284 | 13,325 | - | - | 339,737 | 382,271 |
| Money market borrowings | 36,508 | - | - | - | - | - | 36,508 |
| Miscellaneous payables | - | - | - | - | - | 9,746 | 9,746 |
| Marketable securities issued | - | - | - | - | - | - | - |
| Funds Borrowed From Other Fin. Ins. | 136,798 | 48,812 | 18,394 | 5,884 | - | - | 209,888 |
| Other liabilities ² | - | 874 | - | - | - | 523,286 | 524,160 |
| Total liabilities | 966,531 | 1,061,545 | 560,205 | 5,884 | - | 872,769 | 3,466,934 |
| Long Position in the Balance Sheet | 279,815 | - | - | 542,868 | 42,407 | - | 901,598 |
| Short Position in the Balance Sheet | - | (399,261) | (47,039) | - | - | (418,790) | (901,598) |
| Long Position in the Off-balance Sheet | - | - | - | - | - | - | - |
| Short Position in the Off-balance Sheet | - | - | - | - | - | - | - |
| Total Position | 279,815 | (399,261) | (47,039) | 542,868 | 42,407 | (418,790) | - |

¹ Other Assets: The amount of TL 52,631 in the Non-Interest Bearing column; Tangible Assets amounting TL 24,969, Intangible Assets amounting to TL 2,870, Deferred Tax Assets amounting to TL 3,698, Assets Held for Sale amounting to TL 11, Miscellaneous Receivables amounting to TL 3,878 and Other Assets amounting to TL 17,205.

² Other Liabilities: The amount of TL 523,286 in the Non-Interest Bearing Column; Shareholders Equity amounting to TL 469,698, Provisions amounting to TL 29,778, Tax, Duty and Premium Payable amounting to TL 6,394 and Other Foreign Resources amounting to TL 17,416.

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VI. INFORMATION ON CONSOLIDATED INTEREST RATE RISK (Continued)

| Prior Period | Up to 1 Month | 1-3 Months | 3-12 Months | 1-5 Years | 5 Years and Over | Non-Interest Bearing | Total |
|---|--------------------------|-----------------------|------------------------|----------------------|-----------------------------|---------------------------------|------------------|
| Assets | | | | | | | |
| Cash (cash in vault, foreign currencies, cash in transit, cheques purchased) and Balances with the Central Bank of Turkey | - | - | - | - | - | 207,475 | 207,475 |
| Banks | 283,850 | 437,860 | 90,260 | - | - | 656 | 812,626 |
| Financial assets at fair value through profit or loss | 512 | 59,319 | 63,943 | 66,119 | 2,627 | - | 192,520 |
| Interbank money market placements | 596,126 | - | - | - | - | - | 596,126 |
| Investment securities available-for-sale | - | - | - | - | - | 897 | 897 |
| Loans | 232,708 | 192,433 | 195,751 | 89,552 | - | 295 | 710,739 |
| Investment securities held-to-maturity | 2,001 | 36,489 | 15,101 | 28,641 | 52,917 | - | 135,149 |
| Other assets ¹ | 9,831 | 6,740 | 28,391 | 56,120 | - | 52,622 | 153,704 |
| Total Asset | 1,125,028 | 732,841 | 393,446 | 240,432 | 55,544 | 261,945 | 2,809,236 |
| Liabilities | | | | | | | |
| Bank deposits | 821,852 | 11,757 | 11,762 | - | - | - | 845,371 |
| Other deposits | 18,968 | 3,724 | 1,811 | - | - | 159,766 | 184,269 |
| Money market borrowings | - | - | - | - | - | - | - |
| Miscellaneous payables | - | - | - | - | - | 2,661 | 2,661 |
| Marketable securities issued | - | - | - | - | - | - | - |
| Funds Borrowed From | | | | | | | |
| Other Fin. Ins. | 278,777 | 657,426 | 363,483 | 7,281 | - | - | 1,306,967 |
| Other liabilities ² | 396 | 5,394 | 1,255 | - | - | 462,923 | 469,968 |
| Total Liabilities | 1,119,993 | 678,301 | 378,311 | 7,281 | - | 625,350 | 2,809,236 |
| Balance Sheet Long Position | 5,035 | 54,540 | 15,135 | 233,151 | 55,544 | - | 363,405 |
| Balance Sheet Short Position | - | - | - | - | - | (363,405) | (363,405) |
| Off Balance Sheet Long Position | 5,527 | 56,991 | 71,704 | - | - | - | 134,222 |
| Off Balance Sheet Short Position | (5,793) | (59,484) | (74,367) | - | - | - | (139,644) |
| Total Position | 4,769 | 52,047 | 12,472 | 233,151 | 55,544 | (363,405) | (5,422) |

¹ Other Assets: The amount of TL 52,622 in the Non-Interest Bearing column; Tangible Assets amounting to TL 27,267, Intangible Assets amounting to TL 2,055, Tax Assets amounting to TL 4,546, Assets Held for Sale amounting to TL 288, Miscellaneous Receivables amounting to TL 3,436, and Other Assets amounting to TL 15,030.

² Other Liabilities: The amount of TL 462,923 in the Non-Interest Bearing Column; Shareholder Equity amounting to 421,475, Provisions amounting to TL 25,721, Tax, Duty and Premium Payable amounting to TL 3,222 and Other Foreign Resources amounting to TL 12,505.

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VI. INFORMATION ON CONSOLIDATED INTEREST RATE RISK (Continued)

Average interest rates applied to monetary financial instruments%

| | EUR | USD | JPY | TL |
|---|------|------|-----|-------|
| Current Period | | | | |
| Assets | | | | |
| Cash (cash in vault, effectives, money in transit, cheques purchased) and balances with the Central Bank of Turkey. | - | - | - | - |
| Banks | 2.00 | 2.72 | - | 8.74 |
| Financial assets at fair value through profit or loss | - | 5.33 | - | - |
| Money market placement | - | - | - | 7.74 |
| Financial assets available-for-sale | - | - | - | - |
| Loans | 3.58 | 3.88 | - | 9.34 |
| Investment securities held-to-maturity | 5.21 | 6.60 | - | 7.15 |
| Financial Lease Receivables | 8.79 | 7.81 | - | 17.65 |
| Liabilities | | | | |
| Interbank deposits | 0.76 | 1.49 | - | - |
| Other deposits | 0.46 | 1.62 | - | 7.89 |
| Money market borrowings | - | - | - | 4.50 |
| Miscellaneous payables | - | - | - | - |
| Marketable securities issued | - | - | - | - |
| Funds borrowed from other financial institutions | 2.81 | 1.90 | - | 6.84 |

| | EUR | USD | JPY | TL |
|---|------|------|-----|-------|
| Prior Period | | | | |
| Assets | | | | |
| Cash (cash in vault, effectives, money in transit, cheques purchased) and balances with the Central Bank of Turkey. | - | - | - | - |
| Banks | 2.04 | 3.14 | - | 6.02 |
| Financial assets at fair value through profit or loss | - | 5.37 | - | 7.27 |
| Money market placement | - | - | - | 6.23 |
| Financial assets available-for-sale | - | - | - | - |
| Loans | 5.02 | 4.91 | - | 8.54 |
| Investment securities held-to-maturity | 5.21 | 7.25 | - | 5.51 |
| Financial Lease Receivables | 7.41 | 7.86 | - | 14.32 |
| Liabilities | | | | |
| Interbank deposits | 0.75 | - | - | 4.88 |
| Other deposits | 0.52 | 1.13 | - | 6.28 |
| Money market borrowings | - | - | - | - |
| Miscellaneous payables | - | - | - | - |
| Marketable securities issued | - | - | - | - |
| Funds borrowed from other financial institutions | 1.27 | 1.13 | - | 8.26 |

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VI. INFORMATION ON CONSOLIDATED INTEREST RATE RISK (Continued)

The interest rate risk of the banking book items

The nature of interest rate risk which banking books and early repayment of loans and measurement frequency of interest rate risk with significant assumptions including related to the movement deposits except time deposit

The interest rate sensitivity of assets, liabilities and off-balance sheet items of the Parent Bank are considered taking into account the developments in the market by Asset-Liability Committee .

The interest rate risk of the banking book items measurement is included The Parent Bank’s interest rate positions which is defined as banking accounts created and performed relevant re-pricing and maturity data take into account.

The interest rate sensitivity of assets and liabilities cash flows calculated present values using yield curves which generated using market interest rates.

The interest rate risk of the banking book items is measured legally in accordance with the “Regulation on Measurement and Assessment of Standard Shock Method on the interest rate risk arising from banking accounts”, published in the Official Gazette numbered 28034 and dated 23 August 2011, and this legal limit is monitored and reported monthly, based on this measurement. The Bank maintains its capital proportionally with the interest rate risk arising from banking accounts.

The interest rate risks of financial instruments on trading portfolio are considered within the scope of the market risk.

The economic value differences that will be occurred due to fluctuations on interest rates with the Regulation on Standard Shock Method on the interest rate risk arising from banking accounts

| Currency | Applied Shock (+/- x basis point) | Revenue/ | Revenue/Shareholders |
|------------------------------------|--------------------------------------|-----------------|--|
| | | Loss | ‘Equity Loss/ Shareholders’ Equity |
| TRY | 500 | (15,244) | %(3,1859) |
| | (400) | 24,528 | %5,1263 |
| EURO | 200 | 9,143 | %1,9108 |
| | (200) | (36,706) | %(7,6713) |
| USD | 200 | 14,158 | %2,9590 |
| | (200) | 25 | %0,0051 |
| Total (For negative shocks) | | (12,153) | %(2,54) |
| Total (For positive shocks) | | 8,057 | %1,68 |

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VII. INFORMATION ON STOCK POSITION RISK

Equity investment risk due from banking book

The Parent Bank does not have equity investment risk due to subsidiary and securities issued capital which classified banking accounts are not traded on the stock exchange.

Information on booking value, fair value and market value of equity investments

None.

Information on equity investments realized gains or losses, revaluation increases and unrealized gains or losses and these amounts including capital contribution

None.

VIII. INFORMATION ON CONSOLIDATED LIQUIDITY RISK

Source of the Parent Bank’s current liquidity risk and whether the related precautions are taken to eliminate the risk. Restrictions on fund sources established by the board of directors for the purpose of meeting urgent liquidity demand and making payments for matured debts

The Parent Bank’s liquidity risk has been analyzed within the context of risk management operations. Within this context Bank’s liquidity risk has been analyzed by common ratio analysis and liquidity position analysis based on payment terms. The periodic reporting requirement to BRSA is being performed in accordance with the regulation regarding liquidity adequacy measurement.

Whether the payments, assets and liabilities match with the interest rates, and whether the effect of mismatch on profitability is measured

The main reason of liquidity risk of the Parent Bank is the existence of long term assets versus short term funds borrowed from abroad. On the other hand, these short term funds have the capability of being renewed. The Parent Bank has strong fund sources besides there is no restriction on fund sources for the purpose of meeting urgent liquidity demand and making payments for matured debts. As a result of this, the Parent Bank has not been encountered with liquidity problems and there is no expectation of possible liquidity risk for the future for the Parent Bank.

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VIII. INFORMATION ON CONSOLIDATED LIQUIDITY RISK (Continued)

Internal and external sources to meet the short and long-term liquidity needs, significant sources of liquidity that are not utilized

Shareholder’s Equity has an important portion in the funding resources. The Parent Bank is also capable of funding itself through domestic money markets and funding resources provided by its main shareholder.

As per the BRSA Communiqué published on the Official Gazette dated 1 November 2006 and became effective starting, “Measurement and Assessment of the Adequacy of Banks’ Liquidity”, the weekly and monthly liquidity ratios on a bank-only basis for foreign currency assets/liabilities and total assets/liabilities should be minimum 80% and 100%, respectively. The liquidity ratios as of 31 December 2013 are as follows;

| Current Period | Primary Maturity Split (Weekly) | | Secondary Maturity Split (Monthly) | |
|----------------|---------------------------------|-------|------------------------------------|-------|
| | FC | FC+TL | FC | FC+TL |
| Average | 166 | 232 | 109 | 143 |
| Highest (%) | 277 | 349 | 166 | 213 |
| Lowest (%) | 97 | 151 | 81 | 101 |

| Prior Period | Primary Maturity Split (Weekly) | | Secondary Maturity Split (Monthly) | |
|--------------|---------------------------------|-------|------------------------------------|-------|
| | FC | FC+TL | FC | FC+TL |
| Average | 157 | 235 | 112 | 148 |
| Highest (%) | 275 | 402 | 187 | 265 |
| Lowest (%) | 89 | 107 | 81 | 105 |

Evaluation of amount and sources of the Bank’s cash flows

As mentioned above, the Bank has sufficient cash and cash inflow to supply its cash outflow literally and on time.

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VIII. INFORMATION ON CONSOLIDATED LIQUIDITY RISK (Continued)

Presentation of assets and liabilities based on their outstanding maturities

| Current Period | Demand | Up to 1 Month | 1-3 Months | 3-12 Months | 1-5 Years | 5 Year and Over | Unallocated | Total |
|---|------------------|----------------------|-------------------|--------------------|------------------|------------------------|--------------------|------------------|
| Assets | | | | | | | | |
| Cash (cash in vault, effectives, money in transit, cheques purchased) and Central Bank balances | 7,871 | 386,509 | - | - | - | - | - | 394,380 |
| Banks | 12,205 | 767,778 | 338,438 | - | - | - | - | 1,118,421 |
| Financial Assets at Fair Value through Profit or Loss | - | 225 | 330 | 709 | 83,507 | - | - | 84,771 |
| Money Market Placements | - | 31,907 | - | - | - | - | - | 31,907 |
| Financial assets available-for-sale | - | - | - | - | - | - | 1,080 | 1,080 |
| Loans | - | 403,475 | 134,048 | 558,943 | 319,708 | - | - | 1,416,174 |
| Investment securities held-to-maturity | - | 17,601 | 1,121 | 61,010 | 68,012 | 41,440 | - | 189,184 |
| Other assets ¹ | 8,102 | 11,563 | 10,598 | 43,736 | 104,331 | 967 | 51,720 | 231,017 |
| Total Assets | 28,178 | 1,619,058 | 484,535 | 664,398 | 575,558 | 42,407 | 52,800 | 3,466,934 |
| Liabilities | | | | | | | | |
| Interbank Deposits | 301,131 | 467,169 | 1,007,575 | 528,486 | - | - | - | 2,304,361 |
| Other Deposits | 339,737 | 24,925 | 4,284 | 13,325 | - | - | - | 382,271 |
| Funds provided from other financial institutions | - | 125,625 | 21,185 | 22,684 | 40,394 | - | - | 209,888 |
| Money market borrowings | - | 36,508 | - | - | - | - | - | 36,508 |
| Marketable securities issued | - | - | - | - | - | - | - | - |
| Miscellaneous payables | - | - | - | - | - | - | 9,746 | 9,746 |
| Other liabilities ² | - | 3,963 | 4,647 | - | - | - | 515,550 | 524,160 |
| Total Liabilities | 640,868 | 658,190 | 1,037,691 | 564,495 | 40,394 | - | 525,296 | 3,466,934 |
| Liquidity Gap | (612,690) | 960,868 | (553,156) | 99,903 | 535,164 | 42,407 | (472,496) | - |
| Prior Period | | | | | | | | |
| Total Assets | 48,351 | 1,311,765 | 638,957 | 425,837 | 275,981 | 55,544 | 52,801 | 2,809,236 |
| Total Liabilities | 445,519 | 821,982 | 652,931 | 388,940 | 38,776 | - | 461,088 | 2,809,236 |
| Net Liquidity Gap | (397,168) | 489,783 | (13,974) | 36,897 | 237,205 | 55,544 | (408,287) | - |

¹ Other assets amounting TL 51,720 at the undistributed part; Tangible Assets amounting TL 24,969 , Intangible Assets amounting TL 2,870, Deferred Tax Asset amounting TL 3,698, Asset Held For Sale amounting TL 11, Miscellaneous Receivables amounting to TL 888 and Other Assets amounting to TL 19,284.

² Other liabilities amounting TL 515,550 at the undistributed part consists of Shareholders Equity amounting TL 469,698, Provisions amounting TL 29,778, and Other Foreign Resources TL 16,074

IX. INFORMATION ON SECURITIZATION POSITIONS

The Group has no securitization positions.

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X. INFORMATION ON CREDIT RISK MITIGATION TECHNIQUES

The Parent Bank applies the Regulation on Credit risk mitigation techniques’ 34th article that the standard volatility adjustments are taken into account regarding to portfolios in which comprehensive approach is used.

Cash collateral is used for credit risk mitigation.

Volatility adjustments on receivables, guarantees and collateral currency mismatches applied with the standard volatility adjustment approach with the Article 37 of the regulation.

In the case of the maturity mismatch that occurred because of the maturity of the collateral is less than the remaining maturity of the receivable, the collateral value considered as adjusted volatility.

Collaterals based on risk types

| Risk Types-Current Period | Amount (*) | Financial Collaterals | Other/Physical Collaterals | Guarantees and credit derivatives |
|---|-----------------------|----------------------------------|---------------------------------------|--|
| Contingent and Non-Contingent Receivables from Sovereign Governments and Central Banks | 540,364 | - | - | - |
| Contingent and Non-Contingent Receivables from Regional Governments and Local Authorities | - | - | - | - |
| Contingent and Non-Contingent Receivables from Administrative Units and Non-commercial Enterprises | - | - | - | - |
| Contingent and Non-Contingent Receivables from Multilateral Development Banks | - | - | - | - |
| Contingent and Non-Contingent Receivables from International Organizations | - | - | - | - |
| Contingent and Non-Contingent Receivables from Banks and Financial Intermediaries | 2,191,113 | - | - | - |
| Contingent and Non-Contingent Corporate Receivables | 1,627,904 | 8,377 | - | - |
| Contingent and Non-Contingent Retail Receivables | - | - | - | - |
| Contingent and Non-Contingent Receivables Secured by Property | 61,870 | - | - | - |
| Past Due Loans | 289 | - | - | - |
| Higher-Risk Receivables Defined by BRSA | 444,537 | 301,305 | - | - |
| Marketable Securities Collateralized Mortgages | - | - | - | - |
| Securitization Exposures | - | - | - | - |
| Short-Term Receivables from Banks and Corporate Undertakings for Collective Investments in Mutual Funds | - | - | - | - |
| Other Receivables | 40,025 | - | - | - |
| Total | 4,906,102 | 309,682 | - | - |

(*) Includes the total amount before taking into account the effects of credit risk mitigation.

(**) The real estate mortgages that used to determine the risk classes are not taken into consideration regarding the “Regulation on Measurement and Assessment of Capital Adequacy of Banks”, Article 6.

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X. INFORMATION ON CREDIT RISK MITIGATION TECHNIQUES (Continued)

| Risk Types-Prior Period | Amount (*) | Financial Collaterals | Other/Physical Collaterals | Guarantees and credit derivatives |
|--|-----------------------|----------------------------------|---------------------------------------|--|
| Contingent and Non-Contingent Receivables from Sovereign Governments and Central Banks | 323,864 | - | - | - |
| Contingent and Non-Contingent Receivables from Regional Governments and Local Authorities | - | - | - | - |
| Contingent and Non-Contingent Receivables from Administrative Units and Non-commercial Enterprises | - | - | - | - |
| Contingent and Non-Contingent Receivables from Multilateral Development Banks | - | - | - | - |
| Contingent and Non-Contingent Receivables from International Organizations | - | - | - | - |
| Contingent and Non-Contingent Receivables from Banks and Financial Intermediaries | 2,110,655 | 312 | - | - |
| Contingent and Non-Contingent Corporate Receivables | 800,237 | 3,390 | - | - |
| Contingent and Non-Contingent Retail Receivables | - | - | - | - |
| Contingent and Non-Contingent Receivables Secured by Property | 34,734 | 12 | - | - |
| Past Due Loans | 295 | - | - | - |
| Higher-Risk Receivables Defined by BRSA | 259,219 | 230,495 | - | - |
| Marketable Securities Collateralized Mortgages | - | - | - | - |
| Securitization Exposures | - | - | - | - |
| Short-Term Receivables from Banks and Corporate | - | - | - | - |
| Undertakings for Collective Investments in Mutual Funds | - | - | - | - |
| Other Receivables | 50,967 | - | - | - |
| Total | 3,579,971 | 234,209 | - | - |

XI. RISK MANAGEMENT TARGET AND POLICIES

The Parent Bank’s risk strategy, policy, and procedures are approved by board of directors in order to make policies that are determined, to be approved, to evaluate and manage the risk that bank is exposed to, and to make it in compliance with changing circumstances, necessary conditions are determined.

The Parent Bank's risk management principles are summarized below:

- Being selective about taken risks,
- Identifying risks effectively, measuring, analyzing and managing,
- Ensuring the risk-return balance,
- Taking robust guarantees level to meet the existing and potential risks and monitoring closely the adequacy of collateral,
- Having enough capital structure to provide present and future potential risks,
- Ensuring risks that are kept within defined limits,
- Controlling all activities compliance with approved policies and procedures,
- Provide activities in accordance with laws and regulations,
- Establish corporate risk culture within the Bank,
- Providing effective reporting channels which will help to inform management level to prevent delay about every type of inconsistencies,

In order to follow and to manage risks, Bank and market data reviewed regularly. Within the scope of classifying risks besides of legal limits also bank internal limits are provided.

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XII. INFORMATION ON FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES

The fair value of the held to maturity financial assets; in case of situations where market price or fair value cannot be determined; is calculated over the quoted market prices of other investment securities that are of the same interest, maturity and similar in other clauses.

The estimated fair value of the demand deposit represents the amount to be paid at the moment of demand. Placements of changing rates and the fair value of the overnight deposit equal to their book values. The fair value of the fixed yield deposit is calculated over the cash flows discounted using the market interest rates implicated on similar borrowing and other payables.

The estimated fair value of the loans is calculated over the cash flows discounted using the market interest rates implicated on the constant interest loans. The carrying values of floating-rate loans are deemed a reasonable proxy for their fair values.

In the table below; fair values and book values of some of the financial assets and liabilities are presented. The book value of the assets and liabilities is the total of the cost and accumulated interest accruals.

| | Carrying Value | | Fair Value | |
|--|------------------|------------------|------------------|------------------|
| | Current Period | Prior Period | Current Period | Prior Period |
| Financial Assets | 2,934,121 | 2,355,672 | 2,940,720 | 2,360,916 |
| Banks | 1,118,421 | 812,626 | 1,118,421 | 812,626 |
| Money market receivables | 31,907 | 596,126 | 31,907 | 596,126 |
| Financial assets available-for-sale | 1,080 | 897 | 1,080 | 897 |
| Investment securities held-to-maturity | 189,184 | 135,149 | 195,783 | 140,393 |
| Loans | 1,416,174 | 710,739 | 1,416,174 | 710,739 |
| Financial Lease Receivables | 177,355 | 100,135 | 177,355 | 100,135 |
| Financial Liabilities | 2,942,774 | 2,339,268 | 2,942,774 | 2,339,268 |
| Interbank deposits | 2,304,361 | 845,371 | 2,304,361 | 845,371 |
| Other Deposits | 382,271 | 184,269 | 382,271 | 184,269 |
| Funds provided from other financial institutions | 209,888 | 1,306,967 | 209,888 | 1,306,967 |
| Money market borrowings | 36,508 | - | 36,508 | - |
| Marketable securities issued | - | - | - | - |
| Miscellaneous Payables | 9,746 | 2,661 | 9,746 | 2,661 |

Fair value hierarchy

The table below analyses financial instruments carried at fair value by valuation method. The different levels have been defined as follows:

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

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or;

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**XII. INFORMATION ON FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES
(Continued)**

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

| 31 December 2013 | Level 1 | Level 2 | Level 3 | Total |
|-----------------------------------|----------------|----------------|----------------|---------------|
| Financial assets held for trading | 84,771 | - | - | 84,771 |
| | 84,771 | - | - | 84,771 |

| 31 December 2012 | Level 1 | Level 2 | Level 3 | Total |
|-----------------------------------|----------------|----------------|----------------|----------------|
| Financial assets held for trading | 192,520 | - | - | 192,520 |
| | 192,520 | - | - | 192,520 |

**XIII. ACTIVITIES CARRIED OUT ON BEHALF OF AND ACCOUNT OF THIRD
PARTIES, ACTIVITIES BASED ON ASSURANCE**

**Information on whether Bank carries out trading, custody, consulting, management
services for third parties**

The parent Bank carries out trading of government bonds and treasury bills and repurchase agreements on others’ behalf and account. Apart from such services; the Bank does not carry out any other trading, custody, management and consulting services on behalf and account of others.

**Information on trust transactions with other financial institutions or direct financial
services given within the context of trust transactions to other financial institutions and
possible affects of such transactions on Bank’s financial situation**

The Bank does not have transactions based on trust.

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XIV. INFORMATION ON CONSOLIDATED BUSINESS SEGMENTS

Information on operational segments on 31 December 2012 and 2011 are presented in the table below:

| Current Period | Retail Banking | Corporate and Commercial Banking | Treasury | Leasing | Other | Total Operations |
|-----------------------------------|---------------------------|---|-----------------|----------------|-----------------|-----------------------------|
| Net Interest Income | 60 | 33,708 | 45,455 | 10,063 | - | 89,286 |
| Commission Income (Net) | - | 34,853 | - | 333 | - | 35,186 |
| Unallocated Income/Expenses (Net) | - | - | - | - | (62,865) | (62,865) |
| Operating Income | 60 | 68,561 | 45,455 | 10,396 | (62,865) | 61,607 |
| <i>Income from Subsidiaries</i> | - | - | - | - | - | - |
| <i>Income before tax</i> | - | - | - | - | - | 61,607 |
| <i>Tax Provision</i> | - | - | - | - | - | (13,073) |
| Net Profit for the year | | | | | | 48,534 |

| Current Period | Retail Banking | Corporate and Commercial Banking | Treasury | Leasing | Other | Total Operations |
|--------------------------|---------------------------|---|------------------|----------------|----------------|-----------------------------|
| Segment Assets | 696 | 1,415,351 | 1,499,675 | 207,885 | - | 3,123,607 |
| Unallocated assets | - | - | - | - | 343,327 | 343,327 |
| Total Assets | 696 | 1,415,351 | 1,499,675 | 207,885 | 343,327 | 3,466,934 |
| Segment Liabilities | 98,284 | 287,426 | 2,417,671 | 139,257 | - | 2,942,638 |
| Unallocated Liabilities | - | - | - | - | 54,598 | 54,598 |
| Equity | - | - | - | - | 469,698 | 469,698 |
| Total Liabilities | 98,284 | 287,426 | 2,417,671 | 139,257 | 524,296 | 3,466,934 |

| Prior Period | Retail Banking | Corporate and Commercial Banking | Treasury | Leasing | Other | Total Operations |
|-----------------------------------|---------------------------|---|-----------------|----------------|-----------------|-----------------------------|
| Net Interest Income | 42 | 19,461 | 67,616 | 10,010 | - | 97,129 |
| Commission Income (Net) | - | 38,612 | - | 538 | - | 39,150 |
| Unallocated Income/Expenses (Net) | - | - | - | - | (59,456) | (59,456) |
| Operating Income | 42 | 58,073 | 67,616 | 10,548 | (59,456) | 76,823 |
| <i>Income from Subsidiaries</i> | - | - | - | - | - | - |
| <i>Income before tax</i> | - | - | - | - | - | 76,823 |
| <i>Tax Provision</i> | - | - | - | - | - | (15,955) |
| Net Profit for the year | | | | | | 60,868 |

| Prior Period | Retail Banking | Corporate and Commercial Banking | Treasury | Leasing | Other | Total Operations |
|-----------------------------|---------------------------|---|------------------|----------------|----------------|-----------------------------|
| Segment Assets | 526 | 710,115 | 1,768,531 | 127,078 | - | 2,606,250 |
| Unallocated assets | - | - | - | - | 202,986 | 202,986 |
| Total Assets | 526 | 710,115 | 1,768,531 | 127,078 | 202,986 | 2,809,236 |
| Segment Liabilities | 34,483 | 148,508 | 2,077,940 | 77,819 | - | 2,338,750 |
| Unallocated Liabilities | - | - | - | - | 57,809 | 57,809 |
| Equity | - | - | - | - | 412,677 | 412,677 |
| Toplam Yükümlülükler | 34,483 | 148,508 | 2,077,940 | 77,819 | 470,486 | 2,809,236 |

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SECTION FIVE

**INFORMATION ON DISCLOSURES AND FOOTNOTES OF
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I. INFORMATION ON DISCLOSURES AND FOOTNOTES OF ASSETS

1. Information on cash equivalents and Central Bank of Turkey

Information on cash equivalents

| | Current Period | | Prior Period | |
|------------------------|----------------|----------------|---------------|----------------|
| | TL | FC | TL | FC |
| Cash/Effective | 1,125 | 5,671 | 1,117 | 4,729 |
| Central Bank of Turkey | 1,075 | 386,509 | 35,183 | 166,446 |
| Other | - | - | - | - |
| Total | 2,200 | 392,180 | 36,300 | 171,175 |

Information related to the account of Central Bank of Turkey

| | Current Period | | Prior Period | |
|------------------------------|----------------|----------------|---------------|----------------|
| | TL | FC | TL | FC |
| Unrestricted Demand Deposits | 1,075 | - | 35,183 | - |
| Unrestricted Time Deposits | - | 89,980 | - | 36,142 |
| Restricted Time Deposits | - | - | - | - |
| Reserve Deposits | - | 296,529 | - | 130,304 |
| Total | 1,075 | 386,509 | 35,183 | 166,446 |

Information on Reserve Deposits

The banks operating in Turkey keep reserve deposits for Turkish currency and foreign currency at the rates of between 5% and 11.5% (31 December 2012: between 5% and 11%), and for USD or EUR at the rates of 6% and 13% respectively according to their maturities as per the Communiqué no.2005/1 "Reserve Deposits" of the Central Bank of Turkey (31 December 2012: between 6% and 11%). Interest rates are not applied for reserve requirements by the Central Bank of Turkey.

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

Among financial assets at fair value through profit or loss; there is no marketable securities subjected to repurchase transaction. There is no amount provided as collateral /blocked financial assets at fair value through profit or loss in the current period.(31 December 2012: TL 24,205)

Positive differences on derivative financial assets held for trading showed as below:

| Derivative Financial Assets Held for Trading | Current Period | | Prior Period | |
|---|----------------|----|--------------|----------|
| | TL | FC | TL | FC |
| Forward Transactions | - | - | - | - |
| Swap Transactions | - | - | 17 | - |
| Futures | - | - | - | - |
| Options | - | - | - | - |
| Other | - | - | - | - |
| Total | | | 17 | - |

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I. INFORMATION ON DISCLOSURES AND FOOTNOTES OF ASSETS (Continued)

3. Information on banks and other financial institutions

| | Current Period | | Prior Period | |
|-----------------------------------|----------------|------------------|---------------|----------------|
| | TL | FC | TL | FC |
| Banks | | | | |
| Domestic banks | 33,582 | 1,068,266 | 73,574 | 733,992 |
| Foreign banks | - | 16,573 | - | 5,060 |
| Foreign head offices and branches | - | - | - | - |
| Total | 33,582 | 1,084,839 | 73,574 | 739,052 |

Information on foreign banks

| | Free Amount | | Restricted Amount | |
|----------------------------|----------------|--------------|-------------------|--------------|
| | Current Period | Prior Period | Current Period | Prior Period |
| EU Countries | 4,223 | 1,454 | - | - |
| USA, Canada | 230 | 1,213 | - | - |
| OECD Countires (*) | 400 | 154 | - | - |
| Off- Shore Banking Regions | - | - | - | - |
| Other | 11,720 | 2,239 | - | - |
| Total | 16,573 | 5,060 | - | - |

(*) OECD countries except USA, EU and Canada.

4. Information on available for sale financial assets

Information on transaction of repo and collateral/blocked financial assets (Net)

As of 31 December 2013, the Bank does not have marketable securities subjected to repurchase transactions on financial assets available-for-sale (31 December 2012: None). As of 31 December 2013, there is no security is held on collateral/blocked for guarantee from assets available-for-sale (31 December 2012: None).

Major types of available for sale financial assets

Available for sale financial assets are composed shares that are not quoted in the stock market.

Information on available for sale financial assets

| | Current period | Prior period |
|---------------------------------|----------------|--------------|
| Debt Securities | - | - |
| Quoted in stock exchange | - | - |
| Not quoted in stock exchange | - | - |
| Share Certificates | 1,080 | 897 |
| Quoted in stock Exchange | - | - |
| Not quoted in stock Exchange | 1,080 | 897 |
| Impairment provision (-) | - | - |
| Total | 1,080 | 897 |

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I. INFORMATION ON DISCLOSURES AND FOOTNOTES OF ASSETS (Continued)

5. Information on Loans

Information on all types of loans and advances given to shareholders and employees of the Parent Bank

| | Current period | | Prior period | |
|---|----------------|---------------|--------------|---------------|
| | Cash | Non- Cash | Cash | Non- Cash |
| Direct Loans Granted to Shareholders | 4,267 | 13,686 | - | 14,852 |
| Corporate Shareholders | 4,267 | 13,686 | - | 14,852 |
| Individual Shareholders | - | - | - | - |
| Indirect Loans Granted to Shareholders | - | - | - | - |
| Loans Granted to the Bank's personnel | 632 | 4 | 524 | 3 |
| Total | 4,899 | 13,690 | 524 | 14,855 |

Information about the first and second group loans and other receivables including loans that have been restructured or rescheduled

| | Standard loans and other receivables | | | Loans and other receivables under close monitoring | | |
|---------------------------------|--------------------------------------|---|----------|--|---|----------|
| | Loans and other receivables (Total) | Amendments on Conditions of Contract | Other | Loans and other receivables (Total) | Amendments on Conditions of Contract | Other |
| Cash Loans | | Amendments related to the extension of the payment plan | Other | | Amendments related to the extension of the payment plan | Other |
| Non-specialized loans | 1,413,475 | - | - | 2,410 | - | - |
| Corporation loans | - | - | - | - | - | - |
| Export loans | 206,447 | - | - | - | - | - |
| Import loans | - | - | - | - | - | - |
| Loans given to financial sector | 291,811 | - | - | - | - | - |
| Consumer loans | 696 | - | - | - | - | - |
| Credit cards | - | - | - | - | - | - |
| Other | 914,521 | - | - | 2,410 | - | - |
| Specialized loans | - | - | - | - | - | - |
| Other receivables | - | - | - | - | - | - |
| Total | 1,413,475 | - | - | 2,410 | - | - |

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I. INFORMATION ON DISCLOSURES AND FOOTNOTES OF ASSETS (Continued)

Loan distribution according to term structure

| | Standard Loans and Other Receivables | | Loans and Other Receivables Under Close Monitoring | |
|--|--|--|---|--|
| | <i>Total Loans and Other Receivables</i> | <i>Restructured or Rescheduled</i> | <i>Total Loans and Other Receivables</i> | <i>Restructured or Rescheduled</i> |
| Short Term Loans and other receivables | 608,872 | - | 2,410 | - |
| Non-specialized loans | 608,872 | - | 2,410 | - |
| Specialized Loans | - | - | - | - |
| Other receivables | - | - | - | - |
| Middle Term Loans and other receivables | 804,603 | - | - | - |
| Non-specialized loans | 804,603 | - | - | - |
| Specialized Loans | - | - | - | - |
| Other receivables | - | - | - | - |
| Total | 1,413,475 | - | 2,410 | - |

Number of amendments related to the plan extension of the payment plan

None.

The time extended via the amendment on payment plan

None.

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I. INFORMATION ON DISCLOSURES AND FOOTNOTES OF ASSETS (Continued)

Information on Consumer Loans, Credit Cards and Loans given to employees

| | Short Term | Medium and Long Term | Total |
|---|------------|-------------------------|------------|
| Consumer Loans-TL | - | 63 | 63 |
| Real estate loans | - | - | - |
| Automotive loans | - | - | - |
| Consumer loans | - | - | - |
| Other | - | 63 | 63 |
| Consumer Loans-Indexed to FC | - | - | - |
| Real estate loans | - | - | - |
| Automotive loans | - | - | - |
| Consumer loans | - | - | - |
| Other | - | - | - |
| Consumer Loans-Indexed to FC | - | - | - |
| Real estate loans | - | - | - |
| Automotive loans | - | - | - |
| Consumer loans | - | - | - |
| Other | - | - | - |
| Individual Credit Cards-TL | - | - | - |
| Installment | - | - | - |
| Non-Installment | - | - | - |
| Individual Credit Cards-FC | - | - | - |
| Installment | - | - | - |
| Non-Installment | - | - | - |
| Personnel Loans- TL | 14 | 619 | 633 |
| Real estate loans | - | - | - |
| Automotive loans | - | - | - |
| Consumer loans | - | - | - |
| Other | 14 | 619 | 633 |
| Personnel Loans- Indexed to FC | - | - | - |
| Real estate loans | - | - | - |
| Automotive loans | - | - | - |
| Consumer loans | - | - | - |
| Other | - | - | - |
| Personnel Loans-FC | - | - | - |
| Real estate loans | - | - | - |
| Automotive loans | - | - | - |
| Consumer loans | - | - | - |
| Other | - | - | - |
| Personnel Credit Cards-TL | - | - | - |
| Installment | - | - | - |
| Non-Installment | - | - | - |
| Personnel Credit Cards-FC | - | - | - |
| Installment | - | - | - |
| Non-Installment | - | - | - |
| Deposits with Credit Limit-TL (Individual) | - | - | - |
| Deposits with Credit Limit-FC (Individual) | - | - | - |
| Total | 14 | 682 | 696 |

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I. INFORMATION ON DISCLOSURES AND FOOTNOTES OF ASSETS (Continued)

Information on installment commercial loans and commercial credit cards

| | Short Term | Medium and Long Term | Total |
|--|------------|----------------------|--------------|
| Commercial Installment Loans-TL | 422 | 4,645 | 5,067 |
| Mortgage Loans | - | - | - |
| Automotive Loans | - | - | - |
| Consumer Loans | - | - | - |
| Other | 422 | 4,645 | 5,067 |
| Commercial Installment Loans-Indexed to FC | - | - | - |
| Mortgage Loans | - | - | - |
| Automotive Loans | - | - | - |
| Consumer Loans | - | - | - |
| Other | - | - | - |
| Commercial Installment Loans -FC | - | - | - |
| Mortgage Loans | - | - | - |
| Automotive Loans | - | - | - |
| Consumer Loans | - | - | - |
| Other | - | - | - |
| Corporate Credit Cards-TL | - | - | - |
| With Installment | - | - | - |
| Wwithout Installment | - | - | - |
| Corporate Credit Cards-FC | - | - | - |
| With Installment | - | - | - |
| Wwithout Installment | - | - | - |
| Credited Deposit Account-TL (Legal Person) | - | - | - |
| Credited Deposit Account -FC (Legal Person) | - | - | - |
| Total | 422 | 4,645 | 5,067 |

Allocation of loans by customers

| | Current Period | Prior Period |
|--------------|------------------|----------------|
| Public | - | - |
| Private | 1,415,885 | 710,444 |
| Total | 1,415,885 | 710,444 |

Allocation of domestic and foreign loans

| | Current Period | Prior Period |
|----------------|------------------|----------------|
| Domestic loans | 1,374,690 | 655,351 |
| Foreign loans | 41,195 | 55,093 |
| Total | 1,415,885 | 710,444 |

Loans granted to subsidiaries and associates

None.

Specific provisions for loans

| Specific provisions | Current Period | Prior Period |
|--|----------------|--------------|
| Loans and receivables with limited collectibles | - | 74 |
| Loans and receivables with doubtful collectibles | 290 | - |
| Uncollectible loans and receivables | 8,156 | 8,154 |
| Total | 8,446 | 8,228 |

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Information related to non-performing loans

Information on restructured loans of non-performing loans

None.

Information on movement of total non-performing loans

| | III. Group | IV. Group | V. Group |
|---|--|---|--|
| | <i>Loans and receivables with limited collectibles</i> | <i>Loans and receivables with doubtful collectibles</i> | <i>Uncollectible loans and receivables</i> |
| Balances at Beginning of Period | 369 | - | 8,154 |
| Additions (+) | 249 | - | 6 |
| Transfers from other categories of nonperforming loans (+) | - | 608 | - |
| Transfers to other categories of nonperforming loans (-) | 608 | - | - |
| Collections (-) | 10 | 29 | 4 |
| Write-offs (-) | - | - | - |
| Institutional and commercial credits | - | - | - |
| Individual credits | - | - | - |
| Credit cards | - | - | - |
| Others | - | - | - |
| Balances at End of the Period | - | 579 | 8,156 |
| Specific provisions (-) | - | 290 | 8,156 |
| Net Balance on Balance Sheet | - | 289 | - |

Information on foreign currency non-performing loans

There are non-performing loan receivables in foreign currency amounting TL 2,032 which is followed in TL accounts.

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Information on gross and net loans under follow-up according to the borrowers

| | III. Group Loans and receivables with limited | IV. Group Loans and receivables with doubtful | V. Group Non-performing loans and receivables |
|---|--|--|--|
| Current Period (Net) | - | 289 | - |
| Loans granted to real persons and legal entities (Gross) | - | 579 | 8,056 |
| Specific provisions (-) | - | 290 | 8,056 |
| Loans granted to real persons and legal entities (Net) | - | 289 | - |
| Banks (Gross) ¹ | - | - | 100 |
| Specific provisions (-) | - | - | 100 |
| Banks (Net) | - | - | - |
| Other Loans and receivables (Gross) | - | - | - |
| Specific provisions (-) | - | - | - |
| Other Loans and receivables (Net) | - | - | - |
| Prior Period (Net) | 295 | - | - |
| Loans granted to real persons and legal entities (Gross) | 369 | - | 8,054 |
| Specific provisions (-) | 74 | - | 8,054 |
| Loans granted to real persons and legal entities (Net) | 295 | - | - |
| Banks (Gross) ¹ | - | - | 100 |
| Specific provisions (-) | - | - | 100 |
| Banks (Net) | - | - | - |
| Other Loans and receivables (Gross)K | - | - | - |
| Specific provisions (-) | - | - | - |
| Other Loans and receivables (Net) | - | - | - |

¹ Foreign bank

Collection policy on loans determined as loss and other receivables

Loans determined as loans and other receivables are collected via legal follow-up and conversion of guarantees to cash.

Information on write-off policy

Loans under legal follow-up are classified and are made provision according to “Regulation on Procedures and Principles Concerning Loans and Other Receivable’s Nature Definition and Provisions”. These loans are collected in collaboration with Department of Loan Trace and Follow, Department of Law Services and Consultancy and other related departments. However if mentioned loans could not be collected in any way, write-off procedure is implemented. This procedure is implemented by getting the opinion of Department of Law Services and Consultancy and by obtaining approvals from Loan Trace and Follow Department and the Board of Directors.

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I. INFORMATION ON DISCLOSURES AND FOOTNOTES OF ASSETS (Continued)

6. Information on held to maturity financial assets

Information on transaction of repo and collateral/blocked financial assets (Net)

There are marketable securities as held to maturity and subject to repurchase transactions amounting to TL 37,959 (31 December 2012: None). There are financial assets as collateral/blocked amounting to TL 7,003 as of 31 December 2013 (31 December 2012: None).

Information on government held to maturity financial assets

| | Current Period | | Prior Period | |
|--------------------|----------------|----------------|---------------|---------------|
| | TL | FC | TL | FC |
| Government bonds | 48,391 | - | 19,918 | - |
| Treasury Bonds | - | - | - | - |
| Other Public Bonds | - | 100,266 | - | 82,882 |
| Total | 48,391 | 100,266 | 19,918 | 82,882 |

Information of investments held to maturity

| | Current Period | Prior Period |
|-------------------------------|----------------|----------------|
| Debt Instruments | 190,037 | 135,611 |
| Quoted at stock exchange | 149,510 | 103,262 |
| Not-quoted at stock exchange | 40,527 | 32,349 |
| Impairment loss provision (-) | (853) | (462) |
| Total | 189,184 | 135,149 |

Movement of marketable securities held-to-maturity

| | Current Period | Prior Period |
|--|----------------|----------------|
| Balances at the Beginning of the Period | 135,149 | 199,870 |
| Foreign Currency Gains / Losses on Monetary assets | 24,727 | (7,622) |
| Purchases during the Period | 84,255 | 83,489 |
| Disposals through sales and redemptions ¹ | (54,556) | (144,735) |
| Changes in amortised cost | - | 4,285 |
| Impairment loss provision ² | (391) | (138) |
| Period end balance | 189,184 | 135,149 |

¹ In the current period amounting to TL 54,556 (31 December 2012: TL 144,735) redemption has been realized.

² Represents provisions allocated for impairment in the current year.

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I. INFORMATION ON DISCLOSURES AND FOOTNOTES OF ASSETS (Continued)

7. Information on Associates

The Group does not have an associate.

8. Information on consolidated subsidiaries (Net)

Information on consolidated subsidiaries

The Parent Bank does not have an unconsolidated subsidiary.

Information on subsidiaries

Information on shareholder’s equity for A&T Finansal Kiralama A.Ş.

| | Current Period | Prior Period |
|--|----------------|---------------|
| CORE CAPITAL | | |
| Paid in Capital | 60,680 | 34,500 |
| Effect of Inflation Adjustment on Paid in Capital | 106 | 5,961 |
| Legal Reserves | 1,787 | 1,727 |
| Extraordinary Reserves – Legal Reserve per General Legislation | 3 | 147 |
| Profit / Loss | 6,052 | 6,924 |
| <i>Net Profit</i> | 2,157 | 3,160 |
| <i>Prior Period Profit/Loss</i> | 3,895 | 3,764 |
| Intangible Assets (-) | 240 | 21 |
| Total Core Capital | 68,388 | 49,238 |
| SUPPLEMENTARY CAPITAL | - | - |
| CAPITAL | 68,388 | 49,238 |
| DEDUCTION FROM CAPITAL | - | - |
| NET AVAILABLE CAPITAL¹ | 68,388 | 49,238 |

¹ There is no restriction on shareholders' equity of subsidiary. After deduction from the capital, the total net available equity is TL 68,388.

There is no internal capital adequacy assessment approach for the subsidiary. There is no additional requirements in terms of the capital of the subsidiary.

Summary information on basic features of equity items

Paid in capital has been indicated as Turkish Lira in articles of incorporation and registered in trade registry.

Effect of inflation adjustments on paid in capital is the difference caused by the inflation adjustment on shareholders' equity items.

Extraordinary reserves are the status reserves which have been transferred with the General Assembly decision after distributable profit have been transferred to legal reserves.

Legal reserves are the status reserves which have been transferred from distributable profit in accordance with the third clause of first and second paragraph of 519 and 521 articles of Turkish Commercial Code no. 6102.

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I. INFORMATION ON DISCLOSURES AND FOOTNOTES OF ASSETS (Continued)

| Description | Address (City/Country) | Bank's share percentage-If different voting percentage (%) | Bank's risk group share percentage (%) |
|-------------|-------------------------------------|--|--|
| 1 | A&T Finansal Kiralama A.Ş. İstanbul | 99.98 | 99.98 |

| Total Assets | Shareholders' Equity | Total Fixed Assets | Interest Income | Income from marketable securities portfolio | Current Period Profit / Loss | Prior Period Profit / Loss | Fair value (*) |
|--------------|----------------------|--------------------|-----------------|---|------------------------------|----------------------------|----------------|
| 207,885 | 68,628 | 4,384 | 13,004 | - | 3,895 | 3,160 | - |

(*) The related subsidiary has no fair value as of 31 December 2013.

Movement related to consolidated subsidiaries

| | Current Period | Prior Period |
|--|----------------|---------------|
| Balance at the Beginning of the Period | 40,452 | 38,452 |
| Movements during the Period | 20,443 | 2,000 |
| Purchases | 15,492 | - |
| Bonus Shares Received | 4,951 | 2,000 |
| Dividends from Current Year Profit | - | - |
| Sales | - | - |
| Revaluation Increase, Effect of Inflation and F/X Difference | - | - |
| Impairment Provision (+) | - | - |
| Balance at the End of the Period | 60,895 | 40,452 |
| Capital Commitments | | - |
| Share Percentage at the end of Period (%) | 99,98 | 99,98 |

Valuation methods of investments in subsidiaries

The method used in the accounting of subsidiaries is explained in Section Three.

Sectoral Information on the subsidiaries

| Subsidiaries | Current Period | Prior Period |
|---------------------|----------------|--------------|
| Banks | - | - |
| Insurance Companies | - | - |
| Factoring Companies | - | - |
| Leasing Companies | 60,895 | 40,452 |
| Finance Companies | - | - |
| | - | - |

Quoted Subsidiaries

The Parent Bank does not have a subsidiary that is quoted.

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I. INFORMATION ON DISCLOSURES AND FOOTNOTES OF ASSETS (Continued)

Subsidiaries sold in the current year

None.

Subsidiaries acquired in the current year

None.

9. Information on jointly ventures of the Parent Bank

The Parent Bank does not have joint ventures.

10. Information on Financial Lease Receivables (Net)

Maturity analysis of financial lease receivables

| | Current Period | | Prior Period | |
|-------------------|----------------|----------------|----------------|----------------|
| | Gross | Net | Gross | Net |
| Less than 1 year | 82,613 | 72,057 | 51,037 | 44,016 |
| Between 1-4 years | 119,473 | 105,298 | 63,686 | 56,119 |
| Over 4 years | - | - | - | - |
| Total | 202,086 | 177,355 | 114,723 | 100,135 |

Information on net financial lease investments

| | Current Period | Prior Period |
|-----------------------------------|----------------|----------------|
| Gross Financial Lease Investment | 202,086 | 114,723 |
| Earned Financial Lease Income (-) | 24,731 | 14,588 |
| Cancelled Leasing Amounts | - | - |
| Net Investment on Leases | 177,355 | 100,135 |

There is a provision amounting to TL 1,053 for doubtful financial lease receivables in net financial lease investment.

The movement of doubtful receivables is as follows

| | Current Period | Prior Period |
|-----------------------|----------------|--------------|
| Opening Balance | 769 | 830 |
| Provisions | 284 | - |
| Collections | - | 61 |
| Ending Balance | 1,053 | 769 |

11. Information on financial derivatives for hedging

The Group does not have any financial derivatives for hedging .

12. Information on investment property

The Group does not have any investment property.

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I. INFORMATION ON DISCLOSURES AND FOOTNOTES OF ASSETS (Continued)

Information on Tangible Assets

| Current Period | Real Estates | Leased Tangible Assets | Vehicles | Other Tangible Assets | Total |
|--|---------------|------------------------------|------------|-----------------------------|---------------|
| Balance at the End of the Prior Period- 31 December 2012 | | | | | |
| <i>Cost</i> | 33,312 | 4,659 | 1,272 | 10,128 | 49,371 |
| <i>Accumulated Depreciation (-)</i> | (11,824) | (4,536) | (419) | (5,325) | (22,104) |
| Net Book Value | 21,488 | 123 | 853 | 4,803 | 27,267 |
| Balance at the End of the Current Period -31 December 2013 | | | | | |
| <i>Net Book Value at the Beginning of the Current Period</i> | 33,312 | 4,659 | 1,272 | 10,128 | 49,371 |
| <i>Additions</i> | 156 | - | - | 407 | 563 |
| <i>Disposals (-)</i> | - | 129 | 312 | 21 | 462 |
| <i>Impairment(-)</i> | 33,468 | 4,530 | 960 | 10,514 | 49,472 |
| <i>Cost at the End of the Current Period</i> | (11,824) | (4,536) | (419) | (5,325) | (22,104) |
| <i>Accumulated Depreciation (-)</i> | (806) | (103) | (206) | (1,656) | (2,771) |
| <i>Depreciation Expense (-)</i> | - | 109 | 241 | 22 | 372 |
| <i>Depreciation of Disposals</i> | (12,630) | (4,530) | (384) | (6,959) | (24,503) |
| Accumulated Depreciation at the End of the Current Period (-) | 20,838 | - | 576 | 3,555 | 24,969 |
| Prior Period | | | | | |
| | Real Estates | Leased Tangible Assets | Vehicles | Other Tangible Assets | Total |
| Balance at the End of the Prior Period- 31 December 2011 | | | | | |
| <i>Cost</i> | 32,437 | 4,688 | 772 | 9,227 | 47,124 |
| <i>Accumulated Depreciation (-)</i> | (11,053) | (4,414) | (385) | (4,016) | (19,868) |
| Net Book Value | 21,384 | 274 | 387 | 5,211 | 27,256 |
| Balance at the End of the Current Period -31 December 2012 | | | | | |
| <i>Net Book Value at the Beginning of the Current Period</i> | 32,437 | 4,688 | 772 | 9,227 | 47,124 |
| <i>Additions</i> | 875 | - | 614 | 1,117 | 2,606 |
| <i>Disposals (-)</i> | - | (29) | (114) | (217) | (360) |
| <i>Impairment(-)</i> | 33,312 | 4,659 | 1,272 | 10,127 | 49,370 |
| <i>Cost at the End of the Current Period</i> | (11,053) | (4,414) | (385) | (4,016) | (19,868) |
| <i>Accumulated Depreciation (-)</i> | (771) | (152) | (147) | (1,517) | (2,587) |
| <i>Depreciation expense(-)</i> | - | 30 | 113 | 209 | 352 |
| <i>Depreciation Of Disposals</i> | (11,824) | (4,536) | (419) | (5,324) | (22,103) |
| Accumulated Depreciation at the End of the Current Period (-) | 21,488 | 123 | 853 | 4,803 | 27,267 |

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I. INFORMATION ON DISCLOSURES AND FOOTNOTES OF ASSETS (Continued)

13. Information on intangible assets

| | 31 December 2013 | 31 December 2012 |
|--|------------------|------------------|
| Balance at the End of the Prior Period | | |
| <i>Cost</i> | 6,589 | 5,970 |
| <i>Accumulated Depreciation (-)</i> | (4,534) | (3,800) |
| Net Book Value | 2,055 | 2,170 |
| Balance at the End of the Current Period | | |
| <i>Net Book Value at the Beginning of the</i> | 6,589 | 5,970 |
| <i>Additions</i> | 1,836 | 618 |
| <i>Disposals (-)</i> | - | - |
| <i>Impairment(-)</i> | - | - |
| Cost at the Beginning of the current period | 8,425 | 6,588 |
| <i>Accumulated Depreciation (-)</i> | - | - |
| <i>Amortization and amortization</i> | (1,021) | (733) |
| <i>Impairment Depreciation(-)</i> | - | - |
| Accumulated Amortization at end of the | (5,555) | (4,533) |
| Net Book Value at end of the current period | 2,870 | 2,055 |

14. Information on investment property

The bank does not have any investment property.

15. Information on tax assets

As of 31 December 2013, there is no tax receivable under current tax asset after the deduction of tax liability (31 December 2012: None).

The Group has calculated TL 4,189 deferred tax asset and TL 491 deferred tax liability over taxable temporary differences as of 31 December 2013 and recorded the net amount of asset and liability to the financial statement (31 December 2012: TL 5,132 deferred tax asset and TL 586 deferred tax liability).

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I. INFORMATION ON DISCLOSURES AND FOOTNOTES OF ASSETS (Continued)

The detail of deferred tax asset and liability is as follows:

| | 31 December 2013 | | 31 December 2012 | |
|--|--|--|--|--|
| | Accumulated Deferred tax asset/ temporary differences | Deferred tax asset/ (liability) | Accumulated temporary differences | Deferred tax asset/ (liability) |
| Investment allowance | 5,478 | 1,096 | 9,691 | 1,938 |
| Provisions regarding employee rights | 8,735 | 1,747 | 8,139 | 1,628 |
| Interest accruals | 697 | 139 | - | - |
| Unearned Income | 3,362 | 672 | 2,397 | 479 |
| Depreciation difference for tangible and intangible assets | 624 | 125 | 357 | 71 |
| Derivative financial instruments | - | - | 3,537 | 707 |
| Other | 2,050 | 410 | 1,544 | 309 |
| Deferred tax asset | 26,181 | 4,189 | 20,871 | 5,132 |
| Depreciation difference for tangibl | 745 | 149 | 457 | 91 |
| Interest accruals | 1,401 | 280 | 2,312 | 462 |
| Other | 311 | 62 | 166 | 33 |
| Deferred tax liability | 2,457 | 491 | 2,935 | 586 |
| Deferred tax asset / (liability), | 23,724 | 3,698 | 17,936 | 4,546 |

Investment incentive was abolished being effective from January 1, 2006. In case that, entities do not have sufficient taxable income, deduction of the unused investment incentive as of December 31, 2005 from 2006, 2007 and 2008 income was allowed however it was not permitted to defer this investment incentive to subsequent periods after 2008. The Constitutional Court abolished this regulation on October 15, 2009 and the time constraint related to investment incentive has been removed. The resolution has been published in the Official Gazette on January 8, 2010. The Group will use the investment incentive amounting TL 10,366 by deducting from future profits. The Group recognized deferred tax asset amounting to TL 3,698 in the financial statements assuming that it will take advantage of the unused investment incentive in the subsequent periods. Partially or fully recoverable of deferred tax asset is estimated under current conditions.

16. Information about fixed assets held for sale

| | Current Period 31 December 2013 | Prior Period 31 December 2012 |
|------------------------------------|--|--|
| Cost | 412 | 416 |
| Impairment (-) | 5 | 4 |
| Accumulated Depreciation (-) | 119 | 104 |
| Prior Period Net Book Value | 288 | 308 |
| Opening Balance | 412 | 416 |
| Additions | - | - |
| Disposals (-).net | 395 | 4 |
| Accumulated Impairment (-) | 6 | 4 |
| Impairment (-) | 1 | 1 |
| Accumulated Depreciation (-) | 119 | 104 |
| Depreciation | 126 | - |
| Depreciation Expenses (-) | 8 | 15 |
| Closing Net Book Value | 11 | 288 |

17. Information on other assets

As of 31 December 2013 other assets is amounting to TL 22,114 (31 December 2012: TL 19,413) and does not exceed 10% of total assets of balance sheet except off balance sheet commitments.

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II. INFORMATION AND DISCLOSURES RELATED TO LIABILITIES

1. Information on maturity profile of deposits

| Current Period | Demand | 7 Days Notice | Up to 1 Month | 1-3 Months | 3-6 Months | 6 Months- 1 Year | 1 Year and over | Accumu- lating Deposit Accounts | Total |
|--------------------------------------|----------------|--------------------------|--------------------------|-----------------------|-----------------------|-----------------------------|----------------------------|--|------------------|
| Saving Deposits | 3,199 | - | 281 | 1,050 | 1,384 | - | - | - | 5,914 |
| Foreign Currency Deposits | 321,612 | - | 667 | 12,513 | 3,947 | 710 | 13,657 | - | 353,106 |
| Residents in Turkey | 145,810 | - | 427 | 1,892 | 681 | 98 | 1,163 | - | 150,071 |
| Residents Abroad | 175,802 | - | 240 | 10,621 | 3,266 | 612 | 12,494 | - | 203,035 |
| Public Sector Deposits | - | - | - | - | - | - | - | - | - |
| Commercial Deposits | 12,444 | - | 255 | 346 | 93 | - | 7,615 | - | 20,753 |
| Other Ins. Deposits | 2,482 | - | - | 16 | - | - | - | - | 2,498 |
| Precious Metal Deposits | - | - | - | - | - | - | - | - | - |
| Bank Deposits | 301,131 | - | 172,134 | 685,911 | 342,979 | 375,199 | 427,007 | - | 2,304,361 |
| Central Bank | - | - | - | - | - | - | - | - | - |
| Domestic Banks | - | - | - | - | - | - | - | - | - |
| Foreign Banks | 301,131 | - | 172,134 | 685,911 | 342,979 | 375,199 | 427,007 | - | 2,304,361 |
| Special Financial Inst. | - | - | - | - | - | - | - | - | - |
| Other | - | - | - | - | - | - | - | - | - |
| Total | 640,868 | - | 173,337 | 699,836 | 348,403 | 375,909 | 448,279 | - | 2,686,632 |
| Prior Period | | | | | | | | Accumu- lating Deposit Accounts | Total |
| Saving Deposits | 926 | - | 217 | 859 | 1,534 | 41 | 27 | - | 3,604 |
| Foreign Currency Deposits | 145,351 | - | 94 | 9,167 | 1,972 | 1,203 | 1,392 | - | 159,179 |
| Residents in Turkey | 103,922 | - | - | 1,012 | 676 | 113 | 89 | - | 105,812 |
| Residents Abroad | 41,429 | - | 94 | 8,155 | 1,296 | 1,090 | 1,303 | - | 53,367 |
| Public Sector Deposits | - | - | - | - | - | - | - | - | - |
| Commercial Deposits | 6,336 | - | 7,671 | 119 | 90 | 107 | - | - | 14,323 |
| Other Ins. Deposits | 7,153 | - | - | 10 | - | - | - | - | 7,163 |
| Precious Metal Deposits | - | - | - | - | - | - | - | - | - |
| Bank Deposits | 285,753 | - | 536,095 | 11,761 | - | 11,762 | - | - | 845,371 |
| Central Bank | - | - | - | - | - | - | - | - | - |
| Domestic Banks | - | - | - | - | - | - | - | - | - |
| Foreign Banks | 285,753 | - | 536,095 | 11,761 | - | 11,762 | - | - | 845,371 |
| Special Financial Institutions | - | - | - | - | - | - | - | - | - |
| Other | - | - | - | - | - | - | - | - | - |
| Total | 445,519 | - | 544,077 | 21,916 | 3,596 | 13,113 | 1,419 | - | 1,029,640 |

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II. INFORMATION AND DISCLOSURES RELATED TO LIABILITIES (Continued)

Information on savings deposits insured by Saving Deposit Insurance Fund and the total amount of the deposits exceeding the insurance coverage limit

| | Covered by Deposit Insurance Fund | | Not covered by Deposit Insurance Fund | |
|--|---|-----------------|---|-----------------|
| | Current Period | Prior Period | Current Period | Prior Period |
| Saving Deposits | 4,185 | 1,981 | 1,729 | 1,623 |
| Foreign Currency Saving Deposits | 24,435 | 9,721 | 67,936 | 21,205 |
| Other Saving Deposits | - | - | - | - |
| Foreign Branches' Deposits Under Foreign Insurance Coverage | - | - | - | - |
| Off-Shore Deposits Under Foreign Insurance Coverage | - | - | - | - |
| Total | 28,620 | 11,702 | 69,665 | 22,828 |

Saving deposits not covered by deposit insurance

There are no foreign or off-shore branches of the Parent Bank.

The real persons who are out of scope of Savings and Deposits Insurance Fund have not any current or participation account.

The deposits that are covered in foreign branches of the Bank's that headquarters located in abroad

The parent Bank's headquarter is located in Turkey.

Amounts not covered by deposit insurance

Individual deposits not covered by deposit insurance

| | Current Period | Prior Period |
|--|-------------------|-----------------|
| Deposits and Other Accounts held at Foreign Branches | - | - |
| Deposits and Other Accounts held by Shareholders and their Relatives | - | - |
| Deposits and Other Accounts of the Chairman and Members of Board of Directors, Chief Executive Officer, Senior Executive Officers and their Relatives | 1,200 | 486 |
| Deposits and Other Accounts held as Assets subject to the Crime defined in the Article 282 of the Turkish Criminal Code no. 5237 dated 26 September 2004 | - | - |
| Deposits at Depository Banks established for Off-Shore Banking Activities in Turkey | - | - |
| Total | 1,200 | 486 |

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II. INFORMATION AND DISCLOSURES RELATED TO LIABILITIES (Continued)

2. Information on financial derivatives through profit or loss

| | Current Period | | Prior Period | |
|----------------------|----------------|----------|--------------|----------|
| | TL | FC | TL | FC |
| Forward transactions | - | - | - | - |
| Swap transactions | - | - | 3,554 | - |
| Futures transactions | - | - | - | - |
| Options | - | - | - | - |
| Other | - | - | - | - |
| Total | - | - | 3,554 | - |

3. Information on Funds Borrowed

Information on banks and other financial institutions

| | Current Period | | Prior Period | |
|--|----------------|----------------|--------------|------------------|
| | TL | FC | TL | FC |
| Borrowing from Central Bank | - | - | - | - |
| From Domestic Banks and Institutions | 7,571 | 29,452 | 2,815 | 1,276 |
| From Foreign Banks, Institutions and Funds | - | 172,865 | - | 1,302,876 |
| Total | 7,571 | 202,317 | 2,815 | 1,304,152 |

Presentation of funds borrowed based on maturity profile

| | Current Period | | Prior Period | |
|----------------------|----------------|----------------|--------------|------------------|
| | TL | FC | TL | FC |
| Short-Term | 6,908 | 193,520 | 2,546 | 933,725 |
| Medium and Long-Term | 663 | 8,797 | 269 | 370,427 |
| Total | 7,571 | 202,317 | 2,815 | 1,304,152 |

Additional explanation related to the concentrations of the Bank's major liabilities on the basis of concentrations, fund providing customers, sector groups and other criteria where risk concentration is observed

Domestic borrowings consist of Eximbank loans. Borrowings from abroad consist of foreign banks.

4. Information on other foreign resources

The other external resources is amounting to TL 18,290 (31 December 2012: TL 15,996) and this amount does not exceed 10% of the total balance sheet.

5. Information on financial lease obligations

In the financial lease contracts the installments are determined by considering the market interest rates, cost of the leasing asset and maturity of the financing. There are no significant obligations imposed on the Parent Bank as a result of the lease agreements.

6. Information on liabilities arised from financial derivative transactions for hedging purposes

The Group does not have financial derivative instruments for hedging purposes.

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II. INFORMATION AND DISCLOSURES RELATED TO LIABILITIES (Continued)

7. Information on provisions

Information on general provisions

| | Current Period | Prior Period |
|--|---------------------------|-------------------------|
| Provisions for Loans and Receivables in Group I | 15,567 | 8,741 |
| Additional provisions for the loans with extended payment plan | - | - |
| Provisions for Loans and Receivables in Group II | 54 | 12 |
| Additional provisions for the loans with extended payment plan | - | - |
| Provisions for Non-Cash Loans | 4,790 | 3,058 |
| Other | - | - |
| Total | 20,411 | 11,811 |

Provisions for currency exchange gain/loss on foreign currency indexed loans

| | Current Period | Prior Period |
|---|---------------------------|-------------------------|
| Foreign Exchange Provisions for Foreign Currency Indexed Loans ^(*) | - | 509 |

(*) Foreign exchange differences of foreign currency indexed loans are netted off with loans.

Special provisions set aside for non-funded and non-cash loans

As of 31 December 2013, special provisions set aside for non-funded and non-cash loans are TL 589 (31 December 2012: TL 569)

Reserve for employee termination benefits

The Group reserved for employee severance indemnities in the accompanying consolidated financial statements using actuarial method in compliance with the updated TAS 19 - Employee Benefits. Accumulated all actuarial gains and losses in equity are recognized in other capital reserves.

As at 31 December 2013 and 31 December 2012, the major actuarial assumptions used in the calculation of the total liability are as follows:

| The Parent Bank | Current Period | Prior Period |
|--|-----------------------|---------------------|
| Discount Rate | %2.83 | %2.86 |
| Expected Rate of Salary/Limit Increase | %6.00 | %5.00 |
| Estimated Employee Turnover Rate | %5.42 | %5.42 |
| Subsidiary | Current Period | Prior Period |
| Discount Rate | %2.38 | %2.38 |
| Expected Rate of Salary/Limit Increase | %5.00 | %5.00 |
| Estimated Employee Turnover Rate | %0.00 | %0.00 |

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In accordance with existing Turkish Labour Law, the Bank is required to make lump-sum termination indemnities to each employee who has completed one year of service with the Bank and whose employment is terminated due to retirement or for reasons other than resignation or misconduct. The computation of the liability is based upon the retirement pay ceiling announced. The applicable ceiling amount as at 31 December 2013 is TL 3,254 (full TL) (31 December 2012: TL 3,034 (full TL)). Reserve for employee termination benefits are calculated via net present value of estimated provision of probable liabilities will be arised in the future and reflected in the financial statements.

Movement of employee termination benefits are as follows:

| | Current Period | Prior Period |
|--------------------------------------|-----------------------|---------------------|
| Balances at Beginning of period | 5,228 | 3,776 |
| Provision booked in current period | 814 | 1,940 |
| Provision paid in current period (-) | 1,376 | 488 |
| Balances at End of the Period | 4,666 | 5,228 |

The unused vacation provision amount as at 31 December 2013 is TL 4,069 (31 December 2012: TL 2,911).

Information on other provisions

The provisions for probable risks are below:

| | Current Period | Prior Period |
|-----------------------------------|-----------------------|---------------------|
| The provisions for probable risks | - | 5,000 |

The free provisions amounting to TL 5,000 thousands as of 31 December 2012 have been cancelled and recognised as an income.

8. Information on tax payables

Information on corporate tax liability

As of 31 December 2013, corporate tax payable after deducting the prepaid tax is TL 3,773 (31 December 2012: TL 911)

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II. INFORMATION AND DISCLOSURES RELATED TO LIABILITIES (Continued)

Information on tax payables

| | Current Period | Prior Period |
|--|-----------------------|---------------------|
| Corporate Tax | 3,773 | 911 |
| Banking Insurance Transaction Tax (BITT) | 858 | 344 |
| Taxation of Securities | 232 | 663 |
| Value added taxes payable | 64 | 48 |
| Corporate tax payable-limited | 7 | - |
| Foreign Exchange Legislation Tax | - | - |
| Property tax | 15 | 14 |
| Other | 882 | 759 |
| Total | 5,831 | 2,739 |

Information on premiums

| | Current Period | Prior Period |
|--|-----------------------|---------------------|
| Social Security Premiums – Employee | 212 | 185 |
| Social Security Premiums – Employer | 306 | 259 |
| 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 share | 15 | 13 |
| Unemployment Insurance – Employer share | 30 | 26 |
| Other | - | - |
| Total | 563 | 483 |

Information on deferred tax liability

The net amount of assets and liabilities that is calculated over the temporary differences between the applied accounting policies and tax regulation is recorded as net deferred tax asset with an amount of TL 3,698. Detailed information on net deferred tax is presented in footnote I-13 in Section Five.

9. Information on liabilities for assets held for sale and discontinued operation

The Parent Bank has not any liability for assets held for sale and discontinued operation.

10. Explanations on the number of subordinated loans the Bank used, maturity, interest rate, institution that loan was borrowed from, and conversation option, if any

The Parent Bank has no subordinated loans.

11. Information on Shareholder’s Equity

Presentation of Paid-in Capital

| | Current Period | Prior Period |
|-----------------|-----------------------|---------------------|
| Common Stock | 240,000 | 240,000 |
| Preferred Stock | - | - |

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II. INFORMATION AND DISCLOSURES RELATED TO LIABILITIES (Continued)

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

Registered share capital system is not implemented in the Parent Bank.

Information on share capital increases and their sources; other information on any increase in capital shares during the current period

None.

Information on share capital increases from capital reserves

No transfer from capital reserves has been made to share capital in the current period.

Capital commitments for current financial year and following period, general purpose of these commitments and estimated resources necessary for these commitments

No capital commitments have been made to current financial year and following period.

The impacts of the foresights, which are prophesied according to Group's prior periods income, profitability, and liquidity indicators and uncertainty, to shareholders' equity

None.

Information on the privileges given to stocks representing the capital

According to the master agreement, The share capital can be increased or decreased one or more times. Such an increase may be accomplished through the transfer of monies from the reserves to the capital account and the issuance of "bonus" shares in consequence thereof.

Every shareholder shall have the preferential (pre-emptive) right to subscribe for a proportion of new shares corresponding to the number of shares held by him and such right may be exercised within a period of thirty days from the date of receipt by each shareholder of an invitation to the shareholders to that effect. Such invitation shall be made by registered mail to the address contained in the share register.

These preferential (pre-emptive) rights may only be assigned by approval of the Board of Directors upon the favourable vote of 80% of the members, present or represented.

New shares may not be issued at a price less than the nominal value of the original shares issued.

Fractional shares shall be allocated by the Board of Directors.

The Parent Bank may not, the acquisition of its own shares whether dire.

Arabian shareholders are treated under the same legislation with Turkish citizens. This includes the transfer of distributed other revenues, guarantees, shares, dividends. And in a similar manner Arabian shareholders are benefited and protected by law No.6224, Foreign Capital Incentive Law.

Information on marketable securities value increase fund

The Parent Bank does not have marketable securities value increase fund.

Information on legal reserve

In the current period there is TL 2,976 transferred to legal reserves from retained earnings. (31 December 2012: TL 2,504).

Information on minority shares

None

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III. INFORMATION AND DISCLOSURES RELATED TO OFF-BALANCE SHEETS

1. Information on contingent liabilities in the off-balance sheets

Type and amount of irrevocable commitments

The Group has TL 15,480 (31 December 2012: TL 6,132) as irrevocable commitments.

Type and amount of possible losses from off-balance sheet items

As of 31 December 2013, the Group has allocated the provision amounting TL 5,379 over total non-cash loans (31 December 2012: TL 3,627).

Guarantees, bills of exchange and acceptances and other letters of credit which can be counted as financial collateral

The total amount of non-cash loans including guarantees, bills of exchange and acceptances and sureties on letters of credits and other guarantees is TL 591,973 (31 December 2012: TL 325,191).

Final guarantees, temporary guarantees, commitments and similar transactions

The total amount of the Group’s guarantee letters is TL 1,789,502 (31 December 2012: TL 1,247,340).

2. Total amount of Non-cash loans

| | Current Period | Prior Period |
|---|-----------------------|---------------------|
| Non-Cash Loans granted for Cash Loan Assurance | 97,324 | 26,341 |
| Less Than or Equal to One Year with Original Maturity | - | 315 |
| More Than One Year with Original Maturity | 97,324 | 26,026 |
| Other Non-Cash Loans | 2,284,151 | 1,546,190 |
| Total | 2,381,475 | 1,572,531 |

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**III. INFORMATION AND DISCLOSURES RELATED TO OFF-BALANCE SHEETS
(Continued)**

Information on Sectoral risk concentrations of non-cash loans

| | Current Period | | | | Prior Period | | | |
|--------------------------------------|----------------|---------------|------------------|---------------|----------------|---------------|------------------|---------------|
| | TL | % | FC | % | TL | % | FC | % |
| Agricultural | 2,897 | 1.37 | 1,742 | 0.08 | 39 | 0.03 | 3,091 | 0.21 |
| Farming and Raising livestock | 2,858 | 1.35 | 1,742 | 0.08 | - | - | 3,091 | 0.21 |
| Forestry | 39 | 0.02 | - | - | 39 | 0.03 | - | - |
| Fishing | - | - | - | - | - | - | - | - |
| Manufacturing | 66,296 | 31.24 | 204,821 | 9.44 | 17,360 | 13.70 | 105,546 | 7.30 |
| Mining | 6,435 | 3.03 | 10,672 | 0.49 | 6,435 | 5.08 | - | - |
| Production | 59,861 | 28.21 | 194,149 | 8.95 | 10,925 | 8.62 | 105,546 | 7.30 |
| Electric, gas and water | - | - | - | - | - | - | - | - |
| Construction | 137,591 | 64.83 | 373,594 | 17.22 | 103,305 | 81.51 | 198,583 | 13.74 |
| Services | 5,442 | 2.56 | 1,589,092 | 73.26 | 5,993 | 4.73 | 1,138,567 | 78.75 |
| Wholesale and Retail Trade | 12 | 0.01 | 2,934 | 0.14 | 461 | 0.36 | 2,103 | 0.15 |
| Hotel, Food and Beverage Services | - | - | - | - | - | - | - | - |
| Transportation and Telecommunication | 810 | 0.38 | 1,735 | 0.08 | - | - | 369 | 0.03 |
| Financial Institutions | 4,507 | 2.12 | 1,584,423 | 73.04 | 5,058 | 3.99 | 1,136,095 | 78.57 |
| Real Estate and Renting Services | - | - | - | - | - | - | - | - |
| Self-Employment Services | - | - | - | - | - | - | - | - |
| Education Services | 113 | 0.05 | - | - | 85 | 0.07 | - | - |
| Health and Social Services | - | - | - | - | 389 | 0.31 | - | - |
| Other | - | - | - | - | 47 | 0.04 | - | - |
| Total | 212,226 | 100.00 | 2,169,249 | 100.00 | 126,744 | 100.00 | 1,445,787 | 100.00 |

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**III. INFORMATION AND DISCLOSURES RELATED TO OFF-BALANCE SHEETS
(Continued)**

4. Information on non-cash loans classified as I and II group loans

| | Group I | | Group II | |
|-------------------------------------|----------------|------------------|--------------|----------|
| | TL | FC | TL | FC |
| Letters of guarantee | 205,071 | 1,577,824 | 6,607 | - |
| Bank acceptances | 548 | 116,180 | - | - |
| Letters of credit | - | 475,245 | - | - |
| Endorsements | - | - | - | - |
| Underwriting commitments | - | - | - | - |
| Factoring commitments | - | - | - | - |
| Other commitments and contingencies | - | - | - | - |
| Non-Cash Loans | 205,619 | 2,169,249 | 6,607 | - |

5. Information on derivative transactions

| | Current Period | Prior Period |
|--|----------------|----------------|
| Trading Derivatives | - | 273,866 |
| Foreign Currency Related Derivative Transactions (I) | - | - |
| Currency Forward | - | - |
| Currency Swaps | - | 273,866 |
| Currency Futures | - | - |
| Currency Option | - | - |
| Interest Rate Related Derivative Transactions (II) | - | - |
| Interest Rate Forwards | - | - |
| Interest Rate Swaps | - | - |
| Interest Rate Options | - | - |
| Interest Rate Futures | - | - |
| Other Trading Derivatives (III) | - | - |
| A. Total Trading Derivatives (I+II+III) | - | 273,866 |
| Hedging Derivatives | - | - |
| Fair Value Hedges | - | - |
| Cash Flow Hedges | - | - |
| Hedges for Foreign Currency Investments | - | - |
| B. Total Hedging Derivatives | - | - |
| Total Derivative Transactions (A+B) | - | 273,866 |

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**III. INFORMATION AND DISCLOSURES RELATED TO OFF-BALANCE SHEETS
(Continued)**

| | 31 December 2013 | | | | | Total |
|---------------------------------------|------------------|-----------------|-----------------|-----------------|--------------------|-------|
| | Up to 1 Month | 1 to 3 Month | 3 to12 Month | 1 to 5 Years | 5 to over Years | |
| Currency Swap Transactions | - | - | - | - | - | - |
| Buy | - | - | - | - | - | - |
| Sell | - | - | - | - | - | - |
| FX Forward Transactions | - | - | - | - | - | - |
| Buy | - | - | - | - | - | - |
| Sell | - | - | - | - | - | - |
| Total Buy | - | - | - | - | - | - |
| Total Sell | - | - | - | - | - | - |
| Total | - | - | - | - | - | - |

6. Information on credit derivatives and related imposed risks

The Group does not have any credit derivate contract.

7. Information on contingent liabilities and assets

The Bank has provided TL 43 (31 December 2012: TL 202) of provision for the disputed legal cases filed by various persons and institutions, high probability of occurrence and requiring cash outflow. The amount is shown under the Other Provisions Note II -7. Although there are other ongoing lawsuits that against the Bank, do not expect high possibility of against result and cash outflows related to these cases.

8. Services supplied on behalf of others

None.

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IV. INFORMATION AND FOOTNOTES RELATED TO STATEMENT OF INCOME

1. Information on interest income

Information on interest income received from loans

| | Current Period | | Prior Period | |
|--|----------------|---------------|---------------|---------------|
| | TL | FC | TL | FC |
| Interest Received from Loans ⁽¹⁾ | | | | |
| Short- Term Loans | 28,543 | 6,038 | 32,076 | 6,343 |
| Medium and Long- Term Loans | 1,908 | 20,493 | 1,216 | 11,127 |
| Interest Received From Non Performing Loans | 322 | - | - | - |
| Premiums Received From Resource Utilization Support Fund | - | - | - | - |
| Total | 30,773 | 26,531 | 33,292 | 17,470 |

⁽¹⁾ It contains fee and commission income related to cash loans

Information on interest income received from banks

| | Current Period | | Prior Period | |
|---------------------------------------|----------------|---------------|--------------|---------------|
| | TL | FC | TL | FC |
| From Central Bank | | | | |
| From Domestic Banks | 2,047 | 25,591 | 8,081 | 13,019 |
| From Foreign Banks | 2 | 41 | 1 | 75 |
| From Foreign Headquarter and Branches | - | - | - | - |
| Total | 2,049 | 25,632 | 8,082 | 13,094 |

Information on interest income received from marketable securities

| | Current Period | | Prior Period | |
|---|----------------|--------------|---------------|---------------|
| | TL | FC | TL | FC |
| Financial Assets Held for Trading | 1,874 | 2,217 | 8,358 | 4,240 |
| Financial Assets Where Fair Value Change is Reflected to Income Statement | - | - | - | - |
| Financial Assets Available for Sale | - | - | - | - |
| Investments Held to Maturity | 3,864 | 7,206 | 6,496 | 7,323 |
| Total | 5,738 | 9,423 | 14,854 | 11,563 |

Information on interest income received from associates and subsidiaries

None.

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IV. INFORMATION AND FOOTNOTES RELATED TO STATEMENT OF INCOME
(Continued)

2. Interest Expense

Information on interest paid for funds borrowed

| | Current Period | | Prior Period | |
|---------------------------|----------------|---------------|--------------|--------------|
| | TL | FC | TL | FC |
| Banks | 293 | 16,966 | 310 | 7,139 |
| Central Bank | - | - | - | - |
| Domestic Banks | 293 | 256 | 160 | 445 |
| Foreign Banks | - | 16,710 | 150 | 6,694 |
| Other Institutions | - | - | - | - |
| Total | 293 | 16,966 | 310 | 7,139 |

Information on interest expense paid to subsidiaries and associates

None.

Information on interest expense given on securities issued

None.

Maturity structure of the interest expense on deposits

| Current Period | Time Deposit | | | | | | Cumulative Deposit | Total |
|-----------------------------------|----------------|---------------|----------------|----------------|--------------|------------------|--------------------|--------------|
| | Demand Deposit | Up to 1 Month | Up to 3 Months | Up to 6 Months | Up to 1 Year | More than 1 Year | | |
| Turkish Lira | | | | | | | | |
| Interbank deposits | - | 575 | - | - | - | - | - | 575 |
| Saving deposits | - | 26 | 63 | 97 | - | - | - | 186 |
| Public sector deposits | - | - | - | - | - | - | - | - |
| Commercial deposits | - | 20 | 10 | 4 | 3 | 551 | - | 588 |
| Other deposits | - | - | - | - | - | - | - | - |
| Deposits with 7 days notification | - | - | - | - | - | - | - | - |
| Total | - | 621 | 73 | 101 | 3 | 551 | - | 1,349 |
| Foreign Currency | | | | | | | | |
| Foreign currency deposits | - | 16 | 39 | 30 | 7 | 93 | - | 185 |
| Interbank deposits | 629 | 572 | 1,651 | 1,140 | 1,247 | 1,419 | - | 6,658 |
| Deposits with 7 days notification | - | - | - | - | - | - | - | - |
| Precious metal deposits | - | - | - | - | - | - | - | - |
| Total | 629 | 588 | 1,690 | 1,170 | 1,254 | 1,512 | - | 6,843 |
| Grand Total | 629 | 1,209 | 1,763 | 1,271 | 1,257 | 2,063 | - | 8,192 |

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**IV. INFORMATION AND FOOTNOTES RELATED TO STATEMENT OF INCOME
(Continued)**

3. Information on dividend income

| | Current Period | Prior Period |
|---|-----------------------|---------------------|
| Trading Financial Assets | - | - |
| Financial Assets through profit or loss | - | - |
| Financial Assets available for sale | 66 | 61 |
| Other | - | - |
| Total | 66 | 61 |

4. Information on trading gain/loss

| | Current Period | Prior Period |
|---|-----------------------|---------------------|
| Gain | 3,622,900 | 1,666,005 |
| Gain from money market transactions | - | 9 |
| Gain from financial derivative transactions | 22,458 | 31,481 |
| Gain from exchange transactions | 3,600,442 | 1,634,515 |
| Loss (-) | (3,624,056) | (1,668,616) |
| Loss from money market transactions | - | - |
| Loss from financial derivative transactions | (24,336) | (37,021) |
| Loss from exchange transactions | (3,599,720) | (1,631,595) |
| Net Trading Gain/Loss | (1,156) | (2,611) |

5. Information on income from other operations

| | Current Period | Prior Period |
|---|-----------------------|---------------------|
| From Reversal of Provisions of Prior Year | 1,273 | 2,147 |
| From Communication Income | 250 | 1,502 |
| Gain on sales of assets | 5,200 | 933 |
| Other Income | 294 | 107 |
| Total | 7,017 | 4,689 |

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**IV. INFORMATION AND FOOTNOTES RELATED TO STATEMENT OF INCOME
(Continued)**

6. Information on impairment in loans and other receivables

| | Current Period | Prior Period |
|--|-----------------------|---------------------|
| Specific Provisions on Loans and Other Receivables | 225 | 2,285 |
| <i>Loans and Receivables in Group III</i> | 50 | 74 |
| <i>Loans and Receivables in Group IV</i> | 167 | - |
| <i>Loans and Receivables in Group V</i> | 8 | 2,211 |
| <i>Doubtful Receivables</i> | - | - |
| General Provision Expenses | 8,600 | 2,502 |
| Provision for Possible Losses | - | - |
| Foreign Exchange Losses on Foreign Currency Indexed Loans | - | - |
| Impairment Losses on Securities | 502 | - |
| <i>Financial Assets through Profit or Loss</i> | 502 | - |
| <i>Investment Securities Available-for-Sale</i> | - | - |
| Other Impairment Losses | 391 | 138 |
| <i>Associates</i> | - | - |
| <i>Subsidiaries</i> | - | - |
| <i>Joint Ventures</i> | - | - |
| <i>Investment Securities Held-to-Maturity</i> | 391 | 138 |
| Other | 285 | 1 |
| Total | 10,003 | 4,926 |

7. Information on other operating expense

| | Current Period | Prior Period |
|---|-----------------------|---------------------|
| Personnel Expenses | 39,629 | 38,371 |
| Employee Termination Benefits Expense | 1,216 | 744 |
| Tangible Fixed Asset Impairment Expense | - | - |
| Intangible Fixed Asset Impairment Expense | - | - |
| Amortization Expenses of Tangible Assets | 2,767 | 2,587 |
| Goodwill Impairment Expense | - | - |
| Amortization Expenses of Intangible Assets | 1,021 | 733 |
| Shareholders Equity Procedure Applied Equity Interest Impairment Expense | - | - |
| Disposable Fixed Asset Impairment Expense | 1 | - |
| Amortization Expense of Assets Held for Resale | 8 | 16 |
| Impairment Expense related to Fixed Assets held for sale and discontinued operations | - | - |
| Assets Impairment Expense | - | - |
| Other Operating Expenses | 9,571 | 9,659 |
| <i>Operating Lease Expenses</i> | 1,292 | 1,170 |
| <i>Maintenance Expenses</i> | 186 | 333 |
| <i>Advertisement Expenses</i> | 487 | 662 |
| <i>Other Expenses</i> | 7,606 | 7,494 |
| Losses from sales of Assets | - | - |
| Other | 4,576 | 4,559 |
| Total | 58,789 | 56,669 |

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**IV. INFORMATION AND FOOTNOTES RELATED TO STATEMENT OF INCOME
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8. Information on profit/loss before taxes including profit/loss from discontinued operations

The pre-tax income amount from continued operations is TL 61,607 (31 December 2012: TL 76,823).

9. Information on tax provision related to continued operations and discontinued operations

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

As of 31 December 2013, taxation charge is TL 12,151 (31 December 2012: TL 14,879) and deferred tax expense is TL 922 (31 December 2012: TL 1,076 as deferred tax expense).

Deferred tax charge arising from origination or reversal of temporary differences

The Group has TL 922 as deferred tax expense arising from origination of temporary differences (31 December 2012: TL 254 deferred tax expense).

Deferred tax charge/income represented in the income statement within the context of temporary difference, financial loss and tax reduction.

The Group has TL 80 as deferred tax expense reflected in the income statement computed over temporary difference and tax deductions and exemptions (31 December 2012: TL 824 deferred tax income).

10. Information on net profit or loss of the period including profit/loss from continued and discontinued operations:

Current period profit from continued operations is TL 48,534 (31 December 2012: TL 60,868 profit).

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IV. INFORMATION AND FOOTNOTES RELATED TO STATEMENT OF INCOME
(Continued)

11. Information on net profit or loss of the period

Information on nature, dimension and frequency rate of income and expense accounts resulting from ordinary banking transactions if they are necessary for explaining the Bank's current year performance

None.

Information on the profit or loss affect of a change in an estimation related to financial statements and future period affect of the change in this estimation

There is no change in accounting estimation related to consolidated financial statements.

Profit/loss regarding minority rights

There is no profit/loss regarding minority rights in the accompanying consolidated financial statements since the Parent Bank owns 99.98% of the consolidated subsidiary.

12. Information on 20% of other accounts in income statement, if other accounts exceed 10% of total income statement.

Other accounts which exceed the 10% of the income statement ,other than other operating income and other operating expense, amounting to TL 21,372 (31 December 2012: TL 26,838) consist of transfer commissions, letter of credit commissions and other.

| | Current Period |
|------------------------------|-----------------------|
| Transfer Commissions | 2,942 |
| Letter of Credit Commissions | 16,637 |
| Other | 1,793 |
| Total | 21,372 |

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**V. INFORMATION AND DISCLOSURES RELATED TO STATEMENT OF CHANGES
IN SHAREHOLDERS’ EQUITY**

1. Changes due to revaluation of financial assets available-for-sale

None.

2. Confirmation on exchange rate differences between beginning and ending

None.

3. Increases due to cash flow hedges

None.

4. Information on dividend

Dividend amounts declared subsequent to the balance sheet date but before the issuance of the consolidated financial statement

None.

Net profit per share proposed to be distributed after the balance sheet date

None.

5. Amounts transferred to reserves

In the current period, amount of TL 2,976 have been transferred to legal reserves.

6. Information on issuance of common stock

Rights, priorities and restrictions for all classes of capital shares, including dividend distribution and recall of capital

None.

7. Information on other capital increment accounts at the equity movement table

Information on inflation restatement differences of shareholders equity accounts

In BRSA’s Circular on 28 April 2005 and in accordance with the decision dated 21 April 2005 and numbered 1623. Due to the fact that the majority of the criteria’s confirming the existence of a hyperinflationary economy are not valid anymore. The inflation accounting had been ceased beginning from 1 January 2005.

Inflation restatement of paid in capital amounting 7,611 TL (31 December 2012: TL 9,096) which was recorded in the account of “Paid in capital Inflation Restatement” account is transferred to “Other Capital Reserves” account.

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VI. INFORMATION AND FOOTNOTES RELATED TO CASH FLOWS STATEMENT

1. Information on cash and cash equivalent assets

Balances that form the cash and cash equivalent assets, and the accounting policy used in the formation of these balances

Subject to the preparation of cash flows statements "Cash" refers to cash in vault, cash in transit, bank cheques purchased and demand deposits in banks including Central Bank of Turkey; "Cash equivalents" refers to money market placements of original maturity less than three months and time deposits at banks, and investments in financial securities.

Information on cash and cash equivalents at the beginning of the period

| | 31 December 2012 | 31 December 2011 |
|---------------------------|------------------|------------------|
| Cash | 5,846 | 9,694 |
| Cash and cash equivalents | 1,389,178 | 1,556,091 |
| Total | 1,395,024 | 1,565,785 |

Information on cash and cash equivalents at the end of the period

| | 31 December 2013 | 31 December 2012 |
|---------------------------|------------------|------------------|
| Cash | 6,796 | 5,846 |
| Cash and cash equivalents | 1,240,426 | 1,389,178 |
| Total | 1,247,222 | 1,395,024 |

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**VI. INFORMATION AND FOOTNOTES RELATED TO CASH FLOWS STATEMENT
(Continued)**

1. Information on unrestricted cash and cash equivalents that is in the possession of the Group however not in the restricted usage due to legal limitations and other reasons

The Group has no restricted cash and cash equivalents that is in the possession of the Group due to legal limitations and other reasons (31 December 2012: None).

2. Information on the effect on cash and cash equivalent assets due to changes in other accounts in the cash flows statement and exchange rates

The TL (-) 27,281 (31 December 2012: TL 90,340) in the "Other" account that is under the "Operational Profit Before Operations of Banking on Assets and Liabilities" account is comprised of other operating income excluding collections from non performing loans, other operating expense excluding personnel expenses and exchange gain/loss.

The "Net increase/decrease in other assets" account under the "Changes in assets and liabilities subject to banking activities" amounting to (-) TL 3,172 (31 December 2012: (-)TL 4,601 is composed of changes in fixed assets, associates, tax assets and other assets.

The "Net increase/decrease in other debts" account under the "Changes in assets and liabilities subject to banking activities" amounting to TL 48,046 (31 December 2012: TL 202,175) is composed of changes in miscellaneous debts, other foreign resources and tax, duty, fees and premiums payable.

Effect of Change in Foreign Exchange Rate on Cash and Cash Equivalents" is computed by TL 115,007 (31 December 2011: (-) TL 94,131).

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VII. INFORMATION ON THE GROUP’S RISK GROUP

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

Information on the loans of the Group’s risk group

Current Period

| Bank’s Risk Group (*) | Associates, Subsidiaries and Joint Ventures | | Bank’s Direct and Indirect Shareholders | | Other Components in Risk Group | |
|---|---|----------|---|----------|--------------------------------|----------|
| | Cash | Non-cash | Cash | Non-Cash | Cash | Non-cash |
| Loans and Other Receivables | | | | | | |
| Balance at the beginning of the period | - | - | - | 14,852 | 10,522 | 116,416 |
| Balance at the end of the period | - | - | 4,267 | 13,686 | 47,872 | 98,201 |
| Interest and Commission Income received | - | - | 18 | - | 26 | - |

(*) Stated at the 2nd clause of the 49 nth article of the Law No. 5411 of Bank’s Act.

Loans given to the Parent Bank’s direct and indirect shareholders are composed of forfeiting and letter of credit transactions which the interest and commission income are obtained not from the risk group but from the exporting firms.

Prior Period

| Bank’s Risk Group (*) | Associates, Subsidiaries and Joint Ventures | | Bank’s Direct and Indirect Shareholders | | Other Components in Risk Group | |
|---|---|----------|---|----------|--------------------------------|----------|
| | Cash | Non-cash | Cash | Non-Cash | Cash | Non-cash |
| Loans and Other Receivables | | | | | | |
| Balance at the beginning of the period | - | - | 180,004 | 18,396 | 19,102 | 149,230 |
| Balance at the end of the period | - | - | - | 14,852 | 10,522 | 116,416 |
| Interest and Commission Income received | - | - | - | - | - | - |

(*) Stated at the 2nd clause of the 49 nth article of the Law No. 5411 of Bank’s Act.

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VII. INFORMATION ON THE GROUP'S RISK GROUP (Continued)

Information on deposits of the Bank's risk group

| Bank's Risk Group (*) | Associates, Subsidiaries and Joint Ventures | | Bank's Direct and Indirect Shareholders | | Other Components in Risk Group | |
|---|---|-----------------|--|-----------------|-----------------------------------|-----------------|
| | Current Period | Prior Period | Current Period | Prior Period | Current Period | Prior Period |
| Deposits | - | - | - | - | - | - |
| Balance at the beginning of the period | - | - | 637,403 | 78 | 26,355 | 26,951 |
| Balance at the end of the period | - | - | 1,378,134 | 637,403 | 508,101 | 26,355 |
| Interest expense on deposits | - | - | 1,436 | 16,120 | 132 | - |

(*) Stated at the 2nd clause of the 49 th article of the Law No. 5411 of Bank's Act.

Information on forward transactions, options and other contracts related to Group's risk group

None.

Information on forward transactions, options and other contracts related to the Parent Bank's risk group

None.

Information on benefits provided for top level management:

For the period then ended 31 December 2013, TL 6,232 (30 September 2012: TL 5,332) has been paid to the top level management of the Bank as salaries and fringe benefit.

VIII. DOMESTIC, FOREIGN AND OFF SHORE BRANCHES or INVESTMENTS AND FOREIGN REPRESENTATIVE OFFICES

1. Information on Bank's domestic branches, foreign branches and representatives

| | Number of Branches | Number of Employees | | |
|----------------|-----------------------|------------------------|---------------------|----------------------|
| Yurt içi şube | 7 | 277 | | |
| | | | Country | |
| Yurt dışı | - | - | | |
| | | | Total Assets | Legal Capital |
| Yurt dışı şube | - | - | - | - |
| Kıyı Bnk. Blg. | - | - | - | - |

2. Bank open or close branches or representative offices in the country and abroad, information on significant changes in the organization

There's none Branch was opened in the year 2013 in Turkey (2012: 1). There are no Branches closed over the same period (2012: None).

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SECTION SIX

OTHER DISCLOSURES AND FOOTNOTES

I. OTHER INFORMATION ON GROUP’S OPERATIONS

None.

II. INFORMATION ON EVENTS AFTER THE BALANCE SHEET DATE

None.

SECTION SEVEN

REVIEW INDEPENDENT AUDITOR’S REPORT

I. INFORMATION ON REVIEW INDEPENDENT AUDITOR’S REPORT

As of 31 December 2013, consolidated financial statements and explanatory notes of the Bank disclosed herein were audited by Başaran Nas Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (a member of PricewaterhouseCoopers) and Independent Auditor’s Review Report dated 27 February 2014 is presented preceding the financial statements

II. INFORMATION AND FOOTNOTES PREPARED BY INDEPENDENT AUDITOR

None.